



Bor. Hor. 11/2023

10<sup>th</sup> August 2023

**Subject: Report of the Company's 2<sup>nd</sup> Quarter 2023 financial performances**

**Attention: The President  
The Stock Exchange of Thailand**

The Tipco Asphalt Public Company Limited (“the Company”) would like to report the 2<sup>nd</sup> Quarter 2023 unaudited but reviewed consolidated financial performance of the Group.

Reference to the unaudited but reviewed financial statements ended 30<sup>th</sup> June 2023, the Company’s net profit after tax for the 2<sup>nd</sup> quarter 2023 amounted to Baht 744 million, compared to Baht 587 million during the same period in 2022. The following key highlights summarize the Company’s performance during this quarter:

1. Sales and services stood at Baht 7,206 million, reflecting an increase of 2.4% from the same period of last year. This was mainly attributed to higher sales volume in several countries in the international market. On the other hand, the average selling prices of asphalt products slightly decreased following the global oil price drop.
2. Cost of sales and services stood at Baht 6,090 million or 84.5% (85.0% in the corresponding quarter in 2022) of sales and services before allowance for diminution in value of inventory and hedging gain. The modest increase in gross profit was primarily due to a decrease in the average inventory cost, resulting from reduced expenses related to asphalt purchases from regional refineries.



Additionally, the Company recorded a gain of Baht 79 million from price hedging contracts as a result of the decline in global market prices for crude oil and petroleum products.

3. Revenue from construction contracts stood at Baht 851 million, reflecting an increase of 4.3% from the same period of last year. This was resulted from increase in construction and road maintenance income, in particular the 3<sup>rd</sup> runway construction project and ground improvement work for the 2<sup>nd</sup> Midfield Satellite (SAT-2) project at the Suvarnabhumi International Airport.

Cost of construction stood at Baht 804 million or 94.4% (97.3% in corresponding quarter in 2022) of revenue. The improvement of gross profit was due to a higher proportion of road maintenance projects, which typically have higher profit margins compared to construction projects.

4. Selling and administrative expenses stood at Baht 46 million and Baht 277 million, representing 0.6% and 3.4% of total sales and services, respectively. Comparatively, these expenses in the same period of 2022 stood at Baht 37 million and Baht 298 million or 0.5% and 3.8% of total sales and services. The Company is committed to control overhead expenses while improving the operating gross profit margin.

5. The gain on exchange of Baht 31 million was a result of the depreciation of the Baht against the US Dollar during this quarter.



6. The Group recorded consolidated allowance for expected credit losses of Baht 47 million in this quarter as compared to Baht 3 million in the same period of last year. This mainly resulted from an increase in loss rate percentage together with an increase in account receivable balance at the end of the quarter.
7. The Group's cashflow generated from operations stood at Baht 1,337 million as compared to Baht 1,192 million in the corresponding period of 2022 as a result of higher operating performance in this quarter.
8. The Group's consolidated debt to equity ratio (D/E ratio) was 0.47 comparing to 0.74 in the corresponding period a year ago due to reduced short-term financing.
9. The net profit after tax of Baht 744 million for the 2<sup>nd</sup> quarter 2023 represented earnings per share of Baht 0.47 (par value of Baht 1 each) as compared to Baht 0.37 per share in corresponding quarter of 2022.

Please be informed and kindly disseminate the above to all the investors accordingly.

Sincerely yours,

A handwritten signature in black ink, appearing to read "อ. ชัยวัฒน์" (Mr. Chaiwat Srivalwat), is written over a horizontal line.

Mr. Chaiwat Srivalwat  
Chief Executive Officer