



Bor. Hor. 018/2023

13th November 2023

Subject: Report of the Company's 3rd 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 3rd Quarter 2023 unaudited but reviewed consolidated financial performance of the Group.

Reference to the unaudited but reviewed financial statements ended 30th September 2023, the Company's net profit after tax for the 3rd quarter 2023 stood at Baht 202 million as compared to the net profit after tax of Baht 509 million in the corresponding period of 2022. Details of the Company's performance can be summarized as follows:

1. Sales and services stood at Baht 5,893 million, reflecting a decrease of 20.9% from the same period of last year due to the reduction of sales volume in both the domestic and the international markets. The domestic volume reduction in Q3 was the consequence of the 2023 government budget fiscal year coming to an end in September 2023. Meanwhile, the decrease in the international market resulted from the Company's ongoing strategy of "selective market sales" strategy.

Cost of sales and services stood at Baht 5,295 million or 89.9% (89.3% in the corresponding quarter in 2022) of sales and services before reversal of allowance for diminution in value of inventory and hedging loss. The decrease in gross profit was primarily due to a reduction in the average selling price of asphalt products, which aligns with the regional asphalt market. In



addition, the Company recorded a loss from price hedging contracts of Baht 113 million from the increase in global market price for crude oil and petroleum products during the quarter.

2. Revenue from construction contracts stood at Baht 1,162 million, reflecting an increase of 40.3% from the same period of last year. This was resulted from continuing increase in construction and road maintenance income, in particular the 3rd runway construction project and ground improvement work for the 2nd Midfield Satellite (SAT-2) project at the Suvarnabhumi International Airport.

Cost of construction stood at Baht 1,097 million or 94.4% (95.9% in corresponding quarter in 2022) of the revenue from construction contracts. The improvement of gross profit was mainly resulted from slightly decreases in material cost as compared to the same period of last year.

3. Selling and administrative expenses stood at Baht 38 million and Baht 244 million, representing 0.5% and 3.5% of total sales and services. Comparatively, these expenses in the same period of 2022 stood at Baht 41 million and Baht 255 million or 0.5% and 3.1% of total sales and services. The Company is committed to control overhead expenses while improving the operating gross profit margin.
4. The gain on exchange of Baht 23 million was due to the depreciation of the Baht against US Dollar in this quarter.
5. The Group recorded consolidated allowance for expected credit losses of Baht 49 million in this quarter as compared to Baht 30 million in the same period of last year. This mainly resulted from an increase in loss rate percentage this year.
6. The Group's cashflow generated from operations stood at Baht 716 million as compared to Baht 545 million in the corresponding period of 2022. This improvement was primarily due to



the impact of non-cash expenses in the current year, particularly related to expected credit loss and the fair value of hedging contracts.

7. The Group's consolidated debt to equity ratio (D/E ratio) was 0.52 comparing to 0.65 in the corresponding period a year ago. This was resulted from the reduction in working capital financing in this quarter.
8. The net profit after tax of Baht 202 million for the 3rd quarter 2023 represented earnings per share of Baht 0.13 (par value of Baht 1 each) as compared to Baht 0.32 per share in the corresponding quarter of 2022.

Please be informed and disseminate to investors accordingly.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'ช.ชว.ว.', is positioned above a horizontal line.

Mr. Chaiwat Srivalwat
Chief Executive Officer