

PTG Energy Public Company Limited

Management Discussion and Analysis

For the Third Quarter and Nine-Month Period Ended September 30, 2023



Investor Relations:

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Executive Summary

The **Overall Thai Economy** in 9M2023 continues to show improvement compared to the previous year, which primarily contributed from the recovery of the tourism sector along with the ongoing reduction in the inflation rate. Despite a slight decline in exports, momentum rebounded in August. However, it remains imperative to closely monitor the global economic landscape, considering geopolitical conflicts, given their potential to substantially influence the trajectory of the world economy and diverse aspect of the Thai economy. For Thailand's overall 9M2023 consumption through station channel grew slightly by 3.0% YoY, whilst PTG exhibited a remarkable growth of 14.4% YoY in retail station channel, and 12.9% YoY increase in all distribution channel.

For 9M2023 performance of PTG Energy Public Company Limited ("The Company"), indicating a **total revenue** of 149,286 MB, represented an increase of 14.4% YoY. This was mainly attributed to the Oil Business, which recorded revenue of 139,360 MB, grew by 12.5% YoY. The increase was mainly from the oil sales volume through all channel rose by 12.9% YoY to 4,414 ML. For Non-Oil Business also contributed a significant revenue growth of 52.0% to 9,926 MB. The major increase was derived from LPG business of 55.5% in revenue to 6,117 MB, which largely from 1) the highest record of sales volume to 466 ML, grew by 30.2% YoY, and 2) obtained the average LPG price of 13.10 Baht/liter, grew by 19.3% YoY. Punthai Coffee business saw an increase of revenue of 58.6% YoY driven by the continuous expansion to 756 branches by the end of September 2023, along with same-store-sales growth and the consistent patronage of PT Max Card and PT Max Card Plus customers.

The Company's **gross profit** in 9M2023 stood at 9,304 MB, which grew slightly by 1.9% YoY, with the main growth from Non-Oil business of 419 MB or 26.7% YoY to 1,990 MB. In terms of Oil business, indicated a 3.2% YoY decrease to 7,314 MB. The decline in oil gross profit was primarily attributed to the misalignment between the oil fund adjustment and the change in ex-refinery prices, resulting in a reduction of gross profit per liter in 2Q2023. Additionally, in 3Q2023 also saw a reduction in oil sales volume compared to the previous quarter, influenced by seasonal factors, along with the new government's policy in lowering Diesel retail price of THB 2.00 per liter, which effective from September 20, 2023 to December 31, 2023. The Oil business gross profit remained largest proportion of total gross profit at 78.6%.

The **Selling and Administrative Expenses (SG&A)** incurred during the year aligned with the Company's strategy to develop and expand branches in both the Oil and Non-Oil businesses, along with

the development of new service and product standards to meet customer needs, coupled with the aforementioned misalignment in oil fund management. As a result, the Company's reported **operating profit before interest, tax, depreciation, and amortization (EBITDA)** of 3,967 MB, decreased by 11.0% YoY. The **net profit** amounted to 424 MB, reflecting a 55.4% YoY decrease, with an earnings per basic share of THB 0.24 per share.

Significant Events in 3Q2023

Bestowed with the National Innovation Award in 2566, "Max Enterprise Connect" Embodies a Genuinely Business-Responsive Platform

The Company received the 2023 National Innovation Award for product and service design for "Max Enterprise Connect" from the National Innovation Agency (Public Organization) or NIA, Ministry of Higher Education, Science, Research and Innovation on the occasion of "National Innovation Day" on October 5, 2023.

The Max Enterprise Connect solution platform serves as a comprehensive management tool for fuel expenses, fleets, and personnel, catering to operators and logistics organizations of all sizes, whether individuals or entities. This ensures that businesses, regardless of their scale, can access advanced management technology, reducing reliance on foreign software and eliminating associated fees. Consequently, the platform not only supersedes outdated fleet card technology, which fails to address the evolving needs of today's complex logistics businesses but also leverages a network of over 2,000 gas stations and 50 Max Camp rest area. This extensive infrastructure supports entrepreneurs across Thailand in efficiently managing transportation costs for optimal performance, catering to the diverse needs of logistics businesses. The platform is user-friendly, instantly resolving issues, and operates in real-time, streamlining processes and minimizing redundant tasks. Following more than a year of research, design, development, and practical testing with the company's fuel delivery trucks, the platform has proven to be a cost-effective solution that reduces operational time, ultimately enhancing profitability.

Fueling the Business by Prioritizing Employees, Earning Recognition as "The Best Organization to Work for in Asia," and Receiving the "Model Human Rights Organization" Awards

The Company prioritizes employee well-being as a driving force for achieving its vision of "Well-Being and Contentedness" in all aspects of life. The Company supports skill development and motivation for employees, through the organizational values of "BEST," fostering an environment where they can demonstrate their potential without limitations. Upholding international human rights principles and domestic laws, the Company aims to prevent human rights violations within the organization and among customers and partners. This commitment aligns with the Company's business philosophy centered on integrity, fairness, and respect for human rights, emphasizing social responsibility. Recognizing the significance of human resources and the positive experiences of employees, the Company believes this approach will contribute to sustained business growth.

Driven by the abovementioned strategies and values, the Company has been honored with the "Best Companies to Work for in Asia" award for the third consecutive year from HR Asia, a publication by Business Media International (BMI). This globally recognized award reflects the Company's genuine commitment to the well-being of its employees. Additionally, the Company has received the "Human Rights Awards 2023" for the second consecutive year from the Department of Rights and Liberties Protection, Ministry of Justice.

Strengthening the Promotion of Raw Materials from Local Communities, Punthai Launched the Campaign "Roy Rang, Ma-Muang Baw," Introducing New Drink Menu from Songkhla Mini Mango and Enhancing the Value of Southern Excellence

Punthai Coffee Company Limited ("PUN"), the Company's subsidiary, introduces the campaign "Roy Rang, Ma-Muang Baw, Songkhla." This features a new drink menu made from Songkhla mini mango, aligning with the strategy to develop innovative products that stand out from others. The aim is to add value to the products and strengthen the Punthai brand. Additionally, this initiative continuously supports Thai communities and farmers, aligning with the Company's mission to provide or co-create growth and opportunities for communities everywhere, through high, customer-obsessed energy, and integrated services, aiming to enrich happiness and elevate the quality of life for everyone.

This "Roy Rang, Ma-Muang Baw" campaign, PUN presents three new beverage menus that bring the distinct sour, sweet, and refreshing taste of Bao Mango from Songkhla. These drinks feature rich, authentic mini mango pieces sourced from the renowned region of Singhanakhon District, Songkhla Province. The Intellectual Property Department has registered mini mango Songkhla as a Geographical Indication (GI), covering the cultivation areas in four districts: Singhanakhon, Sathing Phra, Krasae Sin, and Ranot. The unique tangy flavor, enriched with Vitamin C, and the dense, crisp texture result from cultivation in sandy loam soil enriched with crushed oyster shells. Bao Mango Songkhla stands out with its exceptional taste, making it a valuable addition to the diverse beverage options tailored to the Thai palate. The campaign aims to promote nationwide distribution, reinforcing the vision of providing opportunities for everyone to have a "Well-Being, Contentedness" life, contributing value to society, and driving sustainable economic growth in Thailand.

Economy and Industry Overview in 3Q2023 and 9M2023

The overall Thai economy in **3Q2023** exhibited a continuous recovery from the ongoing growth of the private consumption aligning with heightened consumer confidence and the resurgence of tourism sector. This can be seen from the cumulative number of foreign visitors entering Thailand in 3Q2023 equivalent to 7,089,281 tourists, reflecting an increase of 3,506,860 tourists from same period last year and 652,128 tourists comparing with previous quarter. This pronounced trend positively impacted the comprehensive labor market, particularly within the service sector from the abovementioned growth of tourism. However, despite a decline in the headline inflation rate driven by categories such as fresh produce and other general consumer goods, the energy category remains high. This

ongoing increase is influencing an impact on both the production sector and export activities due to rising costs. Given these contributing factors, the overall economic in **9M2023** recovered in a congruent direction.

In terms of the overall fuel consumption in the **3Q2023** was a slight growth of 0.7% YoY but a decrease of 3.7% QoQ. The diesel consumption remained similar to the previous year but decreased by 5.0% QoQ. The benzene fuel consumption increased by 2.3% YoY, but decreased by 1.1% QoQ. In **9M2023**, there was a 0.2% YoY decrease, primarily due to a 2.4% YoY decline in diesel consumption, partially offset by a 4.9% YoY increase in benzene consumption.

For **3Q2023**, the fuel consumption through the Thailand service stations showed a modest growth of 2.7% YoY but a decrease of 4.5% QoQ. This YoY growth resulted from the overall economic recovery, while the QoQ decline was influenced by seasonal factors associated with the onset of the rainy season. The primary changes were diesel, a commercially used fuel, which experienced a growth of 3.9% YoY but a decline of 6.5% QoQ. In **3Q2023**, the government continued its measures to control diesel retail price, implementing excise tax reduction until July 20, 2023. Subsequently, from July 21, 2023, a pricing mechanism was still put in place, capping the retail price of diesel at THB 32 per liter. Following the establishment of the new government, the Cabinet approved a further reduction of diesel prices by THB 2.00 per liter from September 20, 2023, to December 31, 2023. This reduction was implemented through a combination of reducing excise taxes and mechanisms from the oil fund to alleviate the impact on the public and businesses, responding to the volatility in global diesel prices driven by economic uncertainties and fluctuations in the U.S. dollar. In terms of benzene category consumption also similar to the previous year, experiencing a modest decline of 1.1% QoQ. For **9M2023**, the consumption grew 3.0% YoY, which mainly from benzene of 4.6% YoY whilst diesel increased slightly by 2.2% YoY.

In **3Q2023**, the overall consumption of LPG through all channels remained relatively close to the previous year, and increased 3.3% from previous quarter. In the transportation sector, LPG consumption decreased by 2.5% YoY but increased by 1.7% QoQ. Household consumption closely mirrored the previous year and saw a 4.6% QoQ increase. Meanwhile, industrial consumption decreased by 3.3% YoY but increased by 1.4% QoQ. Household consumption continued to dominate with the highest contribution at 59.2%, which went up from 58.3% in the same period the previous year. For **9M2023**, the overall consumption of LPG through all channels remained relatively stable. The growth was driven by the transportation and industrial sectors, with a YoY increase of 1.9% and 0.9%, respectively. This growth compensated for the slight decline in household consumption by 0.8% YoY. Despite this, households maintained the highest contribution at 58.9%, down from 59.4% in the same period last year.

3Q2023 Financial Performance

Financial Performance Summary (Million Baht)	3Q2023	2Q2023	3Q2022	%QoQ	%YoY
Revenue from Sales and Services	47,548	50,802	45,171	-6.4%	5.3%
Sales from Oil Business	44,106	47,465	42,615	-7.1%	3.5%
Sales from Non-Oil Business	3,442	3,337	2,555	3.2%	34.7%
Costs of Sales and Services	(44,496)	(47,717)	(42,047)	-6.7%	5.8%
Costs from Oil Business	(41,758)	(45,029)	(40,073)	-7.3%	4.2%
Costs from Non-Oil Business	(2,738)	(2,688)	(1,974)	1.9%	38.7%
Gross Profit	3,052	3,085	3,124	-1.1%	-2.3%
Gross Profit from Oil Business	2,348	2,436	2,542	-3.6%	-7.6%
Gross Profit from Non-Oil Business	704	649	582	8.4%	21.0%
Gross Profit Contribution (%)					
Oil Business	76.9%	79.0%	81.4%		
Non-Oil Business	23.1%	21.0%	18.6%		
SG&A	(2,787)	(2,714)	(2,569)	2.7%	8.5%
Selling Expenses	(2,348)	(2,284)	(2,167)	2.8%	8.4%
Administrative Expenses	(439)	(430)	(402)	1.9%	9.0%
EBITDA	1,212	1,300	1,364	-6.8%	-11.1%
Finance Costs	(292)	(284)	(279)	2.7%	4.6%
Net Profit	24	116	181	-79.6%	-86.9%
Gross Profit Margin (%)	6.4%	6.1%	6.9%		
EBITDA Margin (%)	2.5%	2.6%	3.0%		
Net Profit Margin (%)	0.1%	0.2%	0.4%		
Basic Earnings Per Share (EPS)	0.01	0.07	0.11		

Revenue from Sales and Services in 3Q2023 was equivalent to 47,548 MB, increased by 5.3% YoY, but declined by 6.4% QoQ, which mainly as a result of the Oil Business. The Revenue from Sales and Services of the Oil Business stood at 44,106 MB, an increase of 3.5% YoY with a decrease of 7.1% QoQ. In this regard, the revenue contribution from the Oil Business accounted for 92.8% of the total revenue. The Non-Oil Business revenue also grew continuously by 34.7% YoY and 3.2% QoQ to 3,442 MB with a contribution of 7.2%.

Costs of Sales and Services in 3Q2023 stood at 44,496 MB, an increase of 5.8% YoY, but declined by 6.7% QoQ. As a result, the Company recorded a **Gross Profit** of 3,052 MB, a decrease of 2.3% YoY and 1.1% QoQ. The change was due to the gross profit of the Oil Business, which declined by 7.6% YoY from the government's measures to maintain the retail price of diesel fuel, and dropped 3.6% QoQ to 2,348 MB from the lower of oil sales volume compared to the previous quarter. However, despite the increase of gross profit per liter compared to the

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previous quarter due to alignment between the ex-refinery price and oil fund mechanism, it has not met the target, especially with the aforementioned policy to lower the retail price of diesel of THB 2.00 per liter according to the newly formed government. For Non-Oil gross profit in this quarter amounted to 704 MB, grew by 21.0% YoY and 8.4% QoQ with a proportion of 23.1% which grew from previous quarter and same period last year of 21.0% and 18.6% respectively.

Selling, General, and Administrative Expenses (SG&As) amounted to 2,787 MB, which grew by 8.5% YoY and 2.7% QoQ. The major components that contributed to the increase in these expenses included employee costs, depreciation, advertising, promotion & services, and utility expenses, etc.

- **Employee Expense** was 1,155 MB, which increased by 17.8% YoY and 5.1% QoQ. The increase was mainly due to the Oil and Non-Oil business expansion, which caused the number of employees to rise accordingly.
- **Depreciation Expense** was 816 MB, which rose by 4.0% YoY and 1.8% QoQ. This resulted from the expansion of service stations into high-potential areas such as Bangkok, metropolitan, and other major cities in order to enhance them into fully integrated service stations.
- **Advertising, Promotion, and Service Expenses** were 376 MB, which decreased by 0.4% YoY, and 2.9% QoQ as a result of managing expenses to align with the decreased volume of oil sales, influenced by seasonal factors.
- **Utility Expenses** (including water, electricity, and communication expenses), amounted to 154 MB. This represents an increase of 17.4% from the expansion of Non-Oil business touchpoints, but declined by 5.3% QoQ from a reduction of variable electricity cost (Ft).

EBITDA and Net Profit the Company recorded EBITDA of 1,212 MB, which decreased by 11.1% YoY and 6.8% QoQ. The reduction of EBITDA resulted from the seasonality of Oil Business which led to the lower of sales volume along with the aforesaid of policy to lower the diesel retail price by THB 2.00 per liter which effective from September 20, 2023 to December 31, 2023. Additionally, the Company also recognized lower share of profit from investment in associates and joint ventures from the impact on the decrease in crude palm oil (CPO) prices in the market roughly 5% QoQ. Therefore, the **Net Profit** amounted to 24 MB, a decrease of 86.9% YoY and 79.6% QoQ.

Oil Business Summary

Number of PT Petrol Service Stations and Key Figures of Oil Business	3Q2023	2Q2023	3Q2022	% QoQ	% YoY
PT Oil Services Stations					
COCO ¹	1,828	1,819	1,801	0.5%	1.5%
DODO	348	347	330	0.3%	5.5%
Total	2,176	2,166	2,131	0.5%	2.1%
Oil Sales Volume (Million Liter)					

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Number of PT Petrol Service Stations and Key Figures of Oil Business	3Q2023	2Q2023	3Q2022	% QoQ	% YoY
	Retail Channel	1,378	1,473	1,231	-6.4%
Wholesales Channel	28	61	47	-53.8%	-39.8%
Total	1,406	1,534	1,278	-8.3%	10.0%
Proportion of Sales by Channel					
Retail Channel	98.0%	96.0%	96.3%		
Wholesales Channel	2.0%	4.0%	3.7%		
Total	100.0%	100.0%	100.0%		
Proportion of Oil Sales Volume by Product					
Diesel	71.2%	74.3%	70.5%		
Mogas	28.8%	25.7%	29.5%		
Total	100.0%	100.0%	100.0%		

Remark: ¹⁾ Service stations that sell both oil and LPG (which used to be called "Mixed") will be counted both in oil service stations and LPG service stations.

Revenue from Sales and Services from Oil Business in 3Q2023 was 44,106 MB, which grew by 3.5% YoY but decreased by 7.1% QoQ due to the following reasons:

- 1) Oil sales volume through all channels rose by 10.0% YoY but dropped by 8.3% QoQ to 1,406ML. In this regard, oil sales volume through the station channel was 1,378 ML, an increase of 11.9% YoY but down by 6.4% QoQ. Besides, the Company retained its second rank in terms of oil market share through the station channel at 19.2%, which was similarly to previous quarter and rose substantially from same period last year of 17.5%. The growth from last year was mainly attributed to the ongoing economic recovery due to tourism sector together with the consistent patronage of PT Max Card and PT Max Card Plus members. The PT Max Card Plus membership cards have various benefits offered to member customers, for example, the THB 0.5 discount per 1 liter of fuel, up to a maximum of 200 liters per month, etc. On the other hand, the reduction compared to the previous quarter is due to seasonal factors, as the third quarter typically coincides with the monsoon season, leading to decreased road traffic. In 3Q2023, the Company expanded service stations by 2.1% YoY and 0.5% QoQ to 2,176 stations.
- 2) The average oil retail price was equivalent to THB 31.36 per liter, decreasing by 5.9% YoY but rose 1.4% QoQ. The decrease was as a result of adjusting the retail station prices during the year.

In this regard, the revenue contribution from the Oil Business was 92.8% of the total revenue.

Costs of Sales and Services amounted to 41,758 MB, reflecting a growth of 4.2% YoY from the higher sales volume compared to previous year, but declined by 7.3% QoQ from the seasonal factor which led to the lower demand compared to previous quarter.

Gross Profit was recorded at 2,348 MB, decreasing by 7.6% YoY from due to the government's control measures on retail diesel prices and dropped 3.6% QoQ due to the aforementioned of the reduction of oil sales volumes due to the seasonal factors. In this regard, gross profit in the Oil Business accounted for 76.9% in 3Q2023.

Non-Oil Business Summary

Touchpoints and Key Figures of Non-Oil Business	3Q2023	2Q2023	3Q2022	% QoQ	% YoY
LPG Business					
LPG Stations ¹	234	234	225	-	4.0%
Gas Shop	305	293	206	4.1%	48.1%
Sales by Channel (Million Liters)					
Auto LPG	112	108	98	3.4%	14.1%
Household and Industrial LPG	49	46	34	6.8%	46.7%
Total	161	154	132	4.4%	22.5%
Proportion of Sales by Channel (%)					
Auto LPG	69.3%	70.0%	74.4%		
Household and Industrial LPG	30.7%	30.0%	25.6%		
Total	100.0%	100.0%	100.0%		
Other Touchpoints in Non-Oil Business					
Punthai Coffee	756	703	461	7.5%	64.0%
Coffee World	24	24	28	-	-14.3%
Max Mart (Convenience Store)	334	325	298	2.8%	12.1%
Autobacs (Car Maintenance and Repair Service Center)	59	53	39	11.3%	51.3%
Maxnitron Lube Change (Oil Lubricant Change Center)	56	55	48	1.8%	16.7%
Max Camp (Rest Area)	78	72	60	8.3%	30.0%
EV Charging Station	46	46	35	-	31.4%
Total Non-Oil Touchpoints	1,892	1,805	1,400	4.8%	35.1%

Remark: ¹⁾ Service stations that sell both oil and LPG (which used to be called "Mixed") will be counted both in oil service stations and LPG service stations.

Revenue from Sales and Services from Non-Oil Business in 3Q2023 grew continuously and reached 3,442 MB, reflecting an increase of 34.7% YoY and 3.2% QoQ. This growth was driven by the following reasons:

- 1) LPG Business which operated by Atlas Energy Public Company Limited ("ATL") received an 32.8% YoY and 4.9% QoQ to stand at 2,137 MB. The increase was resulted from the ongoing new record of LPG sales volume of 161 ML, rose by 22.5% YoY and 4.4 % QoQ, coupled with an average selling price of THB 13.24 per liter, an increase of 8.4% YoY and 0.4% QoQ.

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The increase in LPG sales volume from the previous year mainly derived from the Auto LPG, reaching 112 ML, grew by 14.1% YoY and 3.4% QoQ. This was as a result of 1) the economic recovery; 2) the implementation of "Taxi Transform" and "Auto Transform" projects, in order to connect everyone to the life of "Well-being and Contentedness" in every aspect of life, together with an effective relationship-building and consistent customer service of the LPG Business and 3) the PT Max Card and PT Max Card Plus customers. As a result, the Company still retained its first rank in terms of LPG market share through the Auto channel at 27.8% in 3Q2023. In terms of station expansion, the Auto LPG service stations maintained at 234 stations.

Moreover, the growth from the previous quarter was attributed to Household and Industrial LPG, which grew by 46.7% YoY and 6.8% QoQ, mainly derived from the expansion of the Household Gas Shop, which increased by 48.1% YoY and 4.1% QoQ, along with the aforementioned consistent patronage of PT Max Card and PT Max Card Plus membership.

- 2) Punthai Coffee Business which operated by Punthai Coffee Co., Ltd. ("PUN") recorded a revenue in 3Q2023 of 322 MB, indicating an increase of 41.9% YoY and 9.8% QoQ, due to the continued expansion of touchpoints to 756 touchpoints, reflecting a growth of 64.0% YoY and 7.5% QoQ. Furthermore, the consistent patronage of existing customers and loyalty customers, including PT Max Card and PT Max Card Plus members.

In 3Q2023, the Company had 1,892 of Non-Oil touchpoints, an increase of 492 touchpoints, or 35.1% YoY and 4.8% QoQ or 87 Touchpoints. However, the revenue from Non-Oil business contributed 7.2% of total revenue, which was higher than the contribution of 5.7% in the same period last year and comparable to the previous quarter's contribution of 6.6%.

Costs of Sales and Services amounted to 2,738 MB, grew by 38.7% YoY and 1.9% QoQ, attributed to the abovementioned higher LPG sales volume together with regulatory control by the government, in conjunction with the volatility of the global energy prices that led to an increase in LPG costs. The Non-Oil Business generated a **Gross Profit** of 704 MB in 3Q2023, indicating a growth of 21.0% YoY and 8.4% QoQ. The gross profit from Non-Oil Business accounted for 23.1% of the total gross profit, comprising LPG Business at 10.4%, Punthai Coffee Business at 5.6%, and other businesses at 7.1%, which include convenience stores business "Max Mart", lubricants "Maxnitron", and auto care services business "Autobacs", etc.

9M2023 Financial Performance

Financial Performance Summary (Million Baht)	9M2023	9M2022	%YoY
Revenue from Sales and Services	149,286	130,447	14.4%
Sales from Oil Business	139,360	123,916	12.5%
Sales from Non-Oil Business	9,926	6,531	52.0%
Costs of Sales and Services	(139,982)	(121,318)	15.4%

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Financial Performance Summary (Million Baht)	9M2023	9M2022	%YoY
Costs from Oil Business	(132,046)	(116,358)	13.5%
Costs from Non-Oil Business	(7,936)	(4,960)	60.0%
Gross Profit	9,304	9,129	1.9%
Gross Profit from Oil Business	7,314	7,558	-3.2%
Gross Profit from Non-Oil Business	1,990	1,571	26.7%
Gross Profit Contribution (%)			
Oil Business	78.6%	82.8%	
Non-Oil Business	21.4%	17.2%	
SG&A	(8,153)	(7,182)	13.5%
Selling Expenses	(6,881)	(6,060)	13.5%
Administrative Expenses	(1,272)	(1,122)	13.4%
EBITDA	3,967	4,456	-11.0%
Finance Costs	(849)	(841)	0.9%
Net Profit	424	951	-55.4%
Gross Profit Margin (%)	6.2%	7.0%	
EBITDA Margin (%)	2.7%	3.4%	
Net Profit Margin (%)	0.3%	0.7%	
Basic Earnings Per Share (EPS)	0.24	0.56	

Revenue from Sales and Services in 9M2023 was equivalent to 149,286 MB, which increased by 14.4% YoY or 18,839 MB, resulting from the Oil Business. The revenue from sales and services of the Oil Business stood at 139,360 MB, an increase of 12.5% YoY. In this regard, the revenue contribution from the Oil Business was 93.4% of the total revenue. The Non-Oil Business revenue also grew continuously by 52.0% YoY to 9,926 MB.

Costs of Sales and Services in 9M2023 stood at 139,982 MB, an increase of 15.4% YoY, which was in line with the growth of revenue. As a result, the Company recorded a **Gross Profit** of 9,304 MB, an increase of 1.9% YoY. The change was due to the gross profit of the Non-Oil Business, which grew by 26.7% YoY to 1,990 MB. In this regard, the gross profit contribution from the Non-Oil Business was 21.4%. The gross profit of the Oil business stood at 7,314 MB, which slightly declined by 3.2% YoY.

Selling, General, and Administrative Expenses (SG&As) amounted to 8,153 MB, which grew by 13.5% YoY. The major components were contributed to the rise in these expenses were employee costs, depreciation, advertising, promotion & services, and utility expenses, etc.

EBITDA and Net Profit the Company recorded EBITDA of 3,967 MB, which decreased by 11.0%. The reduction resulted from the lower Oil gross profit compared to 9M2022 from the misalignment of oil fund management and the fluctuation of ex-refinery price in certain period during 2Q2023, along with the lower oil sales

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volume from the monsoon season in every third quarter of each year, together with the aforementioned the new government's policy in reducing retail diesel price by THB 2.00 per liter. As a result, the **Net Profit** amounted to 424 MB, a decrease of 55.4% YoY.

Oil Business Summary

Number of PT Petrol Service Stations and Key Figures of Oil Business	9M2023	9M2022	% YoY
PT Oil Services Stations			
COCO ¹	1,828	1,801	1.5%
DODO	348	330	5.5%
Total	2,176	2,131	2.1%
Oil Sales Volume (Million Liter)			
Retail Channel	4,283	3,743	14.4%
Wholesales Channel	131	166	-21.2%
Total	4,414	3,909	12.9%
Proportion of Sales by Channel			
Retail Channel	97.0%	95.7%	
Wholesales Channel	3.0%	4.3%	
Total	100.0%	100.0%	
Proportion of Oil Sales Volume by Product			
Diesel	73.4%	73.4%	
Mogas	26.6%	26.6%	
Total	100.0%	100.0%	

Remark: 1) Service stations that sell both oil and LPG (which used to be called "Mixed") will be counted both in oil service stations and LPG service stations.

Revenue from Sales and Services from Oil Business in 9M2023 was 139,360 MB, grew by 12.5% YoY due to the following reasons:

- 1) Oil sales volume through all channels rose by 12.9% YoY to 4,414 ML. The major growth was derived from oil sales volume through the station channel of 14.4% YoY or 540 ML. to 4,283 ML. The growth from last year was mainly attributed to the ongoing economic recovery which in line with industry growth, and the consistent patronage of PT Max Card and PT Max Card Plus members. In this regard, the Company expanded service stations by 2.1% YoY to 2,176 stations.
- 2) The average oil retail price was equivalent to THB 31.56 per liter, which decreased from the same period last year amounted to THB 31.67 per liter.

In this regard, the revenue contribution from the Oil Business was 93.4% of the total revenue.

Costs of Sales and Services amounted to 132,046 MB, reflecting a growth of 13.5% YoY. which was driven by 1) a rise in oil sales volume compared to the same period last year, and 2) the aforesaid of misalignment of oil fund management and changes in ex-refinery prices in certain period during 2Q2023.

Gross Profit was recorded at 7,314 MB, slightly declined from the same period last year. The reduction mainly resulted from a decrease gross profit per liter of oil due to the negative impact of the misalignment of oil fund management and the fluctuation of ex-refinery price in certain period during 2Q2023, along with the lower oil sales volume from seasonal effects where the monsoon season in every third quarter of each year, together with the new government's policy of reducing retail diesel price by THB 2.00 per liter since September 20, 2023, which led to a decrease in average gross profit per liter in 9M2023 by 14.2% YoY. In this regard, the gross profit from the Oil business remains the highest component, accounting for 78.6%.

Non-Oil Business Summary

Touchpoints and Key Figures of Non-Oil Business	9M2023	9M2022	% YoY
LPG Business			
LPG Stations ¹	234	225	4.0%
Gas Shop	305	206	48.1%
Sales by Channel (Million Liters)			
Auto LPG	322	262	22.7%
Household and Industrial LPG	144	95	50.9%
Total	466	358	30.2%
Proportion of Sales by Channel (%)			
Auto LPG	69.1%	73.3%	
Household and Industrial LPG	30.9%	26.7%	
Total	100.0%	100.0%	
Other Touchpoints in Non-Oil Business			
Punthai Coffee	756	461	64.0%
Coffee World	24	28	-14.3%
Max Mart (Convenience Store)	334	298	12.1%
Autobacs (Car Maintenance and Repair Service Center)	59	39	51.3%
Maxnitron Lube Change (Oil Lubricant Change Center)	56	48	16.7%
Max Camp (Rest Area)	78	60	30.0%
EV Charging Station	46	35	31.4%
Total Non-Oil Touchpoints	1,892	1,400	35.1%

Remark: 1) Service stations that sell both oil and LPG (which used to be called "Mixed") will be counted both in oil service stations and LPG service stations.

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Revenue from Sales and Services from Non-Oil Business in 9M2023 grew continuously and reached 9,926 MB, reflecting an increase of 52.0% YoY. This growth was driven by the following reasons:

- 1) LPG Business received a 55.5% YoY increase in revenue growth to stand at 6,117 MB. As a result, LPG sales volume continued to set the highest record at 466 ML, rose by 30.2% YoY, coupled with an average selling price of THB 13.10 per liter, an increase of 19.3% YoY. The increase in LPG sales volume from the previous year came mainly from the Auto LPG, which reached 322 ML, grew by 22.7% YoY. As a result, the Company upheld its first position in terms of LPG market share through the Auto channel at 26.9% in 9M2023. The Household and Industry sectors increased by 50.9% YoY to 144 ML.
- 2) Punthai Coffee Business recorded a robust revenue in 9M2023 of 879 MB, indicating an increase of 58.6% YoY, due to the substantial growth of touchpoints to 756 branches, reflecting a growth of 64.0% YoY, together with the consistent patronage of existing customers and loyalty customers, including PT Max Card and PT Max Card Plus members.

In 9M2023, the Company had 1,892 of Non-Oil touchpoints, an increase of 492 touchpoints or 35.1% YoY. However, the revenue from Non-Oil Business contributed 6.6% of total revenue, which was higher than the contribution of 5.0% in the same period last year.

Costs of Sales and Services amounted to 7,936 MB, grew by 60.0% YoY, attributed to the abovementioned higher LPG sales volume along with regulatory control by the government and the global energy price fluctuation and the global energy price fluctuation that led to an increase in LPG costs. The Non-Oil Business generated a **Gross Profit** of 1,990 MB in 9M2023, indicating a growth of 26.7% YoY. The gross profit from Non-Oil Business accounted for 21.4% of the total gross profit, comprising LPG Business at 9.7%, Punthai Coffee Business at 5.2%, and other businesses at 6.5%.

Statement of Financial Position as of September 30, 2023

Financial Position Summary (Million Baht)	Sep 30, 2023	%	Dec 31, 2022	%	Amount Changes	% Changes
Cash and Cash Equivalents	1,956	4.3%	2,071	4.6%	-115	-5.6%
Trade and Other Receivables	1,115	2.4%	899	2.0%	216	24.0%
Short-term loans to third parties	20	0.0%	0	0.0%	20	-
Inventories	3,292	7.2%	2,154	4.8%	1,137	52.8%
Total Current Assets	6,383	13.9%	5,125	11.4%	1,258	24.5%
Investment Properties	579	1.3%	546	1.2%	33	6.0%
Property, Plant and Equipment	12,739	27.9%	12,356	27.3%	383	3.1%
Right-of-use Assets	21,738	47.6%	23,186	51.4%	-1,448	-6.2%
Deposits of Financial use as Collateral	5	0.0%	5	0.0%	0	0.2%

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Financial Position Summary (Million Baht)	Sep 30, 2023	%	Dec 31, 2022	%	Amount Changes	% Changes
Investment in Joint Ventures	980	2.1%	952	2.1%	28	3.0%
Investment in Associates	1,088	2.4%	978	2.2%	110	11.2%
Financial Assets Measured at Fair Value through Other Comprehensive Income	581	1.3%	582	1.3%	-1	-0.2%
Intangible Assets	343	0.7%	355	0.8%	-12	-3.4%
Goodwill	53	0.1%	53	0.1%	0	-
Other Non-Current Assets	1,222	2.7%	997	2.2%	224	22.5%
Total Assets	45,711	100.0%	45,135	100.0%	576	1.3%
Trade and Other Payables	8,137	17.8%	6,961	15.4%	1,176	16.9%
Short-term Loans & Loans due within 1 year	5,414	11.8%	5,798	12.8%	-383	-6.6%
Current Portion of Lease Liabilities	748	1.6%	629	1.4%	119	18.9%
Other Current Liabilities	129	0.3%	211	0.5%	-82	-39.0%
Total Current Liabilities	14,428	31.6%	13,599	30.1%	829	6.1%
Financial Lease Liabilities	18,224	39.9%	19,496	43.2%	-1,272	-6.5%
Long-Term Loans	3,925	8.6%	3,086	6.8%	839	27.2%
Deferred Tax Liabilities	56	0.1%	56	0.1%	0	-0.4%
Other Non-Current Liabilities	661	1.4%	623	1.4%	38	6.1%
Total Liabilities	37,294	81.6%	36,860	81.6%	434	1.2%
Retained Earnings (Unappropriated)	5,361	11.7%	5,262	11.7%	99	1.9%
Others	3,056	6.7%	3,013	6.7%	44	1.4%
Total Equity	8,417	18.4%	8,275	18.3%	142	1.7%
Total Liabilities and Equity	45,711	100.0%	45,135	100.0%	576	1.3%

As of September 30, 2023, the Company's total assets amounted to 45,711 MB, an increase of 576 MB or 1.3% from the end of December 2022. The rise of asset was mainly due to the increase in inventories and trade & other receivables of 1,353 MB, from the stocking oil in accordance with the higher oil sales volume. The Property, Plant and Equipment also increased by 383 MB according to the continued expansion of touchpoints and partly offset with the decrease in right-of-use assets of 1,448 MB due to increased depreciation.

Meanwhile, the total liabilities stood at 37,294 MB, an increase of 434 MB or 1.2% from the end of 2022. The main contributing factors were as follows: 1) Trade and other payables grew by 1,176 MB, 2) Long-term loans increased by 839 MB, but was partially offset by the decrease of 3) Financial Lease Liabilities amounted to 1,272 MB due to the lease liabilities' maturity date.

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The total equity amounted to 8,417 MB, reflecting an increase of 142 MB or 1.7% from the end of the previous year. Additionally, the sources and uses of funds statement can be elaborated from the table below:

Sources and Uses of Funds Summary (MB) as of September 30, 2023, and Long-term Liabilities and Outstanding Debentures (MB)

Sources and Uses of Funds Statement as of September 30, 2023 (Million Baht)			
Sources of Funds		Uses of Funds	
Cash from Operations	3,755	Payment of Interest and Tax (Net)	1,316
Proceeds from Disposals of Plant and Equipment	2	Payments for Purchases of Property, Plant and Equipment and Investment Property	1,869
Dividend Received	31	Investment in Right of Use Assets and Intangible Assets	184
Proceeds from Long-Term Loans from Financial Institutions	1,700	Payments for Investment in Joint Ventures and Associates	93
Proceeds from Short-Term Loans from Financial Institutions	1,300	Payments of Short-term loans to Third Parties	20
Proceeds from Debentures	1,000	Payments for Finance Leases	539
		Bank Overdrafts from Financial Institutions (Net)	5
		Payments on redemption of debentures (Net)	2,003
		Payments for Long-Term Loans from Financial Institutions and Payments for Long-Term Loans from Other Party	1,540
		Dividend Payment	334
		Cash (Decrease)	(115)
Total	7,788	Total	7,788

Accreditation	
Credit Rating (TRIS Rating)	BBB+
CAC	Certified CAC

Long-term Liabilities and Outstanding Debentures (MB)				
Year	Debentures	Maturity	Loans	Maturity
Oct-Dec 2023		-		570
2024		200		1,744
2025		1,350		995
2026		650		353
2027				171

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Management Outlook and Business Direction (Revised)

2023 Operational Targets (Revised)	
Number of Stations / Touchpoints	
Oil Services Station	2,206 Stations
Non-Oil Business (Revised)	2,148 Touchpoints
Auto LPG Stations and Household Gas Shop	574 Touchpoints
Punthai Coffee (Revised)	900 Touchpoints
Other Non-Oil Business' Touchpoints	674 Touchpoints
Oil Sales Volume Growth (%YoY)	10-15%
LPG Sales Volume Growth (%YoY) (Revised)	30-40%
Non-Oil Business Sales Volume Growth (%YoY) (Revised)	50-60%
Non-Oil Business Gross Profit Contribution	20-30%
EBITDA Growth (%YoY)	8-12%
Investment Budget (Revised)	3,000-4,000 MB

The Oil Sales Volume was in Accordance with the Target and Retained its Second Rank in Terms of Oil Market Share through the Station Channel at 19.2% in 3Q2023

In 3Q2023, The Company's oil sales volume through all channels increased by 10.0% YoY, mainly from the increase in oil sales volume through retail station by 11.9% YoY. Even though the oil sales volume through all channels in 3Q2023 decreased by 6.4% QoQ from seasonal effects due to the monsoon season in every third quarter of each year, which led to a reduction in commuter traffic. However, the oil sales volume remained close to 4Q2022 in terms of total amount, which was considered as the highest season of oil sales volume in the previous year. The aforesaid growth was largely due to the same-store-sales of more than 10% YoY. Besides, the Company still maintain its second position in terms of oil market share through the station channel at 19.2% in 3Q2023.

As a result, the Company's oil sales volume through all channels in 9M2023 increased by 12.9% YoY to 4,414 ML. The major growth was derived from oil sales volume through the station channel of 14.4% YoY (contributed 97.0% of oil sales volume), whilst the fuel consumption through the Thailand service stations showed a growth of 3.0% YoY. The growth from last year was mainly attributed to the ongoing economic recovery, which in line with industry growth, and the consistent patronage of PT Max Card and PT Max Card Plus members.

Therefore, in terms of the outlook for 4Q2023, the Company expected the sales volume to pick up to the highest of the year from the cultivation activities post-monsoon season, and remained the growth target of oil sales volume at 10-15% YoY in 2023. The growth factors are the tourism recovery post COVID-19 along with the announcement of the government's visa-free policy. Furthermore, the expansion and renovation of service stations into high-potential areas couple with the consistent patronage of PT Max Card and PT Max

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Card Plus memberships also plays a significant role in driving the Company's oil sales growth. The Company continues to maintain its target of expanding service stations to 2,206 stations by the end of 2023.

Punthai achieves consistent sales growth while revising the touchpoint expansion of Punthai Coffee

At the end of 3Q2023, the Company had expanded **Punthai Coffee** touchpoint to 756 branches, a significant growth of 245 branches from the end of last year. However, the negative impact of potential economic stagnation, escalating global oil and commodity prices contributing to inflation, and an increase in interest rates over the past year have created challenges. These, coupled with ongoing geopolitical tensions which might affect the global and Thai economies, necessitate the Company to be cautious in branch expansion criteria. The Company still expects to expand Punthai Touchpoint to 900 branches in 2023. Despite the number of Punthai Coffee touchpoints slightly below the initial target, PUN continues to experience substantial sales growth in 9M2023 of 58.6% YoY, primarily attributed to significant growth of same-store-sales in the range of 20-30% YoY, apart from branch expansion.

Continuing Robust Growth in Non-Oil Business Amid Economic Stagnation, the Company Sets a Revenue Growth Target of 50-60%

The Company had 1,892 of Non-Oil touchpoints (an increase of 366 touchpoints from the beginning of this year), which distributed as follows; 1) Punthai Coffee 756 branches; 2) LPG business 539 touchpoints; 3) Max Mart 334 branches; 4) Coffee World 24 branches; 5) Autobacs 59 branches; 6) Max Camp 78 touchpoints; 7) Maxnitron 56 touchpoints; and 8) Elex by EGAT 46 charging stations. In 9M2023, Non-Oil business had revenue growth of 52.0% YoY.

In 3Q2023, **LPG Business** continued to set the highest record for LPG sales volume and consistently exceeded hundred million liters for eight consecutive quarters. The Company continues to expect achieving consecutive new records in the final quarter of 2023, and expected a substantial growth in LPG revenue of 30-40% YoY, which slightly decreased from previous target of 40-60% YoY, but the growth is considered to be higher than the industry which in the same line with an effect of economic stagnation.

Autobacs had a consistently sales growth from the launch of its seasonal marketing campaign with the number of touchpoints of 59 branches (an increase of 14 touchpoints from the previous year). Autobacs continues expand touchpoints and it is expected to be the second largest in terms of number of touchpoint coverage in Bangkok by the end of 2023.

Furthermore, the Company recognizes the growing importance of alternative energy, evident in the substantial growth of Electric Vehicle (EV) users. The cumulative number of registered electric passenger cars had surged to over 57,000 cars (an increase of more than 500% compared to the previous year). Therefore, the Company had continued expanded EV charging station of **Elex by EGAT Max**, which collaboration with the

Electricity Generating Authority of Thailand (EGAT) and targeted to expand 62 charging stations nationwide by the end of this year, strategically covering major routes.

Therefore, overall estimated touchpoints decreased from 2,448 to 2,148 touchpoints which led to the lowering of the Company's CAPEX for the year 2023 from 4,000-5,000 MB to 3,000-4,000 MB. The abovementioned adjustment has led to expansion of total Non-Oil touchpoints to increase 622 touchpoints, or 41.0% from the end of 2022. Besides, despite the reduction in Punthai's expansion by 300 branches, the Company continues to expect a substantial growth in Non-Oil revenue of 50-60% YoY, and maintained its gross profit contribution at 20-30%.

Sustainability Management

The Company recognizes the importance of conducting its business with responsibility and consideration for all stakeholders. Therefore, the Company merges the determination to develop sustainable business with its operational strategies, aiming to connect everyone to a life of "Well-Being and Contentedness" in all aspects of life.

The objective is to drive the organization sustainably in all dimensions, with a focus on maintaining a balance between economic, social and environmental operations. Thus, in 3Q2023, the Company conducted various projects intending to operate the business with good corporate governance, consider all stakeholders and be responsible for both society and the community. The details are as follows;

Corporate Social and Community Responsibility

- **Promoting the Quality of Life in the Community**

The Company collaborated with ATL organized activities, namely PT Volunteer Camp "We Care, Leave No-one Behind", by adhering to the principles of PT creating happiness of physical and mental health and connecting everyone to a life of "Well-Being and Contentedness" to create beneficial activities for the community, society, and environment. In this quarter, the Company came to support the quality of education, health, and people's well-being in Sam Nak Thon Sub-district, Ban Chang District, Rayong Province in July 15, 2023. Activities have been organized variously including;

- **Eye Examination** for the Elderly Project by measuring the eyesight of 3,100 elderly people and additional of 500 elderly people in Ban Chang District and providing knowledge by the ophthalmologist. Therefore, the knowledge could be applicable to everyone's daily lives.
- **Educational Opportunities** Supporting Project by giving support to 12 educational institutions. In this regard, the Company provided 40 scholarships to well-studied students and 10 scholarships to employee's child who had a fund shortage. In addition, the Company gave teaching materials, sports equipment, first aid kits, and vegetable seeds to the educational institutions. Therefore, they could use vegetables as an ingredient for lunch cooking.
- **Community health promotion** by organizing a football competition focused on anti-drug awareness for students of Wat Sombunaram School, the Company giving cash prizes and team

sports jerseys sponsored by PT Prachuap FC aims to support and encourage students to maintain strong physical health and stay away from substance abuse.

- **Encourage driving safety** by organizing safe driving training for the locals in Nong Khai Nam Subdistrict, led by a traffic law lecturer, coupled with helmet distribution to train participants for driving according to traffic rules and safely.
- **The well-being of people in the community elevation** by giving consumer goods for use in daily life to 10 bedridden patients and fulfilling their happiness with recreational activities for the locals. Including providing consumer goods and ready-to-eat food.



- **Promoted Local Ingredients**

For over 11 years, PUN had been actively supporting Thai farmers nationwide by promoting local expertise to boost livelihoods. PUN collaborated with the Department of Internal Trade, Ministry of Commerce, introduced a new creative menu “Coffee with Honey Milk” aimed to elevate Thai farmer by expanding distribution channels together with sourcing high-quality raw materials. The resulting menu, exemplified by the aromatic and sweet blend of Coffee with Honey Milk, integrates Thai-origin milk sourced from the Department of Livestock Development, representing a novel and distinctive addition to their offerings.

Furthermore, PUN collaborated with the Department of Internal Trade, Ministry of Commerce, to support farmers in Lamphun Province in purchasing 10 tons of mango varieties, including “Nam Dok Mai”, “Daeng Chakrapad”, “Jinhong”, and “Red ivory Mango.” These mangoes are processed into dried mangoes and distributed to Pun Thai touchpoints. PUN also supports farmers in Phitsanulok and Phichit Provinces by purchasing 230 tons of Fah Lun and Phetbanlat mangoes with 500,000 packs of mango sheet (Dried mango paste) distributed to customers and helping local farmers accelerate the sale of their produce at fair prices.