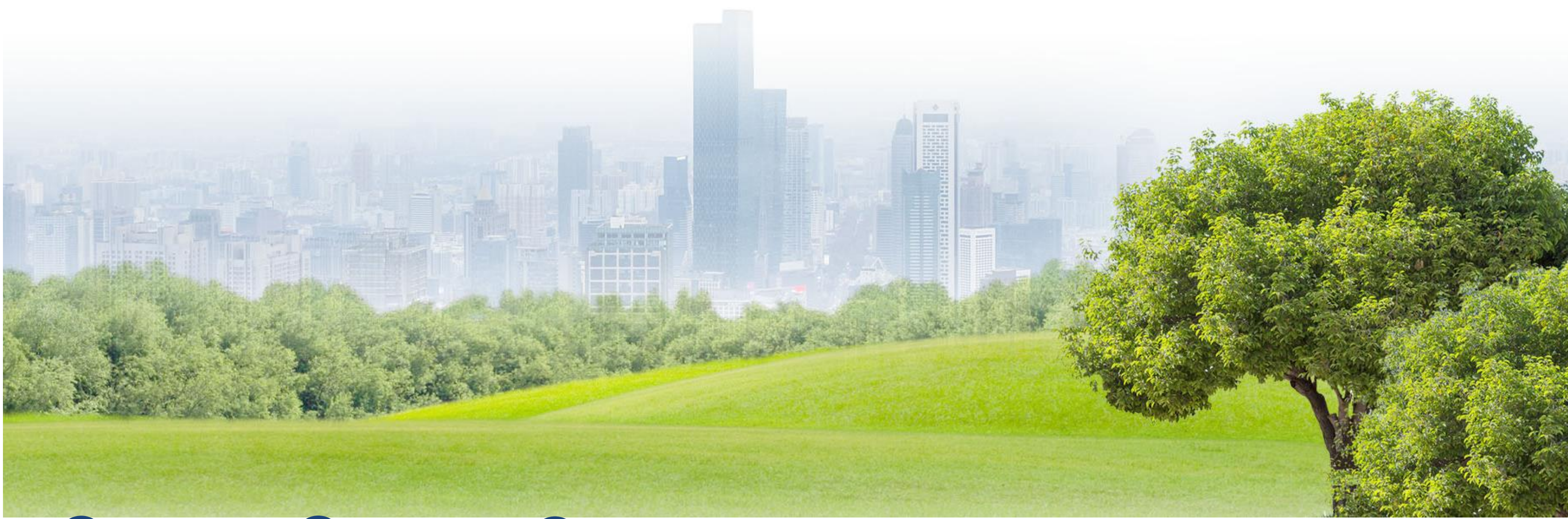
OR

2023

Management Discussion & Analysis



Executive Summary

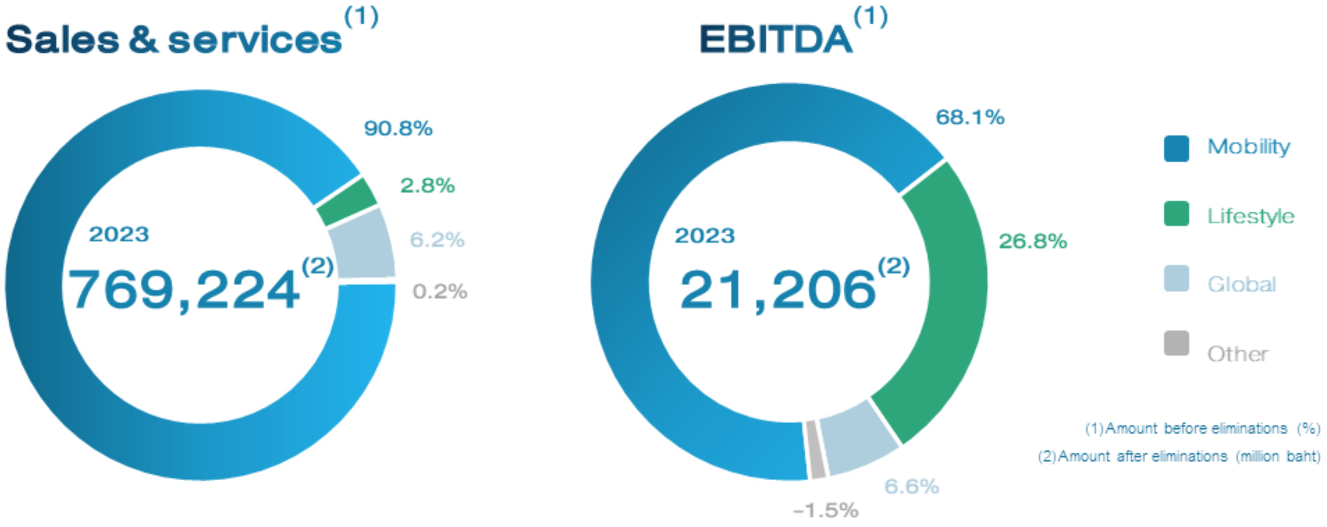
Financial Highlights

Unit : Million baht	4Q/22	3Q/23	4Q/23	Variance		2022	2023	Variance
				QoQ	YoY			YoY
Total sales and services	206,268	191,560	192,542	0.5%	(6.7%)	789,785	769,224	(2.6%)
EBITDA	1,254	7,546	2,523	(66.6%)	>100%	20,608	21,206	2.9%
Net Profit (Loss) for the periods*	(744)	5,170	193	(96.3%)	>100%	10,370	11,094	7.0%
Earnings Per Share (Baht/share)	**(0.06)**	**0.43**	**0.02**	**(95.3%)**	**>100%**	**0.86**	**0.92**	**7.0%**

* Net profit of OR (the parent company)

Performance 4Q/23 PTT Oil and Retail Business Public Company Limited and its subsidiaries ("OR") recorded **total sales and services** in the amount of THB 192,542 million, an increase of THB 982 million (+0.5%) compared to the previous quarter, mainly from the increase in sale volume of our Mobility and Lifestyle businesses. As a result, this quarter, the sales and services of the **Mobility business** increased by 0.5%, although the average selling price decreased, which aligned with the global oil price resulting from a continuous increase in supply. Additionally, the manufacturing and industrial sectors in China are still experiencing a slowdown, putting pressure on oil demand. The **Lifestyle business's** sales and services increased by 6.6%, mainly from higher sales volume due to seasonal factors. However, the **Global business's** sales and services decreased by 7.6%, mainly from the decrease in sales volume in the Philippines. We recorded an **EBITDA** of THB 2,523 million in 4Q/23, a decrease of THB 5,023 million (-66.6%) compared to 3Q/23, decreasing from the overall average gross profit per liter of the **Mobility business,** which aligned with the global oil price. The **Global business** also decreased from the lower average gross profit per liter in the Philippines and Laos. The EBITDA of our **Lifestyle business** increased from the F&B business. Aggregate net operating expenses increased, mainly from a decrease in other income from PTT Group Supply Chain Collaboration and higher outsourced and public relations expenses. Furthermore, OR recorded a slightly lower share of gain from investments. In this quarter, there was a loss from foreign exchange and derivatives. OR recorded a net profit of THB 193 million, a decrease of THB 4,977 million (-96.3%), resulting in earnings per share of THB 0.02.

Performance 2023 OR recorded a **net profit of THB 11,094 million**, an increase of THB 724 million (+7.0%) from 2022, from an increase in EBITDA of THB 598 million, although sales and services decreased by THB 20,561 million, mainly from the lower average selling prices resulting from the lower global oil prices. However, sales volume increased due to the economic recovery of countries in the region, including the return of the tourism sector, leading to higher sales volume, especially in aviation fuel. The overall average gross profit per liter of **Mobility business** was at the same level, and **Global business** declined in accordance with market conditions. **Lifestyle business** continued to grow. Additionally, our net operating expenses increased by 4.8%, mainly from variable expenses such as outsourced and utilities expenses, which rose in line with the increase in sales volume. Furthermore, OR recorded a lower foreign exchange gain as the Thai baht appreciated slightly, and there was also a decrease in loss from derivatives. We also recorded higher financial costs as market interest rates increased. All mentioned above led to a slightly better performance, resulting in an increase of earnings per share at 0.92 baht, increasing 7.0% from 2022.



Financial position as of December 31, 2023, OR recorded **total assets** of THB 220,236 million, a decrease of THB 5,268 million from the end of 2022, mainly due to a decrease in other receivables from the Oil Fuel Fund. OR recorded **total liabilities** of THB 110,728 million, a decrease of THB 11,015 million, mainly from long-term loan repayments. **Shareholders' equity** registered at THB 109,508 million, an increase of THB 5,747 million primarily from net profit during the period, offset by the dividend payment of THB 4,800 million.

Economic Overview

The Thai economy in 4Q/23 continues to expand driven mainly by tourist sector and private consumption following additional support from government policy as well as service sector, which as a result, reflect the recovery in labor market sector. Nonetheless, external risks to the Thai economy are kept under surveillance, e.g., the slower-than-expected recovery in the export sector due to China's weak demand and gloomy global economic recovery. Inflation is likely to return to the target range. Bank of Thailand expected the Thai economy to grow around 2.0-3.0% this quarter. However, elevated inflation with upside risks from higher cost pass-through, fluctuated baht driven by the Federal Reserve (Fed)'s uncertain policy, and financial market volatility need to be closely monitored.

Thailand's economy in 2023 would continue to recover despite the global economic slowdown. It is expected in 2023, the Thai economy can still grow at 2.5-3.0%, driven by the private sector and tourism. The number of foreign tourist arrivals is expected to reach 28.3 million people for the whole year, while private consumption is expected to grow at 4.0-7.0% as well. Merchandise exports slow down in line with the global economy. Headline inflation has passed its peak at the end of 2022, with projected inflation rates this year to be around 1.3%. Moreover, elevated core inflation, which may be longer than expected from higher cost pass-through and the economic recovery, along with continued interest rate hikes to manage inflationary pressures in many countries.

The World economy in 4Q/23 is still highly uncertain due to persistently high inflation and tightening financial conditions following lower global demand and tightening monetary policies of most countries, resulting in the weaker purchasing power of consumers and higher costs of the business sector. Concerns over the global economic slowdown, particularly China's slowdown and production cuts by OPEC+ amid political tensions, could put downward pressure on energy prices and the investment climate. **The US** economy in 4Q/23 grew slower than in the previous period at 3.3%, with reducing the amount of investment in inventory and slowing down consumption spending. However, growth should be enough to prevent the 2023 economic recession. **China**'s economy in the 4Q/23 expanded 5.2% from 4.9% in 3Q/23, and from signs of export recovery, inflation decreased. However, there are risks from economic shrinkage and default in the real estate sector. Uncertainty on employment and household income and weak confidence in the business sector may hinder economic recovery in 2024.

The World economy in 2023 is likely to expand at a slower pace after central banks unleashed the steepest series of interest-rate increases to tame inflation. Inflation has slowed down but remains high due to various factors such as the real estate crisis in China, fluctuating commodities prices, and geopolitical issues. China's reopening will support the recovery of Asian economies. However, financial stability is exposed to increased risks from financial institution problems. Most central banks continue to pursue tightening policies to bring inflation back to the target range.

OR Performance Results

Unit : Million Baht	4Q/22	3Q/23	4Q/23	Variance QoQ	Variance YoY	2022	2023	Variance YoY
Total sales and services	**206,268**	**191,560**	**192,542**	**0.5%**	**(6.7%)**	**789,785**	**769,224**	**(2.6%)**
: Mobility	193,431	178,429	179,254	0.5%	(7.3%)	736,408	717,038	(2.6%)
: Lifestyle	5,727	5,514	5,878	6.6%	2.6%	21,082	22,365	6.1%
: Global	12,151	12,583	11,624	(7.6%)	(4.3%)	52,154	49,240	(5.6%)
: Other	271	272	281	3.3%	3.7%	1,061	1,108	4.4%
Other income	**1,027**	**1,543**	**1,075**	**(30.3%)**	**4.7%**	**3,509**	**4,729**	**34.8%**
Operating expenses	**6,500**	**5,822**	**7,065**	**21.4%**	**8.7%**	**22,082**	**24,195**	**9.6%**
EBITDA	**1,254**	**7,546**	**2,523**	**(66.6%)**	**>100%**	**20,608**	**21,206**	**2.9%**
: Mobility	(193)	5,669	1,230	(78.3%)	>100%	13,911	14,436	3.8%
: Lifestyle	1,226	1,383	1,504	8.7%	22.7%	5,238	5,677	8.4%
: Global	253	550	3	(99.5%)	(98.8%)	1,470	1,399	(4.8%)
: Other	(21)	(54)	(240)	<(100%)	<(100%)	(33)	(320)	<(100%)
Depreciation and amortization expenses	**1,699**	**1,673**	**1,747**	**4.4%**	**2.8%**	**6,503**	**6,799**	**4.6%**
Operating profit	**(445)**	**5,873**	**776**	**(86.8%)**	**>100%**	**14,105**	**14,407**	**2.1%**
: Mobility	(1,223)	4,644	174	(96.3%)	>100%	9,974	10,270	3.0%
: Lifestyle	730	905	988	9.2%	35.3%	3,321	3,731	12.3%
: Global	83	384	(169)	<(100%)	<(100%)	824	727	(11.8%)
: Other	(24)	(58)	(243)	<(100%)	<(100%)	(36)	(335)	<(100%)
Share of profit (loss) from investments in joint ventures and associates	128	115	106	(7.8%)	(17.2%)	490	539	10.0%
Gain (loss) on derivatives	(80)	(241)	(174)	27.8%	<(100%)	(1,068)	(1,016)	4.9%
Gain (loss) on exchange rate	(55)	732	(450)	<(100%)	<(100%)	1,112	1,024	(7.9%)
Others	(549)	305	8	(97.4%)	>100%	(473)	(51)	89.2%
EBIT	**(1,001)**	**6,784**	**266**	**(96.1%)**	**>100%**	**14,166**	**14,903**	**5.2%**
Finance costs	353	362	349	(3.6%)	(1.1%)	1,155	1,369	18.5%
Tax expenses (income)	(611)	1,252	(277)	<(100%)	54.7%	2,638	2,437	(7.6%)
Net Profit (Loss) for the periods*	**(744)**	**5,170**	**193**	**(96.3%)**	**>100%**	**10,370**	**11,094**	**7.0%**
Earnings Per Share (Baht/share)	(0.06)	0.43	0.02	(95.3%)	>100%	0.86	0.92	7.0%

* Net profit of OR (the parent company)

Performance by Business Segment

The Situation of Oil Prices

A report from the International Energy Agency (IEA) retrieved in January 2024 showed **expected global oil demand in 2023** at 101.7 million barrels per day (MMBD), higher than 2022 around 2.3 MMBD. The global oil demand growth in 2023 was primarily driven by the recovery in China from travel demand. On the other hand, the global **oil demand growth in 4Q/23** slowed down to 1.7 MMBD from 3.2 MMBD in 2Q/23-3Q/23. This revision was mainly in European countries affected by high interest rates, which put pressure on the production and industrial sectors.

Unit : USD/Barrel	4Q/22	3Q/23	4Q/23	Variance		2022	2023	Variance
				QoQ	YoY			YoY
Dubai	84.9	86.7	83.6	(3.6%)	(1.5%)	96.3	82.1	(14.7%)
Gasoline	94.3	105.7	96.1	(9.1%)	1.9%	115.2	98.8	(14.2%)
Gasoil/Diesel	124.2	113.6	104.7	(7.8%)	(15.7%)	130.6	104.0	(20.4%)
Kerosene	118.3	112.8	107.2	(5.0%)	(9.4%)	126.7	104.6	(17.4%)

Dubai crude oil prices in 4Q/23 averaged US$ 83.6 per barrel, falling from 3Q/23 at US$ 86.7 per barrel. The downward in crude oil prices was resulting from (1) investor disappointment with the OPEC+ group meeting in November, which OPEC+ set the production cut and export reduction of 2.2 MMBD in 1Q/24. The reduction mainly from Saudi Arabia's extended production cuts and export reductions from Russia, coupled with Angola quitted OPEC membership due to decreased production quotas. (2) The continuous increase in the U.S. crude oil production, which production in October exceeding 13.2 MMBD, reaching pre-pandemic levels. (3) Concerns on the Chinese economy, as reflected in the Purchasing Managers Index (PMI), which consecutively declined in 4Q/23. This indicated a slowdown in China's manufacturing and industrial sectors, requiring more economic stimulus policies. However, crude oil price was supported from the geopolitical concern in the Middle East, particularly with attacks by the Houthi group on Israel, causing crude oil prices to rise due to concerns on oil supply disruptions. Moreover, the U.S. Central bank signaled a reduction in interest rates in 2024, anticipating economic expansion and oil demand growth.

Dubai crude oil prices in 2023 averaged US$ 82.1 per barrel, fell from average in 2022 at US$ 96.3 per barrel as concerns on the financial sector in the U.S., including the U.S. banks interest rate hike to 5.25-5.50% in 2023. This led to increased financial costs in various industries. In addition, inflationary pressures in OECD countries, affecting to slow down economic activities. The economic concern in China, particularly in the industrial and real estate sectors, has been continued to pressure on oil demand. These were reflected in economic indicators such as export figures and the PMI index, which consistently slowed down. On the less, the crude oil prices were supported by production cuts implemented by the OPEC+ group in 2023, led by Saudi Arabia, and a reduction in oil exports from Russia. Furthermore, the upward revision of the U.S. economy, even with persistently high-interest rates, resulted in continuous GDP growth, along with robust the U.S. labor market.

Petroleum products prices in 4Q/23. Gasoline price averaged US$ 96.1 per barrel, fell from 3Q/23 at US$ 105.7 per barrel. The average gasoline price significantly fell in line with the Dubai price. Gasoline demand in Asia slowed down, mainly came from China, where the growth of electric vehicle sales has been increasing. However, India's gasoline sale increased because of the support of domestic travel during the holiday season, accompanied by the end of monsoon season. Furthermore, China's gasoline exports fell at the end of the year due to limited export quota for petroleum products. **Diesel price** in 4Q/23 averaged US$ 104.7 per barrel, down from 3Q/23 at US$ 113.6 per barrel, which was lower than Dubai price. The diesel price significantly declined greater than the Dubai price. This was influenced by pressure from the supply side, particularly from India, which was a major diesel exporter due to the Indian government cut windfall tax on diesel export. This was coupled with demand concern in China from industrial and real estate sectors, resulting to the increase of Singapore diesel inventory from the previous quarter. In addition, the decrease of global PMI, especially in Europe, indicated an economic and industrial slowdown. On the other hand, diesel price was supported by a decrease of China diesel export due to export quota shortage. This was along with a recovery diesel sale in India from the previous quarter as year-end holidays and lower temperatures in the U.S. supported additional heating oil demand that aligned with low levels of the U.S. diesel inventory. **Jet/Kerosene price** in 4Q/23 averaged US$ 107.2 per barrel, down from 3Q/23 at US$ 112.8 per barrel, which has dropped lower than Dubai price. The supply of jet fuel has been pressured by China's emphasis on jet fuel export and end of refineries maintenance in the Middle East increased the jet fuel supply. Moreover, the decrease of kerosene demand in Japan as a milder winter has reduced the heating demand. However, the jet fuel demand in U.S increased due to holidays during the end of the year, leading to higher passengers' traffic at the airport. This aligns with jet fuel inventories continuously decreased in the U.S. and Europe. The air travel in India rose during holiday seasons. Additionally, China has announced an expansion of Free Visa policy for tourists from several countries.

Petroleum products prices in 2023. Singapore refined products prices have decreased more than Dubai crude oil price comparing to the previous year. **Gasoline price** averaged US$ 99.0 per barrel, fell from 2022 at US$ 115.2 per barrel. This was a result of the rapid growth of EVs in China and slowed down gasoline demand in the U.S. and Europe. However, gasoline demand rose 0.8 MMBD from the last year, supported by India, Southeast Asia, and Latin America. **Diesel price** averaged US$ 104.0 per barrel, fell from the previous year at US$ 130.6 per barrel. This result came from sluggish economy and inflation concerns affecting diesel demand in both household and industrial sectors in the OECD countries. Moreover, global higher temperatures from the heat wave situation pressured heating fuel demand. In supply side, Asia's diesel supply rose as China's announcement export quota in 2023. On the less, diesel price has been supported by increased demand in India from the industrial, agricultural and transportation sectors. Additionally, the heat wave situation affected to a decrease production in the West refineries. **Jet/Kerosene price** averaged US$ 104.6 per barrel, fell from the previous year at US$ 126.7 per barrel. It was caused by reduced international travel from China, which remained lower than pre-pandemic levels. Additionally, air cargos faced effect due to the sluggish economy, reflecting to China's export data. Kerosene demand for heating oil slowed down from El Niño. On the other hand, jet fuel price was supported by continuous global air travel growth, leading to an increase of jet demand 1.0 MMBD in 2023, driven by growth in Asia and the Middle East regions.

Fuel consumption in Thailand: The Department of Energy Business reported the consumption in 2023, which was 152.3 mml per day, increasing 0.4% from the previous year. Commercial jet fuel (Jet A-1) consumption increased by 50.9%, followed by gasoline by 3.4% and 0.7% for the LPG group from the prior year. However, diesel fuel consumption decreased by 5.7%.

Gasoline consumption averaged 31.7 mml per day, which increased by 3.4% from the last year, mainly from the increase in gasohol 95 to 18.0 mml per day and gasohol E20 to 5.9 mml per day. Gasoline consumption had been supported by the government's announcement of a three-month cut in all types of gasoline prices from 7 November 2023 to 31 January 2024, which alleviate the people's living expenses.

OR's market share

42.2%

Source: Department of Energy Business, Ministry of Energy from January to December 2023 (calculation includes all products except FO-EGAT).

Commercial Aviation fuel (Jet A-1) consumption averaged 13.5 mml per day, or 50.9%, a rose from the last year as tourism recovered after the COVID-19 situation. Moreover, the government has announced visa-free policies for tourists from several countries such as China, India, Taiwan, and Kazakhstan, which have significantly supported air travel.

Diesel consumption averaged 68.9 mml per day, which fell by 5.7% from the last year. Diesel consumption decreased for all types except for B7 diesel. However, the government still had measures to maintain diesel prices at less than THB 30 per liter by using the excise tax rate and fuel funds.

Liquefied petroleum gas (LPG) consumption averaged 17.6 million kilograms per day, 0.6% higher than the last year, driven by a 3.6% increase in transportation sector usage to 2.3 million kilograms per day and petrochemical sector usage rose by 0.9% to 7.6 million kilograms per day. On the less, both household and industrial sector usage decreased by 0.1% and 1.6% to 5.7 million kilograms per day and 2.0 million kilograms per day, respectively.

Performance of Mobility Business Segment

Description	4Q/22	3Q/23	4Q/23	Variance		2022	2023	Variance
				QoQ	YoY			YoY
Number of Station								
PTT Station*	2,161	2,203	2,256	53	95	2,161	2,256	95
EV Station PluZ**	131	560	705	145	574	131	705	574
LPG station***	233	234	234	-	1	233	234	1
Volume Sold (MML)								
Retail	3,283	2,944	3,076	4.5%	(6.3%)	13,133	12,433	(5.3%)
Commercial	3,696	3,812	3,903	2.4%	5.6%	13,713	15,209	10.9%
Total Volume Sold	**6,979**	**6,756**	**6,979**	**3.3%**	**0.0%**	**26,846**	**27,642**	**3.0%**
Volume Sold by Product (%)								
LPG	13.6%	12.9%	12.7%	-	-	13.6%	12.6%	-
Aviation fuel	10.6%	12.9%	12.5%	-	-	8.6%	12.4%	-
Diesel	45.4%	45.1%	47.6%	-	-	45.8%	46.0%	-
Fuel oil	7.5%	6.0%	5.4%	-	-	8.3%	6.0%	-
Gasoline	21.1%	21.0%	20.1%	-	-	21.6%	21.0%	-
Lubricant	0.5%	0.6%	0.6%	-	-	0.6%	0.6%	-
Others	1.3%	1.5%	1.1%	-	-	1.5%	1.4%	-
Total Volume Sold by Product	**100.0%**	**100.0%**	**100.0%**	-	-	**100.0%**	**100.0%**	-
Gross Profit: Baht/Litre	**0.48**	**1.26**	**0.75**	-	-	**0.98**	**0.99**	-
Mobility EBITDA Margin (%)	**(0.1%)**	**3.2%**	**0.7%**	-	-	**1.9%**	**2.0%**	-

*Includes ptt station in Thailand and Myanmar **Station in operation inside and outside service station

***LPG Station located in ptt station is not included

Performance 4Q/23 vs. 3Q/23

- **Revenue from sales and services increased by THB 825 million (+0.5%)**. This was attributed to an increase in sales volume of 223 mml (+3.3%). The **commercial market** saw a sales volume increase of 91 mml (+2.4%), primarily in diesel. Aviation fuel sales remained steady, while sales of fuel oil decreased due to higher competition in the marine sector. The **retail market** registered a sales volume increase of 132 mml (+4.5%) in diesel, due to the sales incentive campaign launched at the end of the year. Gasoline sales dropped due to increased domestic travel in 3Q/23 during the long holiday. Additionally, 53 new PTT Stations were added in this quarter.
- **EBITDA decreased by THB 4,439 million (-78.3%)**, primarily due to a reduction in the average gross profit per liter by THB 0.51. Both diesel and gasoline in the **retail market** declined in average gross profit per liter. The **commercial market** also saw a reduction in average gross profit per liter in diesel and fuel oil due to increased market competition. The aviation fuel had an increase in gross profit per liter from the effect of the M-1 selling price structure, where the reference price during 4Q/23 decreased from 3Q/23. For this period, OR had higher net operating expenses from an increase in external service expenses for maintenance according to the annual plan and promotion expenses, leading to an EBITDA margin of 0.7% for this quarter, lower than the 3.2% in the previous quarter.

Performance 4Q/23 vs. 4Q/22

- **Revenue from sales and services dropped by THB 14,177 million Baht (-7.3%),** mainly due to a decline in global oil prices, despite steady sales volume overall. The **commercial market**'s sales volume increased by 207 mml (+5.6%) mainly from diesel. Aviation fuel sales increased due to economic recovery, while fuel oil sales decreased in the marine sector due to higher refining costs. On the **retail market** side, a sales volume dropped by 207 mml (-6.3%) mainly in diesel due to slow retail price adjustments during 4Q/22, leading to extra sales volume, and gasoline sales were also reduced.
- **EBITDA rose by THB 1,423 million (+>100%),** driven by an overall increase in the average gross profit per liter by THB 0.27. In the **commercial market**, the average gross profit per liter increased, especially in aviation fuel, due to M-1 selling price structure. Lubricants also saw an increase, driven by the push in sales volume for both automotive and industrial products. Diesel, however, experienced a decrease from higher costs and intense competition. Fuel oil remained stable. In the **retail market**, the average gross profit per liter increased primarily in diesel from the import during 4Q/22 resulted in higher costs. Gasoline also grew. In this quarter, net operating expenses rose from higher external service and promotion expenses. This resulted in an EBITDA Margin of 0.7% for 4Q/23, up from -0.1% in 4Q/22.

Performance 2023 vs. 2022

- **Revenue from sales and services decreased by THB 19,370 million (-2.6%)** due to the reduction in global oil prices, despite an overall increase in sales volume of 796 mml (+3.0%). The **commercial market** faced an increase in sales volume of 1,496 mml (+10.9%), mainly driven by aviation fuel due to economic recovery and expanding markets. Diesel also rose, while fuel oil decreased due to higher refinery costs. In the **retail market**, there was a reduction in sales volume of 700 mml (-5.3%), primarily in diesel because of a delay in adjusting selling prices at service stations in 2022, leading to higher-than-normal sales. Gasoline sales remained at the same level. In this period, there was an expansion of 95 new PTT Stations.
- **EBITDA increased by THB 525 million (+3.8%),** with a slight improvement in the overall average gross profit per liter. In the **retail market**, gasoline had an increased average gross profit per liter, while diesel experienced a decrease due to reduced sales volume. For the **commercial market**, the overall gross profit dropped mainly in diesel, and fuel oil due to high market competition. Aviation fuel had an increase in overall gross profit from higher sales volume. In this year, net operating expenses rose due to promotion and utility expenses. Also, other income increased from PTT Group Supply Chain Collaboration. This resulted in an EBITDA Margin of 2.0% in 2023, slightly up from 1.9% in 2022.

As of 31 December 2023, OR had installed **"EV Station PluZ"** in 859 locations with 1,618 DC connectors, including 681 installed inside service stations (with 545 in operations) and 178 installed outside service stations (with 160 in operations). The number of additional locations in 2023 surpassed the previously established target, and OR has expanded EV Station PluZ, covering all 77 provinces nationwide. As for **Fit Auto**, there was a total of 97 outlets, opened four more branches from the previous quarter.

OR officially launched **PTT Flagship Station Vibhavadi 62** last December. This flagship station is a prototype to fulfill all lifestyle needs of the modern generations and to reflect OR's business concept of thriving to shape opportunities for people, communities, and the environment to grow sustainably together, according to SDG. In this station, the Lifestyle business accounts for more than 80% of the area proportions, consisting of various restaurants under OR, such as Cafe Amazon, Texas Chicken, Pacamara, Ohkhaju, and other partner brands. Besides, there are shops offering Beauty, Health & Wellness, and other services. Moreover, there was an EV Centralized Charger that could supply 6 outlets at a time, supporting up to 180 kW charging, considered as a model to support the increasing demand for usability. Additionally, to emphasize the commitment to the Carbon Neutrality goal, the solar rooftop was installed for internal use in the stations and shops operated by OR, along with a battery energy storage system (G-Box) from NUOVO PLUS's subsidiary to optimize energy usage.

Expansion of Lifestyle Business

Description	4Q/22	3Q/23	4Q/23	Variance		2022	2023	Variance
				QoQ	YoY			YoY
Number of outlets								
Cafe Amazon *	3,895	4,065	4,181	116	286	3,895	4,181	286
Texas Chicken	107	100	100	-	(7)	107	100	(7)
Convenience Store**	2,147	2,186	2,227	41	80	2,147	2,227	80
Cafe Amazon total cups sold* (Million cups)	**90**	**92**	**95**	**3.2%**	**5.4%**	**357**	**371**	**3.9%**

*Includes Cafe Amazon in Thailand, Myanmar, Japan, Oman, Malaysia and Saudi Arabia

**Includes both Jiffy and 7-Eleven convenience stores in Thailand

In 4Q/23, the Lifestyle business had a combined network of 4,402 **F&B business outlets**, comprising 4,159 Cafe Amazon outlets in Thailand classified as 2,232 outlets located in PTT Stations and 1,927 outlets outside of PTT Stations, or 53.7% and 46.3%, respectively, along with 22 Cafe Amazon outlets overseas, 100 **Texas Chicken** outlets, and 121 outlets of other F&B comprising **Pearly Tea** and **Pacamara Coffee Roasters.** For the **Other retail business**, we recorded 2,227 convenience stores under the **7-Eleven** and **Jiffy** brands in Thailand.

Cafe Amazon, under the F&B business in 4Q/23, recorded 95 million cups sold this quarter, an increase of 3 million cups (+3.2%) compared to 3Q/23 due to seasonal factors.

Performance of Lifestyle Business Segment

Description	4Q/22	3Q/23	4Q/23	Variance QoQ	Variance YoY	2022	2023	Variance YoY
Sales and Services (Million Baht)								
Food & Beverage	3,839	3,824	4,099	7.2%	6.8%	13,993	15,325	9.5%
Other Retail Business	1,888	1,690	1,779	5.3%	(5.8%)	7,089	7,040	(0.7%)
Total sales and services	**5,727**	**5,514**	**5,878**	**6.6%**	**2.6%**	**21,082**	**22,365**	**6.1%**
Lifestyle EBITDA Margin (%)	**21.4%**	**25.1%**	**25.6%**	-	-	**24.8%**	**25.4%**	-

Performance 4Q/23 vs. 3Q/23

- **Revenue from sales and services increased by THB 364 million (+6.6%)**. The **F&B business** increased by THB 275 million (+7.2%)**,** and **other retail business** increased by THB 89 million (+5.3%), mainly from the F&B business outlet expansion and a higher average sales per day per store in convenience stores, which was the seasonal factor.
- **EBITDA increased by THB 121 million (+8.7%**) from better gross profit following the higher sales of the **F&B business**. Although there was an increase in net operating expenses, mainly from outsourced and promotional expenses. EBITDA for the **F&B business** increased by THB 131 million (+13.7%), while the **other retail business** decreased by THB 10 million (-2.4%), causing the EBITDA margin to increase from 25.1% in the last quarter to 25.6 % in this quarter.

Performance 4Q/23 vs. 4Q/22

- **Revenue from sales and services increased by THB 151 million (+2.6%)** , due to the recovery of economic activities. The revenue from sales of the **F&B business** increased by THB 260 million (+6.8%), mainly due to increased sales volume from the F&B business outlet expansion. **Other retail business's** revenue from sales decreased by THB 109 million (-5.8%), mainly from a decrease in average sales revenue per store per day of convenience stores.
- **EBITDA increased by THB 278 million (+22.7%)**, the EBITDA of the **F&B business** increased by THB 284 million (+35.2%) from an increase in gross profit. In contrast, **other retail business's** EBITDA decreased by THB 6 million (-1.4%). Additionally, expenses decreased, mainly from utilities and promotional expenses. The EBITDA margin in this quarter increased from 21.4% in 4Q/22 to 25.6% in 4Q/23.

Performance 2023 vs. 2022

- **Revenue from sales and services increased by THB 1,283 million (+6.1%)** due to the recovery of economic activities. The revenue from sales of the **F&B business** increased by THB 1,332 million (+9.5%), mainly due to the F&B business outlet expansion. **Other retail business's** revenue from sales decreased by THB 49 million (-0.7%).
- **EBITDA increased by THB 439 million (+8.4%)** following an increase in the gross profit of F&B business. However, operating expenses increased, mainly from outsourced, promotional, repair, and maintenance expenses. The EBITDA of the **F&B business** increased by THB 439 million (+12.7%). While **Other retail business's** EBITDA remained unchanged. This resulted in an increase in the EBITDA margin from 24.8% in 2022 to 25.4% in 2023.

Overview of Global Business

Cambodia, The International Monetary Fund (IMF) projected the economy to grow at 5.6% in 2023 on the back of a steady rebound in private investment focusing on the expansion of industry and infrastructures. Moreover, the service sector continues to expand according to the increase of foreign tourist arrivals. However, the global economic slowdown would inhibit exports sector recovery. Moreover, the tightening monetary policy of the U.S. puts downward pressure on the borrowing cost and the unfavorable business loan, directly impact to the real estate businesses. **Laos**, IMF expected the economy to grow by 4.0% in 2023, slowly rebound as improved tourism after China's reopening, which bolstered the number of tourist arrivals, and FDI gradually inflows focusing on the businesses related to the China-Laos high-speed railway and the connecting to other countries in SEA. However, Laos' economy remains fragile from high inflation, reflecting on high household debt and the cost of business, raising the labor cost and gradual cost to consumer prices. Meanwhile, low foreign reserves and weakening LAK could put pressure long-term economic growth. **The Philippines**, IMF projected the economy to grow 5.3% in 2023, a remarkable recovery among the emerging market, which caused by foreign investment, bolstered the domestic private consumption and higher number of employment rate, as well as the expansion of manufacturing sector and retail sector. However, the tightening monetary policy by central bank of the Philippines to keep the high interest policy rates as reflected in the cost of living and impaired the domestic consumption.

Performance of Global Business Segment

Description	4Q/22	3Q/23	4Q/23	Variance		2022	2023	Variance
				QoQ	YoY			YoY
Number of PTT Station	390	391	396	5	6	390	396	6
Oil Volume Sold (MML)								
Philippines	176	219	167	(23.7%)	(5.1%)	779	832	6.8%
Cambodia	124	136	130	(4.4%)	4.8%	461	572	24.1%
Laos	63	65	75	15.4%	19.0%	257	292	13.6%
Total Volume Sold	**363**	**420**	**372**	**(11.4%)**	**2.5%**	**1,497**	**1,696**	**13.3%**
Cafe Amazon*								
Cafe Amazon Outlets	358	367	371	4	13	358	371	13
Cafe Amazon total cups sold (Million cups)	6.4	7.0	7.7	10.0%	20.3%	23.9	28.5	19.3%
Global EBITDA Margin (%)	**2.1%**	**4.4%**	**0.0%**	-	-	**2.8%**	**2.8%**	-

*Includes number of outlets / cups sold in the Philippines, Cambodia, Laos, Vietnam and China

Performance 4Q/23 vs. 3Q/23

- **Revenue from sales and services decreased by THB 959 million (-7.6%)** due to a drop in overall sales volume by 48 mml, mainly from **the Philippines**, where the sales volume of aviation fuel was lower than the previous quarter owing to reduced sales volume sold to some airlines. Diesel sold to industrial customers also decreased because of intense competition. In **Cambodia**, sales volume for aviation fuel declined, but diesel and gasoline increased. Meanwhile, in **Laos**, sales volume improved primarily due to diesel sold to industrial customers. For **Cafe Amazon**'s cups sold, there was an increase in Cambodia and Laos.
- **EBITDA decreased by THB 547 million (-99.5%)** across all three countries, mainly from **the Philippines**, with a lower average gross profit per liter, especially diesel. Additionally, other income from PTT Group Supply Chain Collaboration decreased this quarter. In **Laos**, gross profit fell from diesel and gasoline due to a weaker average gross profit per liter. Although there was an improvement in gross profit in **Cambodia**, net operating expenses also increased, resulting in a drop in EBITDA. Overall, EBITDA margin decreased compared to the previous quarter at 4.4%.

Performance 4Q/23 vs. 4Q/22

- **Revenue from sales and services decreased by THB 527 million (-4.3%)**, mainly due to a decline in average selling prices in line with global oil prices, while sales volume increased slightly by 9 mml. Revenue decreased primarily in **the Philippines**, where the sales volume of aviation fuel dropped from a lower sales volume sold to some airlines. On the other hand, the sales volume of diesel and gasoline increased. **Cambodia**'s revenue slightly decreased despite the rise of gasoline and diesel sales volume due to the expansion of service stations. **Laos**'s revenue rose from an increased sales volume, mainly from diesel, driven by economic recovery. Moreover, the economic recovery also resulted in an increase in **Cafe Amazon**'s cups sold over the same period last year, especially in Cambodia and Laos.

- **EBITDA decreased by THB 250 million (-98.8%)**, mainly from **the Philippines**, where gross profit dropped, following the lower sales volume and softer average gross profit per liter, and **Laos**, where average gross profit per liter decreased, particularly gasoline. In contrast, in **Cambodia**, EBITDA increased due to improved gross profit following higher sales volume. EBITDA margin for this quarter was lower than the same quarter last year by 2.1%.

Performance 2023 vs. 2022

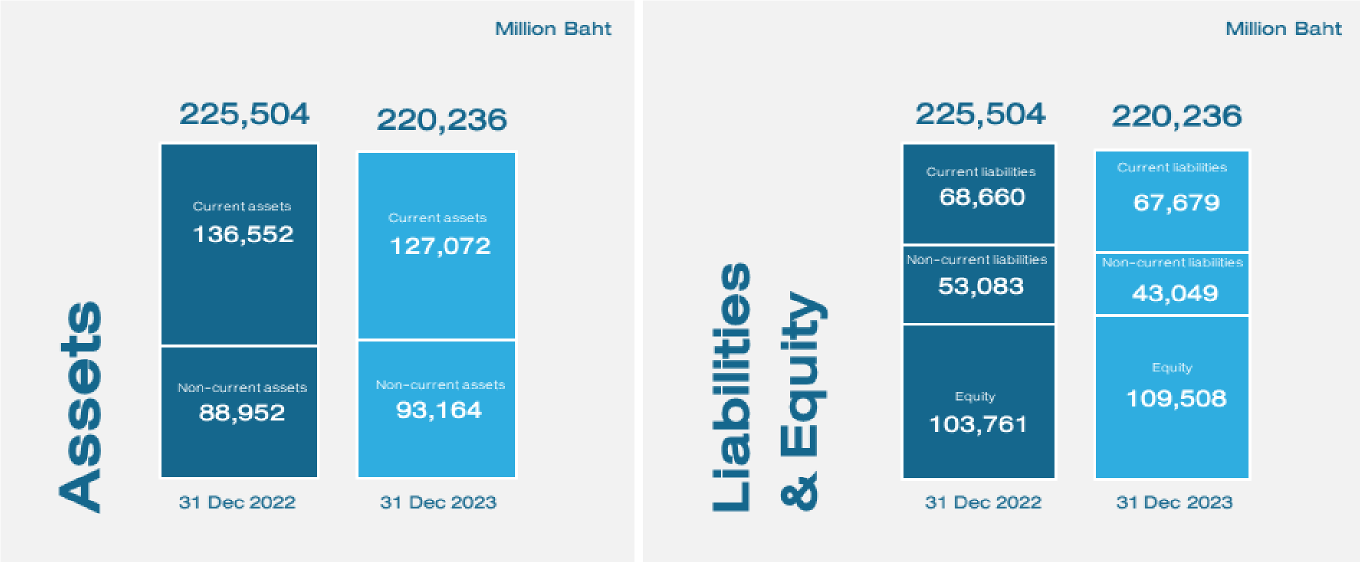
- **Revenue from sales and services decreased by THB 2,914 million (-5.6%)**, as a result of a decrease in global oil prices, even though sales volume improved in all countries by 199 mml as the economy recovered. The increased sales volumes resulted mainly from **Cambodia**, where the diesel and gasoline sales volumes escalated. In **the Philippines**, sales volume rose, specifically from aviation fuel, due to an increase in air travel. Besides, diesel sold to industrial customers was boosted. In addition, **Laos** recorded higher sales volume across all products. **café Amazon**'s cups sold increased in line with the recovery of the economy from the previous year, as well as from the outlet expansion in Cambodia and Laos.
- **EBITDA decreased by THB 71 million (-4.8%)**, mainly from **the Philippines** due to a lower average gross profit per liter of diesel and gasoline even if the EBITDA from **Cambodia** was higher from a better gross profit. Also, in **Laos**, the EBITDA was boosted owing to an increase of average gross profit per liter from service station as selling prices were adjusted to be more reflective of the cost. For 2023, the EBITDA margin was recorded at 2.8 %, similar to the same period last year.

Last December, **the Cafe Amazon Concept Store opened abroad** in Laos, pinned as a new landmark of Vientiane's Capital with the concept of "The door to the local culture." The concept store will have special menus made with ingredients from local communities, available exclusively at each branch. For this branch, the signature menus are "Tum Mak Hoong", a 400-year-old white tea with cucumber syrup, "Roselle Beer Laos", and "Kayasin Frappe", a coffee blend with coconut milk. The store's furniture and interior decoration materials are from the upcycling process, aligning with the Circular Living principle. Furthermore, special products from local cooperatives in Laos are sold here, supporting local businesses, and enhancing community well-being.

To reinforce the vision of OR, which is "Empowering All toward Inclusive Growth", OR and its partners jointly initiated **"Thaidet"** in 2018 to promote quality and popular products throughout the country. They have sourced products from community enterprises to commercially display at **"Thaidet Store"** located within PTT Stations throughout the entire country. It is another platform to introduce over 700 selective OTOP products that have been qualified "good and great" and to reach domestic consumers more effortlessly and thoroughly.

In December 2023, The Thaidet event was launched under the concept of **"The 5th Anniversary of Thaidet with Premium Goods from 5 Regions"** to present popular local products from 5 regions across Thailand. Throughout the past 5 years, **Thaidet** has solidly shaped success and pride for the community, improving the quality of life of people in communities by extending opportunities, careers, incomes and ensuring a better living standard. Products in this project have been developed to serve the needs of target consumers, both domestic and international. Recently, OR also presented Thaidet products at Cafe Amazon Lala Terrace Tokyo-Bay in Japan to introduce well-curated products from different regions of Thailand to Japanese customers – an approach that contributes to the growth of local businesses and promotes sustainable development of the quality of life. Besides, **Thaidet** also aims to expand its branches to over 350 and diversify product choices to 1,000 items.

Financial Position



Assets As of December 31, 2023, OR recorded total assets in the amount of THB 220,236 million, a decrease of THB 5,268 million (-2.3%) from December 31, 2022, and can be categorized as follows:

Current assets decreased by THB 9,480 million (-6.9%), mainly from:

- Trade accounts receivable and other accounts receivable decreased by THB 27,505 million (-40.0%), from other accounts receivable decreased by THB 26,642 million (-65.4%), mainly from receiving repayment from the Oil Fuel Fund. Additionally, trade receivable decreased by THB 863 million (-3.1%) due to decreased global oil prices.
- Cash and cash equivalents increased by THB 13,526 million (+35.7%), mainly from receiving repayment from the Oil Fuel Fund and cash generated in operating activities offset by loan repayment, usage in investing activities and dividend payment.
- Inventories, materials, and supplies increased by THB 5,678 million (+20.7%) due to the higher inventory stock of around 243 mml (+30.5%), mainly from diesel, gasoline, and aviation fuel.

Non-current assets increased by THB 4,212 million (+4.7%), mainly from:

- Property, plant, and equipment increased by THB 4,027 million (+9.1%), mainly from the network expansion, such as PTT Station, EV Station PluZ and retail outlet.
- Right of use increased by THB 713 million (+9.1%), mainly from land acquisition along with business expansion.
- Deferred tax assets and intangible assets decreased by THB 371 million (-5.0%) and THB 275 million (-15.0%) respectively, mainly from the effects of depreciation and amortization during the period.

Liabilities As of December 31, 2023, OR Group recorded total liabilities of THB 110,728 million, a decrease of THB 11,015 million (-9.0%) from December 31, 2022, from the following:

Current liabilities decreased by THB 981million (-1.4%), mainly from:

- Trade accounts payables and other accounts payables decreased by THB 1,787 million (-3.2%) from a decrease in global oil prices.

- Bank overdraft and short-term borrowings decreased by THB 861 million (-18.4%) from short-term borrowings repayment.
- Income tax payable increased by THB 949 million (+>100%) from receiving repayment from the Oil Fuel Fund.

Non-current liabilities decreased by THB 10,034 million (-18.9%), mainly from:

- Long-term borrowings decreased by THB 8,198 million (-33.5%) from loan repayment.
- Deferred tax liabilities decreased by THB 2,907 million (-86.4%) from the lower of accrued Oil Fuel Fund compensation offset by the usage of Tax Loss Carryforward.

Equity As of December 31, 2023, OR Group recorded a total equity of THB 109,508 million, an increase of THB 5,747 million (+5.5%) from December 31, 2022, primarily from net profit during the period offset by the dividend payment of THB 4,800 million (for the second-half performance in 2022 by THB 0.15 per share and the first-half performance in 2023 by THB 0.25 per share)

Cash Flow Statement ended December 31, 2023

	Million Baht
Net cash provided (used in) by operating activities	37,973
Net cash provided by (used in) investing activities	(7,669)
Net cash provided by (used in) financing activities	(16,802)
Unrealized gain (loss) foreign exchange rate	(27)
Currency translation differences	51
Net increase (decrease) in cash and cash equivalents	**13,526**
Cash and cash equivalents at beginning of periods	37,910
Cash and cash equivalents at end of periods	**51,436**

Net cash from operating activities amounted to THB 37,973 million, mainly from net income from operations before taxes in the amount of THB 13,534 million, which was partially adjusted by non-cash items, such as depreciation and amortization, income tax expenses, and financial costs, also includes changes in operating assets and liabilities, mainly from the receiving repayment from the Oil Fuel Fund in the amount of THB 40,267 million, a decrease in account payables and account receivables offset by an increase in inventories.

Net cash used in investing activities was recorded in the amount of THB 7,669 million, mainly from the investments in land, buildings, and equipment, investment for the expansion of PTT Station, EV Station PluZ, retail outlet, warehouse, and investment in LPG cylinder and related equipment of the company amounting to THB 8,564 million, also the investments in other non-current financial assets at THB 725 million which offset by matured short-term investments in the amount of THB 969 million and the dividend received THB 949 million.

Net cash used in financing activities amounted to THB 16,802 million, mainly from short and long-term loan repayments of THB 8,662 million and dividend payments.

Financial Ratios

	2022	2023
Profitability Ratios		
1. Gross profit margin (%)	5.0	5.3
2. Net profit margin (%)	1.3	1.4
	Dec 31, 22	**Dec 31, 23**
Liquidity Ratios		
3. Current ratio (times)	2.0	1.9
Profitability Ratios		
4. Return on equity (%)	10.2	10.4
Operating Efficiency Ratios		
5. Return on total assets (%)	4.8	5.0
Financial Policy Ratios		
6. Net Interest bearing debt to equity (times)	0.0	(0.1)
7. Debt service coverage ratio (times)	4.1	6.1

Financial Ratios' Calculations:

1. Gross profit margin = Gross profit (loss) / Sales and service incomes x 100
2. Net profit margin = Net Profit (loss) / Sales and service incomes x 100
3. Current ratio = Current assets / Current liabilities
4. Return on equity = Net Profit (loss) / Average equity x 100
5. Return on total assets = Net Profit (loss) / Average total assets x 100
6. Net Interest-bearing debt to equity = Interest bearing debt* - (Cash and cash equivalents + Current investments) / Equity
7. Debt service coverage ratio (times) = EBITDA + Cash and cash equivalents + Current investments / Proceeds from (repayment of) bank overdrafts and short-term loans + Repayment of long-term loans + Repayment of finance lease installments + Finance costs paid)

*Interest bearing debt = Bank overdraft & ST borrowings + Current portion of long-term borrowings + Long-term borrowings + Lease liabilities

Outlook 2024

Thailand's economy continued to expand, driven mainly by private. According to Thailand National Economic and Social Development Council (NESDC), Thailand's economy is expected to grow 2.7-3.7% from factors including: 1) private consumption which expected to increase as a result of improvement in a labor market thanks to the government stimulus measures and 2) a steady recovery in tourism with expected number of foreign tourists around 35 million people and a turnaround in merchandise exports. However, Thai economy still faces **significant risks** from: 1) a limping global economy as interest-rate increases weigh on export activity; 2) rising living costs and higher debt burden impacted on the consumption capacity of the private sector and households; 3) Shifting geopolitics and fragmentation emerge and 4) the tendency of being hit by a drought due to the effects of El Niño.

The global economy will likely continue to recover at a slower rate. Economies in the United States, the Eurozone, and China are experiencing a gradual recovery, particularly in the service sector. Meanwhile, Asian economies are benefiting from China's reopening and an improved performance in the global manufacturing sector. IMF has revised its economic growth projection to 3.1%, reflecting the overall economy still faces risks China's slower growth as the real estate market remains a drag and will put pressure on global growth. Moreover, policy tightening by central banks. **The U.S. economy** is expected to grow 2.1% as strong labor market supported by purchasing power and consumer spending. **The Chinese economy**'s economic activity gradually returned to normal after the Zero-COVID Policy is lifted. The IMF forecasted GDP at 4.6%. However, China still faces underperformed recovery and geopolitical risk which is a factor driving market volatility.

The trend of crude oil prices and petroleum products prices, world oil demand in 2024, as reported by the IEA as of January 2024, projects that global oil demand in 2024 at 102.9 MMBD, up 1.2 MMBD from 2023. The primary driver the global oil demand growth in 2024 continues to be China, contributing significantly with an additional 0.7 MMBD, supported by sustained economic growth, especially in the petrochemical sector. However, the oil demand growth for 2024 has slowed 1.1 MMBD compared to the previous year. This deceleration is attributed to macroeconomic headwinds, coupled with improved efficiency in vehicles and an expanding electric vehicles fleet.

Crude oil prices in 2024 tend to have an average lower than 2023 due to the increase in oil supply from the non-OPEC+ group. The IEA expects that the global oil supply in 2024 will increase by 1.5 MMBD, reaching a record high of 103.5 MMBD. The supply expansion comes mainly from the non-OPEC+ group, led by the United States, Brazil, Guyana, and Canada. In contrast, the global oil demand growth in 2024 is expected to increase by 1.2 MMBD. Nonetheless, crude oil price has been supported by supply concern due to the ongoing war in the Middle East region, which has wide-ranging implications on oil shipping rerouting in Red Sea. Moreover, the extension crude oil production cuts and oil export reductions by the OPEC+ group to maintain oil prices in the global market. Furthermore, signals of potential interest rate cuts by the U.S. central bank could support the economy and global oil demand. **The approximate average crude oil price in 2024 will be around US$ 77-81 per barrel.**

Petroleum products situation, The **gasoline** fundamentals is expected to slight increase by improved fuel efficiency and EVs fleet expansion in China, Europe, and the U.S. The full operation of Nigeria's refinery and Mexico's refinery could have a significant impact on gasoline supply. On the other hand, increased import demand from Indonesia and Vietnam, including to elections in many countries could support gasoline demand. **Diesel** Demand in Asia will rise due to ongoing economic growth, especially in India, support by the industrial and construction sectors. China's demand could expand as monetary policies, which support domestic productions. Moreover, tension in the Red Sea attack affects diesel imports to Europe, aligning with the low level of diesel inventory in Europe for several months. However, diesel supply is expected to increase as Chinese refineries receive first batch export quota. **Jet fuel/kerosene**, the global jet demand shows an increasing trend. International Air Transport Association (IATA) forecasts that air travel and air cargo shipments via air transportation are expected to recover better than pre-pandemic levels, including to low jet inventory levels in the U.S. and Europe. On the contrary, the number of international flights in China is still recovering slowly and significantly lower than the pre-pandemic period.

Sustainability Management

OR has set its business direction by driving business growth in parallel with the growth of people and the environment under the vision "Empowering All toward Inclusive Growth," while driving towards becoming a sustainable-business organization through real actions or 'SDG In Action', including Small (S) - Opportunities for Communities; Diversified (D) - Opportunities for All Forms of Growth (More Partners, Products, and Services); and Green (G) - Opportunities for a Clean Society (Low Carbon Business Areas). As a result of working towards OR2030 Goals, in 2023 OR had received awards and rankings as a leading organization in sustainable management both nationally and internationally, including:

- Being selected as a member of the **Dow Jones Sustainability Indices (DJSI)**, the leading global index used to assess organizations' sustainable business practices by S&P Global, in the Emerging Market Index group. OR achieved the **highest score globally and led in the Retailing sector**, with over 8,300 companies worldwide participating in the DJSI assessment.
- Being Ranked **the highest "AAA" in the SET ESG Ratings** for the Resource industry in 2023, listed among the companies with continuous sustainable performance for the 2nd consecutive year.
- Receiving the Sustainability Awards at the Best Sustainability Awards level, the highest award, from the SET Awards 2023 in the Sustainability Excellence award group.
- Winning the Corporate Sustainability Awards from THAILAND TOP COMPANY AWARDS 2023 for organizations with sustainable development strategies.
- Being rated as Excellent or receiving 5 stars continuously for the 3rd year in a row in the Corporate Governance Report of Thai Listed Companies (CGR).
- Being certified as a member of the Collective Action Coalition against Corruption (CAC) and recognized for joining the Thai Private Sector Collective Action Against Corruption (CAC).
- Winning the Friendly Design Award 2023 in the category of "Organization Promoting Architectural Heritage of the Year" as an organization promoting and supporting architectural heritage activities that help eliminate social disparities, while promoting PTT stations to become centers for sustainable tourism development.

These awards and rankings reaffirm OR's commitment to fostering business growth alongside the growth of people and the environment.