

# *PTT Exploration and Production Public Company Limited*

## *Conference Call Q1 2017 Financial Results*

*27 April 2017*



# **PTTEP**

MEMBER OF

**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM



# Summary of Q1 2017 Financial Results

Deliver strong performance from better sales price and lower unit cost



Unit : MMUSD					
Statement of Income	Q4 16	Q1 17	% QoQ	Q1 16*	% YoY
<b>Total Revenues</b>	1,089	<b>1,092</b>	0	1,085	1
Sales	1,038	1,040	0	1,045	0
Others	51	52	2	40	30
Sales Volume (BOED)	316,307	304,108	(4)	329,858***	(8)
Sales Price (USD/BOE)	35.65	38.00	7	35.08	8
<b>Total Expenses</b>	<b>1,122</b>	<b>743</b>	<b>(34)</b>	<b>929</b>	<b>(20)</b>
<b>Major Expenses:</b>					
Operating Expenses	167	142	(15)	130	9
Exploration Expenses	12	1	(92)	25	(96)
DD&A	509	420	(17)	518	(19)
Impairment loss on assets	47	-	(100)	-	-
Income Tax Expense	133	(8)	(>100)	30	(>100)
(Gain)/Loss on FX	16	(3)	(>100)	(6)	50
<b>Net income from Continuing Operations</b>	<b>(33)</b>	<b>349</b>	<b>&gt;100</b>	<b>156</b>	<b>&gt;100</b>
Profit (loss) from Discontinued Operations	17	-	(100)	1	(100)
<b>Net Income</b>	<b>(16)</b>	<b>349</b>	<b>&gt;100</b>	<b>157</b>	<b>&gt;100</b>
Recurring Net Income	123	211	72	116	82
Non-Recurring **	(139)	138	>100	41	>100

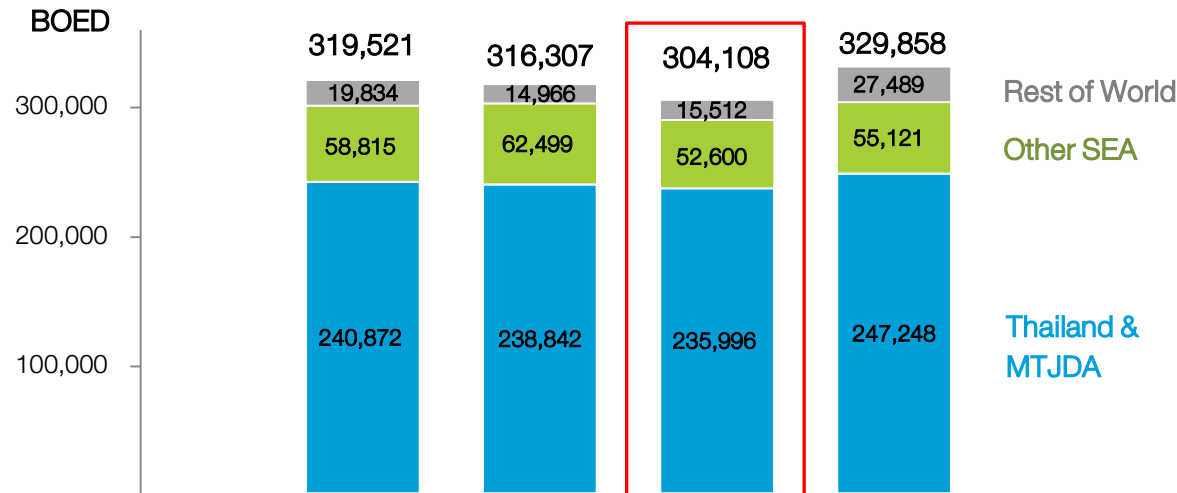
Note: \* Represented

\*\* Includes Gain/(Loss) on FX, Deferred tax from Functional currency, Current Tax from FX Revaluation, Gain/(Loss) from Financial Instruments, impairment loss on assets and etc.

\*\*\* Sales volume includes discontinued operations



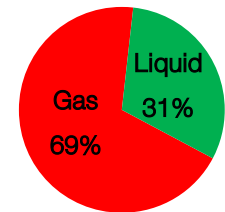
## Sales Volume



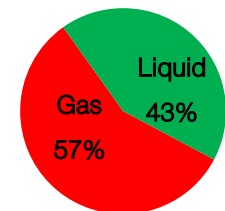
Sales Price	2016*	Q4 16	Q1 17	Q1 16*
Gas (\$/MMBTU)	5.60	5.15	5.24	6.09
Liquid (\$/BBL)	41.17	46.80	52.79	32.04
Weighted Avg. (\$/BOE)	35.91	35.65	38.00	35.08
Avg. Dubai (\$/BBL)	41.27	48.32	53.03	30.42
Avg. HSFO (\$/BBL) (High Sulphur Fuel Oil)	35.48	45.59	48.72	24.67

## Q1 2017 Sales Volume & Revenue By Product

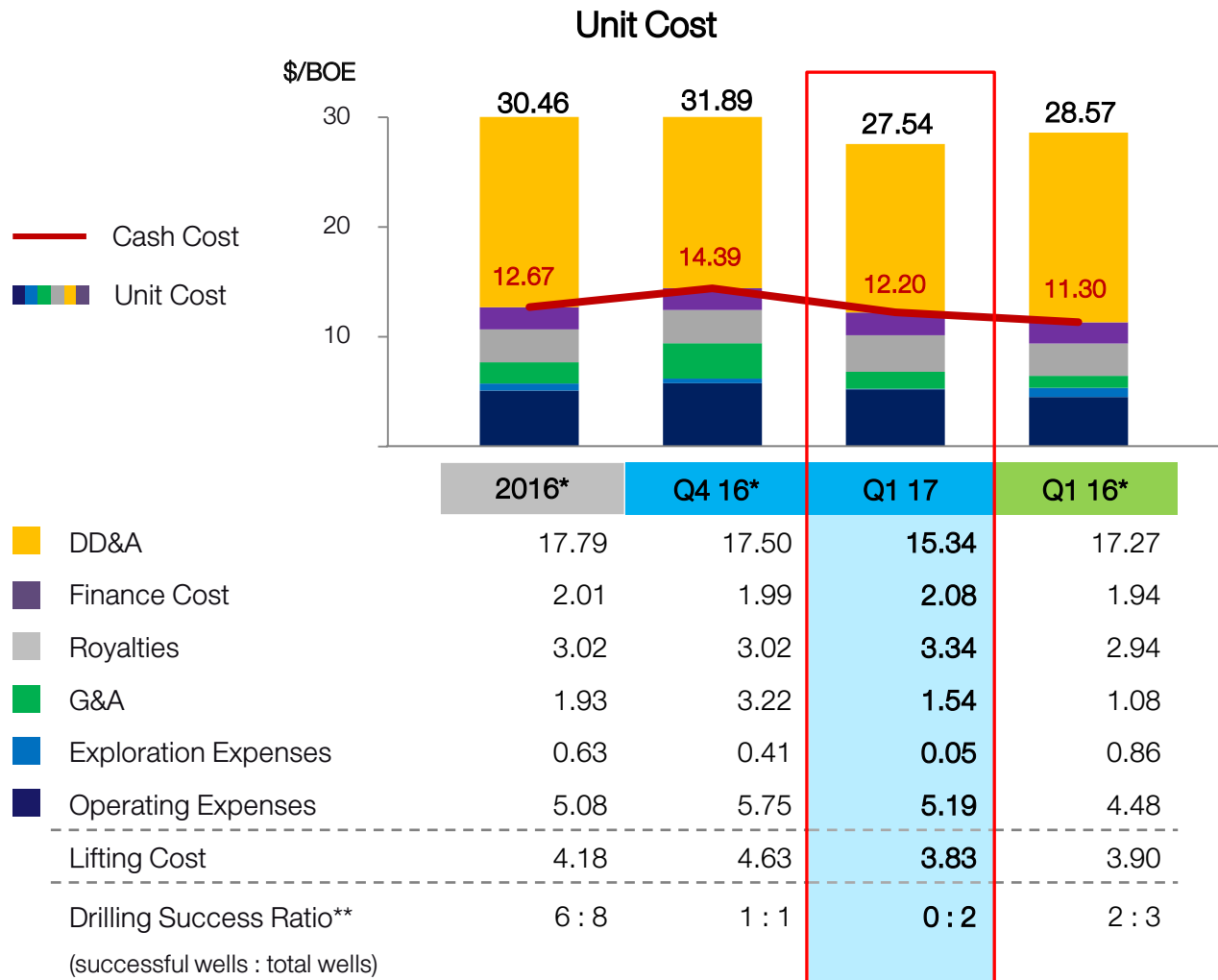
### Volume Mix



### Revenue Mix



Note: \* Includes discontinued operations until end of August 2016



Note: \* Represented and includes discontinued operations until end of August 2016

\*\* Exploration and Appraisal Wells

The formulas for calculating ratios are provided in the supplementary section for your reference



	Q4 16	Q1 17	Q1 16*
Sales Revenue** (MMUSD)	1,054	1,053	1,070
EBITDA (MMUSD)	690	776	789
Net Income (MMUSD)	(16)	349	157
Recurring Net Income (MMUSD)	123	211	116
Earning Per Share (USD)	(0.01)	0.09	0.04
<b>Key Financial Ratios</b>			
EBITDA Margin (%)	65	74	74
Return on Equity (%) (LTM)	3	5	(8)
Return on Capital Employed (%) (LTM)	3	5	(5)
Return on Equity (%) (LTM, Recurring Net Income)	4	5	5
Return on Capital Employed (%) (LTM, Recurring Net Income)	4	5	5

Note: Includes discontinued operations until end of August 2016

\* Represented

\*\* Sales and revenue from pipeline transportation

The formulas for calculating ratios are provided in the supplementary section for your reference



	Q4 16	Q1 17
Total Assets (MMUSD)	18,891	19,251
- Cash & cash equivalents* (MMUSD)	4,022	4,446
Total Liabilities (MMUSD)	7,505	7,800
- Interest bearing debt (MMUSD)	2,832	2,863
Equity (MMUSD)	11,386	11,451
<b>Key Financial Ratios</b>		
Total Debt to Equity (X)	0.25	0.25
Net Debt* to Equity (X)	(0.11)	(0.14)
Total Debt to Capital (X)	0.20	0.20
Total Debt to EBITDA (X)	0.94	0.95
Net Debt* to EBITDA (X)	(0.40)	(0.53)
EBITDA Interest Coverage (X)	22	22

**Credit Ratings :** BBB+ (S&P), Baa1 (Moody's), AAA (TRIS)

**Weighted Average Cost of Debt\*\* :** 4.44%

**Average Loan Life\*\* :** 7.90 years

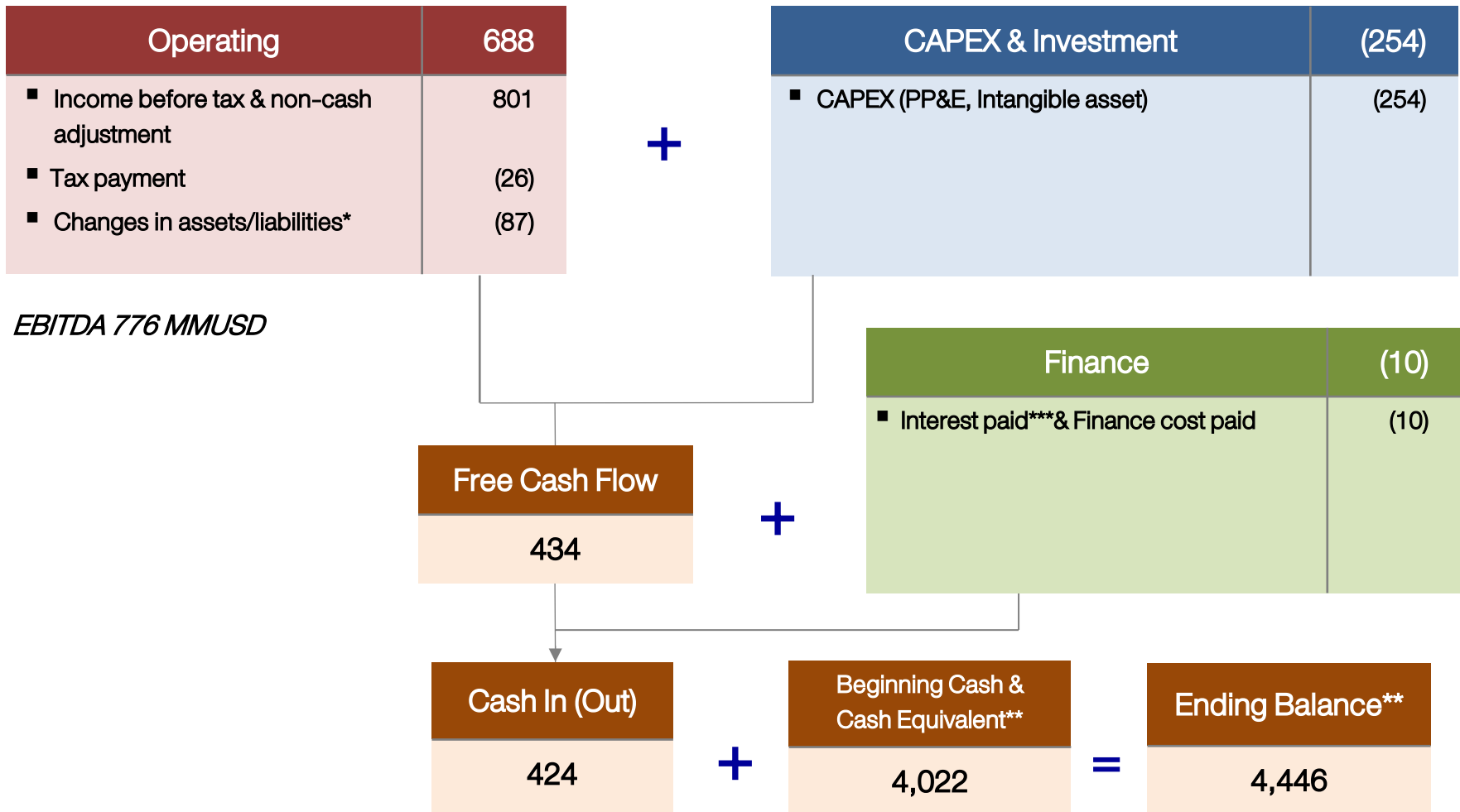
Note: \* Cash & Cash Equivalents (Cash on hand) include Short-term Investments (Fixed deposit > 3 months)

Net Debt = Total Debt less Cash & Cash Equivalents and Short-term Investments

\*\* Excludes hybrid bonds

The formulas for calculating ratios are provided in the supplementary section for your reference





Note: \* Net of foreign exchange rate effect

\*\* Include Short-term investment (Fixed deposit > 3 months)

\*\*\* Net of interest received



## Financial Outlook

### Average Sales Volume (KBOED)

Q2 2017	FY 2017
~ 300	300-310

### Average Gas Price (USD/MMBTU)

Q2 2017	FY 2017*
~ 5.5	~ 5.5

### Unit Cost (USD/BOE)

Q2 2017	FY 2017
~ 29	~29

### EBITDA margin

FY 2017
~ 70 %

\* Based on FY2017 Dubai oil price at 52 \$/BBL





## Operational Performance

➡ Optimization of capacity to deliver production level as planned

## Cost Reduction

➡ Intensive cost management effort to sustain low cost base

## EBITDA Margin

➡ Deliver solid EBITDA margin reflecting in healthy OCF and liquidity

## Balance Sheet

➡ Healthy balance sheet and \$4.4 Bn cash on hand, ready to capture industry upturn



You can reach the Investor Relations team for more information and inquiry through the following channels:



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Ratio	Formula
Lifting Cost (\$/BOE)	$(\text{Operating Exp.} - \text{Transportation Cost} - \text{Stock Variation} - \text{Other expenses not related to lifting}) / \text{Production Volume}$
Cash Cost (\$/BOE)	$(\text{Operating Exp.} + \text{Exploration Exp.} + \text{G\&A} + \text{Royalties} + \text{Finance Cost}) / \text{Sales Volume}$
Unit Cost (\$/BOE)	$(\text{Operating Exp.} + \text{Exploration Exp.} + \text{G\&A} + \text{Royalties} + \text{Finance Cost} + \text{DD\&A}) / \text{Sales Volume}$
Reserves Replacement Ratio	$5\text{-Yr Additional Proved Reserves} / 5\text{-Yr Production Volume}$
Reserves Life Index (Year)	$\text{Proved Reserves} / \text{Production Volume}$
Success Ratio	$\text{Number of wells with petroleum discovery} / \text{Total number of exploration and appraisal wells}$
Sales Revenue	$\text{Sales} + \text{Revenue from pipeline transportation}$
EBITDA	$(\text{Sales} + \text{Revenue from pipeline transportation}) - (\text{Operating expenses} + \text{Exploration expenses} + \text{Administrative expenses} + \text{Petroleum royalties and remuneration} + \text{Management's remuneration})$
EBITDA Margin	$\text{EBITDA} / \text{Sales Revenue}$
Return on Equity	$\text{Trailing-12-month net income} / \text{Average shareholders' equity between the beginning and the end of the 12-month period}$
Return on Capital Employed	$(\text{Trailing-12-month net income} + \text{Trailing-12-month Interest Expenses \& Amortise Bond Issuing Cost}) / (\text{Average shareholders' equity and average total debt between the beginning and the end of the 12-month period})$
Simple Effective Tax Rate	$\text{Income tax expenses} / \text{Income before income taxes}$
Total debt	$\text{Short-term loans from financial institution} + \text{Current portion of long-term debts} + \text{Bonds} + \text{Long-term loans from financial institution}$
Net debt	$\text{Total debt} - \text{Liquidity}$
Debt to Equity	$\text{Total debt} / \text{Shareholders' equity}$
Net Debt to Equity	$\text{Net debt} / \text{Shareholders' equity}$
Total Debt to Capital	$\text{Total debt} / (\text{Total debt} + \text{Shareholders' equity})$
Total Debt to EBITDA	$\text{Total debt} / \text{Trailing-12-month EBITDA}$
Net Debt to EBITDA	$\text{Net debt} / \text{Trailing-12-month EBITDA}$
EBITDA Interest Coverage Ratio	$\text{Trailing-12-month EBITDA} / \text{Trailing-12-month Interest Expenses \& Amortize Bond Issuing Cost}$