

1Q17

**ANALYST
PRESENTATION**

CONTENT



1. 1Q17 Results



2. Business Updates



3. Natural Rubber Industry

1. 1Q17 RESULTS

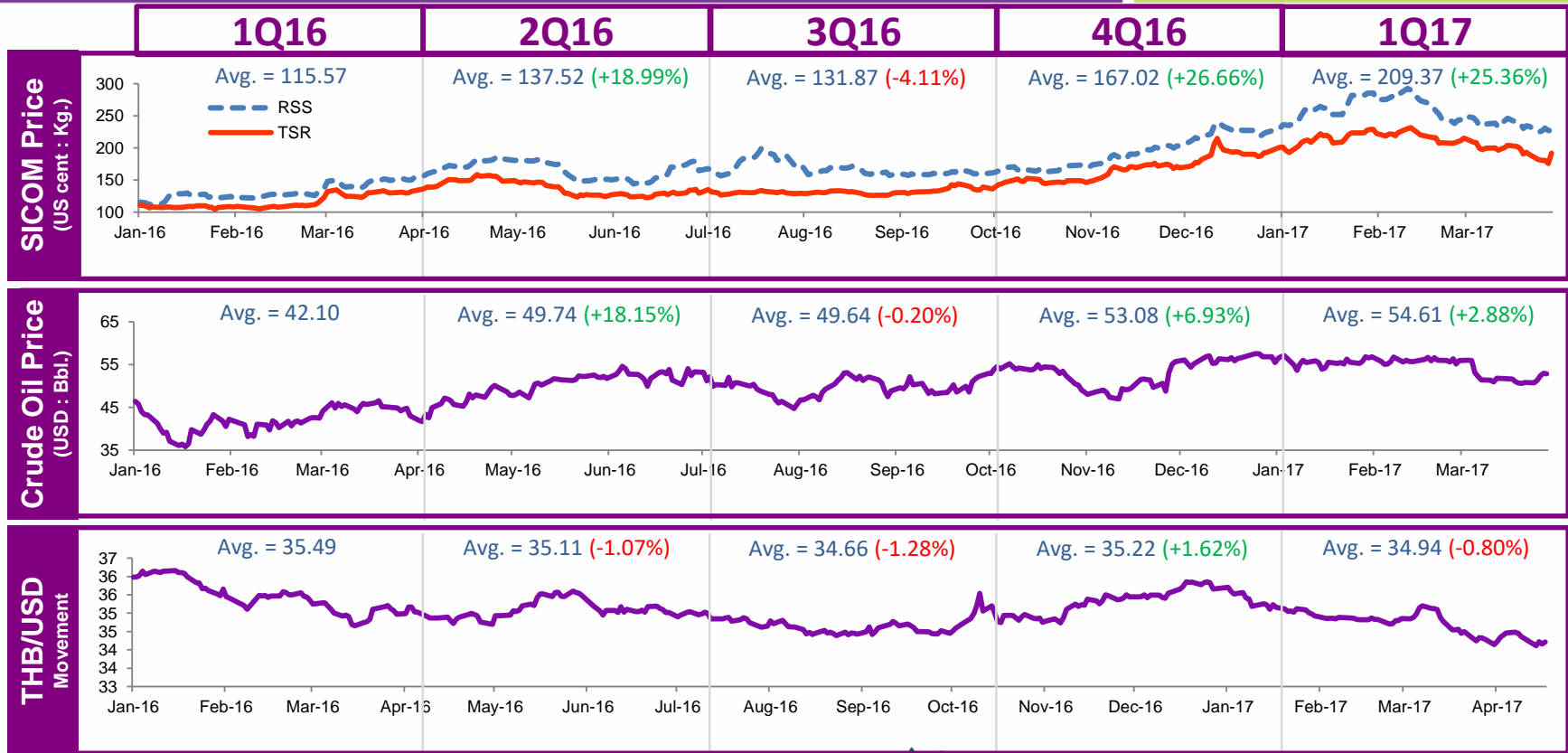


Financial Highlights

(THB million)	Q1'17	Q1'16	%YoY	Q4'16	%QoQ
Revenue	28,519.2	16,694.5	▲ 70.8%	22,510.4	▲ 26.7%
Sale volume (tons)	388,294	363,105	▲ 6.9%	399,615	▼ 2.8%
Avg. selling price (Baht per ton)	68,305	40,465	▲ 68.8%	51,567	▲ 32.5%
Gross profit	1,898.8	817.3	▲ 132.3%	1621.3	▲ 17.1%
Adj. gross profit*	2,554.3	748.7	▲ 241.2%	661.8	▲ 286.0%
EBITDA	731.8	174.4	▲ 319.6%	(983.1)	n.a.
Net profit	7.6	(165.6)	n.a.	(1,303.1)	n.a.
Adj. GP margin*	9.0%	4.5%	▲ 450bps	2.9%	▲ 610bps
Net profit margin	0.03%	(1.0%)	n.a.	(5.8)	n.a.

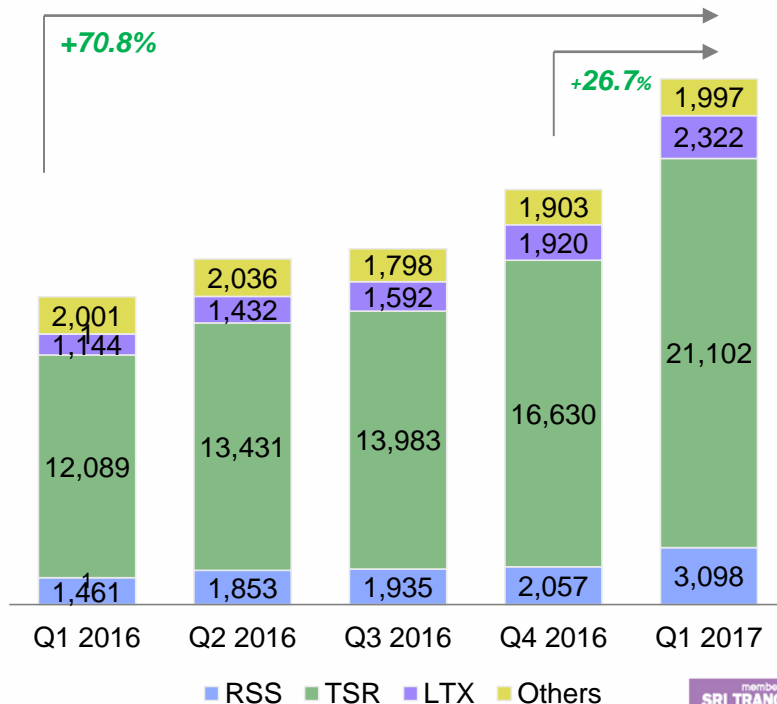
*Adjusting for (reversal) allowance of inventory and realised gains /(losses) from hedging activities

SICOM – Oil Price - FX

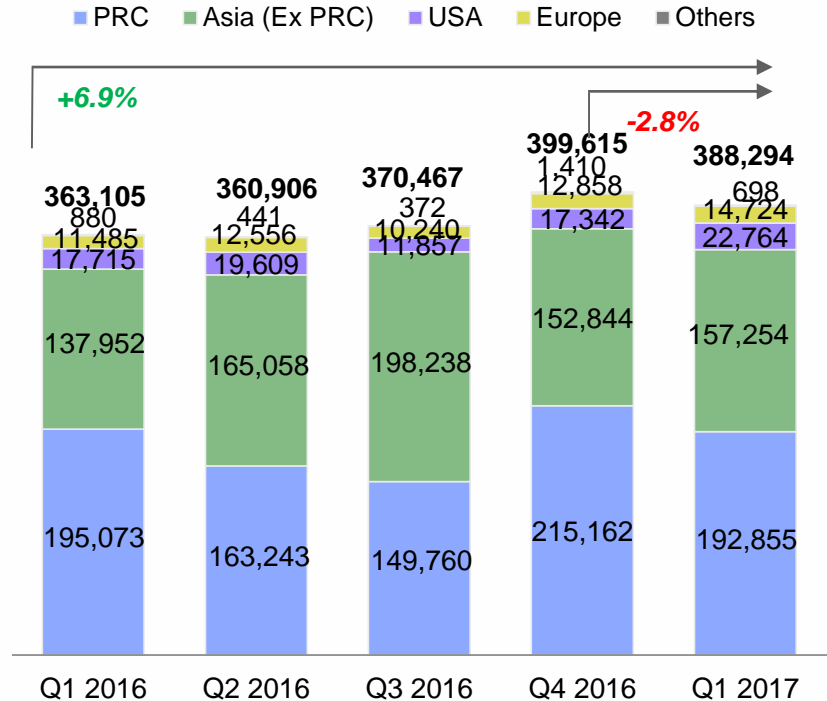


Sale Volume by Product and by Geography

Revenue by Product (THB million)

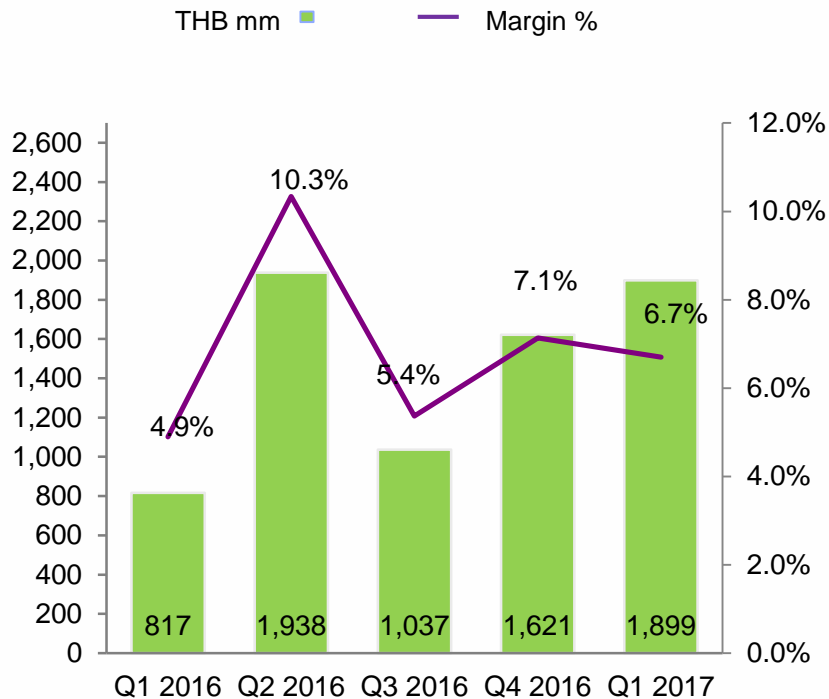


Sale Volume by Geography (tons)

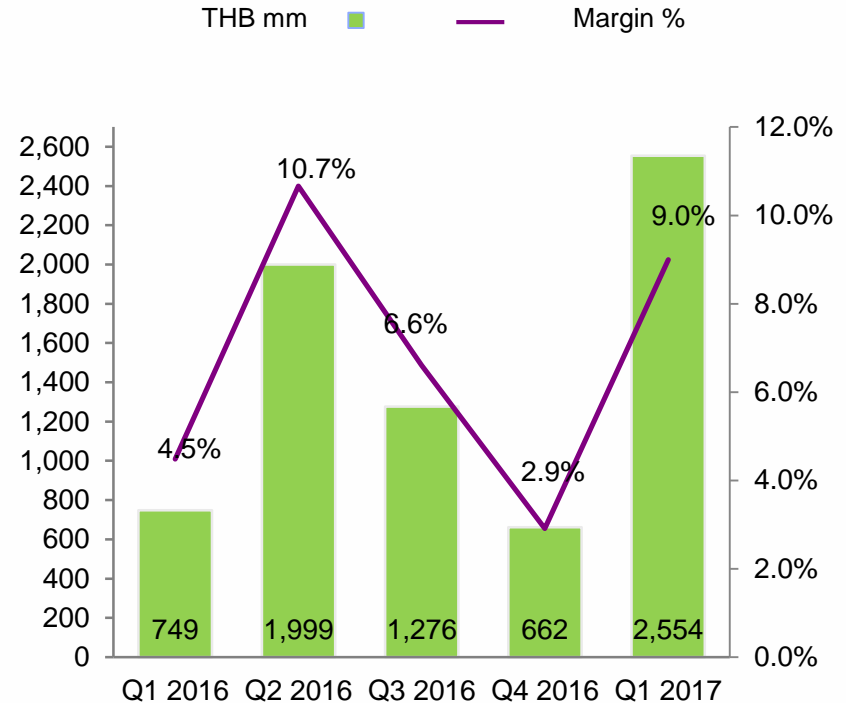


Adjusted Gross Profit

Gross Profit

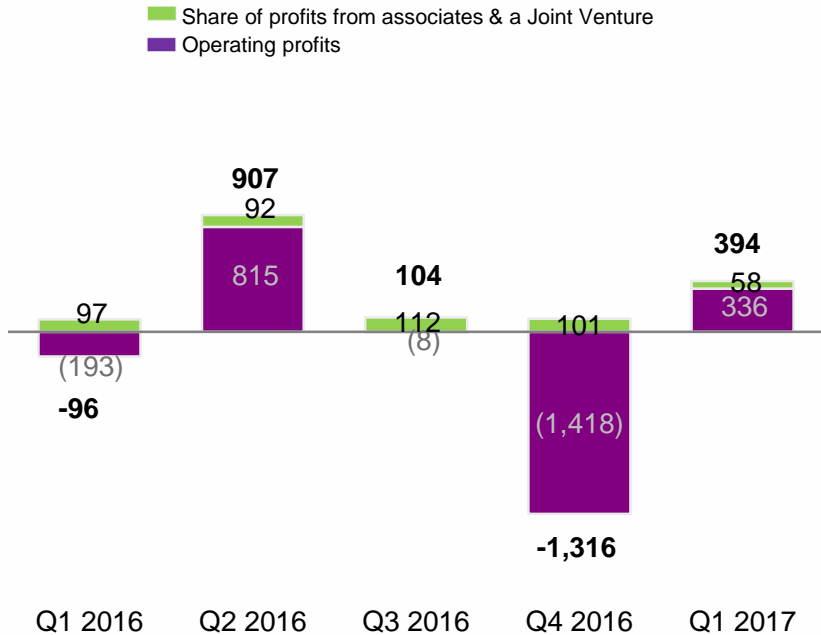


Adjusted Gross Profit

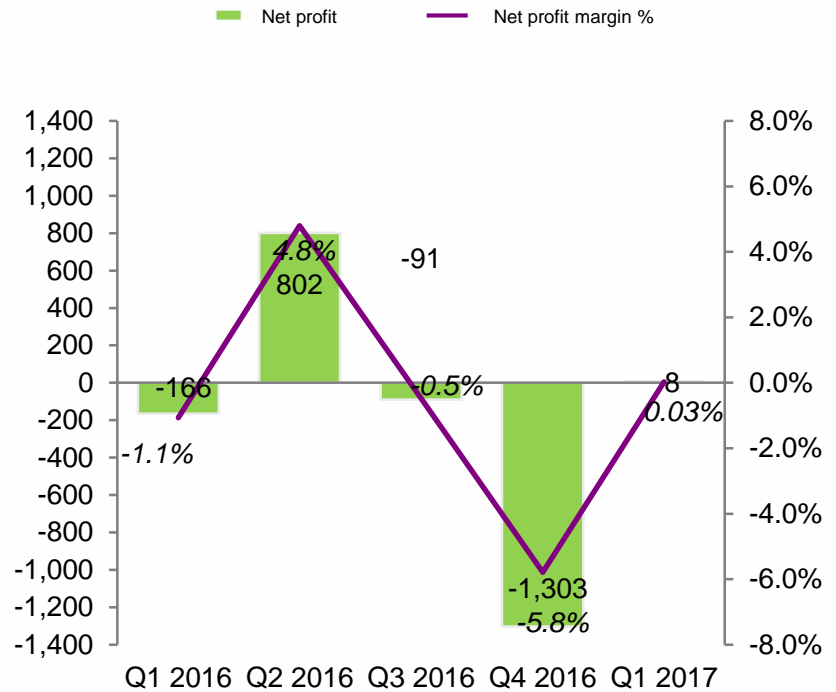


Net Profit

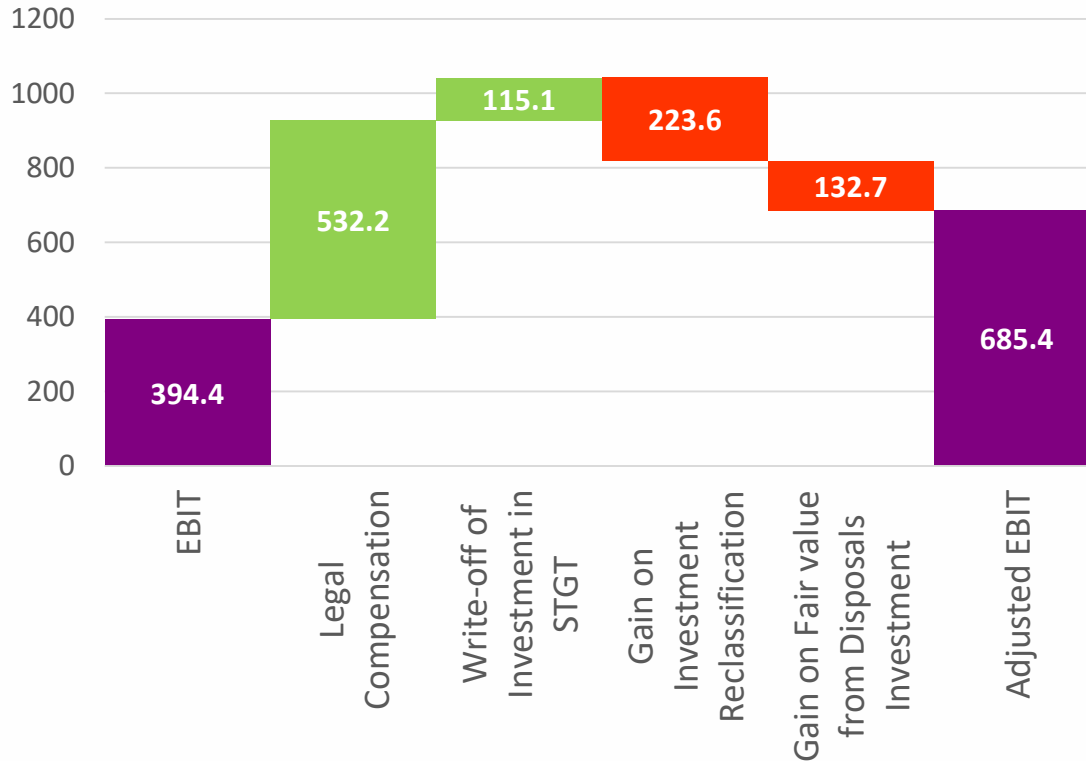
EBIT (THB million)



Net Profit (THB million)



Demerger Impact



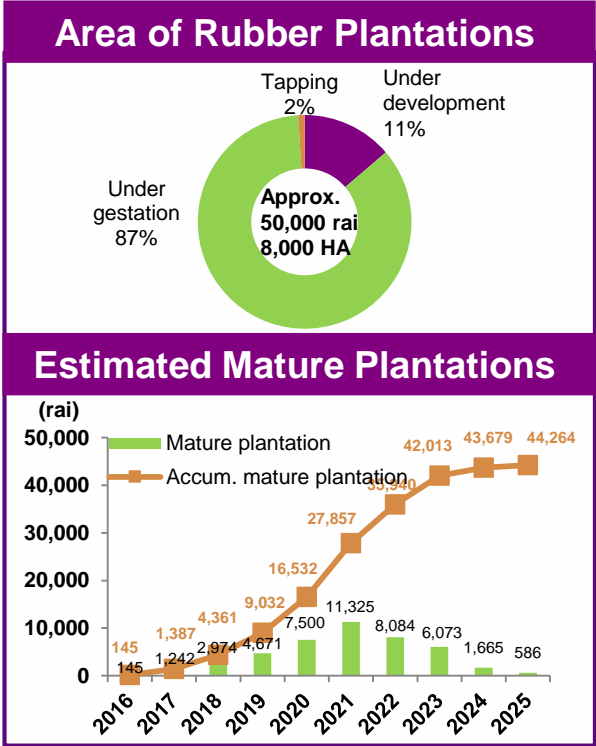
Adjustment

- + Legal Compensation
- + Write-off Investment in STGT
- Gain on Investment Reclassification
- Gain on Fair Value from Disposals Investment

2. BUSINESS UPDATES



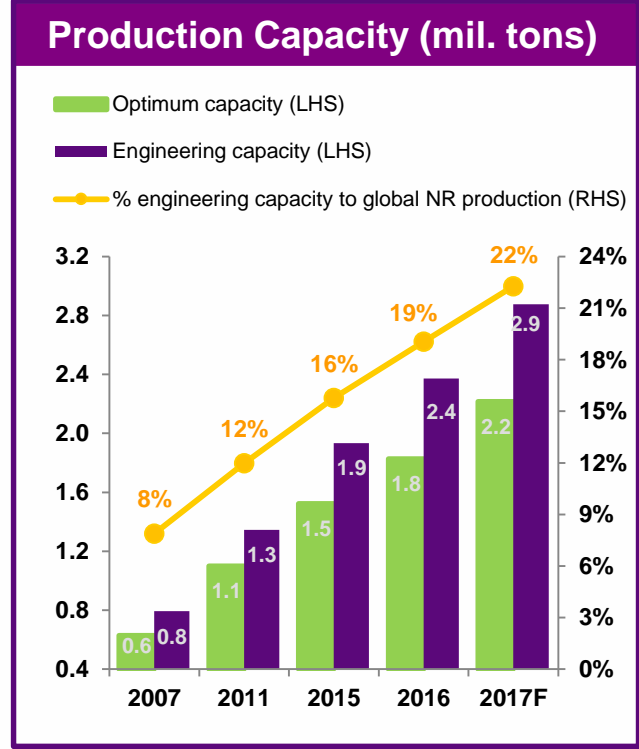
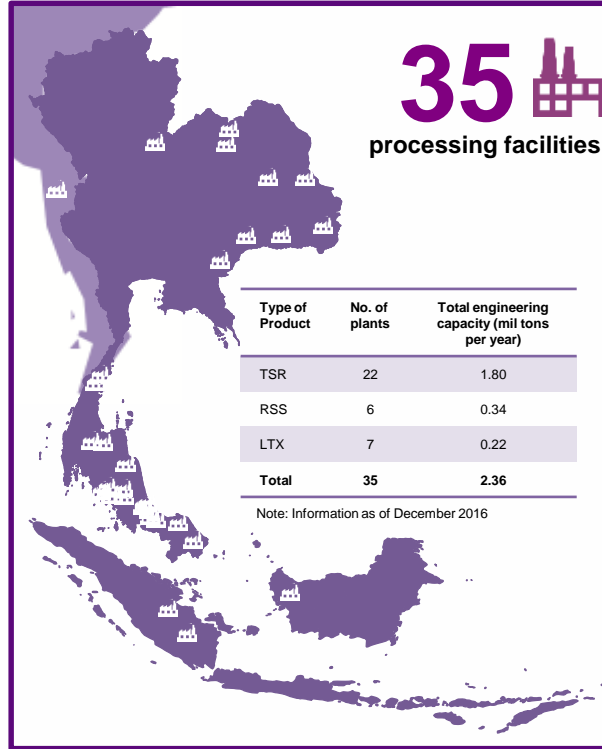
Upstream Operations - Rubber Plantations



Note: Information as of 31 December 2016



Midstream Operations – NR Processing



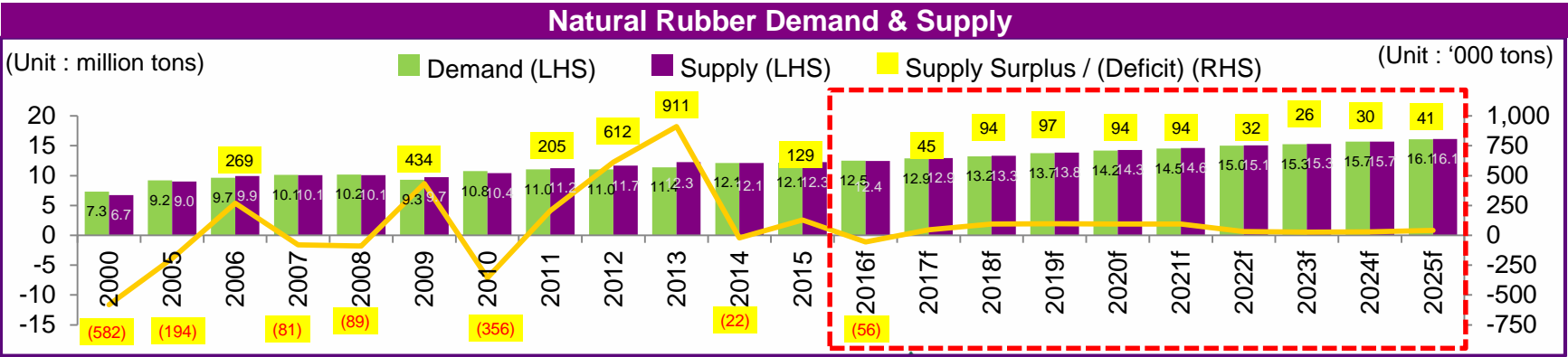
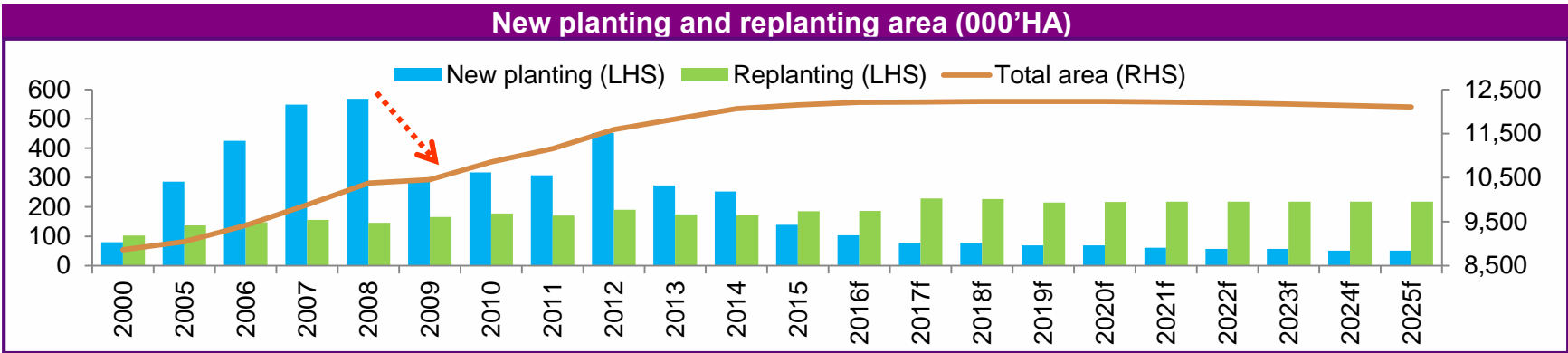
Note: Engineering capacity in 2016 included capacity of Thaitech Rubber Co., Ltd. of 315,360 tons. (Optimum capacity = 254,016 tons)



3. NATURAL RUBBER INDUSTRY



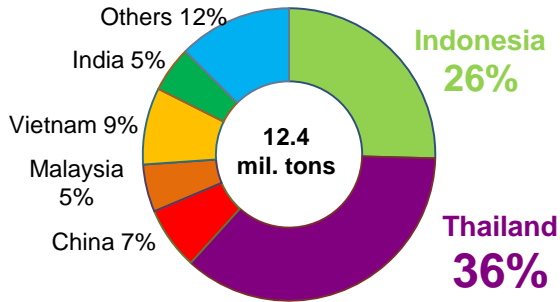
Fewer new planting activities tightens NR supply



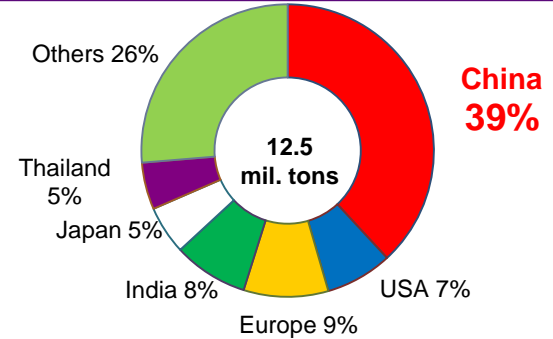
Source : IRSG

The World's Major NR Consuming and Producing Countries

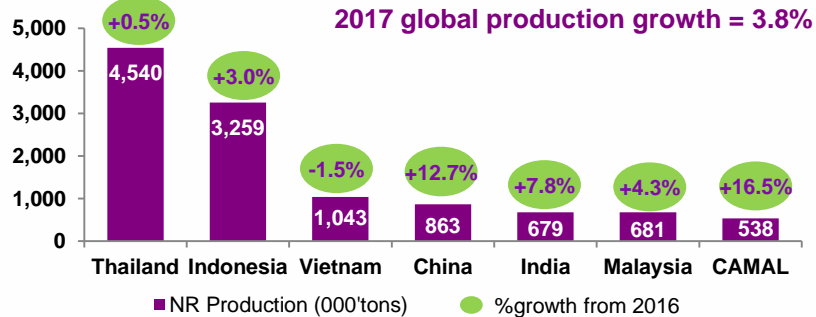
2016 Major suppliers of Natural Rubber



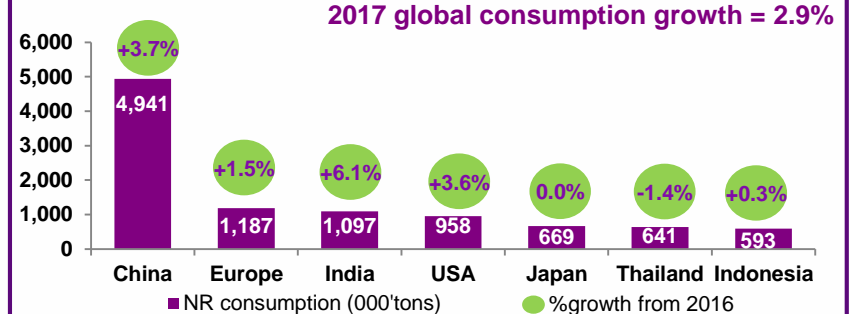
2016 Major consumers of Natural Rubber



2017 NR production forecast



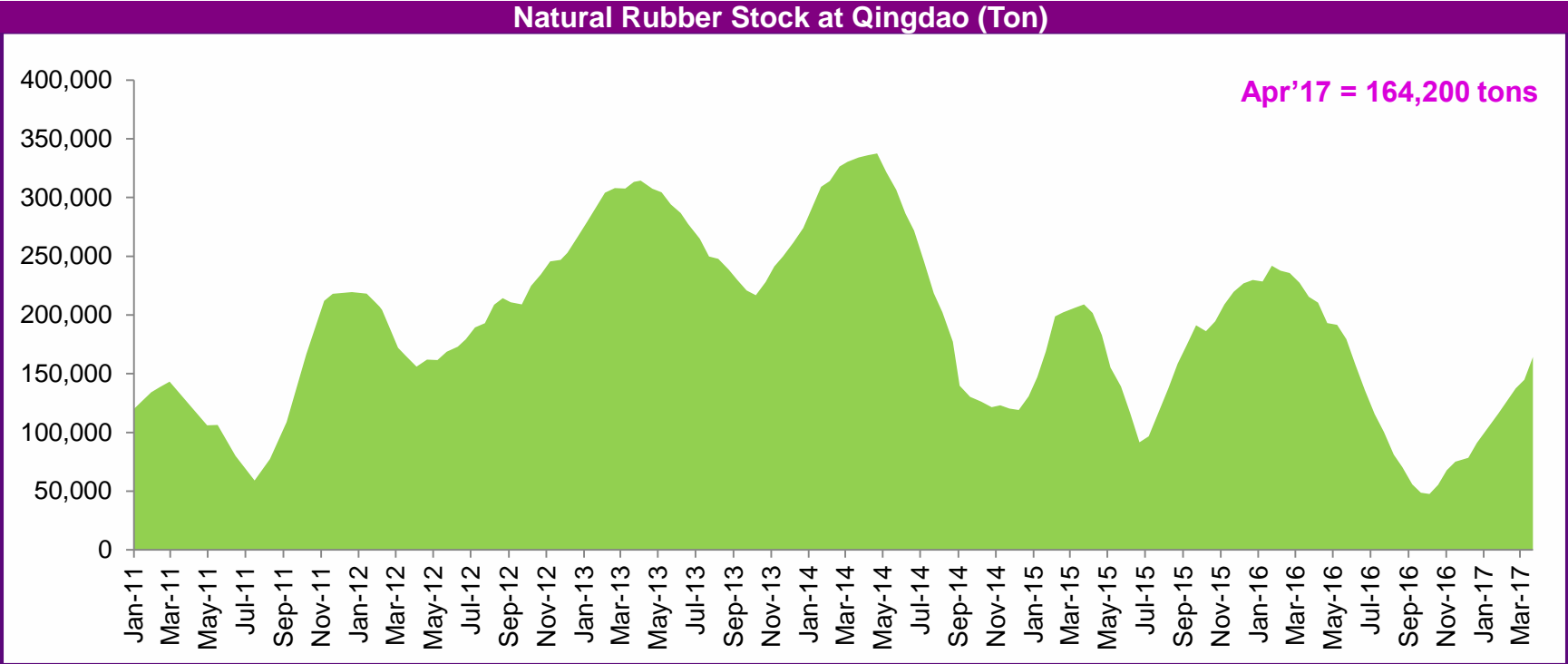
2017 NR consumption forecast



Source : IRSG



Natural Rubber Inventory at Qingdao



Source : Bloomberg



Double Digit Growth for New-Vehicle Sales in China



Source : Bloomberg

2017 Natural Rubber Industry Outlook

Bull

- US Economic outlook
 - Over capacity management in China
 - Commodity Price movement
-
- NR Supply situation
 - Synthetic Rubber price movement
 - Strong Auto sales (especially China)
 - China Truck weight policy
 - Antidumping on TBR from China
 - Downstream rubber related product price adjustment

Fundamental

Macro

Fundamental

Bear

- Uncertain US Policy
 - China Economic concern
 - EU political uncertainty
 - Potential economic crisis
-
- High Volatility of NR price
 - Thai Government NR stock movement
 - Potential increase in supply due to higher price level of NR

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