



# TPI Polene Power Public Company Limited

## *Q2 2017 Opportunity Day*

22 August 2017



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# Company & Business Overview



# TPIPP at a Glance



TPIPP is the largest operator of waste-to-energy (“WTE”) power plants in Thailand in terms of installed power generation capacity

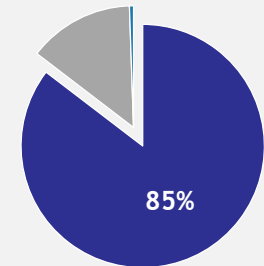
## Key Business Segments

% of Q2 2017 Total Sales Revenue



Energy & Utilities

- Operates refuse derived fuel (“RDF”) fired & waste-heat recovery power plants with off-take arrangements with EGAT and TPIPL
  - 4 commercially operating power plants and 3 power plants under construction
  - Peripheral RDF production facilities to support its RDF-fired power plant operations

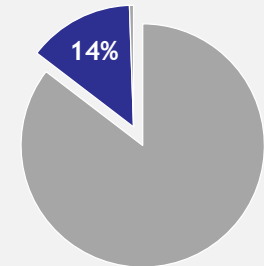


THB 1,059.8 mm



Petrol & Gas Stations

- Operates petrol stations and gas stations in Bangkok and other provinces in Thailand
  - Currently owns and operates 8 petrol stations, 1 gas station and 3 petrol and gas stations
  - Revenue derived from the sale of petrol, gas and convenience store goods

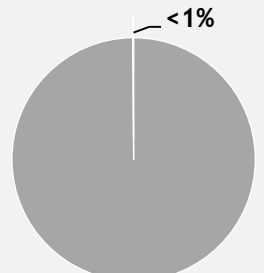


THB 174.7 mm



Others

- Primarily production of residual organic materials from TPIPP’s RDF production facilities
  - Currently most of these materials are sold; with TPIPP’s RDF-fired power plants coming on stream, the amount of residual organic materials produced will be reduced as more RDF produced will be needed as fuel for the generation of power



THB 6.7 mm



# Summary of TPIPP's Power Plant Operations

## TPIPP's Power Plants (Operational & Under Construction)

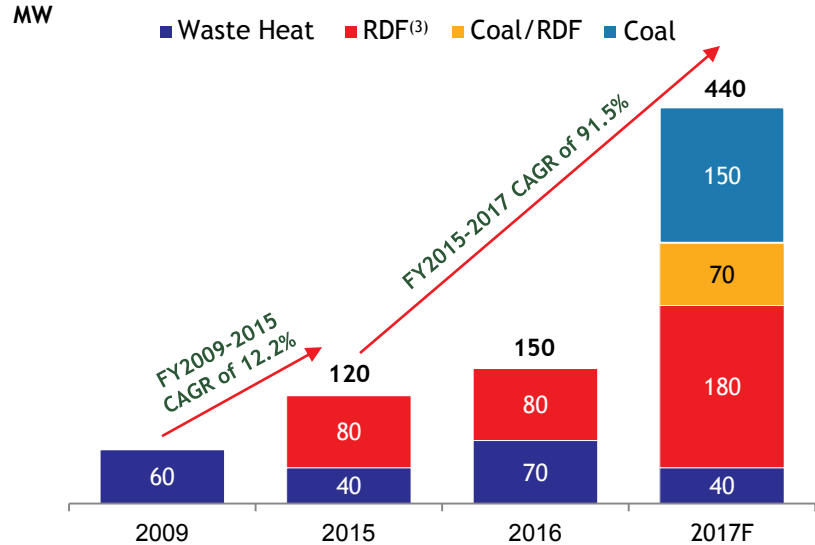
Total capacity in operation <b>150 MW</b>
Total capacity under construction <b>290 MW</b>
Grand total capacity <b>440 MW</b>

Power Plant	COD	Installed Capacity	Expiry Date <sup>(2)</sup>	Off taker
<b>In operation</b>				
WHPP-40MW	Jun 2009	40 MW	Jul 2044	TPIPL
RDFPP-20MW	Jan 2015	20 MW	Jul 2044	EGAT
RDFPP-60MW	Aug 2015	60 MW	Jul 2042	EGAT
WHPP-30MW <sup>(1)</sup>	Jan 2016	30 MW	Jul 2042	TPIPL
<b>Under construction</b>				
RDFPP-70MW <sup>(1)</sup>	Q4 2017	70 MW	Dec 2045 <sup>(1)</sup>	EGAT
Coal-PP-150MW	Q4 2017	150 MW	Jul 2042	TPIPL
Coal-RDF-PP-70MW	Q4 2017	70 MW	Jul 2042	TPIPL

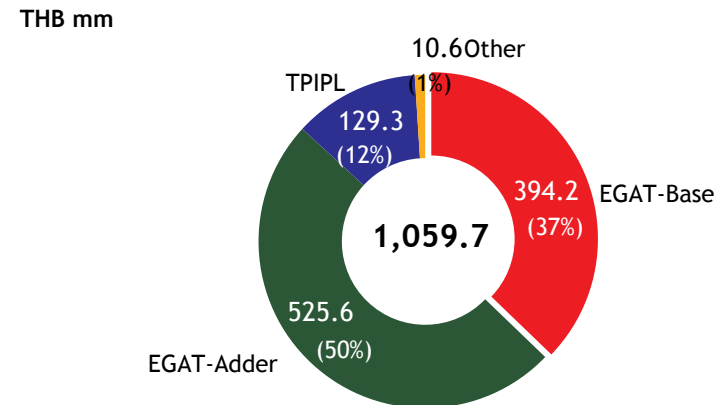
**Notes:**

- (1) After commencing commercial operations in January 2016, WHPP-30MW initially sold power to TPIPL to be used in TPIPL's cement production process until RDFPP-70MW commences commercial operations. Once RDFPP-70MW commences commercial operations, WHPP-30MW, together with RDFPP-70MW, will operate as a 100 MW RDF-fired power plant, RDFPP-100MW and sell power produced from such plant, using RDF and waste heat, to EGAT. A binding acceptance letter approving the sale of 90 MW of power to EGAT has been received
- (2) PPAs between the Company and EGAT has a term of five years beginning from COD and will be automatically extended for additional five-year terms, subject to at least 30 days' prior written notice from the Company to EGAT. RDFPP-20MW and RDFPP-60MW are situated on properties leased from TPIPL for a 30-year period, which expire in July 2044 and July 2042, respectively. The Company intends to extend the lease agreements.
- (3) Generates power by burning RDF and partially utilizing waste heat

## TPIPP's Installed Capacity Breakdown by Fuel



## TPIPP's Q2 2017 Energy & Utilities Revenue Breakdown





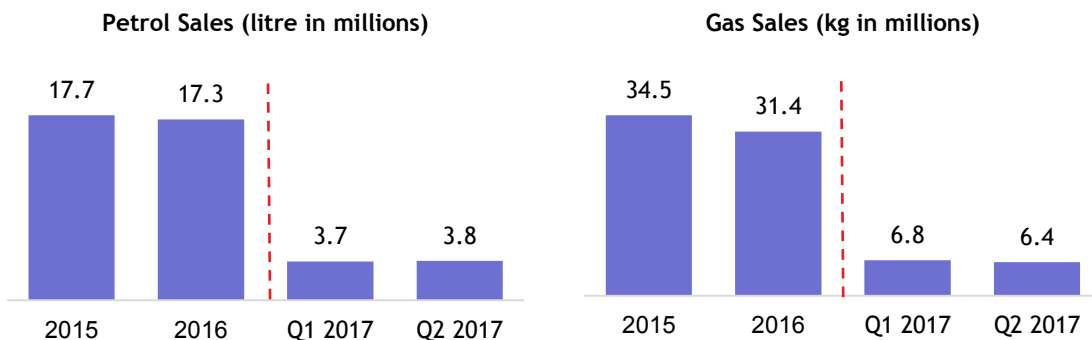
# Summary of TIIPP's Petrol & Gas Station Operations

- TIIPP primarily sells petrol and gas to retail customers under the "TIIP" brand
- The Company was granted the license to use the trademark of TIIP in accordance with a 10-year trademark licensing agreement dated March 7, 2016 between the Company and TIIP (the "TIIP Trademark Agreement") in connection with the Company's sales of certain petrol and gas products

## Breakdown of TIIPP's Petrol & Gas Stations by Type and Location

Location	Number of petrol stations	Number of gas stations	Number of petrol and gas stations	Total
Bangkok	2	-	1	3
Saraburi province	4	1	1	6
Nakornsawan province	1	-	-	1
Ubonrajthani province	-	-	1	1
Samutprakan province	1	-	-	1
<b>Total</b>	<b>8</b>	<b>1</b>	<b>3</b>	<b>12</b>

## Historical Sales Volume



## Supply of Petrol and Gas

### Procurement of Petrol

- From oil companies at market price on a spot basis

### Procurement of Petrol for Petrol Stations in the Saraburi province

- Also purchases from TIIP at cost. TIIP regularly purchases petrol at large volumes and at discounted prices in the open market

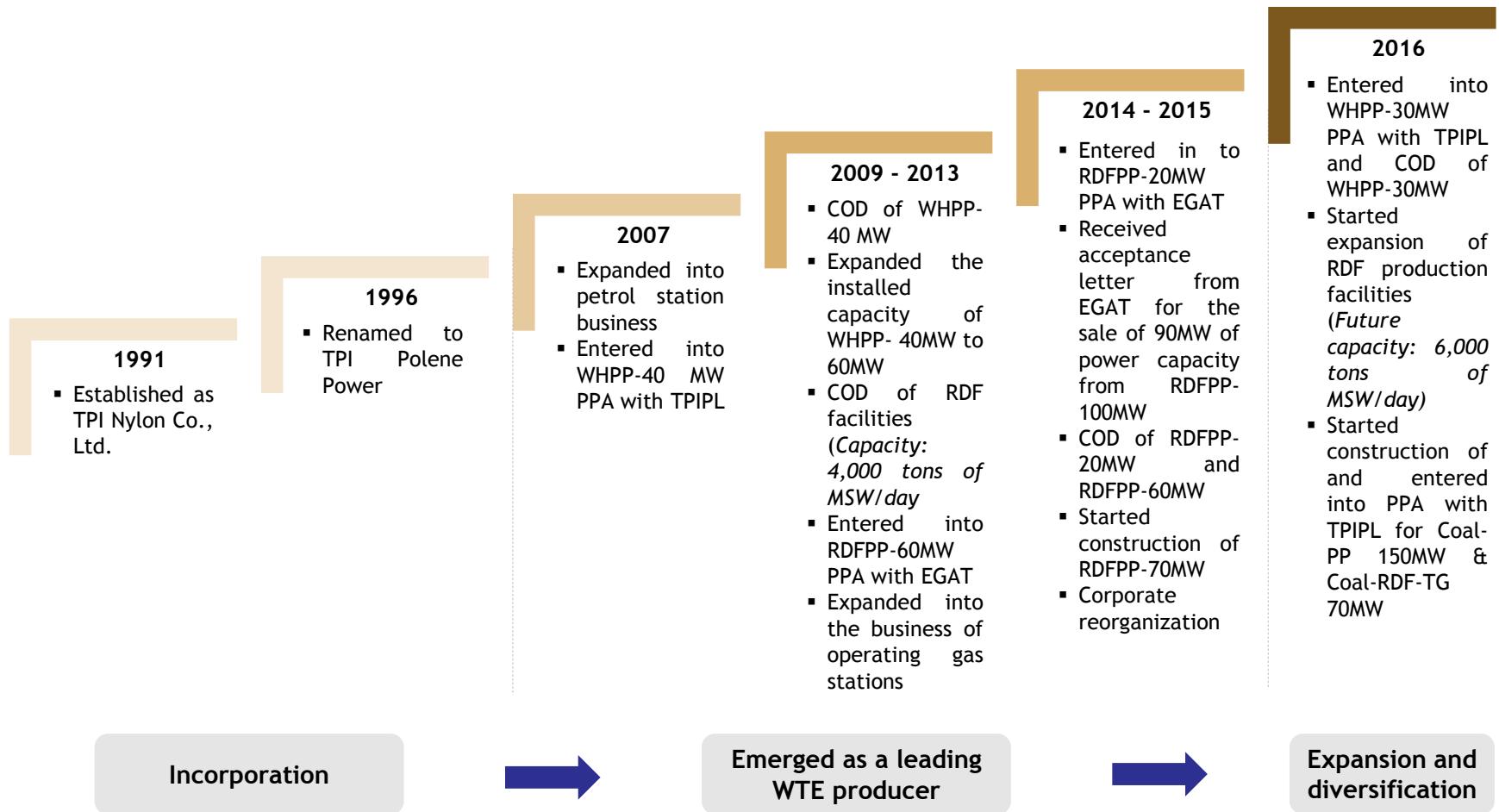
### Procurement of Gas

- Agrees to purchase a minimum amount of gas from PTT Public Company Limited every month, ranging from 700,000 kilograms to 1,200,000 kilograms per month

## Board of Investment Privileges

- One of the gas stations has been granted promotion certificates from BOI, which entitles it to a number of benefits including tax exemptions from certain taxes
  - Expiration of Full Income Tax Exemption:
    - July 2017
  - Expiration of 50% Income Tax Reduction:
    - July 2022

# Key Milestones





# Financial Highlights



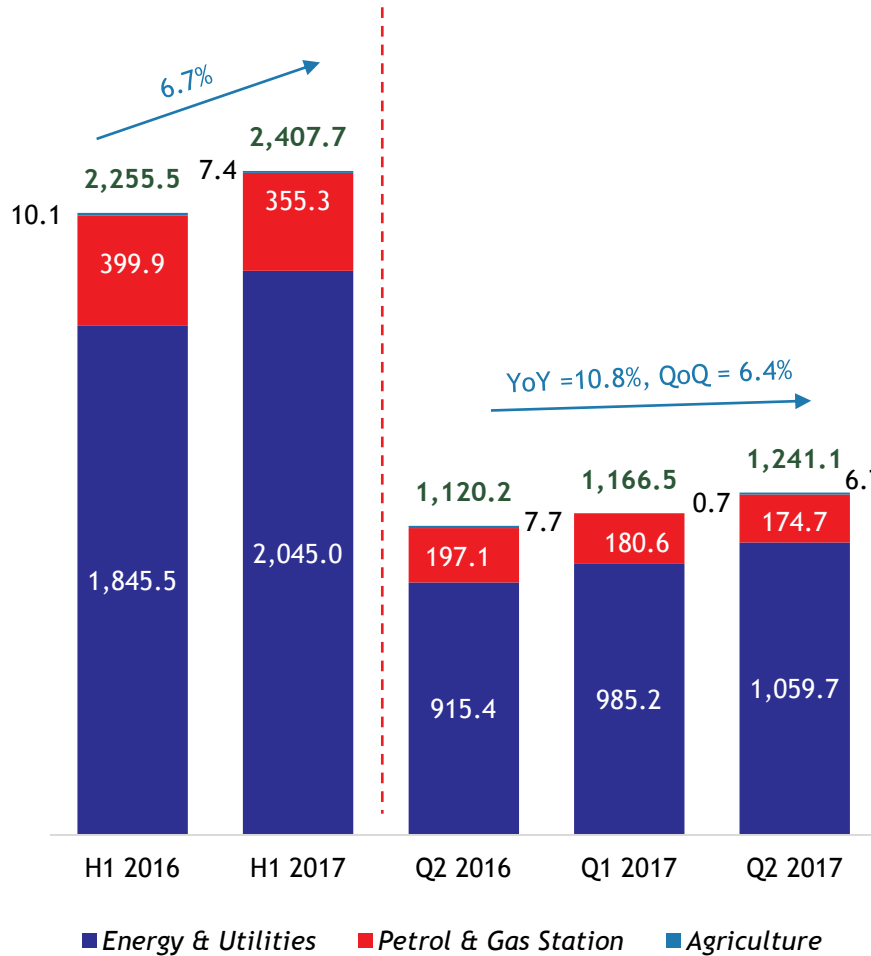


# Revenue

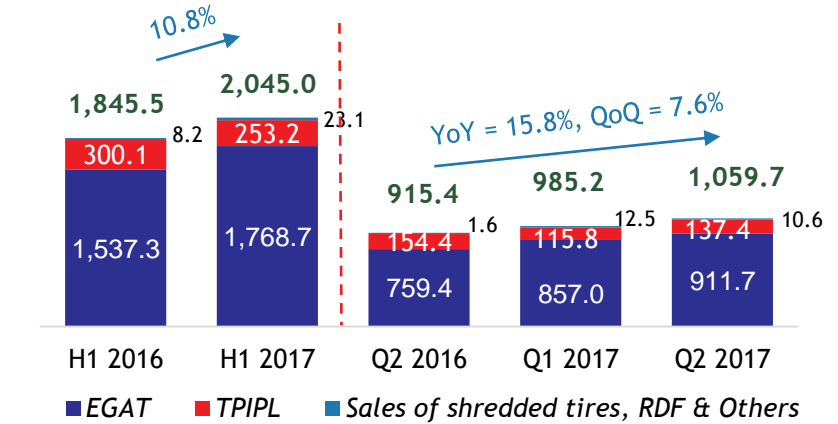
Diversified Revenue Streams Led by Growing Revenues from Energy & Utilities Division



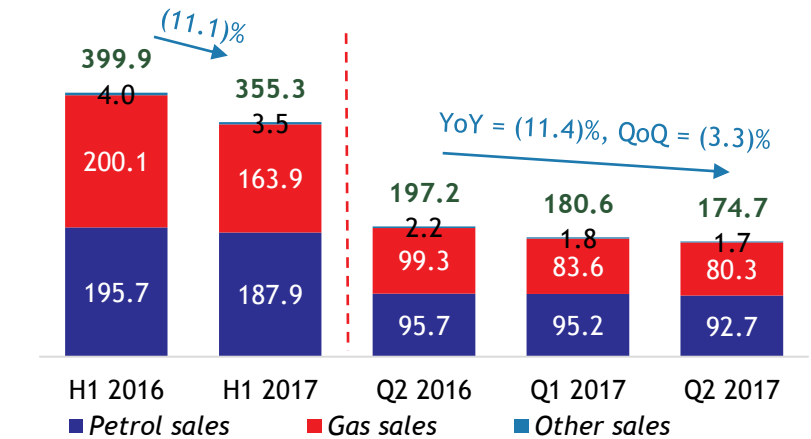
Total Revenue from Sales of Goods (THBmm)



Revenue from Energy & Utilities (THBmm)



Revenue from Petrol & Gas Station (THBmm)



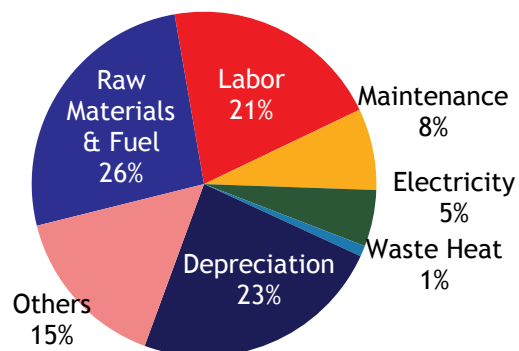
# Cost of Sales & Gross Profit

High Gross Profit Margins in H1 2017 Underpinned by Power Sales to EGAT



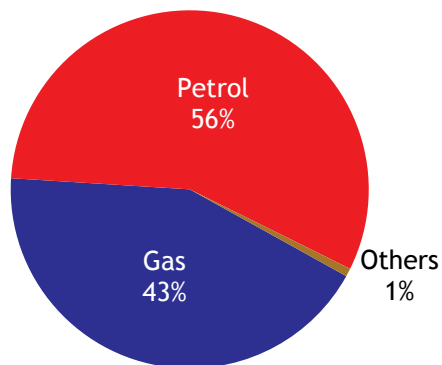
H1 2017 Cost of Sales Breakdown (THBmm)

Energy & Utilities:



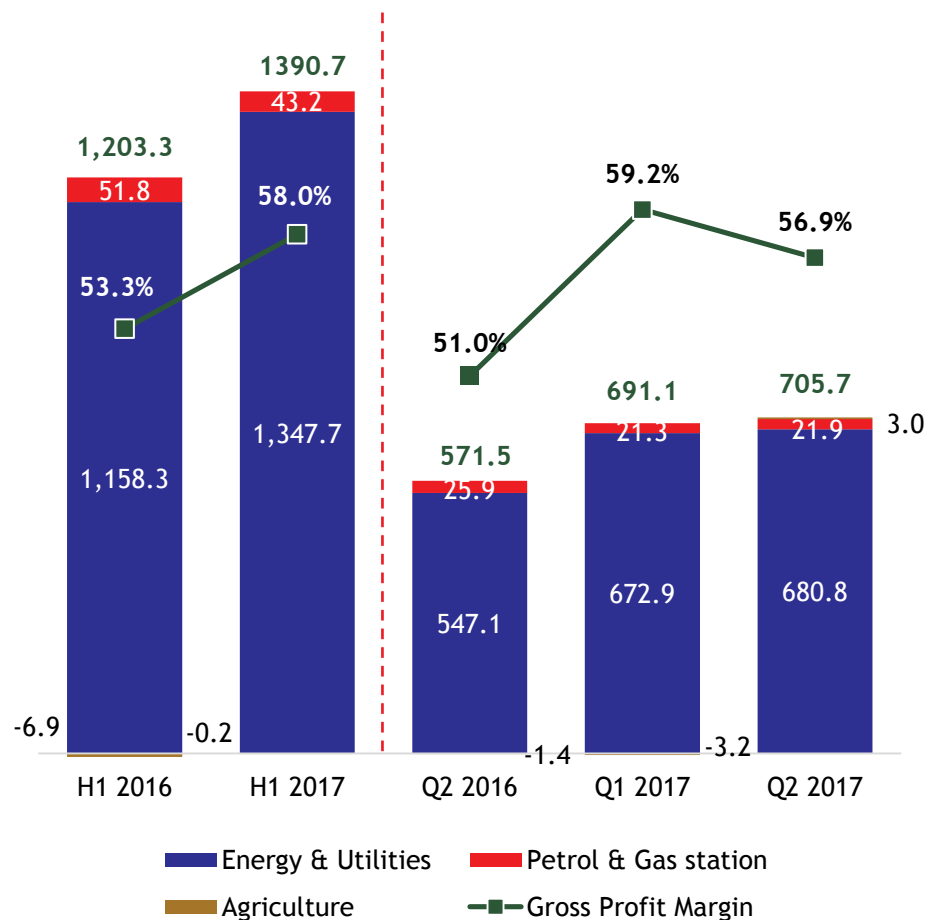
Total: THB 697.3 mm

Petrol & Gas Station:



Total: THB 312.1 mm

Gross Profit (THBmm) and Gross Profit Margin<sup>(1)</sup> (%)

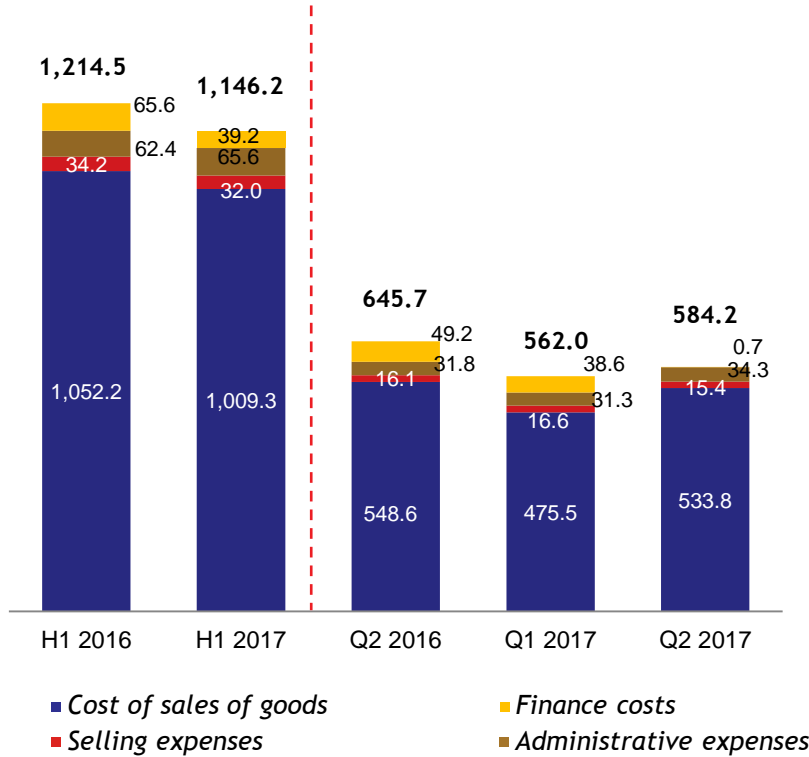


Note:

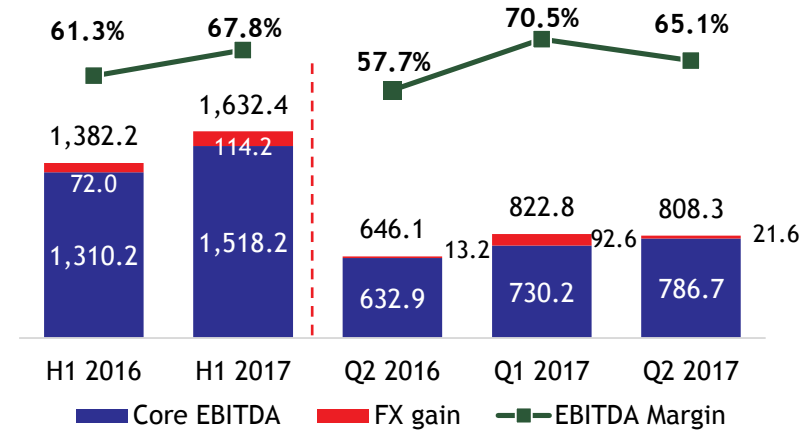
(1)  $Gross\ profit\ margin = \frac{Gross\ profit\ (loss)}{Revenue\ from\ sales\ of\ goods} \times 100$

# Cost & Expenses vs. EBITDA & NPAT

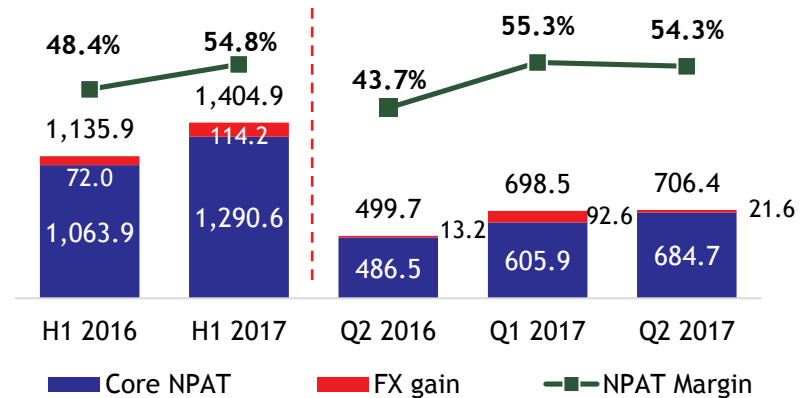
Cost & Expenses Items (THBmm)



EBITDA<sup>(1)</sup> (THBmm) and EBITDA margin<sup>(2)</sup> (%)



NPAT (THBmm) and NPAT margin<sup>(3)</sup> (%)



Notes:

- (1) EBITDA is calculated by adding net foreign exchange gain, other income and depreciation and amortization to, and subtracting reversal of impairment loss on parent's shares held for donation, gain from disposal of parent's shares held for donation, net gain in fair value of trading investments and adjustment for write-off of other payables, cost of sales of goods, selling expenses, administrative expenses and net foreign exchange loss from, revenue from sales of goods. The Company considers EBITDA to be an important performance measure and the Company believes that EBITDA is used by many industries and investors as one measure of cash flow from operations. EBITDA should not be considered by an investor as an alternative to actual cash flow from operations as determined in accordance with TFRS, and is not a standard measure under TFRS. The Company's calculation of EBITDA may differ from similarly titled computations of other companies.
- (2) EBITDA margin = EBITDA / Revenue from sales of goods and services x 100
- (3) Net profit margin = Profit (loss) for the year / Total Revenues x 100

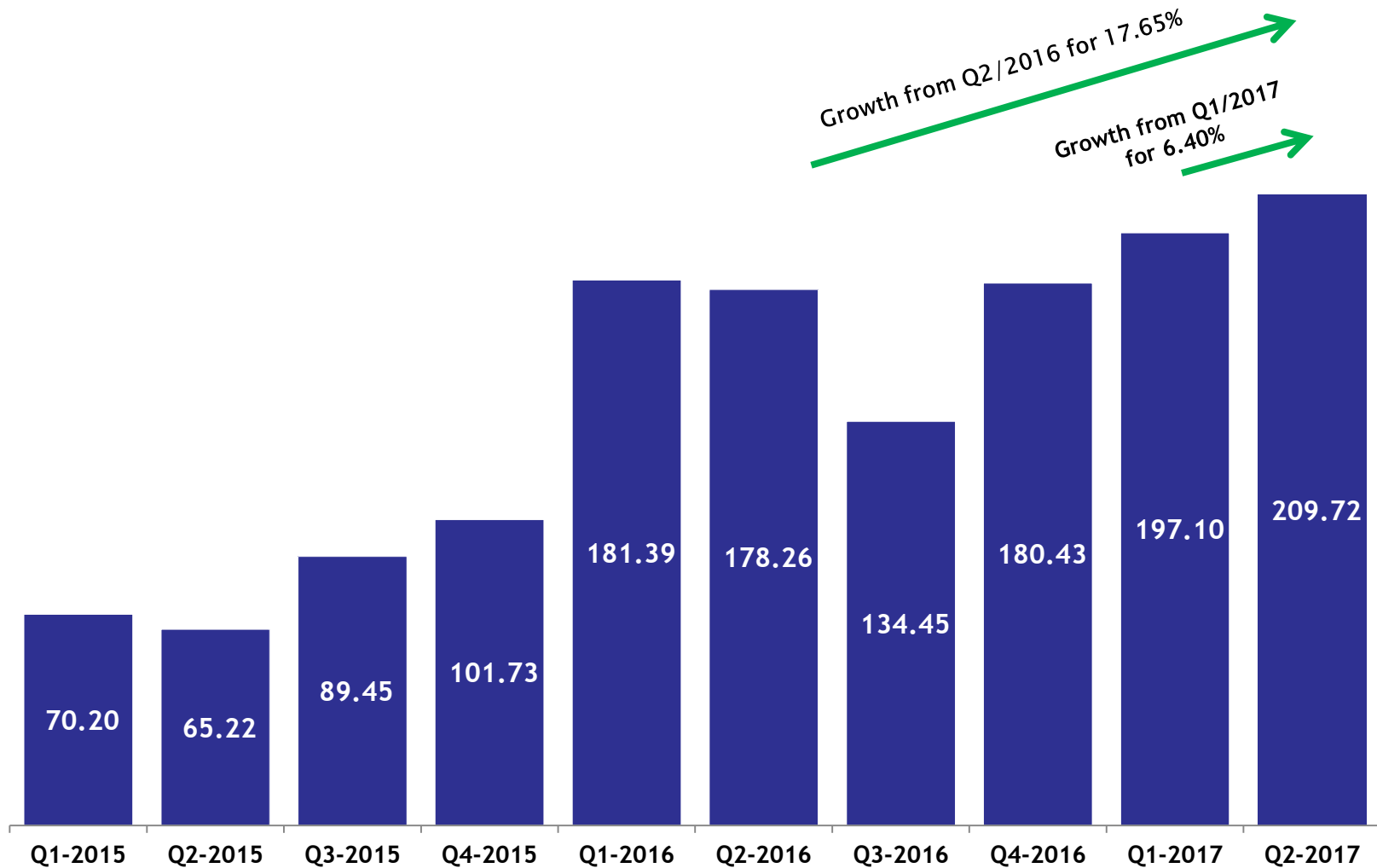
# Comparing Profit and Loss Statement - YoY and QoQ



	2016 H1	2017 H1	2016 Q2	2017 Q1	2017 Q2	YoY (H)	Compare (%) YoY (Q)	QoQ
<b>Income</b>								
Revenue from base tariff	853.83	<b>1,019.71</b>	483.20	476.67	<b>523.50</b>	19.43%	8.34%	9.82%
Revenue from power adder	855.67	<b>1,021.73</b>	430.55	496.10	<b>525.63</b>	19.41%	22.08%	5.95%
Other income	562.78	<b>379.15</b>	215.76	196.33	<b>202.37</b>	<b>-32.63%</b>	<b>-6.21%</b>	3.08%
Investment Income	2.93	<b>28.77</b>	1.67	1.38	<b>27.39</b>	883.19%	1,538.84%	1,880.19%
<b>Total income</b>	<b>2,275.20</b>	<b>2,449.37</b>	<b>1,131.18</b>	<b>1,170.48</b>	<b>1,278.88</b>	<b>7.66%</b>	<b>13.06%</b>	<b>9.26%</b>
<b>Expenses</b>								
Cost of sales of goods	1,052.25	<b>1,009.35</b>	548.68	475.50	<b>533.85</b>	<b>-4.08%</b>	<b>-2.70%</b>	12.27%
Selling expenses	96.59	<b>97.60</b>	47.87	47.89	<b>49.72</b>	1.05%	3.85%	3.82%
Finance costs	65.62	<b>39.23</b>	49.21	38.57	<b>0.66</b>	<b>-40.21%</b>	<b>-98.65%</b>	<b>-98.28%</b>
<b>Total expenses</b>	<b>1,214.46</b>	<b>1,146.18</b>	<b>645.75</b>	<b>561.96</b>	<b>584.23</b>	<b>-5.62%</b>	<b>-9.53%</b>	<b>3.96%</b>
<b>Profit (loss) before income tax expense</b>	<b>1,060.74</b>	<b>1,303.18</b>	<b>485.43</b>	<b>608.53</b>	<b>694.66</b>	<b>22.86%</b>	<b>43.10%</b>	<b>14.15%</b>
Income tax - deferred tax	3.17	<b>(12.54)</b>	1.07	<b>(2.62)</b>	<b>(9.92)</b>	<b>-495.49%</b>	<b>-1,024.51%</b>	279.06%
<b>Profit (loss) for the year (excluded FX)</b>	<b>1,063.91</b>	<b>1,290.65</b>	<b>486.50</b>	<b>605.91</b>	<b>684.74</b>	<b>21.31%</b>	<b>40.75%</b>	<b>13.01%</b>
Net foreign exchange gain	72.04	<b>114.21</b>	13.19	92.58	<b>21.63</b>	58.55%	63.99%	<b>-76.64%</b>
<b>Net Profit (loss) for the year</b>	<b>1,135.95</b>	<b>1,404.86</b>	<b>499.69</b>	<b>698.49</b>	<b>706.36</b>	<b>23.67%</b>	<b>41.36%</b>	<b>1.13%</b>



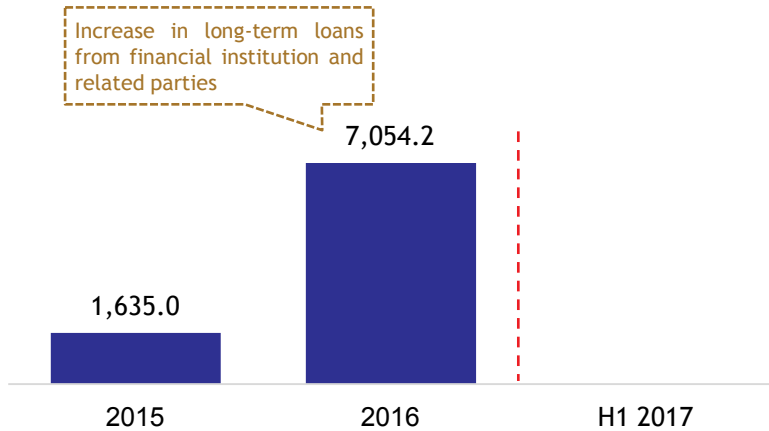
## Generated Amount of Electricity (M.KWh)



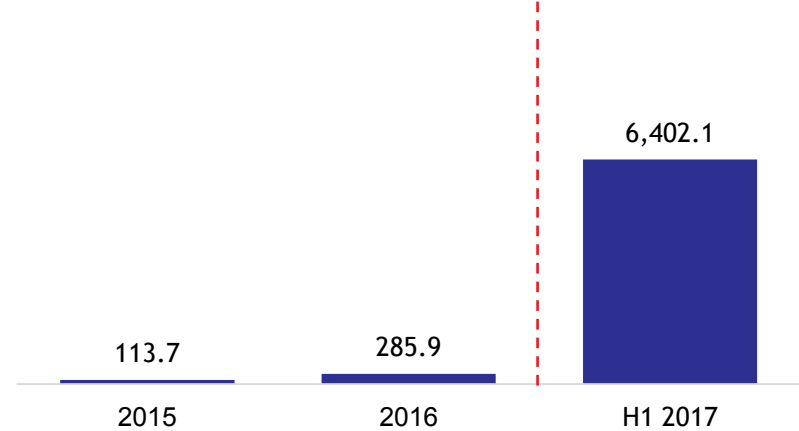


# Debt Profile and Leverage Ratios

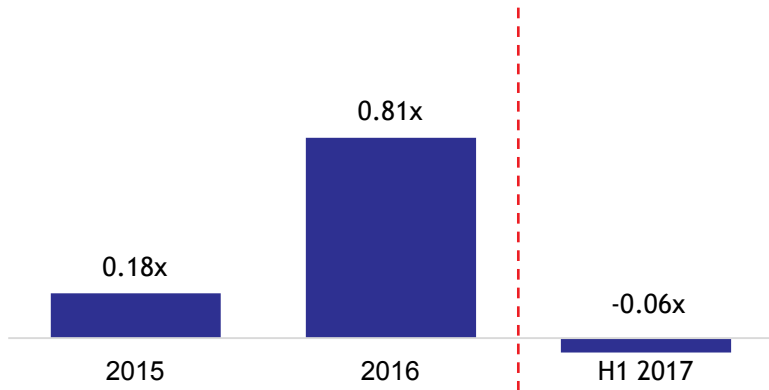
## Interest Bearing Liabilities (THBmm)



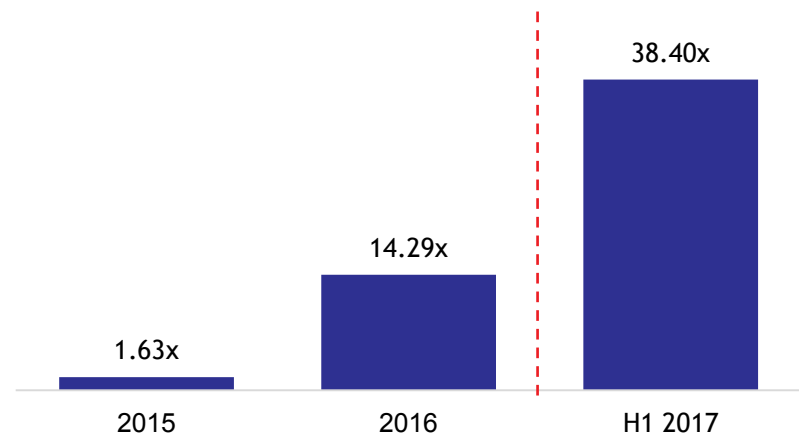
## Cash / Cash Equivalents and Current Investment (THBmm)



## Net Debt<sup>(1)</sup> to Equity (x)



## Interest Coverage Ratio<sup>(2)</sup> (x)



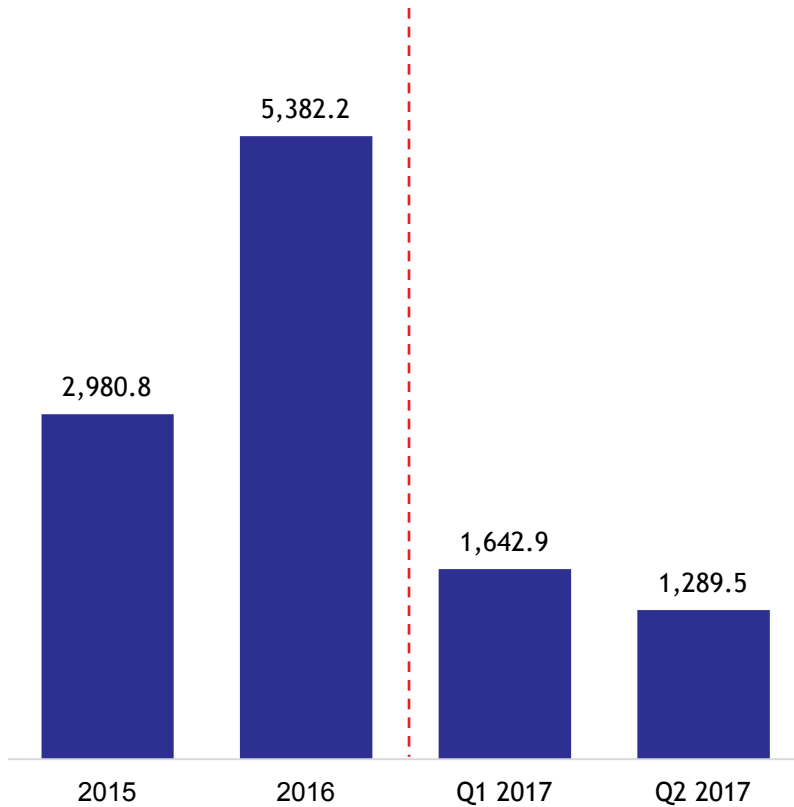
Notes:  
(1) Net debt = Short-term loan from financial institutions + Short-term loan from related parties + Current portion of long-term loan from financial institutions + Long-term loan from financial institutions + Long-term loan from related parties - Cash and cash equivalents  
(2) Interest coverage ratio = Cash generated from operating activities / finance cost paid

# Capital Expenditure

## To Fund Growth Opportunities



Historical Capital Expenditure (THBmm)



- CAPEX from 2015 to 2016 principally related to power plant construction
- TPIPP expects to meet CAPEX requirements through cash in hand, cash from operations and/or financing activities



# Progress Update





# Historical and Planned EIA/EHIA Report Submission Process



## Historical EIA Report Submission Process

TG	Type	1st Submit	1st Meeting	2nd Submit	2nd Meeting	Approved Date
TG 1-2	EIA	28-Jan-09	26-Mar-09	-	-	26-Mar-09
TG 3	EIA	7-Jul-10	26-Aug-10	15-Nov-10	9 Dec 10	9-Dec-10
TG 4	EIA	16-Nov-12	4-Feb-13	11-Mar-13	28-Mar-13	28-Mar-13
TG 5	EIA	16-Nov-12	4-Feb-13	11-Mar-13	28-Mar-13	28-Mar-13
<b>TG 7</b>	<b>EIA</b>	<b>9-Dec-16</b>	<b>2-Feb-17</b>	<b>7-Apr-17</b>	<b>27-Apr-17</b>	<b>27-Apr-17</b>
<b>TG 6</b>	<b>EIA</b>	<b>9-Mar-17</b>	<b>27-Apr-17</b>	<b>12-Jun-17</b>	<b>25-Jul-17</b>	<b>25-Jul-17</b>

## Planned EIA/EHIA Report Submission Process

TG	Type	1st Submit	1st Meeting	Approved Date
TG 8	EHIA	9-Dec-16	2-Feb-17	Expected to be in Sep 17 or Nov 17

# Power Plant's Update Expansion Construction Progress



	Type	Update Construction Progress
TG 1-2	Boiler	<ul style="list-style-type: none"> <li>COD additional boiler, produced more steam to turbine &amp; generator</li> </ul>
	Turbine & Generator	<ul style="list-style-type: none"> <li>Scheduled maintenance shutdown</li> </ul>
TG 4	AQC#4 Modification	<ul style="list-style-type: none"> <li>Completed steam pipe replacement, expected to increase utilization rate to 85%</li> </ul>
TG 6	Turbine & Generator	<ul style="list-style-type: none"> <li>In process of PPA signing with EGAT</li> <li>In process of no load turbine &amp; generator test run</li> <li>Overall progress is 98%, target to COD within Q4 2017</li> </ul>
TG7	Turbine & Generator	<ul style="list-style-type: none"> <li>Completed Turbine &amp; Generator installment</li> <li>Overall progress is 90%, target to COD within Q4 2017</li> </ul>
TG8	Turbine & Generator	<ul style="list-style-type: none"> <li>In process of staff training and turbine test run at China</li> <li>Overall progress is 70%, target to COD within the end of Q4 2017</li> </ul>
	RDF Plant	<ul style="list-style-type: none"> <li>In process of construction 4 RDF plants, target to COD within Q4 2017</li> </ul>



## Conclusion



# Conclusion

## Key Attributes of TPIPP



- 1 *Thailand's Largest Waste-to-Energy ("WTE") Power Plant Operator*
- 2 *Expertise in Waste Management & WTE Renewable Technologies*
- 3 *Strong Relationships with Key Players in the Upstream & Downstream Industry Value Chain*
- 4 *Supportive Government Policies for Renewable Energy ("RE") Power Generation in Thailand*
- 5 *Positive Macroeconomic Outlook with Strong GDP Growth & Increasing Power Demand in Thailand*
- 6 *Experienced Management Supported by Dedicated Operating & Technical Staff*