



A New Chapter

Towards Greater

**ENERGY
SECURITY**

**Acquisition of a 65.99% stake
in ETL from ExxonMobil
with subsequent tender offer**

Analyst meeting
January 12, 2023

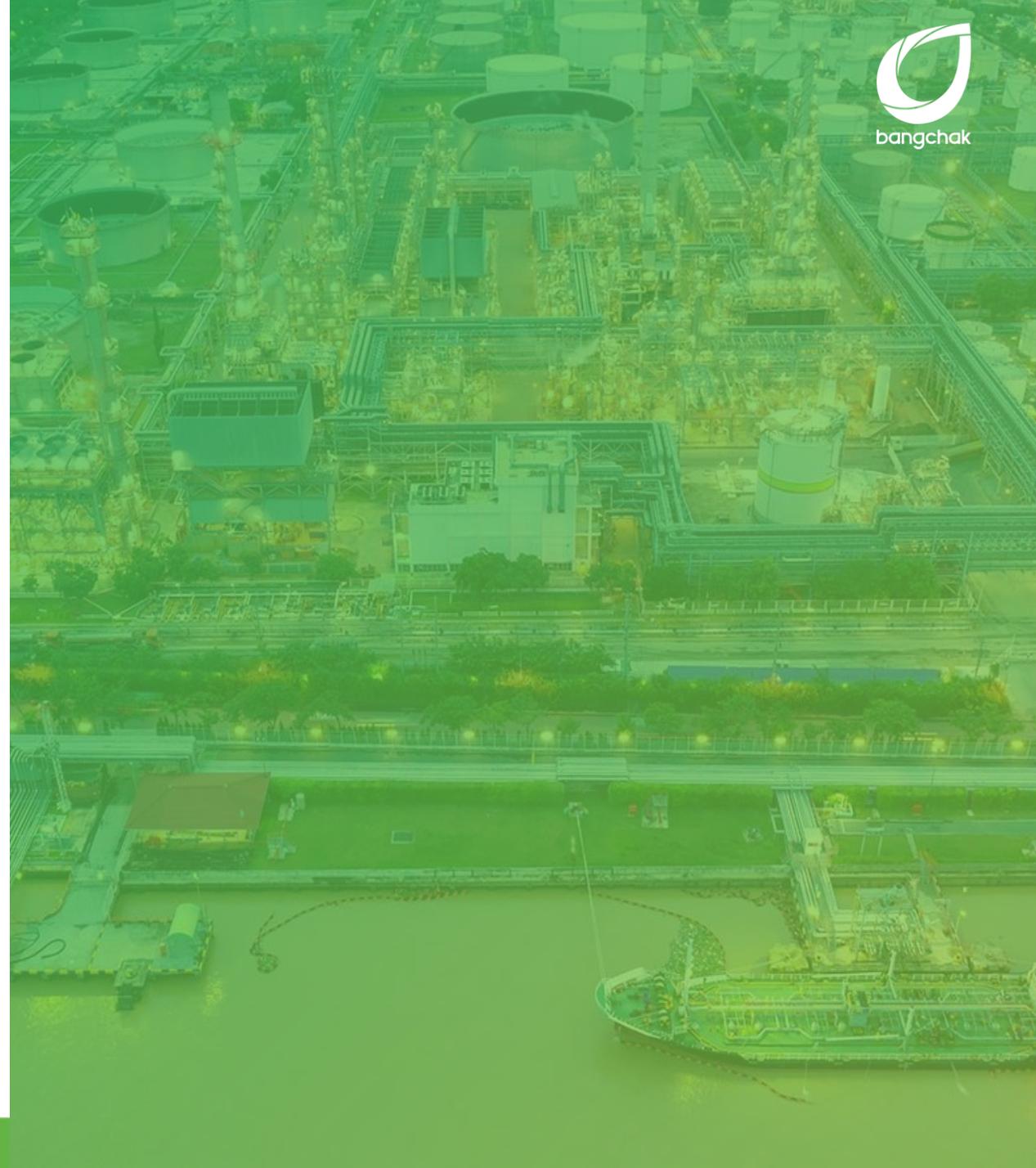


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Acquisition overview

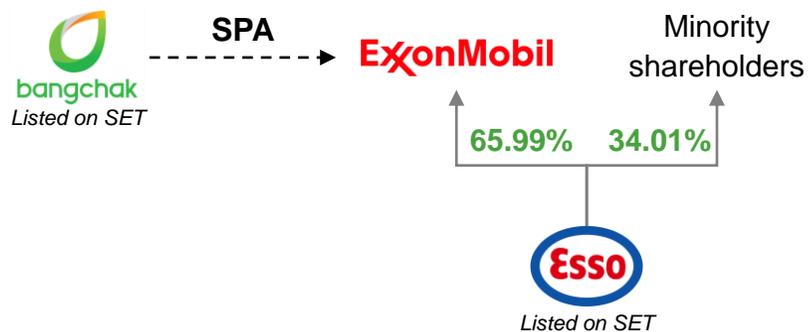
ETL acquisition highlights

Transformational acquisition for Bangchak to be a sustainable energy market leader

- ✓ Bangchak Corporation Public Company Limited (“Bangchak”) has agreed to acquire ExxonMobil Asia Holdings’ (“ExxonMobil”) **65.99% stake** in Esso (Thailand) Public Company Limited (“ETL”), one of the leading integrated petroleum refining and marketing companies in Thailand
- ✓ Creates the **leading Thai integrated refining and marketing (“R&M”) player** with combined nameplate refining capacity of 294 KBD and supplying ~2,100 stations¹
- ✓ **Enhances national energy security** with the transfer of strategic fuel infrastructure and technology to Thai ownership
- ✓ Acquisition values ETL at a fixed enterprise value of THB 55.5bn, subject to agreed adjustments, this implies an **indicative purchase price of THB 8.84 per share** based on 3Q2022 financials
- ✓ **Compelling financial returns** – expected realization of operational run-rate pre-tax synergies of THB 1.5 – 2.0bn p.a. and significant EPS accretion
- ✓ The transaction is subject to regulatory approvals; post completion of the acquisition of ExxonMobil’s stake, **Bangchak will launch a tender offer** for the remaining shares in ETL

Transaction details

Step 1 : Majority stake purchase



Tender offer will be launched subsequent to successful completion of stake purchase from ExxonMobil

Step 2: Tender offer



- The tender offer will allow minority shareholders to sell their shares at the same price per share as ExxonMobil
- Shareholders of ETL can choose to retain their shares, sell part or entirely for cash

- As part of the transaction, ExxonMobil will retain the finished lubricant and chemical marketing businesses
 - ExxonMobil related party loans to ETL will be refinanced via third-party loans and debt capital markets
 - ETL will be able to continue using Esso’s brand for service stations during a 2-year transition period subject to the terms of respective dealership agreements
 - Bangchak’s affiliate will enter into a crude supply agreement with ExxonMobil before completion
-
- Conditions precedent stipulated in the SPA include:
 - ETL obtaining **approval and/or waiver of the requirement specified under the Refinery Expansion Agreement dated 27 December 1991**
 - Bangchak obtaining the **applicable antitrust approvals**
 - Bangchak obtaining **necessary shareholder approval**
 - Finalization of purchase price completion adjustment
-
- Bangchak’s Board of Directors has endorsed and unanimously approved the transaction subject to shareholder’s vote
 - Transaction is **fully funded** via bank loan and Bangchak’s cash on hand
 - Completion expected in **second half of 2023** subject to receiving regulatory approvals in a timely manner

Overview of ETL

One of the leading integrated petroleum refining and marketing companies in Thailand with long-standing history and strong operating track record



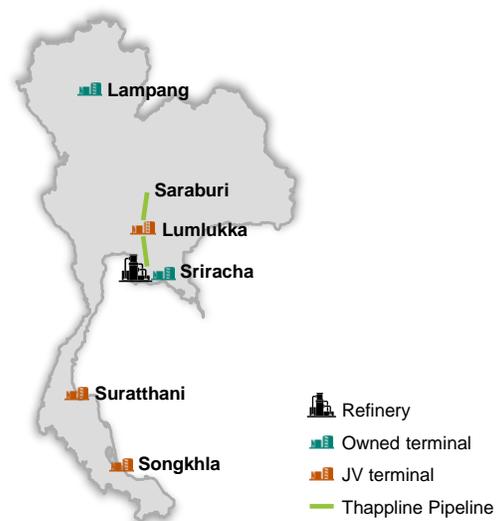
Refinery

- **174 KBD** complex refinery with 43 KBD FCC
- Freehold land area **~800 rai**
- **Integrated chemical plants** with 500 KTA aromatics capacity
- Flexibility to handle a **wide range of crudes**
- **Well established crude receiving facilities** with environmental control units and utilities
- ExxonMobil's **world class technologies**



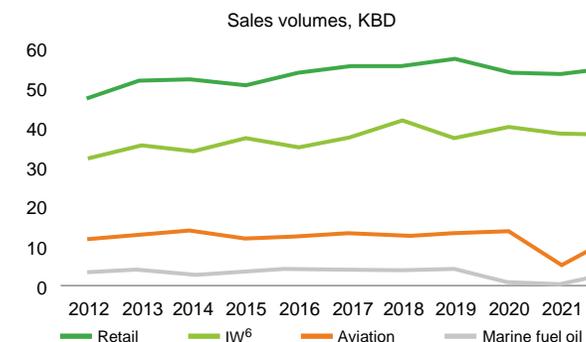
Midstream logistics

- **21%** interest in Thappline¹
- **2 wholly owned terminals** – Sriracha and Lampang
- **3 JV terminals** – Lumlukka, Suratthani and Songkhla
- **7.06%** interest in BAFS²



Marketing

- **700+ service stations³** in strategic locations
- **13% fuel retail market share by volume⁴** and **#2 market position** in premium fuels
- Strong position in commercial fuels: industrial and wholesale, marine fuel oil, asphalt, LPG and aviation
- Loyal customer base of **3.5mm+ members⁵** through the Esso Smiles Driver Rewards loyalty program



Energy in harmony with nature

Environmental sustainability

- ✓ *Maintain high environmental standards*
- ✓ *Open up avenues of distribution of Bangchak's biofuels*
- ✓ *Generate discretionary cash flows to reinvest and expedite energy transition*



Energy security

- ✓ *Transfer of strategic fuel infrastructure and operations to Thai ownership*
- ✓ *Combined crude and products terminals capacity of ~15mmbbl*



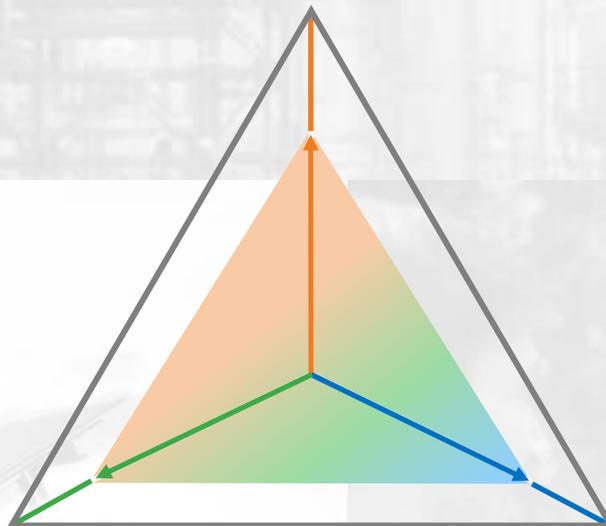
Energy affordability

- ✓ *Enlarged and more comprehensive fuel logistics network will reliably provide fuel to consumers at competitive pricing*
- ✓ *Optimized cost structure to improve affordability for customers*



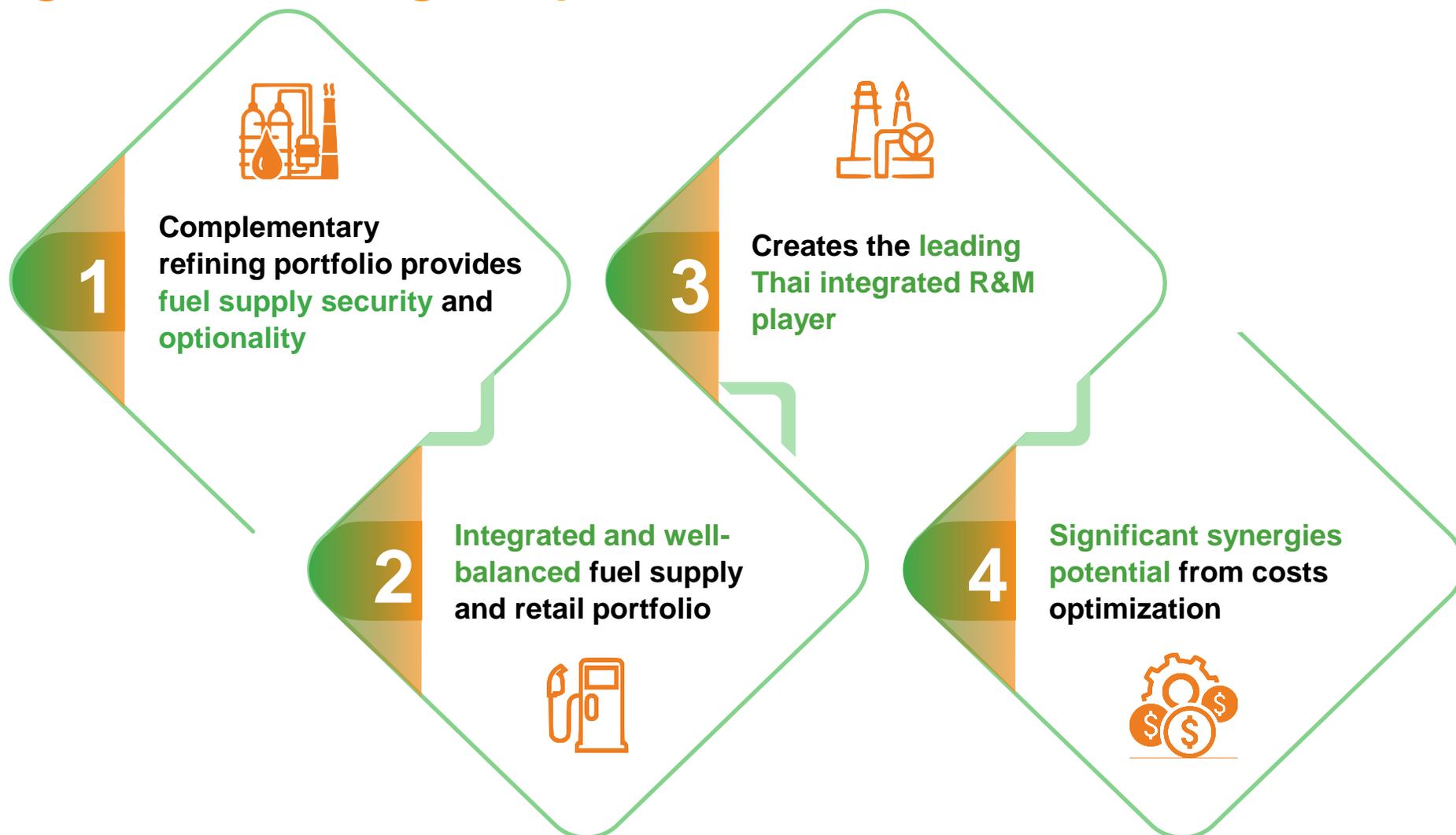
Knowledge transfer

- ✓ *Skilled workforce, IP and technology*
- ✓ *Combination of Bangchak and ETL's best practices to service customers*



Strategic rationale

Transformational transaction that would more than double Bangchak's integrated R&M operations in Thailand and provide important catalysts for further growth and margin improvement



1 Complementary refining portfolio provides fuel supply security and optionality

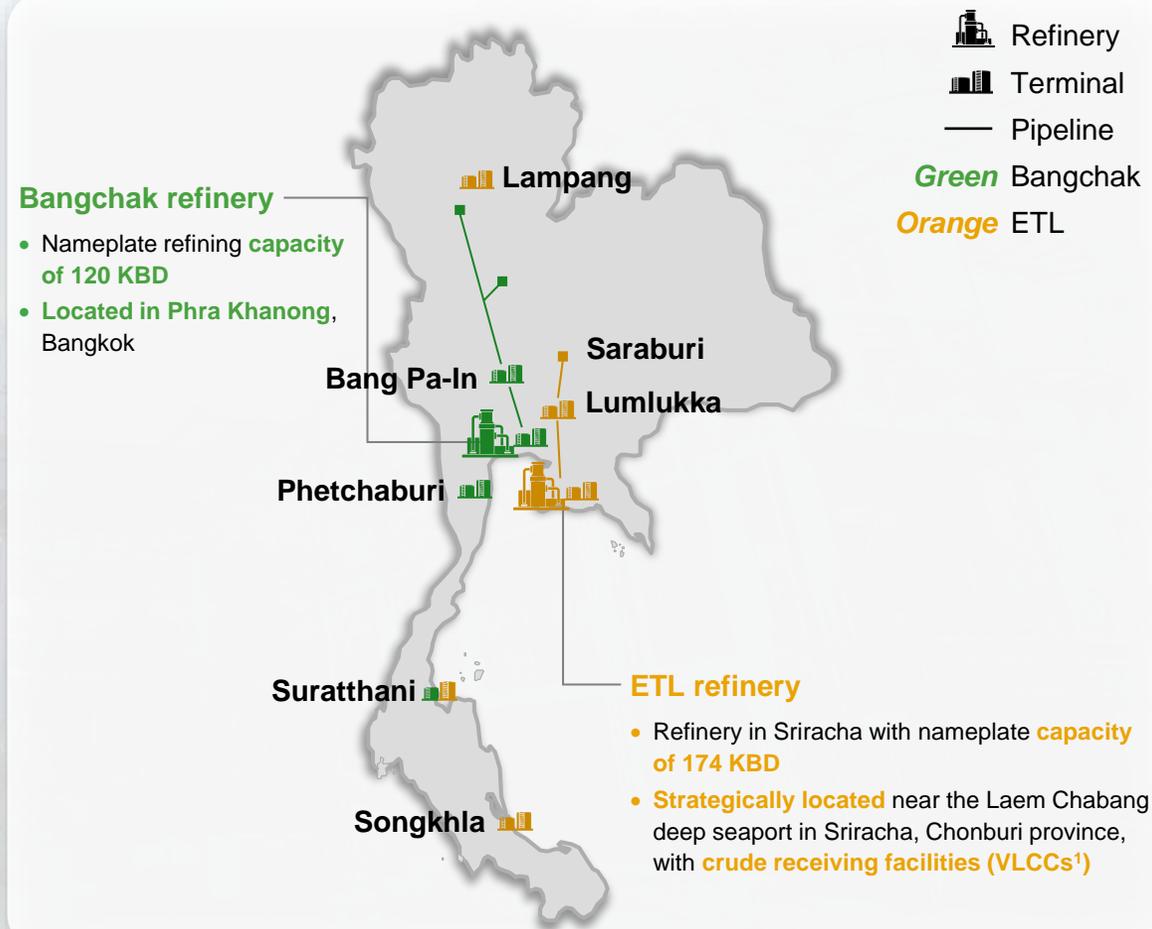


Benefits

- Combined nameplate refining capacity of 294 KBD, the **leading in Thailand**
- **2 strategically located refineries** with access to critical crude receiving facilities (VLCCs¹) and access to 2 main pipelines
- Increased **fuel supply security** and **optionality** of supply to consumers
- **Enhanced margins** through optimization of crude supply logistics via co-purchasing and co-loading
- **Flexibility to maximize gasoline and diesel** as access to both Hydrocracking (HCU) and Fluidized Catalytic Cracking (FCC) technologies
- **Coordinated operational management** maximizes utilization and minimizes operational costs
- New crude supply agreement with ExxonMobil will provide an **additional source of crude supply**



Mapping of the post-transaction facilities

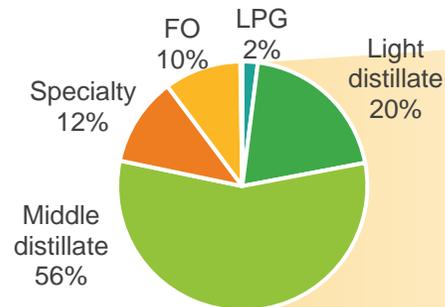


2 Integrated and well-balanced fuel supply and retail portfolio

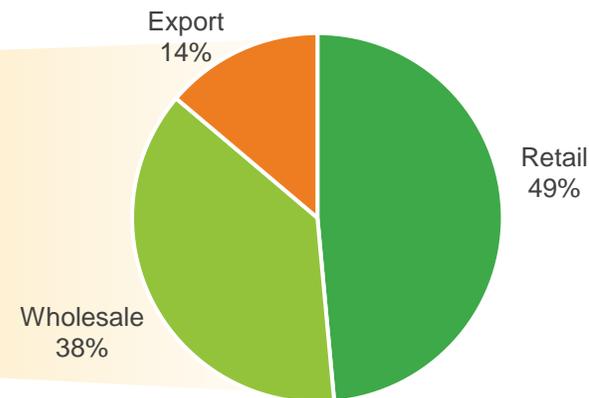
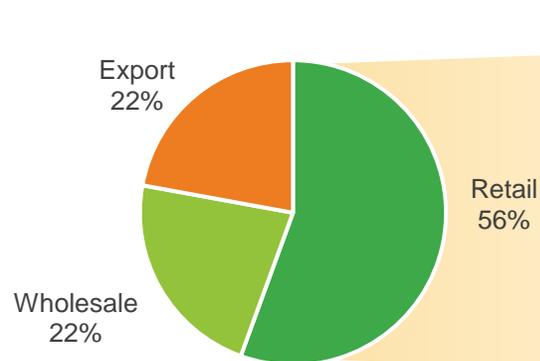
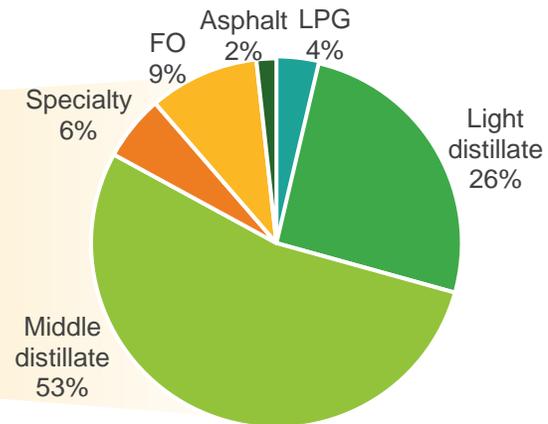
Product yields¹

Sales volumes¹

Bangchak



Post-acquisition



Bangchak's sales volume:
677mm litres/mo
 (equiv. to 140 KBD)

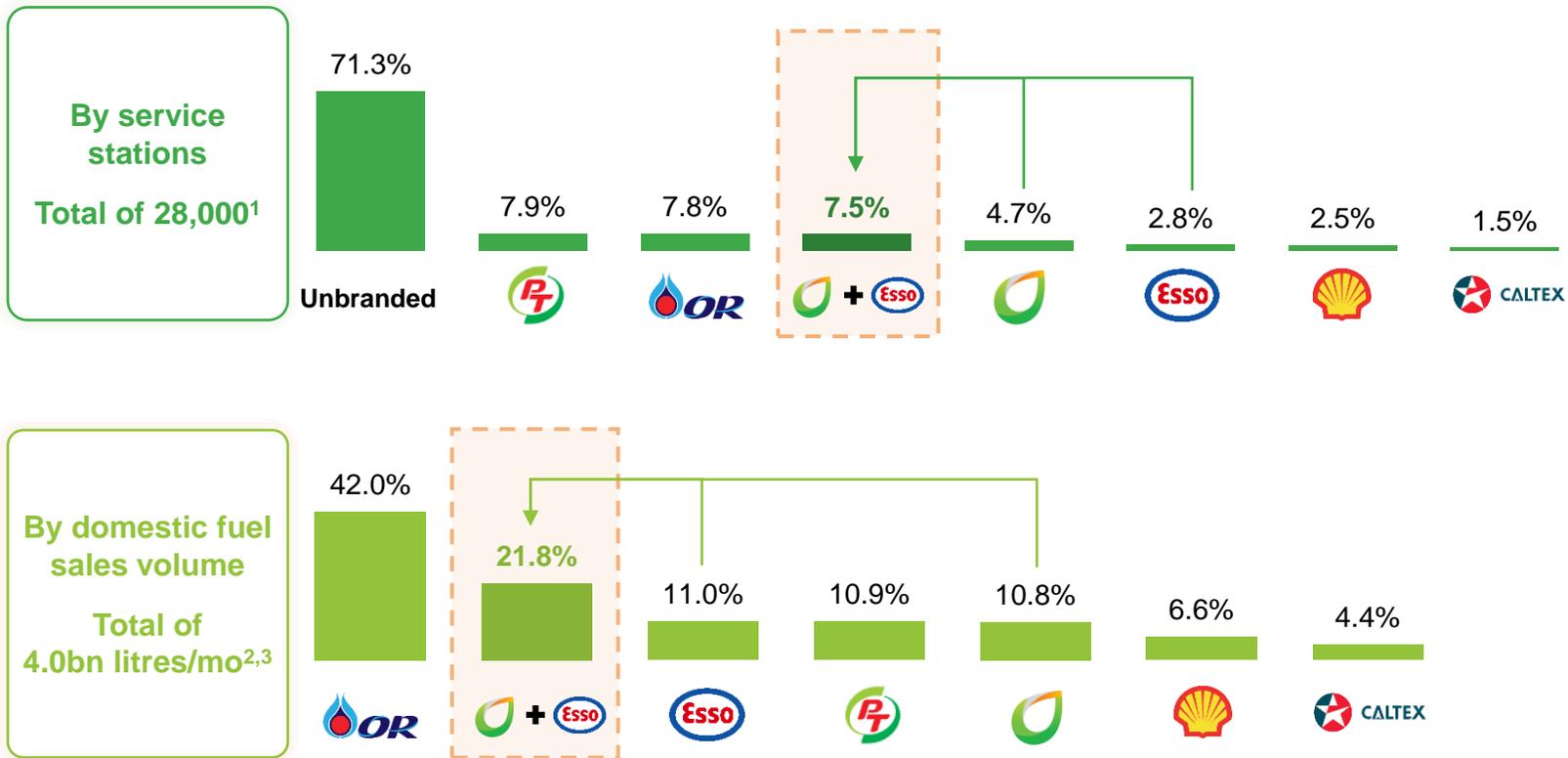
Pro forma sales volume²:
1,383mm litres/mo
 (equiv. to 286 KBD)

- Acquisition **enhances Bangchak's self sufficiency**
- **Complements Bangchak's current production yield** and enhances production of high value specialty products
- Provides an entrance to the **profitable asphalt market** and product blending
- Improves footprint in the **wholesale and industrial markets**
- Ability to **optimize product yield** to market demand dynamics

3 Create the leading Thai integrated R&M player...



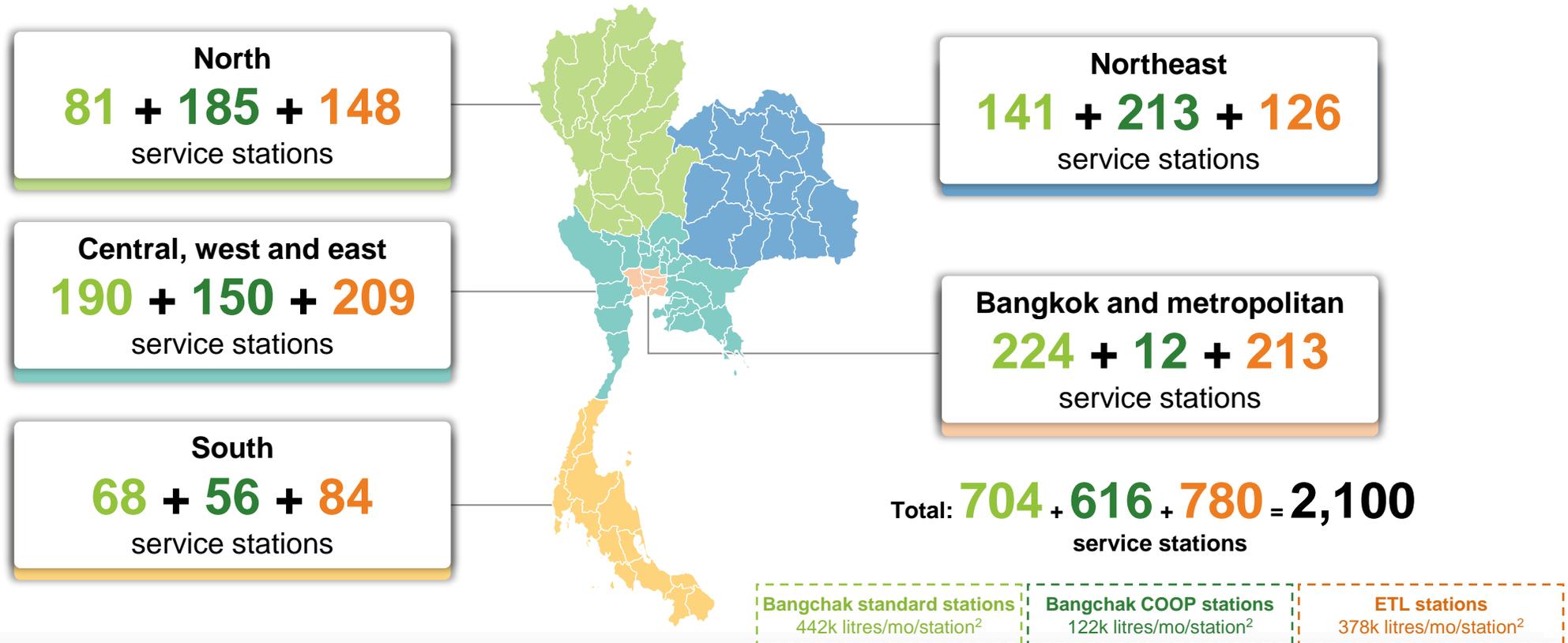
Thailand market share



- Long-standing history in the Thai market, with **strategic locations in prime areas**, most of which are company-owned service stations
- Leverage sizeable ETL **customer base of 3.5mm+⁴** to generate further growth and **cross-selling opportunities**
- **Enlarged platform for** Bangchak's biofuels and lubricants



Bangchak + ETL's retail stations¹



- **Complementary fuel retail portfolio** with limited overlaps
- Potential to **optimize fuel distribution channels** and **improve throughput** per station of ETL
- **Unique opportunity** to implement and grow Bangchak's **retail experience business**

4 Significant synergies potential from costs optimization

THB 1.5 – 2.0 billion

estimated annual run-rate pre-tax synergies

Crude supply

- ✓ Sourcing optimization
- ✓ Crude co-loading
- ✓ Bulk purchase cost savings

Refinery operations

- ✓ Enhanced refinery capabilities
- ✓ Improved utilization
- ✓ Product yield optimization
- ✓ Coordinated maintenance schedule

Logistics

- ✓ Crude terminals integration
- ✓ Onshore distribution optimization
- ✓ Expanded logistics reach
- ✓ Access to wider infrastructure

Corporate

- ✓ Economies of scale on back office operations
- ✓ Simplified management structure
- ✓ Combined marketing efforts

Overview of purchase price adjustment mechanism

- Bangchak and ExxonMobil have agreed to **customary adjustments to the purchase price at completion** subject to **business performance**, resulting in **changes in net debt, working capital** and other items
- This mechanism allows to **fix the enterprise value at THB 55.5bn** (the intrinsic value of ETL) and **offsets swings in working capital** against a normalized reference level given the volatile business environment
- As a result, **the final purchase price per share will only be determined at completion**

Key items	Amount (THBbn)	Explanatory notes
Agreed Enterprise Value	55.5	
Debt/cash adjustments {	(-) Net Debt and Debt Equivalent Items	As of Closing FS <i>Includes as well debt-like items such as leases and pension obligations</i>
	(+) Other Financial Items	As of Closing FS <i>Consists of investment in associates and other items</i>
Working capital adjustments {	(+) Financial Statement Date Working Capital	As of Closing FS <i>Excludes inventory</i>
	(-) Target Working Capital	9.5 <i>Target figure agreed between Bangchak and ExxonMobil (excludes inventory)</i>
	(+) Volume-linked HC Inventories Adjustments	As of Closing FS <i>Adjustment only if inventory volumes at completion are different from the agreed reference volume of 7.4mbbl, priced at Financial Statement Date month average</i>
Pro forma adjustments {	(+) Other Adjustment Items	As of Closing FS <i>Includes adjustments for ETL's inventory related to finished lubricant and chemical marketing businesses</i>
= Equity Value of ETL		

Illustrative purchase price sensitivity at completion

Illustrative impact of potential changes in total adjustments between enterprise value and equity value between 3Q2022 and completion:

(THBbn)		Illustrative 2Q2022	Illustrative 3Q2022	-THB 5.0bn	+THB 5.0bn	+THB 10.0bn
Enterprise value		55.5	55.5	55.5	55.5	55.5
Debt/cash adjustments	(-) Net debt and debt equivalent Items	(25.6)	(41.6)			
	(+) Other financial items	2.8	2.9			
Working capital adjustments	(+) Working capital	(8.9)	1.4			
	(-) Reference working capital	9.5	9.5			
	(+/-) Volume-linked hydrocarbon inventories adjustment	(0.6)	2.3			
Pro forma adjustments	(+) Other adjustment Items	0.6	0.7			
Total adjustments		(22.2)	(24.9)	(29.9)	(19.9)	(14.9)
= Indicative equity value		33.3	30.6	25.6	35.6	40.6
Total number of outstanding shares (mm) ¹		3,461	3,461	3,461	3,461	3,461
Indicative purchase price per share (THB)		9.63	8.84	7.40	10.29	11.73

Note: Impact of potential changes is purely illustrative and does not represent any forecast of ETL's operating performance; please refer to *Information Memorandum on Asset Acquisition* for further details

¹ On a fully diluted basis as of 3Q2022

ESSO's enterprise value from asset perspectives

~315 Acres
800 Rai



Freehold Land Area

Office Space
(BKK, Khlong Toei)
~900 SQM.



750 Service Stations



Oil Inventory Volumes
of 7.4 mbbl



21% 7.06%

Shareholding



Refineries and Chemicals Plants

Enterprise Value

55.5 Bn Baht

Financial considerations and completion process

Compelling financial proposition with secured financing



Transaction fully funded by bank loan and Bangchak's cash on hand



Significant EPS accretion



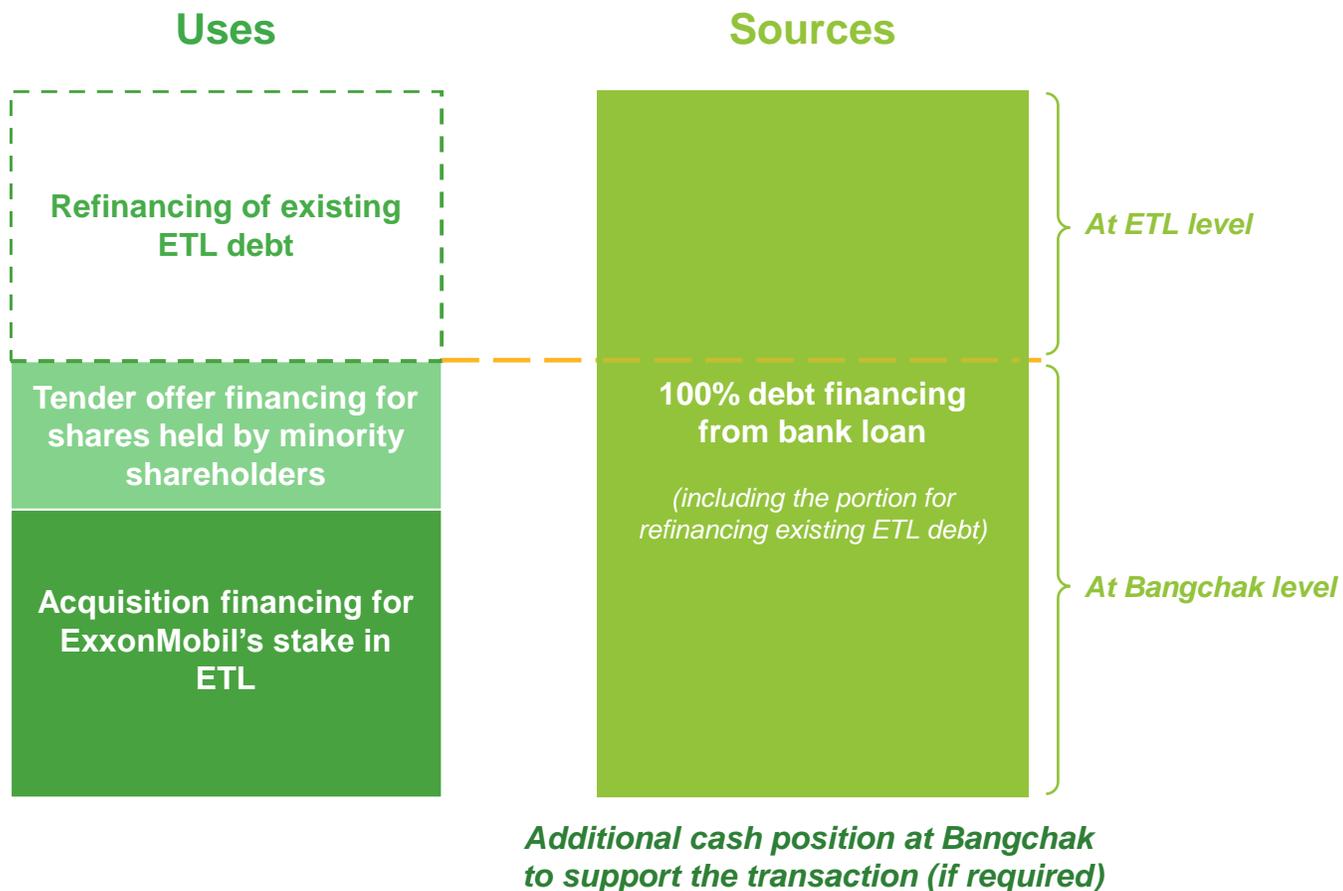
Sustainable leverage post transaction
Net debt/equity: 1.5x¹
Net debt/EBITDA: 1.9x¹

Capital disciplined investment in growth and sustainability

Sources and uses of funds for the transaction



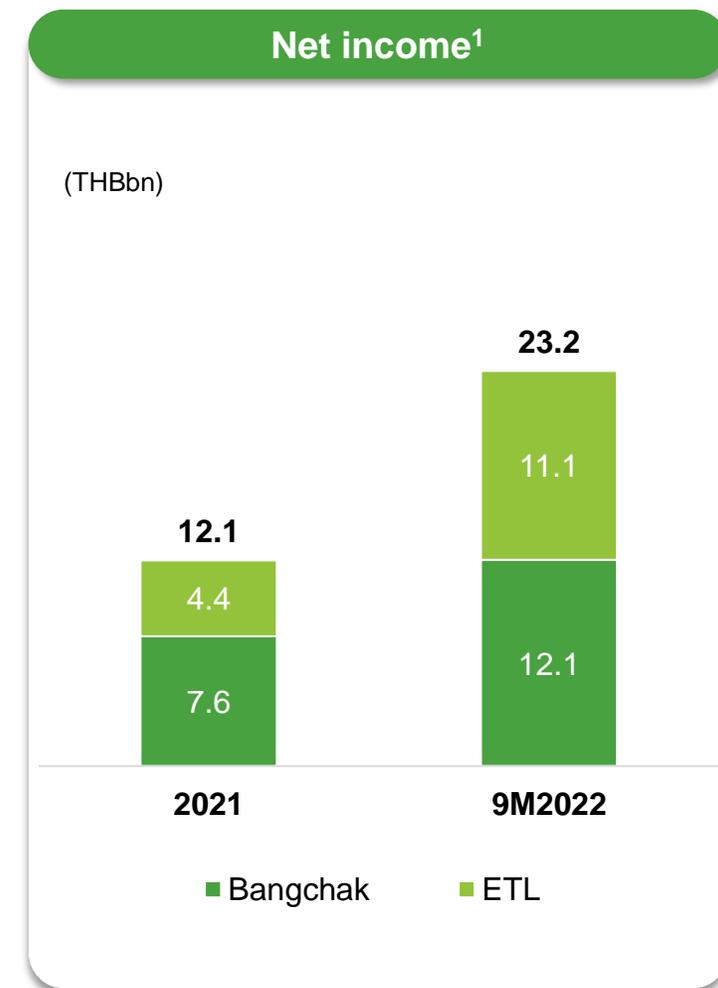
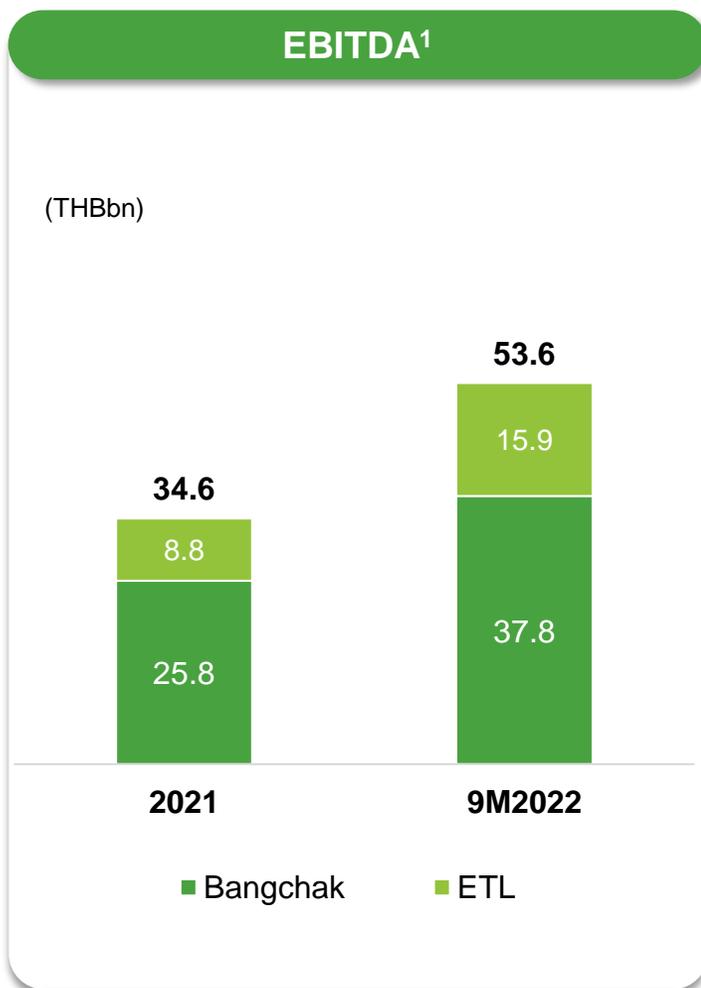
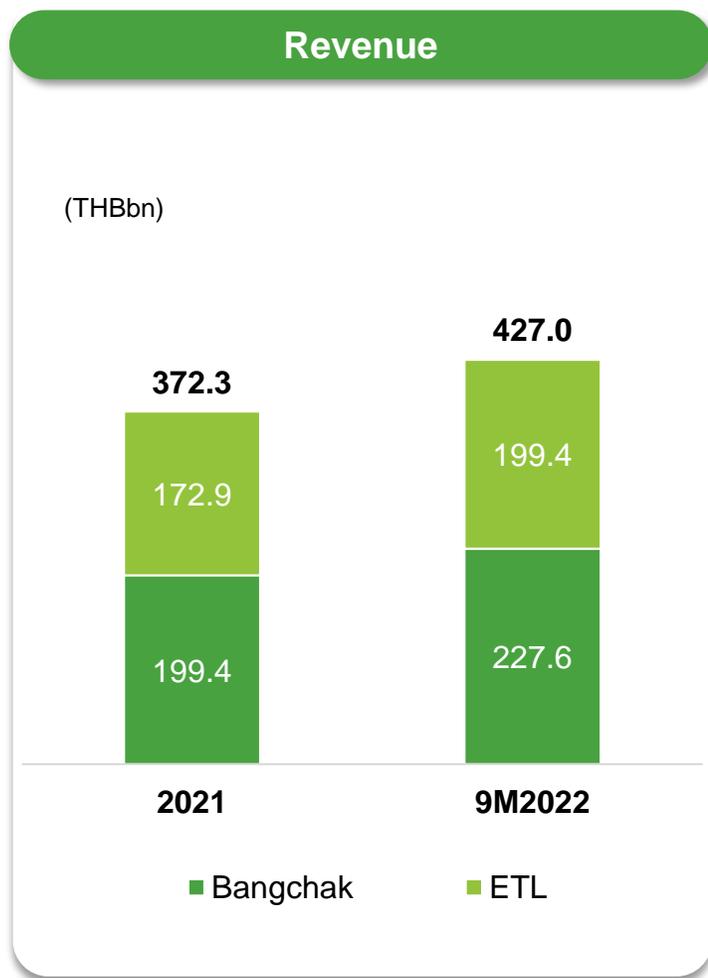
Sources and uses of funds



Financing plan

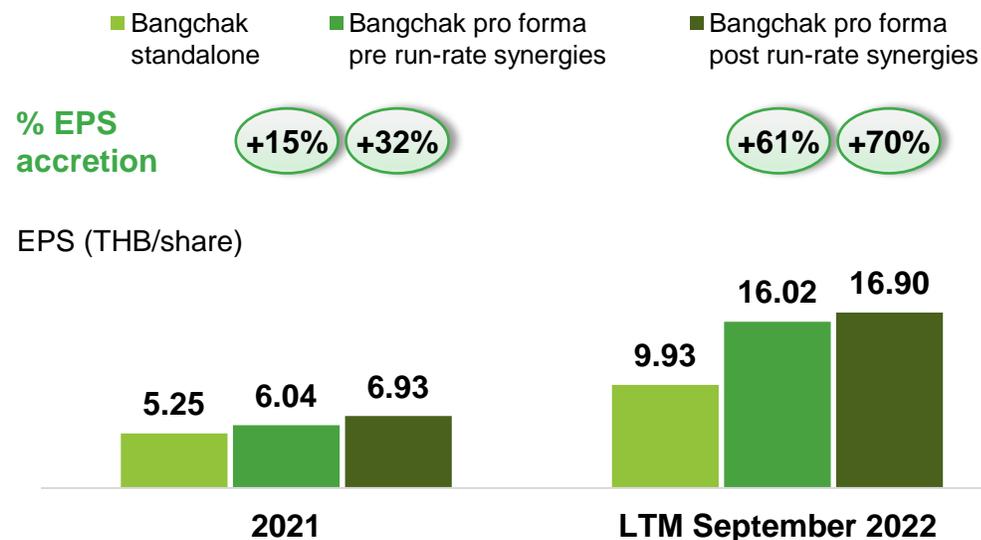
- Transaction fully funded by bank loan
- Bangchak has prepared a loan for the acquisition of ExxonMobil's stake in ETL as well as the tender offer
- Bangchak has additional cash at hand to support funding if needed
- ETL will refinance its related party debt at completion as well as certain third-party debt using loan facilities and the debt capital markets

Pro forma financial overview (pre-synergies and pre-acquisition impact)



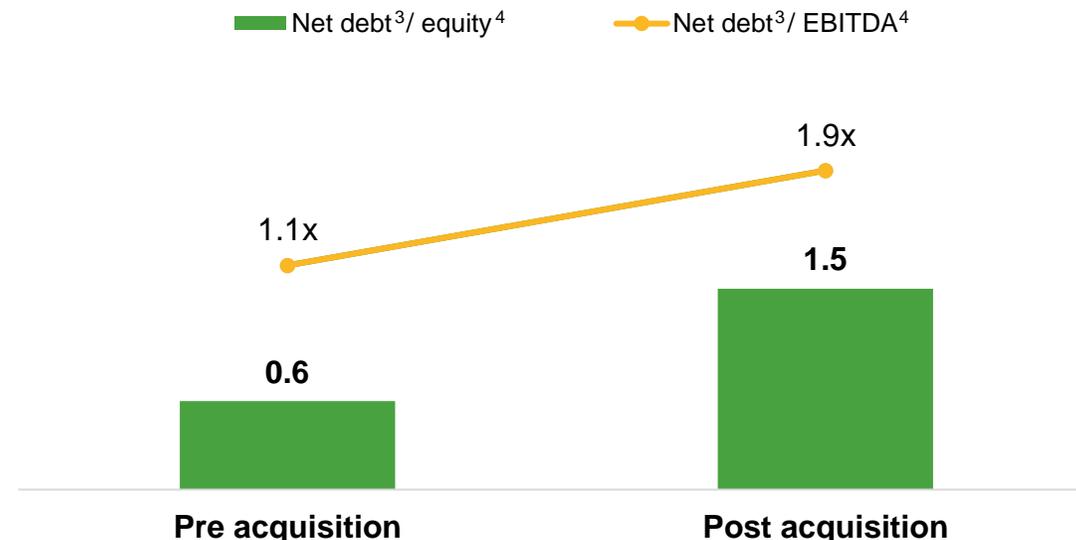
Significant EPS accretion with sustainable leverage levels

EPS accretion



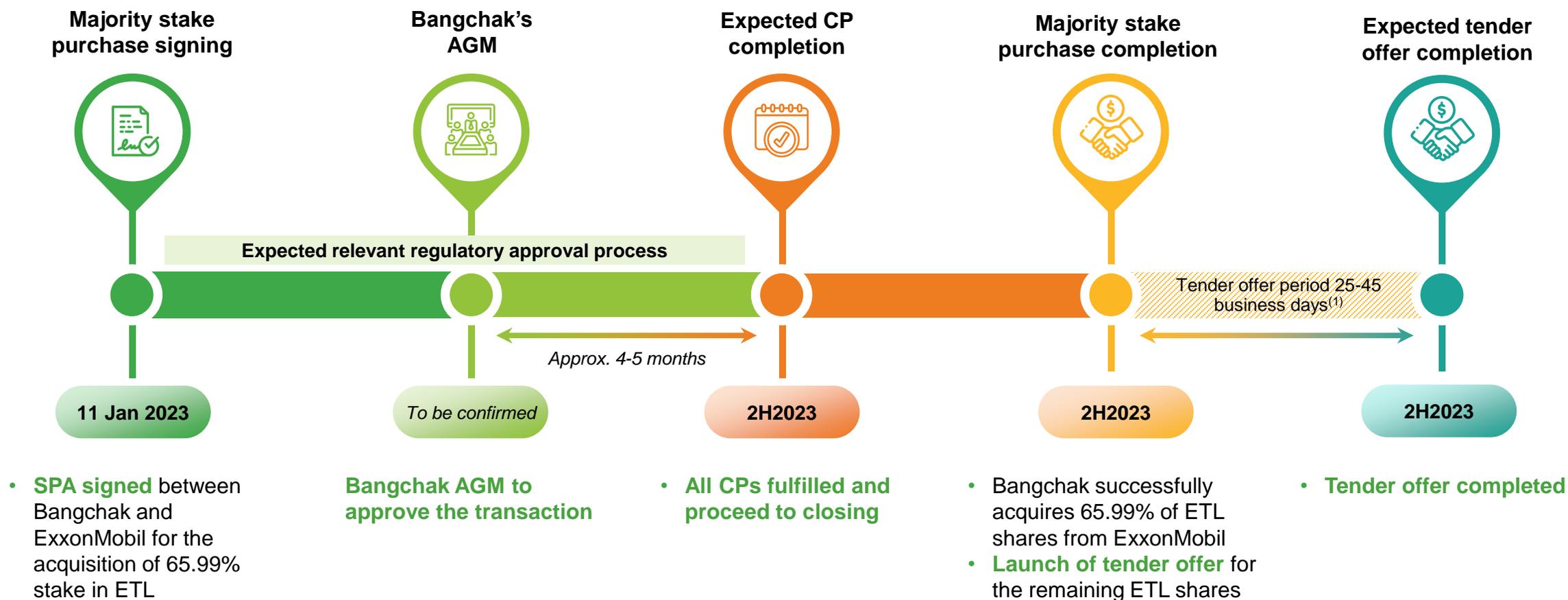
- Figures presented assume 100% acquisition of shares in ETL at the indicative purchase price of THB 8.84 per share
 - Subject to outcome of subsequent tender offer and customary adjustments at completion
- Estimates take into account additional interest expense from financing¹
- Run-rate pre-tax synergies assumed at THB 1.5bn p.a.²

Pro forma leverage impact (pre-synergies)



- Net debt / equity and net debt / EBITDA increase driven by additional debt incurred post acquisition including:
 - Acquisition financing for ETL assuming 100% acquisition
 - Consolidation of the debt of ETL

Indicative timeline and next steps





THANK YOU

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