

OPPORTUNITY DAY Q3/2019

Asia Biomass Public Company Limited

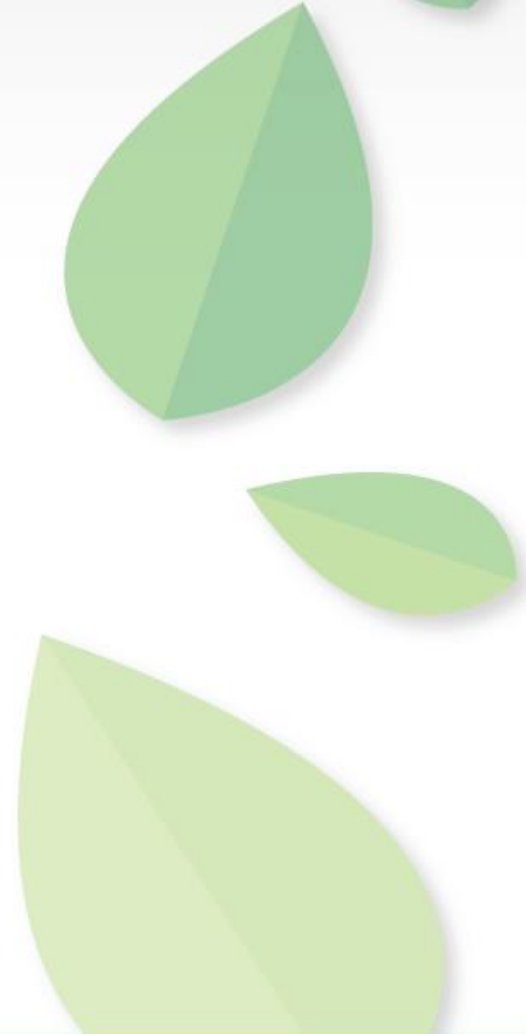
27 November 2019





AGENDA

- | Business Overview
- | Industry Outlook
- | Financial Performance
- | Company Outlook



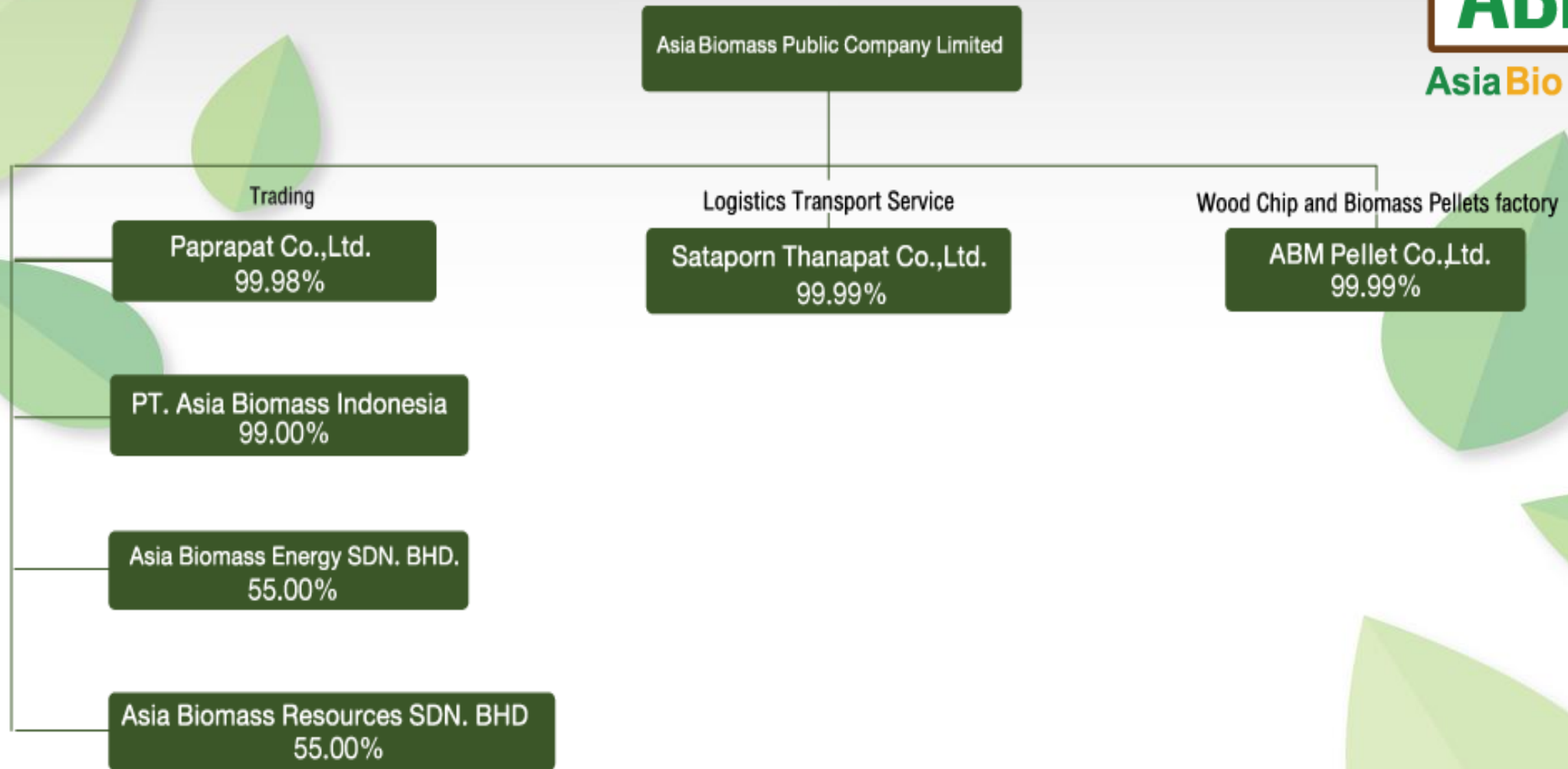
Stock Information

Market Data	
Price (baht)	0.75
P/E (times)	N/A
P/BV (times)	0.96
Market	mai
Sector	Resource
No.Share (mil. share)	300 M
Paid-up (mil. baht)	150 MB
Market Cap (mil. baht)	225 MB
Dividend Policy	> 40% of net profit (separate FS)

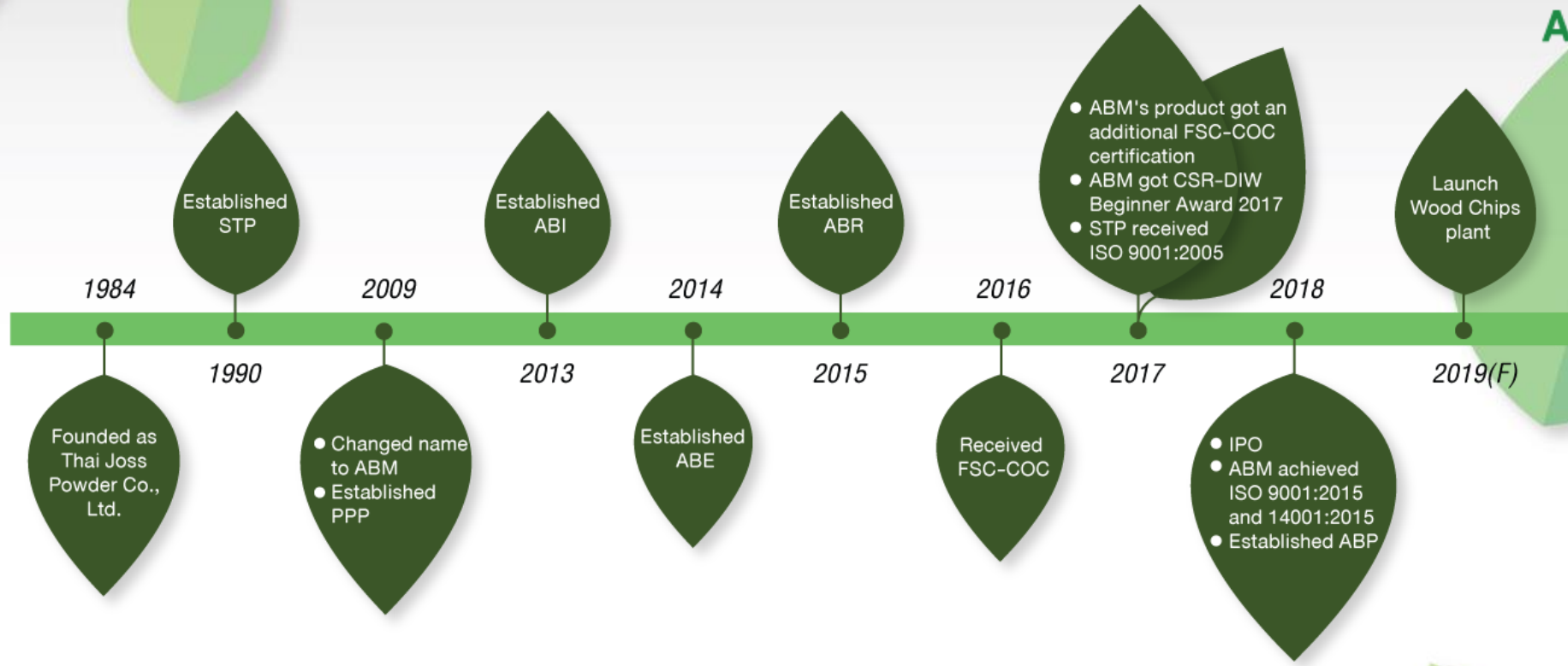
As of date : 25/11/2019
Source : SET



GROUP STRUCTURE



Key Milestones



ABM	Asia Biomass Public Company Limited
STP	Sathaporn Tanapat Co., Ltd.
PPP	Paprapat Co., Ltd.
ABI	PT Asia Biomass Indonesia
ABE	Asia Biomass Energy SDN. BHD.
ABR	Asia Biomass Resources SDN. BHD.
ABP	ABM Pellets Co., Ltd.

Biomass Product

PALM PRODUCTS



WOOD PRODUCTS



FSC/ISO



Products/Qualification	Calorific Value (kcal/kg)	Moisture (%)	Ash (%)
Palm Kernel Shell	3,400 - 3,800	25 - 27	Below 4
Wood Chips	2,300 - 2,800	45 - 50	Below 3
Wood Pellets	4,000 - 4,400	8 - 10	Below 3
Wood Shaving	3,700 - 4,000	10 - 18	Below 2.5

ABM Warehouse



Bang Nam Chuet, Samut Sakhon

- Area (m2) 25,848
- Capacity (tons) 40,000
- Company own

Bang Kung, Surat Thani

- Area (m2) 43,000
- Capacity (tons) 100,000
- Company own

Bang Pa Kong, Chachoengsao

- Area (m2) 8,800
- Capacity (tons) 25,000
- Rental

Bintulu, Malaysia

- Area (m2) 12,500
- Capacity (tons) 20,000
- Rental

Transportation Service

Sataporn Thanapat Co.,Ltd.

- Owning 34 trucks
- Specific vehicle for ABM products



Logistics Network

By land

- More than 100 trucks in ABM chain



By sea

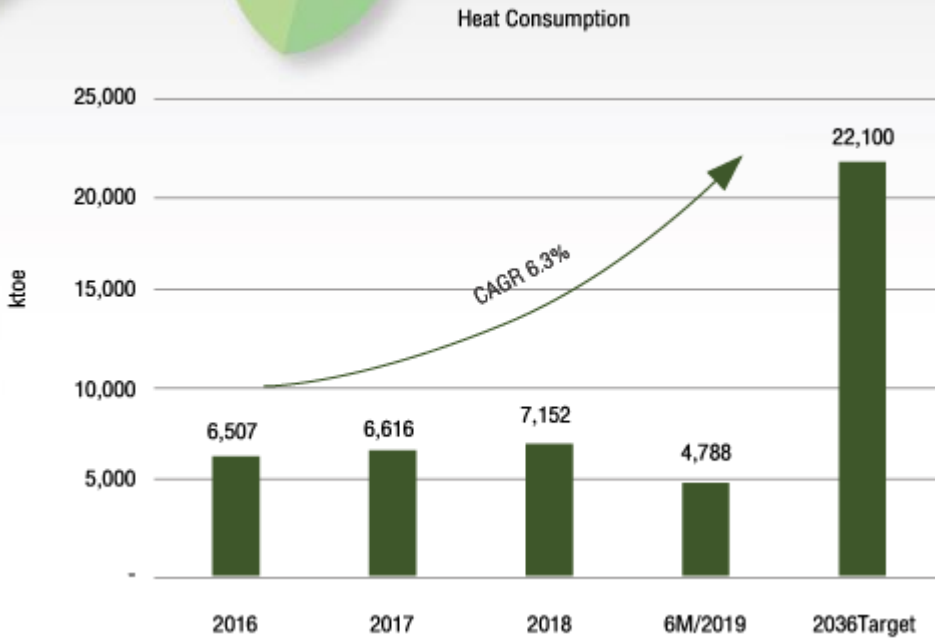
- Barges and Vessels for import-export activities



Industry Outlook

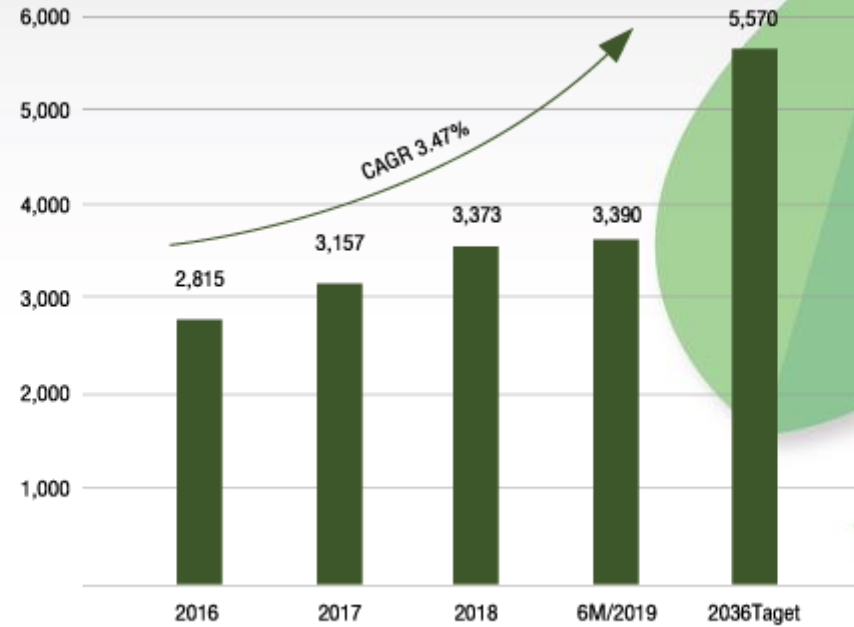


Thai Biomass Consumption



Source : Department of Alternative Energy Development and Efficiency
6M/2019 : Accumulated data

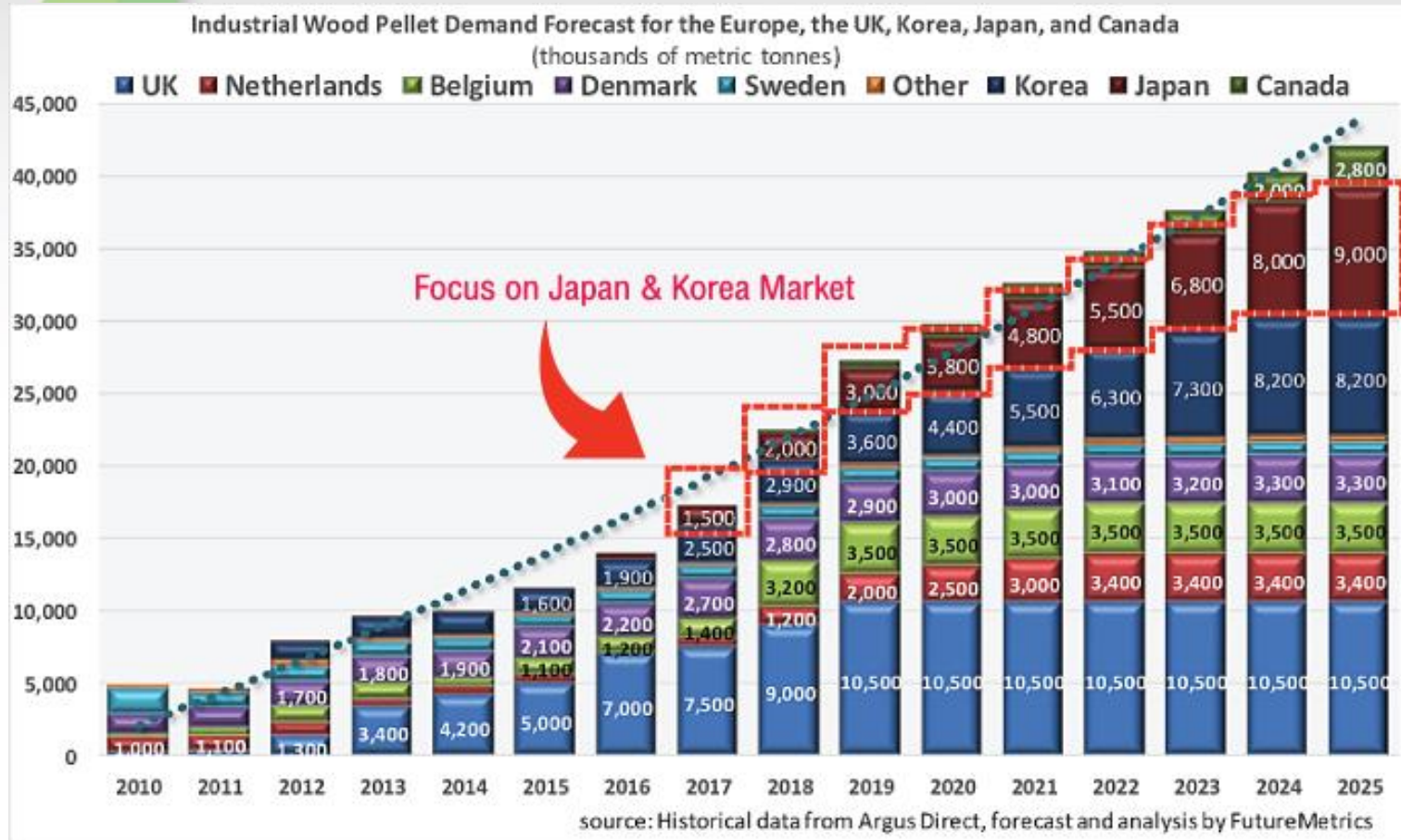
- Heat consumption from Biomass tend to increase with CAGR 6.3% to 22,100 ktOE in 2036F from AEDP2015 policy



Source : Department of Alternative Energy Development and Efficiency

- In AEDP2015, Electricity from Biomass tend to increase from 2,815 MW to 5,570 MW with 3.47% CAGR
- However, New PDP2018 plans to drop Biomass to 4,690 MW in 2037F

Global Wood Pellet Market Outlook



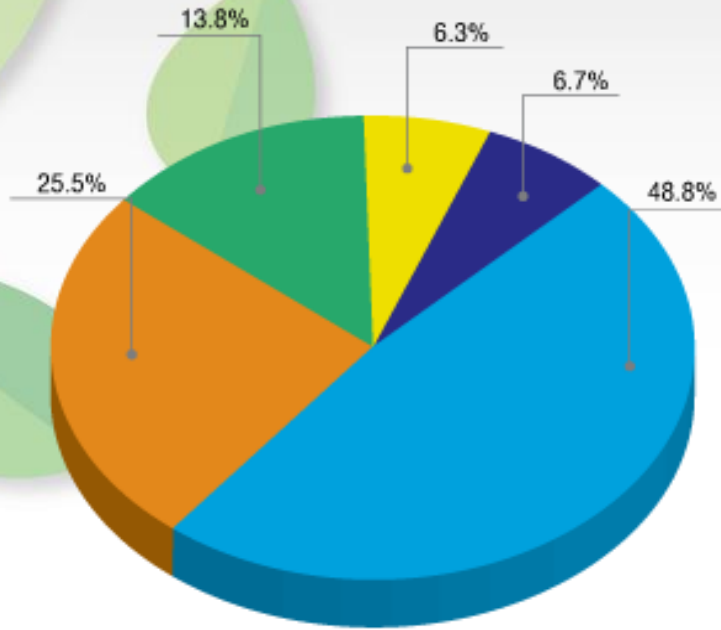
After Fukushima Daiichi Nuclear Power Plant accident, Both Japan and Korea have launched new energy plan to boost renewable energy especially Biomass making demand of wood pellets increase in several years

Financial Performance

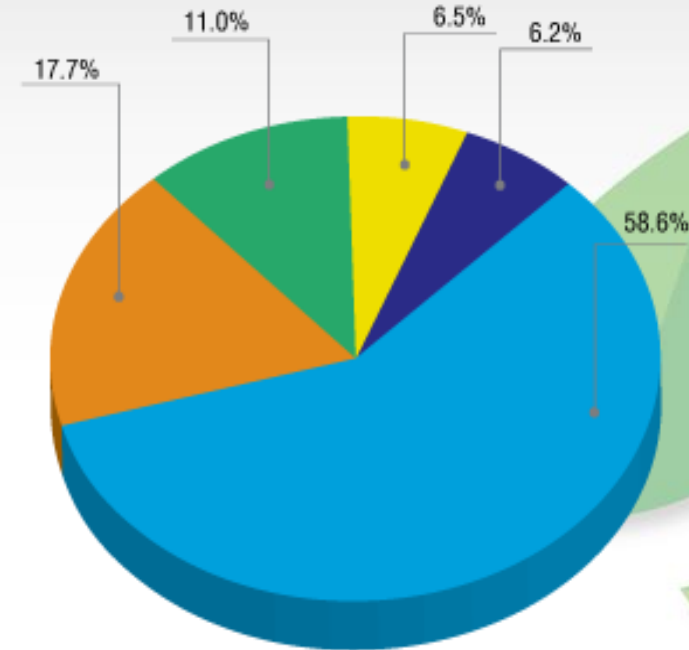


Volume by products

2018



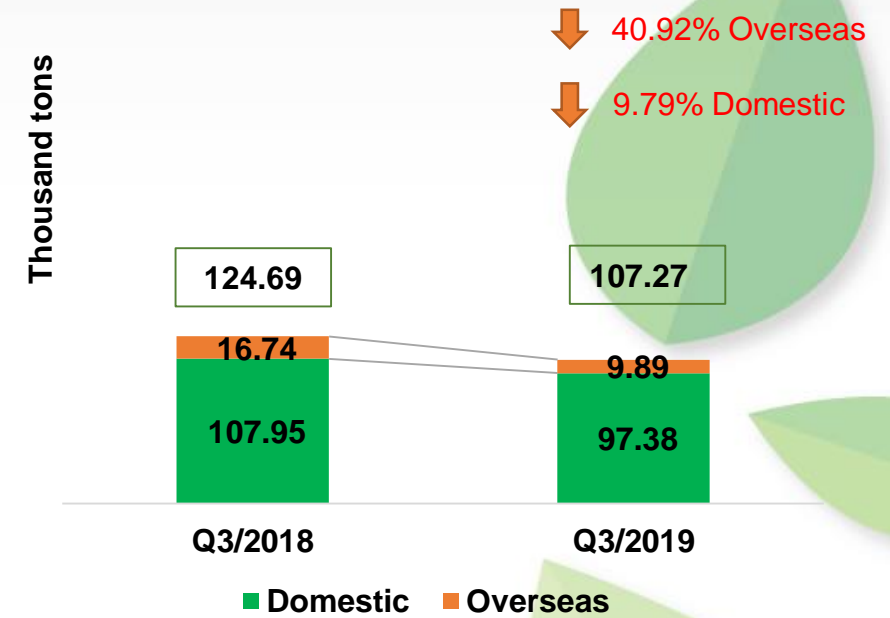
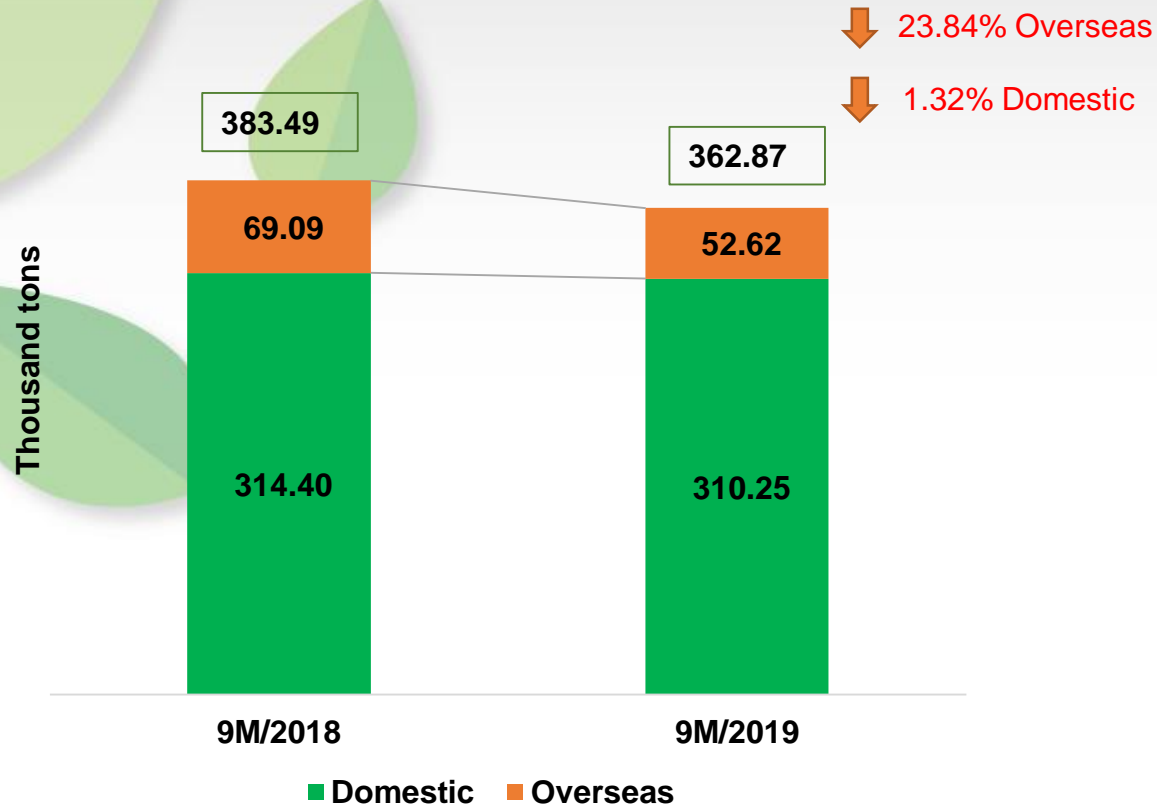
9M/2019



- Palm Kernel Shell
- Wood Chips
- Wood Pellets
- Wood Shaving
- Other

There are higher portion of Palm Kernel Shell in product of 9M/2019 because of woods price increased from many Thai woods manufacturing collapsed after Trade war between The US and China.

Volume by region



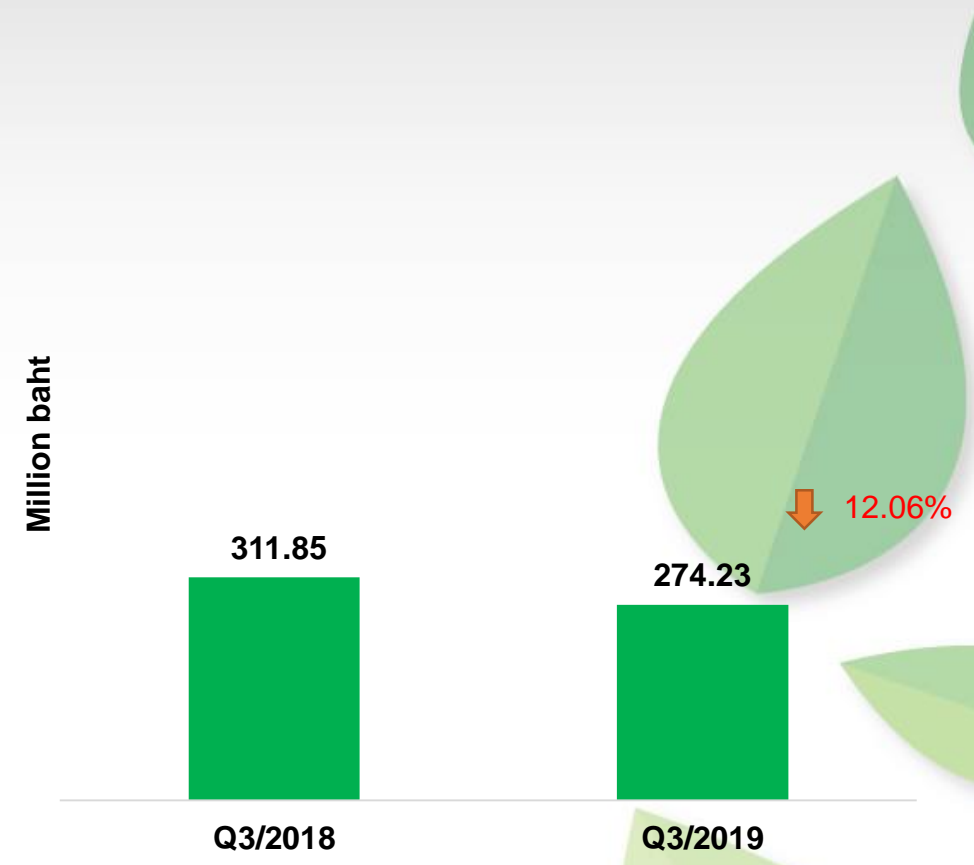
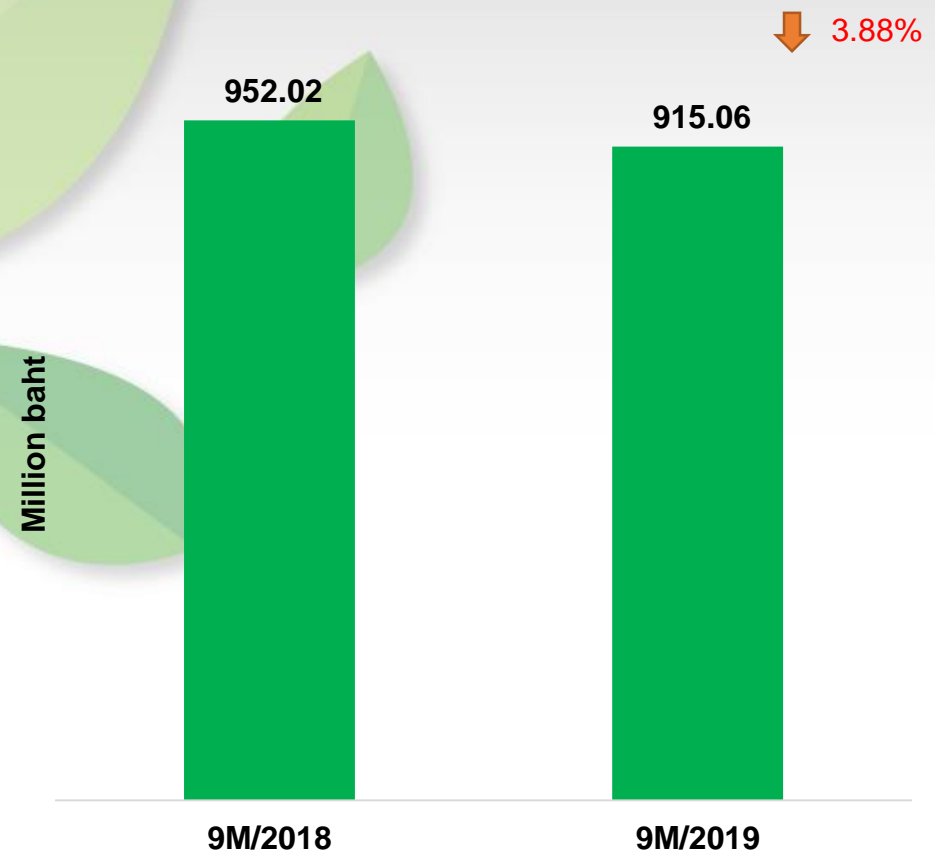
9M

- Volume decreased especially Overseas volume from lower demand.

Q3

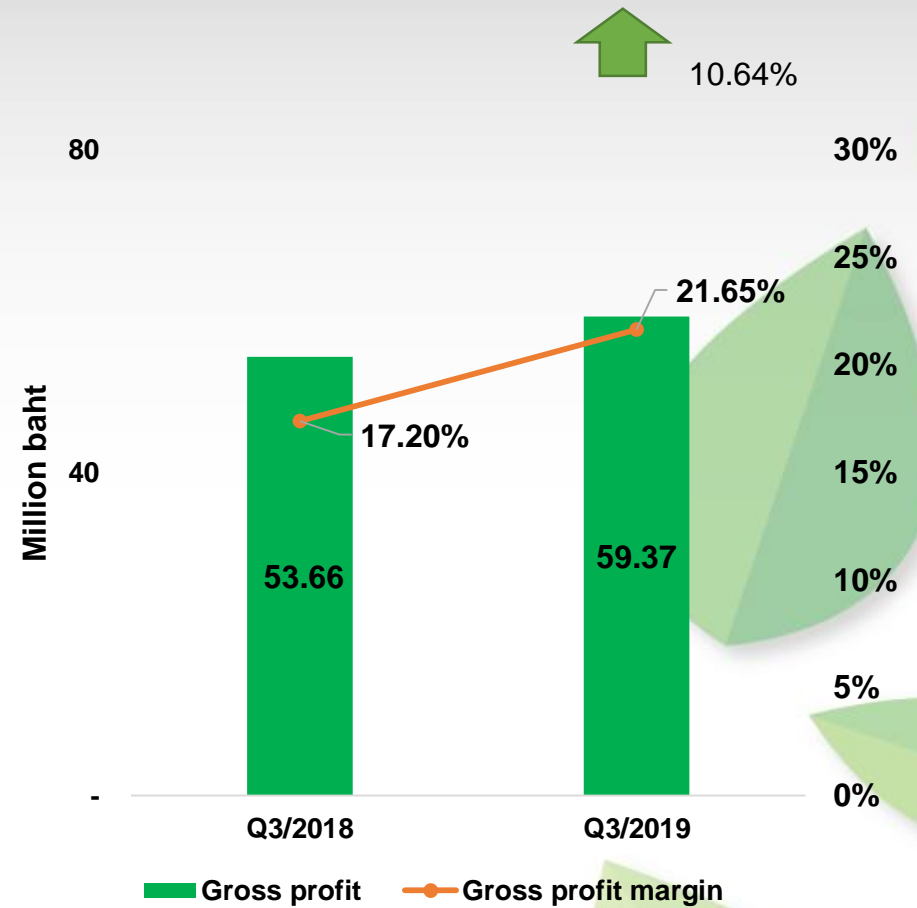
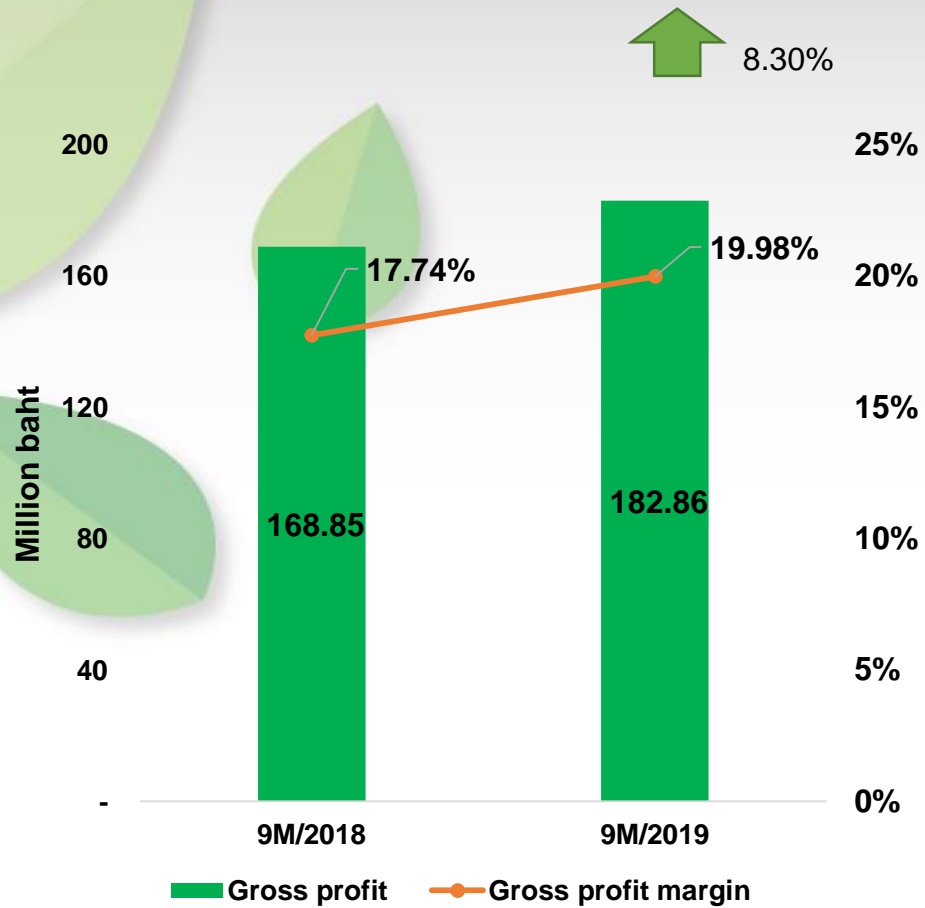
- Domestic sales volume decreased due to Wood chip. Overseas sales volume decreased as customer postpone sales order and also Wood pellets price dumping in the region.

Revenue



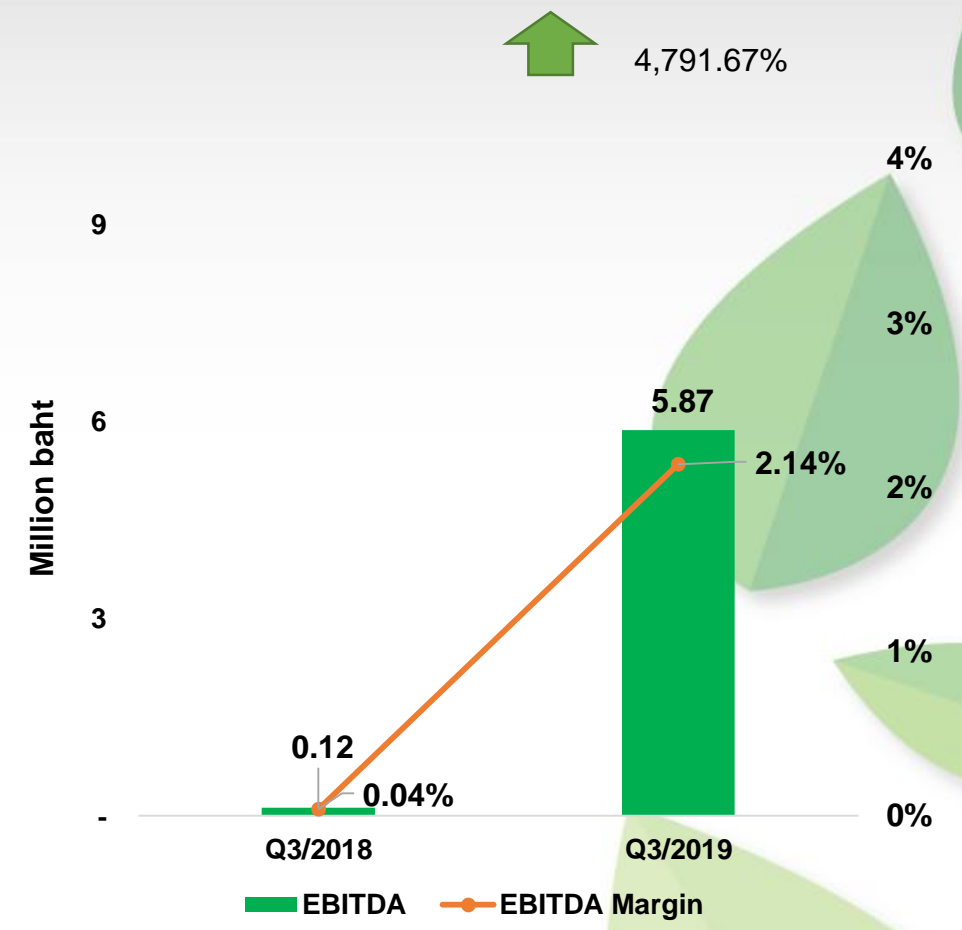
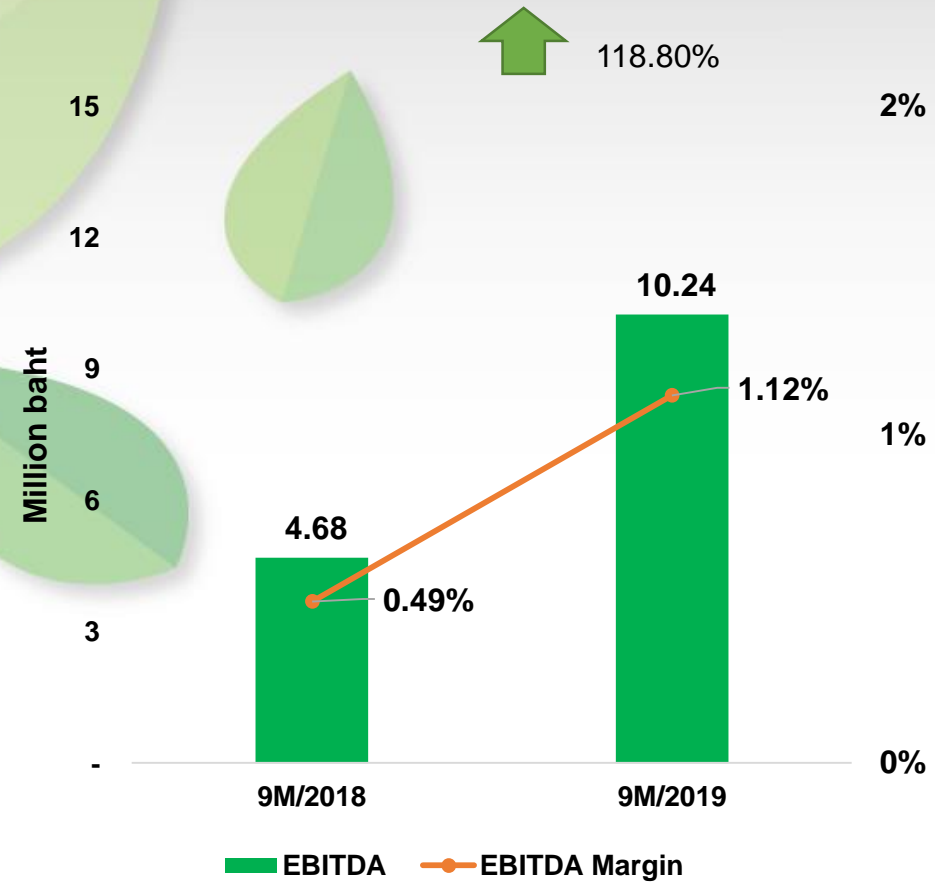
The revenue from sales of the company decreased because of total sales volume dropped. However, the average selling price increased due to the increase in portion of high-priced products

Gross Profit



The gross profit margin higher due to the company sells high-priced products with higher portion and focused on direct shipment sales to reduce in-bound transportation cost.

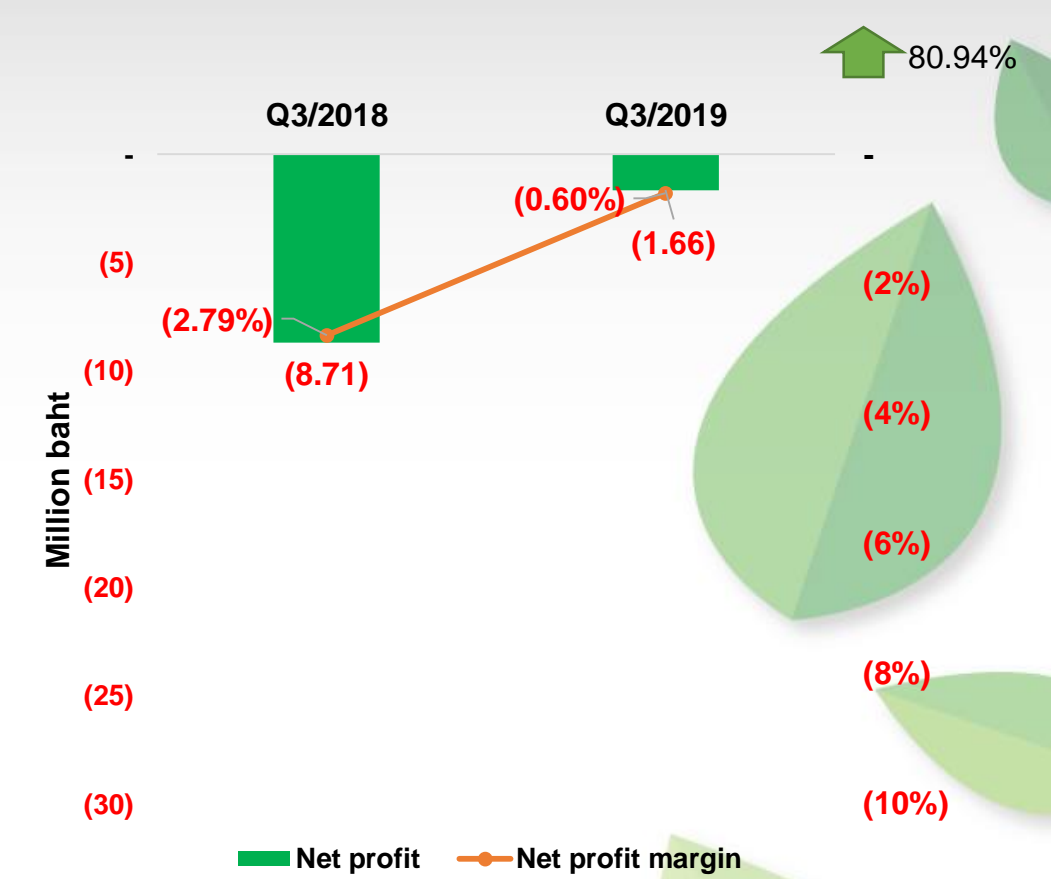
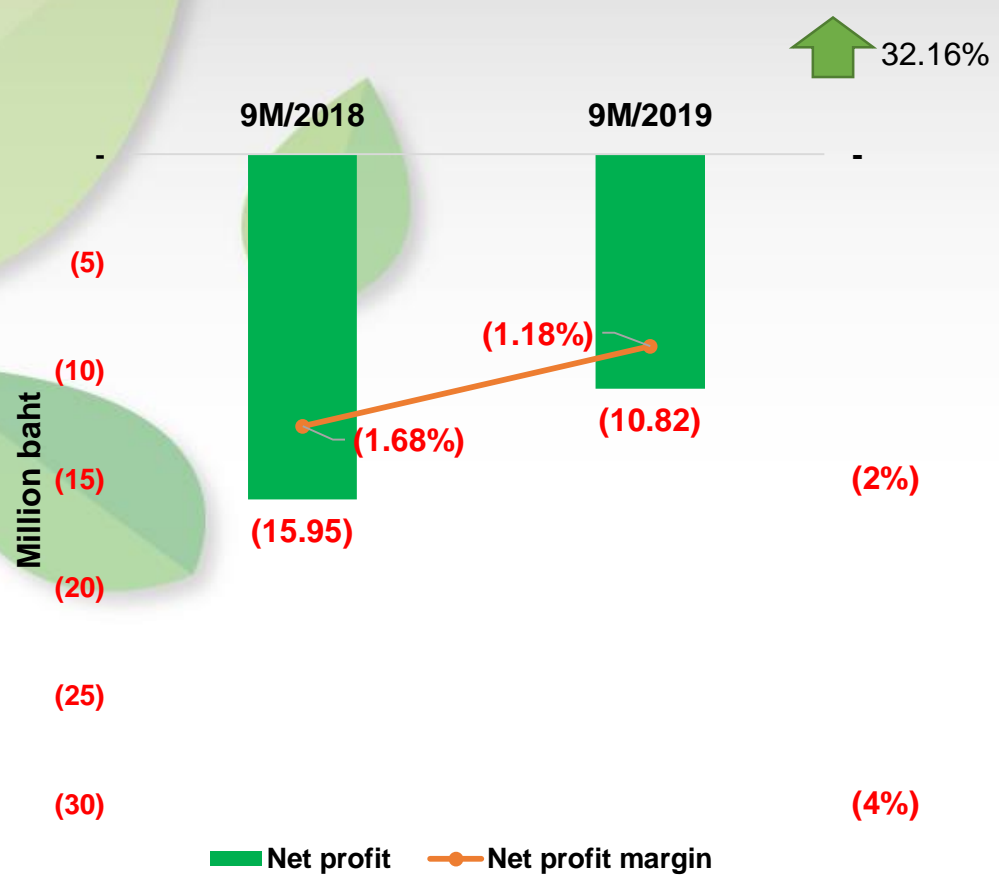
EBITDA



EBITDA increased from higher Gross Profit
 EBITDA margin inclined softer than Gross Profit margin

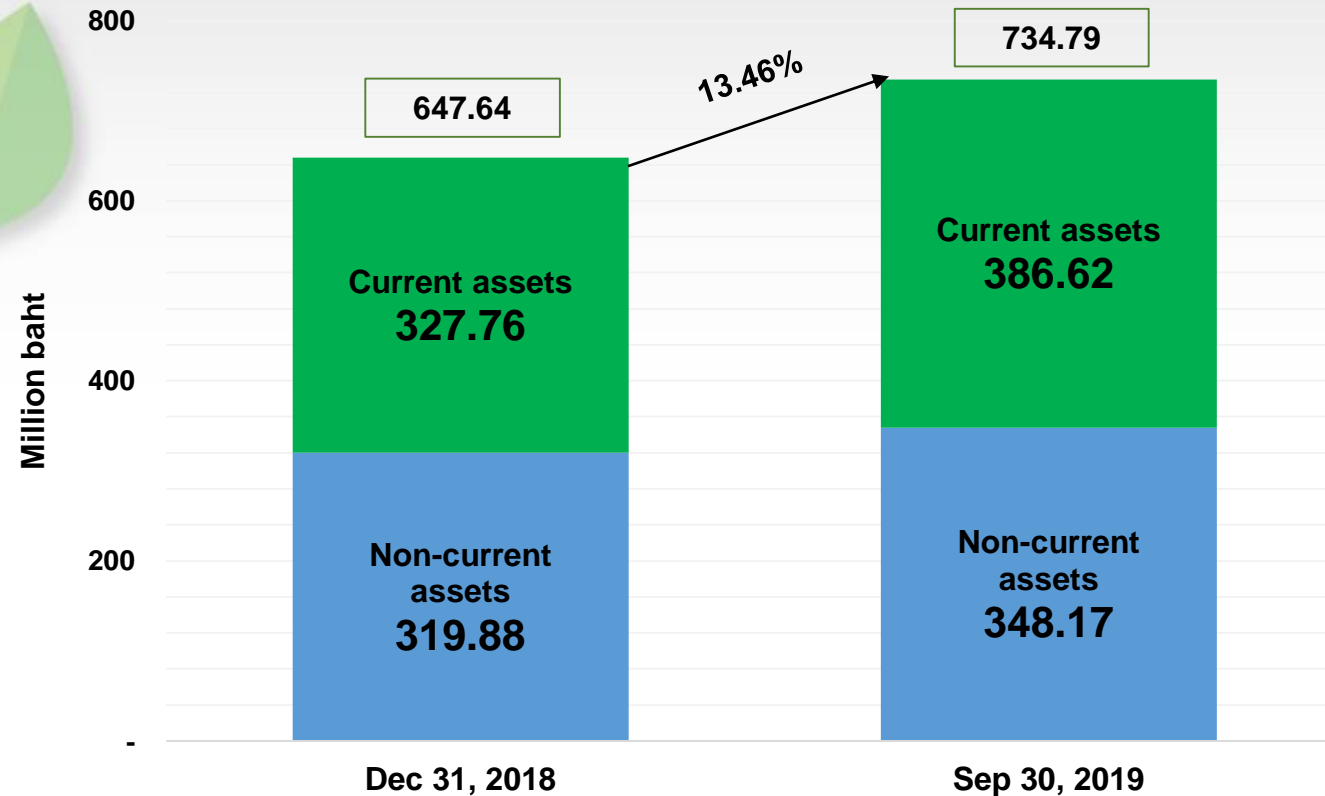
- Direct Shipment impact Selling expenses directly.
- But Administrative expenses declined due to cost reduction policy.

Net Profit



The loss decreased from the company can manage effectively logistic system by transport goods from suppliers to customers directly affected positive impact to the company profitability

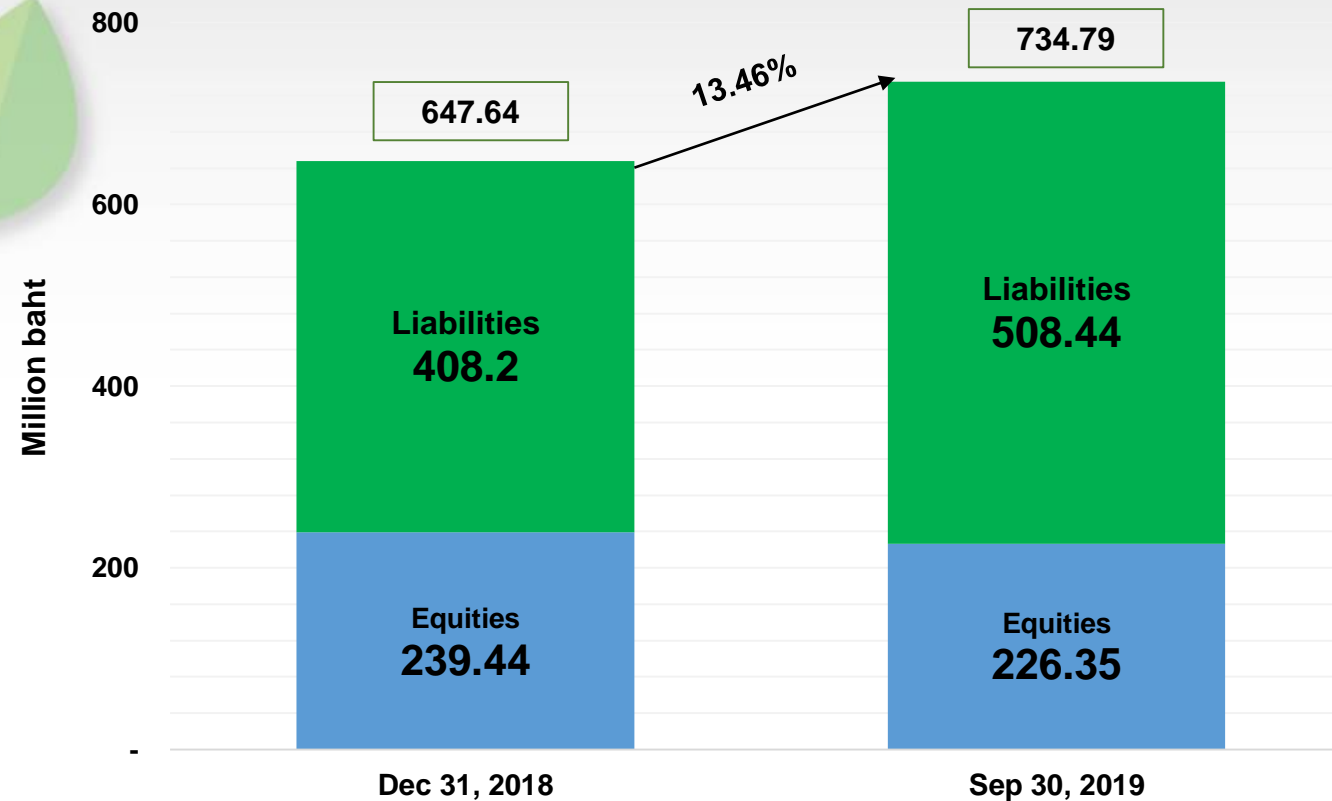
Assets



Inventories increased because of the purchasing products according to the purchase plan during the low price period of Palm kernel shells. However, the company currently focuses on efficiency inventory management.

Other non-current assets increased in bank deposits with obligation increased 30 million baht.

Liabilities and Equities

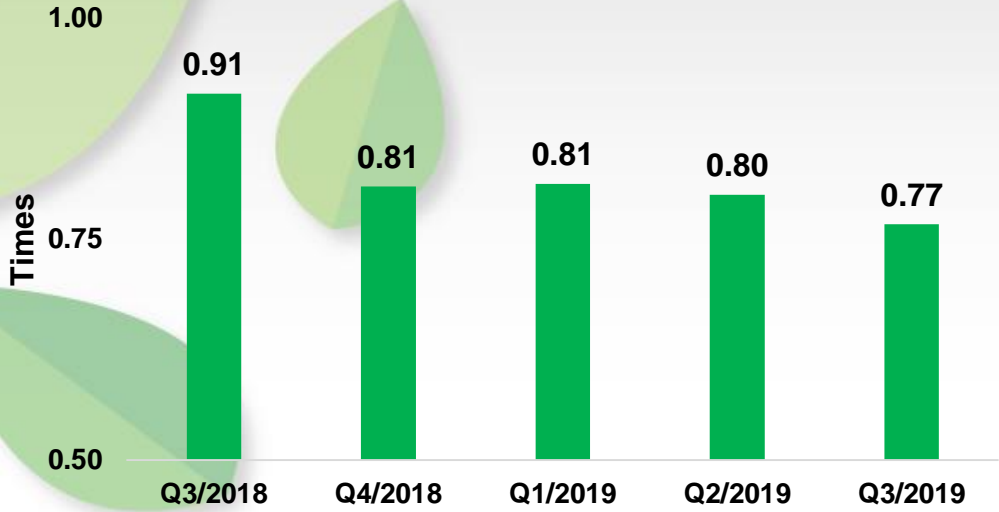


Short-term loans inclined in line with an increase in inventory and bank deposits with obligation. However, the company plans to improve debt structure effectively.

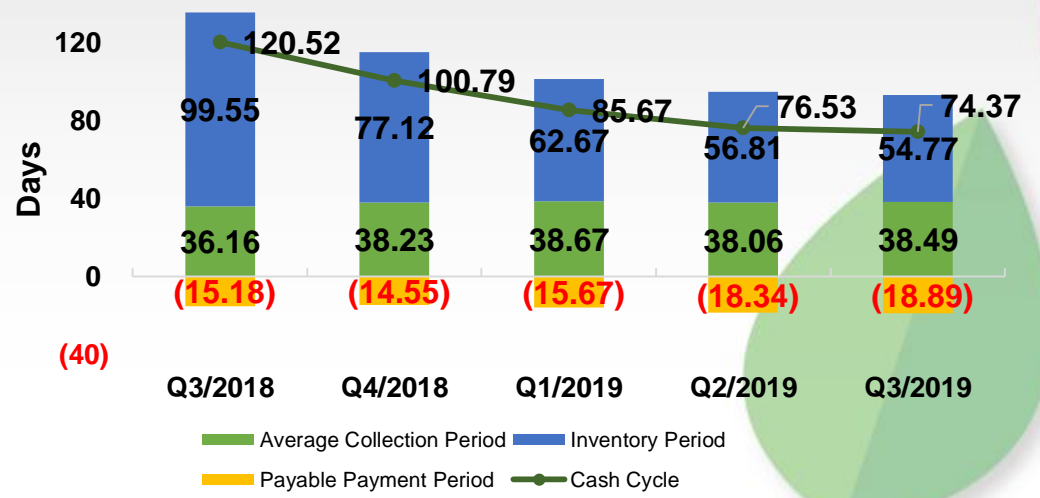
Account payable declined from purchased products from individual supplier which particularly had short payment period.

Key Financial Ratio

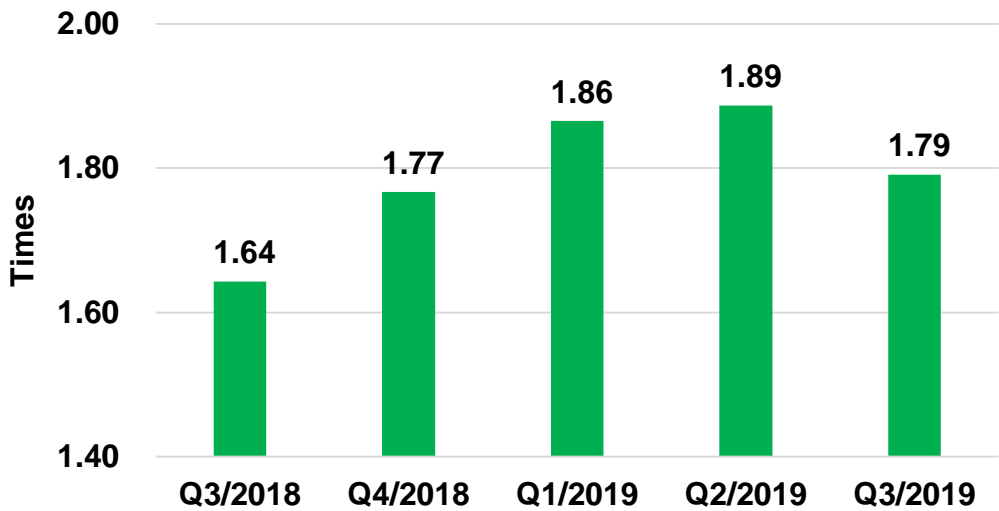
Current Ratio



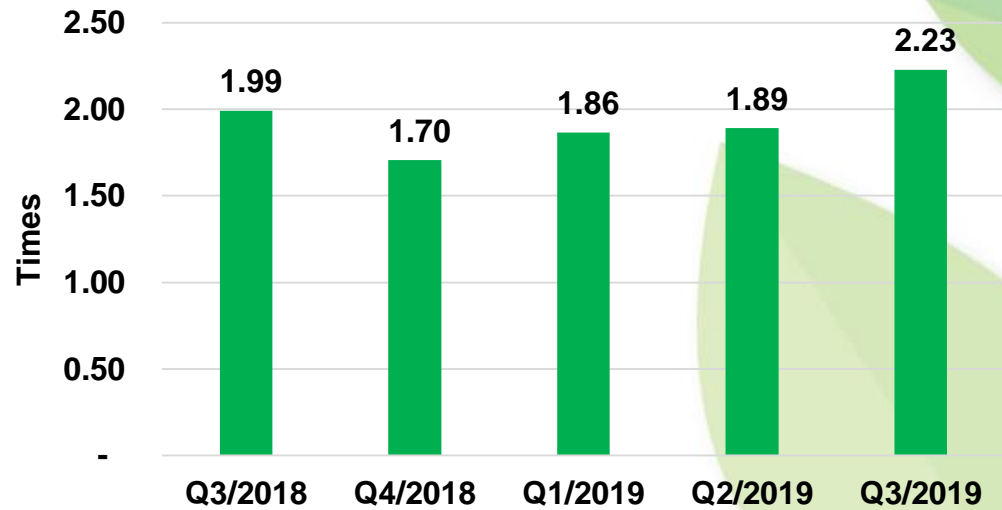
Cash cycle



Total Assets Turnover



Debt/Equity Ratio



Company Outlook



Company Outlook

Increasing Sales

- Focusing on volume of both Domestic and Overseas market.
- Launching a new various products.

Cost Reduction

- Optimize Logistic
 - Warehouse expansion in Rayong.
 - Reducing logistic cost both land and sea by improving volume.
- Sourcing a diversity areas.

Supply chain management

- Contacted forest plantation with Forest Industry Organization's
- Owning production of Wood Chips and Wood Pellets.

Target 2020

Expected volume Sales	
Palm Kernel Shell	~ 264,000 Tons
Wood Chips	~ 180,000 Tons
Expected Volume exclude Others	~ 444,000 Tons

Investment plans	
Wood Pellets at Bang Nam Chuet, Samut Sakhon	~ 14.5 Million Baht
Warehouse Expansion	~ 15 Million Baht
Expected Investment Amount	~ 29.5 Million Baht

Certificated	
FSC-CoC/CW	Expect Q1/2020
PEFC-CoC/CW	

Project updated

Wood Chips



Wood chips plant is installed at Bang Kung, Surat Thani with capacity 10,000 tons/month with 99% completed.

Plantation



Contracted to purchase of Acacia species from the Forest Industry Organization in Southern with approximately 3,000 rai expected 30,000 tons of woods with 5 years contract.



Thank You

Contact

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