

PTG Energy readies Bt5 bn for acquisitions outside oil business

THE NATION

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PTG Energy Plc has set aside Bt5 billion to acquire food and services businesses over the next five years in an effort to increase the profit contribution of its non-oil businesses to 60-70 per cent in 2025.

Pitak Ratchakitprakarn, president and chief executive officer of PTG Energy, said that the targeted rise of up 70 per cent for the profit contribution of the non-oil operations contrasts with last year's 9 per cent share.

"We want to have more of proportion of profit from the non-oil business as we

expect this will boost the company's profit level and it's better than the low-profit oil businesses. In the future, if any company can be listed, we will do it," he said.

In regard to acquisitions, the company has sets aside Bt1 billion to Bt1.5 billion for annual investment and will acquire two to three companies per year on expectation for return on investment of about 15 per cent per year, Pitak said.

PTG Energy will focus on targeted companies that can generate cash instantly, he said. This year, the company has been negotiating to make more investments in two enterprises, one of which will be in the third quarter and the

other in the fourth quarter of this year.

One of the two being enterprises involves household liquefied petroleum gas, Pitak said, planning to add Max Membership Card to boost its efficiency. PTG Energy targets an increase in the number of Max Membership Cards to 10 million this year and 18 million in 2022. Currently, there are about eight million cards.

Pun Thai Coffee, PTG Energy's 99.9 per cent-owned subsidiary, acquired a 70 per cent stake in Jitramas Catering for about Bt40 million.

PTG Energy plans to invest Bt360 million to expand food business inside and outside service stations through

Jitramas Catering in the next five years. The company expects to increase the number of restaurants to about 30 within the next year and to no less than 150 by 2022.

Rangsun Puangprang, executive vice president of PTG Energy, said that the acquisitions will focus on targeted enterprises that can generate cash for PTG Energy instantly and in the first one to two years, the company will use borrowings and cash, and mobilise fund through debt instruments to finance acquisitions.

This year, the company expects to generate cash of about Bt3-Bt3.5 billion, he said.