



Result

SMPC reported 3Q18 net profit of Bt172m (+10%YoY, +5%QoQ). The 9M18 accounted for 74% of our 2018E full year forecast.

- 3Q18 earnings is the record quarter driven by sales growth and lower SG&A.
- 9M18 result was 10% lower than our forecast due to worse-than-expected gross margin. Rising raw material pressures gross margin to drop to 22.7% compared with 24.4% in 9M17. Meanwhile, Sales grew 19%YoY to Bt4.53bn.

We maintain our positive view toward SMPC's 2019-2020 outlook backed by growing market penetration in Asia and Africa along with capacity expansion. However, we revise down our 2018-20E earnings forecast by 16%, 14% and 27% respectively to factor in lower margin than our previous expectation. We also maintain our BUY rating and a target price of Bt18 (13.5xPE'19).

Valuation table

Year end Dec	16A	17A	18E	19E	20E
PE (x)	13.6	14.1	11.7	10.1	8.8
Recurring net profit growth (%)	19.3	(3.2)	20.5	16.3	15.6
Recurring EPS (Bt)	1.0	1.0	1.2	1.3	1.5
Recurring EPS growth (%)	18.7	(3.5)	20.1	15.8	15.6
PBV (x)	5.5	4.7	4.1	3.4	2.9
BVPS (Bt)	2.4	2.9	3.3	3.9	4.7
ROE (%)	45.9	37.7	37.4	36.9	35.6
DPS (Bt)	0.64	0.60	0.72	0.67	0.77
Dividend yield (%)	4.7	4.4	5.3	4.9	5.7
Enterprise value (Bt m)	7,420.8	7,391.7	7,811.9	7,988.4	7,994.2
EV-to-EBITDA (x)	10.5	10.7	9.3	8.2	7.1

Sittidath Praserttrunguang
Registration No. 17618
sittidath.pr@countrygroup.co.th
+66 2 205 7000 ext 4400

Thanawich Boonchuwong
Assistant analyst

Sahamitr Pressure Container PCL

Recommendation: BUY

Current price*: Bt13.6

Target price 2019: Bt18.0

Up/(downside): 40%

IOD: 4 out of 5

CAC: Certified

Stock data

RIC code	SMPC.BK
Index	.SETI
SET Index (02/11/2018)	1,681.84
Market cap (Bt m)	7,212
Shares outstanding (million)	534
Par (Bt)	1.00

