



# Sahamitr Pressure Container Plc.

Opportunity day -1H17 Presentation



Trusted Cylinder for Your Home  
Trusted Parthner for Your Business

Presented by:  
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Mrs. Patama Laowong

15 August 2017

# Agenda

I. SMPC Overview

II. Industry Overview

III. Financial Highlights

IV. Business Expansion

# Agenda

## I. SMPC Overview

- Profile
- Products
- Process

## II. Industry Overview

## III. Financial Highlights

## IV. Business Expansion

- Established in 1981 & Listed in SET 1991
- Produces many types of LPG and other low-pressure containers with current production capacity at 8.2 million cylinders per year
- Located in Bangkok, Thailand



# Key Milestones

*“SMPC has continuously developed its business since its establishment to be one of the world-leading manufacturers in liquefied petroleum gas (LPG) cylinder business”*

Established as a limited company with a capital of 6.4 million baht under the “Ekahitanond” family to manufacture LPG cylinders for both domestic and global markets with beginning capacity of approximately 60,000 cylinders per year

1981

1985

Officially awarded the product standard certification (TIS) for LPG cylinders

1991

- Registered as a listed company in the Stock Exchange of Thailand
- Commenced the construction of a new production facility project at Bangkhunthien-Chaitalay Rd., to keep up with the ever increasing demands

1992

Operation at the new factory was initiated, hence, the production capacity was increased to 2.4 million cylinders per year

1995

Being the first Thai cylinder manufacturer who accredited the ISO 9002 standard

2001

2010

Raised the annual production capacity up to 5 million cylinders

2012-2013

Being the first Thai cylinder manufacturer who accredited with Thailand Industrial Standard Institution’s TIS 370-2009 (latest revision) for automotive LPG cylinders; cylindrical types and toroidal types

2014-2015

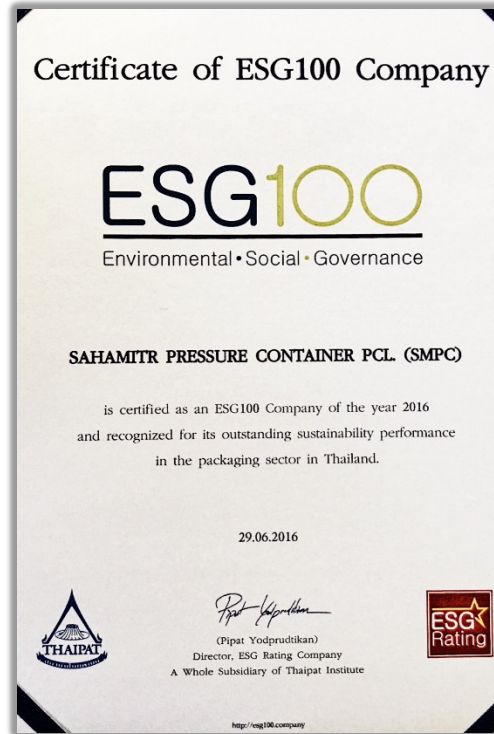
- Capacity increased to 5.5 million cylinders per year and then to 6.2 million cylinders per year, respectively
- SET Award “Best Company Performance”

2016-2017

- Certified to CAC Standard (Anti-Corruption) in 2016
- Awarded ESG100 from Thaipat Institute in 2016 and 2017
- Paid-Up capital increased from Baht 527.0 million to Baht 529.1 million and Baht 532 million, respectively due to ESOP exercise
- Capacity increase to 7.2 million cylinders per year in 1H17 and 8.2 million cylinders per year in 2H17



## Awarded ESG100 Company 2017



On July 11, 2017, The company was informed that we received “ESG100 Company 2017” from Thaipat Institute for top 100 publicly listed companies that are most outstanding in terms of Environmental, Social and Governance (ESG) performance. The company received this award two consecutive years



## LPG SUMMIT 2017



During February 26-28, 2017, the company attended the 4<sup>th</sup> ASIA LPG SUMMIT event at Dhaka, Bangladesh to promote our company and to meet our potential customer, international agencies, policy makers, media and LPG industry leader.

# Wide Ranges of Product Coverage

## Household LPG Cylinder



2-piece Cylinder  
Size: 0.9 - 36 liters  
(0.5 - 16 kg.)



3-piece Cylinder  
Size: 43 - 450 liters  
(18 - 200 kg.)



## Automotive LPG Cylinder

Cylindrical Type



Toroidal Type



Size: 25 - 133 liters

## Other Cylinders

Methyl Bromide



Lubricant



Specialty Gas



Air Tank



Size: 7 - 133 liters





## Our customers



worldgas



Jenn.



NS GAS



JOPETROL

Jordan Petroleum Refinery Company LTD



CALTEX



TOTAL



EASIGAS



CALOR



LITRO  
GAS

bp



VITOGAZ  
France



LAUGFS



axis  
CODESA Sarl.



PERTAMINA



EXXON



OiLibya



PaP  
GAS & OIL



SingGas



Galana



VIVO  
ENERGY

And Others Customers

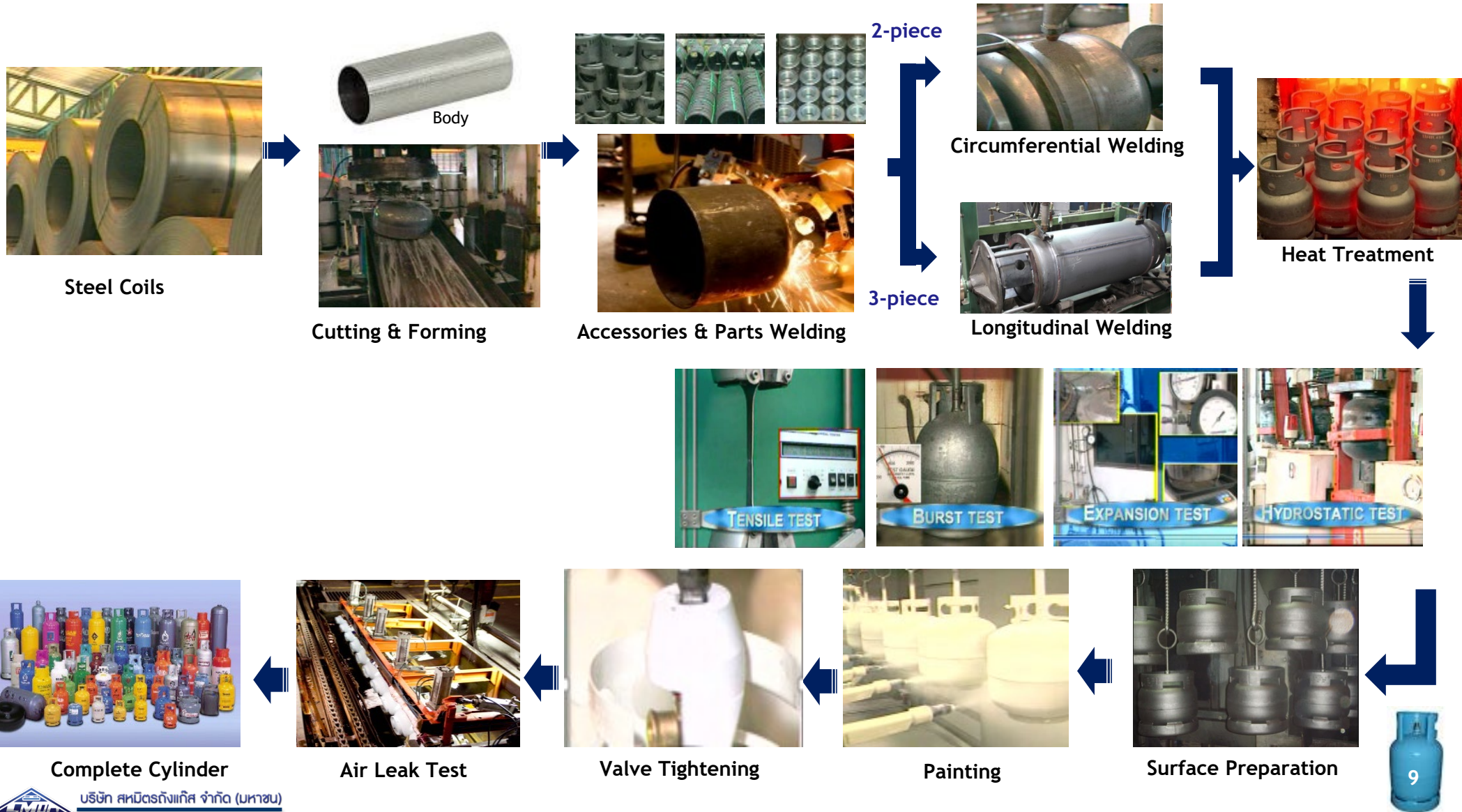


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บริษัท สหมิตรถังแก๊ส จำกัด (มหาชน)  
SAHAMITR PRESSURE CONTAINER PLC.

# LPG Cylinder Production Process



# World-Class Cylinder Manufacturer

*“Currently, SMPC is still maintain its marketing position as one of the Top 3 LPG cylinder manufacturers in global market with various customers based in almost 100 countries ”*

List of Top 10 Cylinder Manufacturers

Rank	Company Name	Capacity
1	SMPC, Thailand	8.2 million
2	Amtrol-Alfa, Portugal	> 5 million
3	Aygaz, Turkey	> 5 million
4	Huanri, China	4 million
5	Mauria Udyog, India	3 million
6	Evas Ev, Turkey	2 million
7	Chuensiri, Thailand	2 million
8	Metal Mate, Thailand	1.8 million
9	GLI, France	1.5 million
10	MBG, Tunisia	1 million

SMPC's Present in Global Market



- Currently, SMPC has capacity of 8.2 million cylinders per year, being one of the three largest manufacturers in the world
- In 2017, more than 90% of SMPC products are exported to almost 100 countries around the world



# Agenda

I. SMPC Overview

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- Overview
- Growth Opportunities
- Campaign

III. Financial Highlights

IV. Business Expansion

# About the Industry 2016

## About the Industry

### WE NEED ACTION ON AIR QUALITY...

**92%**  
of the world's population lives in places where air quality levels exceed WHO limits.

Some **3 million** deaths a year are linked to exposure to outdoor air pollution.



Nearly **90%** of air-pollution-related deaths occur in low- and middle-income countries.

In 2012, **11.6%** of all global deaths were associated with indoor and outdoor air pollution together.

### LPG OFFERS A SOLUTION. TODAY.



LPG changes lives by offering smoke-free indoor cooking and used as fuel for industry, cooking, heating, transport or any of the 1000s of other applications, it can make a real difference to outdoor air quality.

### LPG IN 2015...

Global LPG production rose by **4%** compared to 2014.



### LPG CONSUMPTION BY SECTOR IN 2015:



- Domestic 44%
- Agriculture 1%
- Industry 12%
- Transport 9%
- Refinery 8%
- Chemical 26%

### TOP 3 PRODUCERS...

U.S. +9.3%

China +9.0%

Saudi Arabia +1.6%



### ... AND CHANGE COMPARED TO 2014...

**1,214%**  
Ghana's LPG production

**11%**  
U.S. Autogas demand

**9%**  
Autogas demand in Turkey

**19.8%**  
LPG demand in Sri Lanka

**24.3%**  
LPG demand in U.K.

**6.2%**  
LPG demand in India

### WHAT DO WE USE LPG FOR?

**68%** of all LPG used in South & Central America is used at home...



... **85%** of which, is mainly used for cooking.

**60%** of all LPG used in Agriculture is used in the US and Canada.



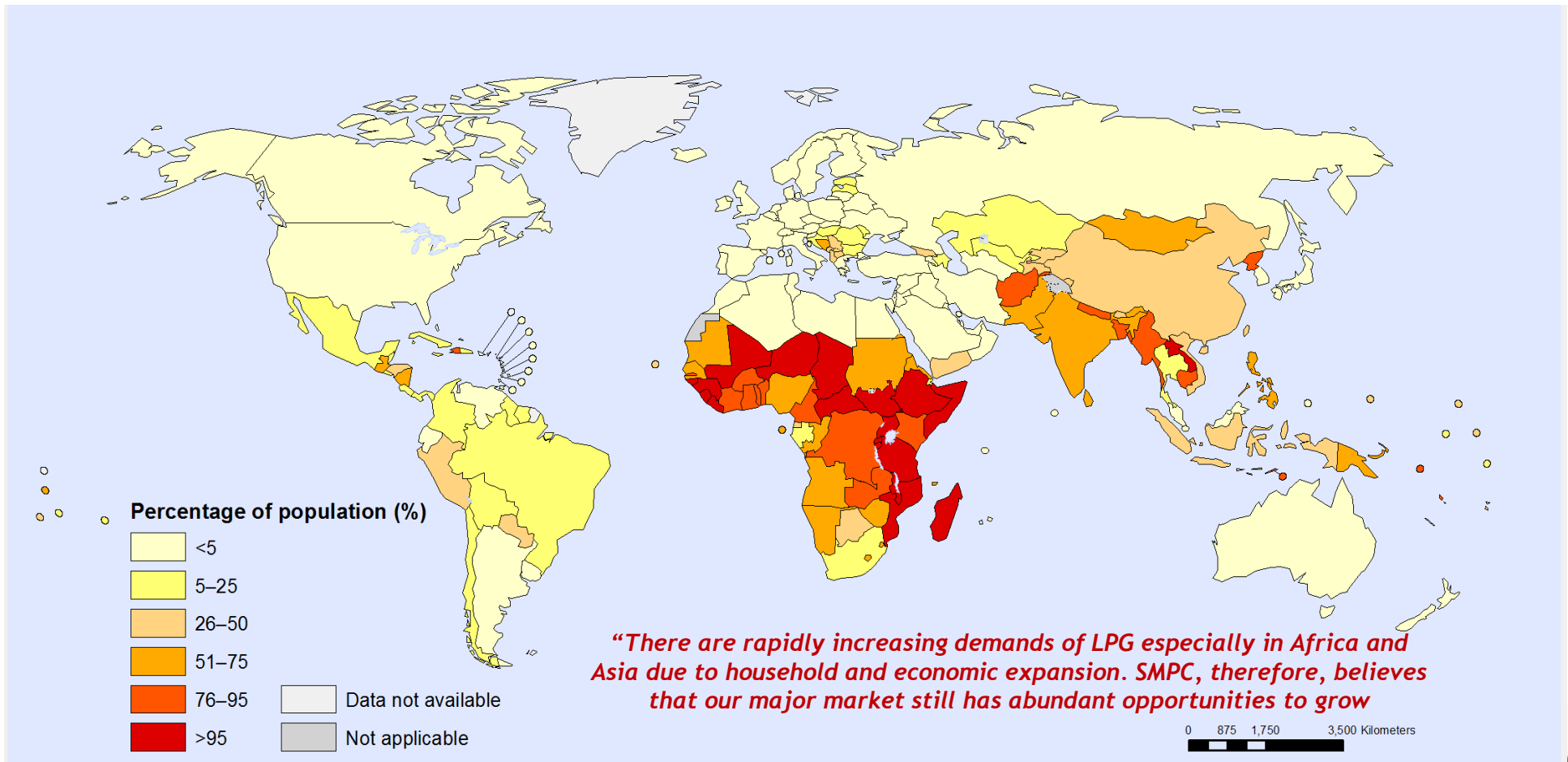
**50%** of all LPG used for domestic applications is used in Asia.



- The report show that Global LPG consumption in 2015 increased from 2014 by 4%.
- There is tremendously growth (+19.8%) of LPG demand in Sri Lanka ,one of our customers, because of the completion of gas facilities and government support such as price compensation, and free cylinder contribution.

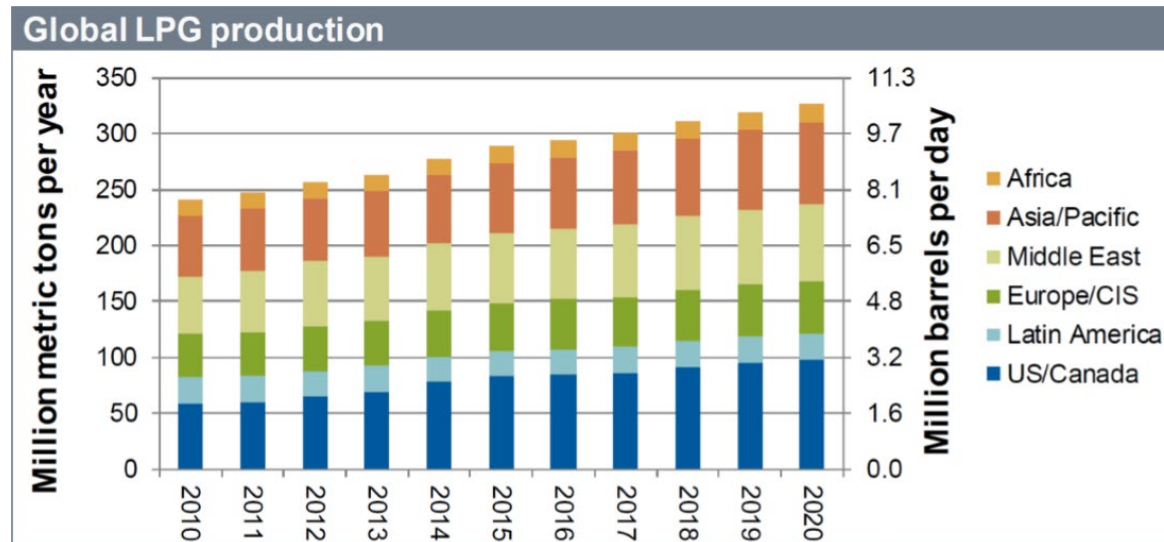
# Large Room for Household LPG Demand Growth in Selected Areas

Percentage of Population Using Solid Fuels in 2013





## Predicted Global LPG Production



- Predicted global LPG production is gradual growth each year ;however, Africa still has lowest production quantity, so there are abundant opportunities for SMPC to grow.

# LPG Consumption Growth in Developing Countries

*“With its environmental friendly usage and energy efficiency, LPG is currently promoted to replace heating with firewood; therefore, there is a great opportunity to grow in those regions, e.g. Africa”*

## Major Trends for LPG



- Cutting woods is conventional method for cooking heat which results in deterioration of natural resource
- LPG is an environmental friendly energy source

## Cooking Fuel Efficiency



- Compared to other solid cooking fuels widely used in developing countries, LPG provides higher heat value at the same weight with significantly less pollutions

## Major Trends for LPG

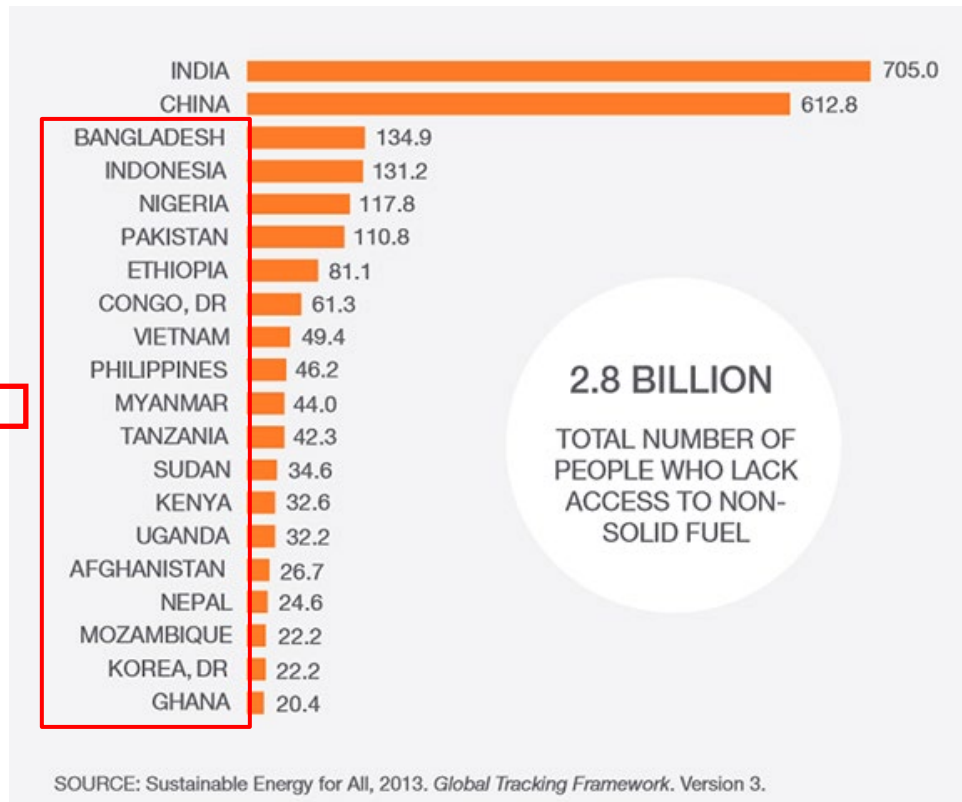


- Using LPG as cooking gas becomes more popular among households in developing countries worldwide
- Some developing countries, such as Kenya, cuts tariff to promote citizen to use LPG as cooking gas
- Some governments subsidize LPG for household uses
- Many countries try to educate people to replace firewood with cooking gas



## Cooking for Life Campaign by World LPG Association

*“A campaign of the global LPG industry, aims to transition ONE BILLION people from cooking with traditional fuels as well as other dirty and dangerous fuels such as Kerosene to cleaner-burning LPG by 2030”*



• Existing customers of SMPC

- Exposure to indoor air pollution from cooking using solid fuels-traditional biomass or coal causes the premature deaths of an estimated 4 million people annually from lung cancer, cardiovascular disease, pneumonia and chronic obstructive pulmonary disease, as well as ill-health. To this extent, WLPGA initiated the cooking for life campaign in 2012.
- The research shown that 2.8 billion people, especially in Africa and East asia, lack access to non-solid fuel (LPG)
- Most of those countries are our current customers; as a result, SMPC can enjoy abundant opportunities if they shift to LPG in the future

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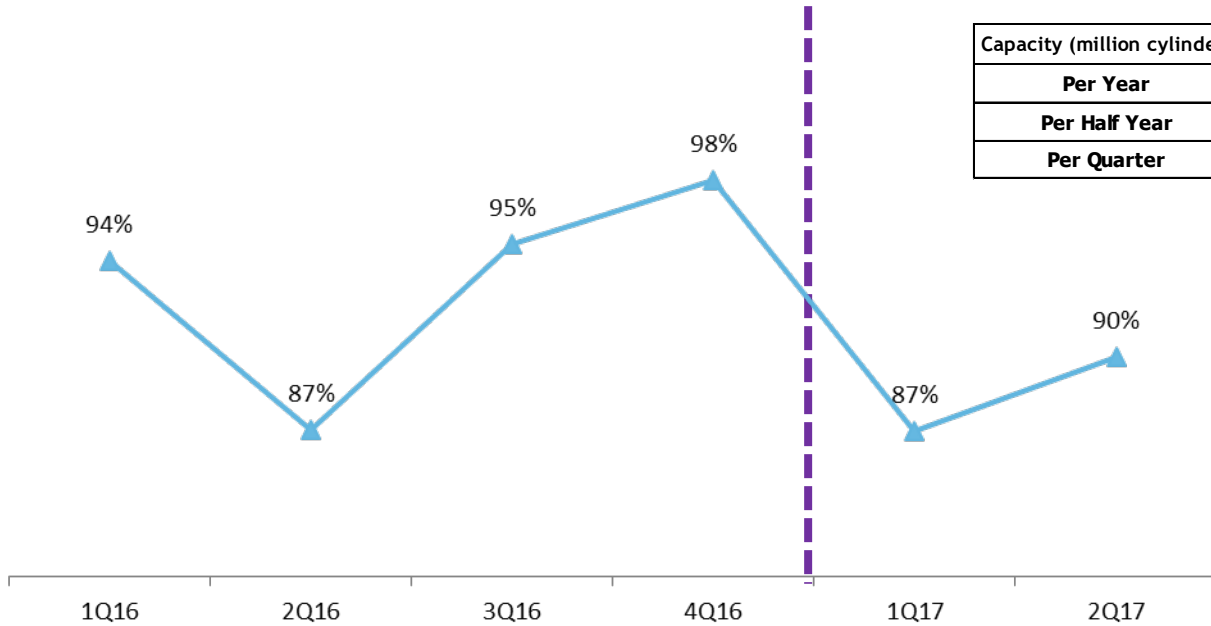
III. **Financial Highlights**

- Utilization Rate
- Sales Revenue
- Financial Ratios

IV. Business Expansion

# Operational Statistics

## Utilization Rate (%) 1Q16-2Q17

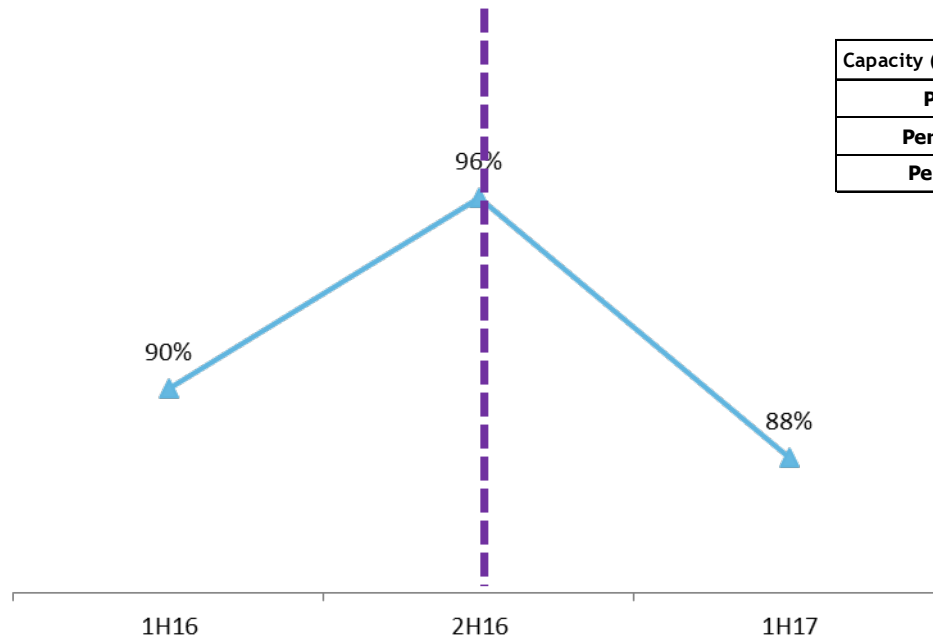


Capacity (million cylinder)	2011-2013	2014	2015	2016	1H17	2H17
<b>Per Year</b>	5	5.5	6.2	6.2	7.2	8.2
<b>Per Half Year</b>	2.5	2.75	3.1	3.1	3.6	4.1
<b>Per Quarter</b>	1.25	1.38	1.55	1.55	1.80	2.05

- Production volume of 2Q17 slightly dropped from 2017 because Company's capacity increase from 6.2 million per year in 2016 to 7.2 million per year in 2017

# Operational Statistics

## Utilization Rate (%) 1H16-1H17



Capacity (million cylinder)	2011-2013	2014	2015	2016	1H17	2H17
<b>Per Year</b>	5	5.5	6.2	6.2	7.2	8.2
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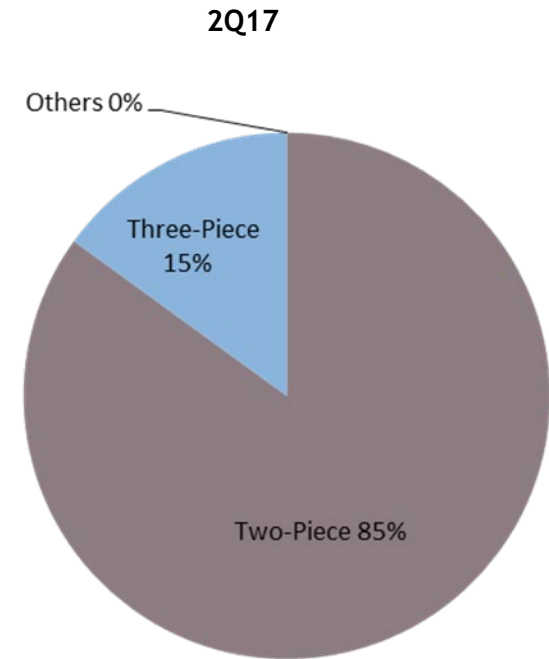
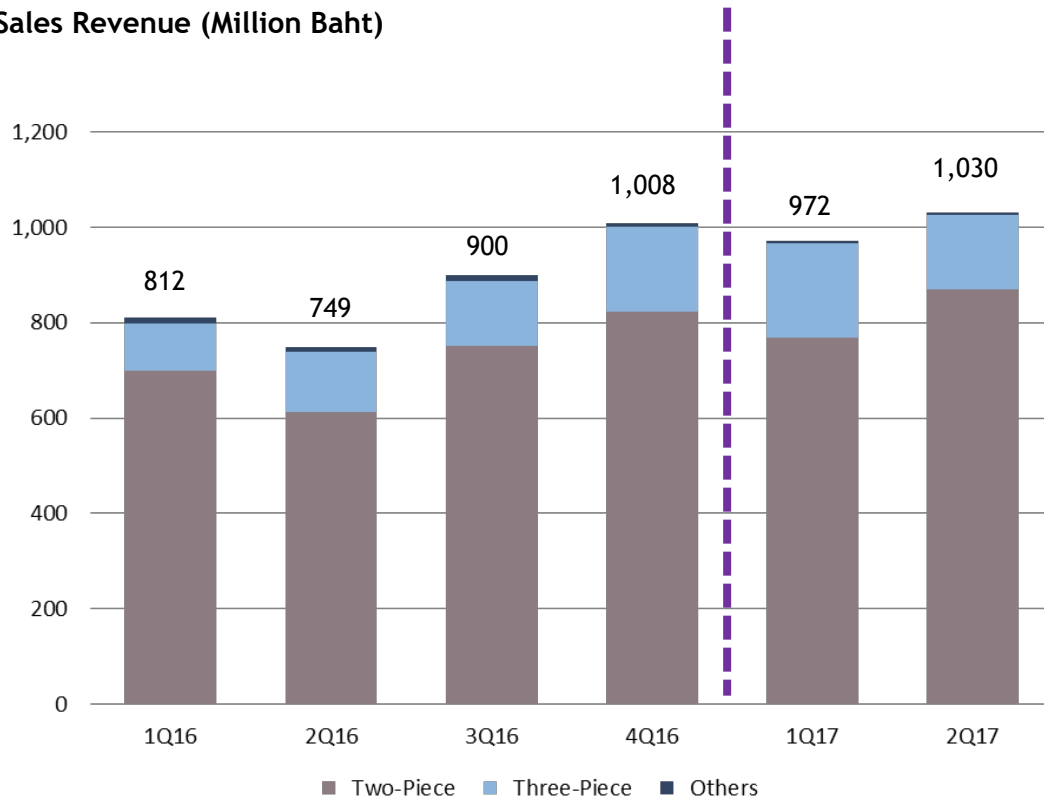
- Production Volume decreased because of an increase in capacity from 6.2 million per year in 2016 to 7.2 million per year in 2017



## Operational Statistics (Cont'd)

### Sales Revenue by Product Category : 1Q16 - 2Q17

Sales Revenue (Million Baht)



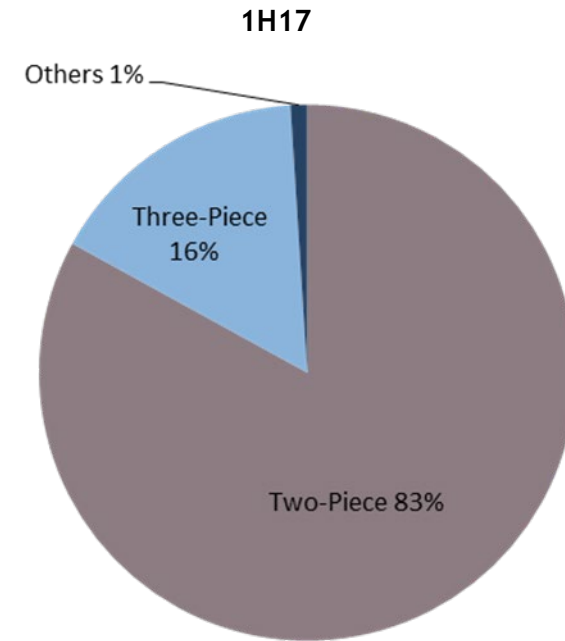
1,030 million baht



## Operational Statistics (Cont'd)

### Sales Revenue by Product Category : 1H16-1H17

Sales Revenue (Million Baht)

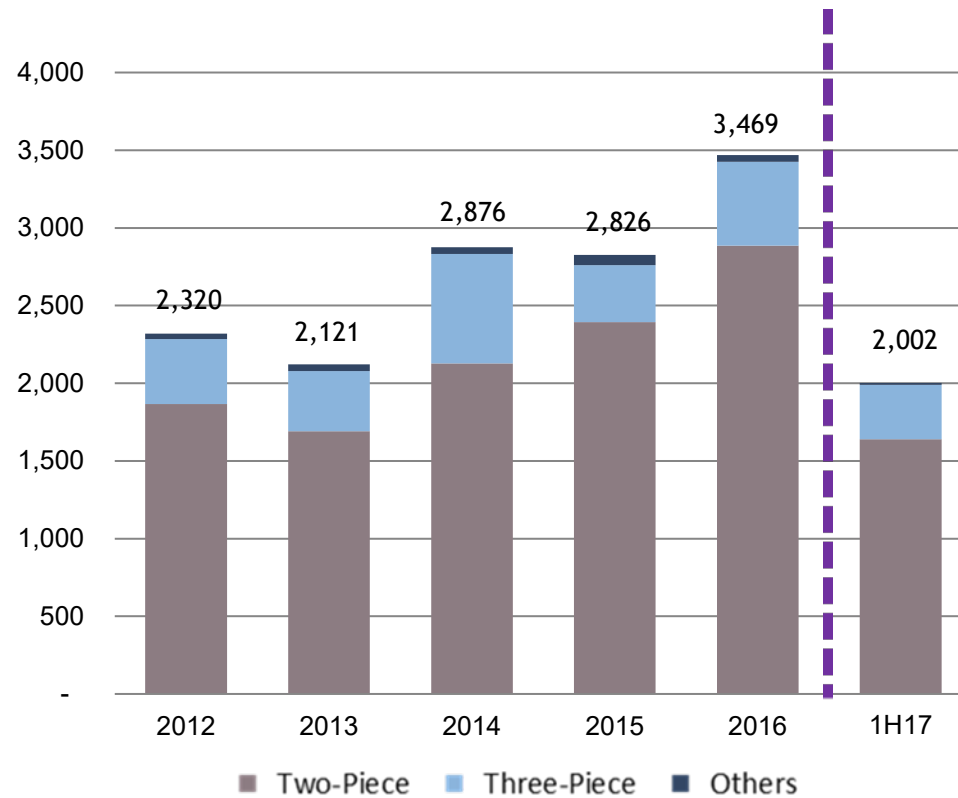


2,002 million baht

## Operational Statistics (Cont'd)

### Sales Revenue by Product Category : 2012-1H17

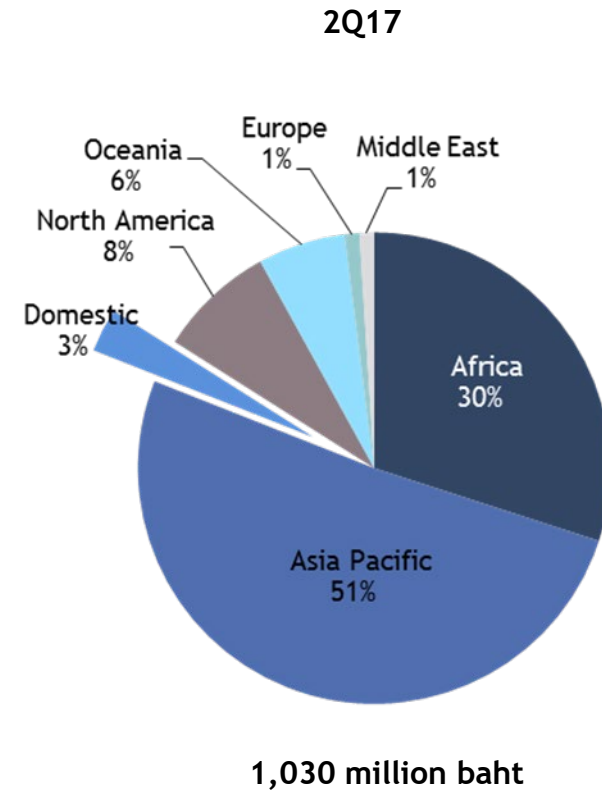
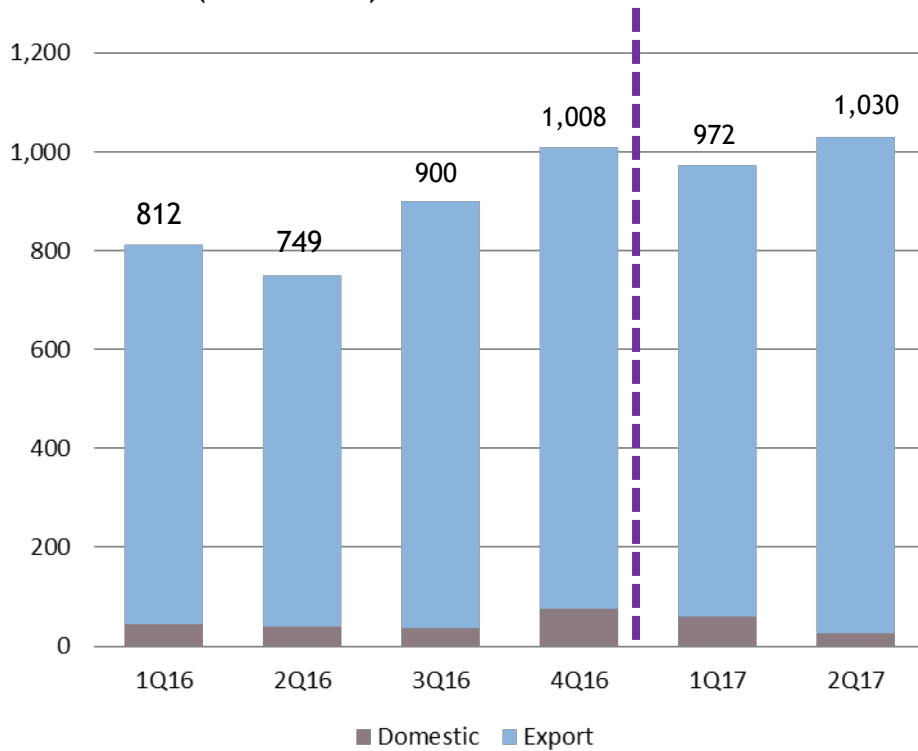
Sales Revenue (Million Baht)



## Operational Statistics (Cont'd)

### Sales Revenue by Geography : 1Q16 - 2Q17

Sales Revenue (Million Baht)

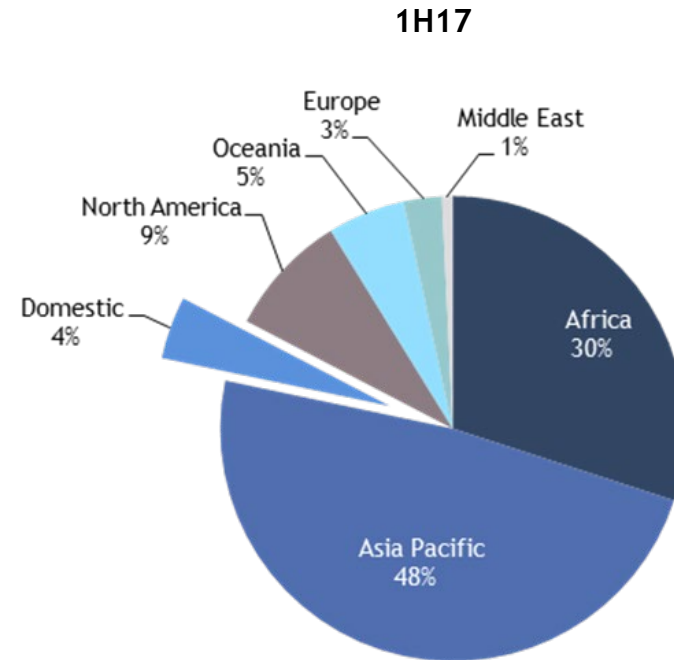
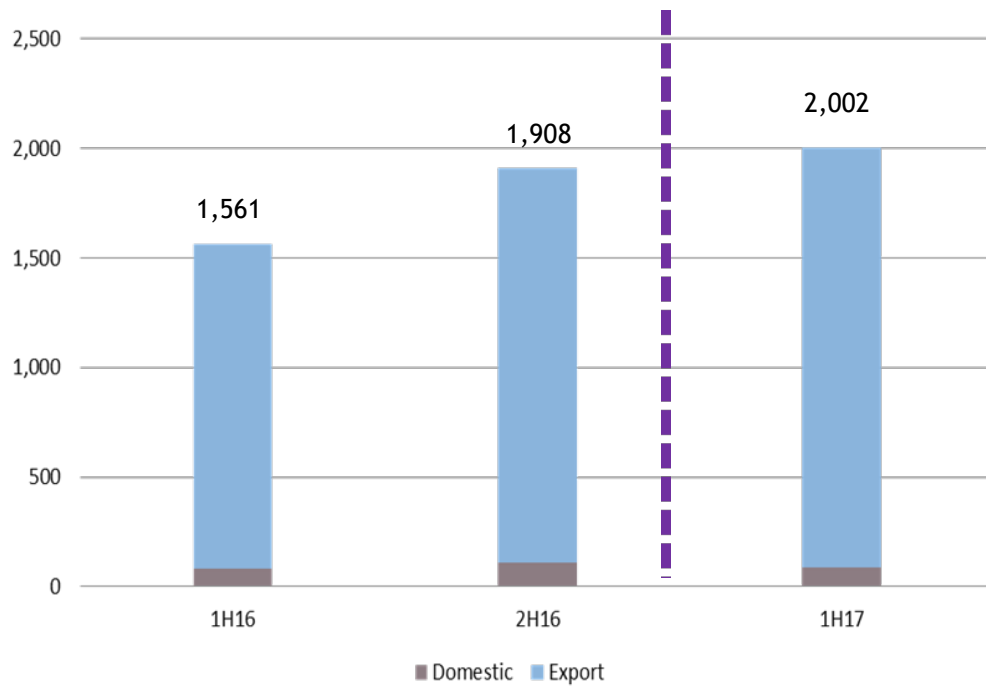


Africa and Asia are still the key customers, occupied almost 80% of total sales

## Operational Statistics (Cont'd)

### Sales Revenue by Geography : 1H16-1H17

Sales Revenue (Million Baht)

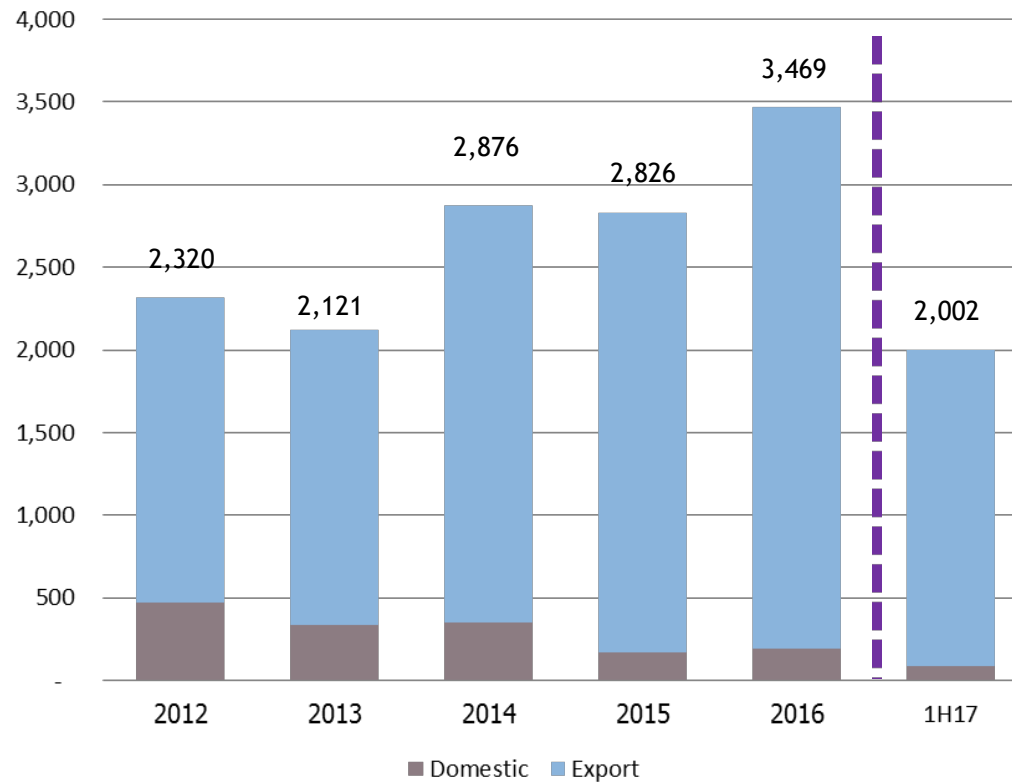


2,002 million baht

## Operational Statistics (Cont'd)

### Sales Revenue by Geography : 2012-1H17

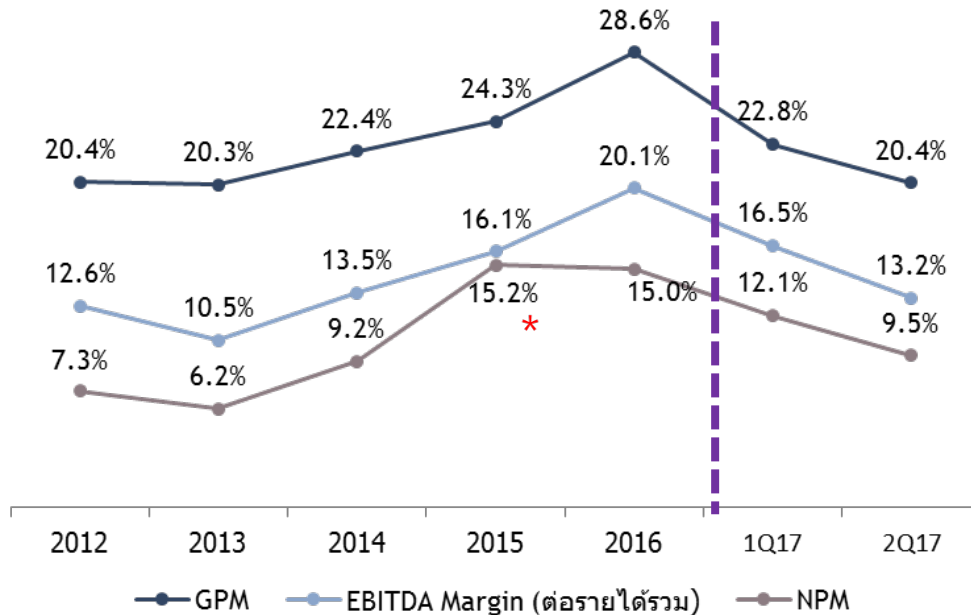
Sales Revenue (Million Baht)



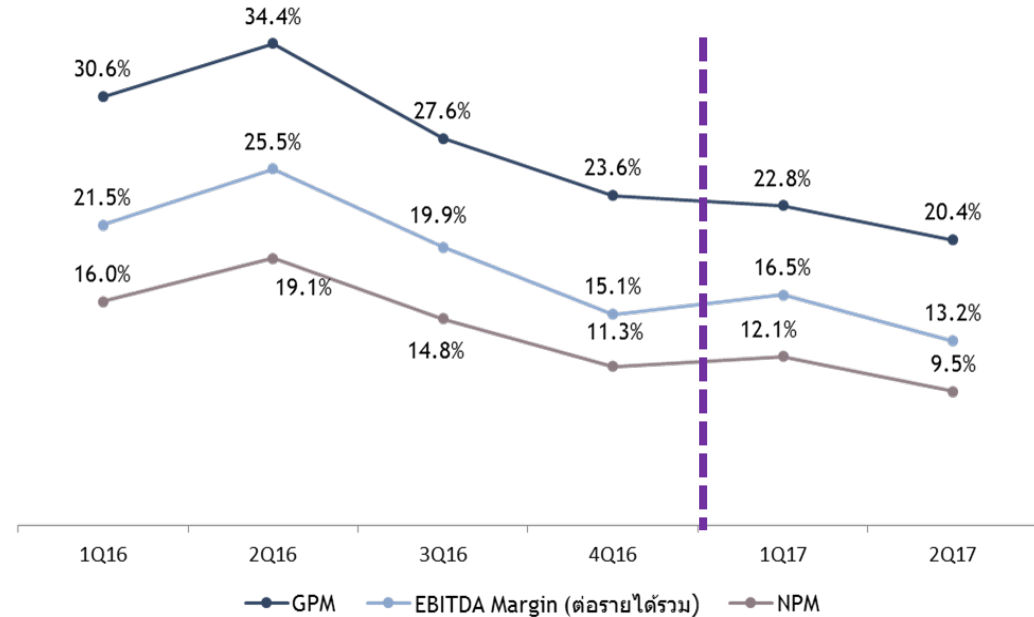


## Operational Statistics (Cont'd)

GPM, EBITDA Margin and NPM (%) 2012-2Q17



GPM, EBITDA Margin and NPM (%) 1Q16-2Q17

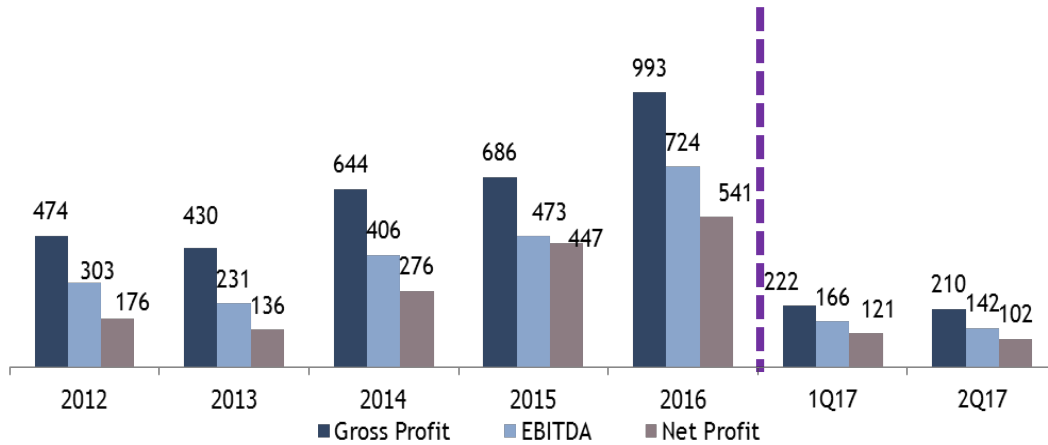


- GPM, NPM and EBITDA gradually decreased due to an increase in steel price. However, the Company began adjusting the selling price for the new orders of 2017. The stronger value of Baht currency also caused on decrease in GPM, NPM and EBITDA

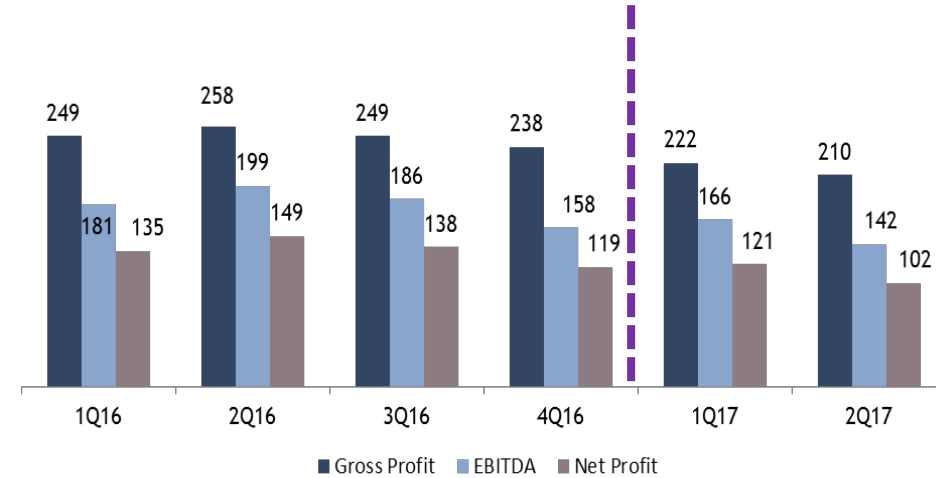
Remarks \* IBD = Interest Bearing Debt  
\* NPM of 2015 (NO DTA) = 11%

## Operational Statistics (Cont'd)

GPM, EBITDA Margin and NPM (MB) 2012-2Q17



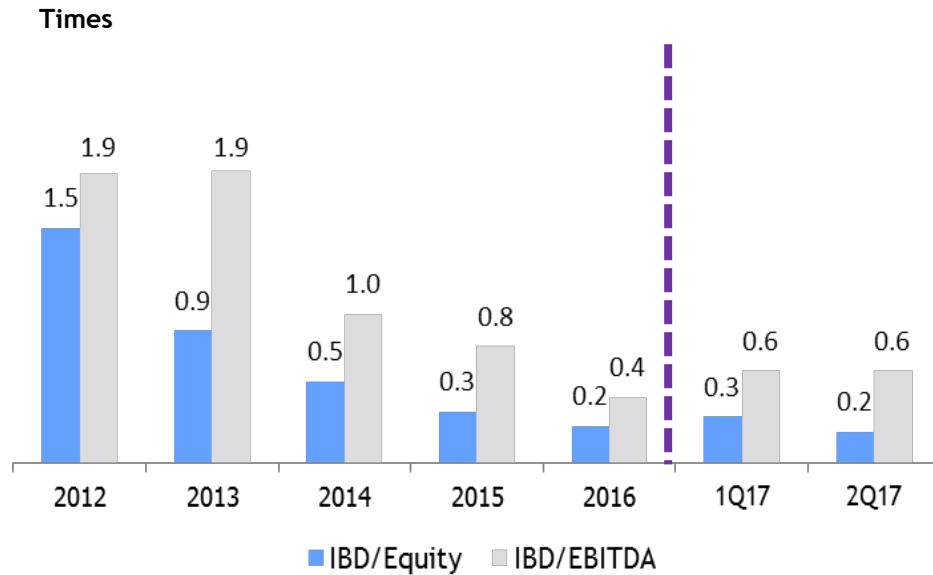
GPM, EBITDA Margin and NPM (MB) 1Q16-2Q17



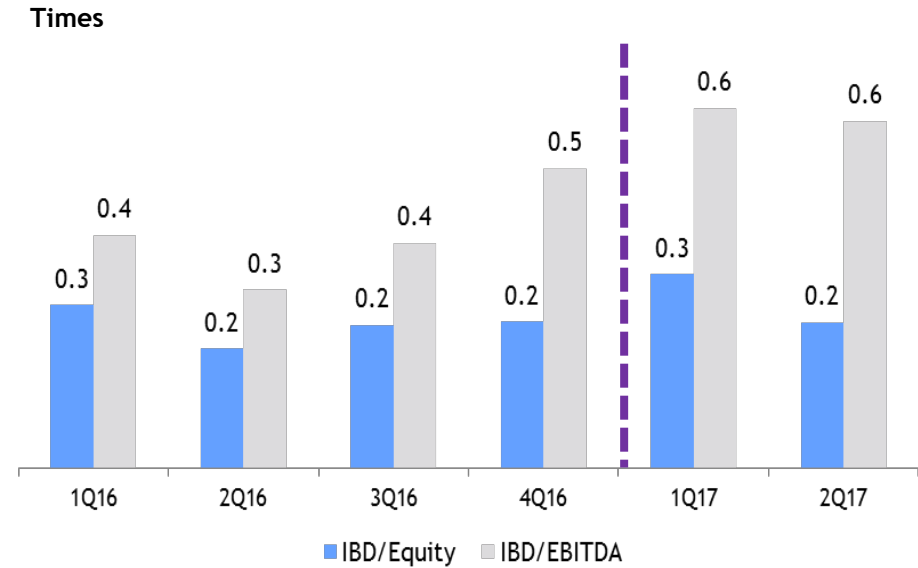
Remarks \* IBD = Interest Bearing Debt

## Operational Statistics (Cont'd)

IBD\* to Equity Ratio, IBD\* to EBITDA Ratio (times)  
2012-2Q17



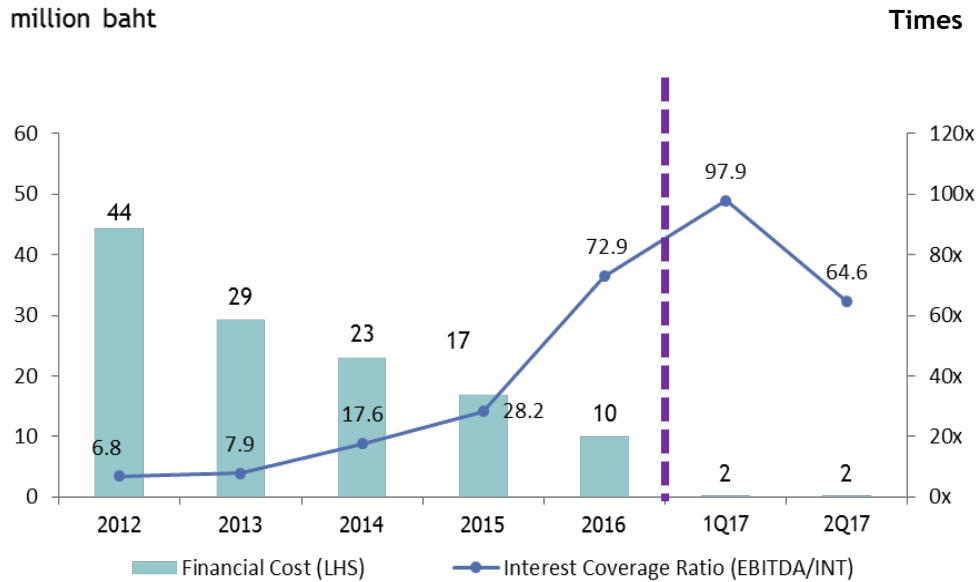
IBD\* to Equity Ratio, IBD\* to EBITDA Ratio (times)  
1Q16-2Q17



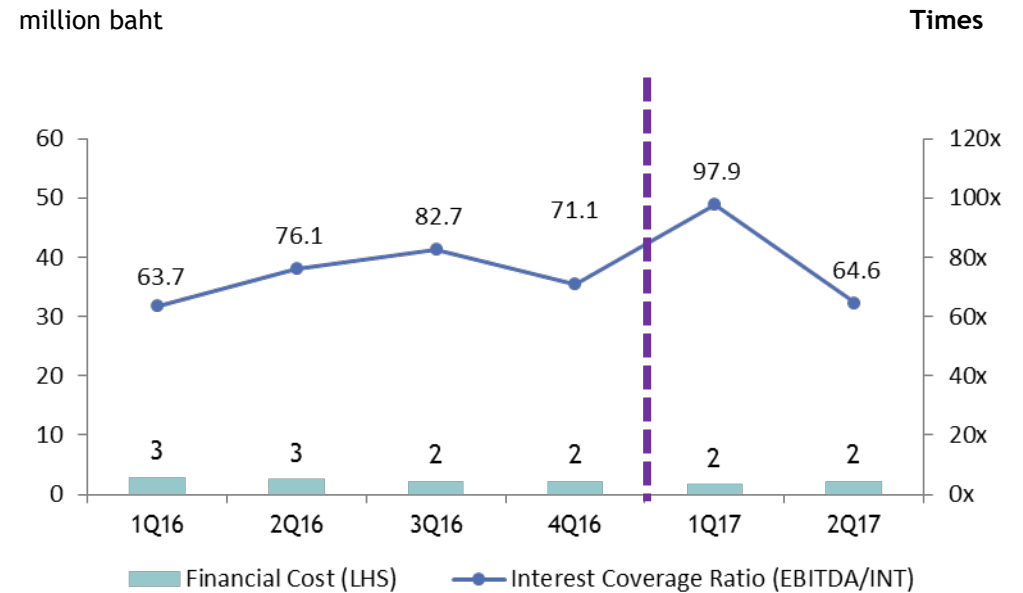
Remarks \* IBD = Interest Bearing Debt

## Operational Statistics (Cont'd)

Financial Cost (million baht), Interest Coverage Ratio (times)  
2012-2Q17



Financial Cost (million baht), Interest Coverage Ratio (times)  
1Q16-2Q17

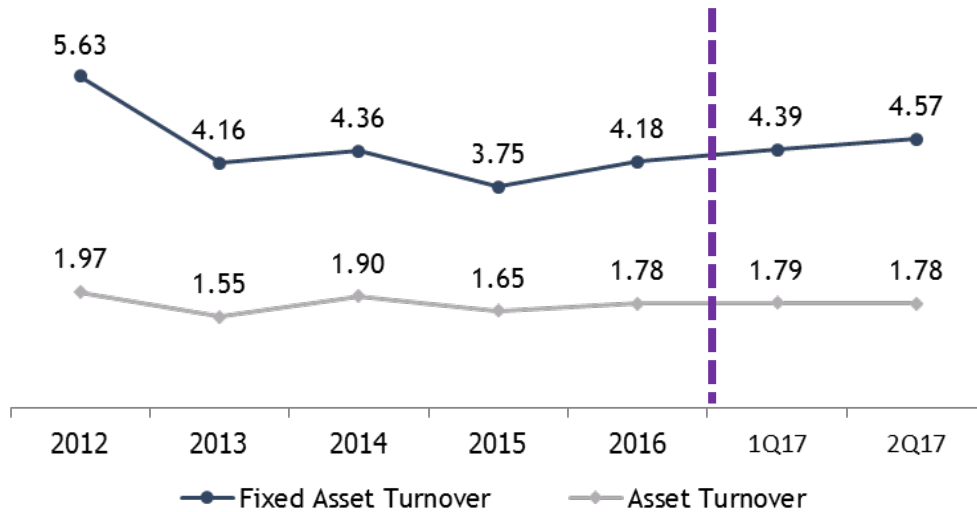


- The Company succeeded in negotiating the lower interest rate and managed to acquire working capital from the sources that have lowest cost. Consequently, Financial cost is decrease and financial ratio is better than prior periods.

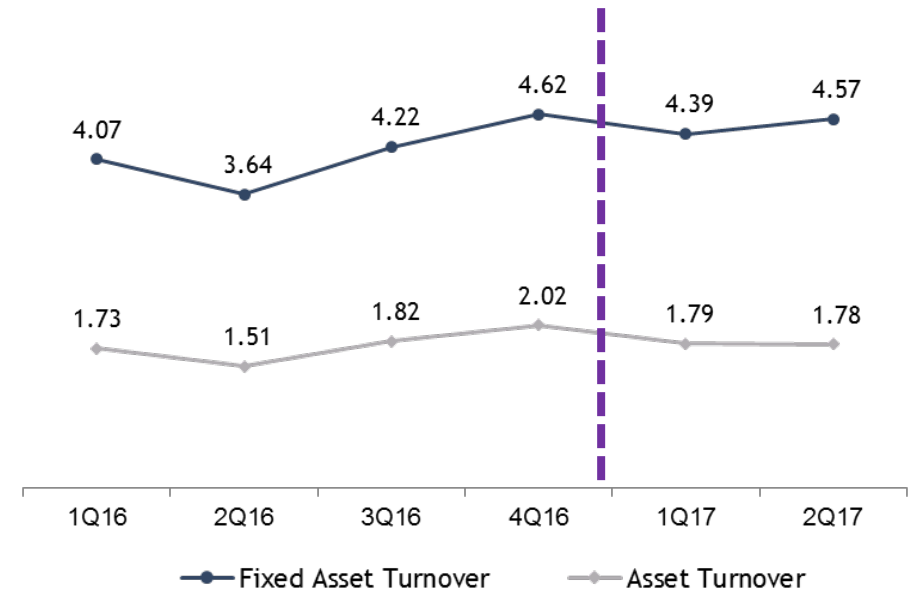
Remarks \* IBD = Interest Bearing Debt

## Operational Statistics (Cont'd)

Fixed Asset Turnover and Total Asset Turnover (Times)  
2012-2Q17



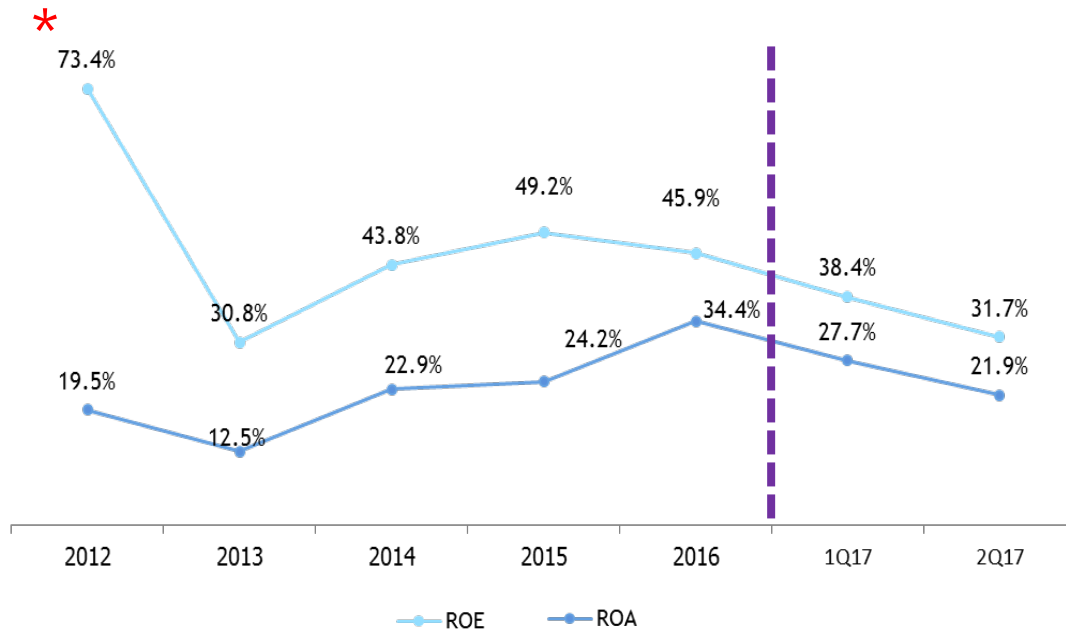
Fixed Asset Turnover and Total Asset Turnover (Times)  
1Q16-2Q17



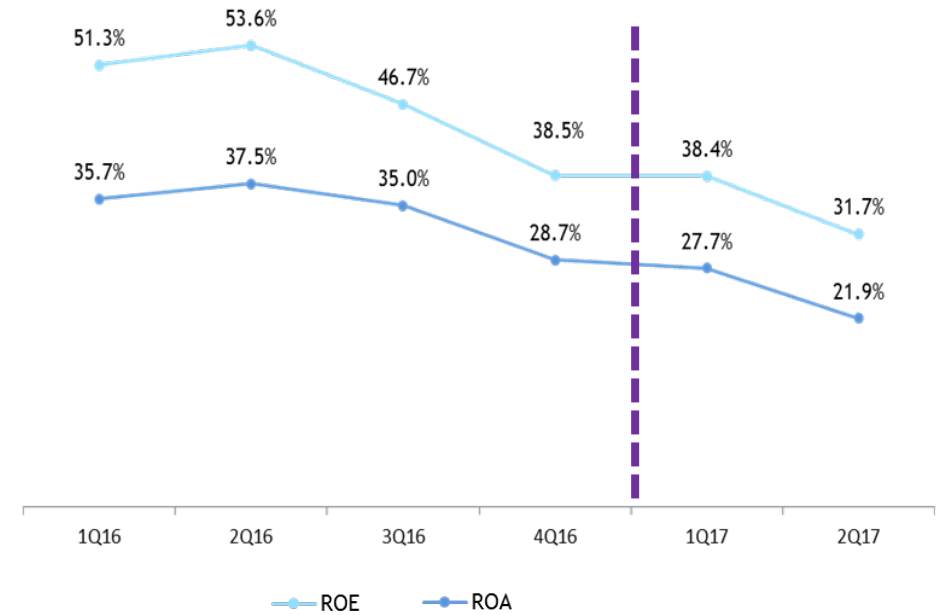
- Fixed asset turnover and asset turnover remain stable from prior period.

## Operational Statistics (Cont'd)

ROE and ROA (%)  
2012-2Q17



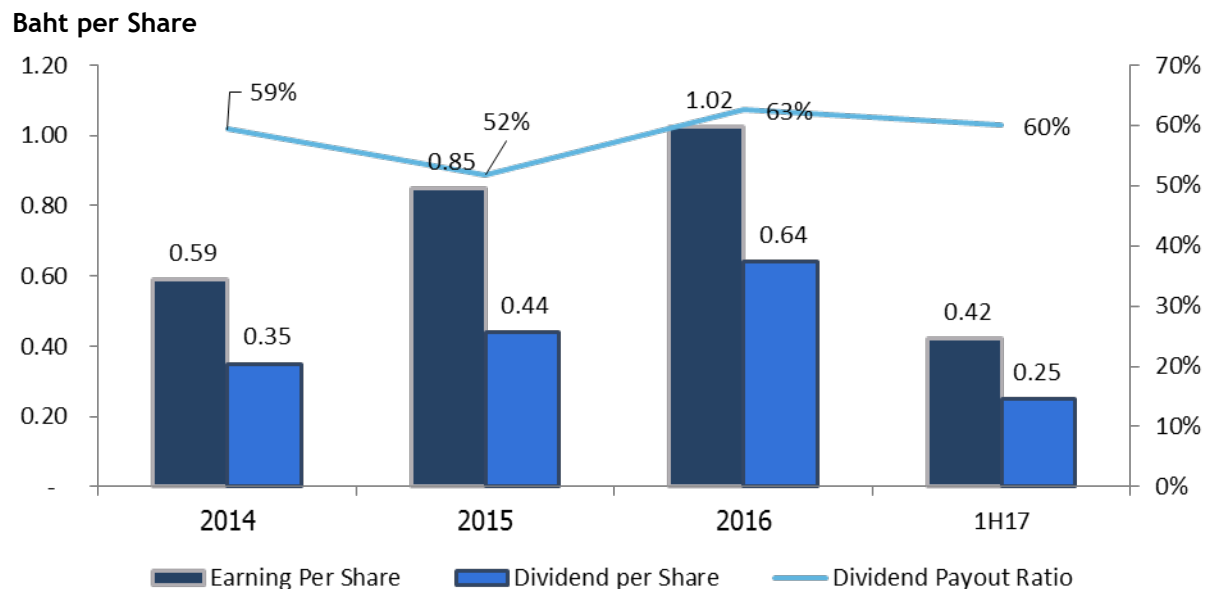
ROE and ROA (%)  
1Q16-2Q17



- ROE decreased because of an increase in capital from ESOP
- ROA decreased because of an investment in fixed asset and an increase in raw material (steel).

\* Remarks \* 2012 ROE was highest than other year because the Company still has deficit amounting to 146 MB, so the equity is too low

## Dividend Payment History



	2014	2015	2016	1H17
FS publication day	12/2/2015	11/2/2016	15/2/2017	10/8/2017
Price per share	7.58	11.00	16.60	14.00
Dividend per share	0.35	0.44	0.64	0.25
Earning Per Share	0.59	0.85	1.02	0.42
Dividend Yield per year	4.6%	4.0%	3.9%	3.6%
Dividend Amount (MB)	163.89	231.84	338.62	133.00
Dividend Payout Ratio	59%	52%	63%	60%

Remarks: The Company began paying Dividend since 2014

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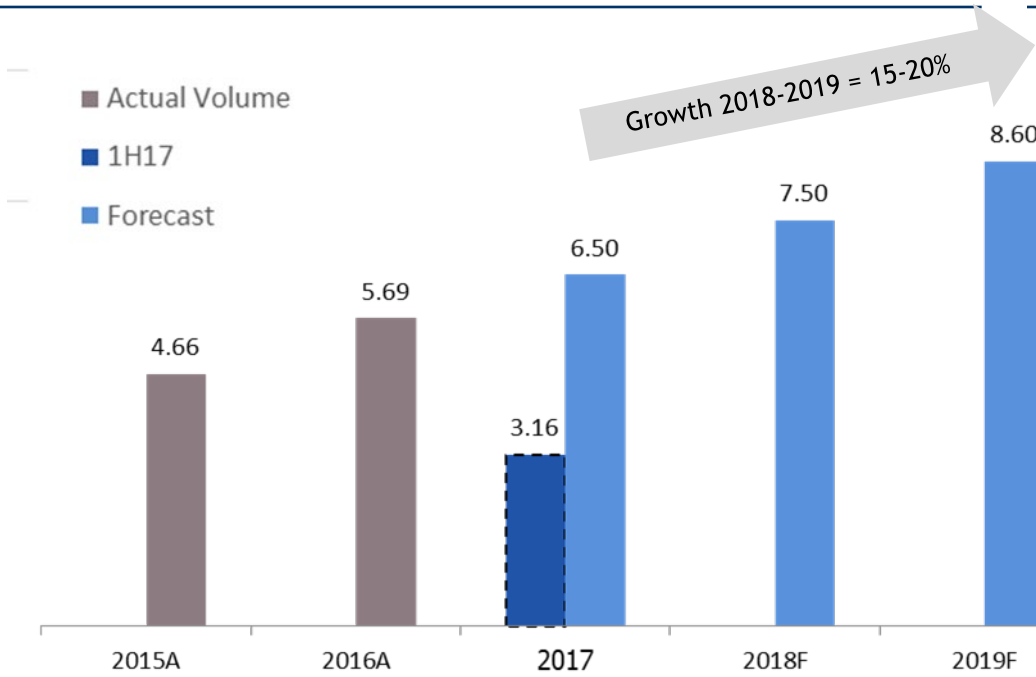
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**IV. Business Expansion**

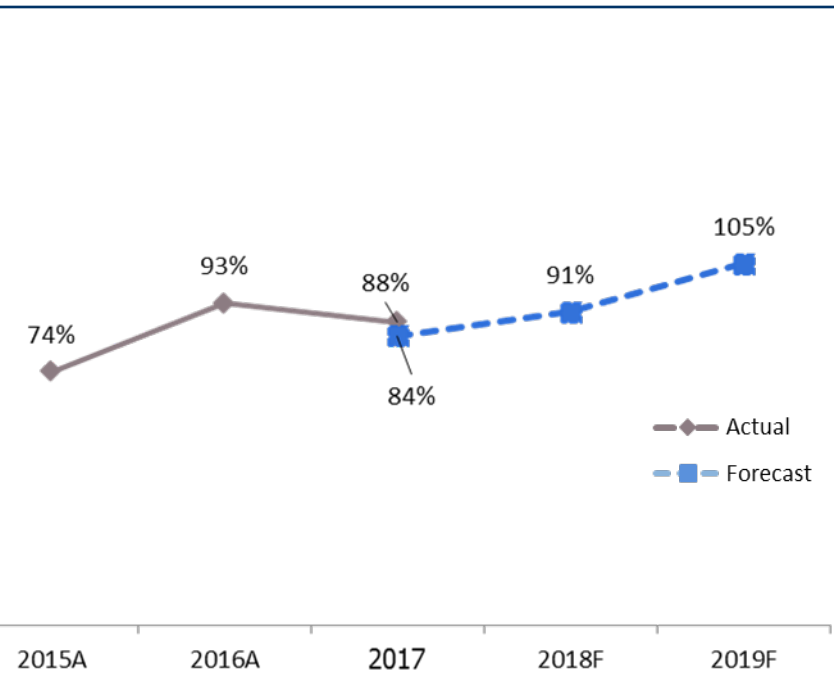


# 2017 Target and Future Growth Strategy

Projected Sales Volume (million cylinders)



Projected Utilization (%) \*

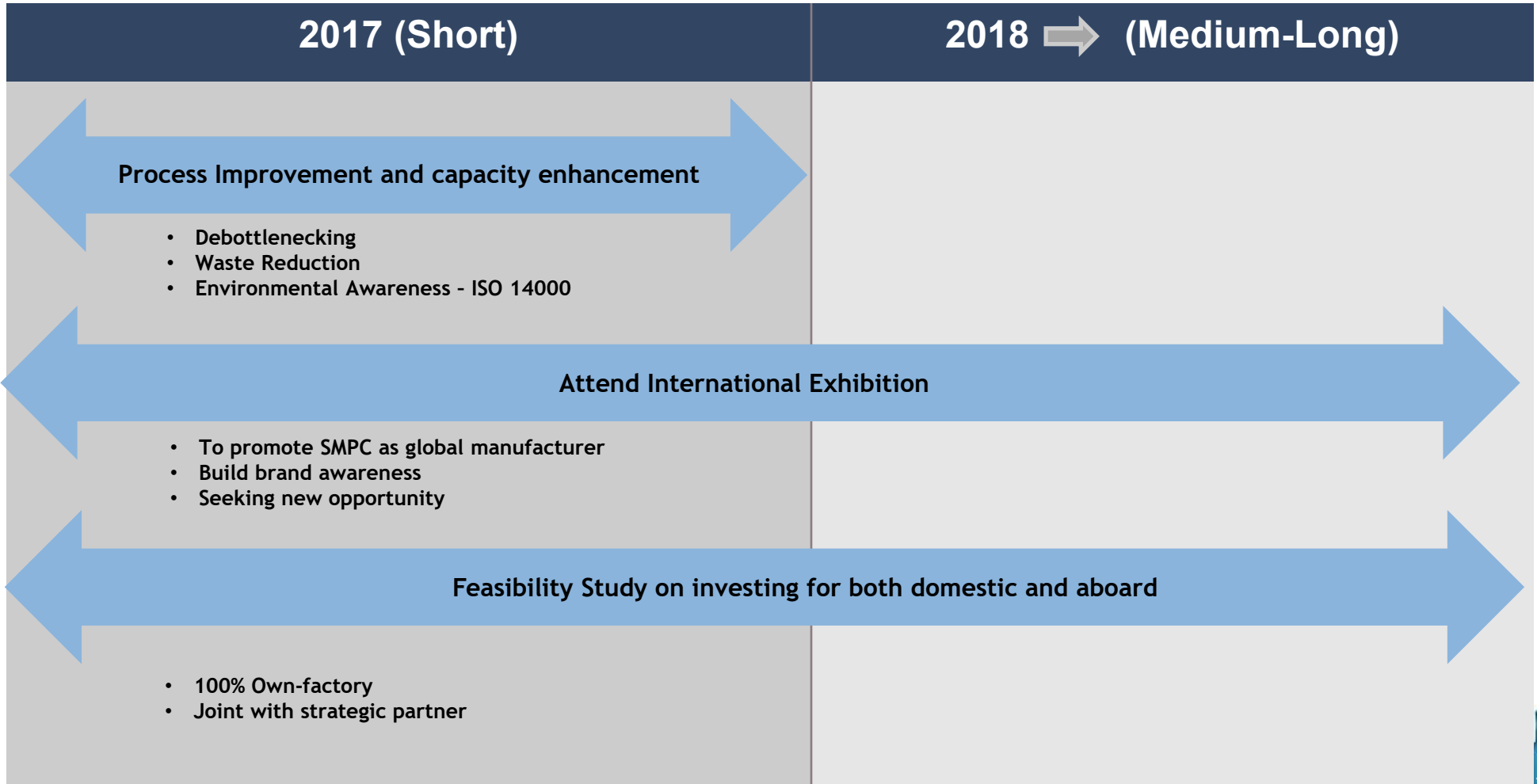


- SMPC expects to enjoy 15-20% growth in sales volumes in all cylinder types from the upcoming demands from both domestic and global
- The Company may need to make new investment during to 2018 in order to support future sales

\* Capacity (million cylinder)

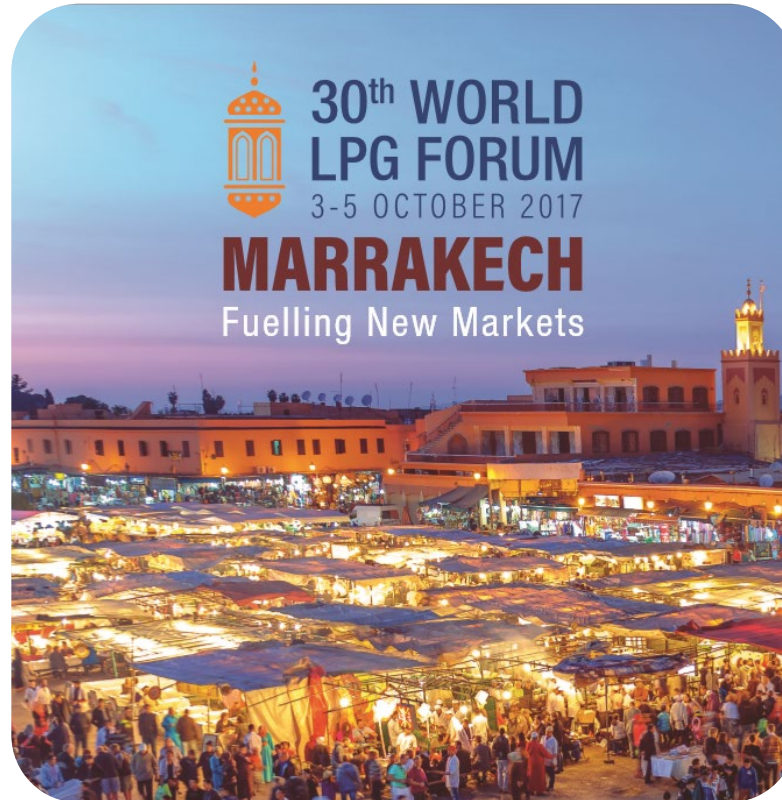
	2011-2013	2014	2015	2016	1H17	2H17
<b>Per Year</b>	5	5.5	6.2	6.2	7.2	8.2

## 2017-2018 Business Plan



## 2017 Growth Strategy (Cont'd)

### International LPG Summit



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# THANK YOU

## Q&A

### Contacts :

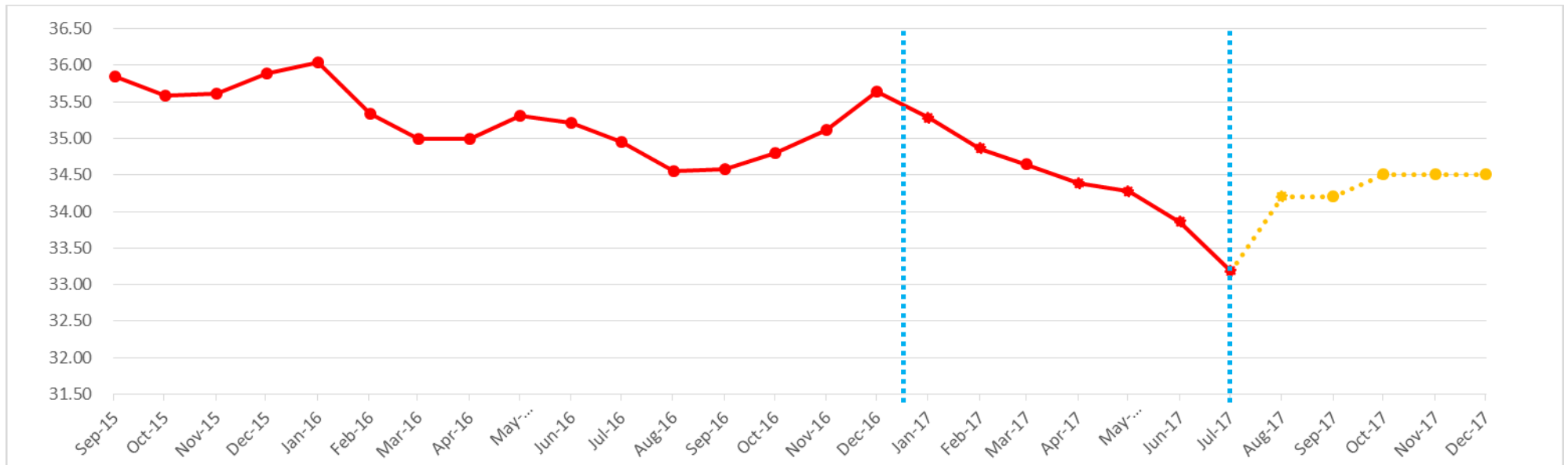
- Tel: 02-895-4139-54
- E-mail: [ir@smpcplc.com](mailto:ir@smpcplc.com)
- Website: [www.smpcplc.com](http://www.smpcplc.com)



**Trusted Cylinder for Your Home**  
**Trusted Partner for Your Business**

# 2017 Target and Future Growth Strategy

Exchange Rate Jan 2016-Dec 2017 (Baht/USD)



Source of Actual Exchange Rate: BBL Exchange Rate  
 Source of Projected Exchange Rate: Kbank Analyst Journal on Exchange Rate as at 8 August 2017

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# 2017 Target and Future Growth Strategy

## Steel Price Index Jan 2015-Jul 2017 (USD/Ton)

