



Sahamitr Pressure Container Public Company Limited

Opportunity Day-1H18 Presentation

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Mrs. Patama Laowong

14 August 2018



Agenda

I. SMPC Overview

II. Industry Overview

III. Financial Highlights

IV. Business Outlook





Agenda

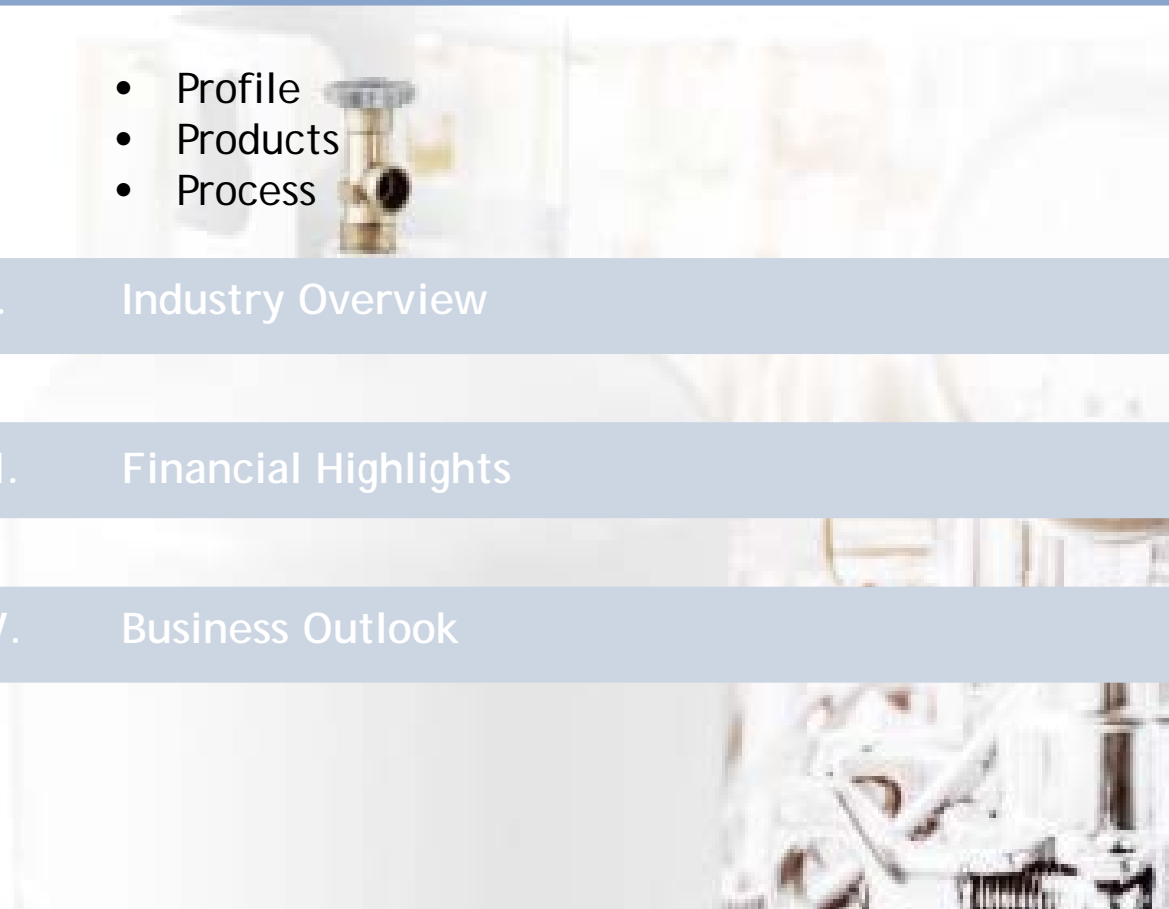
I. SMPC Overview

- Profile
- Products
- Process

II. Industry Overview

III. Financial Highlights

IV. Business Outlook





- 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 by the "Ekahitanond" family with a capacity of 6.4 million baht
- LPG cylinder production capacity approx. 60,000 cylinders per year

- Operation of second factory started, production capacity increased to 2.4 million cylinders per year in 1992
- First Thai cylinder manufacturer to be accredited with ISO 9002 standard in 1995

- Paid-up capital increased to THB 529 million due to ESOP exercise
- ESG100 Award from Thaipat Institute
- CAC member for Anti-Corruption Practice

- Capacity increased to 10 million by end of 2018
- ESG100 Award from Thaipat Institute for 3 consecutive years
- Paid-up capital increased to THB 532 million due to ESOP exercise
- ESG100 Award from Thaipat Institute for 2 consecutive years
- Capacity increased to 8.2 million by end of 2017
- SET Awards 2017 "Best Company Performance" and Outstanding CEO
- Accredited the ISO 14001 standard

1981

Certified TIS Standard for LPG cylinder manufacturing
"Always Standard"

1985

1991

1992-1995

2001

Annual production capacity reached 5 million cylinders

2010

- Listed in the Stock Exchange of Thailand (SET)
- New production facility project at Bangkhunthien-Chaitalay Rd.

2012-2013

2014-2015

2016

2017

2018

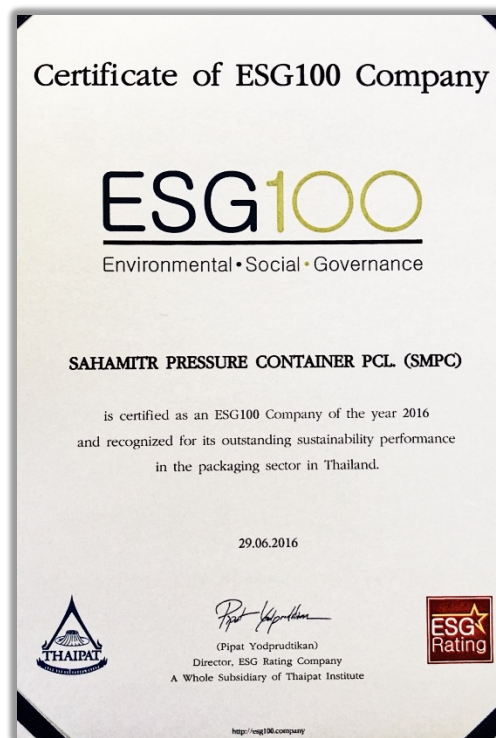
- Capacity increased to 5.5 and 6.2 million cylinders per year, respectively
- SET Awards 2015 "Best Company Performance"

- Constructed third factory.
- Launched new products; parts and components for automotive and Light-Weighted Cylinder

Catching the Autotank market boom, SMPC was the first Thai manufacturer to be accredited with TIS 370-2009 standard for safe product of cylindrical and toroidal automotive LPG cylinders.



Awarded ESG100 Company 2016-2018



On May 17, 2018, The company was informed that we received “ESG100 Company 2018” 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 three consecutive years.

UP Investor SUMMIT 2018 & CII Partnership SUMMIT 2018



During February 22-26, 2018, the company with Ministry of Commerce attended UP Investor SUMMIT 2018 and CII Partnership SUMMIT 2018 event at Uttar Pradesh and Andhra Pradesh, India to promote our company, products and services to prospective customers.



WLPG MYANMAR SUMMIT 2018



During March 28-29, 2018, the company attended WLPG MYANMAR SUMMIT 2018 event at Yangon, Myanmar to promote our products and services to prospective and current customers

Thailand Week 2018 DHAKA



During April 23-26, 2018, the company attended Thailand Week 2018 at Pan Pacific Sonargaon Dhaka Hotel, Dhaka - Bangladesh to promote our company, products and services to prospective and current customers in Bangladesh.



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	6 million
3	Aygaz, Turkey	> 5 million
4	Huanri, China	4 million
5	Mauria Udyog, India	4 million
6	Evas Ev, Turkey	2.2 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
- More than 90% of SMPC products are exported to almost 100 countries around the world



Business Key Success Factors

“Experienced in LPG cylinder business about 37 years, SMPC, currently, is one of the world-leading manufacturer who offers variety of products and service with excellent quality assurance”

1. Quality Product and Service Excellence

Guaranteed product quality and production system by numbers of certificates including

- ISO 9001:2008, ISO 14001:2015
- ISO 4706, ISO 22991
- TISI- TIS 27, TIS 370
- USA- DOT 4BA, DOT 4BW
- European Union- EN 1442, EN 13322, 84/527/EEC
- Australia- AS 2469, AS 2470, AS/NZS 3509
- United Kingdom- BS 5045-1989
- Canada- TC-4BAM, TC-4BWM
- European Union- EN 14140 (Light-weight cylinder)
- Kenya- KS ISO 4706, etc

2. Process Improvement and Product Innovation

With continuous research and development, SMPC has recently introduced various kinds of new products such as light weight cylinder to provide more alternatives for customers

Key Success Factors

3. Flexibility of Production Line

Due to Semi-Automatic production line, SMPC is able to produce various sizes and kinds of products and services. As a result, SMPC becomes top manufacturer in mind who offer one stop service to serve customers' requirements

4. Customer Relationship Management

Having customers in almost 100 countries globally, SMPC benefits from insight knowledge on global market demand to promptly adjust its products to clients' requirement

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

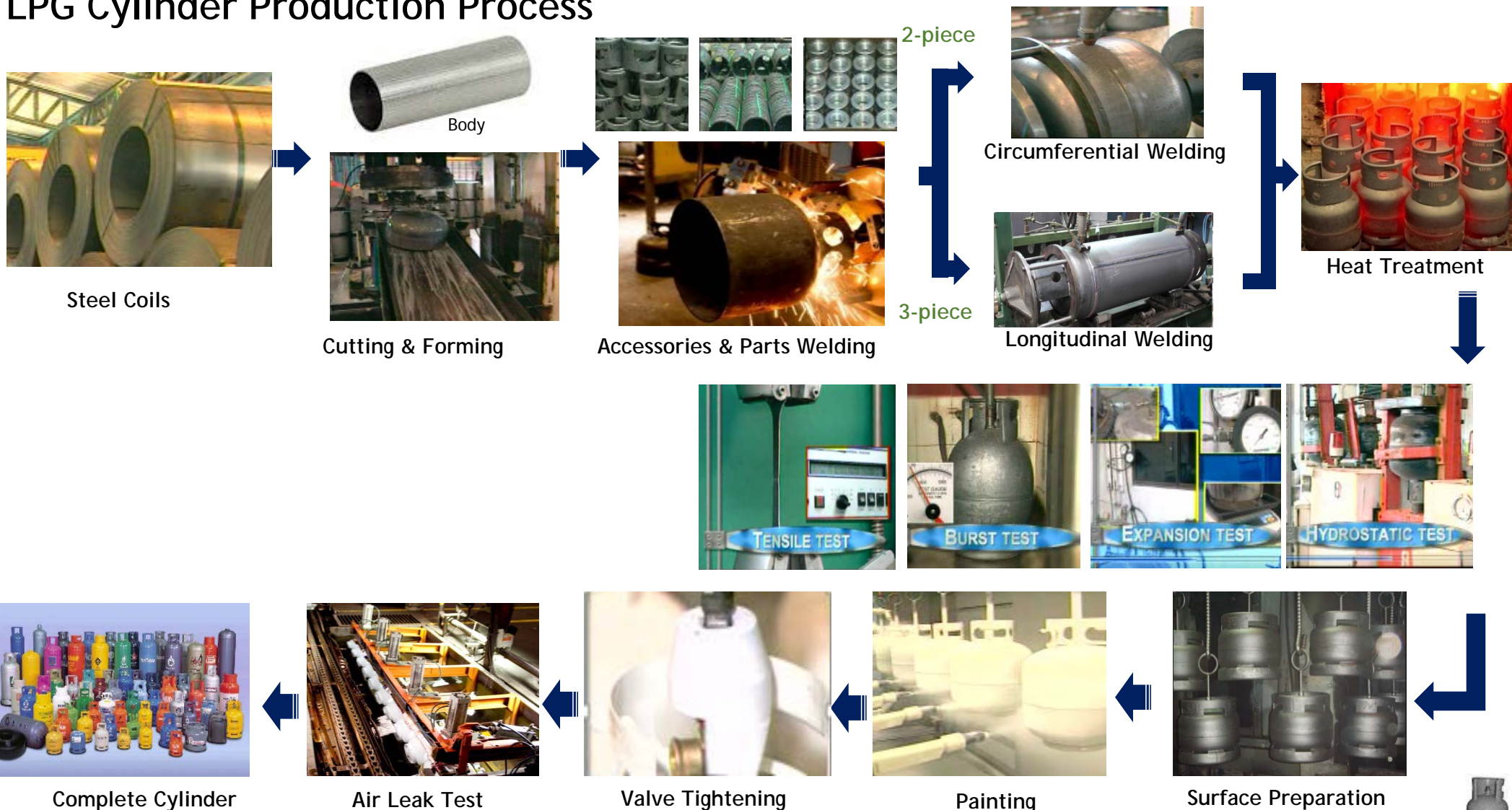


Our customers



And Others Customers

LPG Cylinder Production Process





Agenda

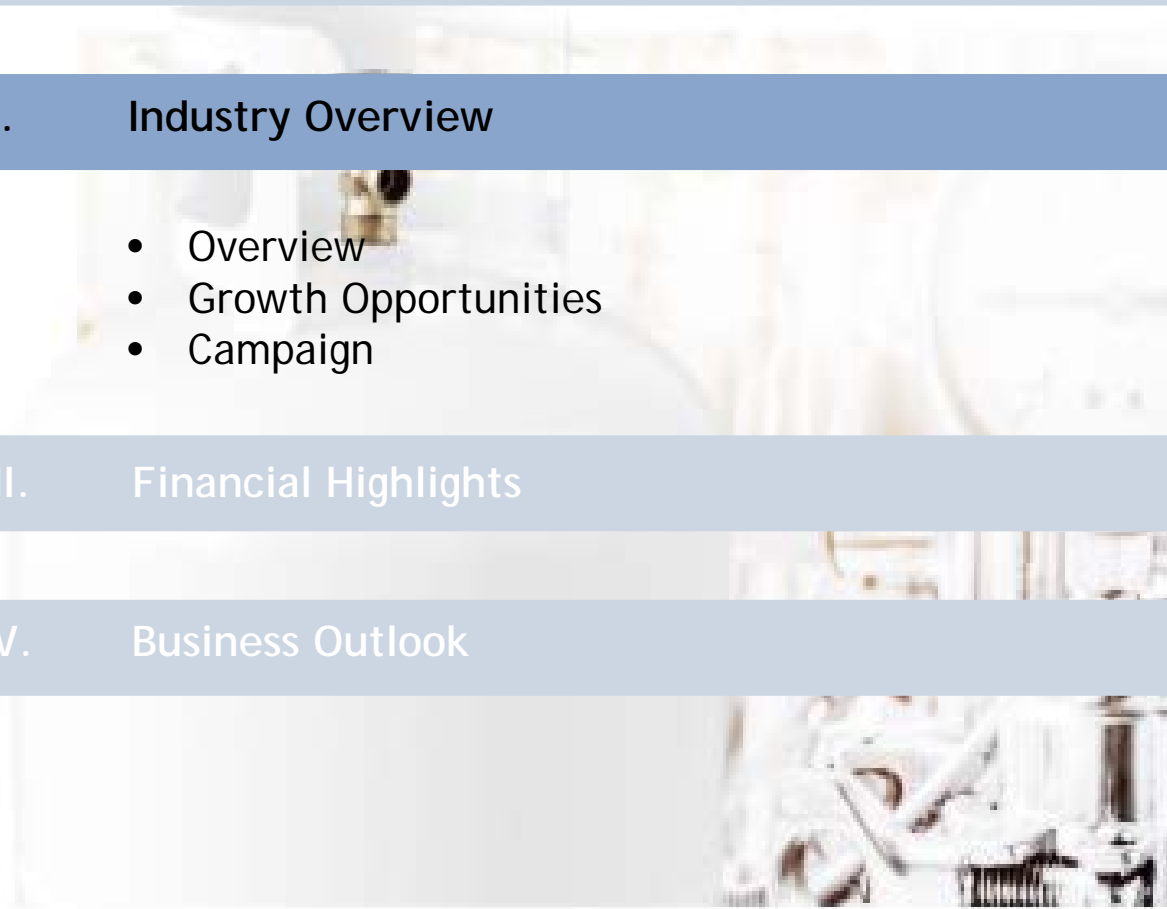
I. SMPC Overview

II. Industry Overview

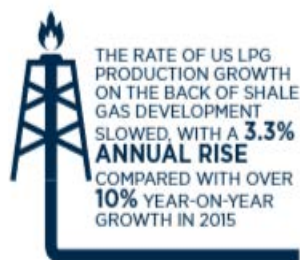
- Overview
- Growth Opportunities
- Campaign

III. Financial Highlights

IV. Business Outlook



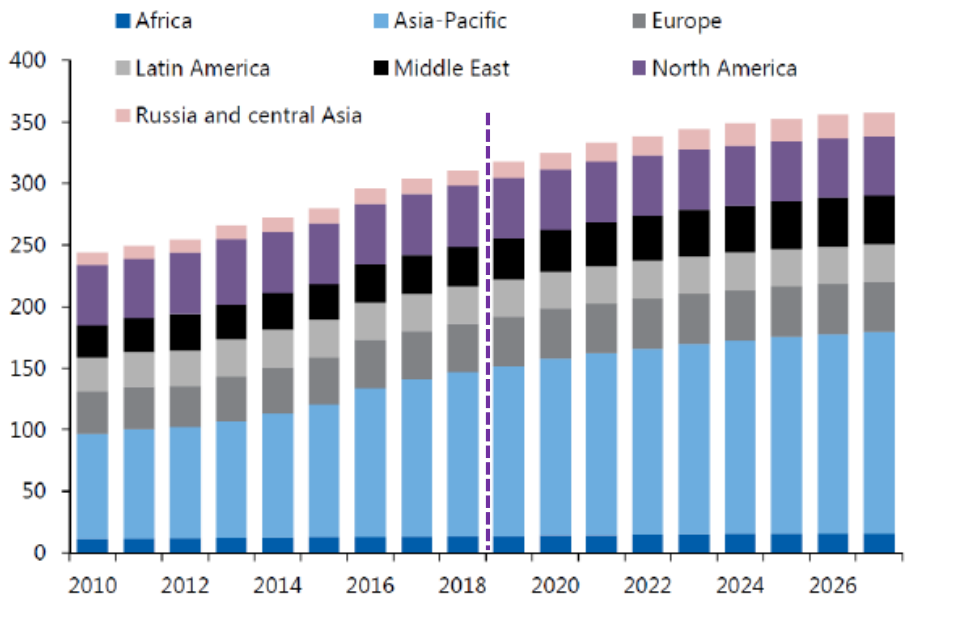
About the Industry



- The report show that Global LPG production in 2016 increased from 2015 by 5.75%.
- Almost half of the world's demand for LPG is as a residential fuel where much of it is used for cooking.

Predicted Global LPG Consumption

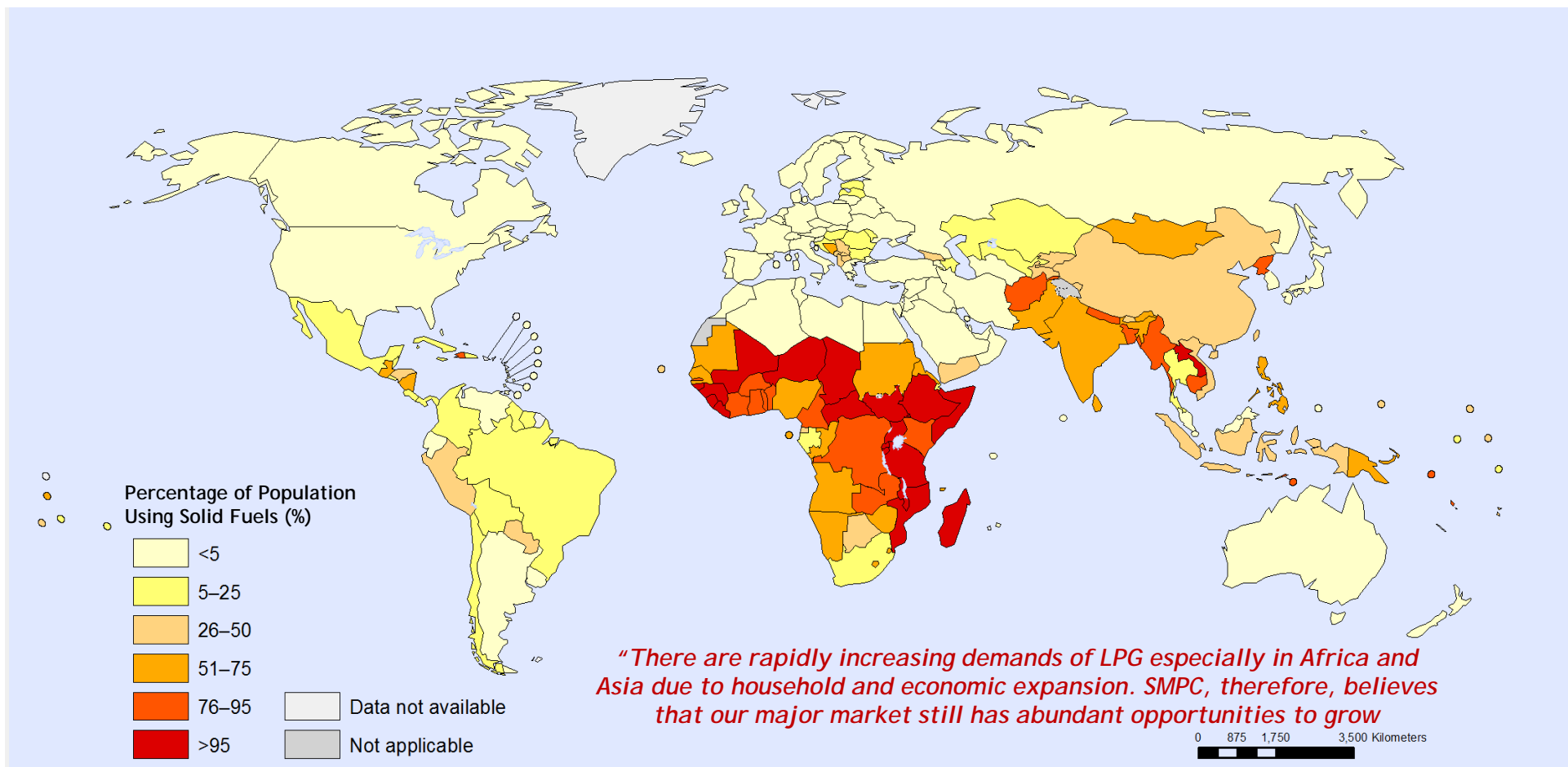
World LPG consumption by region 2010-27 mn t



- Predicted global LPG consumption is gradual growth each year, so there are abundant opportunities for SMPC to grow.
- This high temperature of LPG makes it an excellent fuel for cooking, especially in Asia where the use of the wok demands a fierce flame

Source LPG Policy Document by WLPG 2017

Large Room for Household LPG Demand Growth in Selected Areas



Source: World Health Organization (2014)

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

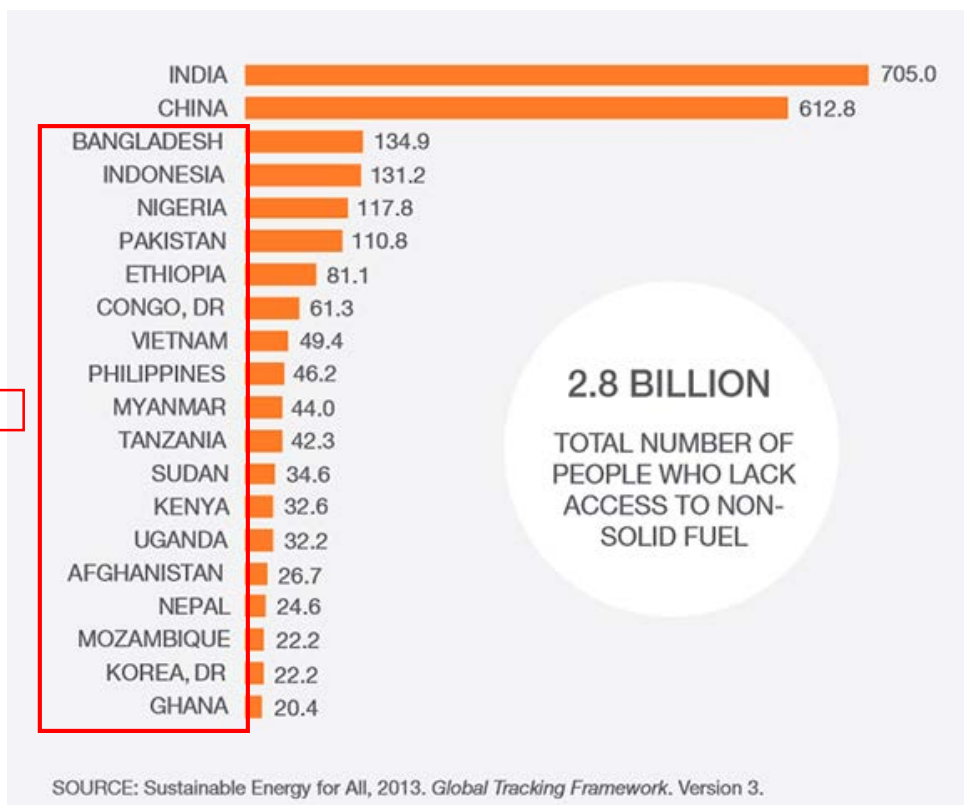
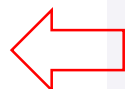


WLPGA

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"

- SMPC export to these countries; as a result, SMPC can enjoy abundant opportunities if they shift to LPG in the future



- 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)



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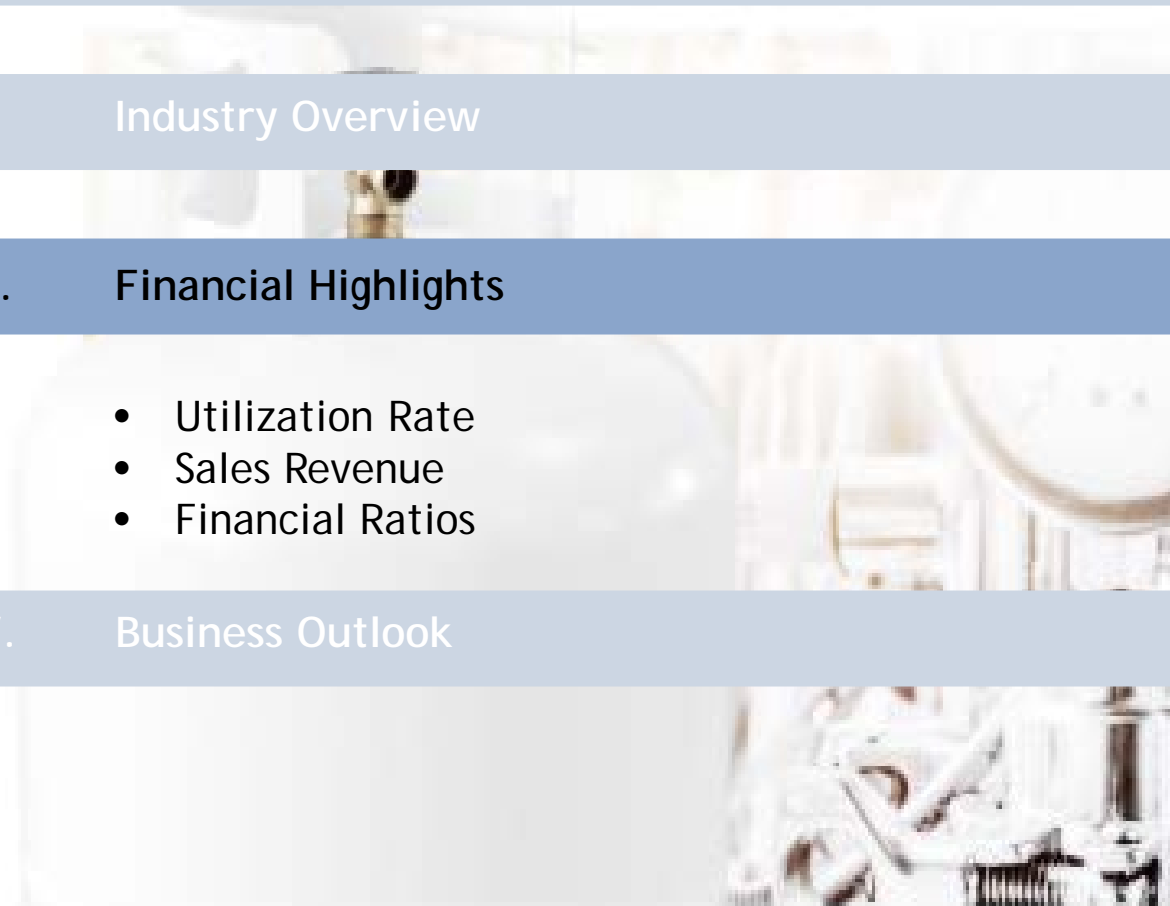
I. SMPC Overview

II. Industry Overview

III. Financial Highlights

- Utilization Rate
- Sales Revenue
- Financial Ratios

IV. Business Outlook



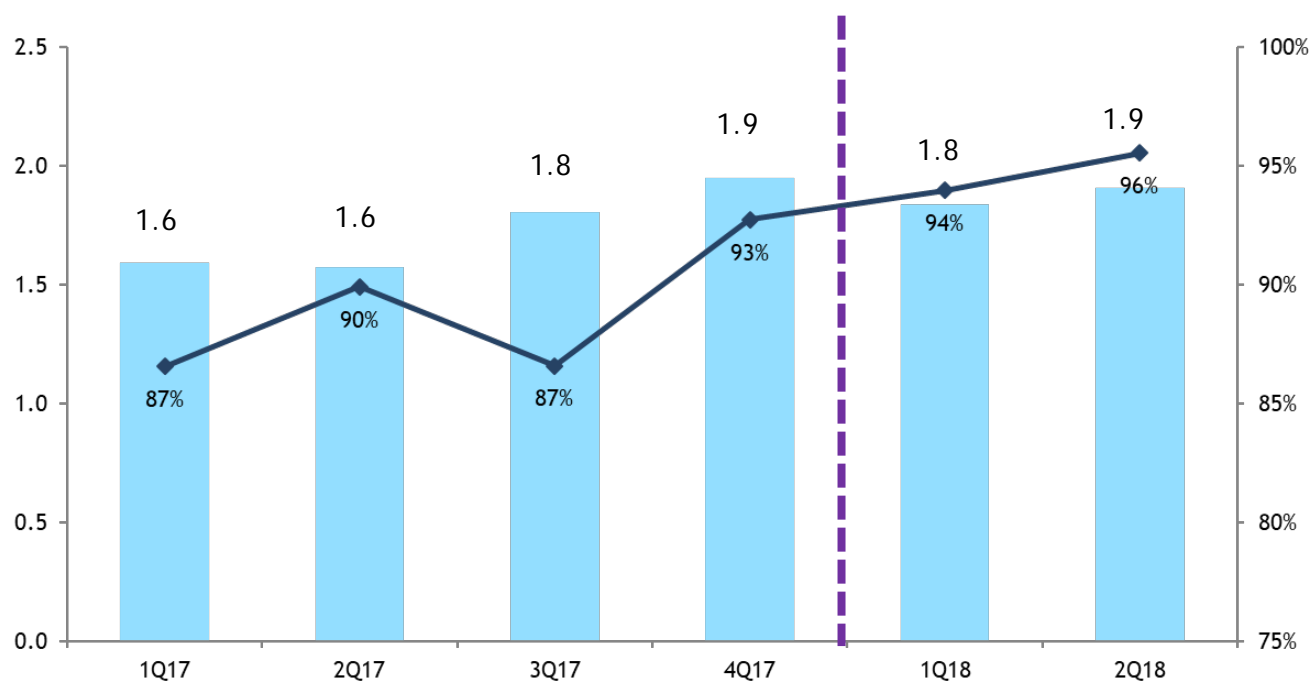


Operational Statistics

Utilization Rate (%) 1Q17-2Q18

Sales Volume (Million Cylinders)

Utilization Rate



- Utilization Rate of 2018 increased because of more production volume from constant demand from Asia and Africa.

Capacity (million cylinder)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18
Per Year	7.2	7.2	8.2	8.2	8.2	8.2
Per Quarter	1.80	1.80	2.05	2.05	2.05	2.05

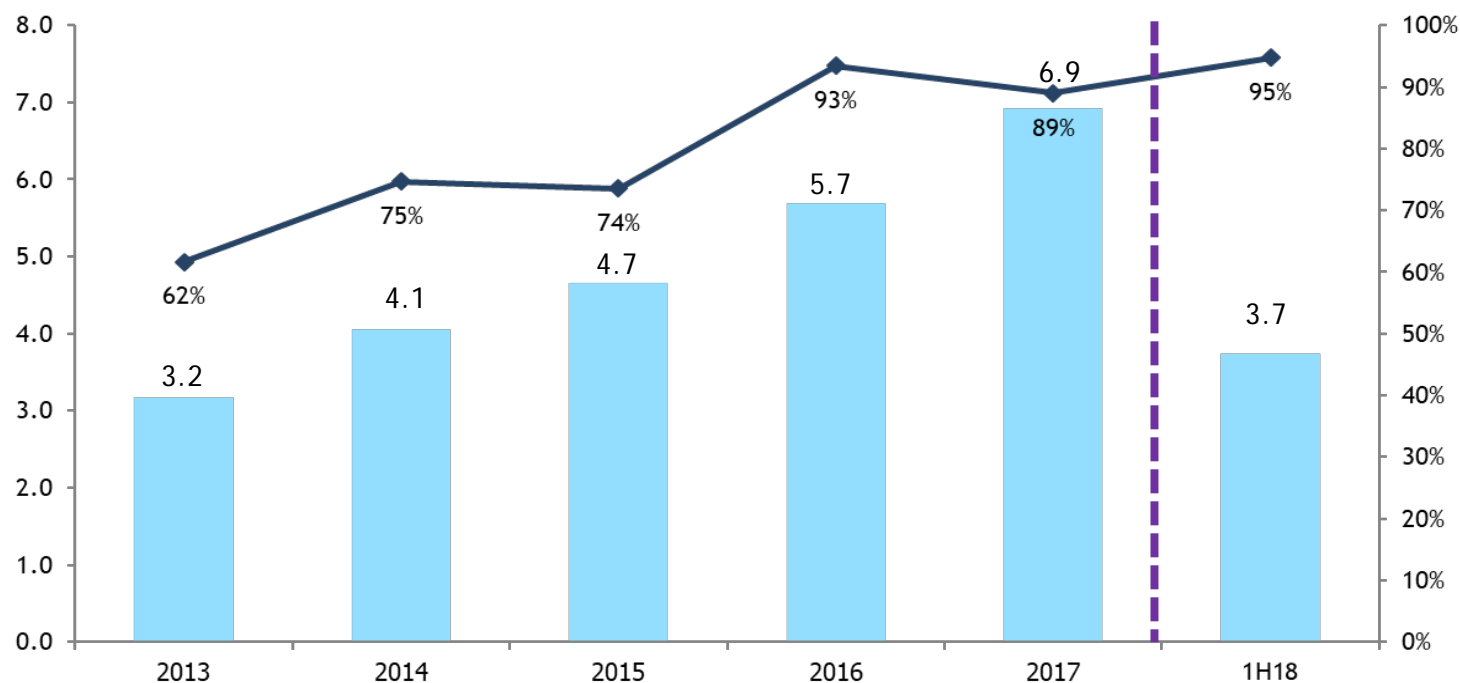


Operational Statistics

Utilization Rate (%) 2013-1H18

Sales Volume (Million Cylinders)

Utilization Rate



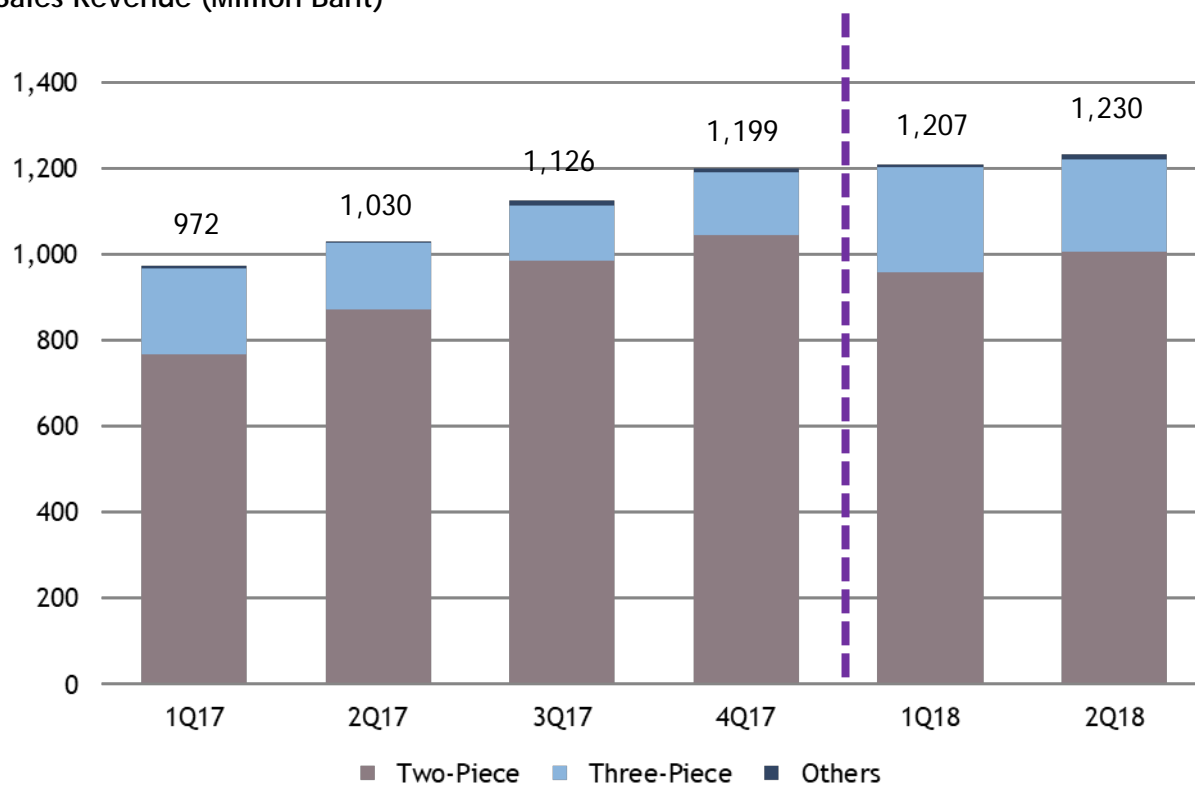
Capacity (million cylinder)	2011-2013	2014	2015-2016	2017	2018
Per Year	5.0	5.5	6.2	7.7	8.2
Per Quarter	1.25	1.38	1.55	1.93	2.05



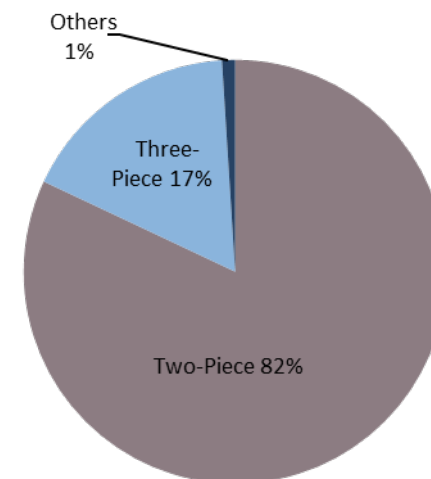
Operational Statistics (Cont'd)

Sales Revenue by Product Category : 1Q17-2Q18

Sales Revenue (Million Baht)



2Q18



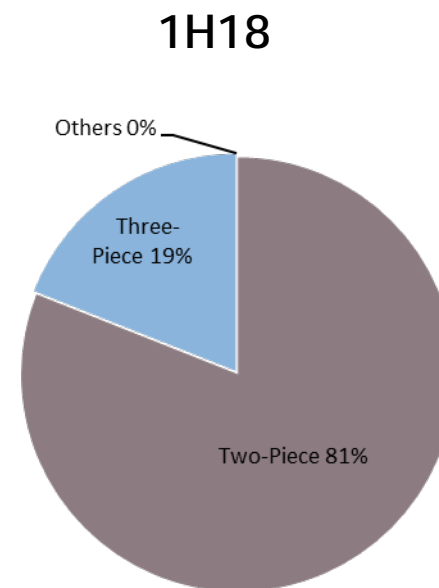
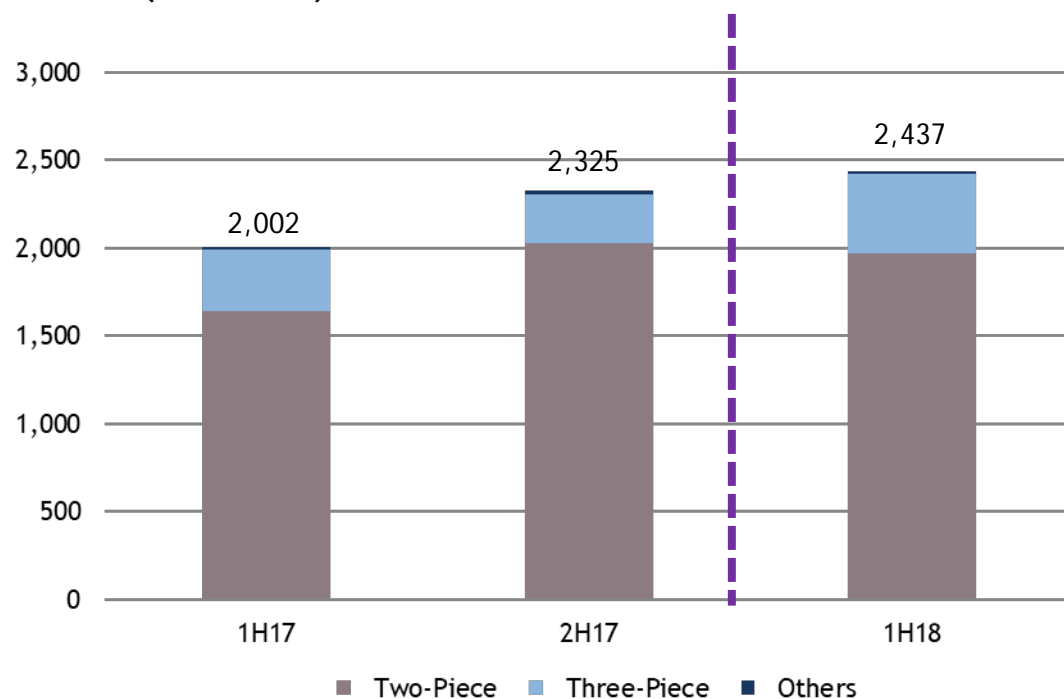
1,230 million baht



Operational Statistics (Cont'd)

Sales Revenue by Product Category : 1H17-1H18

Sales Revenue (Million Baht)



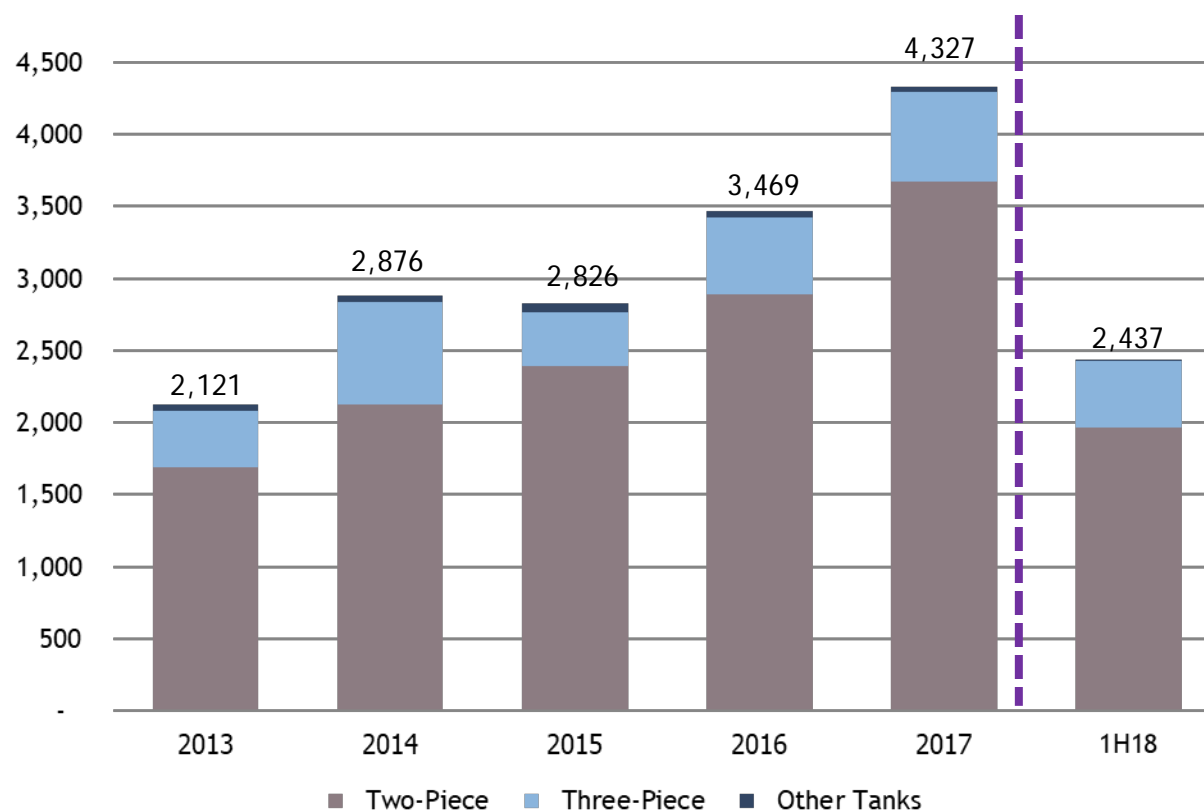
2,437 million baht



Operational Statistics (Cont'd)

Sale Revenue by Product Category : 2013 -1H18

Sales Revenue (Million Baht)

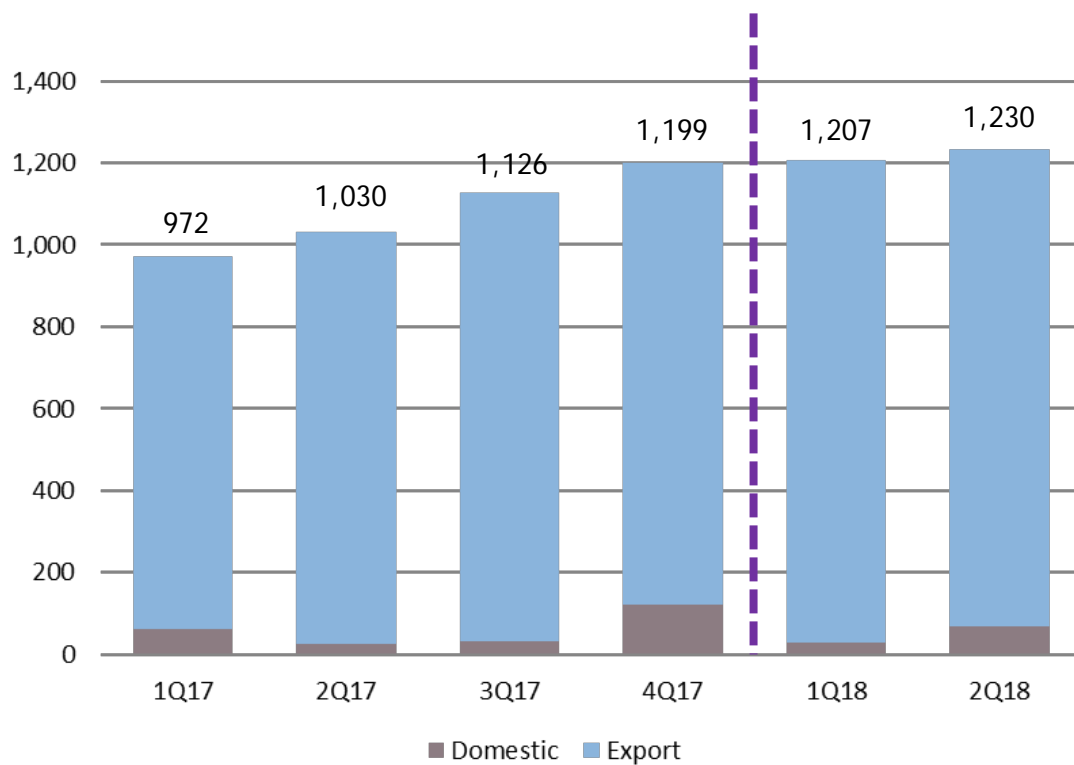




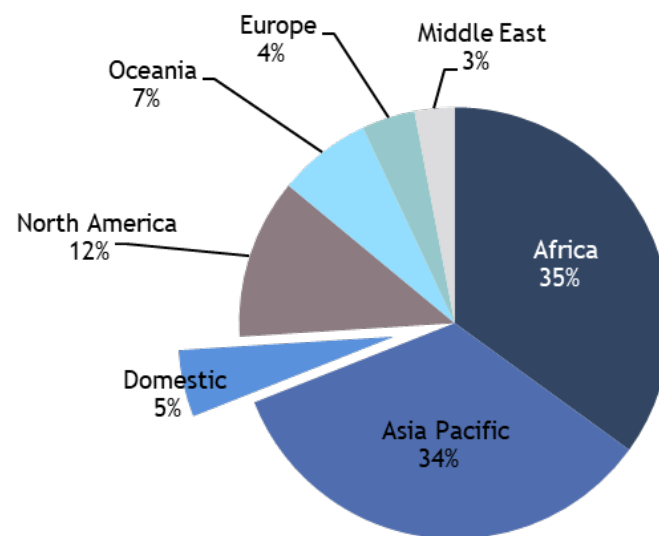
Operational Statistics (Cont'd)

Sales Revenue by Geography : 1Q17 - 2Q18

Sales Revenue (Million Baht)



2018



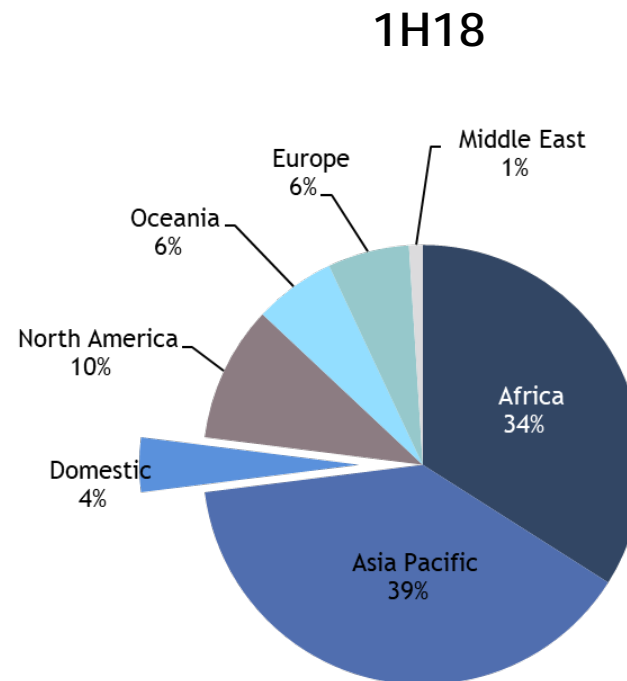
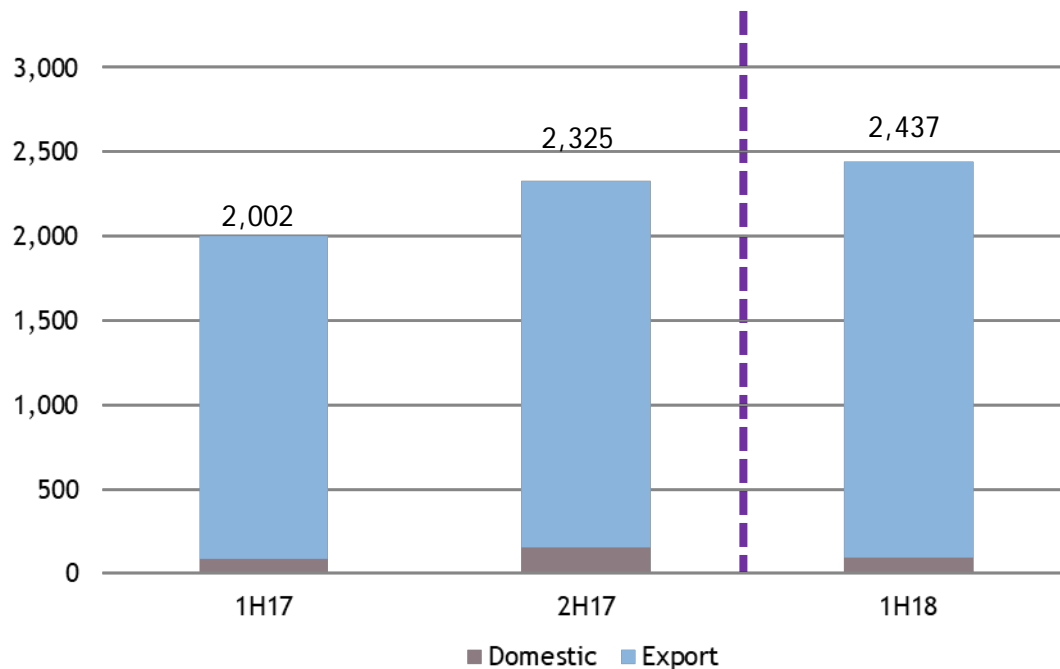
1,230 million baht



Operational Statistics (Cont'd)

Sales Revenue by Geography : 1H17 - 1H18

Sales Revenue (Million Baht)



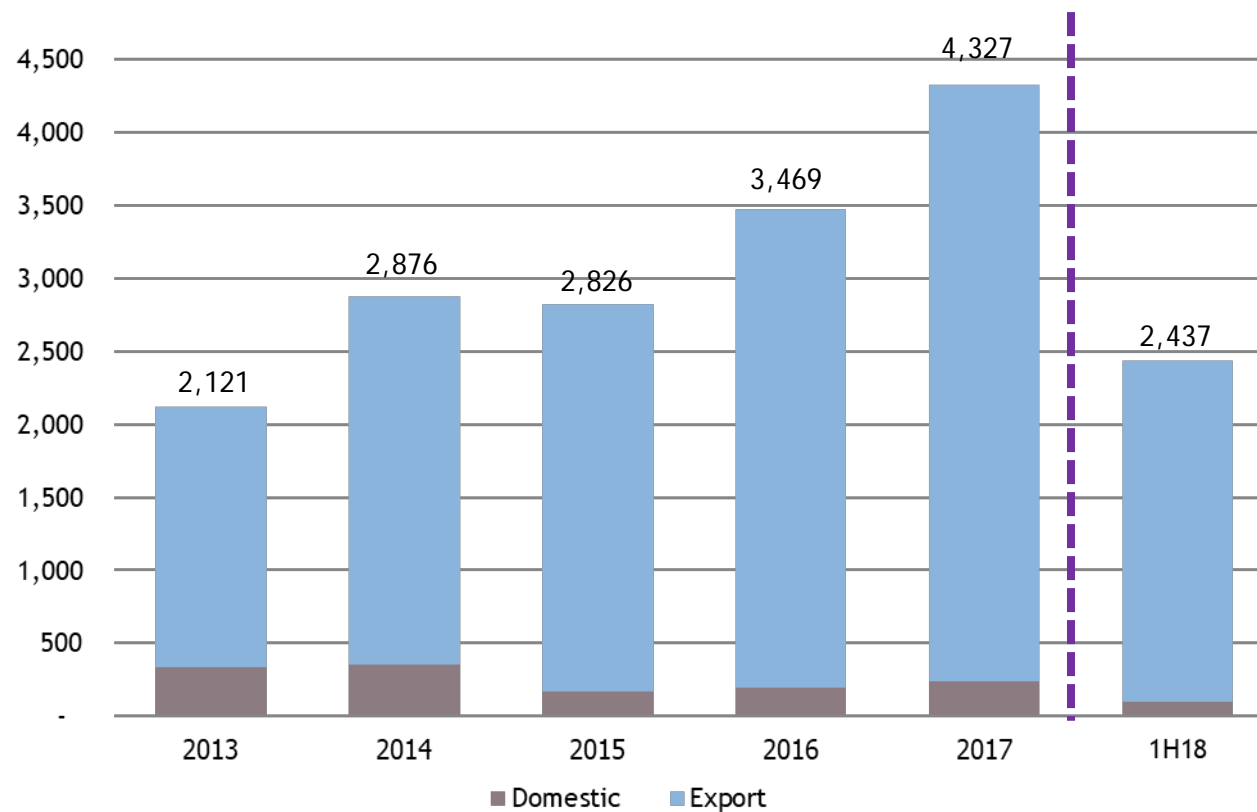
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Operational Statistics (Cont'd)

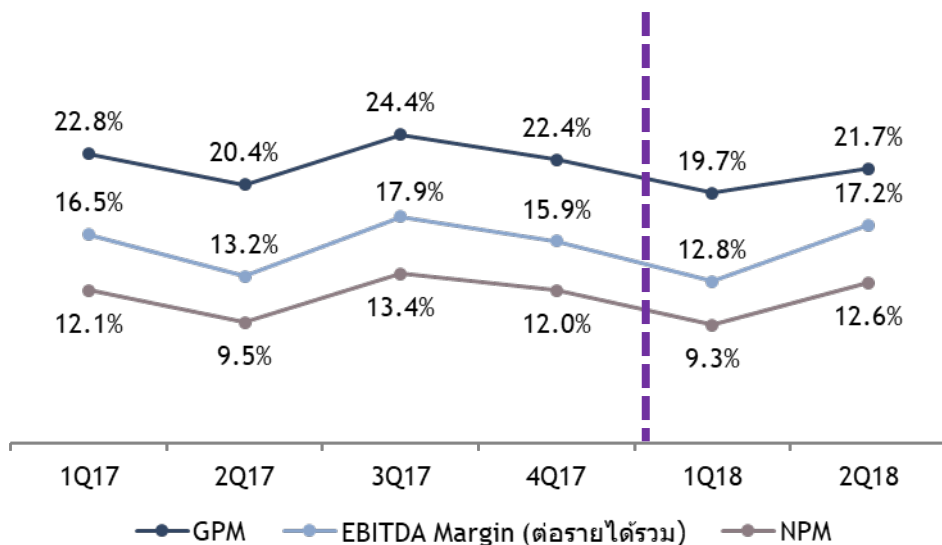
Sales Revenue by Geography : 2013 - 1H18

Sales Revenue (Million Baht)

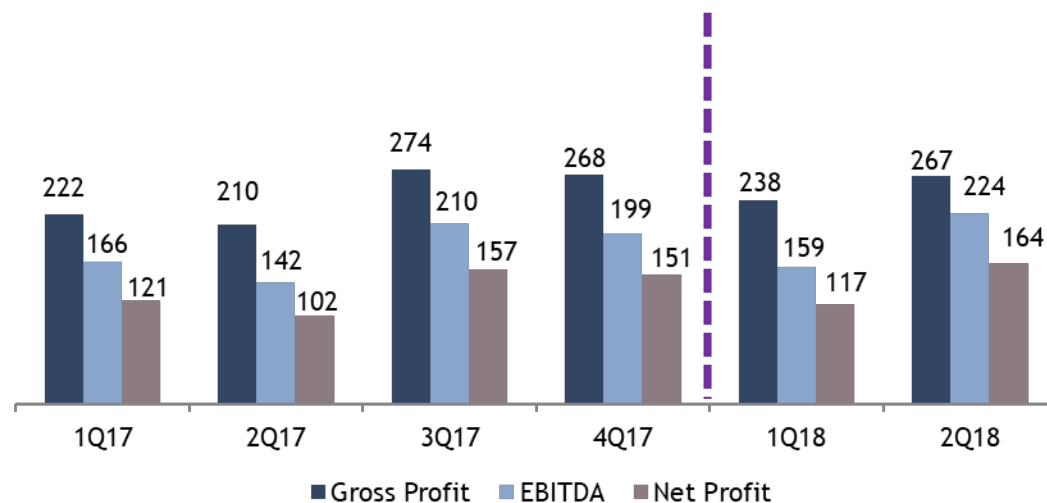


Operational Statistics (Cont'd)

GPM, EBITDA Margin and NPM (%) 1Q17-2Q18



Gross Profit, EBITDA and Net Profit (MB) 1Q17-2Q18

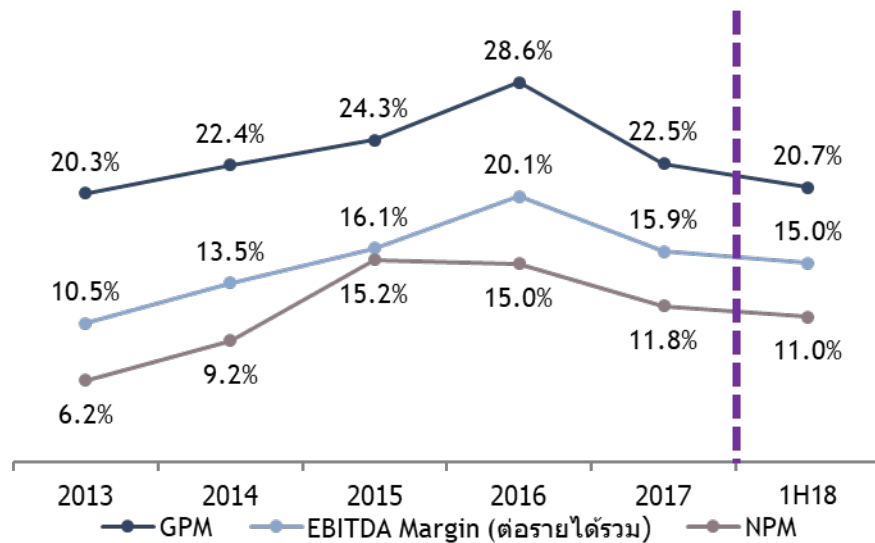


- GPM, EBITDA Margin and NPM of 2Q18 increased from 1Q18 due to weaker value of Baht and an increase in sale price as from an increase in raw materials

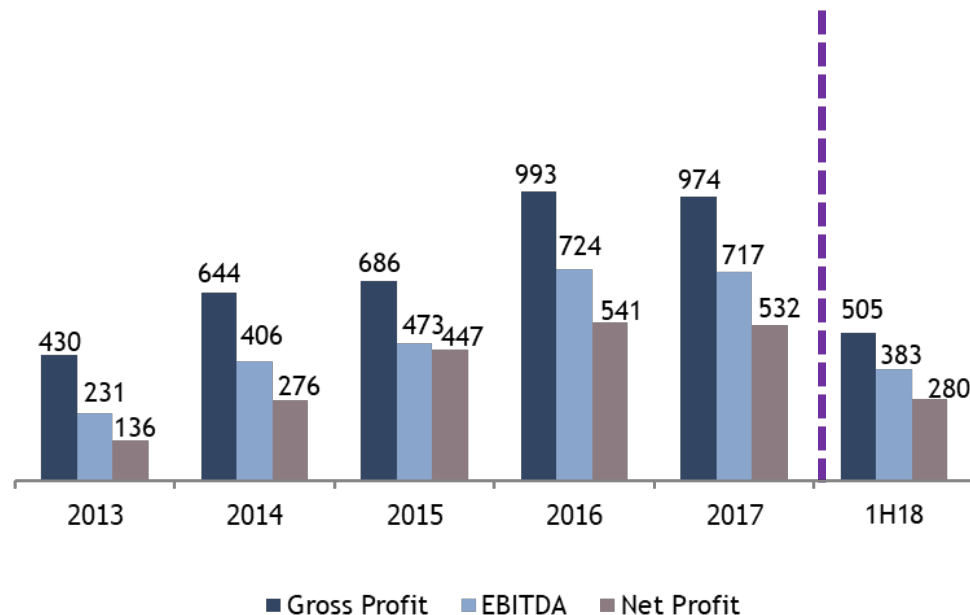


Operational Statistics (Cont'd)

GPM, EBITDA Margin and NPM (%) 2013-1H18

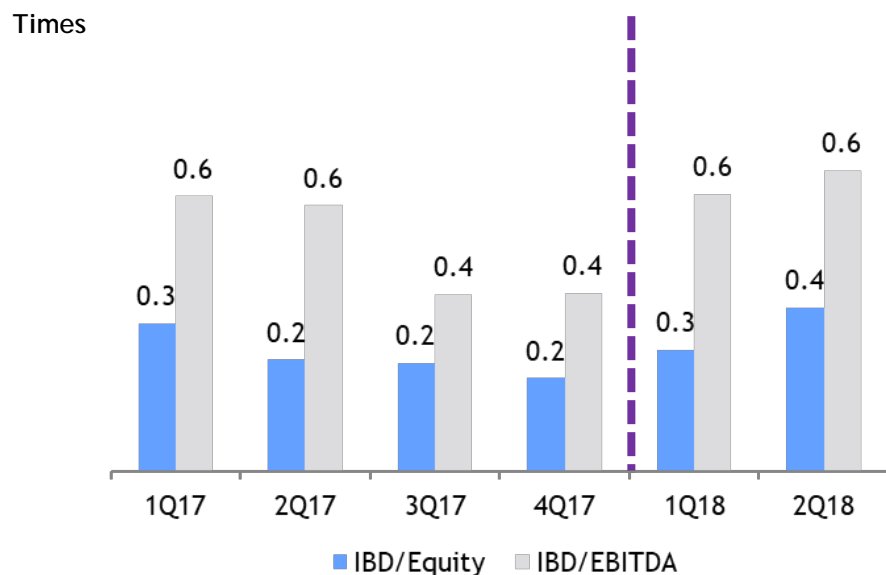


Gross Profit, EBITDA and Net Profit (MB) 2013-1H18

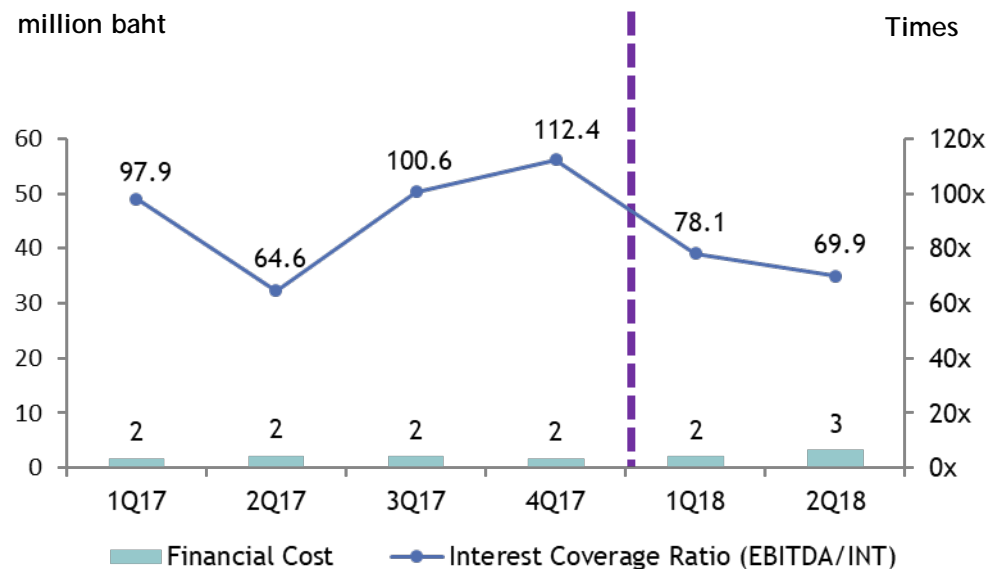


Operational Statistics (Cont'd)

IBD* to Equity Ratio, IBD* to EBITDA Ratio (times)
1Q17-2Q18



Financial Cost (million baht), Interest Coverage Ratio (times)
1Q17-2Q18



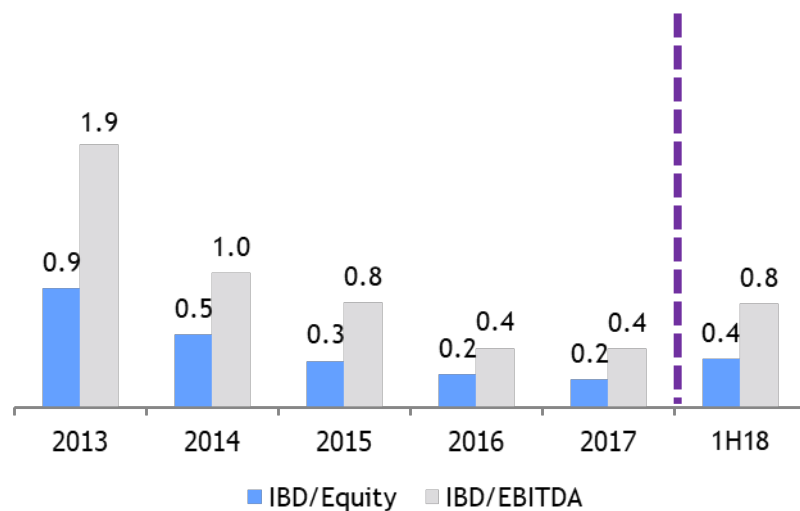
- IBD to Equity and IBD to EBITDA Ratio of 2Q18 increased from 2017 because of an increase in interest expense since the company has to reserve more cash for purchase of raw material and for working capital
- Interest Coverage Ratio of 2Q18 decreased from prior period because of an increase in Interest expense



Operational Statistics (Cont'd)

IBD* to Equity Ratio, IBD* to EBITDA Ratio (times)
2013-1H18

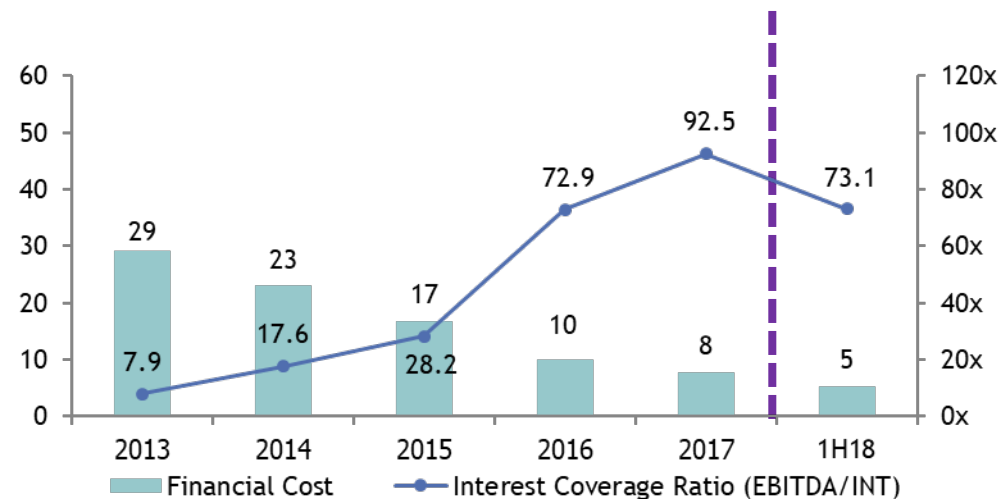
Times



Financial Cost (million baht), Interest Coverage Ratio (times)
2013-1H18

million baht

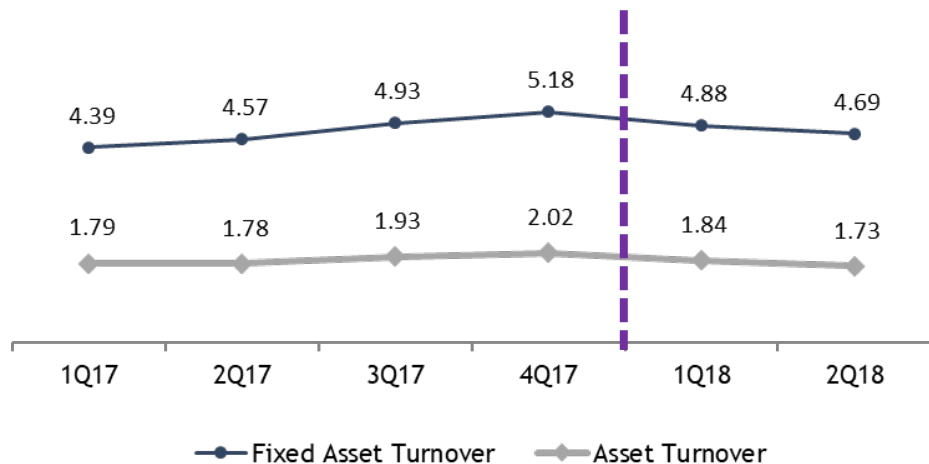
Times



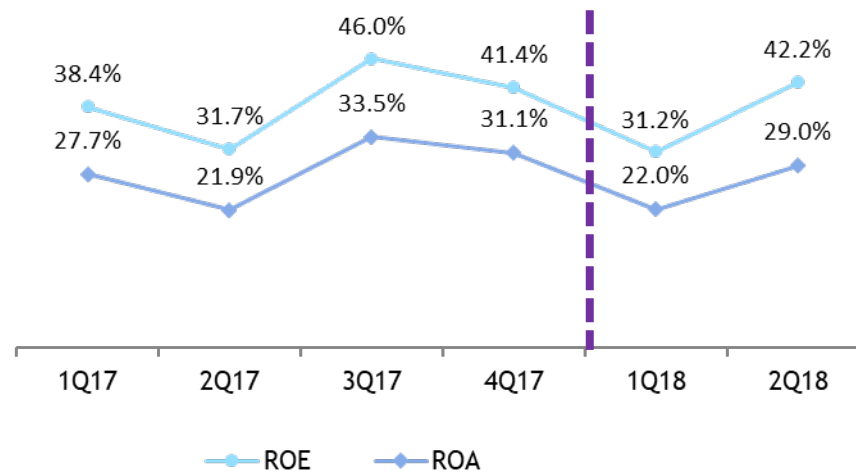
Remarks * IBD = Interest Bearing Debt

Operational Statistics (Cont'd)

Fixed Asset Turnover and Asset Turnover (Times)
1Q17-2Q18



ROE and ROA (%)
1Q17-2Q18

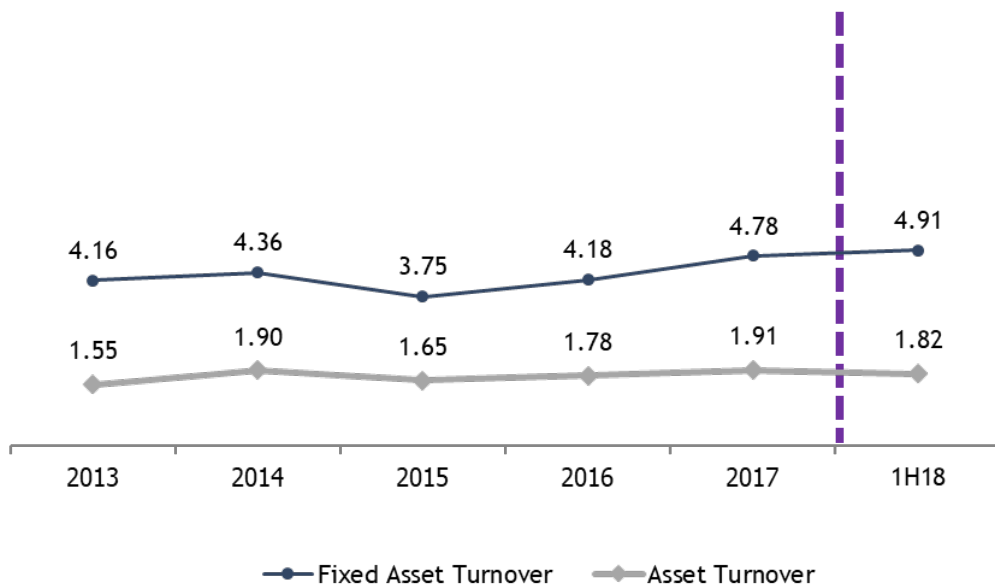


- Fixed Asset Turnover of 2Q18 slightly decrease from prior period because the company acquired new land in 1Q18
- Asset Turnover of 2Q18 slightly decrease from prior period because of an increase in inventory (Steel and Finished goods)
- ROE and ROA of 2Q18 increased from 1Q18 because of an increase in net income from better profitability

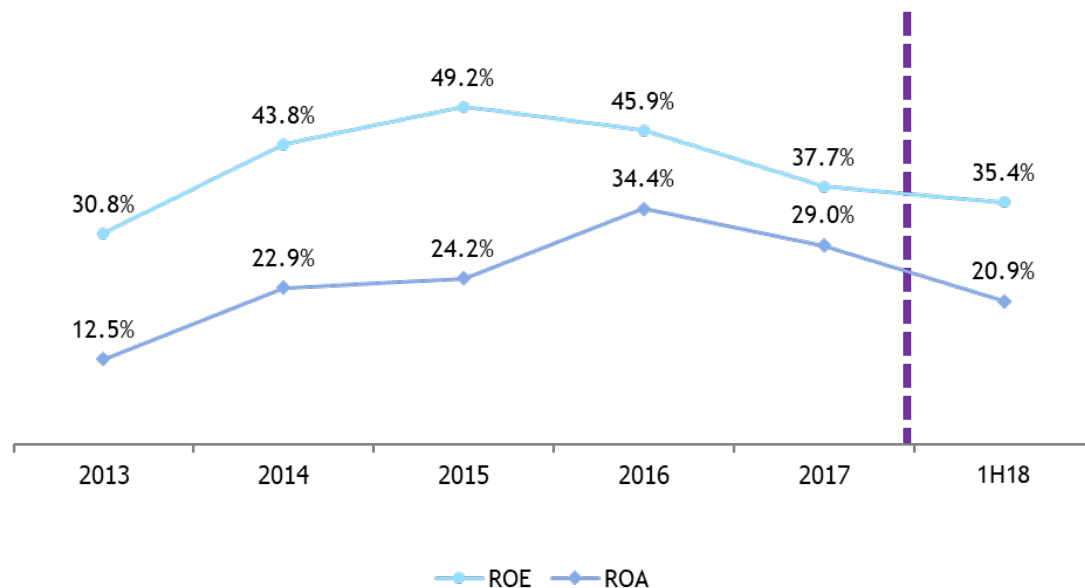


Operational Statistics (Cont'd)

Fixed Asset Turnover and Asset Turnover (Times)
2013-1H18

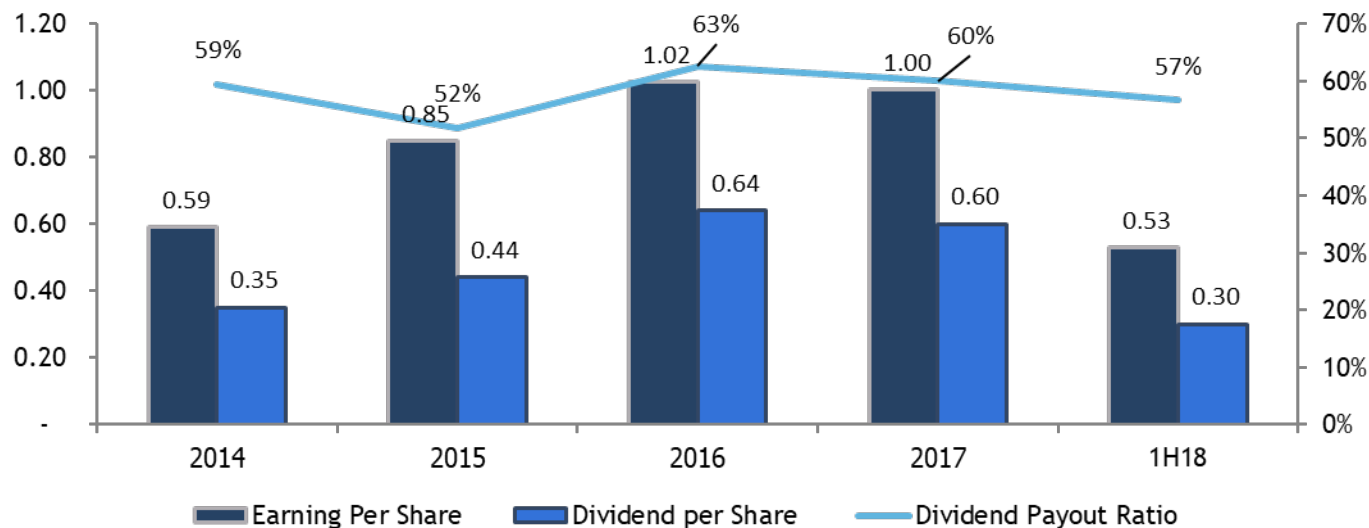


ROE and ROA (%)
2013-1H18





Dividend Payment History



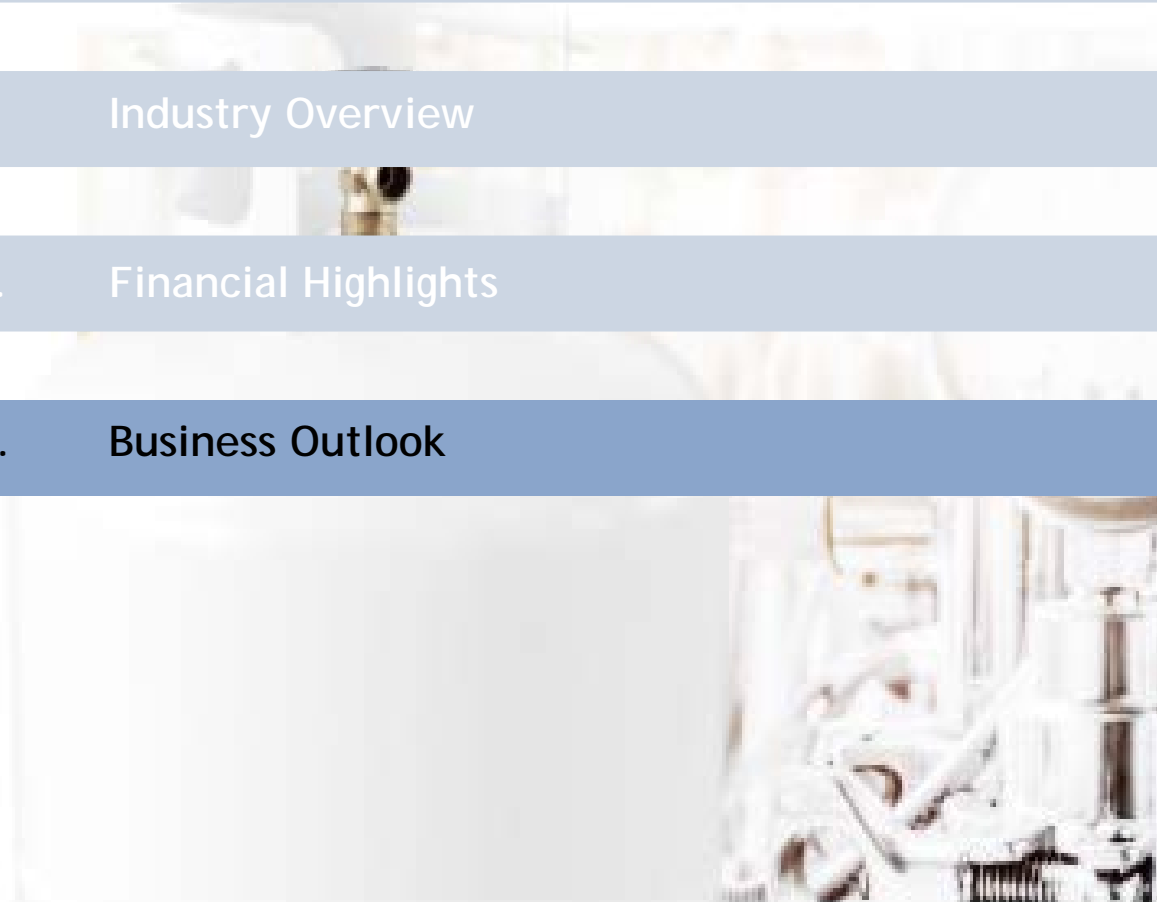
	2014	2015	2016	2017	1H18
FS publication day	2/12/2015	2/11/2016	15/2/2017	14/2/2018	10/8/2018
Price per share	7.58	11.00	16.60	13.40	12.90
Dividend per share	0.35	0.44	0.64	0.60	0.30
Earning Per Share	0.59	0.85	1.02	1.00	0.53
Dividend Yield per year	4.6%	4.0%	3.9%	4.5%	4.7%
Dividend Amount (MB)	163.89	231.84	338.62	319.18	160.66
Dividend Payout Ratio	59%	52%	63%	60%	57%

Remarks: *The Company began paying Dividend since 2014



Agenda

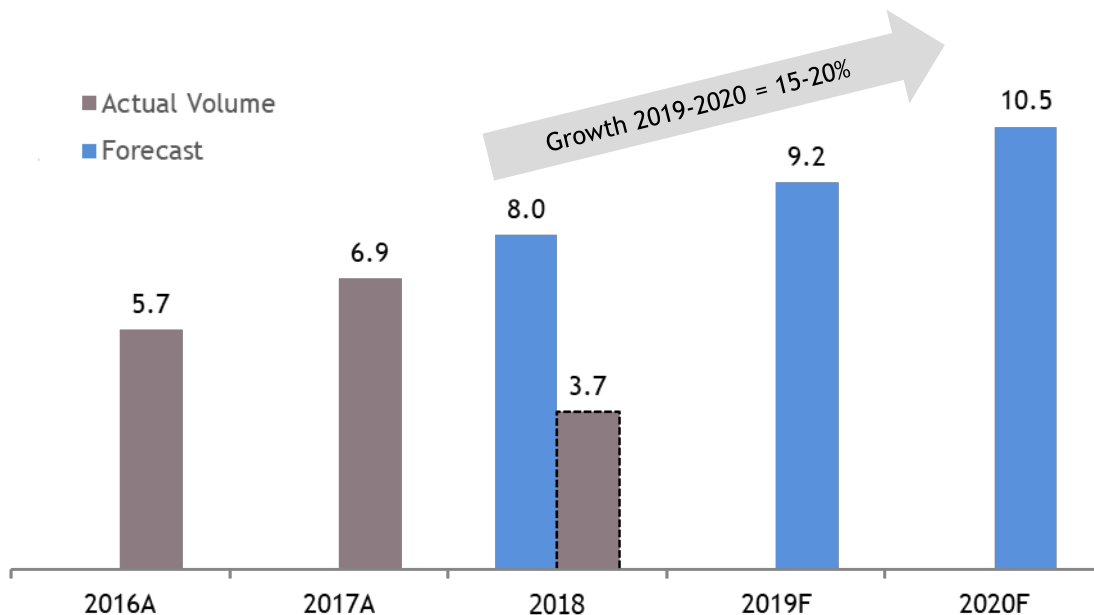
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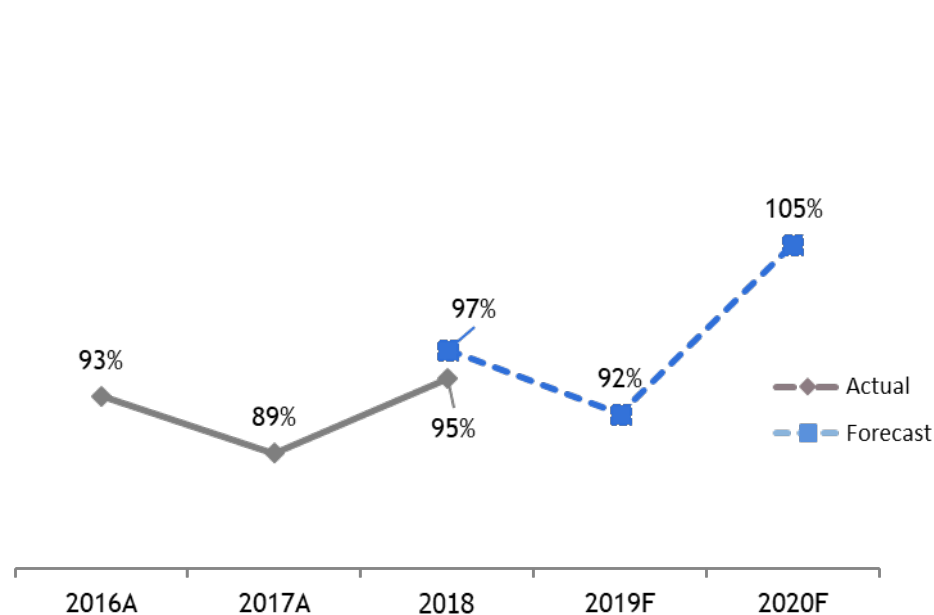


2018 Target and Future Growth Strategy

Projected Sales Volume (million cylinders)



Projected Utilization (%)



Capacity (million cylinder)	2011-2013	2014	2015-2016	2017	2018	2019(F)
Per Year	5.0	5.5	6.2	7.7	8.2 *	10.0
Per Quarter	1.25	1.38	1.55	1.93	2.05	2.50

Remarks: *Capacity will increased to 10.0 million cylinder per year by the end of 2018

2018-2019 Business Plan

2018 (Short)

Process Improvement

- Debottlenecking
- Waste Reduction

Capacity Enhancement

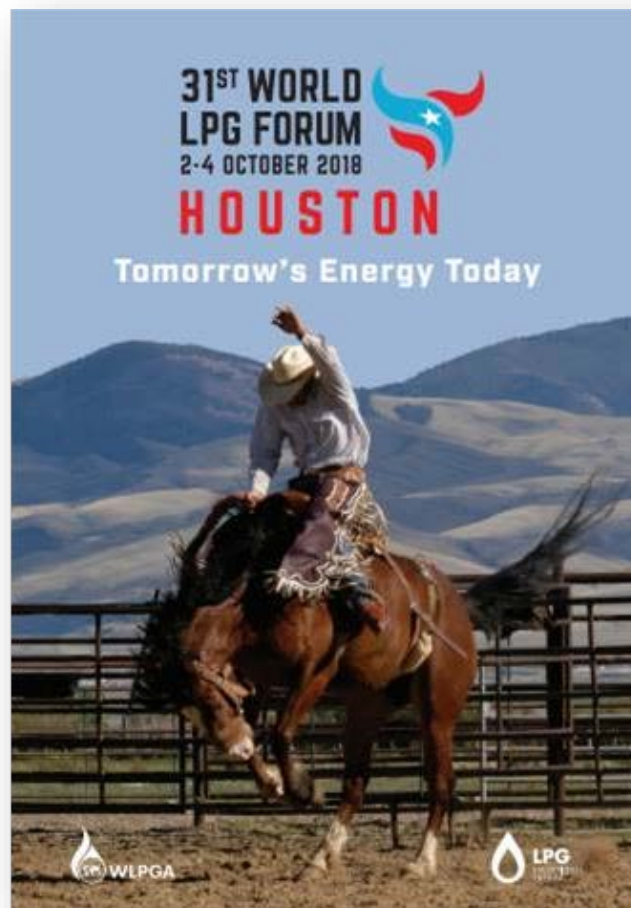
- Target Capacity:
10 million cylinders
by 2018

2019 → (Medium-Long)

Feasibility Study on investing for both domestic and abroad

- Joint with strategic partner

2018 Attend International Exhibition





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THANK YOU

Q&A

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Trusted Cylinder for Your Home
Trusted Partner for Your Business