



Sahamitr Pressure Container Public Company Limited

Opportunity Day-2017 Presentation

Presented by: Mr. Surasak Urpsirisuk
Mrs. Patama Laowong

20 February 2018



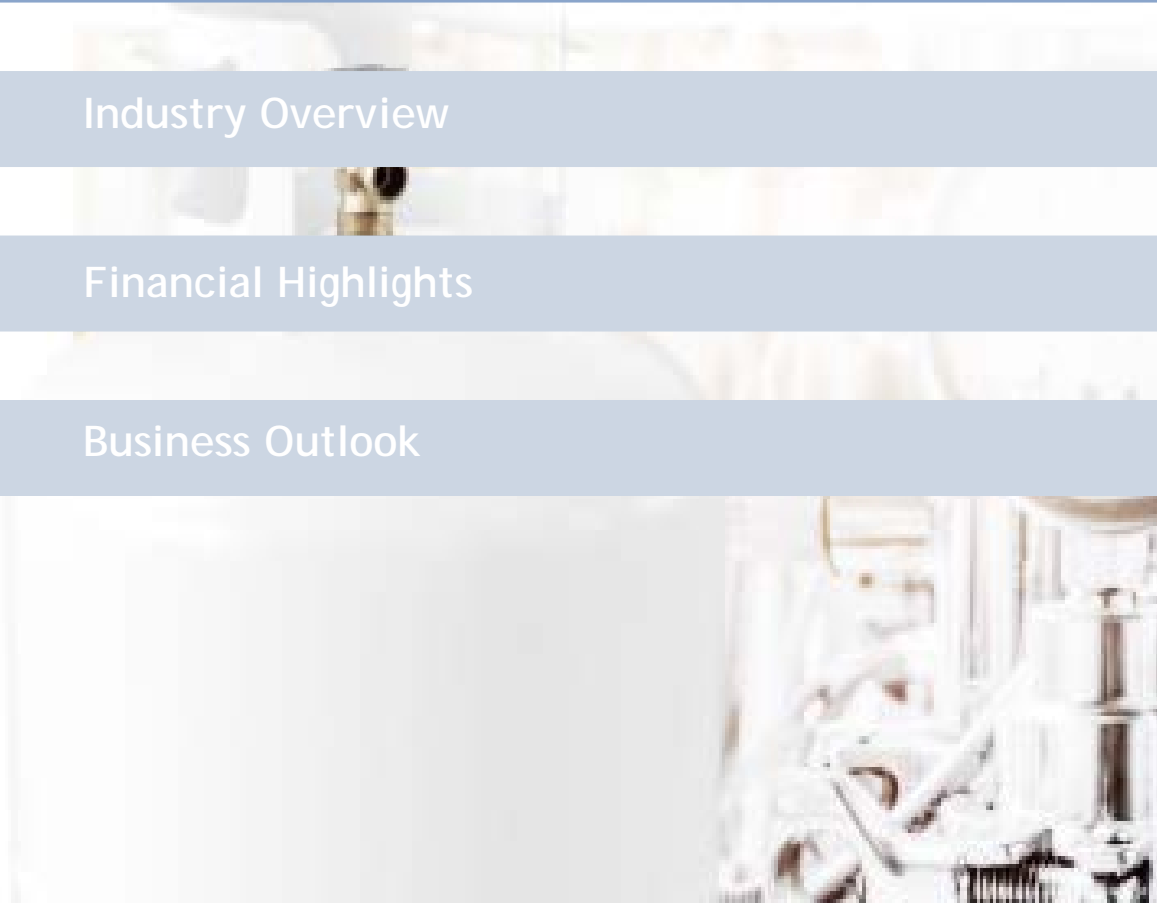
Agenda

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”

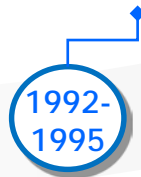
- Established by the “Ekahitanond” family with a capacity of 6.4 million baht
- LPG cylinder production capacity approx. 60,000 cylinders per year



Certified TIS Standard for LPG cylinder manufacturing
“Always Standard”



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



- 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



Annual production capacity reached 5 million cylinders



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.



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



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

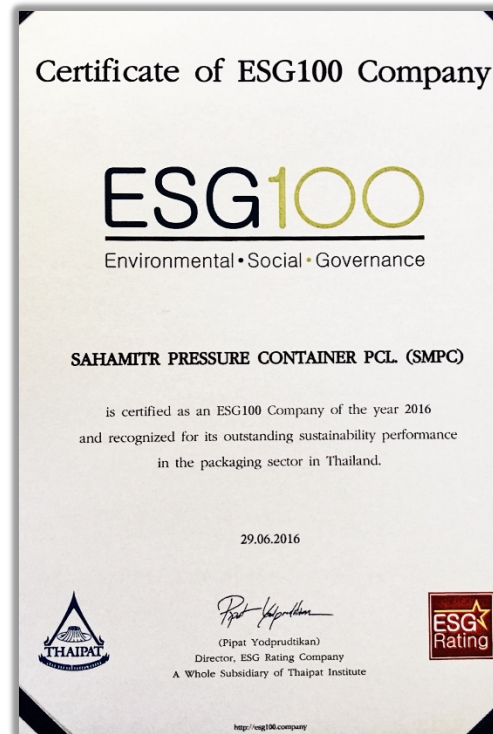


- Paid-up capital increased to THB 529 million due to ESOP exercise
- ESG100 Award from Thaipat Institute
- CAC member for Anti-Corruption Practice



- Paid-up capital increased to THB 532 million due to ESOP exercise
- ESG100 Award from Thaipat Institute 2 years in a row
- Capacity increased to 8.2 million by end of 2017
- SET Awards 2017 “Best Company Performance” and Outstanding CEO
- Accredited the ISO 14001 standard

Awarded ESG100 Company 2016-2017



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.

SET Awards 2017



On November 28, 2017, The company received the Best Company Performance in the group of listed companies with market capitalization between 3,000 to 10,000 million Baht, and Outstanding CEO of Company Listed at SET awards 2017.



ISO 14001 standard



On December 26, 2017 the Company was accredited ISO 14001: 2015 from Bureau Veritas





LPG SUMMIT 2017



During February 26-28, 2017, the company attended the 4th 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.





LPG FORUM 2017



During October 3-5, 2017, the company attended the 30th WORLD LPG Forum event at Marrakech, Morocco to promote our company, products and services to prospective and current customers. This annual event also brought SMPC to meet potential customers, international agencies, policy makers, media and LPG industry leader.

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
- In 2017, 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

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

Key Success Factors



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

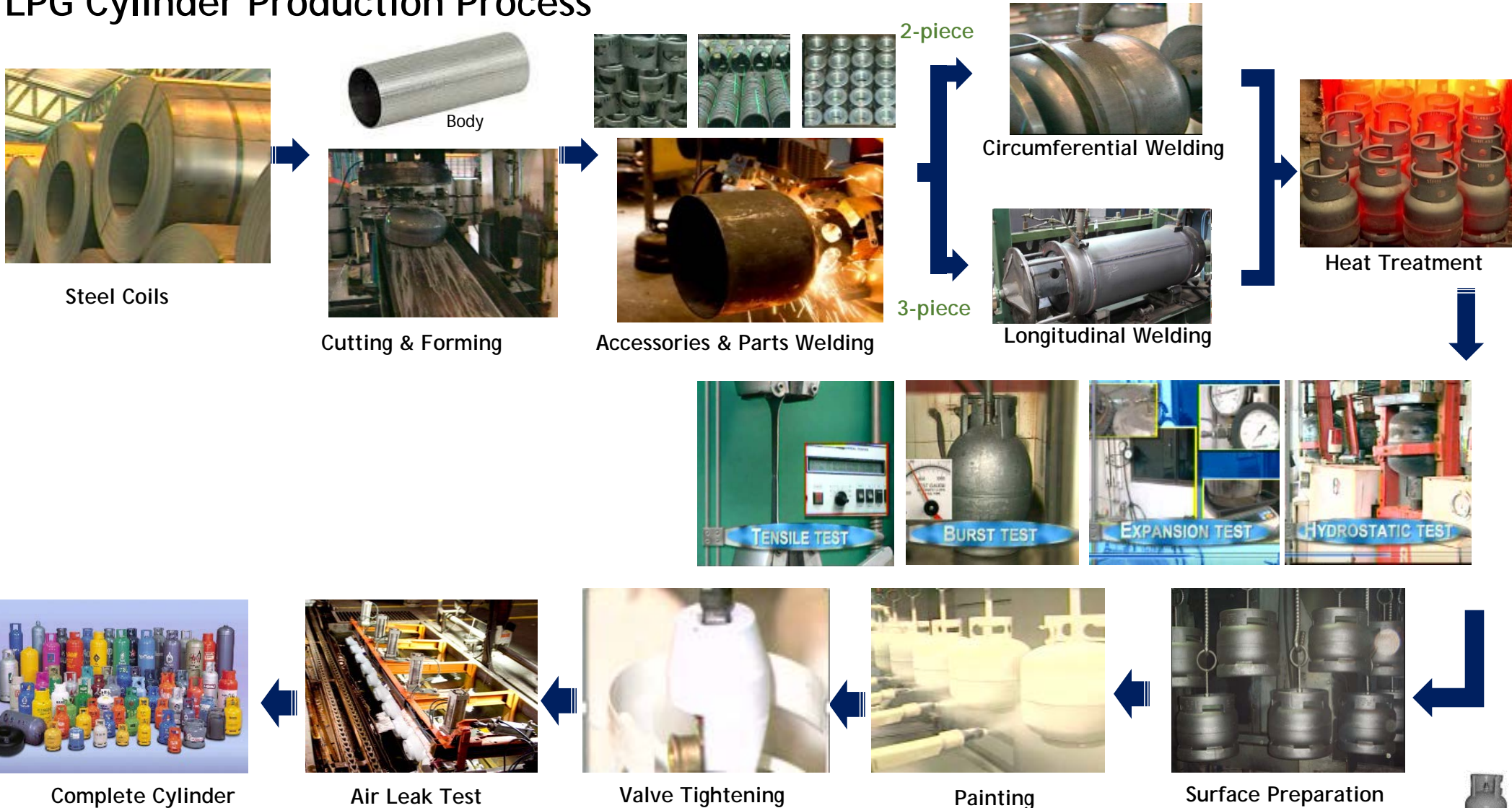


Our customers



And Others Customers

LPG Cylinder Production Process





Agenda

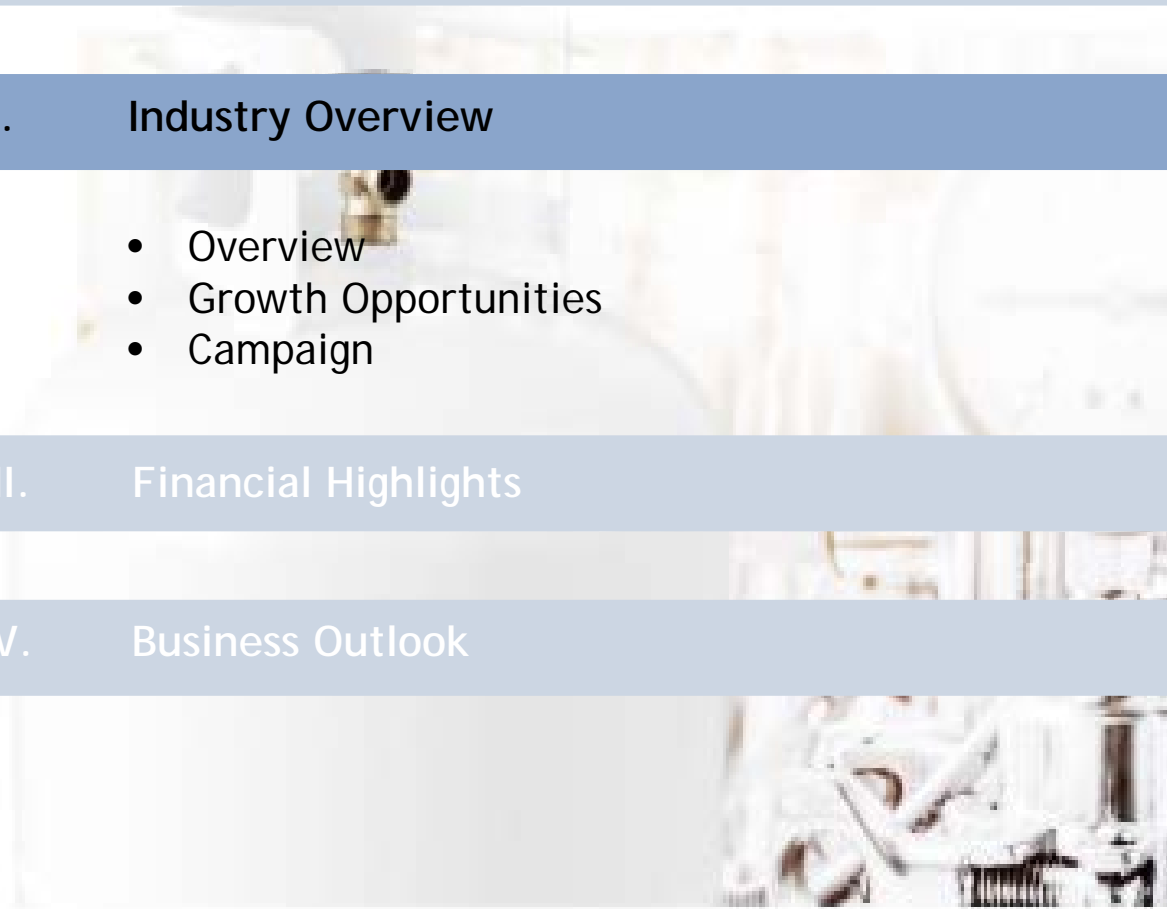
I. SMPC Overview

II. Industry Overview

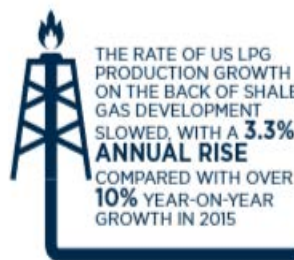
- Overview
- Growth Opportunities
- Campaign

III. Financial Highlights

IV. Business Outlook

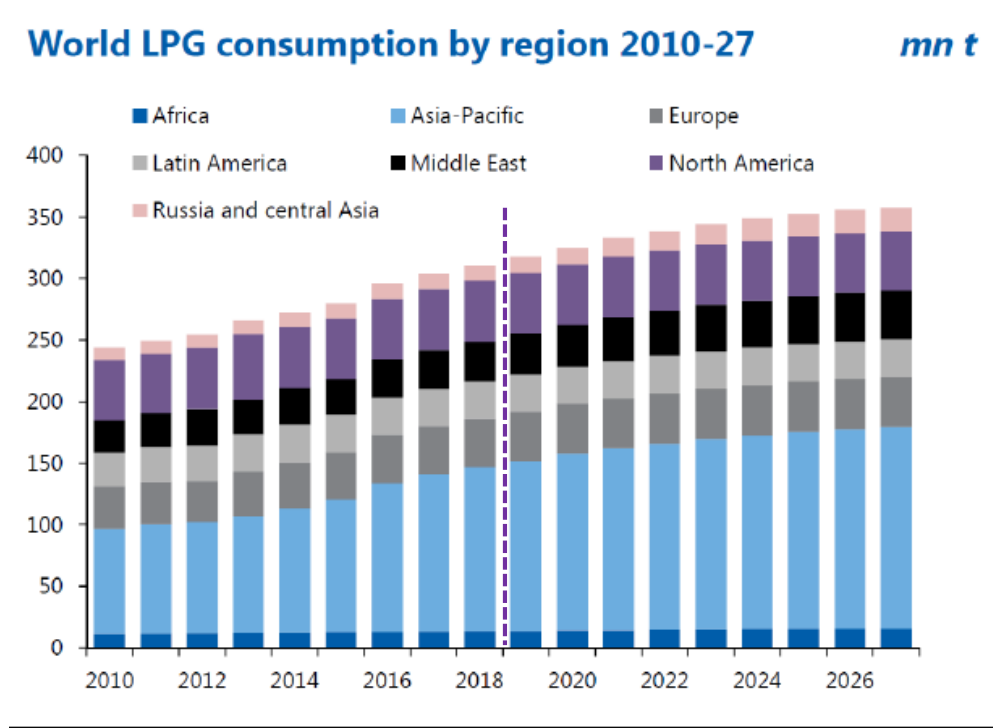


About the Industry



- The report show that Global LPG consumption 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.

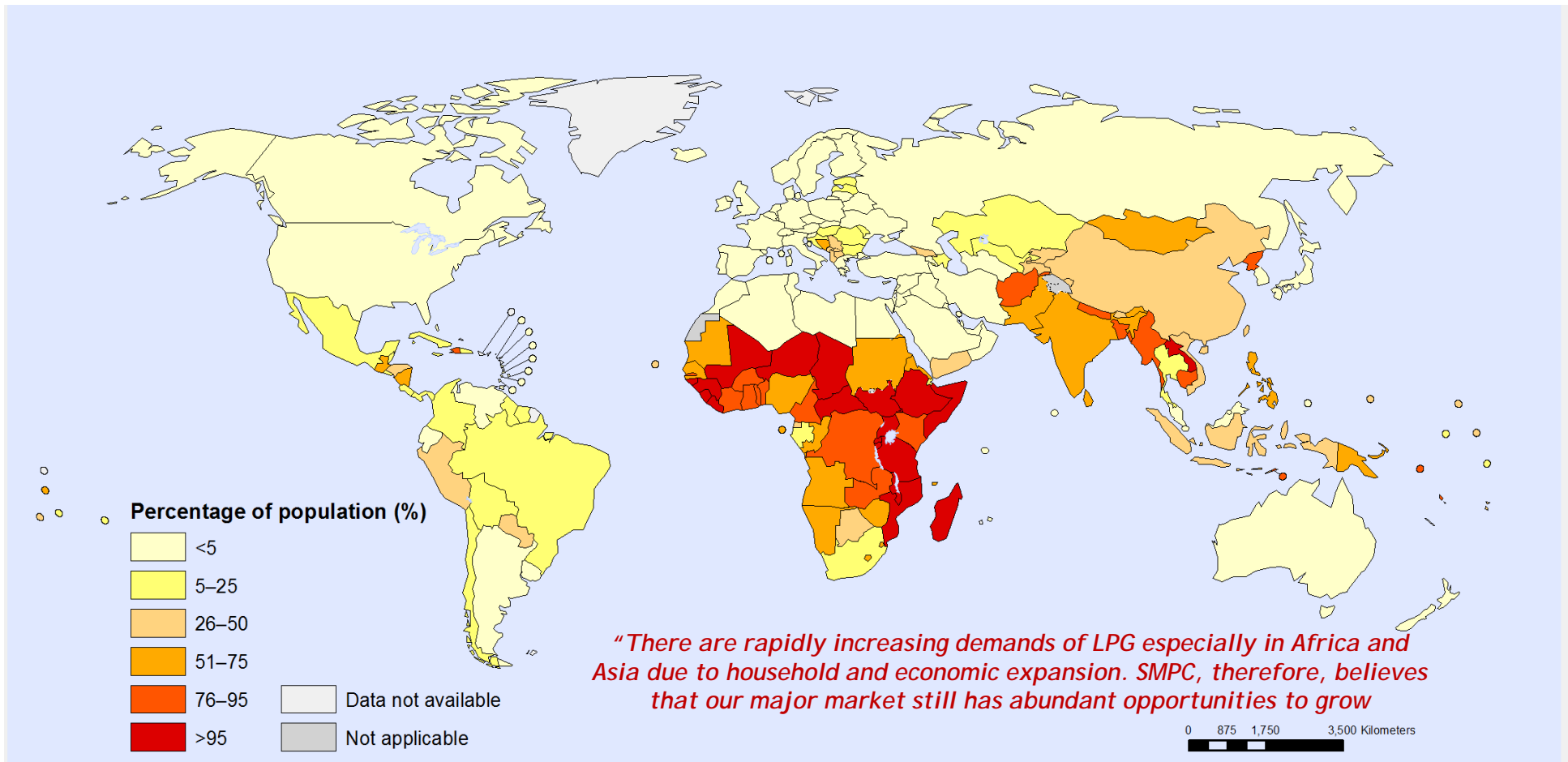
Predicted Global LPG Consumption



- 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

Large Room for Household LPG Demand Growth in Selected Areas

Percentage of Population Using Solid Fuels



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



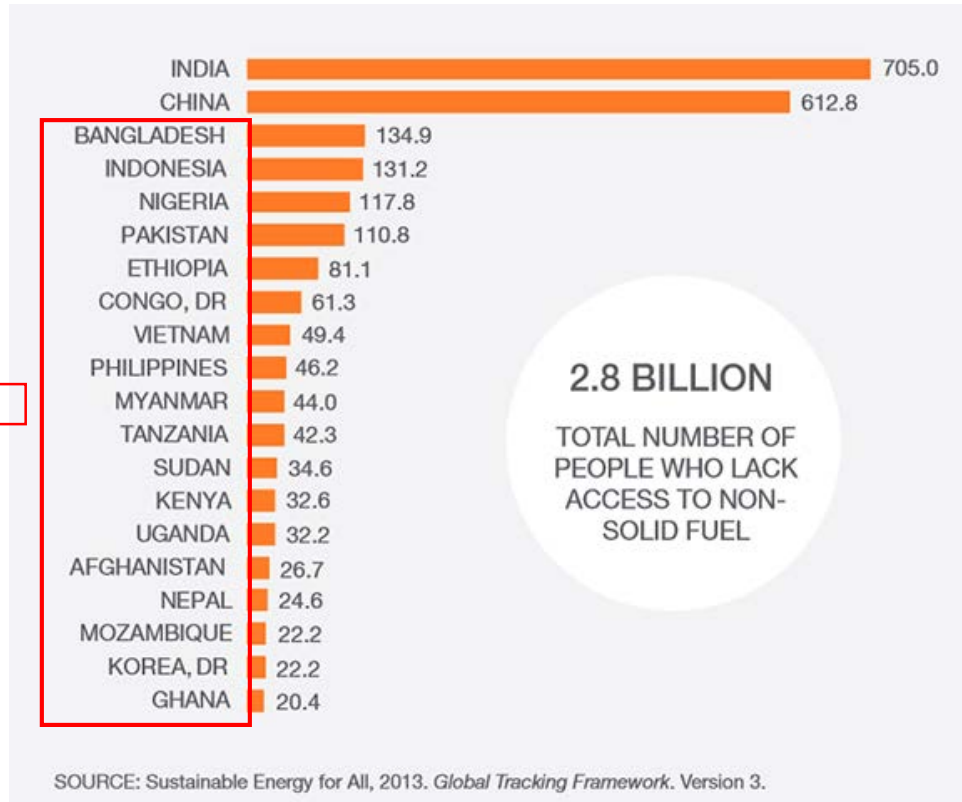
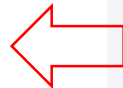
- Using LPG as cooking gas becomes more popular among households in developing countries worldwide
- Some developing countries, such as Kenya, cuts tariff to promote citizen to use LPG as cooking gas
- Some governments subsidize LPG for household uses
- Many countries try to educate people to replace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



Agenda

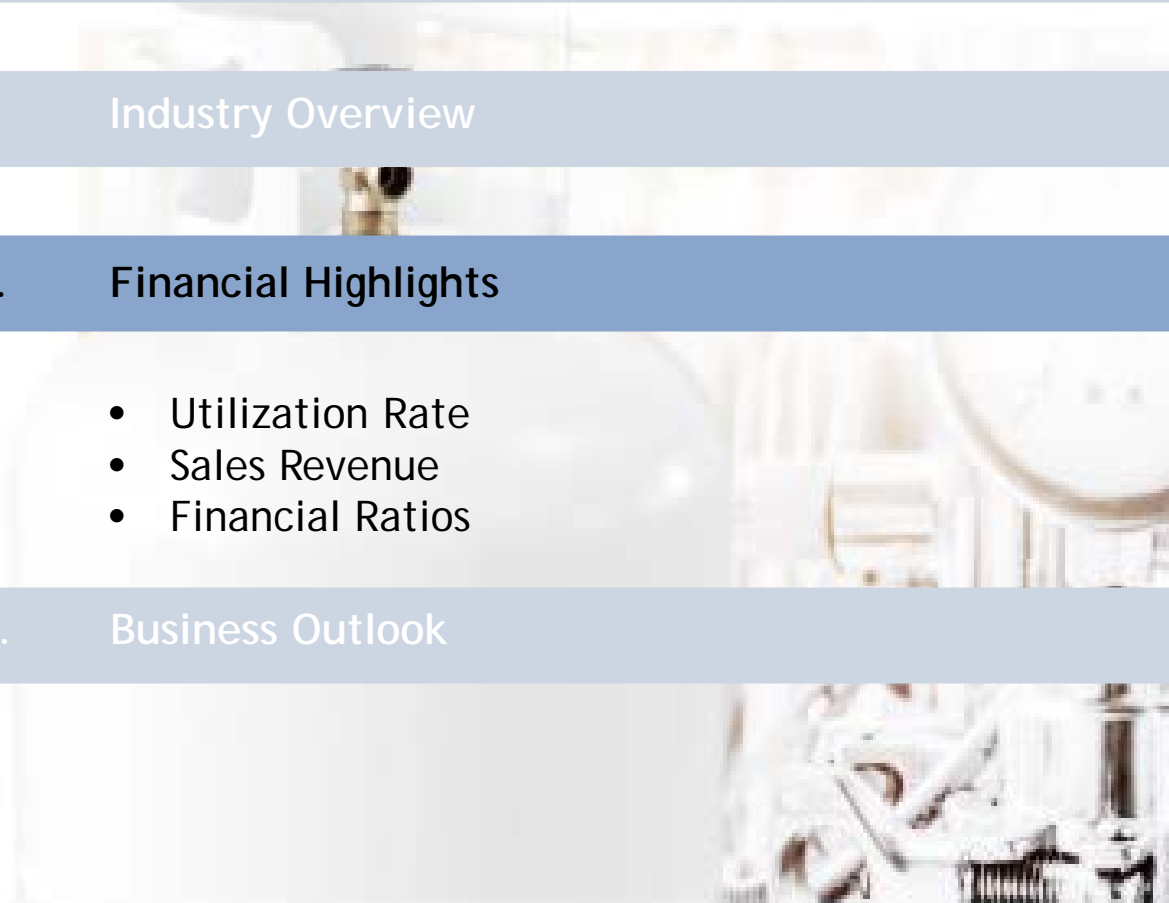
I. SMPC Overview

II. Industry Overview

III. Financial Highlights

- Utilization Rate
- Sales Revenue
- Financial Ratios

IV. Business Outlook

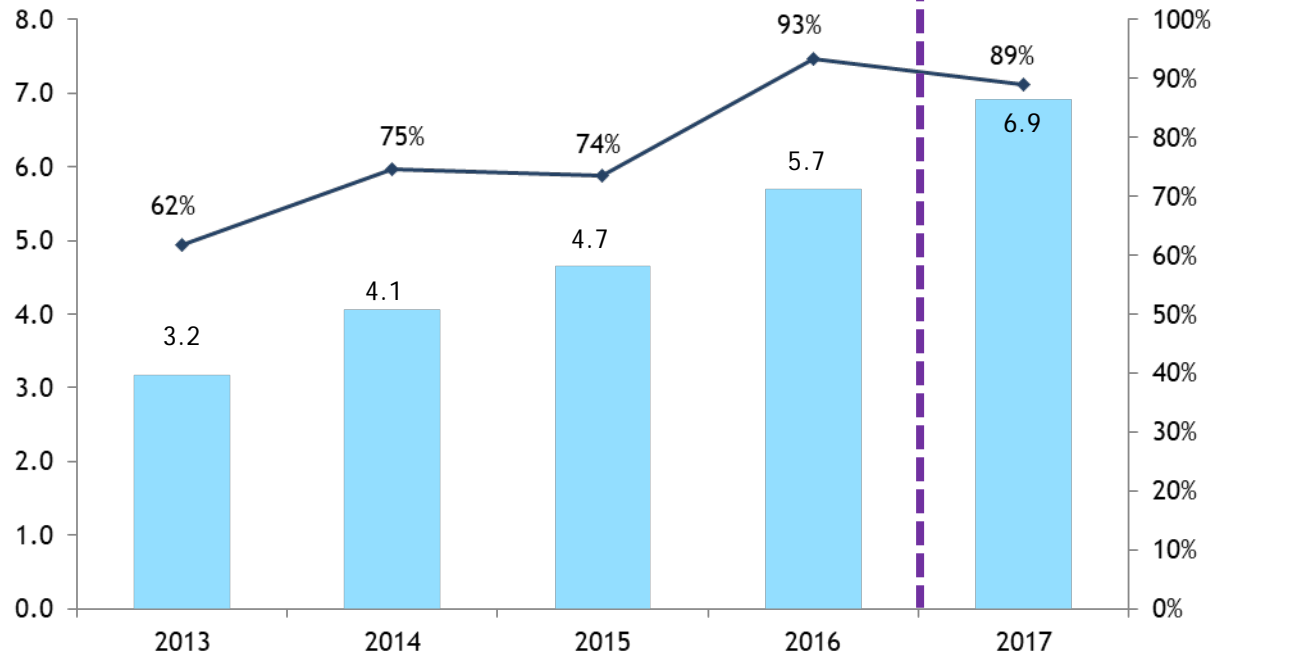




Operational Statistics

Utilization Rate (%) 2013-2017

Sales Volume (Million Cylinders)



Utilization Rate

- Compared to 2016, Utilization Rate of 2017 decrease because Company's capacity increased from 6.2 million cylinders per year in 2016 to 7.2 million cylinders per year in 1H17 and then 8.2 million cylinders per year in 2H17.

Capacity (million cylinder)	2011-2013	2014	2015-2016	1H2017	2H2017
Per Year	5.0	5.5	6.2	7.2	8.2
Per Quarter	1.25	1.38	1.55	1.80	2.05



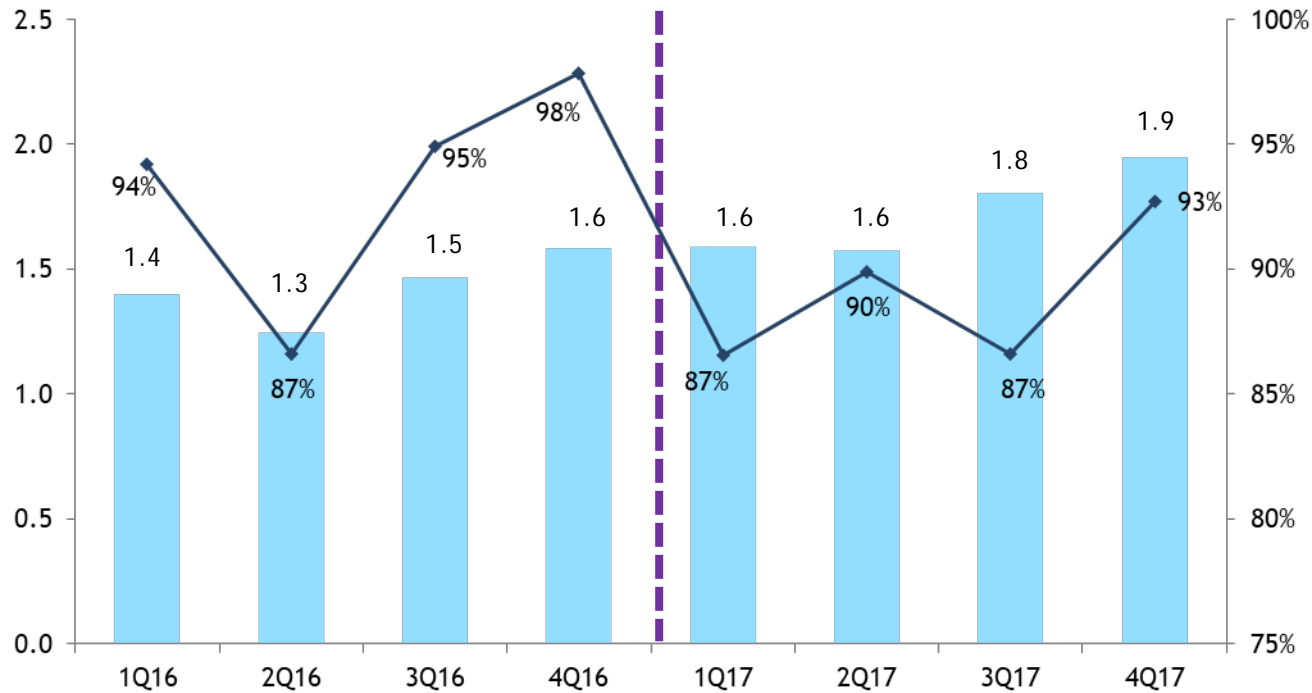


Operational Statistics

Utilization Rate (%) 1Q16-4Q17

Sales Volume (Million Cylinders)

Utilization Rate

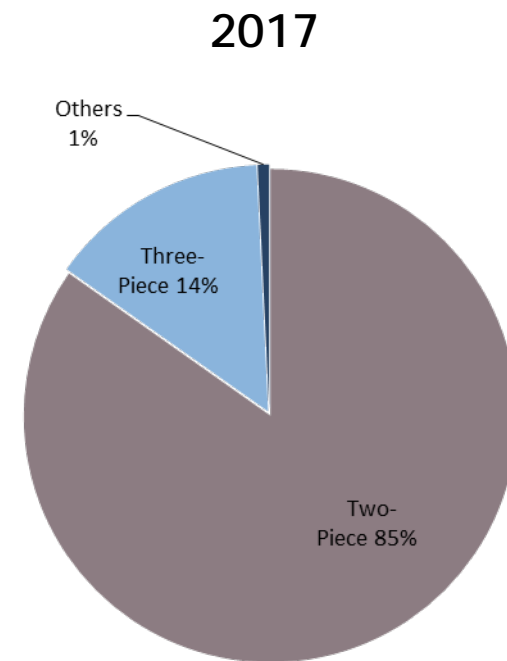
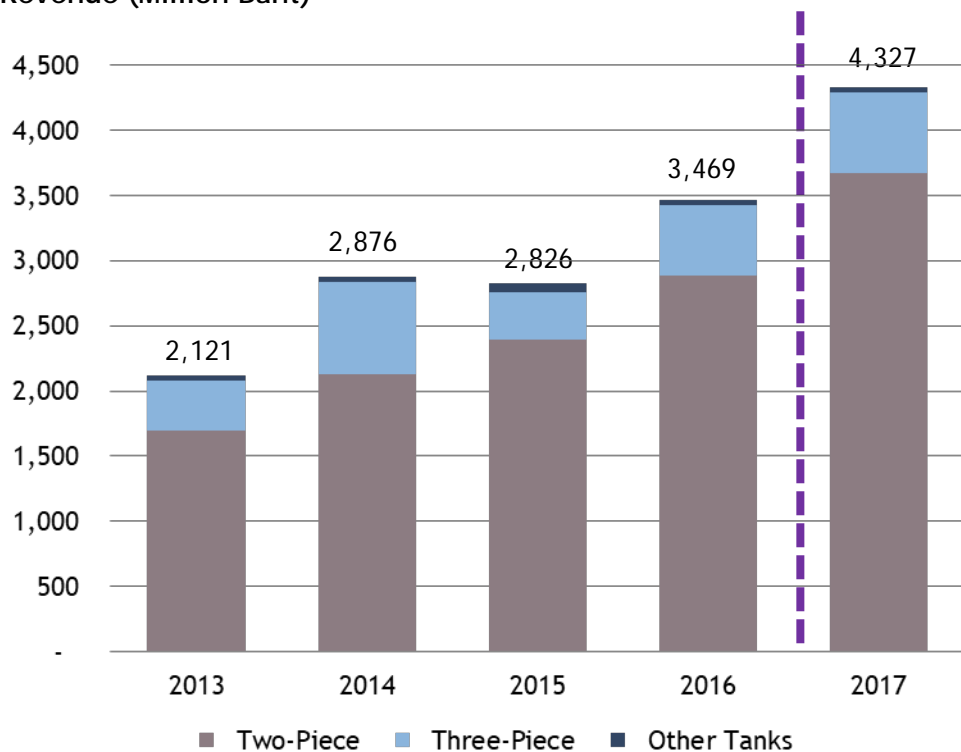




Operational Statistics (Cont'd)

Sale Revenue by Product Category : 2013 -2017

Sales Revenue (Million Baht)



4,327 million baht

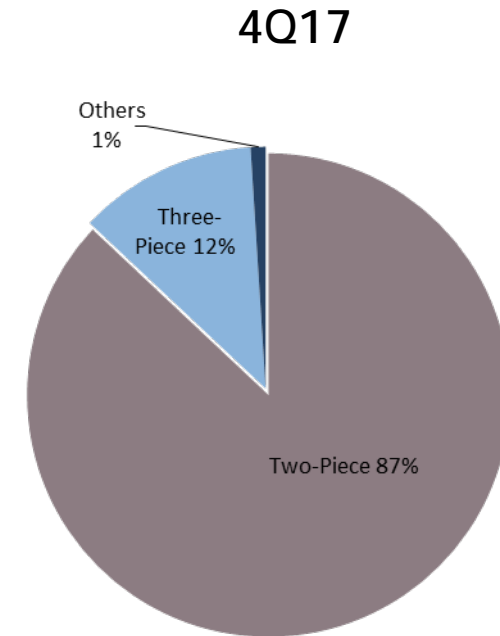
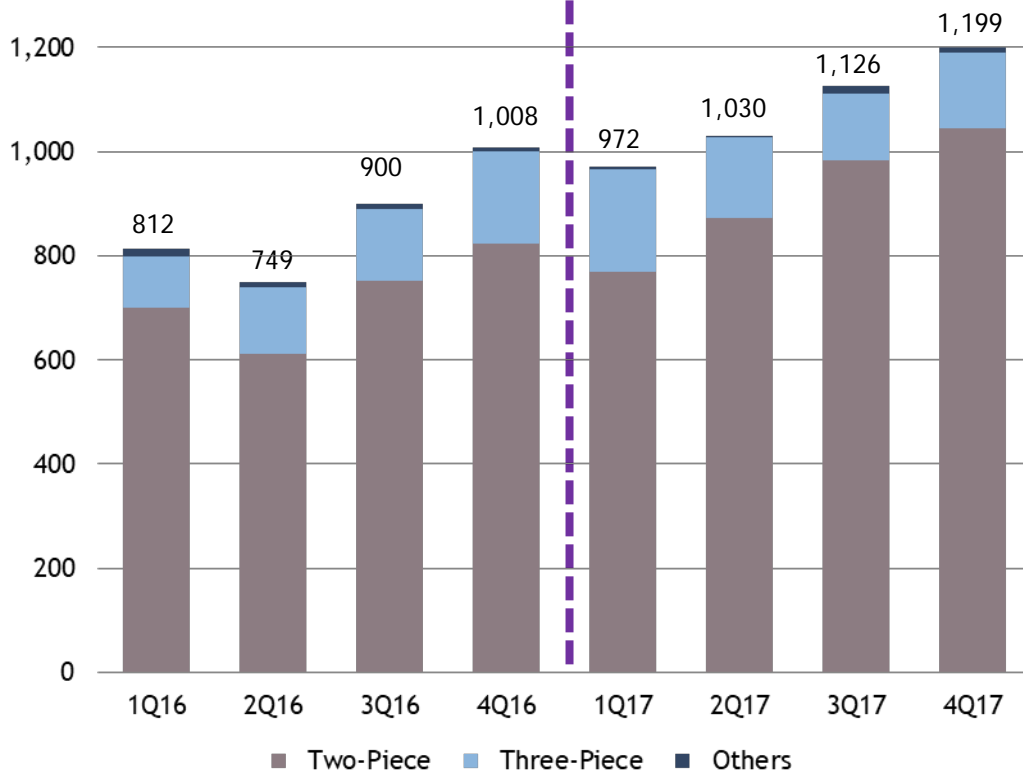




Operational Statistics (Cont'd)

Sales Revenue by Product Category : 1Q16-4Q17

Sales Revenue (Million Baht)



1,199 million baht

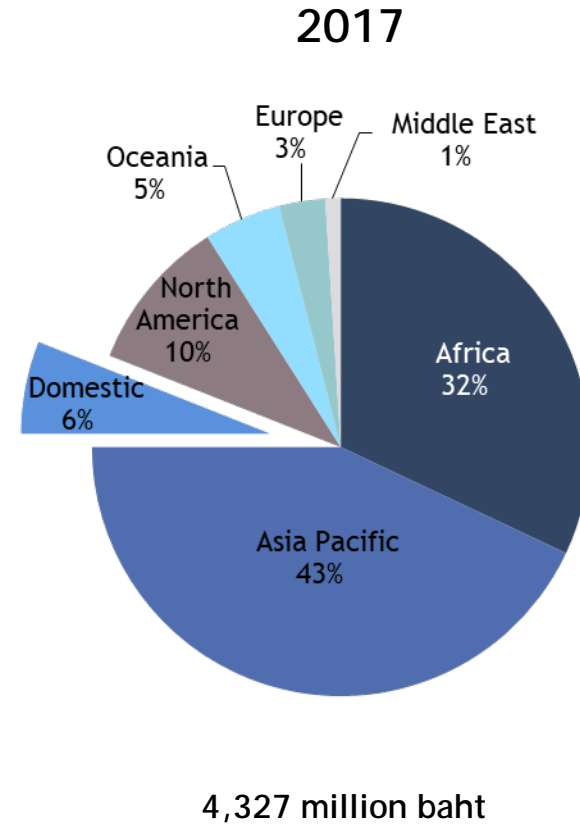
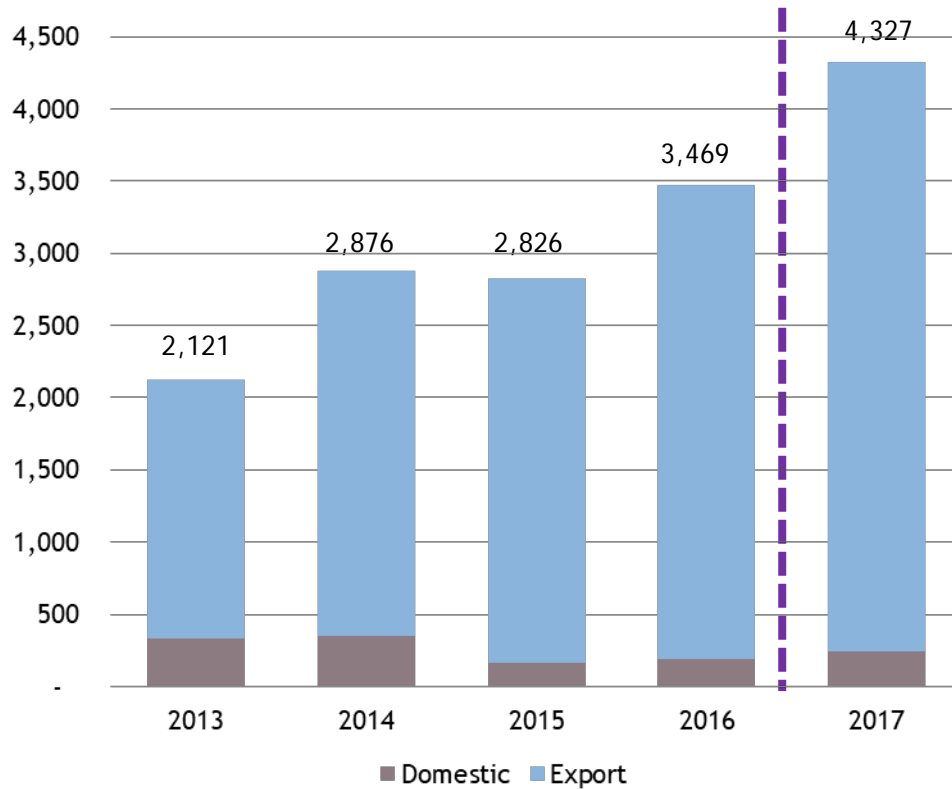




Operational Statistics (Cont'd)

Sales Revenue by Geography : 2013 - 2017

Sales Revenue (Million Baht)



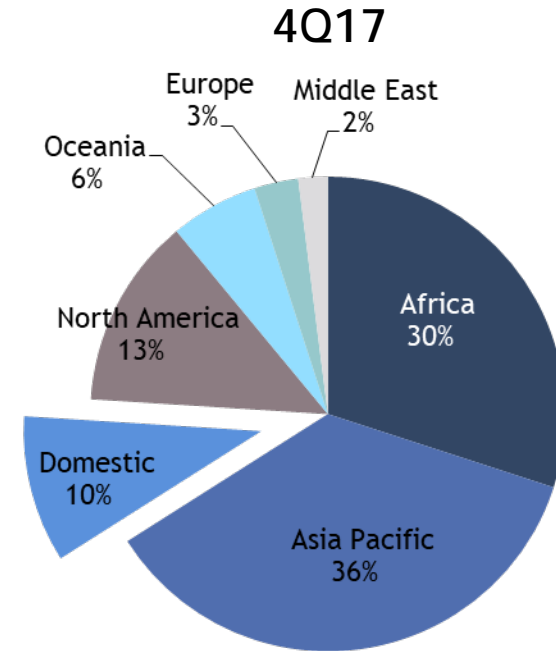
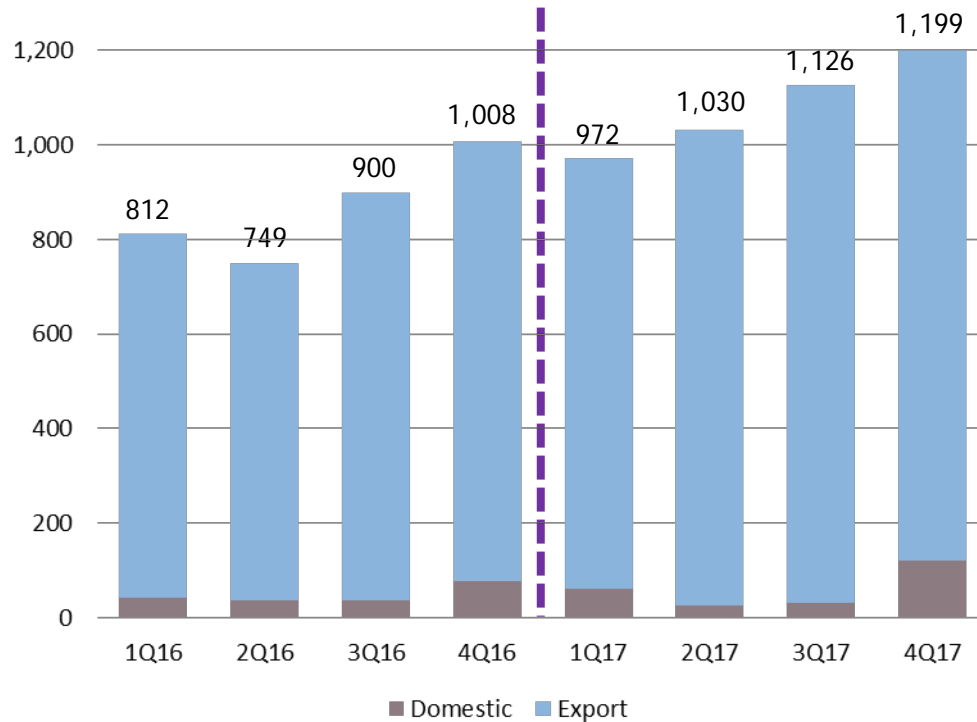
- 90% of total sales are export sales



Operational Statistics (Cont'd)

Sales Revenue by Geography : 1Q16 - 4Q17

Sales Revenue (Million Baht)



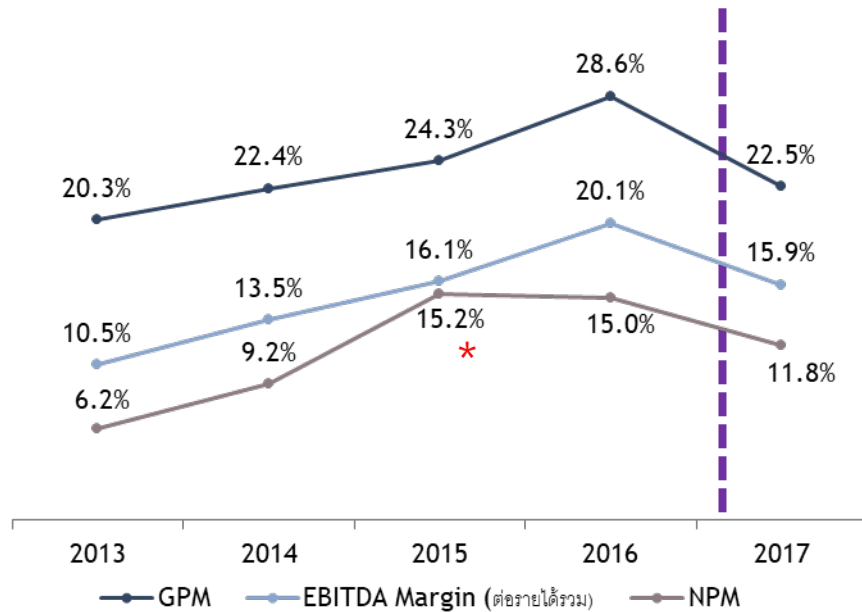
1,199 million baht



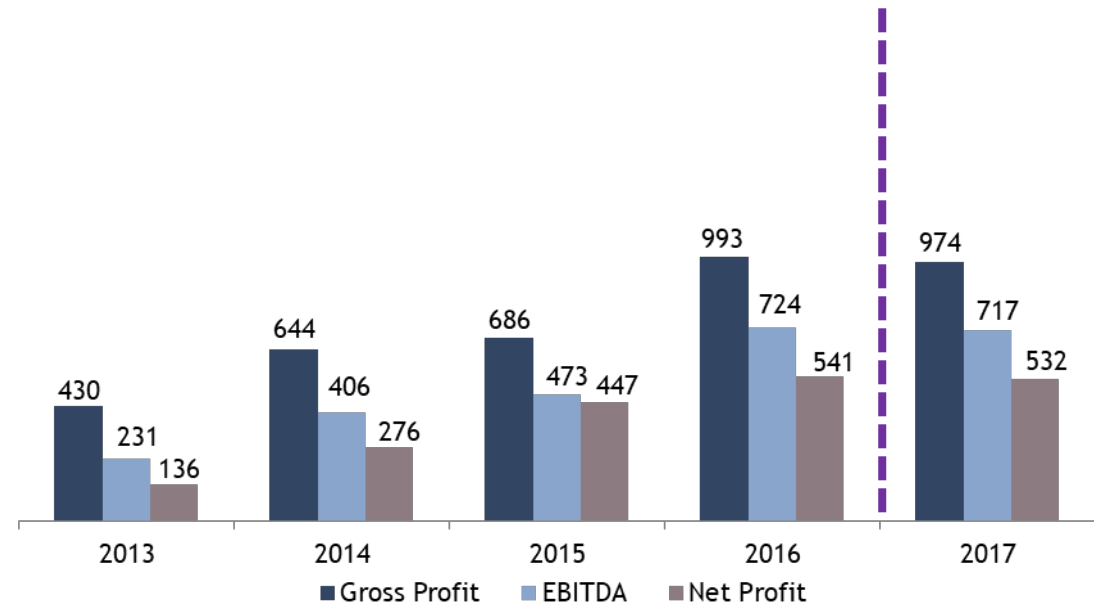


Operational Statistics (Cont'd)

GPM, EBITDA Margin and NPM (%) 2013-2017



GPM, EBITDA and NPM (MB) 2013-2017



- GPM, EBITDA and NPM of 2017 decreased because of an increase in cost of raw materials (steel) and stronger value of Baht currency

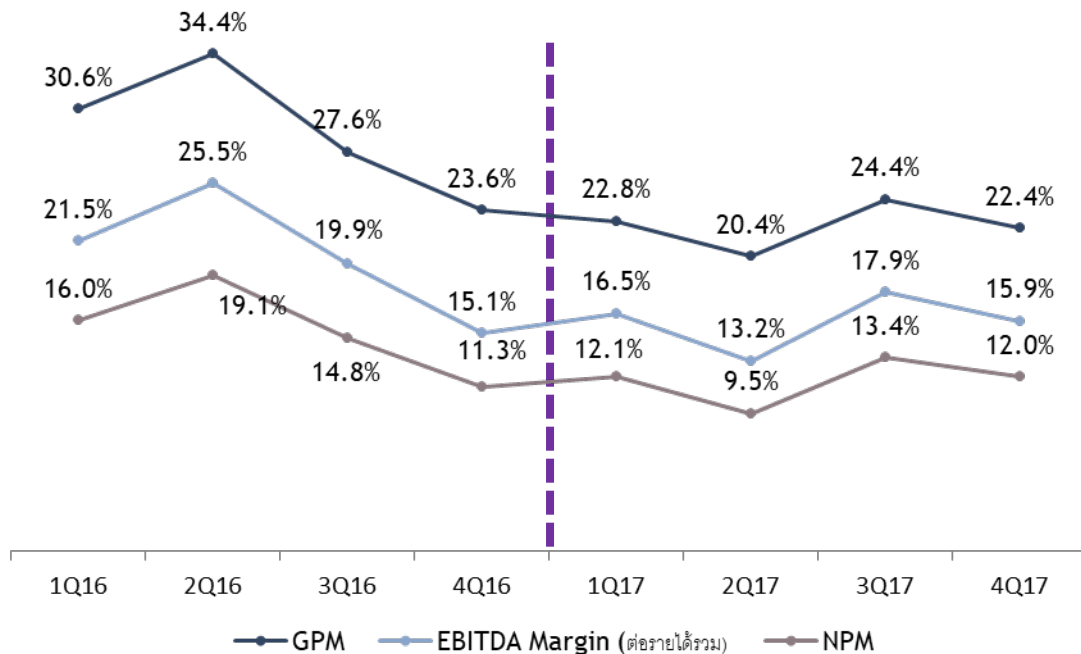
Remarks * NPM of 2015 (NO DTA) = 11%



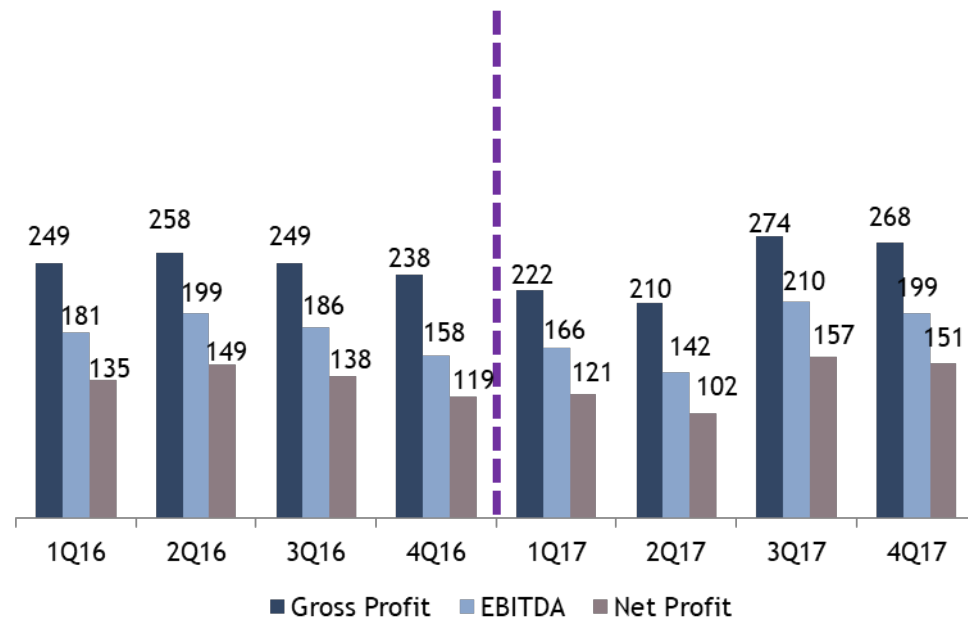


Operational Statistics (Cont'd)

GPM, EBITDA Margin and NPM (%) 1Q16-4Q17



GPM, EBITDA Margin and NPM (MB) 1Q16-4Q17



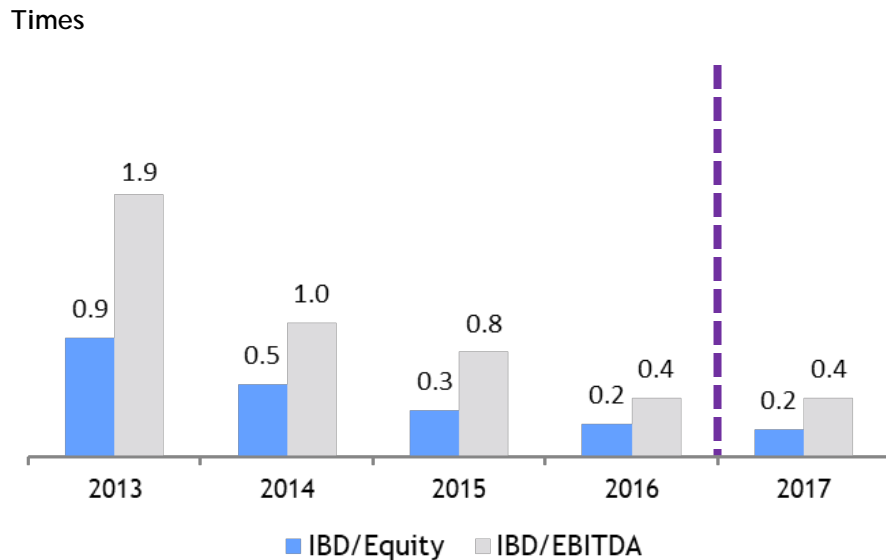
- Cost of raw material (Steel) and stronger value of Baht currency are main factors on Company's profitability



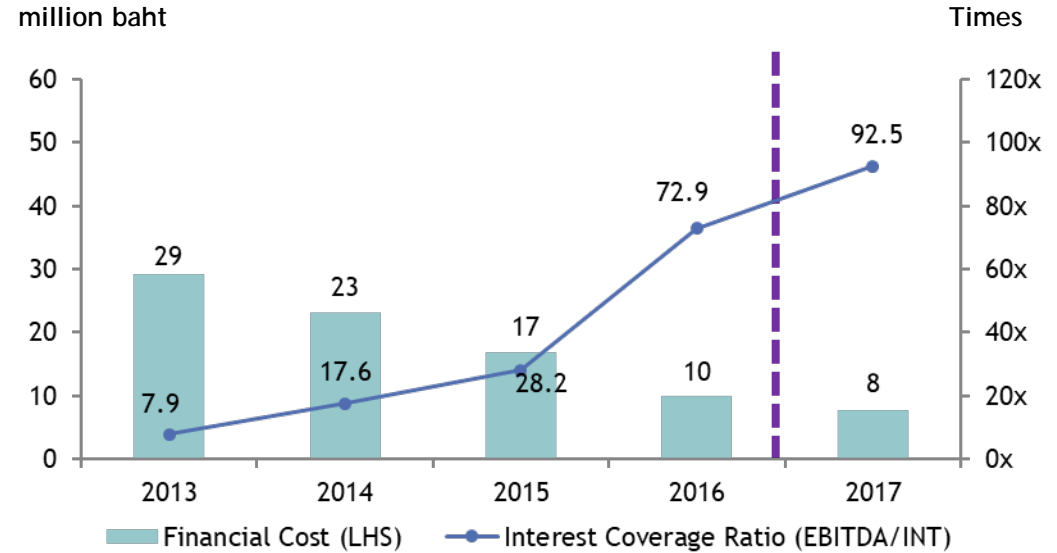


Operational Statistics (Cont'd)

IBD* to Equity Ratio, IBD* to EBITDA Ratio (times) 2013-2017



Financial Cost (million baht), Interest Coverage Ratio (times) 2013-2017



- At the end of 2014, the company already paid off Long-term loan under debt restructuring agreement. After that, company's financial cost continued to decrease because the Company was able to acquire new source of fund with less interest rate. Consequently, Financial cost is lower and financial ratio is better.

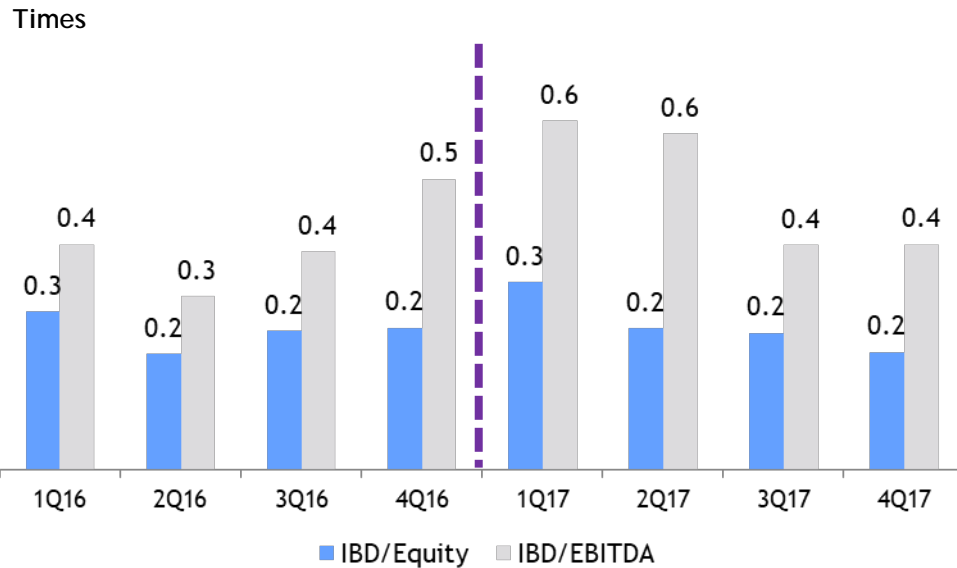
Remarks * IBD = Interest Bearing Debt



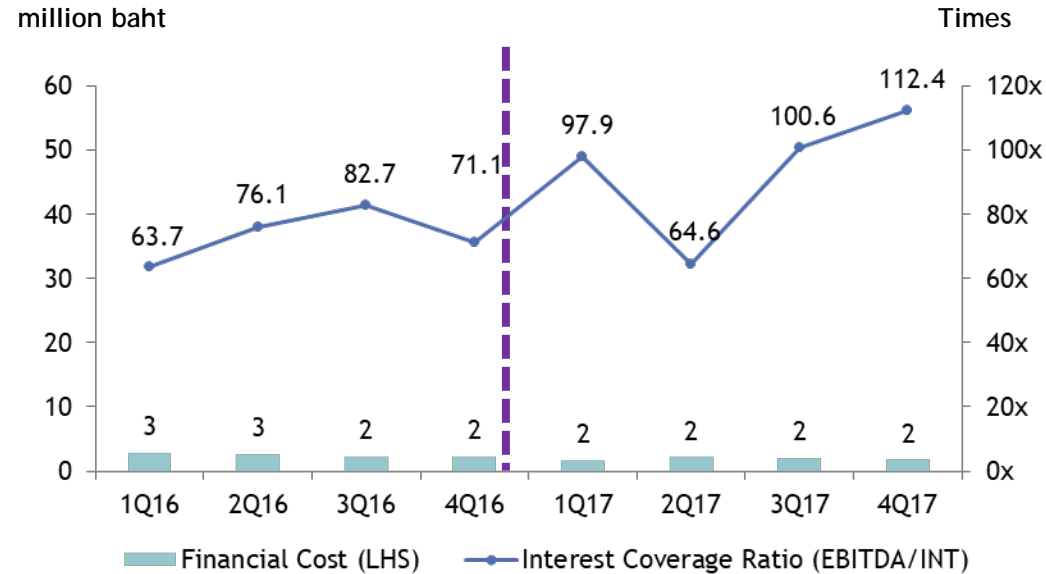


Operational Statistics (Cont'd)

IBD* to Equity Ratio, IBD* to EBITDA Ratio (times) 1Q16-4Q17



Financial Cost (million baht), Interest Coverage Ratio (times) 1Q16-4Q17



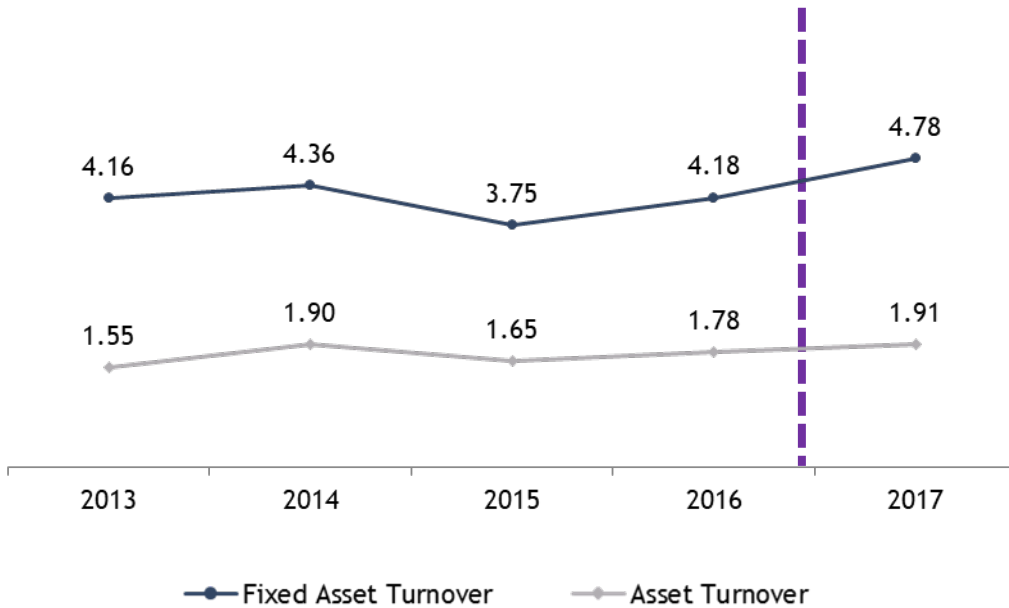
- The Company succeeded in negotiating the lower interest rate and managed to acquire working capital from the sources that have lowest cost. Consequently, Financial cost is decrease and financial ratio is better than prior periods.



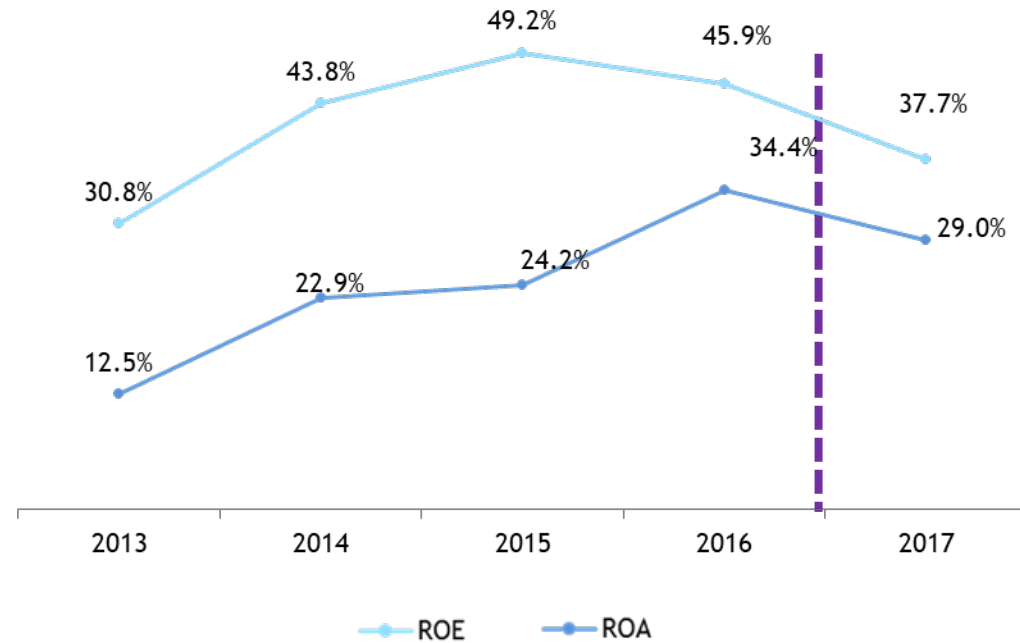


Operational Statistics (Cont'd)

Fixed Asset Turnover and Asset Turnover (Times) 2013-2017



ROE and ROA (%) 2013-2017



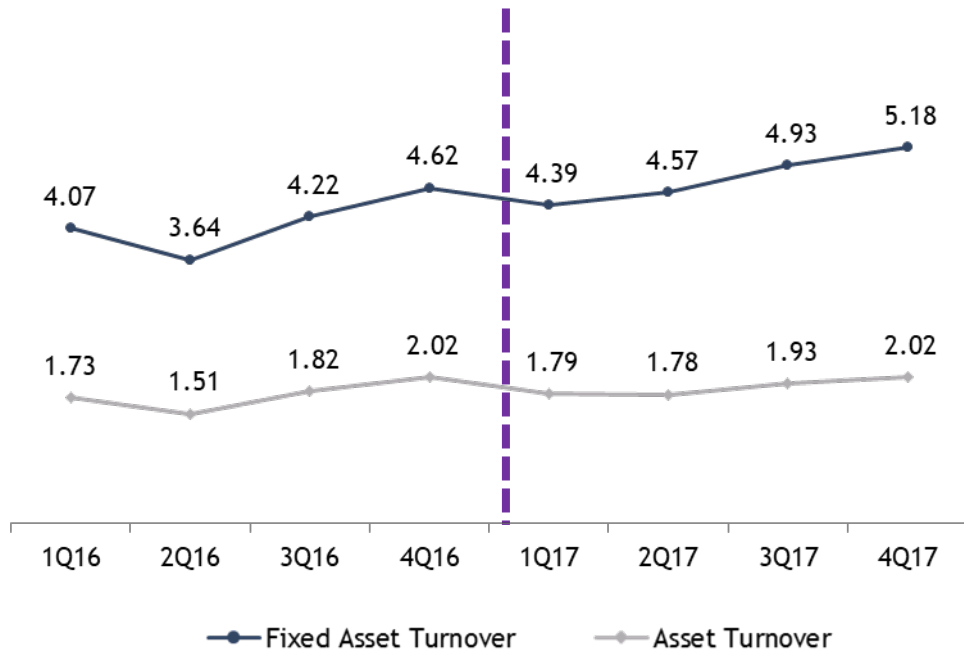
- ROE and ROA of 2017 decreased from prior years because of an decrease in Company's net income from higher steel cost, stronger value of Baht and increased cost of freight expenses.
- ROE of 2015 is higher than prior years due to DTA derived from using allowance for doubtful account as deductible expenses in income tax calculation. If it is excluded DTA effect, ROE of 2015 will be approximately 36%



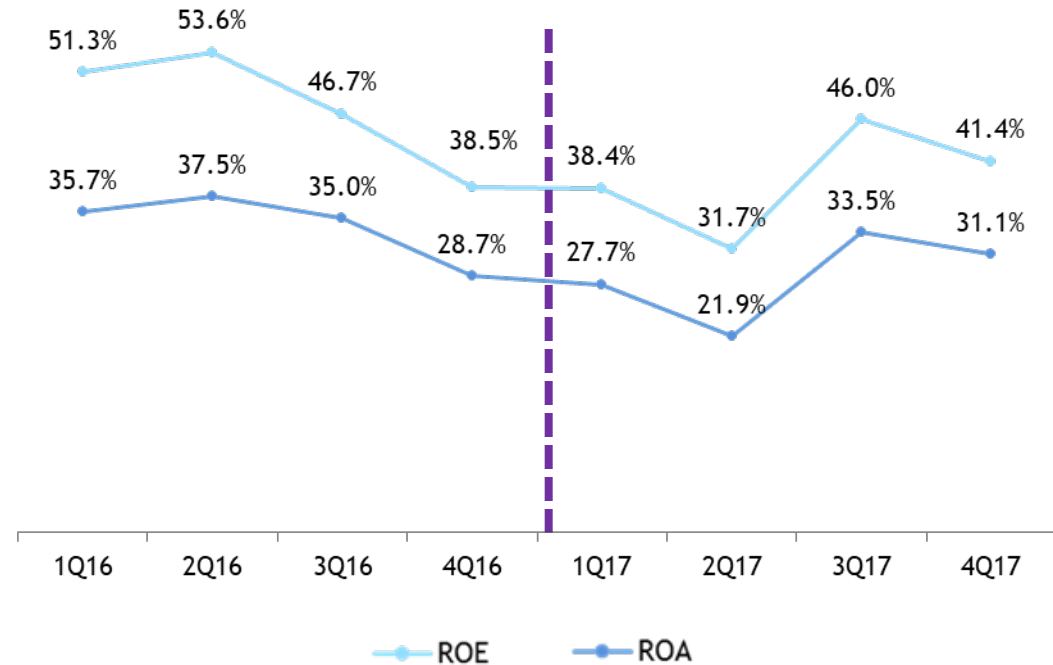


Operational Statistics (Cont'd)

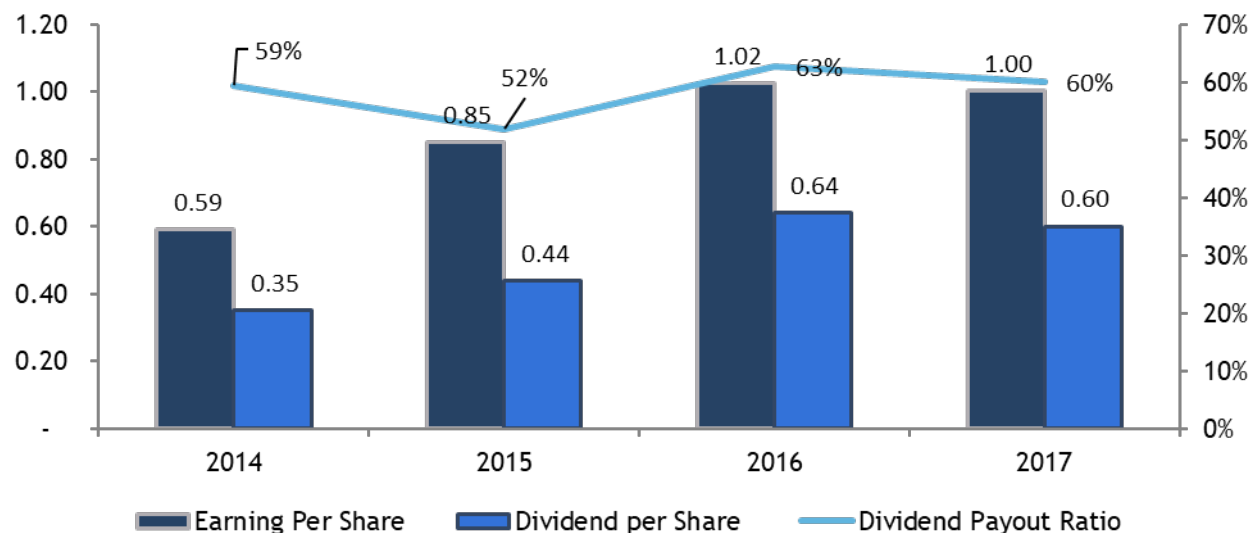
Fixed Asset Turnover and Asset Turnover (Times) 1Q16-4Q17



ROE and ROA (%) 1Q16-4Q17



Dividend Payment History



	2014	2015	2016	2017
FS publication day	12/2/2015	11/2/2016	15/2/2017	14/2/2018
Price per share	7.58	11.00	16.60	13.40
Dividend per share	0.35	0.44	0.64	0.60*
Earning Per Share	0.59	0.85	1.02	1.00
Dividend Yield per year	4.6%	4.0%	3.9%	4.5%
Dividend Amount (MB)	163.89	231.84	338.62	319.19
Dividend Payout Ratio	59%	52%	63%	60%

Remarks: *The Company began paying Dividend since 2014

*The interim dividend payment for the first half of the fiscal year 2017 (January 1 - June 30) had been paid amounting of Baht 0.25 per share
The remaining dividend for the second half of fiscal year 2017 (July 1 - December 31) of Baht 0.35 per share



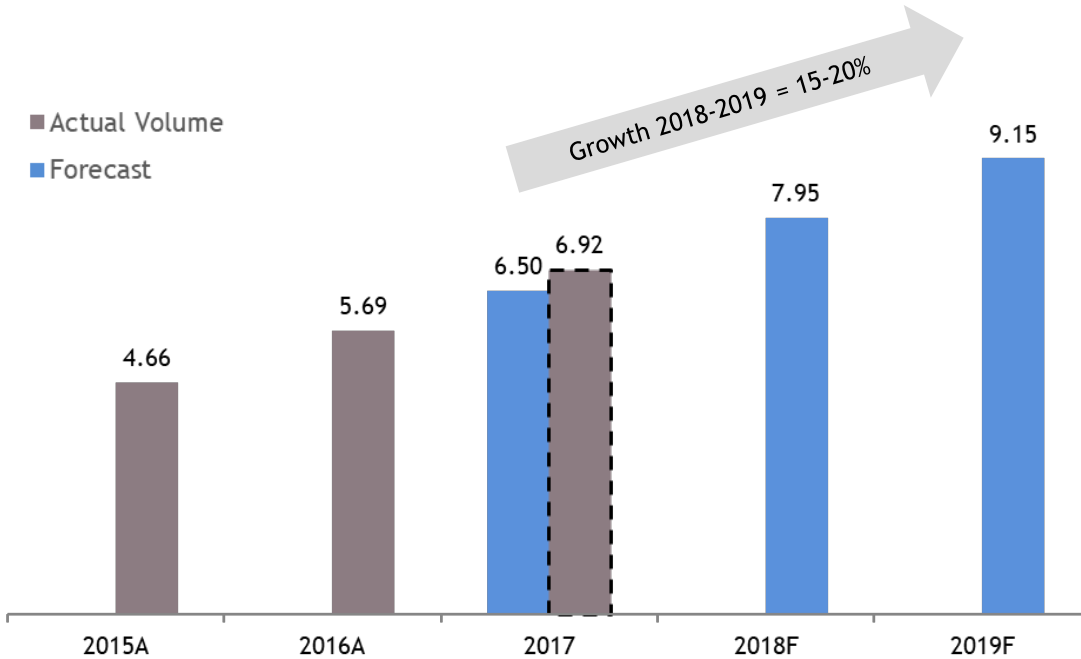
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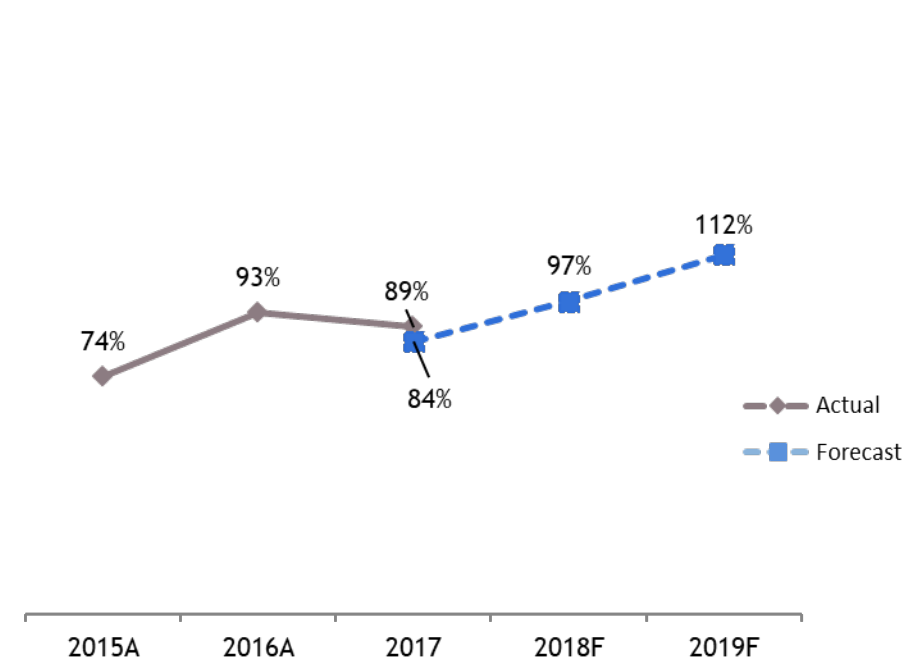


2017 Target and Future Growth Strategy

Projected Sales Volume (million cylinders)



Projected Utilization (%)



Capacity (million cylinder)	2011-2013	2014	2015-2016	1H2017	2H2017
Per Year	5.0	5.5	6.2	7.2	8.2

2018-2019 Business Plan

2018 (Short)

Process Improvement

- Debottlenecking
- Waste Reduction

Capacity Enhancement

- Target Capacity:
10 million cylinders
by 2018

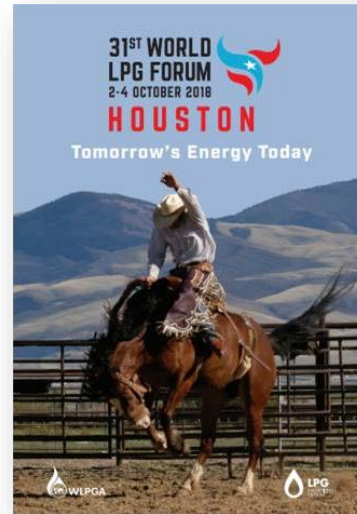
2019 → (Medium-Long)

Feasibility Study on investing for both domestic and abroad

- 100% Own-factory
- 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