

Sahamitr Pressure Container Public Company Limited

Opportunity Day - 2018 Presentation



Presented by: Mr. Surasak Urpsirisuk
Mrs. Patama Laowong

29 March 2019



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



I. SMPC Overview : Profile

Background



SMPC is a world leading Low Pressure Vessel manufacturer with customers in almost 100 countries



Main Products which generate major sales volume are LPG Cylinders



Established in 1981 by the “Ekahitanond” family



Listed in SET market in 1991



Production capacity 10 million cylinders per year



Located in Bangkok, Thailand





Present Plot of Land

Original	28-3-89.9	Rai
New Land	17-1-24	Rai
Total	46-1-13.9	Rai

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 in 2016 and THB 532 million in 2017 due to ESOP exercise
- Capacity increased to 8.2 million by end of 2017
- ESG100 Award from Thaipat Institute for 2016-2017
- SET Awards 2017 “Best Company Performance” and Outstanding CEO
- Accredited the ISO 14001 standard and CAC member for Anti-Corruption Practice

- Paid-up capital increased to THB 535 million due to ESOP exercise
- Capacity increased to 10 million by end of 2018
- ESG100 Award from Thaipat Institute for 2018
- Accredited “Customs Alliances” Certificate from Thai Customs Department
- CAC member for Anti-Corruption Practice

2018-2019

2016-2017

2014-2015

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

2012-2013

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

2010

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.

Annual production capacity reached 5 million cylinders

2001

1992-1995

1991

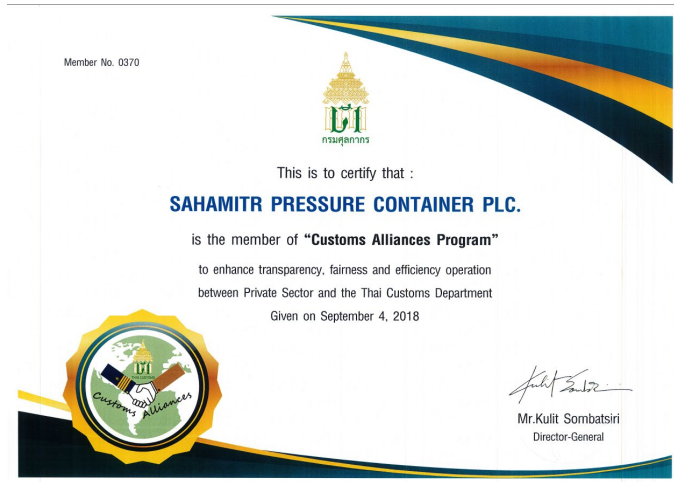
1985

1981

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.

SMPC Receives “Customs Alliances” Certificate from Thai Customs Department



On 4th September, 2018, Ms. Patama Laowong - SMPC Senior Vice President received “Customs Alliances” certificate of membership from Mr. Gulit Sombatsiri - Director General of the Customs Department, at Hall 1, Building 1, Customs Department. The “Customs Alliances” program was held for the second year with the aim of enhancing communication channels between the Customs Department and private sector, and to provide advice, clarification, coordination, and troubleshooting in various areas.

Recertified to CAC

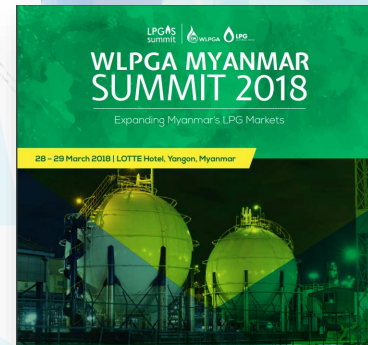


On February 26, 2019, Mr. Jirasak Phromsaka Na Sakolnakorn, Assistant Managing Director (Factory), as a company's representative, received certificate of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) from CAC Council, The Institute of Directors (IOD)

International Summit

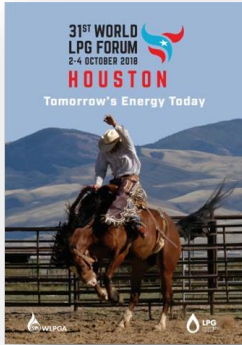


- During February 22-26, 2018, the company with Ministry of Commerce attended UP Investor SUMMIT 2018 and CII Partnership SUMMIT 2018 event at Uttar Pradesh and Andhra Pradesh, India.



- During March 28-29, 2018, the company attended WPGA MYANMAR SUMMIT 2018 event at Yangon, Myanmar.
- During April 23-26, 2018, the company attended Thailand Week 2018 at Pan Pacific Sonargaon Dhaka Hotel, Dhaka, Bangladesh.

International Summit



- During October 2-4, 2018, the company attended 31st World LPG Forum at Houston, United State.
- During November 13-15, 2018, the company attended LPG Cambodia 2018 at Phnom Penh, Cambodia



- During March 3-4, 2019, the company attended South Asia LPG Summit at Dhaka, Bangladesh
- During March 20-22, 2019, the company attended 34th AIGLP at Lima, Peru

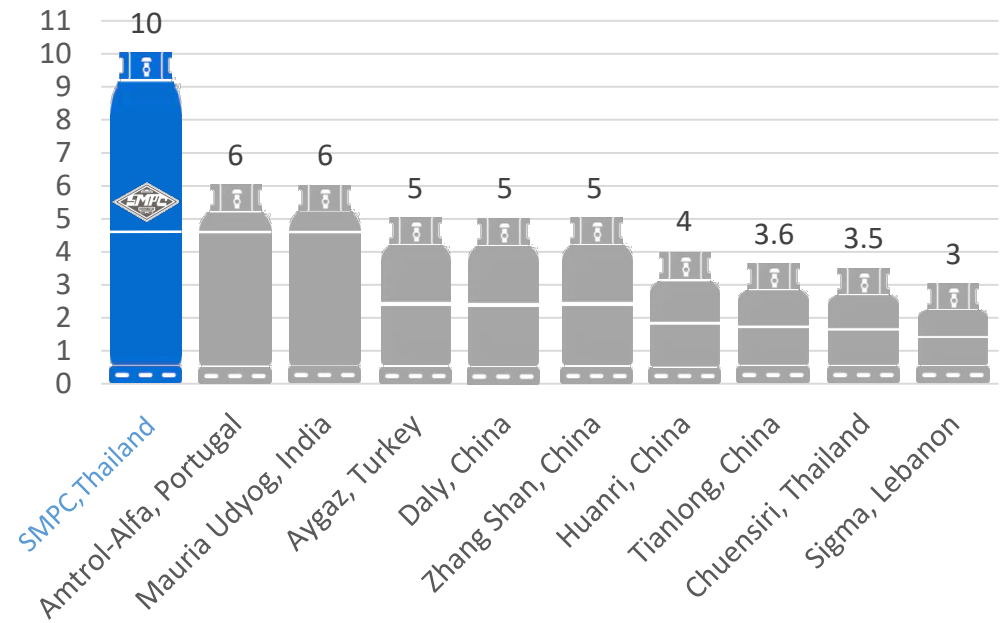
2019 Attend International Exhibition



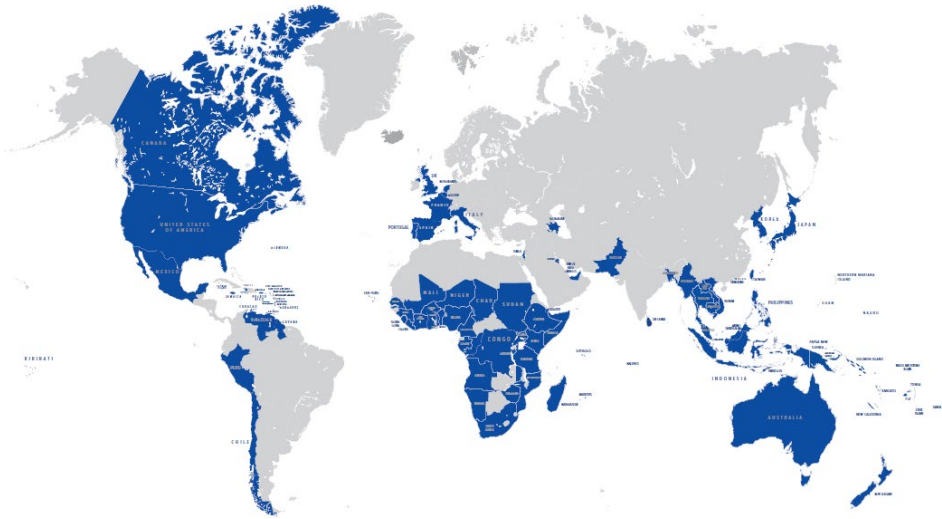
World-Class Cylinder Manufacturer

“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



SMPC’s Present in Global Market

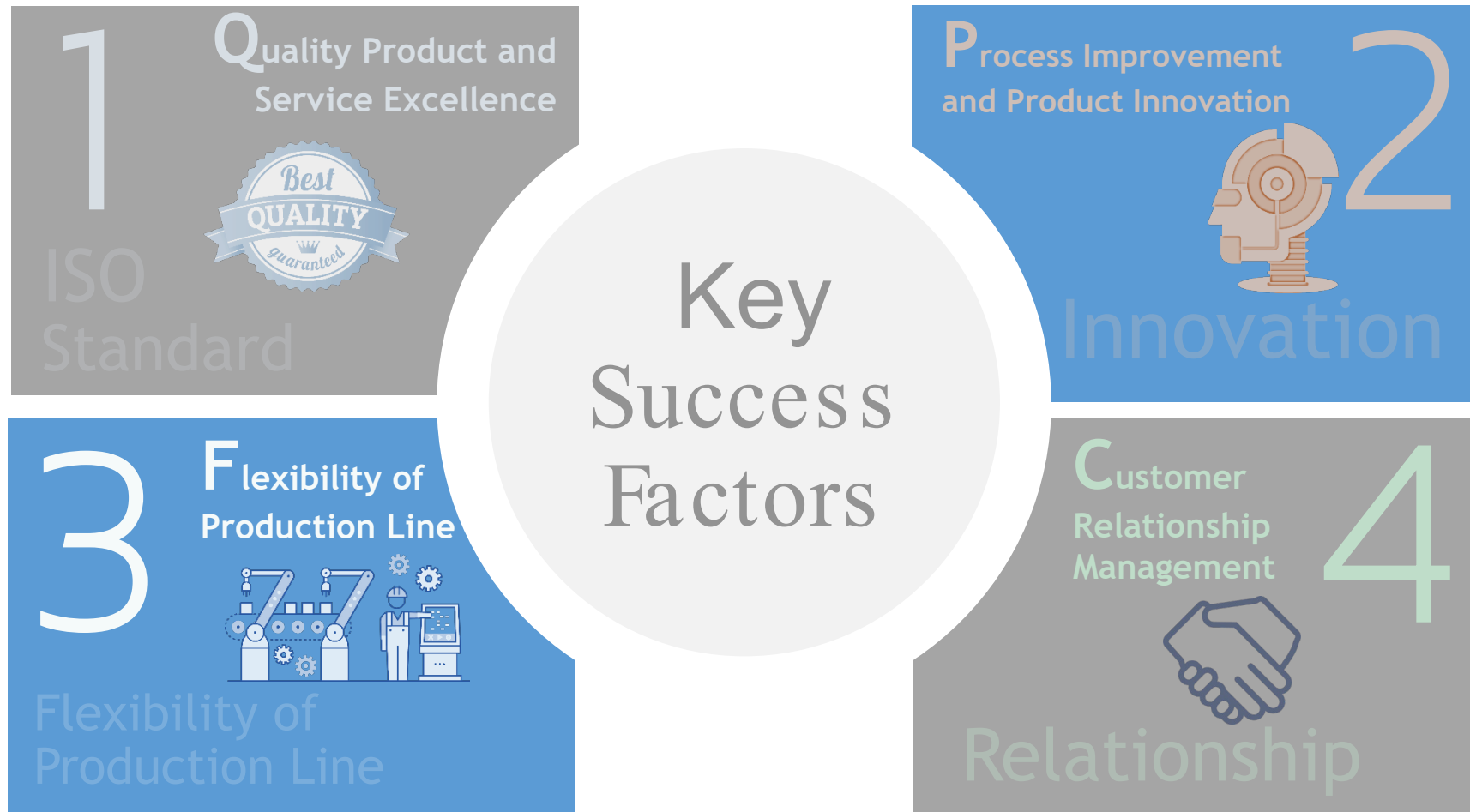


- Currently, SMPC has capacity of 10 million cylinders per year, being one of the three largest manufacturers in the world
- More than 90% of SMPC products are exported to almost 100 countries around the world



Business Key Success Factors

“Experienced in LPG cylinder business about 38 years, SMPC, currently, is one of the world-leading manufacturer who offers variety of products and service with excellent quality assurance”



Wide Ranges of Product Coverage

Household LPG Cylinder 0.45 - 190 kg.
(Water Capacity 0.9 - 450 lt.)



2 Piece Cylinder 0.45 - 16 kg.
(Water Capacity 0.9 - 36 lt.)

3 Piece Cylinder 18 - 190 kg.
(Water Capacity 43 - 450 lt.)

Automotive LPG Cylinder



3-Separated Valve System
Cylinders



4-Separated Valve System
Cylinders



Multi-Valve System
Cylinders



Automotive Toroidal LPG
Cylinders

Other Cylinders



Air Gas Cylinders



Refridgerant
Cylinders



Chlorine
Cylinders



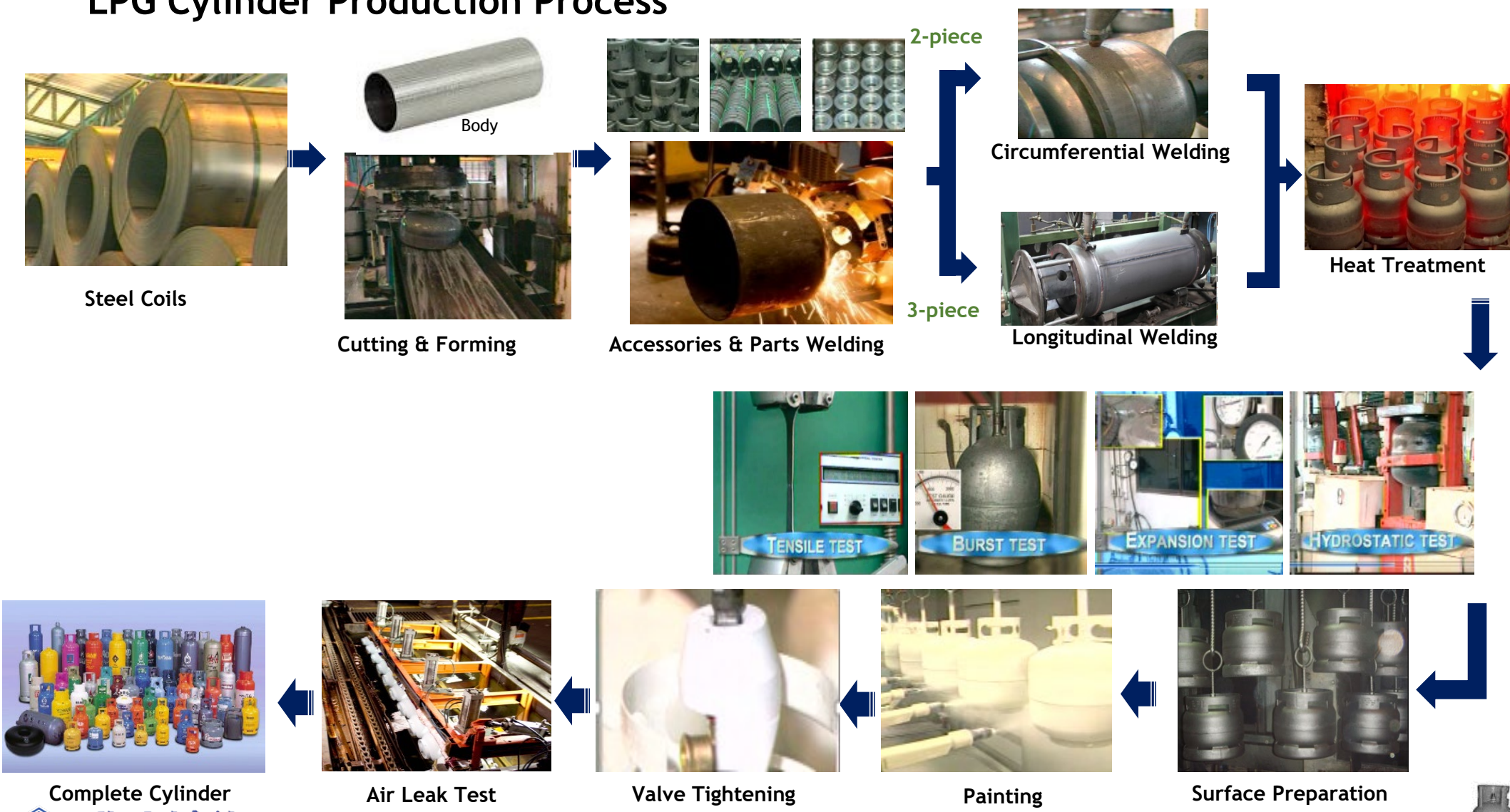
Ammonia
Cylinders

Our Customers



And Others Customers

LPG Cylinder Production Process



Agenda

I. SMPC Overview

II. Industry Overview

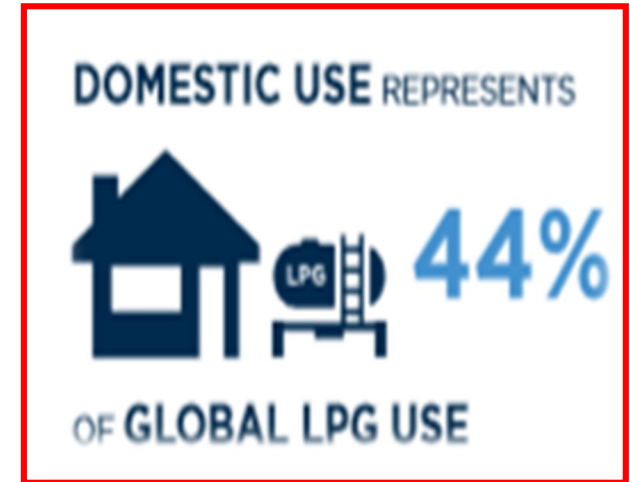
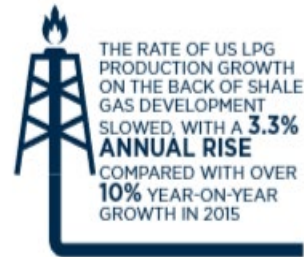
- Overview
- Growth Opportunities
- Campaign

III. Financial Highlights

IV. Business Outlook

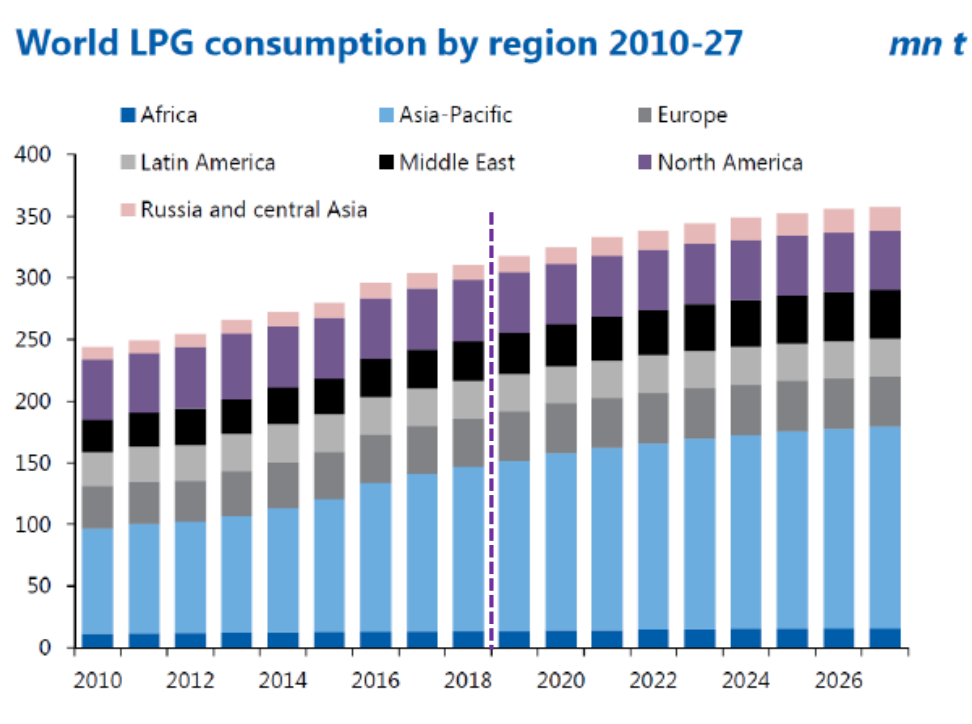


About the Industry



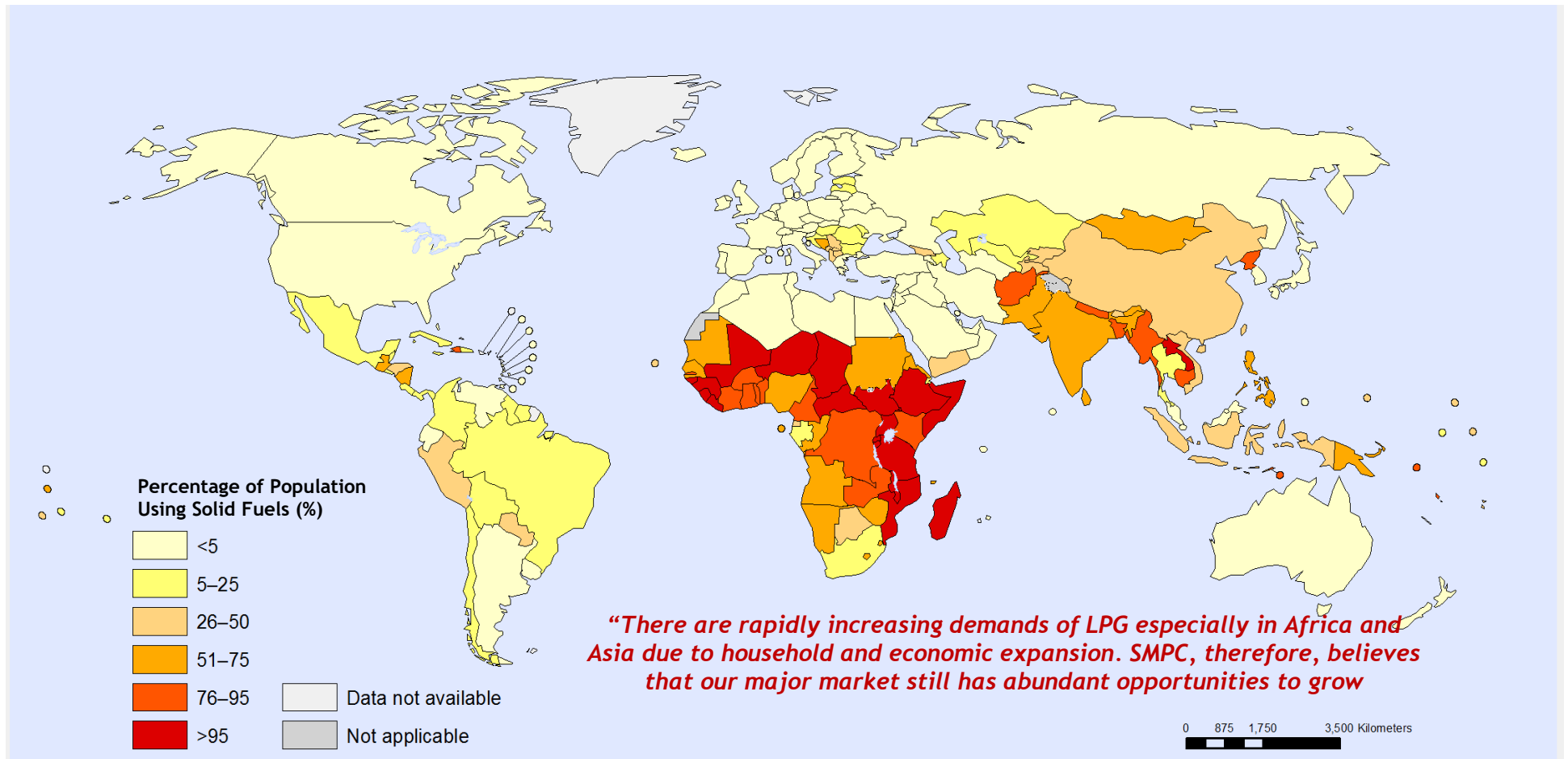
- The report show that Global LPG production in 2016 increased from 2015 by 5.75%.
- Almost half of the world's demand for LPG is as a residential fuel where much of it is used for cooking.

Predicted Global LPG Consumption



- 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

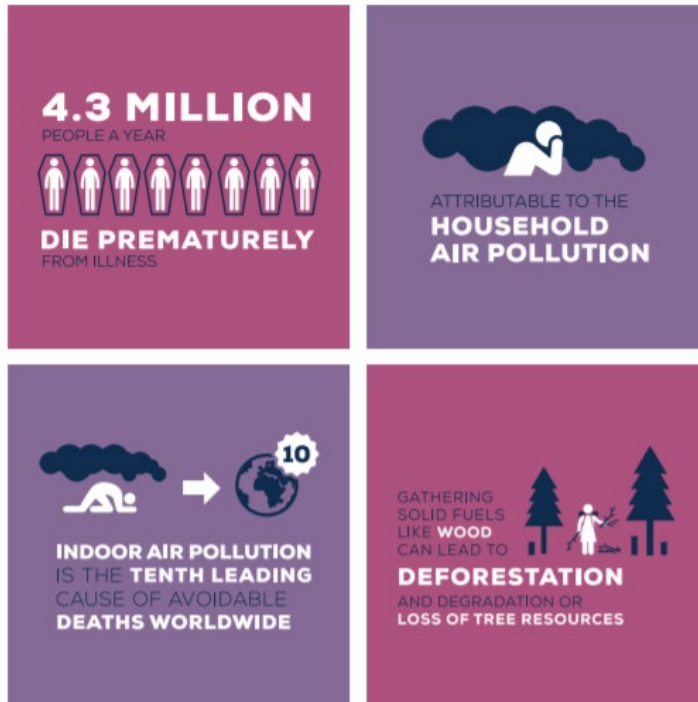
Large Room for Household LPG Demand Growth in Selected Areas





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**”*



The focus for Cooking For Life in 2018 was on communicating the benefits of switching populations from cooking with biomass and other dirty and dangerous fuels to LPG. The initiative refreshed and updated five key studies and reports while creating a number of video case studies and social media friendly infographics on crucial issues.

Cooking For Life held two successful workshops in Dhaka and Yangon and participated in numerous public events in venues as varied as Bogota and Abuja. The focus of all these events was on providing good industry practices and policy tools for growing the industry in a safe and sustainable manner.

Agenda

I. SMPC Overview

II. Industry Overview

III. Financial Highlights

- Utilization Rate
- Sales Revenue
- Financial Ratios

IV. Business Outlook

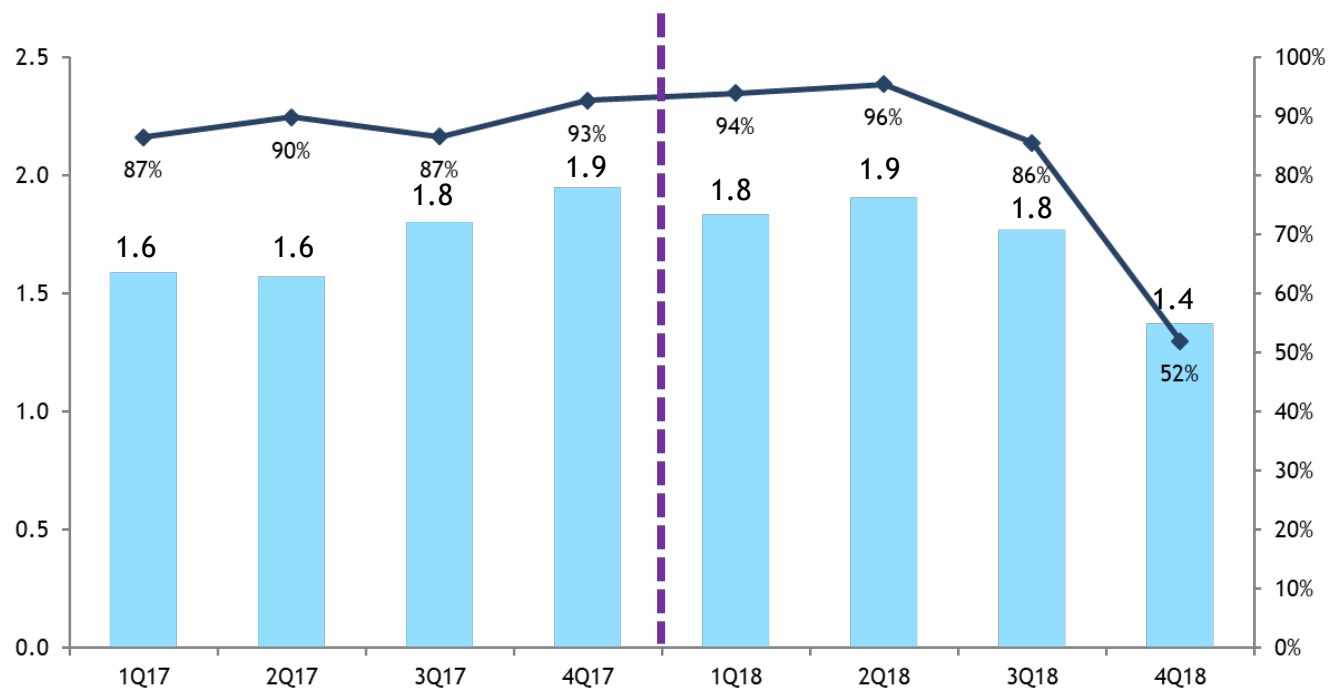


Operational Statistics

Utilization Rate (%) 1Q17-4Q18

Sales Volume (Million Cylinders)

Utilization Rate

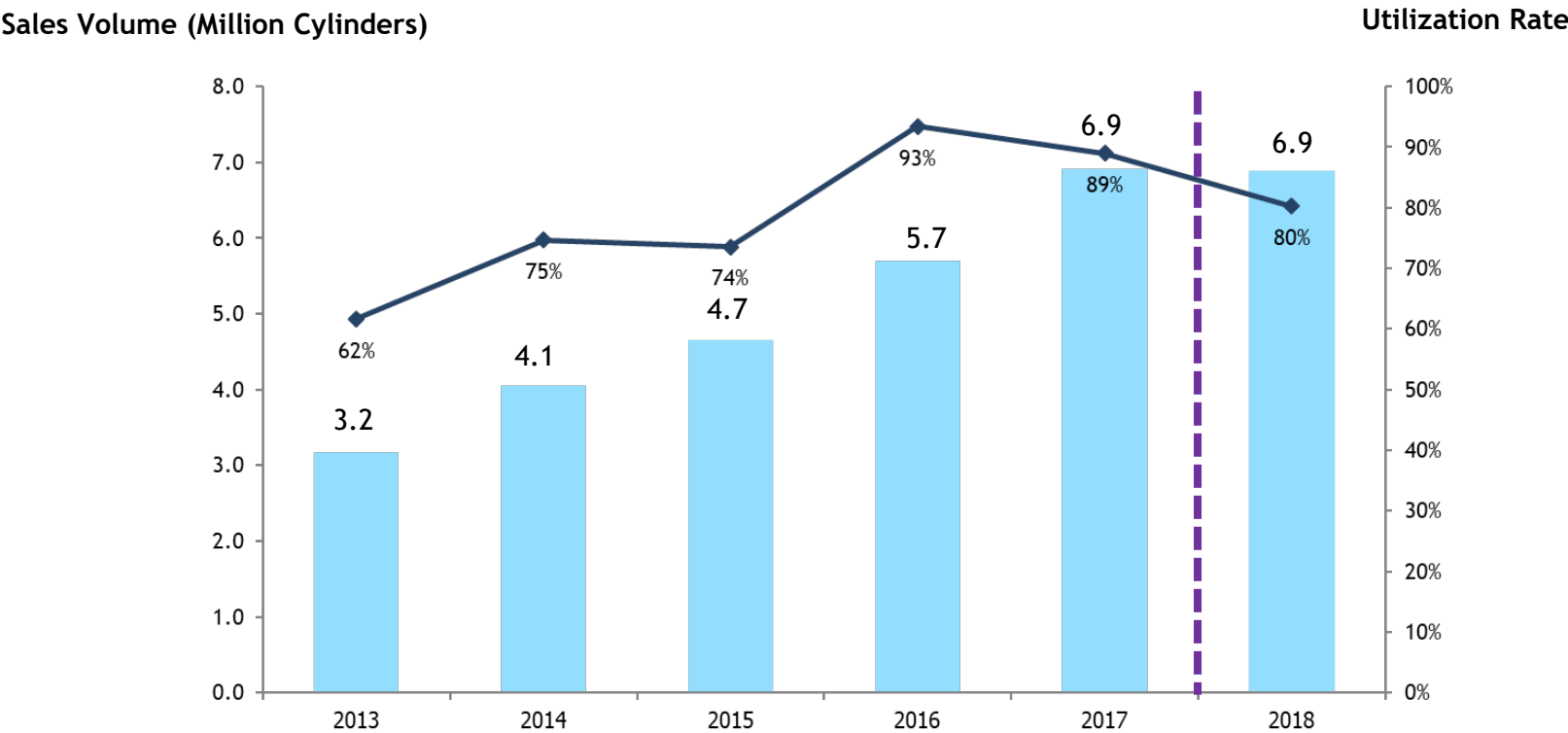


- Sale Volume of 4Q18 decreased because customer delayed order from an increase in fuel price and from the effect of weaker local currency of some Asia customers
- Utilization rate decreased due to fewer sale volume and the company increase production capacity from 8.2 million cylinders per year to 10.0 million cylinders per year since the beginning of 4Q18

Capacity (million cylinder)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Per Year	7.2	7.2	8.2	8.2	8.2	8.2	8.2	10.0
Per Quarter	1.80	1.80	2.05	2.05	2.05	2.05	2.05	2.50

Operational Statistics

Utilization Rate (%) 2013-2018



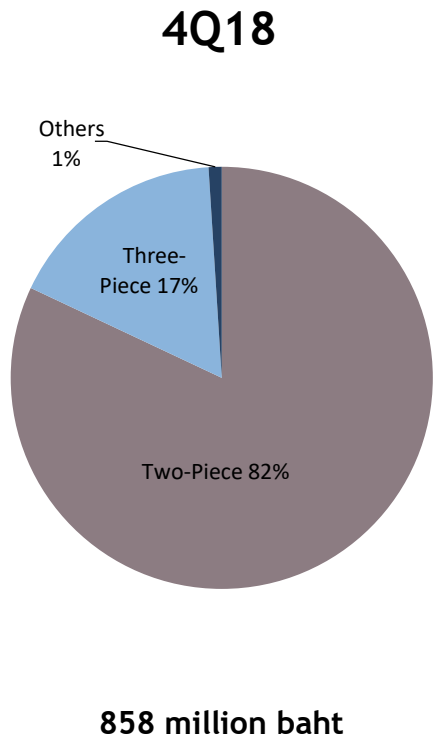
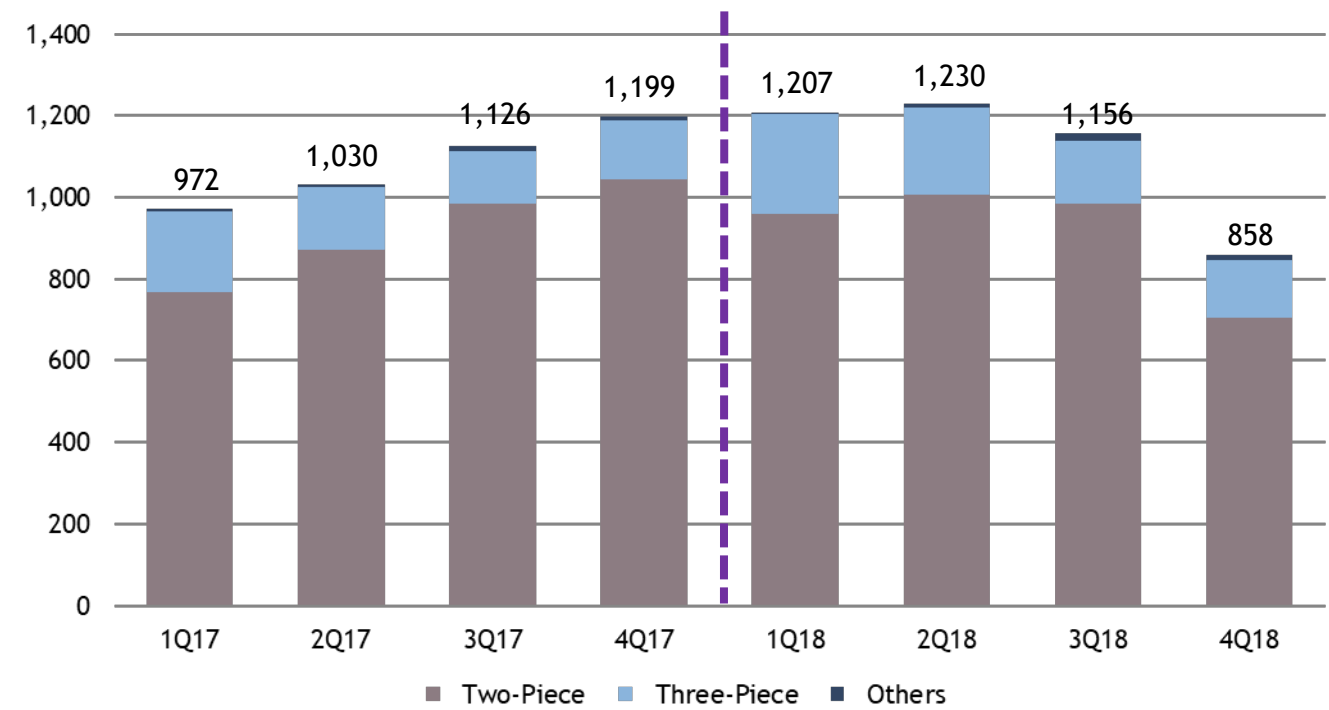
Capacity (million cylinder)	2011-2013	2014	2015-2016	2017	2018
Per Year	5.0	5.5	6.2	7.7	8.7
Per Quarter	1.25	1.38	1.55	1.93	2.16



Operational Statistics (Cont'd)

Sales Revenue by Product Category : 1Q17-4Q18

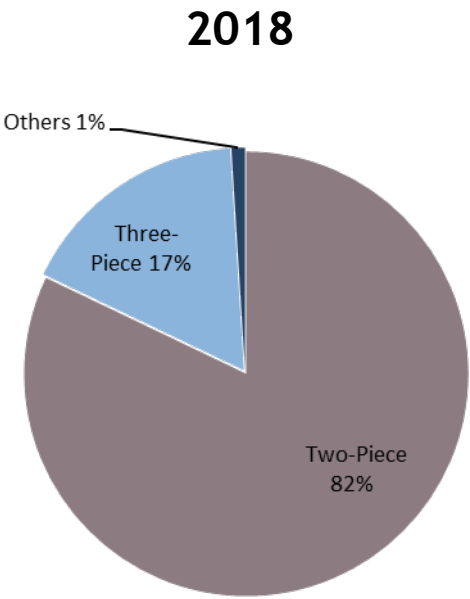
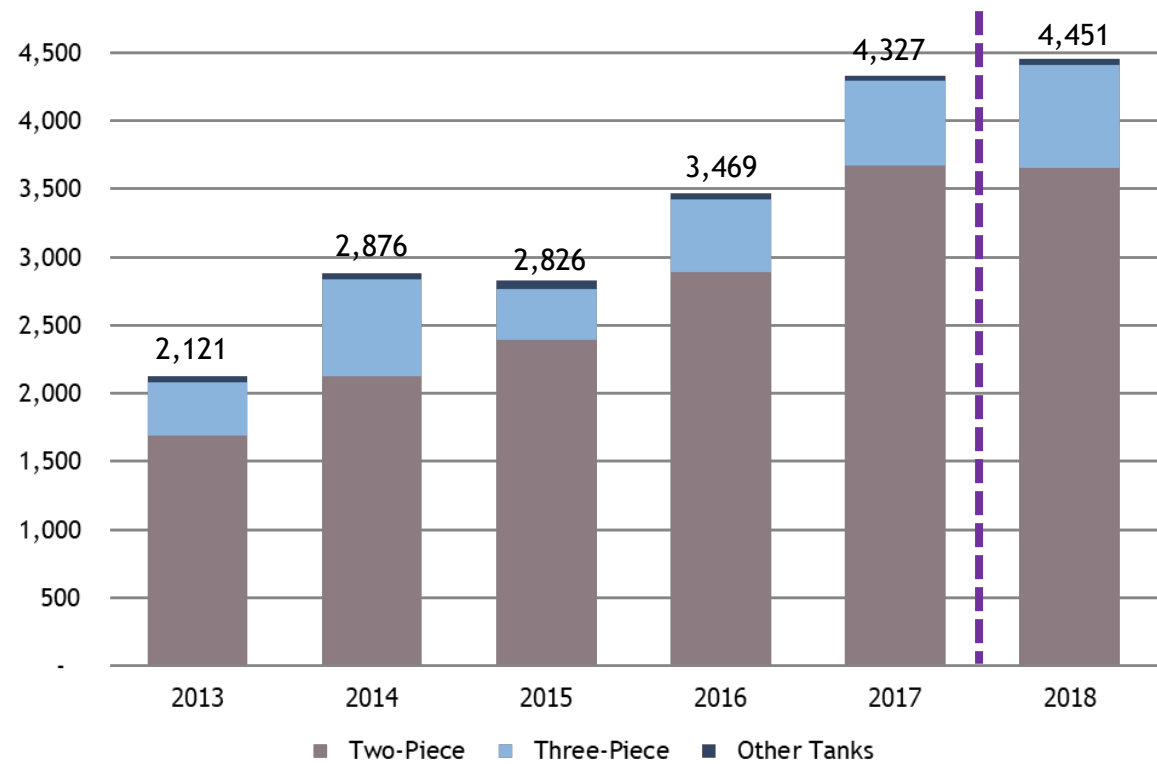
Sales Revenue (Million Baht)



Operational Statistics (Cont'd)

Sale Revenue by Product Category : 2013 -2018

Sales Revenue (Million Baht)



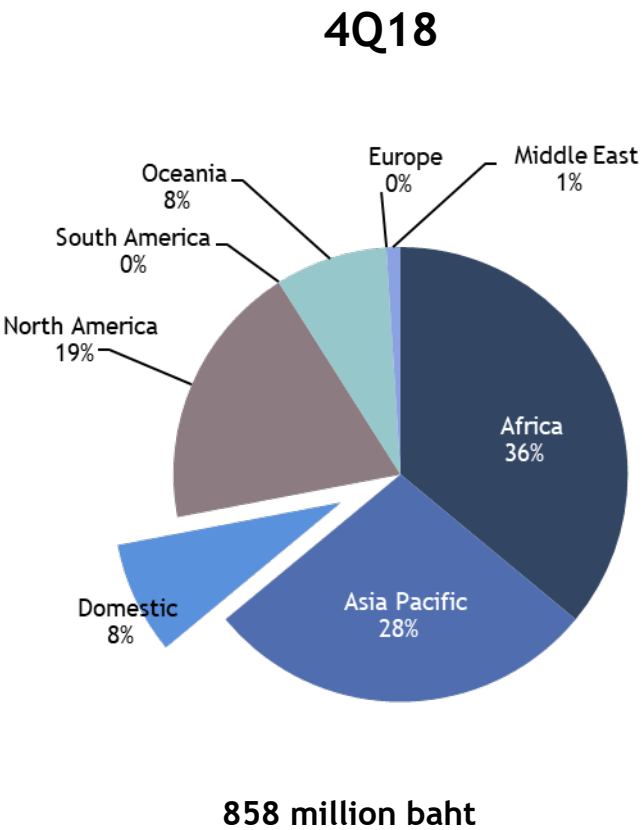
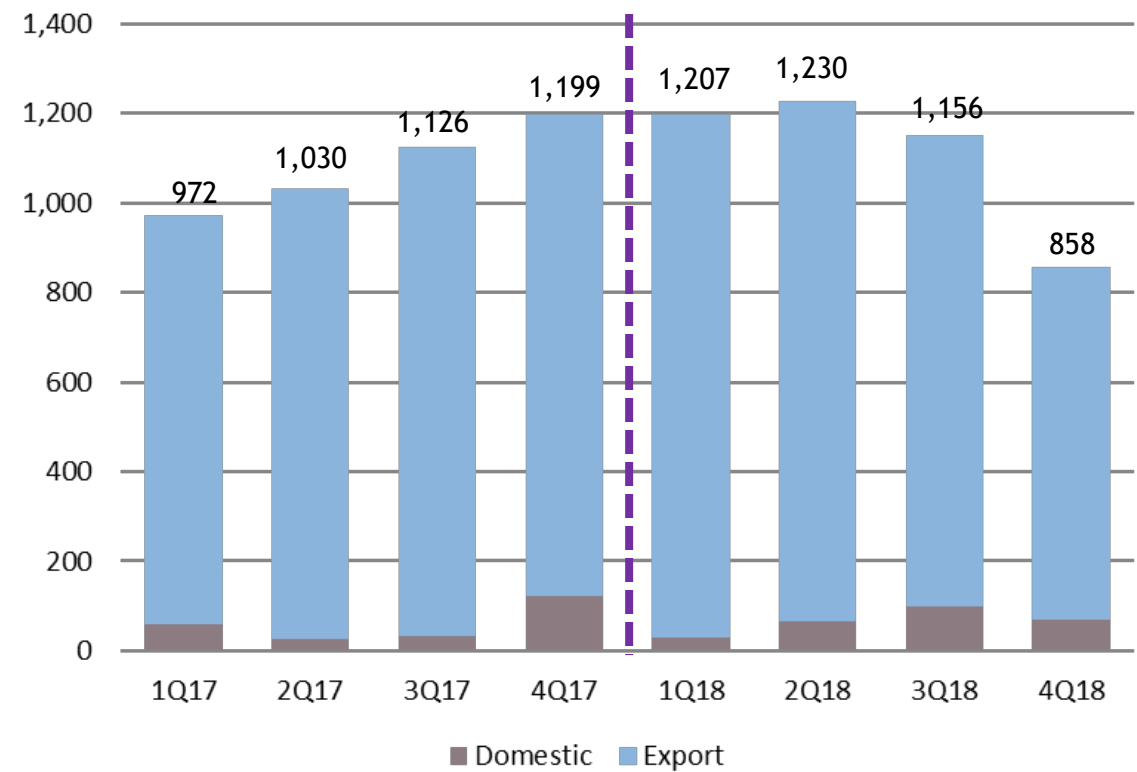
4,451 million baht



Operational Statistics (Cont'd)

Sales Revenue by Geography : 1Q17 - 4Q18

Sales Revenue (Million Baht)

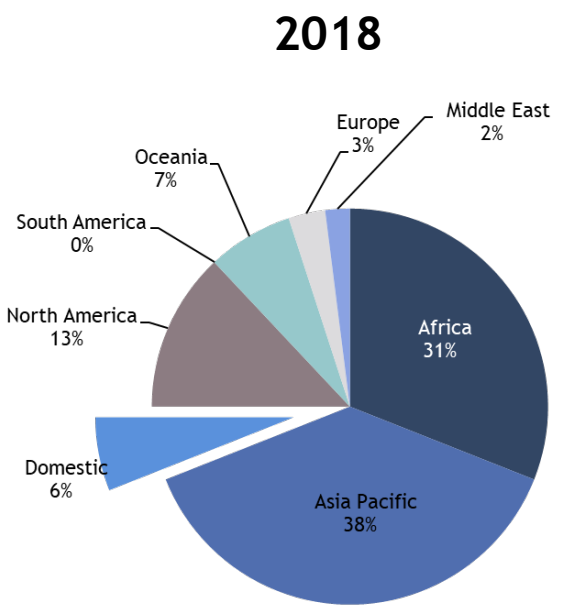
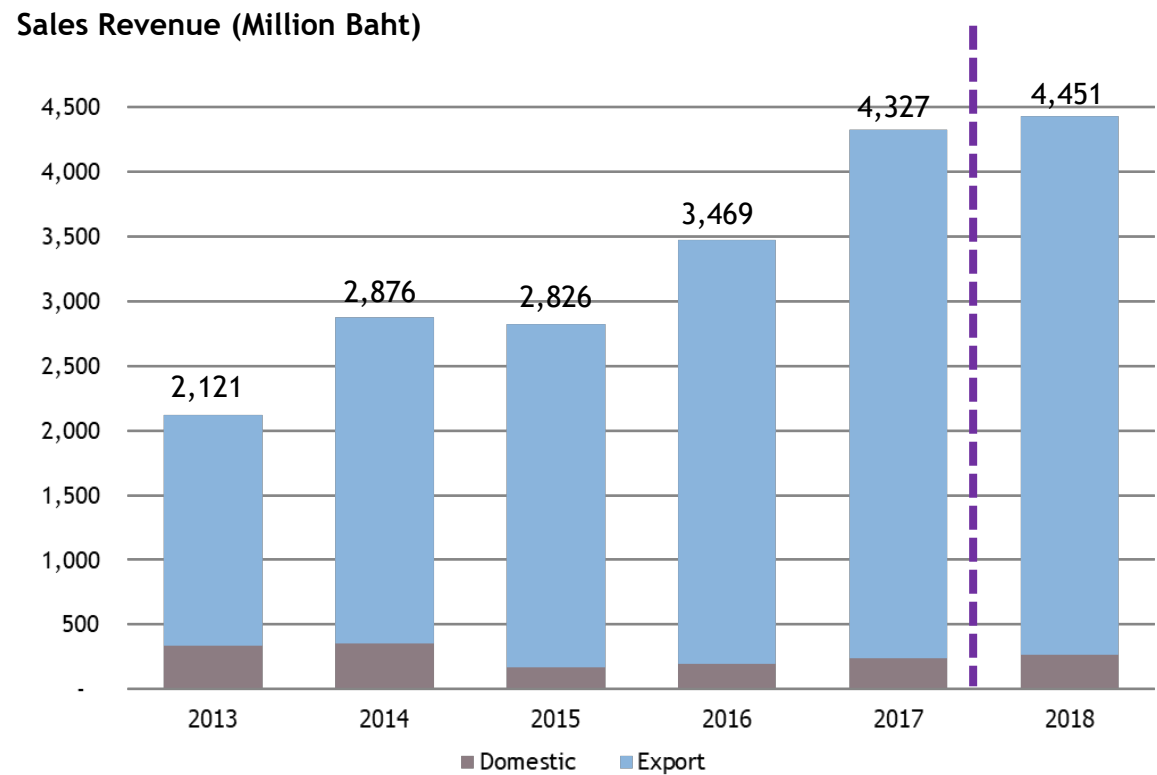


858 million baht



Operational Statistics (Cont'd)

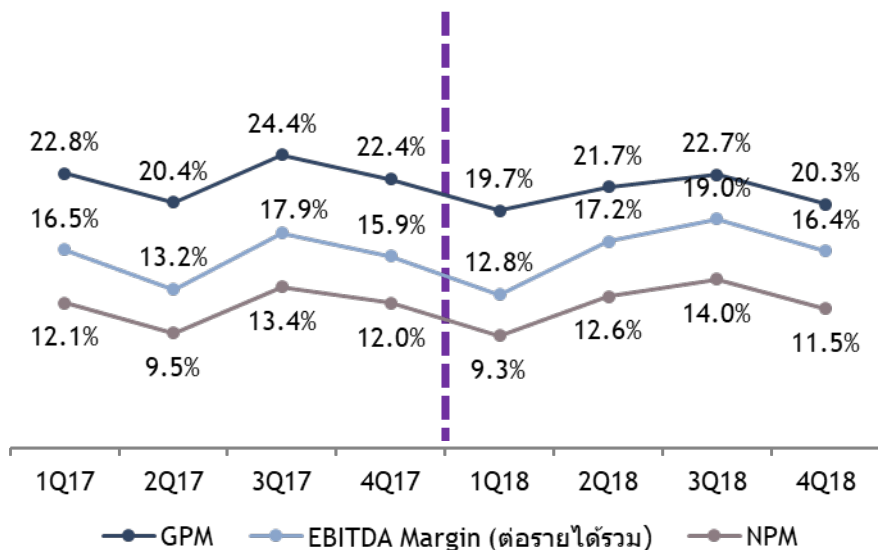
Sales Revenue by Geography : 2013 - 2018



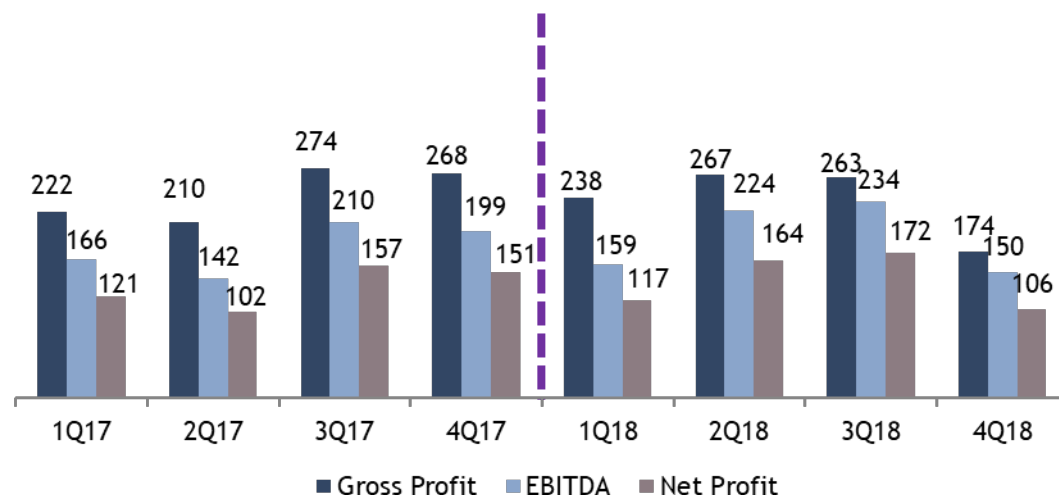
4,451 million baht

Operational Statistics (Cont'd)

GPM, EBITDA Margin and NPM (%) 1Q17-4Q18



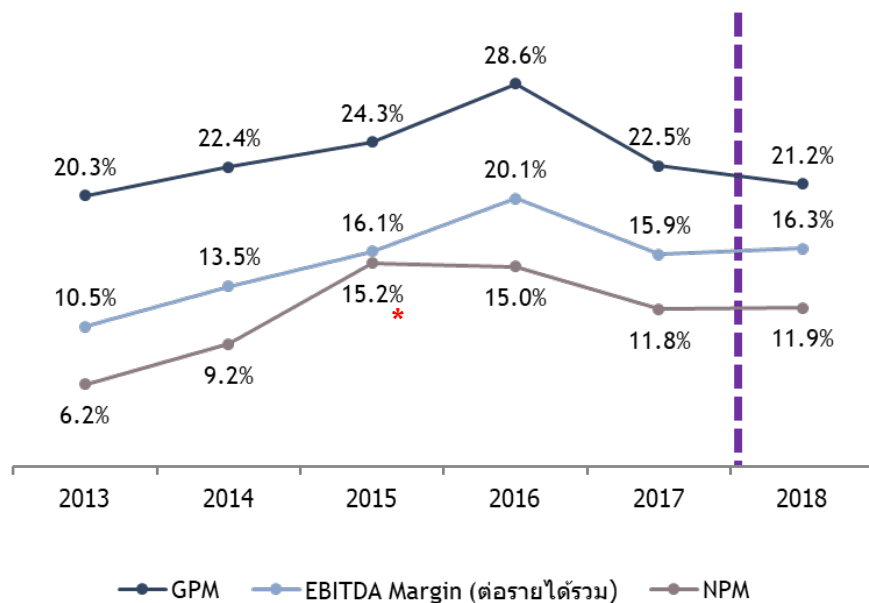
Gross Profit, EBITDA and Net Profit (MB) 1Q17-4Q18



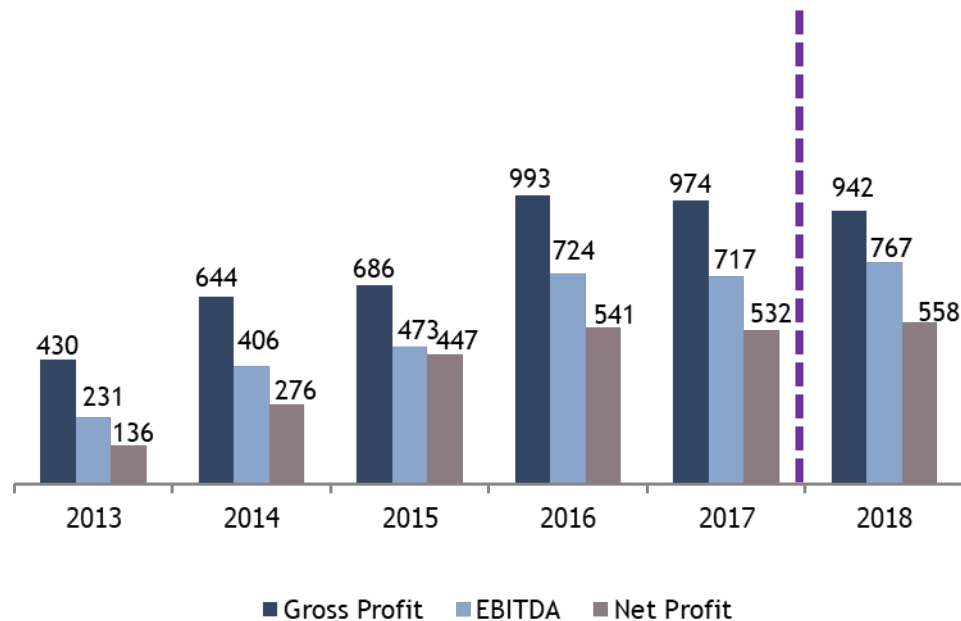
- GPM, EBITDA Margin and NPM of 4Q18 decreased from prior period due to fierce competition in the market and weaker value of Baht

Operational Statistics (Cont'd)

GPM, EBITDA Margin and NPM (%) 2013-2018



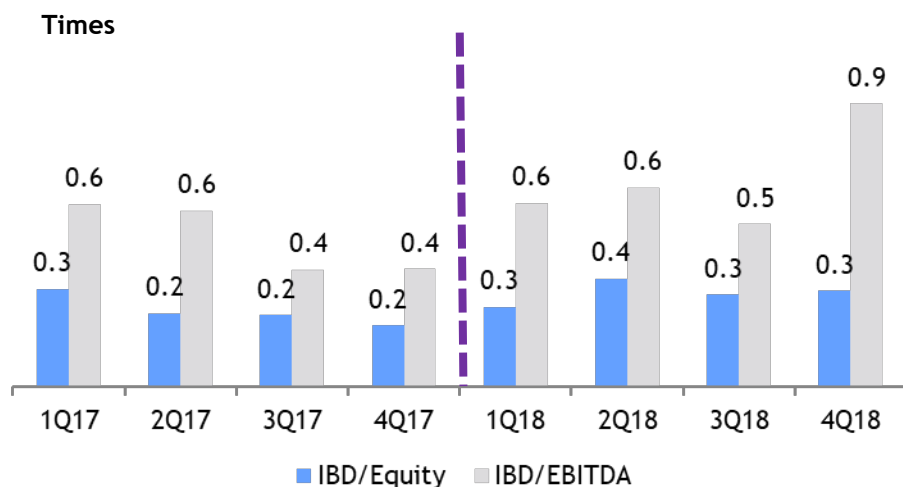
Gross Profit, EBITDA and Net Profit (MB) 2013-2018



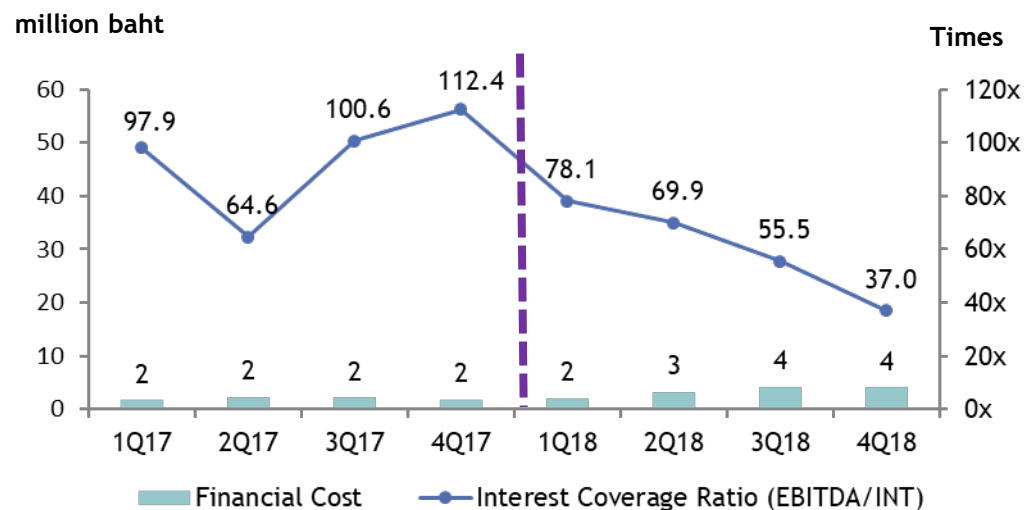
- GPM of 2018 decreased from prior year due to stronger value of Baht and an increase in raw materials (steel)

Operational Statistics (Cont'd)

IBD* to Equity Ratio, IBD* to EBITDA Ratio (times)
1Q17-4Q18



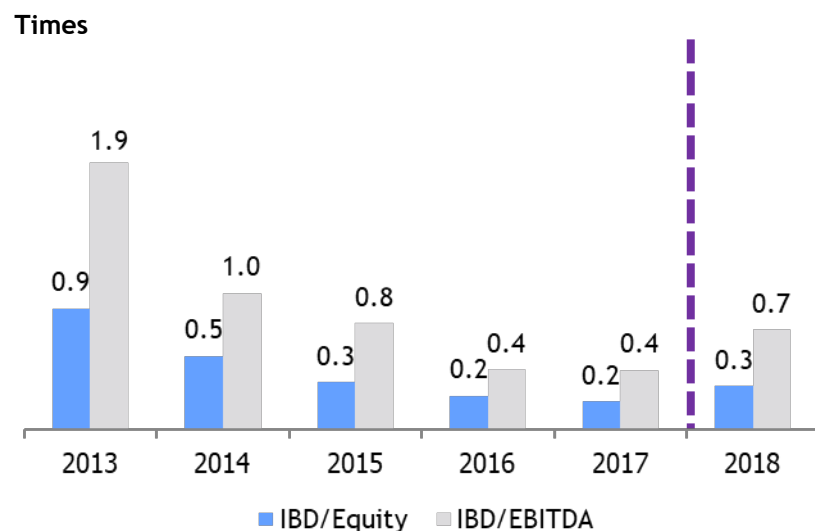
Financial Cost (million baht), Interest Coverage Ratio (times)
1Q17-4Q18



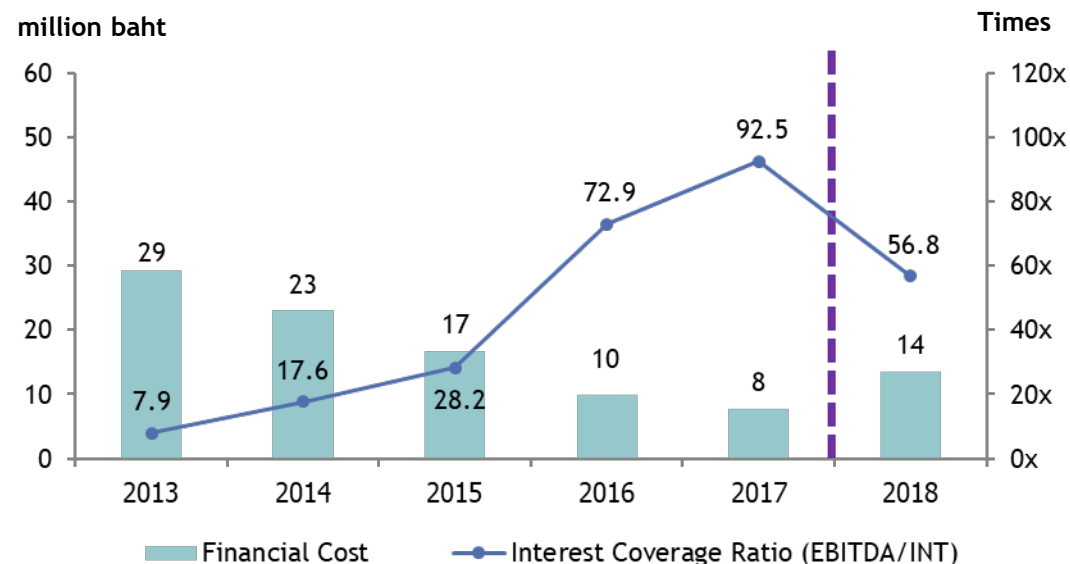
- IBD to EBITDA Ratio increased and Interest Coverage Ratio of 4Q18 decreased from prior period because EBITDA decreased

Operational Statistics (Cont'd)

IBD* to Equity Ratio, IBD* to EBITDA Ratio (times)
2013-2018



Financial Cost (million baht), Interest Coverage Ratio (times)
2013-2018

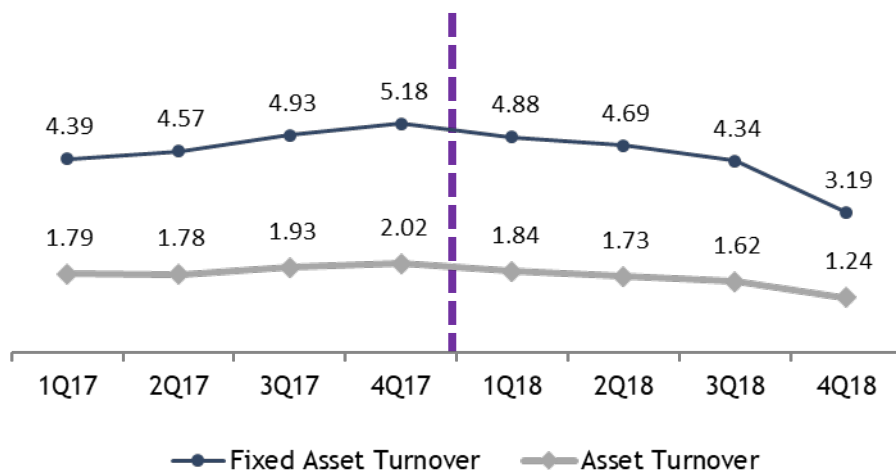


- Compared to 2017, IBD to EBITDA Ratio of 2018 increased and Interest Coverage Ratio of 2018 decreased because of an increase in interest expense since the company has to reserve more cash for purchase of raw material and for working capital. Moreover, market interest rate increased.

Operational Statistics (Cont'd)

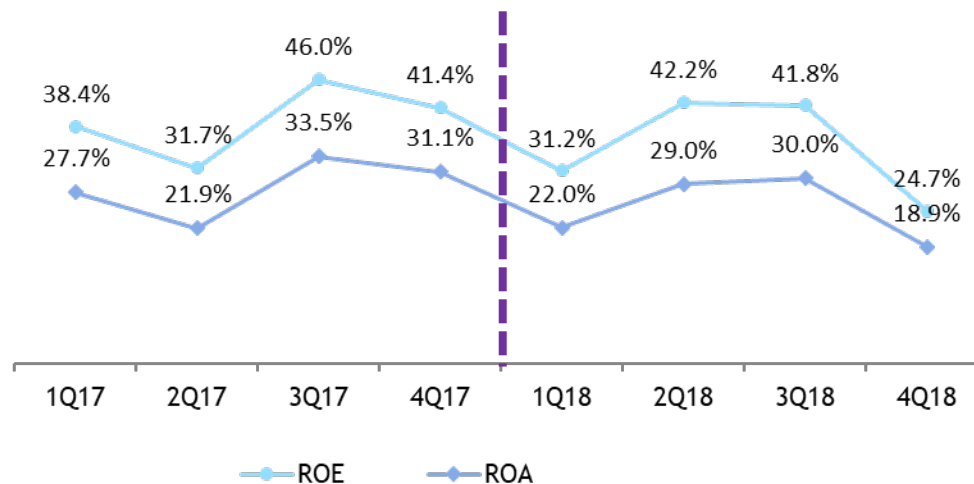
Fixed Asset Turnover and Asset Turnover (Times)

1Q17-4Q18



ROE and ROA (%)

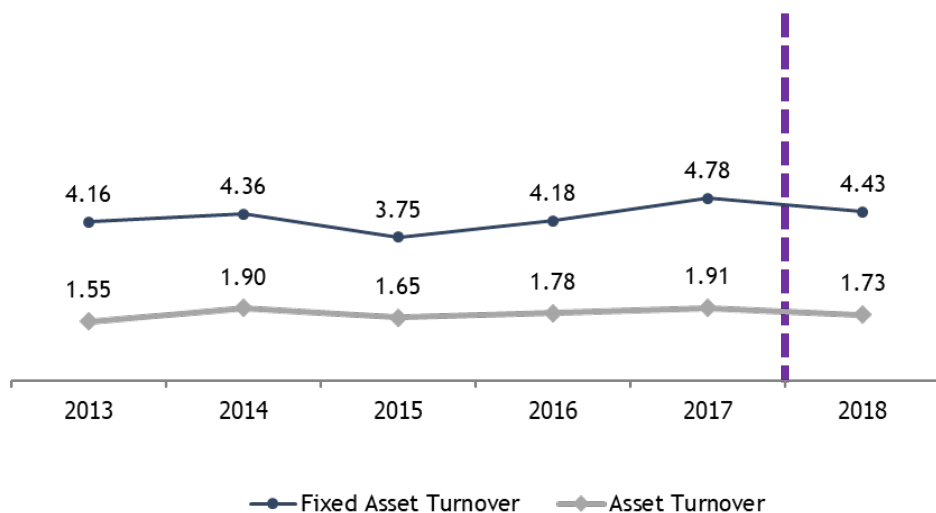
1Q17-4Q18



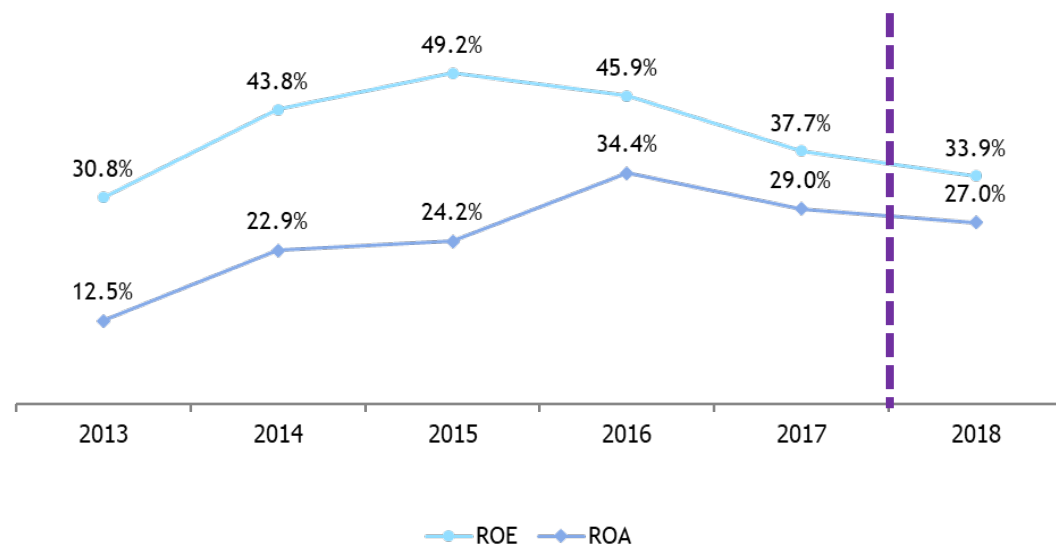
- Fixed Asset Turnover and Asset Turnover of 4Q18 decreased due to decrease in sale since customer delayed order from an increase in fuel price and from the effect of weaker local currency of some Asia customers
- ROE and ROA decreased from prior period due to decrease in net income and sale revenues

Operational Statistics (Cont'd)

Fixed Asset Turnover and Asset Turnover (Times)
2013-2018

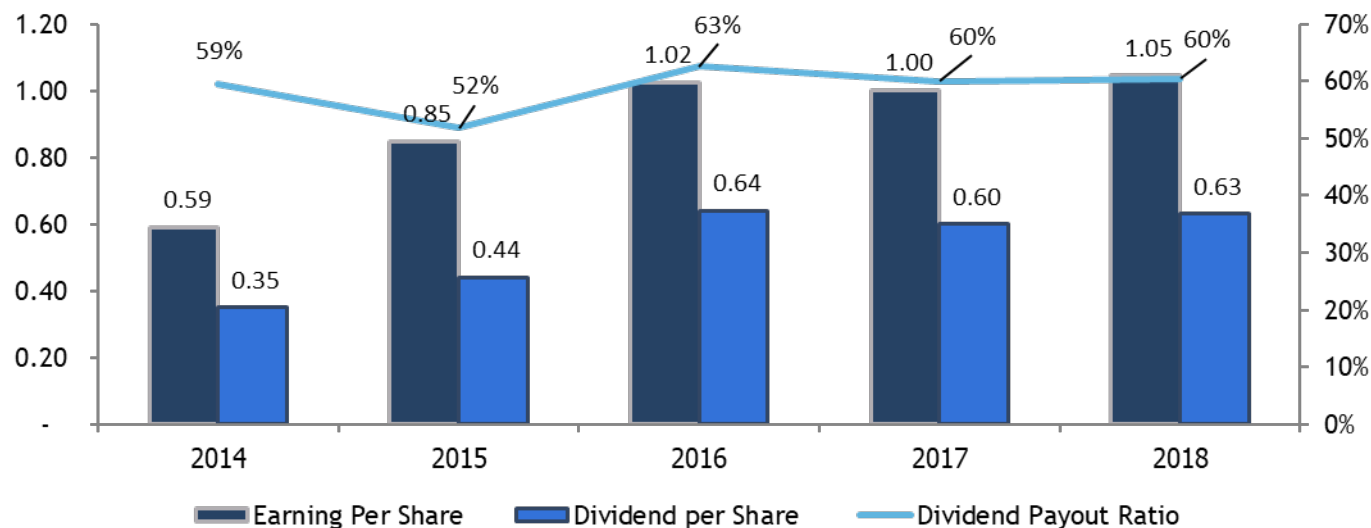


ROE and ROA (%)
2013-2018



- Fixed Asset Turnover, Asset turnover and ROA of 2018 decreased from prior year because the Company acquired new land and gain from revaluation of investment property
- ROE of 2018 decreased from prior year because of an increase in capital from exercising ESOP warrants

Dividend Payment History



	2014	2015	2016	2017	2018
FS publication day	2/12/2015	2/11/2016	15/2/2017	14/2/2018	12/2/2019
Price per share	7.58	11.00	16.60	13.40	12.10
Dividend per share	0.35	0.44	0.64	0.60	0.63
Earning Per Share	0.59	0.85	1.02	1.00	1.05
Dividend Yield per year	4.6%	4.0%	3.9%	4.5%	5.2%
Dividend Amount (MB)	163.89	231.84	338.62	319.18	337.37
Dividend Payout Ratio	59%	52%	63%	60%	60%

Remarks: *The Company began paying Dividend since 2014

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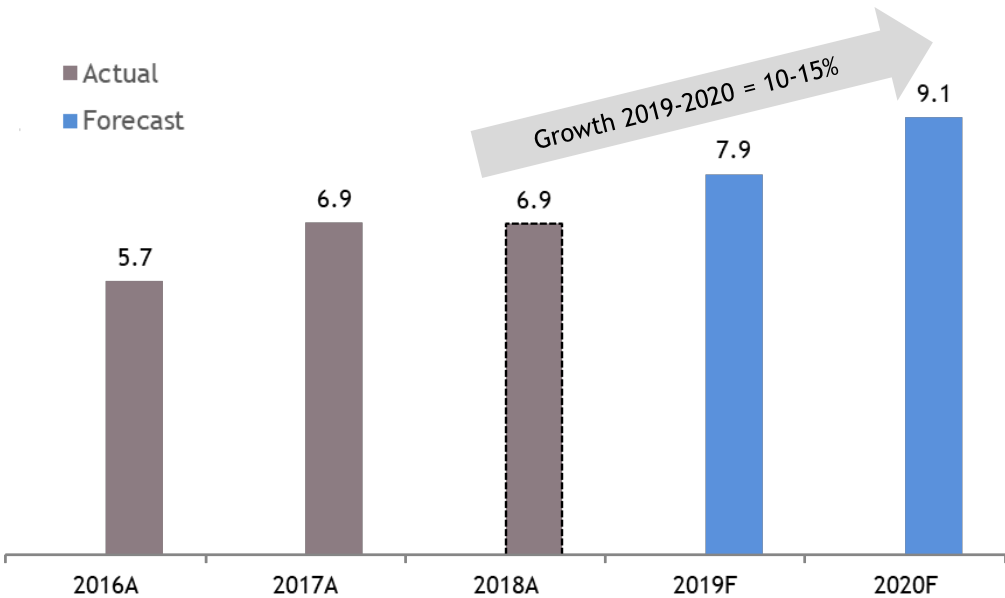
III. Financial Highlights

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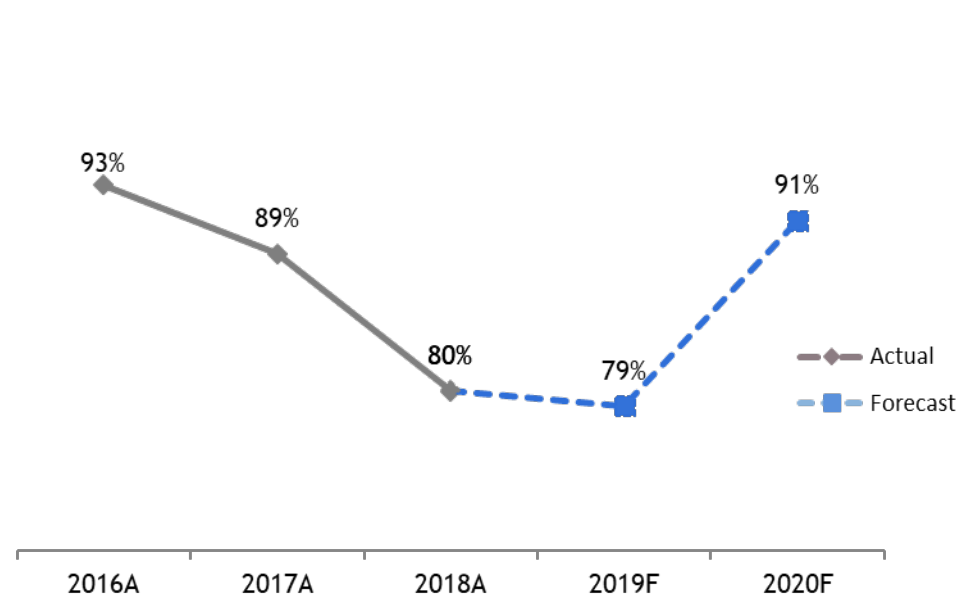


2019 Target and Future Growth Strategy

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	8.7	10.0
Per Quarter	1.25	1.38	1.55	1.93	2.16	2.50

2019-2020 Business Plan



2019 (Short)

Process Improvement

- Debottlenecking
- Waste Reduction

Capability Enhancement

- Customer relationship management
- Enter into the new region
- R&D Team improve product development
- Digitalization

2020 onward

Feasibility Study on investing for both domestic and abroad

- Joint with strategic partner

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THANK YOU

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