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# Sahamitr Pressure Container Public Company Limited

## Opportunity Day - 2019 Presentation



Sahamitr Pressure Container Public Company Limited

92, Soi Thientalay7 (4th Intersection), Bangkhunthien Chaitalay Road, Samaedam,  
Bangkhunthien, Bangkok 10150. Tel : (66 2) 895-4139-54 Fax : (66 2) 416-5534

Presented by: Mr. Surasak Urpsirisuk  
Mrs. Patama Laowong  
Mr. Jerawut Laowong

25 February 2020



"World Class LPG Cylinder Manufacturer of Thailand"

## Agenda

**I. SMPC Overview**

II. Industry Overview

III. Financial Highlights

IV. Business Outlook





"World Class LPG Cylinder Manufacturer of Thailand"

## Agenda

### I. SMPC Overview

- Profile
- Products

### 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  
(Total area 46-1-13.9 Rai)









# "World Class LPG Cylinder Manufacturer of Thailand"

## I. SMPC Overview : Profile

### 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

**1981****1985-1991****1992-1995****2001-2010****2012-2013****2014-2015****2016-2017****2018****2019**

- In 1985 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

- Annual production capacity reached 5 million cylinders in 2001
- 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

- 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

- Built new loading area on new land in order to improve logistic process
- CAC member for Anti-Corruption Practice

- 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 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





"World Class LPG Cylinder Manufacturer of Thailand"

## I. SMPC Overview : Profile

### International Summit



2019



"World Class LPG Cylinder Manufacturer of Thailand"

I. SMPC Overview : Profile

## 2020 Attend International Exhibition



2ND WEST AFRICA  
LPG Conference & Expo

**2020**

Accra, Ghana



**2 - 4 NOVEMBER 2020 / DUBAI**







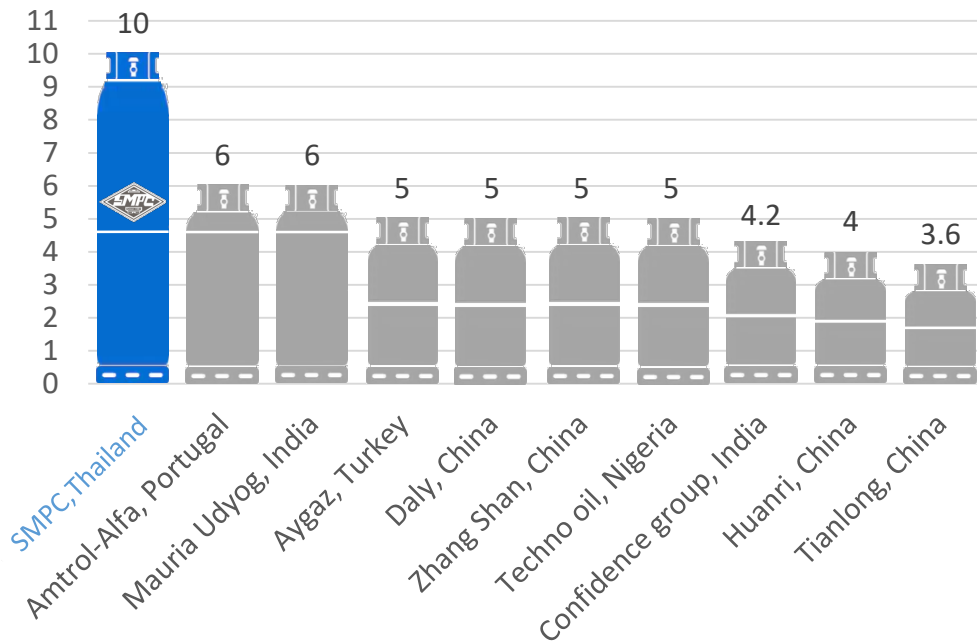
"World Class LPG Cylinder Manufacturer of Thailand"

## I. SMPC Overview : Profile

# 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

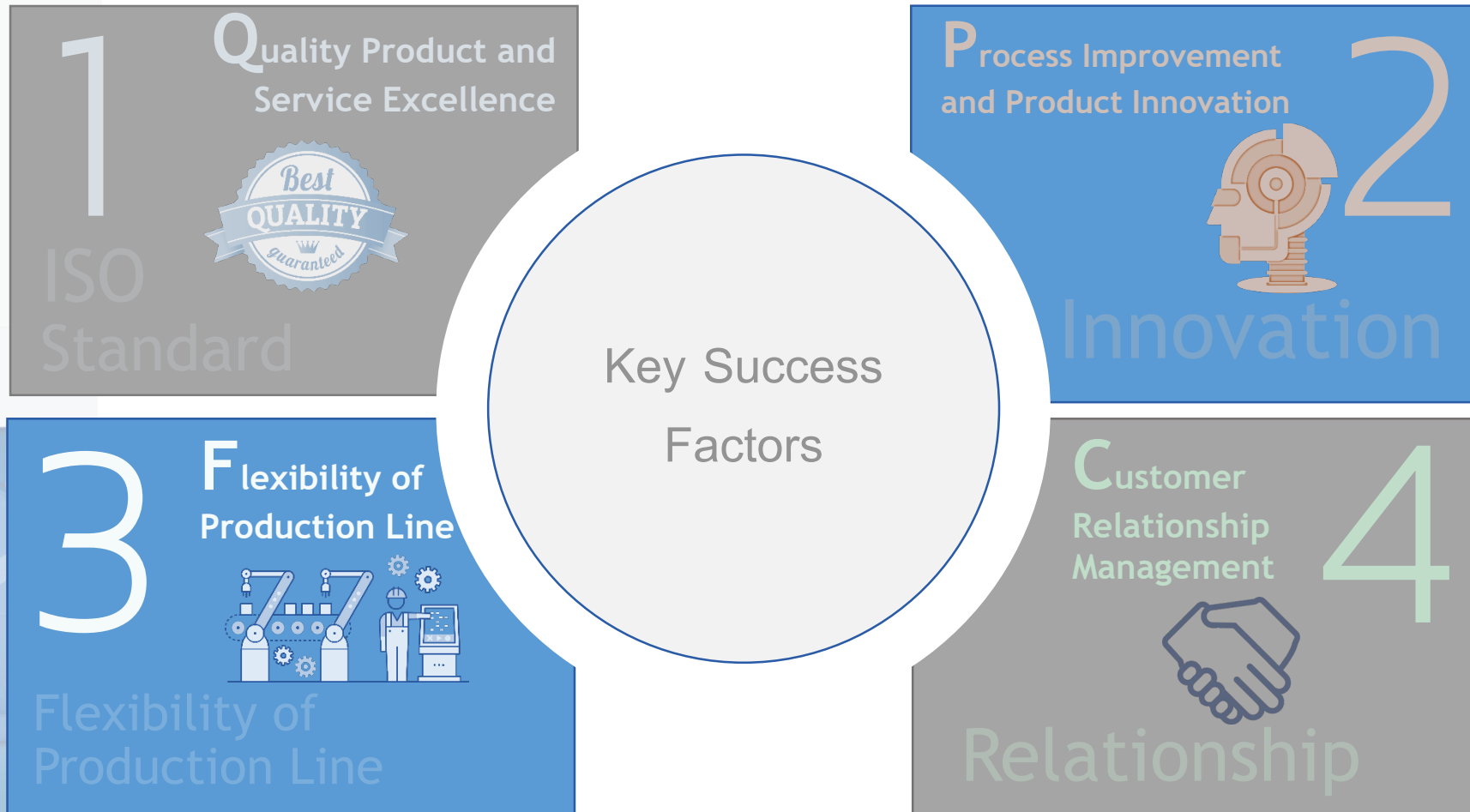


"World Class LPG Cylinder Manufacturer of Thailand"

## I. SMPC Overview : Profile

### Business Key Success Factors

***"Experienced in LPG cylinder business about 39 years, SMPC, currently, is one of the world-leading manufacturer who offers variety of products and service with excellent quality assurance"***





"World Class LPG Cylinder Manufacturer of Thailand"

I. SMPC Overview : Products

## Wide Ranges of Product Coverage

Household LPG Cylinder 0.45 - 300 kg.  
(Water Capacity 0.9 - 1,000 lt.)



## Automotive LPG Cylinder



## Other Cylinders







"World Class LPG Cylinder Manufacturer of Thailand"

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- Overview
- Growth Opportunities
- Campaign

### III. Financial Highlights

### IV. Business Outlook





"World Class LPG Cylinder Manufacturer of Thailand"

## II. Industry Overview

### About the Industry



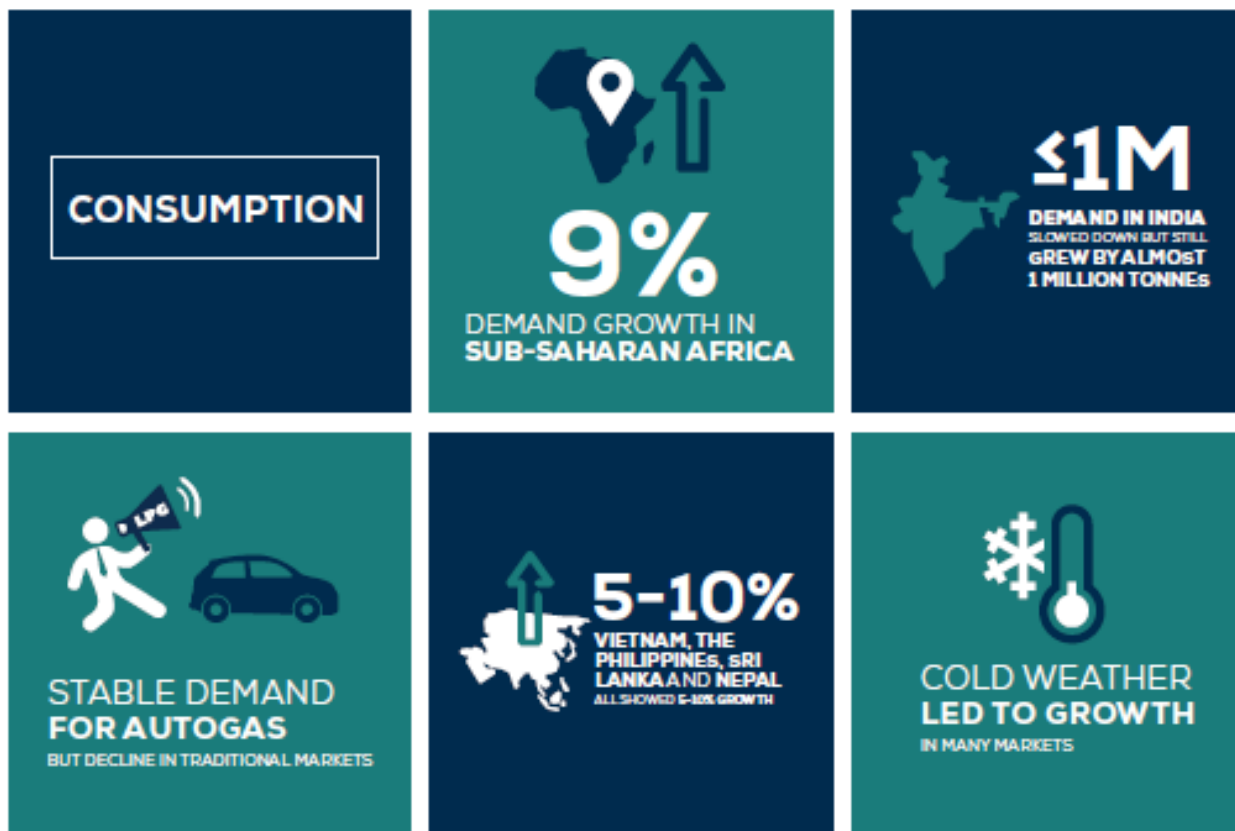
Source: WLPGA Annual Report 2019



"World Class LPG Cylinder Manufacturer of Thailand"

## II. Industry Overview

### About the Industry



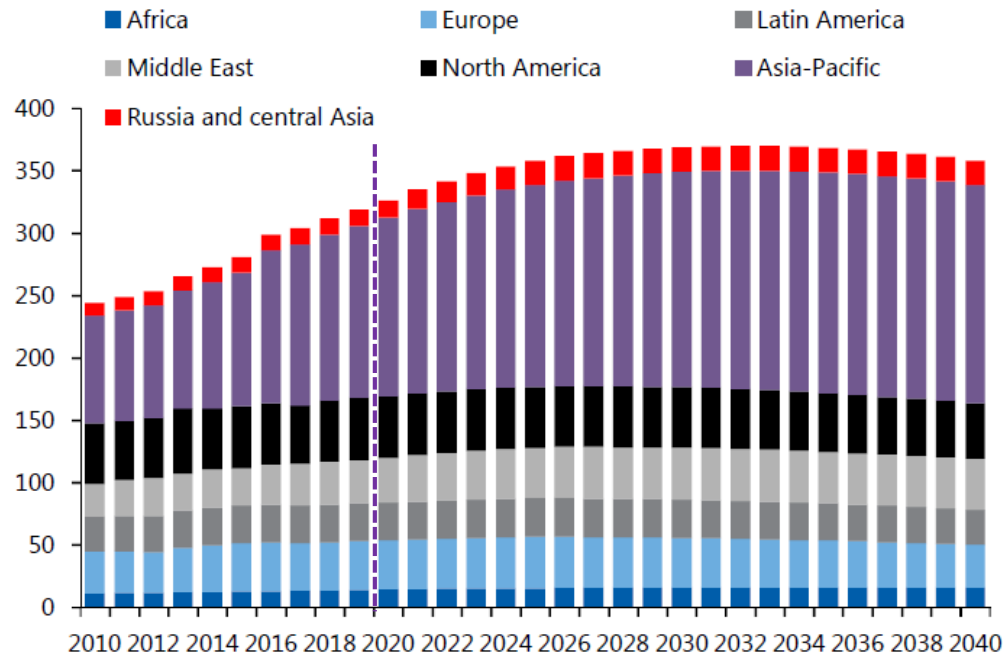
Source: WLPGA Annual Report 2019



## II. Industry Overview

### Predicted Global LPG Consumption

World LPG consumption by region 2010-40 mn t

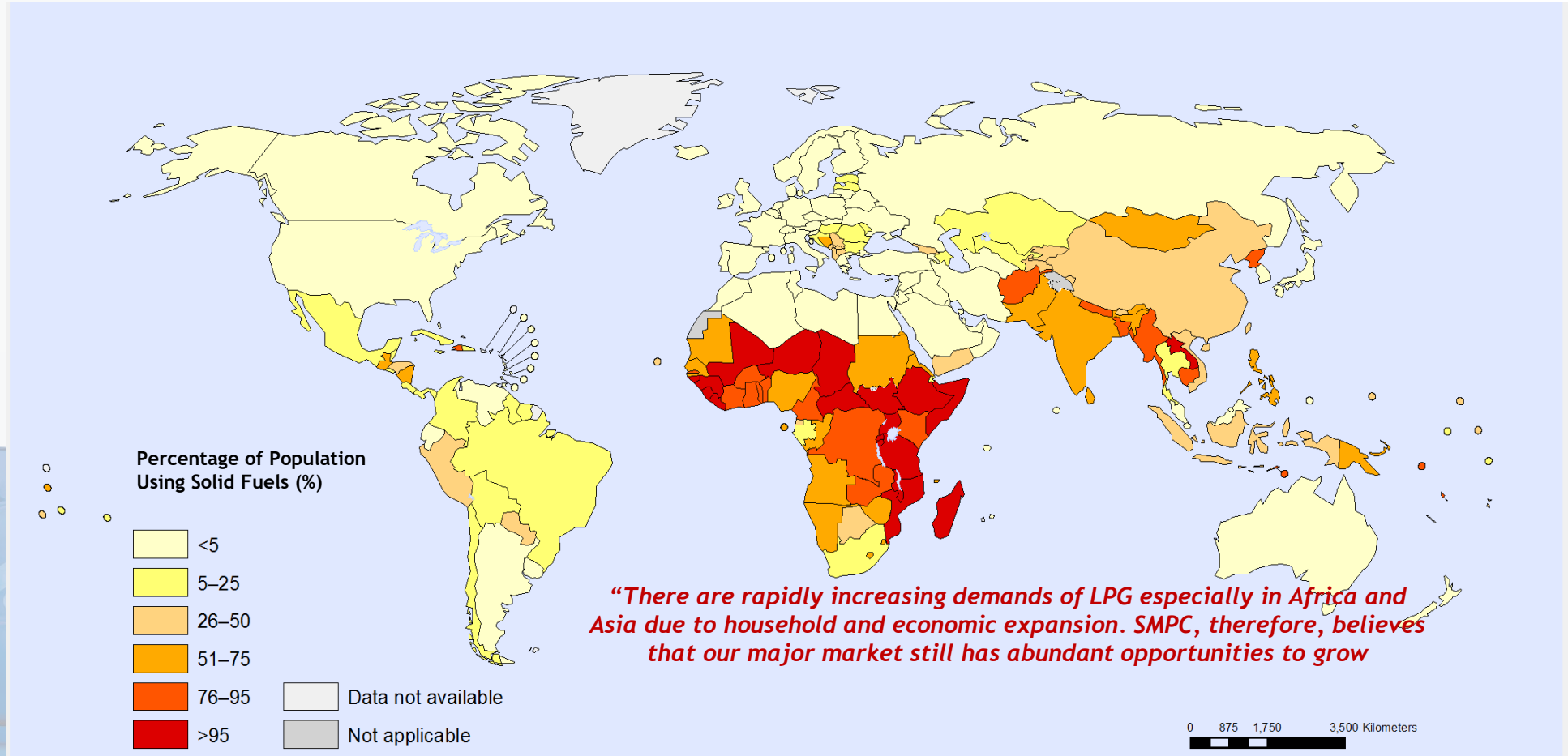


- Predicted global LPG consumption is gradual growth each year, in short to intermediate term, so there are opportunities for SMPC to grow.
- Thermal efficiency of LPG and transportation flexibility make LPG an excellent fuel for cooking, especially in Asia where the use of the wok demands a fierce flame

Source: Statistical review of global LPG 2019

## II. Industry Overview

# Large Room for Household LPG Demand Growth in Selected Areas



Source: World Health Organization (2014)



## II. Industry Overview : Campaign



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"***



- Due to the abundant benefits of LPG such as more efficient, de-carbonisation and affordable energy source, WLPGA still promotes Cooking for Life and set as one of core activities.
- In 2019 the Cooking For Life initiative was focused on increasing the breadth and scope of its communications. The initiative created five new micro video stories that are easily deployable on social media to help spread information about the benefits of switching to LPG.

Source COOKING FOR LIFE: Annual Report WLPGA 2019





"World Class LPG Cylinder Manufacturer of Thailand"

## Agenda

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### II. Industry Overview

### III. Financial Highlights

- Utilization Rate
- Sales Revenue
- Financial Ratios

### IV. Business Outlook

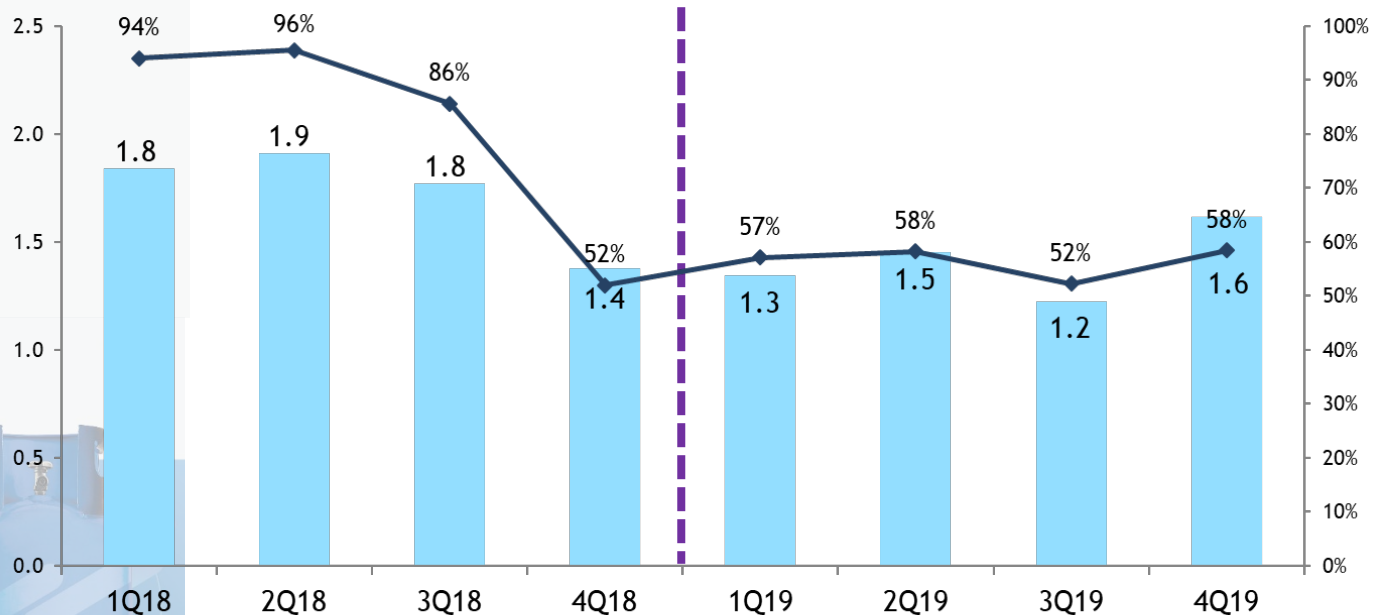


### III. Financial Highlights : Utilization Rate

## Operational Statistics

### Utilization Rate (%) 1Q18-4Q19

#### Sales Volume (Million Cylinders)



- Sale Volume of 4Q19 increased from prior quarters and being the highest quarter because demand from Customers in South Asia.
- Utilization rate is slightly increased from prior quarter since sale increased. However, compared to 2018, it 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)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Per Year	8.2	8.2	8.2	10.0	10.0	10.0	10.0	10.0
Per Quarter	2.05	2.05	2.05	2.50	2.50	2.50	2.50	2.50



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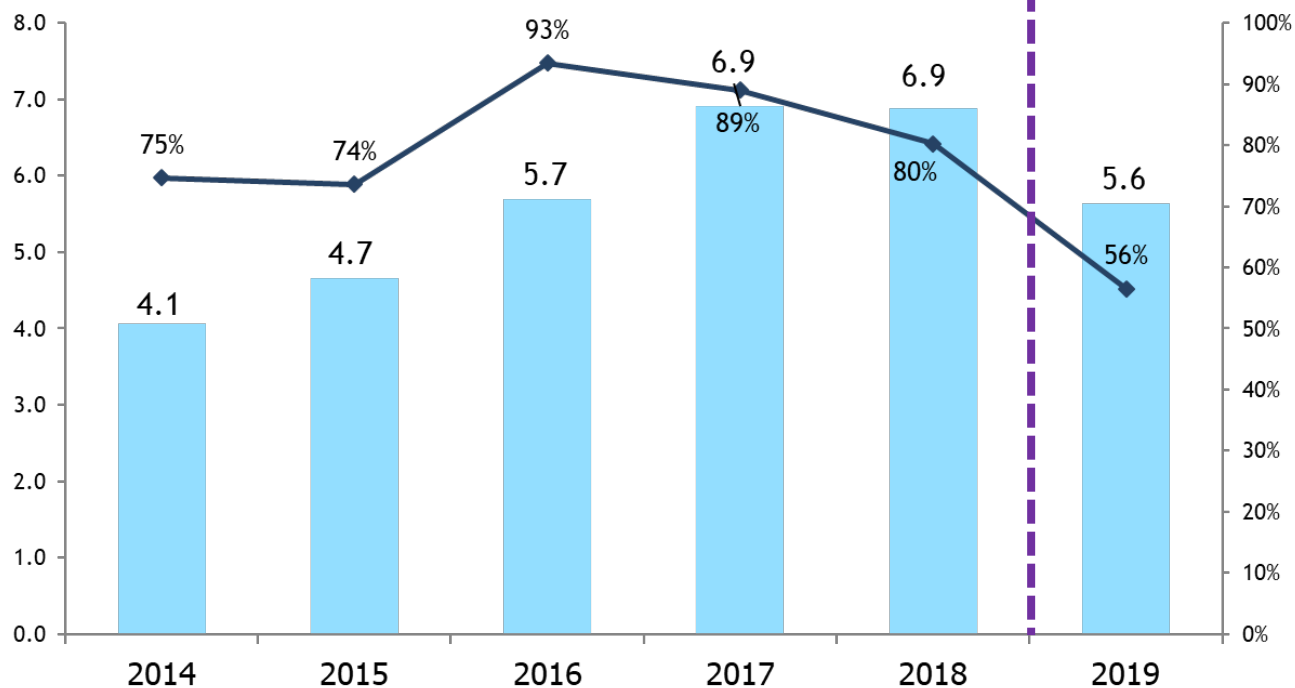
## III. Financial Highlights : Utilization Rate

### Operational Statistics

#### Utilization Rate (%) 2014-2019

Sales Volume (Million Cylinders)

Utilization Rate



Capacity (million cylinder)	2014	2015	2016	2017	2018	2019
Per Year	5.5	6.2	6.2	7.7	8.7	10.0
Per Quarter	1.38	1.55	1.55	1.93	2.16	2.50



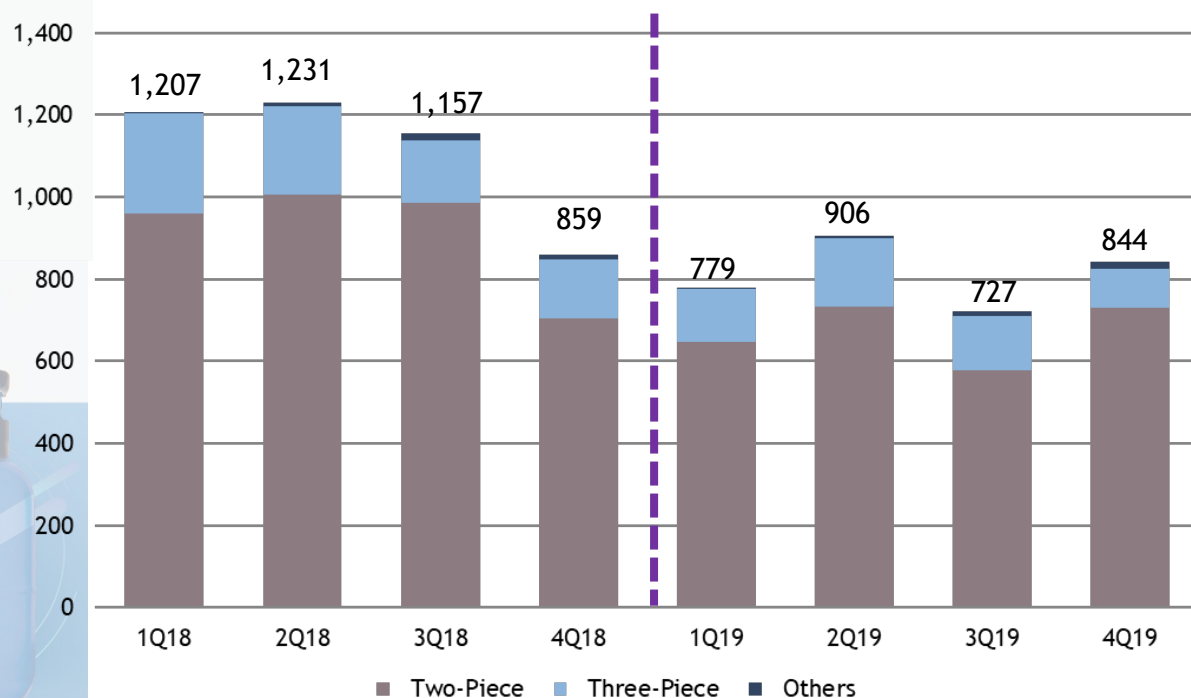


## III. Financial Highlights : Sales Revenue

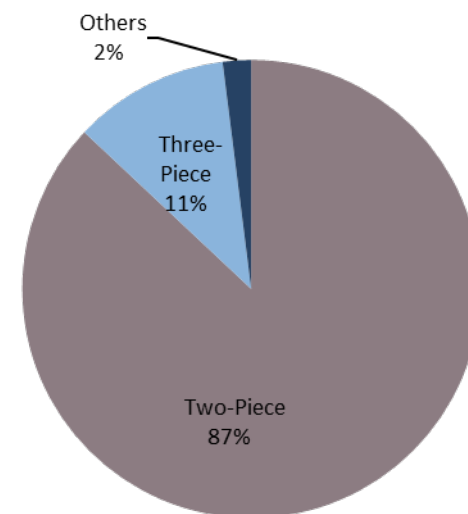
## Operational Statistics (Cont'd)

## Sales Revenue by Product Category : 1Q18-4Q19

Sales Revenue (Million Baht)



## 4Q19



844 million baht

**Note:** Revenue from sales of prior periods have been reclassified to conform with current year reclassification

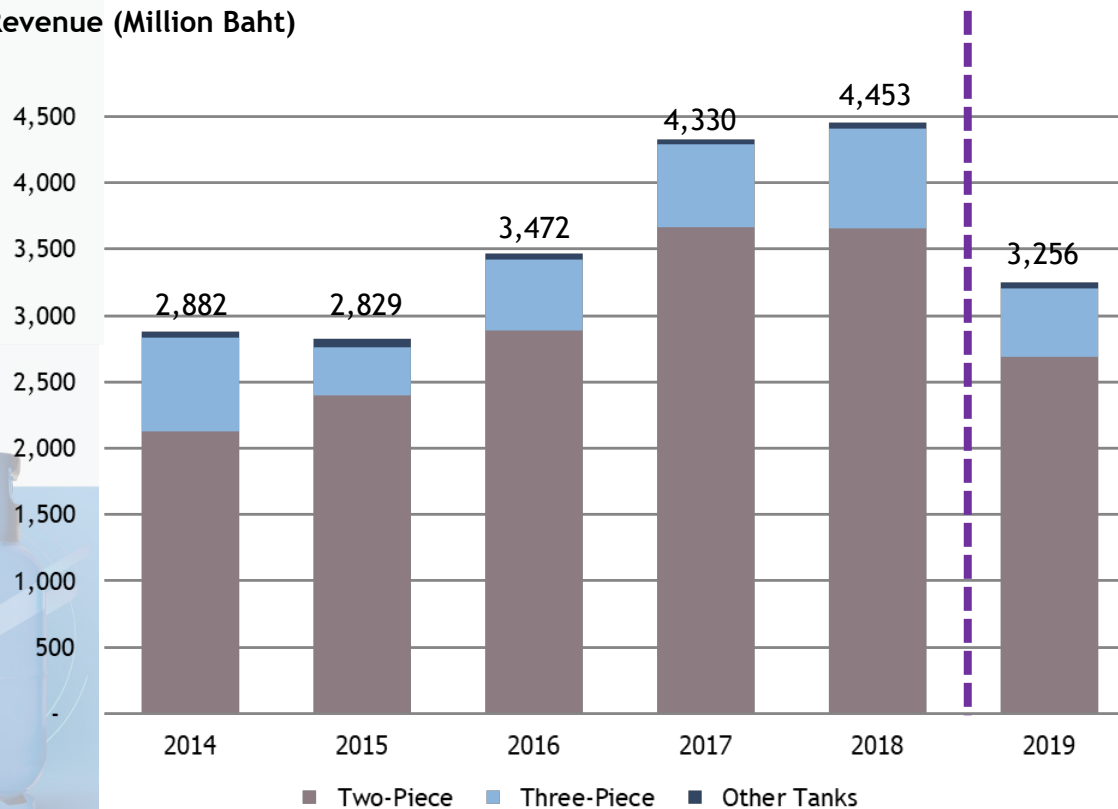


## III. Financial Highlights : Sales Revenue

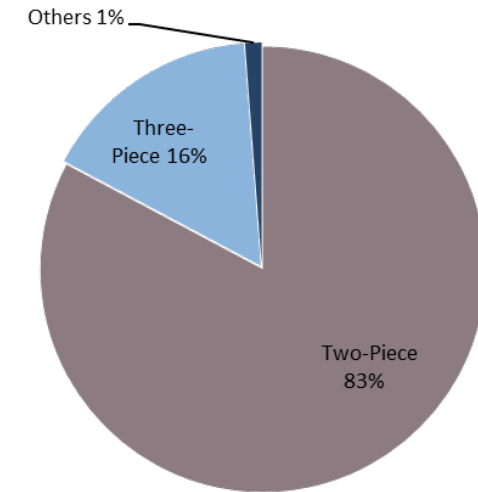
## Operational Statistics (Cont'd)

## Sale Revenue by Product Category : 2014 -2019

Sales Revenue (Million Baht)



2019



3,256 million baht

**Note:** Revenue from sales of prior periods have been reclassified to conform with current year reclassification

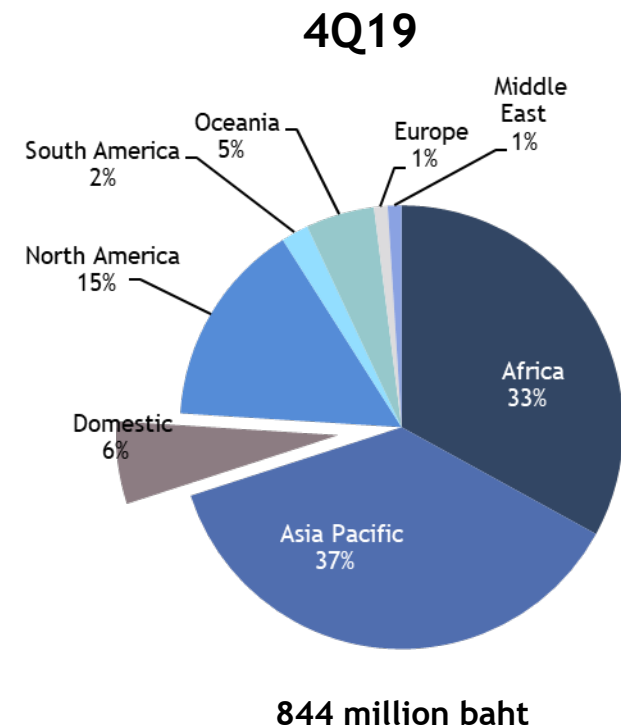
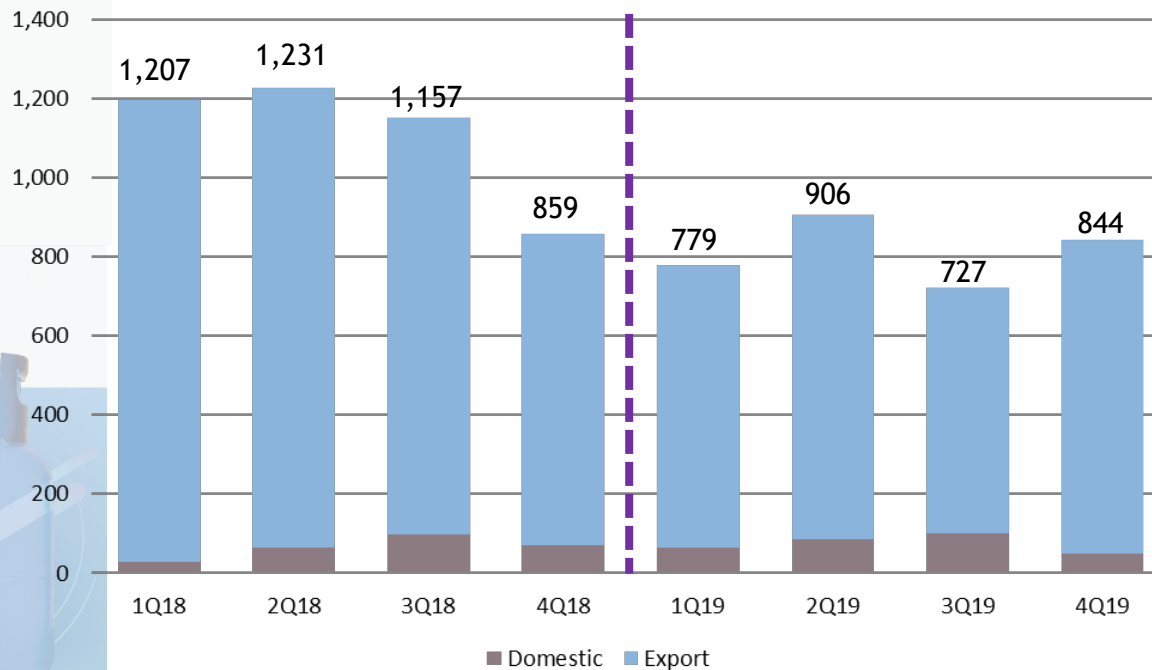


## III. Financial Highlights : Sales Revenue

## Operational Statistics (Cont'd)

## Sales Revenue by Geography : 1Q18 - 4Q19

## Sales Revenue (Million Baht)



- The U.S. government policy regarding Anti-Dumping of Steel propane cylinders causes the portion of sale from North America in 2019 increased from prior period because import duties from Thailand is lower than from China.

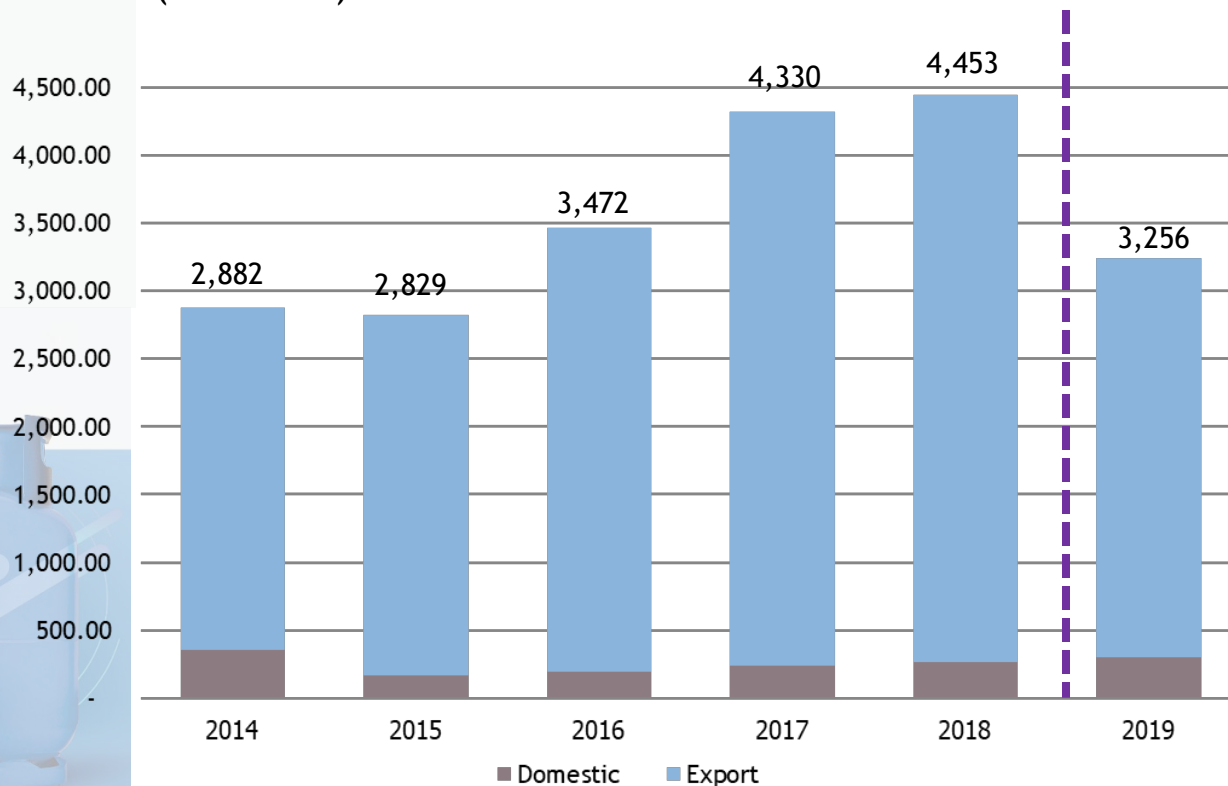


## III. Financial Highlights : Sales Revenue

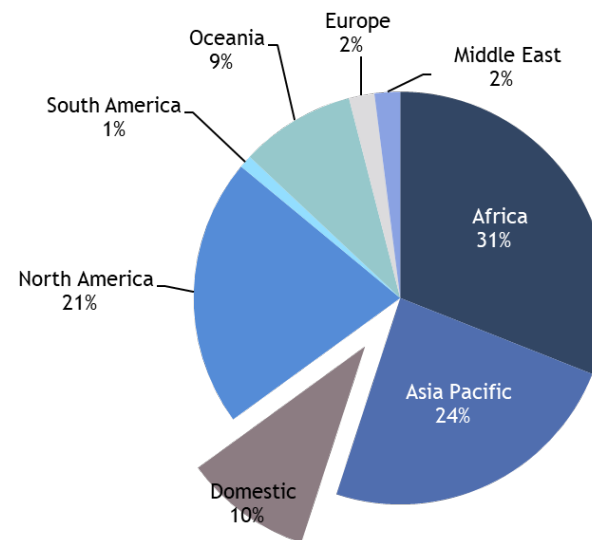
## Operational Statistics (Cont'd)

## Sales Revenue by Geography : 2014 - 2019

Sales Revenue (Million Baht)



## 2019



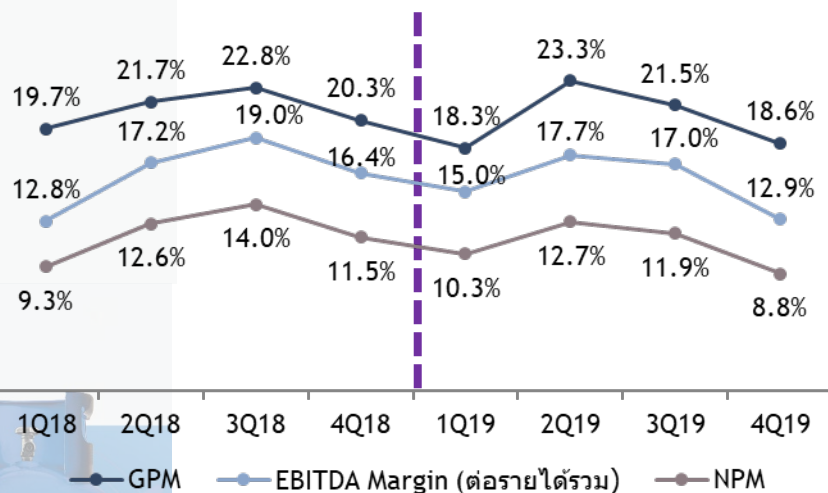
3,256 million baht



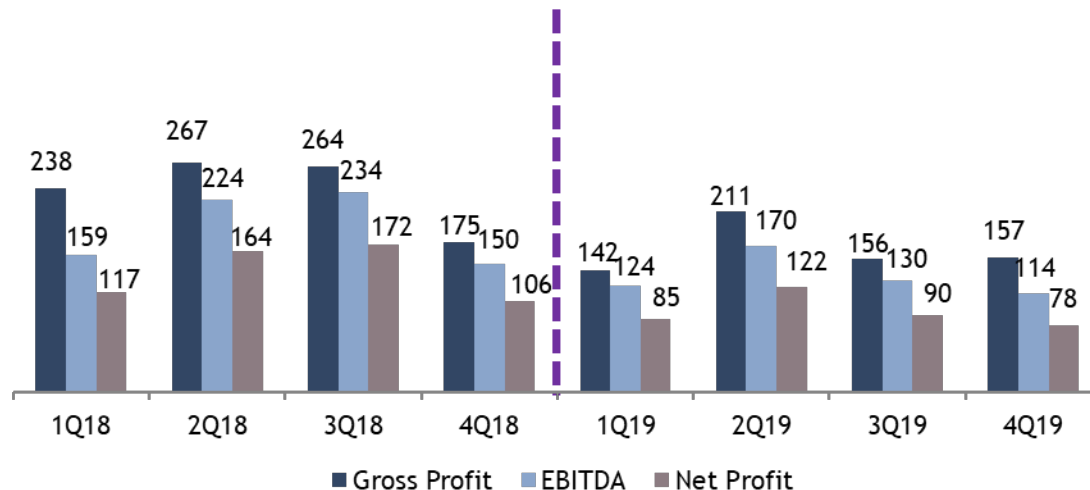
III. Financial Highlights : Financial Ratios

## Operational Statistics (Cont'd)

GPM, EBITDA Margin and NPM (%) 1Q18-4Q19



Gross Profit, EBITDA and Net Profit (MB) 1Q18-4Q19

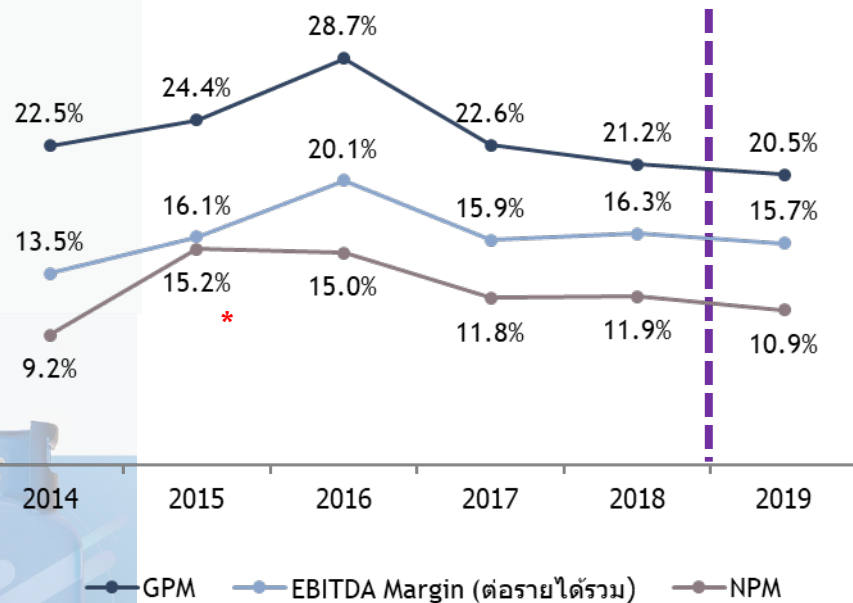


- GPM, EBITDA Margin and NPM of 4Q19 decreased from prior period because Baht Currency is stronger and company has to lower margin in order to compete for big lot orders
- GPM slightly increased because Revenue from sales of prior periods have been reclassified to conform with current year reclassification

III. Financial Highlights : Financial Ratios

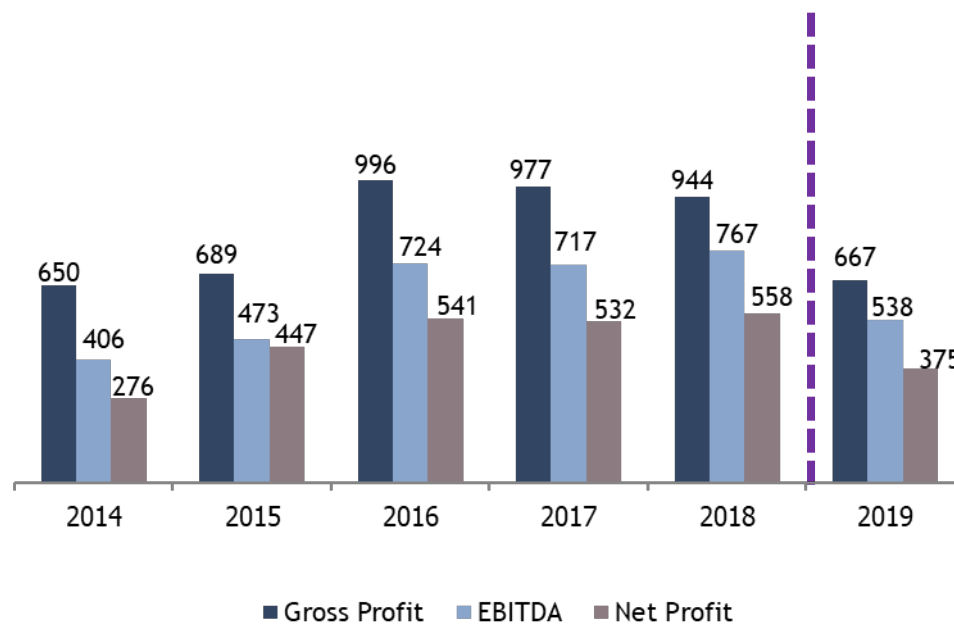
## Operational Statistics (Cont'd)

GPM, EBITDA Margin and NPM (%) 2014-2019



- GPM are change because Revenue from sales of prior periods have been reclassified to conform with current year reclassification

Gross Profit, EBITDA and Net Profit (MB) 2014-2019



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

Exchange Rate

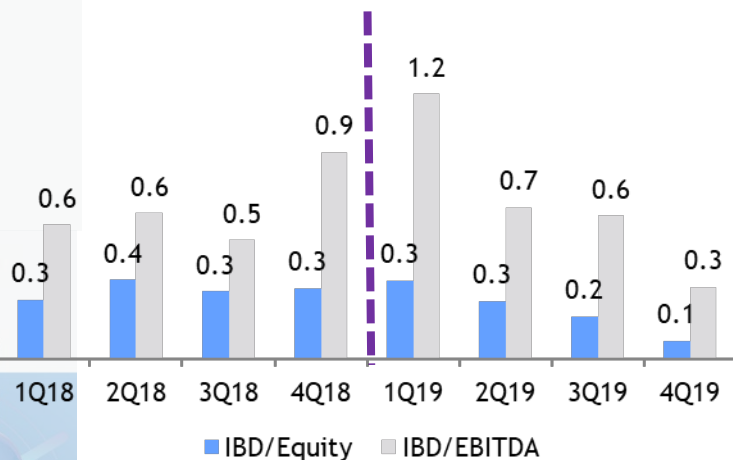
Steel Price

### III. Financial Highlights : Financial Ratios

## Operational Statistics (Cont'd)

#### IBD\* to Equity Ratio, IBD\* to EBITDA Ratio (times) 1Q18-4Q19

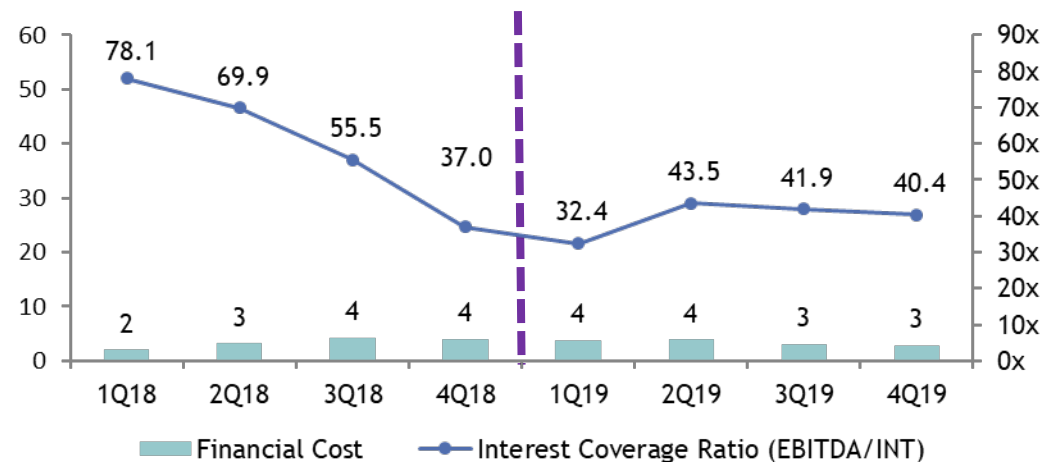
Times



#### Financial Cost (million baht), Interest Coverage Ratio (times) 1Q18-4Q19

million baht

Times



- IBD to EBITDA Ratio of 4Q19 is better than prior period because the Company paid back debt (trust receipt)
- Interest Coverage Ratio of 2019 less than 2018 because a decrease in company's profit

Remarks \* IBD = Interest Bearing Debt

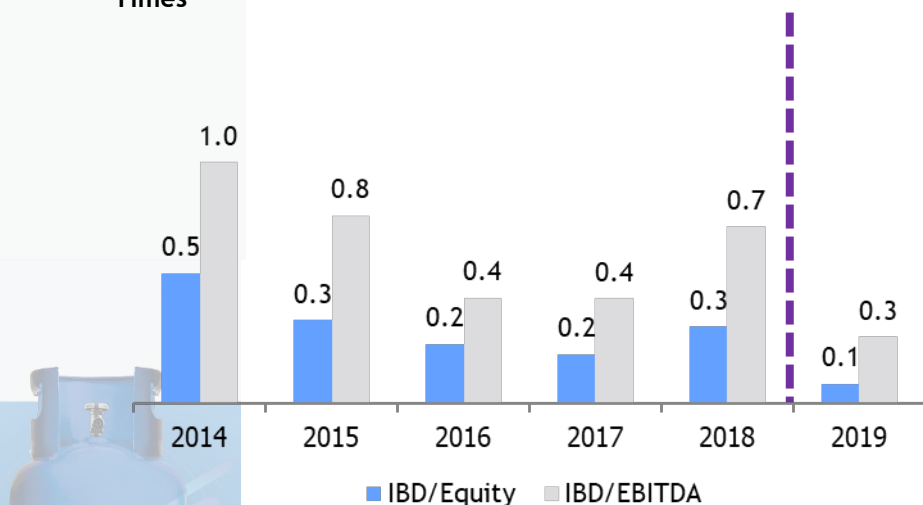


## III. Financial Highlights : Financial Ratios

## Operational Statistics (Cont'd)

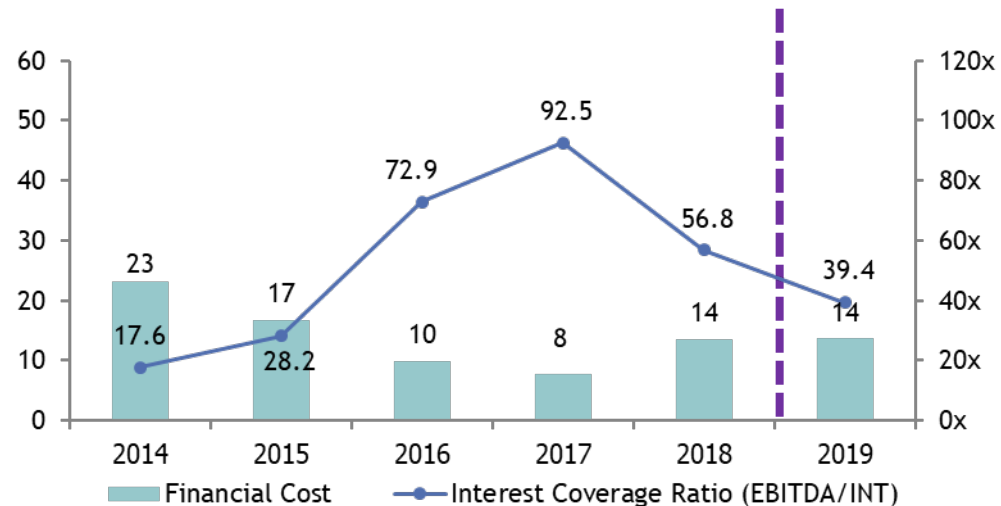
IBD\* to Equity Ratio, IBD\* to EBITDA Ratio (times)  
2014-2019

Times

Financial Cost (million baht), Interest Coverage Ratio (times)  
2014-2019

million baht

Times



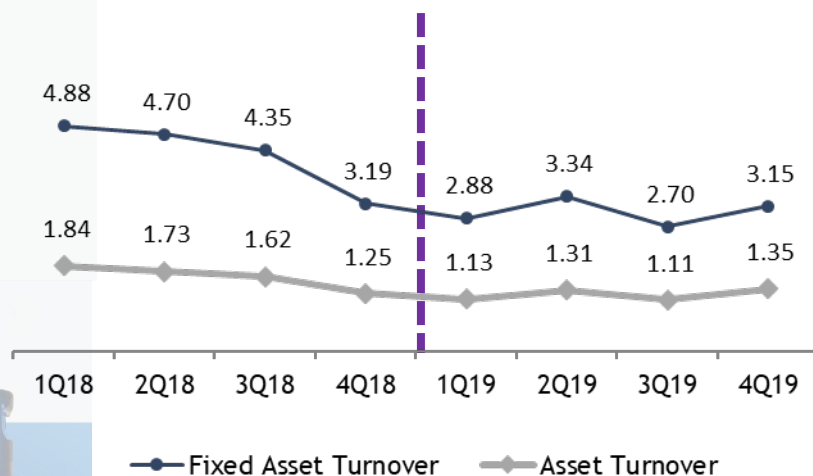
Remarks \* IBD = Interest Bearing Debt



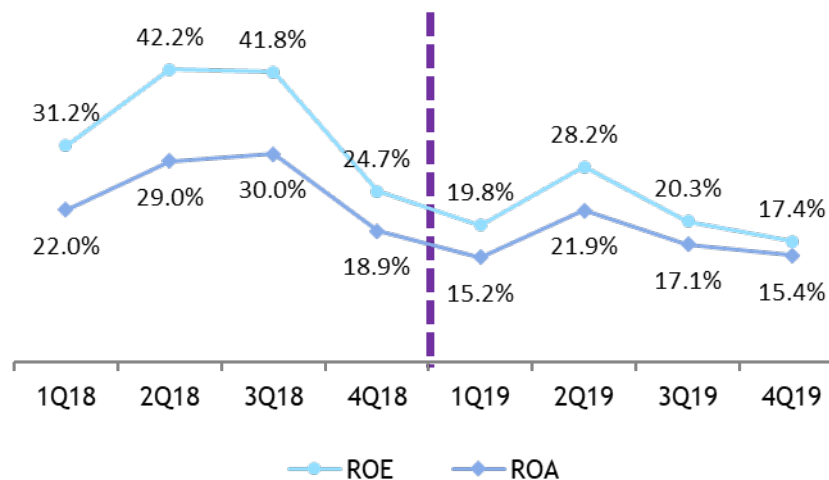
III. Financial Highlights : Financial Ratios

## Operational Statistics (Cont'd)

**Fixed Asset Turnover and Asset Turnover (Times)**  
1Q18-4Q19



**ROE and ROA (%)**  
1Q18-4Q19

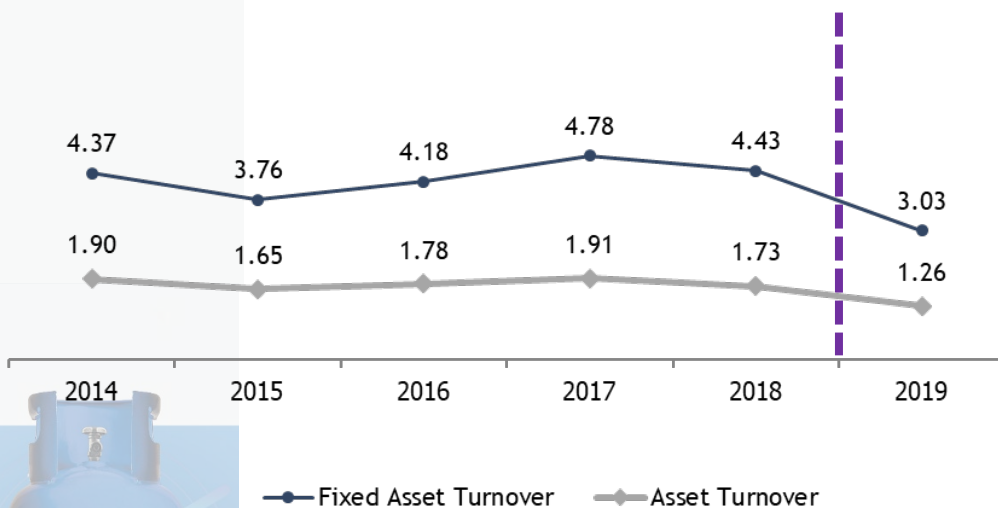


- Fixed Asset Turnover and Asset Turnover are better than 3Q19 due to an increase in sale revenue
- Fixed Asset Turnover and Asset Turnover are change because Revenue from sales of prior periods have been reclassified to conform with current year reclassification
- ROE and ROA of 4Q19 decreased from prior period while sale revenues increased because the company has to lower margin in order to compete for big lot orders

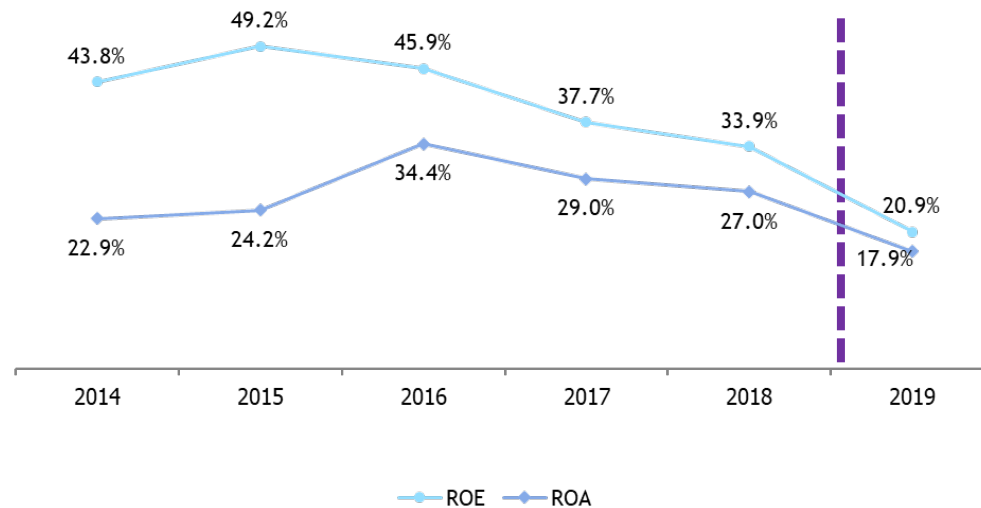
### III. Financial Highlights : Financial Ratios

## Operational Statistics (Cont'd)

**Fixed Asset Turnover and Asset Turnover (Times)**  
**2014-2019**



**ROE and ROA (%)**  
**2014-2019**

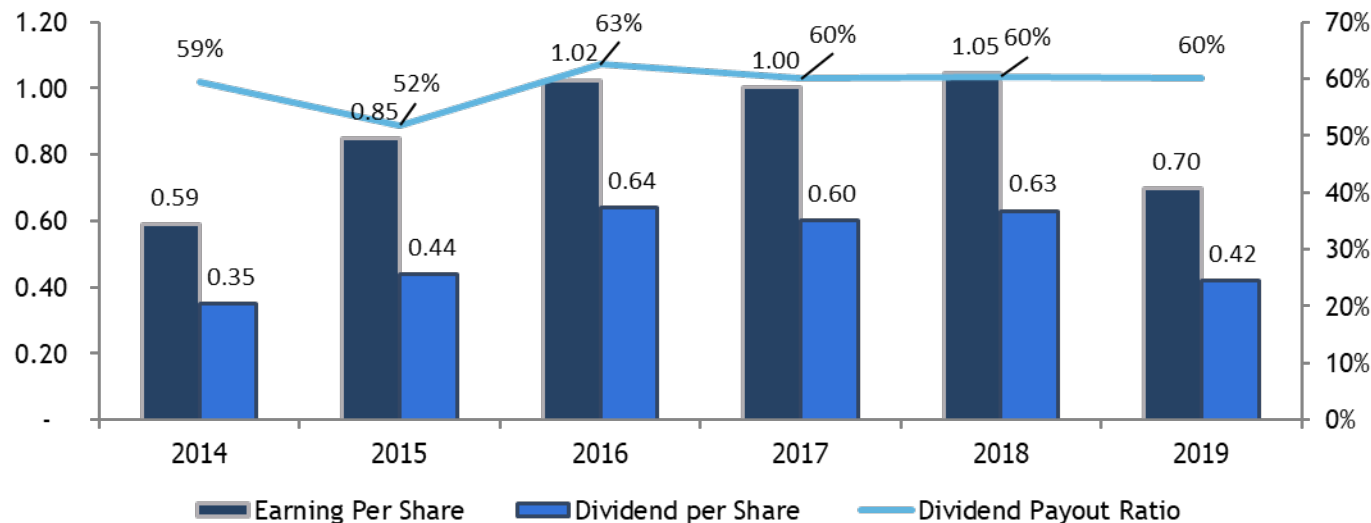


- Fixed Asset Turnover and Asset Turnover are change because Revenue from sales of prior periods have been reclassified to conform with current year reclassification



### III. Financial Highlights : Financial Ratios

## Dividend Payment History



	2014	2015	2016	2017	2018	2019
FS publication day	2/12/2015	2/11/2016	15/2/2017	14/2/2018	12/2/2019	21/2/2020
Price per share	7.58	11.00	16.60	13.40	12.10	5.65
Dividend per share	0.35	0.44	0.64	0.60	0.63	0.42
Earning Per Share	0.59	0.85	1.02	1.00	1.05	0.70
Dividend Yield per year	4.6%	4.0%	3.9%	4.5%	5.2%	7.43%
Dividend Amount (MB)	163.89	231.84	338.62	319.18	337.37	224.91
Dividend Payout Ratio	59%	52%	63%	60%	60%	60%

Remarks: \*The Company began paying Dividend since 2014



"World Class LPG Cylinder Manufacturer of Thailand"

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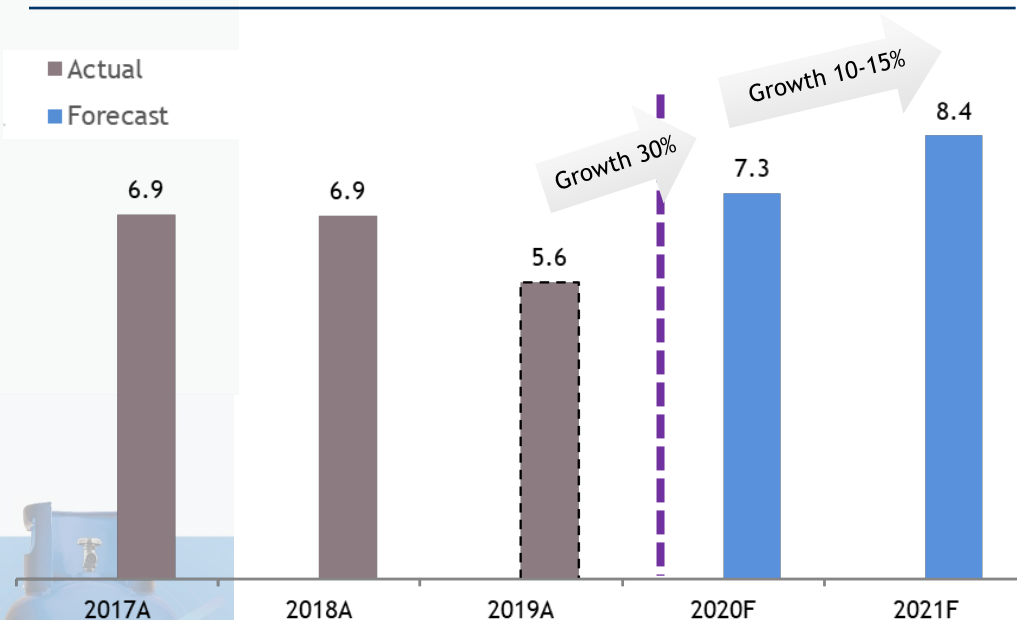




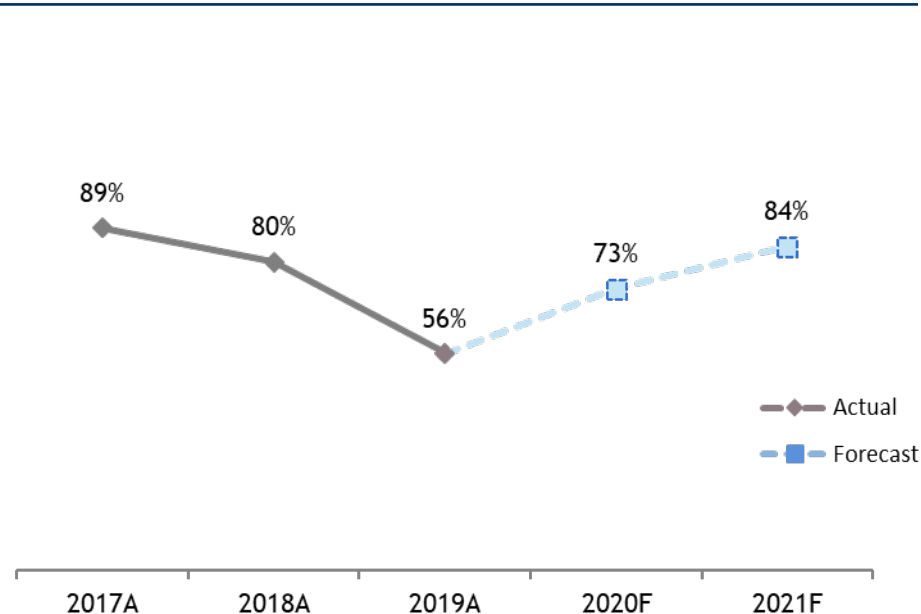
## IV. Business Outlook

## 2020 Target and Future Growth Strategy

Projected Sales Volume (million cylinders)



Projected Utilization (%)



Capacity (million cylinder)	2011-2013	2014	2015-2016	2017	2018	2019	F2020-2021
Per Year	5.0	5.5	6.2	7.7	8.7	10.0	10.0
Per Quarter	1.25	1.38	1.55	1.93	2.16	2.50	2.50



## IV. Business Outlook

### 2020-2021 Business Plan

#### 2020 (Short)

##### Foreign Investment

- Established new holding Company, 100% own, in Foreign Country

##### Process and cost Improvement

- Debottlenecking
- Waste Reduction
- Solar cell implementation

##### Capability Enhancement

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

#### 2021 onward

##### Feasibility Study on investing for both domestic and abroad

- Joint with strategic partner
- 100% Own-factory
- To develop automatic production process in order to make cost of production more efficient and less rely on labors





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# THANK YOU

## Contacts :

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



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Trusted Partner for Your Business