

# Sahamitr Pressure Container PCL

(SMPC.BK/SMPC.TB)

## Outperform · Maintained

Price as of 10 Aug 2020	12.50
12M target price (Bt/shr)	16.50
Unchanged/Revised up(down)(%)	10.0
Upside/downside (%)	32.0

### Key messages

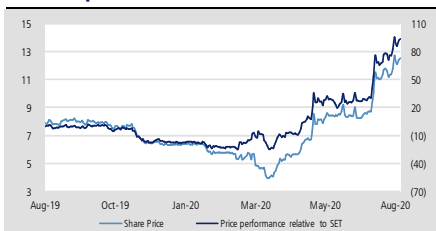
กำไรสุทธิของ SMPC ใน 2Q63 อยู่ที่ 182 ล้านบาท (+49% YoY และ +25% QoQ) ดีกว่าประมาณการของเรา 34% และดีกว่า Bloomberg consensus 26% เนื่องจากทั้งยอดขายและอัตรากำไรขั้นต้นดีเกินคาด การฟื้นตัวของกำไร on track ตามที่เรามองไว้ เราปรับประมาณการกำไรขั้นต้นประมาณ 9% และ upgrade ราคาเป้าหมายจาก 15.0 บาท เป็น 16.5 บาท อิงจาก PER ที่ 14.0X (ค่าเฉลี่ยในอดีต +1.0 S.D.) ด้วย upside 32% และ 5% dividend yield ยังคงคำแนะนำ “ซื้อ”

Mkt cap (Btbn/US\$mn)	6.7/167		
Outstanding shares (mn)	536		
Foreign ownership (mn)	12.3		
3M avg. daily trading (mn)	3		
52-week trading range (Bt)	4.0 – 12.7		
Performance (%)	3M	6M	12M
Absolute	61.3	117.4	58.2
Relative	58.6	153.1	93.9

### Quarterly EPS

	1Q	2Q	3Q	4Q
2018	0.22	0.31	0.32	0.20
2019	0.16	0.23	0.17	0.15
2020	0.27	0.34		

### Share price chart



Source: SET

Chananthorn Pichayapanupat, CFA  
66.2658.8888 Ext.8849  
chananthornp@kgi.co.th

## ผลประกอบการ 2Q63: ดีเกินคาด

### Event

กำไรสุทธิของ SMPC ใน 2Q63 อยู่ที่ 182 ล้านบาท (+49% YoY และ +25% QoQ) ดีกว่าประมาณการของเรา 34% และดีกว่า Bloomberg consensus 26% จากยอดขายและอัตรากำไรขั้นต้นดีเกินคาด ส่งผลให้กำไรสุทธิใน 1H63 อยู่ที่ 329 ล้านบาท (+59% YoY) คิดเป็น 66% ของประมาณการกำไรปีนี้ของเรา

### Impact

#### ยอดขายแข็งแกร่ง

ยอดขายใน 2Q63 เพิ่มขึ้นเป็น 1.1 พันล้านบาท (+21% YoY และ +16% QoQ) เนื่องจาก i) มีคำสั่งซื้อจากลูกค้าในเอเชียใต้กลับมา ii) อุปสงค์จากลูกค้าในทวีปแอฟริกาอยู่ในระดับสูง และ iii) คำสั่งซื้อต่อเนื่องจากลูกค้าในสหรัฐ ซึ่งเป็นผลมาจากสงครามการค้าระหว่างจีนและสหรัฐ ส่งผลให้ยอดขายใน 1H63 เพิ่มขึ้นเป็น 2.0 พันล้านบาท (+21% YoY) และคิดเป็น 51% ของประมาณการกำไรทั้งปีของเรา

#### อัตรากำไรขั้นต้นน่าประทับใจ

อัตรากำไรขั้นต้นของ SMPC เพิ่มขึ้นอย่างน่าประทับใจเป็น 26.4% (+3.2ppts YoY และ +4.1ppts QoQ) ในไตรมาสที่สอง ซึ่งดีกว่าประมาณการของเราที่ 22.5% เนื่องจากเงินบาทอ่อนค่าลง และราคาเหล็กลดลง ทั้งนี้ อัตรากำไรขั้นต้นใน 1H63 อยู่ที่ 24.4% (+3.5ppts YoY) ดีกว่าสมมติฐานปีนี้ของเราที่ 21.0%

#### อนุมัติจ่ายเงินปันผล 0.37 บาทต่อหุ้น

คณะกรรมการของ SMPC อนุมัติให้จ่ายเงินปันผลระหว่างกาล 0.37 บาท/หุ้น สำหรับงวดครั้งแรกของปีนี้ โดยกำหนดขึ้น XD วันที่ 21 สิงหาคม 2563 และกำหนดจ่ายเงินปันผลวันที่ 9 กันยายน 2563 ทั้งนี้เงินปันผลรอบนี้คิดเป็นอัตรากำไรจ่ายปันผลที่ 60% และอัตราผลตอบแทนจากเงินปันผลที่ ~3.0%

#### ปรับประมาณการกำไรเพื่อสะท้อนผลการดำเนินงานที่ดีกว่าคาด

เราปรับประมาณการกำไรปี 2563-2565 ขึ้นโดยเฉลี่ยร้อยละ 9 โดยมาจากการปรับสมมติฐานอัตรากำไรขั้นต้นขึ้นร้อยละ 1.5 จาก ร้อยละ 21 เป็นร้อยละ 22.5

### Valuation & Action

เราปรับราคาเป้าหมายขึ้นจาก 15 บาท เป็น 16.5 บาท อ้างอิง PER 14 เท่า (+1.0 S.D. ค่าเฉลี่ยย้อนหลัง) ราคาหุ้น SMPC ปรับตัวขึ้น ~25% หลังจากเราออกบทวิเคราะห์ Initiate เมื่อวันที่ 14 ก.ค. 2563 เนื่องด้วย i) มี upside 32% จากราคาเป้าหมาย และ ii) อัตราผลตอบแทนเงินปันผล ~5% เราจึงยังคงคำแนะนำ “ซื้อ”

### Risks

เงินบาทแข็งค่าขึ้น ความเสี่ยงด้านกฎเกณฑ์ของทางการ ความผันผวนของราคาวัตถุดิบ นโยบายด้านการค้า ความเสี่ยงด้านสินเชื่อ และความเสี่ยงจากสินค้าแทนกัน

### Key financials and valuations

Year end Dec 31	Dec-15A	Dec-16A	Dec-17A	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue (Btmn)	2,826	3,469	4,327	4,453	3,256	3,965	4,483	4,830
Gross profit (btmn)	686	993	974	944	667	892	1,009	1,087
SG&A (Btmn)	363	454	494	478	365	424	475	512
Net profit (Btmn)	447	541	532	558	375	544	623	672
Normalized profit (Btmn)	447	541	532	558	375	544	623	672
EPS (Bt)	0.8	1.0	1.0	1.0	0.7	1.0	1.2	1.3
Normalized EPS (Btmn)	0.8	1.0	1.0	1.0	0.7	1.0	1.2	1.3
DPS (Btmn)	0.4	0.6	0.6	0.6	0.4	0.6	0.7	0.8
EPS growth (%)	44.0	20.5	(2.3)	4.3	(32.8)	45.1	14.5	7.8
Normalized EPS growth (%)	44.0	20.5	(2.3)	4.3	(32.8)	45.1	14.5	7.8
P/E (X)	8.0	15.4	14.3	12.0	9.1	12.3	10.7	10.0
P/B (X)	3.4	6.4	5.0	3.8	1.9	3.2	2.8	2.5
EV/EBITDA (X)	8.2	11.8	10.9	9.3	6.6	8.9	7.7	6.9
Net debt to Equity (%)	28.0	16.0	11.7	26.4	7.0	1.3	(6.9)	(13.2)
Dividend yield (%)	6.5	4.1	4.2	5.0	6.6	4.9	5.6	6.0
Return on Equity (%)	49.2	45.9	37.7	33.9	20.9	27.8	27.7	26.3

Source: Company data, KGI Research

**Figure 1: SMPC's 2Q20 earnings review**

Btmn	2Q20	2Q19	YoY (%)	1Q20	QoQ (%)	1H20	1H19	YoY (%)
Revenue from sales	1,093	905	20.8	945	15.7	2,038	1,684	21.0
Cost of goods sold	805	695	15.8	735	9.5	1,540	1,332	15.6
Gross profit	288	210	37.4	210	37.1	498	352	41.5
SG&A expense	103	96	8.1	95	8.5	199	174	14.4
EBIT	228	155	46.9	184	23.6	412	264	56.2
Finance cost	(2)	(4)	(46.3)	(2)	(2.2)	(4)	(8)	(45.0)
<b>Net profit</b>	<b>182</b>	<b>122</b>	<b>49.3</b>	<b>146</b>	<b>24.5</b>	<b>329</b>	<b>207</b>	<b>58.8</b>
Normalized profit	182	122	49.3	146	24.5	329	207	58.8
EPS (Bt)	0.34	0.23	49.3	0.27	24.5	0.61	0.39	58.8
Normalized EPS (Bt)	0.34	0.23	49.3	0.27	24.5	0.61	0.39	58.8

Percent	2Q20	2Q19	YoY (%)	1Q20	QoQ (%)	1H20	1H19	YoY (%)
Gross margin	26.4	23.2	3.2	22.2	4.1	24.4	20.9	3.5
SG&A to sales	9.5	10.6	(1.1)	10.1	(0.6)	9.8	10.3	(0.6)
EBIT margin	20.8	17.1	3.7	19.5	1.3	20.2	15.7	4.5
Net margin	16.7	13.5	3.2	15.5	1.2	16.1	12.3	3.8

Source: KGI Research

**Figure 2: Earnings revision**

Btmn	2020F			2021F			2022F		
	Revised	Previous	Chg	Revised	Previous	Chg	Revised	Previous	Chg
Revenue	3,965	3,965	0.0	4,483	4,483	0.0	4,830	4,830	0.0
Gross profit	892	833	7.1	1,009	941	7.1	1,087	1,014	7.1
SG&A	424	424	0.0	475	475	0.0	512	512	0.0
EBIT	686	627	9.5	785	717	9.4	845	773	9.4
Net profit	544	497	9.6	623	569	9.4	672	614	9.4
Normalized profit	544	497	9.6	623	569	9.4	672	614	9.4
EPS (Bt)	1.0	0.9	9.6	1.2	1.1	9.4	1.3	1.1	9.4
Normalized EPS (Btmn)	1.0	0.9	9.6	1.2	1.1	9.4	1.3	1.1	9.4

Financial ratio (%)	Revised	Previous	Chg	Revised	Previous	Chg	Revised	Previous	Chg
Gross margin	22.5	21.0	1.5	22.5	21.0	1.5	22.5	21.0	1.5
SG&A to sales	10.7	10.7	0.0	10.6	10.6	0.0	10.6	10.6	0.0
EBIT margin	17.3	15.8	1.5	17.5	16.0	1.5	17.5	16.0	1.5
Net margin	13.7	12.5	1.2	13.9	12.7	1.2	13.9	12.7	1.2

Assumption	Revised	Previous	Chg	Revised	Previous	Chg	Revised	Previous	Chg
Sales volume (mn unit)	6.7	6.7	0.0	7.5	7.5	0.0	8.0	8.0	0.0
GPM (%)	22.5	21.0	7.1	22.5	21.0	7.1	22.5	21.0	7.1
FX (Bt/US\$)	31.5	31.5	0.0	31.5	31.5	0.0	31.5	31.5	0.0

Source: KGI Research

**Figure 3: Assumptions**

Assumption	unit	2014	2015	2016	2017	2018	2019	2020F	2021F	2022F
Capacity per year	mn unit	5.50	6.20	6.20	7.70	8.70	10.00	10.00	10.00	10.00
Sales Volume	mn unit	4.10	4.70	5.70	6.90	6.90	5.60	6.70	7.50	8.00
Volume growth	%YoY	28.1	14.6	21.3	21.1	0.0	(18.8)	19.6	11.9	6.7
Gross margin	percent	22.4	24.3	28.6	22.5	21.2	20.5	22.5	22.5	22.5
Exchange rate	Bt/US\$	32.5	34.3	35.3	33.9	32.3	31.1	31.5	31.5	31.5
SG&A to sales	percent	14.1	12.9	13.1	11.4	10.7	11.2	10.7	10.6	10.6
U-rate	percent	75.0	74.0	93.0	89.0	80.0	56.0	67.0	75.0	80.0

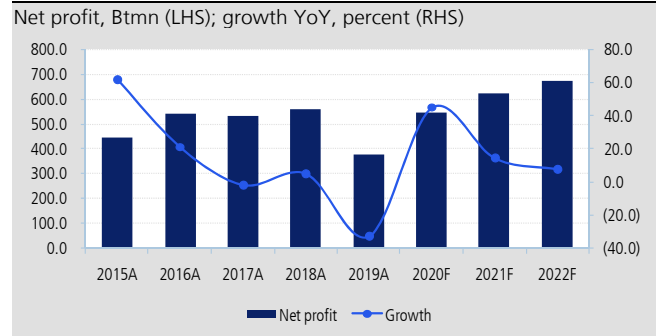
Source: KGI Research

**Figure 4: Company profile**

Sahamitr Pressure Container PCL (SMPC) is a world leading low pressure vessel manufacturer with customers in almost 100 countries. The company offers a wide range of products including household LPG cylinders, automotive LPG cylinders, and others. As of 2019, the company has capacity of 10mn cylinders per year.

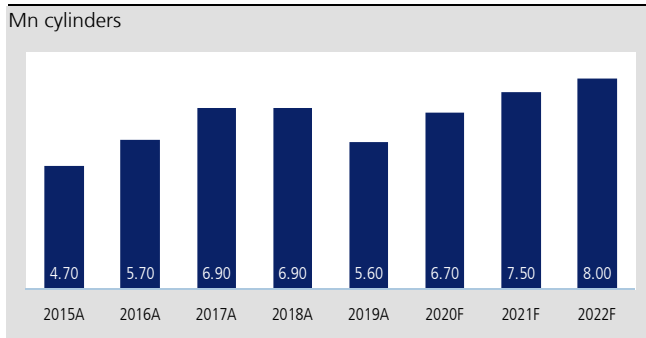
Source: Company data

**Figure 5: Net profit**



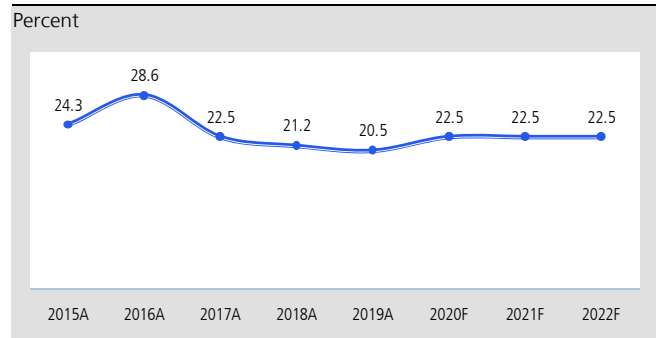
Source: Company data, KGI Research

**Figure 5: Sales volume assumption**



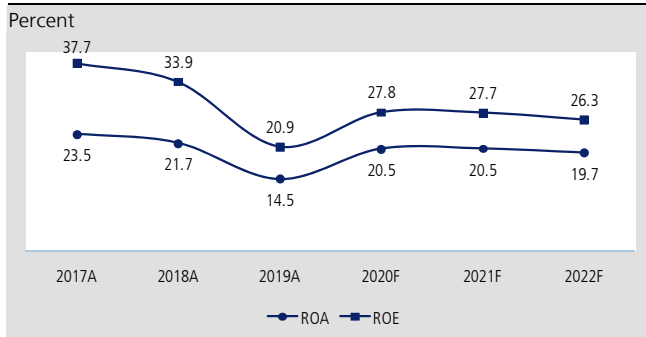
Source: Company data, KGI Research

**Figure 6: Gross margin assumption**



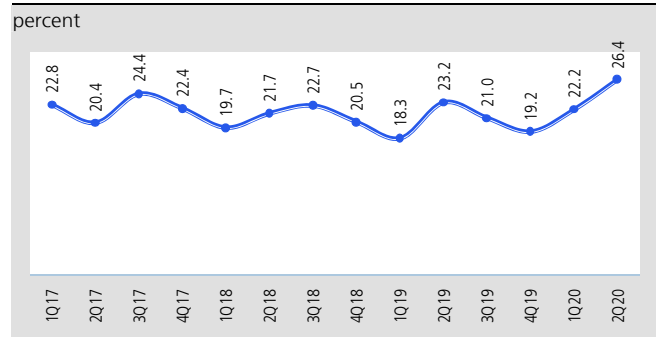
Source: Company data, KGI Research

**Figure 7: ROA and ROE**



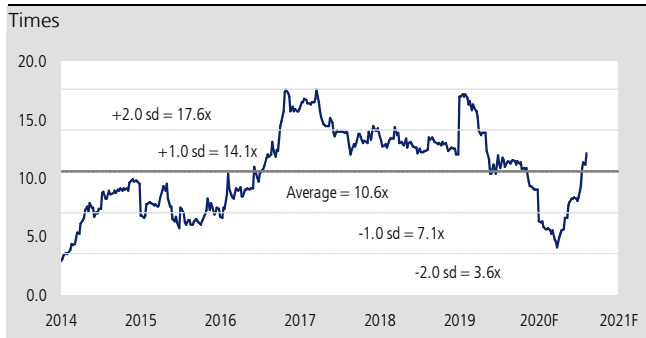
Source: Company data, KGI Research

**Figure 8: Gross margin quarterly**



Source: Company data, KGI Research

**Figure 9: PE Band**



Source: KGI Research

**Figure 10: PB Band**



Source: KGI Research

**Quarterly Income Statement**

	Mar-17A	Jun-17A	Sep-17A	Dec-17A	Mar-18A	Jun-18A	Sep-18A	Dec-18A	Mar-19A	Jun-19A	Sep-19A	Dec-19A	Mar-20A	Jun-20A
<b>Income Statement (Btmn)</b>														
<b>Revenue</b>	<b>972</b>	<b>1,030</b>	<b>1,126</b>	<b>1,199</b>	<b>1,207</b>	<b>1,230</b>	<b>1,156</b>	<b>860</b>	<b>779</b>	<b>905</b>	<b>722</b>	<b>850</b>	<b>945</b>	<b>1,093</b>
Cost of good sold	750	820	852	931	969	963	893	684	637	695	570	687	735	805
<b>Gross profit</b>	<b>222</b>	<b>210</b>	<b>274</b>	<b>268</b>	<b>238</b>	<b>267</b>	<b>263</b>	<b>176</b>	<b>142</b>	<b>210</b>	<b>152</b>	<b>163</b>	<b>210</b>	<b>288</b>
Operating expense	106	126	127	136	123	130	117	108	78	96	76	116	95	103
Other income	36	45	50	54	31	73	73	66	44	41	38	52	69	43
<b>Operating profit</b>	<b>152</b>	<b>129</b>	<b>198</b>	<b>186</b>	<b>146</b>	<b>210</b>	<b>219</b>	<b>135</b>	<b>109</b>	<b>155</b>	<b>114</b>	<b>99</b>	<b>184</b>	<b>228</b>
Depreciation of fixed asset	13	13	13	13	13	14	15	15	15	15	15	15	16	16
<b>Operating EBITDA</b>	<b>166</b>	<b>142</b>	<b>210</b>	<b>199</b>	<b>159</b>	<b>224</b>	<b>234</b>	<b>150</b>	<b>124</b>	<b>170</b>	<b>130</b>	<b>114</b>	<b>200</b>	<b>243</b>
<b>Non-Operating income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other non-op. income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Non-Operating expense</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(4)</b>	<b>(4)</b>	<b>(4)</b>	<b>(3)</b>	<b>0</b>	<b>(2)</b>	<b>(2)</b>
Interest expense	(2)	(2)	(2)	(2)	(2)	(3)	(4)	(4)	(4)	(4)	(3)	0	(2)	(2)
Other non-op. expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	151	127	195	184	144	207	215	130	105	151	111	99	182	226
Current taxation	(29)	(24)	(38)	(34)	(27)	(43)	(42)	(25)	(20)	(29)	(21)	(18)	(36)	(43)
Minorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extra items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net profit</b>	<b>121</b>	<b>102</b>	<b>157</b>	<b>151</b>	<b>117</b>	<b>164</b>	<b>172</b>	<b>106</b>	<b>85</b>	<b>122</b>	<b>90</b>	<b>81</b>	<b>146</b>	<b>182</b>
<b>Normalized profit</b>	<b>121</b>	<b>102</b>	<b>157</b>	<b>151</b>	<b>117</b>	<b>164</b>	<b>172</b>	<b>106</b>	<b>85</b>	<b>122</b>	<b>90</b>	<b>81</b>	<b>146</b>	<b>182</b>
EPS (Bt)	0.23	0.19	0.30	0.28	0.22	0.31	0.32	0.20	0.16	0.23	0.17	0.15	0.27	0.34
Normalized EPS (Bt)	0.23	0.19	0.30	0.28	0.22	0.31	0.32	0.20	0.16	0.23	0.17	0.15	0.27	0.34
<b>Margin (%)</b>														
Gross profit margin	22.8	20.4	24.4	22.4	19.7	21.7	22.7	20.5	18.3	23.2	21.0	19.2	22.2	26.4
Operating EBIT margin	15.7	12.5	17.5	15.5	12.1	17.1	18.9	15.6	14.0	17.1	15.8	11.7	19.5	20.8
Operating EBITDA margin	17.1	13.7	18.7	16.6	13.2	18.2	20.2	17.4	15.9	18.8	17.9	13.5	21.2	22.3
Net profit margin	12.5	9.9	14.0	12.6	9.7	13.3	14.9	12.3	10.9	13.5	12.5	9.5	15.5	16.7
<b>Growth (%YoY)</b>														
Revenue growth	19.7	37.5	25.2	18.9	24.2	19.4	2.6	(28.2)	(35.4)	(26.5)	(37.5)	(1.2)	21.3	20.8
Operating EBIT growth	(10.6)	(31.6)	12.7	27.9	(4.1)	62.7	10.8	(27.7)	(25.6)	(26.2)	(47.7)	(26.2)	69.4	46.9
Operating EBITDA growth	(8.3)	(28.9)	12.9	26.3	(3.8)	57.9	11.2	(25.0)	(22.6)	(24.0)	(44.6)	(23.5)	61.8	43.2
Net profit growth	(9.8)	(31.3)	13.5	26.8	(4.0)	59.9	9.7	(29.9)	(27.2)	(25.6)	(47.7)	(23.2)	72.3	49.3
Normalized profit growth	(9.8)	(31.3)	13.5	26.8	(4.0)	59.9	9.7	(29.9)	(27.2)	(25.6)	(47.7)	(23.2)	72.3	49.3

Source: KGI Research

**Balance Sheet**

As of 31 Dec (Btmn)	2018	2019	2020F	2021F	2022F
<b>Total Assets</b>	<b>2,705</b>	<b>2,473</b>	<b>2,831</b>	<b>3,234</b>	<b>3,572</b>
<b>Current Assets</b>	<b>1,523</b>	<b>1,293</b>	<b>1,614</b>	<b>1,983</b>	<b>2,288</b>
Cash&ST Investment	170	170	273	466	654
Inventories	880	633	758	857	923
Account Receivable	432	457	543	614	662
Other	41	33	41	46	49
<b>Non-current Assets</b>	<b>1,182</b>	<b>1,180</b>	<b>1,217</b>	<b>1,252</b>	<b>1,284</b>
LT Investment	60	60	60	60	60
Net Fixed Assets	1,077	1,071	1,105	1,138	1,168
Others	46	49	52	54	55
<b>Total Liabilities</b>	<b>943</b>	<b>641</b>	<b>748</b>	<b>826</b>	<b>879</b>
<b>Current liabilities</b>	<b>900</b>	<b>587</b>	<b>681</b>	<b>751</b>	<b>798</b>
Account Payable	148	312	379	428	461
ST borrowing	543	142	142	142	142
Others	208	133	161	181	195
<b>Long-term liabilities</b>	<b>43</b>	<b>54</b>	<b>66</b>	<b>75</b>	<b>81</b>
Long-term debts	0	0	0	0	0
Others	43	54	66	75	81
<b>Shareholders' Equity</b>	<b>1,762</b>	<b>1,832</b>	<b>2,084</b>	<b>2,408</b>	<b>2,693</b>
Common stock	536	536	536	536	536
Capital surplus	55	55	55	55	55
retained earnings	1,118	1,188	1,439	1,764	2,048
Preferred stock					

Source: KGI Research

**Key Ratios**

Year to 31 Dec	2018	2019	2020F	2021F	2022F
<b>Growth (%YoY)</b>					
Sales	2.9	(26.9)	21.8	13.1	7.7
OP	6.7	(32.7)	43.7	14.4	7.7
EBITDA	6.9	(29.9)	39.8	13.4	7.3
NP	5.0	(32.8)	45.1	14.5	7.8
Normalized profit	5.0	(32.8)	45.1	14.5	7.8
EPS	4.3	(32.8)	45.1	14.5	7.8
Normalized EPS	4.3	(32.8)	45.1	14.5	7.8
<b>Profitability (%)</b>					
Gross margin	21.2	20.5	22.5	22.5	22.5
Operating margin	15.9	14.7	17.3	17.5	17.5
EBITDA margin	17.2	16.5	19.0	19.0	18.9
Net margin	12.5	11.5	13.7	13.9	13.9
ROAA	21.7	14.5	20.5	20.5	19.7
ROAE	33.9	20.9	27.8	27.7	26.3
<b>Stability</b>					
Gross debt/equity (%)	53.5	35.0	35.9	34.3	32.6
Net debt/equity (%)	26.4	7.0	1.3	(6.9)	(13.2)
Interest coverage (x)	52.6	35.0	121.5	139.0	149.7
Interest&ST debt coverage (x)	1.3	3.1	4.7	5.3	5.7
Cash flow interest coverage (x)	25.1	55.9	87.7	104.9	119.6
Cash flow/interest&ST debt (x)	0.6	4.9	3.4	4.0	4.6
Current ratio (x)	1.7	2.2	2.4	2.6	2.9
Quick ratio (x)	0.7	1.1	1.3	1.5	1.7
Net debt (Btmn)	464	129	26	(167)	(355)
<b>Per share data (Bt)</b>					
EPS	1.0	0.7	1.0	1.2	1.3
Normalized EPS	1.0	0.7	1.0	1.2	1.3
CFPS	0.6	1.4	0.9	1.1	1.3
BVPS	3.3	3.4	3.9	4.5	5.0
Sales/share	8.3	6.1	7.4	8.4	9.0
EBITDA/share	1.4	1.0	1.4	1.6	1.7
DPS	0.6	0.4	0.6	0.7	0.8
<b>Activity</b>					
Asset turnover (x)	2	1	1	1	1
Days of receivables	35	51	50	50	50
Days of inventory	92	89	90	90	90
Days of payable	15	44	45	45	45
Cash cycle	112	96	95	95	95

Source: KGI Research

**Profit & Loss**

Year to Dec 31 (Btmn)	2018	2019	2020F	2021F	2022F
<b>Revenue</b>	<b>4,453</b>	<b>3,256</b>	<b>3,965</b>	<b>4,483</b>	<b>4,830</b>
Cost of good sold	3,509	2,589	3,073	3,474	3,743
<b>Gross profit</b>	<b>944</b>	<b>667</b>	<b>892</b>	<b>1,009</b>	<b>1,087</b>
Operating expense	478	365	424	475	512
Other income	244	176	218	251	270
<b>Operating Profit</b>	<b>710</b>	<b>477</b>	<b>686</b>	<b>785</b>	<b>845</b>
Depreciation of fixed asset	57	60	66	67	69
<b>Operating EBITDA</b>	<b>767</b>	<b>538</b>	<b>752</b>	<b>852</b>	<b>915</b>
<b>Non-operating income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest income	0	0	0	0	0
Other non-op income	0	0	0	0	0
<b>Non-operating expense</b>	<b>(14)</b>	<b>(14)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>
Interest expense	(14)	(14)	(6)	(6)	(6)
Other non-op expense	0	0	0	0	0
<b>Equity income/(loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pretax profit</b>	<b>696</b>	<b>464</b>	<b>680</b>	<b>779</b>	<b>840</b>
Current taxation	(138)	(89)	(136)	(156)	(168)
Minorities	0	0	0	0	0
Extra item	0	0	0	0	0
<b>Net profit</b>	<b>558</b>	<b>375</b>	<b>544</b>	<b>623</b>	<b>672</b>
<b>Normalized profit</b>	<b>558</b>	<b>375</b>	<b>544</b>	<b>623</b>	<b>672</b>
EPS (Bt)	1.04	0.70	1.02	1.16	1.25
Normalized EPS (Bt)	1.04	0.70	1.02	1.16	1.25

Source: KGI Research

**Cash Flow**

Year to Dec 31 (Btmn)	2018	2019	2020F	2021F	2022F
<b>Operating cash flow</b>	<b>339</b>	<b>763</b>	<b>495</b>	<b>592</b>	<b>675</b>
Net profit	558	375	544	623	672
Depreciation&Amortization	57	60	66	67	69
Change in working capital	(276)	328	(115)	(99)	(66)
Others					
<b>Investment cash flow</b>	<b>(298)</b>	<b>(121)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>
Net CAPEX	(200)	(54)	(100)	(100)	(100)
Change in LT investment	(6)	0	0	0	0
Change in other assets	(91)	(67)	0	0	0
Free cash flow	42	642	395	492	575
<b>Financing cash flow</b>	<b>(81)</b>	<b>(708)</b>	<b>(292)</b>	<b>(299)</b>	<b>(387)</b>
Change in share capital	4	0	0	0	0
Net change in debt	244	(403)	0	0	0
Change in other liabs	(329)	(305)	(292)	(299)	(387)
<b>Net cash flow</b>	<b>(40)</b>	<b>(66)</b>	<b>103</b>	<b>193</b>	<b>188</b>

Source: KGI Research

**Rates of Return on Invested Capital**

Year	1 -	COGS Revenue	+	Depreciation Revenue	+	Operating expense Revenue	=	Operating margin
2017		77.5%		1.2%		11.4%		9.9%
2018		78.8%		1.3%		10.7%		9.2%
2019		79.5%		1.8%		11.2%		7.4%
2020F		77.5%		1.7%		10.7%		10.1%
2021F		77.5%		1.5%		10.6%		10.4%
2022F		77.5%		1.4%		10.6%		10.5%
Year	1/	Working capital Revenue	+	Net PPE Revenue	+	Other assets Revenue	=	Capital Turnover
2017		(0.0)		0.2		0.4		1.9
2018		(0.1)		0.2		0.4		1.8
2019		0.1		0.3		0.4		1.2
2020F		(0.0)		0.3		0.4		1.5
2021F		(0.0)		0.3		0.5		1.4
2022F		(0.0)		0.2		0.5		1.4
Year	1/	Operating margin	x	Capital turnover	x	Cash tax rate	=	After-tax return on Inv. capital
2017		9.9%		1.9		19.1%		3.5%
2018		9.2%		1.8		19.8%		3.3%
2019		7.4%		1.2		19.1%		1.6%
2020F		10.1%		1.5		20.0%		3.0%
2021F		10.4%		1.4		20.0%		3.0%
2022F		10.5%		1.4		20.0%		2.9%

Source: KGI Research

Sahamitr Pressure Container – Recommendation & target price history



Source: KGI Research

# Corporate Governance Report of Thai Listed Companies



## Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	IRPC	IRPC	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AMATA	AMATA CORPORATION	IVL	INDORAMA VENTURES	ROBINS	ROBINSON DEPARTMENT STORE
ANAN	ANANDA DEVELOPMENT	KBANK	KASIKORN BANK	SAMART	SAMART CORPORATION
AOT	AIRPORTS OF THAILAND	KCE	KCE ELECTRONICS	SAMTEL	SAMART TELCOMS
AP	ASIAN PROPERTY DEVELOPMENT	KKP	KIATNAKIN BANK	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	KTB	KRUNG THAI BANK	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SCCC	SIAM CITY CEMENT
BCPG	BCPG	LPN	L.P.N. DEVELOPMENT	SPALI	SUPALAI
BTS	BTS GROUP HOLDINGS	MAKRO	SIAM MAKRO	SPRC	STAR PETROLEUM REFINING
CK	CH. KARNCHANG	MBK	MBK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
CKP	CK POWER	MINT	MINOR INTERNATIONAL	SVI	SVI
CPN	CENTRAL PATTANA	MONO	MONO TECHNOLOGY	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	MTC	MUANGTHAI CAPITAL	THAI	THAI AIRWAYS INTERNATIONAL
DTAC	TOTAL ACCESS COMMUNICATION	NYT	NAMYONG TERMINAL	THCOM	THAICOM
EGCO	ELECTRICITY GENERATING	PLANB	PLAN B MEDIA	TISCO	TISCO FINANCIAL GROUP
GFPT	GFPT	PSH	PRUKSA HOLDING	TMB	TMB BANK
GPSC	GLOBAL POWER SYNERGY	PTT	PTT	TOP	THAI OIL
GUNKUL	GUNKUL ENGINEERING	PTTEP	PTT EXPLORATION AND PRODUCTION	TRUE	TRUE CORPORATION
HANA	HANA MICROELECTRONICS	PTTGC	PTT GLOBAL CHEMICAL	WHA	WHA CORPORATION
HMPRO	HOME PRODUCT CENTER	PYLON	PYLON		
INTUCH	SHIN CORPORATION	QH	QUALITY HOUSES		



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	CPALL	CP ALL	SAWAD	SRISAWAD POWER 1979
AMA	AMA MARINE	DCC	DYNASTY CERAMIC	SCI	SCI ELECTRIC
BA	BANGKOK AIRWAYS	EPG	EASTERN POLYMER GROUP	SCN	SCAN INTER
BBL	BANGKOK BANK	ERW	THE ERAWAN GROUP	SEAFICO	SEAFICO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GLOBAL	SIAM GLOBAL HOUSE	SIRI	SANSIRI
BEC	BEC WORLD	GLOW	GLOW ENERGY	TFG	THAIFOODS GROUP
BEM	BANGKOK EXPRESSWAY AND METRO	GULF	GULF ENERGY DEVELOPMENT	TICON	TICON INDUSTRIAL CONNECTION
BGRIM	B.GRIMM POWER	LH	LAND AND HOUSES	TKN	TAOKAENOI FOOD & MARKETING
BPP	BANPU POWER	M	MK RESTAURANT GROUP	TOA	TOA PAINT (THAILAND)
CBG	CARABAO GROUP	MAJOR	MAJOR CINEPLEX GROUP	TWPC	THAI WAH
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	WHAUP	WHA UTILITIES AND POWER
CHG	CHULARAT HOSPITAL	NOK	NOK AIRLINES		
COM7	COM7	RS	RS		



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	SAPPE	SAPPE	UNIQ	UNIQUE ENGINEERING AND CONSTRUCTION
BH	BUMRUNGRAD HOSPITAL	SF	SIAM FUTURE DEVELOPMENT	WORK	WORKPOINT ENTERTAINMENT
EKH	EKACHAI MEDICAL CARE	SQ	SAHAKOL EQUIPMENT		
LPH	LADPRAO GENERAL HOSPITAL	TPCH	TPC POWER HOLDING		

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
CMAN	CHEMEMAN				

Source: www.thai-iod.com

**Disclaimer:** The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

## Anti-corruption Progress Indicator

### Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
CPN	CENTRAL PATTANA	SCC	THE SIAM CEMENT		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	IFEC	INTER FAR EAST ENGINEERING	SVI	SVI
BBL	BANGKOK BANK	KBANK	KASIKORN BANK	TCAP	THANACHART CAPITAL
DCC	DYNASTY CERAMIC	KKP	KIATNAKIN BANK	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	KTB	KRUNG THAI BANK	TMB	TMB BANK
EGCO	ELECTRICITY GENERATING	MINT	MINOR INTERNATIONAL		
ERW	THE ERAWAN GROUP	SCB	THE SIAM COMMERCIAL BANK		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	DTAC	TOTAL ACCESS COMMUNICATION	PACE	PACE DEVELOPMENT CORPORATION
ANAN	ANANDA DEVELOPMENT	GFPT	GFPT	PS	PRUKSA REAL ESTATE
AP	ASIAN PROPERTY DEVELOPMENT	GL	GROUP LEASE	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BA	BANGKOK AIRWAYS	GLOW	GLOW ENERGY	ROBINS	ROBINSON DEPARTMENT STORE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	SAMART	SAMART CORPORATION
BIGC	BIG C SUPERCENTER	HMPRO	HOME PRODUCT CENTER	SPALI	SUPALAI
BJCHI	BJC HEAVY INDUSTRIES	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
CENDEL	CENTRAL PLAZA HOTEL	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MAKRO	SIAM MAKRO	TMT	THAI METAL TRADE
CK	CH. KARNCHANG	MODERN	MODERNFORM GROUP	TPCH	TPC POWER HOLDING
CKP	CK POWER	NOK	NOK AIRLINES	WHA	NOK AIRLINES

### Level 2: Declared

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	GUNKUL	GUNKUL ENGINEERING	QH	QUALITY HOUSES
BH	BUMRUNGRAD HOSPITAL	ILINK	INTERLINK COMMUNICATION	TRT	TIRATHAI
GLOBAL	SIAM GLOBAL HOUSE	MTLS	MUANGTHAI LEASING	TVO	THAI VEGETABLE OIL

### Level 1: Committed

Stock	Company name	Stock	Company name	Stock	Company name
CBG	CARABAO GROUP	RS	RS	SAWAD	SRI SAWAD POWER 1979
MAJOR	MAJOR CINEPLEX GROUP				

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	CPALL	CP ALL	WORK	WORKPOINT ENTERTAINMENT
BEM	BANGKOK EXPRESSWAY AND METRO	LPH	LADPRAO GENERAL HOSPITAL		

Source: www.cgthailand.org

**Disclaimer:** The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.



**KGI Locations**

<b>China</b>	Shanghai	Room 1507, Park Place, 1601 Nanjing West Road, Jingan District, Shanghai, PRC 200040
	Shenzhen	Room 24D1, 24/F, A Unit, Zhen Ye Building, 2014 Bao'annan Road, Shenzhen, PRC 518008
<b>Taiwan</b>	Taipei	700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 · Facsimile 886.2.8501.1691
<b>Hong Kong</b>		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
<b>Thailand</b>	Bangkok	8th - 11th floors, Asia Centre Building 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014
<b>Singapore</b>		4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826

**KGI's Ratings**

<b>Rating</b>	<b>Definition</b>
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.  <i>Excess return = 12M target price/current price-</i>
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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