



www.smpcplc.com

# Sahamitr Pressure Container Public Company Limited

## Opportunity Day - 1H2020 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

14 August 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
- 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  
(Total area 46-1-13.9 Rai)







Present Plot of Land

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

**1981****1985-1991****1992-1995****2001-2010****2012-2013****2014-2015****2016-2017****2018-2019****2020**

- Improved production line to be more automatic i.e. spud welding machine
- Built new storage area on new land in order to expand factory 3
- Fully operated during state of emergency of Covid-19 pandemic
- Awarded ESG100 for the year 2020 from Thaipat Institute

- Built new loading area on new land in order to improve logistic process
- 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

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

- 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

- 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

- 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.





## I. SMPC Overview : Profile

### Production Process Improvement

#### Automated Spud Welding Line Production



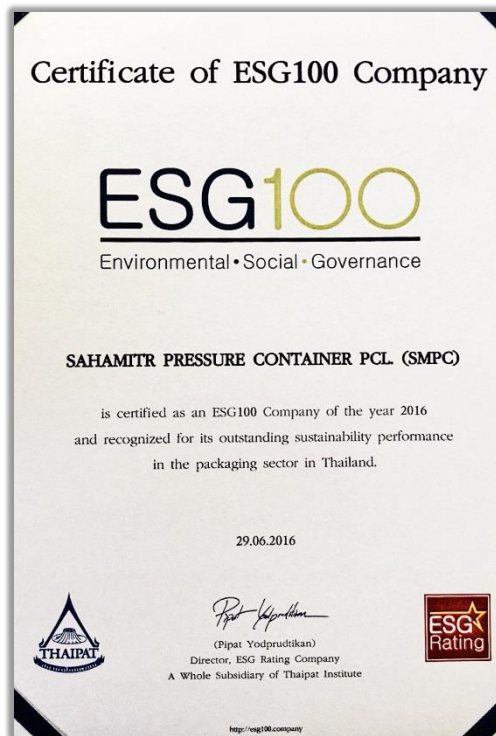
#### *Fully Automated Spud Welding Line Production in Factory 1*

The Automated Spud Welding machines are initially used in Factory 1. For now, the production department has prepared to install this fully automated spud welding for all factories.



I. SMPC Overview : Profile

## Awarded ESG100 Company 2020



On August 4, 2020, The company was informed that we received “ESG100 Company 2020” from Thaipat Institute for top 100 publicly listed companies that are most outstanding in terms of Environmental, Social and Governance (ESG) performance.





"World Class LPG Cylinder Manufacturer of Thailand"

I. SMPC Overview : Profile

## 2020 Attend International Exhibition



**2 - 6 NOVEMBER 2020 / ONLINE**





"World Class LPG Cylinder Manufacturer of Thailand"

I. SMPC Overview : Profile

## 2020 Attend International Exhibition



**2021 / DUBAI** (Postponed from 2 – 4 November 2020)



2ND WEST AFRICA  
LPG Conference & Expo

**2021**

Accra, Ghana  
(Postponed from 28 –29 April and 24–25 November 2020)





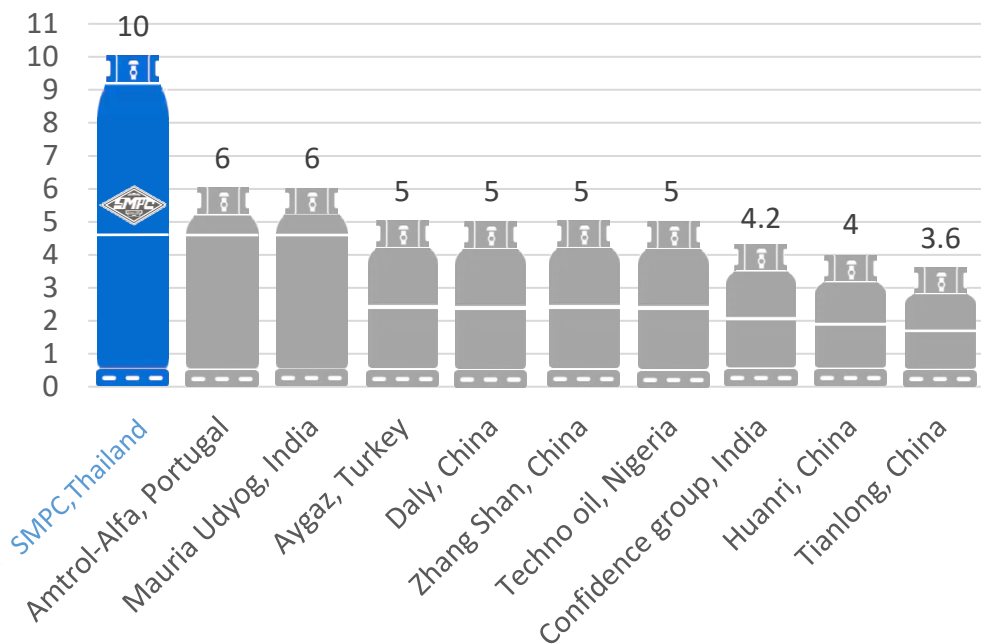
# "World Class LPG Cylinder Manufacturer of Thailand"

## I. SMPC Overview : Profile

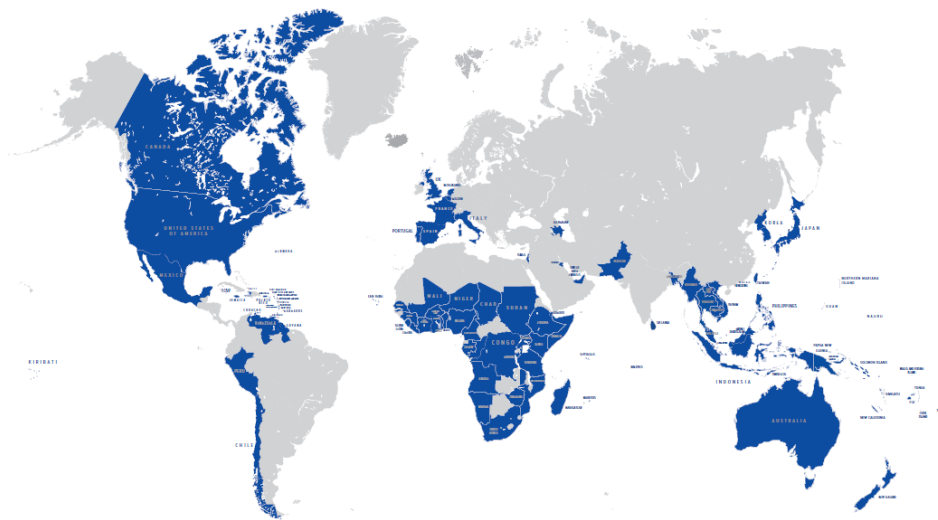
### World-Class Cylinder Manufacturer

*"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



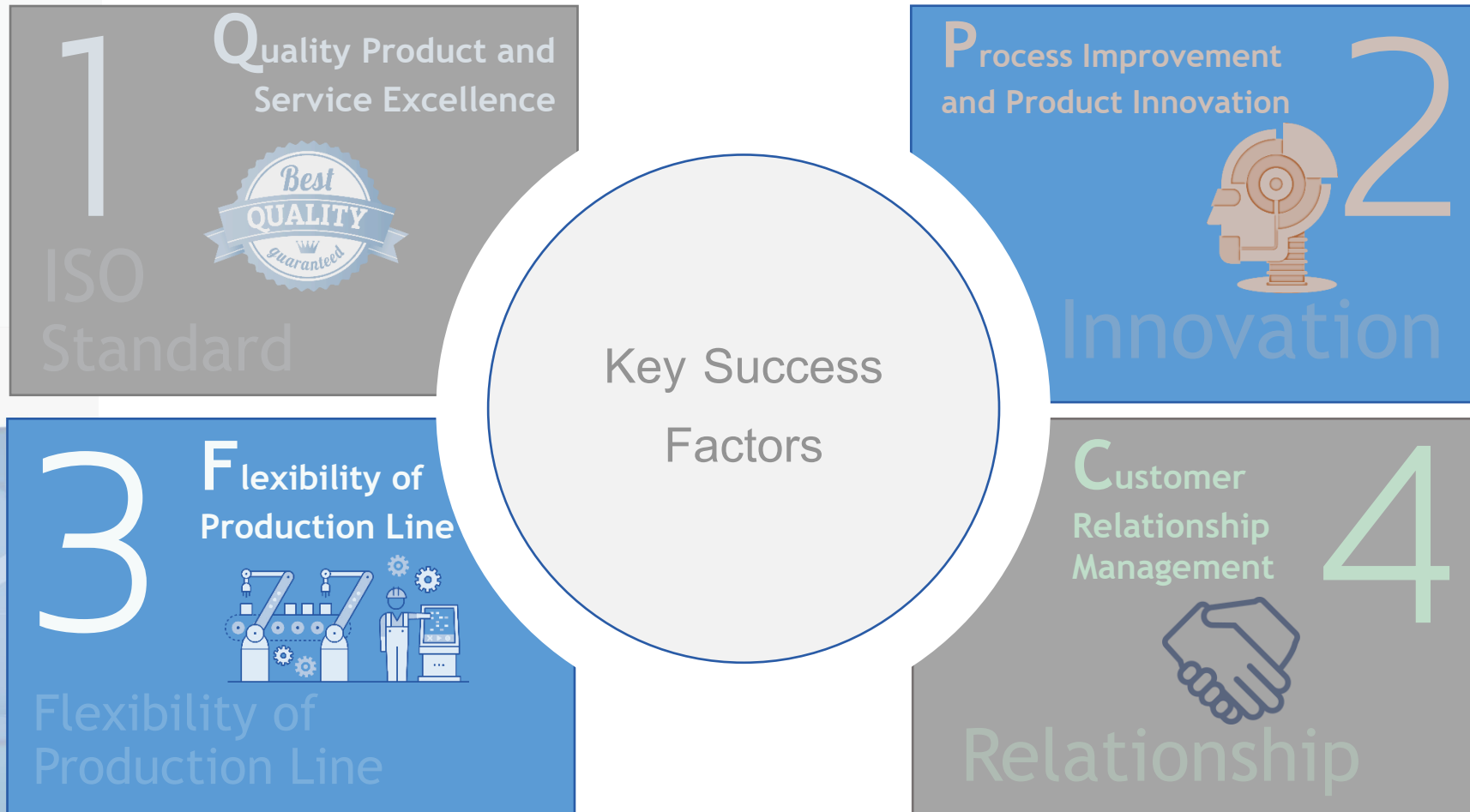


"World Class LPG Cylinder Manufacturer of Thailand"

## 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"***





## Wide Ranges of Product Coverage

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



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

3 Piece Cylinder 18 - 300 kg.  
(Water Capacity 43 - 1,000 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



Chlorine  
Cylinders



Ammonia  
Cylinders



Air Gas mounting  
with wheels



Refrigerant  
Cylinders



"World Class LPG Cylinder Manufacturer of Thailand"

## Agenda

### I. SMPC Overview

### II. Industry Overview

- Overview
- Growth Opportunities
- Campaign

### III. Financial Highlights

### IV. Business Outlook







"World Class LPG Cylinder Manufacturer of Thailand"

## II. Industry Overview

### About the Industry



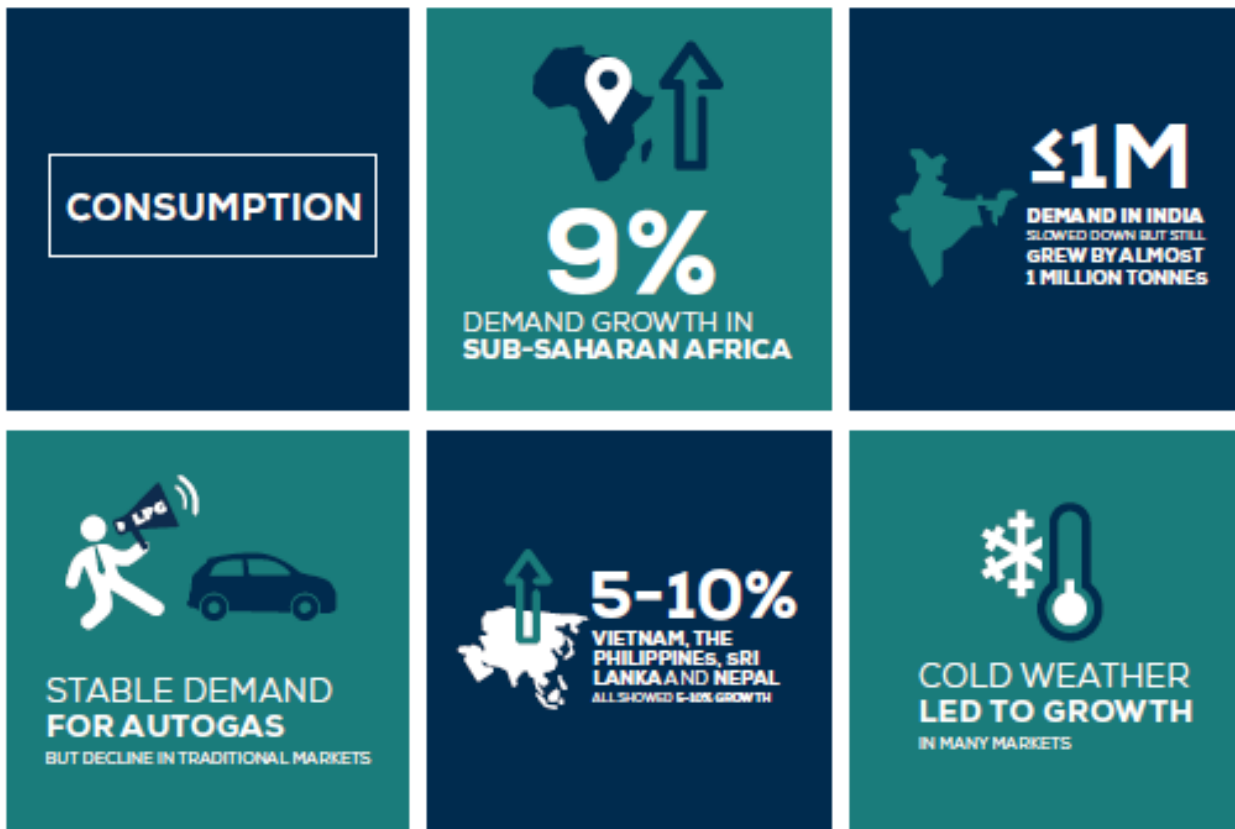
Source: WLPGA Annual Report 2019



"World Class LPG Cylinder Manufacturer of Thailand"

## II. Industry Overview

### About the Industry

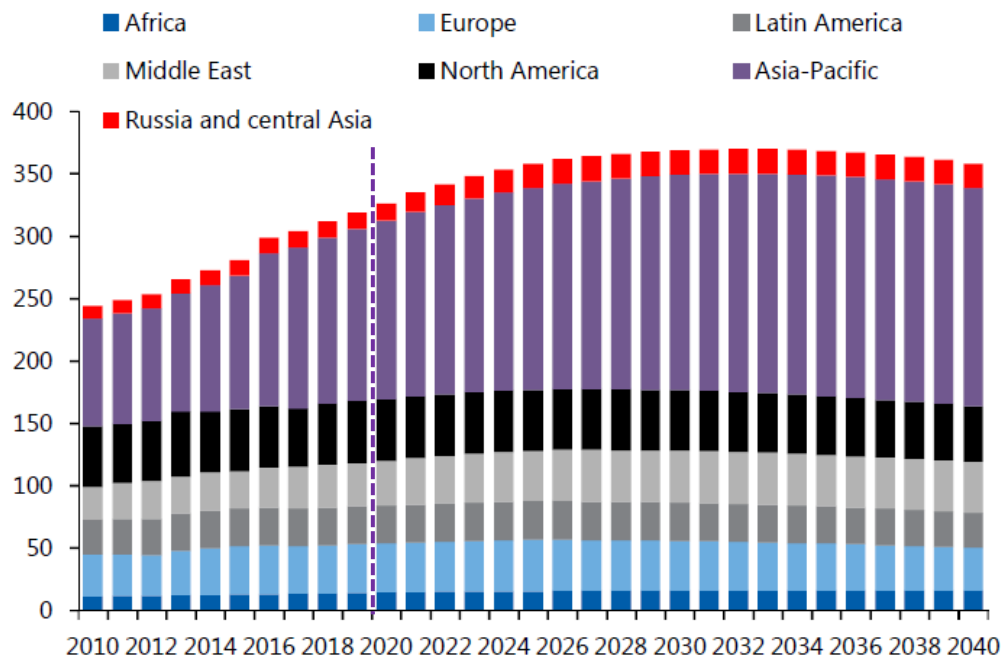


Source: WLPGA Annual Report 2019

## II. Industry Overview

### Predicted Global LPG Consumption

World LPG consumption by region 2010-40 mn t



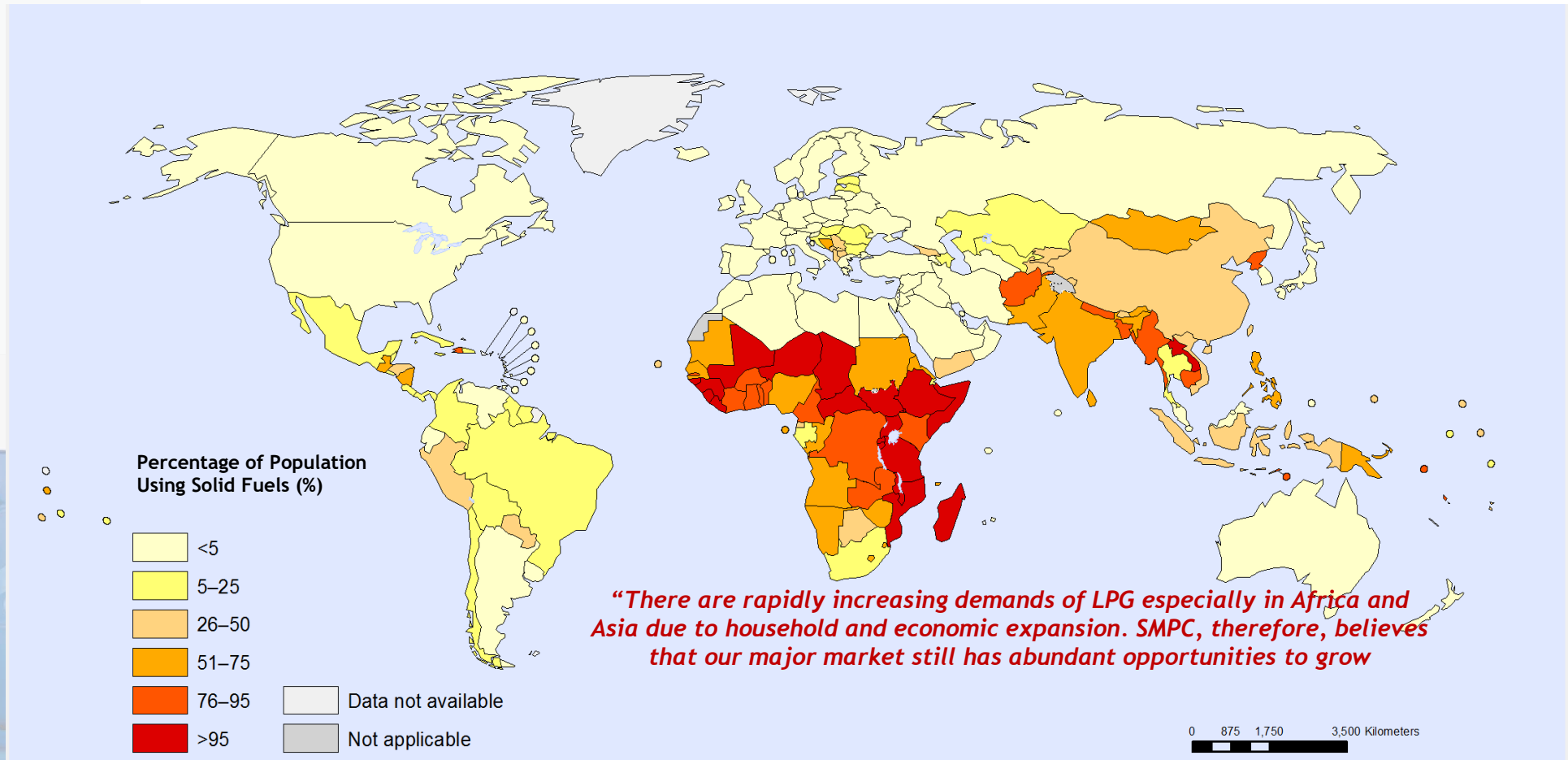
- Predicted global LPG consumption is gradual growth each year, in short to intermediate term, so there are opportunities for SMPC to grow.
- Thermal efficiency of LPG and transportation flexibility make LPG an excellent fuel for cooking, especially in Asia where the use of the wok demands a fierce flame

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)



# "World Class LPG Cylinder Manufacturer of Thailand"

## 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



## Agenda

### I. SMPC Overview

### II. Industry Overview

### III. Financial Highlights

- Utilization Rate
- Sales Revenue
- Financial Ratios

### IV. Business Outlook





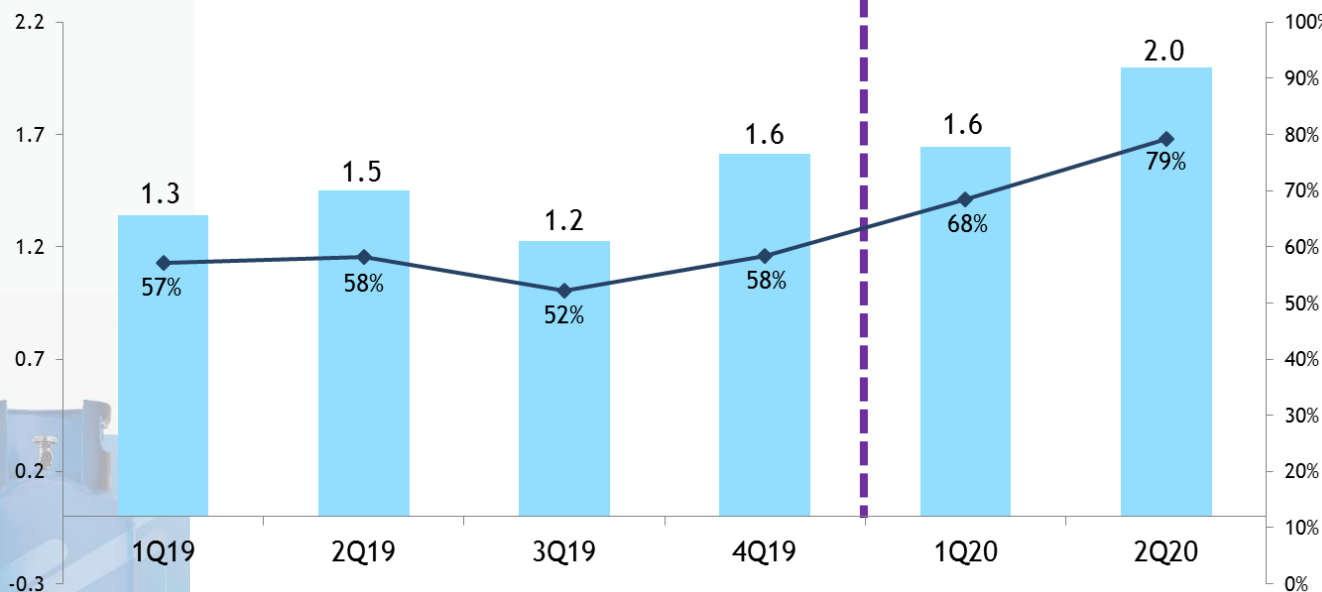


## III. Financial Highlights : Utilization Rate

## Operational Statistics

## Utilization Rate (%) 1Q19-2Q20

## Sales Volume (Million Cylinders)



## Utilization Rate

- Sale Volume of 2Q20 increased from prior period because continuing demand from Customers in South Asia, Africa and America

Capacity (million cylinder)	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Per Year	10.0	10.0	10.0	10.0	10.0	10.0
Per Quarter	2.50	2.50	2.50	2.50	2.50	2.50



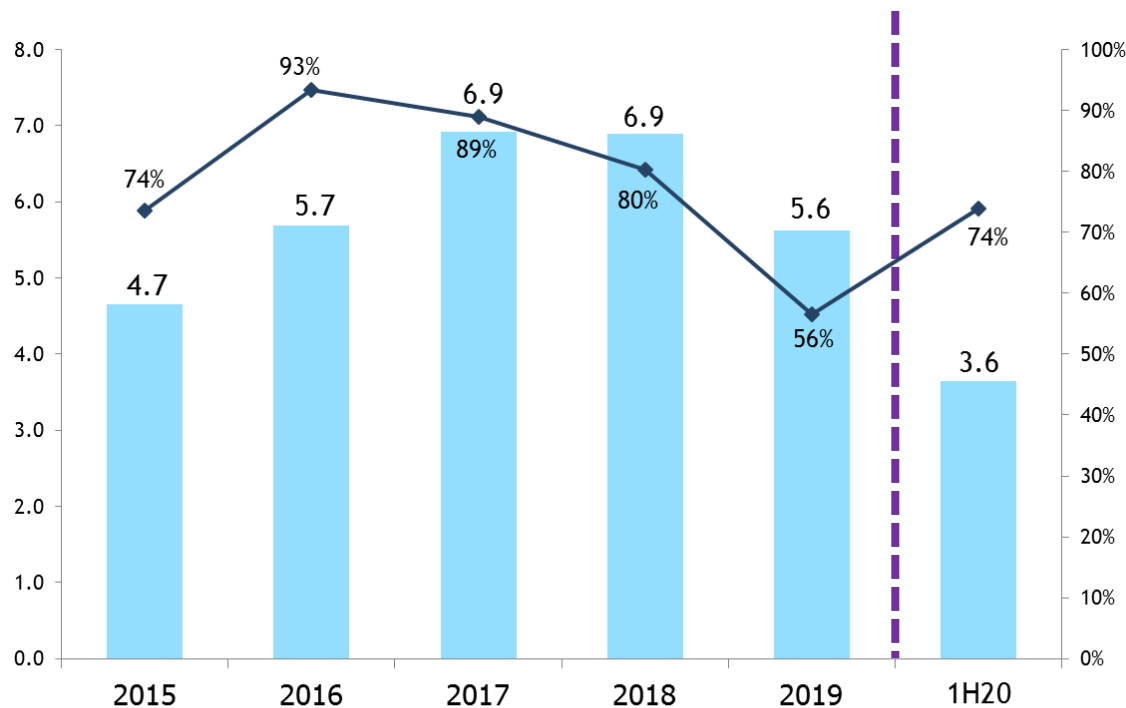
## III. Financial Highlights : Utilization Rate

## Operational Statistics

## Utilization Rate (%) 2015-1H20

Sales Volume (Million Cylinders)

Utilization Rate



Capacity (million cylinder)	2015	2016	2017	2018	2019	2020
Per Year	6.2	6.2	7.7	8.7	10.0	10.0
Per Quarter	1.55	1.55	1.93	2.16	2.50	2.50



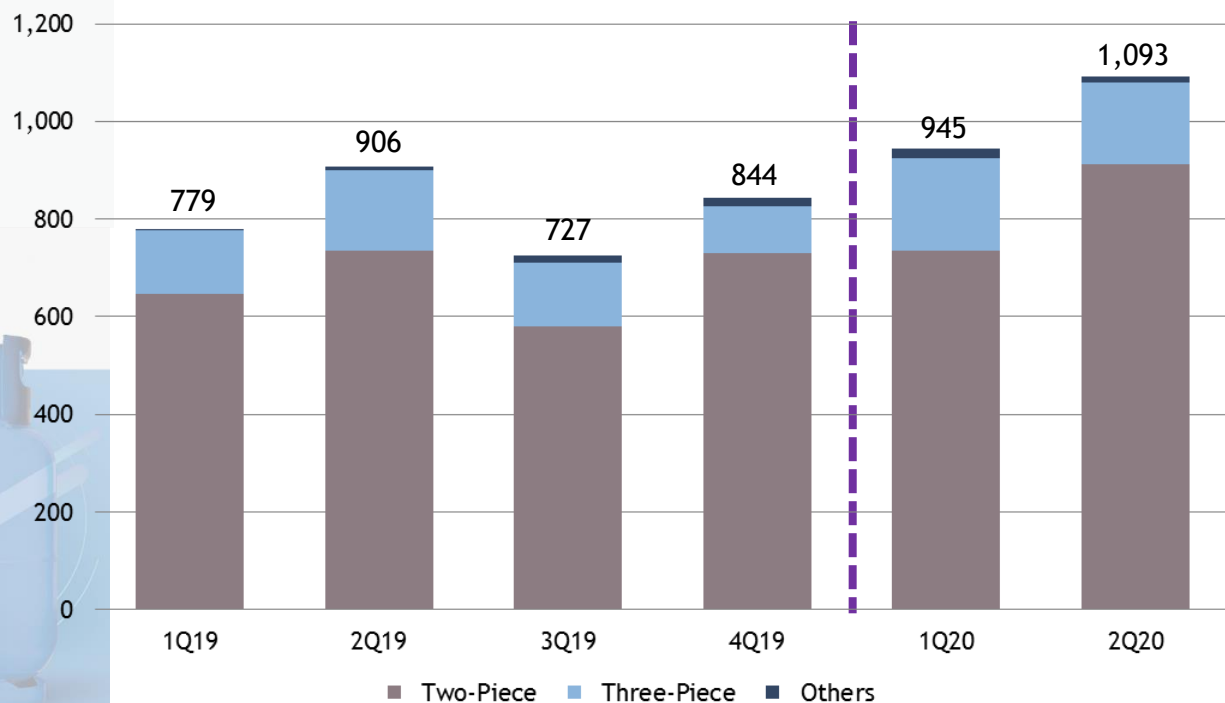
# "World Class LPG Cylinder Manufacturer of Thailand"

## III. Financial Highlights : Sales Revenue

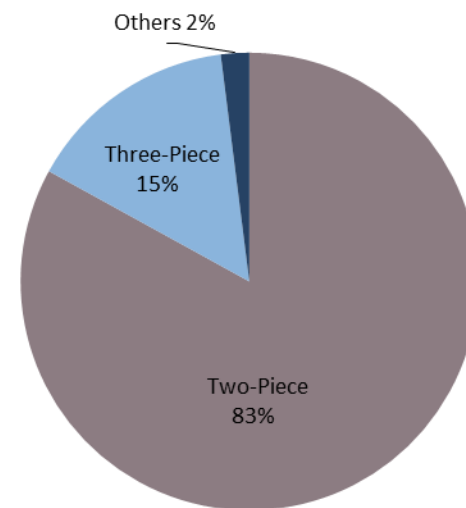
### Operational Statistics (Cont'd)

#### Sales Revenue by Product Category : 1Q19-2Q20

Sales Revenue (Million Baht)



2Q20



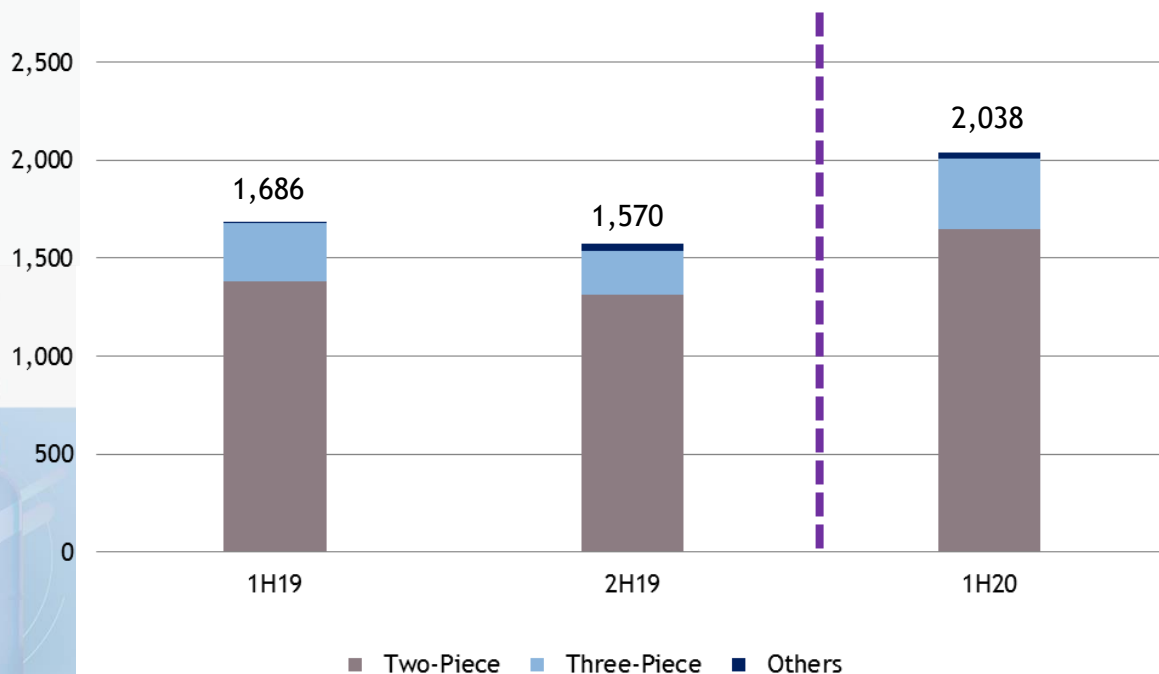
1,093 million baht



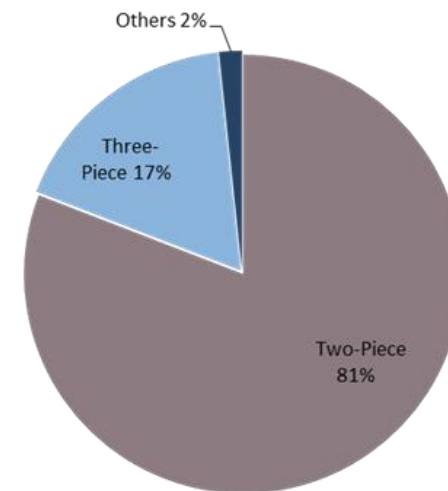
## Operational Statistics (Cont'd)

### Sales Revenue by Product Category : 1H19-1H20

Sales Revenue (Million Baht)



1H20



2,038 million baht



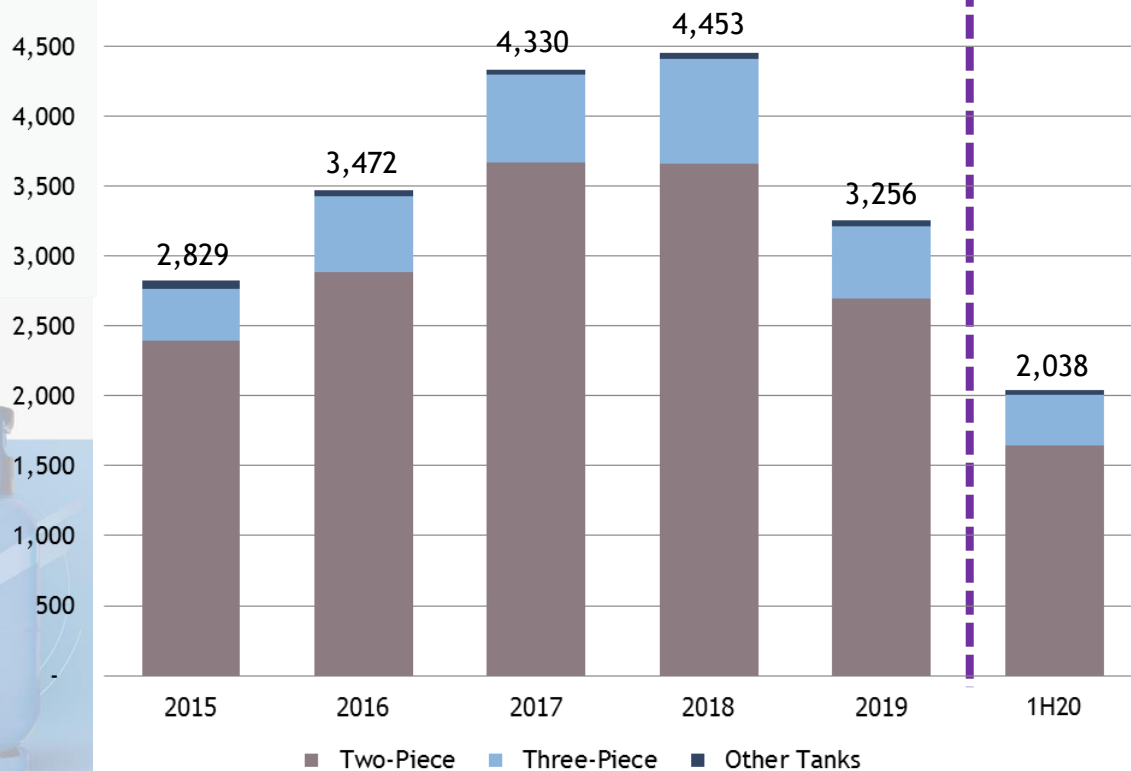


## III. Financial Highlights : Sales Revenue

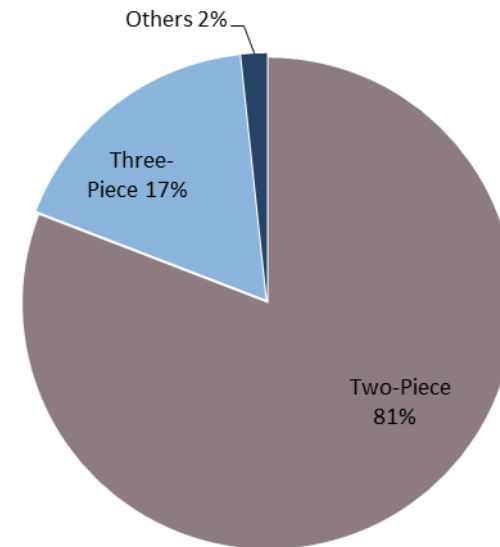
## Operational Statistics (Cont'd)

## Sale Revenue by Product Category : 2015 -1H20

Sales Revenue (Million Baht)



## 1H20



2,038 million baht

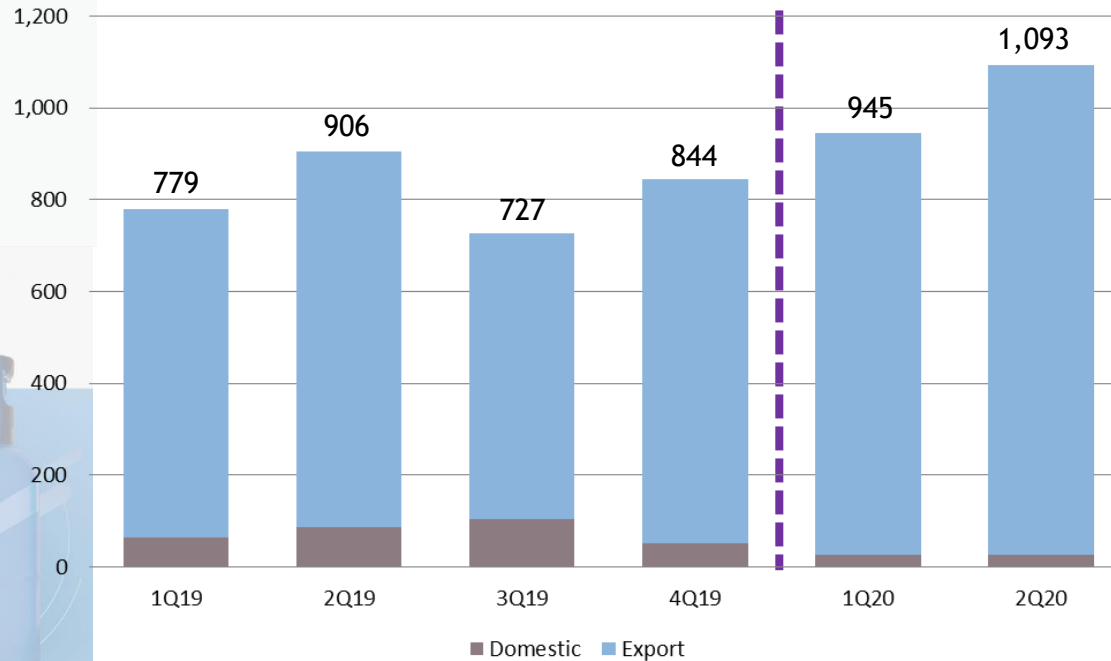


III. Financial Highlights : Sales Revenue

## Operational Statistics (Cont'd)

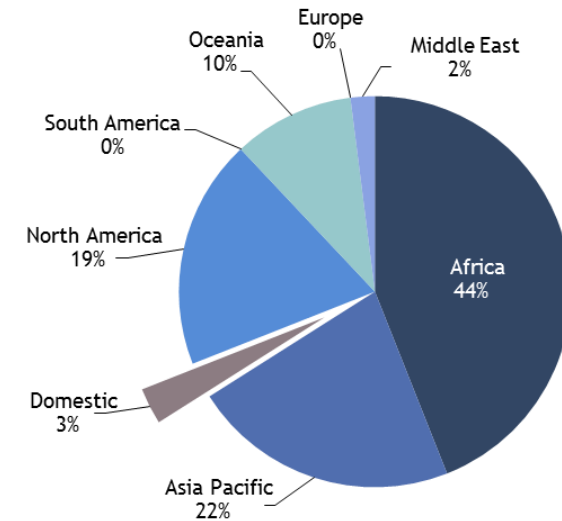
### Sales Revenue by Geography : 1Q19 - 2Q20

#### Sales Revenue (Million Baht)



- Sale portion of Africa increased due to high demand
- Asia and North America are still the major customers.

#### 2Q20



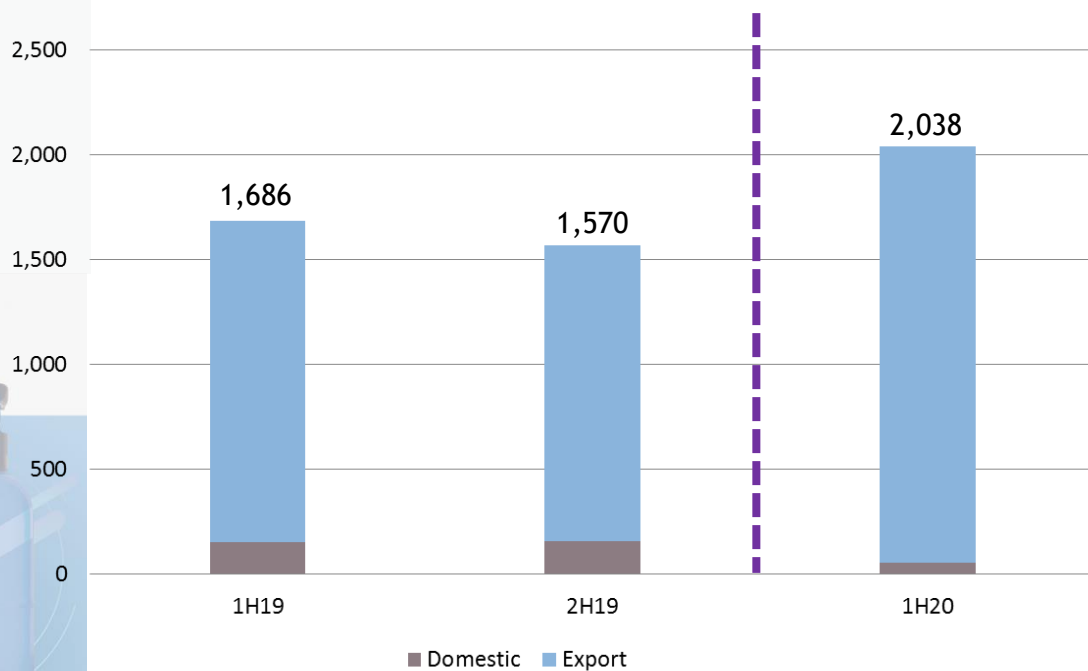
1,093 million baht



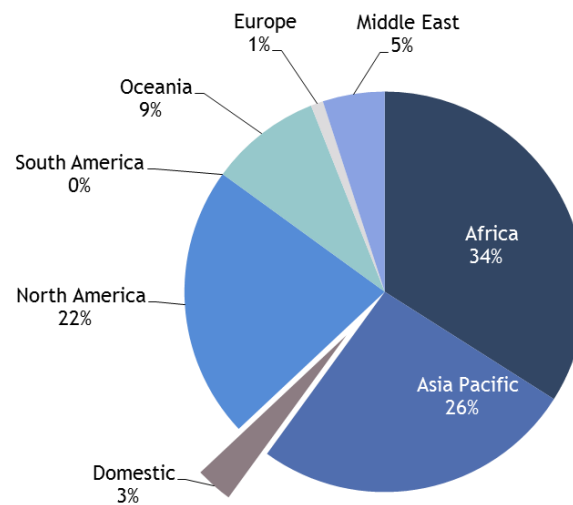
## Operational Statistics (Cont'd)

### Sales Revenue by Geography : 1H19 - 1H20

Sales Revenue (Million Baht)



1H20



2,038 million baht

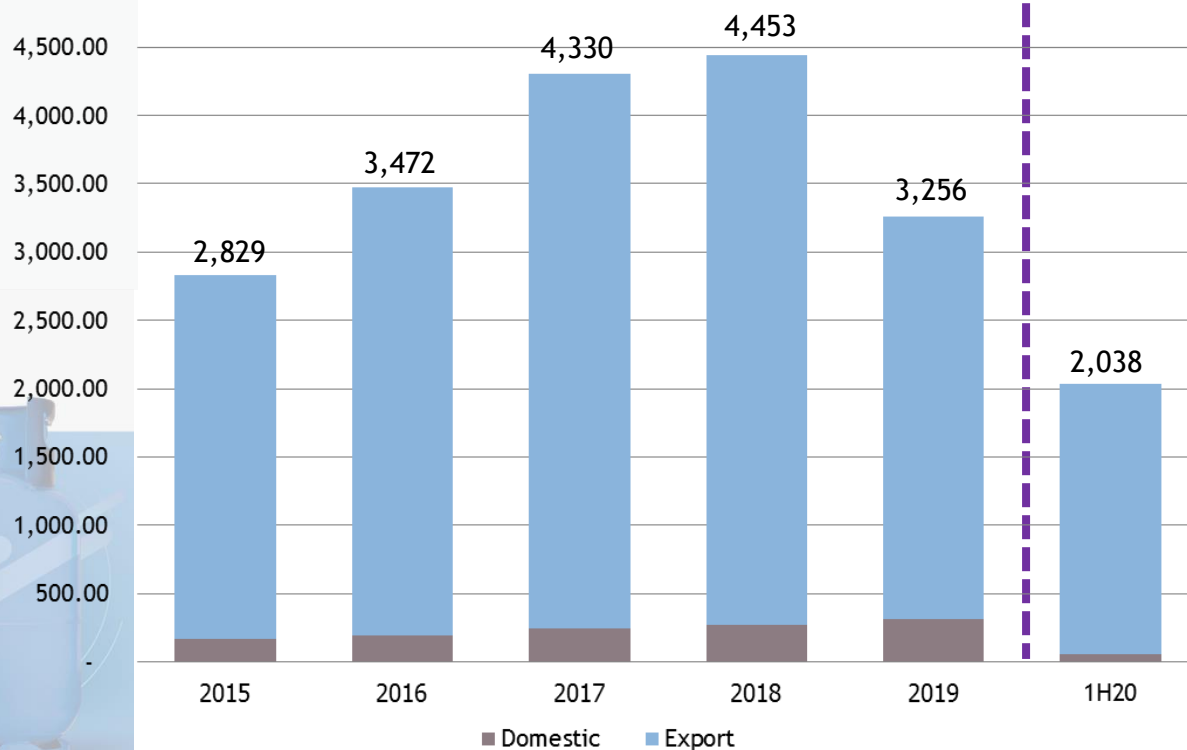


III. Financial Highlights : Sales Revenue

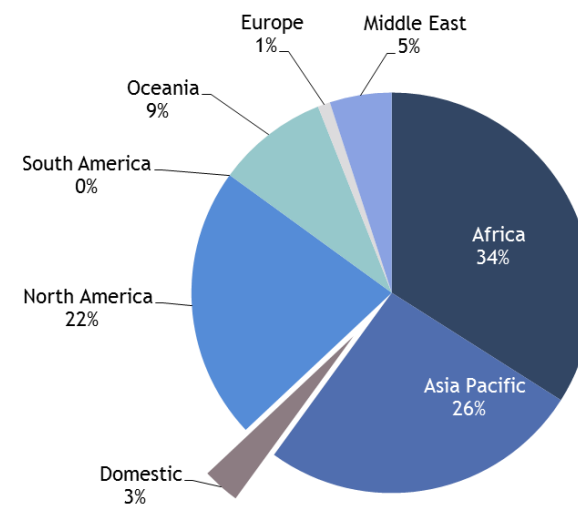
## Operational Statistics (Cont'd)

### Sales Revenue by Geography : 2015 - 1H20

Sales Revenue (Million Baht)



1H20



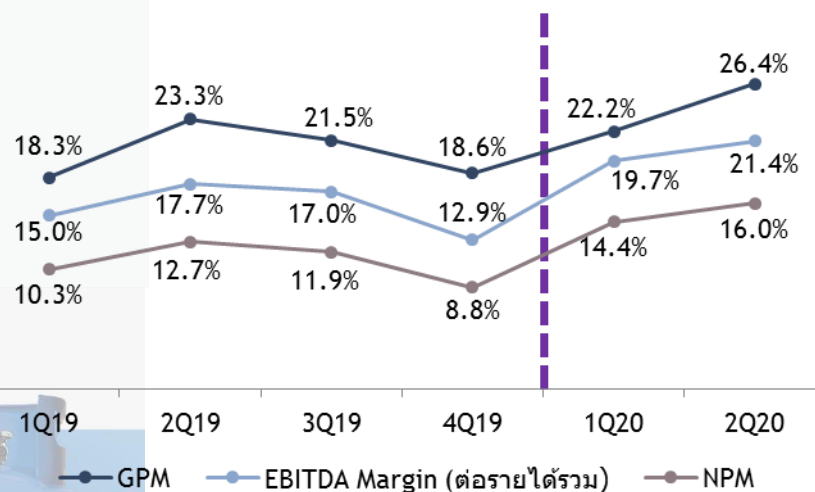
2,038 million baht



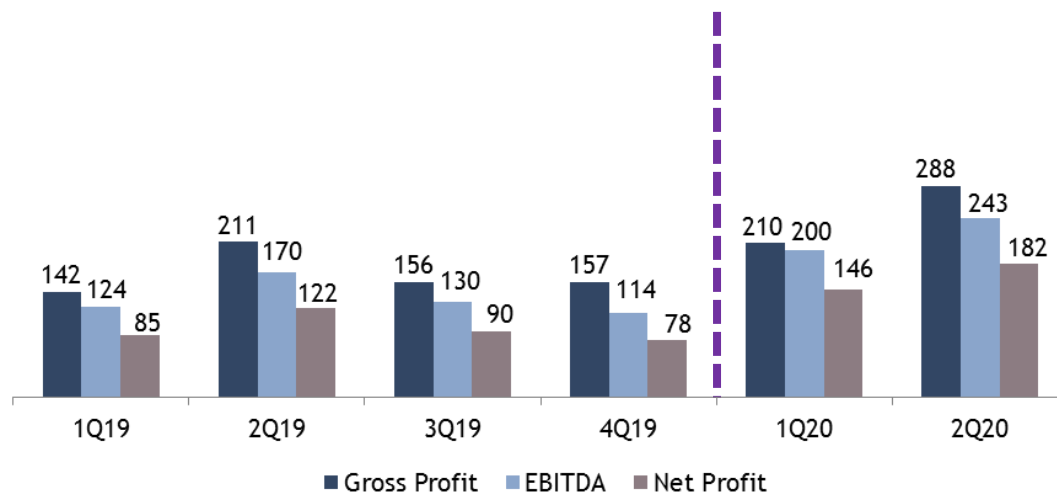
III. Financial Highlights : Financial Ratios

## Operational Statistics (Cont'd)

GPM, EBITDA Margin and NPM (%) 1Q19-2Q20



Gross Profit, EBITDA and Net Profit (MB) 1Q19-2Q20

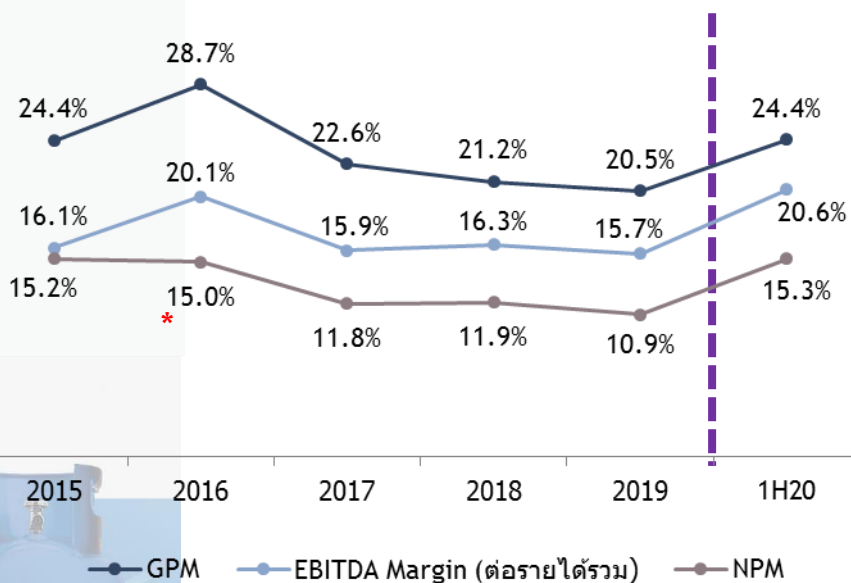


- GPM, EBITDA Margin and NPM of 2Q20 increased from prior period because Baht Currency is weaker
- Compare to prior year, GPM, EBITDA Margin and NPM of 2Q20 increased because Baht Currency is weaker and cost of steel decreased by 14%

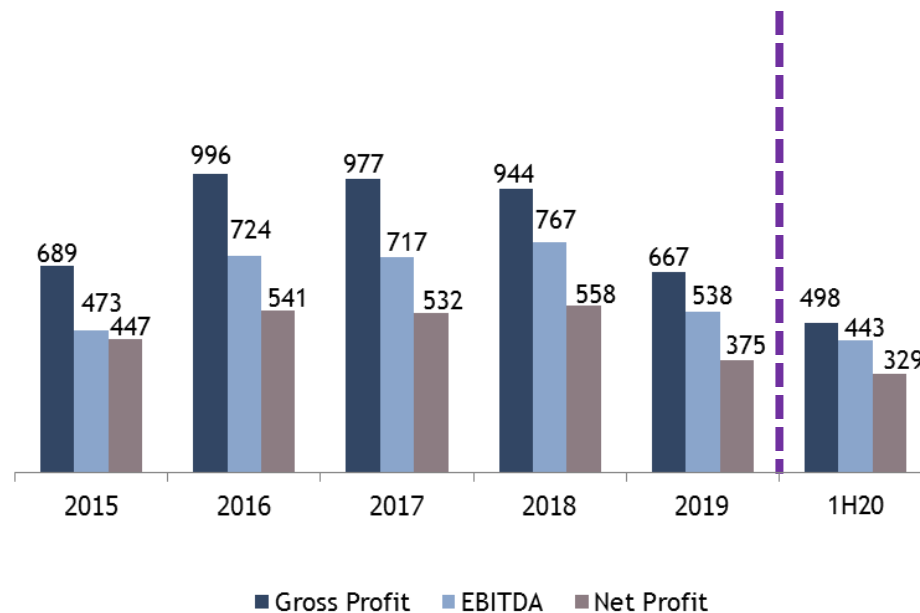
III. Financial Highlights : Financial Ratios

## Operational Statistics (Cont'd)

GPM, EBITDA Margin and NPM (%) 2015-1H20



Gross Profit, EBITDA and Net Profit (MB) 2015-1H20



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

Exchange Rate

Steel Price

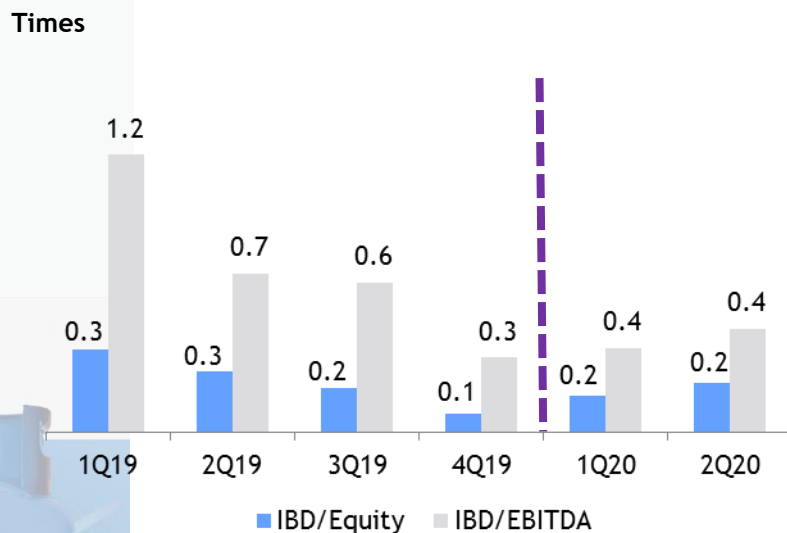
"Sustainably become One of the World Leading LPG Cylinder Manufacturer"

Opportunity Day

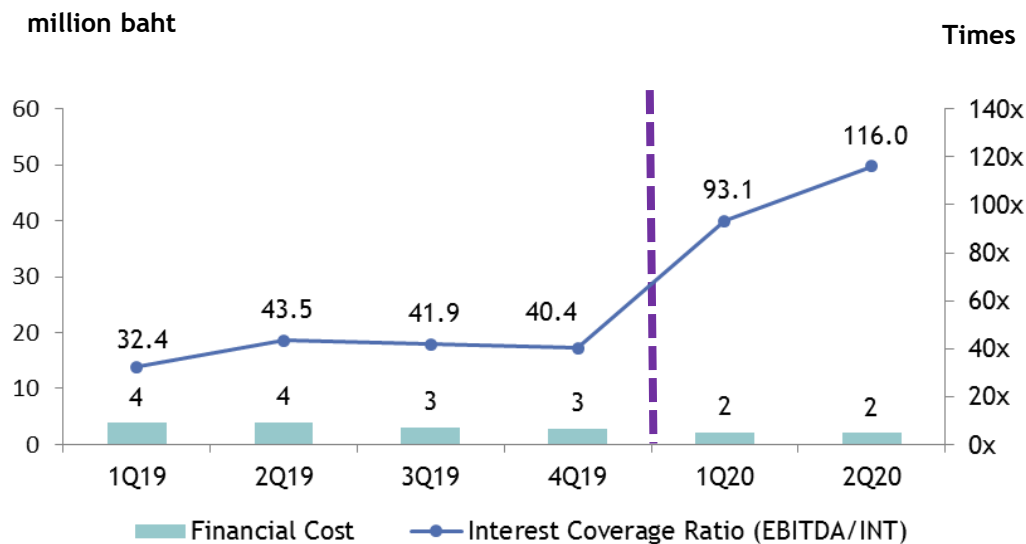
III. Financial Highlights : Financial Ratios

## Operational Statistics (Cont'd)

IBD\* to Equity Ratio, IBD\* to EBITDA Ratio (times)  
1Q19-2Q20



Financial Cost (million baht), Interest Coverage Ratio (times)  
1Q19-2Q20



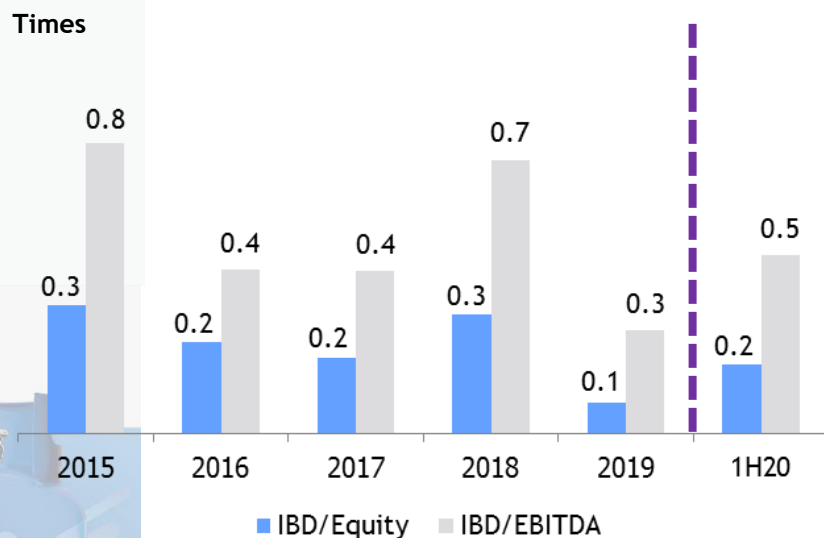
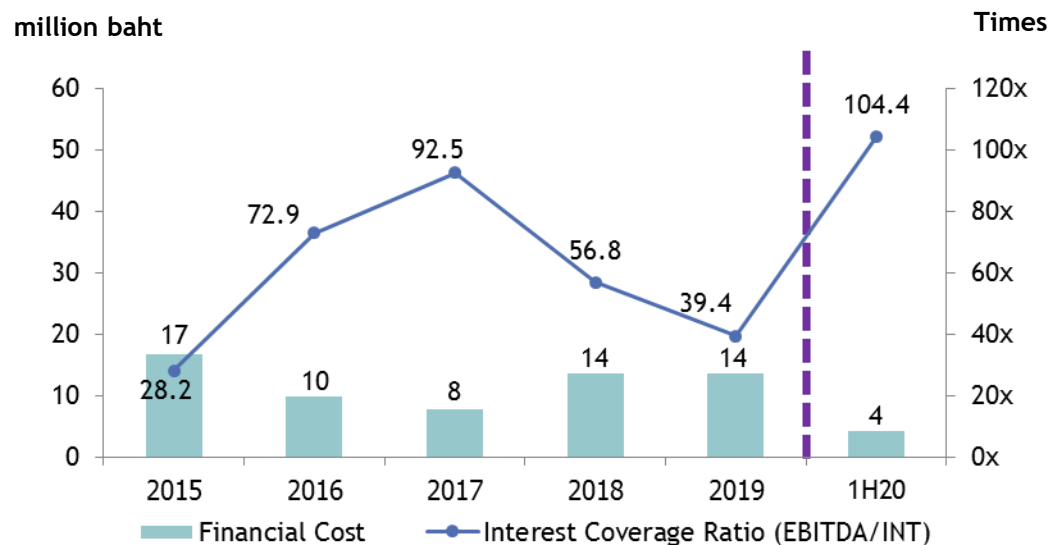
- IBD to EBITDA Ratio of 2Q20 is higher than prior year because liabilities from trust receipt increased from purchase of steel for production
- Interest Coverage Ratio of 2Q20 is higher than prior period because an increase in company's profit

Remarks \* IBD = Interest Bearing Debt



## III. Financial Highlights : Financial Ratios

## Operational Statistics (Cont'd)

IBD\* to Equity Ratio, IBD\* to EBITDA Ratio (times)  
2015-1H20Financial Cost (million baht), Interest Coverage Ratio (times)  
2015-1H20

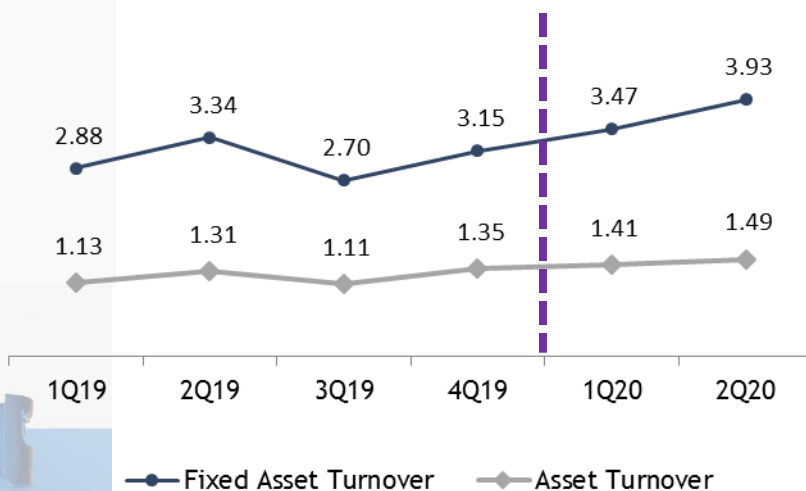
Remarks \* IBD = Interest Bearing Debt



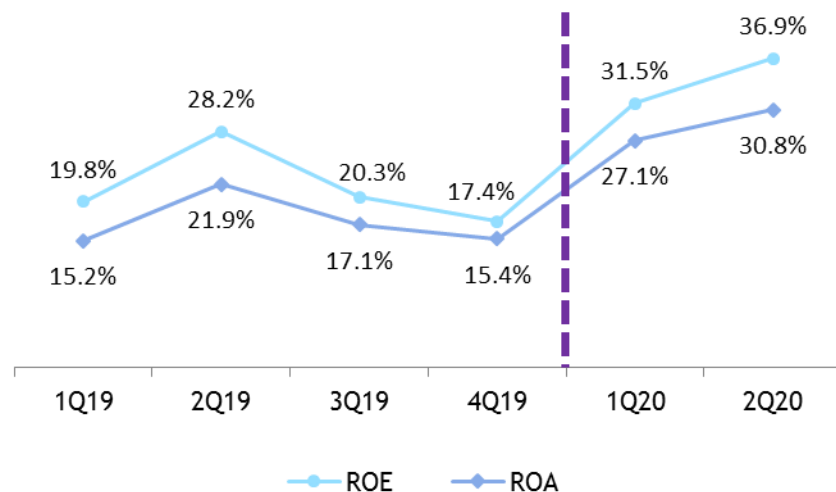
### III. Financial Highlights : Financial Ratios

## Operational Statistics (Cont'd)

**Fixed Asset Turnover and Asset Turnover (Times)**  
1Q19-2Q20



**ROE and ROA (%)**  
1Q19-2Q20



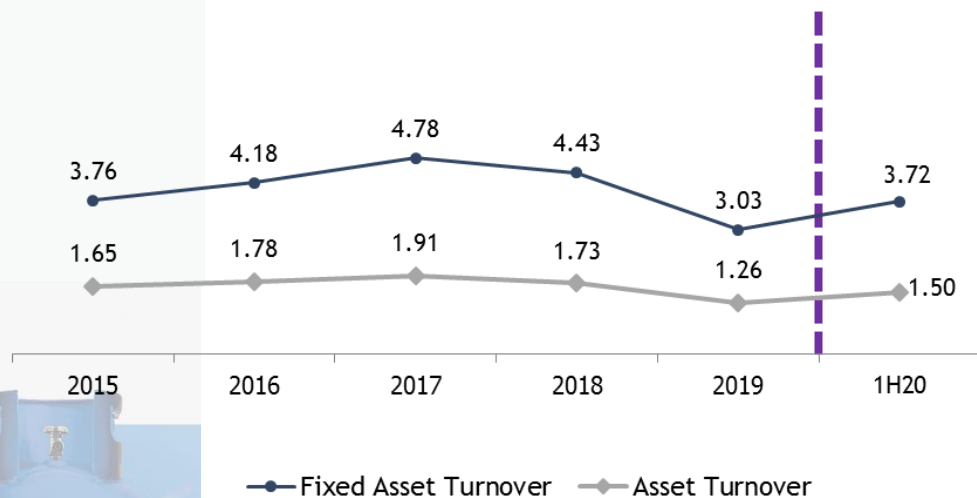
- Fixed Asset Turnover and Asset Turnover are better than prior period due to an increase in sale revenue
- ROE and ROA of 2Q20 increased from prior period because of an increase in net income for the period



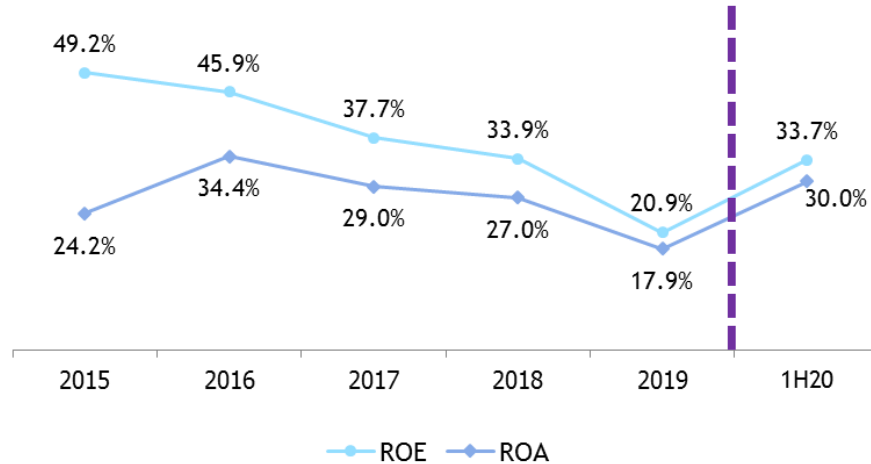
III. Financial Highlights : Financial Ratios

## Operational Statistics (Cont'd)

Fixed Asset Turnover and Asset Turnover (Times)  
2015-1H20



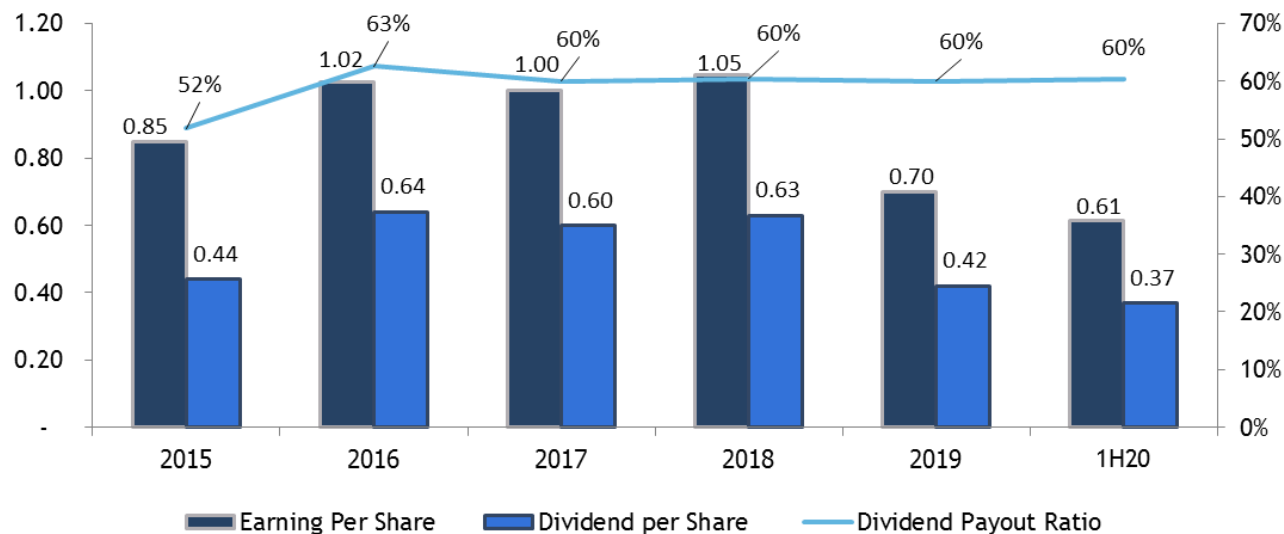
ROE and ROA (%)  
2015-1H20





III. Financial Highlights : Financial Ratios

## Dividend Payment History



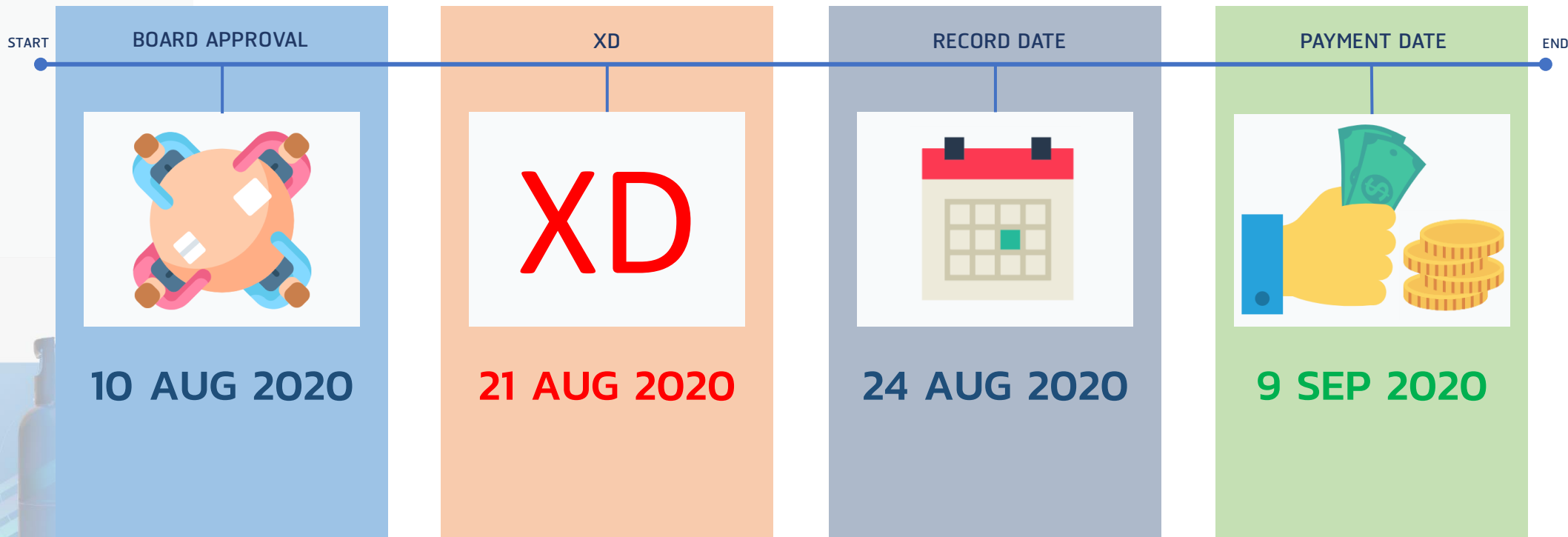
	2014	2015	2016	2017	2018	2019	1H20
FS publication day	12/2/2015	11/2/2016	15/2/2017	14/2/2018	12/2/2019	21/2/2020	10/8/2020
Price per share	7.58	11.00	16.60	13.40	12.10	5.65	12.50
Dividend per share	0.35	0.44	0.64	0.60	0.63	0.42	0.37
Earning Per Share	0.59	0.85	1.02	1.00	1.05	0.70	0.61
Dividend Yield per year	4.6%	4.0%	3.9%	4.5%	5.2%	7.43%	5.92%
Dividend Amount (MB)	163.89	231.84	338.62	319.18	337.37	224.91	198.14
Dividend Payout Ratio	59%	52%	63%	60%	60%	60%	60%

Remarks: \*The Company began paying Dividend since 2014



III. Financial Highlights : Financial Ratios

## DIVIDEND PAYMENT TIMEFRAME





"World Class LPG Cylinder Manufacturer of Thailand"

## Agenda

I. SMPC Overview

II. Industry Overview

III. Financial Highlights

**IV. Business Outlook**



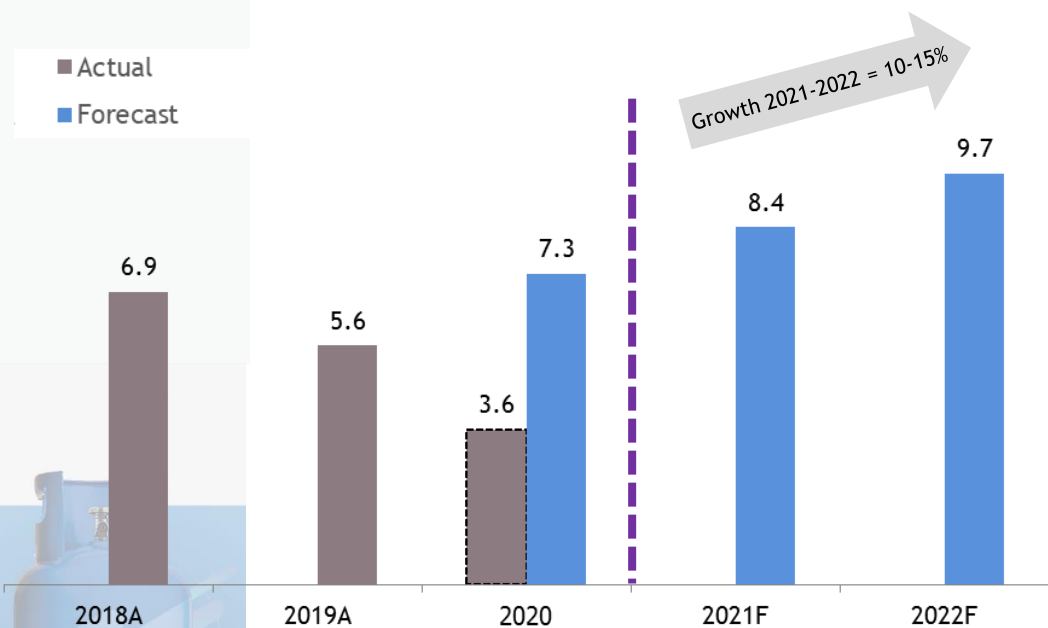




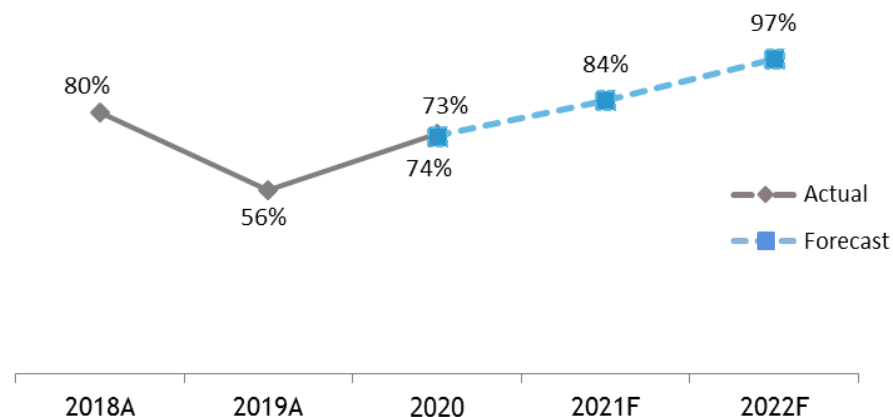
## III. Business Outlook

## 2020 Target and Future Growth Strategy

Projected Sales Volume (million cylinders)



Projected Utilization (%)



Capacity (million cylinder)	2011-2013	2014	2015-2016	2017	2018	2019	2020	F2021-2022
Per Year	5.0	5.5	6.2	7.7	8.7	10.0	10.0	10.0
Per Quarter	1.25	1.38	1.55	1.93	2.16	2.50	2.50	2.50



## III. Business Outlook

## 2020-2021 Business Plan

## 2020 (Short)

**Process and cost Improvement**

- Debottlenecking
- Waste Reduction
- Solar cell implementation (2Q20)
- Develop automatic production process in order to make cost of production more efficient and less rely on labors

**Capability Enhancement**

- Machine Betterment
- Expanding Storage and Factory
- Customer relationship management
- Market penetration
- R&D to improve new product development
- Digitalization

## 2021 onward

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

- Joint with strategic partner
- 100% Own-factory





## Disclaimer

*This document is addressed solely to participants of the meeting for the purposes of their information only and is not to be distributed, in whole or in part, to any other person without prior written consent of Sahamitr Pressure Container PLC. ('SMPC' or 'the Company'). This document, and the information contained herein, is in preliminary form and is subject to revision by SMPC at its discretion. Although reasonable care has been taken to ensure that the information contained in this document is fair and accurate, SMPC has not independently verified such information. Accordingly, SMPC and representatives i) make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and ii) expressly disclaim any and all liability based, in whole or in part, on such information, errors therein or omissions therefore. Without any due diligence, all information addressed herein is based on our understanding.*





"World Class LPG Cylinder Manufacturer of Thailand"

# 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)



Trusted Cylinder for Your Home  
Trusted Partner for Your Business