

SNC FORMER PLC



Opportunity day 1Q2015

May 11, 2015



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1Q15 Market Briefs

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1Q15 Business Highlights

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Y2015 : The Challenged Year

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Financial Highlights



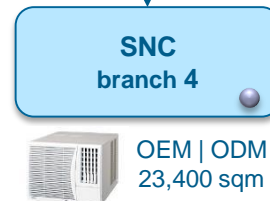
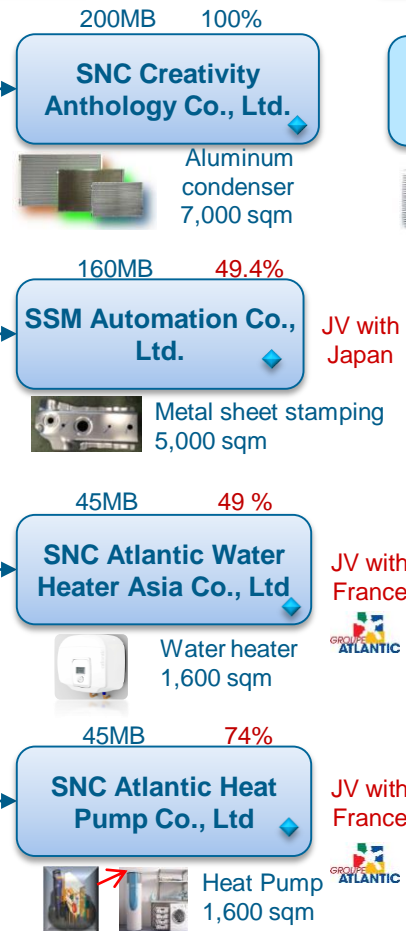
SNC

Capital 287 MB

Samutprakarn province

Rayong province

Chonburi province



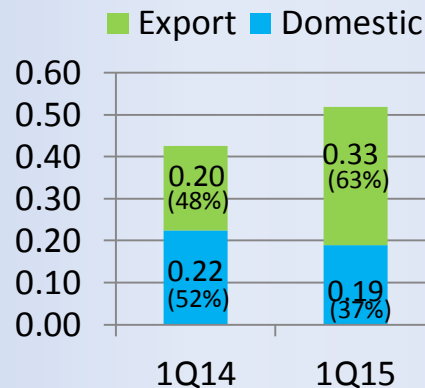
- SME BOI, tax 0% 8 years, start 2011
- ◆ Normal BOI, tax 0% 3-8 years
- Non BOI, tax 20%

Total 15 companies, incl. JV 7 companies

1Q15 Market Briefs



Automobile

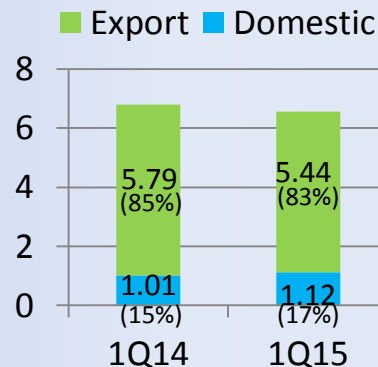


- ❖ Car production in 1Q15 = 0.52 M.units increased 11.3% QoQ and 1.4% YoY.
- ❖ Export sale in 1Q15 increase 63% YoY and domestic sale decrease 12% YoY.

1Q15 Market Briefs

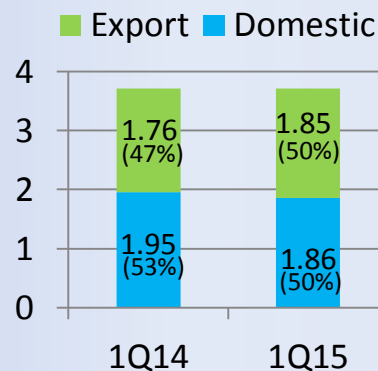
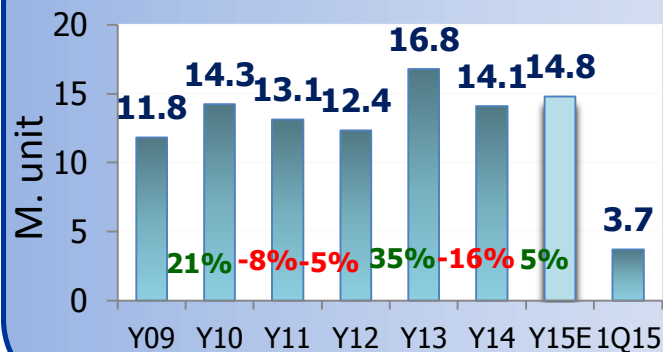


Air Conditioners



❖ The 1Q15 - AC production in Thailand is estimated at 6.56 M.unit while those of 1Q14 was 6.79 M.unit, decreased 3.3% YoY.

Compressors

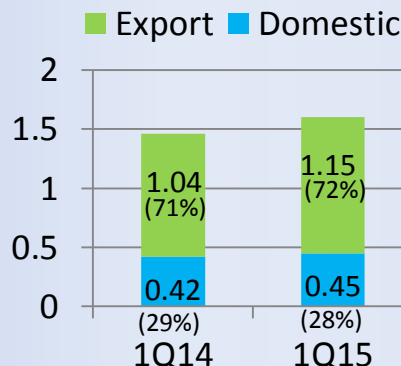


❖ The 1Q15 - Compressor production in Thailand is estimated at 3.71 M.unit while those of 1Q14 was 3.71 M.unit, 0% increased YoY.

1Q15 Market Briefs

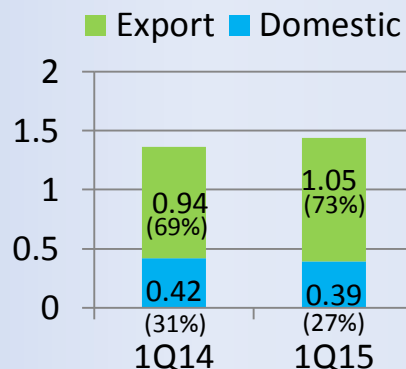
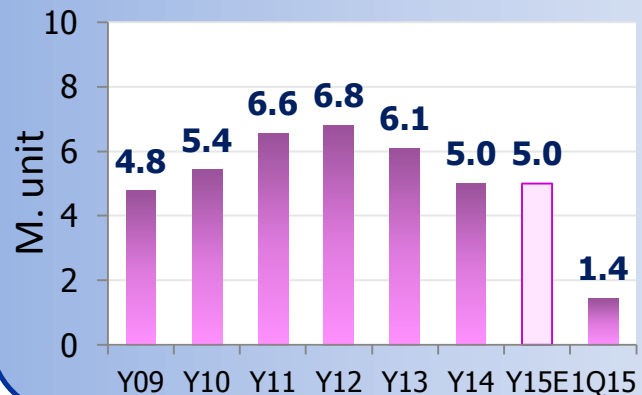


Refrigerator



❖ The 1Q15 production is estimated at 1.59 M.unit while those of 1Q14 was 1.46 M.unit, increased 8.9% YoY.

Washing Machine



❖ The 1Q15 production is estimated at 1.44 M.unit while those of 1Q14 was 1.35 M.unit, increased 6.7% YoY.

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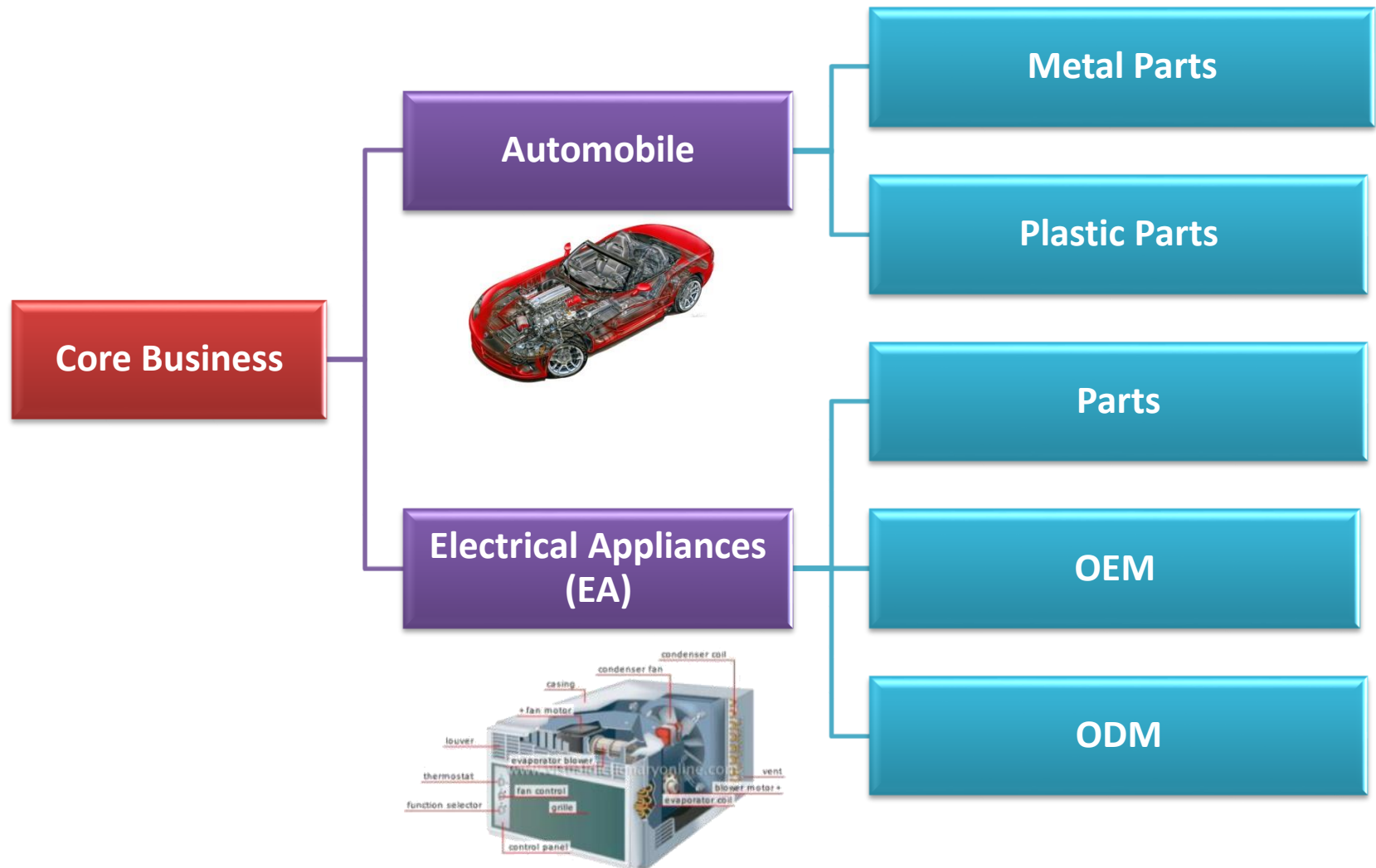
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Financial Highlights

1Q15 Business Highlights



Core Business

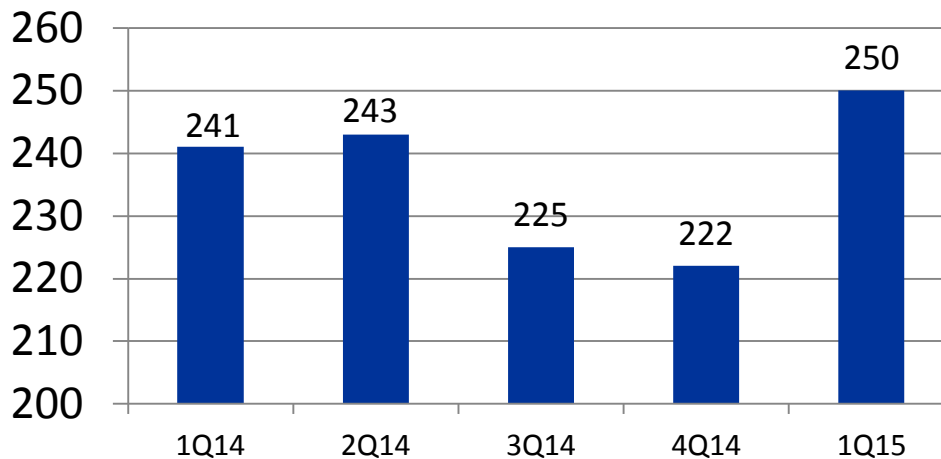


1Q15 Business Highlights

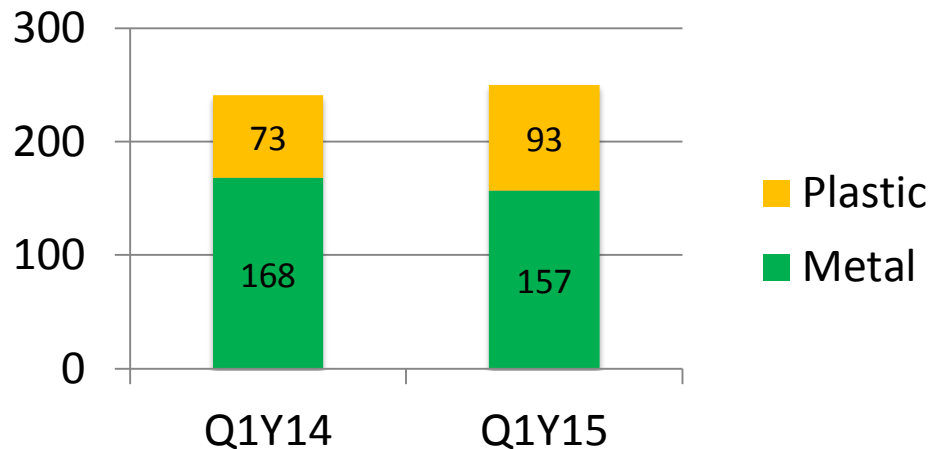


Core Business (Automobile)

Sales of Automobile Parts (MB)



❖ Sales of automobile parts in 1Q15 increase about 4% from 1Q14 which rise up from selling the motorcycle parts.

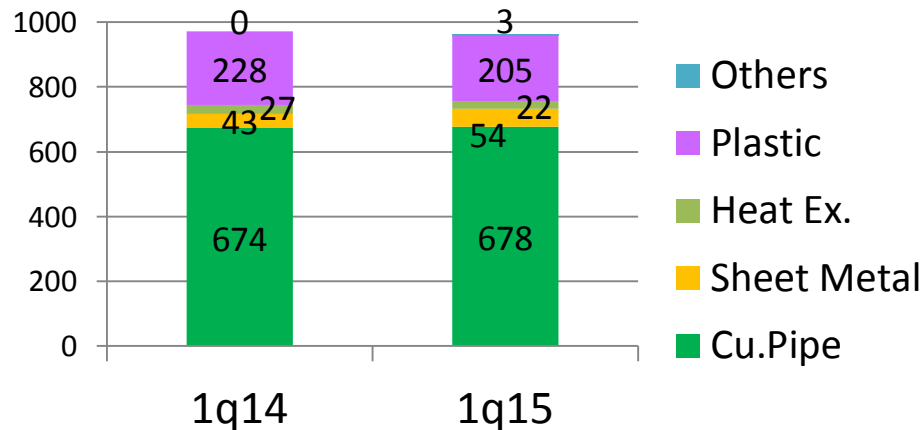
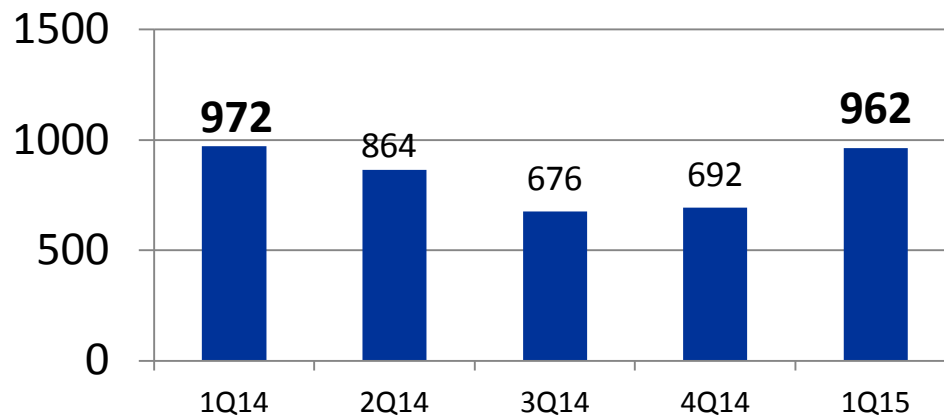


1Q15 Business Highlights



Core Business (EA Parts)

Sales of EA Parts (MB)



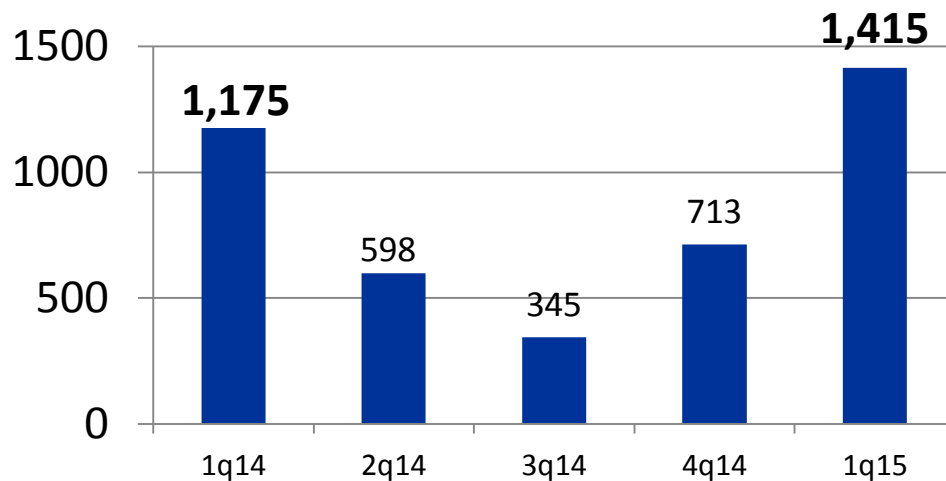
- ❖ Sales of EA Parts in 1Q15 was nearly the same level as 1Q14.
- ❖ Following to the increasing number of OEM/ODM businesses, the sales of upstream parts (internal sales) was increasing 75 MB YoY.

1Q15 Business Highlights

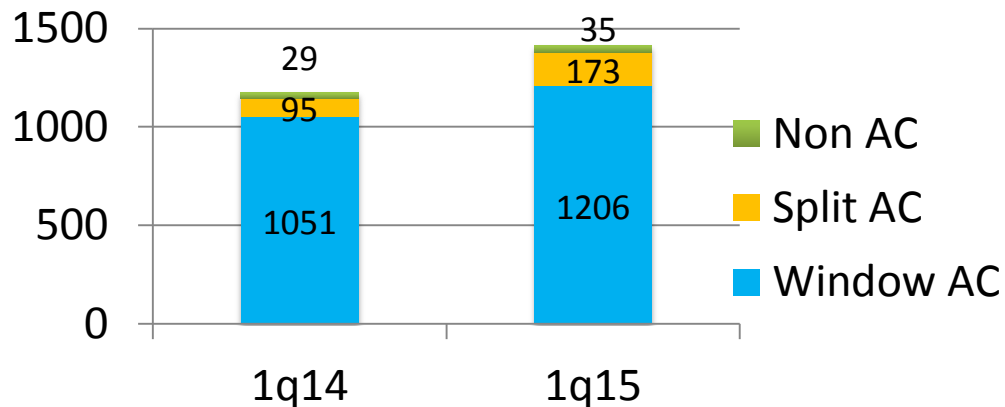


Core Business (EA-OEM)

Sales of EA-OEM (MB)



- ❖ Sales of OEM in 1Q15 was 1,415 MB, up 20% from 1Q14, mainly came from the strong demand of both Window AC and Split AC (R32).
- ❖ For WINDOW AC in 1Q15, there are 4 new models launched for the Middle East market.



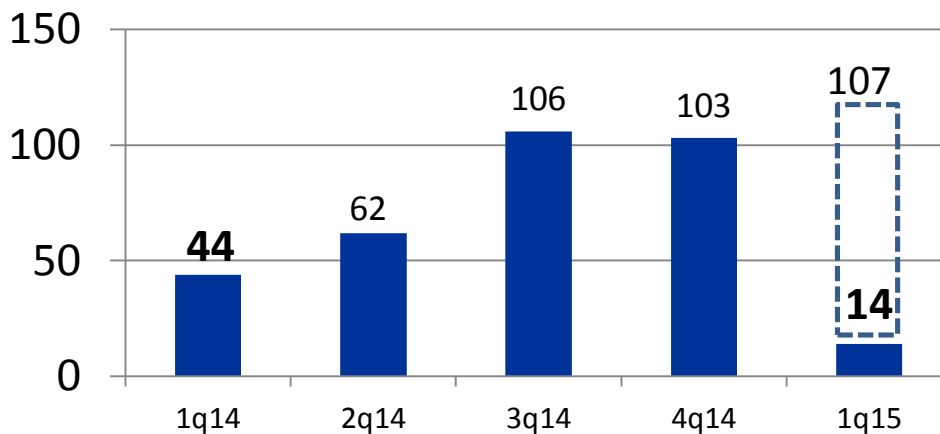
	1q14	1q15	
	4	6	Units
	32,804	54,470	Units
	123,840	139,880	Units

1Q15 Business Highlights

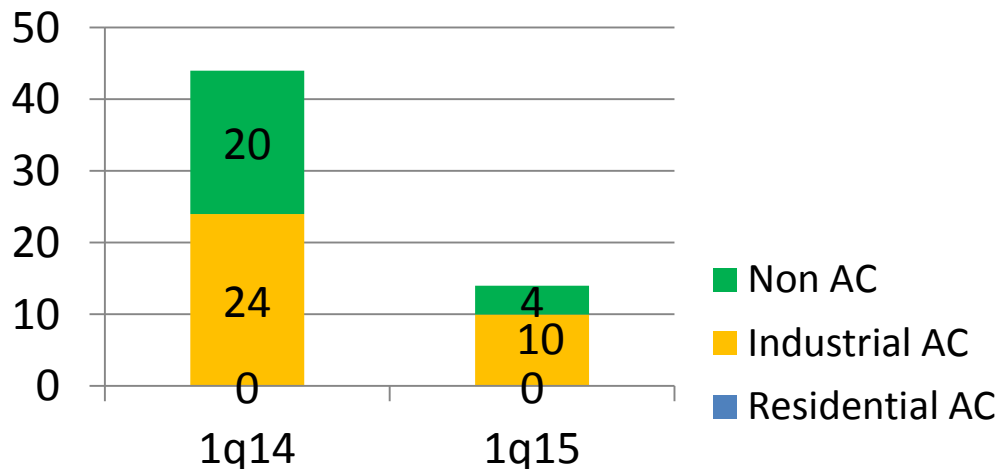


Core Business (EA-ODM)

Sales of EA-ODM (MB)



❖ Sales of ODM group in 1Q15 was decreased from 1Q14 (-30 MB) and 4Q14 (-89 MB). This is because of the sales of Heat Pump product for Water Heater has been moved to SAHP account (recently established business group) of which 1Q15 sales of SAHP was 107 MB.

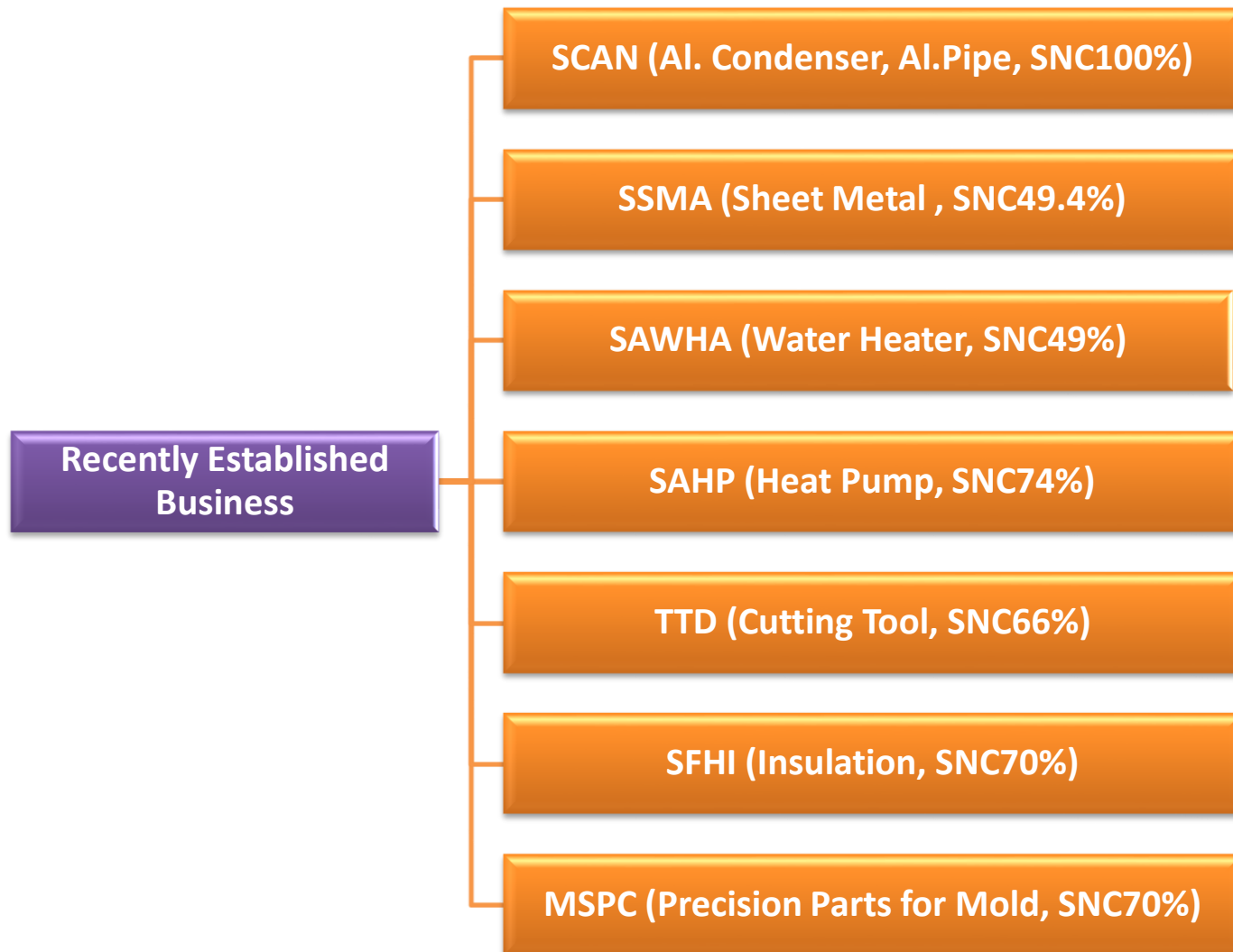


1q14	1q15	
1,927	978	Units
459	290	Units
-	-	Units

1Q15 Business Highlights



Recently Established Business

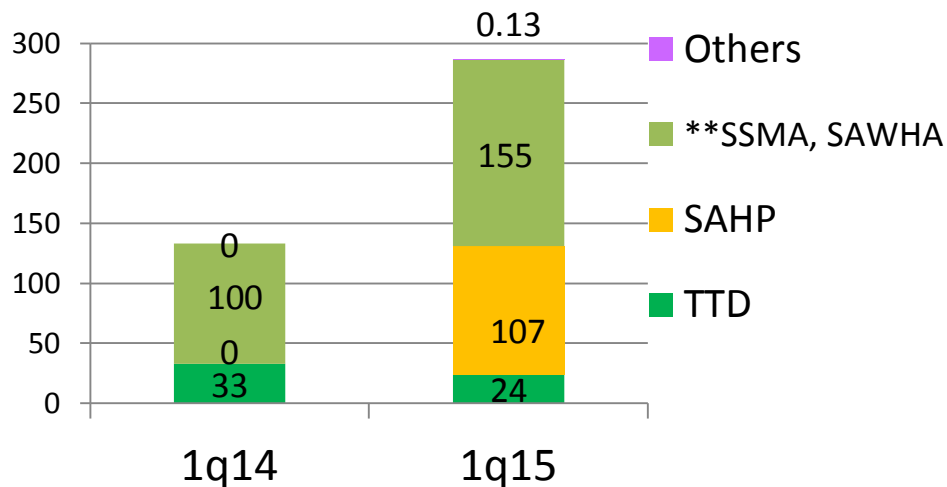
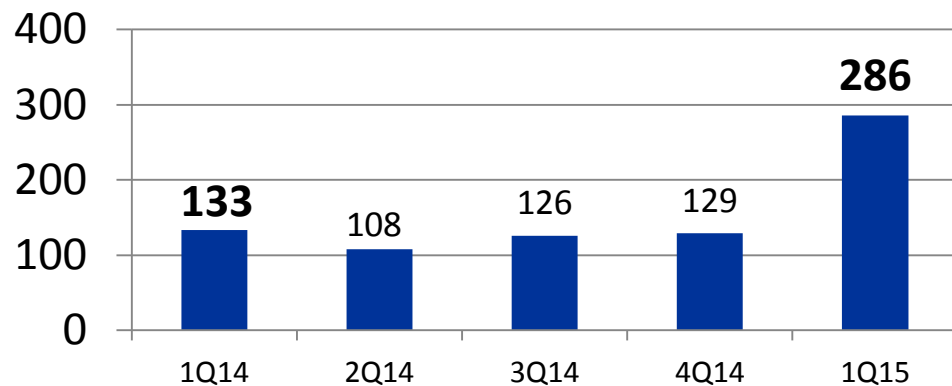


1Q15 Business Highlights



New business

Sales of new business(MB)

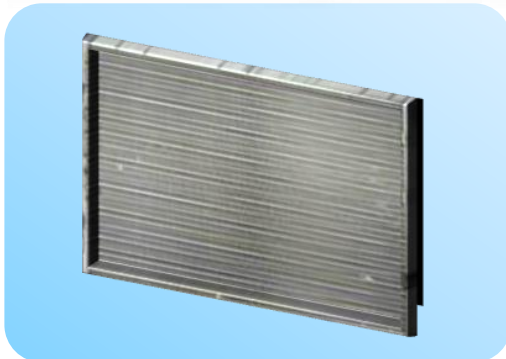


❖ Sales of this group in 1Q15 was increasing 153 MB or +215% YoY. The main portion comes from SAHP (0→107 MB) and SSMA (100→151 MB).

1Q15 Business Highlights



SCAN



- ❖ Product
 - ❖ Aluminum Condenser for Residential A/C
 - ❖ Hose for Car A/C.
 - ❖ Aluminum Pipe for Car A/C
- ❖ Capital 200 MB
- ❖ Location : SNC @Rayong
- ❖ Target Customer :
 - ❖ Residential AC makers (Al. Condenser)
 - ❖ Car A/C makers (Hose, Al. Pipe)
- ❖ Highlight activities in 1Q15:
 - ❖ Aluminum Condenser has been approved by customer
 - ❖ Submit the Development 1 sample (D1 sample) of Hose to customer.
 - ❖ Al. Pipe will be started after development of Hose is finished.

1Q15 Business Highlights



SSMA



- ❖ Product
 - ❖ Stamping parts for Electrical Appliances and Automotive
- ❖ Capital 160 MB :
 - SNC (49.4%) : SUGIMOTO (47.5%) :Others (3.1%)
- ❖ Location : SNC @Rayong
- ❖ Customer :
 - ❖ Auto : SUZUKI, H-One, Kyokuyo, Bestex, etc.
 - ❖ Electrical Appliances : SNC, Mitsubishi, Electrolux, Hitachi, Toshiba
- ❖ Highlight activities in 1Q15 :
 - ❖ Demand from SNC (AC OEM parts) is increasing.
 - ❖ Trial production for SUZUKI YL1 project.
 - ❖ Compressor Parts have been approved from customer.
 - ❖ Review Capacity especially the TANDEM Line

1Q15 Business Highlights

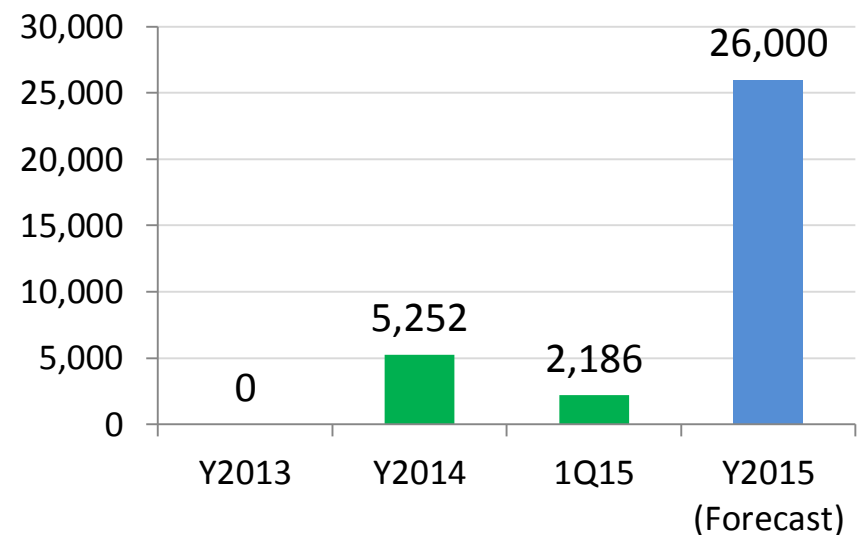


SAWHA



- ❖ Manufacturing of water heater.
- ❖ Capital 45 MB, Atlantic 51% + SNC 49%
- ❖ Location : SNC @Rayong
- ❖ Target Customer : export to Vietnam, Indonesia, India, Korea, etc.
- ❖ Main target in Y2015:
 - ❖ Penetrate into India → Got approval by Bureau of Energy Efficiency (BEE) of India in March 2015
- ❖ 1Q14 : sale 0 MB EAT -1 MB
- ❖ 1Q15 : sale 4 MB EAT 0 MB

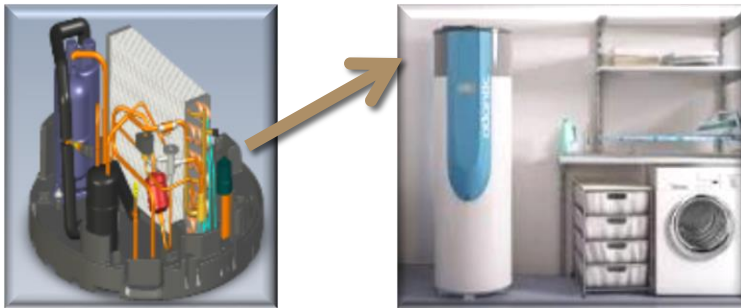
Sales (set)



1Q15 Business Highlights

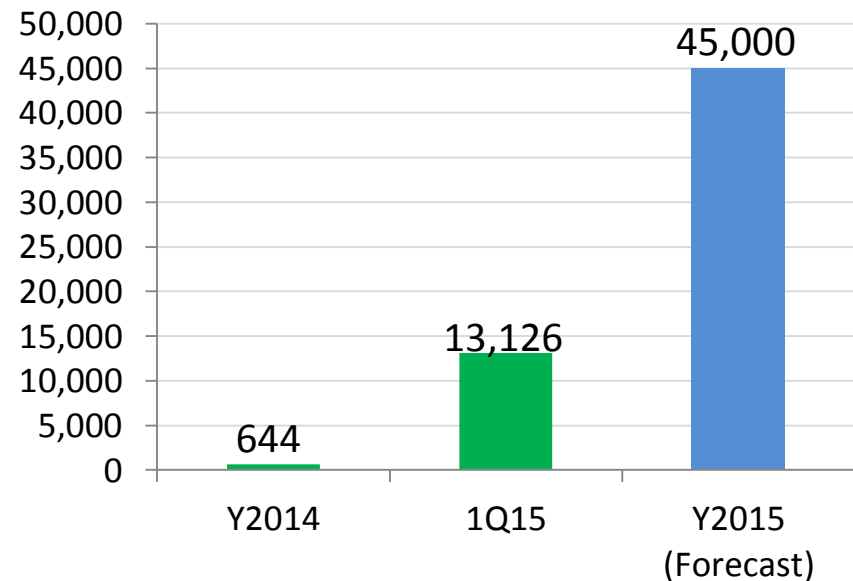


SAHP



- ❖ Manufacturing of heat pump for water heater.
- ❖ Capital 45 MB, Atlantic 26% + SNC 74%
- ❖ Location : SNC @Rayong
- ❖ Customer : Atlantic Group in France
- ❖ Started production in Dec 2014
- ❖ 1Q14 : sale 0 MB EAT -0.3 MB
- ❖ 1Q15 : sale 107 MB EAT 8 MB

Sales (set)



Note : The number of production at SNC-LCB in Y2014 was 26,353 set.

1Q15 Business Highlights



TTD



- ❖ Manufacturing of cutting tools.
- ❖ Capital 80 MB, SNC 66%
- ❖ Customer : Automotive sector.
- ❖ New product in 2015 : Automation parts and products.
- ❖ 1Q14: Sale 33 MB, EAT 3.2 MB
- ❖ 1Q15: Sale 24 MB, EAT -3.5 MB

1Q15 Business Highlights



SFHI



- ❖ Manufacturing of insulation pipe kit and foam insulation.
- ❖ Capital 50 MB.
- ❖ SNC 70% + Fukui Kasei (Thailand) Co., Ltd 20% + Grand Union Enterprise Co., Ltd. 10%
- ❖ Location : Samutprakarn.
- ❖ Customer : Export to USA, Japan, etc.
- ❖ 1Q15, Machines installation, infrastructure and office, loss 1.9 MB.

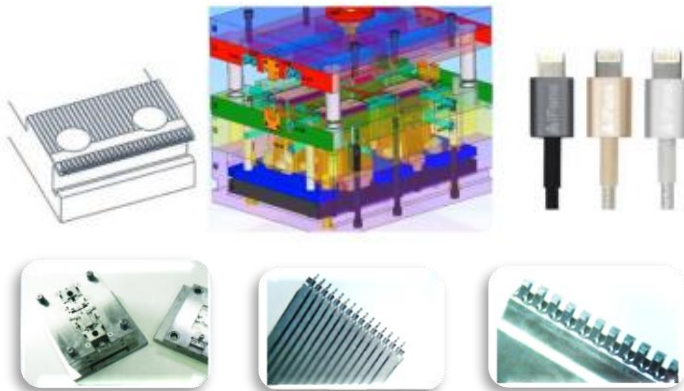
SFHI – Jobs (Action in April 2015)

- ❖ Office preparation
- ❖ Installation insert pipe machine
- ❖ Making sample 3 sets for OK Kizai company
- ❖ Installation Extruder, Slitter and tube machine
- ❖ Start production

1Q15 Business Highlights



MSPC



- ❖ MSPC is a maker of precision parts for injection mold.
- ❖ Capital 10 MB → 25 MB
- ❖ SNC 42% Toptech 28%, Meisou 30%
- ❖ Location : Samutprakarn.
- ❖ Customer : Domestic and export to Japan.
- ❖ 1Q15, Machines installation, infrastructure and office, loss 3.5 MB

MSPC – Jobs (Action in April 2015)

- ❖ Visit customer Panasonic
- ❖ Preparing for 3 customer visit
- ❖ Dai-ichi Seiko Visit
- ❖ Panasonic Visit
- ❖ Canon Visit
- ❖ Start production

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Financial Highlights

Y2015 : The Challenged Year



Auto Parts

- Recovery of Car Market
1.88 M → 2.0 M
- Growth from New parts / New Customers

EA Parts

- Growth with the Big Brands AC manufacturers
- Growth with the increasing number of OEM / ODM production in SNC group.

Core Business

EA OEM

- Increasing number of WINDOW AC and R32 Split AC in Y2015.

EA ODM

- Sales of Heat Pump for Water Heater will be moved to SAHP with the increasing number.
- Increasing trend of Sales for Residential AC and Industrial AC.

Y2015 : The Challenged Year



SCAN

- Start to supply to customer but the quantity is still low

SSMA

- Sales reaches to BEP

SAWHA

- Penetrate into India, EU market

SAHP

- Start operation with continuing strong demand by the Energy Saving trend in EU.

TTD

- Steady growth with the new business (Automation) challenge.

SFHI

- Start operation

MSPC

- Start operation

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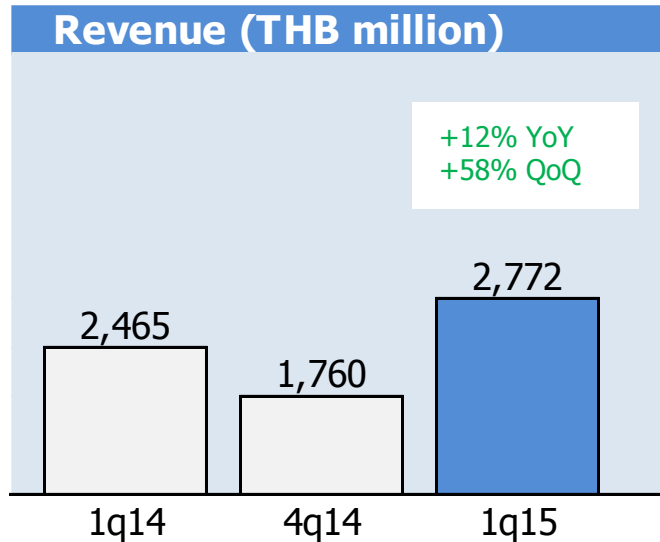
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Financial Highlights

Key Financial Highlights



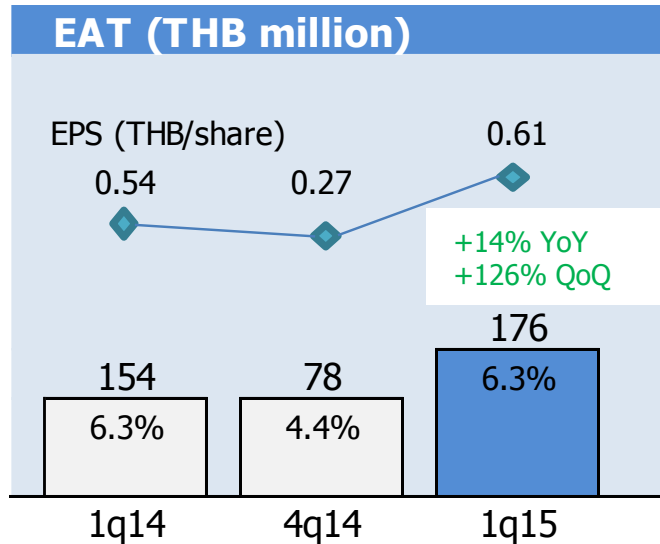
Revenue (THB million)



1q15

- + 1q15 was high season.
- + OEM generated more sale. Increase in the production volume of window and R32.

EAT (THB million)



1q15

- + OEM and EA parts generated more profit.

	1q14	1q15
Electrical	145	173
Automotive	29	28
New business	-19	-26
	154	176

Business segment revenues



Unit : THB million				YoY	QoQ
	1q14	4q14	1q15		
Revenue - section i					
Auto - Pipe	168	140	157	-	+
Auto - Plastic	73	83	93	+	+
EA - OEM/ODM	1,219	816	1,429	+	+
EA - Parts	972	689	962	-	+
Total section i	2,432	1,728	2,641	+	+
Revenue - section ii					
SCAN	-	-	-	-	-
SSMA(49%)**	100	98	153	+	+
SAHP	-	5	107	+	+
TTD	33	25	24	-	-
Others	-	2	0	+	-
Total section ii	33	32	131	+	+
Revenue GT	2,465	1,760	2,772	+	+

- Auto-Pipe was supplied to the automotive industries.
The 1q15 production volume in Thailand was 524,540 units -1.72% yoy.
- + Auto-Plastic was grow up due to motorcycle.
The 1q15 production volume in Thailand was 536,903 units +5.61% yoy.
Plastic price↓ 8%, 1q15: THB 65, (1q14 : THB 71)
- + EA-OEM : Increase in the volume of window type and split type, high season.
- + EA-Parts : copper price↓5% 1q15 : USD 6,771 (1q14 : USD 7,139)
Production volume was higher than 1q14, supplied customers and OEM too.
- SCAN sale is expected to recognized in 2h.
- + SSMA sale increased in accordance with OEM and Suzuki.
- + SAHP: heat pump just started in Dec14.
- TTD: cutting tools was mainly supplied to the automotive industries.

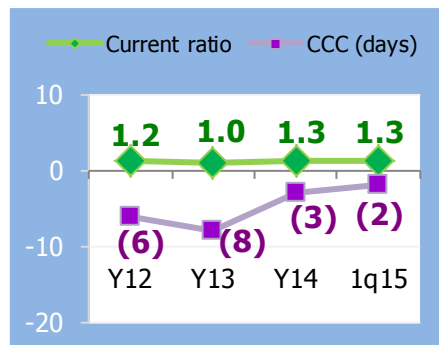
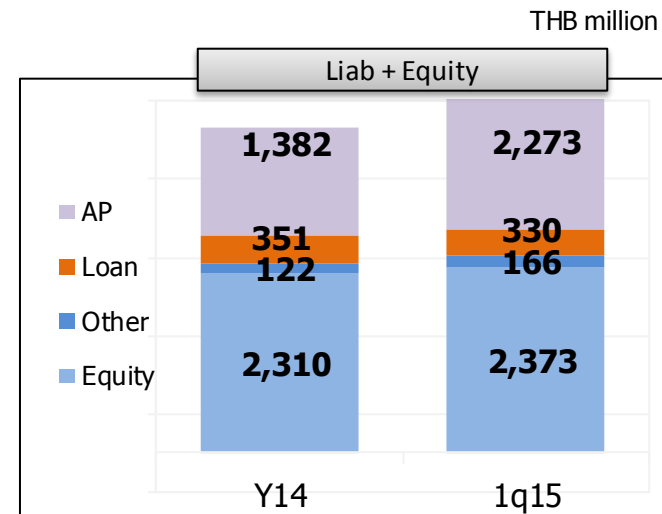
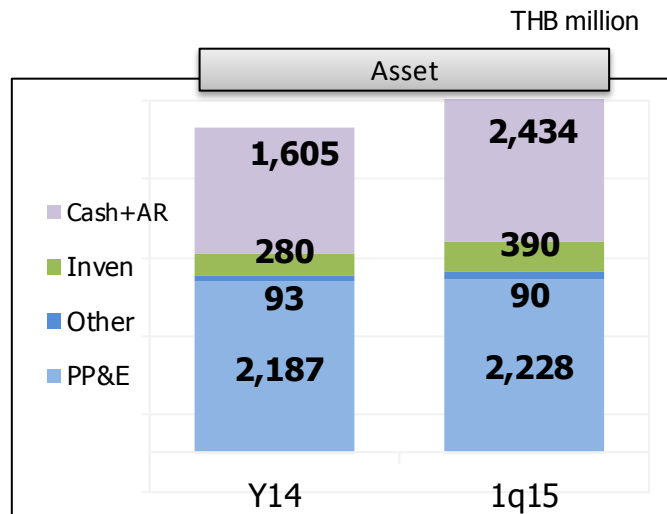
Business segment results



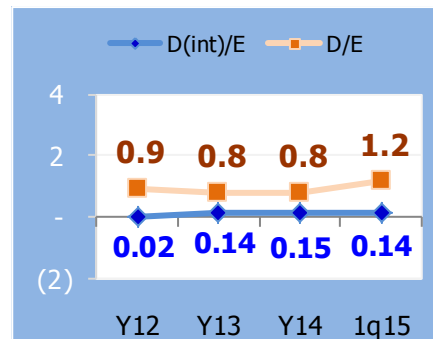
Unit : THB million				YoY	QoQ
	1q14	4q14	1q15		
Net profit - section i					
Auto - Pipe	24.1	15.3	18.1	-	+
Auto - Plastic	4.5	5.7	10.1	+	+
EA - OEM/ODM	31.7	15.3	41.0	+	+
EA - Parts	113.3	77.4	132.5	+	+
Total section i	173.6	113.6	201.6	+	+
Net profit - section ii					
SCAN	(19.6)	(20.1)	(24.6)	-	-
SSMA (49%)	(1.4)	(0.9)	(0.4)	+	+
SAHP (74%)	(0.0)	(0.6)	5.9	+	+
TTD (60%)	1.9	(1.1)	(2.1)	-	-
Others	(0.2)	(13.3)	(4.6)	-	+
Total section ii	(19.3)	(36.0)	(25.8)	-	+
Net profit GT	154.3	77.6	175.8	+	+
check	-	-	0		

- Auto-Pipe was supplied to the automotive industries.
- + Auto-Plastic: production volume↑ profit↑
- + EA-OEM : 1q15 was the high season, sale↑profit↑
- + EA-Parts : Production volume↑ profit↑
- SCAN had only expenses.
- + SSMA almost touched break even.
- + SAHP: volume ↑ profit ↑
- TTD: volume↓ profit ↓
- Other : 4q14 reversed deferred tax asset.
1q15 : MSPC and SFHI just operated.

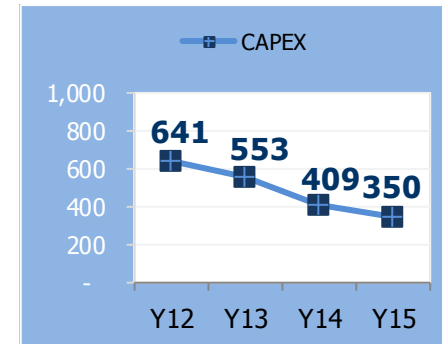
Financial position



Cash cycle -2d, due to OEM activity↑



D(int)/E was in the low level.
More bank loan due to big investment in the past 2 years.



Y12-13, big investment.
Y14, medium investment.
Y15, minor investment and replacement



Thank You



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