



# Kiattana Transport PCL

## *Opportunity Day*

**November 2016**

# Agenda

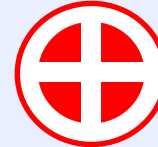
- **Company Overview**
- **Financial Performance**
- **Business Environment & Opportunities**
- **Growth Drivers**
- **Q & A**



# Company Overview

## Kiattana Transport Public Company Limited

- Established in 1994
- Consolidated with Chemtrans Co.Ltd. in 2004
- Listed on the Stock Exchange of Thailand in 2009
- Paid-up capital of THB 220 Million



### Vision

**KIATTANA is a leader in providing integrated logistics and value adding services for the Chemical Industry, Energy and related industry in AEC**

### Mission

**KIATTANA is committed to provide providing only safe and high quality services, meeting internationally accredited standards and pledge to align business strategies with ethical and moral behavior for a sustainable growth.**



# We specialize in carrying cargoes that require special handling expertise

## Petroleum



## Chemical



## Industrial Gas



## Mining & Minerals



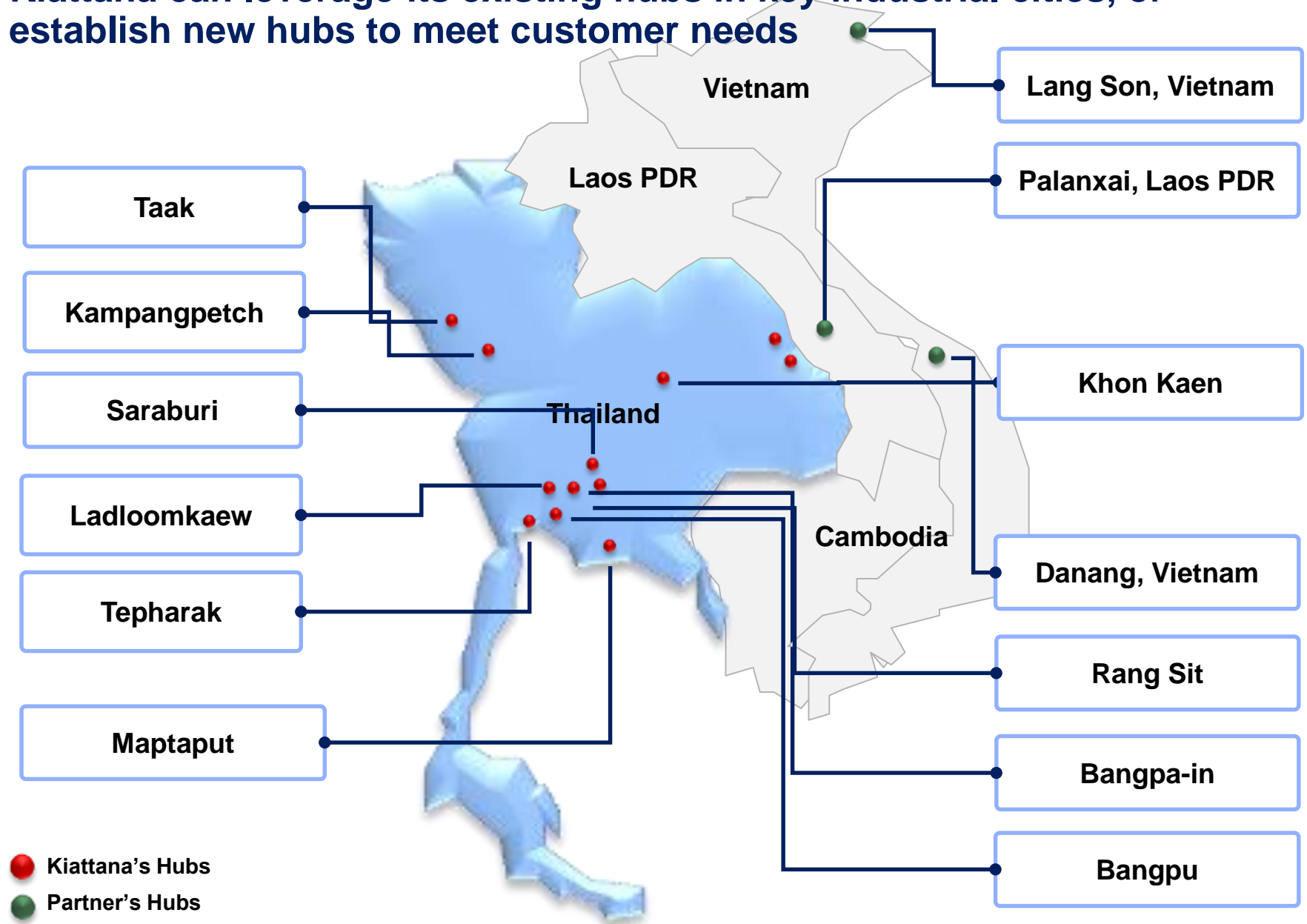
## Food-Grade & High Purity



## High Security



## Kiattana can leverage its existing hubs in key industrial cities, or establish new hubs to meet customer needs



**Our wide range of quality tanks ensure we are able to carry diverse freight requested by our clients**

**Fixed Tank**



**ISO Tank**



**Container**





# Kiattana is trusted by world-class clients with long-term contracts

## Petrochemical, Chemical & Minerals



PTT



PTTEP



Padaeng Industry



Vinythai



BASF (Thailand)



Linde (Thailand)



Thai Poly Acrylic



Umicore



Praxair (Thailand)



Aditya Birla



Air Liquide  
(Thailand)



Witcorp



PanAust



Thai Dairy  
Industry



Bank of Thailand



# Numerous and repeated awards in safety management

## Awards

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- Certificate of Achievement: Crude Oil Transportation
    - 7,500,000 KM without Road Accident (2014)
    - 11,500,000 KM without Road Accident (2014)
    - 15,500,000 KM without Road Accident (2015)
  - Certificate of SSHE Achievement: NGV Transportation
    - Zero Accident Award for Rangsit and Nampong Site (2014)
    - 5,250,000 KM without Road Accident (2015)
  - CEO Contractor Award for SSHE Excellence: No recordable injury for two years (2012)
  - CEO Contractor Award for SSHE Excellence: No recordable injury for one year (2011)
- 



**VINYTHAI**  
PUBLIC COMPANY LIMITED

- Transporter Award: The Best Transporter (2009)
  - Transporter Award: The Best Transporter (2010)
- 



**Thai Tank Terminal**

- Outstanding Safety Award: Zero Accidents during chemical loading (2010)
- Outstanding Safety Award: Zero Accidents during chemical loading (2011)





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## Profit & Loss 2014 - 9M 2016

	2014		2015		9M 2016	
Revenue	873 M		842 M		544 M	
Net Profit	103 M	12%	114 M	13%	77 M	14%

### Key downside events in 2016:

- Oil price decline
- Slow down from Padaeng Industries PCL
- NGV demand decline
- Crude Oil to PTTGC by train



### Profit & Loss 2014 - 9M 2016

	9M2015		9M2016	
<b>Revenue</b>	579 M		544 M	
<b>COGS</b>	371 M		353 M	
<b>Gross Profit</b>	208 M		190 M	
<b>SG&amp;A</b>	80 M		90 M	
<b>EBIT</b>	128 M		101 M	
<b>Interest &amp; Tax</b>	31 M		24 M	
<b>Net Profit</b>	97 M		77 M	



## Financial Performance 3/3

### Dividend

	2014	2015	2016 H1
<b>Pay-out (%)</b>	75.98%	95.64%	-
<b>Total (Baht)</b>	75.99	107.99 M	26.99 M
<b>No. Shares</b>	2,699 M	2,699 M	2,699 M



# Agenda

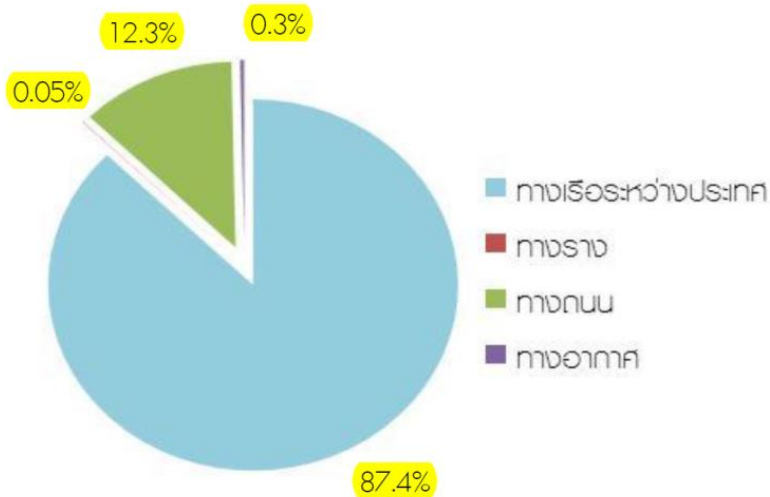
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# Business Environment

- 70% of logistics/transport companies are SME (registered capital less than 5M)
- 2013 Logistic costs represent 14.2% of GDP reduce from 14.4% in 2012
- Limited supply of professional logistics service providers offering integrated one-stop services (HKTDC research)
- Highly fragmented with many SME each handling a part of supply chain operation.
- Limited use of technology

ภาพที่ 15 โครงสร้างการขนส่งสินค้าระหว่างประเทศ



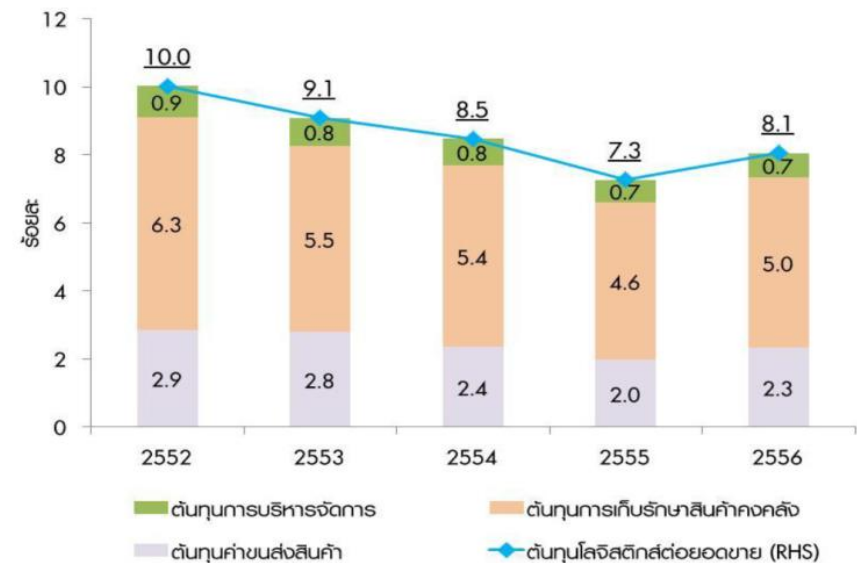
ที่มา: กระทรวงคมนาคม

ภาพที่ 12 แนวโน้มสัดส่วนต้นทุนโลจิสติกส์ต่อ GDP

2013



ภาพที่ 13 ต้นทุนโลจิสติกส์ต่อยอดขายของกลุ่มอุตสาหกรรม





# Formation of AEC will increase trade flow through Thailand's borders



Major Routes Connecting Thailand to Other GMS Countries

GMS Economic Corridors	Connecting Countries	Total Length
East-West Economic Corridor	Myanmar – Thailand – Laos – Vietnam	1,320 km
North-South Economic Corridor	Thailand – Laos – China (Kunming)	2,000 km
Southern Economic Corridor	Thailand – Cambodia – Vietnam	1,030 km

Source: Asian Development Bank

## High demand for one-stop-service

- Bulk Liquid Supply Chain
  - store commercial liquids in aboveground storage tanks, which are often referred to as "tank farms."
  - provide services to and transfer products to and from oceangoing tank ships, tank barges, pipelines, tank trucks, and tank rail cars.
  - provide an array of additional services including blending, packaging, canning, drum filling warehousing and bonded storage.



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# Growth Drivers in 2016 onwards

## Details

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### Organic Growth

- NGV Transportation Tender
  - Petroleum Transportation Tender (Esso, Bangchak, Shell)
  - Industrial Gas Transportation Tender
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### M&A

- Logistics-related IT company
  - Container & ISO tank yard
  - Cross-border player
  - Specialty transporter
- 

### New Business

- KGP Co., Ltd. Fatigue & Distraction Prevention Technology
  - Tire distillation
- 



# New contract: PTT– Ladloomkaew NGV Mother Station

**Investment**

**35 Trucks = 120 Million**

**Drivers & Helpers**

**85+85**

**Contract Period**

**3 years  
(From August 2016)**

**Volume**

**400 tons/day**

**Revenue**

**120 million/year**





# Distributor of Guardian System: Driver Fatigue & Distraction Prevention Technology



- Founded by 4 researchers from Australian National University in 1999
- World leader in face and eye tracking software algorithms, which helps machines understand people's behaviors
- Listed on London Stock Exchange in 2005
- KGP becomes distributor in Thai market in 2016



## Version 1.0

First commercial head and eye tracking that functions outdoors in bright sunlight

## Version 1.2

Easier system configuration

## Version 1.3

Automatic driver initialization

## Version 1.4

First precision-gaze tracking system

## Version 1.5

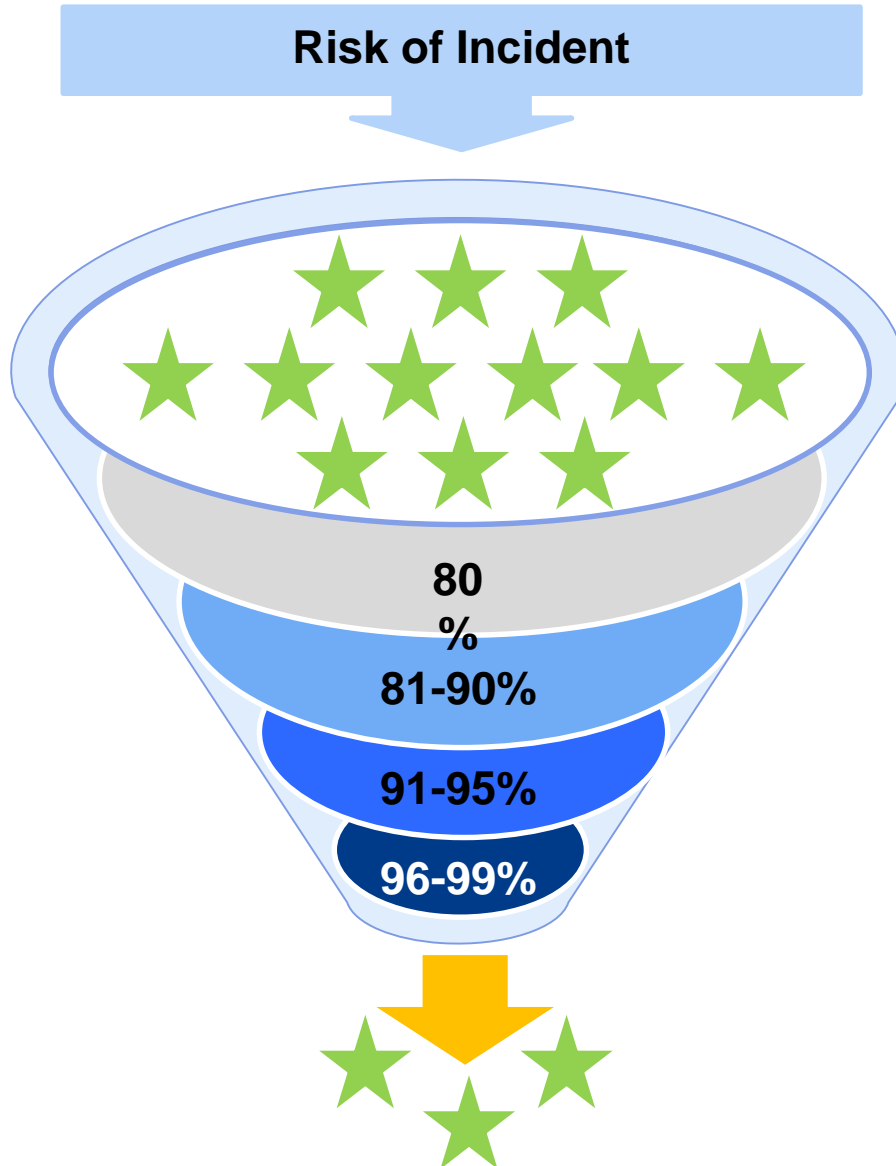
Improved tracking, range, and availability of precision gaze solution

## Version 3.0

First real-time monitoring product launched



# Traditional fatigue & distraction protocols cant always prevent incidents



- Control driving hours (4 hrs +4 hrs)
- Control minimum resting hours (12 hrs)
- Alcohol & drug test

- Defensive Driving Course & Refreshment training

- Mobile phone use policy
- Water bottle & straw use policy

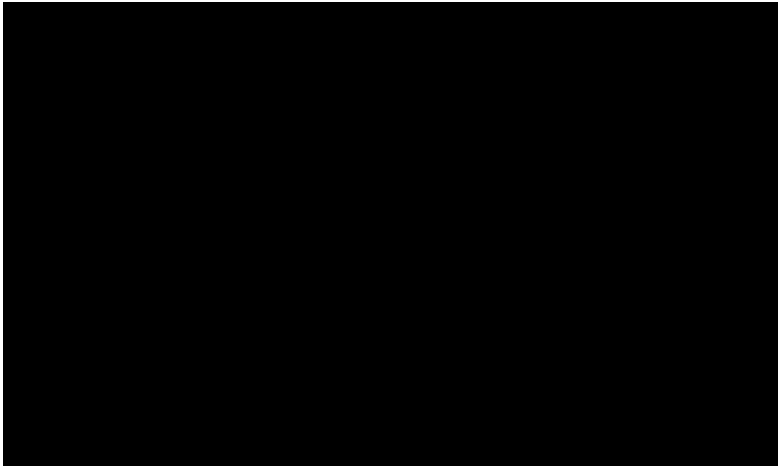
- Stop-work policy

# The Guardian System detects both Fatigue and Distraction events

## Fatigue Symptoms

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- Restlessness, yawning
  - Tunnel vision
  - Drooping eyelids
  - Micro-sleeps
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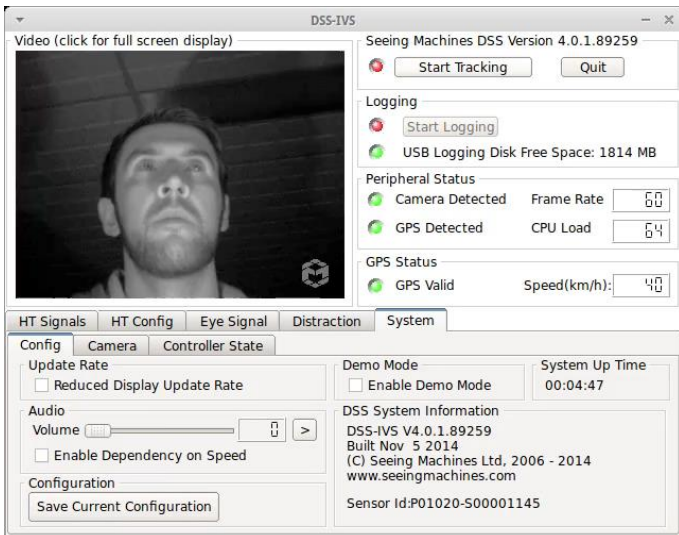
## Distraction Symptoms

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- Mobile phone usage
  - Eating/drinking
  - Staring at dashboard
  - Point of interests outside vehicle
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# Guardian's Smart Cameras detect driver's face and eyelid closure to identify Fatigue and Distraction



# KGP Revenue Projection

**Expected  
Sales  
(2017)**

**1,000 units = 43  
million/year**

**3 Year  
Forecast**

**10,000 units = 432  
million/year**

**Customers**



# Strategies to reach our goals

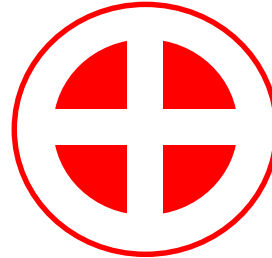


**Being the leader  
in SAFETY and  
high quality  
service**



**Increase share of  
wallet of existing  
customers and  
expand to new  
customers**

**Develop skills  
and competency  
of our people**



**Target, develop  
and invest in  
high margin  
businesses**

**Form strategic  
partnerships  
leading to M&A**



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