

STAMFORD ***TYRES***

STAMFORD TYRES CORPORATION LIMITED

Annual General Meeting FY2017
28 August 2017



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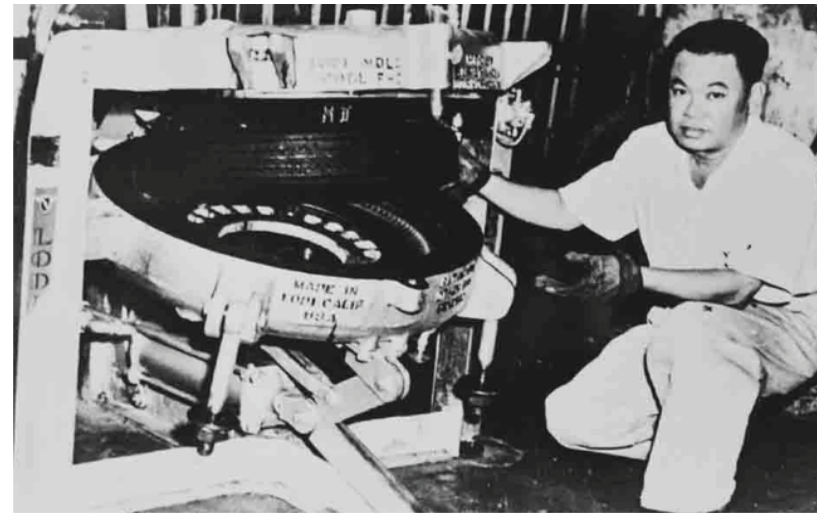
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Stamford Tyres History / Milestones

Our Beginnings

1930's – The late Mr Wee Boon Kwee founded Stamford Motor Service – a modest tyre retail and petrol kiosk business located at Stamford Road.

1950's – Introduced tyre retreading in new Seah Street office.



Our Beginnings

1960's – Finance Minister Dr Goh Keng Swee officiated the new and modern Kallang Factory and office opening.



Our Beginnings

- 1970's – Mr Wee Kok Wah joined the business in 1970 – spearheaded search for tyre agency and diversification to new tyre distribution and value added services
- 1975 – Obtained rights to distribute FALKEN Tyres
- 1976 – Obtained rights to distribute Continental Tyres
- 1976 – Obtained rights to distribute TOYO Tyres



Core Activities

Our Core Competency

Major Brands



Proprietary Brands



Strong financial resources
(incl. financial personnel
to support a sustainable
distribution model)

Distribution Centres



STAMFORD TYRES

87% of revenue
derived from
distribution

Value-added Activities

- 10 Countries- Over 5,000 3rd Party Dealers
- 22 Stamford Retail Outlets
- 7 Truck Centers
- 4 Contract Workshops
- 10 Mobile Fleet Service
- Off-The-Road Tyre Centres



STAMFORD TYRES

Business Operations

Business Model



Distribution

Manufacturing

Overseas Distribution Network (of Major Brands, namely Falken, Dunlop)

Retail Chain Network (for passenger car tyres & wheels, car workshops)

Truck Centres (which includes TTM, contract customers and mobile fleet services)

Off-the-Road "OTR" Tyre Centers (which includes Total Tyre Management ("TTM") services)

Proprietary Brand Tyres (passenger car radial, light truck, truck bus radial)

SSW Alloy Wheel (Manufacturing)

Retread of Truck and OTR Tyres



Central warehousing and distribution in 10 countries

22 Retail Outlets in South East Asia (mainly in Singapore)

7 Truck Centers
4 Customer Workshops
10 Mobile Fleet Service Vehicles

In Timika, Balikpapan and Sulawesi

Export to over 90 countries

Export to over 20 countries

In Malaysia, Singapore and Indonesia



Our International Presence (1/2)

Singapore



Malaysia



Indonesia



Timika



South Africa



Australia



Vietnam



Brunei



Our International Presence (2/2)

Thailand (SSW)



Thailand (STD)



Our Joint Ventures

Tyre Pacific Hong Kong (50%)
Countries: HK, Macau, Cambodia, Laos



Tyre Pacific Vietnam (50%)
Country: Vietnam

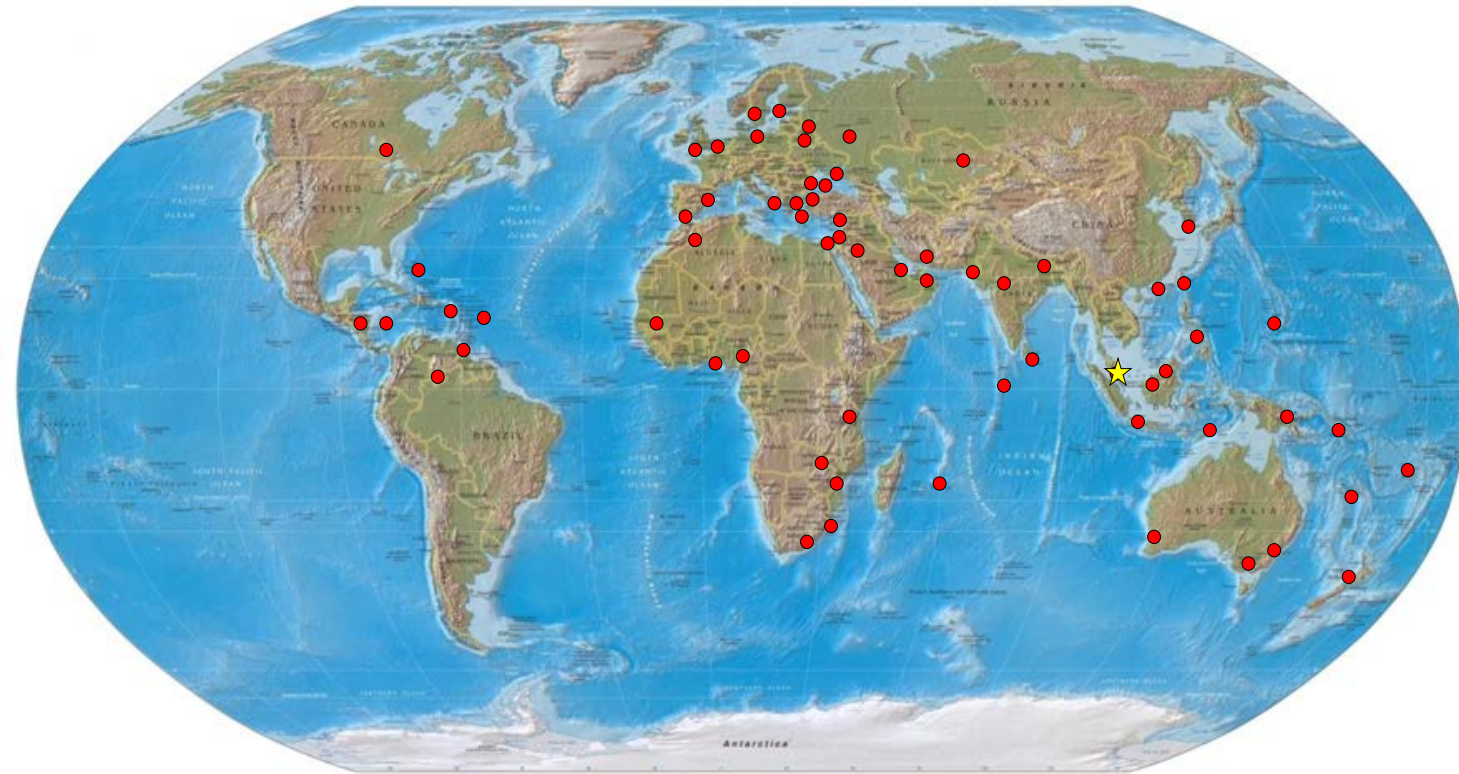


Falken Tyre India (40%)
Country: India



Export – International Proprietary Brand Coverage

Currently, the Stamford Tyres distribution network spans more than 10 countries worldwide mainly in South East Asia, Australia, India and Africa. Its export network spans more than 90 countries including Eastern Europe, Western Europe, Africa, Latin America and the Middle East.



Proprietary Brands



Stamford Tyres Regional Activities

Stamford Tyres Regional Activities

Malaysia

Malaysia



Glenmarie warehouse, 6,500sqm



Truck centre, Kapar

- Network: 1,000 dealers nationwide.
- Warehouses: Glenmarie, Subang, Senawang and third party container yard.
- Centralised warehousing in Kapar, Selangor: Under development.



Tyre retreading plant, Senawang



Malaysia Warehouse visit in Klang, Selangor

Update On Malaysia – Kapar Warehouse

(Artist impressions only)



- 8 acres of land at Kapar for container storage.
- Capacity: 24,000 pallets + 500 containers.
- Higher efficiencies from consolidation of manpower and goods.

Stamford Tyres Regional Activities

Thailand

Thailand



SSW wheels manufacturing factory, Nonthaburi



Falken Corner concept 2016

- Comprise of:
 - Stamford Tires Distributors Co Ltd
 - Stamford Sport Wheels Co Ltd (“SSW”).
- Network: 700 dealers nationwide.
- Provincial branches at Chiang Mai, Khonkaen and Hat Yai.



Sooksawad warehouse, 7,500sqm



Sumitomo Rubber Thailand 10 Years Anniversary Dinner in Cape Dara, Pattaya in Oct 2016

Stamford Tyres Regional Activities

Indonesia

Indonesia



Mine site at PT Freeport, Irian Jaya

- Comprise of:
 - PT Stamford Tyres Distributors
 - PT Stamford Tyres Indonesia (Timika).
- Network and distribution points: Jakarta, Semarang, Surabaya, Medan, Balikpapan, Banjarmasin, Makassar, Morowali, Manado and Timika.
- Value-added activities: Wholesaling, retail network, OTR** sales and aftersales services, retreading and repair and light vehicle services.



Tyre retreading plant, Timika



An earthmover tyre inspection on-site in Kalimantan, Indonesia



OTR repair services

**OTR = Off-the-road tyres

Stamford Tyres Regional Activities

Singapore

Singapore



Warehouse at 19 Lok Yang Way



Car servicing at Stamford Tyres Mart retail workshop

- Comprises:

- 18 Stamford Tyres Mart retail centres and workshops
- 4 Stamford Tyres truck centres
- 10 units of 24/7 Mobile Tyre Recovery Services

- Value-added activities: Wholesaling, international distribution, retail of tyres, wheels and accessories, workshop services, tyre related services, commercial tyres services, retreading and 3PL services.

- Customers include: PSA, SBS Transit, SMRT, Colex and Samwoh.



Truck centre, 21 Lok Yang Way



Tyre retreading

Stamford Tyres Regional Activities

South Africa

South Africa



Durban warehouse, 3,157 sqm



New container warehouse in Johannesburg, South Africa

- Network: 700 dealers nationwide.
- Warehouses: Cape Town, Durban and Johannesburg.
- Value-added activities: Wholesaling of passenger car tyres as well as commercial truck and earthmover tyres.



Roadshow and brand building event



Delivery vehicles

Stamford Tyres Regional Activities

Vietnam/ Brunei/
Australia/ HK

Other markets



Product launch in Ho Chi Minh, Vietnam (Falken 832i)



Dunlop showroom in Ha Tinh, Vietnam

- Comprise of:
 - Vietnam
 - Brunei
 - Australia
 - Hong Kong



Product launch event, Hong Kong (Dunlop Maxx)



Product launch event, Sydney (Blacklion)

Financial Highlights – FY2017

Key Financial Indicators (3 Years)

	FY17	FY16	FY15
	S\$'000	S\$'000	S\$'000
Revenue	235,803	239,878	292,515
Gross profit	61,829	59,131	64,505
GP %	26%	25%	22%
Operating costs	(56,377)	(58,246)	(62,022)
Share of results of JVs	2,614	1,767	89
Profit before tax	10,930	4,985	3,480
Net profit after MI	8,112	2,587	1,703
EPS (cents)	3.44	1.10	0.72
NAV (cents)	52.59	49.88	51.38

Financial Ratios

No	Ratio	FY17	FY16
1	Inventory turnover	164 days	172 days
2	Receivables turnover	104 days	103 days
3	Payables** turnover	150 days	135 days
4	Cash conversion cycle	118 days	140 days
5	Current ratio	1.57	1.82
6	Quick ratio	0.87	0.95
7	Net gearing	0.61	0.78

****Note : Payables consist of trade payables and trust receipts borrowings.**

Cash Flows

		FY17 S\$'000	FY16 S\$'000
Net cashflows from operating activities	[A]	25,260	36,407
<i>(Increase) / decrease in receivables</i>		(1,189)	11,591
<i>Decrease in inventories</i>		7,151	18,727
Net cash used in investing activities	[B]	(6,979)	(10,060)
<i>Additions of property, plant and equipment (PPE)</i>		(7,248)	(13,023)
<i>Proceeds from disposal of PPE</i>		269	99
Net cashflows used in financing activities	[C]	(14,404)	(23,889)
<i>Net proceeds from / (repayment of) trust receipts</i>		1,122	(20,955)
<i>Repayment of long term loans</i>		(10,780)	(7,212)
<i>Dividends paid to shareholders</i>		(2,356)	(2,356)
Net cash increase during the year	[D]=[A]+[B]+[C]	3,877	2,458
Cash and cash equivalents at beginning of the year	[E]	17,425	15,850
Effect of exchange differences	[F]	391	(883)
Cash and cash equivalents at end of the year	[D]+[E]+[F]	21,693	17,425

Dividends History



	FY13 S\$'000	FY14 S\$'000	FY15 S\$'000	FY16 S\$'000	FY17 S\$'000
Profit after tax	11,558	10,016	1,703	2,587	8,070
Dividend	3,534	3,534	2,356	2,356	3,534
Payout ratio	31%	35%	138%	91%	44%
Dividend per share (cents)	1.5	1.5	1.0	1.0	1.5
Dividend yield (%)	3.7%	3.8%	2.9%	3.4%	4.8%

Group Strategy And Outlook

Group Strategy And Outlook

Continue to defend GP margin above 20%

- Expand our sales and retailer network for tyres and wheels.
- Grow our sales of commodity sizes, high performance and specialty items and truck tyres.
- Continue to focus on value-adding segments such as mining-related services, Stamford Tyres Mart retail chain and truck commercial centres.
- Continue to buy competitively.
- Continue to work closely with our Principals to improve communication, profitability and product mix.

Continue to manage operating costs

Q&A

“Thank You!”



From the Management Team