

Samurai 2K Aerosol Limited

Leading High Performance Aerosol Coating Specialist For
Automotive Refinishing & Refurbishing Industry

Analyst Briefing



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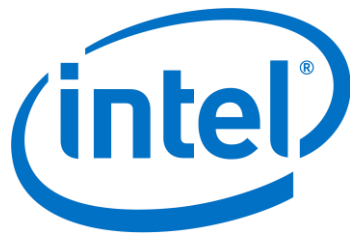
This presentation has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this presentation, including the correctness of any of the statements or opinions made or reports contained in this presentation.

Which company will you invest?



Why?

- Global branding
- Global market penetration
- Innovation
- Premium products





**SAMURAI shares
the same DNA!**



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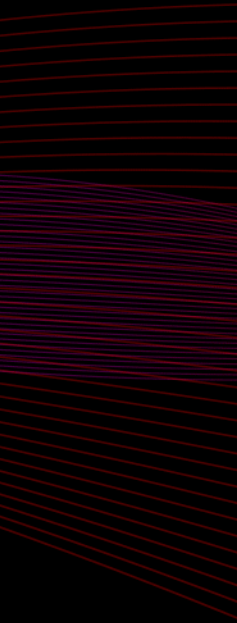
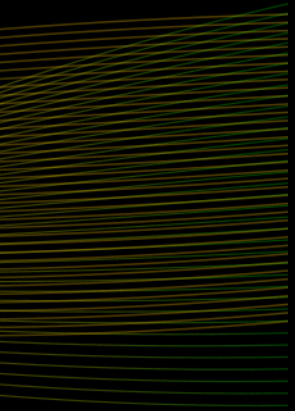


about us

about

**1. About
SAMURAI**

1. About SAMURAI



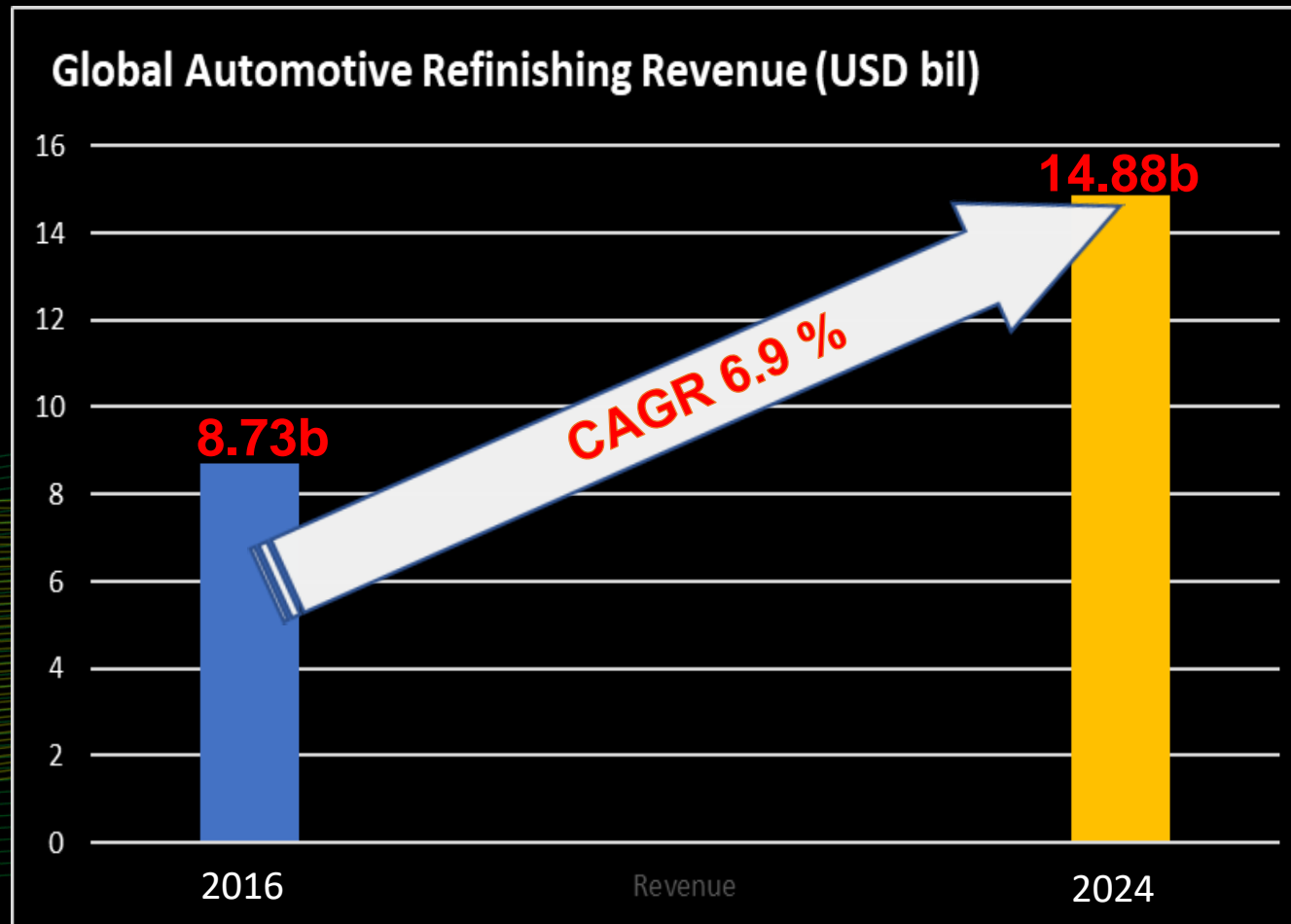


2. Global Automotive Refinishing Market

How big is the Automotive Refinishing Market?

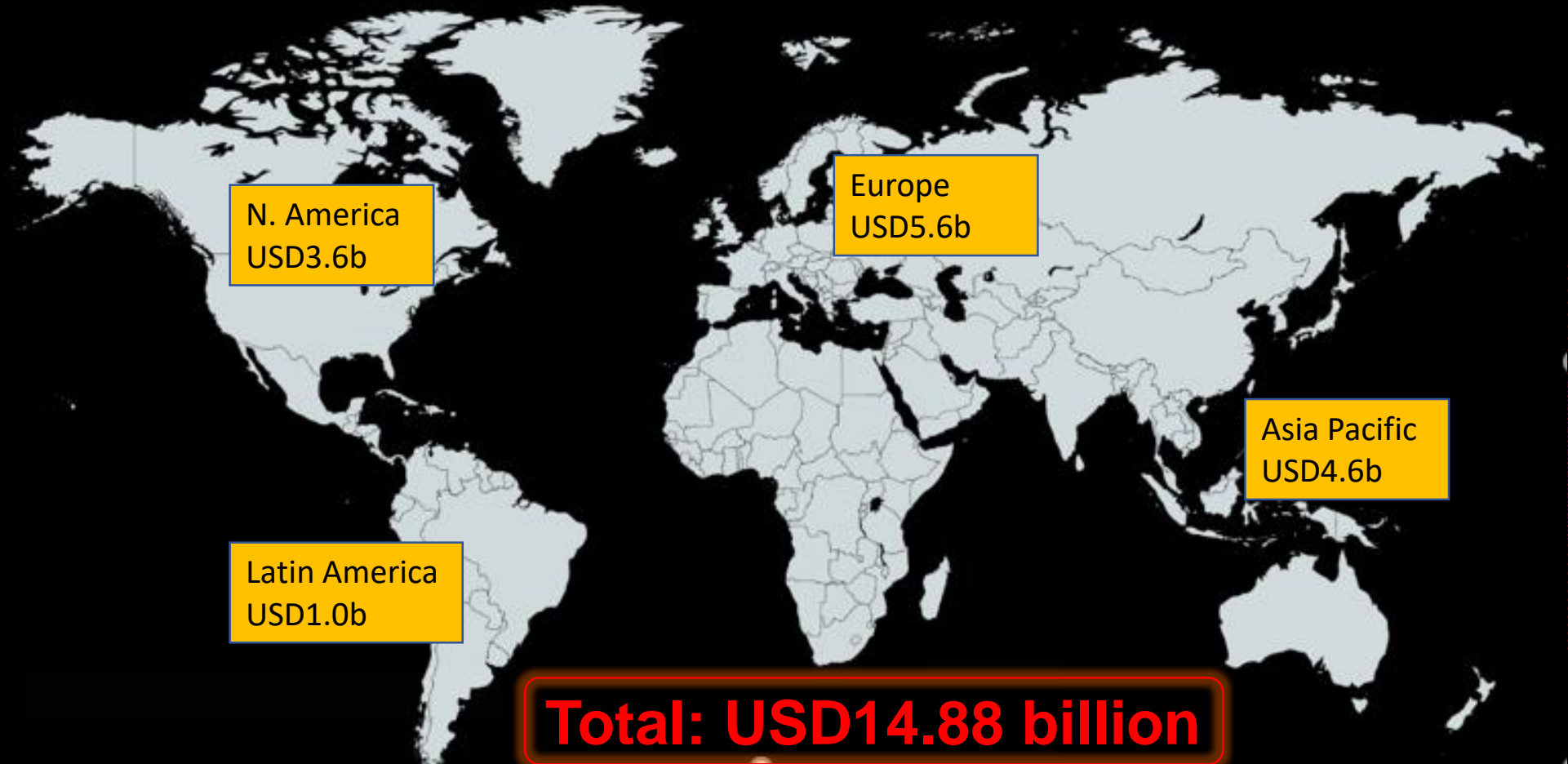


2. How Big Is The Global Automotive Refinishing Market



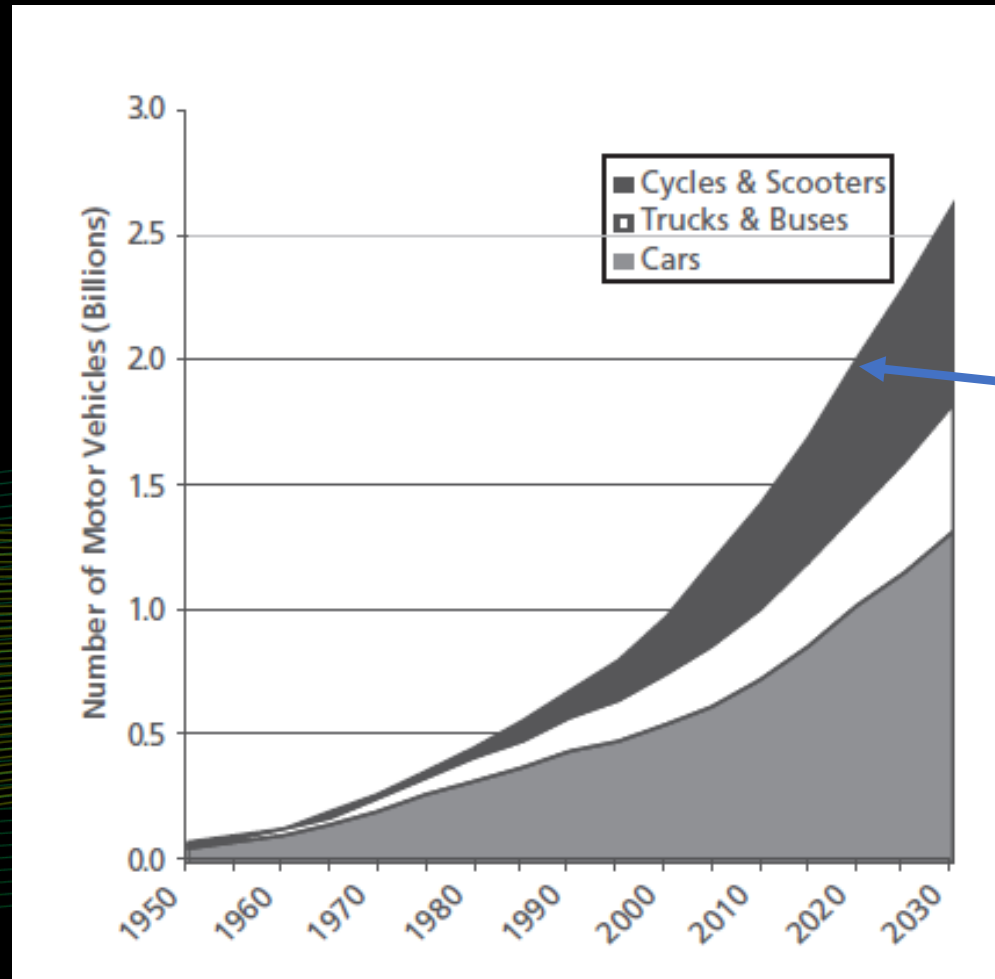
Source: Grand View Research

2. How Big Is The Global Automotive Refinishing Market



Source: Grand View Research , Sherwin-Williams Financial Community Presentation

2. How Big Is The Global Automotive Refinishing Market



Projected 2 billion
Vehicles on the road
globally by Year 2020

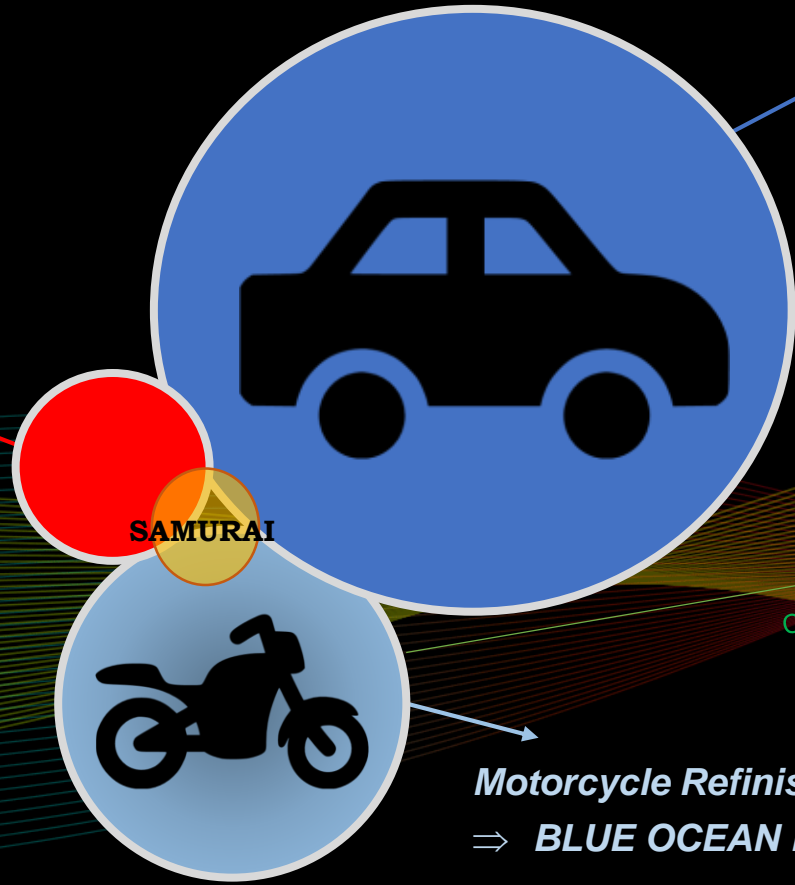
2. How Big Is The Global Automotive Refinishing Market



Traditional aerosol paint applications:

- Furniture (wood & vinyl)
- General household purposes
- Industrial usage

⇒ **RED OCEAN**



Automotive Refinishing

⇒ **GREAT BLUE OCEAN FOR AEROSOL PAINTS !!**

Currently dominated by air gun spraying



Currently dominated by air gun spraying

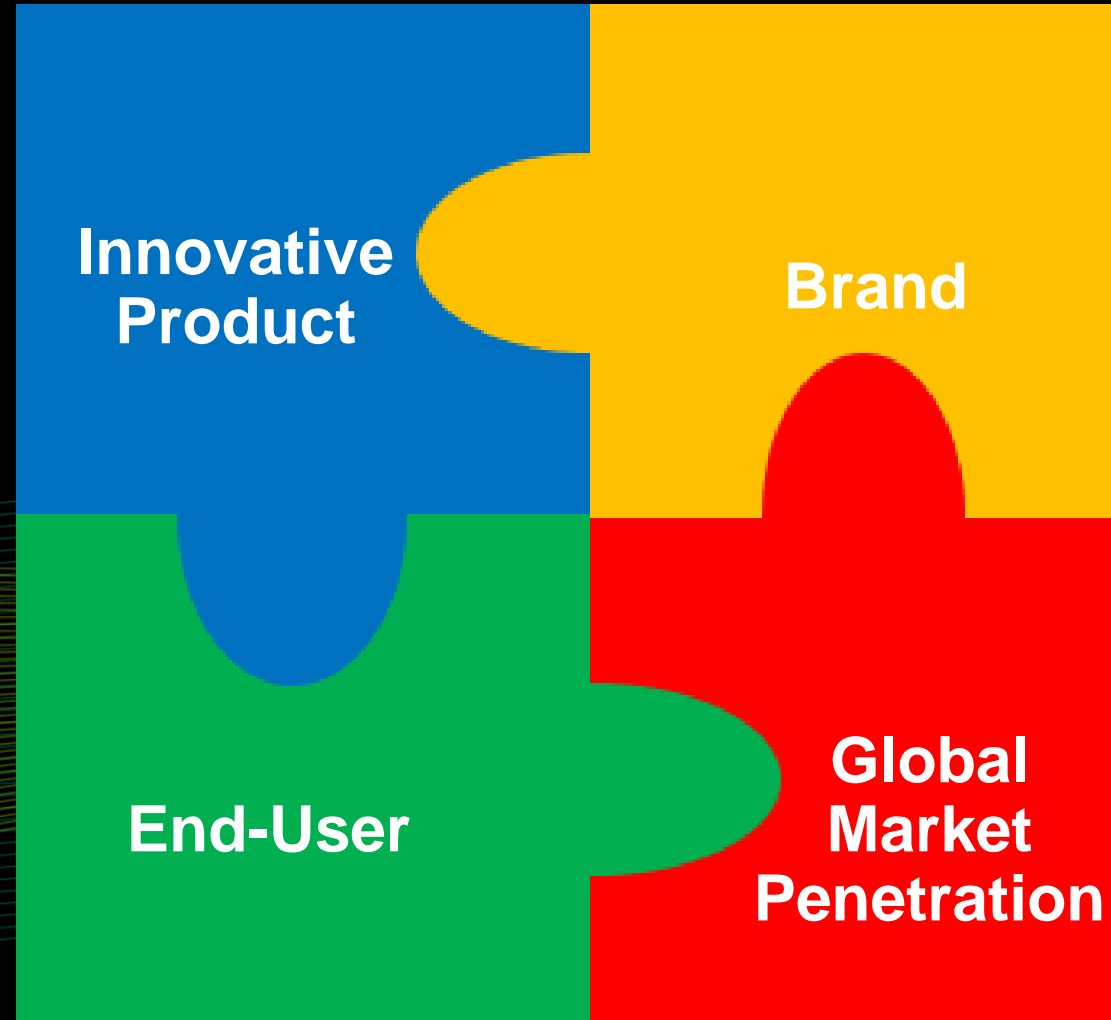
Motorcycle Refinishing

⇒ **BLUE OCEAN FOR AEROSOL PAINTS**



3. SAMURAI Strategies

3. SAMURAI Strategies



3. SAMURAI Strategies



**Innovative
Product**

3.1 Innovative Product

- R&D Spends – 1% of revenue
- Disruptive product launches e.g. Samurai 2K (packing 2 components in a can i.e. hardener and resin)

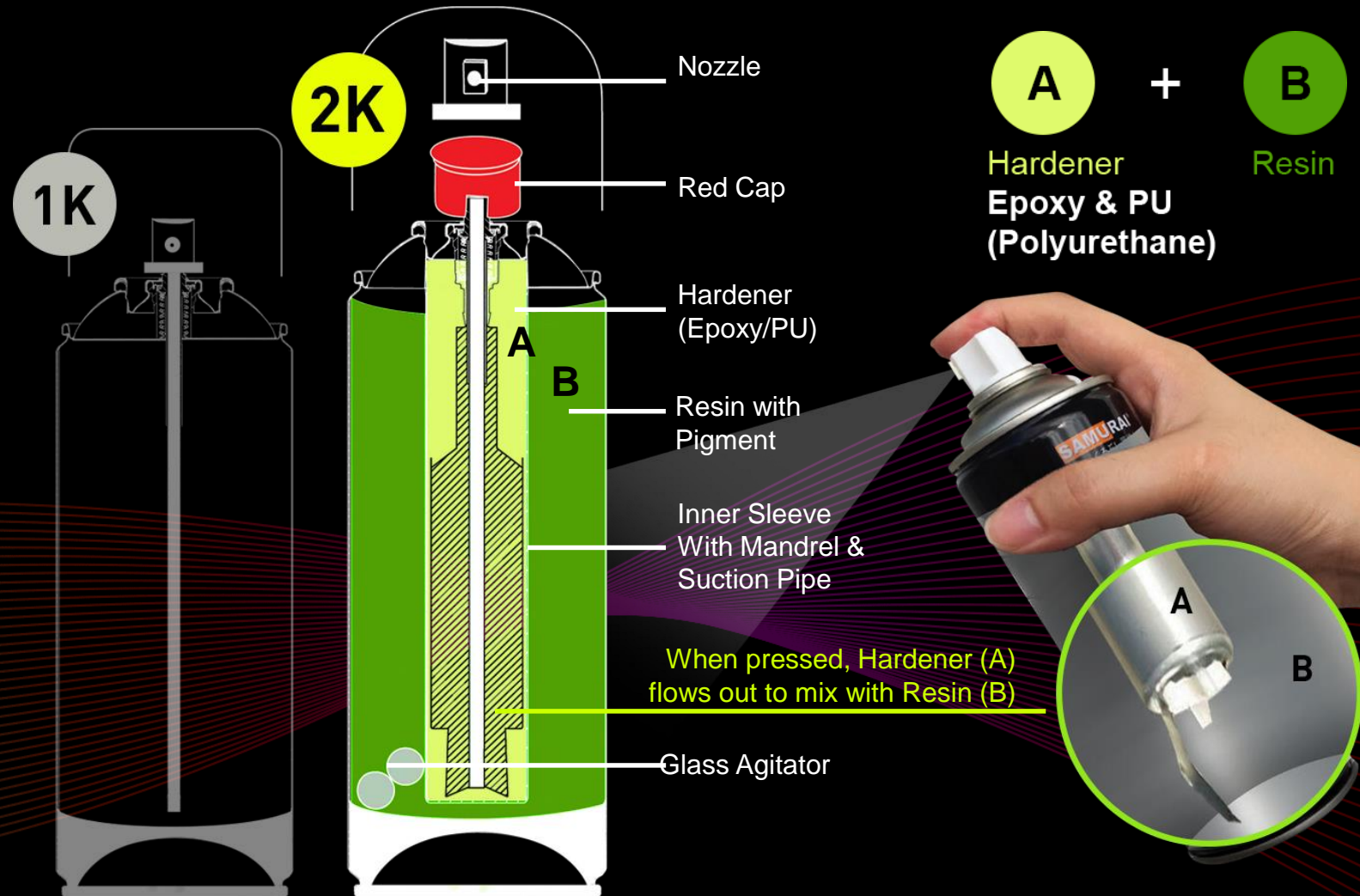
3. SAMURAI Strategies

3.1.1 Innovative Product with Patented Technology



SAMURAI 2K system

The system allows 2 separate chemical components to be mixed together within the can as determined by the user and discharged simultaneously through the suction pipe.

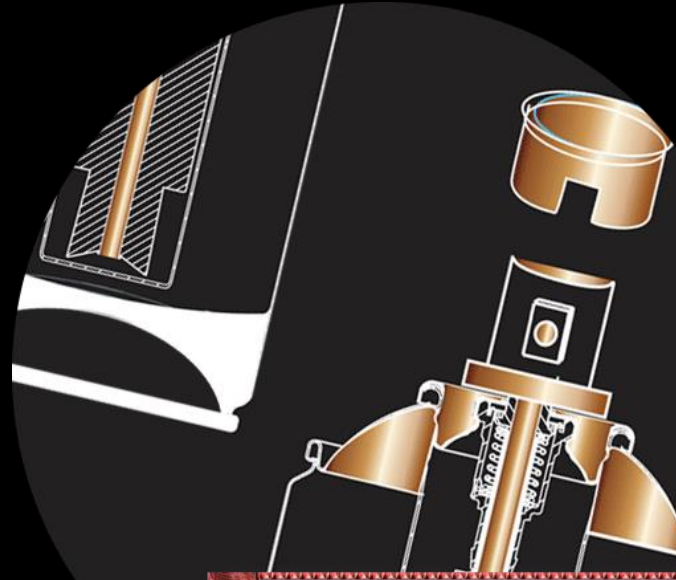


3. SAMURAI Strategies

3.1.2 Product Excellence Awards



- Technological Breakthrough & Awards
- **ISO9001:2008** in the manufacturing of aerosol spray paint
- Invention of the single head 2K system
- Industrial design of the dual head 2K system generated great interest among motorcyclists in Southeast Asian countries



3. SAMURAI Strategies



Brand

3.2 Brand Building

- SAMURAI's brand image = creativity + innovation
- Leading high performance aerosol coating specialist for automotive refinishing & refurbishing industry
- To instil in the users' mind:
"We change Aerosol;
Aerosol changes the World"

3. SAMURAI Strategies



3.3 Global Marketing Penetration

By Push and Pull mechanism.

A graphic consisting of four interlocking puzzle pieces in blue, yellow, green, and red. The red piece is in the foreground and contains the text 'Global Marketing Penetration'.

**Global
Marketing
Penetration**

3. SAMURAI Strategies

3.3 Global Marketing Penetration



Direct Promotion
– Road show, Exhibition



Channel of Distribution



(Push)

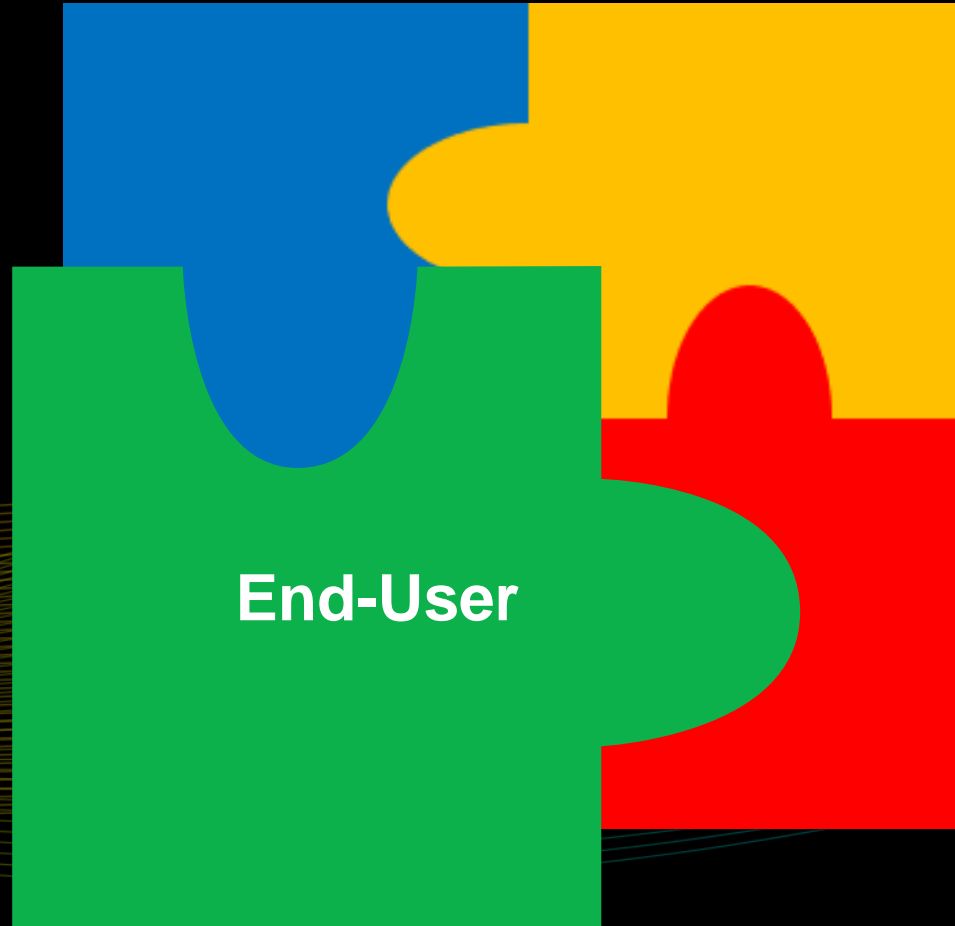
(Pull)

(Pull)

Internet marketing, Facebook,
WeChat, Mobile App



3. SAMURAI Strategies



3.4 End-Users


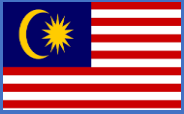



- Create End-users
 - Identify unique product application e.g. truck bed liner and collision repairs
 - Train and educate users of the unique product application
- Start Young Initiative
 - Provide trainings and courses to polytechnic and vocational college
 - Train next generation sprayers and users



4. Market Footprints

4. Market Footprints




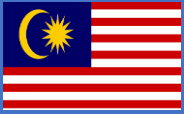



	INDONESIA	MALAYSIA	VIETNAM	THAILAND	PHILIPPINES
					
2016 Population	261m	31 m	93 m	69 m	103 m
2017 GDP Growth (F)	5.2%	4.9%	6.3%	3.2%	6.9%
No. of registered motorcycles	87.3m	11.6 m	45 m	20.2 m	5 m
Our coverage	1.3%	5%	<0.1%	0.1%	0.6%

Source:

1. World Bank Global Economic Prospects June'17 ; Korps Lalu Lintas, Indonesia ; Coverage is computed based on annualised Q2 FY2018 sales volume and assumed 8 cans used per motorcycle.
2. World Bank Global Economic Prospects June'17 ; Road Transport Department Malaysia Annual Report 2014 ; Coverage is computed based on annualised Q2 FY2018 sales volume and assumed 8 cans used per motorcycle.
3. World Bank Global Economic Prospects June'17 ; Ministry of Transport Vietnam ; Coverage is computed based on 1H FY2018 sales volume and assumed 8 cans used per motorcycle.
4. World Bank Global Economic Prospects June'17 ; Department of Land Transport Thailand-Transport Statistics Group 2016 ; Coverage is computed based on 1H FY2018 sales volume and assumed 8 cans used per motorcycle.
5. World Bank Global Economic Prospects June'17 ; Department of Transportation Philippines – Annual Report 2016 ; Coverage is computed based on 1H FY2018 sales volume and assumed 8 cans used per motorcycle.

4. Market Footprints



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Huge Untapped Motorcycle Refinishing Markets!!

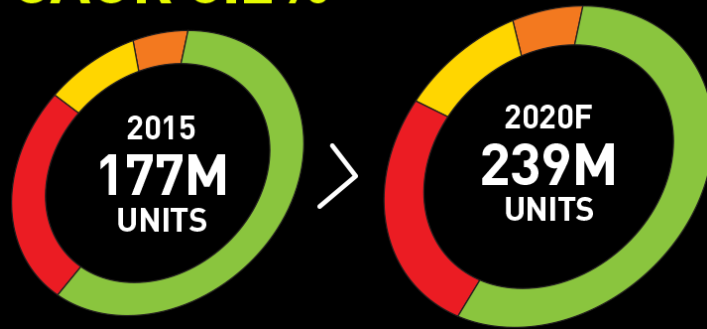


4. Market Footprints

▪ No. of Two-Wheelers in selected SOUTHEAST ASIAN COUNTRIES*

2015-2020F

CAGR 6.2%



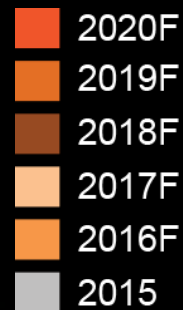
CAGR
2015-2020

3.4%

6.2%

16.0%

9.8%



USD million

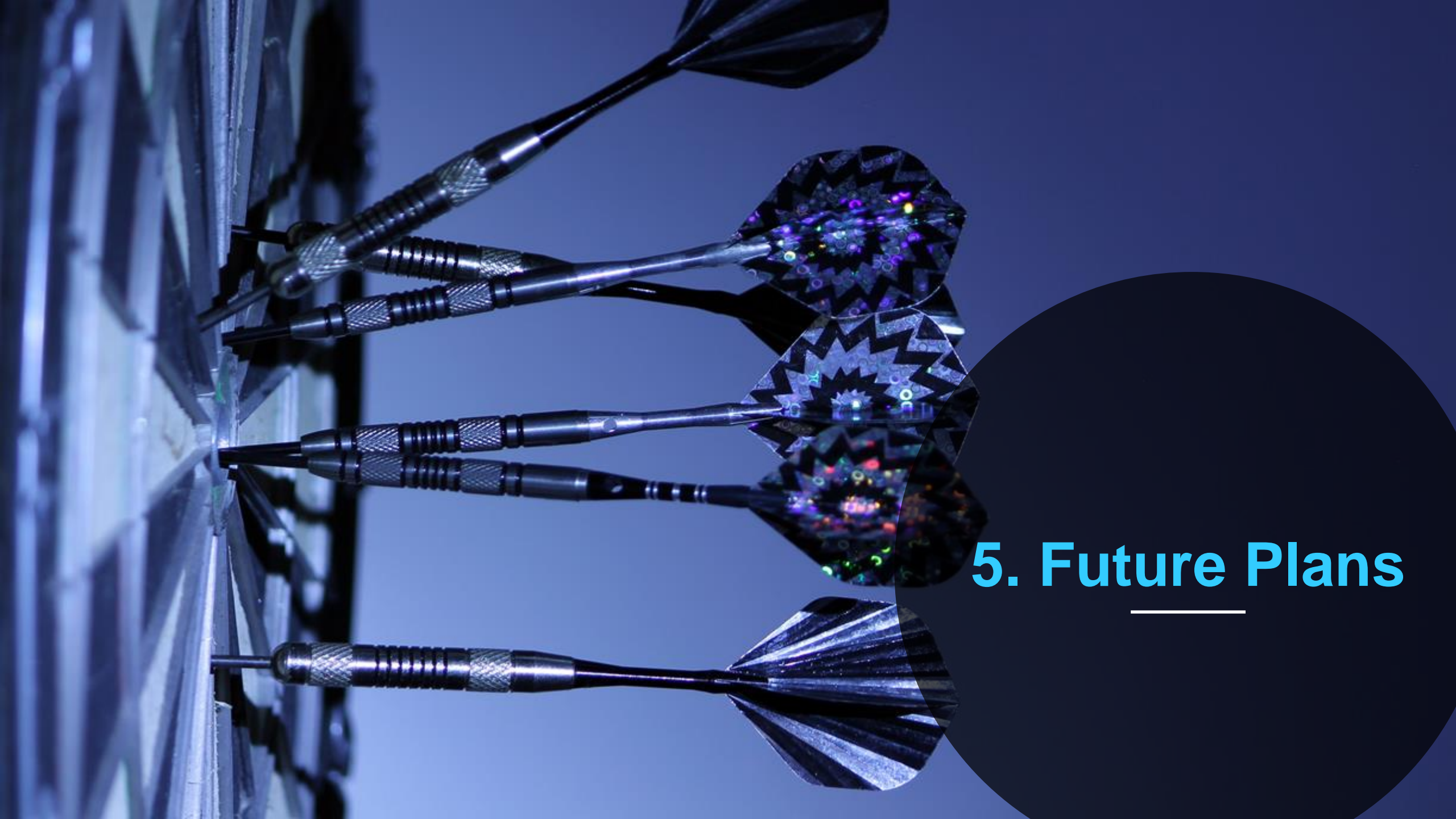
MALAYSIA

THAILAND

VIETNAM

INDONESIA

Indonesia and Vietnam
stand out as most attractive
in market size & projected
growth potential!



5. Future Plans

5. Future Plans



5.1 Next target market - USA Automotive Refinishing

USA	
2016 Population	323 million
2017 GDP Growth (F)	2.1%
No. of registered vehicles	254 million
Incorporation of SAMURAI 2K USA INC in Feb '17	

Source: World Bank Global Economic Prospects June'17 ; United States Department of Transportation – Bureau of Transportation Statistics 2015

5. Future Plans

5.1.1 Target products in USA - Truck Bed Liner Refinishing



5. Future Plans

5.1.2 Target groups in USA – Commercial Users



Collision Repair Centers



Paint Refinishing Specialist Centers



5. Future Plans



5.1.3 Target groups in USA - End Users (DIY Sector)

Automotive Chain Stores



- AutoZone ~ 5,300 stores



- Advance Auto Parts ~ 5,200 stores



- O'Reilly ~ 4,900 stores

Mega Chain Stores



- Walmart ~ 5,300 stores



- The Home Depot ~ 2,200 stores



- Ace Hardware ~ 5,000 stores

5. Future Plans



5.1.4 Target activities in USA – SEMA SHOW 2017 @ Las Vegas



- SEMA Show is the premier automotive specialty products trade event in the world.
- The exhibition draws the industry's brightest minds and hottest products to Las Vegas.



5. Future Plans



5.2 Expand Production Facilities & Capabilities

Upgrade existing facilities by:

- increasing the number of production lines for new products;
- acquiring new equipment & machinery to reduce labour reliance



5. Future Plans

5.3 Research & Development



Increase range of Innovative and Disruptive Products.





6. Proven Management Team

6. Proven Management Team



Mr Ong Yoke En

Executive Director & CEO

- Over 20 years of aerosol industry experience
- Spearheaded Samurai 2K's foray into the aerosol paint industry since 2005 and led the expansion of business and product innovation



Ms Lim Lay Yong

Executive Director & COO

- Over 20 years in marketing and product manufacturing
- Led diverse roles in Samurai 2K's strategy, operations and marketing divisions since 2001

6. Proven Management Team



BOARD OF DIRECTORS



Mr Lim Siang Kai

Non-Executive Chairman & Lead Independent Director

- Over 30 years of experience in securities, private and investment banking and fund management having worked in and held various leadership roles in various banks and financial services companies since 1981



Dato' Loh Shin Siong

Non-Executive Director

- Entrepreneur with business interests in various industries such as food and beverage and property development



Mr Hau Hock Khun

Independent Director

- Managing Partner of Messrs H K Hau with more than 17 years of experience in the legal industry in Malaysia and executive director in a number of private companies



Dato' Chang Chor Choong

Non-Executive Director

- Currently sits on the Board of various private companies engaged in businesses across a range of industries including telecommunications, food and beverage and real estate development



Mr Sia Yeak Hong

Independent Director

- Audit Principal at BDO Chartered Accountants in Johor Bahru with approximately 17 years in audit, finance and operations in the manufacturing, plantation, hospitality, trading and property development & construction sectors

6. Proven Management Team



EXECUTIVE OFFICERS



Sia Shu Yee

Chief Financial Officer

- Approximately 12 years in audit, finance and treasury planning, financial risk management and investor relations having served in both audit firms as well as publicly listed companies



Puah Thye Lay

Sales Director

- Approximately 20 years of sales experience in charge of the sales department and is currently involved in the training of our Group's sales teams



Voon Kian Woon

General Manager – Finance

- Approximately 6 years in accounting and finance and previously owned and operated accounting services firm which offered book-keeping services to SMEs



Lee Siong Kim

General Manager – Indonesia

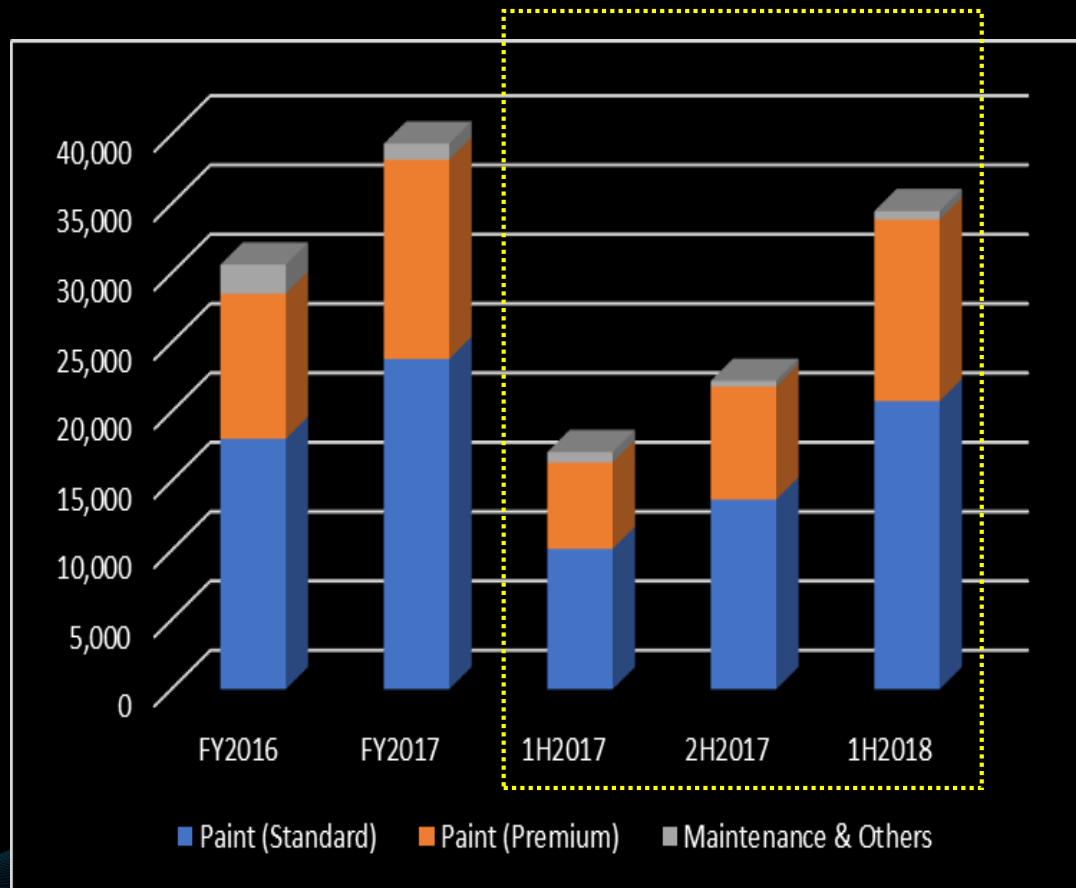
- More than 10 years of experience in sales and marketing and is responsible for overseas business development of OISB as well as the overall business operations and sales performance of PTSP



7. Financial Highlights

7. Financial Highlights

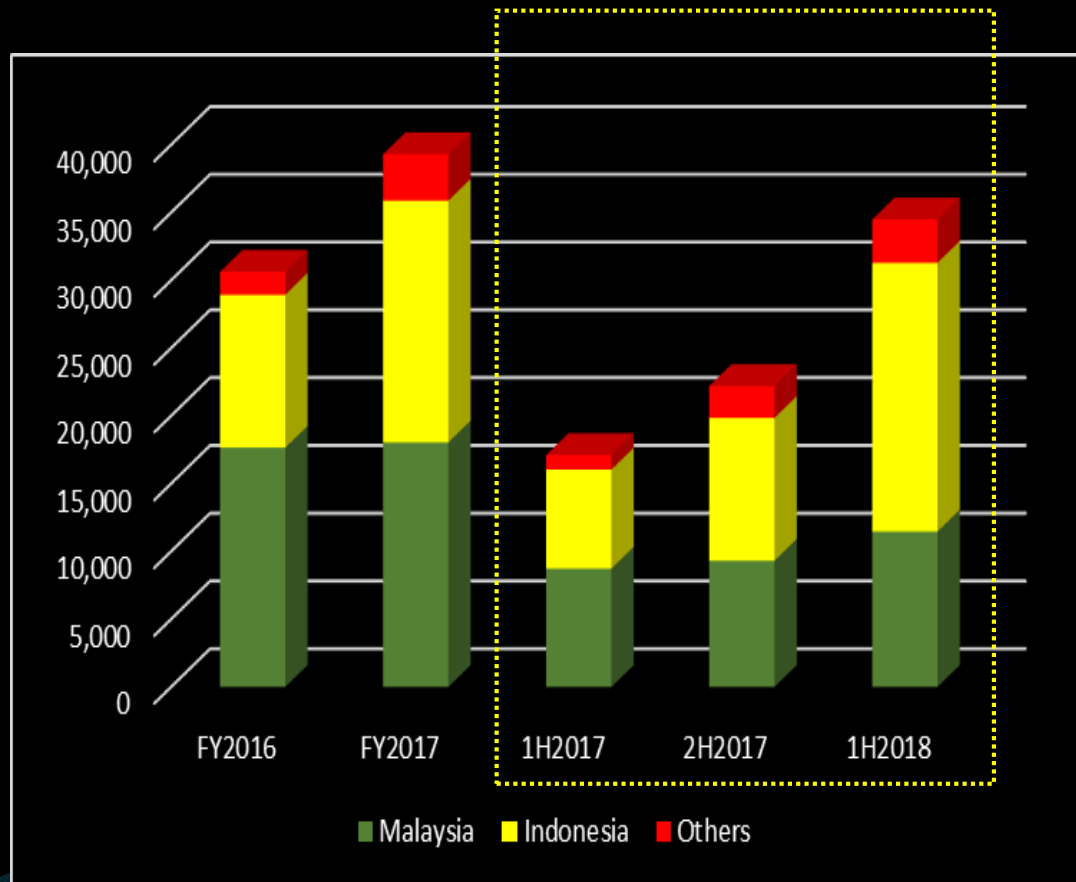
7.1 Revenue by Product Segments



(RM'000)	FY16	FY17	1H17	2H17	1H18
Paint (Standard)	18,066	23,819	10,133	13,686	20,753
Paint (Premium)	10,463	14,379	6,228	8,151	13,122
Maintenance & Others	2,095	1,152	744	408	613

7. Financial Highlights

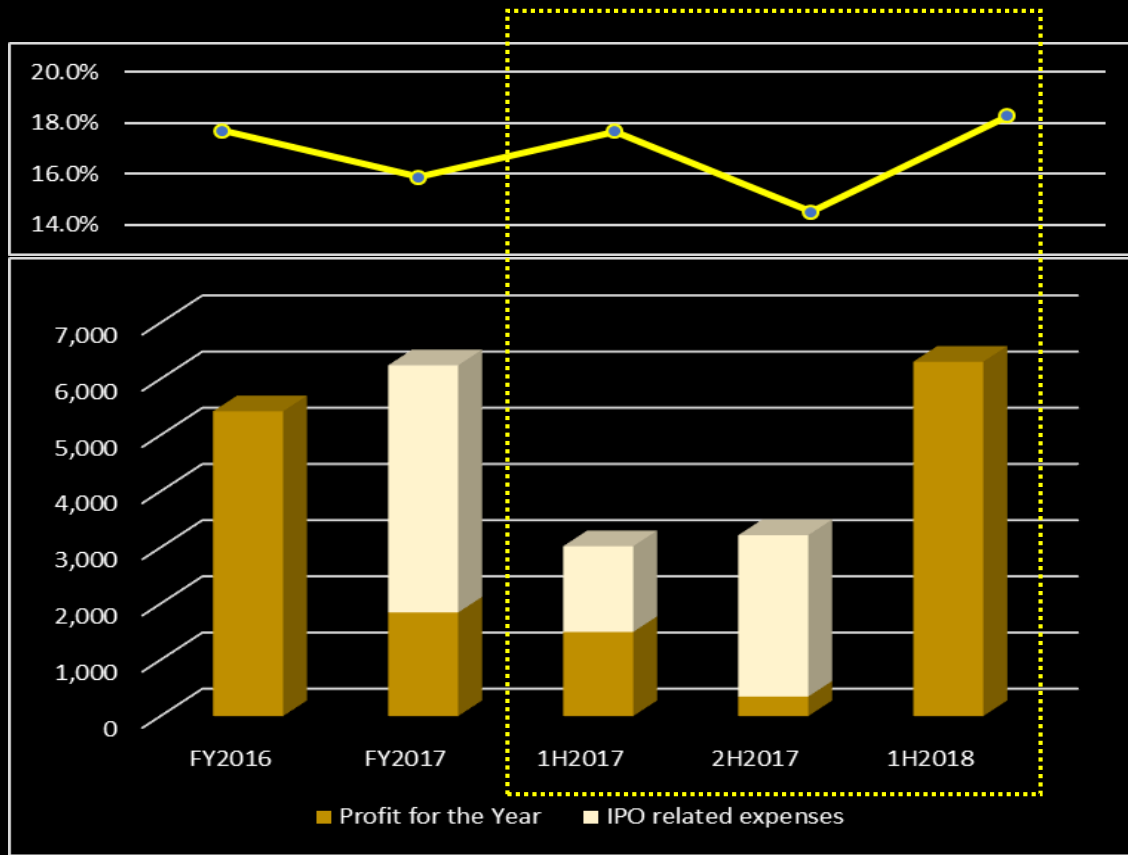
7.2 Revenue by Geographical Segments



(RM'000)	FY16	FY17	1H17	2H17	1H18
Malaysia	17,650	18,036	8,727	9,309	11,463
Indonesia	11,282	17,883	7,302	10,581	19,821
Others	1,692	3,431	1,076	2,355	3,204

7. Financial Highlights

7.3 Net Profit & Net Profit Margin



(RM'000)	FY16	FY17	1H17	2H17	1H18
Profit for the Period	5,424	6,242^	3,023*	3,219#	6,306
Net Profit Margin	17.7%	15.9% [^]	17.7%*	14.5% [#]	18.3%

[^] Excluding IPO related expenses of RM4.4 million (including IPO related expenses, Profit for the period is RM1.8 million and Net Profit Margin is 4.7%)

^{*} Excluding IPO related expenses of RM1.5 million (including IPO related expenses, Profit for the period is RM1.5 million and Net Profit Margin is 8.8%)

[#] Excluding IPO related expenses of RM2.9 million (including IPO related expenses, Profit for the period is RM0.3 million and Net Profit Margin is 1.6%)

7. Financial Highlights

7.4 Key Financial Ratios



		As at 31 March 2017	As at 30 Sept 2017
Liquidity Ratios	Current Ratio	2.6	2.2
	Quick Ratio	2.1	1.9
Leverage Ratios	Interest Coverage	9.7	30.5
	Debt-to-Equity	0.4	0.3
Management Efficiency Ratio	Accounts Receivable Turnover in Days	38	33
	Accounts Payable Turnover in Days	85	76
	Inventory Turnover in Days	95	60

~~Traditional~~ Smart Investors

- PE
- ROI
- Dividend



- Global branding
- Global market penetration
- Innovative and premium products



Which company will you invest?



SAMURAI®
くろぶし 黒武士

Thank You



SAMURAI 2K Aerosol Limited

Company Registration No.: 201606168C
(Incorporated in the Republic of Singapore on 9 March 2016)

UOB Kay Hian

Sponsor, Issue Manager and Placement Agent

UOB Kay Hian Private Limited



Investor Relations Contact

Waterbrooks Consultants Pte Ltd