

STAMFORD ***TYRES***

Annual General Meeting FY2018

30 August 2018



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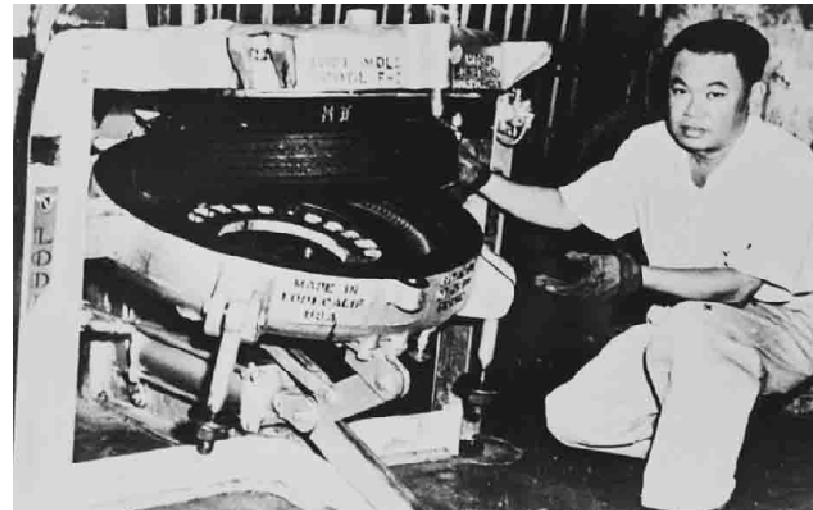
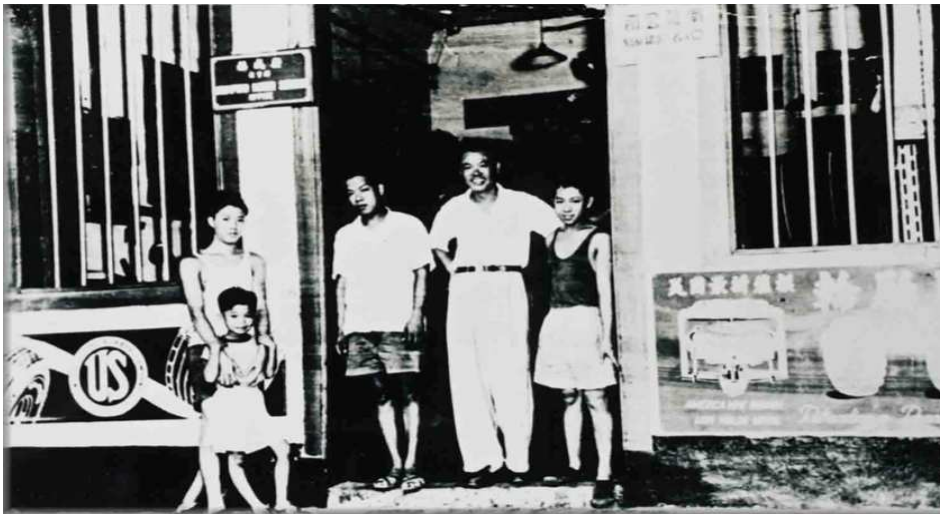
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Stamford Tyres History / Milestones

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.



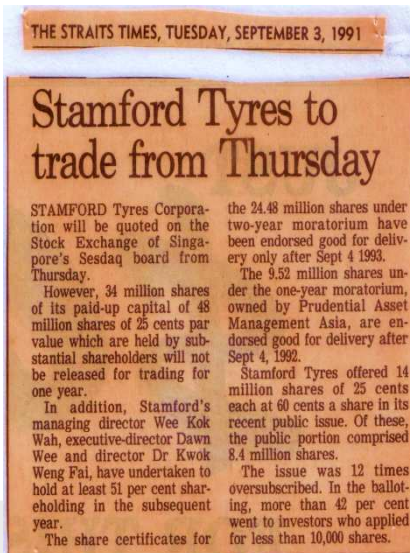
Our Beginnings

- 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



Milestones

- 1990's – Evolved into a corporation. Listed on Second Board of SGX in 1991
- 1991 – Build and expanded Stamford Tyres Malaysia
- 1993 – Established Stamford Tyres South Africa
- 2002 – Established Stamford Tyres Indonesia
 - Launched proprietary made-in-Japan Firenza high performance tyres
- 2003 – Stamford Tyres was upgraded to the Main Board of the Singapore Stock Exchange
- 2004 – Stamford Sport Wheels Company Limited (SSW) commenced operations in Sept
- 2014 – Opened the Stamford Tyres Commercial Centre in Jurong



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

88% of revenue
derived from
distribution

Value-added Activities

- 11 Countries- Over 7,000 3rd Party Dealers
- 20 Stamford Retail Outlets
- 7 Truck Centers
- 6 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 11 countries

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

7 Truck Centers
6 Customer Workshops
10 Mobile Fleet Service Vehicles

In Timika, Balikpapan, Sulawesi and North Maluku Islands

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



China



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



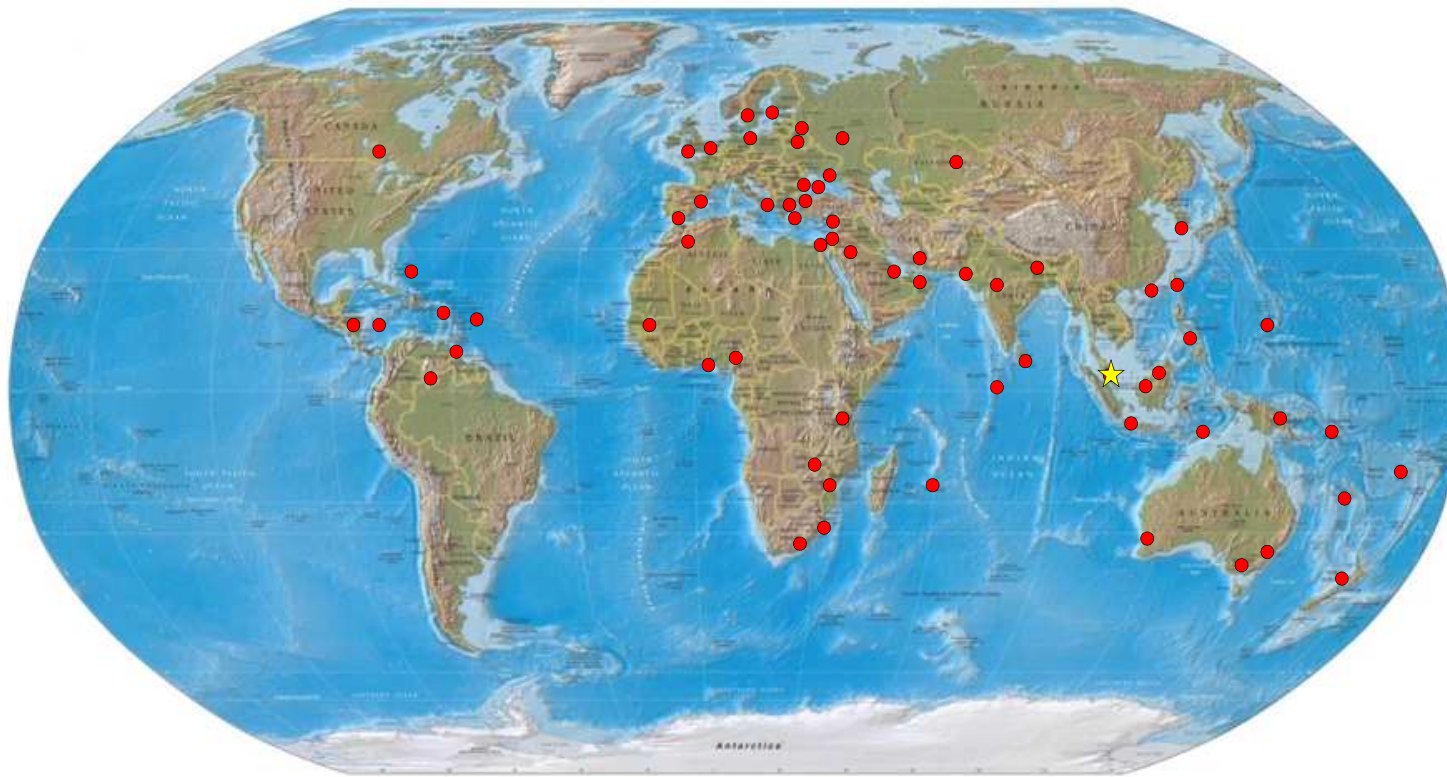
Falken Tyre India (40%)
Country: India



STAMFORD Tyres

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

STAMFORD TYRES

Stamford Tyres Regional Activities

Malaysia

Malaysia



Glenmarie warehouse, 6,500sqm



Truck centre, Klang

- Network: 1,000 dealers nationwide.
- Warehouses: Glenmarie and centralized container warehousing in Kapar, Selangor.
- Value-added activities: Wholesaling and retailing of tyres and wheels, truck centres and tyre retreading.



Tyre retreading plant, Senawang



Malaysia Warehouse visit in Kapar, Selangor

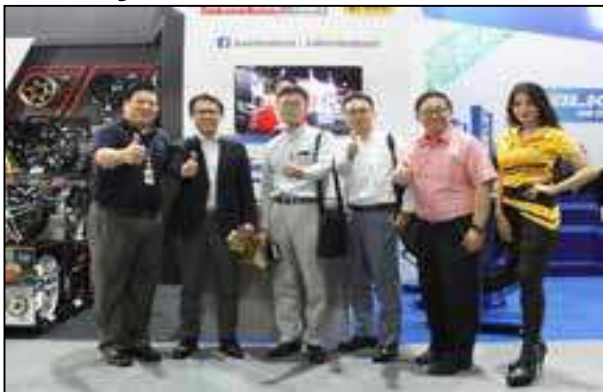
Stamford Tyres Regional Activities

Thailand

Thailand



SSW wheels manufacturing factory, Nonthaburi



Bangkok Motor Expo 2017

- 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



Truck event with Truck Bus Association 2017

Stamford Tyres Regional Activities

Indonesia

Indonesia



Mine site at PT Freeport, Irian Jaya



Tyre retreading plant, Timika

****OTR = Off-the-road tyres**

- Comprise of:

- PT Stamford Tyres Distributors
- PT Stamford Tyres Indonesia (Timika).

- Network and distribution points: Jakarta, Surabaya, Semarang, Medan, Balikpapan, Banjarmasin, Manado and Timika.

- Tyre technical centres in Central Sulawesi, Morowali and Halmahera.

- Value-added activities: Wholesaling, retail network, OTR** sales and aftersales services, retreading and repair and light vehicle services.



An earthmover tyre inspection on-site in Kalimantan, Indonesia



Earthmover tyre repair works at Timika, Indonesia

Stamford Tyres Regional Activities

Singapore

Singapore



Warehouse at 19 Lok Yang Way



Car servicing at Stamford Tyres Mart retail workshop

- Comprises:

- 17 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, Go-Ahead, SMRT, Colex and Samwoh.



RTG Tyre inspection on site
At PSA Port, Singapore



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

Guangdong, China

Guangdong Province, China



Dongguan warehouse, 17,000 sqft



Tyre unloading activities at Dongguan warehouse

- Commenced operations in August 2017.
- Network: 200 dealers within Guangdong.
- Warehouse: 17,000 sqft located in Dongguan.
- Estimated car population in Guangdong: 13 million.
- Value-added activities: Wholesaling of Bridgestone passenger car tyres.



Guangdong Province, China

Stamford Tyres Regional Activities

Vietnam/ Brunei/
Australia/ HK

Other markets



Vietnam Falken dealers' trip to China

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



Australia Blacklion dealers' trip to China



Dunlop Auto Expo 2018, Vietnam



Dunlop Tyres' 130 Years Anniversary Dinner, Hong Kong

Financial Highlights – FY2018

Key Financial Indicators (Comparative)

	FY18	FY17
	S\$'000	S\$'000
Revenue	242,437	235,803
Gross profit	60,584	61,829
GP %	25%	26%
Operating costs	(59,413)	(56,377)
Share of results of JVs	1,637	1,987
Profit before tax	8,226	10,930
Net profit after MI	5,193	8,112
EPS (cents)	2.20	3.44
NAV (cents)	53.81	52.59

Financial Ratios

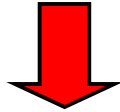
No	Ratio	FY18	FY17
1	Inventory turnover	176 days	164 days
2	Receivables turnover	91 days	104 days
3	Payables** turnover	135 days	150 days
4	Cash conversion cycle	132 days	118 days
5	Current ratio	1.70	1.57
6	Quick ratio	0.86	0.87
7	Net gearing	0.54	0.61

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

Cash Flows

		FY18 S\$'000	FY17 S\$'000
Net cashflows from operating activities	[A]	16,273	25,260
<i>Decrease / (increase) in receivables</i>		8,803	(1,189)
<i>(Increase) / decrease in inventories</i>		(10,036)	7,151
Net cash used in investing activities	[B]	(4,424)	(6,979)
<i>Additions of property, plant and equipment (PPE)</i>		(4,927)	(7,248)
<i>Proceeds from disposal of PPE</i>		151	269
Net cashflows used in financing activities	[C]	(11,671)	(14,404)
<i>Net (repayment of) / proceeds from trust receipts</i>		(9,629)	1,122
<i>Repayment of long term loans</i>		(16,575)	(10,780)
<i>Proceeds from long-term loans</i>		17,560	1,058
<i>Dividends paid to shareholders</i>		(3,534)	(2,356)
Net cash increase during the year	[D]=[A]+[B]+[C]	178	3,877
Cash and cash equivalents at beginning of the year	[E]	21,693	17,425
Effect of exchange differences	[F]	6	391
Cash and cash equivalents at end of the year	[D]+[E]+[F]	21,877	21,693

Dividends History



	FY14 S\$'000	FY15 S\$'000	FY16 S\$'000	FY17 S\$'001	FY18 S\$'002
Profit after tax	10,016	1,703	2,587	8,112	5,193
Dividend	3,534	2,356	2,356	3,534	2,356
Payout ratio	35%	138%	91%	44%	45%
Dividend per share (cents)	1.5	1.0	1.0	1.5	1.0
Dividend yield (%)	3.8%	2.5%	3.7%	4.8%	3.0%
EPS (cents)	4.26	0.73	1.10	3.44	2.20

Group Strategy And Outlook

Group Strategy And Outlook

Drive topline growth via brands and products diversification

- Defend GP margin above 20%.
- Expand our sales and retailer network for tyres and wheels.
- 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.

Contain operating costs

“Thank You!”



From the Management Team