

TGPRO Market in Brazil

Revenue grows 30%

TGPRO has received the orders of industrial stainless pipe from Brazil, the world's No.1 largest sugar exporter. The Company plans to increase export sales to 45% from 30% of total revenue. It expects highly growth in Q2 and Q3/2015 and has 6 months earnings in advance. In the second half of year, sales will be increased 30% from government projects and retained earning will be 0.53 baht.

Mr.Rachata Leelaprachakul, Chairman of Board and Managing Director of Thai-German Products Public Company Limited or TGPRO said to "Thun Hoon" daily newspaper that the Company has the successful in retained earnings. He also mentioned the business direction in 2015 that the growth of sales target is expected to over 30% or 1.5 thousand tons per year comparing to year 2014 was 1.2 thousand tons per year.

Big orders from Brazil

During January-February 2015, the volume of sales order has increasing steadily. Recently the Company has negotiated with new customers with the sugar business industry in Brazil, the world's largest sugar exporter in ordering the industrial stainless pipe. These customers will gradually continue to order.

However, the existing customers are Indonesia, Malaysia, Vietnam, Pakistan and South Africa have continually ordered. The most orders are industrial stainless pipe, the average margin is highly to 50% comparing to the stainless steel pipe has average margin only 10%.

In 2015 The volume of sales note is increasing, the Company expects the proportion of export will be 45% of total revenue but now it is 40% when comparing to year 2014, the proportion of export was only 30%. Because of the increasing of export and margins, these will benefit to the image of business.

Due to the deceleration of market in Q4/2014, the sales order during January – February 2015 is still stable. Thus the Company cannot comment how growth in Q1/2015 is when comparing to Q4/2014 until summarizing the total sales order of March 2015.

Stock deals 6 months in advance

In January 2015 the Company has received the orders 6 months in advance or about 6,000 tons which are mainly the steel pipes and industrial stainless pipes. These orders will be delivered during Q2 and Q3/2015 which is the high season of business because of the sugar factory is improving the production process. Therefore the operating result of Q2 and Q3/2015 will be distinctive.

Mr.Rachata added that "the growth in the second half of 2015 is expecting to be the subcontractor of Government infrastructure projects such as the BTS extension and double gauge by taking over projects from the major contractors such as CK, STEC, ITD and UNIQ who have good relationship with the Company.

However, the company now has negotiated with these contractors in dealing the orders in advance in order to support the upcoming auction of BTS and double gauge track projects. The Company's products are steel pipes, stainless steel pipes, and ornamental tubes which can be using in rail system and decorating the station.

Real Estate booms

TGPRO is the sole producer of steel pipes and stainless steel pipes in various grades and sizes, so it has been supplying to major contractors because of its qualities and experiences.

Recently Mr.Apinun Ratchatasombat, Deputy Managing Director of Thai-German Products Public Company Limited or TGPRO mentioned that the needs of ornamental tubes are getting higher which related to the growth of property section in expanding the new projects. Due to the economic has continuously grown, the needs and purchasing power are also getting better.

Stainless steel ornamental tubes is designed for beauty and durability for using in building decoration like handrails, guard rails, balcony, fences or assembling the furniture like chairs, tables, shelves, and equipments in the bathroom.

The Analyst of Phillip Securities (Thailand) PLC. said that during the "buying" period, the support is 0.42 Baht and resistance is 0.53 Baht. On March 3, 2015, TGPRO closed at 0.46 Baht which decreased 0.01 Baht, the value of transaction 30.54 million Baht was 2.13%.