



**Global Presence • Aesthetic Excellence • Business Integrity**

OPPORTUNITY DAY | 11 MARCH 2019

A photograph of an airport lounge area. The foreground is dominated by a patterned carpet in shades of blue, grey, and white. Rows of orange airport chairs with grey frames are arranged in the middle ground. In the background, there are large windows, a blue sign with the number '17', and some greenery. The overall atmosphere is clean and modern.

# **THE BEGINNING OF THE NEW JOURNEY**



# Agenda

- COMPANY OVERVIEW
- PRODUCTS & SERVICES
- FINANCIAL HIGHLIGHT
- ACTIVITIES & OPPORTUNITIES
- Q & A

# Overview

# TCM Corporation Structure

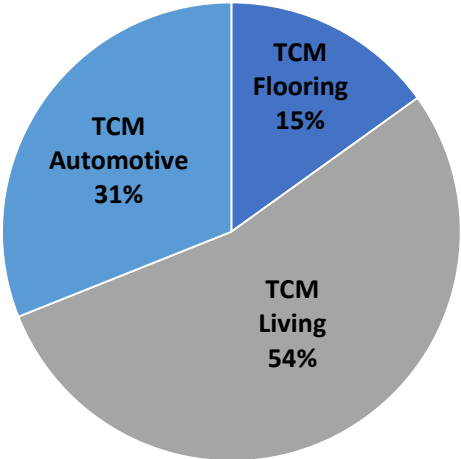


Total: 15 subsidiaries

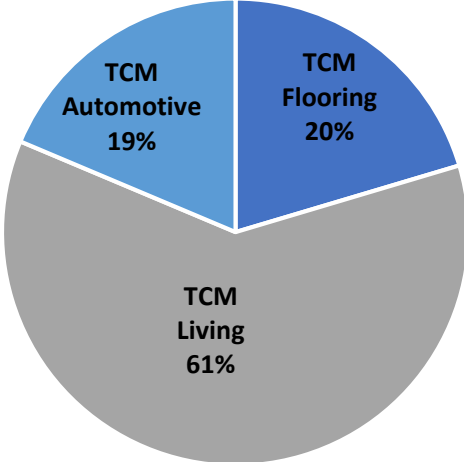
# Proportion of TCMC business

(Historical record 2016-2018)

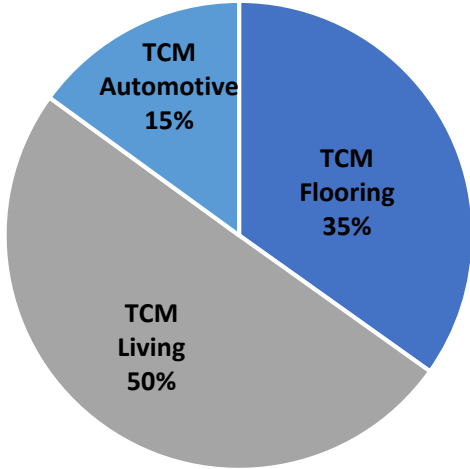
2016 (3,872.07 MB)



2017 (7,633.13 MB)



2018 (9,546.56 MB)



# TCM Global business – our offices



Flooring business  
Living business  
Automotive business

# Our Business





**R**  
**ROYAL THAI**



**Carpets Inter<sup>®</sup>**



**TCH**  
SUMINOE



**Alstons**  
Sofas for Living

**ASHLEYMANOR**  
a new design language



**amxdesign**  
the leather experts

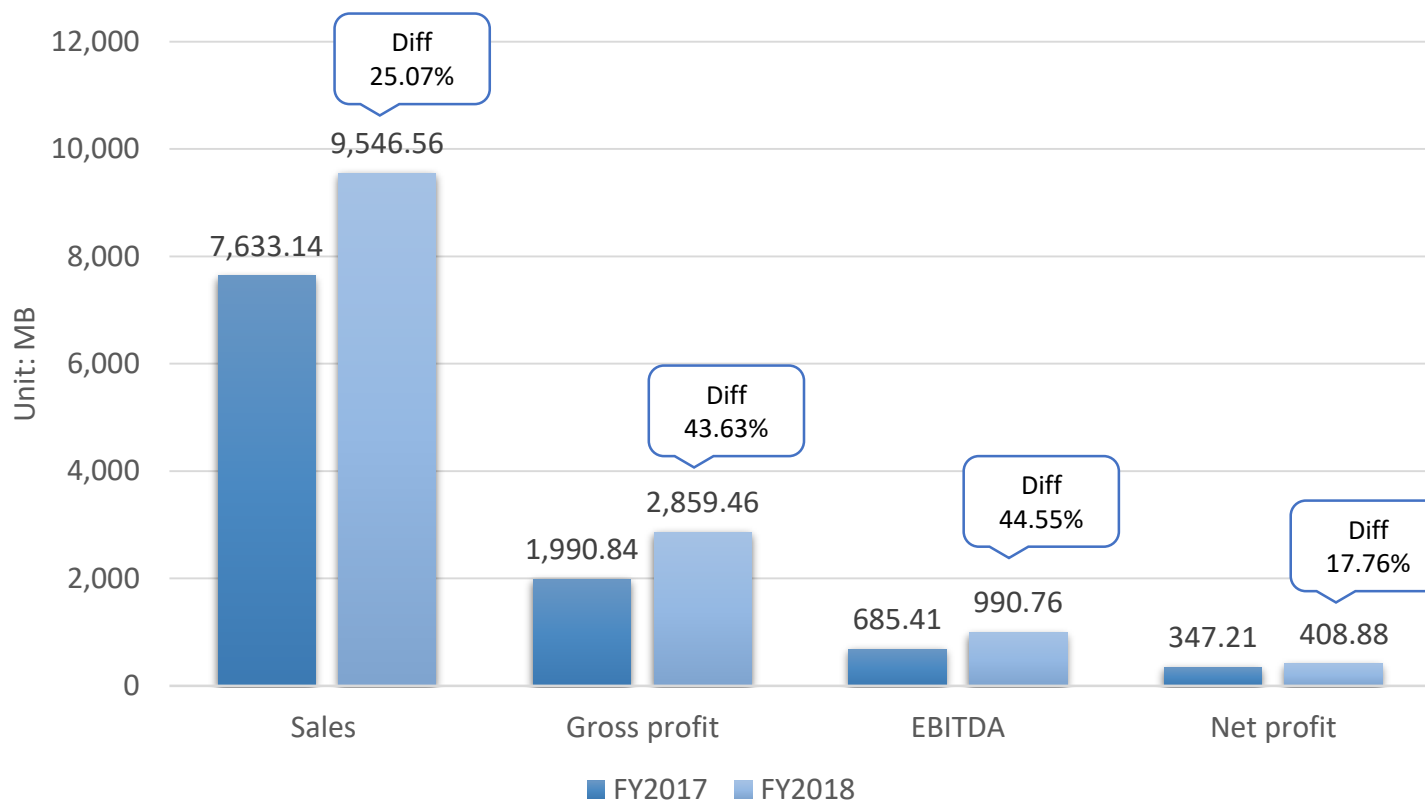
**Alexander & James**  
GREAT BRITISH SOFA DESIGN

# Financial Highlight

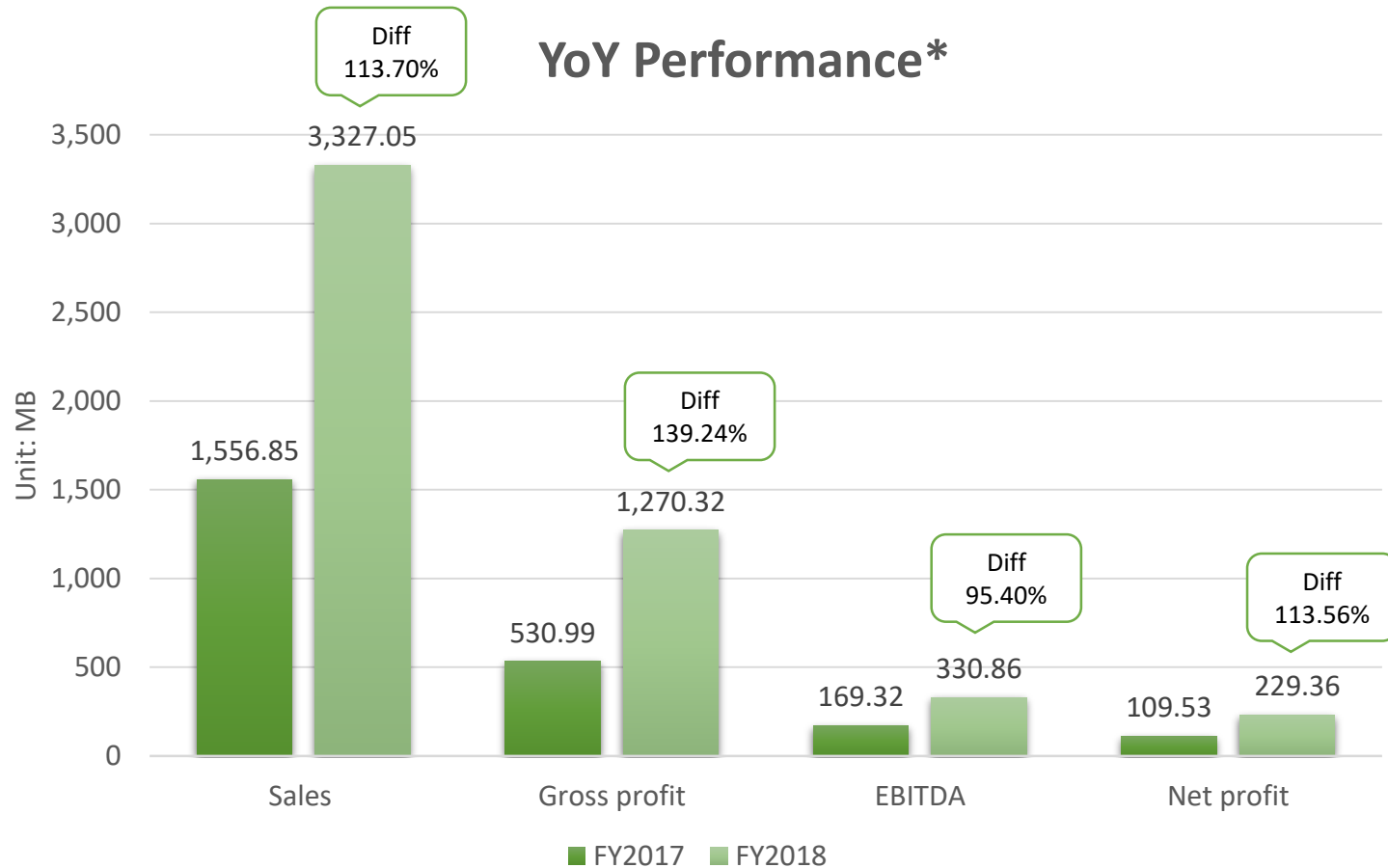
# TCMC Consolidated Operating Performance

(FY17 VS FY18 performance)

## YoY Performance

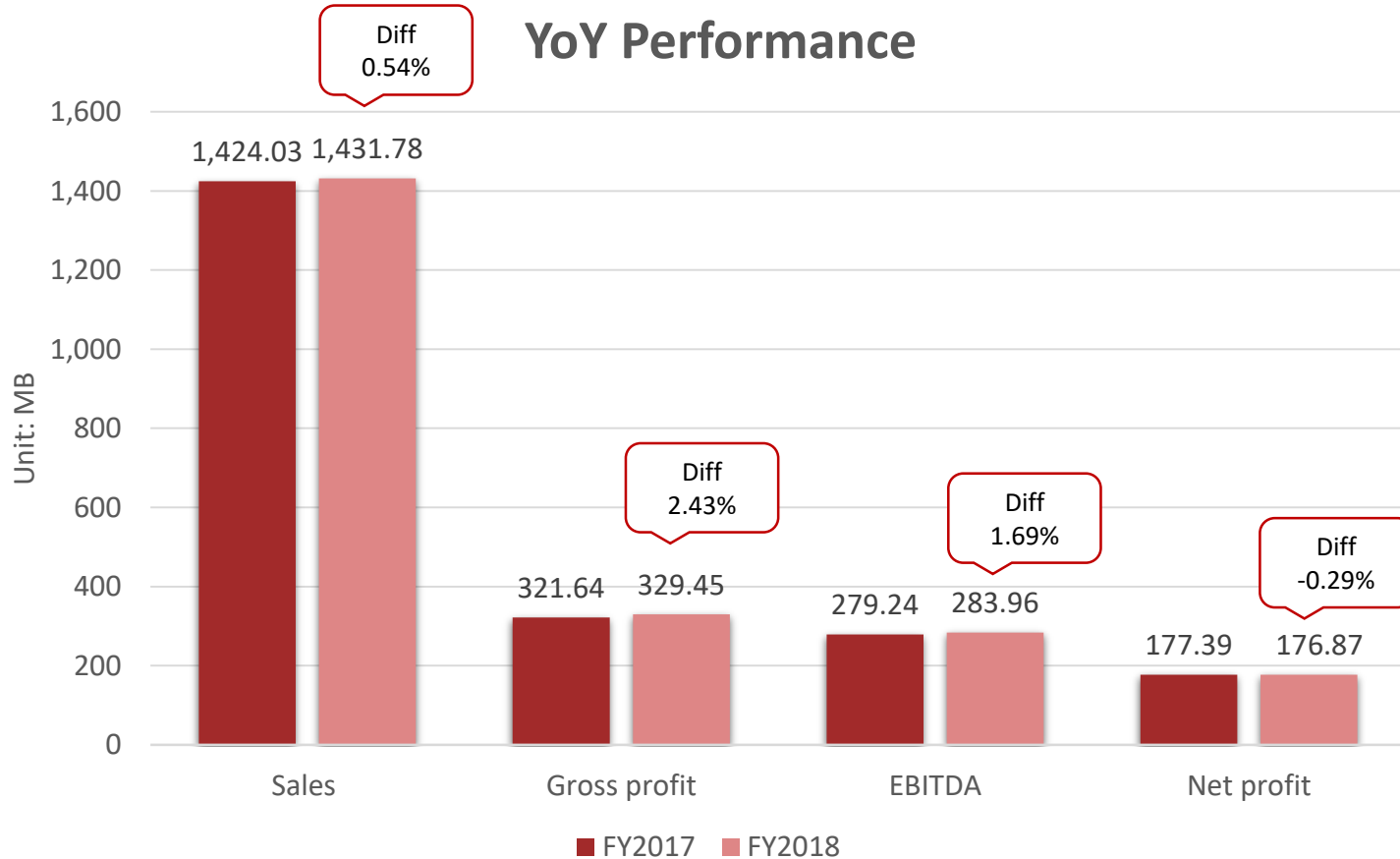


% to sales	100%	100%	26.08%	29.95%	8.98%	10.38%	4.55%	4.28%
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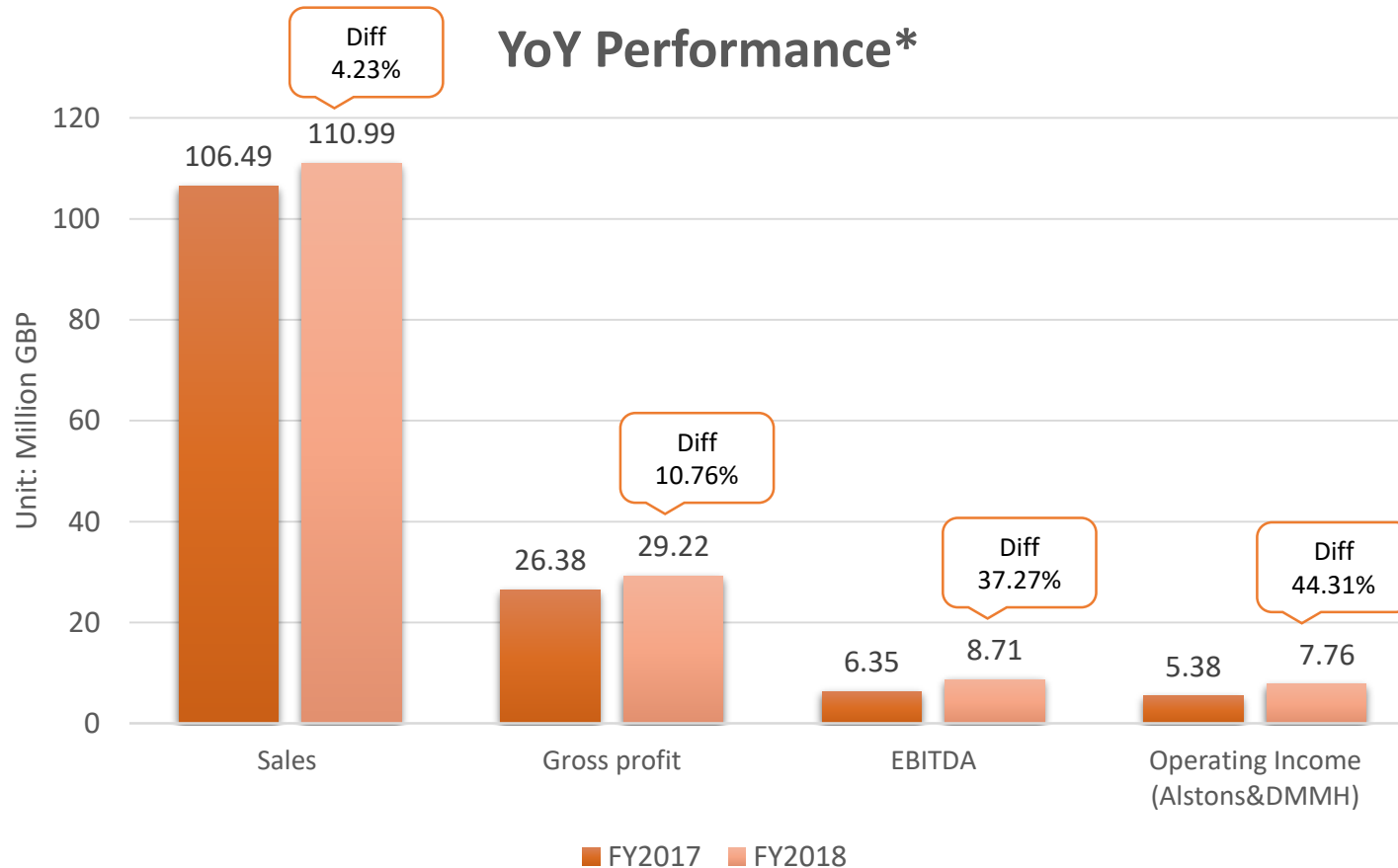
% to sales	100%	100%	34.11%	38.18%	10.88%	9.94%	7.04%	7.03%
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\*TCM Flooring performance excluded Corporate expenses & Interests



% to sales	100%	100%	22.59%	23.01%	19.61%	19.83%	12.46%	12.35%
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GBP



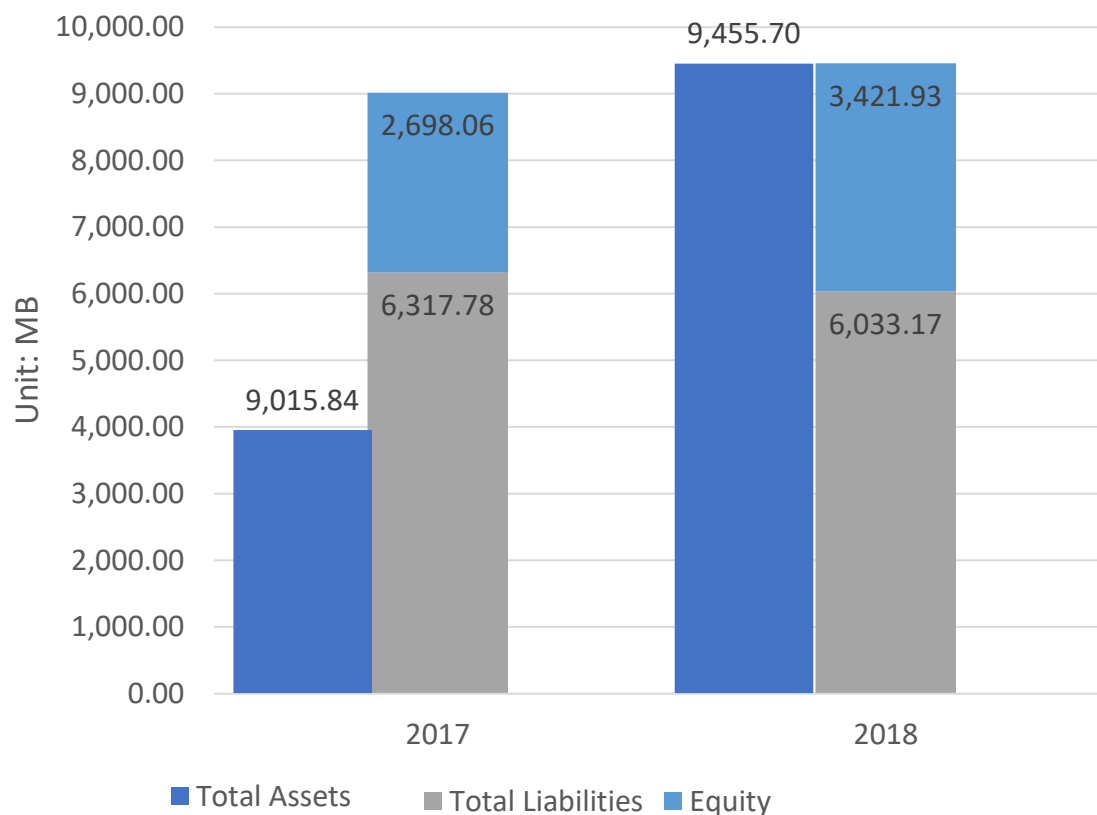
% to sales	100%	100%	24.47%	26.32%	5.96%	7.85%	5.05%	6.99%
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\*TCM Living performance excluded Amortization of intangible assets & Interests



# TCMC Consolidated Operating Performance

## Statement of Financial Position



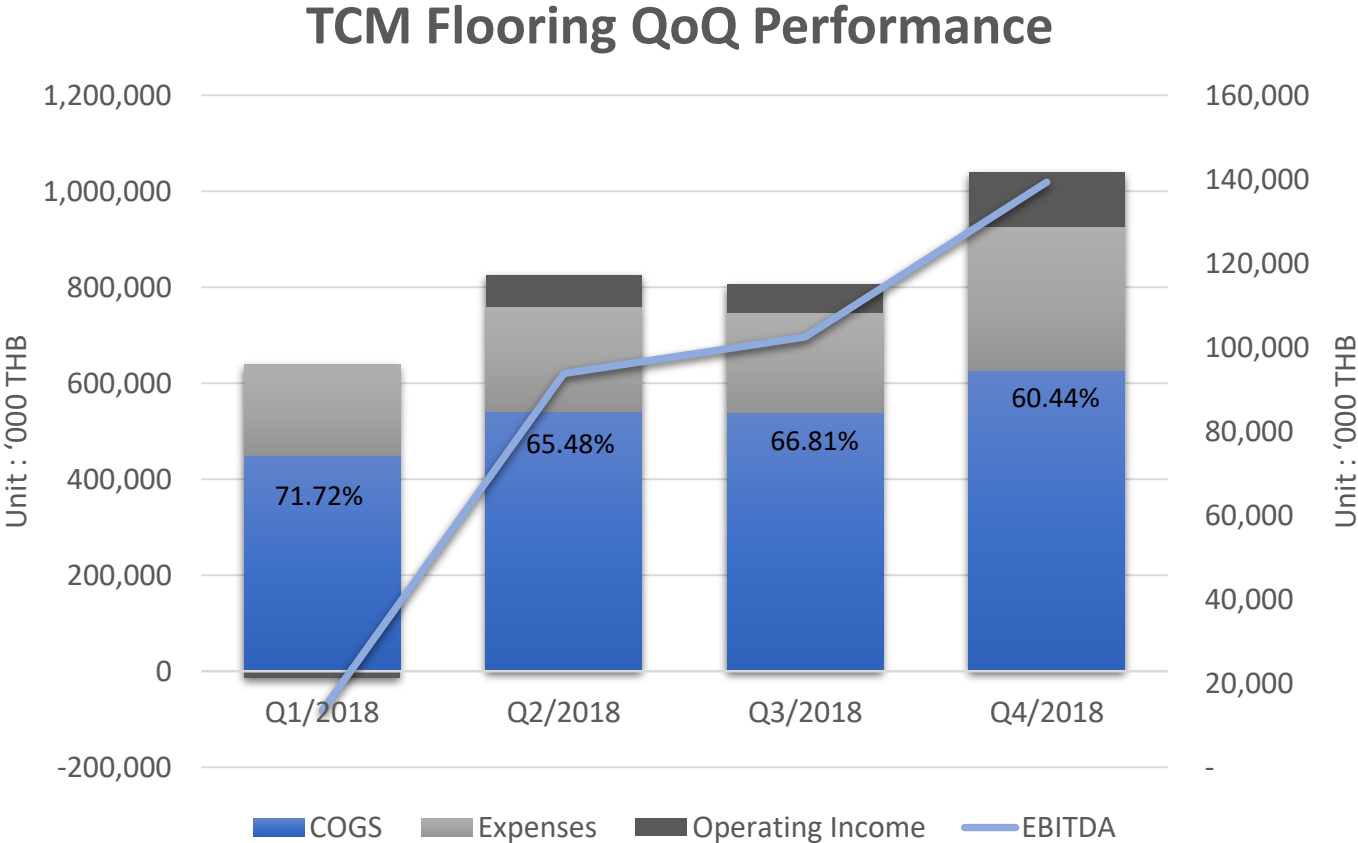
Current Ratio (Times)		Quick Ratio (Times)	
2017	2018	2017	2018
0.72	<b>1.52</b>	0.50	<b>1.01</b>

D/E Ratio		ROA	
2017	2018	2017	2018
2.34	<b>1.76</b>	3.85%	<b>4.32%</b>

ROE		EPS (Baht)	
2017	2018	2017	2018
12.87%	<b>11.95%</b>	0.42	<b>0.36</b>

# TCM Flooring Performance by Quarter

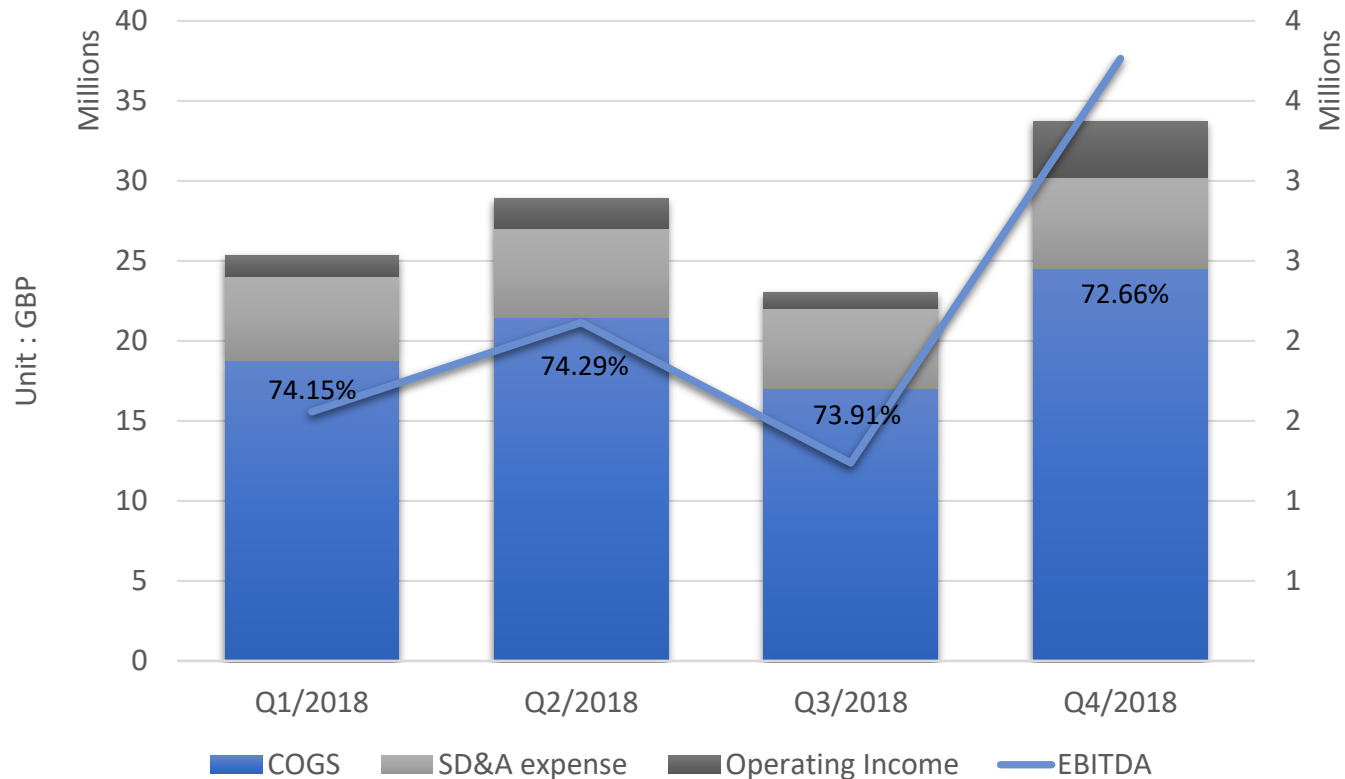
(Q1-Q4 2018)



# TCM Living Performance by Quarter

(Q1-Q4 2018)

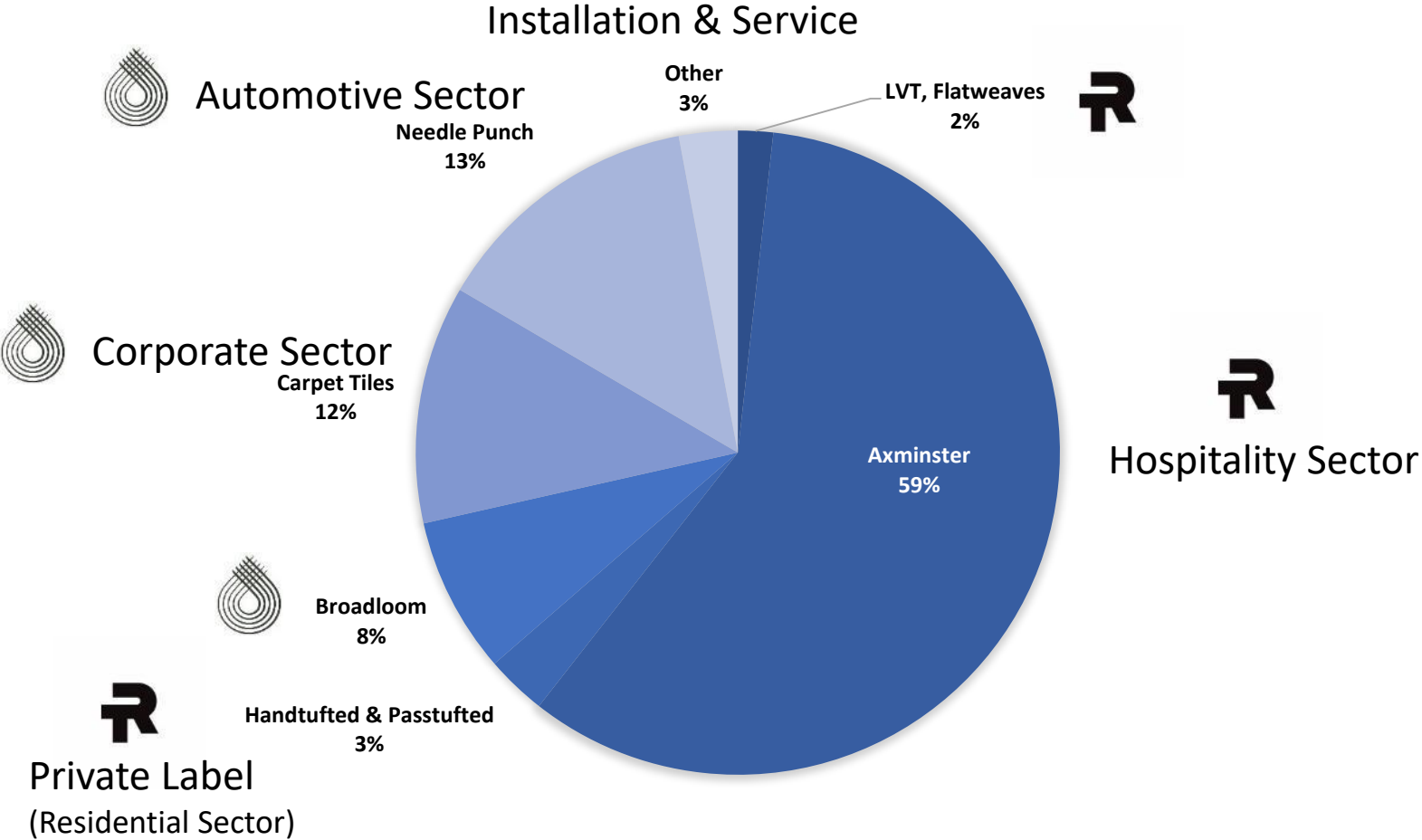
## TCM Living QoQ Performance





# Activities

# TCM FLOORING: PRODUCTS



# TCM Flooring Sales Strategies



**ROYAL THAI**

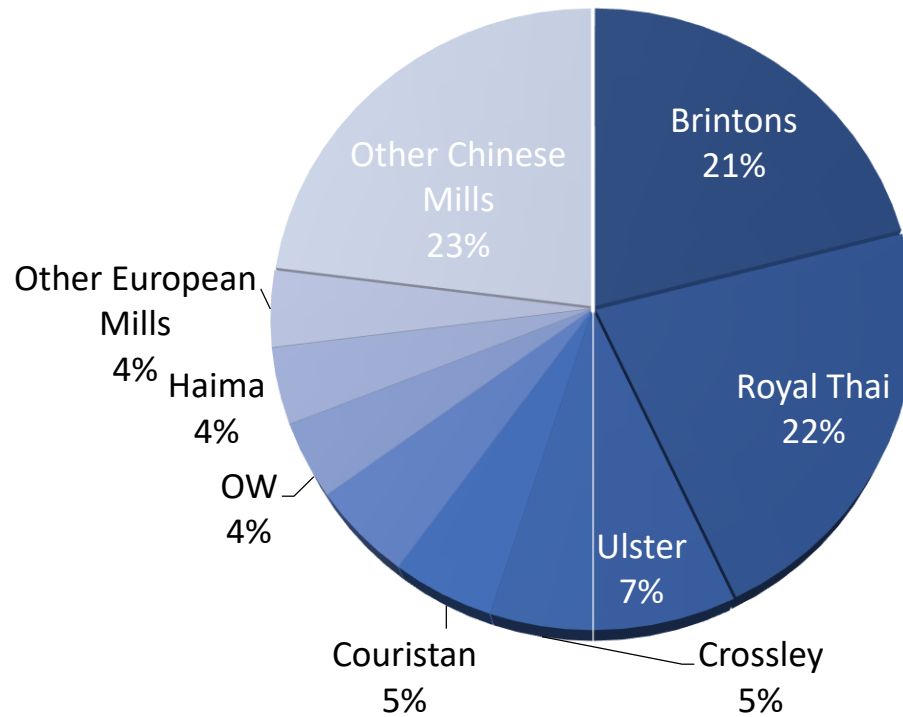
# CUSTOMERS: HOSPITALITY + BOUTIQUE & RESIDENTIAL



VERSACE



# ADDRESSABLE HOSPITALITY MARKET:





# Growth Initiatives 2019

# PEOPLE

- **Strategic New Hires to Increase Growth in US, Singapore & EMEA**
- **Agents Signed in Mexico & Japan**

# KEY SECTOR: CRUISE

## 27 New Builds LAUNCHED IN 2018

CRUISE LINE	SHIP NAME	CRUISE LINE	SHIP NAME
Aida Cruises	AidaNova	AmaWaterways	MS AmalLea
Carnival Cruise Line	Carnival Horizon	American Cruise Lines	America Song American Constitution
Celebrity Cruises	Celebrity Edge	Avalon Waterways	Avalon Saigon
Holland America Line	ms Nieuw Statendam	Amadeus by Luftner	MS Amadeus Queen
MSC Cruises	MSC Seaview	CroisiEurope	Africa Dream II MS Elbe Princesse I
Norwegian Cruise Line	Norwegian Bliss	Crystal Cruises	Crystal Debussy Crystal Ravel
PONANT Yacht Cruises and Expeditions	Le Laperouse Le Champlain	Pandaw River Expeditions	Sabei Pandaw
Royal Caribbean International	Symphony of the Seas	Riviera Travel River Cruises	MS Robert Burns MS Douro Splendour
Scenic Luxury Cruises and Tours	Scenic Eclipse	Tauck River Cruising	ms Treasures II ms Esprit II
Seabourn	Seabourn Ovation	Uniworld Boutique River Cruise Collection	S.S. Beatrice
TUI Cruises	Mein Schiff 1		



Harmony of the Seas

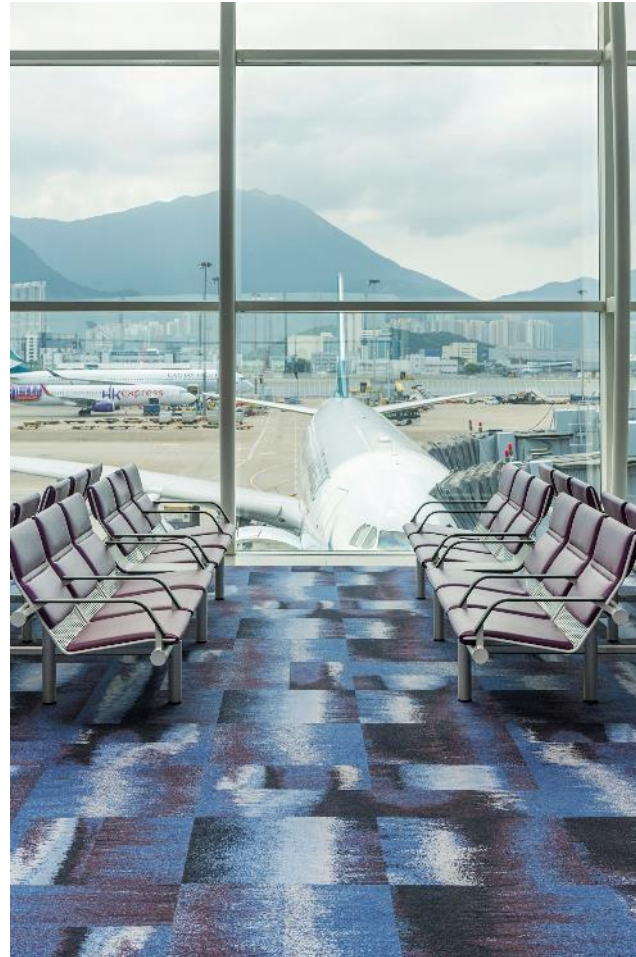
# KEY SECTOR: AIRPORTS

## RECENT COMPLETIONS:

HK Airport: 85,000 square meters

Changi Airport

Suvarnaphumi Airport



# KEY SECTOR: PRIVATE JETS

**Market Size:**  
\$45 Million

**Royal Thai:**  
\$.5 Million



# KEY SECTOR: RTPL/RESIDENTIAL

## Market Size:

US: \$140 Million

EMEA: \$50 Million

ASIA: \$20 Million

## Royal Thai:

US: \$1.5 Million

EMEA: \$1.6 Million

ASIA: \$0.2 Million



# TCM Flooring Sales Strategies

Carpets Inter<sup>®</sup>

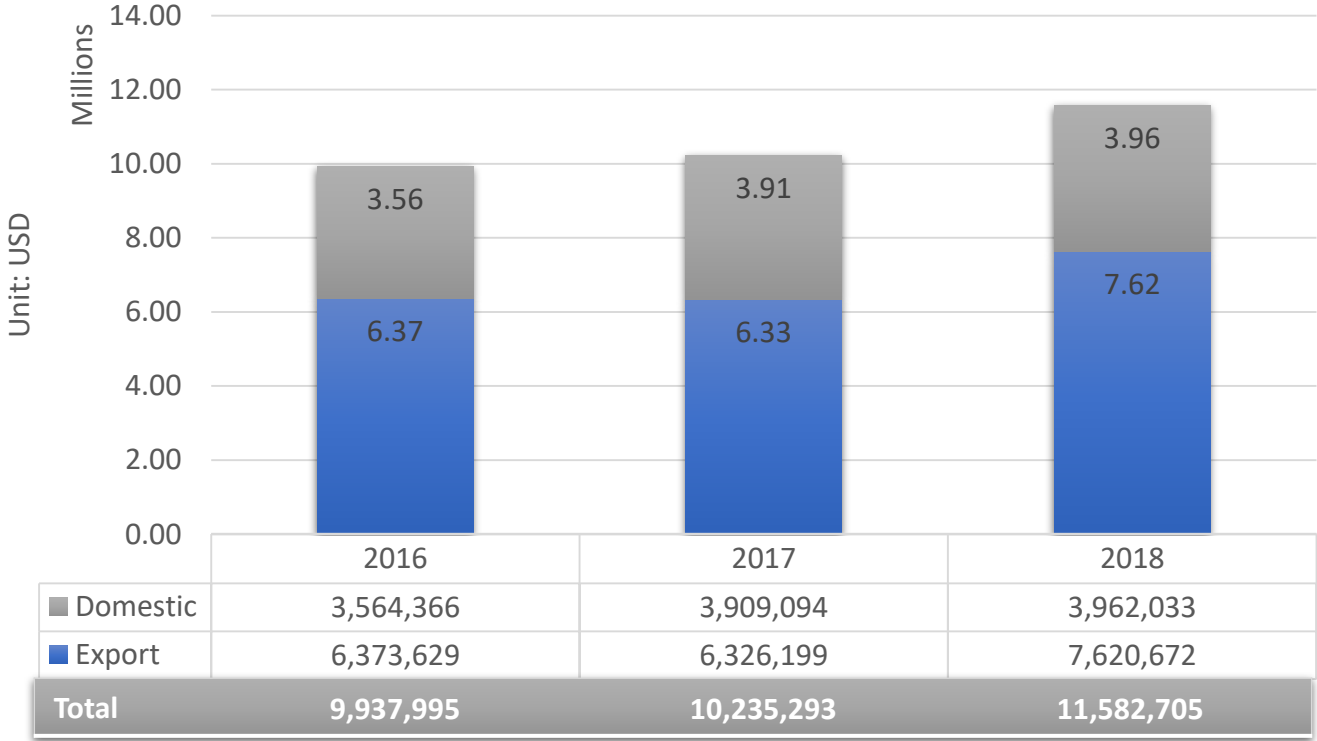
# CUSTOMERS: CORPORATE, EDUCATION, HEALTHCARE





# CARPET TILE MARKET

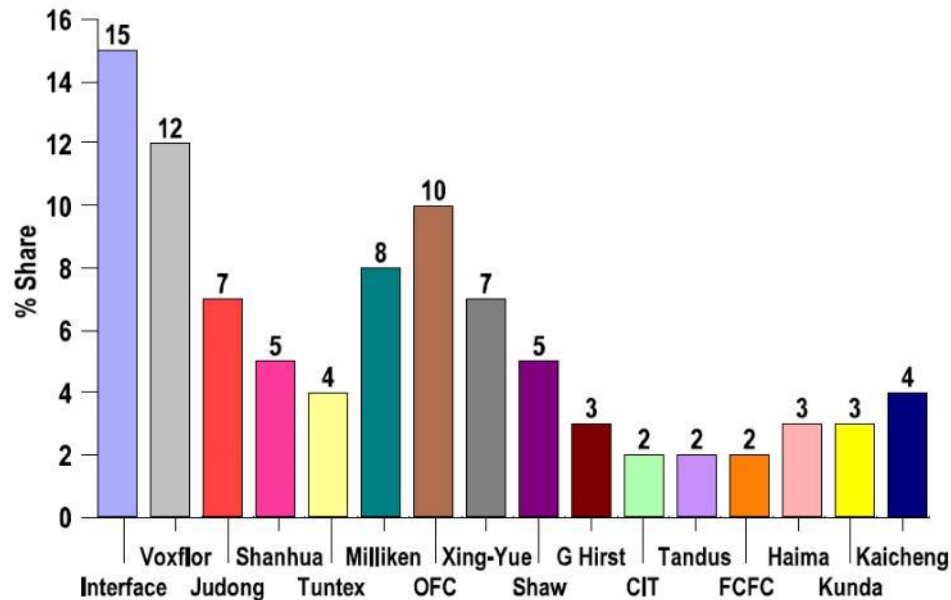
## Total Sales Carpet tiles (Domestic & Export)



# CARPET TILE MARKET

## TOP CARPET TILE PRODUCERS (excl JAPAN)

Asia /ANZ - 2019 Forecast Market Share by Volume



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# Growth Initiatives 2019

# KEY MARKETS: INDIA, BRAZIL, NEW ZEALAND

## INDIA PRODUCT TABLE

By Product Construction / Style



	CARPET TILE	TOTAL	
	mm <sup>2</sup>	mm <sup>2</sup>	%
Level Loop	0.7		
Level Design Loop	0.5		
Textured Loop	0.2		
Multi Level Design Loop	2.0		
Printed Loop	0.5		
<b>Total Tufted Loop Pile</b>		<b>3.9</b>	<b>97.5</b>
Velour	*		
Twist / Frise	*		
Design / Printed Cut	*		
<b>Total Tufted Cut Pile</b>		<b>*</b>	<b>0.0</b>
Structured Needleponch	*		
Hair / Other Needleponch	*		
<b>Total Needleponch</b>		<b>*</b>	<b>0.0</b>
Plain	*		
Patterned	0.1		
<b>Total Bonded / Flocked / Woven</b>		<b>0.1</b>	<b>2.5</b>
<b>TOTAL CONTRACT ALL STYLES</b>		<b>4.0</b>	<b>100.0</b>

\* indicates less than 50K m<sup>2</sup>  
 \* indicates less than 100K m<sup>2</sup>

### IMPORTERS

Major Presence in India

>40%	30.0% - 39.9%	20.0% - 29.9%	10.0% - 19.9%	5.0% - 9.9%
		Interface Milliken	Show	Carpets Inter Voxflor Tendin

## LATAM PRODUCT TABLE

By Product Construction / Style



	CARPET TILE	TOTAL	
	m yd <sup>2</sup>	m yd <sup>2</sup>	%
Level Loop	0.5		
Level Design Loop	0.4		
Textured Loop	0.1		
Multi Level Design Loop	3.7		
Printed Loop	0.4		
<b>Total Tufted Loop Pile</b>		<b>5.1</b>	<b>98.1</b>
Velour	*		
Twist / Frise	*		
Design / Printed Cut	0.1		
<b>Total Tufted Cut Pile</b>		<b>0.1</b>	<b>1.9</b>
Structured Needleponch	*		
Hair / Other Needleponch	*		
<b>Total Needleponch</b>		<b>*</b>	<b>0.0</b>
Plain	*		
Patterned	*		
<b>Total Bonded / Flocked / Woven</b>		<b>*</b>	<b>0.0</b>
<b>TOTAL CONTRACT ALL STYLES</b>		<b>5.2</b>	<b>100.0</b>

\* indicates less than 50K yd<sup>2</sup>  
 \* indicates less than 100K yd<sup>2</sup>

### MANUFACTURERS AND IMPORTERS - LATAM

> 40%	30.0% - 39.9%	20.0% - 29.9%	10.0% - 19.9%	5.0% - 9.9%
	Interface	Show	Milliken B'Tou do Brasil	Mehawk Tandis Modulyss

## AUSTRALIA / NEW ZEALAND PRODUCT TABLE

By Product Construction / Style



	CARPET TILE	TOTAL	
	mm <sup>2</sup>	mm <sup>2</sup>	%
Level Loop	0.4		
Level Design Loop	0.5		
Textured Loop	0.2		
Multi Level Design Loop	3.6		
Printed Loop	1.5		
<b>Total Tufted Loop Pile</b>		<b>6.2</b>	<b>87.3</b>
Velour	*		
Twist / Frise	0.2		
Design / Printed Cut	0.2		
<b>Total Tufted Cut Pile</b>		<b>0.4</b>	<b>5.6</b>
Structured Needleponch	0.1		
Hair / Other Needleponch	*		
<b>Total Needleponch</b>		<b>0.1</b>	<b>1.5</b>
Plain	0.1		
Patterned	0.3		
<b>Total Bonded / Flocked / Woven</b>		<b>0.4</b>	<b>5.6</b>
<b>TOTAL CONTRACT ALL STYLES</b>		<b>7.1</b>	<b>100.0</b>

\* indicates less than 50K m<sup>2</sup>  
 \* indicates less than 100K m<sup>2</sup>

### MANUFACTURERS AND IMPORTERS

Major Presence in AUSTRALIA / NEW ZEALAND

>40%	30.0% - 39.9%	20.0% - 29.9%	10.0% - 19.9%	5.0% - 9.9%
	Interface	Milliken / Chiora Godfrey Hirst	Show	Carpets Inter Voxflor

# CARPETS INTER: THE RECYCLING MANUFACTURER



EcoSoft, environmentally friendly cushion backing is made from 80% post consumer plastic bottles and 5% post industrial waste that normally would go to the landfill. Every square meter of EcoSoft contains the regenerated fibers made from 50 x 550 milliliter bottles with the rest made up of yarn waste.



The discarded soda and drinking bottles are cleaned and then cut into flakes before being melted and extruded into fibers of natural white color.



With a unique production process, Backing can be recycled again at the end of its useful life.



The regenerated fibers are clean and odorless like virgin fibers.



Carded multi layer web construction and thermo bonding process give EcoSoft better sound absorption properties, excellent cushion effect and superior carpet support.



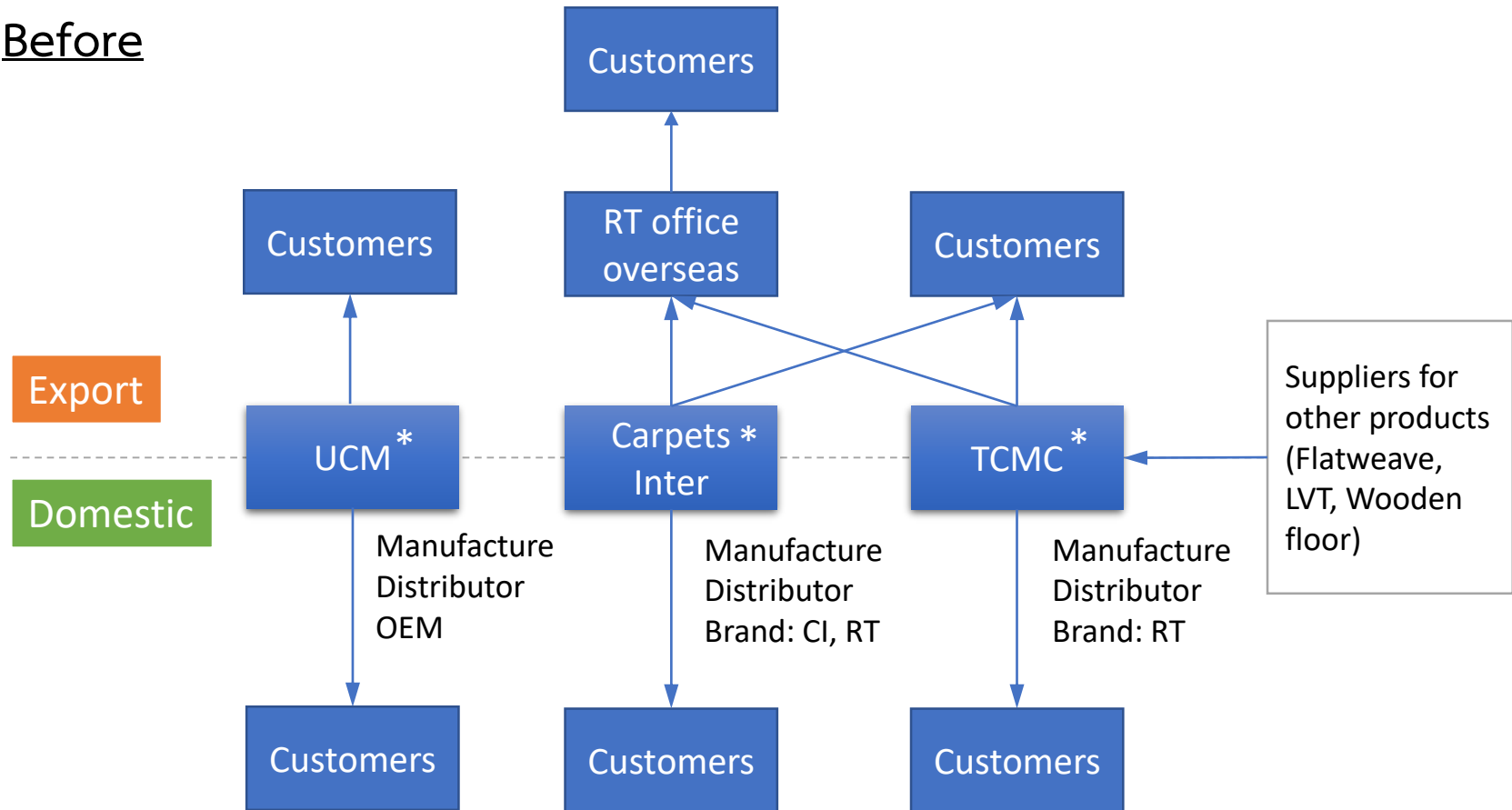
The white fibers are blended with the post industrial virgin yarn waste. These two recycled materials together make up a total of more than 90% of the raw material.

**ECOSOFT USES ROUGHLY 50X550 ML. RECYCLED PET BOTTLES FOR EVERY SQUARE METER OF PRODUCT.**

# Consolidating Activities

# Operation Restructuring

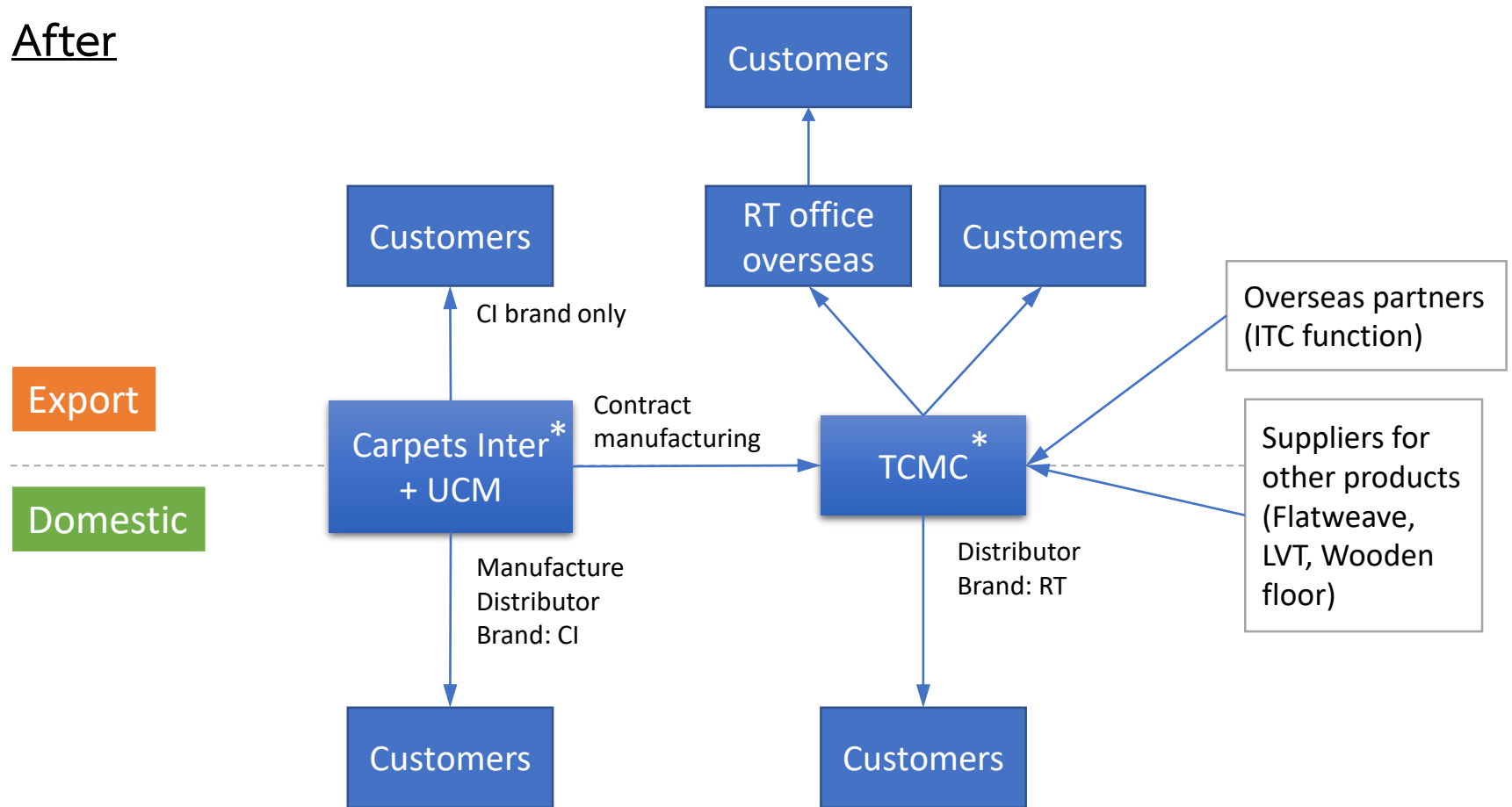
Before



\*Total number of staff = 2,203 people (as of Dec'17)

# Operation Restructuring

After



\*Total number of staff = 1,739 people (as of Jan'19)



# Drive Manufacturing Profitability



- Centralised purchasing and raw material savings, experience and economy of scale purchases.
- Centralised planning and optimised plant scheduling.
- Wool Yarn Manufacturing plant upgrade.
- Investment in new technology high-speed Axminster looms.
- Global implementation of an integrated ERP IT system.
- Consolidate manufacturing into one factory.

# Factory production



## Axminster

- Target yr2019: 1.65 M. sqm/year
- No. of machine: 43, plus 2 high speed looms



## Hand tufted

- Target yr2019:
  - Luxury grade 15,000 sqm/year
  - Commercial grade 50,000 sqm/year



## Pass tufted

- Target yr2019: 35,000 sqm/year
- No. of machine: 14 machines



## Carpet Tiles

- Target yr2019: 1.05 million sqm/year
- No. of machine: 14 machines



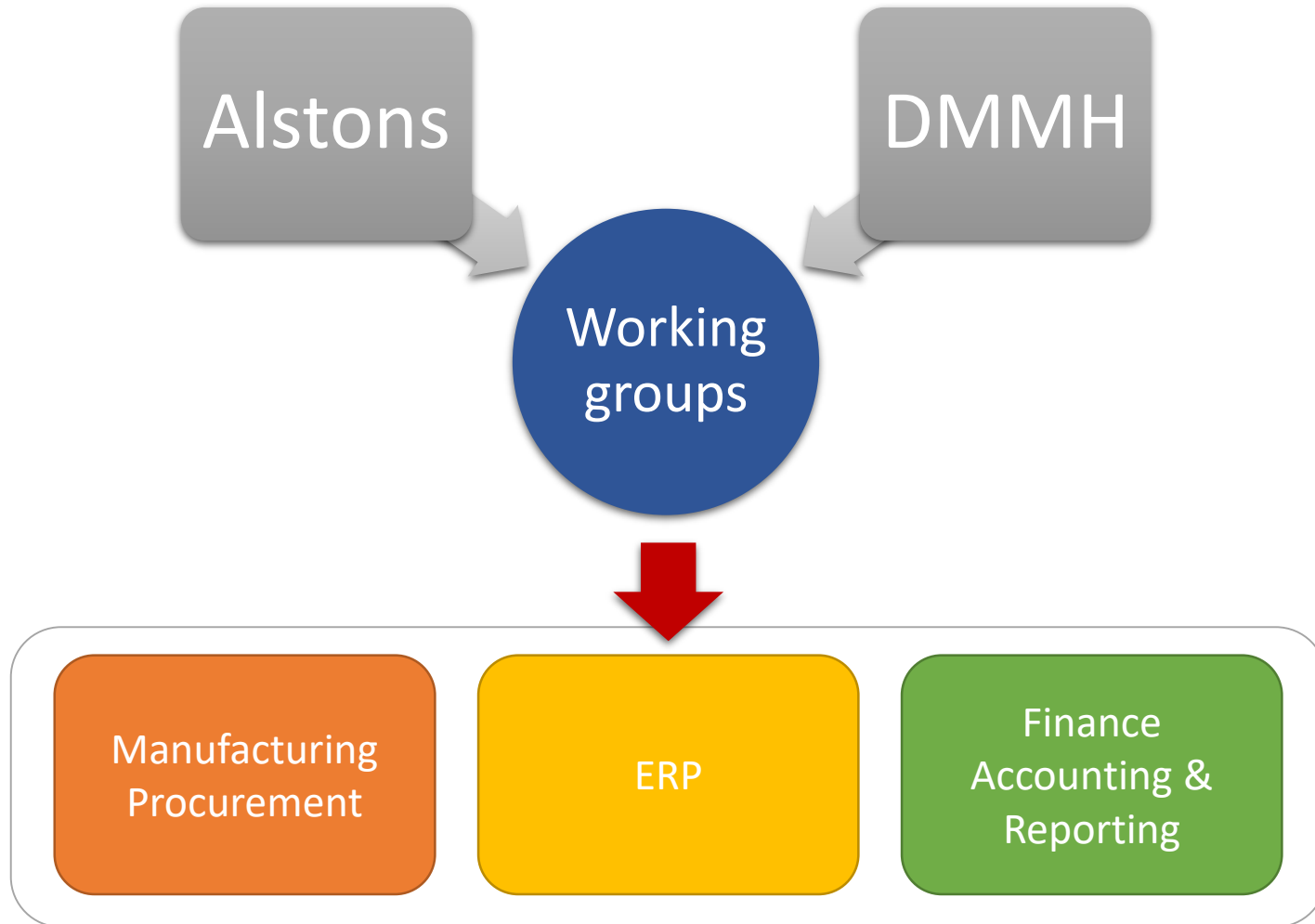
## Needle Punch

- Target yr2019:
  - 4.08 million sqm/year
  - No. of machine: 4 machines



**TCM** LIVING  
**Activities**

# TCM Living restructuring



# A&J First Asia Flagship store



# A&J First Asia Flagship store



# A&J First Asia Flagship store



# A&J First Asia Flagship store





# A&J First Asia Flagship store



# A&J First Asia Flagship store - Launch events



# Q&A



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