

AUTOMOTIVE

Thai Rung back on track

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SET-listed vehicle assembler and car parts maker Thai Rung Union Car Plc (TRU) expects revenue to increase by 8-10% this year to 2.4 billion baht despite the slow automotive market.

Managing director Sompong Phaenchoke attributed the brighter prospects mainly to higher car output in Thailand, which is estimated to increase by 5% this year to 2 million vehicles.

"Thai Rung is trying its best to resume a positive performance this year after seeing sales drop since 2013," he said.

The company reported record high revenue in 2012 of 3.78 billion baht, up 67% from the year before, with a net profit of 556 million baht, up by 199%.

Its revenue shrank to 3.38 billion baht (-11%) in 2013 and 2.45 billion baht (-27%) in 2014, with net profit sharply down to 354 million baht (-36%) in 2013, and 152 million baht (-57%) in 2014.

Last year, Thai Rung reported its revenue fell by 10% to 2.21 billion baht, missing a target of 2.5 billion baht, while net profit declined by 5% to 145 million baht.

"The company's highest performance

was propelled by a massive output in the country at 2.45 million vehicles from the government's first-time car buyer scheme," he said.

Thai Rung is an original-equipment manufacturer (OEM) for car makers. OEM accounts for 55% of its total revenue.

Mr Sompong said once the car output fell and purchase orders from car makers dropped, Thai Rung's revenue was hit hard.

He said the company this year will focus on innovative products such as flat decks for pickup trucks and a passenger pickup vehicle (PPV), the TR Transformer, with a Toyota chassis.

The flat deck will be installed in Isuzu vehicles to be shipped worldwide and Thai Rung plans to team up with more local pickup-truck manufacturers.

The company expects to sell 300 units of the TR Transformer PPV this year, up from 180 units last year. It also plans to launch an all-new model next week.

"Those products generate a relatively high margin which enables us to diversify business risks," said Mr Sompong.

TRU shares closed yesterday on Stock Exchange of Thailand at 3.90 baht, up 2 satang, in trade worth 2.24 million baht.