



Scan Inter to raise B1.5bn

Alternative energy company Scan Inter Plc will raise 1.5 billion baht from the primary market via 300 million initial public offering (IPO) shares next week.

The IPO shares, for which subscription will run today to Wednesday, will be sold for five baht apiece. The company is set to list on the Stock Exchange of Thailand (SET) on Feb 23 under the symbol SCN.

Proceeds will be used to fund setting up its third compressed natural gas (CNG) factory worth 300 million baht to boost its daily production capacity by 20% from 450 tonnes.

"Scan Inter has a healthy financial record," said Pongsak Phrukpaisal, assistant managing director at Kasikorn Securities.

"Its current debt-to-equity ratio of 1.3 will drop below 1 after the IPO. The company reported constant revenue growth recently averaging 18% and is likely to have significant growth in the future."

The financial adviser and lead underwriter is Kasikorn Securities, while co-underwriters are CIMB Securities (Thailand), RHB OSK Securities (Thailand), Thanachart Securities and KT Seamico Securities.

Scan Inter provides a full range of CNG supplies for industries.

Executive director Littee Kitpipit said growth potential for supplying CNG to the industrial sector was huge as the gas can help industrial users pay 10% less on energy costs.

There are many industrial areas located far from PTT's gas supply chain and logistics, and these will be Scan Inter's main target customers.

For the first nine months of last year, Scan posted revenue of 1.74 billion baht compared with 2.12 billion for all of 2013. Natural-gas-related business dominated two-thirds of revenue.