



## ● Industry Overview



The packaging industry overview has grown from the increasing of consumer demand from the relaxation of government measures to control the spread of the coronavirus disease 2019 (COVID-19) but remains under pressure from the cost of raw materials in production especially higher energy costs. It also affects the cost of other raw materials which are used in production.

By the trend of rising prices of energy, raw materials, and transportation costs, it is expected that downstream producers will raise their prices, which will affect industry growth and consumption in the future.

## ● Business Overview



The Company's income increased from the same quarter of the previous year. Although being pressured by higher raw material costs, especially energy costs. The Company has cost management plans by increasing production efficiency, adopting modern technology and innovations in the production process, managing raw material costs by adjusting production formulas and negotiating prices with suppliers, increasing the proportion of high-margin products, and negotiating price adjustments with customers, also negotiating acquisitions and building business alliances (M&A/P). Currently, the Company is in the process of doing due diligence in many businesses related to packaging. This will help strengthen the product range and meet the customer's needs comprehensively.

For the first quarter of 2022, the Company had revenue of THB 3,967 million, an increase of THB 670 million or 20% YoY, mainly from the glass packaging business of THB 3,521 million, and the packaging business of THB 490 million. Even though production costs were increased, the Company still has net profit to equity holders of the Company equal to THB 217 million, an increase of THB 35 million or 19% YoY.



### Company Milestone of the Quarter 1/2022

- 2 February 2022** Completed the restructuring of the energy business by selling all shares in Solar Power Management (Thailand) Company Limited ("SPM") to BG Energy Solution Company Limited ("BGE").
- 22 February 2022** Approved the investment of cold repair in glass furnace No. 1 of Ayutthaya plant in the amount of THB 1,250 million.
- 21 March 2022** Signing cooperation agreement with Bangkok Komatsu to bring clean energy technology such as battery forklifts to proactively optimize the production of integrated packaging.
- 28 March 2022** BGP expanded of production area in Ayutthaya Branch 2 to prepare for flexible packaging production, which is expected to start production in Quarter 2 2023.





### Income Statement

#### Earnings Result of 1Q22

<i>Unit : Million Baht</i>	Mar - 21 <sup>2</sup>	Mar - 22	VS. LY
Sales /1	3,297	3,967	+20%
Cost of Goods Sold - Cash	(2,346)	(2,955)	+26%
Cost of Goods Sold - Non-Cash	(388)	(422)	+9%
<b>Gross Profits</b>	<b>563</b>	<b>590</b>	<b>+5%</b>
GP %	17.1%	14.9%	-220 bps
Selling and Admin Expenses	(314)	(407)	+30%
<b>Total Operating Expenses</b>	<b>(1,336)</b>	<b>(1,368)</b>	<b>+2%</b>
Other Income	19	23	+23%
Unrealized Exchange rate gain/(loss)	9	1	-83%
Non-Recurring item - Net	(16)	82	-613%
<b>Earnings Before Interest and Tax</b>	<b>261</b>	<b>289</b>	<b>+11%</b>
Financial Cost	(41)	(41)	+0.0%
<b>Net Profit Before Tax</b>	<b>220</b>	<b>248</b>	<b>+13%</b>
Income Taxes	(12)	(23)	+92%
Profit for the year from discontinued operations <sup>/3</sup>	8	-	-100%
<b>Net Profit After Tax</b>	<b>215</b>	<b>226</b>	<b>+5%</b>
<b>Net Profit to Non-Controlling Interest</b>	<b>33</b>	<b>9</b>	<b>-73%</b>
<b>Net Profit to Equity holders of the Company</b>	<b>182</b>	<b>217</b>	<b>+19%</b>
From continuing operations	177	217	+22%
From discontinued operations	5	-	-100%
<b>EBITDA</b>	<b>689</b>	<b>623</b>	<b>-10%</b>

**Remarks** /1 Sales included transportation revenue and trading income

/2 Business combination under common control, as a result, the company restated prior year financial for comparative purposes.

/3 The energy business is classified under TFRS 5 as non-current assets held for sale and discontinued operations consist of elements of the discontinued group that have been disposed of or have been classified as held for sale.

### Sales Revenue 1Q22

Unit : Million Baht	Mar - 21	Mar - 22	VS. LY
Revenue from Sales	3,297	3,967	+20%
Glass packaging business	2,932	3,521	+20%
Packaging business (Non-Glass)	426	490	+15%
Elimination	(61)	(44)	-28%

Sales Revenue, 4Q21 sales revenue of THB 3,967 million, an increase of THB 670 million or 20% YoY, mainly due to the following reasons:

#### Glass packaging business

- In 1Q22, revenue from sales by THB 3,521 million, an increase of THB 589 million or 20% YoY, due to an increase in revenue from beer of THB 415 million or 35% YoY, and soft drinks increase by THB 126 million or 12% YoY, and partly from the export income increase by THB 172 million or 72% YoY, due to economic recovery and easing of lockdown measures in many countries.

#### Packaging business (Non-Glass)

- In 1Q22, sales revenue is THB 490 million, an increase of THB 64 million or 15% YoY, from an increase in all product groups (Paper, PET bottles, and film) by sales increase and selling price adjustments based on production costs increased.



### Gross Profit of 1Q22

Unit : Million Baht	Mar - 21	Mar - 22	VS. LY
Gross Profit	563	590	+5%
Glass packaging business	521	557	+7%
Packaging business (Non-Glass)	35	34	-3%
Elimination	7	(1)	-114%

Gross Profits, 1Q22 THB 590 million, an increase THB 27 million or 5% YoY, with a gross profit margin of 14.9%, a decrease of 220 bps YoY, mainly due to the following reasons:

#### Glass packaging business

- In 1Q22, gross profit is THB 557 million, an increase of THB 36 million or 7% YoY, from an increase in sales revenue but gross profit margin decreases by 15.8% or 200 bps YoY. Because the cost of raw materials in production is raised, especially energy cost.

#### Packaging business (Non-Glass)

In 1Q22, gross profit is THB 34 million an increase of THB 1 million or 3% YoY. Due to the cost of raw materials in production has increased.





### Quarter 1/2022

#### Selling and administrative expenses:

In 1Q22, selling and administrative expenses are THB 407 million, an increase of THB 93 million or 30% YoY as an increase in sales revenue. However, 1Q22 selling and administrative expenses accounted for 10.3% of sales revenue which is close to the same quarter of last year.

#### Tax expense:

In 1Q22, tax expense is THB 23 million, an increase of THB 11 million or 92% YoY, in line with the increasing of net profit and ended of tax benefits (BOI) in some plants.

#### Net Profit to Equity holders of the Company:

In 1Q22, the net profit to equity holders of the company is THB 217 million, an increase of THB 35 million or 19% YoY due to an increase in sales revenue including raw material costs and expenses in line with the current situation where raw material costs in production, especially energy cost is rising.



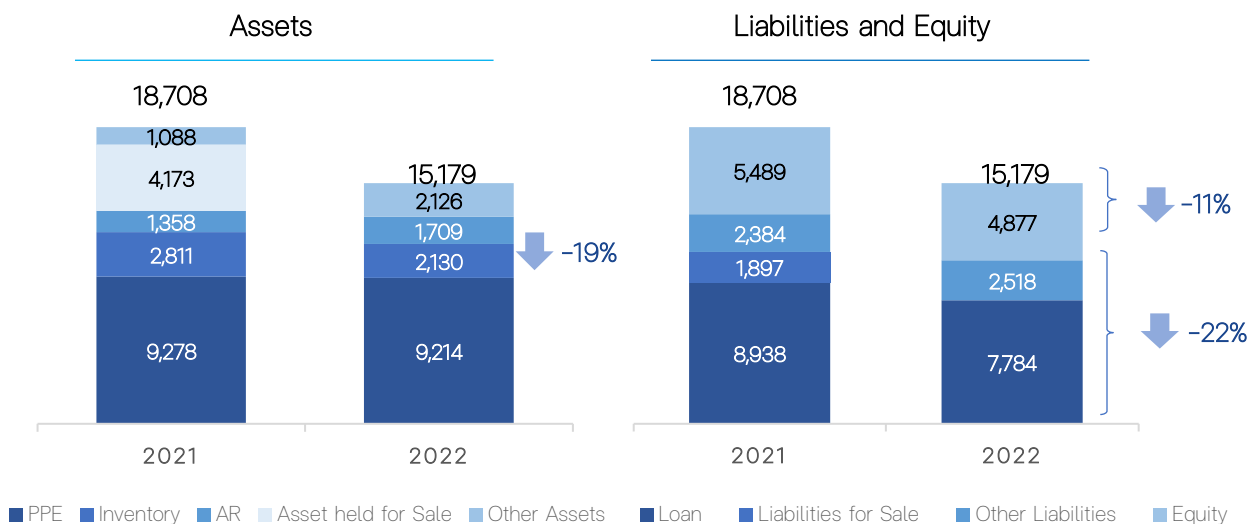
#### Special Gain from Restructuring of solar power business:

The Extraordinary shareholders' meeting passed the resolution to approve the Company to restructure the solar power business on 5 November 2021. This transaction has been completed in 1Q2022 as a result of the company realizing a gain on sale of group of assets classified as held-for-sale in the statement of comprehensive income amount THB 81 million as the details on financial statement note 17.

● Statement of Financial Position  
As of 31 March 2022



(Unit : Million)



**Total Assets** As of 31 March 2022, the Company's total assets were THB 15,179 million, a decrease of THB 3,529 million or 19% YoY, mainly as of December 2021 the Company remains recorded non-current assets held for sale in the energy business group.

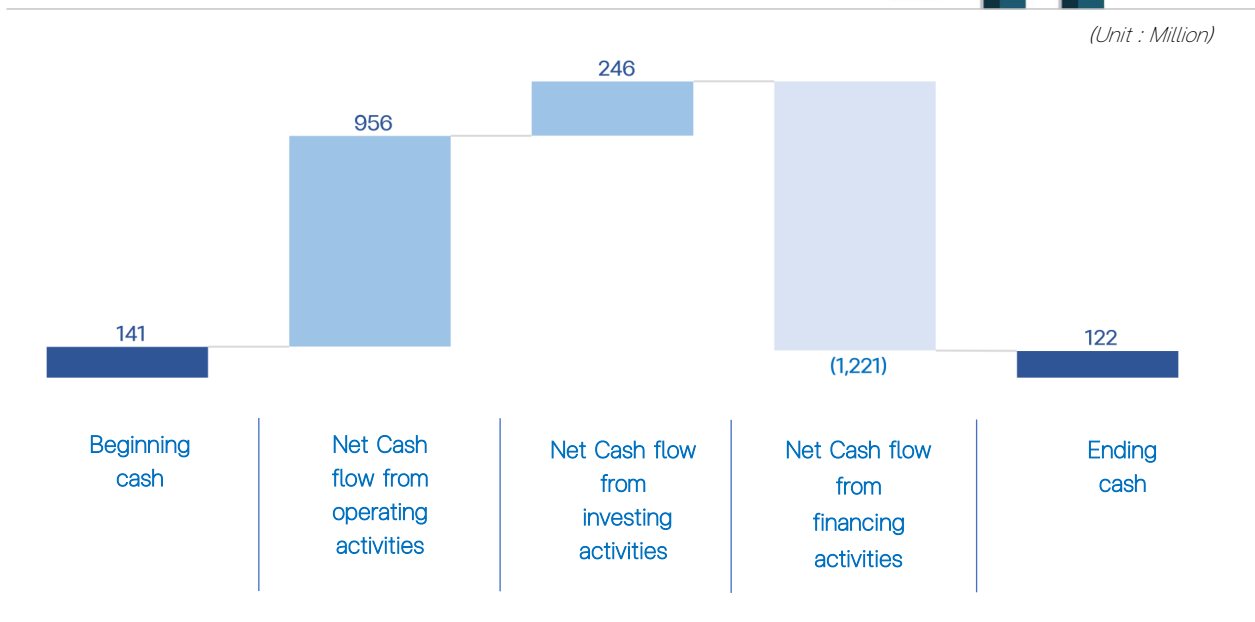


**Total Liabilities** As of 31 March 2022, the Company's total liabilities of THB 10,302 million, a decrease of THB 2,917 million or 22% YoY, mainly due to a decrease in short-term and long-term borrowings from financial institutions and as of the end of 2021, the Company remains recorded liabilities directly related to non-current assets held for sale in the Energy Business Group.



**Total Equity** As of 31 March 2022, the Company's total equity of THB 4,877 million, a decrease of THB 612 million or 11% YoY, mainly due to a decrease in non-controlling interests from the restructuring of investments in the energy business.

## ● Statement of Cash Flows



**Net Cash flow from operating activities**, of THB 956 million from operating profit of THB 228 million, non-cash items THB 350 million, and decreasing in working capital of THB 378 million.



**Net Cash flow from investing activities**, of THB 246 million from repayment cash by related parties of THB 262 million, from repayment cash by sell on other long-term investment THB 338 million, and paid for purchase of land and equipment THB 351 million.



**Net Cash flow from financing activities**, of THB 1,221 million due to repayment loans to financial institutions.



## ● Financial Ratios

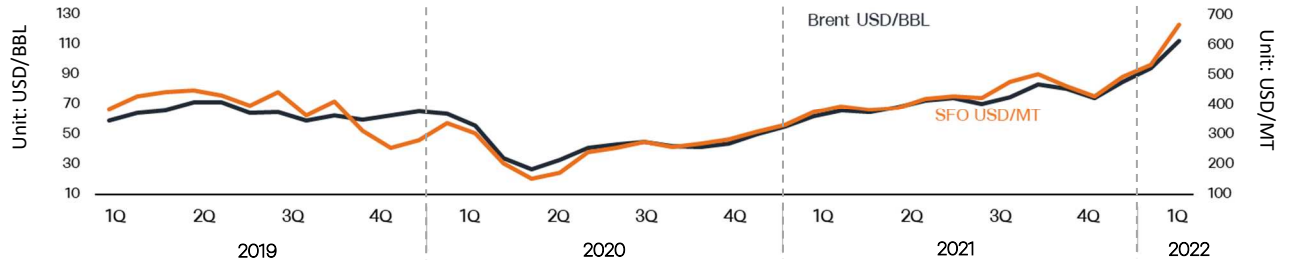
Key Ratios	Period Ending		
	Dec - 21	Mar - 22	Ch. +(-)
Collection period (days)	42.7	45.7	3.0
Inventory turnover (days)	49.1	36.2	(12.9)
Payment period (days)	44.0	46.0	2.0
Operating Working Capital (days)	<b>47.9</b>	<b>35.9</b>	<b>(12.0)</b>
Debt to Equity (times)	2.4	2.1	(0.3)
Net Debt to EBITDA (times)	3.5	3.1	(0.4)
DSCR (times)	1.2	1.5	0.3

As of 31 March 2022, the Company had an Operating Working Capital of 35.9 days, a decrease of 12 days mainly due to a decreasing in Inventory turnover from increasing in sales revenue.

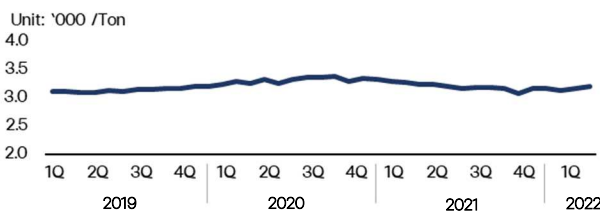
Debt to Equity ratio was 2.1 times, a decrease from the end of 2021 of 2.4 times, but remained under the terms of the Group of Company's covenant at 3 times, mainly due to repayment loans from financial institutions.



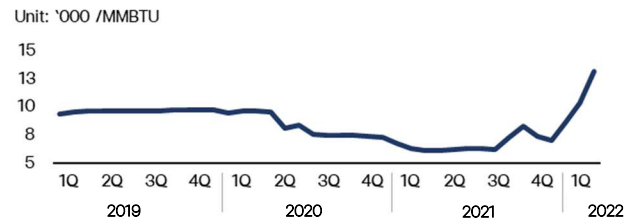
## Raw material trend



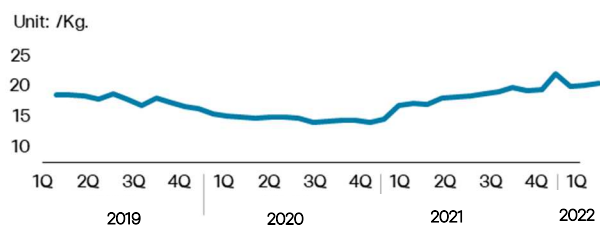
**Energy** in 1Q22 increased by 22% YoY, due to the Russian-Ukrainian war crisis resulting in a drop in the supply of oil production. In addition, the Organization of the Petroleum Exporting Countries (OPEC) and its allies have not agreed to increase production according to the demands of many countries. Inversely, since market demand is higher from the easing of the coronavirus disease 2019 (COVID-19) epidemic situation, many countries around the world have relaxed measures and gradually accept tourists from abroad. consequently, the demand for energy for economic activities continues to increase.



**Cullet** price remained stable at the same level as before but the forecasting trend will increase as higher energy prices and tighten the production of Soda Ash supply.



**Soda Ash** price increased 42% QoQ, and the market signs have trended to increase due to the impact of higher energy costs.



**Paper** price increased by energy prices and pulp prices from market demand increased.



**HDPE & PET** price increased by energy prices and demand increased.

## Projects Progress

- The production capacity expansion project of Flexible Packaging is on plan by expected to commercial operate in 2Q23 which will be able to increase sales by about THB 700 million per year.
- The company is in the process of reviewing plans for new glass furnaces and maintenance plan, in accordance with the current production cost and expenditure situation.

