



## THAI PLASPAC PUBLIC COMPANY LIMITED (“TPAC”)

### Management Discussion and Analysis for the 1<sup>st</sup> Quarter ending March 31<sup>st</sup>, 2022

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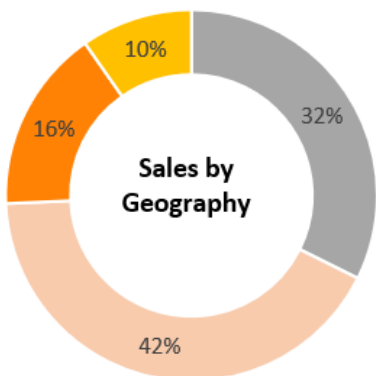
# TPAC Overview

**Thai Plaspac Public Company Limited (“TPAC”) is a packaging solutions specialist, focused on the design and manufacture of recyclable plastic packaging for the consumer and pharmaceutical segments.**

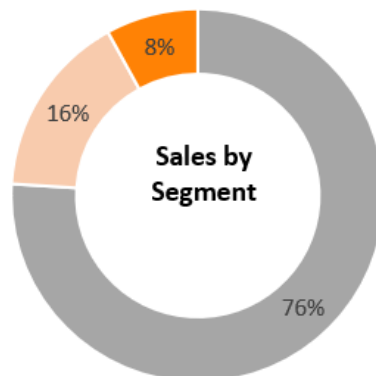
 <p>Diversified over <b>1,500 customers</b></p> <p>Unique structured with Agile and nimble supply</p>  <p>Highly diversified Customer base</p>	 <p><b>Design Led, customised Solutions</b></p> <p>A world class infrastructure to cater to the needs of its customers</p>	 <p><b>Market Leader</b></p> <p>Leadership position across all our niche markets</p> <p>Rigid Food, Pharmaceutical packaging in Thailand, UAE &amp; India</p> <p>Rigid In-Mould Labelled (‘IML’) Food packaging in Malaysia</p>	 <p><b>100% emerging market exposure</b></p> <p>17 Production sites (Including 2 under construction and 3 via acquisition)</p> <ul style="list-style-type: none"> <li>• 4 in Thailand</li> <li>• 2 in UAE</li> <li>• 5 in India + 2 under construction + 3 via Skypet Acquisition</li> <li>• 1 in Malaysia</li> </ul>	 <p>Focused on <b>100% recyclable or recycled polymers</b></p> <p>PET / rPET</p> <p>PP / rPP</p> <p>HDPE / rHDPE</p>
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**Geographic and Industry Segmentation**

Basis Q’1 22 data



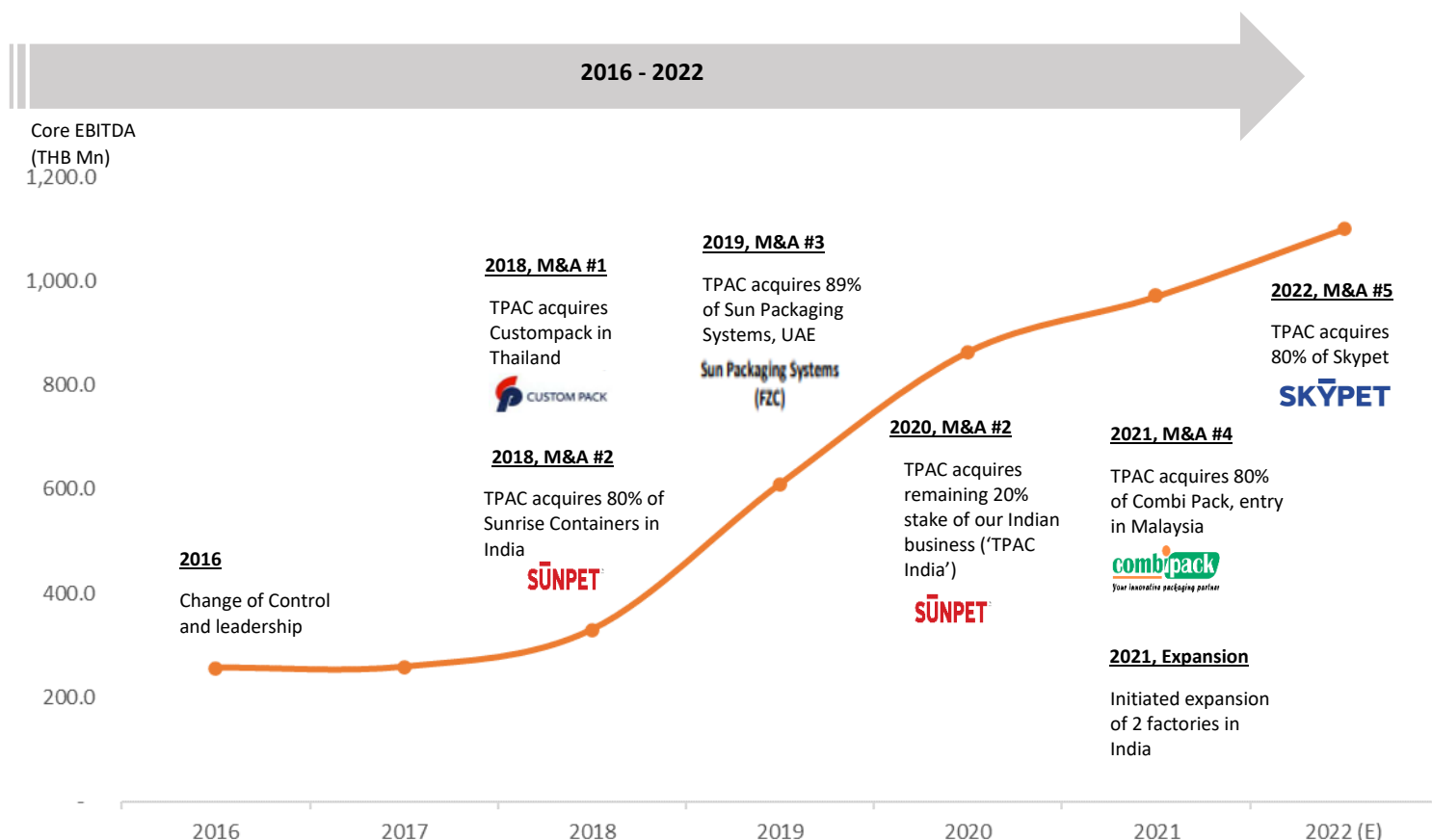
- Thailand
- India
- Malaysia
- UAE



- Food and Beverages
- Pharmaceutical and Personal Care
- Home Care & Industrial

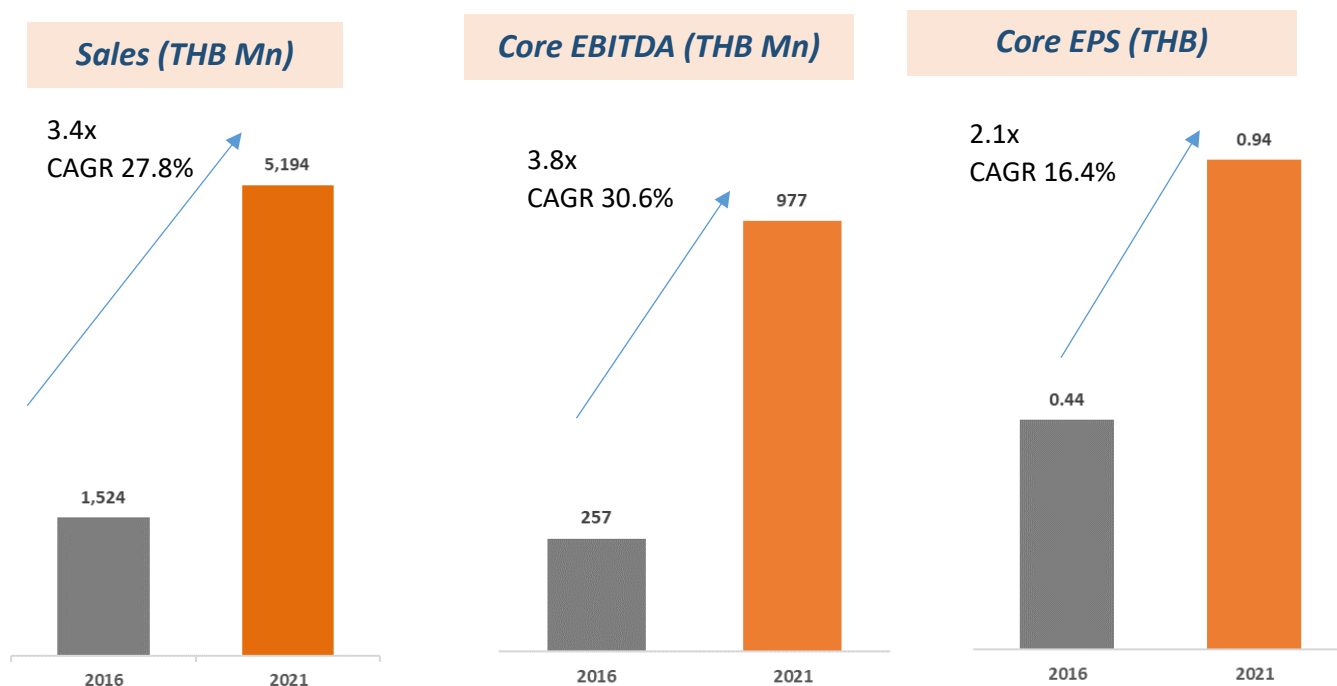
TPAC’s production facilities are certified with world class hygiene controls with ~ 90% of TPACs portfolio catering to segments where stringent hygiene standards are a requisite (Food & Beverage, Pharmaceuticals & Personal Care). The remainder of our portfolio comprises of the home care & industrial segment.

**35 years legacy provided a robust foundation to new sponsors and management to turbo charge TPAC**



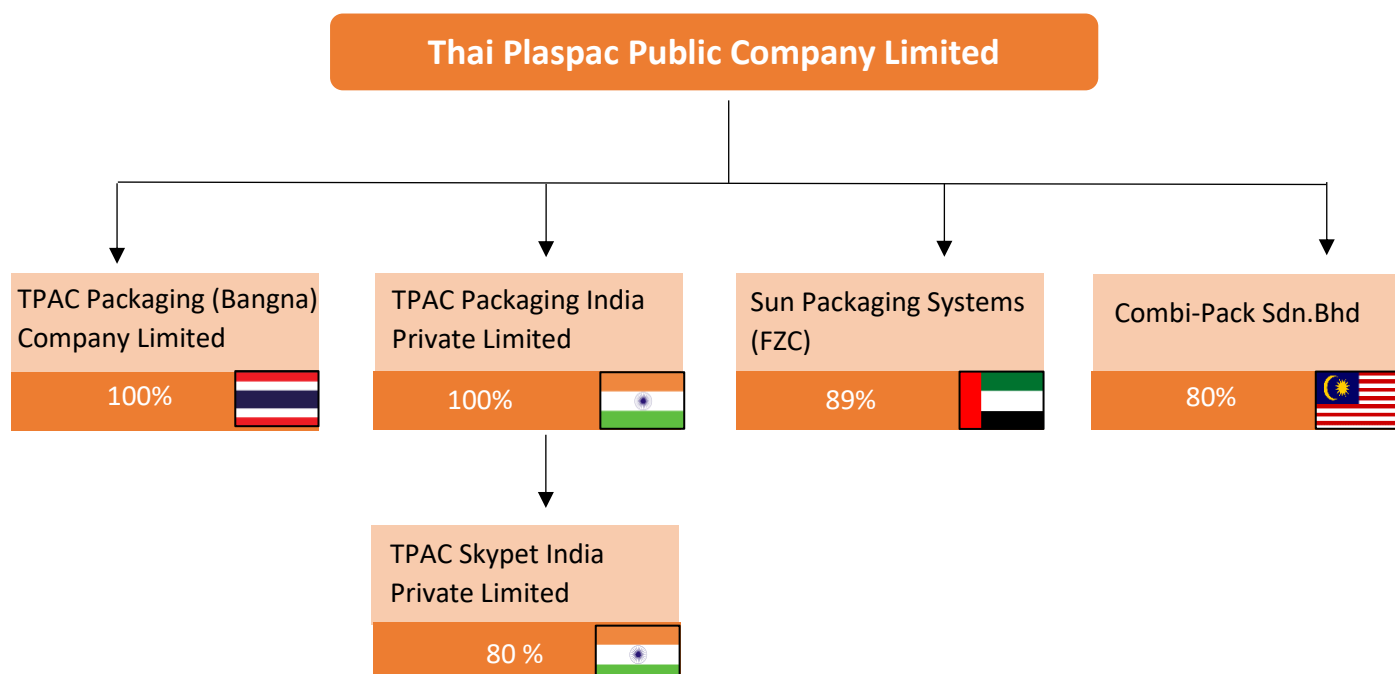
- TPAC began operations in 1983 from its headquarters based out of Bangkok, Thailand.
- For ~4 decades TPAC has been a packaging partner to some of the world's leading brands and entrepreneurs. TPAC's specialty focus is food & pharmaceutical recyclable rigid plastic packaging.
- In '16, under new leadership (post a change of control at the shareholder level), a bolder vision was outlined for TPAC.
- The company has since transformed itself into a global company with 17 manufacturing sites across 4 countries.
- From '17 to '20 we experienced consecutive upgrades to our CG rating and we are now at a 4-star (Very Good) rating.

***TPAC performance over the last 5 years is driven by a focussed strategy and execution discipline***



- Over the last 5 years, TPAC's sales have grown 3.4x times which has been a mix of both organic and inorganic growth. Sales CAGR has been ~ 28% between FY16 to FY21.
- In line with sales, Core EBITDA has also increased 3.8x times with a CAGR of ~ 31% between FY16 to FY21.
- Core EPS increased 2.1x times with a CAGR of ~ 16% between FY16 to FY21.

## TPAC Existing Corporate Structure



- Thai Plaspac Public Company Limited, is the parent holding company of the Group and is publicly listed on the Stock Exchange of Thailand.
- TPAC currently has 4 direct subsidiaries (as presented in the above table). While the subsidiaries located in Thailand and India are 100% owned, the subsidiaries located in UAE and in Malaysia are minority held by partners, who were erstwhile founders of these companies.
- TPAC Packaging India Private Limited has recently formed a wholly owned subsidiary named TPAC Skypet India Private Limited, as an acquisition vehicle for acquiring business of Skypet Polymers w.e.f. 01 April 2022. Currently TPAC holds 80% and erstwhile founder holds balance 20%.
- TPAC Consolidated numbers consist of earnings from all the above subsidiaries which are consolidated into Thai Plaspac Public Company Limited.

# Executive summary



## Financial & Business performance for the 1<sup>st</sup> quarter ended 31<sup>st</sup> March 2022

(THB Mn)

	Quarterly					Financial Years		
	Q1'22	Q4'21	%Δ	Q1'21	%Δ <sup>1</sup>	FY21	FY20	%Δ
Consolidated Sales <sup>2</sup>	1,620	1,570	3%	1,089	49%	5,194	3,983	30%
EBITDA	260	290	-10%	252	3%	952	862	10%
<b>Core EBITDA<sup>3</sup></b>	<b>263</b>	<b>295</b>	<b>-11%</b>	<b>252</b>	<b>5%</b>	<b>977</b>	<b>864</b>	<b>13%</b>
Core EBIT <sup>3</sup>	151	151	0%	168	-11%	549	543	1%
Core Net Profit <sup>3</sup>	99	82	20%	117	-16%	329	354	-7%
Core Net Profit after Tax and NCI <sup>3</sup>	91	75	22%	113	-19%	307	323	-5%
EPS	0.27	0.22	24%	-0.06	542%	0.47	0.99	-53%
<b>Core EPS<sup>3</sup></b>	<b>0.28</b>	<b>0.23</b>	<b>22%</b>	<b>0.35</b>	<b>-19%</b>	<b>0.94</b>	<b>0.99</b>	<b>-5%</b>
Core ROE <sup>4</sup>	17%	14%	3%	22%	-5%	15%	17%	-2%
Debt to Equity (times) <sup>5</sup>	1.36	1.28	0.08	0.93	0.43	1.28	0.96	0.32
Net Debt to Equity (times) <sup>6</sup>	1.11	1.12	-0.01	0.82	0.29	1.12	0.86	0.26

1. %Δ: Q1'22 vs Q1'21, 2. Revenue growth may not present a clear picture of actual sales growth, as our sales prices are a function of underlying feedstock (polymer) prices due to pass through pricing mechanism., 3. Core excludes one-time expenses primarily related to M&A costs and any extraordinary item. 4. Core ROE (FY) = FY Core Profit attributable to equity / FY Avg. Equity excluded NCI, Core ROE (Qn) = Qn Core Profit attributable to equity (annualized) / Qn Equity excluded NCI, 5. Debt to Equity = IBD / Equity, 6. Net Debt to Equity = (IBD - Cash) / Equity.

- Revenue increased by 49% over the same period last year and increased by 3% to previous quarter.
- Core EBITDA (Baht 263m) increased by 5% to same period last year and decreased by 11% to previous quarter.
- Core earnings per share (Baht 0.28 per share) decreased by 19% to same period last year and increased by 22% to previous quarter.
- EBITDA (Baht 260m) increased by 3% to same period last year and decreased by 10% to previous quarter.
- Earnings per share (Baht 0.27 per share) increased by 542% to same period last year and increased by 24% to previous quarter.

## Key Strategic Initiatives and Business Highlights across TPAC Group

1) **Capacity Expansion:** There are two plants in India which are currently under construction and details for which are as follows:

- World Class Pharmaceutical plant currently under construction in West of India (greenfield project): ~22000 sq meter state of art building with clean room facility of ~5500 sq meter to be ready as planned by Q2 2022. The construction is in advance stages and this new facility will cater to food, Pharmaceutical & medical devices verticals.
- Our new plant currently under construction in North of India (greenfield project): ~ 10000 sq meter state of art building with clean room facility of ~1500 sq meter has started commercial production during Q2 2022. The state- of the art plant would cater to customers in food and the pharmaceutical segment.

2) **Acquisition and Partnerships:**

On December 31, 2021, an agreement to sell business (“ASB”) was executed for the acquisition of business undertaking of Skypet Polymers on a ‘slump sale’ basis.

TPAC has acquired the business undertaking of Skypet Polymers through its indirect subsidiary namely “TPAC Skypet India Private Limited” and the said acquisition was completed on April 1, 2022. TPAC holds 80% and erstwhile founder holds balance 20% of TPAC Skypet India Private Limited. With the closing of this transaction, TPAC widens its regional manufacturing presence to include the South of India and consolidates its presence in beverages segment.

3) **Digitization Project:**

TPAC plans to roll out a company-wide CRM system, as we continue to synergize on our customer relationships across the geographies. CRM architecture design is complete, and we will be launching our CRM concurrently across India, UAE & Malaysia with Thailand to follow. It is expected by Q3 this year our CRM roll out would be complete and the usage of this tool is expected to be deeply embedded in our daily working processes and culture.

4) **Sustainability:**

TPAC considers sustainability as a huge opportunity in times ahead. With TPAC’s 100 % packaging focus on recyclable polymers and resins, there are numerous ongoing and under development projects being led by TPAC such as production using recycled resins, weight optimisation projects, conversion from recyclable unfriendly polymers to recyclable polymers, Monolayer conversion projects and projects relating to reusability of cups and containers.

# Financial performance

## A) Consolidated Income Statement

(THB Mn)

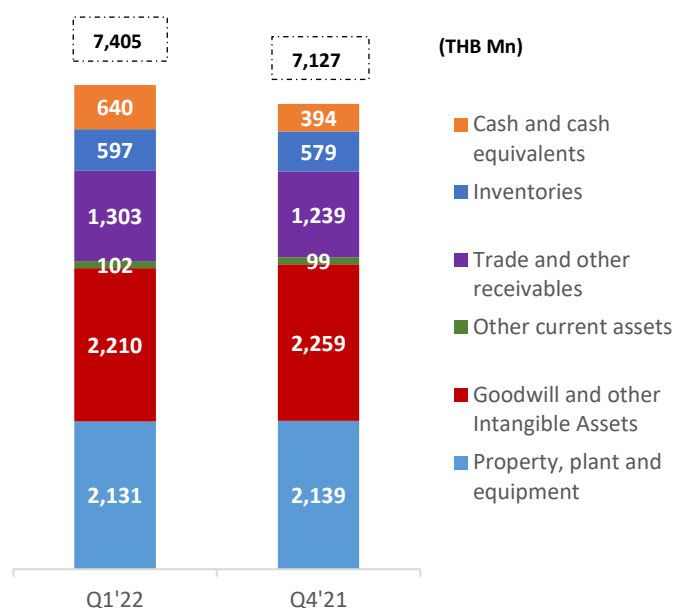
	Q1'22	Q4'21	% Δ	Q1'22	Q1'21	%Δ	FY'21	FY'20	%Δ
Sales	1,620	1,570	3%	1,620	1,089	49%	5,194	3,983	30%
Cost of sales	1,349	1,301	4%	1,349	815	65%	4,190	3,025	38%
<b>Gross Profit</b>	<b>271</b>	<b>269</b>	<b>1%</b>	<b>271</b>	<b>274</b>	<b>-1%</b>	<b>1,004</b>	<b>957</b>	<b>5%</b>
<b>Gross Profit Margin %</b>	<b>16.7%</b>	<b>17.1%</b>	<b>0%</b>	<b>16.7%</b>	<b>25.1%</b>	<b>-8%</b>	<b>19.3%</b>	<b>24.0%</b>	<b>-5%</b>
SG&A	151	143	6%	151	120	26%	535	473	13%
Other income	28	20	35%	28	15	88%	55	57	-3%
<b>EBITDA</b>	<b>260</b>	<b>290</b>	<b>-10%</b>	<b>260</b>	<b>252</b>	<b>3%</b>	<b>952</b>	<b>862</b>	<b>10%</b>
<b>EBITDA Margin %</b>	<b>15.78%</b>	<b>18.3%</b>	<b>-2%</b>	<b>15.8%</b>	<b>22.8%</b>	<b>-7%</b>	<b>18.1%</b>	<b>21.4%</b>	<b>-3%</b>
<b>Core EBITDA</b>	<b>263</b>	<b>295</b>	<b>-11%</b>	<b>263</b>	<b>252</b>	<b>5%</b>	<b>977</b>	<b>864</b>	<b>13%</b>
<b>Core EBITDA Margin %</b>	<b>16.0%</b>	<b>18.5%</b>	<b>-3%</b>	<b>16.0%</b>	<b>22.8%</b>	<b>-7%</b>	<b>18.6%</b>	<b>21.4%</b>	<b>-3%</b>
Depreciation and amortization	113	144	-22%	113	83	35%	428	321	33%
<b>EBIT</b>	<b>147</b>	<b>146</b>	<b>1%</b>	<b>147</b>	<b>168</b>	<b>-13%</b>	<b>524</b>	<b>541</b>	<b>-3%</b>
<b>Core EBIT</b>	<b>151</b>	<b>151</b>	<b>0%</b>	<b>151</b>	<b>168</b>	<b>-11%</b>	<b>549</b>	<b>543</b>	<b>1%</b>
<b>Core EBIT Margin %</b>	<b>9.1%</b>	<b>9.5%</b>	<b>0%</b>	<b>9.1%</b>	<b>15.3%</b>	<b>-6%</b>	<b>10.4%</b>	<b>13.4%</b>	<b>-3%</b>
Finance costs	34	44	-23%	34	26	30%	137	105	30%
<b>Profit Before Tax</b>	<b>113</b>	<b>102</b>	<b>11%</b>	<b>113</b>	<b>142</b>	<b>-20%</b>	<b>387</b>	<b>436</b>	<b>-11%</b>
<b>Core Profit Before Tax</b>	<b>117</b>	<b>107</b>	<b>10%</b>	<b>117</b>	<b>142</b>	<b>-18%</b>	<b>411</b>	<b>437</b>	<b>-6%</b>
<b>Core Profit Before Tax Margin %</b>	<b>7.1%</b>	<b>6.7%</b>	<b>0%</b>	<b>7.1%</b>	<b>12.9%</b>	<b>-6%</b>	<b>7.8%</b>	<b>10.8%</b>	<b>-3%</b>
Income tax expense	17	23	-25%	17	158	-89%	212	83	155%
<b>Net Profit</b>	<b>96</b>	<b>79</b>	<b>21%</b>	<b>96</b>	<b>(16)</b>	<b>-703%</b>	<b>175</b>	<b>353</b>	<b>-50%</b>
<b>Net Profit Margin %</b>	<b>5.8%</b>	<b>5.0%</b>	<b>1%</b>	<b>5.8%</b>	<b>-1.4%</b>	<b>7%</b>	<b>3.3%</b>	<b>8.7%</b>	<b>-5%</b>
<b>Core Net Profit</b>	<b>99</b>	<b>82</b>	<b>20%</b>	<b>99</b>	<b>117</b>	<b>-16%</b>	<b>329</b>	<b>354</b>	<b>-7%</b>
<b>Core Net Profit Margin %</b>	<b>6.0%</b>	<b>5.2%</b>	<b>1%</b>	<b>6.0%</b>	<b>10.6%</b>	<b>-5%</b>	<b>6.3%</b>	<b>8.8%</b>	<b>-3%</b>
<b>Net Profit after Tax and NCI</b>	<b>89</b>	<b>72</b>	<b>24%</b>	<b>89</b>	<b>(20)</b>	<b>-542%</b>	<b>153</b>	<b>322</b>	<b>-53%</b>
<b>Net Profit after Tax and NCI Margin %</b>	<b>5.4%</b>	<b>4.5%</b>	<b>1%</b>	<b>5.4%</b>	<b>-1.8%</b>	<b>7%</b>	<b>2.9%</b>	<b>8.0%</b>	<b>-5%</b>
<b>Core Net Profit after Tax and NCI</b>	<b>91</b>	<b>75</b>	<b>22%</b>	<b>91</b>	<b>113</b>	<b>-19%</b>	<b>307</b>	<b>323</b>	<b>-5%</b>
<b>Core Net Profit after Tax and NCI Margin %</b>	<b>5.5%</b>	<b>4.7%</b>	<b>1%</b>	<b>5.5%</b>	<b>10.2%</b>	<b>-5%</b>	<b>5.8%</b>	<b>8.0%</b>	<b>-2%</b>

Non-Recurring income/(expenses) (THB Million)	Q1'22	Q4'21	Q1'22	Q1'21	FY'21	FY'20
Overseas M&A Related Expenses	(3)	(3)	(3)	-	(6)	-
Thailand M&A Related Expenses	(1)	(2)	(1)	(1)	(18)	(1)
Deferred tax - pursuant to disallowance of amortization of goodwill on acquisition	-	-	-	(133)	(133)	-
<b>Total</b>	<b>(3)</b>	<b>(4)</b>	<b>(3)</b>	<b>(134)</b>	<b>(158)</b>	<b>(1)</b>

- Sales Volume during Q1'22 increased by 18.6% as compared to same period last year and increased by 3.3% as compared to last quarter on the back of higher customer demand.
- Core EBITDA increased by 5% as compared to same period last year and decreased by 11% as compared to last quarter.
- Depreciation and amortisation cost declined by 22% as compared to previous quarter. During Q4'F21, amortisation cost included one-time impact in relation to purchase price allocation relating to our acquisition of Combi-Pack in Malaysia.
- Finance cost reduced by 23% as compared to previous quarter. Finance cost during Q4'21 was higher on account of one-time charge of THB 7.8 mn related to crystallisation of balance upfront fees on account of pre-mature repayment of debenture in India during Q4'21.

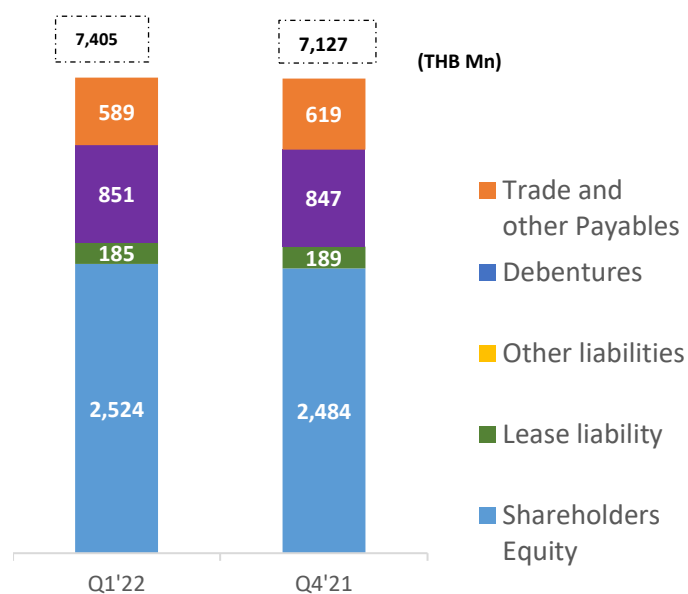
## B) Consolidated Balance Sheet

### ASSETS



- Overall assets of the company stand at ~ THB 7,405mn at Q1'22.
- Tangible and intangible assets comprise 59% of the total assets at Q1'22
- Increase in total assets at Q1'22 is primarily attributable to increase in Cash and Cash Equivalents.

### LIABILITIES



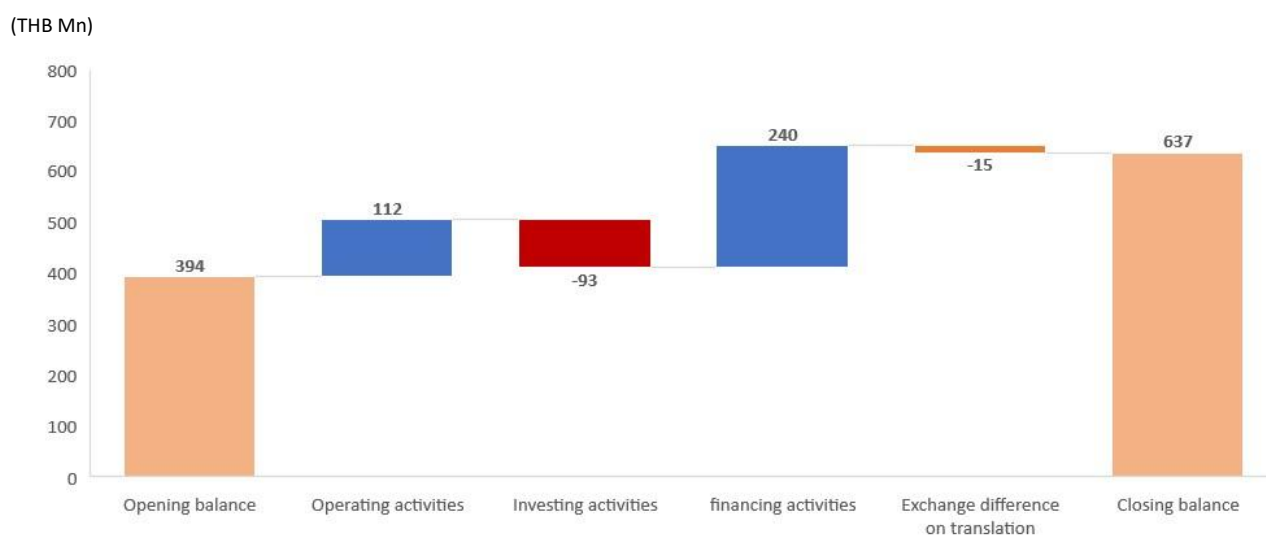
- Increase in total liabilities is primarily on account of increase in loan from banks by ~270 Mn TBH.
- Net debt to equity ratio stands at 1.11x at Q1'22

## C) Consolidated Cash Flow

(THB Mn)

Cash Flows (THB Million)	Q1'22	Q4'21
Net cash received from operating activities	112	536
Net cash used in investing activities	-93	-52
Net cash used/received in financing activities	240	-375
Decrease in exchange differences on translation of financial statements in foreign currency	-15	-8
Net increase/decrease in cash and cash equivalents	244	102
Cash and Cash Equivalents - Opening Balance	394	292
Cash and Cash Equivalents - Closing Balance	637	394

### Cash flow bridge for 3 months period Q'1 FY22:



- TPAC has positive operating cash flow aggregating THB 112mn for the period Q1'22.
- Investing activities primarily comprises of purchase of fixed assets.
- Financing activities is mainly related towards new loans taken, repayment of existing loan and finance cost.

Safe harbour:

Certain words and statements in this communication concerning THAI PLASPAC PUBLIC COMPANY LIMITED (“the Company”) and its prospects, and other statements relating to the Company’s expected financial position, business strategy, the future development of the Company’s operations and the general economy in India & global markets, are forward looking statements.

Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company, or industry results, to differ materially from those expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future.

The important factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements include, among others, changes in government policies or regulations and, in particular, changes relating to the administration of the Company’s industry, and changes in general economic, business and credit conditions .

The information contained in the MD&A is only current as of its date and has not been independently verified. No express or implied representation or warranty is made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in this MD&A. None of the Company or any of its affiliates, advisers or representatives accepts any liability whatsoever for any loss howsoever arising from any information presented or contained in this MD&A. Please note that the past performance of the Company is not, and should not be considered as, indicative of future results. Furthermore, no person is authorized to give any information or make any representation which is not contained in, or is inconsistent with, this MD&A. Any such extraneous or inconsistent information or representation, if given or made, should not be relied upon as having been authorized by or on behalf of the Company.

The Company may alter, modify or otherwise change in any manner the contents of this MD&A, without obligation to notify any person of such revision or changes.

# Annexures



## Consolidated Balance Sheet

(THB Mn)

	Q1'22	Q4'21	% Δ
Cash and cash equivalents	637.4	393.8	62%
Current investment	2.4	-	n/a
Trade and other receivables	1,303.4	1,238.7	5%
Inventories	597.1	579.2	3%
Other current financial assets		2.4	-100%
Advance purchase for raw material	5.6	14.3	-61%
Other current assets	96.8	82.5	17%
<b>Total current assets</b>	<b>2,642.8</b>	<b>2,310.9</b>	<b>14%</b>
Restricted bank deposits	17.6	17.9	-2%
Long-term investment	0.4	0.4	7%
Property, plant and equipment	2,131.3	2,138.7	0%
Right-of-use assets	186.1	190.6	-2%
Excess of acquisition cost over estimated value of interest acquired in net assets from acquisition of the subsidiary	-	-	n/a
Goodwill	1,616.6	1,639.7	-1%
Intangible assets	593.4	619.0	-4%
Deferred tax assets	10.9	10.3	6%
Withholding tax deducted at source	70.4	70.4	0%
Advance payment for purchasing of molds	72.6	63.8	14%
Assets associated with call options	6.4	6.4	0%
Other non-current assets	56.8	58.9	-4%
<b>Total non current assets</b>	<b>4,762.3</b>	<b>4,816.0</b>	<b>-1%</b>
<b>Total assets</b>	<b>7,405.1</b>	<b>7,126.9</b>	<b>4%</b>
Bank overdraft and short-term loans from banks	902.6	751.1	20%
Trade and other payables	588.6	619.0	-5%
Current portion of long-term debentures	-	-	n/a
Current portion of long-term lease liabilities	12.3	13.8	-11%
Current portion of long-term loans from banks	285.3	256.6	11%
Income tax payable	35.2	23.6	49%
Other current financial liabilities	0.0	0.0	-51%
Other current liabilities	97.3	98.2	-1%
<b>Total current liabilities</b>	<b>1,921.4</b>	<b>1,762.3</b>	<b>9%</b>
Long-term debentures - net of current portion	-	-	n/a
Long-term lease liabilities, net of current portion	172.6	175.1	-1%
Long-term loans from banks - net of current portion	2,068.2	1,980.3	4%
Non-controlling interest put options	288.7	289.5	0%
Deferred tax liabilities	347.3	356.3	-3%
Provision for long-term employee benefits	82.4	79.6	4%
<b>Total non current liabilities</b>	<b>2,959.3</b>	<b>2,880.8</b>	<b>3%</b>
<b>Total liabilities</b>	<b>4,880.7</b>	<b>4,643.1</b>	<b>5%</b>
Registered share capital	326.6	326.6	0%
Issued and paid-up capital	326.6	326.5	0%
Premium on ordinary shares	1,027.0	1,027.0	0%
Appropriated - statutory reserve	32.7	32.7	0%
Retained earnings	770.4	681.0	13%
Other components of shareholders' equity	(7.1)	46.2	-115%
Excess of book value of acquired subsidiary over cost	20.0	20.0	0%
Equity attributable to owners of the Company	2,169.5	2,133.4	2%
Non-controlling interests of the subsidiaries	354.8	350.4	1%
<b>Total shareholders' equity</b>	<b>2,524.4</b>	<b>2,483.8</b>	<b>2%</b>
<b>Total liabilities and shareholders' equity</b>	<b>7,405.1</b>	<b>7,126.9</b>	<b>4%</b>
<b>Net Debt to Equity (times)</b>	<b>1.11</b>	<b>1.12</b>	

## Cash Flow (Consolidated)

(THB Mn)

	Q1'22	Q4'21
<b>Cash flow from Operating Activities</b>		
Profit Before Tax	113	102
Adjustment : Depreciation and Amortisation	113	144
Adjustment : Other adjustments	38	(228)
Profit from operating activities before changes to working capital	264	303
Net changes to working capital	(146)	227
Cash flows from Operating Activities	118	530
Cash receipt from refund of withholding tax deducted at source	-	23
Cash paid for corporate income tax	(6)	(17)
<b>Net Cash Flows from Operating Activities</b>	<b>112</b>	<b>536</b>
<b>Cash flow from Investing Activities</b>		
Acquisition of Fixed Assets	(97)	(62)
Acquisition of Intangible Assets	(1)	(0)
Proceeds from equipments sales	4	1
Other	1	10
<b>Net Cash Flow used in Investing Activities</b>	<b>-93</b>	<b>(52)</b>
<b>Cash flow from Financing Activities</b>		
Increase (decrease) in short-term loans from bank	152	(192)
Decrease from restricted bank deposit		5
Increase (decrease) in long-term loans from bank	189	435
Repayment of long-term loan	(64)	(117)
Repayment of debenture		(440)
Cash paid for finance lease payable	(7)	(13)
Cash paid for financial fees		(2)
Finance costs	(30)	(45)
Dividend Paid Out		(7)
<b>Net Cash Flow from Financing Activities</b>	<b>240</b>	<b>(375)</b>
Decrease in exchange differences on translation of financial statements in foreign currency	(15)	(8)
<b>Change in Cash and Cash Equivalents</b>	<b>244</b>	<b>102</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>394</b>	<b>292</b>
<b>Cash and Cash equivalents - Closing Period Balance</b>	<b>637</b>	<b>394</b>