



● Industry Overview



For the third quarter of 2022, the COVID-19 pandemic situation has been alleviated significantly. The government fully opened the country to drive tourism recovery and boost economy. As a result, the number of tourists traveling to Thailand and the domestic consumption have increased continuously, which supported the demand for food and beverage category as well as promoting the growth of the overall packaging industry.

However, the packaging industry was still affected by inflation, which pressured the purchasing power of consumers. Although the energy price dropped, the natural gas which is the primary factor of glass production increased due to the conflict between Russia and Western countries. Moreover, the dollar appreciation that resulted from Bank of Thailand's policy interest rate adjustments, has affected the cost of raw materials.

● Business Overview



The Company's revenue increased significantly from the same quarter of the previous year owing to the increased demand for Soda & Water, Beer, and Spirits & Wine as a result of higher domestic consumption. Nevertheless, the Company still encountered pressure from higher costs of raw materials particularly in natural gas due to the conflict between Russia and Western countries. The Company, however, initiated cost management by adjusting production formulas to reduce the cost of production per unit and increasing the production efficiency by adopting innovative technology throughout the production process in parallel with the exploration of alternative energy and negotiation with the customers for price adjustments to cope with the rise in natural gas price.

For the third quarter of 2022, the Company had revenue of THB 3,039 million, increased by THB 384 million or 14% YoY, mainly from the glass packaging business of THB 2,589 million and the packaging business of THB 536 million. Net profit to equity holders of the Company equal to THB 97 million, which is close to the same quarter last year of THB 98 million.



Company Milestone of the Quarter 3/2022

- 26 July 2022

TRIS Rating affirmed the Company rating at "A-" with a "Stable" rating outlook, which reflects BGC's strong position in the glass container industry with leverage over captive customers and business diversification to other packaging segments.
- 9 August 2022

The Board of Directors' meeting of the Company passed a resolution to approve an interim dividend payment of THB 0.10 per share, totaling THB 69.44 million, from the three-month operating results period ended 30 June 2022. The dividend was paid on 9 September 2022.
- 24 August 2022

The Company received a Certificates of honor for the Company's standards of Corporate Social Responsibility on the department of industrials works from the Ministry of Industry
- 31 August 2022

From the Resolution of The Annual General Meeting of Shareholders for the year 2022, which had approved the issuance of the Company's debenture No. 1/2565 due B.E. 2568 with name registered certificate, unsubordinated and unsecured debentures without debenture holder's representative for the total amount of THB 1,000 million to institutional investors that offers a coupon rate of 2.98% per annum, paid every 6 months.



Income Statement

Earnings Result						
	3 rd Quarter			9 - month period		
<i>Unit : Million Baht</i>	Sep - 21 ^{/2}	Sep - 22	VS. LY	Sep - 21 ^{/2}	Sep - 22	VS. LY
Sales ^{/1}	2,655	3,039	+14%	8,968	10,394	+16%
Cost of Goods Sold - Cash	(1,885)	(2,321)	+23%	(6,430)	(7,909)	+23%
Cost of Goods Sold - Non-Cash	(289)	(313)	+8%	(1,011)	(1,080)	+7%
Gross Profits	482	405	-16%	1,527	1,405	-8%
GP %	18.1%	13.3%	-481 bps	17.0%	13.5%	-351 bps
Operating Expenses	(350)	(301)	-14%	(997)	(1,034)	+4%
Other Income	39	38	-3%	110	197	+80%
Non-Recurring item - Net	-	-	-	(26)	20	-177%
Earnings Before Interest and Tax	170	142	-16%	614	588	-4%
Financial Cost	(52)	(40)	-23%	(136)	(120)	-12%
Net Profit Before Tax	118	102	-14%	477	468	-2%
Income Taxes	(10)	(2)	-80%	(43)	(27)	-37%
Profit for the year from discontinued operations ^{/3}	42	-	-100%	85	-	-100%
Net Profit After Tax	151	99	-34%	520	440	-15%
Net Profit to Non-Controlling Interest	25	3	-88%	83	19	-77%
Net Profit to Equity holders of the Company	126	97	-23%	436	421	-3%
From continuing operations	98	97	-1%	379	421	+11%
From discontinued operations	28	-	-100%	57	-	-100%
EBITDA	600	516	-14%	1,899	1,696	-11%

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, 3Q22 sales revenue of THB 3,039 million, increased by THB 384 million or 14% YoY, mainly due to the following reasons:



Sales Revenue			Q3			9M		
Unit : Million Baht			Sep - 21	Sep - 22	VS. LY	Sep - 21	Sep - 22	VS. LY
Revenue from Sales	2,655	3,039	+14%	8,968	10,394	+16%		
Glass packaging business	2,312	2,589	+12%	7,862	9,034	+15%		
Packaging business	425	536	+26%	1,318	1,551	+18%		
Elimination	(82)	(85)		(213)	(192)			

Glass packaging business



- In 3Q22, sales revenue was THB 2,589 million, increased by THB 277 million or 12% YoY. As a result of domestic sales that increased by THB 238 million or 12% YoY, which contributed to the revenue from Soda & Water, Beer, and Spirits & Wine. The export sales increased by THB 35 million or 16% YoY, attributed to the food packaging.
- For 9-month period, sales revenue was THB 9,034 million, increased by THB 1,172 million or 15% YoY mainly from the domestic sales that increased by THB 747 million or 12% YoY, which contributed to the same categories as in the third quarter above. The export sales increased by THB 391 million or 64% YoY, driven by Soft Drinks and Beer.

Packaging business



- In 3Q22, sales revenue was THB 536 million, increased by THB 111 million or 26% YoY, which contributed to an increase in all product groups consists of paper by THB 65 Million, Rigid Plastics by THB 27 million, and Label by THB 10 million.
- For 9-month period, sales revenue was THB 1,551 million, increased by THB 233 million or 18% YoY, driven by all product groups' revenue that increased as well.

Gross Profits, 3Q22 THB 405 million, decreased by THB 77 million or 16% YoY, with a gross profit margin of 13.3%, declined by 481 bps YoY, mainly due to the following reasons:

Gross Profit		Q3			9M		
Unit : Million Baht		Sep - 21	Sep - 22	VS. LY	Sep - 21	Sep - 22	VS. LY
Gross Profit		482	405	-16%	1,527	1,405	-8%
Glass packaging business		464	376	-19%	1,442	1,324	-8%
Packaging business		21	33	+58%	88	89	+1%
Elimination		(3)	(4)		(3)	(8)	

Glass packaging business



- In 3Q22, gross profit was THB 376 million, decreased by THB 88 million or 19% YoY. The gross profit margin was 14.5%, declined by 553 bps YoY as a result of the rise in raw materials as well as energy and electricity prices.
- For 9-month period, gross profit was THB 1,324 million, decreased by THB 118 million or 8% YoY as a result of the rise in raw materials along with the energy and electricity prices as well.

Packaging business



- In 3Q22, gross profit was THB 33 million, increased by THB 12 million or 58% YoY, as a result of higher sales, proportion of waste that has been reduced, and the selling price adjustments.
- For 9-month period, gross profit was THB 89 million in parallel with the previous year of THB 88 million.

Quarter 3/2022 and 9-month period



Selling and administrative expenses:

In 3Q22, selling and administrative expenses were THB 301 million, decreased by THB 49 million or 14%YoY as a result of lower administrative expenses as the warehouse rental decreased from the lower inventory level along with the Company's operational cost management.

For 9-month period, selling and administrative expenses were THB 1,034 million, increased by THB 37 million or 4% YoY due to the reasons below:

1. Selling expense increased by THB 66 Million resulted from the higher sales in line with the proportion of selling expenses per sale, which is close to the same period last year of 3.0%.
2. Administrative expense decreased by THB 29 Million as a result of cost management.

Tax expense:

In 3Q22, tax expense was THB 2 million, a decreased of THB 8 million or 80% YoY from tax credit of Swabbing Robot, an efficiency project in Khon Kaen.

For 9-month period, tax expense was THB 27 million, decreased by THB 16 million or 37% YoY due to the same reason as the above-mentioned tax credit.

Net Profit to Equity holders of the Company:

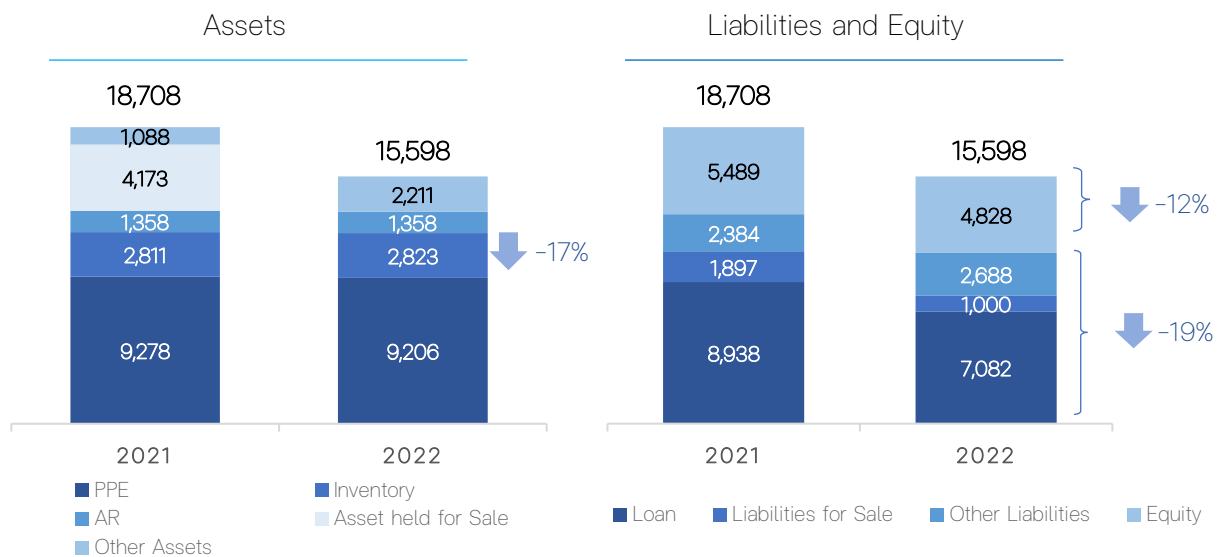
In 3Q22, the net profit to equity holders of the company was THB 97 million, which is close to the same quarter last year at THB 98 million.

For 9-month period, the net profit to equity holders of the company was THB 421 million, an increase of THB 42 million or 11% YoY from the selling price adjustments and cost management to cope with the rise in raw materials cost and energy prices.

● Statement of Financial Position
As of 30 September 2022



(Unit : Million)



Total Assets As of 30 September 2022, the Company's total assets were THB 15,598 million, decreased by THB 3,110 million or 17% YoY, mainly from the restructuring of shareholders structure in the energy business, which was completed in January 2022.



Total Liabilities As of 30 September 2022, the Company's total liabilities were THB 10,770 million, a decrease of THB 2,449 million or 19% YoY, mainly due to: 1) The restructuring of shareholders structure in the energy business as mentioned above 2) Decrease in both short and long term interest-bearing debt even though in the third quarter the Company has issued debentures of THB 1,000 million.

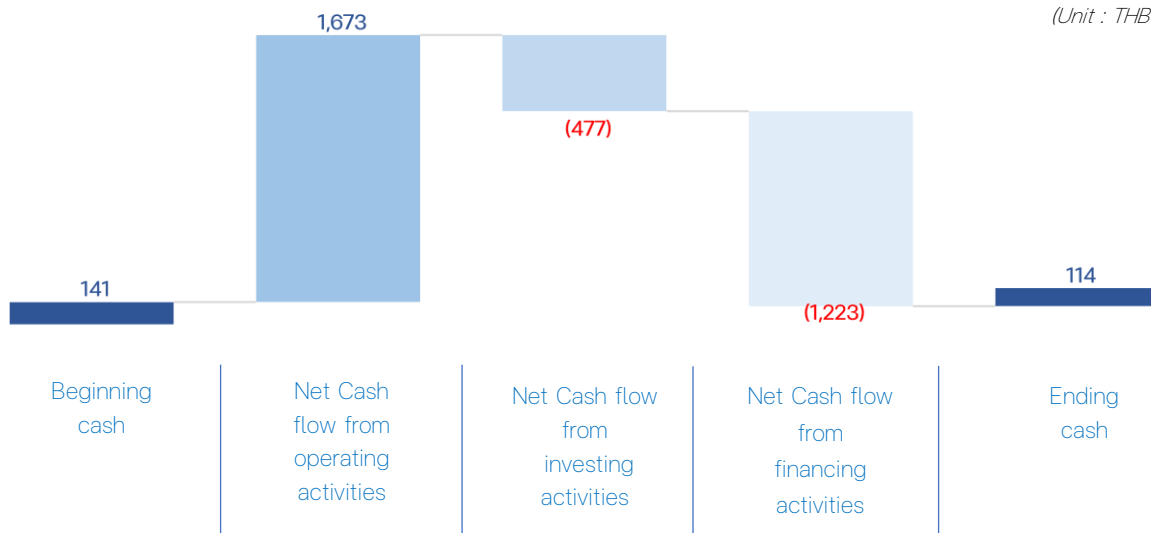


Total Equity As of 30 September 2022, the Company's total equity were THB 4,828 million, decreased by THB 661 million or 12% YoY, mainly due to the restructuring of shareholders structure in the energy business.

● Statement of Cash Flows



(Unit : THB Million)



Net Cash flow from operating activities increased by THB 1,673 million contributed to an increase in operating profit of THB 329 million, non-cash items of THB 1,135 million, and working capital of THB 209 million.



Net Cash flow from investing activities decreased by THB 477 million from payments for purchases of property, plant, equipment and intangible assets of THB 1,088 million, proceeds from sale of financial assets of THB 338 million, proceeds of long-term borrowings to related parties of THB 262 million, dividends received of THB 6 million, and Proceeds from disposals of equipment of THB 5 million.



Net Cash flow from financing activities decreased by THB 1,223 million due to repayment loans to financial institutions of THB 1,856 million, cash dividend payments of THB 278 million, cash payments for the lease liability of THB 89 million, and cash received from the issuance of THB 1,000 Million debentures.



● Financial Ratios

Key Ratios	Period Ending		
	Dec - 21	Sep - 22	Ch. +(-)
Collection period (days)	42.7	35.4	(7.3)
Inventory turnover (days)	49.1	51.8	2.7
Payment period (days)	44.0	44.9	0.9
Operating Working Capital (days)	47.9	42.3	(5.6)
Debt to Equity (times)	2.4	2.2	(0.2)
Net Debt to EBITDA (times)	3.5	4.0	0.5
DSCR (times)	1.2	1.2	-

As of 30 September 2022, the Company had an Operating Working Capital of 42.3 days, which has decreased by 5.6 days from the year ended 2021, mainly due to lower collection period by 7.3 days.

Debt to Equity ratio was 2.2 times, decrease from the year ended 2021 by 0.2 times, mainly due to the repayment short and long term loans made to financial institutions and the restructuring of shareholders structure in the energy business. However, the Company remained under the terms of the Group of Company's covenant at 3 times.