



THAI PLASPAC PUBLIC COMPANY LIMITED (“TPAC”)

**Management Discussion and Analysis for the
3rd Quarter ending September 30th, 2022**

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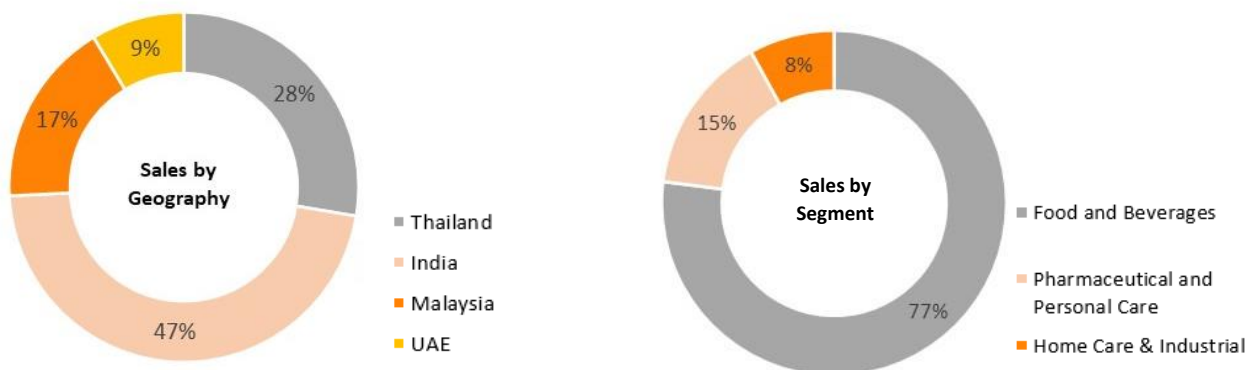
TPAC Overview

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

<p>Diversified over 1,500 customers</p> <p>Uniquely structured with agile and nimble technological platform and sales force</p> <p>Highly diversified Customer base</p>	<p>Design Led Solutions</p>	<p>Market Leader</p> <p>Leadership position across all our niche segments</p>	<p>100% emerging market focused</p> <p>17 Production sites (Including 2 under construction)</p> <ul style="list-style-type: none"> • 4 in Thailand • 2 in UAE • 8 in India + 2 under construction • 1 in Malaysia 	<p>Focused on 100% recyclable or recycled polymers</p> <p>PET / rPET</p> <p>PP / rPP</p> <p>HDPE / rHDPE</p>
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Geographic and Industry Segmentation

Basis Q'3 22 data



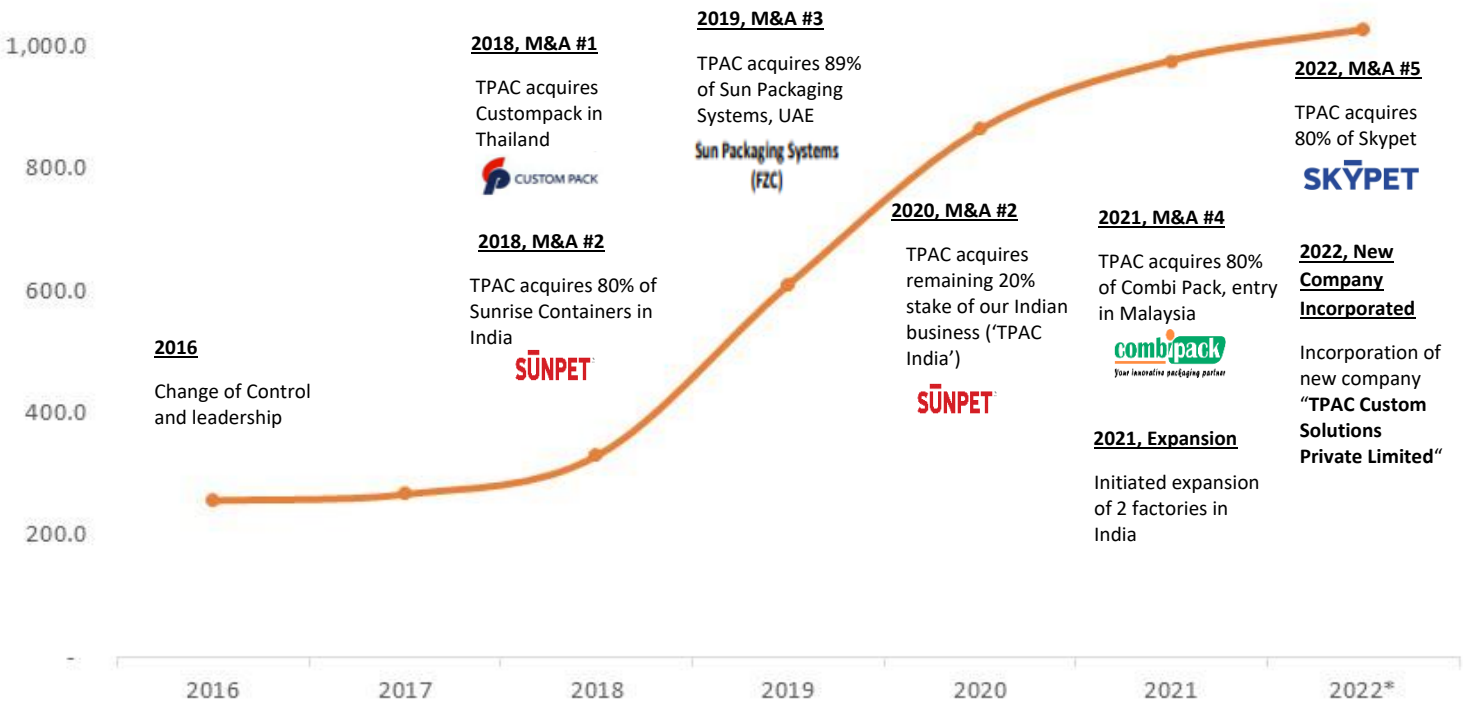
TPAC’s production facilities are certified with world class hygiene controls with more than 90% of TPACs portfolio catering to segments where stringent hygiene standards are a requisite (Food & Beverage, Pharmaceuticals & Personal Care). The remainder of our portfolio comprises of the home care & industrial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

On geographic spread, India now accounts for ~ 50% of the overall turnover of the Group with overseas business accounting for more than 70% share.

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

2016 - 2022

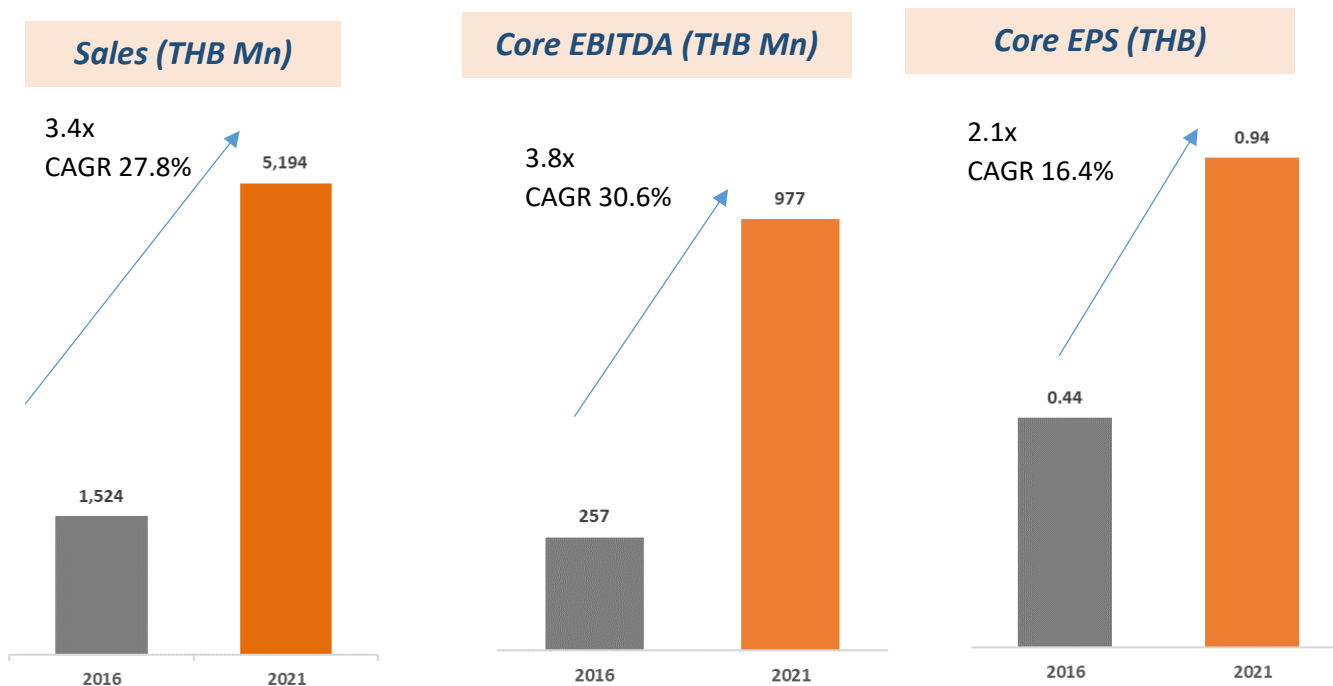
Core EBITDA (THB Mn)
1,200.0



- 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 to become a world class global packaging company
- The company has since transformed itself 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.

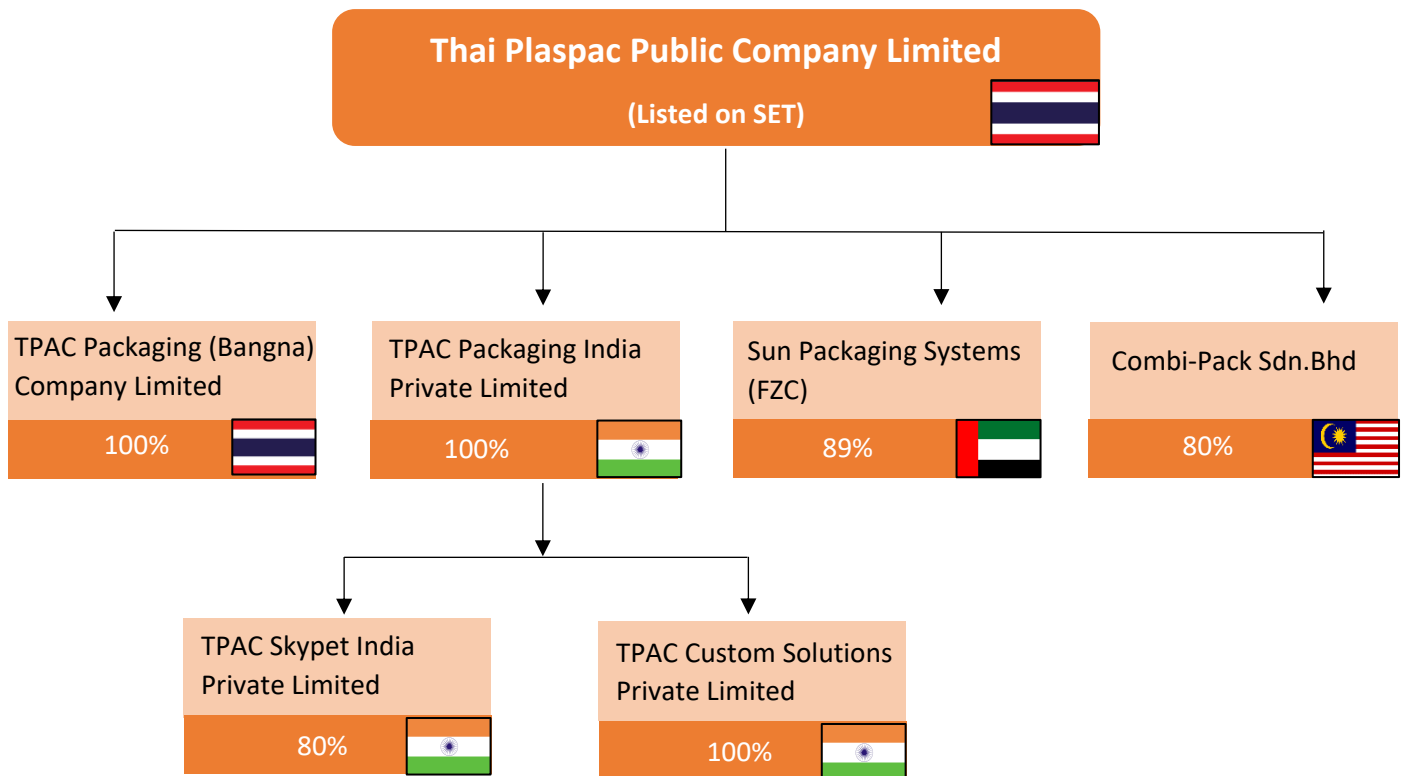
* 2022 is calculated by annualising YTD Sep'22 numbers

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 two subsidiaries namely:
 - 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 Custom Solutions Private Limited, recently incorporated, to be engaged in the business of Caps and Closure.
- 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 3rd quarter ended 30th September 2022

(THB Mn)

	Quarterly					Financial Years		
	Q3'22	Q2'22	%Δ	Q3'21	%Δ ¹	FY21	FY20	%Δ
Consolidated Sales ²	1,834	1,790	2%	1,397	31%	5,194	3,983	30%
EBITDA	271	227	20%	224	21%	952	863	10%
Core EBITDA³	271	235	15%	236	15%	977	864	13%
Core EBIT ³	151	110	36%	125	20%	549	543	1%
Core Net Profit ³	89	55	62%	67	32%	329	354	-7%
Core Net Profit after NCI ³	79	52	52%	61	29%	307	323	-5%
EPS	0.24	0.14	73%	0.15	56%	0.47	0.99	-53%
Core EPS³	0.24	0.16	52%	0.19	29%	0.94	0.99	-5%
Core ROE ⁴	14%	10%	4%	12%	2%	15%	17%	-2%
Debt to Equity (times) ⁵	1.32	1.40	-0.08	1.43	-0.11	1.28	0.96	0.32
Net Debt to Equity (times) ⁶	1.15	1.32	-0.17	1.31	-0.16	1.12	0.86	0.26

1. YoY: Q3'22 vs Q3'21, 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. Therefore, if polymer prices come down, our absolute sales value will also follow a similar trend. 3. Core excludes non-recurring income and one-time expenses primarily related to M&A costs. 4. ROE = Profit attributable to equity / Avg. Equity excluded NCI, ROE (Qn) = Qn Profit attributable to equity (annualized) / Qn Avg. Equity excluded NCI, 5. Debt to Equity = IBD / Equity, 6. Net Debt to Equity = (IBD - Cash) / Equity

- Revenue for this quarter remained stable as compared to previous quarter. Revenue for this quarter increased by 31% over the same period last year mainly on account of Skypet acquisition and growth in volumes of existing business.
- Core EBITDA (Baht 271m) increased by 15% compared to previous quarter. Such increase is led by sharper volume growth in high margin Malaysia business coupled with profitability improvement in both Thailand and Malaysia business. The increase in Core EBITDA for same period last year by Baht 35m was led by addition of Skypet business and by growth in Thailand, Malaysia and UAE business.
- Q3'22 Core EPS of Baht 0.24 which is an increase of ~52% with respect to previous quarter is reflective of recovery trend in the business. Managements intimacy and trust with customers has enabled TPAC to begin passing through some cost escalations as experienced in the first half of the year.
- Core ROE for the quarter at ~14% was an improvement of 400 bps as compared to previous quarter.
- Net debt to equity ratio has come down from 1.32x in Q2'22 to 1.15x in Q3'22, which remains within our comfort level, readying TPAC to pounce opportunistically towards M&A opportunities.

Key Strategic Initiatives and Business Highlights across TPAC Group

- **Capacity Expansion:**

The two ongoing projects in India are now near completion and will be commissioned by end of this calendar year. They would add ~ 32,000 sq meter area setting up a platform for capacity expansion in future.

The details of the expansion are as follows:

- **World Class Pharmaceutical plant in West of India (greenfield project):** Civil work has been completed and machines and utilities are being commissioned. Production is expected to begin by end of Q4'22.
- **Second new plant in North of India (greenfield project):** ~ 90% civil work has been completed and utilities have been installed. Machines are currently being commissioned and expected to become operational by end of Q4'22.



- **Showcasing our portfolio through participation in global exhibition:**

TPAC strengthened its global reach and brand presence by showcasing their portfolio in two exhibitions (CPHI - Korea and FHA – Singapore) focused on our core segments of Food & Beverages and Pharmaceuticals during Q3'22. The response during both the exhibitions was very positive and leading to multiple enquiries from various brand owners, OEM and distributors.



- **~ 1,500 MWh Malaysia solar project as part of our sustainability framework:**

TPAC Malaysia has initiated a rooftop Solar Project on the existing factory premise, which is estimated to be completed by November 2022. The solar project is expected to generate ~1,500 MWh of electricity per annum, which will suffice ~8% of our existing requirement and contribute towards operational savings. This is a very important step in the Group’s stated direction of maximising green energy as a part of our overall sustainability roadmap. Management is working on developing an overall master plan and sustainability framework involving targets around CO2 emissions and disclosures.



- **Incorporation of New Company:**

During the quarter, TPAC India newly incorporated a 100% subsidiary namely “TPAC Custom Solutions Private Limited”. The company will focus on a new business for TPAC which is the entry into high value add food and pharmaceutical caps and closures, leveraging of and further strengthening TPAC’s global world class R&D capabilities.



- **New Bangkok Corporate headquarters:**

On 5th October 2022, TPAC inaugurated the opening of its Corporate Office located in the city of Bangkok, situated at Ocean Tower 2 Building, Sukhumvit 19 Alley, Khlong Toei Nuea, Watthana, Bangkok. The opening of this new office within the main city, marks an important milestone in TPAC’s journey bringing our corporate team closer together and will help us continue to attract top talent..



- **Entry into Paper Packaging:**

The group has ventured into the paper packaging space through a strategic paper bowl packaging project in which our Malaysian business has partnered with one of our multinational customers. Currently we are in the process of running trials and expected to run commercial production in Q4'22. TPAC has had no prior expertise in this area of paper packaging. Nevertheless, this project was entrusted to us as a testimony of our manufacturing excellence and project execution capabilities reflecting the deep relationship and intimacy TPAC has with our customers. We expect this opportunity to open up a new vertical for TPAC.

- **FTSE Index Inclusion:**



TPAC has been included in the FTSE Microcap index effective September 16, 2022 reflecting the stocks' increasing liquidity and investors' confidence.

- **CG Rating:**

CGR 2022 score is released by the Thai Institute of Directors (IOD), with support from the Stock Exchange of Thailand. TPAC has maintained its Very Good level (4 Stars) with 88% score.

A) Consolidated Income Statement

	(THB Mn)								
	Q3'22	Q2'22	% Δ	Q3'22	Q3'21	%Δ	FY'21	FY'20	%Δ
Sales	1,834	1,790	2%	1,834	1,397	31%	5,194	3,983	30%
Cost of sales	1,528	1,538	-1%	1,528	1,147	33%	4,190	3,025	38%
Gross Profit	307	252	21%	307	249	23%	1,004	957	5%
Gross Profit Margin %	16.7%	14.1%	3%	16.7%	17.9%	-1%	19.3%	24.0%	-5%
SG&A	175	183	-5%	175	148	18%	535	473	13%
Other income	19	33	-43%	19	12	60%	55	57	-3%
EBITDA	271	227	20%	271	224	21%	952	863	10%
EBITDA Margin %	14.6%	12.5%	2.2%	14.6%	15.9%	-1.3%	18.1%	21.4%	-3.2%
Core EBITDA	271	235	15%	271	236	15%	977	864	13%
Core EBITDA Margin %	14.6%	12.9%	1.7%	14.6%	16.8%	-2.1%	18.6%	21.4%	-2.8%
Depreciation and amortization	121	125	-3%	121	111	9%	428	321	33%
EBIT	151	102	47%	151	114	33%	524	541	-3%
Core EBIT	151	110	36%	151	125	20%	549	543	1%
Core EBIT Margin %	8.1%	6.1%	2.1%	8.1%	8.9%	-0.8%	10.4%	13.4%	-3.0%
Finance costs	43	43	0%	43	38	13%	137	105	30%
Profit Before Tax	108	60	81%	108	76	42%	387	436	-11%
Core Profit Before Tax	108	68	59%	108	88	23%	411	437	-6%
Core Profit Before Tax Margin %	5.8%	3.7%	2.1%	5.8%	6.2%	-0.4%	7.8%	10.8%	-3.0%
Income tax expense	19	11	77%	19	19	-2%	212	83	155%
Net Profit	89	49	82%	89	57	57%	175	353	-50%
Net Profit Margin %	4.8%	2.7%	2.1%	4.8%	4.0%	0.8%	3.3%	8.7%	-5.4%
Core Net Profit	89	55	62%	89	67	32%	329	354	-7%
Core Net Profit Margin %	4.8%	3.0%	1.8%	4.8%	4.8%	0.0%	6.3%	8.8%	-2.5%
Net Profit after NCI	79	46	73%	79	50	56%	153	322	-53%
Net Profit after NCI Margin %	4.2%	2.5%	1.7%	4.2%	3.6%	0.7%	2.9%	8.0%	-5.1%
Core Net Profit after NCI	79	52	52%	79	61	29%	307	323	-5%
Core Net Profit after NCI Margin %	4.2%	2.8%	1.4%	4.2%	4.3%	-0.1%	5.8%	8.0%	-2.2%

Non-Recurring income/(expenses) (THB Million)	Q3'22	Q2'22	Q3'22	Q3'21	FY'21	FY'20
Overseas M&A Related Expenses	-	-8	-	-2	-6	-
Thailand M&A Related Expenses	-	0	-	-10	-18	-1
Deferred tax - pursuant to disallowance of	-	-	-	-	-133	-
Total	-	-8	-	-12	-158	-1

Thailand Business

Q3'22 marked a reversal in the Thailand business after a sharp drop in profitability in the previous quarter. While the volumes were largely stable but the Core EBITDA increased significantly with respect to previous quarter on account of margin recovery led by management being able to pass increase in raw material prices and other cost escalations to our customers in combination with aggressive cost optimisation measures.

The management is hopeful that with Thailand tourist arrivals improving, this should further drive improvement in our Thailand business. The opening up of China should be a further catalyst for our China exports business and Thailand domestic environment as well.

India Business

Business acquisition of Skypet Polymers: Skypet financials are fully consolidated with TPAC India business w.e.f 01st Apr 2022. The acquisition is performing very well with Q3'22 showing a healthy EBITDA growth of ~29% with respect to previous quarter on the backdrop of strong volume growth.

At an overall level India business volumes have shown a slight decline of ~5% with respect to last quarter on account of seasonality leading to decline in sales of segments such as Pharma, Dairy, CSD, etc and no sale dispatch for more than 5 days from plants located in north India on account of “Kawad” festival in the July'22. Pharmaceutical segment was impacted on account of regulatory changes to certain liquid formulations leading to lower demand.

The profitability for India business in Q3'22 was relatively subdued on account of lower volumes and increase in certain variable cost like electricity and other production overhead. The management expects that with volume recovery and price revisions targeted in the coming quarters the profitability should show a positive reversal.

UAE Business

The UAE business witnessed the slight dip in volumes with respect to previous quarter because of seasonality. However, the EBITDA remained stable because of margin improvement. On a year-on-year basis the business has shown a good ~10% growth in volumes while maintaining the profitability.

Malaysia Business

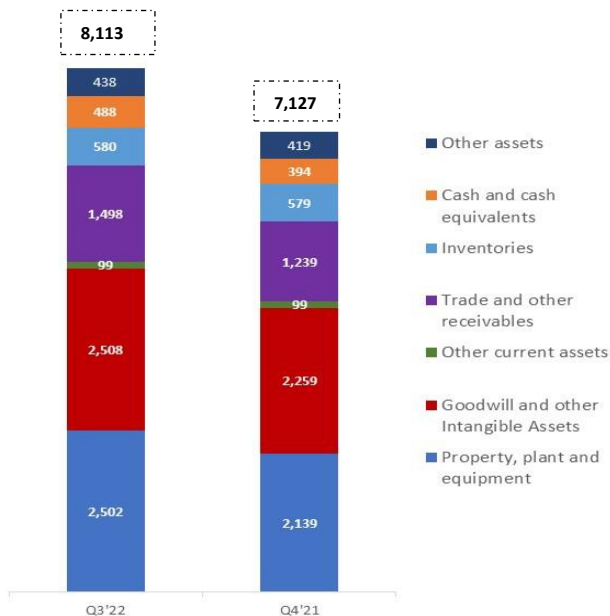
The Malaysia business demonstrated a strong quarter with sales quantity increasing by ~18% in Q3'22 with respect to previous quarter on back of higher customer demand and sharp increase in Core EBITDA led by management being able to transfer some cost escalations to our customers.

The Company is also in the last stage of commissioning its solar project (as discussed above) and should see some cost savings flowing into the business on account this investment from next year onwards.

B) Consolidated Balance Sheet

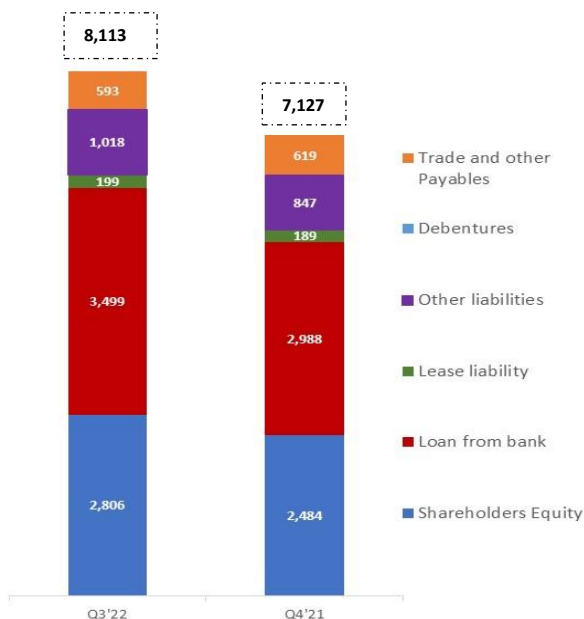
ASSETS

(THB Mn)



- Overall assets of the company stand at ~ THB 8,113 mn as at Q3'22.
- Tangible and intangible assets comprise 62% of the total assets.
- Total asset increased by 986 mn from Q4'21 due to consolidation of assets pertaining to Skypet polymers w.e.f 01st Apr 2022 and investment in PPE.
- Net Working Capital as % to LTM Revenue ranged between ~22% to 24% during last 4 quarter
- Other Assets primarily includes right of use assets Withholding tax deducted at source and Advance payment for purchasing of molds

EQUITY AND LIABILITIES



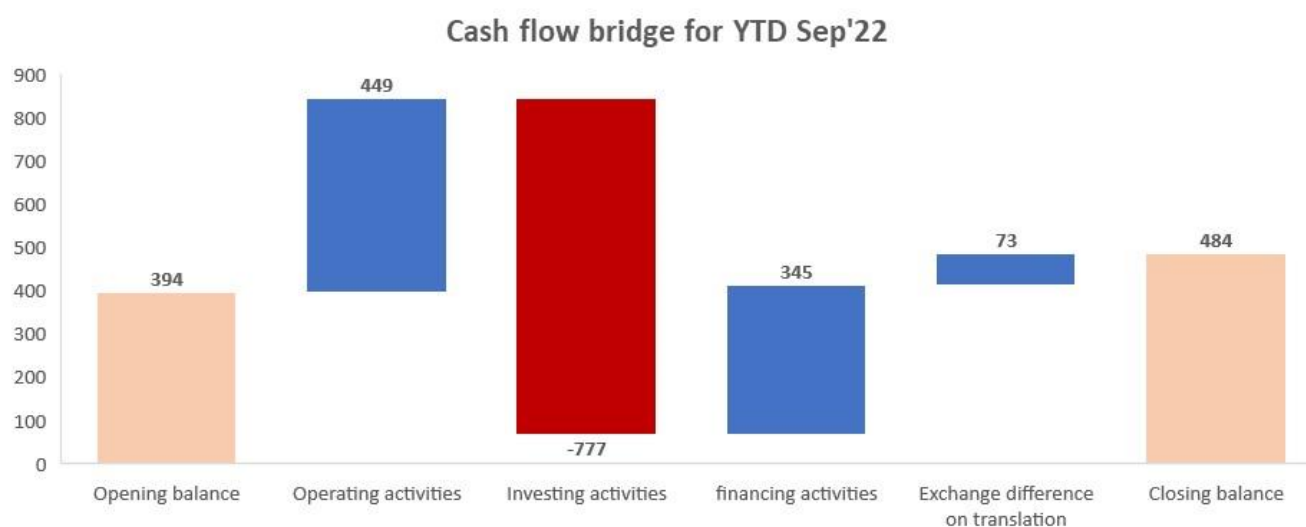
- Increase in shareholders equity is primarily on account of profits generated for the period and forex translation gain.
- Increase in loan from bank during Q2'FY22 is on account of funding towards business purchase of Skypet polymers and for normal business operations.
- Net debt to equity ratio has come down from 1.32x during Q2'22 to 1.15x during Q3'22.
- Net Debt to LTM Core EBITDA has decreased from 3.3x during Q2'22 to 3.0x during Q3'22.
- Other Liabilities primarily includes non-controlling interest put options and deferred tax liability

C) Consolidated Cash Flow

(THB Mn)

Cash Flows (THB Million)	Q3'22	YTD Sep'22	FY2021
Net cash received from operating activities	363	449	724
Net cash used in investing activities	-177	-777	-1,157
Net cash used/received in financing activities	50	345	502
Exchange differences on translation of financial statements in foreign currency	53	73	129
Net increase/decrease in cash and cash equivalents	290	90	198
Cash and Cash Equivalents - Opening Balance	195	394	196
Cash and Cash Equivalents - Closing Balance	484	484	394

Cash flow bridge for 9 months period YTD Sep'22:



- TPAC generated positive operating cash flow aggregating THB 449 mn for the period YTD Sep'22.
- Investing activities during YTD Sep'22 primarily comprises of purchase of Skypet business (~ THB 346 mn), first deferred payment pertaining towards to Malaysia business acquisition (~ THB 62 mn) and balance for growth and maintenance capex.
- Financing activities is mainly related towards new loans taken for acquisition of Skypet business and towards normal operations, which is partly offset with repayment of existing loan and finance cost.
- The Cash and Cash Equivalent stand at Baht ~484 mn as at the end of Q3'22 with net cash generation of Bhat ~90 mn cash during YTD Sep'22.

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 Thailand & 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)

Particulars	Q3'22	Q4'21	%Δ
Cash and cash equivalents	484	394	23%
Current investment	4	-	0%
Trade and other receivables	1,498	1,239	21%
Inventories	580	579	0%
Other current financial assets	-	2	-100%
Advance purchase for raw material	13	14	-12%
Other current assets	86	83	4%
Total current assets	2,665	2,311	15%
Restricted bank deposits	19	18	4%
Long-term investment	0	0	-74%
Property, plant and equipment	2,502	2,139	17%
Right-of-use assets	187	191	-2%
Goodwill	1,823	1,640	11%
Intangible assets	685	619	11%
Deferred tax assets	11	10	7%
Withholding tax deducted at source	70	70	0%
Advance payment for purchasing of molds	67	64	5%
Assets associated with call options	6	6	0%
Other non-current assets	78	59	32%
Total non current assets	5,449	4,816	13%
Total assets	8,113	7,127	14%
Bank overdraft and short-term loans from banks	1,048	751	40%
Trade and other payables	593	619	-4%
Current portion of long-term lease liabilities	12	14	-16%
Current portion of long-term loans from banks	530	257	107%
Income tax payable	24	24	1%
Other current financial liabilities	0	-	0%
Other current liabilities	57	98	-42%
Total current liabilities	2,264	1,762	28%
Long-term debentures - net of current portion	-	-	0%
Long-term lease liabilities, net of current portion	187	175	7%
Long-term loans from banks - net of current portion	1,920	1,980	-3%
Non-controlling interest put options	354	290	22%
Deferred tax liabilities	398	356	12%
Provision for long-term employee benefits	88	80	11%
Other non-current liabilities	97	-	0%
Total non current liabilities	3,044	2,881	6%
Total liabilities	5,308	4,643	14%
Registered share capital	327	327	0%
Issued and paid-up capital	327	327	0%
Premium on ordinary shares	1,027	1,027	0%
Appropriated - statutory reserve	33	33	0%
Retained earnings	783	681	15%
Other components of shareholders' equity	240	46	420%
Excess of book value of acquired subsidiary over cost	20	20	0%
Equity attributable to owners of the Company	2,429	2,133	14%
Non-controlling interests of the subsidiaries	376	350	7%
Total shareholders' equity	2,806	2,484	13%
Total liabilities and shareholders' equity	8,113	7,127	14%
Net Debt to Equity (times)	1.15	1.12	

Cash Flow (Consolidated)

(THB Mn)

	Q3'22	YTD Sep'22	FY2021
Cash flow from Operating Activities			
Profit Before Tax	108	281	387
Adjustment : Depreciation and Amortisation	121	358	428
Adjustment : Other adjustments	45	134	156
Profit from operating activities before changes to working capital	274	774	971
Net changes to working capital	98	-271	-217
Cash flows from Operating Activities	372	503	754
Cash receipt from refund of withholding tax deducted at source	-	-	23
Cash paid for corporate income tax	-9	-54	-53
Net Cash Flows from Operating Activities	363	449	724
Cash flow from Investing Activities			
Acquisition of Fixed Assets	-117	-379	-337
Acquisition of Intangible Assets	-1	-2	-1
Proceeds from equipments sales	3	11	12
Proceeds from Asset held for sale	-	-	57
Cash paid for investment in subsidiary	-62	-408	-893
Other	0	1	6
Net Cash Flow used in Investing Activities	-177	-777	-1157
Cash flow from Financing Activities			
Increase (decrease) in short-term loans from bank	-66	297	210
Decrease from restricted bank deposit	-	-	8
Increase (decrease) in long-term loans from bank	211	463	1373
Repayment of long-term loan	-49	-268	-283
Repayment of debenture	-	-	-524
Cash paid for finance lease payable	-7	-21	-25
Cash receipt from long-term loan from non-controlling interests of the subsidiary	-	40	-
Cash paid for financial fees	-	-	-10
Finance costs	-39	-106	-145
Dividend Paid Out	0	-59	-102
Net Cash Flow from Financing Activities	50	345	502
Decrease in exchange differences on translation of financial in foreign currency	53	73	129
Change in Cash and Cash Equivalents	290	90	198
Cash and cash equivalents at beginning of period	195	394	196
Cash and Cash equivalents - Closing Period Balance	484	484	394

Exchange rate used to translate the financial statements

	INR/THB	MYR/THB	AED/THB
9 months average rate Y2021	0.4286	7.7900	8.5856
9 months average rate Y2022	0.4475	7.9735	9.4328
Month-ended rate as at 30 Dec 2021	0.4476	8.0143	9.0986
Month-ended rate as at 30 Sep 2022	0.4657	8.1759	10.3201