



● Industry Overview



In 2022, Thai economy expanded significantly after the government gradually canceled various measures and fully opened the country. As a result, number of tourists traveling to Thailand increased as well as the recovery of domestic economic activities and the tourism sector. Moreover, domestic consumption including food and beverage demands continued to increase especially during holiday season. Consequently, promoted the growth of overall packaging industry.

Nevertheless, the war between Russia and Ukraine caused the surge in energy price, including natural gas prices, which are primary factors of packaging production. In addition, the currency fluctuations affected the costs of raw materials used in production as well. Furthermore, consumer purchasing power and production sector were pressured by inflation. However, inflation started to ease in the second half of the year, which supported the increase in private consumption.

● Business Overview



The Company was able to generate sales growth continuously. 2022 was considered another year of strong sales growth both domestically and internationally, significantly in the first and last quarter, which are a high season for the glass packaging and packaging business. Moreover, the reopening of the country contributed to the recovery of tourism sector, simultaneously boosted the demand for beverage consumption and spending. Reflected in the higher demand for Beer, Soda & Water, and Spirits & Wine. However, the Company still encountered pressure from higher costs of raw materials. 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 increasing proportions and continuous exploration of alternative energy, and negotiation with the customers for price adjustments to cope with the rise in natural gas price.

In 2022, the Company had revenue of THB 14,192 million, increased by THB 1,805 million or 15% YoY, in which THB 12,367 million from the glass packaging business and THB 2,081 million from the packaging business. Net profit to equity holders of the Company equals to THB 506 million, increased by 2% YoY; however, the volatility of raw materials and energy prices could affect the Company in the near future.



Company Milestone of the Year 2022



2 February

Restructured the energy business by selling all shares in Solar Power Management Co., Ltd. (Thailand) to BG Energy Solution Co., Ltd.



22 February

Approved the investment of cold repair in glass furnace No. 1 of Ayutthaya plant in the amount of THB 1,250 million.



21 March

Cooperated with Bangkok Komatsu to bring clean energy electric forklifts to proactively optimize the production of integrated packaging.



28 March

BGP expanded production area in Ayutthaya Branch 2 to prepare for flexible packaging production.

29 April – Approved dividends payment of THB 0.48 per share from its net operating profit for the year ended 31 December 2021. However, since the Company's Board of Directors previously approved the interim dividend, the remaining dividend of THB 0.12 per share or totaling THB 83 million which was paid on 27 May 2022.

12 May – Approved interim dividends payment of THB 0.125 per share, totaling THB 86.81 million, from the three-month operating results period ended 31 March 2022 to the Company's shareholders. The dividend was paid on 10 June 2022.



Company Milestone of the Year 2022



26 July

TRIS Rating affirmed rating at “A-” with a “Stable” rating outlook reflecting BGC’s strong financial position with leverage over captive customers and business diversification to other packaging segments.

9 August - Approved interim dividends payment at 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.

31 August - 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.

9 November - Approved an interim dividend payment of THB 0.10 per share, totaling THB 69.44 million, from the three-month operating results period ended 30 September 2022. The dividend was paid on 8 December 2022.





Excellence in Business Management

The Company's Group has placed importance on sustainability technology development to create efficiency in production control costs according to the current situation. Including disclosed information to investors through Investor Relations as well as considering transparency in the operation of the business, which is reflected in the award of pride as follows.



Thailand Sustainability Investment (THSI) 2022



SET THSI Index



SET CLMV Exposure Index

sSET Index

sSET Index



CAC Change Agent Awards 2022



Corporate Governance Report 2022 (CGR)



Scored 100/100 in the AGM Checklist of 2022



CSR-DIW Awards



Income Statement

Earnings Result						
	4 th Quarter			12 - month period		
<i>Unit : Million Baht</i>	Dec - 21 ²	Dec - 22	VS. LY	Dec - 21 ²	Dec - 22	VS. LY
Sales ^{/1}	3,419	3,798	+11%	12,387	14,192	+15%
Cost of Goods Sold - Cash	(2,566)	(3,153)	+23%	(9,285)	(11,375)	+23%
Cost of Goods Sold - Non-Cash	(289)	(313)	+8%	(1,011)	(1,080)	+7%
Gross Profits	564	332	-41%	2,091	1,737	-17%
GP %	16.5%	8.8%	-776 bps	16.9%	12.2%	-464 bps
Operating Expenses	(369)	(216)	-41%	(1,365)	(1,250)	-8%
Other Income	8	2	-75%	117	198	+69%
Non-Recurring item - Net	-	-	n/a	(26)	20	-177%
Earnings Before Interest and Tax	203	118	-42%	817	705	-14%
Financial Cost	(46)	(49)	+4%	(183)	(168)	-8%
Net Profit Before Tax	157	69	-56%	634	537	-15%
Income Taxes	(36)	17	-147%	(79)	(10)	-87%
Profit for the year from discontinued operations ^{/3}	(41)	-	-100%	44	-	-100%
Net Profit After Tax	80	86	+8%	599	527	-12%
Net Profit to Non-Controlling Interest	(7)	2	-129%	76	21	-72%
Net Profit to Equity holders of the Company	87	84	-3%	523	506	-3%
From continuing operations	115	84	-27%	494	506	+2%
From discontinued operations	(28)	-	-100%	29	-	-100%
EBITDA	632	491	-22%	2,102	1,814	-14%

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, 4Q22 sales revenue of THB 3,798 million, increased by THB 379 million or 11% YoY, mainly due to the following reasons:



Sales Revenue			Q4		12M	
Unit : Million Baht	Dec - 64	Dec - 65	VS. LY	Dec - 64	Dec - 65	VS. LY
Revenue from Sales	3,419	3,798	+11%	12,387	14,192	+15%
Glass packaging business	2,997	3,333	+11%	10,859	12,367	+14%
Packaging business	491	530	+8%	1,809	2,081	+15%
Elimination	(69)	(64)		(282)	(256)	

Glass packaging business



- In 4Q22, sales revenue was THB 3,333 million, increased by THB 335 million or 11% YoY. Mainly from domestic sales, which contributed to the revenue from Beer, Soda & Water, and Spirits & Wine.
- In 2022, sales revenue was THB 12,367 million, increased by THB 1,507 million or 14% YoY. Mainly from the domestic sales that increased by 11% YoY, which contributed to the same categories as in the fourth quarter above. The export sales increased by 44% YoY, driven by Soft Drinks.

Packaging business



- In 4Q22, sales revenue was THB 530 million, increased by THB 39 million or 8% YoY, which contributed to a higher sale of paper and label products.
- In 2022, sales revenue was THB 2,081 million, increased by THB 272 million or 15% YoY, which contributed to an increase in all product groups consists of paper by THB 140 million, rigid plastics by THB 102 million, and label by THB 30 million.

Gross Profits, 4Q22 THB 332 million, decreased by THB 232 million or 41% YoY, with a gross profit margin of 8.8%, declined by 776 bps YoY, mainly due to the following reasons:

Gross Profit	Q4			12M		
	Dec - 21	Dec - 22	VS. LY	Dec - 21	Dec - 22	VS. LY
<i>Unit : Million Baht</i>						
Gross Profit	564	332	-41%	2,091	1,737	-17%
Glass packaging business	527	298	-44%	1,969	1,622	-18%
Packaging business	43	36	-17%	131	125	-5%
Elimination	(6)	(1)		(9)	(9)	

Glass packaging business



- In 4Q22, gross profit was THB 298 million, decreased by THB 229 million or 44% YoY. The gross profit margin was 8.9%, declined by 867 bps YoY as a result of the rise in raw materials as well as energy and electricity prices.
- In 2022, gross profit was THB 1,622 million, decreased by THB 347 million or 18% YoY as a result of the rise in raw materials along with the energy and electricity prices as well.

Packaging business



- In 4Q22, gross profit was THB 36 million, decreased by THB 7 million or 17% YoY, mainly from lower sales of rigid plastics along with higher prices of plastics resin.
- In 2022, gross profit was THB 125 million declined by 6 million or 5% YoY due to the higher cost of raw materials.



Quarter 4 and FY2022

Selling and administrative expenses:

In 4Q22, selling and administrative expenses were THB 216 million, decreased by THB 152 million or 41% YoY. Selling expense increased as a result of higher sales and logistic costs. However, administrative expense declined significantly due to the lower warehouse rental that has decreased according to lower inventory levels and higher efficiency of Company's operational cost management.

In 2022 selling and administrative expenses were THB 1,250 million, decreased by THB 115 million or 8% YoY. Selling expense increased as a result of higher sales. On the other hand, administrative expense declined outstandingly with the same reasons as fourth quarter above.

Tax expense:

In 4Q22, tax expense declined by THB 53 million or 147% YoY from higher taxable assets. In 2022, tax expense was THB 10 million, decreased by THB 69 million or 87% YoY due to the tax credit of an efficiency project as well as higher taxable assets.

Net Profit to Equity holders of the Company:

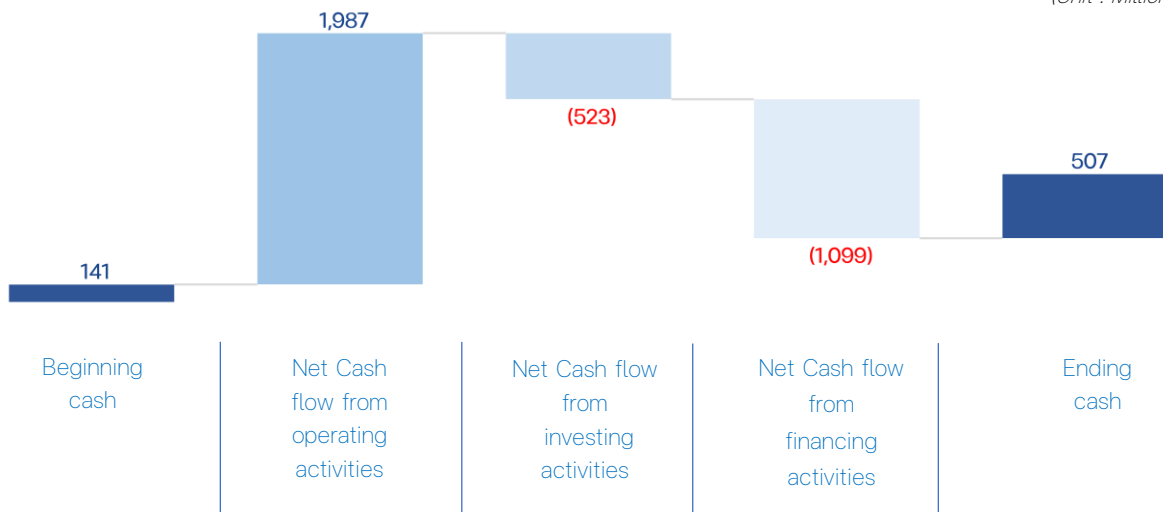
In 4Q22, the net profit to equity holders of the company was THB 85 million, declined by THB 30 million or 27% YoY.

In 2022, the net profit to equity holders of the company was THB 506 million, an increase of THB 12 million or 2% YoY mainly from strong sales growth especially in the first and the last quarter; however, the volatility of raw materials and energy prices could affect the Company in the near future.

● Statement of Cash Flows



(Unit : Million)



Net Cash flow from operating activities increased by THB 1,987 million contributed to an increase in operating profit of THB 537 million, non-cash items of THB 1,181 million, and working capital of THB 269 million.



Net Cash flow from investing activities decreased by THB 523 million from payments for purchases of property, plant, equipment and intangible assets of THB 1,134 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 1,099 million due to repayment loans to financial institutions of THB 1,650 million, cash dividend payments of THB 347 million, cash payments for the lease liability of THB 100 million, and cash received from the issuance of THB 998 million debentures.



● Financial Ratios

Key Ratios	Period Ending		
	Dec - 21	Dec - 22	Ch. +(-)
Collection period (days)	42.7	36.7	(6.0)
Inventory turnover (days)	49.1	49.2	0.1
Payment period (days)	44.0	45.3	1.3
Operating Working Capital (days)	47.9	40.6	(7.2)
Debt to Equity (times)	2.4	2.3	(0.1)
Net Debt to EBITDA (times)	3.5	5.5	2.0
DSCR (times)	1.2	1.1	(0.1)

As of 31 December 2022, the Company had an Operating Working Capital of 40.6 days, which has decreased from 7.2 days in the year ended 2021, mainly due to better collection period.

Debt to Equity ratio was 2.3 times, decreased from the year ended 2021 by 0.1 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, debt to equity ratio at the end of the year still remained under the terms of the Group of Company's covenant, which is not over 3 times.