

### ○ Industry Overview



In the first quarter of 2023, the overall Thai economy continued to recover, aided by the recovery of activities in the service sector following the increase in the number of tourists. However, the number of tourists could not recover to reach pre-COVID levels. Besides, the export sectors shrank in the past years, due to the economic slowdown of Thailand's key trading partner countries.

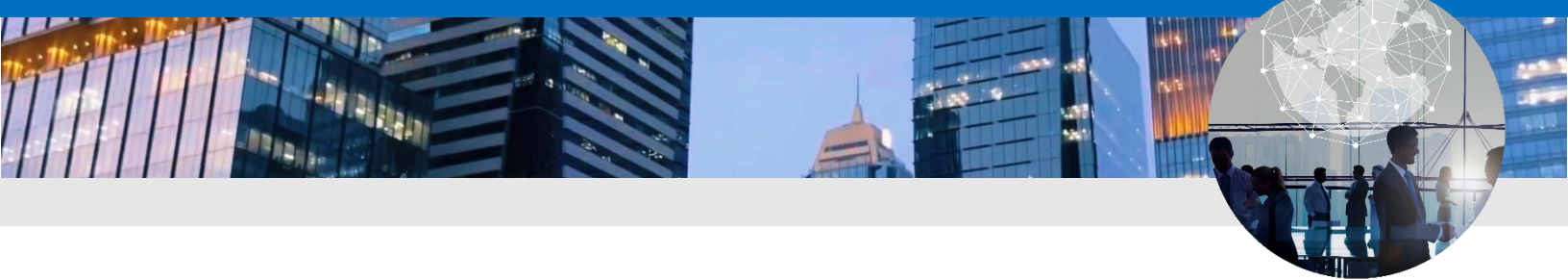
Even though the packaging industry received positive sentiments from lower energy and natural gas prices, which are the primary factor of glass production. However, in the first quarter, the packaging industry still encountered pressure from higher fuel tariffs, or Ft, as well as higher interest rates. Moreover, the inflation rate, which slowed down but remained at a high level, affected consumers' concern about their cost of living and the uncertainty of the global economic recovery.

### ○ Business Overview



In the first quarter of 2023, the Company's revenue increased close to the fourth quarter of the previous year. However, the revenue decreased in comparison with the first quarter of the previous year, mainly due to the glass packaging business in the Soft Drinks and Beer groups of which consumers were more price-conscious, owing to the impact of high inflation.

As for the case of an increase in electricity and raw material costs such as cullet, the Company initiated cost management by joining the Energy Saving Projects with ESCO (Energy Service Company) to optimize electricity and energy consumption, reduce expenses, and costs throughout the entire electrical system as well as to increase business competition potential. The Company also adjusted production formulas to reduce the cost of production per unit and increase production efficiency by adopting innovative technology throughout the production process, such as an Intelligent Furnace Control System (ESIII), etc., and deployed suitable alternative energies for effective cost management, in parallel with negotiating with the customers for price adjustments to mitigate the impact of higher cost.



## Company Milestone of Quarter 1/2023

### 23 February

The establishment of a new subsidiary “BGC Supply Chain Management Company Limited”, in which the Company holds 100% of shares. This transaction would diversify the Company’s sources of revenue and support core business as the Company foresee growth opportunities in the supply chain management.

### 16 February

The investment in glass furnace no.1 maintenance (Cold Repair) of the Ayutthaya Glass Industry Company Limited to increase the capacity and quality of glass packaging.

### 28 February

BGC Packaging Company Limited (“BGCP”), a wholly-owned subsidiary of the Company, signed an agreement to purchase ordinary shares of Prime Packaging Company Limited (“Prime”), which is a manufacturer and distributor of flexible plastic packaging and plastic rolls. On March 30, 2023, BGCP received 75% of Prime’s ordinary shares.

### 2 March

Participated in Opportunity Day via an online channel, which was set up by The Securities Exchange of Thailand for results announcement as of the period ended 31 December 2022.



## ○ Business Overview



### Income Statement

Unit : Million Baht	Quarter 1		
	Mar - 23	Mar - 22	VS. LY
Sales <sup>/1</sup>	3,814	3,967	-4%
Cost of Goods Sold - Cash	(3,069)	(2,955)	+4%
Cost of Goods Sold - Non-Cash	(352)	(422)	-17%
Gross Profits	393	590	-33%
GP %	10.3%	14.9%	-457 bps
Selling and Admin Expenses	(285)	(407)	-30%
Other Income	24	23	+4%
Non-Recurring item - Net	14	84	-83%
Earnings Before Interest and Tax	146	290	-50%
Financial Cost	(55)	(41)	+34%
Net Profit Before Tax	91	249	-63%
Income Taxes	(13)	(23)	-43%
Net Profit After Tax	78	226	-65%
Net Profit to Non-Controlling Interest	3	9	-67%
Net Profit to Equity holders of the Company	75	217	-65%
EBITDA	513	652	-21%



<sup>/1</sup> Sales included transportation revenue and trading income

**Sales Revenue, 1Q23 sales revenue of THB 3,814 million, decreased by THB 153 million or 4% YoY, mainly due to the following reasons:**



## Sales Revenue

Unit : Million Baht	Q1		
	Mar - 23	Mar - 22	VS. LY
Revenue from Sales	3,814	3,967	-4%
Glass packaging business	3,345	3,521	-5%
Packaging business	532	490	+9%
Elimination	(63)	(44)	

### Glass packaging business



#### Quarter 1/2023

Sales revenue was THB 3,345 million, decreased by THB 176 million or 5% YoY, mainly from domestic sales. In particular, the sales of Soft Drinks decreased by 112 million baht or 32% YoY, and Beer decreased by 64 million baht or 4% YoY. In addition, export sales declined as compared to the same quarter last year when the economy expanded due to the opening of the country after the government relaxed COVID-19 measures

### Packaging business



#### Quarter 1/2023

Sales revenue was THB 532 million, increased by THB 42 million or 9% YoY, which contributed to an increase in Paper packaging by THB 54 million or 27% YoY and Plastic bottles by THB 6 million or 3% YoY. However, Label products decreased by THB 18 million or 18% YoY.





## Gross Profits

**Gross Profits, 1Q23 THB 393 million, decreased by THB 197 million or 33% YoY, with a gross profit margin of 10.3%, declined by 457 bps YoY, mainly due to the following reasons:**

Unit : Million Baht	Q1		
	Mar - 23	Mar - 22	VS. LY
Gross Profit	393	590	-33%
Glass packaging business	352	557	-37%
Packaging business	43	34	+26%
Elimination	(2)	(1)	

### Glass packaging business



#### Quarter 1/2023

Gross profit was THB 352 million, decreased by THB 205 million or 37% YoY. The gross profit margin was 10.5%, declined by 530 bps YoY as a result of the rise in energy price and raw materials such as cullet as well as the increased in fuel tariff, or Ft.

### Packaging business



#### Quarter 1/2023

Gross profit was THB 43 million, increased by THB 9 million or 26% YoY, as a result of selling price adjustments as well as effective cost management.

### Quarter 1/2023



#### Selling and administrative expenses:

In 1Q23, selling and administrative expenses were THB 285 million, decreased by THB 122 million or 30% YoY. Selling expenses decreased by THB 35 million in line with lower sales. The administrative expense, decreased by THB 87 million due to the provision of spare part adjustments and better cost management.

#### Tax expense:

In 1Q23, tax expense was THB 13 million, a decreased of THB 9 million or 40% YoY.

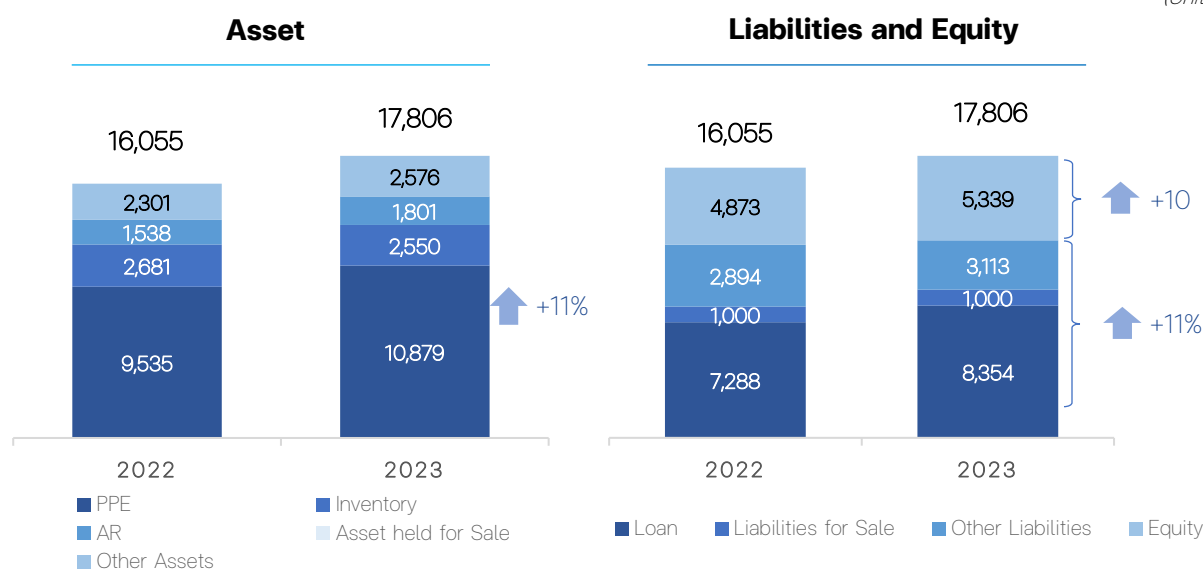
#### Net Profit to Equity holders of the Company:

In 1Q23, the net profit to equity holders of the company was THB 75 million, a decrease of THB 141 million or 65% YoY from the disposal of energy business as well as the rise in raw materials and energy price compared with the same quarter last year.



(Unit : Million)

## ● Statement of Financial Position As of 31 March 2023



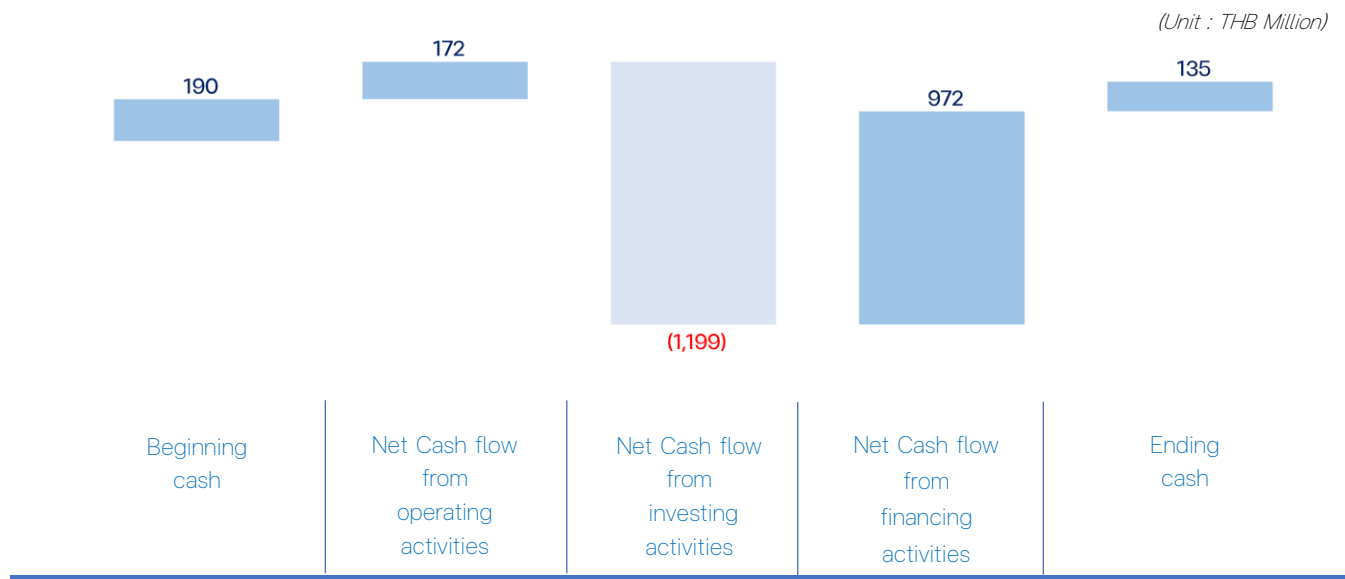
**Total Assets** As of 31 March 2023, the Company's total assets were THB 17,806 million, increased by THB 1,751 million or 11% YoY, mainly due to an increase in property, plant, and equipment of THB 1,344 million from the surplus of land revaluation, cold repair and assets of Prime Packaging Co., Ltd.

**Total Liabilities** As of 31 March 2023, the Company's total liabilities were THB 12,466 million, an increase of THB 1,284 million or 11% YoY, mainly due to the increase in short-term interest-bearing debt of THB 1,137 million. However, long-term interest-bearing debt has declined by THB 71 million.

**Total Equity** As of 31 March 2023, the Company's total equity was THB 5,339 million, increased by THB 466 million or 10% YoY, mainly due to the surplus of land revaluation.



## ● Statement of Cash Flows



**Net Cash flow from operating activities** increased by THB 172 million contributing to an increase in non-cash items of THB 367 million while operating profit and working capital decreased by THB 13 million and THB 182 million respectively.

**Net Cash flow from investing activities** decreased by THB 1,199 million due to the payments for purchases of property, plant, equipment, and investment in a new subsidiary.

**Net Cash flow from financing activities** increased by THB 972 million due to cash received from loans from financial institutions of THB 8,098 million, cash payments of loans from financial institutions of THB 7,032 million, and cash payments for the lease liability of THB 94 million.





### ● Financial Ratios

Key Ratios	Period Ending		
	Mar - 23	Dec - 22	Ch. +(-)
Collection period (days)	42.8	36.7	6.1
Inventory turnover (days)	42.4	49.2	(6.8)
Payment period (days)	53.6	45.3	8.3
Operating Working Capital (days)	31.6	40.6	(9.0)
Debt to Equity (times)	2.3	2.3	0.0
Net Debt to EBITDA (times)	4.5	4.5	0.0
DSCR (times)	0.3	1.1	(0.8)

As of 31 March 2023, the Company had an Operating Working Capital of 31.6 days, which decreased from the year ended 2022 by 9.0 days due to lower inventory turnover and a longer payment period.

The Company group's Debt to Equity ratio was 2.3 times. Net Debt to EBITDA was 4.5 times, close to the year ended 2022.