



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

Management Discussion and Analysis for the  
2<sup>nd</sup> Quarter Ending June 30<sup>th</sup>, 2023

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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 monolayer rigid polymers and paper packaging mainly for the food and pharmaceutical segments.**

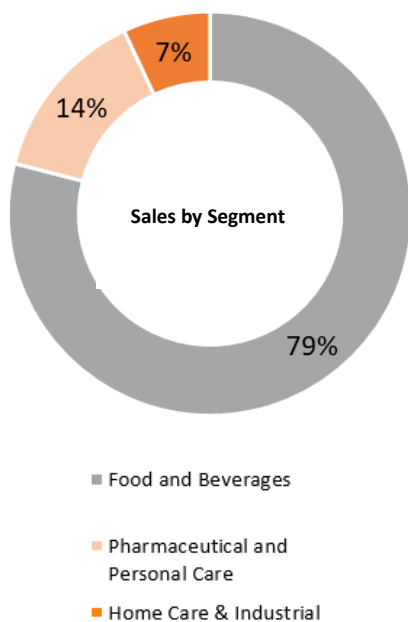
|  |   |   |   |   |   |
|--|---|---|---|---|---|
| <p><b>Asia’s Fastest Growing</b><br/>packaging company *</p> | <p><b>TPAC Design Lab</b><br/>At the heart of our company</p> | <p><b>Market Leader</b><br/>Leadership position #</p> | <p><b>16 Production Plants</b></p> <ul style="list-style-type: none"> <li>• 4 in Thailand</li> <li>• 2 in UAE</li> <li>• 9 in India</li> <li>• 1 in Malaysia</li> </ul> | <p>Focused on <b>100% monolayer recyclable</b> or recycled polymers</p> <p>PET / rPET<br/>PP / rPP<br/>HDPE / rHDPE</p> | <p><b>“Very good”</b> corporate governance rating</p> |
|--|---|---|---|---|---|

\* Company estimation based on 5 years revenue growth trend

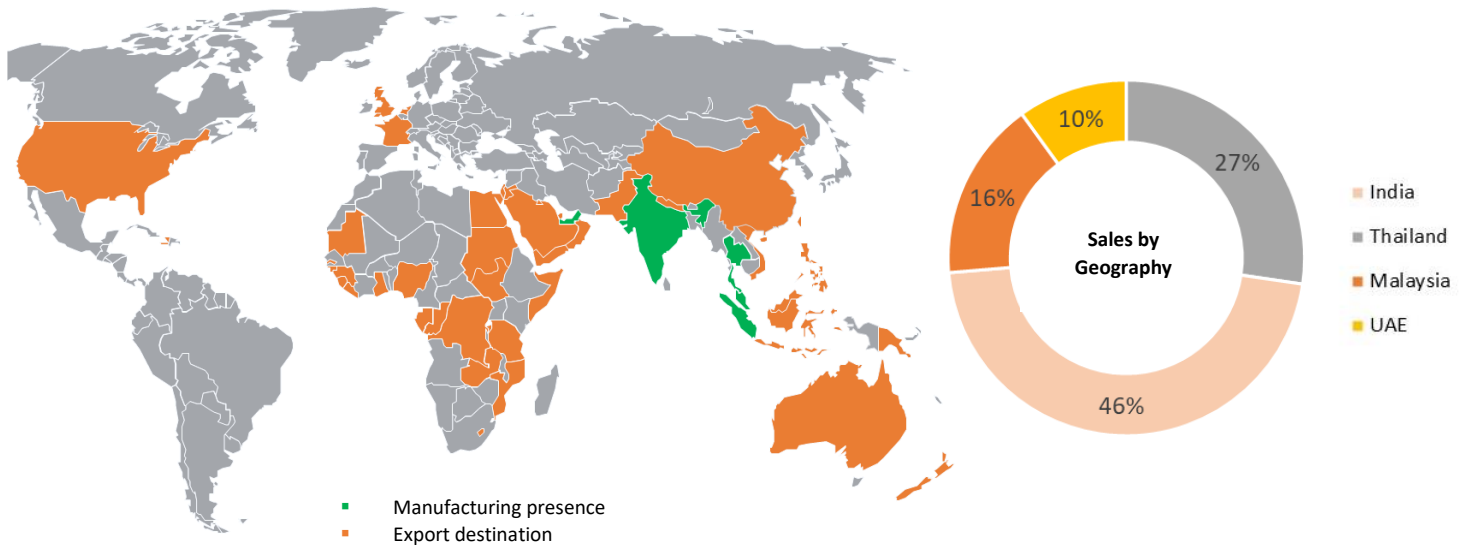
# Across all our niche segments

**Geographic and Industry Segmentation**

Basis Q2'23 data



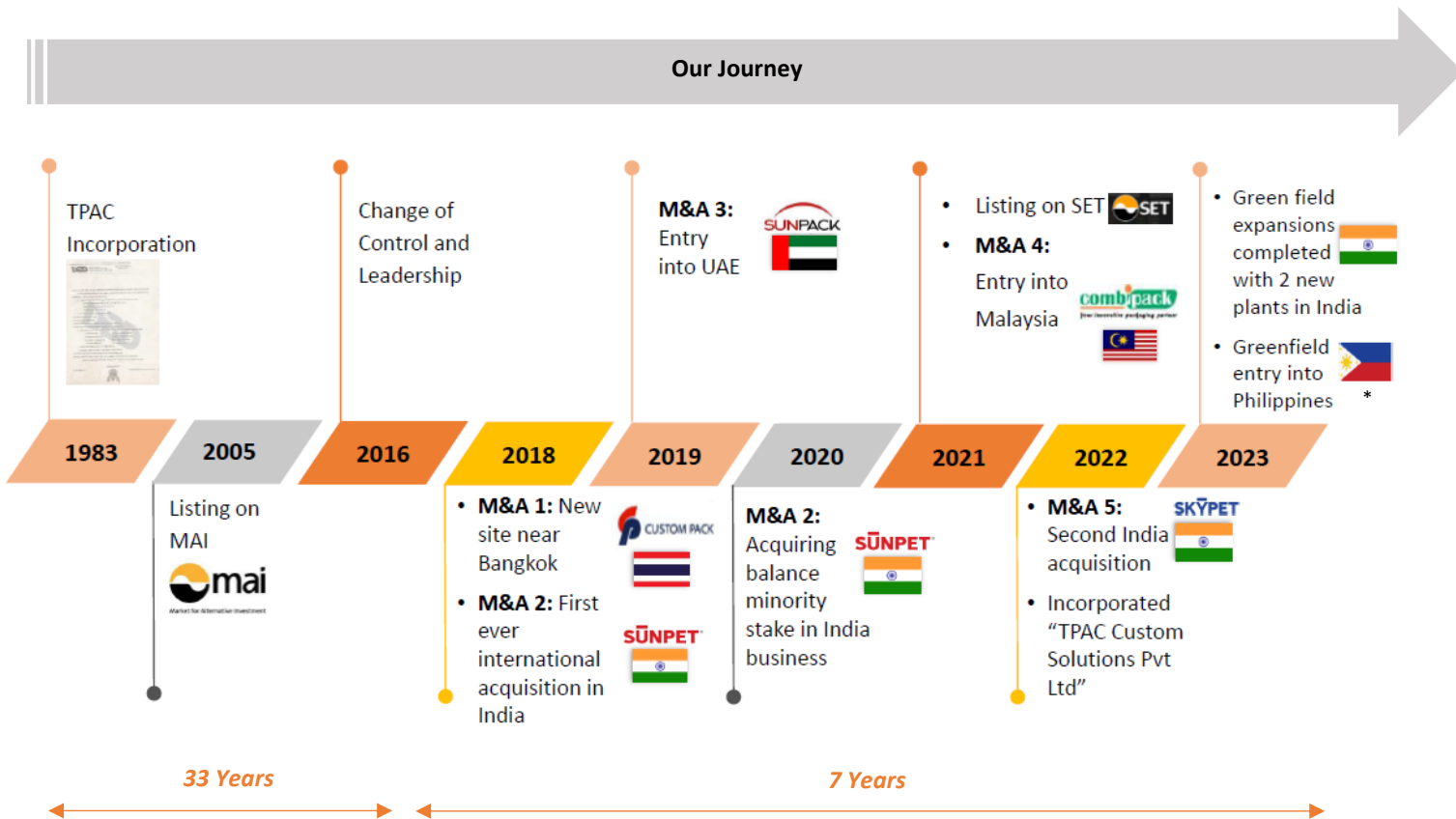
| <p><b>Food and Beverages</b></p> | <p><b>Pharmaceutical and Personal care</b></p> | <p><b>Home Care and Industrial</b></p> |
|----------------------------------|--|--|
|                                  |  |  |



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 prerequisite (Food & Beverage, Pharmaceuticals & Personal Care). The remainder of our portfolio comprises of the home care & industrial segment.

On geographic spread, overseas business in Q2'23 accounts for ~ 73% of the group with India taking the lion share at ~ 46% of the total turnover of the Group.

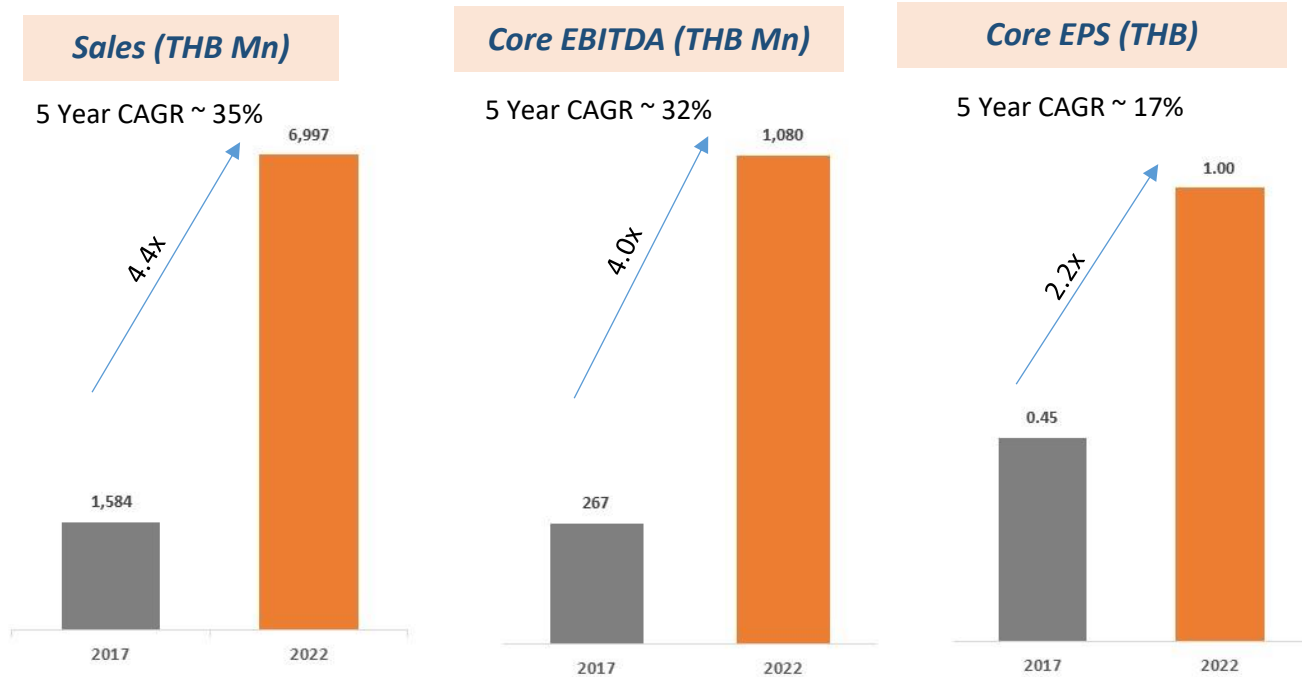
***In 2016, a 33-year legacy provided a foundation to the new sponsors and management team to say ‘Let us now transform this company into a world class global business’.***



- 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.
- In FY’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 16 manufacturing sites across 4 countries. Acquisitions have been an integral part of TPACs growth journey since 2018, having consummated 5 transactions in the last 5 years.
- From FY’17 to FY’20 we experienced consecutive upgrades to our CG rating, and we are now at a 4-star (Very Good) rating.

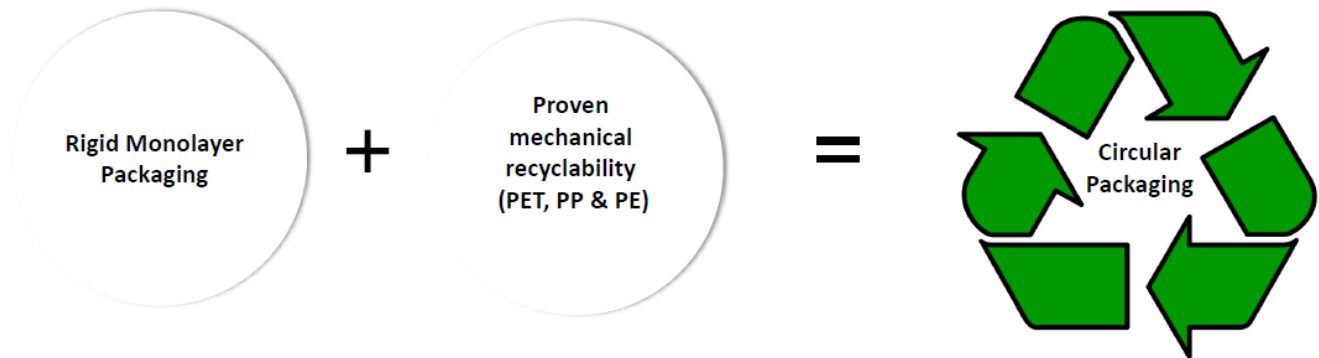
\* In the process of incorporating a company in the Philippines

***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 **4.4x** times, powered by strong organic growth and complimented with transformational acquisitions. 5 Year Sales CAGR has been ~ 35%, between FY’17 to FY’22.
- In line with sales, **Core EBITDA** has also increased **4.0x** times with a 5 Year CAGR of ~ 32%, between FY’17 to FY’22.
- **Core EPS** increased **2.2x** times with a 5 Year CAGR of ~ 17%, between FY’17 to FY’22.

***Rigid Monolayer Packaging (PET, PP and PE) = Sustainable Packaging***



*TPAC has taken a conscious choice to operate only in rigid monolayer packaging with substrates having proven mechanical recyclability.*

- 01 • Sustainability continues to be a **big opportunity** for TPAC
- 02 • Multiple **enhancement opportunities** available with rigid monolayer packaging such as light weighting, driving conversion from non-recyclable polymers or packaging formats (multi-layer) to recyclable polymers or formats, etc.
- 03 • TPAC is on a continuous journey of driving circularity in packaging through various ongoing initiatives such as **increasing** the proportion of **recycled polymers** over virgin polymers in its products.
- 04 • Ongoing **R&D and material science initiatives at TPAC** towards exploring commercial viability of alternate source of polymers such as bio-based resins.



**Q2'23 performance: Strong profitability driven by sustainable growth**

**Revenue**



THB 1,644 Mn

QoQ **-6%**

YoY **-8%**

**Core EBITDA**



THB 312 Mn

QoQ **-9%**

YoY **+32%**

**Core EPS**



THB 0.35

QoQ **-18%**

YoY **+121%**

**Core ROE**



**20%**

QoQ **-514 bps**

YoY **+955 bps**

**Net Debt/Equity**



**1.04x**

**01**

- Q2'23 represents **second highest quarter of record profitability**, after Q1'23.
- More than **doubling of Core EPS** from THB 0.16 in Q2'22 to THB 0.35 in Q2'23.

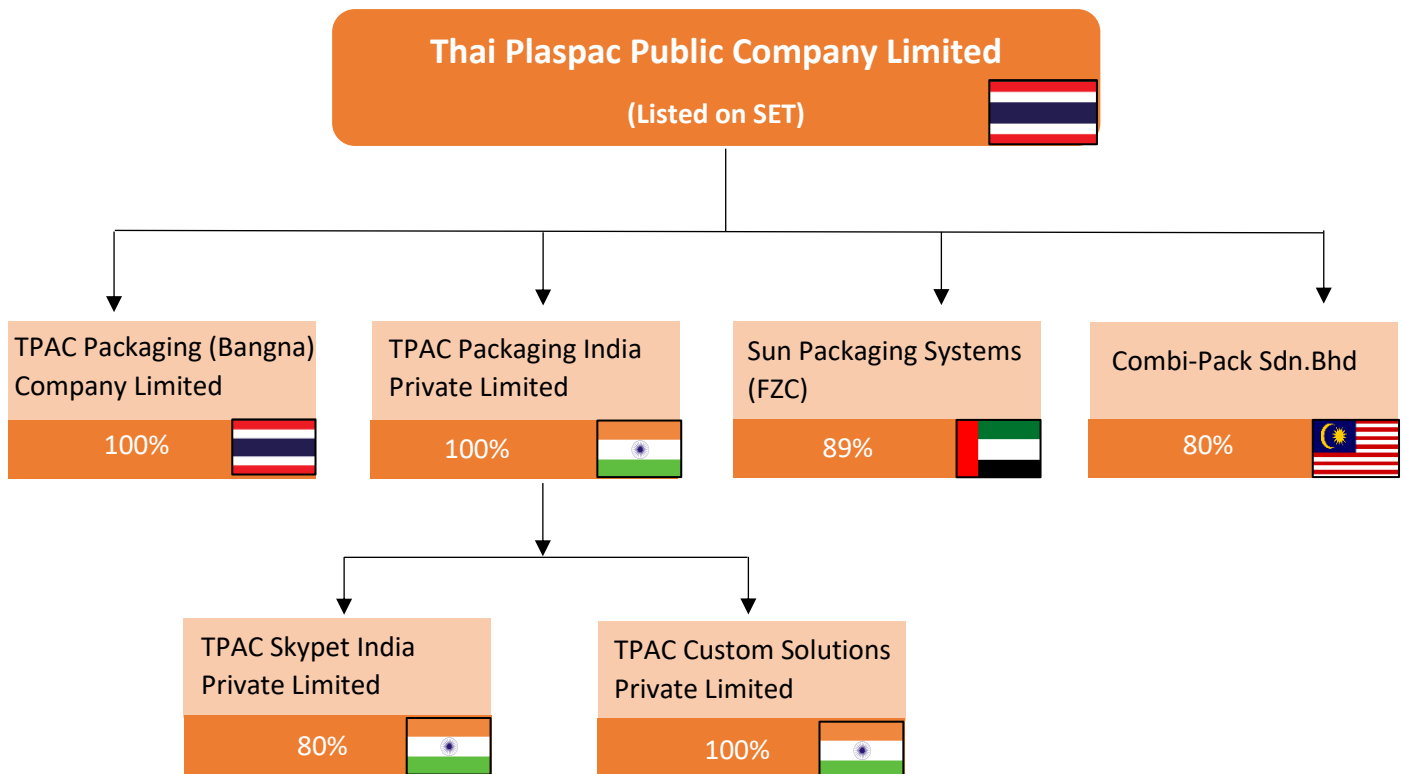
**02**

- Completion of 2 greenfield projects in India, significant capacity expansion capex and entry into new markets and segments to **further drive growth in coming quarters**.

**03**

- **Continuously deleveraging** over the past one year with **Net debt to equity** ratio reducing from **1.32x** in Q2'22 to **1.04x** at the end of Q2'23, despite an aggressive growth capex, by delivering strong operating cash flows.

**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, used 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 and explore entry into new lucrative segments.
- 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 2<sup>nd</sup> quarter ending June 30<sup>th</sup>, 2023**

(THB Mn)

|   | Quarterly   |             |             |             |                 | Financial Years |             |            |
|---|-------------|-------------|-------------|-------------|-----------------|-----------------|-------------|------------|
|   | Q2'23       | Q1'23       | %Δ          | Q2'22       | %Δ <sup>1</sup> | FY22            | FY21        | %Δ         |
| Consolidated Sales <sup>2</sup>         | 1,644       | 1,749       | -6%         | 1,790       | -8%             | 6,997           | 5,194       | 35%        |
| EBITDA                                  | 312         | 342         | -9%         | 227         | 37%             | 1,069           | 952         | 12%        |
| <b>Core EBITDA<sup>3</sup></b>          | <b>312</b>  | <b>342</b>  | <b>-9%</b>  | <b>235</b>  | <b>32%</b>      | <b>1,080</b>    | <b>977</b>  | <b>11%</b> |
| Core EBIT <sup>3</sup>                  | 189         | 225         | -16%        | 110         | 72%             | 598             | 549         | 9%         |
| Core Net Profit <sup>3</sup>            | 125         | 153         | -18%        | 55          | 127%            | 359             | 329         | 9%         |
| Core Net Profit after NCI <sup>3</sup>  | 114         | 139         | -18%        | 52          | 121%            | 328             | 307         | 7%         |
| EPS                                     | 0.35        | 0.43        | -18%        | 0.14        | 151%            | 0.98            | 0.47        | 108%       |
| <b>Core EPS<sup>3</sup></b>             | <b>0.35</b> | <b>0.43</b> | <b>-18%</b> | <b>0.16</b> | <b>121%</b>     | <b>1.00</b>     | <b>0.94</b> | <b>7%</b>  |
| Core ROE <sup>4</sup>                   | 20%         | 25%         | -5%         | 10%         | 10%             | 15%             | 15%         | 0%         |
| Debt to Equity (times) <sup>5</sup>     | 1.12        | 1.15        | -0.03       | 1.40        | -0.27           | 1.27            | 1.28        | -0.01      |
| Net Debt to Equity (times) <sup>6</sup> | 1.04        | 1.08        | -0.04       | 1.32        | -0.28           | 1.16            | 1.12        | 0.04       |

1. YoY: Q2'23 vs Q2'22, 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. Details of which are given in the segment analysis, 4. ROE = Profit attributable to equity / Avg. Equity excluded NCI. ROE (Qn) = Qn Profit attributable to equity / Qn Avg. Equity excluded NCI. 5. Debt to Equity = IBD / Equity, 6. Net Debt to Equity = (IBD - Cash) / Equity

**Dear Stakeholders,**

- **Core EPS during Q2'23 reflects a strong increase of ~121% as compared to same period last year and there is 18% decrease in core EPS as compared to previous quarter.**
- **TPAC Q2'23 Core EBITDA Baht 312m, represents a 32% increase as compared to same period last year, 9% decrease as compared to previous quarter.**
- Revenue for this quarter has **decreased by ~6% as compared to previous quarter** and **~8% as compared to same period last year**. The decrease in sales volumes along with the impact of fluctuations in resin prices have contributed to a subdued growth in the top-line figures for this quarter.
- The Core EBITDA for Q2'23 at Baht 312m showed a **decline of ~9% on QoQ basis** as Q1'23 was an exceptionally good quarter for TPAC. This quarter though represents **second highest record profitability** for the group, after Q1'23. **Core EBITDA for H1'23 is ~THB 654 Mn, which is a jump of ~31% over H1'22.**
- **Core ROE** for the quarter stands at a healthy **~20%**.
- **Net debt to equity ratio has improved from 1.32x in Q2'22 to 1.04x** as at the end of Q2'23, - demonstrating a continuous improvement on a quarter-on-quarter basis backed by a strong cash flow generation.

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**Key Strategic Initiatives and Business Highlights across TPAC Group**

- **Greenfield Entry into Philippines**

We added a new significant milestone in TPAC's global journey by committing our entry into Philippines market through a greenfield project. This is an important landmark in TPAC's history, as this is the first time that TPAC will enter a foreign market organically. We are in the process of incorporating a Filipino subsidiary for manufacturing of dairy packaging for a leading dairy giant. We are excited by the prospects of this new venture as it opens a new market for TPAC with a population size of ~114 Mn and a growing consumption economy. We are expecting commercialisation of the plant by this year end and expect revenue to flow from the start of FY24. Stay tuned for further updates as we embark on this transformative journey.



- **TPAC Custom Solutions**

Progressing on our journey towards building a world class closure company, TPAC customs India during the quarter has secured a manufacturing site in the western part of the country on a long-term lease basis. This expedites our project timeline to ensure that we are ready with our manufacturing operations to meet the requirements of our customers, both for the domestic and export markets. The commercialisation of project is expected early next year with commissioning of machines and auxiliary equipment to be done within Q4'23.

With these developments falling into place, we look forward to the world of opportunities and growth that lie ahead for TPAC Customs as a *global factory to world* offering specialty caps and closures.

- Pushing the limits toward a greener world: Solar Project Phase II initiated**

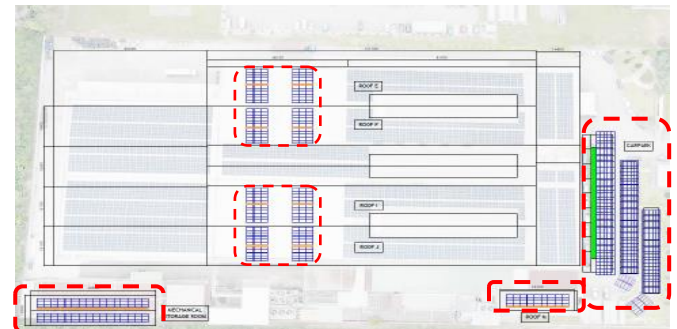
Phase I of the TPAC Malaysia project, with a capacity of approximately 1.2 MWp, was successfully executed during FY22. The rooftop solar project now caters to about 8% of TPAC's Malaysia's energy requirements, with live monitoring to track savings.

Building on the triumph of Phase I, we are excited to announce the commencement of Phase II, aiming for an additional capacity of approximately 385 kWp. To maximize renewable energy usage, we are pushing the limits by placing solar panels on the car park roof and auxiliary buildings such as the canteen and mold storage areas. This endeavour reflects on the group's commitments towards maximizing green energy, in line with our overall sustainability roadmap.

**Phase I**



**Phase II**



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

TPAC continues to strengthen its global reach and brand presence by participating in global trade shows and exhibitions. During the quarter we have participated in following exhibitions:

**China Plas Exhibition - China**

The exhibition highlighted the latest advancements in rigid and paper packaging, featuring cutting-edge technologies, machinery, accessories, automation, and materials. We had a global delegation from across TPAC businesses visit China Plas exhibition, which offered multiple networking opportunities for TPAC and for our technology team to evaluate new cutting-edge technologies in the field of rigid and paper packaging.



**Thaifex Anuga Asia - Thailand**

During the quarter we showcased our growing TPAC portfolio in **Thaifex Anuga Asia** exhibition which is Southeast Asia’s largest food and beverage trade show. The response during such exhibitions was very positive, leading to multiple enquiries from various brand owners, OEMs and distributors.



**Saudi FoodExpo – Middle East**

Our delegation to Saudi FoodExpo has added to our sales pipeline for the Middle East market with new enquires floating in.



- Awards and Certifications**

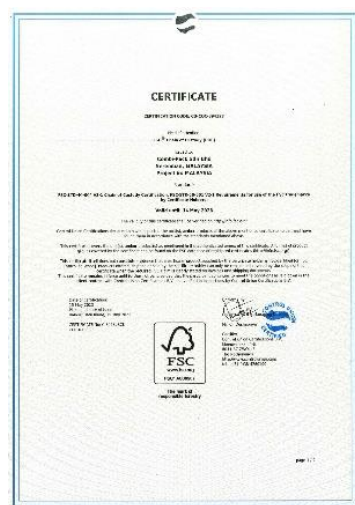
**Thailand Business**

The quarter also saw awards and recognition received by a few of our businesses as a testimony to the work performed and our commitments towards customer service excellence together with responsible manufacturing. TPAC Thailand received the prestigious "Best Performance of the Year 2022" award from one of our esteemed customers by achieving a strong score of 97.27 out of 100 (grade A) in the Supplier Performance Excellence Award 2022.



**Malaysia Business**

TPAC Malaysia received the FSC (Forest Stewardship Council) certificate, a testament to our commitment to sustainable forestry practices. This certification reinforces our dedication to responsible environmental stewardship.





# Financial performance

**A) Consolidated Income Statement**

(THB Mn)

|   | Q2'23        | Q1'23        | % Δ         | Q2'23        | Q2'22        | %Δ          | FY'22        | FY'21        | %Δ          |
|---|--------------|--------------|-------------|--------------|--------------|-------------|--------------|--------------|-------------|
| Sales                                     | 1,644        | 1,749        | -6%         | 1,644        | 1,790        | -8%         | 6,997        | 5,194        | 35%         |
| Cost of sales                             | 1,299        | 1,383        | -6%         | 1,299        | 1,538        | -16%        | 5,841        | 4,190        | 39%         |
| <b>Gross Profit</b>                       | <b>346</b>   | <b>365</b>   | <b>-5%</b>  | <b>346</b>   | <b>252</b>   | <b>37%</b>  | <b>1156</b>  | <b>1004</b>  | <b>15%</b>  |
| <b>Gross Profit Margin %</b>              | <b>21.0%</b> | <b>20.9%</b> | <b>0%</b>   | <b>21.0%</b> | <b>14.1%</b> | <b>7%</b>   | <b>16.5%</b> | <b>19.3%</b> | <b>-3%</b>  |
| SG&A                                      | 176          | 168          | 5%          | 176          | 183          | -4%         | 669          | 535          | 25%         |
| Other income                              | 20           | 28           | -29%        | 20           | 33           | -41%        | 99           | 55           | 79%         |
| <b>EBITDA</b>                             | <b>312</b>   | <b>342</b>   | <b>-9%</b>  | <b>312</b>   | <b>227</b>   | <b>37%</b>  | <b>1069</b>  | <b>952</b>   | <b>12%</b>  |
| <b>EBITDA Margin %</b>                    | <b>19.0%</b> | <b>19.6%</b> | <b>-1%</b>  | <b>19.0%</b> | <b>12.7%</b> | <b>6%</b>   | <b>15.3%</b> | <b>18.3%</b> | <b>-3%</b>  |
| <b>Core EBITDA</b>                        | <b>312</b>   | <b>342</b>   | <b>-9%</b>  | <b>312</b>   | <b>235</b>   | <b>32%</b>  | <b>1080</b>  | <b>977</b>   | <b>11%</b>  |
| <b>Core EBITDA Margin %</b>               | <b>19.0%</b> | <b>19.6%</b> | <b>-1%</b>  | <b>19.0%</b> | <b>13.1%</b> | <b>6%</b>   | <b>15.4%</b> | <b>18.8%</b> | <b>-3%</b>  |
| Depreciation and amortization             | 122          | 117          | 4%          | 122          | 125          | -2%         | 482          | 428          | 13%         |
| <b>EBIT</b>                               | <b>189</b>   | <b>225</b>   | <b>-16%</b> | <b>189</b>   | <b>102</b>   | <b>85%</b>  | <b>586</b>   | <b>524</b>   | <b>12%</b>  |
| <b>Core EBIT</b>                          | <b>189</b>   | <b>225</b>   | <b>-16%</b> | <b>189</b>   | <b>110</b>   | <b>72%</b>  | <b>598</b>   | <b>549</b>   | <b>9%</b>   |
| <b>Core EBIT Margin %</b>                 | <b>11.5%</b> | <b>12.9%</b> | <b>-1%</b>  | <b>11.5%</b> | <b>6.2%</b>  | <b>5%</b>   | <b>8.5%</b>  | <b>10.6%</b> | <b>-2%</b>  |
| Finance costs                             | 41           | 40           | 1%          | 41           | 43           | -4%         | 161          | 137          | 17%         |
| <b>Profit Before Tax</b>                  | <b>149</b>   | <b>185</b>   | <b>-19%</b> | <b>149</b>   | <b>60</b>    | <b>149%</b> | <b>426</b>   | <b>387</b>   | <b>10%</b>  |
| <b>Core Profit Before Tax</b>             | <b>149</b>   | <b>185</b>   | <b>-19%</b> | <b>149</b>   | <b>68</b>    | <b>119%</b> | <b>437</b>   | <b>411</b>   | <b>6%</b>   |
| <b>Core Profit Before Tax Margin %</b>    | <b>9.1%</b>  | <b>10.6%</b> | <b>-2%</b>  | <b>9.1%</b>  | <b>3.8%</b>  | <b>5%</b>   | <b>6.2%</b>  | <b>7.9%</b>  | <b>-2%</b>  |
| Income tax expense                        | 23           | 32           | -26%        | 23           | 11           | 120%        | 75           | 212          | -64%        |
| <b>Net Profit</b>                         | <b>125</b>   | <b>153</b>   | <b>-18%</b> | <b>125</b>   | <b>49</b>    | <b>156%</b> | <b>350</b>   | <b>175</b>   | <b>100%</b> |
| <b>Net Profit Margin %</b>                | <b>7.6%</b>  | <b>8.7%</b>  | <b>-1%</b>  | <b>7.6%</b>  | <b>2.7%</b>  | <b>5%</b>   | <b>5.0%</b>  | <b>3.4%</b>  | <b>2%</b>   |
| <b>Core Net Profit</b>                    | <b>125</b>   | <b>153</b>   | <b>-18%</b> | <b>125</b>   | <b>55</b>    | <b>127%</b> | <b>359</b>   | <b>329</b>   | <b>9%</b>   |
| <b>Core Net Profit Margin %</b>           | <b>7.6%</b>  | <b>8.7%</b>  | <b>-1%</b>  | <b>7.6%</b>  | <b>3.1%</b>  | <b>5%</b>   | <b>5.1%</b>  | <b>6.3%</b>  | <b>-1%</b>  |
| <b>Net Profit after NCI</b>               | <b>114</b>   | <b>139</b>   | <b>-18%</b> | <b>114</b>   | <b>46</b>    | <b>151%</b> | <b>319</b>   | <b>153</b>   | <b>108%</b> |
| <b>Net Profit after NCI Margin %</b>      | <b>7.0%</b>  | <b>7.9%</b>  | <b>-1%</b>  | <b>7.0%</b>  | <b>2.5%</b>  | <b>4%</b>   | <b>4.6%</b>  | <b>2.9%</b>  | <b>2%</b>   |
| <b>Core Net Profit after NCI</b>          | <b>114</b>   | <b>139</b>   | <b>-18%</b> | <b>114</b>   | <b>52</b>    | <b>121%</b> | <b>328</b>   | <b>307</b>   | <b>7%</b>   |
| <b>Core Net Profit after NCI Margin %</b> | <b>7.0%</b>  | <b>7.9%</b>  | <b>-1%</b>  | <b>7.0%</b>  | <b>2.9%</b>  | <b>4%</b>   | <b>4.7%</b>  | <b>5.9%</b>  | <b>-1%</b>  |

| Non-Recurring income/(expenses) (THB Million) | Q2'23    | Q1'23    | Q2'23    | Q2'22      | FY'22       | FY'21        |
|---|----------|----------|----------|------------|-------------|--------------|
| Overseas M&A Related Expenses                 | -        | -        | -        | (8)        | (11)        | (6)          |
| Thailand M&A Related Expenses                 | -        | -        | -        | (0)        | (1)         | (18)         |
| Deferred tax - pursuant to                    | -        | -        | -        | -          | -           | (133)        |
| <b>Total</b>                                  | <b>-</b> | <b>-</b> | <b>-</b> | <b>(8)</b> | <b>(12)</b> | <b>(158)</b> |

**Thailand Business**

The quarter witnessed a flattish growth on topline with respect to previous quarter with sales volumes largely remaining stable, however owing to concerted efforts of the management towards cost optimisation measures and richer product mix, the profitability for the business moved up significantly by 19% as compared to previous quarter. On year-on-year basis this represents a jump of ~92% at a Core EBITDA level as Q2'22 was a subdued period because of business getting affected due to China lockdown and cost escalations.

The management endeavour would be to maintain this current H1'23 levels of structural margins as we grow our business.

We are very excited by the Bangna turnaround story where we have turned an EBITDA negative company into a double-digit EBITDA margin business in a span of one year. This was by no means is a small feat as the management was faced with an escalating cost environment since the start of 2022, while grappling with internal issues of low utilisation and operational inefficiencies. The management embark on a focused transformational plan which included bringing more customers, cost optimisation measures, product mix rationalisation and technology enhancements. With all these initiatives coming through the business posted a strong profitability in Q2'23 representing ~74% increase in Core EBITDA over the previous quarter. The

management is confident that there exist brighter prospects for Bangna business in terms of growth and profitability enhancements in the coming years.

#### **India Business**

India had a subdued quarter with respect to Q1'23 in terms of both topline and bottom-line, attributed to seasonality (quarter Q2 is usually low) and early advent of rains in Northern India leading to unusual low demand in our beverages segment. Sales volume of India business decreased by 7% during Q2'23 as compared to previous quarter and remained stable as compared to same period last year.

Profitability was impacted in this quarter largely on account of volumes reduction coupled with small increase in manpower cost on account of annual increments. Even though we had a slow start to quarter in Skypet (April month is seasonally low), the Q2'23 volumes shown a growth of ~6% over previous quarter with profitability largely remaining stable.

With the 2 new greenfield projects completed and ongoing shop floor expansions in Skypet the business is now infrastructure ready to embark on an ambitious growth capex in 2023, which will increase the manufacturing capacity by ~20% from current levels by the end of this year.

In addition to above, the commercialisation of TPAC Customs (specialty caps and closures) in the start of next year gives the management a very positive outlook towards India business in the coming years. India today accounts for a lion share of more than 45% in overall groups turnover, which we believe is only expected to increase on the backdrop of strong growing consumption economy and our solid manufacturing footprints coupled with seasoned and trusted management team on the ground.

#### **UAE Business**

TPAC's UAE business recorded a lower profitability with respect to the previous quarter on account of sales volume decline of ~16%, such decline was primarily driven by 7 days of public holidays on account of Eid festival, when the factory was not operational and start of summer holidays in the month of Jun. However, on a year-on-year basis the business has demonstrated a growth of ~6% in volumes and a much sharper growth in Core EBITDA by ~37% driven by change in product mix and full benefit of the second manufacturing unit. Management is expecting a sharp increase in sales volume post summer vacations ending and schools reopening from Sep'23 onwards.

Management is confident on the overall prospects of the business in that region and is planning for fresh investments for capacity augmentation in the coming quarters to cater to the market demand.

#### **Malaysia Business**

The quarter saw a decline of 6% in sales volumes as compared to previous quarter because of lower working days led by an extended holiday period and festivities (such as Hari Raya, king's birthday & Haji festival). The volume impact was also reflected in the profitability being subdued for the current quarter. Overall, from a year-on-year perspective the business has shown growth in volumes by ~6% on account of higher demand from market such as instant noodles, albeit a much sharper increase in profitability on the back drop of higher sales volume, savings through solar project & other energy initiatives and procurement excellence programme which has now started to deliver results.

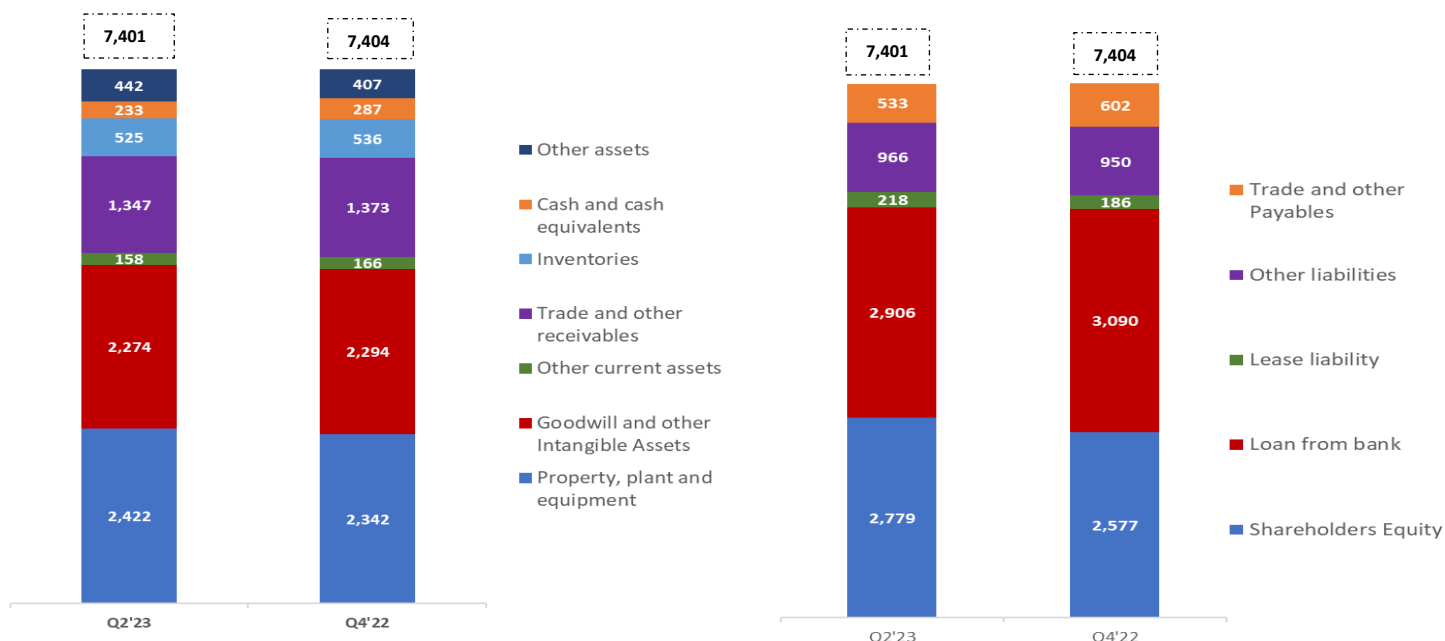
TPAC has started evaluating site for a second factory in anticipation of increased customer demand and market opportunities which reflects the confidence that management has on the prospects of our Malaysia business.

**B) Consolidated Balance Sheet**

(THB Mn)

**ASSETS**

**EQUITY AND LIABILITIES**



- Overall assets of the company stand at ~THB 7.4 bn as at Q2'23.
- Tangible and intangible fixed assets (~ THB 4.7 bn) comprise ~63% of the total assets. Increase in value of tangible assets during Q2'23 vs Q4'22 is mainly on account of capitalisation of plant in West of India, new production site in South of India and purchase of new machines (incl. moulds and ancillary parts) for capacity expansion, which is partly offset by depreciation for the period.
- Net Working Capital amounting to ~ THB 1.4 bn as % to LTM Revenue is ~21% for the quarter.
- Other Assets primarily includes right of use assets, withholding tax deducted at source and advance payment for purchasing of moulds.

- Increase in shareholders equity by ~ THB 202 Mn during Q2'23 vs Q4'22 is primarily on account of profit for the quarter and gain on foreign exchange translation which is partly offset by dividend payout.
- Reduction in loan from bank by ~ THB 184 mn during Q2'FY23 vs Q4'22 is on account of scheduled loan repayments and certain prepayments.
- Significant improvement in leverage ratios over the past one year:
  - Net Debt to Equity – Improved from 1.32x in Q2'22 to 1.04x at the end of Q2'23
  - Net Debt to LTM Core EBITDA – Improved from 3.3x in Q2'22 to 2.3x at the end of Q2'23
- Other Liabilities primarily includes non-controlling interest put options and deferred tax liability.

**C) Consolidated Cash Flow**

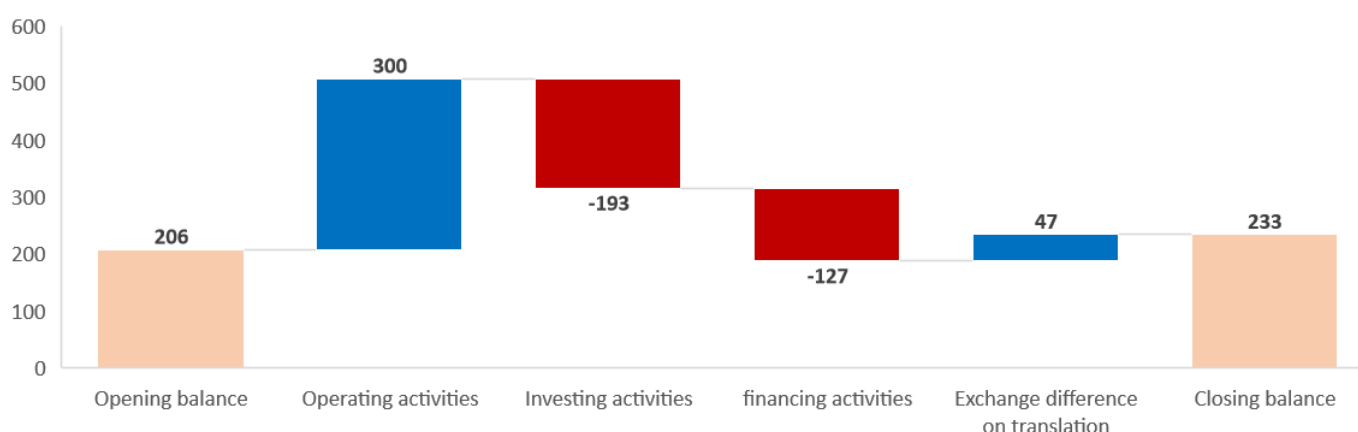
(THB Mn)

| Cash Flows (THB Million)                                    | Q2'23 | H1'23 | FY2022 |
|---|-------|-------|--------|
| Net cash received from operating activities                 | 300   | 583   | 886    |
| Net cash used in investing activities                       | (193) | (249) | (876)  |
| Net cash used/received in financing activities              | (127) | (416) | (39)   |
| Exchange differences on translation of financial statements | 47    | 29    | (78)   |
| Net increase/decrease in cash and cash equivalents          | 27    | (54)  | (107)  |
| Cash and Cash Equivalents - Opening Balance                 | 206   | 287   | 394    |
| Cash and Cash Equivalents - Closing Balance                 | 233   | 233   | 287    |

**Cash flow bridge for the quarter ended June'23:**

Cash flow bridge for Q2'23

(THB Mn)



- TPAC generated positive operating cash flow aggregating Baht 300 Mn for the period Q2'23.



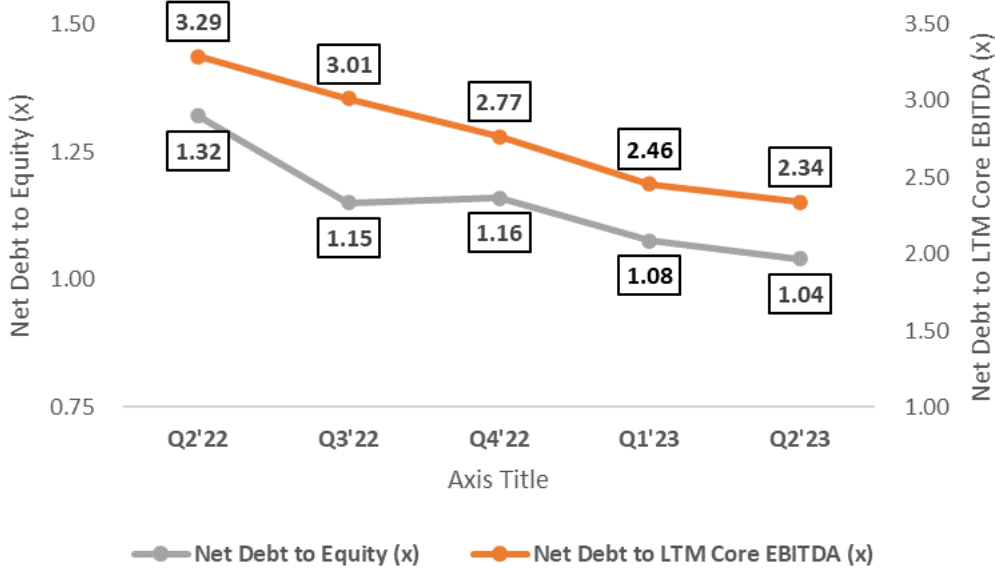
- Investing activities during Q2'23 primarily includes new production site in India and capex on new machine, mould and ancillary parts across all geographies for capacity expansion.



- Financing activities is mainly related towards finance cost of THB ~37 Mn & dividend payout of ~THB 103 Mn during Q2'23 partly set off by net loan increase taken for working capital needs.

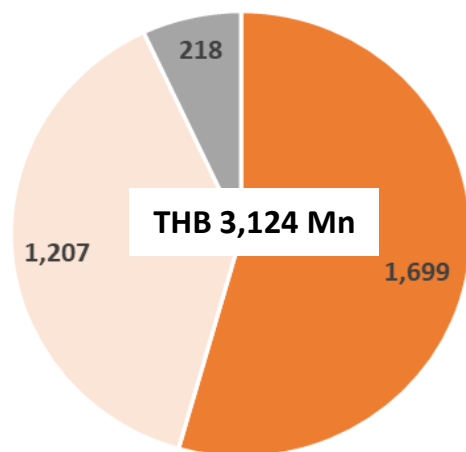
*Continuously deleveraging over the past one year, backed by a strong cash flow generation*

**Sharp improvement in Net Debt to Equity and Net Debt to LTM Core EBITDA**



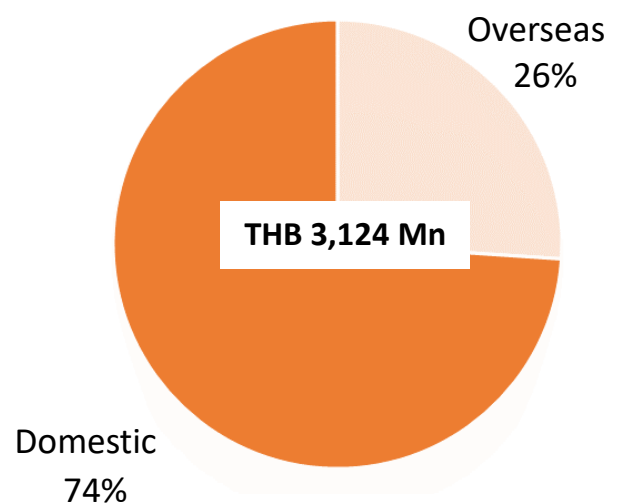
**Debt Composition as at 30 Jun 23**

**Consolidated Debt Breakdown**



- Long Term Debt
- Short Term Loan
- Lease Liability

**Geographical Spilt of Consolidated Debt**



***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.

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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   | Q2'23        | Q4'22        | %Δ         |
|---|--------------|--------------|------------|
| Cash and cash equivalents                             | 233          | 287          | -19%       |
| Trade and other receivables                           | 1,347        | 1,373        | -2%        |
| Inventories   | 525          | 536          | -2%        |
| Other current financial assets                        | 18           | 13           | 34%        |
| Advance purchase for raw material                     | 55           | 52           | 5%         |
| Asset held for sale                                   | -            | 2            | -100%      |
| Other current assets                                  | 86           | 98           | -13%       |
| <b>Total current assets</b>                           | <b>2,264</b> | <b>2,362</b> | <b>-4%</b> |
| Restricted bank deposits                              | 10           | 17           | -43%       |
| Long-term investment                                  | 3            | 3            | 2%         |
| Property, plant and equipment                         | 2,422        | 2,342        | 3%         |
| Right-of-use assets                                   | 205          | 174          | 18%        |
| Goodwill  | 1,694        | 1,680        | 1%         |
| Intangible assets                                     | 580          | 614          | -6%        |
| Deferred tax assets                                   | 10           | 9            | 7%         |
| Withholding tax deducted at source                    | 70           | 70           | 0%         |
| Advance payment for purchasing of molds               | 58           | 42           | 38%        |
| Assets associated with call options                   | 4            | 4            | 0%         |
| Other non-current assets                              | 82           | 87           | -5%        |
| <b>Total non current assets</b>                       | <b>5,137</b> | <b>5,043</b> | <b>2%</b>  |
| <b>Total assets</b>                                   | <b>7,401</b> | <b>7,404</b> | <b>0%</b>  |
| Bank overdraft and short-term loans from banks        | 1,022        | 992          | 3%         |
| Trade and other payables                              | 533          | 602          | -11%       |
| Current portion of long-term lease liabilities        | 18           | 12           | 51%        |
| Current portion of long-term loans from banks         | 367          | 373          | -2%        |
| Income tax payable                                    | 37           | 27           | 36%        |
| Other current financial liabilities                   | -            | 0            | -100%      |
| Other current liabilities                             | 54           | 56           | -4%        |
| <b>Total current liabilities</b>                      | <b>2,030</b> | <b>2,062</b> | <b>-2%</b> |
| Long-term lease liabilities, net of current portion   | 200          | 174          | 15%        |
| Long-term loans from banks - net of current portion   | 1,517        | 1,725        | -12%       |
| Non-controlling interest put options                  | 341          | 341          | 0%         |
| Deferred tax liabilities                              | 359          | 363          | -1%        |
| Provision for long-term employee benefits             | 78           | 74           | 6%         |
| Other non-current financial liabilities               | 97           | 90           | 8%         |
| <b>Total non current liabilities</b>                  | <b>2,592</b> | <b>2,765</b> | <b>-6%</b> |
| <b>Total liabilities</b>                              | <b>4,623</b> | <b>4,828</b> | <b>-4%</b> |
| 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                                     | 1,073        | 915          | 17%        |
| Other components of shareholders' equity              | (45)         | (111)        | -60%       |
| Excess of book value of acquired subsidiary over cost | 20           | 20           | 0%         |
| Equity attributable to owners of the Company          | 2,434        | 2,210        | 10%        |
| Non-controlling interests of the subsidiaries         | 344          | 367          | -6%        |
| <b>Total shareholders' equity</b>                     | <b>2,779</b> | <b>2,577</b> | <b>8%</b>  |
| <b>Total liabilities and shareholders' equity</b>     | <b>7,401</b> | <b>7,404</b> | <b>0%</b>  |
| <b>Net Debt to Equity (times)</b>                     | <b>1.04</b>  | <b>1.16</b>  |            |
| <b>Debt to Equity (times)</b>                         | <b>1.12</b>  | <b>1.27</b>  |            |

**Consolidated Cash Flow**

(THB Mn)

|   | Q2'23        | H1'23        | FY2022       |
|---|--------------|--------------|--------------|
| <b>Cash flow from Operating Activities</b>  |              |              |              |
| Profit Before Tax   | 149          | 333          | 426          |
| Adjustment : Depreciation and Amortisation  | 122          | 239          | 482          |
| Adjustment : Other adjustments  | 41           | 85           | 186          |
| Profit from operating activities before changes to working capital                          | 312          | 658          | 1,094        |
| Net changes to working capital  | 11           | (28)         | (129)        |
| Cash flows from Operating Activities  | 323          | 630          | 965          |
| Cash paid for corporate income tax  | (23)         | (48)         | (79)         |
| <b>Net Cash Flows from Operating Activities</b>   | <b>300</b>   | <b>583</b>   | <b>886</b>   |
| <b>Cash flow from Investing Activities</b>  |              |              |              |
| Acquisition of Fixed Assets   | (160)        | (234)        | (471)        |
| Acquisition of Intangible Assets  | (0)          | (0)          | (2)          |
| Proceeds from equipments sales  | 0            | 0            | 17           |
| Proceeds from Asset held for sale   | -            | 2            | -            |
| Cash paid for investment in subsidiary  | (16)         | (16)         | (408)        |
| Other   | (17)         | (3)          | (12)         |
| <b>Net Cash Flow used in Investing Activities</b>   | <b>(193)</b> | <b>(249)</b> | <b>(876)</b> |
| <b>Cash flow from Financing Activities</b>  |              |              |              |
| Increase (decrease) in short-term loans from bank   | 102          | 27           | 241          |
| Decrease from restricted bank deposit   | 8            | 8            | -            |
| Increase (decrease) in long-term loans from bank  | 20           | 20           | 463          |
| Repayment of long-term loan   | (109)        | (246)        | (558)        |
| Cash paid for finance lease payable   | (7)          | (13)         | (26)         |
| Cash receipt from long-term loan from non-controlling interests of the subsidiary           | -            | -            | 40           |
| Finance costs   | (37)         | (74)         | (139)        |
| Dividend Paid Out   | (103)        | (137)        | (59)         |
| <b>Net Cash Flow from Financing Activities</b>  | <b>(127)</b> | <b>(416)</b> | <b>(39)</b>  |
| Decrease in exchange differences on translation of financial statements in foreign currency | 47           | 29           | (78)         |
| <b>Change in Cash and Cash Equivalents</b>  | <b>27</b>    | <b>(54)</b>  | <b>(107)</b> |
| <b>Cash and cash equivalents at beginning of period</b>                                     | <b>206</b>   | <b>287</b>   | <b>394</b>   |
| <b>Cash and Cash equivalents - Closing Period Balance</b>                                   | <b>233</b>   | <b>233</b>   | <b>287</b>   |

**Exchange rate used to translate the financial statements**

|                                    | INR/THB | MYR/THB | AED/THB |
|------------------------------------|---------|---------|---------|
| 6 months average rate Y2022        | 0.4428  | 7.8966  | 9.1814  |
| 6 months average rate Y2023        | 0.4176  | 7.6736  | 9.3107  |
| Month-ended rate as at 31 Dec 2022 | 0.4199  | 7.8304  | 9.4109  |
| Month-ended rate as at 30 Jun 2023 | 0.4343  | 7.6134  | 9.6892  |