

○ Industry Overview



The Thai economy expanded in the second quarter of 2023 due to an increase in the number of tourists. However, the continuous increase in interest rates had an impact on the debt burden of consumers and businesses. Private consumption was pressured by a significant increase in household debt and higher cost of living. In addition, overall exports contracted in line with global demand, which was still under pressure from high inflation.

The overall packaging industry has been positively affected by the falling of energy prices and fuel tariffs (Ft) as well as natural gas, which is the primary factor of glass production. However, the packaging industry is still affected by higher interest rates and cost of living, which reduce consumer purchasing power. Furthermore, exports have also slowed down aligned with the demand of trading partners.

○ Business Overview



The company's revenue increased from the same quarter of the previous year, mainly due to the growth of the glass packaging business in the soda and water group. In this quarter, the company recognized revenue from Prime Packaging Co., Ltd. (Prime), which is a manufacturer and distributor of flexible plastic packaging and plastic rolls. This helped to support the continuous growth of the packaging group's revenue.

As for the case of an increase in some raw material costs, the company initiated cost management by negotiating with suppliers to secure the best possible prices. The Company also adjusted production formulas to reduce the cost of production per unit and increase flexibility as well as the ability to adapt to situations. Moreover, deployed suitable alternative energies for effective cost management, in parallel with negotiating with the customers for price adjustments, adopting innovative technology throughout the production process, such as an Intelligent Furnace Control System (ESIII), etc., 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.



Company Milestone of Quarter 2/2023

23 February

The establishment of a new subsidiary, BGC Supply Chain Management Co.,Ltd., which related to supply chain management and warehouse rental services. The Company aims to diversify sources of revenue, support core business, and foreseeing growth opportunities in the supply chain management, both within and outside the company's group.

31 March

BGC Packaging Company Limited ("BGCP"), a wholly-owned subsidiary of the Company, to purchase 75% shares of Prime Packaging Company Limited ("Prime").

18 April

Held 2023 Shareholders' Annual General Meeting via Electronic Meeting

The Ayutthaya plant held a ceremony to warm up the glass furnace after cold repair in February 2023, in preparation for commercial production. This would increase glass packaging production capacity and convert some of the energy usage from natural gas to electric power, in support of the company's ESG policy.

15 May

Approve an interim dividend payment of THB 0.08 per share, totaling THB 55.56 million, from the three-month operating results period ended 31 March 2023. The dividend was paid on 15 June 2023.

22 May

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 March 2023.



Business Overview



Income Statement

Unit : Million Baht	2 nd Quarter			6 - month period		
	Jun - 23	Jun - 22	VS. LY	Jun - 23	Jun - 22	VS. LY
Sales ¹	3,511	3,388	+4%	7,325	7,355	-0.4%
Cost of Goods Sold - Cash	(2,740)	(2,633)	+4%	(5,808)	(5,588)	+4%
Cost of Goods Sold - Non-Cash	(314)	(345)	-9%	(667)	(767)	-13%
Gross Profits	457	410	+11%	850	1,000	-15%
GP %	13.0%	12.1%	+91 bps	11.6%	13.6%	-199 bps
Selling and Administrative expenses	(304)	(325)	-6%	(589)	(732)	-20%
Other gains (losses), net	(1)	38	N/A	13	41	-68%
Other Income ²	15	34	-56%	39	137	-72%
Non-Recurring item - Net	167	157	+6%	313	446	-30%
Earnings Before Interest and Tax	(67)	(39)	+72%	(121)	(80)	+51%
Financial Cost	100	118	-15%	192	366	-48%
Net Profit Before Tax	(21)	(3)	+600%	(34)	(25)	+36%
Income Taxes	79	115	-31%	158	341	-54%
Net Profit After Tax	(8)	(7)	-14%	(12)	(16)	-25%
Net Profit to Non-Controlling Interest	71	108	-34%	146	325	-55%
Net Profit to Equity holders of the Company	556	529	+5%	1,069	1,181	-9%



¹ Sales included transportation revenue and trading income

² Other Income included share of profit from investments in associates

Sales Revenue, 2Q23 sales revenue of THB 3,511 million, an increased of THB 124 million or 4% YoY, mainly due to the following reasons:



Sales Revenue

Unit : Million Baht	Q2			6M		
	Jun - 23	Jun - 22	VS. LY	Jun - 23	Jun - 22	VS. LY
Revenue from Sales	3,511	3,388	+4%	7,325	7,355	-0.4%
Glass packaging business	2,948	2,924	+1%	6,293	6,445	-2%
Packaging business	641	526	+22%	1,173	1,016	+16%
Elimination	(77)	(62)		(141)	(106)	

Glass packaging business

Quarter 2/2023



Sales revenue was THB 2,948 million, increased by THB 24 million or 1% YoY, mainly from domestic sales, especially Soda & Water segment, following the expansion of consumption.

For 6-month period

Sales revenue was THB 6,293 million, decreased by THB 152 million or 2% YoY, due to the decline in soft drinks group, both domestic and export, from lower consumption. In addition, export revenue also declined from the beer and food jar groups due to the slowdown in the economies of trading partners.

Packaging business

Quarter 2/2023



Sales revenue was THB 641 million, increased by THB 115 million or 22% YoY, mainly from the revenue of flexible plastic and flim rolls amounted to THB 103 million in which the Company has recently acquired into the packaging business.

For 6-month period

Sales revenue was THB 1,173 million, increased by THB 158 million or 16% YoY, due to the revenue of flexible plastic, flim rolls, and paper segment as well as from the acquisition.



Gross Profit

Gross Profits, 2Q23 THB 457 million, an increased of THB 47 million or 11% YoY, with a gross profit margin of 13.0%, increased of 91 bps YoY, mainly due to the following reasons:

Unit : Million Baht	Q2			6M		
	Jun - 23	Jun - 22	VS. LY	Jun - 23	Jun - 22	VS. LY
Gross Profit	457	410	+11%	850	1,000	-15%
Glass packaging business	389	391	-0.5%	741	948	-22%
Packaging business	72	22	+228%	115	56	+104%
Elimination	(4)	(3)		(6)	(4)	

Glass packaging business



Quarter 2/2023

Gross profit was THB 389 million, decreased by THB 2 million or 0.5% YoY. The gross profit margin was 13.2%, declined by 17 bps YoY as a result of the rise in raw materials and energy price such as cullet and natural gas as well as the increased in fuel tariff, or Ft compared with the previous year.

For 6-month period

Gross profit was THB 741 million, decreased by THB 207 million or 22% YoY. The gross profit margin was 11.8%, declined by 293 bps YoY as a result of the rise in raw materials and energy price as well.

Packaging business



Quarter 2/2023

Gross profit was THB 72 million, increased by THB 50 million or 228% YoY. The gross profit margin was 11.2%, increased by 703 bps YoY. The main reason for the increase in revenue is the significant increase in gross profit margin of flexible plastic and film rolls, which is due to the acquisition of Prime, a high-margin business. Furthermore, cost of key raw materials for the packaging group, such as plastic pellets, film, and kraft paper have declined.

For 6-month period

Gross profit was THB 115 million, increased by THB 58 million or 104% YoY. The gross profit margin was 9.8%, increased by 424 bps YoY. The main reason for the increase in revenue is the significant increase in gross profit margin of flexible plastic and film rolls, which is due to the acquisition of Prime and the cost of key raw materials for the packaging group have declined as well.

Quarter 2/2023



Selling and administrative expenses:

In 2Q23, selling and administrative expenses were THB 304 million, decreased by THB 21 million or 6% YoY. Selling expenses decreased by THB 34 million due to lower sales. However, the administrative expense, increased by THB 13 million mainly from the rise in warehouse rental costs.

Tax expense:

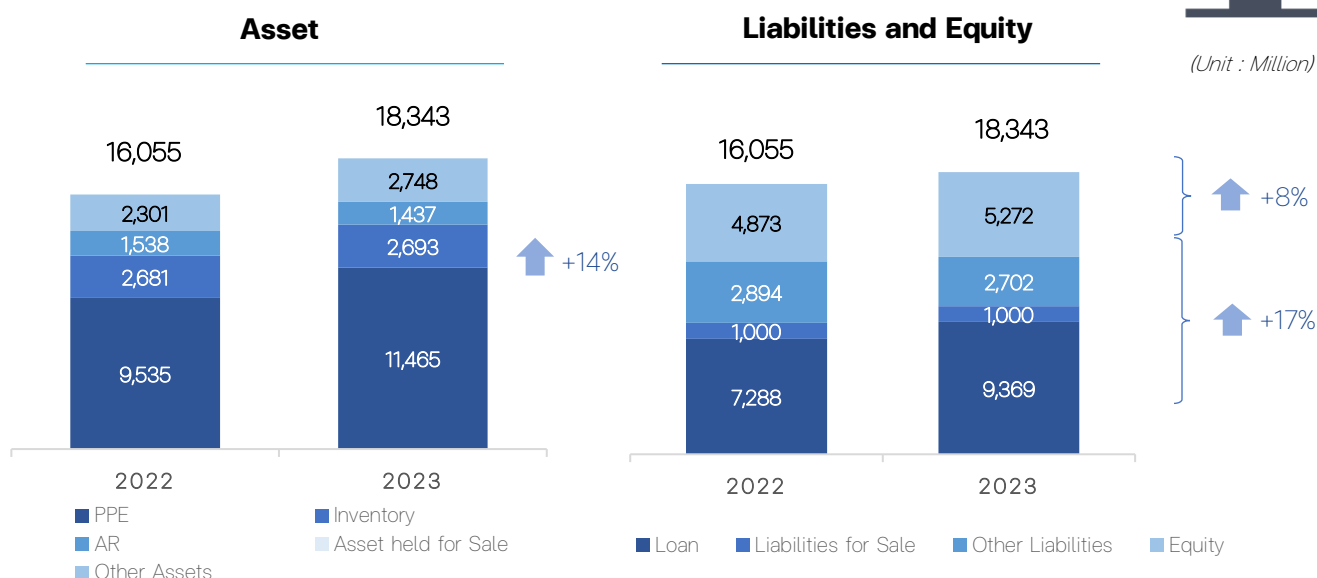
In 2Q23, tax expense was THB 21 million, a increased of THB 19 million or 600% YoY resulted from the decreased of deferred tax assets.

Net Profit to Equity holders of the Company:

In 2Q23, the net profit to equity holders of the company was THB 71 million, a decrease of THB 36 million or 34% YoY due to lower sales, rise in raw materials and energy price compared with the same quarter last year as well as the increased in administrative and financial expenses.



● Statement of Financial Position As of 30 June 2023



Total Assets As of 30 June 2023, the Company's total assets were THB 18,343 million, increased by THB 2,288 million or 14% YoY, mainly due to an increase in property, plant, and equipment of THB 1,930 million, of which THB 2.05 million is from Prime Packaging Co., Ltd along with the increased in right-of-use assets by THB 168 million.

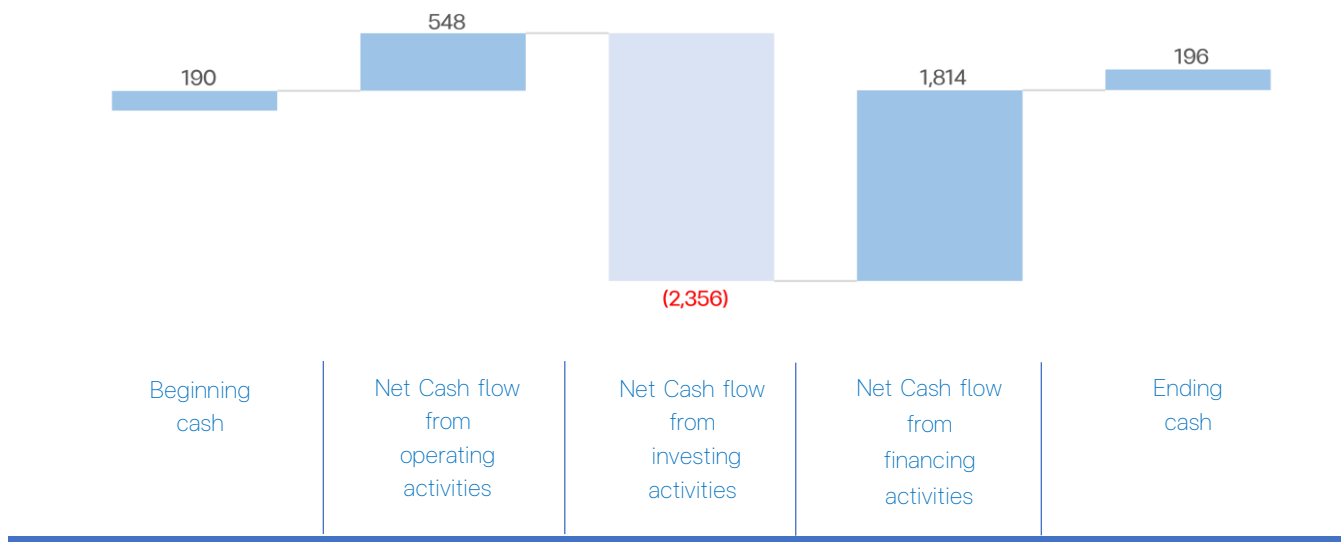
Total Liabilities As of 30 June 2023, the Company's total liabilities were THB 13,071 million, an increased of THB 1,889 million or 17% YoY, mainly due to the increase in interest-bearing debt of THB 2,081 million and lease liabilities that increased by THB 108 million.

Total Equity As of 30 June 2023, the Company's total equity was THB 5,272 million, increased by THB 399 million or 8% YoY, mainly due to increase in the surplus of land revaluation by THB 411 million.



(Unit : Million)

● Statement of Cash Flows



Net Cash flow from operating activities increased by THB 548 million contributing to an increased in non-cash items of THB 776 million while operating profit increased by THB 62 million while working capital decreased by THB 290 million.

Net Cash flow from investing activities decreased by THB 2,356 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 1,814 million due to cash received from loans from financial institutions at THB 23,941 million, cash payments of loans to financial institutions decreased at THB 21,860 million, and increased in cash payments for the lease liability of THB 109 million.



● Financial Ratios

Key Ratios	Period Ending		
	Jun - 23	Dec - 22	Ch. +(-)
Collection period (days)	37.8	36.7	1.1
Inventory turnover (days)	44.1	49.2	(5.1)
Payment period (days)	47.5	45.3	2.2
Operating Working Capital (days)	34.4	40.6	(6.2)
Debt to Equity (times)	2.5	2.3	0.2
Net Debt to EBITDA (times)	4.9	4.5	0.4
DSCR (times)	1.1	1.1	-

As of 30 June 2023, the Company had an Operating Working Capital of 31.6 days, which decreased from the year ended 2022 by 6.2 days due to lower inventory turnover and a longer payment period.

As of 30 June 2023, The Company group's Debt to Equity ratio was 2.5 times increased by 0.2 times from the year ended 2022. Net Debt to EBITDA was 4.9 times increased by 0.4 times from the year ended 2022