



THAI PLASPAC PUBLIC COMPANY LIMITED (“TPAC”)

Management Discussion and Analysis for the
1st Quarter ending March 31st, 2024.

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TPAC Overview

Thai Plaspac Public Company Limited (“TPAC”) is a packaging solutions specialist, focused on the design and manufacture of 100% recyclable mono-material packaging formats for polymers and paper packaging mainly for the food and pharmaceutical segments.

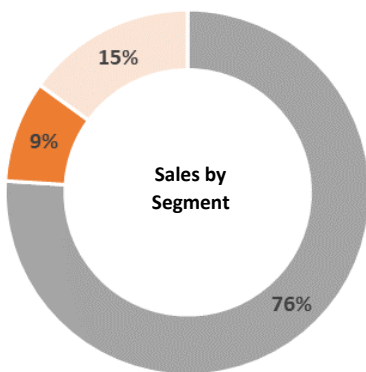
<p>Asia’s Fastest Growing packaging company *</p>	<p>TPAC Design Lab At the heart of our company</p>	<p>Market Leader Leadership position #</p>	<p>17 Production Plants</p> <ul style="list-style-type: none"> • 4 in Thailand • 2 in UAE • 9 in India • 1 in Malaysia • 1 in Philippines 	<p>Focused on 100% recyclable mono-material formats.</p> <p>PET / rPET PP / rPP HDPE / rHDPE</p>	<p>Continued focus on Corporate Governance</p>
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* Company estimation based on last 5 years revenue growth trend

Across all our niche segments

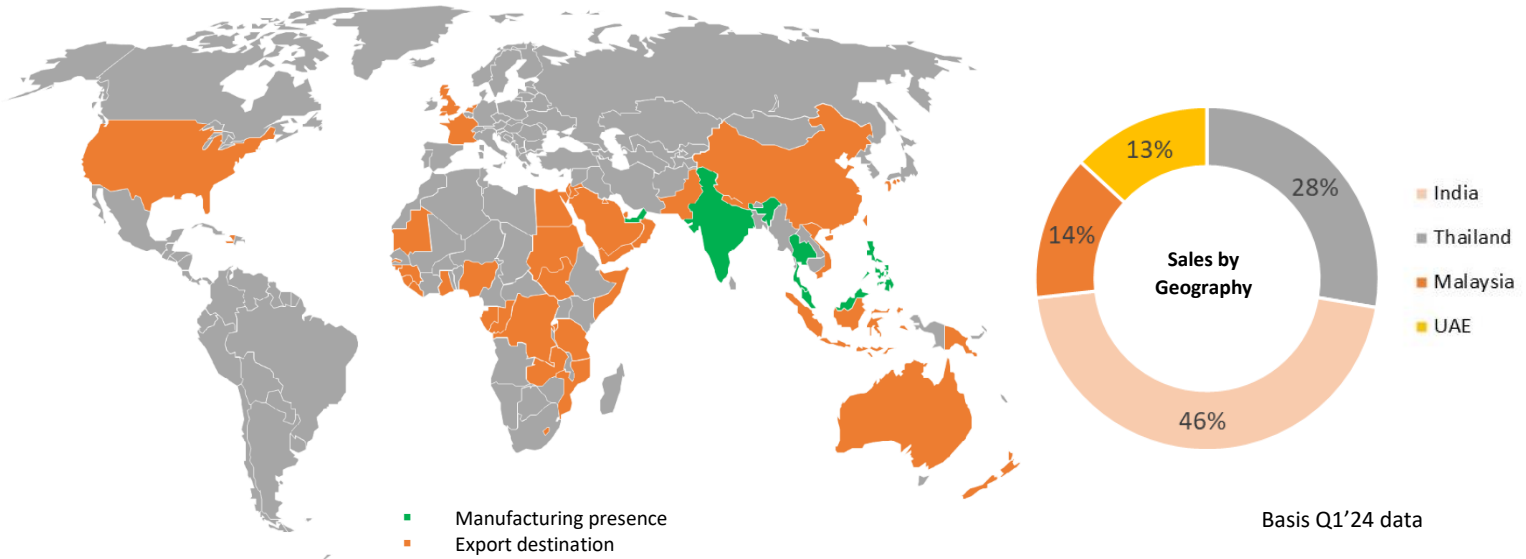
Geographic and Industry Segmentation

Basis Q1'24 data



- Food and Beverages
- Pharmaceutical and Personal Care
- Home Care & Industrial

<p>Food and Beverages</p>	<p>Pharmaceutical and Personal care</p>	<p>Home Care and Industrial</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 a geographic spread basis, overseas business in Q1FY'24 accounted for ~ 72% of the group with India contributing a significant share ~ 63% of the overseas business.

Q1'24 performance: The FY'24 kicks off with a strong profitable growth

Profitability driven by strong volumes and margin expansion

Revenue



THB 1,842 Mn

QoQ **+7%**

YoY **+5%**

Core EBITDA



THB 358 Mn

QoQ **+17%**

QoQ **+5%**

Core EPS



THB 0.42

QoQ **+42%**

YoY **-2%**

Core ROE



22%

QoQ **+521** bps

YoY **-307** bps

Net Debt/Equity



1.00x

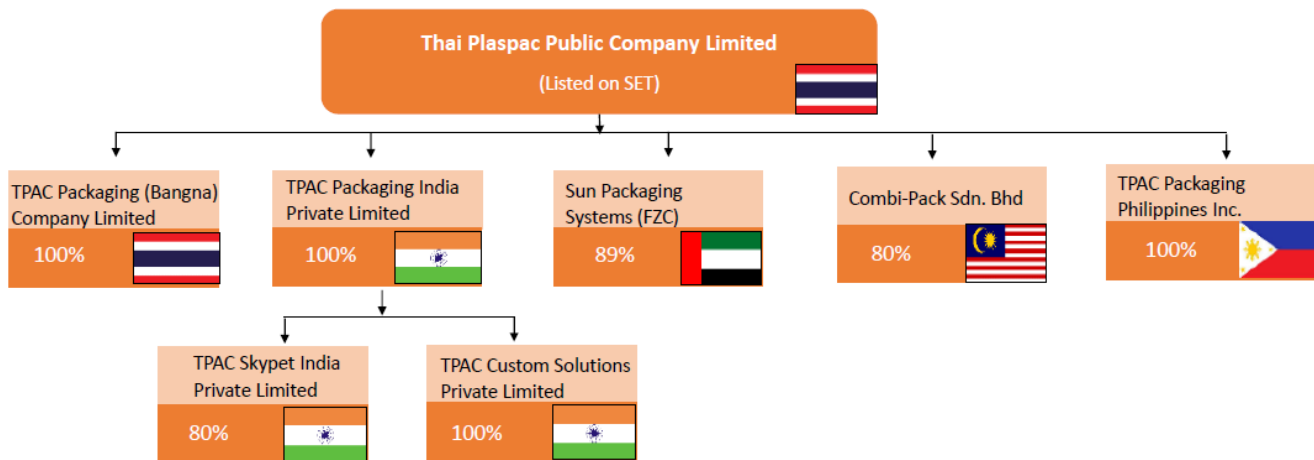
01

- Profitability jumped during Q1'24 as compared to Q4'23 due to higher sales volume and margin expansion.

02

- Deleveraging continues with continuous momentum on growth.
- Net Debt/Equity: Down from 1.06x at Dec'23 to 1.00x at Mar'24.

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 5 direct subsidiaries (as presented in the above table). While the subsidiaries located in Thailand, India and Philippines 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, incorporated last year, 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 1st quarter and year ended March 31st, 2024

(THB Mn)

	Quarterly					Financial Years		
	Q1'24	Q4'23	%Δ	Q1'23	%Δ ¹	FY'23	FY'22	%Δ
Consolidated Sales ²	1,842	1,714	7%	1,749	5%	6,804	6,997	-3%
EBITDA	358	303	18%	342	5%	1,317	1,069	23%
Core EBITDA³	358	306	17%	342	5%	1,320	1,080	22%
Core EBIT ³	224	176	28%	225	0%	825	598	38%
Core Net Profit ³	150	108	39%	153	-2%	544	359	52%
Core Net Profit after NCI ³	136	96	42%	139	-2%	493	328	50%
EPS	0.42	0.29	46%	0.43	-2%	1.50	0.98	54%
Core EPS³	0.42	0.29	42%	0.43	-2%	1.51	1.00	50%
Core ROE ⁴	22%	17%	5%	25%	-3%	21%	15%	6%
Debt to Equity (times) ⁵	1.06	1.13	-0.07	1.15	-0.10	1.13	1.27	-0.15
Net Debt to Equity (times) ⁶	1.00	1.06	-0.06	1.08	-0.07	1.06	1.16	-0.10

YoY: Q1'24 vs Q1'23, 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 (annualized) / Qn Avg. Equity excluded NCI, 5. Debt to Equity = IBD / Equity, 6. Net Debt to Equity = (IBD - Cash) / Equity.

Dear Stakeholders,

- **TPAC Q1'24 Core EPS of Baht 0.42 saw a slight decrease of ~2% as compared to same period last year, and a notable ~42% increase in core EPS as compared to previous quarter.**
- **TPAC Q1'24 Core EBITDA at Baht 358m, a 5% increase compared to same period last year and 17% increase compared to previous quarter.**
- Revenue for this quarter has **increased by ~7% as compared to previous quarter** and **increased by ~5% as compared to same period last year**. The increase on Q-o-Q stems from increase in sales volumes along with a change in business mix.
- Core EBITDA increasing by 17% on Q-o-Q basis on the backdrop of **volume growth and margin expansion**.
- **Core ROE for the quarter stands at ~22%**, showing a significant improvement (+543 bps) as compared to previous quarter.
- TPAC's financial health strengthened in Q1'24, with the **net debt-to-equity ratio dropping from 1.06x to 1.00x** demonstrating improvement on a quarter-on-quarter basis.

Financial performance

A) Consolidated Income Statement

(THB Mn)

	Q1'24	Q4'23	% Δ	Q1'24	Q1'23	%Δ	FY'23	FY'22	%Δ
Sales	1,842	1,714	7%	1,842	1,749	5%	6,804	6,997	-3%
Cost of sales	1,419	1,346	5%	1,419	1,383	3%	5,344	5,841	-9%
Gross Profit	423	368	15%	423	365	16%	1,461	1,156	26%
Gross Profit Margin %	23.0%	21.4%	2%	23.0%	20.9%	2%	21.5%	16.5%	5%
SG&A	220	212	4%	220	168	31%	732	669	9%
Other income	21	17	29%	21	28	-22%	94	99	-5%
EBITDA	358	303	18%	358	342	5%	1,317	1,069	23%
EBITDA Margin %	19.4%	17.7%	2%	19.4%	19.6%	0%	19.4%	15.3%	4%
Core EBITDA	358	306	17%	358	342	5%	1,320	1,080	22%
Core EBITDA Margin %	19.4%	17.9%	2%	19.4%	19.6%	0%	19.4%	15.4%	4%
Depreciation and amortization	134	131	3%	134	117	14%	495	482	3%
EBIT	224	173	30%	224	225	0%	823	586	40%
Core EBIT	224	176	28%	224	225	0%	825	598	38%
Core EBIT Margin %	12.2%	10.2%	2%	12.2%	12.9%	-1%	12.1%	8.5%	4%
Finance costs	47	48	-1%	47	40	18%	172	161	7%
Profit Before Tax	177	125	42%	177	185	-4%	651	426	53%
Core Profit Before Tax	177	128	38%	177	185	-4%	653	437	50%
Core Profit Before Tax Margin %	9.6%	7.5%	2%	9.6%	10.6%	-1%	9.6%	6.2%	3%
Income tax expense	26	19	38%	26	32	-17%	109	75	45%
Net Profit	150	106	42%	150	153	-2%	542	350	55%
Net Profit Margin %	8.2%	6.2%	2%	8.2%	8.7%	-1%	8.0%	5.0%	3%
Core Net Profit	150	108	39%	150	153	-2%	544	359	52%
Core Net Profit Margin %	8.2%	6.3%	2%	8.2%	8.7%	-1%	8.0%	5.1%	3%
Net Profit after NCI	136	94	46%	136	139	-2%	490	319	54%
Net Profit after NCI Margin %	7.4%	5.5%	2%	7.4%	7.9%	-1%	7.2%	4.6%	3%
Core Net Profit after NCI	136	96	42%	136	139	-2%	493	328	50%
Core Net Profit after NCI Margin %	7.4%	5.6%	2%	7.4%	7.9%	-1%	7.2%	4.7%	3%

Non-Recurring income/(expenses) (THB Million)	Q1'24	Q4'23	Q1'24	Q1'23	FY'23	FY'22
Overseas M&A Related Expenses	-	-	-	-	-	(11)
Thailand M&A Related Expenses	-	-	-	-	-	(1)
Overseas Greenfield project Related E	-	(3)	-	-	(3)	-
Total	-	(3)	-	-	(3)	(12)

Thailand Business

The first quarter of 2024 has showcased an improvement in performance of Thailand business, driven by increase in sales volume by ~9% as compared to previous quarter and by ~15% as compared to same period last year. This rise is attributable to higher demand from select customers and new customer wins. Such increased volumes combined with concerted management efforts towards cost optimization measures and a richer product mix, have significantly improved business profitability by 15% compared to the previous quarter. Year-on-year, this has translated into a healthy jump at the Core EBITDA level, as Q1'23 was subdued due to low offtake by certain customers resulting from inventory buildup last year.

With the successful revitalization of the Bangna business, which experienced a positive reversal in profitability in FY'23 and continued to increase profitability during Q1'24, management is consistently making efforts to strengthen the Bangna pipeline with new projects from both existing and new clients.

India Business

The overall India business delivered strong performance in Q1'24, achieving a notable sales volume increase of approximately 16% compared to the previous quarter and a slight uptick compared to the same period last year. Despite facing challenges over the past few quarters, resulting in lower sales volumes and profitability, this quarter marked a significant reversal of that trend.

The surge in sales volumes was accompanied by a healthy increase in profitability compared to the previous quarter. This uptick in profitability can be attributed in part to the summer season in India, which drove higher demand in FMCG and Dairy segments and as well as reaping benefits from the commercialisation of the capacity expansion done at latter half of last year.

Down south, our Skypet business continues to outperform, surpassing the previous quarter on both volume and profitability. The quarter witnessed a growth of ~27% in volumes, and a relatively sharper increase in profitability led by better realizations.

Additionally, TPAC Customs has been successfully commercialized during this quarter, with initial revenue generation already observed. The upcoming quarters will see a gradual increase in business, promising a positive prospects for our India business.

UAE Business

This quarter marked a significant milestone for our UAE business, achieving its highest-ever sales volume and profitability since its establishment, thereby setting new records. Sales volume surged by approximately 21% compared to both the previous quarter and the same period last year. This remarkable growth was primarily fuelled by a series of capital expenditures incurred during the previous year to meet customer demand and serve both existing and new customers. Additionally, the seasonal spike in the UAE market due to Ramadan occurring a month earlier also contributed to this surge.

Similarly, profitability experienced a healthy increase compared to both the preceding quarter and the corresponding period last year, largely attributed to higher uptake in sales volumes. This enabled us to efficiently cover fixed costs, resulting in robust growth in core EBITDA for the year.

UAE business stands poised for future expansion, showcasing a robust manufacturing presence in the region. This is complemented by a diverse product portfolio, further reinforced by the sustained growth of the food and personal care market.

Malaysia Business

The quarter saw a decline of 9% in sales volumes as compared to previous quarter and by ~12% as compared to same period last year. This downturn can be attributed to market slowdown in Q1'24 and the long holiday for Chinese New Year occurring during the quarter. The impact of reduced volumes was also reflected in subdued profitability for the current quarter.

Despite a slow start in Malaysia, our management remains confident in the region's overall business prospects. We are strategically planning investments to build capacities in other segments and address market demand in the forthcoming quarters. The business also continues to focus on cost excellence measures such as investing in energy efficient utilities to drive operational efficiencies.

Philippines Business

TPAC's first ever Greenfield entry in a completely new territory reaches completion stage. We have over the last few quarters invested in building a solid local management team which is well supported with our global talent pool. Further we have secured all the key licenses, registrations, and necessary approvals to facilitate smooth operations.

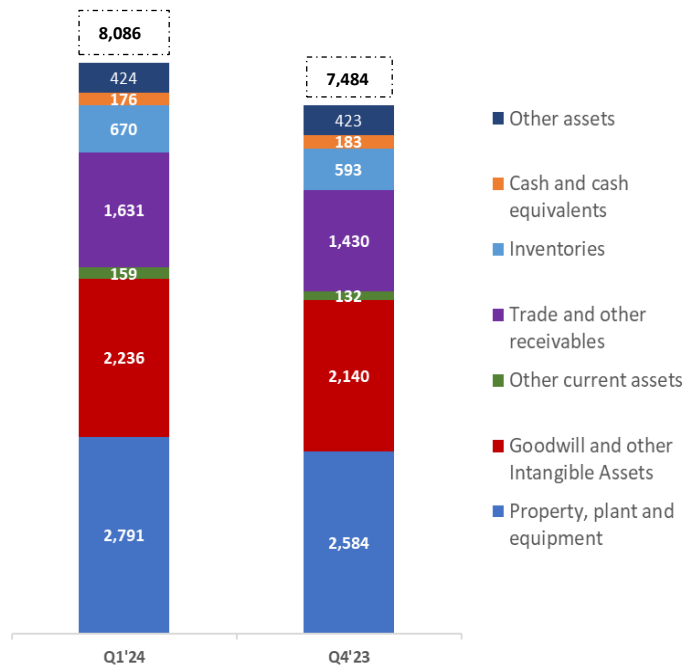
Further during this quarter, we have obtained approval from the Board of Investments (BOI) driven by TPAC bringing the best-in-class technology in Philippines and contributing to skilled job creation in the area. Such approval will provide certain fiscal and non-fiscal benefits in the upcoming years.

Our factory is near to completion, with all preparations nearly finalized for starting commercial production in Q2'24. We have also started receiving new customer inquiries, which is expected to further ramp up the business in coming quarters.

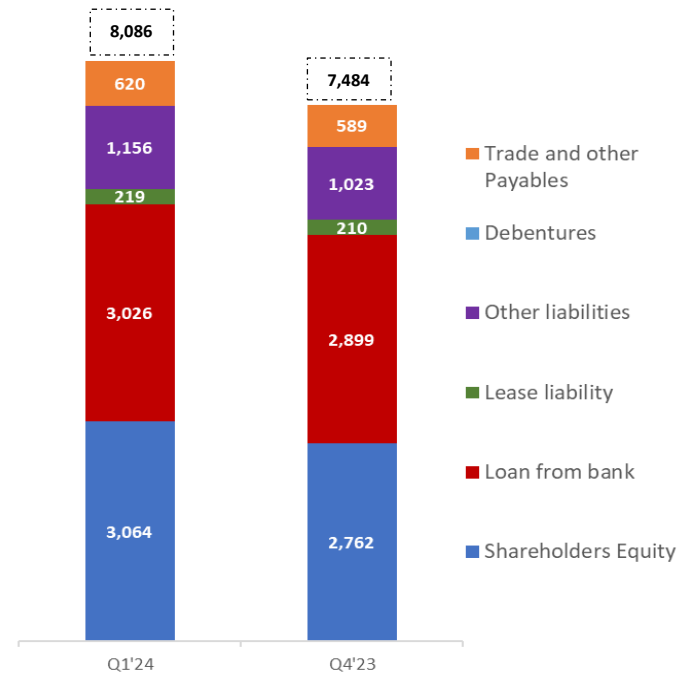
B) Consolidated Balance Sheet

(THB Mn)

ASSETS



EQUITY AND LIABILITIES



- Overall assets of the company stand at ~THB 8.1 Bn as at Q1'24 representing an increase of ~THB 0.6 Bn from Q4'23.
- Tangible and intangible fixed assets (~ THB 5.0 bn) comprise ~62% of the total assets.
- Net Working Capital amounting to ~ THB 1.7 bn as % to LTM Revenue is ~25% for the quarter which has largely remained stable in last few quarters.



- Increase in shareholders equity by ~ THB 302 Mn during Q1'24 vs Q4'23 is on account of profit for the period and gain on translation of foreign exchange which is partly offset by increase in fair value of NCI.
- Continuous improvement in leverage ratios
 - Net Debt to Equity – Improved from 1.06x in Q4'23 to 1.00x at the end of Q1'24
 - Net Debt to LTM Core EBITDA – stands at 2.3x in Q1'24 compared to 2.2x at the end of Q4'23

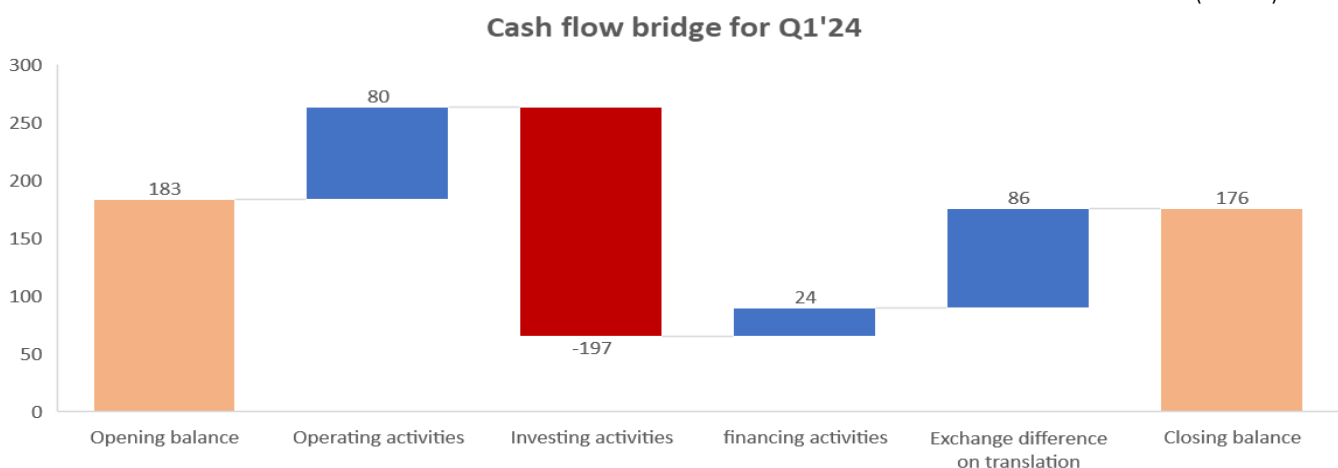
C) Consolidated Cash Flow

(THB Mn)

Cash Flows (THB Million)	Q1'24	Q4'23	FY2023	FY2022
Net cash received from operating activities	80	345	1,099	886
Net cash used in investing activities	-197	-133	-632	-876
Net cash used/received in financing activities	24	-256	-532	-39
Exchange differences on translation of financial statements	86	-103	-39	-78
Net increase/decrease in cash and cash equivalents	-8	-147	-104	-107
Cash and Cash Equivalents - Opening Balance	183	330	287	394
Cash and Cash Equivalents - Closing Balance	176	183	183	287

Cash flow bridge for the year ended March'24:

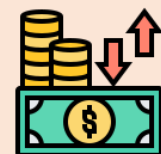
(THB Mn)



- TPAC generated operating cash flow before change in working capital of ~THB 361 Mn which was partly offset by higher working capital requirement of ~THB 257 Mn and tax payout for the quarter (~THB 25 Mn).



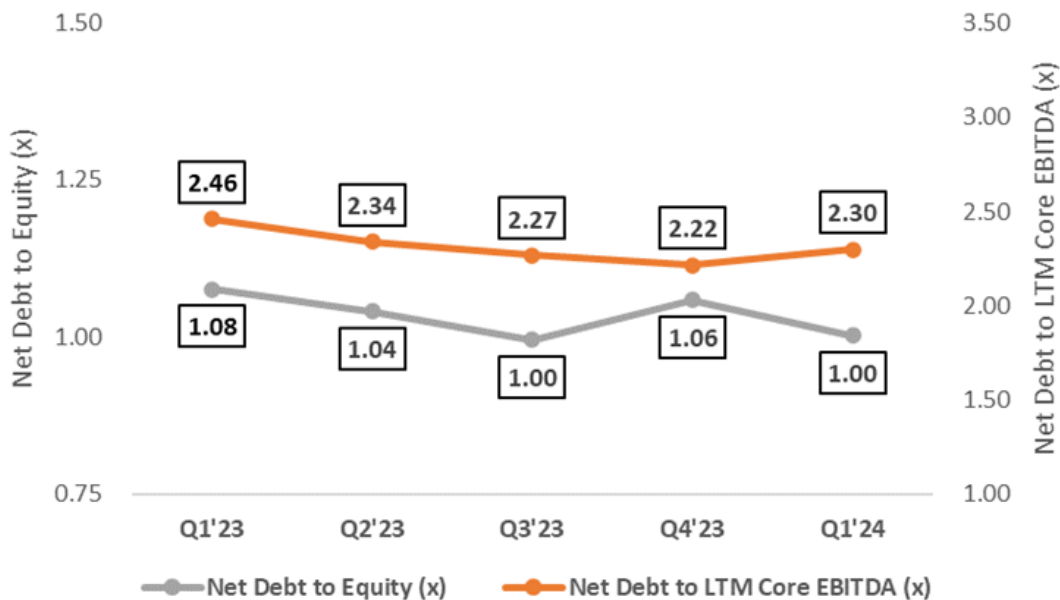
- Investing activities during Q1FY'24 primarily pertains to capex on new machine, mould and ancillary parts for capacity expansion. Such cost largely attributes towards TPAC India and Malaysia business.



- Net cash flow from financing activities is mainly driven by addition of working capital loans and Finance Cost (Baht 48 Mn).

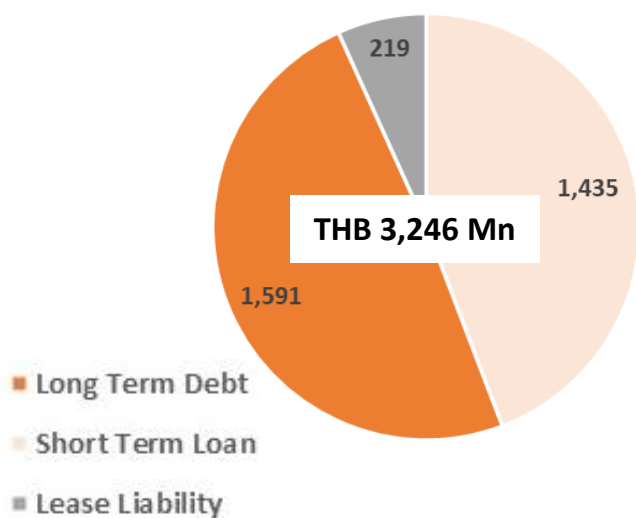
Continuously deleveraging over the past one year

Net Debt to Equity and Net Debt to LTM Core EBITDA

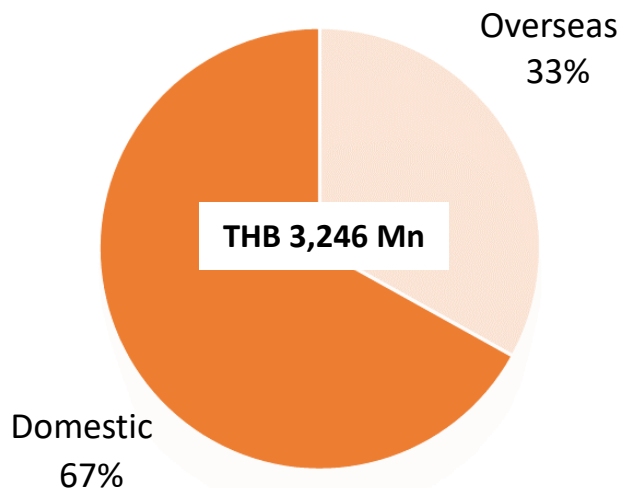


Debt Composition as at 31st March 24

Consolidated Debt Breakdown



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.

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 subsidiaries, 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	Q1'24	Q4'23	%Δ
Property, plant and equipment	2,791	2,584	8%
Goodwill	1,708	1,619	5%
Intangible asset	528	520	1%
Goodwill & Intangible asset	2,236	2,140	5%
Right-of-use assets	201	194	3%
Restricted bank deposits	20	18	6%
Other long-term Investment	3	3	6%
Deferred tax assets	10	10	3%
Withholding tax deducted at source	70	70	0%
Advance for purchase of molds	38	45	-16%
Call option	2	2	-25%
Other non-current assets	81	80	0%
Other non-current assets	424	423	0%
Total non-current assets	5,451	5,147	6%
Trade and other receivables	1,631	1,430	14%
Inventories	670	593	13%
Cash and cash equivalents	176	183	-4%
Advance purchase for raw material	39	23	69%
Other current financial assets	14	0	4601%
Other current assets	106	108	-2%
Other current assets	159	132	21%
Total current assets	2,636	2,338	13%
Total assets	8,086	7,484	8%
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	1,288	1,238	4%
Other components of shareholders' equity	18	-205	-109%
Excess of book value of acquired subsidiary over cost	20	20	0%
Equity attributable to owners of the Company	2,712	2,439	11%
Non-controlling interests of the subsidiaries	352	323	9%
Total shareholders' equity	3,064	2,762	11%
Long-term loans from banks - net of current portion	1,435	1,457	-1%
Current portion of long-term loans from banks	426	381	12%
Bank overdraft and short-term loans from banks	1,166	1,061	10%
Loan from Bank / Others	3,026	2,899	4%
Long-term lease liabilities, net of current portion	199	192	4%
Current portion of finance lease payable	20	19	9%
Lease Liability	219	210	4%
Income tax payable	39	34	17%
Other current financial liabilities	53	54	-2%
Other current liabilities	78	69	14%
Non-controlling interest put options	506	413	23%
Deferred tax liabilities	348	332	5%
Provision for long-term employee benefits	85	80	6%
Other non-current liabilities	47	43	9%
Other liabilities	1,156	1,023	13%
Trade and other payables	620	589	5%
Total liabilities	5,022	4,722	6%
Total liabilities and shareholders' equity	8,086	7,484	8%
Net Debt to Equity (times)	1.00	1.06	
Debt to Equity (times)	1.06	1.13	

Consolidated Cash Flow

(THB Mn)

	Q1'24	Q4'23	FY2023	FY2022
Cash flow from Operating Activities				
Profit Before Tax	177	125	651	426
Adjustment : Depreciation and Amortisation	134	131	495	482
Adjustment : Other adjustments	50	65	195	186
Profit from operating activities before changes to working capital	361	321	1,340	1,094
Net changes to working capital	(257)	68	(119)	(129)
Cash flows from Operating Activities	104	372	1,205	965
Cash paid for corporate income tax	(25)	(27)	(106)	(79)
Net Cash Flows from Operating Activities	80	345	1,099	886
Cash flow from Investing Activities				
Acquisition of Fixed Assets	(187)	(143)	(637)	(471)
Acquisition of Intangible Assets	(0)	(0)	(0)	(2)
Proceeds from equipments sales	1	2	2	17
Proceeds from Asset held for sale	-	-	2	-
Cash paid for investment in subsidiary	-	-	(16)	(408)
Other	(12)	9	17	(12)
Net Cash Flow used in Investing Activities	(197)	(133)	(632)	(876)
Cash flow from Financing Activities				
Increase (decrease) in short-term loans from bank	94	(52)	70	241
Decrease from restricted bank deposit	-	(1)	(1)	-
Increase (decrease) in long-term loans from bank	57	37	210	463
Repayment of long-term loan	(71)	(157)	(465)	(558)
Cash paid for finance lease payable	(8)	(7)	(28)	(26)
Cash receipt from long-term loan from non-controlling interests of the subsidiary	-	-	-	40
Finance costs	(48)	(37)	(143)	(139)
Dividend Paid Out	-	(39)	(176)	(59)
Net Cash Flow from Financing Activities	24	(256)	(532)	(39)
Decrease in exchange differences on translation of financial statement in foreign currency	86	(103)	(39)	(78)
Change in Cash and Cash Equivalents	(8)	(147)	(104)	(107)
Cash and cash equivalents at beginning of period	183	330	287	394
Cash and Cash equivalents - Closing Period Balance	176	183	183	287

Exchange rate used to translate the financial statements.

	INR/THB	MYR/THB	AED/THB	PHP/THB
3 months average rate Y2023	0.4142	7.7340	9.2351	-
3 months average rate Y2024	0.4318	7.5520	9.7062	0.6342
Month-ended rate as at 31 Mar 2023	0.4151	7.4168	9.3183	0.6138
Month-ended rate as at 31 Mar 2024	0.4405	7.7112	9.9300	0.6452