



THAI PLASPAC PUBLIC COMPANY LIMITED (“TPAC”)

Management Discussion and Analysis for the
2nd Quarter ending June 30th, 2024.

Table of Contents

01 TPAC Overview 02

02 Executive Summary..... 07

03 Financial Performance 09

- Consolidated Income Statement
- Consolidated Balance Sheet
- Consolidated Cash flow

04 Annexure 16

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.

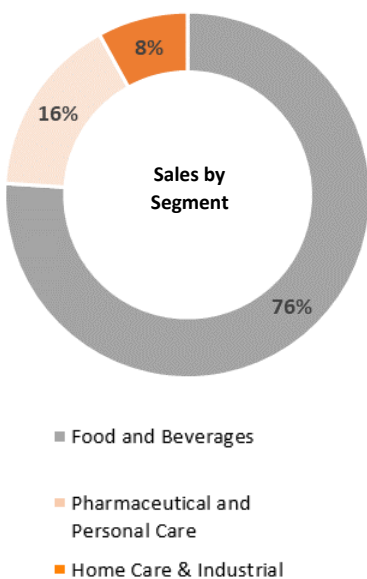
<p>Asia’s Fastest Growing packaging company *</p>	<p>TPAC Design Lab At the heart of our company</p>	<p>Market Leader Leadership position #</p>	<p>17 Production Plants</p> <ul style="list-style-type: none"> • 4 in Thailand • 2 in UAE • 9 in India • 1 in Malaysia • 1 in Philippines 	<p>Focused on 100%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

* Company estimation based on last 5 years revenue growth trend

Across all our niche segments

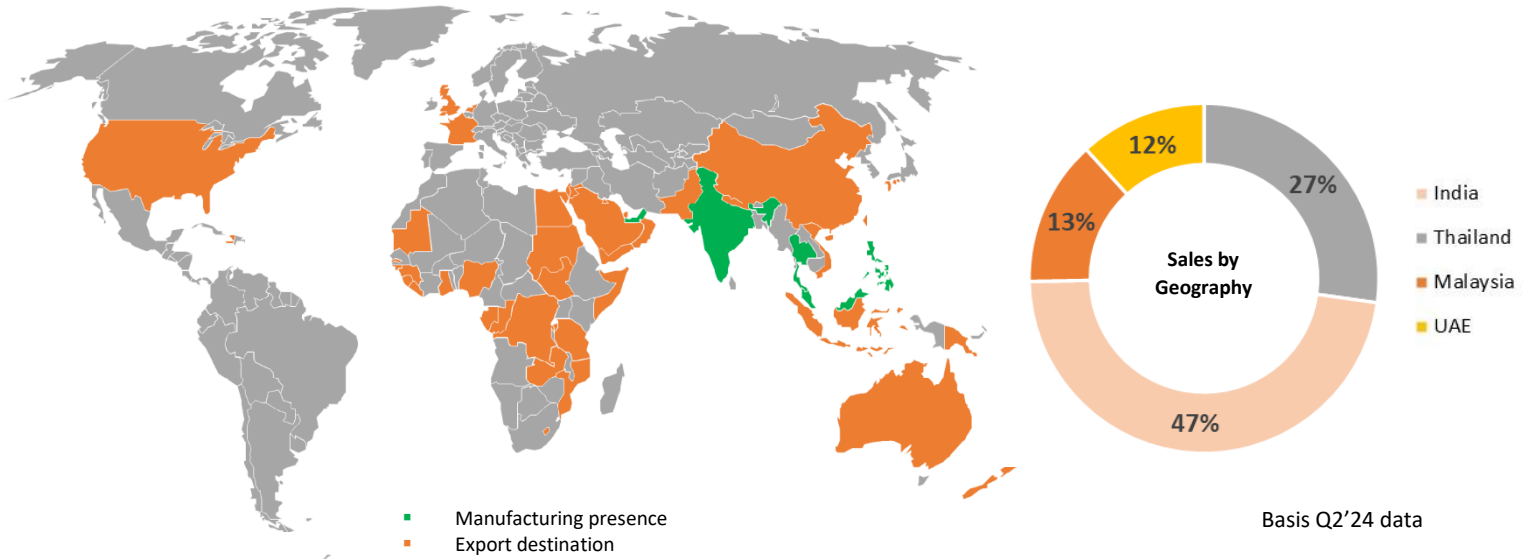
Geographic and Industry Segmentation

Basis Q2'24 data



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

To be a company whose innovations positively impact our world, and a place attractive to the most passionate packaging minds.



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 Q2FY'24 accounted for ~ 73% of the group with India contributing a significant share ~ 65% of the overseas business.

Q2'24 performance: Demonstrating resilience with growth in EBITDA on Y-o-Y

Revenue



THB 1,845 Mn

QoQ **+0.2%**

YoY **+12%**

Core EBITDA



THB 331 Mn

QoQ **-8%**

YoY **+6%**

Core EPS



THB 0.33

QoQ **-20%**

YoY **-4%**

Core ROE



17%

Net Debt/Equity



1.02x

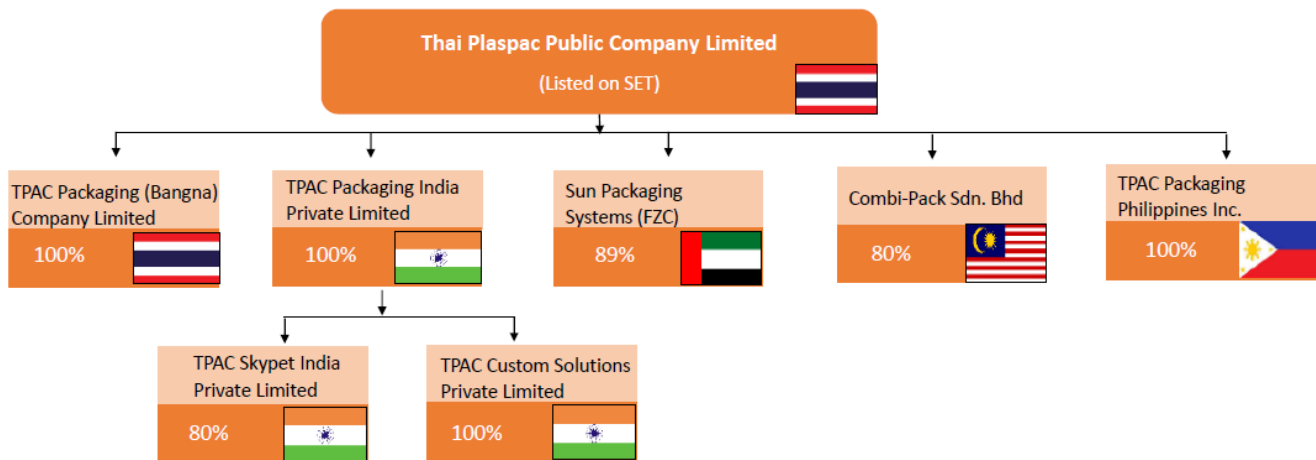
01

- Q2'24 was a relatively muted quarter on the back of a strong Q1'24, due to flattish sales volume and margin compression largely due to quarterly raw material fluctuations in few geographies.
- The structural growth drivers remain intact for the business.

02

- Net Debt/Equity: Minute increase from 1.00x as at Mar'24 to 1.02x at Jun'24, driven by slight increase in Debt due to organic growth capex initiatives, while equity largely remaining constant during the quarter, driven by annual dividend payout

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 2nd quarter and year ended June 30th, 2024

(THB Mn)

	Quarterly					Financial Years		
	Q2'24	Q1'24	%Δ	Q2'23	%Δ ¹	FY'23	FY'22	%Δ
Consolidated Sales ²	1,845	1,842	0%	1,644	12%	6,804	6,997	-3%
EBITDA	330	358	-8%	312	6%	1,317	1,069	23%
Core EBITDA³	331	358	-8%	312	6%	1,320	1,080	22%
Core EBIT ³	194	224	-13%	189	2%	825	598	38%
Core Net Profit ³	122	150	-19%	125	-3%	544	359	52%
Core Net Profit after NCI ³	109	136	-20%	114	-4%	493	328	50%
EPS	0.33	0.42	-20%	0.35	-5%	1.50	0.98	54%
Core EPS³	0.33	0.42	-20%	0.35	-4%	1.51	1.00	50%
Core ROE ⁴	17%	22%	-5%	20%	-3%	21%	15%	6%
Debt to Equity (times) ⁵	1.10	1.06	0.04	1.12	-0.03	1.13	1.27	-0.15
Net Debt to Equity (times) ⁶	1.02	1.00	0.02	1.04	-0.02	1.06	1.16	-0.10

YoY: Q2'24 vs Q2'23, 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 Q2'24 Core EPS of Baht 0.33 saw a slight decrease of ~4% as compared to same period last year, and a decrease of ~20% as compared to previous quarter.**
- **TPAC Q2'24 Core EBITDA at Baht 331m, reflects a 6% increase compared to same period last year and 8% decrease compared to previous quarter.**
- Revenue for this quarter has **increased by 12%** as compared to same period last year and **largely remained stable** as compared to previous quarter. The increase on Y-o-Y stems from volume growth across all the businesses.
- **Core ROE for the quarter stands at ~17%**, which has dropped from previous quarter, because of subdued profitability.
- The balance sheet health remains stable with **net debt-to-equity ratio of 1.02x** as at end of Q2'24

Financial performance

A) Consolidated Income Statement

(THB Mn)

	Q2'24	Q1'24	% Δ	Q2'24	Q2'23	%Δ	FY'23	FY'22	%Δ
Sales	1,845	1,842	0%	1,845	1,644	12%	6,804	6,997	-3%
Cost of sales	1,436	1,419	1%	1,436	1,299	11%	5,344	5,841	-9%
Gross Profit	409	423	-3%	409	346	18%	1,461	1,156	26%
Gross Profit Margin %	22.1%	23.0%	-1%	22.1%	21.0%	1%	21.5%	16.5%	5%
SG&A	234	220	6%	234	176	33%	732	669	9%
Other income	19	21	-13%	19	20	-4%	94	99	-5%
EBITDA	330	358	-8%	330	312	6%	1,317	1,069	23%
EBITDA Margin %	17.9%	19.4%	-2%	17.9%	19.0%	-1%	19.4%	15.3%	4%
Core EBITDA	331	358	-8%	331	312	6%	1,320	1,080	22%
Core EBITDA Margin %	17.9%	19.4%	-1%	17.9%	19.0%	-1%	19.4%	15.4%	4%
Depreciation and amortization	137	134	2%	137	122	12%	495	482	3%
EBIT	193	224	-14%	193	189	2%	823	586	40%
Core EBIT	194	224	-13%	194	189	2%	825	598	38%
Core EBIT Margin %	10.5%	12.2%	-2%	10.5%	11.5%	-1%	12.1%	8.5%	4%
Finance costs	50	47	6%	50	41	23%	172	161	7%
Profit Before Tax	144	177	-19%	144	149	-4%	651	426	53%
Core Profit Before Tax	144	177	-18%	144	149	-3%	653	437	50%
Core Profit Before Tax Margin %	7.8%	9.6%	-2%	7.8%	9.1%	-1%	9.6%	6.2%	3%
Income tax expense	22	26	-17%	22	23	-7%	109	75	45%
Net Profit	122	150	-19%	122	125	-3%	542	350	55%
Net Profit Margin %	6.6%	8.2%	-2%	6.6%	7.6%	-1%	8.0%	5.0%	3%
Core Net Profit	122	150	-19%	122	125	-3%	544	359	52%
Core Net Profit Margin %	6.6%	8.2%	-2%	6.6%	7.6%	-1%	8.0%	5.1%	3%
Net Profit after NCI	109	136	-20%	109	114	-5%	490	319	54%
Net Profit after NCI Margin %	5.9%	7.4%	-2%	5.9%	7.0%	-1%	7.2%	4.6%	3%
Core Net Profit after NCI	109	136	-20%	109	114	-4%	493	328	50%
Core Net Profit after NCI Margin %	5.9%	7.4%	-1%	5.9%	7.0%	-1%	7.2%	4.7%	3%

Non-Recurring income/(expenses) (THB Million)	Q2'24	Q1'24	Q2'24	Q2'23	FY'23	FY'22
Overseas M&A Related Expenses	-	-	-	-	-	(11)
Thailand M&A Related Expenses	-	-	-	-	-	(1)
Overseas Greenfield project Related Expe	(1)	-	(1)	-	(3)	-
Total	(1)	-	(1)	-	(3)	(12)

Thailand Business

This quarter witnessed a subdued performance on the back of lower sales volumes led by long holiday season. On a half yearly basis though, the business has demonstrated good growth in both volumes by ~10% and stronger improvement in profitability. The management has been very focussed on driving cost optimization measures and undertaking new strategic initiatives, the recent one being roof top solar power to lower cost and improve efficiency, which has been instrumental in sustained growth of Thailand business, amidst a weak economic environment.

Bangna business continues to outperform, witnessing an increase in sales quantity by ~16% as compared to previous quarter and ~28% as compared to same period last year. This has been driven by higher demand from existing customers and onboarding new customers. The profitability has seen a good jump during the quarter as compared to previous quarter and same period last year, coming from scale and operational efficiency.

India Business

The overall India business demonstrated a moderated performance in Q2'24. On a quarter-over-quarter basis sales volumes has remained stable, whereas there was a slight decline in profits on account of margin compression. On a year-on-year basis, the sales volumes have increased by ~9% with corresponding growth in profits.

Down south, our Skypet business continues to excel, exceeding both volume and profitability from the previous quarter. This quarter, volumes grew by approximately 9% from the previous quarter and around 28% year-over-year. The underlying margin structure broadly remained intact, resulting in sharp uptake in EBITDA on year on year basis.

TPAC Customs begun commercial operations in Q1'24 and has seen an uptick in sales volumes during this quarter. With multiple projects in the pipeline, management is confident of ramping up the business in the coming quarters.

UAE Business

The UAE business closed the second quarter with a decent performance on both topline and bottom line. Despite experiencing a short production shutdown led by Eid Al Fitr festival and uncharacteristically heavy rains during the quarter, the business demonstrated a strong double-digit growth on year-on-year basis in both sales volumes and profitability. On a quarter-on-quarter basis, a slight decline has been observed, as expected after a great start to the year with a record performance in Q1'24.

Investments in capital expenditures during the previous year have boosted production capacity, enabling TPAC to meet rising customer demand and expand its customer base.

The business is now gearing to expand infrastructure capabilities to cater to business growth expected for the next 4-5 years.

Malaysia Business

The quarter saw a decline of 5% in sales volumes as compared to previous quarter and by ~11% as compared to same period last year. This downturn can be attributed to Eid Al Fitr festival and market slowdown, which is expected to reverse in due course.

Inspite of subdued market demand, leading to lower than expected volume growth, the Malaysia business's profitability has grown as compared to the same period last year and the preceding quarter. This increase is ascribed to the management's numerous operation efficiencies initiatives, such as higher portion of renewable energy, automation projects and investment in energy efficient utilities. All such initiatives have contributed to positive results on profits on a sustained basis.

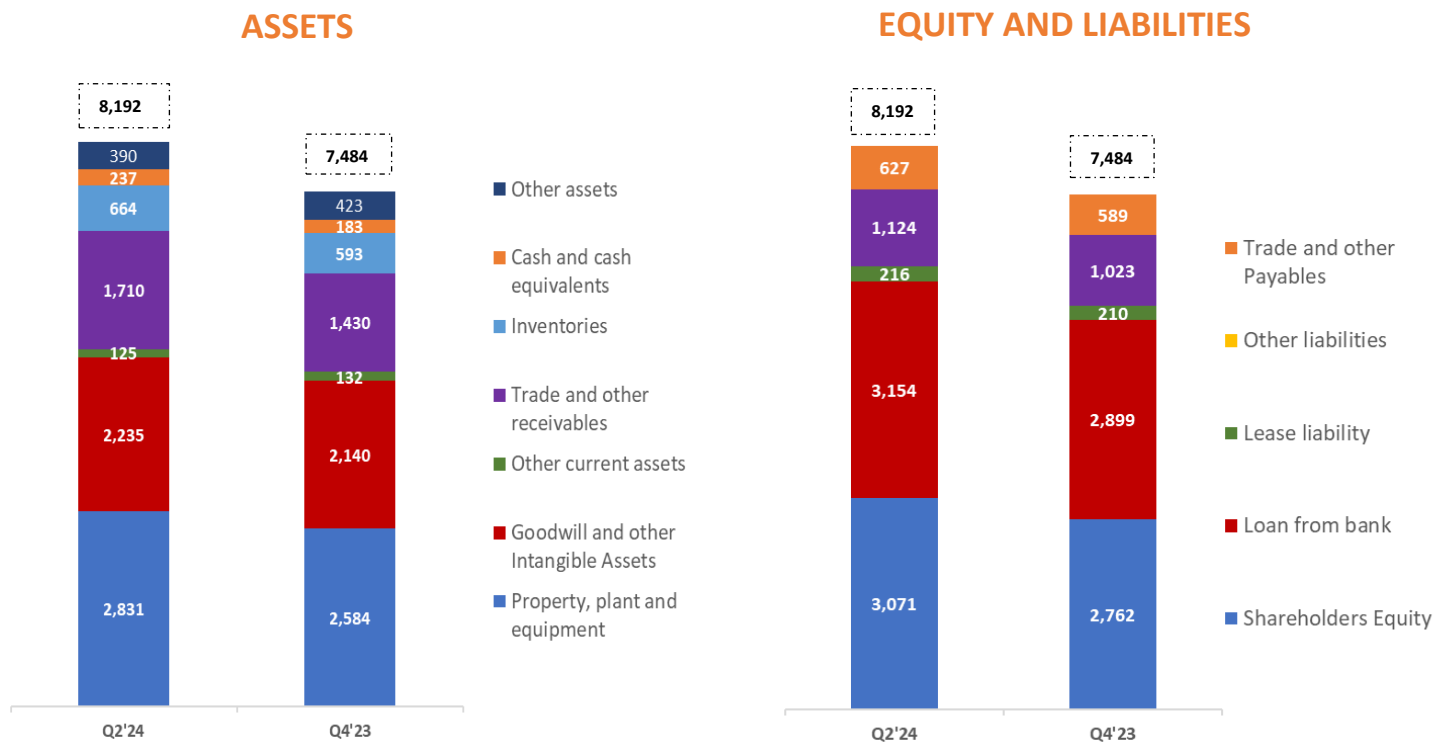
Management is optimistic about a recovery in market conditions and expects this to drive increased customer demand and higher sales volumes. Further management is strategically planning to invest in other technologies to become a comprehensive solution provider in Malaysia.

Philippines Business

With a local management team in place and all necessary registrations and licenses secured, the TPAC Philippines factory is now set for commercialization. Over the past quarter, we have successfully installed all required machinery and supporting ancillary equipment. The trial run of the first product batch for our anchor customer is also concluded. We anticipate starting sales to our anchor key customer sometime in Q3'24. Management is optimistic about accelerating business growth through this existing partnership and by acquiring new customers. We recently participated in a food exhibition in Philippines, showcasing our entire product range and technology capabilities, which invited a strong response, leading to new enquiries.

B) Consolidated Balance Sheet

(THB Mn)



- Overall assets of the company stand at ~THB 8.2 Bn as at Q2'24, which has increased by ~9% since Q4, FY23, driven by organic investments into the business
- Tangible and intangible fixed assets (~ THB 5.1 Bn) comprise ~62% of the total assets.
- Net Working Capital amounting to ~ THB 1.8 Bn as % to LTM Revenue is ~25% for the quarter.



- Increase in shareholders equity by ~ THB 309 Mn during Q2'24 vs Q4'23 is on account of profits for the period (THB 245 Mn) and gain on translation of foreign exchange (~THB 256 Mn) partly offset by dividend payout (~THB 147 Mn) and balance on account of movement in fair value of Put option of NCI share and in fair value of NCI (~THB 45 Mn).
- Leverage ratios:
 - Net Debt to Equity – stands at 1.02x in Q2'24 compared to 1.06x at the end of Q4'23
 - Net Debt to LTM Core EBITDA – stands at 2.3x in Q2'24 compared to 2.2x at the end of Q4'23.

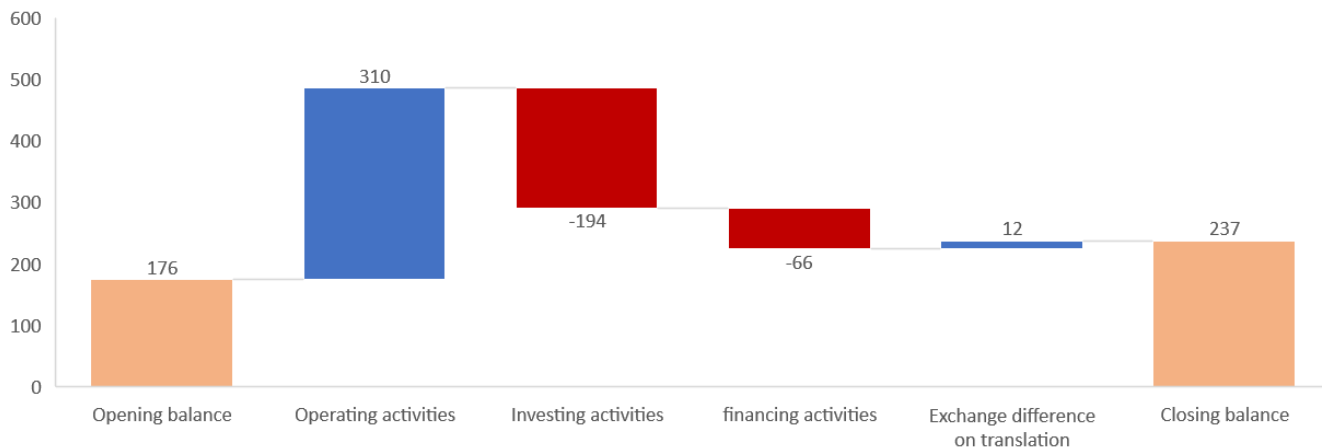
C) Consolidated Cash Flow

(THB Mn)

Cash Flows (THB Million)	Q2'24	Q1'24	1H'24	FY2023
Net cash received from operating activities	310	80	389	1,099
Net cash used in investing activities	-194	-197	-391	-632
Net cash used/received in financing activities	-66	24	-42	-532
Exchange differences on translation of financial statements in foreign currency	12	86	98	-39
Net increase/decrease in cash and cash equivalents	61	-8	54	-104
Cash and Cash Equivalents - Opening Balance	176	183	183	287
Cash and Cash Equivalents - Closing Balance	237	176	237	183

Cash flow bridge for Q2'24

(THB Mn)



- TPAC generated positive operating cash flow aggregating Baht 310 Mn for the period Q2'24.



- Investing activities during Q2FY'24 primarily pertains procurement of new machines, moulds and ancillary parts for capacity expansion and some deferred consideration related to Skypet acquisition



- Net cash flow from financing activities is mainly driven by dividend payout (~THB 147 Mn) and finance cost (Baht 43 Mn) which is partly offset by net addition of loans (THB 115 Mn).

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	Q2'24	Q4'23	%Δ
Property, plant and equipment	2,831	2,584	10%
Goodwill	1,723	1,619	6%
Intangible asset	512	520	-2%
Goodwill & Intangible asset	2,235	2,140	4%
Right-of-use assets	196	194	1%
Restricted bank deposits	20	18	7%
Other long-term Investment	3	3	6%
Deferred tax assets	10	10	5%
Withholding tax deducted at source	35	70	-51%
Advance for purchase of molds	42	45	-7%
Call option	1	2	-50%
Other non-current assets	83	80	4%
Other non-current assets	390	423	-8%
Total non-current assets	5,456	5,147	6%
Trade and other receivables	1,710	1,430	20%
Inventories	664	593	12%
Cash and cash equivalents	237	183	29%
Advance purchase for raw material	8	23	-66%
Other current financial assets	13	0	4475%
Other current assets	103	108	-4%
Other current assets	125	132	-5%
Total current assets	2,736	2,338	17%
Total assets	8,192	7,484	9%
Registered share capital	327	327	-100%
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	1,244	1,238	1%
Other components of shareholders' equity	52	-205	-125%
Excess of book value of acquired subsidiary over cost	20	20	0%
Equity attributable to owners of the Company	2,702	2,439	11%
Non-controlling interests of the subsidiaries	369	323	14%
Total shareholders' equity	3,071	2,762	11%
Long-term loans from banks - net of current portion	1,381	1,457	-5%
Current portion of long-term loans from banks	492	381	29%
Bank overdraft and short-term loans from banks	1,281	1,061	21%
Loan from Bank / Others	3,154	2,899	9%
Long-term lease liabilities, net of current portion	195	192	2%
Current portion of finance lease payable	21	19	10%
Lease Liability	216	210	2%
Income tax payable	37	34	10%
Other current financial liabilities	0	54	-100%
Other current liabilities	82	69	20%
Non-controlling interest put options	513	413	24%
Deferred tax liabilities	347	332	5%
Provision for long-term employee benefits	88	80	10%
Other non-current liabilities	57	43	33%
Other liabilities	1,124	1,023	10%
Trade and other payables	627	589	7%
Total liabilities	5,121	4,722	8%
Total liabilities and shareholders' equity	8,192	7,484	9%
Net Debt to Equity (times)	1.02	1.06	
Debt to Equity (times)	1.10	1.13	

Consolidated Cash Flow

(THB Mn)

	Q2'24	Q1'24	YTD 24	FY2023
Cash flow from Operating Activities				
Profit Before Tax	144	177	320	651
Adjustment : Depreciation and Amortisation	137	134	271	495
Adjustment : Other adjustments	62	50	113	195
Profit from operating activities before changes to working capital	343	361	704	1,340
Net changes to working capital	(11)	(257)	(267)	(119)
Other Net changes from operating activities	-			
Cash flows from Operating Activities	332	104	436	1,205
Cash receipt from refund of withholding tax deducted at source	-			
Cash paid for corporate income tax	(23)	(25)	(47)	(106)
Net Cash Flows from Operating Activities	310	80	389	1,099
Cash flow from Investing Activities				
Acquisition of Fixed Assets	(137)	(187)	(323)	(637)
Acquisition of Intangible Assets	(0)	(0)	(1)	(0)
Proceeds from equipments sales	(0)	1	1	2
Proceeds from Asset held for sale	-			2
Cash paid for investment in subsidiary	(60)	-	(60)	(16)
Other	4	(12)	(8)	17
Net Cash Flow used in Investing Activities	(194)	(197)	(391)	(632)
Cash flow from Financing Activities				
Increase (decrease) in short-term loans from bank	115	94	209	70
Decrease from restricted bank deposit	(0)		0	(1)
Increase (decrease) in long-term loans from bank	100	57	158	210
Repayment of long-term loan	(92)	(71)	-163	(465)
Cash paid for finance lease payable	(8)	(8)	-16	(28)
Cash receipt from long-term loan from non-controlling interests of the subsidiary	9		9	-
Finance costs	(43)	(48)	-91	(143)
Dividend Paid Out	(147)	-	(147)	(176)
Net Cash Flow from Financing Activities	(66)	24	(42)	(532)
Decrease in exchange differences on translation of financial statement in foreign currency	12	86	98	(39)
Change in Cash and Cash Equivalents	61	(8)	54	(104)
Cash and cash equivalents at beginning of period	176	183	183	287
Cash and Cash equivalents - Closing Period Balance	237	176	237	183

Exchange rate used to translate the financial statements.

	INR/THB	MYR/THB	AED/THB	PHP/THB
6 months average rate Y2023	0.4176	7.6736	9.3107	0.6184
6 months average rate Y2024	0.4370	7.6524	9.8428	0.6331
Month-ended rate as at 31 Dec 2023	0.4151	7.4168	9.3183	0.6138
Month-ended rate as at 30 Jun 2024	0.4431	7.8106	10.0323	0.6252