



Solutions Unfold

**MANAGEMENT DISCUSSION AND ANALYSIS
OF THE COMPANY'S PERFORMANCE**

For the Year Ended 31 December 2025



The Management Discussion and Analysis of the Company's Performance (the "MD&A") is intended to present and explain the Company's results of operations; however, the information presented herein is subject to change in the future. For further questions or queries, please contact our Investor Relations Department: Tel: 034-824-1228 or email IR@tipak.co.th

Industry Overview for 2025

In 2025, the overall paper packaging industry in Thailand experienced a slight decline and slowdown. The production index for paper products and paper packaging increased from the previous year, in line with domestic demand, particularly from the food and beverage, consumer goods, electrical appliance, e-commerce and logistics sectors, all of which continued to require corrugated sheets and corrugated boxes. Nevertheless, price competition remained intense, while consumer purchasing power recovered only gradually and raw material prices remained volatile. These factors required industry operators to place greater emphasis on cost management and production efficiency. At the same time, the growing preference for environmentally friendly and recyclable packaging, together with efforts to reduce plastic use, continued to support the long-term growth outlook for paper packaging.

Operating Performance Summary for 2025

Table 1: Key Financial Information of the Company

(Unit: Million Baht)

Key Financial Information	2024	2025	%YoY
Revenue from Sales	2,734	2,537	(7%)
Gross Profit	489	419	(14%)
Operating Profit	253	165	(35%)
Operating Profit Margin	9%	7%	(2%)
Net Profit	170	121	(29%)

Revenue from Sales

Revenue from sales for 2025 amounted to THB 2,537 million, a decrease of THB 197 million, or 7%, compared with the previous year. The decrease was attributable to the Company's pricing strategy, which was aligned with the downward trend in paper roll raw material prices during 2025. As paper roll prices declined, several industry operators reduced product prices in line with lower costs and intensifying competition. The Company therefore adjusted its selling prices appropriately and in a timely manner to reflect market conditions, maintain competitiveness and continuously strengthen business relationships with customers. In addition, the economic slowdown in 2025 softened demand across several industries, causing certain customers to reduce production and order volumes, which consequently reduced the Company's sales volume. Despite these market conditions, the Company continued to implement business strategies to maintain and enhance competitiveness by managing pricing in line with market conditions, studying customer requirements across industries, and improving product quality and service to meet customer needs effectively. The Company also continued to expand its marketing to customers in industries with high growth potential to create opportunities and support higher sales volumes, while collaborating with customers on product research and development to strengthen competitiveness and support the Company's long-term growth.

Revenue Structure

Table 2: Revenue Structure by Product

(Unit: Million Baht)

Type of Sales Revenue	2024	2025	%YoY
Corrugated Boxes	1,678	1,531	(9%)
Corrugated Sheets	1,051	999	(5%)
Others ¹	5	7	40%
Total Revenue	2,734	2,537	(7%)

Note : ¹ Other sales revenue comprises revenue from the sales of paper rolls, blocks, plates, etc.

In 2025, the Company recorded **total revenue from sales of THB 2,537 million, a decrease of THB 197 million, or 7%, from the previous year.** This comprised revenue from sales of corrugated boxes of THB 1,531 million, a decrease of THB 147 million, or 9%, compared with the previous year, and revenue from sales of corrugated sheets of THB 999 million, a decrease of THB 52 million, or 5%, compared with the previous year. The overall decrease in revenue reflected a slowdown in sales of the Company's key products, particularly corrugated boxes, which represented the largest proportion of the Company's revenue.

Other Income

Other income for 2025 amounted to THB 6 million, a decrease of THB 1 million, or 19%, from the previous year. The decrease was primarily attributable to lower interest income from loans to directors, as the outstanding loans were fully repaid during 2024, resulting in no interest income from loans to directors during 2025.

Cost of Sales

Cost of sales for 2025 amounted to THB 2,118 million, a decrease of THB 127 million, or 6%, compared with the previous year. The decrease was mainly attributable to lower paper roll raw material costs, which declined by approximately THB 132 million, or 7%, in line with raw material price trends and softer demand for packaging. In addition, energy and renewable energy costs decreased by approximately THB 15 million, or 19%, reflecting the downward trend in energy prices. The Company also continued to focus on cost management, including purchase planning and inventory management, improving the efficiency of production processes and machinery, increasing the proportion of renewable energy used, and controlling waste from production processes. However, personnel costs increased by approximately THB 14 million, partially offsetting the benefit of lower costs in other areas, due to the addition of employees in production lines and specialized-skill functions to support future operations and maintain product quality standards.

Gross Profit

Gross profit for 2025 amounted to TH 419 million, a decrease of THB 70 million, or 14%, compared with the previous year. The decrease was mainly attributable to the Company's pricing strategy, which was aligned with the downward trend in paper roll raw material prices in 2025. This led several industry operators to reduce product prices in line with lower costs and intensifying competition. In addition, the economic slowdown and weaker demand across several industries further intensified price competition. The Company therefore adjusted its selling prices appropriately and in a timely manner to reflect market conditions. Nevertheless, the Company continued to focus on cost management and improving production efficiency through

production and raw material planning, investment in machinery and automation systems, and increasing the proportion of renewable energy used, in order to help manage the impact on costs and maintain the Company's competitiveness.

Distribution Costs

Distribution costs for 2025 amounted to THB 132 million, a decrease of THB 6 million, or 5%, from the previous year. The decrease was mainly attributable to lower freight expenses and commissions, in line with the lower sales volume.

Administrative Expenses

Administrative expenses for 2025 amounted to THB 127 million, an increase of THB 23 million, or 23%, from the previous year. The increase was mainly due to higher personnel expenses, as the Company appointed additional executives with relevant expertise and experience, together with an increase in office staff during 2025 to support operations and future business expansion. The increase also reflected higher consulting and service fees in 2025, including annual maintenance service fees, professional audit fees, financial advisory fees, and public relations and corporate communications expenses associated with the Company's stock exchange listing process, among others.

Finance Costs

Finance costs for 2025 amounted to THB 20 million, an increase of THB 2 million, or 12%, from the previous year. The change was mainly attributable to movements in revolving credit facilities, long-term bank borrowings and various long-term lease agreements.

Income Tax Expense

Income tax expense for 2025 amounted to THB 26 million, a decrease of THB 29 million, or 53%, from the previous year. The main reason was that the Company received an investment promotion certificate from the Board of Investment for the manufacture of products from pulp or recycled paper. The promotion grants several tax privileges, including a three-year corporate income tax exemption on net profit derived from the promoted activities, exemption from import duties on machinery, and exemption from including dividends derived from promoted activities that are exempt from corporate income tax in taxable income throughout the corporate income tax exemption period. These tax privileges are subject to the periods, conditions and requirements specified in the investment promotion certificate. Accordingly, the tax privileges contributed to the reduction in income tax expense in 2025.

Net Profit

Net profit for 2025 amounted to THB 121 million, a decrease of THB 49 million, or 29%, compared with the previous year. The decrease was mainly attributable to lower gross profit and gross profit margin resulting from intensifying competition in the industry, together with the slowdown in the economy and in demand across several industries, which required the Company to adjust its selling prices appropriately to reflect market conditions. In addition, the Company's administrative expenses increased due to higher personnel expenses from the appointment of executives with relevant expertise and the increase in office staff to support operations and future business expansion, as well as higher consulting and service fees, such as annual maintenance service fees, professional audit fees, financial advisory fees, and public relations and corporate communications expenses associated with preparations for the Company's stock exchange listing. As a result, the Company's net profit decreased in 2025.

Statement of Financial Position Analysis

As of 31 December 2025 compared with 31 December 2024

(Unit: Million Baht)

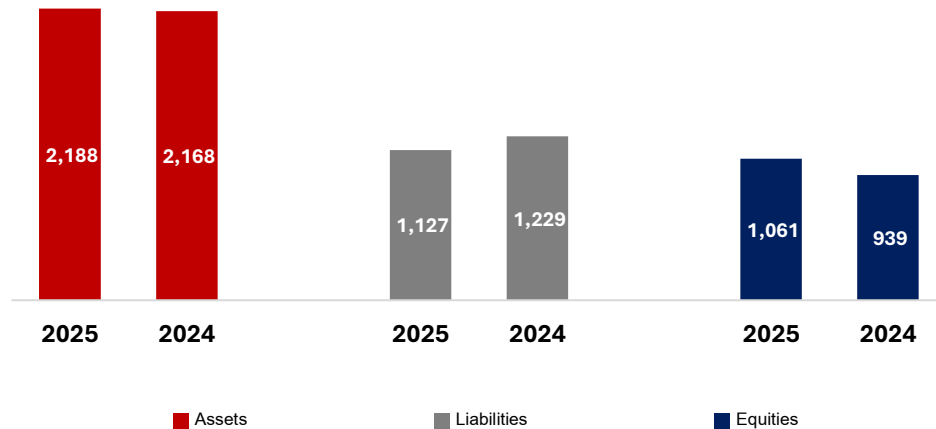


Figure 1: Comparison of Statements of Financial Position (Yearly)

The reasons for changes in the Company's statement of financial position are as follows:

- Total assets for 2025 amounted to THB 2,188 million, an increase of THB 20 million, or 1%, compared with the previous year. The main reason was an increase in property, plant and equipment following the Company's additional investment in machinery and automation systems used in the production process, such as corrugator line machinery, corrugated paper printing machines, automatic die-cutting and gluing machines, automatic bundling machines and steam generators. These investments focus on modernizing and improving production machinery to enhance efficiency, increase flexibility in the production process, reduce potential waste, and improve product consistency and quality.
- Total liabilities for 2025 amounted to THB 1,127 million, a decrease of THB 102 million, or 8%, from the previous year. The decrease was mainly attributable to lower dividends payable, as the Company paid an interim dividend of THB 159 million in January 2025, resulting in lower dividends payable as at the end of 2025. In addition, trade and other current payables decreased by THB 27 million, mainly due to a decrease of approximately THB 31 million in trade payables in line with lower paper roll costs, which reduced purchase values and trade payables. However, the decrease in liabilities was partially offset by an increase in long-term borrowings from financial institutions, which were used to finance investment in machinery and support the Company's production efficiency.
- Shareholders' equity for 2025 amounted to THB 1,061 million, an increase of THB 122 million, or 13%, from the previous year, attributable to the Company's operating results.

Statement of Cash Flow Analysis

As of 31 December 2025 compared with 31 December 2024

Table 3: Key Cash Flow Information of the Company

(Unit: Million Baht)

Cash Flow Statement	2024	2025
Cash and Cash Equivalents at Beginning of Year	49	77
Net Cash from (Used in) Operating Activities	283	250
Net Cash from (Used in) Investing Activities	42	(162)
Net Cash from (Used in) Financing Activities	(297)	(115)
Cash and Cash Equivalents at End of Year	77	50

The reasons for changes in the Company's cash flow are as follows:

- Net cash from operating activities** for the year ended 31 December 2025 amounted to THB 250 million. The main source was the Company's operating performance and profit for the year. Profit from operations before changes in operating assets and liabilities amounted to THB 262 million from the Company's normal business operations. Meanwhile, net changes in operating assets and liabilities increased by THB 30 million. Key movements included a THB 49 million decrease in trade and other current receivables, a THB 9 million decrease in inventories, and a THB 26 million decrease in trade and other current payables.
- Net cash used in investing activities** for the year ended 31 December 2025 amounted to THB 162 million. The main reason was additional investment in machinery to improve and enhance the efficiency of production equipment, as well as investment in new machinery to support future production capacity expansion plans, such as corrugated paper printing machines and automatic die-cutting and gluing machines.
- Net cash used in financing activities** for the year ended 31 December 2025 amounted to THB 115 million. The main reasons were dividend payments of THB 161 million and repayments of short-term and long-term borrowings from financial institutions of THB 460 million and THB 74 million, respectively. However, the Company received short-term and long-term borrowings from financial institutions of THB 500 million and THB 115 million, respectively. The long-term borrowings were obtained to finance the purchase of production machinery.

Sustainability Performance

The Company recognizes the importance of good corporate governance and has established a sustainability policy to guide its business, management systems and long-term development. It integrates economic, social and environmental considerations throughout its operations and supply chain, communicating this approach across operating units and aligning their plans to create lasting value for stakeholders.

Environmental Performance

Rooftop solar systems

The Company uses clean energy to reduce purchased electricity. Rooftop solar systems at its Samut Sakhon and Prachin Buri plants convert sunlight into electricity for use in operations. As at 20 September 2022, installed capacity was 999.90 kW in Samut Sakhon and 629.20 kW in Prachin Buri.



Samut Sakhon Plant



Prachin Buri Plant

Renewable Energy Use Biomass

At its Samut Sakhon plant, the Company uses wood scraps, unused old furniture and other materials as fuel to generate electricity or steam. The system was installed on 25 December 2019.



Opaque roofing

The Company has also replaced opaque roofing at its corrugated paper plant with translucent materials to reduce daytime electricity use.



Samut Sakhon



Prachin Buri

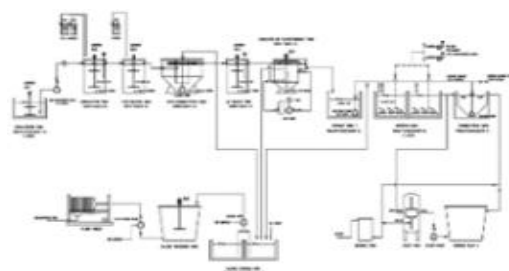
Waste Management

The Company has a waste separation policy for employees throughout the organization. Glass, paper, metal and plastic can be sold for recycling, reducing waste and providing supplementary income to employees.



Wastewater and Production Chemical Management

The Company treats wastewater and chemicals from production in accordance with technical principles, legal requirements and generally accepted standards. It selects high-quality machinery and tools to minimize waste generation.



Upcycling Workshop

Together with Sukhothai Thammathirat Open University Press, the Company organized talks and knowledge sharing on designing useful items from discarded materials. The event encouraged creativity, environmental awareness and responsible resource use.



Mangrove Planting Activity

On 4 July 2025, the Company and Wat Rat Rangsan School brought students and teachers to the eastern Mahachai natural resources and environmental conservation and restoration learning center for a community mangrove planting activity. Participants planted mangroves, collected litter and released mud crabs. Educational talks raised awareness of natural resources and biodiversity, ecosystem balance, food security and sustainable coexistence between communities and forests.



Automatic Flexographic Plate Cleaner System Project

This project aims to replace manual plate cleaning with a fully automated process to improve production efficiency, support the Company's ESG goals and eliminate related occupational health risks.

Water and chemical savings can be expressed as reductions in greenhouse gas emissions (carbon dioxide equivalent, CO₂e) using internationally recognized carbon footprint assessment criteria and Thai standards, as follows:

- Clean water savings: estimated annual tap water savings of 63,801 L, equivalent to 10.38 kg CO₂e per year.
- Cleaning chemical savings: estimated annual savings of 972 L, equivalent to 2,430.00 kg CO₂e per year.
- Total estimated reduction is 10.38 + 2,430 = 2,440.38 kg CO₂e per year, equivalent to the annual carbon dioxide absorption capacity of more than 244 mature trees.



Social Performance

Flood Relief

Following prolonged heavy rain and flash floods in northern and northeastern Thailand in 2024, the Company donated supplies through the Zendai Foundation for distribution to affected communities.



Following the severe flooding in Hat Yai, Songkhla, in 2025, the Company joined the Federation of Thai Industries and Thailand Post in the “Thai Kindness to the South” campaign, donating essential supplies for distribution to flood victims through the Industrial Development Foundation.



Donations of Goods and Financial Support

The Company donated goods and funds to the Samut Sakhon Provincial Disability Service Center, a public charity supporting people with disabilities, to give back to the community where it has operated for more than 70 years.



On the annual 12 August birthday anniversary of Her Majesty Queen Sirikit The Queen Mother, the Company donated goods to the Mirror Foundation, a nongovernmental organization active in social development, human rights, media and information technology, volunteer development and resource sharing. The donation expressed gratitude for Her Majesty's contributions and supported the wider community.



Blood Donation Activity

The Company invited employees to donate blood on 12 August 2025 to mark the birthday anniversary of Her Majesty Queen Sirikit The Queen Mother. The activity encouraged social participation, with donated blood provided through the Thai Red Cross Society for patient treatment.



Governance Sustainability Management

The Company is committed to sustainable management. It conducts its business and pursues new opportunities in compliance with applicable laws and regulations, including anti-corruption requirements, to ensure transparency and accountability. It considers the interests of the Company and shareholders and treats stakeholders in accordance with key policies, including its corporate governance policy, code of conduct, anti-corruption policy and inside information policy.