

## Thai Plaspac Public Company Limited “TPAC” Management Discussion and Analysis for Q2’21

Financials of Consolidated Business

Unit: THB Million (except where stated otherwise)

	Quarterly				Three Years Performance			
	Q2’21	Q1’21	Q2’20	YoY <sup>1</sup>	FY20	FY19	FY18	CAGR%
Consolidated Sales <sup>2</sup>	1,138	1,089	926	23%	3,983	3,756	2,528	26%
EBITDA	186	252	215	-14%	862	584	280	76%
<b>Core EBITDA<sup>3</sup></b>	<b>192</b>	<b>253</b>	<b>216</b>	<b>-11%</b>	<b>864</b>	<b>610</b>	<b>330</b>	<b>62%</b>
Core EBIT <sup>3</sup>	103	170	138	-26%	543	321	141	96%
Core Net Profit <sup>3</sup>	61	118	95	-36%	354	184	43	188%
TPAC Core Net Profit <sup>3</sup>	56	114	88	-36%	323	159	41	181%
EPS	0.16	-0.06	0.27	-42%	0.99	0.53	0.12	182%
<b>Core EPS<sup>3</sup></b>	<b>0.17</b>	<b>0.35</b>	<b>0.27</b>	<b>-36%</b>	<b>0.99</b>	<b>0.61</b>	<b>0.16</b>	<b>148%</b>
Core ROE <sup>4</sup>	12%	22%	24%	-12%	23%	6%	4%	143%
Debt to Equity (times) <sup>5</sup>	1.53	0.93	0.86	0.67	0.96	0.89	2.08	n/a
Net Debt to Equity (times) <sup>6</sup>	1.34	0.82	0.68	0.66	0.86	0.87	2.02	n/a

1. YoY: Q1’21 vs Q1’20, 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., 3. Core excludes 1-time expenses primarily related to M&A costs. For Q1’21, core EPS exclude 1-time Non-recurring tax of 133.20mb from disallowance of goodwill depreciation. Details of which are given in the segment analysis., 4. Core ROE (FY) = FY Core Profit attributable to equity / FY Avg. Equity excluded NCI, Core ROE (Qn) = Qn Core Profit attributable to equity (annualized) / Qn Equity excluded NCI, 5. Debt to Equity = IBD / Equity, 6. Net Debt to Equity = (IBD - Cash) / Equity.

Dear Stakeholders,

- **TPAC Q2 ’21 core EBITDA Baht 192m, 11% decrease to same period last year, 24% decrease to previous quarter.**
- **TPAC Q2 ’21 core earnings per share Baht 0.17 per share, 36% decrease to same period last year, 51% decrease to previous quarter.**
- **TPAC Q2 ’21 EBITDA Baht 186m, 14% decrease to same period last year, 26% decrease to previous quarter.**
- **TPAC Q2 ’21 earnings per share Baht 0.16 per share, 42% decrease to same period last year, 353% increase to previous quarter.**

**Thai Plaspac Public Company Limited**

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COMPANY REGISTRATION NO. AND TAX ID : 0107547000575

## Thai Plaspac Public Company Limited “TPAC” Management Discussion and Analysis for Q2’21

### **Background to TPAC story.**

TPAC began operations in 1983 from our headquarters of Bangkok, Thailand.

For ~ 4 decades we have been a packaging partner to some of the world’s leading brands and entrepreneurs.

Our specialty focus is FMCG and pharmaceutical rigid plastic packaging.

Our team of technical experts evaluate a products technical design, engineering and sustainability considerations, before applying the right technologies to ensure the most efficient and reliable production.

Our production facilities are certified with world class hygiene controls with ~90% of TPACs portfolio catering to segments where stringent hygiene standards are a requisite (Pharmaceuticals & Personal Care, Food & Beverage). The remainder of our portfolio comprise to the home care & industrial segment.

TPACs packaging solutions use a select range of plastic polymers that are recyclable (PET, PP, PE).

The emergence of post-consumer recycled resins, especially rPET, for consumer packaging applications is a fast-growing segment which TPAC is increasingly using for projects.

Our plants are equipped with a full range of plastic processing technologies (injection, extrusion blow, PET single stage and 2-stage)

TPAC has 10 production facilities spread across Thailand (4), India (5) and the United Arab Emirates (1).

Two further plants in India are currently under construction, both expected to come on-stream at end Q1’22.

Post a period of steady organic growth, in 2005 TPAC listed itself on the Stock Exchange of Thailand (mai).

In Q4’15, under new leadership (post a change of control at the shareholder level), a new bolder vision was outlined for TPAC.

### **TPAC would aspire to be a world class global company, with a strong innovation focus.**

In Q2’18 TPAC made its first ever acquisition, with the acquisition of Custompack with one plant in Samutprakarn, Thailand (‘TPAC Bang Na’).

In Q3’18 TPAC acquired 80% of Sunrise Containers with 5 plants across the west and north of India (‘TPAC India’).

In Q3’19 TPAC acquired 89% of Sun packaging Systems, with one plant in the UAE.

In Q4’19, TPAC completed a fully subscribed THB 797m rights issue to prepare our balance sheet to for further growth opportunities.

In Q3’20, TPAC completed the acquisition of the remaining 20% stake of our Indian business (‘TPAC India’)

In Q2’21, TPAC signed the acquisition for 80% of Combi-pack, a leading precision Injection, making our entry to Malaysia and further solidifying our ASEAN footprint. This transaction completed on 1<sup>st</sup> June 2021.

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**Management Discussion and Analysis for Q2’21**

From ’17 to ’20 we experienced consecutive upgrades to our CG rating and we are now at a 4-star (Very Good) rating.

**TPAC ’18-’20 achieved Core EBITDA CAGR 62% and EPS CAGR 148%**

**Management is focused on diversified, defensive, non-cyclical, and high free cash generating revenue streams.**

Net Debt / Equity ~ 1.34x as of end Q2’21 post the completion of our latest acquisition in Malaysia.

TPAC’s aspiration ’23 involves the doubling of our 2020 core EBITDA, by 2023.

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## Thai Plaspac Public Company Limited “TPAC” Management Discussion and Analysis for Q2’21

TPAC Consolidated

Unit: THB Million

	Q2'21	Q1'21	% Δ	Q2'21	Q2'20	%Δ	FY'20	FY'19	%Δ
Sales	1,138.1	1,089.1	4%	1,138.1	925.6	23%	3,982.8	3,755.8	6%
Cost of sales	925.6	815.4	14%	925.6	695.7	33%	3,025.3	3,096.2	-2%
<b>Gross Profit</b>	<b>212.4</b>	<b>273.7</b>	<b>-22%</b>	<b>212.4</b>	<b>230.0</b>	<b>-8%</b>	<b>957.4</b>	<b>659.6</b>	<b>45%</b>
<b>Gross Profit Margin %</b>	<b>18.7%</b>	<b>25.1%</b>	<b>-6.5%</b>	<b>18.7%</b>	<b>24.8%</b>	<b>-6.2%</b>	<b>24.0%</b>	<b>17.6%</b>	<b>6.5%</b>
SG&A	125.3	119.9	4%	125.3	105.6	19%	472.8	410.4	15%
Other income	8.6	14.6	-41%	8.6	13.1	-34%	56.9	46.3	23%
<b>EBITDA</b>	<b>185.7</b>	<b>251.7</b>	<b>-26%</b>	<b>185.7</b>	<b>215.5</b>	<b>-14%</b>	<b>862.5</b>	<b>584.3</b>	<b>48%</b>
<b>EBITDA Margin %</b>	<b>16.2%</b>	<b>22.8%</b>	<b>-6.6%</b>	<b>16.2%</b>	<b>23.0%</b>	<b>-6.8%</b>	<b>21.4%</b>	<b>15.4%</b>	<b>6.0%</b>
<b>Core EBITDA</b>	<b>192.5</b>	<b>252.9</b>	<b>-24%</b>	<b>192.5</b>	<b>215.9</b>	<b>-11%</b>	<b>863.7</b>	<b>610.1</b>	<b>42%</b>
<b>Core EBITDA Margin %</b>	<b>16.8%</b>	<b>22.9%</b>	<b>-6.1%</b>	<b>16.8%</b>	<b>23.0%</b>	<b>-6.2%</b>	<b>21.4%</b>	<b>16.0%</b>	<b>5.3%</b>
Depreciation and amortization	89.9	83.3	8%	89.9	78.0	15%	321.0	288.8	11%
<b>EBIT</b>	<b>95.7</b>	<b>168.4</b>	<b>-43%</b>	<b>95.7</b>	<b>137.5</b>	<b>-30%</b>	<b>541.5</b>	<b>295.5</b>	<b>83%</b>
<b>Core EBIT</b>	<b>102.6</b>	<b>169.6</b>	<b>-40%</b>	<b>102.6</b>	<b>137.9</b>	<b>-26%</b>	<b>542.8</b>	<b>321.3</b>	<b>69%</b>
<b>Core EBIT Margin %</b>	<b>8.9%</b>	<b>15.4%</b>	<b>-6.4%</b>	<b>8.9%</b>	<b>14.7%</b>	<b>-5.7%</b>	<b>13.4%</b>	<b>8.4%</b>	<b>5.0%</b>
Finance costs	29.6	26.0	14%	29.6	25.4	16%	105.3	141.0	-25%
<b>Profit Before Tax</b>	<b>66.2</b>	<b>142.5</b>	<b>-54%</b>	<b>66.2</b>	<b>112.1</b>	<b>-41%</b>	<b>436.1</b>	<b>154.5</b>	<b>182%</b>
<b>Core Profit Before Tax</b>	<b>73.0</b>	<b>143.6</b>	<b>-49%</b>	<b>73.0</b>	<b>112.5</b>	<b>-35%</b>	<b>437.4</b>	<b>180.3</b>	<b>143%</b>
<b>Core Profit Before Tax Margin %</b>	<b>6.4%</b>	<b>13.0%</b>	<b>-6.6%</b>	<b>6.4%</b>	<b>12.0%</b>	<b>-5.6%</b>	<b>10.8%</b>	<b>4.7%</b>	<b>6.1%</b>
Income tax expense	10.8	158.4	-93%	10.8	17.3	-38%	82.9	-8.6	1068%
<b>Net Profit</b>	<b>55.4</b>	<b>-15.9</b>	<b>447%</b>	<b>55.4</b>	<b>94.9</b>	<b>-42%</b>	<b>353.3</b>	<b>163.1</b>	<b>117%</b>
<b>Net Profit Margin %</b>	<b>4.8%</b>	<b>-1.4%</b>	<b>6.3%</b>	<b>4.8%</b>	<b>10.1%</b>	<b>-5.3%</b>	<b>8.7%</b>	<b>4.3%</b>	<b>4.5%</b>
<b>Core Net Profit</b>	<b>60.8</b>	<b>118.2</b>	<b>-49%</b>	<b>60.8</b>	<b>95.1</b>	<b>-36%</b>	<b>354.3</b>	<b>183.7</b>	<b>93%</b>
<b>Core Net Profit Margin %</b>	<b>5.3%</b>	<b>10.7%</b>	<b>-5.4%</b>	<b>5.3%</b>	<b>10.1%</b>	<b>-4.8%</b>	<b>8.8%</b>	<b>4.8%</b>	<b>3.9%</b>
<b>TPAC Net Profit</b>	<b>50.8</b>	<b>-20.1</b>	<b>353%</b>	<b>50.8</b>	<b>87.8</b>	<b>-42%</b>	<b>322.0</b>	<b>138.8</b>	<b>132%</b>
<b>TPAC Net Profit Margin %</b>	<b>4.4%</b>	<b>-1.8%</b>	<b>6.3%</b>	<b>4.4%</b>	<b>9.4%</b>	<b>-4.9%</b>	<b>8.0%</b>	<b>3.7%</b>	<b>4.3%</b>
<b>TPAC Core Net Profit</b>	<b>56.3</b>	<b>114.0</b>	<b>-51%</b>	<b>56.3</b>	<b>88.1</b>	<b>-36%</b>	<b>323.0</b>	<b>159.5</b>	<b>103%</b>
<b>TPAC Core Net Profit Margin %</b>	<b>4.9%</b>	<b>10.3%</b>	<b>-5.4%</b>	<b>4.9%</b>	<b>9.4%</b>	<b>-4.5%</b>	<b>8.0%</b>	<b>4.2%</b>	<b>3.8%</b>
<b>Non-Recurring income/(expenses) (THB Million)</b>				<b>Q2'21</b>	<b>Q1'21</b>	<b>Q2'20</b>	<b>2020</b>	<b>2019</b>	
Thailand M&A Related Expenses				(6.8)	(1.2)	(0.4)	(1.3)	(17.0)	
Employees' benefits (Thailand)				-	-	-	-	(8.8)	
Deferred tax - pursuant to disallowance of amortization of goodwill on acquisition				-	(133.2)	-	-	-	
<b>Total</b>				<b>(6.8)</b>	<b>(134.4)</b>	<b>(0.4)</b>	<b>(1.3)</b>	<b>(25.8)</b>	

TPAC Consolidated numbers consist of earnings from 4 subsidiaries all consolidated into Thai Plaspac Public Company Limited. The 4 subsidiary companies are:

### Corporate Structure



- **TPAC Packaging Bang Na (100% owned):**  
Thailand operations (1 plant)
- **TPAC India (100% owned):**  
Indian Operations (5 plants)
- **Sun Packaging Systems FZC (89% owned):**  
United Arab Emirates Operations (1 plant)
- **Combi-Pack Sdn. Bhd. (80% owned):**  
Malaysia Operations (1 plant)

‘Thai Plaspac Public Company Limited’ (3 plants) and ‘TPAC Packaging Bang Na’ (1 plant) are together grouped and reported as ‘Thailand Business’ (comprising of 4 plants).

‘TPAC India’, ‘Sun Packaging Systems FZC’ and Combi-Pack Sdn Bhare together grouped and reported as ‘Overseas Business’ (5 plants in India, 1 plant in UAE and 1 plant in Malaysia).

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TPAC Thailand

Unit: THB Million

	Q2'21	Q1'21	% Δ	Q2'21	Q2'20	%Δ	FY'20	FY'19	%Δ
Sales	459.3	445.9	3%	459.3	454.9	1%	1,795.8	1,747.5	3%
Cost of sales	400.9	369.4	9%	400.9	346.7	16%	1,428.4	1,446.0	-1%
<b>Gross Profit</b>	<b>58.4</b>	<b>76.5</b>	<b>-24%</b>	<b>58.4</b>	<b>108.1</b>	<b>-46%</b>	<b>367.3</b>	<b>301.5</b>	<b>22%</b>
<b>Gross Profit Margin %</b>	<b>12.7%</b>	<b>17.2%</b>	<b>-4.4%</b>	<b>12.7%</b>	<b>23.8%</b>	<b>-11.1%</b>	<b>20.5%</b>	<b>17.3%</b>	<b>3.2%</b>
SG&A	59.7	53.3	12%	59.7	47.0	27%	214.1	211.8	1%
Other income	6.1	10.9	-44%	6.1	2.5	141%	15.9	14.2	12%
<b>EBITDA</b>	<b>40.7</b>	<b>73.8</b>	<b>-45%</b>	<b>40.7</b>	<b>100.0</b>	<b>-59%</b>	<b>313.7</b>	<b>232.6</b>	<b>35%</b>
<b>EBITDA Margin %</b>	<b>8.7%</b>	<b>16.2%</b>	<b>-7.4%</b>	<b>0.1</b>	<b>21.9%</b>	<b>-13.1%</b>	<b>17.3%</b>	<b>13.2%</b>	<b>4.1%</b>
<b>Core EBITDA</b>	<b>47.5</b>	<b>75.0</b>	<b>-37%</b>	<b>47.5</b>	<b>100.3</b>	<b>-53%</b>	<b>315.0</b>	<b>258.4</b>	<b>22%</b>
<b>Core EBITDA Margin %</b>	<b>10.2%</b>	<b>16.4%</b>	<b>-6.2%</b>	<b>0.1</b>	<b>21.9%</b>	<b>-11.7%</b>	<b>17.4%</b>	<b>14.7%</b>	<b>2.7%</b>
Depreciation and amortization	35.9	39.7	-10%	35.9	36.3	-1%	144.6	128.8	12%
<b>EBIT</b>	<b>4.8</b>	<b>34.1</b>	<b>-86%</b>	<b>4.8</b>	<b>63.6</b>	<b>-92%</b>	<b>169.2</b>	<b>103.8</b>	<b>63%</b>
<b>Core EBIT</b>	<b>11.6</b>	<b>35.3</b>	<b>-67%</b>	<b>11.6</b>	<b>64.0</b>	<b>-82%</b>	<b>170.4</b>	<b>129.6</b>	<b>31%</b>
<b>Core EBIT Margin %</b>	<b>2.5%</b>	<b>7.7%</b>	<b>-5.2%</b>	<b>0.0</b>	<b>14.0%</b>	<b>-11.5%</b>	<b>9.4%</b>	<b>7.4%</b>	<b>2.1%</b>
Finance costs	14.2	11.7	21%	14.2	8.0	78%	37.7	64.6	-42%
<b>Profit Before Tax</b>	<b>-9.4</b>	<b>22.4</b>	<b>-142%</b>	<b>-9.4</b>	<b>55.6</b>	<b>-117%</b>	<b>131.5</b>	<b>39.2</b>	<b>235%</b>
<b>Core Profit Before Tax</b>	<b>-2.5</b>	<b>23.6</b>	<b>-111%</b>	<b>-2.5</b>	<b>56.0</b>	<b>-105%</b>	<b>132.8</b>	<b>65.0</b>	<b>104%</b>
<b>Core Profit Before Tax Margin %</b>	<b>-0.5%</b>	<b>5.2%</b>	<b>-5.7%</b>	<b>0.0</b>	<b>12.2%</b>	<b>-12.8%</b>	<b>7.3%</b>	<b>3.7%</b>	<b>3.6%</b>
Income tax expense	-2.1	4.8	-145%	-2.1	11.6	-118%	32.7	2.1	1454%
<b>Net Profit</b>	<b>-7.2</b>	<b>17.6</b>	<b>-141%</b>	<b>-7.2</b>	<b>44.0</b>	<b>-116%</b>	<b>98.8</b>	<b>37.1</b>	<b>166%</b>
<b>Net Profit Margin %</b>	<b>-1.6%</b>	<b>3.9%</b>	<b>-5.4%</b>	<b>0.0</b>	<b>9.6%</b>	<b>-11.2%</b>	<b>5.5%</b>	<b>2.1%</b>	<b>3.3%</b>
<b>Core Net Profit</b>	<b>-1.8</b>	<b>18.6</b>	<b>-110%</b>	<b>-1.8</b>	<b>44.3</b>	<b>-104%</b>	<b>99.8</b>	<b>57.8</b>	<b>73%</b>
<b>Core Net Profit Margin %</b>	<b>-0.4%</b>	<b>4.1%</b>	<b>-4.4%</b>	<b>0.0</b>	<b>9.7%</b>	<b>-10.1%</b>	<b>5.5%</b>	<b>3.3%</b>	<b>2.2%</b>
<b>Non-Recurring income/(expenses) (THB Million)</b>				<b>Q2'21</b>	<b>Q1'21</b>	<b>Q2'20</b>	<b>2020</b>	<b>2019</b>	
Sunrise Containers / Sun packaging Systems M&A Related Expenses				-	-	(0.4)	(1.3)	(17.0)	
Employees' benefits				-	-	-	-	(8.8)	
Combi Pack M&A Related Expenses				(6.8)	(1.2)	-	-	-	
<b>Total</b>				<b>(6.8)</b>	<b>(1.2)</b>	<b>(0.4)</b>	<b>(1.3)</b>	<b>(25.8)</b>	

**TPAC Thailand Q2 '21 core EBITDA Baht 48mm, 53% decrease to same period last year, 37% decrease to previous quarter.**

Q2'21 performance in Thailand has been negatively impacted by a further contracted raw material spread.

Oil prices continued their upward trend in Q2'21 continuing their similar upward trend as experienced in Q1'21.

As of the end of March the crude oil price was USD 63.8 and at the end of Q2'21 the crude oil price was at USD 71.8.

For TPAC Thailand key raw materials of PP (Polypropylene) and HDPE (High Density Polyethylene) April '21 in fact saw the highest spike in these raw material prices with prices trading at some of their highest levels seen in recent history.

With pricing to customer being based on the previous quarters average raw material prices (1 quarter lag pricing), Q2'21 raw material spread was again squeezed following the similar trend of the previous quarter.

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SG&A was 12% up versus the previous quarter primarily attributable to the M&A expenses relating to our Malaysian acquisition. THB 6.8 was spent on due diligence and transaction fees relating to this acquisition.

Interest costs increased due to the increased borrowings relating to the acquisition of Combi-Pack in Malaysia (borrowing for this acquisition are on our Thai balance sheet).

Overseas Business (India, UAE, Malaysia)

Unit: THB Million

	Q2’21	Q1’21	% Δ	Q2’21	Q2’20	%Δ	FY’20	FY’19	%Δ
Sales	678.8	643.2	6%	678.8	470.8	44%	2187.0	2008.3	9%
Cost of sales	521.0	442.3	18%	521.0	346.0	51%	1581.1	1636.1	-3%
<b>Gross Profit</b>	<b>157.8</b>	<b>200.9</b>	<b>-21%</b>	<b>157.8</b>	<b>124.7</b>	<b>26%</b>	<b>605.9</b>	<b>372.1</b>	<b>63%</b>
<b>Gross Profit Margin %</b>	<b>23.2%</b>	<b>31.2%</b>	<b>-8.0%</b>	<b>23.2%</b>	<b>26.5%</b>	<b>-3.3%</b>	<b>27.7%</b>	<b>18.5%</b>	<b>9.2%</b>
SG&A	67.0	69.1	-3%	67.0	58.5	14%	258.7	198.6	30%
Other income	3.8	3.7	3%	3.8	10.6	-64%	41.0	32.1	28%
<b>EBITDA</b>	<b>144.2</b>	<b>174.6</b>	<b>-17%</b>	<b>144.2</b>	<b>114.8</b>	<b>26%</b>	<b>545.5</b>	<b>351.7</b>	<b>55%</b>
<b>EBITDA Margin %</b>	<b>21.1%</b>	<b>27.0%</b>	<b>-5.9%</b>	<b>21.1%</b>	<b>23.8%</b>	<b>-2.7%</b>	<b>24.5%</b>	<b>17.2%</b>	<b>7.2%</b>
<b>Core EBITDA</b>	<b>144.2</b>	<b>174.6</b>	<b>-17%</b>	<b>144.2</b>	<b>114.8</b>	<b>26%</b>	<b>545.5</b>	<b>351.7</b>	<b>55%</b>
<b>Core EBITDA Margin %</b>	<b>21.1%</b>	<b>27.0%</b>	<b>-5.9%</b>	<b>21.1%</b>	<b>23.8%</b>	<b>-2.7%</b>	<b>24.5%</b>	<b>17.2%</b>	<b>7.2%</b>
Depreciation and amortization	49.6	39.1	27%	49.6	38.0	31%	157.4	146.0	8%
<b>EBIT</b>	<b>94.6</b>	<b>135.5</b>	<b>-30%</b>	<b>94.6</b>	<b>76.8</b>	<b>23%</b>	<b>388.1</b>	<b>205.7</b>	<b>89%</b>
<b>Core EBIT</b>	<b>94.6</b>	<b>135.5</b>	<b>-30%</b>	<b>94.6</b>	<b>76.8</b>	<b>23%</b>	<b>388.1</b>	<b>205.7</b>	<b>89%</b>
<b>Core EBIT Margin %</b>	<b>13.9%</b>	<b>20.9%</b>	<b>-7.1%</b>	<b>13.9%</b>	<b>16.0%</b>	<b>-2.1%</b>	<b>17.4%</b>	<b>10.1%</b>	<b>7.3%</b>
Finance costs	15.4	14.3	8%	15.4	17.4	-12%	67.7	76.4	-11%
<b>Profit Before Tax</b>	<b>79.3</b>	<b>121.2</b>	<b>-35%</b>	<b>79.3</b>	<b>59.4</b>	<b>33%</b>	<b>320.4</b>	<b>129.3</b>	<b>148%</b>
<b>Core Profit Before Tax</b>	<b>79.3</b>	<b>121.2</b>	<b>-35%</b>	<b>79.3</b>	<b>59.4</b>	<b>33%</b>	<b>320.4</b>	<b>129.3</b>	<b>148%</b>
<b>Core Profit Before Tax Margin %</b>	<b>11.6%</b>	<b>18.7%</b>	<b>-7.1%</b>	<b>11.6%</b>	<b>12.3%</b>	<b>-0.7%</b>	<b>14.4%</b>	<b>6.3%</b>	<b>8.0%</b>
Income tax expense	12.9	153.6	-92%	12.9	5.7	127%	50.1	-10.7	570%
<b>Net Profit</b>	<b>66.3</b>	<b>-32.4</b>	<b>305%</b>	<b>66.3</b>	<b>53.7</b>	<b>24%</b>	<b>270.3</b>	<b>140.0</b>	<b>93%</b>
<b>Net Profit Margin %</b>	<b>9.7%</b>	<b>-5.0%</b>	<b>14.7%</b>	<b>9.7%</b>	<b>11.2%</b>	<b>-1.4%</b>	<b>12.1%</b>	<b>6.9%</b>	<b>5.3%</b>
<b>Core Net Profit</b>	<b>66.3</b>	<b>100.8</b>	<b>-34%</b>	<b>66.3</b>	<b>53.7</b>	<b>24%</b>	<b>270.3</b>	<b>140.0</b>	<b>93%</b>
<b>Core Net Profit Margin %</b>	<b>9.7%</b>	<b>15.6%</b>	<b>-5.9%</b>	<b>9.7%</b>	<b>11.2%</b>	<b>-1.4%</b>	<b>12.1%</b>	<b>6.9%</b>	<b>5.3%</b>
<b>Non-Recurring income/(expenses) (THB Million)</b>				<b>Q2’21</b>	<b>Q1’21</b>	<b>Q2’20</b>	<b>2020</b>	<b>2019</b>	
Deferred tax - pursuant to disallowance of amortization of goodwill on acquisition				-	(133.2)	-	-	-	

**TPAC Overseas Q2 ’21 core EBITDA Baht 144mm, 26% increase to same period last year, 17% decrease to previous quarter.**

**India Business (TPAC India)**

India experienced a devastating Covid-19 second wave with the highest number of infections in India recorded till date experienced in April ’21.

With the ferocity of the second wave, Q2’21 presented a period of extreme challenges for our TPAC India team and India as a nation.

With TPAC India scaling down our plants, volumes in India over the second quarter were 18% lower than the previous quarter.

**Thai Plaspac Public Company Limited**

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## **Thai Plaspac Public Company Limited “TPAC”**

### **Management Discussion and Analysis for Q2’21**

Raw material spread was also contracted in Q2’21 due to the increase in PET prices over this second quarter (PET is the main raw material for TPACs India business).

New pharmaceutical plant in west of India and new food packaging plant in north of India remain on track for coming on stream end Q1’22.

#### **UAE Business (Sun Packaging Systems)**

UAE business continued to perform robustly. Volumes in Q2’21 were 8% lower to Q1’21 but still 17% higher than same period last year.

Similar to India, raw material spread in Q2’21 contracted to previous quarter due to increase in PET prices (PET is the main raw material for TPACs UAE business).

On the 1<sup>st</sup> April 2021, TPACs UAE business leased a second plant (Plant 2) of 2400 sqm located conveniently right next to our existing plant. This plant will now ease the infrastructure bottle neck (our existing plant, Plant 1, is fully occupied) and will allow us to execute our aggressive growth plans for the Middle East region.

#### **Malaysia Business (Combi-Pack)**

TPACs Malaysia acquisition of Combi-Pack Sdn. Bhd. completed on 1<sup>st</sup> June 2021.

Therefore, the above overseas table consolidates the performance of combi-pack for the 1 month of June’21 into the Q2’21 numbers.

The key raw material for our Malaysian business is Polypropylene and contracts with customers are also based on 1 quarter lag pricing. Therefore Q2’21 margins for our Malaysian business were also squeezed to the spike of Polypropylene prices witnessed during the quarter.

## Thai Plaspac Public Company Limited “TPAC” Management Discussion and Analysis for Q2’21

### Balance Sheet (Consolidated)

Unit: THB Million

	As at 30 Jun'21
Cash and cash equivalents	422.1
Trade and other receivables	991.1
Inventories	552.1
Other current financial assets	0.3
Advance purchase for raw material	39.1
Other current assets	103.8
<b>Total current assets</b>	<b>2,108.5</b>
Restricted bank deposits	22.0
Long-term investment	2.4
Property, plant and equipment	2,132.0
Right-of-use assets	184.8
Excess of acquisition cost over estimated value of interest acquired in net assets from acquisition of the subsidiary	694.1
Goodwill	1,056.6
Intangible assets	352.8
Deferred tax assets	9.7
Withholding tax deducted at source	93.2
Advance payment for purchasing of molds	71.9
Assets associated with call options	8.8
Other non-current assets	59.4
<b>Total non current assets</b>	<b>4,687.8</b>
<b>Total assets</b>	<b>6,796.3</b>
Bank overdraft and short-term loans from banks	749.3
Trade and other payables	520.8
Current portion of long-term debentures	94.2
Current portion of long-term lease liabilities	15.3
Current portion of long-term loans from banks	220.2
Income tax payable	9.5
Other current financial liabilities	0.5
Other current liabilities	72.7
<b>Total current liabilities</b>	<b>1,682.5</b>
Long-term debentures - net of current portion	357.6
Long-term lease liabilities, net of current portion	172.8
Long-term loans from banks - net of current portion	1,751.8
Non-controlling interest put options	274.2
Deferred tax liabilities	286.0
Provision for long-term employee benefits	76.4
<b>Total non current liabilities</b>	<b>2,918.8</b>
<b>Total liabilities</b>	<b>4,601.3</b>
Registered share capital	326.5
Issued and paid-up capital	326.5
Premium on ordinary shares	1,027.0
Appropriated - statutory reserve	32.7
Retained earnings	574.6
Other components of shareholders' equity	(111.2)
Excess of book value of acquired subsidiary over cost	20.0
Equity attributable to owners of the Company	1,869.6
Non-controlling interests of the subsidiaries	325.5
<b>Total shareholders' equity</b>	<b>2,195.1</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,796.4</b>
<b>Net Debt to Equity (times)</b>	<b>1.34</b>

Non-controlling interest put options liability of THB 274.1 relates to the liability associated for the 20% minority shareholding of TPACs subsidiary in Malaysia (Combi-Pack), whereby our minority shareholder partner has a put option right that can be exercised at yearly anniversaries through the years 2024 - 2027. Note that TPAC also has a corresponding call option right.

### *Remark: Translation of financial statements in foreign currency*

Profit/Loss	Q2'21	Q1'21	Q2'20	Balance Sheet	Q1'21	Q4'20	Q1'20
INR	0.4200	0.4150	0.4274	INR	0.4305	0.4285	0.4100
AED	8.3872	8.2468	8.6044	AED	8.7263	8.5319	8.4100
MYR	7.6058	-	-	MYR	7.7200	-	-

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## Thai Plaspac Public Company Limited “TPAC” Management Discussion and Analysis for Q2’21

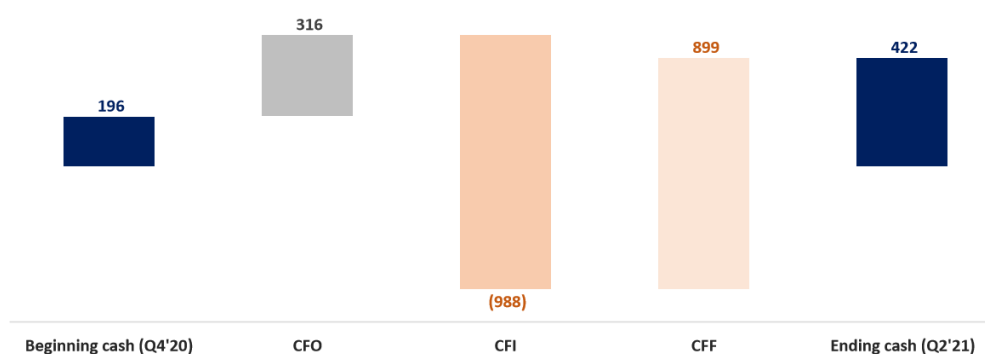
*Cash Flow (Consolidated)*

Unit: THB Million

	1H'21
<b>Cash flow from Operating Activities</b>	
Profit Before Tax	208.6
Adjustment : Depreciation and Amortisation	173.2
Adjustment : Other adjustments	59.6
Profit from operating activities before changes to working capital	441.7
Net changes to working capital	-81.1
Other Net changes from operating activities	-33.1
Cash flows from Operating Activities	327.5
Cash paid for corporate income tax	-11.9
<b>Net Cash Flows from Operating Activities</b>	<b>315.6</b>
<b>Cash flow from Investing Activities</b>	
Acquisition of Fixed Assets	-167.6
Acquisition of Intangible Assets	-0.7
Proceeds from equipments sales	3.6
Proceeds from Asset held for sale	57.3
Cash paid for investment in subsidiary	-883.9
Other	3.5
<b>Net Cash Flow used in Investing Activities</b>	<b>-987.9</b>
<b>Cash flow from Financing Activities</b>	
Increase (decrease) in short-term loans from bank	201.4
Decrease from restricted bank deposit	2.4
Increase (decrease) in long-term loans from bank	928.4
Repayment of long-term loan	-85.6
Repayment of debenture	-40.5
Cash paid for finance lease payable	-7.6
Finance costs	-61.9
Dividend Paid Out	-95.4
Cash receipt from shareholders	0.0
<b>Net Cash Flow from Financing Activities</b>	<b>841.4</b>
Decrease in exchange differences on translation of financial statements in foreign currency	57.4
<b>Change in Cash and Cash Equivalents</b>	<b>226.5</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>195.6</b>
<b>Cash and Cash equivalents - Closing Period Balance</b>	<b>422.1</b>

Cash flow bridge for 6 months period of 2021

Unit: THB Million



- (i) **CFO:** Cash flow from operation activities
- (ii) **CFI:** Cash flow from investing activities
- (iii) **CFF:** Cash flow from financing activities and included translation adjustment (57.4MB)

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