

# MESSAGE FROM GROUP CHIEF

## EXECUTIVE OFFICER



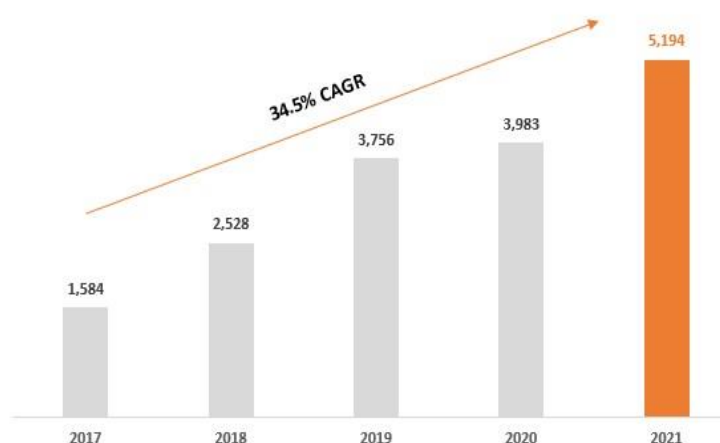
### Mr. Kevin Kumar Sharma

Chairman of Board of Directors  
and Group CEO

Dear Stakeholders,

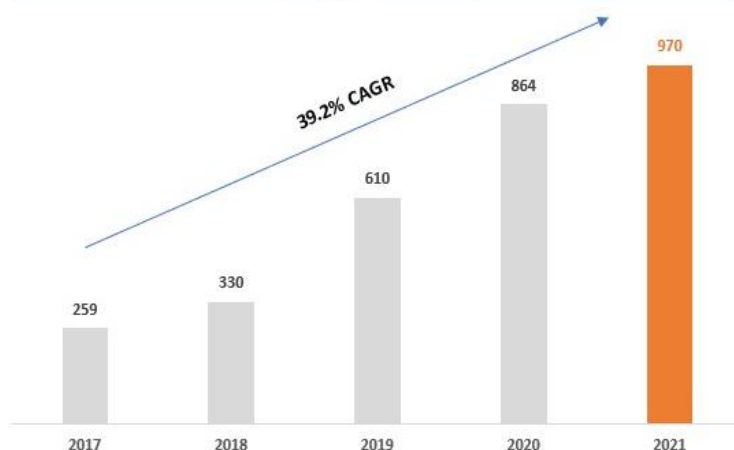
#### SALES

(Unit: THB Million)



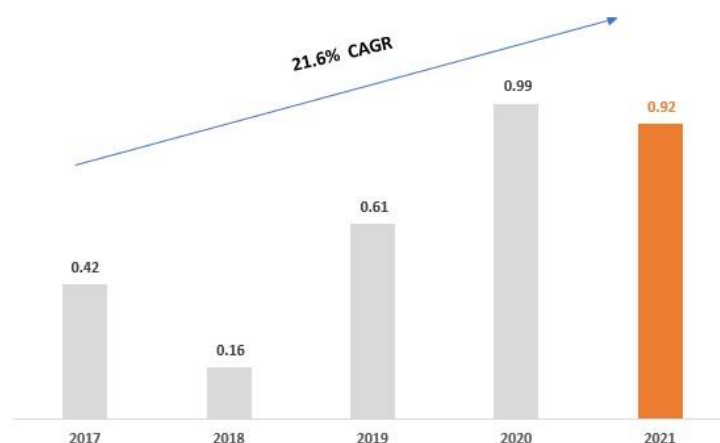
#### Core EBITDA

(Unit: THB Million)

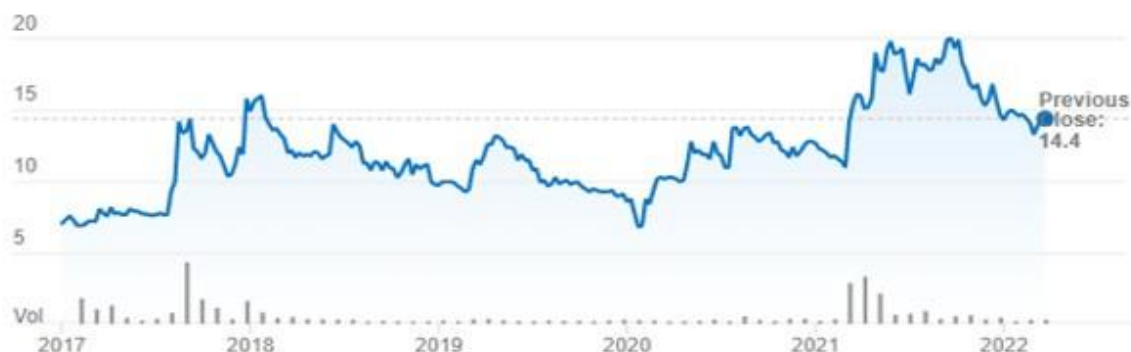


#### Core EPS

(Unit: THB)



## Stock Price



TPAC finished the year with core EBITDA at THB 970 million, representing an increase of 12% to the previous year, while the core EPS showed a slight dip from 0.99 TBH in 2020 to 0.92 TBH in 2021.

2021 has been a testing year. Covid tested us yet for another year, and more ferociously this time. We are now hopeful the worst, as far as this pandemic goes, is behind us. Amongst the many lessons, Covid has certainly taught me to take nothing for granted. I am grateful for another privileged year at the helm of our business, and the leadership lessons gained through the journey.

It has been a year of volatility, and dramatic change across markets. Across logistic, energy, commodity markets there have been dramatic reversals in dynamics and prices. In 2020 we also witnessed zero-dollar oil, negative in fact. I recall at that point there were many a pundit prophesizing the world may never see 100-dollar oil again, ever. As I now write this note, air raid alarms are blaring through Ukraine and modern-day cities are reduced to what looks like a scene form of a war movie of the 40's. Crude oil just hit USD130 a barrel a few days ago\*.

The unthinkable scenarios of yesterday, can very easily become today's reality. The past couple of

years, and the past couple of weeks have been a stark reminder of this for me.

So, as I write this letter and reflect on where TPAC stands, I find myself obsessing on the theme of resilience. TPAC has the potential to establish ourselves as a company for all seasons, a resilient company in other words. Our business today is positioned interestingly, we have a solid base to build on. We are today diversified across 4 separate and exciting geographies. In each of these markets, we are a market leader within our niches.

Malaysia is our newest market, having made entry in the middle of 2021. I am happy we did not allow the Covid pandemic to slow us down. We closed this transaction during the peak of the Covid delta wave (in Thailand and Malaysia) and I am proud of our teams to make this happen in a seamless manner. Our Malaysia business, 'Combi-Pack', caters 100% to the food and beverage industry. Combi-Pack brings a premium decorative technology into TPAC's portfolio of expertise. We believe this technology will grow faster due to its aesthetically striking and sustainable characteristics.

With Combi-Pack, TPAC now has a presence in 2 ASEAN countries. ASEAN is our home, and we remain very excited in the inherent market potential of this dynamic region.

\*(March 8<sup>th</sup>, 2022)

In India, we are on the verge of acquiring a business undertaking of Skypet Polymers, which will further cement our presence into the south of the country, with a dedicated manufacturing set up. With this step TPAC India would have a presence in the North, West and now South of this vast country, with a total of 10 plants across India.

In my eyes, India continues to be the world's most exciting consumer market opportunity. Broadly 62% of our business in India caters to the food segment, 27% is serving India's world leading pharmaceutical industry and balance 9% is towards personal care and home care. Our entry into India was TPAC's first ever international expansion which we completed in 2018. This has been a catalytic step for TPAC and no doubt a transformational moment. We now have an established business in India, run by a solid management team with a potential to build a business of considerable scale, in the world's largest and fastest growing packaging market of India.

TPAC is also present in the middle east through our presence in the United Arab Emirates. My family and I enjoyed a good few months in the region in 2021. I got the opportunity to spend some quality time with several of our customers during my stay there. Their dynamism was infectious, and inspiring. There is a very real opportunity to grow alongside them, partnering with them as they grow in markets like Saudi Arabia, Egypt and of course Africa.

Internally at TPAC, we refer to the Middle East and Africa as our 'Engine 3', while India is referred to as 'Engine 2' and ASEAN as 'Engine 1'.

The emergence of a growing consumer class, browsing their local supermarkets or computers, looking for something that catches their eye in that split second of a window is the new trend for real. The role of Packaging in this new era of short attention span consumerism becomes even more powerful and brands are well aware of this.

Rigid plastics (bottles, cups, jerrycans, caps etc) are easier to collect as they tend to maintain

The competition to capture the attention of the consumer can be won and lost across the areas of sustainability, convenience, functionality, and design. This opportunity for a resilient TPAC lies with working intimately with our customers, helping them capture the heart and minds of the end consumer through our solutions.

Our business today is ~ 70% focused on the food and beverage sector with a fascinating product range across fruit juices, honey, mustard, butter, margarine, mayonnaise, ketchup, dairy, yoghurt, milk, edible oils, ghee, chewing gum, salt, dates, salt, pepper, herbs, spices, mints, instant noodles, coffee, protein supplements, biscuits, and even alcoholic spirits just to name a few. Our pharmaceutical segment caters to a whole range of nutraceuticals such as vitamin c, fish oils, multivitamins, and many other solid and liquid health formulations. I have developed an even greater appreciation for our key segments of food and pharmaceuticals. The resilience in their demand throughout the pandemic has been reassuring. Come what may, we need to eat and have access to medication.

In addition, customers from these segments are serious about production facilities with world class hygiene controls. Such demands suit us well. Food and pharmaceutical packaging will continue to be a central part of our focus in time ahead.

On the topic of focus, I trust our stakeholders are all well aware that TPAC has continued to stay focused on rigid plastics. When I became CEO of TPAC in 2016, the first thing I did was to carry out a strategic review of the plastic space we were in.

We have critically examined and re-examined the business we are in at every critical step of the way. We have now made 5 acquisitions since my time at TPAC. All 5 have continued to be in the rigid plastic space. Why is this you may ask. The answer is simply because we believe in the vital role certain plastics should continue to play in our societies.

their mass and not break up, disintegrate, or disappear. On the contrary in fact, they are right

there and very visible. This allows for feasible collection. Collection and recycling rates are improving around the world.

Regulation is also moving in a positive direction. In Europe we will be seeing the introduction of tethered bottle caps, caps that always remain connected to the bottle. This is a good step forward for collectability and recycling of the entire package.

In India we understand that food grade recycled PET will soon be allowed.

Investments into circular economy initiatives around the world, such as chemical and mechanical recycling are increasing.

In our drive towards sustainability, TPAC in 2021 launched numerous projects using rPET for our personal care segment. This is just the start; we are expecting an avalanche of projects using recycled resins. Our design teams have also been active converting packaging from less sustainable plastics such as Polystyrene into PET.

Shaving off weight through design optimisation is another area where our design teams continue to push the limits, made possible through fantastic advancements in processing technology.

The possibilities of well-designed packaging that is sturdier and made for use and reuse is another area with so much potential. I read that Starbucks has launched pilots to rid stores of the disposable coffee cup and replace them with reusable smart plastic cups with RFID technology.

The developments of bio in plastics are another fascinating area we will continue to keep our eyes on.

It does seem like there are many positive steps being taken wherever we look across the value chain.

With the challenges we face ahead on climate change, we need a carbon efficient solution, and the circular economy of plastics is a required piece in the overall puzzle.

All this potential provides the purpose for us as a company. Simply put, we believe in the role of plastics for our healthy futures and the potential to create tremendous value for stakeholders, including our next generation, in the years ahead.

Lastly, I would like to touch upon our journey towards becoming a world class product company. In our definition, a product company is one, which has a continual commitment towards introduction of new & innovative products. We feel TPAC today is well positioned to start thinking more about product. The caps, closures and dispensing segment, again targeting the food and pharmaceutical segment, is an area where we believe we can create value. There is potential to leverage off the capabilities of our existing business.

For example, every day we serve hundreds of customers within the food and pharmaceutical segments. We are privileged to hear from them first-hand the problems they may face with existing packaging solutions and their aspirations for their brand.

We therefore have access to a ready customer base hungry for novel and improved solutions.

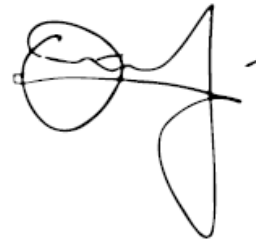
The right configuration of product teams staffed with world class design talent given the freedom to think and a mandate to innovate is another area we believe has transformational potential.

Looking out of our window in 2022, we have placed ourselves in a beautiful spot. There is an ocean of opportunity ahead.

We must however stay resilient, prepared to embrace the storms, along TPACs journey to world class.

Thank you to our people and all stakeholders for another year of hard work and belief.

Chok dee khrap,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

**Mr. Kevin Qumar Sharma**  
Chairman and Group CEO