



TPnC
PACKAGING

Opportunity Day
Q3'23

19th December 2023

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TPAC – A specialty packaging solution provider

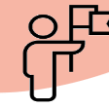
**Asia's fastest
growing packaging
company ***



TPAC design lab for
customised
innovative
packaging solutions



Market leadership in
all our geographies**



Focused on
100% mono-material
formats with proven
**mechanical
recyclability**
(PET, PP & PE)



**>90% portfolio in F&B
& Pharma** which
requires **strict hygiene**



**Diversified
customers base**
> 1500
relationships
from MNCs to
startups



Our Vision

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

Our Mission

To collaborate passionately, always showing our customers what's new

* Company estimation based on 5 years revenue growth trend

** In niche segments

Rebirth of a local Thai company with change of control and new leadership coming in 2016.

Radical transformation needed not just to thrive rather to survive the company.



~ 32

Years of History

Robust foundation laid by the erstwhile founders which was Thailand focused with limited aspiration.

2016

New leadership installed.

- Entry of **new sponsor and management** instilling a new life to the company.
- First two years (**2016-2018**) management ideated, strategized and **redefined the company's vision** to become the most respected packaging company of Asia.

Carefully crafted strategic choices made in first 2 years since change of control, defines who we are today!- *Asia's fastest growing packaging company*

1 

Rigid Packaging

100% mono material formats
with proven mechanical
recyclability


Most Sustainable packaging

2 

Geographic Location

100% emerging market focus
ASEAN, India and MENA

High growth consumption economies. Entry into India to be a transformational move for TPAC.

3 

M&A Route

Golden period of consolidation
in emerging markets

Many family-owned business with succession issues seeking right partners. TPAC determined to build best in class M&A capabilities

4 

Product Segment Focus

Food & Pharma Segment

Requiring strict hygiene & clean room facilities.
Customer stickiness, attractive margins and
barriers to entry

5 

Diversified Customer Base

Low single customer
concentration

Minimize reliance on any single customer.

6 

Solidifying Base

Transform Thailand business

Build right management team, strong cash flow
generation

With the vision to be the most respected packaging company and clearly defined strategic choices in place, the Company went on a focused execution of the strategy of expanding market presence

Change of
Control and
Leadership



(2016-2018)

*Ideated, strategized and redefined the
company's vision*

2018

- **M&A 1:** New site near Bangkok
- **M&A 2A:** First ever international acquisition in India



2019

M&A 3:
Entry
into UAE



2020

M&A 2B:
Acquiring
balance
minority
stake in India
business



2021

- Listing on SET
- **M&A 4:**
Entry into
Malaysia



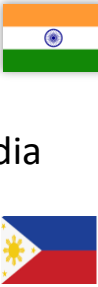
2022

- **M&A 5:**
Second India
acquisition
- Incorporated
"TPAC Custom
Solutions Pvt
Ltd"

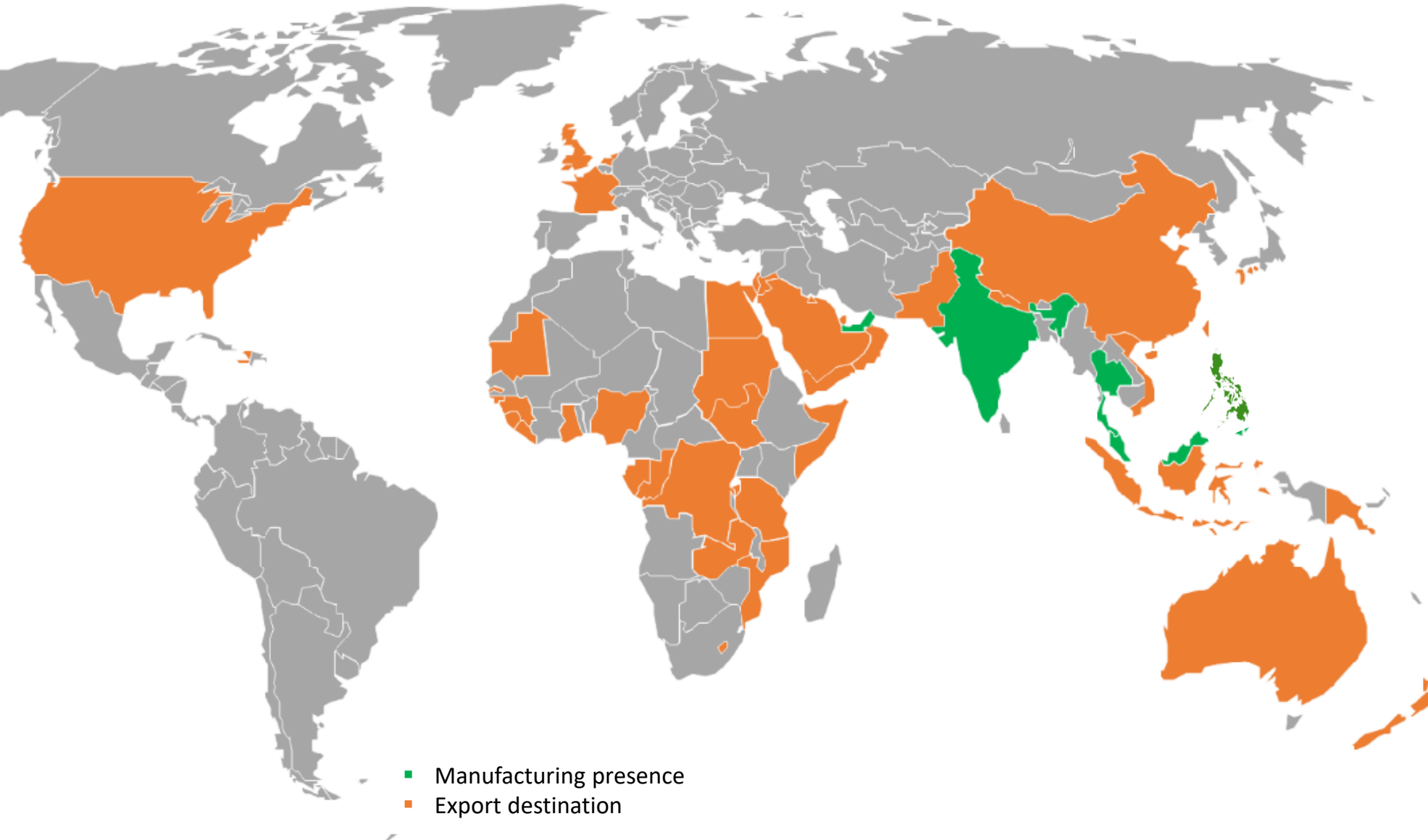


2023

- Green field
expansions
completed
with 2 new
plants in India
- Greenfield
entry into
Philippines








In the last five years, we have quintupled our manufacturing location to 17 plants & grew our footprint rapidly with a strong emerging market focus



 **Revenue Contribution***

43% India
29% Thailand
18% Malaysia
10% UAE

 **Manufacturing presence in the emerging markets:**

 9 plants
 4 plants
 1 plants
 2 plants
 1 Plant
(under construction)

 **~3000 Employees**

*Basis Q3 FY'23

With more than 75% portfolio focused on Food segment, which requires strict hygiene and is not prone to demand cyclical

- **Food & Beverage** is the **major segment** constituting ~ **78%** of the overall revenue
- Conscious decision of a diversified product portfolio which is **sticky, non-cyclical, and resilient**. Demand resiliency severely tested during Covid period.
- **State of the art infrastructure** developed:

➤ **Injection Facility in UAE**



➤ **PET Facility in Thailand**



Investment in R&D led to successfully develop new products in line with changing customer requirements

01



Herbs & Spices

Pioneers to introduce double barrier oxygen and UV IML solutions for global Herbs & Spices player

02



Specialty Beverages

Vitamin water closure, with unique hanging cap design

03



Infant Nutrition

Temper evident integrated scoop and lid for infant nutrition

Condiments, Spreads & Oil



Dairy & Ice Creams



Specialty Beverages & Formulations



Confectioneries & Snacks



Infant Nutrition



Built a strong Pharma segment by developing new specialized products and introducing new technologies

- **Pharmaceutical and Personal care** constitutes ~ **14%** of total revenue
- With **no compromise philosophy** while selecting technology partners to meet the best quality standards
- We have developed **Ultra Clean Room Facilities** to ensure strict hygiene

➤ Clean Room Facility in India



Going up in the value curve by providing specialised products



01



Nasal Solutions

Nasal spray 3-piece system for a Pharma MNC

02



Intravenous Dispensing Solutions

Saline PP preforms with integrated hanging provision

Liquid Formulations



Solid Formulations



Nasal Drug Delivery Solutions



Intravenous Drug Solutions



Serving Blue Chip customer base across all our segments, in ~ 50 countries. Relationships spanning over multi-decades with a well diversified customer base of > 1500 customers.

Global MNCs



Pharma Giants



Food Giants and Emerging players



Thai Champions



- ✓ **Top 10** contribute ~30%, ensuring a **low** customer **concentration**.
- ✓ **Geographically diversified** customer base across attractive segments.
- ✓ **Reputed brand** names on our customer list in the **high growth** markets
- ✓ Focused on **Food & Pharma** segments



Expanding addressable market and consolidating market share by targeting to grow faster than the market (1.5x of market growth)

Geography



Thailand



India



UAE

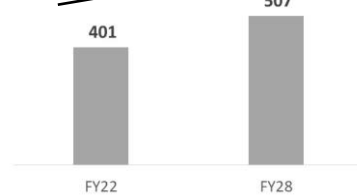


Malaysia

Market Size in Niche Segment

USD Mn

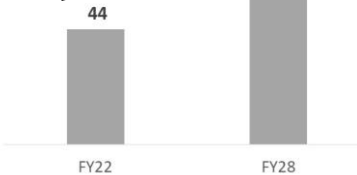
CAGR 4.0% (CY22 – CY28)



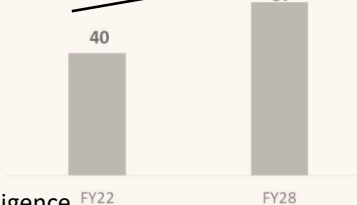
CAGR 10.7% (CY22 – CY28)



CAGR 5.0% (CY22 – CY28)

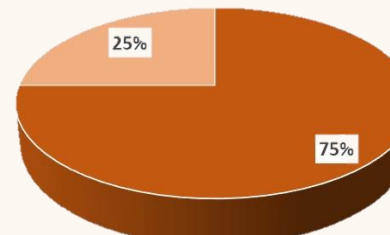
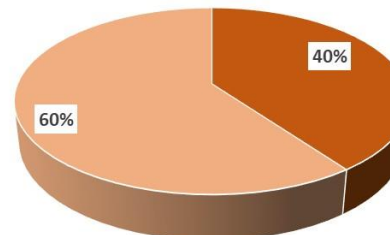
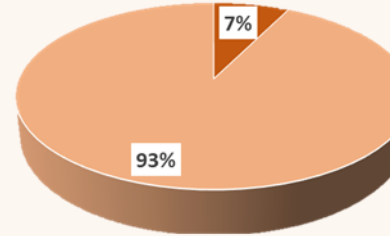
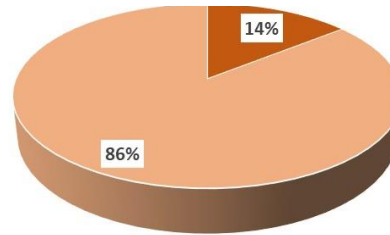


CAGR 6.0% (CY22 – CY28)



Market Share of TPAC in Niche segment

TPAC's Share Other Player's Share



Strategy / Way forward

- Expand our offerings to MNC customers
- Increase **market share** in Thailand **organically**
- Grow **Bangna** operations after a successful turnaround
- Consolidate market share** (organically and inorganically) in PET consumer & Pharma rigid space
- Expand our market range in **Pharma beyond PET solutions**
- Develop **innovative specialty closures** / dispensing solutions within food and Pharma for India and global market
- Further **solidify** PET rigid consumer market share (organically and inorganically)
- Continue expansion into **other mono-material recyclable polymers** (beyond PET)
- Further grow **Saudi Arabia export sales**
- Further grow the thin wall IML market
 - Expansion** of Thin wall **product portfolio** into spreads, protein powder & cosmetics

With a strong foundation in place, India business poised to have an accelerated growth, potentially aiming to be the most exciting packaging IPO's in next 3 years

Value creation since acquisition

Solid management team in place

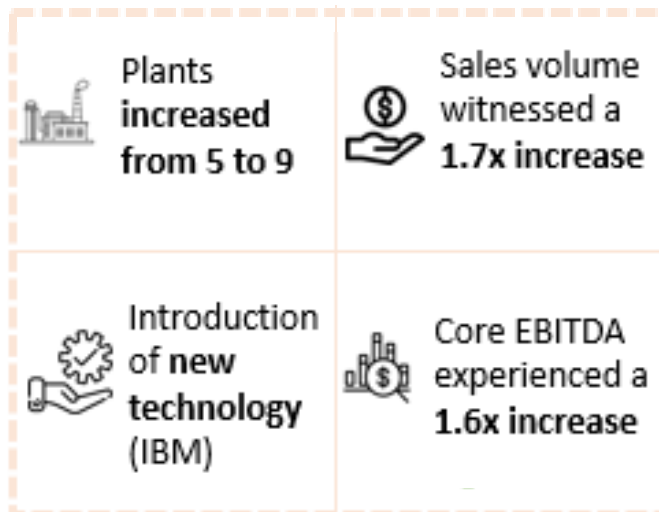
+

State of the art infrastructure
developed

+

Focus on **compliance** and
digitization

=



3 Growth Engines for India Business

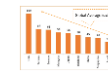


- **Increased capex intensity** (incl. introduction of Mega platforms - Husky's) and greenfield expansions
- **Presence in Southern India** through Skypet acquisition
- **Incorporated a new company** with focus on Caps & Closure business and new verticals.

India Scalar Play



Many **consolidation opportunities** exist in India



Per Capita Packaging Consumption is one of the **lowest** for India



India rigid plastic packaging **market** is **expected to have a 2x growth** rate as compared to the global industry



India to become the **new world's factory**



Potential to **build a strong consumer brand** business

TPAC to capitalize on the next decade of numerous inorganic opportunities, leveraging a strong M&A muscle that got built up in the last few years

We have successfully completed five acquisitions in the last five years, continuously refining the art of value creation



Well oiled M&A engine in place to close a deal in best-in-class timelines



Developed **Global Network** with advisors, partners to solicit right opportunities



Consistently **created shareholders value** in all our past M&A transactions



TPAC M&A Playbook created on the back of past successful transactions

A golden decade is anticipated in Asia for acquiring family-owned assets , which will be transformative for TPAC

We have successful history of enhancing shareholder value through every acquisition

SUNPET®

India
(28th Aug 18)



Plants
increased
from 5 to 9



Sales volume
witnessed
~1.7x increase



Introduction
of **new**
technology
(IBM)



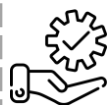
Core EBITDA
experienced
~1.6x increase
Margin Stable



Plants
increased
from 1 to 2



Sales volume
witnessed
~1.3x
increase



Introduction
of **new**
technology
(EBM)



Core EBITDA
experienced
~2.5x increase
Margin Expansion

UAE
(30th Jul 19)

SUNPACK

combipack
YOUR INNOVATIVE PACKAGING
PARTNER

Malaysia
(31st May 21)



Gearing for a
second site



Sales volume
witnessed
~1.1x
increase



Introduction
of **paper**
packaging

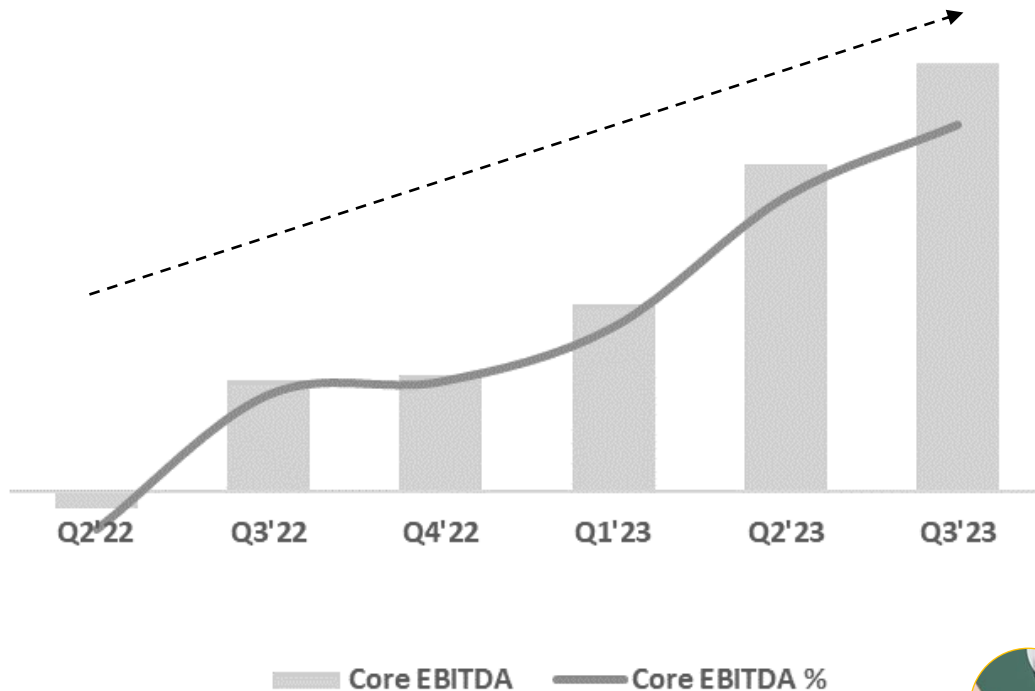


Core EBITDA
experienced
~1.4x
increase
Margin Expansion

With transformative case study of turning around loss-making business, post acquisition

Bangna's Resurgence: A Triumph of Determination and Competency of our Management

Transforming a negative EBITDA margin business into a high teen margin



Infusion of a **new leadership team** and **radical transformation of the shop floor culture**

Long-term investments made, despite cash bleeding. Improved energy efficiency & product quality with new equipment.

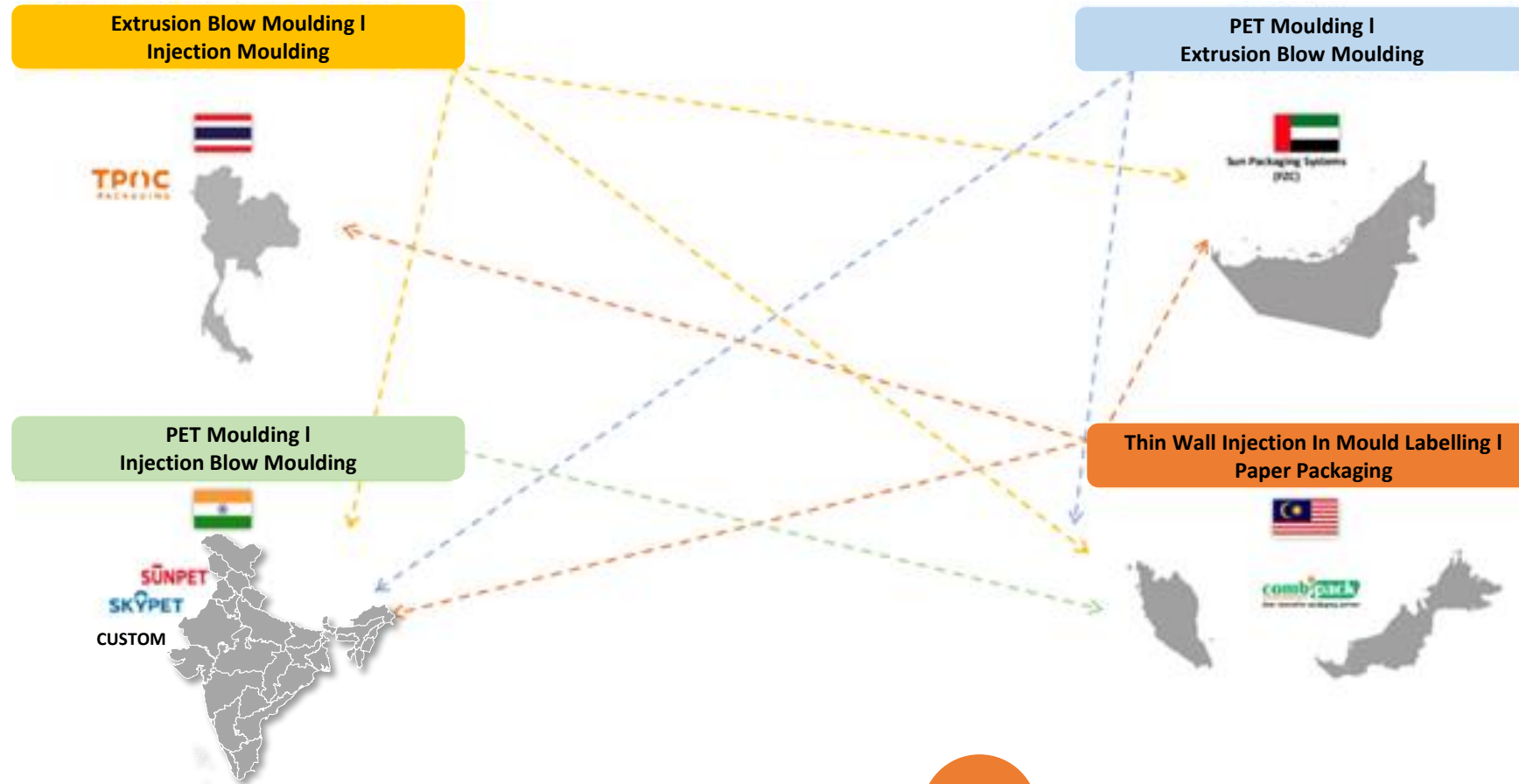
Achieved a positive EBITDA margin in the past quarters. Results reflect efforts starting in 2020, not just over 5 quarters.

Incorporating a zero-based accounting mindset with a culture of cost discipline & optimization. Satisfactory results achieved (manpower optimization) & further efforts are being undertaken.

Strong pipeline of potential new customers, in process of auditing & certifying the Bangna facility for food compliance. Enhances its growth momentum and better utilizes its existing capacity, signaling a positive trajectory.

Management is also at **early stages of crafting full potential plans** for Bang Na

Value Creation through Synergy on customer relationship, technology, procurement & global design capabilities within the Group



01

Today TPAC is in prime position to **generate alpha**.

02

Customer relationships transfer across businesses

03

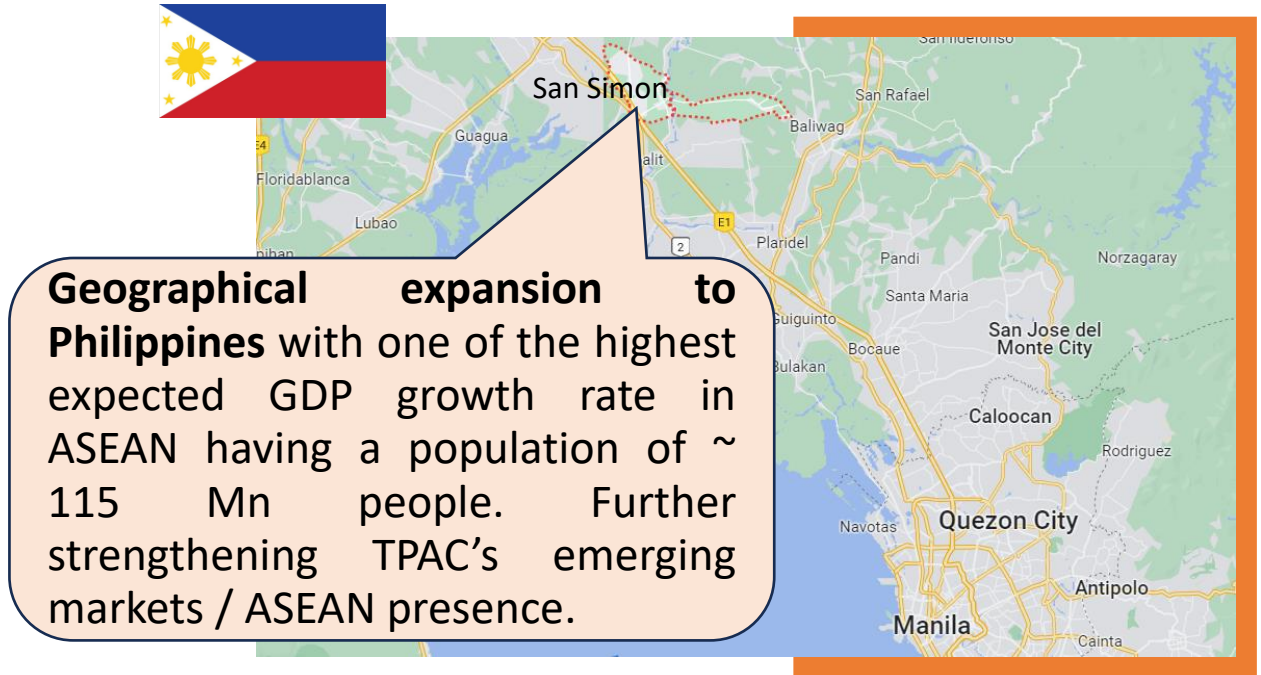
Technology / know how transfer across businesses

04

Synergising on global **design lab capabilities** and knowledge across various geographies.

TPAC's entry into the Philippines is the first time we are entering into a new geography organically and not via M&A. Management now confident to organically enter into new geographies and take market share

- TPAC's **first greenfield project for entering a new geography** (Philippines). Incorporated a Filipino subsidiary namely "**TPAC Packaging Philippines Inc**" for manufacturing of packaging products.
- **Located in San Simon**, Pampanga, North of Metro Manila (*~80 km. away from Metro Manila*),
- **Next door to our anchor customer**, one of ASEAN's fastest growing dairy companies.
- **Commercial production** is planned to begin by **Q1'24**.
- **A local management team is in place**. They shall be complemented with one of our global talent, relocating to the Philippines to bring requisite expertise and processes.



Few product photos





Financial Highlights

Q3'23 performance: TPAC continues its stellar performance, surpassing its own Q1'23 (all time high) results

Revenue



THB 1,697 Mn

QoQ **+3%**

YoY **-7%**

Core EBITDA



THB 361 Mn

QoQ **+16%**

YoY **+33%**

Core EPS



THB 0.44

QoQ **+25%**

YoY **+82%**

Core ROE



23%

QoQ **+290 bps**

YoY **+870 bps**

Net Debt/Equity



1.00x

Rapidly
Delevering

01

- Q3'23 marks **an all-time high profitability** with Core EBITDA of THB 361 Mn, surpassing our earlier record of Q1'23.
- ~ **80% growth in Core EPS on YoY basis**, from THB 0.24 in Q3'22 to **THB 0.44** in Q3'23.

02

- With **intensified capital investment** and **strategic expansion into new segments and markets** in this year, TPAC has established a **strong foundation for further growth next year**

03

- Fast deleveraging** of our balance sheet, resulting in a **Net Debt to Equity ratio reducing from 1.32x** as at Q2'22 (during Skypet acquisition) **to 1.00x** as at Q3'23. This comes with a combination of expanding profits and a healthy cash conversion ratio across our businesses.

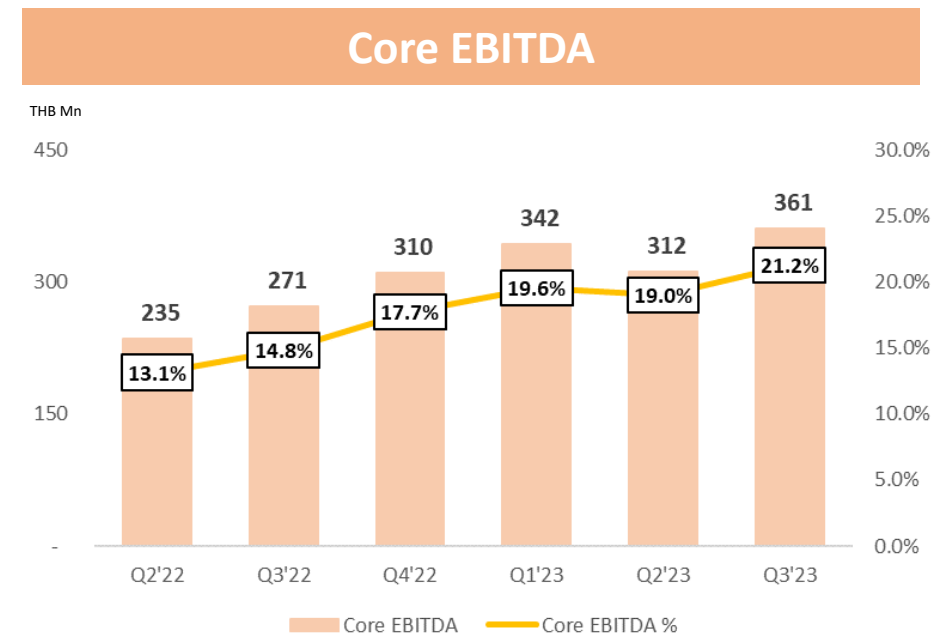
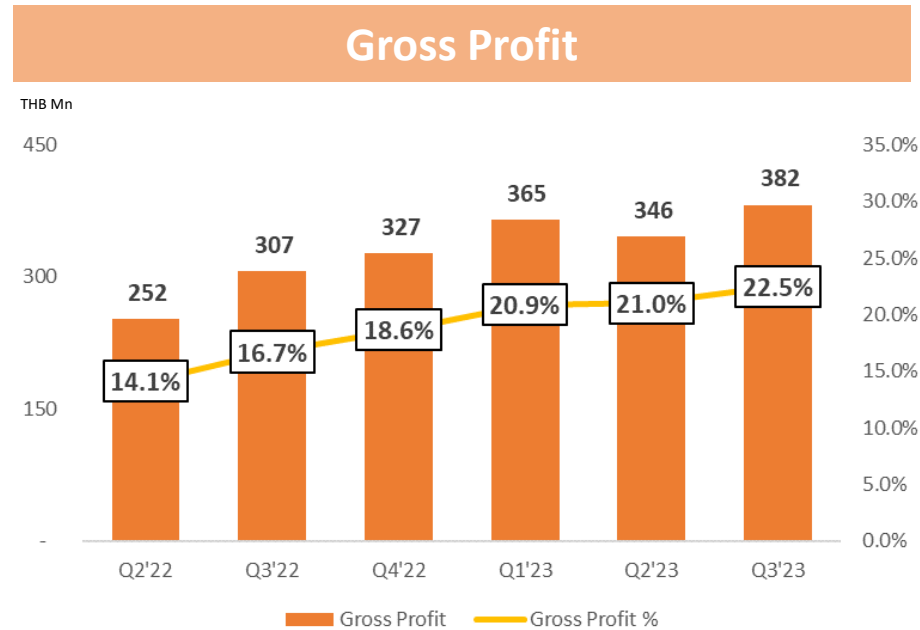
EPS in 9M'23 outperforms full year FY22 by almost ~ 20%

	9M'23 A	9M'22 A	Δ^1	FY22 A
Core EBITDA (THB Mn)	1,014	770	32%	1,080
Core EBITDA %	19.9%	14.7%	N/A	15.4%
Core EPS (THB)	1.21	0.68	79%	1.00

Note:

1. 9M'23 A vs 9M'22 A

TPAC was hit globally with sudden and dramatic cost inflation and lackluster volumes in Q2'22. This was a test for management, management needed to respond. Management has since responded.

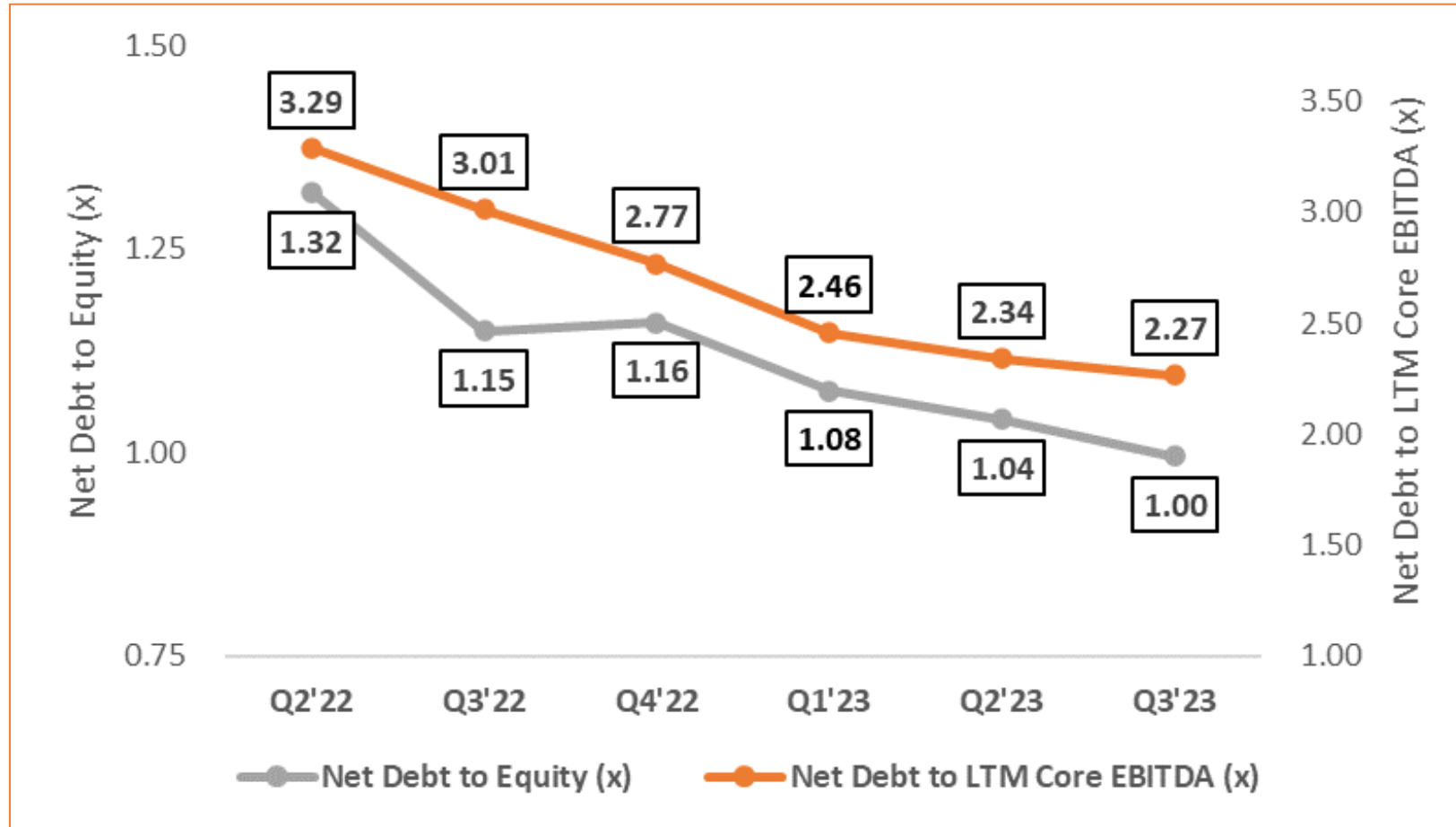


Management's response since Q2'22:

1. Add more customers, increase wallet share of existing customers, gain more market share.
2. World class operational excellence measures
 - Energy savings/efficiency: Renewable energy projects, Utilities revamp, retirement of inefficient machines and molds
 - Procurement excellence: Strategically negotiating and consolidating supplier relationships for better terms
3. Price Corrections: Transparent, frank discussions with customers on required inflationary cost pass throughs.

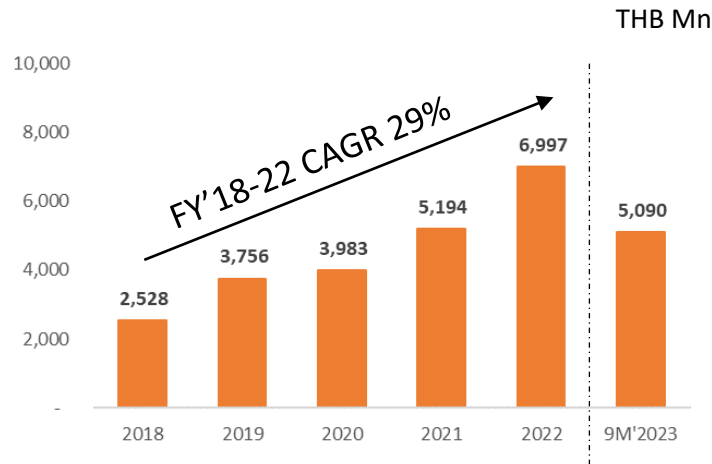
Continuously deleveraging over the past one year, backed by a strong cash flow generation

Sharp improvement in Net Debt to Equity and Net Debt to LTM Core EBITDA

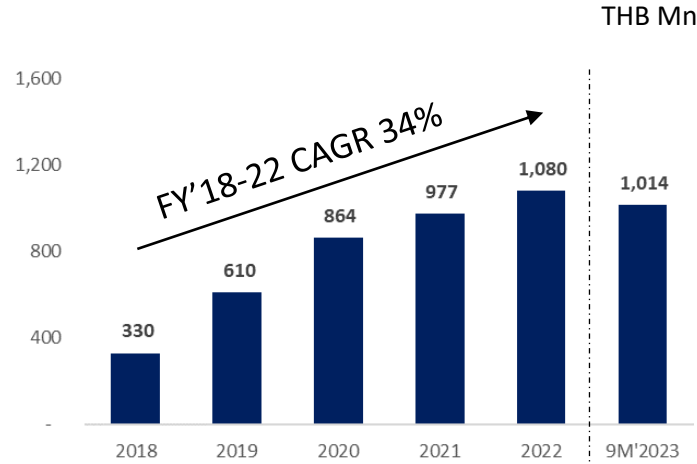


Sustained growth momentum in 2023 profitability on the backdrop of strong 9M'23

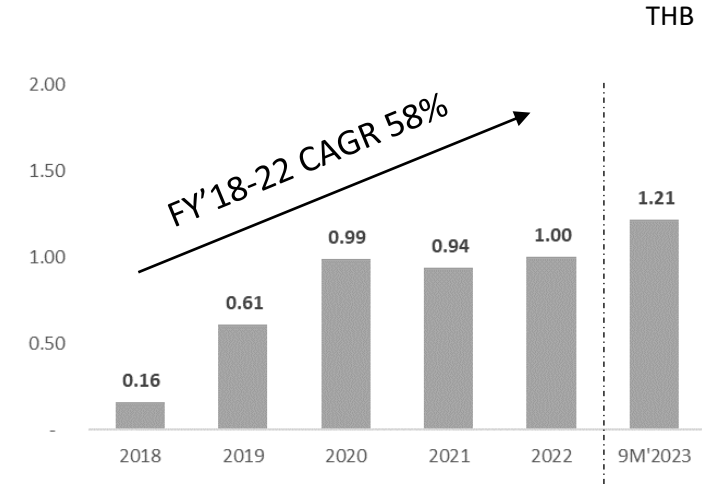
Revenue



Core EBITDA



Core EPS



01

- **Strong growth in the topline and bottomline** over the last 5 years giving us the title of Asia's fastest growing packaging company.

02

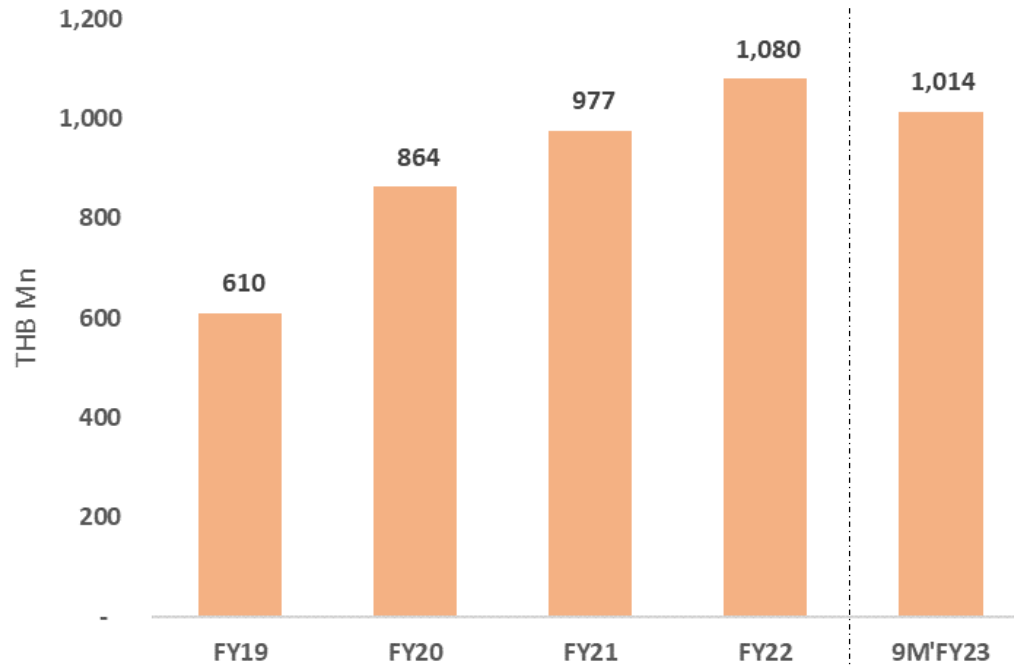
- **9M'23 Core EPS of THB 1.21** gives a solid performance to the year, reflecting a jump of **~79% over 9M'22**.

03

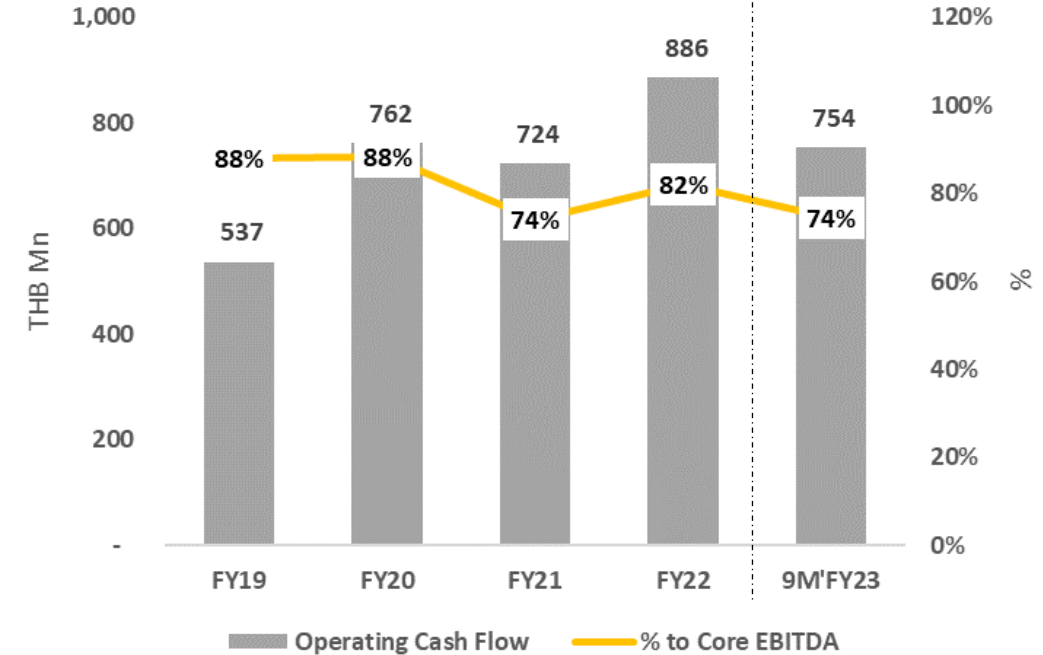
- **Core EBITDA for 9M'23** is ~THB 1,014 Mn, which is a jump of **~32% over 9M'22**.

Strong operating cash flows generation with a Core EBITDA conversion rate of ~75% - 80%.

Core EBITDA



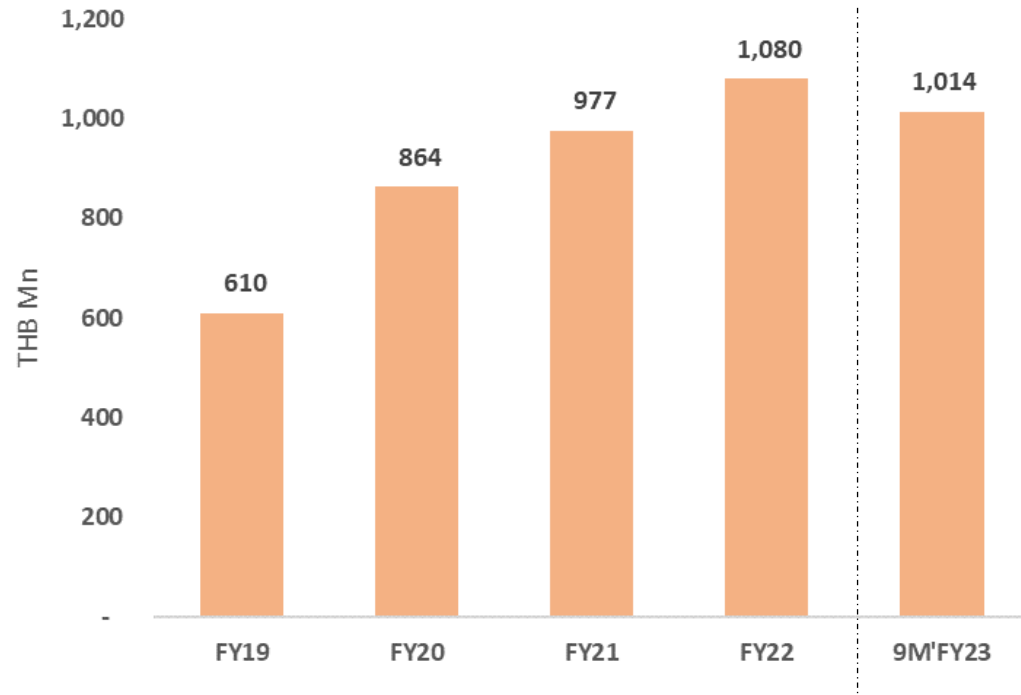
Operating Cash Flow



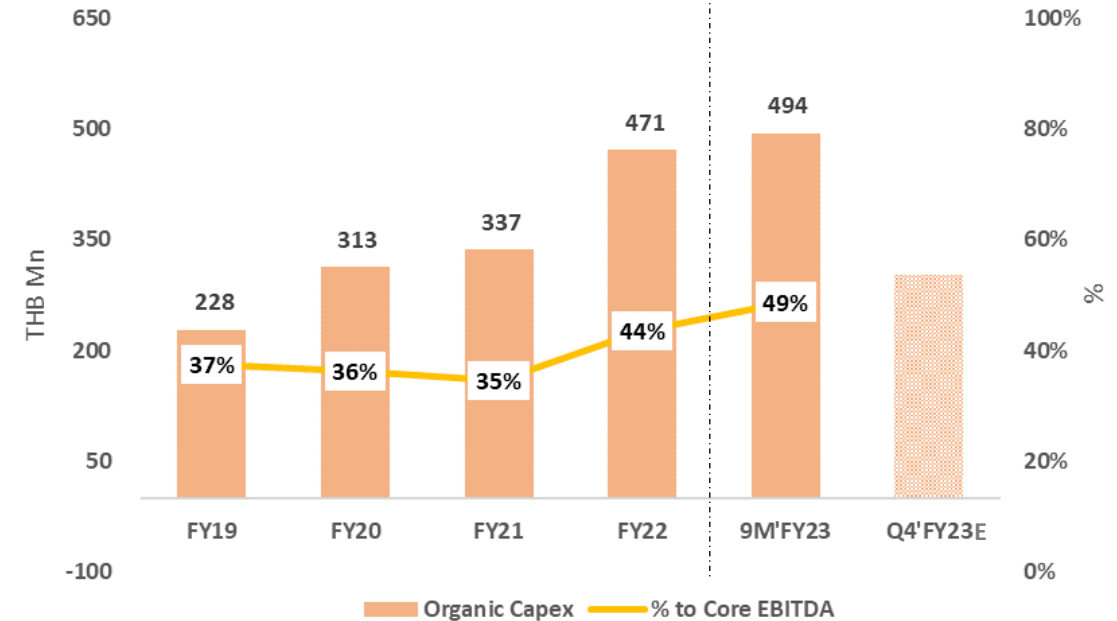
TPAC has consistently been able to generate a healthy cash flow from operations

Now with a strong and trusted management team in place in high growth geographies and presence in attractive segments, we are increasing our organic capex intensity.

Core EBITDA



Organic Capex Outflow



Q4'FY23 to witness a **sharp rise in organic capex intensity** as we further invest on infrastructure and capacity to build a strong foundation for future growth.

To Summarize

Key takeaways

- **Asia's fastest growing packaging company.** Management track record of delivering.
- Focused on **sustainable mono-material packaging** with proven mechanical recyclability.
- **Specialty focus** in food and pharmaceuticals. Sticky, resilient and hard to penetrate segments.
- **Trusted proven management team** in place in the worlds most exciting growth markets.
- **Continuously deleveraging** over the past one year, even with substantial organic expansion with Net Debt to Equity coming down from 1.3x to 1.0x in last 5 quarters. **Strong operating cash flows** conversion of ~ 80% from Core EBITDA.

Outlook

- **Management remains optimistic** on sustaining growth momentum.
- **Strong pipeline of M&A opportunities** exists, which the company continues to evaluate diligently.
- **Organic growth capex intensity to increase.**
- **Entry into new markets (Philippines) and segments (Custom)**
- **3 Year vision and aspirational plan** to be announced soon.

Q&A





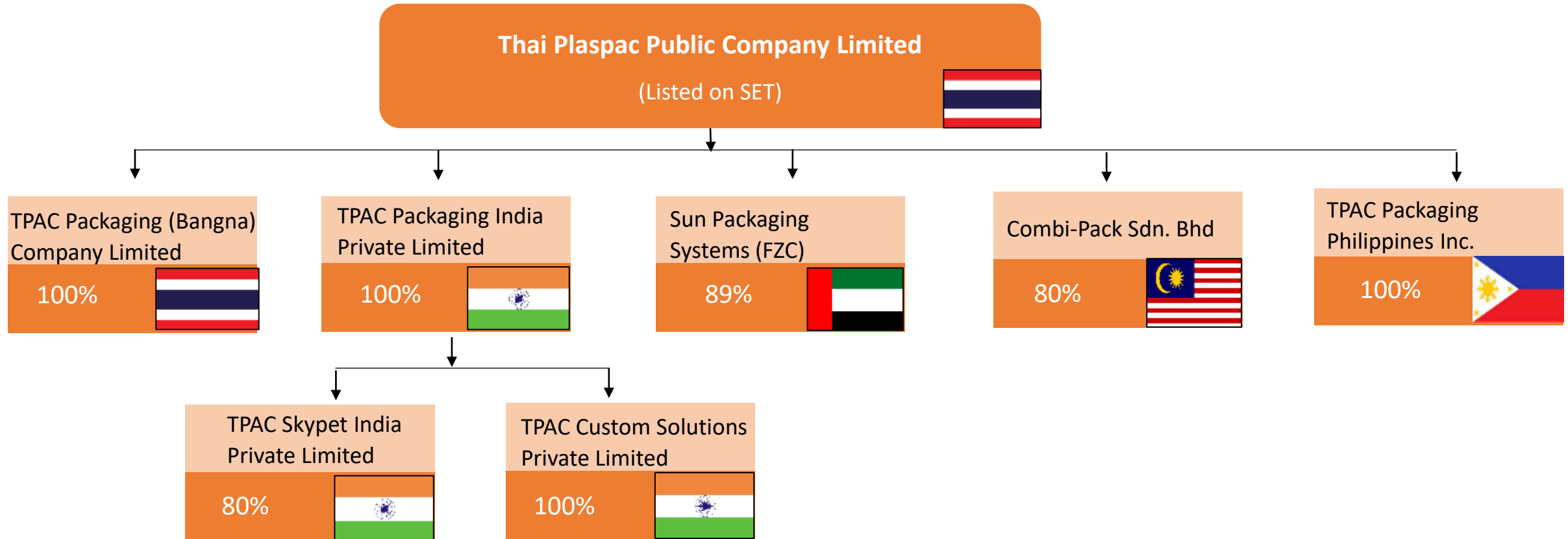
Making Packaging Better

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TPAC Group 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 and 2 step down subsidiaries held by TPAC Packaging India Pvt Ltd.
- While the subsidiaries located in Thailand, India, and the Philippines are 100% owned, the subsidiaries located in UAE and in Malaysia are minority held by partners, who were erstwhile founders of these companies.

Strong growth momentum witnessed during Q3'23

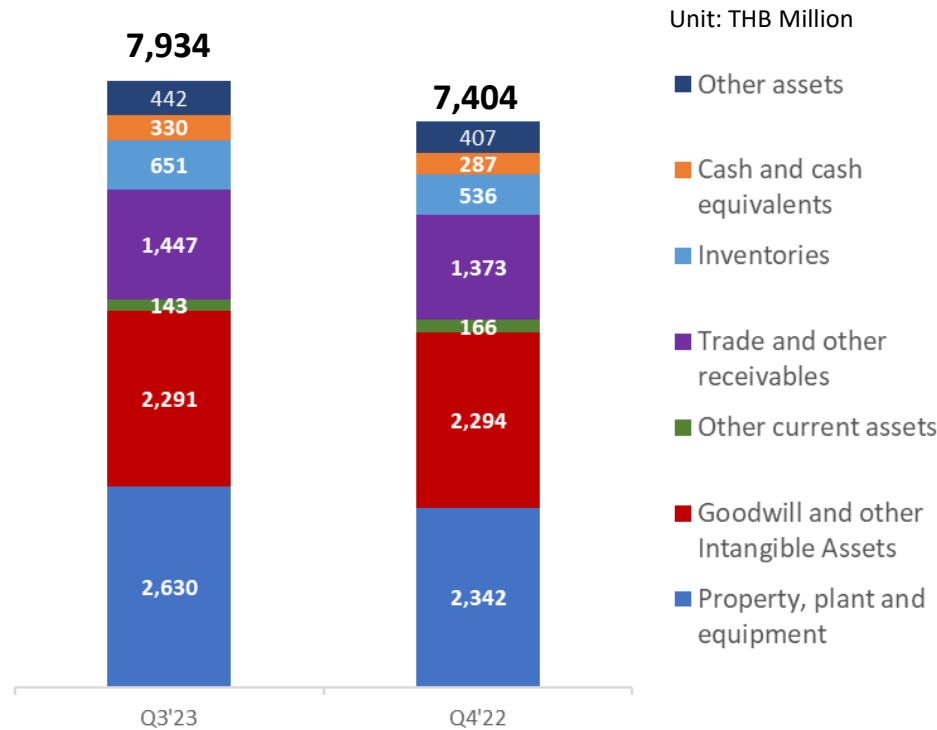
Unit: THB Mn

	Quarterly					Financial Years		
	Q3'23	Q2'23	%Δ	Q3'22	%Δ ¹	YTD Sep'23	YTD Sep'22	%Δ
Consolidated Sales ²	1,697	1,644	3%	1,834	-7%	5,090	5,245	-3%
EBITDA	361	312	16%	271	33%	1,014	759	34%
Core EBITDA³	361	312	16%	271	33%	1,014	770	32%
Core EBIT ³	236	189	24%	151	56%	650	412	58%
Core Net Profit ³	158	125	26%	89	77%	436	243	80%
Core Net Profit after NCI ³	143	114	25%	79	82%	397	221	79%
EPS	0.44	0.35	25%	0.24	82%	1.21	0.65	87%
Core EPS³	0.44	0.35	25%	0.24	82%	1.21	0.68	79%
Core ROE ⁴	23%	20%	3%	14%	9%	20%	13%	7%
Debt to Equity (times) ⁵	1.10	1.12	-0.02	1.32	-0.21	1.10	1.32	-0.21
Net Debt to Equity (times) ⁶	1.00	1.04	-0.04	1.15	-0.15	1.00	1.15	-0.15

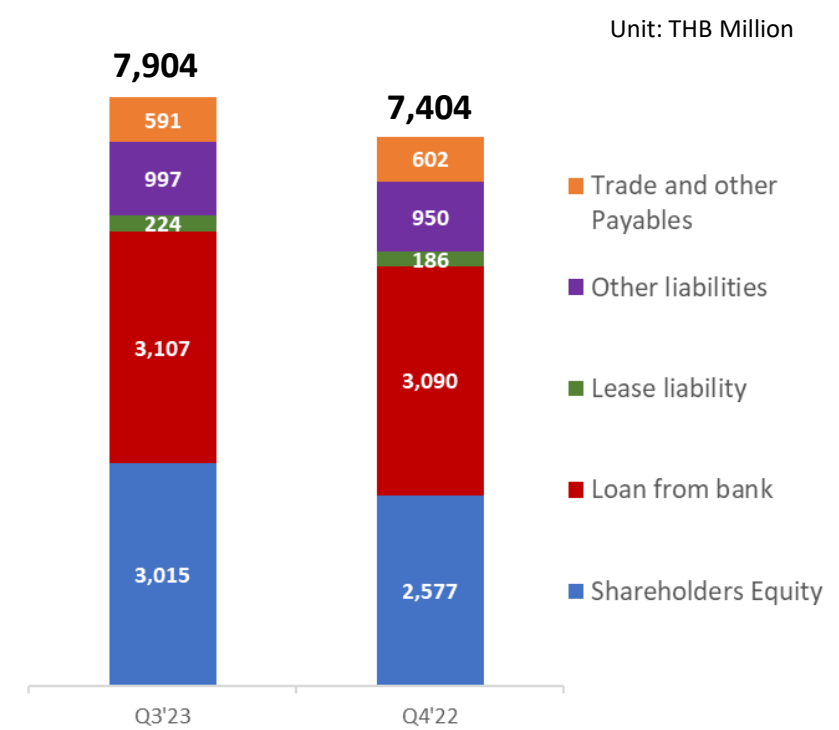
1. YoY: Q3'23 vs Q3'22, 2. Revenue growth may not present a clear picture of actual sales growth, as our sales prices are a function of underlying feedstock (polymer) prices due to pass through pricing mechanism. Therefore, if polymer prices come down, our absolute sales value will also follow a similar 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 / Qn Avg. Equity excluded NCI. 5. Debt to Equity = IBD / Equity, 6. Net Debt to Equity = (IBD - Cash) / Equity

Balance sheet size increasing with investments into organic and inorganic ventures

Asset



Liabilities and Shareholder Equity

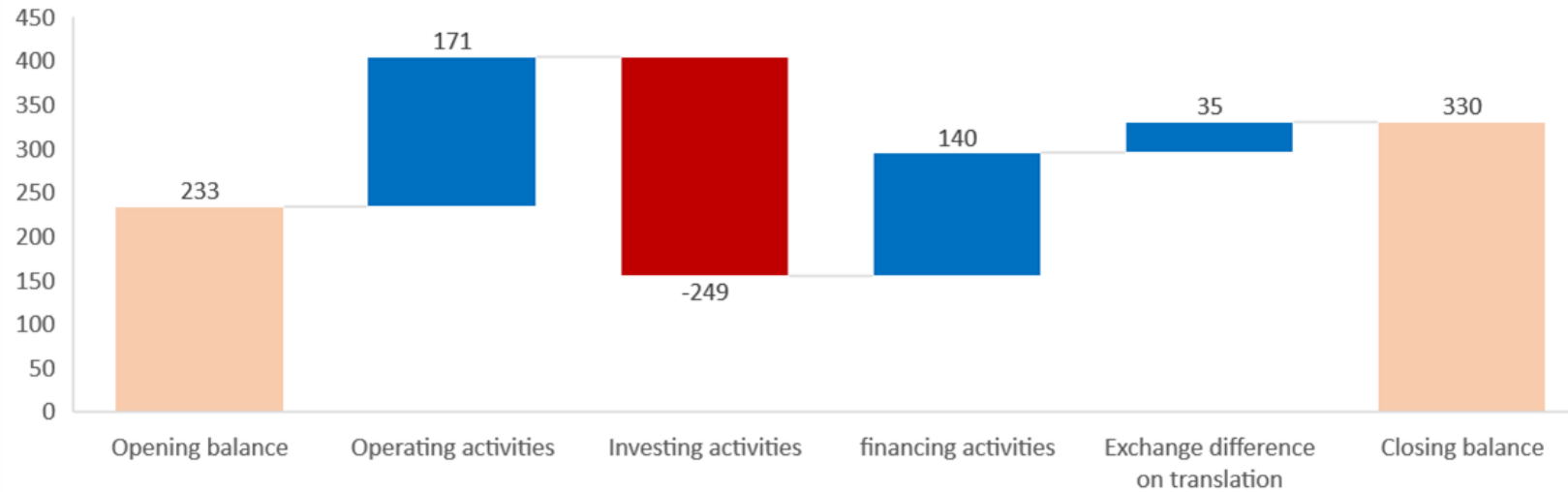


- Increase in shareholders equity by ~ THB 439 Mn during Q3'23 vs Q4'22 is primarily on account of profit for the quarters and gain on foreign exchange translation.
- Net Working Capital amounting to ~ THB 1.5 bn as % to LTM Revenue is ~22% for the quarter.
- Significant improvement in leverage ratios over the past one year:
 - Net Debt to Equity – Improved from 1.15x in Q3'22 to 1.00x at the end of Q3'23
 - Net Debt to LTM Core EBITDA – Improved from 3.0x in Q3'22 to 2.3x at the end of Q3'23

Strong cash flow acts as an anchor for growth capex and investments

Unit: THB Million

Cash flow bridge for Q3'23



Cash Flows (THB Million)	Q3'23	YTD Sept'23	FY2022
Net cash received from operating activities	171	754	886
Net cash used in investing activities	(249)	(499)	(876)
Net cash used/received in financing activities	140	(276)	(39)
Exchange differences on translation of financial statements	35	64	(78)
Net increase/decrease in cash and cash equivalents	96	43	(107)
Cash and Cash Equivalents - Opening Balance	233	287	394
Cash and Cash Equivalents - Closing Balance	330	330	287

- TPAC generated **positive operating cash flow** aggregating Baht 171 Mn for the period Q3'23.
- **Investing activities** during Q3'23 primarily pertains to **capex on new machine, mould and ancillary parts for capacity expansion**. ~80% of such cost is attributed towards TPAC India business.
- **Financing activities** is mainly related towards **additional loan** taken for capex expansion and working capital needs which is partly offset by scheduled repayment and finance cost of during Q3'23.



Thailand Business

- **Bangna turnaround**, turning an EBITDA negative company into a **high teen EBITDA margin** business in a span of five quarters. With potential new customers auditing and certifying our plant, we should see increased utilization of the Bangna plant.
- **Strong upside in sales volume and profitability**, driven by **increased customer traction, coupled with continued thrust on cost optimisation and operational efficiency measures undertaken by the management.**



India Business

- Flattish quarter with respect to Q2'23, as **northern and western operations** got impacted because of **erratic rainfall and early onset of monsoons leading to reduced demand of dairy products**. However, saw a **strong jump in Core EBITDA on YoY basis** led by volume jump and richer product mix.
- **Skypet business outperformed when compared QoQ** on both volume & profitability. With the conversion of our existing warehouse into production floor, business is **infrastructure ready to increase its installed capacity.**



UAE Business

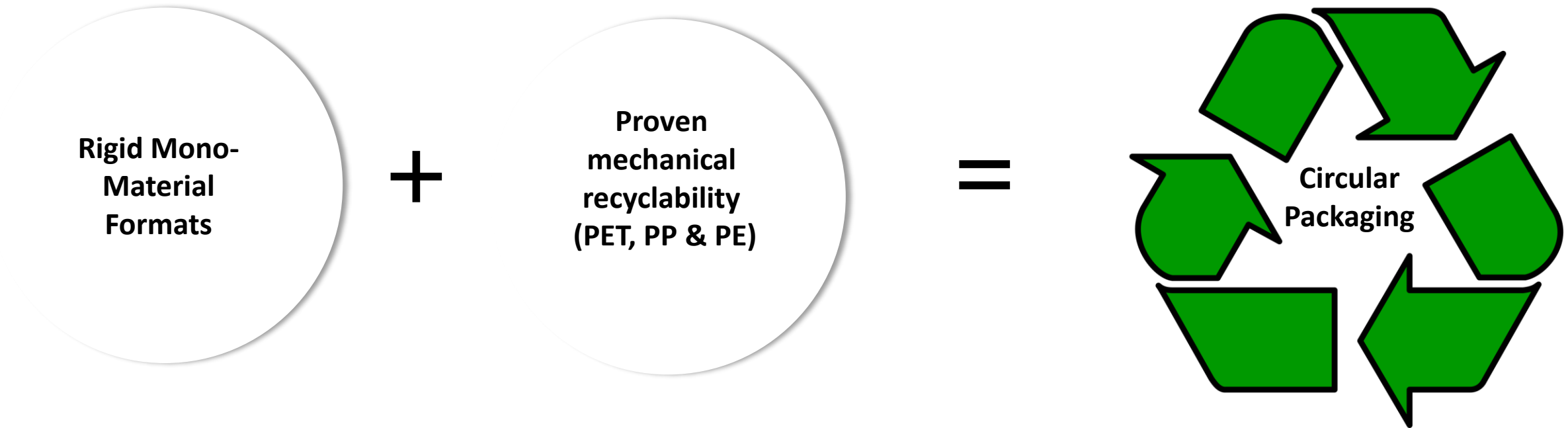
- **Sharp improvement in profitability** as compared to same period last year is led by new customer wins, price rationalizations, coupled with various energy efficiency measures.
- Flattish sales quantity during Q3'23 as compared previous quarter and slight increase compared to same period last year is **due to less order intake during the months from July –Sept as it's a lean period in Gulf region because of Summer vacation.**
- Management is **expecting a sharp increase in sales volume during Q4'23**, post summer vacations ending from Sep'23 onwards.



Malaysia Business

- **Surge in profitability** was primarily attributed to the **increased sales volumes** leading to higher absorption of fixed cost and through **various procurement excellence programmes. Various cost control measures**, along with **past investments in solar initiatives**, have begun to pay off, **contributing to the improved profitability observed in recent quarters.**
- **In anticipation of growing customer demand** and market opportunities, TPAC has started the process of **evaluating potential sites for a second factory.**

Rigid Mono-Material Formats (PET, PP and PE) = Sustainable Packaging



TPAC has taken a conscious choice to operate only in rigid mono-material formats with substrate having proven mechanical recyclability

Sustainability continues to be a **big opportunity** for TPAC.

- Strong momentum from industry in **converting from non recyclable multilayer formats into mono-material formats**.
- Multiple ongoing projects to **introduce recycled polymers** (rPET, rPE, rPP) into our packaging solutions.
- Ongoing **R&D and material science initiatives at TPAC** towards exploring commercial viability of alternate source of polymers such as bio-based resins.

TPAC's DNA: Continuously focused on three key drivers

Digitization for a better customer experience



Automation to drive productivity, safety & quality



Energy Excellence for responsible manufacturing



- **ERP transformation on SAP Hana** across all our geographies, starting with India
- Group wide roll out of Global **CRM, HRMS and online shop** floor data monitoring being implemented in stages
- Groupwide initiative to **go paperless** by replacing printed business cards with **digital cards**.

- Centrally driven **localized automation teams** across all geographies
- Engagement with **global automation partners** introducing new technologies within the group.

- **Target to add solar on every factory of TPAC.** Today ~ 25% of TPAC plants have Solar plants installed, with an aim to reach 50% by 2025.
- **Upgrading utilities and energy savings devices** to improve energy efficiency and thereby reducing per unit energy consumption