



TPnC
PACKAGING

Opportunity Day
Q2'24

3rd Sept 2024

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Company Overview

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

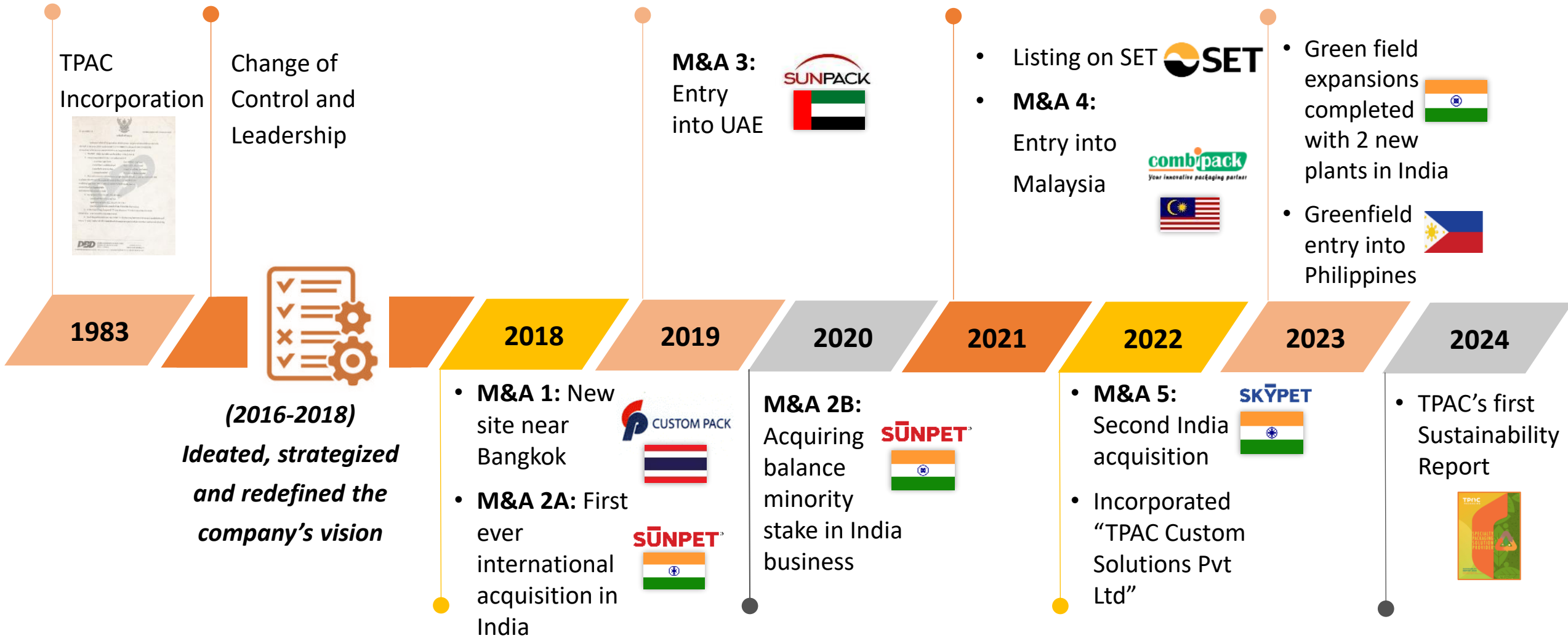
To collaborate passionately, always showing our customers what's new

* Company estimation based on 5 years revenue growth trend

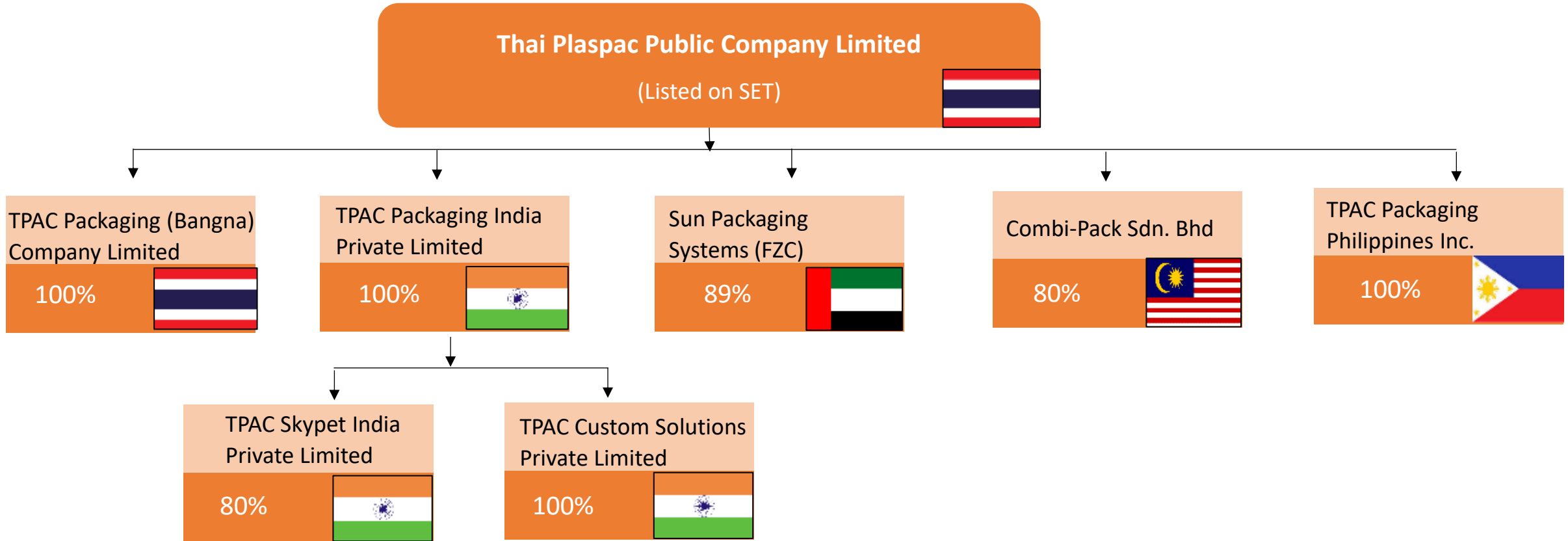
** In niche segments



Rebirth of a local Thai company with change of control and new leadership coming in 2016. Since then series of clearly defined strategic choices taken with a vision to be the most respected packaging company



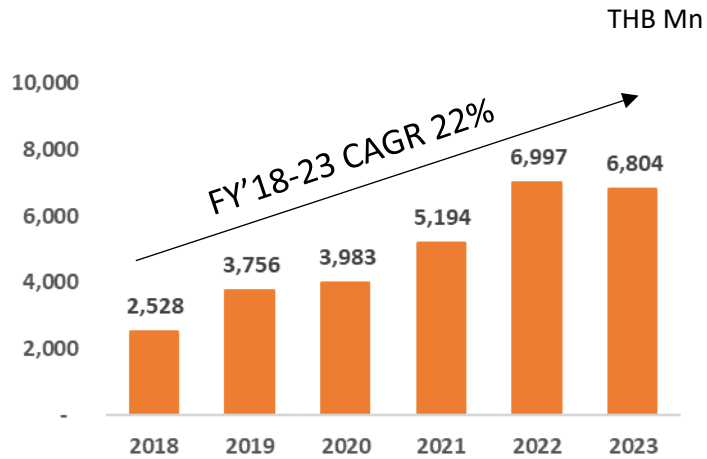
TPAC Group Corporate Structure



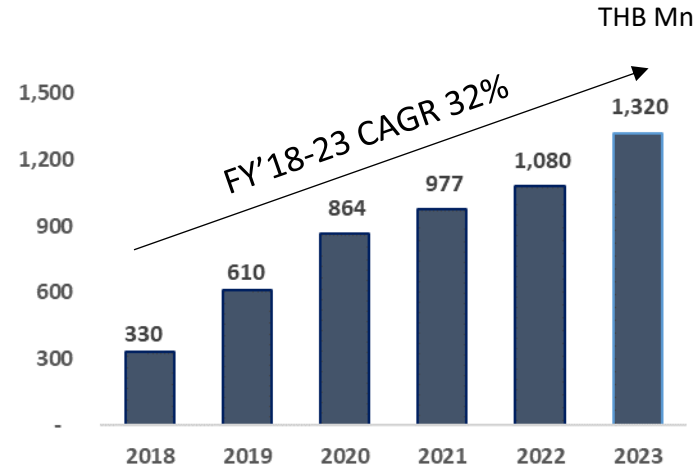
- Thai Plaspac Public Company Limited, is the parent holding company of the Group and is publicly listed on the Stock Exchange of Thailand.
- TPAC currently has 5 direct subsidiaries and 2 step down subsidiaries held by TPAC Packaging India Pvt Ltd.
- While the subsidiaries located in Thailand, India, 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.

Sustained growth momentum over the last 5 years giving us the title of Asia's fastest growing packaging company.

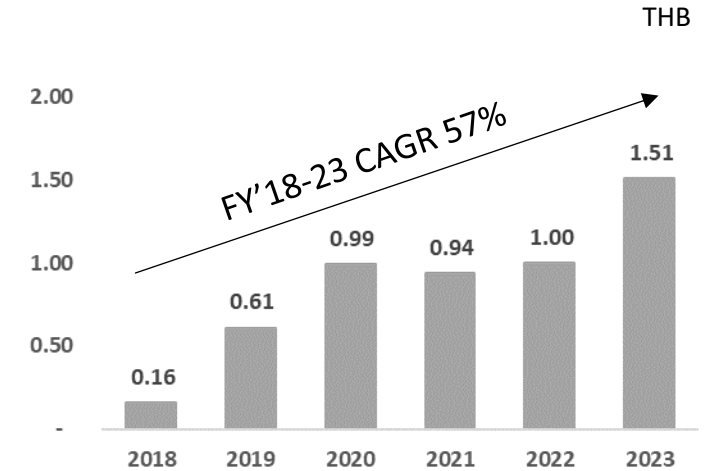
Revenue



Core EBITDA



Core EPS

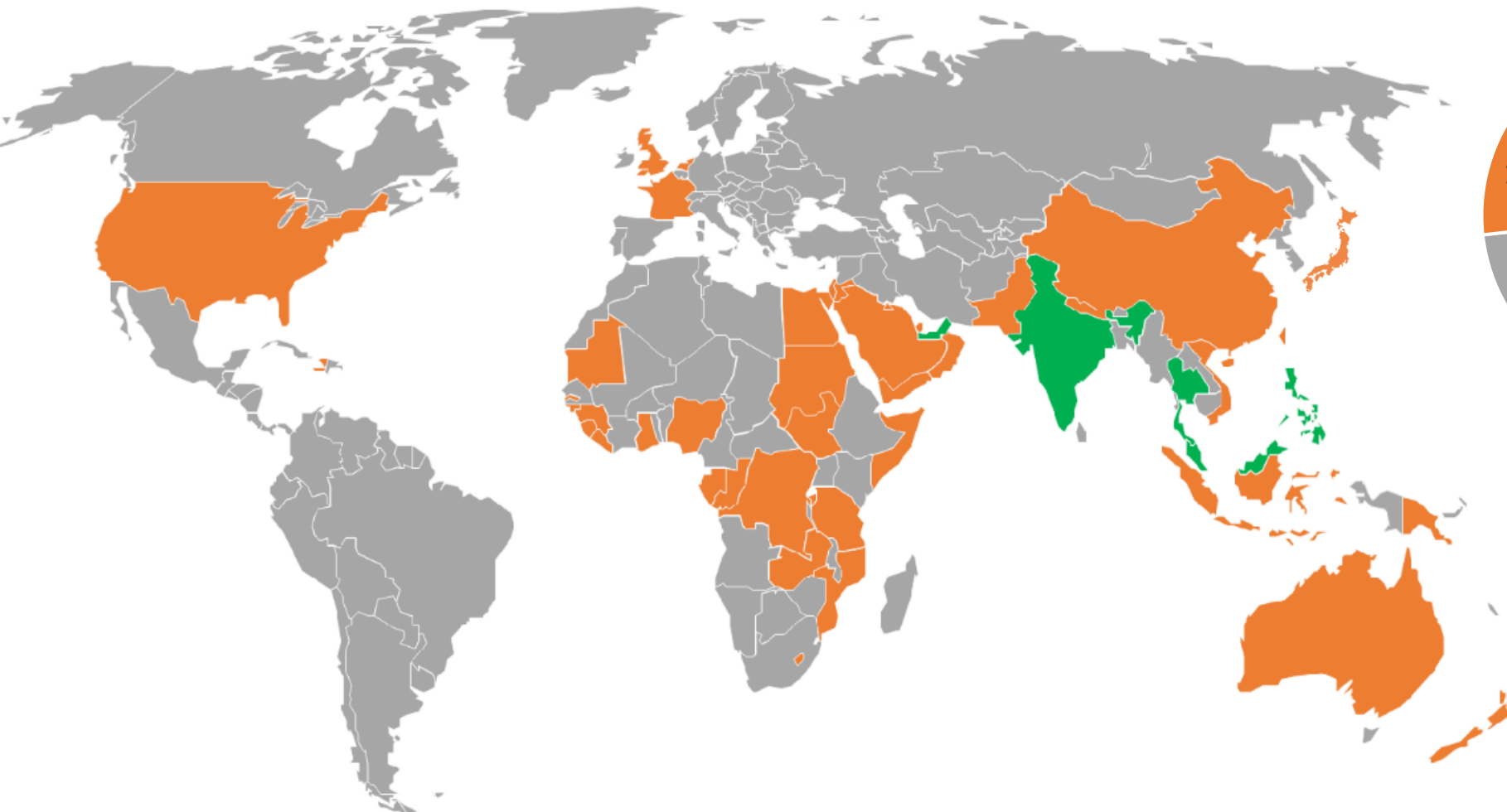


- Strong **profitability** witnessed over the last 5 years, growing at a CAGR of ~32%.
- **Core EPS** of THB 1.51 for the year 2023 at all time high, resulting in a CAGR of 57% over the last 5 Years

Key Financial and Business Update – Q2'24

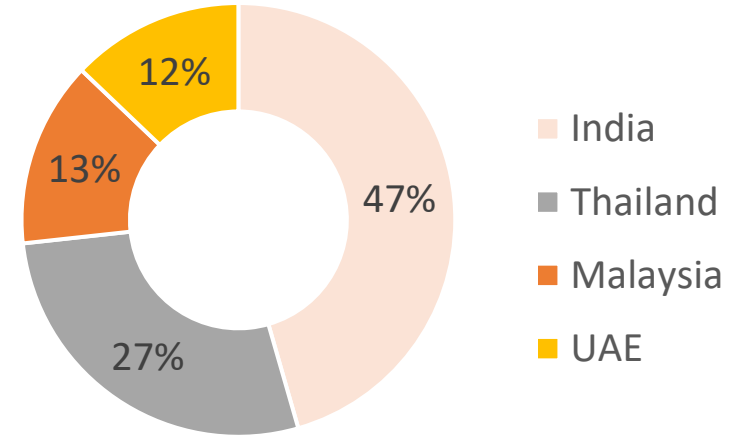


Healthy geographic mix with India accounting for a lion share of the total revenues

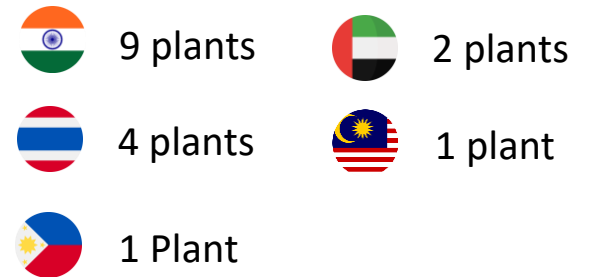


■ Manufacturing Presence
■ Export Destination

■ Sales by Geography *



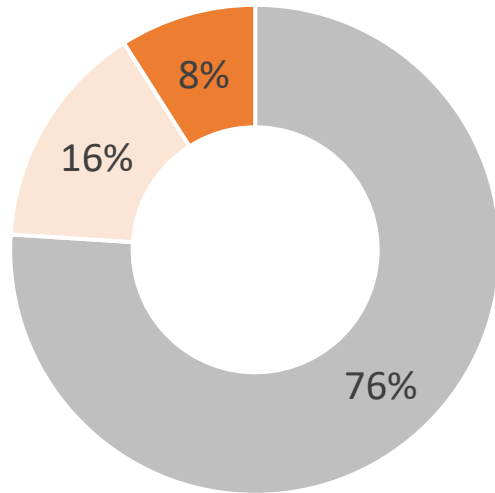
■ Manufacturing presence in the emerging markets:



* Basis Q2, FY 24

More than 90% of the revenues come from food and pharma segments, requiring strict hygiene controls

Sales by Segment *



- Food and Beverages
- Pharmaceutical and Personal Care
- Home Care and Industrial



* Basis Q2, FY 24

Business wise performance during Q2'24 (1/2)



Thailand Business



- The quarter witnessed a subdued performance on the back of lower sales volumes led by **long holiday season**.
- **Half year volume growth by ~ 10% YOY** and **stronger improvement** in profitability.
- **Bangna business continues to outperform** on account of **higher demand** from existing customers and onboarding of new customers.



India Business



- **Flattish performance in Q2'24**. On a quarter-over-quarter basis sales volumes has remained stable
- **Strong growth momentum continues with Skypet** reflected in increased sales volumes 9% QoQ and 28% YoY
- TPAC customs **operations commercialized** in Q1'24 and has seen a **small uptick in sales volumes during Q2'24**.

Business wise performance during Q2'24 (2/2)



UAE Business



- **Decent performance on both topline and bottom line**
- Despite a short production **shutdown led by Eid Al Fitr festival and heavy rains** during the quarter, **record double-digit growth being observed** on YoY basis in both sales volumes and profitability
- **The business is expanding infrastructure** to support expected growth over the **next 4-5 years.**



Malaysia Business



- **Eid Al Fitr festival and market slowdown** leading to lower sales volumes by 5% from the previous quarter and ~11% from last year.
- However, profitability has improved due to **operational efficiencies like increased renewable energy use, automation, and energy-efficient utilities.**



Philippines Business



- **Local management team in place** and all necessary registrations and licenses secured
- **Successfully installed** all required machinery and supporting ancillary equipment
- **Test run completed and will start commercial production** in Q3'FY24.
- Starting to receive **new customer inquiries**

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

Performance of Q2'24

Unit: THB Mn

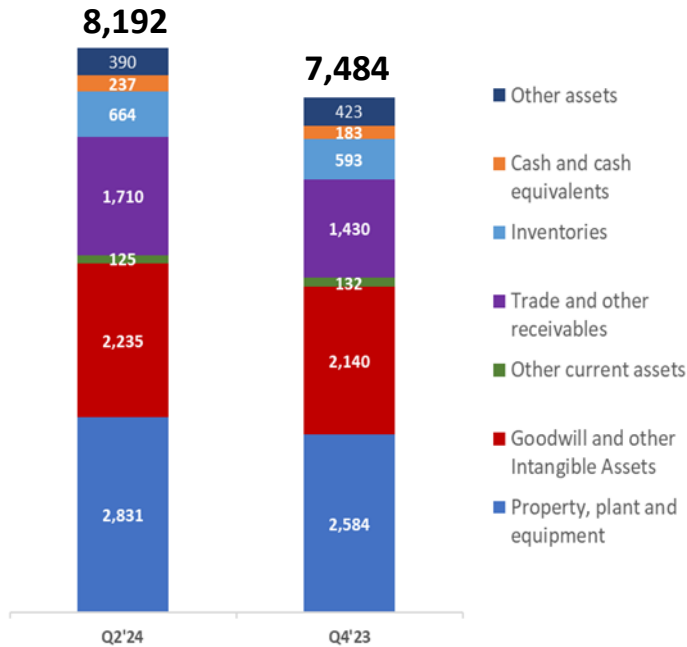
	Quarterly					Financial Years		
	Q2'24	Q1'24	%Δ	Q2'23	%Δ ¹	FY'23	FY'22	%Δ
Consolidated Sales ²	1,845	1,842	0%	1,644	12%	6,804	6,997	-3%
EBITDA	330	358	-8%	312	6%	1,317	1,069	23%
Core EBITDA³	331	358	-8%	312	6%	1,320	1,080	22%
Core EBIT ³	194	224	-13%	189	2%	825	598	38%
Core Net Profit ³	122	150	-19%	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.

Balance sheet size increasing with investments into growth capex

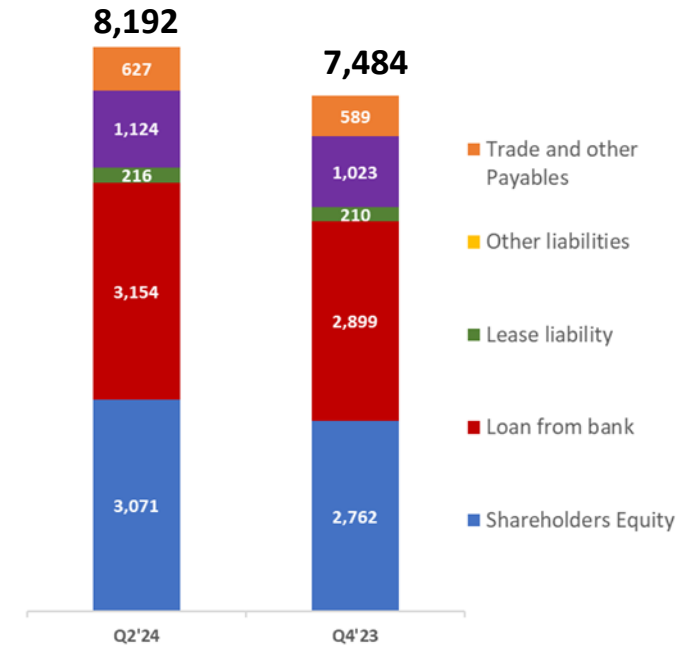
Asset

Unit: THB Million



Liabilities and Shareholder Equity

Unit: THB Million

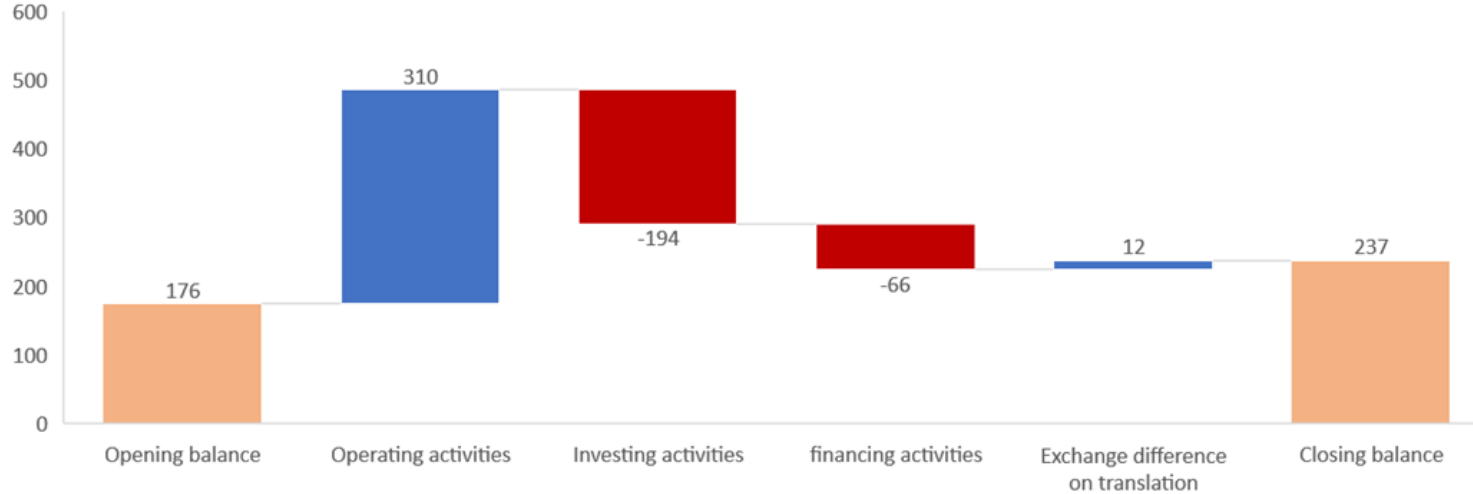


- **Overall assets of the company stand at ~THB 8.2 Bn as at Q2'24**, which has increased by ~9% since Q4, FY23, driven by organic investments into the business
- **Tangible and intangible fixed assets (~ THB 5.1 bn)** comprise ~62% of the total assets.
- Net Working Capital amounting to ~ THB 1.8 Bn 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 and gain on translation of foreign exchange partly offset by dividend payout and balance on account of movement in fair value of Put option of NCI share and in fair value of NCI.
- **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.

Cash generation from business continues to support organic growth capex.

Cash flow bridge for Q2'24

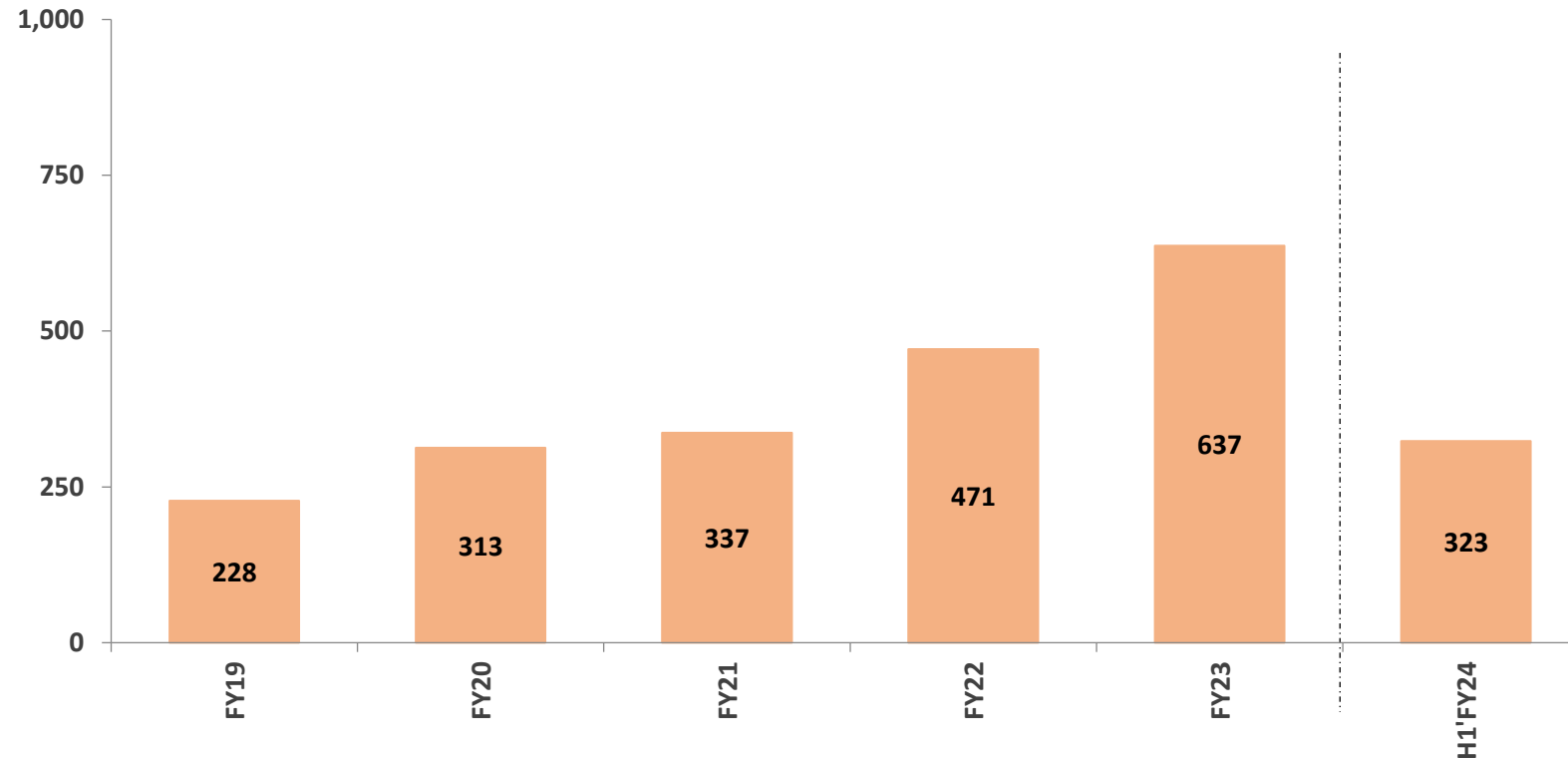


Cash Flows (THB Million)	Q2'24	Q1'24	1H'24	FY2023
Net cash received from operating activities	310	80	389	1,099
Net cash used in investing activities	-194	-197	-391	-632
Net cash used/received in financing activities	-66	24	-42	-532
Exchange differences on translation of financial statements in foreign 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

- **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).

Consistent investments in organic growth for driving capacity expansion, increased automation and building world class infrastructure

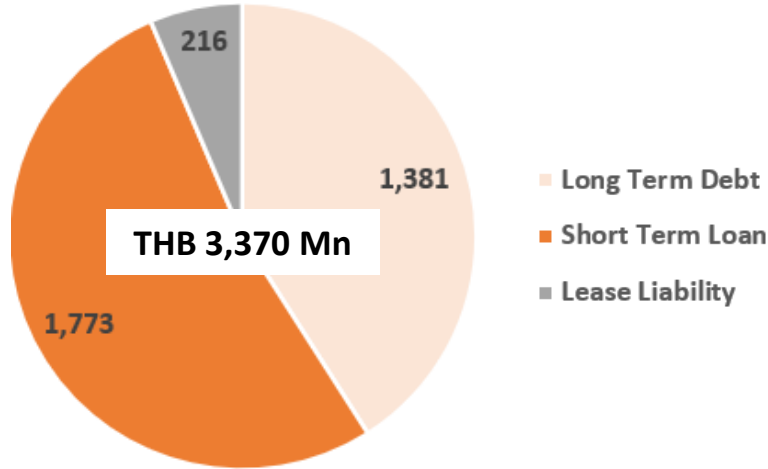
Organic Capex Outflow (THB Mn)



- Total organic capex for TPAC group is aggregated at ~ THB 323 Mn during YTD'24 which largely pertains to growth capex.

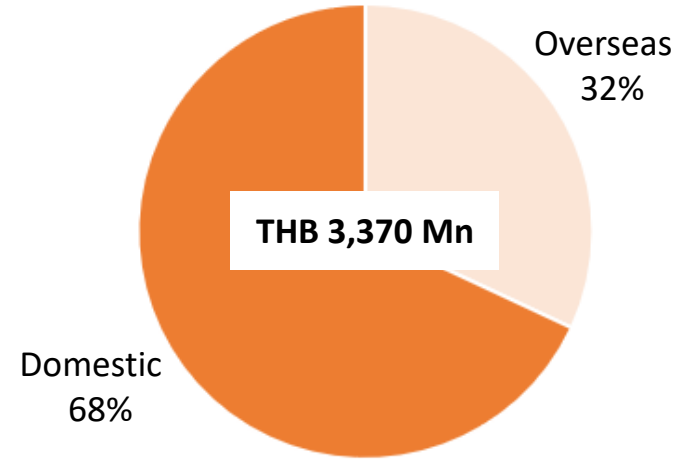
TPAC at a comfortable debt position with Net Debt to Equity at 1.02x

Consolidated Debt Breakdown (Jun'24)



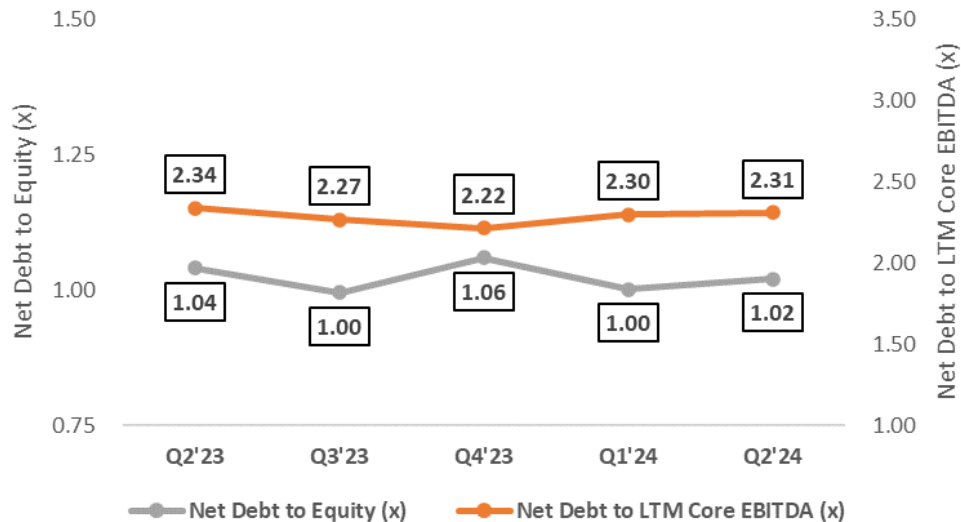
Cash and Cash Equivalent as at Jun'24 was ~THB 237 Mn

Geographical Spilt of Consolidated Debt (Jun'24)



Note: ~47% of the consolidated debt is attributable to historical acquisitions.

Net Debt to Equity and Net Debt to Core EBITDA



Key Lenders



Sustainability initiatives and recognition

Thailand Business



Solar plant installation in Bang Khun Thian factory.



TPAC's executive reaffirmed the company's commitment to sustainable business practices at a recent **CFO certification ceremony**.

Malaysia Business



In May 2024, the renewable energy project in Malaysia, which includes **the installation of energy saving utilities, was fully completed**. This project is expected to result in an average monthly savings of 340 MWh in energy consumption.



Combi-Pack Sdn Bhd received the **Gold award for their "Energy Saving"**, highlighting its commitment to energy saving initiatives for Environmental Sustainability.

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.
- Healthy geographic mix, concentrated in **emerging markets**
- **Healthy balance sheet** with comfortable leverage ratios



Q&A