



THAI PLASPAC PUBLIC COMPANY LIMITED (“TPAC”)

Management Discussion and Analysis for the
3rd Quarter ending September 30th, 2024.

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TPAC Overview

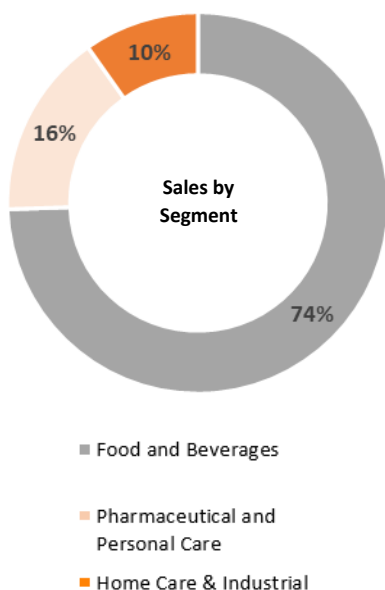
Thai Plaspac Public Company Limited (“TPAC”) is a packaging solutions specialist, focused on the design and manufacture of 100% recyclable mono-material packaging formats for polymers and paper packaging mainly for the food and pharmaceutical segments.

<p>Asia’s Fastest Growing packaging company *</p>	<p>TPAC Design Lab At the heart of our company</p>	<p>Market Leader Leadership position</p>	<p>17 Production Plants</p> <ul style="list-style-type: none"> • 4 in Thailand • 2 in UAE • 9 in India • 1 in Malaysia • 1 in Philippines 	<p>Focused on 100% recyclable mono-material formats.</p> <p>PET / rPET PP / rPP HDPE / rHDPE</p>	<p>“Excellent” corporate governance rating</p>
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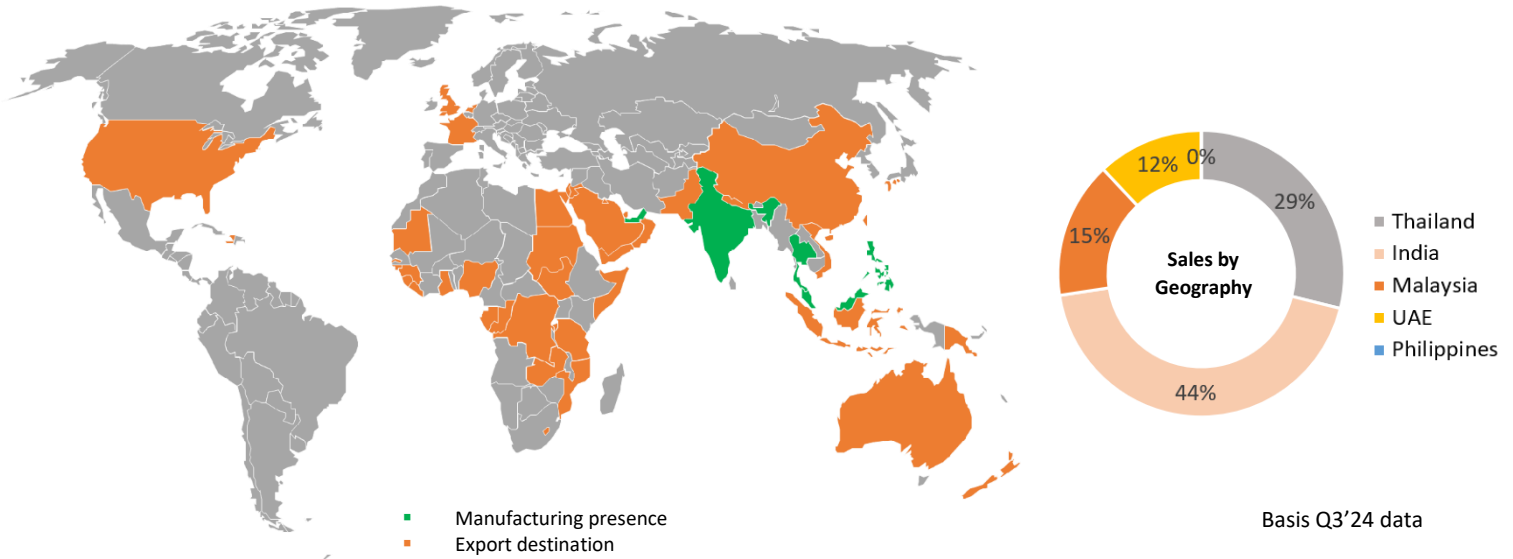
* Company estimation based on last 5 years revenue growth trend

Geographic and Industry Segmentation

Basis Q3'24 data



Food and Beverages	Pharmaceutical and Personal care	Home Care and Industrial



TPAC's production facilities are certified with world class hygiene controls with more than 90% of TPACs portfolio catering to segments where stringent hygiene standards are a prerequisite (Food & Beverage, Pharmaceuticals & Personal Care). The remainder of our portfolio comprises of the home care & industrial segment.

On a geographic spread basis, overseas business in Q3FY'24 accounted for ~ 71% of the group with India contributing a significant share ~ 61% of the overseas business.

Q3'24 Performance: Muted Quarter driven by lower sales volume

Revenue



THB 1,799 Mn

QoQ **-2%**

YoY **+6%**

Core EBITDA



THB 316 Mn

QoQ **-4%**

YoY **-12%**

Core EPS



THB 0.30

QoQ **-9%**

YoY **-31%**

Core ROE



16%

Net Debt/Equity



1.03x

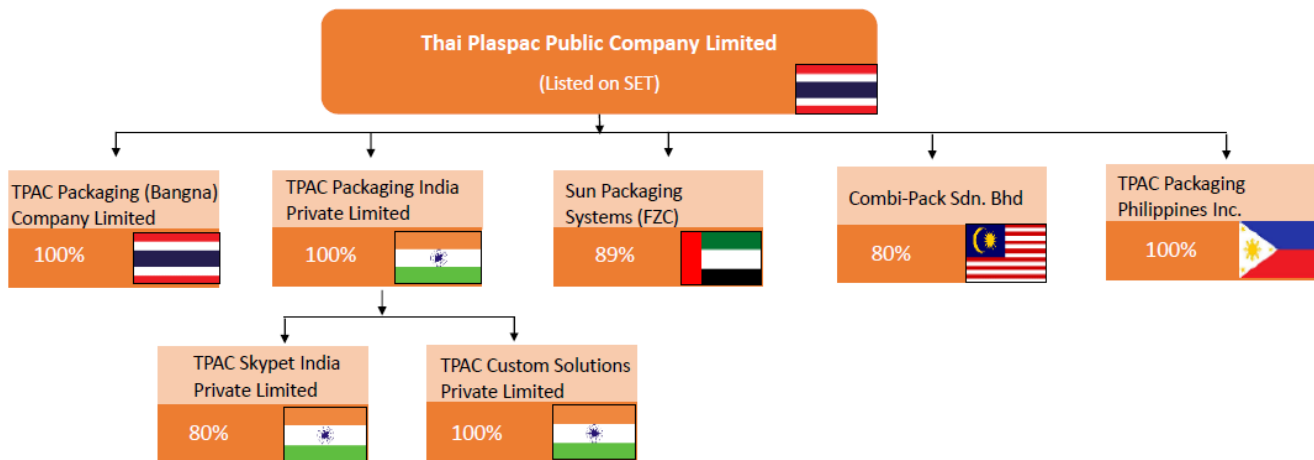
01

- Q3'24 was relatively a lower quarter on the back of a declined volumes and margin compression in certain geographies.

02

- Net Debt/Equity: Slight increase from 1.02x as of Jun'23 to 1.03x at Sept'24, driven by decrease in equity during the quarter on account of loss on translation of foreign exchange.

TPAC Existing 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 (as presented in the above table). While the subsidiaries located in Thailand, India and Philippines are 100% owned, the subsidiaries located in UAE and in Malaysia are minority held by partners, who were erstwhile founders of these companies.
- TPAC Packaging India Private Limited has two subsidiaries namely:
 - TPAC Skypet India Private Limited, used as an acquisition vehicle for acquiring business of Skypet Polymers w.e.f. 01 April 2022. Currently TPAC holds 80% and erstwhile founder holds balance 20%.
 - TPAC Custom Solutions Private Limited, incorporated last year, to be engaged in the business of Caps and Closure and explore entry into new lucrative segments.
- TPAC Consolidated numbers consist of earnings from all the above subsidiaries which are consolidated into Thai Plaspac Public Company Limited.

Executive summary

Financial & Business performance for the 3rd quarter and year ended September 30th, 2024

(THB Mn)

	Quarterly					Financial Years		
	Q3'24	Q2'24	%Δ	Q3'23	%Δ ¹	FY'23	FY'22	%Δ
Consolidated Sales ²	1,799	1,845	-2%	1,697	6%	6,804	6,997	-3%
EBITDA	316	330	-4%	360	-12%	1,317	1,069	23%
Core EBITDA³	316	331	-4%	360	-12%	1,320	1,080	22%
Core EBIT ³	176	194	-9%	236	-25%	825	598	38%
Core Net Profit ³	115	122	-6%	158	-27%	544	359	52%
Core Net Profit after NCI ³	99	109	-9%	143	-31%	493	328	50%
EPS	0.30	0.33	-9%	0.44	-31%	1.50	0.98	54%
Core EPS³	0.30	0.33	-9%	0.44	-31%	1.51	1.00	50%
Core ROE ⁴	16%	17%	-1%	23%	-7%	21%	15%	6%
Debt to Equity (times) ⁵	1.15	1.10	0.06	1.10	0.05	1.13	1.27	-0.15
Net Debt to Equity (times) ⁶	1.03	1.02	0.01	1.00	0.04	1.06	1.16	-0.10

1. YoY: Q3'24 vs Q3'23, 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.

Dear Stakeholders,

- **TPAC Q3'24 Core EPS of Baht 0.30 saw a decrease of ~31% as compared to same period last year, and a decrease of ~9% as compared to previous quarter.**
- **TPAC Q3'24 Core EBITDA at Baht 316m, reflects a 12% decrease compared to same period last year and 4% decrease compared to previous quarter.**
- Revenue for this quarter has **increased by 6%** as compared to same period last year and **decreased by 2%** compared to previous quarter.
- **Core ROE for the quarter stands at ~16%**, which has slightly dropped from previous quarter, because of subdued profitability.
- The balance sheet health remains stable with **net debt-to-equity ratio of 1.03x** as at end of Q3'24. There is slight increase in the ratio on account of decrease in shareholders equity due loss on translation of foreign exchange.
- TPAC for the first time in its history, received an Excellent (5 star) rating for Corporate Governance, reflecting its ongoing commitment of maintaining the highest standards of governance.

Financial performance

A) Consolidated Income Statement

(THB Mn)

	Q3'24	Q2'24	% Δ	Q3'24	Q3'23	%Δ	FY'23	FY'22	%Δ
Sales	1,799	1,845	-2%	1,799	1,697	6%	6,804	6,997	-3%
Cost of sales	1,401	1,436	-2%	1,401	1,315	7%	5,344	5,841	-9%
Gross Profit	398	409	-3%	398	382	4%	1,461	1,156	26%
Gross Profit Margin %	22.1%	22.1%	0%	22.1%	22.5%	0%	21.5%	16.5%	5%
SG&A	244	234	5%	244	177	38%	732	669	9%
Other income	23	19	21%	23	31	-27%	94	99	-5%
EBITDA	316	330	-4%	316	360	-12%	1,317	1,069	23%
EBITDA Margin %	17.6%	17.9%	0%	17.6%	21.2%	-4%	19.4%	15.3%	4%
Core EBITDA	316	331	-4%	316	360	-12%	1,320	1,080	22%
Core EBITDA Margin %	17.6%	17.9%	0%	17.6%	21.2%	-4%	19.4%	15.4%	4%
Depreciation and amortization	140	137	2%	140	125	12%	495	482	3%
EBIT	176	193	-9%	176	236	-25%	823	586	40%
Core EBIT	176	194	-9%	176	236	-25%	825	598	38%
Core EBIT Margin %	9.8%	10.5%	-1%	9.8%	13.9%	-4%	12.1%	8.5%	4%
Finance costs	46	50	-8%	46	43	6%	172	161	7%
Profit Before Tax	130	144	-9%	130	192	-32%	651	426	53%
Core Profit Before Tax	130	144	-10%	130	192	-32%	653	437	50%
Core Profit Before Tax Margin %	7.2%	7.8%	-1%	7.2%	11.3%	-4%	9.6%	6.2%	3%
Income tax expense	15	22	-32%	15	34	-57%	109	75	45%
Net Profit	115	122	-5%	115	158	-27%	542	350	55%
Net Profit Margin %	6.4%	6.6%	0%	6.4%	9.3%	-3%	8.0%	5.0%	3%
Core Net Profit	115	122	-6%	115	158	-27%	544	359	52%
Core Net Profit Margin %	6.4%	6.6%	0%	6.4%	9.3%	-3%	8.0%	5.1%	3%
Net Profit after NCI	99	109	-9%	99	143	-31%	490	319	54%
Net Profit after NCI Margin %	5.5%	5.9%	0%	5.5%	8.4%	-3%	7.2%	4.6%	3%
Core Net Profit after NCI	99	109	-9%	99	143	-31%	493	328	50%
Core Net Profit after NCI Margin %	5.5%	5.9%	0%	5.5%	8.4%	-3%	7.2%	4.7%	3%

Non-Recurring income/(expenses) (THB Million)	Q3'24	Q2'24	Q3'24	Q3'23	FY'23	FY'22
Overseas M&A Related Expenses	-	-	-	-	-	(11)
Thailand M&A Related Expenses	-	-	-	-	-	(1)
Overseas Greenfield project Related Expe	-	(1)	-	-	(3)	
Total	-	(1)	-	-	(3)	(12)

Thailand Business

This quarter has showcased an improvement in performance of Thailand business, driven by increase in sales volume by ~4% as compared to previous quarter and by ~ 7% as compared same period last year. Profitability improvement in this quarter as compared to previous quarter, is in line with increase in sales volume. Further, on a YTD basis as well, sales volume increased by 12% with a corresponding increase in profitability by 6%.

Sales volume of Bangna business increased by 5% and by 28% as compared to previous quarter and same period last year. Bangna business overall has shown a stark improvement on a YTD basis, with increase in sales volume by 24% and higher increase in profitability. Further, the facility has passed audits of various MNC customers and we expect orders from them in the near future.

India Business

The overall business performance in India for Q3'24 has been relatively muted compared to the previous quarter, primarily due to a decline in volumes driven by lower customer demand, influenced by seasonal factors. Profitability has also decreased in line with the reduced sales volumes. However, on a year-on-year basis, sales volumes have remained stable.

In the southern region, sales volume of our Skypet business has remained stable as compared to previous quarter and increased by 11% as compared to same period last year, benefiting from the returns on historical investments in specific segments. The margin structure remained largely unchanged, resulting in a year-on-year improvement in EBITDA.

TPAC Customs, which commenced operations recently, beginning to generate profits during the quarter. There was a notable increase in total sales volumes, driven by the addition of new customers. Several projects that were previously in the pipeline have started generating revenue, and we anticipate growing demand for these projects moving forward. The management team continues to focus on expanding the customer base and product profile to further strengthen performance.

UAE Business

During Q3'24, sales volume increased by ~8% from Q2'24 and rose by ~39% as compared to Q3'23. The quarterly rise was driven by an increase in installed capacity, to cater the higher demand of both existing and new customers. The business experienced a decline in profitability during the quarter as compared to previous quarter due to margin compression led by product mix change and decline in sales volume of certain high margin products on account of lower customer demand driven by seasonality.

Even on a YTD period, sales volume and corresponding profitability increased substantially. Management on a continuous basis is evaluating future capex investments to drive future growth.

Malaysia Business

After a relatively subdued Q2'24, impacted by lower working days due to the Eid Al Fitr festival and a general market slowdown, this quarter saw a revival recording a ~15% increase in sales volumes and corresponding profitability on a Q-o-Q basis. This surge in profitability was primarily driven by higher sales volumes, leading to better fixed cost absorption, which is further supplemented by benefits derived from various procurement and operational efficiency initiatives which were initiated earlier.

Management on a constant basis is strategically planning to invest in other technologies to become a comprehensive solution provider in Malaysia. The Malaysia business also won a Gold award from Federation of Malaysian Manufacturers (FMM) Negeri Sembilan for "S.H.E Best Practices in Environmental Sustainability Project", showcasing our continuous commitment towards sustainability projects.

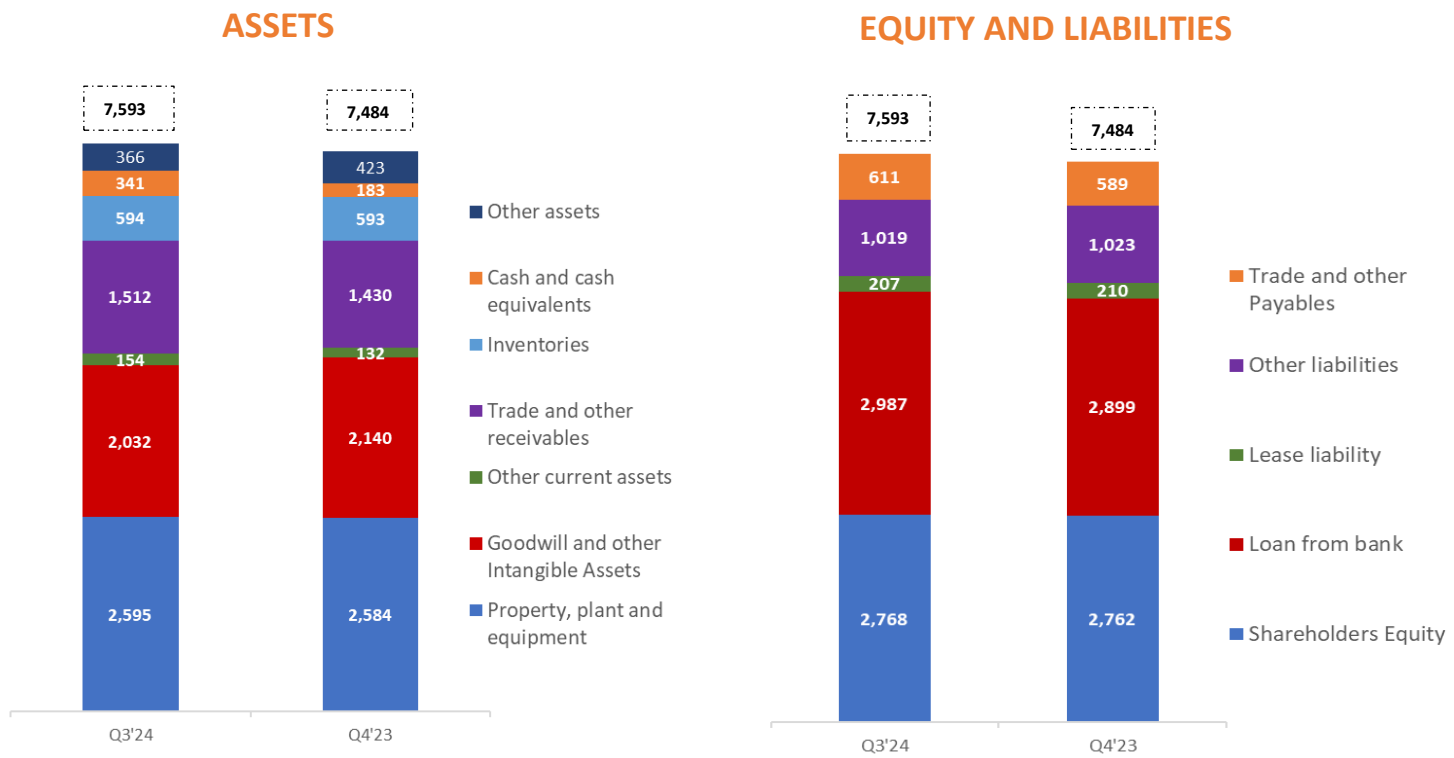
Philippines Business

TPAC Philippines achieved a significant milestone this quarter with its first-ever sale. All necessary investments to bring the business to operational readiness have been successfully met. Management is confident that in the upcoming quarters, the business will run smoothly and start generating positive results. In addition, we submitted the "Submission of Declaration of Start of Commercial Operation" to the Board of Investments (BOI), marking an important regulatory step.

The quarter also saw success in expanding our customer base. To support future growth, management has leased an adjacent site to the factory for production expansion, positioning the business for continued progress. Furthermore, TPAC Philippines participated in WOFEX – the World Food Expo – to showcase our products, network with industry professionals, and explore new market opportunities within the food sector. WOFEX 2024, the largest food expo in the Philippines, brought together local and international food industry leaders, offering a prime platform for collaboration. Following the exhibition, we received several inquiries, and we are optimistic about accelerating business growth through both our existing partnerships and the acquisition of new customers.

B) Consolidated Balance Sheet

(THB Mn)



- Overall assets of the company stand flattish at ~THB 7.6 Bn as at Q3'24 as compared to Q4'23. While the overall assets has increased from Q4'23, however these amounts are subdued on account of Thai Baht's appreciation against other currencies, except for the Malaysian Ringgit.
- Tangible and intangible fixed assets (~ THB 4.6 Bn) comprise ~61% of the total assets.
- Net Working Capital amounting to ~ THB 1.6 Bn as % to LTM Revenue is ~22% for the quarter.



- Shareholders equity largely remained constant during Q3'24 vs Q4'23 is on account of profits for the period (THB 344 Mn) and movement in NCI (~THB 53 Mn) which is getting offset by loss on translation of foreign exchange (~THB 148 Mn), dividend payout (~THB 147 Mn) and movement in fair value of Put option of NCI share (~THB 98 Mn).
- Leverage ratios:
 - Net Debt to Equity – stands at 1.03x in Q3'24 compared to 1.06x at the end of Q4'23
 - Net Debt to LTM Core EBITDA – stands at 2.17x in Q3'24 compared to 2.22x at the end of Q4'23.

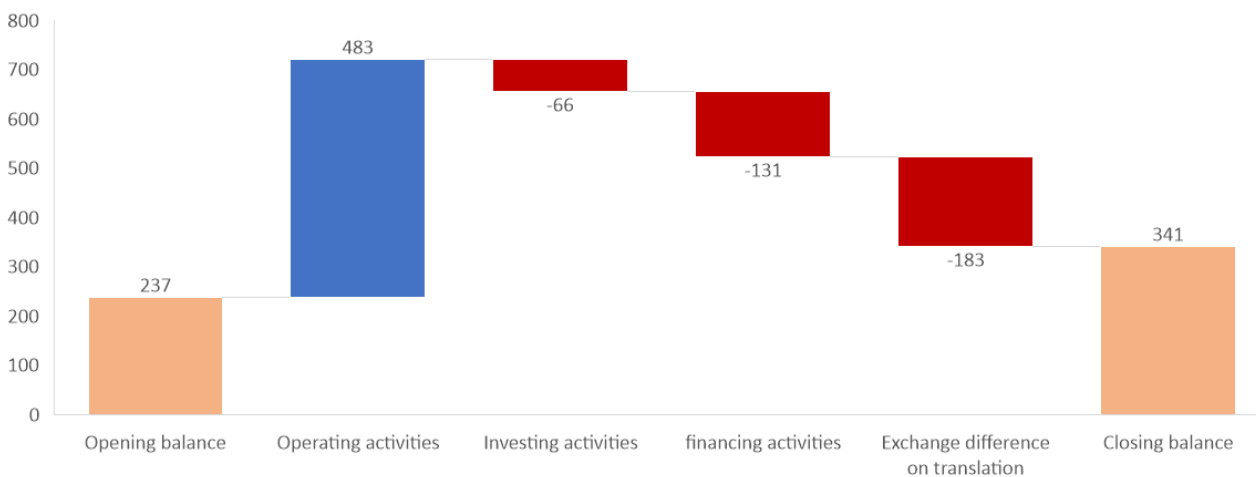
C) Consolidated Cash Flow

(THB Mn)

Cash Flows (THB Million)	Q3'24	Q2'24	9M'24	FY2023
Net cash received from operating activities	483	310	873	1,099
Net cash used in investing activities	-66	-194	-457	-632
Net cash used/received in financing activities	-131	-66	-174	-532
Exchange differences on translation of financial statements	-183	12	-84	-39
Net increase/decrease in cash and cash equivalents	104	61	157	-104
Cash and Cash Equivalents - Opening Balance	237	176	183	287
Cash and Cash Equivalents - Closing Balance	341	237	341	183

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Cash flow bridge for Q3'24



- TPAC generated positive operating cash flow aggregating Baht 483 Mn for the period Q3'24



- Investing activities during Q3FY'24 primarily pertains to procurement of new machines, moulds and ancillary parts for capacity expansion and solar rooftop project in Thailand.



- Net cash flow from financing activities is mainly driven by repayment of long-term loan (Baht 100 Mn) and finance cost (Baht 42 Mn) which is partly offset by net addition of loans (THB 10 Mn).

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Safe harbour:

Certain words and statements in this communication concerning THAI PLASPAC PUBLIC COMPANY LIMITED (“the Company”) and its prospects, and other statements relating to the Company’s expected financial position, business strategy, the future development of the Company’s operations and the general economy in Thailand & global markets, are forward looking statements.

Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company, or industry results, to differ materially from those expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future.

The important factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements include, among others, changes in government policies or regulations and, in particular, changes relating to the administration of the Company’s industry, and changes in general economic, business and credit conditions.

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The Company may alter, modify, or otherwise change in any manner the contents of this MD&A, without obligation to notify any person of such revision or changes.

Annexures

Consolidated Balance Sheet

(THB Mn)

Particulars	Q3'24	Q4'23	%Δ
Property, plant and equipment	2,595	2,584	0%
Goodwill	1,576	1,619	-3%
Intangible asset	456	520	-12%
Goodwill & Intangible asset	2,032	2,140	-5%
Right-of-use assets	188	194	-3%
Restricted bank deposits	20	18	9%
Other long-term Investment	0	3	-99%
Deferred tax assets	11	10	7%
Withholding tax deducted at source	35	70	-51%
Advance for purchase of molds	26	45	-42%
Call option	1	2	-75%
Other non-current assets	86	80	7%
Other non-current assets	366	423	-13%
Total non-current assets	4,993	5,147	-3%
Trade and other receivables	1,512	1,430	6%
Inventories	594	593	0%
Cash and cash equivalents	341	183	86%
Advance purchase for raw material	14	23	-39%
Other current financial assets	-	0	-100%
Other current assets	139	108	29%
Other current assets	153	132	17%
Total current assets	2,599	2,338	11%
Total assets	7,593	7,484	1%
Registered share capital	327	327	0%
Issued and paid-up capital	327	327	0%
Premium on ordinary shares	1,027	1,027	0%
Appropriated - statutory reserve	33	33	0%
Retained earnings	1,338	1,238	8%
Other components of shareholders' equity	-353	-205	72%
Excess of book value of acquired subsidiary over cost	20	20	0%
Equity attributable to owners of the Company	2,392	2,439	-2%
Non-controlling interests of the subsidiaries	375	323	16%
Total shareholders' equity	2,768	2,762	0%
Long-term loans from banks - net of current portion	1,218	1,457	-16%
Current portion of long-term loans from banks	494	381	30%
Bank overdraft and short-term loans from banks	1,275	1,061	20%
Loan from Bank / Others	2,987	2,899	3%
Long-term lease liabilities, net of current portion	186	192	-3%
Current portion of finance lease payable	22	19	15%
Lease Liability	207	210	-1%
Income tax payable	16	34	-54%
Other current financial liabilities	-	54	-100%
Other current liabilities	52	69	-24%
Non-controlling interest put options	501	413	21%
Deferred tax liabilities	313	332	-6%
Provision for long-term employee benefits	87	80	9%
Other non-current liabilities	51	43	19%
Other liabilities	1,019	1,023	0%
Trade and other payables	611	589	4%
Total liabilities	4,825	4,722	2%
Total liabilities and shareholders' equity	7,593	7,484	1%
Net Debt to Equity (times)	1.03	1.06	
Debt to Equity (times)	1.15	1.13	

Consolidated Cash Flow

(THB Mn)

	Q3'24	Q2'24	9M'24	FY2023
Cash flow from Operating Activities				
Profit Before Tax	130	144	450	651
Adjustment : Depreciation and Amortisation	140	137	411	495
Adjustment : Other adjustments	56	62	169	195
Profit from operating activities before changes to working capital	326	343	1,030	1,340
Net changes to working capital	168	(11)	(100)	(119)
Other Net changes from operating activities	-	-	-	-
Cash flows from Operating Activities	494	332	931	1,205
Cash receipt from refund of withholding tax deducted at source	33	-	33	-
Cash paid for corporate income tax	(44)	(23)	(91)	(106)
Net Cash Flows from Operating Activities	483	310	873	1,099
Cash flow from Investing Activities				
Acquisition of Fixed Assets	(82)	(137)	(406)	(637)
Acquisition of Intangible Assets	(0)	(0)	(1)	(0)
Proceeds from equipments sales	-	(0)	1	2
Proceeds from Asset held for sale	-	-	-	2
Cash paid for investment in subsidiary	-	(60)	(60)	(16)
Other	17	4	9	17
Net Cash Flow used in Investing Activities	(66)	(194)	(457)	(632)
Cash flow from Financing Activities				
Increase (decrease) in short-term loans from bank	15	115	223	70
Decrease from restricted bank deposit	(3)	(0)	(3)	(1)
Increase (decrease) in long-term loans from bank	7	100	164	210
Repayment of long-term loan	(100)	(92)	(263)	(465)
Cash paid for finance lease payable	(8)	(8)	(24)	(28)
Cash receipt from long-term loan from non-controlling interests of the subsidiary	-	9	9	-
Finance costs	(42)	(43)	(133)	(143)
Dividend Paid Out	-	(147)	(147)	(176)
Net Cash Flow from Financing Activities	(131)	(66)	(174)	(532)
Decrease in exchange differences on translation of financial statement in foreign currency	(183)	12	(84)	(39)
Change in Cash and Cash Equivalents	104	61	157	(104)
Cash and cash equivalents at beginning of period	237	176	183	287
Cash and Cash equivalents - Closing Period Balance	341	237	341	183

Exchange rate used to translate the financial statements.

	INR/THB	MYR/THB	AED/THB	PHP/THB
9 months average rate Y2023	0.4207	7.6485	9.4009	0.6214
9 months average rate Y2024	0.4306	7.7091	9.7166	0.6237
Month-ended rate as at 31 Dec 2023	0.4151	7.4168	9.3183	0.6138
Month-ended rate as at 30 Sep 2024	0.3874	7.8597	8.7916	0.5742