

SET Opportunity Day

# Investor Presentation

December 8, 2015

# THAI PLASPAC



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# Today's Agenda

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**Company**

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# TPAC – Attractive Investment Opportunity

Leading Thai Custom Packaging Solution Provider to Consumer Brands

## Key Highlights

- Leading Thai supplier of consumer rigid plastic packaging across food and beverage, personal and homecare markets with 30+ years of experience
- Attractive, growing end use markets
- Trusted long-term partner for regional and global consumer brands
- 3 world class manufacturing facilities in Bangkok
- Well-recognized R&D and product development platform
- Robust financial position
- Long serving [30+ years] , experienced, and passionate management team

## World-Class Production Platform

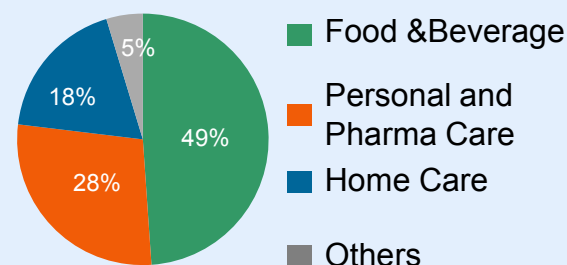


Capacity: 20,000 tpa

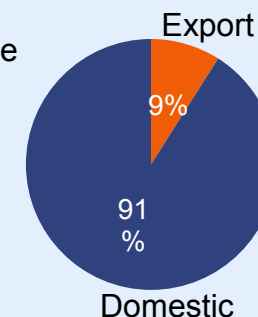
**Bangkok, Thailand**

## LTM 9M15 Sales Baht 1.6 bn

### By Segment



### By Geography



Note: LTM is last twelve months from Oct 1, 2014 to Sep 30, 2015

# End to End Packaging Solution Provider

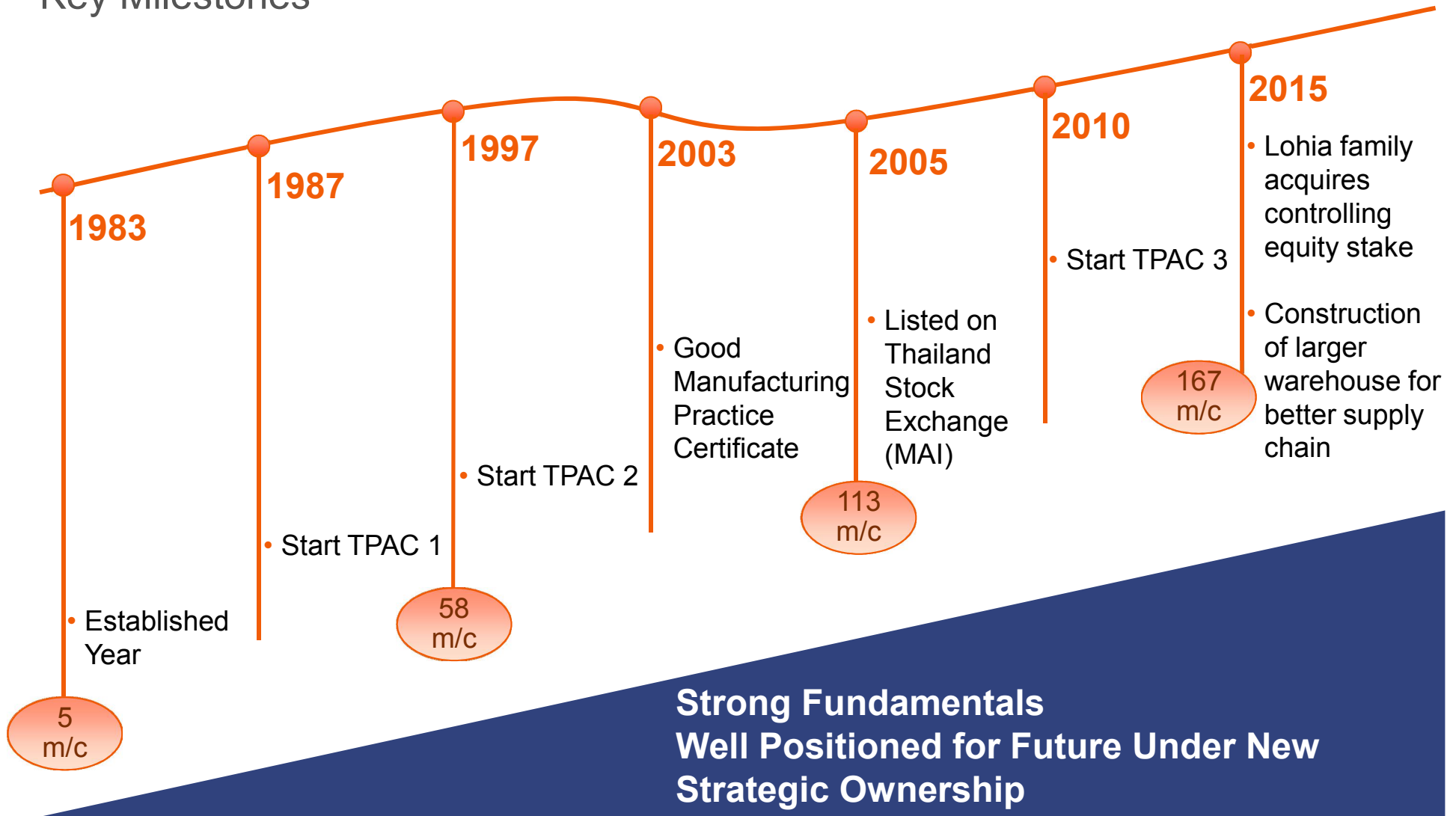
Serving Blue-Chip Domestic, Regional, and Global Customers

Segments	Products			
<p><b>Food and Beverage Packaging</b></p>	<p>Bottles, Containers and Closures</p> 			
<p><b>Personal Care Packaging</b></p>	<p>Bottles and Closures</p> 			
<p><b>Home Care Packaging</b></p>	<p>Bottles and Closures</p> 			
				
				
				

Note: Customer brands for reference only

# Track Record of Success With Clear Objectives

## Key Milestones



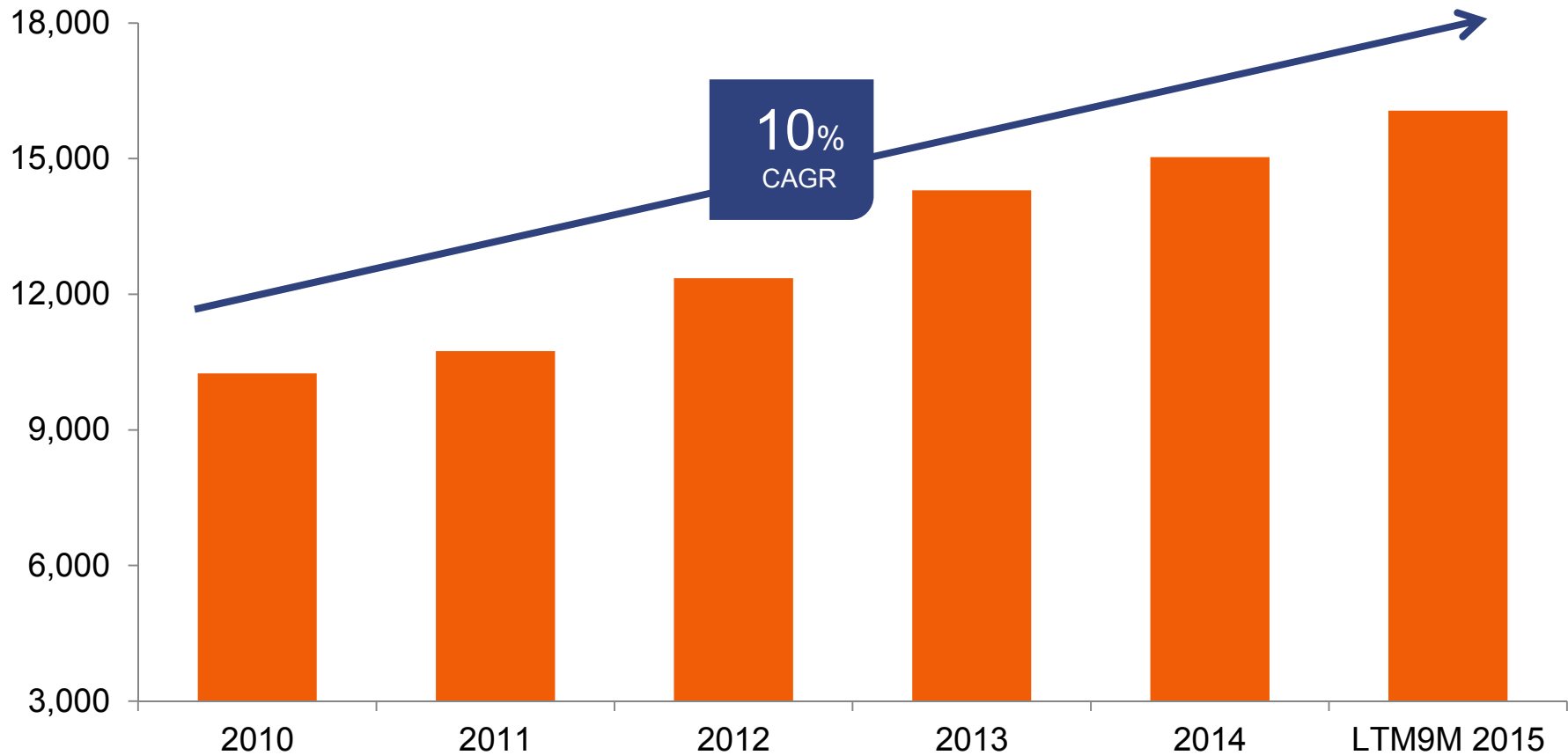
Note: m/c is number of machines



# Continued Business Growth and Development

Diversified and High Quality Earning Base to Support Consistent Growth

Production Volume, MT






# Marking a New Era of Growth for Thai Plaspac

## Shareholders and Governance

*“The compelling growth story of the plastic packaging industry in which the Lohia family has demonstrated decades of successful value creation through scale and operational excellence, marks a new era for Thai Plaspac. The passion and aspirations of management is aligned with the vision of our shareholders” - Kevin Sharma, CEO Thai Plaspac*

Major Shareholders*			Board of Directors		Governance
					Awards
Major Shareholders	Shares held	% Holding	Director Name	Position	
Anuj Lohia	126,407,300	60.55%	Kevin Sharma	Chairman of the Board and CEO	
Ekkawut Nerngchamnong	21,552,000	10.32%	Theerawit Busayapoka	President	<p>2014 Outstanding Company Performance Award</p>
Theerawit Busayapoka	8,280,000	3.97%	Anil Kumar Kohli	Executive Director	Consistent dividend pay-out
Paisarn Chartpitak	2,820,000	1.35%	Aradhana Lohia Sharma	Non Executive Director	
Niti Nerngchamnong	2,000,000	0.96%	Yashovardhan Lohia	Non Executive Director	
Jongkol Ngarmkertchai	1,822,500	0.87%	Virasak Suthanthawiboon	Independent Director and Chairman of Audit Committee	
Weerachai Dejamorntun	1,737,800	0.83%	Kittipat Suthisamphat	Independent Director and Audit Committee Member	
Unchana Pinichkusoljit	1,250,000	0.60%	Gran Chayavichitsilp	Independent Director and Audit Committee Member	

Note: \*On October 9, 2015, acquired 60.5% equity stake from Modernform Pcl and another 6 shareholders

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**Strategy**

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# Converting Vision into Value

Driving Future Growth

## TPAC Vision:

 To be the preferred international FMCG plastic packaging solutions company consistently offering innovative quality products with the best industry talent and technology.

### Customer Focused

- Continuous delivery of supply chain efficiencies to customers
- Consistent product quality with fast response times via localised technical and sales support teams

### Innovation as the key differentiator

- Partner with our customers' brand company innovators to become an extension of their team
- Continuously explore and commercialize technologies and capabilities that deliver high-value, unique solutions

### Efficiency

- Efficient technologies to deliver continuous cost improvements and competitive value to customers

### Develop best team in industry

- Attract, retain and develop passionate industry professionals to fairly represent brand TPAC.

# Plastic Packaging – Global, Growing, Diverse

Products Essential to Everyday Life Catering To Consumer Staples Markets

## Plastic Packaging Industry Segmentation

Rigid Plastic Packaging  
Containers and Closures

Flexible Plastic  
Packaging

**THAI PLASPAC**

plays  
here



Note: Consumer brands for illustrative purpose only

# Focus on Custom Rigid Plastic Packaging Segments

Delivering Solutions to the Food and Beverage, Personal and Home Care Markets

**Food & Beverage**  
**Custom Containers**

**Personal Care**  
**Custom Containers**



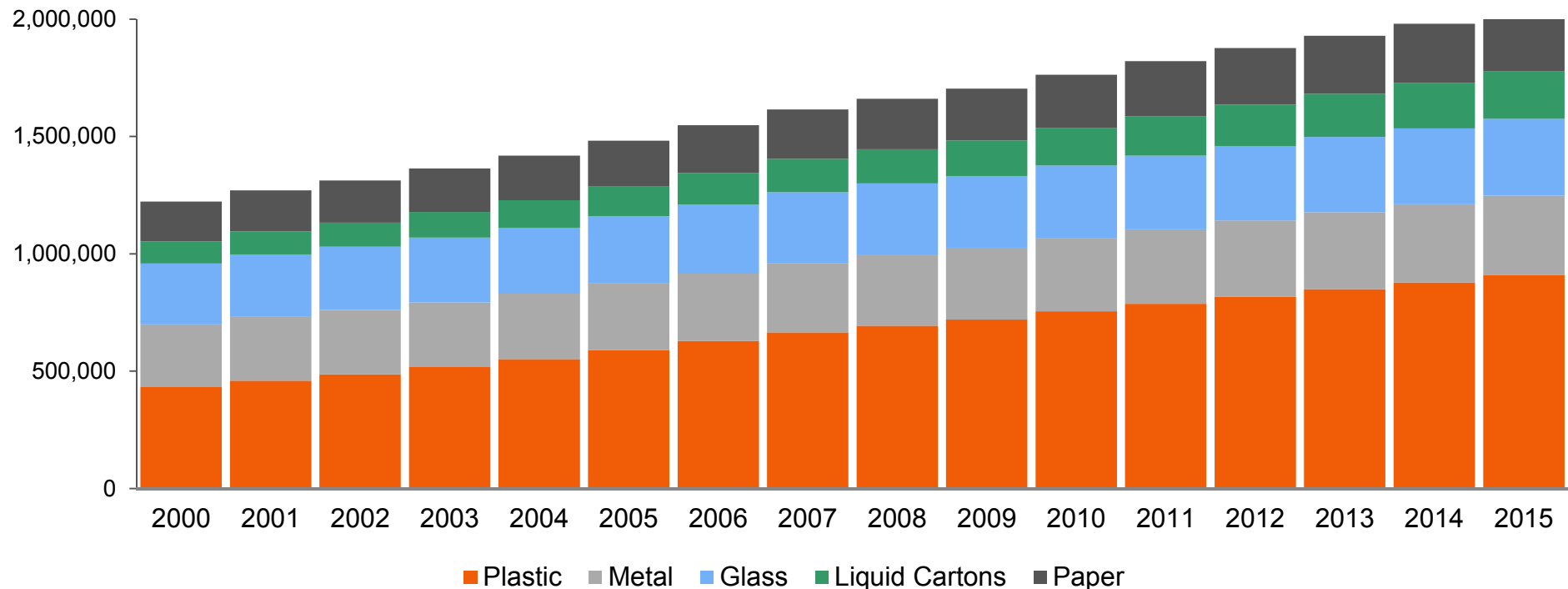
**Home Care**  
**Custom Containers**

**Custom**  
**Plastic Closures**

# Favorable Rigid Plastic Packaging Substitution Trends

Compelling Product Attributes Driving Growth

**Global Rigid Containers Demand by Packaging Material (mn units)**



- Plastics increasingly substituted for materials such as glass, metal and paper (share growth 35% to 45%)
- Plastics with superior benefits to customer (lightweight, durable, unbreakable, highly customized)
- Plastic is the most affordable packaging material and sustainable packaging choice



# Exposure to High-Growth Emerging Asian Markets

Strong Demand Growth, Yet Per Capita Consumption Remains Low

## The Rise of Asia

### Population



### Urbanization



### Middle Class

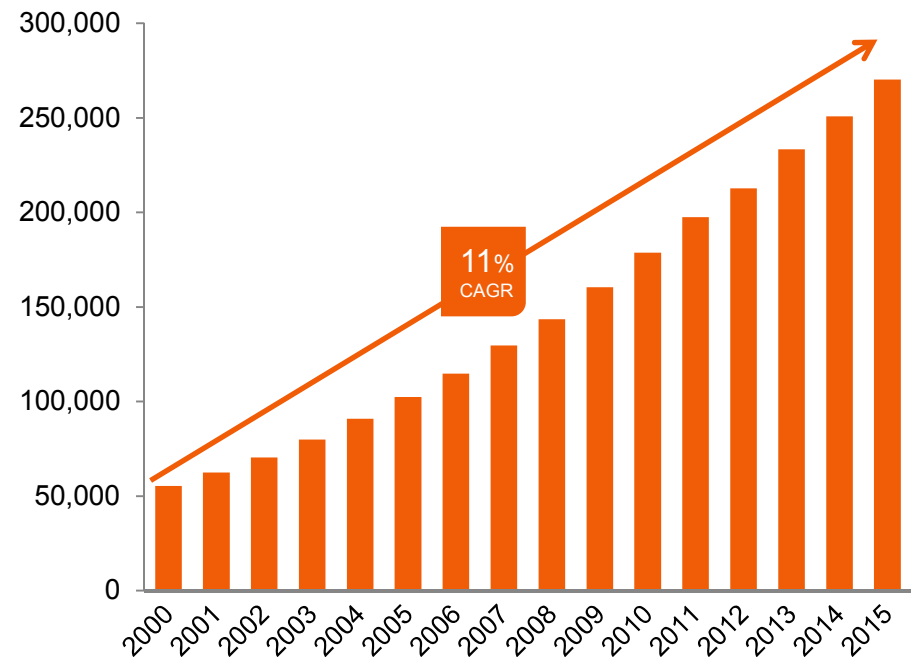


### Consumer Spending



## Emerging Asia with Double-Digit Growth

Emerging Asia Rigid Plastic Containers Demand (mn units)



- Although emerging Asian markets have experienced strong growth, they remain underpenetrated
- Continued growth expected in Thailand, India, China, Indonesia and other markets driven by population growth, rapid increase in urbanization and expanding middle class with disposable income

Note: Company defines Emerging Asia as all Asian markets except Japan, Korea, Taiwan; Source: Industry Data, TPAC Analysis

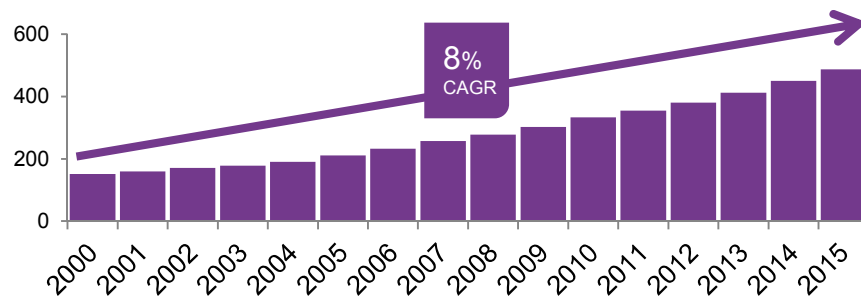


# Food & Beverage Segment

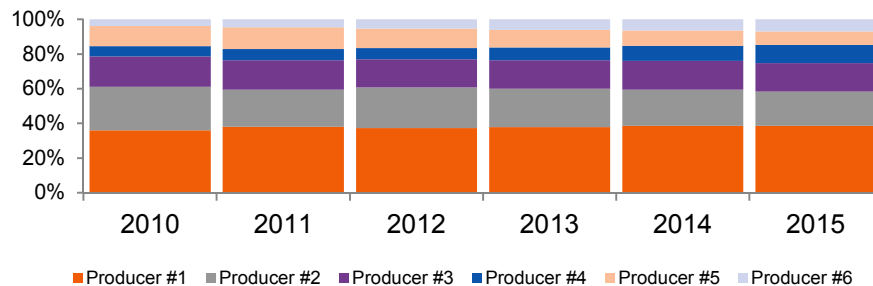
A Major Supplier to Regional Consumer Brands

## Market Growth

Thailand Plastic Thin Wall Containers Demand (mn units)



Thailand Yogurt Market Shares (Percent of Sales)



- Differentiated product portfolio of rigid plastic containers and closures to dairy and other food segments
- Trusted, long-term partner to domestic leading consumer brands
- Growth alongside customers as they continue to expand

GDP++ growth

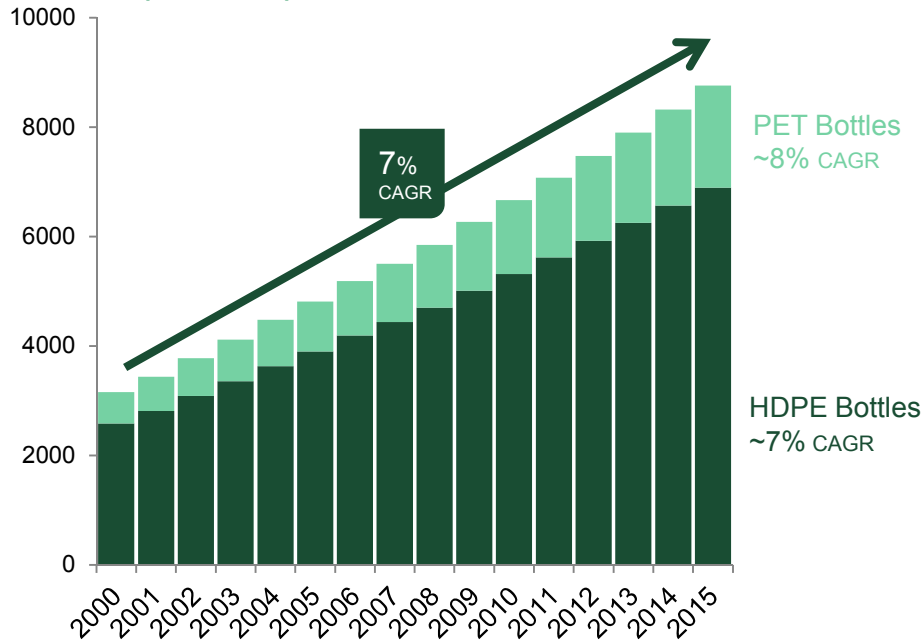
Growth and Investment

# Personal Care Segment

Major domestic player in high growth end use segments

## Market Growth

Emerging Asia Personal Care Rigid Plastic Containers Demand (mn units)



## TPAC



- Differentiated product portfolio of rigid plastic containers and closures to personal care end use market
- Trusted, long-term partner to global consumer brands
- Growth with customers as they continue to expand

GDP++ growth

Growth and Investment

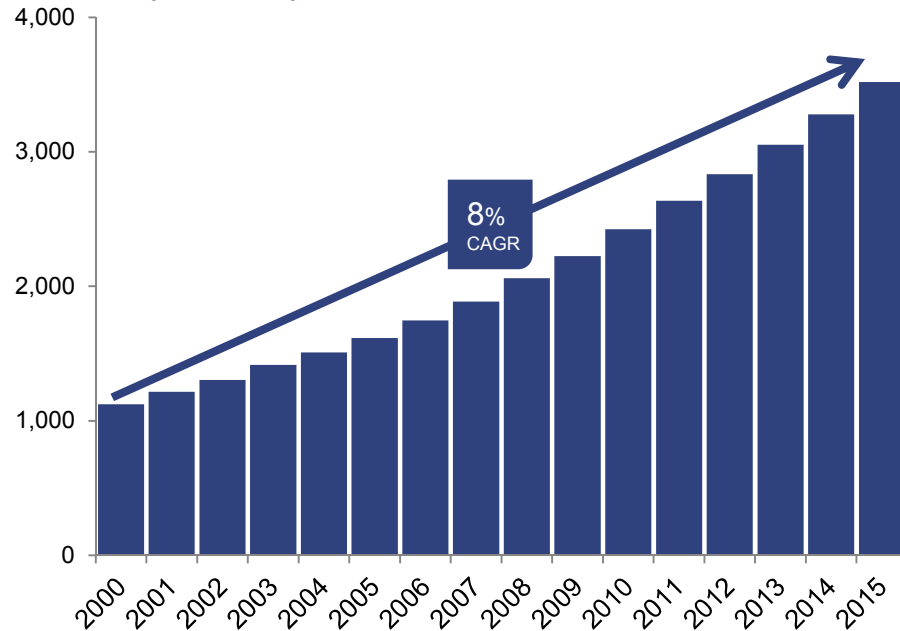
Note: \*Excluding other plastics rigid containers  
Source: Industry Data, TPAC Analysis

# Home Care Segment

Customized solutions for attractive niche markets

## Market Growth

Emerging Asia Home Care Rigid Plastic Containers Demand (mn units)



## TPAC



- Differentiated product portfolio of rigid plastic containers and closures to personal care end use market
- Trusted, long-term partner to regional and global consumer brands
- Growth with customers as they continue to expand

**GDP++ growth**

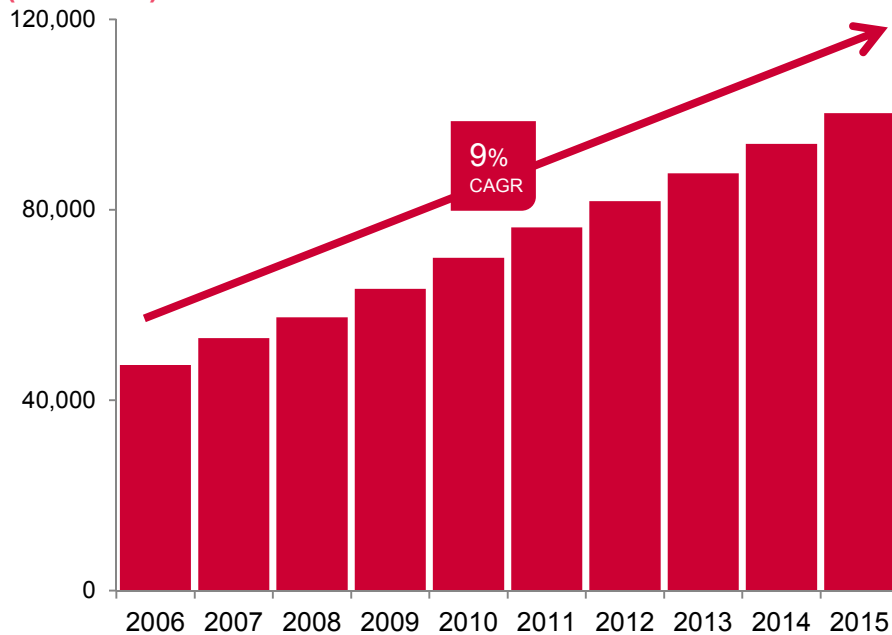
**Growth and Investment**

# Custom Plastic Closures

A High Quality, Differentiated Closure Business

## Market Growth

Emerging Asia Custom Plastic Closures Demand (mn units)



## TPAC



- Differentiated product portfolio of custom plastic closures for food and beverage, personal care and home care end use markets
- Trusted, long-term partner to regional and global consumer brands
- Growth with customers as they continue to expand

**GDP++ growth**

**Growth and Investment**

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Operations





# World-Class Manufacturing Facilities

## Manufacturing in A Clean GMP Environment

	Injection Molding	Blow Molding	Injection-Blow Molding
Description	<ul style="list-style-type: none"> <li>The injection molding process requires the use of an injection molding machine, raw plastic material, and a mold</li> </ul>	<ul style="list-style-type: none"> <li>Used to create hollow plastic parts by inflating a heated plastic tube until it fills a mold and forms the desired shape</li> </ul>	<ul style="list-style-type: none"> <li>For PET products, the Injection blow molding process produces bottles of superior visual and dimensional quality</li> </ul>
Capacity	7,000 tons	9,000 tons	4,000 tons
Number of Machines	94	57	16
Advance Production Line			

# World-Class Equipment and Processes

Ensuring Quality and Reliability

Injection molding

Extrusion blow molding

Injection Stretch-blow Molding

Decoration / Assembly

Testing / Validation



Labeling Machine



Assembling Machine



Shrink labeling and UV screen printing



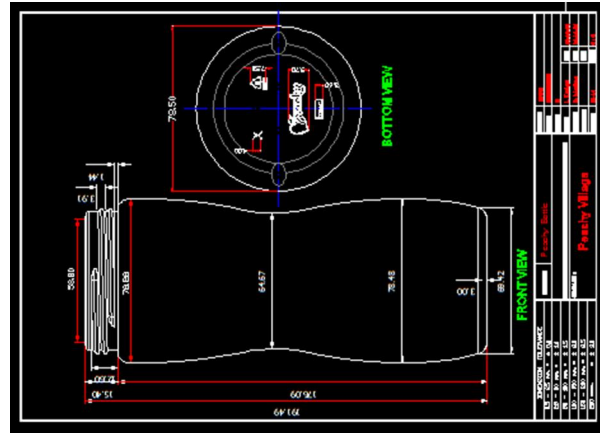
# Well-Recognized R&D and Product Development Platform

Innovation as the Key Differentiator

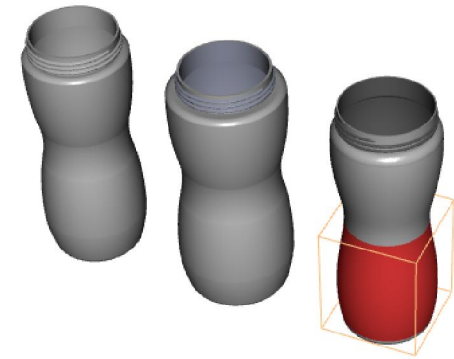
## Product Design



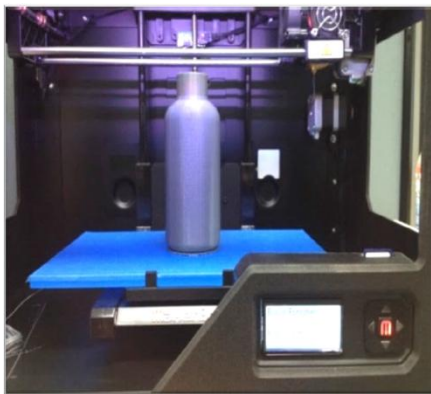
## 2D Drawing



## 3D Image



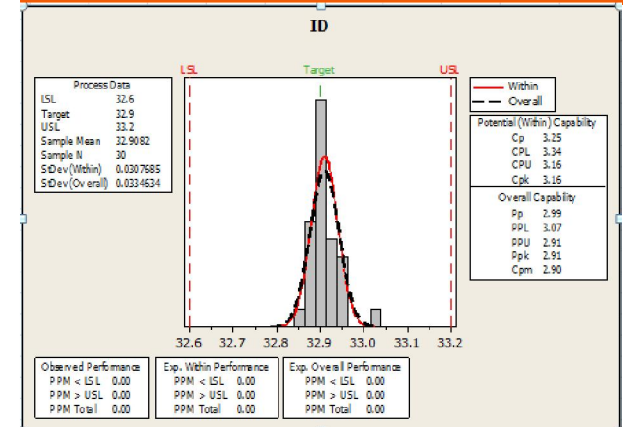
## Rapid Prototype (3D Printing)



## Mold Design Optimization



## Process Qualification



# Strong Product Customization and Innovation Pipeline

## Examples

### Snap On Screw Off Cap



#### Features: 8 Start thread

- Leak proof
- Tamper evident band
- Fast capping process
- Cost savings (foil eliminated)

### Folding Fork



#### Features: Efficient Manufacturing design (Patent Pending)

- Cost efficiency
  - In-mold fork folding mechanism
  - High cavitation

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**Financials**

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## Financial Highlights Q3 2015

Baht Million	Q3 2015	Q3 2014	+ / (-) %
Sales	396.4	435.3	(8.9%)
Cost of Sales	338.5	382.0	(11.4%)
<b>Gross Profit</b>	<b>57.9</b>	<b>53.3</b>	<b>8.6%</b>
SG&A	30.9	31.1	(0.3%)
Other Income	3.5	4.0	(10.6%)
<b>EBIT</b>	<b>30.5</b>	<b>26.2</b>	<b>16.2%</b>
Interest Expense	2.2	3.2	(33.5%)
<b>Profit Before Tax</b>	<b>28.3</b>	<b>23.0</b>	<b>23.3%</b>
Income Tax Expense	5.6	4.6	23.0%
<b>Net Profit</b>	<b>22.7</b>	<b>18.4</b>	<b>23.4%</b>
Depreciation & Amortization	31.2	30.7	1.6%
<b>EBITDA</b>	<b>61.7</b>	<b>56.9</b>	<b>8.4%</b>

- Net sales decrease driven by lower sales realization of 14.5% on fall in polymer prices while volumes increased by 6.5%
- Gross profit increased by 8.6% on lower cost of sales and better absorption of fixed cost on higher volumes
- Profit before tax increase by 23.3% driven by lower SG&A and lower interest expenses
- **23.4% increase in net profit**

## Financial Highlights 9M 2015

Baht Million	9M 2015	9M 2014	+/(-) %
Sales	1,203.5	1,257.6	(4.3%)
Cost of Sales	1,015.0	1,078.7	(5.9%)
<b>Gross Profit</b>	<b>188.5</b>	<b>178.9</b>	<b>5.4%</b>
SG&A	93.1	91.2	2.1%
Other Income	9.4	7.4	26.1%
<b>EBIT</b>	<b>104.8</b>	<b>95.2</b>	<b>10.1%</b>
Interest Expense	7.4	9.2	(19.5%)
<b>Profit Before Tax</b>	<b>97.4</b>	<b>85.9</b>	<b>13.3%</b>
Income Tax Expense	19.9	17.4	13.9%
<b>Net Profit</b>	<b>77.5</b>	<b>68.5</b>	<b>13.0%</b>
Depreciation & Amortization	95.4	87.1	9.5%
<b>EBITDA</b>	<b>200.2</b>	<b>182.3</b>	<b>9.8%</b>

- Net sales decrease driven by lower sales realization of 10.8% on fall in polymer prices while volumes increased by 7.3%
- Gross margin increase from 14.2% to 15.7%. Increase in gross profit on higher volumes and cost optimization
- 13% increase in net profit

## Financial Position at End of September 30, 2015

Baht Million	30 Sep 2015	31 Dec 2014
Net Working Capital	256.3	273.1
PP&E and Other Assets	619.7	621.0
<b>Total</b>	<b>876.0</b>	<b>894.1</b>
Net Debt	134.9	203.5
Shareholders' Equity	741.1	690.6
<b>Total</b>	<b>876.0</b>	<b>894.1</b>
<b>Net Debt/Equity</b>	<b>0.2</b>	<b>0.3</b>
<b>Current Ratio</b>	<b>1.7</b>	<b>1.5</b>

- Strong balance sheet
- Dedicated and experienced management team
- Prepared to grow through expansion and acquisition

## Cash Flow 9M 2015

Baht Million	9M 2015	9M 2014
<b>Cash Flow from Operations</b>	<b>192.3</b>	<b>133.6</b>
Cash Outflow for Growth Capex	(87.1)	(95.2)
<b>Free Cash Flow</b>	<b>105.2</b>	<b>38.4</b>
Cash Outflow for Dividend	(61.8)	(64.3)
<b>Net Debt Decrease (Increase)</b>	<b>43.4</b>	<b>(25.9)</b>

- Cash flow from operations increase on higher profit for the year and Baht 23.7 million cash inflow from change in working capital
- Growth capex Baht 87.1 million towards addition of machinery, molds and new warehouse
- Higher free cash flow utilized for dividend to shareholders debt repayment



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# Key Investment Highlights

## THAI PLASPAC

### Attractive, sizable, growing market

- Leading Thai supplier of consumer-driven rigid plastic packaging in the food and beverage, personal and homecare industries with 30+ years of experience

### Robust financial performance

- 10% growth in sales (5-year CAGR)
- Gross margin and EBITDA margin in double digits
- Consistently profitable and dividend paying
- Low net debt-equity ratio

### Long standing customer relationships

- Trusted long-term partner to leading domestic, regional and international customer brands
- Differentiated product portfolio serving emerging customer needs

### Experienced and professional leadership

- Dedicated and experienced management team
- Well-positioned for growth through expansions and acquisitions in Thailand and the region

**THAI PLASPAC**

**Thank You**

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