

TPAC

Thai Plaspac Public Company Limited

Main Branch and factory: 77 Soi Thian Thaley 30, Bang Khun Thian-Chay Thaley Road. Tha Khan. Bangkok 10150. Tel: 02-897-2250
www.Thaiplaspac.com



26 May 2017

CG Report Score :

THSI List : -

Chief Executive Officer

Mr. Kevin Sharma
02-897-2250,151
Kevin@thaiplaspac.com

Managing Director

Mr. Theerawit Busayapoka
02-897-2250,110
theerawit@thaiplaspac.com

Investor Relations

Ms. Anong Sompittayanurak
02-897-2250,180
anong@thaiplaspac.com

Company Background

- TPAC is Thailand's leading rigid plastic consumer packaging solutions provider, with a 33 year proven track record in partnership with the world's leading consumer brands.
- Our customer relationships are long standing and our brand is synonymous with customized Research & Development rigid plastic services and consistently high quality production lots in line with world class manufacturing standards.
- Utilizing proprietary technology as developed by our in-house highly reputed R&D platform, our team of specialists provide end to end packaging solutions starting from product design utilizing the latest 3D printing technology to final product manufacturing.
- Our long serving, highly experienced and passionate management team has over 3 decades of specialist experience in working with a wide range of plastic resin types with expertise across injection molding, injection stretch blow molding, and extrusion blow molding.
- With 3 world class factories in Bangkok, we have established a leadership position across the food & beverage, pharmaceutical, personal care, home care and precision tools sectors.
- All our packaging solutions are bespoke and they predominantly encompass closures, cups, bottles and specialty containers.
- All our systems and processes are ISO 9000:2008 and GMP accredited and we offer best in class clean room infrastructure.

Corporate Milestones

- 1983, The first factory was established in Sathu-Pradit
- 1987, move to a new factory in Bang Khun Thian
- 1997, completion of our 2nd factory
- 2003, Good Manufacturing Practice certification attained
- 2005, Listed on the Stock Exchange of Thailand (MAI)
- 2010, completion of our 3rd factory
- 2015, completion of new 3300 sqm warehouse
- 2015, Lohia family acquires a controlling stake in TPAC in preparation for the company's new phase of international growth
- 2016, Start TPAC 4-New purpose Built Logistic Warehouse Online

Revenue Breakdown

Revenue Structure		(Unit : MB)							
สามเดือน : 31 มี.ค.		3M/2017	%	3M/2016	%	2016	%	2015	%
Food and Beverage		201.00	50.90	187.00	49.00	782.00	51.00	810.00	50.00
Personal care and Pharmacies		79.00	20.00	73.00	19.00	456.00	29.50	428.00	27.00
Household Goods		106.00	26.80	106.00	28.00	257.00	16.80	305.00	19.00
Tools		7.00	1.80	12.00	3.00	33.00	2.20	41.00	3.00
Other		2.00	0.50	4.00	1.00	10.00	0.70	12.00	0.70
Total Income		395.00	100.00	382.00	100.00	1,534.00	100.00	1,596.00	100.00

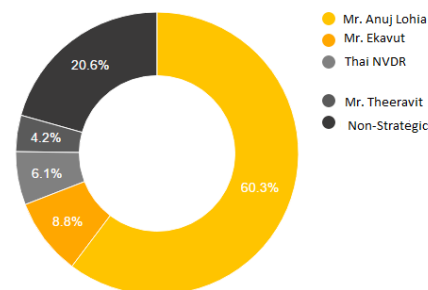
Stock Data (26/05/2017)

	YTD	2016	2015
Paid-up (MB)	253.82	253.82	208.77
Listed share (M)	253.82	253.82	208.77
Par (B.)	1.00	1.00	1.00
Market Cap (MB.)	1,776.72	1,840.18	1,732.76
Price (B./share)	7.00	7.25	8.30
EPS (B.)	0.09	0.44	0.51

Statistics (26/05/2017)

	P/E	P/BV	Div.Yield
TPAC (x)	17.29	1.72	3.00
INDUS - mai (x)	N/A	3.97	0.89
INDUS - SET (x)	22.19	2.53	2.50
mai (x)	90.93	3.05	1.44
SET (x)	17.38	1.93	3.13

Shareholder Structure (09/05/2017)



Financial Ratios

	3M/2017	3M/2016	2016	2015
ROE (%)	10.44	11.45	11.80	14.29
ROA (%)	9.61	10.29	10.60	11.72
D/E (x)	0.18	0.40	0.25	0.51
GP Margin (%)	15.75	16.52	16.90	15.95
EBIT Margin (%)	6.64	8.62	8.36	8.79
NP Margin (%)	5.90	6.66	6.84	6.53

Business Plan

- TPAC organic volumetric CAGR over the 5-year period 2011 - 2016 was 9%. The rigid plastic market is expected to continue to experience high levels of growth as the trend of plastic products substituting other forms of packaging materials such as glass and paper is expected to continue due to plastics leadership position across areas of recycling & sustainability, functionality and cost effectiveness.
- Building on our long history of plastic specialist knowledge and deep rooted customer relationships, TPAC aims to take advantage of the high growth plastic packaging market by staying focused on plastic packaging whilst expanding our operations beyond Thailand.
- The plastic packaging industry in fragmented across Asia and we believe there is strong potential for value accretive corporate acquisitions to grow our earnings to further supplement the strong organic growth.
- In summary, TPAC will continue to build on our world class plastic packaging R&D platform via organic and inorganic initiatives with the aim being to serve our international customer base across geographies particularly in Asia, and further increase our plastic packaging product range.

Investment Highlight – Q1-2017

- Sales volumes increased 2.7% versus the same period last year (Q1'16) as our pipeline of new projects now begin to come on stream this year.
- However our margins were squeezed in Q1'17 due to a spike in raw material prices, particularly experienced during the months of January and February '17. In the month of January '17 our raw materials costs spiked 5% and in February '17 there was a spike 8% versus December'16. As our raw materials predominantly comprise polyolefins (Polypropylene, HDPE, LDPE, PET etc) their price trend typically correlates to that of crude oil.
- Management expects our margins normalize in Q2'17 as the actual raw material prices of Q1'17 are passed through to our customers in line with our 1 quarter lag pricing mechanism (customary industry business practice).
- Net Profit for Q1'17 at ฿23.3MM, a decrease in margin by 0.9% as the reduced raw material spread mentioned above flowed through to our bottom line earnings.

Risk Factors

- **Raw Material:** Polyolefin are our raw materials and comprise a significant part of our cost of goods sold. To manage the raw material volatility, selling prices are adjusted in line with the underlying raw material price movement, however there may be a lag period of about a quarter before selling prices are adjusted.
- **Lower Sales:** Our orders are dependent on the sales of our customer's products. Our customer's products sales can be adversely affected by consumer consumption behavior. However, as our markets are everyday consumer products the consumption pattern tends to be rather stable.
- **Foreign Exchange:** c.10% of our revenues are denominated in USD arising from export sales. Our costs are denominated in Baht. There is a timing gap between the invoicing of the sale and actual receipt of the foreign funds. Due to this there is a chance of potential foreign exchange loss of revenue. We are able to hedge this risk by entering into forward FX contracts at the time of invoicing.

Award

- ISO 9001 : 2008
- GMP Certificate
- 2016 JOHNSON & JOHNSON SUPPLIER BEST PERFORMANCE AWARD
- SUPPLY CHAIN RECOGNITION FOR 2016 SUPPLIER ENGAGEMENT PROGRAM

Capital Structure

(Unit : MB)

	3M/2017	3M/2016	2016	2015
Current Liabilities	167.41	309.76	232.58	302.85
Non-Current Liabilities	19.79	65.64	18.60	87.83
Shareholders' Equity	1,033.72	935.61	1,010.44	767.78

Company Structure

