

THAI PLASPAC PUBLIC COMPANY LIMITED “TPAC”

Management Discussion and Analysis for the 3 and 6 month periods ended 30 June 2017

Profit and Loss

THB Million	Q2'17	Q1'17	% Change from Q1'17	Q2'17	Q2'16	% Change from Q2'16	6M'17	6M'16	% Change from last year
Sales	396.7	392.8	1.0%	396.7	377.2	5.2%	789.5	755.2	4.5%
Cost of sales	331.1	330.9	0.1%	331.1	314.3	5.3%	662.0	629.9	5.1%
Gross Profit	65.6	61.8	6.1%	65.6	62.9	4.4%	127.5	125.3	1.7%
Gross Profit Margin %	16.5%	15.7%	0.8%	16.5%	16.7%	-0.1%	16.1%	16.6%	-0.5%
SG&A	37.7	37.6	0.0%	37.7	34.1	10.4%	75.3	67.5	11.5%
Other income	3.5	2.0	75.3%	3.5	1.4	157.7%	5.5	5.2	6.3%
EBITDA	64.3	59.2	8.5%	64.3	61.6	-4.2%	123.5	126.2	-2.2%
EBITDA Margin %	16.2%	15.1%	1.1%	16.2%	16.3%	-0.1%	15.6%	16.7%	-1.1%
Depreciation and amortization	32.8	33.0	-0.7%	32.8	31.5	4.0%	65.8	63.1	4.1%
EBIT	31.5	26.2	20.1%	31.5	30.1	4.5%	57.7	63.0	-8.5%
EBIT Margin %	7.9%	6.7%	1.3%	7.9%	8.0%	-0.1%	7.3%	8.3%	-1.0%
Interest expense	0.1	0.1	-32.8%	0.1	0.2	-64.1%	0.2	1.9	-88.3%
Profit Before Tax	31.4	26.1	20.4%	31.4	29.9	5.1%	57.5	61.2	-6.0%
Income tax expense	5.7	2.8	104.6%	5.7	6.2	-6.8%	8.5	12.0	-28.8%
Net Profit	25.7	23.3	10.3%	25.7	23.7	8.1%	48.9	49.2	-0.5%
Net Profit Margin %	6.5%	5.9%	0.6%	6.5%	6.3%	0.2%	6.2%	6.5%	-0.3%

Note: SG&A is selling, general and administrative expense. EBIT is earnings before interest and tax. EBITDA is earning before interest, tax, depreciation and amortization.

- TPAC Q2'17 Net Profit up 10.3% versus last quarter and YTD -0.5% behind same period last year.
- Gross Profit for Q2'17 increased 6.1% versus previous quarter and increase 4.4% versus same period last year and overall YTD increase of 1.7% versus same period last year.
- Q2'17 EBITDA improved against previous quarter by 8.5% and also against same period last year by 4.2%.
- YTD'17 EBITDA however still 2.2% behind last year due to a weak Q1'17 and due to an increased cost base attributable to annual wage inflation, additions to executive management team and IT system upgrade expenses.

- YTD'17 production volumes are up 1% versus same period last year and increasing these further by winning more projects with existing customers and new customer accounts remains a key focus of management.

Balance Sheet

THB Million	As at 30 Jun'17	As at 31 Dec'16	Change	% Change
Cash and cash equivalents	3.6	6.0	-2.3	-39.3%
Trade and other receivables	408.6	392.9	15.7	4.0%
Inventories	102.3	113.1	-10.9	-9.6%
Other current assets	20.9	33.4	-12.5	-37.3%
Total current assets	535.4	545.4	-10.0	-1.8%
Property, plant and equipment	565.1	569.8	-4.6	-0.8%
Advance for purchase of molds	68.8	80.4	-11.6	-14.4%
Other assets	62.8	66.1	-3.3	-4.9%
Total assets	1,232.1	1,261.6	-29.5	-2.3%
Short term loans	5.0	55.0	-50.0	-90.9%
Trade and other payables	154.2	166.9	-12.7	-7.6%
Other current liabilities	20.5	10.7	9.8	91.8%
Total current liabilities	179.7	232.6	-52.9	-22.8%
Other liabilities	21.0	18.6	2.4	12.9%
Total liabilities	200.7	251.2	-50.5	-20.1%
Issued and paid-up capital	253.8	253.8	0.0	0.0%
Retained earnings	449.2	428.2	21.0	4.9%
Other reserves	328.4	328.4	0.0	0.0%
Total shareholders' equity	1,031.5	1,010.4	21.0	2.1%

- Current ratio has increased from 2.3x (31 Dec'16) to 3.0x (30 Jun'17).

Cash Flow

THB Million	For the period from 31 Jan 2017 to 30 Jun 2017
Cash and Cash Equivalents - Beginning period Balance	6.0
Profit Before Tax	57.5
Adjustment : Depreciation and Amortisation	65.8
Adjustment : Other adjustments	0.7
Profit from operating activities before changes to working capital	123.9
Net changes to working capital	-4.6
Cash flows from Operating Activities	119.4
Cash paid for corporate income tax	-20.2
Net Cash Flows from Operating Activities	99.2
Acquisition of Fixed Assets	-31.1
Proceeds from equipments sales	7.7
Net Cash Flow used in Investing Activities	-23.4
Dividend Paid Out	-27.9
Decrease in short-term bank loans	-50.0
Interest Expense	-0.2
Net Cash Flow from Financing Activities	-78.2
Change in Cash and Cash Equivalents	-2.4
Cash and Cash equivalents - Closing Period Balance	3.6

- Cash flow from operating activities ฿123.9 million is sufficient to fund net cash outflow for working capital and corporate tax totalling of ฿24.7 million leaving a surplus of ฿99.2 million net cash flow from operating activities in Q2'17.
- Capex spend modest for the first half of the year at ฿31.1 million mainly on the acquisition of moulds.
- TPAC has cash balance at the end of June-2017 at ฿3.6 million.

Ratios

Liquidity Ratio	30 Jun'17	31 Dec'16
Current Ratio	3.0	2.3
Leverage Ratio	30 Jun'17	31 Dec'16
Net Debt / Equity	0.00	0.05
Interest Bearing Debt / Equity	0.00	0.05

- TPAC is currently long-term debt free and generating strong positive free cash flows.

TPAC Contacts:

Kritsada Sirivorapat (CFO) +662 8972 250 Ext: 193 Email: kritsada.s@thaiplaspac.com

Notes

Always read MD&A together with the published financial statements to get complete details and understanding.

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