
TPAC Packaging

Just getting warmed up

Track Record: 4 years have passed, 2016 target likely to be surpassed

In Q1'16, TPAC management set a target: within a 5 year time frame (by Q1'21), TPAC targeted to double our EBITDA.

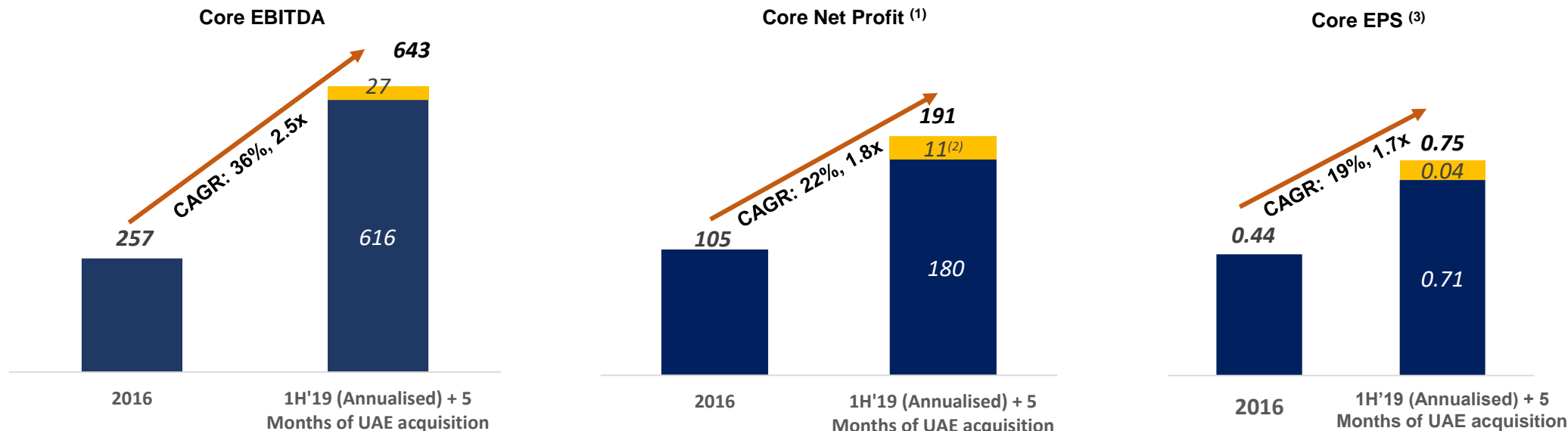
H1'19 core EBITDA achieved equal to Baht 308m.

- If we annualize 1H'19, for full year 2019 EBITDA this would be Baht 616m which is equal to **2.4x that of '16 EBITDA.**
- H1'19 core EBITDA annualized plus, 5 months of Sunpackagings UAE '19⁽¹⁾ EBITDA, this would be Baht 643m which is equal to **2.5x 2016 EBITDA.**

H1'19 core net profit achieved equal to Baht 90m.

- Annualizing this for the full year of 2019, net profit would be Baht 180m, 1.7x that of '16 Net Profit.
- H1'19 core Net Profit annualized plus, 5 months of Sunpackagings UAE '19 Net Profit⁽²⁾, this would be Baht 191m which is equal to **1.8x 2016 Net Profit.**

In summary, management targets to surpass our 2016 target by end of this year (by year 4).



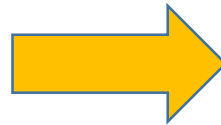
(1) Sunpackaging most recent audited financial year ending March '19

(2) 89% of Sunpackaging audited net profit for year ending march 2019, less interest cost at 5% for consideration paid, for the 5 months of consolidation expected in 2019.

(3) Pre dilution from upcoming right issue

Cash: We have built a business with focus on cash flow

	TPAC '16		TPAC 1H'19 (annualized)	Sunpackaging UAE FY'19 ⁽⁴⁾	Total	% change to '16
Sales	1,524		3,866	319	4,185	+ 175%
Core EBITDA	257		616	64	680	+ 165%
EBITDA Margin %	17%		16% ⁽⁵⁾	20%	16%	- 1%
Operating Cash flow ⁽⁶⁾	54		631	43	674	+ 1,148%
Operating Cash Flow ⁽⁷⁾ (Excluding Change in WC)	216		567	64	631	+ 192%



**In 1H'19 we generated record amounts of Operating Cash Flow.
With the addition of Sunpackaging UAE to portfolio, Operating Cash expected to further improve.**

(4) Sunpackaging March 31st '19 full year audited financials; (5) EBITDA margin has come down compared to 2016 because of purchase of custmpack in Q2'18 which has a EBITDA margin of low single digits. If we exclude the custmpack deal from TPACs financials, TPAC 1H'19 EBITDA margin would be 17%

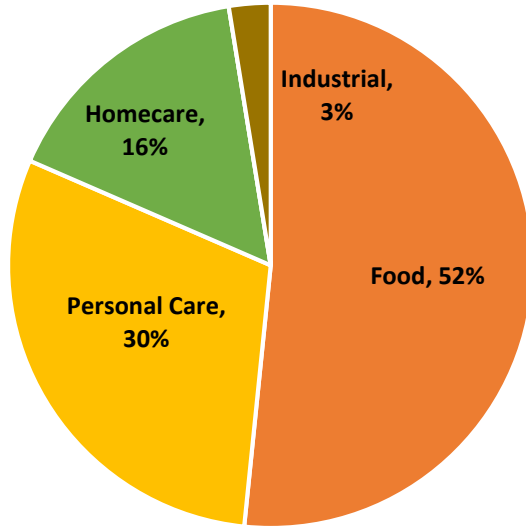
(6) Operating Cash Flow = Core EBITDA – Cash Tax – Change in WC.

(7) Operating Cash Flow = Core EBITDA – Cash Tax. We have ignored changes to working capital as this is largely dependent on external factors such as oil price movements.

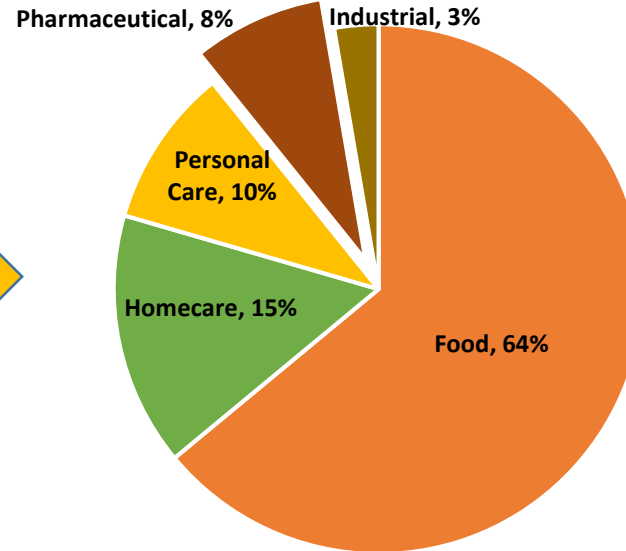
Grown our core competence of serving critical hygiene segments

Made entry into pharmaceuticals

Pie Chart by Segment 1H 2016



Pie Chart by Segment 1H 2019



....and further growing our intimacy with world class brands as we expand our geographic reach



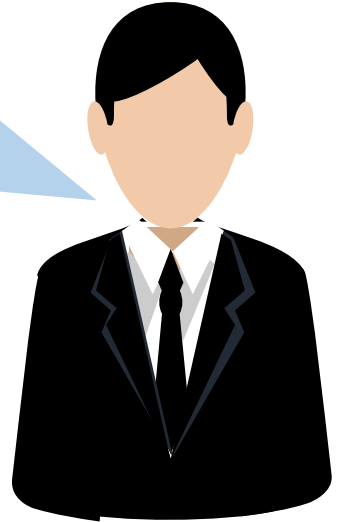
- TPAC portfolio of customers includes the worlds leading FMCG and pharmaceutical brands.
- No compromise pre-requisites:
 - ✓ Highly accredited world class certified infrastructure
 - ✓ World class quality and hygiene processes
 - ✓ Strong product design & innovation platform
- Segments served provide TPAC with
 - ✓ Healthy margins
 - ✓ Non-cyclical predictable cash flow
 - ✓ Customer stickiness

We feel below quote from Unilever boss which nicely captures future of our industry

"Plastic is ..actually a wonderful material,... **Very good carbon footprint, lightweight, highly efficient**... Issue is too much in environment... **Keep plastics in the economy**, and out of the environment ... Way we are tackling this is **less plastic, better plastic, using more recycled material...**

"A hysterical move to **glass** may be trendy but it **would have a dreadful impact on the carbon footprint of packaging.**"

Alan Jope, CEO Unilever, October '19

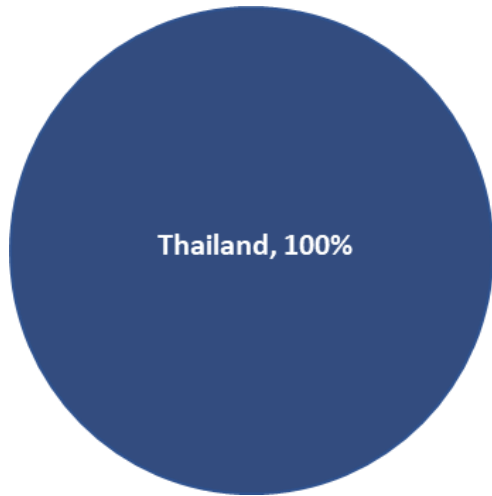


3 big trends driving our business and central to TPAC design lab solutions:

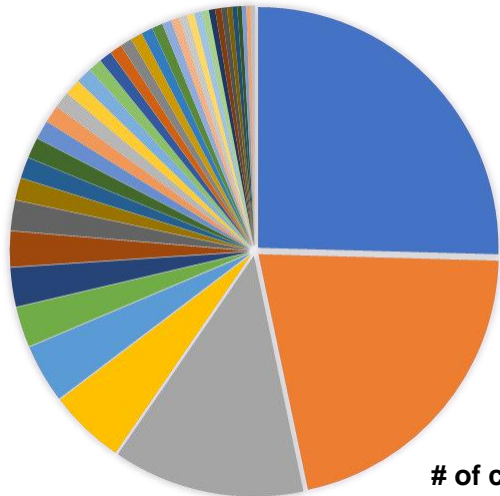
- 1 **Light weighting:** Complimentary to sustainability agenda are rigid plastic technologic advancements in machining, moulds, polymer science all resulting in ability to use less and less plastic, to make same product thereby resulting in continuous cuts in carbon footprint.
- 2 **Only good plastics:** TPAC packaging solutions do not use non recyclable or difficult to recycle plastics such as Polystyrene, PVC etc or difficult to recycle multilayer packaging. All our packaging are made from 100% recyclable resins and are monolayer.
- 3 **Introducing Post consumer recycled resins:** Lots of new projects launches by brand owners to introduce Post Consumer Recycled material into packaging. TPAC is very busy in this new exciting area.

Further diversified today, but maintained focus on 100% recyclable rigid consumer and pharma packaging

Pie Chart by Geography 2016

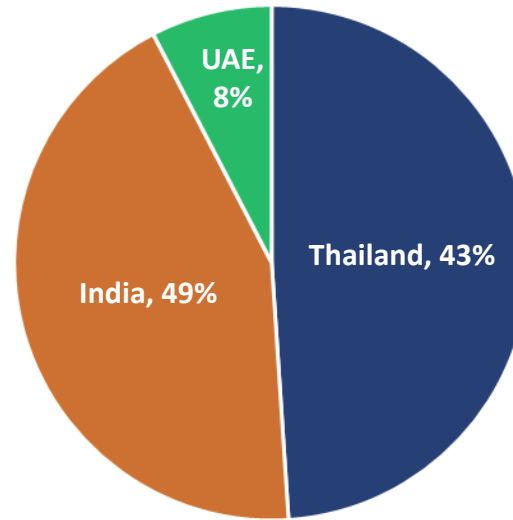


Customer Diversification in '16

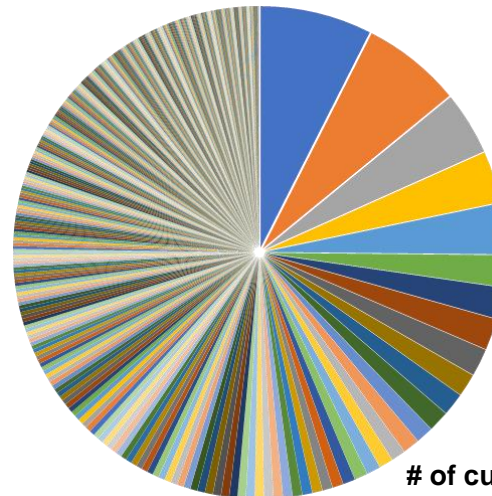


of customer = 151

Pie Chart by Geography 2019 ⁽⁸⁾



Customer Diversification in '19 ⁽⁸⁾



of customer = 1,509

- 3 years ago 100% revenues from Thailand, today Thailand slightly over a third
- TPAC focused on **emerging and rapidly developing economies** of the world
- In 2016, our top customer accounted for 24% of overall revenue, **top 3 customers were ~57% of total business**
- Today ⁽⁸⁾ top customer is 7% of total revenue, **top 3 customers are only ~17% of revenues**
- Today, median of customer is < 0.1% of TPAC group sales

(8) Approximated sales 1H'19 of TPAC + Sun packaging 1H'19

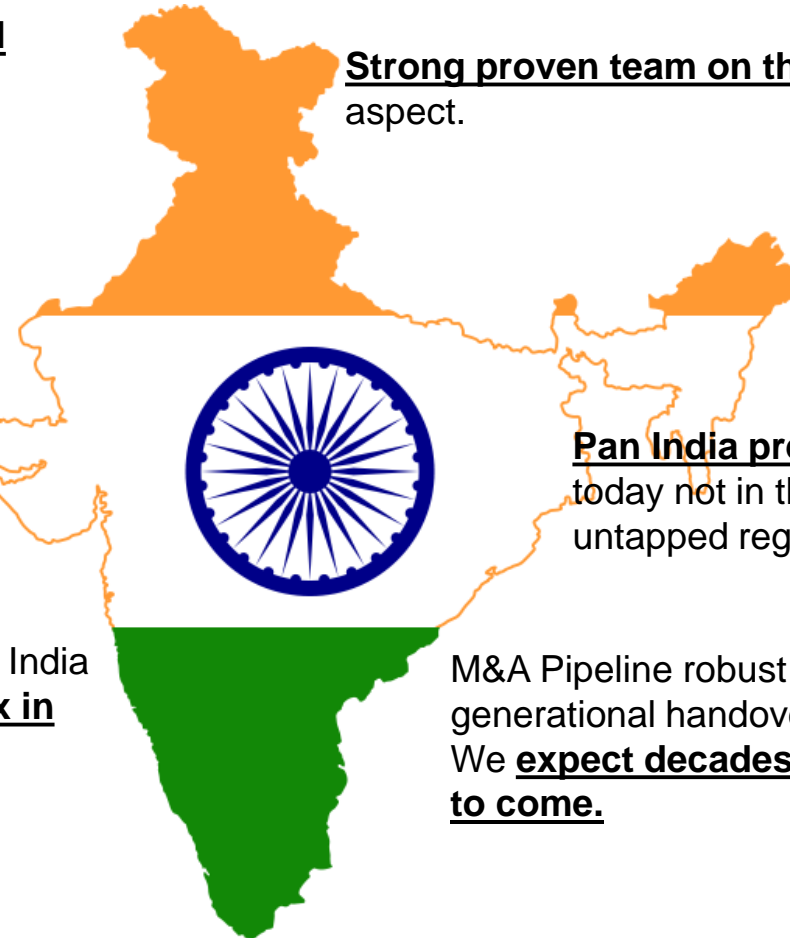
TPAC India, our billion dollar dream

By 2030, world will have 8.6b people, **1.5b of them will live in India**

Globally, India is becoming one of the **most attractive markets for foreign FMCG players**

Rising income, **growth in e-commerce**, new product launches driving demand for packaging in India

Tax Bonanza, on 20th September 2019, Government of India made surprise announcement to **reduce corporate tax in India, from 30% to 22%**.



Strong proven team on the ground now. Most critical aspect.

We are a **market leader for customized PET consumer packaging**

Pan India presence targeted. TPAC plants today not in the south and east. So many more untapped regions and cities to penetrate.

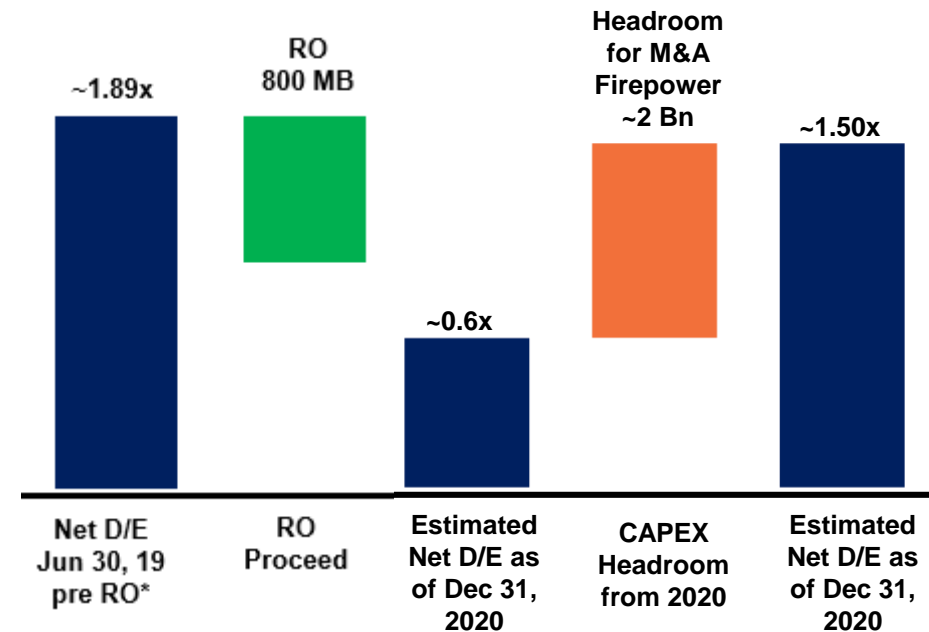
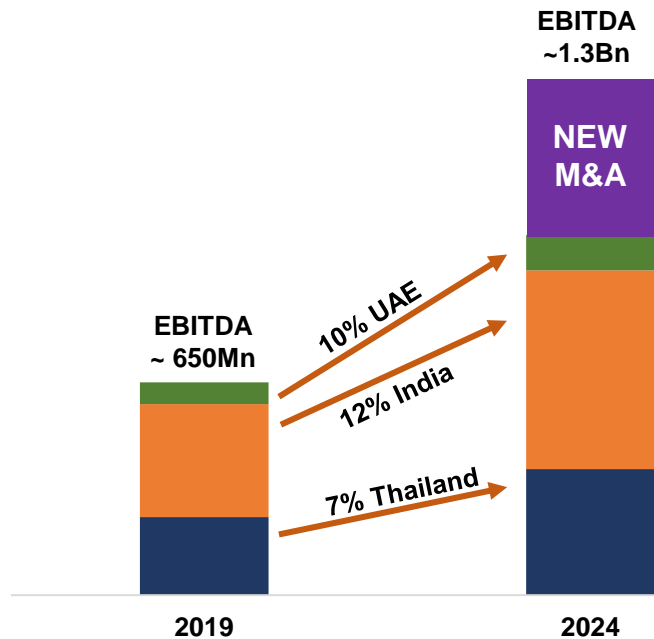
M&A Pipeline robust with many family businesses considering generational handover / succession. We **expect decades of market consolidation opportunities to come.**

TPAC India business established with track record of double digit EBITDA growth year on year.

Why the rights issue ?

Reason 1: Aspiration 2024

- **Double our EBITDA, again, ~ 650⁽⁹⁾ to Baht 1.3bn within next 4 years**
- India a central focus
- **Target to achieve;** 7% EBITDA 4-year CAGR in Thailand, 10% EBITDA 4-year CAGR in UAE and 12% EBITDA 4-year CAGR in India
- **Target to run business a 1.5x Net Debt / Equity.**
 - Management views this as sustainable leverage ratio for downstream / packaging business such as ours.



~2Bn dry powder available, TPAC armed and ready to double our EBITDA again.

(9) 1H'19 annualized core EBITDA plus 5 months of Sunpackaging UAE March19 EBITDA equals to 643

(10) FCF = Net income + Non-cash expenses – increase in WC – CAPEX

Why the rights issue ?

Reason 2: SET main board listing

- TPAC currently listed on the MAI
- We ambition for TPAC listing on the main board of the Stock Exchange of Thailand.
 - One of the criteria's is a paid up capital of > 300m baht.
- Post the TPAC RO, this criteria⁽¹¹⁾ will be satisfied.
- A move to the main board is expected to broaden TPAC investor base.



Reason 3: Liquid 'TPAC' stock

- TPAC daily traded volumes currently low.
- Post the RO, with significantly more shares available, management expects this to facilitate increased daily trading.
- A more liquid stock should help further put TPAC on the radar of investors.



(11) Note that there are other key criteria for listing on the main board of the SET, some of which in summary are i) paid up capital > 300m, ii) more than 1000 minority shareholders, iii) Combined minimum net profits from operations of THB 50 million over the past two or three years, and net profits from operations of THB 30 million for the latest full year iv) > 3 year track record, v) no less than 25% free float. This footnote is not intended to be exhaustive.

4 takeaway points from today

- 1) **Operating Cash flow yields** and generation of TPAC **at record highs today**.
- 2) **Aspiration '24...** by 2024 TPAC is targeting to double (again) our EBITDA to 1.3bn.
 - ~Baht 2bn firepower, balance sheet ready post RO.
- 3) **India** central to our growth story.
- 4) **TPAC** to target **SET main board listing and liquid stock** within next couple of years.
 - Post RO paid up capital criteria to be fulfilled for listing on SET.



Q&A