

Management Discussion and Analysis: MD&A

Business and Operations Overview

SCG Packaging Public Company Limited (SCGP) is a holding company with worldwide operations conducted through its subsidiaries and associates. The company is organized into 3 main business units, which are (1) Integrated Packaging Business (2) Fibrous Business and (3) Recycling Business.

1. Integrated Packaging Business

accounts for 75% of the total consolidated revenue and comprises of:

- ▶ Packaging Paper, such as linerboard, corrugated medium, and coated duplex board
- ▶ Fiber Packaging, such as corrugated container, retail display packaging, and rigid box
- ▶ Consumer and Performance Packaging, such as flexible packaging, rigid packaging, medical supplies, and labware

2. Fibrous Business

accounts for 19% of total consolidated revenue and comprises of foodservice products, printing and writing paper, and pulp products.

3. Recycling Business

accounts for 6% of total consolidated revenue and comprises of recovered paper and recycled plastic.

Overview of business operations, economic factors, and industry conditions that affect performance

ASEAN packaging industry in 2024 demonstrated resilience in the face of several challenges. Growth was primarily driven by domestic consumption, recovery of tourism, and expansion of global trade, with notable performance in food & beverage (F&B) and fast-moving consumer goods (FMCG) segments. However, the industry faced several hurdles such as China's Economic Slowdown. Since the second quarter, China's economic recovery has been significantly slower than anticipated which impacted the packaging paper demand. Volume of containerboard imported to China decreased in 2024 (7% year-on-year), significantly affecting packaging paper producers in ASEAN, particularly Indonesia, a key exporter of packaging paper to China. The industry also faced intense pressure from regional prices, particularly in Indonesia, where packaging paper prices were driven down. However, consumer packaging maintained more stable pricing compared to packaging paper. The appreciation of ASEAN currencies in the second half of the year added further complexity, affecting profitability and export competitiveness. Another key factor is rising raw material cost due to increasing recovered paper (RCP) prices, the main raw material for packaging paper, particularly for the third quarter production. However, RCP prices began to decline in the third quarter into the fourth quarter, driven by softening demand and normalizing freight rates, while energy prices remained stable.



SCGP's 2024 Performance

Total revenue from sales was recorded at Baht 132,784 million, an increase of 3% year-on-year, primarily driven by growth in domestic demand, which led to an increase in sales volumes of packaging paper, fiber packaging, consumer and performance packaging, and foodservice packaging. Additionally, the export market improved especially in consumer-related segments. Furthermore, lower inflation played a significant role in enhancing demand for durable goods.

EBITDA was reported at Baht 16,127 million, a 9% year-on-year decrease, with an EBITDA margin of 12%. Profit for the year amounted to Baht 3,699 million, a 30% year-on-year decrease, and net profit margin was 3%. The decline in EBITDA and profit was mainly due to the lower performance of packaging paper operations, which were affected by increased recovered paper costs, along with significant foreign currency fluctuations in ASEAN, particularly in the third quarter of 2024. Furthermore, the profit for the year included the impact from additional stake in Indonesia operation since September 2024. Despite the reduction in margins, efforts were made to enhance production utilization, operational excellence, and cost management across the value chain.



Revenue from sales

Baht 132,784 million

↑↑↑ increase 3%
year-on-year



EBITDA

Baht 16,127 million

decrease 9% year-on-year

EBITDA Margin **12%**



Profit for the year

Baht 3,699 million

decrease 30% year-on-year

Net profit margin **3%**

Major Events and Business Updates

SCGP continues to pursue growth through merger and partnership (M&P), which enlarges its customer base and enables the creation of value-accretive synergy across operations. The expedition of organic expansions to increase production capacity has also led to enhance packaging solutions capabilities to serve growing customer demand.

In 2024, SCGP successfully executed 1 merger and partnership (M&P) project and 1 organic expansion in Thailand. Meanwhile, SCGP made an investment and received approval from the Board of Directors for a capital increase in Indonesia. The company also engaged in joint development with strategic partners to expand its presence in ASEAN and enhance medical supplies and labware solutions in Thailand. Specific details are as follows:

1. Merger and Partnership (M&P)

Thailand (Consumer and performance packaging, Rayong) - SCGP has acquired a 90% stake in VEM (Thailand) Company Limited (VEM-TH) with an investment of approximately Baht 146 million. This acquisition is a part of SCGP's strategy to expand its healthcare packaging and supplies business and meet the increasing demand. VEM-TH operates 30 plastic injection mold production lines that comply with ISO 13485 (The global standard for medical device quality management system) and has certified cleanrooms of class 8 and class 7, producing over 59 million pieces of premium quality products annually. VEM-TH currently serves clients in the medical, aircraft, electrical parts, and automotive industries, with a market coverage including Thailand, US, China, and



other countries. This acquisition enhances and adds production capabilities of Deltalab S.L. and Bicappa Lab S.r.L. This transaction also allows SCGP to expand its international customer network more robustly and effectively. VEM-TH's financial performance has been consolidated since July 2024.

2. Organic Expansion

Thailand (Fiber packaging, Samutsakorn and Samutprakan) - Organic expansion of corrugated carton operation to serve Thailand's growing demand with maximized asset utilization and elevate production efficiency with the latest available technology. The project adds 75,000 tons per year of production capacity, which equals 9% of total capacity in Thailand. This project is strategically located at the center of customers' production hub, making it a pivotal factor in accommodating growing customer demand especially in food & beverage and other consumer-linked segment along with improving logistics cost competitiveness. This project started commercialization in March 2024.



3. Investment and capital increase

Indonesia (Packaging paper, Jakarta) - The completion of an additional 44.48% share acquisition in PT Fajar Surya Wisesa Tbk. (Fajar) on 30 August 2024 through SCGP Solutions (Singapore) Pte. Ltd. (SCGPSS), a wholly owned subsidiary of SCGP, with total transaction amount of USD 652.42 million or equivalent to Baht 22,802 million. After the transaction, SCGP's stake in Fajar has increased to 99.71%, from 55.23% previously. Meanwhile, the remaining 0.29% shares are held by the public.

In addition, the Board of Directors has approved Fajar's proposal to increase its capital by granting Pre-emptive Rights to the Company's shareholders through a limited public offering mechanism, with a maximum of 1 billion new ordinary shares. The company intends to use all proceeds received to reduce its liabilities and increase working capital. The Extraordinary General Meeting of Shareholders of Fajar was conducted on 22 January 2025.

4. Memorandum of Understanding (MOU)

Memorandum of Understanding (MOU) between SCGP and Once Medical Co., Ltd. - The collaboration, signed on 1 October 2024, specifically focuses on the development of syringes, medical supplies, and labware. The primary objective of this partnership is to fortify SCGP's packaging solutions and medical supplies business, while also expanding the customer network.

Table 1 - SCGP's Consolidated Financial Statements

Unit : Baht million

	Year		% y-o-y
	2024	2023	
Operating Results			
Revenue from Sales	132,784	129,398	3%
Integrated Packaging Business	99,694	97,044	3%
Fibrous Business	25,321	24,894	2%
Recycling Business	7,769	7,460	4%
Cost of Sales	110,381	106,274	4%
Gross Profit	22,403	23,124	-3%
<i>Gross Profit Margin (%)</i>	17%	18%	
Distribution Costs and Administrative Expenses	16,318	15,684	4%
EBITDA	16,127	17,769	-9%
<i>EBITDA Margin (%)</i>	12%	14%	
Profit for the year	3,699	5,248	-30%
<i>Net Profit Margin (%)</i>	3%	4%	
Earnings per Share (Baht)	0.86	1.22	
Core Financials			
Core EBITDA	16,337	17,642	-7%
Core Profit	3,876	5,146	-25%

Notes: Revenue from sales by business = Revenue from sales after inter-segment elimination basis
 EBITDA = Earnings before finance cost, tax, depreciation and amortization (excluded dividend from associates and included FX gain/loss from loans)
 In 2024 and 2023, dividend from associates were Baht 11 million and Baht 9 million, respectively.
 Profit for the year = Profit for the year attributable to owners of the Company

Operations Overview by Business

Integrated Packaging Business (IPB)

In 2024, IPB revenue from sales reached Baht 100,075 million (before inter-segment elimination), representing a 3% year-on-year increase driven by higher sales volume across all product categories amidst improved overall packaging demand. Despite weaker regional packaging paper prices compared to the previous year, downstream packaging including fiber packaging, consumer and performance packaging, medical supplies, and labware performed well.

EBITDA was recorded at Baht 13,288 million, an 8% year-on-year decrease with an EBITDA margin of 13%. Profit for the year was Baht 3,886 million declined by 24% year-on-year. The decrease was mainly due to increased recovered paper (RCP) costs with softened packaging paper prices.

Nonetheless, SCGP has implemented comprehensive strategies to enhance efficiency and competitiveness by leveraging resource management and advanced technologies. The company proactively diversifies raw material sourcing to ensure supply chain security and uses data analytics and artificial intelligence (AI) to optimize energy consumption and streamline production processes.

Fibrous Business (FB)

In 2024, FB revenue from sales was recorded at Baht 27,147 million (before inter-segment elimination), reflecting a 1% year-on-year increase driven by higher sales volumes in foodservice packaging and increased market prices for dissolving pulp. Nonetheless, paper declined due to lower selling price.

EBITDA amounted to Baht 3,675 million, representing a 4% year-on-year decline with an EBITDA margin of 14%. Profit for the year was Baht 1,081 million, a 12% year-on-year decrease, primarily due to reduced selling prices in the paper and foodservice sectors, coupled with the impact of the Thai Baht appreciation, particularly in the third quarter of 2024.

Table 2 - Operating Results by Business Segment

Unit : Baht million

	Year		% y-o-y
	2024	2023	
Revenue from Sales			
Consolidated SCGP	132,784	129,398	3%
Integrated Packaging Business	100,075	97,363	3%
Fibrous Business	27,147	26,835	1%
Recycling Business	8,704	8,669	0%
Intersegment Elimination	(3,142)	(3,469)	9%

	Year		% y-o-y
	2024	2023	
EBITDA			
Consolidated SCGP	16,127	17,769	-9%
Integrated Packaging Business	13,288	14,419	-8%
Fibrous Business	3,675	3,835	-4%
Recycling Business and Corporate	3,215	3,290	-2%
Intersegment Elimination	(4,051)	(3,775)	-7%

	Year		% y-o-y
	2024	2023	
EBITDA Margin (%)			
Consolidated SCGP	12%	14%	
Integrated Packaging Business	13%	15%	
Fibrous Business	14%	14%	

	Year		% y-o-y
	2024	2023	
Profit for the year			
Consolidated SCGP	3,699	5,248	-30%
Integrated Packaging Business	3,886	5,095	-24%
Fibrous Business	1,081	1,235	-12%
Recycling Business and Corporate	2,073	2,334	-11%
Intersegment Elimination	(3,341)	(3,416)	2%

Notes: EBITDA = Earnings before finance cost, tax, depreciation and amortization (excluded dividend from associates and included FX gain/loss from loans)
 EBITDA Margin = EBITDA / Revenue from Sales
 Profit for the year = Profit for the year attributable to owners of the Company
 Consolidated SCGP's financial statement is presented after the intersegment elimination.

Cost of Sales

In 2024, SCGP's cost of sales were Baht 110,381 million (an increase of 4% year-on-year), comprising of integrated packaging business (IPB) of Baht 83,561 million (4% year-on-year increase), fibrous business (FB) of Baht 22,872 million (1% year-on-year increase), and recycling business of Baht 7,410 million (10% year-on-year increase). Nevertheless, SCGP focused on cost reduction and operational excellence, along with the improvements in key cost components, including raw materials prices and energy costs. Below are key focuses of SCGP's effective cost management.



Raw material management:

SCGP is optimizing raw material management by leveraging best practices across operations and diversifying recovered paper (RCP) sourcing. Domestically, the company secures 60% of RCP through 171 recycling stations and direct collection points, with the remainder sourced from local suppliers. Internationally, 40% of RCP consumption, is sourced from the EU, US, Japan, and Oceania. Additionally, SCGP's sourcing arms, including Peute Recycling B.V. (Peute) and Jordan Trading Inc. (Jordan), have further strengthened the company's international raw material supply chain, enabling its RCP import capabilities.

Energy management:

SCGP has strategically managed coal procurement from the Indonesian market by utilizing index-linked pricing and data analytics to optimize both volume and cost. To improve cost competitiveness, the company is increasingly integrating biomass as an alternative fuel source to coal. Furthermore, SCGP has deployed artificial intelligence (AI) technology to enhance energy and steam consumption efficiency, simultaneously reducing production costs and greenhouse gas emissions. This strategic shift has resulted in an increase in the proportion of alternative fuels to 38.3% of total energy sources in 2024, up from 35.9% at the end of 2023.

Table 3 - Cost of Sales Classified by Business Segment

Unit : Baht million

	Year				% y-o-y
	2024	%	2023	%	
Integrated Packaging Business	83,561	76	80,602	76	4%
Fibrous Business	22,872	21	22,704	21	1%
Recycling Business	7,410	7	6,718	6	10%
Intersegment Elimination	(3,462)	(4)	(3,750)	(3)	-8%
Consolidated SCGP	110,381	100	106,274	100	4%

Distribution Costs and Administrative Expenses

In 2024, Distribution costs were Baht 9,106 million, increased by 5% year-on-year. This was primarily attributed to the rise in freight rate and transportation costs. In addition, the administrative expenses were Baht 7,212 million, increased by 3% year-on-year.

Summary of the Consolidated Statement of Financial Position as of December 31, 2024

Total assets were Baht 188,580 million, a decrease of Baht 9,981 million or 5% decrease from the previous year, mainly due to foreign exchange translation of Baht 5,295 million from Thai Baht appreciation, and a net decrease in cash and short-term investments of Baht 4,606 million, mainly due to the purchase of additional 44.48% stake in Fajar in the third quarter of 2024, with the total transaction amount of USD 652.42 million or equivalent to Baht 22,802 million.

- ▶ **Current assets** were Baht 55,304 million, a decrease of Baht 4,968 million or 8% decrease from the previous year, which largely comprised of cash and cash equivalents, trade and other current receivables, and inventories.
- ▶ **Cash and cash equivalents and short-term investments** were Baht 12,283 million, a decrease of Baht 4,898 million or 29% decrease from the previous year due to the additional share acquisition of Fajar.
- ▶ **Trade and other current receivables** were Baht 23,551 million, an increase of Baht 220 million or 1% increase from the previous year, mainly attributed to higher sales volume. As of 31 December 2024, SCGP's total trade receivables were Baht 20,569 million which included expected credit loss of Baht 170 million. SCGP's normal credit term is 30-90 days as disclosed in note to the financial statement 7 "Trade receivables" in the 2024 Annual Report.
- ▶ **Inventories** were Baht 19,027 million, a decrease of Baht 226 million or 1% decrease from the previous year. The inventories mainly consisted of finished goods, goods-in-process, raw materials, spare parts, stores supplies, and goods in transit. In 2024, SCGP had no significant deteriorated or obsolete inventories as disclosed in note to the financial statement 8 "Inventories" in the 2024 Annual Report.
- ▶ **Non-current assets** mainly comprise of property, plant and equipment, goodwill and other intangible assets.
- ▶ **Property, plant, and equipment** were Baht 91,014 million, a decrease of Baht 3,265 million or 3% decrease from the previous year. Total capital expenditures accounted for Baht 5,640 million.



Total liabilities were Baht 93,293 million, a decrease of Baht 2,819 million or 3% decrease from the previous year.

- ▶ **Trade and other current payables** were Baht 15,678 million, an increase of Baht 870 million or 6% increase from the previous year.
- ▶ **Loans** were Baht 64,877 million, an increase of Baht 15,764 million or 32% increase from last year to fund the additional share acquisition in Fajar.
- ▶ **Liabilities related to put options** were Baht 3,487 million, a decrease of Baht 18,826 million or 84% decrease from the previous year due to the reversal of put liabilities related to Fajar's additional share transaction.

Total shareholders' equity was Baht 95,287 million, a decrease of Baht 7,162 million or 7% decrease from the previous year. The change was mainly attributed to foreign exchange translation of Baht 4,114 million from Thai Baht appreciation, and a decrease in other equity interests of Baht 3,487 million, while an increase in retained earnings of Baht 1,154 million was from profit for the year net of dividend.

Table 4 - Summary of SCGP's Consolidated Statement of Financial Position

Unit : Baht million

	Year		Change	
	2024	2023	Baht million	% y-o-y
Total Assets	188,580	198,561	(9,981)	-5%
Current assets	55,304	60,272	(4,968)	-8%
Cash and cash equivalents	9,849	9,889	(40)	0%
Short-term investments	2,434	7,292	(4,858)	-67%
Trade and other current receivables	23,551	23,331	220	1%
Inventories	19,027	19,253	(226)	-1%
Investments in associates	1,193	1,063	130	12%
Property, plant and equipment	91,014	94,279	(3,265)	-3%
Goodwill	28,242	29,374	(1,132)	-4%
Other intangible assets	9,098	10,051	(953)	-9%
Total Liabilities	93,293	96,112	(2,819)	-3%
Trade and other current payables	15,678	14,808	870	6%
Loans	64,877	49,113	15,764	32%
Liabilities related to put options	3,487	22,313	(18,826)	-84%
Total Shareholders' Equity	95,287	102,449	(7,162)	-7%
Total equity attributable to owners of the Company	76,679	77,322	(643)	-1%
Non-controlling interests	18,608	25,127	(6,519)	-26%

Table 5 - SCGP's Net Debt

Unit : Baht million

	Year		Change	
	2024	2023	Baht million	% y-o-y
Short-term Loans	24,493	15,337	9,156	60%
Foreign	15,657	15,067	590	4%
Baht	8,836	270	8,566	n.a.
% of Total Loans	38%	31%		
Long-term Loans	40,384	33,776	6,608	20%
Foreign	8,085	6,768	1,317	19%
Baht	32,299	27,008	5,291	20%
% of Total Loans	62%	69%		
Total Loans	64,877	49,113	15,764	32%
Average Cost of Debt (%)	4.3%	4.1%		
Cash and Cash Under Management	12,283	17,180	(4,897)	-29%
Cash and cash equivalents	9,849	9,889	(40)	0%
Investments in debt instruments	2,434	7,291	(4,857)	-67%
Net Debt	52,594	31,933	20,661	65%

Explanation of Key Financial Ratios for the Year 2024

Liquidity Ratio

As of December 31, 2024, the current ratio of SCGP was 1.0 times, higher from the previous year of 0.9 times and the quick ratio was 0.6 times, remaining flat from the previous year. Meanwhile, SCGP has prudently managed cash flow, trade accounts receivable, trade accounts payables, and inventories to mitigate liquidity risk during volatile economic environment and establish the foundation for future business expansions.

Profitability Ratio

SCGP's gross profit margin was 17% compared to 18% in the previous year. EBITDA margin decreased to 12%, compared to 14% from last year, mainly affected by increased recovered paper (RCP) costs, along with significant foreign currency fluctuations in ASEAN. SCGP's net profit margin also decreased to 3% from 4% in the previous year. Despite the reduction in margins, efforts

were made to enhance production utilization, operational excellence, and cost management across the value chain.

Efficiency Ratio

SCGP's return on total assets was 2% decreased from 3% in the previous year, and the return on fixed assets was at 13% compared to 15% in the previous year.

Financial Leverage Ratio

SCGP had a debt to equity ratio of 1.0 times, an increase from 0.9 time in 2023. Net debt to EBITDA ratio was at 3.3 time which was higher than 1.8 times in 2023, mainly from a net increase in loans to fund the additional share acquisition in Fajar. Interest-bearing debt to equity ratio was 0.7 time, which was higher than 0.5 times in 2023.

Summary of Consolidated Statement of Cash Flows for the Year Ended 31 December 2024

In 2024 SCGP's net cash flows provided by operating activities amounted to Baht 13,754 million, including the operating cash flows of Baht 15,708 million and tax payment of Baht 1,954 million. Cash flows generated from operations were comprised of profit for the year adjusted by items such as depreciation and amortization, tax expense, and change in operating assets and liabilities.

Net cash flows used in investing activities amounted to Baht 511 million, primarily due to capital expenditure of Baht 5,640 million, with the main contribution from net

proceeds from short-term investments amounted to Baht 5,031 million.

Net cash flows used in financing activities amounted to Baht 13,181 million, including payments of Baht 23,195 million from changes in ownership interests in subsidiaries, along with dividend payment of Baht 3,329 million and interest payment and other finance costs of Baht 2,453 million. Nonetheless, there was an increase in net borrowings amounted to Baht 15,796 million.

Table 6 - SCGP's Summary of Consolidated Statement of Cash Flows

Unit : Baht million

	Year		
	2024	2023	Change
Cash flows from operating activities	13,754	21,482	(7,728)
Cash flows from investing activities	(511)	(13,060)	12,549
Cash flows from financing activities	(13,181)	(8,366)	(4,815)
Net increase in cash and cash equivalents	62	56	6
Free cash flows	8,114	14,099	(5,985)

Liquidity and Capital Management

SCGP's ability to generate cash from operations is contingent upon future performance, which is influenced by various factors, including general economic, financial, marketing, regulatory, and other elements outlined in the Section 2.5 "Risks Factor" of this report. It is important to recognize that these factors are beyond the Company's control. In terms of cash flows, liquidity ratios, and capital

sources - including cash and cash equivalents, cash from operating activities, and existing bank loans - SCGP is committed to maintaining sufficient liquidity. This ensures the Company can sustain business operations, meet debt obligations in compliance with loan terms and conditions, and secure additional funding sources as needed.

CAPEX and Investment

In 2024, SCGP's capital expenditures were strategically allocated to drive growth through both merger and partnership (M&P) and organic expansion, aimed at enhancing our competitiveness and production capabilities. The investments included the acquisition of VEM (Thailand) Company Limited (VEM-TH) to strategically enhance healthcare packaging and supplies business, and the expansion projects, which were made to increase production capacity of its fiber packaging, consumer and

performance packaging, and foodservice packaging businesses. These investment projects align with SCGP's strategy to reinforce business integration along the value chain and increase the proportion of downstream business, thereby enhancing portfolio stability. Moreover, the completion of additional 44.48% share acquisition in PT Fajar Surya Wisesa Tbk. (Fajar) will strengthen growth in Indonesia, one of the most attractive markets in the region with large population and strong fundamental.

Table 7 - SCGP's CAPEX and Investment

Unit : Baht million

	Year		
	2024	2023	2022
Merger and Partnership	23,687	1,565	7,417
Machine Maintenance	1,726	2,232	2,520
Expansion	1,166	1,748	1,765
Cost Optimization and Sustainability	1,433	1,775	1,459
Debottlenecking	155	193	407
Others ⁽¹⁾	1,160	1,435	1,035
Total CAPEX and Investment	29,327	8,948	14,603

Remarks: ⁽¹⁾ Others means capital expenditures related to other projects in all business of the Company, such as the cost of replacing machinery that does not increase productivity, automation that improves the quality of the production process or the productivity.

Looking ahead to 2025, with an expected CAPEX of Baht 13 billion, SCGP continues to prioritize the strategic expansion of its fiber packaging business to enhance integration level, particularly in Indonesia. Additionally, the focus remains on high-growth consumer-linked segments, targeting growth in domestic demand across ASEAN. By prudently evaluating market conditions and potential returns, SCGP aims to seize new opportunities arising from evolving consumer trends through the development of innovative sustainable packaging solutions. This strategy is poised to enhance SCGP's value offerings and long-term profitability.

Most of SCGP's capital expenditure is dedicated to pursuing business growth through M&P and organic expansion. Concurrently, we emphasize enhancing operational efficiency, fostering development and innovation, and promoting sustainability. SCGP consistently invests in the maintenance of plants, machinery and equipment, regular production process improvements, and cost reduction efforts to ensure the efficiency and sustainable growth. This comprehensive approach ensures that SCGP remains competitive and resilient in a dynamic market landscape, ultimately driving long-term success and business stability.

Factors that may Significantly Affect the Company's Future Operations and Growth

Macroeconomics Outlook

In 2025, the global economy is expected to grow at a moderate pace, despite uncertainties of ongoing protectionist policies, including tariffs and trade barriers, and market volatility. The US and European economies are projected to grow gradually, supported by softening inflation and easing interest rates, which will result in higher disposable incomes. Nonetheless, potential global trade disruptions remain challenges. China's economy is anticipated to slightly improve with increased consumption driven by government stimulus policies. However, structural challenges and heightened trade disputes continue to pose concerns. ASEAN economy is set to experience positive momentum, driven by domestic demand, tourism recovery, and government stimulus measures. The region's neutral position helps in seizing opportunities from the relocation of production from China, thereby fostering a positive growth outlook. Although weaker global demand could impact ASEAN exports.

Packaging Industry and Cost Outlook

Demand for packaging in daily consumption sectors, such as food, beverages, consumer goods, is expected to grow sequentially, while durable goods sectors, such as garments and textiles, are projected to recover from increasing demand. SCGP will focus on optimizing its portfolio to serve targeted domestic and export markets effectively. Raw material costs, especially for recovered paper (RCP), are expected to be sideways up as mills replenish inventories for rising demand in early 2025. Freight and energy costs are anticipated to remain stable. However, geopolitical tensions and exchange rate volatility could disrupt global supply chains, affect energy prices and logistics costs.

Growth Strategy

SCGP continues to reinforce its leadership in packaging solutions through innovative and sustainable offerings. The company focuses on enhancing profitability through seamless synergy across all operations, ensuring a cohesive and effective approach. In addition, SCGP aims to expand downstream businesses, grow in ASEAN & high growth markets, and increase consumer-linked portfolio. Additionally, SCGP's strategic initiatives is pursuing growth in Indonesia by focusing on operational synergy, prudent targeted investments for downstream and chain integration with sustainable innovation. The company is also expanding its consumer-related businesses in ASEAN, optimizing costs through AI-driven resource management, and reducing

energy consumption in operations. SCGP remains committed to achieving Net-Zero emissions by 2050.

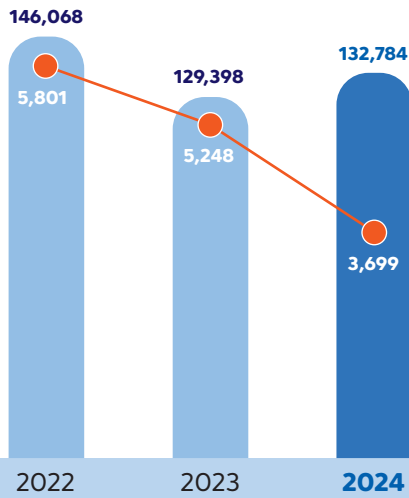
Operational and Supply Chain Excellence

SCGP is managing costs by increasing of alternative fuels usage and leveraging artificial intelligence (AI) for energy and production optimization across regional operation. Additionally, SCGP continues to enhance its competitive edge and supply security by expanding local recovered paper (RCP) sourcing network through our strategic collaborations with recycling stations and recycling partners across ASEAN, while also strengthening synergies with subsidiaries in Europe and the US. SCGP prioritizes leadership development and employee engagement to ensure all staff have the skills to meet new challenges with a systematic approach to enhance capabilities across all operations.

Customer Experience and ESG Commitment

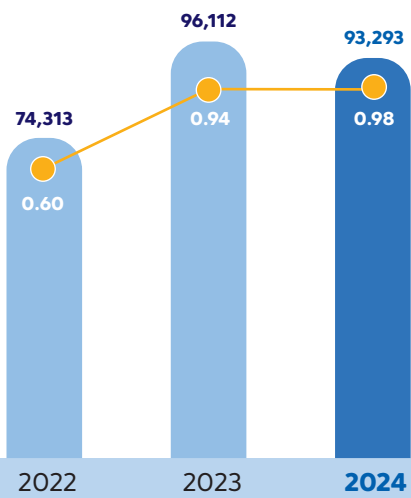
SCGP collaborates with customers and partners to develop innovative packaging solutions, with a dedicated RD&I team more than 30 researchers contributing significantly to approximately 37% of 2024 sales revenue. The company integrates Environmental, Social, and Governance (ESG) principles, aiming for a 25% reduction in GHG emissions by 2030, based on the 2020 baseline and Net-Zero emissions by 2050. In 2024, the company utilized alternative fuel at a proportion of 38.3%. SCGP is also dedicated to develop sustainable products by increasing Carbon Footprint of Products (CFP) certification and committed to engineer packaging products through co-creation with customers, aspiring to achieve 100% recyclable, reusable, or compostable packaging by 2030. These initiatives underscore SCGP's commitment to environmental sustainability and responsible business practices.

Revenue from Sales and Profit for the Year



● Revenue from Sales (Baht million) —●— Profit for the Year* (Baht million)

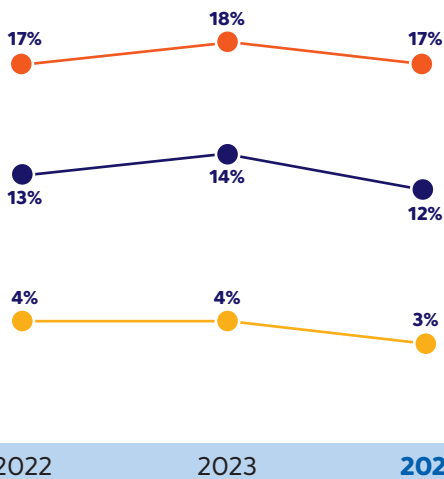
Total Liabilities and Debt to Equity Ratio



● Total Liabilities (Baht million) —●— Debt to Equity (Times)

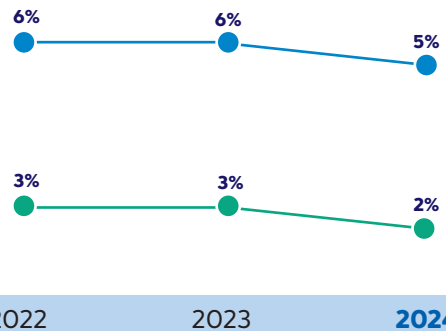
*Attributable to owners of the Company

Profitability Margin



—●— Gross Profit Margin (%)
 —●— EBITDA Margin (%)
 —●— Net Profit Margin (%)

Return on Equity and Return on Total Assets



—●— Return on Equity (%)
 —●— Return on Total Assets (%)

Summary of Financial Information (compared to the past 3 years)

SCG Packaging Public Company Limited and its Subsidiaries Consolidated statement of financial position

As at 31 December 2024, 2023 and 2022

Unit : Baht million

Assets	2024	%	2023	%	2022	%
Current assets						
Cash and cash equivalents	9,849	5.2	9,889	5.0	9,966	5.1
Short-term investments	2,434	1.3	7,292	3.7	2,378	1.2
Trade and other current receivables	23,551	12.5	23,331	11.7	24,067	12.2
Inventories	19,027	10.1	19,253	9.7	23,281	11.8
Other current assets	443	0.2	507	0.3	462	0.2
Total current assets	55,304	29.3	60,272	30.4	60,154	30.5
Non-current assets						
Investments in associates	1,193	0.6	1,063	0.5	1,034	0.5
Other non-current receivables	1,229	0.7	1,419	0.7	742	0.4
Property, plant and equipment	91,014	48.3	94,279	47.5	94,585	47.9
Goodwill	28,242	15.0	29,374	14.8	28,233	14.3
Other intangible assets	9,098	4.8	10,051	5.1	10,574	5.4
Deferred tax assets	1,351	0.7	1,036	0.5	852	0.4
Other non-current assets	1,149	0.6	1,067	0.5	1,106	0.6
Total non-current assets	133,276	70.7	138,289	69.6	137,126	69.5
Total assets	188,580	100.0	198,561	100.0	197,280	100.0

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated statement of financial position

As at 31 December 2024, 2023 and 2022

Unit : Baht million

Liabilities and shareholders' equity	2024	%	2023	%	2022	%
Current liabilities						
Bank overdrafts and short-term borrowings from financial institutions	24,493	13.0	15,337	7.7	16,155	8.2
Trade and other current payables	15,678	8.2	14,808	7.5	14,282	7.2
Current portion of long-term borrowings from financial institutions	6,371	3.4	6,493	3.3	1,571	0.8
Current portion of lease liabilities	769	0.4	668	0.3	587	0.3
Current portion of debenture	4,999	2.7	5,498	2.8	-	-
Corporate income tax payable	925	0.5	1,062	0.5	573	0.3
Liabilities related to put options	3,141	1.7	22,313	11.2	-	-
Other current liabilities	227	0.1	212	0.1	311	0.2
Total current liabilities	56,603	30.0	66,391	33.4	33,479	17.0
Non-current liabilities						
Long-term borrowings from financial institutions	9,836	5.2	8,034	4.0	14,450	7.3
Lease liabilities	2,925	1.6	3,090	1.6	1,921	1.0
Debentures	15,484	8.2	9,993	5.0	15,485	7.8
Deferred tax liabilities	4,014	2.1	4,886	2.5	5,322	2.7
Non-current provisions for employee benefits	3,950	2.1	3,629	1.9	3,596	1.9
Other non-current liabilities	481	0.3	89	-	60	-
Total non-current liabilities	36,690	19.5	29,721	15.0	40,834	20.7
Total liabilities	93,293	49.5	96,112	48.4	74,313	37.7
Shareholders' equity						
Share capital						
Authorized share capital - Ordinary share	4,500		4,500		4,500	
Issued and paid share capital - Ordinary share	4,293	2.3	4,293	2.2	4,293	2.2
Share premium	40,860	21.7	40,860	20.6	40,860	20.7
Other deficits	(19,328)	(10.2)	(1,445)	(0.7)	(1,445)	(0.7)
Retained earnings						
Appropriated - Legal reserve	450	0.2	450	0.2	450	0.2
- General reserve	3	-	3	-	3	-
Unappropriated	59,147	31.4	57,993	29.2	55,270	28.0
Other equity interests	(3,487)	(1.8)	(23,204)	(11.7)	-	-
Other components of shareholders' equity	(5,259)	(2.9)	(1,628)	(0.9)	(2,230)	(1.1)
Total equity attributable to owners of the Company	76,679	40.7	77,322	38.9	97,201	49.3
Non-controlling interests	18,608	9.8	25,127	12.7	25,766	13.0
Total shareholders' equity	95,287	50.5	102,449	51.6	122,967	62.3
Total liabilities and shareholders' equity	188,580	100.0	198,561	100.0	197,280	100.0

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated income statement

For the years ended 31 December 2024, 2023 and 2022

Unit : Baht million

	2024	%	2023	%	2022	%
Revenue from sales	132,784	100.0	129,398	100.0	146,068	100.0
Cost of sales	(110,381)	(83.1)	(106,274)	(82.1)	(121,791)	(83.4)
Gross profit	22,403	16.9	23,124	17.9	24,277	16.6
Gain on exchange rate	-	-	80	-	143	0.1
Other income	994	0.7	1,043	0.8	1,321	0.9
Profit before expenses	23,397	17.6	24,247	18.7	25,741	17.6
Distribution costs	(9,106)	(6.9)	(8,701)	(6.7)	(9,351)	(6.4)
Administrative expenses	(7,212)	(5.4)	(6,983)	(5.4)	(6,688)	(4.6)
Loss on exchange rate	(211)	(0.2)	-	-	-	-
Total expenses	(16,529)	(12.5)	(15,684)	(12.1)	(16,039)	(11.0)
Profit from operations	6,868	5.1	8,563	6.6	9,702	6.6
Finance costs	(2,429)	(1.8)	(2,020)	(1.5)	(1,468)	(0.9)
Share of profit of associates accounted for using equity method	113	0.1	39	-	55	-
Profit before income tax	4,552	3.4	6,582	5.1	8,289	5.7
Tax expense	(825)	(0.6)	(1,153)	(0.9)	(1,550)	(1.1)
Profit for the year	3,727	2.8	5,429	4.2	6,739	4.6
Profit attributable to						
Owners of the Company	3,699	2.8	5,248	4.1	5,801	4.0
Non-controlling interests	28	-	181	0.1	938	0.6
	3,727	2.8	5,429	4.2	6,739	4.6
Basic earnings per share (in Baht)						
Attributable to owners of the Company	0.86		1.22		1.35	

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated statement of comprehensive income

For the years ended 31 December 2024, 2023 and 2022

Unit : Baht million

	2024	2023	2022
Profit for the year	3,727	5,429	6,739
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating financial statement	(4,114)	358	(3,380)
Items that will not be reclassified subsequently to profit or loss			
Gain on investments in equity instruments measured at fair value	1	-	5
Gain (loss) on remeasurements of defined benefit plans	(257)	90	273
Share of other comprehensive income of associates accounted for using equity method	(1)	(1)	3
Income tax relating to items that will not be reclassified subsequently to profit or loss	51	(20)	(63)
Total items that will not be reclassified subsequently to profit or loss	(206)	69	218
Other comprehensive income for the year, net of tax	(4,320)	427	(3,162)
Total comprehensive income for the year	(593)	5,856	3,577
Total comprehensive income attributable to			
Owners of the Company	(116)	5,901	3,153
Non-controlling interests	(477)	(45)	424
	(593)	5,856	3,577

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated statement of cash flows

For the years ended 31 December 2024, 2023 and 2022

Unit : Baht million

	2024	2023	2022
Cash flows from operating activities			
Profit for the year	3,727	5,429	6,739
Adjustments for			
Tax expense	825	1,153	1,550
Depreciation and amortization	9,259	9,206	9,700
Loss on inventories devaluation (reversal)	(5)	(94)	170
Non-current provisions for employee benefit expense	395	376	217
Loss (gain) on foreign currency exchange	262	(52)	(120)
Share of profit of associates accounted for using equity method	(113)	(39)	(55)
Interest income	(520)	(377)	(197)
Finance costs	2,429	2,020	1,468
Gain on fair value adjustment and others	(34)	(105)	(149)
Cash flows generated from operations before changes in operating assets and liabilities	16,225	17,517	19,323
Decrease (increase) in operating assets			
Trade and other receivables	(1,243)	881	3,235
Inventories	(184)	4,309	(406)
Other assets	(25)	(184)	(148)
Net decrease (increase) in operating assets	(1,452)	5,006	2,681

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated statement of cash flows

For the years ended 31 December 2024, 2023 and 2022

Unit : Baht million

	2024	2023	2022
Increase (decrease) in operating liabilities			
Trade and other payables	1,201	603	(2,631)
Non-current provisions for employee benefits	(271)	(263)	(252)
Other liabilities	5	1	(125)
Net increase (decrease) in operating liabilities	935	341	(3,008)
Net cash flows generated from operations	15,708	22,864	18,996
Income tax paid	(1,954)	(1,382)	(1,762)
Net cash flows provided by operating activities	13,754	21,482	17,234
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	(455)	(1,303)	(7,026)
Acquisition of interests in associates	(30)	-	(44)
Proceeds from sale of short-term investments	6,344	764	12,475
Acquisition of short-term investments	(1,313)	(5,585)	(1,711)
Proceeds from sales of property, plant and equipment	41	66	167
Acquisition of property, plant and equipment	(5,428)	(7,124)	(6,862)
Acquisition of other intangible assets	(212)	(259)	(324)
Dividends received	11	9	11
Interest received	531	372	195
Net cash flows used in investing activities	(511)	(13,060)	(3,119)

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated statement of cash flows

For the years ended 31 December 2024, 2023 and 2022

Unit : Baht million

	2024	2023	2022
Cash flows from financing activities			
Proceeds from changes in ownership interests in subsidiaries that do not result in a loss of control	-	11	650
Payments of changes in ownership interests in subsidiaries that do not result in a loss of control	(23,195)	-	-
Proceeds from (payments of) borrowings			
Proceeds from (payments of) bank overdrafts and short-term borrowings - net	9,804	(799)	(14,047)
Proceeds from long-term borrowings	8,442	135	-
Payments of long-term borrowings	(6,635)	(1,615)	(2,580)
Payments of lease liabilities	(815)	(745)	(626)
Proceeds from issuance of debentures	10,500	-	10,000
Redemption of debentures	(5,500)	-	-
Net increase (decrease) in borrowings	15,796	(3,024)	(7,253)
Dividends paid			
Dividends paid to owners of the Company	(2,361)	(2,575)	(2,790)
Dividends paid to non-controlling interests	(968)	(711)	(822)
Total dividends paid	(3,329)	(3,286)	(3,612)
Interest and other finance costs paid	(2,453)	(2,067)	(1,387)
Net cash flows used in financing activities	(13,181)	(8,366)	(11,602)
Net increase in cash and cash equivalents	62	56	2,513
Effect of exchange rate changes on cash and cash equivalents	(102)	(133)	143
Cash and cash equivalents at beginning of the year	9,889	9,966	7,310
Cash and cash equivalents at end of the year	9,849	9,889	9,966
Supplementary information for cash flows			
Non-cash from investing and financing transactions at end of the year			
Account payables from purchase of assets	428	459	609
Accrued investments	235	509	491
Liabilities related to put options	3,487	22,313	-

Financial Ratios of SCG Packaging Public Company Limited and its Subsidiaries

		Consolidated Financial Statements		
		2024	2023	2022
Liquidity Ratio				
Current Ratio	(Times)	0.98	0.91	1.80
Quick Ratio	(Times)	0.58	0.56	0.98
Cash Flow Liquidity	(Times)	0.22	0.43	0.40
Account Receivable Turnover	(Times)	6.49	6.34	6.76
Collection Period	(Days)	56	58	54
Inventory Turnover	(Times)	17.82	15.91	18.85
Inventory Turnover Period	(Days)	20	23	19
Account Payable Turnover	(Times)	9.50	9.61	10.83
Payment Period	(Days)	38	38	34
Cash cycle	(Days)	38	43	39
Profitability Ratio				
Gross Profit Margin	(%)	16.87	17.87	16.62
EBITDA Margin	(%)	12.15	13.73	13.28
Net Profit Margin	(%)	2.79	4.06	3.97
Return on Equity	(%)	4.80	6.01	5.98
Efficiency Ratio				
Return on Total Assets	(%)	1.93	2.74	3.34
Return on Fixed Assets	(%)	13.08	14.59	16.28
Assets Turnover	(Times)	0.69	0.66	0.73
Financial Policy Ratio				
Debt to Equity	(Times)	0.98	0.94	0.60
Interest-bearing Debt to Equity	(Times)	0.68	0.48	0.41
Interest Coverage Ratio	(Times)	6.64	8.80	13.22
Debt Service Coverage Ratio	(Times)	0.44	0.63	1.06
Interest-bearing Debt to EBITDA	(Times)	4.02	2.76	2.59
Net Debt to EBITDA	(Times)	3.26	1.80	1.95
Dividend Payout Ratio	(%)	63.83	44.99	44.40



Remarks:

- 1 Current ratio is calculated by dividing current assets by current liabilities.
- 2 Quick ratio is calculated by dividing cash and cash equivalents, short-term investment and trade accounts receivable by current liabilities.
- 3 Cash flow liquidity ratio is calculated by dividing operating cash flow by average current liabilities.
- 4 Account receivable turnover is calculated by dividing revenue from sales by average trade accounts receivable before allowance for expected credit loss.
- 5 Collection period is calculated by dividing 365 by the account receivable turnover.
- 6 Inventory turnover is calculated by dividing the cost of goods sold by the average finished goods.
- 7 Inventory period is calculated by dividing 365 by the inventory turnover.
- 8 Account payable turnover is calculated by dividing the cost of goods sold by the average trade accounts payable.
- 9 Payment period is calculated by dividing 365 by the account payable turnover.
- 10 Cash cycle is calculated by adding collection period and inventory period minus payment period.
- 11 Gross profit margin is calculated by dividing gross profit by revenue from sales.
- 12 EBITDA margin is calculated by dividing EBITDA by revenue from sales.
- 13 Net profit margin is calculated by dividing profit for the year attributable to owners of the Company by revenue from sales.
- 14 Return on equity is calculated by dividing profit for the year attributable to owners of the Company by the average total equity attributable to owners of the Company.
- 15 Return on total assets is calculated by dividing profit for the year by average total assets.
- 16 Return on fixed assets is calculated by dividing profit for the year and depreciation by average fixed assets.
- 17 Assets turnover is calculated by dividing revenue by average total assets.
- 18 Debt to equity is calculated by dividing total liabilities by total equity.
- 19 Interest-bearing debt to equity is calculated by dividing total interest-bearing debt by total equity.
- 20 Interest coverage ratio is calculated by dividing EBITDA by finance costs.
- 21 Debt Service Coverage Ratio is calculated by dividing EBITDA by the combined total of short-term interest-bearing debt and current portion of long-term interest-bearing debt.
- 22 Interest-bearing debt to EBITDA is calculated by dividing total interest-bearing debt by EBITDA.
- 23 Net debt to EBITDA is calculated by subtracting interest-bearing debt from cash and cash under management and dividing this amount by EBITDA.
- 24 Dividend payout ratio is calculated by dividing dividend payment by profit for the year attributable to owners of the Company.