



SCGP

Opportunity day

5 May 2022

Agenda

- 1 Executive Summary**
- 2 Financial review**
- 3 Business Updates**
- 4 Outlook**



1

EXECUTIVE SUMMARY

Our Journey Continues in 2022

with a focus on progressive quality growth, customer solutions, and ESG

2022: Key Strategies



Quality Growth



**Packaging Solutions,
Innovation, & E-commerce**



Operational Excellence



ESG & Sustainability

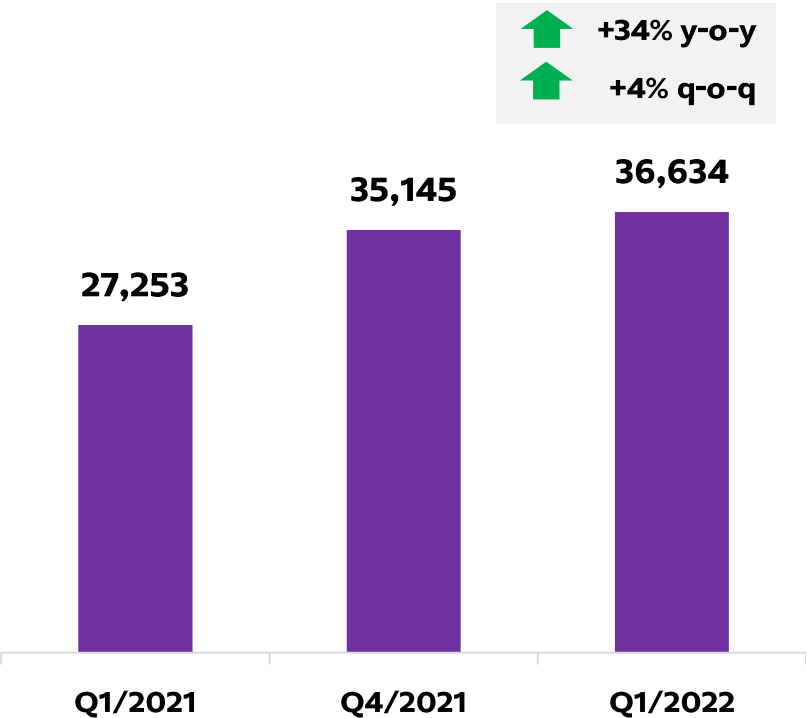
Q1/2022: Key highlights

- **Full consolidation of 3 M&Ps & Ramping up of organic expansions**
 - Commercial start-up of new packaging paper production in PH
 - Completion of pressboard capacity (foodservices packaging) in TH & VN
- **Becoming consumer solutions with innovative offerings via unique R&D capabilities**
- **Stabilize supply chain amid heightened cost pressures through active cost management and sourcing flexibility**
- **Determined efforts to elevate ESG via The Science Based Targets initiative (SBTi)**

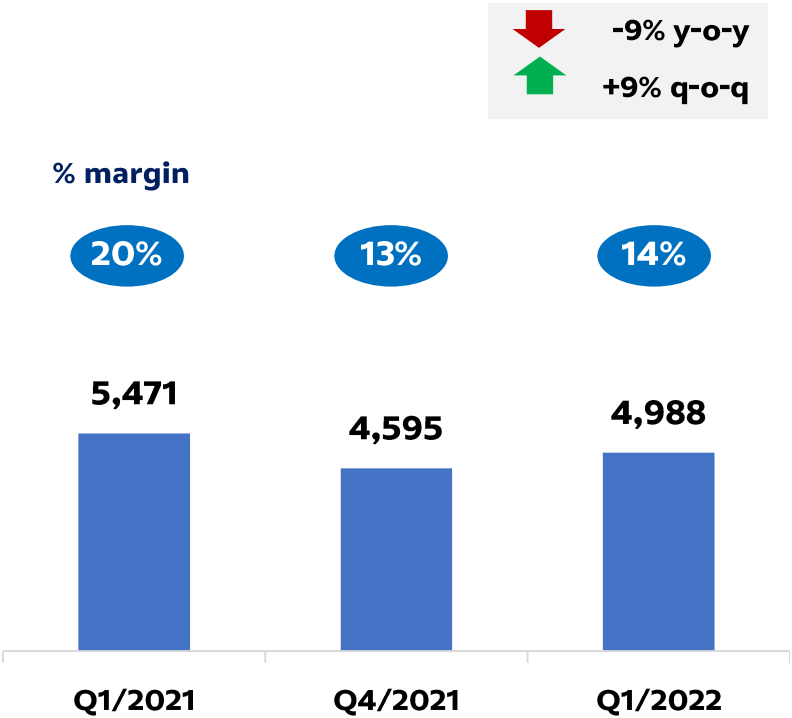
Consolidated Key Financials: Q1/2022

Continuous delivery of standout revenue growths and profitability

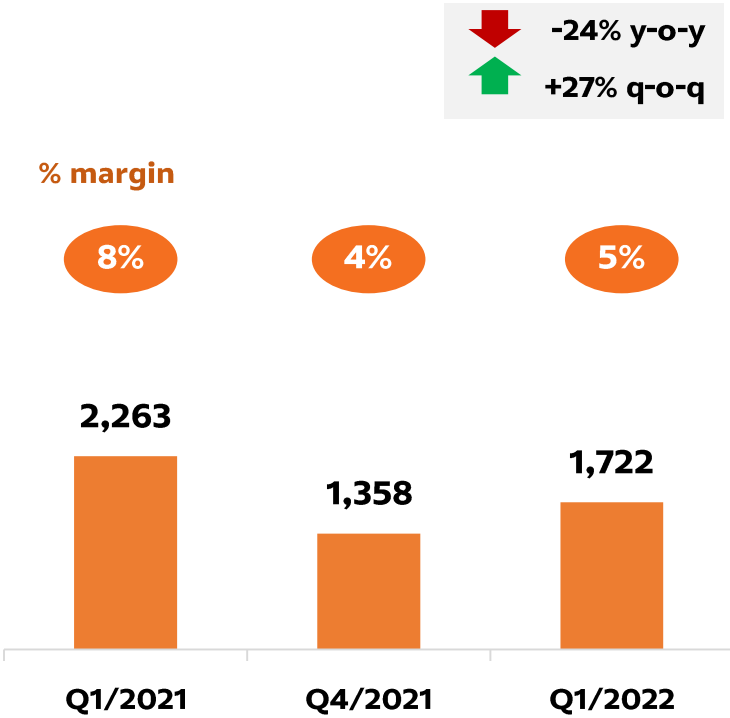
Revenue from sales (MB)



Core EBITDA³ (MB)



Core Profit⁴ (MB)



%COGS on sales



EBITDA² (MB)



Net Profit (MB)



Note:

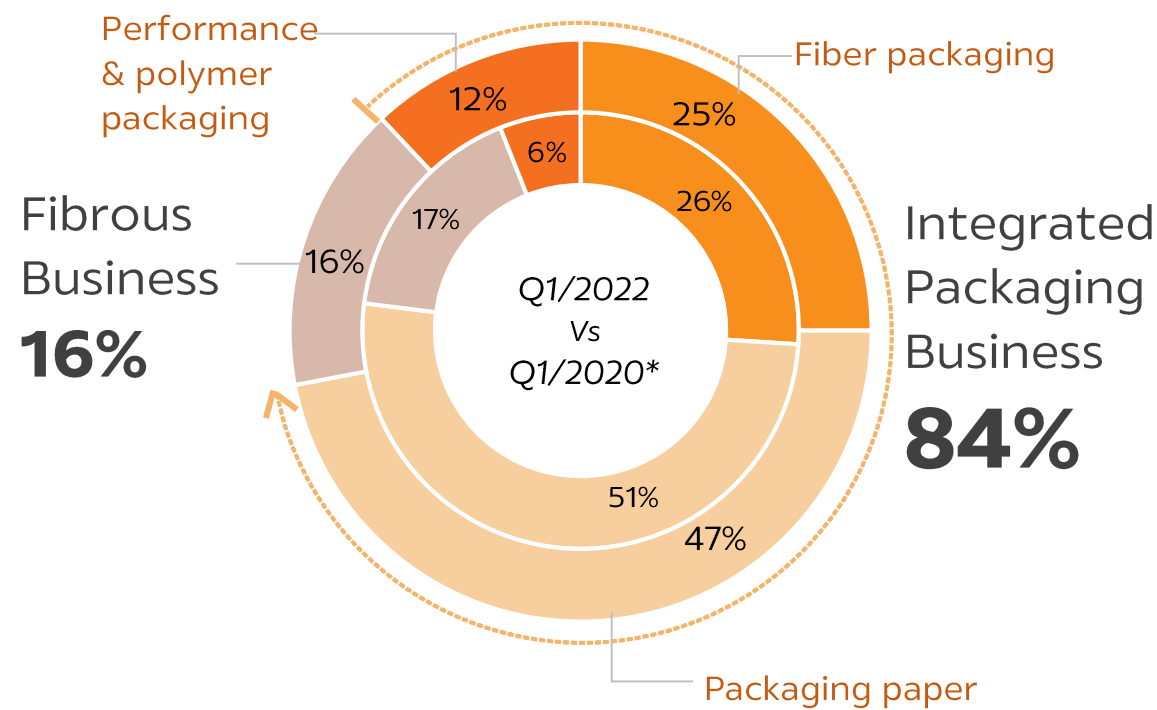
- Figures are "After inter-segment elimination"
- EBITDA excludes dividend from associates & includes FX gain/loss from loan

- Core EBITDA = EBITDA – key items adjustments
- Core Profit = Net Profit – Key items adjustments after tax & after NCI basis

SCGP Business Portfolio: Q1/2022¹

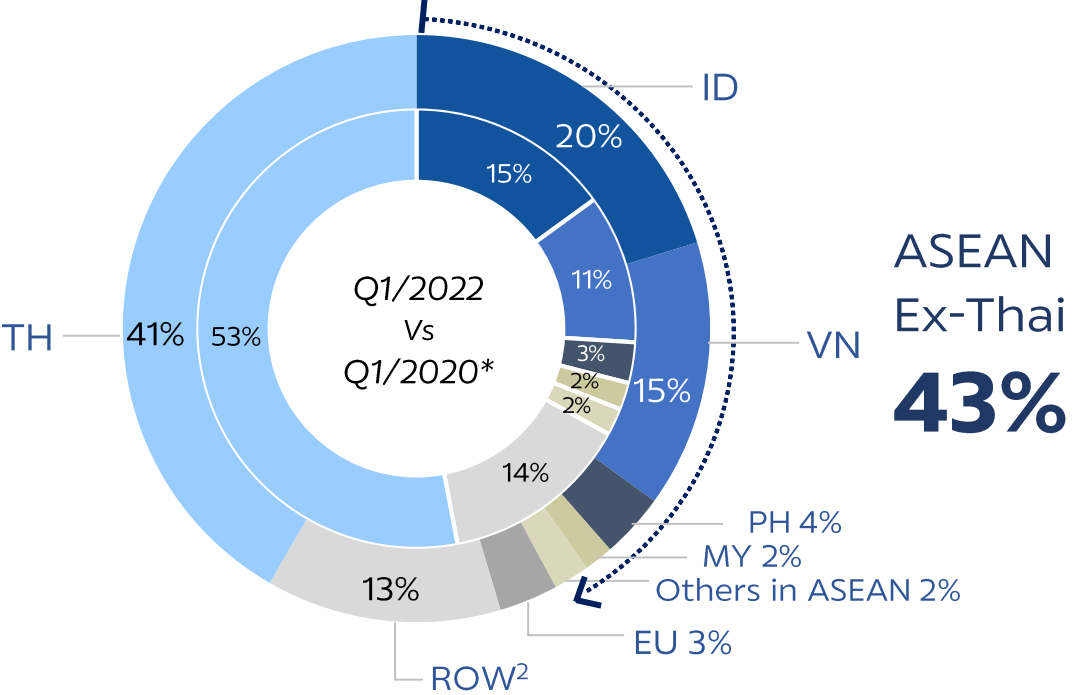
Strengthening overseas businesses through relentless two-prong expansions

Revenue from sales by business units



Enhanced downstream businesses:
37% from 32% in Q1/2020

Revenue from sales by end destinations



Growth of ASEAN Ex-Thai:
43% from 33% in Q1/2020

* Outer pie chart = Q1/2022 (Revenue 36,634 MB)
Inner pie chart = Q1/2020 (Revenue 24,267 MB)

Macro environment in early 2022

Geopolitical conflict & ongoing COVID situations are among the moving parts



Inflationary pressures

Economic sanctions on Russia led to spike in commodity prices



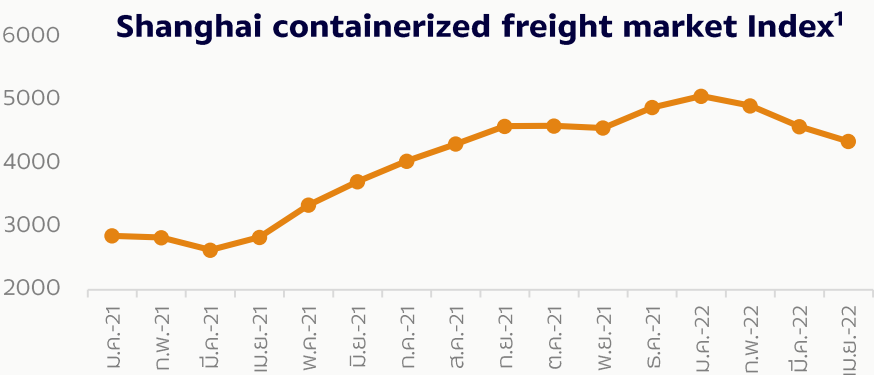
Chinese economy slowdown

Effect domestic & regional demand as well as supply chain disruptions



Volatility in freight rate

Freight costs started to soften as the demand/supply mismatch is gradually alleviated



Continual proactive management of uncertainty

- 1 Maintaining liquidity** – Intensive efforts of cash management, minimize working capital, and cost savings
- 2 Cautiously considering investment decisions** – prioritizing strategic investment with prudent project evaluations
- 3 Stabilizing supply chain** – Diversifying sources of raw materials & energy while creating alternatives for continuity

Our strategic directions are intact

Growth Opportunities



GDP +1-2%

Packaging demand growth¹



Ample ASEAN's consumption growth opportunity compared to developed market



CAGR 6-8%²

ASEAN's healthcare spending potential growth (Deltalab)



E-commerce growth 20%³

Key efforts

1. Expand consumer-linked topline

- Strengthen business model: B2B2C & B2C
- Tailor-made solutions offering

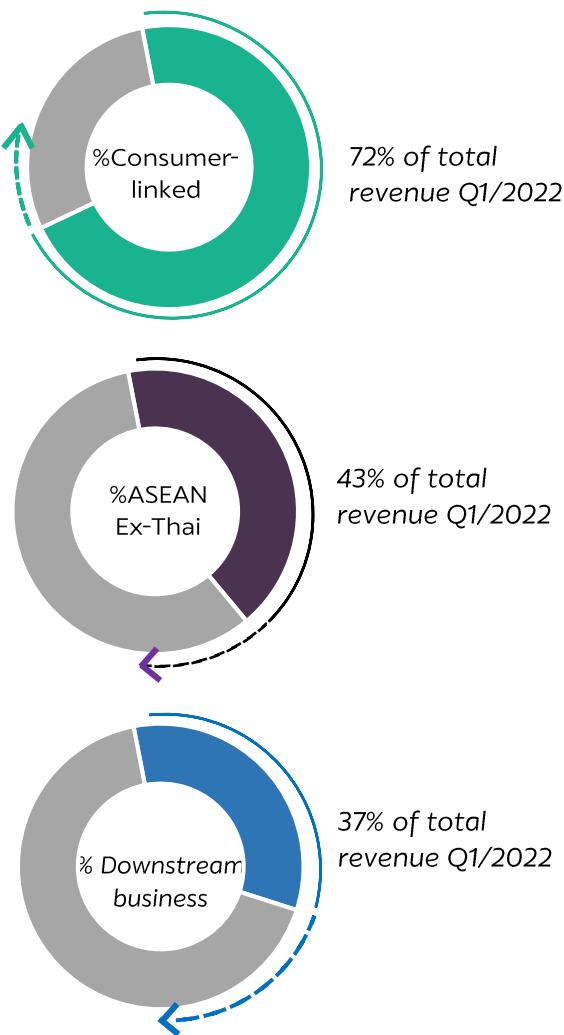
2. Enlarge growth in ASEAN & Beyond

- Business expansion: Organic and M&Ps
- Value-based offerings

3. Enhance bespoke downstream business

- Capture evolving high growth segments
- Broad & Deep fortification

Future portfolio



Note:

1. Total household consumption growth from 2019-24E in ASEAN
2. Total healthcare & medical supplies growth from 2020-2025E in ASEAN

3. E-commerce GMV (gross merchandise volume) growth from 2019-24E in ASEAN



2

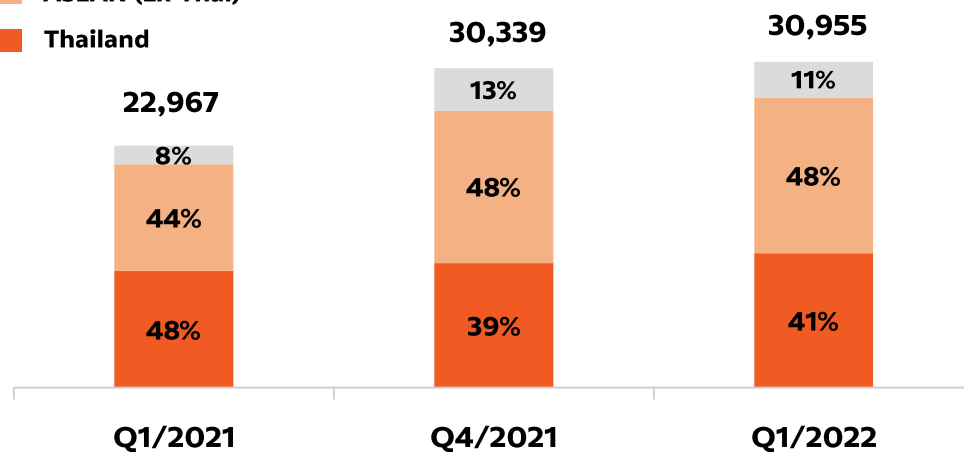
FINANCIAL REVIEW

Integrated Packaging Business

Revenue by end destinations¹ (MB)

■ Export (ROW²)
■ ASEAN (Ex-Thai)
■ Thailand

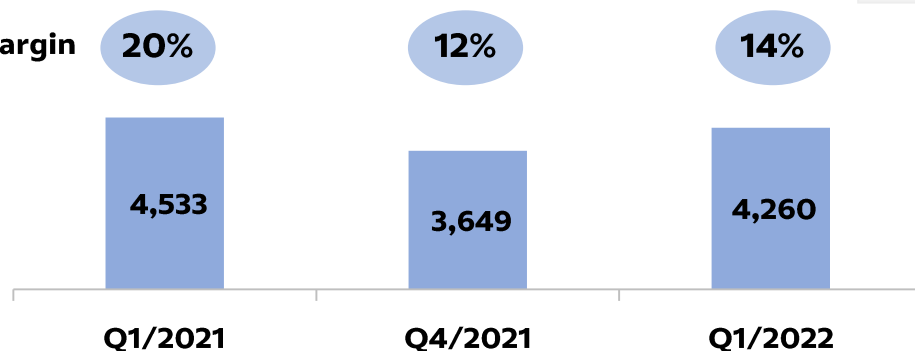
↑ +35% y-o-y
↑ +2% q-o-q



EBITDA³ (MB)

% Margin

↓ -6% y-o-y
↑ +17% q-o-q



Revenue: Significant increase YoY from price improvement, M&P, and organic expansions

- **Performance & polymer packaging:** grew QoQ by full quarter consolidation of Deltalab. TH operation improved, especially in frozen & processed food segments. VN sales for downstream packaging softened during Lunar New Year
- **Fiber packaging:** stronger F&B and FMCG demand with pre-Songkran and pre-Hari Raya stock buildup
- **Packaging paper:** revenue increase driven by QoQ improvement in overall price while export sale volume to China dropped amid economic slowdown

EBITDA: YoY drop from overall broad-based cost uptrends

- QoQ increased mainly from packaging paper operations. Efficiency improvement was under focus throughout the supply chain amid rise of energy cost.

Note:

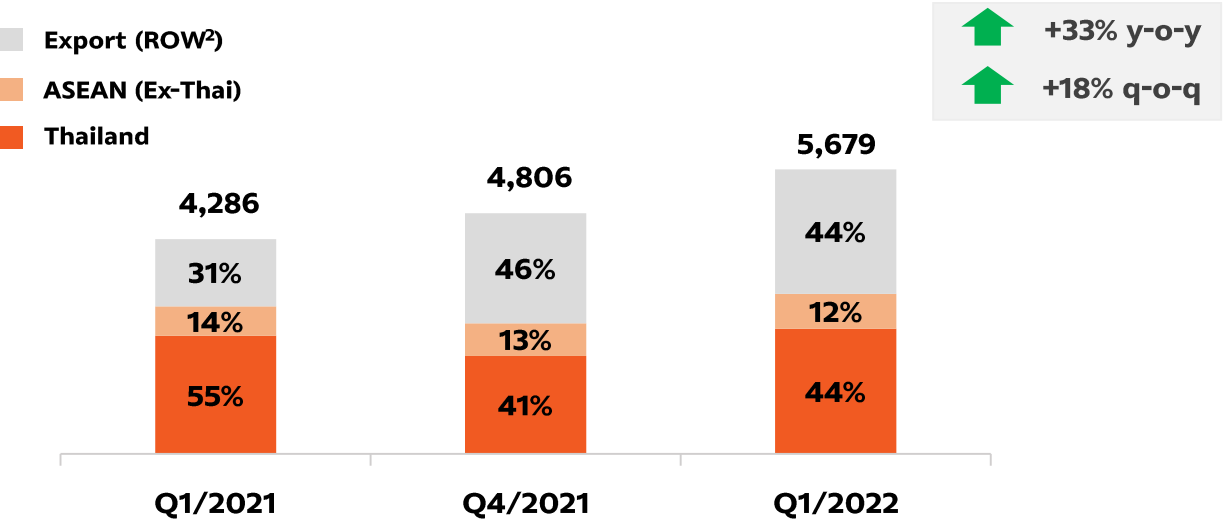
1. Revenue figures are "After inter-segment elimination"

2. ROW is Rest of the world

3. EBITDA excludes dividend from associates & includes FX gain/loss from loans

Fibrous Business

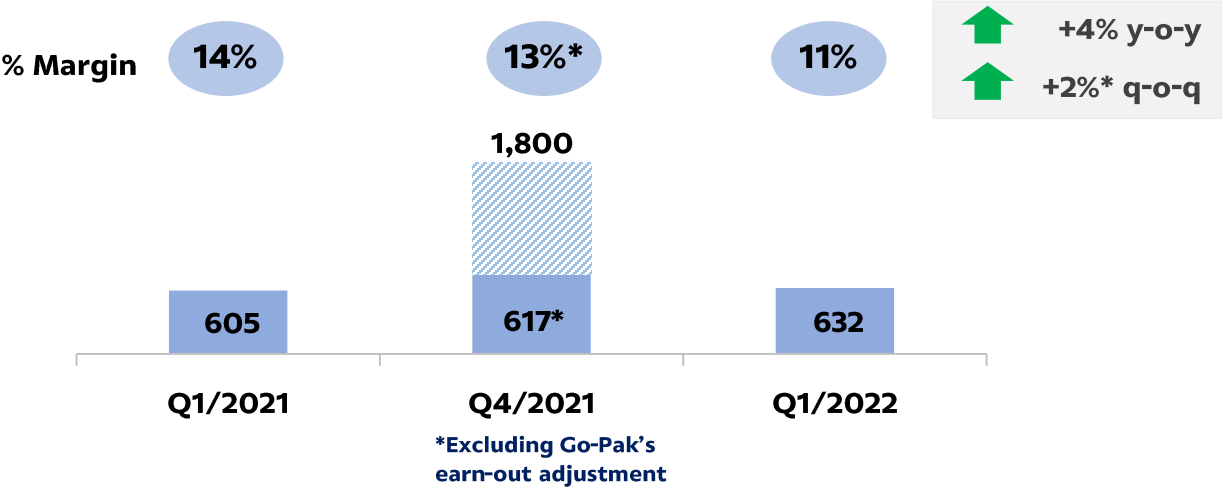
Revenue by end destinations¹ (MB)



Revenue: YoY substantial increase from growth in foodservice packaging and higher pulp price

- **Foodservice packaging:** Sales grew QoQ mainly from a recovered fast-food chain segment, while UK-US-EU foodservice demand improved from countries' reopening
- **Paper:** Demand recovery for printing & writing paper and specialty grade (e.g., food-grade paper) from the resumption of business activities
- **Pulp:** Rising in regional market price was driven by a surge in restocking demand amid concern on supply chain disruption

EBITDA³ (MB)



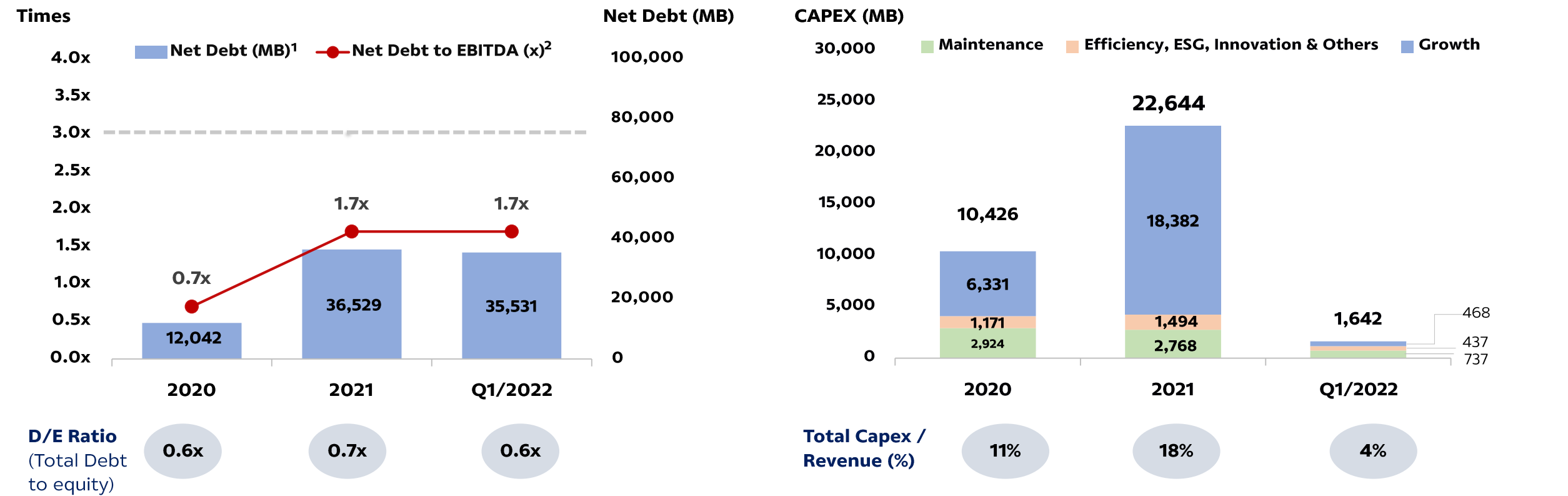
EBITDA: Slight increase YoY as pulp prices surged while the freight rate heightened

- QoQ increased mainly due to higher sale volume of paper and short fiber pulp price

Note:
 1. Revenue figures are "After inter-segment elimination"
 2. ROW is Rest of the world

3. EBITDA excludes dividend from associates & includes FX gain/loss from loans

Strong balance sheet with ample CAPEX plan for growth



- Cash & cash under management of 11,088 MB and Interest-bearing debt of 46,619 MB with a cost of debt of 2.2% at the end of Q1/2022

- Overall budget of approx. 20,000 MB which includes growth CAPEX ~15,000 MB & the remaining ~5,000 MB for maintenance, efficiency, ESG, and innovation
- With a focus on prudent investment evaluation and strategic prioritization



3

BUSINESS UPDATES

Organic Expansions to Strengthen Leadership Position



Accelerate global foodservice packaging



Pressboard & Molded pulp
(1,838 million pieces/year, +25%¹)



- **Started up pressboard machines (TH&VN) in Mar'2022**
- Molded pulp (TH) plan to start in Q2/2022



First SCGP new production base in North VN



Packaging paper
(370,000 Ton/year, +75%¹)



- **Under EIA & land preparation process**
- Commercial start-up is expected in 2024



Enhance leadership position of packaging paper in PH



Packaging Paper
(220,000 Ton/year, +95%¹)



- **Ramping up machine and sales in Mar'2022**

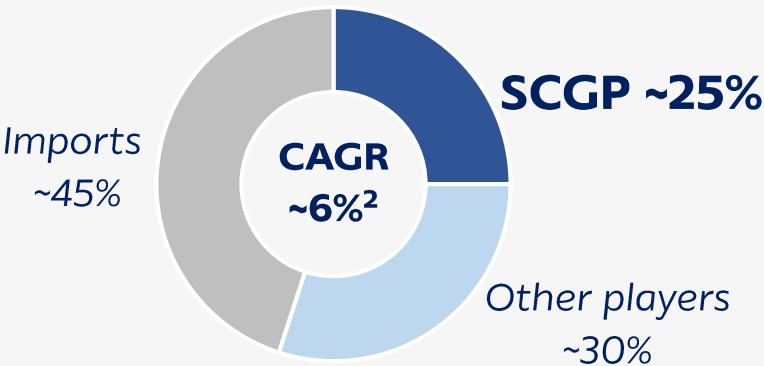
Pursue growth opportunities in ASEAN and regional markets



Market's attractiveness in PH

- Increasing domestic consumption from rising income, well-being trends, & surging E-Commerce
- Openness to foreign direct investment (FDI)
- Ever-developing infrastructures

Market shares of packaging paper in PH¹



Positive implications for SCGP

- 1 Strengthen leadership in packaging paper while enabling future fiber packaging expansion
- 2 Enhance cost competitiveness, i.e., access to raw materials, high machine efficiencies
- 3 Aiming for multi-countries optimization (TH, VN, ID & PH)

Maximize value through M&P synergies

Customers Networks

- Enlarge fast growing consumer-linked portfolio
- Extend footprint in potential markets

Operational excellence

- Improve operational efficiency & production optimization
- Expedite future expansions

M&P Synergies

Cost Savings

- Pool sourcing of raw materials
- Financing optimization

Know-how

- Leverage best practices & technology across operations
- Management knowhow & collaboration

Highlighted synergies from M&Ps



- Obtained leading MNC portfolio
- Catalyst for Green Carton Technology adoption



- Expanded customer network to global F&B brands
- Enabled organic expansion to serve growing demand



- Doubled performance & polymer packaging business size
- Completed one stop packaging solutions for SCGP in Vietnam



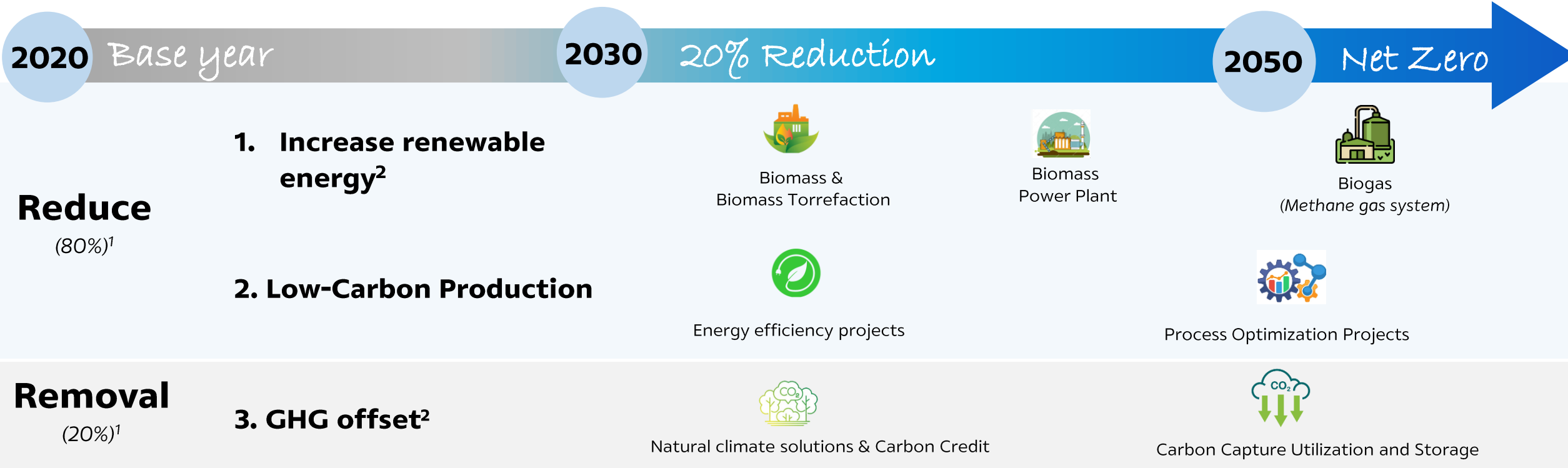
- Strengthen consumer-linked portfolio
- Reinforced vertical integration with FAJAR



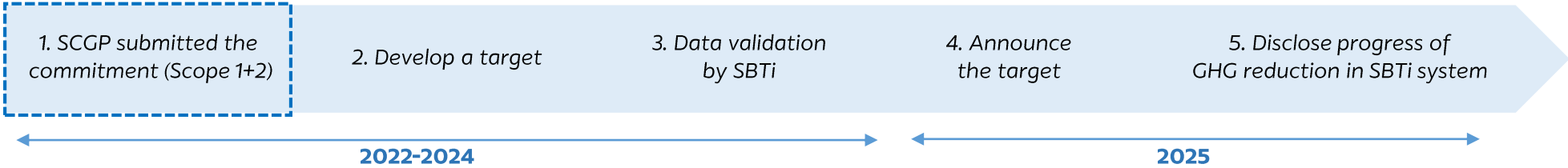
- Entered into fast growing labware & medical supply market
- Opportunity to leverage know-how to ASEAN

Elevate Net Zero Pathway via Science-based targets

Progressive effort toward long term goal with 2.4% GHG reduction achieved as of the end of 2021



SCGP committed to setting science-based GHG emissions reduction targets (SBTi)



From Consumer-linked to Consumer-direct by prominent R&D capabilities

Leverage our **proprietary knowhow in tissue cultivation with SCGP's unique innovations** to develop various products



IM-MU Cap
High-value medicinal herbs which passed the highest safety and hygiene standards



Alcohol hand sanitizers formulated with natural extract AQUACELLA™, a nano-tech innovation for hand moisturizing



Hemp project
To cultivate the 1st crop during May-Jun 2022



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OUTLOOK

Opportunities & Challenges going forward

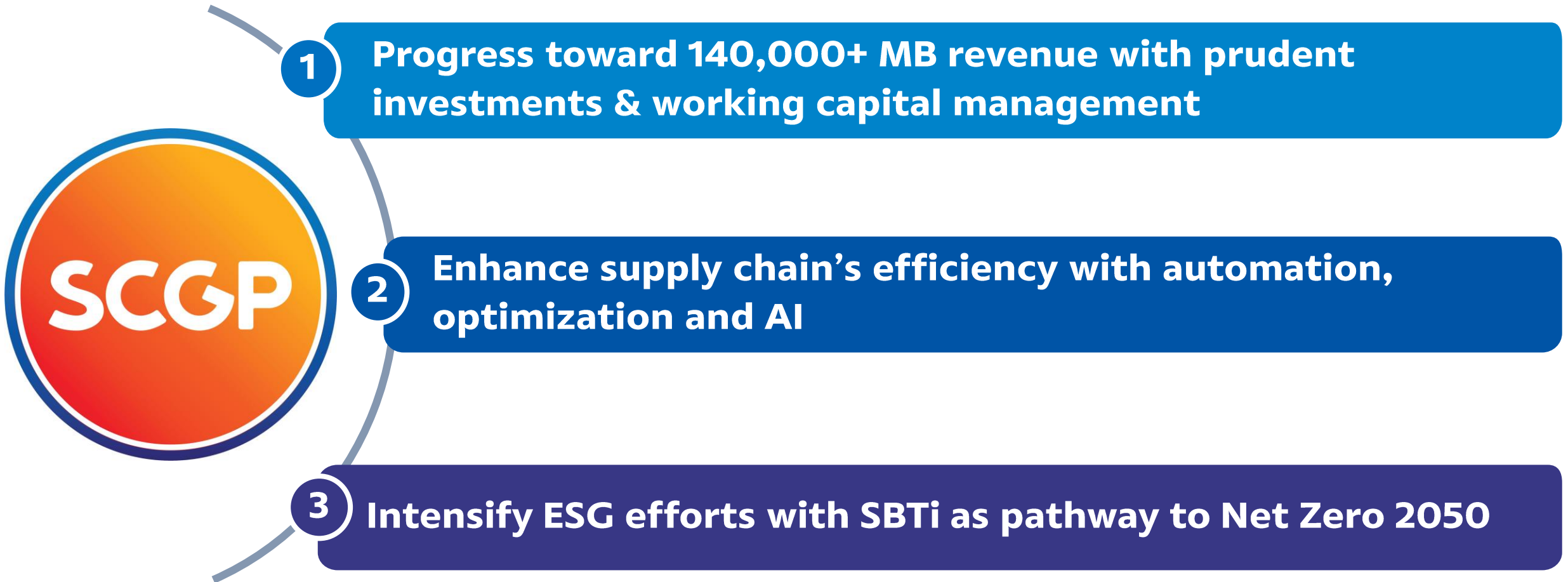
Internal

- Continued strategic expansions through M&P in high growth consumer-linked segments
- Vigilant cash and working capital management amid rising interest rate outlook
- Focus on synergy extractions and efficiency improvement (ie; automation, AI, resources reduction & production optimization)

External

- Economic recoveries and rise of cross border activities to be expedited in H2/2022
- Disruptions associated with China lockdown continue to hamper demand and industry's profitability
- Risks from escalation of conflict in Europe which could lead to prolonged inflated global energy costs; a stiffer headwind for manufacturing sectors
- ASEAN rebound buoyed by strong export growth but the pace remained uneven across economies

2022: Amid macro-volatility, the distinguished journey continues



Q&A



For more information, please contact
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