



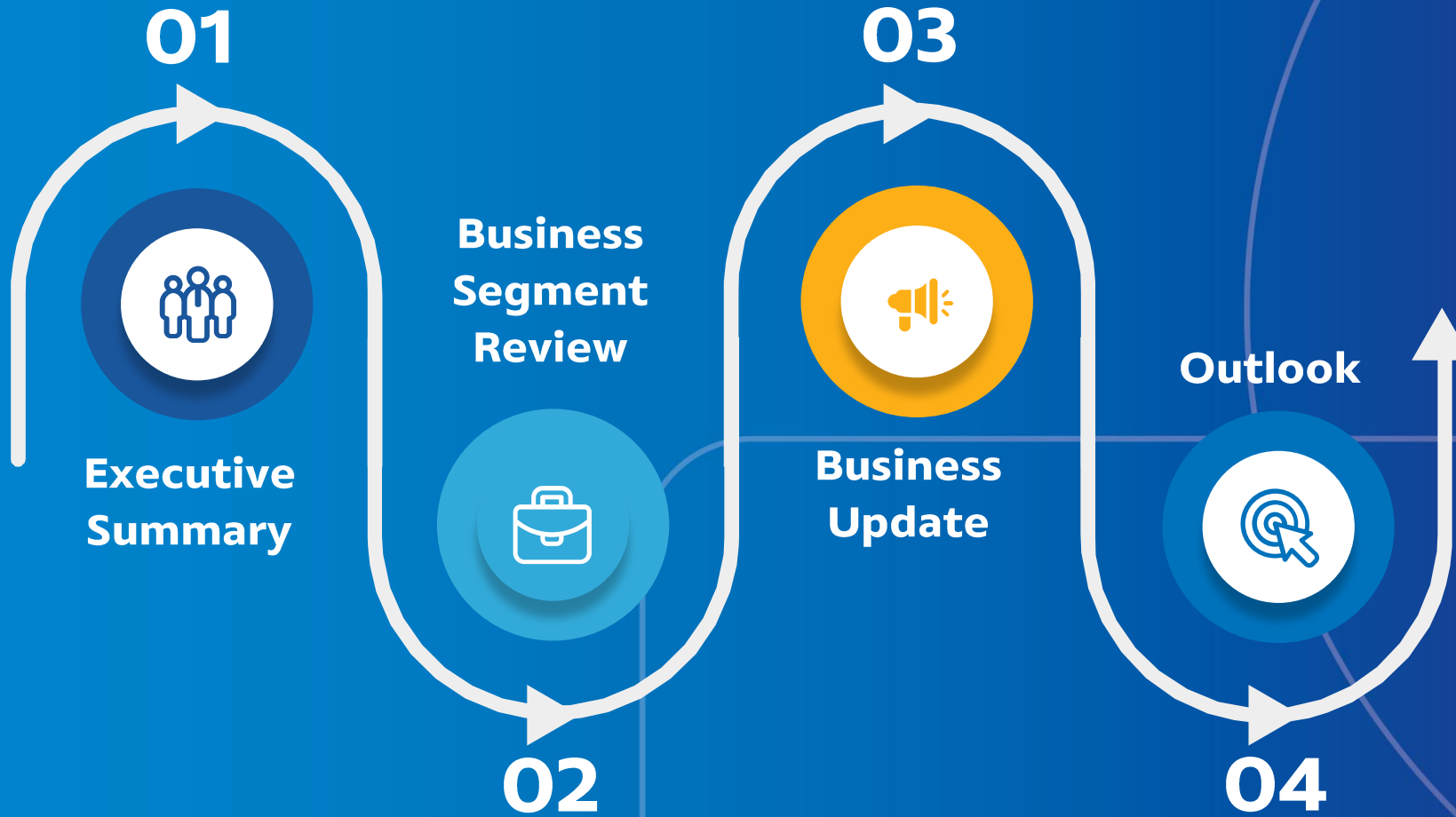
SCGP

Opportunity Day

5 August 2022

Agenda

SCGP



01

EXECUTIVE SUMMARY



Progressing sustainably in all focused items

Q2/2022 Highlights

Quality Growth



Enhanced consumer-linked growth; broad & deep business model

- Q2/22: Expanded Fiber Packaging capacity in TH to serve the growing demand
- (Jul/22): Entered into the fast-growing international packaging material recycling business with 1 MT RCP-sourcing capability per year

Packaging Solutions



Augmented consumer solutions with strategic business partners

- Strategic investment in Imprint Energy to further develop technology for intelligent packaging
- Collaborate with KAO Industrial (TH) to provide end-to-end sustainable packaging solutions

M&Ps Synergies



Maximize value through business synergies

- Continuously pursue post-M&P integration. i.e. Duy Tan - enlarge cross-sellings with other operations in VN, Deltalab - expand new customer network in TH&ASIA

ESG



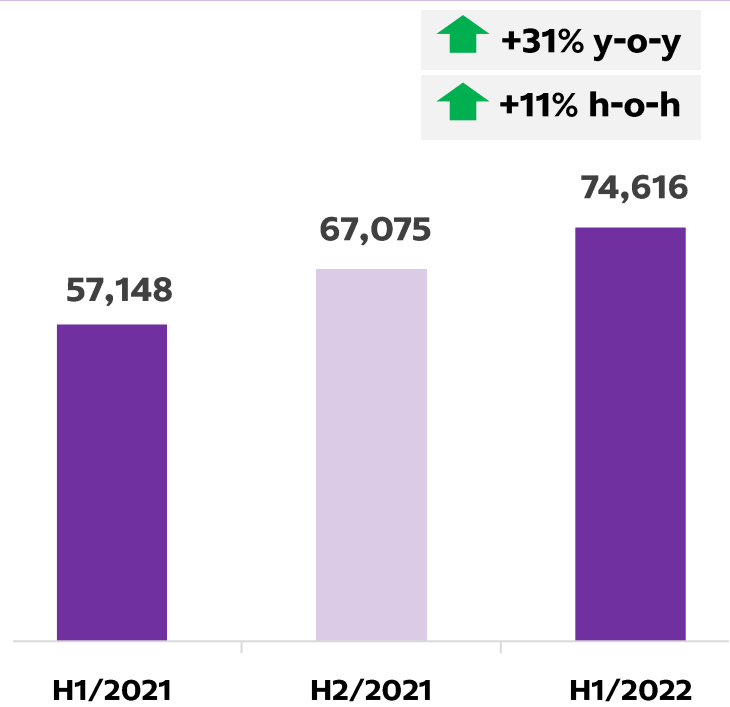
Emphasis on the development of innovative sustainable packaging

- Distinguished achievement in international sustainability award & certification (i.e. ISCC, Circular Mark)
- Progressive efforts toward ESG targets with focus on development of sustainable packaging & renewable energy sources

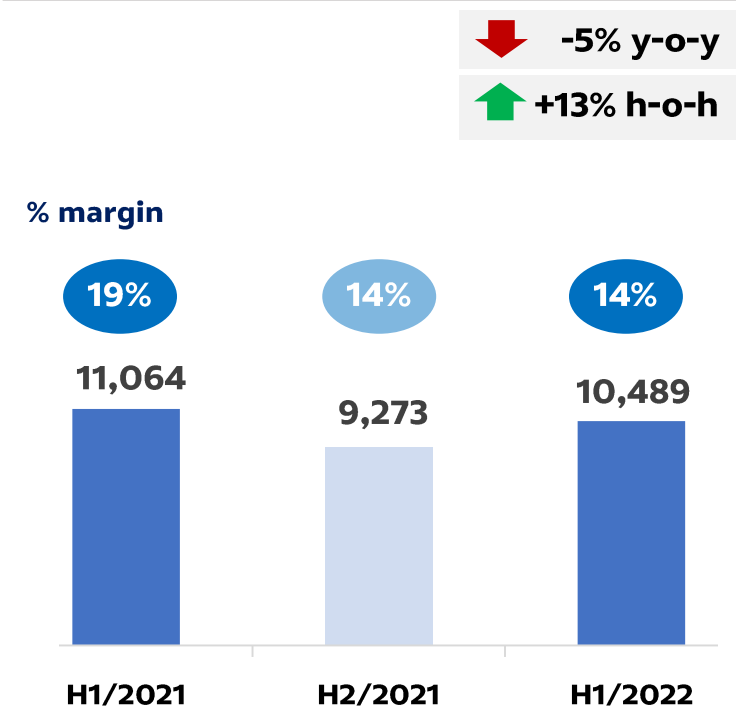
Consolidated Key Financials: H1/2022¹

Strong revenue growth from business expansions while yoy earning was affected by higher raw material and energy costs

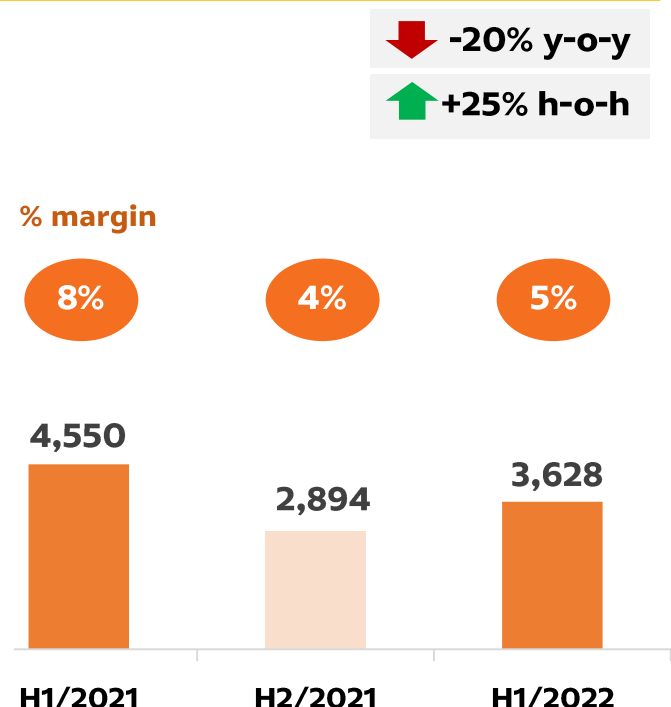
Revenue from sales (MB)



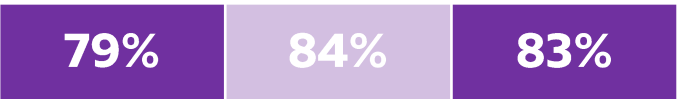
Core EBITDA³ (MB)



Core Profit⁴ (MB)



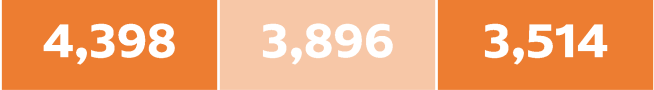
%COGS on sales



EBITDA² (MB)



Net Profit (MB)



Note:

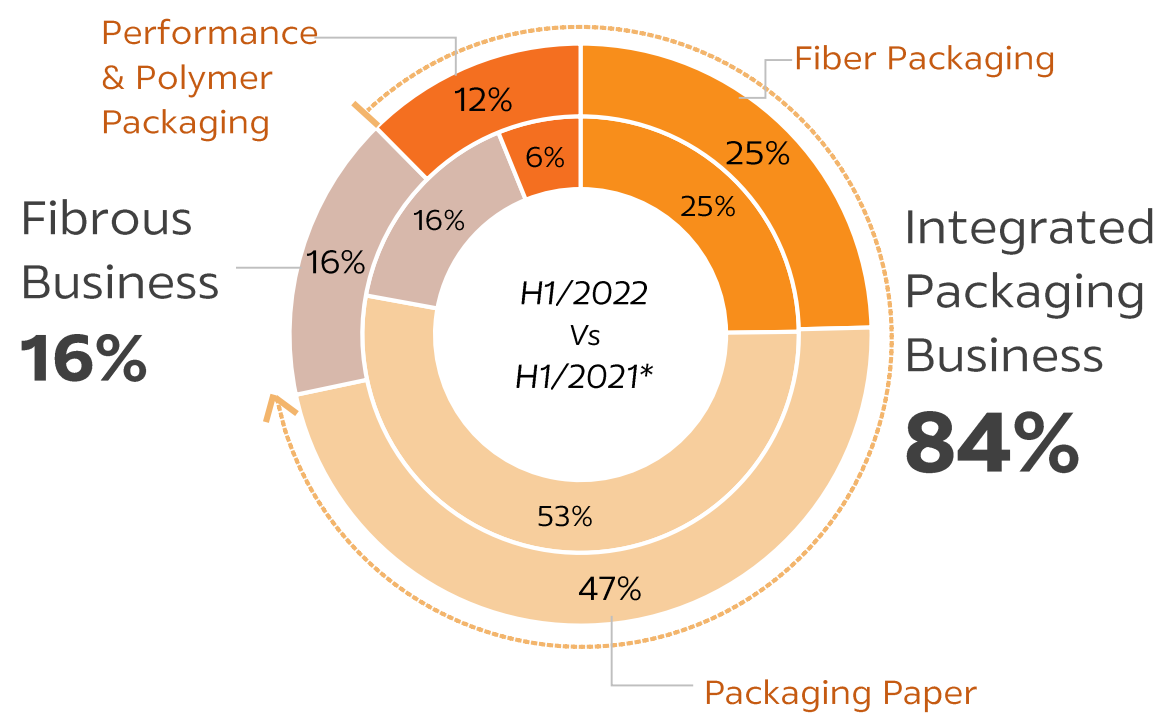
- Figures are "After inter-segment elimination"
- EBITDA excludes dividend from associates & includes FX gain/loss from loan

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

SCGP Business Portfolio: H1/2022¹

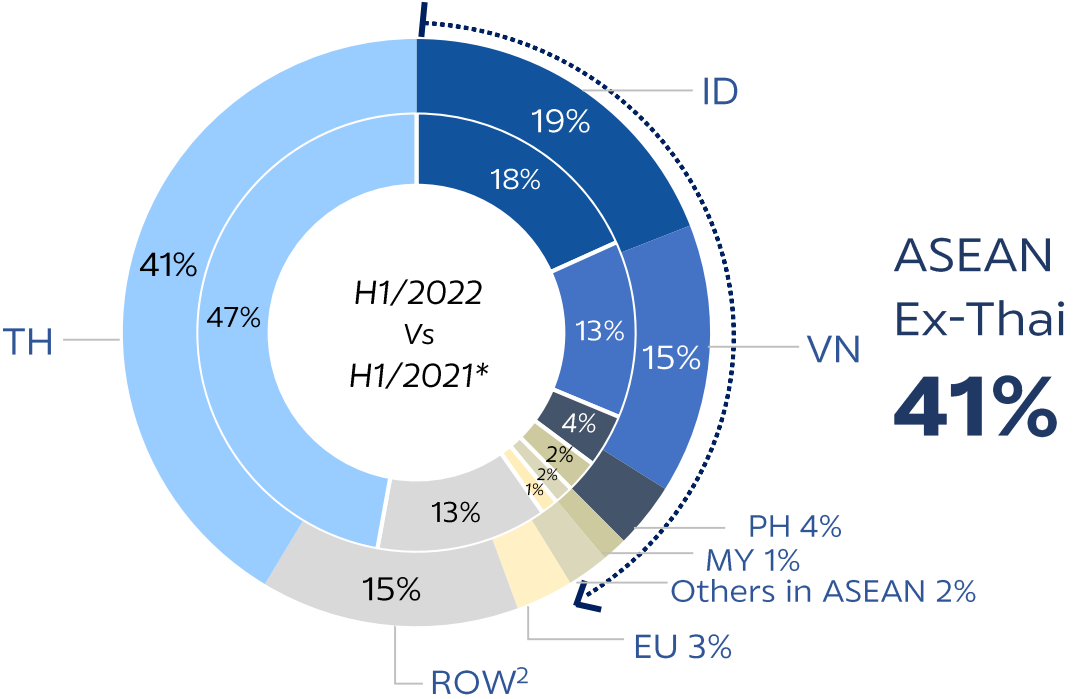
Continuous expansion focusing on downstream packaging & attractive fast-growing markets

Revenue from sales by business units



Enhanced downstream businesses:
37% from 31% in H1/2021

Revenue from sales by end destinations



Growth of ASEAN Ex-Thai:
41% from 39% in H1/2021

* Outer pie chart: H1/2022 (Revenue 74,616 MB)
Inner pie chart: H1/2021 (Revenue 57,148 MB)

Macro Environment in 2022

Geopolitical conflict & ongoing COVID situations are among the moving parts



Cost pressures

Economic sanctions on Russia led to spike in global commodity and energy prices



Volatility in freight rate

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



Chinese economy slowdown

Effect domestic & regional demand as well as supply chain disruptions



Forthcoming global recession

Hyper inflation & imminent rise in interest rate lead to lower disposable income & consumer's spending

Continual proactive management of uncertainty

1

Cautiously considering investment decisions – prioritizing strategic investment with prudent project evaluations

2

Maintaining liquidity – Intensive efforts of cash management, minimize working capital, and cost savings

3

Minimizing cost uncertainties – Locking-in interest cost and diversify funding sources with the expedition of debenture issuance

4

Stabilizing & optimizing supply chain – Diversifying sources of raw materials & energy while creating alternatives for continuity. Continuous optimization of product portfolio

02

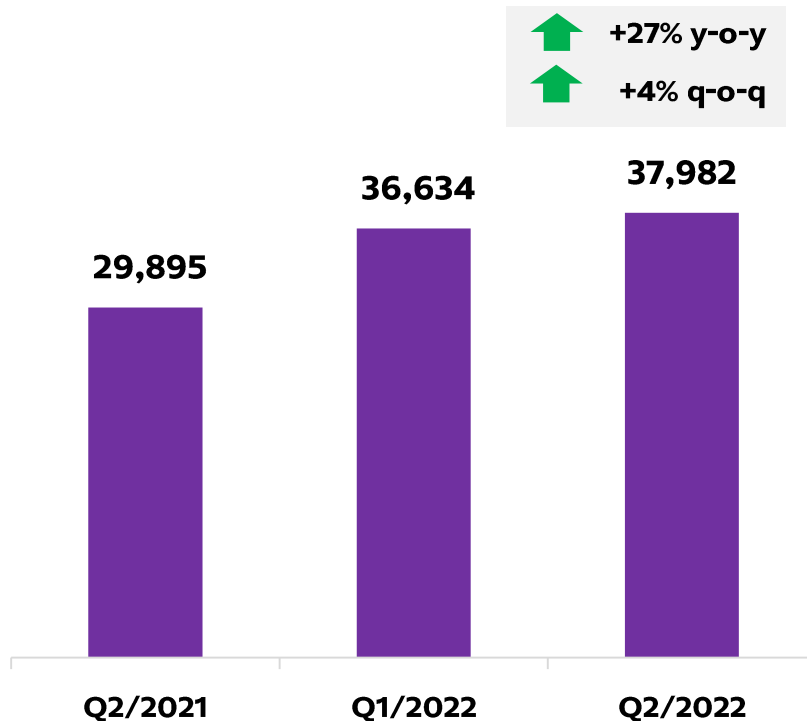
BUSINESS SEGMENT REVIEW



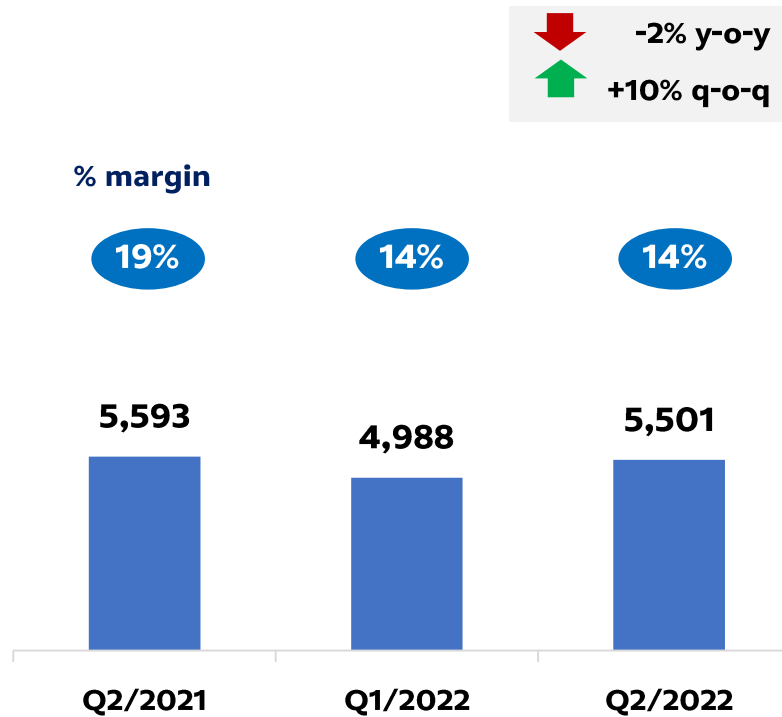
Consolidated Key Financials: Q2/2022¹

Relentless growth with quality amid broad-based surge in cost & macroeconomics challenges

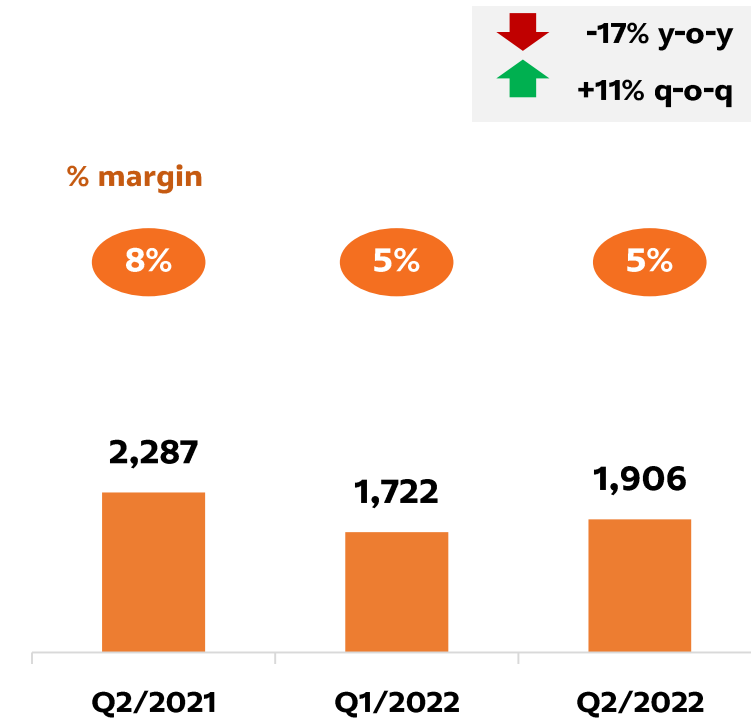
Revenue from sales (MB)



Core EBITDA³ (MB)



Core Profit⁴ (MB)



%COGS on sales



EBITDA² (MB)

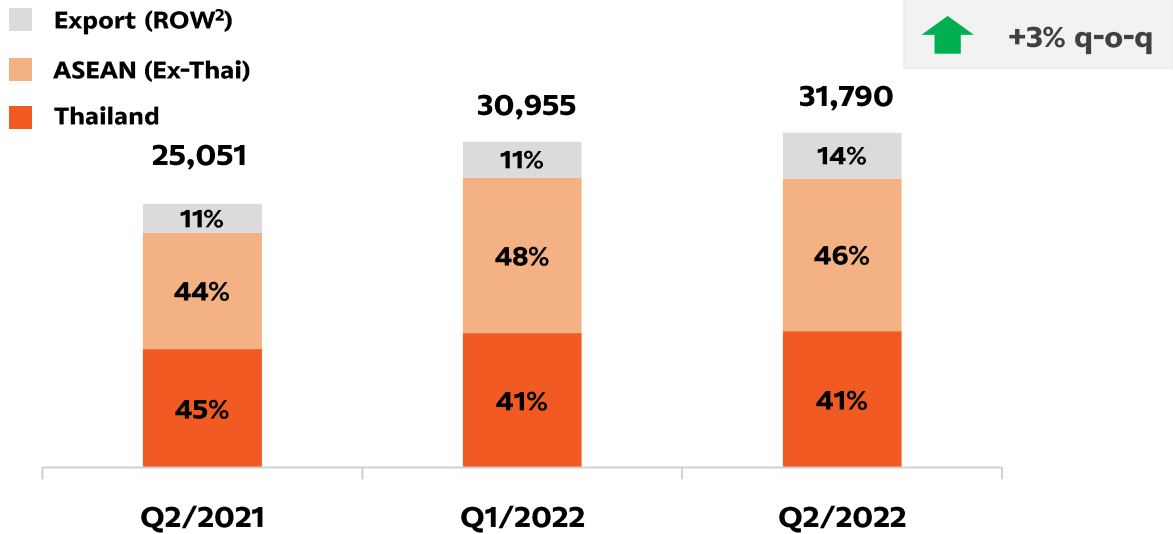


Net Profit (MB)

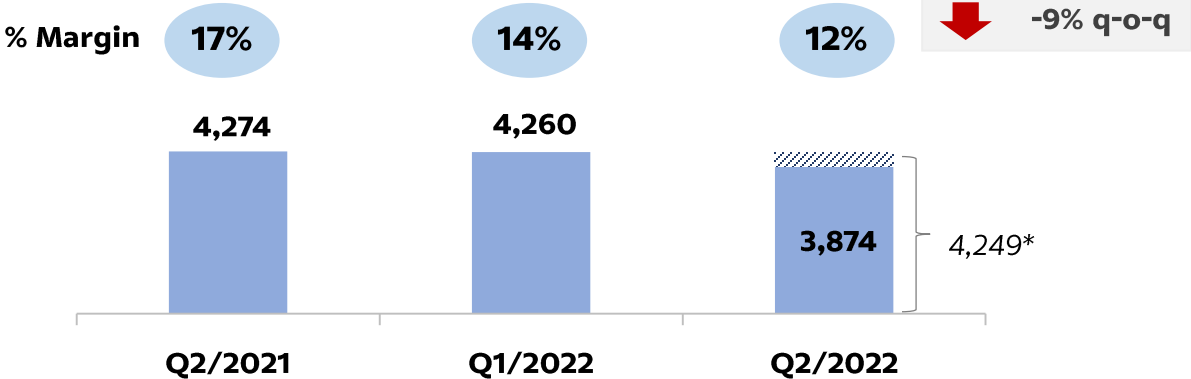


Integrated Packaging Business

Revenue by end destinations¹ (MB)



EBITDA³ (MB)



*Excluding earn-out adjustment in IPB (mainly from Duy Tan)

Revenue: YoY growth was driven by pricing improvement, consumer-linked M&Ps, and organic expansions

- Performance & Polymer Packaging:** QoQ increased especially in FMCG, F&B, and pet food segments, while selling price adjustments continued
- Fiber Packaging:** TH&ID sales dropped QoQ due to softened demand during holidays, while VN sales growth was supported by the improving demand for F&B exports
- Packaging Paper:** QoQ growth mainly from ramping up of PH's new paper machine and overall price adjustment, while stagnated China's demand was bottomed out in Q2'22

EBITDA: YoY decline amidst challenging cost headwind across industries

- QoQ EBITDA declined mainly from the rise of energy cost and non-recurring earn-out adjustment, while core EBITDA margin was still maintained by active cost management and the increase of product price across the board

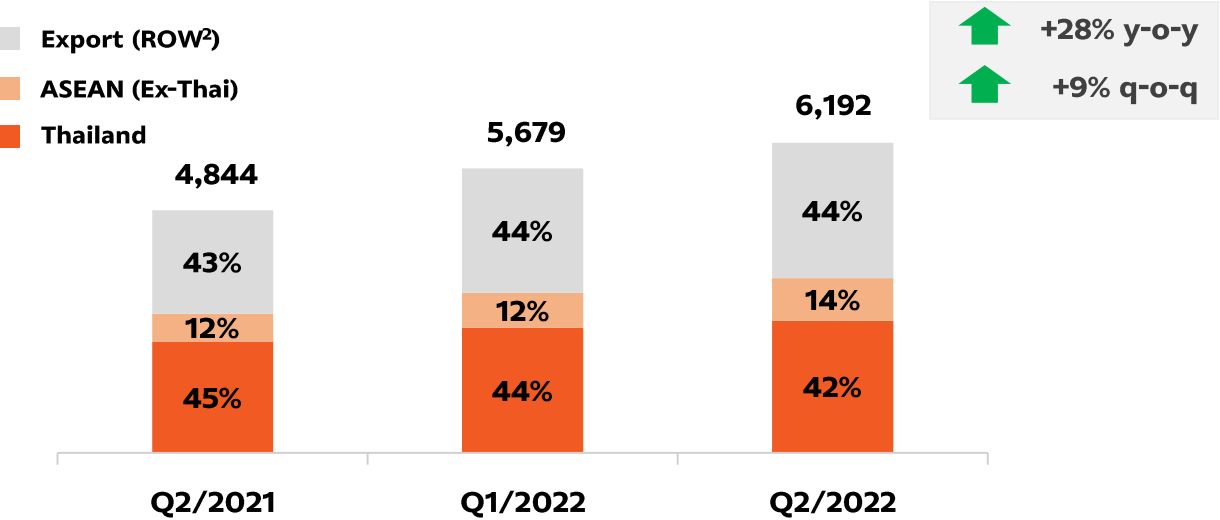
Note:

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

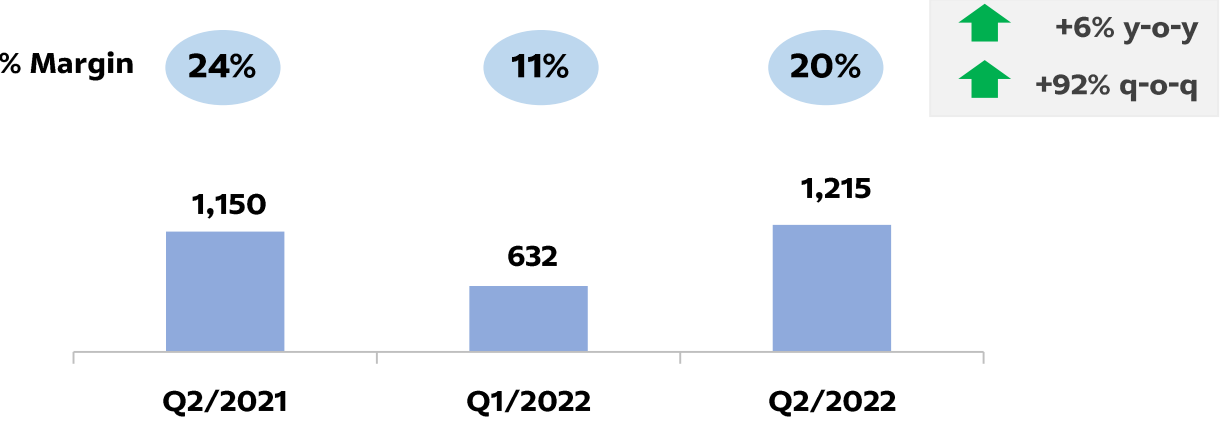
Revenue by end destinations¹ (MB)



Revenue: YoY increased with major effect from rise in sale volumes of all products

- Foodservice Packaging:** QoQ higher sales volume mainly from new pressboard capacity. Price improvement along with growing demand from country's reopening
- Paper:** QoQ revenue was slightly increased as there was a rise in prices of paper chain, while sale volume declined as demand was affected by long holiday in TH along with internal efforts to maximize pulp sales volume
- Pulp:** Revenue grew QoQ from surging regional prices with continuous internal efforts on product portfolio optimization

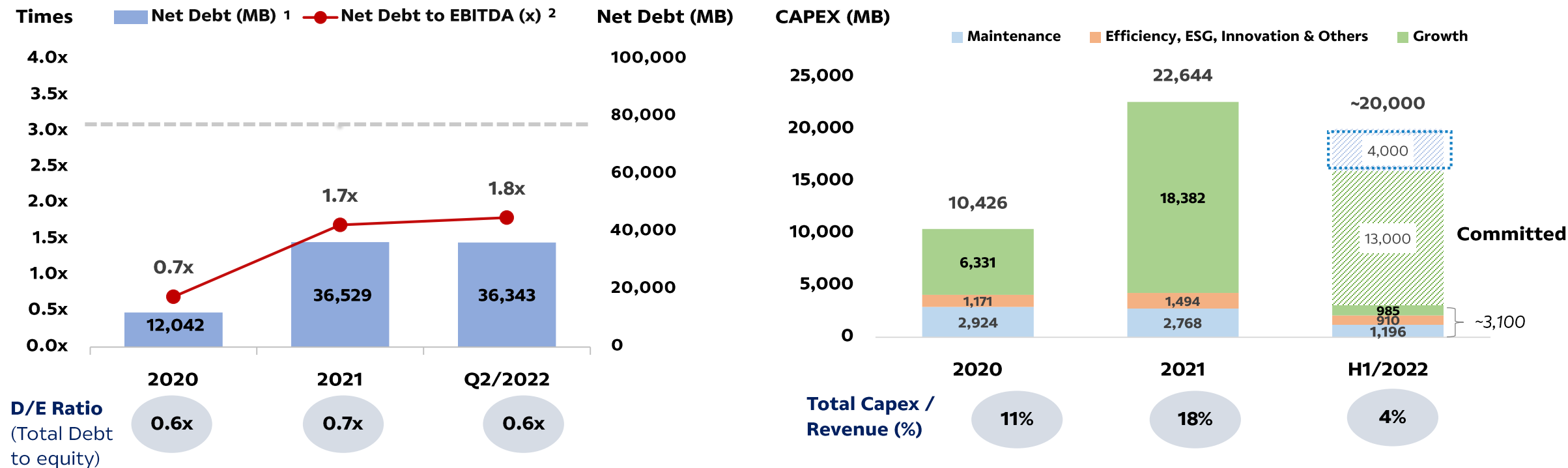
EBITDA³ (MB)



EBITDA: YoY increase was supported by the improvement in paper chain's EBITDA and higher products price in all categories

- QoQ margin expansion was largely related to pulp market price and improving freight cost for export products

Strong Balance Sheet with Ample CAPEX Plan for Growth



Note:
1. Net Debt refers to Interest-Bearing Debt minus Cash & Cash Under Management
2. EBITDA excludes dividend from associates & includes FX gain/loss from loans

03

BUSINESS UPDATE



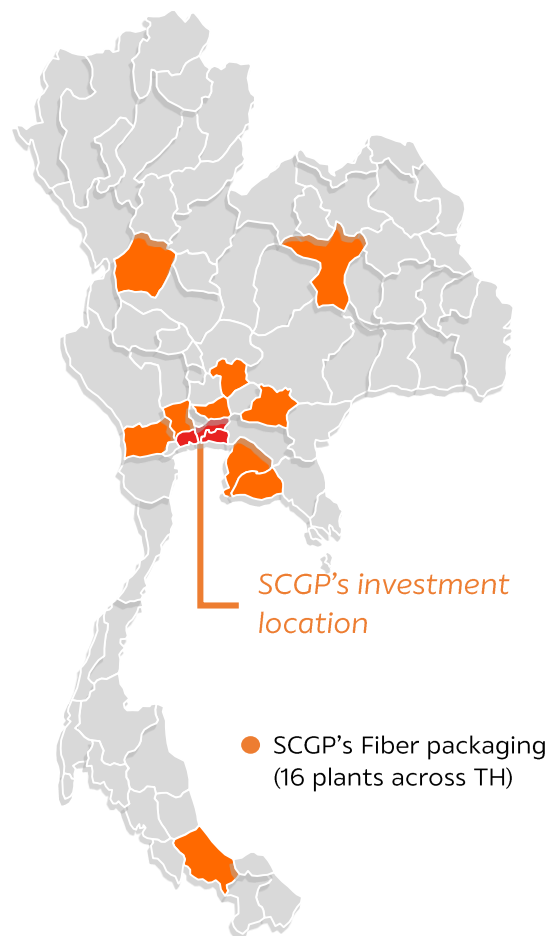
Expansion of Fiber Packaging in Thailand (SET Disclosure in May/2022)

STRATEGIC RATIONALES

- 1 Capture growth opportunities and reinforce leadership position in Thailand
- 2 Elevate production efficiency with the latest available technology
- 3 Improve logistics cost competitiveness and services level of our supply chains

INVESTMENT DETAILS

- **Total investment:** 2,450 MB
- **Additional capacity:** 75,000 tons/year
- **Commercial start up:** 2023
- **Location:** Samutprakarn and Samutsakorn



POSITIVE IMPLICATIONS FOR SCGP

Enhance our consumer-linked customer network & augment **packaging solutions** capabilities

Improve service level and process optimization within Fiber packaging business

Increase integration level with packaging paper business



M&P of Peute in the Netherlands (Deal completion in July/2022)

Strategic investment to pursue opportunities in packaging materials recycling business

STRATEGIC RATIONALES

- 1 Enter into fast-growing international packaging material recycling business
- 2 Fulfill the enlarging demand of recycled materials & evolving trend toward sustainability
- 3 Strengthen strategic raw materials supply to support long-term growth

INVESTMENT DETAILS

Existing location: Dordrecht, the Netherlands

Capacity: RCP 1.0 MT/Year and Recovered Plastics 0.1 MT/Year

Investment size: 78.19 M.EUR (Acquired 100%)

Financial performance Y2021:

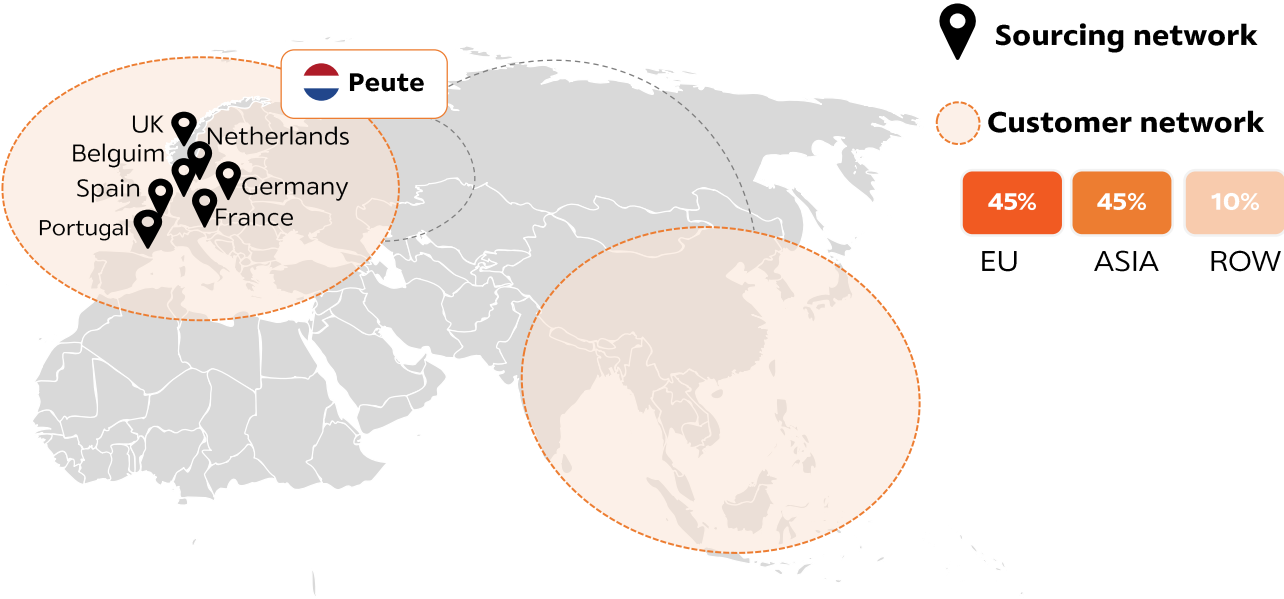
Revenue 249 M.EUR, Net Profit 3.2 M.EUR, and Assets 52 M.EUR

- Ongoing project to relocate the facility to Alblasserdam, which would double sourcing capacity & improve transportation efficiency
- CAPEX of 8 M.EUR, with expected completion in early 2024

International Stream Operating Model



Peute's Large Scale Global Network



Circular Economy and Diversified Recovered Paper Sources

~95% of raw material for packaging paper is Recycled Paper¹

Multi-channels of domestic sources



55%
from local source

Diversified import sources



45%
Global network

Packaging Solutions and Innovation



Foodservice



Healthcare



Flexible



Rigid



Display



Logistics

▲ **Primary**

▲ **Secondary**

▲ **Tertiary**

▼
Graphic Paper
▶
Glassine Paper

▶ **Paper**

Food-Grade Paper

Machine Glazed Paper

Film

▲ **Packaging Paper**

Containerboard

Coated Paper Board

Sack Kraft

▶
Liner
▶
Plasterboard

▶ **Pulp**

Chemical Pulp

Semi-Chemical Pulp

▲ Plantation

▲ **Packaging Materials Recycling**

Recovered Plastic

Recovered Paper

Opportunity for the growing demand of recycled materials

▲ **Grow**

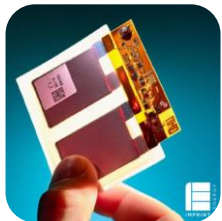
▶ **Maintain**

🔍 **Explore**

▼ **Downsize**

Continuously Pursue Innovative & Sustainable Solutions

Innovative Thin-film batteries for Smart Label Solutions



- **Strategic investment in Imprint Energy** with Investment size : 3 M.USD (~105 MB for 3.3% shares), an access to advanced intelligence packaging for consumers
- Example: Track-and-trace applications in logistics, Medical devices, Pharmaceuticals, Agricultural, and IoT wearables

Collaboration for sustainable solutions & expansion of customer network



- **KAO-SCGP: Development on innovation & sustainable solutions for consumers** with Kao Industrial (TH)



- **Broaden Deltalab's customer network** in TH & ASIA with Meditop & Affinitech (Signed distribution agreement)

Recent Certification and Awards



High-quality flexible packaging in Prepack



Pet care products made from 100% rHDPE¹

- **Recipients of ISCC PLUS**, the world-class sustainability certification for organizations with superior carbon and sustainability management
- **One of the first companies in TH with certified CIRCULAR MARK** representing leadership in circular economy

04

OUTLOOK



H2/2022 Opportunities & Challenges going forward

Internal

- Continuation of prudent business expansions & operational fortification throughout the supply chain
- Dynamic cross-companies collaboration to maximize value from M&P synergies
- Relentless determination to enhance ESG with emphasis on recyclability & reduction of GHG emission

External

- ASEAN economy is expected to gradually improve driven by domestic consumption & resumption of tourism
- Effect from China's lockdown has passed its peak in Q2/2022. Manufacturing and other economic activities are gradually improving amid governments' stimulus efforts
- Macroeconomics challenges from hyperinflation, heightened energy prices, and ongoing geopolitical conflicts are yet to be subsided

Progressing toward 2022 revenue target of 150,000+MB with confidence



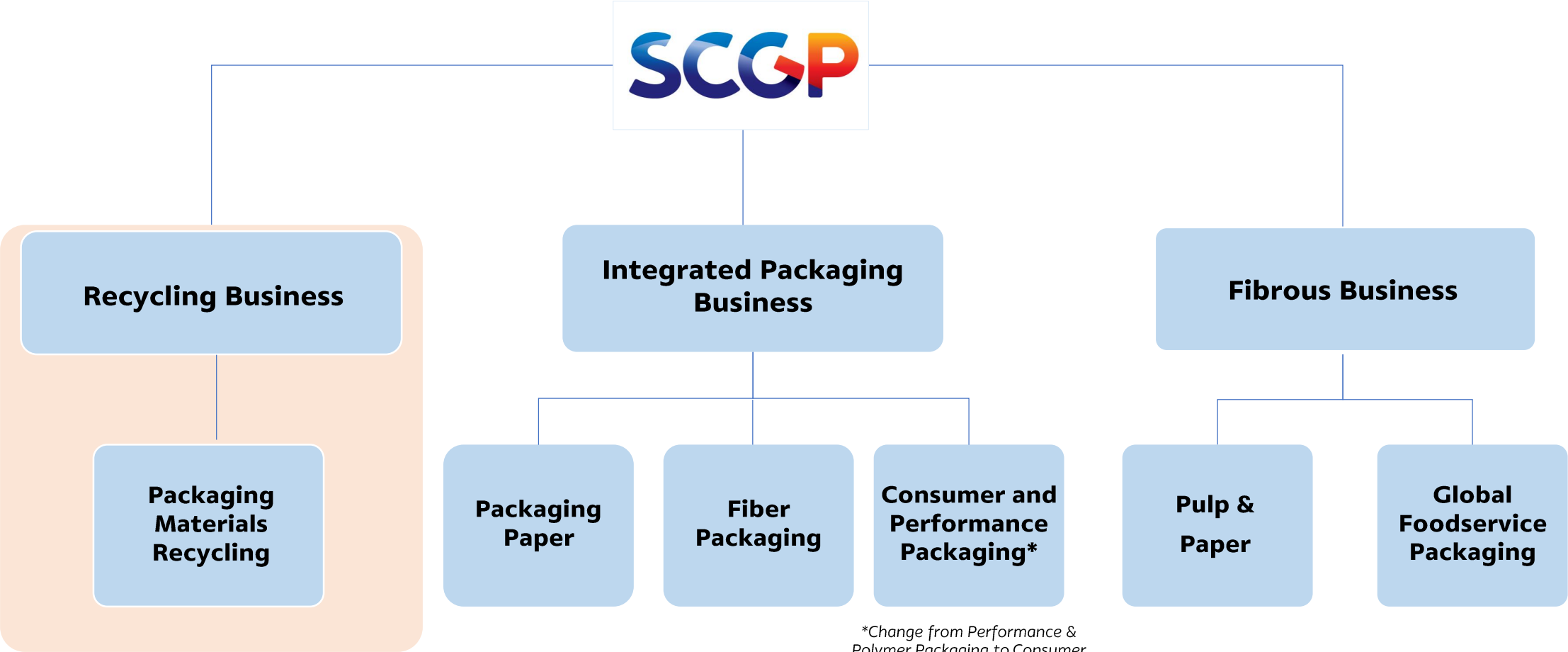
Q&A

For more information, please contact
Investor relations, SCG Packaging Public Company Limited
“SCGP_invest@scg.com” or 02-586-2939



www.SCGPackaging.com

Addition of New Business Segmentation



**Change from Performance & Polymer Packaging to Consumer and Performance Packaging*