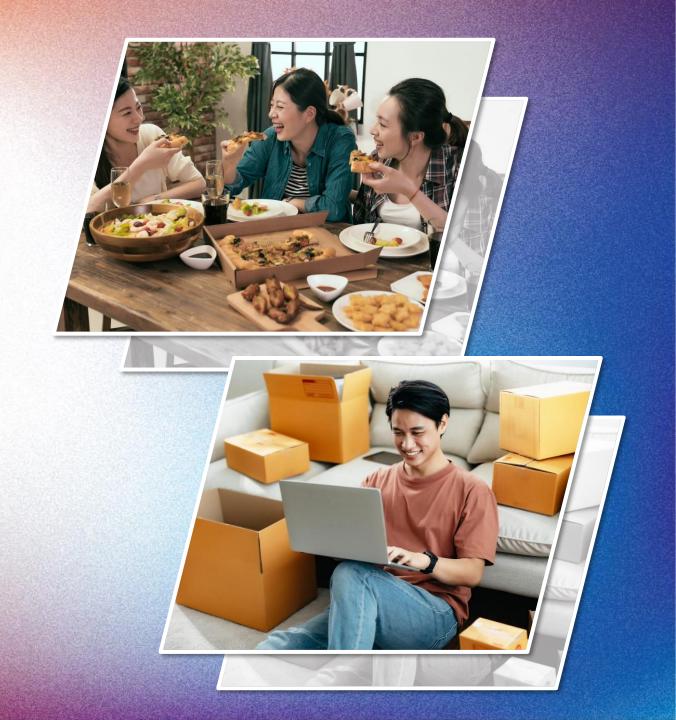


OPPORTUNITY DAY

17 August 2023



Awards and achievement affirming trust of Thai Analysts and Investors

Recognition of commitment in sustainable business growth with continuous development to serve customers





SCGP received 3 IAA Awards

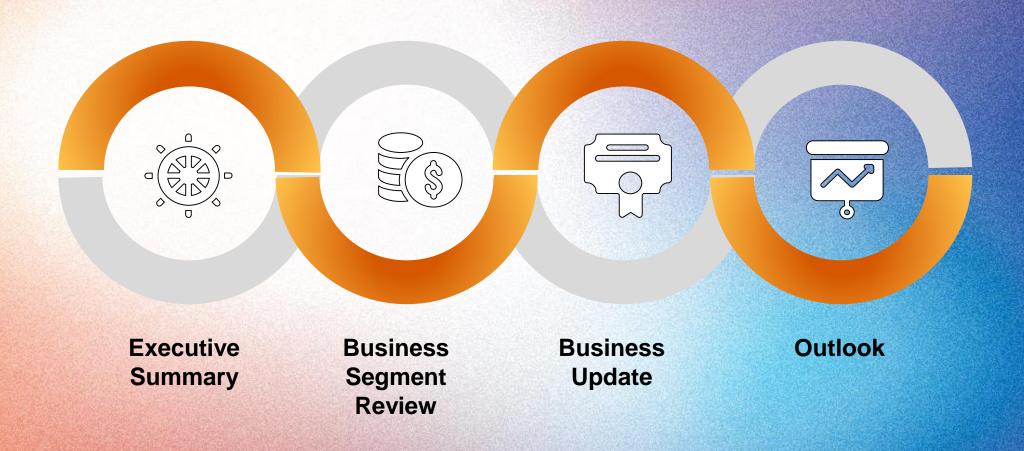
in the industrial category for Listed Companies 2022

Outstanding CEO

Outstanding CFO

Outstanding Investor Relations

Agenda

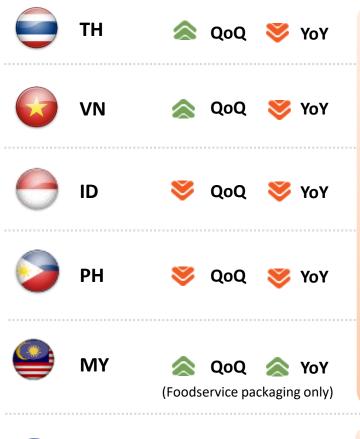




EXECUTIVE SUMMARY

Key market highlights: Q2/2023

F&B linked demand remains lynchpin to the recovery while challenges continue for non-essential goods amid weak global demand



Fiber & Polymer packaging

- Rising F&B aligned with domestic consumption recovery
- Improved export demand for frozen foods & canned food
- Fresh fruits export surged, especially to China market (Durian, Mangosteen, Longan)
- QoQ effect from long holidays in ID (Hari Raya) & TH (Songkran)

Packaging paper

- Recovered demand in VN after lunar new year in Q1/2023 supported by daily consumption products
- Weak demand in ID market, with effect from commodity prices contraction
- Increased volume of ASEAN export flow to China QoQ

Foodservice packaging

- Rising demand in export destinations (EU&US) driven by increased consumptions associated with gathering & traveling activities
- Continued momentum for quick service restaurants (QSRs) with new promotions/products in Malaysia & Japan e.g. value-meal set





QoQ



Weak consumers' disposable income due to extended high inflation affecting demand for E&E, automotive, footwear & apparel, which ASEAN is an export hub

Macro update: Q2/2023

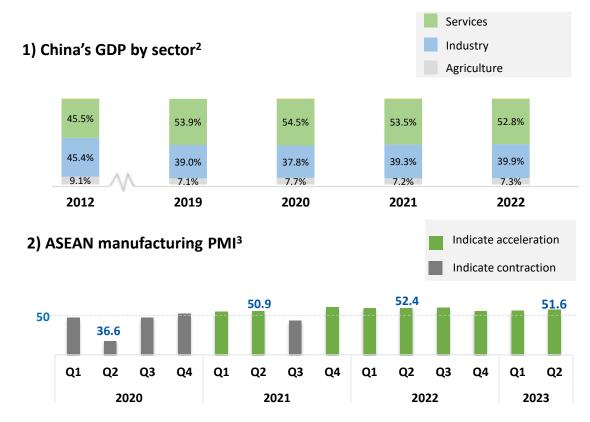
Macro movements

 China: Service sector has been a keystone for China's economy in 2023 amid country's reopening and domestic mobility of people, service PMI in Q2/2023 was 55.8¹

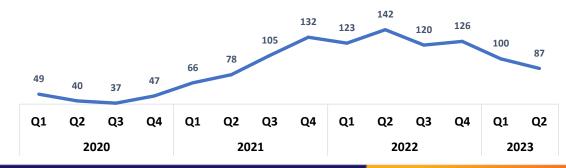
- ASEAN: Domestic consumption of daily essential products continues to be growth engines with support from tourism sector especially TH&VN. Meanwhile, exporting sectors still face with weak global demand
- Manufacturing essential: Energy costs continue to move downward from improved supply availability and tepid global demand

Data sources:

- $1.\ China\ Caixin\ Services\ Purchasing\ Managers\ Index\ (PMI)\ from\ investing.com\ 2. China\ 's\ GDP\ by\ Sector\ from\ Investopedia$
- 3. ASEAN Manufacturing PMI from Bloomberg 4. Coal market price from Argus Media



3) Coal market price: Indonesian Coal index4 (ICI3: USD/Ton – FOB Indonesian port)

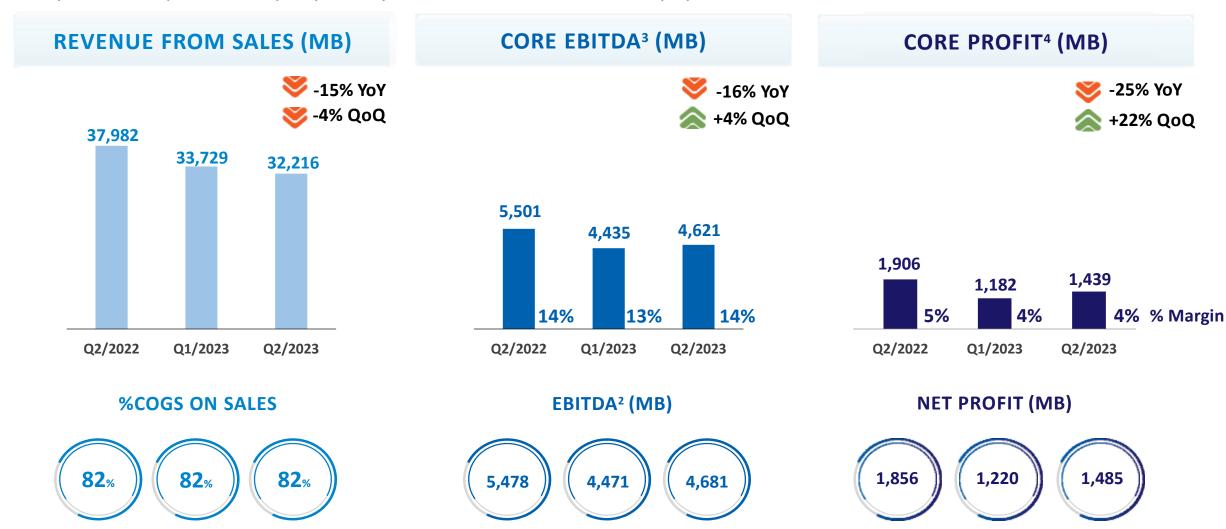




BUSINESS SEGMENT REVIEW

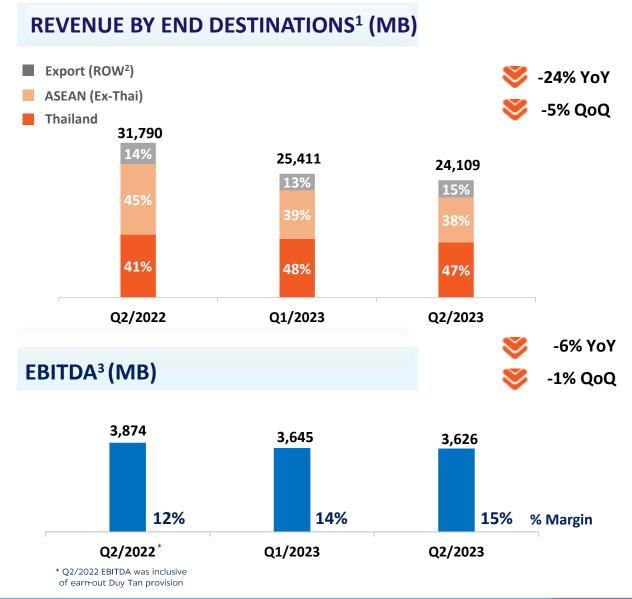
Consolidated key financials: Q2/2023¹

Revenue declined QoQ mainly from IPB, while the increase in EBITDA & profit were due to favorable cost elements and improved FB profitability especially in foodservices and P&W paper



Figures are "After inter-segment elimination"

Integrated packaging business



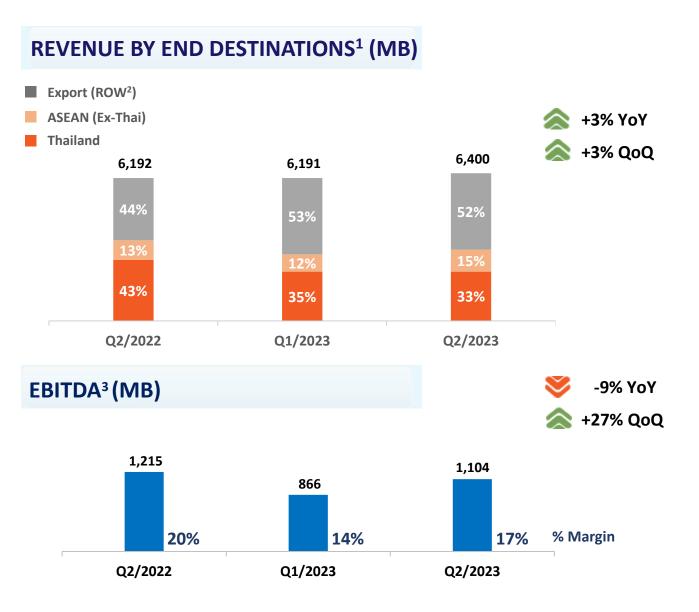
Revenue: YoY declined with main effect from lower packaging paper price & volume amid weaker demand in ASEAN and export markets

- **Polymer packaging:** QoQ increased from frozen foods and FMCG (personal & home care) linked with rising domestic consumption in ASEAN. Medical supply and labware sales also improved
- Fiber packaging: VN sales recovered well in alignment with daily consumption of F&B and agriculture export. Regional and global demand of durable goods remains subdued
- Packaging paper: Revenue declined QoQ mainly from drop in domestic sales volume especially from soft demand in ID. Export sales continued to improve in China & South Asia markets. Average selling price slightly decreased (-2% QoQ)

EBITDA: YoY dropped mainly from the effect of lower packaging paper price in the region, in alignment with revenue

 QoQ improvement in margin % from continuous decrease in key raw materials, freight, and energy costs

Fibrous business



Revenue: YoY increased from higher paper prices and foodservice packaging expansion

- Foodservice packaging: QoQ improvement supported by rising demand in EU&US as preparation for consumption during summer. Quick-service restaurants sale increased from promotional packaging (value-meal) and rising tourism in Asia
- Paper: Sale volume slightly increased QoQ, supported by higher sales volume for new school term and TH election related activities.
- Pulp: Revenue declined mainly from weaker short fiber pulp market price. Internal efforts to switch more volume toward dissolving pulp sales, with higher price and margin, amid stronger apparel and textile demand in China domestic market after the reopening

EBITDA: Decline YoY was mainly due to decrease in pulp market price

 Increased QoQ mainly from margin improvement in foodservices packaging with normalization of freight rate along with lower production cost for P&W paper

2. ROW is Rest of the world

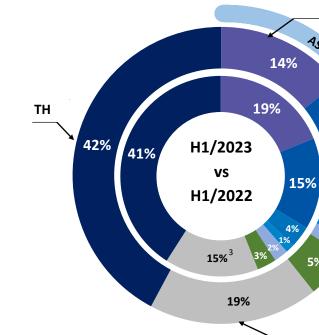
1. Revenue figures are "After inter-segment elimination"

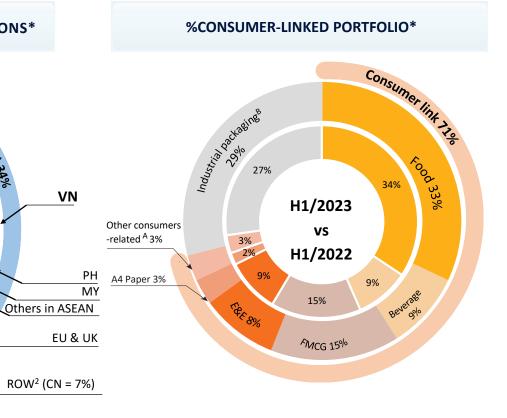
SCGP business portfolio: H1/2023¹

Expansion of consumer packaging with continuous efforts to capture opportunities in high-growth oversea markets

REVENUE FROM SALES BY END DESTINATIONS*

REVENUE FROM SALES BY BUSINESS UNITS* Fiber Packaging 12% 16% Recycling **Business 6%** H1/2023 H1/2022 Addaging Paper 39%





Packaging paper contracted amid YoY weaker price & sale volume, while fibrous business increased to 19% of total

Outer pie chart: H1/2023 (Revenue 65,945 MB) Inner pie chart: H1/2022 (Revenue 74,616 MB)

Increased ROW portion mainly from the consolidation of recycling business along with new export markets (South Asia) for packaging paper and foodservice packaging expansion

Consumer-linked 71% of total SCGP's revenue

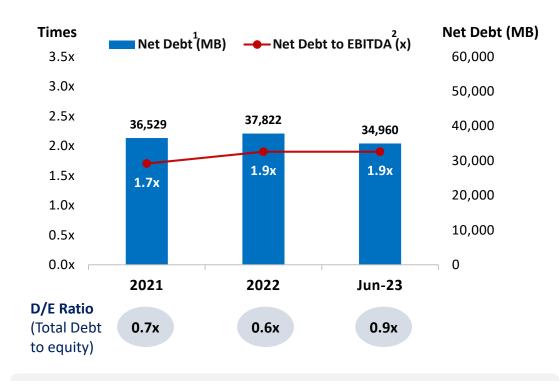
VN

14%

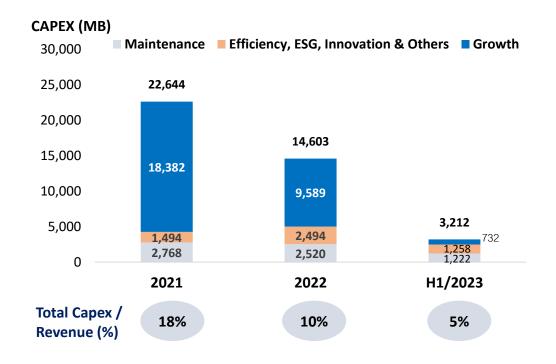
2%

A. Other consume-related includes footwear, apparel, healthcare etc. B. Industrial packaging includes auto parts, petroleum products, construction materials, furniture, with addition of packaging material recycling revenue since Q3/2022, etc.

Balance sheet and CAPEX for future growth



- Cash & cash under management of 13,506 MB. Average interestbearing debt of 49,318 MB and average cost of debt at 4.1% (YTD Jan-Jun/2023)
- On 25 July 2023, the Board of Directors of SCGP has approved H1/2023 interim dividend payment of 0.25 Baht/Share (1,073 MB), which is payable on 22 August 2023 (XD-date on 8 August 2023, and record date on 9 August 2023)



- CAPEX plan at 18,000 MB in 2023 with M&P budget of 9,000 MB and maintenances, efficiency, ESG, innovations & others of 5,000 MB +/-
- Potential CAPEX investment of 23,204 MB in 2024 for acquisition of additional 44.48% share in PT Fajar Surya Wisesa (amount recorded in balance sheet as of Q2/2023)

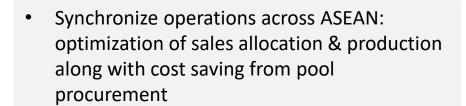
Strategic direction and continuous improvement for sustainable growth in Indonesia





2023-2024

"Fajar continues to be a key asset for the expedition of future growth in the fastgrowing Indonesian market"





- Pursue new growth from attractive markets for export, e.g., South Asia
- Ramp up utilization of Surabaya plant to capture growth in East Java
- Continuous optimization of energy consumption (gas & alternative energy), while securing competitive raw materials source (expand recycling network)



"Affirming SCGP's market-leading position"



with expansion in fiber packaging



Target market shares from 8% to 20%



Enhance value for customer with packaging solutions from RD&I





Target 25% of boxes sale to be green carton in 2028



Enlarge portfolio with polymer & display packaging M&P





Improve cost
competitiveness of supply
chain via operation
excellence & automation





BUSINESS UPDATE

Strategic investment in Starprint Vietnam JSC

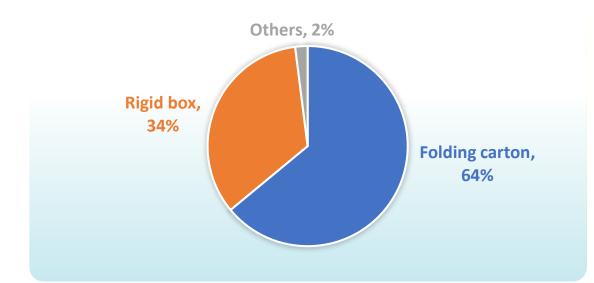
Strengthen portfolio with leading MNC clients & addition of premium quality packaging solutions

Company information (SPV)



- Leading producers of offset folding cartons, rigid boxes & luxury packaging with distinctive printing capability & quality
- MNCs & national companies client base that is linked to high growth & fast moving consumer products.

Product portfolio



Key financial data (FY2022)

- Revenue ~1,480 MB & net profit after tax ~135 MB
- Total assets ~ 643 MB

Location & Capacity

 Two plants located in Long Binh, Dong Nai with 16,500 tons/year of offset printing capacity and 8 million pieces/year of rigid boxes

Folding carton







Starprint

Rigid boxes









Pioneering one-of-a-kind innovation from renewable eucalyptus wood

Capturing growth in renewable materials for global customers & consumers



Eucalyptus

plantation

1. Joint development of innovative Bio-based Plastic from Eucalyptus





- Successful stage1 lab trial & stage2 condition optimization
- Next step: stage3 pilot scale
 & partnership selections

2. Development of biodegradable foodservice packaging



Wood logs



veneer peeling



converting process



Wooden cutlery & trays

 Expedite R&D related to renewable materials to serve sustainability needs (extension to other kind of woods)

Enlarge renewable energy portion as part of NET ZERO execution

SCGP ESG key targets

- Reduce 20% GHG emissions by 2030 from 2020 base
- Achieve Net Zero GHG emission by 2050

Renewable energy







Solar cell

- Continuous increase in the proportion of alternative **fuel**¹ to 35.9% as of June 2023 (30.6% at the end of 2022)
- **Expansion of solar power generation** with current capacity of 23.8 MWp as of June 2023 (22.3 MWp at the end of 2022)

Torrefaction technology







Biomass

Renewable energy

- Pursue advance technology to reduce fossil fuels usage with bio-carbon (from biomass & agricultural residual)
- Ongoing study to develop pilot-scale torrefaction and combustion

Continuous development of innovative consumer solutions with RD&I capability



SCGP's proprietary knowhow and expertise in tissue cultivation to develop well-being solution products



High-value medicinal herb







B-Cap



CHO-LESS Cap



PROBIO ACTIVE PLUS

- Use high efficacy Jiaogulan as Prebiotics
- Balance intestinal system and improve digestion and absorption of nutrients
- Partnered with Watson as exclusive distributor1



natural extract







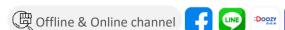






Ultramild Foaming Hand Wash

- Further expands SCGP unique innovation from eucalyptus cellulose -**AQUACELLA®**
- Ensure cleanliness, gentleness, and non-dryness





























OUTLOOK

Looking into H2/2023

External

- Positive momentum of packaging demand amid preparation for the year-end consumption and festivities
- Domestic consumption remains a pivotal driver with F&B related products as top performer. Challenge remains for ASEAN export sector especially to EU destination
- Continuation of cost improvement, especially on energy. RCP price is on sideway trend

Internal

- Accelerate cost saving and synergy within and across countries of operation with emphasis on pool-sourcing, product rationalization and cross-selling
- Successive development of innovations that fulfil growing needs of consumer, e.g. sustainable packaging and well-being solutions
- Carry on with value-accretive growth thru selective investments while actively manage cash flow and working capital

Key Takeaway



Upcoming completion of M&P in Starprint. Further execution of strategic moves to capture quality growth with VN&ID markets as priority



Advancing outcomes of R&D capabilities with focus on value accretive renewable materials innovations



Commitment on ESG
leadership and excellence
including continual effort
to increase alternative
fuels usage



Q&A

For more information, please contact
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"SCGP_invest@scg.com" or 02-586-2939





THANK YOU

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