

SCGP



DIGITAL ROADSHOW

Q1/2025

23 May 2025



AGENDA

- Executive Summary
- Business Segment Review
- Business Update
- Outlook

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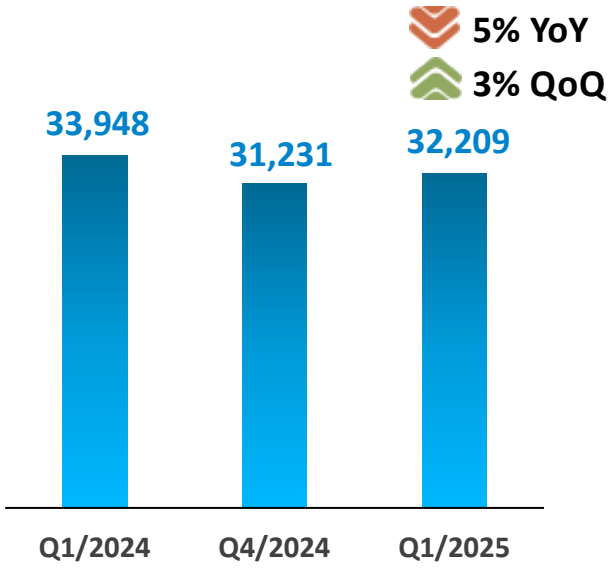


Executive Summary

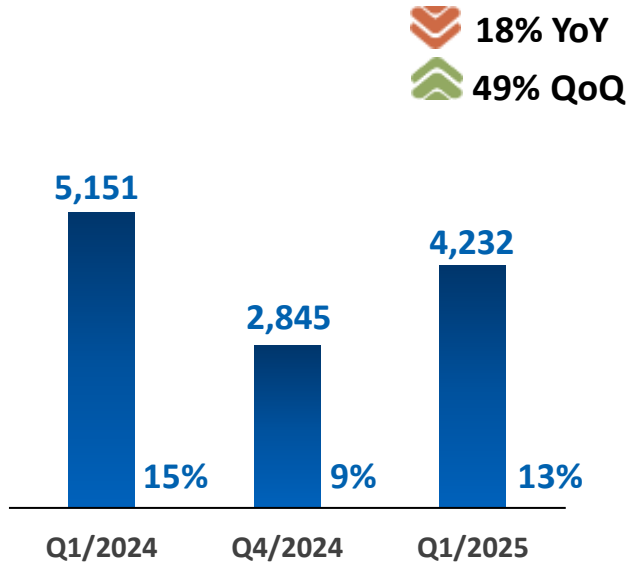
Consolidated key financials: Q1/2025¹

Unit: MB

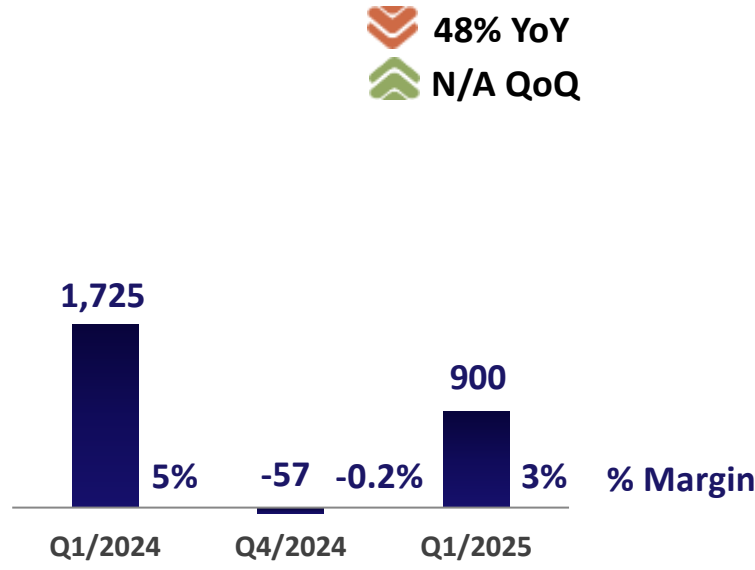
REVENUE FROM SALES



EBITDA²



NET PROFIT (LOSS)



%COGS ON SALES	80%	86%	82%	Core EBITDA ³	5,129	2,964	4,257	Core Profit ⁴	1,686	34	916	% Margin
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Key performances

- Revenue declined YoY primarily due to lower selling prices of IPB & FB, and reduced packaging paper export sales volume, while QoQ revenue increased, driven by improved sales volume in IPB and FB, especially in domestic markets.
- EBITDA & profit dropped YoY, aligned with revenue and higher raw material costs. QoQ margin improved thanks to enhanced production utilization, effective RCP sourcing management, and continuous energy cost-saving effort.

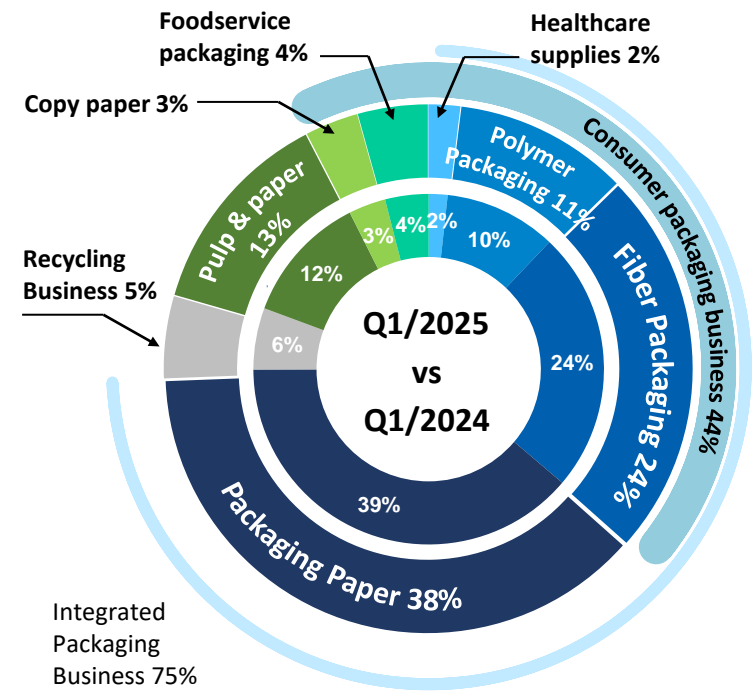
Note:
1. Figures are "After inter-segment elimination"
2. EBITDA excludes dividend from associates & includes FX gain/loss from loans

3. Core EBITDA = EBITDA – key items adjustments
4. Core Profit = Net Profit – Key items adjustments after tax & after NCI basis

SCGP Business Portfolio: Q1/2025¹

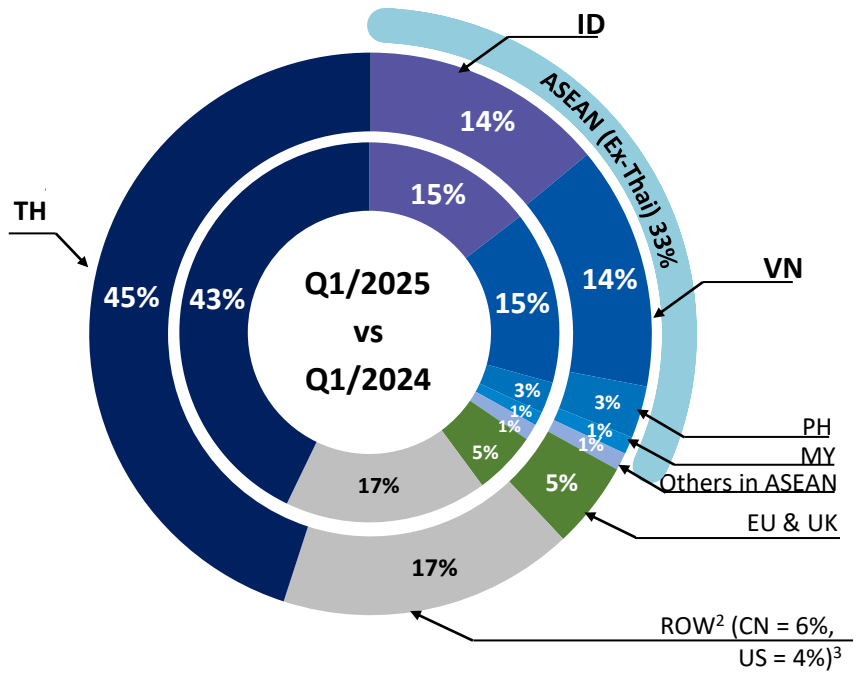
Prioritize expanding consumer packaging business and strengthen topline growth through consumer-focused strategies

REVENUE FROM SALES BY BUSINESS UNITS*



Consumer packaging increased to 44%, driven by resilient demand across all categories, while packaging paper declined.

REVENUE FROM SALES BY END DESTINATIONS*



Enlarged revenue portion in TH, driven by consumer packaging and government stimulus policies, while export remained stable in strategic markets

*Note
Outer pie chart: Q1/2025 (Revenue 32,209 MB)
Inner pie chart: Q1/2024 (Revenue 33,948 MB)

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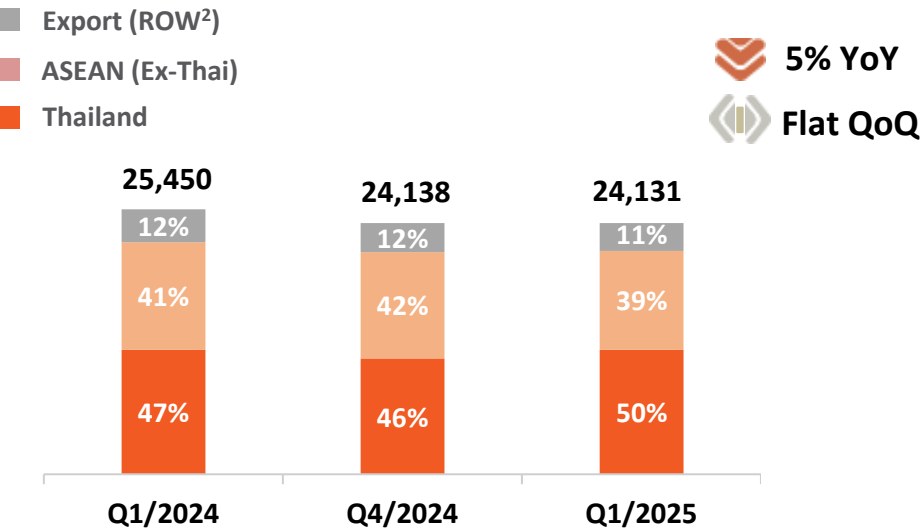
Business Segment Review



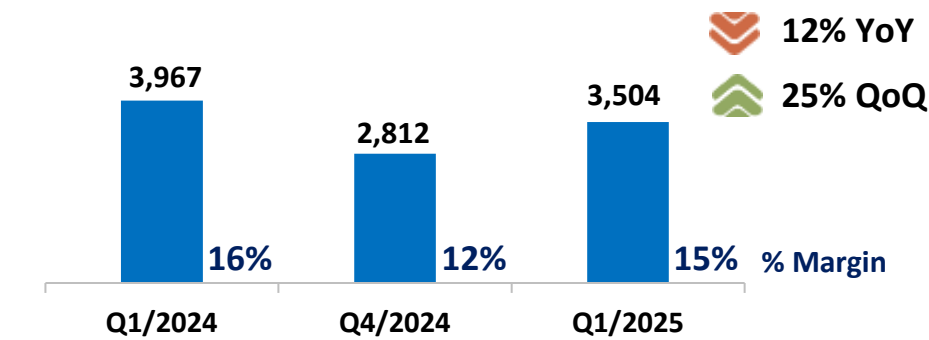
Integrated packaging business

Unit: MB

REVENUE BY END DESTINATIONS¹



EBITDA³



Revenue: YoY decreased due to lower selling price and a reduction in packaging paper sales volume

Polymer packaging:

- QoQ revenue declined from soft demand in VN during Tet holiday, while F&B, personal care and pet food portfolio in TH remained stable.
- Medical supplies & labware sales volume improved by resilient demand

Fiber packaging:

- QoQ revenue slightly decreased due to limited price adjustment and a decline in sales volume from soft demand in durable goods segment. However, demand for essential goods remained stable, supported by domestic consumption.

Packaging paper:

- Sales volume increased 4% QoQ, mainly from domestic and strategic export markets (South Asia) with utilization rate improvement
- Selling prices remained flat QoQ amidst softened regional market price

EBITDA: YoY decreased affected by higher raw material costs and lower selling price in the region

- QoQ margin growth from sales volume enhancement in packaging paper and continued costs improvement of all key elements: RCP, energy, and freight

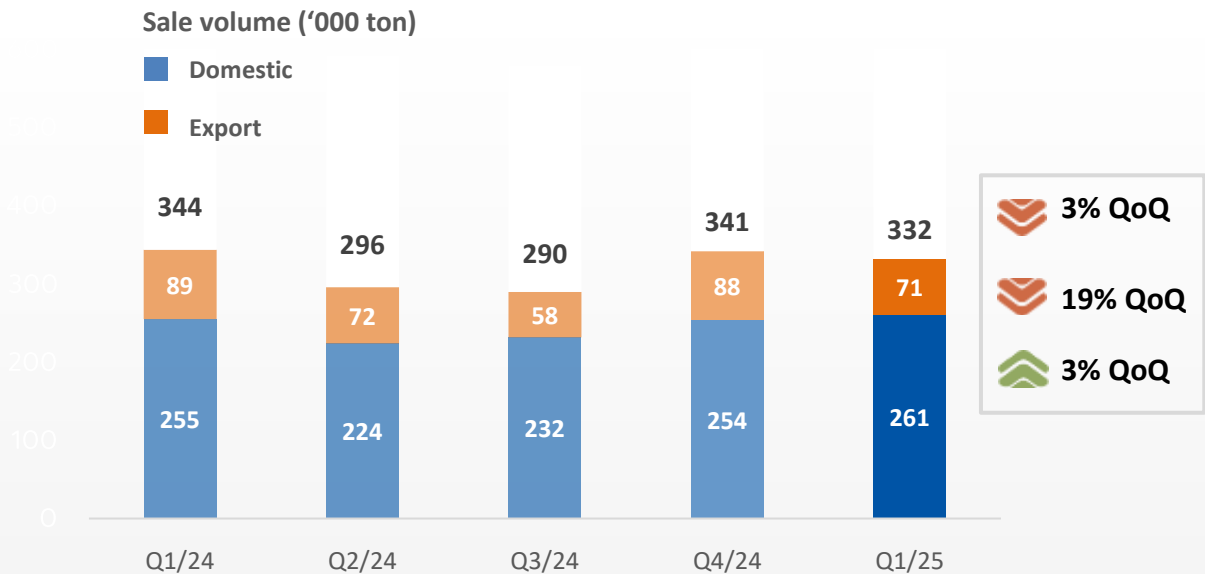
Note: 1. Revenue figures are “After inter-segment elimination”
2. ROW is Rest of the world

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

Indonesia: Packaging paper operation

Q1 EBITDA improved QoQ, driven by strategic price adjustment, and increased domestic volume

KEY PERFORMANCE¹



- Broad domestic consumption remained resilient, seen in pre and post Hari Raya
- Continued growth in domestic demand, while QoQ decrease in export sales volume.
- Improved EBITDA, driven by price adjustments and cost savings achieved through local RCP sourcing and enhanced energy efficiency.

PROGRESS UPDATE

1. Strategically increase sales volume

- Boosted chain integration to optimize packaging paper production by expanding into new segments
- Diversified to new export markets in the Middle East, apart from China

2. Operation improvement

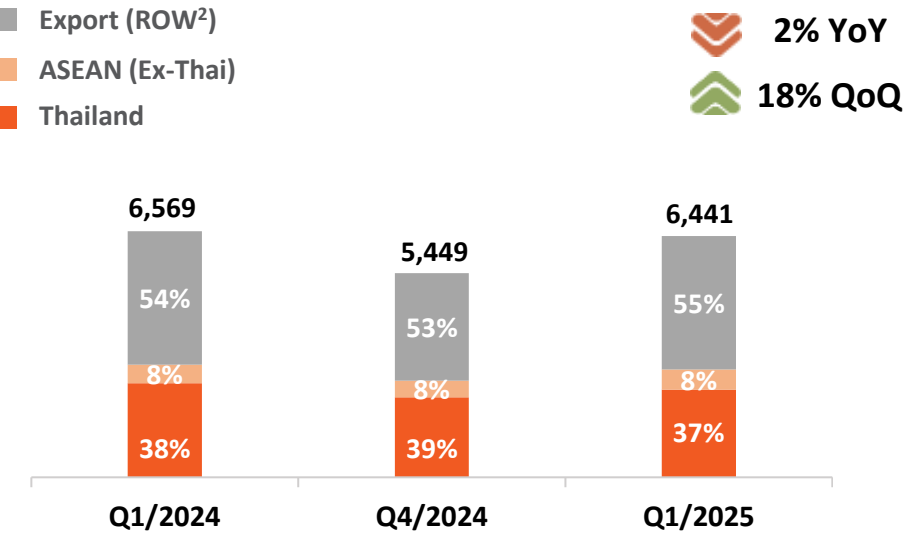
- Cost improvement: Secured RCP supply via SCGP network, local RCP prioritized at 55% & improved efficiency
- Quality rationalization: Focused on profitable segments e.g. E&E and F&B, and enhanced quality to meet demand and ensure stable supply in TH & VN

3. Capital increase through a rights issue to improve finance costs (~250 B.IDR/year at Fajar level), expected to be completed by Jun/Jul 2025.

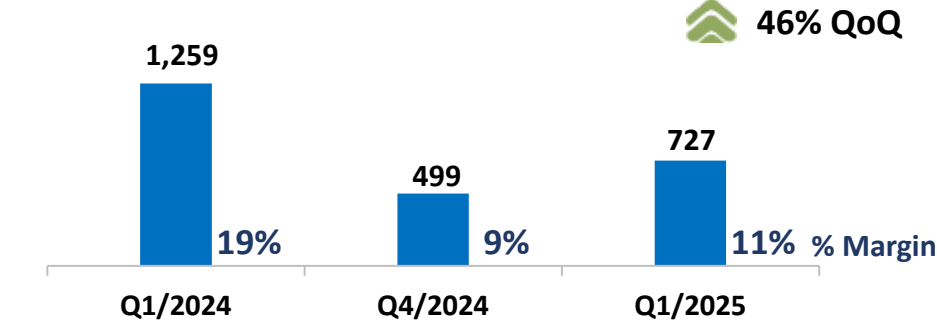
Fibrous business

Unit: MB

REVENUE BY END DESTINATIONS¹



EBITDA³



Revenue: YoY slightly decreased mainly from lower selling price and sales volume of fine paper

Foodservice packaging:

- QoQ revenue rose, mainly due to sales volume driven by tourism and promotional campaigns for QSR amidst price competition in TH market. Demand in EU and UK remained stable.

Fine paper & specialty:

- QoQ revenue grew from increased sales volume and export expansion to new customers in South Asia.

Pulp:

- QoQ sales volume increased from both short fiber pulp and dissolving pulp (annual maintenance of dissolving pulp operation in Q4/2024)
- Pulp selling prices increased despite a downward trend of dissolving pulp at the end of Q1/2025.

EBITDA: YoY dropped primarily from lower selling prices across all categories

- QoQ improved in line with revenue growth, and lower raw material costs

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

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Business Update

Business update

Advance growth strategy in healthcare supplies and enhance consumer packaging with strategic focus on wet pet food

Collaboration with Once Medical, syringes & needles production in TH

Own production at VEM-TH



Conventional syringe

Outsource & Assembly



Safety needle



Hypodermic needle

JV investment in Howa Packaging (Thailand), flexible wet pet food packaging



Strategic rationale

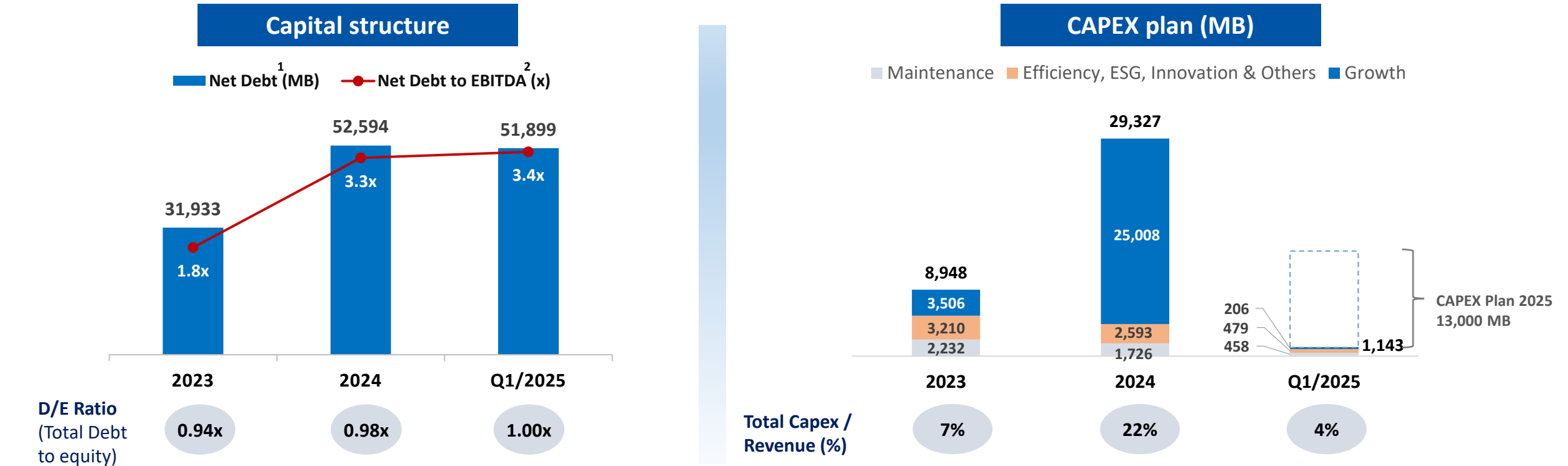
- 1 **Expand portfolio into fast-growing pet food packaging market**, in alignment with the medium-term business plan
- 2 **Gain access to manufacturing capabilities and advanced technology** of retort pouch (4-Layer Dry Lamination) for high functional packaging in TH
- 3 **Leverage SCGP & HOWA's extensive networks** for operational synergies and cross-selling opportunities

Strategic rationale

- 1 **Elevate capabilities and products portfolio** for healthcare supplies & consumables segment
- 2 **Leverage operational and market synergy** across entire value chain with VEM and Deltalab
- 3 **Establish essential foundation in ASEAN market**, while reducing Thailand's import dependency

Optimize balance sheet and CAPEX to strengthen future growth

Continued commitment to financial discipline through prudent cash management with stable net debt level



- Cash & cash under management of 12,211 MB, interest-bearing debt of 64,110 MB, average cost of debt at 4.0% (YTD Jan-Mar 2025), and net debt to EBITDA at 3.4x
- CAPEX spending was 1,143 MB in Q1/2025 with 2025 budget plan of 13,000 MB (growth CAPEX of 8,000-10,000 MB and regular maintenance, efficiency, ESG, innovation & others at 3,000-5,000 MB)

ESG excellence and recognitions

Enhancing competitiveness through cost saving and affirming our path to Net Zero target



Cost saving & alternative fuel (AF)¹ usage

Increased AF to 42% in Q1/2025²
through the installation of new biomass
boilers for 2 fiber packaging operations,
enhancing biomass consumption in
existing power plants

World Corrugated Award 2025

- **Supply chain management excellence of the year** for the "Development of carbon footprint calculation."
- **Best ESG demonstration of the year** for the "renewable energy system installation in paper packaging factory."

Thailand's Top Corporate Brand 2024

Recognition in Packaging Category with
a brand valuation of 100,594 MB, evaluated
by Chulalongkorn business school, the Stock
Exchange of Thailand, and Manager online

Note: 1. Alternative fuel = Renewable energy (biomass + biogas + black liquor + solar cell) + waste reject + used oil
2. AF portion in 2024: 38.3%

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Outlook

Significant milestones achieved in business transformation

Progressive progress through transformation in business operations, platforms, solutions, and sustainability

Strategy



**Profitability enhancement
& transition growth**

**People, operational and
supply chain excellence**

**Innovation, solutions &
customer experience**

**ESG &
circular economy**

Target

**EBITDA 18,000 MB
CAPEX ~13,000 MB**

**Business opportunity
& cost saving ~ 600 MB**

**Solutions & services
> 37% of total sales**

**Alternative fuel¹
portion at 39%**



Q1/2025

**EBITDA: 4,232 MB
CAPEX: 1,143 MB**

- Capacity expansion
- De-bottleneck

185 MB

- Efficiency improvement
- New biomass boilers at corrugating process
- Fiber yield optimization

39%

- Innovative products offering
- Transition to marketing-oriented company

42%

- Renewable energy system installation
- Carbon footprint platform

US tariff implications: Comprehensive value chain impact analysis

Proactive mitigation strategies for business continuity and adaptation



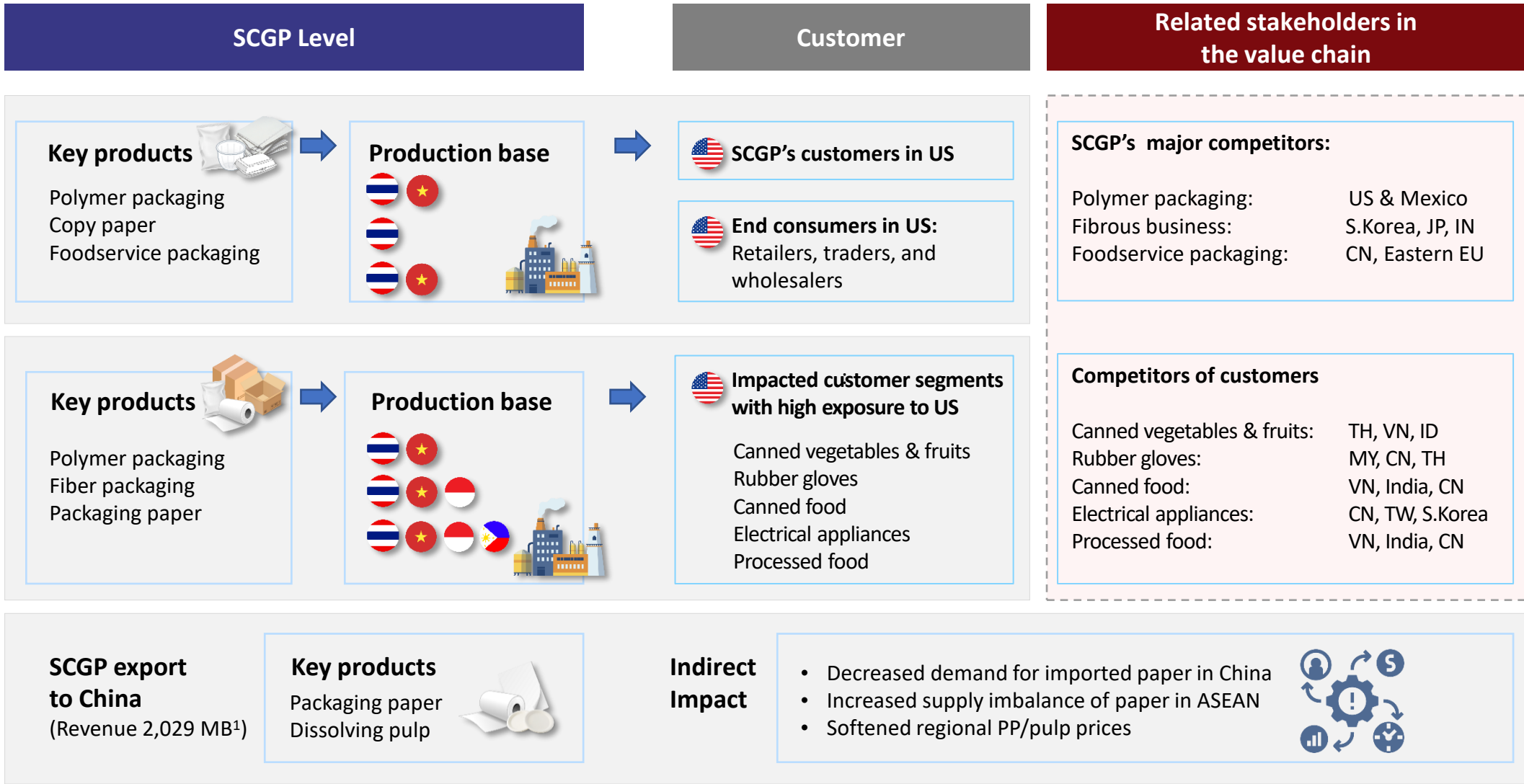
Level 1:
SCGP export to US
(Revenue 1,275 MB¹)



Level 2:
SCGP's customer
(Revenue 966 MB¹)



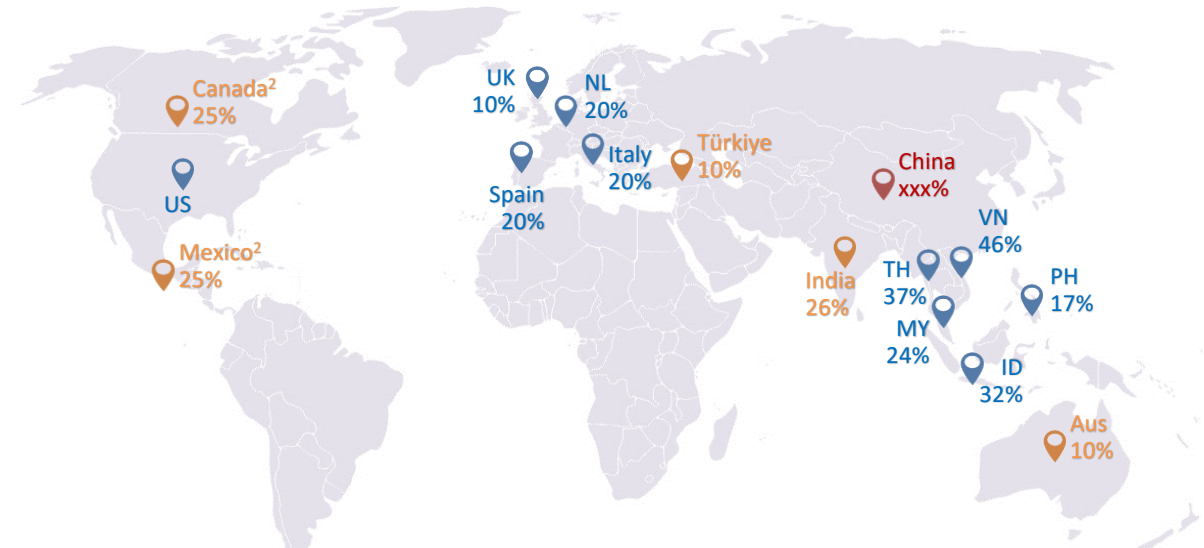
Level 3: Threat from China's & global demand slowdown



Strategic execution amidst broader economic realignment

Execute cross-functional solutions in a changing competitive landscape

SCGP Business Portfolio (aligned with US Reciprocal Tariff Rates¹)



SCGP's Business Units

Packaging paper

Fiber packaging

Polymer packaging

Medical supplies & labware

Fibrous business

Foodservice packaging

Packaging materials recycling

Potential outsourcing & new markets

TH, VN, PH, MY

Türkiye, Aus

Spain, Italy, NL

UK

US, Canada

India

China

SCGP's ASEAN operations: Tariff rates 24-46%

- Enhance topline diversification by focusing on ASEAN and other potential markets e.g. South Asia, Middle East, Oceania
- Collaborate with customers and OEMs to streamline relocations and production transitions e.g. ID, MY

SCGP's EU operations: Tariff rates 10-20%

- Consider outsourcing foodservice packaging with competitive prices, e.g. Türkiye, Eastern EU
- Leverage technology from EU to ASEAN operation to enhance operational & market synergy with Deltalab & Bicappa

Other business opportunities & strategic implications

- Sales & Marketing:** Improve chain integration for customer supply chain reconfiguration; onshoring, offshoring & nearshoring to lower tariff areas
- Raw Material:** Increased supply from China & India to ASEAN may lower purchasing cost of machinery, electrical parts, and plastic resin.
- Consider exploring setting up business operation in US

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Q & A

SCGP



THANK YOU

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