Analyst Meeting
Nov 16, 2020
10.00 – 12.00 am.
Meeting Room 1, Suntower A
AGENDA

- Business overview
  - Financial performance
  - 2020 Outlook & Future plan
VISION: To be The Leading Innovative Packaging Solution Provider Worldwide

- THIP is world leading innovative packaging solution provider
- Main Products which generate major sale volume are Resealable bags
- Establish in 1978 and first well known product was “Thantawan Straw” or “หลอดทานตะวัน”
- Listed in SET market in 1994
- Production capacity 27,400 ton per year
- Located in Bangkok & Nakornpathom, Thailand
1. OMYAI PLANT
- Total Area: 47,000 sqm
- Total Building: 11 sub-plants, 2 WH
- Total Capabilities: 21,000 tons/year

WAREHOUSE ASRS
- Total Area: 5,000 sqm

2. TOUNGTANA PLANT
- Total Area: 7,500 sqm
- Total Building: 2 sub plants, 1 WH
- Total Capabilities: 6,400 tons/year

PRODUCTION CAPACITY AND UTILIZATION
(As of Q3)
- CAPACITY
- OUTPUT
- %UTILIZATION

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity</th>
<th>Output</th>
<th>Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>24,000</td>
<td>21,614</td>
<td>90%</td>
</tr>
<tr>
<td>2018</td>
<td>25,000</td>
<td>23,782</td>
<td>89%</td>
</tr>
<tr>
<td>2019</td>
<td>25,000</td>
<td>22,274</td>
<td>89%</td>
</tr>
<tr>
<td>2020</td>
<td>27,400</td>
<td>19,120</td>
<td>91%</td>
</tr>
</tbody>
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"TO BE THE LEADING INNOVATIVE PACKAGING SOLUTION PROVIDER WORLDWIDE."
OUR PRODUCT PORTFOLIO

95% of business is OEM/ODM products

Sales YTD: 2,346 MB

YTD’20-PRODUCT PORTFOLIO

MARKET EXPANSION YTD 2019 VS 2020

North America portion 14% (+48% YOY)
Europe portion 53% (+3% YOY)
East Asia portion 10% (+49% YOY)
ASEAN portion 1% (+22% YOY)
Australia portion 5% (-26% YOY)
Thailand portion 16% (-6% YOY)
OUR OWN-BRAND PRODUCTS

PRODUCTS

MARKETPLACE

▪ DOMESTIC – INDUSTRY / ONLINE

▪ EXPORT

Source: www.sunmumshopping.com
OUR OWN-BRAND PRODUCTS

PRODUCTS

- DOMESTIC – MODERN TRADE / ONLINE

MARKETPLACE

Source: www.sunmumshopping.com
<table>
<thead>
<tr>
<th>PRODUCTS</th>
<th>MARKETPLACE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUNeco</td>
<td>▪ DOMESTIC – MODERN TRADE / ONLINE</td>
</tr>
<tr>
<td>SUNBIO</td>
<td>makroa, TESCO, Big C, Tops market</td>
</tr>
<tr>
<td>TRUE BIO &amp; 100% Compostable</td>
<td>Lazada, Shopee, JD.co.th, 24 Shopping</td>
</tr>
</tbody>
</table>

Source: www.sunmumshopping.com
OUR OWN-BRAND PRODUCTS

<table>
<thead>
<tr>
<th>PRODUCTS</th>
<th>MARKETPLACE</th>
</tr>
</thead>
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<tr>
<td>LIFESTYLE</td>
<td>DOMESTIC – MODERN TRADE / ONLINE</td>
</tr>
<tr>
<td>WELLNESS</td>
<td></td>
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</tbody>
</table>

Source: [www.sunmumshopping.com](http://www.sunmumshopping.com)
# STANDARD COMPLIANCES & AWARDS

<table>
<thead>
<tr>
<th>STANDARD</th>
<th>SUPPORT AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ STANDARD &amp; QUALITY SYSTEM CERTIFIED</td>
<td>ISO 9001:2015, TIS 685-2540 of Plastic Toy, TIS 776-2552 of Plastic Straws for Food, Sedex, BSCI, ESG100 2020, Excellent CG score</td>
</tr>
<tr>
<td>▪ HONORS &amp; AWARDS WINNER</td>
<td>Visionary Board Award</td>
</tr>
<tr>
<td>▪ ALL DESIGN &amp; INNOVATION AWARDS WINNER</td>
<td>Thailand Plastics Awards 2015, ASEAN Plastics Awards, Good Design Award, Design Excellence Award</td>
</tr>
</tbody>
</table>
AGENDA

- Business overview
- Financial performance
- 2020 Outlook & Future plan
Sales growth in Q3’20 from both customer expansion and growing demand after COVID shutdown.

**SALES REVENUE**

**Unit: Million baht**

Domestic Sales:
- 2015: 351 (15%)
- 2016: 2,678 (85%)
- 2017: 426 (15%)
- 2018: 443 (15%)
- 2019: 445 (15%)

CAGR +6%

International Sales:
- 2015: 1,997 (85%)
- 2016: 2,288 (85%)
- 2017: 2,472 (85%)
- 2018: 2,609 (85%)
- 2019: 2,581 (85%)

CAGR +7%

Q3’19:
- Domestic: 14% (772)
- International: 86% (696)
- Total: 901

Q2’20:
- Domestic: 15% (85%)
- International: 89%

Q3’20:
- Domestic: 85%
- International: 89% +30% QoQ

+17% YoY

**Domestic**

**International**
MARKET PORTFOLIO BY GEOGRAPHY

### TOTAL SALES Q3-2019
- Europe: 772 MB (61%)  
  - Thailand: 123 MB (16%)  
  - North America: 14 MB (1%)  
  - ASEAN: 4 MB (1%)  
  - Others: 6 MB (1%)  
- East Asia: 7 MB (8%)  
- Australia: 5 MB (4%)  
- Others: 5 MB (4%)

### TOTAL SALES Q3-2020
- Europe: 901 MB (59%)  
  - Thailand: 125 MB (14%)  
  - North America: 78 MB (9%)  
  - ASEAN: 4 MB (4%)  
  - Others: 16 MB (2%)  
- East Asia: 7 MB (13%)  
- Australia: 36 MB (5%)  
- Others: 14 MB (2%)

### TOTAL SALES-2019 VS 2020
- TOTAL: 772 MB to 901 MB (+17%)
  - Europe: 74 MB to 530 MB (+14%)
  - North America: 123 MB to 530 MB (+67%)
  - Thailand: 125 MB (6%) to 116 MB (-7%)
  - East Asia: 63 MB to 78 MB (+24%)
  - Australia: 33 MB to 36 MB (+10%)
  - ASEAN: 5 MB to 4 MB (-23%)
  - Others: 5 MB to 14 MB (+184%)

Unit: Million baht
Shrinking demand in drinking straw from global anti-plastic but urbanization trend and hygiene concern boost up sales of resealable bags.

**Sales by main product group**

- **Other Products**
  - 2015: 2,348 (7%)
  - 2016: 2,678 (5%)
  - 2017: 2,892 (12%)
  - 2018: 3,052 (12%)
  - 2019: 3,026 (9%)

- **Drinking Straw**
  - 2015: 82 (11%)
  - 2016: 80 (15%)
  - 2017: 83 (12%)
  - 2018: 83 (12%)
  - 2019: 85 (11%)

- **Resealable Bags**
  - 2015: 2015 (5%)
  - 2016: 2016 (5%)
  - 2017: 2017 (5%)
  - 2018: 2018 (5%)
  - 2019: 2019 (6%)

**Zipper and Slider Bags**

- Zipper Bags: 583 (67%) → 696 (78%) → 901 (901)
- Slider Bags: 40 (9%) → 66 (16%) → 78 (78)
- Straws: 67 (14%) → 50 (13%) → 59 (59)
- General bags & Gloves: 32 (7%) → 39 (7%) → 38 (38)
- Others: 51 (10%) → 47 (10%) → 50 (50)

**Unit**: Million baht
Record high of %GP in Q3’20 from both low raw material cost as well as productivity improvement.

Resin Price in 2016-2020

Source: ICIS.COM

Gross Profit

<table>
<thead>
<tr>
<th>Quarter</th>
<th>GP</th>
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<tbody>
<tr>
<td>Q3 ’19</td>
<td>164</td>
</tr>
<tr>
<td>Q2 ’20</td>
<td>145</td>
</tr>
<tr>
<td>Q3 ’20</td>
<td>233</td>
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Net Profit

<table>
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<th>Net Profit</th>
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<tr>
<td>Q3 ’19</td>
<td>79</td>
</tr>
<tr>
<td>Q2 ’20</td>
<td>59</td>
</tr>
<tr>
<td>Q3 ’20</td>
<td>116</td>
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Free of Interest-bearing debt and high cash level make us ready for future inorganic growth.

<table>
<thead>
<tr>
<th>Year</th>
<th>%Dividend Yield</th>
<th>D/E Ratio</th>
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<tbody>
<tr>
<td>2015</td>
<td>2.4</td>
<td>0.28</td>
</tr>
<tr>
<td>2016</td>
<td>2.8</td>
<td>0.32</td>
</tr>
<tr>
<td>2017</td>
<td>4.2</td>
<td>0.30</td>
</tr>
<tr>
<td>2018</td>
<td>5.3</td>
<td>0.24</td>
</tr>
<tr>
<td>2019</td>
<td>6.7</td>
<td>0.22</td>
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In 2020, Resealable bag market was worth $20 billion with CAGR of 7.2% to reach $32 billion in 2027, while the Zippers packaging accounted for 20% of the total resalable packaging bags.

Global Resealable bag packaging market: 2019-2027

- **Resealable film**: 35%
- **Zippers**: 20%
- **Cross tie**: 22%
- **Screw Cap**: 14%
- **Others**: 5%
- **Flaps**: 4%

*Others = Drawstring, Strip, Seal, Tapes, Zips-Ups

**THIP MKT Share** = 2%

**THIP Revenue** = 2,400 MB

Resealable film contributes 20% of total resalable packaging bags.

**Packaging megatrends** are expected to evolve in response to the COVID-19 crisis:

- **Sustainability requirements increasing at every step of the value chain**
- **New: Hygiene concerns**
- **Widespread e-commerce**
- **Rapidly changing consumer preference**
- **Fast-moving consumer goods and retail margin compression**
- **Digitization of packaging**

**Why flexible packaging?**

- **Urbanization**
- **Sustainability**
- **E-commerce**

Source: Internal research team

"Shaping the next normal of packaging beyond COVID-19", May 26, 2020 - McKinsey

"TO BE THE LEADING INNOVATIVE PACKAGING SOLUTION PROVIDER WORLDWIDE."
USA is the main market of North America while ASIA has the highest consumption.

**ZIPPER MARKETS SIZE AND GROWTH BY COUNTRY**

- **USA**
  - Market Size & Growth
  - Unit: $ Million
  - Total = $667 Mio. USD
  - THIP = 14 Mio. USD (Forecasted)

- **JAPAN**
  - Market Size & Growth
  - Unit: $ Million
  - THIP = 10 Mio. USD (Forecasted)

- **World**
  - Market Size & Growth
  - Unit: $ Million
  - THIP = 14 Mio. USD (Forecasted)
  - THIP = 10 Mio. USD (Forecasted)

**Addressable market**
- **APAC**
  - 2020: $1,553
- **CHINA**
  - 2020: $497
- **INDIA**
  - 2020: $340
- **ASEAN**
  - 2020: $188

**Source:** Internal research team

"TO BE THE LEADING INNOVATIVE PACKAGING SOLUTION PROVIDER WORLDWIDE."
## Strategic Direction on Business

<table>
<thead>
<tr>
<th>Business Direction</th>
<th>Strategic Plan</th>
</tr>
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| Market Expansion   | ▪ Increase own-brand  
                     ▪ Expedite online-volume  
                     ▪ Penetrate ASEAN market and expand USA sales revenue |
| Product Development| ▪ Offer innovative products with circular economy concept  
                     ▪ Build brand awareness |
| Capacity Expansion | ▪ Increase internal capacity and improve productivity  
                     ▪ Build strategic partners |
| Cost Reduction     | ▪ Apply automation  
                     ▪ Continue process improvement (LEAN & TPM)  
                     ▪ Reduce energy consumption |
SUSTAINABLE DESIGN CONCEPT

CIRCULAR ECONOMY Focus on Products / Material & Process / Business Model

1. Rethink and reduce
2. Redesign
3. Reuse
4. Repair and remanufacturing
5. Recycling
6. Recover
7. Disposal

Think different

Re-Think/reduce
Re-Use
Re-Pair
Re-Cycle
Re-Newable
Re-Cover

From size to value
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