Ref. TPBI-EXC 008/2021

22 February 2021

Subject: Interim Management Discussion & Analysis of financial statements for the fourth quarter and the financial year of 2020

To: The President & Directors

The Stock Exchange of Thailand

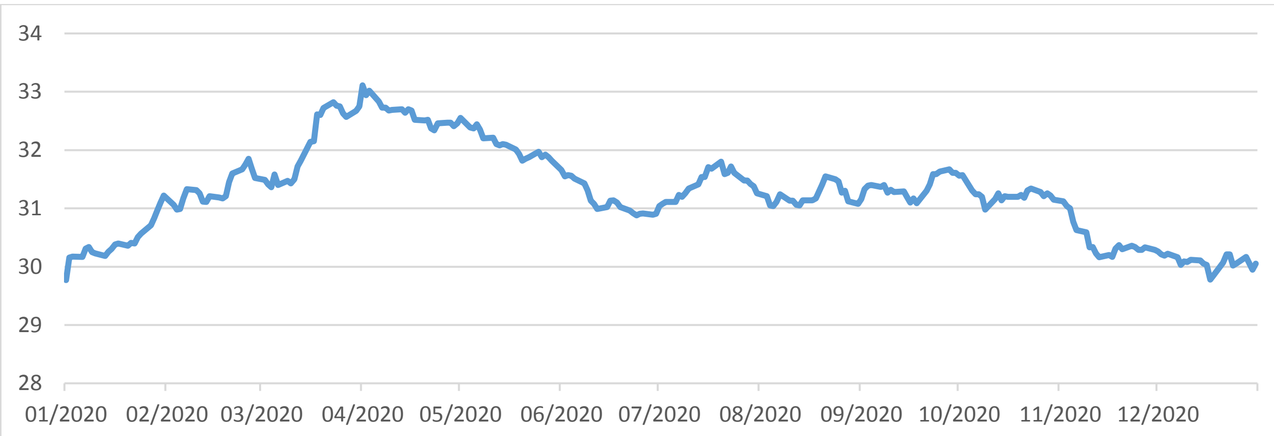
In compliance with the regulations of the SET, dated 19 November 1993, TPBI Public Company Limited (the "Company") would like to present the operating results and financial position of the Company for the fourth quarter and the financial year of 2020 as follows.

Respectfully yours,

(Mr. Kamol Borrisuttanakul)

Chief Financial Officer

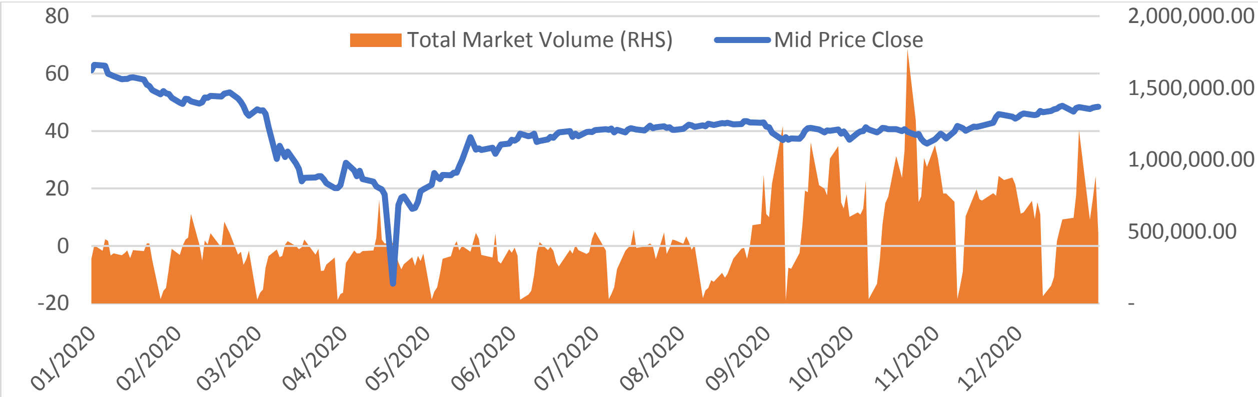
In the fourth quarter of 2020, the Thai exchange rate had been continually appreciated against US-dollar, throughout the fourth quarter, floating between THB/USD 29.78-31.57, with an average of THB/USD 30.59, which slightly decline from an average of THB/USD 31.33 in the last quarter.:



Source: Bloomberg

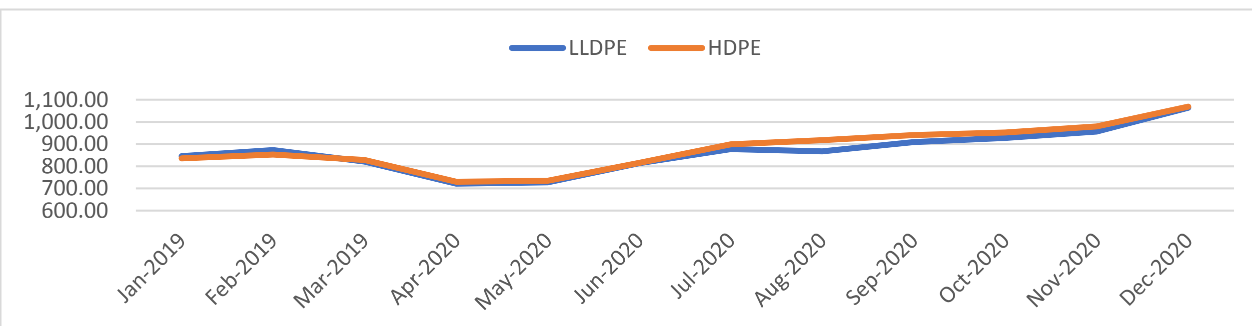
As most of the Company's income and costs are predominantly denominated in USD, so we do have partly natural hedged to manage and minimize the impact from exchange rate in accordance with market condition. Nonetheless, the company has policy to manage and minimize the risk by buying the forward contract in an appropriate amount accordance with market condition.

The global crude oil price slightly increased compared to the last quarter, moving in the range of USD 35.68 – 48.81 per barrel at an average of USD 42.60 per barrel, which the slightly increase was USD 1.73 per barrel compared to last quarter.



Source: Bloomberg

The price of HDPE was increased from USD 940 per MT to USD 1,068.75 per MT or 13.69% increase. In addition, LLDPE's price also increased from USD 908.75 per MT to USD 1,063.75 per MT or 17.06% increase. The average price of HDPE and LLDPE was USD 1,000.25 and 982.67 per MT respectively during the fourth quarter of 2020.



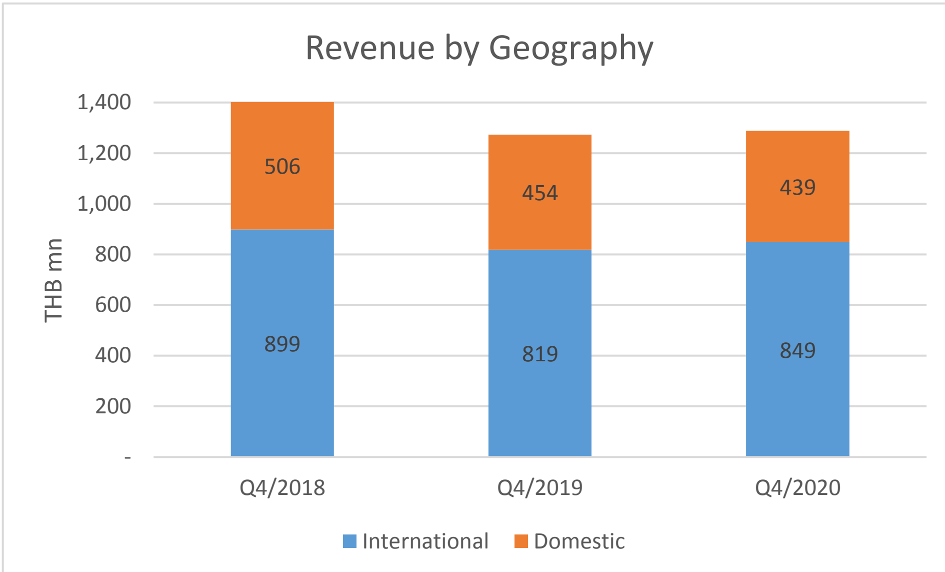
Source: Bloomberg

Operating Results *(For fourth quarter of 2020 compared with fourth quarter of 2019)*

According to the transformation and adjustment of capacity and production of Consumables to be in line with single-use plastic bag ban policies across international and domestic market, operating results of Consumables obviously recovered comparing to 4Q2019. Further, the Company received higher orders; especially, garbage bags, and reusable bags from foreign customers due to the pandemic of Corona virus 19 (Covid-19). Sales of Flexibles which mainly focuses on domestic market tended to be better. However, the pandemic of Corona virus 19 (Covid-19) still effects to the contraction of domestic economy; especially, domestic consumption part, which resulted in the expansion of sales of Flexibles. Paper and Global Trading, which their main market is in the UK, had also been impacted from the pandemic of Corona virus 19 (Covid-19) as well as the recession of UK's economic. During 4Q2020, foreign exchange rate tended to appreciate as same as price of raw material tended to be higher, and the Company has an impairment of machineries. Although the foregoing circumstances occurred, the continuous and regular orders throughout 2020 of Consumables was the main factor of the better profitability of the Company comparing to 4Q2019. The details of operating results are illustrated in the next section.

Sales

In 4Q2020, the Company recorded THB 1,288.20 million in sales, increased by THB 15.67 million or 1.23% from the same period last year. Majority of sales (65.89%) still came from exports to international markets and sale in foreign countries.

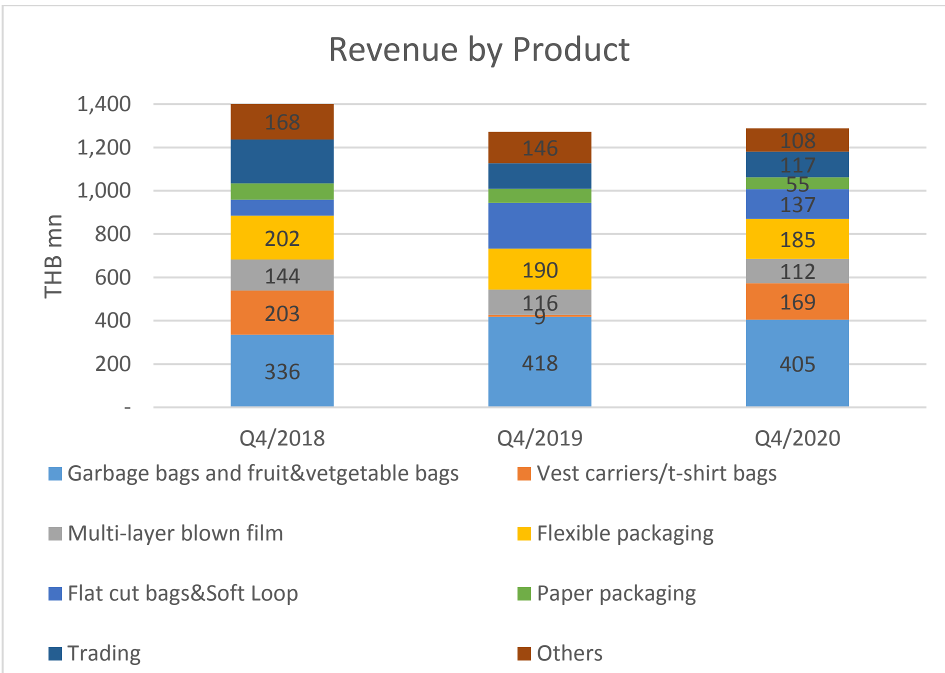


Summary of sales performance of the Company in 4Q2020 – The sales of Film (Multilayer Blown Film), Flexible Packaging, Paper and Global Trading decreased, driven by a decrease in sales. The company also had a decrease in sales of garbage bags and fruit & vegetable bags. The sales of vest carriers/ t-shirt increased by THB 159.25 million or 1,686.13% from THB 9.45 million in fourth quarter last year to THB 168.70 million this quarter. Thus, vest carriers/ t-shirt could contribute 13.10% of total sales revenue, increased from 0.74% in 4Q2019.

The sales of garbage bags slightly decreased by THB 3.71 million or 1.12% from THB 330.82 million to THB 327.10 million compared to the same period last year. The proportion of garbage bags was 25.39% of total sales revenue, decreased from 26.00%. The sales of fruit & vegetable bag were THB 77.59, decreased by THB 9.42 million or 10.83% from the same period last year.

Further, the Company has a decrease in its sales of multi-layer blown films from THB 116.28 million in 4Q2019 to THB 111.62 million, counting for 4.01% YoY. Its revenue contribution was 8.66% declined from 9.14% of total sales revenue in 2019. For flexible packaging sales have been decreased by THB 4.56 million or 2.41% YOY compared to the same period last year to THB 108.48 million in 4Q2020. The proportion of the flexible packaging of the total sale revenue was 14.36% in 4Q2020 slightly decreased from 14.89% in 4Q2019. While other products, the sales decreased from THB 146.11 million to THB 108.48 million, a decrease of THB 37.62 million or 25.75% YoY compared to the same period last year.

In addition, for flat cut bags, its sales was THB 69.27 million, a decreased of THB 75.40 million or 54.49% YoY compared to the same period last year , whereas sale of Soft Loop or Reusable Bag was THB 74.22 million, a increased of THB 1.04 million or 1.42% YoY compared to the same period last year



Profit Margins

In 4Q2020, profit margins of the Company has turnaround to be positive saying that the Company has better profit, compare to the same period last year mainly due to following fact:

- The Company continuously and regularly received garbage bags' orders from foreign customers. Further, the Company also received additional orders due to pandemic of Corona virus 19 (Covid-19) from foreign customers.

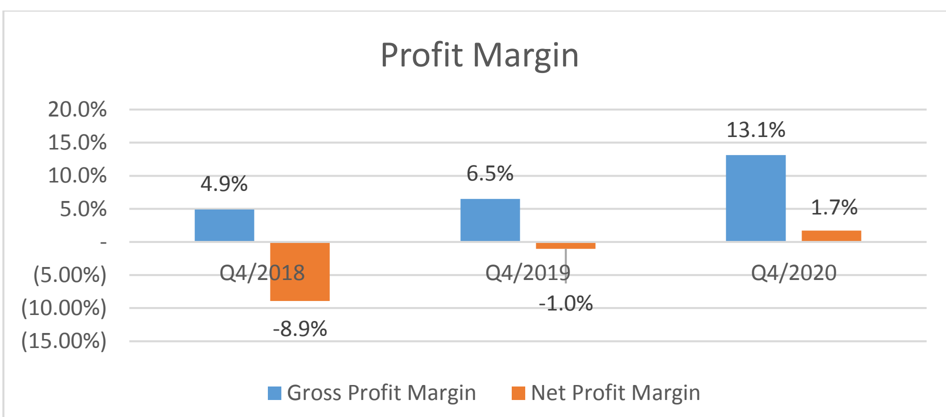
- The Company also received Soft Loop (Reusable Bag)'s order from foreign customer and some orders from domestic market. This is in line with business transformation policy of the Company as a result of change in customer's demand of global packaging industry.

- Although prices of raw materials tended to be higher during the end of 4Q2020, the Company closely manage production costs together with received the continuous orders of Consumables which leaded to the reduction of waste from production process and production costs.

- Although, during the 4Q2020, Flexibles and Paper still have losses and their cost of sales is still high, the Company found that there is a positive sign for both Flexibles and Paper due to the change of internal management and seeking a new customer for higher sales.

However, the Company has to record non-recurring expenses which is an impairment of machineries costs THB 25.24 million in this 4Q2020.

The increase of sales of the Company compared to the same period of previous year partly was a result from selling various products; i.e. garbage bags, Multilayer blown film and Flexibles, and realizing sales revenue from TPBI UK, TPBI Paper and TPBI Australia which is in line with the company's business transformation.



The 4Q2020 net profit was THB 22.95 million increased from net profit (loss) of THB (13.31) million in 4Q2019. In term of net profit (loss) margin, it has increased to be 1.74% compared to the same period last year which is

(1.03)%. Nonetheless, the Company has always been focusing on a potential mitigation for those effect from above factors.

Cost and Expenses

Cost of Sales of 4Q2020 was THB 1,119.33 million, decreasing from a year earlier THB 70.35 million or 5.91%. Cost of sales is 86.89% of sales revenue decreased from 93.49% from the same quarter last year as a result of a higher profitability from orders of higher value-added products.

SG&A in 4Q2020 has increased from the same period in the year earlier from THB 110.32 million to THB 174.21 million by a increased of THB 63.89 million or 57.91%. SG&A in 4Q2020 was 13.21% of total revenue, increased from the same period last year which was 8.56%. The higher SG&A mainly came from the non-recurring expenses which is an impairment of machineries.

EBITDA increased THB 38.83 million or by 59.35% YoY from THB 65.43 million to THB 104.26 million as a result from a decrease in expenses as mentioned above.

In THB mm	4Q2020	4Q2019	YoY	
			THB mm	%
Revenue	1,319.09	1,289.34	29.95	2.31%
Cost of Sales	1,119.33	1,189.68	(70.36)	(5.91%)
Other income	13.41	9.06	4.34	47.89%
SG&A	174.21	110.32	63.89	57.92%
EBITDA	104.26	65.43	38.83	59.35%
NPAT	22.95	(13.31)	36.26	272.39%
EPS *(THB)*	0.04	(0.03)	0.07	233.33%

For the financial year of 2020, the Company has a better cost management as well as a pandemic of Covid-19 that lead to higher sales of Consumables. the Company accounted a net profit of THB 175.42 million, increasing from net loss of THB (55.43) million or increased by 416.47% in the year earlier. The key driver is from the mentioned factors as follows:

- The Company continuously and regularly received garbage bags' orders from foreign customers. Further, the Company also received additional orders due to pandemic of Corona virus 19 (Covid-19) from foreign customers.

- The Company also received Soft Loop (Reusable Bag)'s order from foreign customer and some orders from domestic market. This is in line with business transformation policy of the Company as a result of change in customer's demand of global packaging industry.

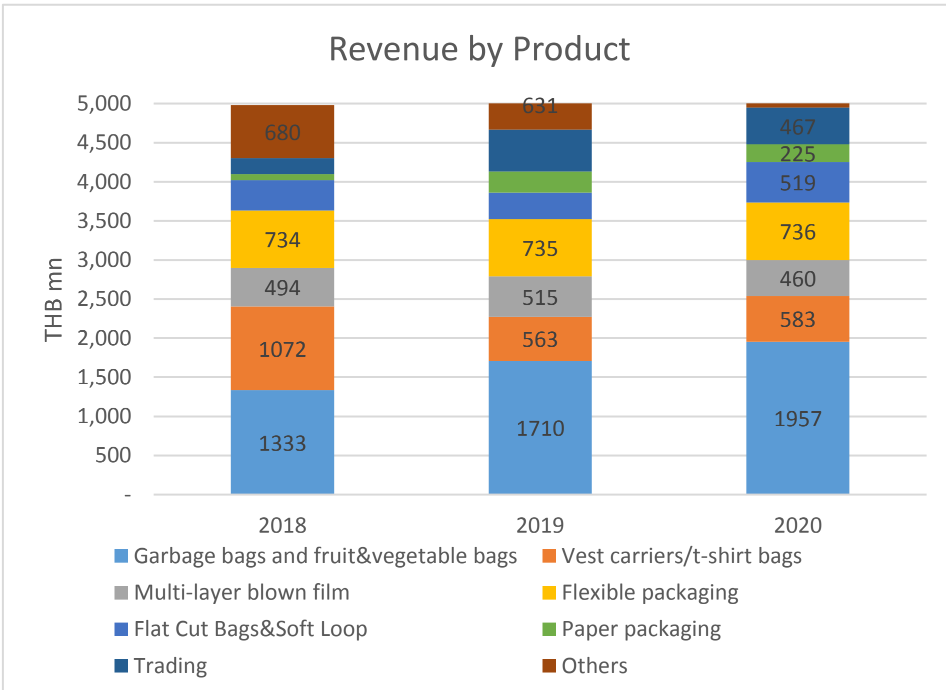
- Although prices of raw materials tended to be higher during the end of 4Q2020, the Company closely manage production costs together with received the continuous orders of Consumables which leaded to the reduction of waste from production process and production costs.

- Although, during the 4Q2020, Flexibles and Paper still have losses and their cost of sales is still high, the Company found that there is a positive sign for both Flexibles and Paper due to the change of internal management and seeking a new customer for higher sales.

However, the Company has to record non-recurring expenses which is an impairment of machineries costs THB 25.24 million in this 4Q2020.

In terms of top line, the Company's total revenue slightly increased to THB 5,425.55 million from THB 5,363.83 million, or 1.15% increased. However, the cost of sales decreased to THB 4,587.16 million from THB 4,803.38 million in the year earlier while SG&A is at THB 591.01 million in 2020, slightly increased from THB 577.15 million in 2019.

EBITDA increased by THB 308.12 million or 117.52% YoY from THB 262.18 million to THB 570.30 million, compared to in 2019.

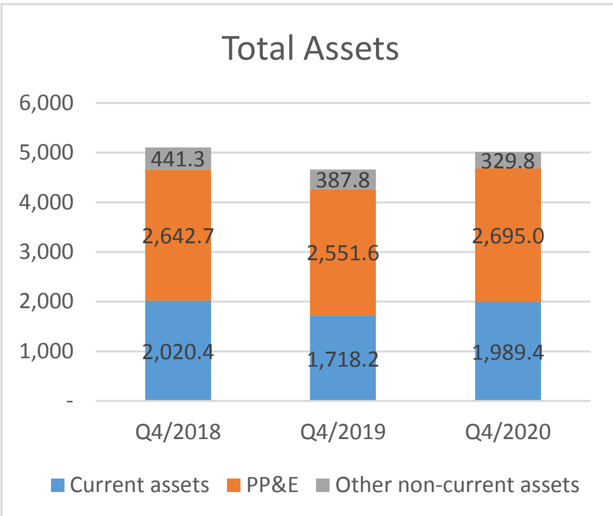


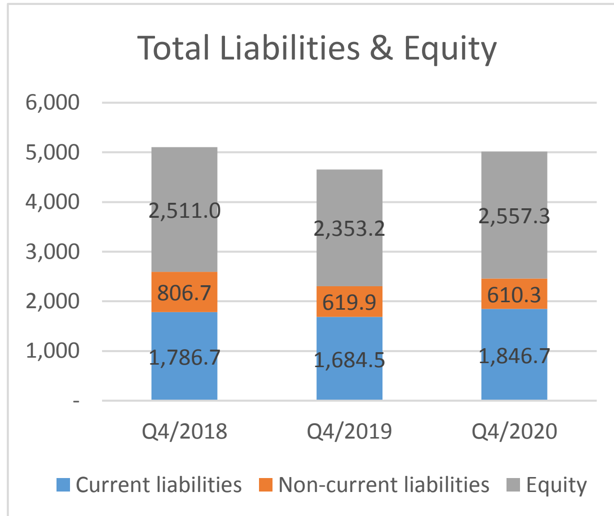
The product composition is in line with the Company's plan to increase the contribution from value-added and sustainable product over the time as shown in the above revenue breakdown by product; flexible packaging product has been increased its sales to THB 736 million in 2020 In addition, the Company has an investment of new flexible packaging factory to increase production capacity and reinforce the sale of the product and a significant increase of garbage bags and vegetable & fruit bags' sales due to an increase in demand from international market. Further, the Company has also gaining sales of paper packaging which is in line with product transformation policy in order to compensate the decrease in sales of Vest carriers/ T-shirt bags due to single-use plastic bag ban policies across many countries

For the long-term outlook, the company has policy to diverse its product portfolio into more sustainable and more value-added products. Furthermore, the Company is also on the transformation process for adjusting products portfolio so that the Company is able to quickly response trend of world plastic packaging industry.

In THB mm	2020	2019	YoY	
			THB mm	%
Sales	5,425.55	5,363.83	61.72	1.15%
Cost of Sales	4,587.16	4,803.38	(216.22)	(4.50%)
Other income	29.89	25.43	4.47	17.57%
SG&A	591.01	577.15	13.85	2.40%
EBITDA	570.30	262.18	308.12	117.52%
NPAT	175.42	(55.43)	230.85	416.47%
EPS *(THB)*	0.43	(0.08)	0.51	637.50%

Financial Position





Assets

Total assets of the Company as of 4Q20 was THB 5,014.21 million increased by THB 356.58 million or 7.66% from the end of year 2019. The Company had total current assets of THB 1,989.43 million increased by THB 271.19 million or 15.78%, composed of a decrease in trade and other receivable of THB 34.46 million or 4.48% and inventories of THB 225.87 million or 29.49% while the Company has an increase in cash and cash equivalent of THB 59.13 million and, decreased in other current assets THB 0.89 million respectively. Besides, the Company had an increase in non-current assets of THB 85.39 million or 2.90% mainly came from an increase in PP&E of the Company by THB 143.38 million or 5.62%. The increase of cash came from the business profitability.

Liabilities and Shareholders' Equity

As of 4Q2020, total liabilities of the Company were THB 2,456.96 million, increased by THB 152.56 million or 6.62% from end of 2019 due to the increase in short-term borrowing composed of promissory note, trustee payable, and packing creditor from financial institution of THB 65.39 million or 8.53% and long-term loans from financial institutions declined by THB 105.19 million or 33.37% in order to reinforce business expansion. The Company also had an increase in trade payable and other payable of THB 133.61 million.

Shareholders' equity as of ended 2020 amounts to THB 2,557.25 million increased by THB 204.02 million, due to an induction of retained earnings by THB 178.78 million, which came from net profit of THB 175.42 million during 2020. However, the company had an increase in non-controlling interests of the subsidiary of THB 21.43 million.

Cash flow

Net Cash flow used in operation in 2020 was THB 512.48 million, increased from cash flow received from operation in 2019 by THB 130.41 million . The Company's earnings (loss) before tax was presented at THB 204.93 million. The increase in cash flow from operation was a result from an increase in depreciation 348.36 million.

Cash flow used in investing activities was recorded at THB 330.48 million, which THB 342.88 million was spent on PP&E and was paid on enhance its capacity and productivity.

The reported cash flow from financing activities was THB 118.82 million, resulted from a decrease in repayment of long-term borrowing from financial institutions by THB 201.34 million.

To conclude, the net ending cash for the Company as of 4Q2020 was THB 213.21 million increased by THB 59.13 million from the end of 2019.

Key Financial Ratios

	2020	2019
Gross Profit Margin (%)	14.76%	9.35%
Net Profit Margin (%)	3.23%	(1.03%)
Current Ratio (x)	1.08x	1.02x
Quick Ratio (x)	0.54x	0.57x
D/E Ratio (x)	0.96x	0.98x
EPS (THB/SHARE)	0.43	(0.08)
BVPS (THB/SHARE)	6.13	5.64