Press release SCGP October 25, 2022

**SCGP’s 9-month revenue tops Baht 112,559 million, up by 26%**

**Focus on high potential business expansion strategies, operational excellence, innovations and ESG**

**SCGP announced operating results for the first nine months of 2022, with revenue from sales for the three quarters reaching Baht 112,559 million, an increase of 26% from the same period of last year. The continuous growth was the result of Merger and Partnership (M&P) in high potential business along with performance enhancement through chain integration. Look forward to a continued economic recovery post COVID-19 while focus on continuing research and development of innovative consumer packaging solutions, synergies among new and existing companies are strengthened to enlarge consumer network in new high-growth markets while driving “ESG 4 Plus” for sustainable growth.**

**Mr. Wichan Jitpukdee, Chief Executive Officer, SCG Packaging Public Company Limited, or SCGP,** announced the Company’s business performance for the first nine months of 2022 showing revenue from sales of Baht 112,559 million, an increase of 26% from the same period of last year. This was due to continuous business expansions under the M&P strategy, as well as the improved demand for food and beverage packaging following the country’s reopening and the easing of COVID-19 situation. EBITDA was Baht 15,848 million, an increase of 1% from the same period of last year. Profit for the period of Baht 5,351 million, decreased by 13% compared to the same period of last year amidst higher energy and raw material costs across industries.

For Q3/2022, SCGP’s revenue from sales was Baht 37,943 million, an increase of 19% from the same period of last year. EBITDA was at Baht 5,483 million, an increase of 12% from the same period of last year. Profit for the period was Baht 1,837 million, an increase of 3% compared to the same period of last year as a result of product price adjustment in all categories, the growth in fibrous business with major impact from the increase in pulp price, augmented demand of foodservice packaging, as well as the increase in demand for food and beverage and consumer products in the region, along with the financial consolidation of Peute Recycling B.V. (Peute), a packaging material recycling company in the Netherlands, and Jordan Trading Inc. (Jordan) of the USA.

Looking forward into the ASEAN economy from the last quarter of 2022 through to early 2023, domestic consumption and resumption of tourism are expected to continuously recover. This would lead to an improved demand for essential goods such as food and beverage, as well as other consumer products in the midst of orders’ preparations prior to year-end festivities. Packaging would continue to be an important part of supply chain continuity to serve the growing consumer consumption in the region. Meanwhile, ASEAN’s exporting sectors will be contingent to global economy. With prolonged inflation and global economic slowdown, overall demand for durable goods is projected to be weaker. The recovery of weaker than expected China’s economy will be vital factor that effects ASEAN packaging industry, while global energy cost is expected to remain high. However, freight and raw material costs, especially recovered paper (RCP), have been declining in the second half of 2022.

SCGP is confidently progressing toward the targeted sales revenue of Baht 150 billion in 2022, with strategies to pursue the sustainable growth including:

**1. Focus on growth through M&P while strengthening synergies** including the expansion of customer network, the offerings of product and service that respond to diversified needs and market coverage, exchange of technology know-how, development of innovative packaging solutions, joint procurement of raw materials and the cooperative development of channels to expand customer base to new regions with high growth opportunities. The Company has completed M&P in Jordan Trading Inc., a trader of recovered paper (RCP) in the USA, in Q3/2022. This strategic investment would lead to direct access of high-quality RCP in the USA which are the main raw materials that can directly help to improve the quality of packaging paper and fiber packaging. The synergy between Jordan and Peute would expedite the expansion of SCGP’s international packaging material recycling network while best practice sharing between SCGP’s recycling operations in ASEAN, Peute in Europe and Jordan in the USA would lead to improvement in operational standard of overall recycling business.

**2. Proactively manage costs, increase production efficiency through operational excellence and continuously develop innovations as well as packaging solutions:** The Company prudently manages cash and investment budget (CAPEX) with systematic investment approach that align with long term strategy. Relentless efforts are carried out to enhance organizational capability to manage costs and production efficiency along with regular risk management. In addition, the company also strives to develop innovative solutions with research & development spending equal to 0.3 percent of revenue during the first nine months of this year. This includes the collaboration with partners to deliver innovations and solutions that fulfill the evolving demand of customers and consumers. Most recently, SCGP entered into a partnership with 3 leading distributors of medical supplies and labware in Thailand with aim to broaden Deltalab’s customer network across ASEAN in response to the growing demand of healthcare and medical supplies products.

**3. Drive the business with ESG 4 Plus framework for a sustainability** including: (1) Aim for Net Zero – to reach the goal of Net Zero by 2050; (2) Go Green – increasing the proportion of environmentally friendly packaging that is recyclable, reusable, or compostable (99.7% of the total production volume currently); (3) Lean or reduce the social inequality - promoting education and careers. Recent event includes a packaging design contest for college student level to promote creative & environmentally friendly design of packaging. This event has been organized for the seventh consecutive year; and (4) Stakeholders’ collaborations with fairness and transparency – SCGP along with partners work together to bring used paper back into recycling process with aim to promote the efficient use of resources. Another notable collaboration project is in Ban Pong District which result into 86 zero waste communities.

With continuous effort to improve on sustainability, SCGP has recently been named in SET THSI Index for the second year in a row. This accolade clearly reflects the Company’s commitment to conducting business according to the ESG framework while strengthen overall operations for sustainable growth.

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