Press release SCGP July 23, 2024

**SCGP Performed Improvement with Revenue Growth in H1/2024,**

**Expands Packaging and Medical Supplies Business,**

**Aiming for Sustainable Packaging to Support Customers in Reducing Greenhouse Gas Emissions**

**SCGP announced its H1/2024 operating results, achieving total revenue from sales of Baht 68,182 million, indicating a 3% increase compared to the same period last year. In Q2/2024, revenue from sales amounted to Baht 34,234 million, marking a 6% growth YoY. This growth was driven by increased sales volumes from both integrated packaging business and fibrous business, along with continuous efforts in raw materials management and energy costs. Looking ahead, the packaging industry continued to grow in the second half of the year. SCGP is progressing its investment strategies, expanding into healthcare packaging, medical supplies and labware, which are high-growth potential sectors. SCGP is also developing the sustainable packaging to obtain carbon footprint certifications, aiming to collaborate with customers in reducing greenhouse gas emissions across the entire supply chain.**

**Wichan Jitpukdee, Chief Executive Officer of SCG Packaging Public Company Limited, or SCGP,** said that overall demand for packaging in ASEAN continues to increase. The consumer goods, food and beverage sectors have seen noticeable development as a result of increased tourism and export, particularly for agricultural products, frozen foods and canned goods. Additionally, packaging for durable goods such as apparel and footwear is consistently recovering in markets like the United States, the United Kingdom, and European countries. In the fibrous business, revenue from sales of foodservice packaging has increased by ongoing recovery in tourism, alongside growth of the food manufacturing industry and fast-food restaurants. Furthermore, this is a continued rise in demand for pulp used in the production of textiles and garments. However, some demand for packaging and packaging paper has been affected by long holiday periods during festivals in Thailand and Indonesia in the second quarter. The cost of recovered paper (RCP) has increased due to heightened demand for packaging across the region. Concurrently, freight cost went up at the beginning of the year, this factor needs to be closely monitored.

SCGP emphasizes on sustainability and quality of growth by providing packaging solutions to serve consumer needs couple with raw material management and energy saving. In H1/2024, the company achieved revenue from sales of Baht 68,182 million, an increase of 3% compared to the same period last year. The growing performance was supported by continuous growth across all business lines, integrated with increasing of exports, and the recovery of durable goods sectors. The company reported an EBITDA of Baht 9,786 million, up by 7% YoY. The profit for the period amounted to Baht 3,178 million, reflecting a growth of 17% compared to the same period last year.

For Q2/2024, SCGP achieved revenue from sales of Baht 34,234 million, an increase of 6% compared to the same period last year, and a growth of 1% compared to the previous quarter. This improvement was driven by increased consumer spending, the recovery of tourism, and enhanced export activities, which positively impacted SCGP's packaging sales across industries. The company reported an EBITDA of Baht 4,635 million, a decrease of 1% YoY, and a decrease of 10% compared to the previous quarter. The profit for the period amounted to Baht 1,453 million, a decline of 2% compared to the same period last year, and a decrease of 16% compared to the previous quarter. This reduction was primarily due to the increased prices of recovered paper.

On July 23, 2024, the Board of Directors of SCGP has approved a H1/2024 interim dividend payment of Baht 0.25 per share (Baht 1,073 million), which is payable on August 21, 2024 (XD-date on August 6, 2024, and record date on August 7, 2024).

Wichan added that the growth of packaging industry is expected to continue in the second half of the year, driven by improvements in manufacturing, services, and consumer spending, as well as government policies aimed at stimulating the economy and investment. It is anticipated that towards the end of the third quarter, industries will begin to increase production for stocking goods in preparation for year-end festivities. In the second half of the year, SCGP is focused on sustainable growth by maintaining a CAPEX of approximately Baht 15,000 million for this year. The intention is on expanding production capacity and fostering growth through Merger and Partnership (M&P) in high-potential growth businesses. Recently, SCGP acquired a 90% stake in VEM (Thailand) Company Limited, a specialist in producing high-performance polymer injection-molded components with global certified cleanroom standards. This acquisition aims to expand SCGP's packaging business, particularly in medical supplies and labware.

Recently, SCGP received the "Carbon Footprint of Products" certification from the Thailand Greenhouse Gas Management Organization (Public Organization) or TGO. This certification covers a wide range of products, including pulp, printing and writing paper, copy paper, packaging paper, plastic packaging, and foodservice packaging. SCGP has also obtained carbon footprint certification for 16 processes related to printing and forming paper packaging, encompassing all product groups of paper packaging. These certifications quantify greenhouse gas emissions according to TGO's assessment framework, meeting the requirement of sustainable packaging and packaging innovation from customers.

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