

Siam Cement

Siam Cement
Public Company Limited

SCC

Bloomberg
Reuters
SCC TB
SCC.BK

innovest^x
A Subsidiary of SCBX Group

Preview 4Q24: Core loss expected

We expect a 4Q24 core loss of Bt431mn, primarily due to a full quarter of depreciation and interest expenses of Bt850mn/month plus nitrogen gas cost of Bt100mn/month for the LSP project; the cement business is expected to be flat YoY and QoQ. We expect 1H25 to remain challenging on low chemical spread but expect some recovery in 2H25. We cut our 2024F by 36% and 2025F by 60% to reflect a lower chemical spread assumption. We maintain our Neutral recommendation but cut our 2025 SOTP to Bt180 from Bt260.

4Q24 expected to be in the red again. We expect SCC to report a core loss of Bt431mn in 4Q24 (vs. Bt502mn core profit in 4Q23 and Bt1.4bn core loss in 3Q24) upon a full quarter of depreciation and interest expenses of Bt850mn/month for the Longson Petrochemical (LSP) plant, as well as ~Bt100mn/month expense for nitrogen gas to prevent corrosion of the LSP plant equipment and to ensure rapid restart. This will be coupled with a drop in HDPE spread to US\$316/ton in 4Q24 (4Q23: US\$363/ton, 3Q24: US\$323/ton) due to weak demand. The cement business is expected to be stable both YoY and QoQ. However, core profit in 4Q24 is expected to improve slightly QoQ due to cost optimization and dividend income from Toyota and Kubota Thailand. We expect no significant impairment expenses or inventory gains/losses in 4Q24.

1H25 remains challenging, but we expect recovery in 2H25. We expect 1H25 to remain challenged by continued low chemical spread plus full recognition of huge fixed cost of Bt850mn/month for the LSP project. The company expects chemical spread to gradually improve in 2025 upon a gradual recovery in demand following China's large-scale economic stimulus, but this will likely be more evident in 2H25. Whether LSP will resume operations will depend on propane prices and the overall cost competitiveness of the chemical production chain. The negatives are expected to be partially offset by slightly improved cement demand as the government has sped up disbursement and coal costs are lower. Cost savings are expected to reduce expenses by ~Bt5bn in 2025.

Action & recommendation. We cut our 2024F by 36% and 2025F by 60% to reflect a lower chemical spread assumption of US\$338/ton (from US\$350) in 2024 and US\$350/ton (from US\$400) in 2025. We also assume its cost savings program reduces expenses by Bt5bn in 2025. We stay Neutral with our 2025 SOTP reduced to Bt180 (from Bt260 previously).

Key risks are higher costs from inflationary pressure, higher interest rate and exchange rate volatility as well as oversupply in the cement and chemical businesses.

Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	569,609	499,646	480,535	488,993	506,936
EBITDA	(Btmn)	49,219	54,143	46,843	60,761	62,992
Core profit	(Btmn)	22,034	11,942	4,020	9,413	10,903
Reported profit	(Btmn)	21,382	23,797	6,399	9,413	10,903
Core EPS	(Bt)	18.36	9.95	3.35	7.84	9.09
DPS	(Bt)	8.00	6.00	5.00	4.00	4.00
P/E, core	(x)	8.4	15.5	46.0	19.6	16.9
EPS growth, core	(%)	(55.0)	(45.8)	(66.3)	134.2	15.8
P/BV, core	(x)	0.4	0.4	0.4	0.4	0.4
ROE	(%)	4.9	2.7	0.9	2.1	2.4
Dividend yield	(%)	5.2	3.9	3.2	2.6	2.6
EBITDA Growth	(%)	(41.4)	10.0	(13.5)	29.7	3.7

Source: InnovestX Research

Tactical: NEUTRAL

(3-month)

Stock data	
Last close (Jan 9) (Bt)	154.00
Target price (Bt)	180.00
Mkt cap (Btbn)	184.80

12-m high / low (Bt)	299 / 154
Avg. daily 6m (US\$mn)	16.06
Foreign limit / actual (%)	25 / 9
Free float (%)	66.2
Outstanding Short Position (%)	0.91

Share price performance			
(%)	1M	3M	12M
Absolute	(14.0)	(35.8)	(47.4)
Relative to SET	(8.6)	(30.9)	(45.5)

INVX core earnings vs consensus		
Earnings vs consensus	2024F	2025F
Consensus (Bt mn)	9,028	15,720
INVX vs Consensus (%)	(55.5)	(40.1)

Earnings momentum	YoY	QoQ
INVX 4Q24 core earnings	down	up

2024 Sustainability/2022 ESG Score

SET ESG Ratings	AAA
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Bloomberg ESG Score and Rank in the sector	
ESG Score and Rank	4.75 1/21
Environmental Score and Rank	4.71 1/21
Social Score and Rank	5.39 2/21
Governance Score and Rank	4.40 3/21

Source: SET, InnovestX Research, Bloomberg Finance L.P.

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Value proposition

Siam Cement (SCC) is a market leader in ASEAN in the chemical, cement & building materials (CBM) and packaging businesses, with a strong presence throughout the region. Chemical unit (25% of 2023 EBITDA): It is one of Thailand's largest petrochemical producers, with a stake in Indonesia's only cracker and 100% ownership of an LSP cracker in Vietnam (shut down as of mid-October 2024). CBM unit (29% of 2023 EBITDA): SCC is Thailand's largest cement and building materials player with a ~40% market share, with cement plants in Cambodia, Indonesia, Vietnam, Myanmar and Laos. Packaging unit (33% of 2023 EBITDA): It is ASEAN's leading integrated packaging solutions provider with a dominant position in Thailand, Indonesia, Vietnam and the Philippines.

Business outlook

For the chemical unit, SCC expects 2024-26F global ethylene supply growth to range from 2.4-2.6% YoY vs 5.0% YoY in 2020-23 amid global demand growth (normally 20-30% higher than GDP growth) in tandem with global GDP growth of 2.7% in 2024 (PwC & Fitch forecasts). High volatility in naphtha cost and rising oil prices out of geopolitical unrest, specifically the Russia-Ukraine war and the war between Israel and Hamas, are pressuring feedstock costs. SCC expects the CBM unit to do better in 1H25, spurred by government disbursement and stimulus as well as potentially lower production cost from a downtrend in coal cost and higher use of local alternative fuels to 46% in 9M24 from 40% in 2023. Key risks are changes in oil and coal costs, changes in market demand and in product prices.

SCC added ~70% to chemical unit capacity via the startup of the LSP cracker in Vietnam (upstream and downstream) in October 2024 but this is currently shut down. The CBM unit will continue to work to capture growth in the retail and distribution business and the renovation segment by offering more high-margin services and solutions. For the packaging unit, it aims to solidify its leadership in ASEAN via organic expansion, rolling out the vertical integration business model used in Thailand to other countries, expanding its market into high-growth consumer goods and the creation of more innovative solutions, in line with the principles of a circular economy.

Bullish views	Bearish views
1. Government stimulus and disbursement program in 4Q24 and 2025 to boost overall CBM demand and lower coal cost to benefit CMB margin.	1. Higher oil and coal costs (main costs in chemical and CBM units) from more tension from Russia-Ukraine and Israel-Hamas wars.
2. Recovery in chemical spread on lower supply additions as demand gradually improves and the potential benefit from China's large-scale economic stimulus.	2. Continued weak CBM demand due to high household debt levels and lower cement ASP in a highly competitive landscape.
3. Lower interest rate cycle to reduce overall cost of debt for SCG group.	3. Prolonged weak chemical spread amid weak demand and high feedstock prices.

Key catalysts

Factor	Event	Impact	Comment
4Q24F earnings outlook	Weak YoY earnings due to full-quarter depreciation and interest expenses for LSP project and slightly lower HDPE spread. The cement business is expected to be flat YoY and QoQ.	Lower YoY but higher QoQ	We expect a core loss in 4Q24 due to full-quarter depreciation and interest expense on LSP project starting in October 2024 and slightly lower HDPE spread while cement remains flat YoY and QoQ.
2024 core earnings outlook	Expect weakening chemical spreads on a weak economy and oversupply, higher depreciation and interest expense (Bt850mn per month) from the LSP project starting from 4Q24, and weak CMB performance amid weaker consumer spending and high household debt.	Lower YoY	We expect core earnings to decline YoY in 2024F, on declining chemical spreads, plus higher depreciation and interest expenses from the LSP project, expected to remain at ~Bt850mn per month from October 2024. The CBM business faces lower demand on high household debt and

Sensitivity analysis

Factor	Earnings impact	TP impact
Lower HDPE spread by US\$50/ton	-27%	Bt48/share

Our view on ESG

SCC recognizes the importance of addressing environmental impact. It places much emphasis on the societal aspects of sustainability. The company has implemented several programs to support the communities where it operates, including initiatives focusing on education, healthcare, and community development. SCC also has well-established corporate governance framework and adheres to high ethical standards. The key ESG risk are energy management, sustainability products, and high greenhouse gas emission.

ESG Ratings and Indices

Bloomberg ESG Financial Materiality Score	4.75 (2022)
Rank in Sector	1/21

	CG Rating	DJSI	SETESG	SET ESG Ratings
SCC	5	Yes	Yes	AAA

Source: Thai Institute of Directors and SET

Environmental Issue (E)

- By 2050, SCC targets to achieve net zero greenhouse gas emissions, with the using the best available technologies for energy efficiency, increasing renewable energy usage, scaling up carbon capture, innovating the low-carbon products, and more reforestation and rehabilitation as carbon sink. By 2030, it targets 25% greenhouse gas emissions reduction from 2020 (vs 2.7% in 2021) and 13% energy consumption reduction from 2007 (vs 7.1% in 2021).
- By 2025, it targets 8mn tons recycled and renewable material per year (vs 3.8mn tons in 2021), 23% water withdrawal reduction from 2014 (vs 22.6% in 2021), zero waste from process to landfill every year (vs 0% hazardous waste and 0.01% of non-hazardous waste in 2021), 70% waste reduction to incineration without energy per ton production from 2014 (vs 99% in 2021), 8% dust emission reduction from 2020 (vs 15% in 2021).
- We anticipate stricter corporate greenhouse gas emission regulations to be a materializing environmental factor impacting SCC's future operations. While SCC has a significant greenhouse gas emission footprint of 27.08 million tons as of 2023, its commitment to ambitious reduction targets and clear environmental policies distinguishes its ESG score from its peers.

Governance Issue (G)

- SCC aims to conduct business with fairness and transparency in compliance with corporate governance principles and implements systematic risk management and internal control. SCC targets 100% coverage of the Ethics e-Testing passed by employees (vs 100% in 2021).
- By 2025, it targets 27% female employees in all management positions (vs 24.8% in 2021).
- In 2021, SCC's board of directors consists of 12 directors. Of these, 11 were non-executive directors (92% of the entire board), 6 were independent directors (50% of the entire board), and 2 were female members (17% of the entire board).
- In 2021, CG rating was excellent and anti-corruption progress indicator was certified.
- SCC has published its overall corporate governance framework, we believe they should enhance the clarity of executive compensation (Incentive structure), which still below the industry average.

Social Issue (S)

- By 2030, SCC targets SCG Green Choice products, services and solutions at 66.7% of total revenue from sales (vs 66.7% in 2021) and SCG Green Choice products, services and solutions which directly benefit to consumer at 33.3% of total revenue from sales (vs 5.9% in 2021).
- It targets for 100% overall customer satisfaction based on surveys via SCG contact center (vs 100% in 2021), zero human rights violation cases (vs zero in 2021), 100% employees undergoing human rights training (vs 100% in 2021), 70% employee engagement rate in Thailand (vs 70% in 2021), loss time injury frequency rate of employees and contractors at 0.025 cases/1mn hours worked (vs 0.175 cases for employees and 0.192 cases for contractors in 2021).
- SCC stands out among its peers by demonstrating leadership in safety measures, employee well-being, social responsibility and supply chain management.

ESG Financial Materiality Score and Disclosure

	2022	2023
ESG Financial Materiality Score	4.75	—
Environment Financial Materiality Score	4.71	—
GHG Scope 1 ('000 metric tonnes)	27,236	24,329
GHG Scope 2 Location-Based ('000 metric tonnes)	3,106	2,935
Energy Efficiency Policy	Yes	Yes
Total Energy Consumption ('000 MWh)	65,953	62,531
Renewable Energy Use ('000 MWh)	8,881	—
Waste Reduction Policy	Yes	Yes
Water Policy	Yes	Yes
Social Financial Materiality Score	5.39	—
Human Rights Policy	Yes	Yes
Community Spending (millions)	560	397
Women in Workforce (%)	24	24
Business Ethics Policy	Yes	Yes
Lost Time Incident Rate (per 100 contractors)	0.03	0.06
Employee Training (hours)	8,961,170	7,169,560
Governance Financial Materiality Score	4.40	—
Audit Committee Meeting Attendance (%)	100	100
Company Conducts Board Evaluations	Yes	Yes
Board Meeting Attendance (%)	100	100
Number of Independent Directors on Compensation (persons)	3	3
Number of Women on Board (persons)	3	3
Number of Independent Directors on Nomination (persons)	4	3

Source: Bloomberg Finance L.P.

Disclaimer

Bloomberg ESG Scores rate companies on their level of management of financially material industry-specific ESG issues. Bloomberg offers four financially material scores, for overall ESG, as well as Environmental, Social, and Governance. Values range from 0 to 10; 10 is best. To review the fully transparent methodology, see ESG Financial Materiality Score Model in Bloomberg.

Financial statement

Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total revenue	(Btmn)	437,980	399,939	530,112	569,609	499,646	480,535	488,993	506,936
Cost of goods sold	(Btmn)	355,752	309,947	421,000	490,779	426,199	417,053	409,944	423,554
Gross profit	(Btmn)	82,228	89,992	109,112	78,829	73,447	63,482	79,050	83,383
SG&A	(Btmn)	(53,212)	(53,808)	(63,170)	(71,155)	(65,190)	(67,802)	(73,675)	(76,484)
Other income	(Btmn)	8,992	7,278	9,208	12,084	11,803	11,375	10,718	11,055
Interest expense	(Btmn)	6,587	6,890	6,757	7,523	10,297	11,465	12,941	12,968
Pre-tax profit	(Btmn)	31,421	36,572	48,392	12,235	9,763	(4,410)	3,152	4,986
Corporate tax	(Btmn)	5,606	6,346	9,394	4,561	8,045	4,715	4,555	5,211
Equity a/c profits	(Btmn)	11,632	9,456	17,543	10,703	8,419	11,585	12,348	13,157
Minority interests	(Btmn)	(1,182)	(3,156)	(7,562)	3,658	1,805	1,560	(1,531)	(2,029)
Core profit	(Btmn)	36,265	36,526	48,979	22,034	11,942	4,020	9,413	10,903
Extra-ordinary items	(Btmn)	(4,250)	(2,382)	(1,805)	(652)	11,855	2,379	0	0
Net Profit	(Btmn)	32,014	34,144	47,174	21,382	23,797	6,399	9,413	10,903
EBITDA	(Btmn)	61,938	70,839	83,984	49,219	54,143	46,843	60,761	62,992
Core EPS	(Btmn)	30.22	30.44	40.82	18.36	9.95	3.35	7.84	9.09
Net EPS	(Bt)	26.68	28.45	39.31	17.82	19.83	5.33	7.84	9.08
DPS	(Bt)	14.00	14.00	18.50	8.00	6.00	5.00	4.00	4.00

Balance Sheet

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	164,386	214,017	233,016	250,049	217,214	193,605	205,634	221,505
Total fixed assets	(Btmn)	470,347	535,364	628,085	656,440	676,386	667,036	665,493	658,725
Total assets	(Btmn)	634,733	749,381	861,101	906,490	893,601	860,641	871,127	880,231
Total loans	(Btmn)	226,625	248,645	303,114	364,246	337,278	343,079	338,079	338,079
Total current liabilities	(Btmn)	127,324	153,365	161,416	128,184	174,706	105,434	101,322	196,230
Total long-term liabilities	(Btmn)	179,666	199,889	249,676	325,881	277,298	313,512	313,512	221,376
Total liabilities	(Btmn)	306,990	353,255	411,093	454,065	452,004	418,946	414,834	417,606
Paid-up capital	(Btmn)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total equity	(Btmn)	327,743	396,126	450,008	452,424	441,597	441,695	446,291	452,623
BVPS	(Bt)	273.1	330.1	375.0	377.0	368.0	368.1	371.9	376.9

Cash Flow Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	36,265	36,526	48,979	22,034	11,942	4,020	9,413	10,903
Depreciation and amortization	(Btmn)	23,931	27,377	28,835	29,461	40,540	39,788	44,668	45,038
Operating cash flow	(Btmn)	59,817	70,415	38,800	29,719	92,949	27,010	55,167	53,496
Investing cash flow	(Btmn)	(45,054)	(71,185)	(65,399)	(32,947)	(60,486)	(30,438)	(33,122)	(38,271)
Financing cash flow	(Btmn)	(15,282)	37,471	(3,238)	24,399	(62,157)	(1,927)	(10,010)	(4,203)
Net cash flow	(Btmn)	(520)	36,701	(29,837)	21,171	(29,694)	(5,355)	12,035	11,021

Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	18.8	22.5	20.6	13.8	14.7	13.2	16.2	16.4
Operating margin	(%)	6.6	9.0	8.7	1.3	1.7	(0.9)	1.1	1.4
EBITDA margin	(%)	14.1	17.7	15.8	8.6	10.8	9.7	12.4	12.4
EBIT margin	(%)	8.7	10.9	10.4	3.5	4.0	1.5	3.3	3.5
Net profit margin	(%)	7.3	8.5	8.9	3.8	4.8	1.3	1.9	2.2
ROE	(%)	11.2	10.1	11.6	4.9	2.7	0.9	2.1	2.4
ROA	(%)	5.9	5.3	6.1	2.5	1.3	0.5	1.1	1.2
Net D/E	(x)	0.6	0.4	0.5	0.6	0.6	0.7	0.6	0.6
Interest coverage	(x)	9.4	10.3	12.4	6.5	5.3	4.1	4.7	4.9
Debt service coverage	(x)	0.8	0.7	0.9	0.6	0.4	0.7	1.0	0.4
Payout Ratio	(%)	52.5	49.2	47.1	44.9	30.3	84.4	45.0	45.0

Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Domestic cement price	(Bt/ton)	1,775	1,775	1,744	1,938	2,075	2,106	2,138	2,138
HDPE-naphtha spread	(US\$/ton)	468	500	536	419	395	338	350	350
PP-naphtha spread	(US\$/ton)	579	616	652	396	338	346	350	350
PVC-EDC/C2 spread	(US\$/ton)	389	453	577	407	374	335	300	300
FX	(Bt/US\$1)	31.0	31.3	32.0	35.1	35.0	35.3	35.6	35.6

Financial statement

Profit and Loss Statement

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Total revenue	(Btmn)	122,189	128,748	124,631	125,649	120,618	124,266	128,195	128,199
Cost of goods sold	(Btmn)	107,953	108,859	105,508	107,108	104,724	105,650	109,215	113,747
Gross profit	(Btmn)	14,237	19,890	19,122	18,540	15,894	18,615	18,980	14,452
SG&A	(Btmn)	(17,834)	(16,811)	(16,058)	(16,123)	(16,198)	(16,247)	(17,182)	(16,322)
Other income	(Btmn)	2,343	4,870	5,602	753	578	1,548	3,090	5,172
Interest expense	(Btmn)	2,262	2,241	2,378	2,637	3,042	2,611	2,884	2,821
Pre-tax profit	(Btmn)	(3,516)	5,708	6,289	534	(2,768)	1,305	2,004	481
Corporate tax	(Btmn)	(164)	4,321	1,068	1,412	1,244	1,500	1,190	758
Equity a/c profits	(Btmn)	1,871	2,665	2,023	2,118	1,612	1,787	2,295	1,261
Minority interests	(Btmn)	2,042	517	(121)	624	785	(125)	599	1,210
Core profit	(Btmn)	560	4,516	5,216	3,019	994	1,466	4,471	(1,462)
Extra-ordinary items	(Btmn)	(403)	11,956	2,866	(578)	(2,128)	959	(763)	2,183
Net Profit	(Btmn)	157	16,526	8,082	2,441	(1,134)	2,425	3,708	721
EBITDA	(Btmn)	6,318	12,127	19,953	11,096	10,924	12,623	16,212	9,879
Core EPS	(Btmn)	0.47	3.76	4.35	2.52	0.83	1.22	3.73	(0.05)
Net EPS	(Bt)	0.13	13.77	6.73	2.03	(0.94)	2.02	3.09	0.60

Balance Sheet

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Total current assets	(Btmn)	250,049	248,741	251,908	259,125	217,214	239,820	252,196	252,196
Total fixed assets	(Btmn)	656,440	674,983	690,110	700,933	676,386	699,577	697,282	614,850
Total assets	(Btmn)	906,490	923,725	942,018	960,058	893,601	939,396	949,478	867,046
Total loans	(Btmn)	364,246	361,245	365,407	304,935	337,278	362,266	368,100	261,617
Total current liabilities	(Btmn)	132,316	140,735	173,841	198,200	174,706	227,330	234,657	248,409
Total long-term liabilities	(Btmn)	321,749	319,261	309,439	301,713	277,298	256,872	259,404	203,438
Total liabilities	(Btmn)	454,065	459,995	483,280	499,913	452,004	484,202	494,061	451,847
Paid-up capital	(Btmn)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total equity	(Btmn)	452,424	463,729	458,738	460,144	441,597	455,195	455,417	415,200
BVPS	(Bt)	377.0	386.4	382.3	383.5	368.0	379.3	379.5	346.0

Cash Flow Statement

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Core Profit	(Btmn)	157	16,009	24,212	26,029	994	2,550	5,659	5,170
Depreciation and amortization	(Btmn)	7,572	7,121	7,179	7,131	19,109	7,635	15,323	23,034
Operating cash flow	(Btmn)	18,293	11,182	21,324	32,941	44,008	2,092	10,179	15,237
Investing cash flow	(Btmn)	(19,774)	(26,600)	(20,320)	(28,123)	(10,631)	(6,212)	(9,011)	(8,019)
Financing cash flow	(Btmn)	16,826	(3,105)	(11,128)	(11,176)	(46,586)	15,465	11,440	(17,883)
Net cash flow	(Btmn)	15,344	(18,522)	(9,679)	(5,914)	(13,209)	11,344	12,608	(10,664)

Key Financial Ratios

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Gross margin	(%)	11.7	15.4	15.3	14.8	13.2	15.0	14.8	11.3
Operating margin	(%)	(2.9)	2.4	2.5	1.9	(0.3)	1.9	1.4	(1.5)
EBITDA margin	(%)	5.2	9.4	16.0	8.8	9.1	10.2	12.6	7.7
EBIT margin	(%)	(1.0)	6.2	7.0	2.5	0.2	3.2	3.8	2.6
Net profit margin	(%)	0.1	12.8	6.5	1.9	(0.9)	2.0	2.9	0.6
ROE	(%)	0.5	3.9	4.5	2.6	0.9	1.3	3.9	(0.1)
ROA	(%)	0.2	2.0	2.2	1.3	0.4	0.6	1.9	(0.0)
Net D/E	(x)	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.5
Interest coverage	(x)	2.8	5.4	8.4	4.2	3.6	4.8	5.6	3.5
Debt service coverage	(x)	0.3	0.6	0.8	0.8	0.3	0.4	0.4	0.4

Key Statistics

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Domestic cement price (SCC)	(Bt/ton)	2,025	2,075	2,125	2,125	2,125	2,075	2,075	2,075
PE-naphtha spread	(US\$/ton)	360	396	435	384	363	349	364	323
PP-naphtha spread	(US\$/ton)	304	380	375	305	291	309	367	315
PVC-EDC/C2 spread	(US\$/ton)	364	449	317	400	333	293	330	322
FX	(Bt/US\$1)	36.6	34.1	34.6	35.3	35.8	35.8	36.5	33.5

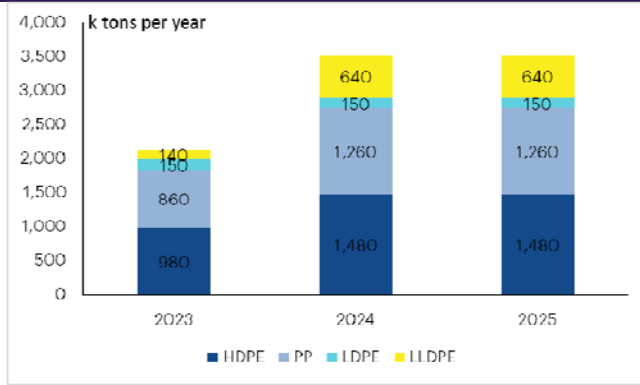
Appendix

Figure 1: 4Q24: core loss expected

P & L (Btmn)	4Q23	1Q24	2Q24	3Q24	4Q24F	% Chg YoY	% Chg QoQ
Total revenue	120,618	124,266	128,195	128,199	130,763	8.4	2.0
Gross profit	15,894	18,615	18,980	14,452	15,169	(4.6)	5.0
SG&A expense	(16,198)	(16,247)	(17,182)	(16,322)	(16,999)	4.9	4.1
Net other income/expense	578	1,548	3,090	5,172	3,000	419.0	(42.0)
Interest expense	(3,042)	(2,611)	(2,884)	(2,821)	(2,900)	(4.7)	2.8
Pre-tax profit	(2,768)	1,305	2,004	481	(1,731)	37.5	(459.9)
Corporate tax	(1,244)	(1,500)	(1,190)	(758)	(700)	(43.7)	(7.7)
Equity a/c profits	1,612	1,787	2,295	1,261	1,500	(7.0)	19.0
Core profit	994	1,466	4,471	(1,462)	(431)	(143.3)	70.5
Extra. Gain (Loss)	(2,128)	959	(763)	2,183	-	n.a.	n.a.
Net Profit	(1,134)	2,425	3,708	721	(431)	62.0	(159.7)
EPS	(0.94)	2.02	3.09	0.60	(0.36)	(62.0)	(159.7)
EBITDA	10,924	12,623	16,212	9,879	7,281	(33.3)	(26.3)
Financial ratio (%)							
Gross margin	13.2	15.0	14.8	11.3	11.6	(1.6)	0.3
Net profit margin	-0.9	2.0	2.9	0.6	(0.3)	0.4	(0.9)
EBITDA margin	9.1	10.2	12.6	7.7	5.6	(3.5)	(2.1)
SG&A expense/Revenue	13.4	13.1	13.4	12.7	13.0	1.0	0.3

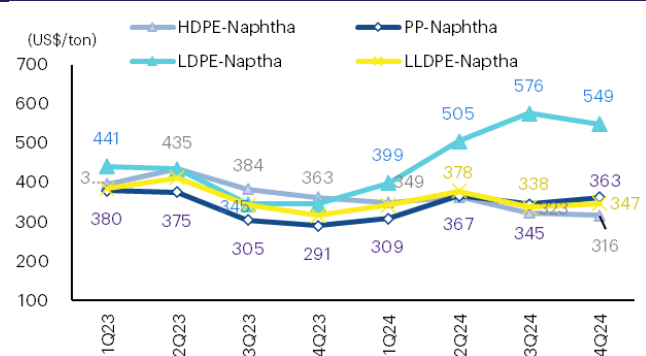
Source: SCGP and InnovestX Research

Figure 2: SCC's downstream chemical capacity



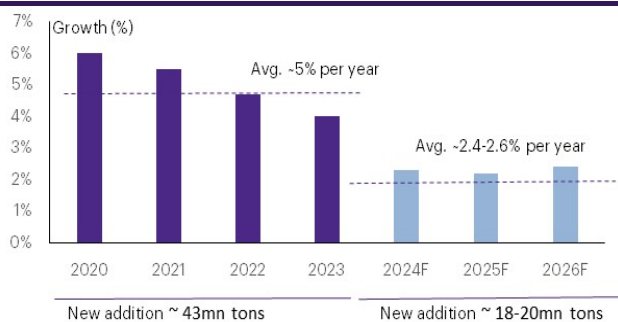
Source: Company data and InnovestX Research

Figure 3: HDPE, PP, LLDPE & LDPE spreads



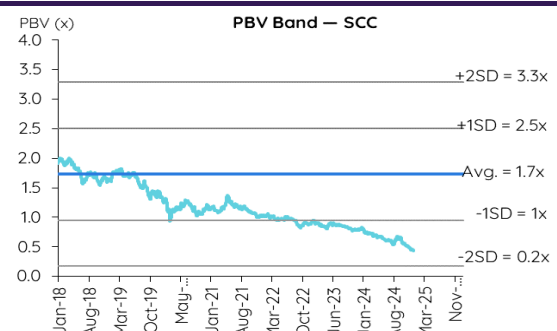
Source: Company data and InnovestX Research

Figure 4: Global ethylene supply



Source: Company data and InnovestX Research

Figure 5: PBV Band



Source: Company data and InnovestX Research

Valuation summary (price as of Jan 9, 2024)

	Rating	Price	Target	ETR	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
		(Bt/Sh)	(Bt/Sh)	(%)	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F
DCC	Neutral	1.64	1.8	14.7	12.7	11.5	11.1	(28)	10	4	2.2	2.0	1.9	19	19	18	3.5	4.8	4.9	8.1	8.5	8.0
SCC	Neutral	154.00	180.0	19.5	15.5	46.0	19.6	(46)	(66)	134	0.4	0.4	0.4	3	1	2	3.9	3.2	2.6	8.5	10.1	7.5
SCCC	Neutral	161.00	158.0	3.7	20.7	13.9	13.4	(34)	49	4	1.4	1.4	1.3	7	10	10	4.3	5.6	5.6	8.4	7.1	6.7
Average					16.3	23.8	14.7	(36)	(3)	47	1.4	1.3	1.2	9	10	10	3.9	4.5	4.4	8.3	8.6	7.4

Source: InnovestX Research

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