

## Stronger Core, Brighter Outlook

- SCC reported a 1Q25 NP of THB1.1b, with core profit at THB4.0b excluding LSP.
- SCC's NP is set to recover, backed by better chemical margins, narrowing LSP losses, stronger volumes, and post-quake demand.
- Maintain BUY at TP of THB167.00

### Recovery in sight

SCC posted a 1Q25 net profit (NP) of THB1.1b, up from a net loss (NL) of THB0.5b in 4Q24 but down from an NP of THB2.4b in 1Q24. Excluding LSP, NP would report at THB4.0b. Net profits were stronger across all units, thanks to its internal efficiency improvement. The chemical unit reported a lower NL at THB2.9b (+13% q-q, -58% y-y) due to the higher olefins run rate and its HVA products. The Cement and Green Solutions (CGS) report a stronger NP at THB1.4b, thanks to the seasonality and increased in cement price, while the Smart Living business turn from a NL of THB385m in 4Q24 to a NP of THB751m, mainly due to the short-term increase in the demand for repair and decoration. SCGD's NP rose q-q to THB217m (-16% y-y). Meanwhile, the packaging business posted a NP of THB900m, thanks to the higher sales volume and lower OCC prices.

### Stronger run rates and HVA sales lift chemical EBITDA

The chemical unit's EBITDA reported at THB26b in 1Q25 (+80%q-q, +100%y-y), the overall chemical EBITDA margin rose to 3% in 1Q25 from 2% in 4Q24, supported by the higher olefins run rate at 80-85% and higher HVA sales volume. A drop q-q in PE sales volumes and flat q-q PP, while an increased in PVC volumes due to the absent of the maintenance shutdown.

### Smart living swings to profit on post-quake demand

CGS' EBITDA surged to THB3.7b (+54% q-q), driven by a stronger margin (18% in 1Q25 vs. 17% in 4Q24), supported by green initiatives, increased sales of Low Carbon Cement. Meanwhile, Smart Living and Distribution's EBITDA rose to THB1.2b, up from NL of THB20m, thanks to short-term demand from the earthquake.

### Positive momentum building across SCC's core units

We expect SCC's NP to gradually improve, supported by multiple tailwinds: 1) a sharp decline in crude oil prices, which should boost PE-naphtha spreads and improve chemical margins; 2) a narrowing net loss at LSP; 3) stronger sales volume and lower OCC costs at SCGP; 4) a stronger infrastructure and commercial demand at CGS; and 5) continued demand for repair and renovation products at SCGD following the recent earthquake.

### Maintain BUY at TP of THB167.00

We maintain BUY at our TP of THB167. We think the bottom of SCC's net profit has already passed in 2024 and will rebound piecemeal in 2025-26 ahead of SCC's ethane imports to strengthen its LSP's competitiveness. Or if the margin of PE-naphtha exceeds USD400/t, SCC could restart its LSP for the productions.

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

## BUY

Target Price 12M (THB)	167.00
VS. BB Consensus TP (%)	+6.4%
Share Price (THB)	151.50
Upside/Downside	+10.2%

### Share Data

Market Cap (THB m)	181,800.00
Par (THB)	1.00
Free Float (%)	66.24
Issued shares (m shares)	1,200

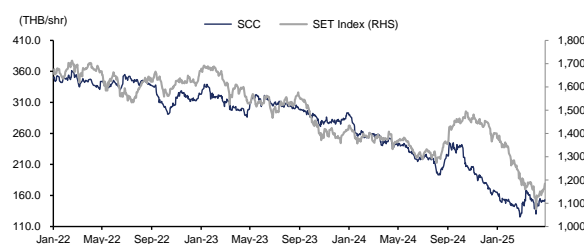
### Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	511,172	549,680	592,461	651,472
Net profit	6,342	8,876	14,835	16,693
Core net profit	6,342	8,876	14,835	16,693
vs Consensus (%)		9.8	7.8	(1.9)
Net profit growth (%)	(75.5)	40.0	67.1	12.5
Core net profit growth (%)	(75.5)	40.0	67.1	12.5
EPS (THB)	5.28	7.40	12.36	13.91
Core EPS (THB)	5.28	7.40	12.36	13.91
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	5.00	2.96	4.95	5.56
P/E (x)	31.79	20.48	12.25	10.89
P/BV (x)	0.57	0.51	0.50	0.48
ROE (%)	1.77	2.50	4.10	4.48
Dividend yield (%)	2.98	1.95	3.26	3.67

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(1.30)	(1.30)	(26.81)	(9.82)
Market	(0.94)	13.20	(9.31)	7.82
12M High/Low (THB)			255.00 / 124.50	



### Major Shareholders (%) as of 3 Apr 2025

Maha Vajiralongkorn	33.64
Thai NVDR Company Limited	7.94
Social Security Office	5.53

### Company Profile

The Company operates as holding company engaging in the industrial supplies and construction industries. The Company operates 3 core businesses consists of investments in the Cement-Building Materials business, Chemicals business and Packaging business.

Source: SETSMART, SET

### Exhibit 1: Summary of 1Q25 operations

	1Q24	4Q24	1Q25			2024	2025E	chg.
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
<b>Revenue</b>	<b>124,266</b>	<b>130,512</b>	<b>124,392</b>	<b>(4.7)</b>	<b>0.1</b>	<b>511,172</b>	<b>549,680</b>	<b>7.5</b>
Operating costs	(113,429)	(116,522)	(112,930)	3.1	0.4	(482,408)	(512,056)	(6.1)
<b>EBITDA</b>	<b>10,836</b>	<b>13,990</b>	<b>11,462</b>	<b>(18.1)</b>	<b>5.8</b>	<b>28,764</b>	<b>37,624</b>	<b>30.8</b>
<i>EBITDA margin (%)</i>	8.7	10.7	9.2	na	na	5.6	6.8	na
Depn & amort.	(7,635)	(8,556)	(8,291)	3.1	(8.6)	(31,591)	(28,916)	8.5
EBIT	2,104	(2,922)	1,147	139.3	(45.5)	(2,827)	8,708	408.0
Interest expense	(2,611)	(3,184)	(2,829)	11.1	(8.4)	(11,500)	(11,743)	(2.1)
Interest & invt inc	2,770	4,004	2,312	(42.2)	(16.5)	15,502	12,500	(19.4)
Associates' contrib	1,787	1,188	1,427	20.2	(20.1)	6,530	11,481	75.8
Exceptionals	0	0	0	nm	nm	0	0	nm
<b>Pretax profit</b>	<b>4,050</b>	<b>(915)</b>	<b>2,058</b>	<b>325.0</b>	<b>(49.2)</b>	<b>7,704</b>	<b>20,946</b>	<b>171.9</b>
Tax	(1,500)	(434)	(1,196)	(175.9)	20.3	(3,882)	(1,420)	63.4
<i>Tax rate (%)</i>	37.0	(47.4)	58.1	na	na	50.4	6.8	na
Minority interests	(125)	836	237	(71.6)	289.4	2,520	(10,651)	(522.6)
<b>Net profit</b>	<b>2,425</b>	<b>(512)</b>	<b>1,099</b>	<b>314.4</b>	<b>(54.7)</b>	<b>6,342</b>	<b>8,876</b>	<b>40.0</b>
Non-recurring	0	(3,266)	(2,920)	10.6	nm	0	0	nm
<b>Core net profit</b>	<b>2,425</b>	<b>2,754</b>	<b>4,019</b>	<b>45.9</b>	<b>65.7</b>	<b>6,342</b>	<b>8,876</b>	<b>40.0</b>
EPS (THB)	2.02	(0.43)	0.92	314.4	(54.7)	5.28	7.40	40.0
Core EPS (THB)	2.02	2.30	3.35	45.9	65.7	5.28	7.40	40.0

Sources: SCC; Globlex Research

### Exhibit 2: 1Q25 key performance broken down by sector

	1Q24	4Q24	1Q25	Change	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
<b>EBITDA breakdown</b>					
<b>SCC consolidated</b>	<b>12,623</b>	<b>15,178</b>	<b>12,889</b>	<b>(15.1)</b>	<b>2.1</b>
Cement and Green Solutions	3,591	2,410	3,703	53.7	3.1
Smart Living and SCG Distribution & Retail	1,025	(20)	1,151	5,855.0	12.3
Décor	854	604	808	33.8	(5.4)
Chemicals	1,289	1,436	2,579	79.6	100.1
Packaging	5,152	2,845	4,234	48.8	(17.8)
Other	775	7,975	468	(94.1)	(39.6)
<b>Net profit breakdown</b>					
<b>SCC consolidated</b>	<b>2,425</b>	<b>(521)</b>	<b>1,099</b>	<b>310.9</b>	<b>(54.7)</b>
Cement and Green Solutions	1,191	238	1,443	506.3	21.2
Smart Living and SCG Distribution & Retail	582	(385)	751	295.1	29.0
Décor	258	80	217	171.3	(15.9)
Chemicals	(1,866)	(3,403)	(2,948)	13.4	(58.0)
Packaging	1,725	(57)	900	1,678.9	(47.8)
Other	1,066	2,985	1,003	(66.4)	(5.9)
<b>EBITDA margin *</b>					
<b>SCC consolidated</b>	<b>10</b>	<b>7</b>	<b>9</b>	<b>2.0</b>	<b>(1.0)</b>
Cement and Green Solutions	17	12	18	6.0	1.0
Smart Living and SCG Distribution & Retail	3	(0)	3	3.1	-
Décor	13	10	14	4.0	1.0
Chemicals	3	2	3	1.0	-
Packaging	15	9	13	4.0	(2.0)

\* Change in percentage

Sources: SCC; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
Cash & ST investment	43,602	36,492	72,172	88,867	108,433
Account receivable	70,559	71,539	77,036	82,960	89,475
Inventories	80,631	73,302	64,398	70,669	77,654
Others	22,423	17,835	8,037	8,663	9,521
<b>Non-current assets</b>					
Net fixed assets	424,344	422,613	413,382	415,004	415,572
Others	252,042	239,722	239,722	239,722	239,722
<b>Total Assets</b>	<b>893,601</b>	<b>861,502</b>	<b>874,746</b>	<b>905,885</b>	<b>940,377</b>
<b>Current liabilities</b>					
Account payable	59,691	58,094	55,038	60,397	66,367
ST borrowing	112,790	149,571	149,571	149,571	149,571
Others	29,764	9,656	6,205	6,693	7,360
<b>Long-term liabilities</b>					
Long-term debts	210,506	183,786	188,786	193,786	198,786
Others	39,253	40,616	40,616	40,616	40,616
<b>Total liabilities</b>	<b>452,004</b>	<b>441,722</b>	<b>440,215</b>	<b>451,063</b>	<b>462,699</b>
Pai-up capital	1,200	1,200	1,200	1,200	1,200
Retained earnings	384,271	382,495	386,596	396,689	407,076
Others	(21,510)	(30,808)	(30,808)	(30,808)	(30,808)
Minority interest	77,635	66,893	77,543	87,741	100,210
<b>Shareholders' equity</b>	<b>441,597</b>	<b>419,780</b>	<b>434,531</b>	<b>454,822</b>	<b>477,678</b>

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (%YoY)</b>					
Sales	(12.3)	2.3	7.5	7.8	10.0
Operating profit	(3.0)	(17.6)	30.8	17.2	10.8
EBITDA	(3.0)	(17.6)	30.8	17.2	10.8
Net profit	21.2	(75.5)	40.0	67.1	12.5
Core net profit	21.2	(75.5)	40.0	67.1	12.5
EPS	21.2	(75.5)	40.0	67.1	12.5
Core EPS	21.2	(75.5)	40.0	67.1	12.5
<b>Profitability (%)</b>					
Gross margin	20.7	19.3	22.8	21.4	21.5
Operation margin	7.0	5.6	6.8	7.4	7.5
EBITDA margin	7.0	5.6	6.8	7.4	7.5
Net margin	5.2	1.2	1.6	2.5	2.6
ROE	17.0	66.2	49.0	30.7	28.6
ROA	34.5	135.8	98.6	61.1	56.3
<b>Stability</b>					
Interest bearing debt/equity (x)	0.7	0.8	0.8	0.8	0.7
Net debt/equity (x)	0.6	0.7	0.6	0.6	0.5
Interest coverage (x)	0.5	(0.2)	0.7	1.2	1.5
Interest & ST debt coverage (x)	0.0	(0.0)	0.1	0.1	0.1
Cash flow interest coverage (x)	0.2	0.1	0.1	0.1	0.1
Current ratio (x)	1.1	0.9	1.1	1.2	1.3
Quick ratio (x)	0.6	0.5	0.7	0.8	0.9
Net debt (THB m)	279,695	296,864	266,185	254,489	239,924
<b>Activity</b>					
Asset turnover (X)	0.6	0.6	0.6	0.7	0.7
Days receivables	53.0	50.7	49.3	49.3	48.3
Days inventory	75.4	68.1	59.3	53.0	52.9
Days payable	55.0	52.1	48.7	45.3	45.2
Cash cycle days	73.4	66.7	59.9	57.0	56.0

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Revenue</b>	<b>499,646</b>	<b>511,172</b>	<b>549,680</b>	<b>592,461</b>	<b>651,472</b>
Cost of goods sold	(396,459)	(412,765)	(424,107)	(465,408)	(511,408)
<b>Gross profit</b>	<b>103,187</b>	<b>98,407</b>	<b>125,573</b>	<b>127,052</b>	<b>140,064</b>
Operating expenses	(68,299)	(69,644)	(87,949)	(82,944)	(91,206)
<b>Operating profit</b>	<b>34,888</b>	<b>28,764</b>	<b>37,624</b>	<b>44,108</b>	<b>48,858</b>
<b>EBIT</b>	<b>5,148</b>	<b>(2,827)</b>	<b>8,708</b>	<b>14,139</b>	<b>17,835</b>
Depreciation	(29,740)	(31,591)	(28,916)	(29,969)	(31,022)
<b>EBITDA</b>	<b>34,888</b>	<b>28,764</b>	<b>37,624</b>	<b>44,108</b>	<b>48,858</b>
<b>Non-operating income</b>	<b>28,886</b>	<b>15,502</b>	<b>12,500</b>	<b>13,125</b>	<b>13,781</b>
Other incomes	28,886	15,502	12,500	13,125	13,781
Other non-op income	0	0	0	0	0
<b>Non-operating expense</b>	<b>(10,297)</b>	<b>(11,500)</b>	<b>(11,743)</b>	<b>(11,918)</b>	<b>(12,125)</b>
Interest expense	(10,297)	(11,500)	(11,743)	(11,918)	(12,125)
Other non-op expense	0	0	0	0	0
<b>Equity income/(loss)</b>	<b>8,419</b>	<b>6,530</b>	<b>11,481</b>	<b>11,989</b>	<b>12,594</b>
<b>Pre-tax Profit</b>	<b>32,155</b>	<b>7,704</b>	<b>20,946</b>	<b>27,335</b>	<b>32,085</b>
Extraordinary items					
Current taxation	(8,045)	(3,882)	(1,420)	(2,302)	(2,924)
Minorities	1,805	2,520	(10,651)	(10,198)	(12,469)
<b>Net Profit</b>	<b>25,915</b>	<b>6,342</b>	<b>8,876</b>	<b>14,835</b>	<b>16,693</b>
<b>Core net profit</b>	<b>25,915</b>	<b>6,342</b>	<b>8,876</b>	<b>14,835</b>	<b>16,693</b>
<b>EPS (THB)</b>	<b>21.60</b>	<b>5.28</b>	<b>7.40</b>	<b>12.36</b>	<b>13.91</b>
<b>Core EPS (THB)</b>	<b>21.60</b>	<b>5.28</b>	<b>7.40</b>	<b>12.36</b>	<b>13.91</b>

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2026E
<b>Operating cash flow</b>	<b>70,647</b>	<b>49,176</b>	<b>49,495</b>	<b>49,814</b>	<b>52,582</b>
Net profit	25,915	6,342	8,876	14,835	16,693
Depre. & amortization	29,740	31,591	28,916	29,969	31,022
Change in working capital	6,573	4,714	222	(6,979)	(7,727)
Others	8,419	6,530	11,481	11,989	12,594
<b>Investment cash flow</b>	<b>(44,977)</b>	<b>(14,985)</b>	<b>(17,506)</b>	<b>(29,379)</b>	<b>(29,379)</b>
Net CAPEX	(26,149)	(27,750)	(17,506)	(29,379)	(29,379)
Change in LT investment	2,028	7,371	0	0	0
Change in other assets	(20,856)	5,394	0	0	0
<b>Free cash flow</b>	<b>25,670</b>	<b>34,190</b>	<b>31,989</b>	<b>20,435</b>	<b>23,202</b>
<b>Financing cash flow</b>	<b>(39,598)</b>	<b>(41,300)</b>	<b>3,691</b>	<b>(3,740)</b>	<b>(3,637)</b>
Change in share capital	0	0	0	0	0
Net change in debt	(27,040)	10,060	5,000	5,000	5,000
Dividend paid	(4,800)	(7,200)	(4,775)	(4,742)	(6,306)
Others	(7,758)	(44,160)	3,466	(3,997)	(2,331)
<b>Net cash flow</b>	<b>(13,928)</b>	<b>(7,110)</b>	<b>35,680</b>	<b>16,695</b>	<b>19,565</b>

Per share (THB)					
EPS	21.60	5.28	7.40	12.36	13.91
Core EPS	21.60	5.28	7.40	12.36	13.91
CFPS	44.88	29.51	40.37	45.84	50.15
BVPS	303.30	294.07	297.49	305.90	314.56
Sales/share	416.37	425.98	458.07	493.72	542.89
EBITDA/share	29.07	23.97	31.35	36.76	40.71
DPS	5.50	5.00	2.96	4.95	5.56
<b>Valuation</b>					
P/E (x)	14.17	31.79	20.48	12.25	10.89
P/BV (x)	1.01	0.57	0.51	0.50	0.48
Dividend yield (%)	1.80	2.98	1.95	3.26	3.67
Dividend payout ratio (%)	25.47	94.61	40.00	40.00	40.00

## GENERAL DISCLAIMER

### Analyst Certification

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## RECOMMENDATION STRUCTURE

### Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

- BUY:** Expected return of 10% or more over the next 12 months.  
**HOLD:** Expected return between -10% and 10% over the next 12 months.  
**REDUCE:** Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.  
**Neutral:** The industry is expected to perform in line with the relevant primary market index over the next 12 months.  
**Underweight:** The industry is expected to underperform the relevant primary market index over the next 12 months.

### Country (Strategy) Recommendations

**Overweight:** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral:** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight:** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.