COMPANY RESULTS

SCG DECOR (SCGD TB)

THAILAND / SET / CONSTRUCTION MATERIALS

Globlex Securities Co., Ltd.

28 October 2025

From restructuring to repowering

- Solid 3Q25: the first evidence for SCGD's restructuring success
- Margins still improve further despite revenue declined
- Maintain BUY and a TP of THB6.0. Strong Buy on solid growth.

Solid as a rock for 3Q25 net profit

SCGD reported a strong 3Q25 net profit of THB304m, up 37% q-q and 61% y-y, beating our expectation by 5% but the market's forecast by 15%. Core net profit was THB289m, up 2% q-q and 53% y-y, reflecting better bottom line despite the revenue drop to THB5.6b (-10% y-y, -2% q-q). Core EBITDA rose to THB902m, up from THB803m in 2Q25 and THB766m in 3Q24 due to improving margin.

Margins on the uptrend, visibly and notably

After having incurred significant restructuring expenses in 4Q24-2Q25, SCGD finally reached a harvesting time to see strong profitability on the leaner cost structure and better revenue mix to be ready for the upcoming revenue growths particularly in Vietnam. Margins are now on the visibly improving trend, likely to improve further from the already high 16% EBITDA margin (13.9% in 2Q25 and 12.3% in 3Q24) and 5.3% net profit margin (4.9% in 2Q25 and 3.1% in 3Q24) in 3Q25.

Vietnam as an export hub for growth

As of Sep-25, the cost structure of SCGD's production base in Vietnam has already achieved a handsome target, reaching the cost competitiveness level that even is below China's level. Armed with the cost competitiveness, we believe the Vietnam's production base would position SCGD well to be the export hub for ASEAN market, including both ceramics and sanitary products. While revenue contribution may not reach 1/3 of SCGD's total revenue soon, we however project Vietnam's EBITDA contribution to rise to 1/3 of SCGD's total EBITDA by 2027, up from 15% currently. In 3Q25, ceramics sales volumes for Vietnam's domestic market rose by 8.7% y-y to 11.3m sqm with export revenue rising to 33% from new markets in Eastern Europe.

Cost savings and efficiency improvement are key

Gross profit margin remained high at 28.2% in 3Q25 vs 28.3% in 2Q25 and 26.0% in 3Q24, driven by 1) SCGD's relentless efforts to lower energy cost via renewable and biomass (+THB37m); 2) superior product mix of ceramics-cum-glaze porcelain capacity; 3) higher High-Value Added portion at 41% of sales in 3Q25 (vs 36% in 3Q24); 4) raw material cost saving (+THB21m); 5) financing cost (+THB33m); and working capital reduction (+THB29m).

One of the best plays on Vietnam's growth heyday

We maintain BUY and a TP of THB6.0 and expect its share price to rise further mainly from earnings growths in Vietnam and Thailand, which together account for ¾ of SCGD's EBITDA. SCGD still stands as one of the best plays for Vietnam's growth, evidenced in 3Q25 results, to ride on Vietnam's property market recovery.

ESG Rating : A

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	6.00
VS. BB Consensus TP (%)	-4.2%
Share Price (THB)	4.90
Upside/Downside	+22.4%

Share Data

Market Cap (THB m)	8,085.00
Par (THB)	10.00
Free Float (%)	26.60
Issued shares (m shares)	1,650

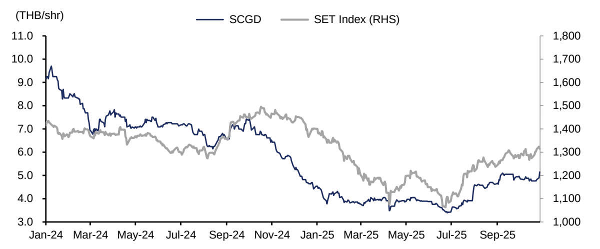
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	25,563	27,514	29,010	30,316
Net profit	810	1,095	1,290	1,475
Core net profit	810	1,095	1,290	1,475
vs Consensus (%)	-	6.7	14.2	18.2
Net profit growth (%)	147.1	35.2	17.8	14.3
Core net profit growth (%)	147.1	35.2	17.8	14.3
EPS (THB)	0.49	0.66	0.78	0.89
Core EPS (THB)	0.49	0.66	0.78	0.89
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.38	0.20	0.23	0.27
P/E (x)	9.78	7.38	6.27	5.48
P/BV (x)	0.41	0.41	0.39	0.37
ROE (%)	4.17	5.65	6.42	6.98
Dividend yield (%)	12.78	24.61	20.89	18.28

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(0.81)	21.29	21.29	2.08
Market	(4.17)	11.54	6.21	8.00
12M High/Low (THB)				7.10 / 3.48



Major Shareholders (%) as of 13 Aug 25

SCGHeritage Co.,Ltd	73.39

Company Profile

Business of tiles for floors and walls both in Thailand and other countries, Business of bathroom products in Thailand, and Business of industrial estate services.

Source: SETSMART, SET

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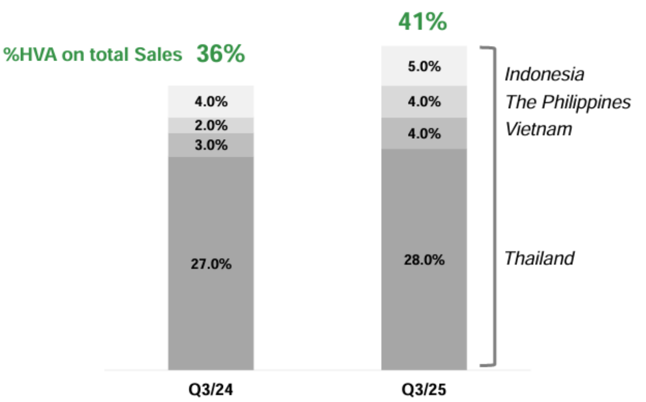
Exhibit 1: Summary of 3Q25/9M25 operations

	3Q24 (THB m)	2Q25 (THB m)	---------------- 3Q25 (THB m)	(q-q%)	(y-y%) ------------------	9M24 (THB m)	9M25 (THB m)	chg. (y-y%)	2025E (THB m)
Revenue	**6,235**	**5,770**	**5,638**	***(2.3)***	***(9.6)***	**19,585**	**17,368**	***(11.3)***	**27,514**
Operating costs	(5,599)	(5,065)	(4,866)	*(3.9)*	*(13.1)*	(17,486)	(15,204)	*(13.0)*	(24,707)
EBITDA	**637**	**705**	**772**	***9.4***	***21.2***	**2,099**	**2,164**	***3.1***	**2,807**
EBITDA margin (%)	*10.2*	*12.2*	*13.7*	*nm*	*nm*	*10.7*	*12.5*	*nm*	*10.2*
Depn & amort.	(394)	(397)	(405)	*1.9*	*2.7*	(1,183)	(1,198)	*1.3*	(1,514)
EBIT	**243**	**308**	**367**	*19.1*	*51.3*	**917**	**965**	*5.3*	**1,293**
Interest expense	(119)	(103)	(92)	*(10.7)*	*(22.8)*	(379)	(302)	*(20.3)*	(473)
Interest & invt inc	-	-	-	*na*	*na*	-	-	*na*	-
Other income	130	97	131	*34.8*	*0.7*	431	349	***(19.0)***	550.3
Associates' contrib	1	1	2	*na*	*na*	3	3	*na*	3.6
Exceptionals	-	-	-	*na*	*na*	-	-	*na*	-
Pretax profit	**254**	**303**	**407**	***34.5***	***60.5***	**971**	**1,015**	***4.6***	**1,374**
Tax	(57)	(79)	(100)	*25.4*	*74.1*	(226)	(267)	*18.1*	(270)
Tax rate (%)	*22.5*	*26.2*	*24.5*	*na*	*na*	*23.3*	*26.3*	*na*	*19.6*
Minority interests	(8)	(1)	(3)	*na*	*na*	(15)	(5)	*na*	(9.2)
Net profit	**189**	**223**	**304**	***36.8***	***61.1***	**730**	**744**	***1.8***	**1,095**
Non-recurring	-	60	(15)	*na*	*na*	-	66	*na*	-
Core net profit	**189**	**283**	**289**	***2.1***	***52.9***	**730**	**810**	***10.9***	**1,095**
EPS (THB)	0.11	0.13	0.18	*36.8*	*61.1*	0.44	0.45	*1.8*	0.66
Core EPS (THB)	0.11	0.17	0.18	*2.1*	*52.9*	0.44	0.49	*10.9*	0.66

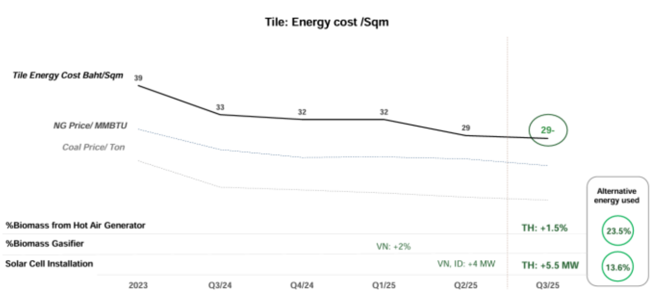
Sources: SCGD; Globlex Research

Exhibit 2: % HVA on total sales



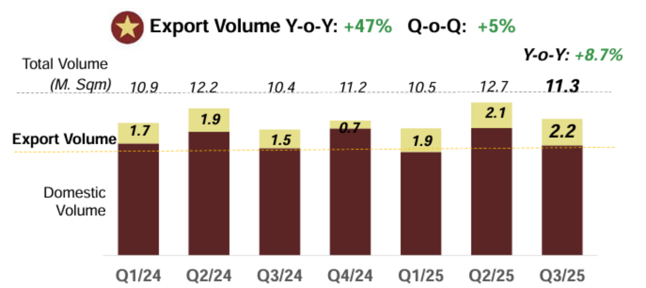
Sources: SCGD; Globlex Research

Exhibit 3: Tile Cost



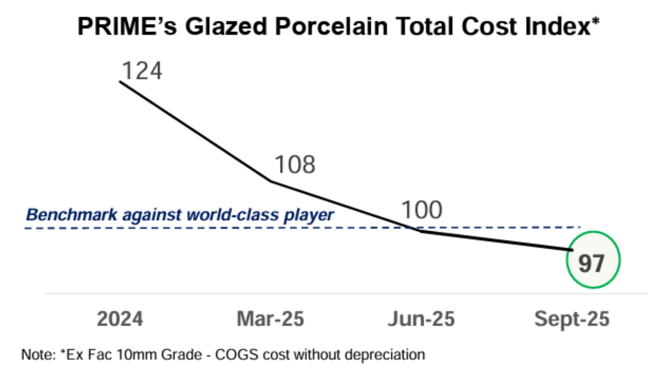
Sources: SCGD; Globlex Research

Exhibit 4: PRIME Vietnam Export Sales Rose continuously



Sources: SCGD; Globlex Research

Exhibit 5: Prime's Glazed porcelain total cost (Vietnam)



Sources: SCGD; Globlex Research

Balance sheet (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Current assets					
Cash & ST investment	5,203	4,204	6,631	9,688	12,944
Account receivable	4,449	3,760	3,018	2,236	1,419
Inventories	7,542	7,091	7,696	8,101	8,438
Others	5,524	5,473	5,511	5,541	5,566
Non-current assets					
Net fixed assets	11,621	12,147	10,632	9,118	7,604
Others	7,313	7,149	7,149	7,149	7,149
Total Assets	**41,651**	**39,823**	**40,638**	**41,833**	**43,120**
Current liabilities					
Account payable	3,768	3,578	3,883	4,087	4,257
ST borrowing	14,395	13,292	13,292	13,292	13,292
Others	286	324	348	367	384
Long-term liabilities					
Long-term debts	609	578	578	578	578
Others	1,280	1,346	1,346	1,346	1,346
Total liabilities	**20,339**	**19,117**	**19,447**	**19,670**	**19,857**
Paid-up capital	16,500	16,500	16,500	16,500	16,500
Retained earnings	11,281	11,556	12,031	12,993	14,081
Others	(8,084)	(8,926)	(8,926)	(8,926)	(8,926)
Minority interest	1,615	1,576	1,585	1,596	1,608
Shareholders' equity	**21,312**	**20,706**	**21,190**	**22,163**	**23,263**

Profit & loss (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Revenue	**28,312**	**25,563**	**27,514**	**29,010**	**30,316**
Cost of goods sold	(20,094)	(17,466)	(18,956)	(19,953)	(20,782)
Gross profit	**8,219**	**8,097**	**8,558**	**9,057**	**9,534**
Operating expenses	(5,584)	(5,544)	(5,750)	(6,034)	(6,306)
Operating profit	**2,634**	**2,553**	**2,807**	**3,023**	**3,228**
EBIT	**1,095**	**979**	**1,293**	**1,509**	**1,714**
Depreciation	(1,540)	(1,574)	(1,514)	(1,514)	(1,514)
EBITDA	**2,634**	**2,553**	**2,807**	**3,023**	**3,228**
Non-operating income	**380**	**578**	**550**	**580**	**606**
Other incomes	380	578	550	580	606
Other non-op income	0	0	0	0	0
Non-operating expense	**(548)**	**(493)**	**(473)**	**(473)**	**(473)**
Interest expense	(548)	(493)	(473)	(473)	(473)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	1	4	4	4	4
Pre-tax Profit	**928**	**1,068**	**1,374**	**1,619**	**1,850**
Extraordinary items					
Current taxation	(454)	(249)	(270)	(318)	(363)
Minorities	(147)	(8)	(9)	(11)	(12)
Net Profit	**328**	**810**	**1,095**	**1,290**	**1,475**
Core net profit	**328**	**810**	**1,095**	**1,290**	**1,475**
EPS (THB)	**0.20**	**0.49**	**0.66**	**0.78**	**0.89**
Core EPS (THB)	**0.20**	**0.49**	**0.66**	**0.78**	**0.89**

Key ratios					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Growth (%YoY)					
Sales	(19.6)	(9.7)	7.6	5.4	4.5
Operating profit	20.9	(3.1)	10.0	7.7	6.8
EBITDA	20.9	(3.1)	10.0	7.7	6.8
Net profit	177.8	147.1	35.2	17.8	14.3
Core net profit	177.8	147.1	35.2	17.8	14.3
EPS	137.3	147.1	35.2	17.8	14.3
Core EPS	137.3	147.1	35.2	17.8	14.3
Profitability (%)					
Gross margin	29.0	31.7	31.1	31.2	31.4
Operation margin	9.3	10.0	10.2	10.4	10.6
EBITDA margin	9.3	10.0	10.2	10.4	10.6
Net margin	1.2	3.2	4.0	4.4	4.9
ROE	1.8	4.2	5.7	6.4	7.0
ROA	0.8	2.0	2.7	3.1	3.5
Stability					
Interest bearing debt/equity (x)	0.7	0.7	0.7	0.6	0.6
Net debt/equity (x)	0.5	0.5	0.3	0.2	0.0
Interest coverage (x)	2.0	2.0	2.7	3.2	3.6
Interest & ST debt coverage (x)	0.1	0.1	0.1	0.1	0.1
Cash flow interest coverage (x)	0.1	0.1	0.1	0.1	0.1
Current ratio (x)	1.2	1.2	1.3	1.4	1.6
Quick ratio (x)	0.5	0.5	0.6	0.7	0.8
Net debt (THB m)	9,801.4	9,666.0	7,239.1	4,181.3	925.9
Activity					
Asset turnover (X)	0.7	0.6	0.7	0.7	1.4
Days receivables	57.3	53.7	40.0	28.1	0.0
Days inventory	137.0	148.2	148.2	148.2	0.0
Days payable	68.4	74.8	74.8	74.8	0.0
Cash cycle days	125.9	127.1	113.5	101.6	0.0

Cash flow (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Operating cash flow	**1,883**	**2,620**	**2,309**	**2,550**	**2,714**
Net profit	328	810	1,095	1,290	1,475
Depre.& amortization	1,540	1,574	1,514	1,514	1,514
Change in working capital	1,142	932	428	571	641
Others	(1,126)	(696)	(728)	(825)	(916)
Investment cash flow	**(3,485)**	**(560)**	**2,996**	**3,336**	**3,592**
Net CAPEX	(1,726)	(2,099)	(50)	(50)	(50)
Change in LT investment	(1,760)	1,539	3,046	3,386	3,642
Change in other assets	0	0	0	0	0
Free cash flow	**(1,602)**	**2,059**	**5,305**	**5,887**	**6,306**
Financing cash flow	**4,989**	**(3,059)**	**(2,878)**	**(2,829)**	**(3,051)**
Change in share capital	8,146	(13)	0	0	0
Net change in debt	(1,356)	(39)	9	11	12
Dividend paid	(247)	(986)	(620)	(328)	(387)
Others	(1,553)	(2,021)	(2,268)	(2,511)	(2,676)
Net cash flow	**3,387**	**(1,000)**	**2,427**	**3,058**	**3,255**

Per share (THB)					
EPS	0.20	0.49	0.66	0.78	0.89
Core EPS	0.20	0.49	0.66	0.78	0.89
CFPS	2.55	1.45	1.59	1.71	1.82
BVPS	24.90	11.59	11.88	12.47	13.12
Sales/share	35.80	15.49	16.68	17.58	18.37
EBITDA/share	3.33	1.55	1.70	1.83	1.96
DPS	0.15	0.38	0.20	0.23	0.27
Valuation					
P/E (x)	50.34	9.78	7.38	6.27	5.48
P/BV (x)	0.84	0.41	0.41	0.39	0.37
Dividend yield (%)	66.68	12.78	24.61	20.89	18.28
Divdend payout ratio (%)	75.50	76.50	30.00	30.00	30.00

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 (target price* - current price) / 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.