COMPANY RESULTS

SCG PACKAGING (SCGP TB)

THAILAND / SET / PACKAGING

Globlex Securities Co., Ltd.

28 October 2025

Internal strength in margin rescued

- Poor demand was mostly offset by better margins in 3Q25
- Internal strength (margin holdup) should enable net profit growth in subsequent quarters into 2026
- Maintain BUY and our TP of THB25

Poorer fibrous chain performance a key drag

SCGP's 3Q25 net profit (NP) was THB953, up 65% y-y but down 6% q-q, due to the poorer-than-expected performance of Fibrous Chain (FC). EBITDA was THB4.2b, up 19% y-y but down 2% q-q on weaker EBITDA from FC and Recycling Business (RB) and a flat q-q from Integrated Packaging Chain (IPC). IPC net profit flatted q-q at THB1.14b while FC suffered loss of -THB149m vs -THB102m in 2Q25.

Margin up but sales volume down

EBITDA margin improved marginally to 14%, boosted by the higher EBITDA margin of 16% for IPC to offset the depressed FC EBITDA margin at 7% due to lower sales volumes and selling prices on weak demands. EBITDA from IPC stabilized at THB3.8b (-0.3% q-q, +32% y-y), driven by the resilient performance of polymer packaging, supported by domestic consumptions in Vietnam and Indonesia. Fajar stayed positive EBITDA and should be on track to be profitable by 1H26E. Packaging paper sales volume slipped due to lower exports as SCGP diversified away from China's market.

Fibrous plunged on poor demands

RB EBITDA dropped to THB369m (-85% q-q, +177% y-y) while EBITDA from FC dipped to THB392m (-13% q-q, -51% y-y) due to revenue plunges for fine paper. Pulp revenue dropped from lower sales volume and weaker selling prices, particularly for dissolving pulp, impacted by subdued demands in garment and textile sectors but was partly offset by the stronger demand for food services packaging.

Fajar is on track to rebound on lower cost and higher prices

We believe SCGP's share price will continue to rebound on the back of continued improving performance of Fajar, which now start to see improving selling prices and lower costs as SCGP increases the portion of the domestic Recycled Paper (RCP) from 55% to 65% to replace the higher cost of imported raw material of Old Corrugated Container (OCC) in 3Q25. Stronger demands for packaging paper in Vietnam, China, and Indonesia should drive SCGP's net profit growth further.

Maintain BUY and lifted our TP to THB25

We maintain BUY and our TP of THB25, based on 2026E 7x EV/EBITDA. Despite a small hiccup in 3Q25, we think SCGP's share price will continue its recovery (uptrend) path thanks to the net profit growths from both internal strategies (cost reduction, Fajar turnaround, market diversification, lower financing cost on refinancing) and external factors (industry demand recovery in Vietnam, Indonesia, and China).

Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	**25.00**
VS. BB Consensus TP (%)	+27.8%
Share Price (THB)	18.20
Upside/Downside	+37.4%

Share Data

Market Cap (THB m)	78,131.15
Par (THB)	1.00
Free Float (%)	26.37
Issued shares (m shares)	4,293

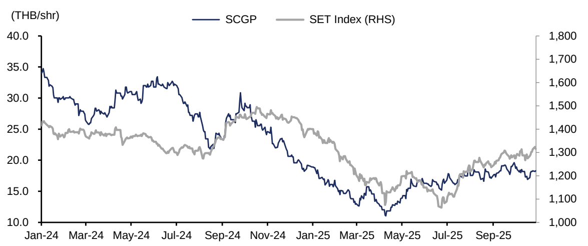
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	132,784	136,355	136,268	136,289
Net profit	3,699	3,825	4,710	4,908
Core net profit	3,876	3,825	4,710	4,908
vs Consensus (%)		1.1	4.0	(3.3)
Net profit growth (%)	(29.5)	3.4	23.1	4.2
Core net profit growth (%)	(24.7)	(1.3)	23.1	4.2
EPS (THB)	0.86	0.89	1.10	1.14
Core EPS (THB)	0.90	0.89	1.10	1.14
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.55	0.18	0.22	0.23
P/E (x)	22.75	20.42	16.59	15.92
P/BV (x)	1.10	0.98	0.93	0.89
ROE (%)	5.03	4.89	5.76	5.73
Dividend yield (%)	2.81	0.98	1.21	1.26

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(4.21)	2.82	33.82	(7.14)
Market	(7.45)	(5.44)	17.19	(1.76)
12M High/Low (THB)				27.00 / 10.70



Major Shareholders (%) as of 13 Aug 2025

The Siam Cement Public Company Limited	72.12

Company Profile

The Company generates revenue from holding shares in other companies (Holding Company), operating core business as an integrated packaging solutions provider (The key subsidiary engaging in the core business is Siam Kraft Industry Co., Ltd.), which is organized into three main businesses: Integrated Packaging Business, Fibrous Business, and Recycling Business.

Source: SETSMART, SET

Exhibit 1: Summary of 3Q25/9M25 operations

	3Q24 (THB m)	2Q25 (THB m)	3Q25 (THB m)	3Q25 (q-q%)	3Q25 (y-y%)	9M24 (THB m)	9M25 (THB m)	chg. (y-y%)	2025E (THB m)
Revenue	**33,370**	**31,557**	**30,438**	***(3.5)***	***(8.8)***	**101,553**	**94,204**	***(7.2)***	**136,355**
Operating costs	(29,874)	(27,300)	(26,284)	*3.7*	*12.0*	(88,271)	(81,561)	*7.6*	(120,360)
EBITDA	**3,496**	**4,257**	**4,154**	***(2.4)***	***18.8***	**13,282**	**12,643**	***(4.8)***	**15,995**
EBITDA margin (%)	*10.5*	*13.5*	*13.6*	*na*	*na*	*13.1*	*13.4*	*na*	*11.7*
Depn & amort.	(2,323)	(2,250)	(2,267)	*(0.8)*	*2.4*	(6,982)	(6,757)	*3.2*	(9,491)
EBIT	**1,173**	**2,007**	**1,887**	***(6.0)***	***60.9***	**6,300**	**5,886**	***(6.6)***	**6,504**
Interest expense	(628)	(654)	(544)	*16.9*	*13.4*	(1,762)	(1,843)	*(4.6)*	(2,363)
Interest & invt inc	-	-	-	*na*	*na*	-	-	*na*	-
Other income	230	285	251	*(11.9)*	*9.1*	841	794	*(5.6)*	994.7
Associates' contrib	12	33	33	*(0.3)*	*168.8*	78	82	*5.3*	-
Exceptionals	(230)	(285)	(250)	*12.1*	*(8.8)*	(841)	(794)	*5.6*	-
Pretax profit	**557**	**1,387**	**1,377**	***(0.7)***	***147.1***	**4,616**	**4,125**	***(10.6)***	**5,135**
Tax	(65)	(283)	(358)	*(26.3)*	*(448.4)*	(902)	(943)	*(4.6)*	(789)
Tax rate (%)	*11.7*	*20.4*	*26.0*	*na*	*na*	*19.5*	*22.9*	*na*	*15.4*
Minority interests	85	(94)	(66)	*29.8*	*(177.2)*	42	(319)	*(856.2)*	(521.0)
Net profit	**577**	**1,010**	**953**	***(5.6)***	***65.2***	**3,756**	**2,862**	***(23.8)***	**3,825**
Non-recurring	(100)	17	(45)	*(367.3)*	*55.1*	(86)	(45)	*48.0*	-
Core net profit	**677**	**993**	**998**	***0.5***	***47.4***	**3,842**	**2,907**	***(24.3)***	**3,825**
EPS (THB)	0.13	0.24	0.22	*(5.6)*	*65.2*	0.87	0.67	*(23.8)*	0.89
Core EPS (THB)	0.16	0.23	0.23	*0.5*	*47.4*	0.89	0.68	*(24.3)*	0.89

Sources: SCGP, Globlex Research

Exhibit 2: 3Q25/9M25 Core profit and net profit

	3Q24	2Q25	3Q25	q-q%	y-y%	2022	2023	y-y%
Core profit	**677**	**993**	**998**	***0.5***	***47.4***	**3,842**	**2,907**	***(24.3)***
FX gain/loss from loan, derivatives and investment	(22)	45	(29)	*(164.4)*	*(31.8)*	5	29	*480.0*
Company restructuings (asset divestment)	-	-	-	*nm*	*nm*	(5)	-	*nm*
Changes to local regulations (tax, labor laws)	-	-	-	*nm*	*nm*	-	-	*nm*
Expenses related to M&Ps transactions	(76)	(28)	(1)	*96.4*	*98.7*	(83)	(30)	*63.9*
Impairments and others	(1)	-	(15)	*nm*	*nm*	(3)	(43)	*nm*
Net profit	**578**	**1,010**	**953**	***(5.6)***	***64.9***	**3,756**	**2,863**	***(23.8)***

Sources: SCGP, Globlex Research

Exhibit 3: 3Q25/9M25 key performance

Revenue from sales	3Q24 (THB m)	2Q25 (THB m)	3Q25 (THB m)	q-q% (%)	y-y% (%)	9M24 (THB m)	9M25 (THB m)	y-y% (%)
Consolidated SCGP	**33,371**	**31,557**	**30,438**	***(3.5)***	***(8.8)***	**101,553**	**94,204**	***(7.2)***
Integrated Packaging Chain	24,699	23,856	23,424	*(1.8)*	*(5.2)*	75,834	71,581	*(5.6)*
Fibrous Chain	7,202	5,926	6,027	*1.7*	*(16.3)*	21,287	19,314	*(9.3)*
Recycling Business and Others	2,212	1,775	2,077	*17.0*	*(6.1)*	6,730	6,180	*(8.2)*
Intersegment Elimination	(742)	-	(1,090)	*nm*	*(46.9)*	(2,298)	(2,871)	*(24.9)*
EBITDA								
Consolidated SCGP	**3,496**	**4,257**	**4,154**	***(2.4)***	***18.8***	**13,282**	**12,643**	***(4.8)***
Integrated Packaging Chain	2,896	3,821	3,811	*(0.3)*	*31.6*	10,468	11,142	*6.4*
Fibrous Chain	805	448	392	*(12.5)*	*(51.3)*	3,173	1,573	*(50.4)*
Recycling Business and Others	133	2,408	369	*(84.7)*	*177.4*	3,272	4,323	*32.1*
Intersegment Elimination	(338)	(2,420)	(418)	*82.7*	*(23.7)*	(3,631)	(4,395)	*(21.0)*
EBITDA margins*								
Consolidated SCGP	**10**	**13**	**14**	***1.0***	***4.0***	**13**	**13**	***-***
Integrated Packaging Chain	12	16	16	-	*4.0*	14	16	*2.0*
Fibrous Chain	11	7	7	-	*(4.0)*	15	8	*(7.0)*
Net profit								
Consolidated SCGP	**578**	**1,010**	**953**	***(5.6)***	***64.9***	**3,756**	**2,863**	***(23.8)***
Integrated Packaging Chain	690	1,142	1,135	*(0.6)*	*64.5*	3,534	3,153	*(10.8)*
Fibrous Chain	155	(102)	(149)	*(46.1)*	*(196.1)*	1,144	(121)	*(110.6)*
Recycling Business and Others	(165)	2,017	(19)	*nm*	*88.5*	2,413	3,143	*30.3*
Intersegment Elimination	(102)	(2,047)	(14)	*99.3*	*86.3*	(3,335)	(3,312)	*0.7*

* Note: Change in margin % is represented in ppt change
Sources: SCGP, Globlex Research

Balance sheet (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Current assets					
Cash & ST investment	9,889	9,849	6,370	9,422	8,084
Account receivable	22,648	23,551	24,479	25,406	26,333
Inventories	19,253	19,027	19,465	19,418	19,384
Others	8,483	2,877	2,888	2,888	2,888
Non-current assets					
Net fixed assets	94,279	91,014	86,522	81,821	76,910
Others	44,010	42,262	42,262	42,262	42,262
Total Assets	**198,561**	**188,580**	**181,987**	**181,217**	**175,862**
Current liabilities					
Account payable	14,808	15,678	16,039	16,000	15,972
ST borrowing	21,830	30,864	20,000	15,000	5,000
Others	29,752	10,061	10,332	10,325	10,327
Long-term liabilities					
Long-term debts	8,034	9,836	9,836	9,836	9,836
Others	21,687	26,854	26,854	26,854	26,854
Total liabilities	**96,111**	**93,293**	**83,060**	**78,015**	**67,988**
Paid-up capital	4,293	4,293	4,293	4,293	4,293
Retained earnings	58,446	59,600	62,661	66,428	70,355
Others	14,584	12,785	12,843	12,901	12,959
Minority interest	25,127	18,608	19,129	19,579	20,266
Shareholders' equity	**102,449**	**95,287**	**98,926**	**103,202**	**107,873**

Profit & loss (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Revenue	**129,398**	**132,784**	**136,355**	**136,268**	**136,289**
Cost of goods sold	(97,068)	(101,122)	(103,452)	(103,199)	(103,018)
Gross profit	**32,330**	**31,661**	**32,903**	**33,069**	**33,271**
Operating expenses	(15,684)	(16,318)	(16,908)	(16,352)	(16,355)
Operating profit	**16,646**	**15,343**	**15,995**	**16,717**	**16,917**
EBIT	**7,440**	**6,085**	**6,504**	**7,016**	**7,005**
Depreciation	(9,206)	(9,259)	(9,491)	(9,701)	(9,911)
EBITDA	**16,646**	**15,343**	**15,995**	**16,717**	**16,917**
Non-operating income	**1,043**	**995**	**995**	**995**	**995**
Other incomes	1,043	995	995	995	995
Other non-op income	0	0	0	0	0
Non-operating expense	**(1,940)**	**(2,640)**	**(2,363)**	**(1,914)**	**(1,389)**
Interest expense	(2,020)	(2,429)	(2,363)	(1,914)	(1,389)
Other non-op expense	80	(211)	0	0	0
Equity income/(loss)	39	113	0	0	0
Pre-tax Profit	**6,582**	**4,552**	**5,135**	**6,097**	**6,612**
Extraordinary items					
Current taxation	(1,153)	(825)	(789)	(937)	(1,016)
Minorities	(180)	(28)	(521)	(450)	(687)
Net Profit	**5,248**	**3,699**	**3,825**	**4,710**	**4,908**
Core net profit	**5,146**	**3,876**	**3,825**	**4,710**	**4,908**
EPS (THB)	**1.22**	**0.86**	**0.89**	**1.10**	**1.14**
Core EPS (THB)	**1.20**	**0.90**	**0.89**	**1.10**	**1.14**

Key ratios					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Growth (%YoY)					
Sales	(11.4)	2.6	2.7	(0.1)	0.0
Operating profit	(7.2)	(7.8)	4.2	4.5	1.2
EBITDA	(7.2)	(7.8)	4.2	4.5	1.2
Net profit	(9.5)	(29.5)	3.4	23.1	4.2
Core net profit	(10.8)	(24.7)	(1.3)	23.1	4.2
EPS	(9.5)	(29.5)	3.4	23.1	4.2
Core EPS	(10.8)	(24.7)	(1.3)	23.1	4.2
Profitability (%)					
Gross margin	25.0	23.8	24.1	24.3	24.4
Operation margin	12.9	11.6	11.7	12.3	12.4
EBITDA margin	12.9	11.6	11.7	12.3	12.4
Net margin	4.1	2.8	2.8	3.5	3.6
ROE	5.9	5.0	4.9	5.8	5.7
ROA	2.5	0.4	0.8	0.5	1.4
Stability					
Interest bearing debt/equity (x)	0.3	0.4	0.3	0.2	0.1
Net debt/equity (x)	0.2	0.3	0.2	0.1	0.1
Interest coverage (x)	3.7	2.5	2.8	3.7	5.0
Interest & ST debt coverage (x)	0.3	0.2	0.3	0.4	1.1
Cash flow interest coverage (x)	0.5	(0.0)	0.2	0.2	0.2
Current ratio (x)	0.9	1.0	1.1	1.4	1.8
Quick ratio (x)	0.5	0.6	0.7	0.8	1.1
Net debt (THB m)	19,976	30,851	23,467	15,415	6,752
Activity					
Asset turnover (X)	0.7	0.7	0.7	0.8	0.8
Days receivables	64.7	63.5	64.3	66.8	69.3
Days inventory	80.0	69.1	67.9	68.8	68.7
Days payable	54.7	55.0	56.0	56.7	56.6
Cash cycle days	90.0	77.6	76.2	78.9	81.4

Cash flow (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Operating cash flow	**49,658**	**(3,724)**	**14,982**	**15,467**	**15,697**
Net profit	5,248	3,699	3,825	4,710	4,908
Depre.& amortization	12,441	12,639	13,164	13,002	13,003
Change in working capital	33,526	(18,751)	(746)	(925)	(920)
Others	(1,557)	(1,311)	(1,262)	(1,320)	(1,294)
Investment cash flow	**(10,515)**	**(7,936)**	**(4,890)**	**(4,531)**	**(4,111)**
Net CAPEX	(8,900)	(5,993)	(3,000)	(3,000)	(3,000)
Change in LT investment					
Change in other assets	(1,616)	(1,943)	(1,890)	(1,531)	(1,111)
Free cash flow	**39,143**	**(11,660)**	**10,091**	**10,936**	**11,587**
Financing cash flow	**(36,908)**	**785**	**(2,707)**	**(2,884)**	**(2,924)**
Change in share capital	(820)	(6,547)	58	58	58
Net change in debt	(27,436)	2,849	0	0	0
Dividend paid	(1,288)	(1,288)	(765)	(942)	(982)
Others	(7,364)	5,771	(2,000)	(2,000)	(2,000)
Net cash flow	**2,234**	**(10,875)**	**7,384**	**8,052**	**8,663**

Per share (THB)					
EPS	1.22	0.86	0.89	1.10	1.14
Core EPS	1.20	0.90	0.89	1.10	1.14
CFPS	3.41	3.02	3.22	3.46	3.61
BVPS	18.01	17.86	18.59	19.48	20.41
Sales/share	30.14	30.93	31.76	31.74	31.75
EBITDA/share	3.88	3.57	3.73	3.89	3.94
DPS	0.55	0.55	0.18	0.22	0.23
Valuation					
P/E (x)	29.45	22.75	20.42	16.59	15.92
P/BV (x)	2.00	1.10	0.98	0.93	0.89
Dividend yield (%)	1.53	2.81	0.98	1.21	1.26
Divdend payout ratio (%)	44.99	63.83	20.00	20.00	20.00

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.