COMPANY UPDATE

THE SIAM CEMENT (SCC TB)

THAILAND / SET / CONSTRUCTION MATERIALS

12 January 2026

Cyclical Lows, Strategic Clean-Up

- 4Q25E marks peak NL pressure from weak petrochemical spreads, soft cement demand, and one-off impairments
- Portfolio cleanup and balance sheet repair should lift earnings quality and recovery visibility into 2026.
- Maintain BUY, TP THB252

Margin Pressure and NocNoc Impairment Drag 4Q25

We project a wider 4Q25E net loss (NL) of THB2.8b, compared with a net loss of THB0.7b in 3Q25 and THB0.5b in 4Q24. Key drags include: 1) a q-q declined sales volumes and product margins for chemical business, pressured by weaker demand, lower product prices, and new capacity additions; 2) a q-q softened LSP performance due to inventory destocking and delayed customer purchases; 3) a q-q weakened cement business as prices remained flat following earlier hikes since Mar-25, while demand stayed in a low-season; and 4) a THB1.8b impairment from the closure of the NocNoc business.

LSP Restarts while Product Spreads Continue to Compress

LSP has restarted production with utilization rates of 60–70% in 3Q25, ramping up to around 90% in 4Q25. However, earnings recovery is constrained by sharply weaker product margins. HDPE–naphtha spreads have narrowed from USD363/t in 2Q25 to USD332/t in 3Q25 and further to USD308/t in 4Q25, while PP–naphtha spreads declined more sharply from USD353/t to USD298/t and USD260/t over the same period. Margin pressure reflects soft end-market demand and ongoing inventory destocking.

NocNoc Exit Cleans Up Earnings Drag

BetterBe, the operator of the NocNoc platform and an indirectly 50%-owned JV of SCC, will cease operations, with NocNoc stopping order acceptance from 9 Feb-26. The shareholder-approved shutdown will result in a non-cash impairment of around THB1.8bn in 4Q25. In 2024, BetterBe contributed a loss of around THB650m to SCC; following the closure, we expect this loss to be eliminated, effectively providing an earnings uplift of around THB650m to SCC.

Gradual Recovery with Balance Sheet Reinforcement

Looking into 2026, we expect a gradual recovery in petrochemical prices, supported by improving demand and ongoing capacity shutdowns that ease oversupply, while oil prices staying range-bound at USD65–75/bbl should keep feedstock costs manageable. Cement demand should improve post-election, with a shift toward higher-margin, low-carbon products supporting margins despite a slow volume recovery. In addition, SCC's plan to reduce its stake in loss-making Chandra Asri from 30.57% to 20% should strengthen the balance sheet, with net debt-to-EBITDA improving to around 3.0x, enhancing financial flexibility and lowering interest burden.

Reiterate our BUY with a SoTP of THB252

We reiterate our BUY with a SoTP-based TP of THB252, underpinned by improving cyclical fundamentals, disciplined capital management, margins recover and balance sheet strength improves.

Analyst

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ESG Rating : AAA

CG Rating :

BUY

Target Price 12M (THB)	**252.00**
VS. BB Consensus TP (%)	+21.7%
Share Price (THB)	199.00
Upside/Downside	+26.6%

Share Data

Market Cap (THB m)	238,800.00
Par (THB)	1.00
Free Float (%)	66.24
Issued shares (m shares)	1,200

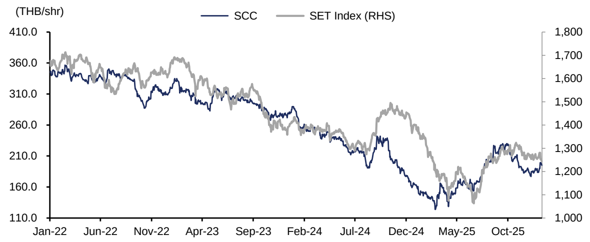
Financial forecast

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 (%)		(19.8)	34.5	12.1
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	26.91	16.10	14.31
P/BV (x)	0.57	0.67	0.65	0.63
ROE (%)	1.77	2.50	4.10	4.48
Dividend yield (%)	2.98	1.49	2.48	2.80

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	11.80	(6.57)	16.72	8.45
Market	13.20	(2.11)	3.34	8.93
12M High/Low (THB)			231.00 / 124.50	



Major Shareholders (%) as of 14 Aug 2025

Maha Vajiralongkorn	33.64

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

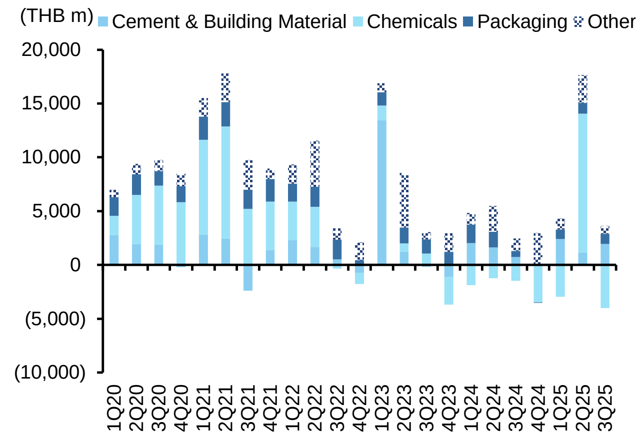
Globlex Securities Co., Ltd.

Exhibit 1: Summary of 4Q25E/2025E operations

	4Q24 (THB m)	3Q25 (THB m)	---------------- 4Q25E ------------------ (THB m)	(q-q%)	(y-y%)	2024 (THB m)	2025E (THB m)	chg. (y-y%)
Revenue	**130,512**	**121,793**	**123,011**	***1.0***	***(5.7)***	**511,172**	**549,680**	***7.5***
Operating costs	(116,522)	(108,783)	(116,368)	*(7.0)*	*0.1*	(482,408)	(512,056)	*(6.1)*
EBITDA	**13,990**	**13,010**	**6,643**	***(48.9)***	***(52.5)***	**28,764**	**37,624**	***30.8***
EBITDA margin (%)	*10.7*	*10.7*	*5.4*	*na*	*na*	*5.6*	*6.8*	*na*
Depn & amort.	(8,556)	(8,326)	(8,665)	*(4.1)*	*(1.3)*	(31,591)	(28,916)	*8.5*
EBIT	(2,922)	(1,132)	(2,022)	*(78.7)*	*30.8*	(2,827)	8,708	*408.0*
Interest expense	(3,184)	(2,619)	(3,080)	*(17.6)*	*3.3*	(11,500)	(11,743)	*(2.1)*
Interest & invt inc	4,004	2,028	1,780	*(12.2)*	*(55.5)*	15,502	12,500	*(19.4)*
Associates' contrib	1,188	1,181	(1,150)	*(197.4)*	*(196.8)*	6,530	11,481	*75.8*
Exceptionals	0	0	0	*nm*	*nm*	0	0	*nm*
Pretax profit	**(915)**	**(542)**	**(4,472)**	***(725.4)***	***(389.0)***	**7,704**	**20,946**	***171.9***
Tax	(434)	(1,161)	894	*177.0*	*306.3*	(3,882)	(1,420)	*63.4*
Tax rate (%)	*(47.4)*	*(214.3)*	*20.0*	*na*	*na*	*50.4*	*6.8*	*na*
Minority interests	836	1,034	800	*(22.6)*	*(4.3)*	2,520	(10,651)	*(522.6)*
Net profit	**(512)**	**(669)**	**(2,778)**	***(315.1)***	***(442.1)***	**6,342**	**8,876**	***40.0***
Non-recurring	(3,266)	(1,443)	(1,880)	*(30.3)*	*42.4*	0	0	*nm*
Core net profit	**2,754**	**774**	**(898)**	***(216.0)***	***(132.6)***	**6,342**	**8,876**	***40.0***
EPS (THB)	(0.43)	(0.56)	(2.31)	*(315.1)*	*(442.1)*	5.28	7.40	*40.0*
Core EPS (THB)	2.30	0.65	(0.75)	*(216.0)*	*(132.6)*	5.28	7.40	*40.0*

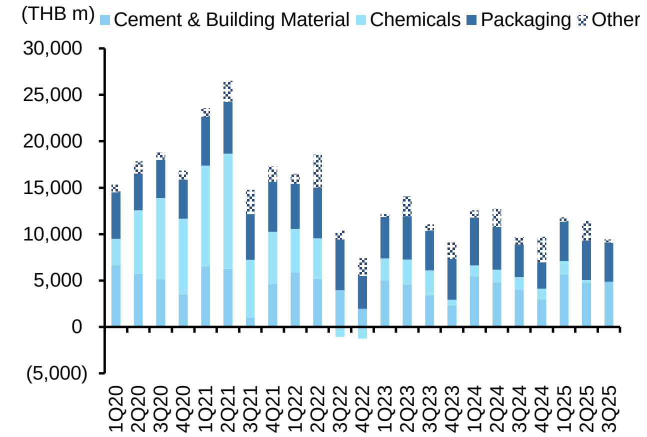
Sources: SCC; Globlex Research

Exhibit 2: Net profit breakdown by business



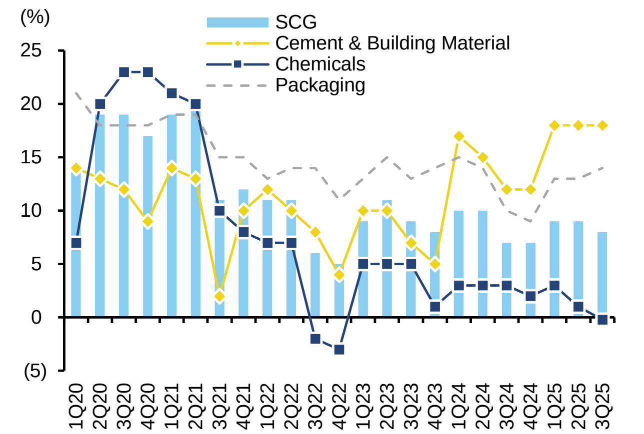
Sources: SCC; Globlex Research

Exhibit 3: EBITDA breakdown by business



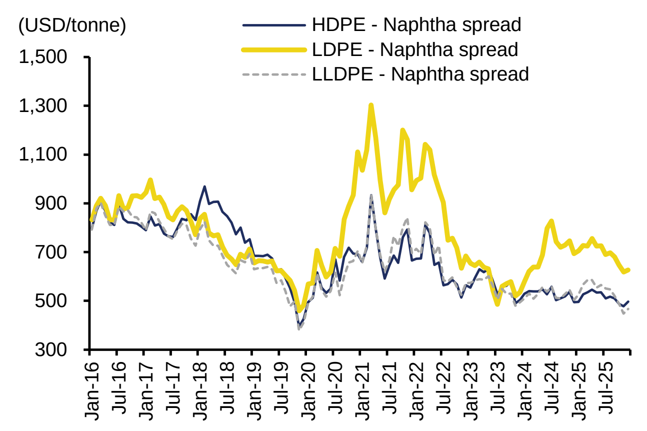
Sources: SCC; Globlex Research

Exhibit 4: EBITDA Margins (%)



Sources: SCC; Globlex Research

Exhibit 5: Naphtha spreads – HDPE LDPE LLDPE



Sources: Bloomberg; Globlex Research

Globlex Securities Co., Ltd.

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
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
Non-current assets					
Net fixed assets	424,344	422,613	413,382	415,004	415,572
Others	252,042	239,722	239,722	239,722	239,722
Total Assets	**893,601**	**861,502**	**874,746**	**905,885**	**940,377**
Current liabilities					
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
Long-term liabilities					
Long-term debts	210,506	183,786	188,786	193,786	198,786
Others	39,253	40,616	40,616	40,616	40,616
Total liabilities	**452,004**	**441,722**	**440,215**	**451,063**	**462,699**
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
Shareholders' equity	**441,597**	**419,780**	**434,531**	**454,822**	**477,678**

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

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
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
Profitability (%)					
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	7.0	1.8	2.5	4.1	4.5
ROA	3.7	1.4	2.3	2.9	3.0
Stability					
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
Activity					
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

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2026E
Operating cash flow	**70,647**	**49,176**	**49,495**	**49,814**	**52,582**
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
Investment cash flow	**(44,977)**	**(14,985)**	**(17,506)**	**(29,379)**	**(29,379)**
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
Free cash flow	**25,670**	**34,190**	**31,989**	**20,435**	**23,202**
Financing cash flow	**(39,598)**	**(41,300)**	**3,691**	**(3,740)**	**(3,637)**
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)
Net cash flow	**(13,928)**	**(7,110)**	**35,680**	**16,695**	**19,565**
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
Valuation					
P/E (x)	14.17	31.79	26.91	16.10	14.31
P/BV (x)	1.01	0.57	0.67	0.65	0.63
Dividend yield (%)	1.80	2.98	1.49	2.48	2.80
Divdend payout ratio (%)	25.47	94.61	40.00	40.00	40.00

GENERAL DISCLAIMER

Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

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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.