SCG PACKAGING (SCGP TB)

THAILAND / SET / PACKAGING

13 January 2026

A breeze before a breathtaking run

- Soft 4Q25 outlook on seasonality and one-time expense
- Packaging net profit outlook remains solid and likely to rise in 2026
- Maintain BUY and a TP of THB25

Softer 4Q25 on lower margins

We project 4Q25 net profit of THB0.8b, down from THB953m in 3Q25 but up from a net loss of THB56m in 4Q24, driven by stronger sales volumes and lower energy costs to offset the lower selling prices and the negative impact of FX loss. Vietnam remains the key growth engine on the back of solid exports and improving domestic demand while Thailand market remains a key weak point on the back of the impacts of the flood in the south and the weak domestic demand.

Packaging segment remains a solid core unit

Integrated Packaging Chain (IPC) has continued to be the rescuer for SCGP, posting strong revenue and margins that we project to be at 16%, flat q-q vs only 7% for Fibrous Chain (FC). In the past few quarters, EBITDA from IPC has been strong at THB3.8b a quarter, followed by FC at THB0.4b and the recycling business at THB0.3b. We think in 2026 with Fajar's financial performance to turn from positive EBITDA into a positive net profit by 2H26E, we believe IPC EBITDA and net profit will gradually but visibly rise in subsequent quarters.

Fibrous chain remains the weak link

Fibrous Chain remains SCGP's weakest link, expected to post a net loss in 4Q25 despite a still positive EBITDA of THB0.3b due to the weak demand and lower selling price of dissolving pulp. The winning segment of packaging for food service, which accounts for ¼ of Fibrous chain revenue, has not yet fully offset the impact of the weak demands for the printing & writing paper and dissolving pulp, leading to continued loss for the fibrous chain.

A hiccup on Fajar with a one-time cancellation of gas contract

Fajar is projected to post a net loss in 4Q25, dragged by THB0.1b one-time expense related to the cancellation of the gas supply contract, which SCGP expects to save THB30m a quarter and hence will reach breakeven within 12 months. Meanwhile, the selling price of packaging paper in Indonesia market remains stagnant in 4Q25 considering that price war already subsided but demand-supply balance was is still tilted towards buyers' side on rising supply but weak demand.

A breeze before a breathtaking run

We maintain BUY and a TP of THB25, based on 2026E 7x EV/EBITDA. We think the net profit outlook remains sanguine on the back of improving margins on IPC and FC, the EBITDA-turn-net profit positive trend for Fajar within 2026, and the structural change in SCGP's business structure from commodity to HVA and Thailand to Vietnam focuses in 2026-27.

Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	**25.00**
VS. BB Consensus TP (%)	+25.1%
Share Price (THB)	18.60
Upside/Downside	+34.4%

Share Data

Market Cap (THB m)	79,848.32
Par (THB)	1.00
Free Float (%)	26.37
Issued shares (m shares)	4,293

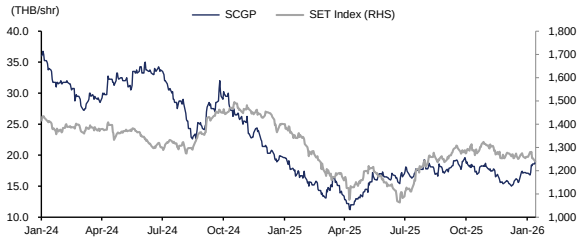
Financial forecast

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 (%)		(2.1)	2.1	(6.1)
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	20.87	16.95	16.27
P/BV (x)	1.10	1.00	0.95	0.91
ROE (%)	5.03	4.89	5.76	5.73
Dividend yield (%)	2.81	0.96	1.18	1.23

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	17.72	2.20	14.11	8.77
Market	18.85	5.88	2.99	10.30
12M High/Low (THB)				19.70 / 10.70



Major Shareholders (%) as of 13 Aug 2025

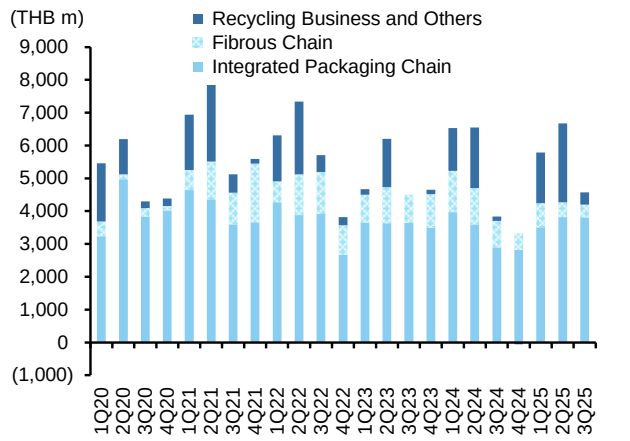
The Siam Cement Public Company Limited	72.12

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.

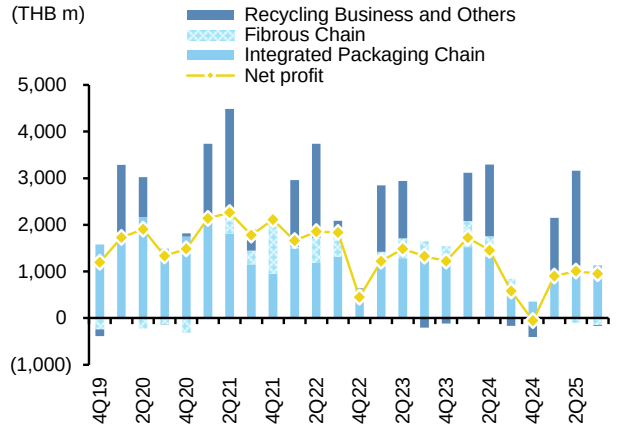
Source: SETSMART, SET

Exhibit 1: Quarterly EBITDA by segment



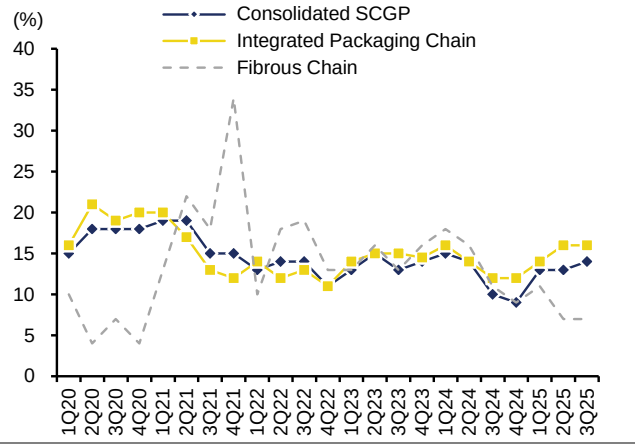
Sources: SCGP; Globlex Research

Exhibit 2: Quarterly net profit by segment



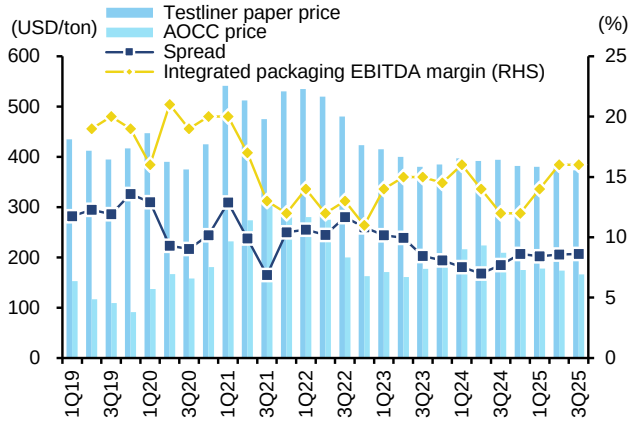
Sources: SCGP; Globlex Research

Exhibit 3: Quarterly EBITDA margin by segment



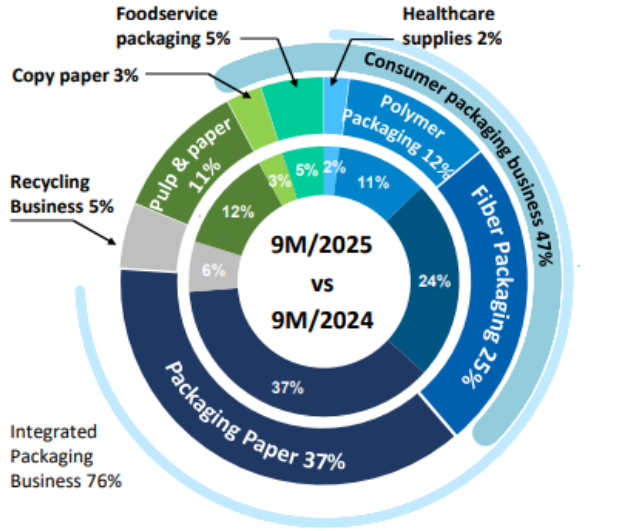
Sources: SCGP; Globlex Research

Exhibit 4: Prices of key raw materials



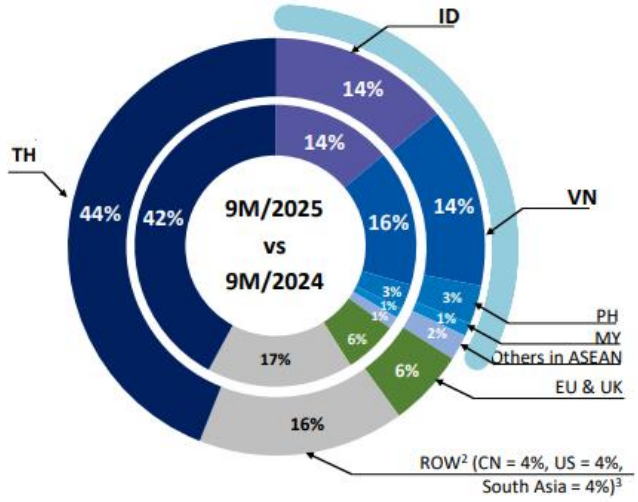
Sources: SCGP; Globlex Research

Exhibit 5: Revenue breakdown by business (%)



Sources: SCGP

Exhibit 6: Revenue breakdown by destination (%)



Sources: SCGP

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	20.87	16.95	16.27
P/BV (x)	2.00	1.10	1.00	0.95	0.91
Dividend yield (%)	1.53	2.81	0.96	1.18	1.23
Divdend payout ratio (%)	44.99	63.83	20.00	20.00	20.00

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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.