

## In recovery we trust

- Associates' net profit recoveries to be followed by chemical turnaround
- A kitchen sink 4Q25 should follow by healthier 2026-27
- Maintain BUY and a TP of THB252

### Growth and recovery on associates, followed by chemical

We believe SCC will continue its earnings recovery path, propelled initially by earnings rebounds for SCGP, SCGD, and SJWD and SCC's own units of cement, construction materials, and chemical. But the most crucial turnaround will be its LSP chemical unit, which we think will continue to suffer narrower losses in 2026-27 before SCC could import ethane feedstock, whose cost is USD200/t lower than the cost of existing, uncompetitive naphtha, scheduled by 4Q27.

### LSP is key to SCC's earnings recovery

After posting a net loss of THB4.5b in 4Q25, we project chemical business to see a gradual improvement in financial performance, backed by the cost reductions as a result of SCC's restructuring program and the improving net profits of MOC/ROC units in Thailand to offset the quarterly net loss of THB3.0b for LSP, whose sales volume should rebound from 327kt in 4Q25 to 400-500kt per quarter in 2026.

### A kitchen sink in 4Q25

4Q25 net loss was THB3.7b, down 452% q-q and 620% y-y, mainly due to the multiple non-recurring expenses of THB1.12b inventory loss, THB1.8b impairment of Noc Noc, and the restructuring expense of THB1.4b. Core net loss was THB79m, down from a net profit of THB774m in 3Q25 but significantly improved from THB1.6b net loss in 4Q24. Revenue rose to THB127b (+3% q-q, +3% y-y) on higher sales volumes but lower selling prices of petrochemical products.

### 2026-27 will be brighter; 2028's a year of leapfrogging growth

Looking into 2026-27, 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. But the critical turning point will be 2028 when SCC will start to import ethane as a feedstock to turn around LSP into a profitable growth engine. Meanwhile, 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, and margins recovery. SCC's highly financial discipline, incessant improvements in operational efficiency, and consistent cost reduction, to underscore earnings growth and sustainability.

#### Analyst

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ESG Rating : AAA

CG Rating : 

## BUY

**Target Price 12M (THB)**

**252.00**

VS. BB Consensus TP (%)

+17.6%

Share Price (THB)

204.00

Upside/Downside

+23.5%

#### Share Data

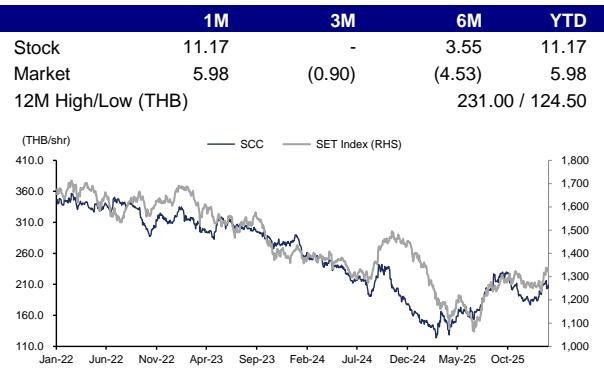
Market Cap (THB m)	244,800.00
Par (THB)	1.00
Free Float (%)	66.24
Issued shares (m shares)	1,200

#### Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	496,925	535,600	588,948	600,428
Net profit	14,075	14,852	16,499	24,320
Core net profit	4,962	14,852	16,499	24,320
vs Consensus (%)		39.5	15.3	16.0
Net profit growth (%)	121.9	5.5	11.1	47.4
Core net profit growth (%)	(5.9)	199.3	11.1	47.4
EPS (THB)	11.73	12.38	13.75	20.27
Core EPS (THB)	4.13	12.38	13.75	20.27
Chg from previous (%)		0.11	(1.16)	na
DPS (THB)	6.00	4.95	5.50	8.11
P/E (x)	15.64	16.48	14.84	10.07
P/BV (x)	0.65	0.71	0.69	0.66
ROE (%)	1.44	4.35	4.71	6.69
Dividend yield (%)	3.27	2.43	2.70	3.97

Source: Financial Statement and Globlex securities

#### Share Price Performance (%)



#### 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

### Exhibit 1: Summary of 4Q25/2025 operations

	4Q24 (THB m)	3Q25 (THB m)	4Q25 (THB m)	4Q25 (q-q%)	4Q25 (y-y%)	2024 (THB m)	2025 (THB m)	chg. (y-y%)
<b>Revenue</b>	<b>130,512</b>	<b>121,793</b>	<b>126,056</b>	<b>3.5</b>	<b>(3.4)</b>	<b>511,172</b>	<b>496,925</b>	<b>(2.8)</b>
Operating costs	(116,522)	(108,783)	(119,544)	(9.9)	(2.6)	(483,475)	(480,569)	0.6
<b>EBITDA</b>	<b>13,990</b>	<b>13,010</b>	<b>6,512</b>	<b>(49.9)</b>	<b>(53.5)</b>	<b>27,697</b>	<b>16,357</b>	<b>(40.9)</b>
<i>EBITDA margin (%)</i>	10.7	10.7	5.2	na	na	5.4	3.3	na
Depn & amort.	(8,556)	(8,326)	(8,275)	0.6	3.3	(31,591)	(33,170)	(5.0)
<b>EBIT</b>	<b>(2,922)</b>	<b>(1,132)</b>	<b>(6,886)</b>	<b>(508.4)</b>	<b>(135.7)</b>	<b>(3,893)</b>	<b>(16,814)</b>	<b>(331.8)</b>
Interest expense	(3,184)	(2,619)	(2,614)	0.2	17.9	(11,500)	(10,738)	6.6
Interest & invt inc	4,004	2,028	5,234	158.1	30.7	15,502	20,029	29.2
Associates' contrib	1,188	1,181	226	(80.9)	(81.0)	6,530	17,866	173.6
Exceptionals	0	0	0	na	na	0	0	na
<b>Pretax profit</b>	<b>(915)</b>	<b>(542)</b>	<b>(4,041)</b>	<b>(645.7)</b>	<b>(341.8)</b>	<b>7,704</b>	<b>19,457</b>	<b>152.6</b>
Tax	(434)	(1,161)	(1,025)	11.7	(136.4)	(3,882)	(8,900)	(129.2)
<i>Tax rate (%)</i>	(47.4)	(214.3)	(25.4)	na	na	50.4	45.7	na
Minority interests	836	1,034	1,374	32.8	64.4	2,520	3,518	39.6
<b>Net profit</b>	<b>(512)</b>	<b>(669)</b>	<b>(3,692)</b>	<b>(451.7)</b>	<b>(620.5)</b>	<b>6,342</b>	<b>14,075</b>	<b>121.9</b>
Non-recurring	1,067	(1,443)	(3,613)	(150.4)	(438.7)	1,067	9,113	na
<b>Core net profit</b>	<b>(1,579)</b>	<b>774</b>	<b>(79)</b>	<b>(110.2)</b>	<b>95.0</b>	<b>5,275</b>	<b>4,962</b>	<b>(5.9)</b>
EPS (THB)	(0.43)	(0.56)	(3.08)	(451.7)	(620.5)	5.28	11.73	121.9
Core EPS (THB)	(1.32)	0.65	(0.07)	(110.2)	95.0	4.40	4.13	(5.9)

Sources: SCC; Globlex Research

### Exhibit 2: 4Q25/2025 key performance broken down by sector

	4Q24 (THB m)	3Q25 (THB m)	4Q25 (THB m)	Change (q-q %)	Change (y-y %)	2024 (THB m)	2025 (THB m)	Change (y-y %)
<b>EBITDA breakdown</b>								
<b>SCC consolidated</b>	<b>15,178</b>	<b>14,191</b>	<b>6,738</b>	<b>(52.5)</b>	<b>(55.6)</b>	<b>53,946</b>	<b>51,249</b>	<b>(5.0)</b>
Cement and Green Solutions	2,410	3,725	3,188	(14.4)	32.3	11,492	14,373	25.1
Smart Living and SCG Distribution & Retail	(20)	474	(1,063)	(324.3)	(5,215.0)	3,361	1,403	(58.3)
Décor	604	902	746	(17.3)	23.5	3,134	3,259	4.0
Chemicals	1,436	(28)	(175)	(525.0)	(112.2)	7,363	4,166	(43.4)
Packaging	2,845	4,168	4,567	9.6	60.5	16,138	17,226	6.7
Other	7,975	4,985	(426)	(108.5)	(105.3)	12,883	11,067	(14.1)
<b>Net profit breakdown</b>								
<b>SCC consolidated</b>	<b>(521)</b>	<b>(669)</b>	<b>(3,676)</b>	<b>(449.5)</b>	<b>(605.6)</b>	<b>6,342</b>	<b>14,091</b>	<b>122.2</b>
Cement and Green Solutions	238	1,583	1,206	(23.8)	406.7	2,428	5,827	140.0
Smart Living and SCG Distribution & Retail	(385)	60	(1,307)	(2,278.3)	(239.5)	1,087	(1,177)	(208.3)
Décor	80	305	188	(38.4)	135.0	810	932	15.1
Chemicals	(3,403)	(3,999)	(4,501)	(12.6)	(32.3)	(7,990)	1,460	118.3
Packaging	(57)	953	1,229	29.0	2,256.1	3,699	4,092	10.6
Other	2,985	732	(97)	(113.3)	(103.2)	7,593	4,231	(44.3)
<b>EBITDA margin *</b>								
<b>SCC consolidated</b>	<b>7</b>	<b>8</b>	<b>5</b>	<b>(3.0)</b>	<b>(2.0)</b>	<b>9</b>	<b>8</b>	<b>(1.0)</b>
Cement and Green Solutions	12	18	16	(2.0)	4.0	14	17	3.0
Smart Living and SCG Distribution & Retail	(0)	1	(3)	(4.0)	(2.9)	2	0	(2.0)
Décor	10	16	14	(2.0)	4.0	12	14	2.0
Chemicals	2	(0)	(1)	(1.1)	(3.3)	2	0	(2.0)
Packaging	9	14	15	1.0	6.0	12	14	2.0

\* Change in percentage

Sources: SCC; Globlex Research

**Exhibit 3: Key changes in assumptions and EPS forecasts**

THB m	New			Old			Change		
	2026	2027	2028	2026	2027	2028	2026	2027	2028
Revenue	535,600	588,948	600,428	592,461	651,472	600,428	(9.6)	(9.6)	0.0
Gross profit	78,801	89,237	103,596	127,052	140,064	103,596	(38.0)	(36.3)	0.0
Operating profit	3,817	6,784	19,536	44,108	48,858	19,536	(91.3)	(86.1)	0.0
Net profit	14,852	16,499	24,320	14,835	16,693	24,320	0.1	(1.2)	0.0
EPS (THB/shr)	12.4	13.7	20.3	12	14	20.3	0.1	(1.2)	0.0
<b>Key assumptions</b>									
Dubai oil price (USD/bbl)	75	75	70	75	75	70	0.0	0.0	0.0
Cement demand growth (%)	1.8	1.8	0.0	1.8	1.8	0.0	0.0	0.0	0.0
Petrochemical utilisation (%)	88	88	88	88	88	88	0.0	0.0	0.0
Olefins capacity (ktpa)	3,550	3,550	3,550	3,550	3,550	3,550	0.0	0.0	0.0
HDPE-naphtha (USD/tonne)	353	423	750	353	423	750	0.0	0.0	0.0
PP-naphtha (USD/tonne)	383	483	800	383	483	800	0.0	0.0	0.0

Sources: SCC; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Current assets</b>					
Cash & ST investment	36,492	33,679	72,931	97,862	141,742
Account receivable	71,539	66,119	71,475	77,365	83,369
Inventories	73,302	67,111	63,887	70,201	69,562
Others	17,835	36,441	7,836	8,611	8,774
<b>Non-current assets</b>					
Net fixed assets	422,613	398,486	407,820	403,606	398,065
Others	239,722	219,755	219,755	219,755	219,755
<b>Total Assets</b>	<b>861,502</b>	<b>821,591</b>	<b>843,704</b>	<b>877,401</b>	<b>921,268</b>
<b>Current liabilities</b>					
Account payable	58,094	56,654	54,601	59,997	59,452
ST borrowing	149,571	140,618	140,618	140,618	140,618
Others	9,656	4,764	6,051	6,653	6,783
<b>Long-term liabilities</b>					
Long-term debts	183,786	179,321	184,321	189,321	194,321
Others	40,616	43,392	43,392	43,392	43,392
<b>Total liabilities</b>	<b>441,722</b>	<b>424,749</b>	<b>428,982</b>	<b>439,981</b>	<b>444,565</b>
Pai-up capital	1,200	1,200	1,200	1,200	1,200
Retained earnings	382,495	389,836	397,518	407,747	423,904
Others	(30,808)	(53,334)	(53,334)	(53,334)	(53,334)
Minority interest	66,893	59,140	69,338	81,807	104,933
<b>Shareholders' equity</b>	<b>419,780</b>	<b>396,842</b>	<b>414,722</b>	<b>437,420</b>	<b>476,703</b>
Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Growth (%YoY)</b>					
Sales	2.3	(2.8)	7.8	10.0	1.9
Operating profit	(17.6)	(11.5)	56.6	10.8	31.9
EBITDA	(20.6)	(40.9)	143.8	10.8	31.9
Net profit	(75.5)	121.9	5.5	11.1	47.4
Core net profit	(79.6)	(5.9)	199.3	11.1	47.4
EPS	(75.5)	121.9	5.5	11.1	47.4
Core EPS	(79.6)	(5.9)	199.3	11.1	47.4
<b>Profitability (%)</b>					
Gross margin	19.3	19.8	21.4	21.5	23.7
Operation margin	5.6	5.1	7.4	7.5	9.7
EBITDA margin	5.4	3.3	7.4	7.5	9.7
Net margin	1.2	2.8	2.8	2.8	4.1
ROE	1.5	1.4	4.3	4.7	6.7
ROA	1.4	2.4	2.9	3.0	3.8
<b>Stability</b>					
Interest bearing debt/equity (x)	0.8	0.8	0.8	0.8	0.7
Net debt/equity (x)	0.7	0.7	0.6	0.5	0.4
Interest coverage (x)	(0.3)	(1.6)	0.4	0.6	1.8
Interest & ST debt coverage (x)	(0.0)	(0.1)	0.0	0.0	0.1
Cash flow interest coverage (x)	0.1	0.2	0.1	0.1	0.2
Current ratio (x)	0.9	1.0	1.1	1.2	1.5
Quick ratio (x)	0.5	0.5	0.7	0.8	1.1
Net debt (THB m)	296,864	286,260	252,008	232,076	193,197
<b>Activity</b>					
Asset turnover (X)	0.6	0.6	0.6	0.7	0.7
Days receivables	50.7	50.6	46.9	46.1	48.9
Days inventory	68.1	64.3	56.8	52.9	55.7
Days payable	52.1	52.5	48.3	45.2	47.6
Cash cycle days	66.7	62.3	55.4	53.8	56.9

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue	511,172	496,925	535,600	588,948	600,428
Cost of goods sold	(412,765)	(398,518)	(420,742)	(462,327)	(458,121)
<b>Gross profit</b>	<b>98,407</b>	<b>98,407</b>	<b>114,859</b>	<b>126,621</b>	<b>142,307</b>
Operating expenses	(69,644)	(72,938)	(74,984)	(82,453)	(84,060)
<b>Operating profit</b>	<b>28,764</b>	<b>25,470</b>	<b>39,875</b>	<b>44,169</b>	<b>58,247</b>
EBIT	(3,893)	(16,814)	3,817	6,784	19,536
Depreciation	(31,591)	(33,170)	(36,058)	(37,385)	(38,711)
<b>EBITDA</b>	<b>27,697</b>	<b>16,357</b>	<b>39,875</b>	<b>44,169</b>	<b>58,247</b>
<b>Non-operating income</b>	<b>15,502</b>	<b>20,029</b>	<b>22,032</b>	<b>23,134</b>	<b>24,291</b>
Other incomes	15,502	20,029	22,032	23,134	24,291
Other non-op income	0	0	0	0	0
<b>Non-operating expense</b>	<b>(10,434)</b>	<b>(1,625)</b>	<b>(10,483)</b>	<b>(10,654)</b>	<b>(10,852)</b>
Interest expense	(11,500)	(10,738)	(10,483)	(10,654)	(10,852)
Other non-op expense	1,067	9,113	0	0	0
<b>Equity income/(loss)</b>	<b>6,530</b>	<b>17,866</b>	<b>11,989</b>	<b>12,594</b>	<b>19,418</b>
<b>Pre-tax Profit</b>	<b>7,704</b>	<b>19,457</b>	<b>27,355</b>	<b>31,858</b>	<b>52,393</b>
Extraordinary items					
Current taxation	(3,882)	(8,900)	(2,305)	(2,890)	(4,946)
Minorities	2,520	3,518	(10,198)	(12,469)	(23,126)
<b>Net Profit</b>	<b>6,342</b>	<b>14,075</b>	<b>14,852</b>	<b>16,499</b>	<b>24,320</b>
<b>Core net profit</b>	<b>5,275</b>	<b>4,962</b>	<b>14,852</b>	<b>16,499</b>	<b>24,320</b>
<b>EPS (THB)</b>	<b>5.28</b>	<b>11.73</b>	<b>12.38</b>	<b>13.75</b>	<b>20.27</b>
<b>Core EPS (THB)</b>	<b>4.40</b>	<b>4.13</b>	<b>12.38</b>	<b>13.75</b>	<b>20.27</b>
Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2026E	2027E
<b>Operating cash flow</b>	<b>49,176</b>	<b>75,331</b>	<b>58,584</b>	<b>59,492</b>	<b>76,500</b>
Net profit	6,342	14,075	14,852	16,499	24,320
Depre.& amortization	31,591	33,170	36,058	37,385	38,711
Change in working capital	4,714	10,219	(4,315)	(6,986)	(5,950)
Others	6,530	17,866	11,989	12,594	19,418
<b>Investment cash flow</b>	<b>(14,985)</b>	<b>15,172</b>	<b>(43,097)</b>	<b>(30,848)</b>	<b>(30,848)</b>
Net CAPEX	(27,750)	(6,837)	(43,097)	(30,848)	(30,848)
Change in LT investment	7,371	8,438	0	0	0
Change in other assets	5,394	13,571	0	0	0
<b>Free cash flow</b>	<b>34,190</b>	<b>90,503</b>	<b>15,487</b>	<b>28,644</b>	<b>45,652</b>
<b>Financing cash flow</b>	<b>(41,300)</b>	<b>(93,315)</b>	<b>23,765</b>	<b>(3,712)</b>	<b>(1,773)</b>
Change in share capital	0	0	0	0	0
Net change in debt	10,060	(13,418)	5,000	5,000	5,000
Dividend paid	(7,200)	(6,000)	(7,170)	(6,270)	(8,164)
Others	(44,160)	(73,898)	25,936	(2,442)	1,391
<b>Net cash flow</b>	<b>(7,110)</b>	<b>(2,813)</b>	<b>39,252</b>	<b>24,932</b>	<b>43,879</b>
Per share (THB)					
EPS	5.28	11.73	12.38	13.75	20.27
Core EPS	4.40	4.13	12.38	13.75	20.27
CFPS	29.51	36.44	50.92	55.29	71.80
BVPS	294.07	281.42	287.82	296.34	309.81
Sales/share	425.98	414.10	446.33	490.79	500.36
EBITDA/share	23.08	13.63	33.23	36.81	48.54
DPS	5.00	6.00	4.95	5.50	8.11
<b>Valuation</b>					
P/E (x)	31.79	15.64	16.48	14.84	10.07
P/BV (x)	0.57	0.65	0.71	0.69	0.66
Dividend yield (%)	2.98	3.27	2.43	2.70	3.97
Dividend payout ratio (%)	94.61	51.15	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.