



Panic sell is a logical BUY on LSP

- Limited impacts from temporary shutdowns of LSP/ROC
- Net profit outlook remains sanguine on remaining business units
- Maintain BUY and a SoTP of THB252; Buy on weakness

Uneconomic, not feedstock shortage, as a reason for shutdown

On 22 April 2026, SCC announced its decision to temporarily shut down the Long San petrochemical complex (LSP) in Vietnam starting Jun-26 onwards due to the uneconomic condition, not feedstock shortage, as the main driver. SCC hence will now operate only one olefins cracker MOC in Thailand while temporarily shutting down two olefins crackers – ROC in Thailand and LSP in Vietnam.

Shutdown on the force of Vietnam's commodity-driven market

Unlike Thailand or other chemical markets in Asia, Vietnam is the commodity-centric olefins market with a deep discount for the price for domestic buyers. Hence, when the naphtha feedstock cost spike in tandem with the hikes in olefins selling prices, margins have been depressed, not expounded as the market expects. As a result, SCC decides to temporarily shutdown LSP is entirely based on this uneconomic condition rather than the feedstock shortage amid the supply disruptions due to the ongoing war in the Middle East (ME).

Sanguine net profit outlook in 2026 - with or without LSP/ROC

We believe the net profit (NP) outlook for SCC in 2026 remains sanguine, premised on the growing earnings from cement, MOC (chemical), as well as SCC's subsidiaries for packaging (SCGP), ceramics (SCGD), and logistics and warehouse (SJWD). We project SCC to see THB3.0-5.0b NP per quarter in 2026, bringing to our projected 2026E NP of THB15b.

Infinitesimal impacts from two shutdowns of ROC/LSP

Contrary to most investors' belief, we think the repercussion of the temporary shutdowns of petrochemical crackers ROC/LSP to SCC will be small, considering 1) the current margins of olefins are depressed despite the surging prices of olefins that will be mostly offset by the jumping naphtha cost; 2) the "substitute impact" of plastics pallets from U.S. to Vietnam is negligible to SCC's LSP shutdown. We estimate that SCC will lose THB3.0b a quarter under the complete shutdown of LSP vs THB3.1b loss a quarter under the 80-85% running plant, given LSP's monthly depreciation expense of THB850m, monthly interest expense of THB900m, and monthly fixed cost overhead expense of THB250m.

Buy on weakness on solid net profit outlook ahead

Maintain BUY and a SoTP TP of THB252. We think the recent share price weakness to THB213-215 offers an attractive investment opportunity, premised on 1) visible earnings recoveries and growths for SCGP/SCGD/SJWD and SCC's cement business; 2) limited impacts from temporary shutdowns of ROC/LSP.

Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	252.00
VS. BB Consensus TP (%)	+17.0%
Share Price (THB)	233.00
Upside/Downside	+8.2%

Share Data

Market Cap (THB m)	279,600.00
Par (THB)	1.00
Free Float (%)	66.24
Issued shares (m shares)	1,200

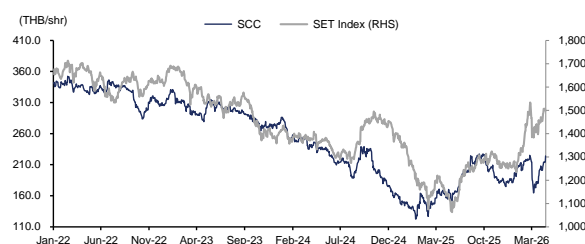
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
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 (%)		38.3	16.8	32.4
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 (%)		0.00	0.00	0.00
DPS (THB)	6.00	4.95	5.50	8.11
P/E (x)	15.64	18.83	16.95	11.50
P/BV (x)	0.65	0.81	0.79	0.75
ROE (%)	1.44	4.35	4.71	6.69
Dividend yield (%)	3.27	2.12	2.36	3.48

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	25.95	10.43	13.11	26.98
Market	21.97	2.12	(0.45)	8.09
12M High/Low (THB)			235.00 / 147.50	



Major Shareholders (%) as of 02 Apr 2026

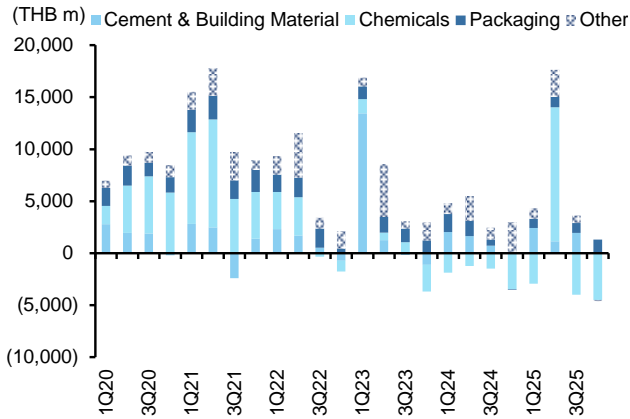
Maha Vajiralongkorn	33.64
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Company Profile

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.

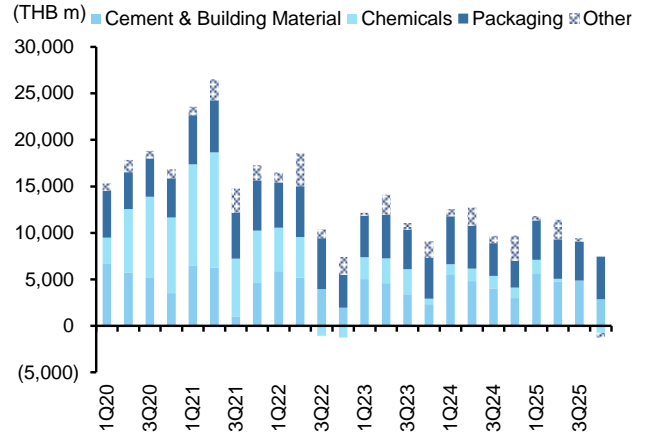
Source: SETSMART, SET

Exhibit 1: Net profit breakdown by business



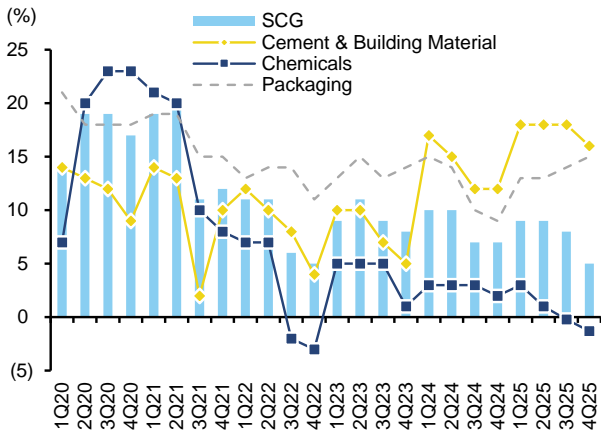
Sources: SCC; Glolex Research

Exhibit 2: EBITDA breakdown by business



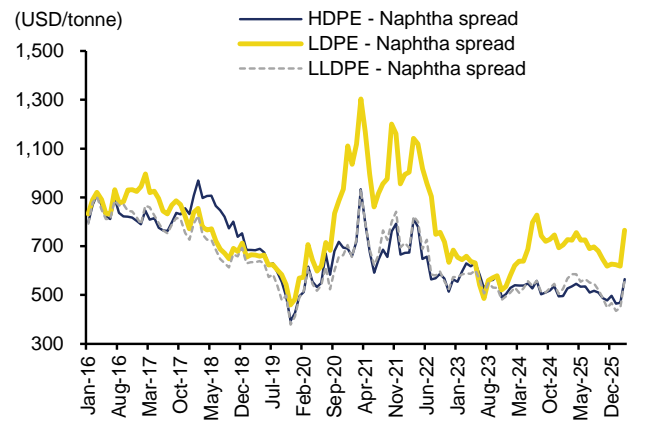
Sources: SCC; Glolex Research

Exhibit 3: EBITDA Margins (%)



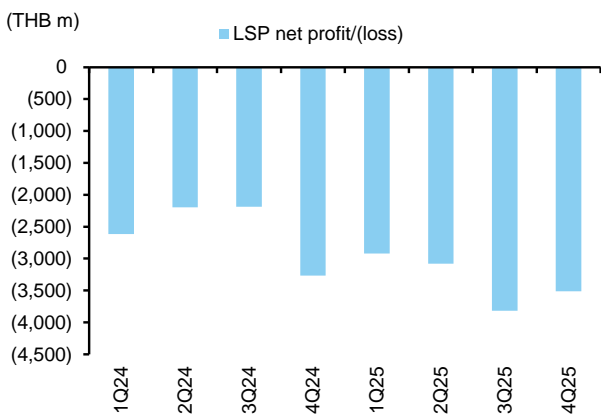
Sources: SCC; Glolex Research

Exhibit 4: Naphtha spreads – HDPE LDPE LLDPE



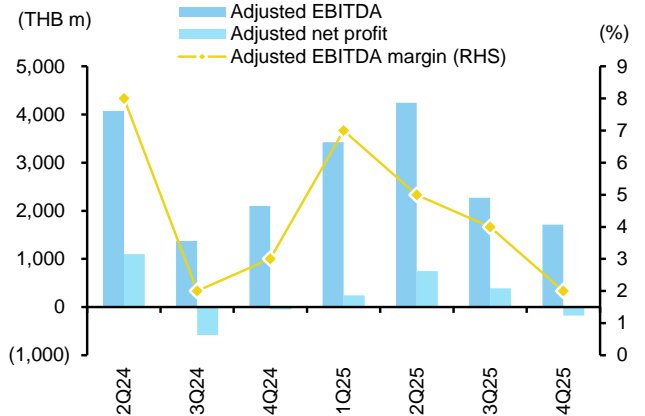
Sources: Bloomberg; Glolex Research

Exhibit 5: LSP contribution to SCC



Sources: SCC; Glolex Research

Exhibit 6: Adjusted EBITDA, Adjusted EBITDA margin and Adjusted net profit (excl. LSP, Inventory, others)



Sources: SCC; Glolex Research

Balance sheet (THB m)						Profit & loss (THB m)						
Year ending Dec	2024	2025	2026E	2027E	2028E	Year ending Dec	2024	2025	2026E	2027E	2028E	
Current assets						Revenue						
Cash & ST investment	36,492	33,679	72,931	97,862	141,742		511,172	496,925	535,600	588,948	600,428	
Account receivable	71,539	66,119	71,475	77,365	83,369		Cost of goods sold	(412,765)	(398,518)	(420,742)	(462,327)	(458,121)
Inventories	73,302	67,111	63,887	70,201	69,562		Gross profit	98,407	98,407	114,859	126,621	142,307
Others	17,835	36,441	7,836	8,611	8,774		Operating expenses	(69,644)	(72,938)	(74,984)	(82,453)	(84,060)
Non-current assets						Operating profit						
Net fixed assets	422,613	398,486	407,820	403,606	398,065		28,764	25,470	39,875	44,169	58,247	
Others	239,722	219,755	219,755	219,755	219,755		EBIT	(3,893)	(16,814)	3,817	6,784	19,536
Total Assets	861,502	821,591	843,704	877,401	921,268		Depreciation	(31,591)	(33,170)	(36,058)	(37,385)	(38,711)
Current liabilities						EBITDA						
Account payable	58,094	56,654	54,601	59,997	59,452		27,697	16,357	39,875	44,169	58,247	
ST borrowing	149,571	140,618	140,618	140,618	140,618		Non-operating income	15,502	20,029	22,032	23,134	24,291
Others	9,656	4,764	6,051	6,653	6,783		Other incomes	15,502	20,029	22,032	23,134	24,291
Long-term liabilities						Other non-op income						
Long-term debts	183,786	179,321	184,321	189,321	194,321		0	0	0	0	0	
Others	40,616	43,392	43,392	43,392	43,392		Non-operating expense	(10,434)	(1,625)	(10,483)	(10,654)	(10,852)
Total liabilities	441,722	424,749	428,982	439,981	444,565		Interest expense	(11,500)	(10,738)	(10,483)	(10,654)	(10,852)
Pai-up capital	1,200	1,200	1,200	1,200	1,200		Other non-op expense	1,067	9,113	0	0	0
Retained earnings	382,495	389,836	397,518	407,747	423,904		Equity income/(loss)	6,530	17,866	11,989	12,594	19,418
Others	(30,808)	(53,334)	(53,334)	(53,334)	(53,334)		Pre-tax Profit	7,704	19,457	27,355	31,858	52,393
Minority interest	66,893	59,140	69,338	81,807	104,933		Extraordinary items					
Shareholders' equity	419,780	396,842	414,722	437,420	476,703		Current taxation	(3,882)	(8,900)	(2,305)	(2,890)	(4,946)
Key ratios						Cash flow (THB m)						
Year ending Dec	2024	2025	2026E	2027E	2028E	Year ending Dec	2024	2025	2026E	2026E	2027E	
Growth (%YoY)						Operating cash flow						
Sales	2.3	(2.8)	7.8	10.0	1.9		49,176	75,331	58,584	59,492	76,500	
Operating profit	(17.6)	(11.5)	56.6	10.8	31.9		Net profit	6,342	14,075	14,852	16,499	24,320
EBITDA	(20.6)	(40.9)	143.8	10.8	31.9		Depre. & amortization	31,591	33,170	36,058	37,385	38,711
Net profit	(75.5)	121.9	5.5	11.1	47.4		Change in working capital	4,714	10,219	(4,315)	(6,986)	(5,950)
Core net profit	(79.6)	(5.9)	199.3	11.1	47.4		Others	6,530	17,866	11,989	12,594	19,418
EPS	(75.5)	121.9	5.5	11.1	47.4		Investment cash flow	(14,985)	15,172	(43,097)	(30,848)	(30,848)
Core EPS	(79.6)	(5.9)	199.3	11.1	47.4		Net CAPEX	(27,750)	(6,837)	(43,097)	(30,848)	(30,848)
Profitability (%)						Change in LT investment						
Gross margin	19.3	19.8	21.4	21.5	23.7		7,371	8,438	0	0	0	
Operation margin	5.6	5.1	7.4	7.5	9.7		Change in other assets	5,394	13,571	0	0	0
EBITDA margin	5.4	3.3	7.4	7.5	9.7		Free cash flow	34,190	90,503	15,487	28,644	45,652
Net margin	1.2	2.8	2.8	2.8	4.1		Financing cash flow	(41,300)	(93,315)	23,765	(3,712)	(1,773)
ROE	1.5	1.4	4.3	4.7	6.7		Change in share capital	0	0	0	0	0
ROA	1.4	2.4	2.9	3.0	3.8		Net change in debt	10,060	(13,418)	5,000	5,000	5,000
Stability						Dividend paid						
Interest bearing debt/equity (x)	0.8	0.8	0.8	0.8	0.7		(7,200)	(6,000)	(7,170)	(6,270)	(8,164)	
Net debt/equity (x)	0.7	0.7	0.6	0.5	0.4		Others	(44,160)	(73,898)	25,936	(2,442)	1,391
Interest coverage (x)	(0.3)	(1.6)	0.4	0.6	1.8		Net cash flow	(7,110)	(2,813)	39,252	24,932	43,879
Interest & ST debt coverage (x)	(0.0)	(0.1)	0.0	0.0	0.1		Per share (THB)					
Cash flow interest coverage (x)	0.1	0.2	0.1	0.1	0.2		EPS	5.28	11.73	12.38	13.75	20.27
Current ratio (x)	0.9	1.0	1.1	1.2	1.5		Core EPS	4.40	4.13	12.38	13.75	20.27
Quick ratio (x)	0.5	0.5	0.7	0.8	1.1		CFPS	29.51	36.44	50.92	55.29	71.80
Net debt (THB m)	296,864	286,260	252,008	232,076	193,197		BVPS	294.07	281.42	287.82	296.34	309.81
Activity						Sales/share						
Asset turnover (X)	0.6	0.6	0.6	0.7	0.7		425.98	414.10	446.33	490.79	500.36	
Days receivables	50.7	50.6	46.9	46.1	48.9		EBITDA/share	23.08	13.63	33.23	36.81	48.54
Days inventory	68.1	64.3	56.8	52.9	55.7		DPS	5.00	6.00	4.95	5.50	8.11
Days payable	52.1	52.5	48.3	45.2	47.6		Valuation					
Cash cycle days	66.7	62.3	55.4	53.8	56.9		P/E (x)	31.79	15.64	18.83	16.95	11.50
							P/BV (x)	0.57	0.65	0.81	0.79	0.75
							Dividend yield (%)	2.98	3.27	2.12	2.36	3.48
							Dividend payout ratio (%)	94.61	51.15	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 $(\text{target price}^* - \text{current price}) / \text{current price}$.

- 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.