

## More momentum, more upsides

- More growth on Vietnam's expansion in corrugated container
- Expect a 2Q26 net profit to beat market's expectation
- Maintain BUY and a TP of THB33

### Vietnam expansion underway

On 26 May 2026, SCGP announced the expansion of its downstream packaging capacity via the investment in a new box plant Vina Kraft Paper (VKPC), owned 70% by SCGP and 30% by the Japanese Rengo Company. With THB748m investment, SCGP will add 26.8ktpa for the 1<sup>st</sup> phase of downstream corrugated container capacity in Southern Vietnam, scheduled to COD in Sep-27.

### Strategic and financial growth on expansion

We think this move will be positive to SCGP. Strategically, SCGP will strengthen its integrated value chain of packaging business by increasing the integrated level from current 52% to 57%, based on 286ktpa (260ktpa before expansion) of corrugated container capacity and 500ktpa packaging capacity, all located in Southern Vietnam. Financially, SCGP will add 1-2% of revenue and EBITDA from the expansion, making Vietnam's contribution to grow from 15% to 17% of revenue/EBITDA vs Thailand's 50% and Indonesia's 15%.

### Sequential stronger quarterly net profits in 2Q26E-4Q26E

We expect SCGP's quarterly net profits in 2Q26-4Q26 to continue its positive momentum, growing both q-q and y-y, on the back of 1) the continued turnaround of Fajar, which we project to post a net profit of THB0.1b in 2Q26 and rising to THB0.5-1.0b by the end of 2026 on the rising selling prices and higher demands on both restocking and seasonal recovery; 2) improving earnings for Thailand and Vietnam on demand recoveries and better margins.

### Vietnam and Indonesia emerge as dual growth engines

While Thailand's packaging market remains relatively stagnant, we think SCGP's revenue and EBITDA from Vietnam and Indonesia are now emerging as a stronger growth engines, led by 1) Indonesia Fajar's turnaround and likely to be profitable for the first time in many quarters in 2Q26E as competition subsides and demand recovers; and 2) Vietnam's organic growth of 7% y-y demand growth and the healthy competition with SCGP's strategic position as the leader in the market with 15% market share vs 50% in Thailand and 33% in Indonesia.

### Time to reload

We maintain BUY and a TP of THB33. We think SCGP's net profit growth outlook is now likely to beat both our and market expectations in 2026E on the back of the faster-than-expected Fajar's turnaround, the striking growth trajectory in Vietnam on SCGP's expansion and demand recovery, plus the sustainable profits in Thailand as a cash cow market with 50% revenue/EBITDA contribution to SCGP.

#### Analyst

Suwat Sinsadok, CFA, FRM, ERP  
 suwat.s@globlex.co.th,  
 +662 687 7026

ESG Rating : AAA

CG Rating : ▲▲▲▲▲

## BUY

<b>Target Price 12M (THB)</b>	<b>33.00</b>
VS. BB Consensus TP (%)	+26.0%
Share Price (THB)	23.80
Upside/Downside	+38.7%

### Share Data

Market Cap (THB m)	102,171.50
Par (THB)	1.00
Free Float (%)	26.37
Issued shares (m shares)	4,293

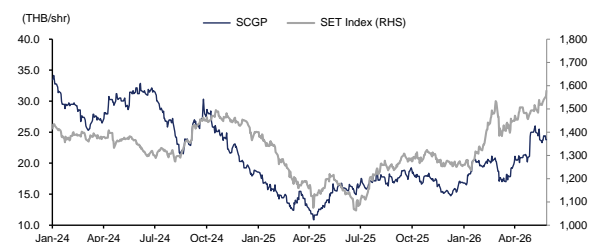
### Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	124,374	136,268	136,289	136,306
Net profit	4,069	5,514	5,762	6,890
Core net profit	3,728	5,514	5,762	6,890
vs Consensus (%)		5.5	1.6	8.6
Net profit growth (%)	10.0	35.5	4.5	19.6
Core net profit growth (%)	(3.8)	47.9	4.5	19.6
EPS (THB)	0.95	1.28	1.34	1.60
Core EPS (THB)	0.87	1.28	1.34	1.60
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.60	0.60	0.60	0.60
P/E (x)	18.04	18.53	17.73	14.83
P/BV (x)	0.99	1.30	1.23	1.16
ROE (%)	4.93	7.21	7.15	8.06
Dividend yield (%)	3.51	2.52	2.52	2.52

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	13.88	14.98	54.55	39.18
Market	6.75	13.52	25.48	12.87
12M High/Low (THB)				26.25 / 13.10



### Major Shareholders (%) as of 01 Apr 2026

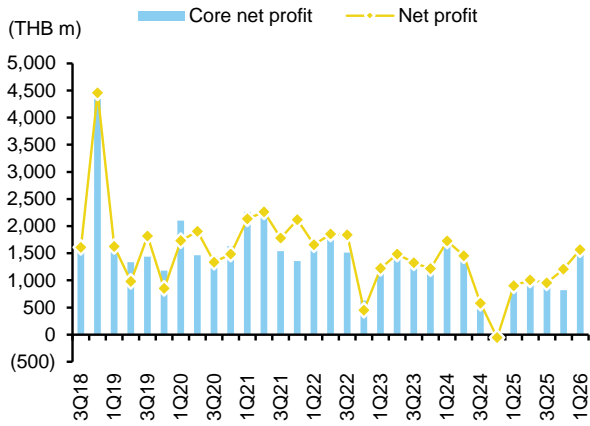
The Siam Cement Public Company Limited 72.12

### 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.

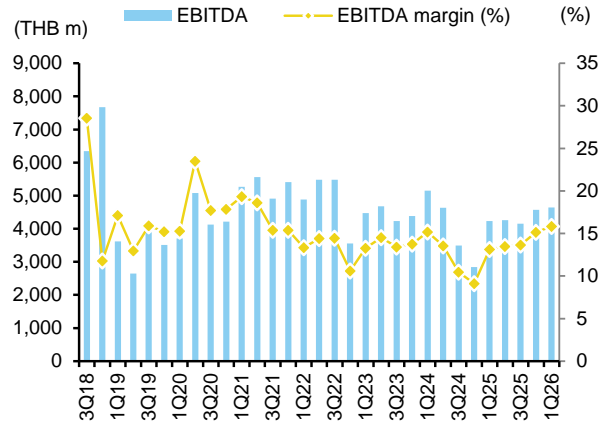
Source: SETSMART, SET

**Exhibit 1: Quarterly core net profit vs net profit**



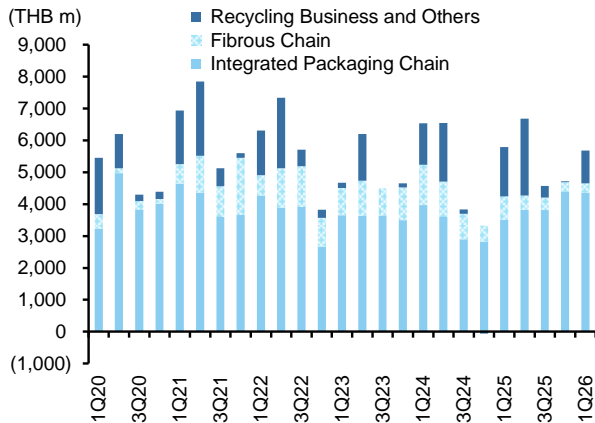
Sources: SCGP; Globlex Research

**Exhibit 2: Quarterly EBITDA and EBITDA margin**



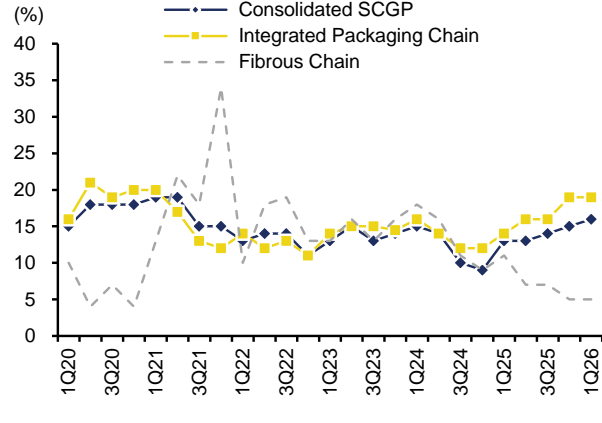
Sources: SCGP; Globlex Research

**Exhibit 3: EBITDA breakdown by business**



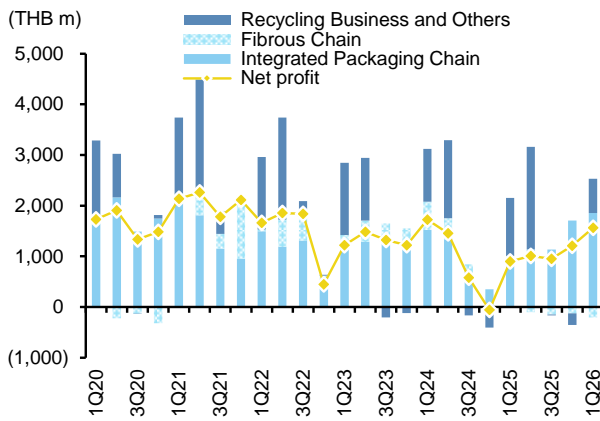
Sources: SCGP; Globlex Research

**Exhibit 4: Net profit breakdown by business**



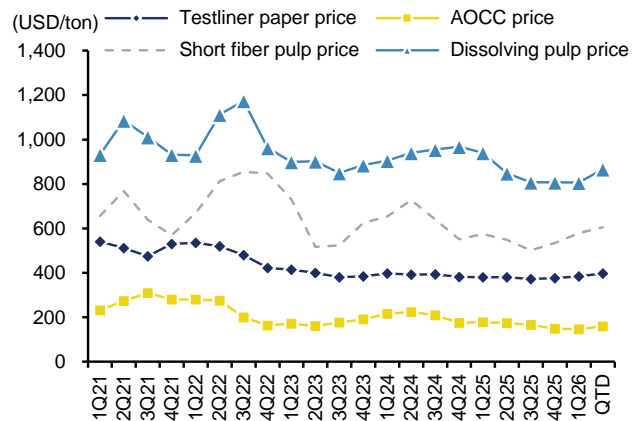
Sources: SCGP; Globlex Research

**Exhibit 5: Net profit breakdown by business**



Sources: SCGP; Globlex Research

**Exhibit 6: Key product price**



Sources: SCGP; Globlex 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	
<b>Current assets</b>						<b>Revenue</b>						
Cash & ST investment	9,849	6,464	5,002	10,814	12,269		132,784	124,374	136,268	136,289	136,306	
Account receivable	23,551	22,152	20,618	19,085	17,551		(101,122)	(93,151)	(103,199)	(103,018)	(102,836)	
Inventories	19,027	17,356	19,228	19,194	19,160		<b>Gross profit</b>	<b>31,661</b>	<b>31,223</b>	<b>33,069</b>	<b>33,271</b>	<b>33,470</b>
Others	2,877	4,795	4,829	4,829	4,829		Operating expenses	(16,318)	(16,131)	(16,352)	(16,355)	(16,357)
<b>Non-current assets</b>						<b>Operating profit</b>						
Net fixed assets	91,014	85,325	81,257	76,987	72,518		<b>15,343</b>	<b>15,091</b>	<b>16,717</b>	<b>16,917</b>	<b>17,113</b>	
Others	42,262	40,439	40,439	40,439	40,439		<b>EBIT</b>	<b>6,085</b>	<b>6,123</b>	<b>7,649</b>	<b>7,647</b>	<b>7,643</b>
<b>Total Assets</b>	<b>188,580</b>	<b>176,531</b>	<b>171,373</b>	<b>171,349</b>	<b>166,766</b>		Depreciation	(9,259)	(8,968)	(9,069)	(9,269)	(9,470)
<b>Current liabilities</b>						<b>EBITDA</b>						
Account payable	15,678	14,707	16,293	16,265	16,236		<b>15,343</b>	<b>15,091</b>	<b>16,717</b>	<b>16,917</b>	<b>17,113</b>	
ST borrowing	30,864	31,392	20,000	15,000	5,000		<b>Non-operating income</b>	<b>995</b>	<b>2,333</b>	<b>2,333</b>	<b>2,333</b>	<b>2,333</b>
Others	10,061	1,333	1,461	1,461	1,461		Other incomes	995	2,333	2,333	2,333	2,333
<b>Long-term liabilities</b>						<b>Other non-op income</b>						
Long-term debts	9,836	16,215	16,215	16,215	16,215		0	0	0	0	0	
Others	26,854	22,769	22,769	22,769	22,769		<b>Non-operating expense</b>	<b>(2,640)</b>	<b>(2,561)</b>	<b>(2,934)</b>	<b>(2,360)</b>	<b>(1,835)</b>
<b>Total liabilities</b>	<b>93,293</b>	<b>86,415</b>	<b>76,737</b>	<b>71,709</b>	<b>61,680</b>		Interest expense	(2,429)	(2,347)	(2,934)	(2,360)	(1,835)
Paid-up capital	4,293	4,293	4,293	4,293	4,293		Other non-op expense	(211)	(214)	0	0	0
Retained earnings	59,600	61,293	65,305	69,565	74,952		<b>Equity income/(loss)</b>	<b>113</b>	<b>101</b>	<b>0</b>	<b>0</b>	<b>0</b>
Others	12,785	8,816	8,874	8,932	8,990		<b>Pre-tax Profit</b>	<b>4,552</b>	<b>5,996</b>	<b>7,048</b>	<b>7,621</b>	<b>8,142</b>
Minority interest	18,608	15,713	16,163	16,850	16,850		Extraordinary items					
<b>Shareholders' equity</b>	<b>95,287</b>	<b>90,116</b>	<b>94,636</b>	<b>99,640</b>	<b>105,086</b>		Current taxation	(825)	(1,373)	(1,084)	(1,172)	(1,251)
<b>Key ratios</b>						<b>Cash flow (THB m)</b>						
Year ending Dec	2024	2025	2026E	2027E	2028E	Year ending Dec	2024	2025	2026E	2027E	2028E	
<b>Growth (%YoY)</b>						<b>Operating cash flow</b>						
Sales	2.6	(6.3)	9.6	0.0	0.0		<b>(3,724)</b>	<b>9,043</b>	<b>18,721</b>	<b>19,145</b>	<b>19,367</b>	
Operating profit	(7.8)	(1.6)	10.8	1.2	1.2		Net profit	3,699	4,069	5,514	5,762	6,890
EBITDA	(7.8)	(1.6)	10.8	1.2	1.2		Depre. & amortization	12,639	13,355	13,536	13,488	12,556
Net profit	(29.5)	10.0	35.5	4.5	19.6		Change in working capital	(18,751)	(6,539)	1,341	1,539	1,539
Core net profit	(24.7)	(3.8)	47.9	4.5	19.6		Others	(1,311)	(1,843)	(1,670)	(1,644)	(1,618)
EPS	(29.5)	10.0	35.5	4.5	19.6		<b>Investment cash flow</b>	<b>(7,936)</b>	<b>(5,158)</b>	<b>(5,347)</b>	<b>(4,888)</b>	<b>(4,468)</b>
Core EPS	(24.7)	(3.8)	47.9	4.5	19.6		Net CAPEX	(5,993)	(3,280)	(3,000)	(3,000)	(3,000)
<b>Profitability (%)</b>						<b>Change in LT investment</b>						
Gross margin	23.8	25.1	24.3	24.4	24.6		Change in other assets	(1,943)	(1,878)	(2,347)	(1,888)	(1,468)
Operation margin	11.6	12.1	12.3	12.4	12.6		<b>Free cash flow</b>	<b>(11,660)</b>	<b>3,885</b>	<b>13,374</b>	<b>14,257</b>	<b>14,899</b>
EBITDA margin	11.6	12.1	12.3	12.4	12.6		<b>Financing cash flow</b>	<b>785</b>	<b>(14,177)</b>	<b>(3,445)</b>	<b>(3,445)</b>	<b>(3,445)</b>
Net margin	2.8	3.3	4.0	4.2	5.1		Change in share capital	(6,547)	(3,448)	58	58	58
ROE	5.0	4.9	7.2	7.1	8.1		Net change in debt	2,849	(6,191)	0	0	0
ROA	0.4	0.7	(0.3)	0.7	1.7		Dividend paid	(1,288)	(1,503)	(1,503)	(1,503)	(1,503)
<b>Stability</b>						<b>Others</b>						
Interest bearing debt/equity (x)	0.4	0.5	0.4	0.3	0.2		5,771	(3,035)	(2,000)	(2,000)	(2,000)	
Net debt/equity (x)	0.3	0.5	0.3	0.2	0.1		<b>Net cash flow</b>	<b>(10,875)</b>	<b>(10,291)</b>	<b>9,930</b>	<b>10,813</b>	<b>11,454</b>
Interest coverage (x)	2.5	2.6	2.6	3.2	4.2		<b>Per share (THB)</b>					
Interest & ST debt coverage (x)	0.2	0.2	0.3	0.4	1.1		EPS	0.86	0.95	1.28	1.34	1.60
Cash flow interest coverage (x)	(0.0)	0.1	0.2	0.3	0.3		Core EPS	0.90	0.87	1.28	1.34	1.60
Current ratio (x)	1.0	1.1	1.3	1.6	2.4		CFPS	3.02	3.17	3.50	3.66	3.81
Quick ratio (x)	0.6	0.6	0.7	0.9	1.3		BVPS	17.86	17.33	18.28	19.29	20.55
Net debt (THB m)	30,851	41,143	31,213	20,400	8,946		Sales/share	30.93	28.97	31.74	31.75	31.75
<b>Activity</b>						<b>EBITDA/share</b>						
Asset turnover (X)	0.7	0.7	0.8	0.8	0.8		3.57	3.52	3.89	3.94	3.99	
Days receivables	63.5	67.1	57.3	53.2	49.1		DPS	0.55	0.60	0.60	0.60	0.60
Days inventory	69.1	71.3	64.7	68.1	68.1		<b>Valuation</b>					
Days payable	55.0	59.5	54.8	57.7	57.7		P/E (x)	22.75	18.04	18.53	17.73	14.83
Cash cycle days	77.6	78.8	67.2	63.6	59.4		P/BV (x)	1.10	0.99	1.30	1.23	1.16
							Dividend yield (%)	2.81	3.51	2.52	2.52	2.52
							Dividend payout ratio (%)	63.83	63.29	46.71	44.70	37.38

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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  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

- 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.