THE SIAM CEMENT (SCC TB)

THAILAND / SET / CONSTRUCTION MATERIALS

Globlex Securities Co., Ltd.

10 July 2026

Stronger Fundamentals, Better NP

- We expect a broad-based earnings recovery from 2Q26E, led by improving petrochemical margins.
- ROC's restart, the LSP ethane project, and deleveraging should support medium-term earnings growth.
- Maintain BUY and a SoTP of THB252

A Better Quarter Despite Operational Drags

We project 2Q26E NP of THB8.4bn, up q-q but down y-y, while core NP is expected to improve to THB7.1bn from THB1.8bn in 1Q26 and THB3.1bn in 2Q25. Key drivers include: 1) stronger q-q chemical product margins, partly offsetting lower sales volumes; 2) weaker q-q LSP performance due to only a half-quarter of operations; 3) a full-quarter ROC shutdown; 4) weaker q-q cement performance due to seasonal demand softness, partly offset by higher y-y selling prices following price hikes since Mar-25; 5) a THB0.5b restructuring expense at SCGD; 6) expected dividend income of THB2.0bn; 7) a stronger SCGP performance; and 8) a THB1.0bn inventory gain.

Margins Up, Volumes Down

We expect a strong Chemicals performance, supported by a significant increase in average PE & PP margins to USD525/t from USD324/t in 1Q26, along with higher HVA margins, driven by tighter regional supply following the U.S.-Iran conflict. Although PE & PP sales volume is expected to decline to 450k tons from 677k tons due to the ROC and LSP shutdowns, we believe the stronger margin environment should more than offset the lower sales volume.

Strategic Moves Lay the Groundwork for Recovery

We believe SCC's ROC restart depends on securing a committed operating rate of at least 70%, with production able to resume within about one month, including naphtha procurement. Meanwhile, the THB17bn LSP ethane import project, expected to be completed by mid-2027, should reduce feedstock costs and improve long-term profitability. In addition, the THB24.9bn proceeds from the CAP divestment, while retaining a 15.71% stake, should strengthen liquidity and support deleveraging, reducing net debt-to-EBITDA of 5.0x.

Building Momentum Across the Portfolio

We expect SCC's earnings momentum to continue strengthening throughout 2H26, supported by improving performance across all of its core businesses. The recovery should be led by the petrochemicals segment, where margins are expected to gradually improve as oil prices stabilize at around USD70–80/bbl, reducing feedstock cost volatility. Meanwhile, the packaging (SCGP), logistics (SJWD), and building materials (SCGD) businesses are also expected to deliver sequential earnings improvements.

Maintain BUY at our SoTP TP of THB252

We maintain BUY with a SoTP TP of THB252, as improving fundamentals reinforce our positive medium-term outlook.

Analyst

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

ESG Rating : AAA

CG Rating :

BUY

Target Price 12M (THB)	**252.00**
VS. BB Consensus TP (%)	+5.7%
Share Price (THB)	241.00
Upside/Downside	+4.6%

Share Data

Market Cap (THB m)	289,200.00
Par (THB)	1.00
Free Float (%)	66.24
Issued shares (m shares)	1,200

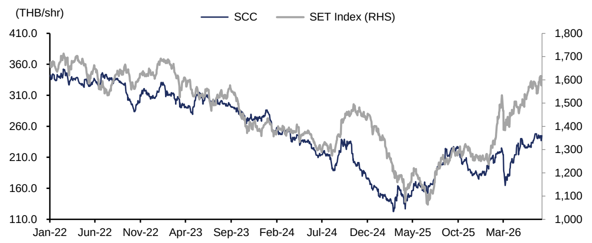
Financial forecast

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 (%)		12.8	11.7	23.4
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	19.47	17.53	11.89
P/BV (x)	0.65	0.84	0.81	0.78
ROE (%)	1.44	4.35	4.71	6.69
Dividend yield (%)	3.27	2.05	2.28	3.36

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	2.99	14.76	21.11	31.34
Market	1.44	6.30	(5.57)	2.87
12M High/Low (THB)			253.00 / 163.00	



Major Shareholders (%) as of 02 Apr 2026

Maha Vajiralongkorn	33.64
Thai NVDR	7.66
Social Security Office	5.59

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.

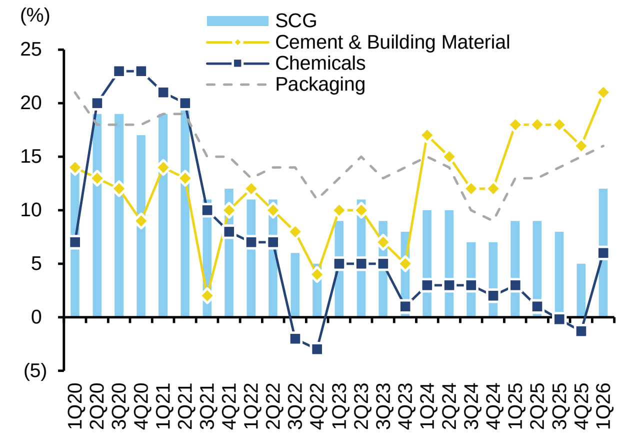
Source: SETSMART, SET

Exhibit 1: Summary of 2Q26E/6M26E operations

	2Q25	1Q26	------------------ 2Q26E ------------------			6M25	6M26E	chg.
	(THB m)	(THB m)	(THB m)	*(q-q%)*	*(y-y%)*	(THB m)	(THB m)	*(y-y%)*
Revenue	**124,684**	**123,327**	**129,493**	***5.0***	***3.9***	**249,077**	**252,819**	***1.5***
Operating costs	(122,286)	(107,232)	(111,623)	*(4.1)*	*8.7*	(235,216)	(218,855)	*7.0*
EBITDA	**2,399**	**16,094**	**17,870**	***11.0***	***645.0***	**13,860**	**33,964**	***145.0***
EBITDA margin (%)	*1.9*	*13.1*	*13.8*	*na*	*na*	*5.6*	*13.4*	*na*
Depn & amort.	(8,278)	(8,149)	(8,312)	*(2.0)*	*(0.4)*	(16,569)	(16,461)	*0.7*
EBIT	(830)	6,278	9,558	*52.2*	*1,251.5*	317	15,837	*4,892.8*
Interest expense	(2,676)	(2,506)	(2,556)	*(2.0)*	*4.5*	(5,505)	(5,062)	*8.0*
Interest & invt inc	10,455	2,667	2,000	*(25.0)*	*(80.9)*	12,768	4,667	*(63.4)*
Associates' contrib	15,032	1,405	2,000	*42.4*	*(86.7)*	16,460	3,405	*(79.3)*
Exceptionals	0	0		*na*	*na*	0	0	*na*
Pretax profit	**21,982**	**7,844**	**11,002**	***40.3***	***(50.0)***	**24,039**	**18,846**	***(21.6)***
Tax	*(5,518)*	*(1,673)*	*(2,750)*	*(64.4)*	*50.1*	*(6,714)*	*(4,424)*	*34.1*
Tax rate (%)	*25.1*	*21.3*	*25.0*	*na*	*na*	*27.9*	*23.5*	*na*
Minority interests	873	52	0	*(100.0)*	*(100.0)*	1,110	52	*(95.3)*
Net profit	**17,337**	**6,223**	**8,251**	***32.6***	***(52.4)***	**18,436**	**14,474**	***(21.5)***
Non-recurring	14,257	4,407	1,200	*(72.8)*	*(91.6)*	14,169	5,607	*na*
Core net profit	**3,080**	**1,816**	**7,051**	***288.3***	***128.9***	**4,267**	**8,867**	***107.8***
EPS (THB)	14.45	5.19	6.88	*32.6*	*(52.4)*	15.36	12.06	*(21.5)*
Core EPS (THB)	2.57	1.51	5.88	*288.3*	*128.9*	3.56	7.39	*107.8*

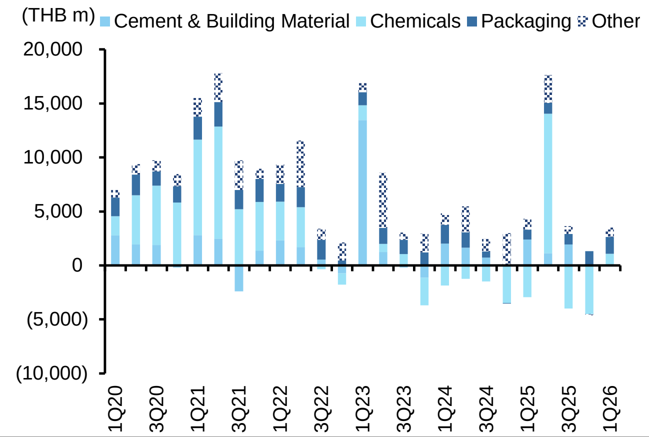
Sources: SCC, Globlex Research

Exhibit 2: Quarterly EBITDA margin by segment



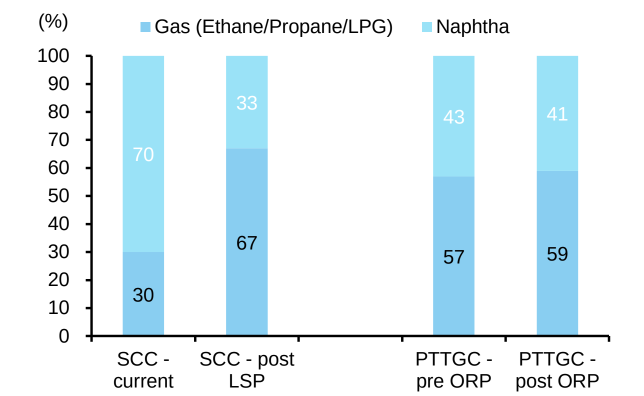
Sources: SCC; Globlex Research

Exhibit 3: Quarterly net profit by segment



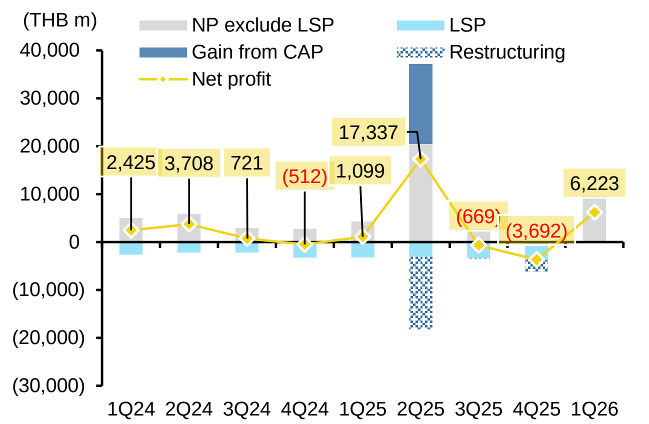
Sources: SCC; Globlex Research

Exhibit 4: Petrochemical feedstock comparison



Sources: SCC; PTTGC; Globlex Research

Exhibit 5: Quarterly net profit breakdown (LSP/CAP)



Sources: SCC; Globlex Research

Balance sheet (THB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Current assets					
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
Non-current assets					
Net fixed assets	422,613	398,486	407,820	403,606	398,065
Others	239,722	219,755	219,755	219,755	219,755
Total Assets	**861,502**	**821,591**	**843,704**	**877,401**	**921,268**
Current liabilities					
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
Long-term liabilities					
Long-term debts	183,786	179,321	184,321	189,321	194,321
Others	40,616	43,392	43,392	43,392	43,392
Total liabilities	**441,722**	**424,749**	**428,982**	**439,981**	**444,565**
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
Shareholders' equity	**419,780**	**396,842**	**414,722**	**437,420**	**476,703**

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)
Gross profit	**98,407**	**98,407**	**114,859**	**126,621**	**142,307**
Operating expenses	(69,644)	(72,938)	(74,984)	(82,453)	(84,060)
Operating profit	**28,764**	**25,470**	**39,875**	**44,169**	**58,247**
EBIT	**(3,893)**	**(16,814)**	**3,817**	**6,784**	**19,536**
Depreciation	(31,591)	(33,170)	(36,058)	(37,385)	(38,711)
EBITDA	**27,697**	**16,357**	**39,875**	**44,169**	**58,247**
Non-operating income	**15,502**	**20,029**	**22,032**	**23,134**	**24,291**
Other incomes	15,502	20,029	22,032	23,134	24,291
Other non-op income	0	0	0	0	0
Non-operating expense	**(10,434)**	**(1,625)**	**(10,483)**	**(10,654)**	**(10,852)**
Interest expense	(11,500)	(10,738)	(10,483)	(10,654)	(10,852)
Other non-op expense	1,067	9,113	0	0	0
Equity income/(loss)	6,530	17,866	11,989	12,594	19,418
Pre-tax Profit	**7,704**	**19,457**	**27,355**	**31,858**	**52,393**
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)
Net Profit	**6,342**	**14,075**	**14,852**	**16,499**	**24,320**
Core net profit	**5,275**	**4,962**	**14,852**	**16,499**	**24,320**
EPS (THB)	**5.28**	**11.73**	**12.38**	**13.75**	**20.27**
Core EPS (THB)	**4.40**	**4.13**	**12.38**	**13.75**	**20.27**

Key ratios					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Growth (%YoY)					
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
Profitability (%)					
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
Stability					
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
Activity					
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

Cash flow (THB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2026E**	**2027E**
Operating cash flow	**49,176**	**75,331**	**58,584**	**59,492**	**76,500**
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
Investment cash flow	**(14,985)**	**15,172**	**(43,097)**	**(30,848)**	**(30,848)**
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
Free cash flow	**34,190**	**90,503**	**15,487**	**28,644**	**45,652**
Financing cash flow	**(41,300)**	**(93,315)**	**23,765**	**(3,712)**	**(1,773)**
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
Net cash flow	**(7,110)**	**(2,813)**	**39,252**	**24,932**	**43,879**
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
Valuation					
P/E (x)	31.79	15.64	19.47	17.53	11.89
P/BV (x)	0.57	0.65	0.84	0.81	0.78
Dividend yield (%)	2.98	3.27	2.05	2.28	3.36
Divdend payout ratio (%)	94.61	51.15	40.00	40.00	40.00

THE SIAM CEMENT (SCC TB) | THAILAND / SET / CONSTRUCTION MATERIALS

ESG Analysis

ESG Assessment	SET ESG	Bloomberg
Environment SCC is advancing its Inclusive Green Growth strategy by increasing the use of renewable energy, alternative fuels, recycled materials, and low-carbon cement and chemical products. The company continues to reduce greenhouse gas emissions through energy efficiency improvements, circular economy initiatives, and investments in clean technologies, while progressing toward its Net Zero 2050 target.	AAA	6.53
Social SCC prioritizes employee safety, human capital development, and respect for human rights while supporting communities through education, healthcare, vocational training, and environmental conservation. The company also promotes responsible supply chain management and stakeholder engagement to create long-term shared value.		8.33
Governance SCC maintains a robust governance framework through independent board oversight, enterprise risk management, anti-corruption measures, and transparent ESG disclosure. Sustainability is integrated into corporate strategy, investment decisions, and executive performance evaluation to strengthen long-term business resilience.		4.79
Overall | CG Score: Excellent (5-star) | CAC: Certified		**6.32**

CG rating reflects 2025 Thai IOD survey. SET ESG Rating as of 9 January 2026.
Sources: SET, Thai IOD, CAC, Bloomberg, Globlex Securities Research

Globlex Securities Co., Ltd.

SET ESG Ratings 2025 | Thai Listed Companies
As of 9 January 2026

Ratings: AAA (90-100)							
AAV	ACE	ADVANC	AJ	AMATA	AMATAV	ASW	AWC
BAM	BANPU	BAY	BBGI	BBL	BDMS	BEM	BGC
BGRIM	BJC	BKIH	BPP	BTG	CENTEL	CKP	CPALL
CPF	CPAXT	CPN	CRC	DITTO	EASTW	FPI	FPT
GLOBAL	GPSC	GUNKUL	HANA	HENG	HMPRO	III	ILM
IVL	KBANK	KCG	KJL	KKP	KTB	KTC	LH
LOXLEY	MAJOR	MBK	MC	M-CHAI	MFEC	MTI	NER
NOBLE	OR	ORI	OSP	PB	PLANB	PR9	PSH
PTG	PTT	PTTEP	PTTGC	RATCH	S	S&J	SABINA
SAT	SC	SCB	**SCC**	SCG	SCGP	SIRI	SJWD
SKY	SNP	STA	STECON	STGT	SVOA	TEAMG	TEGH
TFMAMA	THCOM	TISCO	TMT	TOA	TOP	TPBI	TTA
TTB	TTW	TVO	VNG	WHA	WHAUP		
Ratings: AA (80-89)							
ADB	AKP	AOT	AP	ASK	ASP	AURA	BCH
BLA	BRI	BTS	CBG	CIVIL	CK	CMAN	COLOR
COM7	DMT	DRT	EGCO	EPG	ETC	GFPT	GULF
HTC	ICHI	ILINK	IT	ITTHI	JMART	KCE	KUMWEL
LHFG	MINT	MODERN	MOSHI	MSC	MTC	NVD	NYT
PCC	PRM	PSL	QTC	RBF	SA	SAWAD	SCCC
SCGD	SELIC	SFLEX	SHR	SMPC	SNNP	SPALI	SPI
SSP	SUTHA	SYNEX	TASCO	TCAP	TCMC	TGH	THANI
TIPH	TKS	TLI	TOG	TPAC	TPIPP	TSC	TU
UAC	UBE	VIH	WICE	XO	ZEN		
Ratings: A (65-100)							
AEONTS	ALLA	ALT	ALUCON	BA	BH	BLC	CFRESH
CHAO	CHASE	CHG	CM	CPL	CREDIT	ERW	GABLE
HARN	HUMAN	INSET	IRC	ITC	JMT	KSL	M
MALEE	MGC	MOONG	NEO	PHOL	PLUS	PM	PPS
PQS	PROUD	PRTR	PSP	Q-CON	QLT	SAK	SAPPE
SCAP	SEAFCO	SEAOIL	SENA	SENX	SGC	SICT	SITHAI
SKR	SNC	SPC	SSSC	SYMC	TAN	TBN	TGE
THANA	THIP	THREL	TPA	TPCS	TQM	TRU	TWPC
UPF	UPOIC	VIBHA	WPH				
Ratings: BBB (50-64)							
AKR	ASIMAR	CSC	J	LEO	MEGA	NL	PRIN
SE	SO	SPRC	SUN	TMILL	TSTH	WP	YUASA

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Source: SET ESG Ratings, Stock Exchange of Thailand (setsustainability.com). Ratings as of 9 January 2026. Only companies scoring 50 and above are assigned a rating.

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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.