SCG PACKAGING (SCGP TB)

THAILAND / SET / PACKAGING

Globlex Securities Co., Ltd.

28 August 2026

Plastering growth roadmap

- Capacity expansion of plasterboard paper by 400ktpa to further strengthen SCGP's Integrated Packaging Paper unit
- 2H26E earnings outlook likely to be stronger than market's forecast
- Maintain BUY and raised TP to THB38

Capacity expansion for plasterboard paper

On 24 August 2026, SCGP announced its expansion of plasterboard liner capacity at 400ktpa, with an investment of THB9.9b and is scheduled to COD in 4Q28. The capacity expansion will increase the total capacity of SCGP's Integrated Packaging (IPC) to 2.2mtpa to capture the fast-growing demand for plasterboard liner, a specialized grade of paper used in gypsum board production that requires advanced manufacturing technology and expertise.

Vietnam is the key growth engine for SCGP in 2H26-2027

After a share price decline by 15% from its recent peak, we think SCGP is now more attractive, considering that the earnings growth of IPC in Vietnam will continue to be from strength to strength, with the projected revenue and EBITDA contributions to rise from 16% and 20% in 2Q26 to 17-18% and 22% in 2H26. The solid demands for packaging and exports are the key underlying fundamental growth engines, riding on Vietnam's high GDP at 8.39% in 2Q26 and 21% y-y in 1H26 and still on the trajectory for a stronger GDP growth at 9.5% in 2026E and 11% in 2027E, according to Xinhua. As a result, we forecast revenue and margin to improve 5-10% q-q for SCGP's IPC operation.

3Q26E non-Vietnam operations are resiliently stabilized q-q

We project net profits from other units, excluding Vietnam, to remain resilient, led by 1) IPC in Thailand (27% of total revenue) to weaken slightly q-q on the rising raw material cost of Recycled Container Paper (RCP), whose benchmark price rising from USD169/t in 2Q26 to USD180/t in 3Q26; 2) IPC in Indonesia (15% of revenue) to stay flat q-q but higher y-y on the flat outlook on both sales volume and margins as Fajar is likely to face margin pressure; 3) Fibrous chain (19% revenue) should see declines in both sales volume and margins on the low-season demands and weaker selling price for pulp paper.

Fajar in Indonesia to stay healthy in 3Q26E

In 3Q26E, we expect the financial turnaround of Fajar in Indonesia, a unit under IPC, to see a flat q-q net profit of THB0.2b, as we expect the selling price to stay unchanged q-q and sales volume to weaken, to be partly offset by SCGP's superior cost efficiency.

Maintain BUY and raised TP to THB38

We maintain BUY and lifted our TP from THB33, previously based on 8x 2026E EV/EBITDA, to THB38, now based on 9x 2026E EV/EBITDA, justified by SCGP's superior cost control, Fajar's rising NP, and rising demands for non-Thai markets, particularly Vietnam, all played key supporting factors for SCGP's on-track growth outlook.

Analyst

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ESG Rating : AAA

CG Rating :

BUY

Target Price 12M (THB)	**38.00**
VS. BB Consensus TP (%)	+9.4%
Share Price (THB)	30.00
Upside/Downside	+26.7%

Share Data

Market Cap (THB m)	128,788.60
Par (THB)	1.00
Free Float (%)	26.37
Issued shares (m shares)	4,293

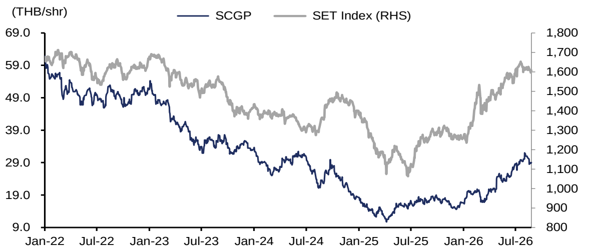
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	124,374	136,268	135,847	135,864
Net profit	4,069	7,474	7,955	8,757
Core net profit	3,728	7,474	7,955	8,757
vs Consensus (%)		9.5	8.4	9.1
Net profit growth (%)	10.0	83.7	6.4	10.1
Core net profit growth (%)	(3.8)	100.5	6.4	10.1
EPS (THB)	0.95	1.74	1.85	2.04
Core EPS (THB)	0.87	1.74	1.85	2.04
Chg from previous (%)		35.54	38.06	27.10
DPS (THB)	0.60	0.60	0.60	0.60
P/E (x)	18.04	17.23	16.19	14.71
P/BV (x)	0.99	1.60	1.48	1.37
ROE (%)	4.93	9.65	9.51	9.67
Dividend yield (%)	3.51	2.00	2.00	2.00

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(3.33)	21.85	40.10	69.59
Market	(0.77)	18.16	34.13	33.36
12M High/Low (THB)				32.25 / 14.90



Major Shareholders (%) as of 05 Aug 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

Globlex Securities Co., Ltd.

Exhibit 1: Key changes in assumptions and EPS forecasts

THB m	------------ Current ------------			------------ Previous ------------			------------ Change (%) ------------		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	136,268	135,847	135,864	136,268	136,289	136,306	0.0	(0.3)	(0.3)
Gross profit	26,317	26,547	26,159	24,001	24,002	24,000	9.6	10.6	9.0
Operating profit	9,965	10,245	9,856	7,649	7,647	7,643	30.3	34.0	28.9
Net profit	7,474	7,955	8,757	5,514	5,762	6,890	35.5	38.1	27.1
EPS (THB/share)	1.74	1.85	2.04	1.28	1.34	2	35.5	38.1	27.1
Key assumptions									
Packaging paper ASP (THB/tonne)	15,952	15,952	15,952	15,952	15,952	15,952	0.0	0.0	0.0
Recycled paper (RCP)	195	195	200	200	200	200	(2.5)	(2.5)	0.0
Packaging sales volume (mtpa)	4.6	4.6	4.6	4.6	4.6	5	0.0	0.0	0.0
Fibre-based sales volume (mtpa)	1.4	1.4	1.4	1.4	1.4	1	0.0	0.0	0.0
Recycled paper price (USD/tonne)	195	195	200	200	200	200	(2.5)	(2.5)	0.0
Pulp price (USD/tonne)	439	435	431	439	435	431	0.0	0.0	0.0

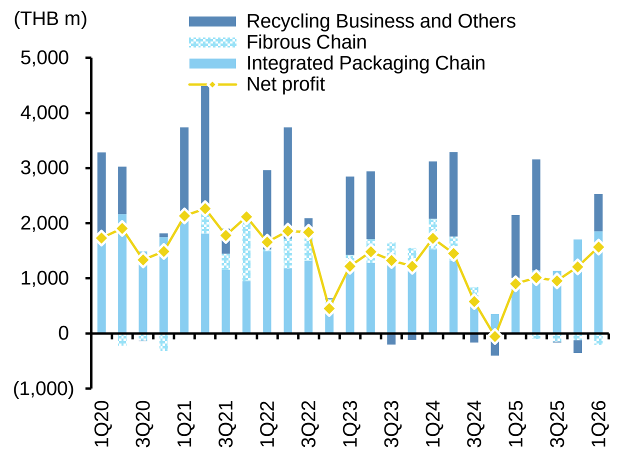
Sources: SCGP; Globlex Research

Exhibit 2: Valuation and target price range

			2026E EV/EBITDA								
			5.00	6.00	7.00	8.00	9.00	10.00	11.00	12.00	13.00
EBITDA	21,366	**MV**	106,832	128,198	149,564	170,931	192,297	213,663	235,030	256,396	277,762
Net debt	(29,187)	**EV**	77,645	99,011	120,377	141,744	163,110	184,477	205,843	227,209	248,576
# shares	4,293	**Target**	18.09	23.06	28.04	33.02	**38.00**	42.97	47.95	52.93	57.90

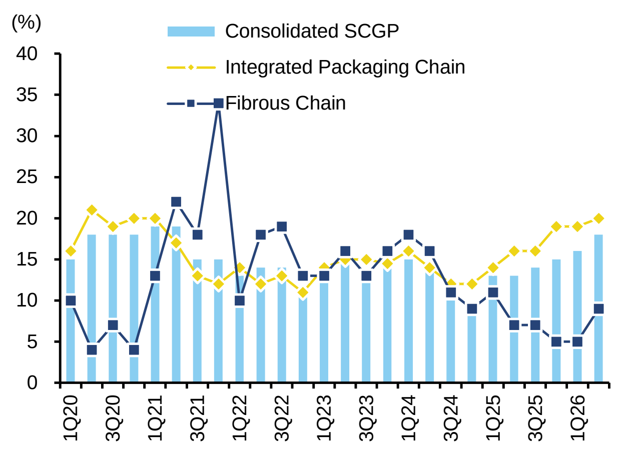
Sources: SCGP; Globlex Research

Exhibit 3: Net profit breakdown by segment



Sources: SCGP; Globlex Research

Exhibit 4: EBITDA margins by segment



Sources: SCGP; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	9,849	6,464	7,028	15,044	18,349
Account receivable	23,551	22,152	20,618	19,090	17,561
Inventories	19,027	17,356	18,797	18,638	18,676
Others	2,877	4,795	4,829	4,828	4,828
Non-current assets					
Net fixed assets	91,014	85,325	81,257	76,987	72,518
Others	42,262	40,439	40,439	40,439	40,439
Total Assets	**188,580**	**176,531**	**172,967**	**175,026**	**172,371**
Current liabilities					
Account payable	15,678	14,707	15,928	15,793	15,825
ST borrowing	30,864	31,392	20,000	15,000	5,000
Others	10,061	1,333	1,461	1,456	1,456
Long-term liabilities					
Long-term debts	9,836	16,215	16,215	16,215	16,215
Others	26,854	22,769	22,769	22,769	22,769
Total liabilities	**93,293**	**86,415**	**76,372**	**71,233**	**61,265**
Paid-up capital	4,293	4,293	4,293	4,293	4,293
Retained earnings	59,600	61,293	67,265	73,718	80,972
Others	12,785	8,816	8,874	8,932	8,990
Minority interest	18,608	15,713	16,163	16,850	16,850
Shareholders' equity	**95,287**	**90,116**	**96,595**	**103,793**	**111,106**

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue	**132,784**	**124,374**	**136,268**	**135,847**	**135,864**
Cost of goods sold	(101,122)	(93,151)	(100,883)	(100,031)	(100,235)
Gross profit	**31,661**	**31,223**	**35,385**	**35,816**	**35,629**
Operating expenses	(16,318)	(16,131)	(16,352)	(16,302)	(16,304)
Operating profit	**15,343**	**15,091**	**19,033**	**19,514**	**19,325**
EBIT	**6,085**	**6,123**	**9,965**	**10,245**	**9,856**
Depreciation	(9,259)	(8,968)	(9,069)	(9,269)	(9,470)
EBITDA	**15,343**	**15,091**	**19,033**	**19,514**	**19,325**
Non-operating income	**995**	**2,333**	**2,333**	**2,333**	**2,333**
Other incomes	995	2,333	2,333	2,333	2,333
Other non-op income	0	0	0	0	0
Non-operating expense	**(2,640)**	**(2,561)**	**(2,934)**	**(2,360)**	**(1,835)**
Interest expense	(2,429)	(2,347)	(2,934)	(2,360)	(1,835)
Other non-op expense	(211)	(214)	0	0	0
Equity income/(loss)	113	101	0	0	0
Pre-tax Profit	**4,552**	**5,996**	**9,364**	**10,218**	**10,354**
Extraordinary items					
Current taxation	(825)	(1,373)	(1,440)	(1,576)	(1,597)
Minorities	(28)	(553)	(450)	(687)	0
Net Profit	**3,699**	**4,069**	**7,474**	**7,955**	**8,757**
Core net profit	**3,876**	**3,728**	**7,474**	**7,955**	**8,757**
EPS (THB)	**0.86**	**0.95**	**1.74**	**1.85**	**2.04**
Core EPS (THB)	**0.90**	**0.87**	**1.74**	**1.85**	**2.04**

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	2.6	(6.3)	9.6	(0.3)	0.0
Operating profit	(7.8)	(1.6)	26.1	2.5	(1.0)
EBITDA	(7.8)	(1.6)	26.1	2.5	(1.0)
Net profit	(29.5)	10.0	83.7	6.4	10.1
Core net profit	(24.7)	(3.8)	100.5	6.4	10.1
EPS	(29.5)	10.0	83.7	6.4	10.1
Core EPS	(24.7)	(3.8)	100.5	6.4	10.1
Profitability (%)					
Gross margin	23.8	25.1	26.0	26.4	26.2
Operation margin	11.6	12.1	14.0	14.4	14.2
EBITDA margin	11.6	12.1	14.0	14.4	14.2
Net margin	2.8	3.3	5.5	5.9	6.4
ROE	5.0	4.9	9.7	9.5	9.7
ROA	0.4	0.7	0.8	2.0	2.7
Stability					
Interest bearing debt/equity (x)	0.4	0.5	0.4	0.3	0.2
Net debt/equity (x)	0.3	0.5	0.3	0.2	0.0
Interest coverage (x)	2.5	2.6	3.4	4.3	5.4
Interest & ST debt coverage (x)	0.2	0.2	0.4	0.6	1.4
Cash flow interest coverage (x)	(0.0)	0.1	0.3	0.3	0.3
Current ratio (x)	1.0	1.1	1.4	1.8	2.7
Quick ratio (x)	0.6	0.6	0.7	1.1	1.6
Net debt (THB m)	30,851	41,143	29,187	16,171	2,865
Activity					
Asset turnover (X)	0.7	0.7	0.8	0.8	0.8
Days receivables	63.5	67.1	57.3	53.3	49.2
Days inventory	69.1	71.3	65.4	68.3	67.9
Days payable	55.0	59.5	55.4	57.9	57.6
Cash cycle days	77.6	78.8	67.3	63.8	59.6

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow	**(3,724)**	**9,043**	**20,747**	**21,349**	**21,218**
Net profit	3,699	4,069	7,474	7,955	8,757
Depre.& amortization	12,639	13,355	13,892	13,892	12,901
Change in working capital	(18,751)	(6,539)	1,407	1,549	1,523
Others	(1,311)	(1,843)	(2,027)	(2,048)	(1,964)
Investment cash flow	**(7,936)**	**(5,158)**	**(5,347)**	**(4,888)**	**(4,468)**
Net CAPEX	(5,993)	(3,280)	(3,000)	(3,000)	(3,000)
Change in LT investment					
Change in other assets	(1,943)	(1,878)	(2,347)	(1,888)	(1,468)
Free cash flow	**(11,660)**	**3,885**	**15,400**	**16,461**	**16,750**
Financing cash flow	**785**	**(14,177)**	**(3,445)**	**(3,445)**	**(3,445)**
Change in share capital	(6,547)	(3,448)	58	58	58
Net change in debt	2,849	(6,191)	0	0	0
Dividend paid	(1,288)	(1,503)	(1,503)	(1,503)	(1,503)
Others	5,771	(3,035)	(2,000)	(2,000)	(2,000)
Net cash flow	**(10,875)**	**(10,291)**	**11,955**	**13,016**	**13,305**

Per share (THB)					
EPS	0.86	0.95	1.74	1.85	2.04
Core EPS	0.90	0.87	1.74	1.85	2.04
CFPS	3.02	3.17	3.96	4.17	4.25
BVPS	17.86	17.33	18.74	20.25	21.96
Sales/share	30.93	28.97	31.74	31.64	31.65
EBITDA/share	3.57	3.52	4.43	4.55	4.50
DPS	0.55	0.60	0.60	0.60	0.60
Valuation					
P/E (x)	22.75	18.04	17.23	16.19	14.71
P/BV (x)	1.10	0.99	1.60	1.48	1.37
Dividend yield (%)	2.81	3.51	2.00	2.00	2.00
Divdend payout ratio (%)	63.83	63.29	34.46	32.38	29.41

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ESG Analysis

ESG Assessment	SET ESG	Bloomberg
Environment SCGP continues to advance sustainable packaging by increasing the use of alternative fuels, recycled fiber, and renewable resources while improving energy efficiency and reducing greenhouse gas emissions. In 2025, alternative fuels accounted for 38% of total energy consumption, and the company expanded carbon footprint labeling and reforestation initiatives to support its climate goals.	AAA	7.48
Social SCGP prioritizes employee safety, capability development, and human rights while promoting responsible sourcing and sustainable supply chain management. The company also supports communities through education, environmental conservation, and initiatives that strengthen local economic development and stakeholder engagement.		9.34
Governance SCGP maintains a strong governance framework through independent board oversight, enterprise risk management, business ethics, and transparent ESG reporting. In 2025, the company retained a SET ESG Rating of AAA, received an EcoVadis Platinum Medal (Top 1% globally), and remained a constituent of the Dow Jones Sustainability Index (DJSI), demonstrating continued excellence in corporate governance and sustainability.		4.87
Overall | CG Score: Excellent | CAC: Certified		**6.65**

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

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

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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.