THE SIAM CEMENT (SCC TB)

THAILAND / SET / CONSTRUCTION MATERIALS

Globlex Securities Co., Ltd.

4 June 2026

Turnarounds for fajar and chemical

- 2Q26E-2027E quarterly profit growth momentum remains solid
- Subsidiaries are growth armies, waiting for chemical turnaround
- Maintain BUY and a SoTP of THB252

Quarterly growth momentum remains solid

After a rebound in core net profit (NP) in 1Q26 to THB1.8b (+53% y-y, up from a net loss (NL) of THB79m in 4Q25), we think SCC's quarterly NP growth momentum will move from strength to strength in 2Q26-2028E, driven by 1) the gradual improvement in chemical unit from a lower loss to a NP by 1H27E; 2) stronger NP contributions from SCGP, SJWD, and SCGD on the back of higher demands in Vietnam, Indonesia, and Thailand.

Lower loss, if not near breakeven, for petrochemical ahead

While still in red due to the continued shutdowns of two olefins crackers – ROC in Thailand and LSP in Vietnam on the feedstock shortages, we think 2Q26 performance of chemical will remain solid, backed by the higher margins of the operating MOC. The projected lower q-q sales volume but higher NP in 2Q26E is likely to be achieved as the impacts of the shutdowns of ROC (-THB0.1b a quarter) and LSP (-TTHB3.0b a quarter) will be mostly offset by the benefit of the windfall margin spike for MOC.

A seasonally softer profit for cement and materials

SCC will now consolidate its three units – Cement and Green Solutions, Smart Living and SCG Distribution & Retail, and Décor – to be one unit, aiming at streamlining business to better fit the fast-changing business environment. In 2Q26E, we expect a softer q-q NP for cement due to seasonally lower demand but will be timely offset by the higher demands for construction materials, distributions, and retail. We forecast 2Q26 NP from the newly consolidated unit at THB3.1b, down slightly from THB3.2b in 1Q26 mainly on the weaker cement demands in Thailand.

Three subsidiary musketeers as key growth catalysts

SCC's three listed subsidiaries - SCGP for packaging, SJWD for transportation and storage, and SCGD for ceramics – are poised to see greater profit growth momentum in 2026E-28E, premised on 1) solid demand growths in Vietnam, Indonesia, and other export markets thanks to the highly competitive cost structures for SCGD and SCGP; 2) a financial turnaround of Fajar (SCGP) in Indonesia, which we project to turn into a NP for the first time in many quarters in 2Q26E as the selling prices in Indonesia remains on the uptrend.

Time to reload this well-refined growth conglomerate

We maintain BUY and a SoTP TP of THB252. We think near-term while NP will be pressured by the continued loss from petrochemical unit, we think quarterly NP will continue to grow materially and sequentially while in long-term NP growth will rise once chemical unit turns around

Analyst

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ESG Rating : AAA

CG Rating :

BUY

Target Price 12M (THB)	**252.0**
VS. BB Consensus TP (%)	+17.0%
Share Price (THB)	229.00
Upside/Downside	+10.0%

Share Data

Market Cap (THB m)	271,200.00
Par (THB)	1.00
Free Float (%)	66.24
Issued shares (m shares)	1,200

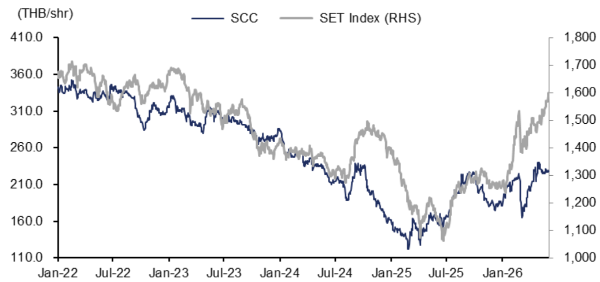
Financial forecast

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 (%)		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	18.50	16.66	11.30
P/BV (x)	0.65	0.80	0.77	0.74
ROE (%)	1.44	4.35	4.71	6.69
Dividend yield (%)	3.27	2.16	2.40	3.54

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(4.58)	5.53	22.13	24.80
Market	(10.25)	(2.55)	(1.74)	(1.01)
12M High/Low (THB)			243.00 / 152.50	



Major Shareholders (%) as of 02 Apr 2026

Maha Vajiralongkorn	33.64
Thai NVDR	7.66
Social Security Office	5.59

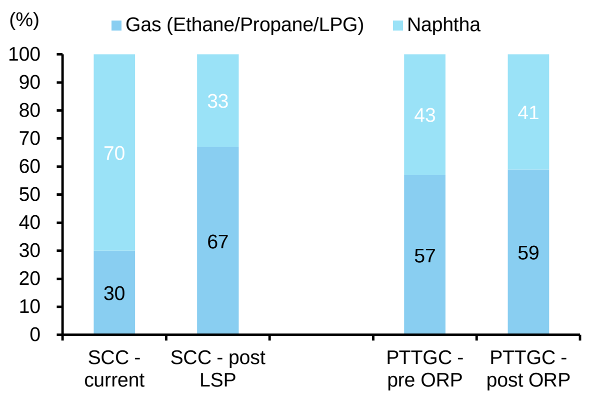
Company Profile

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

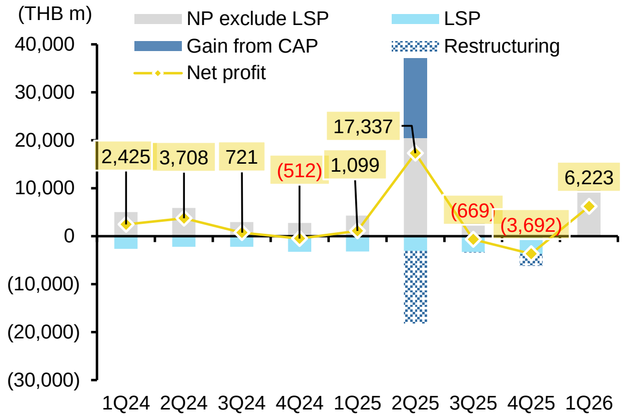
Globlex Securities Co., Ltd.

Exhibit 1: Petrochemical feedstock comparison



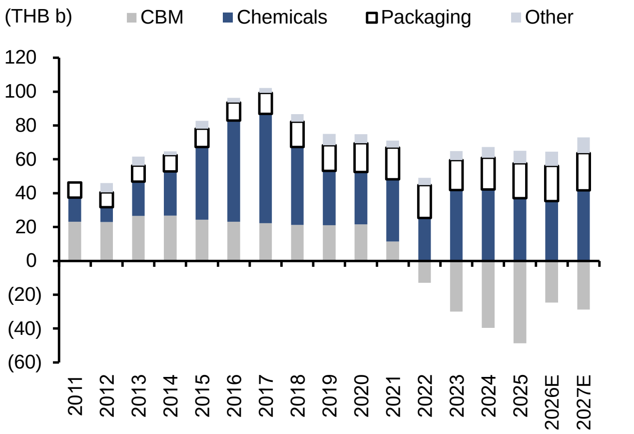
Sources: SCC; PTTGC; Globlex Research

Exhibit 2: Quarterly net profit breakdown (LSP/CAP)



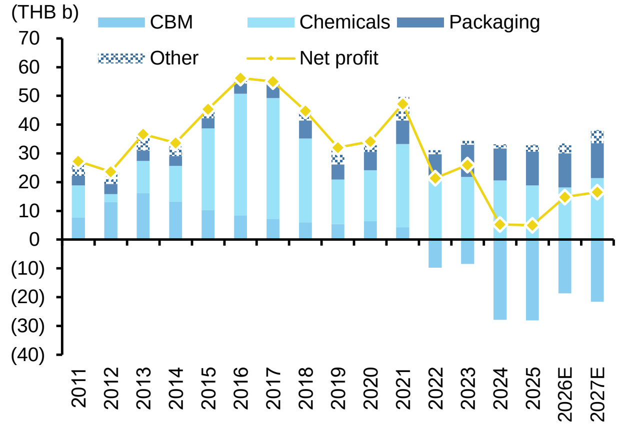
Sources: SCC; Globlex Research

Exhibit 3: Annual EBITDA by segment



Sources: SCC; Globlex Research

Exhibit 4: Annual net profit by segment



Sources: SCC; Globlex Research

Exhibit 5: SoTP valuation

SOP valuation	2025E	THB/shr	% total	Valuation
Cement	71,549	60	19%	4x EV/EBITDA
Petrochemical	185,578	155	49%	5x EV/EBITDA
Paper	164,641	137	44%	8.0x EV/EBITDA
Building materials	94,367	0	25%	6.0x EV/EBITDA
Total core	516,135	430	137%	
Investment (P/B)	182,814	152	48%	1.2x book
Gross SOTP	698,949	582	185%	
Net debt	-252,008	-210	-67%	2025E net debt
Minority	-69,338	-58	-18%	2025E minority
Net SOP value	**377,603**	**315**	**100%**	
Holding discount	-20%	-63		
Adjusted SOTP value		**252**		

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	18.50	16.66	11.30
P/BV (x)	0.57	0.65	0.80	0.77	0.74
Dividend yield (%)	2.98	3.27	2.16	2.40	3.54
Divdend payout ratio (%)	94.61	51.15	40.00	40.00	40.00

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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.