SCG PACKAGING (SCGP TB)

THAILAND / SET / PACKAGING

21 July 2026

From strength to stamina

- Stronger-than-expected 2Q26 performance on improving performance across the board
- Growth and profit outlooks remain sanguine in 2H26-2027 on demand growths in Vietnam and Asia
- Maintain BUY and a TP o fTHB33

From strength to strength

SCGP's 2Q26 net profit (NP) was THB2.3b, up 128% y-y and 47% q-q, due to the stronger-than-expected performance of Integrated Packaging (IPC) and the turnaround of Fibrous Chain (FC). EBITDA was THB5.82b, up 37% y-y and 25% q-q on higher EBITDA across all business units. IPC net profit jumped to THB2.5b while FC finally turned around into a NP of THB47m in 2Q26 after a multi-quarter loss.

Margin and sales volume improved

EBITDA margin improved to 18%, boosted by the higher EBITDA margin of 20% for IPC and the rising FC EBITDA margin at 9% due to higher sales volumes and selling prices on solid demands. EBITDA from IPC rose to THB5.2b (+19% q-q, +36% y-y), driven by the resilient performance of packaging, supported by domestic consumptions in Vietnam and Indonesia. Fajar finally turned from a loss and positive EBITDA to NP even with higher sales volume and higher selling prices to more than offset the higher costs of freight and energy. Packaging paper sales volume improved due to higher exports.

FC recovered on strong demands

Recycling paper (RB) EBITDA surged to THB2.3b (-6% y-y). NP from FC rose to THB619m (+112% q-q, +38% y-y) due to revenue increase on the higher selling prices and sales volume, with revenue from Foodservice packaging rising on higher government-stimulated domestic demand, alongside the improving demands for fine and specialty paper, supported by the stronger export demand.

IPC finally back on growth track

In 2Q26, IPC has continued to see improving revenue to THB32.5b (+11% q-q, +3% y-y), propelling NP to THB2.5b on higher sales volume and margin. But the most manifest improvement in IPC came from the financial turnaround of Fajar in Indonesia, which we project to post a small NP of THB0.1b, mainly on superior cost efficiency and the higher selling prices. Strong demand in Vietnam market on the solid economic growth and export further strengthened IPC's performance.

Maintain BUY and TP of THB33

We maintain BUY and our TP of THB33. We think SCGP remains one of the most attractive investments for the economic growths of Vietnam and the stronger export demands for Asia markets. SCGP's superior cost control, Fajar's rising NP, and rising demands for non-Thai markets 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)	**33.00**
VS. BB Consensus TP (%)	+9.3%
Share Price (THB)	30.25
Upside/Downside	+9.1%

Share Data

Market Cap (THB m)	129,860.84
Par (THB)	1.00
Free Float (%)	26.37
Issued shares (m shares)	4,293

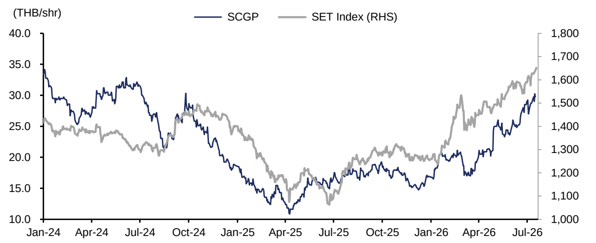
Financial forecast

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 (%)		(9.2)	(12.3)	(3.9)
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	23.55	22.54	18.85
P/BV (x)	0.99	1.65	1.57	1.47
ROE (%)	4.93	7.21	7.15	8.06
Dividend yield (%)	3.51	1.98	1.98	1.98

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	14.15	41.36	44.74	76.90
Market	9.05	27.26	13.99	35.38
12M High/Low (THB)				30.75 / 14.90



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: Summary of 2Q26/6M26 operations

	2Q25 (THB m)	3Q25 (THB m)	---------------- 2Q26 (THB m)	(q-q%)	------------------ (y-y%)	6M25 (THB m)	6M26 (THB m)	chg. (y-y%)	2026E
Revenue	**31,557**	**29,295**	**32,454**	***10.8***	***2.8***	**63,766**	**61,749**	***(3.2)***	**136,268**
Operating costs	(27,300)	(24,654)	(26,633)	*(8.0)*	*2.4*	(55,277)	(51,287)	*7.2*	(119,551)
EBITDA	**4,257**	**4,641**	**5,821**	***25.4***	***36.7***	**8,489**	**10,462**	***23.2***	**16,717**
EBITDA margin (%)	*13.5*	*15.8*	*17.9*	*na*	*na*	*13.3*	*16.9*	*na*	12.3
Depn & amort.	(2,250)	(2,205)	(2,218)	*(0.5)*	*1.4*	(4,489)	(4,423)	*1.5*	(9,069)
EBIT	**2,007**	**2,436**	**3,603**	***48.0***	***79.5***	**4,000**	**6,039**	***51.0***	**7,649**
Interest expense	(654)	(482)	(507)	*(5.3)*	*22.5*	(1,299)	(989)	*23.9*	(2,934)
Interest & invt inc	-	-	-	*na*	*na*	-	-	*na*	-
Other income	285	183	186	*1.7*	*(34.5)*	543	370	*(32.0)*	2,333.2
Associates' contrib	33	23	43	*90.2*	*29.4*	48	66	*36.8*	-
Exceptionals	(285)	(186)	(199)	*(7.0)*	*29.9*	(544)	(386)	*29.1*	-
Pretax profit	**1,387**	**1,974**	**3,127**	***58.4***	***125.5***	**2,748**	**5,100**	***85.6***	**7,048**
Tax	(283)	(333)	(590)	*(77.2)*	*(108.3)*	(586)	(923)	*(57.5)*	(1,084)
Tax rate (%)	*20.4*	*16.9*	*18.9*	*na*	*na*	*21.3*	*18.1*	*na*	15.4
Minority interests	(94)	(75)	(233)	*(211.1)*	*(148.9)*	(253)	(308)	*(21.7)*	(450.0)
Net profit	**1,010**	**1,566**	**2,303**	***47.1***	***128.1***	**1,909**	**3,869**	***102.7***	**5,514**
Non-recurring	17	24	(32)	*(231.7)*	*(288.0)*	0	(8)	*(2,946.8)*	-
Core net profit	**993**	**1,542**	**2,335**	***51.4***	***135.1***	**1,909**	**3,877**	***103.1***	**5,514**
EPS (THB)	0.24	0.36	0.54	*47.1*	*128.1*	0.44	0.90	*102.7*	1.28
Core EPS (THB)	0.23	0.36	0.54	*51.4*	*135.1*	0.44	0.90	*103.1*	1.28

Sources: SCGP, Globlex Research

Exhibit 2: 2Q26/6M26 Core profit and net profit

(THB m)	2Q25	3Q25	2Q26	q-q%	y-y%	6M25	6M26	chg
Core profit	**993**	**1,542**	**2,335**	***51.4***	***135.1***	**1,909**	**3,877**	***103.1***
FX gain/loss from loan, derivatives and investment	45	24		*nm*	*nm*	**58**		*nm*
Expenses related to M&Ps transactions	(28)	-		*nm*	*nm*	**(29)**		*nm*
Impairments and others	-	-		*nm*	*nm*	**(28)**		*nm*
Net profit	**1,010**	**1,566**	**2,304**	***47.1***	***128.1***	**1,910**	**3,870**	***102.6***

Sources: SCGP, Globlex Research

Exhibit 3: 2Q26/6M26 key performance

Revenue from sales	2Q25 (THB m)	3Q25 (THB m)	2Q26 (THB m)	q-q% (%)	y-y% (%)	6M25 (THB m)	6M26 (THB m)	chg (%)
Consolidated SCGP	**31,557**	**29,295**	**32,454**	***10.8***	***2.8***	**63,766**	**61,749**	***(3.2)***
Integrated Packaging Chain	23,856	22,815	25,387	*11.3*	*6.4*	48,079	48,202	*0.3*
Fibrous Chain	5,926	5,957	6,548	*9.9*	*10.5*	12,850	12,505	*(2.7)*
Recycling Business and Others	1,775	1,720	2,073	*20.5*	*16.8*	3,787	3,793	*0.2*
Intersegment Elimination	(831)	(1,197)	(1,554)	*(29.8)*	*(87.0)*	119	(2,751)	*(2,411.8)*
EBITDA								
Consolidated SCGP	**4,257**	**4,641**	**5,821**	***25.4***	***36.7***	**8,489**	**10,462**	***23.2***
Integrated Packaging Chain	3,821	4,363	5,188	*18.9*	*35.8*	7,331	9,551	*30.3*
Fibrous Chain	448	292	619	*112.0*	*38.2*	1,181	911	*(22.9)*
Recycling Business and Others	2,408	1,024	2,275	*122.2*	*(5.5)*	3,954	3,299	*(16.6)*
Intersegment Elimination	(2,420)	(1,038)	(2,261)	*(117.8)*	*6.6*	(3,977)	(3,299)	*17.0*
EBITDA margins*								
Consolidated SCGP	**13**	**16**	**18**	***2.0***	***5.0***	**13**	**17**	***4.0***
Integrated Packaging Chain	16	19	20	*1.0*	*4.0*	15	20	*5.0*
Fibrous Chain	7	5	9	*4.0*	*2.0*	9	7	*(2.0)*
Net profit								
Consolidated SCGP	**1,010**	**1,566**	**2,304**	***47.1***	***128.1***	**1,910**	**3,870**	***102.6***
Integrated Packaging Chain	1,142	1,854	2,497	*34.7*	*118.7*	2,018	4,351	*115.6*
Fibrous Chain	(102)	(208)	47	*122.6*	*146.1*	28	(161)	*(675.0)*
Recycling Business and Others	2,017	674	1,844	*173.6*	*(8.6)*	3,162	2,518	*(20.4)*
Intersegment Elimination	(2,047)	(754)	(2,084)	*(176.4)*	*(1.8)*	(3,298)	(2,838)	*13.9*

* Note: Change in margin % is represented in ppt change
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	5,002	10,814	12,269
Account receivable	23,551	22,152	20,618	19,085	17,551
Inventories	19,027	17,356	19,228	19,194	19,160
Others	2,877	4,795	4,829	4,829	4,829
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**	**171,373**	**171,349**	**166,766**
Current liabilities					
Account payable	15,678	14,707	16,293	16,265	16,236
ST borrowing	30,864	31,392	20,000	15,000	5,000
Others	10,061	1,333	1,461	1,461	1,461
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**	**76,737**	**71,709**	**61,680**
Paid-up capital	4,293	4,293	4,293	4,293	4,293
Retained earnings	59,600	61,293	65,305	69,565	74,952
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**	**94,636**	**99,640**	**105,086**

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue	**132,784**	**124,374**	**136,268**	**136,289**	**136,306**
Cost of goods sold	(101,122)	(93,151)	(103,199)	(103,018)	(102,836)
Gross profit	**31,661**	**31,223**	**33,069**	**33,271**	**33,470**
Operating expenses	(16,318)	(16,131)	(16,352)	(16,355)	(16,357)
Operating profit	**15,343**	**15,091**	**16,717**	**16,917**	**17,113**
EBIT	**6,085**	**6,123**	**7,649**	**7,647**	**7,643**
Depreciation	(9,259)	(8,968)	(9,069)	(9,269)	(9,470)
EBITDA	**15,343**	**15,091**	**16,717**	**16,917**	**17,113**
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**	**7,048**	**7,621**	**8,142**
Extraordinary items					
Current taxation	(825)	(1,373)	(1,084)	(1,172)	(1,251)
Minorities	(28)	(553)	(450)	(687)	0
Net Profit	**3,699**	**4,069**	**5,514**	**5,762**	**6,890**
Core net profit	**3,876**	**3,728**	**5,514**	**5,762**	**6,890**
EPS (THB)	**0.86**	**0.95**	**1.28**	**1.34**	**1.60**
Core EPS (THB)	**0.90**	**0.87**	**1.28**	**1.34**	**1.60**

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	2.6	(6.3)	9.6	0.0	0.0
Operating profit	(7.8)	(1.6)	10.8	1.2	1.2
EBITDA	(7.8)	(1.6)	10.8	1.2	1.2
Net profit	(29.5)	10.0	35.5	4.5	19.6
Core net profit	(24.7)	(3.8)	47.9	4.5	19.6
EPS	(29.5)	10.0	35.5	4.5	19.6
Core EPS	(24.7)	(3.8)	47.9	4.5	19.6
Profitability (%)					
Gross margin	23.8	25.1	24.3	24.4	24.6
Operation margin	11.6	12.1	12.3	12.4	12.6
EBITDA margin	11.6	12.1	12.3	12.4	12.6
Net margin	2.8	3.3	4.0	4.2	5.1
ROE	5.0	4.9	7.2	7.1	8.1
ROA	0.4	0.7	(0.3)	0.7	1.7
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	0.1
Interest coverage (x)	2.5	2.6	2.6	3.2	4.2
Interest & ST debt coverage (x)	0.2	0.2	0.3	0.4	1.1
Cash flow interest coverage (x)	(0.0)	0.1	0.2	0.3	0.3
Current ratio (x)	1.0	1.1	1.3	1.6	2.4
Quick ratio (x)	0.6	0.6	0.7	0.9	1.3
Net debt (THB m)	30,851	41,143	31,213	20,400	8,946
Activity					
Asset turnover (X)	0.7	0.7	0.8	0.8	0.8
Days receivables	63.5	67.1	57.3	53.2	49.1
Days inventory	69.1	71.3	64.7	68.1	68.1
Days payable	55.0	59.5	54.8	57.7	57.7
Cash cycle days	77.6	78.8	67.2	63.6	59.4

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow	**(3,724)**	**9,043**	**18,721**	**19,145**	**19,367**
Net profit	3,699	4,069	5,514	5,762	6,890
Depre.& amortization	12,639	13,355	13,536	13,488	12,556
Change in working capital	(18,751)	(6,539)	1,341	1,539	1,539
Others	(1,311)	(1,843)	(1,670)	(1,644)	(1,618)
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**	**13,374**	**14,257**	**14,899**
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)**	**9,930**	**10,813**	**11,454**

Per share (THB)					
EPS	0.86	0.95	1.28	1.34	1.60
Core EPS	0.90	0.87	1.28	1.34	1.60
CFPS	3.02	3.17	3.50	3.66	3.81
BVPS	17.86	17.33	18.28	19.29	20.55
Sales/share	30.93	28.97	31.74	31.75	31.75
EBITDA/share	3.57	3.52	3.89	3.94	3.99
DPS	0.55	0.60	0.60	0.60	0.60
Valuation					
P/E (x)	22.75	18.04	23.55	22.54	18.85
P/BV (x)	1.10	0.99	1.65	1.57	1.47
Dividend yield (%)	2.81	3.51	1.98	1.98	1.98
Divdend payout ratio (%)	63.83	63.29	46.71	44.70	37.38

SCG PACKAGING (SCGP TB) | THAILAND / SET / PACKAGING

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

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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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.