

SCG PACKAGING

SCGP TB

THAILAND / PACKAGING

BUY

UNCHANGED

เสริมความแข็งแกร่ง เตรียมฟื้นตัว

- การเข้าซื้อ Duy Tan ทั้งหมด หนุนการขยายธุรกิจปลายน้ำของ SCGP
- สัญญาการฟื้นตัวของ Fajar ยังเป็นไปต่อเนื่อง แม้จะมีการปรับขึ้นราคาขายสองครั้งในเดือน พ.ค. และ มิ.ย. แต่ยอดขายในประเทศยังคงแข็งแกร่ง
- ความเสี่ยงจากภายนอกของสหรัฐและจีนยังอยู่ในระดับที่บริหารจัดการได้

TARGET PRICE	THB29.00
CLOSE	THB16.00
UP/DOWNSIDE	+81.3%
PRIOR TP	THB29.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+63.4%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	132,784	145,405	155,392	162,527
Net profit	3,699	4,005	5,749	6,043
EPS (THB)	0.86	0.93	1.34	1.41
vs Consensus (%)	-	8.0	29.1	20.6
EBITDA	16,338	18,611	20,365	20,509
Recurring net profit	3,910	4,005	5,749	6,043
Core EPS (THB)	0.91	0.93	1.34	1.41
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(24.3)	2.4	43.5	5.1
Core P/E (x)	17.6	17.1	11.9	11.4
Dividend yield (%)	4.8	2.6	3.8	4.0
EV/EBITDA (x)	8.3	7.3	6.5	6.3
Price/book (x)	0.9	0.9	0.8	0.8
Net debt/Equity (%)	51.3	49.2	44.6	40.0
ROE (%)	5.1	5.1	7.1	7.2

ซื้อ Duy Tan ทั้งหมด หนุนการขยายธุรกิจปลายน้ำของ SCGP

SCGP ประกาศเข้าซื้อหุ้นที่เหลืออีก 30% ในบริษัท Duy Tan Plastics Manufacturing Corporation ประเทศเวียดนาม ด้วยมูลค่า 3.7 พันล้านบาท ส่งผลให้สัดส่วนการถือหุ้นเพิ่มจาก 70% เป็น 100% สอดคล้องกับกลยุทธ์ของ SCGP ที่ต้องการขยายไปสู่ธุรกิจปลายน้ำซึ่งมีอัตรากำไรสูง โดย Duy Tan เป็นผู้นำในตลาดบรรจุภัณฑ์พลาสติกแบบแข็งในเวียดนาม แม้ดีลนี้จะมีความเสี่ยงในการทำการกำไรสูง โดยมี EBITDA margin ที่ 18–22% และ ROE 16–18% สูงกว่า SCGP และช่วยเสริมศักยภาพการเติบโตระยะยาวในตลาดที่มีแนวโน้มดี

Fajar ได้ประโยชน์จากภาวะอุปทานตึงตัว

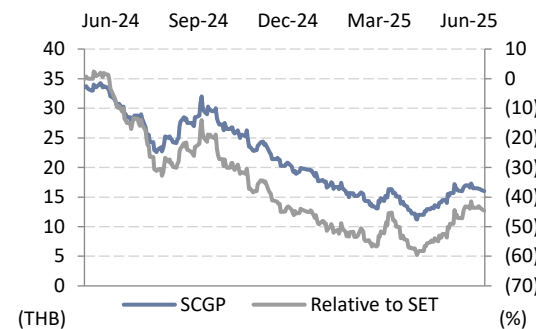
สัญญาการฟื้นตัวของ Fajar ยังเป็นไปต่อเนื่อง แม้จะมีการปรับขึ้นราคาขายสองครั้งในเดือน พ.ค. และ มิ.ย. แต่ยอดขายในประเทศยังคงแข็งแกร่ง ขณะที่ยอดส่งออกไปจีนถูกลดลงโดยตั้งใจ เพื่อขยายตลาดไปยังตะวันออกกลาง เวียดนาม และไทย ซึ่งมีอัตรากำไรขั้นต้นในประเทศสูงกว่าการส่งออก คาดว่า Fajar จะมีอัตรากำไรดีขึ้นอย่างค่อยเป็นค่อยไป อีกทั้งคู่แข่งรายสำคัญหยุดผลิตเนื่องจากปัญหาทางการเงิน ทำให้ supply ในตลาดตึงตัว เปิดโอกาสให้ผู้ผลิตรายใหญ่รวมถึง Fajar ปรับราคาขึ้น ผู้บริหารคาดว่า Fajar จะถึงจุดคุ้มทุน EBITDA ได้ภายในไตรมาส 2/68

แนวโน้มการนำเข้าบรรจุภัณฑ์กระดาษของจีนยังเป็นปัจจัยหนุนราคามุมภาค

การนำเข้ากระดาษบรรจุภัณฑ์ของจีนในเดือนเมษายนอยู่ที่ 620,000 ตัน แม้จะลดลงจากระดับสูงสุดผิดปกติในเดือนมีนาคม (มากกว่า 700,000 ตัน) ซึ่งเกิดจากความกังวลเรื่องภาษีนำเข้า แต่ยังคงสูงกว่าค่าเฉลี่ยรายเดือนของ 4Q24 ที่ 500,000 ตัน ปริมาณนำเข้าที่อยู่ในระดับดีบ่งชี้ถึงอุปสงค์ในภูมิภาคที่ยังมีความแข็งแกร่ง หากการบริโภคกระดาษบรรจุภัณฑ์ในจีนฟื้นตัวจะเป็นบวกต่อราคากระดาษในภูมิภาคและส่งผลดีต่อผู้เล่นหลักอย่าง Fajar ซึ่งจีนยังคงเป็นผู้บริโภครายใหญ่ของตลาดเอเชีย

ความเสี่ยงจากภายนอกของสหรัฐและจีนยังอยู่ในระดับที่บริหารจัดการได้

แม้มาตรการภาษีการค้าจากสหรัฐยังไม่แน่นอน แต่ผลกระทบต่อ SCGP คาดว่าจะอยู่ในวงจำกัด ใน 1Q25 รายได้จากการส่งออกไปสหรัฐ คิดเป็นเพียง 4% ของรายได้รวม ขณะที่ลูกค้าของ SCGP ที่ส่งออกไปสหรัฐมีมูลค่า 3% ของรายได้รวม ส่วนรายได้จากจีนอยู่ที่ 6% บริษัทปรับกลยุทธ์เพื่อลดการพึ่งพาจีนและหาตลาดใหม่ เช่น ตะวันออกกลางและเวียดนาม สินค้าส่วนใหญ่เป็นสินค้าบริโภค ซึ่งเชื่อว่าหาตลาดทดแทนได้ง่าย และช่วยเสริมความสามารถในการบริหารความเสี่ยงของบริษัท



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.9	8.1	(52.6)
Relative to country (%)	8.7	14.5	(44.3)
Mkt cap (USD m)	2,103		
3m avg. daily turnover (USD m)	7.3		
Free float (%)	26		
Major shareholder	The Siam Cement (SCC TB) (72%)		
12m high/low (THB)	34.50/10.70		
Issued shares (m)	4,292.92		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

SCGP's long-term growth outlook is supported by its strategic downstream expansion through the full acquisition of Duy Tan in Vietnam and improved market dynamics in Indonesia, where Fajar is benefiting from tighter supply and gradually stronger margins.

The company's regional diversification – shifting exposure away from China and the US – enhances resilience against external risks.

We believe SCGP's earnings should improve amid manageable macro headwinds. SCGP is well-positioned to deliver gradual margin recovery and sustainable growth across ASEAN packaging markets.

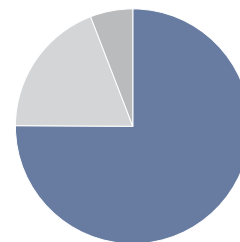
Company profile

SCGP is a leading multinational consumer packaging solutions provider in ASEAN providing fiber-based packaging, polymer packaging, food service products, design, printing, and other solutions for customers. The company's major businesses include: integrated packaging chain, fibrous chain, and recycling business.

www.scgpackaging.com

Principal activities (revenue, 2024)

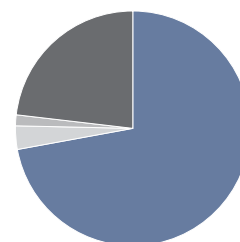
- Integrated packaging chain - 75.1 %
- Fibrous chain - 19.1 %
- Recycling business and others - 5.9 %



Source: SCG Packaging

Major shareholders

- The Siam Cement (SCC TB) - 72.1 %
- Thai NVDR - 3.2 %
- CPB Equity Co., Ltd. - 1.5 %
- Others - 23.2 %



Source: SCG Packaging

Catalysts

Key potential catalysts include 1) the strong recovery of China's economy; 2) lower costs of RCP and energy; and 3) more M&Ps.

Risks to our call

Downside risks to our DCF-based TP include 1) the slow demand for packaging; 2) the rising cost of recycled paper, other raw material, and energy; 3) the rising cost of funds; and 4) the fluctuation in foreign exchange currencies.

Event calendar

Date	Event
August 2025	2Q25 earnings announcement
October 2025	3Q25 earnings announcement

Key assumptions

	(unit)	2025E	2026E	2027E
Packaging paper sales volume	m ton	3.86	4.05	4.23
Packaging paper ASP	THB/ton	13,797	14,487	15,139
Fiber packaging sales volume	m ton	1.06	1.08	1.04
Fiber packaging ASP	THB/ton	33,742	35,092	35,443
Integrated packaging business	THB m	108,588	116,817	122,180
Fibrous sales volume	m ton	0.67	0.70	0.72
Fibrous ASP	THB/ton	41,876	42,596	43,447
Fibrous business	THB m	28,313	29,817	31,326

Source: FSSIA estimates

Earnings sensitivity

- For every 5% change in packaging paper ASP, we project SCGP's 2025 core profit to change by 2.7%, all else being equal.
- For every 5% change in fiber packaging ASP, we project SCGP's 2025 core profit to change by 1.5%, all else being equal.
- For every 0.5% change in blended gross margin, we project SCGP's 2025 core profit to change by 8%, all else being equal.

Source: FSSIA estimates

Full ownership of Duy Tan to strengthen downstream strategy

SCGP notified the Stock Exchange of Thailand yesterday that it has acquired an additional 30% stake in Duy Tan Plastics Manufacturing Corporation (Duy Tan JSC) in Vietnam, with a total investment of THB3.7b. The funding for this investment will come partly from loans and partly from dividends received from Duy Tan. Following this transaction, SCGP's ownership in Duy Tan will increase from the current 70% to 100%. The transaction is expected to be completed within June.

The borrowing to fund the additional investment in Duy Tan should not significantly alter the company's financial structure. We project the D/E ratio to remain at around 1.0x, close to the level in 1Q25. Net debt/EBITDA could rise slightly to 3.6x from 3.4x in 1Q25, but we believe it will fall below 3.0x by the end of 2025, in line with SCGP's target.

We view this investment as a positive move for SCGP, as Duy Tan's products are downstream, aligning well with SCGP's strategic goal of expanding into the downstream packaging business. SCGP has invested in Duy Tan since 2021. Duy Tan is the largest rigid plastic packaging manufacturer in Vietnam, offering a wide range of products serving both household and industrial sectors, with solid financial performance.

In 2024, Duy Tan generated revenue of THB7.5b, with an EBITDA margin of approximately 18-22%, significantly higher than SCGP's 12%. Its net profit margin stood at 11%, compared to SCGP's 2.8%, and its ROE was around 16-18%, higher than SCGP's 5% and above the industry average.

Although the size of this transaction is relatively modest – Duy Tan's 2024 revenue accounts for only 6% of SCGP's total revenue, and its total assets represent just 3% of SCGP's total assets – the investment was made at a 2024 P/E of 15x. While not particularly cheap, it is still lower than SCGP's own P/E of 17x. Nevertheless, Vietnam remains a high-potential market for the packaging industry, and Duy Tan, as a market leader with strong innovation, established branding, and competitive capabilities, should support SCGP's long-term growth.

Exhibit 1: Product samples of Duy Tan Plastic Manufacturing Corporation



Source: SCGP

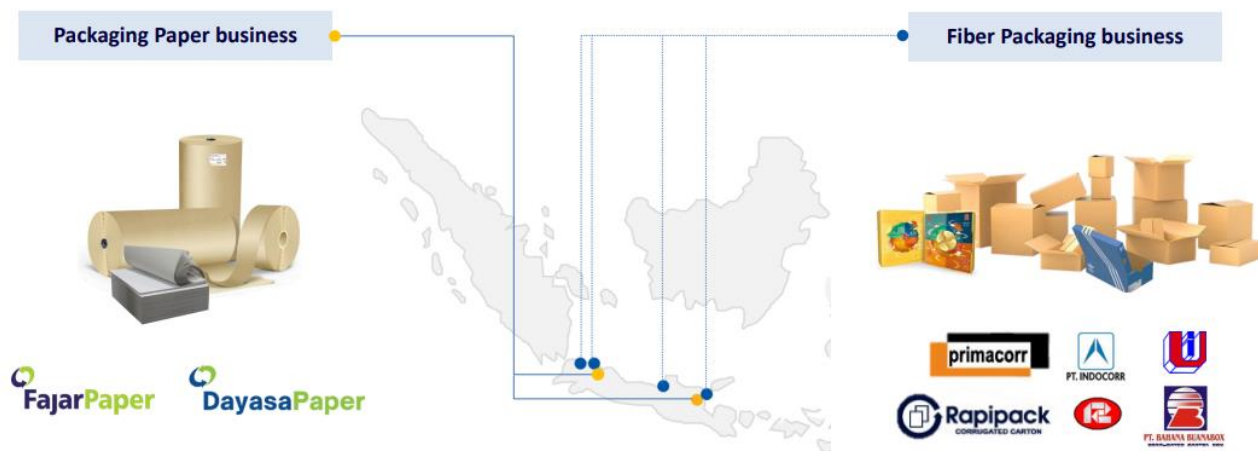
Fajar gears up for 2Q25 EBITDA breakeven

Indonesia is another high-potential market, with a population of 278m – the largest in the ASEAN region. A significant portion of the population, around 70%, is of working age. According to Mordor Intelligence, the value of the paper packaging market in Indonesia is projected to reach USD15.2b in 2025 and grow to USD20.3b by 2030, representing a CAGR of 6.1%.

The industry is relatively concentrated, with only a few major players. The top four players collectively hold over 80% of the market share, with the leading company alone accounting for more than 50%. As of 1Q25, Fajar holds a 31% market share. Around April this year, the fourth-largest player faced financial difficulties and was forced to cease operations, resulting in tighter supply conditions in the Indonesian market.

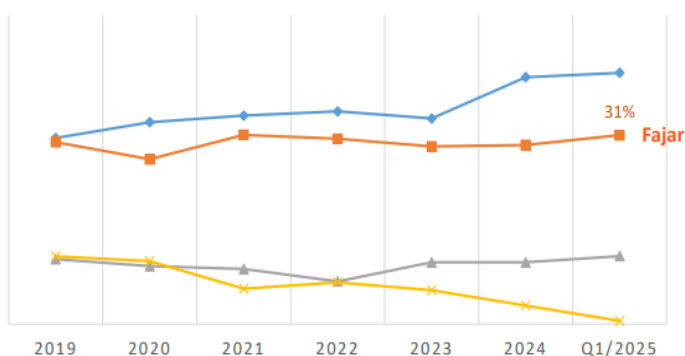
In response, the largest producer announced a price increase effective May 2025, prompting other players including Fajar to follow suit and raise their prices accordingly.

Exhibit 2: SCGP's fiber packaging operations in Indonesia



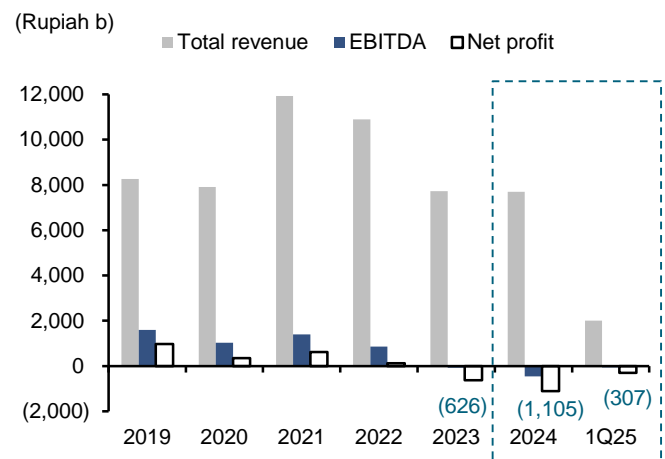
Source: SCGP

Exhibit 3: Market shares by top players in Indonesia



Source: SCGP's presentation

Exhibit 4: Fajar's key performance



Sources: SCGP, FajarPaper's website

Although Fajar has raised its selling prices twice – in May and June 2025 – domestic sales volumes have remained solid. On the export side, Fajar's exports to China dropped to around 20% in 1Q25, down from the usual 30%, in line with the company's strategy to reduce reliance on the Chinese market and expand into the Middle East, Vietnam, and Thailand instead (with the Thai market already operating at full capacity). Notably, the gross margin from domestic sales is higher than that from exports.

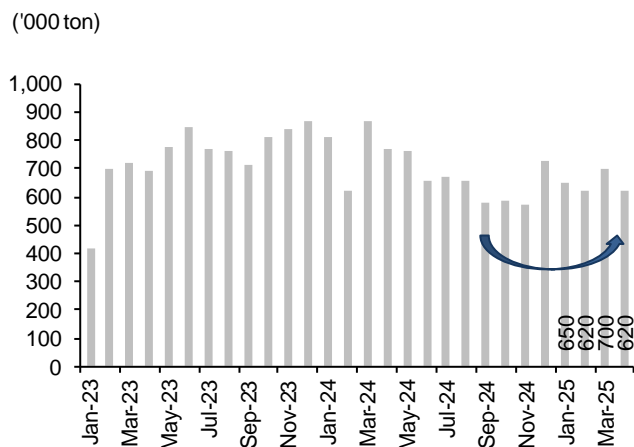
As for concerns regarding the major producer APP's plan to expand its paper and paper box production capacity around July 2025, we believe this is not a major cause for concern. Of the approximately 700,000 tons of additional paper capacity, about half will be used internally by APP's own paper box plants, while the other half is intended to replace older machines that will be decommissioned. As a result, the overall supply outlook for paper packaging in the Indonesian market remains relatively stable, in our view. Management remains confident that Fajar will achieve EBITDA breakeven within 2Q25.

China packaging paper demand holds up – positive for Asian market

China's packaging paper imports in April 2025 stood at 620,000 tons, down from over 700,000 tons in March 2025, which had seen an unusual surge due to concerns over US trade tariffs. However, when compared to the average monthly import volume of around 500,000 tons in 4Q24, April's import level is relatively healthy and not a sign of weakening demand.

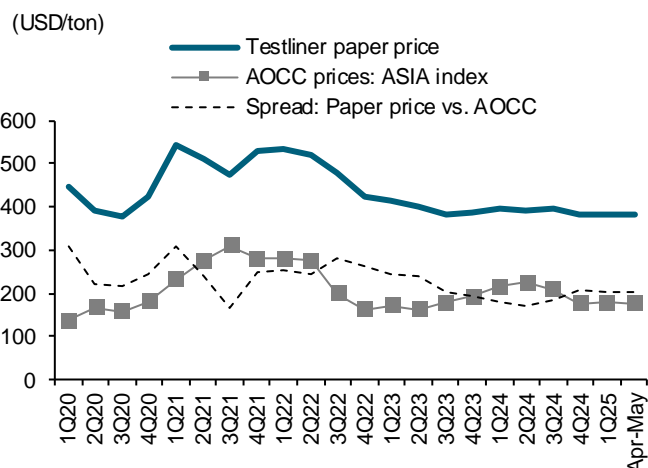
If packaging paper demand in China improves, it would be positive for Fajar and also support pricing across the Asian region, where China is a key consumer.

Exhibit 5: China's import volume of containerboard



Source: General Administration of Customs of the People's Republic of China as of 20 May 2025

Exhibit 6: Testliner paper price and spread



Source: SCGP

US tariff impact manageable; China exposure diversified

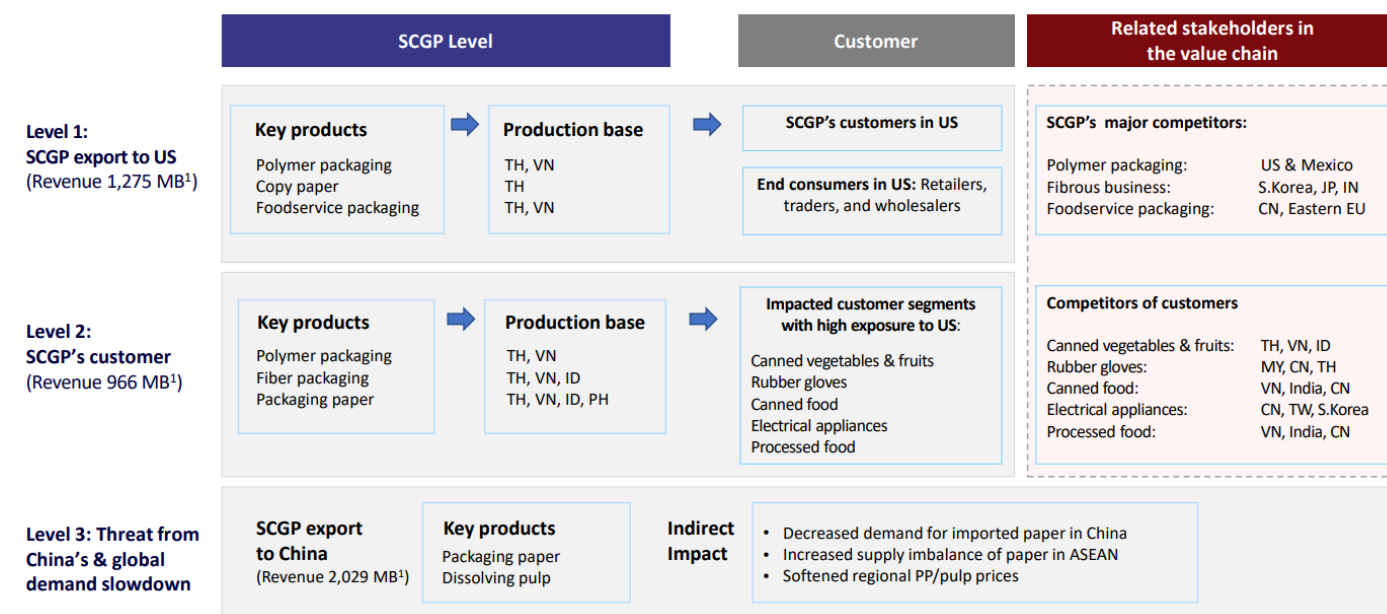
The impact of the current US trade tariffs remains difficult to assess with clarity. However, we expect any impact to be limited and manageable. In 1Q25, SCGP generated export revenue from the US market totaling THB1.3b, or 4% of its total revenue. These exports primarily consisted of polymer packaging, copy paper, and food packaging. Additionally, SCGP's customers who export their goods to the US accounted for around THB966m, or 3% of SCGP's total revenue. This suggests that SCGP's overall exposure to the US market is relatively limited.

Most products exported to the US are consumer goods, for which SCGP believes alternative markets can be found relatively easily. Likewise, most goods exported to the US by SCGP's customers are food-related, and are expected to be only marginally impacted.

China – another key market – contributed THB2.0b in export revenue for SCGP in 1Q25, representing 6% of total revenue. This underscores the country's importance, particularly in the event of a global economic slowdown.

To mitigate a potential downturn in China's economy and the resulting pressure on regional paper prices, SCGP has already implemented a strategy to reduce its reliance on the Chinese market. This is reflected in its 1Q25 performance, where the company successfully expanded its packaging paper exports to other markets such as the Middle East, Vietnam, and others.

Exhibit 7: US tariff impacts



Note: 1. SCGP's revenue based on 1Q25

Source: SCGP's presentation

Gradual recovery underway with manageable risks

We expect the preliminary profit outlook for 2Q25 to be no lower than that of 1Q25, with a slight upside potential if global consumer markets improve in June. A more pronounced recovery should occur in 2H25, driven by an anticipated reduction in interest expenses by approximately THB250m per year following the completion of Fajar's financial restructuring.

Although it is difficult to determine whether this amount can fully offset the impact of US trade tariffs, we believe the impact will remain manageable. The recovery may not be swift, but considering that earnings bottomed out in 4Q24, along with the 2025E P/E and EV/EBITDA multiples currently trading below -2SD of their five-year averages, we believe much of the downside risk is already priced in.

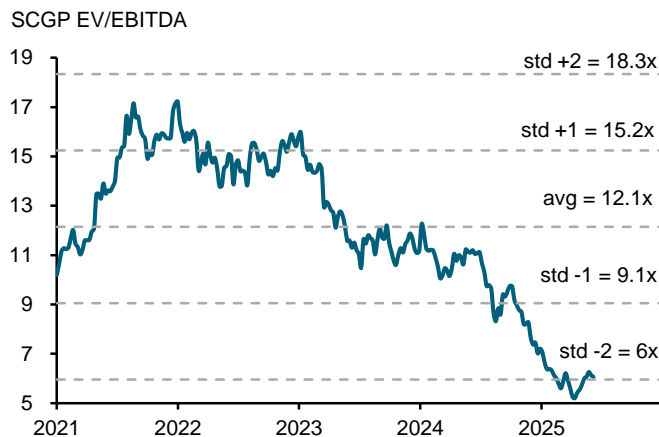
We therefore maintain our BUY rating and TP of THB29 (based on DCF, WACC of 9.3%, and LTG of 2.0%), which implies a 2025E EV/EBITDA multiple of only 11.2x.

Exhibit 8: One-year rolling forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 9: One-year rolling forward EV/EBITDA band



Sources: Bloomberg, FSSIA estimates

Financial Statements

SCG Packaging

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	129,398	132,784	145,405	155,392	162,527
Cost of goods sold	(106,274)	(110,381)	(121,306)	(128,522)	(134,142)
Gross profit	23,124	22,403	24,099	26,870	28,385
Other operating income	1,043	995	1,061	1,088	1,056
Operating costs	(15,684)	(16,318)	(17,303)	(18,336)	(19,666)
Operating EBITDA	17,689	16,338	18,611	20,365	20,509
Depreciation	(9,206)	(9,259)	(10,754)	(10,743)	(10,733)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	8,483	7,079	7,857	9,621	9,776
Net financing costs	(2,020)	(2,429)	(3,196)	(2,804)	(2,609)
Associates	39	113	124	155	163
Recurring non-operating income	39	113	124	155	163
Non-recurring items	80	(211)	0	0	0
Profit before tax	6,582	4,552	4,786	6,972	7,329
Tax	(1,153)	(825)	(932)	(1,364)	(1,433)
Profit after tax	5,429	3,727	3,854	5,609	5,896
Minority interests	(180)	(28)	152	140	147
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	5,248	3,699	4,005	5,749	6,043
Non-recurring items & goodwill (net)	(80)	211	0	0	0
Recurring net profit	5,169	3,910	4,005	5,749	6,043
Per share (THB)					
Recurring EPS *	1.20	0.91	0.93	1.34	1.41
Reported EPS	1.22	0.86	0.93	1.34	1.41
DPS	0.55	0.78	0.42	0.60	0.63
Diluted shares (used to calculate per share data)	4,293	4,293	4,293	4,293	4,293
Growth					
Revenue (%)	(11.4)	2.6	9.5	6.9	4.6
Operating EBITDA (%)	(8.1)	(7.6)	13.9	9.4	0.7
Operating EBIT (%)	(11.3)	(16.6)	11.0	22.5	1.6
Recurring EPS (%)	(8.6)	(24.3)	2.4	43.5	5.1
Reported EPS (%)	(9.5)	(29.5)	8.3	43.5	5.1
Operating performance					
Gross margin inc. depreciation (%)	17.9	16.9	16.6	17.3	17.5
Gross margin exc. depreciation (%)	25.0	23.8	24.0	24.2	24.1
Operating EBITDA margin (%)	13.7	12.3	12.8	13.1	12.6
Operating EBIT margin (%)	6.6	5.3	5.4	6.2	6.0
Net margin (%)	4.0	2.9	2.8	3.7	3.7
Effective tax rate (%)	17.5	18.1	19.5	19.6	19.6
Dividend payout on recurring profit (%)	45.7	85.1	45.0	45.0	45.0
Interest cover (X)	4.2	3.0	2.5	3.5	3.8
Inventory days	80.0	69.1	63.8	60.4	56.4
Debtor days	64.7	63.5	58.6	54.6	52.3
Creditor days	54.7	55.0	52.5	50.3	48.4
Operating ROIC (%)	6.0	5.4	5.5	6.7	(1.7)
ROIC (%)	4.4	3.9	4.1	5.0	(1.3)
ROE (%)	5.9	5.1	5.1	7.1	7.2
ROA (%)	3.5	3.0	3.4	4.2	2.8

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Integrated packaging chain	97,044	99,694	108,588	116,817	122,180
Fibrous chain	24,894	25,321	28,313	29,817	31,326
Recycling business and others	7,459	7,769	8,504	8,759	9,022

Sources: SCG Packaging; FSSIA estimates

Financial Statements

SCG Packaging

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	5,169	3,910	4,005	5,749	6,043
Depreciation	9,206	9,259	10,754	10,743	10,733
Associates & minorities	(39)	(113)	(124)	(155)	(163)
Other non-cash items	3,182	3,170	(5,638)	(2,184)	(2,658)
Change in working capital	3,965	(2,471)	304	514	1,041
Cash flow from operations	21,482	13,754	9,301	14,667	14,996
Capex - maintenance	0	0	0	0	0
Capex - new investment	(14,271)	(1,093)	(2,019)	(178)	(528)
Net acquisitions & disposals	830	41	(5,700)	(5,700)	(5,700)
Other investments (net)	381	542	(128)	(102)	(73)
Cash flow from investing	(13,060)	(510)	(7,848)	(5,980)	(6,301)
Dividends paid	(3,286)	(3,329)	(1,802)	(2,587)	(2,719)
Equity finance	0	0	0	0	0
Debt finance	(3,012)	15,796	1,011	(2,138)	(2,568)
Other financing cash flows	(2,068)	(25,649)	(3,196)	(2,804)	(2,609)
Cash flow from financing	(8,366)	(13,181)	(3,987)	(7,529)	(7,897)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	4,780	0	0	0	0
Net other adjustments	4,780	(4,961)	0	0	0
Movement in cash	4,836	(4,899)	(2,533)	1,159	799
Free cash flow to firm (FCFF)	10,441.88	15,672.35	4,648.77	11,491.56	11,304.24
Free cash flow to equity (FCFE)	8,122.43	(1,570.25)	(730.99)	3,745.86	3,518.14
Per share (THB)					
FCFF per share	2.43	3.65	1.08	2.68	2.63
FCFE per share	1.89	(0.37)	(0.17)	0.87	0.82
Recurring cash flow per share	4.08	3.78	2.10	3.30	3.25
Balance Sheet (THB m) Year Ending Dec					
	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	217,496	220,104	227,852	233,601	239,349
Less: Accumulated depreciation	(123,216)	(129,091)	(134,965)	(140,839)	(146,713)
Tangible fixed assets (net)	94,279	91,014	92,888	92,762	92,636
Intangible fixed assets (net)	39,425	37,340	37,294	37,452	37,952
Long-term financial assets	1,534	1,229	1,205	1,222	1,208
Invest. in associates & subsidiaries	1,063	1,193	1,384	1,530	1,684
Cash & equivalents	17,181	12,282	9,749	10,908	11,707
A/C receivable	22,648	23,551	23,105	23,415	23,155
Inventories	19,253	19,027	19,608	19,366	18,743
Other current assets	1,191	443	340	363	380
Current assets	60,272	55,304	52,803	54,053	53,984
Other assets	1,988	2,500	2,592	2,615	2,573
Total assets	198,561	188,580	188,167	189,634	190,037
Common equity	77,322	76,678	78,881	82,043	85,367
Minorities etc.	25,127	18,608	18,457	18,317	18,170
Total shareholders' equity	102,449	95,287	97,338	100,360	103,537
Long term debt	18,027	25,320	24,451	23,824	21,939
Other long-term liabilities	11,694	11,370	12,765	12,795	12,647
Long-term liabilities	29,721	36,690	37,216	36,618	34,586
A/C payable	14,808	15,678	16,119	16,373	16,354
Short term debt	27,328	35,863	33,158	31,821	31,156
Other current liabilities	24,254	5,062	4,571	4,696	4,639
Current liabilities	66,390	56,603	53,847	52,890	52,149
Total liabilities and shareholders' equity	198,561	188,580	188,401	189,868	190,272
Net working capital	4,029	22,281	22,364	22,075	21,284
Invested capital	142,318	155,557	157,728	157,656	157,337
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	18.01	17.86	18.37	19.11	19.89
Tangible book value per share	8.83	9.16	9.69	10.39	11.04
Financial strength					
Net debt/equity (%)	27.5	51.3	49.2	44.6	40.0
Net debt/total assets (%)	14.2	25.9	25.4	23.6	21.8
Current ratio (x)	0.9	1.0	1.0	1.0	1.0
CF interest cover (x)	12.1	0.8	1.4	2.4	2.6
Valuation					
	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	13.3	17.6	17.1	11.9	11.4
Recurring P/E @ target price (x) *	24.1	31.8	31.1	21.7	20.6
Reported P/E (x)	13.1	18.6	17.1	11.9	11.4
Dividend yield (%)	3.4	4.8	2.6	3.8	4.0
Price/book (x)	0.9	0.9	0.9	0.8	0.8
Price/tangible book (x)	1.8	1.7	1.7	1.5	1.4
EV/EBITDA (x) **	6.9	8.3	7.3	6.5	6.3
EV/EBITDA @ target price (x) **	10.1	11.8	10.3	9.2	9.0
EV/invested capital (x)	0.9	0.9	0.9	0.8	0.8
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: SCG Packaging; FSSIA estimates

SCG Packaging PCL (SCGP TB)

FSSIA ESG rating



78.40 /100

Exhibit 10: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Source: FSSIA estimates

Exhibit 11: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	67.71	5.69	4.38	4.05	4.77	4.43	4.02	Medium	57.34	BBB	22.70	60.82	67.31	1.19	35.34
Coverage	66.17	5.16	4.33	3.94	4.81	4.43	3.83	Medium	56.41	BBB	18.92	59.20	65.82	1.38	35.46
PSL	64.43	--	Y	A	5.00	5.00	Certified	Low	67.46	BBB	--	70.85	57.00	--	--
SCGP	78.40	Y	Y	AAA	5.00	5.00	Certified	Low	64.95	BBB	--	75.23	87.00	--	--
TTA	45.11	--	Y	AA	5.00	5.00	--	Low	--	--	--	53.87	27.00	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 12: ESG score by Bloomberg

FY ending Dec 31	FY 2020	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	—	3.56	6.41	—
BESG environmental pillar score	—	3.33	7.37	—
BESG social pillar score	—	1.90	8.93	—
BESG governance pillar score	—	4.53	4.53	—
ESG disclosure score	28.79	71.10	79.40	—
Environmental disclosure score	0.00	67.53	87.71	—
Social disclosure score	3.14	56.41	60.58	—
Governance disclosure score	83.02	89.28	89.86	—
Environmental				
Emissions reduction initiatives	No	Yes	Yes	Yes
Climate change policy	No	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	Yes
Risks of climate change discussed	No	Yes	Yes	Yes
GHG scope 1	—	4,366	3,778	3,448
GHG scope 2 location-based	—	508	632	586
GHG Scope 3	—	2,167	1,459	2,096
Carbon per unit of production	—	—	1	1
Biodiversity policy	No	Yes	Yes	Yes
Energy efficiency policy	No	Yes	Yes	Yes
Total energy consumption	—	17,964	16,778	16,417
Renewable energy use	—	3,742	4,083	4,667
Electricity used	—	738	0	919
Fuel used - natural gas	—	—	146,676	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 13: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	No	Yes	Yes	Yes
Hazardous waste	—	64	48	88
Total waste	—	1,553	1,515	1,446
Waste recycled	—	1,520	1,429	1,279
Waste sent to landfills	—	18	12	8
Environmental supply chain management	No	Yes	Yes	Yes
Water policy	No	Yes	Yes	Yes
Water consumption	—	—	—	—
Social				
Human rights policy	No	Yes	Yes	Yes
Policy against child labor	No	Yes	Yes	Yes
Quality assurance and recall policy	No	Yes	Yes	Yes
Consumer data protection policy	No	Yes	Yes	Yes
Equal opportunity policy	No	Yes	Yes	No
Gender pay gap breakout	No	Yes	Yes	Yes
Pct women in workforce	18	18	22	32
Pct disabled in workforce	—	0	0	0
Business ethics policy	No	Yes	Yes	No
Anti-bribery ethics policy	No	Yes	Yes	No
Health and safety policy	No	Yes	Yes	Yes
Lost time incident rate - employees	—	0	0	0
Total recordable incident rate - employees	—	0	0	0
Training policy	No	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No
Number of employees – CSR	—	23,341	22,289	21,882
Employee turnover pct	—	5	6	6
Total hours spent by firm - employee training	—	46,682	334,335	306,348
Social supply chain management	No	Yes	Yes	Yes
Governance				
Board size	12	12	12	12
No. of independent directors (ID)	7	8	8	8
No. of women on board	2	3	3	3
No. of non-executive directors on board	11	11	11	11
Company conducts board evaluations	No	No	Yes	Yes
No. of board meetings for the year	10	8	9	8
Board meeting attendance pct	100	100	99	100
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	51	52	53	54
Age of the oldest director	73	69	70	71
No. of executives / company managers	8	7	8	8
No. of female executives	1	0	1	1
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	8	5	6	6
Audit meeting attendance %	100	100	100	100
Size of compensation committee	3	3	3	3
No. of ID on compensation committee	2	2	2	2
No. of compensation committee meetings	4	7	6	7
Compensation meeting attendance %	100	100	100	100
Size of nomination committee	3	3	3	3
No. of nomination committee meetings	5	6	6	4
Nomination meeting attendance %	100	100	100	92
Sustainability governance				
Verification type	No	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for SETESG inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainabilitys	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

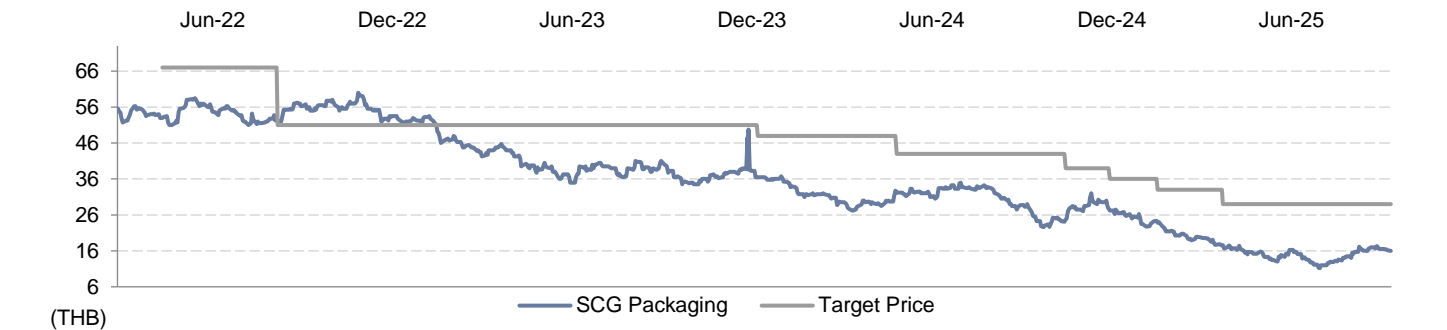
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

SCG Packaging (SCGP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Jul-2022	BUY	67.00	10-Apr-2024	BUY	43.00	20-Nov-2024	BUY	33.00
27-Oct-2022	HOLD	51.00	02-Sep-2024	BUY	39.00	15-Jan-2025	BUY	29.00
13-Dec-2023	BUY	48.00	10-Oct-2024	BUY	36.00			

Jitra Amornthum started covering this stock from 13-Dec-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SCG Packaging	SCGP TB	THB 16.00	BUY	Downside risks to our DCF-based TP include 1) the slow demand for packaging; 2) the rising cost of recycled paper, other raw material, and energy; 3) the rising cost of funds; and 4) the fluctuation in foreign exchange currencies.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 09-Jun-2025 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a 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.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). 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 (N). 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 (U). 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.