

2 JULY 2025

EQUITY RESEARCH - INITIATION REPORT

# SIAM CEMENT SCC TB

## THAILAND / CONSTRUCTION MATERIALS

FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating



# BUY

## Strategic reset amid weak petchem

- Gradual earnings recovery underway, led by cement and packaging, while petrochemical losses narrowed.
- Petchem remains weak, but long-term competitiveness should improve via USD500m LSP upgrade.
- BUY rating backed by improving fundamentals, strong cashflow.

### Gradual recovery underway across core business

SCC's operations appear to have passed their earnings trough in 4Q24 and began to recover in 1Q25 with a net profit of THB1.1b. Cement demand grew 7% y-y in 1Q25, accelerating from 5% y-y in 4Q24, driven mainly by public infrastructure investment. The cement business has also benefitted from a 20% price hike in 2Q25, helping offset seasonally weaker volumes. We expect 2Q25 to mark the year's earnings peak, supported by dividend income, improved operations, and a potential one-time gain from CAP's refinery acquisition.

### Petchem weakness persists, but strategic shifts underway

The petrochemical segment, contributing ~40% of total revenue, remains under pressure amid global overcapacity and weak spreads. SCC's new LSP complex in Vietnam – adding 40% to SCGC's nameplate capacity – was forced to pause operations post-COD due to spreads falling below the breakeven level. To improve LSP's cost competitiveness, SCC plans a USD500m investment to shift two-thirds of feedstock to ethane, enabling cost savings of USD250/ton. Completion is targeted by end-2027. Meanwhile, SCC is focused on raising the share of HVA petrochemicals to sustain margins during the prolonged downcycle.

### Solid balance sheet, strategic divestments support valuation

Despite elevated leverage, SCC maintains manageable liquidity and has entered a capex downcycle, budgeting THB30b-35b for 2025 (down from THB60b+ during 2019-24). Net debt stood at THB290.5b in 1Q25, and we expect the net D/E ratio to trend down to 0.7x–0.8x by 2027. SCC also divested 10.6% of its stake in Indonesia's CAP, which will result in accounting gains, reduced equity losses, and improved gearing.

### Initiate coverage with BUY call and TP of THB200

We initiate coverage of SCC with a BUY rating and an SOTP-based TP of THB200, using EV/EBITDA multiples of 6x-13x. This implies a 2025E P/BV of just 0.7x. Despite short-term headwinds, SCC's focus on HVA, green innovation, and cost control supports long-term growth. Its leadership in HVA products and resilient portfolio justifies a valuation premium. SCC's ability to maintain profitability through cycles and unlock value via strategic restructuring strengthens its investment appeal.

TARGET PRICE THB200.00

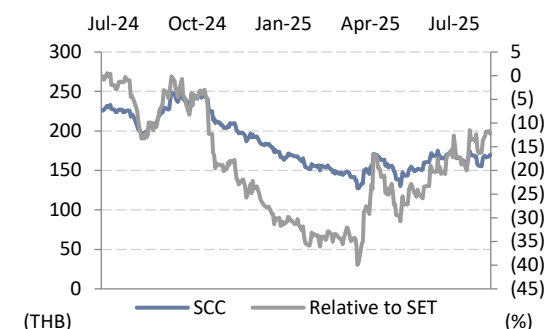
CLOSE THB170.00

UP/DOWNSIDE +17.6%

TP vs CONSENSUS +14.2%

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	511,172	518,410	533,522	550,028
Net profit	6,342	9,015	12,468	15,121
EPS (THB)	5.28	7.51	10.39	12.60
vs Consensus (%)	-	12.9	1.0	(1.9)
EBITDA	28,764	35,518	36,020	37,134
Recurring net profit	6,342	9,015	12,468	15,121
Core EPS (THB)	5.28	7.51	10.39	12.60
Chg. In EPS est. (%)	nm	nm	nm	nm
EPS growth (%)	(75.5)	42.1	38.3	21.3
Core P/E (x)	32.2	22.6	16.4	13.5
Dividend yield (%)	2.9	2.9	3.2	3.7
EV/EBITDA (x)	19.3	15.5	15.5	15.3
Price/book (x)	0.6	0.6	0.6	0.6
Net debt/Equity (%)	67.7	65.9	65.9	66.1
ROE (%)	1.8	2.5	3.5	4.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.4	10.7	(24.8)
Relative to country (%)	6.0	16.5	(11.9)
Mkt cap (USD m)	6,294		
3m avg. daily turnover (USD m)	21.9		
Free float (%)	66		
Major shareholder	H.M. King Maha Vajiralongkorn (34%)		
12m high/low (THB)	255.00/124.50		
Issued shares (m)	1,200.00		

Sources: Bloomberg consensus; FSSIA estimates



Jitra Amornthum

Fundamental Investment Analyst on Securities; License no. 014530  
jitra.a@fssia.com, +66 2646 9966

Investment thesis

SCC’s diversified business structure helps cushion earnings amid a prolonged petrochemical downcycle, with a gradual recovery expected from 2025 onward.

Key growth drivers include 1) improving fundamentals in cement and packaging; 2) a strategic shift to high value-added (HVA) and low-carbon products; 3) financial discipline through debt reduction and selective divestments (e.g., CAP stake); and 4) a recovery in dividend income and margin support from energy cost declines.

Valuations remain attractive at 0.6x 2025E P/BV and 16x EV/EBITDA, making current levels an opportunity to accumulate ahead of a recovery. We initiate coverage with a BUY call and an SOTP-TP of THB200.

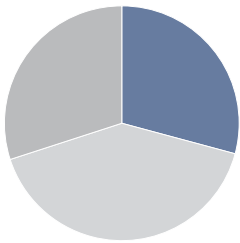
Company profile

SCC is 30% owned by the Crown Property Bureau and is the third-largest company on the Thailand Stock Exchange by market capitalization. Established in 1913 as a cement company, SCC was a means to reduce Thailand’s reliance on cement imports and to take fuller advantage of the natural resources available in the country.

[www.scg.com](http://www.scg.com)

Principal activities (revenue, 2024)

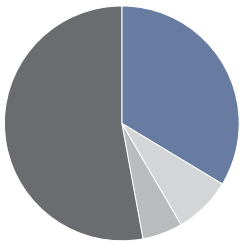
- Cement & green solutions - 29.2 %
- Chemicals - 40.8 %
- SCGP - 30.0 %



Source: Siam Cement

Major shareholders

- H.M. King Maha Vajiralongkorn - 33.6 %
- Thai NVDR - 7.9 %
- Social Security Office - 5.5 %
- Others - 52.9 %



Source: Siam Cement

Catalysts

Key potential catalysts include 1) better-than-expected economic conditions; 2) falling interest rates; 3) more new models from global automakers; and 4) government incentives to stimulate demand.

Risks to our call

Downside risks to our SOTP based TP include 1) a lower-than-expected demand for chemicals, CBM, and packaging; 2) rising coal costs for its cement and packaging units; and 3) weaker demand from the automobile industry that could erode the demand for SCC’s chemical unit and its dividend contributions.

Event calendar

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

Key assumptions

	2024A	2025E	2026E	2027E
Polyethylene sales volume (m ton)	1.5	1.8	1.9	2.0
HDPE-Naphtha spread (USD/ton)	340	358	360	370
PP-Naphtha spread (USD/ton)	324	350	353	363
Cement sales volume (m ton)	16.6	16.9	17.3	17.8
Avg. selling price (THB/ton)	2,075	2,155	2,250	2,300
Brent (USD/barrel)	80	70	68	68

Source: FSSIA estimates

Earnings sensitivity

- For every 1% change in average petrochemical spread, we project SCC’s 2025 core profit to change by 2%, all else being equal.
- For every 1% change in cement ASP, we project SCC’s 2025 core profit to change by 0.6%, all else being equal.
- For every 0.25% change in cost of funds, we project SCC’s 2025 core profit to change by 2%, all else being equal.

Source: FSSIA estimates

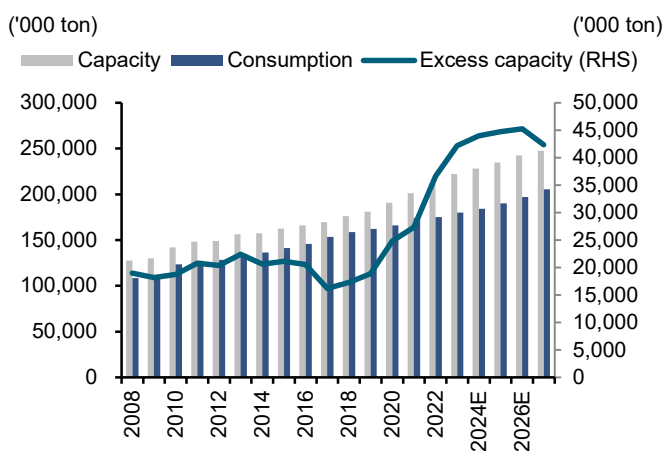
## Petchem recovery delayed to 2026

Given the global economic slowdown during 2024-26, with key manufacturing PMI indices in major economies such as Europe and China remaining below 50, and the US hovering only slightly above 50, the petrochemical industry is widely expected to remain under pressure from new capacity additions, particularly in Asia, throughout this period.

For example, Bloomberg projects global demand for ethylene during 2024-27 to grow at an average CAGR of 2.7%, while supply is expected to grow at a faster pace of 3.5% CAGR. Similarly, propylene demand is forecast to grow at 2.6% CAGR, while supply increases at 3.9% CAGR. This points to a prolonged oversupply situation in the petrochemical market, likely lasting until late 2026.

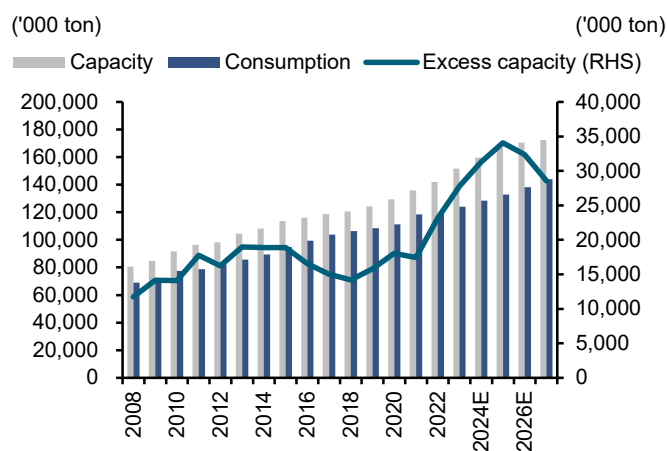
SCC has conducted a sensitivity analysis using a worst-case scenario and found that the recovery of the petrochemical business during 2024-30 is likely to be slower than the two previous cycles (2003-05 and 2013-15), which saw sharp V-shaped rebounds.

**Exhibit 1: Global ethylene demand and supply**



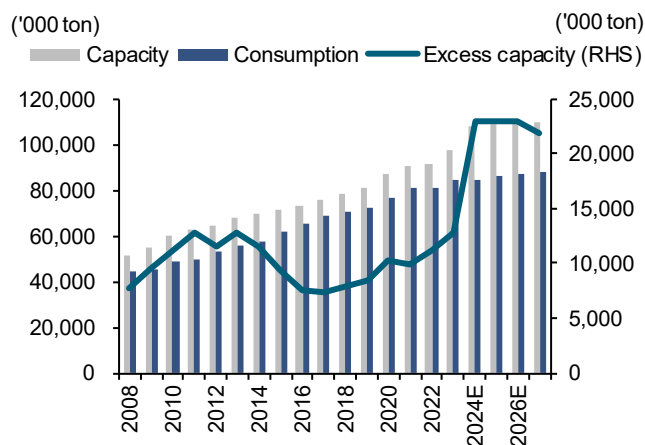
Sources: Bloomberg, FSSIA's compilation

**Exhibit 2: Global propylene demand and supply**



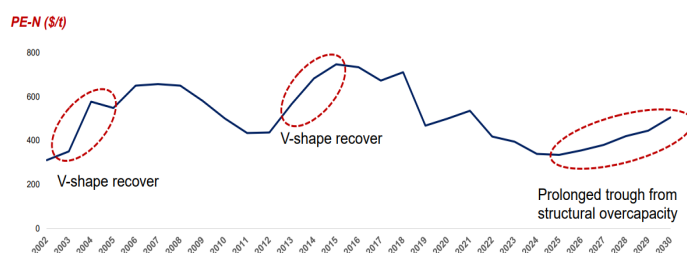
Sources: Bloomberg, FSSIA's compilation

**Exhibit 3: Global polypropylene (PP) demand and supply**



Sources: Bloomberg, FSSIA's compilation

**Exhibit 4: Prolonged petrochemical downcycle**

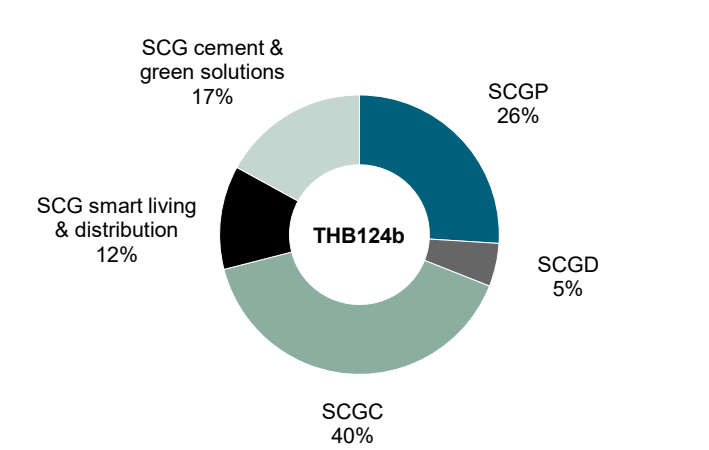


Source: SCC

Driving resilience through HVA and sustainability

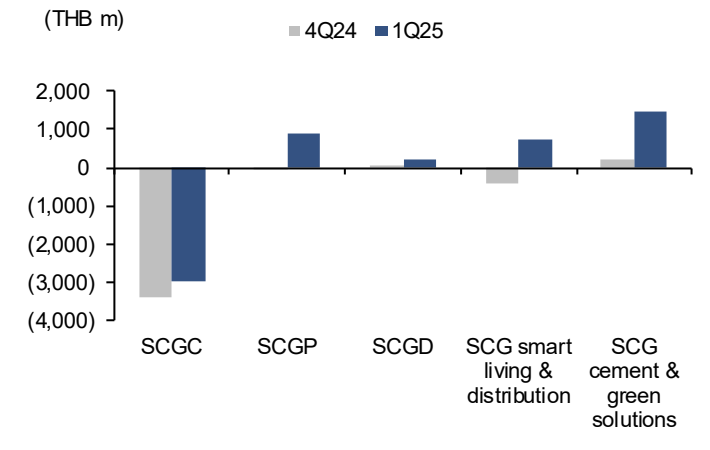
Under the current environment, SCC – which derives around 40% of its total revenue from the petrochemical business (SCG Chemicals: SCGC) – is focusing on several key strategies: increasing the proportion of high value-added (HVA) products, optimizing costs, reducing debt, halting non-profitable operations, and preserving as much cash as possible.

Exhibit 5: Revenue by business in 1Q25



Source: SCC

Exhibit 6: Net profit breakdown in 1Q25



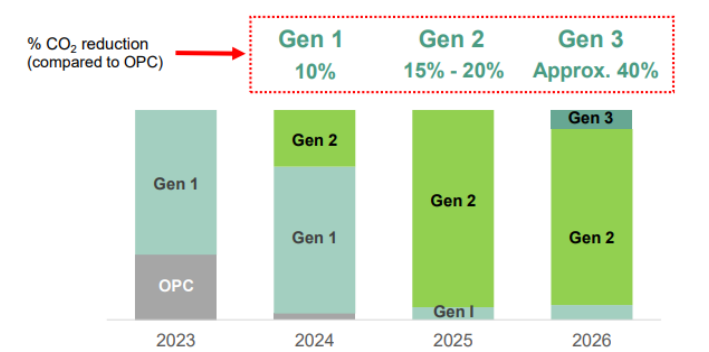
Source: SCC

HVA is considered one of SCC’s core strengths, enabling the company to better withstand the downcycle in petrochemicals. Examples include green polymer and high-quality recycled plastic resins (turning used plastics into recycled feedstock for petrochemical plants). SCC is also developing HVA products in other segments, such as low-carbon cement to prepare for the implementation of carbon tax measures, which have already been enforced in several countries. This initiative aligns with the company’s inclusive green growth strategy and aims to strengthen its long-term competitiveness.

SCC has developed its second-generation low-carbon cement and, this year, successfully exported over 1m tons to the US. The company is also expanding exports to new markets, including ASEAN countries, Australia, and Canada. Currently, SCC is developing its third-generation low-carbon cement using advanced technology that allows for a higher proportion of clinker substitutes in the production process, helping to reduce carbon dioxide emissions by 40%-50%.

SCC’s crackers in Thailand have maintained run rates above the industry average, supported by the company’s focus on HVA products, which provide higher margins compared to the industry norm.

Exhibit 7: Low-carbon cement: new generation plan



Source: SCC

Exhibit 8: Green process



Source: SCC

## Long-term solutions to restore LSP's competitiveness

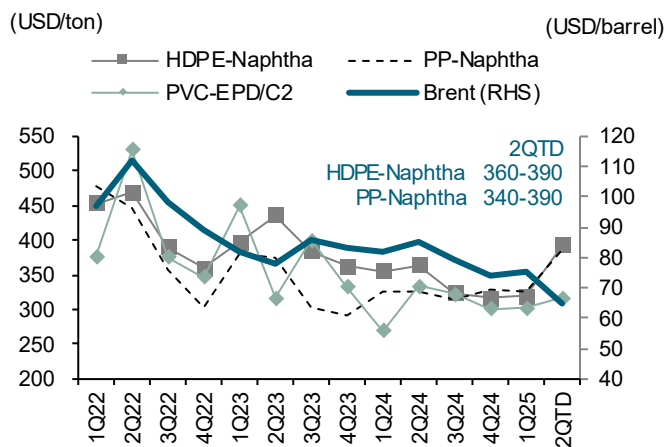
A key challenge for SCC at present is the turnaround of its Long Son Petrochemicals (LSP) plant in Vietnam. Although LSP is a modern olefins cracker plant with higher efficiency than the Map Ta Phut Olefins and Rayong Olefins plants in Thailand, its status as a single complex limits its ability to produce HVA products. This constraint reduces its value creation potential and results in lower margins compared to more integrated and advanced facilities.

To enhance competitiveness, the plant needs greater flexibility in its feedstock usage. Ethane has been identified as a key solution, as it is currently cheaper than naphtha and propane. To address this, SCC plans to invest an additional USD500m (cTHB23b) to secure an ethane feedstock supply of approximately 1m tons per year over 15 years through an agreement with Enterprise Products Partners LP, a leading global ethane supplier. The investment also includes the construction of a dedicated ethane storage tank and plant machinery modifications. The company targets project completion by the end of 2027.

Once completed, the LSP plant will be able to source up to two-thirds of its total feedstock from ethane, with the remaining portion coming from propane and naphtha. The company estimates the switch to ethane will result in cost savings of approximately USD250 per ton. The USD500m investment will be funded through SCC's internal cash flow.

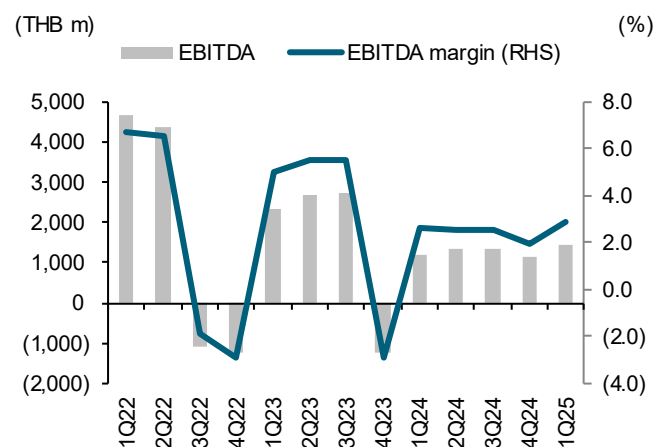
Note that LSP, located in Vietnam, has an annual production capacity of 1.35m tons of olefins and 1.4m tons of polyolefins. This project increases SCGC's total production capacity by approximately 40%, from 6.9m tons per year to 9.8m tons per year. LSP commenced COD in 4Q24. However, due to the product spread falling below the average cash cost of around USD400 per ton, the plant has had to suspend its commercial operations and remains idle to date.

**Exhibit 9: Chemical product spreads**

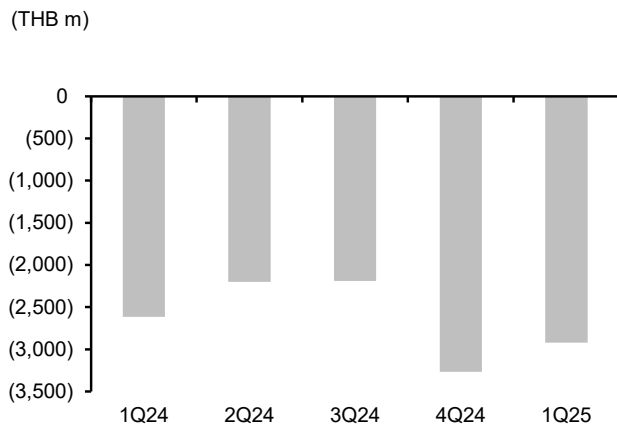


Source: SCC

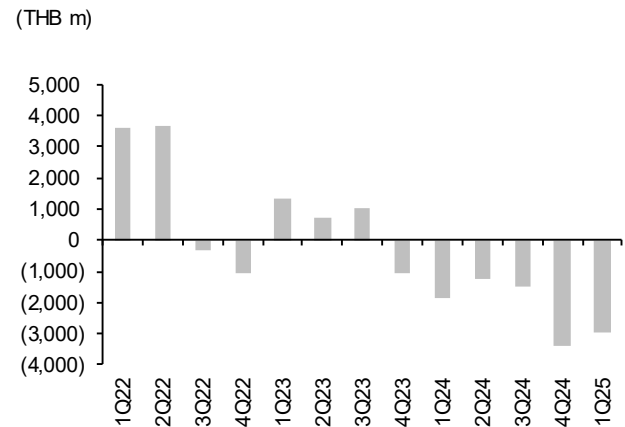
**Exhibit 10: SCGC's EBITDA and EBITDA margin**



Source: SCC

**Exhibit 11: LSP's net loss**

Source: SCC

**Exhibit 12: SCGC's net profit**

Source: SCC

### Driving growth through low-carbon cement and sustainability

In 1Q25, the cement business saw 7% y-y growth in domestic demand, accelerating from +5% y-y in 4Q24. This was primarily due to the high season in 1Q and growth driven mainly by infrastructure projects, supported by government budget disbursement, offsetting the declining residential construction due to subdued purchasing power.

In 2Q25, although the business entered its low season, this will be partially offset by the announced price increase of THB400 per ton implemented in March 2025, which began to positively impact SCC starting in April. Over the next 1-2 years, the growth of the cement business will likely be supported by higher government investment budgets compared to historical levels, as well as the company's strategy to differentiate through low-carbon cement, which should boost profit margins.

Currently, 86% of total cement sales (almost entirely Gen 2) have shifted from conventional cement to low-carbon cement. The company aims to raise this to 100% by 2025 and to increase the proportion of Gen 3 sales in 2026, in line with a recovery in the construction and real estate sectors.

SCC is the first developer of low-carbon cement in Thailand, aimed at reducing carbon dioxide emissions from the production process and preparing the company for the transition toward net zero emissions. Each ton of low-carbon cement can reduce CO<sub>2</sub> emissions from production by up to 38% compared to conventional cement.

Despite its environmental benefits, it maintains — or even exceeds — the compressive strength and durability of ordinary Portland cement, earning strong acceptance from customers. This innovation not only contributes to environmental sustainability but also enhances global competitiveness and supports long-term sustainable growth for the business.

### High debt with manageable liquidity and strategic divestment

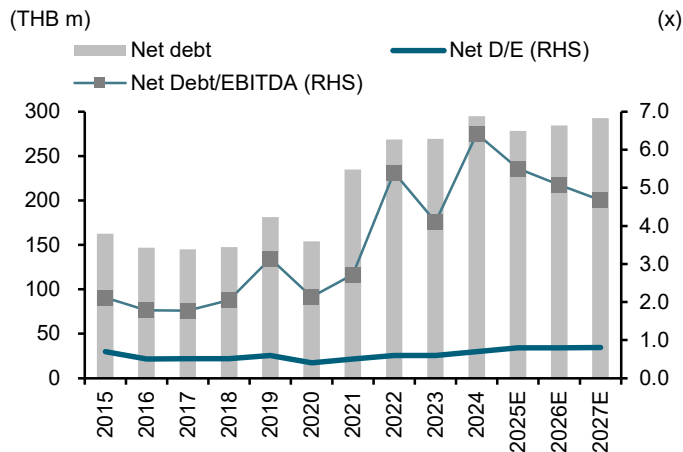
SCC maintains a strong financial position and is focused on reducing its debt burden. As of end-1Q25, the company's net debt stood at THB290.5b, down THB4.6b from the end of 2024. The majority of SCC's debt (89%-90% of total loans) is denominated in Thai baht. We expect this figure to continue declining to THB264.5b by 2027, implying a low net D/E ratio of just 0.7x-0.8x over the next three years.

The net debt/EBITDA stood at a relatively high 5.4x at end-1Q25, and we forecast it to rise slightly to 5.7x by the end of 2025. In 1Q25, SCC had cash on hand of THB43.1b, down from the end of 2024 due to debt repayments. We expect cash reserves to increase to over THB60b in the coming years.

On the investment front, SCC has passed the peak of its capex cycle, during which it invested an average of over THB60b per year during 2019-24. For 2025, the company has set a capex budget of approximately THB30b-35b, with 43% allocated to maintaining machinery and equipment in optimal condition and 25%-30% allocated to fast-return projects. Over the next three years, we expect average annual capex to be around THB35b.

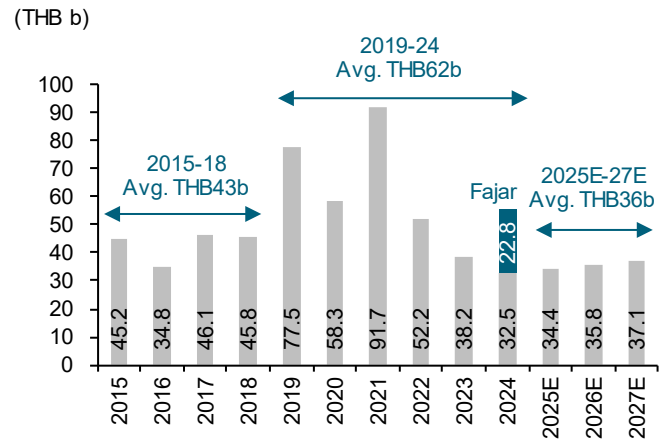


Exhibit 13: Net D/E and net debt/EBITDA ratios



Sources: SCC, FSSIA estimates

Exhibit 14: CAPEX



Sources: SCC, FSSIA estimates

### Exiting non-profitable businesses to ease the burden

SCC has a policy to divest from non-profitable businesses to reduce its financial burden and preserve cash flow. Most recently, the company is in the process of reducing its stake in PT Chandra Asri Pacific Tbk (CAP), a major integrated petrochemical producer in Indonesia, by 10.6%, bringing its shareholding down to 20.0%. As a result of this divestment, CAP will be reclassified from an associate to an 'other' investment, which will lead to several key impacts, including 1) an accounting gain from the fair value remeasurement of its remaining stake in CAP; 2) a gain from the partial sale of CAP shares; 3) SCC will cease recognizing CAP's equity losses – CAP has been loss-making since 2022. In 2024, CAP reported a net loss of THB2.4b, followed by a further loss of THB2.1b in 1Q25. SCGC recognized a share of loss totaling THB745m in 2024 and THB630m in 1Q25; and 4) SCC's D/E ratio will improve further.

CAP's market capitalization stood at THB1.7tn (as at 1 July 2025), compared to SCC's investment cost of approximately THB29b and an equity-method carrying value of around THB33b. The divestment of its 10.6% stake is expected to generate multi-billion-baht capital gains for SCC. Proceeds from the sale will be used to reduce debt, potentially lowering the company's net debt/EBITDA ratio by around 0.3x and cutting annual interest expenses by approximately THB0.8b-1.1b. This would represent an estimated 5% upside to our earnings forecast.

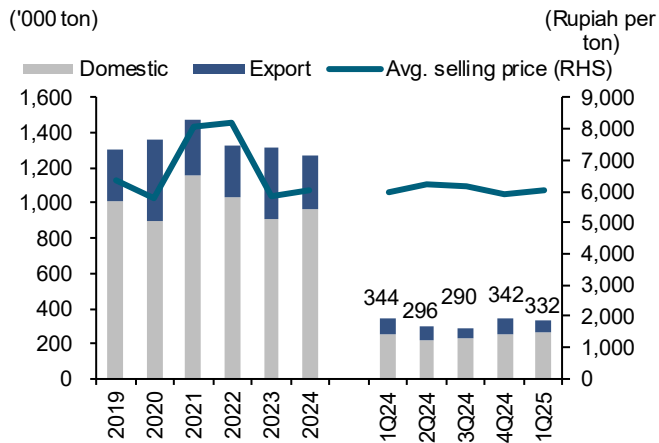
### SCGP: Builds resilience, eyes recovery

SCGP has faced difficulties over the past two years (2023-24), primarily due to the slow recovery of the Chinese economy. The decline in China's imports of packaging paper has led to a regional oversupply. Although domestic consumption within ASEAN has continued to grow steadily, it has not been sufficient to fully offset the impact. As a result, price competition has intensified, especially in Indonesia.

Additionally, SCGP has had to recognize higher losses from its Indonesian subsidiary, Fajar, since September 2024, following an increase in its shareholding to 99.7% (up from 55.2%). This led to a decline in SCGP's core profit by 24.4% y-y in 2024.

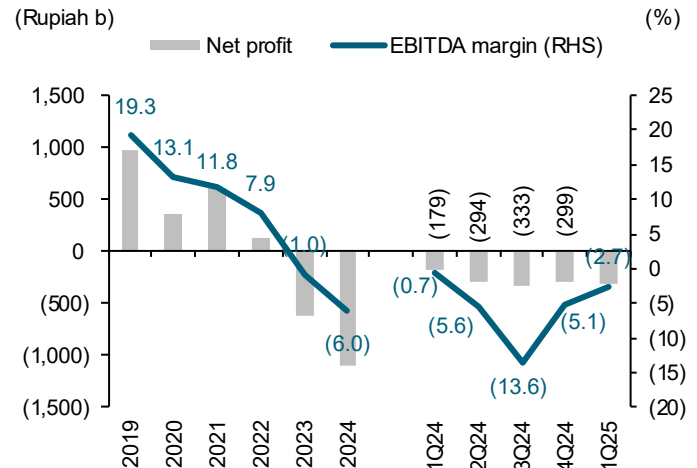
SCGP aims for Fajar to achieve EBITDA breakeven by 2Q25, driven primarily by internal operational improvements. The company has undertaken aggressive cost-reduction measures, including increasing the proportion of locally sourced recovered paper (RCP), which is cheaper than imports. Currently, domestic RCP usage stands at 60%, up from 55% the previous year, and Fajar has diversified its use of paper grades. In addition, Fajar has reduced the number of SKUs to cut production costs and is placing greater focus on expanding sales of downstream products such as corrugated boxes.

Exhibit 15: Fajar – domestic &amp; export sales and selling price



Sources: SCGP, Fajar's website, FSSIA's compilation

Exhibit 16: Fajar – EBITDA margin and net profit



Sources: SCGP, Fajar's website, FSSIA's compilation

In April 2025, one of the local major corrugated packaging manufacturers in Indonesia suspended operations due to financial difficulties, tightening market supply and allowing large producers, including Fajar, to raise selling prices. Despite SCGP raising selling prices twice in May and June 2025, domestic sales (78%-80% of total sales) remained strong. Meanwhile, exports to China declined as the company shifted its focus toward expanding into the Middle East, Vietnam, and Thailand.

Currently, Fajar is in the process of raising equity equivalent to approximately half of its outstanding debt, which carries an average financing cost of around 7%. Once the financial restructuring is completed, we expect it will reduce SCGP's interest expenses (at consolidated financial statement level) by around THB250m-300m per year.

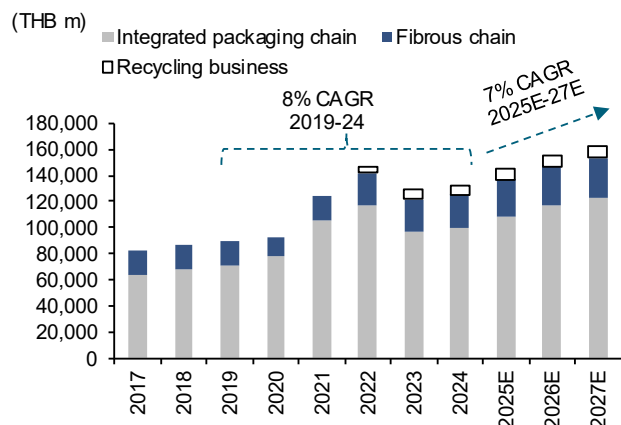
We believe that SCGP's performance bottomed out in 4Q24, when its core profit fell to just THB61m. In 1Q25, core profit rebounded to THB918m (+1,397% q-q). 2025 will remain a year of active management, as the company works to return Fajar to profitability, expand further into downstream businesses to strengthen its position, and prepare for potential impacts from US trade tariffs.

We forecast a modest core profit recovery of 2.4% y-y in 2025, followed by a stronger rebound of 43.5% y-y in 2026. SCGP's financial position remains solid. As of end-1Q25, the company had net debt of THB51.9b, a relatively low average financing cost of 4%, a D/E ratio of 1.0x, and a healthy net debt/EBITDA ratio of 3.4x.

Although US trade tariff measures remain uncertain, the impact on SCGP should be limited, in our view. In 1Q25, exports to the US accounted for only 4% of SCGP's total revenue, while its customers that export to the US represented about 3% of total revenue. Revenue from China stood at 6%. The company has adjusted its strategy to reduce reliance on the Chinese market by expanding into new markets such as the Middle East and Vietnam. Most of SCGP's products are consumer-related, which are believed to be easily replaceable in alternative markets. This strategic shift also enhances the company's risk management capabilities.

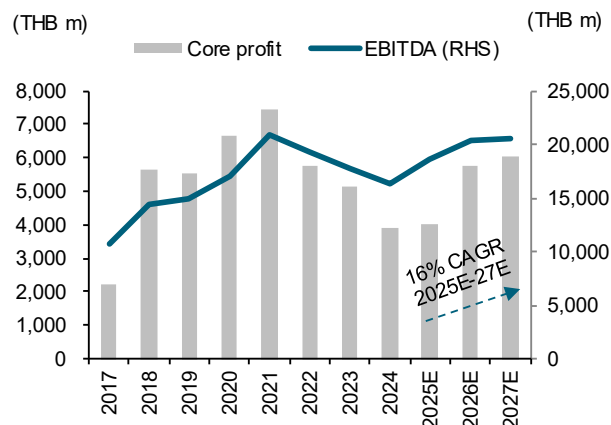


Exhibit 17: SCGP – revenue structure



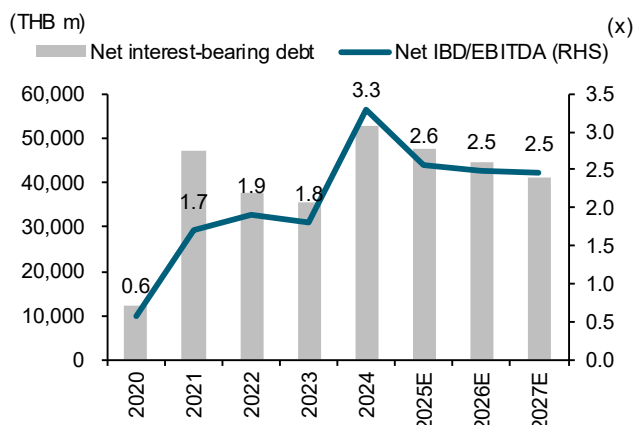
Sources: SCGP, FSSIA estimates

Exhibit 18: SCGP – EBITDA and core profit



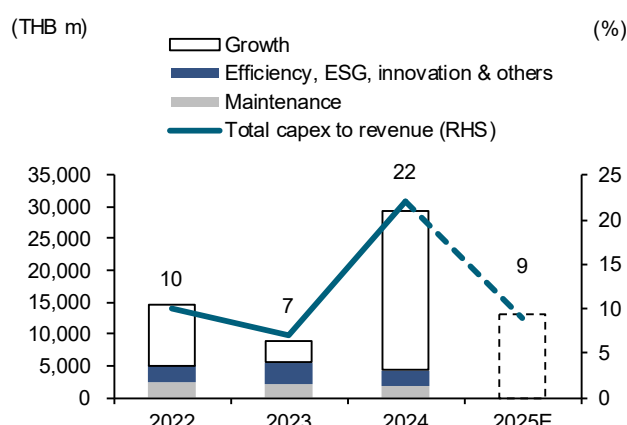
Sources: SCGP, FSSIA estimates

Exhibit 19: SCGP – capital structure



Sources: SCGP, FSSIA estimates

Exhibit 20: SCGP – CAPEX plan



Source: SCGP

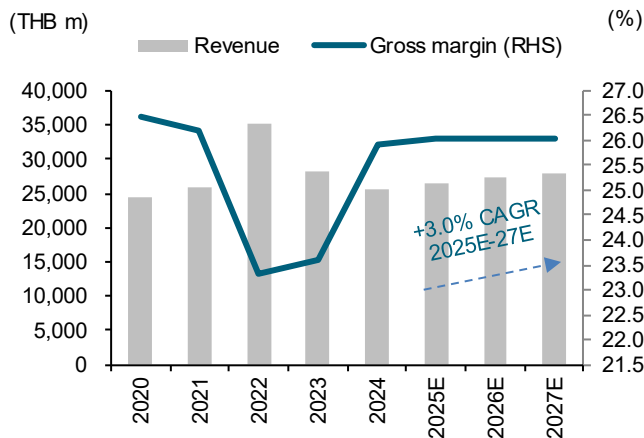
## SCGD: Cost reduction measures cushion earnings amid revenue challenges

2025 is filled with challenges for SCGD due to the sluggish domestic economy, as approximately 60%-65% of its revenue is generated in Thailand (with the remainder from ASEAN), and its core market remains new residential construction rather than the repair and renovation segment. Given the multiple headwinds facing Thailand's real estate sector, SCGD has adapted its strategy accordingly. This includes expanding into international markets, particularly within ASEAN, and positioning Vietnam as an export hub due to its cost advantages. The company is also placing strong emphasis on cost reduction, increasing sales of HVA products, restructuring to reduce SG&A expenses, and increasing automation through greater use of machinery.

As for the direct impact of the US tariff hikes on SCGD, it remains minimal, as the company exports only about 1% of its total revenue to the US. We believe that SCGD will be able to find alternative markets without much difficulty. However, indirect impacts may arise from China increasing its exports to ASEAN in a bid to capture more market share, which would intensify price competition.

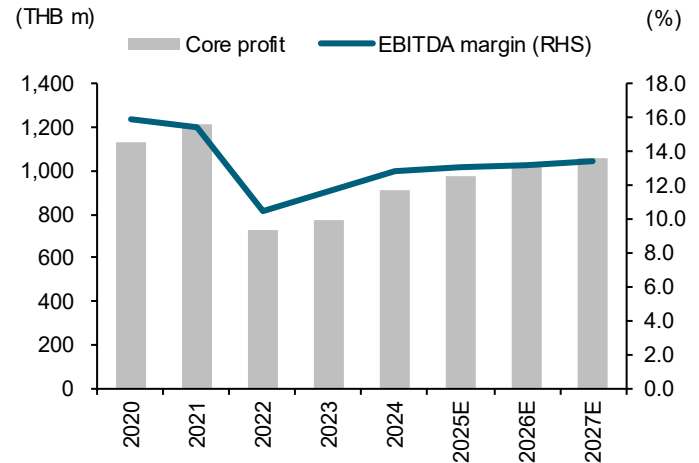
As a result, we forecast SCGD's revenue to grow by only 3% y-y in 2025, falling short of the company's target of +5% y-y. Meanwhile, we expect core profit to reach THB973m, up 7.2% y-y. The higher estimated profit growth compared to revenue growth is attributed to the company's emphasis on cost reduction. In 1Q25, core profit came in at THB217m (+172% q-q, -16% y-y), accounting for 22% of our full-year forecast. The outlook for 2Q25 remains muted due to a high number of public holidays in Thailand.

Exhibit 21: SCGD – revenue and gross margin



Sources: SCGD, FSSIA estimates

Exhibit 22: SCGD – EBITDA margin and core profit



Sources: SCGD, FSSIA estimates

## Driving sustainability through ESG initiatives

SCC has consistently prioritized ESG issues, especially environmental sustainability, with clear targets and notable progress:

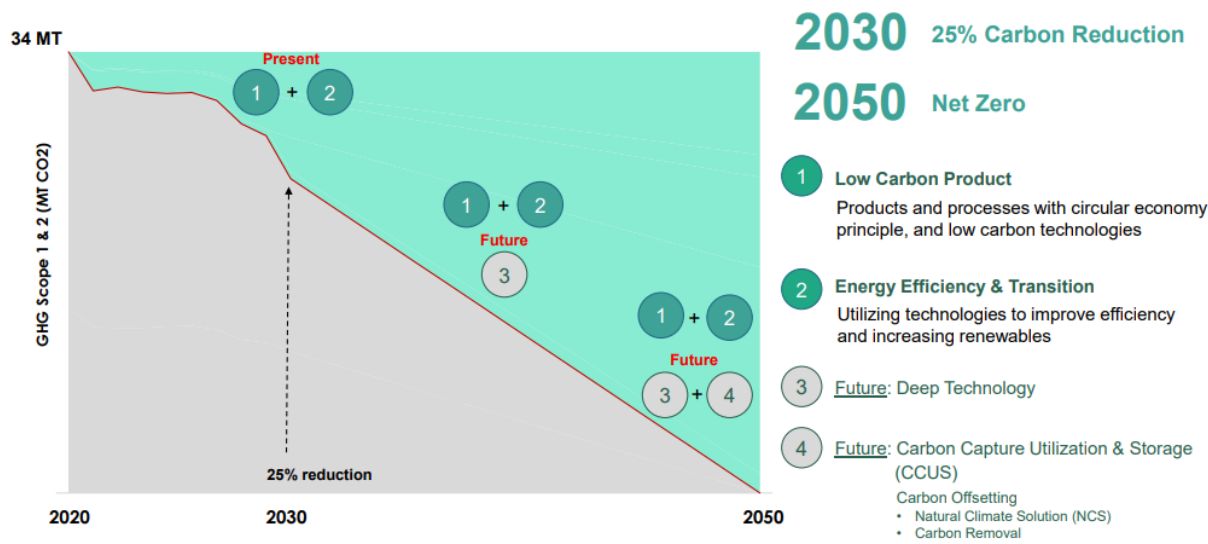
### Key ESG targets:

- Carbon Neutrality: SCC aims to achieve net zero greenhouse gas emissions by 2050.
- Emissions Reduction: Targeting a 20% reduction in GHG emissions by 2030 (vs 2020 baseline).
- Circular Economy: Committed to increasing the use of recycled materials such as recycled feedstock and developing high-quality recycled plastic resins.
- Green Products: Developing and expanding eco-friendly products, including low-carbon cement and biodegradable plastics.
- Governance: Strengthening corporate governance, transparency, and systematic ESG risk management.

### Notable progress:

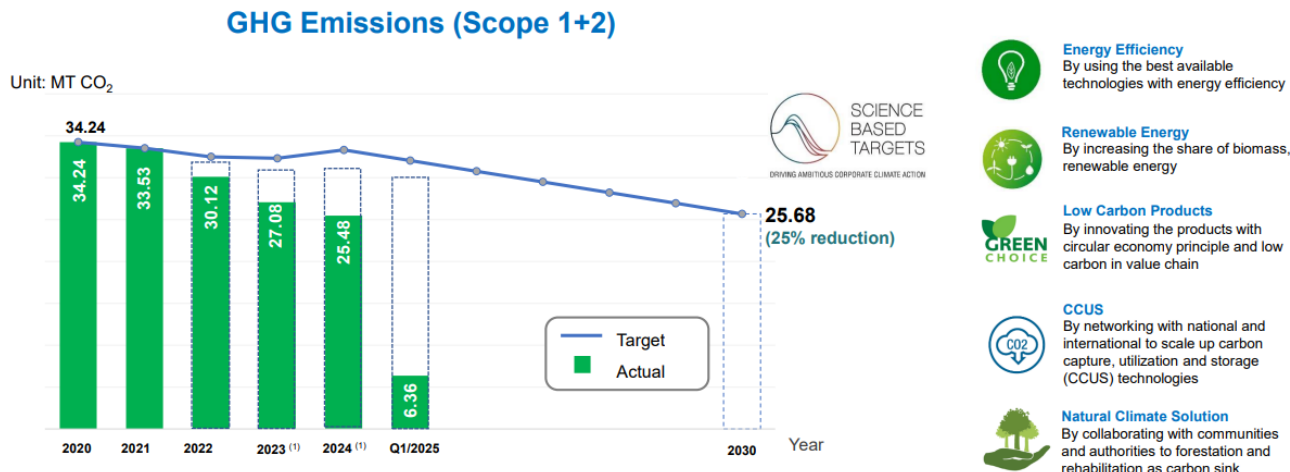
- In 2024, SCC exported over 1m tons of its second-generation low-carbon cement to the US and is now developing a third-generation product that can reduce CO<sub>2</sub> emissions by 40%-50%.
- Expanded the use of renewable energy, such as solar power, across its operations.
- Partnered with global leaders in recycling and alternative feedstock technologies, including the use of ethane to replace naphtha at the LSP complex.
- Recognized in global sustainability indices such as the Dow Jones Sustainability Index (DJSI).

Exhibit 23: SCC net zero 2050 roadmap



Source: SCC

Exhibit 24: SCC 2050 net zero progress



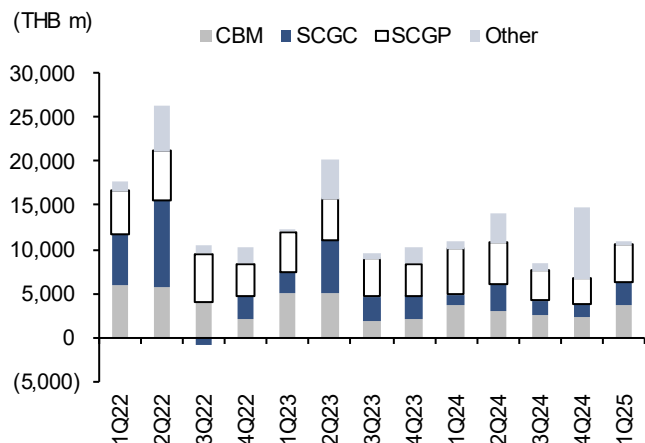
Source: SCC

Earnings recovery and outlook

SCC's performance appears to have passed its trough in 4Q24 and began to recover in 1Q25, posting a net profit of THB1.1b (rebounding from a net loss of THB512m in 4Q24, though still down 54.7% y-y). In addition to reductions in SG&A expenses and interest payments, which are key strategic focuses this year, the overall performance improved across almost all business segments.

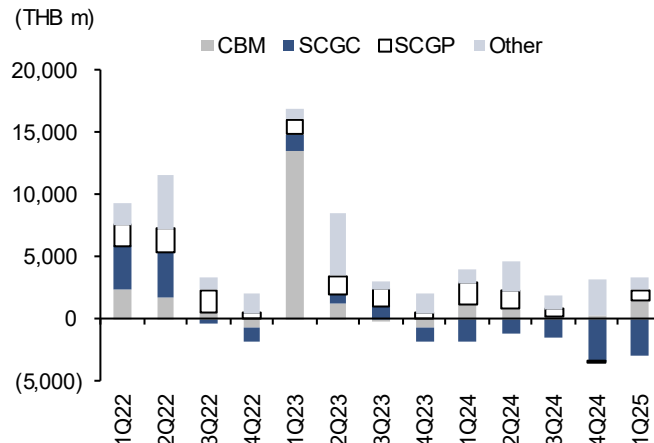
The cement and building materials business benefited from its high season in 1Q. Although the petrochemical segment saw LSP temporarily shut down again due to persistently weak product spreads, lower energy costs helped narrow losses q-q. Meanwhile, SCGP's packaging business recovered, supported by declining costs of recycled paper raw materials, energy, and logistics.

Exhibit 25: EBITDA by business



Source: SCC

Exhibit 26: Net profit by business



Source: SCC

We expect 2Q25 profit to be strong and possibly the peak for the year, driven by improved operations, dividend income, and a one-time gain related to goodwill from CAP's acquisition of a refinery in Singapore. Petrochemical spreads have continued to recover this quarter, supported by a sharp decline in oil prices.

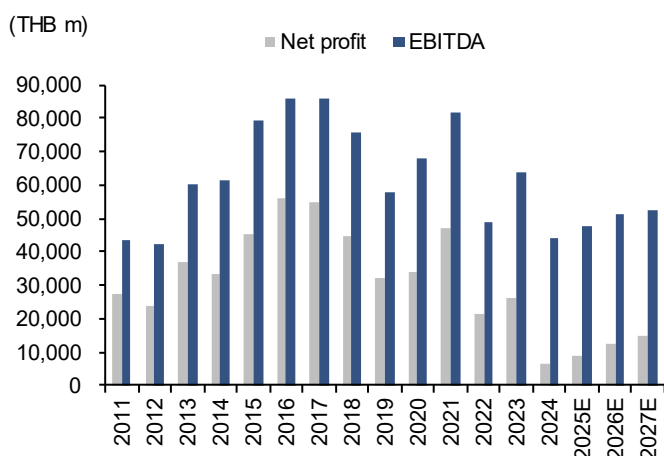
The cement business has started to benefit from a THB400/ton (+20%) price increase. Additionally, SCC typically receives dividend income from its investments in both 2Q and 4Q, and it is also likely to record equity income following CAP's acquisition of the refinery and chemical assets in Singapore.

Meanwhile, the gain from selling a 10% stake in CAP – both in terms of cash proceeds and accounting profit – could be realized in 3Q25.

In 2H25, challenges persist from US trade tariff measures. However, declining energy costs and the company's strategic management such as increasing the proportion of HVA product sales, controlling expenses, and reducing debt should support profit recovery during 2025-26, despite the petrochemical industry remaining in a downcycle. We forecast a core profit of THB9.0b in 2025 (+42.2% y-y) and THB12.5b in 2026 (+38.3% y-y).

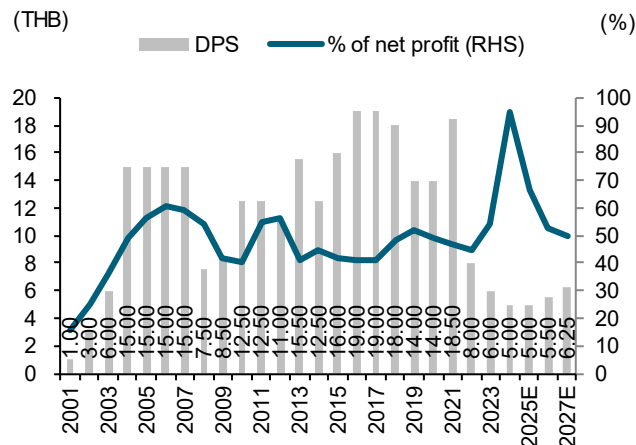
In 2024, the company paid a record-high dividend, equivalent to 95% of net profit or THB5.00 per share. We forecast the 2025 dividend to remain at THB5.00 per share, representing a dividend payout ratio of 67%, down from the previous year as the company aims to preserve cash. This implies a dividend yield of approximately 3%.

Exhibit 27: EBITDA and net profit



Sources: SCC, FSSIA estimates

Exhibit 28: Dividend per share



Sources: SCC, FSSIA estimates

## Valuation and recommendation

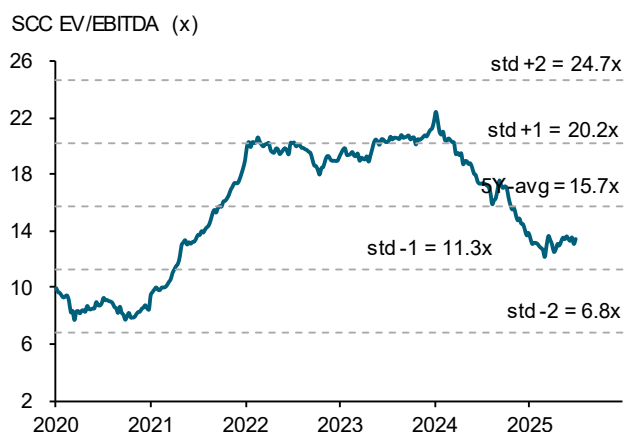
We derive our TP of THB200, based on the SOTP methodology, by applying EV/EBITDA multiples ranging from 6x to 13x depending on the type of business. This TP implies a 2025E EV/EBITDA of 16x, which is not excessive, and a 2025E P/BV of just 0.7x. We believe SCC merits a valuation premium over peers, underpinned by its industry leadership in HVA and low-carbon products. This innovation-driven portfolio has enabled the company to maintain superior profitability through challenging cycles. We recommend BUY, supported by the company's earnings having passed the trough, a gradual recovery ahead, its solid financial position, and consistent dividend payments.

### Exhibit 29: Sum-of-the-parts valuation

SOTP valuation	2025E (THB m)	(THB/share)	Valuation basis
Cement & green solutions	88,941	74	13x 2025E EV/EBITDA
SCGC	55,871	47	6x 2025E EV/EBITDA
SCGD	21,180	18	10x 2025E EV/EBITDA
SCGP	174,489	145	13x 2025E EV/EBITDA
Distribution	43,822	37	13x 2025E EV/EBITDA
<b>Total core</b>	<b>384,305</b>	<b>320</b>	
Investment	207,771	173	1.5x 2025E P/BV
<b>Gross SOTP</b>	<b>592,076</b>	<b>493</b>	
Net debt	(284,013)	(237)	Net debt at end 2025E
Minority	(66,666)	(56)	
<b>Net SOTP value</b>	<b>241,396</b>	<b>200</b>	

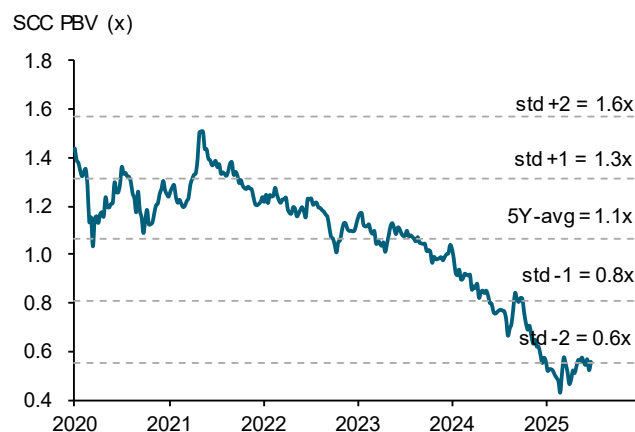
Source: FSSIA estimates

### Exhibit 30: One-year rolling forward EV/EBITDA band



Sources: Bloomberg, FSSIA estimates

### Exhibit 31: One-year rolling forward P/BV band



Sources: Bloomberg, FSSIA estimates

### Exhibit 32: Peers comparison as of 1 July 2025

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		25E (x)	26E (x)	25E (%)	26E (%)	25E (x)	26E (x)	25E (x)	26E (x)
Cement and Concrete														
Siam Cement*	SCC TB	BUY	170.00	200.00	18	6,294	22.6	16.4	2.5	3.5	0.6	0.6	15.5	15.5
PT Indocement Tunggal Prakarsa	INTP IJ	n/a	5,250.0	n/a	n/a	1,174	9.5	9.1	8.5	8.5	0.8	0.7	4.5	4.4
ACC	ACC IN	n/a	1,921.4	n/a	n/a	4,215	20.0	18.0	9.7	10.6	2.0	1.8	12.5	10.0
Ambuja Cements	ACEM IN	n/a	580.25	n/a	n/a	16,695	44.7	37.1	7.1	6.8	2.7	2.5	26.6	18.1
BBMG	2009 HK	n/a	0.74	n/a	n/a	2,018	69.4	69.4	n/a	n/a	n/a	n/a	20.0	19.1
Asia Cement	1102 TT	n/a	43.35	n/a	n/a	5,218	13.7	12.5	6.0	6.1	0.8	0.8	11.7	11.3
Tangshan Jidong Cement	000401 CH	n/a	4.38	n/a	n/a	1,632	21.0	12.0	1.5	3.0	0.4	0.4	6.2	5.9
Ultratech Cement	UTCEN IN	n/a	12,210	n/a	n/a	42,030	54.5	38.8	10.1	12.2	5.4	4.6	30.4	21.6
India Cement	ICEM IN	n/a	346.20	n/a	n/a	1,253	n/a	40.2	(9.0)	4.9	n/a	1.0	n/a	26.8
Asia Cement (China) Holdings	743 HK	n/a	2.32	n/a	n/a	467	7.6	6.9	2.6	2.8	0.2	0.2	n/a	n/a
Semen Indonesia (Persero)	SMGR IJ	n/a	2,650.0	n/a	n/a	1,099	17.5	14.9	2.2	2.6	0.4	0.4	4.8	4.6
Average						82,096	28.1	25.0	4.1	6.1	1.5	1.3	14.7	13.7

Sources: Bloomberg, \*FSSIA estimates

## Financial Statements

### Siam Cement

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	499,646	511,172	518,410	533,522	550,028
Cost of goods sold	(426,199)	(444,356)	(447,305)	(456,898)	(466,865)
<b>Gross profit</b>	<b>73,447</b>	<b>66,817</b>	<b>71,106</b>	<b>76,625</b>	<b>83,163</b>
Other operating income	-	-	-	-	-
Operating costs	(68,299)	(69,644)	(69,726)	(71,225)	(73,979)
<b>Operating EBITDA</b>	<b>34,888</b>	<b>28,764</b>	<b>35,518</b>	<b>36,020</b>	<b>37,134</b>
Depreciation	(29,740)	(31,591)	(34,138)	(30,620)	(27,950)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>5,148</b>	<b>(2,827)</b>	<b>1,379</b>	<b>5,399</b>	<b>9,184</b>
Net financing costs	(10,297)	(11,500)	(11,830)	(11,896)	(11,613)
Associates	8,419	6,530	8,091	8,359	8,416
Recurring non-operating income	37,305	22,031	20,533	23,298	23,817
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>32,155</b>	<b>7,704</b>	<b>10,082</b>	<b>16,802</b>	<b>21,388</b>
Tax	(8,045)	(3,882)	(1,294)	(2,111)	(2,594)
<b>Profit after tax</b>	<b>24,110</b>	<b>3,822</b>	<b>8,788</b>	<b>14,691</b>	<b>18,794</b>
Minority interests	1,805	2,520	227	(2,223)	(3,673)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>25,915</b>	<b>6,342</b>	<b>9,015</b>	<b>12,468</b>	<b>15,121</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>25,915</b>	<b>6,342</b>	<b>9,015</b>	<b>12,468</b>	<b>15,121</b>
<b>Per share (THB)</b>					
Recurring EPS *	21.60	5.28	7.51	10.39	12.60
Reported EPS	21.60	5.28	7.51	10.39	12.60
DPS	6.00	5.00	5.00	5.50	6.25
Diluted shares (used to calculate per share data)	1,200	1,200	1,200	1,200	1,200
<b>Growth</b>					
Revenue (%)	(12.3)	2.3	1.4	2.9	3.1
Operating EBITDA (%)	(3.0)	(17.6)	23.5	1.4	3.1
Operating EBIT (%)	(20.9)	nm	nm	291.4	70.1
Recurring EPS (%)	21.2	(75.5)	42.1	38.3	21.3
Reported EPS (%)	21.2	(75.5)	42.1	38.3	21.3
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	14.7	13.1	13.7	14.4	15.1
Gross margin exc. depreciation (%)	20.7	19.3	20.3	20.1	20.2
Operating EBITDA margin (%)	7.0	5.6	6.9	6.8	6.8
Operating EBIT margin (%)	1.0	(0.6)	0.3	1.0	1.7
Net margin (%)	5.2	1.2	1.7	2.3	2.7
Effective tax rate (%)	33.9	330.6	65.0	25.0	20.0
Dividend payout on recurring profit (%)	27.8	94.6	66.6	52.9	49.6
Interest cover (X)	4.1	1.7	1.9	2.4	2.8
Inventory days	75.4	68.1	63.3	62.4	66.4
Debtor days	53.0	50.7	50.7	51.8	54.6
Creditor days	55.0	52.1	50.8	49.1	48.2
Operating ROIC (%)	0.8	(0.5)	0.2	0.8	1.4
ROIC (%)	4.5	2.1	2.4	3.1	3.4
ROE (%)	7.0	1.8	2.5	3.5	4.1
ROA (%)	3.6	1.5	2.1	2.8	3.1

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Cement & green solutions	155,692	149,196	37,591	38,726	40,659
Chemicals	190,272	208,669	212,842	217,099	224,698
SCGP	153,682	153,307	130,864	139,853	146,273
SCGD			23,782	24,504	25,049

Sources: Siam Cement; FSSIA estimates



## Financial Statements

### Siam Cement

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	25,915	6,342	9,015	12,468	15,121
Depreciation	29,740	31,591	34,138	30,620	27,950
Associates & minorities	8,419	6,530	8,091	8,359	8,416
Other non-cash items	(19,699)	(8,260)	-	-	-
Change in working capital	(367)	(23)	1,278	(11,349)	(14,201)
<b>Cash flow from operations</b>	<b>44,008</b>	<b>36,179</b>	<b>52,522</b>	<b>40,099</b>	<b>37,286</b>
Capex - maintenance	0	0	(34,412)	(35,765)	(37,118)
Capex - new investment	(33,951)	(28,053)	(1,489)	(3,895)	(5,661)
Net acquisitions & disposals	9,108	4,440	0	0	0
Other investments (net)	35,475	16,734	1,318	(178)	(169)
<b>Cash flow from investing</b>	<b>10,631</b>	<b>(6,879)</b>	<b>(34,583)</b>	<b>(39,838)</b>	<b>(42,948)</b>
Dividends paid	(8,089)	(10,168)	(5,999)	(5,998)	(6,897)
Equity finance	0	0	0	0	0
Debt finance	(27,812)	6,660	7,000	3,000	3,500
Other financing cash flows	(10,685)	(32,677)	(6,230)	(303)	4,208
<b>Cash flow from financing</b>	<b>(46,586)</b>	<b>(36,185)</b>	<b>(5,229)</b>	<b>(3,301)</b>	<b>811</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>(34,038)</b>	<b>(5,093)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(25,985)</b>	<b>(11,978)</b>	<b>12,710</b>	<b>(3,039)</b>	<b>(4,851)</b>
Free cash flow to firm (FCFF)	64,936.64	40,800.17	29,769.28	12,157.12	5,951.32
Free cash flow to equity (FCFE)	(17,895.71)	(1,810.32)	18,709.08	2,958.61	2,045.86
<b>Per share (THB)</b>					
FCFF per share	54.11	34.00	24.81	10.13	4.96
FCFE per share	(14.91)	(1.51)	15.59	2.47	1.70
Recurring cash flow per share	36.98	30.17	42.70	42.87	42.91
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	869,461	899,321	933,145	966,969	1,000,793
Less: Accumulated depreciation	(445,117)	(476,708)	(510,846)	(541,466)	(569,416)
<b>Tangible fixed assets (net)</b>	<b>424,344</b>	<b>422,613</b>	<b>422,299</b>	<b>425,503</b>	<b>431,377</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	140,239	138,514	138,514	138,514	138,514
Cash & equivalents	63,874	51,895	64,606	61,566	56,715
A/C receivable	70,559	71,539	72,576	78,978	85,578
Inventories	80,631	73,302	69,977	75,701	83,958
Other current assets	2,151	2,432	2,453	2,525	2,603
<b>Current assets</b>	<b>217,214</b>	<b>199,167</b>	<b>209,611</b>	<b>218,770</b>	<b>228,855</b>
Other assets	111,803	101,208	100,702	101,709	102,726
<b>Total assets</b>	<b>893,601</b>	<b>861,503</b>	<b>871,126</b>	<b>884,496</b>	<b>901,472</b>
Common equity	363,962	352,887	355,902	362,370	370,594
Minorities etc.	77,635	66,893	66,666	68,889	72,562
<b>Total shareholders' equity</b>	<b>441,597</b>	<b>419,780</b>	<b>422,568</b>	<b>431,259</b>	<b>443,156</b>
Long term debt	210,506	183,786	188,786	192,786	196,786
Other long-term liabilities	39,253	40,616	41,428	42,257	43,102
<b>Long-term liabilities</b>	<b>249,759</b>	<b>224,401</b>	<b>230,214</b>	<b>235,042</b>	<b>239,887</b>
A/C payable	59,691	58,094	57,018	57,660	58,167
Short term debt	115,322	152,183	154,183	153,183	152,683
Other current liabilities	27,232	7,044	7,144	7,352	7,579
<b>Current liabilities</b>	<b>202,245</b>	<b>217,320</b>	<b>218,345</b>	<b>218,194</b>	<b>218,429</b>
<b>Total liabilities and shareholders' equity</b>	<b>893,601</b>	<b>861,502</b>	<b>871,126</b>	<b>884,496</b>	<b>901,472</b>
Net working capital	66,417	82,134	80,844	92,193	106,394
Invested capital	742,804	744,470	742,359	757,918	779,011
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	303.30	294.07	296.58	301.98	308.83
Tangible book value per share	303.30	294.07	296.58	301.98	308.83
<b>Financial strength</b>					
Net debt/equity (%)	59.3	67.7	65.9	65.9	66.1
Net debt/total assets (%)	29.3	33.0	32.0	32.2	32.5
Current ratio (x)	1.1	0.9	1.0	1.0	1.0
CF interest cover (x)	2.6	3.3	2.7	1.6	1.7
Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>7.9</b>	<b>32.2</b>	<b>22.6</b>	<b>16.4</b>	<b>13.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>9.3</b>	<b>37.8</b>	<b>26.6</b>	<b>19.2</b>	<b>15.9</b>
Reported P/E (x)	7.9	32.2	22.6	16.4	13.5
Dividend yield (%)	3.5	2.9	2.9	3.2	3.7
Price/book (x)	0.6	0.6	0.6	0.6	0.6
Price/tangible book (x)	0.6	0.6	0.6	0.6	0.6
EV/EBITDA (x) **	15.6	19.3	15.5	15.5	15.3
EV/EBITDA @ target price (x) **	16.6	20.5	16.5	16.5	16.3
EV/invested capital (x)	0.7	0.7	0.7	0.7	0.7
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Siam Cement; FSSIA estimates

# Siam Cement PCL (SCC TB)

## FSSIA ESG rating


**64.75 /100**

### Exhibit 33: 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.
★★★★★	<b>&gt;59-79</b>	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>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.

Sources: FSSIA estimates

### Exhibit 34: 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	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
IRPC	71.38	Y	--	--	5.00	5.00	Certified	Medium	58.24	BBB	--	78.86	72.00	5.40	79.54
PTTGC	75.53	Y	Y	AAA	5.00	5.00	Certified	Low	60.08	BBB	50.00	56.39	87.00	--	--
SCC	64.75	--	Y	AAA	5.00	5.00	Certified	Medium	64.13	A	48.00	62.46	80.00	--	--
SCCC	50.48	--	Y	AA	5.00	5.00	Certified	High	--	--	--	54.68	35.00	3.68	70.51
TPIPL	38.11	--	Y	AA	5.00	3.00	--	High	--	--	--	36.10	34.00	--	51.90

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

### Exhibit 35: ESG score by Bloomberg

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>ESG financial materiality scores - ESG score</b>	<b>4.34</b>	<b>4.34</b>	<b>4.80</b>	<b>5.05</b>	<b>5.29</b>	<b>5.20</b>	<b>4.83</b>	<b>—</b>
BESG environmental pillar score	3.71	3.74	4.13	4.72	4.86	4.57	4.83	—
BESG social pillar score	7.07	7.04	7.96	6.91	7.89	8.19	5.37	—
BESG governance pillar score	3.80	3.76	4.09	4.45	4.48	4.50	4.48	—
<b>ESG disclosure score</b>	<b>70.60</b>	<b>71.07</b>	<b>71.92</b>	<b>73.93</b>	<b>78.29</b>	<b>78.29</b>	<b>78.46</b>	<b>—</b>
Environmental disclosure score	71.28	72.70	72.70	67.53	80.64	80.64	81.15	—
Social disclosure score	53.08	53.08	55.65	66.84	66.84	66.84	66.84	—
Governance disclosure score	87.36	87.36	87.36	87.36	87.36	87.36	87.36	—
<b>Environmental</b>								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GHG scope 1	21,510	21,150	22,100	21,904	30,995	30,344	27,236	24,329
GHG scope 2 location-based	2,340	1,250	1,270	2,474	3,388	3,323	3,106	2,935
GHG Scope 3	—	—	—	—	8,157	15,604	10,014	10,606
Carbon per unit of production	1	1	1	1	1	1	1	1
Biodiversity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	50,250	50,969	52,600	52,453	50,989	71,511	65,953	62,531
Renewable energy use	1,528	1,417	4,294	5,192	4,989	6,900	8,881	—
Electricity used	4,057	3,985	3,988	3,958	3,856	5,328	5,183	5,003
Fuel used - natural gas	1,762,390	1,671,000	1,728,890	—	1,693,260	2,106,880	539,229	360,893

Sources: Bloomberg; FSSIA's compilation

**Exhibit 36: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	21	12	13	11	18	14	26	16
Total waste	1,509	1,388	1,241	1,554	1,235	1,256	555	501
Waste recycled	1,493	1,383	1,075	1,330	1,224	706	1,190	—
Waste sent to landfills	0	0	180	222	11	0	56	84
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	120,069	—
<b>Social</b>								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pct women in workforce	23	23	23	22	23	22	24	24
Pct disabled in workforce	0	0	0	0	0	0	0	0
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	0	0	0	0	0	0
Total recordable incident rate - employees	0	0	0	0	0	0	0	0
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	53,728	53,670	52,971	54,224	49,754	58,283	57,814	55,578
Employee turnover pct	4	5	4	4	4	2	6	7
Total hours spent by firm - employee training	2,578,940	3,864,240	5,508,980	7,374,460	6,169,500	4,779,210	8,961,170	7,169,560
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Governance</b>								
Board size	12	12	12	12	12	12	15	15
No. of independent directors (ID)	7	7	6	7	6	6	8	9
No. of women on board	1	1	1	2	2	2	3	3
No. of non-executive directors on board	11	11	11	11	11	11	14	14
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	11	11	10	9	9	9	9	9
Board meeting attendance pct	98	96	97	99	99	100	100	100
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	53	54	55	50	46	46	47	48
Age of the oldest director	84	85	80	81	80	80	81	82
No. of executives / company managers	9	12	11	11	11	13	14	12
No. of female executives	0	0	0	0	0	0	1	1
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	4	4	4	4	4	3	3	3
No. of ID on audit committee	4	4	4	4	4	3	3	3
Audit committee meetings	6	6	6	6	7	6	9	8
Audit meeting attendance %	100	100	100	100	100	100	100	100
Size of compensation committee	3	3	3	3	4	4	4	4
No. of ID on compensation committee	2	2	2	3	3	3	3	3
No. of compensation committee meetings	6	6	7	6	7	7	6	6
Compensation meeting attendance %	100	89	95	100	100	100	100	100
Size of nomination committee	5	5	6	7	7	3	4	4
No. of nomination committee meetings	4	5	5	4	4	5	7	6
Nomination meeting attendance %	95	96	100	96	100	100	92	100
<b>Sustainability governance</b>								
Verification type	Yes	Yes	Yes	Yes	Yes	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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> 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&amp;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 Sustainabilitycs	The Sustainalytics' 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 &amp; 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
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																			
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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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

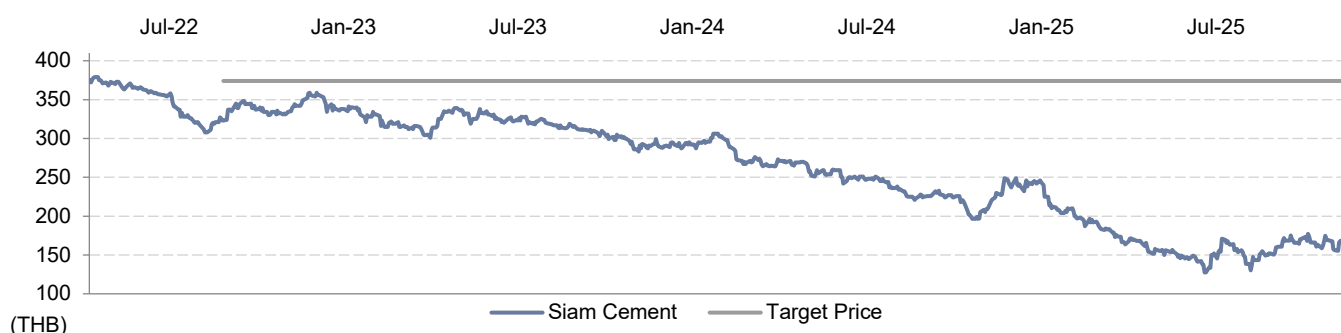
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

### History of change in investment rating and/or target price

#### Siam Cement (SCC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Oct-2022	BUY	374.00	-	-	-	-	-	-

Jitra Amornthum started covering this stock from 2-Jul-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Siam Cement	SCC TB	THB 170.00	BUY	Downside risks to our SOTP-based TP include 1) a lower-than-expected demand for chemicals, CBM, and packaging; 2) rising coal costs for its cement and packaging units; and 3) weaker demand from the automobile industry that could erode the demand for SCC's chemical unit and its dividend contributions.

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 01-Jul-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.