

SCG DECOR SCGD TB

THAILAND / CONSTRUCTION

HOLD

UNCHANGED

Lower costs to support 2Q25 profit

- Overall demand in Thailand remains weak, but regional markets showed a q-q recovery trend, especially in Vietnam.
- Expect 2Q25 profit to drop 22% y-y in line with lower sales, but slightly increase 2% q-q due to higher GPM from cost saving.
- Maintain HOLD with a new TP of THB4.5 after lowering target P/E.

Weak domestic market, but regional recovery underway

The construction material market in Thailand in 2Q25 continued to show softened demand, including in the tile market and bathroom business, due to the long weekends, economic slowdown, weak purchasing power, and a sluggish property market with delays in new residential projects. SCGD's sales in Thailand, which are the main contributor at 65-70% of total sales, are likely to decline q-q and y-y. However, regional sales should show a q-q improvement trend in 2Q25. Specifically, sales in Vietnam (20% of total sales) were supported by a recovery in the real estate sector following the implementation of stimulus measures. As a result, we project total sales in 2Q25 of THB5.9b (-1% q-q, -10% y-y).

Expect 2Q25 profit to slightly increase q-q, but drop y-y

Although sales in 2Q25 are likely to decrease, we anticipate a 2Q25 net profit of THB220m (+2% q-q, -22% y-y). The slight q-q improvement should come from a higher GPM of 26.7% (vs 26.5% in 1Q25), as the company continued to focus on expense reduction, including ongoing business restructuring since 4Q24 and energy saving investment. In addition, energy costs for tile production remained stable with 1Q25.

Cost leadership as the key strategy

SCGD expects no direct impact from Trump's tariffs, as its export sales to the US account for less than 1% of total sales. However, the policy might lead to more intense competition in the ASEAN market. SCGD intends to manage volatility through its strengths in cost management and innovation, enhancing its cost competitiveness against Chinese players. This includes 1) the use of alternative fuels, such as solar installation and biomass; 2) increasing HVA products; and 3) business restructuring through the application of technology and labor reduction.

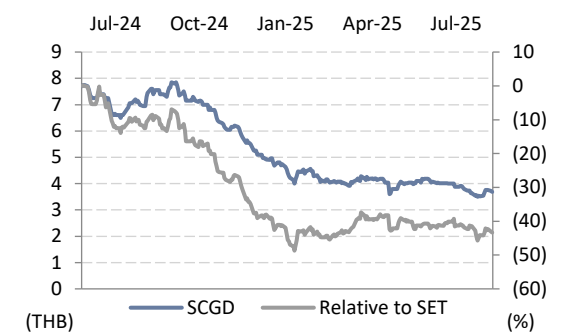
Maintain HOLD rating with new TP of THB4.5

We maintain our 2025E core profit of THB973m (+7% y-y). The 2H25 outlook should improve h-h, driven by a recovery in Vietnam sales. However, we lower our 2025 TP to THB4.5 (from THB5.6), after reducing our target P/E to 7.5x (-1SD) from 9.5x to reflect a more cautious view, as demand in Thailand is likely to remain weak amid economic and political uncertainty, which might pose downside risks to SCGD's 2025 target sales growth of 5% (vs our estimate of 3%). We retain our HOLD call and continue to monitor for clearer signs of recovery and the potential M&P deal involving the Vietnam factory, which might occur in 4Q25.

TARGET PRICE	THB4.50
CLOSE	THB3.68
UP/DOWNSIDE	+22.3%
PRIOR TP	THB5.60
CHANGE IN TP	-19.6%
TP vs CONSENSUS	-31.5%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	25,563	26,424	27,227	27,921
Net profit	810	973	1,021	1,056
EPS (THB)	0.49	0.59	0.62	0.64
vs Consensus (%)	-	(5.3)	(9.5)	(15.8)
EBITDA	2,694	2,886	3,031	3,167
Recurring net profit	908	973	1,021	1,056
Core EPS (THB)	0.55	0.59	0.62	0.64
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	17.2	7.2	5.0	3.4
Core P/E (x)	6.7	6.2	5.9	5.7
Dividend yield (%)	5.4	5.4	5.9	6.1
EV/EBITDA (x)	6.4	6.2	5.9	5.7
Price/book (x)	0.3	0.3	0.3	0.3
Net debt/Equity (%)	46.7	47.8	46.7	45.4
ROE (%)	4.7	5.0	5.1	5.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.2)	2.2	(51.9)
Relative to country (%)	(3.5)	(0.3)	(43.1)
Mkt cap (USD m)	186		
3m avg. daily turnover (USD m)	0.1		
Free float (%)	27		
Major shareholder	Thitisuriyarak Family (26%)		
12m high/low (THB)	7.95/3.48		
Issued shares (m)	1,210.90		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

We forecast core profit to grow at an average of 5.2% CAGR during 2025–27, driven mainly by sales growth of 3% CAGR. The increase is primarily supported by expanding sales in Vietnam, where the property market is recovering. Additionally, Vietnam is being positioned as a key manufacturing base for exports to Europe and the US. However, a key risk lies in the legal case involving KIA, which is facing a government claim in Indonesia amounting to THB3b. The case is currently under judicial review.

The company maintains a strong financial position, with a net D/E ratio of 0.5x as of end-2024, and ample cash flow to support future M&A opportunities. The planned M&P deal related to its Vietnam plant is expected to be finalized within 2025, though this has not yet been factored into our forecasts.

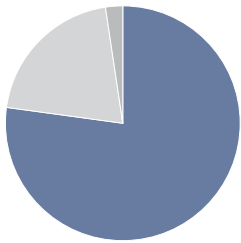
Company profile

SCGD is a holding company with subsidiaries and associates in tile manufacturing and distribution in Thailand, Vietnam, the Philippines, and Indonesia. Also, it operates businesses, such as sanitary ware manufacturing in Thailand, product sourcing for sale, ceramic tile and bathroom product retailing, and an industrial estate.

www.scgdecor.com

Principal activities (revenue, 2024)

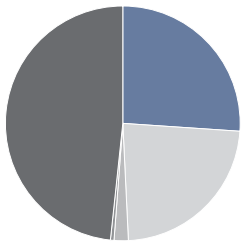
- Decor Surfaces - 77.2 %
- Bathroom - 20.5 %
- Other - 2.4 %



Source: SCG Decor

Major shareholders

- Thitisuriyarak Family - 26.1 %
- Manothumraksa Family - 23.2 %
- Wangpaithoon Family - 2.0 %
- Chantararat Family - 0.5 %
- Others - 48.3 %



Source: SCG Decor

Catalysts

Potential catalysts include 1) sales volume growth; 2) a sanitary ware expansion to ASEAN; 3) lower energy costs, especially natural gas; and 4) future M&Ps.

Risks to our call

Key downside risks include 1) a slower-than-expected economic and purchasing power recovery; 2) global uncertainties; 3) energy and raw material cost fluctuation; 4) an unsuccessful sanitary ware business in ASEAN; and 5) the company may be held liable for the debt claims made by the Indonesian government agency if KIA loses the case and has its assets seized.

Event calendar

Date	Event
29 July 2025	2Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Sales revenue (THB m)	26,424	27,227	27,921
Decor Surfaces revenue (THB m)	20,318	20,867	21,327
Bathroom revenue (THB m)	5,472	5,693	5,894
GPM (%)	26.0	26.0	26.1
SG&A to sales (%)	21.5	21.5	21.4

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in sales revenue, we estimate 2025 net profit to rise by 12%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit to rise by 10%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to revenue, we estimate 2025 net profit to fall by 10%, and vice versa, all else being equal

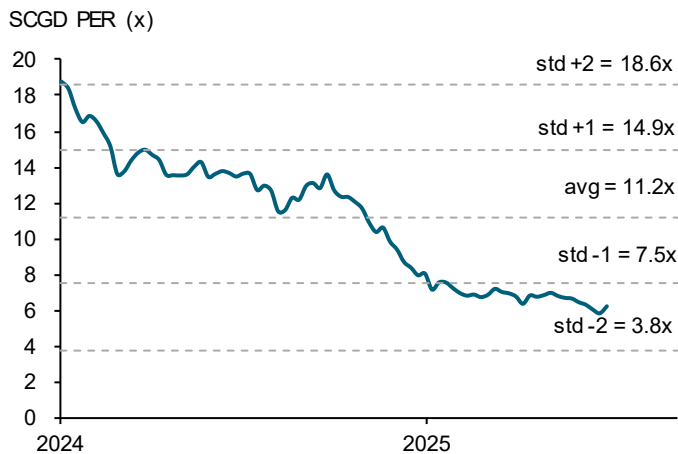
Source: FSSIA estimates

Exhibit 1: SCGD – 2Q25 results preview

	2Q24	3Q24	4Q24	1Q25	2Q25E	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Sales revenue	6,566	6,235	5,978	5,960	5,930	(0.5)	(9.7)
Cost of Sales	4,774	4,613	4,393	4,378	4,347	(0.7)	(9.0)
Gross profit	1,792	1,622	1,585	1,582	1,583	0.1	(11.6)
SG&A	1,419	1,379	1,424	1,292	1,296	0.3	(8.6)
Operating profit	373	243	161	290	287	(0.9)	(23.0)
Other income	141	130	147	121	121	(0.2)	(14.4)
Interest Expense	130	119	113	107	100	(6.3)	(23.0)
Tax Expense	94	57	24	88	86	(1.4)	(8.0)
Minorities	8	8	(6)	1	2	228.4	(75.4)
Reported net profit	284	189	80	217	220	1.8	(22.3)
Core profit	284	189	178	217	220	1.8	(22.3)
Key ratios (%)						(ppt)	(ppt)
Gross margin	27.3	26.0	26.5	26.5	26.7	0.2	(0.6)
SG&A / Sales	21.6	22.1	23.8	21.7	21.9	0.2	0.2
Operating margin	5.7	3.9	2.7	4.9	4.8	(0.0)	(0.8)
Net margin	4.3	3.0	1.3	3.6	3.7	0.1	(0.6)
Norm margin	4.3	3.0	3.0	3.6	3.7	0.1	(0.6)

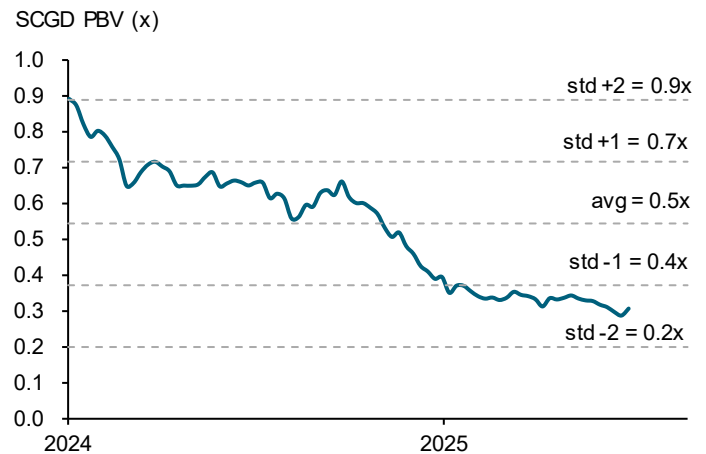
Sources: SCGD; FSSIA estimates

Exhibit 2: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 3: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

SCG Decor

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	28,312	25,563	26,424	27,227	27,921
Cost of goods sold	(21,633)	(18,942)	(19,545)	(20,135)	(20,646)
Gross profit	6,679	6,622	6,880	7,091	7,275
Other operating income	-	-	-	-	-
Operating costs	(5,550)	(5,544)	(5,691)	(5,842)	(5,979)
Operating EBITDA	2,669	2,694	2,886	3,031	3,167
Depreciation	(1,540)	(1,617)	(1,698)	(1,782)	(1,872)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,129	1,077	1,188	1,249	1,296
Net financing costs	(548)	(493)	(488)	(486)	(488)
Associates	1	4	4	4	4
Recurring non-operating income	630	581	574	574	574
Non-recurring items	(447)	(98)	0	0	0
Profit before tax	764	1,068	1,274	1,336	1,382
Tax	(290)	(249)	(292)	(307)	(317)
Profit after tax	474	818	982	1,030	1,065
Minority interests	(147)	(8)	(8)	(8)	(8)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	328	810	973	1,021	1,056
Non-recurring items & goodwill (net)	447	98	0	0	0
Recurring net profit	775	908	973	1,021	1,056
Per share (THB)					
Recurring EPS *	0.47	0.55	0.59	0.62	0.64
Reported EPS	0.20	0.49	0.59	0.62	0.64
DPS	0.00	0.20	0.20	0.22	0.22
Diluted shares (used to calculate per share data)	1,650	1,650	1,650	1,650	1,650
Growth					
Revenue (%)	(19.6)	(9.7)	3.4	3.0	2.5
Operating EBITDA (%)	(2.6)	0.9	7.1	5.0	4.5
Operating EBIT (%)	17.8	(4.6)	10.3	5.1	3.7
Recurring EPS (%)	(94.9)	17.2	7.2	5.0	3.4
Reported EPS (%)	nm	147.1	20.1	5.0	3.4
Operating performance					
Gross margin inc. depreciation (%)	23.6	25.9	26.0	26.0	26.1
Gross margin exc. depreciation (%)	29.0	32.2	32.5	32.6	32.8
Operating EBITDA margin (%)	9.4	10.5	10.9	11.1	11.3
Operating EBIT margin (%)	4.0	4.2	4.5	4.6	4.6
Net margin (%)	2.7	3.6	3.7	3.8	3.8
Effective tax rate (%)	37.9	23.4	22.9	22.9	22.9
Dividend payout on recurring profit (%)	-	36.3	34.0	35.0	35.0
Interest cover (X)	3.2	3.4	3.6	3.7	3.8
Inventory days	142.7	154.1	145.5	144.0	144.7
Debtor days	61.3	58.6	55.2	57.5	57.7
Creditor days	69.6	77.4	77.1	80.0	80.4
Operating ROIC (%)	4.4	4.4	4.8	4.8	(1.2)
ROIC (%)	4.2	4.1	4.4	4.4	(1.1)
ROE (%)	4.4	4.7	5.0	5.1	5.1
ROA (%)	3.3	3.2	3.4	3.4	2.3

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Decor Surfaces	21,794	19,725	20,318	20,867	21,327
Bathroom	5,238	5,234	5,472	5,693	5,894
Other	1,280	605	635	667	700

Sources: SCG Decor; FSSIA estimates

Financial Statements

SCG Decor

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	775	908	973	1,021	1,056
Depreciation	1,540	1,617	1,698	1,782	1,872
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	1,214	991	(377)	(215)	(194)
Cash flow from operations	3,528	3,515	2,293	2,589	2,734
Capex - maintenance	-	-	-	-	-
Capex - new investment	-	(1,866)	(2,578)	(2,393)	(2,486)
Net acquisitions & disposals	(717)	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(717)	(1,866)	(2,578)	(2,393)	(2,486)
Dividends paid	(4,494)	(633)	(282)	(306)	(317)
Equity finance	6,207	(881)	8	8	8
Debt finance	(1,137)	(1,135)	492	(466)	35
Other financing cash flows	-	-	-	-	-
Cash flow from financing	576	(2,649)	218	(764)	(273)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	3,387	(1,000)	(67)	(568)	(25)
Free cash flow to firm (FCFF)	3,358.91	2,142.03	203.07	682.24	735.83
Free cash flow to equity (FCFE)	1,674.29	514.38	206.74	(270.51)	283.53

Per share (THB)

FCFF per share	2.77	1.77	0.17	0.56	0.61
FCFE per share	1.38	0.42	0.17	(0.22)	0.23
Recurring cash flow per share	1.40	1.53	1.62	1.70	1.77

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	47,155	49,513	51,988	54,588	57,317
Less: Accumulated depreciation	(35,534)	(37,366)	(39,242)	(41,441)	(43,771)
Tangible fixed assets (net)	11,621	12,147	12,747	13,147	13,547
Intangible fixed assets (net)	5,797	5,645	5,755	5,868	5,983
Long-term financial assets	850	831	922	939	957
Invest. in associates & subsidiaries	5,076	4,971	5,050	5,131	5,213
Cash & equivalents	5,203	4,204	4,137	3,568	3,544
A/C receivable	4,449	3,760	4,228	4,356	4,467
Inventories	7,542	7,091	7,135	7,351	7,539
Other current assets	448	502	530	530	531
Current assets	17,642	15,557	16,029	15,806	16,080
Other assets	666	673	707	742	780
Total assets	41,651	39,823	41,210	41,633	42,559
Common equity	19,697	19,130	19,821	20,536	21,275
Minorities etc.	1,615	1,576	1,584	1,593	1,601
Total shareholders' equity	21,312	20,706	21,405	22,129	22,877
Long term debt	609	578	672	705	741
Other long-term liabilities	1,280	1,346	1,189	1,225	1,256
Long-term liabilities	1,889	1,925	1,861	1,930	1,997
A/C payable	3,768	3,578	3,964	4,084	4,188
Short term debt	14,395	13,292	13,690	13,190	13,190
Other current liabilities	286	324	291	299	307
Current liabilities	18,450	17,193	17,944	17,573	17,685
Total liabilities and shareholders' equity	41,651	39,823	41,210	41,633	42,559
Net working capital	8,384	7,452	7,638	7,854	8,042
Invested capital	32,393	31,718	32,819	33,681	34,520

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	11.94	11.59	12.01	12.45	12.89
Tangible book value per share	8.42	8.17	8.52	8.89	9.27

Financial strength

Net debt/equity (%)	46.0	46.7	47.8	46.7	45.4
Net debt/total assets (%)	23.5	24.3	24.8	24.8	24.4
Current ratio (x)	1.0	0.9	0.9	0.9	0.9
CF interest cover (x)	4.1	5.8	6.7	5.4	6.7

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	7.8	6.7	6.2	5.9	5.7
Recurring P/E @ target price (x) *	9.6	8.2	7.6	7.3	7.0
Reported P/E (x)	18.5	7.5	6.2	5.9	5.7
Dividend yield (%)	-	5.4	5.4	5.9	6.1
Price/book (x)	0.3	0.3	0.3	0.3	0.3
Price/tangible book (x)	0.4	0.5	0.4	0.4	0.4
EV/EBITDA (x) **	6.6	6.4	6.2	5.9	5.7
EV/EBITDA @ target price (x) **	7.1	6.9	6.7	6.4	6.1
EV/invested capital (x)	0.5	0.5	0.5	0.5	0.5

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: SCG Decor; FSSIA estimates

SCG Decor PCL (SCGD TB)

FSSIA ESG rating

n/a

Exhibit 4: 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 5: 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
EPG	60.89	--	Y	AA	5.00	--	Certified	Low	64.12	--	--	61.15	39.00	3.57	65.26
DCC	32.82	--	--	--	5.00	5.00	Certified	Medium	--	B	--	--	24.00	--	--
SCCC	52.83	--	Y	AA	5.00	5.00	Certified	Medium	--	--	--	57.96	35.00	3.31	69.44
SCGD	n/a	--	--	--	5.00	--	--	--	--	--	--	--	--	--	--
TASCO	51.58	--	--	--	5.00	5.00	Certified	Medium	65.99	--	--	63.27	51.00	--	55.96
TOA	52.85	--	Y	A	5.00	5.00	--	Medium	55.18	--	--	61.67	35.00	--	52.39

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

Exhibit 6: ESG disclosure from the company's one report

FY ending Dec 31	FY 2023	FY ending Dec 31	FY 2023
Environmental		Governance	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	9 / 3 / 1
Climate change opportunities discussed	Yes	No. of board meetings for the year / % attendance	11 / 99%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	Yes	Number of non-executive directors on board	8
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	No
Fuel used - crude oil/diesel	Yes	Age of the youngest / oldest director	52 / 71
Waste reduction policy	Yes	Number of executives / female	6 / 1
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	Yes	Size of audit committee / ID	3 / 3
Social		Audit committee meetings	6
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	--	Size of compensation committee	4 / 1
Quality assurance and recall policy	Yes	Number of compensation committee meetings	3
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	100
Equal opportunity policy	Yes	Size of nomination committee / ID	4 / 1
Gender pay gap breakout	--	Number of nomination committee meetings	3
Pct women in workforce	27.28	Nomination committee meeting attendance (%)	100
Business ethics policy	Yes	Board compensation (THB m)	4.11
Anti-bribery ethics policy	Yes	Auditor fee (THB m)	3.15
Health and safety policy	Yes	<i>(KPMG PHOONCHAI AUDIT COMPANY LIMITED)</i>	
Lost time incident rate - employees	--		
Training policy	Yes		
Fair remuneration policy	Yes		
Number of employees - CSR	--		
Total hours spent by firm - employee training	--		
Social supply chain management	Yes		

Source: 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 Sustainabilitycs	The Sustainabilitycs' 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+										
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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

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

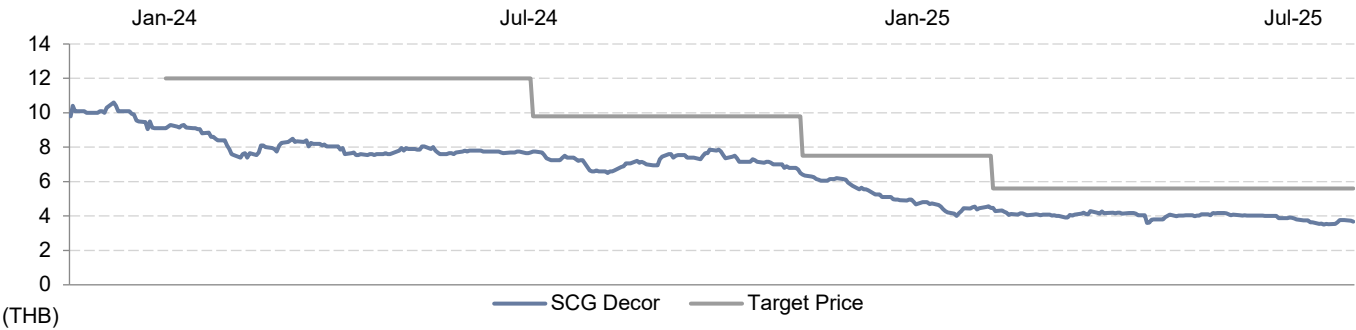
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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 Decor (SCGD TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Jan-2024	BUY	12.00	06-Nov-2024	HOLD	7.50	-	-	-
10-Jul-2024	BUY	9.80	29-Jan-2025	HOLD	5.60			

Thanyatorn Songwutti started covering this stock from 30-Jan-2024

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SCG Decor	SCGD TB	THB 3.68	HOLD	Key downside risks to our DCF-based TP include 1) slower-than-expected economic and purchasing power recovery, 2) global uncertainties, 3) energy and raw material cost fluctuation, 4) an unsuccessful sanitary ware business in ASEAN, and 5) an additional impairment provision on its discontinued factory.

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 08-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.