

SCG DECOR SCGD TB

THAILAND / CONSTRUCTION

BUY

UNCHANGED

TARGET PRICE	THB5.70
CLOSE	THB4.78
UP/DOWNSIDE	+19.2%
PRIOR TP	THB5.70
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-10.9%

4Q25E dragged by weak domestic demand

- Expect 4Q25 core profit to rise 19% y-y on GPM improvement, but decline 31% q-q, mainly due to lower q-q and y-y sales.
- Management expects high-single-digit sales growth in 2026, with the strong Vietnam market as the key growth driver.
- Limited near-term catalysts, but a dividend yield of 5–6% in 2026E.

Domestic demand weak; regional markets brighter

Overall, SCGD's sales in 4Q25 are likely to be softer than expected due to weak domestic demand, while regional sales are impacted by baht appreciation. We estimate total sales in 4Q25 to decline to THB5.3b (-6% q-q, -11% y-y), marking the ninth consecutive quarter of declines on both a q-q and y-y basis. Sales in Thailand are expected to continue declining both q-q and y-y, mainly due to the economic slowdown. For regional operations, reported sales were negatively affected by the conversion of local currencies into Thai baht and the impact of flooding. Excluding the impact of baht appreciation, Vietnam and Indonesia are expected to record q-q and y-y sales growth, driven by government stimulus measures and ongoing economic recovery.

Expect 4Q25 core profit to grow y-y, but fall q-q

We project SCGD's 4Q25 gross margin at 27.6%, down from 28.2% in 3Q25 due to lower sales and higher energy costs, but up from 26.5% in 4Q24, supported by its cost-reduction strategy. SG&A to sales is expected to be 22.6%, in line with 3Q25, but down from 23.8% in 4Q24, supported by the business restructuring implemented. Hence, we anticipate a 4Q25 net profit of THB210m (-31% q-q, +164% y-y). Excluding one-time expenses in 4Q24, core profit is expected to decline 31% q-q, but increase 19% y-y in 4Q25.

Vietnam to be the key driver for 2026 sales

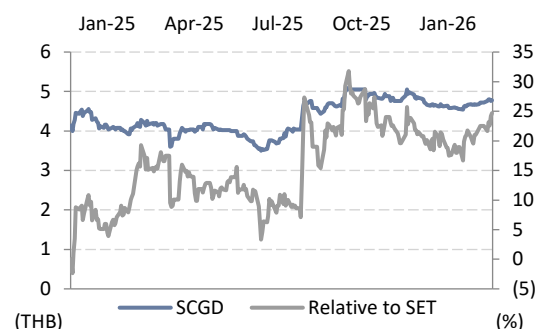
Management expects 2026 sales growth of around high-single-digit levels (vs. our projection of 2.4% y-y). They remain concerned about uncertainty in the Thailand market; however, they believe the key growth driver will come from strong demand in the Vietnam market. Meanwhile, the company remains focused on tight cost control to maintain its GPM level. For the 1Q26 outlook, we expect overall sales to remain soft, as the Thailand market is likely to face political uncertainty and ongoing economic concerns. Although sales in Thailand in 1Q26 are expected to recover q-q on seasonality, they are likely to remain lower y-y. Meanwhile, sales in Vietnam are expected to grow y-y but decline q-q due to the Tet holiday, before rebounding in 2Q26, the peak season.

Maintain TP and recommendation

We maintain our 2026 core profit forecast of THB1.1b (+11% y-y) and our TP of THB5.70. We retain our BUY rating, as the stock is trading at 7x 2026E P/E (-1SD), with an expected dividend yield of around 5–6% p.a., underpinned by its strong balance sheet. We expect SCGD to pay a DPS of THB0.10 in 2H25, implying a dividend yield of around 2%.

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	25,563	22,605	23,148	23,742
Net profit	810	1,002	1,110	1,150
EPS (THB)	0.49	0.61	0.67	0.70
vs Consensus (%)	-	(5.1)	(9.5)	(7.3)
EBITDA	2,694	2,886	3,102	3,245
Recurring net profit	908	1,002	1,110	1,150
Core EPS (THB)	0.55	0.61	0.67	0.70
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	17.2	10.4	10.8	3.6
Core P/E (x)	8.7	7.9	7.1	6.9
Dividend yield (%)	4.2	5.2	5.6	5.8
EV/EBITDA (x)	7.1	6.5	6.1	5.8
Price/book (x)	0.4	0.4	0.4	0.4
Net debt/Equity (%)	46.7	44.1	42.8	41.5
ROE (%)	4.7	5.2	5.5	5.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.4	(3.2)	11.7
Relative to country (%)	5.7	1.4	21.4
Mkt cap (USD m)	251		
3m avg. daily turnover (USD m)	0.1		
Free float (%)	27		
Major shareholder	Thitisuriyarak Family (26%)		
12m high/low (THB)	5.25/3.48		
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 12.4% CAGR during 2025–27, driven mainly by GPM improvement and SG&A reduction. The increase is primarily supported by from SCGD’s efficiency improvement initiatives through business restructuring, along with cost-saving projects such as the increased use of biomass and solar installations

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.

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.

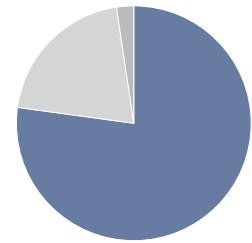
Company profile

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)

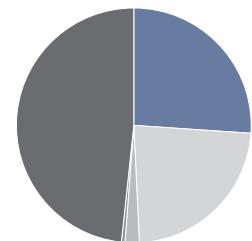
- Decor Surfaces - 77.2 %
- Bathroom - 20.5 %
- Other - 2.4 %



Source: SCG Decor

Major shareholders

- Thitisuriyarak Family - 26.1 %
- Manothumraksa Family - 23.2 %
- Wangpaitoon Family - 2.0 %
- Chantarat 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 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.

Event calendar

Date	Event
26 Jan 2026	4Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Sales revenue (THB m)	22,605	23,148	23,742
GPM (%)	28.0	28.0	28.0
SG&A to sales (%)	22.7	22.3	22.2

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in sales revenue, we estimate 2026 net profit to rise by 11%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2026 net profit to rise by 7%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to revenue, we estimate 2026 net profit to fall by 9%, and vice versa, all else being equal

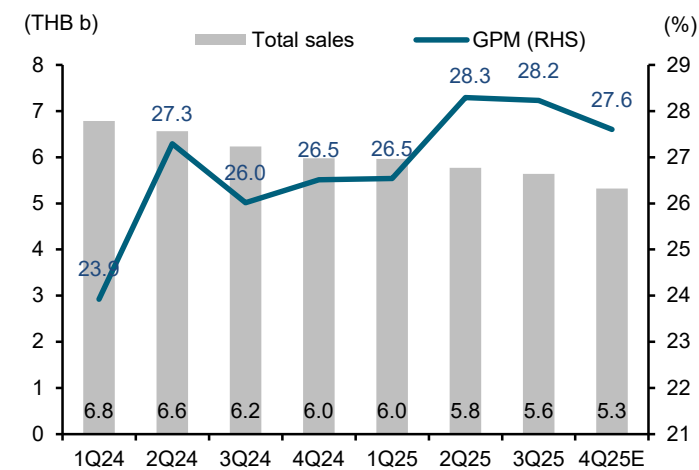
Source: FSSIA estimates

Exhibit 1: SCGD – 4Q25 results preview

	4Q24	1Q25	2Q25	3Q25	4Q25E	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Sales revenue	5,978	5,960	5,770	5,638	5,321	(5.6)	(11.0)
Cost of Sales	4,393	4,378	4,138	4,046	3,852	(4.8)	(12.3)
Gross profit	1,585	1,582	1,632	1,591	1,468	(7.7)	(7.4)
SG&A	1,424	1,292	1,324	1,224	1,200	(2.0)	(15.7)
Operating profit	161	290	308	367	268	(26.9)	66.9
Other income	147	121	97	131	100	(23.6)	(31.8)
Interest Expense	113	107	103	92	90	(2.4)	(20.6)
Tax Expense	24	88	79	100	67	(33.0)	183.6
Minorities	(6)	1	1	3	3	(11.5)	(146.4)
Reported net profit	80	217	223	304	210	(30.9)	164.4
Core profit	178	217	223	304	210	(30.9)	18.5
Key ratios (%)						(ppt)	(ppt)
Gross margin	26.5	26.5	28.3	28.2	27.6	(0.6)	1.1
SG&A / Sales	23.8	21.7	22.9	21.7	22.6	0.8	(1.3)
Operating margin	2.7	4.9	5.3	6.5	5.0	(1.5)	2.4
Net margin	1.3	3.6	3.9	5.4	4.0	(1.4)	2.6
Norm margin	3.0	3.6	3.9	5.4	4.0	(1.4)	1.0

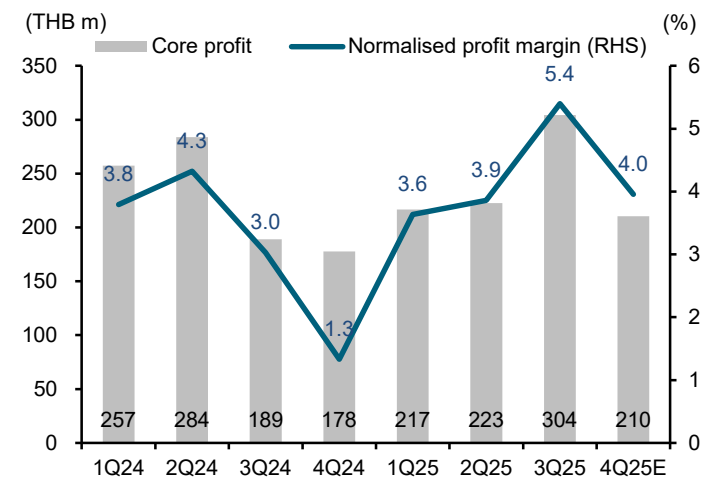
Sources: SCGD; FSSIA estimates

Exhibit 2: Quarterly total sales and GPM



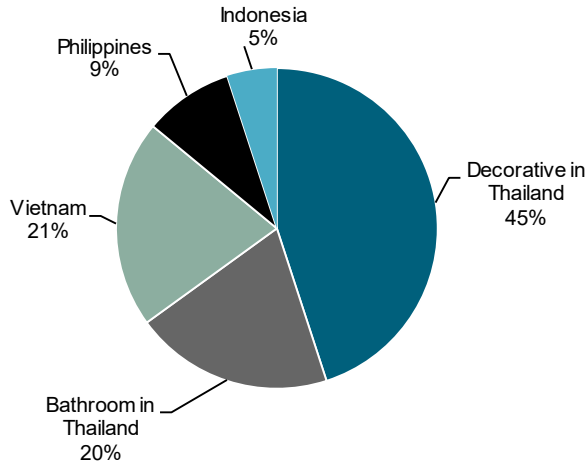
Sources: SCGD; FSSIA estimates

Exhibit 3: Quarterly core profit and norm profit margin



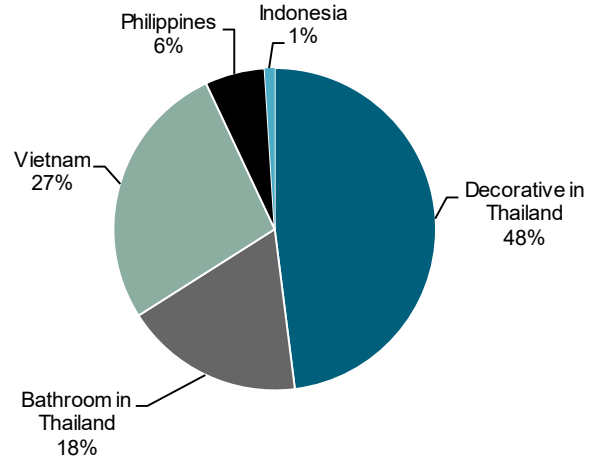
Sources: SCGD; FSSIA estimates

Exhibit 4: 3Q25 sales breakdown by country



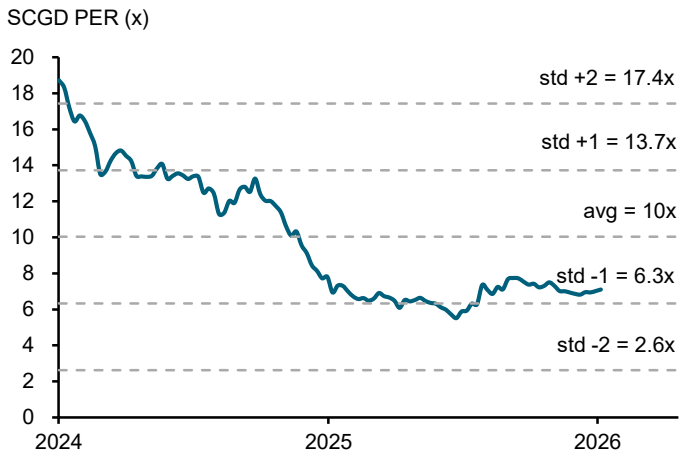
Sources: SCGD; FSSIA's compilation

Exhibit 5: 3Q25 EBITDA breakdown by country



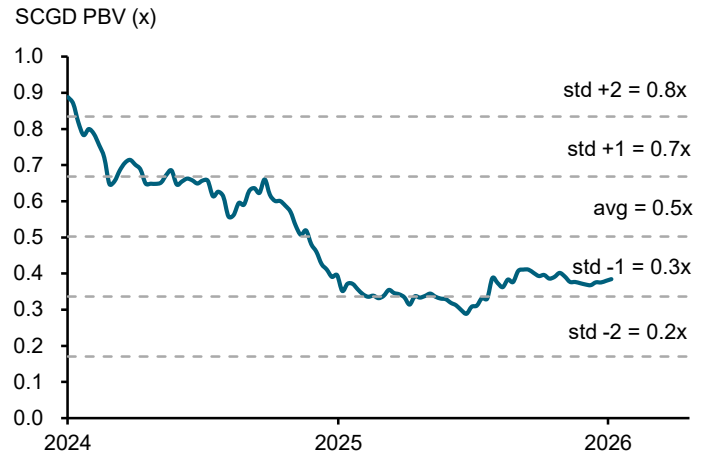
Sources: SCGD; FSSIA's compilation

Exhibit 6: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 7: 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	22,605	23,148	23,742
Cost of goods sold	(21,633)	(18,942)	(16,286)	(16,677)	(17,104)
Gross profit	6,679	6,622	6,318	6,471	6,638
Other operating income	-	-	-	-	-
Operating costs	(5,550)	(5,544)	(5,129)	(5,151)	(5,264)
Operating EBITDA	2,669	2,694	2,886	3,102	3,245
Depreciation	(1,540)	(1,617)	(1,698)	(1,782)	(1,872)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,129	1,077	1,189	1,320	1,374
Net financing costs	(548)	(493)	(416)	(403)	(404)
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	1,346	1,490	1,543
Tax	(290)	(249)	(336)	(372)	(385)
Profit after tax	474	818	1,010	1,119	1,158
Minority interests	(147)	(8)	(8)	(8)	(8)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	328	810	1,002	1,110	1,150
Non-recurring items & goodwill (net)	447	98	0	0	0
Recurring net profit	775	908	1,002	1,110	1,150
Per share (THB)					
Recurring EPS *	0.47	0.55	0.61	0.67	0.70
Reported EPS	0.20	0.49	0.61	0.67	0.70
DPS	0.00	0.20	0.25	0.27	0.28
Diluted shares (used to calculate per share data)	1,650	1,650	1,650	1,650	1,650
Growth					
Revenue (%)	(19.6)	(9.7)	(11.6)	2.4	2.6
Operating EBITDA (%)	(2.6)	0.9	7.1	7.5	4.6
Operating EBIT (%)	17.8	(4.6)	10.4	11.0	4.1
Recurring EPS (%)	(94.9)	17.2	10.4	10.8	3.6
Reported EPS (%)	nm	147.1	23.7	10.8	3.6
Operating performance					
Gross margin inc. depreciation (%)	23.6	25.9	28.0	28.0	28.0
Gross margin exc. depreciation (%)	29.0	32.2	35.5	35.7	35.8
Operating EBITDA margin (%)	9.4	10.5	12.8	13.4	13.7
Operating EBIT margin (%)	4.0	4.2	5.3	5.7	5.8
Net margin (%)	2.7	3.6	4.4	4.8	4.8
Effective tax rate (%)	37.9	23.4	24.9	24.9	24.9
Dividend payout on recurring profit (%)	-	36.3	41.0	40.0	40.0
Interest cover (X)	3.2	3.4	4.2	4.7	4.8
Inventory days	142.7	154.1	165.1	151.4	151.7
Debtor days	61.3	58.6	59.6	57.7	57.7
Creditor days	69.6	77.4	87.2	84.1	84.3
Operating ROIC (%)	4.4	4.4	4.9	5.4	(1.4)
ROIC (%)	4.2	4.1	4.4	4.7	(1.2)
ROE (%)	4.4	4.7	5.2	5.5	5.5
ROA (%)	3.3	3.2	3.4	3.6	2.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Decor Surfaces	21,794	19,725	17,259	17,605	17,993
Bathroom	5,238	5,234	4,711	4,877	5,049
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	1,002	1,110	1,150
Depreciation	1,540	1,617	1,698	1,782	1,872
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	1,214	991	478	(157)	(171)
Cash flow from operations	3,528	3,515	3,178	2,735	2,850
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)	(361)	(389)	(402)
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)	140	(846)	(359)
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)	739	(504)	6
Free cash flow to firm (FCFF)	3,358.91	2,142.03	1,015.79	745.59	768.44
Free cash flow to equity (FCFE)	1,674.29	514.38	1,091.27	(123.79)	399.72

Per share (THB)

FCFF per share	2.77	1.77	0.84	0.62	0.63
FCFE per share	1.38	0.42	0.90	(0.10)	0.33
Recurring cash flow per share	1.40	1.53	1.64	1.75	1.83

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	4,943	4,439	4,445
A/C receivable	4,449	3,760	3,617	3,704	3,799
Inventories	7,542	7,091	6,103	6,250	6,410
Other current assets	448	502	530	530	531
Current assets	17,642	15,557	15,193	14,923	15,185
Other assets	666	673	707	742	780
Total assets	41,651	39,823	40,374	40,750	41,663
Common equity	19,697	19,130	19,771	20,493	21,240
Minorities etc.	1,615	1,576	1,584	1,593	1,601
Total shareholders' equity	21,312	20,706	21,356	22,086	22,842
Long term debt	609	578	672	705	741
Other long-term liabilities	1,280	1,346	1,017	1,042	1,068
Long-term liabilities	1,889	1,925	1,689	1,747	1,809
A/C payable	3,768	3,578	3,391	3,472	3,561
Short term debt	14,395	13,292	13,690	13,190	13,190
Other current liabilities	286	324	249	255	261
Current liabilities	18,450	17,193	17,329	16,917	17,012
Total liabilities and shareholders' equity	41,651	39,823	40,374	40,750	41,663
Net working capital	8,384	7,452	6,611	6,757	6,918
Invested capital	32,393	31,718	31,792	32,584	33,396

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

Per share (THB)

Book value per share	11.94	11.59	11.98	12.42	12.87
Tangible book value per share	8.42	8.17	8.49	8.86	9.25

Financial strength

Net debt/equity (%)	46.0	46.7	44.1	42.8	41.5
Net debt/total assets (%)	23.5	24.3	23.3	23.2	22.8
Current ratio (x)	1.0	0.9	0.9	0.9	0.9
CF interest cover (x)	4.1	5.8	9.8	6.6	8.1

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	10.2	8.7	7.9	7.1	6.9
Recurring P/E @ target price (x) *	12.1	10.4	9.4	8.5	8.2
Reported P/E (x)	24.1	9.7	7.9	7.1	6.9
Dividend yield (%)	-	4.2	5.2	5.6	5.8
Price/book (x)	0.4	0.4	0.4	0.4	0.4
Price/tangible book (x)	0.6	0.6	0.6	0.5	0.5
EV/EBITDA (x) **	7.2	7.1	6.5	6.1	5.8
EV/EBITDA @ target price (x) **	7.8	7.7	7.1	6.6	6.3
EV/invested capital (x)	0.6	0.6	0.6	0.6	0.6

* 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 8: 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 9: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings						Bloomberg	
	ESG score	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; FSSIA's compilation

Exhibit 10: 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	(KPMG PHOONCHAI AUDIT COMPANY LIMITED)	
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 Sustainalytics	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 & 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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </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 border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <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> </tbody> </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) "SETESG". 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

Finansia Syrus Securities Public Company Limited and FSS International Investment Advisory Securities Company Limited are subsidiaries of Finansia X Public Company Limited, with shared directors or executives.

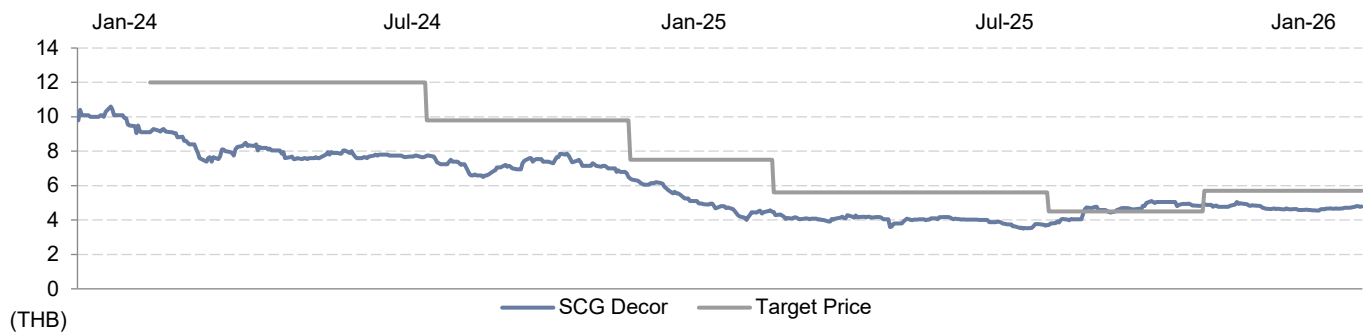
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History of change in investment rating and/or target price

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	09-Jul-2025	HOLD	4.50
10-Jul-2024	BUY	9.80	29-Jan-2025	HOLD	5.60	08-Oct-2025	BUY	5.70

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 4.78	BUY	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 09-Jan-2026 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.