

Business Overview

SCGP operates as a holding company, primarily conducting its business through subsidiaries and associates. The company provides consumer packaging solutions in the region, categorized into 3 core businesses: Integrated packaging business, Fibrous business, and Recycling business.

Financial Statement

	9M24	9M23	2023	2022
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Income Statement (MB)

Revenues	102,393.94	98,235.35	130,441.11	147,389.57
Expenses	96,000.66	91,893.22	121,957.62	137,829.99
Net Profit (Loss)	3,755.66	4,029.54	5,248.13	5,800.61

Balance Sheet (MB)

Assets	187,986.58	200,607.89	198,560.67	197,279.65
Liabilities	92,608.34	96,870.00	96,111.33	74,312.91
Shareholders' Equity	76,787.76	77,738.30	77,322.25	97,200.24

Cash Flow (MB)

Operating	9,270.88	16,347.90	21,481.91	17,233.80
Investing	125.91	-10,343.20	-13,059.68	-3,119.23
Financing	-11,911.08	-8,707.54	-8,366.15	-11,601.54

Financial Ratio

EPS (Baht)	0.87	0.94	1.22	1.35
GP Margin (%)	17.83	17.87	17.87	16.62
NP Margin (%)	3.63	4.27	4.16	4.57
D/E Ratio (x)	0.97	0.93	0.94	0.60
ROE (%)	6.44	4.99	6.01	5.98
ROA (%)	4.35	3.70	4.35	4.83

Business Plan

SCGP's vision is to be a leading multinational consumer packaging solutions provider through innovative and sustainable offerings.

The company's business strategies are as follows:

- Pursuing quality growth through merger & partnership and organic expansion
- Aiming to become a top-of-mind packaging solutions provider through various innovations and sustainable products & services in response to the megatrend
- Achieving operational excellence
- Operating sustainable businesses in line with ESG principles

Sustainable Development Plan

ESG (Environmental, Social and Governance) continues to be a crucial core of SCGP's business operations. The company aims to reduce greenhouse gas (GHG) emissions by 25% within 2030 compared with the base year 2020, while SCGP also set Net Zero target by 2050. Additionally, SCGP continuously engages with all stakeholders through its sustainability initiatives, which include:

- Increasing proportion of renewable energy usage to reduce reliance on fossil fuels
- Leveraging artificial intelligence (AI) to optimize resource utilization and reduce energy consumption
- Promoting tree plantation to absorb carbon dioxide in line with Natural Climate Solutions (NCS)
- Continuously enhancing the Carbon Footprint of Products (CFP) certification with relevant parties

Business Highlight

SCGP continues to drive sustainable growth as following key initiatives:

1. **The completion of an additional 44.48% share acquisition in PT Fajar Surya Wisesa Tbk. (Fajar)** on 30 August 2024 through SCGP Solutions (Singapore) Pte. Ltd. (SCGPSS), a wholly owned subsidiaries of SCGP, with total transaction amount of 652.42 MUSD or equivalent to 22,802 MB. After the transaction, SCGP's stake in Fajar has increased to 99.71%, from 55.23% previously. Meanwhile, the remaining 0.29% shares are held by the public.
2. **Memorandum of Understanding (MOU) with Once Medical** to collaborate on developing syringes and other medical supplies and labware. The primary objective of this partnership is to fortify SCGP's packaging solutions and medical supplies business, while also expanding its customer network.
3. **SCGP has received carbon footprint certification** from Thailand Greenhouse Gas Management Organization (Public Organization) or TGO, covering 126 products (B2B), 19 products (B2C), and 16 processes

Performance and Analysis

Business Performance Summary

SCGP's 9M/2024 performance highlights

Total revenue from sales was 101,553 MB (+4% YoY). The revenue growth was mainly due to higher sales volume in both integrated packaging and fibrous businesses. This increase was mainly driven by ongoing growth in domestic demand and export markets, particularly in consumer-related segments. Lower inflation also contributed to improved demand for goods.

EBITDA reported at 13,282 MB (-1% YoY) with EBITDA margin of 13%. Profit for the period was 3,756 MB (-7% YoY) with net profit margin of 4%

EBITDA and profitability declined primarily from weaker performance of packaging paper operations and the appreciation of Thai Baht, especially in Q3/2024. The reduction in margin was accompanied by efforts to enhance production utilization in major product categories, as well as effective cost management across the value chain

Key Milestones

SCGP efficiently manages raw material and energy costs by:

- **Expanding its network of recycling infrastructure across ASEAN**, currently with a total of 158 recycling stations
- **Increasing the adoption of alternative fuels** to reduce coal consumption, resulting in an increase in the proportion of alternative fuels to 39.9% of total energy sources in Q3/2024

Risk Management Policy

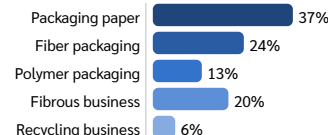
SCGP has established risk management processes that correspond to international standards and integrated these processes into our business operations. The risk management framework includes:

1. **Strategy and objective setting** with explicit objectives and risk appetite
2. **Risk management governance and structure** at corporate, business and operational levels
3. **Risk management process** involving a 3-step process: risk identification, risk assessment, and risk response
4. **Cultivation of organizational culture in risk management**
5. **Risk factors and risk management** by identifying and assessing material risks according to risk management frameworks

Recent Awards and Recognitions

In September 2024, SCGP achieved significant milestones in its commitment to excellence and sustainability. The company has been upgraded to A rating from BBB by the prestigious MSCI (Morgan Stanley Capital International). Additionally, SCGP has been recognized as an excellence-level Climate Action Leading Organization (CALO) by the Thailand Carbon Neutral Network (TCNN) for the second consecutive year.

Revenue Structure



Stock Information

SET / INDUS / PKG



as of 30/09/24	SCGP	PKG	SET
P/E (X)	21.76	17.92	18.03
P/BV (X)	1.57	1.24	1.37
Dividend yield (%)	1.90	2.40	3.16

	30/09/24	28/12/23	30/12/22
Market Cap (MB)	124,494.69	154,545.13	244,696.45
Price (B/Share)	29.00	36.00	57.00
P/E (X)	21.76	34.50	32.77
P/BV (X)	1.57	1.99	2.40

CG Report:



Company Rating: Fitch rating - A(thai)/ Stable (as of Aug 2024)

Major Shareholders

as of 07/08/2024

- THE SIAM CEMENT PUBLIC COMPANY LIMITED (72.12%)
- Thai NVDR Company Limited (3.02%)
- บริษัท ทุนตลาดหลักทรัพย์ จำกัด (1.50%)
- สำนักงานประกันสังคม (1.19%)
- SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED (1.00%)
- Others (21.17%)

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