ASIA PLUS Securities

08 October 2025

FUNDAMENTAL

SYNOPSIS

SCC

Underperform

Not recovering strong yet

Current Price (B)	223
Target Price (B)	210
Upside (%)	-5.83
Dividend Yield (%)	2.24

Flash Points

3Q25 loss is estimated at B698m. Packaging and cement-building material businesses are expected to improve yoy thanks to cost reduction projects and higher domestic cement selling price. However, loss from petrochemical business is expected to increase due to lower spreads of PE-Naphtha and PP-Naphtha. Also, SCC will recognize one-time startup expense of LSP operations in Vietnam in August as well as NRV loss from products from LSP project.

Petrochemical spreads plummeted in September, so LSP operation will stop after feedstock is depleted in October. Earlier, several manufacturers already halted production due to massive loss.

Impact Insight

It is much harder for LSP project in Vietnam to make profit than petrochemical plants in Thailand. Value-added sales mix in Vietnam is lower. Plastic resin price in Vietnam is 5% lower than regional selling prices. Many other countries have excess supply and export to Vietnam, so the Vietnamese government imposes 2% import tariffs to protect domestic businesses. In the next two years, LPS projects may pause and resume operations in line with spread trend to train its employees before Ethane cracker project is complete in late-2027.

Amid market uncertainty, SCC focuses on boosting cash flow and reducing debt burden. SCC's profit will be mainly supported by packaging and cement-building material businesses, while petrochemical business may not recover until 2H26.

Execution

Earlier, SCC rallied 33% in three months owing to projection on petrochemical business recovery. SCC's 3Q25 earnings are expected to be weak, so short-term profit-taking selling is likely. We reiterate Underperform. Fair value is B210 (DCF).

Technical Chart

Price Trend: Sideways Up

Support: 213

Resist : 233 / 247

Source: ASPS Research

Consensus Analysis

EPS (B)	ASPS	IAA Cons	% diff
2025F	19.83	12.75	56%
2026F	14.11	10.60	33%

Source: ASPS Research

Global Peers

Stock	PE		PBV	
	2025F	2026F	2025F	2026F
SIAM CEMENT PCL	20.59	20.22	0.63	0.62
SIAM CITY CEMENT	11.36	10.60	1.18	1.14
DYNASTY CERAMIC	13.41	12.33	1.81	1.77
SCG DECOR PCL	8.26	7.22	0.40	0.38
TIPCO ASPHALT	11.82	10.99	1.20	1.18

Source: Bloomberg

Key Financial Forecast

Ending Dec 31	2023	2024	2025F	2026F	2027F
Net Profit	25,915	6,342	23,798	16,931	20,187
Normalized Profit	13,307	6,342	8,787	16,931	20,187
EPS (B)	21.60	5.28	19.83	14.11	16.82
DPS (B)	6.00	5.00	5.00	7.00	8.50
PER (x)	10.33	42.20	11.24	15.81	13.26
Dividend Yield (%)	2.69%	2.24%	2.24%	3.14%	3.81%
BVS (B)	303.3	294.1	308.9	316.0	324.3
PBV (x)	0.74	0.76	0.72	0.71	0.69
EV/EBITDA (x)	7.32	10.58	7.12	8.44	8.09
ROE (%)	3.66%	1.80%	2.37%	4.46%	5.19%

Source: ASPS Research

ESG Assessment

SET ESG Ratings	AAA
CG Score	Excellent
Anti-corruption Certification	yes

Source: SET

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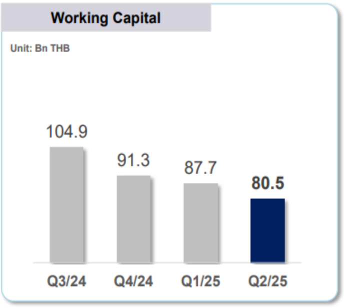
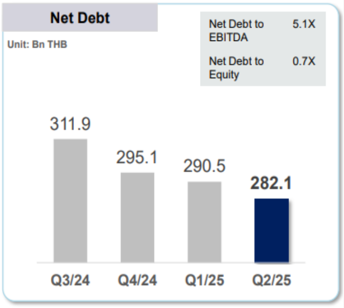
Earnings Results by Quarter

Key Data (Million B)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25F	%QoQ	%YoY	9M25F	9M24	%YoY
Sales	124,266	128,195	128,199	130,512	124,392	124,684	125,291	0%	-2%	374,368	380,660	-2%
Gross Profit	18,615	18,980	14,452	14,770	18,294	19,216	15,576	-19%	8%	53,087	52,047	2%
SG&A	(16,511)	(17,647)	(17,794)	(17,691)	(17,147)	(20,047)	(17,545)	-12%	-1%	(54,739)	(51,952)	5%
Interest Expense	(2,611)	(2,884)	(2,821)	(3,184)	(2,829)	(2,676)	(2,869)	7%	2%	(8,373)	(8,316)	1%
Normalized Profit	2,425	4,110	(1,480)	(512)	1,099	2,167	(698)	N/A	N/A	2,568	5,055	-49%
Net Profit	2,425	3,708	721	(512)	1,099	17,337	(698)	N/A	N/A	17,738	6,854	159%
EPS (B)	2.02	3.09	0.60	(0.43)	0.92	14.45	(0.58)	N/A	N/A	14.78	5.71	159%
Gross Margin	15.0%	14.8%	11.3%	11.3%	14.7%	15.4%	12.4%			14.2%	13.7%	
SG&A/Sales	13.3%	13.8%	13.9%	13.6%	13.8%	16.1%	14.0%			14.6%	13.6%	

Source: ASPS Research

Working Capital & Net Debt





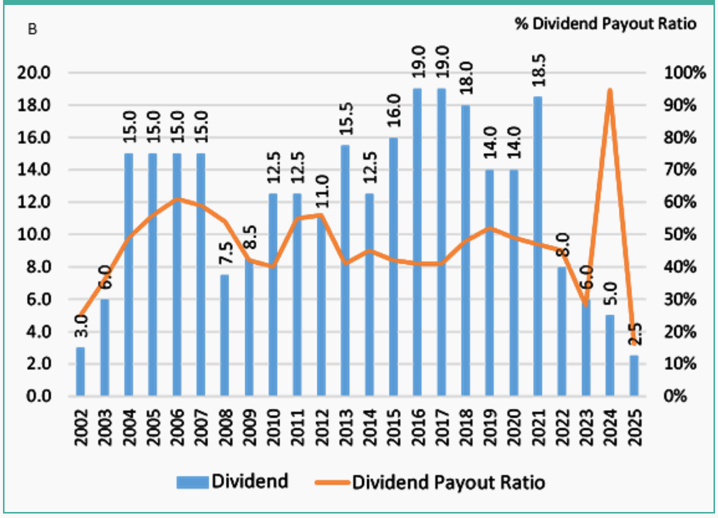
Long Term Debt	
Debenture	84%
Bank Loan	16%

Long term interest rate	
Fixed Rate	91%
Float Rate	9%

Average interest rate	
Cost of Debt	3.3%

Source: SCC, ASPS Research

Dividend Payment History



Source: SCC, ASPS Research

2025-2027 Earnings Forecast

Income Statement (Million B)

Ended Dec 31	2024	2025F	2026F	2027F
Sales	511,172	510,710	551,151	580,045
Cost of sales	444,356	438,338	470,891	494,574
Gross profit	66,817	72,372	80,260	85,471
SG&A	69,644	71,023	69,442	72,273
Interest expense	11,500	11,743	11,328	10,532
Other income	15,502	20,556	12,795	12,886
Earnings before tax	3,822	21,441	15,580	19,258
Income tax	3,882	8,461	4,376	4,623
Minority interest	-2,520	-2,357	-1,351	-929
Profit sharing from associates	6,530	19,740	7,670	8,330
Extraordinary items	0	15,011	0	0
Net profit	6,342	23,798	16,931	20,187
Normalized profit	6,342	8,787	16,931	20,187
Normalized EPS	5.3	7.3	14.1	16.8
Sales growth (%qoq)	2.3%	-0.1%	7.9%	5.2%
Normalized profit growth (%qoq)	-52%	39%	93%	19%
Gross profit margin	13.1%	14.2%	14.6%	14.7%
Normalized profit margin	1.2%	1.7%	3.1%	3.5%

Cash Flows Statement (Million B)

Ended Dec 31	2024	2025F	2026F	2027F
Cash flows from operating activities				
Earnings before minority interest	3,822	21,441	15,580	19,258
Adjustment for:	-297	-5,703	4,195	2,959
Depreciation and amortisation	31,591	31,591	31,791	32,124
Unrealized Fx gain/loss	400	0	0	0
Increase/Decrease in operating activities	5,588	9,178	-11,863	-8,419
Net cash flows from operating activities	36,179	48,046	35,327	41,300
Cash flows from investing activities				
Increase/Decrease in short-term investment	6,571	0	0	0
Increase/Decrease in related party	11,546	25,910	11,499	12,187
Increase/Decrease in fixed assets	-28,053	-30,000	-33,000	-35,000
Net cash flows from investing activities	-6,879	-4,090	-21,501	-22,813
Cash flows from financing activities				
Increase/Decrease in loans	-15,004	10,000	10,000	-10,000
Increase/Decrease in capitals & share premium	0	0	0	0
Dividend paid	-7,199	-6,000	-8,400	-10,200
Net cash flows from financing activities	-36,185	-7,743	-9,728	-30,732
Increase/Decrease in net cash	-6,885	36,214	4,098	-12,245

Quarterly Income Statement (Million B)

	3Q24	4Q24	1Q25	2Q25
Sales	128,199	130,512	124,392	124,684
Cost of sales	113,747	115,743	106,098	105,468
Gross profit	14,452	14,770	18,294	19,216
SG&A	17,794	17,691	17,147	20,047
Interest expense	2,821	3,184	2,829	2,676
Other expense	0	0	0	0
Other income	5,172	4,004	2,312	10,455
Earnings before tax	-991	-2,102	630	6,950
Income tax	758	434	1,196	5,518
Minority interest	1,210	836	237	873
Extraordinary items	2,201	0	0	15,170
Net profit	721	-512	1,099	17,337
Normalized profit	-1,480	-512	1,099	2,167
Normalized EPS	-1.23	-0.43	0.92	1.81
Sales growth (%qoq)	0%	2%	-5%	0%
Gross profit growth (%qoq)	-24%	2%	24%	5%
Normalized profit growth (%qoq)	N/A	N/A	N/A	97%

Balance Sheet (Million B)

Ended Dec 31	2024	2025F	2026F	2027F
Cash and cash equivalents	51,895	88,109	92,207	79,961
Trade receivables	71,539	69,065	73,313	77,081
Inventories	73,302	68,946	74,405	78,306
Other current assets	2,269	2,358	2,504	2,632
Net PP&E	422,613	421,022	422,232	425,108
Total assets	861,502	891,284	911,356	914,140
Trade payables	58,094	63,752	67,674	71,152
Other current liabilities	7,339	6,021	4,991	5,240
Short-term interest-bearing debt	152,183	152,183	152,183	152,183
Long-term interest-bearing debt	164,230	174,230	184,230	174,230
Total liabilities	441,722	456,062	468,954	462,681
Paid-up share capital	1,200	1,200	1,200	1,200
Retained earnings	371,819	389,617	398,148	408,135
Shareholders' equity	352,887	370,685	379,216	389,203
Minor shareholders' equity	66,893	64,536	63,185	62,256
Total liabilities and shareholders' equity	861,502	891,284	911,356	914,140

Financial Ratio

Ended Dec 31	2024	2025F	2026F	2027F
Current Ratio (X)	0.92	1.03	1.08	1.04
Quick Ratio (X)	0.57	0.71	0.74	0.69
A/C Receivable Turnover (X)	7.15	7.39	7.52	7.53
Inventory Turnover (X)	6.06	6.36	6.33	6.32
A/C Payable Turnover (X)	7.65	6.88	6.96	6.95
Debt to Equity	1.25	1.23	1.24	1.19
Net Gearing	0.75	0.64	0.64	0.63
ROAA	0.7%	1.0%	1.9%	2.2%
ROAE	1.8%	2.4%	4.5%	5.2%

Financial Assumption

Ended Dec 31	2024	2025F	2026F	2027F
Total cement sales volume (million tons)	16.6	17.4	18.2	19.2
Domestic cement selling price (B/ton)	2,000	2,200	2,200	2,200
Total polyolefin sales (tons)	1,531,000	1,836,000	2,212,375	2,322,994
Avg. petrochemical spread (US$/ton)	316	326	332	339
Revenue from integrated packaging business	100,229	109,157	118,611	128,577
Revenue from fibrous chain business	25,327	27,860	30,646	33,710

Source: ASPS Research