

SYNOPSIS

SCC

Underperform

Petrochemicals spread not rising

Flash Points

Olefins spreads in October-November fell further from 3Q25 average. PE-Naphtha spread fell 6%qoq to US\$311, and PP-Naphtha spread fell 11%qoq to US\$265; plastic resin demand fell in low season, so plastic resin prices fell more rapidly than Naphtha (feedstock) price. As a result, petrochemical business is still expected to face massive loss in 4Q25, following 3Q25 loss of B3,999m.

LSP plant resumes production despite low spreads since it mainly uses propane as feedstock (70%) instead of Naphtha. Propane price fell rapidly in the past months as Saudi Aramco cut Propane price to retain market share. Loss from LSP in 4Q25 is expected to decrease from 3Q25 because there will not be one-time startup expense and NRV loss may decrease from 3Q25 (first time NRV loss was booked).

Impact Insight

Olefins spreads are expected to stay low for quarters due to potential new supply and lower demand amid economic slowdown, but it should not plunge further. Since spreads are now low, many plants have halted production, lowering supply. Whether LSP will resume or halt operation depends on spreads and feedstock optimization for competitively low cost. Before Ethane cracker project is complete in late-2027, LSP is still unlikely to make profit, while loss is unlikely to increase from B3bn/quarter at present.

Execution

We reiterate Underperform. Petrochemical business is still facing massive loss since spreads are unlikely to rise. 2026 fair value (DCF) is B220.

Technical Chart



Price Trend: Sideways Down

Support: 177

Resist : 193

Source: ASPS Research

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Current Price (B)	188
Target Price (B)	220
Upside (%)	17.02
Dividend Yield (%)	2.66

Consensus Analysis

EPS (B)	ASPS	IAA Cons	% diff
2026F	10.49	9.49	11%
2027F	14.66	-	n/a

Source: ASPS Research

Global Peers

Stock	PE		PBV	
	2025F	2026F	2025F	2026F
SIAM CEMENT PCL	13.73	19.19	0.61	0.60
SIAM CITY CEMENT	10.38	9.67	1.19	1.15
DYNASTY CERAMIC	11.67	10.96	1.56	1.50
SCG DECOR PCL	7.15	6.22	0.39	0.37
TIPCO ASPHALT	12.49	11.71	1.37	1.34

Source: Bloomberg

Key Financial Forecast

Ending Dec 31	2023	2024	2025F	2026F	2027F
Net Profit	25,915	6,342	21,119	12,590	17,595
Normalized Profit	13,307	6,342	5,919	12,590	17,595
EPS (B)	21.60	5.28	17.60	10.49	14.66
DPS (B)	6.00	5.00	5.00	7.00	8.50
PER (x)	8.71	35.57	10.68	17.92	12.82
Dividend Yield (%)	3.19%	2.66%	2.66%	3.72%	4.52%
BVS (B)	303.3	294.1	306.7	310.2	316.3
PBV (x)	0.62	0.64	0.61	0.61	0.59
EV/EBITDA (x)	6.75	9.79	6.83	8.32	7.85
ROE (%)	3.66%	1.80%	1.61%	3.38%	4.64%

Source: ASPS Research

ESG Assessment

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

Source: SET

Warning

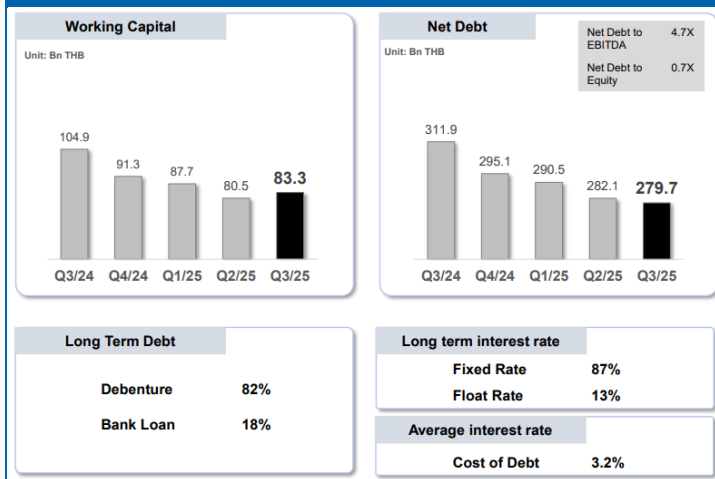
Investments involve risks. Please carefully review the product details, conditions of returns, and risks before making any investment decisions.

Earnings Results by Quarter

Key Data (Million B)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	%QoQ	%YoY	9M25	9M24	%YoY
Sales	124,266	128,195	128,199	130,512	124,392	124,684	121,793	-2%	-5%	370,870	380,660	-3%
Gross Profit	18,615	18,980	14,452	14,770	18,294	19,216	15,289	-20%	6%	52,800	52,047	1%
SG&A	(16,511)	(17,647)	(17,794)	(17,691)	(17,147)	(20,047)	(16,421)	-18%	-8%	(53,615)	(51,952)	3%
Interest Expense	(2,611)	(2,884)	(2,821)	(3,184)	(2,829)	(2,676)	(2,619)	-2%	-7%	(8,124)	(8,316)	-2%
Normalized Profit	2,425	4,110	(1,480)	(512)	1,099	2,167	(669)	N/A	N/A	2,597	5,055	-49%
Net Profit	2,425	3,708	721	(512)	1,099	17,337	(669)	N/A	N/A	17,767	6,854	159%
EPS (B)	2.02	3.09	0.60	(0.43)	0.92	14.45	(0.56)	N/A	N/A	14.81	5.71	159%
Gross Margin	15.0%	14.8%	11.3%	11.3%	14.7%	15.4%	12.6%			14.2%	13.7%	
SG&A/Sales	13.3%	13.8%	13.9%	13.6%	13.8%	16.1%	13.5%			14.5%	13.6%	
Net Gearing	0.63	0.64	0.75	0.71	0.70	0.67	0.68			0.68	0.75	
Book Value	314.24	316.40	289.35	294.07	291.66	299.35	292.58			292.58	289.35	

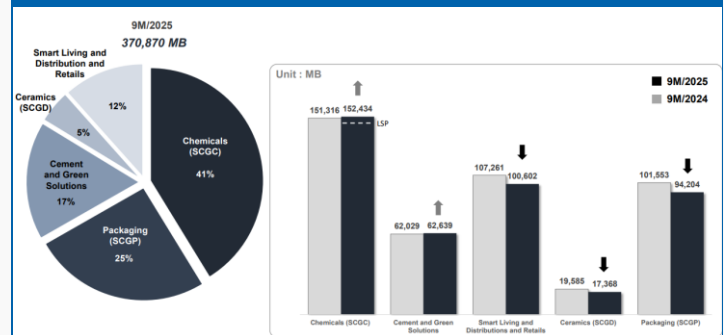
Source: ASPS Research

Working Capital & Net Debt



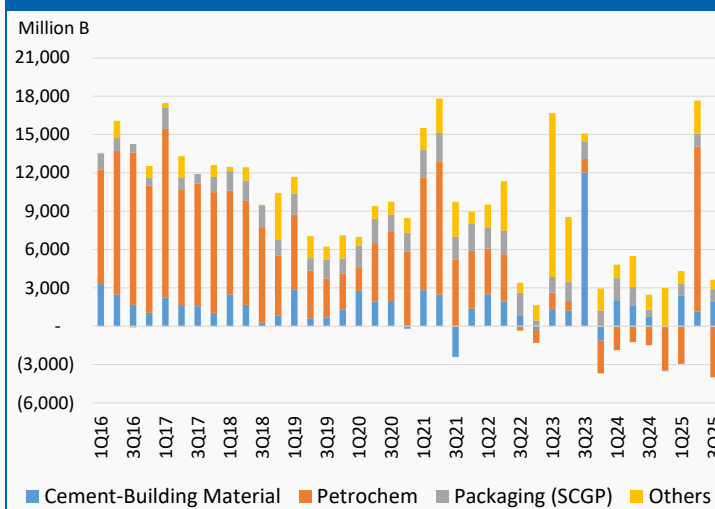
Source: SCC

Revenue Structure



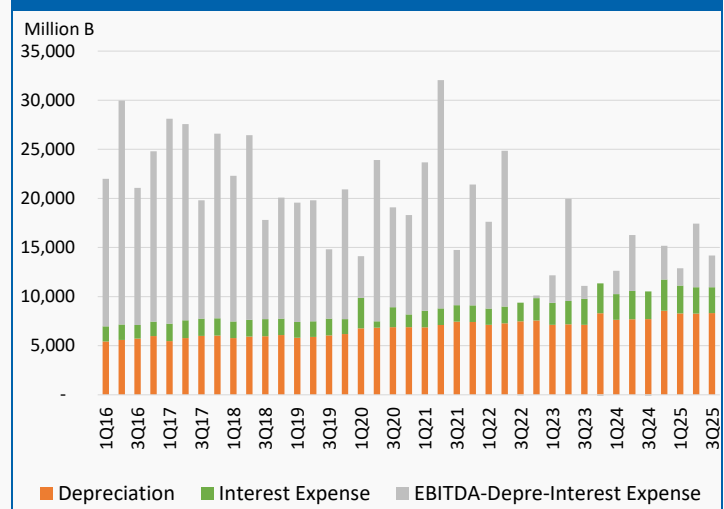
Source: SCC

Earnings Breakdown by Quarter



Source: SCC, ASPS Research

EBITDA by Quarter



Source: SCC, ASPS Research

2025-2027 Earnings Forecast

Income Statement (Million B)					Cash Flows Statement (Million B)				
Ended Dec 31	2024	2025F	2026F	2027F	Ended Dec 31	2024	2025F	2026F	2027F
Sales	511,172	497,806	524,208	559,120	Cash flows from operating activities				
Cost of sales	444,356	427,882	447,777	476,264	Earnings before tax	3,822	18,364	10,482	16,439
Gross profit	66,817	69,924	76,432	82,855	Adjustment for:	-297	-5,125	4,764	3,234
SG&A	69,644	70,069	69,640	71,685	Depreciation and amortisation	31,591	31,591	31,791	32,124
Interest expense	11,500	10,813	11,328	10,532	Unrealized Fx gain/loss	400	0	0	0
Other income	15,502	19,119	12,078	12,145	Increase/Decrease in operating activities	5,588	13,337	-7,933	-10,273
Earnings before tax	3,822	18,364	10,482	16,439	Net cash flows from operating activities	36,179	49,223	34,497	36,977
Income tax	3,882	8,943	4,607	4,546	Cash flows from investing activities				
Minority interest	-2,520	-2,755	-2,108	-1,157	Increase/Decrease in short-term investment	6,571	0	0	0
Profit sharing from associates	6,530	19,146	7,548	8,201	Increase/Decrease in related party	11,546	24,889	11,166	11,834
Extraordinary items	0	15,199	0	0	Increase/Decrease in fixed assets	-28,053	-30,000	-33,000	-35,000
Net profit	6,342	21,119	12,590	17,595	Net cash flows from investing activities	-6,879	-5,111	-21,834	-23,166
Normalized profit	6,342	5,919	12,590	17,595	Cash flows from financing activities				
Normalized EPS	5.3	4.9	10.5	14.7	Increase/Decrease in loans	-15,004	10,000	10,000	-10,000
Sales growth (%qoq)	2.3%	-2.6%	5.3%	6.7%	Increase/Decrease in capitals & share premium	0	0	0	0
Normalized profit growth (%qoq)	-52%	-7%	113%	40%	Dividend paid	-7,199	-6,000	-8,400	-10,200
Gross profit margin	13.1%	14.0%	14.6%	14.8%	Net cash flows from financing activities	-36,185	-6,813	-9,728	-30,732
Normalized profit margin	1.2%	1.2%	2.4%	3.1%	Increase/Decrease in net cash	-6,885	37,299	2,934	-16,921
Quarterly Income Statement (Million B)					Balance Sheet (Million B)				
	4Q24	1Q25	2Q25	3Q25	Ended Dec 31	2024	2025F	2026F	2027F
Sales	130,512	124,392	124,684	121,793	Cash and cash equivalents	51,895	89,195	92,129	75,207
Cost of sales	115,743	106,098	105,468	106,504	Trade receivables	71,539	67,200	69,717	74,264
Gross profit	14,770	18,294	19,216	15,289	Inventories	73,302	67,204	70,768	75,481
SG&A	17,691	17,147	20,047	16,421	Other current assets	2,269	2,295	2,381	2,536
Interest expense	3,184	2,829	2,676	2,619	Net PP&E	422,613	421,022	422,232	425,108
Other expense	0	0	0	0	Total assets	861,502	886,544	899,765	900,392
Other income	4,004	2,312	10,455	2,028	Trade payables	58,094	62,031	64,354	68,552
Earnings before tax	-2,102	630	6,950	-1,723	Other current liabilities	7,339	6,079	4,895	5,086
Income tax	434	1,196	5,518	1,161	Short-term interest-bearing debt	152,183	152,183	152,183	152,183
Minority interest	836	237	873	1,034	Long-term interest-bearing debt	164,230	174,230	184,230	174,230
Extraordinary items	0	0	15,170	0	Total liabilities	441,722	454,400	465,539	459,928
Net profit	-512	1,099	17,337	-669	Paid-up share capital	1,200	1,200	1,200	1,200
Normalized profit	-512	1,099	2,167	-669	Retained earnings	371,819	386,938	391,128	398,523
Normalized EPS	-0.43	0.92	1.81	-0.56	Shareholders' equity	352,887	368,006	372,196	379,591
Sales growth (%qoq)	2%	-5%	0%	-2%	Minor shareholders' equity	66,893	64,138	62,030	60,874
Gross profit growth (%qoq)	2%	24%	5%	-20%	Total liabilities and shareholders' equity	861,502	886,544	899,765	900,392
Normalized profit growth (%qoq)	N/A	N/A	97%	N/A					
Financial Ratio					Financial Assumption				
Ended Dec 31	2024	2025F	2026F	2027F	Ended Dec 31	2024	2025F	2026F	2027F
Current Ratio (X)	0.92	1.03	1.06	1.01	Total cement sales volume (million tons)	16.6	17.4	18.2	19.2
Quick Ratio (X)	0.57	0.71	0.73	0.66	Domestic cement selling price (B/ton)	2,000	2,200	2,200	2,200
A/C Receivable Turnover (X)	7.15	7.41	7.52	7.53	Total polyolefin sales (tons)	1,531,000	1,965,000	2,212,375	2,322,994
Inventory Turnover (X)	6.06	6.37	6.33	6.31	Avg. petrochemical spread	316	314	319	326
A/C Payable Turnover (X)	7.65	6.90	6.96	6.95	Revenue from integrated packaging business	100,229	109,157	118,611	128,577
Debt to Equity	1.25	1.23	1.25	1.21	Revenue from fibrous chain business	25,327	27,860	30,646	33,710
Net Gearing	0.75	0.64	0.66	0.66					
ROAA	0.7%	0.7%	1.4%	2.0%					
ROAE	1.8%	1.6%	3.4%	4.6%					

Source: ASPS Research