

Siam Cement (SCC TB)

4Q25 Earnings Are Expected To Remain In A Net Loss

Highlights

- We expect SCC to report a net loss of Bt3.2b, widening both qoq and yoy, driven by impairment losses and deeper losses in the petrochemical business.
- We estimate a 2H25 dividend of Bt2.50/share.
- Looking ahead, core earnings in 1Q26 are expected to recover qoq, supported by the cement and packaging business, although demand in the petrochemical business remains weak.

4Q25 Earnings Preview

| Year to 31 Dec (Btm) | 4Q24 | 3Q25 | 4Q25F | %Chg. yoy | %Chg. qoq | 2024 | 2025F | %Chg. yoy |
|----------------------------|---------|---------|---------|--------------|--------------|---------|---------|--------------|
| Revenue | 130,512 | 121,793 | 140,122 | 7% | 15% | 511,172 | 510,992 | 0% |
| Gross profit | -1,101 | 15,289 | 13,634 | n.a. | -11% | 35,224 | 66,434 | 89% |
| EBITDA | 4,785 | 8,261 | 6,317 | 32% | -24% | 41,721 | 51,212 | 23% |
| Gain (Loss) from affiliate | 1,188 | 1,181 | 1,150 | -3% | -3% | 6,530 | 3,621 | -45% |
| Core Profit | -1,579 | 774 | -858 | n.a. | n.a. | 3,798 | 3,269 | -14% |
| Extraordinary item | 1,067 | -1,443 | -2,380 | n.a. | n.a. | 2,544 | 10,346 | 307% |
| Net Profit | -512 | -669 | -3,238 | n.a. | n.a. | 6,342 | 14,529 | 129% |
| - Cement (CBM) | -67 | 1,948 | -2,200 | n.a. | n.a. | 4,325 | 3,295 | -24% |
| - Chemical (SCGC) | -3,403 | -3,999 | -5,500 | n.a. | n.a. | -7,990 | 461 | n.a. |
| - Packaging (SCGP) | -57 | 953 | 970 | n.a. | 2% | 3,699 | 3,833 | 4% |
| EPS | -0.43 | -0.56 | -2.70 | n.a. | n.a. | 5.28 | 12.11 | 129% |
| Inventory gain (loss) | 1,067 | -1,348 | -580 | n.a. | n.a. | 361 | -2,929 | n.a. |
| Financial ratio (%) | | | | | | | | |
| Gross Profit Margin | -0.8% | 12.6% | 9.7% | | | 6.9% | 13.0% | |
| EBITDA Margin | 3.7% | 6.8% | 4.5% | | | 8.2% | 10.0% | |
| Net profit margin | -0.4% | -0.5% | -2.3% | | | 1.2% | 2.8% | |

Source: SCC, UOB Kay Hian

Analysis

- **4Q25 net loss expected to widen both qoq and yoy.** We expect Siam Cement (SCC) to report a net loss of Bt3.2b in 4Q25 (vs a net loss of Bt512m in 4Q24 and Bt669m in 3Q25). The wider loss is mainly attributable to extra losses from an impairment loss of Bt1.8b related to the discontinuation of the NocNoc digital platform, in which SCC holds a 50% stake, as well as stock losses. Core earnings in 4Q25 are expected to turn to a loss of Bt858m (vs core profit of Bt774m in 3Q25), due to deeper losses in the petrochemical business.

Key Financials

| Year to 31 Dec (Btm) | 2023 | 2024 | 2025F | 2026F | 2027F |
|---------------------------|---------|---------|---------|---------|---------|
| Net turnover | 499,646 | 511,172 | 510,992 | 608,685 | 640,273 |
| EBITDA | 52,754 | 41,721 | 51,212 | 52,868 | 50,955 |
| Operating profit | 8,257 | -1,475 | -130 | 1,837 | 1,921 |
| Net profit (rep./act.) | 25,915 | 6,342 | 14,529 | 7,848 | 8,390 |
| Net profit (adj.) | 14,895 | 3,798 | 3,269 | 7,848 | 8,390 |
| EPS | 21.60 | 5.28 | 12.11 | 6.54 | 6.99 |
| PE | 9.21 | 37.66 | 16.44 | 30.43 | 28.46 |
| P/B | 0.66 | 0.68 | 0.66 | 0.66 | 0.66 |
| EV/EBITDA | 18.18 | 22.60 | 18.53 | 16.55 | 17.00 |
| Dividend yield | 3.02 | 2.51 | 2.51 | 3.02 | 3.02 |
| Net margin | 2.98 | 0.74 | 0.64 | 1.29 | 1.31 |
| Net debt/(cash) to equity | 65.83 | 58.21 | 36.47 | 28.55 | 18.83 |
| Interest cover | 5.12 | 3.63 | 4.77 | 4.39 | 4.71 |
| Consensus net profit | n.a. | n.a. | 17,577 | 11,799 | 15,098 |
| UOBKH/Consensus (x) | n.a. | n.a. | 0.83 | 0.67 | 0.56 |

Source: SCC, Bloomberg, UOB Kay Hian

BUY (Maintained)

| | |
|--------------|----------|
| Share Price | Bt199.00 |
| Target Price | Bt250.00 |
| Upside | +25.63% |
| Previous | Bt290.00 |

Analyst(s)

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Stock Data

| | |
|--------------------------------|--------------------------------------------------|
| GICS Sector | Property & Construction / Construction Materials |
| Bloomberg ticker | SCC TB |
| Shares issued (m) | 1,200.0 |
| Market cap (Btm) | 273,600.0 |
| Market cap (US\$m) | 8,606.8 |
| 3-mth avg daily t'over (US\$m) | 24.1 |

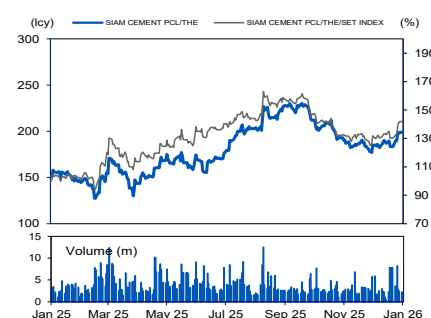
Price Performance (%)

| | |
|------------------|-------------------|
| 52-week high/low | Bt231.00/Bt124.50 |
| 1mth | 36.1 |
| 3mth | 37.8 |
| 6mth | (4.6) |
| 1yr | 35.7 |
| YTD | |

Major Shareholders

| | |
|---------------------------|-------|
| Maha Vajiralongkorn | 33.64 |
| Thai NVDR Company Limited | 7.85 |
| SOCIAL SECURITY OFFICE | 5.54 |

Price Chart



Source: Bloomberg

Company Description

SCC operates as a holding company which is engaged in the industrial supplies and construction industries. The company operates six core businesses - chemical, paper, cement, building materials, distribution and investment.

- Cement business impacted by seasonality.** Cement building material (CBM) business sales declined qoq due to the low season and extended year-end holidays, particularly affecting the cement business. Together with the impairment loss from NocNoc, we expect the CBM business to post a net loss of Bt2.2b (vs net profit of Bt1.9b in 3Q25).
- Chemical business losses widened qoq.** We expect the chemical business to post a net loss of Bt5.50b in 4Q25 (vs a net loss of Bt4.00b in 3Q25). Sales volume increased 56% qoq following a full-quarter operation of the Long-son petrochemical (LSP) plant; however, earnings were pressured by weaker petrochemical spreads, with polyethylene (PE), polypropylene (PP), and Polyvinyl Chloride (PVC) spreads declining by 7%, 13%, and 11% respectively qoq, respectively. Further, by-product spreads for benzene and toluene fell by 10% and 2% qoq, weighing on profitability. Nevertheless, SCC has no plans to shutdown LSP operations, despite the current weak olefins spread.
- Packaging sales recovered on seasonality.** We preliminarily expect SCG Packaging (SCGP) to report a net profit of Bt970m-Bt990m in 4Q25, up 2-4% qoq and turning around from a net loss in 4Q24. The improvement is supported by stronger seasonal demand for packaging paper and better integrated packaging business (IPB) margins, driven by a continued decline in raw material prices over the past two quarters.
- Dividend outlook.** We estimate a dividend of Bt2.50/share for SCC's 2H25 earnings performance.
- Olefins' outlook remains weak despite short-term restocking support.** Although market consensus expects PE and PP prices to recover in January on post-New Year restocking, oversupply pressures persist, resulting in HDPE and PP prices declining by 4% and 2% qoq, respectively, on a 1Q26 qtd basis. The only short-term support comes from lower naphtha prices, tracking weaker crude oil prices, which has helped cushion olefins spreads. On a 1Q26 qtd basis, HDPE spread stands at US\$310/tonne, flat qoq, while PP spread is US\$333/tonne, up 10% qoq. However, the overall outlook for the olefins business remains skewed to the downside, given the start-up of significant new cracker capacities in 2026 – 3.8m tonnes for PE and 6.5m tonnes for PP – far outpacing expected demand growth of only 1.5m tonnes and 3.0m tonnes, respectively.

Valuation/Recommendation

- Maintain BUY with a lower SOTP-based 2026 target price of Bt250.00** (previously Bt290.00), with the chemical business valued at 0.45x P/B (-2.0 SD), the cement business at 12x forward PE, and SCGP at 23.1x forward PE.

Earnings Revision/Risk

- 2025-26 earnings downgraded.** We have cut our 2025-26 earnings forecasts by 36% and 54%, respectively. The downward revision to 2025 reflects the net loss recorded in 4Q25. As a result, we now expect 2025 net profit of Bt14.5b (previously estimated at Bt22.7b), with core earnings of Bt3.3b (previously estimated at Bt7.5b). For 2026, we have lowered our petrochemical spread assumptions for HDPE, PP, and PVC by 11%, 20%, and 11%, respectively. As a result, we now expect 2026 core profit of Bt7.85b (previously estimated at Bt16.00b).

Environment, Social, Governance (ESG) Updates

Environmental

- Carbon reduction:** Committed to reducing greenhouse gas emissions through energy efficiency, renewable energy and carbon capture technologies.

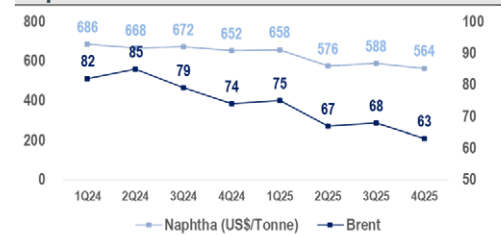
Social

- Community engagement:** Investing in education, health, and infrastructure programmes for local communities.

Governance

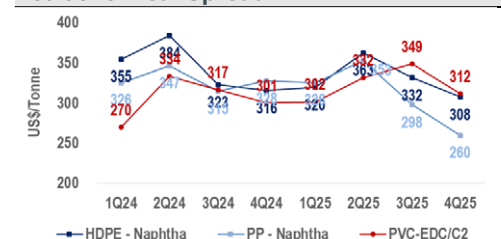
- Corporate governance:** Maintaining transparent reporting and adhering to ethical business practices.

Naphtha And Crude Oil Prices



Source: SCC, Bloomberg, UOB Kay Hian

Petrochemical Spread



Source: SCC, Bloomberg, UOB Kay Hian

Key Assumption

| | 2026F | | |
|------------------------------------------|--------|-------|------|
| | Old | New | %Chg |
| Average Domestic cement price (Bt/Tonne) | 2,400 | 2,400 | 0% |
| Petrochemical spread (IS\$/tonne) | | | |
| HDPE Spread | 380 | 340 | -11% |
| PP Spread | 410 | 330 | -20% |
| PVC Spread | 360 | 320 | -11% |
| Earnings revision (Btm) | | | |
| Core profit | 17,000 | 7,848 | -54% |
| Net Profit | 17,000 | 7,848 | -54% |

Source: SCC, UOB Kay Hian

LSPE Summary

| | | |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Ethane Gas Agreement U.S. Feedstock Contract signed Jan'25 | • 15-yr with Enterprise Products Partners L.P. • Up to 1 MTA by FOB basis • Market price basis (Mont Belvieu) | |
| Shipping Agreement 5 VLECs Contract signed in Jan/Mar'25 | • 15-yr time charter agreement • 5 VLECs with Mitsui O.S.K. Lines (MOL) • Fixed rental fee plus operating cost • Require transportation at -90 degree Celsius | |
| Ethane Storage Tanks EPC Contract signed Feb'25 | • Consortium EPC contract signed with China Tianchen Engineering Corporation (TCEC) and Petrovietnam Technical Service Corporation (PTSC) • 2 cryogenic tanks (55,000 tons each) • Require storage at -90 degree Celsius | |

Source: SCC, UOB Kay Hian

SOTP Valuation

| | Equity Value | Bt/share | Methodology |
|----------|--------------|----------|-------------|
| Chemical | 118,107 | 98 | 0.45x PBV |
| Cement | 199,375 | 166 | 12.0x PE |
| SCGP | 157,639 | 131 | 23.1x PE |
| SCGD | 11,833 | 10 | 11.0x PE |
| Others | 18,150 | 15 | 12.0x PE |
| Net Debt | -205,105 | -171 | |
| Total | 300,000 | 250 | |

Source: UOB Kay Hian

Profit & Loss

| Year to 31 Dec (Btm) | 2024 | 2025F | 2026F | 2027F |
|-------------------------------|----------|----------|----------|----------|
| Net turnover | 511,172 | 510,992 | 608,685 | 640,273 |
| EBITDA | 39,177 | 39,953 | 52,868 | 50,955 |
| Deprec. & amort. | 31,591 | 34,392 | 35,813 | 33,027 |
| EBIT | 7,587 | 5,560 | 17,054 | 17,928 |
| Associate contributions | 6,530 | 3,621 | 3,802 | 3,992 |
| Net interest income/(expense) | (11,500) | (10,742) | (12,046) | (10,807) |
| Pre-tax profit | 7,704 | 20,958 | 8,810 | 11,112 |
| Tax | (3,882) | (8,574) | (1,762) | (2,222) |
| Minorities | 2,520 | 2,144 | 800 | (500) |
| Net profit | 6,342 | 14,529 | 7,848 | 8,390 |
| Net profit (adj.) | 3,798 | 3,269 | 7,848 | 8,390 |

Cash Flow

| Year to 31 Dec (Btm) | 2024 | 2025F | 2026F | 2027F |
|----------------------------------|----------|----------|----------|----------|
| Operating | 36,179 | 59,109 | 45,478 | 50,714 |
| Pre-tax profit | 7,704 | 20,958 | 8,810 | 11,112 |
| Tax | (3,882) | (8,574) | (1,762) | (2,222) |
| Deprec. & amort. | 31,591 | 34,392 | 35,813 | 33,027 |
| Working capital changes | 4,501 | 12,332 | 2,617 | 8,797 |
| Other operating cashflows | (3,735) | 0 | 0 | 0 |
| Investing | (6,879) | 24,963 | (9,738) | (6,432) |
| Investments | (4,853) | (4,853) | (4,853) | (4,853) |
| Others | (2,026) | 29,817 | (4,885) | (1,579) |
| Financing | (36,185) | (63,625) | (33,450) | (34,828) |
| Dividend payments | (10,167) | (6,000) | (6,000) | (7,200) |
| Issue of shares | | | | |
| Proceeds from borrowings | (26,018) | (57,625) | (27,450) | (27,628) |
| Net cash inflow (outflow) | (6,885) | 20,447 | 2,290 | 9,454 |
| Beginning cash & cash equivalent | 43,602 | 36,492 | 56,939 | 59,230 |
| Changes due to forex impact | (225) | 0 | 0 | 0 |
| Ending cash & cash equivalent | 36,492 | 56,939 | 59,230 | 68,684 |

Balance Sheet

| Year to 31 Dec (Btm) | 2024 | 2025F | 2026F | 2027F |
|----------------------------|---------|---------|---------|---------|
| Fixed assets | 422,613 | 393,074 | 362,113 | 333,939 |
| Other LT assets | 83,516 | 51,099 | 60,869 | 64,027 |
| Cash/ST investment | 108,031 | 125,072 | 130,840 | 136,081 |
| Other current assets | 17,835 | 15,914 | 16,012 | 16,044 |
| Total assets | 861,502 | 822,194 | 811,441 | 784,155 |
| ST debt | 57,625 | 27,450 | 27,628 | 27,525 |
| Other current liabilities | 16,432 | 25,550 | 30,434 | 32,014 |
| LT debt | 196,252 | 168,802 | 141,174 | 113,649 |
| Other LT liabilities | 224,401 | 194,352 | 171,610 | 145,666 |
| Shareholders' equity | 373,419 | 381,948 | 383,795 | 384,985 |
| Total liabilities & equity | 861,502 | 822,195 | 811,443 | 784,158 |

Key Metrics

| Year to 31 Dec (%) | 2024 | 2025F | 2026F | 2027F |
|---------------------------|---------|---------|---------|--------|
| Profitability | | | | |
| EBITDA margin | 10.56 | 8.16 | 10.02 | 8.69 |
| Pre-tax margin | 6.44 | 1.51 | 4.10 | 1.45 |
| Net margin | 5.19 | 1.24 | 2.84 | 1.29 |
| ROA | 0.74 | 1.77 | 0.97 | 1.07 |
| ROE | 1.70 | 3.80 | 2.04 | 2.18 |
| Growth | | | | |
| Turnover | 2.31 | (0.04) | 19.12 | 5.19 |
| EBITDA | 3.11 | 1.98 | 32.33 | (3.62) |
| Pre-tax profit | (63.55) | 172.04 | (57.96) | 26.14 |
| Net profit | (75.53) | 129.10 | (45.98) | 6.91 |
| Net profit (adj.) | (74.50) | (13.91) | 140.05 | 6.91 |
| EPS | (75.53) | 129.10 | (45.98) | 6.91 |
| Leverage | | | | |
| Debt to total capital | 60.48 | 46.05 | 39.51 | 32.92 |
| Debt to equity | 67.99 | 51.38 | 43.98 | 36.67 |
| Net debt/(cash) to equity | 58.21 | 36.47 | 28.55 | 18.83 |
| Interest cover (x) | 3.63 | 4.77 | 4.39 | 4.71 |

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