

## 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)**

**Benjaphol Suthwanish**  
Benjaphol@uobkayhian.co.th  
662 0903361

#### 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

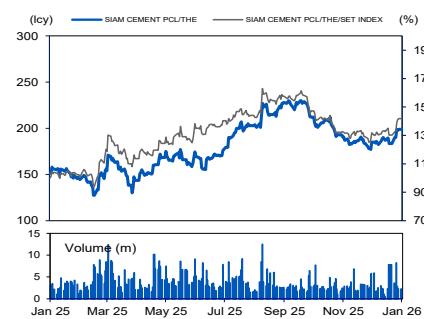
#### Price Performance (%)

52-week high/low	Bt231.00/Bt124.50			
1mth	3mth	6mth	1yr	YTD
11.2	36.1	37.8	(4.6)	35.7

#### 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

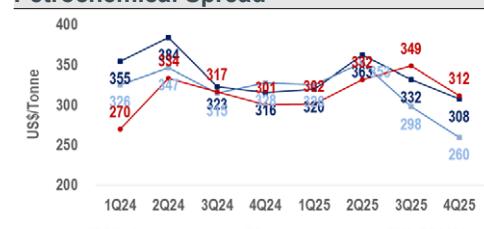
- Corporate governance: Maintaining transparent reporting and adhering to ethical business practices.

### 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 (US\$/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	15-yr with Enterprise Products Partners L.P. U.S. Feedstock Contract signed Jan'25	
Shipping Agreement	15-yr time charter agreement 5 VLCCs Contract signed in Jan/Mar'25	
Ethane Storage Tanks	Consortium EPC contract signed with China Tianchen Engineering Corporation (TCC) and PetroVietnam Technical Service Corporation (PTSC) EPC Contract signed Feb'25	

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

### 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
<b>Total assets</b>	<b>861,502</b>	<b>822,194</b>	<b>811,441</b>	<b>784,155</b>
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
<b>Total liabilities &amp; equity</b>	<b>861,502</b>	<b>822,195</b>	<b>811,443</b>	<b>784,158</b>

### 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
<b>Investing</b>	<b>(6,879)</b>	<b>24,963</b>	<b>(9,738)</b>	<b>(6,432)</b>
Investments	(4,853)	(4,853)	(4,853)	(4,853)
Others	(2,026)	29,817	(4,885)	(1,579)
<b>Financing</b>	<b>(36,185)</b>	<b>(63,625)</b>	<b>(33,450)</b>	<b>(34,828)</b>
Dividend payments	(10,167)	(6,000)	(6,000)	(7,200)
Issue of shares				
Proceeds from borrowings	(26,018)	(57,625)	(27,450)	(27,628)
<b>Net cash inflow (outflow)</b>	<b>(6,885)</b>	<b>20,447</b>	<b>2,290</b>	<b>9,454</b>
Beginning cash & cash equivalent	43,602	36,492	56,939	59,230
Changes due to forex impact	(225)	0	0	0
<b>Ending cash &amp; cash equivalent</b>	<b>36,492</b>	<b>56,939</b>	<b>59,230</b>	<b>68,684</b>

### Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
<b>Profitability</b>				
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
<b>Growth</b>				
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
<b>Leverage</b>				
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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