

The Siam Cement Pcl (SCC TB) - SELL

Yupapan Polpornprasert | Email: yupapan.pol@thanachartsec.co.th

News Update

Potential Divestment in Chandra Asri

- To divest 10.57% stake in Chandra Asri
- Reclassification may trigger 2Q25F gain
- Buyer and transaction value not yet disclosed
- Maintain SELL given still weak industry outlook.

SCC announced that its subsidiary SCGC will reclassify its 30.57% stake in Indonesia's PT Chandra Asri Pacific (CAP) from an Associated Company to Other Investments, with plans to cut its holding by 10.57% and exit management. The transaction is still under review and the buyer has not been disclosed.

- We believe SCC could book a gain from this move, as the reclassification would trigger a mark-to-market valuation. SCC's investment cost is relatively low—Bt33bn (US\$1bn) for a 30.57% stake which first acquired in 2011—compared to TOP's 2021 purchase of a 15.38% stake for US\$1.18bn.
- Using a target PB approach, we estimate a potential gain of US\$44m (Bt1.3/share) at 0.5x PB, increasing to US\$173m (Bt6.6/share) at 1.2x PB.
- SCC also hinted at further asset monetization, with more details expected in the upcoming analyst meeting.

While this transaction may result in a one-off gain, we remain cautious on the weak chemical outlook and maintain our **SELL** rating.

Key Valuations

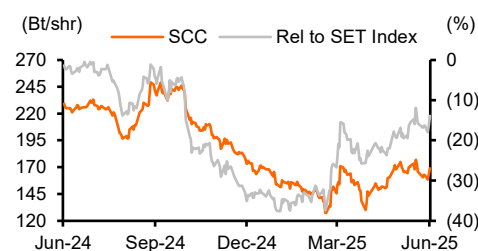
Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	511,172	557,086	565,159	608,113
Net profit	6,342	4,697	6,655	13,439
Norm net profit	8,054	4,697	6,655	13,439
Norm EPS (Bt)	6.7	3.9	5.5	11.2
Norm EPS gr (%)	(46.2)	(41.7)	41.7	101.9
Norm PE (x)	25.2	43.2	30.5	15.1
EV/EBITDA (x)	15.9	18.4	16.0	13.1
P/BV (x)	0.6	0.6	0.6	0.6
Div. yield (%)	3.0	3.0	3.6	4.1
ROE (%)	2.2	1.3	1.9	3.8
Net D/E (%)	67.0	71.7	73.7	72.6

Source: Thanachart estimates

Stock Data

Closing price (Bt)	169.00
Target price (Bt)	110.00
Market cap (US\$ m)	6,214
Avg daily turnover (US\$ m)	19.4
12M H/L price (Bt)	249.00/127.50

Price Performance



Source: Bloomberg

Ex 1: Estimated Gain Based On Target PB Approach

Target P/BV (x)	Estimated Chandra Asri fair value for 10.57% stake (US\$ m)	SCC's Chandra Asri cost for 10.57% stake (US\$ m)	Estimate gain (US\$ m)	Estimate gain (Bt/share)
0.50	162	107	44	1.3
0.60	194	107	70	2.0
0.70	226	107	96	2.8
0.80	259	107	122	3.5
0.90	291	107	147	4.3
1.00	323	107	173	5.1
1.10	356	107	199	5.8
1.20	388	107	225	6.6

Source: Thanachart estimates

General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Capital Pcl (TCAP) holds an 89.97% of Thanachart Securities (TNS). TCAP holds a 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 combinedly hold a 60% stake in THANI.

Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 24.42% of the shareholding in TMBThanachart Bank Pcl.

Note: Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED (PRG) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED No. 3/2025 (B.E. 2568) tranche 1-3 which its maturity at 2029, 2030, 2032 (B.E. 2572, 2573, 2575)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of BANPU PUBLIC COMPANY LIMITED No. 1/2025 (B.E. 2568) tranche 1-3 which its maturity at 2030, 2032, 2035 (B.E. 2573, 2575, 2578)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Disclosure of Interest of Thanachart Securities

Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: