

The Siam Cement Pcl (scc tb) - SELL

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Earnings Preview

3Q25F earnings preview – expected Loss

- **3Q25F loss Bt479m vs. profit of Bt17bn in 2Q25**
- **Chemical loss wider (LSP start-up and lower spread)**
- **CBM & Packaging better y-y**
- **LSP faces structural challenges**

Following SCC's recent update, we forecast a 3Q25 loss of Bt479m, mainly driven by the petrochemical segment, where spreads of key products — PE–Naphtha and PP–Naphtha — continue to weaken. Additional one-time costs from the LSP start-up in Vietnam and NRV losses on LSP's inventories will further pressure earnings. The packaging and cement & building materials (CBM) businesses are expected to perform better year-on-year, supported by cost-reduction initiatives and higher domestic cement prices, but not enough to offset petrochemical losses. Maintain SELL.

- **Chemical loss larger:** We expect SCC's chemical segment to report a loss of Bt3bn in 3Q25F (vs. profit of Bt12.9bn in 2Q25 and loss of Bt1.5bn in 3Q24). This reflects the absence of a one-off gain from Chandra Asri (Bt16bn), start-up costs for LSP (~Bt320m/US\$10m), and an NRV loss of Bt500m as well as lower chemical spread.
- **CBM profit better y-y:** CBM profit is projected at Bt0.8bn, down 30% q-q but up 10% y-y. The q-q decline reflects seasonally weaker cement demand, while the y-y gain is driven by a cement price hike announced in March 2025 (Bt50/t realized in 2Q25), with further price increases expected in 3Q25. Domestic cement volume is still expected to show negative y-y growth.
- **Structural challenges weigh on LSP's profitability.** Long Son Petrochemical (LSP), which restarted operations in August 2025, is currently running, though management will soon decide whether to maintain operations or temporarily halt production. While the plant is currently cash breakeven, management highlighted structural issues in Vietnam's petrochemical market, which has become a dumping ground for exporters. Polyolefin prices in Vietnam are around US\$50/ton below regional averages, reflecting the market's commodity-driven nature. SCC said that the discount could take 6 years to narrow as market may need time to learn the benefit from high value products. As a result, LSP's profitability is structurally weaker than SCC's Thai operations due to its lower share of high-value products. To mitigate weak domestic prices, sales are evenly split between domestic and export markets, and management noted that LSP may require government support, as Vietnam currently imposes only a 2% import tariff.

Key Valuations

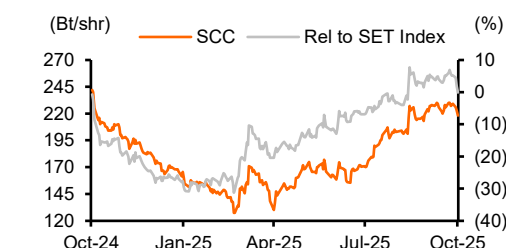
Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	511,172	577,585	583,421	627,127
Net profit	6,342	7,274	8,651	16,173
Norm net profit	8,054	7,274	8,651	16,173
Norm EPS (Bt)	6.7	6.1	7.2	13.5
Norm EPS gr (%)	(46.2)	(9.7)	18.9	87.0
Norm PE (x)	32.5	36.0	30.2	16.2
EV/EBITDA (x)	17.8	20.6	18.6	14.8
P/BV (x)	0.7	0.7	0.7	0.7
Div. yield (%)	2.3	2.8	3.2	3.2
ROE (%)	2.2	2.1	2.4	4.5
Net D/E (%)	67.0	72.1	73.8	71.9

Source: Thanachart estimates

Stock Data

Closing price (Bt)	218.00
Target price (Bt)	128.00
Market cap (US\$ m)	8,041
Avg daily turnover (US\$ m)	22.4
12M H/L price (Bt)	243.00/127.50

Price Performance



Source: Bloomberg

Ex 1: 3Q25F preview

Consolidate	3Q24	1Q25	2Q25	3Q25F	(q-q%)	(y-y%)
Net sales	128,199	124,392	124,685	150,203	20.5	17.2
Cost of Sales	(113,747)	(106,098)	(105,468)	(135,445)	28.4	19.1
Gross margin	14,452	18,294	19,217	14,759	(23.2)	2.1
Operating exp	(17,794)	(17,147)	(20,046)	(18,126)	(9.6)	1.9
Interest exp	(2,822)	(2,829)	(2,676)	(2,992)	11.8	6.0
Other income	5,172	2,313	10,454	3,813	(63.5)	(26.3)
EBT	(992)	631	6,949	(2,547)	(136.6)	156.7
Income tax	(758)	(1,197)	(5,516)	(265)	(95.2)	(65.0)
MI	1,210	238	872	857	(1.7)	(29.1)
Equities income	1,261	1,427	15,032	1,475	(90.2)	17.0
Net income	721	1,099	17,337	(479)	(102.8)	(166.4)
Non-recurring						
Inventory Gain (Loss)*	(1,302)	(88)	(913)	(500)		
Impairments** & Others	2,183	0	15,170	0		
Total non-recurring items	881	(88)	14,257	(500)		
Core profit	(160)	1,187	3,080	21	(99.3)	(113.1)
Net profit breakdown						
CBM	728	2,411	1,136	801	(29.5)	10.0
Chemical	(1,480)	(2,948)	12,908	(3,116)	(124.1)	110.5
Packaging	578	900	1,010	1,000	(1.0)	73.0
Others	1,146	1,003	2,593	1,146	(55.8)	0.0

Sources: Company data, Thanachart estimates

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