

SCG Packaging Pcl (SCGP TB) - BUY, Price Bt20.80, TP Bt22.00

Results Comment

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4Q25 – in-line

- SCGP reported a 4Q25 net profit of Bt1.2bn, up 27% q-q and reversing from a Bt57m loss in 4Q24, in line with expectations.
- Non-recurring items totaled Bt385m, comprising a Bt1bn goodwill gain from Mypak, partially offset by Bt183m in restructuring costs and a Bt482m deferred tax asset reversal.
- Excluding these items, core profit was Bt885m, down 17% q-q but up sharply y-y, reflecting lower selling prices and baht appreciation, partly offset by higher sales volumes.
- Fibrous EBITDA fell to Bt302m (-23% q-q, -40% y-y). The q-q decline was mainly driven by weaker paper selling prices, higher wood log costs, and unfavorable Fx movements.
- Packaging paper EBITDA came in at c. Bt3.5bn in 4Q25 (-9% q-q, +23% y-y), dragged by wider losses at Fajar and lower selling prices across key markets. Volumes increased by 4% q-q, but ASP declined by 3% q-q.

- Fajar's EBITDA loss widened to Bt72m from a profit of Bt4m in 3Q25, mainly due to the booking of restructuring costs. Operationally, performance improved despite a slight decline in selling prices. Sales volume surged 17% q-q, more than offsetting a 2% q-q drop in ASP, driven by market share gains in both domestic and export markets. Capacity utilization rose sharply to 82% from 70% in 3Q25 and 76% in 4Q25. Note that selling prices began to inch up in December.
- Outlook: Looking ahead, 1Q26F earnings should remain steady higher, supported by lower RCP costs and gas price restructuring benefits at Fajar, partly offset by seasonal sales softness and scheduled pulp plant maintenance. We maintain our BUY rating.

Income Statement (consolidated)					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25
Revenue	31,231	32,209	31,557	30,438	30,170
Gross profit	4,296	5,798	5,737	5,470	5,249
SG&A	3,764	4,046	3,950	3,766	4,369
Operating profit	533	1,752	1,787	1,704	880
EBITDA	2,964	4,257	4,221	4,210	3,688
Other income	244	275	251	296	1,154
Other expense	0	0	0	0	0
Interest expense	667	645	654	544	504
Profit before tax	110	1,381	1,384	1,456	1,530
Income tax	(77)	303	283	358	430
Equity & invest. income	36	15	33	33	19
Minority interests	(70)	(160)	(94)	(66)	(234)
Extraordinary items	(209)	(34)	(31)	(112)	321
Net profit	(57)	900	1,010	953	1,207
Normalized profit	152	934	1,040	1,066	885
EPS (Bt)	(0.01)	0.21	0.24	0.22	0.28
Normalized EPS (Bt)	0.04	0.22	0.24	0.25	0.21

Income Statement					
(Bt m)	q-q%	y-y%	12M as %	2025A	2026F
Revenue	(1)	(3)	99	124,374	125,077
Gross profit	(4)	22	100	22,254	22,278
SG&A	16	16	103	16,131	15,635
Operating profit	(48)	65	94	6,123	6,643
EBITDA	(12)	24	94	16,376	17,947
Other income	290	372	189	1,975	1,045
Other expense			na	0	
Interest expense	(7)	(24)	93	2,347	2,249
Profit before tax	5	1,293	114	5,751	5,439
Income tax	20	na	123	1,373	1,011
Equity & invest. income	(43)	(47)	87	101	115
Minority interests	na	na	149	(553)	(34)
Extraordinary items	na	na	39	144	0
Net profit	27	na	100	4,069	4,509
Normalized profit	(17)	481	107	3,925	4,509
EPS (Bt)	27	na	100	0.95	1.05
Normalized EPS (Bt)	(17)	481	107	0.91	1.05

Balance Sheet (consolidated)					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25
Cash & ST investment	12,282	12,208	10,674	10,660	10,905
A/C receivable	23,551	25,017	24,130	23,063	22,152
Inventory	19,027	18,562	18,504	17,848	17,356
Other current assets	443	420	417	370	354
Investment	1,193	1,206	1,290	1,311	1,330
Fixed assets	91,014	89,627	87,735	85,799	85,325
Other assets	41,069	40,833	40,064	38,858	39,109
Total assets	188,580	187,872	182,815	177,908	176,531
S-T debt	35,863	34,483	32,624	25,976	30,669
A/C payable	15,678	15,142	15,445	14,908	14,707
Other current liabilities	5,062	7,926	2,065	1,947	2,056
L-T debt	25,320	25,781	18,669	34,203	28,702
Other liabilities	11,370	11,189	21,725	10,536	10,281
Minority interest	18,608	18,136	15,749	15,635	15,713
Shareholders' equity	76,678	75,216	76,537	74,703	74,402
Working capital	26,900	28,437	27,190	26,003	24,801
Total debt	61,183	60,265	51,293	60,179	59,371
Net debt	48,901	48,057	40,619	49,519	48,466

Financial Ratios					
(%)	4Q24	1Q25	2Q25	3Q25	4Q25
Sales growth	(2.0)	(5.1)	(7.8)	(8.8)	(3.4)
Operating profit growth	(70.7)	(30.1)	(10.7)	63.2	65.2
EBITDA growth	(28.8)	(17.0)	(9.9)	18.4	24.4
Norm profit growth	(87.7)	(42.8)	(31.8)	36.7	480.9
Norm EPS growth	(87.7)	(42.8)	(31.8)	36.7	480.9
Gross margin	13.8	18.0	18.2	18.0	17.4
Operating margin	1.7	5.4	5.7	5.6	2.9
EBITDA margin	9.5	13.2	13.4	13.8	12.2
Norm net margin	0.5	2.9	3.3	3.5	2.9
D/E (x)	0.6	0.6	0.6	0.7	0.7
Net D/E (x)	0.5	0.5	0.4	0.5	0.5
Interest coverage (x)	4.4	6.6	6.5	7.7	7.3
Interest rate	4.4	4.3	4.7	3.9	3.4
Effective tax rate	(70.1)	21.9	20.5	24.6	28.1
ROA	0.3	2.0	2.2	2.4	2.0
ROE	0.8	4.9	5.5	5.6	4.7

Sources: Company data, Thanachart estimates

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