

## The Siam Cement Pcl (SCC TB) - SELL

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### Earnings Preview

#### Strong 1Q26F

- **Expect 1Q26F profit of Bt5.5bn from a loss in 4Q25**
- **Supported by both core operations and non-core gains**
- **SCC benefits from a near-term supply shortage windfall**
- **We see no structural change in the chemical supply cycle**

We expect SCC to report a strong 1Q26F profit of Bt5.5bn, improving sharply q-q vs. Bt3.7bn loss in 4Q25 and also stronger y-y, driven by Bt3bn inventory gains, high cement seasonality, packaging profit recovery, and restructuring-led cost savings. While petrochemical spreads provide near-term support, we see no structural recovery in the cycle amid upcoming supply additions. Maintain SELL.

- **Chemicals: spreads up q-q, supported by inventory gains:** Chemical loss improve q-q, driven by HDPE spread widening +US\$16/t to US\$326/t and inventory gain benefits. Volume softens slightly q-q due to ROC shutdown from 10 March after force majeure.
- **CBM support by government spending:** CBM profit improves q-q on high seasonal demand in 1Q driven by stronger infrastructure spending (~40% of cement demand), following government transition. However, domestic cement prices hike should be muted and pressured by subdued residential and commercial demand. Energy cost is well controlled, supported by low-carbon cement transition in Thailand and ongoing rollout in Vietnam.
- **Cost saving:** SCC expect cost savings of Bt4.3bn in 2026F, supported by 2025 restructuring expenses of Bt5.3bn.
- **Feedstock update:** MOC and LSP have sufficient feed stock to continue running at higher rates for the next two months. ROC (force majeure on 10 March) is expected to remain shut until a secure and reliable feedstock source is identified, as visibility on the Middle East situation remains limited.
- **Supply disruption windfall:** Around 40mt of ethylene capacity (~15% of global capacity) has been shut or disrupted due to feedstock shortages and war-related damage. SCC expects restarting severely damaged Middle East facilities could take ~3 years due to scarcity of spare parts. Consequently, HDPE-naphtha spreads have rebounded to ~US\$500/t from a low of ~US\$280/t, making operations profitable across all plants, with potential further upside if inventories continue to deplete. Management also indicates that a return to US\$280/t trough is unlikely.
- **The divestment process for CAP is ongoing;** however, it is currently constrained by restrictions preventing major shareholders from trading until the share buyback program is completed in May.

#### Key Valuations

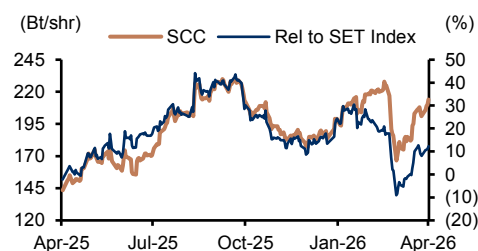
Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	496,925	583,421	627,127	672,056
Net profit	14,075	8,651	16,173	17,204
Norm net profit	4,962	8,651	16,173	17,204
Norm EPS (Bt)	4.1	7.2	13.5	14.3
Norm EPS gr (%)	(38.4)	74.3	87.0	6.4
Norm PE (x)	51.8	29.7	15.9	14.9
EV/EBITDA (x)	18.0	18.4	14.7	14.1
P/BV (x)	0.8	0.7	0.7	0.7
Div. yield (%)	2.3	3.3	3.3	4.7
ROE (%)	1.4	2.5	4.5	4.7
Net D/E (%)	66.9	73.8	71.9	71.1

Source: ttb wealth estimates

#### Stock Data

Closing price (Bt)	214.00
Target price (Bt)	128.00
Market cap (US\$ m)	7,992
Avg daily turnover (US\$ m)	24.9
12M H/L price (Bt)	230.00/143.50

#### Price Performance



Source: Bloomberg

## Ex 1: 1Q26F Preview

Consolidate (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26F	(q-q%)	(y-y%)
<b>Net income</b>	<b>1,099</b>	<b>17,337</b>	<b>(669)</b>	<b>(3,692)</b>	<b>5,545</b>	<b>na</b>	<b>405</b>
<b>Non-recurring</b>							
Inventory Gain (Loss)*	(88)	(913)	(1,348)	(1,128)	3,000		
Impairments** & Others	0	15,170	(95)	(3,259)	0		
<b>Total non-recurring items</b>	<b>(88)</b>	<b>14,257</b>	<b>(1,443)</b>	<b>(3,613)</b>	<b>3,000</b>		
<b>Core profit</b>	<b>1,187</b>	<b>3,080</b>	<b>774</b>	<b>(79)</b>	<b>2,545</b>	<b>na</b>	<b>114</b>
<b>Net profit breakdown</b>							
CBM	2,411	1,136	1,948	87	2,652	<b>2,948</b>	<b>10</b>
Chemical	(2,948)	12,908	(3,999)	(4,501)	(3,510)	(22)	19
Packaging	900	1,010	953	1,206	1,200	<b>(0)</b>	<b>33</b>
<b>Operating date (US\$/tonne)</b>							
<b>Chemical</b>							
HDPE-Naphtha	320	361	332	307	324	6	1
LDPE-naphtha	536	550	526	484	478	(1)	(11)
LLDPE-naphtha	362	384	352	301	307	2	(15)
PP-Naphtha	365	380	336	304	330	9	(10)

Sources: Company data, ttb wealth estimates

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