BUY (Unchanged)

Change in Numbers

TP: Bt 39.00 (From: Bt 29.00)

Upside : 27.9%

SCG Packaging Pcl (SCGP TB)

Every dog has its day

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Fajar's operations are turning around to a much stronger degree than we'd expected and we raise our earnings estimates for SCGP by 26-28% p.a. for 2026-28F. Together with decent operations in Vietnam and Thailand, we maintain our BUY call on SCGP with a higher TP of Bt39.

Strong turnaround; maintaining BUY

We maintain our BUY call on SCGP with a DCF-based 12-month TP of Bt39 (from Bt29), reflecting normalized earnings hikes of 26/28/27% in 2026-28F and rolling over to a 2027F base year. ***First,*** our BUY rating is based on Fajar's turnaround, but the degree of the turnaround is stronger than we'd expected, driven by pricing and cost. We project SCGP's EPS growth at 76/15/6% in 2026-28F. ***Second***, the industry outlook remains resilient in the region given stable demand amid limited new supply. SCGP's operations in Vietnam and Thailand remain strong. ***Third***, prices for fibrous products are improving, supporting margin expansion. ***Finally***, despite its continued share price run-up, the higher earnings growth outlook keeps its valuation attractive in our view at 16x PE in 2027F.

Fajar's turnaround

Fajar turned a profit in 2Q26 after having made losses since 2023. The turnaround is sustainable, in our view, driven by rising downstream integration, including the acquisition of MyPak, higher utilization, cost improvements, and easing of the oversupply situation. Due to rising integration and easing oversupply, SCGP's average selling price (ASP) has improved, and its ASP discount to regional benchmarks narrowed to only 3% in 2Q26 vs. its five-year historical average of 13%. Looking ahead, further upside could come from M&A opportunities and downstream expansion. SCGP targets downstream integration to rise to 50% within five years from 26% now. That would bring the Indonesian operation in line with the ratios of 50% and 52% in Thailand and Vietnam.

Favorable packaging price outlook in 2H26F

Management expects packaging demand to remain resilient to macro and geopolitical uncertainties in 2H26. The industry's cost pass-through mechanism continues to function effectively, limiting margin pressure from higher raw material costs. Despite rising American Old Corrugated Containers (AOCC) costs in 3Q26TD, benchmark testliner prices have increased concurrently, keeping packaging paper spreads broadly stable.

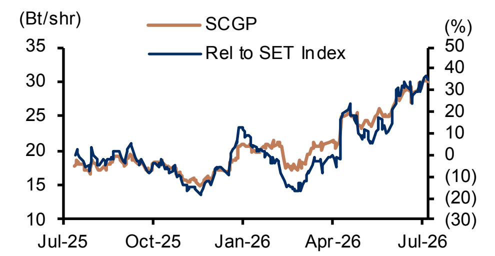
Pulp price bottoming out

SCGP's fibrous business segment (~20% of total revenue) appears well positioned to capitalize on improving market pricing. According to recent market data, dissolving pulp prices have staged a strong recovery, rising from a low of US$808/tonne in 2H25 to US$898/tonne in July 2026 — supported by increased demand as a substitute for increasingly expensive polyester amid Middle East tensions. Simultaneously, short fiber pulp prices improved to US$591/tonne in 2Q26 (up from a bottom of US$540/tonne in FY2025), reflecting supply discipline.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	124,374	130,409	134,870	138,870
Net profit	4,069	6,942	7,984	8,461
Consensus NP	—	6,787	7,300	8,048
Diff frm cons (%)	—	*2.3*	*9.4*	*5.1*
Norm profit	3,925	6,942	7,984	8,461
Prev. Norm profit	—	5,508	6,246	6,687
Chg frm prev (%)	—	*26.0*	*27.8*	*26.5*
Norm EPS (Bt)	0.91	1.62	1.86	1.97
Norm EPS grw (%)	(4.0)	76.8	15.0	6.0
Norm PE (x)	33.4	18.9	16.4	15.5
EV/EBITDA (x)	11.0	8.3	7.5	6.8
P/BV (x)	1.8	1.7	1.6	1.6
Div yield (%)	2.0	3.4	3.9	4.1
ROE (%)	5.2	9.1	10.0	10.2
Net D/E (%)	53.8	44.8	34.8	24.2

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 3-Aug-26 (Bt)	30.50
Market Cap (US$ m)	3,925.4
Listed Shares (m shares)	4,292.9
Free Float (%)	25.9
Avg. Daily Turnover (US$ m)	10.9
12M Price H/L (Bt)	30.50/15.00
Sector	PKG
Major Shareholder	Siam Cement Pcl. 72.12%

Sources: Bloomberg, Company data, ttb wealth estimates

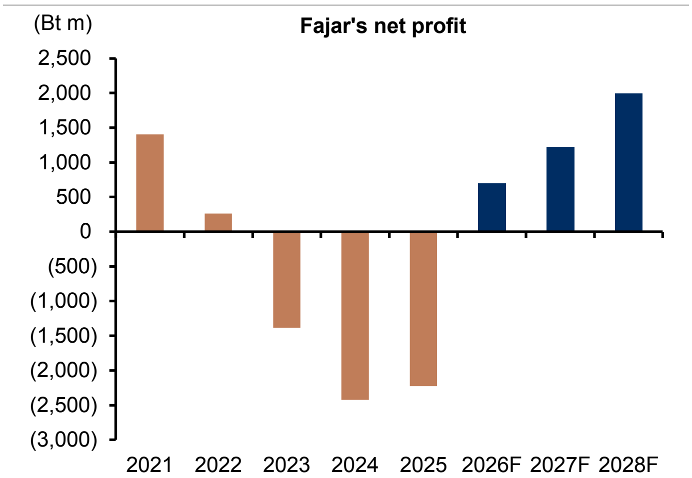
ESG Summary Report ………………………………. P7

Ex 1: Earnings Revisions

	2023	2024	2025	2026F	2027F	2028F
Reported profit (Bt m)						
- New	5,248	3,699	4,069	6,942	7,984	8,461
- Old				5,508	6,246	6,687
- Change (%)				*26.0*	*27.8*	*26.5*
Normalized profit (Bt m)						
- New	5,248	3,699	4,069	6,942	7,984	8,461
- Old				5,508	6,246	6,687
- Change (%)				*26.0*	*27.8*	*26.5*
Testliner ASP (US$/tonne)						
- New	396	391	377	410	420	425
- Old				395	410	420
- Change (%)				*4*	*2*	*1*
OCC price (US$/tonne)						
- New	170	206	167	170	170	175
- Old				160	170	175
- Change (%)				*6.3*	*-*	*-*
Spread (US$/tonne)						
- New	226	185	211	240	250	250
- Old				235	240	245
- Change (US$/t)				*5*	*10*	*5*
Fajar's profit (Bt m)						
- New	(1,385)	(2,424)	(2,227)	697	1,226	1,991
- Old				113	643	937
- Change (%)				*519*	*91*	*113*
Fibros's EBITDA (Bt m)						
- New	4,526	3,675	1,875	2,028	1,807	1,807
- Old				1,334	1,384	1,434
- Change (%)				*52*	*31*	*26*

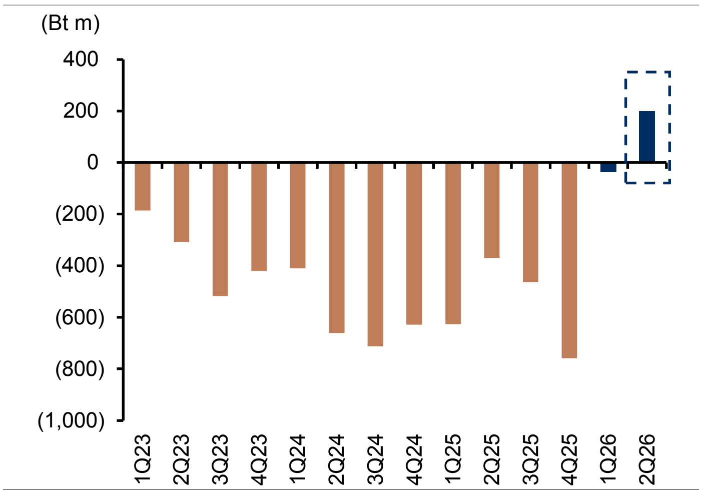
Sources: Company data, ttb wealth estimates

Ex 2: Fajar's Profit (Yearly)



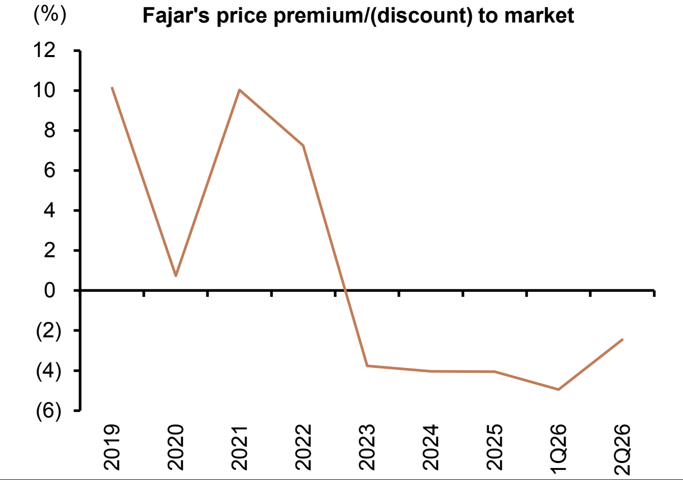
Sources: Company data, ttb wealth estimates

Ex 3: Fajar's Profit (Quarterly)



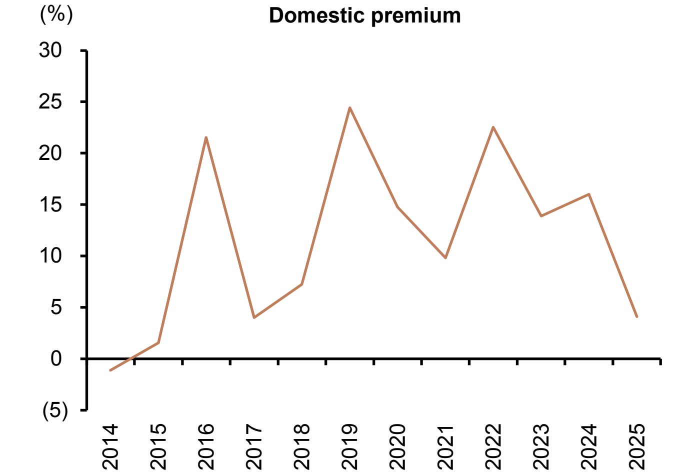
Sources: Company data, ttb wealth

Ex 4: Fajar's ASP Premium/Discount To Market



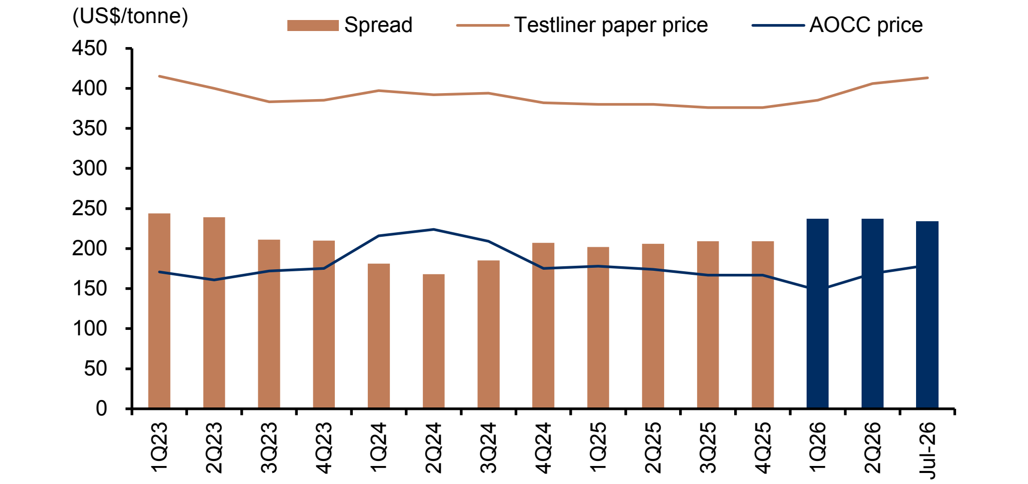
Sources: Company data, ttb wealth

Ex 5: Fajar's Domestic Premium Vs. Exports



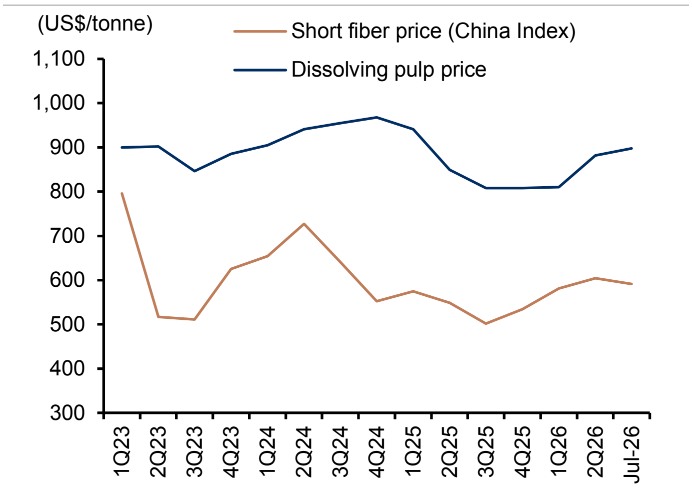
Sources: Company data, ttb wealth

Ex 6: Industry Price Vs. AOCC Price



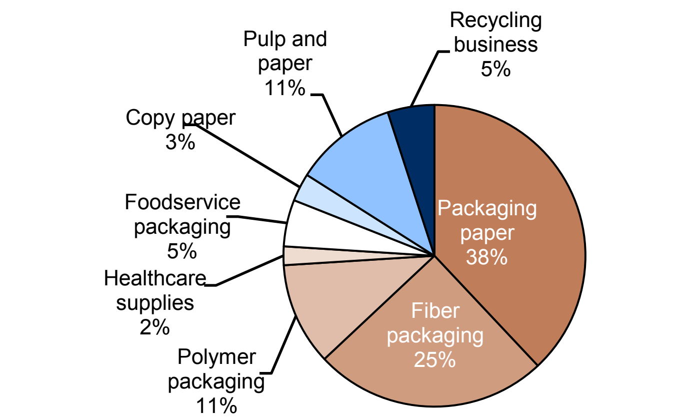
Sources: Company data

Ex 7: Fibrous Prices Are Bottoming Out



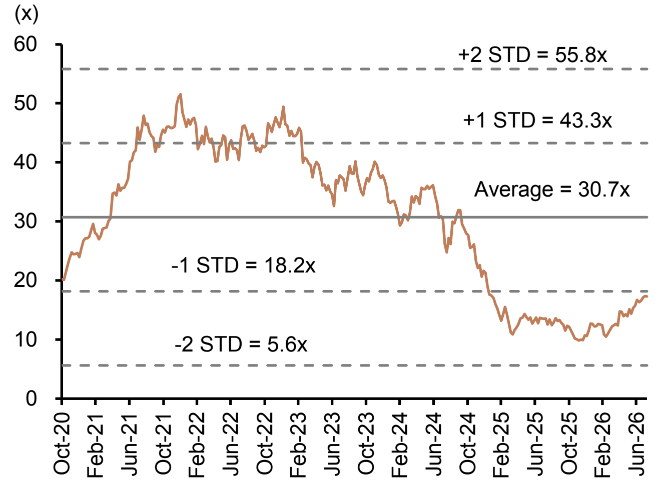
Source: Company data

Ex 8: Revenue Breakdown (2025)



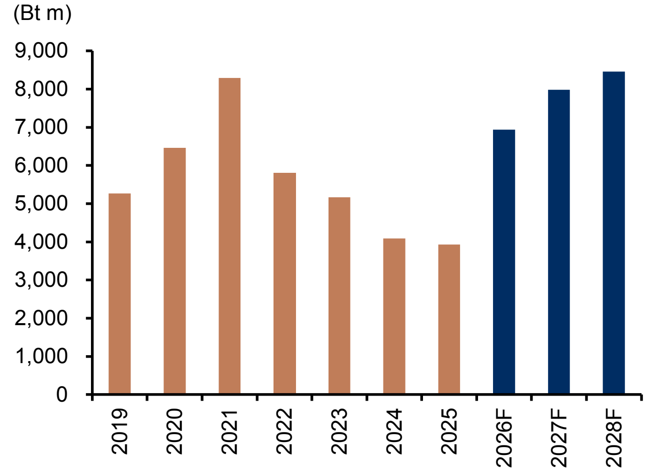
Source: Company data

Ex 9: PE Band



Sources: Bloomberg, Company data, Thanachart estimates

Ex 10: Net Profit



Sources: Company data, Thanachart estimates

Ex 11: 12-month DCF-based Valuation, Using a Base Year Of 2027F

(Bt m)		2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	Terminal Value
EBITDA		22,020	22,729	23,888	25,006	25,461	25,924	26,396	26,877	27,367	27,867	28,375	
Free cash flow		15,372	16,068	17,151	18,098	18,639	19,036	19,439	19,849	20,266	20,690	21,120	290,912
PV of free cash flow		14,054	13,424	13,097	12,633	11,891	11,098	10,359	9,668	9,023	8,417	7,854	108,178
Risk-free rate (%)	2.5												
Market risk premium (%)	8.0												
Beta	1.2												
WACC (%)	9.4												
Terminal growth (%)	2.0												
Enterprise value - add investments	229,695												
Net debt / (cash)	48,466												
Minority interest	15,713												
Equity value	165,515												
# of shares (m)	4,293												
Equity value/share (Bt)	**39.0**												

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 12: Comparison With Regional Peers

Name	BBG code	Market	EPS growth 26F (%)	EPS growth 27F (%)	PE 26F (x)	PE 27F (x)	P/BV 26F (x)	P/BV 27F (x)	EV/EBITDA 26F (x)	EV/EBITDA 27F (x)	Div yield 26F (%)	Div yield 27F (%)
Developed country focus on polymer packaging												
Amcor	AMC AU	Australia	10.1	8.0	11.3	10.4	1.8	1.7	9.8	9.2	5.8	5.9
Huhtamaki	HUH1V FH	Europe	0.3	8.4	12.7	11.7	1.7	1.6	7.8	7.2	3.8	3.9
Aptar Group	ATR US	USA	(3.8)	14.1	24.4	21.4	3.2	3.1	11.8	10.9	1.5	1.5
Sonoco	SON US	USA	2.8	6.8	9.7	9.1	1.5	1.4	7.6	7.2	3.8	3.9
Average			**2.4**	**9.3**	**14.5**	**13.1**	**2.0**	**1.9**	**9.2**	**8.6**	**3.7**	**3.8**
Developed country focus on paper packaging												
BillerudKorsnas	BILL SS	Europe	(75.5)	na	84.4	16.0	0.7	0.7	7.7	5.6	2.3	3.6
Int. Paper	IP US	USA	na	112.0	29.6	14.0	1.5	1.4	10.0	7.2	4.6	4.6
PCA	PKG US	USA	5.1	21.5	23.5	19.4	4.4	3.9	12.1	10.5	2.2	2.2
Mondi	MNDI LN	Europe	(43.3)	73.6	29.0	16.7	1.0	1.0	8.8	7.5	2.0	2.8
Average			**(37.9)**	**69.0**	**41.6**	**16.5**	**1.9**	**1.7**	**9.7**	**7.7**	**2.8**	**3.3**
Packaging paper in Asia												
Nine Dragons Paper	2689 HK	Hong Kong	145.9	20.5	9.9	8.2	0.7	0.6	8.8	8.0	0.7	2.1
Lee & Man Paper	2314 HK	Hong Kong	41.3	8.0	7.8	7.2	0.6	0.5	8.5	8.1	4.3	4.5
SCG Packaging Pcl	SCGP TB*	Thailand	76.8	15.0	18.9	16.4	1.7	1.6	8.3	7.5	3.4	3.9
Average			**88.0**	**14.5**	**12.2**	**10.6**	**1.0**	**0.9**	**8.5**	**7.9**	**2.8**	**3.5**
Total average			**17.5**	**30.9**	**22.8**	**13.4**	**1.6**	**1.5**	**9.1**	**8.1**	**3.1**	**3.5**

Source: Bloomberg

Note: * Thanachart estimates, using Thanachart normalized EPS

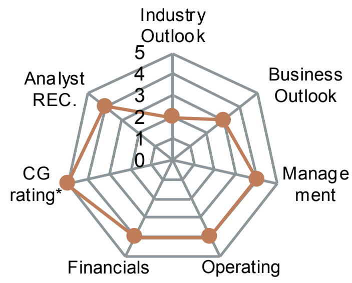
Based on 3 August 2026 closing prices

COMPANY DESCRIPTION

SCG Packaging Pcl (SCGP) is the leading packaging company in ASEAN. The company commands nearly 50% of the packaging paper market in Thailand. It also holds 25% or more of the market share in Indonesia, Vietnam, and the Philippines. Its downstream corrugated cardboard operation allows for 30% integration. The company also produces printing and writing (P&W) paper. Its focus going forward is on performance and polymer packaging (PPP). The revenue breakdown as of 1H22 was 47% packaging paper, 25% fiber-based packaging (mostly corrugated cardboard), 16% P&W paper, and the remainder, plastics packaging. By geography, revenues were evenly split between Thailand (41%) and other ASEAN countries (41%), with the rest coming from exports to the rest of the world.

Source: ttb wealth

COMPANY RATING



Rating Scale	
Excellent	**5**
Good	**4**
Fair	**3**
Weak	**2**
Very Weak	**1**
None	**0**

Source: ttb wealth; *CG Rating

TTB WEALTH'S SWOT ANALYSIS

S — Strength

- Largest paper packaging company in ASEAN with a footprint across nearly all major regional markets.
- Experienced management with a long track record of delivering growth.

W — Weakness

- Heavy reliance on packaging paper for the majority of revenue and profitability.
- The bulk of revenue and profit still comes from Thailand, where the growth outlook may be weaker than for other ASEAN countries such as Indonesia and Vietnam.

O — Opportunity

- Consumption of packaging materials (paper, plastics) in ASEAN remains well below that of developed countries. This represents significant growth opportunities for the company.
- SCGP is likely to benefit from key mega-trends, including e-commerce.

T — Threat

- Higher threat of competition amid slower demand growth.
- Threat of new entrants in fast-growing markets (such as Vietnam), especially from China-based players.

CONSENSUS COMPARISON

	Consensus	ttb wealth	Diff
Target price (Bt)	34.20	39.00	14%
Net profit 26F (Bt m)	6,787	6,942	2%
Net profit 27F (Bt m)	7,300	7,984	9%
Consensus REC	**BUY: 19**	**HOLD: 3**	**SELL: 1**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our net profit estimates for 2026-27F 2-9% are higher than the Bloomberg consensus numbers, likely as we factor in a stronger Fajar turnaround.
- Consequently, our DCF-based TP is higher than the Street's.

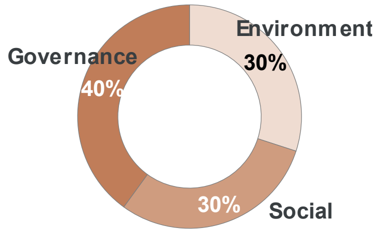
Sources: Bloomberg consensus, ttb wealth estimates

RISKS TO OUR INVESTMENT CASE

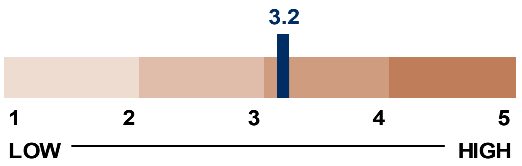
- Lower-than-expected ASP and/or higher-than-expected OCC costs would represent the key downside risks to our call.
- A weaker-than-expected economic recovery, especially in China, would present a secondary downside risk to our call.

Source: ttb wealth

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
SCGP	YES	AAA	YES	3.24	0	71.31	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)
MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)
Note: Please see third party on "terms of use" toward the back of this report.

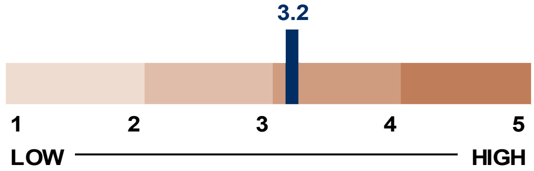
ESG Summary

- SCGP is a leading integrated packaging paper producer in ASEAN, operating across Thailand, Vietnam, Indonesia, and other regional markets, with end-to-end capabilities from upstream pulp to downstream consumer packaging.
- We assign a decent 3.2 ESG score to SCGP with a 3.7 Social score, followed by Environmental at 3.2 and Governance at 3.0. Despite its decent score, we do not yet view SCGP as a strong ESG player due to its exposure to coal. Also, despite being part of the largest building materials conglomerate, Siam Cement Group (SCG), which benefits SCGP through strong management, financial support, and a professional-level focus on ESG, SCGP's Governance score is not outstanding due to low returns on its Fajar investment.
- A recent ESG-related event was the termination of a gas contract. It was replaced by cheaper coal usage. However, coal consumption is expected to decline over time as renewable energy use and electrification expand. Currently, coal accounts for ~40% of total energy use, alternative fuels for ~38%, while oil and gas together represent ~10-15%.
- Governance remains the key weakness, mainly reflected by lower returns from Fajar Paper. However, SCGP continues to enhance its assets and strengthen its governance practices. The company has also consistently focused on sustainable product innovation; since 2010, its in-house R&D has developed technologies that reduce raw material use while creating greater value for customers and the environment.

Sector: Industrials | Packaging

SCGP has a solid environmental profile, with a decent score of 3.2 and a clear path to net-zero emissions by 2050. Emissions were already down 17.5% by 2024, supported by renewable fuels, solar expansion, AI-driven efficiency, and electrification, thus positioning SCGP as a regional ESG leader despite near-term coal use.

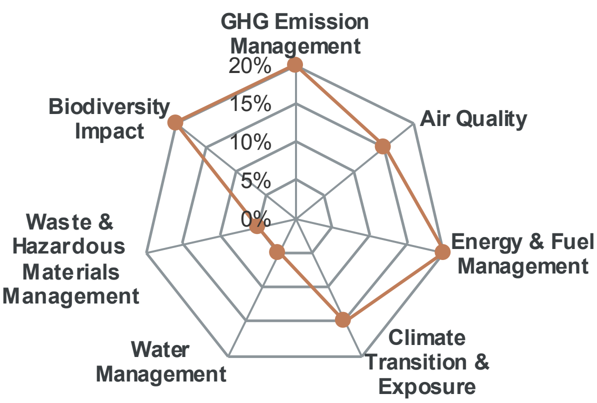
Environment (E) Rating



ENVIRONMENT	Our Comments

- **Air Quality**
- **Biodiversity Impact**
- **Climate Transition & Exposure**
- **Energy & Fuel Management**
- **GHG Emission Management**
- **Waste & Hazardous Materials Management**
- **Water Management**

SCALE WEIGHTING



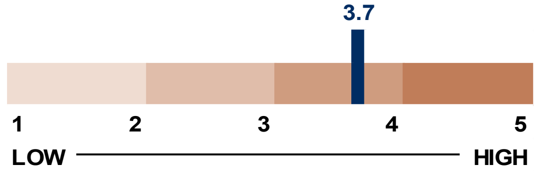
- SCGP has a decent Environmental score of 3.2, which is above the sector average, reflecting strong progress in carbon-emission reduction and a clear ESG commitment.
- Its business model is inherently environmentally supportive, as paper production primarily uses recycled paper as feedstock. SCGP operates recycling centers across Thailand and ASEAN and has strengthened its recycling footprint through the acquisition of a major European recycling business.
- SCGP continues to raise its environmental ambitions, targeting net-zero GHG emissions by 2050, with an interim goal to reduce emissions by 25% by 2030 vs. the 2020 base year. Execution is already delivering results, with GHG emissions down 17.5% in 2024 compared with the 2020 base year.
- SCGP's Climate Transition Action Plan is anchored by four decarbonization strategies, all of which the company plans to further scale up: (1) increasing renewable fuel usage, which rose from 21% in 2020 to 38% in 2024; (2) expanding solar capacity, already reaching 63MW across 27 sites in Thailand and Vietnam, reducing 51,497 tCO_2 per year and generating Bt188m in annual savings; (3) applying AI and machine learning to optimize energy and steam consumption by using over 10 years of operational data; and (4) electrifying thermal processes to replace coal and oil, thus reducing Scope 1 emissions.
- To lower costs, the company recently terminated its gas contract and increased coal usage. However, coal consumption is expected to decline over time as the use of renewable energy increases and electrification expands. Currently, coal accounts for ~40% of the total energy use, alternative fuels 38%, while oil and gas together represent ~10-15%.
- To achieve net zero by 2050 and address residual emissions, SCGP plans to use 5-10% carbon offsets through Natural Climate Solutions and CCUS.
- SCGP is also a first-mover in Thailand in product carbon footprint certification. It uses a proprietary digital Carbon Footprint of Products (CFP) platform to improve emissions tracking, expand certification coverage domestically and overseas, and support customers' demand for lower-carbon packaging solutions.

Sources: ttb wealth, Company data

Sector: Industrials | Packaging

SCGP scores well at 3.7 in Social for its strong commitment to employee welfare, ethical practices, community programs like the Zero Waste Banpong model, sustainable packaging initiatives, diversity, and high workplace and community standards.

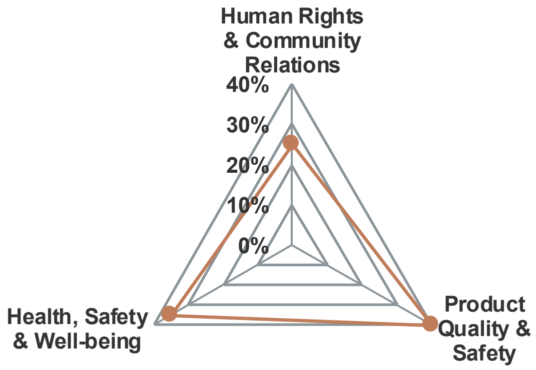
Social (S) Rating



SOCIAL

- **Health, Safety & Well-being**
- **Human Rights & Community Relations**
- **Product Quality & Safety**

SCALE WEIGHTING



Our Comments

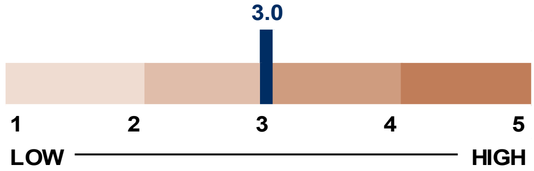
- We assign SCGP a good Social (S) score of 3.7, reflecting its strong commitment to employee welfare, community development, and ethical business practices.
- The company runs a range of social initiatives, including community development programs and customer-focused product support, while upholding high ethical standards through a formal code of conduct and strict human rights policies.
- SCGP embeds circular economy principles across its value chain by actively engaging suppliers, customers, local communities, and other stakeholders.
- A key initiative is the Zero Waste Community Banpong model, SCGP's program in Banpong, Thailand, which helps reduce waste, promote recycling, raise environmental awareness, and support local communities. For example, residents separate plastics, paper, and other recyclables, which are collected and sold, providing extra income. SCGP also uses some of the material in its packaging operations, turning community waste into sustainable products.
- SCGP engineers pack products through close co-creation with customers, targeting 100% recyclable, reusable, or compostable packaging by 2030; progress was already at 99.7% as of December 2024.
- SCGP maintains strong workplace safety standards, reporting a low rate of 0.3 lost-time injuries and 0.289 occupational illness cases per 1m hours worked, alongside zero reported human rights violations as of December 2024.
- The company promotes diversity and inclusion, with women holding 23.3% of management positions and targeting 24% by 2025. The company also demonstrates strong community engagement with a Community Satisfaction Index of 97%, well above its 90% target.

Sources: ttb wealth, Company data

Sector: Industrials | Packaging

SCGP's Governance score is decent but lower than its Environmental and Social angles, mainly due to low returns from its investment in Fajar. However, the company is working to improve it. The company has a good board structure and transparency.

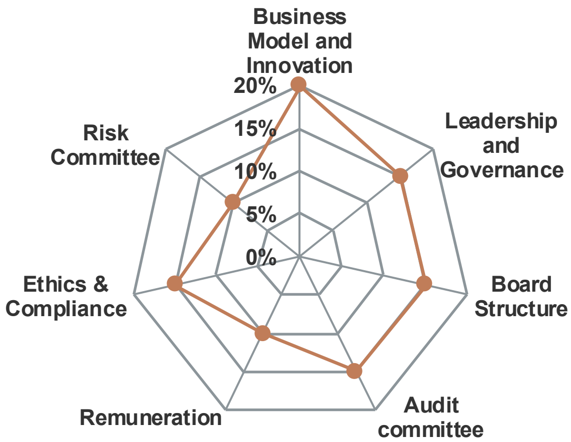
Governance (G) Rating



GOVERNANCE & SUSTAINABILITY

- **Audit committee**
- **Board Structure**
- **Business Model and Innovation**
- **Ethics & Compliance**
- **Leadership and Governance**
- **Remuneration**
- **Risk Committee**

SCALE WEIGHTING



Our Comments

- We assign SCGP a decent Governance (G) score of 3.0, mainly reflecting its investment in Fajar Paper, which has delivered relatively low returns. This is offset by SCGP's strong board structure and ongoing commitment to sustainable product development.
- On a positive note, SCGP's board structure is sound, with an independent director serving as chairman and ~2/3 of the board comprising independent directors.
- The company also demonstrates strong transparency and disclosure practices. Analyst meetings are well-organized, with active participation from the CEO and key business leaders.
- From a sustainability perspective, SCGP shows long-term commitment, with its in-house R&D team having developed resource-efficient technologies since 2010. SCG Green Choice-labeled products now account for 59% of revenue, moving toward a 66.7% target by 2030.
- SCGP leverages AI to enhance competitiveness and operational efficiency, including predictive maintenance, energy optimization, quality monitoring, inventory and production planning, and employee and customer support through chatbots. These initiatives delivered ~Bt175m in value in 9M25, improving cost efficiency, quality, and data-driven decision-making.

Sources: ttb wealth, Company data

Fajar's turnaround looks set to drive a profit recovery in 2026-27F

Stronger balance sheet with higher profit

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	132,784	124,374	130,409	134,870	138,870
Cost of sales	110,381	102,120	103,727	106,659	109,657
Gross profit	**22,403**	**22,254**	**26,681**	**28,211**	**29,213**
% gross margin	16.9%	17.9%	20.5%	20.9%	21.0%
Selling & administration expenses	16,318	16,131	16,301	16,859	17,359
Operating profit	**6,085**	**6,123**	**10,380**	**11,353**	**11,854**
% operating margin	4.6%	4.9%	8.0%	8.4%	8.5%
Depreciation & amortization	9,259	10,253	10,460	10,668	10,875
EBITDA	**15,343**	**16,376**	**20,841**	**22,020**	**22,729**
% EBITDA margin	11.6%	13.2%	16.0%	16.3%	16.4%
Non-operating income	1,174	1,975	800	800	800
Non-operating expenses	0	0	0	0	0
Interest expense	(2,429)	(2,347)	(2,711)	(2,392)	(2,303)
Pre-tax profit	**4,829**	**5,751**	**8,469**	**9,760**	**10,351**
Income tax	825	1,373	1,575	1,815	1,924
After-tax profit	**4,004**	**4,378**	**6,895**	**7,946**	**8,426**
% net margin	3.0%	3.5%	5.3%	5.9%	6.1%
Shares in affiliates' Earnings	113	101	101	101	101
Minority interests	(28)	(553)	(54)	(62)	(65)
Extraordinary items	(390)	144	0	0	0
NET PROFIT	**3,699**	**4,069**	**6,942**	**7,984**	**8,461**
Normalized profit	**4,089**	**3,925**	**6,942**	**7,984**	**8,461**
EPS (Bt)	0.86	0.95	1.62	1.86	1.97
Normalized EPS (Bt)	0.95	0.91	1.62	1.86	1.97

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	55,304	50,766	60,668	66,973	68,407
Cash & cash equivalent	12,282	10,905	19,441	24,441	24,641
Account receivables	23,551	22,152	23,226	24,021	24,733
Inventories	19,027	17,356	17,629	18,127	18,637
Others	443	354	371	384	395
Investments & loans	1,193	1,330	1,330	1,330	1,330
Net fixed assets	91,014	85,325	79,430	73,327	67,016
Other assets	41,069	39,109	39,109	39,109	39,109
Total assets	**188,580**	**176,531**	**180,537**	**180,739**	**175,863**
LIABILITIES:					
Current liabilities:	56,603	47,432	49,388	47,547	43,598
Account payables	15,678	14,707	14,939	15,361	15,793
Bank overdraft & ST loans	24,493	24,387	25,226	23,911	20,096
Current LT debt	11,370	6,281	6,497	6,159	5,176
Others current liabilities	5,062	2,056	2,727	2,116	2,533
Total LT debt	**25,320**	**28,702**	**29,689**	**28,142**	**23,652**
Others LT liabilities	11,370	10,281	7,834	8,102	8,342
Total liabilities	**93,293**	**86,415**	**86,911**	**83,791**	**75,592**
Minority interest	18,608	15,713	15,767	15,829	15,894
Preferreds shares	0	0	0	0	0
Paid-up capital	4,293	4,293	4,293	4,293	4,293
Share premium	40,860	40,860	40,860	40,860	40,860
Warrants	0	0	0	0	0
Surplus	(28,075)	(32,044)	(32,044)	(32,044)	(32,044)
Retained earnings	**59,600**	**61,293**	**64,750**	**68,011**	**71,268**
Shareholders' equity	76,678	74,402	77,859	81,120	84,377
Liabilities & equity	**188,580**	**176,531**	**180,537**	**180,739**	**175,863**

Sources: Company data, ttb wealth estimates

We expect positive FCF over 2026-28F

We see SCGP's valuation as attractive relative to its profit growth

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	4,829	5,751	8,469	9,760	10,351
Tax paid	(962)	(1,518)	(1,491)	(1,808)	(1,887)
Depreciation & amortization	9,259	10,253	10,460	10,668	10,875
Chg In w orking capital	192	2,100	(1,117)	(871)	(790)
Chg In other CA & CL / minorities	(22,313)	(3,772)	671	(529)	468
Cash flow from operations	**(8,994)**	**12,814**	**16,992**	**17,220**	**19,017**
Capex	(5,993)	(4,565)	(4,565)	(4,565)	(4,565)
Right of use	0	0	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	(131)	(137)	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(1,054)	(1,118)	(2,447)	268	240
Cash flow from investments	**(7,178)**	**(5,819)**	**(7,012)**	**(4,297)**	**(4,325)**
Debt financing	15,617	(2,026)	2,041	(3,200)	(9,288)
Capital increase	0	0	0	0	0
Dividends paid	(3,329)	(3,228)	(3,485)	(4,724)	(5,205)
Warrants & other surplus	(1,014)	(3,118)	0	0	0
Cash flow from financing	**11,274**	**(8,372)**	**(1,444)**	**(7,923)**	**(14,493)**
Free cash flow	**(16,172)**	**6,994**	**9,980**	**12,923**	**14,693**

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	32.0	33.4	18.9	16.4	15.5
Normalized PE - at target price (x)	40.9	42.7	24.1	21.0	19.8
PE (x)	35.4	32.2	18.9	16.4	15.5
PE - at target price (x)	45.3	41.1	24.1	21.0	19.8
EV/EBITDA (x)	11.7	11.0	8.3	7.5	6.8
EV/EBITDA - at target price (x)	14.1	13.2	10.0	9.1	8.4
P/BV (x)	1.7	1.8	1.7	1.6	1.6
P/BV - at target price (x)	2.2	2.3	2.2	2.1	2.0
P/CFO (x)	(14.6)	10.2	7.7	7.6	6.9
Price/sales (x)	1.0	1.1	1.0	1.0	0.9
Dividend yield (%)	1.8	2.0	3.4	3.9	4.1
FCF Yield (%)	(12.4)	5.3	7.6	9.9	11.2
(Bt)					
Normalized EPS	0.95	0.91	1.62	1.86	1.97
EPS	0.86	0.95	1.62	1.86	1.97
DPS	0.55	0.60	1.02	1.18	1.25
BV/share	17.86	17.33	18.14	18.90	19.65
CFO/share	(2.10)	2.98	3.96	4.01	4.43
FCF/share	(3.77)	1.63	2.32	3.01	3.42

Sources: Company data, ttb wealth estimates

Despite soft ASPs, several initiatives have helped margins turn around

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	2.6	(6.3)	4.9	3.4	3.0
Net profit (%)	(29.5)	10.0	70.6	15.0	6.0
EPS (%)	(29.5)	10.0	70.6	15.0	6.0
Normalized profit (%)	(20.9)	(4.0)	76.8	15.0	6.0
Normalized EPS (%)	(20.9)	(4.0)	76.8	15.0	6.0
Dividend payout ratio (%)	63.8	63.3	63.3	63.3	63.3
Operating performance					
Gross margin (%)	16.9	17.9	20.5	20.9	21.0
Operating margin (%)	4.6	4.9	8.0	8.4	8.5
EBITDA margin (%)	11.6	13.2	16.0	16.3	16.4
Net margin (%)	3.0	3.5	5.3	5.9	6.1
D/E (incl. minor) (x)	0.6	0.7	0.7	0.6	0.5
Net D/E (incl. minor) (x)	0.5	0.5	0.4	0.3	0.2
Interest coverage - EBIT (x)	2.5	2.6	3.8	4.7	5.1
Interest coverage - EBITDA (x)	6.3	7.0	7.7	9.2	9.9
ROA - using norm profit (%)	2.1	2.2	3.9	4.4	4.7
ROE - using norm profit (%)	5.3	5.2	9.1	10.0	10.2
DuPont					
ROE - using after tax profit (%)	5.2	5.8	9.1	10.0	10.2
- asset turnover (x)	0.7	0.7	0.7	0.7	0.8
- operating margin (%)	5.5	6.5	8.6	9.0	9.1
- leverage (x)	2.5	2.4	2.3	2.3	2.2
- interest burden (%)	66.5	71.0	75.8	80.3	81.8
- tax burden (%)	82.9	76.1	81.4	81.4	81.4
WACC (%)	9.4	9.4	9.4	9.4	9.4
ROIC (%)	4.8	3.7	6.9	7.7	8.4
NOPAT (Bt m)	5,045	4,661	8,450	9,242	9,650
invested capital (Bt m)	125,579	122,868	119,830	114,891	108,660

Sources: Company data, ttb wealth estimates

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80-89	▲▲▲▲	Very Good
70-79	▲▲▲	Good
60-69		Satisfactory
50-59	▲▲	Pass
Below	▲	N/A

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