

Energy Sector – Neutral

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News Update

Progress update on SCC-PTTGC JV

- **JV scope broadly finalized**
- **PTTGC to hold majority stake**
- **More update in Oct**
- **Neutral on JV progress**

PTTGC and SCC provided an update on the progress of their proposed JV. However, we remain neutral on the update, as no significant new details were disclosed. Key terms, including the final shareholding structure, quantified synergies, transaction steps and potential balance-sheet consolidation, remain under discussion, with further clarity expected in October. We maintain our SELL calls on both PTTGC and SCC, given the challenging petrochemical industry outlook.

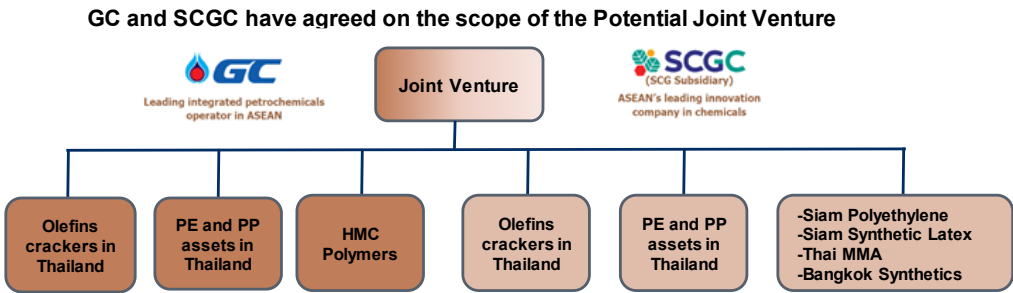
- **JV scope and due diligence:** PTTGC and SCGC have entered the confirmatory due diligence phase and are negotiating key transaction terms. The proposed JV will include PTTGC's olefins and polyolefins assets in Thailand, including crackers, PE facilities and its investment in HMC Polymers, as well as SCGC's olefins and polyolefins assets, including crackers, PE/PP facilities and investments in Siam Polyethylene, Siam Synthetic Latex, Thai MMA and Bangkok Synthetics.
- **PTTGC to hold majority stake:** PTTGC is expected to become the major shareholder of the JV, while SCGC will remain a key shareholder. However, the final shareholding structure has not yet been determined and remains subject to ongoing negotiations.
- **Synergies:** The main synergy potential is expected to come from operational optimization, supported by greater scale, an integrated value chain and product portfolio optimization. Management has not yet quantified the synergies, with further details expected once the key transaction parameters are finalized.
- **Consolidation:** There is still no decision on whether SCC and PTTGC will consolidate the JV into its balance sheet. This will depend on the final shareholding and control structure, which remains under discussion.
- **Regulatory risk:** The transaction remains subject to regulatory approval, including review by the Trade Competition Commission of Thailand (TCCT). The companies plan to submit the relevant filing after finalizing the transaction parameters.
- **Timeline:** The companies expect to finalize the shareholding structure, transaction steps and quantified synergies by end October 2026. After shareholder and internal approvals, additional time will be required for regulatory approval, with the exact timeline expected to be announced by the end of October.

Ex 1 : Stock Rating And TP

	Rating	Price Current (Bt)	Price Target (Bt)
PTTGC TB	SELL	48.50	31.00
SCC TB	SELL	254.00	192.00

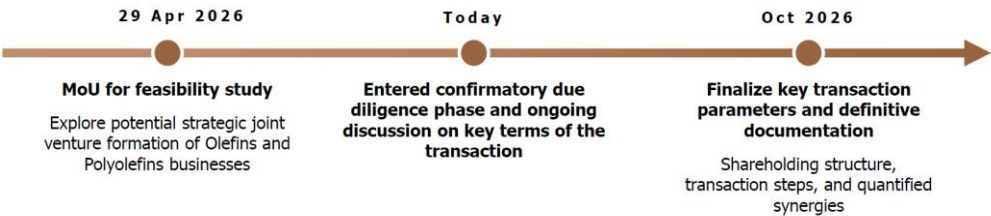
Sources: Company data, ttb wealth estimates

Ex 2: Scope Of PTTGC-SCC JV



Source: Company data

Ex 3: Key Milestones



Source: Company data

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