

# Company Update

Friday, May 02, 2025



I V Global Securities Public Company Limited

## Siam Cement Plc (SCC)

Rating: HOLD

Fair price: Bt197.8

Close price: Bt160.0

### 1Q25 beats estimates

#### Company Information

Ticker:	SCC TB
Sector:	Construction
Shares outstanding (m):	1,200.00
Market capitalization (Btm):	192,000.00
Trading vol/day (Btm):	585.40
Free float (%):	60.81
Beta:	1.01

#### Major Shareholders

HM King Maha Vajiralongkorn	33.64%
Thai NVDR	7.95%

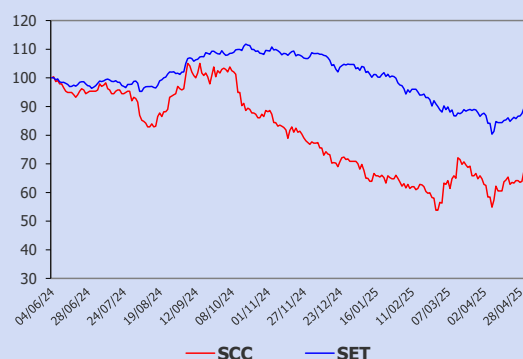
#### Consensus Bloomberg

2025 EPS (Bt):	6.72
Target price (Bt):	157.0

#### Price Performance

52 Wk high/low:	255.00 / 124.50
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	1M	3M	1Y	YTD
Absolute (%)	2.6	3.9	-35.7	-4.8
Relative (%)	-0.8	12.8	-23.3	9.7



- SCC reported a net profit of Bt1.1bn for 1Q25, down 55% YoY and rebounding from a loss of Bt512m in 4Q24. Excluding a loss from LSP, earnings came in at Bt4.0bn. The performance was better than our estimate of Bt496m and the Bloomberg consensus projection of Bt696m. In summary, 1Q25 sales were flat YoY and declined 4.7% QoQ to Bt124.4bn. EBITDA, including dividends, grew by 2.1% YoY and fell 15.1% QoQ to Bt12.9bn. EBITDA excluding dividends improved 21% QoQ to Bt11.75bn. 1Q25 results accounted for 17% of our full-year estimate. Direct exports to the US accounted for 1% of total sales, while sales to the Asean region accounted for 26%. Domestic sales accounted for 56% of the total.
- The operational improvement was thanks to better performance from all business units, corporate restructuring, extra cost savings of Bt600m, better profit margins on cement and materials, and improved packaging business operations. Sales in 1Q25 were flat YoY but fell 5% QoQ due mainly to lower petrochemical volume on lower LSP volume, while cement and construction business sales rose seasonally. The average 1Q25 cement price was Bt2,000-2,050/ton, up Bt50 QoQ.
- For the chemical business, the company booked a net loss of Bt2.95bn during 1Q25 (or a loss of Bt29m from non-LSP operations, a loss of Bt2.9bn from LSP, and an inventory loss of Bt88m). The HDPE-naphtha price gap rose by 1% QoQ to US\$320/ton, while the PP-naphtha price gap fell by 1% QoQ to US\$326/ton. The vinyl chain saw a stable spread. EBITDA from the chemical division improved 100% YoY (from dividends) and 80% QoQ (from higher PVC sales) to Bt2.58bn. Management mentioned that the margin has already hit rock bottom. The 2Q25F outlook may see widening profit margins from lower feedstock costs (following declining energy prices), but weak demand remains challenging.
- Revenue from the cement and green solutions business fell 2% YoY but rose 5% QoQ, while EBITDA grew 3% YoY and 54% QoQ on higher volume and restructuring effects. Domestic grey cement demand grew 7% YoY. Meanwhile, sales of smart living and distribution units registered a 10% YoY decline but a 5% improvement QoQ, with EBITDA rising 12% YoY.
- Net debt/EBITDA ratio stood at 5.4x at end-1Q25 and net D/E ratio was stable at 0.7x. SCC spent Bt6.1bn on capex and investments (40% for CBM, 25% for chemicals, 19% for packaging paper, and 16% for others). The full-year budget is Bt30bn.
- **Maintain HOLD.** We prefer to maintain our earnings estimates and HOLD rating on the stock with a price target of Bt197.8, based on 0.7x end-2025F book. The uncertainties from the trade war between the US and China, in particular, have led to a global trade slowdown and rising market competition from a potential influx of Chinese exports to Asean. The loss from LSP's operational suspension will also continue to depress overall operating profits.

#### Investment summary

FY Dec 31	2022	2023	2024	2025F	2026F	2027F
Sales (Btm)	569,609	499,646	511,172	521,077	538,178	559,722
Change (%)	7.5	-12.3	2.3	1.9	3.3	4.0
Net profit (Btm)	21,382	25,915	6,342	6,416	8,304	11,392
Change (%)	-54.7	21.2	-75.5	1.2	29.4	37.2
Core profit	23,270	13,307	6,342	6,416	8,304	11,392
Change (%)	-50.2	-42.8	-52.3	1.2	29.4	37.2
EPS (Bt)	17.82	21.60	5.28	5.35	6.92	9.49
Change (%)	-54.7	21.2	-75.5	1.2	29.4	37.2
P/E (x)	9.0	7.4	30.3	29.9	23.1	16.9
EV/EBITDA (x)	7.5	8.6	9.1	9.2	7.9	7.4
DPS (Bt)	8.00	6.00	5.00	5.00	5.00	5.22
Yield (%)	5.0	3.8	3.1	3.1	3.1	3.3
BVPS (Bt)	311.88	303.30	294.07	282.59	284.51	289.01
P/BV (x)	0.5	0.5	0.5	0.6	0.6	0.6
ROE (%)	5.8	7.0	1.8	1.9	2.4	3.3
ROA (%)	2.4	2.9	0.7	0.8	1.0	1.4
Net D/E ratio (%)	60.6	62.0	70.6	75.4	71.5	68.6

Source: Company and IVG estimates

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## Results

(Btm)	1Q25	1Q24	% YoY	4Q24	% QoQ	2024	2023	% YoY
Sales	124,392	124,266	0.1	130,513	(4.7)	511,172	499,646	2.3
Gross profit	18,294	18,615	(1.7)	14,770	23.9	66,817	73,447	(9.0)
EBITDA inc dividends	12,889	12,623	2.1	15,178	(15.1)	49,406	54,143	(8.7)
Associate income	1,427	1,787	(20.1)	1,188	20.2	6,530	8,419	(22.4)
Net profit	1,099	2,425	(54.7)	(512)	(314.6)	6,342	25,915	(75.5)
EPS (Bt)	0.92	2.02	(54.7)	(0.43)	(314.6)	5.28	21.60	(75.5)

Source: Company and IVG estimates

## Financial ratios

%	1Q24	2Q24	3Q24	4Q24	1Q25
Sales growth YoY	(3.5)	2.9	2.0	8.2	0.1
Sales growth QoQ	3.0	3.2	0.0	1.8	(4.7)
Gross margin	15.0	14.8	11.3	11.3	14.7
EBITDA margin	10.1	9.8	7.4	7.4	9.4
Net margin	2.0	2.9	0.6	(0.4)	0.9
Net D/E ratio	0.6	0.6	0.8	0.71	0.70
Net profit growth YoY	(85.3)	(54.1)	(70.5)	(54.9)	(54.7)
Net profit growth QoQ	313.7	52.9	(80.5)	(171.0)	(314.6)

Source: Company and IVG estimates

## Quarterly performance

(Btm)	1Q24	2Q24	3Q24	4Q24	1Q25
Sales	124,266	128,195	128,199	130,513	124,392
Gross profit	18,615	18,980	14,452	14,770	18,294
EBITDA inc. dividend	12,623	16,266	9,879	10,639	12,889
Associate income	1,787	2,295	1,261	1,188	1,427
Net profit	2,425	3,708	721	(512)	1,099
EPS (Bt)	2.02	3.09	0.60	(0.43)	0.92

Source: Company and IVG estimates

## Financial ratios

%	2021	2022	2023	2024
Sales growth YoY	32.5	7.5	(12.3)	2.3
Sales growth QoQ	0.0	0.0	0.0	0.0
Gross margin	20.6	13.7	14.7	13.1
EBITDA margin	15.4	8.5	9.2	8.7
Net margin	8.9	3.8	5.2	1.2
Net D/E ratio	52.3	60.6	62.0	70.6
Net profit growth YoY	38.2	(54.7)	21.2	(75.5)

Source: Company and IVG estimates

## SCC

### E: Environmental

Climate change has brought about environmental crises and impacted business and industry. SCC remains firmly committed to its 2050 Net Zero emission goal by prioritizing clean energy sourcing to substitute fossil fuels, develop energy efficiency technology, and reduce GHG emissions while implementing a climate resilience strategy by joining the Science Based Target Initiative (SBTi) to ensure it meets the target on the principle of public-private sector collaboration for monitoring and evaluation of possible risks.

### S: Social

SCC continues with its social development projects, focusing on the economy, education, and health, with the goal of nurturing a more inclusive society. The aim is to create communities where people thrive in safety, experience secure livelihoods, achieve self-sufficiency, and become role models for replication in other regions. Embedded in these projects are efforts to cultivate a shared awareness of coexistence with the environment and a transition to a decarbonized society.

### G: Governance

SCC has committed to its long-standing business philosophy and believes that organizational management with responsibility, fairness, and transparency according to the principles of corporate governance constitutes the foundation of the creation of long-term returns and value, promotes competitiveness and growth, and fosters confidence among all stakeholders, with the Board of Directors serving as governance champions

## Comment

SCC has been awarded a SET ESG rating of AAA, indicating a strong commitment to environmental, social, and governance (ESG) practices and clear long-term objectives in this regard. Furthermore, the company demonstrates the ability to execute short-term goals effectively.

*Source: Company and IVG estimates*

## I V Global Investment Research – Recommendation Definitions

### Sector Recommendations

**OVERWEIGHT:** The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index by at least 10% over the next 12 months.

**NEUTRAL:** The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

**UNDERWEIGHT:** The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index by 10% over the next 12 months.

### Stock Recommendations

**BUY:** Expecting positive total returns of 15% or more over the next 12 months.

**HOLD:** Expecting total returns of not more than -10% to +10% over the next 3 months.

**SELL:** Expecting negative total returns of 15% or more over the next 12 months

## Anti-corruption Progress Indicator Definitions

<b>Level 5 Extended</b>	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
<b>Level 4 Certified</b>	Audit engagement by audit committee or auditors approved by the office of SEC, and receiving certification or assurance by independent external assurance providers (CAC etc.)
<b>Level 3 Established</b>	Carrying out preventive measures, risk assessment, communication and training for all employees, including consistent monitoring and review processes. (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)
<b>Level 2 Declared</b>	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
<b>Level 1 Committed</b>	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
<b>Partially progress</b>	Insufficient or not clearly defined policy
<b>No progress</b>	Data not available / no policy

## Corporate Governance Report (CGR)

	Excellent
	Very good
	Good

## Disclaimers

The disclosure of the survey result of corporate governance, which is surveyed by the Thai Institute of Directors Association ("IOD"), and the Anti-Corruption Progress Indicators, which is assessed by Thaipat Institute, are the disclosure of the survey or assessment result based on the information received from the listed company that was stipulated in the form for Annual Corporate Governance Report of Thai Listed Companies (CGR) and the form for the assessment of Anti-corruption that refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) or other relevant documents or reports of such listed company (as the case may be). The survey or assessment result is based on the information of the listed company, which is disclosed to the public and can be accessed by all investors and is made in order to comply with the policy of the Office of the Stock Exchange of Thailand.

Nevertheless, the survey or assessment result is made from the perspective of the IOD or Thaipat Institute that are the third party only. It is not an assessment of operation of the listed company and is not based on any inside information."

Since this survey or assessment result is only the survey or assessment result as of the date appearing in the survey or assessment result only, it may be changed after that date or when there is any change to the relevant information. Nevertheless, I V Global Securities Plc. (IVG) does not confirm, verify, or certify the accuracy and completeness of the survey or assessment result.



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