

# Company Update

Friday, July 11, 2025



I V Global Securities Public Company Limited

## Siam Cement Plc (SCC)

Rating: HOLD

Fair price: Bt197.8

Close price: Bt170.5

### 2Q25F to fall again YoY but improve QoQ

#### Company Information

Ticker:	SCC TB
Sector:	Construction
Shares outstanding (m):	1,200.00
Market capitalization (Btm):	204,600.00
Trading vol/day (Btm):	639.10
Free float (%):	66.34
Beta:	1.12

#### Major Shareholders

HM King Maha Vajiralongkorn	33.64%
Thai NVDR	7.26%

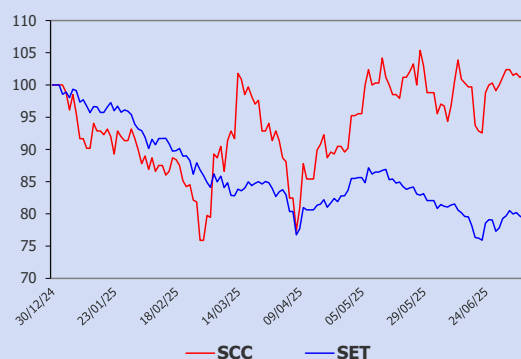
#### Consensus Bloomberg

2025 EPS (Bt):	6.52
Target price (Bt):	177.76

#### Price Performance

52 Wk high/low:	255.00 / 124.50
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	1M	3M	1Y	YTD
Absolute (%)	7.6	25.4	-25.9	1.5
Relative (%)	9.8	23.3	-10.0	22.2



- We estimate SCC to continue seeing a QoQ profit improvement but a decline YoY. The better QoQ operating performance in the second quarter derives from higher profits from the packaging paper business and improving chemical profits at Thai operations. However, the high fixed expenses of LSP Vietnam (which is still not operating yet) will continue to depress overall profitability. The cement business will see a full quarter's benefit from the 20% rise in effective selling price from March this year. We estimate 2Q25F net profit of Bt2.4bn (+122% QoQ, -34% YoY). We don't expect any impairment loss in 2Q25F. SCC's direct exports to the US accounted for just 1% of the total. Operations in Vietnam and the Philippines will likely partially offset some impact on Thailand from US reciprocal tariffs.
- The chemical price gap in 2Q25 is estimated at US\$363/ton; +US\$43/ton QoQ and -US\$1/ton YoY for HDPE-naphtha, and US\$352/ton; +US\$26/ton QoQ and +US\$24 YoY for PP-naphtha. The current product spread has passed the break-even level of US\$350/ton on an EBITDA basis.
- Management is considering restarting the operation of LSP sometime in September this year, assuming the bottom spread cycle has already passed. LSP in Vietnam incurred a net loss of Bt2.9bn in 1Q25, due to high fixed expenses of about Bt1.2bn per month (including depreciation, financial expenses and other overhead expenses). 2Q25F is likely to continue reporting a similar loss. LSP has outstanding loans with three leading financial institutions, totaling approximately US\$1.3bn, and outstanding shareholder loans of US\$1.3bn.
- From June 2025, investments in Indonesia-based PT Chandra Asri Pacific Tbk (CAP), which were booked under associates, will be reclassified into two categories, i.e., a 20% holding under other investments and the remaining 10% under investments for sale. The proceeds from the share sale will be used to invest in LSP's ethane project.
- The CBM (cement and building materials) unit will likely see a slow season in 2Q25, with declining demand amid long holidays. However, the earnings performance is expected to improve YoY thanks to cement selling prices rising by about 20% (or Bt400/ton), effective from 1 March.
- EBITDA is estimated to rise 3% YoY or 29.5% QoQ to Bt16.7bn. Net debt/EBITDA ratio will likely remain high at 5.4x at end-2Q25, and the net D/E ratio should be stable at 0.7x. SCC's full-year capex 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)	9.6	7.9	32.3	31.9	24.6	18.0
EV/EBITDA (x)	7.7	8.8	9.3	9.4	8.1	7.6
DPS (Bt)	8.00	6.00	5.00	5.00	5.00	5.22
Yield (%)	4.7	3.5	2.9	2.9	2.9	3.1
BVPS (Bt)	311.88	303.30	294.07	282.59	284.51	289.01
P/BV (x)	0.5	0.6	0.6	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 preview

(Btm)	2Q25F	2Q24	% YoY	1Q25	% QoQ	1H25F	1H24	% YoY
Sales	128,323	128,195	0.1	124,392	3.2	252,716	252,461	0.1
Gross profit	19,120	18,980	0.7	18,294	4.5	37,414	37,595	(0.5)
EBITDA inc dividends	16,686	16,266	2.6	12,889	29.5	29,575	28,889	2.4
Associate income	1,850	2,295	(19.4)	1,427	29.6	3,277	4,081	(19.7)
Net profit	2,436	3,708	(34.3)	1,099	121.7	3,535	6,132	(42.4)
EPS (Bt)	2.03	3.09	(34.3)	0.92	121.7	2.95	5.11	(42.4)

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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