Company Update

Friday, October 10, 2025

I V Global Securities Public Company Limited

SCG Packaging Pcl (SCGP)

Rating: HOLD | **Fair price: Bt20.0** | **Close price: Bt18.5**

Stable profit QoQ likely in 3Q25F

Company Information

Ticker:	**SCGP TB**
Sector:	Packaging
Shares outstanding (m):	4,292.92
Market capitalization (Btm):	79,419.02
Trading vol/day (Btm):	259.32
Free float (%):	26.37
Beta:	1.35

Major Shareholders

Siam Cement	72.12%
Thai NVDR	1.77%

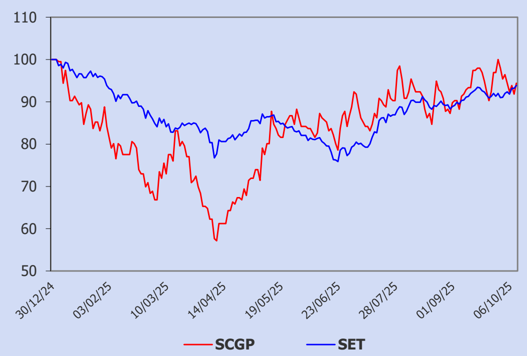
Consensus Bloomberg

2025F EPS (Bt):	0.91
Target price (Bt):	18.89

Price Performance

52 Wk high/low:	28.25 / 10.70

	1M	3M	1Y	YTD
Absolute (%)	1.6	12.1	-34.5	-5.6
Relative (%)	-1.3	-6.2	-24.7	0.5



Rating	CGR	Thai CAC	SET ESG
SCGP		Certified	AAA

- SCGP's operating performance in 3Q25F will likely come in flat QoQ but improve YoY from the low profit base in 3Q24. The 3Q25 operation will see higher sales volume but will be hit by declining selling prices. Thailand operations (44% of total sales) may see demand decline during the low season. Asean markets (34% of the total) will see an improvement from Vietnam, with Indonesia seeing a softening operating performance due to market price competition. There's no direct impact from the implementation of US reciprocal tariffs, but the indirect effect is via declining consumption spending globally. Production utilization should remain stable QoQ at about 90%. Raw material costs have declined YoY, with the benchmark AOCC price down QoQ to US$166/ton. However, SCGP has cost advantages, as it largely sources its raw materials (RCP) from the domestic market at competitive prices. The 3Q25F performance will be boosted partly by the full consolidation of Duy Tan, a rigid plastic packaging company.
- Therefore, we estimate 3Q25F net profit to come in at Bt1bn (flat QoQ; +75.5% YoY). For 9M25F, we estimate net profit to fall by 22.2% YoY to Bt2.92bn. In terms of the 4Q25F outlook, demand may come in stable QoQ with signs of a selling price improvement QoQ.
- The integrated packaging business segment (IPB, contributing 75% of sales, comprising packaging paper, 37%; fiber packaging, 25%; and polymer packaging, 11% of sales) will see rising sales volume from all business units with a selling price decline from market competition (particularly for the packaging paper business). Fibrous chain demand may see a QoQ decline amid declining demand for dissolving pulp and short fiber, driven by weak textile and garment demand.
- SCGP will likely see EBITDA improve YoY from the low base but come in flat QoQ. We estimate EBITDA margin to come in flat QoQ at c.13%.
- Financial costs are set to rise a bit from higher borrowings to refinance the Duy Tan acquisition and new debenture issuance. The 3Q25F operation of Fajar should see a slight decline in EBITDA but still reach the breakeven target, thanks to strategic price adjustments, increasing domestic sales, and the securing of RCP supply from SGCP's network.
- SCGP's net debt/EBITDA ratio is expected to remain stable at 3.7x. The company's full-year capex budget remains at Bt10bn, including M&P deals. There could be one M&A deal finalized prior to year-end 2025.
- **Maintain HOLD.** We prefer to maintain our earnings estimates and HOLD rating on the stock with a price target of Bt20, suggesting a 1.1x P/BV at the end of 2025. The stock trades at a P/E multiple of 21.0x our 2025F estimate. Downside risks to our earnings forecasts include slower global economic activity and rising costs of paper raw materials and energy.

Analyst
Rattana Leenutaphong
rattanal@ivglobal.co.th
Tel: 662-658-5787

Investment summary

FY Dec 31	2022	2023	2024	2025F	2026F	2027F
Sales (Btm)	146,068	129,398	132,784	126,850	129,704	133,157
Change (%)	*17.6*	*-11.4*	*2.6*	*-4.5*	*2.3*	*2.7*
Net profit (Btm)	5,801	5,248	3,699	3,789	4,643	5,062
Change (%)	*-30.1*	*-9.5*	*-29.5*	*2.4*	*22.5*	*9.0*
EPS (Bt)	1.35	1.22	0.86	0.88	1.08	1.18
Change (%)	*-30.1*	*-9.5*	*-29.5*	*2.4*	*22.5*	*9.0*
P/E (x)	13.7	15.1	21.5	21.0	17.1	15.7
EV/EBITDA (x)	6.1	6.3	8.1	8.2	7.8	7.0
DPS (Bt)	0.60	0.55	0.55	0.55	0.65	0.71
Yield (%)	3.2	3.0	3.0	3.0	3.5	3.8
BVPS (Bt)	22.64	18.01	17.86	18.01	18.55	19.07
P/BV (x)	0.8	1.0	1.0	1.0	1.0	1.0
ROE (%)	6.0	6.0	4.8	4.9	5.9	6.3
ROA (%)	2.9	2.7	1.9	2.0	2.5	2.8
Net D/E ratio (x)	0.31	0.31	0.55	0.64	0.60	0.47

Source: Company and IVG estimates

Results preview

(Btm)	3Q25F	3Q24	% YoY	2Q25	% QoQ	9M25F	9M24	% YoY
Revenue	31,450	33,370	*-5.8*	31,557	*-0.3*	95,216	101,553	*-6.2*
Cost of service	(25,726)	(28,186)	*-8.7*	(25,820)	*-0.4*	(77,957)	(83,446)	*-6.6*
Gross profit	5,724	5,184	*10.4*	5,737	*-0.2*	17,259	18,106	*-4.7*
Admin expense	(3,931)	(4,140)	*-5.0*	(3,950)	*-0.5*	(11,927)	(12,554)	*-5.0*
Other income	255	230	*11.0*	285	*-10.4*	798	841	*-5.1*
EBITDA	4,228	3,496	*20.9*	4,257	*-0.7*	12,716	13,282	*-4.3*
Interest expense	(674)	(628)	*7.4*	(654)	*3.1*	(1,974)	(1,762)	*12.0*
Pre-tax profit	1,373	646	*112.6*	1,418	*-3.1*	4,157	4,631	*-10.3*
Tax	(275)	(65)	*321.0*	(283)	*-3.0*	(860)	(902)	*-4.7*
Core profit	1,013	678	*49.3*	993	*2.0*	2,922	3,842	*-24.0*
Net profits	**1,013**	**577**	***75.5***	**1,010**	***0.3***	**2,923**	**3,756**	***-22.2***
EPS (Bt)	0.24	0.13	*75.5*	0.24	*0.3*	0.68	0.87	*-22.2*

Source: Company and IVG estimates

Financial ratios

%	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Sales growth YoY	0.6	6.3	5.7	-2.0	-5.1	-7.8
Gross margin	20.0	17.9	15.5	13.8	18.0	18.2
SG&A as % of revenue	12.7	12.0	12.4	12.1	12.6	12.5
EBITDA margin	15.2	13.6	10.8	9.1	13.1	13.5
Net margin	5.1	4.2	1.7	-0.18	2.9	3.4
Net D/E ratio (x)	0.3	0.3	0.6	0.6	0.6	0.6

Source: Company and IVG estimates

Quarterly performance

(Btm)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Revenue	33,948	34,235	33,370	31,231	32,209	31,557
Cost of service	(27,146)	(28,114)	(28,186)	(26,935)	(26,411)	(25,820)
Gross profit	6,802	6,121	5,184	4,296	5,798	5,737
SG&A expenses	(4,294)	(4,120)	(4,140)	(3,764)	(4,046)	(3,950)
Other income	263	349	230	153	259	285
EBITDA	5,151	4,635	3,496	2,845	4,232	4,257
Interest expense	(523)	(611)	(628)	(667)	(645)	(654)
Pre-tax profit	2,247	1,739	646	19	1,365	1,418
Tax	(483)	(354)	(65)	77	(303)	(283)
Core profit	1,686	1,479	678	34	916	993
Net profit	1,725	1,454	577	(57)	900	1,010
EPS (Bt)	0.40	0.34	0.13	(0.013)	0.21	0.24

Source: Company and IVG estimates

Financial ratios

%	2021	2022	2023	2024
Sales growth YoY	27.1	18.8	-11.4	2.6
Gross margin	17.6	16.9	17.9	16.9
SG&A as % of revenue	11.1	10.7	12.1	12.4
EBITDA margin	14.4	14.5	13.7	12.2
Net margin	4.9	4.8	4.1	2.9
Net D/E ratio (x)	0.3	0.3	0.3	0.6

Source: Company and IVG estimates

SCGP

E: Environmental

In 2023, SCGP set a new target to increase its greenhouse gas emission reduction from 20% to 25% by 2030 to be aligned with the Science-Based Target (SBTi). This demonstrates a commitment to reducing greenhouse gas emissions. Additionally, the Risk Management Committee has monitored and assessed risks at the organizational level and reported to the ESG Committee to strategize and implement action plans. Furthermore, SCGP adheres to the Task Force on Climate-related Financial Disclosures (TCFD) framework to analyze risks and opportunities arising from climate change and has set a target to achieve net-zero emissions by 2050.

S: Social

SCGP places great emphasis on the circular economy as an essential solution to Thailand's and global environmental issues such as global warming, resource scarcity, global waste crisis, poverty, and quality of life. By elevating circular economic practices, SCGP can manage the circulation of resources and energy in the system with cost-effectiveness at the highest benefit, starting from planning, design, material selection, production, consumption, and waste management until recycling in the production process as raw materials.

G: Governance

SCGP values conducting business transparently and ethically to build trust among all stakeholders. It continually raises awareness among employees at all levels, both in domestic and international operations, by promoting adherence to SCGP's morals, philosophies, code of conduct, and anti-corruption policies. SCGP also encourages suppliers to adopt good corporate governance practices that align with its policies.

Comment

SCGP 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

Level 5 Extended	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
Level 4 Certified	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.)
Level 3 Established	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)
Level 2 Declared	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
Level 1 Committed	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
Partially progress	Insufficient or not clearly defined policy
No progress	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.

I V Global Securities Public Company Limited
18th Floor, Mercury Tower, 540 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: +66 (0) 2658-5800 Fax: +66 (0) 2658-5799