ENGLISH TRANSLATION

SCCC 2/2024

9 February 2024

Subject: Management discussion and analysis yearly ending 31 December 2023

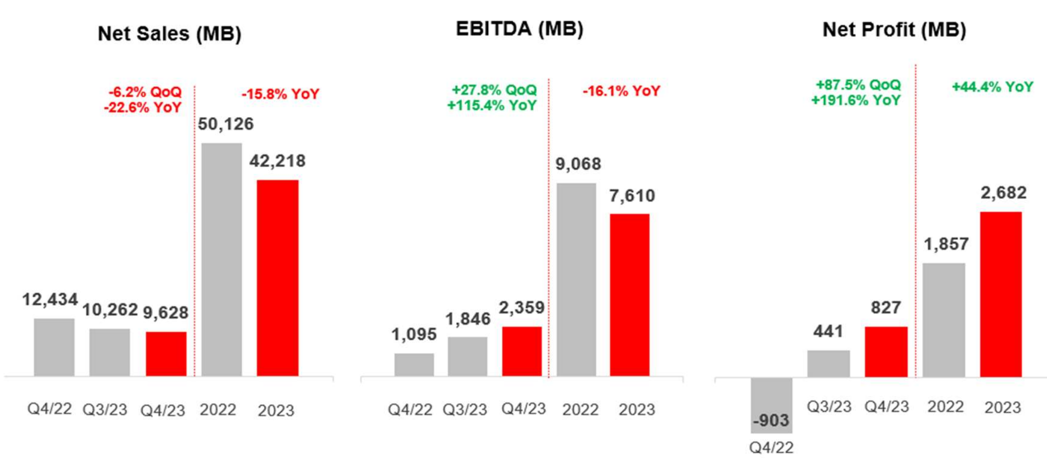
Attention: Managing Director,
The Stock Exchange of Thailand

Attachment: A copy of the financial statements of SCCC for the year ended 31 December 2023

We hereby submit to you the separate financial statements and consolidated financial statements of Siam City Cement Public Company Limited and its subsidiaries for the year ended 31 December 2023 compared to the same period of 2022 with a summary of our operating result as mentioned below:

Key Highlights

Q4/2023: Overall performance improved from Q3/23, both EBITDA and Net Profit, from continued internal cost reduction programs and reduced energy costs, despite lower demand and higher competition leading to lower volumes and selling prices across the Group.



	Q4/22	Q3/23	Q4/23	2022	2023
EBITDA Margin	8.8%	18.0%	24.5%	18.1%	18.0%
EPS	(3.03)	1.48	2.81	6.23	9.03

Remark: Excluding one-off expenses relating to restructuring, impairment, and assets write-off, normalized Q4/23 EBITDA was THB 2,454 Mn and 12M/23 was THB 8,278 Mn, while normalized Q4/23 net profit was THB 1,025 Mn. and 12M/23 was THB 3,558 Mn. The restructuring will enable the Company to benefit from fixed costs in the future.

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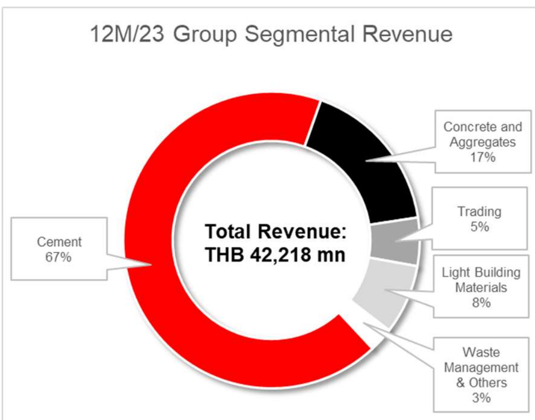
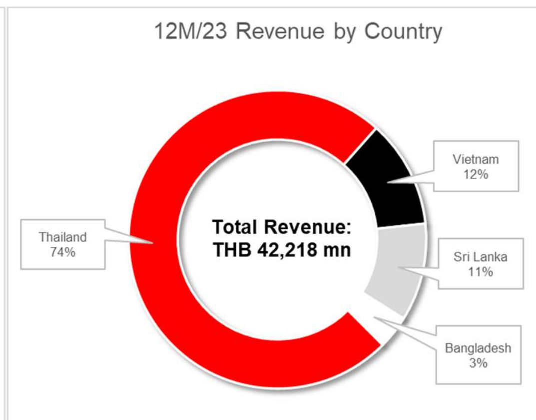
- **Thailand’s performance improved in this quarter amid demand slowdown in Q4/23 due to delay approval of the government budget and weakened clinker demand as export market remained weak.**
- **Vietnam's demand exhibited signs of recovery, with a notable 19% Q-o-Q increase, though it is far below the levels of the previous year.**
- **Sri Lanka's demand continues to grapple with challenges from adverse weather conditions, continued lower demand, compounded by intense price competition with recent capacity additions in the country.**
- **The reduction in electricity and transportation costs has positively impacted on margins Q-on-Q, contributing to a higher EBITDA.**
- **ESG continues to be a primary focus, underscored by our commitment to sustainability, decarbonization, and advancing alternative energy sources to mitigate reliance on fossil fuels. Our Thermal Substitution Rate (TSR) further increased from 20.3% in Q3/23 to 21.2% in Q4/23.**

SCCC Group performance





SCCC's revenue is predominantly driven by cement and ready mix concrete sales, making up 84% of the total sales in 2023. Throughout this period, a significant portion of the Group's revenue was derived from Thailand, contributing 74% to the overall revenue.

Overview of Q4/23 Performance

In Q4/23, challenges in overseas markets were alleviated, which is evident in the improved performance in Sri Lanka and Vietnam, and Thailand businesses remained resilient. Nevertheless, group-wide constraints on cement pricing persisted, offset by a reduction in energy costs. Notably, in Thailand, the primary advantage stemmed from decreased coal and electricity costs despite softened sales volumes and lower selling prices due to intense market pressure.

The southern Vietnam market is displaying signs of recovery despite uncertainties in the property sector, heightened interest rates, and inflationary pressures. In Sri Lanka, the overall demand and pricing of cement are affected by monsoon adverse weather conditions in October and November, together with intense price competition. Income from joint ventures decreased, whereas income from associated companies increased due to favorable market conditions.

The Group experienced a 6.2% Q-on-Q decline in revenues due to pricing pressure and decreasing domestic sales volume. However, the reduction in internal and external costs, particularly lower fuel expenses, benefited the entire Group. This led to a notable improvement of 27.8% in EBITDA and a 36.2% increase in EBITDA margin compared to Q3/23.

In Q4/23, SCCC's net profit surged to THB 827 million from THB 441 million in the preceding quarter, primarily driven by the higher EBITDA partially offset by higher income tax from better performance.

Segmental performance

Cement - Total

	Q4 (3 Months)				YTD (12 Months)		
Cement (THB Mn)	**Q3/23**	**Q4/23**	**%QoQ**	**Q4/22**	**2023**	**2022**	**%YoY**
Net Sales	**7,095**	**6,746**	**-4.9%**	**7,830**	**28,445**	**34,077**	**-16.5%**
EBITDA	**1,414**	**1,910**	**35.1%**	**695**	**5,830**	**7,531**	**-22.6%**
EBITDA margin	**19.9%**	**28.3%**	**42.1%**	**8.9%**	**20.5%**	**22.1%**	**-7.3%**

Remark: EBITDA by segment is presented before intersegment elimination

The cement segment experienced a notable recovery in EBITDA, showing a 35.1% improvement from the previous quarter. This improvement can be attributed to substantial reductions in fuel, maintenance, and electricity expenses, together with cost-saving initiatives across the business, despite a 4.9% decrease in net sales Q-on-Q due to lower sales volume and selling prices.

Thailand Domestic Cement Market: Elevated household debt and higher interest rates have eroded purchasing power. Simultaneously, the industrial sector faced challenges from delayed government budget approvals. The combination of those factors and intense market pressure from competitors led to a decline in domestic cement sales volume and prices compared to the preceding quarter, resulting in a 10.7% Q-on-Q and 2.8% Y-on-Y decrease in net sales. However, the reduced expenses in electricity, raw materials, thermal energy, transportation, and maintenance, along with the improved thermal substitution rate (TSR) had a positive effect and led to a 16.9% increase in EBITDA Q-on-Q.

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Southern Vietnam: The cement market witnessed an increase in demand and a recovery, resulting in sales volume and a substantial 23.7% Q-o-Q rise in net sales, however, the top line performance yet to reach the levels of the same period in the previous year as selling prices continued to be lower. The improvements in thermal substitution rate (TSR), optimization of the coal mix, and various cost-saving initiatives significantly contributed to enhanced cost efficiency. EBITDA experienced a significant increase of 197.6% compared to the previous quarter, despite inflationary affecting production costs.

Sri Lanka: Despite additional monetary policy measures to stimulating economic growth, adverse weather conditions negatively affected cement demand in Q4/23, along with aggressive price competition. This resulted in a 12.5% Q-o-Q and a 17.4% Y-on-Y decrease in net sales. However, restructuring initiatives and optimization of the fuel mix involving shredder material and biomass, along with reduced raw material and maintenance costs, partially contributed to the profitability. At the net income level, the Company benefitted from favorable foreign exchange.

Bangladesh: Despite stagnant overall cement consumption caused by factors such as high inflation and USD liquidity shortage, the improvement in selling price and sales volume contributed to a 4.6% Q-on-Q growth in net sales. However, due to the rising expenses associated with the goods purchased and maintenance, the EBITDA exhibited a Q-on-Q decline.

Cambodia: Amid an economic slowdown, persistent heightened competition, and increased consumer price consciousness, net sales experienced a decrease of 9.6% compared to the previous quarter. The reduced production cost of cement and clinker Q-on-Q has helped partially offset the impact of a softer topline.

Concrete and Aggregates

	Q4 (3 Months)				YTD (12 Months)		
Concrete and Aggregates (THB Mn	**Q3/23**	**Q4/23**	**%QoQ**	**Q4/22**	**2023**	**2022**	**%YoY**
Net Sales	**1,860**	**1,683**	**-9.5%**	**1,695**	**7,235**	**6,400**	**13.0%**
EBITDA	**142**	**148**	**4.2%**	**84**	**481**	**310**	**55.2%**
EBITDA margin	**7.6%**	**8.8%**	**15.2%**	**5.0%**	**6.6%**	**4.8%**	**37.3%**

Remark: EBITDA by segment is presented before intersegment elimination

Concrete and Aggregates: The primary driver for the construction sector remains government infrastructure, supported by sustained margin management achieved through careful portfolio selection, including low-margin projects. This strategy has proven effective in maintaining margins amid highly competitive market conditions. However, heavy rainfall at the beginning of the quarter and reduced market demand in the preceding quarter resulted in lower net sales, particularly in the ready-mixed concrete segment, experiencing a slight 9.5% Q-o-Q decrease. Despite this, the reduction in raw material, transportation, and electricity costs contributed to an improved EBITDA compared to the previous quarter.

Trading

	Q4 (3 Months)				YTD (12 Months)		
Trading (THB Mn)	**Q3/23**	**Q4/23**	**%QoQ**	**Q4/22**	**2023**	**2022**	**%YoY**
Net Sales	**215**	**89**	**-58.6%**	**1,810**	**2,223**	**5,634**	**-60.5%**
EBITDA	**6**	**14**	**133.3%**	**64**	**134**	**254**	**-47.2%**
EBITDA margin	**2.8%**	**15.7%**	**463.7%**	**3.5%**	**6.0%**	**4.5%**	**33.7%**

Remark: EBITDA by segment is presented before intersegment elimination

Trading: The clinker export volume decreased from the previous quarter due to low market price and lower margin. Priority shifted to other cementicious products with lowered cost of goods, led to an increase in EBITDA margin Q-o-Q

Waste Management and Industrial Services and Others

	Q4 (3 Months)				YTD (12 Months)		
Waste Management Services and Others (THB Mn)	**Q3/23**	**Q4/23**	**%QoQ**	**Q4/22**	**2023**	**2022**	**%YoY**
Net Sales	**271**	**341**	**25.8%**	**338**	**1,111**	**1,155**	**-3.8%**
EBITDA	**181**	**187**	**3.3%**	**210**	**825**	**751**	**9.9%**
EBITDA margin	**66.8%**	**54.8%**	**-17.9%**	**62.1%**	**74.3%**	**65.0%**	**14.2%**

Remark: EBITDA by segment is presented before intersegment elimination

Waste Management and Industrial Services and Others: **Waste Management**'s lower volume and a decline in traditional fuel (TF) prices, partially offset by the upside from disposal fees and lower production costs resulting from reduced inbound freight and distribution costs. In the **Industrial Services** segment, net sales slightly improved due to deferred projects from the preceding quarter, although this was partially offset by higher direct expenses from some projects.

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Light Building Materials

Light Building Materials (THB Mn)	Q4 (3 Months)				YTD (12 Months)		
	Q3/23	Q4/23	%QoQ	Q4/22	2023	2022	%YoY
Net Sales	821	769	-6.3%	761	3,204	2,860	12.0%
EBITDA	102	101	-1.0%	23	377	222	69.8%
EBITDA margin	12.4%	13.1%	5.7%	3.0%	11.8%	7.8%	51.6%

Remark: EBITDA by segment is presented before intersegment elimination

Light Building Materials: While the net sales declined by 6.3% Q-on-Q due to lower household demand, net sales and EBITDA increased 12% and 69.8 %YoY.

Outlook

The Thai economy is exhibiting signs of mild recovery, as some significant key economic drivers have not yet fully rebounded. The infrastructure segment is projected to gain momentum, particularly following the anticipated approval of the government budget around Q2/24.

The cement market in Vietnam is showing signs of recovery, driven by improved sentiment from the tight liquidity situation and government interventions. In Sri Lanka, there is an expectation that additional monetary policy measures could boost growth in overall economic and cement demand but the pricing pressures to remain amid much higher cement capacity.

Despite encountering fierce price competition by the Group, the Company's strategy continues to further reduce variable and fixed costs, improvements in Clinker factor and TSR and protect and grow its market positions.

Our dedication to ESG objectives remains a top priority. We achieved a commendable rise in TSR to 21.2%, up from 20.3% in Q3/2023 and 16.4% in 2022. We have also successfully decreased the clinker factor to 72.6% from 74.7% in 2022, aligning with our goal of reducing CO2 emissions. We have recently entered into an MOU with B.Grimm Power Public Company Limited to jointly develop a solar farm at our Saraburi Plant, to increase our proportion of green power.

Yours sincerely,
On behalf of Siam City Cement Public Company Limited

Mr. Ranjan Sachdeva

Acting Group Chief Executive Officer

Key financial information

in THB million	Dec-23	% of total assets	Dec-22	% of total assets	% Change	Sep-23	% of total assets
Statements of financial position							
Current assets	15,184	21.8	16,525	22.5	-8.1	12,777	18.2
Non-current assets	54,515	78.2	56,828	77.5	-4.1	57,422	81.8
Total assets	**69,699**	**100.0**	**73,353**	**100.0**	**-5.0**	**70,199**	**100.0**
Current liabilities	16,177	23.2	14,491	19.8	11.6	15,628	22.3
Non-current liabilities	19,674	28.2	24,360	33.2	-19.2	19,779	28.2
Total liabilities	**35,851**	**51.4**	**38,851**	**53.0**	**-7.7**	**35,407**	**50.4**
Equity attributable to owners of the Company	32,981	47.3	33,240	45.3	-0.8	33,780	48.1
Non-controlling interests of the subsidiaries	867	1.2	1,262	1.7	-31.8	1,012	1.4
Total shareholders' equity	**33,848**	**48.6**	**34,502**	**47.0**	**-1.9**	**34,792**	**49.6**
Debt profile							
Short-term loans	7,674	11.0	2,947	4.0	160.4	8,050	11.5
Long-term loans	14,509	20.8	19,009	25.9	-23.7	14,521	20.7
Total loans	**22,183**	**31.8**	**21,956**	**29.9**	**1.0**	**22,571**	**32.2**
Cash & cash equivalents	6,027	8.6	3,430	4.7	75.7	2,368	3.4
Total net debt	**16,156**	**23.2**	**18,526**	**25.3**	**-12.8**	**20,203**	**28.8**
Key ratio							
RONOA (%)	8.1		9.8			7.2	
ROE (%) *	8.1		5.2*			5.4	
Total net debt/EBITDA (times)	2.12		2.04			3.18	
Total net debt/shareholders' equity (times)	0.48		0.54			0.58	

* December 2022 ROE (%) excluding one-time tax impact in Sri Lanka amounts to 7.3%

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