ENGLISH TRANSLATION

SCCC 12/2024

29 April 2024

Subject: Management discussion and analysis of the Quarter 1/2024

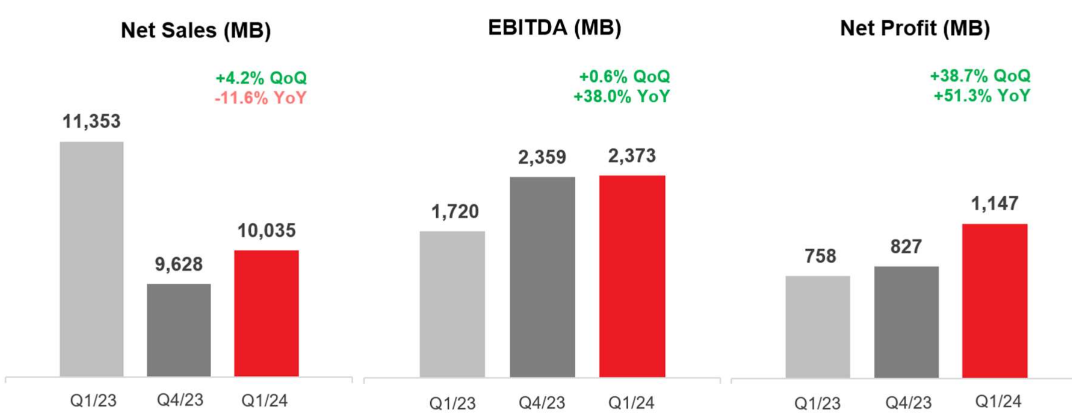
Attention: Managing Director,
The Stock Exchange of Thailand

Attachment: A copy of the interim financial statements of SCCC for the three-month period ended 31 March 2024

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 three-month period ended 31 March 2024 compared to the same period of 2023 with a summary of our operating result as mentioned below:

Key Highlights

Q1/2024 Overall performance improved significantly: net profit surged 39% QoQ and 51% YoY. The growth was fueled by robust overseas performance, production efficiencies, reduced energy costs and restructuring benefits across the group companies, compensating for a slightly lower than expected performance in Thailand.



	Q1/23	Q4/23	Q1/24
EBITDA Margin	15.2%	24.5%	23.6%
EPS	2.54	2.81	3.90

Remark: Excluding one-off expenses relating to assets write-off, normalized Q4/23 EBITDA was THB 2,454 Mn, and normalized Q4/23 net profit was THB 1,025 Mn.

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- Thailand's cement segment achieved a 42% YoY EBITDA improvement. However, QoQ EBITDA growth lower by 7%, due to lower prices from intense competition. Lower variable costs and adjusted fixed costs partly mitigated the impact. The softened market performance is mainly due to challenges from delayed government budget approval and continued high levels of household debt.
- Vietnam's YoY EBITDA surged by over 3 times, however QoQ declined by 27% due to Tet holiday period in February (Lunar New Year) and planned kiln shutdown. Economic growth prospects remain solid.
- The Sri Lankan cement market shows gradual recovery amid economic normalization and positive IMF bailout developments. QoQ EBITDA performance improved by over 2.5 times, from better volumes and lower operating costs, however, selling prices continue to face downward pressure due to excess capacities.
- Strong EBITDA performance along with gains on foreign exchange, notably from Sri Lanka, contributed to the increase in the Group's net profit YoY and QoQ.
- We continued with our 'Fit+' project implementation across all business units, aiming to enhance share of wallet, deepening customer relationship, gain operational efficiencies, and right-size structural fixed costs. Additionally, in alignment with our commitment to ESG, we are establishing a new joint venture company with B.Grimm Power Public Company Limited for the renewable solar project.

Overview of Q1/24 Performance

The Group experienced a 4% QoQ net sales increase, mainly driven by higher QoQ volume of Thailand and Sri Lanka, notwithstanding persistent pressure on overall selling prices. EBITDA improved by 1% QoQ and 38% YoY. The YoY growth was mainly from a 26% improvement in overseas operations and a 12% increase in Thailand, fueled by reduced thermal energy cost, operational efficiencies, and lower fixed costs.

SCCC's net profit in Q1/24 surged to THB 1,147 million from THB 827 million in the previous quarter, reflecting a remarkable 39% increase. This growth was driven by enhanced EBITDA and gains in exchange rates.

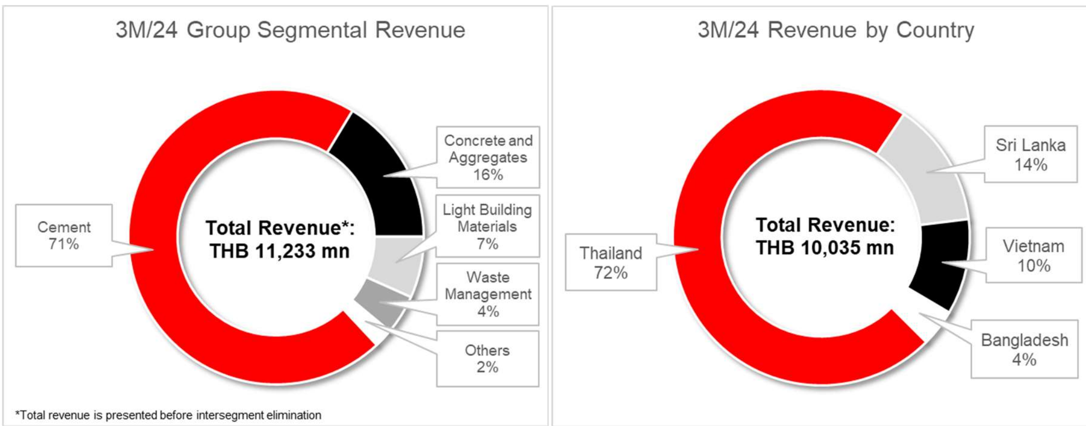
The softened EBITDA performance in Thailand was offset by a rebound in business performance in overseas markets, especially Sri Lanka. All businesses in Thailand had a slower start, both volumes and prices, but lower coal costs and operational efficiencies partially helped maintaining Op Ebitda margins.

The Sri Lankan market is exhibiting signs of recovery amid economic normalization following IMF bailout package.

The Vietnamese market showcased positive foreign direct investment capital inflow, a trade surplus, domestic consumption recovery, and fiscal policy stimulus, empowered by public investment, indicating signs of recovery as demand in both retail and Bulk segments improved.

Income from associated companies increased due to higher sales volume and favorable pricing led by optimized sales mix, while income from joint ventures also rose because of higher sales volume and cost improvements.

SCCC Group performance for Q1/24



SCCC's revenue is predominantly driven by cement and ready-mix concrete sales, making up 87% of the total sales in Q1/2024. Throughout this period, a significant portion of the Group's revenue was derived from Thailand, contributing 72% to the overall revenue.

Segmental performance

Cement - Total

	QoQ (3 Months)			YoY (3 Months)	
Cement (THB Mn)	**Q4/23**	**Q1/24**	**%QoQ**	**Q1/23**	**%YoY**
Net Sales	**7,551**	**7,932**	**5.0%**	**9,127**	**-13.1%**
EBITDA	**1,910**	**1,902**	**-0.4%**	**1,296**	**46.8%**
EBITDA margin	**25.3%**	**24.0%**	**-5.2%**	**14.2%**	**68.9%**

Remark: Net sales and EBITDA by segment are presented before intersegment elimination

The overall performance improved outstandingly compared to last year, with EBITDA increasing by 47%. This can be attributed to a concerted effort to slash overall costs, including reductions in fuel expenses, operational efficiencies and lower internal fixed costs,

Thailand Domestic Cement Market: QoQ net sales increased by 9% with a mix of sentiments: QoQ sales volumes of domestic cement and clinker exports increased, partially offset by a decrease in selling prices due to intense market price pressure from competitors. Nonetheless, such QoQ topline gain was mitigated by increased expenses for maintenance (planned kiln shutdowns) and increased electricity rates (Ft), along with prudent provisions taken, leading to a 7% decrease in QoQ EBITDA; lower coal prices and operational efficiencies partially helped. YoY EBITDA performance notably improved by 42%, attributed to lower average coal and diesel prices, along with continued operational efficiencies.

Southern Vietnam: The EBITDA declined QoQ, due to a slowdown in sales volume resulting from the extended holiday period and planned kiln shutdown. However, YoY EBITDA surged 442% , due to gradual market recovery led by fiscal and monetary easing enhanced channel penetration, and cost-saving measures across various areas, notably in production, fixed costs, fuel, and transportation costs. This improvement was further supported by lower diesel prices than the previous year (which was impacted by the Russian-Ukrainian situation).

Sri Lanka: Sales volumes for the quarter significantly increased amid positive developments due to eased monetary policy measures and IMF support. Furthermore, improved selling prices contributed to this positive trend, resulting in a 35% QoQ and 8% YoY increase in net sales. However, selling prices continue to be under downward pressure due to excess capacities QoQ EBITDA experienced a remarkable surge, posting a 248% improvement, underscoring lower thermal cost, operational efficiencies and the positive outcomes of organizational streamlining initiatives implemented in 2023. At the net income level, the Company benefited from favorable foreign exchange rates and reduced finance expenses.

Bangladesh: Despite the initial slowdown in demand in January due to the general election, it later rebounded, resulting in an enhanced sales volume and subsequently leading to a 18% QoQ growth in net sales. EBITDA improved substantially by 344% QoQ, attributed to increased volumes and lower provision compared to the preceding quarter. There was a gain on exchange at the net income level, primarily from material imports.

Cambodia: EBITDA increased slightly by 3% QoQ, supported by lower coal costs, and operational efficiencies (higher thermal substitution rate) and reduced logistic expenses due to the decline in diesel prices.

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Concrete and Aggregates

	QoQ (3 Months)			YoY (3 Months)	
Concrete and Aggregates (THB Mn)	**Q4/23**	**Q1/24**	**%QoQ**	**Q1/23**	**%YoY**
Net Sales	**1,777**	**1,831**	**3.0%**	**1,980**	**-7.5%**
EBITDA	**148**	**142**	**-4.1%**	**87**	**63.2%**
EBITDA margin	**8.3%**	**7.8%**	**-6.9%**	**4.4%**	**76.5%**

Remark: Net sales and EBITDA by segment are presented before intersegment elimination

Concrete and Aggregates: Net sales increased 3% QoQ due to higher sales in the ready-mixed and aggregates business, especially in the ready-mixed concrete segment. However, the QoQ EBITDA was slightly softer mainly due to increased logistics costs, as well as higher raw material costs compared to the previous quarter. Despite this, YoY EBITDA performance improved by 63%.

Waste Management and Industrial Services

	QoQ (3 Months)			YoY (3 Months)	
Waste management and industrial services (THB Mn)	**Q4/23**	**Q1/24**	**%QoQ**	**Q1/23**	**%YoY**
Net Sales	**480**	**489**	**1.9%**	**372**	**31.5%**
EBITDA	**145**	**124**	**-14.5%**	**149**	**-16.8%**
EBITDA margin	**30.2%**	**25.4%**	**-16.1%**	**40.1%**	**-36.7%**

Remark: Net sales and EBITDA by segment are presented before intersegment elimination

Waste Management and Industrial Services: Net sales increased by 2% QoQ, primarily attributed to the growth in the Ecocycle business in Sri Lanka. This growth was fueled by the increasing attractiveness of the waste management sector led by circular and sustainable development practices. This trend led to an increase in the number of projects and provided the opportunity to raise selling prices. However, the segment faced a 15% QoQ decrease in EBITDA, mainly due to the decreased cost of traditional fuels.

Light Building Materials

	QoQ (3 Months)			YoY (3 Months)	
Light Building Materials (THB Mn)	**Q4/23**	**Q1/24**	**%QoQ**	**Q1/23**	**%YoY**
Net Sales	**775**	**754**	**-2.7%**	**849**	**-11.2%**
EBITDA	**101**	**135**	**33.7%**	**81**	**66.7%**
EBITDA margin	**13.0%**	**17.9%**	**37.4%**	**9.5%**	**87.7%**

Remark: Net sales and EBITDA by segment are presented before intersegment elimination

Light Building Materials Net sales decreased by 3% QoQ, primarily due to lower sales volume in certain segments and a market slowdown in Indonesia during the election period. This declinewas partly offset by increased Panel and Lintel sales in Thailand coupled with favorable selling prices. However, EBITDA showed an improvement of 34% QoQ and an impressive 67% YoY growth attributed to rigorous cost control measures, reduced fixed costs, and production expenses, encompassing reductions in fuel and raw materials costs.

Others

	QoQ (3 Months)			YoY (3 Months)	
Others (THB Mn)	**Q4/23**	**Q1/24**	**%QoQ**	**Q1/23**	**%YoY**
Net Sales	**275**	**227**	**-17.5%**	**2,389**	**-90.5%**
EBITDA	**56**	**78**	**39.3%**	**118**	**-33.9%**
EBITDA margin	**20.4%**	**34.4%**	**68.7%**	**4.9%**	**595.7%**

Remark: Net sales and EBITDA by segment are presented before intersegment elimination

Others: EBITDA for the other business segment, which includes IT Services and Trading increased by 39% QoQ, mainly due to capitalized spot raw material demand, lower IT service cost, and IT maintenance cost.

Outlook

The Thai economy is anticipated to rebound following the expected approval of the government budget in Q2/24, coupled with the resurgence of the tourism sector. However, challenges persist as the market grapples with elevated household debts and high competition at the border.

In Vietnam, the economy is forecasted to grow, with more recovery expected in the second half of the year due to the government's maintenance of fiscal expansion and infrastructure projects, along with the drop-in mortgage rates to assist homebuyers. In Sri Lanka, the cement market is expected to experience a gradual recovery amid economic normalization. This recovery is supported by the stabilization of the exchange rate through an IMF bailout and easing inflation.

Our Company's strategic focus is to enhance our profitable market share and optimizing internal cost structures across various domains. With regard to fixed costs, our efforts are concentrated on reducing expenses in manufacturing, distribution, and SG&A areas, couple with gaining more operational efficiencies. Although current coal prices are relatively low, we adopt a cautious approach due to the potential risk of ongoing geopolitical tensions, which could lead to higher overall prices once again and inflationary pressure. We aim to increase the utilization of waste materials as fuel aligning with our sustainability ambition and aiming to minimize margin effects from fluctuations in traditional fuel prices. Furthermore, the solar power project is slated for completion in Q3/25. These initiatives enhance cost efficiency and are aligned with our sustainability objectives, enabling the Company to maintain low costs, bolster margins, and navigate fluctuating demand and inflation while remaining competitive.

Our commitment to Environmental, Social, and Governance (ESG) objectives remains unwavering. In this quarter, our Thermal Substitution Rate (TSR) is 27.3%, marking an improvement from 21.2% in 2023 and 16.4% in 2022. Additionally, we have achieved a reduction in the clinker factor to 71.6% from 72.6% in 2023, aligning with our objective of mitigating CO2 emissions.

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

Mr. Ranjan Sachdeva

Acting Group Chief Executive Officer

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Key financial information

in THB million	Mar-24	% of total assets	Dec-23	% of total assets	% Change	Mar-23	% of total assets
Statements of financial position							
Current assets	17,175	23.3	15,184	21.8	13.1	16,123	22.0
Non-current assets	56,477	76.7	54,515	78.2	3.6	57,134	78.0
Total assets	**73,652**	**100.0**	**69,699**	**100.0**	**5.7**	**73,257**	**100.0**
Current liabilities	19,226	26.1	16,177	23.2	18.8	16,509	22.5
Non-current liabilities	19,856	27.0	19,674	28.2	0.9	24,248	33.1
Total liabilities	**39,082**	**53.1**	**35,851**	**51.4**	**9.0**	**40,757**	**55.6**
Equity attributable to owners of the Company	33,623	45.6	32,981	47.3	1.9	31,479	43.0
Non-controlling interests of the subsidiaries	947	1.3	867	1.3	9.2	1,021	1.4
Total shareholders' equity	**34,570**	**46.9**	**33,848**	**48.6**	**2.1**	**32,500**	**44.4**
Debt profile							
Short-term loans	7,676	10.4	7,674	11.0	0.0	3,113	4.2
Long-term loans	14,554	19.8	14,509	20.8	0.3	18,933	25.8
Total loans	**22,230**	**30.2**	**22,183**	**31.8**	**0.2**	**22,046**	**30.1**
Cash & cash equivalents	7,737	10.5	6,027	8.6	28.4	2,770	3.8
Total net debt	**14,493**	**19.7**	**16,156**	**23.2**	**-10.3**	**19,276**	**26.3**
Key ratio							
RONOA (%)	10.5		8.1			7.1	
ROE (%) *	9.3		8.1			5.6	
Total net debt/EBITDA (times)	1.75		2.12			2.42	
Total net debt/shareholders' equity (times)	0.42		0.48			0.59	