



**The Siam Cement Public Company Limited  
Management's Discussion and Analysis (MD&A)  
Consolidated Financial Results: Q2/24 and H1/24**

**SCG: Q2/24 EBITDA grew +29% QoQ at 16,266 MB, mainly from seasonal dividend**

**Consolidated Financial Performance**

SCG reported Q2/24 Revenue from Sales of 128,195 MB, an increase of +3% QoQ from higher sale volume from SCG Chemicals. EBITDA registered 16,266 MB, increasing +29% QoQ, mainly from seasonal dividend which was offset by the MTT incident. Similarly, Profit for the Period registered 3,708 MB, an increase of +53% QoQ mainly attributed to seasonal dividend income from SCG Investment.

On a YoY basis, SCG reported Q2/24 Revenue from Sales increasing +3% YoY mainly from the incremental sales from SCG Chemicals and SCGP. However, EBITDA decreased -18% YoY, mainly from lower chemicals spreads, and the MTT incident in SCG Chemicals. Likewise, Profit for the Period declined -54% YoY, and Profit excluding extra items declined -29% YoY, following decreased chemicals spreads and the Long Son Petrochemicals Complex (LSP) expenses.

For the period of H1/24, Revenue from Sales was relatively flat 252,461 MB as the seasonally soft Thai's construction market was offset by higher sales volume from SCG Chemicals and SCGP. As a result of tapered spread and lower dividend at SCG Chemicals, EBITDA dropped -10% YoY to 28,889 MB. Profit for the Period registered at 6,133 MB, a decrease of -75% YoY attributed to the one-time gain from fair value adjustment of investment 14,822 MB in H1/23, and Profit excluding extra items dropped -37% YoY, resulted from lower spread and recorded LSP expenses.

**Table 1 - Consolidated financial summary**

	Q2/24	% Change	% Change	H1/24	% Change
	MB	YoY	QoQ	MB	YoY
Revenue from Sales	128,195	3%	3%	252,461	-0.4%
Profit for the Period	3,708	-54%	53%	6,133	-75%
Profit excluding extra items	3,708	-29%	53%	6,133	-37%
EBITDA	16,266	-18%	29%	28,889	-10%
EBITDA from Operations	12,576	-10%	1%	25,085	-4%
Earnings per Share (Baht)	3.1	-54%	53%	5.1	-75%

  

Dividend Summary	H1/24	H1/23	FY2023
Baht Per Share	2.5	2.5	6.0
Payout Ratio (% of Profit excluding extra items)	49%	31%	54%
Payout Ratio (% of Profit for the period)	49%	12%	28%

Note : EBITDA = Profit before finance costs, income tax expense, depreciation and amortization including dividends from associates, thus, EBITDA for the year 2023 is excluding gain from fair value adjustment of investments.  
 EBITDA from Operations = Profit before finance costs, income tax expense, depreciation and amortization, thus, EBITDA for the year 2023 is excluding gain from fair value adjustment of investments.  
 Profit for the Period = Profit for the period attributable to owners of the Company.  
 Profit excluding extra items = Profit for the period exclude non-recurring items of business which are non-cash.

**Equity Income registered at 4,081 MB in H1/24, -13% YoY**

Equity income in H1/24 registered at 4,081 MB, a decrease of 607 MB or -13% YoY. SCG Chemicals portion accounted for 29% of the total equity income, or 1,187 MB, decreasing 626 MB YoY, while the non-chemicals portion accounted for the remaining 71% or 2,894 MB, representing an increase of 19 MB YoY.

Total dividends received in H1/24 amounted to 5,796 MB, decreasing 2,062 MB YoY, with details as follows: a) 3,804 MB from "Associated" companies (20% - 50% stake), and b) 1,992 MB from "Other" companies (less than 20% stake).

**Cash & Cash Under Management of 78,907 MB**

In Q2/24, continued solid financials with cash & cash under management of 78,907 MB, compared to 78,585 MB in Q1/24.

Net Working Capital registered at 107,956 MB, an increase of +1% QoQ, while inventory turnover period 72 days, compared to 70 days in the previous quarter (Q1/24).

**2.5 Bt/Sh Interim dividend**

The Board of Directors of SCG has approved a H1/24 interim dividend payment of 2.5 Bt/Sh (3,000 MB), which is payable on Aug 23/24 (XD-date on Aug 07/24, and record date on Aug 08/24).

**Table 2 - Segments**

<b>Revenue from Sales</b>	<b>Q2/24 MB</b>	<b>Change % YoY</b>	<b>Change % QoQ</b>	<b>H1/24 MB</b>	<b>Change % YoY</b>
Consolidated SCG	128,195	3%	3%	252,461	-0.4%
SCG Cement and Green Solutions	19,831	-7%	-7%	41,230	-7%
SCG Smart Living and					
SCG Distribution and Retail	35,266	-5%	-8%	73,668	-4%
SCG Decor (SCGD)	6,566	-7%	-3%	13,350	-7%
SCG Chemicals (SCGC)	52,491	8%	16%	97,867	2%
SCGP	34,234	6%	1%	68,182	3%
Others	423	-24%	7%	820	-71%
<b>EBITDA</b>	<b>Q2/24</b>	<b>% YoY</b>	<b>% QoQ</b>	<b>H1/24</b>	<b>% YoY</b>
Consolidated SCG	16,266	-18%	29%	28,889	-10%
SCG Cement and Green Solutions	3,012	-2%	-16%	6,603	6%
SCG Smart Living and					
SCG Distribution and Retail	1,457	18%	42%	2,482	24%
SCG Decor (SCGD)	910	18%	7%	1,764	9%
SCG Chemicals (SCGC)	3,098	-48%	140%	4,387	-48%
SCGP	4,635	-1%	-10%	9,787	7%
Others	3,303	-25%	326%	4,078	-15%
<b>EBITDA from Operations</b>	<b>Q2/24</b>	<b>% YoY</b>	<b>% QoQ</b>	<b>H1/24</b>	<b>% YoY</b>
Consolidated SCG	12,576	-10%	1%	25,085	-4%
SCG Cement and Green Solutions	2,983	-3%	-17%	6,574	6%
SCG Smart Living and					
SCG Distribution and Retail	913	19%	-11%	1,938	27%
SCG Decor (SCGD)	910	18%	7%	1,764	9%
SCG Chemicals (SCGC)	1,348	-49%	15%	2,524	-50%
SCGP	4,635	-1%	-10%	9,786	7%
Others	1,936	-10%	150%	2,711	6%
<b>EBITDA Margins (%)</b>	<b>Q2/24</b>	<b>Q2/23</b>	<b>Q1/24</b>	<b>H1/24</b>	<b>H1/23</b>
Consolidated SCG	10%	11%	10%	10%	10%
SCG Cement and Green Solutions	15%	14%	17%	16%	14%
SCG Smart Living and					
SCG Distribution and Retail	3%	2%	3%	3%	2%
SCG Decor (SCGD)	14%	11%	13%	13%	11%
SCG Chemicals (SCGC)	3%	5%	3%	3%	5%
SCGP	14%	15%	15%	14%	14%
<b>Profit (loss) for the Period</b>	<b>Q2/24</b>	<b>% YoY</b>	<b>% QoQ</b>	<b>H1/24</b>	<b>% YoY</b>
Consolidated SCG	3,708	-54%	53%	6,133	-75%
SCG Cement and Green Solutions	774	0.0%	-35%	1,965	24%
SCG Smart Living and					
SCG Distribution and Retail	576	81%	-1%	1,158	62%
SCG Decor (SCGD)	283	108%	10%	541	167%
SCG Chemicals (SCGC)	(1,241)	N/A	33%	(3,107)	N/A
SCGP	1,453	-2%	-16%	3,178	17%
Others	2,396	-53%	125%	3,462	-81%

Note: EBITDA = Profit before finance costs, income tax expense, depreciation and amortization including dividends from associates, thus, EBITDA for the year 2023 is excluding gain from fair value adjustment of investments.

EBITDA from Operations = Profit before finance costs, income tax expense, depreciation and amortization, thus, EBITDA for the year 2023 is excluding gain from fair value adjustment of investments.

EBITDA Margins = EBITDA from Operations divided by Revenue from Sales.

Profit (loss) for the Period = Profit (loss) for the period attributable to owners of the Company.

Consolidated SCG's financial statement is presented after the intersegment elimination.

### **Listed Subsidiaries**

#### **SCGP: H1/24 EBITDA improved +7% YoY**

SCGP (72% stake) reported improved H1/24 Revenue from Sales of 68,182 MB, which rose +3% YoY. EBITDA reported at 9,787 MB, increasing +7% YoY and Profit for the Period registered at 3,178 MB, an incremental of +17% YoY.

#### **SCGD: H1/24 EBITDA improved +9% YoY**

SCG Decor (73% stake) reported H1/24 Revenue from Sales registered at 13,350 MB or -7% YoY. However, EBITDA registered at 1,764 MB or +9% YoY, and Profit for the Period reported at 541 MB or +167% YoY.

### **Non-Listed Subsidiaries**

#### **SCG Cement and Green Solutions volume dropped QoQ from lowered demand seasonally**

Revenue from Sales in Q2/24 registered 19,831 MB or -7% QoQ and -7% YoY. Likewise, EBITDA dropped to 3,012 MB or -16% QoQ, attributed to lower sales volume from seasonal demand and -2% YoY due to slow government budget disbursement. Profit for the Period registered 774 MB or -35% QoQ but was flat YoY. This compared to the backdrop of Thailand's total domestic market of grey cement demand in Q2/24 which decreased -9% YoY, attributed to the slower than planned of the government budget disbursement, as well as softer demand from the low to medium segment residential and private sectors (accounting for 60% of total demand). Regardless, improvements are expected in the latter half of the year. Despite the unchanged average grey cement price in Q2/24, the business continued managing production costs and energy costs efficiently.

In H1/24, SCG Cement and Green Solution Revenue from Sales registered 41,230 MB, decreasing -7% YoY. However, EBITDA was 6,603 MB or an increase of +6% YoY, and Profit for the Period registered at 1,965 MB or increased +24% YoY attributed to efforts to cost management

#### **SCG Smart Living and SCG Distribution and Retail increased earnings YoY from operational competitiveness**

In Q2/24, Revenue from Sales registered at 35,266 MB, decreased -8% QoQ and -5% YoY. EBITDA was 1,457 MB, which increased +42% QoQ, mainly from seasonal dividend, and +18% YoY, driven by the company's operational competitiveness in the building materials products. Profit for the Period reported at 576 MB, decreased -1% QoQ but increased +81% YoY. Meanwhile, Thailand's building materials market dropped -10% YoY mainly from the low to medium residential segment due to the higher household debt and the strict mortgage approval.

In H1/24, SCG Smart Living and SCG Distribution and Retail Revenue from Sales was 73,668 MB, decreasing -4% YoY. However, EBITDA was 2,482 MB or an increase of +24% YoY, and Profit for the Period registered at 1,158 MB or increased +62% YoY.

#### **SCG Chemicals (SCGC) In Q2/24, Geopolitical tension leads to solid feedstock price despite soften demand**

In Q2/24, Petrochemicals industry demand remained weak due to ongoing geopolitical tensions and global economic conditions. Despite these challenges, the decrease in supply during the maintenance season has contributed to an improvement in chemicals prices.

Prices of Brent crude oil in Q2/24 increased \$3/bbl to \$85/bbl driven by concern about geopolitical conflicts and trade war prolonged whereas OPEC+ continued to limit output. Correspondingly, Naphtha price up by \$2/ton to \$688/ton as limited supply was offset by heavy planned and unplanned cracker outages.

In the Olefins chain in Q2/24, the average HDPE price increased by \$11/ton or +1% QoQ to \$1,052/ton, while HDPE-Naphtha spread increased by \$10/ton or +3% QoQ to \$364/ton. Despite the slow demand season, spread widened supported by limited regional and overseas supplies, compounded by surging freight costs. Average PP price increased by \$3/ton or +1% QoQ to \$1,015/ton, and the average PP-Naphtha spread increased by \$2/ton or +1% QoQ to \$328/ton following firmed spread, supported by surging freight costs despite ample supply from capacity additions.

SCGC sold approximately 375,000 tons of polyolefin products (PE and PP), sales volume increased by +23% QoQ following the ROC olefins plant startup in late March. However, sales volume decreased -10% YoY.

In the Vinyl chain in Q2/24, average PVC prices increased by \$16/ton or +2% QoQ to \$800/ton, and average PVC-EDC/C2 spread increased by \$64/ton or +24% QoQ to \$334/ton due to spread increased as EDC prices softened from eased supply tightness. However, higher freight costs and Indian restocking activities supported PVC prices. PVC sales volume in Q2/24 increased by +20% QoQ to 185,000 tons.

***SCGC's earnings improved QoQ mainly from higher sales volume***

In Q2/24, SCGC's Revenue from Sales registered 52,491 MB, increased by +16% QoQ and +8% YoY from higher sales volume. EBITDA was 3,098 MB, increased by +140% QoQ regarding higher sales volume and seasonal dividend but decreased by -48% YoY from lower gap and seasonal dividend including the MTT incident. EBITDA from Operations was 1,348 MB, or +15% QoQ from while decreased -49% YoY. Meanwhile, Loss for the Period registered at 1,241 MB, which was +33% QoQ but decreased by 1,982 MB YoY from recorded Long Son Petrochemicals Complex (LSP) expenses. In addition, inventory loss in Q2/24 was 363 MB.

In H1/24, Revenue from Sales was 97,867 MB, Increasing +2% YoY. Nonetheless, EBITDA was 4,387 MB or a decrease of -48% YoY, mainly from LSP expenses, and Loss for the Period registered at 3,107 MB or decreased 5,204 MB YoY from narrower products spread and lower equity income from associates.

**Financials**

**Net Debt**  
***Registered at 289,193 MB in Q2/24, increasing 5,512 MB from Q1/24***

Net debt registered at 289,193 MB in Q2/24, an increase of 5,512 MB from Q1/24. Net Debt/Equity ratio was 0.6 times (x) in Q2/24, which was remain comparing with Q1/24 and Q4/23.

Net finance and interest cost in H1/24 amounted to 5,495 MB compared to 4,619 MB in H1/23. The average cost of interest in H1/24 was 3.4%, which remained in H1/23.

**CAPEX & Investment**  
***17,554 MB in H1/24***

CAPEX & Investment in H1/24 amounted to 17,554 MB, of which 54% was from SCG Chemicals, 23% was from the Businesses related to Construction Materials, 17% was from SCGP, and 6% was from Others. The main spending was toward green initiative projects. CAPEX & Investment in FY2024 is expected to be approximated 35,000 - 40,000 MB.

The H1/24 EBITDA generation of 28,889 MB compares to cash outflow of 32,983 MB (CAPEX & Investments of 17,554 MB, dividend payment 6,057 MB, interest payment of 6,189 MB, and corporate tax of 3,183 MB).

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**Table 3 - SCG's Debt Profile (MB)**

	Q2/24	Q1/24	Q4/23	Q2/23
<b>Short Term</b>	<b>61,459</b>	<b>55,056</b>	<b>35,721</b>	<b>40,808</b>
Foreign	29,429	26,285	17,438	17,505
Baht	32,030	28,771	18,283	23,303
% of Total Loan	17%	15%	11%	11%
<b>Long Term</b>	<b>306,641</b>	<b>307,210</b>	<b>301,864</b>	<b>324,599</b>
Foreign	59,019	59,077	54,068	80,704
Baht	247,622	248,133	247,796	243,895
% of Total Loan	83%	85%	89%	89%
<b>Total Loan</b>	<b>368,100</b>	<b>362,266</b>	<b>337,585</b>	<b>365,407</b>
<b>Cash &amp; Cash Under Management</b>	<b>78,907</b>	<b>78,585</b>	<b>68,064</b>	<b>95,576</b>
Cash and cash equivalents	57,215	55,968	43,602	47,850
Investment in short-term debt securities	18,329	19,128	20,272	37,752
Investment in debt securities (Private funds) and fixed deposit more than 12 months	3,363	3,489	4,190	9,974
<b>Total Net Debt</b>	<b>289,193</b>	<b>283,681</b>	<b>269,521</b>	<b>269,831</b>
<b>SCG's Financial Ratios</b>	<b>Q2/24</b>	<b>Q1/24</b>	<b>Q4/23</b>	<b>Q2/23</b>
EBITDA on Assets (%)	5%	6%	6%	6%
EBITDA on Assets (%) (excluding projects under construction)	7%	7%	7%	7%
Current Ratio (times)	1.1	1.1	1.1	1.4
Quick Ratio (times)	0.6	0.6	0.6	0.8
Interest Coverage (times)	5.6	4.8	3.6	8.4
Net Debt to EBITDA (times)	5.7	5.2	5.0	5.2
Net Debt to EBITDA (times) (excluding projects under construction)	2.0	1.8	1.9	2.0
Net Debt to Equity (times)	0.6	0.6	0.6	0.6
Debt to Equity (times)	1.1	1.1	1.0	1.1
Return on Equity (%)	2%	3%	7%	7%
Note: Net Debt	= Total debt (interest bearing), less cash and cash under management			
EBITDA	= Profit before finance costs, income tax expense, depreciation and amortization including dividends from associates, thus, EBITDA for the year 2023 is excluding gain from fair value adjustment of investments.			
EBITDA on Assets	= Trailing-12-month EBITDA, to average Total Consolidated Assets			
Current Ratio	= Current assets, to current liabilities			
Quick Ratio	= Cash + short term investments + receivable, to current liabilities			
Interest Coverage	= EBITDA, to finance costs			
Net Debt to EBITDA	= Net debt, to Trailing-12-month EBITDA			
Net Debt to Equity	= Net Debt, to equity & non-controlling interest			
Debt to Equity	= Total Liabilities, to equity & non-controlling interest			
Return on Equity	= Trailing-12-month Net profit, to average total shareholders' equity (not including non-controlling interest)			

**Table 4 - Statement of Financial Position (MB)**

	Jun/24	Dec/23	Jun/23
<b>Total Assets</b>	<b>949,478</b>	<b>893,601</b>	<b>942,018</b>
Current assets			
Cash, cash equivalent and Investments in short-term debt securities	75,544	63,874	85,602
Trade and other current receivables	85,464	70,559	79,246
Inventory	89,663	80,631	83,407
Long-term investment	165,235	161,616	166,309
Property, plant and equipment	441,333	424,344	430,672
<b>Total Liabilities</b>	<b>494,061</b>	<b>452,004</b>	<b>483,280</b>
Trade and other current payables	69,167	59,691	61,724
Loans	368,100	337,585	365,407
<b>Total Shareholders' Equity</b>	<b>455,417</b>	<b>441,597</b>	<b>458,738</b>
Total equity attributable to owners of the Company	379,677	363,962	380,871
Non-controlling interests	75,740	77,635	77,867

## **ESG Performance Update**

### **Net Zero**

***H1/24 figure was 11.92 million-ton CO<sub>2</sub>, which is still on track for GHG emissions reduction target in 2030***

In H1/24, SCG's absolute GHG emissions (scope 1+2) was 11.92 million-ton CO<sub>2</sub>, which accumulated GHG emissions reduction puts SCG on track to achieve our 2030 target with better progress than the Science Based Target initiatives (SBTi)'s suggestion of GHG emissions reduction of 2.5% per year to be within well-below 2 degrees Celsius scenario.

Driven by rising energy costs due to fluctuating oil prices and government policies promoting greenhouse gas reduction, SCG is accelerating Energy Transition to renewable energy along with increasing the use of alternative energy sources such as biomass and Refuse-Derived Fuel (RDF) to continuously raise the proportion of alternative energy sources in operations. As a result, in H1/24, SCG was able to achieve penetration of alternative fuels such as biomass and RDF, which accounted 28% for all business units and 47% for cement operations in Thailand.

### **Go Green**

***SCG Green Choice products accounted for 54% of total Revenue from Sales in H1/24***

SCG has consistently developed low-carbon products under SCG Green Choice label that are environmentally friendly as well as helps reduce greenhouse gas emissions. This enables consumers to select products that not only meet their concerns but also ensure good for quality of life. SCG targets revenue from Green Choice products to account for 2/3 of total sales revenue by 2030. In H1/24, Revenue from Sales of Green Choice products, totaling approximately 300 items, was 136,124 MB, accounting for 54% of total Revenue from Sales

SCG is prioritizing the development of a wide range of SCG Green Choice products to meet the diverse needs of customers seeking environmentally friendly products. Examples include SCGC's Green Polymer, SCGP's Green Carton paperboard, gypsum plasterboard paper, and low-carbon cement and concrete formula.

### **Reduce Inequality**

***In H1/24, up to 5,632 individuals have benefited from SCG's job creating, healthcare access enhancement, and educational provision***

SCG aims to create jobs and income security by developing skills and capabilities, providing education opportunities, and improving well-being starting from 2022. The target is to reach accumulated 50,000 by 2030, with a target of reaching 5,600 people by the end of 2024. In H1/24, SCG actively contributed to reducing inequality in society for a total of 5,632 individuals, including supporting job creation for 3,300 people by collaborating with various networks, agencies and communities to develop skills and capabilities that match market demands. For example, in the second quarter during summer period, Q-Chang expanded air conditioning installation services to cover all 77 provinces of Thailand and increased service availability on platforms like Lazada, Shopee, and NocNoc. This helped small businesses increase air conditioner sales by offering comprehensive installation services. Additionally, Q-Chang expanded partnerships with air conditioner brands, providing training for installing various brands, enabling technicians to handle diverse installations and earn more income. SCG also supported access to funding sources to enhance business opportunities for entrepreneurs and SMEs.

Furthermore, SCG has contributed to improving well-being by supporting access to healthcare services for 2,135 vulnerable people through "Happy and Healthy Citizen Project" led by The Royal Medical Team. This included 1,381 cataract surgeries, restoring clear vision, and dental services for 2,183 people. The company also conducted safe driving training for 140 emergency medical service and ambulance drivers. Regarding the provision of educational opportunities, SCGP awarded future scholarships to 197 youths.

**SCG is determined to drive ESG with collaborations with partners from various sectors for Saraburi Sandbox, a low-carbon city project**

### **Enhance Collaboration**

SCG has collaborated with partners from various sectors in Saraburi province for the project called “Saraburi Sandbox”, which is a provincial pilot project striving to establish a blueprint for transitioning to low-carbon city, aligning with the Nationally Determined Contribution: NDC. It targets reducing greenhouse gas emissions across energy, industry, waste management, agriculture, and land use sectors. This initiative supports Thailand's long-term goals to reach carbon neutrality by 2050 and net-zero GHG emissions in 2065.

The progress in Q2/24 is as follows.

- Collaborated with Princeton University to construct the Energy Transition Roadmap for Saraburi province which will accelerate Cement industries into Net Zero industries regarding to Thai Net Zero Cement and Concrete 2050. Meanwhile, the province has begun to study the potential of renewable energy generation through solar and wind with a supported fund from “The Andlinger Center for Energy and the Environment”. Mr.Charoen Chalaewkriengkrai, province major, and Mr.Chana Phumee, The Thai Cement Manufacturer Association President, signed the MOU with Dr.Chris Greig, Princeton University, In order to study the infrastructure of energy transition for Industry cluster in Saraburi Province.
- Low – Carbon Agriculture project
  - Support farmer to cultivate with Alternate Wetting and Drying (AWD) for 2024 corp in 7 Districts in Saraburi, which are Nong Don, Sao Hai, Nong Sang, Ban Mhor, Don Bhut, and Meung.
- Green spec project
  - Support local communities to build the 5 Million THB funding plan from Office of Natural resources and Environmental policy and planning (ONEP) according to land use, land-use change and forestry (LULUCF)
  - Held the 2<sup>nd</sup> community network meeting to search for Foodbank and Identity of each community Forest

### **For additional information**

#### **SCG Sustainability**

<http://www.scgsustainability.com/en/>

#### **Corporate governance**

<https://scc.listedcompany.com/cg.html>

#### **Link to ESG Profile (New)**

<https://bit.ly/3dLEVVV>