



OPPORTUNITY DAY

Q3/2023



Low carbon cement

Presentation AGENDA

Q3/23 Overview
| Highlights
| Financials
| Outlook

SCG's Business Updates
| SCGC Green Polymer
| Others

Presented by Oui (Thisana)

Q3/2023 – SCG's highlights, despite various global issues

SCGC

- ⬆️ Increased PE/PP volume despite global economic challenges thanks to HVA and Green Polymer execution
- ⬆️ Improving margins of PVC
- ⬆️ Converters at low inventory level
- ⬆️ Completion of LSP
- ⬆️ Green polymer achieved at 170 KT *to provide details further*
- ⬇️ PP trough margins

CBM

- ⬆️ Thai market is holding up well
- ⬆️ Low carbon cement reached 69% in Thailand
- ⬆️ Signs of recovery in regional markets
- ⬆️ Increase alternative fuel use (TH) to 40%, helping improve cost reduction
- ⬇️ Regional cement asset impairment (578 MB)

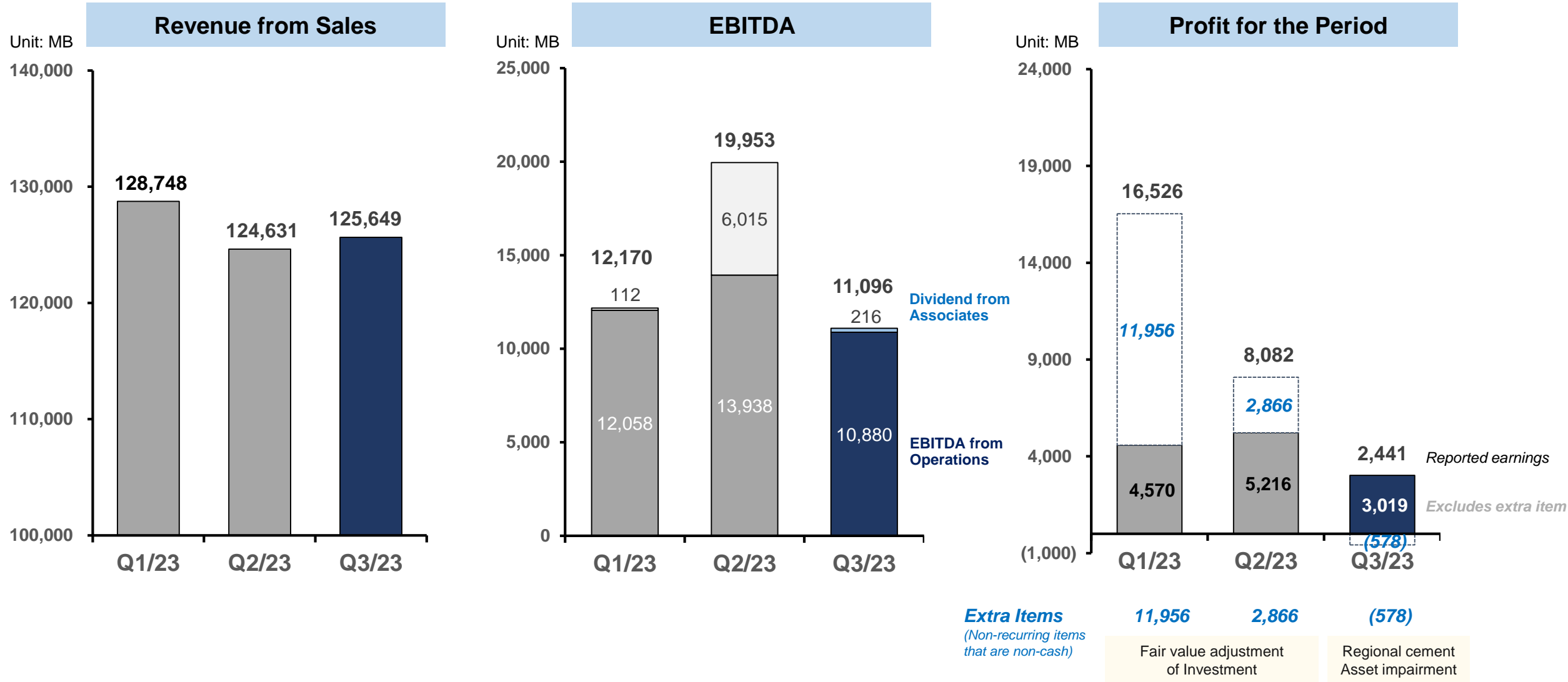
Others

- ⬆️ SCG Cleanergy: Increased Green MW
- ⬆️ Solid financial
 - Cash on hand 99,756 MB
 - Avg. cost of debt 3.4%
 - 86% fixed rate loan
- ⬆️ ESG: Enhanced GHG emission reduction to at least 25% (SBTi) by 2030
- ⬆️ SCGP: Rise of consumer packaging, esp. in F&B segment, with improved services level from packaging solution development

Financial Results

Sales gradually improved QoQ thanks to Thailand market.

EBITDA and Profit dropped QoQ mainly from seasonal dividend in the previous quarter and extra items.



Financially stable – avg. 3.4% cost of debt, and 4/5 of long-term rate fixed

Strong balance sheet. Majority of loan is domestic debenture, has fixed rates, and is in THB

Cash & cash under management

Unit: MB



Long term Interest rate

Floating rate debt approx. 14%

LSP IRS converting float to fixed rate in 2023-2027

Fixed rate debt approx. 86%

Approx. 4/5 of long term interest rate is fixed

Long term debt

Bank loan 35%

Debenture 65%

2/3 of long-term debt is debenture

Loan currency

USD & Others 29%

Thai Baht 71%

3/4 of loan currency is in Thai Baht

Outlook

Tailwinds

- Improved ASEAN economic fundamentals
- Positive sign for Thailand economic segment
- Easing global inflation

Challenges

- Energy cost remains volatile
- Chemicals recovery is W shaped
- Current conflicts in Israel/Palestine, and Ukraine/Russia

SCGC

- ▲ Better PE margins in H2/24 from lower supply additions
- ▲ PVC – continued efforts on downstream products for competitiveness
- ▲ LSP project – Safe testing procedures
- ▲ Continued efforts to elevate HVA and Green Polymer
- ▼ PP trough continues

CBM

- ▲ Medium to high end segments including non-residential in Thailand remain strong
- ▲ Continued regional recovery
- ▲ Lower Thai electrical cost
- ▲ Higher usage of alternative fuel replacing fossil fuel
- ▼ Low segments in Thailand needs time

Others

- ▲ **SCG Cleanergy:** Deliver PPA and explore new tech additions
- ▲ **Finance:** Deleveraging / Investment focus on Green and Renewable energy
- ▲ **SCGP:** All operation are well positioned to serve the surging trend in sustainable packaging
- ▲ **Strategic medium term:** Growth acceleration of BU with new equity (update SEC approval of SCGD)

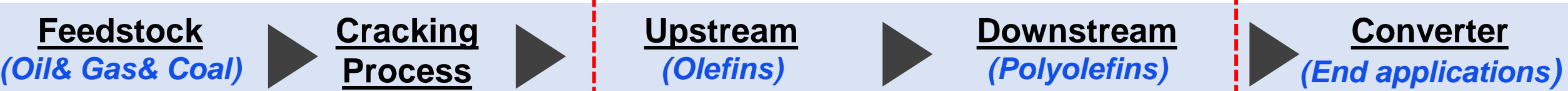
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Presented by Eye (Suthathip) and Noey (Pawinee)

Basic Petrochemicals Industry Value Chain



Packaging



Pipe & Fitting



Electrical Appliances



Automotive Parts

Ethane

Ethane Cracker

LPG

Naphtha Cracker

Naphtha

Ethylene
(main product)

Propylene
(main product)

- PE
- PP
- PVC

SCGC's Circular Economy Platform

From global mandate to SCGC execution

Global crisis

Regulatory

Brand Owner

SCGC

Plastic waste

Low waste

- Single-use plastic ban
- Reuse
- Recyclable target
- Plastic packaging tax
- EPR scheme
- Recycled content target
- Import waste ban

- Reduce virgin plastic
- Recyclable content
- Recycled content

Reduce
Less material, but same strength from know-how and design

Recyclable
Mono-material designed for recyclability

Recycle
Mechanical & Advanced recycling for PCR resin

Global warming

Low carbon

- Bioplastics & feedstock target
- Carbon tax
- Net zero target

- Bioplastics
- Net zero goal

Renewable
Bio-based virgin plastic

Carbon reduction
Net zero emission

Note: EPR (Extended Producer Responsibility)

Our plan for capture growth and opportunities through Green Polymer

Growing Commitment and Demand for Green Polymers Among Global Brand Owners

- Commodity plastic demand expects 3% growth, while **global recycled plastic demand¹ to grow over 2-3 times.**
- Global brand owners are setting ambitious targets to reduce virgin plastic consumption



2030 target at **1 MTA**

“Green Solutions for your sustainability and circularity”

<p>REDUCE</p> <p>การลดการใช้ทรัพยากร</p> <p>Enhancing Material for Eco-efficiency</p>	<p>RECYCLABLE</p> <p>การออกแบบเพื่อให้รีไซเคิลได้</p> <p>Design for Recyclability</p>	<p>RECYCLE</p> <p>การนำกลับมาใช้ใหม่</p> <p>Mechanical & Advanced Recycling</p>	<p>RENEWABLE</p> <p>การใช้ทรัพยากรหมุนเวียน</p> <p>Bioplastics</p>
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Note: 1. Based on recycled polyolefins and PET

SCGC Green Polymer: REDUCE

- ✓ *Lighter Weight*
- ✓ *Less CO2 Emission*
- ✓ *Maintain Mechanical Properties*

SMX™ Technology = SCG Multimodal eXcellent Technology

Benefits to End Products

**Higher strength,
reduce weight
of end products**

Up to **20%**

**Lower carbon
footprint from
less material usage**

Up to **20%**

Higher PCR content

Up to **2.5x**

SMX™ Green Polymer Portfolio



High Impact Film
for Food Industry Bag



Lightweight Small Blow
for Personal & Home Care
Packaging



High Strength
Large Blow Container



Lightweight Carbonated
Soft Drink Closures



Design for recyclability

R&D and product innovation designed for recyclable multi-layer packaging (100% recyclable)

From Resin to Recyclable Solutions for Multilayer Flexible Packaging to enable finished products to comply with global standard



Mono-Material for Multi-Layer flexible packaging



HDPE Resin for MDOPE film Mono-Material Packaging



Barrier coating innovation to increase recyclability

BRÜCKNER MASCHINENBAU



HDPE resin for BOPE film proven on pilot line of global machine maker in APAC

SCGC Green Polymer: RECYCLE

1 Mechanical Recycling

- ✔ Suitable with flexible waste with **less contaminate**.
- ✔ Mechanical recycling **preserves the molecular structure**.
- ✔ It **mechanically crushes the plastics** and **re-melt into granules** that can be used to make new products.

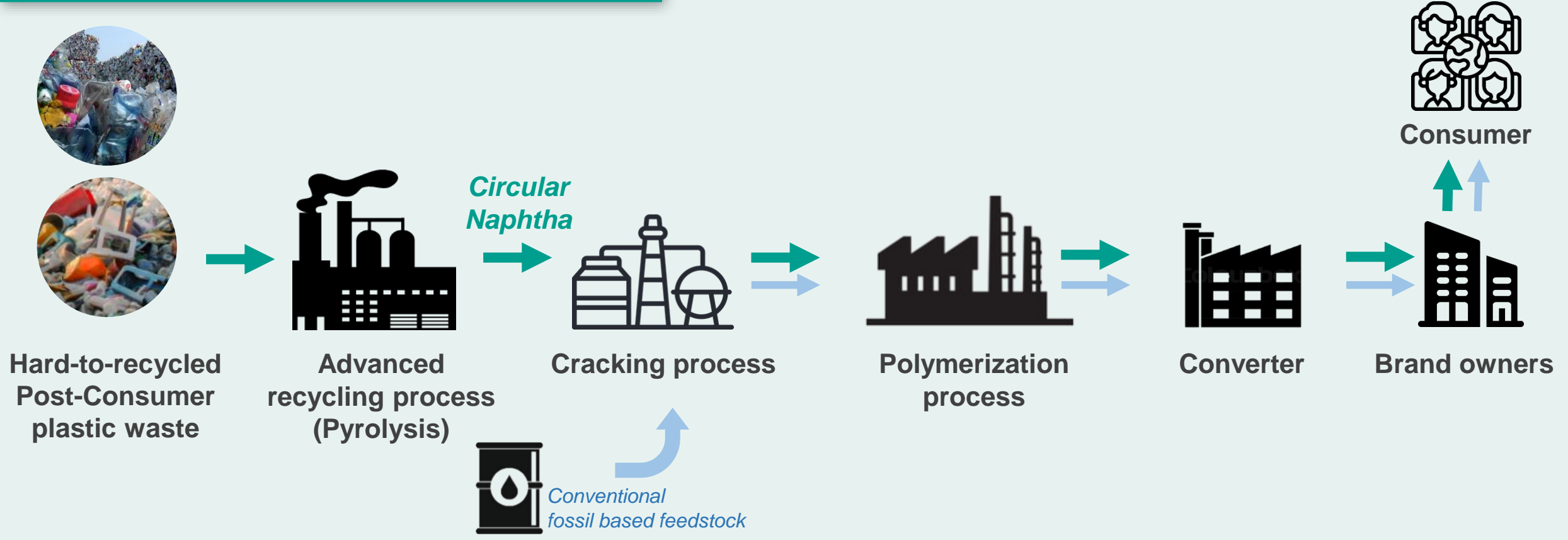
Mechanical Recycling Process and PCR Resin



Post-Consumer Recycled Resin (PCR)
 With SCGC's exclusive formulations and network of household waste collection, we can turn waste into high-quality PCR by Mechanical Recycling.

- ✓ It has potential to fill a void in the plastics recycling loop by **complementing mechanical recycling**
- ✓ Mixed-plastic waste which **unable to go through mechanical recycling process** will go to Advance recycling
- ✓ Plastic waste will be converted back to monomer again as Green feedstock and **produce Virgin-Alike properties and Food Grade resin**

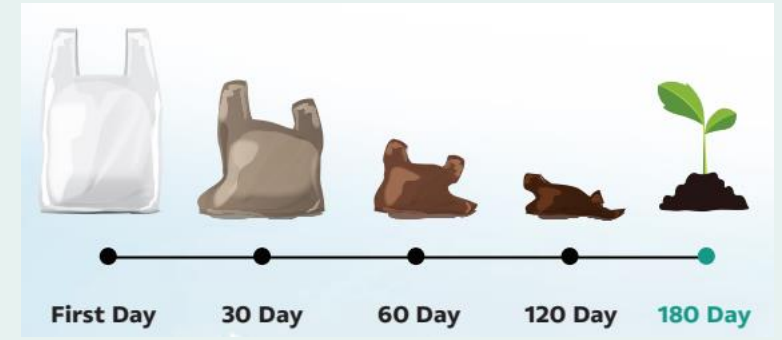
Advanced Recycling Process



SCGC Green Polymer: RENEWABLE

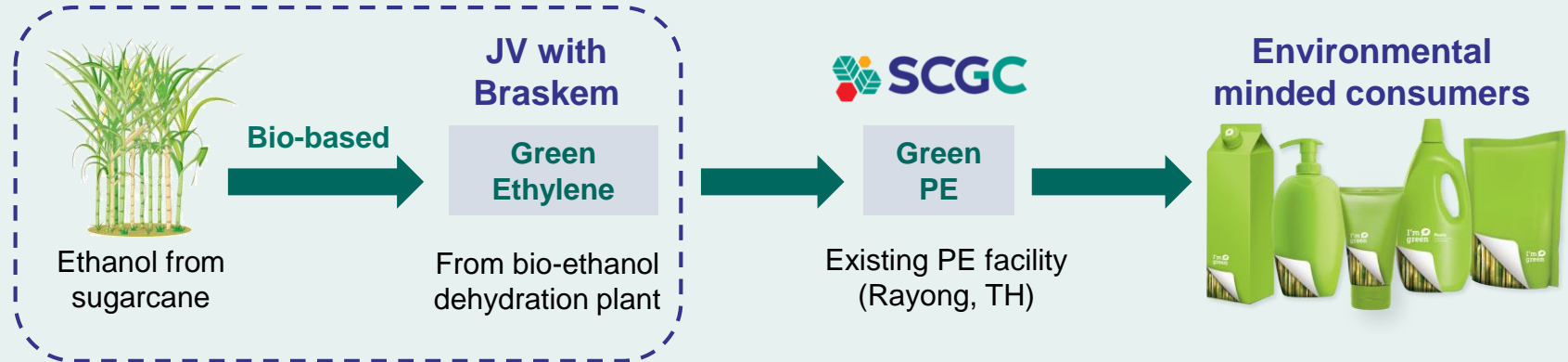
Bio Compostable Compound

- **Bio Compostable** is compound material from biopolymers both from fossil-based and bio-based that is environmentally composted with specific conditions.
- **SCGC Bio Compostable Compound**
 - Consist of renewable resources
 - Help to reduce GHG emissions
 - The resin is ready to use as a drop-in compound and processing friendly



Bio-PE

- **JV with Braskem (Brazil)** for Bio-Ethylene towards Bio-PE in Thailand of 200 KTA



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SCG – CBM

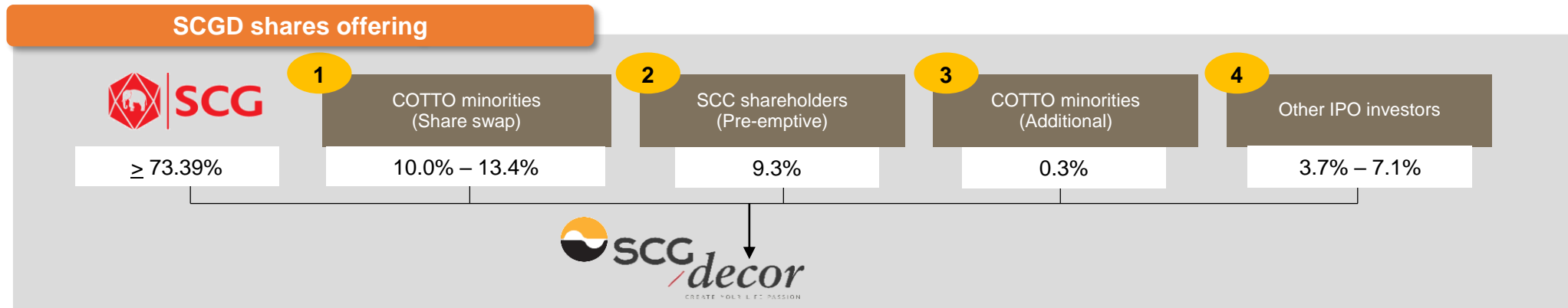
- **Low carbon cement:** customer-focused innovative and environmental friendly, while enabling competitiveness towards Net Zero target

SCG Chemicals

- **LSP project:** well executed on budget. Olefins (upstream) start test run on Nov-Dec 2023.
- **Denka JV: investment of 400 MUSD,** to investment in manufacturing of Acetylene black, a conductive material that is prevalent in the EV battery value chain

SCGD

- **The registration statement and prospectus of SCGD** has become effective.



- **Total share offering:** Not exceeding **439,100,000 shares** (26.61% of total paid-up shares post restructuring)
- **Preliminary price range:** 11.20 – 15.00 Baht per share (**implied market cap of 18,480 – 24,750 Million Baht**)
- **Indicative offering tranche of SCGD shares:**
 - 1 Share swap with COTTO's minorities:** 164,571,947 – 220,408,858 shares as a consideration of tender offer COTTO shares (at tender offer price of THB 2.40) with preliminary swap ratio of 4.6667 – 6.2500 COTTO shares : 1 SCGD share
 - 2 SCC shareholders (Pre-emptive):** 153,685,000 shares with ratio of 7.8082 SCC shares : 1 SCGD share (Record date at 10 November 2023)
 - 3 COTTO minorities (additional tranche):** 4,450,000 shares with ratio of 231.1404 COTTO shares : 1 SCGD share (Record date at 10 November 2023)
 - 4 Other IPO investors:** 60,556,142 - 116,393,053 shares



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