



OPPORTUNITY DAY
Q4/2023 & FY2023

February 23, 2024

“PASSION FOR INCLUSIVE GREEN GROWTH”

Presentation AGENDA

Q4/23 & FY2023 Overview
| Highlights
| Financials
| Summary & Onwards

SCG's Business Updates
| SCGC Green Polymer
| SCG Cement and Green Solutions

SCG's Strategic Direction

Presented by Oui (Thisana)

Q4/2023 & FY2023 Highlights

Macro situation

- Thai construction demand was stable with growths in the FDI related segments
- Regional construction demand is beginning to see recovery in selected markets
- Chemicals industry is at record trough, with players reducing rates

SCGC

- ▲ SCGC Green Polymer sales of 218 KT in 2023 (vs 140 KT in 2022), outperforming commodity growth rates and margins.
- ▲ HVA reached 39%
- ▲ LSP's test-run since late Dec'23 with budget and on schedule
- ▼ Higher Naphtha price and weak demand

Cement Building Materials (CBM)

- ▲ Core EBITDA margin improved following elevated cement price and cost position enhancement
- ▲ Cement business core performance improved, excluding non-cash impairment in Myanmar
- ▲ Low carbon cement reached 81%
- ▼ Myanmar cement plant impairment of 1,636 MB in Q4/23

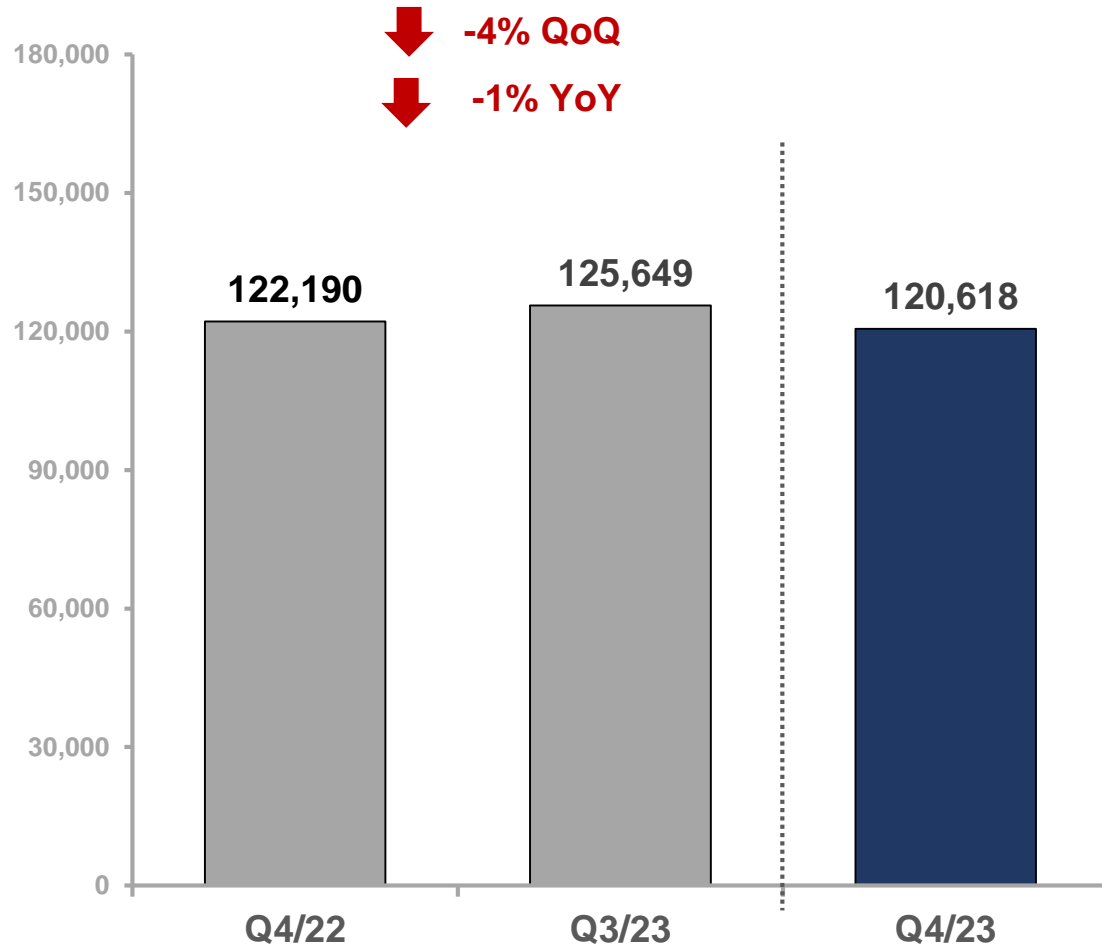
Others

- ▲ Continued financial strength, following proactive loan repayment
- ▲ 54% dividend payout ratio
- ▲ SCG Cleanergy: increased Green MW
- ▲ SCGP: Resilient earning growth, esp. in consumer packaging
- ▲ ESG: GHG emission reduction 20%, aligning with target, mainly driven by renewable energy penetration

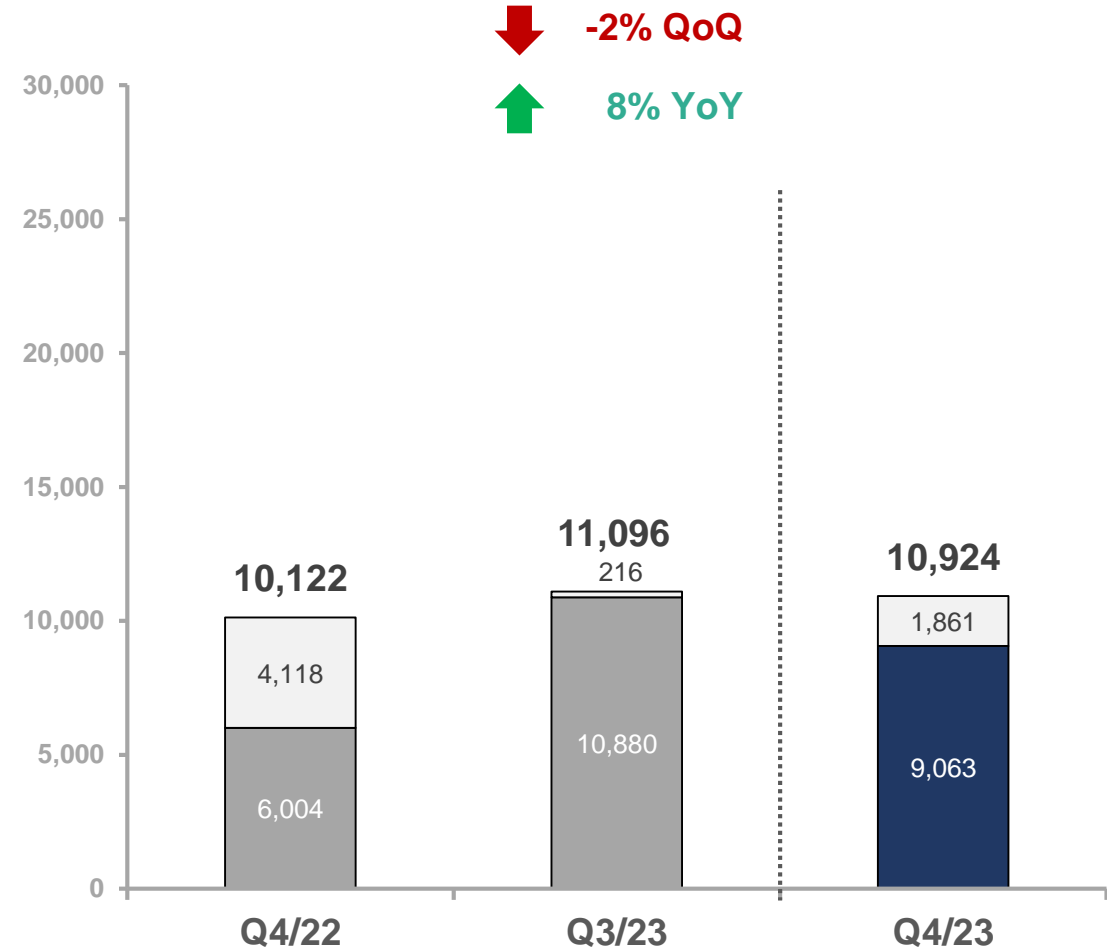
Consolidated Quarterly Revenues from Sales and EBITDA

Revenue from sales dropped mainly from lower chemicals sales volume from ROC turnaround and Cement-Building Material businesses driven by softer demand. Despite seasonal dividend received, EBITDA decreased QoQ but gained YoY from efficiency initiatives and also Packaging growth.

Q4/23 Revenues from Sales (MB)



Q4/23 EBITDA (MB)

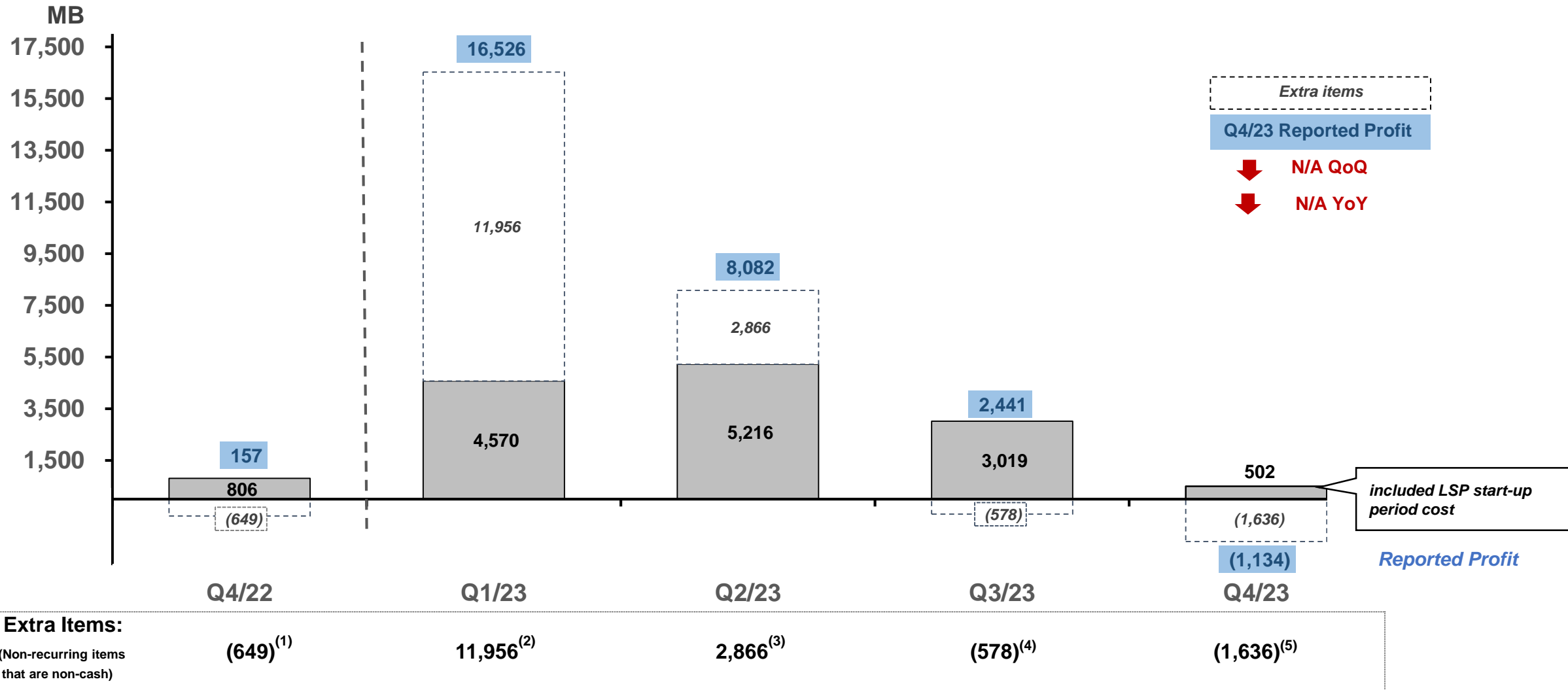


Note:

- 1) EBITDA = EBITDA from Operations + Dividend from Associates
- 2) EBITDA includes FX gain/loss from loans

Q4/2023 Consolidated Quarterly Profit for the Period

Profit excluding extra items would register 502 MB without Myanmar cement asset impairment of 1,636 MB.



Notes: ⁽¹⁾ Mainly from Impairment in CBM

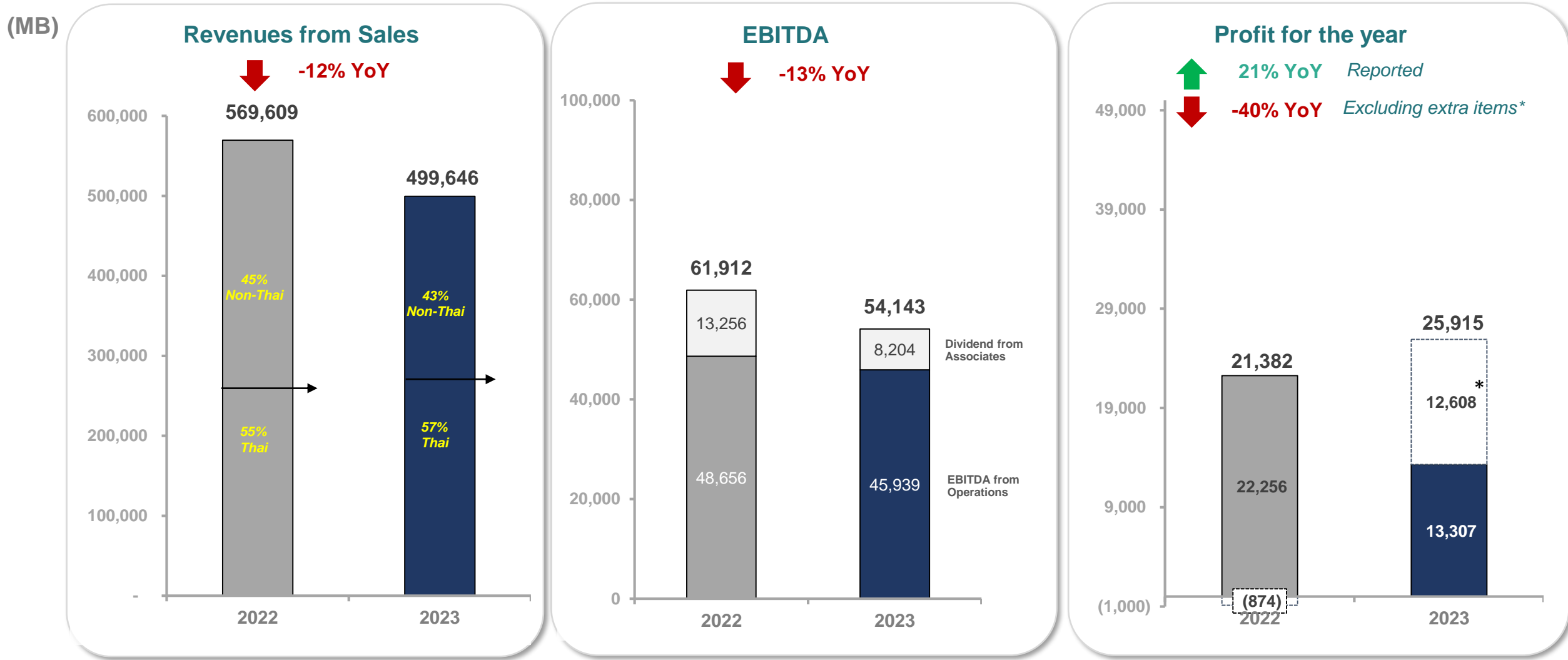
⁽²⁾ 11,956 MB of fair value adjustment of Investment in SCG Logistics

⁽³⁾ 2,866 MB of fair value adjustment gain in Investment business

⁽⁴⁻⁵⁾ Regional cement asset Impairment

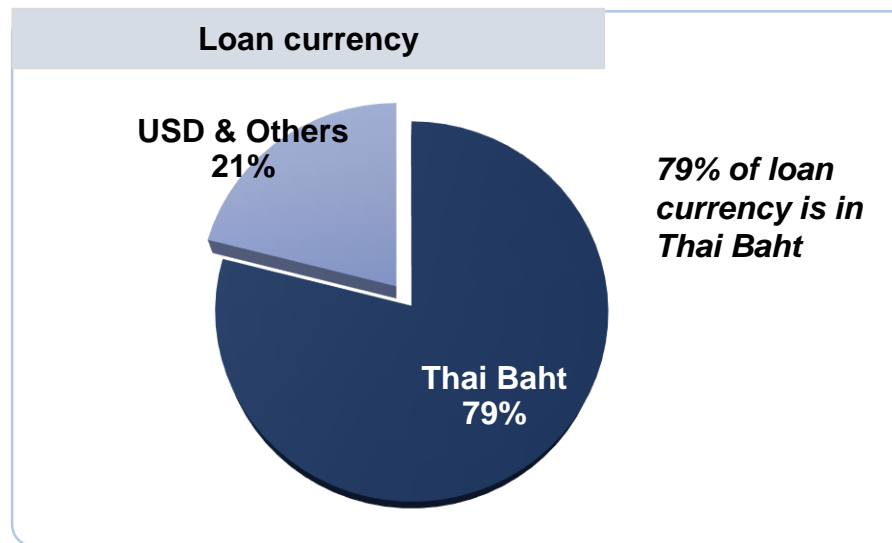
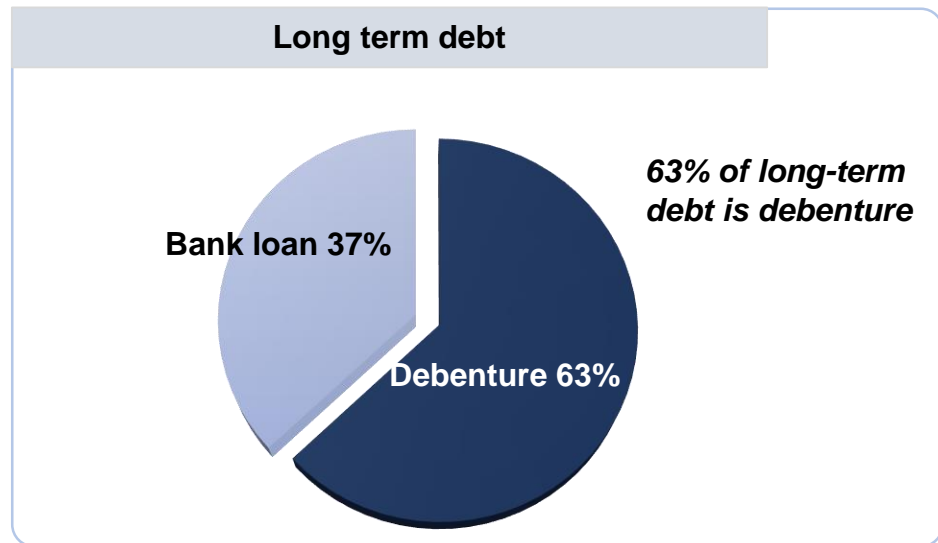
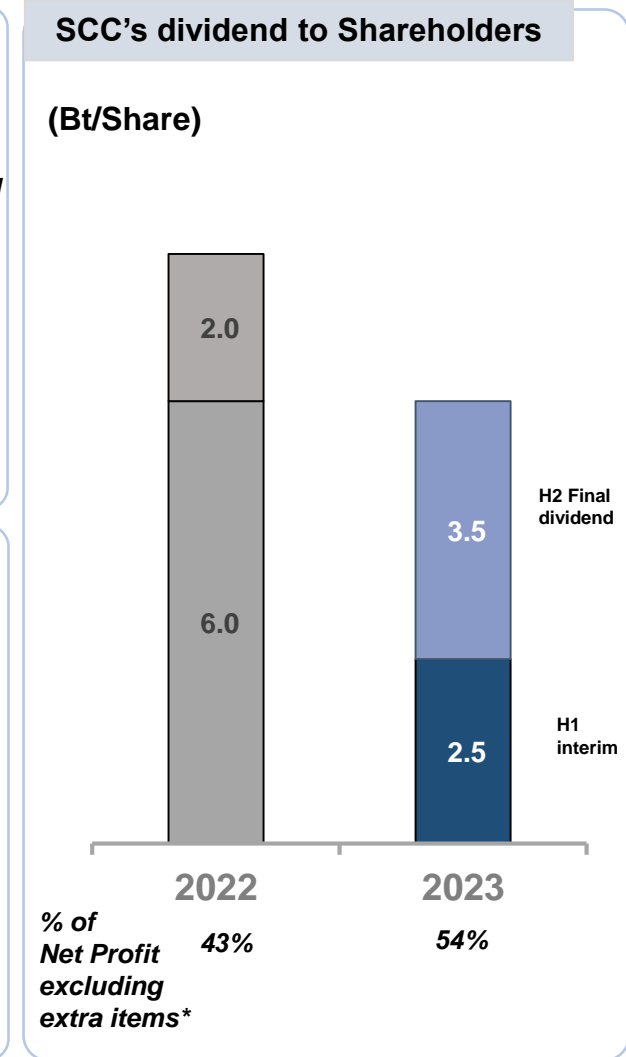
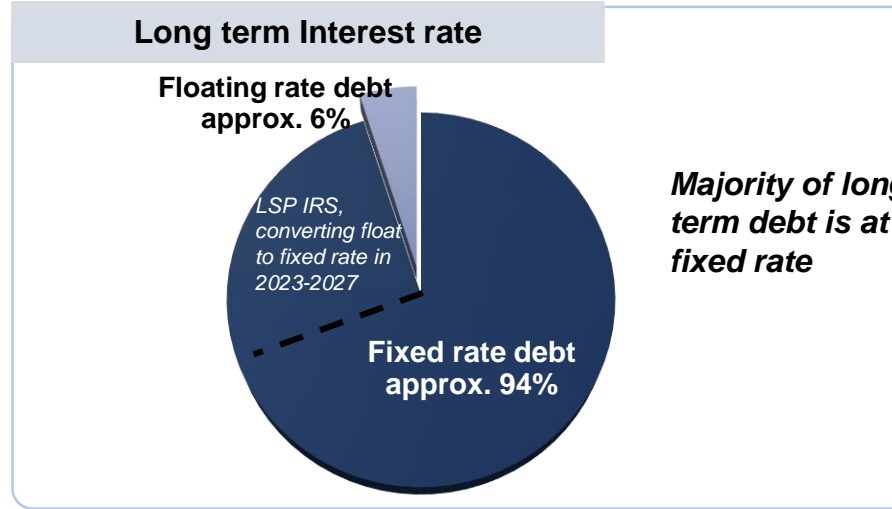
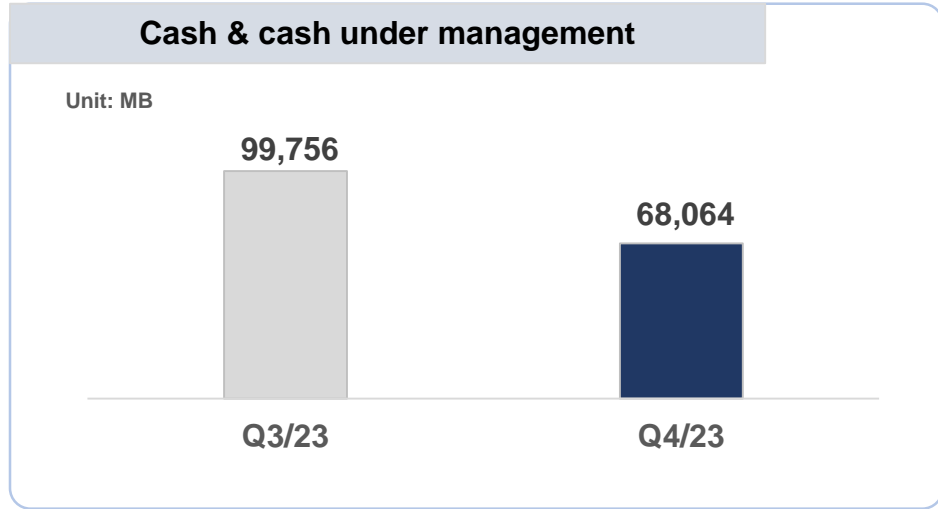
FY2023 Consolidated Results

Revenue from sales dropped from overall softness in general. EBITDA decreased from lower sales in response to the soft market, while Profit for the year of 25,915 MB includes the non-cash extra items of 12,608 MB.



+11,956 MB of fair value adjustment of Investment in SCG Logistics (Q1), +2,866 MB of fair value adjustment gain in Investment business (Q2) and regional cement asset Impairment of -2,214 MB (Q3 and Q4)

Financials – Utilize cash for proactive loan repayment to minimize interest cost resulting in Q4/23 position of 68,064 MB.



***Note:**

Dividend policy established in 2008 with the payout ratio of 40-50% of net profit as specified on the consolidated financial statements. The company may consider changing the dividend distribution in case of necessity or extraordinary circumstances

Q4/2023 & FY2023 Summary and Onwards

Summary

- FY2023 core performance in the Cement and construction related business outperformed market
- Expect improvement of Thai construction demand and regional market recovery in 2024
- Chemicals trough should continue in H1/2024 with improvement expected in H2/2024
- Investments by the Packaging business should begin to benefit from the expected 2024 demand recovery

Prioritization

- LSP's start up safely and gradual ramp up
- CAPEX (ex-Fajar share acquisition) in 2024 is to normalize at 40,000 MB, with emphasis on Green-related, Clean Energy and Digital technology projects → *to be highlighted in Section 2 by Khun Pawinee*
- Continued financial strength and cash on hands
- Creation of an Agile-based organize platform, with passion for inclusive green growth → *to be highlighted in Section 3 by Khun Supitsara*

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Presented by Noey (Pawinee)



มุ่งสู่ **1** ล้านตัน
ในปี **2030**

Materials of the Future



Eco-Friendly Polymer Solutions

REDUCE

การลดใช้ทรัพยากร



High Performance Resin from SMX™ Technology

RECYCLABLE

การออกแบบเพื่อให้รีไซเคิลได้



Recyclable Packaging Solution

RECYCLE

การนำกลับมาใช้ใหม่



High Quality PCR
จาก Mechanical Recycling

Certified Circular Polyolefins
จาก Advanced Recycling

RENEWABLE

การทำให้ย่อยสลายได้ทางชีวภาพ และการใช้ทรัพยากรหมุนเวียน



Bio-compostable

Bio-ethylene*

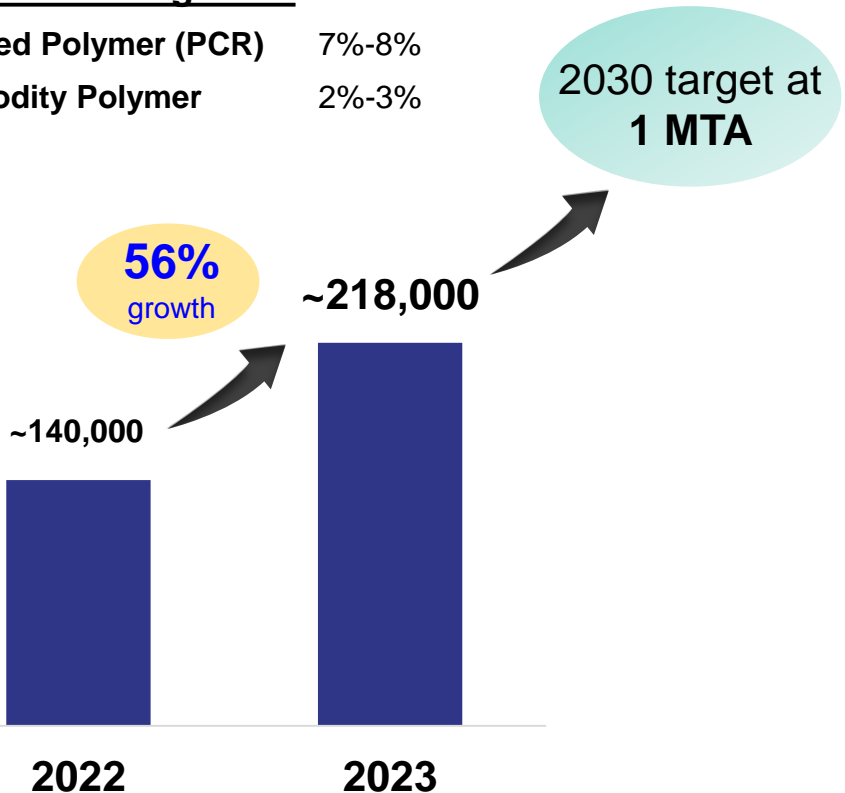
*SCGC x Braskem ร่วมทุน
สร้างโรงงานผลิตเอทิลีนชีวภาพ

SCGC Green Polymer our growth acceleration



Global demand growth

Recycled Polymer (PCR) 7%-8%
Commodity Polymer 2%-3%



Unit: tons



RENEWABLE

Braskem JV

- Grow bio-based to **200 KT of Green Ethylene** production
- Expected FID approval in Q4/2024



RECYCLE

Mechanical Recycled

- Increase sales volume through Odorless PCR HDPE **Sirplaste**
- Expand customer base across EU **KRAS**

Advanced Recycled

- Commercialized with consumer brand owners



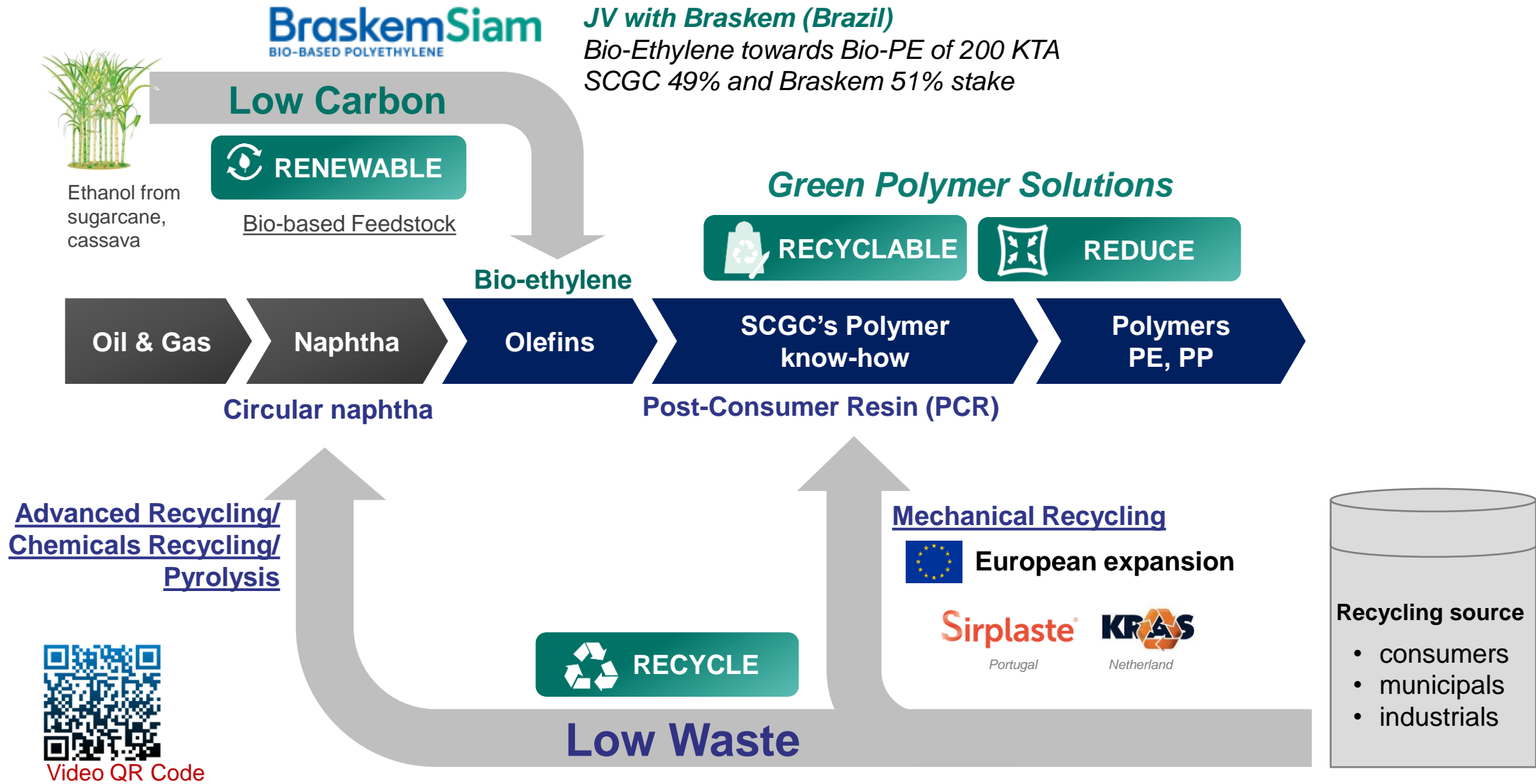
RECYCLABLE



REDUCE

Utilizing SMX™ technology





SCGC Green polymer solutions Utilizing SMX™ Technology



Lighter Weight



Less CO2 Emission



Maintain Mechanical Properties

Lightweight Small Container



- **8%-20%** lightweight
- **6-13%** cost reduction
- **5%-12%** GHG emission reduction

Lightweight Carbonated Soft Drink Closures



- **Up to 20%** less plastic use
- Ensure zero crack **with 10%** better gas retention
- **At least 7%** GHG emission reduction

High Impact Film for Food Industrial Bag



- **30%** Film thickness reduction
- **Up to 10%** packaging cost saving
- **At least 19%** GHG emission reduction

High Strength Large Container



- **6%** Material reduction
- **12%** GHG emission reduction



SCGC Green polymer solutions – Reduce Enhancing material for Eco-efficiency

Global Brand Owner Collaboration

Up to 20% Less Plastic Use

Ensure Zero Crack with 10% Better Gas Retention



 SCGC GREEN POLYMER™
 COLGATE-PALMOLIVE COMPANY
8% Lightweight



LION 12% Lightweight

30% Film Thickness Reduction



รองรับน้ำหนัก 10 กิโลกรัม 
 Contained 10 kg weight BETAGRO

Cement Building Materials (CBM) Eco-efficiency products and solutions



CPAC
GREEN
Solution

SCG

CEMENT & GREEN SOLUTIONS

CPAC BIM



DRONE SOLUTION



3D PRINTING SOLUTION



FARM SOLUTION



STRUCTURE SOLUTION



WALL SOLUTION



FLOOR SOLUTION

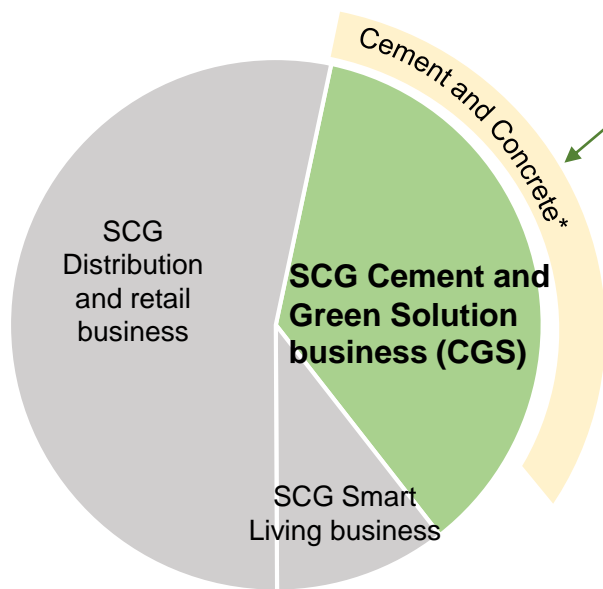


FILLGOOD SOLUTION



SCG Cement and Green Solutions (CGS) Low carbon cement, pathway to decarbonization

FY2023 CBM's Revenue of sales
189,348 MB
(before elimination)

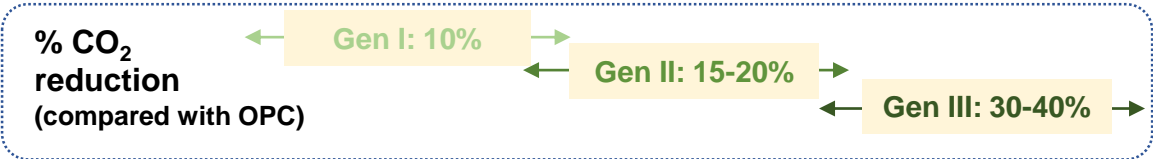
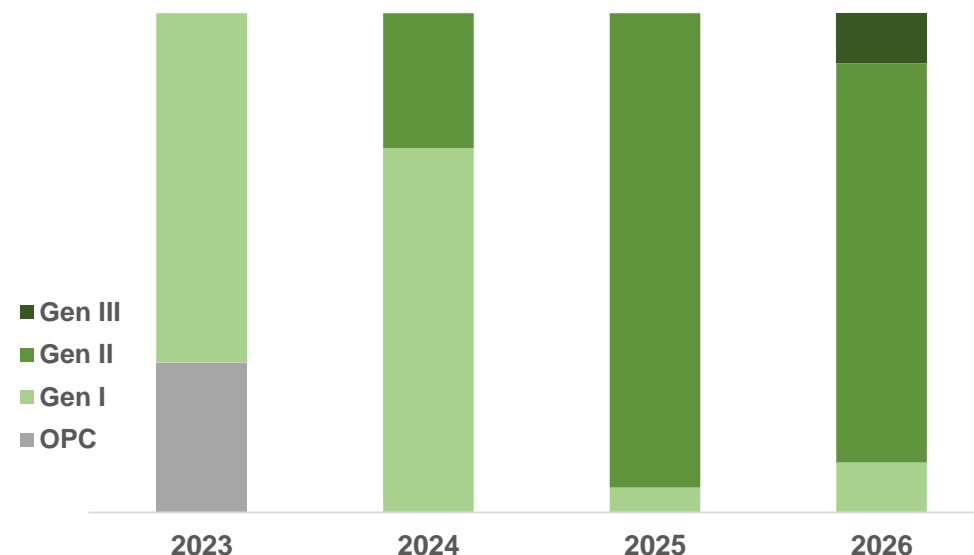


Low Carbon Cement: Penetration rate approaching 81% (Thailand)

- *Less clinker used, produced with less fuel and energy*
- *Infused with higher strength formulation know-how*
- *First mover advantage with strong branding*



Low carbon cement: new generation plan



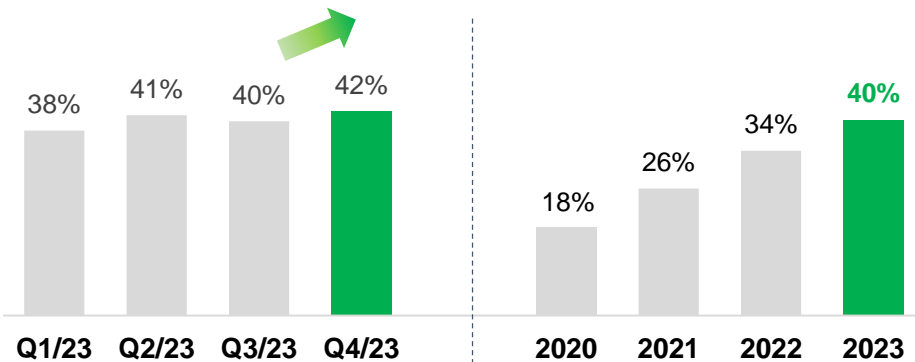
*Approx 80% of cement sales is Thai

SCG Cement and Green Solutions (CGS) Highlights

Cost and efficiency improvement

- Proactively mitigated energy cost pressure by increasing alternative fuel use and solar installation

Alternative Fuel Used (domestic %)



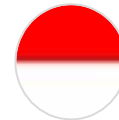
Alternative Fuel (biomass, RDF)



Solar Energy

Regional emphasis

- Operations are going well, when starting to roll out innovations and initiatives to regionals



Marketing segmentation and production efficiency



Low carbon products and export market expansion



Production cost optimization and distribution network strengthening



Production optimization and rebalancing domestic-export volume



Non-operational since Q4/20, impaired with minimal remaining asset value

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รศรมศักดิ์ เศรษฐอุดม
กรรมการผู้จัดการใหญ่ เอสซีจี

SCG

Passion for
*Inclusive
Green
Growth*

“ **เอสซีจี** มุ่งสร้างสังคม Net Zero ให้เติบโตอย่างยั่งยืน
ด้วยนวัตกรรมกรีน โดยไม่ทิ้งใครไว้ข้างหลัง ”

Passion for Inclusive Green Growth

SCG is driving towards a **Net Zero Societies** through the ESG 4 Plus strategy.

This strategy focuses on **Environmental, Social, and Governance factors** to ensure sustainable practices.

Additionally, SCG aims to be an **Agile Organization** capable of quickly adapting and responding to changing circumstances.

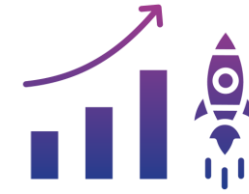
This commitment allows SCG to **effectively navigate through dynamic situations and contribute to a more sustainable future.**



ESG

What do we get from Agility?

Ultimately accelerating growth



Agility to grow



Agility in finance



**Dedicated
decision making**

Agile Organization From thought process into action...and Key deliverables

SCG's Shareholding (%)



Subsidiary business to operate independently

*SCG through its subsidiaries holds 42.9% stake in SCGJWD



Strategies towards Green Growth



- Prioritize penetration of Low Carbon Cement and accelerate alternative fuel usage
- Emphasis on energy saving and green offerings towards smart solution integration



- Continuously develop and enhance value of sustainable packaging innovations to fulfil the evolving customers' and consumers' needs
- Progressing toward the target of 100% recyclable, reusable and compostable in packaging sales



- Emphasis on margin and revenue maximization through performance products
- Aspiration toward to at least 1 MTA Green Polymer by 2030



- Towards 3,000 MW energy capacity
- Equity investments in breakthrough innovations (e.g., RONDO and CubicPV)
- Explore advance renewable energy technologies

Examples of Execution Plan by subsidiaries

SCG is promoting sustainable development and aims to reduce environmental impact while fostering social inclusiveness and economic growth, this also preserve the sustainable business profitability in longer term both in revenue and cost sides

SCGC (Chemicals)

Green polymers & Technology

- Achieved 218K ton in 2023
- Migration towards other regional operations

Develop adjacencies & new HVA

- **Denka conductors** (EV and cables for wind turbine) with FID of 400 M US\$
- **Braskem** towards bio based polymers, expected FID in 2024

Cement Building Materials (CBM)

Green cement and Smart living product and solutions

- **Low carbon cement** in Thailand reached 81% in Q4/23
- Energy saving and green products and solutions

SCG Cleanergy

Leverage breakthrough technology

- **Rondo** Heat Storage, commercialized with 2 GW power in the US
- Green Power Generation (wind & solar), with secured over 400 MW

SCGP (Packaging)

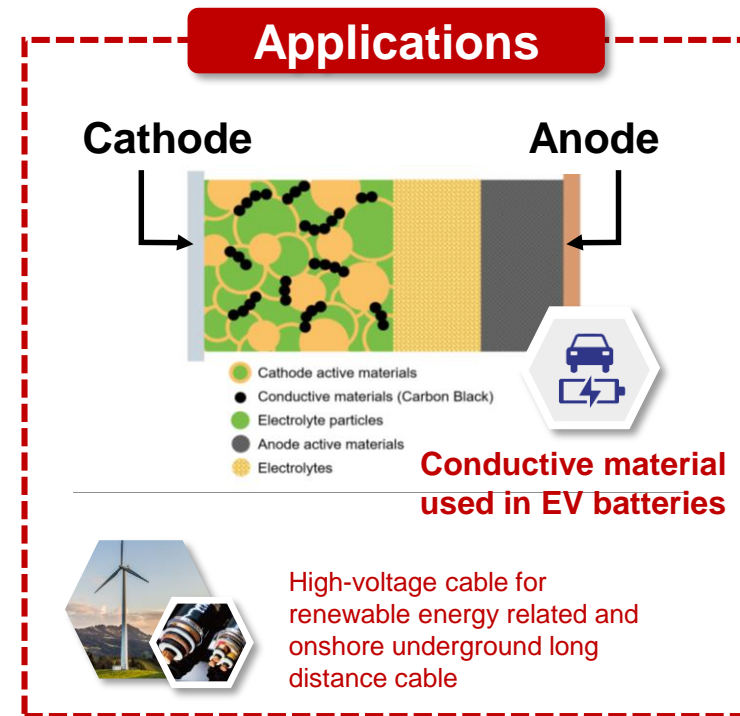
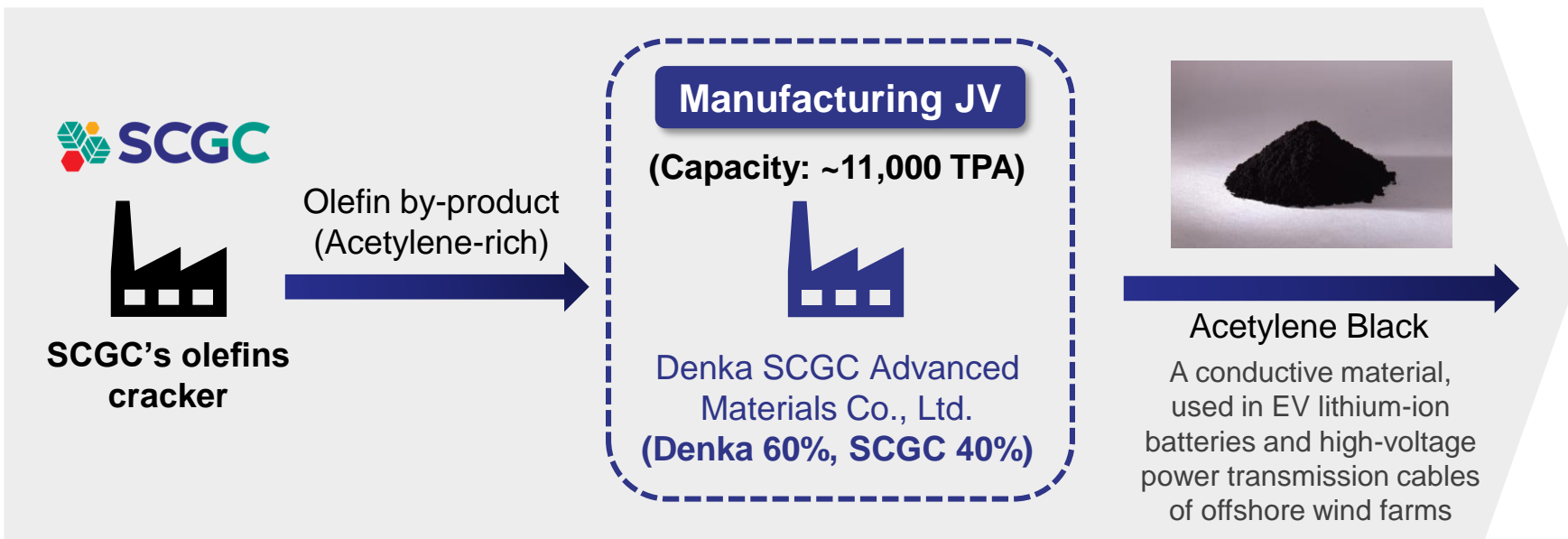
Sustainable & Innovative packaging

- **19.5% GHG reduction** comparing to base year with emphasis on the switch to renewable energies
- **99.7% of packaging that is recyclable, reusable & compostable**
- **35% of total sales are packaging solutions** which offer unique value to customers and enhance SCGP's competitiveness

Examples: SCGC elevating cracker product value towards EV battery value chain

SCGC's strategic move to capture strong growth of EV market and aligned with HVA strategy

JV with Denka (Japan) to investment in manufacturing of Acetylene black (carbon black)



Sources: SCGC information, Denka's company website (<https://www.denka.co.jp/eng/>)

SCG

Passion for

***Inclusive
Green
Growth***

**4
ENGINES**



1

องค์กรคล่องตัว ยืดหยุ่น
Agile Organization



2

นวัตกรรมกรีน
Green Innovations



3

องค์กรแห่งโอกาส สร้างความเป็นไปได้ใหม่ ๆ
Organization of Possibilities



4

ไม่ทิ้งใครไว้ข้างหลัง
Inclusive Society



Thank you

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