Press Release

**SCG Announces Q3/2021 Operating Results, Utilizing ESG, Alternative Energy**

**to Address High Fuel Costs and Inflation and Seizing Opportunities for Long-Term Growth with Green Products Following Country’s Reopening**

**Bangkok: 28 October 2021 – SCG reported strong operating results in Q3/2021, despite a decline in profitability due to the region's lockdown and higher energy and raw material costs in the global market. SCG has declared  
a long-term growth strategy based on ESG (Environmental, Social, and Government) and plans to manage raw material and fuel cost, increase the proportion of renewable energy in biomass and solar, and prepare for the likelihood of higher inflation. Following the country's reopening, it predicts brisk market and global economic recovery. SCG stands ready to seize opportunities by introducing green and wellness products such as SCG Green Choice and CPAC Green Solution. Additionally, it will swiftly enter the market of manufacturing raw materials for bioplastics. SCG aims to support the society by assisting in vaccines distribution to Southern Thailand via cold-chain logistics, in addition to resolving floods and creating jobs.**

**Mr. Roongrote Rangsiyopash, President and CEO of SCG,** disclosed, “The Company’s unreviewed Operating Results for Q3/2021 registered the Revenue from Sales of 131,825 MB, a drop of 1% q-o-q, Normalized Profit for the Period stood at 9,066 MB, a decrease of 47% q-o-q on lower chemicals product spreads and equity income. Meanwhile, Profit for the Period including asset impairment of cement plant in Myanmar and gain from fair value adjustment of investment totaled 6,817 MB, down 60% q-o-q.

Compared to the previous year's performance, Revenue from Sales increased 31% thanks to the rising chemical product prices while Normalized Profit for the Period fell by 11% due mainly to the new wave of COVID-19 pandemic and regional lockdown which affected the Cement-Building Materials Business. Profit for the Period including asset impairment and gain from adjustment of investment dropped 30%.

**In 9 months of 2021**, SCG registered Revenue from Sales of 387,446 MB, a rise of 28% y-o-y. Profit for the Period totaled 38,867 MB, up 49% y-o-y, as a result of improved chemicals product spreads and equity income.

**SCG’s Revenue from Sales of High Value-Added Products & Services (HVA)**for 9 months of 2021 amounted to 133,504 MB or 34% of total Revenue from Sales. Furthermore, New Product Development (NPD) and service solutions contributed 15% and 5% of total Revenue from Sales respectively.

**SCG’s Revenue from operations outside of Thailand, including export sales from Thailand** in 9 months of 2021 registered 174,487 MB or 45% of total Revenue from Sales, up 35% compared to last year.

**The total assets of SCG, as of September 30, 2021, amounted to 850,339 MB, of which 44% represented assets in ASEAN.**

**The Q3/2021 and 9 months of 2021 Operating Results by business unit are as follows:**

**Chemicals Business** recorded Q3/2021 Revenue from Sales of 60,060 MB, down 1% q-o-q but up 59% y-o-y due to higher product prices and sales volume. Profit for the Period totaled 5,210 MB, decreased 50% q-o-q and 5% y-o-y from lower product spreads.

In 9 months of 2021, Chemicals Business recorded Revenue from Sales of 172,407 MB, increasing 56% y-o-y. Profit for the Period totaled 24,431 MB, up 107% y-o-y, from higher product spreads and equity income.

**Cement-Building Materials Business** recorded Q3/2021 Revenue from Sales of 44,059 MB, decreased 5% q-o-q and up 3% y-o-y owning to increasing export to other markets outside of ASEAN and higher demand for domestic building materials. Normalized profit came in at 1,199 MB, decreased by 47% y-o-y due to the new wave of COVID-19 pandemic, regional lockdown. Inclusive of asset impairment of cement plant in Myanmar, Loss for the Period amounted to 2,400 MB.

In 9 months of 2021, Cement-Building Materials Business recorded Revenue from Sales of 136,660 MB, an increase of 4% y-o-y. Normalized Profit came in at 6,476 MB, down 16% y-o-y. Profit for the Period including asset impairment totaled 2,877 MB, down 57% y-o-y.

**SCGP** recorded Q3/2021 Revenue from Sales of 31,930 MB, an increase of 7% q-o-q and 37% y-o-y due to merger and partnership (M&P), and the easing of strict lockdown measures in Indonesia, resulting in increased demand for goods, particularly consumer and electrical and electronic appliances. Profit for the Period stood at   
1,781 MB, a drop of 21% q-o-q primarily due to higher costs but up 33% y-o-y.

In 9 months of 2021, SCGP recorded Revenue from Sales of 89,078 MB, up by 29% y-o-y. Profit for the Period totaled 6,179 MB, an increase of 24% y-o-y mainly attributed to higher growth in demand in consumer goods, food and beverage, and health products, as well as business through organic expansion and M&P. Because the company has manufacturing bases in several countries and can develop products to fulfill the needs of a wide range of industries, it can adequately diversify the risks associated with external-factor uncertainty.

Mr. Roongrote said, “SCG’s financial position remains strong despite a dip in profits as a result of regional lockdown, higher fuel, and raw material costs. SCG has strengthened its ESG (Environmental, Social, and Governance) requirements to prepare for potentially higher fuel and raw material costs and strong inflation, which is projected in the future. To address this challenge, SCG has **accelerated risk management by signing future fuel contracts, selecting raw materials appropriate for market conditions, and increasing the proportion of alternative energy.** In the first eight months of 2021, the proportion of biomass usage from agricultural waste and RDF was 12% (Cement-Building Business’ biomass and RDF use was up to 25%) and solar energy accounted for 3% or 77,744 megawatt-hours.

However, it is expected that after the country's reopening, purchasing power would return as businesses and consumers adapt to living with COVID-19, as in many other countries, which is a healthy sign of global and domestic economic recovery. SCG is preparing to **seize opportunities for long-term growth through green and wellness products** such as SCG Green Choice, which reduces the use of natural resources while saving energy and promoting good hygiene, and CPAC Green Solution, which uses digital technology to increase construction speed, reduce dust pollution, and cut construction waste. Furthermore, it continues to invest in environmentally friendly businesses, such as the production of bioplastics.

**SCG Chemicals** aspires to be a "**Chemicals Business for Sustainability**" by implementing energy-saving projects and speeding the expansion of its circular economy business. It recently signed a MOU with **Braskem** to explore the feasibility of entering into joint ventures to build a bio-ethylene plant in Thailand to address the demand for bioplastics. In terms of the progress of the share acquisition of **Sirplaste**, Portugal's leading plastic recycler, the shares are expected to be transferred by the end of the year.

Meanwhile, the **advanced recycling demonstration plant** has been certified "ISCC PLUS" by International Sustainability and Carbon Certification (ISCC). Additionally, **RIL Industrial Estate** under SCG Chemicals has been certified Eco-World Class, the top tier certification by the Industrial Estate Authority of Thailand (IEAT) for three years in a row, making it the first in Thailand to sustain these continued achievements.

**Long Son Petrochemicals Company Limited (LSP)** in Vietnam has completed 87% of its planned progress and will begin commercial operations in the first half of 2023.

SCG Chemicals’ Board of Directors approved the issuance of debentures in the total amount not exceeding 100,000 MB under the Medium-Term Note (MTN) program. The filing was submitted to The Office of the Securities and Exchange Commission on October 1, 2021, which is SCG Chemicals’ first debentures offering.

**Cement-Building Materials Business** aims to secure more renewable energy by **acquiring agricultural waste to use as fuel, recycling waste heat generated from cement manufacturing process**, **and boosting the use of solar power** from solar farm and solar floating solutions.

At the same time, it has developed products, services, and solutions to satisfy the needs of sustainable construction and living. Examples include **CPAC Green Solution**, which uses digital technologies to manage construction work efficiently, reducing time and resources; **SCG Green Choice** products and services which reduce natural resources use while saving energy and promoting good hygiene, which includes **SCG Hybrid Cement** that reduces the use of production resources and carbon dioxide emissions; **SCG Solar Roof Solution**, which helps save electricity for homeowners by using alternative and eco-friendly energy; and **SCG Bi-Ionization Air Purifier**, which helps eliminate bacteria and virus in the air  Moreover, business unit has created a digital platform to assist in communicating and handling trade with partners and customers more effectively.

**SCGP** strives to develop a diverse range of packaging innovations to fulfill the needs of customers and the megatrends of the Thai and ASEAN economies. SCGP has implemented a number of technologies to assist with operations, **including mechanization, automation, and artificial intelligence (AI)**to assess, predict, improve production efficiency, and improve product quality to the industries. SCGP also **works on packaging innovation that may be reintroduced into the recycling process** and increasing the share of renewable energy in the manufacturing process. Meanwhile, it will continue to **expand its company through organic and inorganic expansion (Merger & Partnership)** to become ASEAN's integrated packaging solutions provider and meet the growing need for consumer packaging.

SCG has collaborated with the Ministry of Public Health, Siam Yamato, and Kubota to accelerate the distribution of 310,000 Pfizer vaccine doses with cold-chain logistics via SCG Logistics Management Co., Ltd. to Songkhla, Narathiwat, Pattani and Yala, where high infection rates have been reported.

SCG opened its clay mine in Saraburi to support flooding and store water for the drought season to alleviate the misery caused by floods. SCG Foundation also donated 7,000 sets of SCGP-developed paper toilets and supply bags to victims across the country.

Furthermore, under the initiative "Community Power," SCG assists SMEs and over 400 communities in creating jobs, adding value to products through product processing, increasing selling channels, and generating additional income in the midst of the COVID-19 crisis."

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