**SCG Announces Q1/2024 Operating Results with Improved Performance from Previous Quarter,**

**Accelerating Green Innovations, Increasing Clean Energy Usage, and Expanding into High-Growth Markets**

**BANGKOK: 25 April 2024 - SCG reported its operating results for Q1/2024, showing improvement compared to the previous quarter driven by green innovations, effective cost management, rebounds in tourism and signs of economic recovery in the country. Moving forward, the global economy may be impacted by tensions in the Middle East. SCG is prepared to handle this volatility by adjusting business plans, managing supply chains effectively, and continuing steadfastly along the Inclusive Green Growth strategy. This includes increasing the share of clean energy that helps reduce costs, expediting green innovations to address global megatrends, and expanding into high-potential markets. Additionally, the Vietnam petrochemical complex is set to supply plastic resins to the global market in the third quarter.**

**Thammasak Sethaudom, President and CEO of SCG**, said, "SCG’s Q1/2024 operating results have demonstrated improvement. Despite global economic fluctuations and downturn of the petrochemical industry, SCG effectively manages costs and consistently delivers green innovations to the market, resulting in revenue of 124,266 MB, an increase of 3% q-o-q. Additionally, EBITDA (Earnings before interest, taxes, depreciation and amortization) stood at 12,623 MB, up 16% q-o-q, with the Profit for the Period of 2,425 MB, an increase of 3,559 MB q-o-q. This success is attributed to the development of green innovations that resonate with customers by fulfilling functional needs and contributing to carbon reduction, such as Low Carbon Cement, green polymers and sustainable packaging. This is evident from the sales of SCG Green Choice reaching 65,782 MB, accounting for 53% of total sales, an increase of 1,114 MB q-o-q. At the same time, significant cost reduction has been achieved by employing environmental-friendly production processes, with Thai cement plants increasing the share of alternative fuel usage to 47%. Additionally, The Siam Cement Public Company Limited (SCC) has been listed on the Singapore Stock Exchange since April 1, providing a new avenue for foreign investors to purchase SCC shares. The response has been favorable.

SCG is accelerating progress towards its Inclusive Green Growth strategy, aiming to lead the green business sector while fostering a Net Zero society by developing green innovations to meet the high demand and further growth in the global market. SCG has recently launched Low Carbon Cement (Generation 2), which can reduce carbon emissions by 15-20% and will be available for sale shortly. Additionally, as economies in many countries and regions are tend to recover, SCG is preparing by expanding investments in high-growth markets, such as SAMEA (South Asia, Middle East, Africa). The Long Son Petrochemicals (LSP) project is set to resume operations at full capacity, gearing up for plastic resin production in the third quarter.”

**SCGP (SCG Packaging)** fosters quality growth throughout the supply chain, starting from the use of recovered paper materials and enhancing the efficiency of raw material management. SCGP promotes comprehensive eucalyptus cultivation to secure quality raw materials and support carbon sequestration across 31,770 rai, capturing 152,181 tons of carbon dioxide equivalent per year. SCGP continues to add value to eucalyptus woodchip through ongoing research and development, with an investment of USD 3 million in collaboration with Origin Materials, a leading technology company from the United States, to develop **“Bio-based Plastic from eucalyptus** **woodchip.”** Additionally, SCGP is enhancing production efficiency by increasing the use of clean energy, incorporating Machine Learning and Artificial Intelligence technologies to optimize production, reducing energy consumption and costs. Furthermore, SCGP is building partnerships across sectors to prepare for the growing trend of the green business.

**SCG Cement and Green Solutions** continues to diversify cement innovations to suit various applications. The adoption of **'Low Carbon Cement'** has recently increased to 85%, with the introduction of Low Carbon Cement (Generation 2) scheduled for May 5. This innovation can reduce carbon dioxide emissions by 15-20% compared to international standards. This year's goal is to convert all cement production processes in Thailand to Low Carbon Cement (Generation 2) while further advancing other low-carbon products such as **'CPAC Low Carbon Concrete,'** which reduces carbon emissions by at least 25 kilograms per cubic meter. This reduction is equivalent to planting 25 trees for every 10 cubic meters of concrete used, while offering properties comparable or superior to conventional products. Additionally, the ‘**Tiger Décor Low Carbon’** is a ready-mix cement low-carbon formula for flooring and decorative wall applications which emits significantly less carbon dioxide by 38% compared to Portland cement. Moreover, cement products are tailored to meet specific customer needs, such as **‘SCG Low Carbon Durable Structural Cement – Southern Coastal Formula,'** customized for the southern region's terrain; **‘CPAC Coastal Concrete and CPAC Marine Concrete’** designed for the southern, eastern and western regions, which protect coastal structures and buildings from sea exposure; and ‘**CPAC Saline Soil Resistance Concrete’** tailored for the northeastern region, an area with saline soil, providing resistance to underground accumulation of chlorides and sulfates. Additionally, cement plants in Thailand have increased the share of alternative fuel usage to 47%, while the Thungsong Cement Plant has improved production processes for greater energy efficiency to support the shift towards alternative fuel use.

**SCG Smart Living** is committed to developing building material products and solutions that meet customers' needs. Among them are the **‘SCG HEIM High Ceiling house,’** a new modern style home designed for contemporary living with relaxation spaces and a double space central hall, while maintaining the trusted construction quality and residential technology of SCG HEIM; the **'SCG Metal Roof Clip Lock 700,'** which features clip lock installation and solves the issue of screw head leakage, set to be available in the second quarter; **'SCG Modeena COFF,’** a decorative wall material made from fiber cement, which incorporates 48% of recycled materials from operational process and waste from other businesses instead of virgin fiber to reduce carbon emissions while maintaining strength, durability, and aesthetics. Additionally, SCG is set to unveil its new brand, **'ONNEX by SCG Smart Living,'** at the Architect Expo 2024, aggressively entering the smart solution business for homes and buildings. This effort integrates SCG's innovations, technologies and expertise to enhance the quality of living, focusing on energy savings, indoor air quality improvement and safety enhancements, including solar roof systems and solutions for managing energy usage in buildings.

**SCG Distribution & Retail** continues to aggressively enter continuously high-potential new markets such as the SAMEA region, which boasts an average GDP of over 70% and accounts for over 40% of the world's population. SCG International's office in Saudi Arabia manages end-to-end supply chain operations for the region, leveraging SCG's entire business network, covering cement, building materials, paper and packaging, as well as raw materials and industrial supplies. Plans are underway to transport goods from Saudi Arabia to countries worldwide and to source products from other regions to Saudi Arabia. In the ASEAN market, it manufactures bagged cement products targeting the high-growth economy segment, including **brands like 5-Star Cement in Cambodia, ADAMAX in Vietnam,** and **Bezt in Indonesia.** In domestic retail, SCG has raised awareness for **SCG HOME**. Recently, a grand opening event was held for the Khon Kaen store branch.

**SCGC (SCG Chemicals)** is advancing to maximize sales of **'SCGC GREEN POLYMERTM,'** seizing the opportunity of the petrochemical industry recovery, which shows signs of improvement in the second half of 2024. Sales in the previous quarter reached 38,000 tons, while achieved 218,000 tons of sales in 2023, in line with the target of 1 million tons by 2030. Additionally, SCGC has collaborated with leading partners such as **HomePro** to introduce **'Closed-Loop Circular Appliances,'** presenting the first-of-its-kind recycling process for used electrical appliances to transform them into high-quality green polymers for new products. The launch under the company **Sirplaste SA** in Portugal marks a step forward with **'SIRPRIME**,' a high-quality, odorless PCR HDPE Resin (PCR HDPE), made from 100% household plastic waste, utilizing efficient recycling technology to eliminate odors and contaminants, certified by EuCertPlast and RecyClass standards in Europe. Meanwhile, the **‘Long Son Petrochemicals Complex (LSP)’** in Vietnam is in the phase of thorough evaluation and inspection of machinery to ensure more safety. It is expected to resume testing of the machinery and be ready for commercial production in the third quarter.

**SCGD (SCG Decor)** **highlighting four strategies to multiply its sales growth by 2 times by 2030**, in response to the gradual recovery of the ASEAN market. These strategies include: **1) Driving growth in the business of surface decorations for tiles and wall coverings** through various operations, such as expanding plant investment in the South of Vietnam; increasing high-value added product portfolio; and channel expansion; **2) Expanding the sanitary ware business in ASEAN and investing in new sanitary ware plant**, targeting to increase in sanitary ware sales by 2 times or more than 10,000 MB; **3) Expanding into Complementary products and services**, reinforcing its position as a leader in end-to-end solutions, and enhancing opportunities to sell Complementary products; and **4) M&P (Merger & Partnership) within the key business areas domestically and internationally**. Furthermore, the Company emphasizes investments to enhance efficiency and reduce production costs, including the **Hot Air Generator** **installation projects** that reduce energy costs at 2 plants in Thailand, expected to be completed in May this year, along with **a SPC vinyl tile production line project**, which will start supplying products to the Thai market by the end of the second quarter, with a production capacity of 1.8 million square meters per year.

**SCG Cleanergy, the end-to-end Clean Energy Business,** continues to grow in line with the global megatrend shifting towards cleaner energy usage, coupled with government support, resulting in expansion in the clean energy market in Thailand. Currently, the total production capacity has increased by 13% from the end of 2023, reaching 511 megawatts, through collaborations with both the public and private sectors in new electricity trading projects. This year, the target is to increase production capacity by 200 megawatts for electricity trading with the private sector. In the area of innovative battery technology for storing heat from clean energy, in partnership with Rondo Energy from the United States, SCG Cleanergy has the potential to handle marketing in ASEAN, thereby providing an opportunity to introduce this technology into the ASEAN market initially and potentially expand to other suitable regions later. Simultaneously, The Siam Refractory Industry Company Limited has collaborated with Rondo Energy to develop the production of **'Thermal Media'** for the first time, which is a core material for use in heat batteries. This collaboration has enabled the expansion of Thermal Media production capacity to 12,000 tons per year by the end of last year, to support the growing heat battery business.

**Thammasak concluded**, "While the global economy may fluctuate due to conflicts in the Middle East, Thailand's economy is expected to improve owing to tourism, foreign investment, the approval of the 2024 fiscal budget by the government, set to begin disbursement in April, and economic stimulus measures such as reducing property transfer fees, tax deductions, and releasing credit for home purchases in the real estate sector. It is also pleasing that the government prioritizes green initiatives, including proposing a climate change bill this year, supporting the Saraburi Sandbox project to make it Thailand's first low-carbon model city. Encouraging green procurement practices will set an example for other organizations to follow suit, further promoting green concepts and mitigating the climate crisis, ultimately benefiting the country's economy in the long run."

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**Attached Document**

**Key Financial Information of SCG**

**Q1/2024 Overall Performance**

SCG's unaudited Operating Results for Q1/2024 registered the Revenue from Sales at 124,266 MB, an increase of 3% q-o-q, due to higher Revenue from Sales from most businesses. EBITDA reached 12,623 MB, up by 16% q-o-q, attributed to the better performance of the businesses related to cement and construction which had green product offering and efficiency initiatives. Similarly, Profit for the Period amounted to 2,425 MB, an increase of 3,559 MB q-o-q, mainly due to improved profitability in most businesses.

Revenue from Sales decreased by 3% y-o-y, mainly from businesses related to cement and construction as well as reduced sales volumes in the Chemicals business. However, EBITDA increased by 4% mainly from higher contribution of the businesses related to cement and construction, while the Profit for the Period decreased by 85%. This was because Q1/2023 included non-recurring gain from fair value adjustment in SCG Logistics of 11,956 MB, which was a non-cash transaction, as well as lower Chemicals performance.

Revenue from Sales of SCG Green Choice in Q1/2024 reported 65,782 MB or 53% of total Revenue from Sales. The sales of SCG Green Choice products contributed to a reduction of 230,000 tons of CO2 emissions.

Revenue from operations outside of Thailand, including export sales from Thailand, registered 54,585 MB in Q1/2024, or 44% of total Revenue from Sales.

SCG’s financial position remained consistently robust, with cash and cash equivalents at the end of Q1/2024 totaling 78,585 MB, compared to 68,064 MB at the end of Q4/2023.

SCG’s total assets as of March 31, 2024, amounted to 939,396 MB, of which 46% represented assets in ASEAN (excluding Thailand).

**The Q1/2024 operating results by business units are as follows:**

* **SCGC (SCG Chemicals)** recorded Q1/2024 Revenue from Sales at 45,376 MB, a decrease of 2% q-o-q and 3% y-o-y. This decline was primarily due to reduced sales volumes in the petrochemical industry, which remained weak due to geopolitical tensions and the global economic slowdown, including the shutdown of the Rayong Olefins (ROC) plant for maintenance. However, market constraints led to an upward adjustment in petrochemical prices, particularly in the olefins group, resulting in EBITDA from Operations (Earnings before interest, taxes, depreciation, and amortization) of 1,176 MB, an increase of 575 MB q-o-q. Nevertheless, Loss for the Period registered at 1,866 MB compared to Profit for the Period of 1,356 MB in the previous quarter, profit decrease resulted from lower equity income from associates and recorded Long Son Petrochemicals Complex (LSP) start-up expenses which mainly from depreciation.
* **SCG Cement and Green Solutions** recorded Q1/2024 Revenue from Sales at 21,399 MB, an increase of 6% q-o-q. This growth was driven by the season for cement sales. However, it decreased by 6% y-o-y due to reduced sales volumes resulting from a contraction in the overall cement market in the country. Meanwhile, EBITDA increased by 14% y-o-y, reaching 3,591 MB, and the Profit for the Period increased by 46%, reaching 1,191 MB, attributed to green initiatives.
* **SCG Smart Living and SCG Distribution & Retail** recorded Q1/2024 Revenue from Sales at 38,402 MB, an increase of 6% q-o-q. This rise was due to the high season of building materials sales which led to the increase sales volumes for building materials and Distribution business. However, it decreased by 3% y-o-y due to decreased sales volumes from a contraction in the building materials market. Meanwhile, EBITDA amounted to 1,025 MB, increasing by 34% y-o-y, attributed to improved management to enhance the competitiveness of the construction product group, as well as improved performance of SCG Distribution & Retail, resulting in the Profit for the Period (included equity income from associates) of 582 MB, increasing by 46% y-o-y.
* **SCGP (SCG Packaging)** recorded Q1/2024 Revenue from Sales at 33,948 MB, an increase of 6% q-o-q from all major business segments driven by resilient demand in consumer-linked sector supported by tourism, pre-holiday restocking, spending stimulus campaign in Thailand, and expenditure related to election in Indonesia, and improved ASEAN exports. Furthermore, compared to the same period of the previous year, Revenue from Sales increased by 1%, primarily due to higher sales volumes in the integrated packaging business and the fibrous business, primarily due to the recovery of domestic economic activities. Profit for the Period of 1,725 MB, representing a 42% increase q-o-q driven by higher packaging paper sales volume and selling price in strategic markets, rise in global pulp price, and flexibility and resiliency in raw materials sourcing network despite the upward trend of global recovered paper (RCP). Compared to last year, Profit for the Period increased 41% y-o-y from higher sales volume and production utilization across all major product categories, coupled with effective cost management throughout the entire value chain.
* **SCGD (SCG Decor)** recorded Q1/2024 EBITDA and the Profit for the Period increased to 854 MB and 258 MB, respectively; although, Revenue from Sales at 6,784 MB, is similar to the previous quarter because of the soft demand during the long new year holiday in Vietnam (TET) against the rising sales volume in Thailand. This profitability improvement was due to the company’s ability to maintain product pricing for ceramic tiles and sanitary ware, selling a higher proportion of high-margin products, a series of cost reduction and production efficiency improvement projects, along with continuously decreasing energy costs.

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