

# SCG Packaging

(SCGP.BK/SCGP TB)\*

## Outperform · Maintained

Price as of 7 Sep 2023	38.75
12M target price (Bt/shr)	46.00
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	18.70

### Key messages

นักลงทุนดูเหมือนจะมุ่งเน้นความสนใจไปที่สถานการณ์ของจีนเพียงอย่างเดียว และมองข้ามประเทศไทย ซึ่งคิดเป็นสัดส่วนถึง 42% ของรายได้ SCGP ในงวด 1H66 ไป เราเชื่อว่าผลการดำเนินงานที่ประคองตัวได้ในประเทศไทยมีแนวโน้มสดใสมากขึ้นใน 4Q66 จากปริมาณยอดขายที่เพิ่มขึ้น ในขณะที่เดียวกัน เราเชื่อว่าเศรษฐกิจจีนจะยังคงฟื้นตัวแบบ sideway-up เนื่องจากทางการจีนได้ออกแพ็คเกจกระตุ้นเศรษฐกิจชุดใหม่ออกมา ซึ่งเราคาดว่าจะมีออกมาอีกหลายชุด เรามองว่าราคาหุ้นตอนนี้น่าสนใจเพราะความเสี่ยงด้าน downside จำกัดทั้งในแง่ของราคาหุ้น และการปรับประมาณการกำไร ดังนั้น เรายังคงคำแนะนำซื้อ และประเมินราคาเป้าหมายปี 2567F ที่ 46.00 บาท

### Trading data

Mkt cap (Btbn/US\$bn)	166/4.2		
Outstanding shares (mn)	4,293		
Foreign ownership (mn)	176		
3M avg. daily trading (mn)	11		
52-week trading range (Bt)	35.00-60.00		
Performance (%)	3M	6M	12M
Absolute	0.6	-25.8	-29.5
Relative	0.7	-23.6	-25.6

### Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2021	0.50	0.53	0.41	0.49
2022	0.39	0.43	0.43	0.10
2023	0.28	0.35	-	-

### Share price chart



Source: SET

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## พรุ่งนี้ที่ดีกว่า

### Event

เรายังคงมองบวกกับ SCGP

### Impact

#### อyamมองข้ามแนวโน้มผลการดำเนินงานที่แข็งแกร่งในประเทศไทย

นักลงทุนดูเหมือนจะมุ่งเน้นความสนใจไปที่สถานการณ์ของจีนเพียงอย่างเดียว แต่มองข้ามประเทศไทย ซึ่งคิดเป็นสัดส่วนถึง 42% ของรายได้ SCGP ในงวด 1H66 ไป เราเชื่อว่าผลการดำเนินงานที่ประคองตัวได้ในประเทศไทยมีแนวโน้มสดใสมากขึ้นใน 4Q66 จากปริมาณยอดขายที่เพิ่มขึ้น โดยดัชนีความเชื่อมั่นผู้บริโภคของไทยเพิ่มขึ้นเป็น 55.6 ในเดือนกรกฎาคม 66 (จากระดับต่ำสุดที่ 40.2 ในเดือน พ.ค. 65) (Figure 8) และเรามองว่ามีแนวโน้มเพิ่มขึ้นอีกหลังจากความชัดเจนในการตั้งรัฐบาลใหม่ที่มีนายเศรษฐา ทวีสินเป็นนายกรัฐมนตรี เราคาดว่าความเชื่อมั่นที่เพิ่มขึ้น และอานิสงส์จากมาตรการกระตุ้นเศรษฐกิจต่าง ๆ (เช่น digital wallet 10,000 บาท) จะส่งผลดีกับการดำเนินงานของ SCGP ในไทย

#### อย่างถอดใจกับการฟื้นตัวที่ไม่ราบรื่นของจีน

เราเชื่อว่าเศรษฐกิจจีนจะยังฟื้นตัวแบบ sideway-up โดยการส่งออกและนำเข้าในเดือน ก.ค. 2566 หดตัวลง -8.8% YoY และ -7.3% YoY ดีกว่าตลาดค่าตัวที่ -9.2% YoY และ -9.0% YoY ตามลำดับ แนวโน้มดัชนี PMI ภาคบริการจะออกมาดีหวัง ทั้งนี้ หลังจากที่เกิดกระแสความกังวลเกี่ยวกับตลาดอสังหาริมทรัพย์ ทางการจีนได้ออกแพ็คเกจกระตุ้นเศรษฐกิจชุดใหม่ออกมา ซึ่งเราคาดว่าจะมีออกมาอีกหลายชุด เพื่อกระตุ้นเศรษฐกิจและฟื้นฟูความเชื่อมั่น ทั้งนี้ นักลงทุนจัด SCGP เป็นหุ้นซิมจีน เนื่องจากมีความอ่อนไหวอย่างมากกับข้อมูลเศรษฐกิจจีนทั้ง PMI, ยอดค้าปลีก และ GDP อย่างไรก็ตาม ยอดขายโดยตรงไปที่ประเทศจีนคิดเป็นเพียง 7% ของยอดขายและการส่งออกทางอ้อมจากโรงงานในเวียดนามและอินโดนีเซียเท่านั้น จากอดีตจนถึงปัจจุบัน SCGP พยายามที่จะเพิ่มสินค้าที่มีมูลค่าสูงขึ้น และลดกระดาษบรรจุภัณฑ์ลง ซึ่งเป็นผลิตภัณฑ์ปลายน้ำ และอ่อนไหวมากขึ้นเหมือนกับสินค้าโภคภัณฑ์

#### เราควรคาดหวังอะไรในงวด 2H66...?

เรายังคงคาดว่าผลประกอบการจะแข็งแกร่งขึ้นใน 2H66 จากอานิสงส์ทางด้านต้นทุน (กระดาษรีไซเคิล (RCP), ถ่านหิน, ภาระวางขนสง) ในขณะที่ค่าตัวกำไรในปี 2567F จะอาศัยการเติบโตของยอดขายเป็นตัวนำ ทั้งนี้ จาก operating leverage ของบริษัท ยังมีกำไรโรงงานบรรจุภัณฑ์มากขึ้น (จากอุปสงค์ที่เพิ่มขึ้น) เทาไหว ก็จะยิ่งทำให้ margin เพิ่มขึ้น นอกจากนี้ จำนวนนักท่องเที่ยวต่างชาติที่เพิ่มขึ้น และมาตรการกระตุ้นเศรษฐกิจยังมีส่วนช่วยหนุนปริมาณยอดขายจากตลาดที่มีแนวโน้มสดใสอย่างเช่นเวียดนามและไทยด้วย เราคาดว่ากำไรจากธุรกิจหลักใน 3Q66 จะอยู่ในช่วง (+/-) 1.6 พันล้านบาท (+QoQ, +YoY) โดยคาดว่าใน 3Q66 บริษัทจะรับผลจากการที่ราคา RCP ลดลงมาอยู่ที่ US\$400/ton ใน 2Q66 ในขณะที่ฝั่งของราคาขายน่าจะมิเสถียรภาพมากกว่า

### Valuation and action

ราคาหุ้น SCGP ร่วงลงมาแรงในช่วงที่ผ่านมา (-32% YTD) ทำให้ risk/reward ดูน่าสนใจมากขึ้นอย่างมาก จากความคาดหวังถึงการฟื้นตัวของผลประกอบการ ในขณะที่ consensus ของประมาณการกำไรปี 2566F ถูกปรับลดลงไปแล้ว 31% YTD ซึ่งหมายความว่า downside ในระยะต่อไปน่าจะจำกัด เรายังคงคำแนะนำซื้อ โดยราคาหุ้นในปัจจุบันยังอยู่ในระดับใกล้เคียงกับ EV/EBITDA เฉลี่ยในอดีต -2S.D. from its historical

### Risks

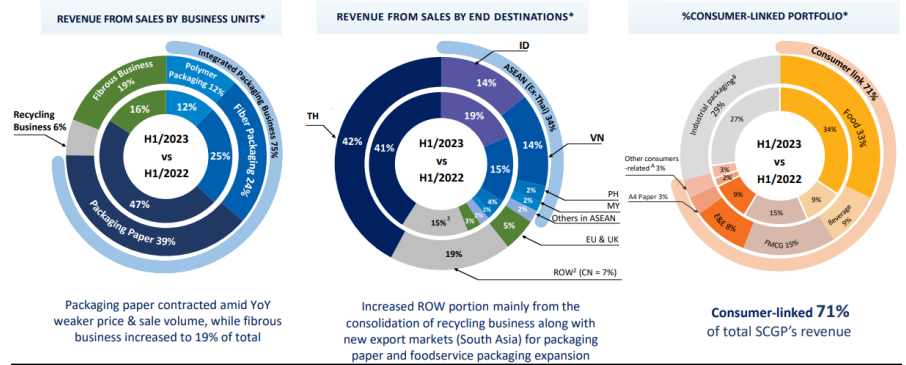
ความผันผวนของราคาวัตถุดิบ และต้นทุนพลังงาน, การตั้งค้อยาคัด M&As, และความเสียหายของประเทศ

### Key financials and valuations

	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F	Dec - 25F
Revenue (Btmn)	124,223	146,068	148,248	162,798	170,852
Net Profit (Btmn)	8,294	5,801	5,947	7,196	8,015
Normalized Profit (Btmn)	7,444	5,768	5,947	7,196	8,015
Net Profit Growth (%)	28.4	(30.1)	2.5	21.0	11.4
Normalized Profit Growth (%)	12.1	(22.5)	3.1	21.0	11.4
EPS (Bt)	1.93	1.35	1.39	1.68	1.87
DPS (Bt)	0.65	0.60	0.65	0.75	0.85
P/E (X)	35.8	28.3	27.6	22.8	20.5
P/B (X)	3.1	1.7	1.6	1.6	1.5
EV/EBITDA (X)	9.5	10.4	9.7	8.6	7.8
Dividend Yield (%)	0.9	1.6	1.7	2.0	2.2
Return on Average Equity (%)	7.1	4.7	4.8	5.5	5.9

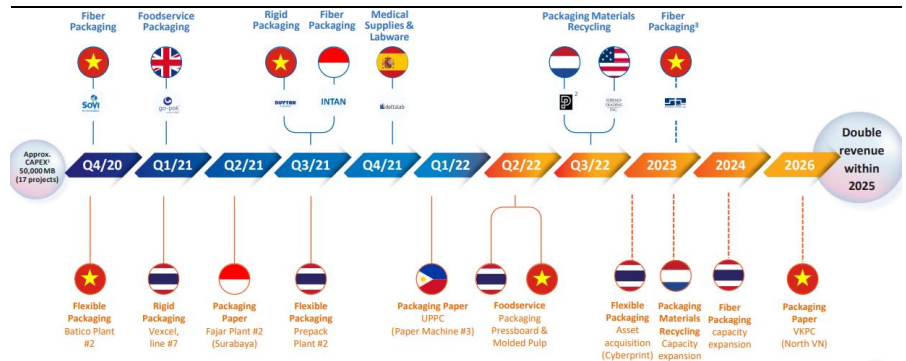
Source: Company data, KGI Securities Research

Figure 1: SCGP at a glance in 1H23



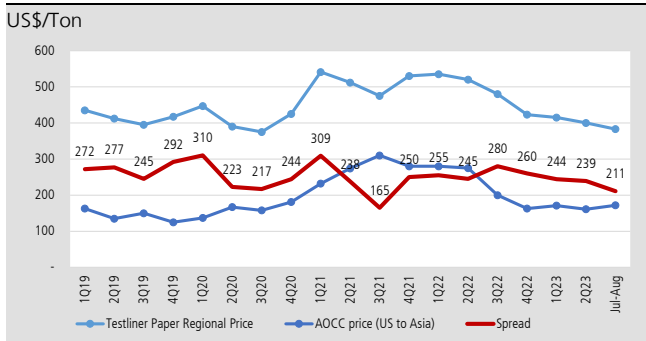
Source: Company data, KGI Securities Research

Figure 2: Coming from a long way since IPO (8 M&Ps and 9 organic expansion)



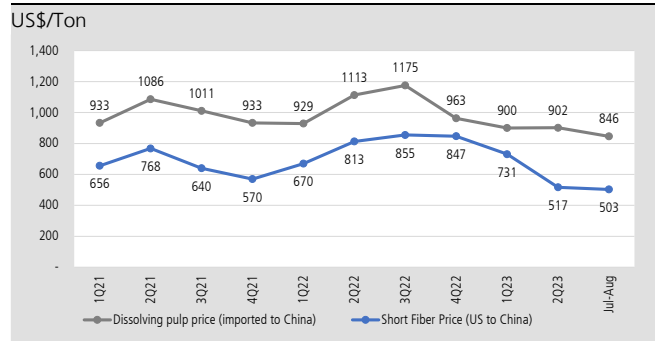
Source: Company data, KGI Securities Research

Figure 3: Market prices of testliner paper & AOCC & spread



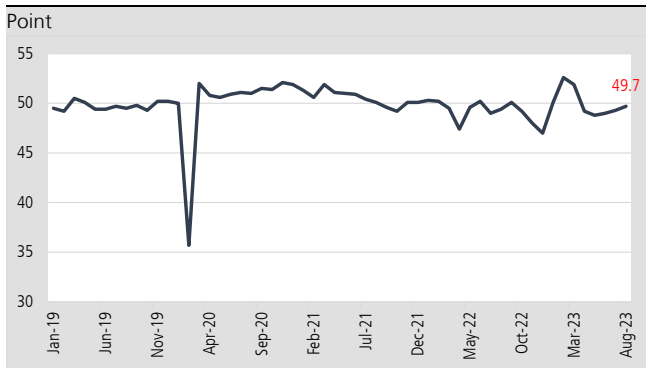
Source: Company data, KGI Securities Research

Figure 4: Market prices of short fiber & dissolving pulp



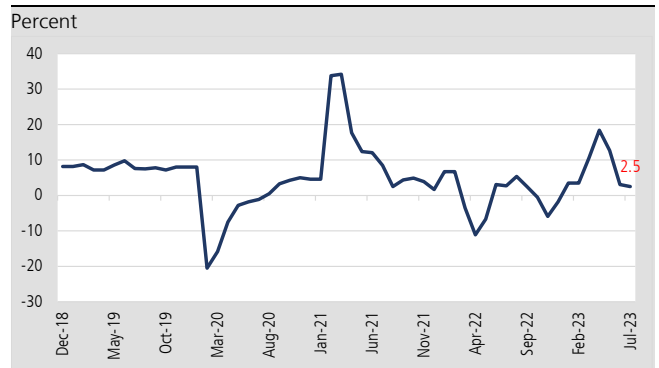
Source: Company data, KGI Securities Research

Figure 5: China's Purchasing Managers Index (PMI)

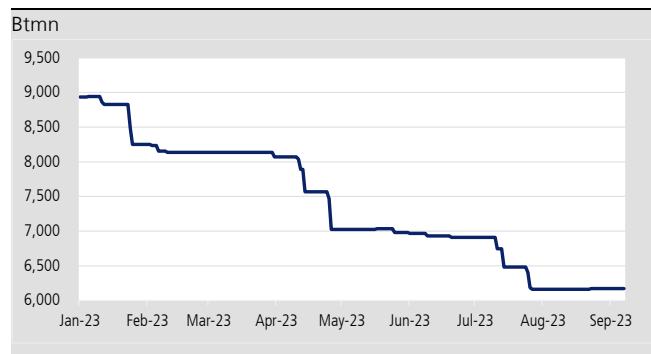


Source: Bloomberg, KGI Securities Research

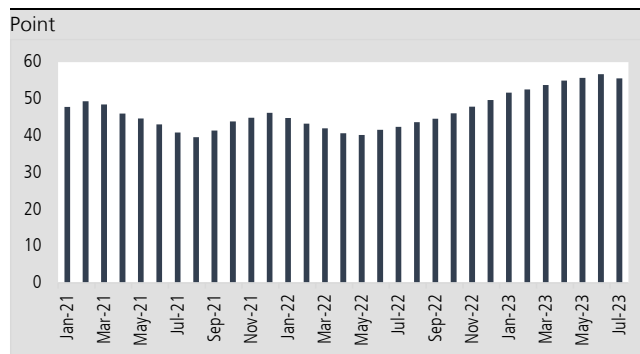
Figure 6: China retail sales (YoY)



Source: Bloomberg, KGI Securities Research

**Figure 7: A 31% earnings cut for 2023F in YTD**


Source: Bloomberg, KGI Securities Research

**Figure 8: Thailand consumer confidence**


Source: Bloomberg, KGI Securities Research

**Figure 9: Key assumptions**

Assumptions	unit	2021	2022	2023F	2024F	2025F
<b>Revenue breakdown:</b>						
<b>Integrated packaging business</b>	<b>Btmn</b>	<b>105,562</b>	<b>117,219</b>	<b>124,297</b>	<b>136,914</b>	<b>142,879</b>
Packaging paper	Btmn	64,507	63,125	65,205	71,945	72,664
Price	Bt/Ton	14,967	16,145	15,750	15,908	16,067
Production	Ton	4,310,000	3,910,000	4,140,000	4,522,700	4,522,700
Fiber packaging	Btmn	30,861	36,060	39,256	43,149	46,213
Price	Bt/Ton	30,555	34,673	35,500	36,210	36,934
Production	Ton	1,010,000	1,040,000	1,105,800	1,191,645	1,251,227
Consumer & performance	Btmn	10,196	18,033	19,836	21,820	24,002
<b>Fibrous business</b>	<b>Btmn</b>	<b>18,660</b>	<b>24,273</b>	<b>23,951</b>	<b>25,884</b>	<b>27,972</b>
Price	Bt/Ton	28,708	36,777	34,000	34,340	34,683
Production	Ton	650,000	660,000	704,435	753,745	806,507
<b>Ratio:</b>						
GPM	Percent	18.4	16.6	16.8	17.1	17.4
GPM IPB	Percent	18.1	15.7	17.5	17.7	18.0
GPM FB	Percent	17.0	6.6	13.0	14.0	14.4
Distribution/sales	Percent	5.5	6.4	5.2	5.2	5.2
Admin/sales	Percent	4.6	4.6	5.4	5.2	5.2
Interest rate	Percent	2.1	2.9	3.6	3.7	3.7
Effective tax rate	Percent	17.6	18.7	17.7	17.7	17.7

Source: Company data, KGI Securities Research

**Figure 10: Peer comparison**

Company	Market Cap. (Btmn)	PER (x)		PBV (x)		EV/EBITDA (x)		Div yield (%)		ROE (%)		ROA (%)		EPS	
		2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F
<b>Domestic peers</b>															
SCG PACKAGING PCL	166,351	26.97	22.33	1.64	1.57	11.41	10.31	1.47	1.73	5.96	6.89	3.18	3.63	1.44	1.74
UNITED PAPER PCL	7,735	9.15	8.32	1.64	1.49	5.53	4.91	5.55	6.05	22.29	18.81	20.14	17.26	1.30	1.43
STARFLEX PCL	3,104	17.42	14.25	2.97	2.68	13.11	10.28	2.55	3.19	17.83	19.79	10.27	10.60	0.23	0.28
<b>Overseas peers</b>															
DS SMITH PLC	186,505	7.10	9.04	0.93	0.97	5.08	5.69	6.01	5.85	13.48	10.65	6.18	5.10	0.34	0.34
MONDI PLC	279,813	14.29	12.65	1.21	1.15	7.30	6.76	4.48	4.36	9.08	10.40	7.30	8.80	1.06	1.19
AMCOR PLC	478,321	12.78	13.43	3.34	3.27	10.05	9.98	5.26	5.17	26.50	24.08	5.90	7.43	0.69	0.75
HUHTAMAKI OYJ	127,565	14.42	12.49	1.68	1.56	8.60	7.83	3.28	3.66	10.60	12.79	4.42	5.56	2.15	2.48
SIG GROUP AG	348,193	26.86	24.41	2.94	2.88	14.19	12.98	2.10	2.31	10.21	11.60	3.76	4.64	0.89	0.98
INTERNATIONAL PAPER CO	417,132	15.35	16.16	1.35	1.42	7.55	7.63	5.47	5.47	9.15	9.04	3.81	3.37	2.21	2.10
SONOCO PRODUCTS CO	192,444	10.53	10.06	2.33	N.A.	7.88	7.40	3.67	3.77	22.90	21.78	6.20	6.50	5.24	5.49
SEALED AIR CORP	182,269	12.29	10.90	8.89	5.67	8.94	8.30	2.31	2.36	90.81	67.62	5.90	6.97	2.89	3.25
NIPPON PAPER INDUSTRIES CO L	37,304	N.A.	10.81	0.40	0.38	23.25	11.09	0.00	0.38	-12.03	3.67	-2.25	0.70	123.04	154.65
RENGO CO LTD	65,559	10.34	7.42	0.68	0.62	9.17	6.34	2.46	2.47	6.51	8.63	2.70	3.85	135.09	145.78
Lee & Man Paper Manufacturing Ltd	45,774	8.93	6.74	0.36	0.35	9.19	7.48	4.27	5.60	4.02	5.66	2.14	3.05	0.26	0.35
Nine Dragons Paper Holdings Ltd	92,648	N.A.	9.50	0.42	0.40	21.96	8.66	0.37	2.46	-4.11	5.03	-2.00	2.13	-0.33	0.43
SHANDONG XINJUFENG TECHNOL-A	31,296	29.16	22.14	2.49	2.26	16.02	12.54	0.95	1.34	8.60	10.29	6.49	7.75	0.53	0.69
SHENZHEN YUTO PACKAGING TE-A	108,479	14.21	11.99	1.93	1.70	9.73	8.35	2.51	3.23	13.68	14.38	7.20	8.08	1.69	2.00
<b>Industry average (excl. SCGP)</b>	<b>162,759</b>	<b>14.49</b>	<b>12.52</b>	<b>2.10</b>	<b>1.79</b>	<b>11.10</b>	<b>8.51</b>	<b>3.20</b>	<b>3.60</b>	<b>15.59</b>	<b>15.89</b>	<b>5.51</b>	<b>6.36</b>	<b>17.33</b>	<b>20.14</b>
<b>Industry average (All)</b>	<b>162,970</b>	<b>15.32</b>	<b>13.10</b>	<b>2.07</b>	<b>1.77</b>	<b>11.11</b>	<b>8.62</b>	<b>3.10</b>	<b>3.49</b>	<b>15.03</b>	<b>15.36</b>	<b>5.37</b>	<b>6.20</b>	<b>16.39</b>	<b>19.05</b>

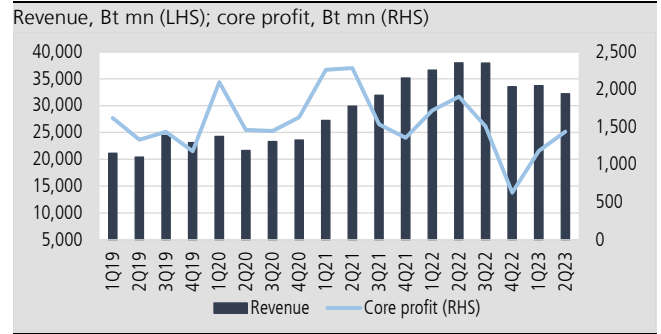
Source: Bloomberg, KGI Securities Research

**Figure 11: Company profile**

SCG Packaging (SCGP) is a holding company that invests in packaging companies. The company's key products are i) integrated packaging chain (fiber-based packaging, packaging paper, consumer and performance packaging), and ii) fibrous chain (foodservice products, pulp and paper products). Core business is integrated packaging business, which contributed 80-85% of total revenue from sales. Thailand is a key market for SCGP, accounting for 41% of total sales in 1H22 followed by Indonesia and Vietnam, which accounted for 19% and 15%, respectively.

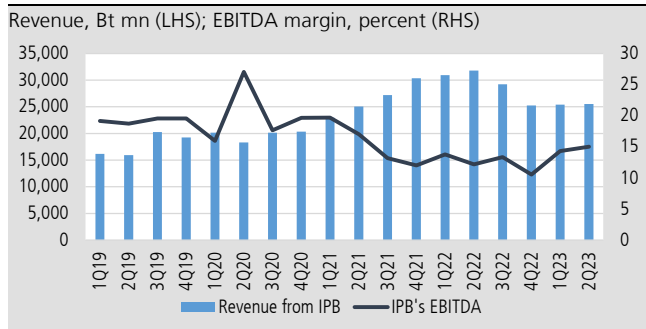
Source: Company data

**Figure 12: Quarterly total revenue and core profit**



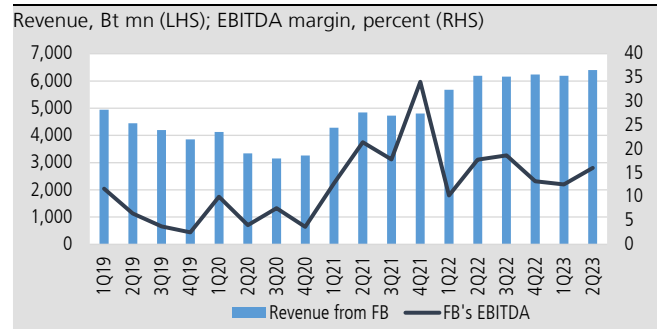
Source: Company data, KGI Securities Research

**Figure 13: Integrated packaging: Revenue & EBITDA margin**



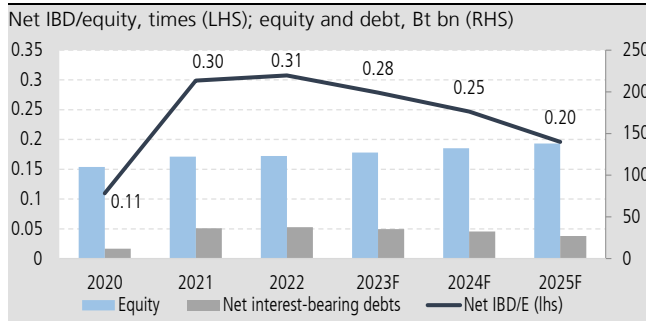
Source: Company data, KGI Securities Research

**Figure 14: Fibrous business: Revenue & EBITDA margin**



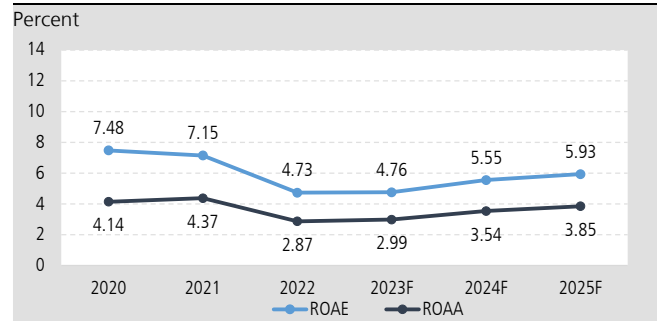
Source: Company data, KGI Securities Research

**Figure 15: Comfortable gearing ratio with ample headroom**



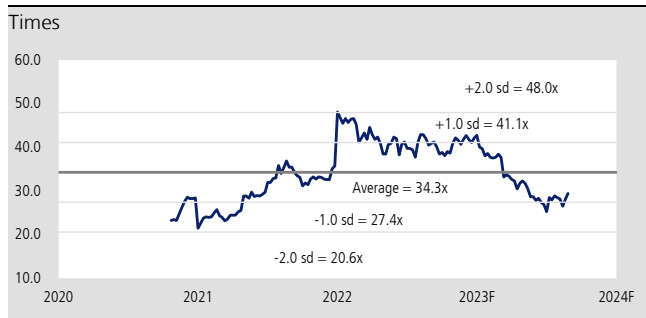
Source: Company data, KGI Securities Research

**Figure 16: ROAE and ROAA in 2020-25F**



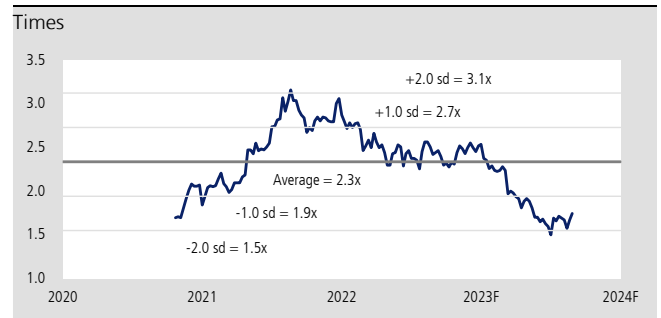
Source: Company data, KGI Securities Research

**Figure 17: SCGP's forward PER**



Source: KGI Securities Research

**Figure 18: SCGP's forward PBV**



Source: KGI Securities Research

**Quarterly Income Statement**

	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A
Income Statement (Bt mn)														
<b>Revenue</b>	<b>24,267</b>	<b>21,635</b>	<b>23,287</b>	<b>23,596</b>	<b>27,253</b>	<b>29,895</b>	<b>31,930</b>	<b>35,144</b>	<b>36,634</b>	<b>37,982</b>	<b>37,943</b>	<b>33,509</b>	<b>33,729</b>	<b>32,216</b>
Cost of Goods Sold	(18,527)	(17,027)	(18,701)	(19,078)	(21,205)	(23,748)	(26,417)	(29,975)	(30,346)	(31,303)	(31,518)	(28,625)	(27,780)	(26,350)
<b>Gross Profit</b>	<b>5,741</b>	<b>4,608</b>	<b>4,586</b>	<b>4,518</b>	<b>6,049</b>	<b>6,147</b>	<b>5,514</b>	<b>5,169</b>	<b>6,288</b>	<b>6,679</b>	<b>6,425</b>	<b>4,884</b>	<b>5,948</b>	<b>5,866</b>
Operating Expenses	(2,500)	(2,603)	(2,419)	(2,619)	(2,970)	(2,922)	(3,372)	(3,311)	(3,990)	(4,202)	(4,077)	(3,770)	(4,220)	(3,754)
Other incomes	191	92	177	143	390	242	192	1,390	296	262	422	342	232	161
<b>Operating Profit</b>	<b>1,967</b>	<b>2,189</b>	<b>2,326</b>	<b>3,277</b>	<b>3,390</b>	<b>3,639</b>	<b>2,743</b>	<b>3,120</b>	<b>2,594</b>	<b>3,088</b>	<b>3,038</b>	<b>1,037</b>	<b>2,097</b>	<b>2,394</b>
Depreciation of fixed assets	(1,767)	(1,786)	(1,812)	(1,819)	(1,900)	(1,932)	(2,184)	(2,299)	(2,300)	(2,410)	(2,478)	(2,672)	(2,745)	(2,850)
<b>Operating EBITDA</b>	<b>3,708</b>	<b>5,083</b>	<b>3,874</b>	<b>4,211</b>	<b>5,267</b>	<b>5,564</b>	<b>4,910</b>	<b>5,409</b>	<b>4,887</b>	<b>5,478</b>	<b>5,483</b>	<b>3,709</b>	<b>4,842</b>	<b>5,244</b>
<b>Non-Operating Income</b>	<b>(1,491)</b>	<b>80</b>	<b>(36)</b>	<b>1,224</b>	<b>(102)</b>	<b>165</b>	<b>391</b>	<b>(138)</b>	<b>(8)</b>	<b>329</b>	<b>235</b>	<b>(413)</b>	<b>153</b>	<b>115</b>
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-op Income	(1,491)	80	(36)	1,224	(102)	165	391	(138)	(8)	329	235	(413)	153	115
<b>Non-Operating Expenses</b>	<b>(482)</b>	<b>756</b>	<b>(579)</b>	<b>(1,147)</b>	<b>(261)</b>	<b>(307)</b>	<b>(283)</b>	<b>(329)</b>	<b>(286)</b>	<b>(311)</b>	<b>(404)</b>	<b>(467)</b>	<b>(497)</b>	<b>(510)</b>
Interest Expenses	(482)	756	(579)	(1,147)	(261)	(307)	(283)	(329)	(286)	(311)	(404)	(467)	(497)	(510)
Other Non-op Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Equity Income/(Loss)</b>	<b>26</b>	<b>12</b>	<b>17</b>	<b>11</b>	<b>23</b>	<b>7</b>	<b>18</b>	<b>10</b>	<b>8</b>	<b>20</b>	<b>33</b>	<b>(6)</b>	<b>(17)</b>	<b>6</b>
<b>Pre-tax Profit</b>	<b>1,485</b>	<b>2,945</b>	<b>1,747</b>	<b>2,130</b>	<b>3,130</b>	<b>3,332</b>	<b>2,460</b>	<b>2,791</b>	<b>2,309</b>	<b>2,777</b>	<b>2,634</b>	<b>569</b>	<b>1,600</b>	<b>1,883</b>
Current Taxation	228	(459)	(313)	(457)	(559)	(620)	(407)	(480)	(316)	(541)	(470)	(222)	(296)	(305)
Minorities	20	(582)	(99)	(187)	(436)	(450)	(272)	(195)	(334)	(380)	(327)	103	(84)	(94)
Extraordinary items	(367)	443	(113)	(144)	(128)	(24)	245	758	(64)	(50)	325	(178)	38	46
<b>Net Profit</b>	<b>1,732</b>	<b>1,904</b>	<b>1,335</b>	<b>1,486</b>	<b>2,135</b>	<b>2,263</b>	<b>1,781</b>	<b>2,116</b>	<b>1,658</b>	<b>1,856</b>	<b>1,837</b>	<b>450</b>	<b>1,220</b>	<b>1,485</b>
<b>Normalized Profit</b>	<b>2,099</b>	<b>1,461</b>	<b>1,448</b>	<b>1,630</b>	<b>2,263</b>	<b>2,287</b>	<b>1,536</b>	<b>1,358</b>	<b>1,722</b>	<b>1,906</b>	<b>1,512</b>	<b>628</b>	<b>1,182</b>	<b>1,439</b>
EPS (Bt)	0.55	0.44	0.31	0.35	0.50	0.53	0.41	0.49	0.39	0.43	0.43	0.10	0.28	0.35
Normalized EPS (Bt)	0.67	0.34	0.34	0.38	0.53	0.53	0.36	0.32	0.40	0.44	0.35	0.15	0.28	0.34
<b>Margins</b>														
Gross profit margin	23.7	21.3	19.7	19.1	22.2	20.6	17.3	14.7	17.2	17.6	16.9	14.6	17.6	18.2
Operating EBIT margin	8.1	10.1	10.0	13.9	12.4	12.2	8.6	8.9	7.1	8.1	8.0	3.1	6.2	7.4
Operating EBITDA margin	15.3	23.5	16.6	17.8	19.3	18.6	15.4	15.4	13.3	14.4	14.5	11.1	14.4	16.3
Net profit margin	7.1	8.8	5.7	6.3	7.8	7.6	5.6	6.0	4.5	4.9	4.8	1.3	3.6	4.6
<b>Growth (QoQ)</b>														
Revenue growth	5.1	(10.8)	7.6	1.3	15.5	9.7	6.8	10.1	4.2	3.7	(0.1)	(11.7)	0.7	(4.5)
Operating EBIT growth	(5.9)	11.3	6.3	40.9	3.5	7.3	(24.6)	13.8	(16.8)	19.0	(1.6)	(65.9)	102.2	14.2
Operating EBITDA growth	(4.4)	37.1	(23.8)	8.7	25.1	5.6	(11.8)	10.2	(9.7)	12.1	0.1	(32.4)	30.5	8.3
Net profit growth	44.8	9.9	(29.9)	11.3	43.7	6.0	(21.3)	18.8	(21.6)	11.9	(1.0)	(75.5)	171.4	21.7
Normalized profit growth	78.0	(30.4)	(0.9)	12.6	38.8	1.1	(32.8)	(11.6)	26.8	10.7	(20.7)	(58.5)	88.2	21.7

Source: Company data, KGI Securities Research

**Balance Sheet**

As of 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
<b>Total Assets</b>	<b>206,824</b>	<b>197,280</b>	<b>201,044</b>	<b>205,778</b>	<b>210,416</b>
<b>Current Assets</b>	<b>69,186</b>	<b>60,154</b>	<b>63,269</b>	<b>67,275</b>	<b>71,906</b>
Cash & ST Investments	20,222	12,344	15,217	15,961	19,557
Inventories	23,308	23,281	23,443	24,289	23,988
Accounts Receivable	24,910	23,254	23,720	26,048	27,336
Others	746	1,275	889	977	1,025
<b>Non-current Assets</b>	<b>137,638</b>	<b>137,125</b>	<b>137,775</b>	<b>138,503</b>	<b>138,510</b>
LT Investments	38,985	40,725	40,725	40,725	40,725
Net fixed Assets	97,181	94,585	95,457	96,112	96,079
Others	551	963	741	814	854
<b>Total Liabilities</b>	<b>84,524</b>	<b>74,313</b>	<b>73,952</b>	<b>73,538</b>	<b>72,504</b>
<b>Current Liabilities</b>	<b>43,237</b>	<b>51,977</b>	<b>33,479</b>	<b>31,418</b>	<b>31,804</b>
Accounts Payable	15,261	14,282	13,342	14,652	15,377
ST Borrowings	32,889	18,313	17,289	16,265	15,241
Others	(4,914)	19,382	2,847	501	1,186
<b>Long-term Liabilities</b>	<b>32,547</b>	<b>40,834</b>	<b>42,534</b>	<b>41,734</b>	<b>40,934</b>
Long-term Debts	23,882	31,856	33,356	32,356	31,356
Others	8,665	8,978	9,178	9,378	9,578
<b>Shareholders' Equity</b>	<b>122,300</b>	<b>122,967</b>	<b>127,092</b>	<b>132,240</b>	<b>137,912</b>
Common Stock	4,293	4,293	4,293	4,293	4,293
Capital Surplus	39,415	39,415	39,415	39,415	39,415
Retained Earnings	52,559	55,722	58,879	62,856	67,222
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

**Key Ratios**

Year to 31 Dec	2021	2022	2023F	2024F	2025F
<b>Growth (% YoY)</b>					
Sales	33.9	17.6	1.5	9.8	4.9
OP	32.1	(24.3)	4.8	16.8	9.1
EBITDA	25.2	(8.3)	5.3	11.2	7.3
NP	28.4	(30.1)	2.5	21.0	11.4
Normalized Profit	28.4	(30.1)	2.5	21.0	11.4
EPS	28.4	(30.1)	2.5	21.0	11.4
Normalized EPS	12.1	(22.5)	3.1	21.0	11.4
<b>Profitability (%)</b>					
Gross Margin	18.4	16.6	16.8	17.1	17.4
Operating Margin	10.4	6.7	6.9	7.3	7.6
EBITDA Margin	17.1	13.3	13.8	14.0	14.3
Net Profit Margin	6.7	4.0	4.0	4.4	4.7
ROAA	4.0	2.9	3.0	3.5	3.8
ROAE	6.8	4.7	4.7	5.4	5.8
<b>Stability</b>					
Gross Debt/Equity (%)	0.7	0.6	0.6	0.6	0.5
Net Debt/Equity (%)	0.3	0.3	0.3	0.2	0.2
Interest Coverage (x)	10.9	6.6	5.6	6.7	7.7
Interest & ST Debt Coverage (x)	0.4	0.6	0.6	0.8	0.9
Cash Flow Interest Coverage (x)	6.4	11.7	8.9	9.8	12.1
Cash Flow/Interest & ST Debt (x)	0.2	1.0	1.0	1.1	1.4
Current Ratio (x)	1.3	1.8	2.0	2.1	2.3
Quick Ratio (x)	0.9	1.1	1.3	1.4	1.5
Net Debt (Bt mn)	36,549	37,825	35,428	32,660	27,040
<b>Per Share Data (Bt)</b>					
EPS	1.9	1.4	1.4	1.7	1.9
Normalized EPS	1.7	1.3	1.4	1.7	1.9
CFPS	1.7	4.0	3.8	4.1	4.8
BVPS	22.6	22.6	23.4	24.3	25.3
SPS	28.9	34.0	34.5	37.9	39.8
EBITDA/Share	4.9	4.5	4.8	5.3	5.7
DPS	0.7	0.6	0.7	0.8	0.9
<b>Activity</b>					
Asset Turnover (x)	0.6	0.7	0.7	0.8	0.8
Days Receivables	73.2	58.1	58.4	58.4	58.4
Days Inventory	83.9	69.8	69.4	65.7	62.1
Days Payable	55.0	42.8	39.5	39.6	39.8
Cash Cycle	102.2	85.1	88.3	84.5	80.7

Source: KGI Securities Research

**Profit & Loss**

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
<b>Revenue</b>	<b>124,223</b>	<b>146,068</b>	<b>148,248</b>	<b>162,798</b>	<b>170,852</b>
Cost of Goods Sold	(101,345)	(121,791)	(123,382)	(134,940)	(141,105)
<b>Gross Profit</b>	<b>22,878</b>	<b>24,277</b>	<b>24,866</b>	<b>27,858</b>	<b>29,746</b>
Operating Expenses	(12,575)	(16,039)	(15,668)	(16,957)	(17,811)
Other Incomes	2,214	1,322	964	977	1,025
<b>Operating Profit</b>	<b>12,892</b>	<b>9,757</b>	<b>10,226</b>	<b>11,942</b>	<b>13,026</b>
Depreciation of fixed assets	(8,315)	(9,699)	(10,256)	(10,830)	(11,398)
<b>Operating EBITDA</b>	<b>21,208</b>	<b>19,457</b>	<b>20,482</b>	<b>22,772</b>	<b>24,244</b>
<b>Non-Operating Income</b>	<b>317</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest Income	0	0	0	0	0
Other Non-op Income	317	143	0	0	0
<b>Non-Operating Expenses</b>	<b>(1,180)</b>	<b>(1,468)</b>	<b>(1,823)</b>	<b>(1,775)</b>	<b>(1,701)</b>
Interest Expenses	(1,180)	(1,468)	(1,823)	(1,775)	(1,701)
Other Non-op Expenses	0	0	0	0	0
<b>Equity Income/(Loss)</b>	<b>57</b>	<b>55</b>	<b>65</b>	<b>65</b>	<b>65</b>
<b>Pre-tax Profit</b>	<b>11,712</b>	<b>8,289</b>	<b>8,403</b>	<b>10,168</b>	<b>11,325</b>
Current Taxation	(2,065)	(1,550)	(1,487)	(1,800)	(2,004)
Minorities	(1,353)	(939)	(968)	(1,172)	(1,305)
Extraordinary items	0	0	0	0	0
<b>Net Profit</b>	<b>8,294</b>	<b>5,801</b>	<b>5,947</b>	<b>7,196</b>	<b>8,015</b>
<b>Normalized Profit</b>	<b>7,444</b>	<b>5,768</b>	<b>5,947</b>	<b>7,196</b>	<b>8,015</b>
EPS (Bt)	1.93	1.35	1.39	1.68	1.87
Normalized EPS (Bt)	1.73	1.34	1.39	1.68	1.87

Source: KGI Securities Research

**Cash Flow**

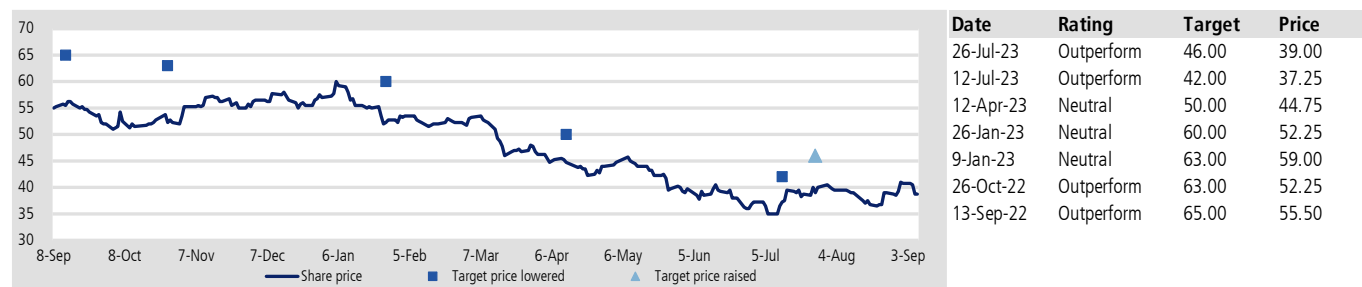
Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
<b>Operating Cash Flow</b>	<b>7,501</b>	<b>17,234</b>	<b>16,315</b>	<b>17,473</b>	<b>20,633</b>
Net Profit	9,647	6,739	6,916	8,368	9,320
Depreciation & Amortization	8,315	9,699	10,256	10,830	11,398
Change in Working Capital	(12,371)	(2,089)	(856)	(1,725)	(85)
Others	2,910	2,884	0	0	0
<b>Investment Cash Flow</b>	<b>(30,995)</b>	<b>(3,119)</b>	<b>(11,128)</b>	<b>(11,485)</b>	<b>(11,365)</b>
Net CAPEX	(6,191)	(6,862)	(11,128)	(11,485)	(11,365)
Change in LT Investment	(24,817)	3,694	0	0	0
Change in Other Assets	13	48	(0)	(0)	(0)
<b>Free Cash Flow</b>	<b>(23,494)</b>	<b>14,115</b>	<b>5,187</b>	<b>5,988</b>	<b>9,268</b>
<b>Financing Cash Flow</b>	<b>(1,042)</b>	<b>(11,602)</b>	<b>(2,314)</b>	<b>(5,244)</b>	<b>(5,673)</b>
Change in Share Capital	0	0	0	0	0
Net Change in Debt	3,890	(8,640)	476	(2,024)	(2,024)
Change in Other LT Liab.	(3,522)	(3,612)	(2,790)	(3,220)	(3,649)
<b>Net Cash Flow</b>	<b>(24,537)</b>	<b>2,513</b>	<b>2,873</b>	<b>744</b>	<b>3,595</b>

Source: KGI Securities Research

**Rates of Return on Invested Capital**

Year	1- Revenue	- COGS Revenue	+ Depreciation Revenue	+ Operating Exp. Revenue	= Operating Margin	
2021	74.9%		6.7%	11.9%	6.5%	
2022	90.2%		6.6%	11.9%	-8.8%	
2023F	91.1%		6.9%	11.2%	-9.2%	
2024F	76.2%		6.7%	11.0%	6.1%	
2025F	75.9%		6.7%	11.0%	6.4%	
Year	1/ Revenue	+ Working Capital Revenue	+ Net PPE Revenue	+ Other Assets Revenue	= Capital Turnover	
2021	-0.1		0.8	0.9	0.6	
2022	0.0		0.6	0.7	0.7	
2023F	0.0		0.6	0.7	0.7	
2024F	0.0		0.6	0.7	0.8	
2025F	0.0		0.6	0.7	0.8	
Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	= After-tax Return on Inv. Capital
2021	6.5%		0.6		17.6%	0.7%
2022	-8.8%		0.7		18.7%	-1.2%
2023F	-9.2%		0.7		17.7%	-1.2%
2024F	6.1%		0.8		17.7%	0.9%
2025F	6.4%		0.8		17.7%	0.9%

Source: KGI Securities Research

**SCG Packaging - Recommendation & target price history**


Source: KGI Securities Research

# Corporate Governance Report of Thai Listed Companies



## Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORN BANK	SEAFECO	SEAFECO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B.GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENDEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAICOM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

Source: www.thai-iod.com

**Disclaimer:** The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.



## Anti-corruption Progress Indicator

### Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFCO	SEAFCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

**Disclaimer:** The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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<b>Rating</b>	<b>Definition</b>
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.  Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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