

Siam City Cement

(SCCC.BK/SCCC TB)

Outperform · Maintained

Price as of 7 Jul 2023	139.00
12M target price (Bt/shr)	182.00
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	31.0

Key messages

ราคาตัวกำไรสุทธิของ SCCC ใน 2Q66F จะอยู่ที่ 724 ล้านบาท (-5% QoQ, -47% YoY) และกำไรที่ลดลงจะอยู่ที่ 472 ล้านบาท (-10% QoQ, -73% YoY) กำไรที่ลดลง QoQ อาจจะเป็นเพราะวันหยุดตามฤดูกาล ส่วนกำไรที่ลดลง YoY เพราะผลจากฐานที่สูง เรายังคงคำแนะนำซื้อ และประเมินราคาเป้าหมายที่ 182 บาท อิงจาก PE ที่ 15.3x (ค่าเฉลี่ย 10 ปีย้อนหลัง) เราพบว่าราคาหุ้น SCCC ถูก (ต่ำกว่า P/E เฉลี่ยในอดีต) และอัตราผลตอบแทนน่าสนใจที่ประมาณ 7% ต่อปี

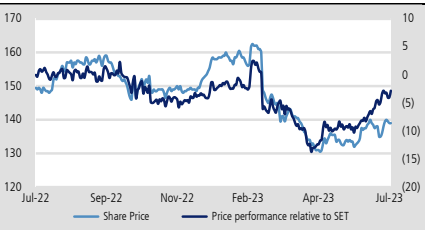
Trading data

Mkt cap (Btmn/US\$m)	41.4/1.3
Outstanding shares (mn)	298
Foreign ownership (mn)	90
3M avg. daily trading (mn)	0
52-week trading range (Bt)	130.50-162.50
Performance (%)	3M 6M 12M
Absolute	2.2 -12.3 -7.0
Relative	8.1 -1.5 -2.5

Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2020	2.77	3.44	3.01	3.13
2021	3.57	4.85	2.27	3.57
2022	2.69	4.55	2.02	(3.02)

Share price chart



Source: SET

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ภาวะหนึ่งก็ต้องกังวลมาก่อน

Event

ประมาณการ 2Q66F และมุมมองของเรา

Impact

ประมาณการ 2Q66F – กำไรยังไม่ไปไหนในช่วง low season และยังมีอุปสรรค
ผลการดำเนินงานใน 2Q66 มีแนวโน้มจะเป็นไปตามที่เราคาดไว้ก่อนหน้านี้ โดยวันที่ 8 ส.ค. ราคาตัว SCCC จะประกาศกำไรสุทธิ 2Q66F ที่ 724 ล้านบาท (-5% QoQ, -47% YoY) แต่หากไม่รวมกำไร FX จากจากการแข็งค่าของ US\$/LKR ราคาตัวกำไรสุทธิจะอยู่ที่ 472 ล้านบาท (-10% QoQ, -73% YoY) ทั้งนี้ กำไรที่ลดลง QoQ จะเป็นเพราะวันหยุดตามฤดูกาล โดยคาดว่าปริมาณยอดขายปูนซีเมนต์ และผลิตภัณฑ์อื่น ๆ ในไทยจะลดลง (-8% QoQ) ในขณะที่ค่าตัวราคาขายจะยังทรงตัวได้แม้ว่าอุปสงค์จะลดลง นอกจากนี้ราคาตัวผลการดำเนินงานในเวียดนามน่าจะฟื้นตัวขึ้นหลังปิดเคาเตอร์สองเดือนใน 1Q66 และอุปสงค์ยังเพิ่มขึ้นเล็กน้อย ขณะที่ผลการดำเนินงานในบังกาลเทศและกัมพูชาน่าจะยังซบเซาใน 2Q66 ส่วนผลการดำเนินงานของธุรกิจอื่น ๆ ยังไม่เราจะดี เราคิดว่ากำไรจะลดลง YoY จากฐานที่สูง เพราะสถานการณ์ยังปกติใน 2Q65

แนวโน้มปี 2566 – รายได้จะยังทรง ๆ แต่ต้นทุนจะดีขึ้นชัดเจน

ในปี 2566 เราคิดว่ารายได้ไม่น่าจะเพิ่มขึ้น แต่ต้นทุนน่าจะลดลง เราคิดว่าการประมูลโครงการโครงสร้างพื้นฐานในไทยอาจจะล่าช้าเพราะความไม่ชัดเจนของการตั้งรัฐบาลใหม่ ในขณะที่เดียวกัน เราเชื่อว่าสถานการณ์ในตลาดอื่น ๆ (นำโดยเวียดนาม และศรีลังกา – 40% ของ EBITDA ของ SCCC) น่าจะค่อย ๆ คลี่คลายลงจากมาตรการกระตุ้นเศรษฐกิจ และสินเชื่อจาก IMF ตามลำดับ ส่วนในบังกาลเทศ (5%) และกัมพูชา (10%) น่าจะยังถูกกดดันจากภาวะการแข็งเงินและกำลังซื้อที่อ่อน ทั้งนี้ นอกจากการขึ้นราคาขายแล้ว SCCC ยังปรับมาไรฟหลังงานทางเลือก และดำเนินโครงการลดต้นทุนด้วย

คาดว่าเจ็ดตัวแรงใน 2H66 – ต้นทุนลดลง และผลจาก El Nino จะมีน้ำหนักมากกว่าอุปสงค์ใน 3Q66

จากแนวโน้มต้นทุนที่ลดลงอย่างชัดเจน (ค่าไฟ, ถ่านหิน, และค่าระวางขนส่ง) และการขึ้นราคาขายสินค้าบางส่วน เราคิดว่ากำไรใน 3Q-4Q66F น่าจะดีขึ้นทั้ง QoQ และ YoY นอกจากนี้ ค่า Ft ยังลดลงต่อเนื่องตั้งแต่ พ.ค. 66 ในขณะที่ดัชนี BDI ก็ขยับแบบ side way จากความกลัวเศรษฐกิจถดถอยและฟื้นผวน เราคิดว่าราคาถ่านหิน (ICI4 และ New Castle) น่าจะยังอยู่ในระดับต่ำกว่าปี 2565 ทั้งนี้ ในส่วนของนโยบายการส่งถ่านหิน SCCC จะส่งชื่อ 50-60% ของปริมาณการซื้อทั้งปี โดยจะใคร่ราคา lag time ของการส่งมอบหนึ่ง-สองเดือนก่อนหน้า ขณะที่ยอดสั่งซื้อ 30-40% จะถือทั้งราคาและปริมาณล่วงหน้า และที่เหลืออีกอีก 5-10% จะหาจังหวะซื้อตามราคาตลาดในขณะนั้น (market-timing price)

Valuation & Action

เรายังคงคำแนะนำซื้อ ด้วยราคาเป้าหมายที่ 182 บาท อิงจาก PE ที่ 15.3x (ค่าเฉลี่ย 10 ปีย้อนหลัง) ทั้งนี้ ในท่ามกลางภาวะตลาดหุ้นที่ผันผวน เรายังมองว่า SCCC มีความน่าสนใจ (P/E ต่ำกว่าค่าเฉลี่ยในอดีต) และเป็นผลน่าสนใจที่ 7% ต่อปี นอกจากนี้ยังเข้ากับธีมราคาพลังงานที่ลดลง และ re-opening

Risk

ความผันผวนของวัตถุดิบและพลังงาน, อัตราการขยายตัวของเศรษฐกิจ และความเสถียรของประเทศ

Key financials and valuations

	Dec - 21A	Dec-22	Dec - 23F	Dec - 24F	Dec - 25F
Revenue (Btmn)	41,678	50,126	52,459	53,386	55,097
Net Profit (Btmn)	4,248	1,857	3,535	4,826	4,947
Normalized Profit (Btmn)	3,519	3,713	3,535	4,826	4,947
Net Profit Growth (%)	15.4	(56.3)	90.4	36.5	2.5
Normalized Profit Growth (%)	(4.4)	5.5	(4.8)	36.5	2.5
EPS (Bt)	14.25	6.23	11.86	16.20	16.60
DPS (Bt)	9.00	9.00	9.00	9.00	9.00
P/E (X)	11.0	22.3	11.7	8.6	8.4
P/B (X)	1.2	1.2	1.2	1.1	1.1
EV/EBITDA (X)	7.1	7.1	5.8	4.5	4.1
Dividend Yield (%)	5.8	6.5	6.5	6.5	6.5
Return on Average Equity (%)	11.5	5.0	10.1	13.1	12.6

Source: Company data, KGI Securities Research

Figure 1: SCCC's Q23 earnings preview

Bt mn	2Q23F	2Q22	YoY (%)	1Q23	QoQ (%)	1H23F	1H22	YoY (%)	Comments (1H23 vs 1H22)
Revenue	10,589	12,758	(17.0)	11,353	(6.7)	21,942	25,334	(13.4)	(-) lower sales volumes, moderated by price adjustment from economic recovery, led by Thailand and Vietnam
Gross Profit	2,276	4,132	(44.9)	2,510	(9.3)	4,786	8,077	(40.8)	
SG&A	2,036	2,473	(17.7)	2,126	(4.2)	4,162	4,911	(15.2)	(-) lower operating costs
Operating Profit	860	1,959	(56.1)	1,105	(22.2)	1,965	3,169	(38.0)	
Operating EBITDA	1,672	2,877	(41.9)	1,958	(14.6)	3,630	5,008	(27.5)	
Equity Income/(Loss)	318	600	(47.0)	435	(26.9)	753	962	(21.7)	
Finance costs	322	244	32.1	314	2.4	636	493	29.2	
Extraordinary items	252	(415)	N.A.	236	N.A.	488	(1,124)	143	(+) Unrelied and relised Fx gains from appreciation of US\$/LKR in business at Sri Lanka
Net Profit	724	1,355	(46.6)	758	(4.5)	1,482	2,157	(31.3)	
Normalized profit	472	1,770	(73.3)	522	(9.7)	994	3,281	(69.7)	
EPS (Bt)	2.43	4.55	(46.6)	2.54	(4.5)	4.97	7.24	(31.3)	
Normalized EPS (Bt)	1.58	5.94	(73.3)	1.75	(9.7)	3.34	11.01	(69.7)	
Percent	2Q23F	2Q22	YoY (ppts)	1Q23	QoQ (ppts)	1H23F	1H22	YoY (ppts)	
Gross margin	21.5	32.4	(10.9)	22.1	(0.6)	21.8	31.9	(10.1)	(-) cost upturn (energy prices and freight rate) with tepid price adjustment
EBITDA margin	15.8	22.5	(6.8)	17.2	(1.5)	9.0	12.5	(3.6)	
SG&A/sales	19.2	19.4	(0.2)	18.7	0.5	19.0	19.4	(0.4)	

Source: Company data, KGI Securities Research

Figure 2: SCCC's market outlook in 2023

	<ul style="list-style-type: none"> Industrial growth and tourism play a key role to stimulate the consumption, in addition to infrastructure segment. Campaign commitments of upcoming election may boost the Thai economy later in the year Apart from thermal energy and transportation cost inflation, uncertainty on electricity costs (FT) exists
	<ul style="list-style-type: none"> Early signs of recovery for construction demand at end of Q1'23, with some loosening of bond regulations Stabilization of fuel and materials prices. Volume-driven approaches by some market players may limit further price increases needed.
	<ul style="list-style-type: none"> Cement demand is expected to stay muted through 2023 and onwards due to continuing low economic activity. Government projects subdued due to lack of funds and local elections expected later this year. IMF support of US\$3 Billion may settle local currency issues
	<ul style="list-style-type: none"> Both export and remittances expected solid until rest of year, easing FX pressures General Election towards the end of 2023 might lead to industrial demand to go down
	<ul style="list-style-type: none"> Demand is expected to remain slow, due to lower investment in residential and commercial projects. Overall cost levels to remain high, but energy prices cooling down Tactical price adjustments in 2023 will remain a key option to offsetting high production costs.

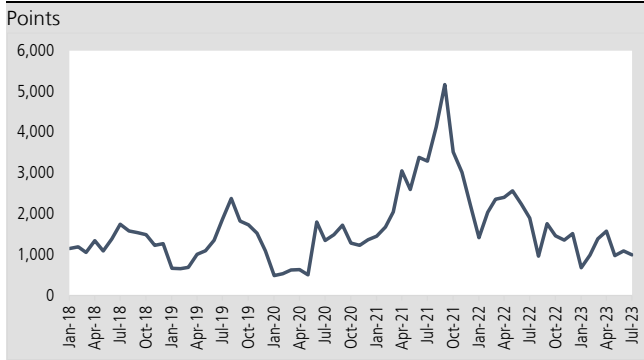
Source: Company data, KGI Securities Research

Figure 3: Key assumptions

Assumptions	unit	2021	2022	2023F	2024F	2025F
Revenue breakdown:						
Thailand	Sales	Btmn	25,305	31,498	32,741	32,936
Cement		Btmn	18,844	20,304	21,414	20,946
	Blended selling price	Bt/Ton	1,712	1,820	1,895	1,845
	Volumes	Ton	8.76	8.90	9.22	9.49
	Export selling price	US\$/Ton	40	41	43	42
	Volumes	Ton	3.0	2.9	2.8	2.5
Concrete		Btmn	5,679	6,360	6,679	7,012
	Growth	Percent	(18.6)	12.0	5.0	5.0
Trading + Others		Btmn	9,365	10,966	11,110	11,408
	Growth	Percent	(10.8)	17.1	1.3	2.7
Sri Lanka	Sales	Btmn	7,177	8,511	8,455	8,624
	Growth	Percent	27.0	18.6	(0.7)	2.0
Vietnam	Sales	Btmn	5,943	8,675	9,479	9,953
	Growth	Percent	(4.2)	46.0	9.3	5.0
Bangladesh	Sales	Btmn	1,363	1,617	1,784	1,873
	Growth	Percent	15.8	18.6	10.3	5.0
Assumption & Ratio:						
Share of profit		Btmn	1,229	1,527	1,012	1,024
Indonesian Coal Index		US\$/ton	68	87	60	36
New Castle Coal		US\$/ton	139	365	250	150
Baltic Dry Index		Points	2,963	1,832	1,400	1,350
Avg. US\$/THB		Rate	32.00	34.90	33.80	32.50
GPM		Percent	30.6	26.7	26.3	29.1
EBITDA		Percent	22.4	15.8	18.1	21.0
Selling expense/sales		Percent	16.2	15.5	14.0	13.9
Admin expense/sales		Percent	4.5	3.8	3.8	3.8
Average interest rate		Percent	4.41	4.97	4.43	4.44
Effective tax rate		Percent	-2.1	36.3	20.0	20.0

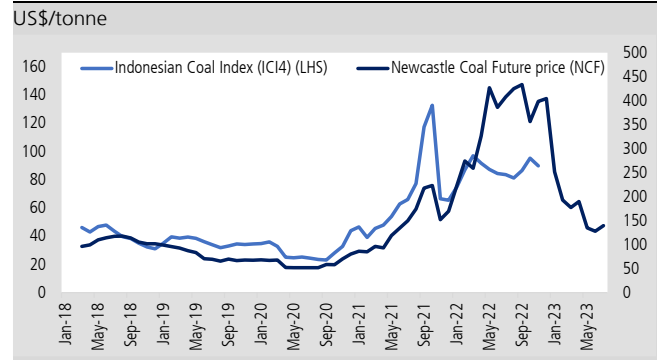
Source: Company data, KGI Securities Research

Figure 4: Movement of Baltic Dry Index



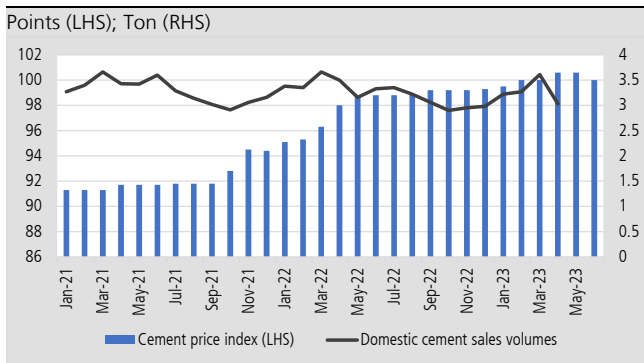
Source: Bloomberg, KGI Securities Research

Figure 5: Indonesian Coal Index & New Castle Coal prices



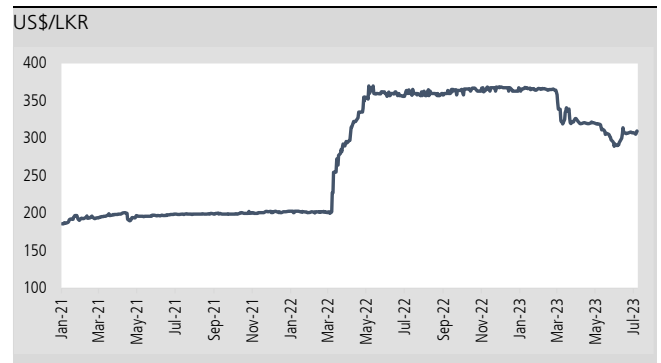
Source: Bloomberg, KGI Securities Research

Figure 6: Domestic cement price index and production



Source: MOC, OIE, KGI Securities Research

Figure 7: US\$/LKR rate – Appreciate in YTD



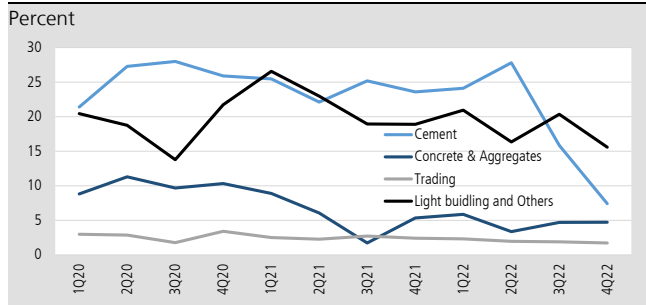
Source: Bloomberg, KGI Securities Research

Figure 8: Company profile

Siam City Cement (SCCC) is the second largest cement producer and distributor in Thailand with a market share of 28%. In 2017, SCCC announced expansion into Vietnam through the acquisition of a 65% stake in Holcim. The company also produces and distributes ready-mix concrete and aggregates as well as branded wood-replacement products and light-weight concrete blocks.

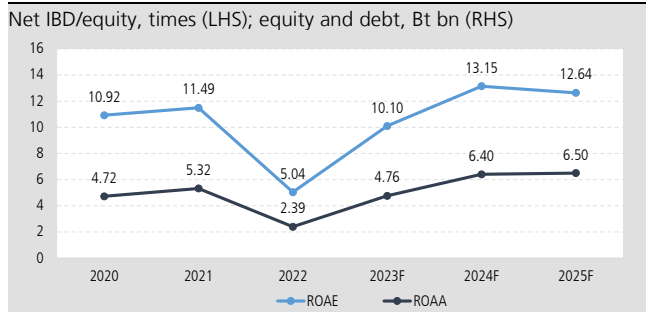
Source: Company data

Figure 10: EBITDA margin breakdown by segments



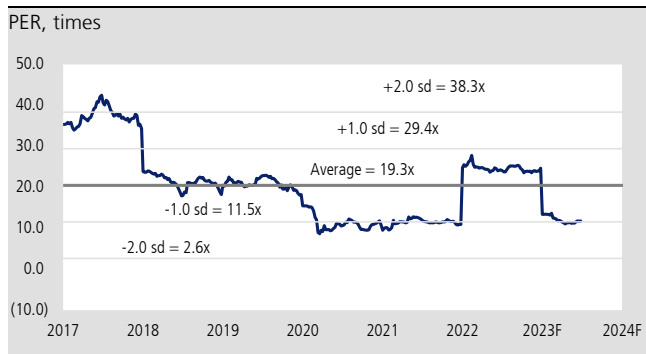
Source: Company data, KGI Securities Research

Figure 12: ROAE and ROAA



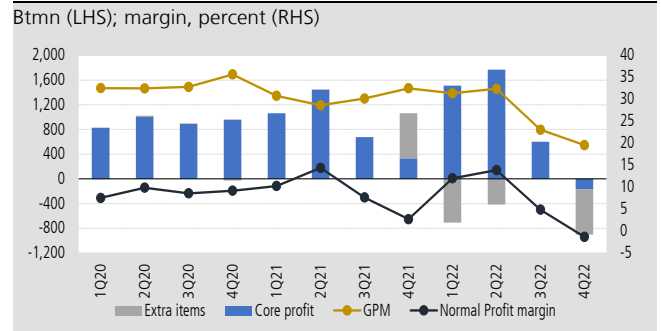
Source: Company data, KGI Securities Research

Figure 14: SCCC's forward's PER



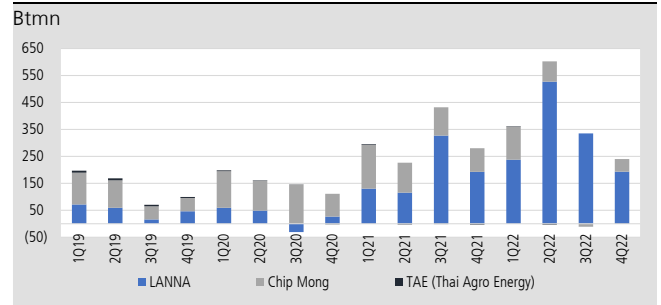
Source: KGI Securities Research

Figure 9: Quarterly earnings



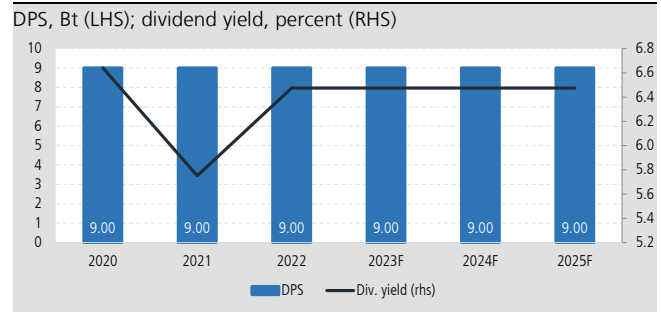
Source: Company data, KGI Securities Research

Figure 11: Share of profit breakdown



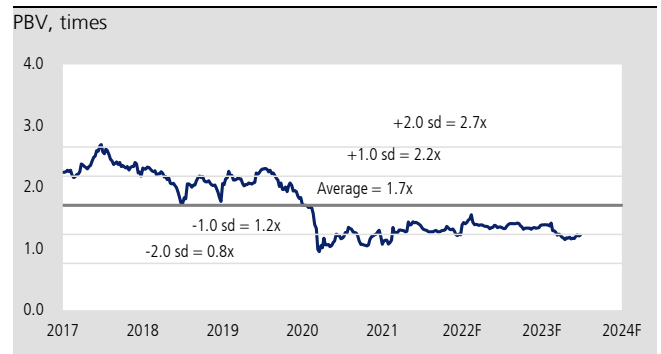
Source: Company data, KGI Securities Research

Figure 13: DPS and dividend yield in 2020-24F



Source: Company data, KGI Securities Research

Figure 15: SCCC'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)														
Revenue	11,016	10,165	10,380	10,439	10,378	10,051	8,848	12,402	12,576	12,758	12,358	12,434	11,353	10,589
Cost of Goods Sold	(7,430)	(6,864)	(6,972)	(6,715)	(7,182)	(7,174)	(6,178)	(8,370)	(8,631)	(8,626)	(9,508)	(10,001)	(8,843)	(8,313)
Gross Profit	3,585	3,302	3,408	3,724	3,196	2,877	2,670	4,032	3,945	4,132	2,850	2,433	2,510	2,276
Operating Expenses	(2,464)	(1,874)	(2,057)	(2,185)	(1,959)	(1,965)	(2,090)	(2,604)	(2,438)	(2,473)	(2,249)	(2,522)	(2,126)	(2,036)
Other incomes	93	76	93	(11)	61	75	74	78	69	61	67	54	68	65
Operating Profit	1,393	1,656	1,537	1,569	1,579	1,200	1,012	1,668	1,210	1,959	983	24	1,105	860
Depreciation of fixed assets	984	969	1,052	930	981	979	981	952	922	918	974	915	853	812
Operating EBITDA	2,376	2,626	2,589	2,500	2,561	2,178	1,993	2,620	2,131	2,877	1,957	939	1,958	1,672
Non-Operating Income	(3)	24	11	(22)	5	6	7	8	(700)	(343)	15	(38)	249	266
Interest Income	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Other Non-op Income	(4)	22	8	(26)	0	0	0	0	(709)	(353)	4	(50)	236	252
Non-Operating Expenses	(357)	(352)	(328)	(327)	(285)	(289)	(293)	(345)	(240)	(234)	(248)	(327)	(301)	(308)
Interest Expenses	(358)	(354)	(331)	(331)	(290)	(295)	(300)	(353)	(249)	(244)	(259)	(339)	(314)	(322)
Other Non-op Expenses	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Equity Income/(Loss)	199	162	116	110	295	225	432	277	362	600	325	240	435	318
Pre-tax Profit	1,035	1,303	1,206	1,238	1,289	904	712	1,316	961	1,715	724	(314)	791	538
Current Taxation	(164)	(175)	(199)	(218)	(205)	564	(91)	(180)	(126)	(289)	(83)	(621)	(134)	91
Minorities	(45)	(104)	(108)	(88)	(21)	(23)	55	(73)	(32)	(72)	(38)	32	101	94
Extraordinary items	(4)	22	8	(26)	0	0	0	729	(709)	(415)	4	(736)	236	252
Net Profit	826	1,024	898	932	1,063	1,445	676	1,063	802	1,355	603	(903)	758	724
Normalized Profit	830	1,002	891	958	1,063	1,445	676	334	1,511	1,770	600	(167)	522	472
EPS (Bt)	2.77	3.44	3.01	3.13	3.57	4.85	2.27	3.57	2.69	4.55	2.02	(3.03)	2.54	2.43
Normalized EPS (Bt)	2.78	3.36	2.99	3.22	3.57	4.85	2.27	1.12	5.07	5.94	2.01	(0.56)	1.75	1.58
Margins														
Gross profit margin	32.5	32.5	32.8	35.7	30.8	28.6	30.2	32.5	31.4	32.4	23.1	19.6	22.1	21.5
Operating EBIT margin	12.6	16.3	14.8	15.0	15.2	11.9	11.4	13.5	9.6	15.4	8.0	0.2	9.7	8.1
Operating EBITDA margin	21.6	25.8	24.9	23.9	24.7	21.7	22.5	21.1	16.9	22.5	15.8	7.6	17.2	15.8
Net profit margin	7.5	10.1	8.7	8.9	10.2	14.4	7.6	8.6	6.4	10.6	4.9	(7.3)	6.7	6.8
Growth (QoQ)														
Revenue growth	(7.1)	(7.7)	2.1	0.6	(0.6)	(3.2)	(12.0)	40.2	1.4	1.4	(3.1)	0.6	(8.7)	(6.7)
Operating EBIT growth	29.2	18.9	(7.2)	2.1	0.6	(24.0)	(15.7)	64.9	(27.5)	61.9	(49.8)	(97.5)	4,439.5	(22.2)
Operating EBITDA growth	18.6	10.5	(1.4)	(3.4)	2.4	(14.9)	(8.5)	31.5	(18.7)	35.0	(32.0)	(52.0)	108.6	(14.6)
Net profit growth	72.3	24.0	(12.3)	3.8	14.1	35.9	(53.2)	57.1	(24.5)	68.8	(55.5)	(249.8)	183.9	(4.5)
Normalized profit growth	85.2	20.8	(11.1)	7.6	10.9	35.9	(53.2)	(50.7)	352.9	17.1	(66.1)	(127.9)	412.5	(9.7)

Source: KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Total Assets	82,012	73,353	75,180	75,534	76,682
Current Assets	19,544	16,525	20,350	22,600	25,548
Cash & ST Investments	9,662	3,430	7,156	9,709	12,247
Inventories	4,441	7,290	6,820	6,406	6,612
Accounts Receivable	4,780	5,105	5,272	5,365	5,537
Others	661	700	1,102	1,119	1,152
Non-current Assets	62,468	56,828	54,830	52,934	51,134
LT Investments	5,282	6,147	6,658	7,215	7,824
Net fixed Assets	32,375	30,567	28,554	26,512	24,442
Others	24,811	20,114	19,619	19,207	18,868
Total Liabilities	42,785	38,851	39,655	37,634	36,280
Current Liabilities	19,848	14,491	16,488	15,630	15,438
Accounts Payable	5,494	8,134	7,344	6,940	7,163
ST Borrowings	10,690	2,947	5,232	4,732	4,232
Others	3,664	3,410	3,911	3,957	4,043
Long-term Liabilities	22,937	24,360	23,168	22,004	20,842
Long-term Debts	17,368	17,009	15,882	14,782	13,682
Others	5,569	7,351	7,286	7,223	7,160
Shareholders' Equity	39,227	34,502	35,525	37,900	40,402
Common Stock	2,980	2,980	2,980	2,980	2,980
Capital Surplus	26,413	26,413	26,413	26,413	26,413
Retained Earnings	13,090	12,377	13,230	15,374	17,640
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2021	2022	2023F	2024F	2025F
Growth (% YoY)					
Sales	(0.8)	20.3	4.7	1.8	3.2
OP	(11.3)	(23.5)	35.4	28.7	1.3
EBITDA	(7.3)	(15.5)	19.9	18.2	1.7
NP	15.4	(56.3)	90.4	36.5	2.5
Normalized Profit	(4.4)	5.5	(4.8)	36.5	2.5
EPS	15.4	(56.3)	90.4	36.5	2.5
Normalized EPS	(4.4)	5.5	(4.8)	36.5	2.5
Profitability (%)					
Gross Margin	30.6	26.7	26.3	29.1	29.7
Operating Margin	13.1	8.3	10.8	13.6	13.4
EBITDA Margin	22.4	15.8	18.1	21.0	20.7
Net Profit Margin	10.2	3.7	6.7	9.0	9.0
ROAA	5.2	2.5	4.7	6.4	6.5
ROAE	10.8	5.4	10.0	12.7	12.2
Stability					
Gross Debt/Equity (%)	1.1	1.1	1.1	1.0	0.9
Net Debt/Equity (%)	0.6	0.4	0.4	0.2	0.1
Interest Coverage (x)	4.4	3.8	5.5	7.6	8.3
Interest & ST Debt Coverage (x)	1.3	1.2	1.1	1.5	1.8
Cash Flow Interest Coverage (x)	5.6	3.8	6.3	8.6	9.4
Cash Flow/Interest & ST Debt (x)	1.6	1.2	1.2	1.7	2.0
Current Ratio (x)	1.0	1.1	1.2	1.4	1.7
Quick Ratio (x)	0.8	0.6	0.8	1.0	1.2
Net Debt (Bt mn)	24,628	14,800	13,404	9,267	4,998
Per Share Data (Bt)					
EPS	14.3	6.2	11.9	16.2	16.6
Normalized EPS	11.8	12.5	11.9	16.2	16.6
CFPS	23.3	13.9	21.8	27.6	28.1
BVPS	126.6	111.5	114.4	121.6	129.2
SPS	139.9	168.2	176.0	179.1	184.9
EBITDA/Share	31.4	26.5	31.8	37.6	38.2
DPS	9.0	9.0	9.0	9.0	9.0
Activity					
Asset Turnover (x)	0.5	0.7	0.7	0.7	0.7
Days Receivables	41.9	37.2	36.7	36.7	36.7
Days Inventory	56.1	72.4	64.4	61.8	62.3
Days Payable	69.4	80.8	69.3	66.9	67.5
Cash Cycle	28.6	28.8	31.7	31.5	31.5

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Revenue	41,678	50,126	52,459	53,386	55,097
Cost of Goods Sold	(28,904)	(36,766)	(38,680)	(37,859)	(38,749)
Gross Profit	12,774	13,360	13,779	15,527	16,348
Operating Expenses	(8,618)	(9,682)	(9,317)	(9,454)	(10,194)
Other Incomes	289	252	250	250	250
Operating Profit	9,759	9,759	9,759	9,759	9,759
Depreciation of fixed assets	(7,183)	(7,183)	(7,183)	(7,183)	(7,183)
Operating EBITDA	16,943	16,943	16,943	16,943	16,943
Non-Operating Income	0	(1,108)	0	0	0
Interest Income	0	0	0	0	0
Other Non-op Income	0	(1,108)	0	0	0
Non-Operating Expenses	(1,023)	(918)	(953)	(886)	(818)
Interest Expenses	(1,238)	(1,090)	(1,023)	(956)	(888)
Other Non-op Expenses	215	172	70	70	70
Equity Income/(Loss)	1,229	1,527	1,012	1,024	1,034
Pre-tax Profit	4,221	3,086	4,631	6,322	6,480
Current Taxation	89	(1,119)	(926)	(1,264)	(1,296)
Minorities	(848)	(848)	(848)	(848)	(848)
Extraordinary items	0	0	0	0	0
Net Profit	4,248	1,857	3,535	4,826	4,947
Normalized Profit	3,519	3,713	3,535	4,826	4,947
EPS (Bt)	14.25	6.23	11.86	16.20	16.60
Normalized EPS (Bt)	11.81	12.46	11.86	16.20	16.60

Source: KGI Securities Research

Cash Flow

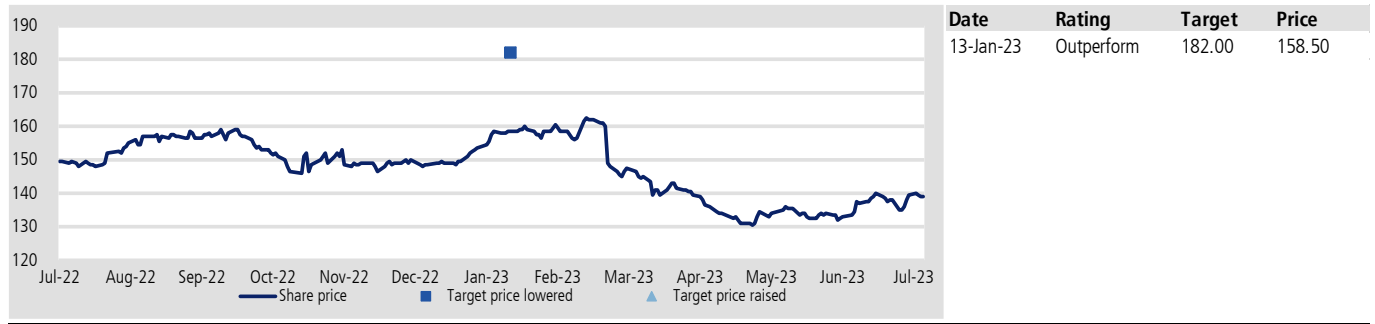
Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Operating Cash Flow	6,948	4,144	6,494	8,232	8,367
Net Profit	4,248	1,857	3,535	4,826	4,947
Depreciation & Amortization	3,893	3,728	3,825	3,924	4,026
Change in Working Capital	(1,395)	(907)	(1,961)	(2,014)	(2,139)
Others	202	(534)	1,095	1,496	1,533
Investment Cash Flow	(557)	(974)	(1,244)	(1,396)	(1,547)
Net CAPEX	(1,285)	(1,420)	(1,453)	(1,486)	(1,520)
Change in LT Investment	1,784	209	90	(27)	(4)
Change in Other Assets	(1,056)	237	119	116	(23)
Free Cash Flow	6,391	3,170	5,250	6,835	6,820
Financing Cash Flow	(4,404)	(9,402)	(1,524)	(4,282)	(4,282)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	(1,140)	(5,902)	1,103	(1,600)	(1,600)
Change in Other LT Liab.	(3,265)	(3,500)	(2,627)	(2,682)	(2,682)
Net Cash Flow	1,986	(6,233)	3,726	2,553	2,538

Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating Exp.}}{\text{Revenue}}$	= $\frac{\text{Operating Margin}}{\text{Revenue}}$
2021	60.0%	9.3%	21.4%	9.3%
2022	79.3%	7.4%	17.6%	-4.3%
2023F	83.6%	7.3%	18.2%	-9.2%
2024F	63.6%	7.4%	18.2%	10.9%
2024F	63.0%	7.3%	19.0%	10.7%
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= $\frac{\text{Capital Turnover}}{\text{Revenue}}$
2021	0.0	0.7	1.3	0.5
2022	0.0	0.5	0.9	0.7
2023F	0.0	0.5	1.0	0.7
2024F	0.0	0.4	1.0	0.7
2024F	0.0	0.3	1.0	0.7
Year	Operating Margin	x $\frac{\text{Capital Turnover}}{\text{Revenue}}$	x $\frac{\text{Cash Tax Rate}}{\text{Revenue}}$	= $\frac{\text{After-tax Return on Inv. Capital}}{\text{Revenue}}$
2021	9.3%	0.5	-2.1%	-0.1%
2022	-4.3%	0.7	36.3%	-1.1%
2023F	-9.2%	0.7	20.0%	-1.3%
2024F	10.9%	0.7	20.0%	1.6%
2024F	10.7%	0.7	20.0%	1.6%

Source: KGI Securities Research

Siam City Cement – 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	SEAFCO	SEAFCO
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
CENTEL	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	KASIKORNBANK	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 ERAWAN 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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KGI's Ratings

Rating	Definition
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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