

Siam City Cement

(SCCC.BK/SCCC TB)

Neutral · Downgraded

Price as of 16 Oct 2023	133.00
12M target price (Bt/shr)	149.00
Unchanged/Revised up(down)(%)	(18.1)
Upside/downside (%)	12.0

Key messages

เราปรับลดคำแนะนำ SCCC มาเป็น ถือ จากเดิม ซื้อ ด้วยราคาเป้าหมายใหม่ที่ 149.00 บาท/หุ้น อิง PE 15x เพื่อสะท้อนการฟื้นตัวของ ROE ที่ช้าพร้อมทั้งยังกังวลกับความต้องการปูนซีเมนต์ที่อ่อนแอ ส่วนทางกับต้นทุนที่มีโอกาสเพิ่มขึ้นอีกครั้ง โดยเราเชื่อว่าการฟื้นตัวของผลการดำเนินงาน SCCC จำล้ามากเพิ่มขึ้น เราจะปรับกำไรสุทธิลง 34-39% ในปี 2566-68F สะท้อนยอดขายที่ลดลงในหลายประเทศ โดยระยะสั้นก่อนที่ค่ากำไร 4Q66F จะเพิ่มขึ้น เราคาดว่ากำไร 3Q66F จะออกมาดีกว่าที่ตลาดมองก่อนหน้านี้ โดยเราคาดว่ากำไร 3Q66F จะอยู่ที่ 372 ล้านบาท (-43% QoQ, -38% YoY)

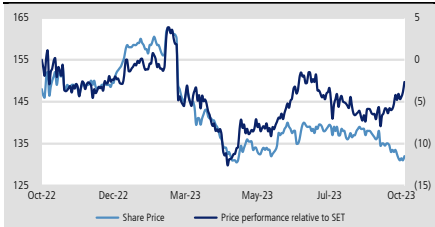
Trading data

Mkt cap (Btmn/US\$m)	39.6/1.2		
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	-4.7	0.8	-8.9
Relative	2.5	11.6	0.3

Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2021	3.57	4.85	2.27	3.57
2022	2.69	4.55	2.02	(3.03)
2023	2.54	2.20	1.25	

Share price chart



Source: SET

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ประมาณการ 3Q66F: โหมเม้นต์ยังอ่อนแอ

Event

ประมาณการ 3Q66F และปรับลดประมาณการกำไรและคำแนะนำ

Impact

ประมาณการ 3Q66F – ยังไม่ไปในโน้มน้าวช่วง low season และยังมีปัจจัยที่เป็นอุปสรรคอยู่
ผลการดำเนินงาน SCCC ใน 3Q66F ฟื้นตัวช้ากว่าที่เราและตลาดคาดไว้ โดยวันที่ 3 พ.ย. เราคาดว่า SCCC จะรายงานกำไรสุทธิ 3Q66F ที่ 372 ล้านบาท (-43% QoQ, -38% YoY) หากไม่รวมขาดทุน FX จาก US\$/LKR ที่กลับมาอ่อนค่า กำไรหลักจะอยู่ที่ 498 ล้านบาท (+18% QoQ, -17% YoY) โดยกำไรที่สูงขึ้น QoQ จะมาจากอานิสงส์ด้านต้นทุนที่โดยเฉพาะในไทย ซึ่งรับรูราคาถดถอยที่ลดลง ส่วนอัตราค่าไฟฟ้าเฉลี่ยลดลง 9% QoQ เหลือ 4.46 บาท/kWh โดยในไทยอุปสงค์ปูนซีเมนต์ยังอ่อนแอใน 3Q66 เนื่องจากเป็นช่วงหน้าฝน ในขณะที่ราคาขายยังทรงตัว ส่วนสถานการณ์ในศรีลังกาดีกว่าในแง่ของยอดขายที่เพิ่มขึ้น แมวราคาขายจะลดลงจากการแข่งขันที่เข้มข้นก็ตาม ส่วนในเวียดนาม ธุรกิจจะยังฟื้นตัวช้าจากภาวะตลาดอสังหาริมทรัพย์ที่ยังมีปัญหาอยู่ สำหรับธุรกิจอื่น ๆ ของ SCCC (คอนกรีต & ซีเมนต์ & วัสดุก่อสร้าง) เราคาดว่ายอดขายจะยังชะงัก ในขณะที่ค่าส่วนแบ่งกำไรจากบริษัทในเครือจะลดลง QoQ เพราะราคาถดถอยที่ลดลงลดผลการดำเนินงานของเหมืองถ่านหินจาก LANNA ทั้งนี้ราคาต่ำกว่ากำไรของ SCCC ที่ลดลง YoY จะเป็นเพราะธุรกิจยังไม่ฟื้นตัวอย่างเต็มที่

มีแนวโน้มฟื้นตัวดีขึ้น แต่ในอัตราที่ช้าลงกว่าคาด

เราเชื่อว่าผลการดำเนินงานของ SCCC กำลังฟื้นตัวดีขึ้น แต่จะฟื้นในอัตราที่ช้ากว่าที่คาดเอาไว้ก่อนหน้านี้ เราปรับลดกำไรสุทธิปี 2566-2568F ลง 34-39% (Figure 3) เพื่อสะท้อนถึงยอดขายที่ลดลงในไตรมาสใหญ่ (นำโดยไทยและเวียดนาม ซึ่งคิดเป็น 80% ของ EBITDA บริษัท) และ ต้นทุนดอกเบี้ยที่สูงขึ้น ซึ่งกำไรสุทธิใหม่ปี 2566F ของเราจะลดลง 47% YoY ก่อนที่จะกลับมาโต 49% YoY และ 8% YoY ในปี 2567-2568F ตามลำดับ จากปริมาณยอดขายที่เพิ่มขึ้น และการบริหารต้นทุน นอกจากผลการดำเนินงานธุรกิจต่างประเทศที่ฟื้นตัวแล้ว (โดยเฉพาะเวียดนาม และศรีลังกา) การที่ไทยมีรัฐบาลชุดใหม่ก็น่าทำให้มีการเปิดประมูล โครงการ โครงสร้างพื้นฐานเพิ่มขึ้นตั้งแต่ปี 2567F

คาดว่าผลประกอบการจะพลิกฟื้น YoY และดีขึ้นเล็กน้อย QoQ ใน 4Q66F

เนื่องจากบริษัทขาดทุนหนักใน 4Q65 เราจึงคาดว่าผลประกอบการใน 4Q66F จะพลิกฟื้นแข็งแกร่ง YoY เนื่องจากแรงกดดันทางต้นทุนลดลง และมีกำไรขึ้นราคาขายสินค้า นอกจากนี้ เรายังคาดว่าผลประกอบการจะดีขึ้น QoQ ด้วย จากอานิสงส์ทางด้านต้นทุน แต่ยอดขายจะยังแผ่วอยู่ โดยเราคาดว่าต้นทุนสาธารณูปโภคจะได้อานิสงส์จากการค่าไฟฟ้าเฉลี่ยลดลงอีก 11% QoQ เหลือ 3.99 บาท/kWh ในขณะที่ดัชนี BDI ยังอยู่ในระดับต่ำแมวจะเพิ่มขึ้นตามปัจจัยฤดูกาล

Valuation & Action

เราปรับลดคำแนะนำ SCCC มาเป็น ถือ จากเดิม ซื้อ ด้วยราคาเป้าหมายใหม่ที่ 149.00 บาท/หุ้น อิง PE 15x (ใกล้เคียงค่าเฉลี่ย 10 ปี) เพื่อสะท้อนการฟื้นตัวของ ROE จากสถานการณ์เศรษฐกิจ ทำให้เรากังวลกับความต้องการปูนซีเมนต์ที่อาจลดลง ส่วนทางกับต้นทุนที่มีโอกาสเพิ่มขึ้นอีกครั้ง อย่างไรก็ตามเรายอมรับว่าหุ้น SCCC ที่ค่อนข้างถูกและให้เงินปันผลน่าสนใจที่ประมาณ 7% ต่อปี

Risk

ความผันผวนของต้นทุนวัตถุดิบและพลังงาน, การขยายตัวของเศรษฐกิจ และความเสถียรของประเทศ

Key financials and valuations

	Dec - 21A	Dec-22	Dec - 23F	Dec - 24F	Dec - 25F
Revenue (Btmn)	41,678	50,126	46,275	47,404	48,884
Net Profit (Btmn)	4,248	1,857	2,328	2,963	3,193
Normalized Profit (Btmn)	3,519	3,713	1,983	2,963	3,193
Net Profit Growth (%)	15.4	(56.3)	25.4	27.2	7.8
Normalized Profit Growth (%)	(4.4)	5.5	(46.6)	49.4	7.8
EPS (Bt)	14.25	6.23	7.81	9.94	10.71
DPS (Bt)	9.00	9.00	9.00	9.00	9.00
P/E (X)	11.0	21.1	16.8	13.2	12.3
P/B (X)	1.2	1.2	1.2	1.2	1.2
EV/EBITDA (X)	6.8	6.8	6.8	6.0	5.6
Dividend Yield (%)	5.8	6.8	6.8	6.8	6.8
Return on Average Equity (%)	11.5	5.0	6.8	8.6	9.1

Source: Company data, KGI Securities Research

Figure 1: SCCC's 3Q23F earnings preview

Bt mn	3Q23F	3Q22	YoY (%)	2Q23	QoQ (%)	9M23	9M22	YoY (%)	Comments (9M23 vs 9M22)
Revenue	11,985	12,358	(3.0)	10,975	9.2	34,313	37,692	(9.0)	(-) lower sales volumes, moderated by price adjustment from economic recovery, led by Thailand and Vietnam
Gross Profit	2,984	2,850	4.7	2,659	12.2	8,154	10,927	(25.4)	
SG&A	2,373	2,249	5.5	2,249	5.5	6,748	7,160	(5.8)	(-) lower operating costs
Operating Profit	781	983	(20.5)	1,070	(27.0)	2,957	4,152	(28.8)	
Operating EBITDA	1,649	1,957	(15.7)	1,919	(14.0)	5,526	6,965	(20.7)	
Equity Income/(Loss)	245	325	(24.7)	377	(35.0)	1,057	1,287	(17.9)	
Finance costs	375	259	44.8	348	7.7	1,038	752	38.1	
Extraordinary items	(126)	4	N.A.	235	(153.5)	345	(1,120)	N.A.	(+) Unrelied and relised Fx gains from appreciation of US\$/LKR in business at Sri Lanka
Net Profit	372	603	(38.4)	656	(43.3)	1,786	2,760	(35.3)	
Normalized profit	498	600	(17.0)	420	18.4	1,441	3,880	(62.9)	
EPS (Bt)	1.25	2.02	(38.4)	2.20	(43.3)	5.99	9.26	(35.3)	
Normalized EPS (Bt)	1.67	2.01	(17.0)	1.41	18.4	4.83	13.02	(62.9)	
Percent	3Q23F	3Q22	YoY (ppts)	2Q23	QoQ (ppts)	9M23	9M22	YoY (ppts)	
Gross margin	24.9	23.1	1.8	24.2	0.7	23.8	29.0	(5.2)	(-) cost upturn (energy prices and freight rate) with tepid price adjustment
EBITDA margin	13.8	15.8	(2.1)	17.5	(3.7)	8.6	11.0	(2.4)	
SG&A/sales	19.8	18.2	1.6	20.5	(0.7)	19.7	19.0	0.7	

Source: Company data, KGI Securities Research

Figure 2: SCCC's market outlook in 2023

	<ul style="list-style-type: none"> Economy driven by tourism and private sectors, while manufacturing and export are weighted down. Headline inflation decline from lower energy costs, retail oil prices, and electricity cost. Uncertainty over new government and economic policy direction.
	<ul style="list-style-type: none"> Vietnam's demand decline, linked to real estate crisis, could need 12-18 months to rebound. Cement industry continues to face challenges, with significant decline in core market demand, amid intense competition. Softened prices expected in H2/23 as cement players continue volume driven approach.
	<ul style="list-style-type: none"> Gradual market recovery is expected with the downward adjustment in market interest rates. Exchange rates are expected to depreciate further due to the relaxation of import restrictions. Other construction material prices came down due to a decline in demand.
	<ul style="list-style-type: none"> Growth in export and remittance in current fiscal year (Jul '22-Jun '23). Current account balance in temporary control due to import restrictions. High inflation as of June 2023. General Election towards end 2023 might heavily weigh on industry demand.
	<ul style="list-style-type: none"> Demand will remain stagnant due to the slower construction sector. Overall cost expected to remain high, but energy prices are estimated to fall due to lower coal price. Price will be under pressure due to shrinking demand and increased economic brands.

Source: Company data, KGI Securities Research

Figure 3: SCCC – Earnings revision

	2023F			2024F			2025F		
	Previous	Revised	Change	Previous	Revised	Change	Previous	Revised	Change
Financials (Btmn)			Percent			Percent			Percent
Revenue	52,459	46,275	(11.8)	53,386	47,404	(11.2)	55,097	48,884	(11.3)
COGS	38,680	34,838	(9.9)	37,859	34,825	(8.0)	38,749	35,582	(8.2)
Gross profit	13,779	11,437	(17.0)	15,527	12,579	(19.0)	16,348	13,302	(18.6)
SG&A	9,317	8,862	(4.9)	9,454	9,057	(4.2)	10,194	9,699	(4.9)
Other incomes	250	250	0.0	250	250	0.0	250	250	0.0
Equity income	1,012	1,286	27.1	1,024	1,298	26.8	1,034	1,311	26.8
Finance costs	1,023	1,410	37.8	956	1,214	27.0	888	1,014	14.2
Net profit	3,535	2,328	(34.1)	4,826	2,963	(38.6)	4,947	3,193	(35.5)
Normalized profit	3,535	1,983	(43.9)	4,826	2,963	(38.6)	4,947	3,193	(35.5)
Key financial ratio (%)			ppts			ppts			ppts
GPM	26.3	24.7	(1.6)	29.1	26.5	(2.5)	29.7	27.2	(2.5)
SG&A/Sale	17.8	19.2	1.4	17.7	19.1	1.4	18.5	19.8	1.3
ROE	5.4	5.4	0.0	10.0	6.8	(3.2)	12.7	8.5	(4.2)
Net profit growth	90.4	25.4	(65.0)	36.5	27.2	(9.3)	2.5	7.8	5.3
Normalised profit growth	-4.8	-46.6	(41.8)	36.5	49.4	12.8	2.5	7.8	5.3

Source: Company data, KGI Securities Research

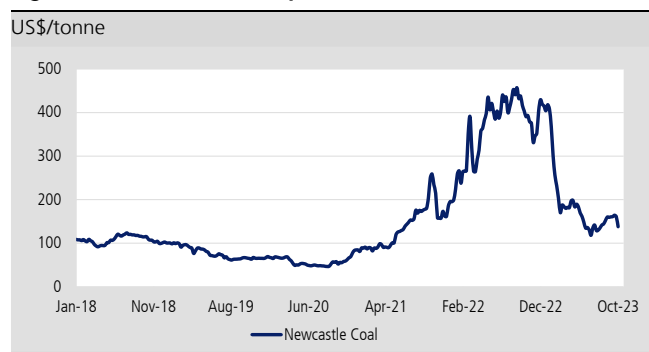
Figure 4: Key assumptions

Assumptions	unit	2021	2022	2023F	2024F	2025F
Revenue breakdown:						
Thailand	Sales	Btmn	27,195	32,238	34,677	35,370
Cement		Btmn	18,844	20,763	20,651	20,725
	Blended selling price	Bt/Ton	1,712	1,820	1,895	1,905
	Volumes	Ton	8.76	9.16	8.81	9.08
	Export selling price	US\$/Ton	40	41	43	42
	Volumes	Ton	3.0	2.9	2.8	2.5
Concrete		Btmn	5,679	6,662	6,995	7,345
	Growth	Percent	(18.6)	17.3	5.0	5.0
Trading + Others		Btmn	9,365	13,224	13,390	13,757
	Growth	Percent	(10.8)	41.2	1.3	2.7
Sri Lanka	Sales	Btmn	7,177	7,805	4,812	4,908
	Growth	Percent	27.0	8.8	(38.3)	2.0
Vietnam	Sales	Btmn	5,943	8,442	5,102	5,357
	Growth	Percent	(4.2)	42.0	(39.6)	5.0
Bangladesh	Sales	Btmn	1,363	1,640	1,684	1,768
	Growth	Percent	15.8	20.3	2.7	5.0
Assumption & Ratio:						
Share of profit		Btmn	1,229	1,527	1,286	1,298
Indonesian Coal Index		US\$/ton	68	87	43	29
New Castle Coal		US\$/ton	139	365	180	120
Baltic Dry Index		Points	2,963	1,832	1,200	1,150
Avg. US\$/THB		Rate	32.00	34.90	33.80	32.50
GPM		Percent	30.6	26.7	24.7	26.5
EBITDA		Percent	22.4	15.8	17.7	18.8
Selling expense/sales		Percent	16.2	15.5	14.7	14.6
Admin expense/sales		Percent	4.5	3.8	4.5	4.6
Average interest rate		Percent	4.41	4.97	5.84	5.38
Effective tax rate		Percent	-2.1	36.3	20.0	20.0

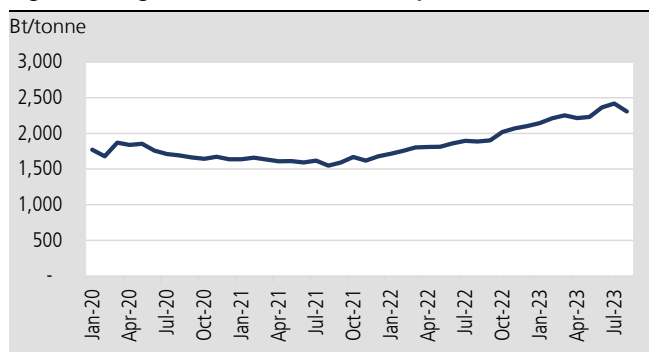
Source: Company data, KGI Securities Research

Figure 5: Movement of Baltic Dry Index

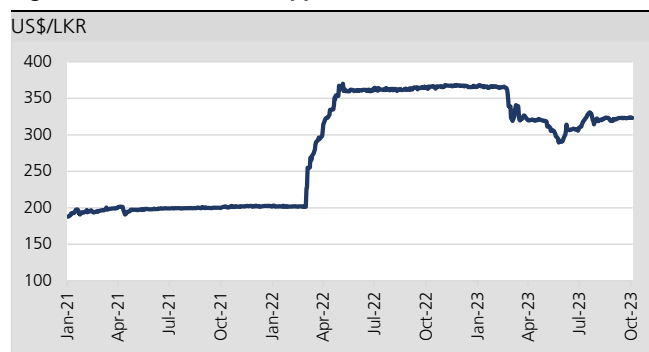

Source: Bloomberg, KGI Securities Research

Figure 6: New Castle Coal price


Source: Bloomberg, KGI Securities Research

Figure 7: Avg. benchmarked domestic portland cement


Source: MOC, OIE, KGI Securities Research

Figure 8: US\$/LKR rate – Appreciated YTD


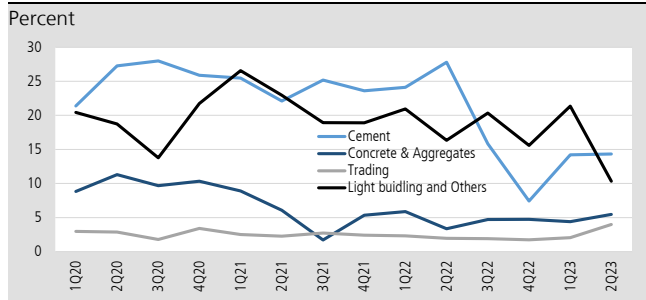
Source: Bloomberg, KGI Securities Research

Figure 9: 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.

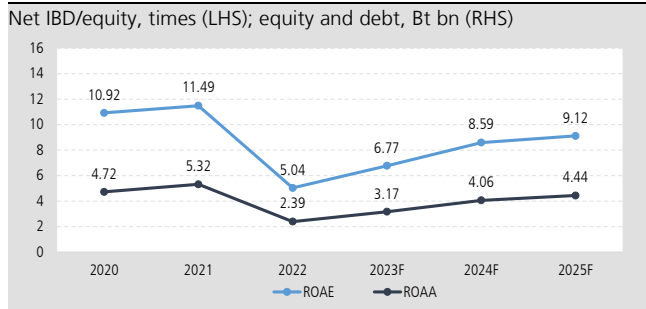
Source: Company data

Figure 11: EBITDA margin breakdown by segments



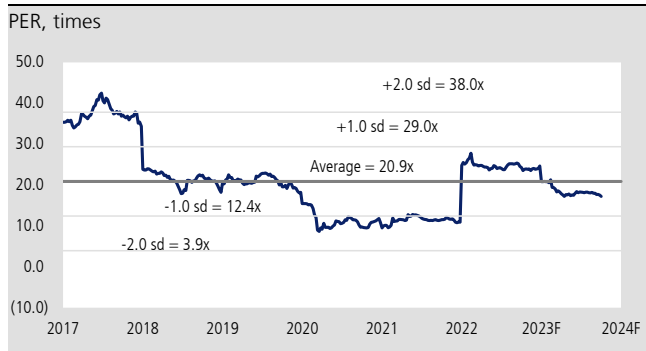
Source: Company data, KGI Securities Research

Figure 13: ROAE and ROAA



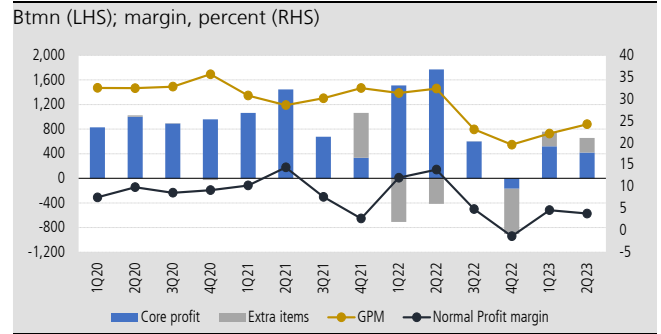
Source: Company data, KGI Securities Research

Figure 15: SCCC's forward's PER



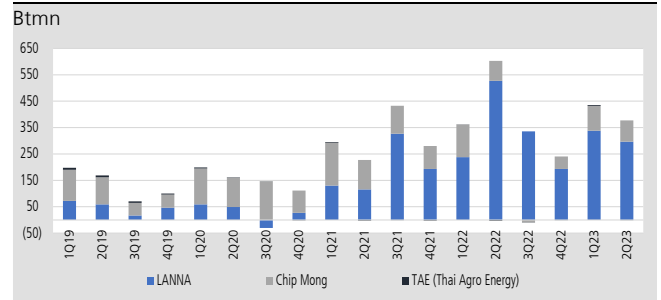
Source: KGI Securities Research

Figure 10: Quarterly earnings



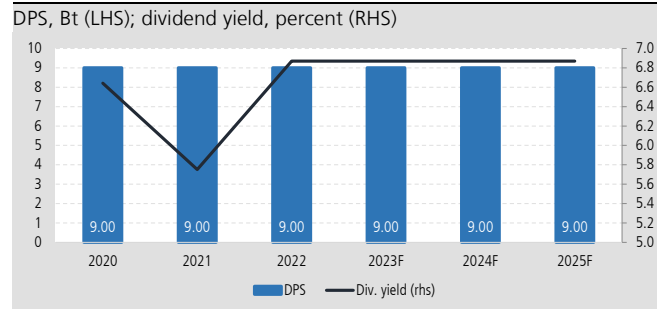
Source: Company data, KGI Securities Research

Figure 12: Share of profit breakdown



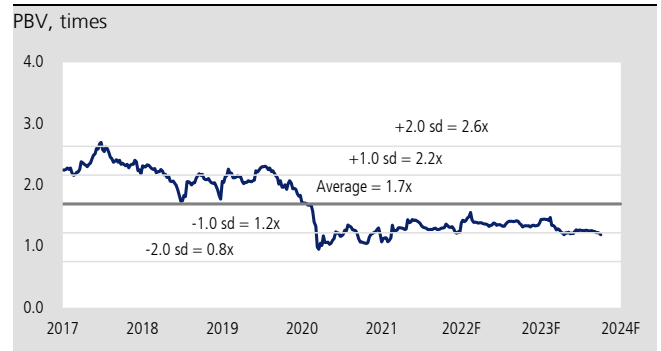
Source: Company data, KGI Securities Research

Figure 14: DPS and dividend yield in 2020-24F



Source: Company data, KGI Securities Research

Figure 16: 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	Sep-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	10,975	11,985
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)	(8,315)	(9,001)
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	2,659	2,984
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)	(2,249)	(2,373)
Other incomes	93	76	93	(11)	61	75	74	78	69	61	67	54	68	62	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	1,070	781
Depreciation of fixed assets	984	969	1,052	930	981	979	981	952	922	918	974	915	853	848	868
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	1,919	1,649
Non-Operating Income	(3)	24	11	(22)	5	6	7	8	(700)	(343)	15	(38)	249	249	(111)
Interest Income	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Other Non-op Income	(4)	22	8	(26)	0	0	0	0	(709)	(353)	4	(50)	236	235	(126)
Non-Operating Expenses	(357)	(352)	(328)	(327)	(285)	(289)	(293)	(345)	(240)	(234)	(248)	(327)	(301)	(334)	(360)
Interest Expenses	(358)	(354)	(331)	(331)	(290)	(295)	(300)	(353)	(249)	(244)	(259)	(339)	(314)	(348)	(375)
Other Non-op Expenses	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Equity Income/(Loss)	199	162	116	110	295	225	432	277	362	600	325	240	435	377	245
Pre-tax Profit	1,035	1,303	1,206	1,238	1,289	904	712	1,316	961	1,715	724	(314)	791	722	406
Current Taxation	(164)	(175)	(199)	(218)	(205)	564	(91)	(180)	(126)	(289)	(83)	(621)	(134)	(86)	(49)
Minorities	(45)	(104)	(108)	(88)	(21)	(23)	55	(73)	(32)	(72)	(38)	32	101	20	14
Extraordinary items	(4)	22	8	(26)	0	0	0	729	(709)	(415)	4	(736)	236	235	(126)
Net Profit	826	1,024	898	932	1,063	1,445	676	1,063	802	1,355	603	(903)	758	656	372
Normalized Profit	830	1,002	891	958	1,063	1,445	676	334	1,511	1,770	600	(167)	522	420	498
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	2.20	1.25
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	1.41	1.67
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	24.2	24.9
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	9.8	6.5
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	17.5	13.8
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	6.0	3.1
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)	(3.3)	9.2
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	(3.2)	(27.0)
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	(2.0)	(14.0)
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	(13.5)	(43.3)
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	(19.5)	18.4

Source: KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Total Assets	82,012	73,353	73,785	72,285	71,553
Current Assets	19,544	16,525	18,955	19,351	20,419
Cash & ST Investments	9,662	3,430	7,304	7,893	8,606
Inventories	4,441	7,290	6,016	5,688	5,866
Accounts Receivable	4,780	5,105	4,651	4,764	4,913
Others	661	700	984	1,006	1,034
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	39,525	37,602	36,206
Current Liabilities	19,848	14,491	16,188	15,428	15,194
Accounts Payable	5,494	8,134	6,479	6,163	6,355
ST Borrowings	10,690	2,947	6,107	5,607	5,107
Others	3,664	3,410	3,602	3,658	3,732
Long-term Liabilities	22,937	24,360	23,338	22,174	21,012
Long-term Debts	17,368	17,009	16,052	14,952	13,852
Others	5,569	7,351	7,286	7,223	7,160
Shareholders' Equity	39,227	34,502	34,260	34,683	35,347
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	12,023	12,304	12,815
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	(7.7)	2.4	3.1
OP	(11.3)	(23.5)	5.0	14.0	1.9
EBITDA	(7.3)	(15.5)	3.9	8.7	2.2
NP	15.4	(56.3)	25.4	27.2	7.8
Normalized Profit	(4.4)	5.5	(46.6)	49.4	7.8
EPS	15.4	(56.3)	25.4	27.2	7.8
Normalized EPS	(4.4)	5.5	(46.6)	49.4	7.8
Profitability (%)					
Gross Margin	30.6	26.7	24.7	26.5	27.2
Operating Margin	13.1	8.3	9.5	10.5	10.4
EBITDA Margin	22.4	15.8	17.7	18.8	18.7
Net Profit Margin	10.2	3.7	5.0	6.3	6.5
ROAA	5.2	2.5	3.2	4.1	4.5
ROAE	10.8	5.4	6.8	8.5	9.0
Stability					
Gross Debt/Equity (%)	1.1	1.1	1.2	1.1	1.0
Net Debt/Equity (%)	0.6	0.4	0.5	0.4	0.3
Interest Coverage (x)	4.4	3.8	3.1	4.1	5.0
Interest & ST Debt Coverage (x)	1.3	1.2	0.7	0.9	1.0
Cash Flow Interest Coverage (x)	5.6	3.8	4.0	5.2	6.5
Cash Flow/Interest & ST Debt (x)	1.6	1.2	0.9	1.1	1.3
Current Ratio (x)	1.0	1.1	1.2	1.3	1.3
Quick Ratio (x)	0.8	0.6	0.8	0.9	1.0
Net Debt (Bt mn)	24,628	14,651	16,266	13,953	11,458
Per Share Data (Bt)					
EPS	14.3	6.2	7.8	9.9	10.7
Normalized EPS	11.8	12.5	6.7	9.9	10.7
CFPS	23.3	13.9	18.8	21.0	22.0
BVPS	126.6	111.5	110.4	111.3	113.0
SPS	139.9	168.2	155.3	159.1	164.0
EBITDA/Share	31.4	26.5	27.6	29.9	30.6
DPS	9.0	9.0	9.0	9.0	9.0
Activity					
Asset Turnover (x)	0.5	0.7	0.6	0.7	0.7
Days Receivables	41.9	37.2	36.7	36.7	36.7
Days Inventory	56.1	72.4	63.0	59.6	60.2
Days Payable	69.4	80.8	67.9	64.6	65.2
Cash Cycle	28.6	28.8	31.8	31.7	31.7

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Revenue	41,678	50,126	46,275	47,404	48,884
Cost of Goods Sold	(28,904)	(36,766)	(34,838)	(34,825)	(35,582)
Gross Profit	12,774	13,360	11,437	12,579	13,302
Operating Expenses	(8,618)	(9,682)	(8,862)	(9,057)	(9,699)
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)	345	0	0
Interest Income	0	0	0	0	0
Other Non-op Income	0	(1,108)	345	0	0
Non-Operating Expenses	(1,023)	(918)	(1,340)	(1,144)	(944)
Interest Expenses	(1,238)	(1,090)	(1,410)	(1,214)	(1,014)
Other Non-op Expenses	215	172	70	70	70
Equity Income/(Loss)	1,229	1,527	1,286	1,298	1,311
Pre-tax Profit	4,221	3,086	2,976	3,786	4,080
Current Taxation	89	(1,119)	(536)	(682)	(734)
Minorities	(848)	(848)	(848)	(848)	(848)
Extraordinary items	0	0	0	0	0
Net Profit	4,248	1,857	2,328	2,963	3,193
Normalized Profit	3,519	3,713	1,983	2,963	3,193
EPS (Bt)	14.25	6.23	7.81	9.94	10.71
Normalized EPS (Bt)	11.81	12.46	6.66	9.94	10.71

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Operating Cash Flow	6,948	4,144	5,598	6,267	6,542
Net Profit	4,248	1,857	2,328	2,963	3,193
Depreciation & Amortization	3,893	3,728	3,825	3,924	4,026
Change in Working Capital	(1,395)	(907)	(1,203)	(1,443)	(1,564)
Others	202	(534)	647	823	887
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	4,354	4,871	4,995
Financing Cash Flow	(4,404)	(9,402)	(479)	(4,282)	(4,282)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	(1,140)	(5,902)	1,978	(1,600)	(1,600)
Change in Other LT Liab.	(3,265)	(3,500)	(2,457)	(2,682)	(2,682)
Net Cash Flow	1,986	(6,233)	3,875	589	713

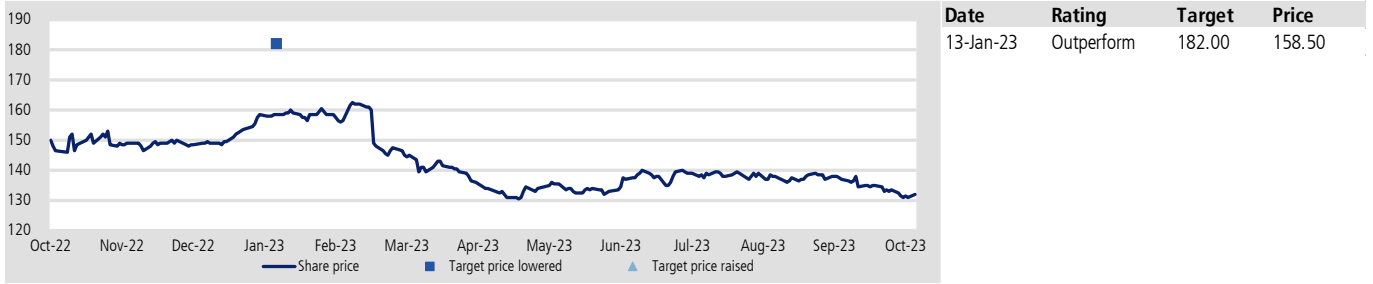
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- COGS	+ Depreciation	+ Operating Exp.	= Operating
	Revenue	Revenue	Revenue	Margin
2021	60.0%	9.3%	21.4%	9.3%
2022	79.3%	7.4%	17.6%	-4.3%
2023F	74.4%	8.3%	20.4%	-3.1%
2024F	65.2%	8.3%	19.6%	6.9%
2024F	64.6%	8.2%	20.4%	6.8%
Year	1/ Working Capital	+ Net PPE	+ Other Assets	= Capital
	Revenue	Revenue	Revenue	Turnover
2021	0.0	0.7	1.3	0.5
2022	0.0	0.5	0.9	0.7
2023F	0.0	0.5	1.1	0.6
2024F	0.0	0.5	1.1	0.7
2024F	0.0	0.4	1.1	0.7
Year	Operating	x Capital	x Cash	= After-tax Return
	Margin	Turnover	Tax Rate	on Inv. Capital
2021	9.3%	0.5	-2.1%	-0.1%
2022	-4.3%	0.7	36.3%	-1.1%
2023F	-3.1%	0.6	18.0%	-0.4%
2024F	6.9%	0.7	18.0%	0.8%
2024F	6.8%	0.7	18.0%	0.9%

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	GLOBAL	SIAM GLOBAL HOUSE	RATCH	RATCH GROUP
ADVANC	ADVANCED INFO SERVICE	GPSC	GLOBAL POWER SYNERGY	RBF	R&B FOOD SUPPLY
AMA	AMA MARINE	GULF	GULF ENERGY DEVELOPMENT	SAT	SOMBOON ADVANCE TECHNOLOGY
AMATA	AMATA CORPORATION	HANA	HANA MICROELECTRONICS	SCB	SCB X
ANAN	ANANDA DEVELOPMENT	HENG	HENG LEASING AND CAPITAL	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	SCCC	SIAM CITY CEMENT
AP	AP (THAILAND)	INTUCH	INTOUCH HOLDINGS	SCGP	SCG PACKAGING
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	IRPC	IRPC	SEAFCO	SEAFCO
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IVL	INDORAMA VENTURES	SHR	S HOTELS AND RESORTS
BANPU	BANPU	KBANK	KASIKORNBANK	SICT	SILICON CRAFT TECHNOLOGY
BBL	BANGKOK BANK	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SNC	SNC FORMER
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPALI	SUPALAI
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BEM	BANGKOK EXPRESSWAY AND METRO	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BGRIM	B.GRIMM POWER	LPN	L.P.N. DEVELOPMENT	STGT	SRI TRANG GLOVES (THAILAND)
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	SUN	SUNSWEET
BTS	BTS GROUP HOLDINGS	MBK	MBK	SVI	SVI
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TACC	T.A.C. CONSUMER
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TCAP	THANACHART CAPITAL
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	THCOM	THAICOM
COM7	COM7	ORI	ORIGIN PROPERTY	TISCO	TISCO FINANCIAL GROUP
CPALL	CP ALL	OSP	OSOTSPA	TKN	TAOKAENOI FOOD & MARKETING
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	TOP	THAI OIL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PTG	PTG ENERGY	TU	THAI UNION GROUP
DELTA	DELTA ELECTRONICS (THAILAND)	PTT	PTT	VGI	VGI
DOHOM	DOHOME	PTTEP	PTT EXPLORATION AND PRODUCTION	WHA	WHA CORPORATION
EGCO	ELECTRICITY GENERATING	PTTGC	PTT GLOBAL CHEMICAL	WHAUP	WHA UTILITIES AND POWER
GFPT	GFPT	PYLON	PYLON	ZEN	ZEN CORPORATION GROUP
GGC	GLOBAL GREEN CHEMICALS	QH	QUALITY HOUSES		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AEONTS	AEON THANA SINSAP (THAILAND)	JMT	JMT NETWORK SERVICES	SFT	SHRINKFLEX (THAILAND)
BCH	BANGKOK CHAIN HOSPITAL	LH	LAND AND HOUSES	SINGER	SINGER THAILAND
BEC	BEC WORLD	M	MK RESTAURANT GROUP	SMD	SAINTMED
BH	BUMRUNGRAD HOSPITAL	MEGA	MEGA LIFESCIENCES	SNNP	SRINANAPORN MARKETING
CBG	CARABAO GROUP	NETBAY	NETBAY	SPA	SIAM WELLNESS GROUP
CHG	CHULARAT HOSPITAL	PJW	PANJAWATTANA PLASTIC	TFG	THAIFOODS GROUP
ERW	THE ERAWAN GROUP	SAK	SAKSIAM LEASING	TIDLOR	NGERN TID LOR
ESSO	ESSO (THAILAND)	SAPPE	SAPPE	TNP	THANAPIRIYA
HUMAN	HUMANICA	SAWAD	SRISAWAD CORPORATION	UBE	UBON BIO ETHANOL
IIG	I&I GROUP	SFLEX	STARFLEX	XO	EXOTIC FOOD



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	LPH	LADPRAO GENERAL HOSPITAL	TPCH	TPC POWER HOLDING
EKH	EKACHAI MEDICAL CARE	MENA	MENA TRANSPORT		
JMART	JAYMART GROUP HOLDINGS	SISB	SISB		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BBGI	BBGI	NTSC	Nutrition SC	TGE	THACHANG GREEN ENERGY
BTG	BETAGRO	PLT	Pilatus Marine		
ITC	i-Tail Corporation	PQS	Premier Quality Starch		

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 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
CENDEL	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

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