

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	49590.2	0.2	1.3	2.3	3.2
S&P 500	6977.3	0.2	1.1	2.2	1.9
FTSE 100	10140.7	0.2	1.4	5.1	2.1
AS30	9128.8	0.4	1.5	1.6	1.2
CSI 300	4789.9	0.7	1.5	4.6	3.5
FSSTI	4766.8	0.5	1.8	3.9	2.6
HSCEI	9220.1	1.9	0.8	1.6	3.4
HSI	26608.5	1.4	1.0	2.4	3.8
JCI	8884.7	(0.6)	0.3	2.6	2.7
KLCI	1695.4	0.5	0.9	3.5	0.9
KOSPI	4624.8	0.8	3.8	11.0	9.7
Nikkei 225	51939.9	1.6	3.2	2.2	3.2
SET	1242.2	(0.9)	(3.0)	(0.9)	(1.4)
TWSE	30567.3	0.9	1.5	8.4	5.5
BDI	1659	(1.7)	(10.4)	(24.8)	(11.6)
CPO (RM/mt)	4004	0.3	0.8	(0.8)	1.8
Brent Crude (US\$/bbl)	64	1.5	4.1	5.2	5.7

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Presentation on Regional 1H2026 Outlook and Strategy	Regional	14 Jan	15 Jan
Engagement Session with Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz	Malaysia	30 Jan	30 Jan

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Dec. Consumer Confidence	Thailand	7-13 Jan
Dec. Car sales	Thailand	21-25 Jan
Dec. Trade Balance	Thailand	30 Jan

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Company Update | SCG Packaging (SCGP TB/BUY/Bt18.60/Target: Bt26.00)

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We expect SCGP's 4Q25 net profit to increase both qoq and yoy, partly driven by the recognition of an extra gain of Bt400m. However, core profit is projected to decline by 16%, pressured by the Thai baht appreciation, lower ASP, and higher coal and freight costs. Looking ahead, core profit in 1Q26 is expected to recover qoq, supported by a decline in RCP costs. Maintain BUY. Target price: Bt26.00.

SCG Packaging (SCGP TB)

4Q25 Net Profit Expected To Increase Both qoq And yoy

Highlights

- We expect SCGP's 4Q25 net profit to increase both qoq and yoy, driven by the recognition of extra gains, while core profit is projected to decline qoq due to higher fuel and freight costs.
- Core profit in 1Q26 is expected to recover qoq as cost pressures ease, particularly from lower RCP cost.
- SCGP remains one of our top picks. Maintain BUY. Target price of Bt26.00.

4Q25 Earnings Preview

Year to 31 Dec (Btm)	4Q24	3Q25	4Q25F	%Chg yoy	%Chg qoq	2024	2025F	%Chg yoy
Revenue	31,231	30,438	30,088	-4%	-1%	132,784	124,292	-6%
Gross profit	4,296	5,470	5,300	23%	-3%	22,403	22,305	0%
EBITDA	2,810	3,971	3,628	29%	-9%	16,338	16,601	2%
Int. exp.	667	544	443	-34%	-19%	2,429	2,286	-6%
EBT	61	1,422	1,462	n.a.	3%	4,764	5,632	18%
Core Profit	41	998	840	n.a.	-16%	3,910	3,747	-4%
Net Profit	-58	953	1,240	n.a.	30%	3,699	4,103	11%
EPS	-0.01	0.22	0.29	n.a.	30%	0.86	0.96	11%
Financial ratio (%)								
Gross Profit Margin	13.8%	18.0%	17.6%			16.9%	17.9%	
EBITDA Margin	9.0%	13.0%	12.1%			12.3%	13.4%	
Net profit margin	-0.2%	3.1%	4.1%			2.8%	3.3%	

Source: SCGP, UOB Kay Hian

Analysis

- **4Q25 net profit expected to increase both qoq and yoy.** We estimate SCG Packaging's (SCGP) 4Q25 net profit at Bt1.24b, up 30% qoq and turning from a net loss in 4Q24, mainly supported by extra gains of Bt400m. Core profit in 4Q25 is expected at Bt840m, down 16% qoq due to higher costs and the impact of the Thai baht appreciation.
- **Extra gains.** Extra gains in 4Q25 are estimated at Bt400m, due to: a) negative goodwill of around Bt800m from the PT Prokemas Adhikari Kreasi (MYPAK) acquisition, b) gas contract restructuring costs at Fajar of approximately Bt100m, c) an increase in tax expenses following a revision and partial write-down of deferred tax assets of Bt250m-300m, reflecting more conservative assumptions on future taxable income, and d) other restructuring-related expenses.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	129,398	132,784	124,292	161,941	174,897
EBITDA	17,689	16,338	16,601	21,388	21,048
Operating profit	8,483	7,079	7,786	10,074	10,995
Net profit (rep./act.)	5,248	3,699	4,103	5,243	5,529
Net profit (adj.)	5,169	3,910	3,747	5,243	5,529
EPS	1.20	0.91	0.87	1.22	1.29
PE	15.45	20.42	21.31	15.23	14.44
P/B	1.28	1.25	1.22	1.17	1.12
EV/EBITDA	5.14	6.19	5.64	4.75	4.57
Dividend yield	2.96	2.96	2.96	2.96	2.96
Net margin	4.06	2.79	3.30	3.24	3.16
Net debt/(cash) to equity	17.76	33.47	20.99	31.96	23.00
Interest cover	8.76	6.73	7.26	6.52	5.46
Consensus net profit	n.a.	n.a.	3,750	4,485	5,177
UOBKH/Consensus (x)	n.a.	n.a.	1.0	1.2	1.1

Source: Bloomberg, SCGP, UOB Kay Hian

BUY (Maintained)

Share Price	Bt18.60
Target Price	Bt26.00
Upside	39.78%

Analyst(s)

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Stock Data

GICS Sector	Industrials / Packaging
Bloomberg ticker	SCGP TB
Shares issued (m)	4,292.9
Market cap (Btm)	80,277.6
Market cap (US\$m)	2,479.2
3-mth avg daily t'over (US\$m)	8.9

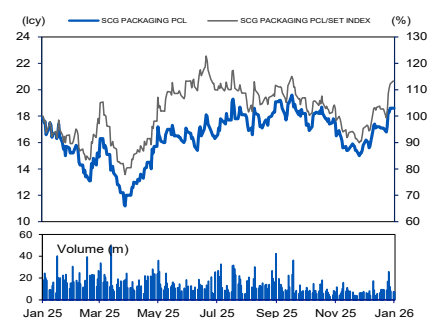
Price Performance (%)

52-week high/low	CurrBt10.70/21.90			
1mth	3mth	6mth	1yr	YTD
6.2	7.5	46.1	(38.2)	(4.6)

Major Shareholders

SCC	72.12%
Tunladawan Company Limited	1.92%
Social Security Office	1.81%

Price Chart



Source: Bloomberg

Company Description

SCGP is a holding company and an integrated packaging solutions provider which is organised into three main businesses: integrated packaging, fibrous, and recycling.

- Core profit pressured by rising costs.** We expect 4Q25 core profit to come in at Bt840m, declining 16% qoq, driven by lower ASPs, higher coal and freight costs, and the Thai baht appreciation. As a result, EBITDA margin is projected at 12.1% in 4Q25 (vs 13.0% in 3Q25 and 9.0% in 4Q24). Sales volume is expected to increase, supported by: a) seasonally stronger domestic consumption in Thailand, b) an increase in exports of packaging paper to the Chinese market, partly driven by China's suspension of imports of substandard dry-milled pulp, and c) regional restocking ahead of long holiday periods, particularly Hari Raya in Indonesia and Tet in Vietnam. Consequently, we forecast SCGP's 4Q25 sales volume at 1.55m tonnes, up 4% qoq and 11% yoy; however, this is insufficient to fully offset the cost pressures.
- Dividend.** We expect a 2H25 dividend of Bt0.30 per share.
- Expect 1Q26 core profit to increase qoq.** Although sales volume is likely to decline qoq due to long holiday periods in Indonesia and Vietnam. We expect EBITDA margin to improve on easing operating cost pressures, particularly from a sharp decline in RCP prices in November-December to US\$150/tonne and US\$134/tonne (vs US\$166/tonne in 3Q25), which should positively impact raw material costs in 1Q26.
- MYPAK is expected to strengthen SCGP's long-term presence in the Indonesian market.** SCGP completed the acquisition of MYPAK in Dec 25, taking a combined direct and indirect stake of 84% with an investment of Bt981m (MYPAK's asset size stood at Bt2.67b as of end-24). MYPAK is a corrugated box manufacturer in Indonesia with an annual capacity of 144,000 tonnes, serving mainly leading global brands in the food and beverage (F&B) and fast-moving consumer goods (FMCG) sectors. SCGP plans to enhance production efficiency, optimise cost management, and generate synergies with Fajar's operations, with the aim of turning MYPAK profitable in 2H26. If executed as planned, MYPAK is expected to become one of the key performance drivers for SCGP in 2027.
- Sensitivity analysis.** Every Bt1 appreciation against the US dollar is expected to reduce annual net profit by approximately Bt180m.

Valuation/Recommendation

- Maintain BUY with a 2026 target price of Bt26.00**, based on regional forward PE at -1SD of 23.1x. In the oil & gas sector, we prefer PTT Oil and Retail (OR TB/BUY/Target: Bt21.00) SCG Packaging (SCGP TB/BUY/Target: Bt26.00) and Indorama Ventures (IVL TB/BUY/Target: Bt27.00).

Earnings Revision/Risk

- Revise our earnings forecast for 2025.** We cut our core profit forecast by 3% to Bt3.75b (previously estimated at Bt3.90b) and raise our 2025 net profit forecast by 5% to Bt4.1b (previously estimated at Bt3.9b) to reflect the earnings performance and recognition of one-off gains in 4Q25.

Environment, Social, Governance (ESG) Updates

Environmental

- SCGP focuses on developing eco-friendly packaging solutions to minimise environmental impact.** This includes using recyclable materials and reducing packaging waste. SCGP implements energy-efficient practices in its manufacturing processes and facilities to reduce carbon emissions and energy consumption.

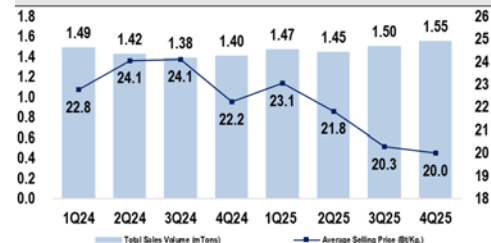
Social

- Employee welfare:** SCGP invests in staff wellbeing and development of its employees through training programmes, safety initiatives, and fostering of a positive workplace culture.

Governance

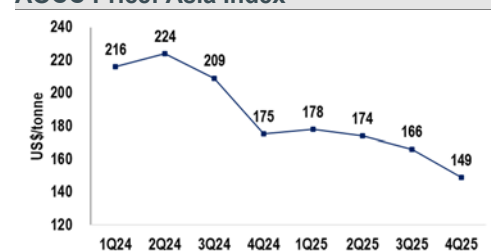
- Board oversight:** The Board of Directors provides governance oversight, with committees focusing on audit, risk management and sustainability.
- Compliance and ethics:** SCGP adheres to legal and regulatory requirements in all jurisdictions where it operates, promoting a culture of integrity and ethical behaviour.

Sales Volume And ASP



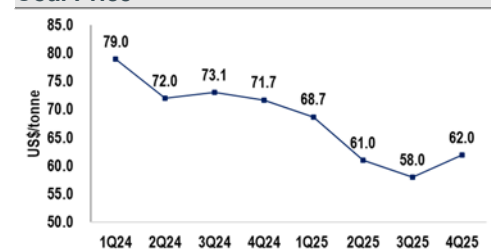
Source: SCGP, UOB Kay Hian

AOCC Price: Asia Index



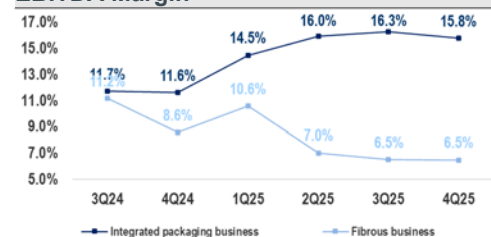
Source: SCGP, UOB Kay Hian

Coal Price



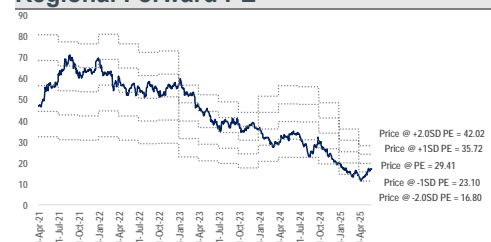
Source: SCGP, UOB Kay Hian

EBITDA Margin



Source: SCGP, UOB Kay Hian

Regional Forward PE



Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	132,784	124,292	161,941	174,897
EBITDA	16,338	16,601	21,388	21,048
Deprec. & amort.	9,259	8,816	11,314	10,052
EBIT	7,079	7,786	10,074	10,995
Total other non-operating income	113	132	50	51
Associate contributions	(2,429)	(2,286)	(3,281)	(3,854)
Net interest income/(expense)	4,552	5,988	6,843	7,193
Pre-tax profit	4,552	5,988	6,843	7,193
Tax	(825)	(1,516)	(1,232)	(1,295)
Minorities	(28)	(369)	(369)	(369)
Net profit	3,699	4,103	5,243	5,529
Net profit (adj.)	3,910	3,747	5,243	5,529

Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	13,754	16,725	14,575	17,382
Pre-tax profit	4,552	5,988	6,843	7,193
Tax	(825)	(1,516)	(1,232)	(1,295)
Deprec. & amort.	9,259	8,816	11,314	10,052
Working capital changes	(517)	3,467	(2,350)	1,432
Other operating cashflows	1,285	(29)	0	0
Investing	(510)	136	(10,148)	(4,643)
Investments	(1,768)	(1,757)	(1,757)	(1,756)
Others	1,257	1,893	(8,391)	(2,887)
Financing	(13,181)	(13,994)	(14,482)	(9,361)
Dividend payments	(2,361)	(2,361)	(2,482)	(2,361)
Issue of shares	(10,820)	(11,633)	(12,000)	(7,000)
Proceeds from borrowings	62	2,866	(10,055)	3,378
Net cash inflow (outflow)	9,889	9,849	12,715	2,660
Beginning cash & cash equivalent	(102)	0	0	0
Changes due to forex impact	9,849	12,715	2,660	6,038
Ending cash & cash equivalent	13,754	16,725	14,575	17,382

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	91,014	83,955	74,398	66,102
Other LT assets	39,840	37,293	48,589	52,476
Cash/ST investment	35,834	33,658	28,583	32,635
Other current assets	443	415	540	584
Total assets	188,580	174,443	175,449	175,663
ST debt	7,140	2,000	2,000	2,000
Other current liabilities	9,292	8,698	11,333	12,239
LT debt	26,443	24,443	22,443	20,443
Other LT liabilities	36,690	34,034	34,941	33,942
Shareholders' equity	63,647	65,389	68,149	71,317
Total liabilities & equity	188,580	174,443	175,450	175,665

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	13.67	12.30	13.36	13.21
Pre-tax margin	5.09	3.43	4.82	4.23
Net margin	4.06	2.79	3.30	3.24
ROA	1.96	2.35	2.99	3.15
ROE	5.81	6.27	7.69	7.75
Growth				
Turnover	2.62	(6.40)	30.29	8.00
EBITDA	(7.64)	1.61	28.84	(1.59)
Pre-tax profit	(30.84)	31.52	14.29	5.11
Net profit	(29.52)	10.91	27.78	5.46
Net profit (adj.)	(24.35)	(4.18)	39.92	5.46
EPS	(24.35)	(4.18)	39.92	5.46
Leverage				
Debt to total capital	27.60	35.24	27.16	24.32
Debt to equity	45.25	52.76	40.44	35.87
Net debt/(cash) to equity	17.76	33.47	20.99	31.96
Interest cover (x)	8.76	6.73	7.26	6.52

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