

# SCG Packaging

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Public Company Limited

# SCGP

Bloomberg SCGP TB  
Reuters SCGP.BK



## 1Q24: Beat INVX and consensus

1Q24 net profit beat INVX by 13% and consensus by 15% on better cost control, with growth spurred by that and higher sales across the board. We expect 2Q24 to weaken slightly QoQ on seasonal factors. Earnings will continue to grow in 2H24 on a rise in packaging paper price and demand. We maintain Outperform with a TP of Bt40.00 based on 25.9x PE or -1SD of its 3-year historical PE mean.

**1Q24 net profit Bt1.7bn, +41.9% QoQ, +41.3% YoY**, beating INVX by 13% and consensus by 15% on better cost control than expected. Behind the strong improvement were: a) 6.5% QoQ growth in total sales across all major business segments, driven by recovery in the tourism sector, Thai government stimulus, election-related spending and domestic demand in Indonesia plus improving exports in the ASEAN region and b) a rebound in gross margin to 20.0% (vs. 17.9% in 4Q23 and 17.6% in 1Q23), going above 20% for the first time in 11 quarters. This was backed by its increased use of domestic raw materials, prices for which are both cheaper and less volatile than imports. The YoY improvement also came from better cost control through more efficient raw material sourcing.

**1Q24 highlights.** Revenue was Bt31.9bn in 1Q24, up 6.5% QoQ and +0.6% YoY, on improvement in all business units with a) a 6% increase in integrated packaging sales (75.3% of total sales) on higher packaging paper price and sales volume and a 7% QoQ increase in fibrous sales (20.7% of sales) from higher writing paper demand, plus higher dissolving pulp sales volume and prices amid demand recovery in the garment and textile industries. On the cost side, the improvement was primarily from cost control and more effective raw material (recovered paper) sourcing.

**2024 outlook.** We expect 2Q24 earnings to slip QoQ due to seasonal effects from long holidays in Thailand (Songkran) and Indonesia (Hari Raya) slowing domestic demand as well as the effect of a planned maintenance shutdown of the pulp plant that was shifted to 2Q24 from 1Q24. A partial offset to these negatives is provided by continued strengthening in demand in Vietnam, higher export volume driven by increased consumer spending and manufacturing activities and continued efforts to control costs. We expect to see further improvement in China's packaging paper consumption as that country's imports of packaging paper returned to pre-COVID level of 870,000 tons in March (Jan 2024 805,000 tons, Feb 2024 615,000 tons). We also expect earnings to continue to improve in 2H24 thanks to a rise in packaging paper price and in demand (especially in Indonesia).

**Update on potential purchase of more Fajar Paper shares.** SCGP currently holds 55.2% in Fajar Paper. The exercise period for the existing Fajar shareholders starts on June 28, 2024, with payment due within 60 days after the exercise date. This puts payment and settlement taking place on or after August 27, 2024.

**Action & recommendation.** We maintain Outperform with a TP of Bt40.0 based on 25.9x PE or -1SD of its 3-year historical PE mean. We expect the earnings turnaround over the rest of 2024 to bring more positive momentum to share price.

**Key risks** are a continued slow pace in China's economy and geopolitical unrest raising coal cost. Key ESG risks are energy management, sustainability products, and high greenhouse gas emissions (E).

### Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	146,068	129,398	133,325	140,099	148,678
EBITDA	(Btmn)	19,603	18,667	21,470	22,694	23,827
Core profit	(Btmn)	5,768	5,168	6,593	6,942	7,523
Reported profit	(Btmn)	5,801	5,248	6,593	6,942	7,523
Core EPS	(Bt)	1.34	1.20	1.54	1.62	1.75
DPS	(Bt)	0.60	0.55	0.69	0.73	0.79
P/E, core	(x)	24.7	27.6	21.6	20.6	19.0
EPS growth, core*	(%)	(22.5)	(10.4)	27.6	5.3	8.4
P/BV, core	(x)	1.2	1.4	1.3	1.3	1.2
ROE	(%)	4.7	4.6	6.3	6.3	6.6
Dividend yield	(%)	1.8	1.7	2.1	2.2	2.4

Source: InnovestX Research

## Tactical: OUTPERFORM (3-month)

### Stock data

Last close (Apr 23) (Bt)	33.25
Target price (Bt)	40.00
Mkt cap (Btbn)	142.74
Mkt cap (US\$m)	3,867

Beta	L
Mkt cap (%) SET	36.31
Sector % SET	1.18
Shares issued (mn)	4,293
Par value (Bt)	1.00
12-m high / low (Bt)	46 / 26.5
Avg. daily 6m (US\$m)	7.99
Foreign limit / actual (%)	30 / 4
Free float (%)	26.4
Dividend policy (%)	≥ 20

### Share performance

(%)	1M	3M	12M
Absolute	13.7	4.7	(21.8)
Relative to SET	15.6	6.6	(10.2)

Source: SET, InnovestX Research

### 2023 Sustainability/2022 ESG Score

SET ESG Ratings	AAA
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### ESG Bloomberg Rank in the sector

ESG Score Rank	1/21
Environmental Score Rank	1/21
Social Score Rank	1/21
Governance Score Rank	1/21

### ESG comment

SCGP has made commendable progress in integrating ESG principles into its business practices as top tier within its peer group.

Source: Bloomberg Finance L.P.

### Analyst

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**Our view on ESG**

SCGP demonstrates a commitment to environmental stewardship by implementing various initiatives. These include reducing its carbon footprint, optimizing energy and water usage and implementing waste management practices. SCGP also recognizes the importance of social responsibility and contributes positively to society. SCGP has strong corporate governance which adheres to ethical business practices, transparency and accountability. The key ESG risk are energy management, sustainability products, and high greenhouse gas emission.

**ESG Disclosure Score**

<b>Bloomberg ESG Score</b>	<b>75.92 (2022)</b>
Rank in Sector	1/21

<b>CG Rating</b>	<b>DJSI</b>	<b>SETESG</b>	<b>SET ESG Ratings</b>
SCGP	5	No Yes	AAA

Source: Thai Institute of Directors (IOD), SET

**Environmental Issue (E)**

- By 2025, SCGP targets a 13% reduction in energy consumption from 2007 (vs 5.8% in 2021). It targets GHG emission reduction of 20% from 2020 in 2030 (vs 2.4% in 2021) and achieve net zero in 2050.
- By 2025, it targets 5% reduction in air emissions per product compared to 2020 (vs 6.7% reduction in specific dust in 2021), 35% reduction of water withdrawal compared to 2014 (vs 26.3% in 2021), 100% reduction of waste disposal by incineration without energy recovery in Thailand compared to 2024 (vs 99.9% in 2021), and it targets to have biodiversity conservation area certified by FSC standard of at least 10% of agroforestry area (vs 12.9% in 2021).
- By 2025, SCGP targets the volume of recyclable, reusable, or compostable packaging at 100% from the volume of total packaging (vs 99.7% in 2021).
- In 2021, SCGP signed a long-term sustainability Linked Loan (SLL) worth Bt5bn, with interest rate linked to its sustainability performance targets including reducing GHG emissions and water withdrawal and increasing the sales portion of eco-friendly goods and services.
- We anticipate stricter corporate greenhouse gas emission regulations to be a materializing environmental factor impacting SCGP's future operations. While SCGP has a significant greenhouse gas emission footprint of 5 million tonnes as of 2020, its commitment to ambitious reduction targets and clear environmental policies distinguishes its ESG score from its peers.

**Social Issue (S)**

- By 2030, it targets sales revenue of products, services, and solutions with the SCG green choice label to reach 66.7% of total revenue (vs 45% in 2021) and sales revenue of products, services, and solutions providing directly value to customers with the SCG green choice label to reach 33.3% of total sales revenue (vs 13% in 2021).
- SCGP aims to be a role model in human rights, both directly through business activities, and indirectly by providing support and encouraging business partners in the value chain and targets no human rights violations (already zero in 2021 and all employees taking human rights e-Testing with 100% passing rate in 2021).
- It targets a 90% community satisfaction index (vs 89% in 2021), 100% for customer satisfaction (vs 80% in 2021), 78% employee engagement rate (vs 76% in 2021), and 0.08cases/1mn hours worked for lost time injury frequency rate of employees and contractors (vs 0.608 in 2021).
- SCGP stands out among its peers by demonstrating leadership in safety measures, employee well-being, and supply chain management

**Governance Issue (G)**

- SCGP aims to disseminate and communicate the understanding of SCGP's code of conduct with all companies in the group (100% achievement in 2021) with no corruption (zero violation of anti-corruption policy in 2021).
- In 2021, SCGP's board of directors consists of 12 directors. Of this, 11 were non-executive directors (92% of the entire board), 8 were independent directors (67% of the entire board), and 3 were female (25% of the entire board).
- In 2021, CG rating was excellent and anti-corruption progress indicator was certified.
- SCGP has publishing its overall corporate governance framework, we believe they should enhance the clarity of Board of Director roles, particularly concerning the representation of minority shareholders, which still below the industry average.

**ESG Disclosure Score**

	<b>2022</b>
<b>ESG Disclosure Score</b>	<b>75.92</b>
<b>Environment</b>	<b>77.26</b>
GHG Scope 1 ('000 metric tonnes)	3,778
GHG Scope 2 Location-Based ('000 metric tonnes)	632
Total Energy Consumption ('000 MWh)	16,961
Electricity Used ('000 MWh)	951
Total Waste ('000 metric tonnes)	1,515
Waste Recycled ('000 metric tonnes)	1,469
<b>Social</b>	<b>60.58</b>
Total Recordable Incident Rate - Employees (per 100 employees)	0.28
Number of Employees - CSR (persons)	22,289
Employee Turnover Pct (%)	5.80
Total Hours Spent by Firm - Employee Training (hours)	334,335
<b>Governance</b>	<b>89.86</b>
Size of the Board (persons)	12
Number of Non Executive Directors on Board (persons)	11
Number of Board Meetings for the Year (times)	9
Board Meeting Attendance Pct (%)	99
Number of Female Executives (persons)	1
Number of Women on Board (persons)	3

Source: Bloomberg Finance L.P.

**Disclaimer**

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance. To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg.

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Revenue from sales	(Btmn)	89,070	92,786	124,223	146,068	129,398	133,325	140,099	148,678
Cost of sales	(Btmn)	(71,651)	(73,333)	(101,345)	(121,791)	(106,274)	(110,047)	(115,531)	(122,629)
<b>Gross profit</b>	<b>(Btmn)</b>	<b>17,419</b>	<b>19,453</b>	<b>22,878</b>	<b>24,277</b>	<b>23,124</b>	<b>23,278</b>	<b>24,568</b>	<b>26,049</b>
SG&A	(Btmn)	(9,148)	(9,981)	(12,113)	(15,531)	(15,684)	(13,466)	(14,010)	(14,868)
Other income	(Btmn)	545	729	1,143	1,158	1,043	1,067	1,121	1,189
Interest expense	(Btmn)	(1,562)	(1,513)	(1,211)	(1,820)	(2,020)	(2,021)	(2,354)	(2,284)
<b>Pre-tax profit</b>	<b>(Btmn)</b>	<b>7,253</b>	<b>8,689</b>	<b>10,698</b>	<b>8,083</b>	<b>6,464</b>	<b>8,858</b>	<b>9,325</b>	<b>10,087</b>
Corporate tax	(Btmn)	(1,154)	(1,269)	(1,958)	(1,432)	(1,153)	(1,639)	(1,725)	(1,866)
Equity a/c profits	(Btmn)	53	66	57	55	39	41	43	45
Minority interests	(Btmn)	(707)	(848)	(1,353)	(939)	(180)	(667)	(700)	(743)
<b>Core profit</b>	<b>(Btmn)</b>	<b>5,445</b>	<b>6,638</b>	<b>7,444</b>	<b>5,768</b>	<b>5,168</b>	<b>6,593</b>	<b>6,942</b>	<b>7,523</b>
Extra-ordinary items	(Btmn)	(177)	(181)	850	33	79	0	0	0
<b>Net Profit</b>	<b>(Btmn)</b>	<b>5,269</b>	<b>6,457</b>	<b>8,294</b>	<b>5,801</b>	<b>5,248</b>	<b>6,593</b>	<b>6,942</b>	<b>7,523</b>
EBITDA	(Btmn)	14,806	17,385	20,224	19,603	18,667	21,470	22,694	23,827
<b>Core EPS (Bt)</b>	<b>(Btmn)</b>	<b>1.74</b>	<b>2.00</b>	<b>1.73</b>	<b>1.34</b>	<b>1.20</b>	<b>1.54</b>	<b>1.62</b>	<b>1.75</b>
Net EPS (Bt)	(Bt)	1.69	1.95	1.93	1.35	1.22	1.54	1.62	1.75
DPS (Bt)	(Bt)	0.48	0.45	0.65	0.60	0.55	0.69	0.73	0.79

### Balance Sheet (Btmn)

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	35,383	62,919	69,186	60,154	60,272	85,935	89,711	101,833
Total fixed assets	(Btmn)	104,130	109,510	137,638	137,125	138,289	134,421	131,038	123,246
<b>Total assets</b>	<b>(Btmn)</b>	<b>139,513</b>	<b>172,429</b>	<b>206,824</b>	<b>197,280</b>	<b>198,561</b>	<b>220,356</b>	<b>220,749</b>	<b>225,079</b>
Total loans	(Btmn)	59,496	44,501	56,295	49,582	48,445	79,162	77,162	75,162
Total current liabilities	(Btmn)	54,014	43,237	51,977	33,479	66,390	41,923	39,868	41,201
Total long-term liabilities	(Btmn)	22,683	19,351	32,547	40,834	29,721	70,307	68,779	67,378
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>76,697</b>	<b>62,588</b>	<b>84,524</b>	<b>74,313</b>	<b>96,111</b>	<b>112,230</b>	<b>108,647</b>	<b>108,579</b>
Paid-up capital	(Btmn)	3,126	4,293	4,293	4,293	4,293	4,293	4,293	4,293
<b>Total equity</b>	<b>(Btmn)</b>	<b>62,816</b>	<b>109,841</b>	<b>122,300</b>	<b>122,967</b>	<b>102,449</b>	<b>108,127</b>	<b>112,102</b>	<b>116,501</b>
<b>BVPS (Bt)</b>	<b>(Bt)</b>	<b>20.09</b>	<b>33.17</b>	<b>28.49</b>	<b>28.64</b>	<b>23.86</b>	<b>25.19</b>	<b>26.11</b>	<b>27.14</b>

### Cash Flow Statement (Btmn)

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	5,445	6,638	7,444	5,768	5,168	6,593	6,942	7,523
Depreciation and amortization	(Btmn)	5,991	7,183	8,315	9,699	10,184	10,591	11,015	11,456
Operating cash flow	(Btmn)	16,014	15,729	7,501	17,234	41,814	(4,879)	13,426	17,239
Investing cash flow	(Btmn)	(31,890)	(10,672)	(30,995)	(3,119)	(15,283)	(6,316)	(7,208)	(3,223)
Financing cash flow	(Btmn)	18,257	21,790	(1,042)	(11,602)	(26,608)	29,801	(4,967)	(5,124)
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>2,381</b>	<b>26,846</b>	<b>(24,537)</b>	<b>2,513</b>	<b>(77)</b>	<b>18,605</b>	<b>1,250</b>	<b>8,892</b>

### Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	19.6	21.0	18.4	16.6	17.9	17.5	17.5	17.5
Operating margin	(%)	9.3	10.2	8.7	6.0	5.7	7.4	7.5	7.5
EBITDA margin	(%)	16.6	18.7	16.3	13.4	14.4	16.1	16.2	16.0
EBIT margin	(%)	9.9	11.0	9.6	6.8	6.6	8.2	8.3	8.3
Net profit margin	(%)	5.9	7.0	6.7	4.0	4.1	4.9	5.0	5.1
ROE	(%)	9.4	7.7	6.4	4.7	4.6	6.3	6.3	6.6
ROA	(%)	4.7	4.3	3.9	2.9	2.6	3.1	3.1	3.4
Net D/E	(x)	0.9	0.1	0.3	0.3	0.3	0.4	0.4	0.3
Interest coverage	(x)	9.5	11.5	16.7	10.8	9.2	10.6	9.6	10.4
Debt service coverage	(x)	0.3	0.5	0.6	1.0	0.6	1.1	1.1	1.2
Payout Ratio	(%)	28.2	29.9	33.6	44.4	45.0	45.0	45.0	45.0

### Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total sales	(Btmn)	89,070	92,786	124,223	146,068	129,398	133,325	140,099	148,678
Sales from packaging chain	(Btmn)	71,625	78,903	105,562	117,219	97,044	99,432	103,564	110,189
Sale from recycling business chain	(Btmn)	-	-	-	4,576	7,460	8,206	8,616	9,047
Sales from fibrous chain	(Btmn)	17,445	13,883	18,661	24,273	24,894	25,688	27,918	29,442
Total GPM	(%)	19.6	21.0	18.4	16.6	17.9	17.5	17.5	17.5
FX	(THB/US\$)	31.0	31.3	32.0	35.1	35.0	35.0	35.0	35.0

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Total revenue	(Btmn)	37,982	37,943	33,509	33,729	32,216	31,573	31,881	33,948
Cost of sales and services	(Btmn)	(31,303)	(31,518)	(28,625)	(27,780)	(26,350)	(25,965)	(26,179)	(27,146)
<b>Gross profit</b>	<b>(Btmn)</b>	<b>6,679</b>	<b>6,425</b>	<b>4,884</b>	<b>5,948</b>	<b>5,866</b>	<b>5,608</b>	<b>5,702</b>	<b>6,802</b>
SG&A	(Btmn)	(3,806)	(4,059)	(3,762)	(4,220)	(3,754)	(3,824)	(3,886)	(4,294)
Other income	(Btmn)	262	323	277	232	161	325	325	263
Interest expense	(Btmn)	(328)	(413)	(764)	(497)	(510)	(496)	(516)	(523)
<b>Pre-tax profit</b>	<b>(Btmn)</b>	<b>2,807</b>	<b>2,276</b>	<b>636</b>	<b>1,464</b>	<b>1,762</b>	<b>1,612</b>	<b>1,625</b>	<b>2,247</b>
Corporate tax	(Btmn)	(541)	(470)	(105)	(296)	(305)	(228)	(325)	(483)
Equity a/c profits	(Btmn)	20	33	(6)	(17)	6	14	35	27
Minority interests	(Btmn)	(380)	(327)	103	(84)	(94)	15	(18)	(119)
<b>Core profit</b>	<b>(Btmn)</b>	<b>1,906</b>	<b>1,512</b>	<b>628</b>	<b>1,182</b>	<b>1,439</b>	<b>1,310</b>	<b>1,215</b>	<b>1,686</b>
Extra-ordinary items	(Btmn)	(50)	325	(178)	153	115	(86)	(103)	54
<b>Net Profit</b>	<b>(Btmn)</b>	<b>1,856</b>	<b>1,837</b>	<b>450</b>	<b>1,220</b>	<b>1,485</b>	<b>1,327</b>	<b>1,215</b>	<b>1,725</b>
EBITDA	(Btmn)	5,545	5,167	3,910	4,471	4,681	4,229	4,388	5,115
<b>Core EPS (Bt)</b>	<b>(Btmn)</b>	<b>0.44</b>	<b>0.35</b>	<b>0.15</b>	<b>0.28</b>	<b>0.34</b>	<b>0.31</b>	<b>0.28</b>	<b>0.39</b>
Net EPS (Bt)	(Bt)	0.43	0.43	0.10	0.28	0.35	0.31	0.28	0.40

FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Total current assets	(Btmn)	64,152	63,374	60,154	60,842	60,842	60,017	60,272	64,528
Total fixed assets	(Btmn)	138,415	144,853	137,125	137,664	140,156	140,591	138,289	136,080
<b>Total assets</b>	<b>(Btmn)</b>	<b>202,566</b>	<b>208,227</b>	<b>197,280</b>	<b>198,506</b>	<b>200,998</b>	<b>200,608</b>	<b>198,561</b>	<b>200,608</b>
Total loans	(Btmn)	47,358	51,647	49,582	44,812	46,278	40,913	48,445	37,550
Total current liabilities	(Btmn)	45,401	41,331	33,479	34,914	56,062	61,738	66,390	69,899
Total long-term liabilities	(Btmn)	32,021	37,650	40,834	40,500	40,549	35,132	29,721	32,019
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>77,422</b>	<b>78,981</b>	<b>74,313</b>	<b>75,414</b>	<b>96,612</b>	<b>96,870</b>	<b>96,111</b>	<b>101,918</b>
Paid-up capital	(Btmn)	4,293	4,293	4,293	4,293	4,293	4,293	4,293	4,293
<b>Total equity</b>	<b>(Btmn)</b>	<b>125,144</b>	<b>129,246</b>	<b>122,967</b>	<b>123,093</b>	<b>104,386</b>	<b>103,738</b>	<b>102,449</b>	<b>104,401</b>
<b>BVPS (Bt)</b>	<b>(Bt)</b>	<b>29.15</b>	<b>30.11</b>	<b>28.64</b>	<b>28.67</b>	<b>24.32</b>	<b>24.16</b>	<b>23.86</b>	<b>24.32</b>

### Cash Flow Statement (Btmn)

FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Core Profit	(Btmn)	3,628	3,418	2,140	1,304	2,883	4,192	5,168	1,844
Depreciation and amortization	(Btmn)	4,800	4,801	4,802	2,357	2,293	2,210	10,184	2,328
Operating cash flow	(Btmn)	3,542	6,064	4,820	5,017	9,920	16,348	41,816	3,053
Investing cash flow	(Btmn)	(1,644)	(8,437)	(3,443)	(7,257)	(8,742)	(10,343)	(15,283)	2,547
Financing cash flow	(Btmn)	(2,399)	998	115	(2,268)	(6,403)	(8,708)	(26,608)	(507)
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>(501)</b>	<b>(1,375)</b>	<b>1,492</b>	<b>(4,508)</b>	<b>(5,225)</b>	<b>(2,703)</b>	<b>(75)</b>	<b>5,093</b>

### Key Financial Ratios

FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Gross margin	(%)	17.6	16.9	14.6	17.6	18.2	17.8	17.9	20.0
Operating margin	(%)	7.6	6.2	3.3	5.1	6.6	5.6	5.7	7.4
EBITDA margin	(%)	14.6	13.6	11.7	13.3	14.5	13.4	13.8	15.1
EBIT margin	(%)	8.3	7.1	4.2	5.8	7.1	6.7	6.7	8.2
Net profit margin	(%)	4.9	4.8	1.3	3.6	4.6	4.2	3.8	5.1
ROE	(%)	6.2	0.0	2.0	3.8	5.1	5.0	4.7	6.5
ROA	(%)	3.8	2.9	1.2	2.4	2.9	2.6	2.4	3.3
Net D/E	(x)	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.2
Interest coverage	(x)	16.9	12.5	5.1	9.0	9.2	8.5	8.5	9.8
Debt service coverage	(x)	0.9	0.8	0.6	0.9	1.1	1.0	1.0	0.7

### Main Assumptions

FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Total sales	(Btmn)	45,499	45,123	40,165	40,153	32,216	31,573	31,881	33,948
Sales from packaging chain	(Btmn)	38,483	35,711	31,297	31,221	24,185	23,655	24,043	25,549
Sale from recycling business chain	(Btmn)	-	2,560	2,016	2,127	2,044	2,059	2,134	2,191
Sales from fibrous chain	(Btmn)	7,016	6,852	6,852	6,805	6,847	6,591	6,592	7,027
Total GPM	(%)	17.6	16.9	14.6	17.6	18.2	17.8	17.9	20.0
FX	(THB/US\$)	34.6	36.6	36.6	34.1	34.6	35.3	35.8	35.8

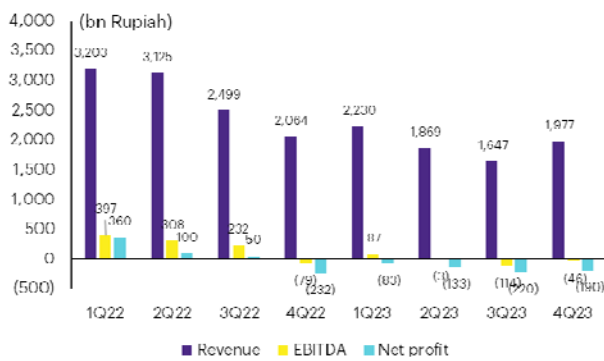
**Appendix**

**Figure 1: 1Q24 Results: Improving both core earnings YoY and QoQ**

P & L (Btmn)	1Q23	2Q23	3Q23	4Q23	1Q24	% Chg YoY	% Chg QoQ
Total revenue	33,729	32,216	31,573	31,881	33,948	0.6	6.5
Gross profit	5,948	5,866	5,608	5,702	6,802	14.3	19.3
SG&A expense	(4,220)	(3,754)	(3,824)	(3,886)	(4,294)	1.8	10.5
Net other income/expense	232	161	325	325	263	13.1	(19.2)
Interest expense	(497)	(510)	(496)	(516)	(523)	5.3	1.4
Pre-tax profit	1,464	1,762	1,612	1,625	2,247	53.4	38.3
Corporate tax	(296)	(305)	(228)	(325)	(483)	63.2	48.7
Equity a/c profits	(17)	6	14	35	27	254.8	(24.5)
Minority interests	(84)	(94)	15	(18)	(119)	42.3	574.9
EBITDA	4,471	4,681	4,229	4,388	5,115	14.4	16.6
<b>Core profit</b>	<b>1,182</b>	<b>1,439</b>	<b>1,310</b>	<b>1,215</b>	<b>1,686</b>	<b>42.6</b>	<b>38.8</b>
Extra. Gain (Loss)	153	115	(86)	(103)	54	(65.1)	(152.0)
<b>Net Profit</b>	<b>1,220</b>	<b>1,485</b>	<b>1,327</b>	<b>1,215</b>	<b>1,725</b>	<b>41.3</b>	<b>41.9</b>
EPS	0.28	0.35	0.31	0.28	0.40	41.3	41.9
<b>Financial ratio (%)</b>							
Gross margin	17.6	18.2	17.8	17.9	20.0	13.6	12.0
EBITDA margin	13.3	14.5	13.4	13.8	15.1	13.7	9.5
Net profit margin	3.6	4.6	4.2	3.8	5.1	40.4	33.3
SG&A expense/Revenue	12.5	11.7	12.1	12.2	12.7	1.1	3.8

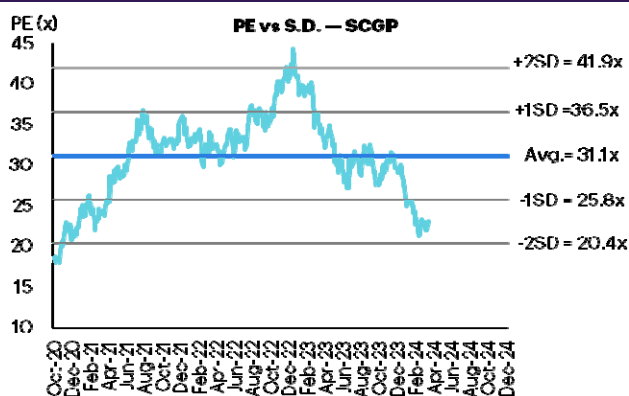
Source: SCGP and InnovestX Research

**Figure 2: Fajar Paper Earnings performance**



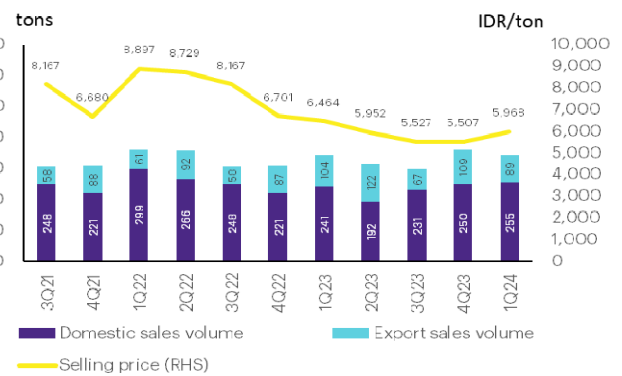
Source: Company data and InnovestX Research

**Figure 4: PE Band**



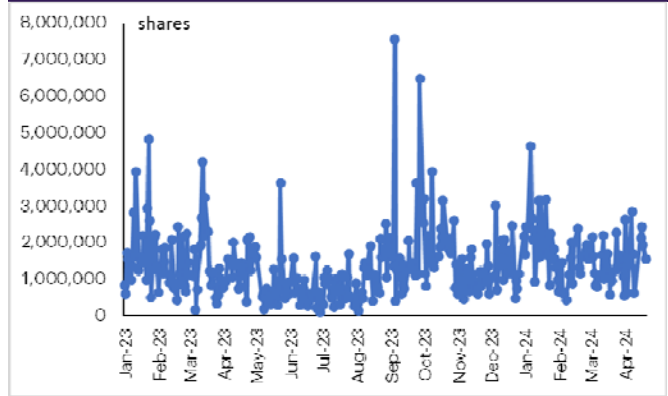
Source: Company data and InnovestX Research

**Figure 3: Fajar paper Sale volume & ASP**



Source: Company data and InnovestX Research

**Figure 5: Daily SCGP & SCGP-R Short Sales**



Source: SETSMART and InnovestX Research

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