



AIR ION

กระเบื้องฟอกอากาศ

# ดักจับฝุ่น PM2.5 ได้ถึง 89 %

พร้อมเพิ่มมวลอากาศสดชื่น ตลอด 24 ชั่วโมง โดยไม่ต้องใช้ไฟฟ้า

## SCG Ceramics “COTTO”

**Analyst Conference Q2/21**  
**July 29, 2021**



# Agenda

**I. Q2/21 & H1/21 Market Situation**

**II. Q2/21 & H1/21 Financial Result**

**III. Company Update**

**IV. Sustainability**

**V. Summary and Outlook**

## Q2/21 Market Situation

- Due to the 3rd wave of the Covid-19 pandemic in the Metropolitan area, construction sites were closed, resulting in the delay of projects.
- Thailand ceramic tiles demand in Q2/21 was still positive, mainly from Renovation market.
- In Q2/21, sales volume increased every channel especially the Modern Trades, comparing to Q2/20, the Modern Trades was closed due to Lock Down situation.
- Energy price rose more than last year because of the Global Economic Recovery.
- Export demand decelerated from the 3rd wave of the COVID-19 pandemic especially in Cambodia and Laos, including uncontrollable factors in Myanmar.

# Agenda

**I. Q2/21 & H1/21 Market Situation**

**II. Q2/21 & H1/21 Financial Result**

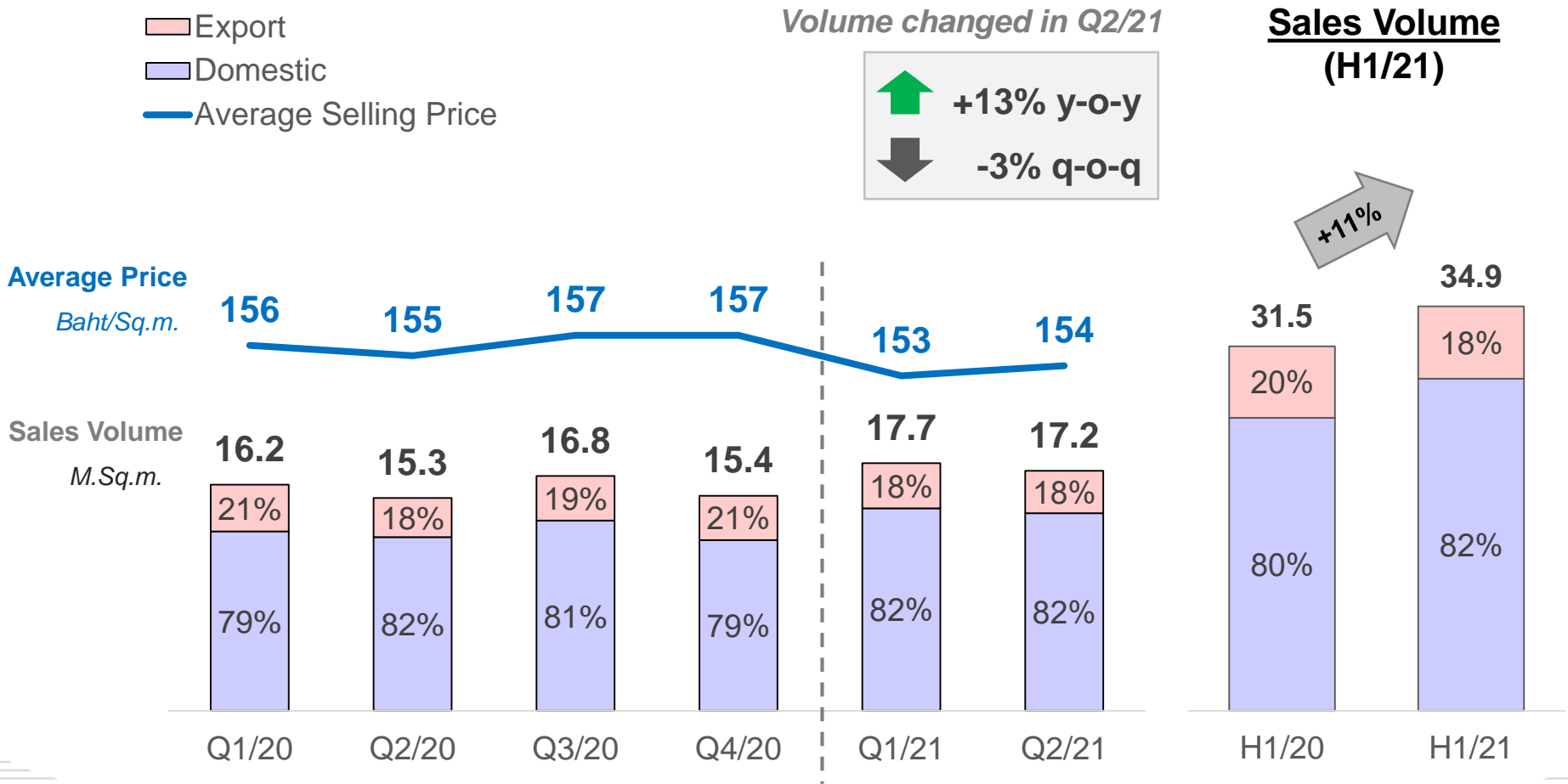
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# Q2/21 Sales volume and average price

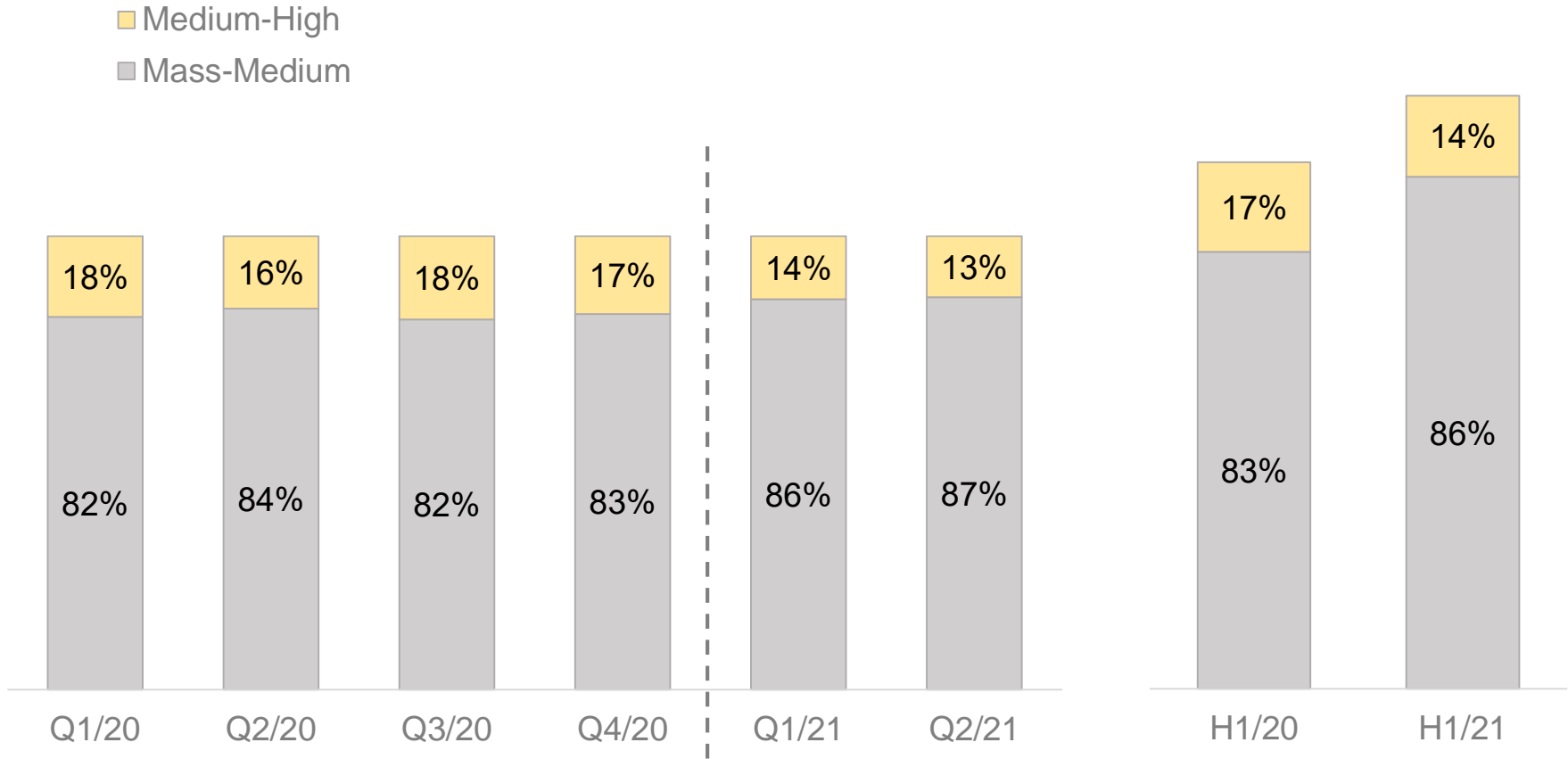
Sales volume increased +13% y-o-y while the average price slightly decreased y-o-y



Remark: Only ceramics tiles

# Q2/21 Domestic sales volume by segment

Mass-Medium accounted for 87% of sales volume in Q2/21 compared to 84% in Q2/20.

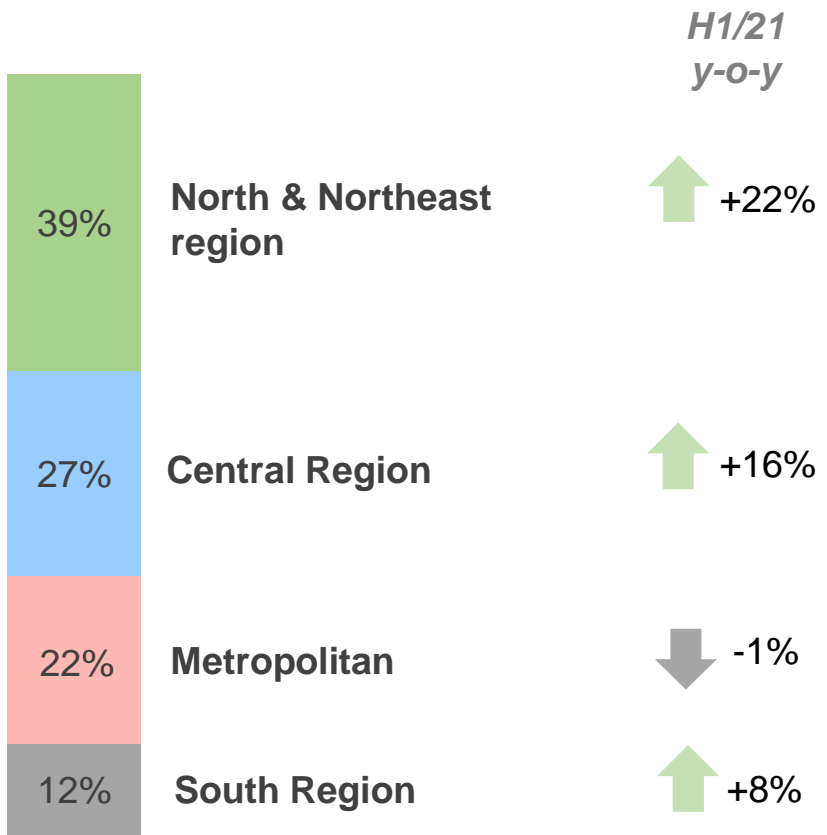


Remark:  
 (1) Definition of segmentation  
 Medium – High (portion 20%-50% of total market) – Wall Tile (Big size), Glazed Porcelain, Unglazed Porcelain, Mosaic, Glass Tile  
 Mass – Medium (portion 70%-80% of total market) – Floor Tile, Wall Tile (Small size), Outsource unglazed  
 (2) Only ceramics tiles

# H1/21 Domestic sales volume by region

Sales volume in upcountry accounted for 78% of total domestic sales volume in H1/21.

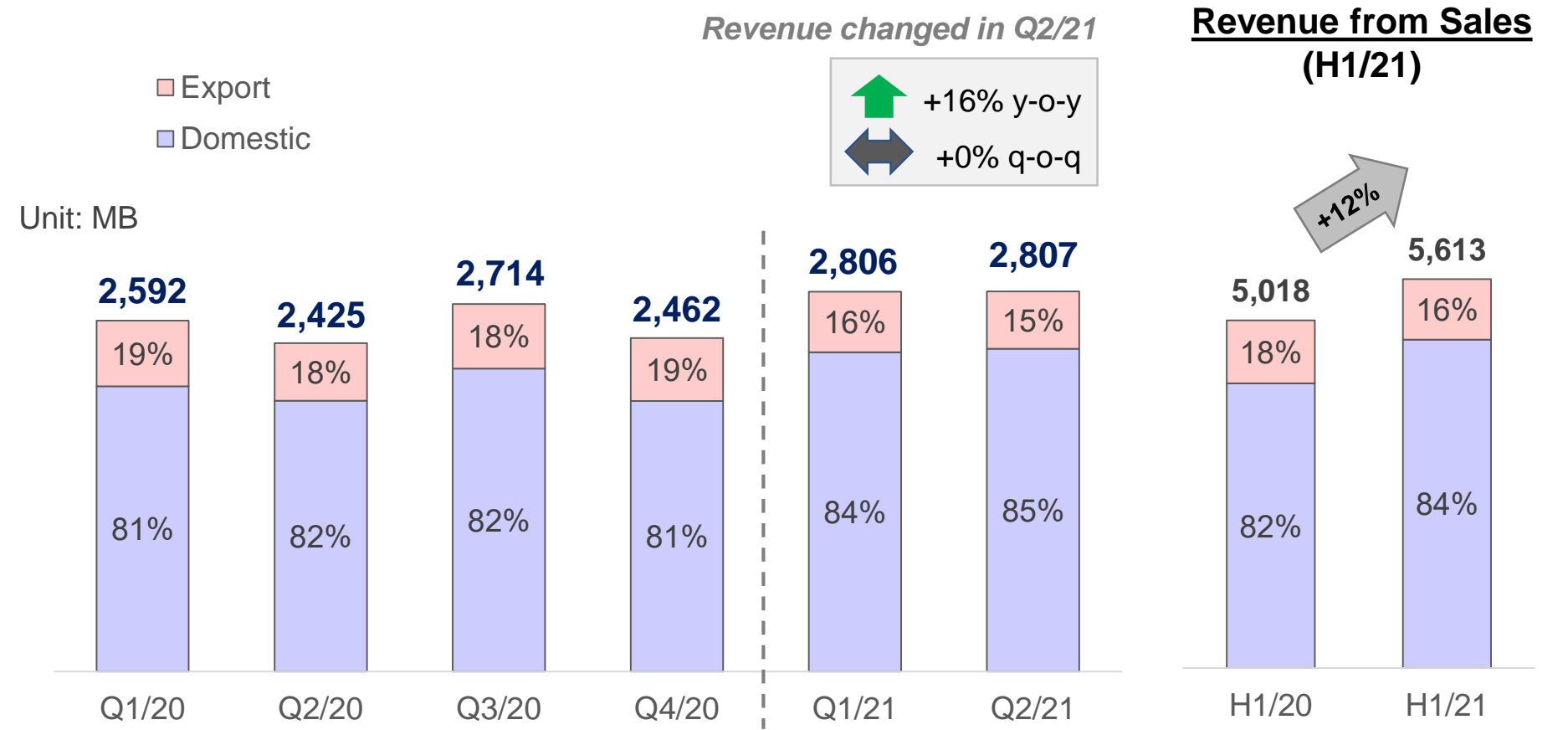
## Sales Volume portion by sector



Remark: Only domestic ceramics tiles

# Q2/21 Revenue from Sales

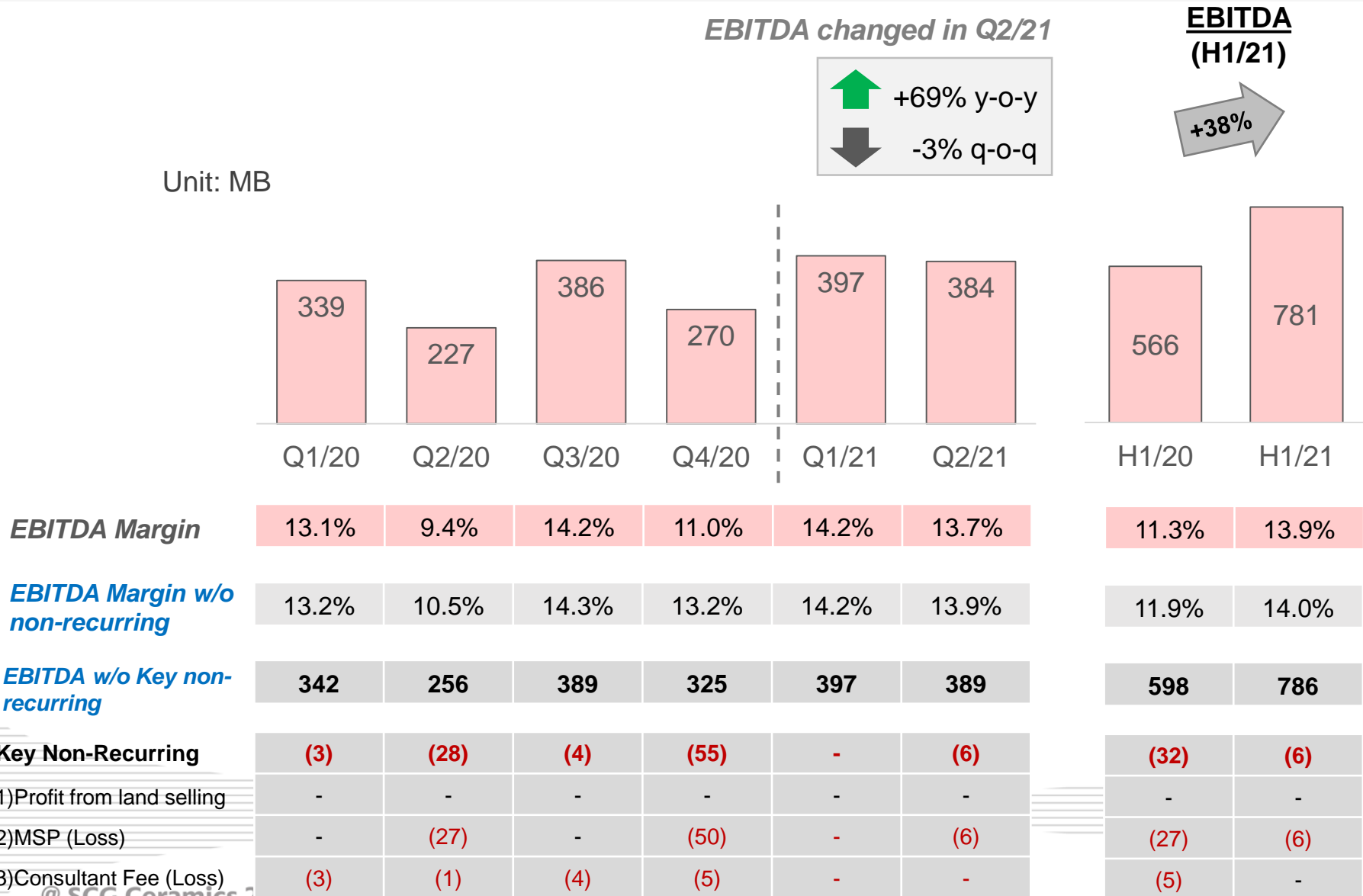
Revenue increased +16% y-o-y due to sales volume increased from positive market demand in upcountry.





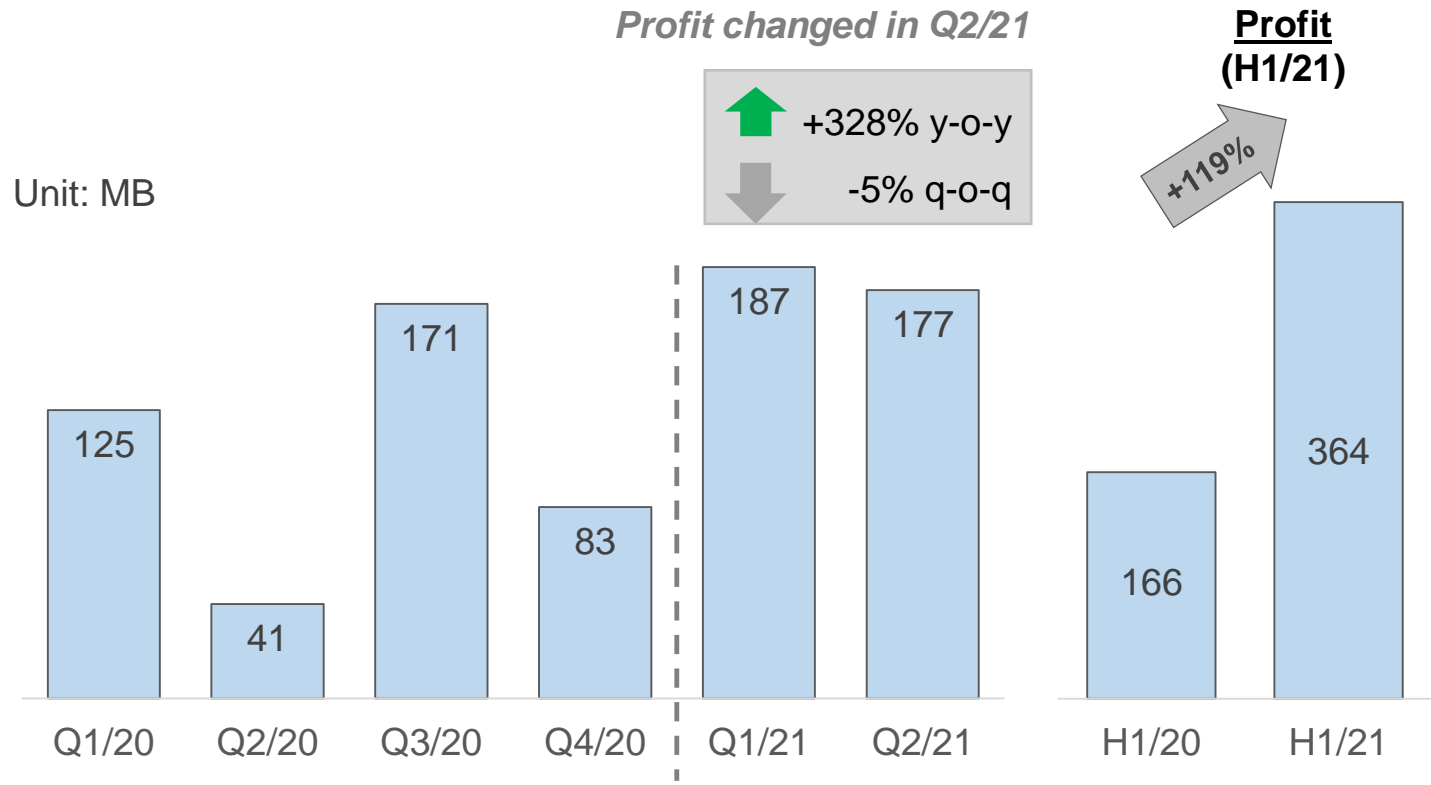
# Q2/21 EBITDA

EBITDA increased +69% y-o-y, mainly from continuously improved the production efficiency.



# Q2/21 Profit for the Period

Earning increased +328% y-o-y and -5% q-o-q.



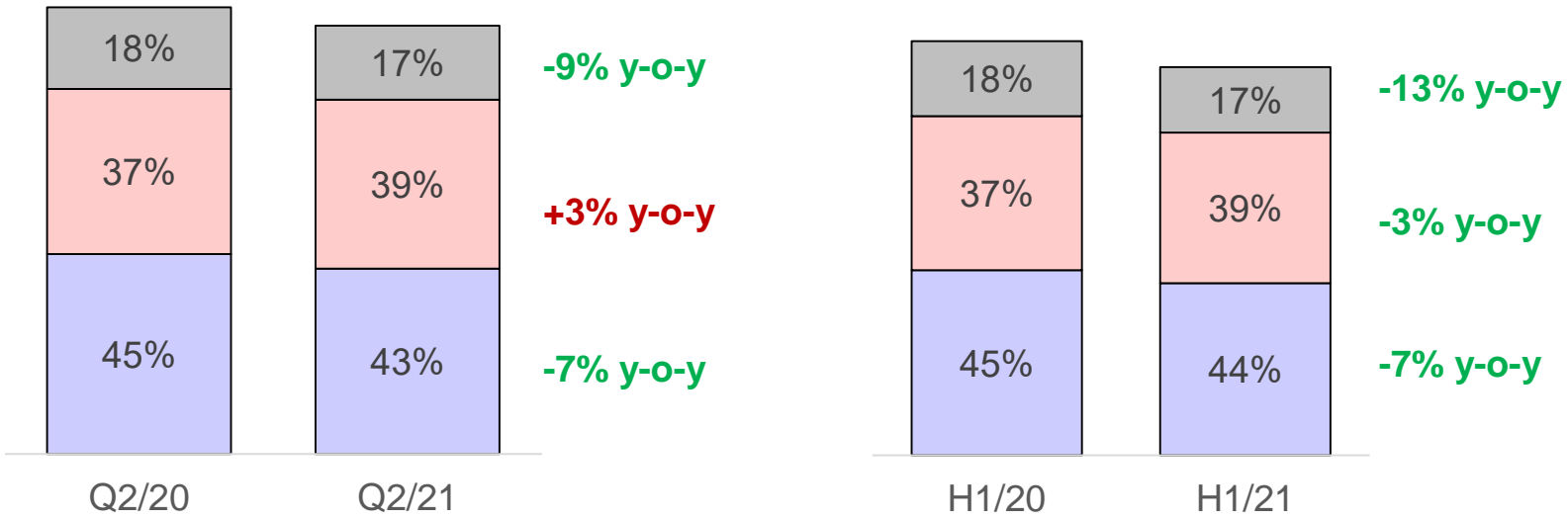
**Profit for the Period (without Key non-recurring)**

	128	64	174	127	187	181	192	368
<b>Key Non-Recurring</b>	(3)	(23)	(3)	(44)	-	(4)	(26)	(4)
1) Profit from land selling	-	-	-	-	-	-	-	-
2) MSP (Loss)	-	(21)	-	(40)	-	(4)	(21)	(4)
3) Consultant Fee (Loss)	(3)	(1)	(3)	(4)	-	-	(4)	-

# Q2/21 Operating Variable Cost

Operating variable cost decreased -4% y-o-y mainly from assign cost decreased -9% y-o-y and raw material cost decreased -7% y-o-y, while energy cost increased +3% y-o-y

- **Assign Cost** - Mainly repair & maintenance cost and labor cost
- **Energy Cost** - Mainly natural gas cost
- **Raw Material Cost** - Mainly raw material cost

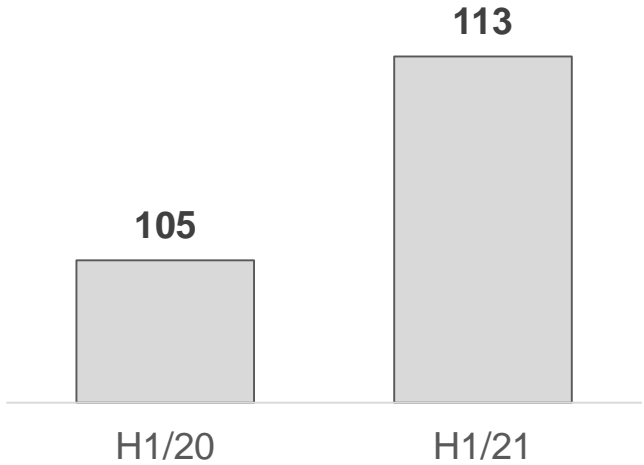


Remark: Only ceramics tiles

# H1/21 CAPEX and Interest & Financial Costs

## CAPEX

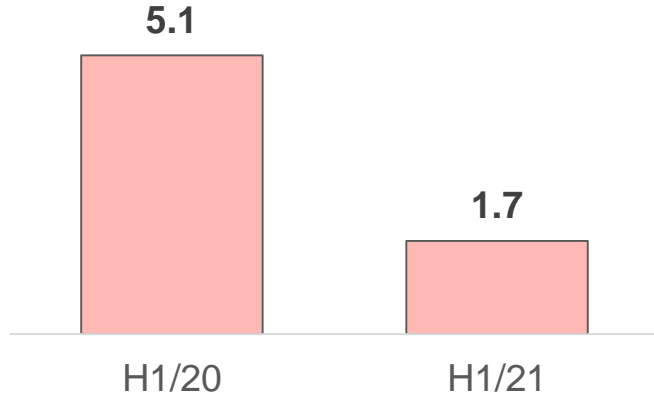
Unit: MB



- Amounted to 113 MB for H1/21, mainly upgrade machine, maintenance, cost and energy saving project, retail outlet expansion and channel expansion.
- For CAPEX in FY2021 approx. 300-400 MB. (Depending on COVID-19 situation on H2/21)

## Interest and Financial Costs

Unit: MB



- Amounted to 1.7 MB for H1/21, mainly from TFRS 16 adoption

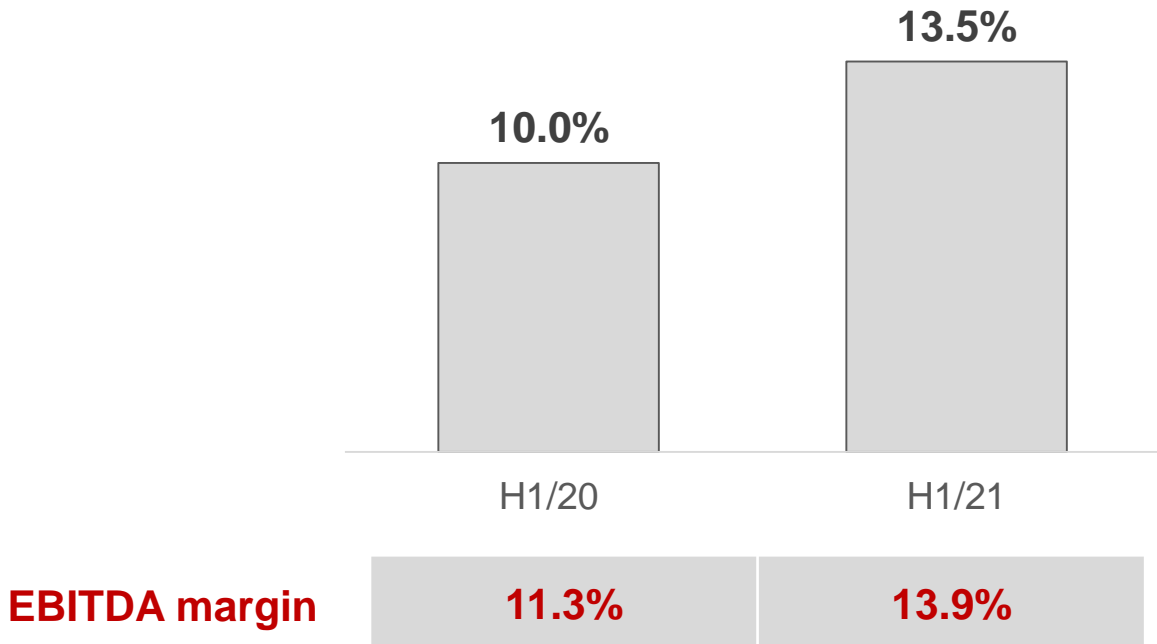
# H1/21 Net Debt

Unit: MB

	0	0
	H1/20	H1/21
<b>Net debt on EBITDA</b>	-	-

# H1/21 EBITDA on Assets and EBITDA Margin

## EBITDA on Assets



\*Remark: EBITDA on Assets = EBITDA/ Consolidated assets  
EBITDA margin = EBITDA/ Consolidated sales

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# Accretive Value Creation

Q2/21 HVA portion

## HVA Product

30%-35%

### A. Health & Hygiene



#### Hygienic tile

with anti-bacteria silver nano in glazing



#### Air-ion

with negative-ion in glazing

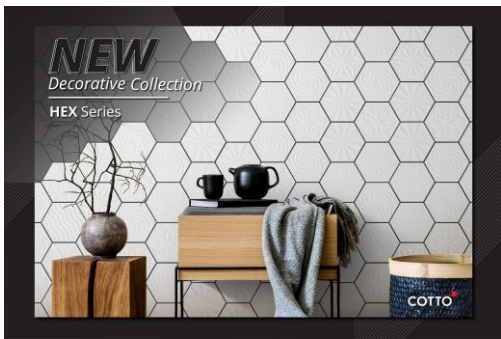


#### Anti-slip tile

with slip-resistance rating 11 or R11

Selling price  
200-500 baht/sq.m.

### B. Mosaic Collection



#### Selling price

350-1,100 baht/sq.m.

### C. Italia & Espana Collection

#### Italia Collection



#### España Collection

TILE TO FILL YOUR HOME WITH NATURAL SCENTS



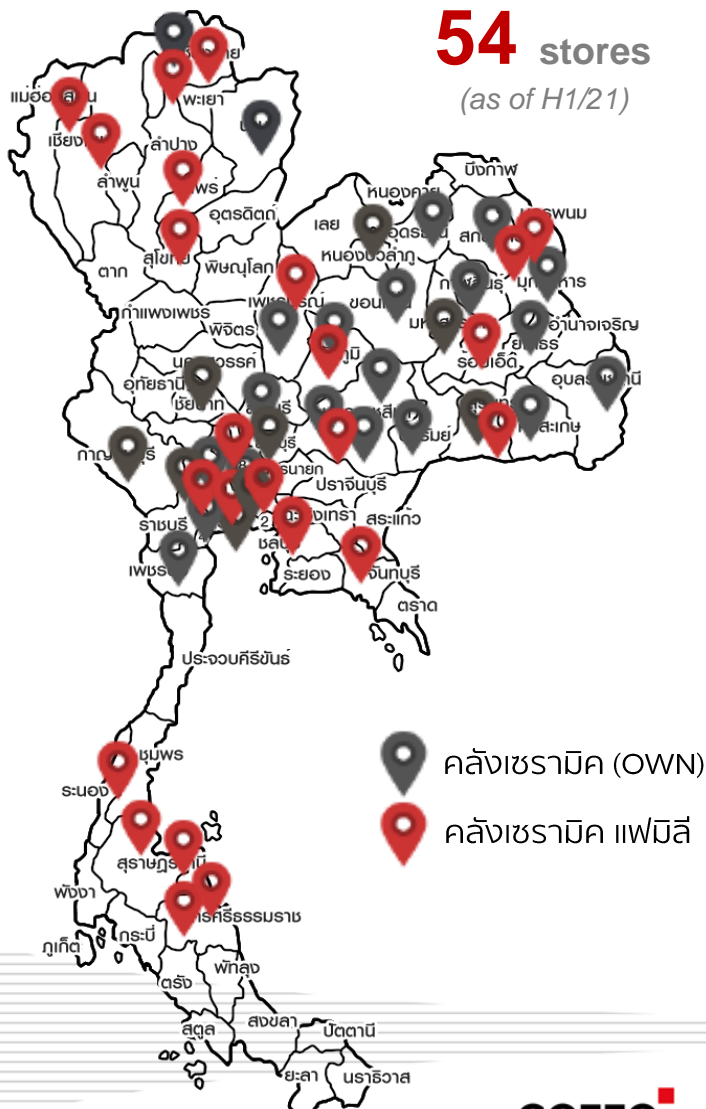
#### Selling price

1,500-4,200 baht/sq.m.



# Accretive Value Creation

## Own ceramic outlet expansion

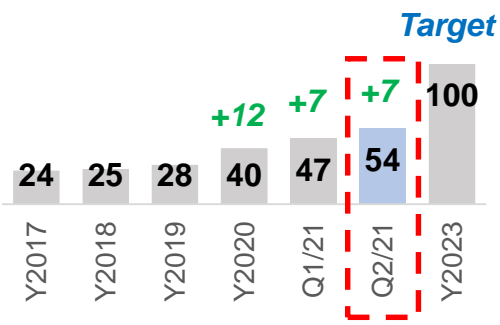


### คลังเซรามิก แฟมิลี

A collaboration between “SCG Ceramics” & “Partners”

- ✓ LIGHT INVESTMENT for both parties:
- ✓ Utilize both parties’ STRENGTHS:
- ✓ Solve each parties’ PAIN POINTS:
- ✓ Lock-in with “NON-COMPETITION”

### Number of Store



For the period Q2/21, Sales revenue increased **20% y-o-y**



# Accretive Value Creation

## ONE-Stop Service Solution



At **COTTO Life**, we provide an integrated shopping experience of ceramic tiles, sanitary ware & fitting from product selection, 3D design to installation *all needs, all functions, all styles, all at once*



### Number of Store:

Y2019

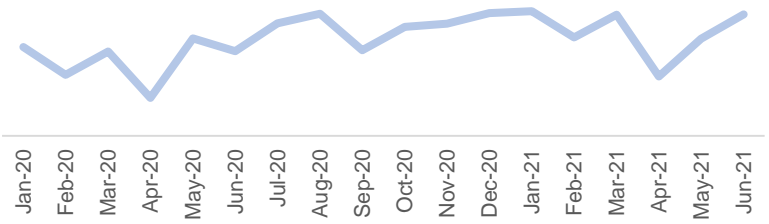


- Bangkok
- Chiang Mai
- Khon Kaen

Y2020



### Sales Revenue Trend:



### Same store sales growth

Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21
179%	123%	49%	16%	23%	12%



[www.cottolife.com](http://www.cottolife.com)

### ONE stop solution



# Accretive Value Creation

## Smart Flexible Tiles “LT by COTTO”

- **Design Technology** – Feel the surface
- **Smart Installation** - Rapid installation within 1 day
- **World Class Quality** - Premium healthy grade and eco friendly raw material



### Project Reference:

#### LAND & HOUSES



นันทวัน พระราม 9 – ศรีนครินทร์



มันทนา บางนา-วงแหวน



ANYA บางนา – รามคำแหง 2



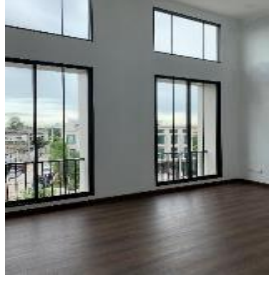
VIVE เอกมัย-รามอินทรา



#### PRUKSA



PATIO กัลปพฤกษ์ - สาทร



PATIO งามวงศ์วาน - ประชาชื่น

#### PROPERTY PERFECT



เลค ฟอเรสต์ ถนนราชพฤกษ์ตัดใหม่



#### มันคง



ชวนชื่น พาร์ค ปิ่นเกล้า-กาญจนา



ETON รามอินทรา



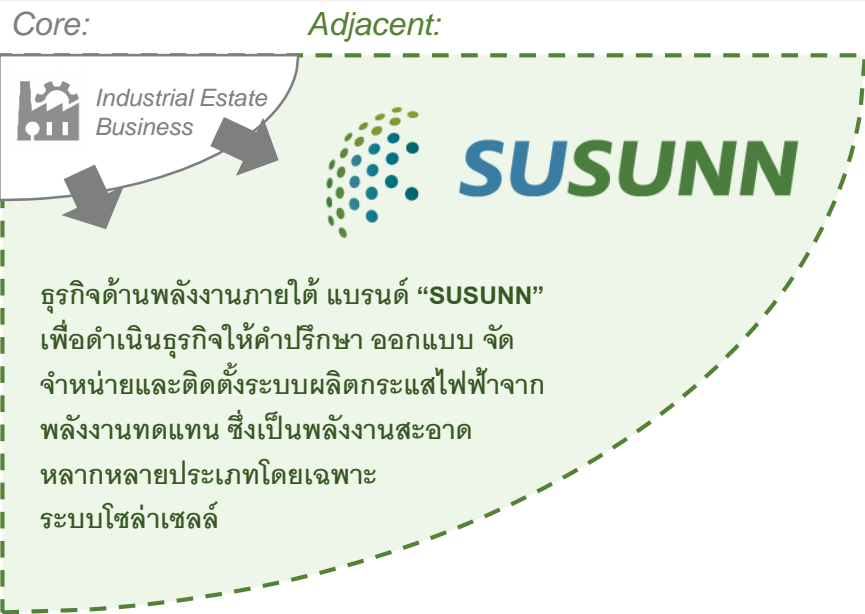
โทร 122788 หรือ 090-122788  
118,297 รัตนาธิเบศร์

“รายการตกแต่ง-รับเอนบ้าน @ Social Media”  
กลุ่มเป้าหมาย | เจ้าของบ้าน 80% ช่าง-ผู้รับเหมา 20%



# Accretive Value Creation

## SUSUNN: Solar business



### Our Services:

#### 1) Engineering Procurement Construction

- Consultation
- Site survey
- License and permits
- System installation and testing



Solar rooftop



Solar floating

#### 2) Operation and Maintenance

- Real-time monitoring system
- Maintenance
- Application



Solar monitoring



Solar O&M

#### Thailand Energy Awards

- 2010 : Excellent Award Designed Factory
- 2014 : Excellent Award Executive of Designed Factory
- 2015 : Excellent Award Energy Management for Designed factory
- 2019 : Excellent Award Off-Grid Alternative Energy Project
- 2020 : Excellent Award Creative Energy (General Group)

#### ASEAN Energy Awards

- 2010 : Excellent Award Energy Management in Industry
- 2012 : Excellent Award Energy Management in Industry
- 2014 : Winner Energy Management (Special Submission)
- 2019 : 2<sup>nd</sup> runner-up Renewable Energy Project (Off-Grid)

# Accretive Value Creation

## SUSUNN: Solar business

### Development and Achievements (with Strategic Partnerships)



**18 June 2021**  
**MOU with PTT**  
 - To collaborate on studying the feasibility of Solar energy generation system for industrial plants and buildings.



**8 July 2021**  
**MOU with TGO**  
 - To promote and support implementation of greenhouse gas reduction project (Carbon Credit platform by SUSUNN)



**10 July 2021**  
**MOU with OSP (Osotspa)**  
 - To study and provide Energy saving solutions e.g. Solar PV, Energy audit.  
 - SUSUNN Platform (Electricity and Carbon Trading)

### Project Reference (H1/21) :



M.J. Bangkok Valve & Fitting Co., Ltd  
 56 KwP



Quality Construction Products Public Co., Ltd. (Q-Con)  
 265.44 kWp



Multibax Public Company Limited  
 265.44 kWp



Southern Industrial Estate Songkhla Provincial (SEZ)  
 42 KwP

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# Sustainability

## Building resilience for Sustainable Growth



Portion on sales

70%-75%

To help improve quality of life of the communities, SCG Green choice Label, established by SCG, is “environmentally friendly labels for products and services by setting the criteria for consideration in accordance with ISO14021“

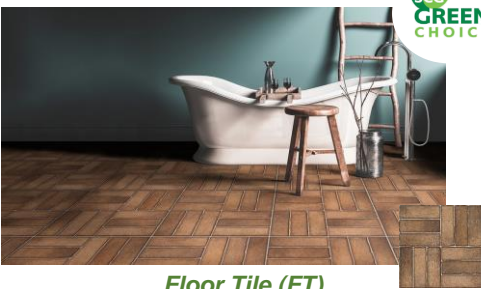


Aim to be **80%** of revenue from sale on **2025**



**COTTO Hygienic Tile**

Inhibit bacteria on ceramic surface by 90%



**Floor Tile (FT)**

Reduce water consumption at least 25% in production



**Glazed Porcelain Tile**

Reduce water consumption at least 25% in production



**COTTO Mosaic**

Reduce water consumption at least 25% in production



**LT by COTTO**

Releases Volatile Organic Compounds (VOCs) not more than 0.5 mg/m3. It does not contain toxins that are harmful to health



**Wall Tile (WT)**

Reduce water consumption at least 25% in production



**COTTO Tile Grout Acid**  
2X acid resistance



**SUSUNN electricity produced by PV system**

Electricity produced by a PV system with capacity 1,387 kWh/kWp/year and reduce Greenhouse gas at least 960 TON CO2eq/kWp/year

# Sustainability

## Building resilience for Sustainable Growth

### Environment



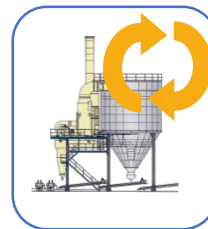
**1.25%**  
Kg CO<sub>2</sub>/Ton product

**GHGs reduction emission**  
(FY2020)

- Reduce the impact of using NG (Fossil)
- Increase energy efficiency
- Increase the capacity of using renewable energy (Solar)



Solar Roof



Waste Heat Recovery



**15.21%**  
M<sup>3</sup>/Ton product

**Water withdrawal reduction**  
(FY2020)

- Reduce risks from raw water sources issues
- Increase efficiency of water consumption in production processes
- Water reuse (Water Treatment)



Water Treatment & Water reuse

### Social

#### Social contribution to Society

- Provide food and drinking water to people under quarantine in SARABURI.



### Governance

A Certified Company by Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) Since 2020.





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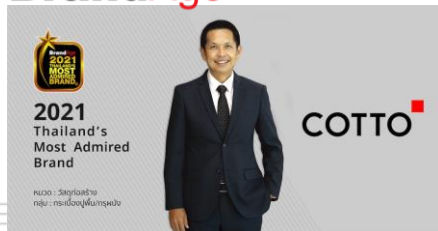
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# Summary

## Summary :

- In H1/21 sales volume increase mainly from demand in upcountry and recovery renovation project.
- **Completion of energy saving project** that help mitigate impact from higher gas price.
- Own Ceramics Outlet, Klang Ceramics, have been **opened 14 new stores** in H1/21.
- Launching new product series - **Air Ion Tile** - with negative-ion in glazing, in H1/21.
- **Leverage solar business “SUSUNN”**, collaborate with 3 strategic partnerships, which are PTT, TGO and OSP.
- Getting 3 award and recognitions during H1/21.

### BrandAge



“Thailand’s Most Admired Brand 2021 (Ceramic Tile), BrandAge”

### Marketeer



“Brand Number #1 in Thailand 2020-2021 (Ceramic Tile), Marketeer



“Ranked in the Gold Class, 2021 ESG Assurance Report Card from Thaipat”

# Outlook & Mitigation plan

## Outlook :

- Due to the Covid-19 outbreak, the construction sites has been closed from the government measures, resulting in sluggish demand.
- Agricultural sector is still positive, as a result, the farm incomes are expected to improve. However, the pandemic situation needs to be closely monitored especially in the upcountry.

## Mitigation Plan :

- Continuous efficiency improvement to sustain competitiveness.
- Strong collaboration with all sales channel to encourage sales volume.
- Accelerate own ceramic outlet expansion in strategic locations to increase more channels, responding to customer demand.
- Developing product with innovation and Continuously accrete value by launching new product, service & solution to satisfy customer needs in term of Health and Clean such as Hygienic Tile and Anti-slip Tile.

***Thank you***

For any information please contact  
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Tel : 02-5865474

COTTO<sup>■</sup>

CAMPANA

SOSUCO<sup>■</sup>