

RE+VITAL

( re ) balance

ReVibe

REco

RE•WILD

# SCG Ceramics “COTTO”

## Analyst Conference Q4/21

January 26, 2022

COTTO

CAMPANA

SOSUCO

SUSUNN  
Energy Solution by SCG CERAMICS

# Agenda

**I. FY2021 Highlights**

**II. Q4/21 & FY2021 Market Situation**

**III. Q4/21 & FY2021 Financial Result**

**IV. Strategy Update & Sustainability**

**V. Market Outlook & Company Update**

# FY2021 Highlights

1



LAUNCHED 1 NEW HYGIENE PRODUCT  
**“COTTO AIR ION”**

2



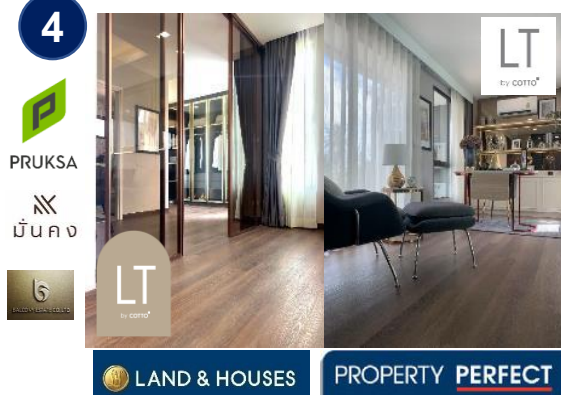
Tile Art by COTTO x Phannapast  
 LAUNCHED NEW MOSAIC SERIES

3



**28 NEW BRANCHES OPENED**  
 IN 2021 (TOTAL 68 BRANCHES)

4



ACCEPTED BY  
**WELL-KNOWN DEVELOPER**

5



**ACHIEVED TARGET SALE REVENUE**  
 MOU with 3 Strategic Partners

6



LAUNCHED NEW PRODUCT  
**“SOSUCO” Sanitary Ware**

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# Q4/21 Market Situation

- Thailand ceramic tiles demand in Q4/21 was better than Q3/21 after the government has eased many lockdown measures.
- Energy price significantly surged in Q4/21 due to the global economic recovery, creating potential inflation risk.
- Export demand recovered after prolonged COVID-19 situation, especially in Myanmar.

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**I. Highlight FY2021**

**II. Q4/21 & FY2021 Market Situation**

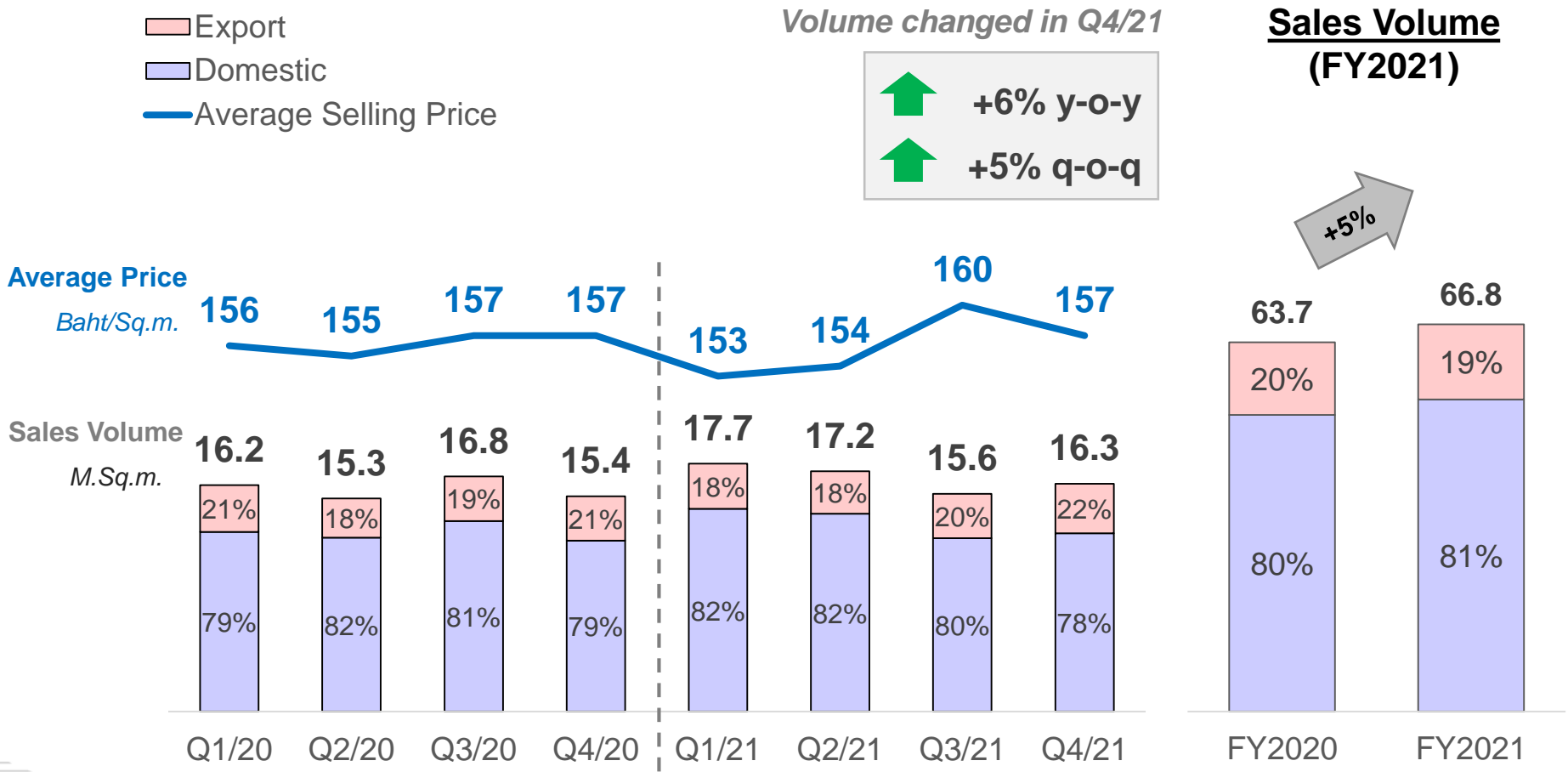
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# Q4/21 Sales volume and average price

Sales volume increased +6% y-o-y while the average price remain unchanged from last year

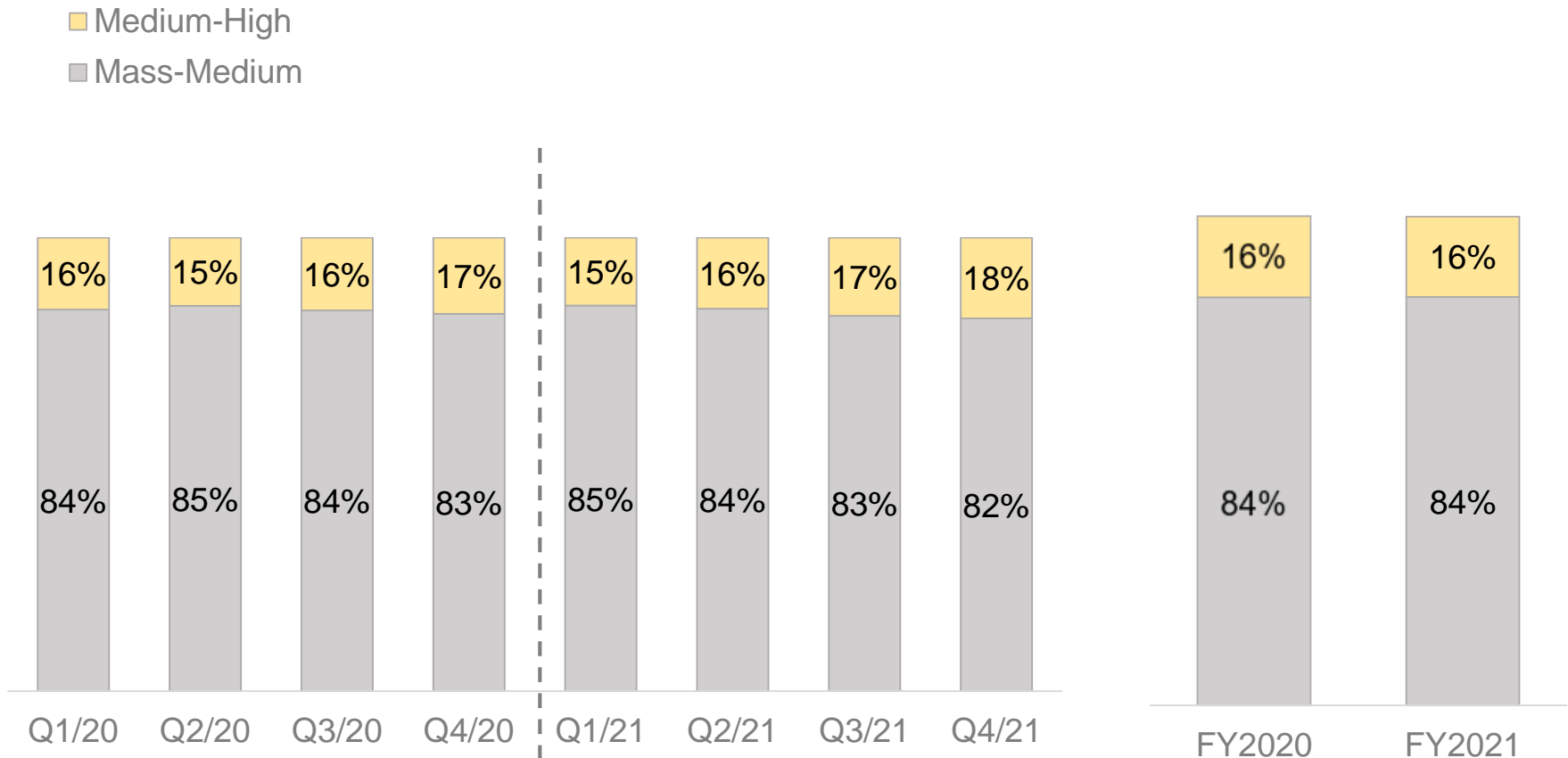


Remark: Only ceramics tiles



# Q4/21 Domestic sales volume by segment

Mass-Medium accounted for 82% of sales volume in Q4/21 compared to 83% in Q4/20.



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

(2) Only ceramics tiles  
 @ SCG Ceramics 2021

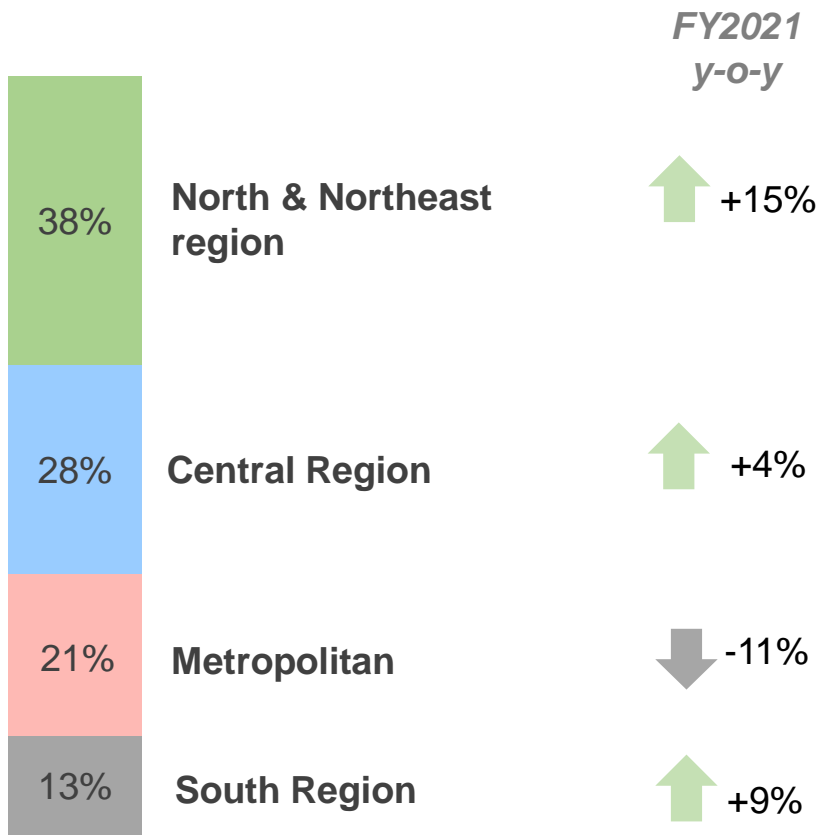




# FY2021 Domestic sales volume by region

Sales volume in upcountry accounted for 79% of total domestic sales volume in FY2021.

## Sales Volume portion by sector

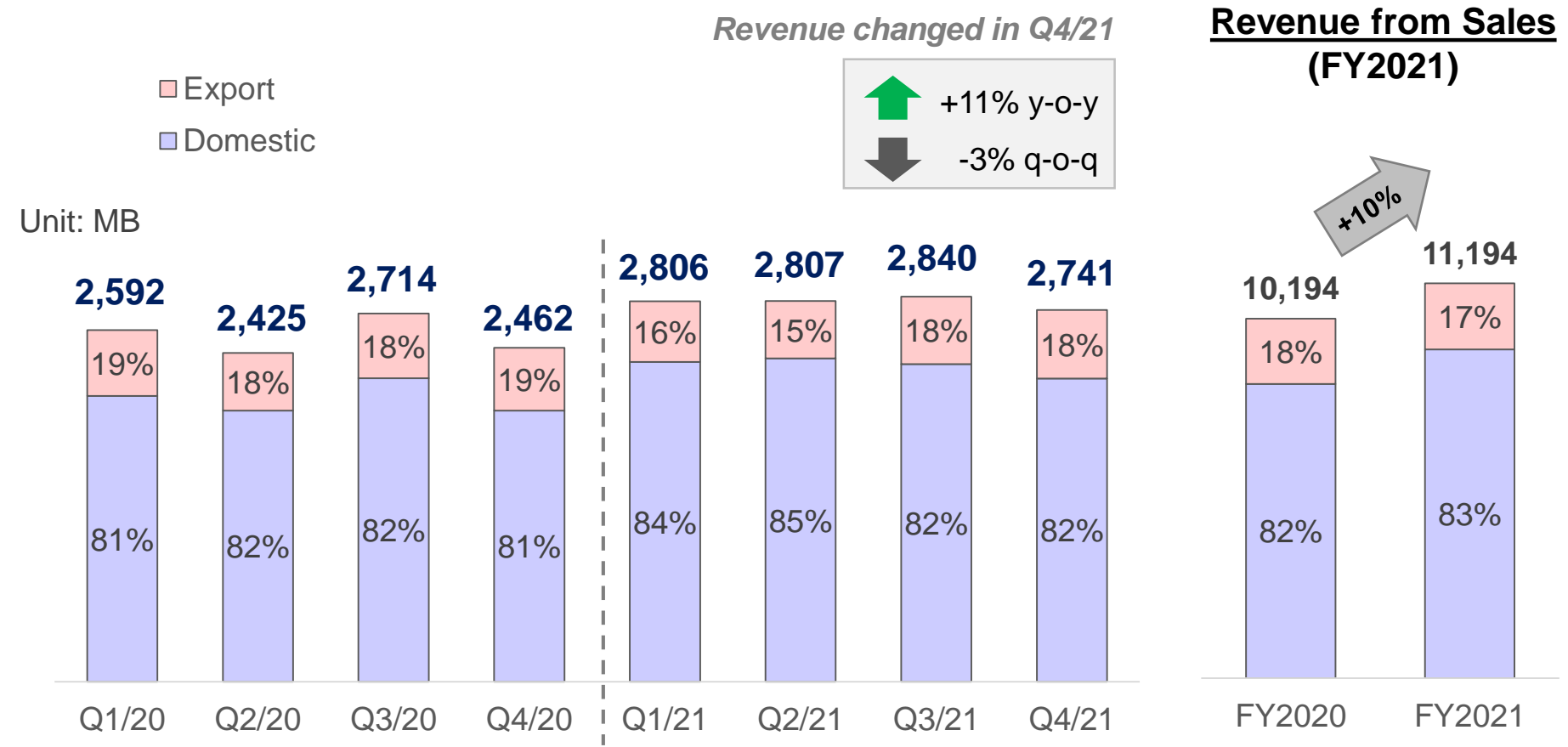


Remark: Only domestic ceramics tiles



# Q4/21 Revenue from Sales

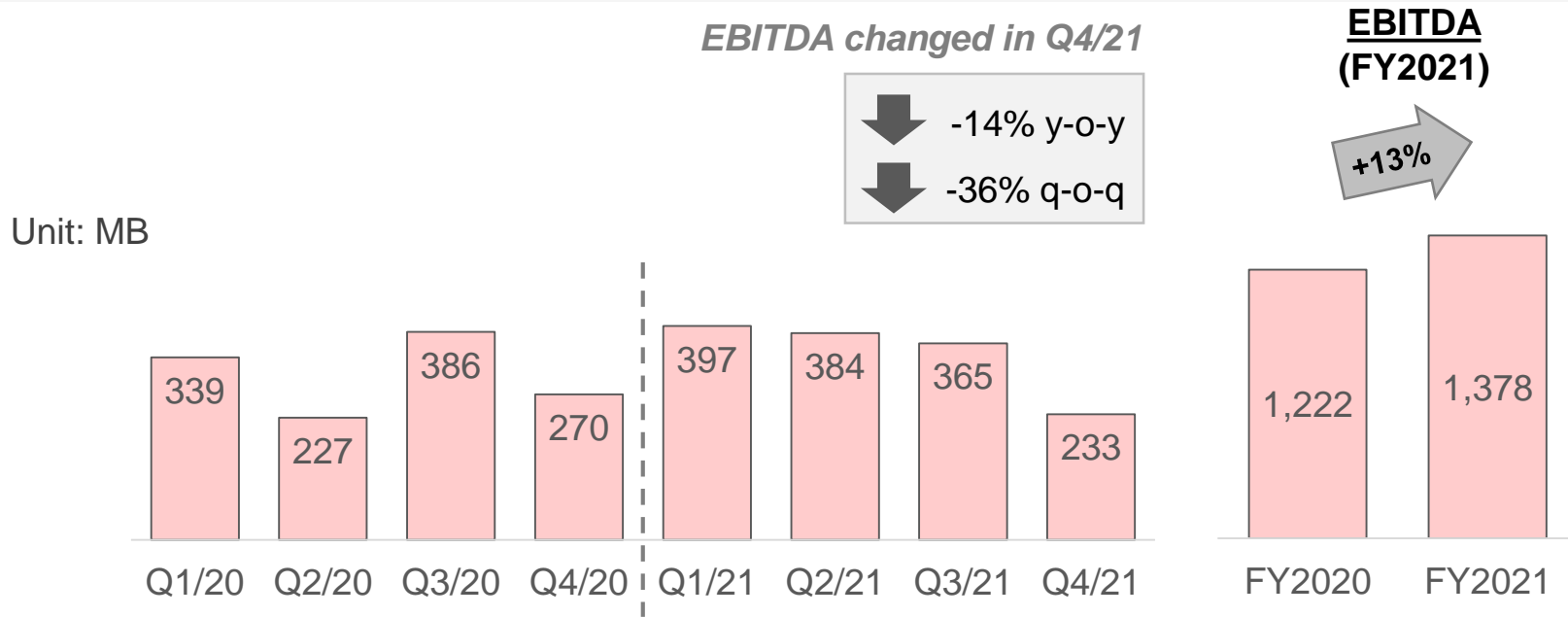
Revenue increased +11% y-o-y in Q4/21, also increased +10 y-o-y in FY2021



Note: \*Q3/21 amounted to 2,709 MB excl. profit from Land sales

# Q4/21 EBITDA

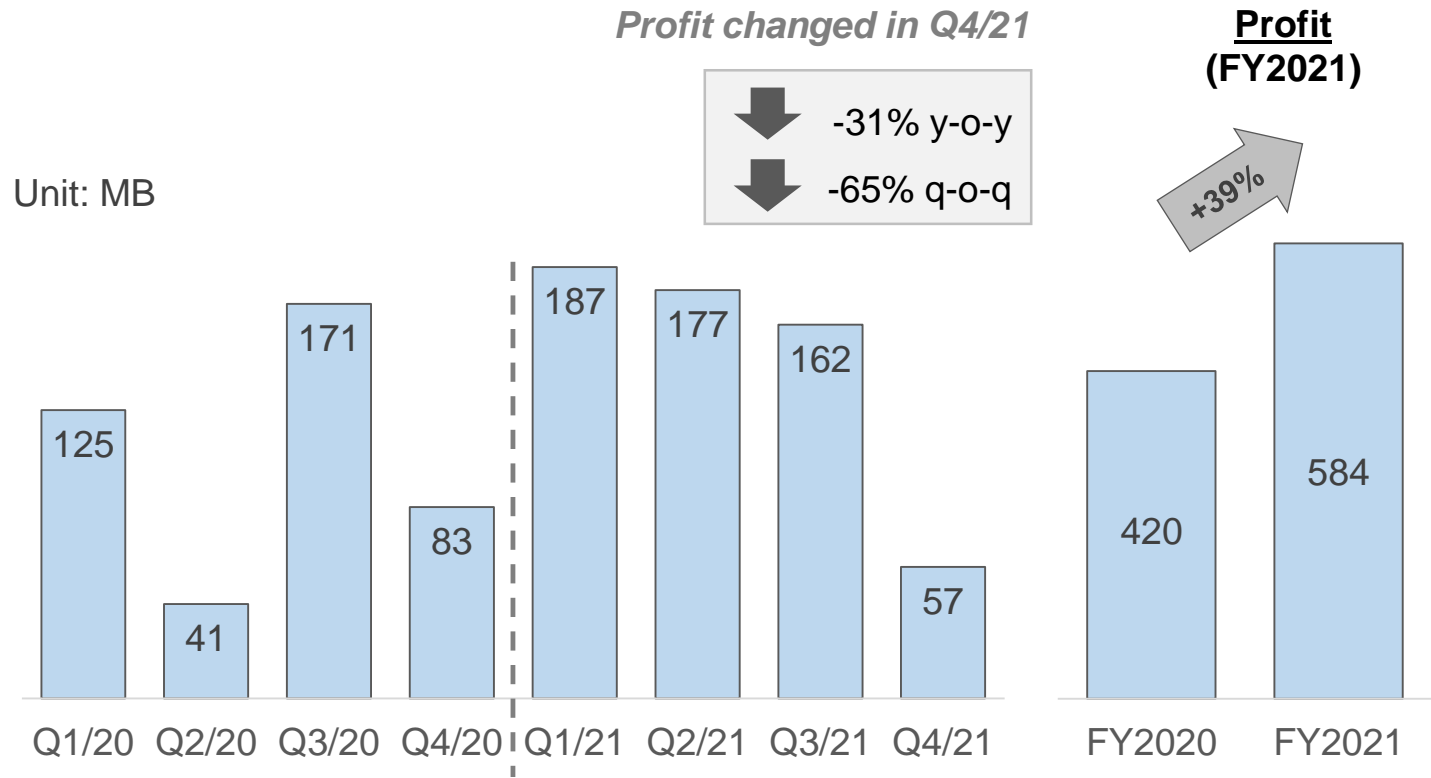
EBITDA dropped q-o-q and y-o-y mainly from operation variable cost increased.



<b>EBITDA Margin</b>	13.1%	9.4%	14.2%	11.0%	14.2%	13.7%	12.8%	8.5%	12.0%	12.3%
<b>EBITDA Margin w/o non-recurring</b>	13.2%	10.5%	14.3%	13.2%	14.2%	13.9%	11.1%	8.7%	12.9%	12.0%
<b>EBITDA w/o Key non-recurring</b>	342	256	389	325	397	389	301	237	1,312	1,325
<b>Key Non-Recurring</b>	(3)	(28)	(4)	(55)	-	(6)	64	(4)	(90)	54
1) Profit from land selling	-	-	-	-	-	-	64	-	-	64
2) MSP (Loss)	-	(27)	-	(50)	-	(6)	-	(4)	(77)	(10)
3) Consultant Fee (Loss)	(3)	(1)	(4)	(5)	-	-	-	-	(14)	-

# Q4/21 Profit for the Period

Earning decreased -31% y-o-y and -65% q-o-q.

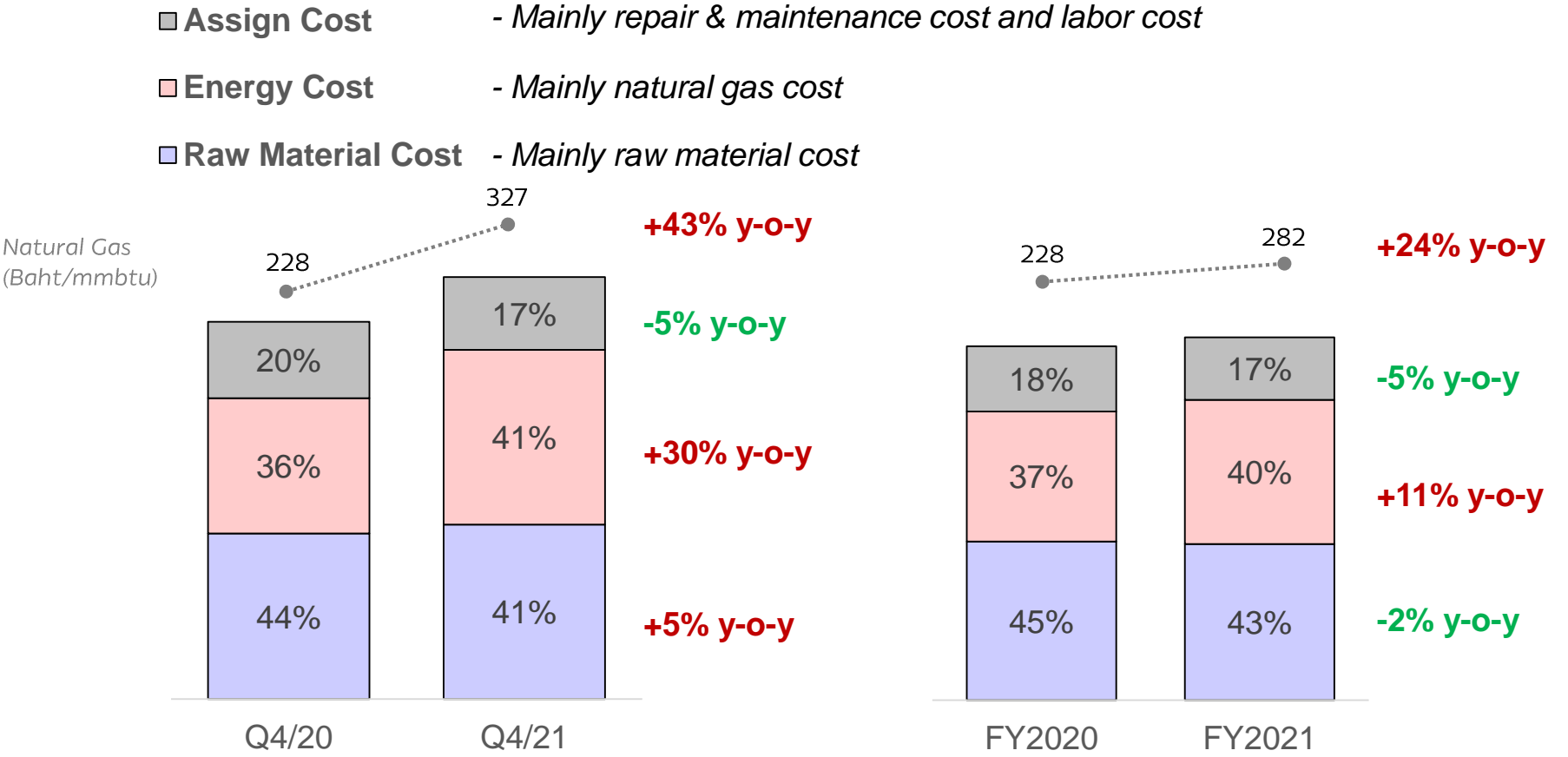


**Profit for the Period (without Key non-recurring)**

	128	64	174	127	187	181	111	61	493	541
<b>Key Non-Recurring</b>	(3)	(23)	(3)	(44)	-	(4)	51	(3)	(72)	43
1) Profit from land selling	-	-	-	-	-	-	51	-	-	51
2) MSP (Loss)	-	(21)	-	(40)	-	(4)	-	(3)	(61)	(8)
3) Consultant Fee (Loss)	(3)	(1)	(3)	(4)	-	-	-	-	(11)	-

# Q4/21 Operating Variable Cost

Operating variable cost increased y-o-y from energy cost and raw material cost increased, while assign cost decreased

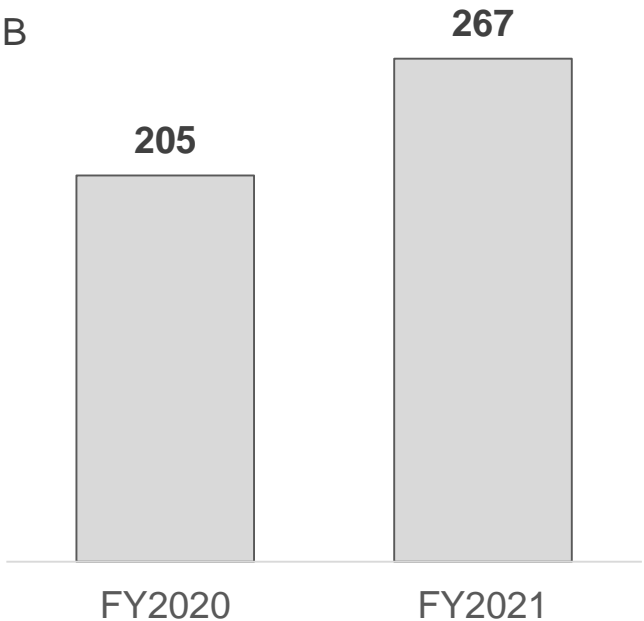


Remark: Only ceramics tiles

# FY2021 CAPEX and Interest & Financial Costs

## CAPEX

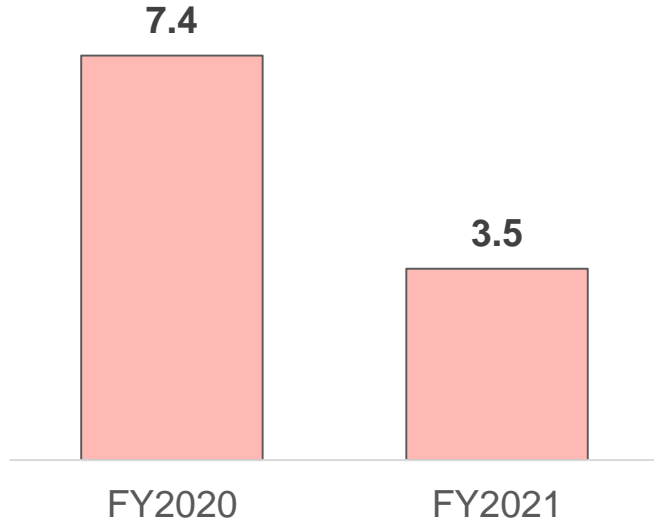
Unit: MB



- Amounted to 267 MB for FY2021, mainly upgrade machine, maintenance, cost and energy saving project, retail outlet expansion and channel expansion.
- For CAPEX in FY2022 approx. 350-400 MB

## Interest and Financial Costs

Unit: MB



- Amounted to 3.5 MB for FY2021, mainly from TFRS 16 adoption

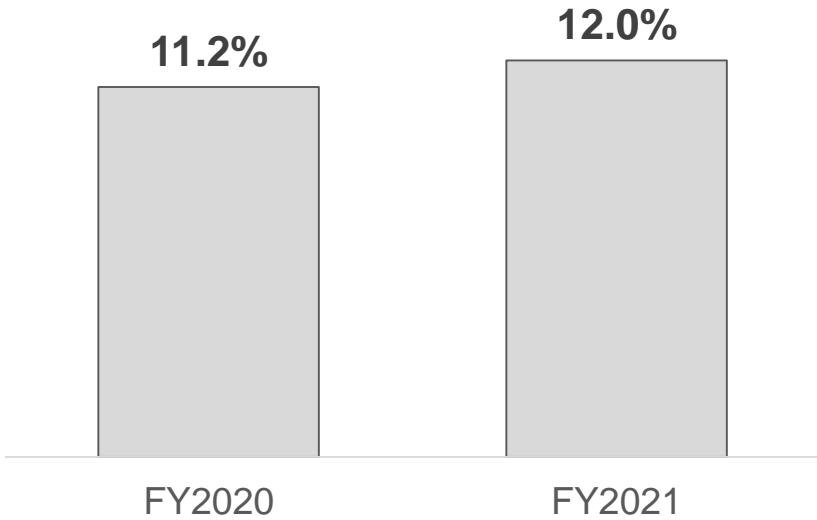
# FY2021 Net Debt

Unit: MB

	0	0
	FY2020	FY2021
<b>Net debt on EBITDA</b>	-	-

# FY2021 EBITDA on Assets and EBITDA Margin

## EBITDA on Assets



EBITDA margin	FY2020	FY2021
	12.0%	12.3%

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



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# Accretive Value Creation

FY2021 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

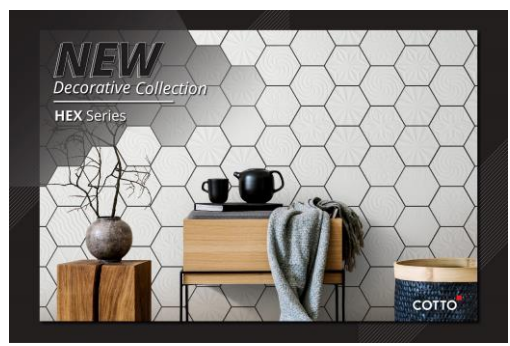


#### Anti-slip tile

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.

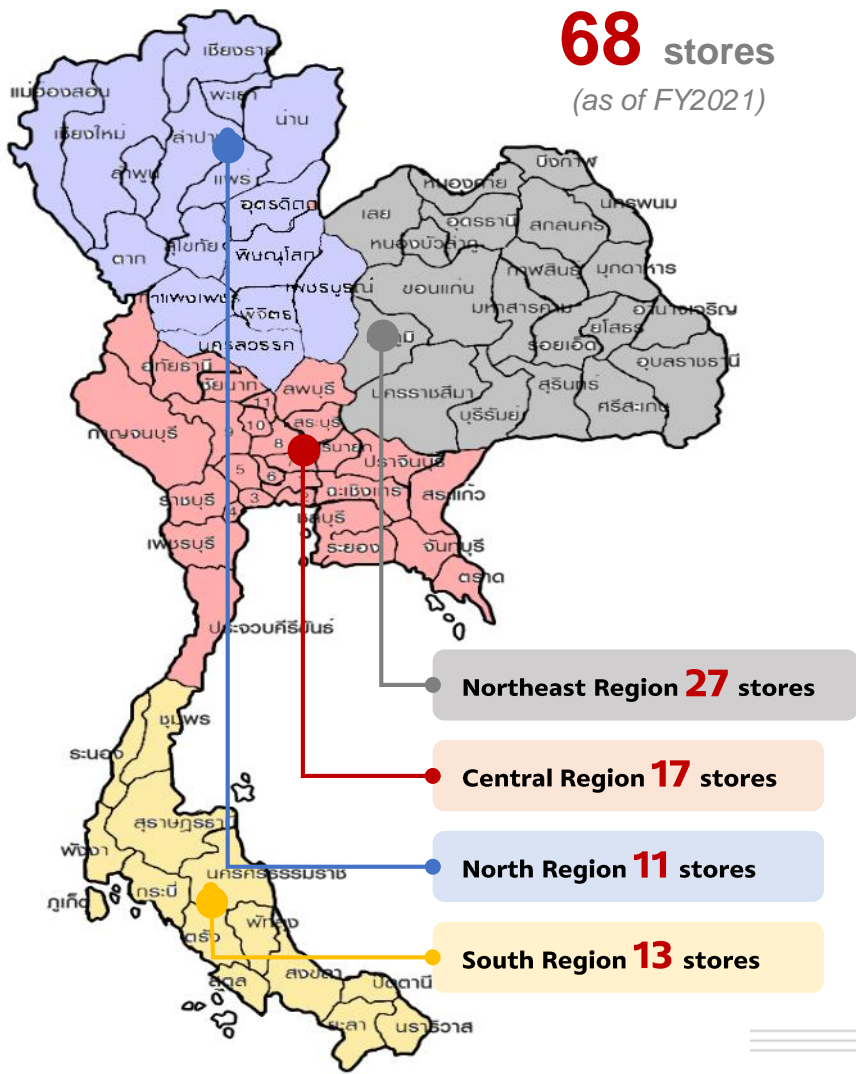
### C. Italia & Espana Collection



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

# Accretive Value Creation

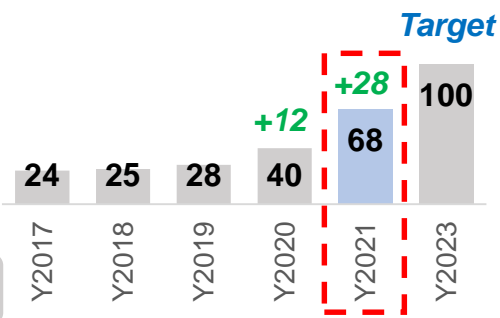
## Own ceramic outlet expansion



**คลังเซรามิก เฟมิลี**  
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 FY2021, Sales revenue increased **40% 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*



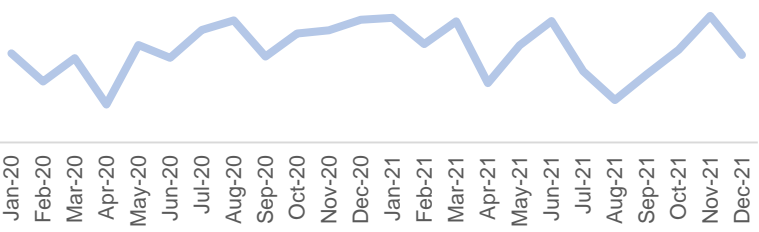
[www.cottolife.com](http://www.cottolife.com)



### Number of Store:

- Y2019
  - Bangkok
  - Chiang Mai
  - Khon Kaen
- Y2020
  - Bangkok
  - Chiang Mai
  - Khon Kaen

### Sales Revenue Trend:



### Same store sales growth

Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21
179%	123%	49%	16%	23%	12%	-24%	-6%



# Accretive Value Creation

## SUSUNN: Solar business



### Project Reference :

#### 1) Engineering Procurement Construction



Siam Fiber Cement Group  
Solar Farm **8,700 kWp**



SCG Packaging Company Limited  
Solar Roof **999.6 kWp**



BETAGRO PUBLIC COMPANY LIMITED  
Solar Roof **430 kWp**

#### 2) Operation and Maintenance



Central RAMA II Solar Roof  
**999.19 kWp**



Siam Toppan Solar Roof  
**859 kWp**



My Press Solar Roof  
**78.72 kWp**

# Reinforce Export segment

CLM sales portion

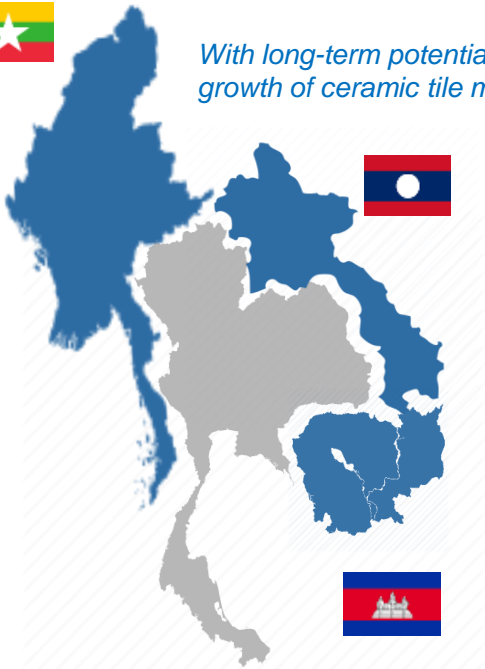
To neighbour country - CLM

5%-10%

## Develop key existing distribution channels



With long-term potential growth of ceramic tile market



1

Traditional dealer & Wholesaler



2

Modern trade



3

Project sales



COTTO Showroom at Yangon



# Sustainability

## Building resilience for Sustainable Growth

### Environment



Aim to achieve **80%** of revenue from sales of SCG Green Choice products in 2025



**GHGs reduction emission**

**4.29%**

Kg CO<sub>2</sub>/Ton product (FY2021)

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



**Water withdrawal Reduction**

**13.08%**

M<sup>3</sup>/Ton product (FY2021)

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

### Social

#### Social contribution to Society

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



### Governance

- Comply with good corporate governance principles.
- Experienced board of directors and management team bringing the best governance practice



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# Market Outlook & Company Update

## Market Outlook :

- Thailand economy in Q1/22 is expected to continue recovering on both domestic and export.
- However, ceramics demand depends on uncertainty of the Omicron situation.
- New Stimulus packages in 2022 from the government is expected to boost up the economy.
- Energy price is expected to continually increase and will impact on inflation.

## Company Updates :

- Board of Directors of SCG Ceramics proposes FY2021 annual dividend of 0.047 Bt/Shr (50% payout) for approval by S/H at AGM. Payment date is 22 Apr 2022, with record date of 4 April 2022, and XD-date of 1 April 2022
- Establishment of “SUSUNN Smart Solution Co., Ltd” to operate service solution business. (Renewable energy solution and Utility solution)

***Thank you***

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COTTO<sup>■</sup>

CAMPANA

SOSUCO<sup>■</sup>