

RE+VITAL

(re) balance

ReVibe

REco

RE•WILD

SCG Ceramics “COTTO”

Opportunity Day Q4/21

February 14, 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

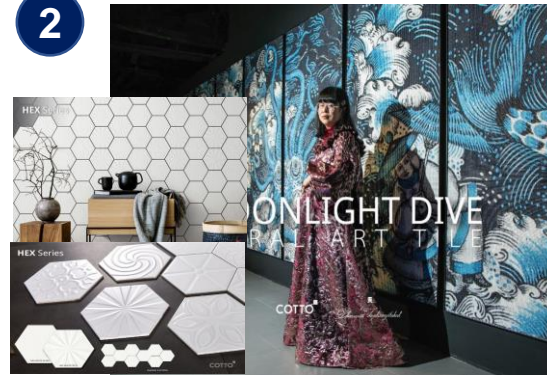
FY2021 Highlights

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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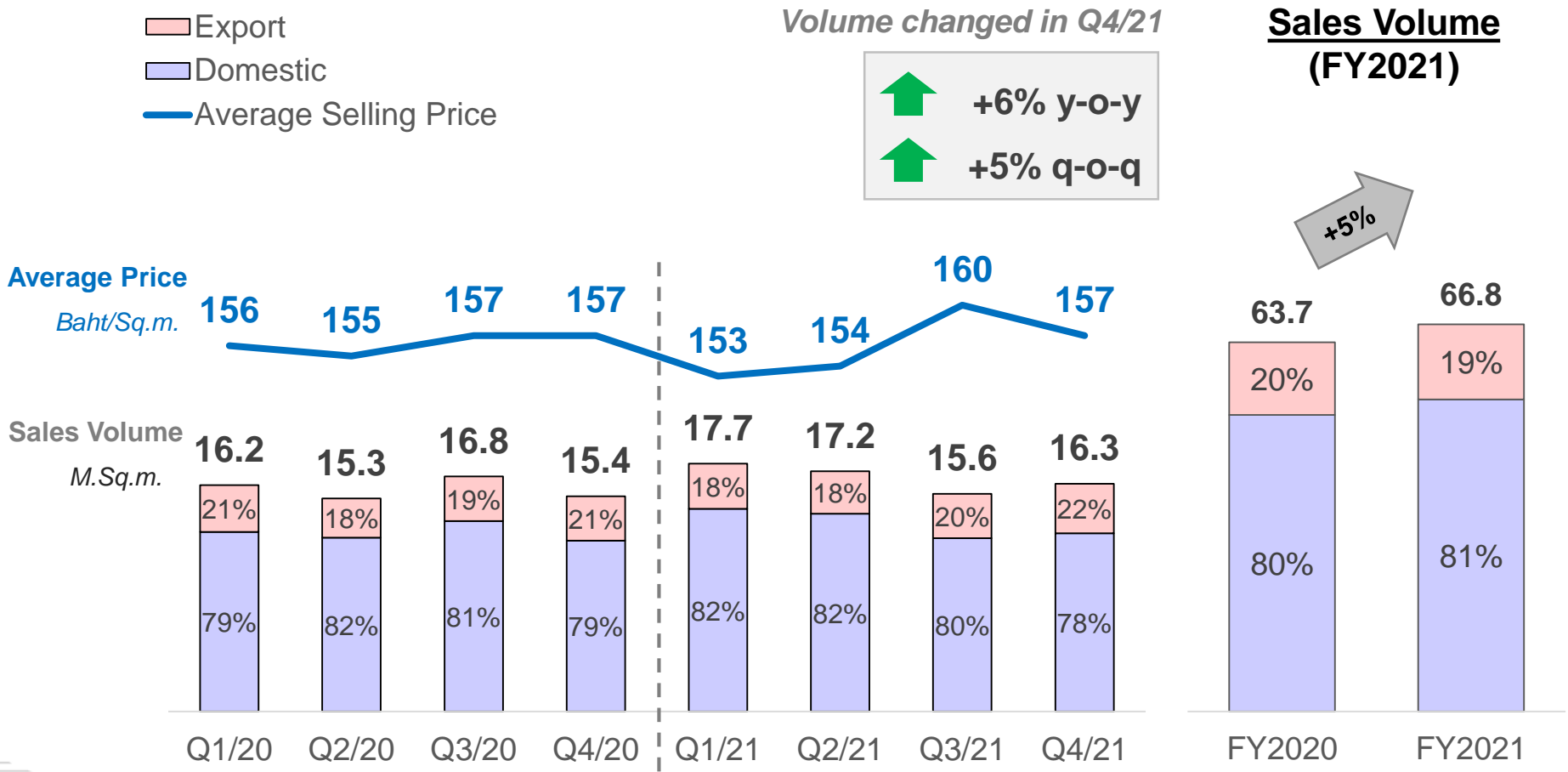
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Q4/21 Sales volume and average price

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

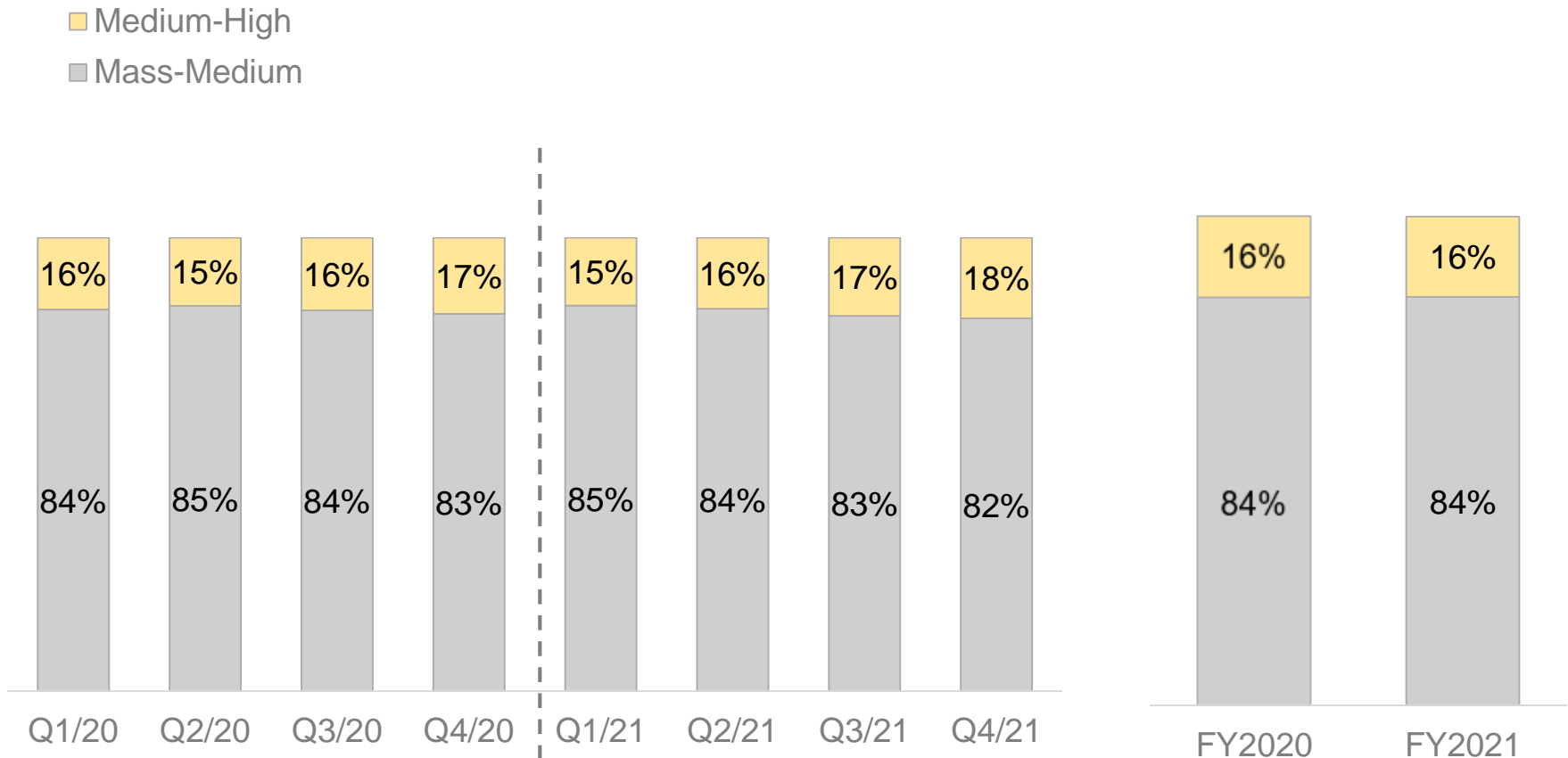


Remark: Only ceramics tiles



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

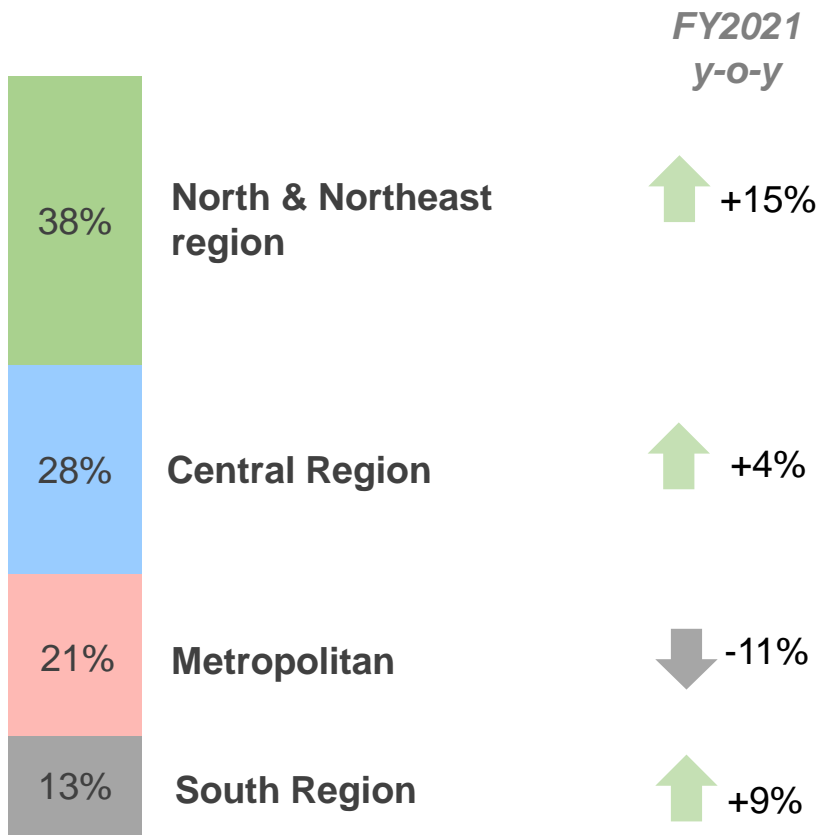
(2) Only ceramics tiles
 @ SCG Ceramics 2021



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

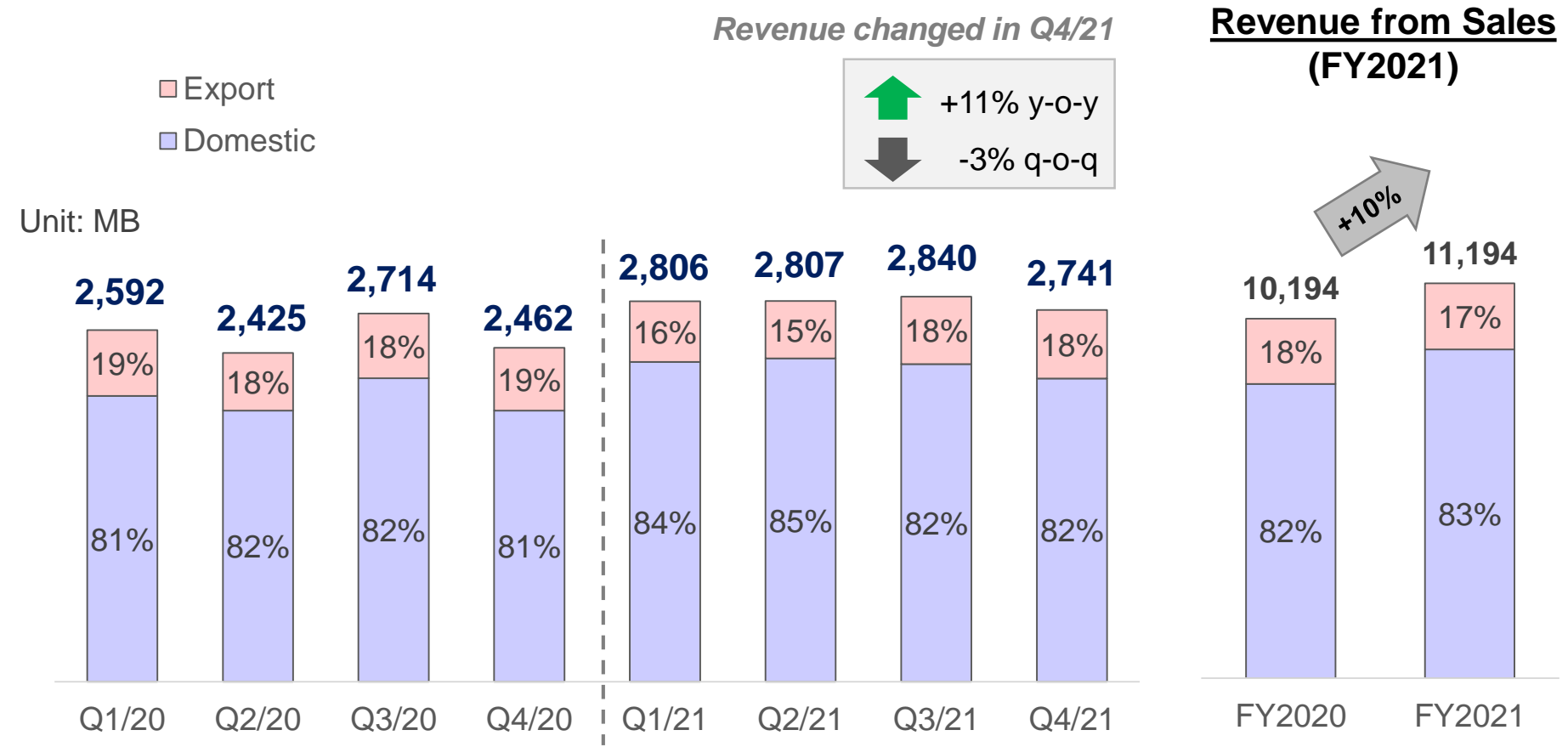


Remark: Only domestic ceramics tiles



Q4/21 Revenue from Sales

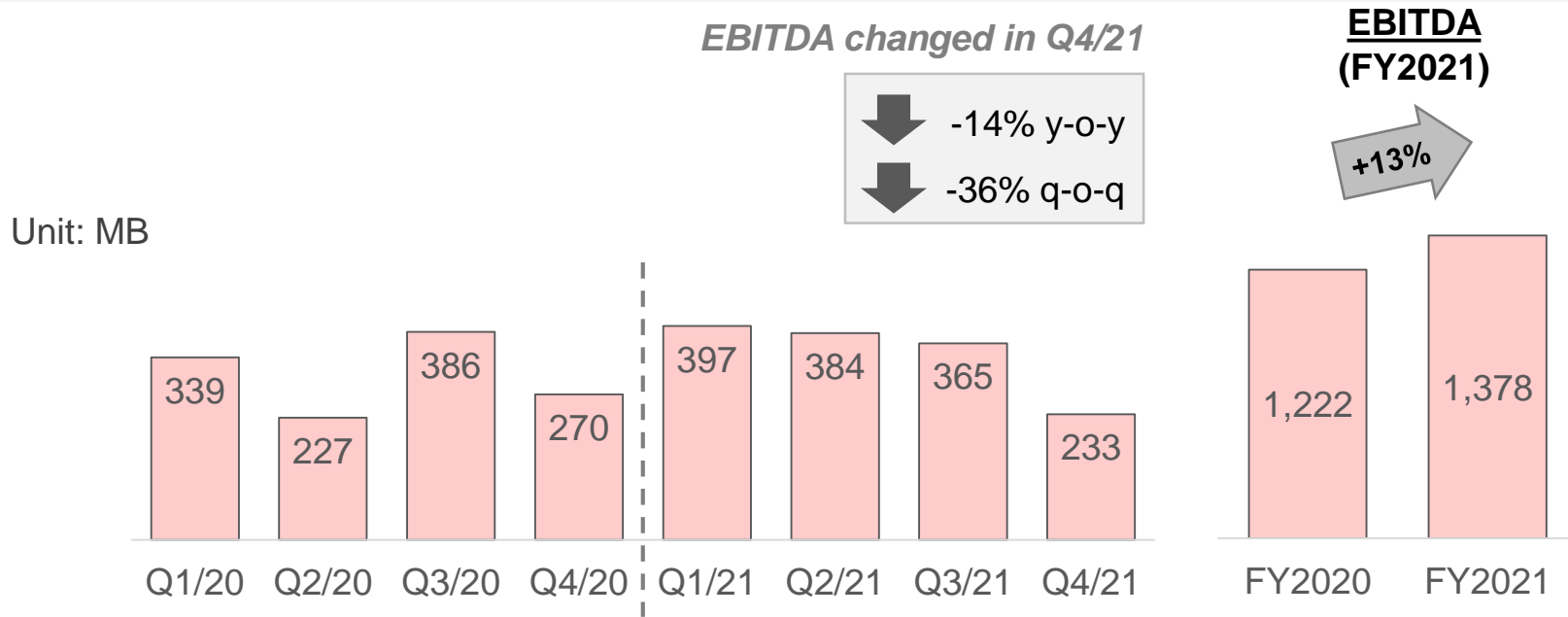
Revenue increased +11% y-o-y in Q4/21, also increased +10 y-o-y in FY2021



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

Q4/21 EBITDA

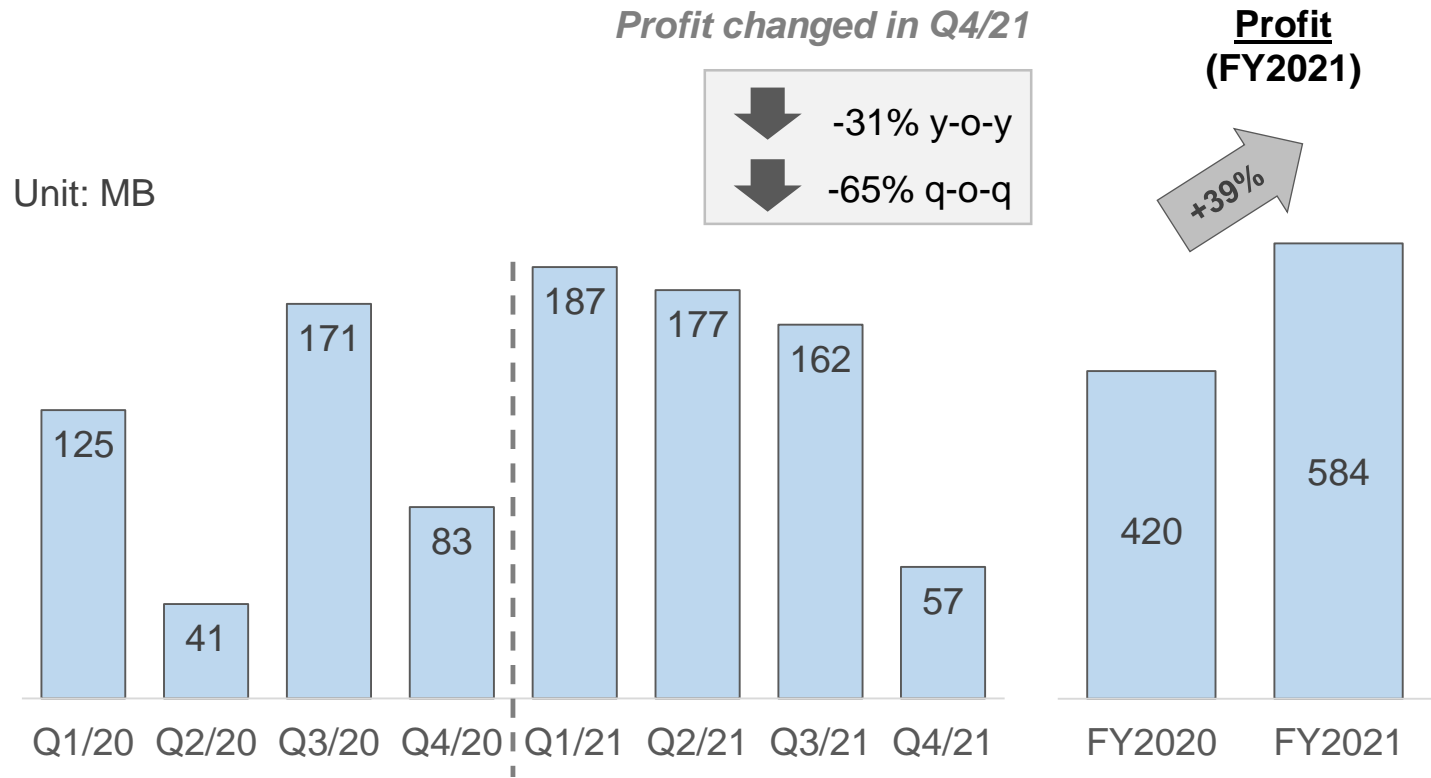
EBITDA dropped q-o-q and y-o-y mainly from operation variable cost increased.



EBITDA Margin	13.1%	9.4%	14.2%	11.0%	14.2%	13.7%	12.8%	8.5%	12.0%	12.3%
EBITDA Margin w/o non-recurring	13.2%	10.5%	14.3%	13.2%	14.2%	13.9%	11.1%	8.7%	12.9%	12.0%
EBITDA w/o Key non-recurring	342	256	389	325	397	389	301	237	1,312	1,325
Key Non-Recurring	(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.

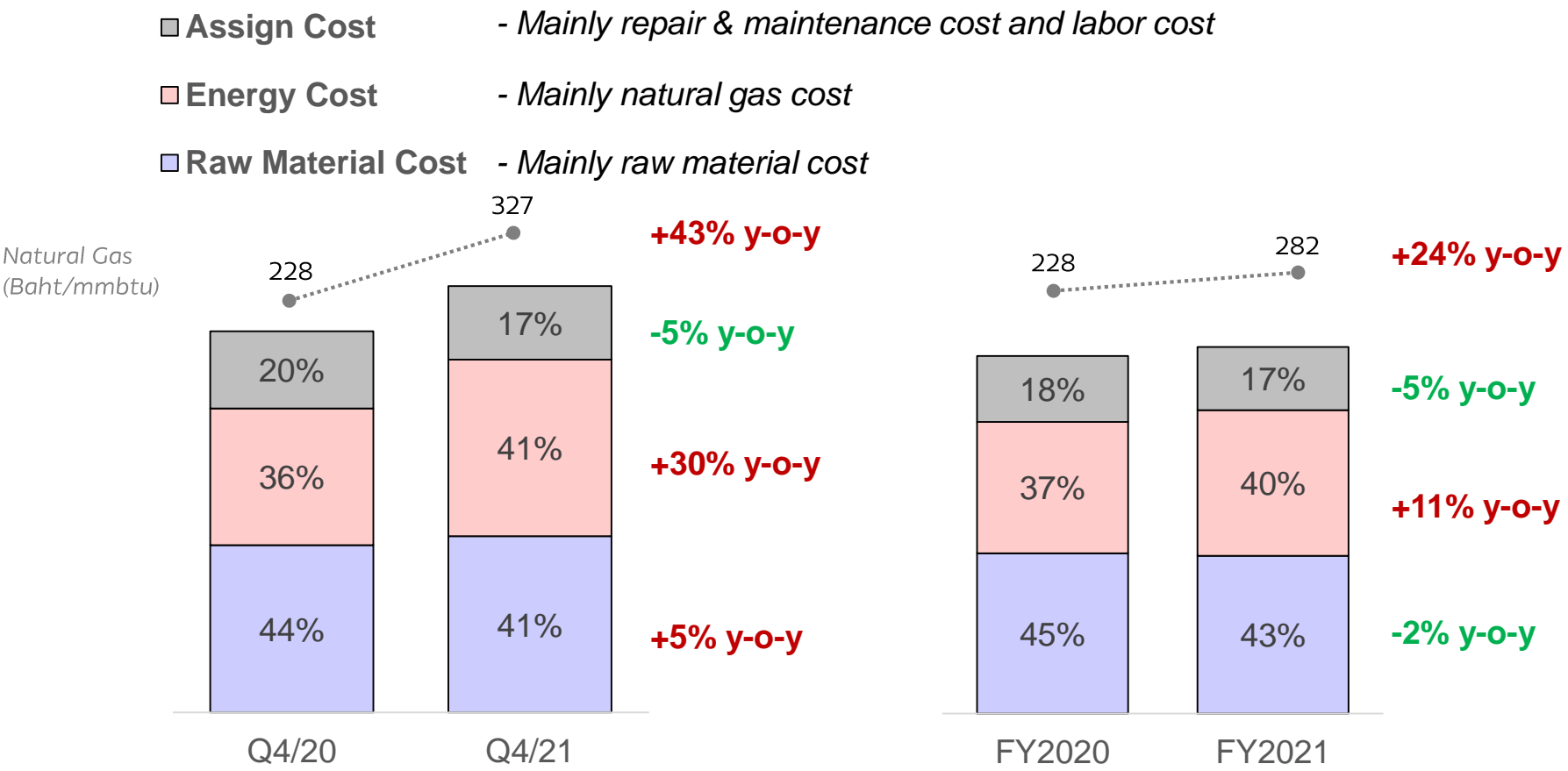


Profit for the Period (without Key non-recurring)

	128	64	174	127	187	181	111	61	493	541
Key Non-Recurring	(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

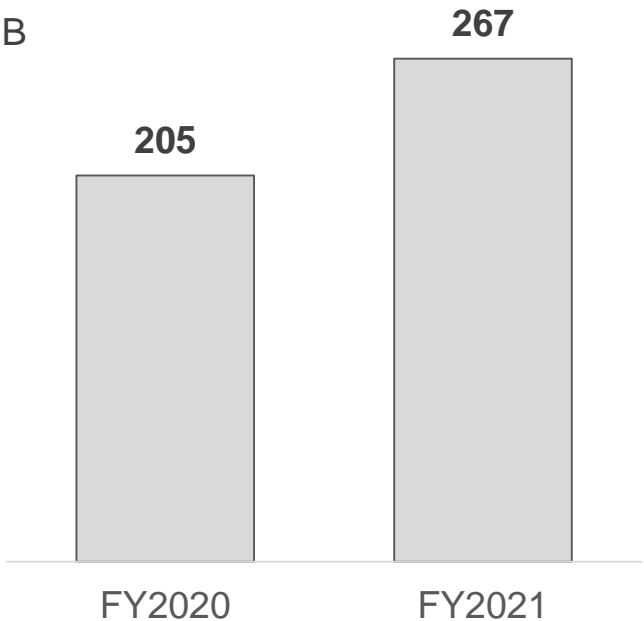


Remark: Only ceramics tiles

FY2021 CAPEX and Interest & Financial Costs

CAPEX

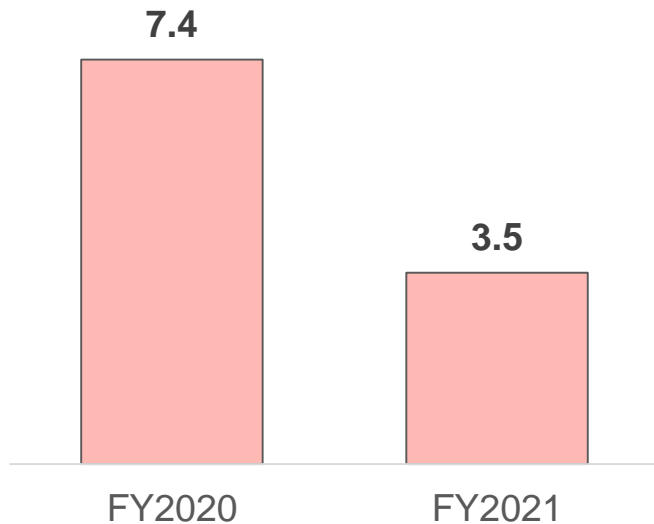
Unit: MB



- 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

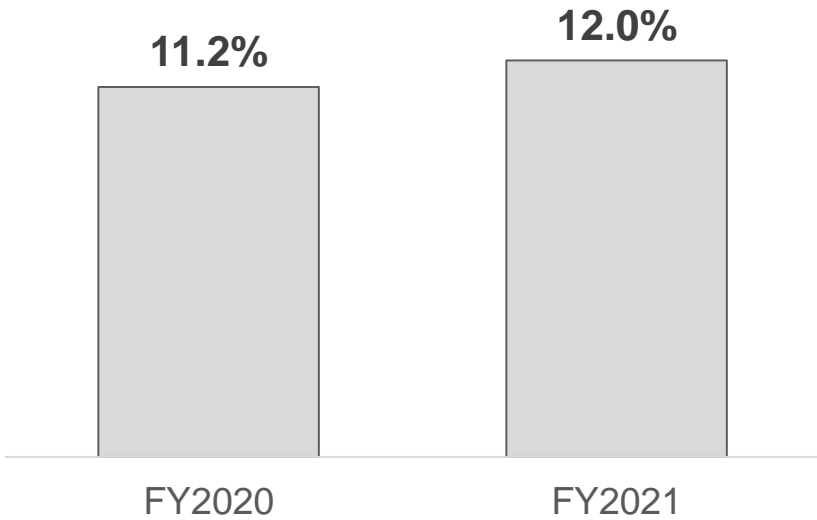
FY2021 Net Debt

Unit: MB

	0	0
	FY2020	FY2021
Net debt on EBITDA	-	-

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

30%-35%

HVA Product

A. Health & Hygiene



Hygienic tile

with anti-bacteria silver nano in glazing



Air-ion

with negative-ion in glazing

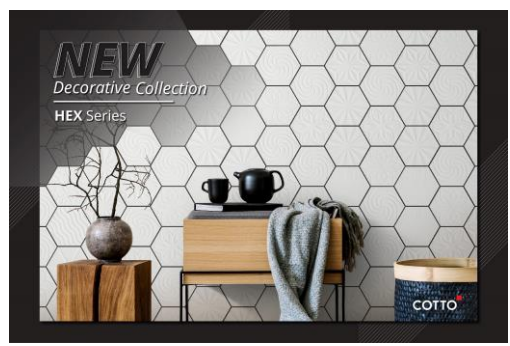


Anti-slip tile

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.

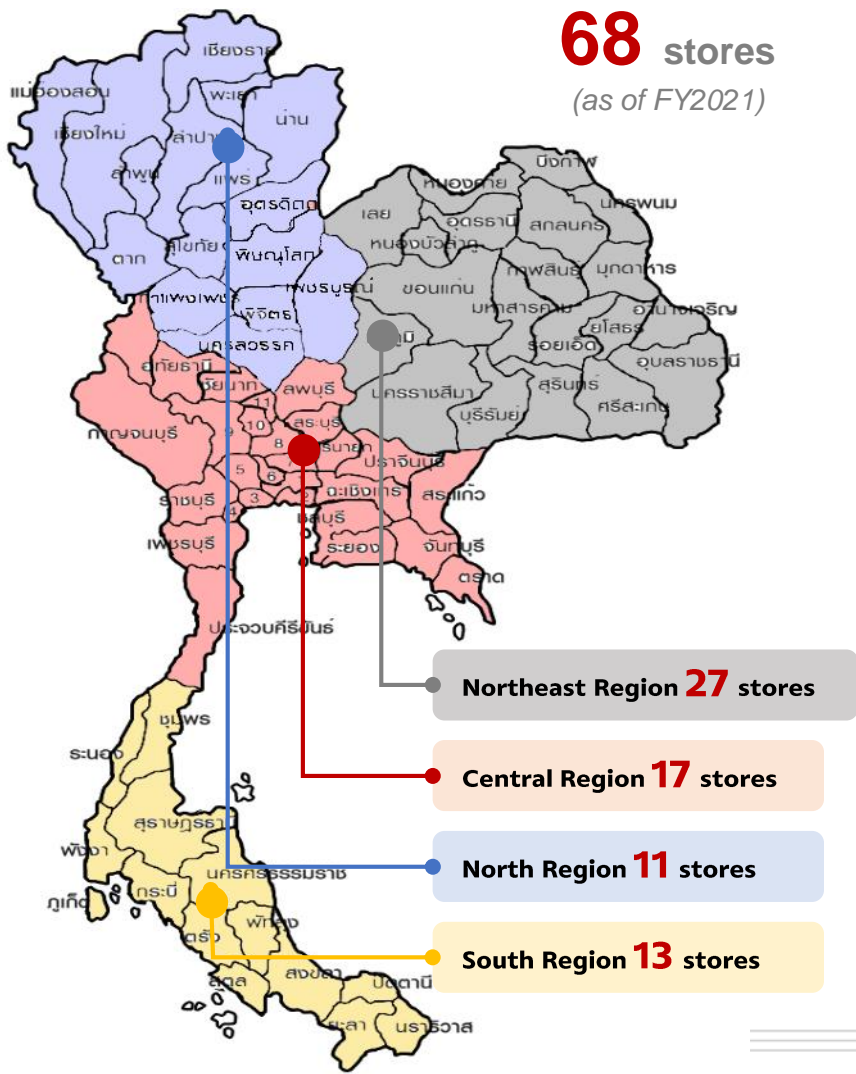
C. Italia & Espana Collection



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

Accretive Value Creation

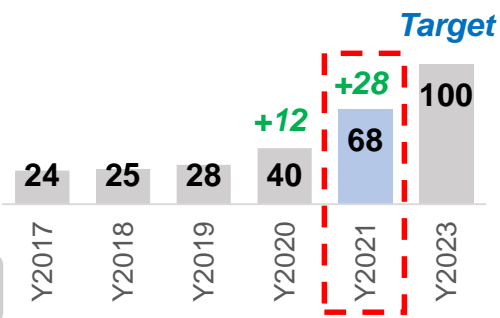
Own ceramic outlet expansion



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*



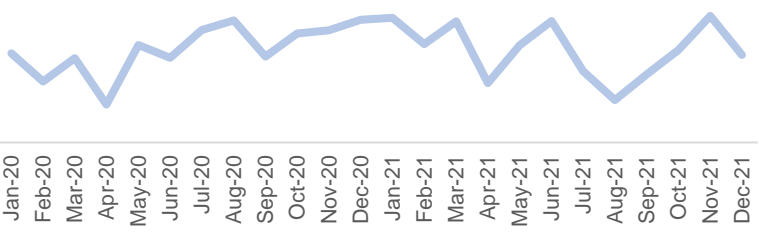
www.cottolife.com



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

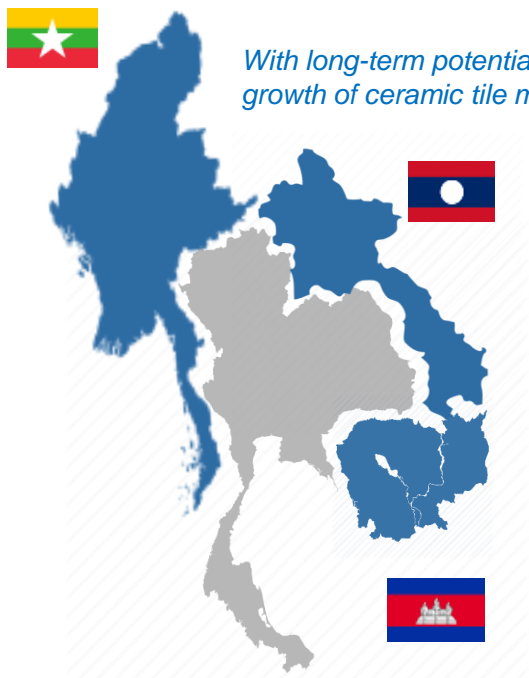
Reinforce Export segment

CLM sales portion

To neighbour country - CLM

5%-10%

Develop key existing distribution channels



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 CO₂/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%

M³/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)

Q&A session

THE NEXT SURFACE 2022: WELCOME HOME CELEBRATION



THE NEXT SURFACE 2022

งานแสดงสินค้าใหม่ จัดขึ้นแบบ Offline ที่
SCG Experience - CDC Bangkok
ระหว่างวันที่ 3 - 6 มีนาคม 2565



Thank you

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COTTO 

CAMPANA

SOSUCO 