

SCG Ceramics “COTTO”

Opportunity Day Q4/22

Feb 20, 2023



COTTO

CAMPANA

SOSUCO

Agenda

- I. FY2022 Highlights**
- II. Q4/22 and FY2022 Market Situation**
- III. Q4/22 and FY2022 Key Financials**
- IV. Strategy Update & Sustainability**
- V. Market Outlook**

Agenda

I. FY2022 Highlights

II. Q4/22 and FY2022 Market Situation

III. Q4/22 and FY2022 Key Financials

IV. Strategy Update & Sustainability

V. Market Outlook

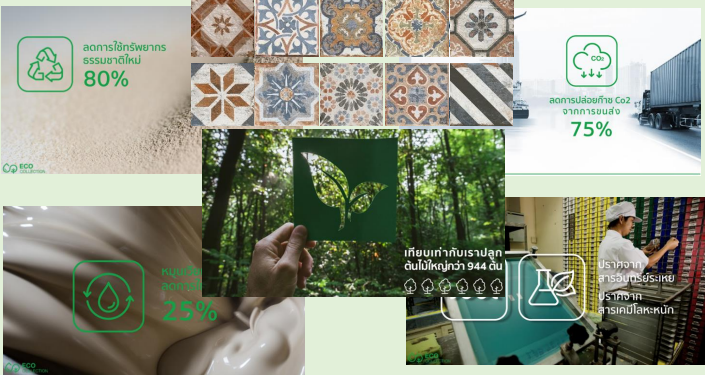
FY2022 Highlights

1



100 BRANCHES OPENED IN 2022
achieved target sooner than planned

2



Continuous improvement on ESG
By Launching product
“COTTO ECO Collection”

3



**A JOINT VENTURE COMPANY
in CAMBODIA**

4



Establish SUSUNN Smart Solution Co., Ltd and
Launched **Solar Carport and EV Charging Solution**

5



Brand Number #1 in Thailand
2021-2022 (Ceramic Tile), Marketeer

6



“Rising Star Sustainability Awards”
from SET Awards in 2022 (Sustainability Excellence)

Agenda

I. FY2022 Highlights

II. Q4/22 and FY2022 Market Situation

III. Q4/22 and FY2022 Key Financials

IV. Strategy Update & Sustainability

V. Market Outlook

Q4/22 Market Situation

- Thailand ceramic tiles demand in Q4/22 was slow down (q-o-q) especially in Nov-Dec due to lower consumers' purchasing power from an upcountry affected by rising inflation.
- Natural gas price and Electricity (Ft) in Q4/22 increased affecting Energy Cost.
- The fluctuation of exchange rate and uncertainty situation caused the export demand to slow down.

Agenda

I. FY2022 Highlights

II. Q4/22 and FY2022 Market Situation

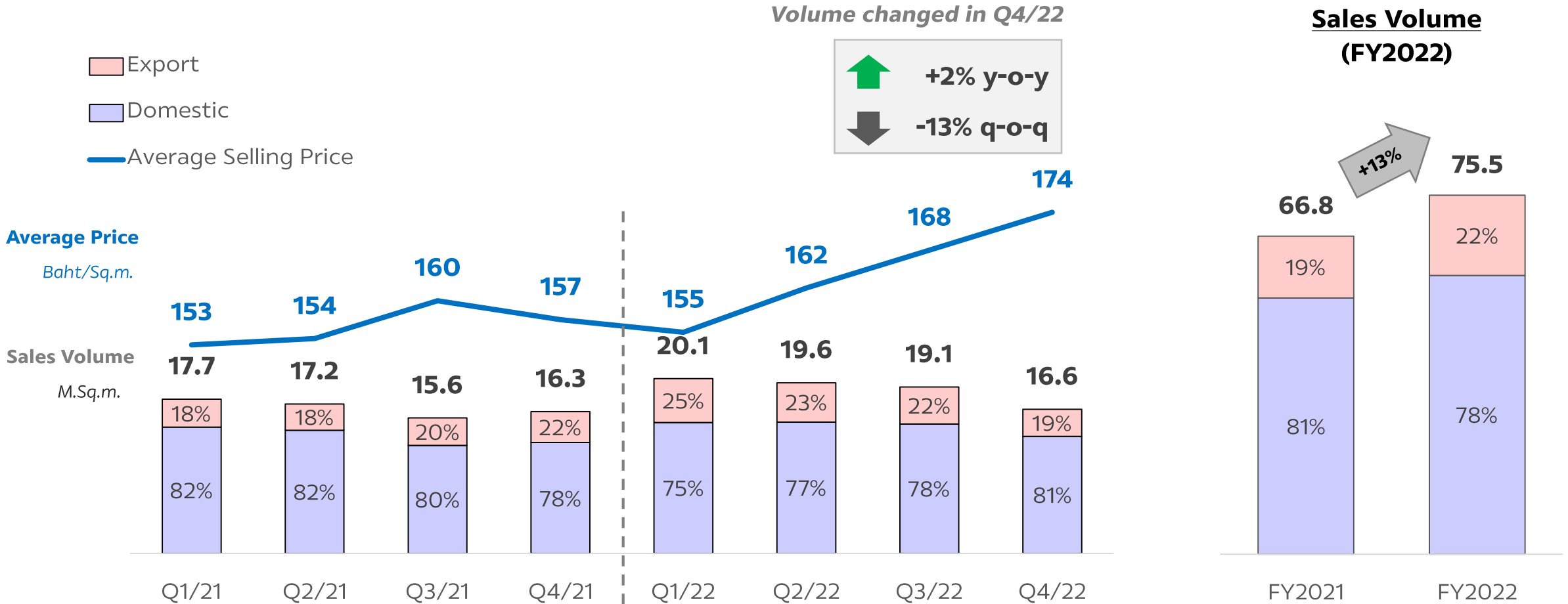
III. Q4/22 and FY2022 Key Financials

IV. Strategy Update & Sustainability

V. Market Outlook

Q4/22 Sales volume and average price

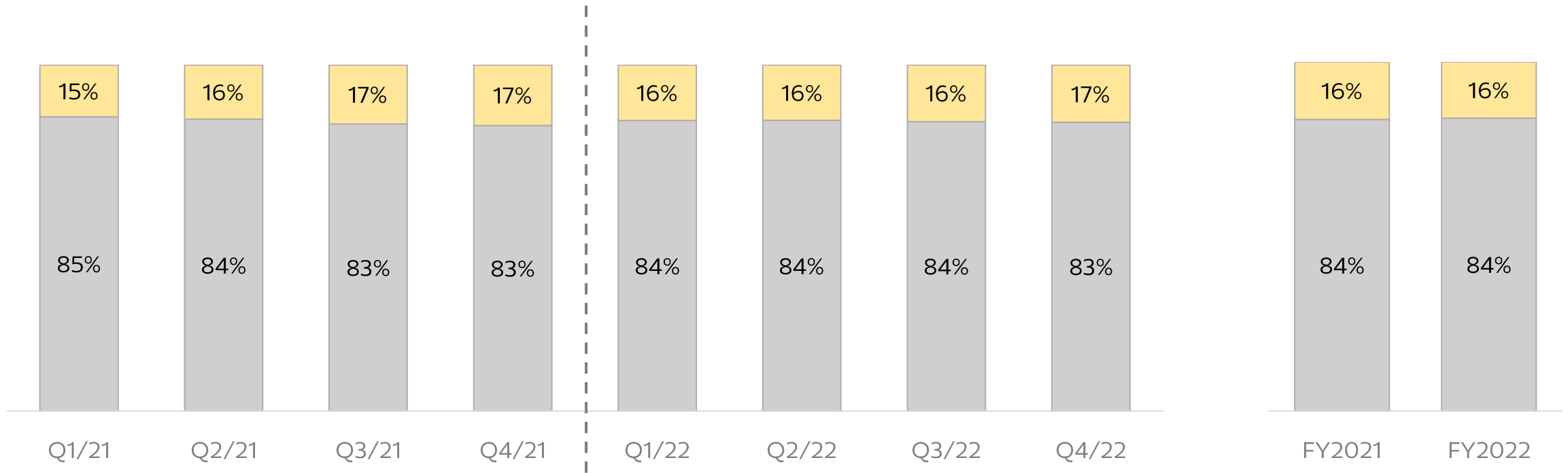
Sales volume increased +2% y-o-y while the average price increased 6 bath/sq.m (+4%) compared to Q3/22



Q4/22 Domestic sales volume by segment

Mass-Medium accounted for 83% of sales volume in Q4/22 compared to 84% in Q3/22.

■ Medium-High
■ Mass-Medium



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

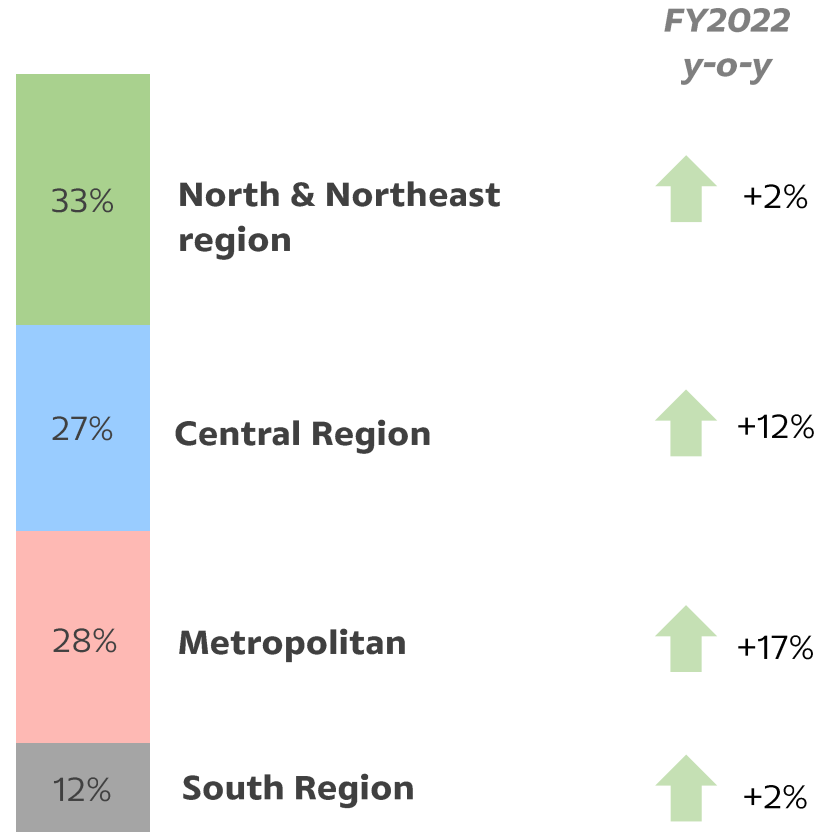
Mass – Medium (portion 70%-80% of total market) – Non HYG product, Floor Tile, Wall Tile (Small size), Outsource unglazed, Glazed Porcelain

(2) Only ceramics tiles

FY2022 Domestic sales volume by region

Sales volume in upcountry accounted for 72% of total domestic sales volume in FY2022.

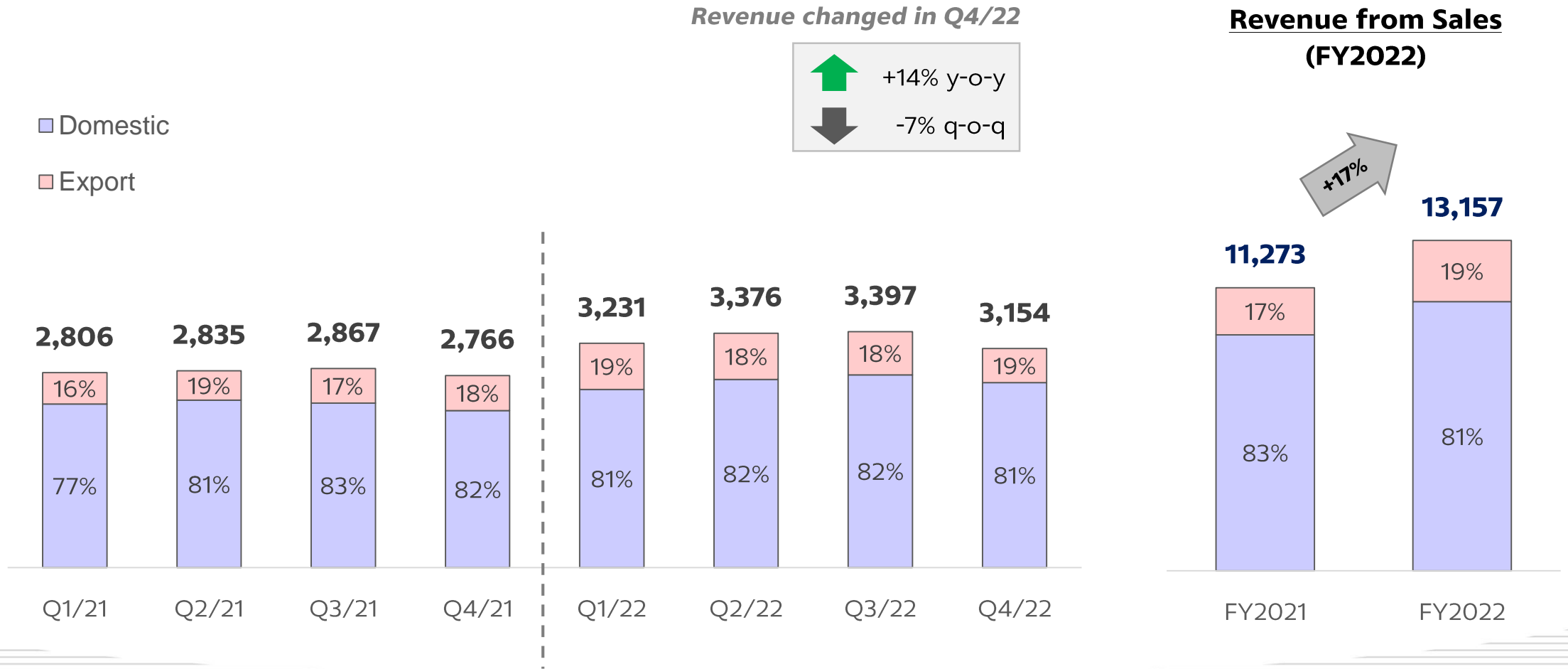
Sales Volume portion by sector



Remark: Only domestic ceramics tiles

Q4/22 Revenue from Sales

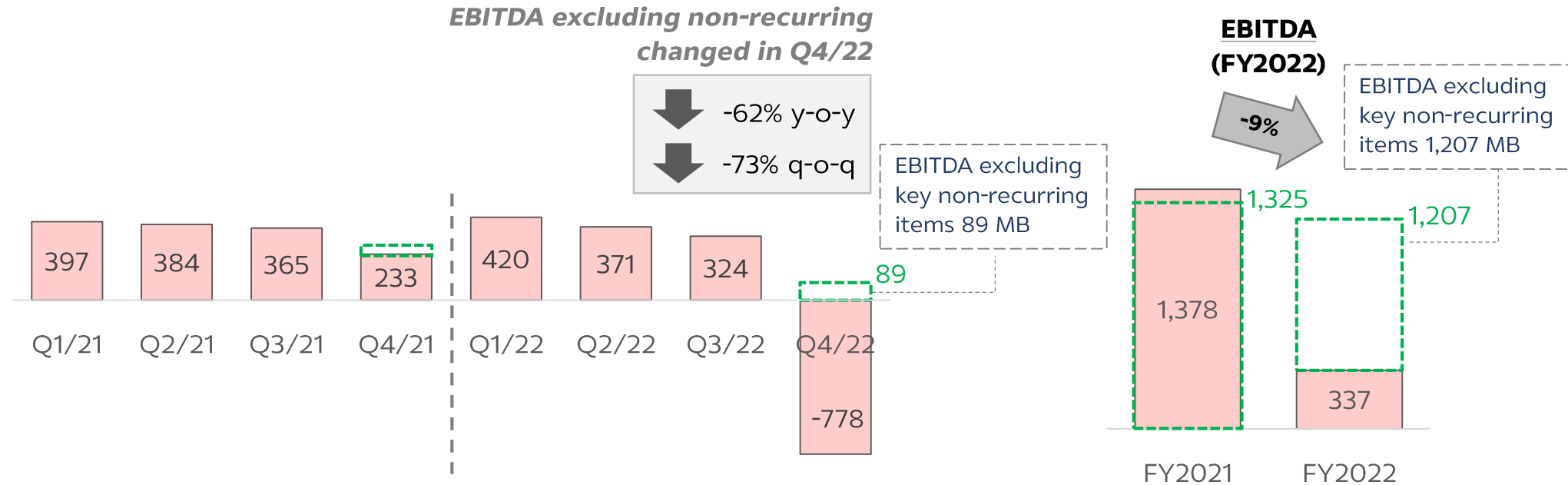
Revenue increased +14% y-o-y in Q4/22 and also increased 17% y-o-y in FY2022.



Q4/22 EBITDA

EBITDA excluding key non-recurring items dropped -62% y-o-y and -73% q-o-q due to higher energy cost.

Unit: MB



EBITDA Margin

14.2%	13.7%	12.8%	8.5%	13.0%	11.0%	9.6%	(24.7%)
-------	-------	-------	------	-------	-------	------	---------

EBITDA Margin w/o non-recurring

14.2%	13.9%	11.1%	8.7%	13.1%	11.0%	9.6%	2.8%
-------	-------	-------	------	-------	-------	------	------

EBITDA w/o Key non-recurring

397	390	301	237	422	372	324	89
------------	------------	------------	------------	------------	------------	------------	-----------

Key Non-Recurring

-	(6)	64	(4)	(2)	(1)	-	(867)
---	-----	----	-----	-----	-----	---	-------

1) Profit from land selling

-	-	64	-	-	-	-	-
---	---	----	---	---	---	---	---

2) MSP (Loss)

-	(6)	-	(4)	(2)	(1)	-	(20)
---	-----	---	-----	-----	-----	---	------

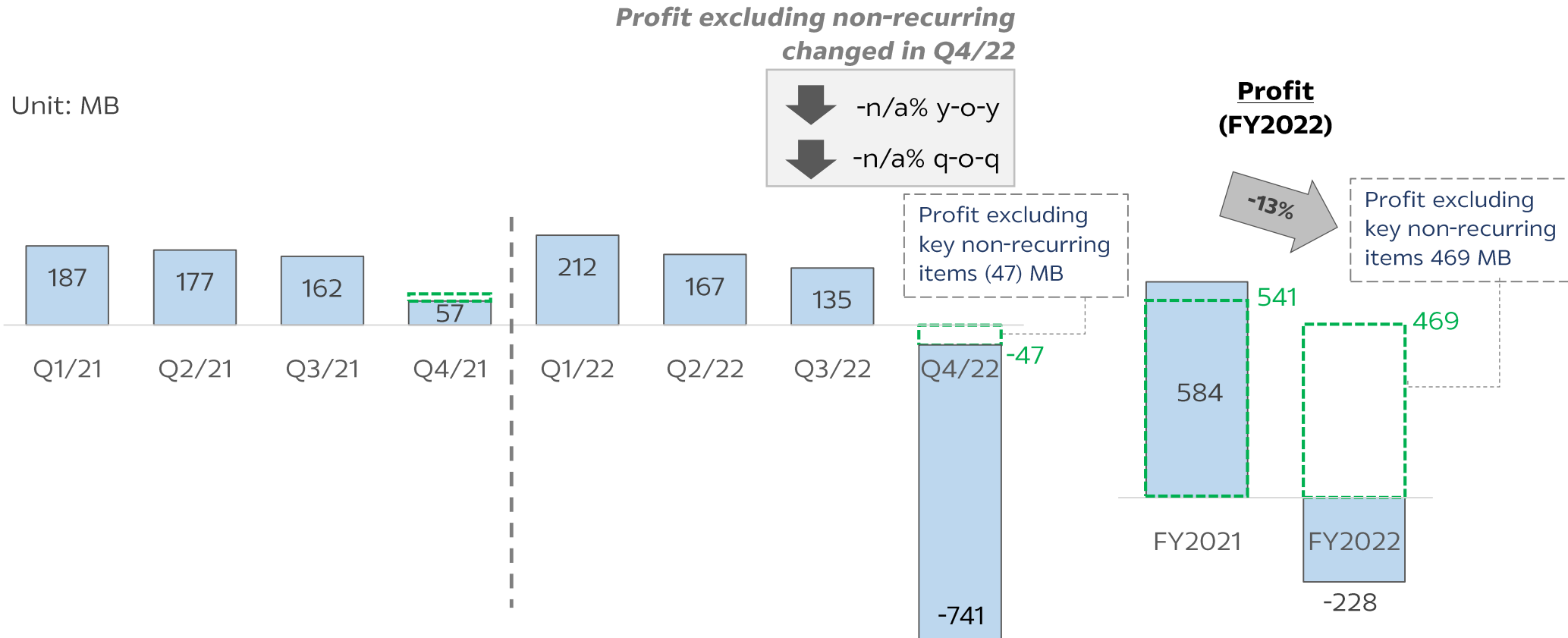
3) Impairment and others (Loss)

-	-	-	-	-	-	-	(847)
---	---	---	---	---	---	---	-------

@ SCG Ceramics

Q4/22 Profit for the Period

Profit excluding key non-recurring items decreased y-o-y and q-o-q due to higher energy cost.



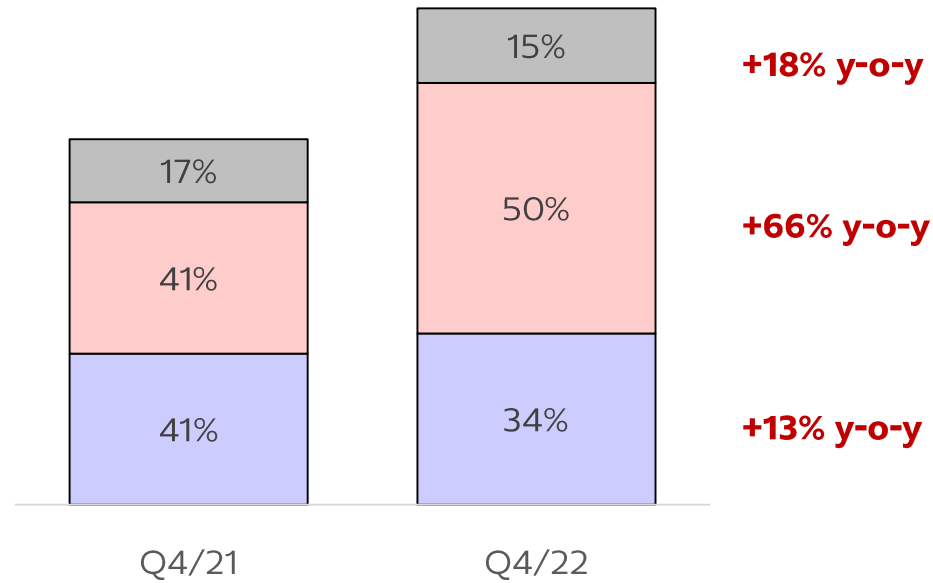
Profit for the Period (without Key non-recurring)

	187	182	111	61	213	168	135	(47)	541	469
Key Non-Recurring	-	(4)	51	(3)	(1)	(1)	-	(694)	43	(697)
1) Profit from land selling	-	-	51	-	-	-	-	-	51	-
2) MSP (Loss)	-	(4)	-	(3)	(1)	(1)	-	(16)	(8)	(19)
3) Impairment and others (Loss)	-	-	-	-	-	-	-	(678)	-	(678)

Q4/22 Operating Variable Cost

Operating variable cost increased y-o-y, mainly from energy cost.

- 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

FY2022 CAPEX and Interest & Financial Costs

CAPEX

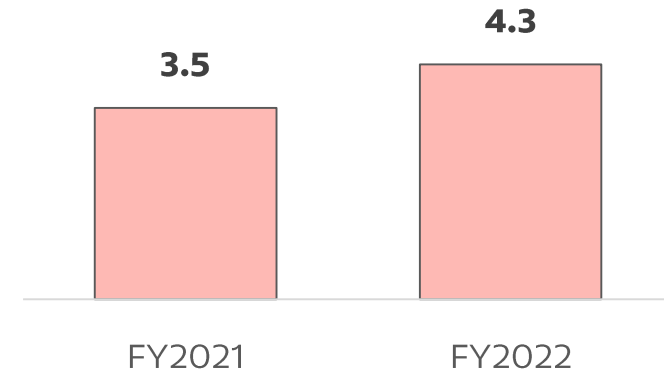
Unit: MB



- Amounted to 379 MB for FY2022, mainly upgrade machine, maintenance, cost and energy saving project, retail outlet expansion and channel expansion.
- For CAPEX in FY2023 approx. 450-500 MB.

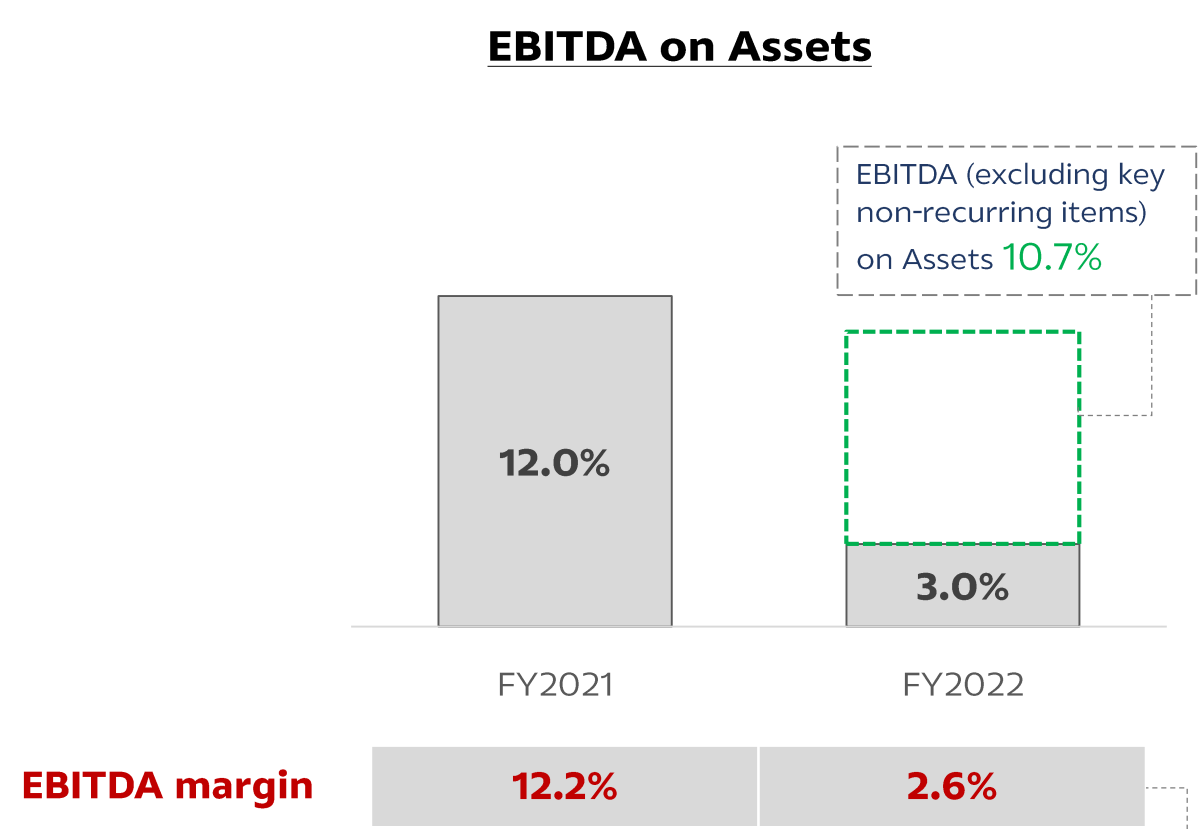
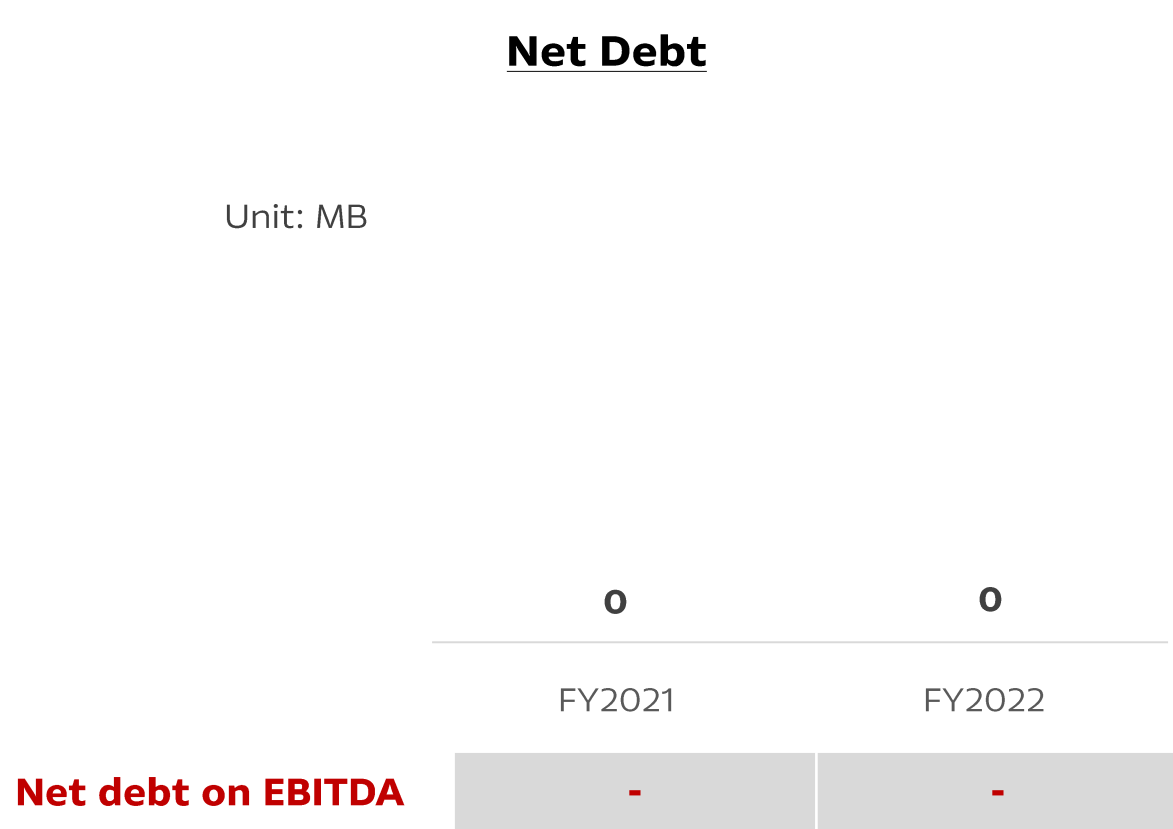
Interest and Financial Costs

Unit: MB



- Amounted to 4.3 MB for FY2022, mainly from TFRS 16.

FY2022 Net Debt, EBITDA on Assets and EBITDA Margin



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

Agenda

I. FY2022 Highlights

II. Q4/22 and FY2022 Market Situation

III. Q4/22 and FY2022 Key Financials

IV. Strategy Update & Sustainability

V. Market Outlook

Accretive Value Creation

Q4/22 HVA portion

Continuously launch new product and improve HVA product to enhance profitability and serve market demand

30%-35%

A. Health & Hygiene



กระเบื้องที่ช่วยปกป้องคุณ
จากเชื้อโรคและแบคทีเรีย

Hygienic tile

with anti-bacteria silver nano in glazing



Air-ion

with negative-ion in glazing

B. Mosaic Collection



C. Italia & Espana Collection

Italia Collection



España Collection



Accretive Value Creation

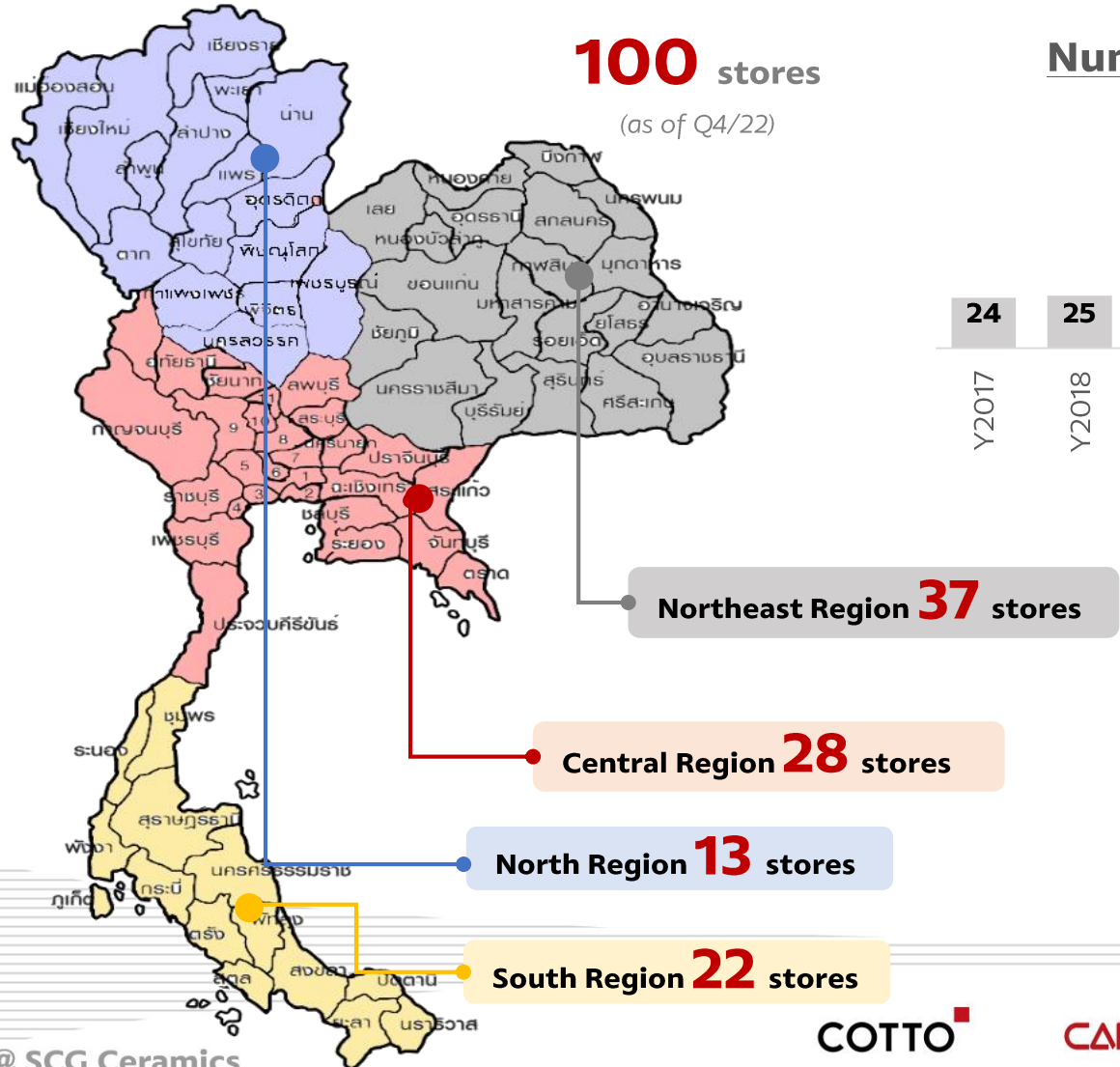


Own ceramic outlet expansion

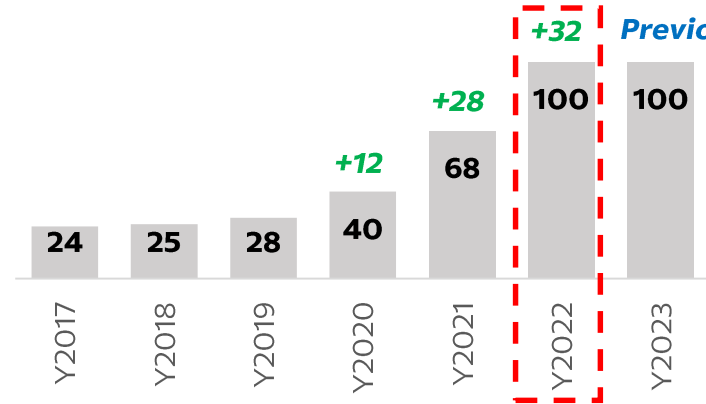
คลังเซรามิก แพลตฟอร์ม

A collaboration between "SCG Ceramics" & "Partners"

✓ Achieved the previous target sooner than planned



Number of Store



For the period FY2022, Sales revenue increased **20%** y-o-y



Accretive Value Creation



ONE-Stop Service Solution: Demand in M-H segment continuously increased

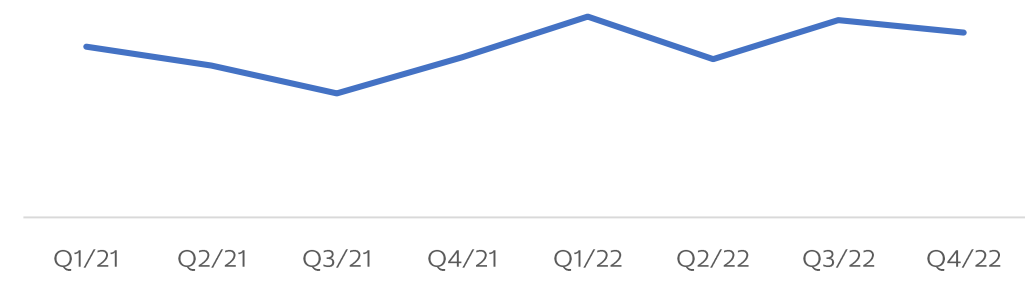
At **COTTO Life**, we provide an integrated shopping experience of ceramic tiles, sanitary ware & fitting from product selection, 3D design to installation *all needs, all functions, all styles, all at once*



Number of Store:

Y2019		▪ Bangkok
Y2020		▪ Chiang Mai ▪ Khon Kaen

Sales Revenue Trend:



Same store sales growth

Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22	Q4/22
23%	12%	-24%	-6%	18%	4%	60%	15%

Accretive Value Creation

'New-growth' business (Décor Surfaces and Services)

1

LT
by COTTO[®]

Smart Flexible Tiles
"LT by COTTO"



2

COTTO TILE GROUT

"Tile Adhesive & Tile Grout"



COTTO CAMPANA SOSUCO

3

C'TIS | FINISH WITH TRUST

Installation business
"C'TIS"



4

Sanitary Ware & Fittings
"SOSUCO"



5

Solar business
"SUSUNN Smart Solution Co., Ltd"



Sustainability

Go Green – SCG Green choice product



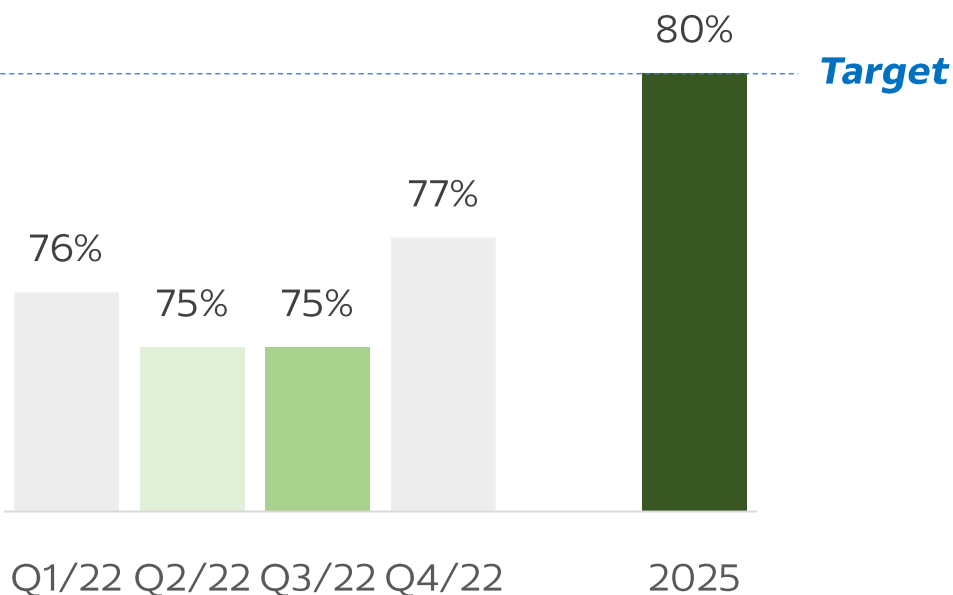
Aim to achieve **80%** of revenue from sales of SCG Green Choice products in 2025



Portion on sales FY2022

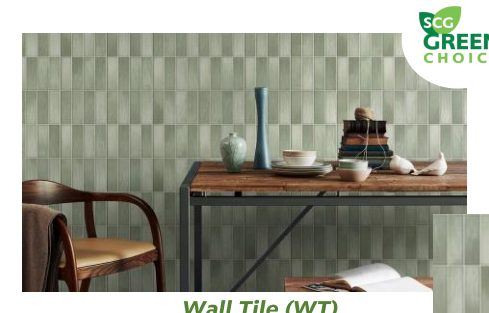
76%

Q4/22 Revenue from sales of SCG Green choice product **amounted 75%**



COTTO ECO Collection

Reduce water consumption at least 25% in production
Reduce CO2 emissions from transportation by 75%



Wall Tile (WT)

Reduce water consumption at least 25% in production

- ลดการใช้ทรัพยากรธรรมชาติใหม่ 80%
- ลดการปล่อยก๊าซ CO2 จากการขนส่ง 75%
- ลดการใช้น้ำใหม่ 25%
- เทียบเท่ากับเราปลูกต้นไม้ใหญ่กว่า 944 ต้น
- ปราศจากสารอินทรีย์ระเหย
- ปราศจากสารเคมีโลหะหนัก



COTTO Tile Grout Acid

2X acid resistance

Agenda

I. FY2022 Highlights

II. Q4/22 and FY2022 Market Situation

III. Q4/22 and FY2022 Key Financials

IV. Strategy Update & Sustainability

V. Market Outlook

Market Outlook :

- In Q1/23, Thailand economy is expected to recover (q-o-q) due to easing of travel restrictions.
- Electricity price (Ft) in Q1/23 is expected to increase while Natural gas price likely to remain high volatile in H1/23 before dropping gradually in H2/23.
- CLM market is expected to slow down due to the fluctuation of exchange rate.

Mitigation Plan:

- Price adjustment to reflect increased cost.
- Optimize cost and continuous efficiency improvement to sustain competitiveness. (Energy saving, Lean operation, automation)
- Strong collaboration with all sales channel to encourage sales volume.

Company update :

- Board of Directors of SCG Ceramics proposes FY2022 annual dividend of 0.040 Bt/Shr for approval by S/H at AGM. Payment date is 21 Apr 2023, with record date of 3 April 2023, and XD-date of 31 March 2023.

Thank you

For any information please contact
Email : Cotto_ir@scg.com