

SCG Ceramics

“COTTO” Analyst Conference Q4/18

Thursday, January 24, 2019

Agenda

I. Market Situation and Performance

II. Financial Updates

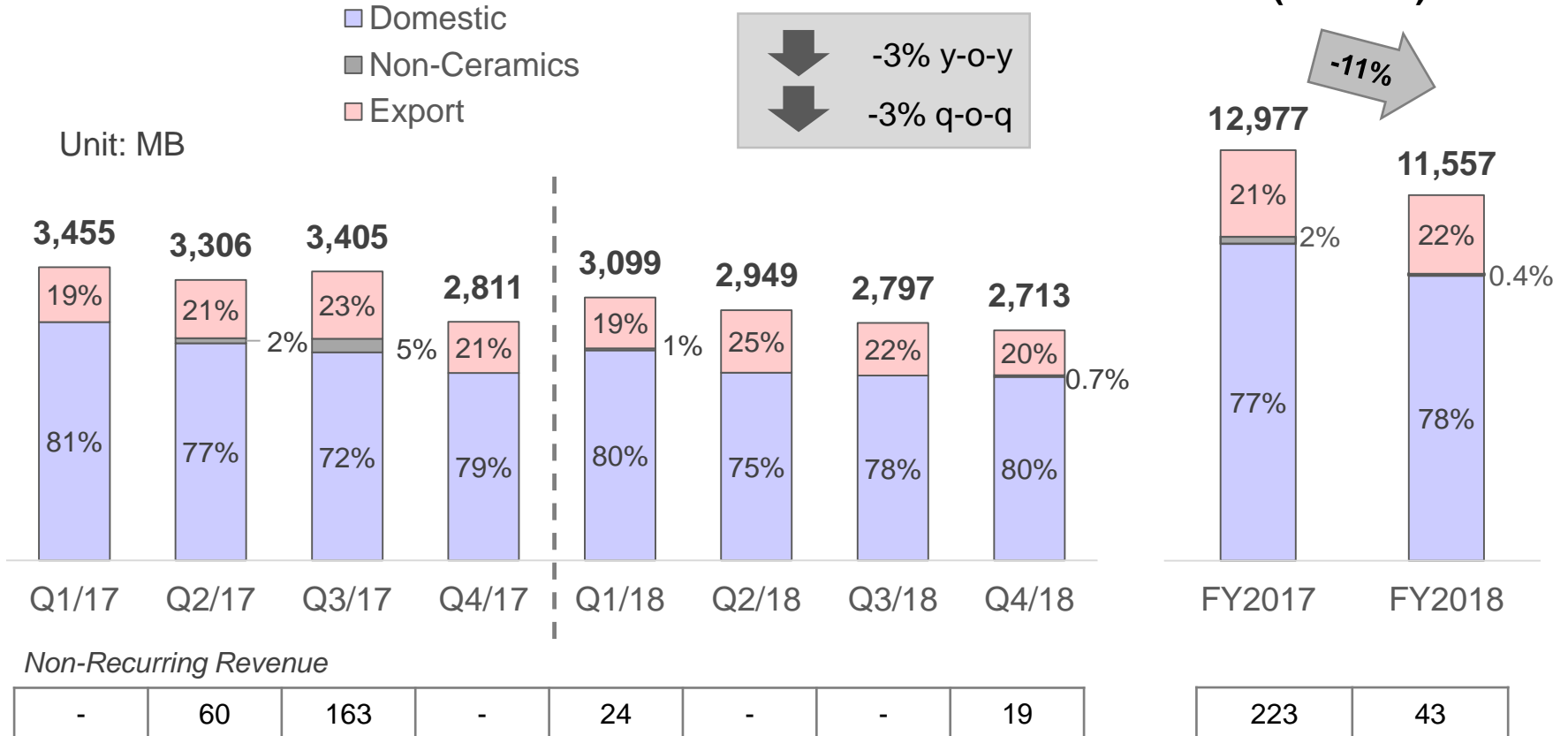
III. Outlook

Market Situation

- Q4/18 ceramic tiles demand in Thailand increased +1% y-o-y due to agricultural price increasing and upcoming election in 2019, while FY2018 growth dropped -2% y-o-y
- For export situation, ceramic tiles demand in Cambodia, Laos, Myanmar was positive from both residential and non-residential segment

Revenue from Sales

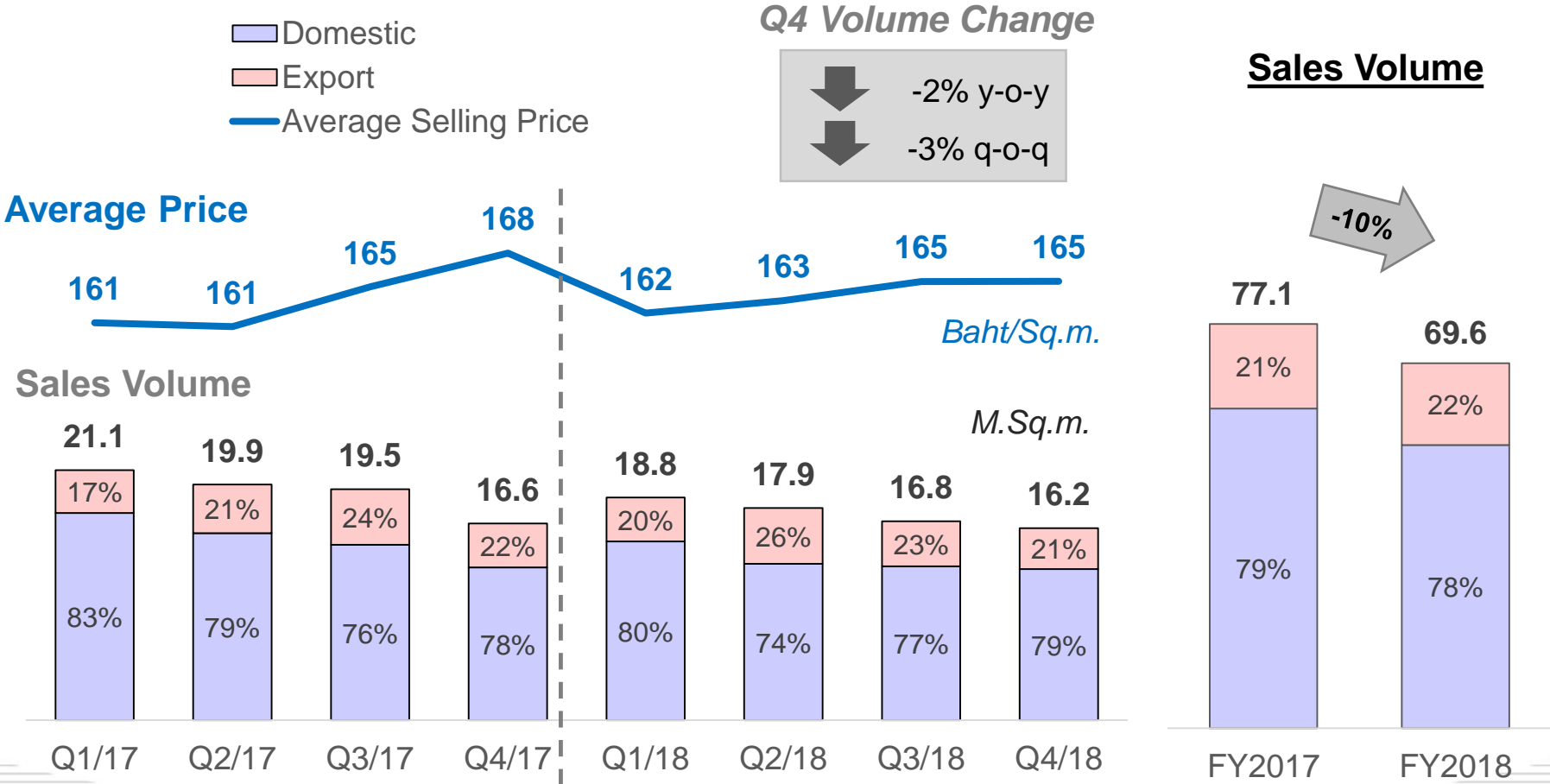
Total revenue Q4/18 decreased -3% y-o-y, -3% q-o-q while FY2018 dropped -11% y-o-y



*Non-Ceramics: Revenue from land selling at Nong Khae Industrial Estate

Sales Volume and Average Price

Q4/18 SCG Ceramics's sales volume decreased -2% y-o-y while the average price -2% y-o-y and remain unchanged from last quarter



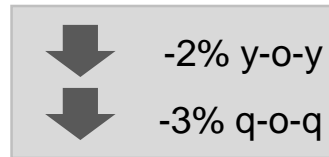
Remark: Only ceramics tiles

Sales Volume by Segment

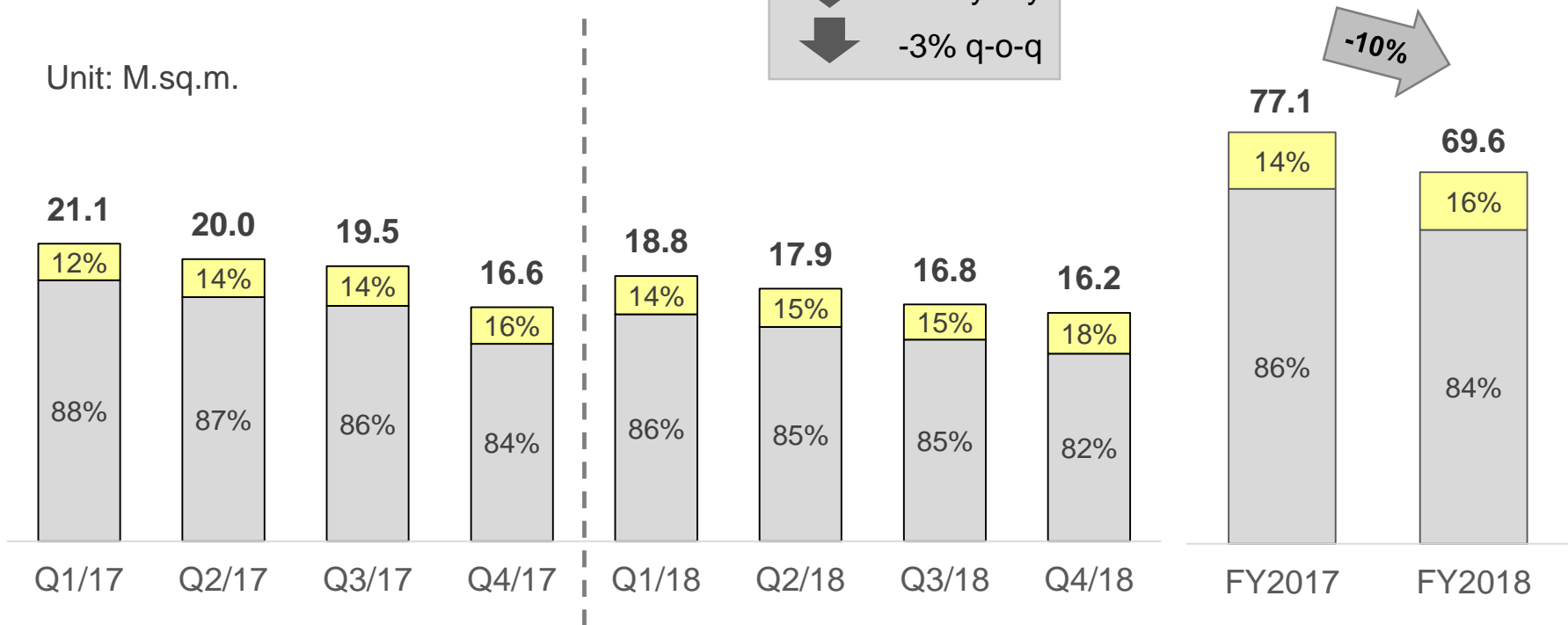
- Mass-Medium
- Medium-High

Unit: M.sq.m.

Q4-Volume Change



Sales Volume



*Remark: (1) Definition of segmentation

Medium – High (portion 20%-30% 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

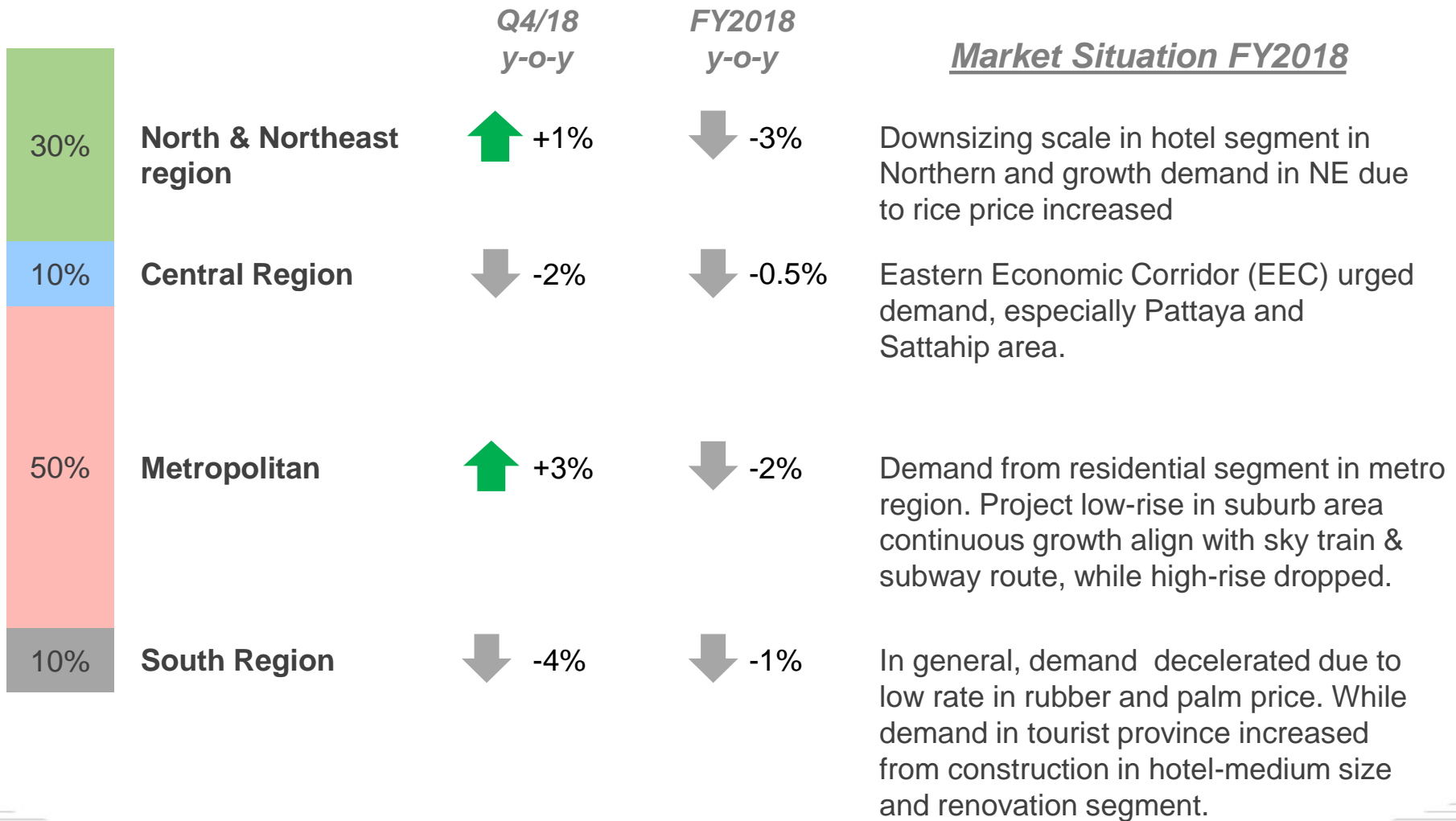
(2) Only ceramics tiles

COTTO

CAMPANA

SOSUCO
GROUP

Domestic Sales volume by region



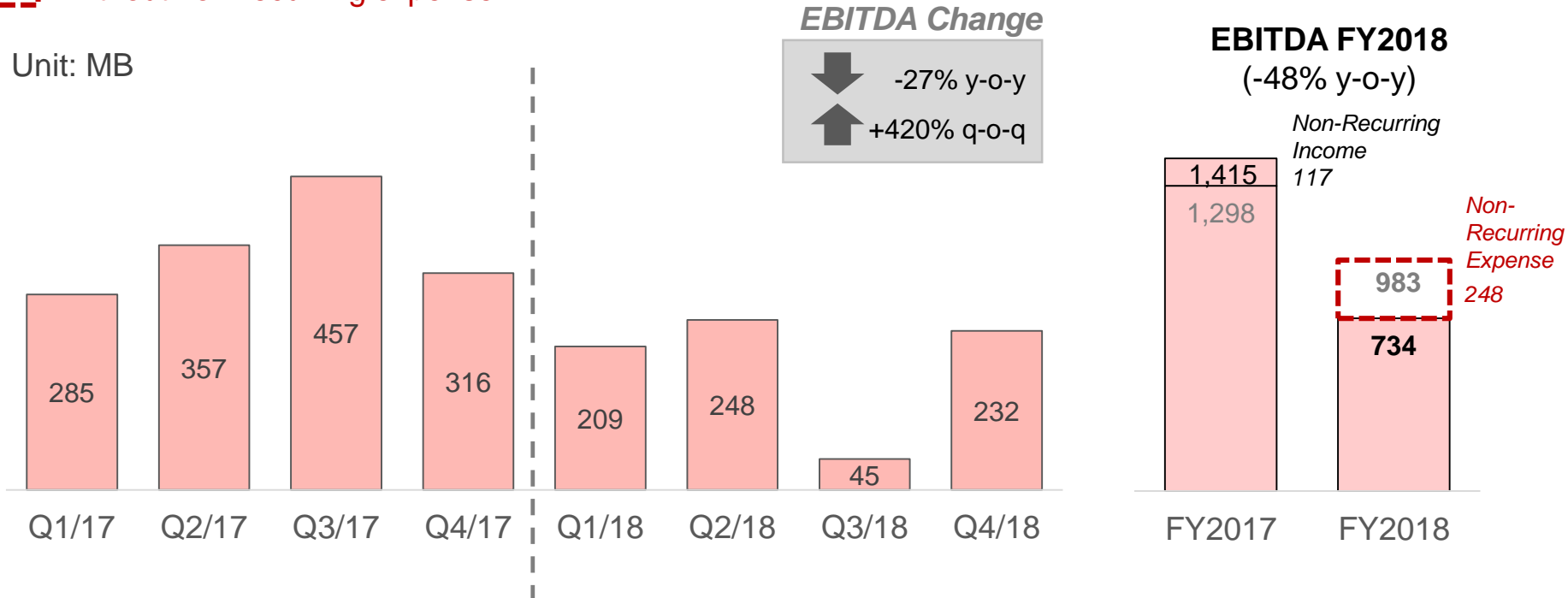
Remark: Only domestic ceramics tiles

EBITDA

EBITDA Q4/18 dropped -27% y-o-y and FY2018 dropped -48%

 Without non-recurring expense

Unit: MB



EBITDA Margin

8.3%	10.8%	13.4%	11.3%	6.7%	8.4%	1.6%	8.6%	10.9%	6.4%
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EBITDA Margin without non-recurring

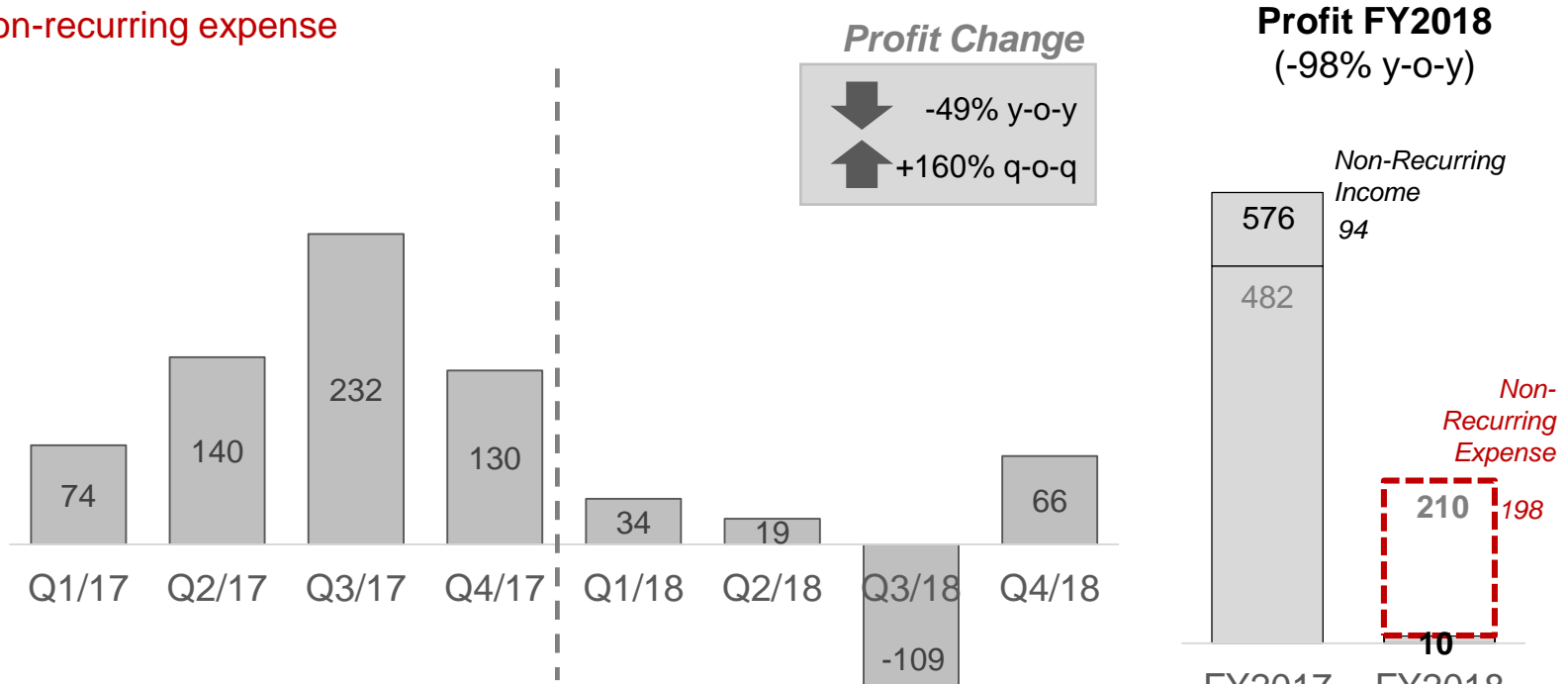
8.3%	9.7%	10.8%	11.5%	7.2%	8.9%	9.2%	8.8%	10.0%	8.5%
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Profit for the Period

Profit for the period Q4/18 decreased -49% y-o-y, FY2018 decreased -98%

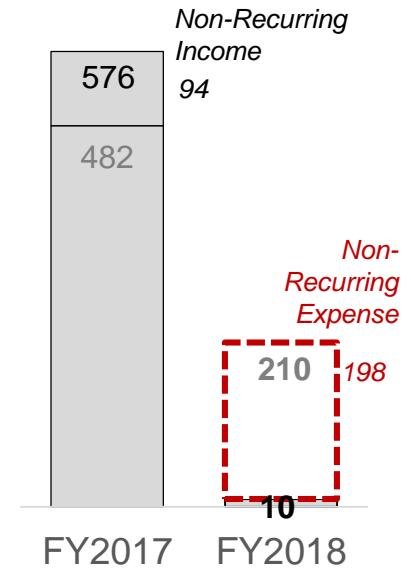
 Without non-recurring expense

Unit: MB



Profit for the Period (without Key non-recurring)

74	111	160	137	46	30	61	74
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Key Non-Recurring

1)MSP (Loss)

2)Consultant Fee (Loss)

3)Profit from land selling

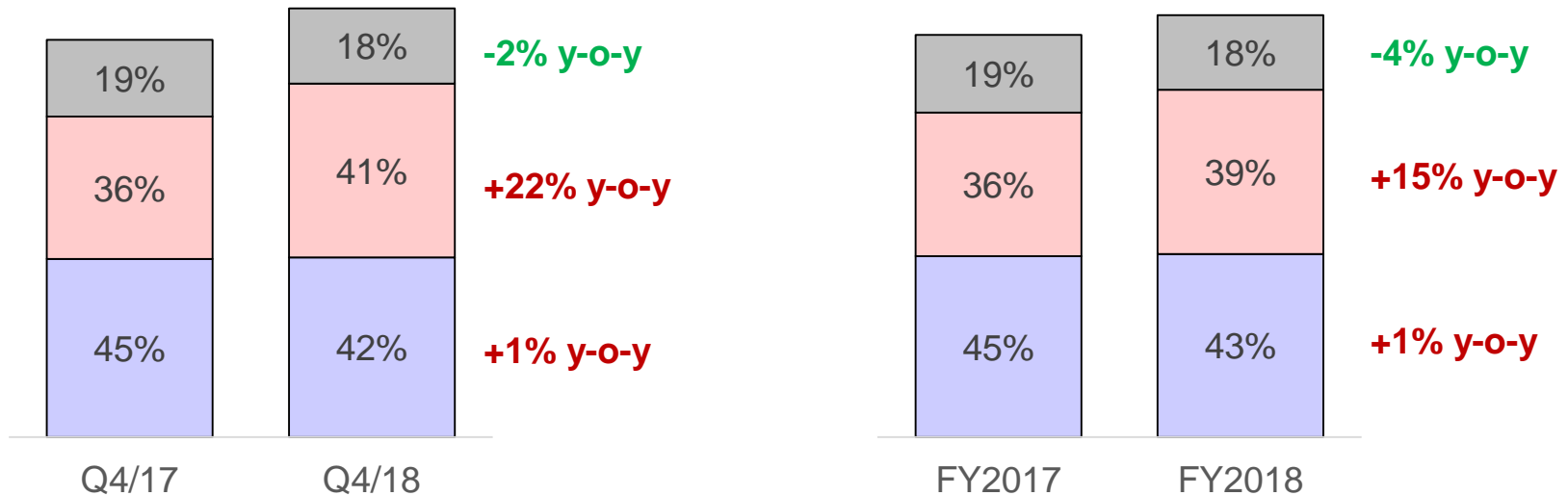
-	29	72	(7)	(12)	(11)	(170)	(6)
-	-	-	-	-	-	(162)	-
-	-	-	(7)	(21)	(11)	(8)	(17)
-	29	72	-	9	-	-	11

94	(198)
-	(162)
(7)	(57)
101	20

Operating Variable Cost

Operating variable cost FY2018 climbed 5% y-o-y mainly from natural gas cost increased 23% 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

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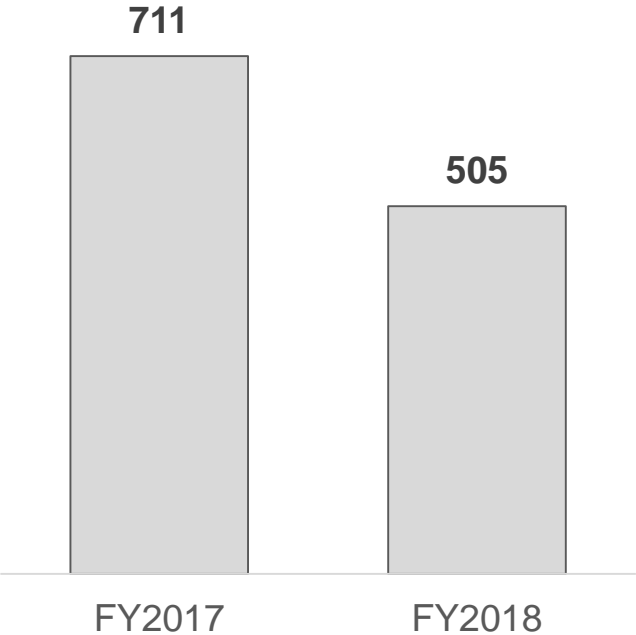
III. Outlook

FY2018 CAPEX and Interest & Financial Costs

CAPEX

Amounted to 505MB for FY2018, mainly upgrade machine, cost saving project and retail outlet expansion

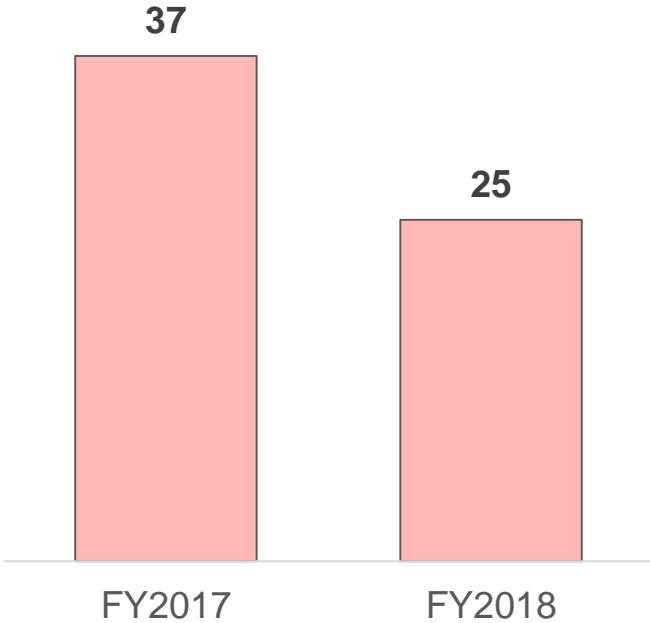
Unit: MB



Interest and Financial Costs

Amounted to 25 MB in FY2018

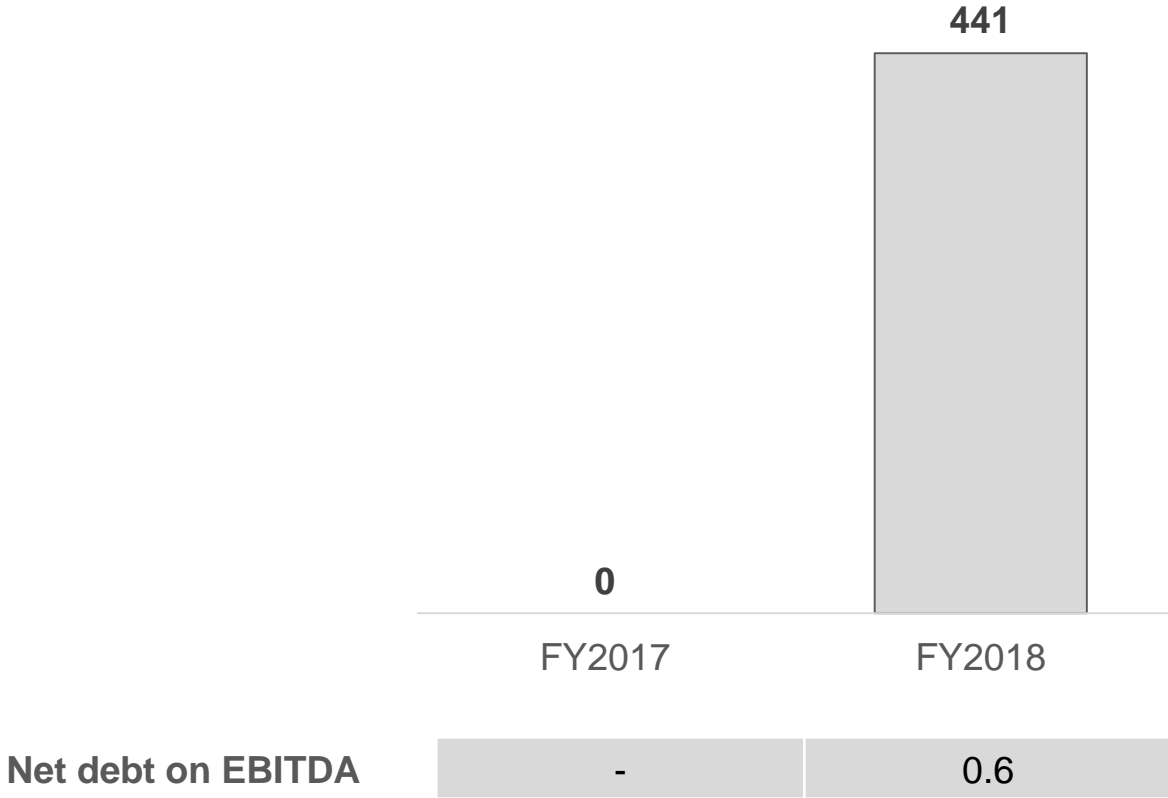
Unit: MB



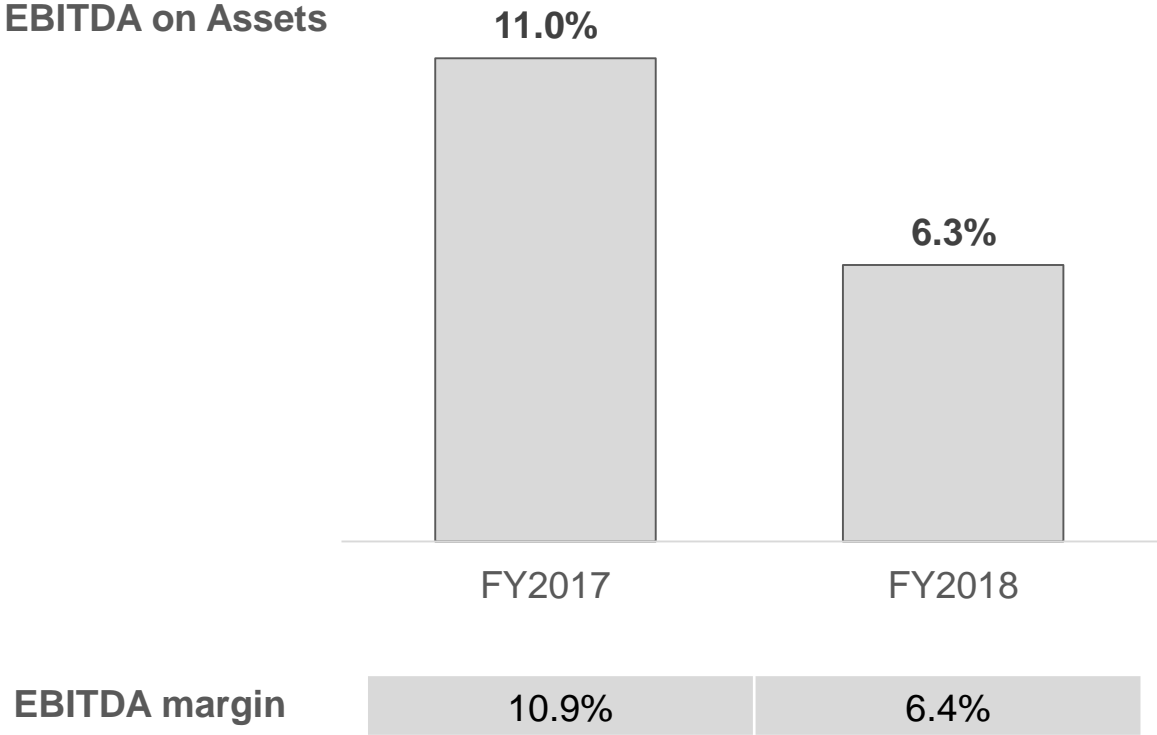
FY2018 Net Debt

Leverage rose to 0.6 times (x)

Unit: MB



FY2018 EBITDA on Assets and EBITDA Margin



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

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Outlook

- Thailand's ceramic tiles demand Q1/19 are forecasted to increase +2% due to high season period
- In the export market, demands in neighbor country continue to be positive

End of Presentation
Thank you