



SCG Ceramics “COTTO”

Opportunity Day Q1/22

May 9, 2022

Agenda

I. Q1/22 Market Situation

II. Q1/22 Key Financials

III. Strategy Update & Sustainability

IV. Market Outlook

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Q1/22 Market Situation

- Thailand ceramic tiles demand in Q1/22 was positive from market recovery since the government has eased many lockdown measures.
- Energy price surged in Q1/22 due to Russia-Ukraine conflict, causing inflationary pressure to the global economy.
- Export demand recovered, especially in Myanmar.

Agenda

I. Q1/22 Market Situation

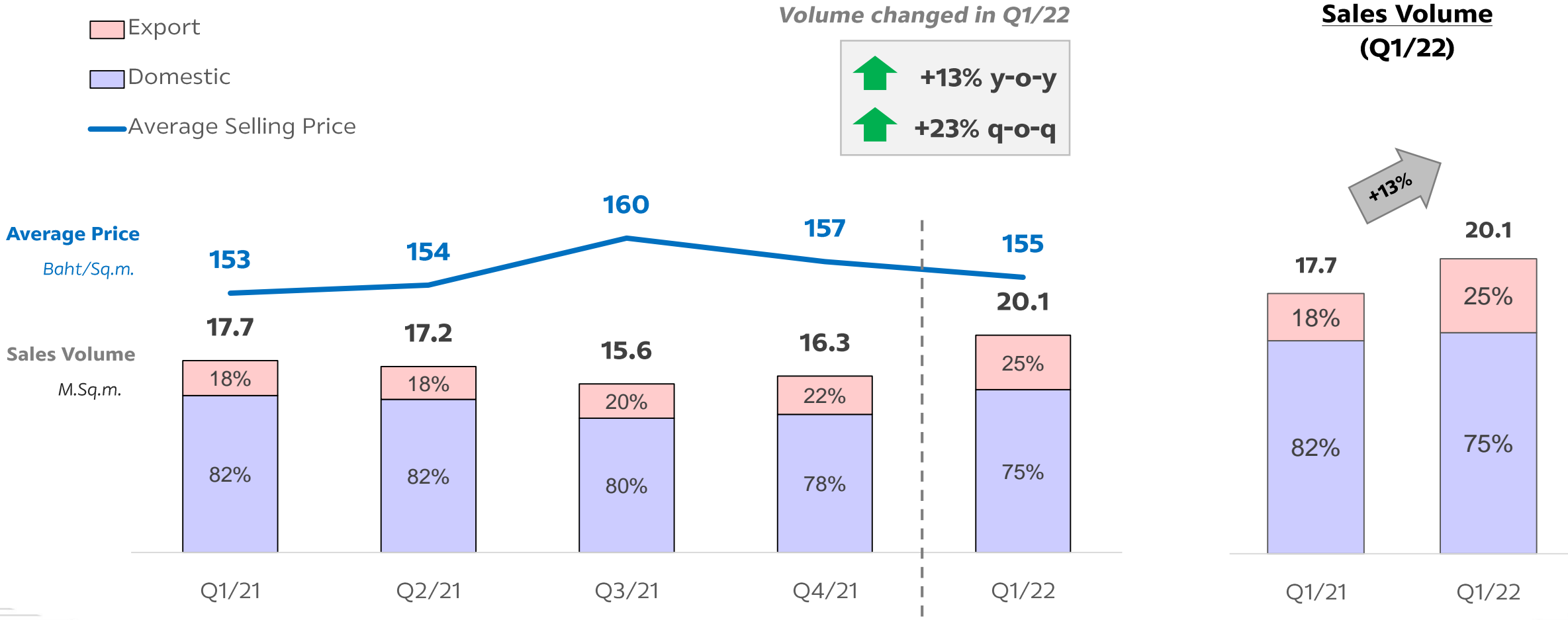
II. Q1/22 Key Financials

III. Strategy Update & Sustainability

IV. Market Outlook

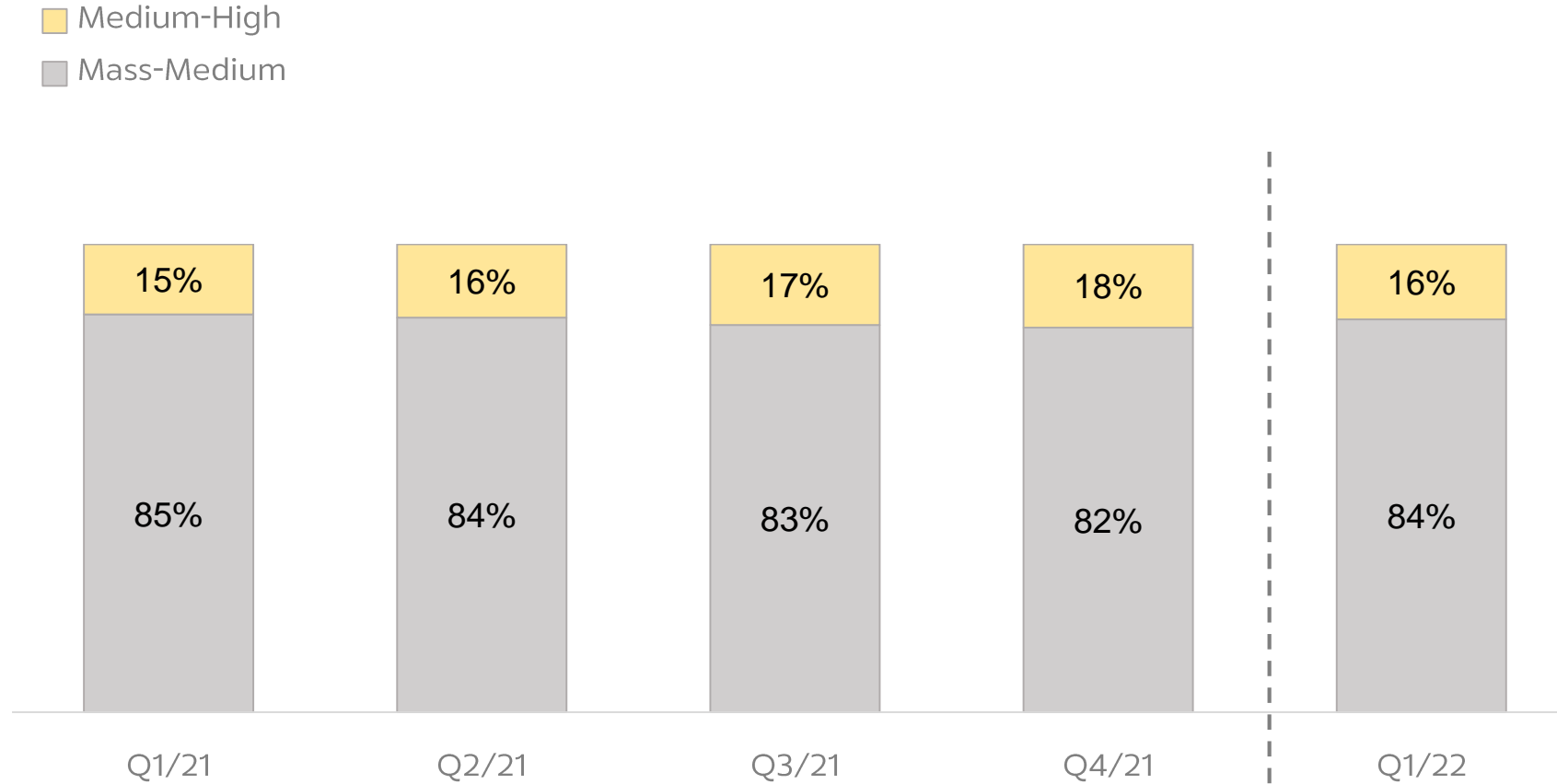
Q1/22 Sales volume and average price

Sales volume increased +13% y-o-y while the average price increased 2 bath/sq.m compared to Q1/21



Q1/22 Domestic sales volume by segment

Mass-Medium accounted for 84% of sales volume in Q1/22 compared to 85% in Q1/21.



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

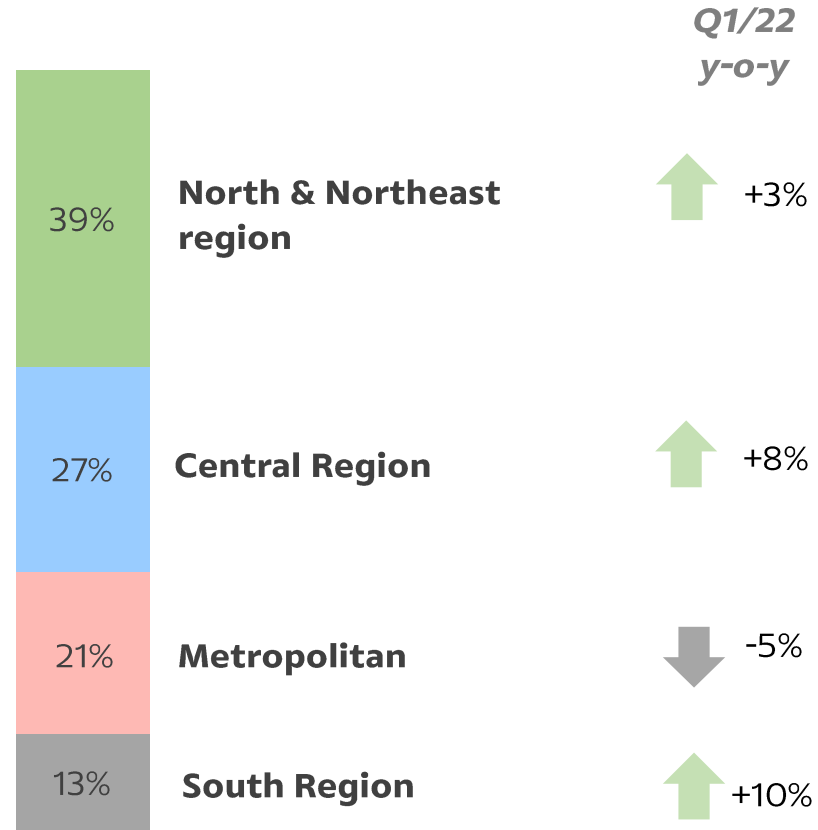
Mass – Medium (portion 70%-80% of total market) – Non HYG product, Floor Tile, Wall Tile (Small size), Outsource unglazed, Glazed Porcelain

(2) Only ceramics tiles

Q1/22 Domestic sales volume by region

Sales volume in upcountry accounted for 79% of total domestic sales volume in Q1/22.

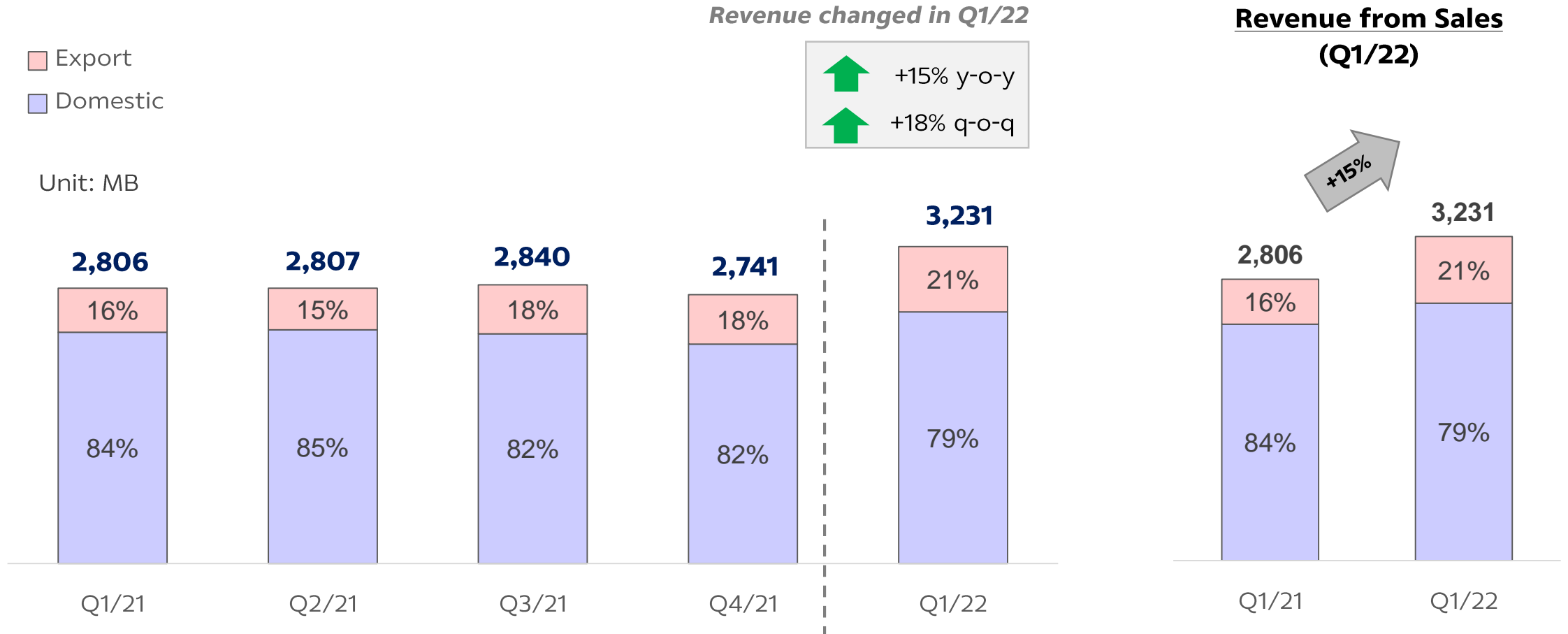
Sales Volume portion by sector



Remark: Only domestic ceramics tiles

Q1/22 Revenue from Sales

Revenue increased +15% y-o-y in Q1/22.



Q1/22 EBITDA

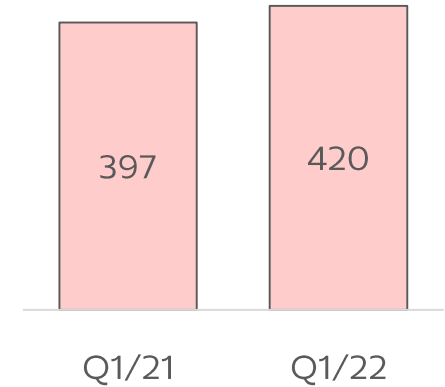
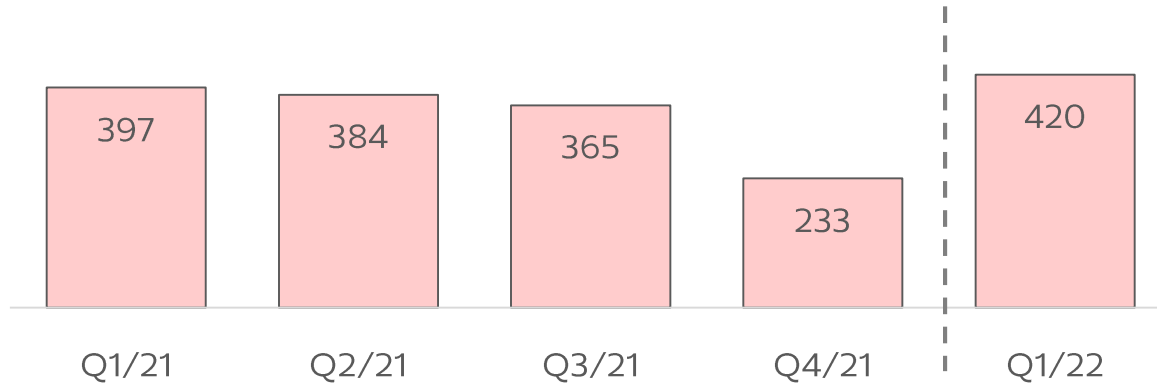
EBITDA increased +6% y-o-y and +80% q-o-q.

Unit: MB

EBITDA changed in Q1/22



EBITDA (Q1/22)



EBITDA Margin

Q1/21	14.2%	Q2/21	13.7%	Q3/21	12.8%	Q4/21	8.5%	Q1/22	13.0%
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Q1/21	14.2%	Q1/22	13.0%
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EBITDA Margin w/o non-recurring

Q1/21	14.2%	Q2/21	13.9%	Q3/21	11.1%	Q4/21	8.7%	Q1/22	13.1%
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Q1/21	14.2%	Q1/22	13.1%
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EBITDA w/o Key non-recurring

Q1/21	397	Q2/21	389	Q3/21	301	Q4/21	237	Q1/22	422
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Q1/21	397	Q1/22	422
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Key Non-Recurring

Q1/21	-	Q2/21	(6)	Q3/21	64	Q4/21	(4)	Q1/22	(2)
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Q1/21	-	Q1/22	(2)
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1) Profit from land selling

Q1/21	-	Q2/21	-	Q3/21	64	Q4/21	-	Q1/22	-
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Q1/21	-	Q1/22	-
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2) MSP (Loss)

Q1/21	-	Q2/21	(6)	Q3/21	-	Q4/21	(4)	Q1/22	(2)
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Q1/21	-	Q1/22	(2)
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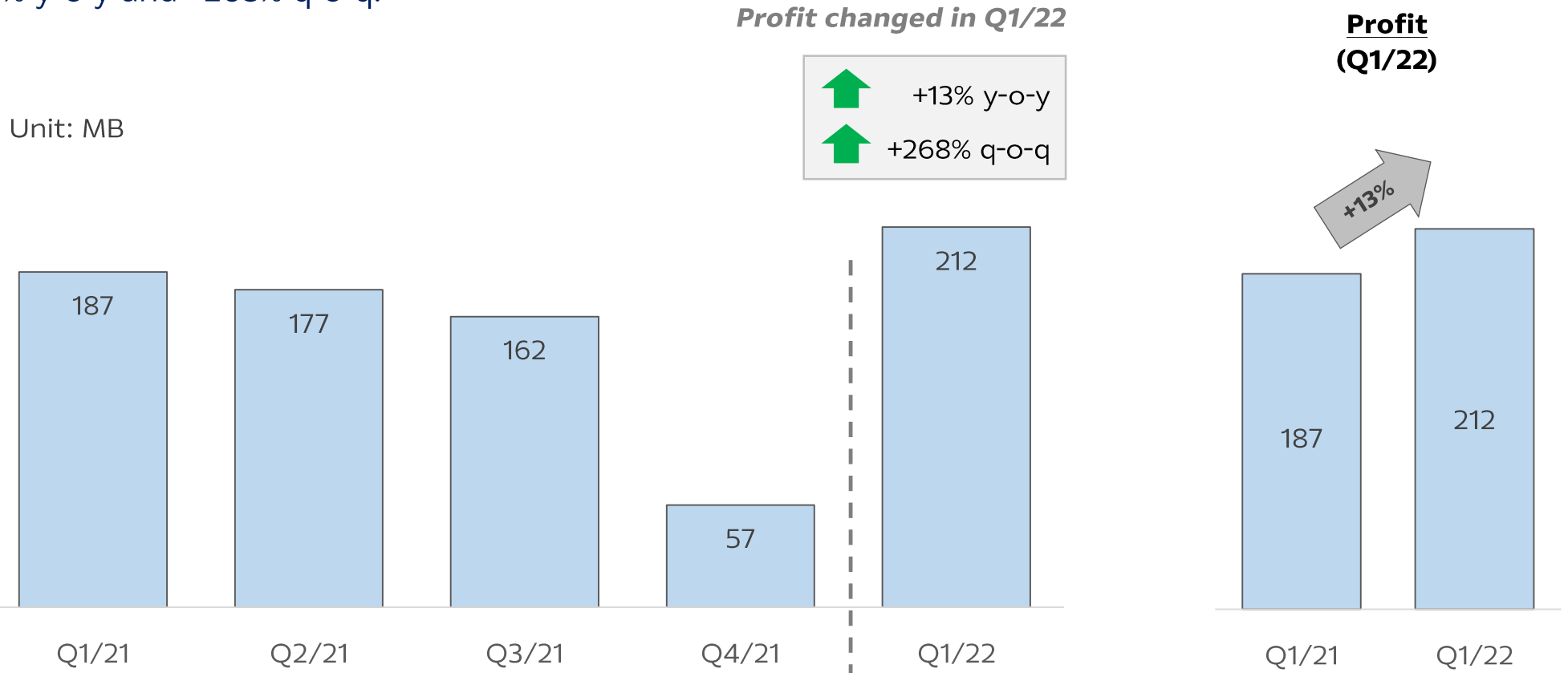
3) Consultant Fee (Loss)

Q1/21	-	Q2/21	-	Q3/21	-	Q4/21	-	Q1/22	-
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Q1/21	-	Q1/22	-
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Q1/22 Profit for the Period

Earning increased +13% y-o-y and +268% q-o-q.



Profit for the Period (without Key non-recurring)

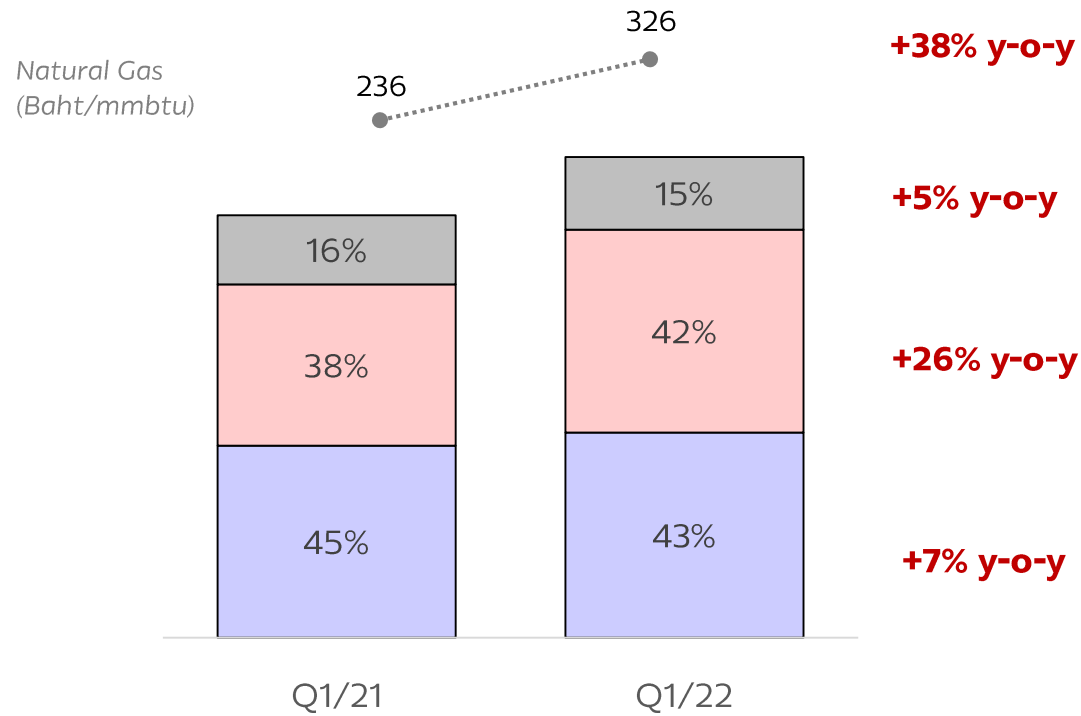
	187	181	111	61	213
Key Non-Recurring	-	(4)	51	(3)	(1)
1) Profit from land selling	-	-	51	-	-
2) MSP (Loss)	-	(4)	-	(3)	(1)
3) Consultant Fee (Loss)	-	-	-	-	-

	187	213
	-	(1)
	-	-
	-	(1)
	-	-

Q1/22 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

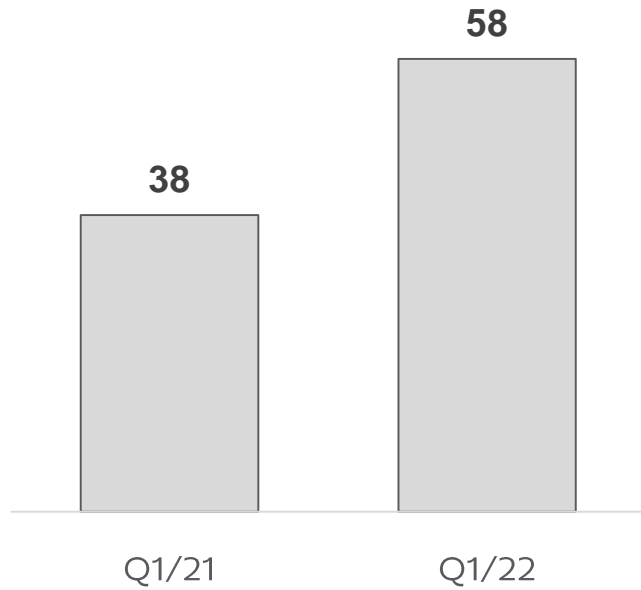


Remark: Only ceramics tiles

Q1/22 CAPEX and Interest & Financial Costs

CAPEX

Unit: MB



- Amounted to 58 MB for Q1/22, mainly upgrade machine, cost and energy saving project, maintenance, retail outlet expansion and channel expansion.
- For CAPEX in FY2022 approx. 350-400 MB

Interest and Financial Costs

Unit: MB



- Amounted to 0.9 MB for Q1/22, mainly from TFRS 16 adoption

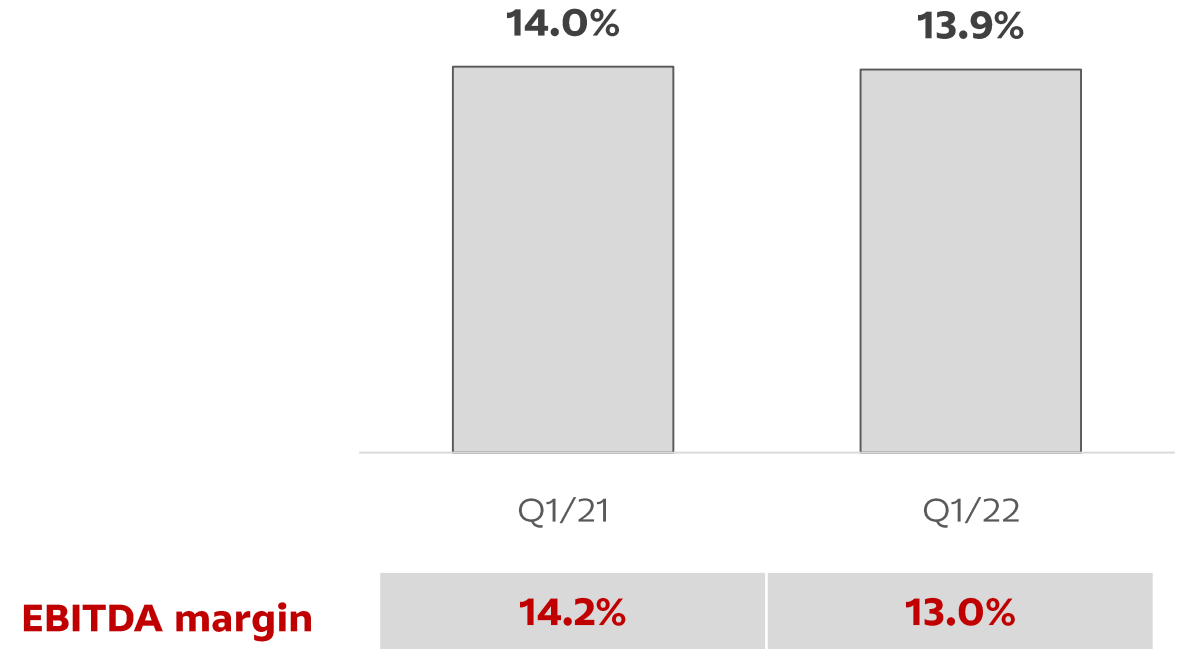
Q1/22 Net Debt, EBITDA on Assets and EBITDA Margin

Unit: MB

Net Debt

	Q1/21	Q1/22
Net debt on EBITDA	-	-

EBITDA on Assets



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

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Accretive Value Creation

HVA Product

Q1/22 HVA portion

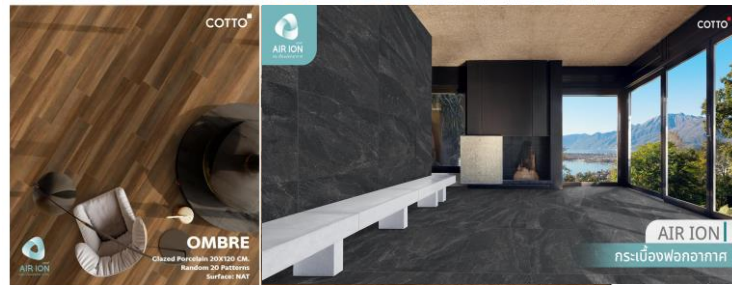
30%-35%

A. Health & Hygiene



Hygienic tile

with anti-bacteria silver nano in glazing



Air-ion

with negative-ion in glazing

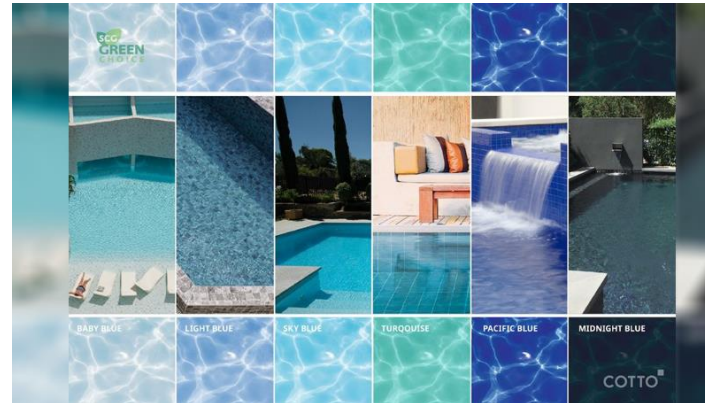


Anti-slip tile

with slip-resistance rating 11 or R11

Selling price
200-500 baht/sq.m.

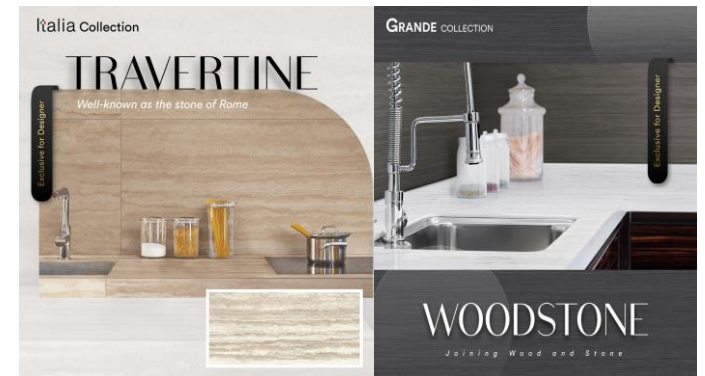
B. Mosaic Collection



Selling price
350-1,100 baht/sq.m.

C. Italia & Espana Collection

Italia Collection



Espana Collection



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

Accretive Value Creation

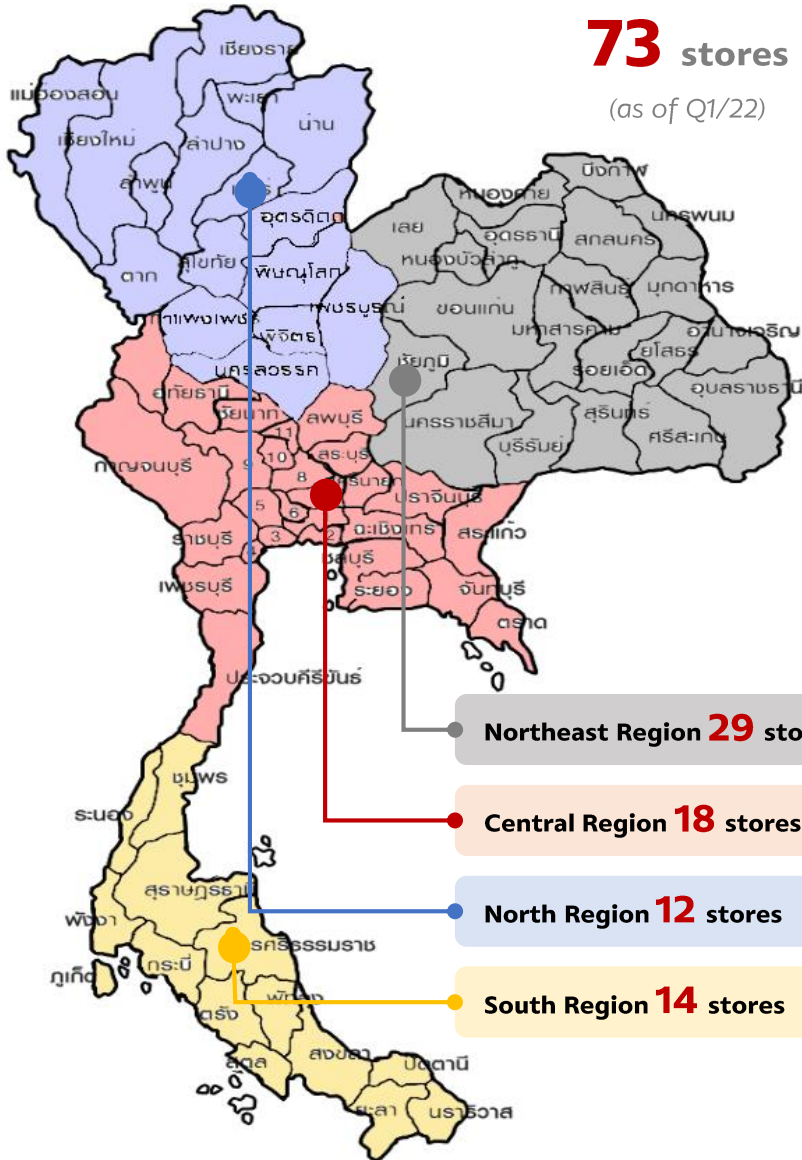
Own ceramic outlet expansion



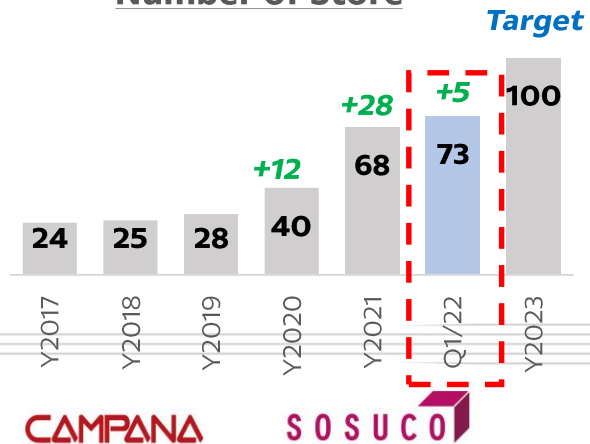
คลังเซรามิก เฟมิลี

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 Q1/22, Sales revenue increased **32%** 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

Y2020



- Chiang Mai
- Khon Kaen



COTTO Life Bangkok (SCG Experience CDC)

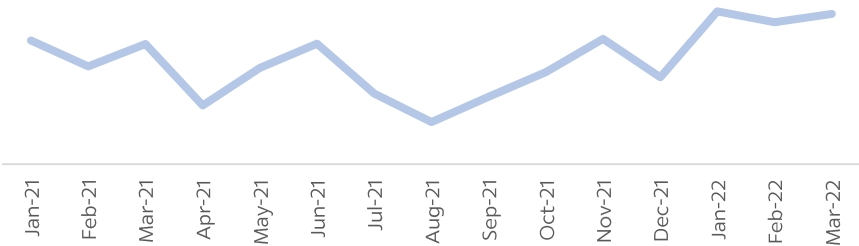


COTTO Life Chiangmai



COTTO Life Khonkaen

Sales Revenue Trend:



Same store sales growth

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

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

LT
by COTTO®

Project reference:



Nantawan
Rama 9 - Srinagarindra



PATIO
Kalapapruek-Sathorn



Lake Forest New
Ratchapruek



Sustainability

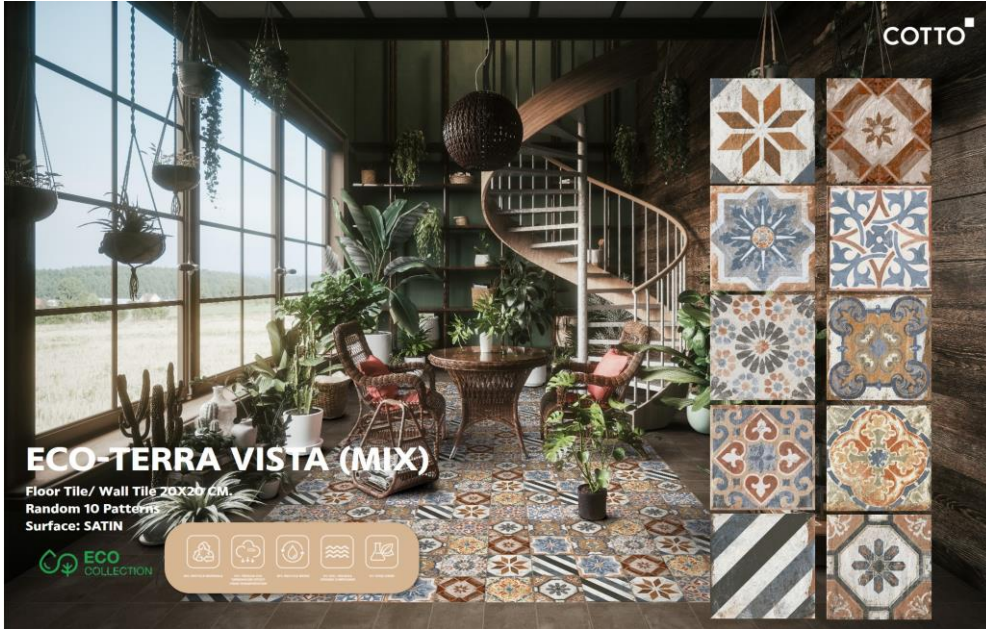
Building climate resilience and circular economy

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

Portion on sales Q1/22

70%-75%



ECO Collection

- Reduce water consumption at least 25% in production
- Free from volatile organic compounds (VOCs) and does not contain toxic oxides that are harmful to health
- Reduce the use of new material by using waste in production process, recycled 80% and reduce Carbon dioxide equivalent to planting 944 bigger trees.



COTTO Hygienic Tile

Inhibit bacteria on ceramic surface by 90%



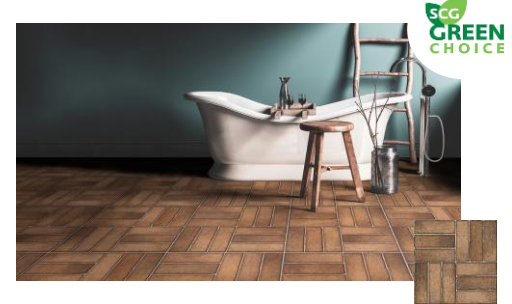
LT by COTTO

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



COTTO Mosaic

Reduce water consumption at least 25% in production



Floor Tile (FT), Wall Tile (WT)

Reduce water consumption at least 25% in production



Glazed Porcelain Tile

Reduce water consumption at least 25% in production



COTTO Tile Grout Acid

2X acid resistance

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Market Outlook & Company Update

Market Outlook :

- Ceramic demand on both domestic and export expect to continually grow in Q2/22.
- “Thailand reopening” is expected to boost up the economy and will also drive positive ceramic industry sentiment afterwards.
- However, the risk of unexpected surge in inflation might affect overall demand.
- Protracted conflict between Russia – Ukraine will impact to a fluctuation in energy prices.
- CLM market is expected to recover followed by the global economy. However, there is an uncertainty prolonged situation in Myanmar.

Q&A session

Thank you

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