



SCG Ceramics “COTTO”

Opportunity Day Q3/21

November 10, 2021

Agenda

I. Q3/21 & 9M/21 Market Situation

II. Q3/21 & 9M/21 Financial Result

III. Company Update

IV. Sustainability

V. Summary and Outlook

Q3/21 Market Situation

- Thailand ceramic tiles demand in Q3/21 was decreased due to the 3rd wave of the Covid-19 pandemic and the flooding that affected overall demand.
- Construction sites were closed in June-July in the Metropolitan area, resulting in the delay of projects in Q3/21.
- Energy price continued increasing from last year due to the global economic recovery.
- Export demand still slowed down from the prolonged COVID-19 pandemic especially in Laos and Myanmar as well as uncontrollable factors and the kyat depreciated affected the demand in Myanmar.

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I. Q3/21 & 9M/21 Market Situation

II. Q3/21 & 9M/21 Financial Result

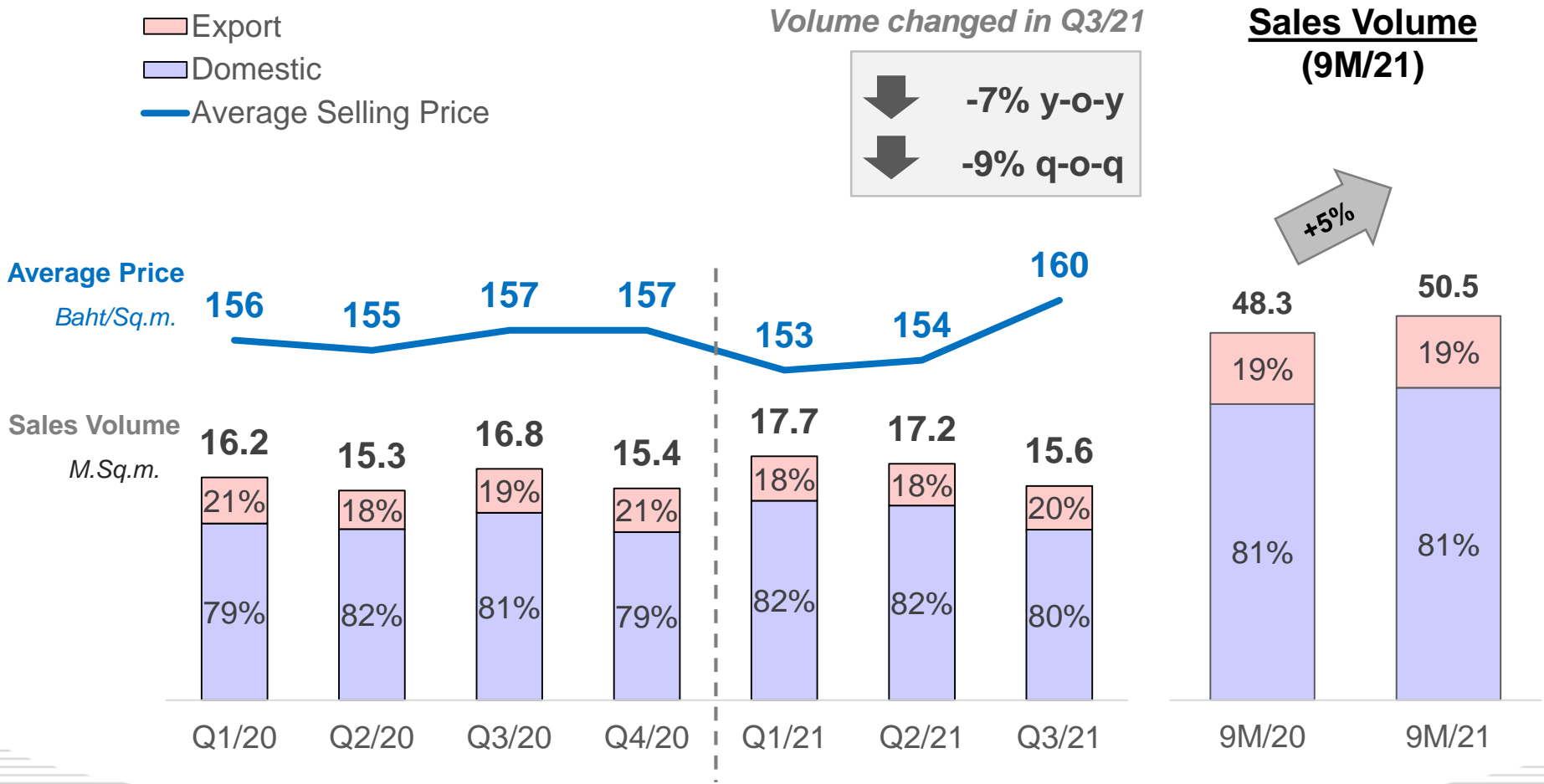
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Q3/21 Sales volume and average price

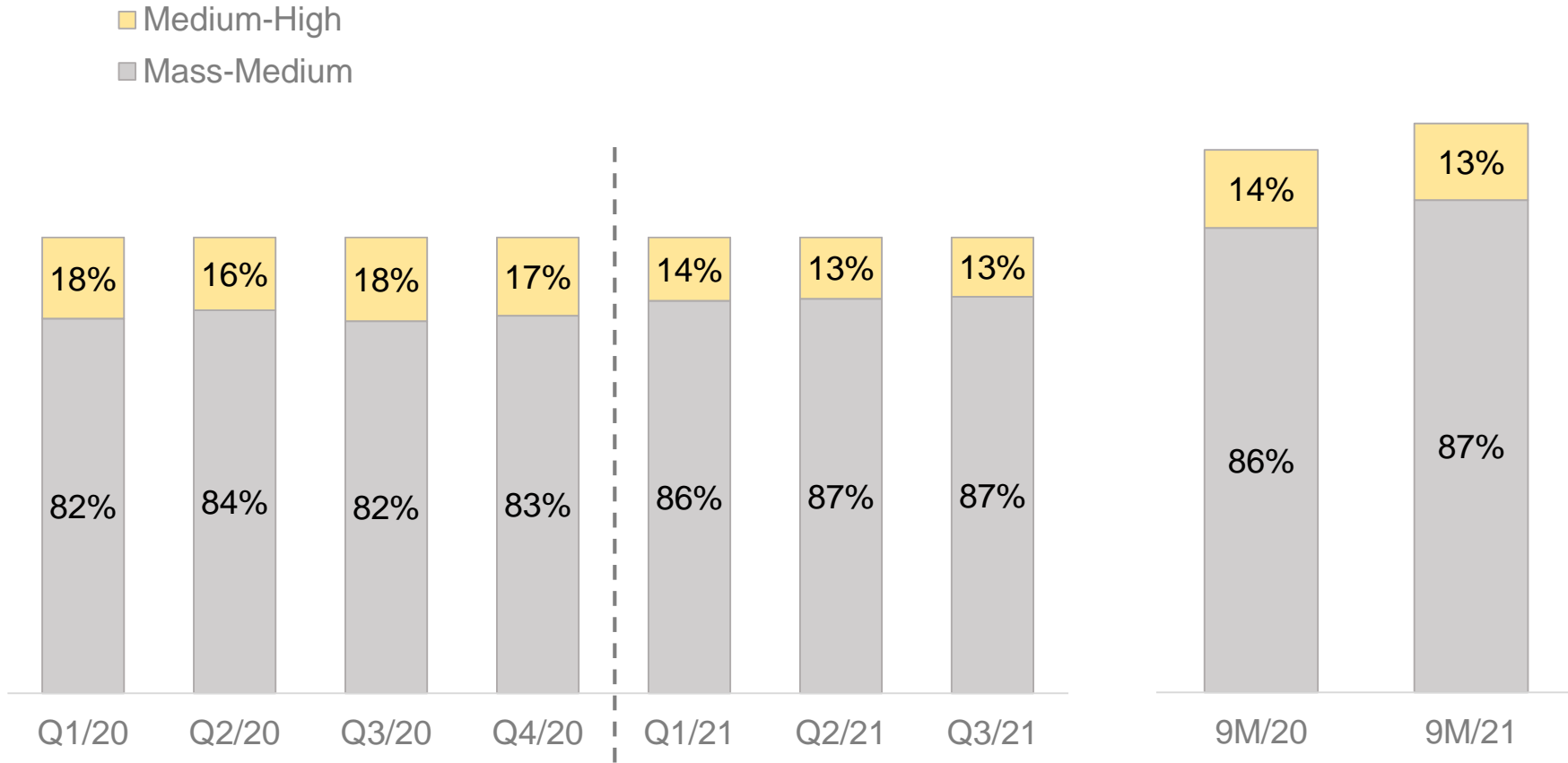
Sales volume increased -7% y-o-y while the average price increased +2% y-o-y



Remark: Only ceramics tiles

Q3/21 Domestic sales volume by segment

Mass-Medium accounted for 87% of sales volume in Q3/21 compared to 82% in Q3/20.

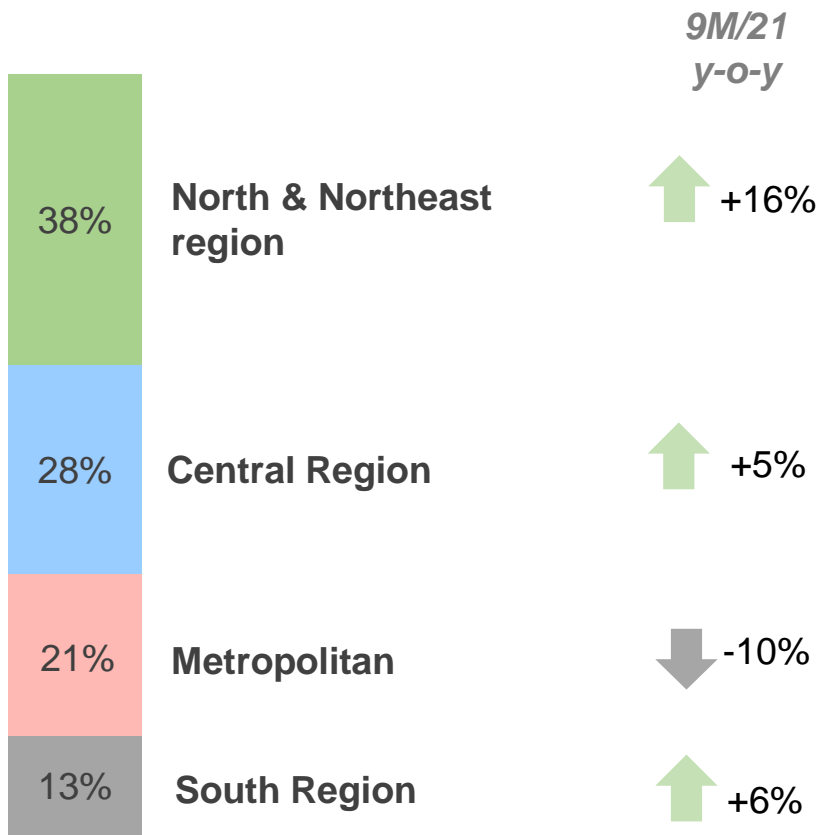


Remark:
 (1) Definition of segmentation
 Medium – High (portion 20%-50% of total market) – Wall Tile (Big size), Glazed Porcelain, Unglazed Porcelain, Mosaic, Glass Tile
 Mass – Medium (portion 70%-80% of total market) – Floor Tile, Wall Tile (Small size), Outsource unglazed
 (2) Only ceramics tiles

9M/21 Domestic sales volume by region

Sales volume in upcountry accounted for 79% of total domestic sales volume in 9M/21.

Sales Volume portion by sector

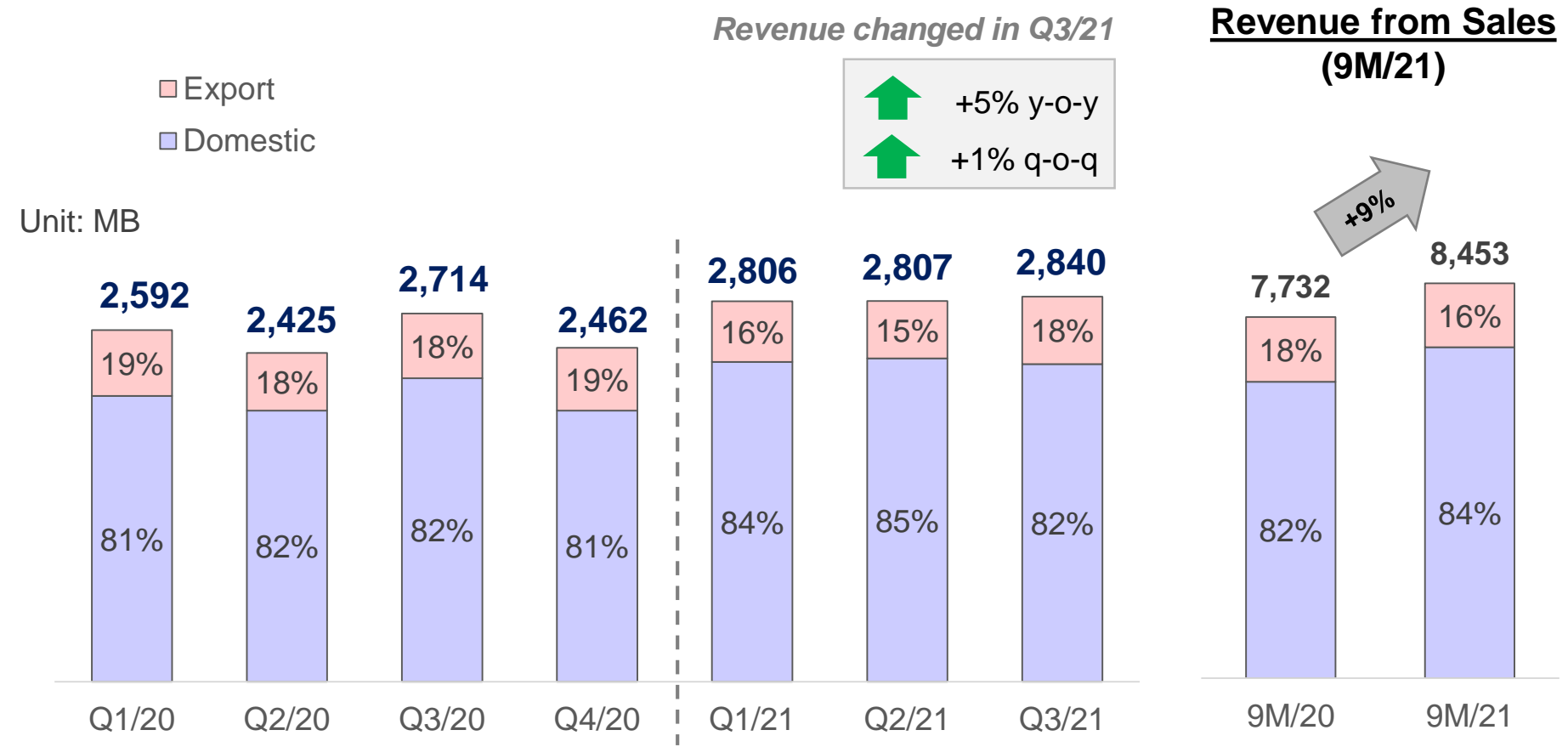


Remark: Only domestic ceramics tiles



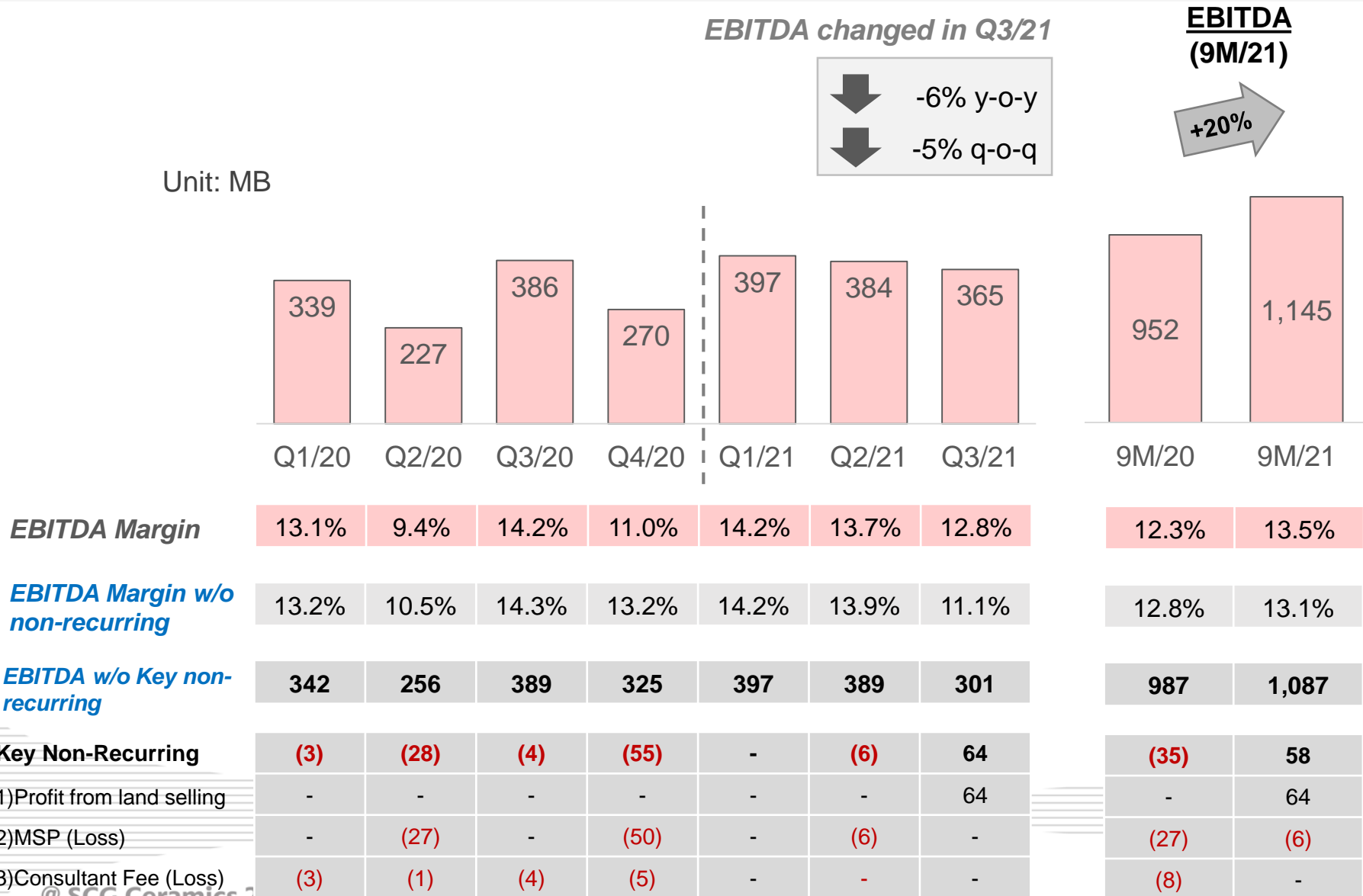
Q3/21 Revenue from Sales

Revenue increased +5% y-o-y mainly from Energy Business and Land selling 131 MB



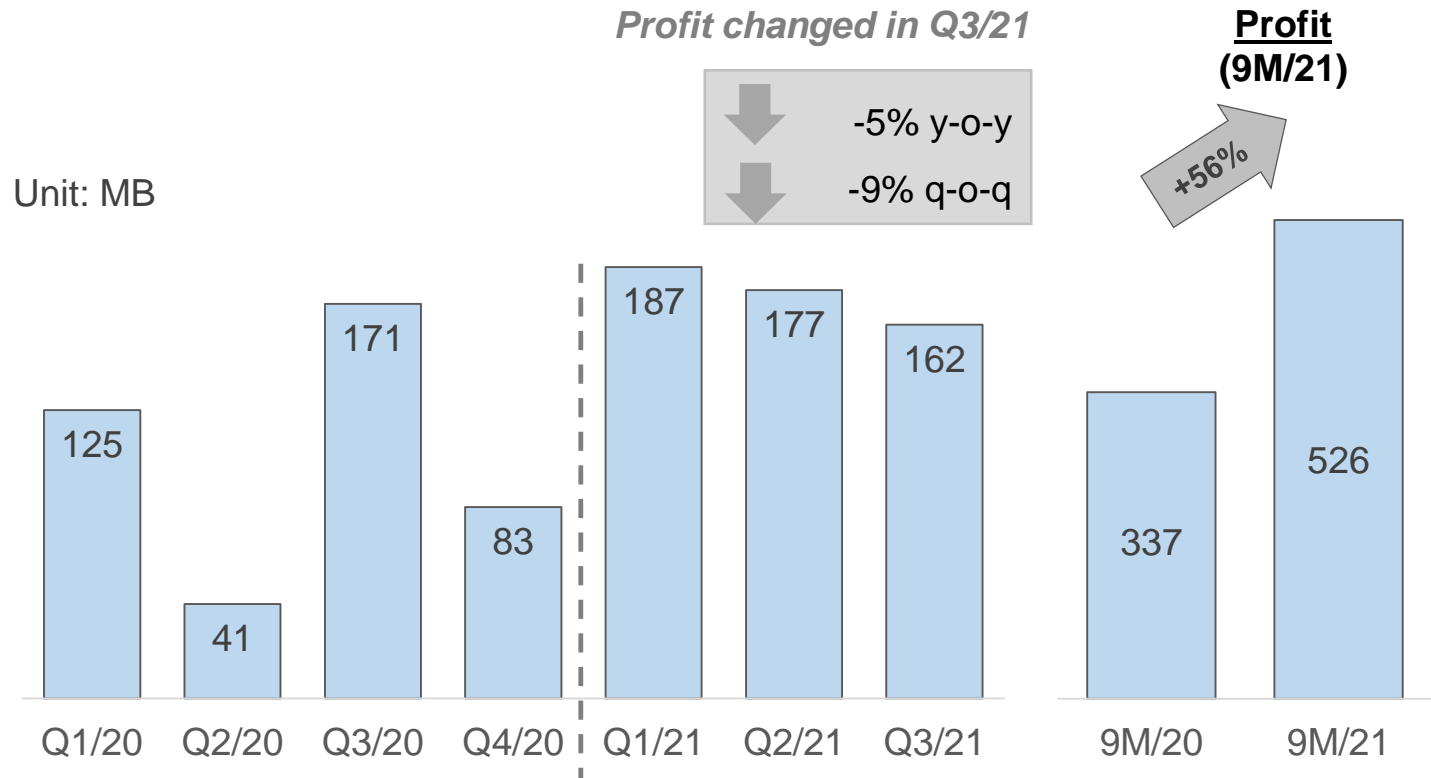
Q3/21 EBITDA

EBITDA dropped -6% y-o-y mainly from operation variable cost increased.



Q3/21 Profit for the Period

Earning decreased -5% y-o-y and -9% q-o-q.

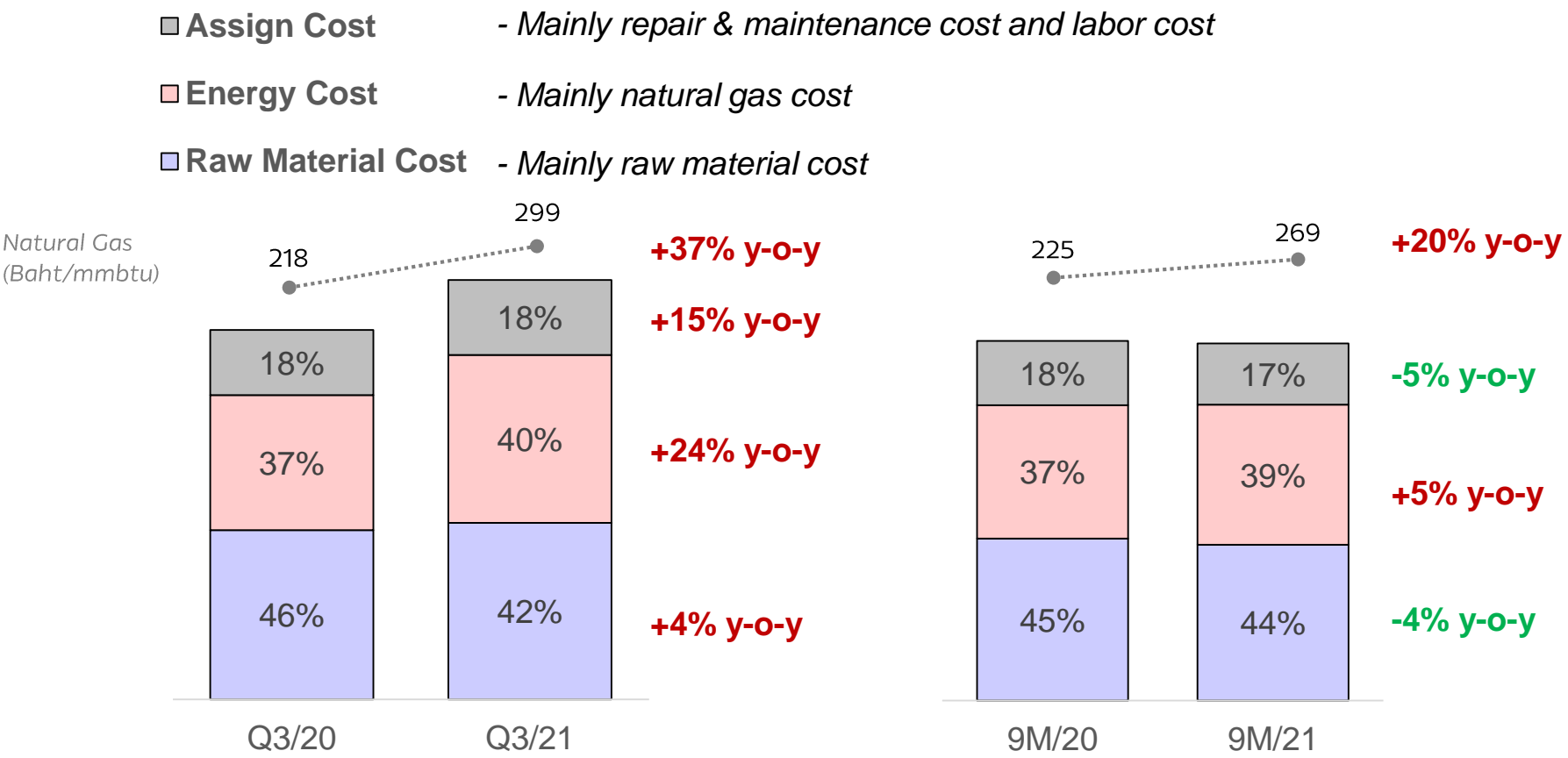


Profit for the Period (without Key non-recurring)

	128	64	174	127	187	181	111	365	480
Key Non-Recurring	(3)	(23)	(3)	(44)	-	(4)	51	(29)	47
1) Profit from land selling	-	-	-	-	-	-	51	-	51
2) MSP (Loss)	-	(21)	-	(40)	-	(4)	-	(21)	(4)
3) Consultant Fee (Loss)	(3)	(1)	(3)	(4)	-	-	-	(7)	-

Q3/21 Operating Variable Cost

Operating variable cost increased +14% y-o-y mainly from energy cost increased +24% y-o-y, assign cost increased +15% y-o-y and raw material cost increased +4% y-o-y

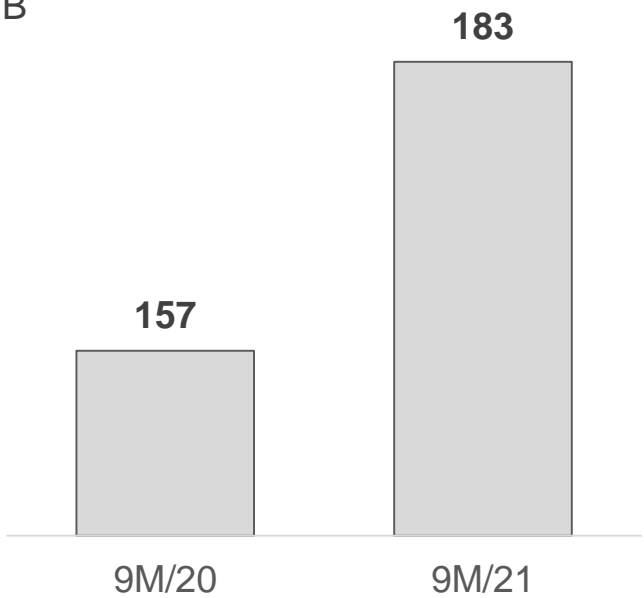


Remark: Only ceramics tiles

9M/21 CAPEX and Interest & Financial Costs

CAPEX

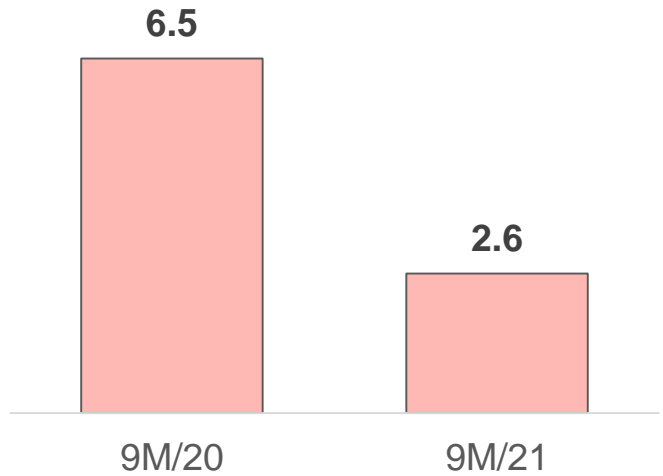
Unit: MB



- Amounted to 183 MB for 9M/21, mainly upgrade machine, maintenance, cost and energy saving project, retail outlet expansion and channel expansion.
- For CAPEX in FY2021 approx. 250-300 MB.

Interest and Financial Costs

Unit: MB



- Amounted to 2.6 MB for 9M/21, mainly from TFRS 16 adoption

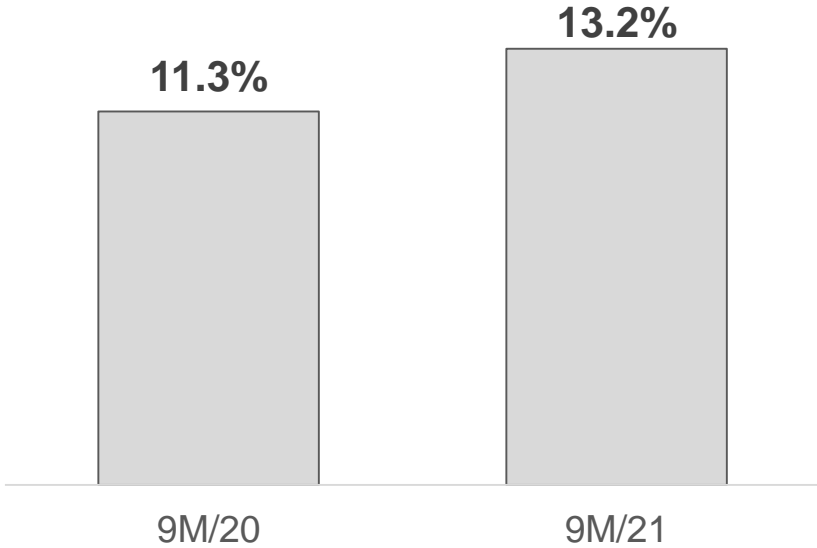
9M/21 Net Debt

Unit: MB

	0	0
	9M/20	9M/21
Net debt on EBITDA	-	-

9M/21 EBITDA on Assets and EBITDA Margin

EBITDA on Assets



EBITDA margin	9M/20	9M/21
	12.3%	13.5%

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

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Accretive Value Creation

Q3/21 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

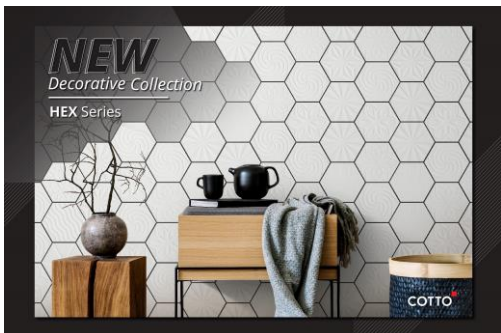


Anti-slip tile

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

Italia Collection



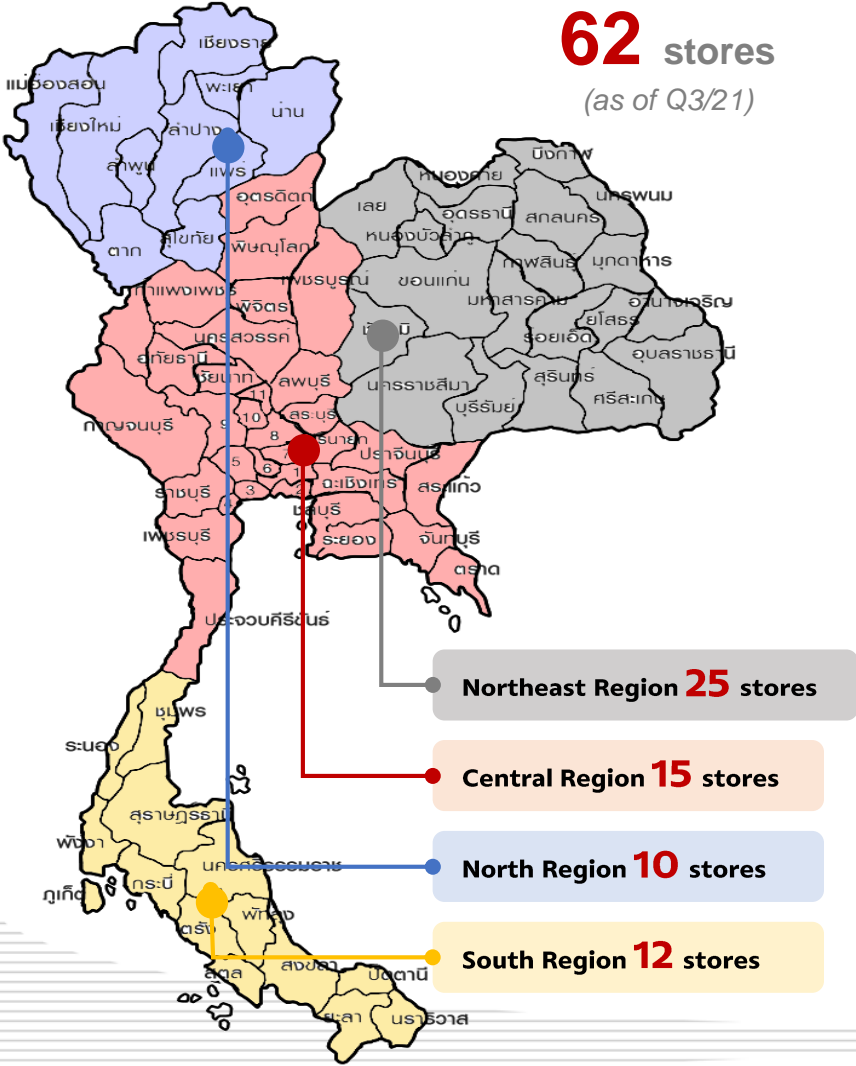
Espana Collection



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

Accretive Value Creation

Own ceramic outlet expansion

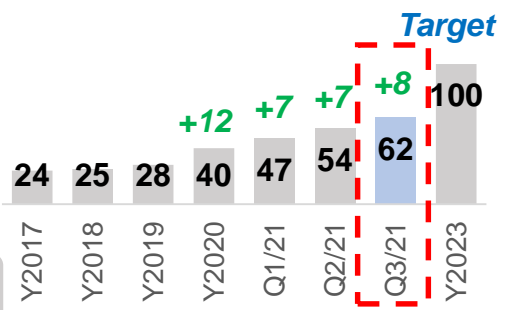


คลังเซรามิก เฟมิลี

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 Q3/21, Sales revenue increased **43% y-o-y**

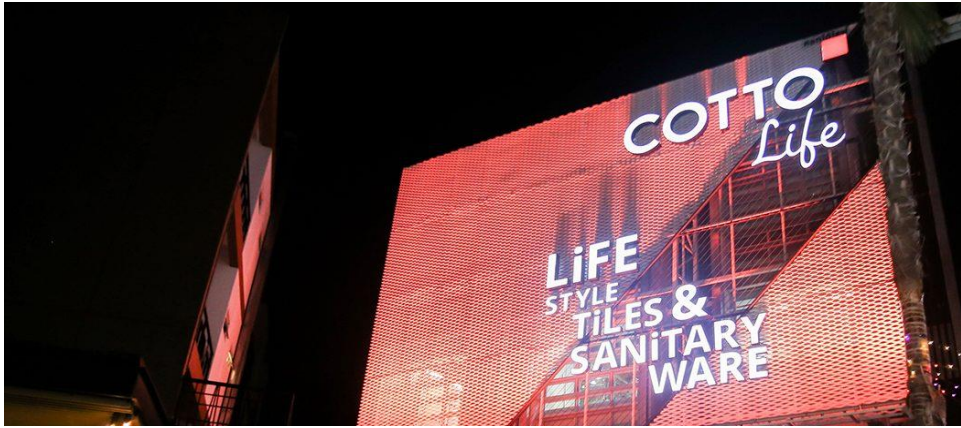


Accretive Value Creation


ONE-Stop Service Solution



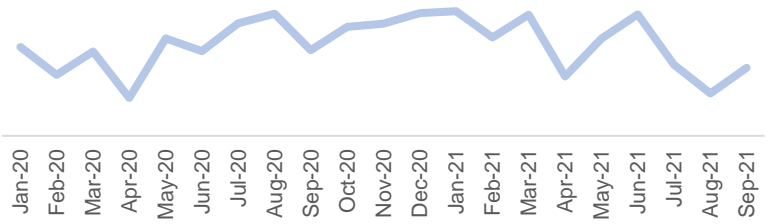
At **COTTO Life**, we provide an integrated shopping experience of ceramic tiles, sanitary ware & fitting from product selection, 3D design to installation *all needs, all functions, all styles, all at once*



Number of Store:

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

Sales Revenue Trend:



Same store sales growth

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



www.cottolife.com

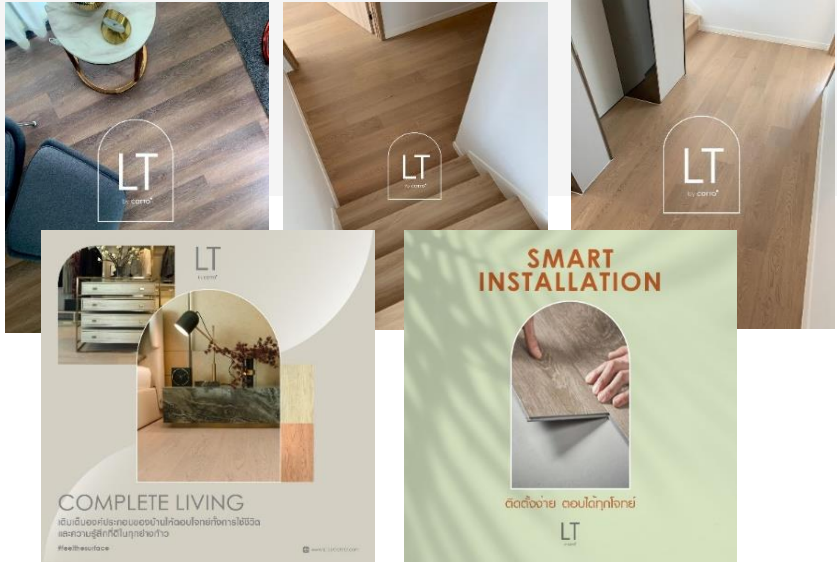
ONE stop solution



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



Project Reference:



Nantawan Rama 9 - Srinagarindra

Mantana Bangna-Wongwaen

VIVE Ekkamai - ramindra

ANYA bangna - Ramkhamhaeng 2



PATIO Kalapaprak-Sathorn

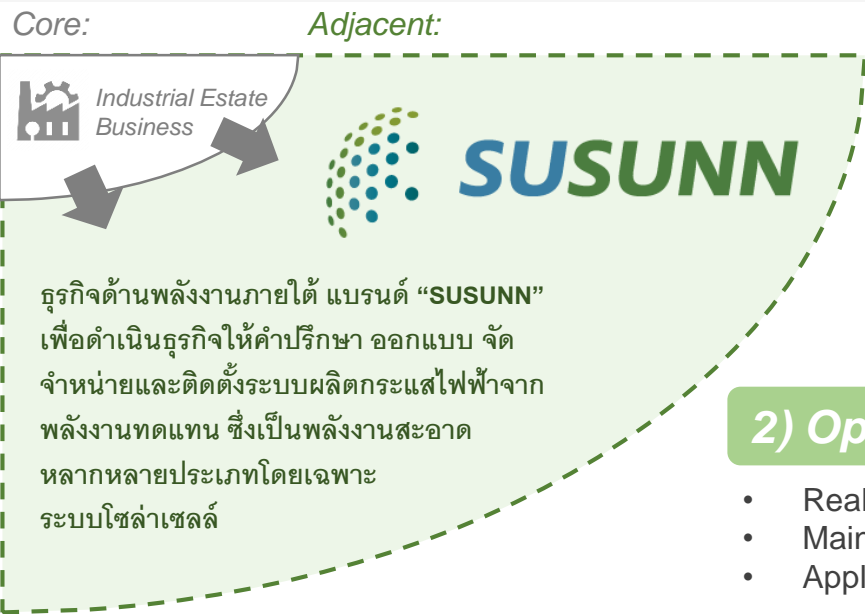
PATIO Ngamwongwan -Prachachuen



Lake Forest New Ratchapruek

Accretive Value Creation

SUSUNN: Solar business



Our Services:

1) Engineering Procurement Construction

- Consultation
- Site survey
- License and permits
- System installation and testing



Solar floating Solar rooftop

2) Operation and Maintenance

- Real-time monitoring system
- Maintenance
- Application



Solar monitoring



Solar O&M

Development and Achievements (with Strategic Partnerships)



18 June 2021
MOU with PTT

- To collaborate on studying the feasibility of Solar energy generation system for industrial plants and buildings.



8 July 2021
MOU with TGO

- To promote and support implementation of greenhouse gas reduction project (Carbon Credit platform by SUSUNN)



10 July 2021
MOU with OSP (Osotspa)

- To study and provide Energy saving solutions e.g. Solar PV, Energy audit.
- SUSUNN Platform (Electricity and Carbon Trading)

Accretive Value Creation

SUSUNN: Solar business

Project Reference :



M.J. Bangkok Valve & Fitting Co., Ltd
56 KwP



Quality Construction Products
Public Co., Ltd. (Q-Con)
265.44 kWp



Multibax Public Company Limited
265.44 kWp



Southern Industrial Estate
Songkhla Provincial (SEZ)
42 KwP

Completed in Q3/21



Siam Fiber Cement Group
Solar Farm 8,700 kWp

Completed in Q3/21



SCG Packaging Company Limited
Solar Roof 999.6 kWp

Completed in Q3/21



BETAGRO PUBLIC COMPANY LIMITED
Solar Roof 430 kWp

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Sustainability

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

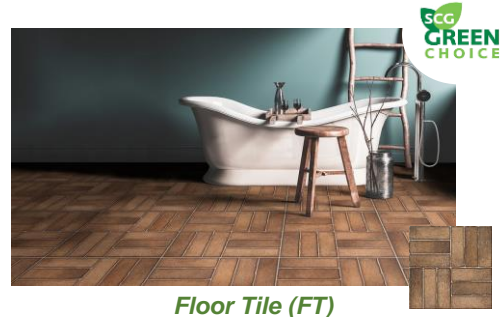
Building resilience for Sustainable Growth

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“



COTTO Hygienic Tile

Inhibit bacteria on ceramic surface by 90%



Floor Tile (FT)

Reduce water consumption at least 25% in production



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



Glazed Porcelain Tile

Reduce water consumption at least 25% in production



COTTO Mosaic

Reduce water consumption at least 25% in production



SUSUNN electricity produced by PV system

Electricity produced by a PV system with capacity 1,387 kWh/kWp/year and reduce Greenhouse gas at least 960 TON CO2eq/kWp/year



Wall Tile (WT)

Reduce water consumption at least 25% in production



COTTO Tile Grout Acid

2X acid resistance

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Outlook & Mitigation plan

Outlook :

- Thailand economy is expected to recover in Q4/21 after the government has eased many lockdown measures.
- Increasing demand of New housing and renovation.
- Energy price is expected to continually increase from the Global demand recovery.

Mitigation Plan :

- Continuous efficiency improvement to sustain competitiveness.
- Strong collaboration with all sales channel to encourage sales volume.
- Accelerate own ceramic outlet expansion in strategic locations to increase more channels, responding to customer demand.
- Developing product with innovation and Continuously accrete value by launching new product, service & solution to satisfy customer needs in term of Health and Clean such as Hygienic Tile

Thank you

**For any information please contact
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COTTO 

CAMPANA

SOSUCO 