



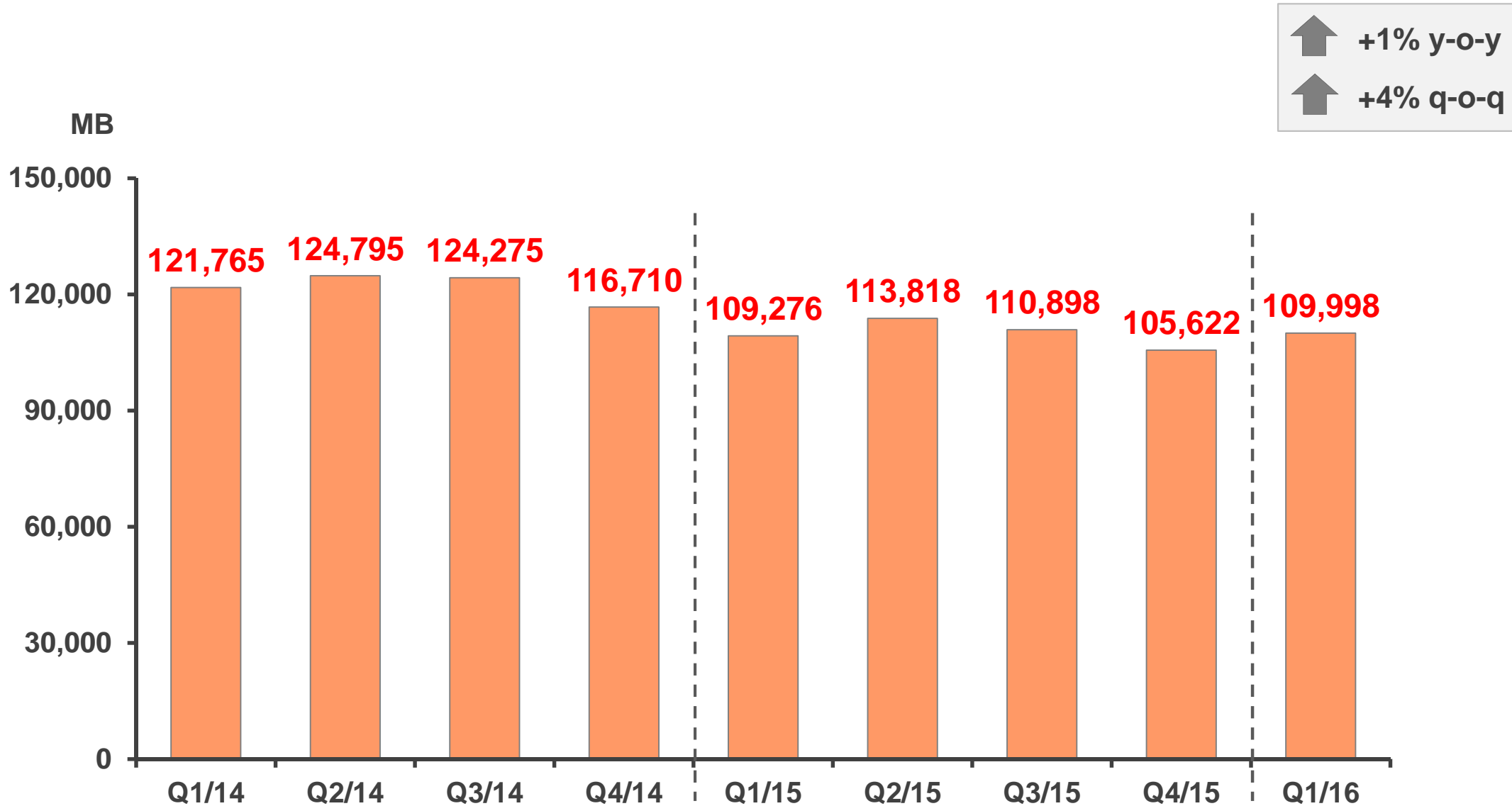
Analyst Conference Q1/16
Wednesday, April 27, 2016

- I. Consolidated Results
 - Q1/16 Consolidated Results
 - Financial Updates
- II. SCG Cement - Building Materials
- III. SCG Chemicals
- IV. SCG Packaging
- V. Summary

Revenue from Sales



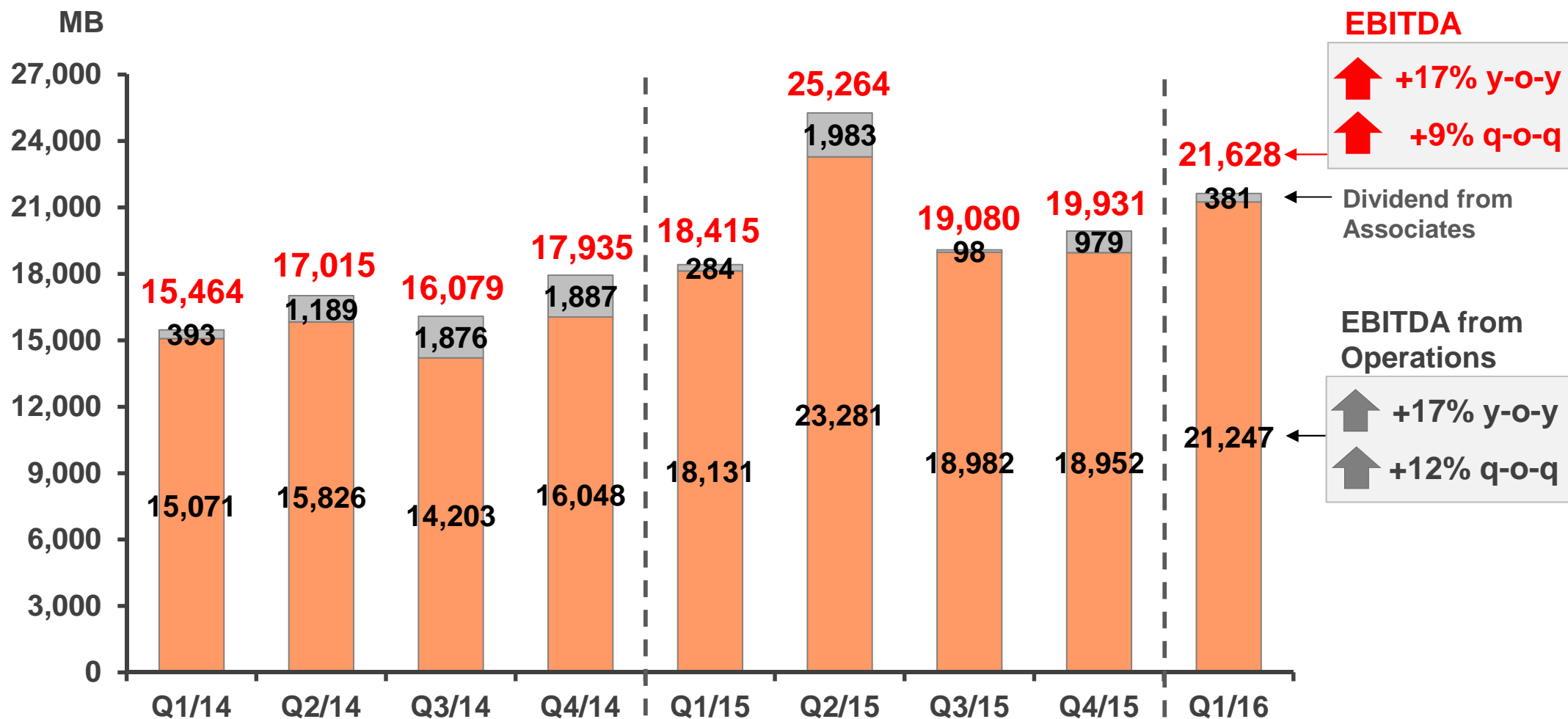
Q1/16 revenue was relatively sideways y-o-y, and gained +4% q-o-q following the seasonal effect in the cement – building materials business.



EBITDA



Healthy chemicals spreads were the main drivers towards the EBITDA growth of +17% y-o-y and +9% q-o-q.

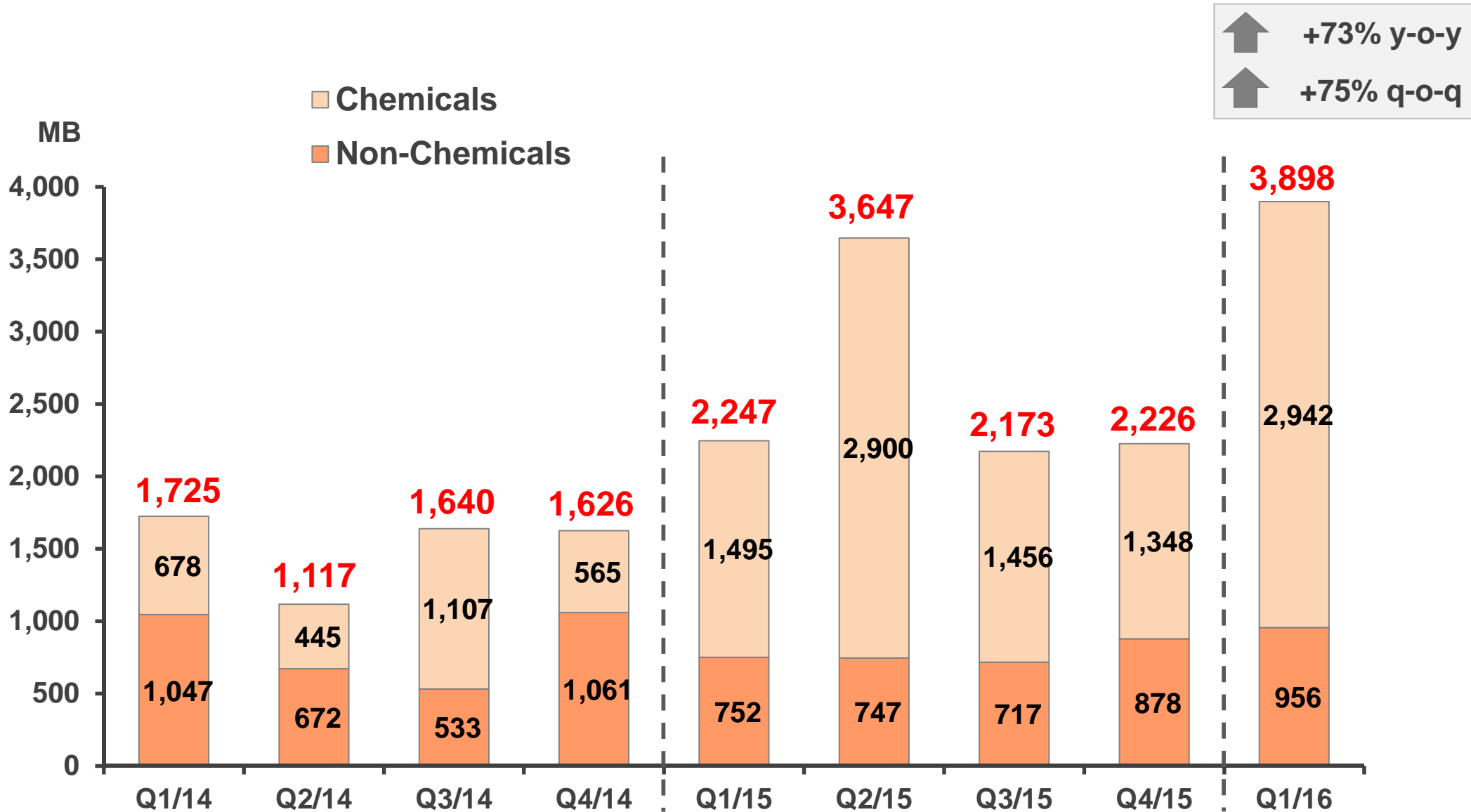


NOTE: EBITDA = EBITDA from Operations + Dividend from Associates

Equity Income



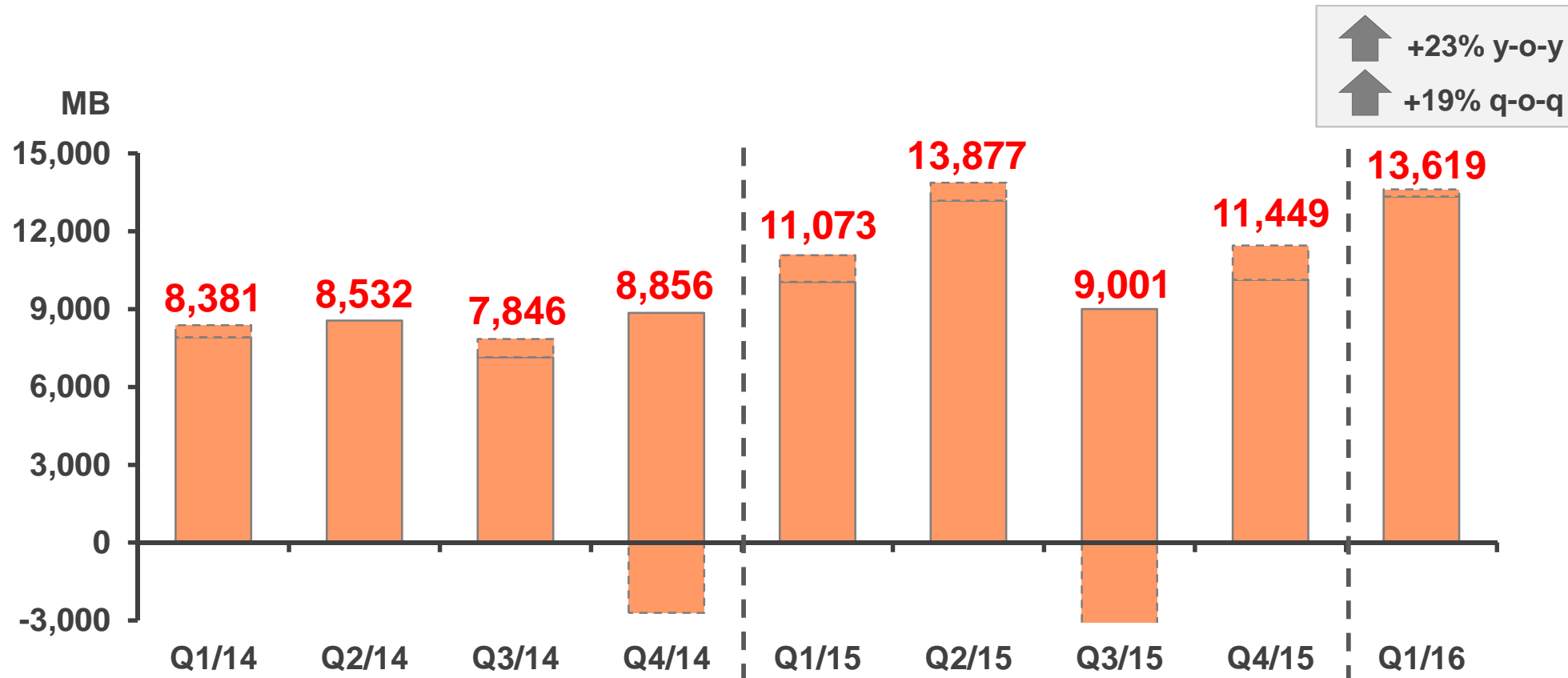
Contributions from chemicals associates were the key factors of the +73% y-o-y and +75% q-o-q gains.



Profit for the Period



Profitability was a healthy 13,619 MB, as a result of the solid chemicals earnings which accounted for 67% of SCG's total Q1/16 profitability.



+23% y-o-y
 +19% q-o-q

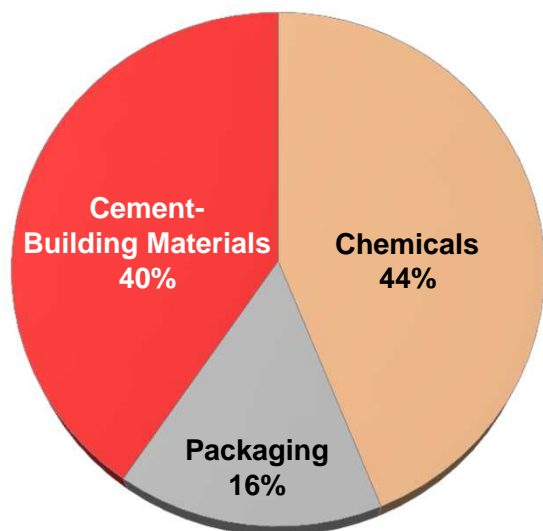
Key Non-recurring	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16
1) FX Gain (Loss)	460	(30)	700	(2,710)	1,020	700	(3,630)	1,320	280
2) Inventory Gain (Loss)*	(170)	0	680	130	460	(270)	(420)	510	490
3) Insurance Claim (Sub + Asso.)	(1,050)								
4) Others	180	(80)	(130)	(2,960)	(930)	970	(2,160)	330	(300)
	450	50	150	120	0	0	0	0	90
	0	0	0	0	1,490	0	0	480	0

*Note: SCG Chemicals (Sub + Asso.)

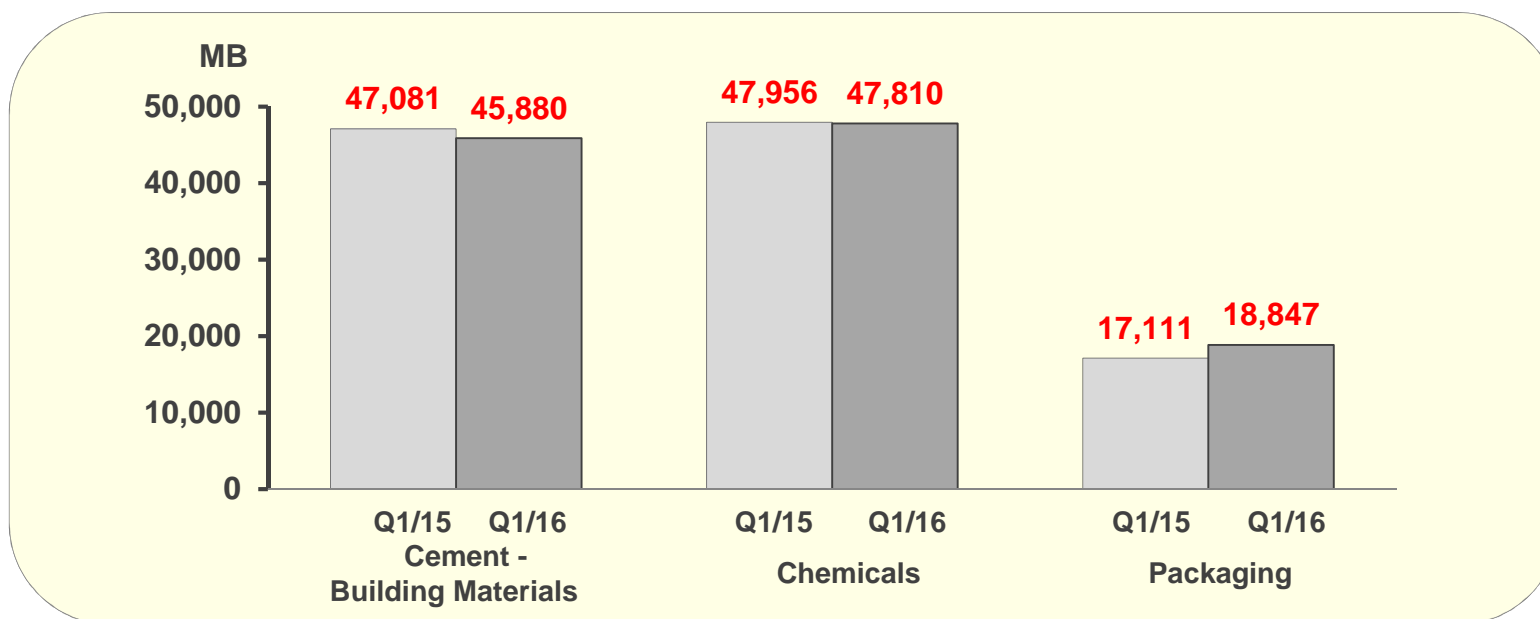
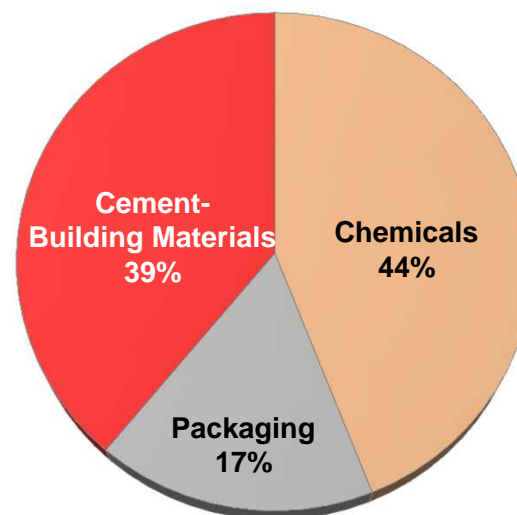
Segmented Revenue from Sales

The chemicals business accounted for 44% of Revenue in Q1/16.

Q1/15



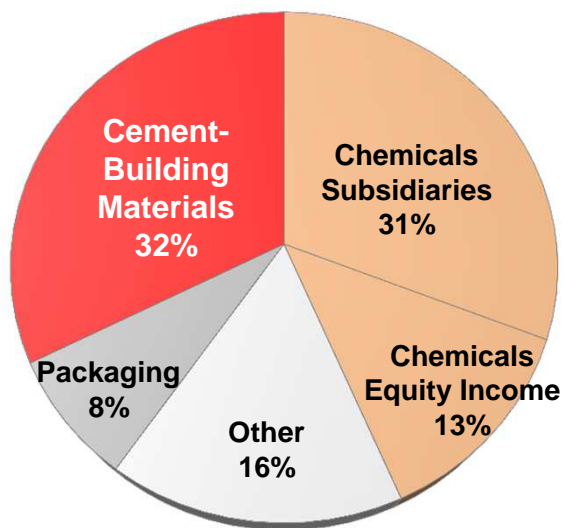
Q1/16



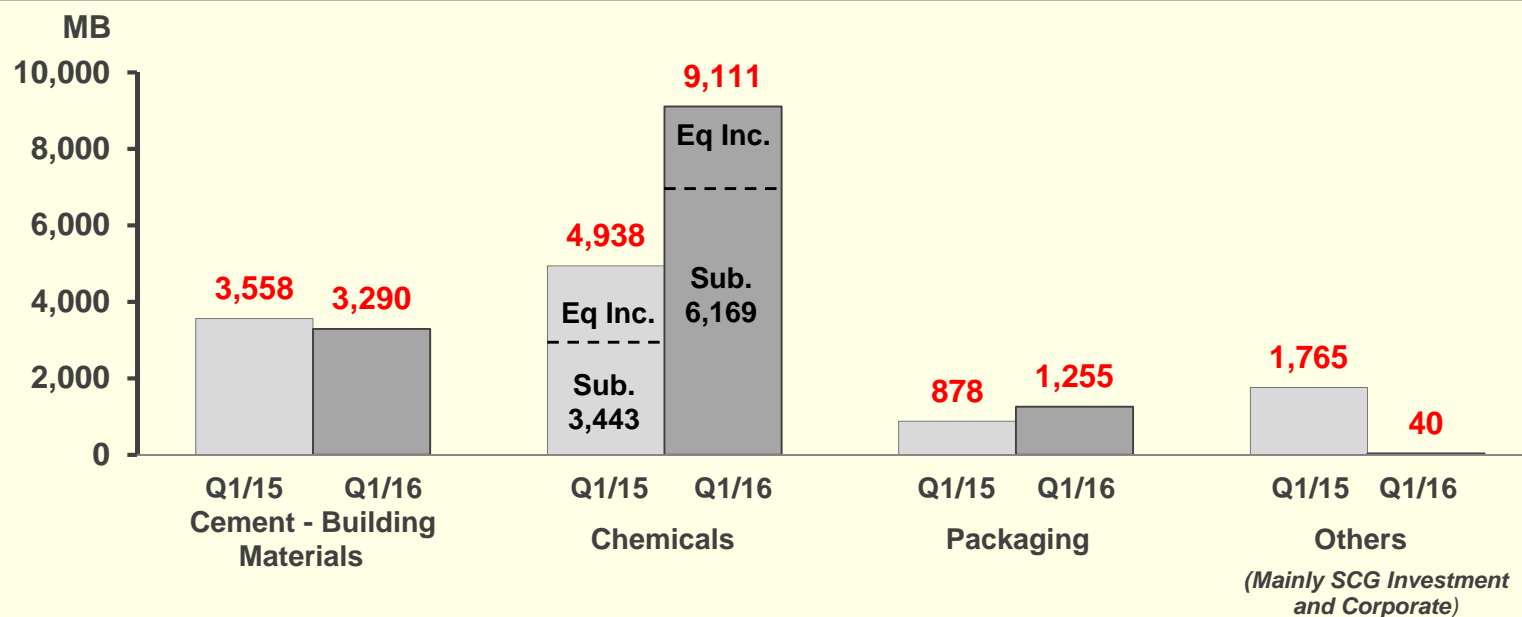
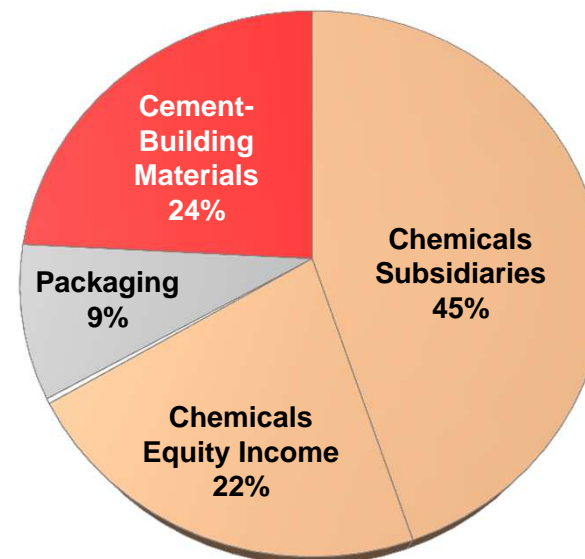
Segmented Profit for the Period

The growth was from the chemicals business which accounted for 67% of the Q1/16 earnings.

Q1/15



Q1/16

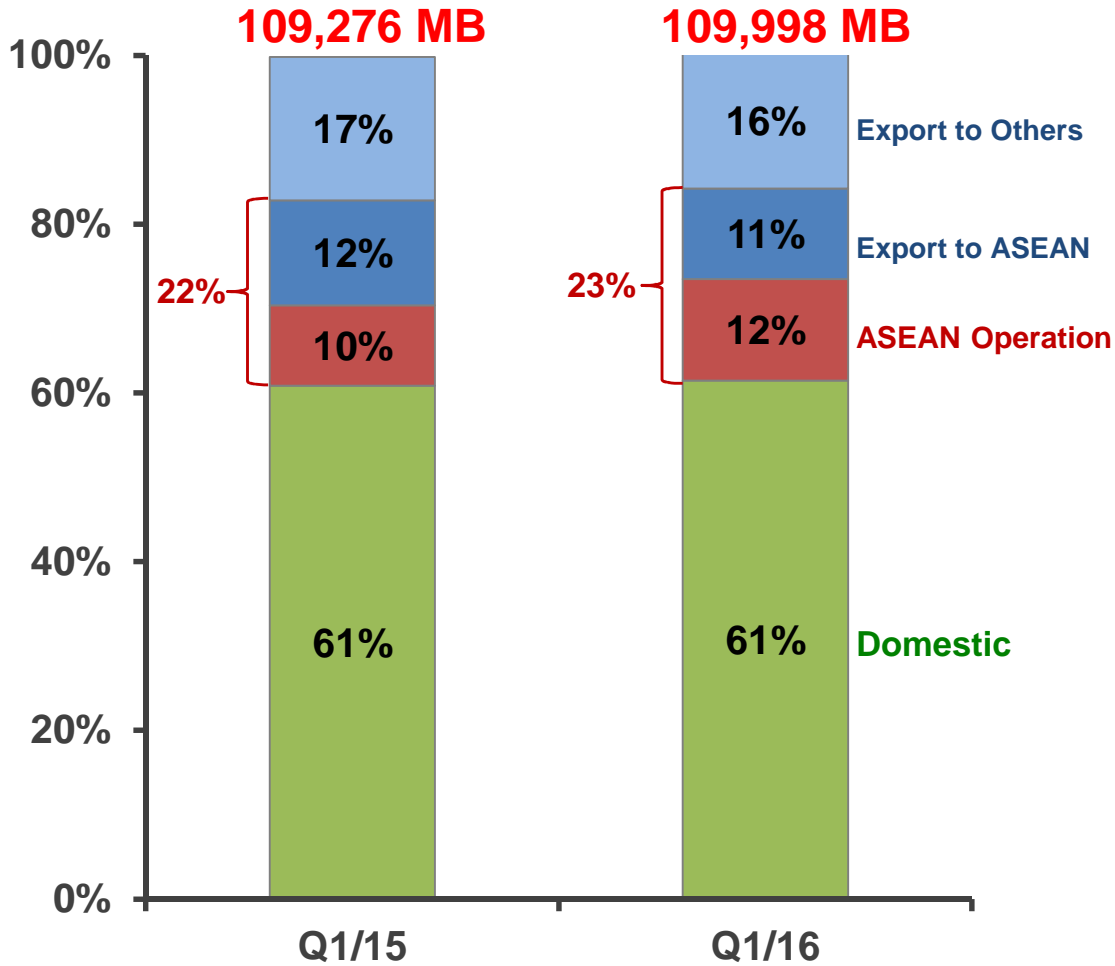


Segments: Export Sales and ASEAN Operation

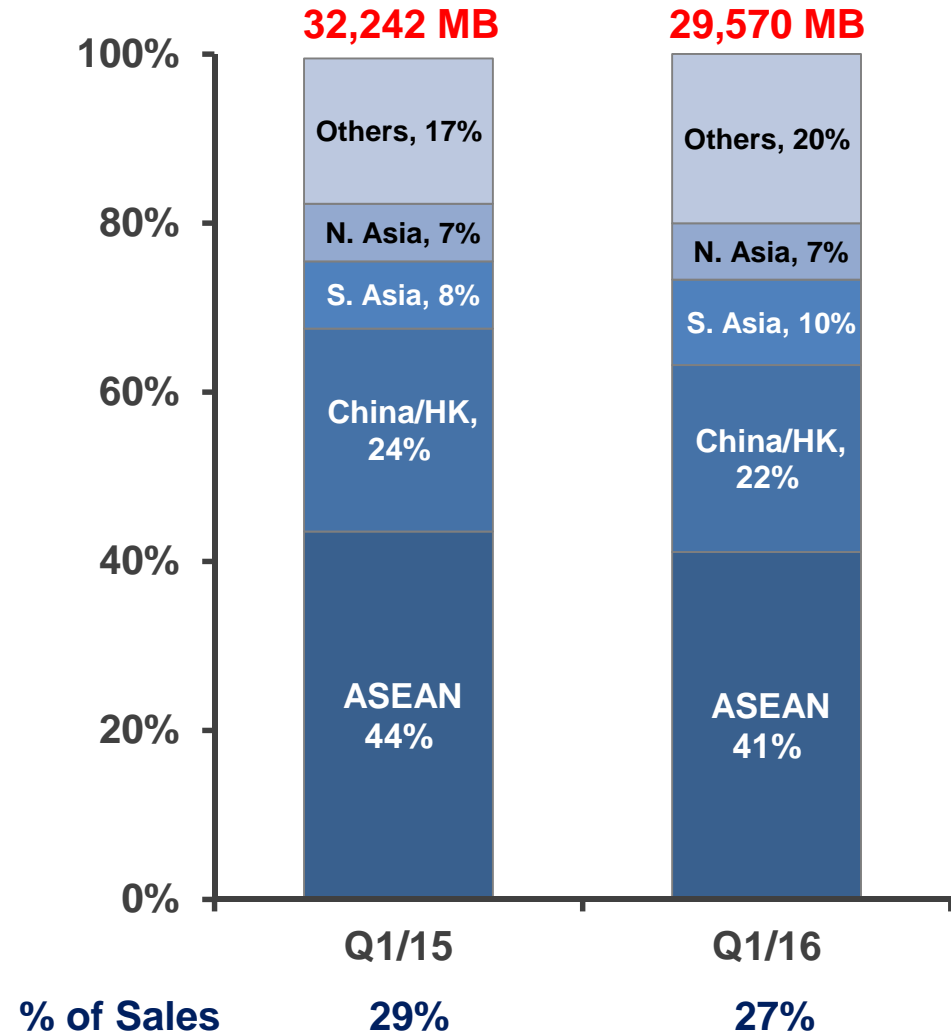


ASEAN exports and ASEAN operations accounted for 23% in Q1/16, compared to 22% in Q1/15.

Sales Destinations



Export Destinations

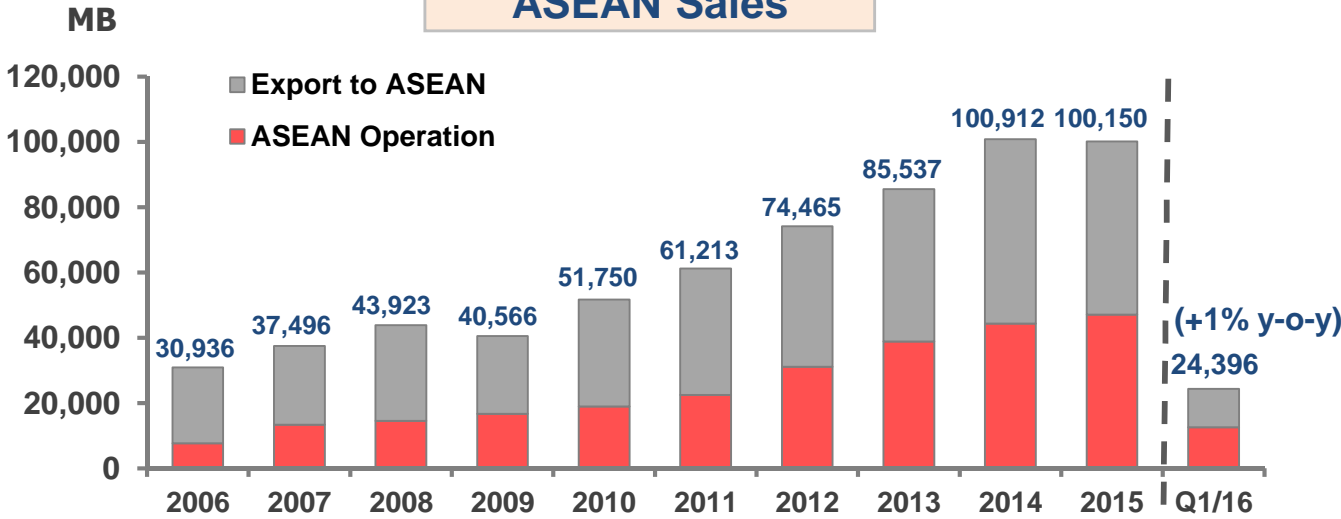


Segments: Export Sale and ASEAN Operation

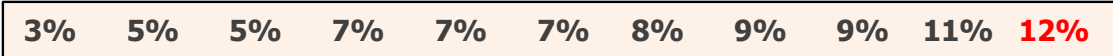


Sales to ASEAN (exports and localized operations) grew slightly y-o-y and reached 24,396 MB in Q1/16 (Thai Baht term).

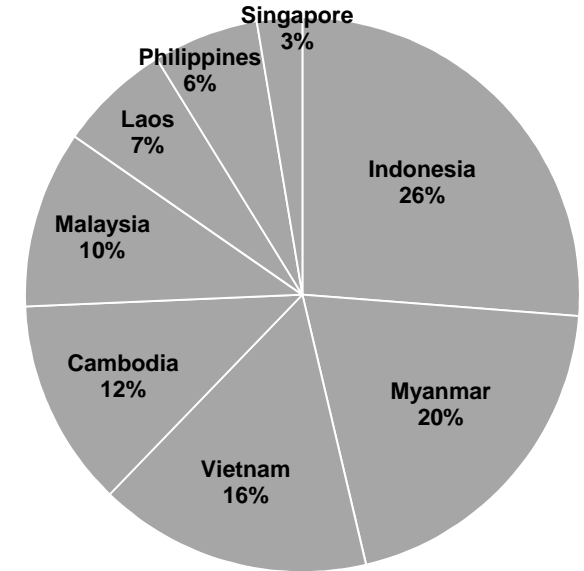
ASEAN Sales



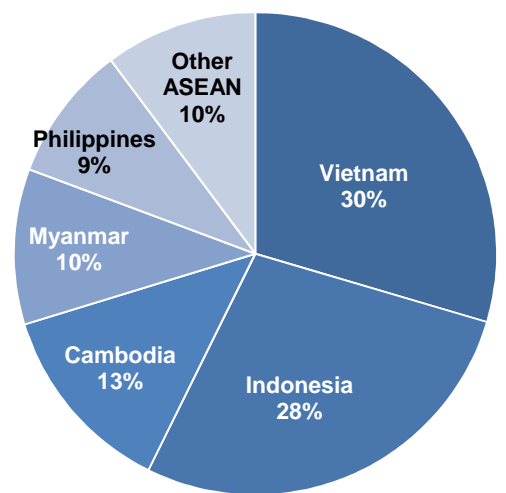
Percentage of total sales from ASEAN Operations:



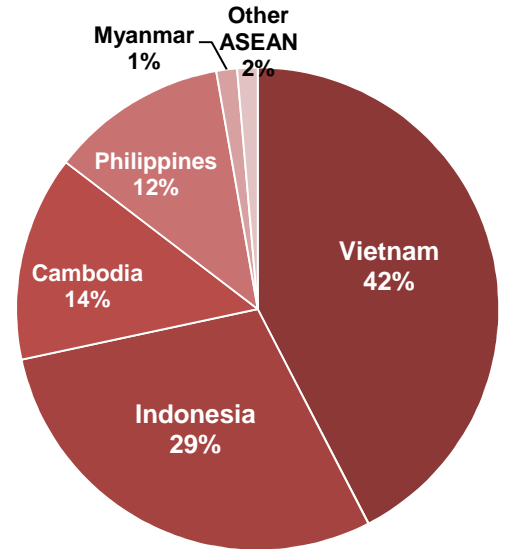
Export to ASEAN by countries



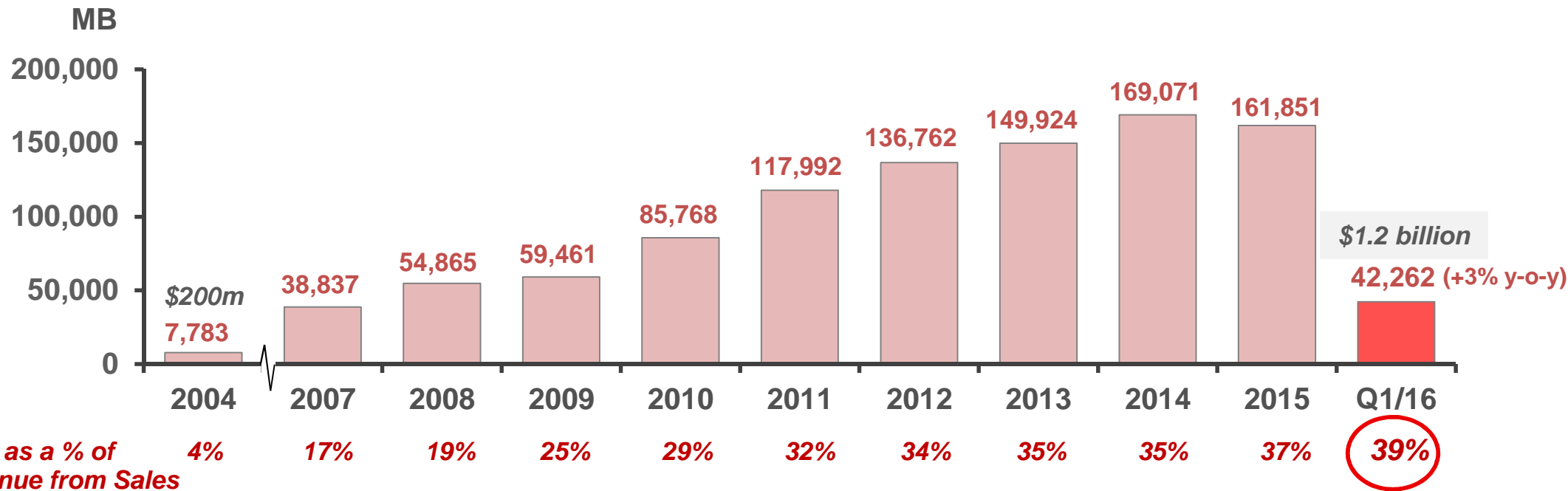
ASEAN Sales by countries



ASEAN Operation by countries

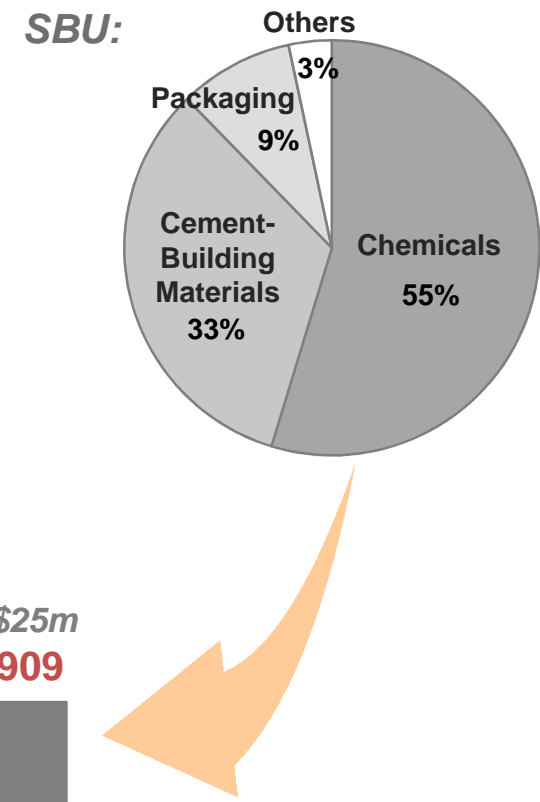
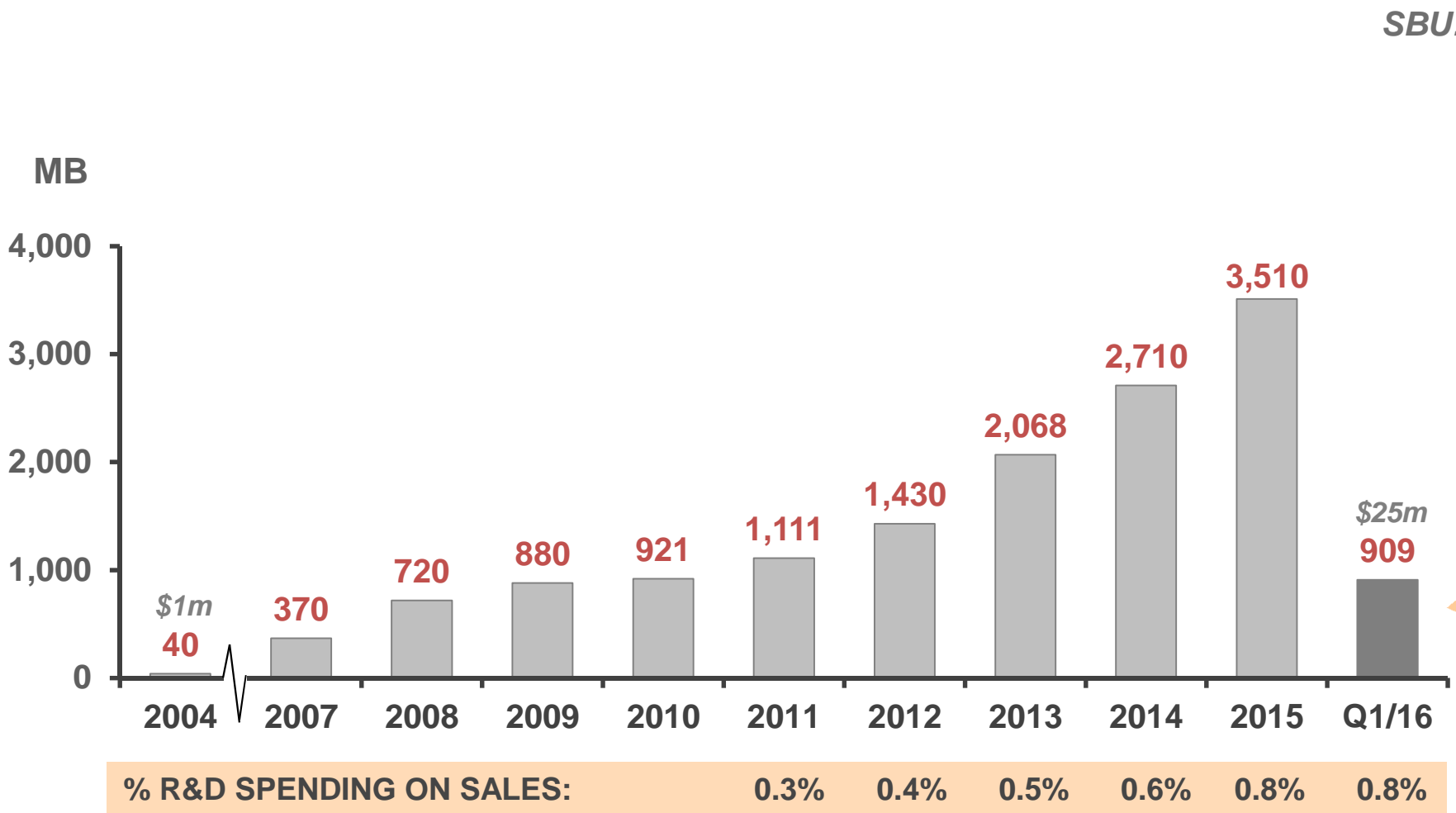


Consolidated:



Business	2013	2014	2015	Q1/16
Cement-Building Materials	41%	42%	41%	41%
Chemicals	27%	27%	31%	32%
Chemicals (Includes associates)	50%	50%	53%	55%
Packaging	38%	39%	39%	43%

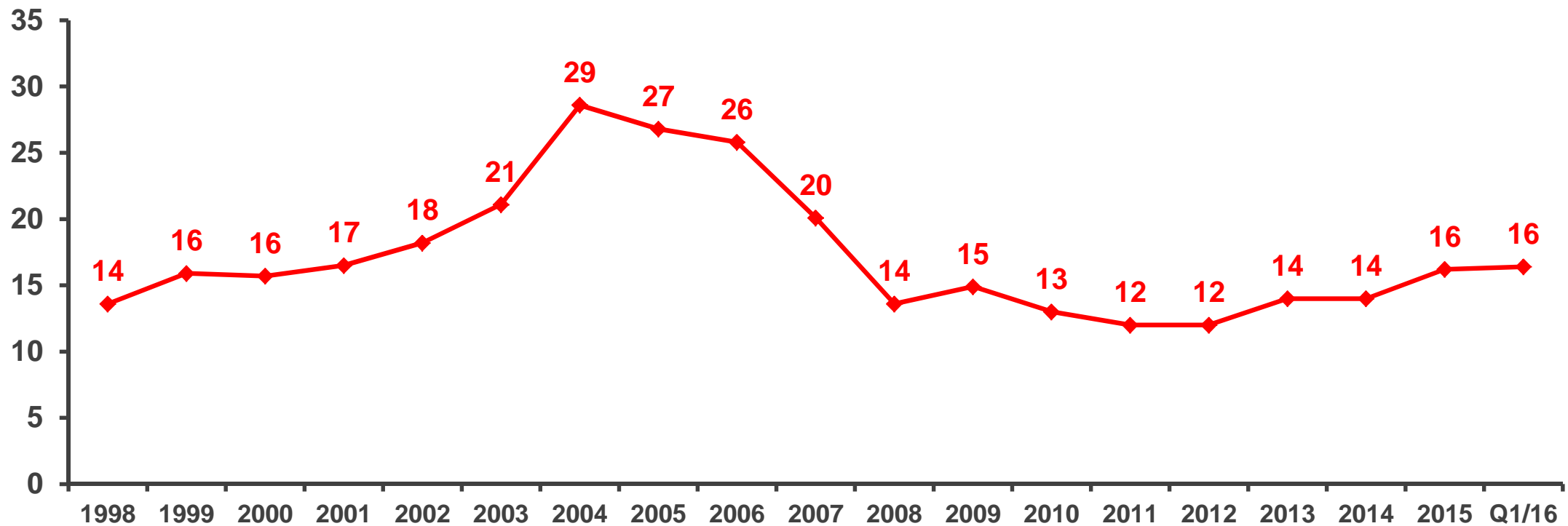
R&D Spending



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EBITDA on Total Assets

Percent (%)



EBITDA Margin (%):

23	27	23	22	22	23	26	22	19	16	14	18	14	11	10	13	13	18	19
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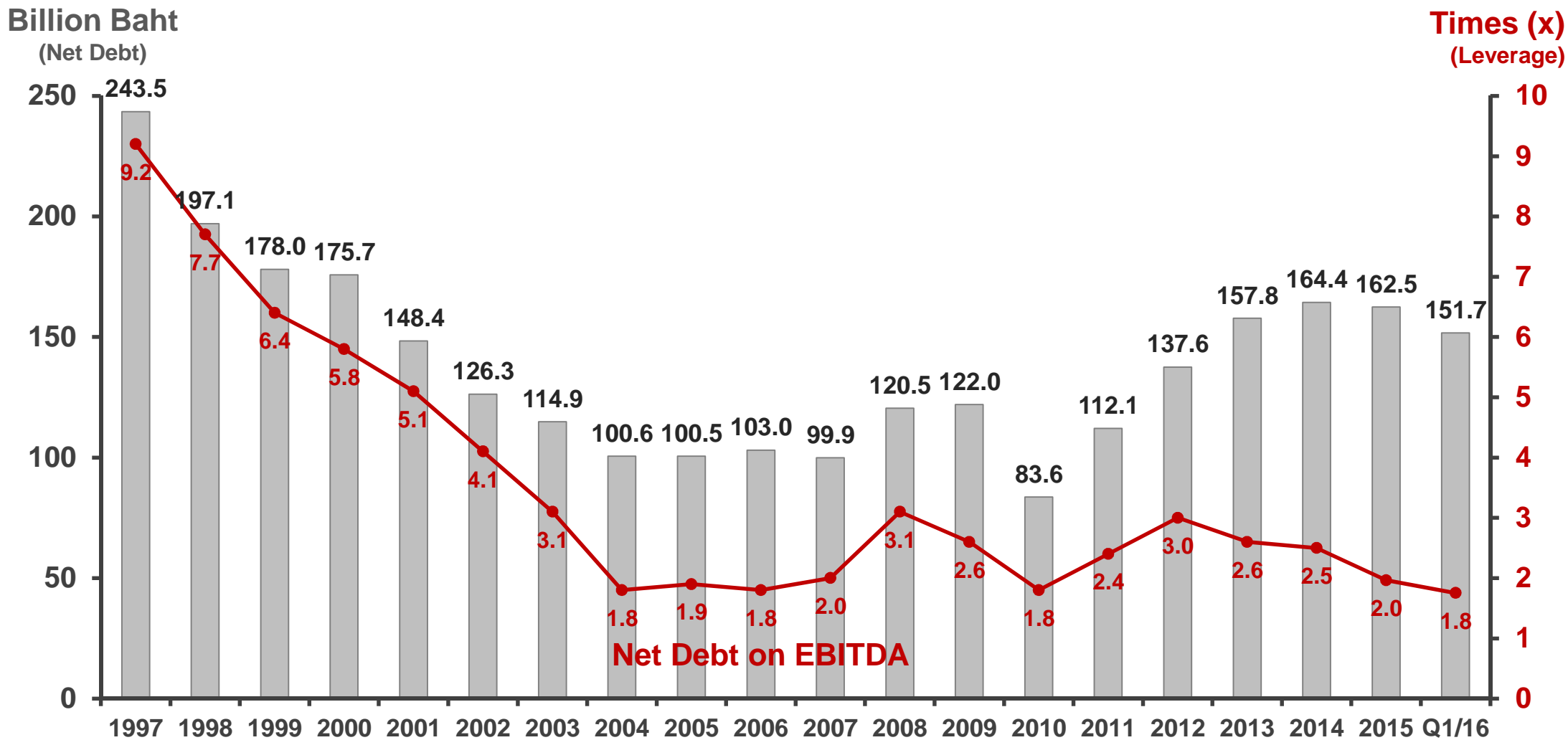
EBITDA on Assets = $EBITDA / Consolidated Assets$

EBITDA margin = $EBITDA from Operations / Consolidated Sales$

Net Debt



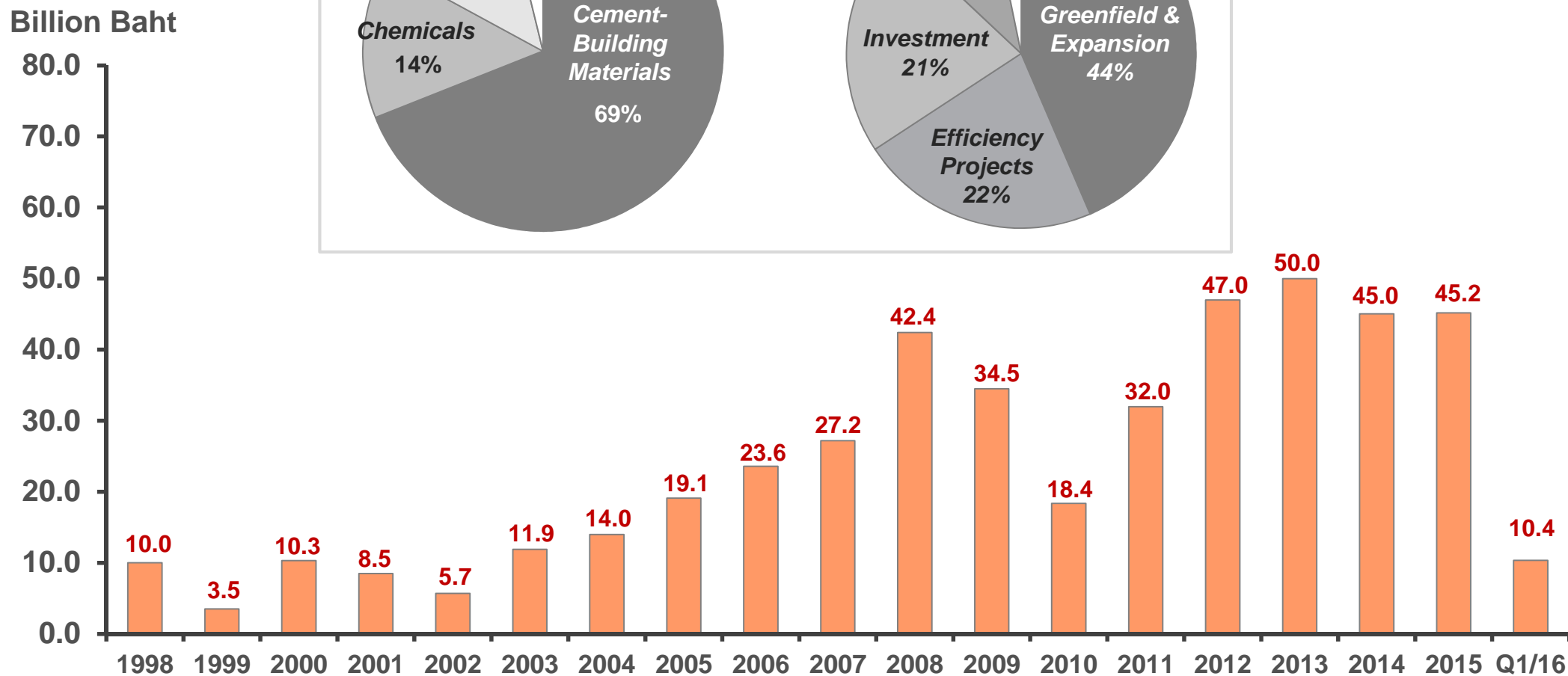
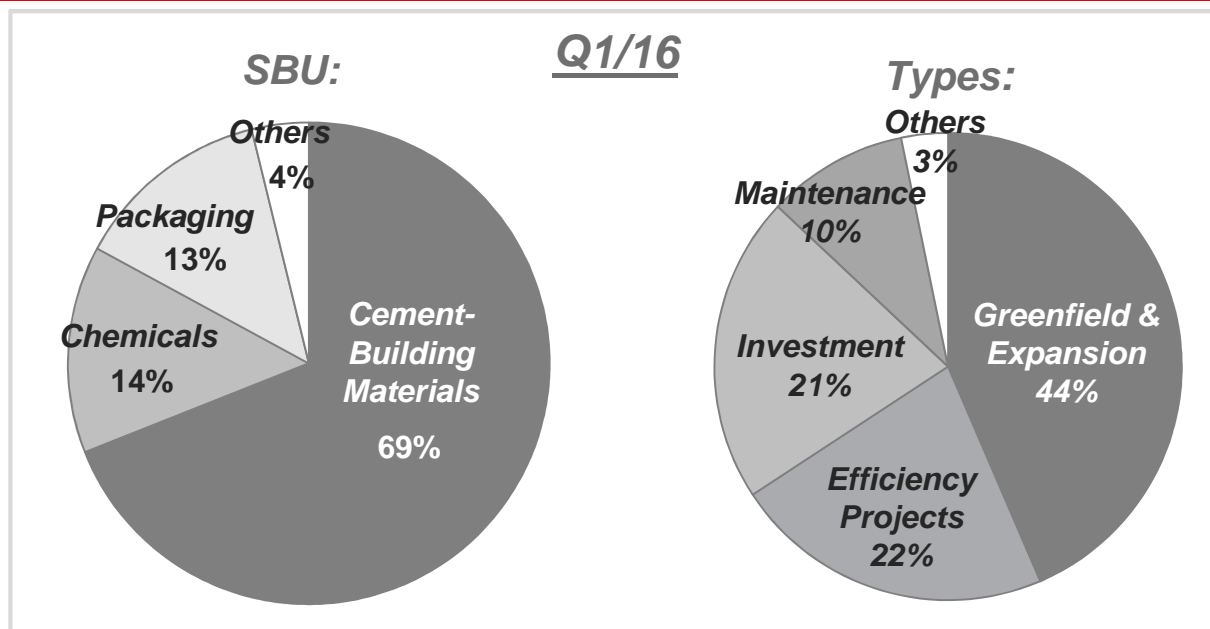
Leverage registered 1.8 times (x), on healthy EBITDA and lower net debt.



Net Debt to Equity = 0.6x

CAPEX & Investments

Amounted to 10,357 MB in Q1/16, which was mainly from the greenfield & expansion in the cement-building materials business.

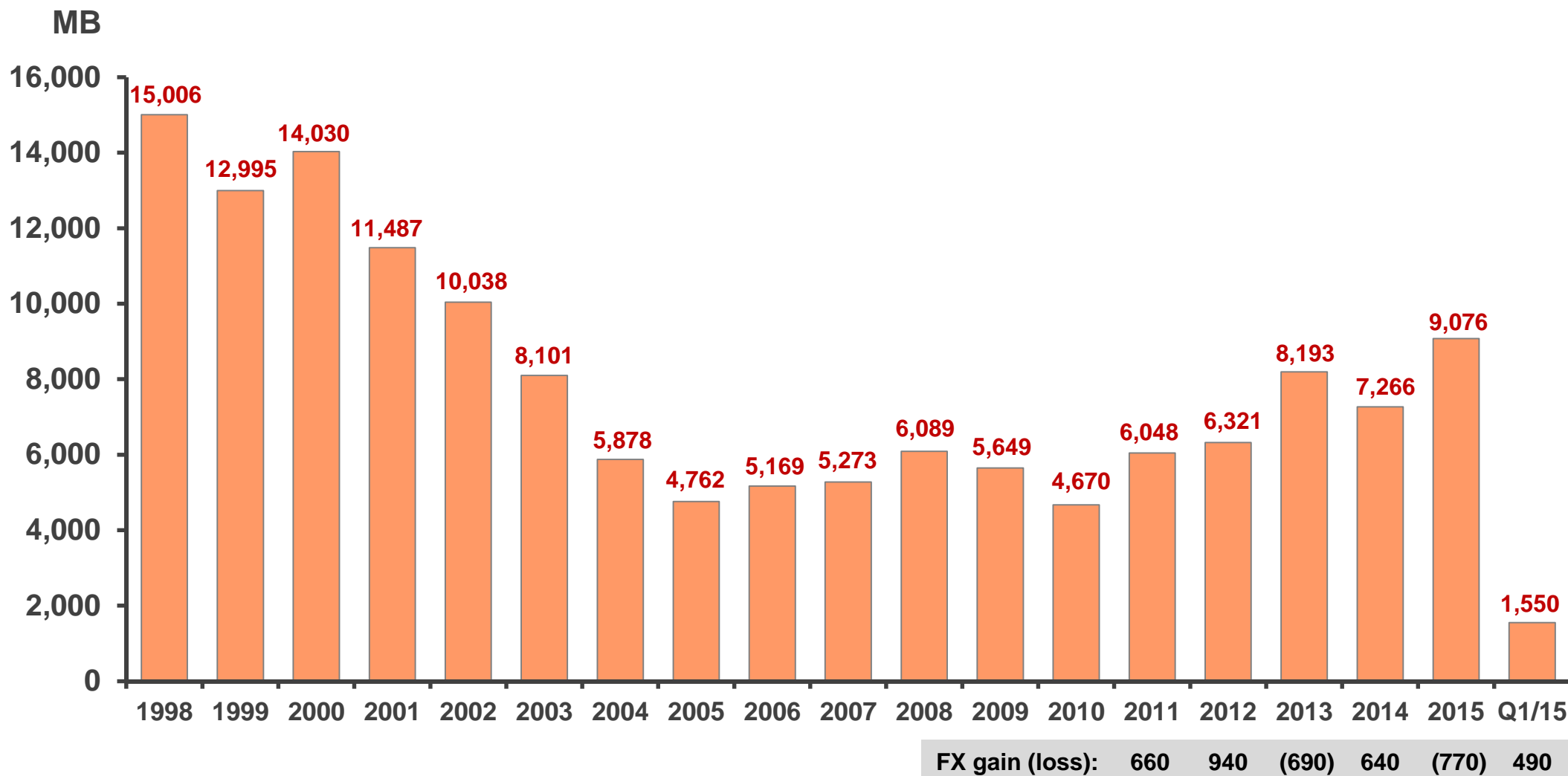


- CAPEX includes debottlenecking, expansion projects, and major turnaround.
 - Investments are acquisitions and purchase of shares.

Interest and Finance Costs



Amounted to a total of 1,550 MB which includes a FX gain of 490 MB, while interest cost was 3.9% at the end of Q1/16.



NOTE: Interest & financial charges include FX gain/loss transactions.

Highlights:

- Net Working Capital was relatively sideways at 60,731 MB, with Inventory to Net Sales of 42 days, from 41 days in Q4/15.
- Cash & cash under management of 44,436 MB at the end of Q1/16.
- Full subscription to the Apr 1/16 debenture issuance of 25 Billion Baht (4-years, 3.0%) which replaced the 25 Billion Baht matured debenture (4-year, 4.15%).

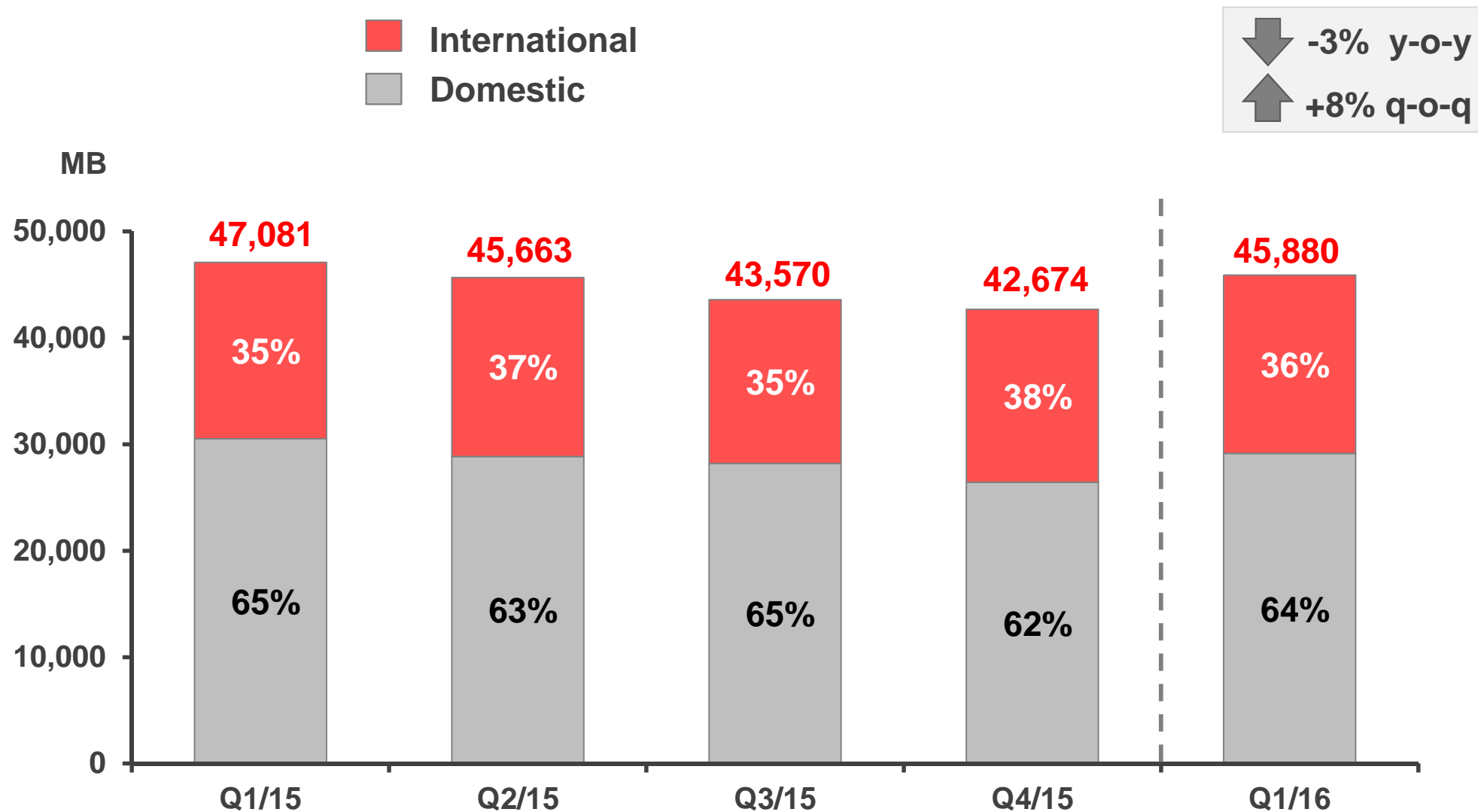
Outlook:

- Solid financial position.
- FY2016 CAPEX & Investments of approximately 50,000 MB, with focus on M&A.
- FY2016 depreciation of approximately 24,000 MB, up 3,000 MB y-o-y.

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Revenue from Sales

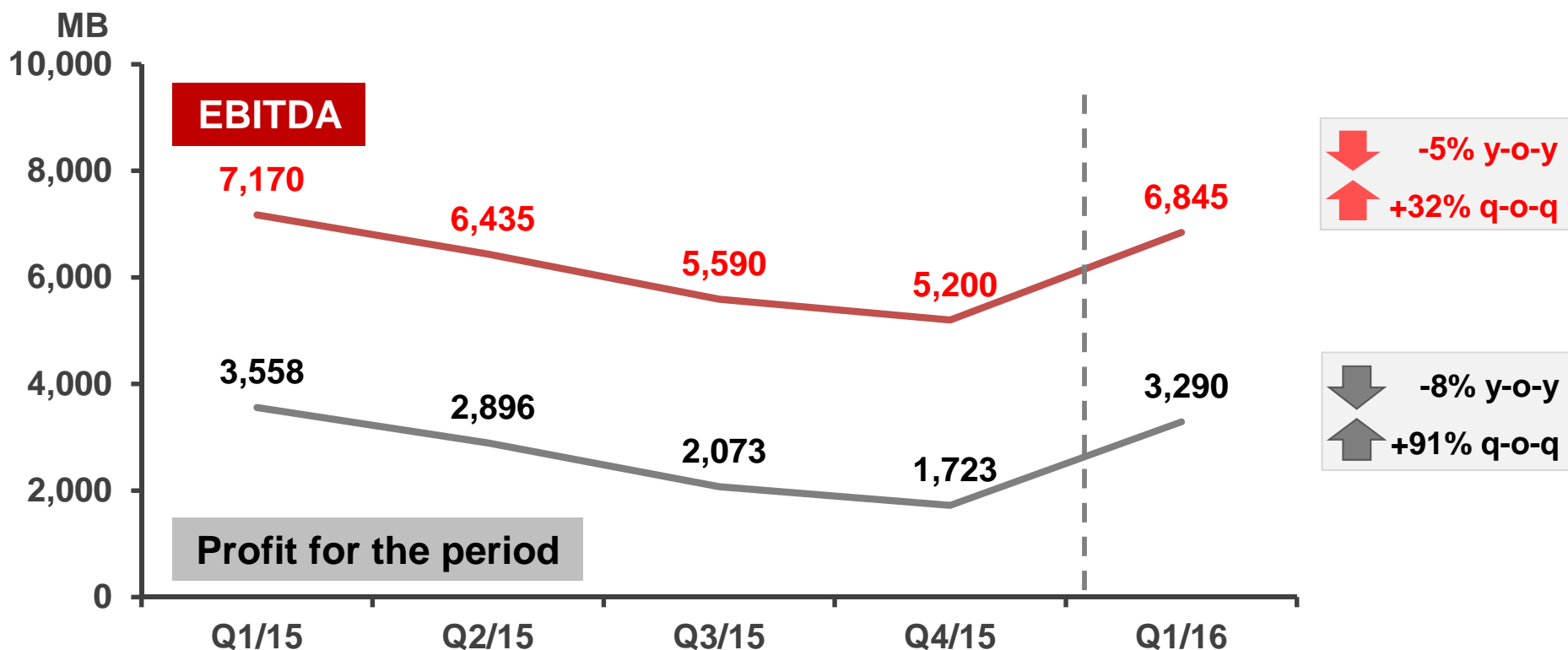
Sales in Q1/16 decreased -3% y-o-y as a result of strong competition in domestic market.



EBITDA and Profit for the Period



Q1/16 EBITDA dropped -5% y-o-y, mainly attributed to the lower y-o-y domestic cement prices.



EBITDA Margin *

	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16
Total	15%	14%	13%	12%	15%
International	10%	11%	10%	8%	10%
Domestic	18%	16%	14%	15%	17%
Domestic Structural Prod.	27%	24%	22%	21%	25%

EBITDA Portion

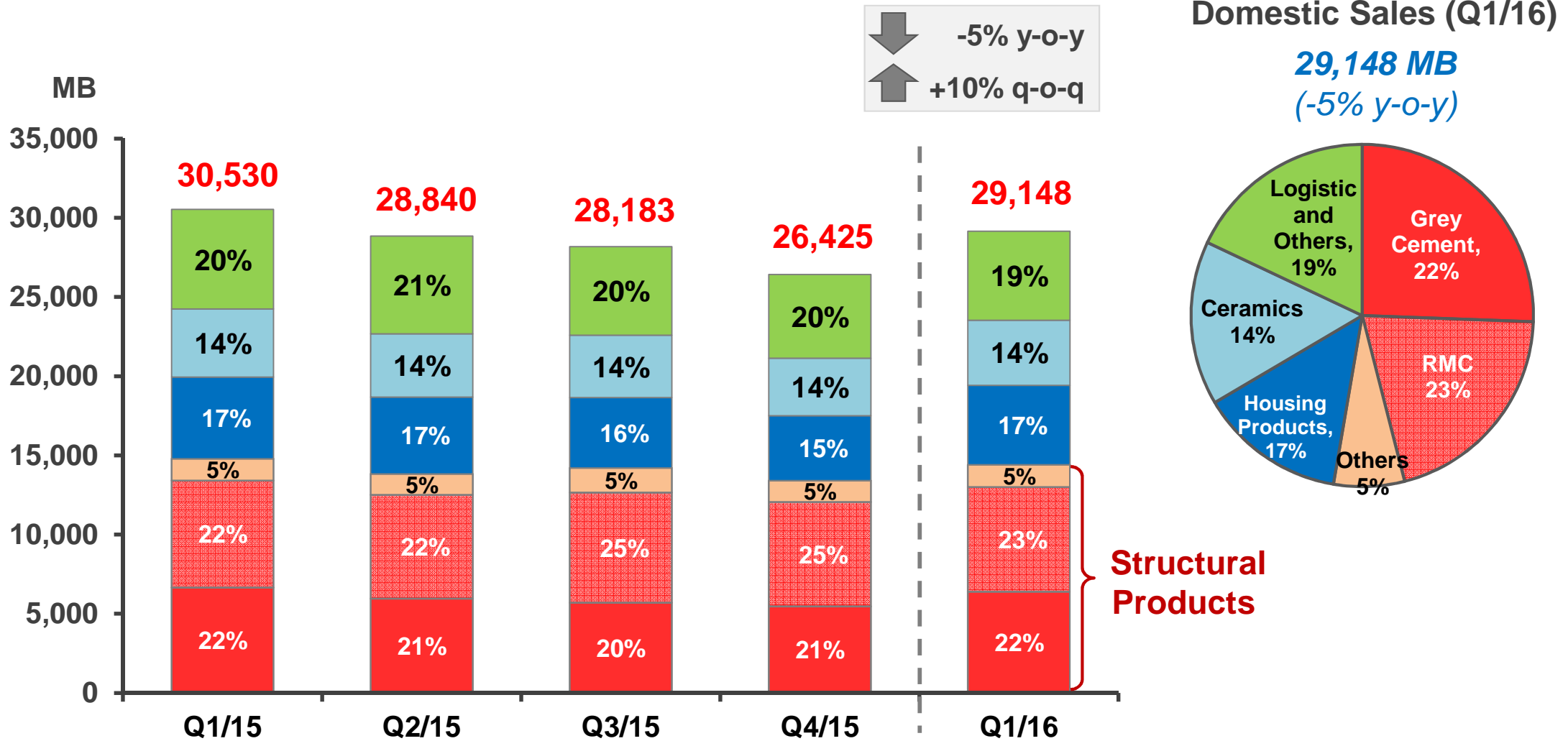
	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16
International	24%	29%	28%	24%	24%

Note: * EBITDA margin = EBITDA from Operations, excludes divided from associates.

- Cement demand grew +5% y-o-y in Q1/16, driven mainly by the growth in the government related projects.
- Ready-mixed concrete (RMC) demand grew +6% y-o-y in Q1/16, but prices dropped y-o-y to the range of 1,650 – 1,700 baht per cubic meter.
- Demand for housing products (roof ceiling & wall) in Q1/16 was flat y-o-y, while demand for ceramic tiles dropped -5% y-o-y.

Domestic sales segmentation

Q1/16 domestic sales in Thailand declined -5%, due to the lower domestic cement prices and trading of non-SCG products.



Note: Domestic business: domestic sales from Thai operations

Structural Products: Grey cement, RMC, Others (mortar, white cement, and lightweight concrete blocks).

Housing Products: Roofing products, Board & Wood sub, and Home improvement.

Ceramics: includes Sanitary ware and Fittings.

Domestic cement segments

Cement demand grew +5% y-o-y in Q1/16, driven mainly by the growth in the government related projects.

% Growth (y-o-y)

	Q1/15	Q2/15	Q3/15	Q4/15	2015	Q1/16
Total Market* (100%)	-2%	+2%	-1%	+2%	0%	+5%
Commercial (Approximately 20%)	-6%	+1%	-3%	0%	-2%	0%
Gov't (Approximately 30%)	+10%	+11%	+11%	+12%	+11%	+21%
Residential (Approximately 50%)	-7%	-3%	-7%	-4%	-5%	-2%

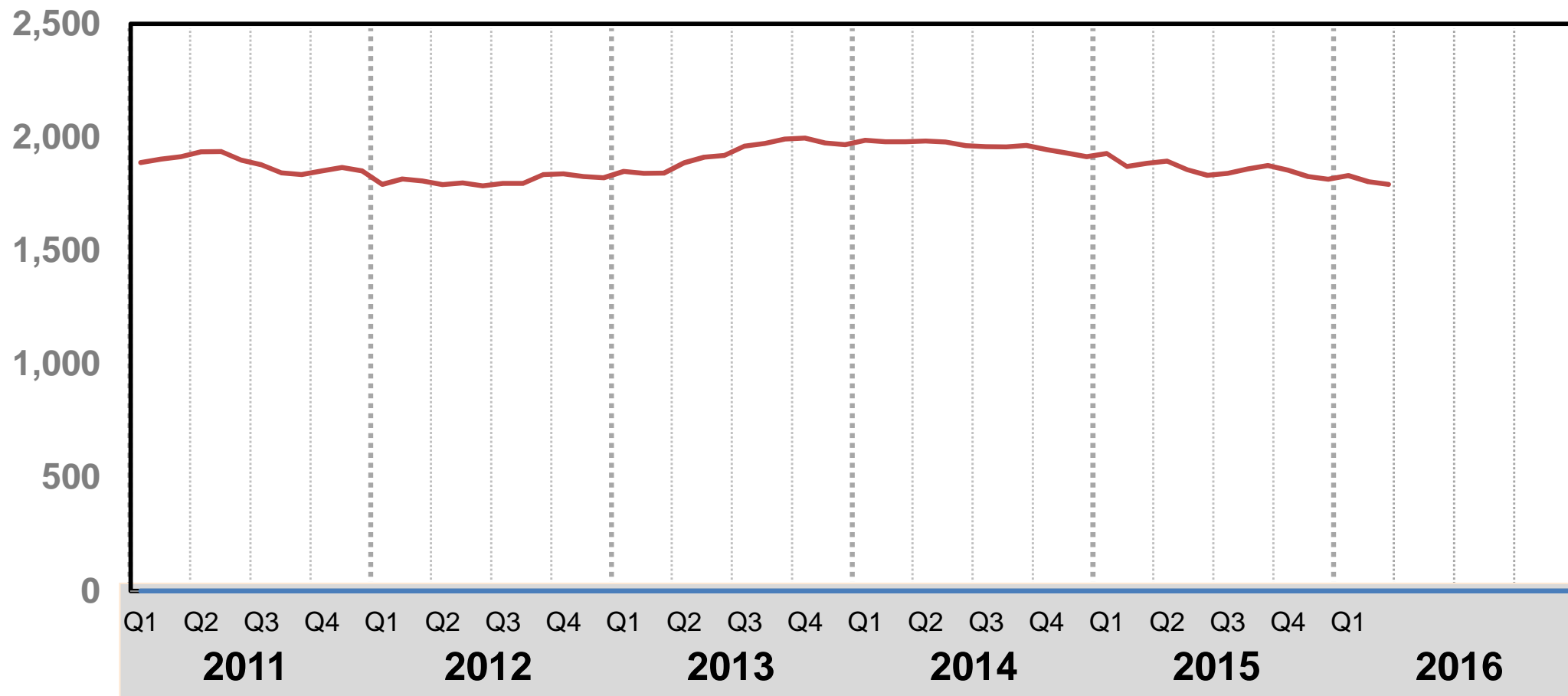
Note: * Estimated volume market distribution

Domestic cement price



The average cement price in Thailand remained at the 1,800-1,850 Baht/ton level, despite the q-o-q weakness and the noticeable change y-o-y.

Baht/Ton **Average Domestic Price of Grey Cement (Net ex-factory)**



Sale Mix

- Bagged Cement (%)	45	44	40	38	41	40	37	37	39	39	35	35	37
- Bulk Cement (%)	55	56	60	62	59	60	63	63	61	61	65	65	63

Cement Demand Growth (y-o-y)

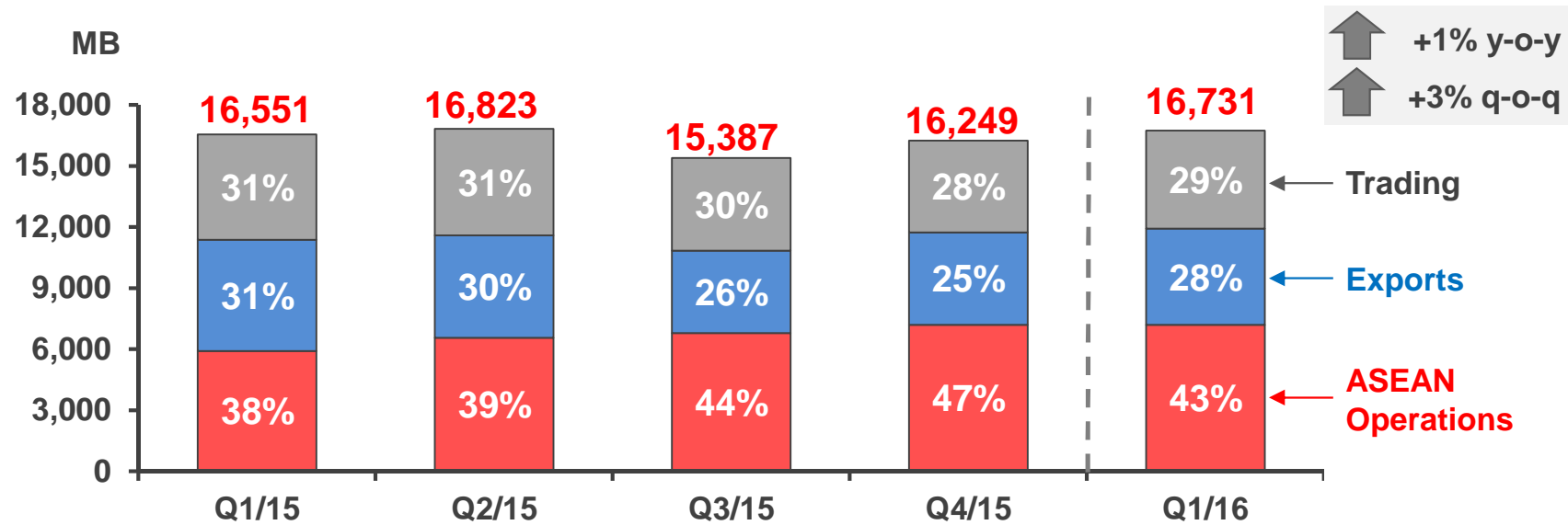
	Q1/15	Q2/15	Q3/15	Q4/15	2015	Q1/16
Cambodia	+8%	+12%	+17%	+0%	+9%	+16%
Indonesia	-1%	-2%	+4%	+6%	+2%	+3%
Myanmar	+17%	+19%	+7%	+2%	+11%	+6%
Vietnam	-1%	+11%	+6%	+14%	+8%	+9%*

Note: Indonesia's cement demand is based on the data from Indonesian cement association (ASI).

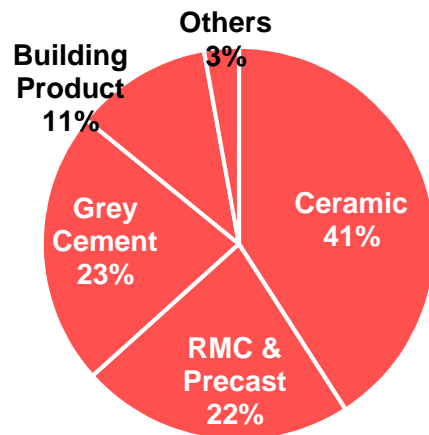
* Vietnam's cement demand in Q1/16 included only Jan- Feb.

International sales segmentation

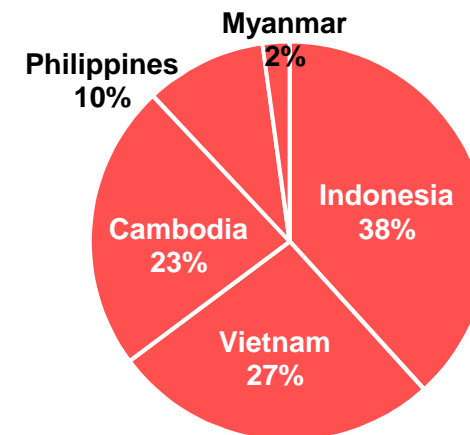
Q1/16 International sales grew +1% y-o-y, mainly due to the ramp-up of the cement operations in Cambodia and Indonesia.



Q1/2016 ASEAN Operations (Products)



Q1/2016 ASEAN Operations (Country)

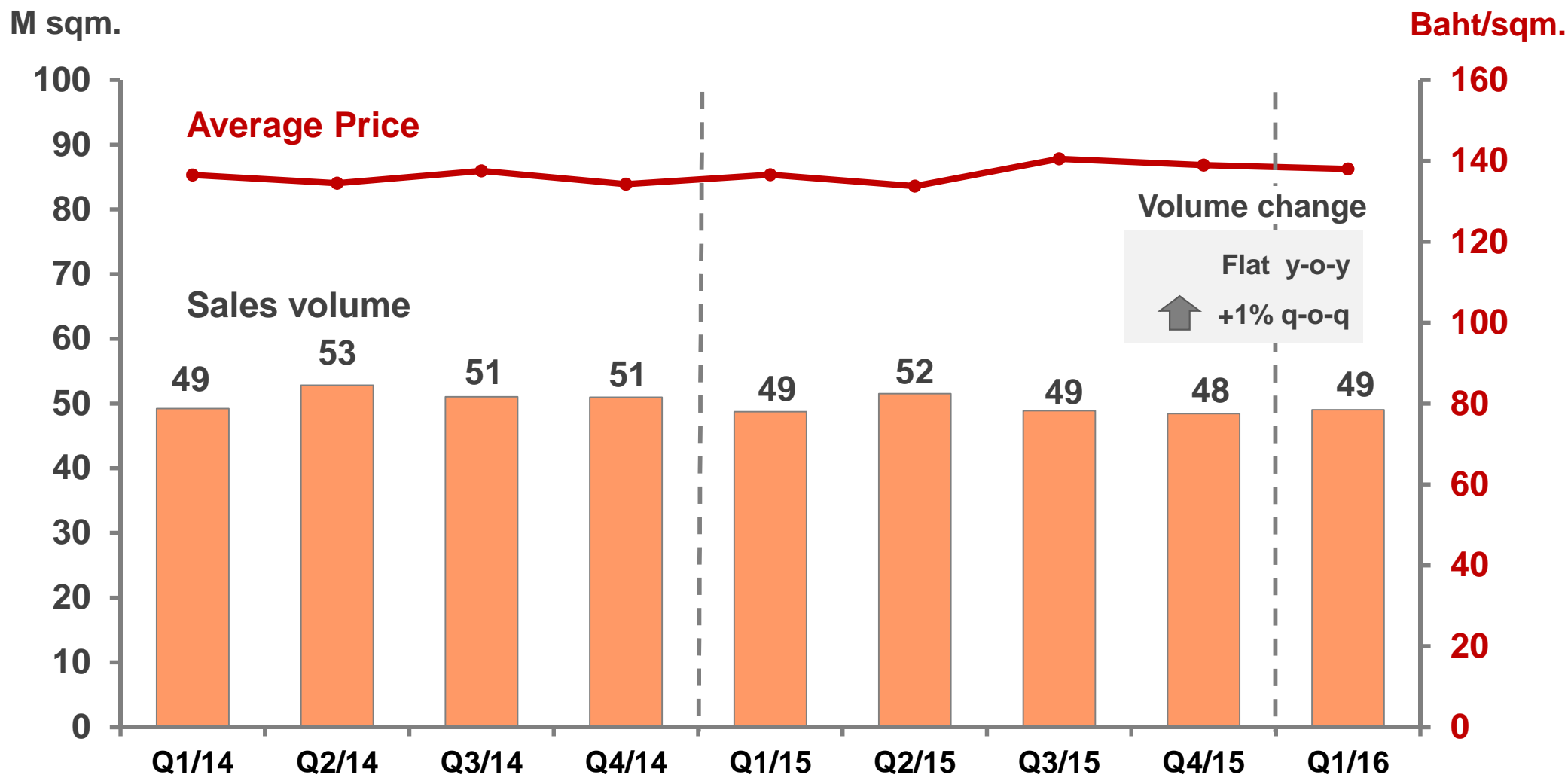


Note: International business = ASEAN Operations, exports from Thailand, and Trading business
Housing - Roofing products, Board & Wood sub, and Home improvement.
Ceramics - includes Sanitary ware and Fittings.
Trading - are mainly trading of non-SCG products

Ceramic Tiles

Sales volume was flat y-o-y , following weakness in the Thai market.

Sales volume & prices for all ASEAN subsidiaries

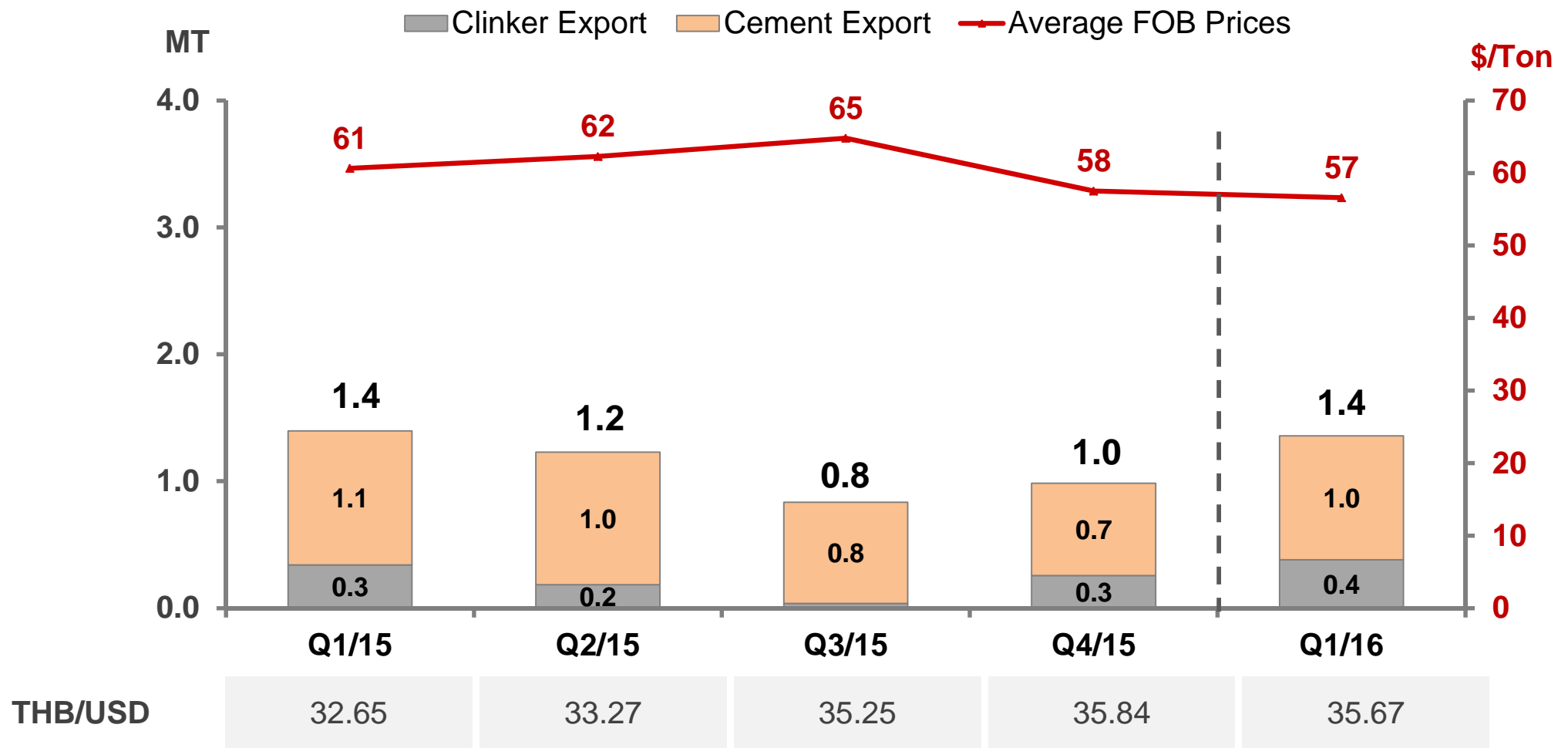


Cement exports



Exports volume register 1.4 MT in Q1/16, while export prices dropped \$4/ton y-o-y as a result of the change in product mix.

Sales volume and Average prices (FOB)



Note: FOB price does not include handling charges and discount.

Outlook:

- Domestic cement demand in FY2016 is expected to grow +3% to +5% y-o-y, depending on the progress of the government's infrastructure projects and the severity of the ongoing drought conditions. Domestic pricing pressure is expected to continue in light of the strong competition.
- Domestic demand of housing products and ceramic tiles are projected to remain negative in FY2016.
- In general, ASEAN (ex-Thailand) demand for cement and building materials products are expected to see continued positive growth.

Plants startup :

- **Myanmar cement plant** : commercial operation is expected in Q3/16.

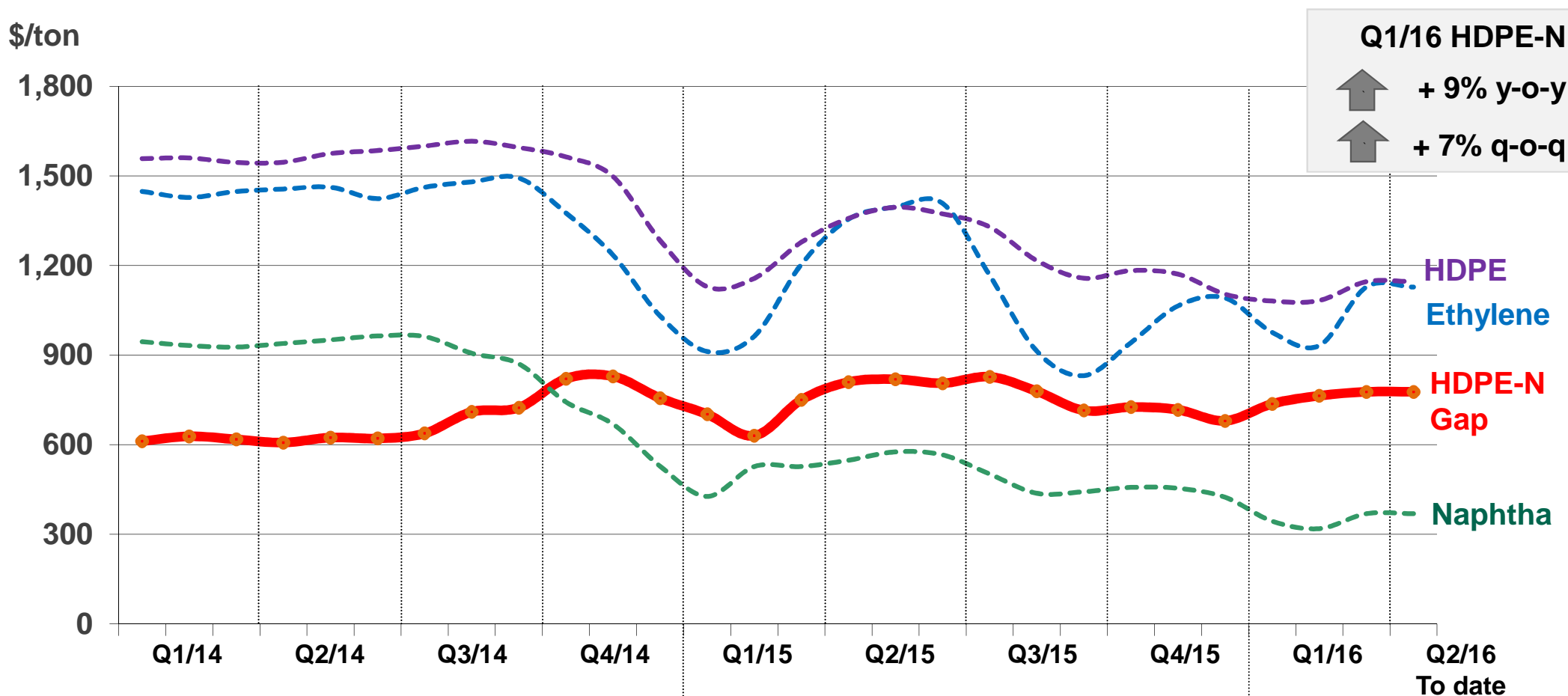
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	Q1/16	q-o-q change	Notes
Crude (Brent)	\$34/bbl	-\$10/bbl (-23%)	Oil market remained oversupplied but started to recover from the bottom
Naphtha	\$344/ton	-\$101/ton (-23%)	Naphtha continued to drop from low demand due to cracker turnaround
Ethylene	\$1,012/ton	-\$21/ton (-2%)	Marginally declined despite a sharp fall in crude owing to firm downstream demand
Propylene	\$649/ton	+\$62/ton (+11%)	Tighter regional supply from unplanned shutdown of on-purposed units
HDPE	\$1,103/ton	-\$50/ton (-4%)	Dropped only slightly as healthy demand supported the price Gaps widened owing to firm demand
PP	\$934/ton	-\$64/ton (-6%)	
HDPE-Naphtha	\$759/ton	+\$51/ton (+7%)	
PP-Naphtha	\$589/ton	+\$35/ton (+6%)	
EDC	\$234/ton	+\$18/ton (+8%)	Price was in uptrend due to tight supply
PVC	\$727/ton	-\$36/ton (-5%)	Seasonal demand still supported PVC despite low oil price
PVC-EDC/C2	\$302/ton	-\$47/ton (-13%)	Spread narrowed from tight EDC and decline in PVC prices
MMA-Naphtha	\$955/ton	-\$70/ton (-7%)	Oversupply in China
BD-Naphtha	\$546/ton	+\$262/ton (+92%)	Tight supply from the on-going regional plants unplanned shutdown
PTA-PX	\$66/ton	+\$2/ton (+3%)	New capacity offset by loss of existing capacity due to technical problem

HDPE – Naphtha Price Gaps



HDPE spread widened to \$759/ton q-o-q due to firm downstream demand



Q1/16 HDPE-N
 ↑ + 9% y-o-y
 ↑ + 7% q-o-q

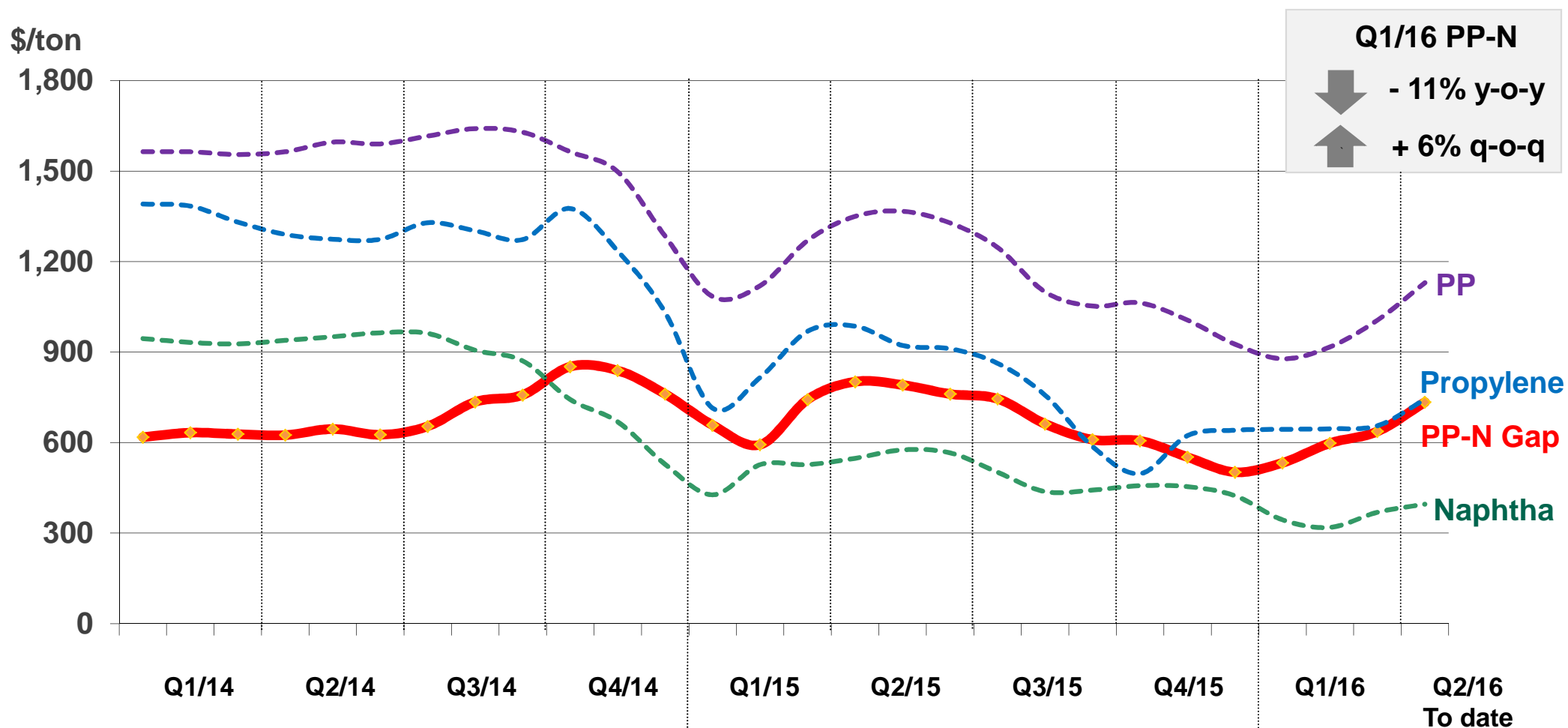
HDPE-Naphtha	620	618	691	802	694	812	774	708	759	819
Spread (\$/ton)	← 682 →			← 747 →						
HDPE-C2	113	121	125	234	161	(11)	264	120	91	53
C2-Naphtha	507	496	565	568	532	823	510	588	668	766

Note: Prices refer to SEA regional prices

PP – Naphtha Price Gaps



PP spread widened to \$589/ton q-o-q from healthy demand.



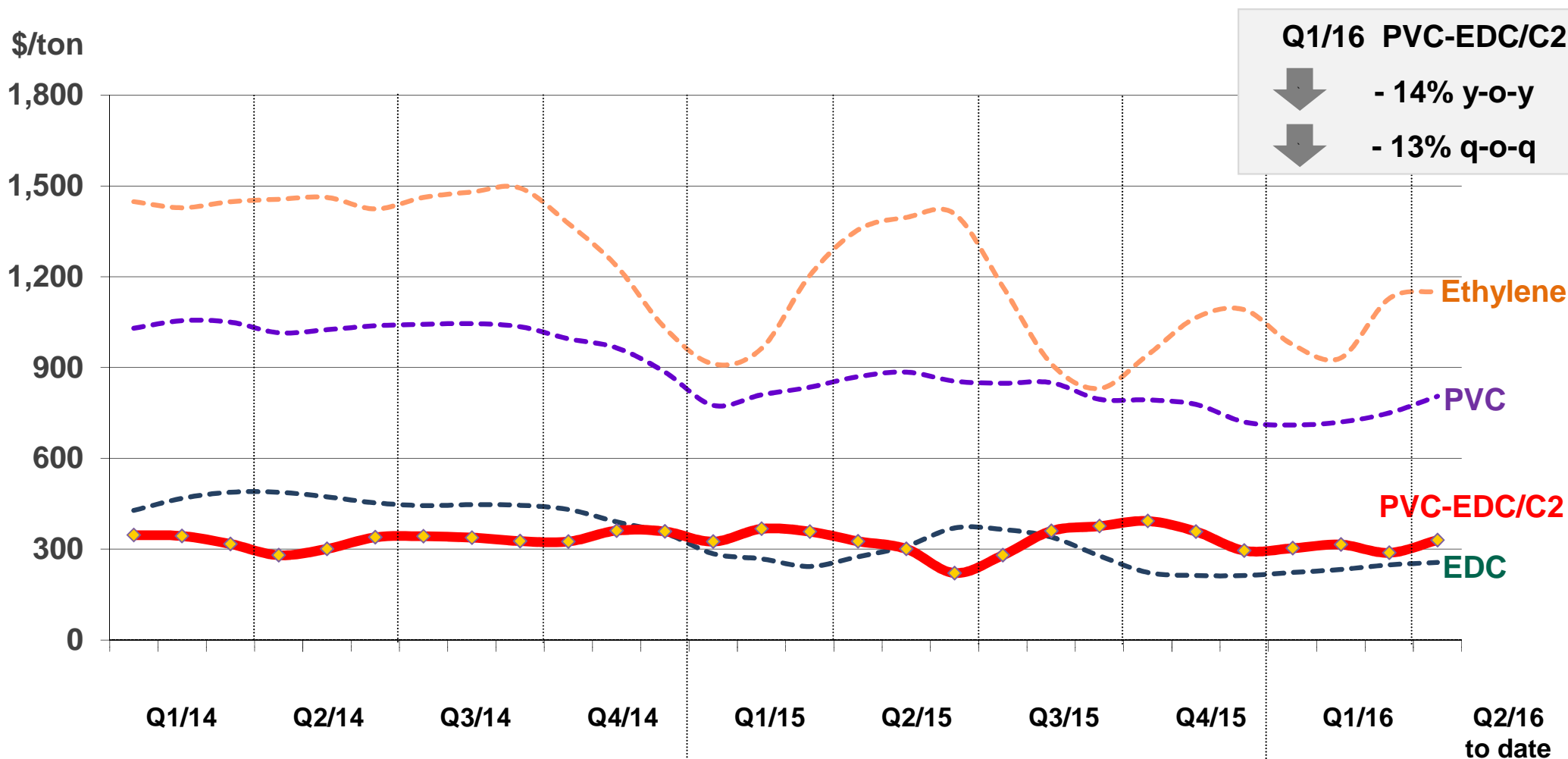
PP-Naphtha	626	632	716	819	664	785	672	554	589	741
Spread (\$/ton)	← 698		→ 669		→		→			
PP-C3	192	304	328	433	325	408	397	412	285	381
C3-Naphtha	434	328	388	385	339	376	275	142	305	360

Note: Prices refer to SEA regional prices

PVC



PVC spread narrowed down to \$302/ton as EDC edged up slightly from tight supply and as PVC marginally declined amid low oil price.



PVC-EDC/C2	336	307	336	348	350	283	339	349	302	330
Spread (\$/ton)	← 332 →		← 324 →							

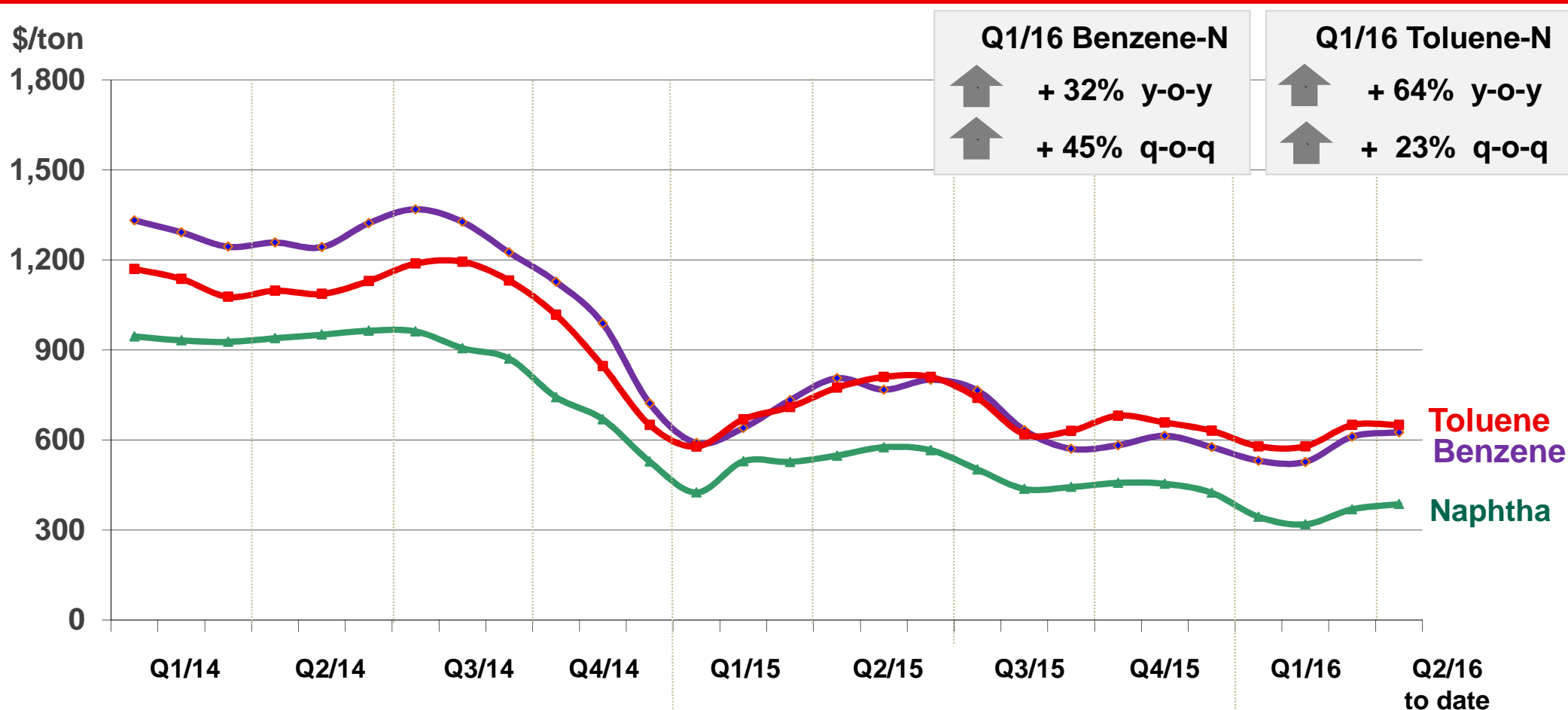
Note: Prices refer to FE regional prices

Benzene & Toluene



BZ-Naphtha: Benzene price rose with continuing strong SM price.

TL-Naphtha: Gap improved from strong Chinese import demand to restock low inventory.



Q1/16 Benzene-N	Q1/16 Toluene-N
↑ + 32% y-o-y	↑ + 64% y-o-y
↑ + 45% q-o-q	↑ + 23% q-o-q

BZ-Naphtha	355	323	394	299	161	228	196	146	212	239
TL-Naphtha	193	153	258	191	159	235	203	212	260	264
BZ-Spread	← 343 →		← 183 →							
TL Spread	← 199 →		← 202 →							

Note: Prices refer to SEA regional prices

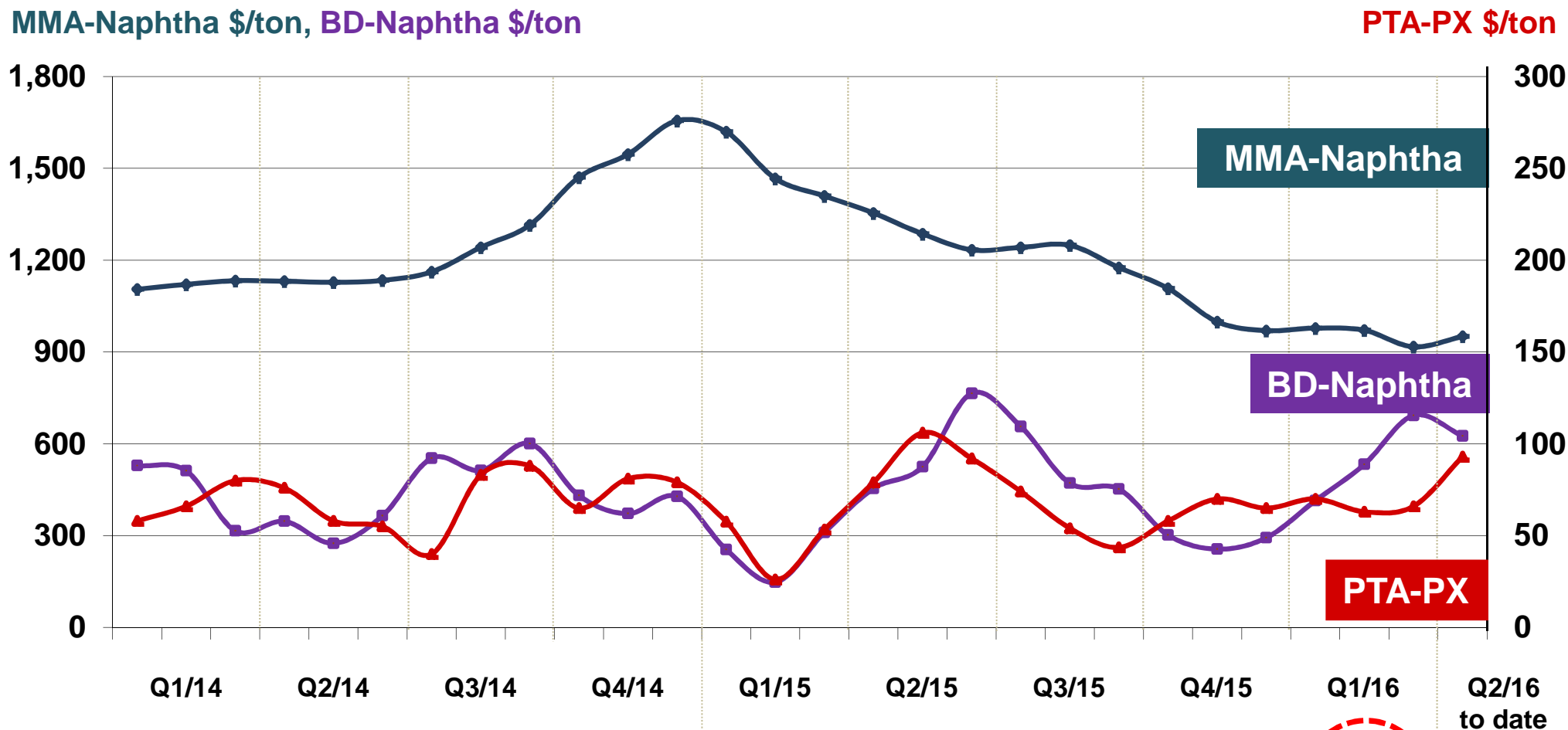
Price Gaps of Associates



MMA-Naphtha: Spread declined on the back of oversupply in China.

PTA-PX: New capacity offset by loss of existing capacity due to technical problem.

BD-Naphtha: Tight supply from regional plants unplanned shutdown.

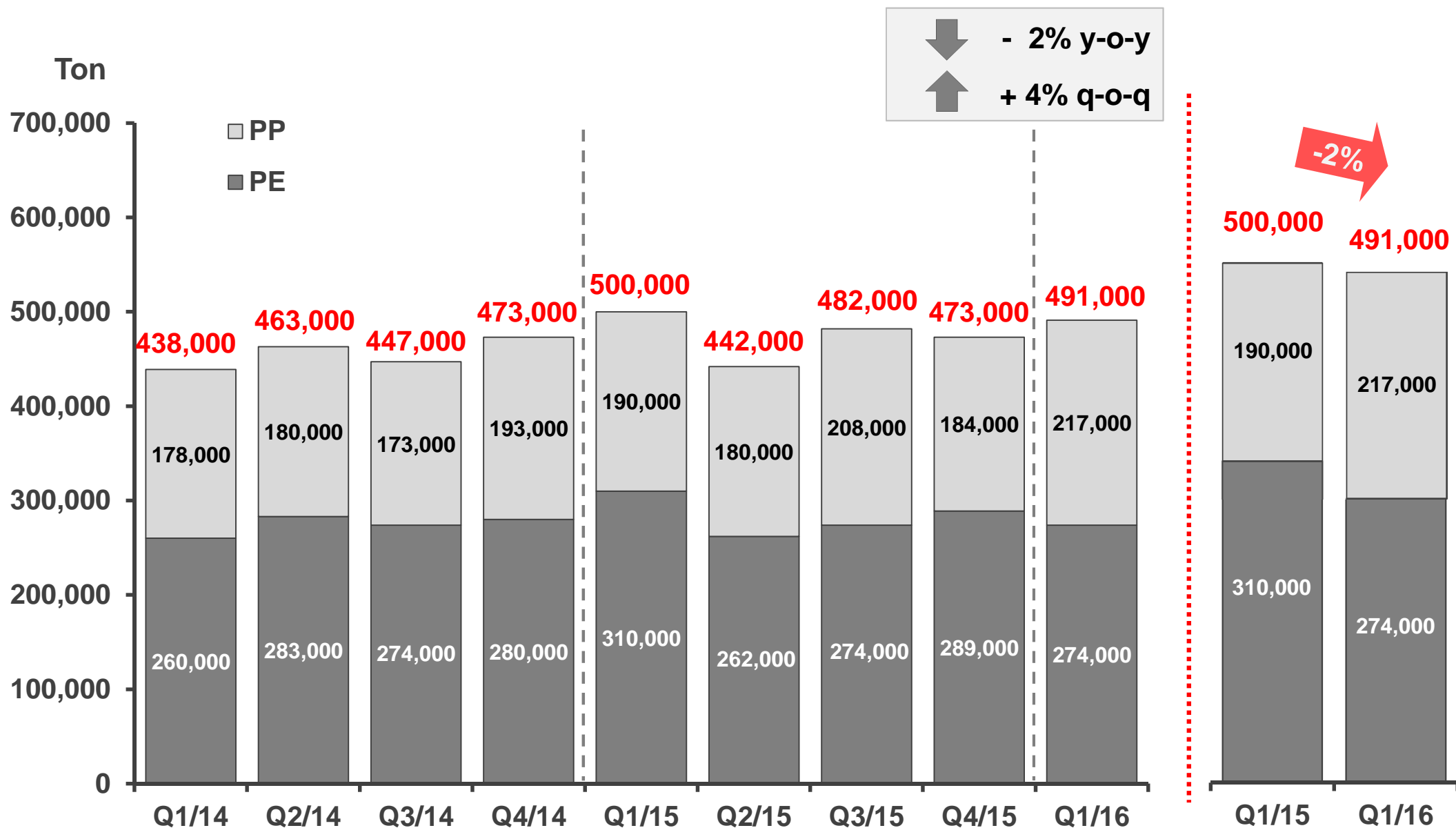


	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16 to date
MMA-N	1,120	1,131	1,240	1,558	1,499	1,291	1,222	1,025	955	936
PTA-PX	68	63	70	75	46	92	57	64	66	88
BD-N	452	329	556	410	238	581	527	284	546	628

Note: BD and MMA prices refer to SEA regional prices, PTA prices refer to Asian regional prices

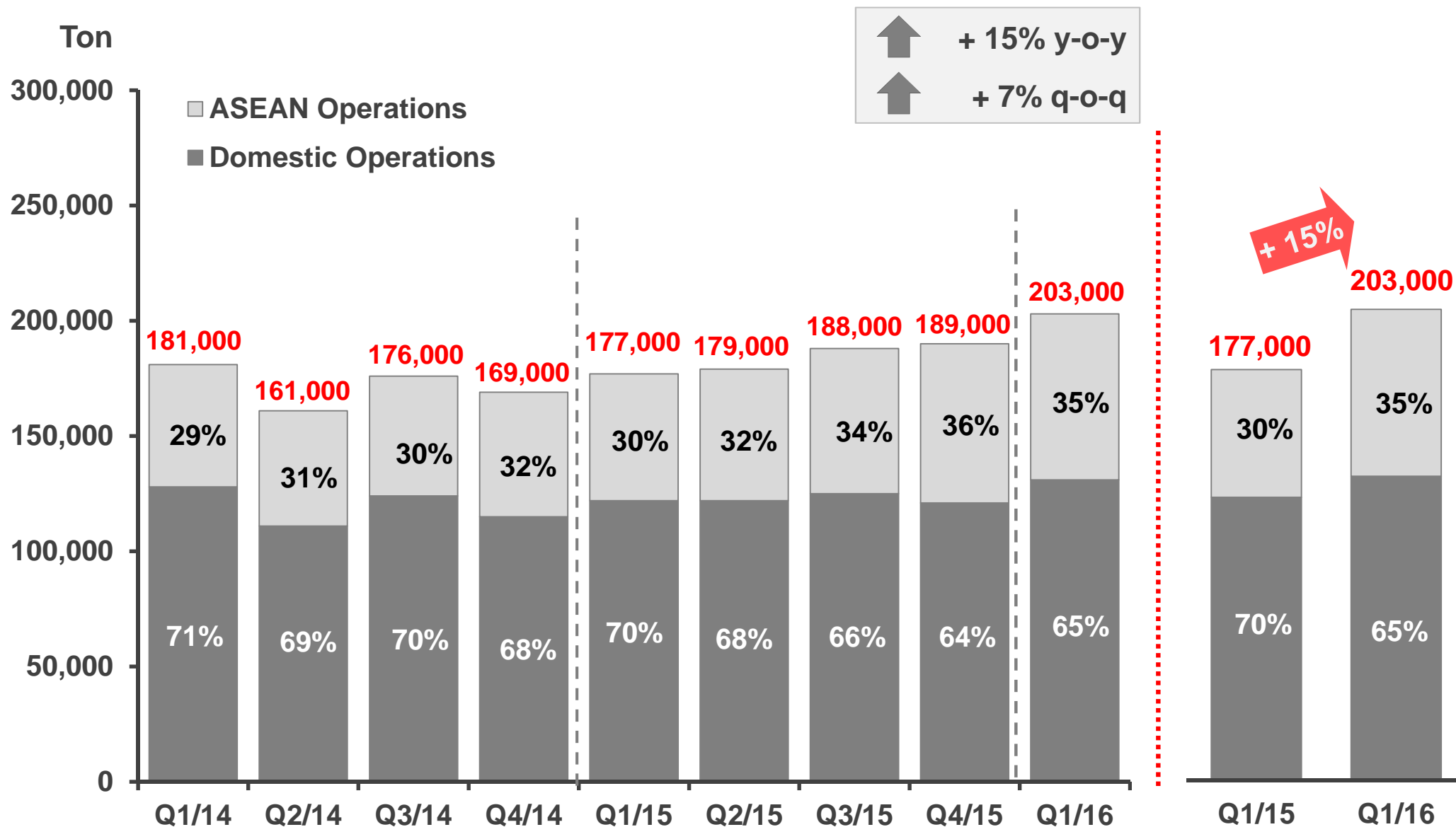
Polyolefin Sales Volume

Q1/16 sales volume increased 4% q-o-q with resilient market demand, especially in Thailand.



PVC Sales Volume

Q1/16 sales volume grew 7% q-o-q on the back of seasonal demand and 15% y-o-y due to increased VCM capacity from debottlenecking in Q2/15.

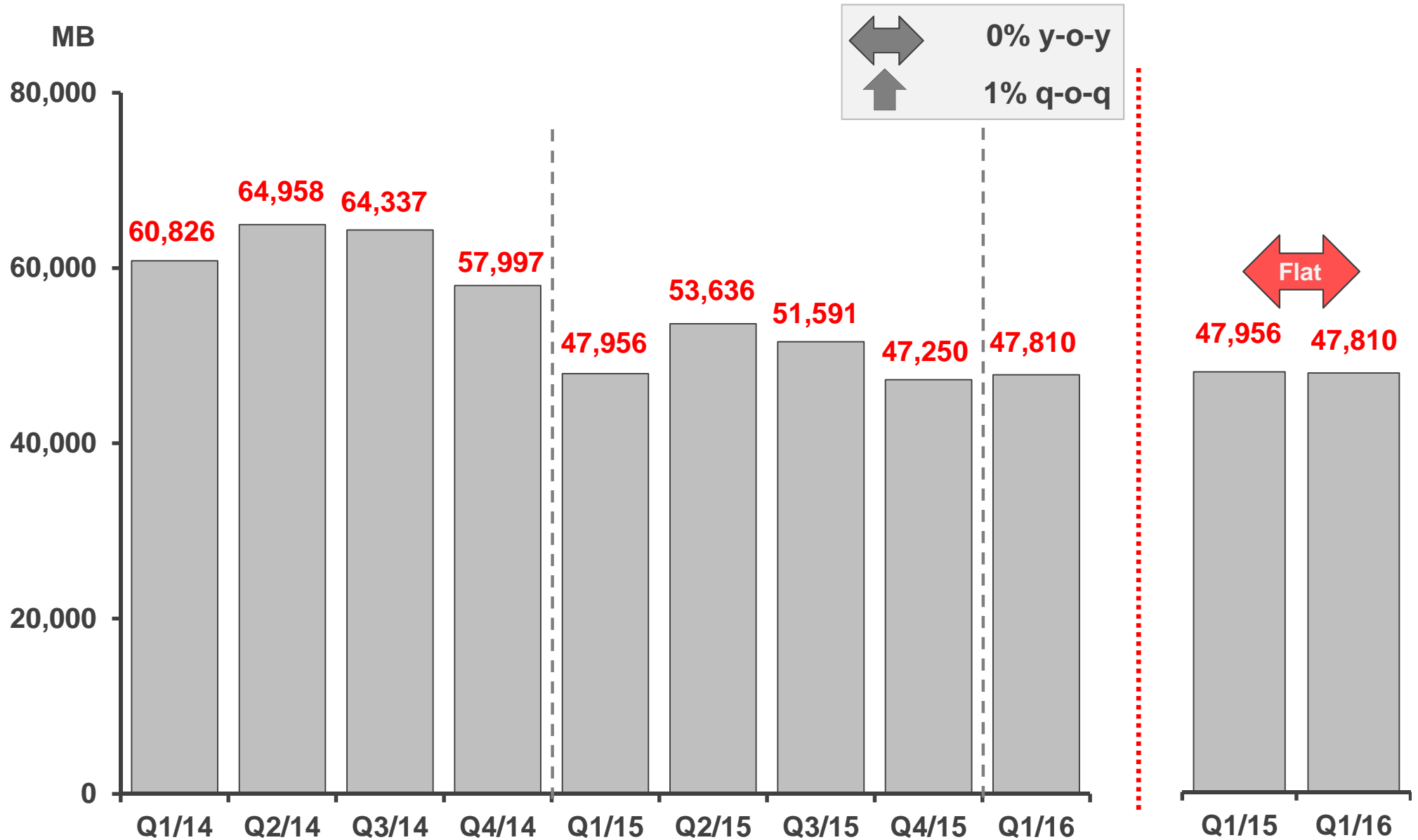


*Note: *ASEAN Operations = Sales volume from PVC operations in Vietnam and Indonesia*

Revenue from Sales

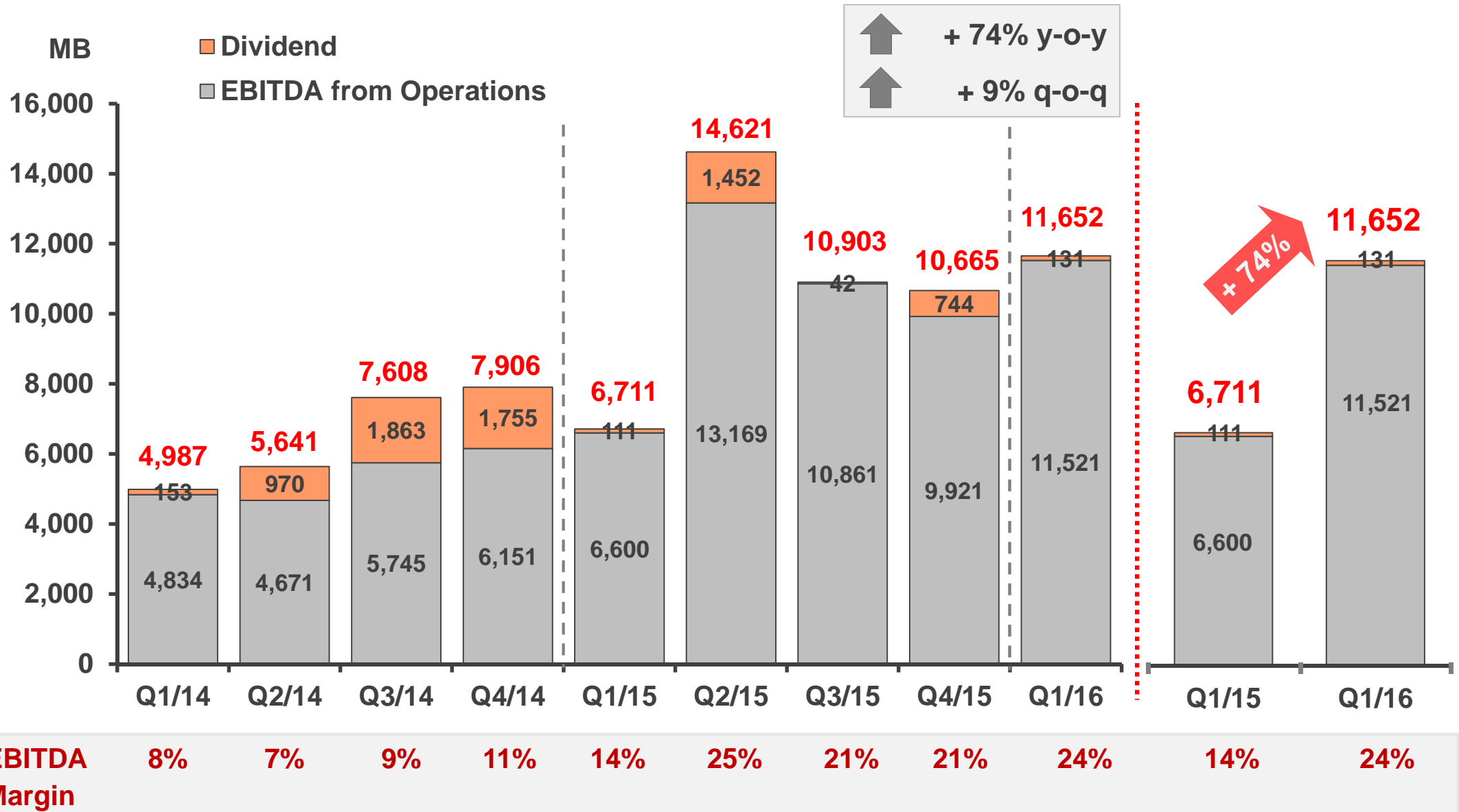


Q1/16 revenue slightly improved at 47,810 MB q-o-q due to higher sales volume.



EBITDA

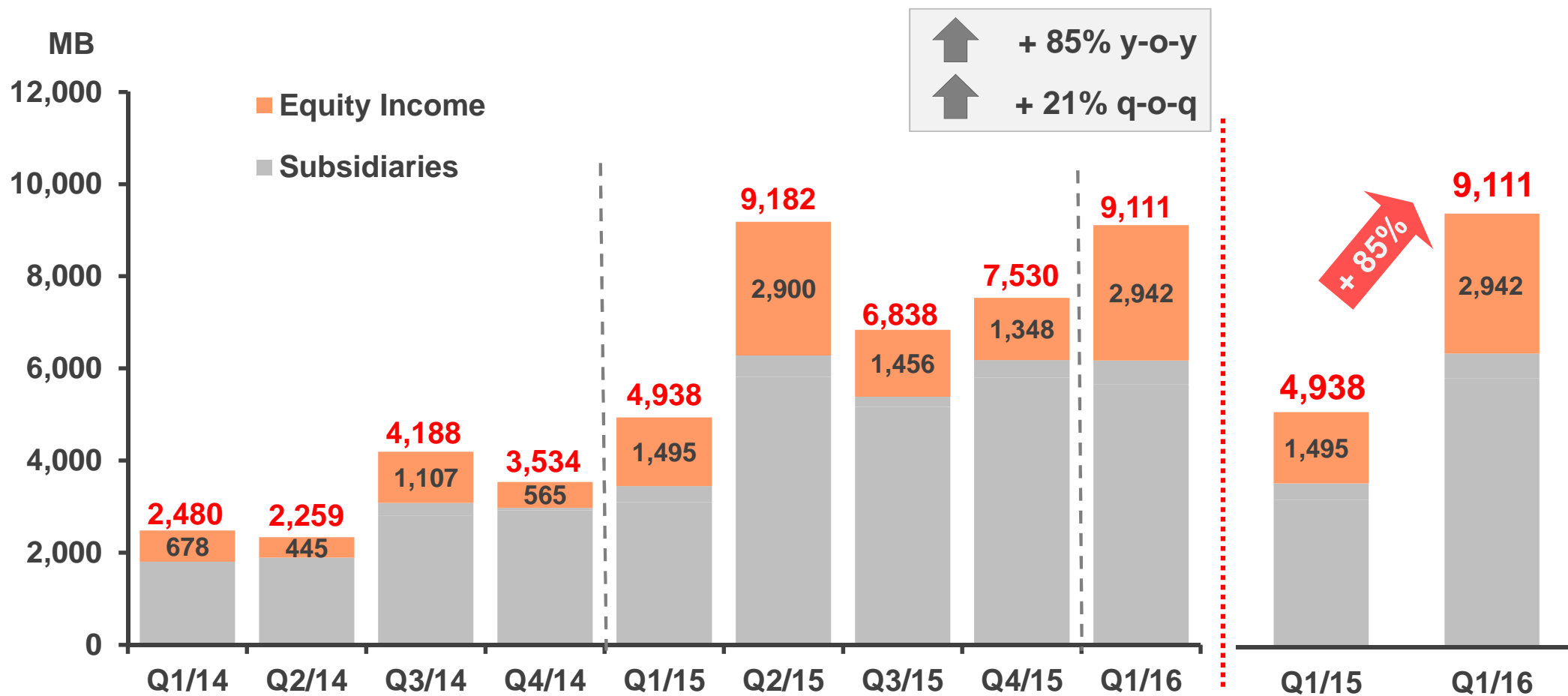
Q1/16 EBITDA slightly increased q-o-q to 11,652 MB on enhanced spreads



Note: EBITDA = EBITDA from Operations + Dividend from Associated Companies

Profit for the Period

Profit increased to 9,111 MB mainly due to improved equity income from associated companies



NCI (Non controlling interest)	(330)	(240)	(650)	(740)	(680)	(3,600)	(1,540)	(1,140)	(2,820)	(680)	(2,820)
Inventory Gain (Loss)**	180	(80)	(130)	(2,960)	(930)	970	(2,160)	330	(300)	(930)	(300)

*Sub/Asso : 67%/33%

**Note: SCG Chemicals (Sub + Asso)

- **Crude** – gradually recovers due to easing oversupply situation
- **Naphtha** – naphtha following crude price amid cracker turnaround season
- **Polyolefin** – cost push from continued rising feedstock prices from cracker turnaround season
- **PVC** – strong demand from healthy season for agriculture and construction

Company highlight:

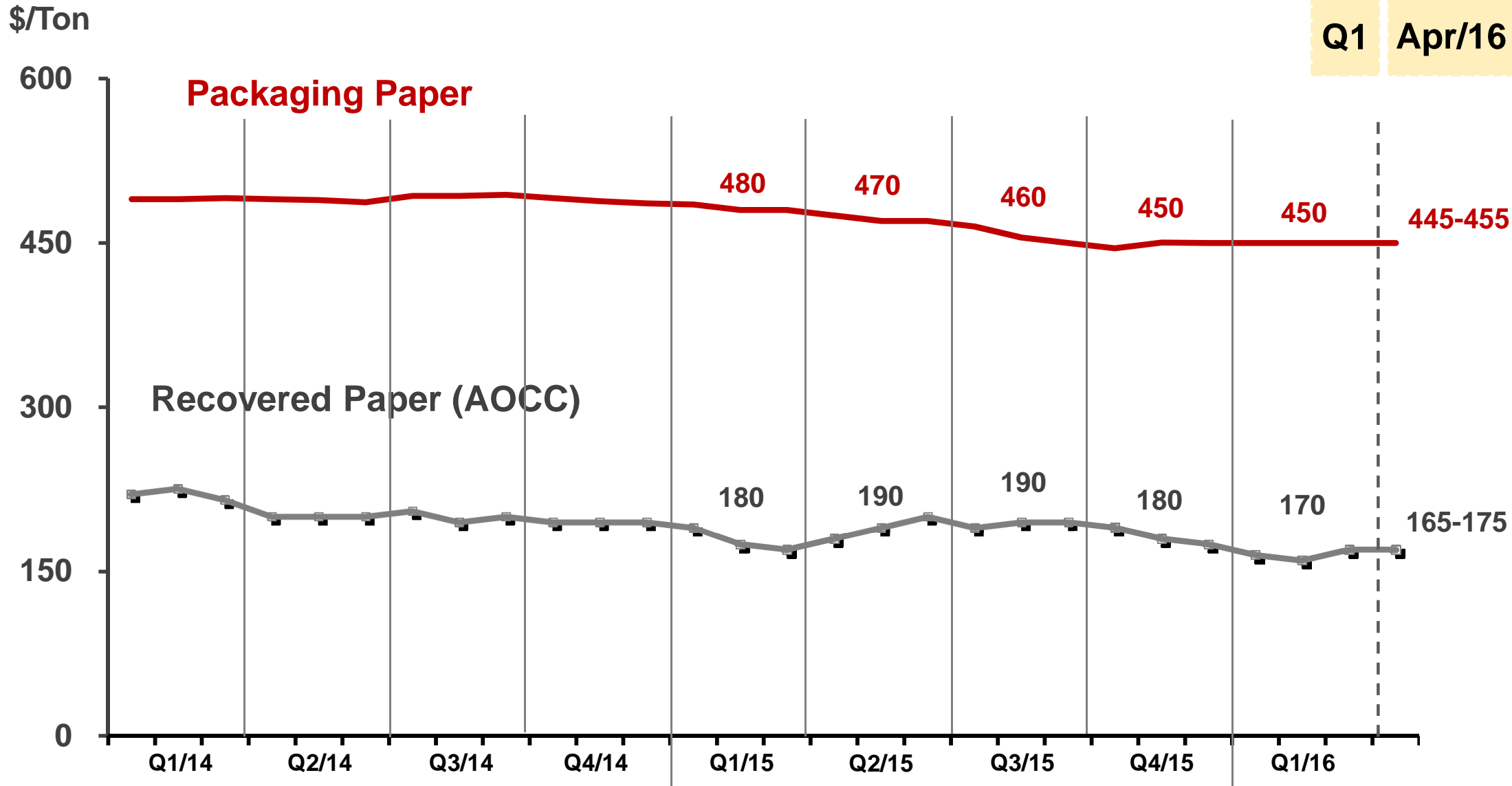
- **Chandra Asri (30%)**: ramping up, following the debottleneck in late-2015
- **Longson Petrochemical (46%)**: in progress of negotiating with potential partners
- **Rayong Olefins (consolidated)**: 40-day cracker shutdown for scheduled maintenance in Q4/16
- **Thai Plastic and Chemicals (consolidated)**: 23-day VCM plant shutdown for scheduled maintenance in Q2/16

- I. Consolidated Results
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 - Financial Updates
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Packaging Paper



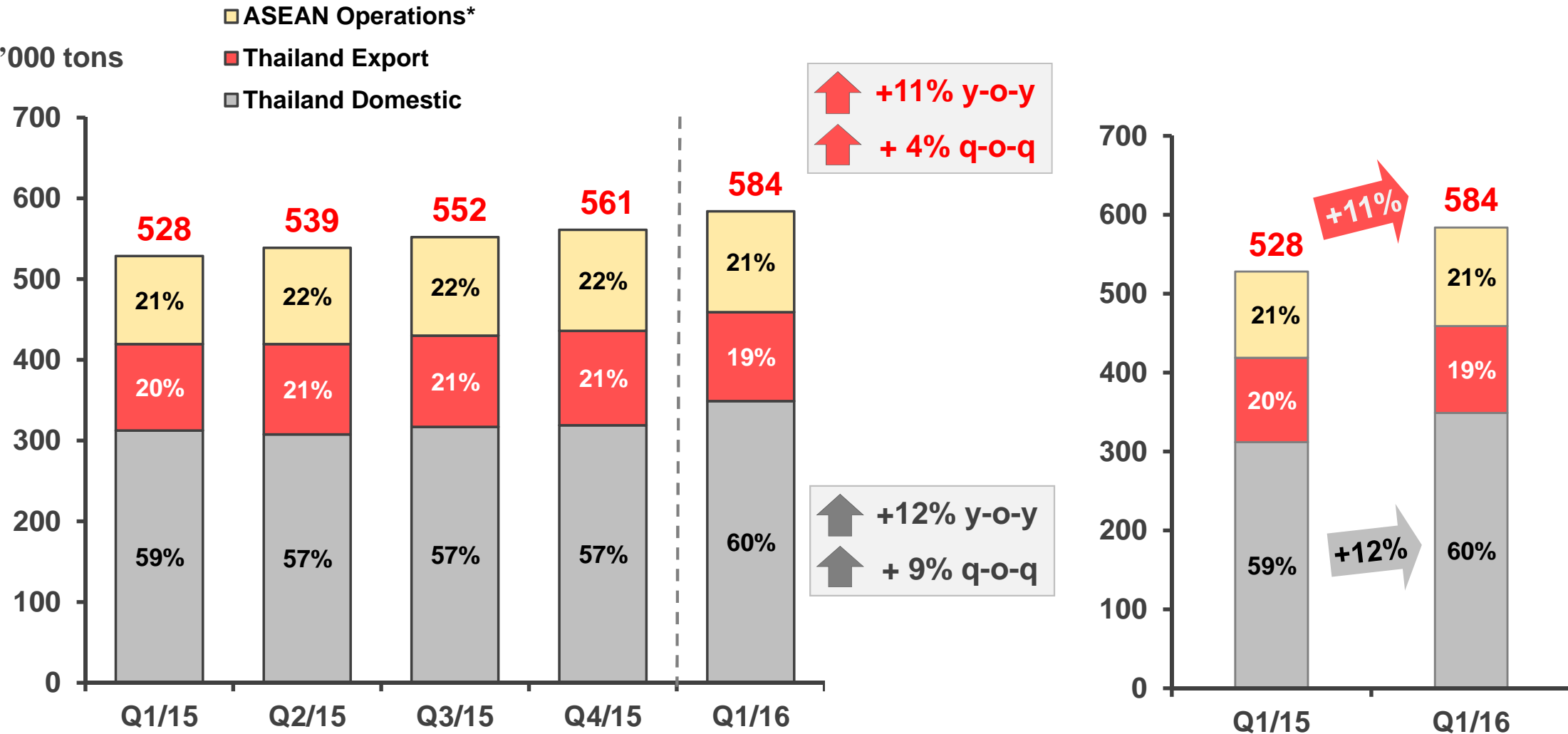
Packaging paper prices maintained due to stable-to-soft demand in the region while AOCC prices dropped due to low demand in China during Chinese New Year.



Note: regional prices

Packaging Paper

Total sales volume increased 4% q-o-q and 11% y-o-y mainly from higher domestic sales.

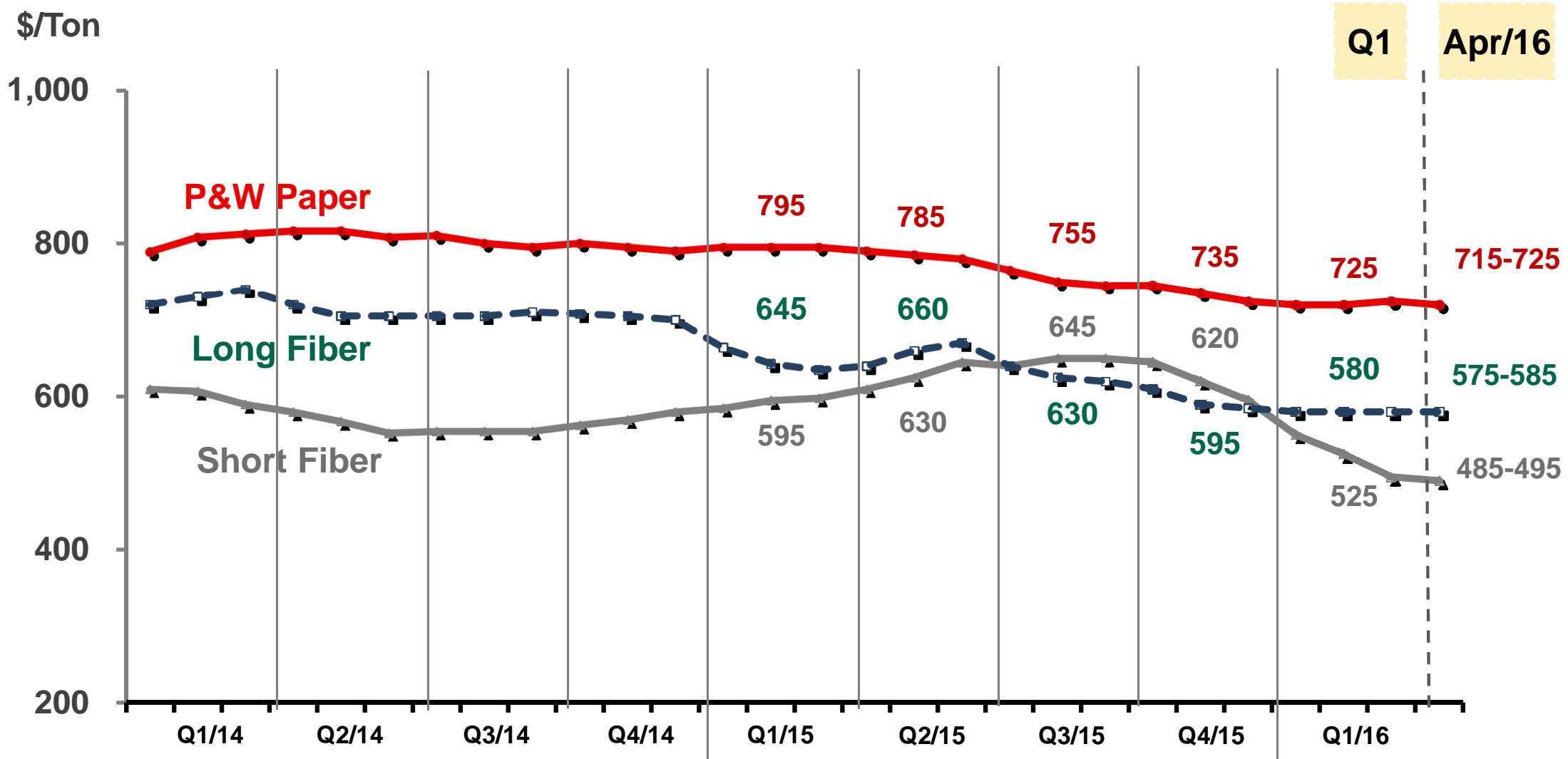


Note: *Sales Volume from Philippines and Vietnam

Fibrous (Printing & Writing Paper)



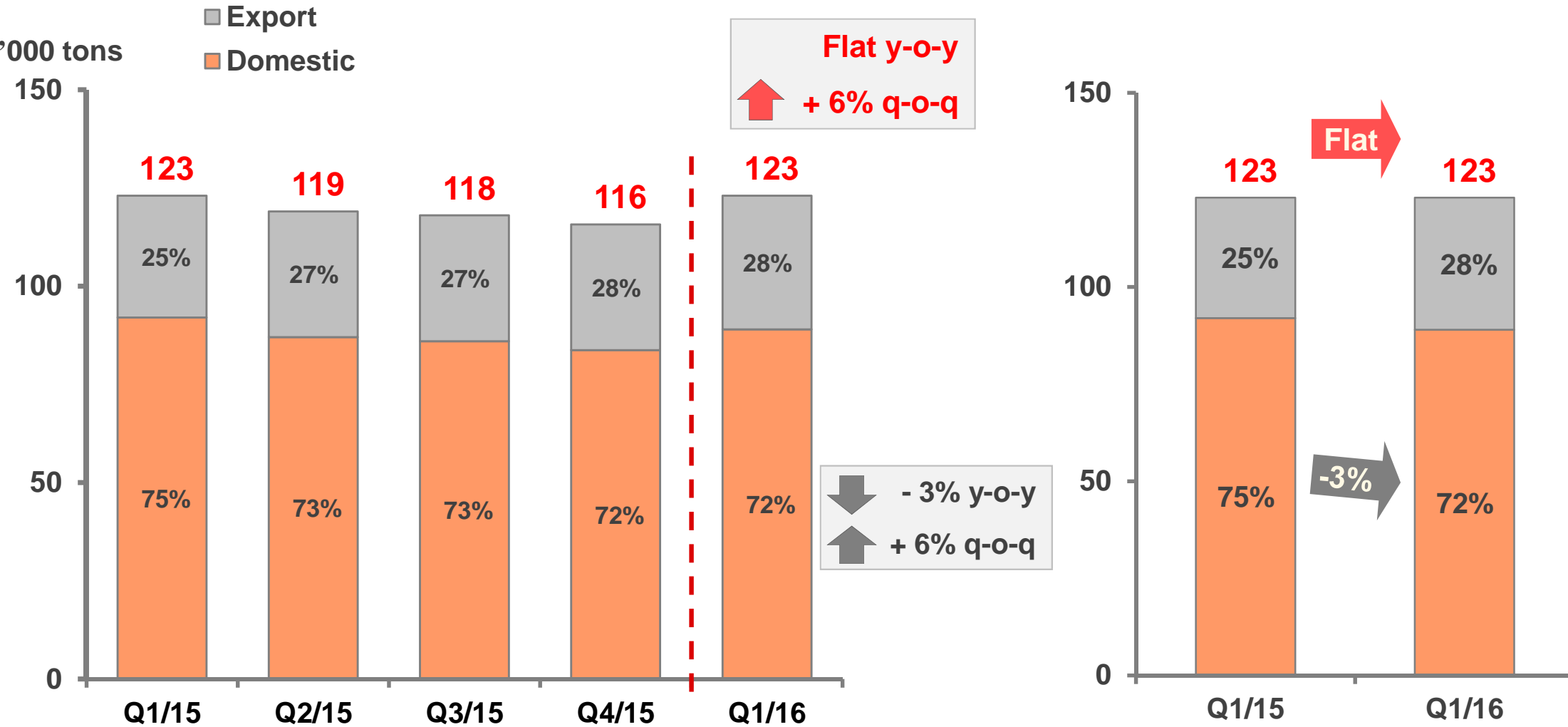
Printing & Writing paper prices declined from poor demand. Short fiber pulp prices dropped sharply due to oversupply and low demand.



Note: regional prices

Fibrous (Printing & Writing Paper)

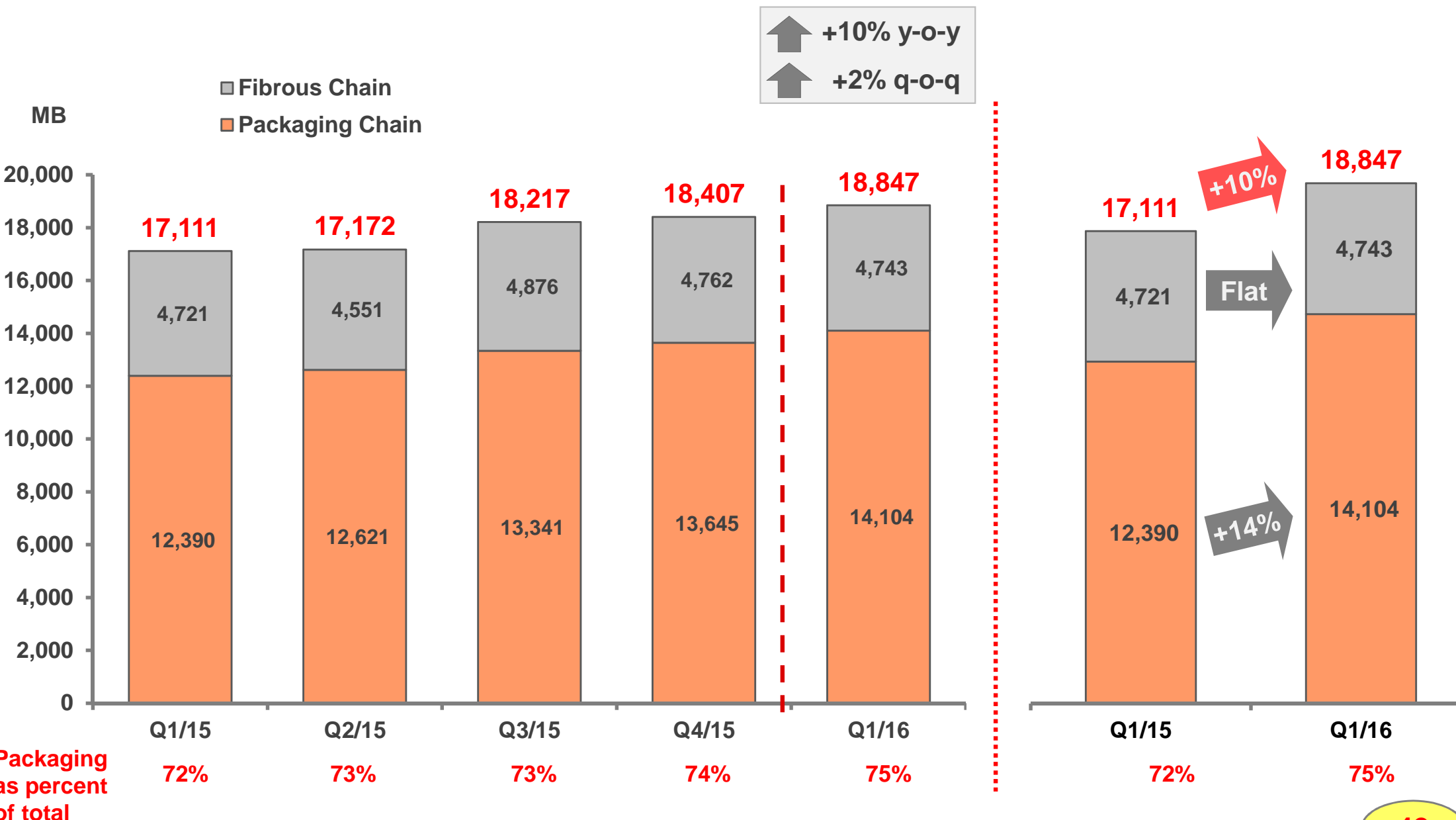
Total sales volume increased 6% q-o-q owing to improved domestic demand and higher export sales, but flat y-o-y.



Revenue from Sales



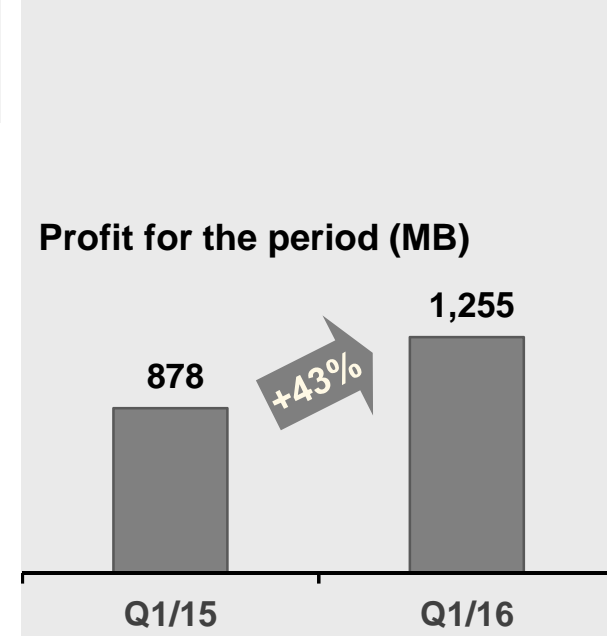
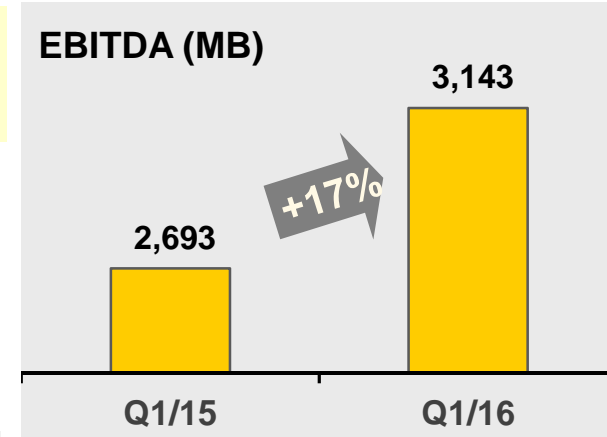
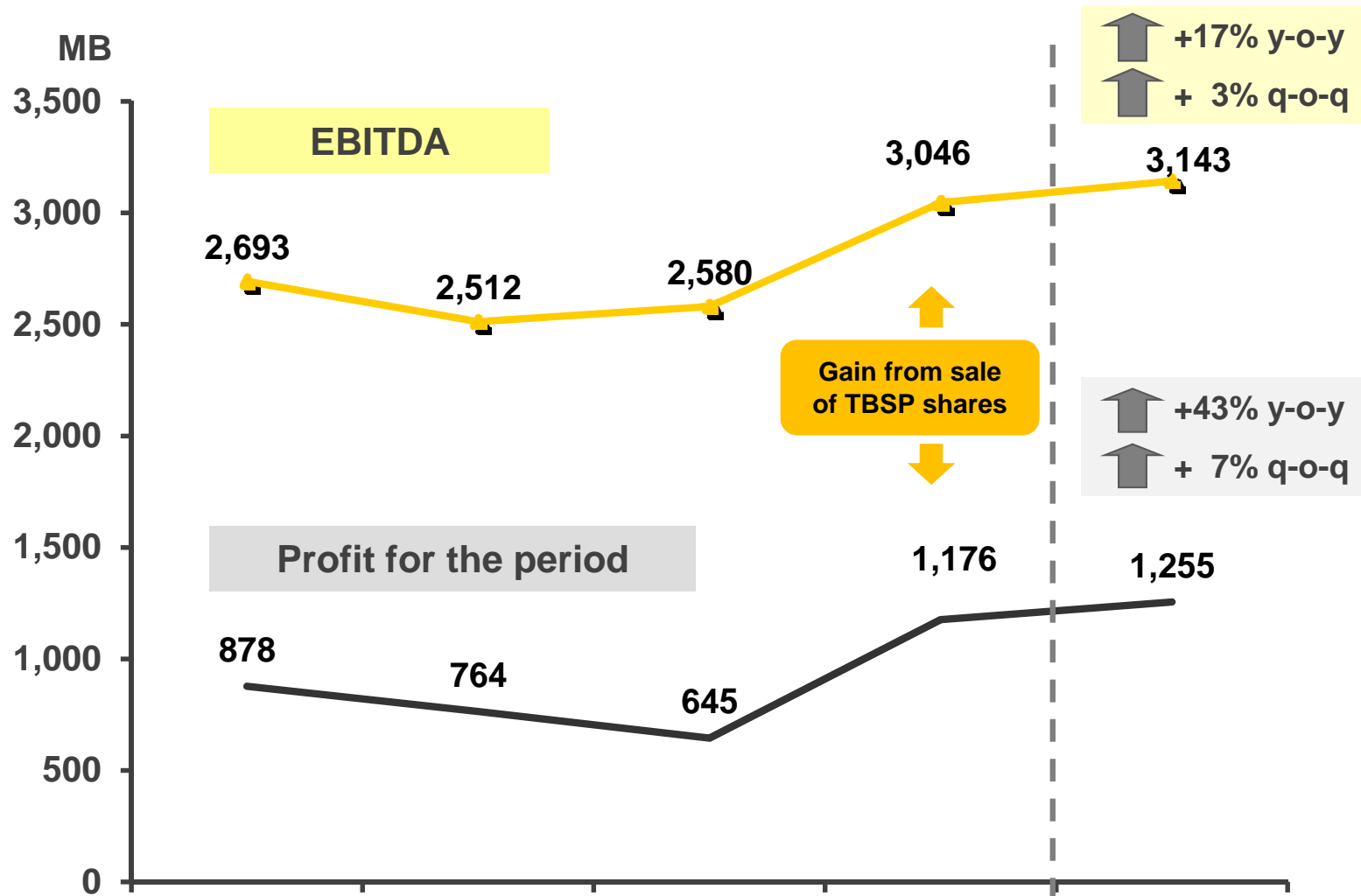
Revenue from Sales in Q1/16 increased 2% q-o-q and 10% y-o-y mainly from higher domestic sales in Packaging chain.



EBITDA and Profit for the Period



Improved performance in Q1/16 both q-o-q and y-o-y mainly due to higher sales volume and cost improvement.



EBITDA Margin
 16% (Q1/15) to 17% (Q1/16)

EBITDA Margin	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16
Total	16%	15%	14%	17%*	17%
Fibrous	13%	11%	12%	12%	14%
Packaging	17%	16%	15%	15%	18%

*Remark : Include gain from sale of TBSP shares.

Outlook:

- Demand for packaging in Thailand expects to soften after peak period in Q1 and long holiday in Q2, while regional demand expects to remain stable.
- Regional packaging paper prices expect to maintain due to stable demand.
- Recovered paper prices expect to be flat as no new factor to push up prices.
- Short-fiber pulp prices expect to drop further due to competition, although long fiber prices expect to maintain.

Thank You

For further details, please contact invest@scg.co.th