



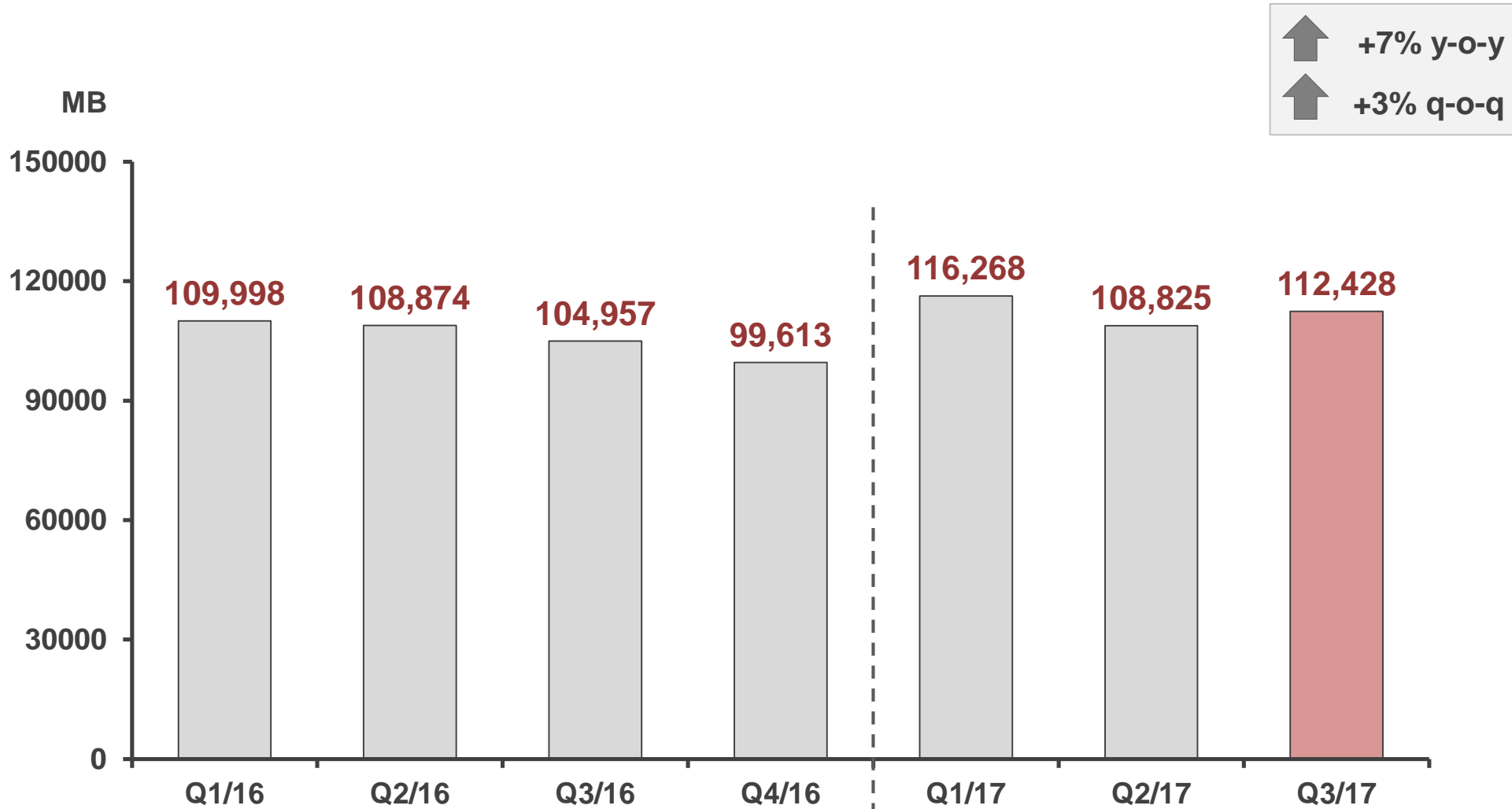
Analyst Conference Q3/17
Wednesday, Nov 1, 2017

- I. Consolidated Results
 - Q3/17 Consolidated Results
 - 9M/17 Summary
 - Financial Updates
- II. SCG Cement - Building Materials
- III. SCG Chemicals
- IV. SCG Packaging
- V. Summary

Q3/17 Revenue from Sales



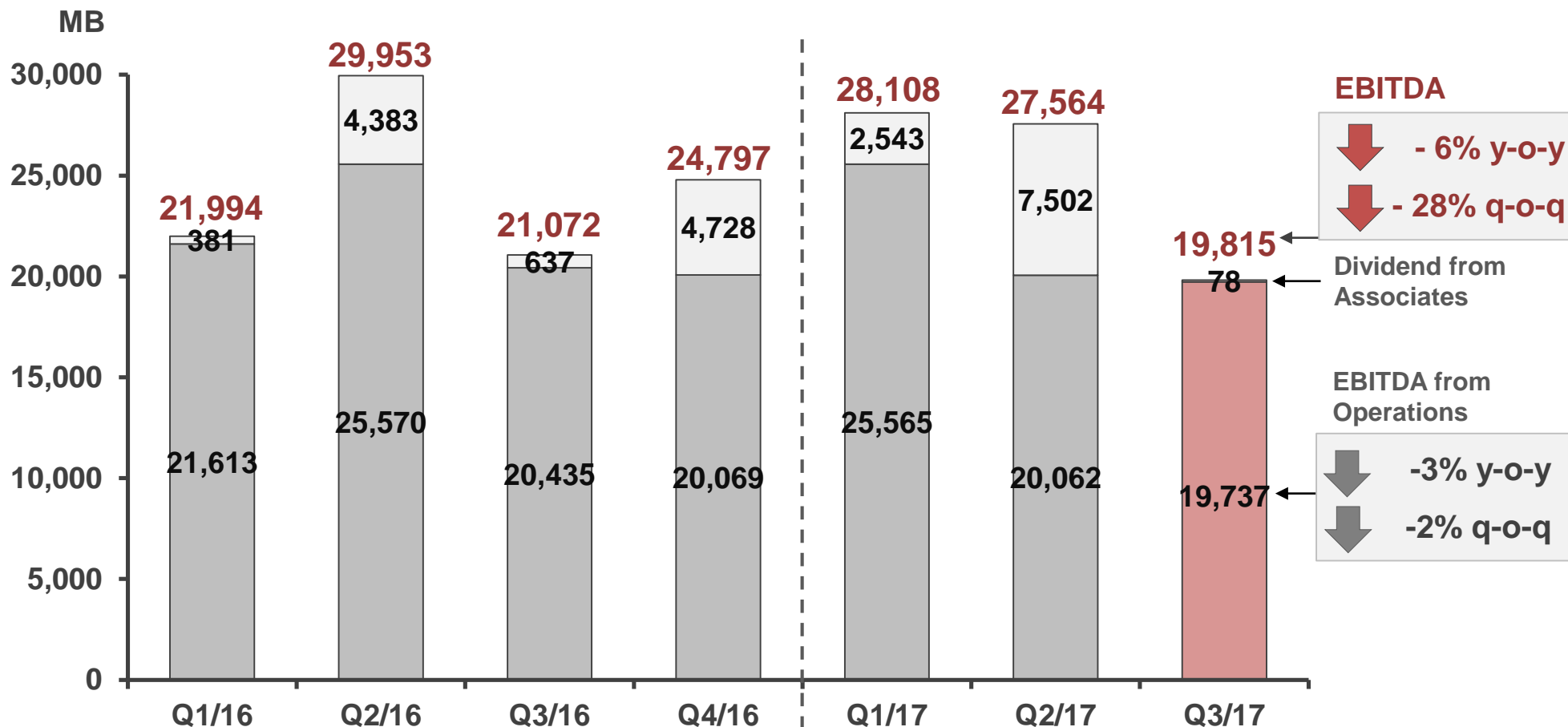
Revenue increased +7% y-o-y and +3% q-o-q on higher sales from all business units.



Q3/17 EBITDA



EBITDA dropped -6% y-o-y and -28% q-o-q, as a result of lower dividend from associates and decreased EBITDA from operations.



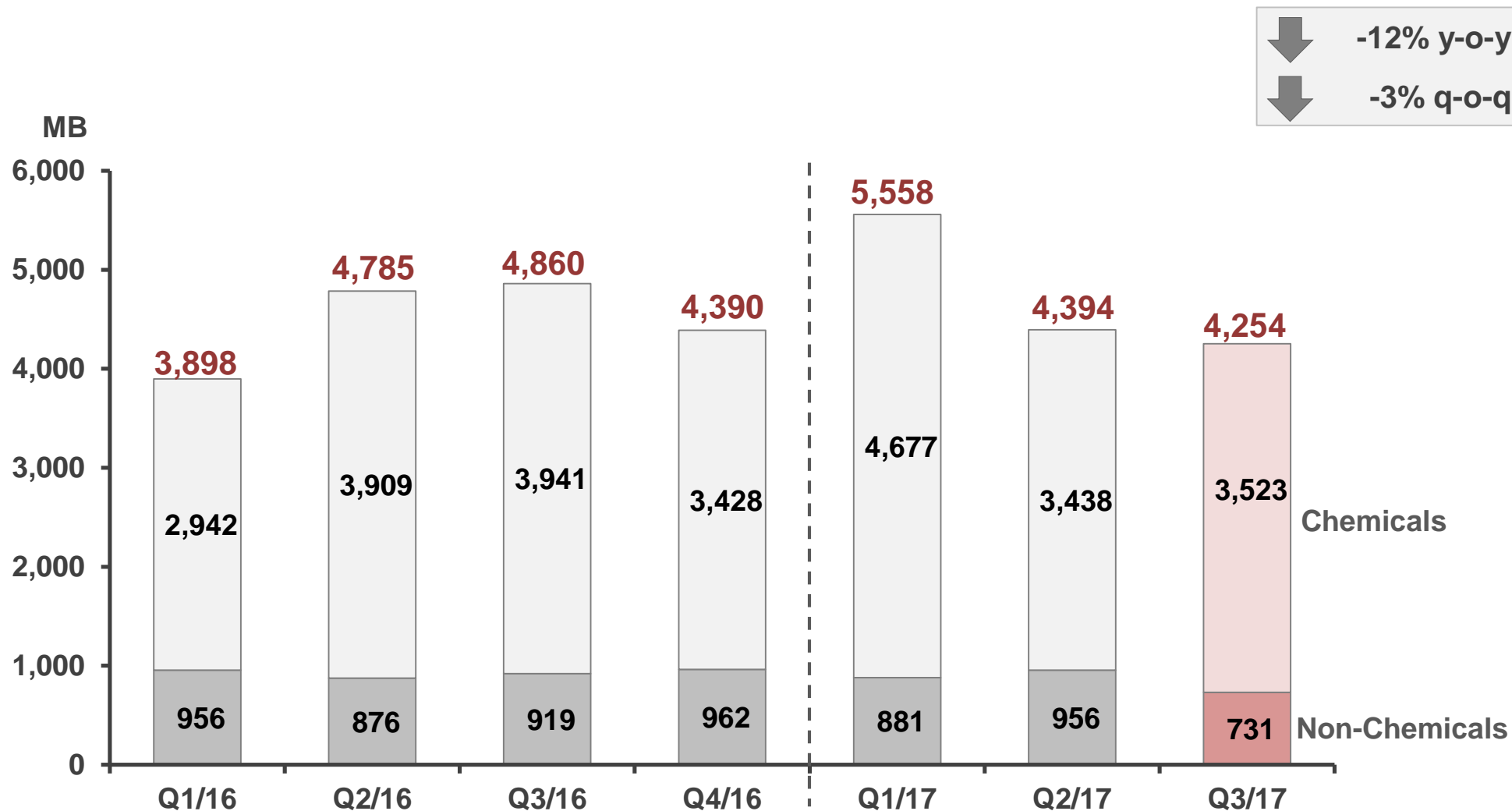
Note: $EBITDA = EBITDA \text{ from Operations} + \text{Dividend from Associates}$

EBITDA is in accordance to Department of Business Development.

Q3/17 Equity Income



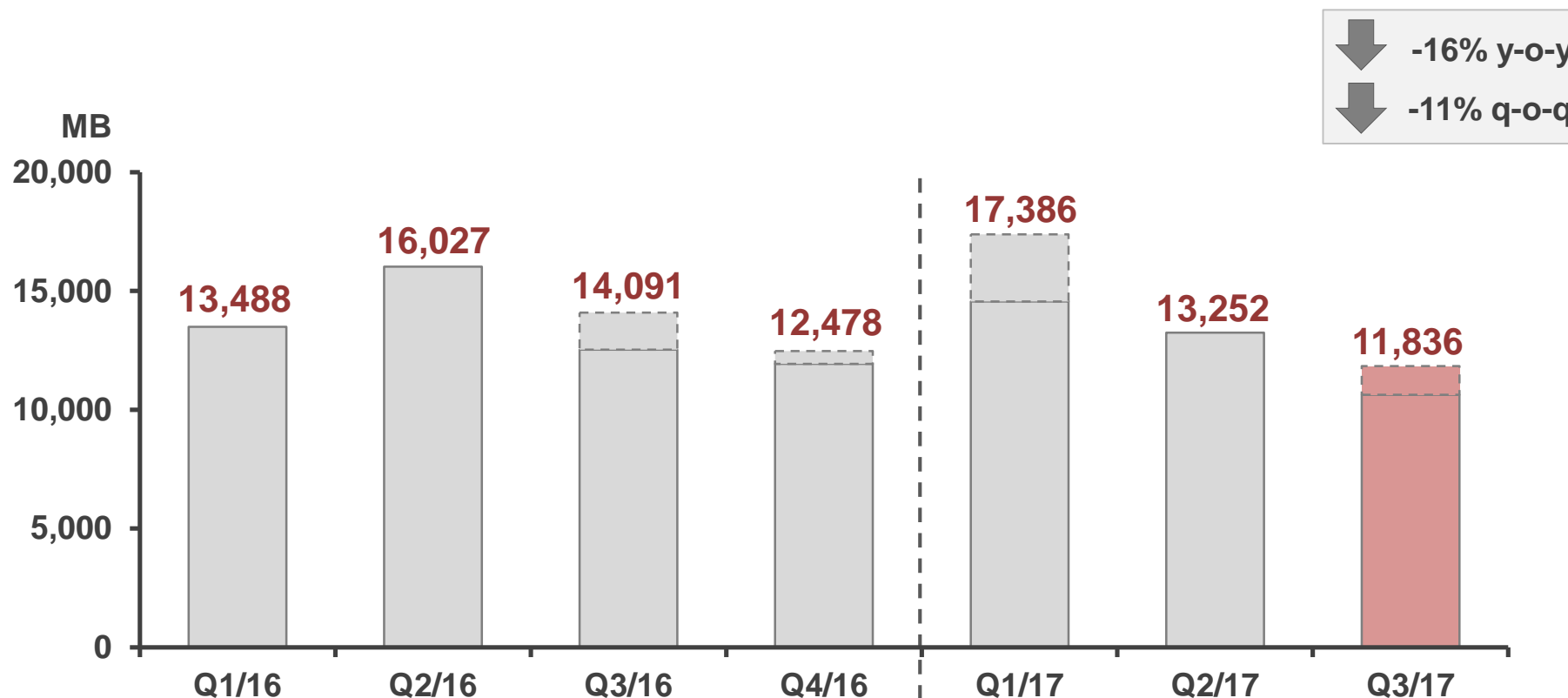
Associates contribution dropped -12% y-o-y, mainly from the chemicals business, while remaining relatively stable q-o-q.



Q3/17 Profit for the Period



Earnings dipped -16% y-o-y on softer chemicals margins, and -11% q-o-q from decreased dividends from investments, and lower EBITDA from operations.



-16% y-o-y
 -11% q-o-q

Key Non-recurring	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17
Key Non-recurring	(340)	(430)	1,560	540	2,830	(1,810)	1,210
1) Inventory Gain (Loss) ⁽¹⁾	(300)	160	(140)	40	930	(1,860)	900
2) Sale of Investment and assets	0	0	(100)	500	1,900	50	310
3) Others	(40)	(590) ⁽²⁾	1,800 ⁽³⁾	0	0	0	0

Note: (1) SCG Chemicals (Sub + Asso.)

(2) BOI Tax.

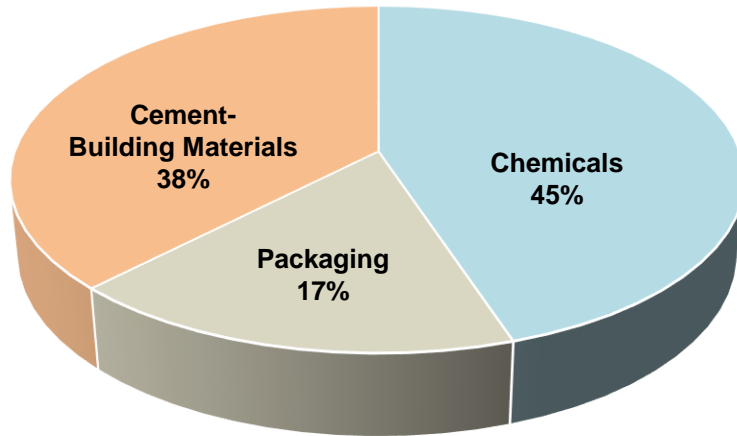
(3) approximate 1,800 MB deferred tax assets.

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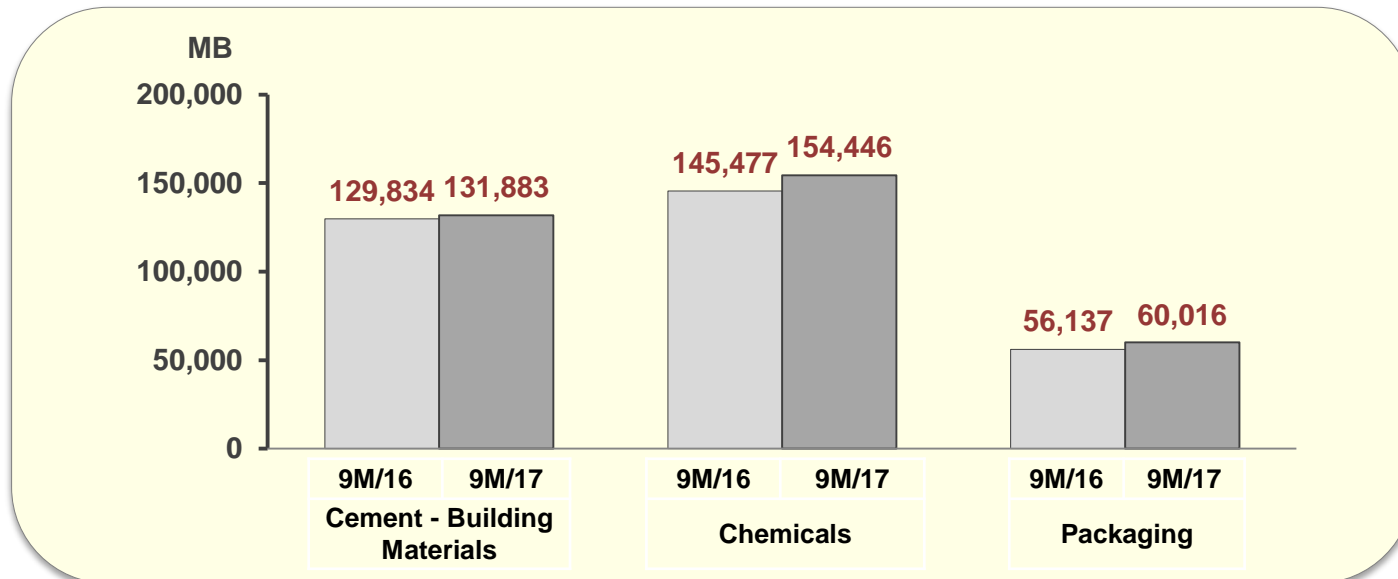
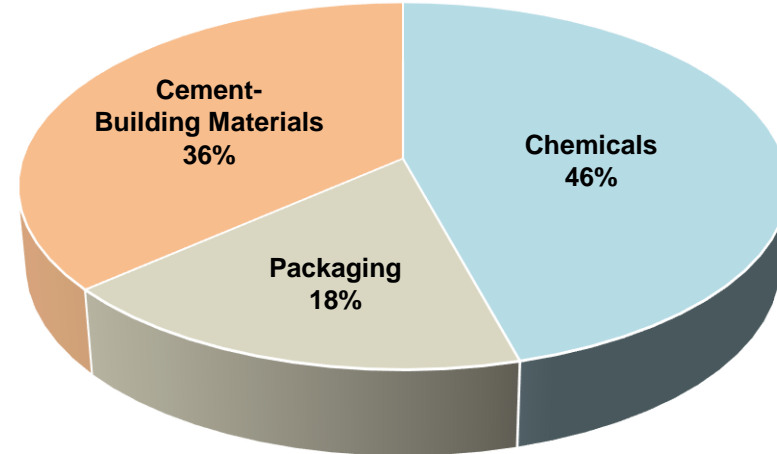
9M/17 Segmented Revenue from Sales

Chemicals and non-Chemicals sales were 46% and 54%, respectively.

9M/16
323,829 MB



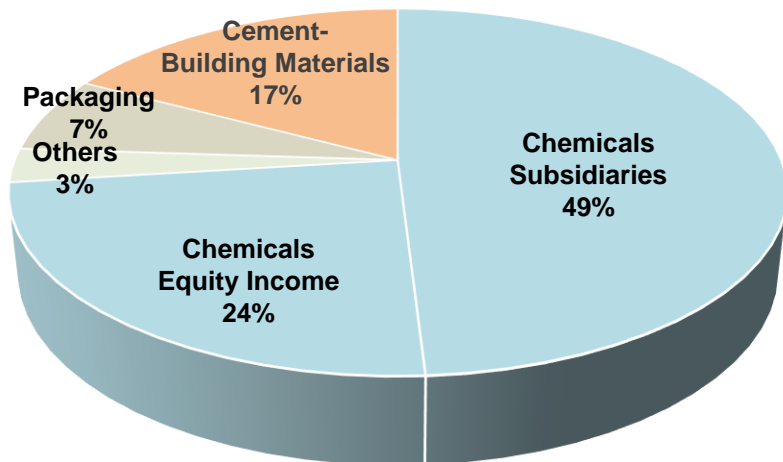
9M/17
337,521 MB



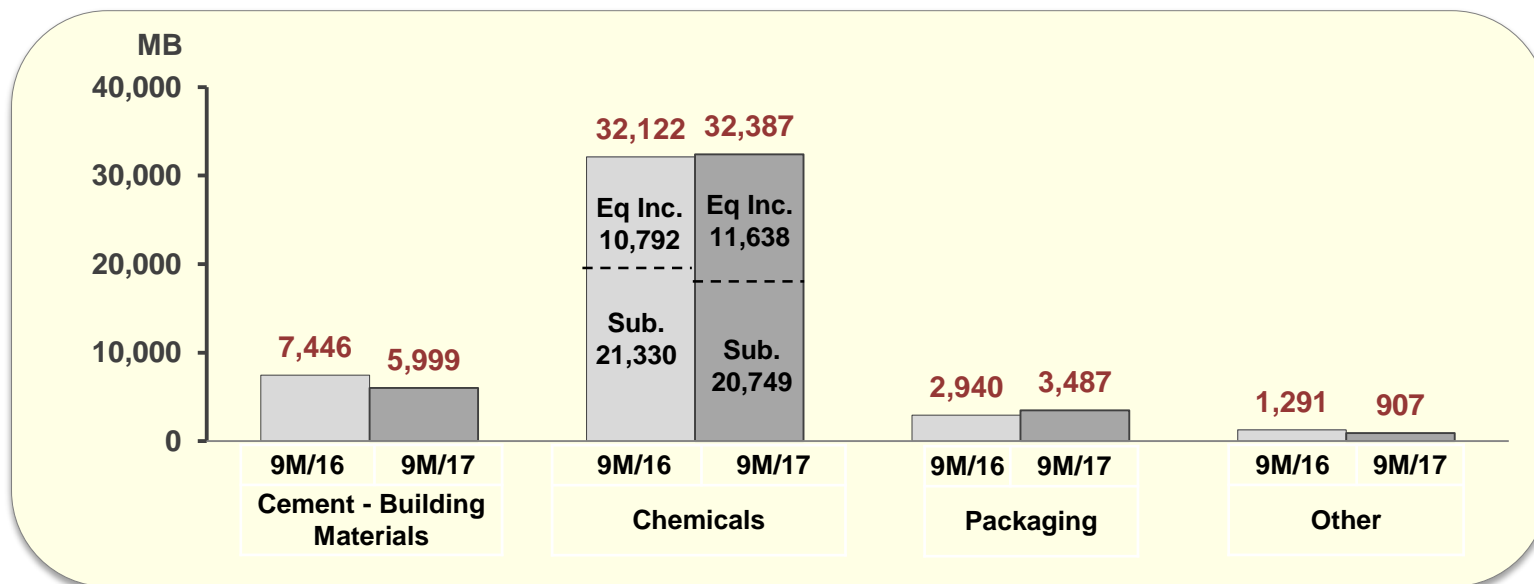
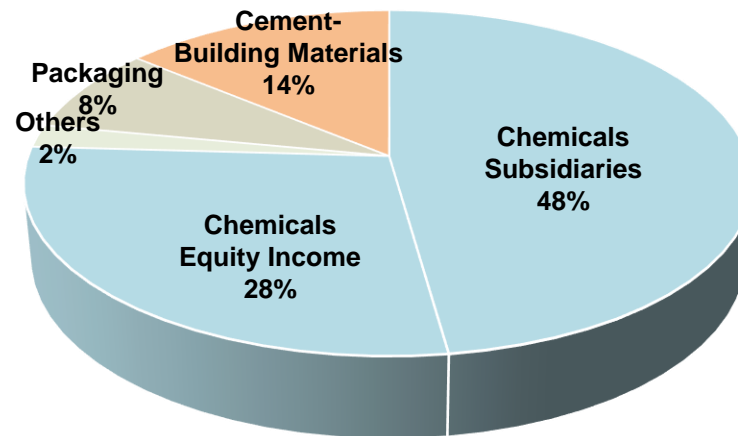
9M/17 Segmented Profit for the Period

Chemicals profits accounted for 76% of earnings, compared to 73% a year earlier.

9M/16
43,606 MB



9M/17
42,474 MB

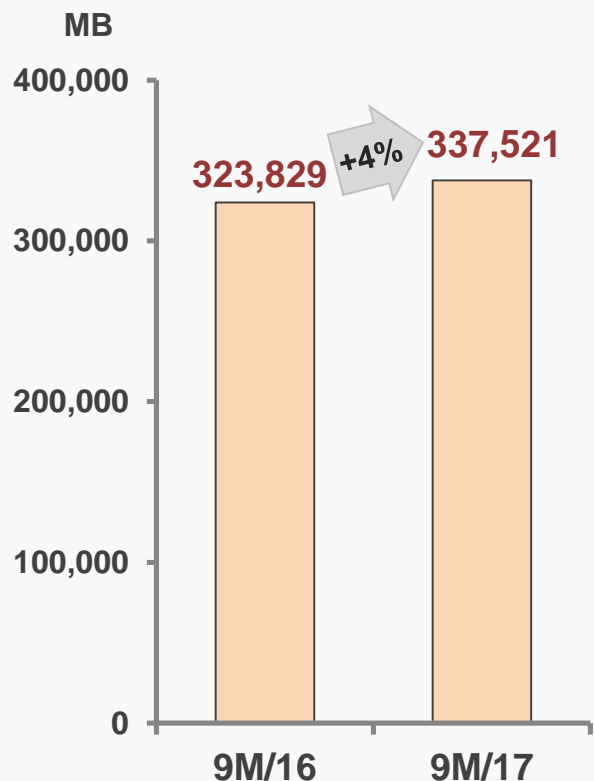


9M/17 Financials

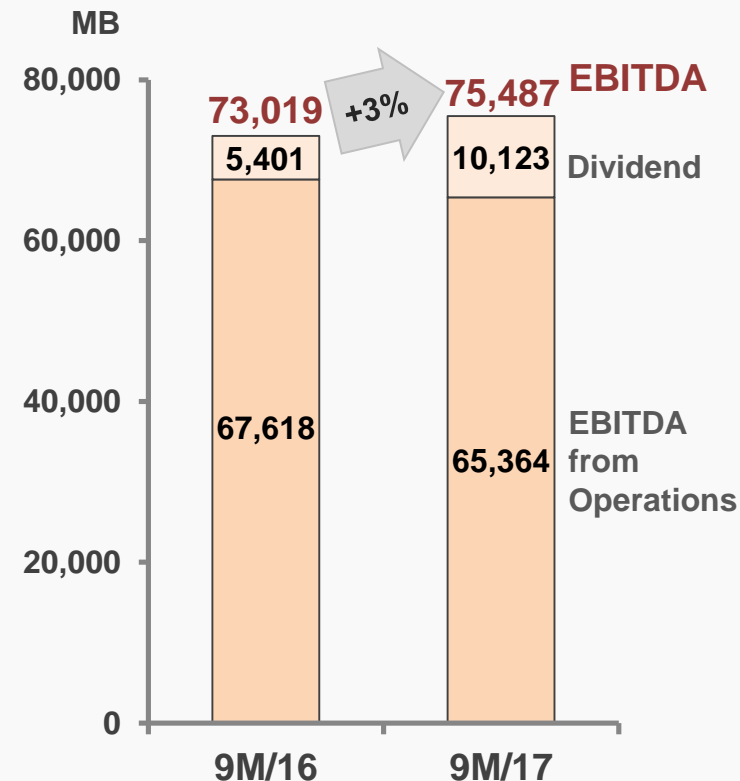


Growths in sales and EBITDA, but earnings dropped from lower contribution of the Cement-Building Materials business.

Revenue from Sales



EBITDA

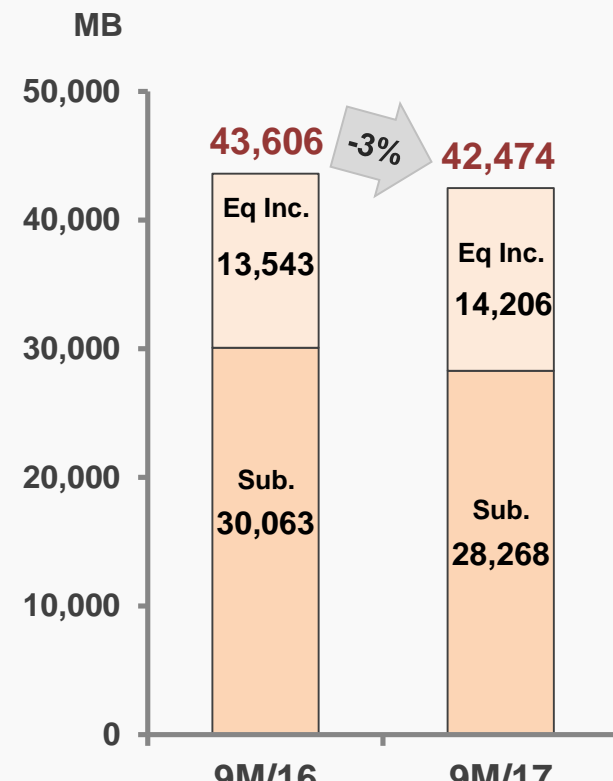


EBITDA Margin:

21%

19%

Profit for the Period



EPS:

36.3

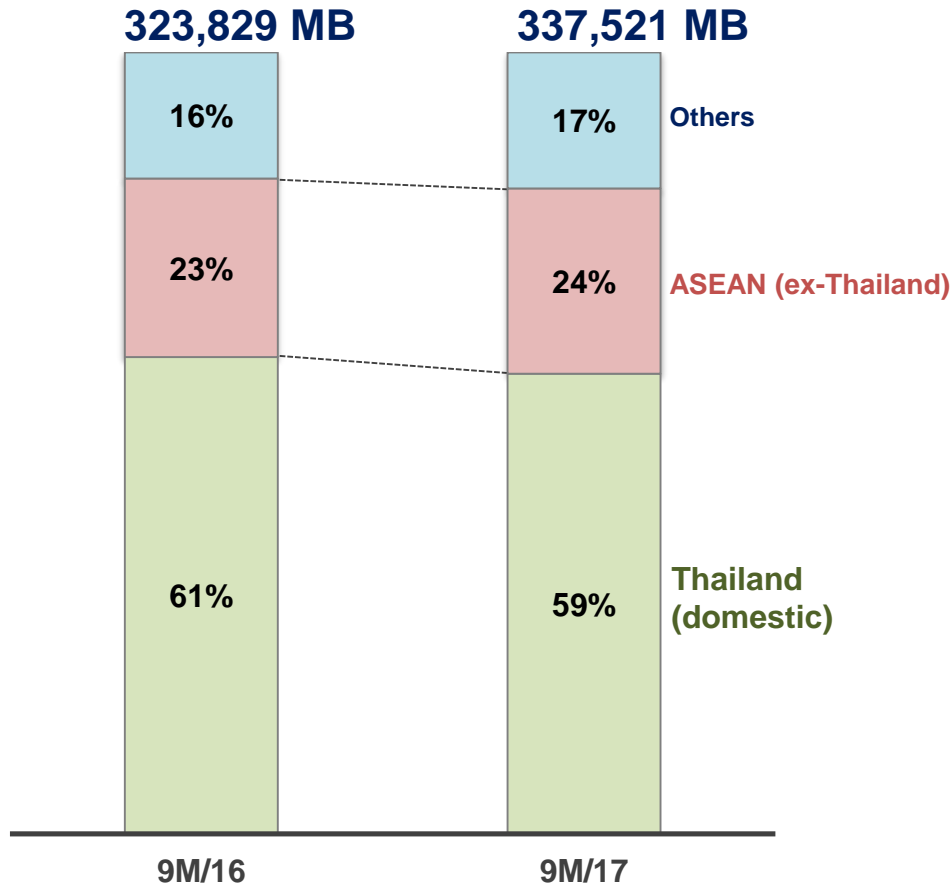
35.4

9M/17 Segments: Export Sales and ASEAN Operations

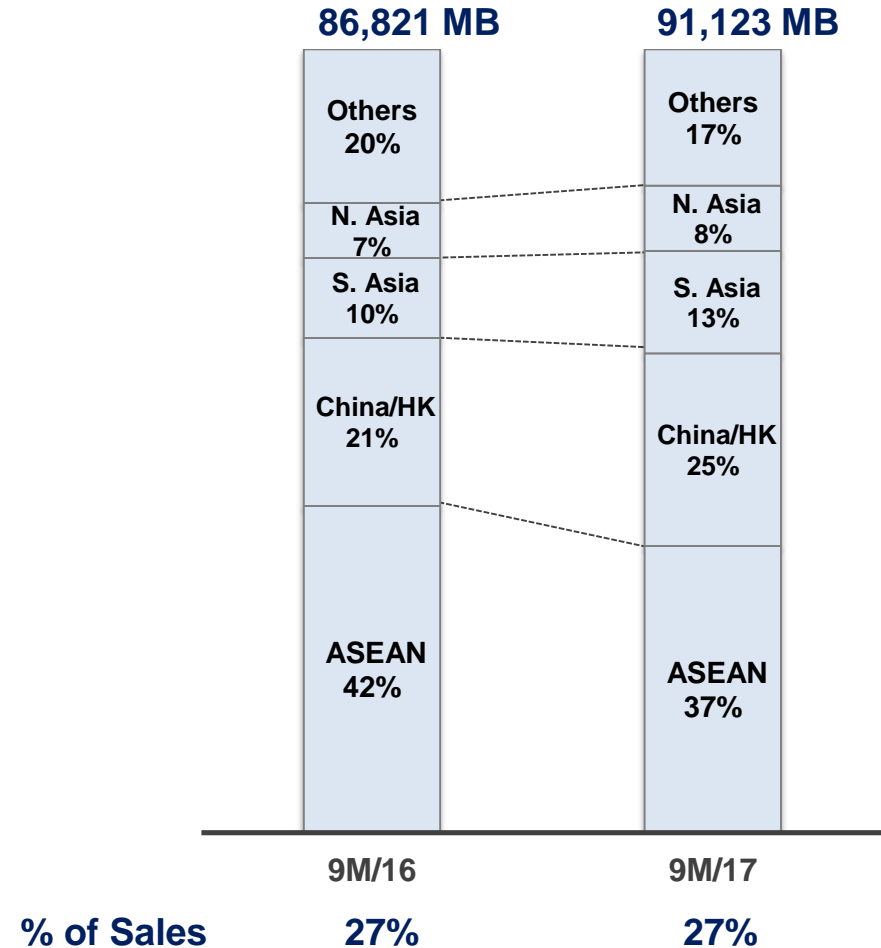


ASEAN exports and operations now account for 24% of total sales.

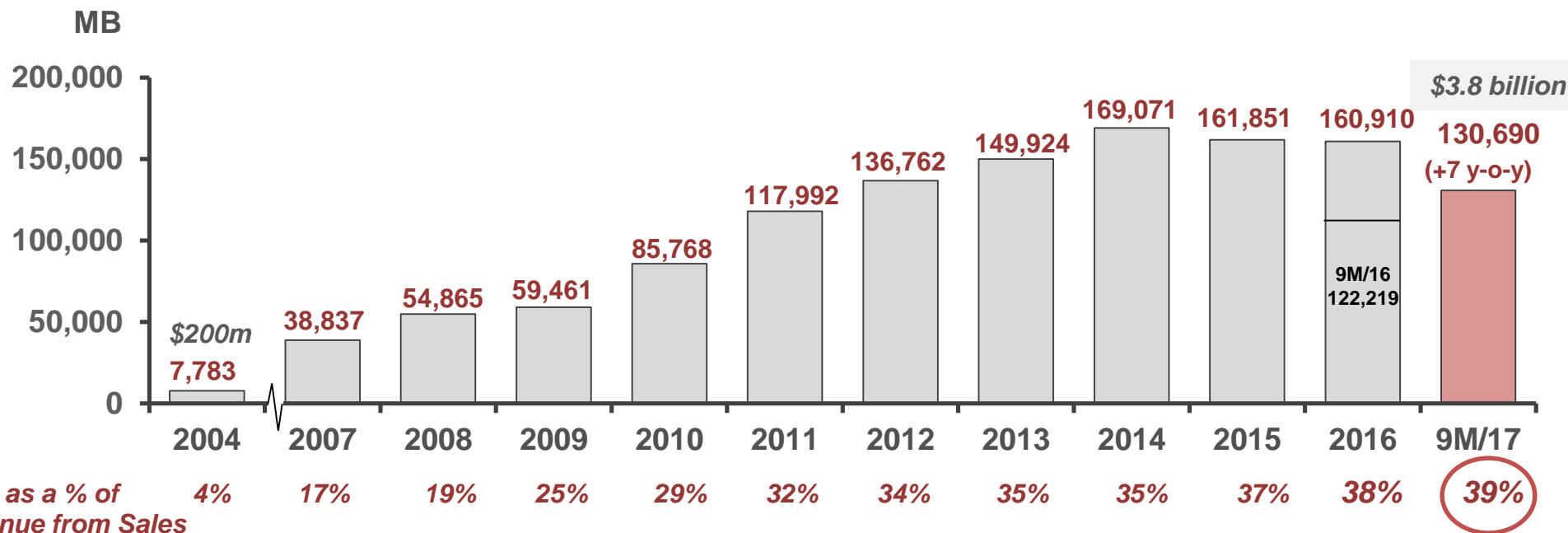
Sales Segments (by markets)



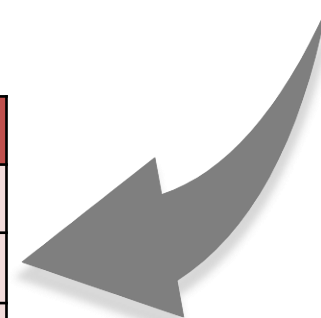
Export Segments (by markets)



9M/17 HVA's Revenue from Sales



Business	2013	2014	2015	2016	9M/17
Cement-Building Materials	41%	42%	41%	41%	43%
Chemicals	27%	27%	31%	31%	30%
Chemicals (Includes associates)	50%	50%	53%	54%	53%
Packaging	38%	39%	39%	43%	45%



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EBITDA on Assets

Percent (%)



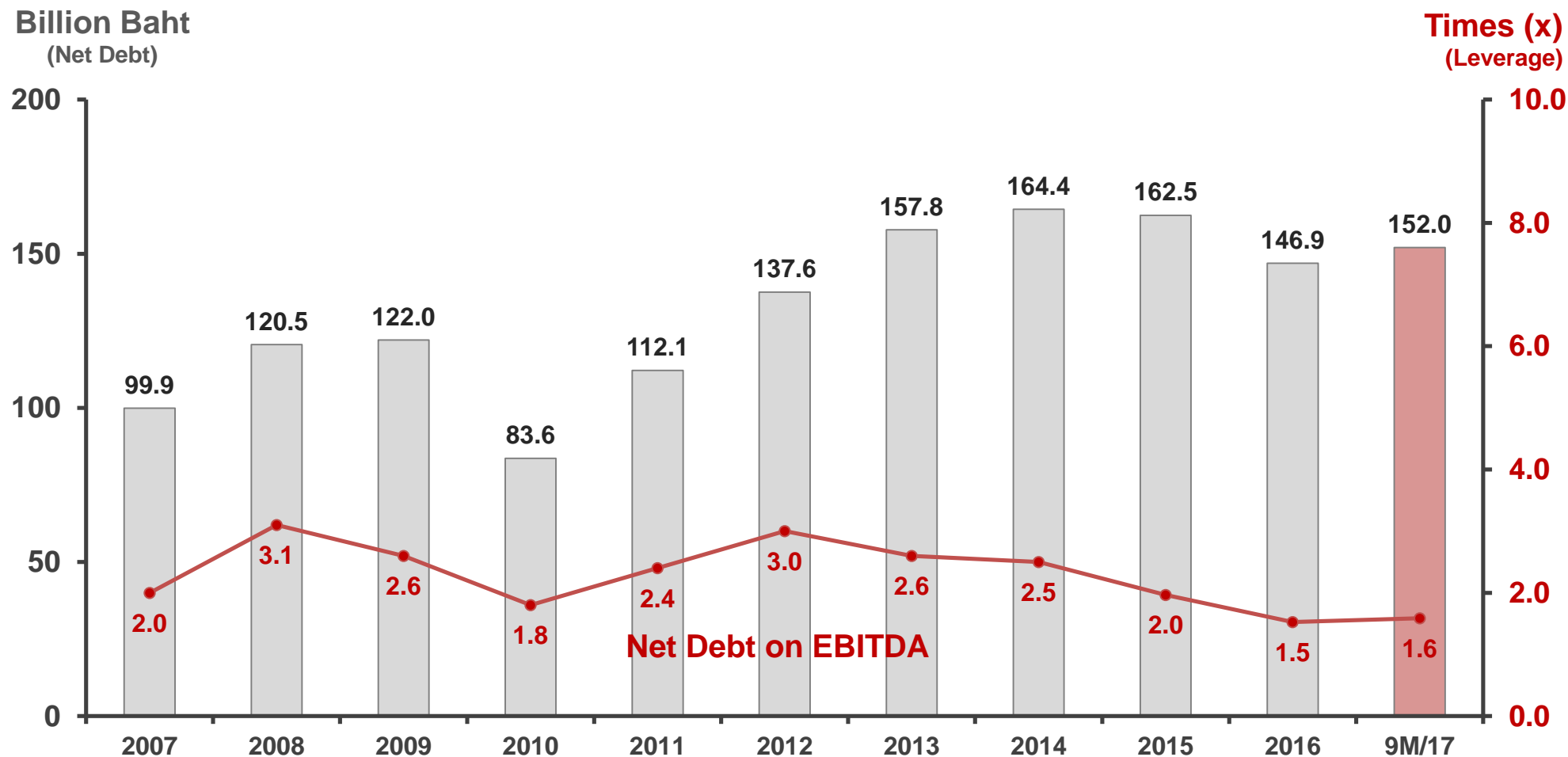
EBITDA Margin (%):

16	14	18	14	11	10	13	13	18	21	19
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Note: $EBITDA\ on\ Assets = EBITDA / Consolidated\ Assets$
 $EBITDA\ margin = EBITDA\ from\ Operations / Consolidated\ Sales$
 EBITDA is in accordance to Department of Business Development.

9M/17 Net Debt

Leverage remains at a healthy 1.6 times (x).

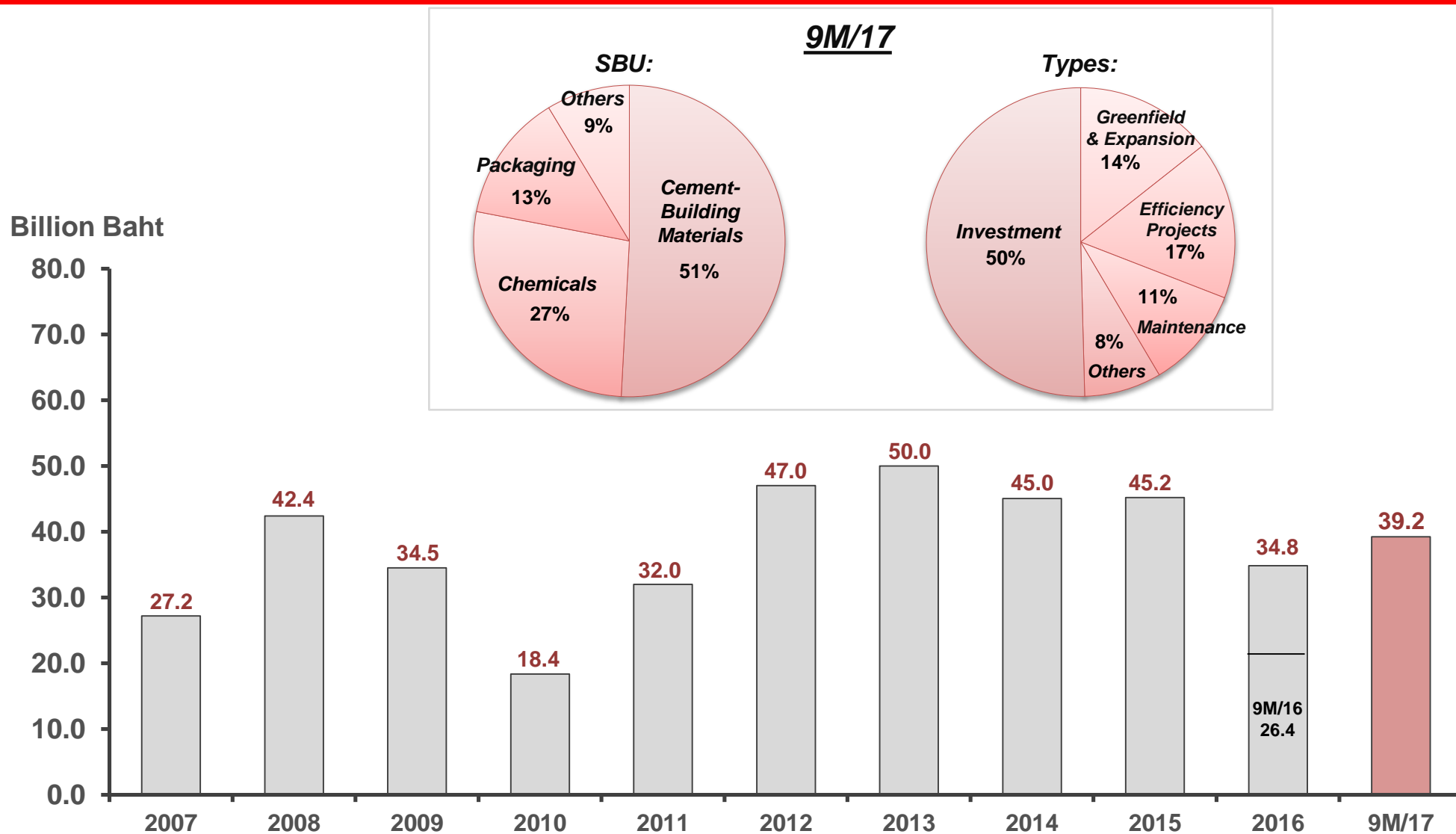


↑
Net Debt to Equity = 0.5x

Note: EBITDA is in accordance to Department of Business Development.

9M/17 CAPEX & Investments

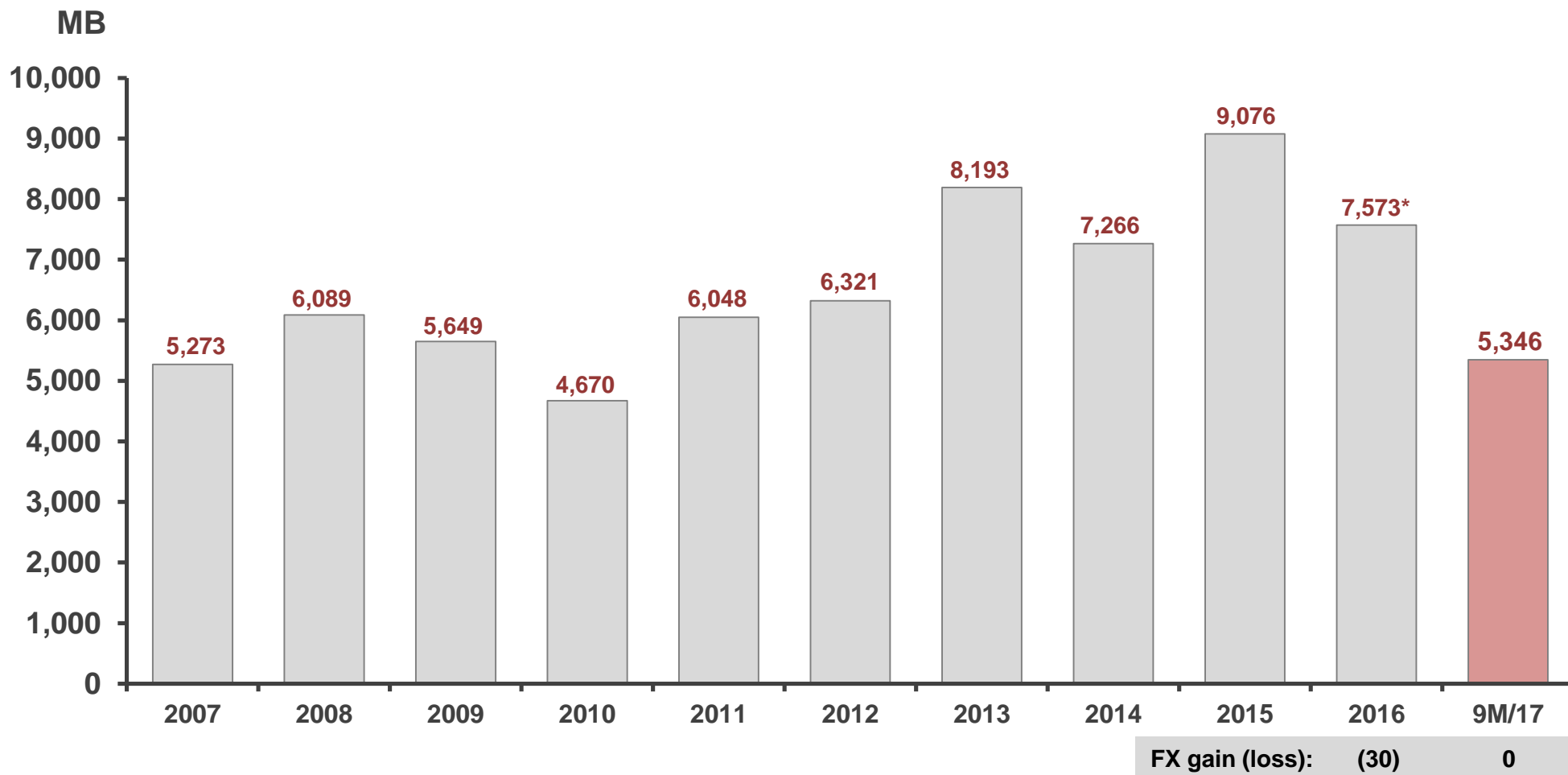
Amounted to 39,246 MB in 9M/17, as investments accounted for 50%.



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

9M/17 Interest and Finance Costs

Amounted to a total of 5,346 MB, while interest cost was 3.6%.



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

*Interest and Finance Costs is in accordance to Department of Business Development.

Highlights for Q3/17:

- Cash & cash under management of 47,819 MB at the end of Q3/17, compared to 47,252 MB at the end of Q4/16.
- Net Working Capital registered 72,910 MB, an increase of 3,467 MB q-o-q from accounts receivables, while Inventory to Net Sales dropped slightly to 45 days, from 46 days in Q2/17.
- Debenture private placement totaling 10 Billion Baht (7 years, 2.97% fixed) on Aug 30/17, focusing on institutional investors.
- Debenture public offering totaling 25 Billion Baht (4 years, 3.05% fixed) on Oct 2/17 to replace the matured 20 Billion Baht tranche (4-years, 4.25% fixed).

Outlook:

- Solid leverage and cash flow position.
- FY2017 CAPEX & Investments is approx. 50,000 MB.

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ASEAN (ex-Thailand) markets in Q3/17:

- The demand of grey cement in ASEAN was positive in Cambodia and Indonesia. (details in page 21).

Thailand market in Q3/17:

- Grey cement demand dropped -2% y-o-y, despite heavy flood.
- Ready-mixed concrete (RMC) demand increased +2% y-o-y and +8% q-o-q, while the average prices decreased to the range of 1,600 – 1,650 Baht per cubic meter.
- Housing products demand (roof ceiling & wall) decreased -13% y-o-y and ceramic tiles demand dropped -8% y-o-y.

Grey Cement Demand Growth (y-o-y)

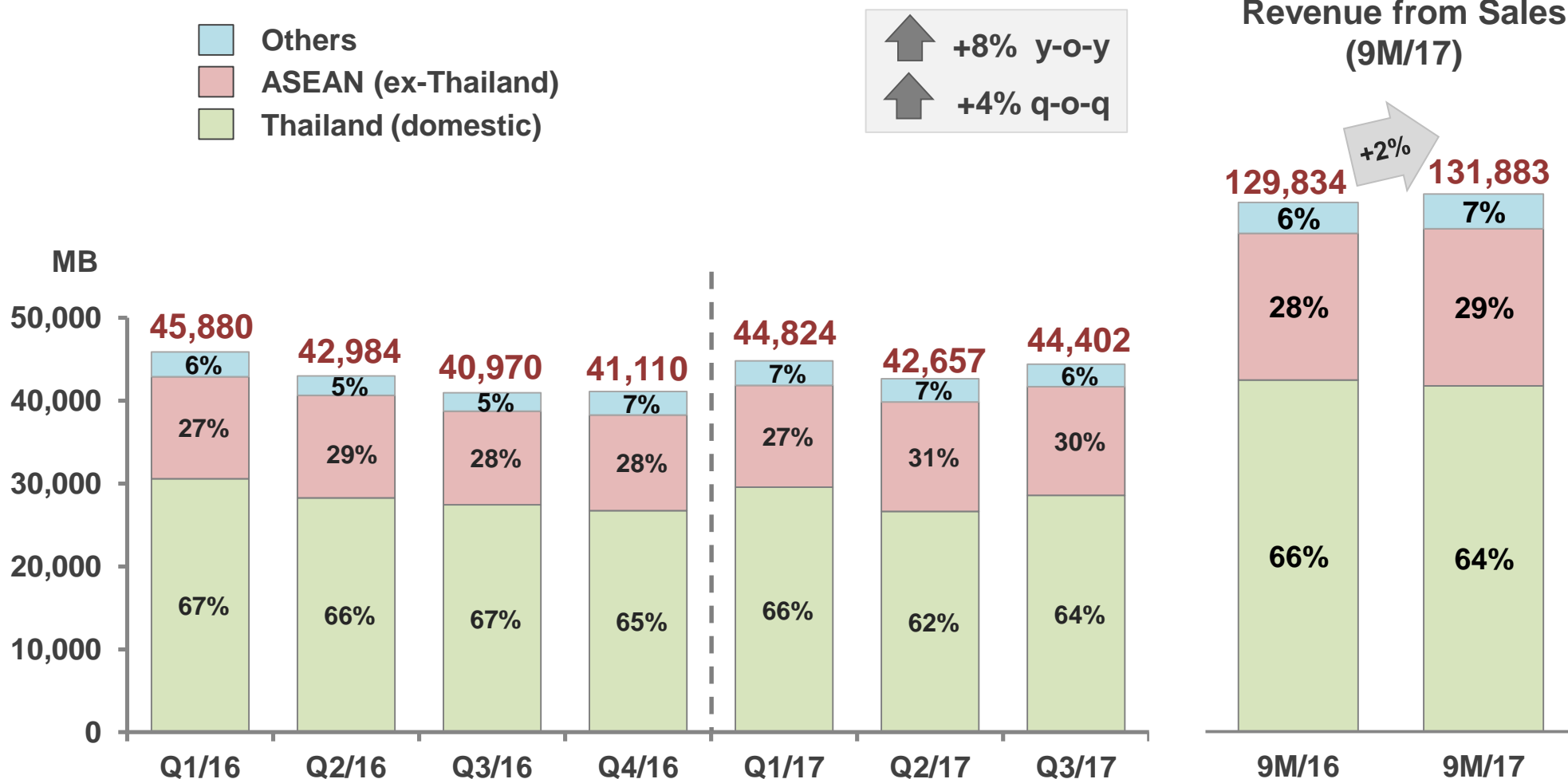
	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17	Q2/17	Q3/17	9M/17
Cambodia	+16%	+18%	+13%	+8%	+14%	+5%	+5%	+7%	+6%
Indonesia	+5%	+2%	+2%	-7%	0%	+1%	-3%	+22%	+7%
Myanmar	+6%	-3%	+3%	-1%	+2%	0%	+1%	-6%	-2%
Vietnam	+20%	+11%	+6%	+1%	+9%	+4%	-4%	-3%*	-1%*
Thailand	+5%	-3%	-5%	-3%	-2%	-7%	-7%	-2%	-6%

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

* Vietnam's grey cement demand in Q3/17 included only Jul-Aug, 9M/17 included only the first eight months of 2017.

Revenue from Sales

Sales in Q3/17 growth increased +8% y-o-y, due to the expansion of ASEAN operation.

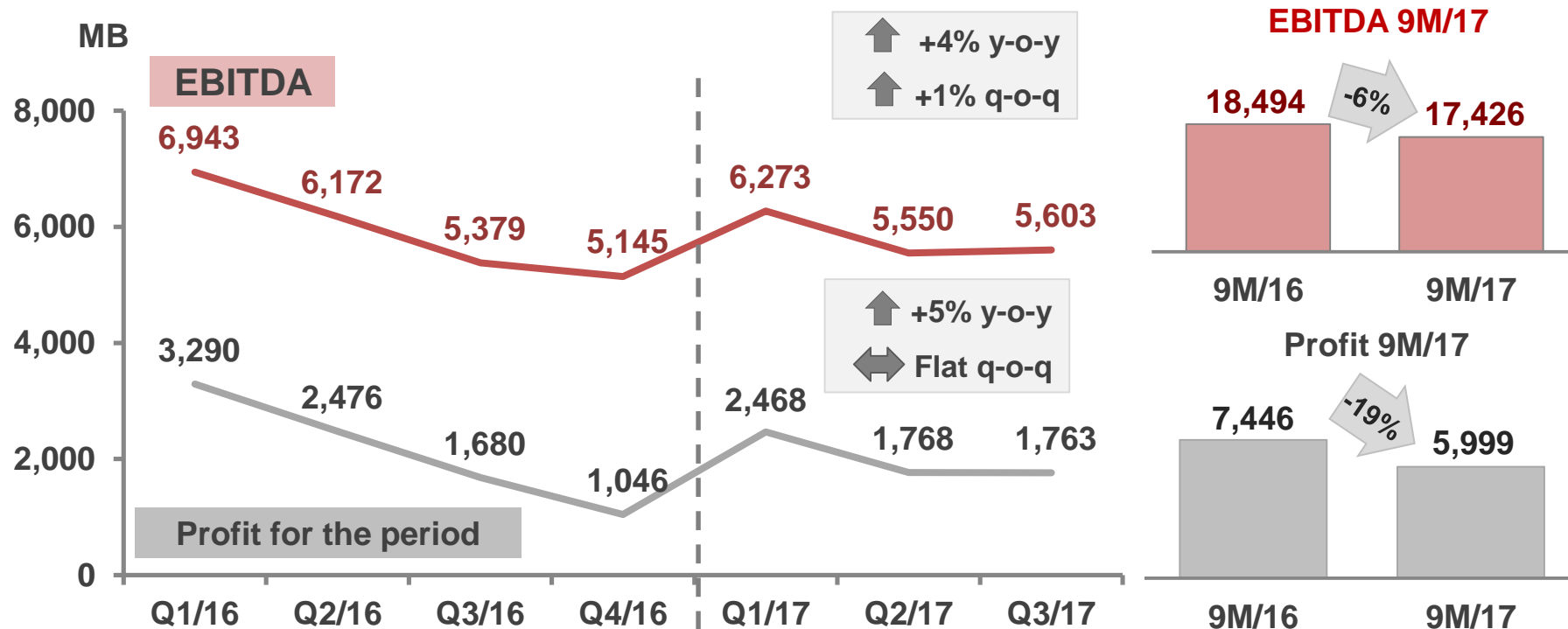


Note: Thailand : Revenue from sales in Thailand market
 ASEAN : Revenue from sales in ASEAN market (ex Thailand)
 Others : Revenue from sales in Non-ASEAN market

EBITDA and Profit for the Period



EBITDA and Profit increased y-o-y in Q3/17 attributed to the expansion of ASEAN operation.



EBITDA Margin *

	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	9M/16	9M/17
Total	15%	14%	13%	12%	13%	13%	13%	14%	13%
ASEAN and Others	11%	14%	13%	9%	13%	14%	12%	13%	13%
Thailand only	16%	14%	13%	13%	13%	13%	13%	15%	13%
Thai Structural Prod.	25%	20%	18%	16%	19%	16%	18%	21%	18%

EBITDA Portion

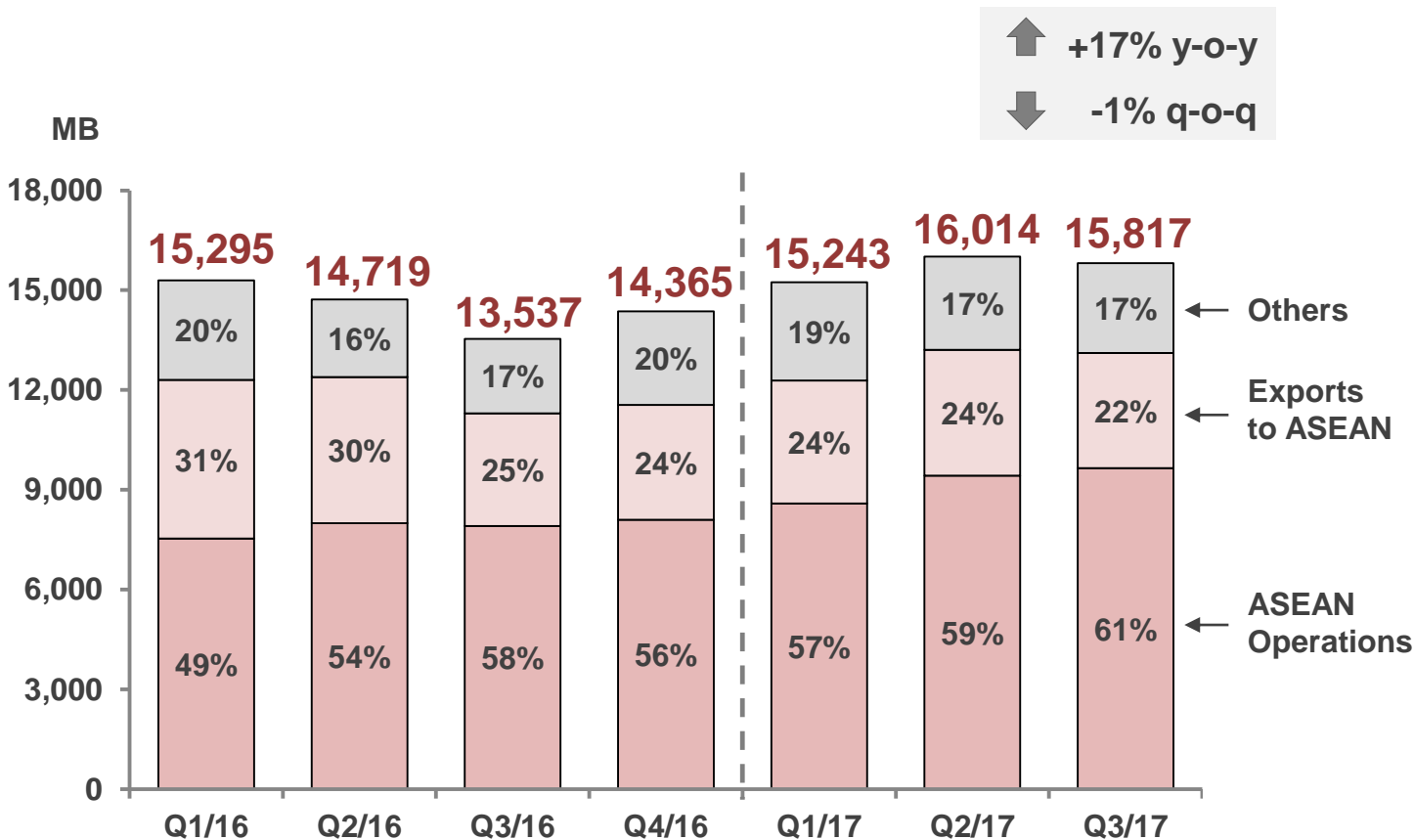
	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	9M/16	9M/17
ASEAN and Others	25%	34%	34%	26%	34%	39%	35%	31%	36%

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

ASEAN and others sales segmentation

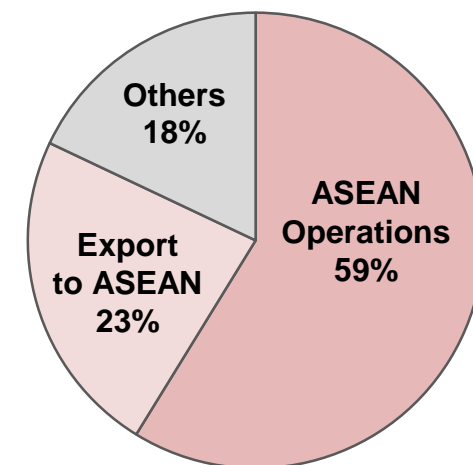


Q3/17 sales in ASEAN and others increased +17% y-o-y, attributed to the expansion of ASEAN operations.



ASEAN and Others Sales (9M/17)

47,074 MB
(+8% y-o-y)



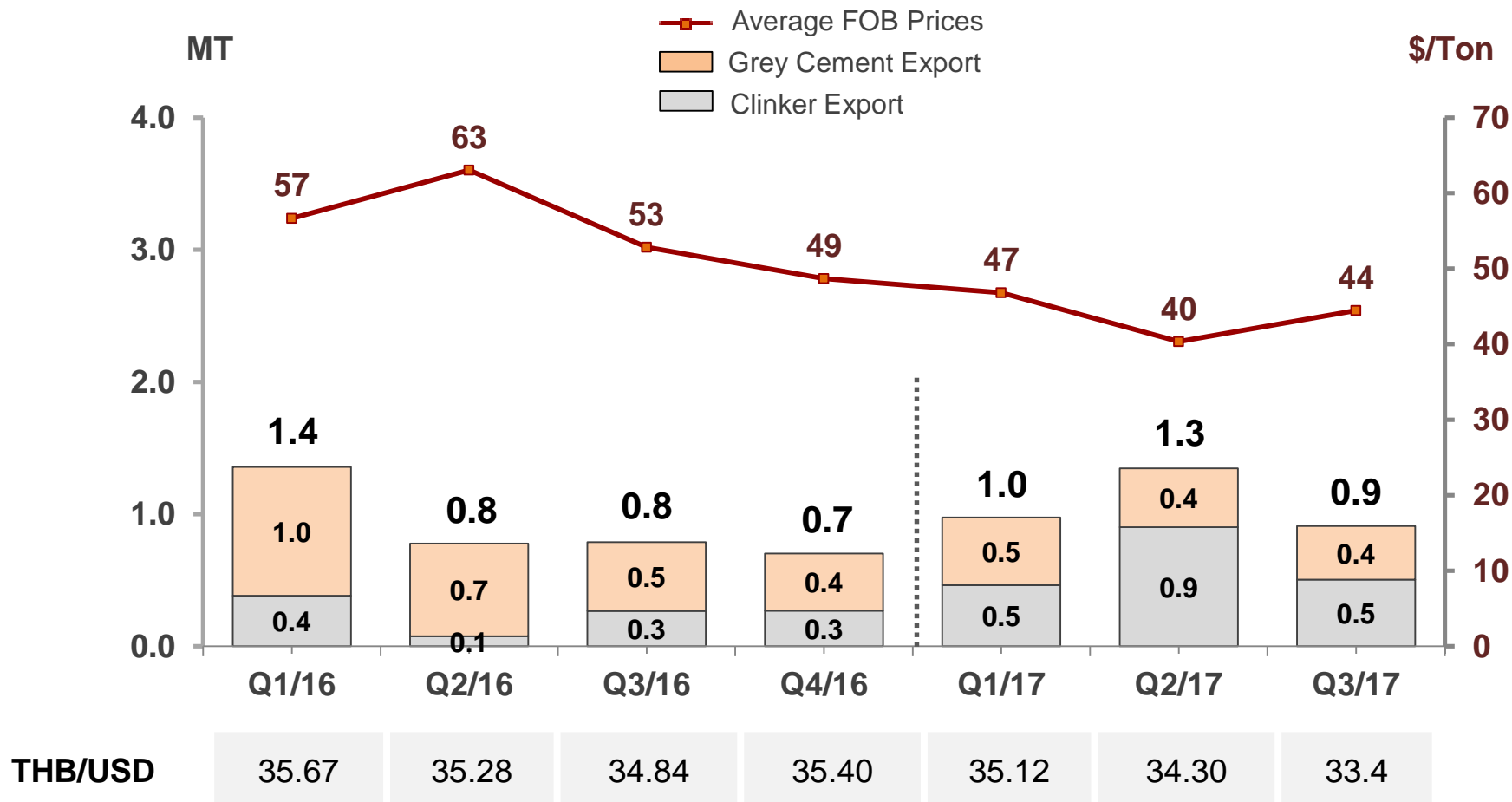
Note: ASEAN = ASEAN Operations, exports from Thailand to ASEAN, and Trading business in ASEAN market
Others = Exports from Thailand to Non-ASEAN, and Trading business in Non-ASEAN market

Grey cement exports



Exports volume from the Thai operations slightly increased to 0.9 MT in Q3/17, while the average prices decreased as there were more clinker products in product mix.

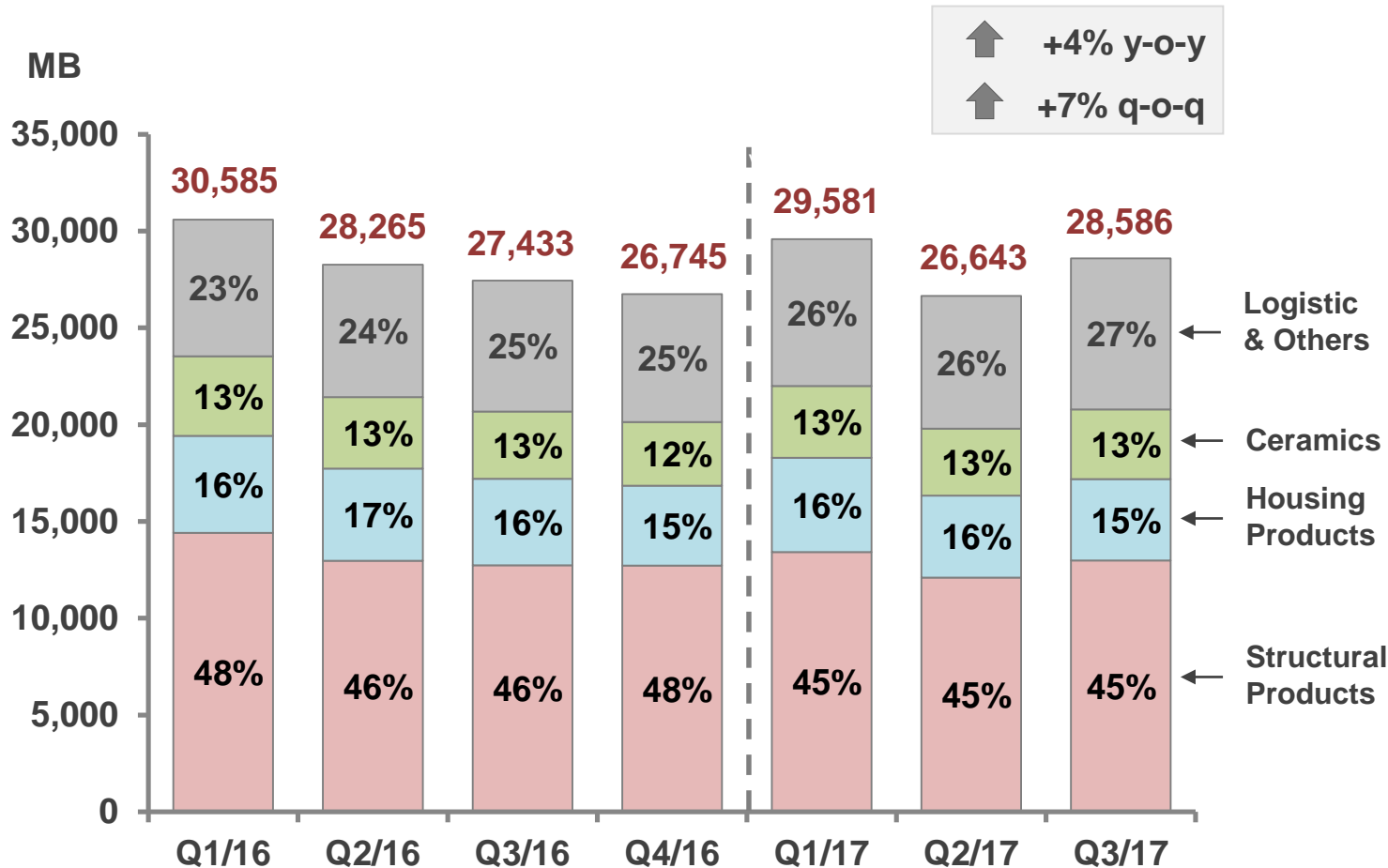
Sales volume and Average prices (FOB)



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

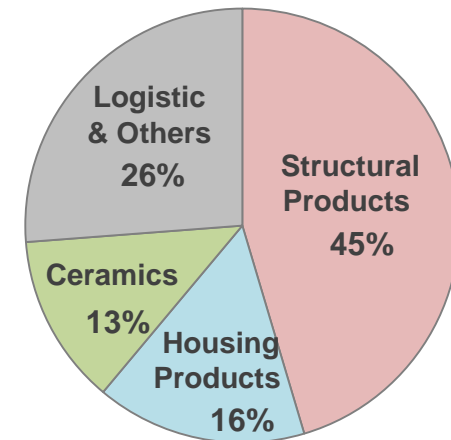
Thailand sales segmentation

Q3/17 sales in Thailand improved +4% y-o-y, due to the increase of sales in ready-mixed concrete and non-SCG products.



Thailand Sales (9M/17)

84,810 MB
(-2% y-o-y)



Note: *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.*

Thailand grey cement segment

Grey cement demand dropped -2% y-o-y in Q3/17.

% Growth (y-o-y)

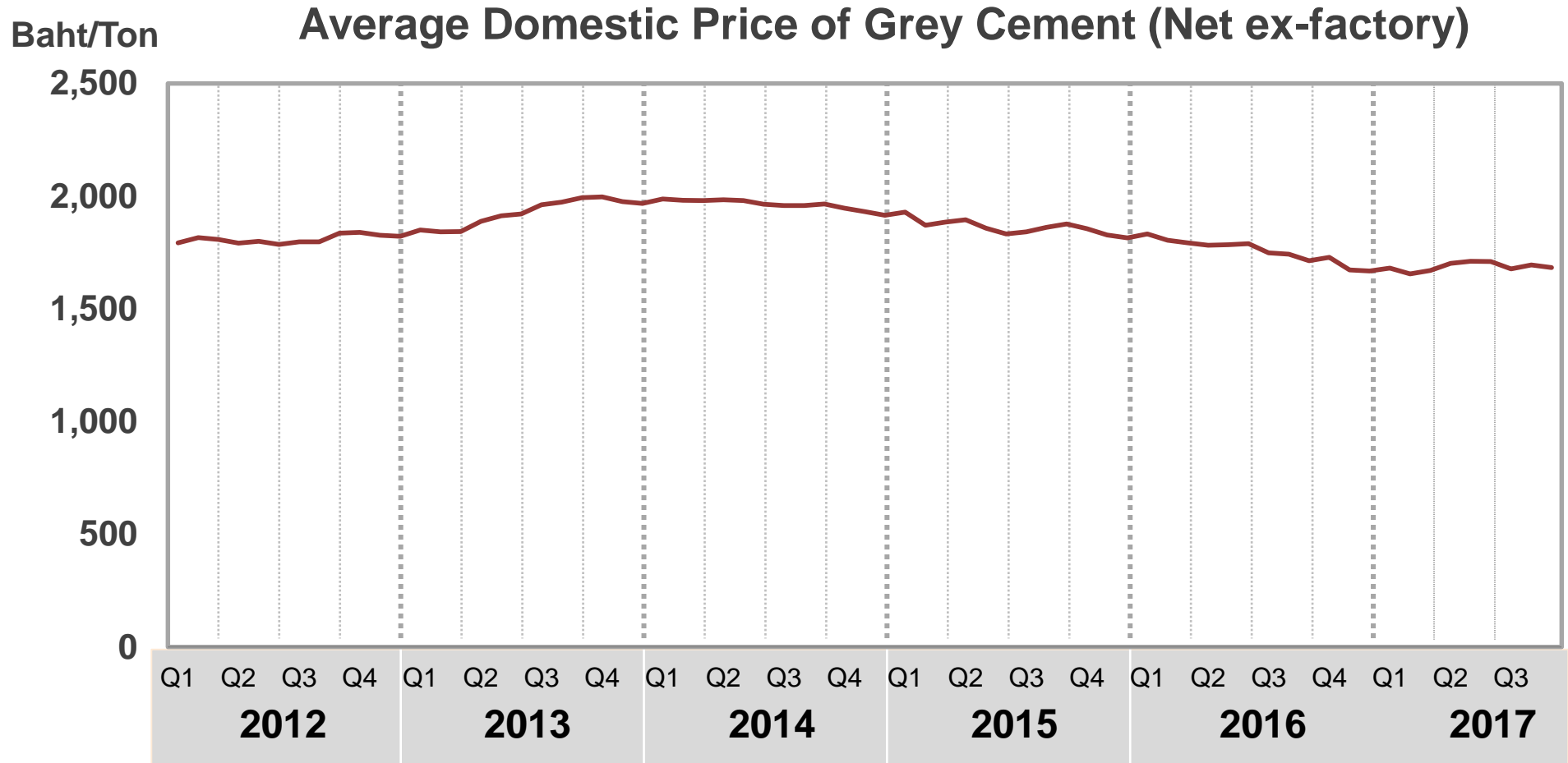
	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17	Q2/17	Q3/17	9M/17
Total Market* (100%)	+5%	-3%	-5%	-3%	-1%	-7%	-7%	-2%	-6%
Commercial (Approximately 15%)	0%	-7%	-7%	-2%	-4%	-7%	-9%	-3%	-6%
Gov't (Approximately 35%)	+21%	+9%	+1%	+4%	+9%	-4%	-3%	+6%	0%
Residential (Approximately 50%)	-2%	-10%	-8%	-8%	-7%	-9%	-9%	-8%	-9%

Note: * Estimated volume market distribution

Thailand grey cement price



The average price in Q3/17 was stable q-o-q in the range of 1,650-1,700 Baht/ton.

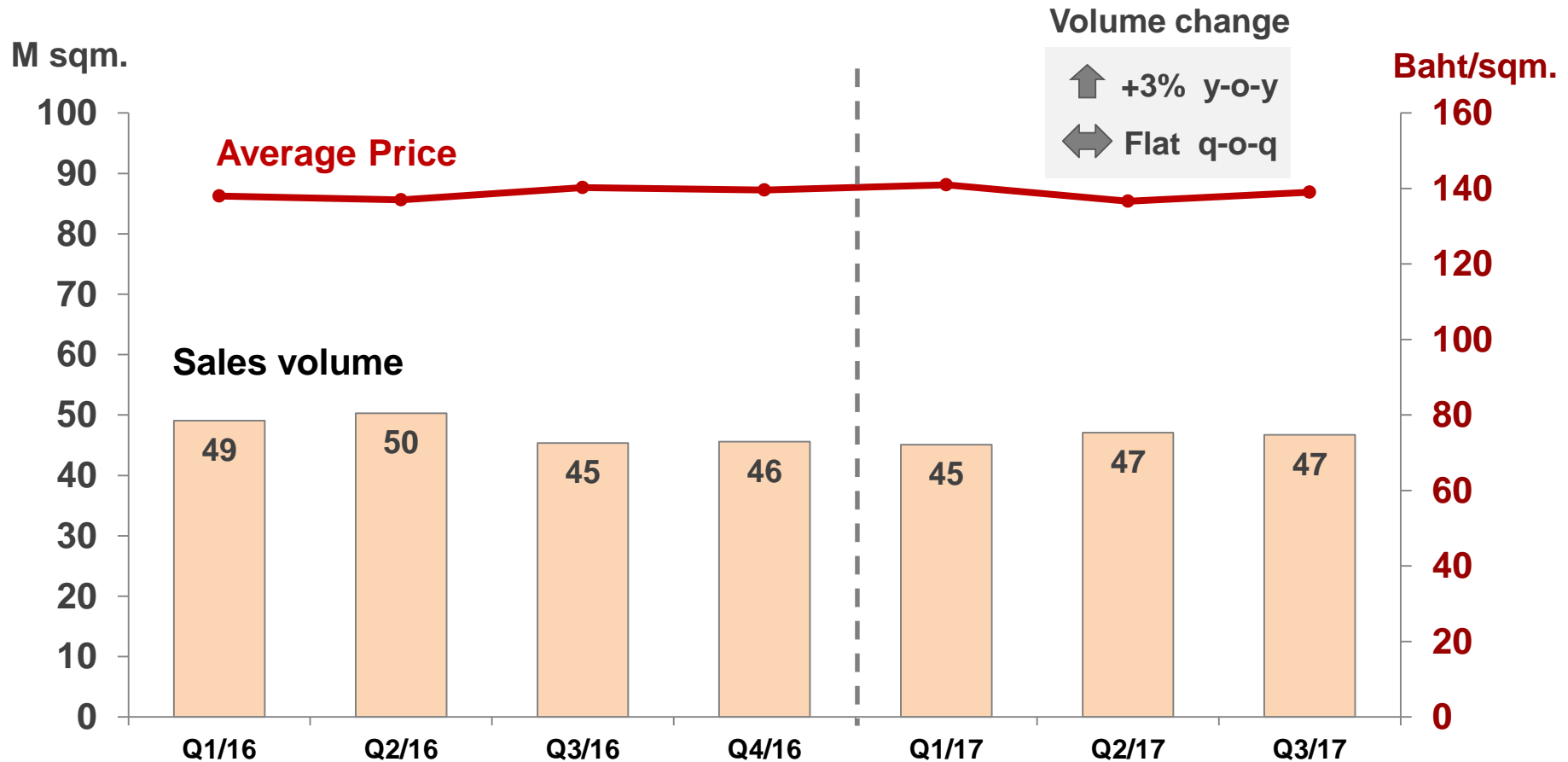


Bulk cement portion in Q3/17 was in the range of 65 - 70%

Ceramic Tiles

Sales volume increased +3% y-o-y, due to the growth in Vietnam.

Sales volume & prices for all ASEAN subsidiaries



Outlook:

- ASEAN (ex-Thailand) demand for grey cement and building materials products are forecasted to generally see continued growths.
- We anticipate Thai grey cement demand dynamics in Q4/17 to be similar to Q3/17.
- Demand for housing products and ceramic tiles in Thailand are projected to remain weak for the remainder of Q4/17.

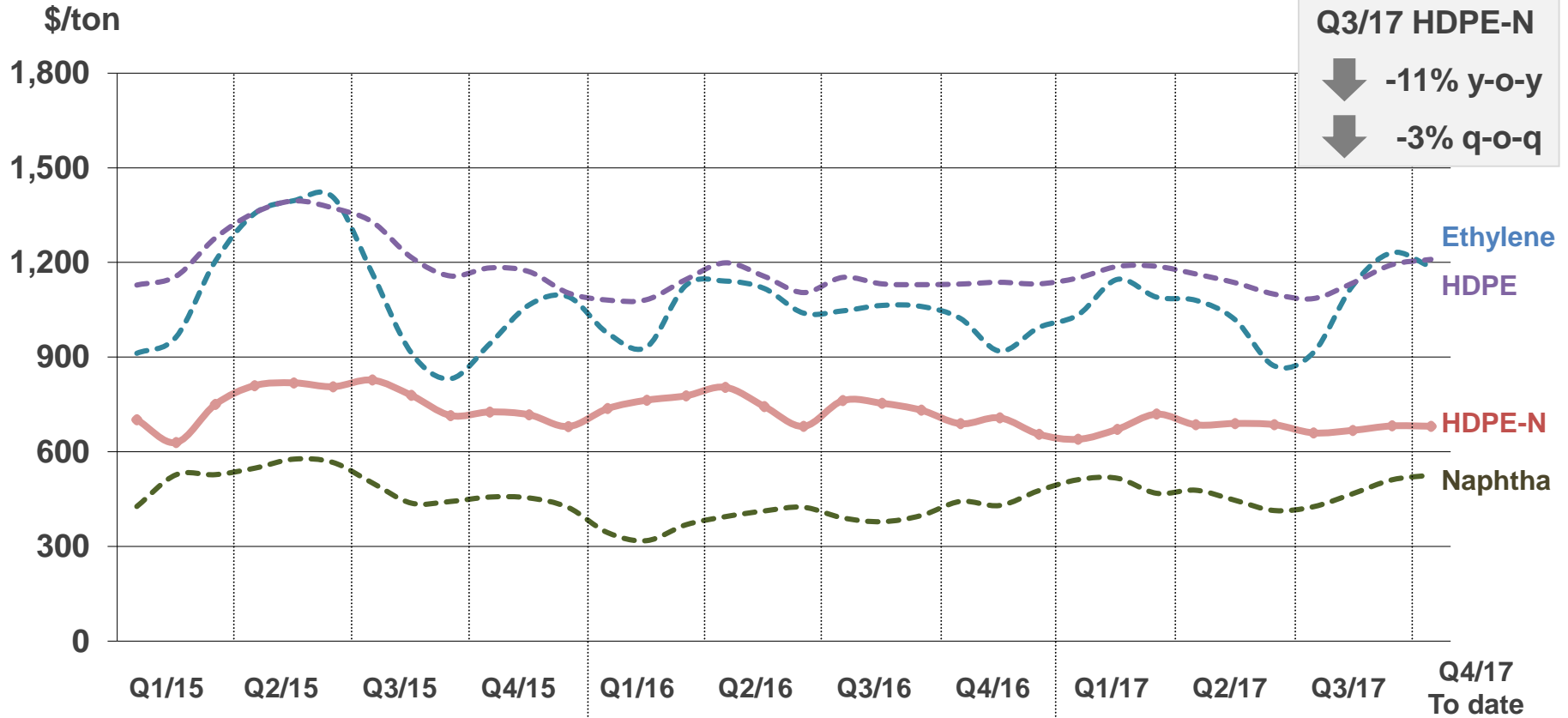
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	Q3/17	Q-o-Q Change	Notes
Crude (Brent)	\$52/bbl	+\$1/bbl (+2%)	Crude price climbed up on the disruption of oil fields in Libya and expectation of extended oil production cut by OPEC and non-OPEC producers.
Naphtha	\$468/ton	+\$22/ton (+5%)	Naphtha price rose from strong Western gasoline market caused by Hurricane Harvey, and refinery outage in Europe which limited naphtha supply from the West.
Ethylene	\$1,090/ton	+\$100/ton (+10%)	Ethylene price surged on strong non-PE downstream demand.
Propylene	\$791/ton	+\$50/ton (+7%)	Propylene price rose following operation halt from Hurricane Harvey.
HDPE	\$1,138/ton	+\$5/ton (0%)	HDPE price remained stable; supply disruption from Hurricane Harvey offset soft Chinese demand due to environmental inspection.
PP	\$1,150/ton	+\$37/ton (+3%)	PP price increased from seasonal agricultural demand and supply disruption caused by Hurricane Harvey.
EDC	\$238/ton	-\$89/ton (-27%)	EDC price declined as Middle East suppliers resumed operation after turnaround in Q2; high caustic demand and production also kept EDC supply ample.
PVC	\$875/ton	+\$5/ton (0%)	PVC price remained stable with limited supply from China due to lower carbide production from ban of coal import through secondary ports.
PVC-EDC/C2	\$429/ton	+\$55/ton (+15%)	PVC-EDC/C2 spread increased mainly from lower EDC price while PVC price remain stable.
MMA-Naphtha	\$1,871/ton	+\$117/ton (+7%)	Margin continued to increase due to tight supply from plant outages in Europe and the U.S.
BD-Naphtha	\$742/ton	+\$73/ton (+11%)	BD spread moved up on healthy downstream demand, together with fewer cargoes from the West due to Hurricane Harvey.
PTA-PX	\$88/ton	+\$8/ton (+10%)	Gap improved from PTA's tight supply in China while PX price increased slightly following energy cost.

HDPE-Naphtha Price Gaps



HDPE-N dropped q-o-q to \$670/ton with HDPE price remained stable due to soft demand in China from environmental inspection offset by supply disruption amid higher Naphtha price.



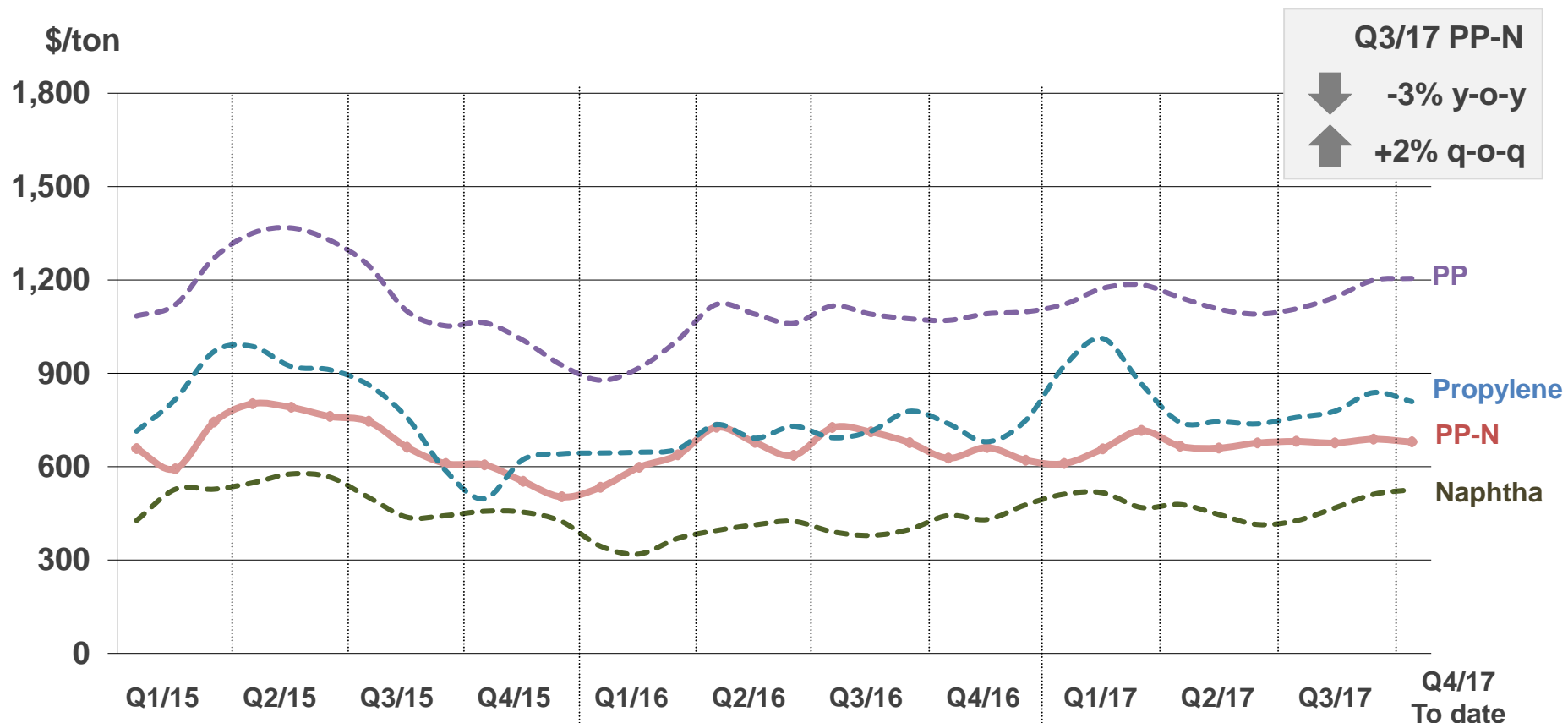
	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17 To date
HDPE-Naphtha	694	812	774	708	759	743	749	684	677	687	670	681
Spread (\$/ton)	← 747		↔		← 734		↔		← 678		↔	
HDPE-C2	161	(11)	263	120	91	54	82	156	86	143	48	21
C2-Naphtha	532	823	510	588	668	689	668	528	591	544	622	660

Note: Prices refer to SEA regional prices

PP-Naphtha Price Gaps



PP-N rose q-o-q to \$682/ton from strong PP demand during agricultural season and supply disruption from Hurricane Harvey.



PP-Naphtha	664	785	672	554	589	680	704	636	661	667	682	679
Spread (\$/ton)	← 669 →		← 652 →			← 670 →						
PP-C3	325	408	397	412	285	372	365	364	226	372	359	396
C3-Naphtha	339	376	275	142	305	308	339	272	435	295	323	282

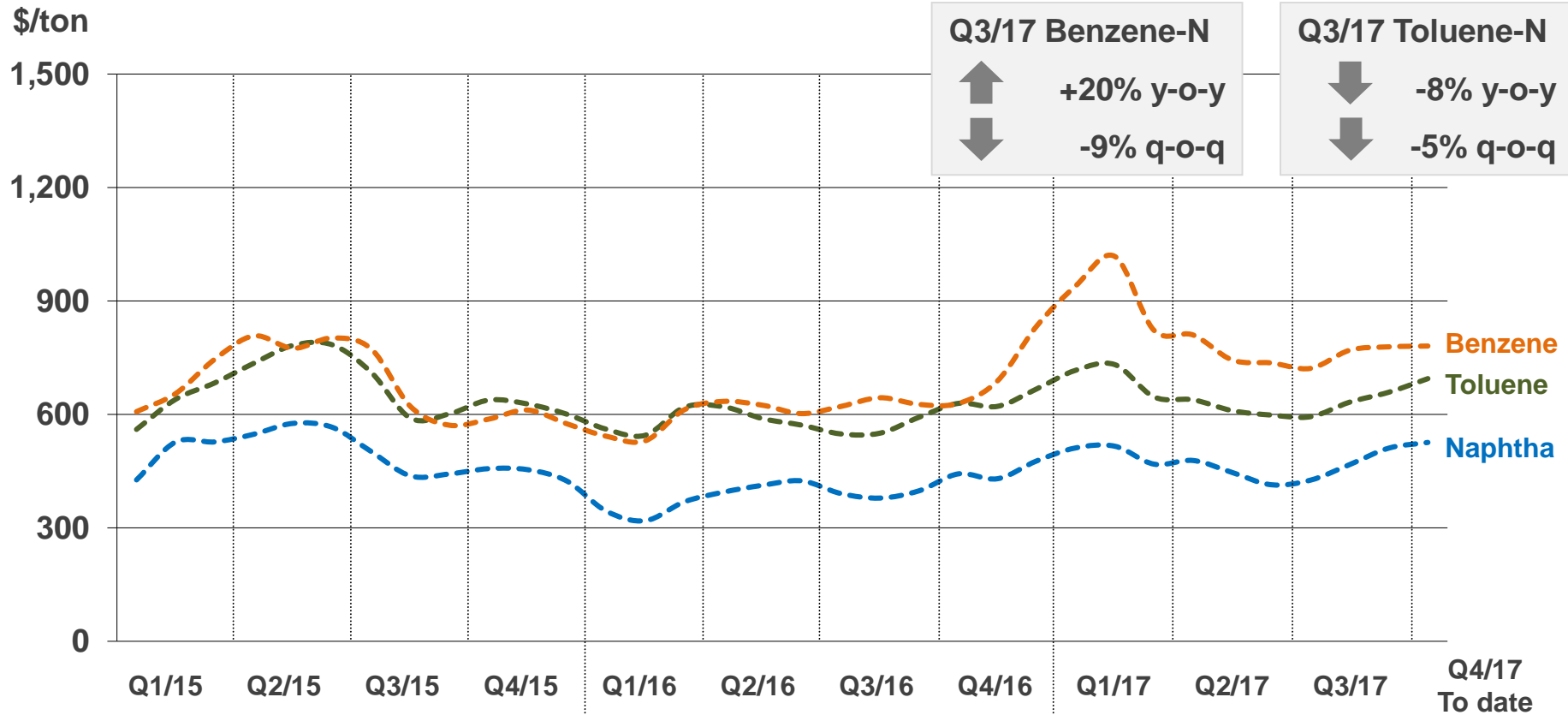
Note: Prices refer to SEA regional prices

Benzene & Toluene



BZ-N: Gap pressured from supply return from turnarounds despite strong SM demand.

TL-N: Gap decreased by weak solvent demand due to environmental inspection in China.

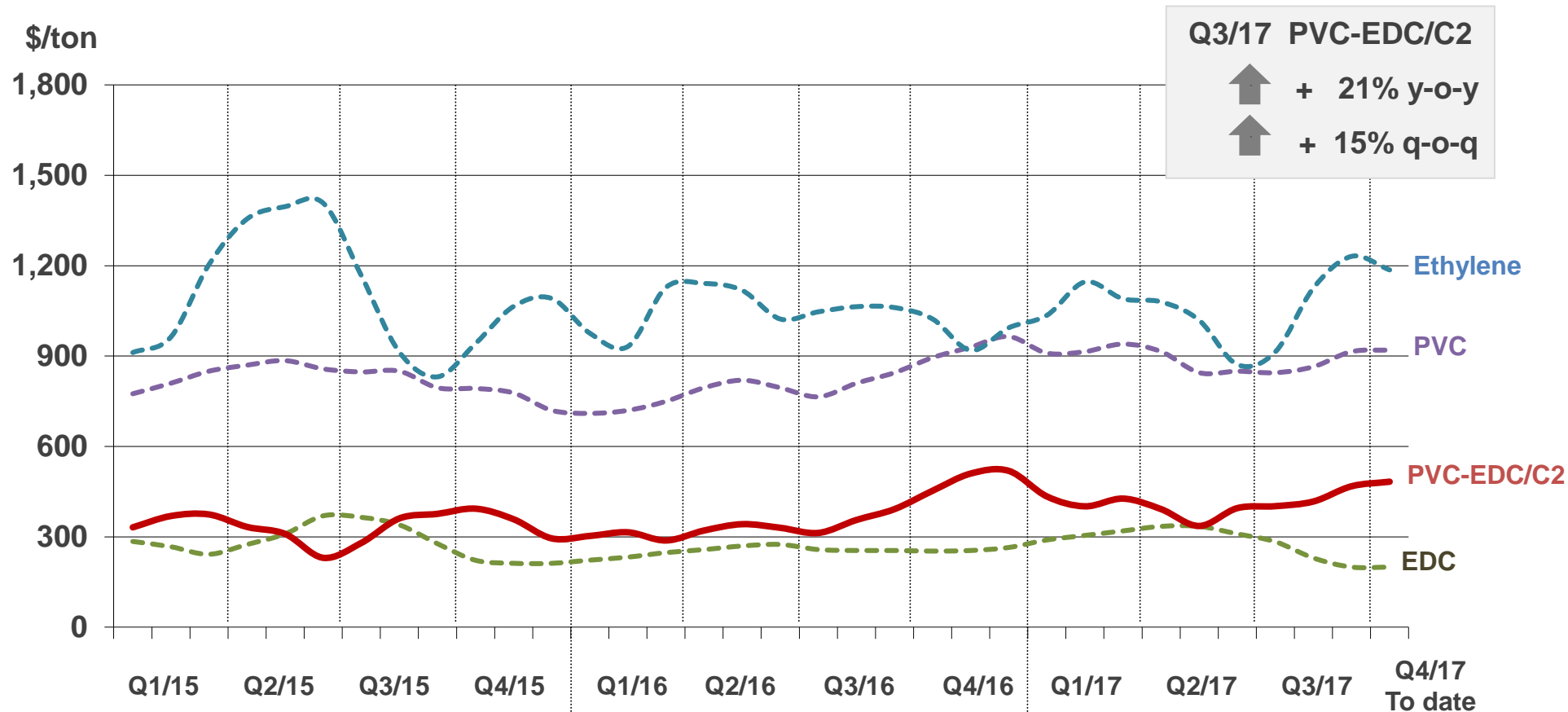


	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17 To date
BZ-Naphtha	176	232	195	147	218	210	241	267	428	317	289	254
TL-Naphtha	134	204	174	178	231	183	175	190	200	170	160	131
BZ-Spread	← 187 →		← 234 →		← 345 →							
TL-Spread	← 171 →		← 195 →		← 177 →							

Note: Prices refer to SEA regional prices

PVC

Spread improved as EDC price dropped after M/E producers completed turnaround while PVC price maintained due to limited Chinese supply from restriction of coal import.



PVC-EDC/C2	358	291	339	349	302	331	354	494	421	374	429	483
Spread (\$/ton)	← 334 →		← 370 →			← 408 →						

Note: Prices refer to FE regional prices

Price Gaps of Associates



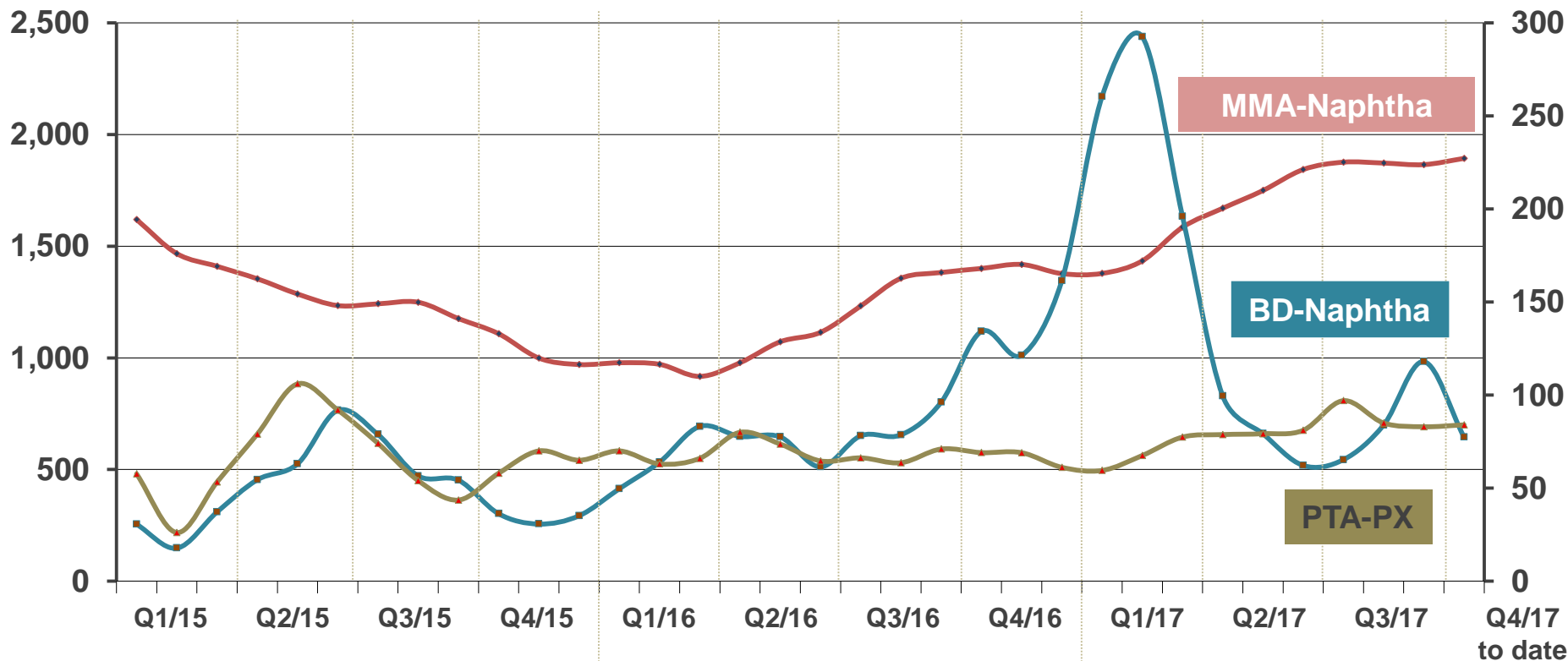
MMA-N: Margin widened from tight supply caused by plants outages in Europe and the U.S.

PTA-PX: Gap improved from PTA's tight supply in China while PX price increased with feed.

BD-N: Strong demand and limited supply from the West due to Hurricane Harvey.

MMA-Naphtha \$/ton, BD-Naphtha \$/ton

PTA-PX \$/ton

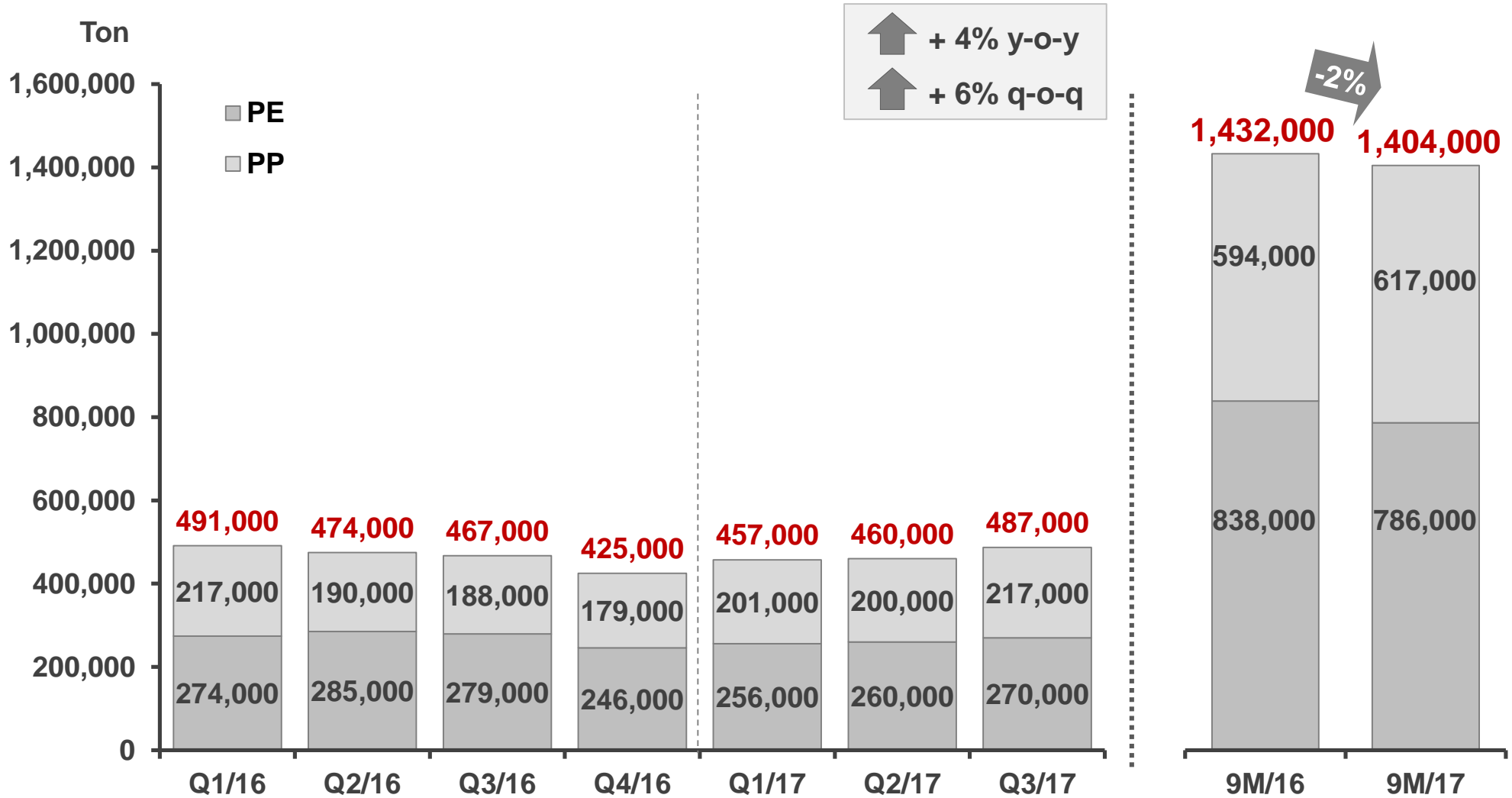


MMA-N	1,499	1,291	1,222	1,025	955	1,055	1,323	1,398	1,465	1,754	1,871	1,893
PTA-PX	46	92	57	64	66	73	67	66	68	80	88	84
BD-N	239	581	527	284	546	602	702	1,158	2,127	669	742	645

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

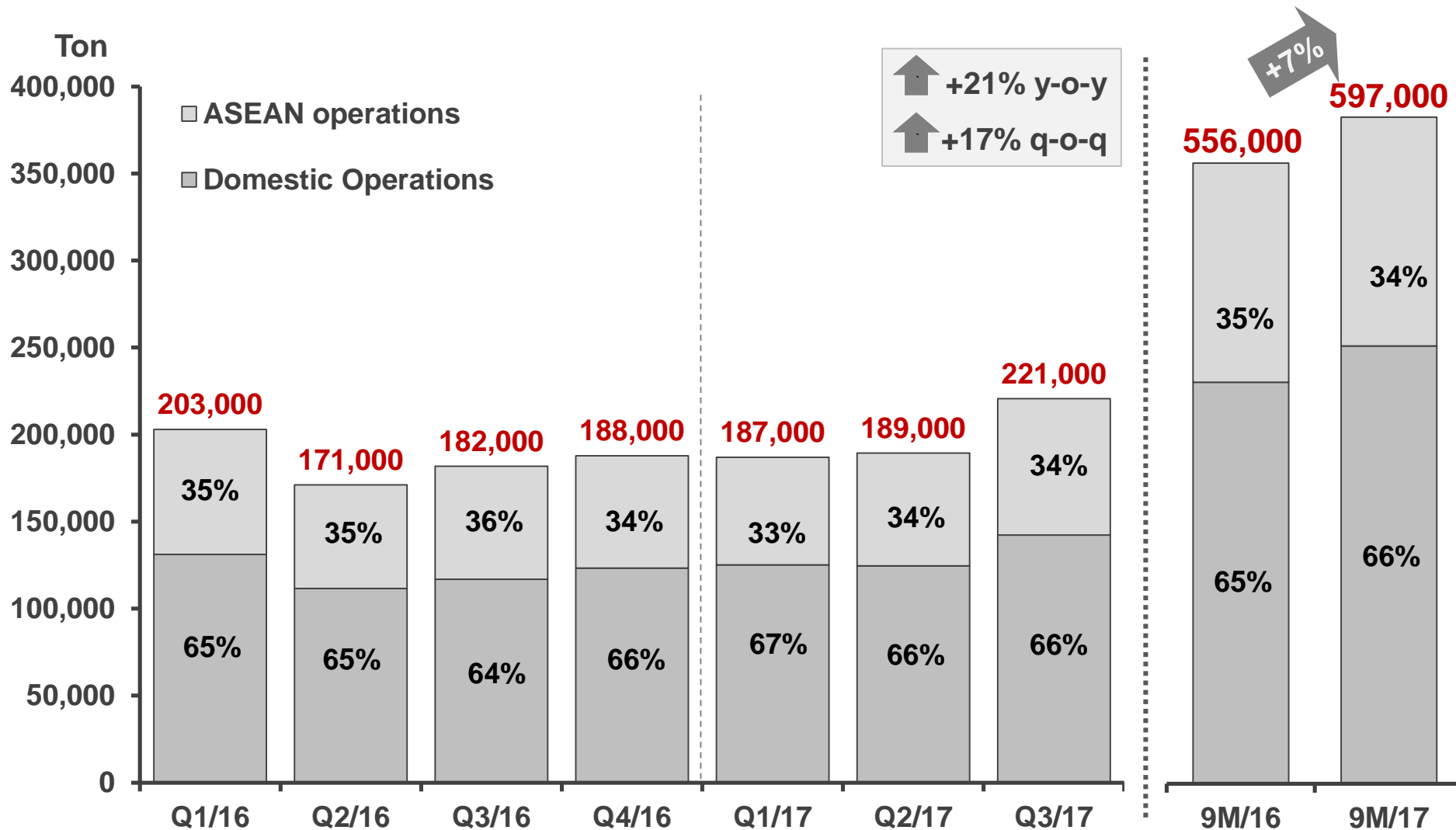
Polyolefin Sales Volume

Q3/17 sales volume increased 6% q-o-q following tight market situation.



PVC Sales Volume

Sales volume increased due to less PVC supply from China which allowed more export from both Thailand and Indonesia.

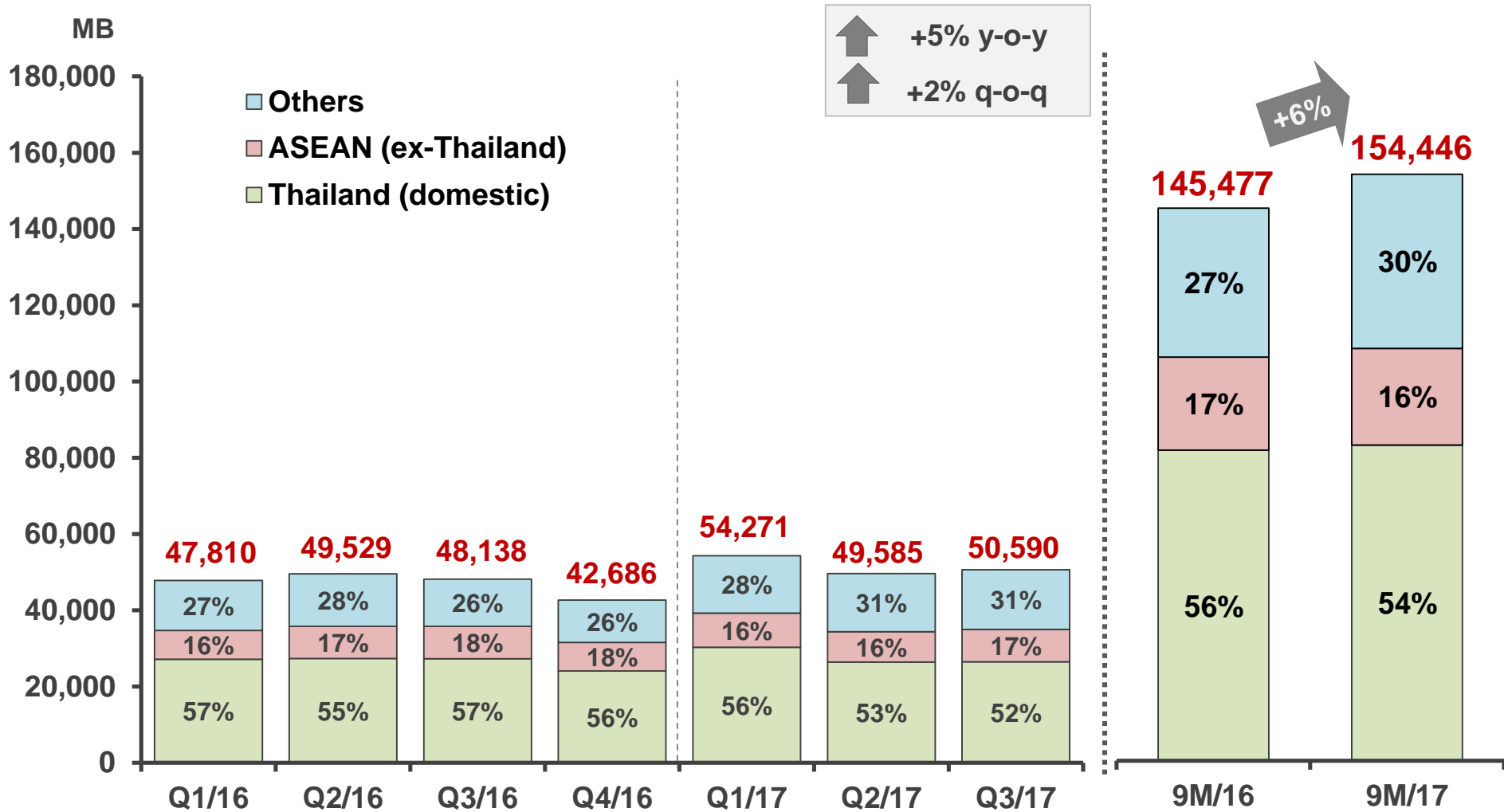


*Note: *ASEAN Operations = Sales volume from PVC operations in Vietnam and Indonesia*

Revenue from Sales



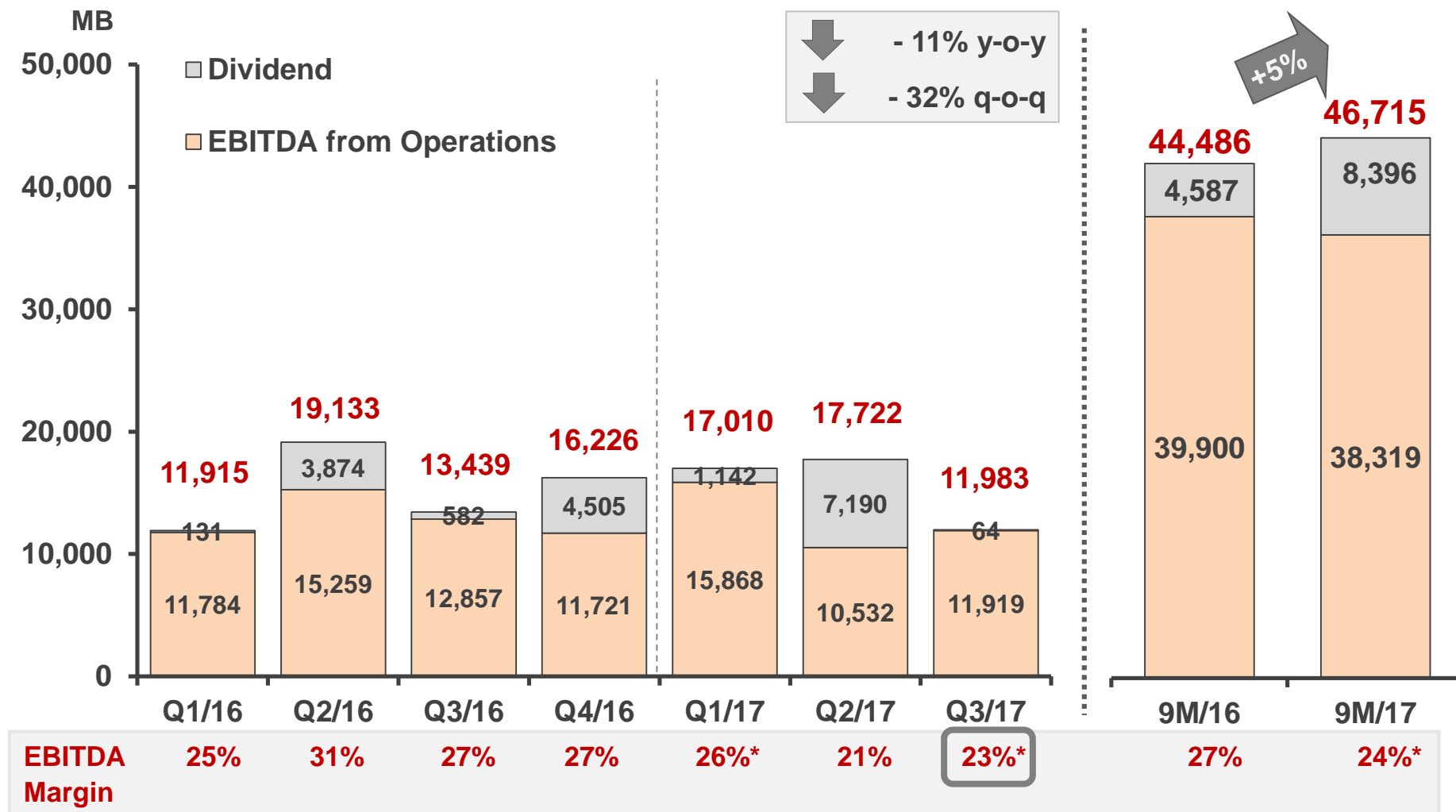
Q3/17 revenue increased 1,005 MB or +2% q-o-q to 50,590 MB thanks to higher sales volume.



EBITDA



Q3/17 EBITDA decreased q-o-q to 11,983 MB due to lower dividend from associates. however, EBITDA from operation improved from inventory gain and higher sales volume.

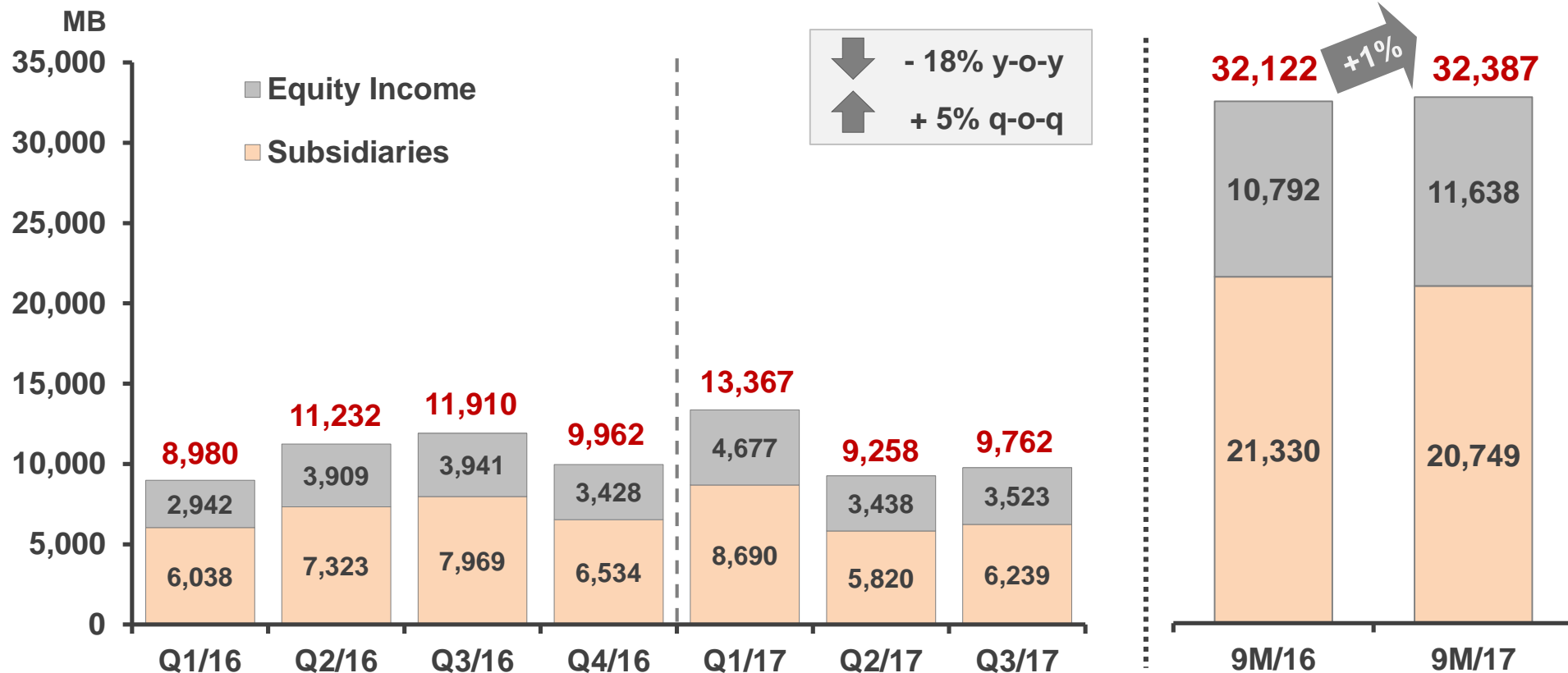


Note: EBITDA = EBITDA from Operations + Dividend from Associated Companies

* : EBITDA margin excluded sale of investment

Profit for the Period

Q3/17 earnings q-o-q benefited mainly from inventory gain and higher sales volume amid lower HDPE gap and by-products prices.



NCI (Non controlling interest)	(2,820)	(4,000)	(4,600)	(2,300)	(3,700)	(2,600)	(2,700)	(11,420)	(9,000)
Inventory Gain (Loss)*	(300)	160	(140)	40	930	(1,860)	900	(280)	(30)
Sale of investment and asset	0	0	0	350	1,430	0	310	0	1,740

Note: *Sub/Asso: 60% / 40%

- **Crude** - Crude price increases due to rising expectation of extended OPEC supply cut agreement and geopolitical tensions, coupled with seasonal heating oil demand.
- **Naphtha** - Naphtha price is expected to increase following crude price.
- **Polyolefin** - Soft demand from market slow down at year end.
- **PVC** - Spread should remain stable to soft from slow year end demand despite limited A-PVC supply from China; caustic soda price expected to be high.

Company Highlight:

- **Chandra Asri (CAP):** SCG subscribed to CAP's US\$378 million rights issue in Sep/17, maintaining the 30% shareholding in CAP.

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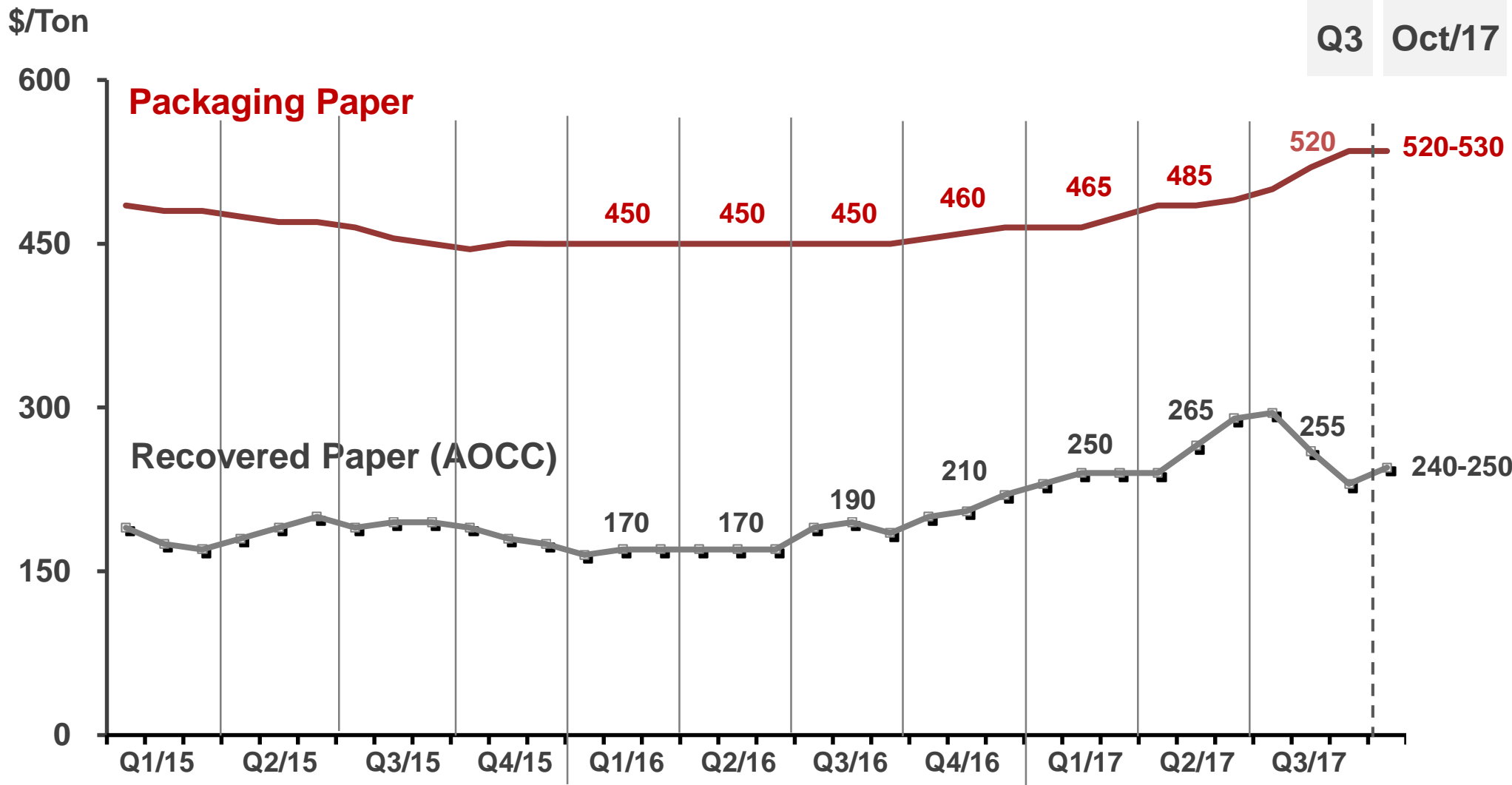
Q3/17 Domestic market situation

Overall demand picked up in food segment especially frozen food and seasonal fruit.

Market Segment	Situation (Q-o-Q)	Market situation
Food & Beverage		<ul style="list-style-type: none">Overall demand grew owing to higher export orders of frozen food and seasonal fruit while beverage segment dropped especially alcohol beverage segment during Buddhist lent period.
Consumer		<ul style="list-style-type: none">Consumer products demand remained stable mainly from continued sales promotions.
E & E		<ul style="list-style-type: none">Electronics & electrical appliances (E&E) demand declined due to low season of Air conditioner and Fan.

Packaging Chain

AOCC prices dropped mainly due to the delay of RCP import license renewal in China.
Packaging paper prices were up following raw material price trend.

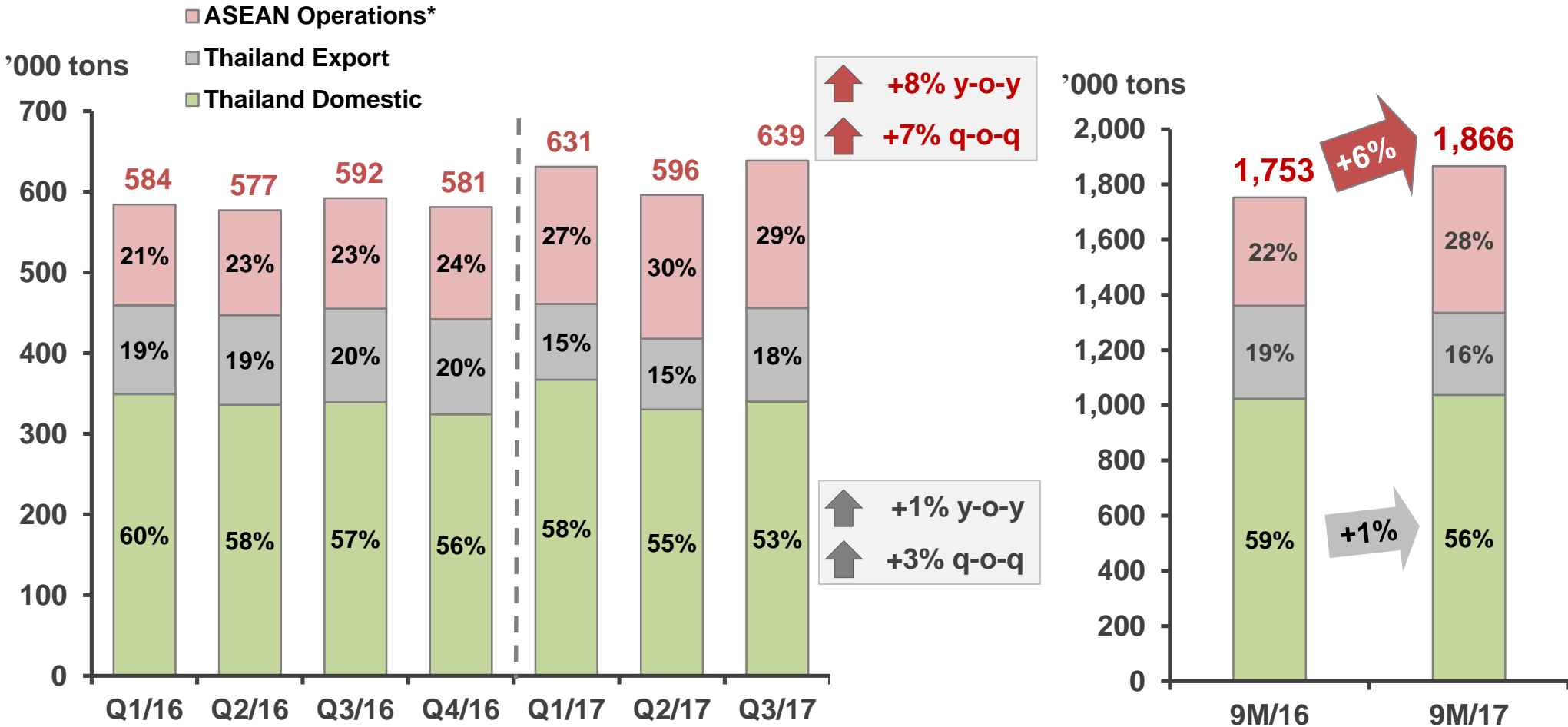


Note: Based on published regional prices

Packaging Chain

Total sales volume in Q3/17 increased +7% q-o-q owing to higher export sales, and +8% y-o-y mainly from VKPC.

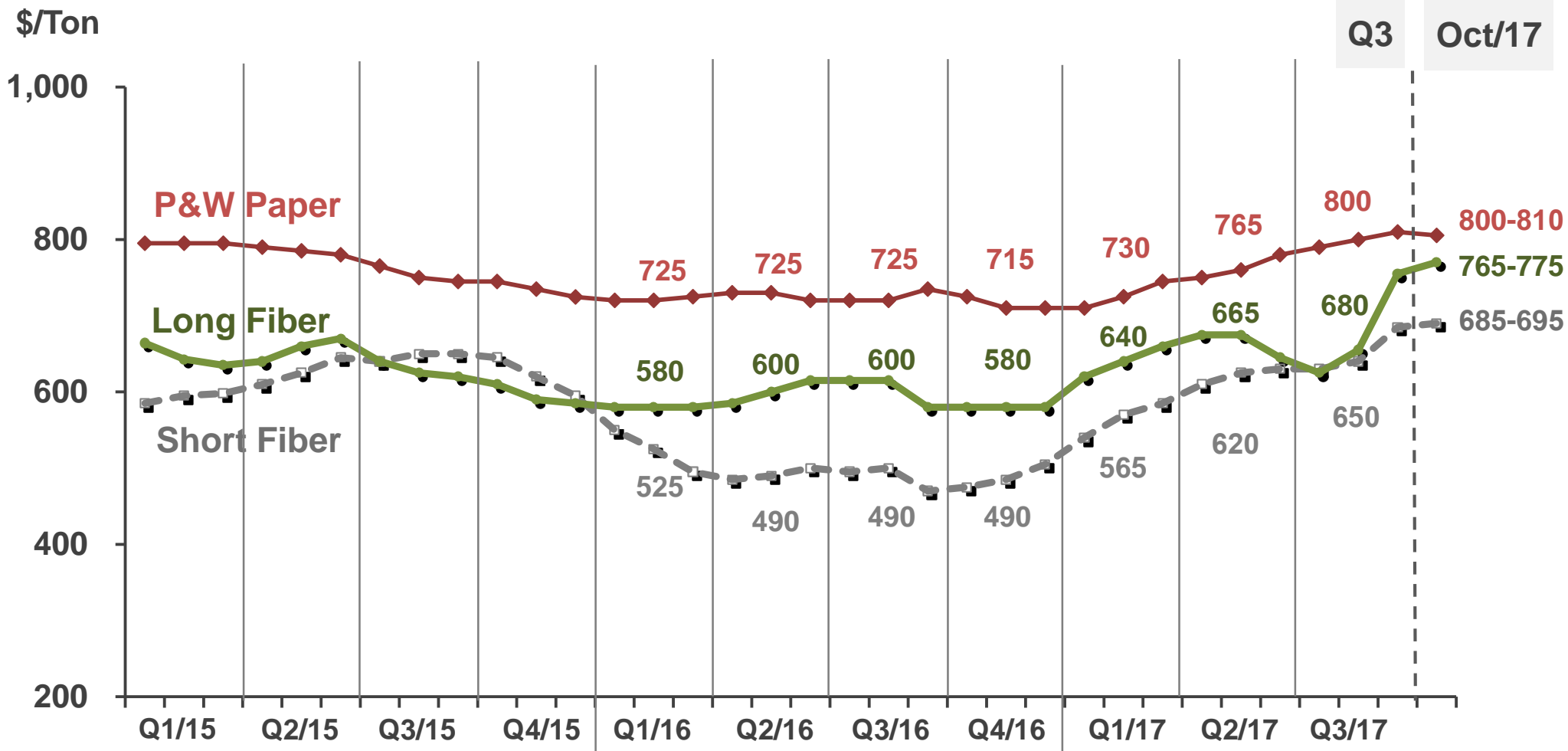
Packaging Paper volume



Note: *Sales Volume from Philippines and Vietnam

Fibrous Chain

Short fiber pulp prices continued to increase due to strong demand and tightened supply.
Long fiber pulp prices increased as a result of Chinese buyer's low inventories.



Note: Based on published regional prices

Fibrous Chain

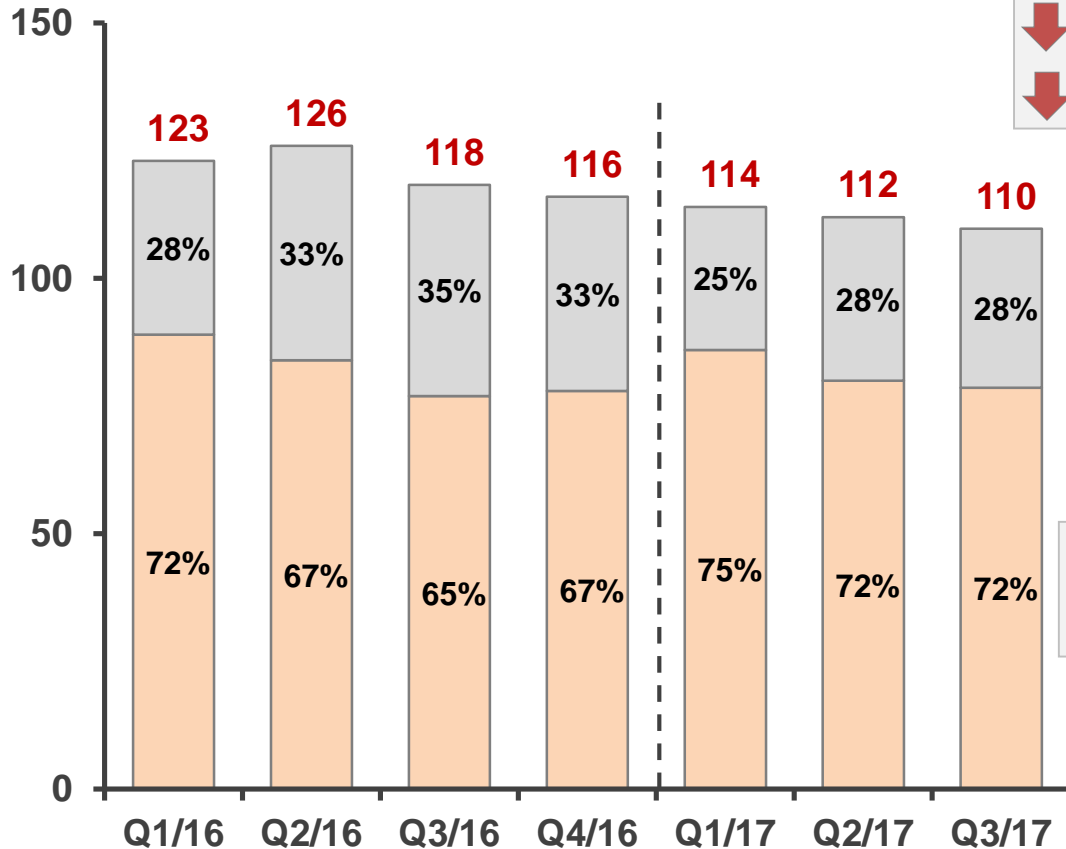


Total sales volume decreased -2% q-o-q and -7% y-o-y. Domestic sales volume dropped -2% q-o-q as a result of softened demand in publication & commercials segment while grew +2% y-o-y.

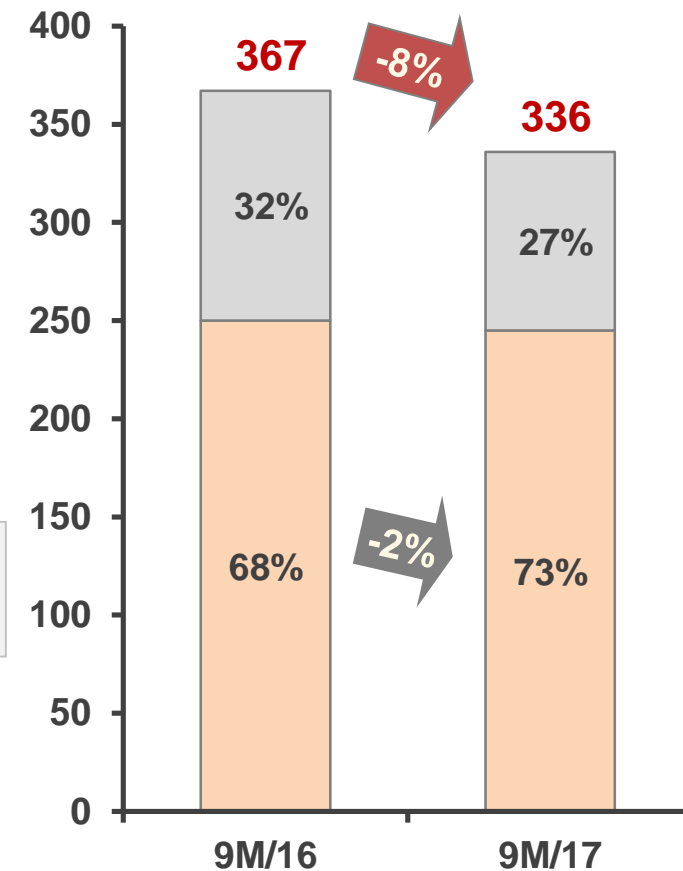
Printing & Writing Paper volume

Export
Domestic

'000 tons



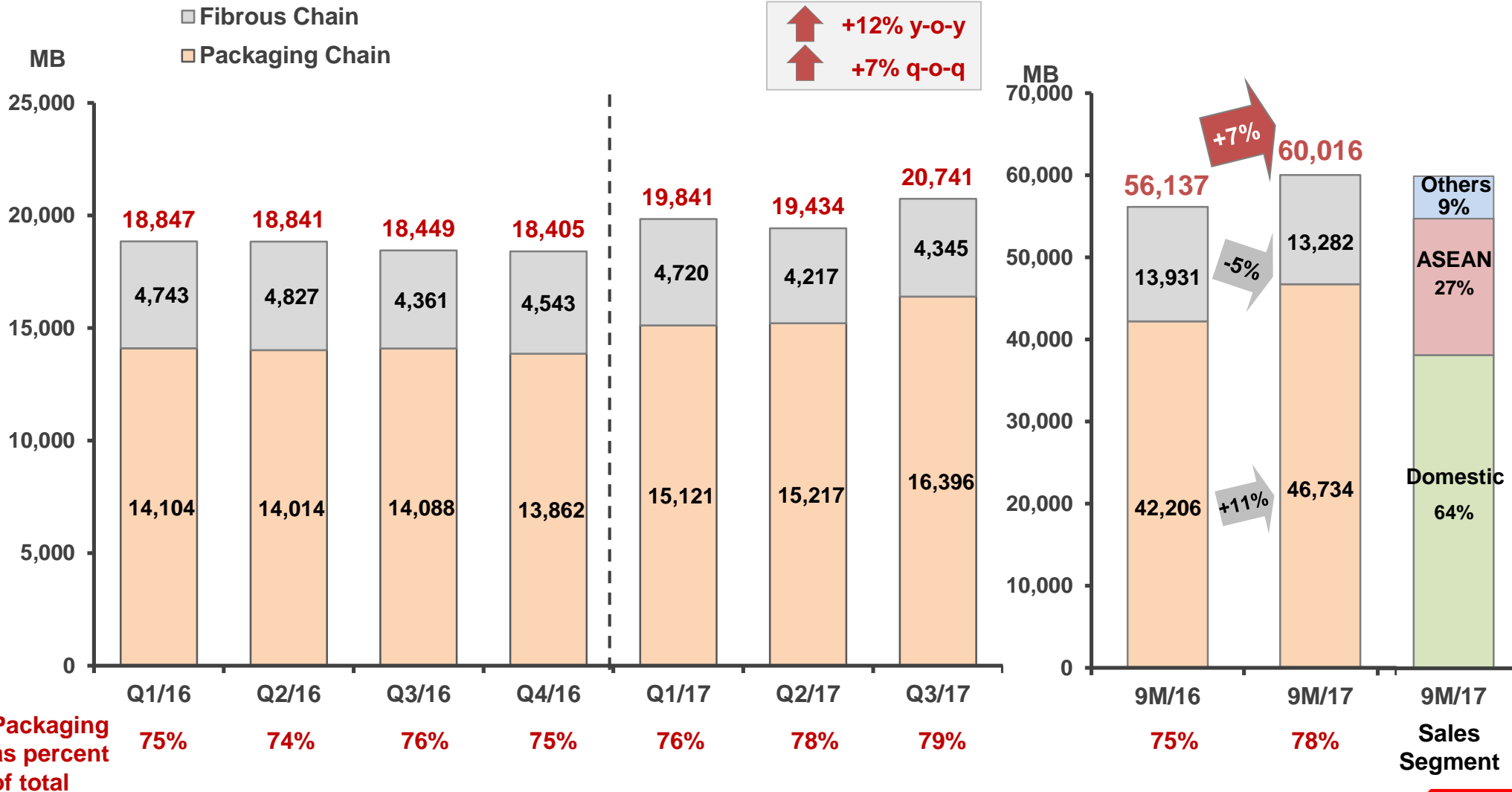
'000 tons



Revenue from Sales by Business chain



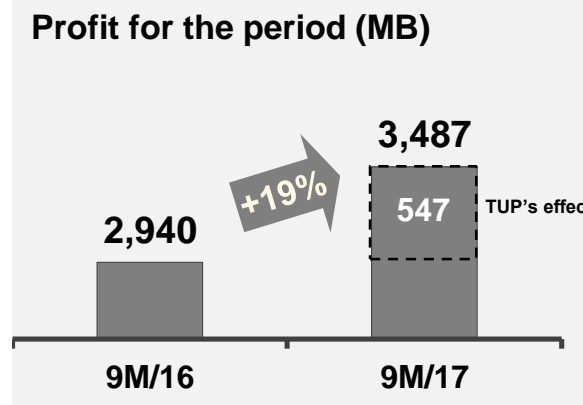
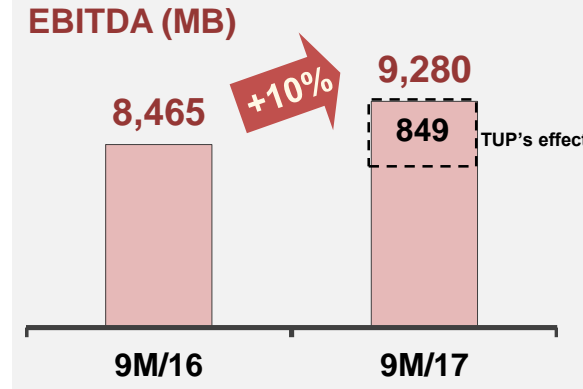
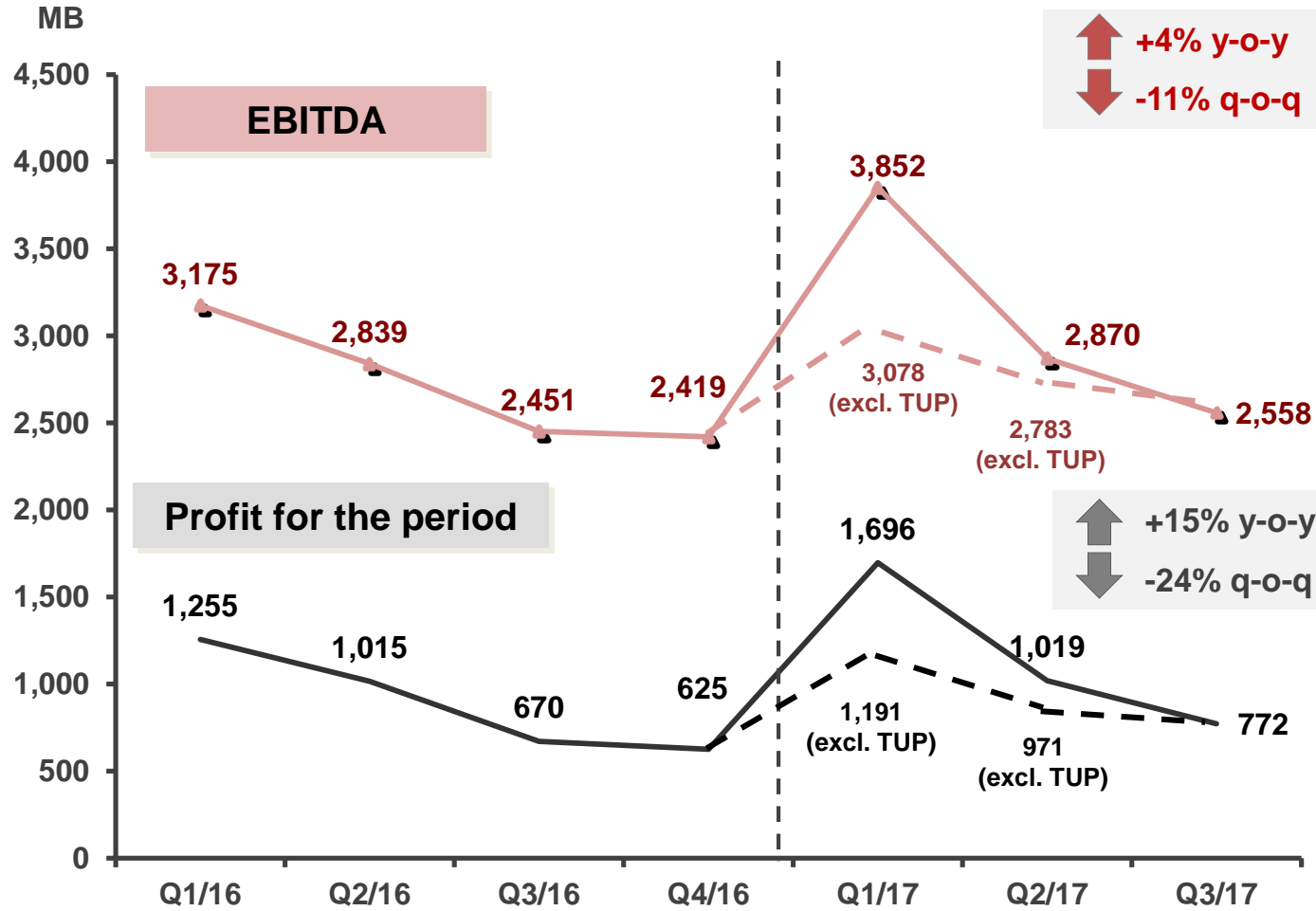
Revenue from sales in Q3/17 grew +7% q-o-q mainly from higher sales volume and prices of Packaging chain, and +12% y-o-y owing to new capacity in Vietnam.



EBITDA and Profit for the Period



For Q3/17, EBITDA declined -11% q-o-q as a result of lower margin of Fibrous chain due to higher production cost, maintenance shutdown and TUP's effect, while improved +4% y-o-y.



EBITDA Margin
 15% (9M/16) vs 14%* (9M/17)

	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17
Total	17%	15%	14%*	13%	15%*	14%*	12%*
Packaging	18%	17%	16%	15%	16%	14%	14%
Fibrous	14%	9%	8%*	9%	15%*	15%*	8%*

*Note : EBITDA margin excluded effect from the cease of TUP's operation.

Outlook:

- Domestic packaging chain demand is expected to grow moderately as a result of recovering production to serve year-end festival.
- Recovered paper prices (AOCC), which dropped toward the end of Q3, has potential to increase upon the renewal of import license in China.
- Short fiber and Long fiber pulp prices are likely to increase from continued strong demand.

Company Highlight:

- Acquired 75% stake in Precision Print Company Limited, a producer of offset printing for display packaging (4,650 tons/year) in Samut Sakhon, valued at 450 MB (EV).

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Thank You

For further details, please contact invest@scg.com