**SCGD Announces Long-Term Strategy in High Growth ASEAN Markets and**

**Aims to Double Revenue by 2030 with Over 20 Billion Baht Investment in Tile and Bathroom Factories, Distribution Channel Expansion, and Cost Reduction through Automation and Clean Energy**

**(Bangkok : 8 October 2024)** SCGD has revealed its long-term business expansion plan, aiming to strengthen its position and double its revenue by 2030. SCGD will leverage its advantages in research and development to innovate high-quality products with low production costs, with diverse distribution channels across four key countries: Thailand, Vietnam, the Philippines, and Indonesia. SCGD aims to secure the number one market share in Thailand, Vietnam, and the Philippines. With an investment budget of over 20 billion baht, including mergers and partnerships, SCGD is accelerating to expand tile and to add bathroom production plants in Vietnam to meet growing regional demand while developing and launching new products in line with market trends. Additionally, SCGD will offer innovative complementary products that appeal to customers, such as adhesive and grout, kitchen countertops, and window and door panels. In addition, SCGD will drive its green strategy, focusing on eco-friendly practices and cost reduction. By 2030, SCGD aims to use 46% biomass and 15% solar energy and sets an ambitious target of achieving net-zero greenhouse gas emissions by 2050.

**Numpol Malichai, Chief Executive Officer and President of SCG Decor Public Company Limited, or SCGD**, said, “In the long term, the ASEAN economy is expected to experience significant growth. It is forecasted that the decorative surface, bathroom, and related businesses will grow by more than 4%, driven by GDP growth rates, population increases, and urban expansion in each country, all of which will lead to greater demand for building materials. As the leading company in decorative surface and bathroom businesses in ASEAN, SCGD is accelerating its business strategy to ensure continuous growth. We are leveraging our strengths, with production bases in four key countries. Thailand serves as the central hub for research and development of innovations, leading the way with High-Value Added Products that offer both aesthetic design and functionality, such as SPC LT by COTTO flooring with natural wood patterns. Vietnam, as the next strategic production hub in ASEAN, benefits from cost advantages that allow it to remain competitive with Chinese products and support future exports. Meanwhile, the Philippines and Indonesia, both with large populations, are key markets ready to accommodate product distribution through expanding sales channels. Each country has well-established brands that are widely recognized by customers, including COTTO, SOSUCO, and CAMPANA in Thailand; PRIME and PREMIER in Vietnam; MARIWASA in the Philippines; and KIA in Indonesia."

SCGD has continuously strengthened its business operations and remains confident in its proactive business plan, which focuses on aligning with global trends. The company is driving sales by being a trend setter and offering high-value-added products that meet the needs of customers across lifestyles. Examples include "Smart Flexible by COTTO" or "LT by COTTO," innovative SPC flooring materials that are easy to install, convenient to use, termite-resistant, 100% waterproof, and feature natural-like designs and textures. At the same time, SCGD is advancing its production processes to reduce costs and promote environmental friendliness by eliminating burning process to ensures zero CO2 emissions into the atmosphere. To enhance competitiveness, SCGD has opened production lines for large-sized glazed porcelain tiles in Vietnam and Thailand to meet the growing market demand, having a total capacity of 14 million square meters by the end of this year. Additionally, SCGD continues to implement cost-reduction initiatives through the use of biomass and solar power to lower production costs.

In the long-term (2025-2030), SCGD focuses on achieving vigorous, sustainable growth and investing to double size the revenue by 2030. A budget of over 7 billion baht has been allocated for investment in mergers and partnerships, specifically targeting tile and bathroom production plants in Vietnam, while also expanding complementary product offerings. In addition, SCGD has set a capital expenditure (CAPEX) budget of over 13 billion baht to increase its market share and enhance production efficiency to meet market demands. This includes setting up new tile production plants in south of Vietnam, enhancing efficiency of tile factories, and increasing the production ratio of large-sized glazed porcelain tiles from 20% of total production in 2024 to 50% by 2030. To further boost its competitiveness, SCGD plans to install Hot Air Generators using biomass instead of fossil fuels in the production process, along with solar panel installations to reduce electricity consumption. The company is also continuing to expand its distribution channels across ASEAN, including its own channel and partner stores. Currently, SCGD has over 800 dealer stores and various manufacturing outlets such as COTTO LiFE, Klang Ceramic in Thailand and others in ASEAN, as well as modern retail channels and home improvement stores like HomePro, Thai Watsadu, Dohome, SCG HOME Boonthavorn, and Global House in Thailand, Wilcon Depot and All Home in the Philippines, and Mitra10 and Depo Bangunan in Indonesia. SCGD is confident that it will maintain its leadership in bathroom and decorative surface business, securing number one market share while also remaining one of the top three leaders in ASEAN for bathroom and complementary products.

"The company is committed to maintaining its leadership in decorative surface products by bringing together research and development experts, professional designers, and top marketers to collaboratively develop innovative products and solutions that align with global trends and continuously penetrate new markets. At the same time, we are preparing strategies to counter imported products by leveraging the cost advantage of our production base in Vietnam, while also sourcing high-quality imported goods from around the world to meet the diverse lifestyle needs of our customers," said Numpol.

,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,