

*Press Release*

**SCG Announces Q1/2025 Results with Strong EBITDA, Profit Growth Across All Businesses,   
Highlights “4 Strategies” to Tackle Global Trade War: 1) Reduce Costs for Global Competition,   
2) Expand Portfolio with Quality Affordable Products, 3) Tap Into High-Potential New Markets   
4) Leverage ASEAN Production Base Advantage**

***BANGKOK – 30 April 2025* – SCG announced its operating results for Q1/2025, showing improvement compared to Q4/2024, with strong EBITDA of 12,889 MB and a profit of 1,099 MB. This performance reflects SCG’s accelerated adaptation efforts to address challenges across all businesses and its ongoing measures to bolster financial strength. SCG is highlighting “4 strategies” to navigate the prolonged and intensifying global trade tensions: 1.) Reducing costs to compete with global manufacturers; 2.) Expanding the product portfolio to meet market demand across all segments, including “High Value-Added (HVA)** **Products, Green Products, and Quality Affordable Products;” 3.) Entering new high-potential markets; and 4.) Building competitive advantages by leveraging diversified production bases across ASEAN. SCG remains confident that its businesses are well-positioned for stable growth amid ongoing challenges.**

**Thammasak Sethaudom, President and CEO of SCG**, said, “In Q1/2025, SCG achieved a Profit for the Period of 1,099 MB, as all business units demonstrated improvement, driven by ongoing financial strengthening measures. We have enhanced competitiveness through production cost reduction and effective management, as well as efficient expansion into new markets. Furthermore, the Cement–Building Materials Business experienced increased demand driven by the construction season and continuous government budget disbursements. Meanwhile, SCG Chemicals (SCGC) showed improvement through cost management and product portfolio adjustments. SCGP also remained robust, focusing on growth to meet domestic consumer demand within ASEAN, enhancing its consumer packaging portfolio while concurrently managing costs.”

At the same time, **SCG has continuously implemented financial strengthening measures**, including the prudent management of EBITDA, costs, and working capital. This resulted in SCG achieving an **EBITDA of 12,889 MB in Q1/2025**, reflecting the business’s swift adaptation to maintain competitiveness amid ongoing challenges.

Regarding **the** **severe** **global trade war situation triggered by the United States’ tariff increases**, the International Monetary Fund (IMF) recently lowered its global economic growth forecast for this year to just 2.8%. This reduction is primarily driven by downgrades in GDP projections for nearly all countries. Thailand’s GDP forecast was revised down to 1.8%.

**SCG has assessed the situation and potential impacts of the global trade war,** finding that:   
**1.) The direct impact** on SCG is minimal, as exports to the United States accounted for only 1% of SCG's total sales in 2024; 2.) **The indirect impacts** could occur once the 90-day suspension period for new U.S. import tariffs expires. Countries with trade surpluses with the United States may be subject to different tariff rates. This includes Thailand, which may face import tariffs of up to 36%, as announced by the United States on 2 April 2025. Therefore, a severe slowdown is anticipated in both regional and global economies. International exports are expected to decline, while an influx of goods from other countries into Thailand could further intensify market competition.

Thammasak added, “The trade war is exerting pressure globally, but underlying opportunities still exist. Examples include the downward trend in global oil prices, challenges faced by petrochemical producers in China in sourcing raw materials from the United States and continued strong purchasing power in certain markets for High Value-Added (HVA) products, green products, and quality affordable products. SCG is intensifying its adaptation efforts in response to the global economic slowdown through its 4 key strategies: **1.) Reducing costs to compete with global manufacturers; 2.) Expanding the product portfolio to meet market demand across all segments, including “High Value-Added (HVA) Products, Green Products, and Quality Affordable Products;” 3.) Entering new high-potential markets; and   
4.) Building competitive advantages by leveraging diversified production bases across ASEAN.   
These strategies, combined with our ongoing and effective financial strengthening measures,** reinforce our confidence that the business can navigate the challenges of the global trade war in a timely and effective manner.”

**SCG's 4 Strategies Across All Businesses for Navigating the Global Trade War**

**1.) Reducing costs to compete with global manufacturers** to address competition from low-cost products imported from other countries through the following approaches:

* **Reducing operational costs by consolidating production lines, improving efficiency, and streamlining processes, while increasing the use of robotic automation**. For example, **SCG HEIM** employs intelligent robots for the precise assembly of modular homes with earthquake resistance capabilities. **SCG Decor**, which produces COTTO sanitary ware, **utilizes high-pressure casting machines and automated robotic glaze spraying systems to accelerate production** and ensure smooth and uniform surfaces. Additionally, **image processing technology** is deployed to accurately inspect and analyze product quality, ensuring compliance with standards before delivery to customers.
* **Reducing administrative costs by leveraging Artificial Intelligence (AI) to enhance organizational efficiency.** This includes the use of AI in procurement processes and predictive maintenance to forecast equipment malfunctions before they occur.
* **Optimizing working capital across the supply chain**, resulting in a reduction of net debt to   
  290,504 MB in Q1/2025 and enhancing overall business liquidity.
* **Increasing the use of clean energy** by expanding the use of solar energy, biomass, and alternative fuels in production processes. This initiative enhances efficiency, reduces costs, strengthens competitive advantages, and supports environmental friendliness.In Q1/2025**,** SCGincreased the proportion of alternative fuelsused in cement production processes in Thailand to 44% of total fuel consumption.

**2.) Expanding the Product Portfolio to Meet Demand Across All Market Segments**

* Developing **"High Value-Added (HVA) and Green Products"** to meet market demands. Examples include **large-sized glazed porcelain tiles, SCG Low Carbon Cement,** which is currently being developed into its third generation, capable of reducing carbon emissions by up to 40% with plans to launch in the decorative cement product segment in Q4/2025. Other developments include **roofing, wall, and floor decoration products** utilizing digital printing technology with durable UV coating for enhanced surface protection against mold, as well as **syringes and needles**, developed through SCGP’s collaboration with Once Medical Company Limited.
* **Increasing the range of quality affordable products** that meet strong demand and generate immediate profitability, such as **SCG Solar Roof**, which deliver maximum electricity generation efficiency and are available in a range of pricing packages; **SCG Celica Curve ceramic roof tiles**, offering excellent value, superior durability, and enhanced color retention due to their ceramic composition; **SCG concrete paving tiles**, featuring popular designs and patterns, renowned for their strength and durability across various design applications; and **agricultural PVC pipes**, specifically designed to meet the needs of farmers.

**3.) Entering new high-potential markets** by expanding exports of products such as SCG Low Carbon Cement, concrete tiles, SCG Smartboard, packaging paper, and food packaging to new high-potential markets experiencing demand. This includes markets adapting to and potentially benefiting from the current trade war dynamics. This expansion is supported by SCG’s extensive global business network.

**4.) Building competitive advantages by leveraging diversified production bases across ASEAN** by including strategically shifting production and exports to countries facing lower US import tariffs. SCG's diverse production base, a key strength, enhances operational flexibility and allows for timely responses to customer needs. For example, SCGP’s packaging products can be manufactured and exported from Thailand, Vietnam, Indonesia, and the Philippines. Similarly, SCG Low Carbon Cement and grace porcelain tiles can be produced and exported from both Thailand and Vietnam.

However, despite the ongoing uncertainty surrounding the trade war and slowing demand for chemical products, **SCGC** anticipates potential benefits from the downward trend in global oil prices, which is expected to reduce chemical production costs. SCGC is closely monitoring the situation and implementing proactive measures, including: 1.) Ongoing reduction of administrative costs; 2.) Enhancing supply chain flexibility to align with evolving conditions, including ensuring the readiness of the Long Son Petrochemicals Complex (LSP) in Vietnam to resume operations when market conditions are favorable; and 3.) Accelerating the development of high value-added (HVA) products, while expanding its green products portfolio and digital solutions, such as DRS by REPCO NEX.

***Thammasak concluded,*** “SCG recognizes the challenges facing the industrial sector, particularly small and medium-sized enterprises (SMEs), which form the core of the grassroots economy and are significantly impacted by the global trade war situation. Therefore, SCG is ready and open to fostering collaboration with all sectors to share knowledge, enhance capabilities, and help businesses adapt and compete effectively. This is being carried out through the ongoing ‘Go Together’ program, which is set to reach its first-phase target of assisting 1,200 people this May, as well as the ‘NZAP’ program, which has already engaged 106 participants. Through such cooperation and mutual support, we believe we can overcome these challenges together.”

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