



CREATE YOUR LIFE PASSION

## Opportunity Day Q1 2024

SCG Decor Public Co., Ltd.



# “SCGD OPPORTUNITY DAY”

บริษัทจดทะเบียนพบนักลงทุน  
วันที่ 10 พฤษภาคม 2567  
เวลา 10:15-11:00 น.





## Agenda

1. **Recap: SCG Decor IPO Rationales**
2. **Competitive Financial Results**
3. **Future of Growth**  
(2024 Industry outlook & 2030 Targets)
  - 3.1 Executions Progress & Plan
4. **Appendix**
  - 4.1 Awards & Recognition
  - 4.2 Cost structure
  - 4.3 Revenue and Balance sheet





## 1. Recap: SCG Decor IPO Rationales



## Q1/24 - The 1<sup>st</sup> quarter of SCG Decor after IPO in Dec'23

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- SCG Decor is the leader in Decor Surfaces, comprising of Floor and Wall Tiles, and Bathroom business with the presence in ASEAN
- Successfully listed in SET since December 2023. The capital raised from IPO approximately 2,700 MB for the purpose of organic and inorganic business expansion, increase operation efficiency and maintenance



**Expand Bathroom  
Business to ASEAN**



**Fortify Leading Position  
in Decor Surfaces**



**Expand to New  
Growth Business**



**Global Sourcing &  
Regional Optimization**



**Green Product and  
Green Process**

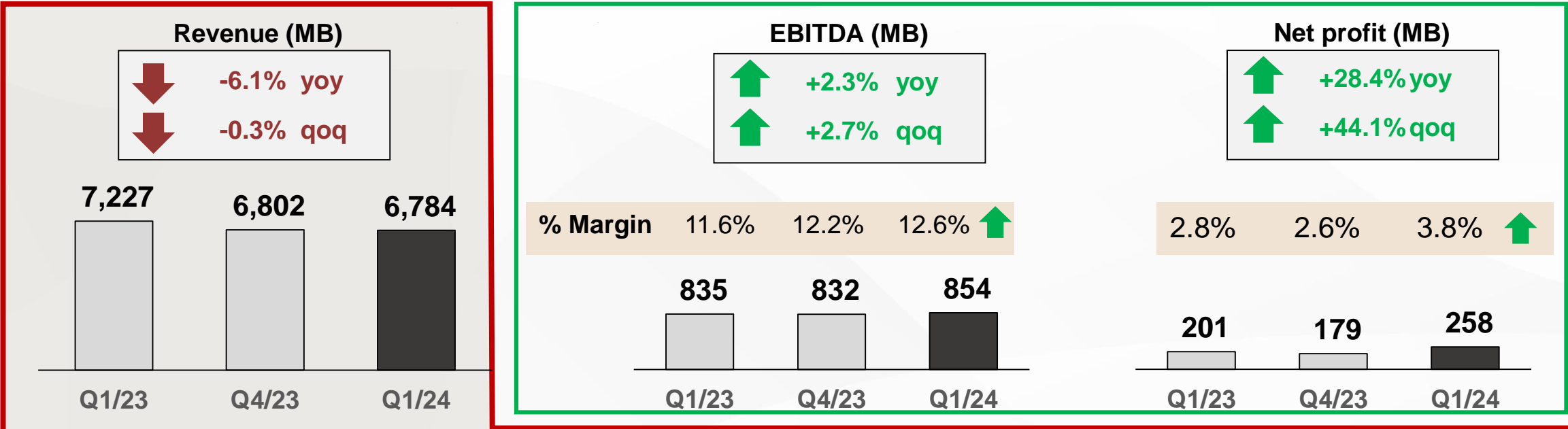


## 2. Competitive Financial Results



# Q1/24 Financials summary

SCG Decor's Q1/24 profitability improved, driven by strategic investments towards higher efficiency, cost effectiveness, energy reductions initiatives, maintaining selling price, and lower energy price



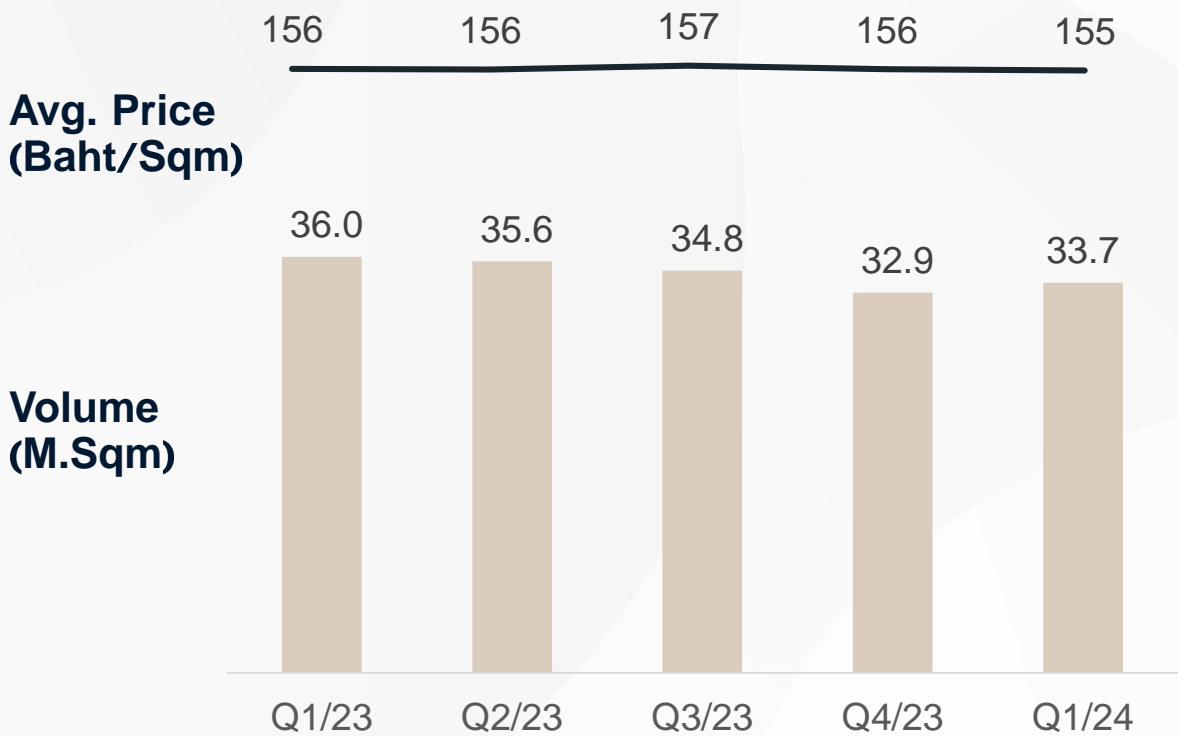
(Y-o-Y)	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24
Ceramic tiles Market					
Thailand	-2%	-6%	-4%	-3%	-3%
Vietnam	-22%	-34%	-27%	-30%	-17%
The Philippines	-16%	-4%	-17%	-9%	-10%
Indonesia	0%	-10%	+7%	-21%	-2%

Remark: The figures exclude Impact from restructuring and IPO (non-recurring)

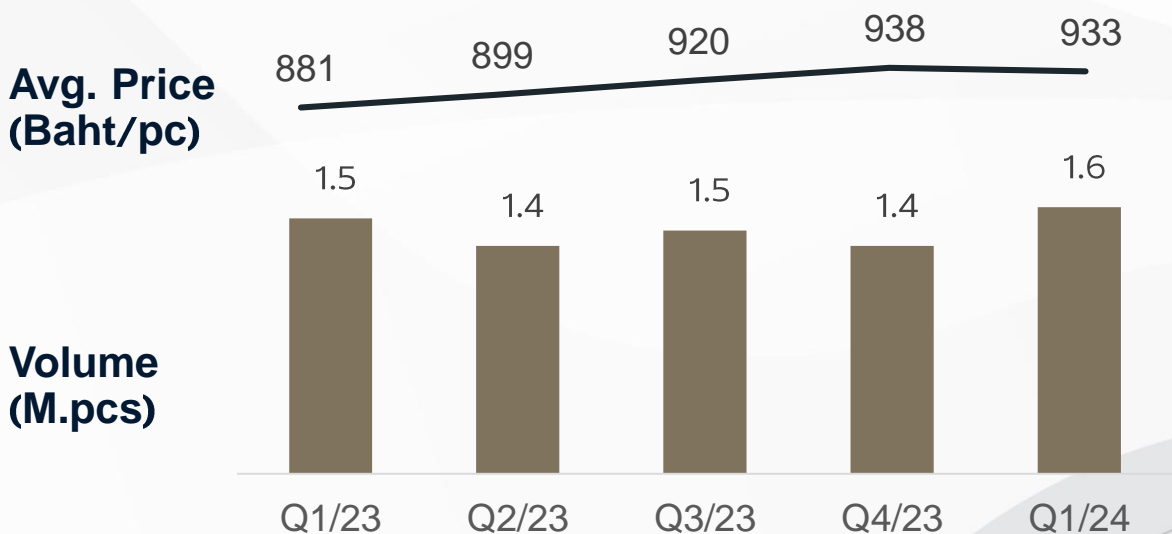
# Sales volume and selling prices

YoY Ceramic volume hasn't rebounded and QoQ remains flat due to Tet holiday in Vietnam while volume in Thailand rises both in Ceramic and Bathroom. Selling price for ceramic is maintained

Average Ceramic sales Volume and Selling Price  
(TH & Regional)



Average Bathroom sales Volume and Selling Price  
(TH & Regional)

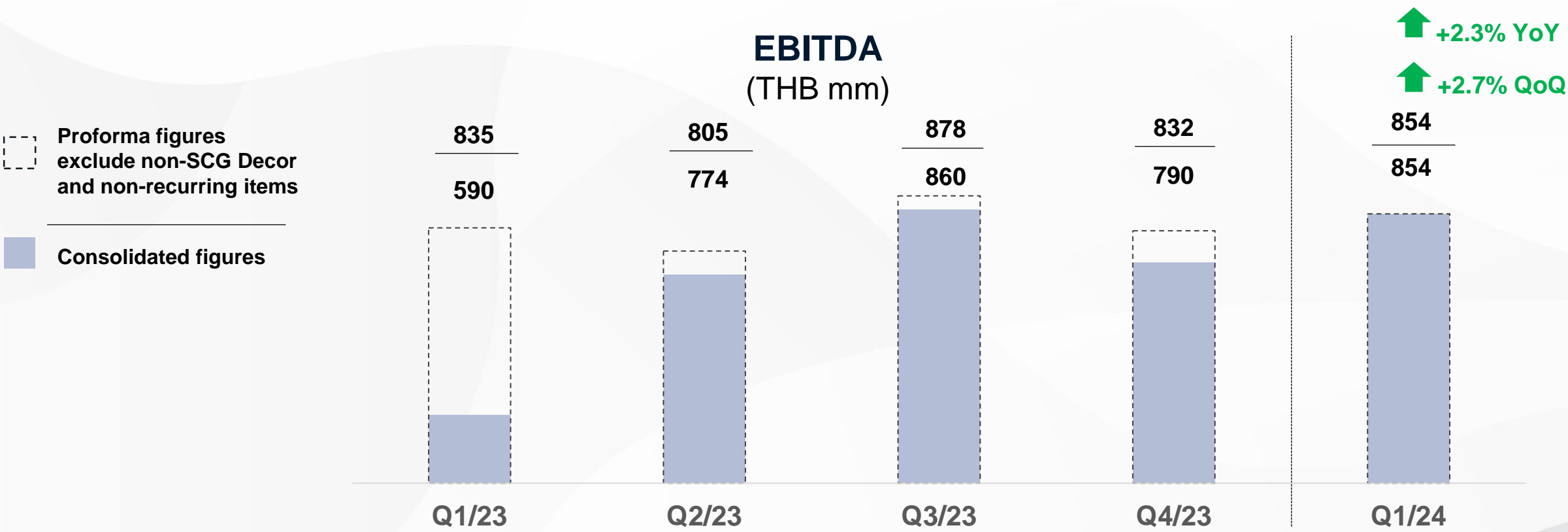


Remark: Price and Volume in Q1'24 includes wares and fitting in the regions



# Q1/24 EBITDA

While revenue in Q1/24 dropped, EBITDA improved mainly due to efficiency, cost savings, and energy reduction initiatives including lower energy price



Pyrolithic - one time impairment	-	-	-	-	
Non SCGD Performance and Divestment	249	-	-	-	
Restructuring and IPO expenses	(3)	31	18	41	

# Cost-Saving, Energy Efficiency and ESG investment efforts demonstrating Benefits Since H2/2023

## 1 Cost saving and energy efficiency projects with additional saving in 2024 around 135 MB/Year



**Project NKIE- Eco Kiln (Q3/23):**  
New ceramic tile kiln to improve efficiency



**Hot Air Generator (Q3/23):**  
Installation of Hot Air Generator to increase biomass utilization (Hin Kong Plant)

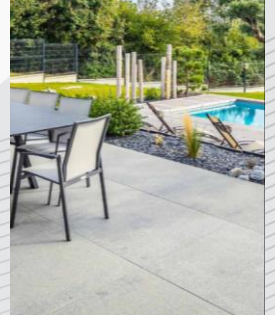


**Solar Cell (H2/23; Q1/24)**  
Installation of Solar Cell to reduce electricity cost



## 2 Production technology investment project to respond to customer needs and trends

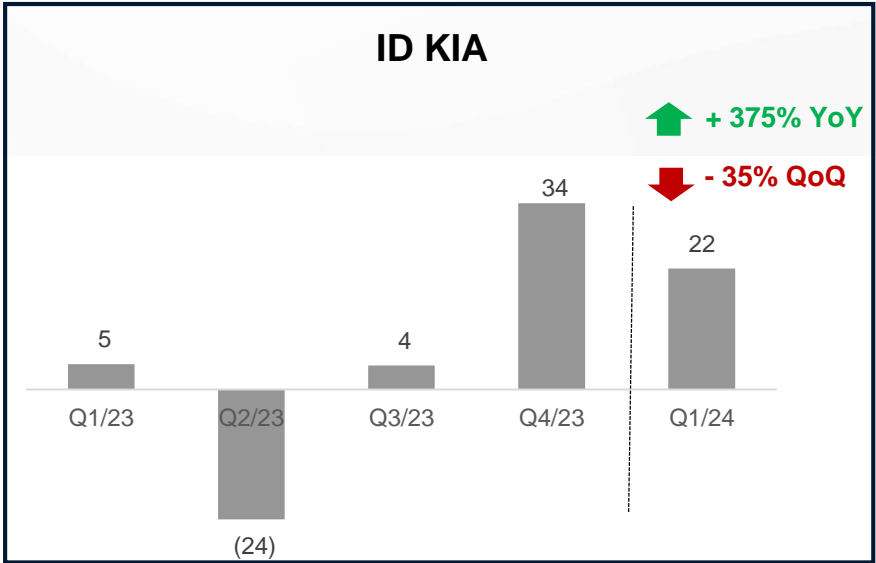
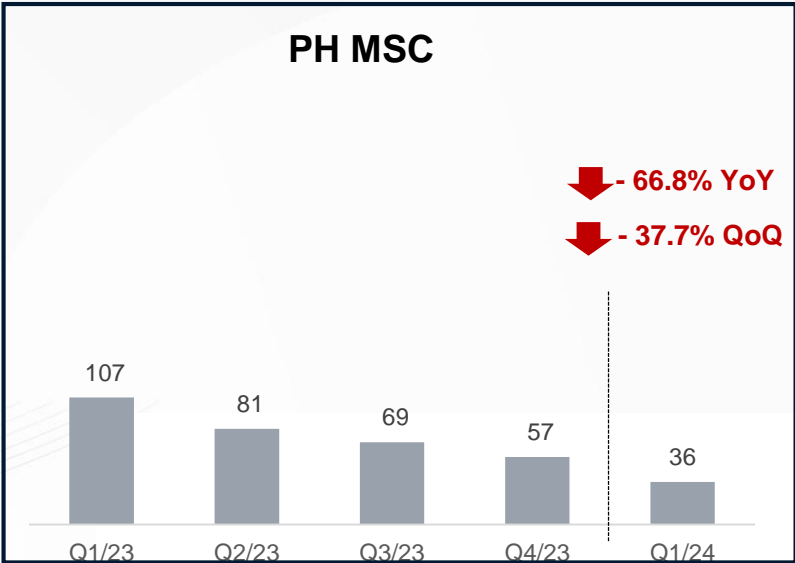
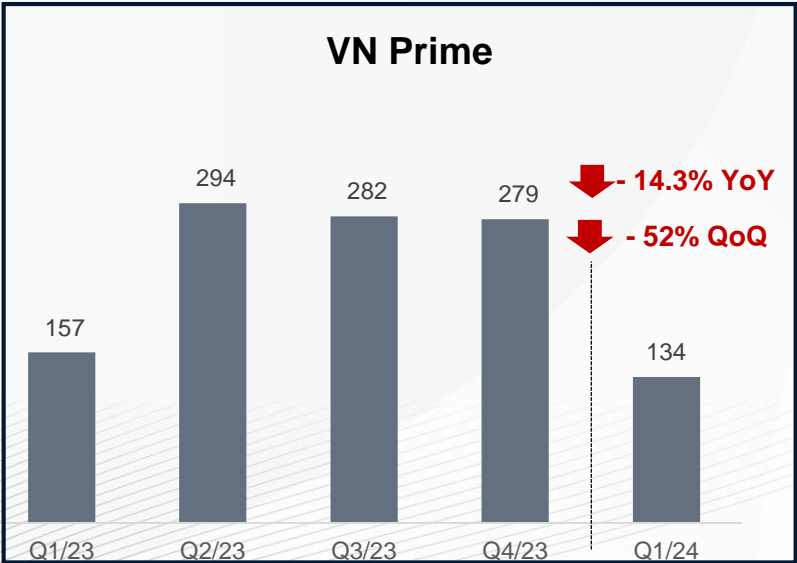
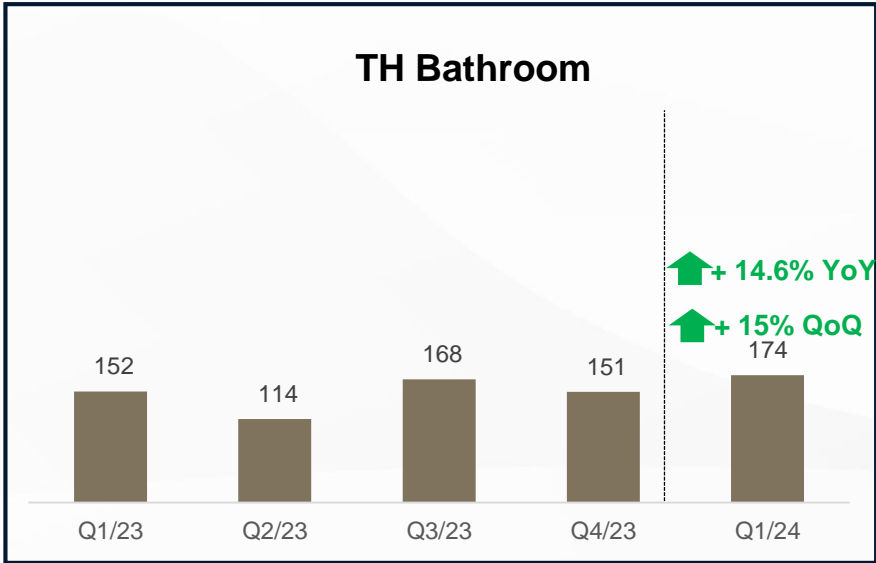
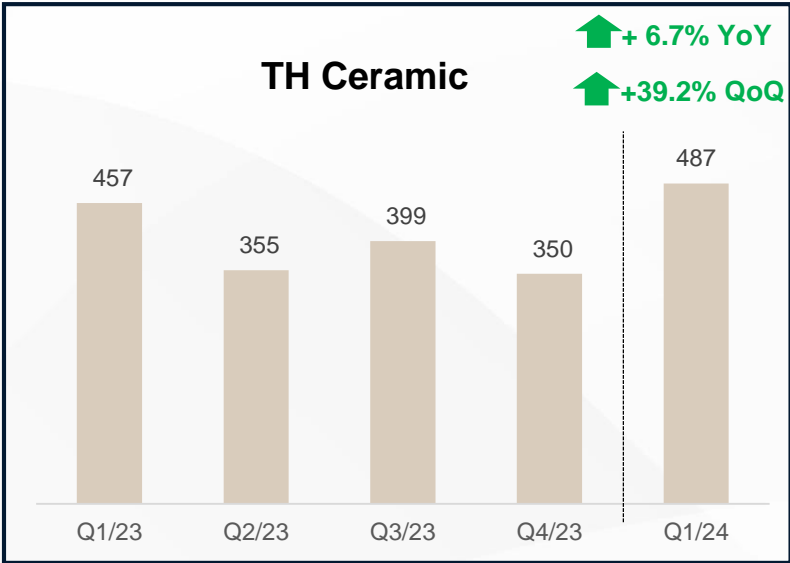
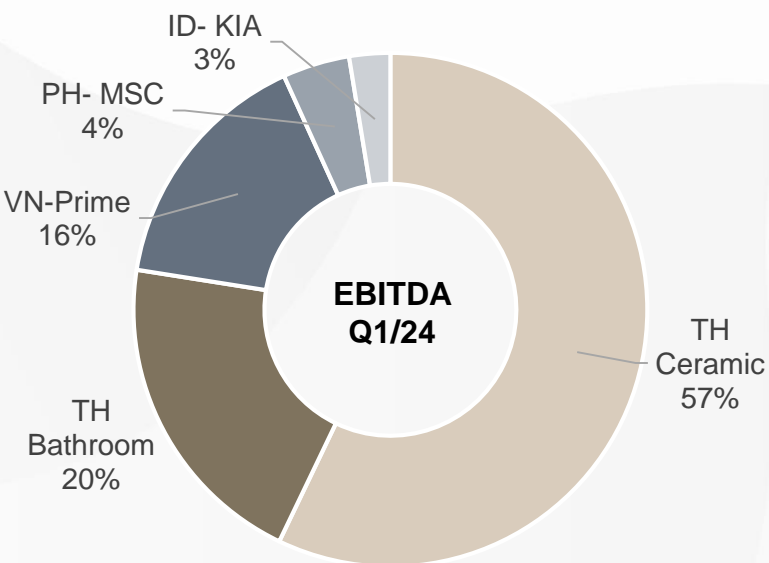
**Project Dai Loc Phase 1 (Q3/23)**  
Glazed Porcelain and Large-sized tile  
Production 1.38 M. Sqm/year



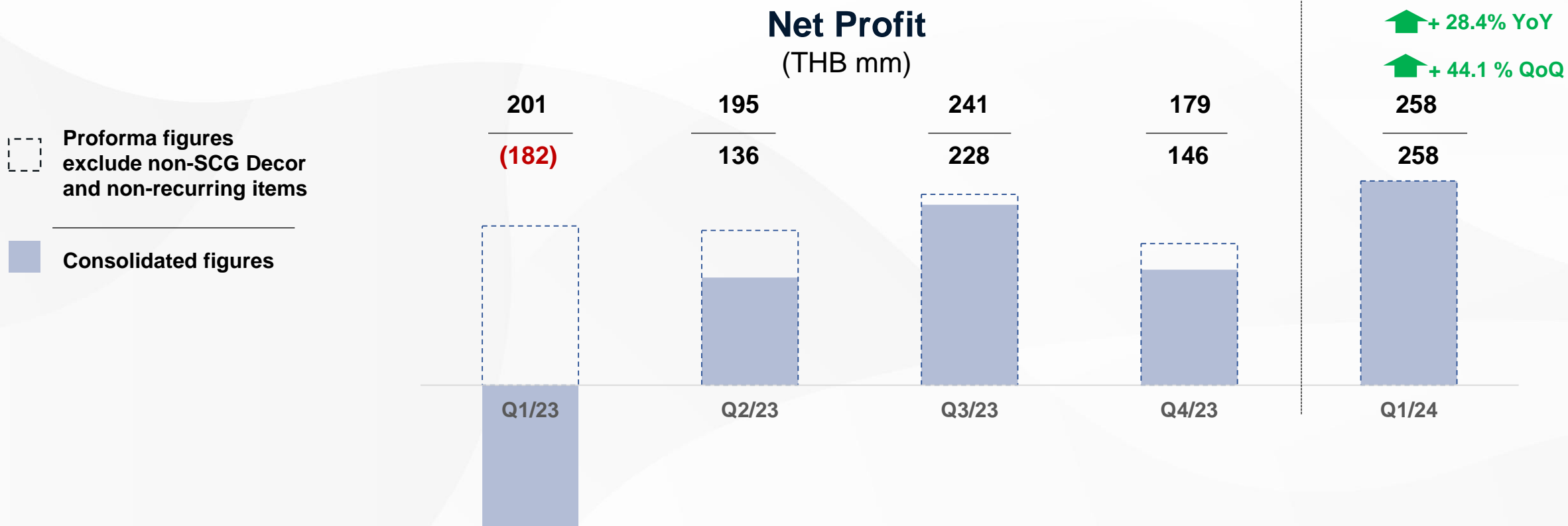


# Q1/24 EBITDA by country

Thailand Performance was bolstered by robust revenue, implementation of Efficiency Improvement and Cost Saving projects, maintaining selling price, as well as reduction of energy cost. However, Vietnam operation was still challenged by real estate situation and seasonal factors



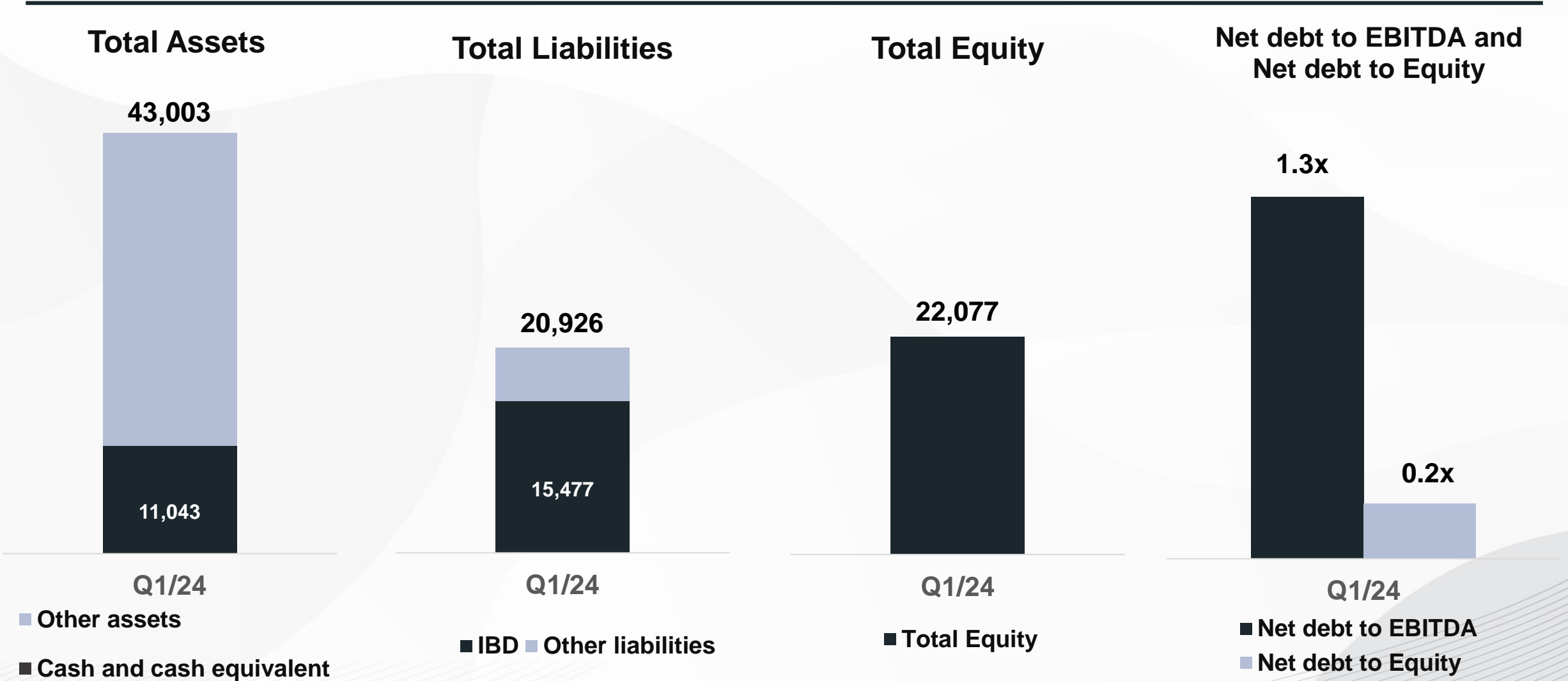
## Q1/24 Net Profit rises inline with EBITDA



Pyrolithic - one time impairment	-	-	-	-	
Non SCGD Performance and Divestment	249	-	-	-	
Restructuring and IPO expenses	134	59	13	33	



# SCG Decor's Balance Sheet in Q1/24 still robust and ready for business expansion and M&A



### 3. Future of Growth

(2024 Industry outlook & 2030 Targets)







## 2024 Outlook



### Thailand market

- The market is positively supported by Government stimulation policy and approval of Government budget and Tourism



### Vietnam market

- Maintain a positive outlook on the Vietnam market, as the Land Law is scheduled to take effect on January 1, 2025



### The Philippines and Indonesia market

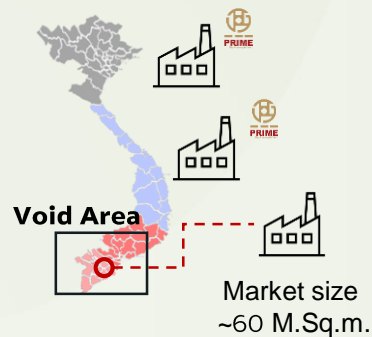


- We anticipate a recovery in the economy of both countries

# SCG Decor targets Revenue at 2X by 2030

1

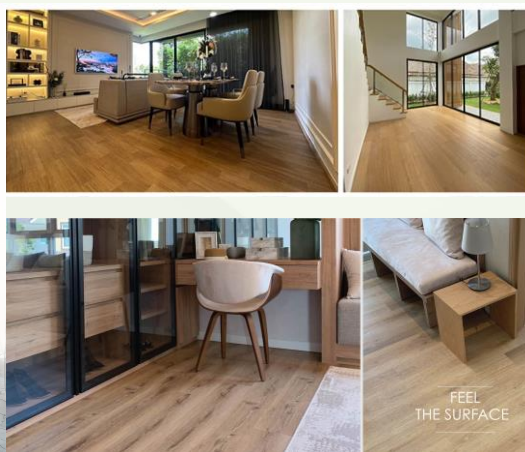
## New Production Plant



## Glazed Porcelain



## SPC



## Decor Surface business to grow by

- A new tile production facility in the South of Vietnam
- Create competitiveness through HVA portfolio and sourcing
- Expand into high growth product segment e.g., Stone Plastic Composite
- Channel expansion

2

## Vietnam



## The Philippines



## 2X Bathroom business Revenue growth

- Expansion in ASEAN
- COTTO penetration in ASEAN and new market

3



## Complementary products Revenue growth

4

## Collaboration and partnership with market leader in ASEAN

## Additional M&P



## 3.1. Execution Progress & Plan





# 1 Decor Surface Business:

Production technology investment project to respond to customer needs and trends

## Glazed Porcelain and Large-sized tile Production Technology investment projects

*Project under construction*



### Project - Dai Loc phase 2

- Serving Medium-High market with higher selling price per sqm
- **Target operation:** August 2024 (40% progress)
- **Investment:** 76 MB (share polishing line with Phase 1 leading to lower investment)
- **Capacity:** Additional 2.2 M.Sqm/year of Glazed Porcelain and Large-sized tile (Size: 60x60, 80x80, 30x60 and 40x80)



### Project - Tien Phong

- Replacing red body with benefit of GHG emission reduction by average 7,125 TPA from Scope 1&2
- **Target operation:** December 2024 (40% progress)
- **Investment:** 693 MB
- **Capacity:** Replace the existing and add new capacity of 9.1 M. Sqm/ year of Glazed Porcelain



### Project – Nong Khae 2

*New project approved in Q1/24*

- **Target operation:** December 2024
- **Investment:** 80 MB
- **Capacity:** 3.5 M.Sqm/year of Glazed Porcelain

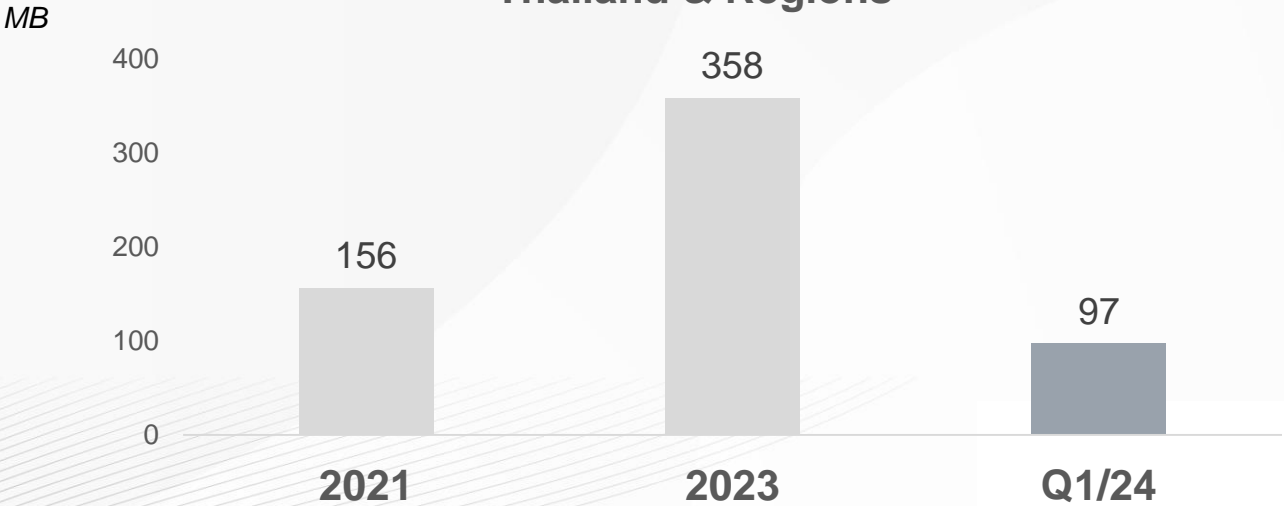
# 1 Decor Surface Business:

Production technology investment project to respond to customer needs and trends

## SPC Production line project, Thailand

- **A new SPC production line** at Hin Kong factory, Saraburi
- **Target Operation:** Middle of 2024  
(More than 90% progress for foundation, groundwork and metal roof and 75% of system preparation progress)
- **Investment:** 138 MB
- **Capacity:** 1.8 M. Sqm/year

SCGD's SPC Revenue (from sourcing) in Thailand & Regions



## Decor Surface Business:

Continually innovating to bring new and high-value added products to Market



### X-STRONG Scratch resistance and extra weight bearing Tile for High Traffic Area

- **Scratch resistance** PEI Value at level 4 + and abrasive resistance MOH value at level 7 +.
- **Easy to clean**, leaves no residue or dirt stains. Has a Stain Resistance at level 5 and above.
- **Better weight-bearing capacity** than ordinary tiles. Special dense texture porcelain (X-Porcelain) that can bear weight of over 350 kg/sqm



### Tiles for Pet Lovers

- **Safe for human and pet health.** NON VOC.
- **Reduce arthritis symptom/reduce slipping** for people and pets. Suitable for indoor and outdoor use, safe for humans and animals.
- **Scratch resistance** from pet nails: PEI value at level 4 +, and abrasive resistance: MOH value at level 7 +.
- **Easy to clean**, leaves no residue or dirt stains. Stain Resistance value of level 5 and above.
- **Reduce unpleasant odors.** AIR ION.
- **Inhibit the growth of viruses and bacteria.** HYGIENIC.

Remark:

- MOH mineral hardness scales
- PEI is a measurement of the surface enamel's resistance to abrasion



# Decor Surface Business:

Continually innovating to bring new and high-value added products to Market

## FLOOR

### SELECTION



### Hybrid SPC Stairs

Newly innovated staircase design that is functional for modern home. It features realistic wood patterns.

### SIGNATURE



**5 layers ULTRA Veneer Flooring** to enhance walking comfort and provide more stable feeling, and natural touch. Moreover, it elevates the luxurious feel with various mixed or straight patterns, along with digital printing designed to suit your decoration preferences.

## WALL



Easy to Clean  
ทำความสะอาดง่าย  
ปราศจากสารเคมีอันตราย



Smart installation  
ติดตั้งง่าย



### DECO LATH Collection

Incorporating user-centric with aesthetic beauty, the product aims to provide comprehensive decorative solutions that cater to lifestyle needs. It is durable, long-lasting, and features contemporary designs, suitable for both interior decoration and architectural projects of all kinds.



Water Resistant  
กันน้ำ คุ้มกับวิธีกันความชื้น  
เพื่อรักษาความคงทน ไม่บวมน้ำ



Variety of patterns  
มีลวดลาย หลายรูปแบบให้เลือก



Same texture as  
the work piece  
เนื้อผิวเหมือนกับชิ้นงาน  
ไม้จริง 100%



Strong and Durable  
แข็งแรง ทนทาน



Light Weight  
น้ำหนักเบา



Mothproof  
กันมอด

1

## Decor Surface Business:

Cost saving and energy efficiency projects

### Energy efficiency project

*Project under construction*



#### Hot Air Generator (HAG)

- Installation of HAG 2 units (at NK1 and NK2) to increase biomass utilization
- **Expected commercialization: May/24 (90% progress)**
- **Investment:** approximately 185 MB
- **Investment benefit:** cost saving approximately 60-70 MB/year

*New project approved in Q1/24*



#### Solar Cell Installation\*

- Additional 5.5 MW of solar energy installation
- **Target Operation:** Q1/25 (4.0 MW) & Q2/25 (1.5 MW)
- **Investment:** approximately 140 MB
- **Investment benefit:** cost saving approximately 20 MB/year

### Cost reduction project

*New project approved in Q1/24*



#### One Warehouse Management system and smart forklift

- **Target operation:** June 2025
- **Total investment:** approximately 70 MB
- **Investment benefits:**
  - Visibility, Accuracy, Space Utilization and Productivity improvement

#### \*Remarks:

As of 2023, SCG Decor installed solar cell in total of 29.4 MW, equivalent to 5.8% of total electricity usage from 15% target within 2030



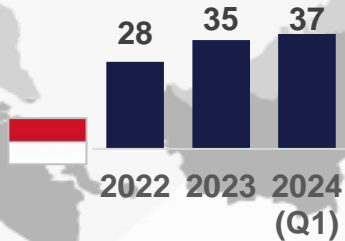
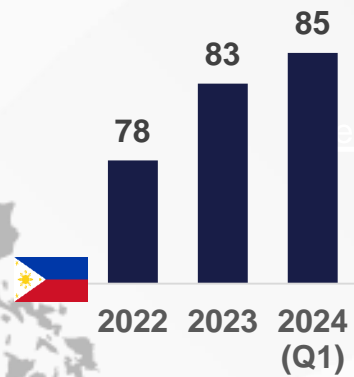
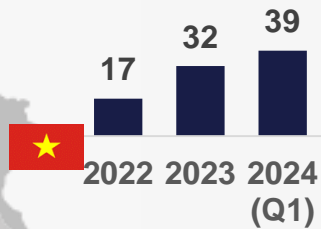


## Bathroom Business:

Expand Bathroom business to ASEAN by leveraging strength and leadership position of Decor Surface business

### Growing Bathroom Distributors 2022-Q1/24

161 Bathroom distributors



Year	Sales of Bathroom (MB)
2022	442
2023	459
2024 (Q1)	129

## Bathroom Business:

Expand Bathroom business to ASEAN by leveraging strength and leadership position of Decor Surface business



### Before SCGD

#### Vietnam



#### Indonesia



#### The Philippines



### After SCGD





## Bathroom Business:

Continually innovating to bring new and high-value added products to Market

### QUIL received German Design Award Special + iF Design Award 2024

- Premium washbasin with a consistently thin curved edge
- Reduce Carbon emission in production process
- Natural tone color reflects the original concept from banana leaves



### Opening a new Zone for Hansgrohe and AXOR products including Worktop surface at COTTO LIFE



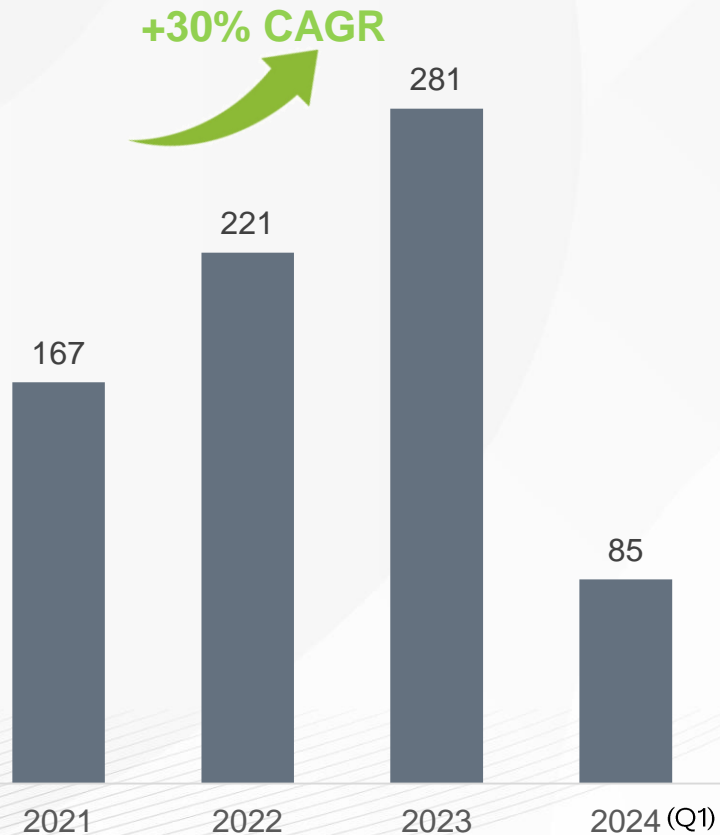


## Complementary Products and Services Business:

Expand Complimentary products and services through collaboration with strategic partners in ASEAN

**Increase complementary product into SCG Decor Product Portfolio such as Adhesive and grout, Kitchen counter top and cabinet and Door & Window**

Sales of Adhesive and Grout 2021-24(p)



# Maximize Profit through production and supply chain optimization

Multi plant rationalization to seek synergy across ASEAN platform

## Regional Optimization & Global Sourcing



### 1 Business Sourcing :

- Fulfill the product portfolio to serve customers' demand due to the Company's expertise in research and development and quality control

### 2 Regional Optimization :

- Utilization of the factories in Vietnam and their cost advantage to be an export base

### 3 Smart & Green Factory :

- Efficiency enhancement towards a Smart & Green, to maintain leadership in the ASEAN region.



# Grow Sustainably with Green Products and Processes

“Net Zero GHG emission by 2050”

## Green Products



**Target: Achieve 80% SCG Green Choice revenue contribution by 2030**

### Products for a better living

- Health and Clean e.g. Air-ion tiles



### Circular related products

- Products with recycled raw material 5% - 80%
- 20% - 37% water saving sanitary and fitting products



### Low VOC emission products

- LT by COTTO" which emits volatile organic compounds (VOCs) not exceed 0.5 milligrams per cubic meter



## Green Processes



**Target: Reduce GHG emission 25% from 2020 by 2030**

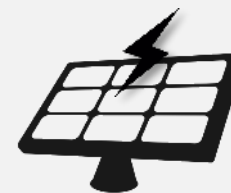
### Alternative fuels

- Increase bio-mass utilization from 17.6% to 46% by 2030



### Change source of energy

- Increase solar power utilization from 10.6% to 15% by 2030
- Increase EV utilization to 55% by 2030

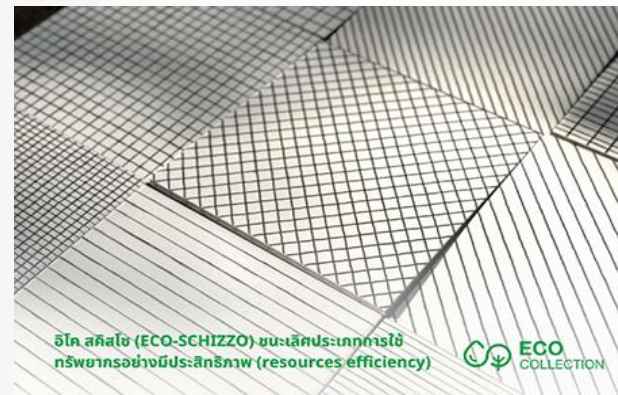


### Improve production process

- Improve efficiency in production process to reduce energy consumption



## Thailand Green Design Award (TGDA) 2024



**The Winner of 2024 TGDA Award for “Resource Efficiency”** by implementing ECO concept throughout Supply Chain from Design to Production and Product Launch:

- Using over 80% of sludge waste in production Recycling water from production line
- Using Biomass and Solar cell in production Environmentally friendly packaging
- Promoting Green Awareness to the market.

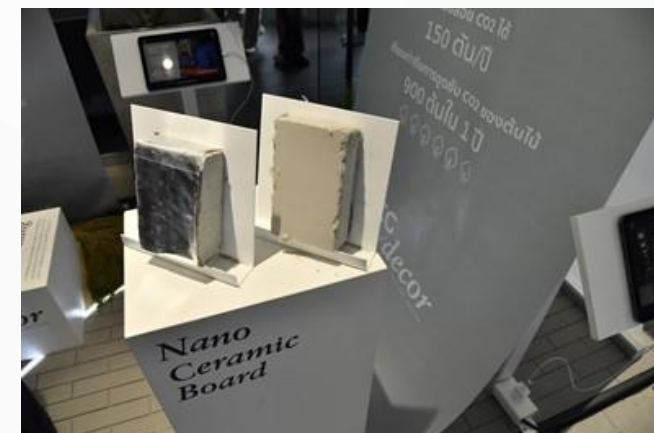
## Circular Economy Management System Certification



SCG Ceramic Hin Kong received CEMS certificate for prioritizing valuable resource utilization and circular economy management system



## 5 SCG Inclusive Green Growth: 7-8 May 2024



# Key takeaways



***2X Revenue growth aspiration by 2030***

**Maintain positive industry outlook in 2024 for Thailand and the region**

**SCG Decor's Q1/24 profitability improved**, driven by strategic investments towards higher efficiency, cost effectiveness, energy reductions initiatives, maintaining selling price, and lower energy price





## Q&A



For purchasing or more information



**บุญการ**



**ไทวัสดุ**  
THAI WATSADU



**Thank you**

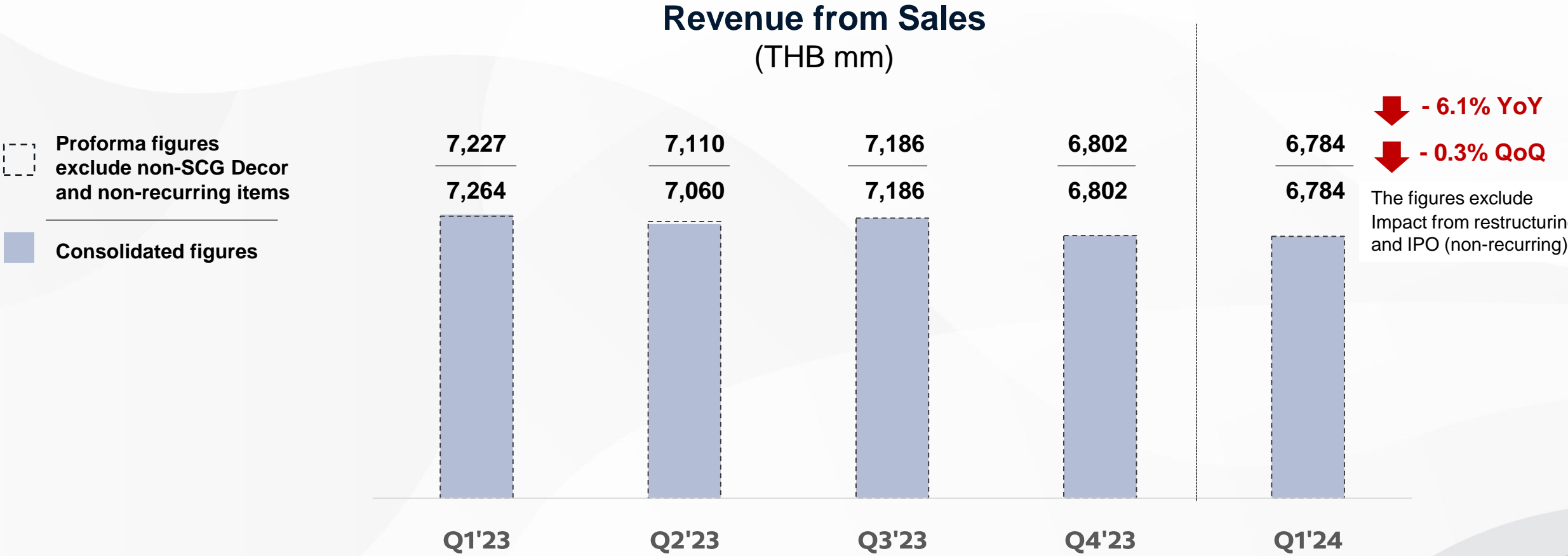
For more information, please contact  
Investor Relations

SCG Decor Public Company Limited  
Email : [scgdecor\\_ir@scg.com](mailto:scgdecor_ir@scg.com)  
Tel: 02-586-1088



# Appendix

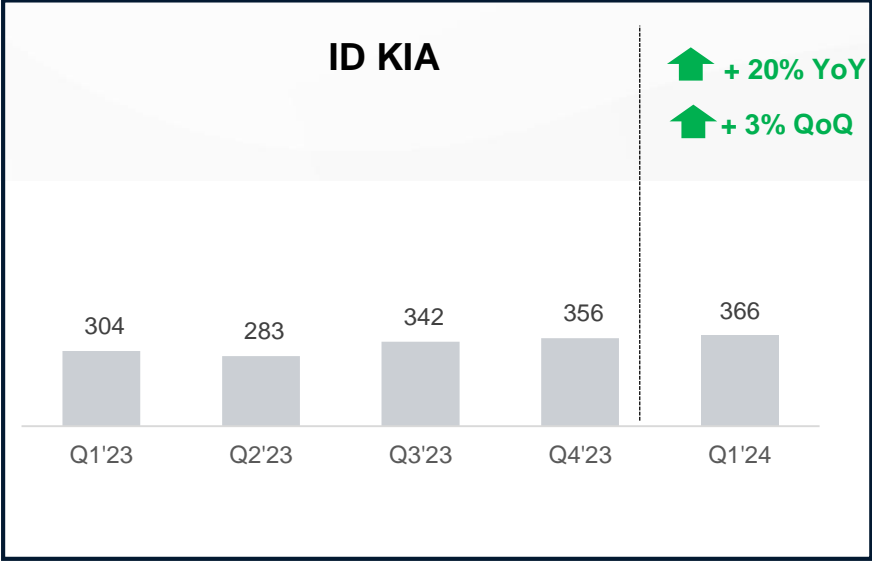
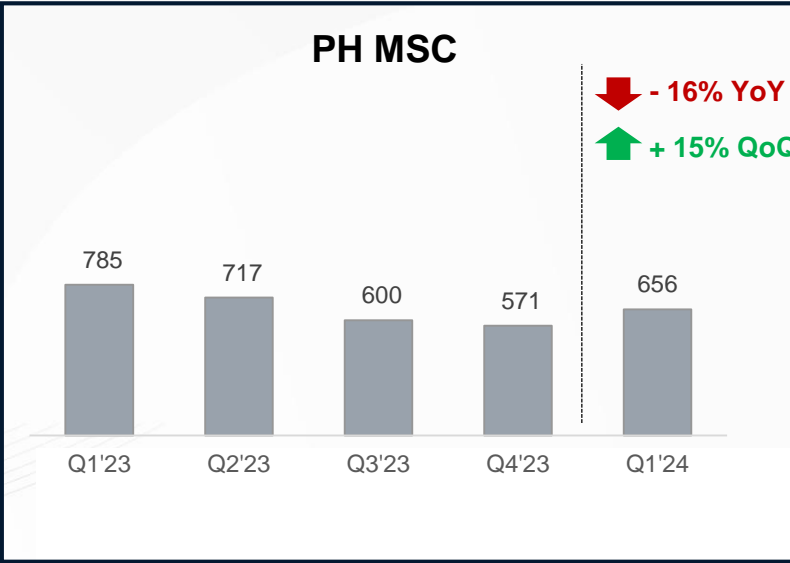
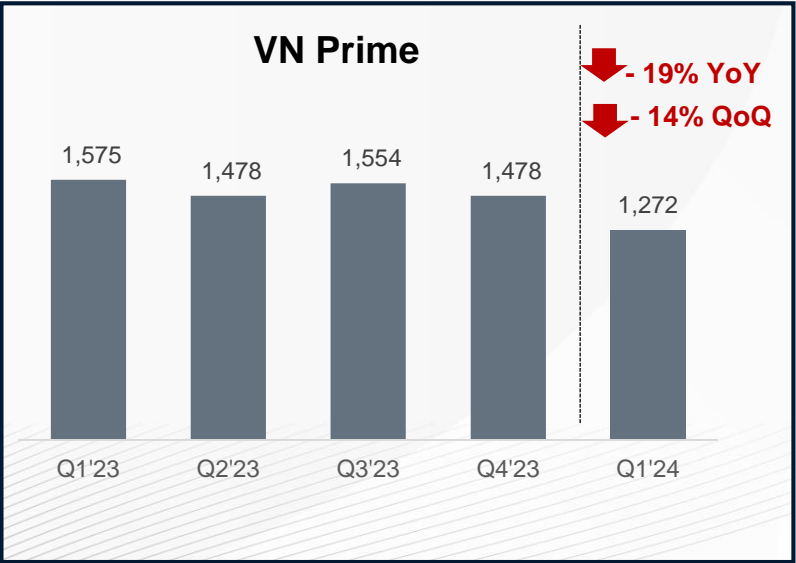
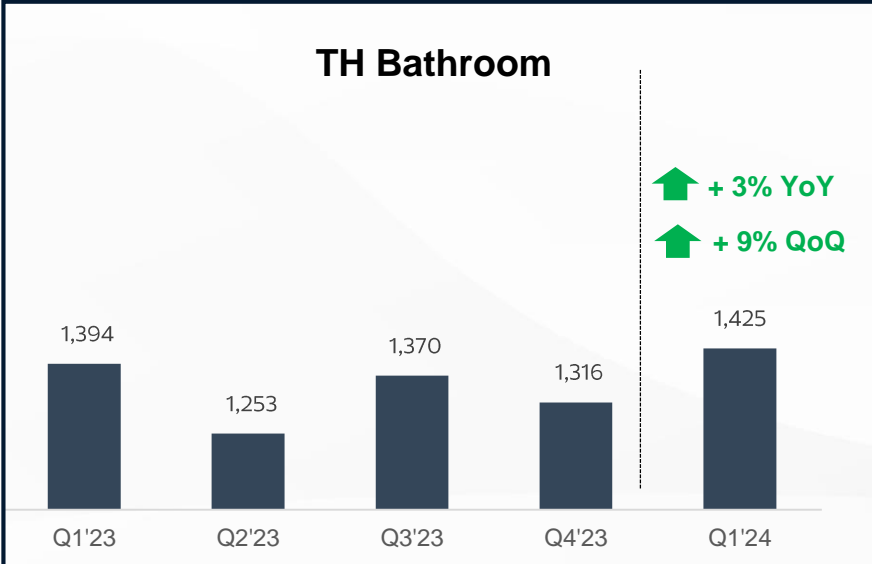
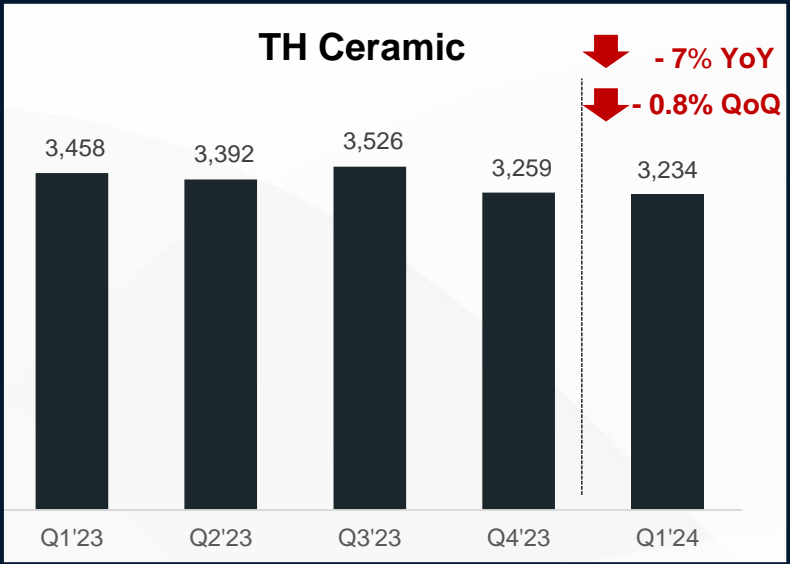
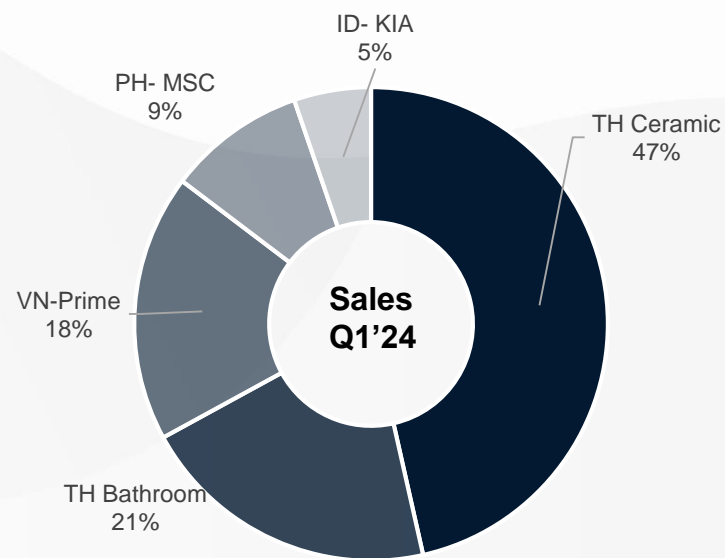
# Revenue QoQ was impacted by seasonal in Thailand and in the region; while, YoY has slowly recovered from positive economic sentiment



Pyrolithic - one time impairment	-	-	-	-	
Non SCGD Performance and Divestment	-	-	-	-	
Adjustment between Proforma and Consolidated figures	(38)	50	-	-	

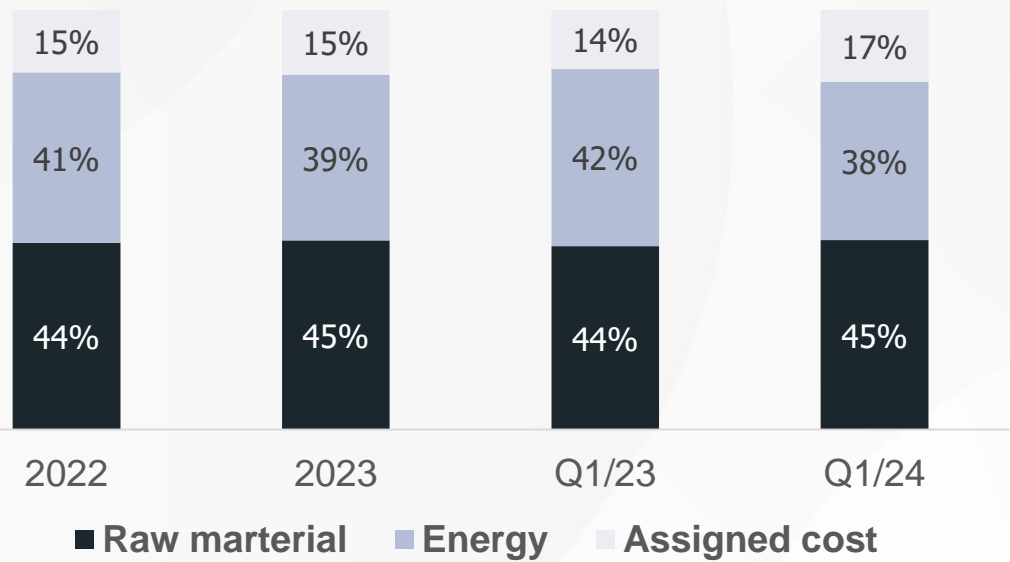


# Revenue in Thailand for Q1/24 remains robust, driven by consistent growth in the bathroom sector. However, this is countered by the seasonal and real estate challenges in Vietnam

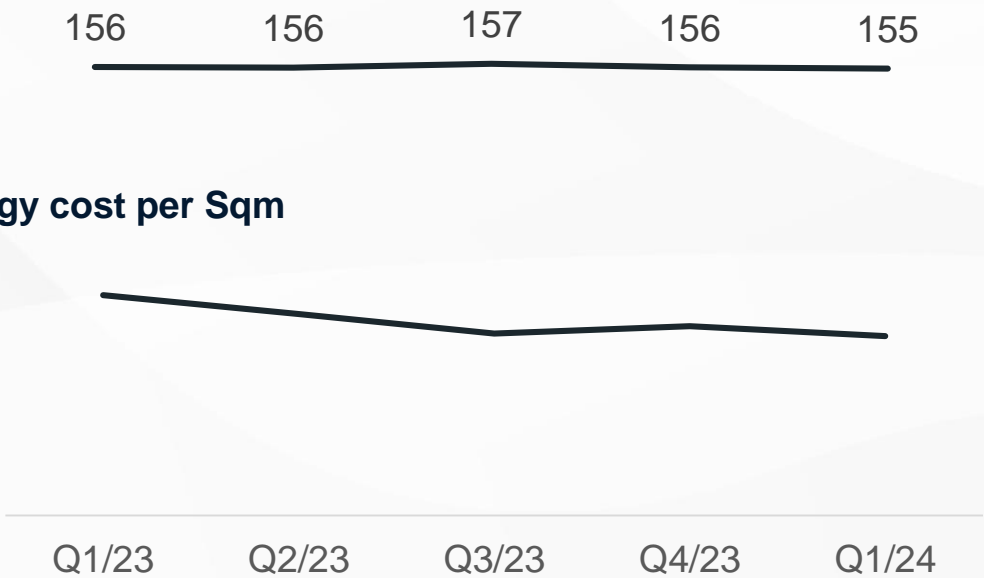


# Selling price is maintained Selling Price while Energy Cost diminishes

**SCG Decor Operating Variable Costs**  
- Energy costs on total VC declined



**SCG Decor Selling price per Sqm**



**SCG Decor – Energy cost per Sqm**

