ENGLISH TRANSLATION

SCCC 19/2023

27 April 2023

Subject: Management discussion and analysis of the Quarter 1/2023

Attention: Managing Director,
The Stock Exchange of Thailand

Attachment: A copy of the interim financial statements of SCCC for the three-month period ended 31 March 2023

We hereby submit to you the separate financial statements and consolidated financial statements of Siam City Cement Public Company Limited and its subsidiaries for the three-month period ended 31 March 2023 compared to the same period of 2022 with a summary of our operating result as mentioned below:

Q1/2023: Softened demand in Thailand and Vietnam markets, as well as clinker exports - mitigated by pricing improvements, resulting in improved Q-on-Q EBITDA

- **Demand in Thailand softened albeit with key infrastructure projects. Sluggish construction sector in overseas markets owing to tighter liquidity in the South Vietnam real estate segment and depressed Sri Lankan economy. Subdued clinker volume and pricing in international export segment.**
- **Despite increased sales prices, margins stay under pressure due to inflated cost base of raw materials, fuel, and electricity.**
- **Quarterly EBITDA trended upwards vs Q4 of 2022, however was behind same period in prior year mostly due to lower volume activity in overseas markets.**

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SCCC Group performance

In THB million

Group performance	Q1 (3-month) Q1/23	Q1/22	%YoY	Q4 (3-month) Q4/22	%QoQ
Net Sales	11,353	12,576	-9.7	12,434	-8.7
EBITDA	1,720	2,825	-39.1	1,095	57.1
Net Profit	758	802	-5.5	(903) *	183.9
Earnings per share (THB)	2.54	2.69	-5.6	(3.03) *	183.8

* Excluding one-time tax impact in Sri Lanka of THB 686 million, net profit was THB (217) million.

The first quarter of 2023 saw a continuation of inflated costs, particularly energy costs, along with tightening liquidity and geopolitical tensions. Market recovery in Thailand is still incomplete, but improved compared with Q4/2022. Whilst pricing continues to improve, revenues nonetheless were lower than same period last year. The southern Vietnam market slowed amidst lending restrictions in the property market and inflationary pressure in retail sector. Overall demand in Sri Lanka has been halved as a result of continued economic disruption caused by last year's foreign currency crisis. Our Cambodian joint venture saw generally flat Q-on-Q results. In all Group companies, pricing actions continue in order to pass through cost inflation, and margins performance improved compared with the previous quarter. Underlying like-for-like net income recovered compared with Q4/2022, along with a significant foreign exchange gain from the Sri Lankan business.

Segmental performance

Cement

In THB million

Cement	Q1 (3-month) Q1/23	Q1/22	%YoY	Q4 (3-month) Q4/22	%QoQ
Net Sales	7,608	8,889	-14.4	7,830	-2.8
EBITDA	1,296	2,428	-46.6	695	86.5

Remark: EBITDA by segment is presented before intersegment elimination

Thailand Market: Domestic cement sales volume regained traction of previous year on a comparatively higher price base while clinker exports softened, leading to 15% higher overall net sales y-on-y. Infrastructure projects continued to support domestic cement demand whereas residential segment remained weak owing to inflationary pressure and subdued demand. Increased pricing was still insufficient to offset steep increases in thermal energy and increased electricity tariffs, thus continuing to pressurize margins.

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Southern Vietnam: Despite high FDI flows into the economy, the cement market experienced sluggish demand due to lending restrictions and inflationary pressures leading to lower sales volumes, and lower net sales of 34% y-on-y. Timing of the annual kiln shutdown (planned) weakened EBITDA performance vs previous year.

Sri Lanka: Cement demand continued to be subdued owing to ongoing country-wide economic crisis, with very high local inflation lowering consumer purchasing power. As a result, inspite of good cement price realization net sales lowered 53% y-on-y. At the net income level, appreciation of local currency has mitigated the adverse impact of changes in local corporate tax policy.

Bangladesh: Sales volumes trended upward vs previous year. In combination with price increase initiatives taken, overall net sales increased by 4% y-on-y. The elevated top line was able to fully mitigate the variable and fixed cost base of the business, hence was able to record a positive EBITDA level for the quarter ended compared to previous year.

Cambodia: Overall cement demand has slightly contracted for the quarter compared to previous year. With prices flat, continued cost efficiency efforts led to an improved EBITDA over the previous quarter.

Concrete and Aggregates

In THB million

	Q1 (3-month)			Q4 (3-month)	
Concrete and Aggregates	**Q1/23**	**Q1/22**	**%YoY**	**Q4/22**	**%QoQ**
Net Sales	**1,883**	**1,454**	**29.5**	**1,695**	**11.1**
EBITDA	**87**	**89**	**-2.2**	**84**	**3.6**

Remark: EBITDA by segment is presented before intersegment elimination

Concrete and Aggregates: Thailand's construction market was buoyed by continued infrastructure projects. Successfully implemented price increases for both concrete and aggregates mitigated increased input costs, whilst higher volumes increased net sales by 29.5% y-on-y. Profitability at the EBITDA level improved over the previous quarter.

Trading

In THB million

Trading	Q1 (3-month) Q1/23	Q1/22	%YoY	Q4 (3-month) Q4/22	%QoQ
Net Sales	794	1,263	-37.1	1,810	-56.1
EBITDA	45	64	-29.7	64	-29.7

Remark: EBITDA by segment is presented before intersegment elimination

Trading: Demand for seaborne clinker was weakened due to depressed construction market sentiments of China. At the same time, large energy cost inflation has led to clinker production costs across the region rising close to or above prevailing clinker export pricing levels. Increased shipping costs have further weighed on the margins, leading to a lower overall profitability in the quarter.

Waste Management and Industrial Services and Others

In THB million

Waste Management Services and Others	Q1 (3-month) Q1/23	Q1/22	%YoY	Q4 (3-month) Q4/22	%QoQ
Net Sales	224	287	-22.0	338	-33.7
EBITDA	222	177	25.4	210	5.7

Remark: EBITDA by segment is presented before intersegment elimination

Waste Management and Industrial Services: Good prices prevailing in the waste market led to solid EBITDA performance compared to previous year. Volumes handled trended upwards due to widened customer base and sustainable solution offerings. Margins improved over the previous quarter.

Light Building Materials

In THB million

Light Building Materials	Q1 (3-month) Q1/23	Q1/22	%YoY	Q4 (3-month) Q4/22	%QoQ
Net Sales	844	683	23.6	761	10.9
EBITDA	81	84	-3.6	23	252.2

Remark: EBITDA by segment is presented before intersegment elimination

Light Building Materials: Residential and housing property segment resumed some post-pandemic recovery however slow in pace weighed by higher inflation rate and increasing household debt. Cost of raw materials remained at high level which softened margin realization. Net sales improved by 23.6% over prior year with a slightly lower overall profitability due to cost inflation effects. Focused initiatives are in place for volume lead generation and improved offerings of product solutions, and channel enhancement.

Outlook

The Group expects revenues to improve over the rest of 2023 mainly due to continued pricing adjustments to offset inflated cost bases albeit with softening volumes in some markets. Recovery of margins under ongoing inflationary pressure remains a key focus. In Thailand, the industrial segment is expected to show some moderate growth, alongside ongoing solid infrastructure project activity. In overseas markets, the tight liquidity position in South Vietnam and depressed economic activity in Sri Lanka is expected to continue to weigh on building materials demand. Meanwhile the subdued clinker export situation is likely to continue. With energy costs expected to abate slightly as the year continues, efforts stay in place to continue to strengthen operations cost effectiveness, and improve profitability.

Yours sincerely,
On behalf of Siam City Cement Public Company Limited

Mr. Aidan John Lynam

Group Chief Executive Officer

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Key financial information

In THB million	Mar.23	% of total assets	Dec.22	% of total assets	% Change	Mar.22	% of total assets
Statements of Financial position							
Current assets	16,123	22.0	16,525	22.5	-2.4	15,102	20.6
Non-current assets	57,134	78.0	56,828	77.5	0.5	58,262	79.4
Total assets	**73,257**	**100.0**	**73,353**	**100.0**	**-0.1**	**73,364**	**100.0**
Current liabilities	16,509	22.5	14,491	19.8	13.9	17,061	23.3
Non-current liabilities	24,248	33.1	24,360	33.2	-0.5	22,197	30.3
Total liabilities	**40,757**	**55.6**	**38,851**	**53.0**	**4.9**	**39,258**	**53.5**
Equity attributable to owners of the Company	31,479	43.0	33,240	45.3	-5.3	32,922	44.9
Non-controlling interest of the subsidiaries	1,021	1.4	1,262	1.7	-19.1	1,184	1.6
Total shareholders' equity	**32,500**	**44.4**	**34,502**	**47.0**	**-5.8**	**34,106**	**46.5**
Debt profile							
Short-term loans	3,113	4.2	2,947	4.0	5.6	5,217	7.1
Long-term loans	18,933	25.8	19,009	25.9	-0.4	17,204	23.5
Total loans	**22,046**	**30.1**	**21,956**	**29.9**	**0.4**	**22,421**	**30.6**
Cash and cash equivalents	2,770	3.8	3,430	4.7	-19.2	5,511	7.5
Total net debt	**19,276**	**26.3**	**18,526**	**25.3**	**4.0**	**16,910**	**23.0**
Key ratio							
RONOA (%)	7.1		9.8			10.8	
ROE (%)	5.6		5.2 *			11.3	
Total net debt/EBITDA (times)	2.42		2.04			1.75	
Total net debt/shareholders' equity (times)	0.59		0.54			0.50	

* December 2022 ROE (%) excluding one-time tax impact in Sri Lanka amounts to 7.3%.

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