



Q1/2023 Earnings Meeting

11 May 2023



| Agenda

Key Highlights and Business Review

Financial Performance

2023 Outlook and Way Forward

Q&A

Key Highlights Q1/2023



QoQ Revenues higher in Thailand but overall lower due to weak demand for clinker exports, and in Vietnam & Sri Lanka

During the first quarter, sales prices improved across all markets, whilst in Thailand and Bangladesh demand was up. Southern Vietnam and Sri Lanka demand fell whilst international clinker export market proved highly competitive with low margins.



Operating Profit improved from higher selling prices and effective cost control

Despite persistent cost pressure from higher raw material, coal and electricity tariffs, stringent cost control measures and pricing improvements paid off, resulting in higher EBITDA during Q1/23 over Q4/22; focus on price adjustments, cost efficiencies and rationalization investment continues.



Net profit trend positive from higher Op profit and FX gain in Sri Lanka

Group Q1/23 net profit was positively impacted by FX gain from SL as compared to FX loss in 2022 and lower depreciation and amortization.

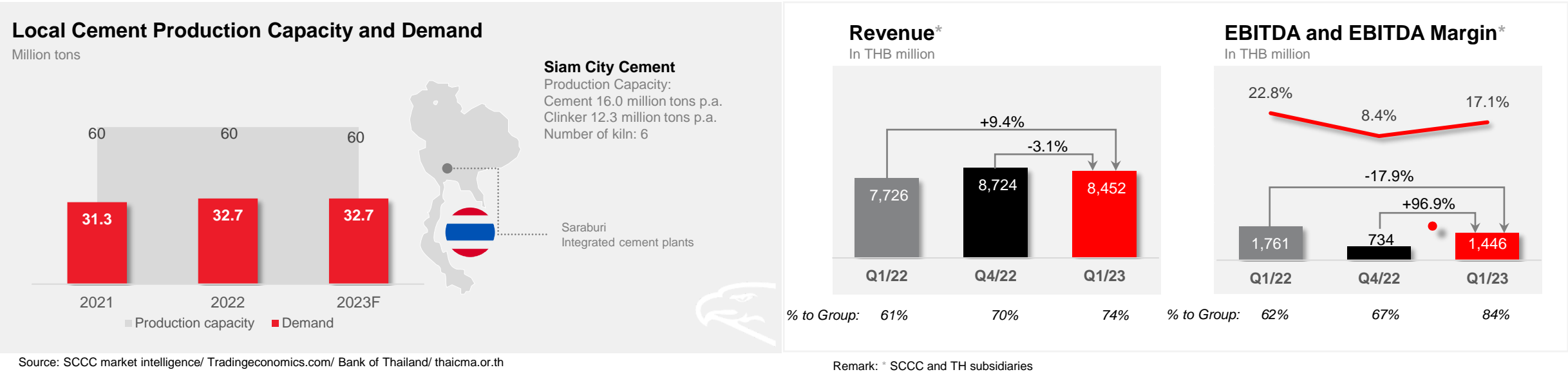


2023 Outlook

Revenue growth expected in 2023 with moderate demand uplift in Thailand's industrial segment. This inspite of lower clinker exports, and depressed economic activity and tightened liquidity restricting demand in overseas markets. With ongoing pricing adjustments margin recovery should continue supported by declining energy prices, higher use of alternative fuels and active cost reduction initiatives. Early works for a new kiln line in Vietnam started.

Business Review

Thailand: Tourism recovery and infrastructure investment are supporting the Thai economy however continued high inflation and interest rate rises can retard the overall rate of economic recovery.

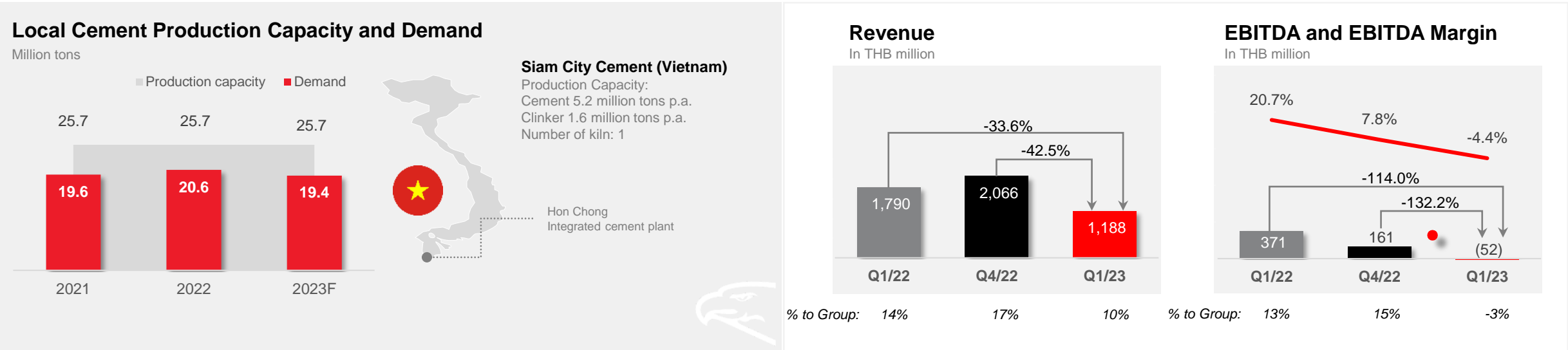


Market Developments and Performance

- Domestic demand has firmed up on growth in spending on construction. The latter comes from progress on large-scale public-sector projects, especially those connected to the Eastern Economic Corridor (EEC), where work could be accelerated by the implementation of phase 2 of the Action Plan on EEC Infrastructure and Public Utilities.
- Overall prices are slightly edging up due to positive momentum in the construction sector and pressure to pass-through higher energy costs.
- The cement industry continues activities towards decarbonization.

Business Review

Southern Vietnam: Cement market demand still being hampered by lending constraints continuing from Q3/Q4-2022.

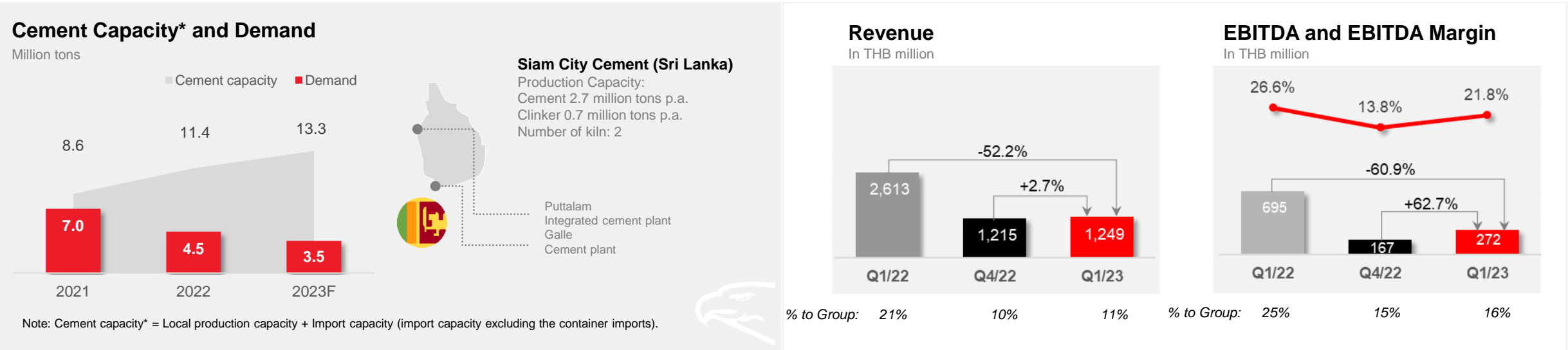


Market Developments and Performance

- Cement demand in Q1/23 was lower by around 30% due to the continued bank lending constraints to the property sector, although some signs of increasing activity showed at end of the quarter.
- The decline in EBITDA performance can be attributed to the timing of annual kiln shutdown costs (planned) compared to Q1/22. The upward adjustment of selling prices has been instrumental to partially offset high input material and thermal energy costs.
- Moderate growth is expected going forward, pending the resolution of the lending restrictions to the Real Estate sector.

Business Review

Sri Lanka: Cement demand continued at low rates owing to the prevailing economic conditions.

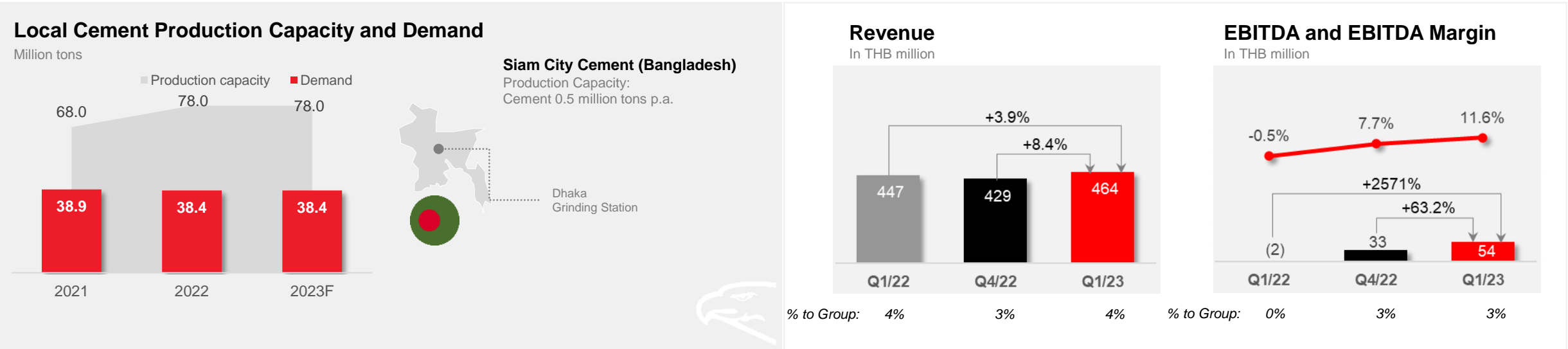


Market Developments and Performance

- Cement demand continued at very low rates due to ongoing economic downturn and highly inflated overall costs to consumer
- Price competition increasing as lower demand conditions prompts competitor price cuts. However higher SCCCLK sales volume in the quarter vs Q4/22 has contributed for improved revenue and EBITDA performance.
- It is expected that cement demand will remain weak going forward into the mid term.

Business Review

Bangladesh: Domestic consumption growth hampered by inflation.



Market Developments and Performance

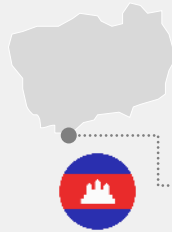
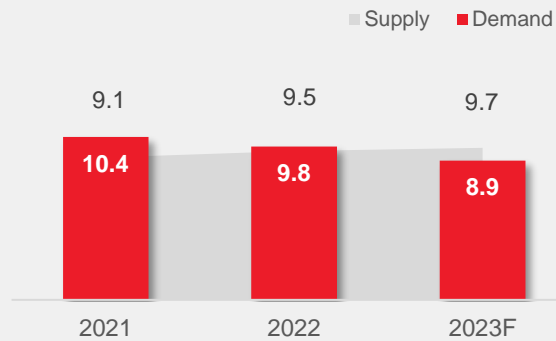
- In Q1/23, high prices of construction materials e.g., steel, cement, bricks, and stone reduced construction activity.
- Increased cost pass through via price adjustments has resulted in improved SCCCBD overall profitability.

Business Review

Cambodia: Demand drops on Q1 as retail and industrial markets slowdown.

Local Cement Production Capacity and Demand

Million tons



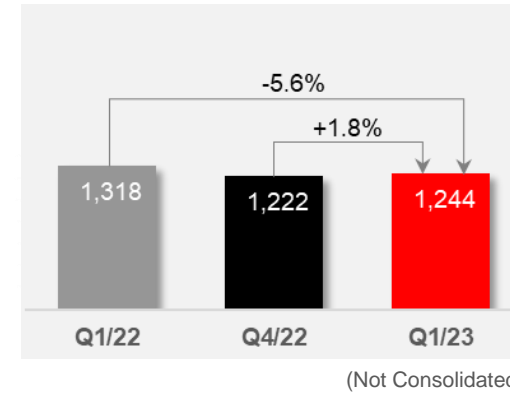
Chip Mong Insee Cement

Production Capacity:
Cement 2.2 million tons p.a.
Clinker 1.7 million tons p.a.
Number of kiln: 1

Kampot
Integrated cement plant

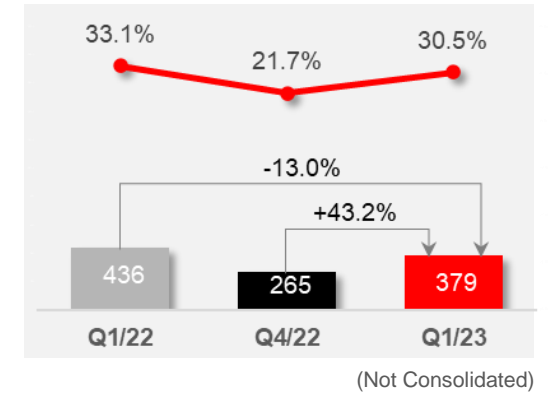
Revenue

In THB million



EBITDA and EBITDA Margin

In THB million



Market Developments and Performance

- Bulk segment weakened due to reduced investment on commercial and industrial projects and less China investment activity.
- Bag segment continued to decline driven by overall economic slowdown as inflation weighs on household spending power.
- Our JV, Chip Mong INSEE Cement, nonetheless improved QoQ profitability whilst holding market share amidst increased penetration of economic brands.

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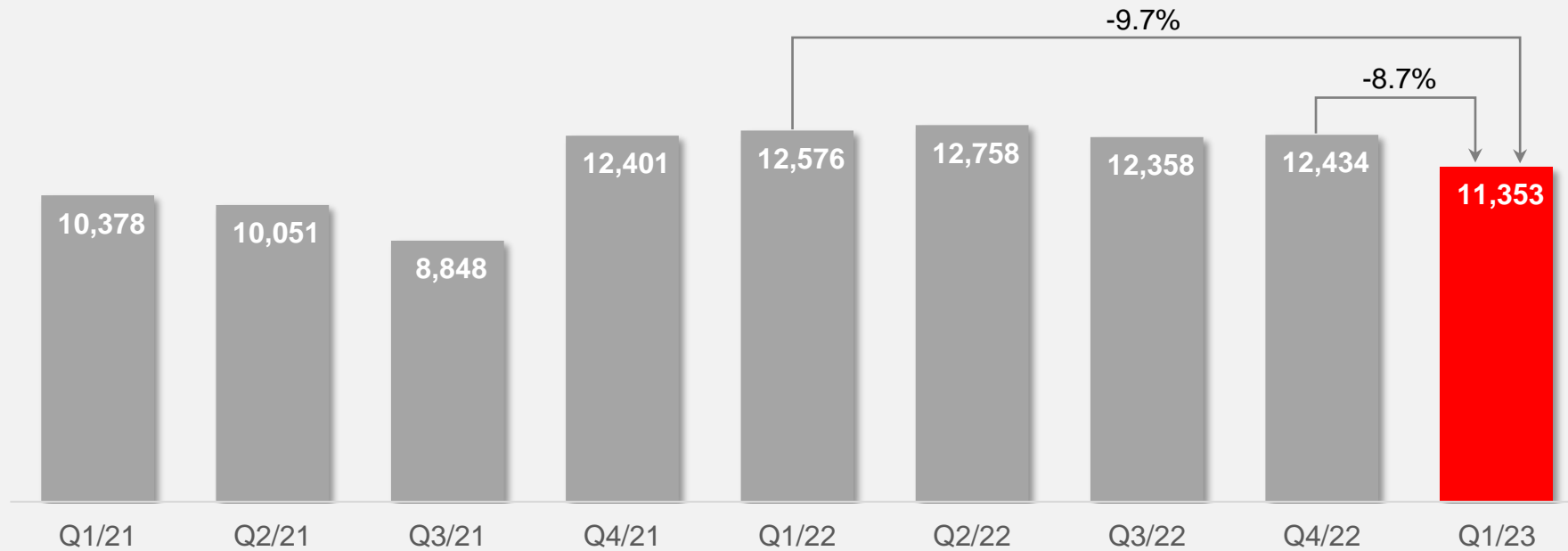
Financial Performance

SCCC Group performance

Revenue: Adversely impacted by lower cement demand especially from overseas and trading (export), offset with better performance from concrete and aggregate segment and light building material (LBM).

Revenue

In THB million



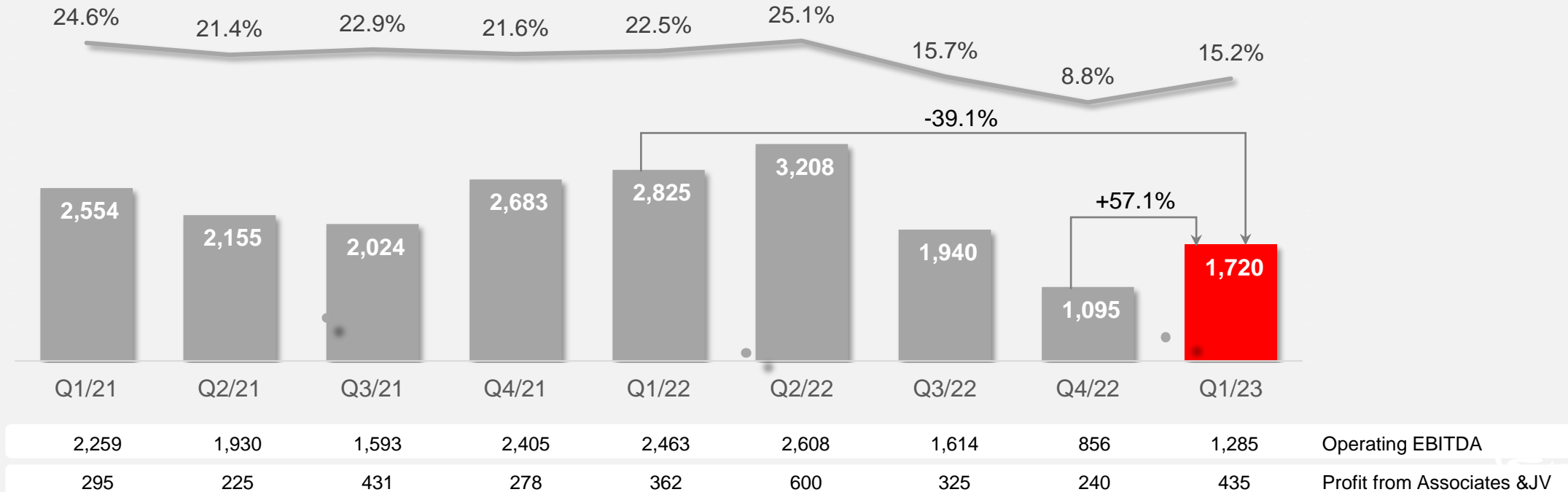
Financial Performance

SCCC Group performance

EBITDA: Effective cost management and higher product prices had a positive impact on EBITDA along with and increases in share profit from associates.

EBITDA and EBITDA Margin

In THB million



Q1/22 – TH one kiln shutdown, LK kiln shutdown
 Q2/22 – TH one kiln shutdown, VN kiln shutdown
 Q3/22 – TH one kiln shutdown, LK kiln shutdown
 Q4/22 – TH one kiln shutdown
 Q1/23 – TH two kilns shutdown, VN kiln shutdown, LK kiln shutdown

Note :
 TH – Thailand
 LK – Sri Lanka
 VN – Vietnam
 BD – Bangladesh
 CB – Cambodia

Financial Performance

SCCC Group performance

Net Profit: Increased selling prices, effective operating cost reduction measures, lower depreciation and FX gain from Sri Lankan business had positive effect on net profit for the current quarter.

Net Profit and Net Profit Margin

In THB million



Remark: Normalized Net profit* = Net profit excluding non-recurring items

Q2/21 – Corporate income tax in LK reduced from 28 percent to 18 percent with effect from 1 January 2020
 Q1/22 – Significant currency devaluation in LK
 Q2/22 – Surcharge Tax imposed in LK
 Q4/22 – Corporate income tax in LK increased from 18 percent to 30 percent with effect from 1 October 2022
 Q1/23 – Significant foreign exchange gain from the Sri Lankan business

Note :
 TH – Thailand
 LK – Sri Lanka
 VN – Vietnam
 BD – Bangladesh
 CB – Cambodia

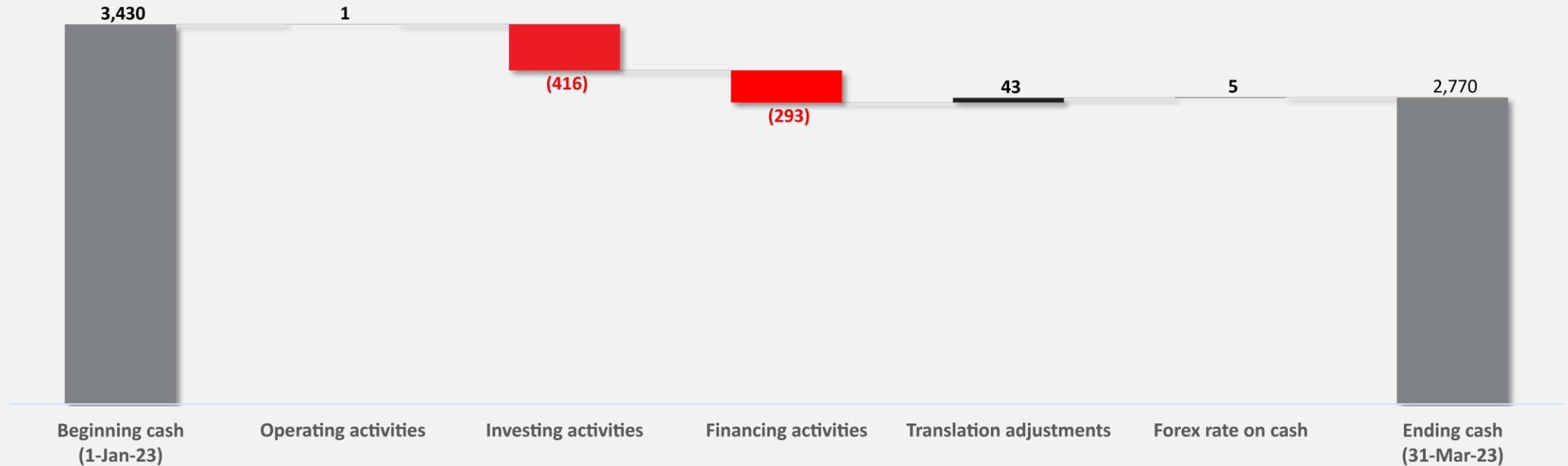
Financial Performance

SCCC Group performance

Cash Flow Statement: Main cash outflow was for investing activities (CAPEX), key project of Separate Grinding investment in Saraburi.

Cash Flow Movements

In THB million



Financial Performance

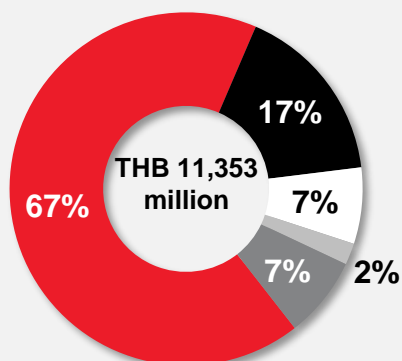
SCCC Group performance by Segment

Q1/2023 compared to **Q1/2022**

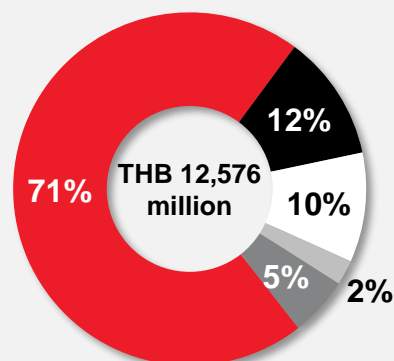
Revenue by Segment

Percentage of revenue

- Cement
- Concrete and Aggregates
- Trading
- Waste Management Services and Others
- Light Building Materials



Q1/2023

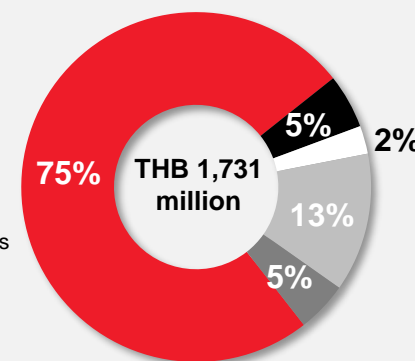


Q1/2022

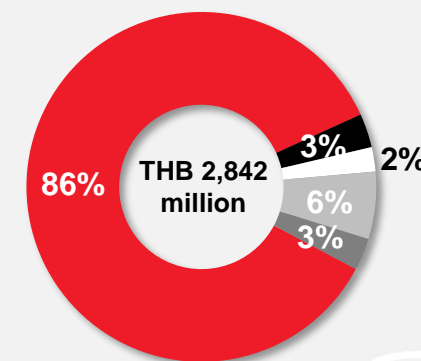
EBITDA by Segment

Percentage of EBITDA

- Cement
- Concrete and Aggregates
- Trading
- Waste Management Services and Others
- Light Building Materials



Q1/2023

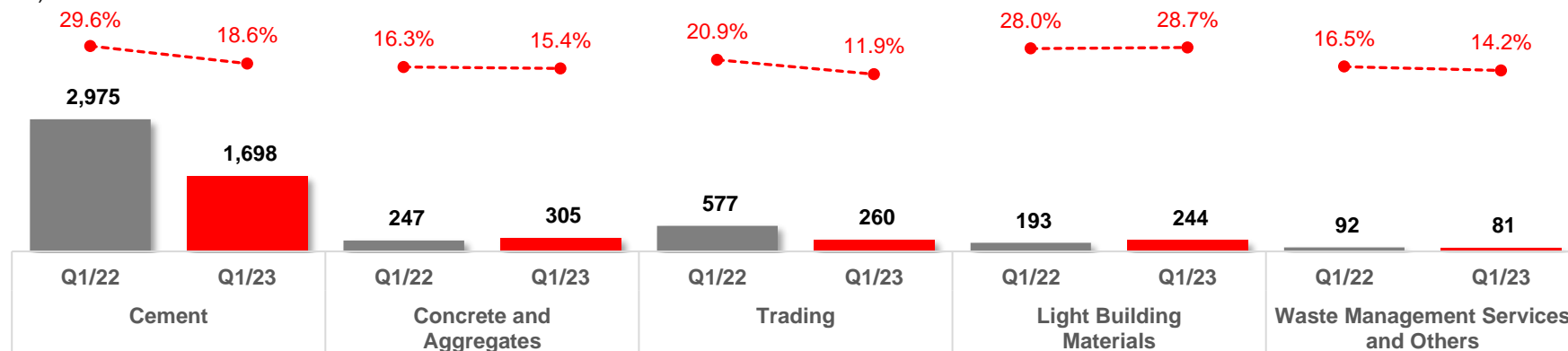


Q1/2022

Remark: EBITDA by segment is presented before intersegment elimination

Segmental Gross Profit (THB Mn) and Gross Profit Margin (%)

(before intersegment elimination)

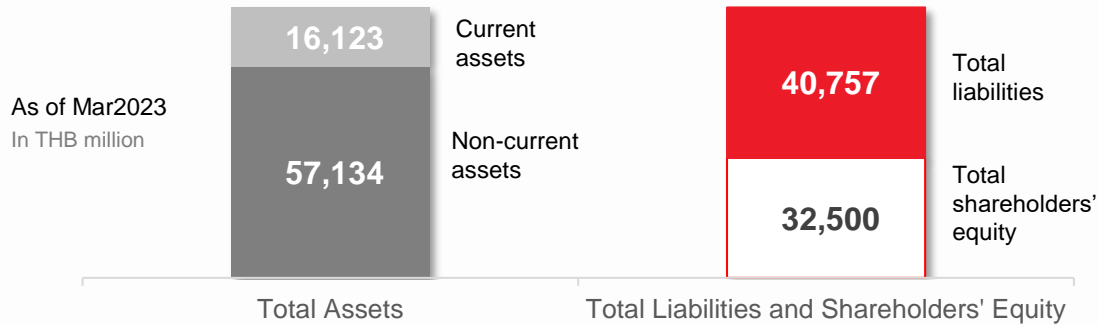


Financial Performance

SCCC Group performance

Key Financial information:

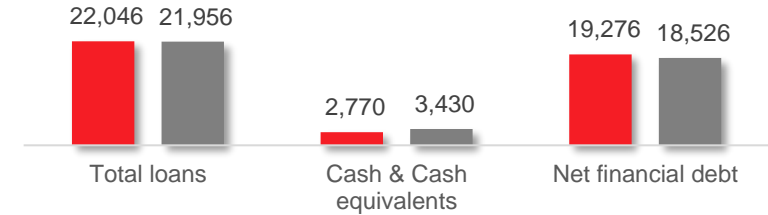
Net debt-to-equity ratio at 0.59x remains prudent with headroom for more debt and investment.



in THB million	Mar23	% of total assets	Dec22	% of total assets	% Change
Statements of financial position					
Current assets	16,123	22.0	16,525	22.5	-2.4
Non-current assets	57,134	78.0	56,828	77.5	0.5
Total assets	73,257	100.0	73,353	100.0	-0.1
Current liabilities	16,509	22.5	14,491	19.8	13.9
Non-current liabilities	24,248	33.1	24,360	33.2	-0.5
Total liabilities	40,757	55.6	38,851	53.0	4.9
Equity attributable to owners of the Company	31,479	43.0	33,240	45.3	-5.3
Non-controlling interests of the subsidiaries	1,021	1.4	1,262	1.7	-19.1
Total shareholders' equity	32,500	44.4	34,502	47.0	-5.8

In THB million

■ Mar-23 ■ Dec-22



Net Financial Debt

	Mar23	Dec22
Short-term loans	3,113	2,947
Long-term loans	18,933	19,009
Total loans	22,046	21,956
Cash & cash equivalents	2,770	3,430
Net financial debt	19,276	18,526

Key ratio

	Mar23	Dec22
RONOA (%)	7.1	9.8
ROE (%) *	5.6	5.2
Total net debt/EBITDA (times)	2.42	2.04
Total net debt/shareholders' equity (times)	0.59	0.54

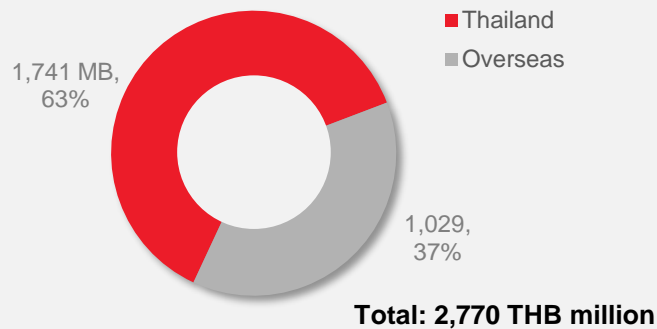
Remark: * December 2022 ROE (%) excluding one-time tax impact in Sri Lanka amounts to 7.3%

Financial Performance

Group Liquidity Management and Debt Profile:

Stringent debt control continues; sufficient committed credit facilities available to secure liquidity.

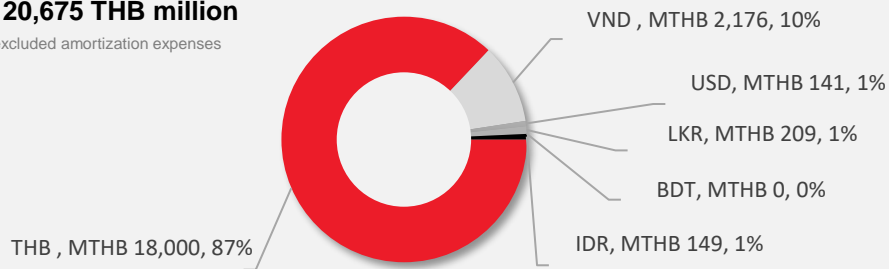
Group Liquidity Management (THB equivalent)



- At the end of Q12023, the Group cash balance was recorded at 2,770 THB million.
- Unused committed credit facilities of 9 THB billion available to secure liquidity.

Group Debt Profile (THB equivalent)

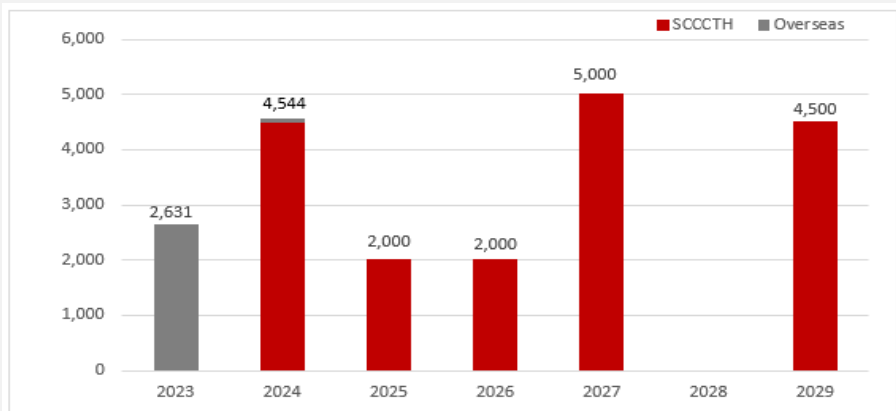
Total: 20,675 THB million
Remark: excluded amortization expenses



- 87% of the Group debt is denominated in THB.
- 78% of the Group debt is at fixed interest rates.
- Average interest rate of the Group financing is at 4.2% p.a.

Group Debt Maturity Profile

In THB million



Remark: excluded amortization expenses

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Market Outlook 2023



Thailand

- Industrial growth and tourism play a key role to stimulate the consumption, in addition to infrastructure segment.
- Campaign commitments of upcoming election may boost the Thai economy later in the year
- Apart from thermal energy and transportation cost inflation, uncertainty on electricity costs (FT) exists



Vietnam

- Early signs of recovery for construction demand at end of Q1'23, with some loosening of bond regulations
- Stabilization of fuel and materials prices.
- Volume-driven approaches by some market players may limit further price increases needed.



Sri Lanka

- Cement demand is expected to stay muted through 2023 and onwards due to continuing low economic activity.
- Government projects subdued due to lack of funds and local elections expected later this year.
- IMF support of US\$3 Billion may settle local currency issues



Bangladesh

- Both export and remittances expected solid until rest of year, easing FX pressures
- General Election towards the end of 2023 might lead to industrial demand to go down



Cambodia

- Demand is expected to remain slow, due to lower investment in residential and commercial projects.
- Overall cost levels to remain high, but energy prices cooling down
- Tactical price adjustments in 2023 will remain a key option to offsetting high production costs.

Way Forward

2023: Profitability, cash flow management, and ESG performance in focus.



Profitability

We are prioritizing pricing to address the challenge of rising cost inflation while enhancing our commercial and cost-side competitiveness. Our efforts also include reducing fossil fuel consumption rates and minimizing carbon intensity.



Cash Flow Management

We are committed to enhance cash flow through optimizing net working capital levers, and further lowering our net financial debt position to strengthen our balance sheet.



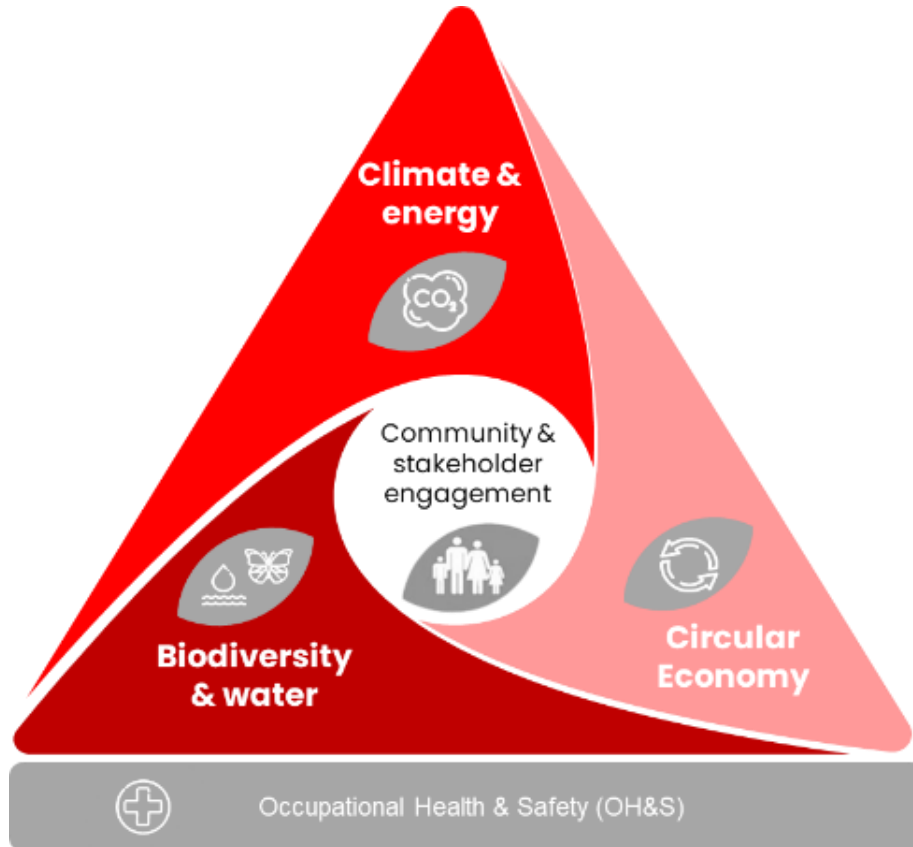
ESG Performance

We continue to take action on our Sustainability Ambition commitments by reducing carbon intensity and fossil fuel consumption rates, prioritizing the health and safety of our employees.



Way Forward

INSEE Sustainability Ambition 2030: Actionable planned targets; aligned with the business needs.



Climate & Energy

- ✓ Reduce CO2 emissions by a further 15% to < 530 kg net CO2/ton
- ✓ Reduce electricity consumption (by > -10%) with at least 20% coming from alternative electrical energy usage



Circular Economy

- ✓ Double use of waste derived fuels to >1.0 mio tons)
- ✓ Increase (> +65%) use of byproducts (fly ash, slag etc.) to >1.4 mio tons per annum



Biodiversity and Water

- ✓ Assure net-positive impacts on biodiversity
- ✓ Lower water consumption (by > -20%) with enhanced use of surface water (to > +40% of all water used)



Community and stakeholder engagement

- ✓ Continue solid engagement reputation







OH&S

- ✓ Continue journey to ZERO HARM across all our business

Ongoing ESG Commitment across the Group

Vietnam

New Kiln Line Investment at Hon Chong, Vietnam

-  INSEE Group sees a bright and investable future in Vietnam, and has decided on a sizeable investment into a new kiln line at Hon Chong.
-  The technology chosen is the latest state of art with a design targeting very low energy consumption, and a high use of alternative fuels.
-  With commissioning expected in 2025, the new kiln is designed to operate on a low thermal consumption process targeting a minimum of 10% less CO₂ emissions per ton of product compared with typical purchased clinkers in the market.
-  CO₂ intensity per ton of product, already the industry's lowest in Vietnam, will reduce even lower.



Hon Chong Plant in southern Vietnam

Ongoing ESG Commitment across the Group

Thailand

Significant CO₂ Reduction at Saraburi



At our Saraburi facility, in Q1/2023 overall absolute CO₂ emissions were 8% lower, compared with the same quarter in 2022, and carbon intensity was reduced by 4% in CO₂/ton terms. This equates to approximately 12 million new trees planted per year.



This was achieved by a combination of increasing the fossil fuel substitution rate (TSR) as well as a marked reduction in clinker intensity in our cement products due to the recent investment in separate grinding and blending equipment.



INSEE is well on track with, so far, over 65% replacement of OPC products with high performing hydraulic cements. This is more than 20% increased replacement compared with same period last year.

Saraburi Plant's Separate Grinding and Blending



INSEE Petch Plus:
Bagged Hydraulic Cement

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