INSEE

Management Discussion &Analysis

Q2/2025 & H1/2025

Solid H1/2025, Demonstrating Continued Strong Resilience

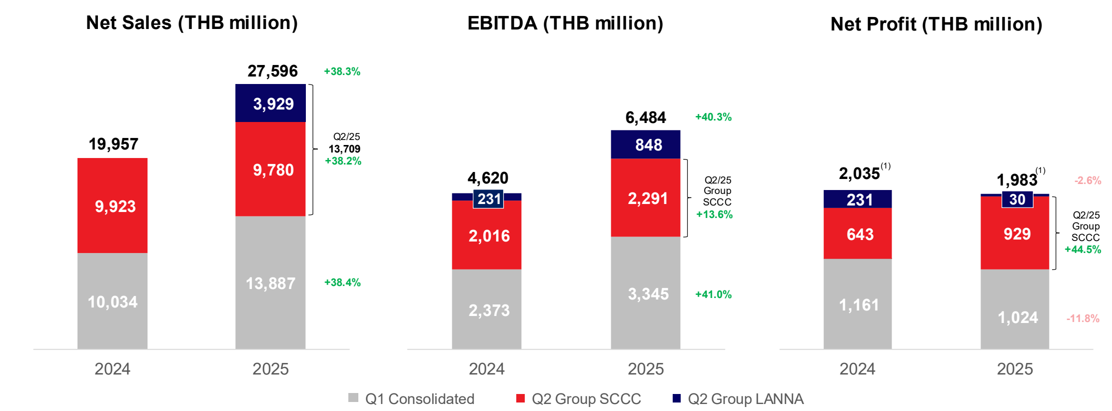
Management discussion and analysis of Q2/2025 & H1/2025

Effective from Q4/24, SCCC has fully consolidated Lanna Resources Public Company Limited (LANNA) as a subsidiary, following an increase in shareholding to 61.44%. As a result, LANNA's financial performance has been included in SCCC's consolidated financial statements. This change in consolidation in Q4/25 limits the comparability of SCCC Consolidated financial performance in Q2/H1/25 with the same period in the previous year. SCCC consolidated financial performance has been presented and analysed at Group SCCC and Group LANNA level for better understanding.

Q2/25 Performance Highlights and Key Drivers

- **EBITDA: Group SCCC EBITDA rose 13.6% YoY.** Despite Group LANNA's lower performance due to coal index lower by 16%, **SCCC Consolidated EBITDA margin improved to 23.5%,** driven by Group SCCC.
- **Net Profit: Group SCCC** recorded a 44.5% YoY increase, supported by strong EBITDA performance, while Group LANNA's contribution was lower.
- **Cash Position**: Remained strong at THB 6.0 billion, underpinned by robust consolidated operational cash flow of THB 4.4 billion in H1/25.
- **Gearing:** Improved significantly to 36.1%, reflecting net debt reduction by 0.7%. Net debt to EBITDA further strengthened to 1.27x, demonstrating a solid financial position, allowing head room for capex and investments.
- **Interim Dividend Payment:** maintained at THB 4.0 per share, reflecting strong H1/25 performance, healthy H1 Earning Per Share (EPS) of THB 6.65 reflect our strong commitment to deliver above industry shareholder returns.
- **FIT+ Program: continues to drive innovation**, better operational efficiencies, and sustained reductions in both variable and fixed costs.

1. **Solid H1/25, Demonstrating Continued Strong Resilience**



	2024			2025		
	Q1/24	**Q2/24**	**H1/24**	**Q1/25**	**Q2/25**	**H1/25**
EBITDA Margin	23.6%	22.6%	23.1%	24.1%	22.9%	23.5%
EPS (THB/Share)	3.90	2.93	6.83	3.44	3.22	6.65

Remark: In Q1/24 and Q2/24, LANNA was included in Group SCCC using the equity method based on a 44.99% shareholding. From Q4/24, LANNA has been fully consolidated and presented separately as Group LANNA. All figures are after intersegment elimination, except Group LANNA's net profit, which is shown for comparison.

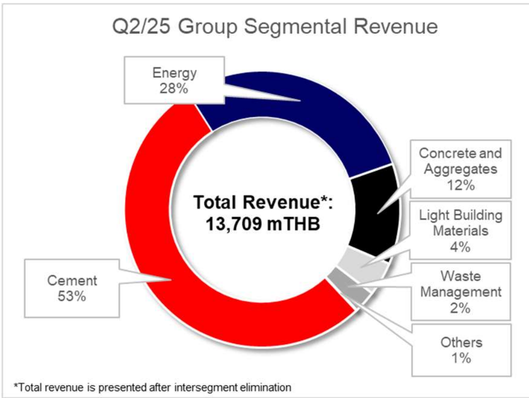
(1) The Group's normalized net profits, excluding amortization of PPA from LANNA (net of NCI), FX gain/loss, and other one-off items, were THB 2,000 million in 6M/24 and THB 2,299 million in 6M/25, reflecting a 15% improvement YoY.

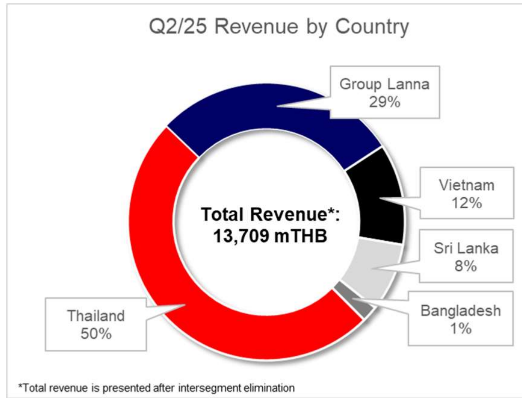
2. **OPERATIONAL HIGHLIGHTS AND ACHIEVEMENTS**

- **Clinker Factor:** The Group's clinker factor further declined to 68.4% from 70.7% in H1/24, supported by higher sales of hydraulic cement, which accounted for 91.6% of total sales, contributing to a lower carbon footprint. In Thailand, the proportion of low-carbon cement increased to 85.3%, up from 79.4% in H1/24.
- **TSR:** Rose to 28.6% in H1 2025 from 27.5% in H1 2024, reflecting greater replacement of fossil fuels (coal) with alternative fuel materials.
- **Solar Project (IBS):** The captive use of the 84-megawatt renewable solar power plant in Saraburi remains on track for commercial launch in Q3/25.
- **INSEE Chonburi Project (ICHO):** A new granite quarry in Chonburi, aimed at meeting growing demand for high-performance aggregates in the Eastern Seaboard, remains on track for commercial operation in 2026.
- **People and capabilities:** We are driving a high-performance culture through strategic investments in learning, leadership, and collaboration - empowering our people to shift from commodity selling to high-value, differentiated offerings and accelerate AI adoption.

3. SEGMENTAL PERFORMANCE

Cement sales accounted for 53% of SCCC's total revenue, while the Energy segment contributed 28%, highlighting the Group's growing diversification beyond core building materials. Thailand remained the most significant revenue contributor, representing 50% of total revenue in Q2/25.





3.1 Cement

	QTD (3 Months)					YTD (6 Months)		
Cement (mTHB)	**Q1/25**	**Q2/25**	**%QoQ**	**Q2/24**	**%YoY**	**6M/25**	**6M/24**	**%YoY**
Net Sales	8,118	7,937	-2.2%	7,885	0.7%	16,055	15,817	1.5%
EBITDA	1,982	1,919	-3.2%	1,759	9.1%	3,901	3,661	6.6%
EBITDA margin	24.4%	24.2%	-1.0%	22.3%	8.4%	24.3%	23.1%	5.0%

Remark: Net sales and EBITDA by segment are presented before intersegment elimination

In Q2/25, net sales and EBITDA grew **0.7%** and **9.1% YoY**, respectively, driven by stronger net sales in Thailand, Vietnam, and Sri Lanka, coupled with lower energy and distribution costs, fixed cost savings, and operational efficiency gains.

- **Thailand:** Net sales rose 0.8% YoY, supported by strong bulk cement demand from government infrastructure spending and industrial projects, partially offset by softer bag cement sales, reflecting a shift in customer preference towards Ready Mixed Concrete and mortar products as well as subdued purchasing power, elevated household debt, and a stagnant housing market. EBITDA increased 20.8% YoY, driven by favourable energy costs and operational efficiencies.
- **Vietnam:** Delivered mixed results: Volume grew 22% YoY, reflecting early signs of market recovery. However, EBITDA declined 44.0% YoY, mainly due to a lower average selling price amid intensified price competition, higher maintenance costs from a scheduled kiln shutdown in Q2/25 and rising raw material prices. While favourable energy costs and operational efficiencies helped mitigate some of the impact, margin pressure remains a key focus area moving forward.

- **Sri Lanka:** The market is recovering as the economy stabilizes post-crisis, although overall demand has yet to recover fully. Net sales and EBITDA increased 2.4% and 87.5% YoY, respectively, driven by higher sales volume from targeted market initiatives and supported by cost efficiencies.

- **Bangladesh:** Market conditions softened due to a slower-than-expected recovery. Net sales and EBITDA declined by 16.4% and 78.3% YoY, respectively, impacted by higher clinker costs, limited pricing flexibility amid intense competition.

3.2 Concrete and Aggregates

	QTD (3 Months)					YTD (6 Months)		
Concrete and Aggregates (mTHB)	**Q1/25**	**Q2/25**	**%QoQ**	**Q2/24**	**%YoY**	**6M/25**	**6M/24**	**%YoY**
Net Sales	1,824	1,713	-6.1%	1,742	-1.7%	3,537	3,573	-1.0%
EBITDA	135	148	9.6%	154	-3.9%	283	296	-4.4%
EBITDA margin	7.4%	8.6%	16.7%	8.8%	-2.3%	8.0%	8.3%	-3.4%

Remark: Net sales and EBITDA by segment are presented before intersegment elimination

Thailand: Net sales declined **1.7% YoY,** and EBITDA dropped **3.9% YoY**, mainly due to the decline in the ready-mixed concrete segment. Market demand remains reliant on large-scale infrastructure projects, while the residential sector continues to struggle with housing oversupply and elevated household debt, intensifying price competition. However, the aggregate segment delivered solid performance, supported by an optimized product portfolio, strong crushed stone demand from ongoing infrastructure developments, and lower raw material costs. As a result, EBITDA increased 9.6% QoQ, with EBITDA margin improving by 16.7% QoQ.

3.3 Waste Management and Industrial Services

	QTD (3 Months)					YTD (6 Months)		
Waste management and industrial services (mTHB)	**Q1/25**	**Q2/25**	**%QoQ**	**Q2/24**	**%YoY**	**6M/25**	**6M/24**	**%YoY**
Net Sales	501	481	-4.0%	538	-10.6%	982	1,027	-4.4%
EBITDA	133	107	-19.5%	162	-34.0%	240	286	-16.1%
EBITDA margin	26.5%	22.2%	-16.2%	30.1%	-26.1%	24.4%	27.8%	-12.2%

Remark: Net sales and EBITDA by segment are presented before intersegment elimination

Net sales and EBITDA declined **10.6%** and **34.0% YoY**, respectively, reflecting volume pressure in the waste management segment amid intensified competition, though this was partially offset by solid performance in industrial services in Thailand. Sri Lanka delivered strong growth, supported by higher waste volumes, improved pricing, and additional service revenue.

3.4 Light Building Materials

Light Building Materials (mTHB)	QTD (3 Months)					YTD (6 Months)		
	Q1/25	Q2/25	%QoQ	Q2/24	%YoY	6M/25	6M/24	%YoY
Net Sales	640	539	-15.8%	694	-22.3%	1,179	1,448	-18.6%
EBITDA	72	12	-83.3%	120	-90.0%	84	255	-67.1%
EBITDA margin	11.3%	2.2%	-80.2%	17.3%	-87.1%	7.1%	17.6%	-59.5%

Remark: Net sales and EBITDA by segment are presented before intersegment elimination

Project delays, market oversupply, and price-sensitive customers led to a **22.3% YoY** decline in net sales and a **90.0%** drop in EBITDA. However, effective cost control and favourable raw material prices helped partially mitigate margin pressure.

3.5 Energy

Energy (mTHB)	QTD (3 Months)					YTD (6 Months)		
	Q1/25	Q2/25	%QoQ	Q2/24	%YoY	6M/25	6M/24	%YoY
Net Sales	3,887	4,079	4.9%	-	-	7,966	-	-
EBITDA	976	848	-13.1%	-	-	1,824	-	-
EBITDA margin	25.1%	20.8%	-17.2%	-	-	22.9%	-	-

Remark: Net sales and EBITDA by segment are presented before intersegment elimination

Net sales rose **4.9% QoQ**, supported by favorable weather conditions in Q2, which enabled a slight recovery of sales volume from Q1. However, EBITDA declined **13.1% QoQ**, primarily due to a lower coal index.

3.6 Others (IT Services and Trading)

Others (mTHB)	QTD (3 Months)					YTD (6 Months)		
	Q1/25	Q2/25	%QoQ	Q2/24	%YoY	6M/25	6M/24	%YoY
Net Sales	214	211	-1.4%	176	19.9%	425	403	5.5%
EBITDA	84	91	8.3%	62	46.8%	175	140	25.0%
EBITDA margin	39.3%	43.1%	9.9%	35.2%	22.4%	41.2%	34.7%	18.5%

Remark: Net sales and EBITDA by segment are presented before intersegment elimination

Net sales grew **19.9% YoY** and EBITDA rose **46.8% YoY**, on the back of improved performance in IT services arising from higher service revenue from new internal IT projects.

4. OUTLOOK

As we enter the second half of 2025, SCCC continues to monitor key macroeconomic risks, including the new 19% U.S. tariff on Thailand's export-driven economy, potential delays in government budget disbursements, and geopolitical tensions along the Thailand-Cambodia border. While maintaining a cautious outlook amid these uncertainties, we remain focused on strategic priorities, driving revenue growth through product innovation and the FIT++ initiatives, while maintaining operational efficiency, effective cost control, and continued investment in developing our people.

In Thailand, the residential and retail property sectors are expected to remain oversupplied, with housing demand weighted by credit access constraints and high household debt, while infrastructure recovery depends on timely fiscal budget execution. Vietnam's outlook is supported by government restructuring and a strong infrastructure push, with housing recovery expected in late 2026. FDIs are expected to continue following the U.S. tariff of 20%.

Pricing pressure persists due to supply-demand imbalance. Sri Lanka shows improving sentiment amid political stability, though the impact of the recent 20% U.S. tariffs and fiscal mobilization needs to be closely monitored.

Yours sincerely,

On behalf of Siam City Cement Public Company Limited

Mr. Ranjan Sachdeva

Group Chief Executive Officer and Group Chief Financial Officer

Key Financial Information

in THB million	Jun-25	% of total assets	Dec-24	% of total assets	% Change	Jun-24	% of total assets
Statements of financial position							
Current assets	20,242	25.6	20,530	25.2	-1.4	12,026	17.8
Non-current assets	58,933	74.4	61,035	74.8	-3.4	55,610	82.2
Total assets	**79,175**	**100.0**	**81,565**	**100.0**	**-2.9**	**67,636**	**100.0**
Current liabilities	20,164	25.5	18,341	22.5	9.9	12,482	18.5
Non-current liabilities	18,371	23.2	20,455	25.1	-10.2	19,898	29.4
Total liabilities	**38,535**	**48.7**	**38,796**	**47.6**	**-0.7**	**32,380**	**47.9**
Equity attributable to owners of the Company	32,953	41.6	34,698	42.5	-5.0	34,245	50.6
Non-controlling interests of the subsidiaries	7,687	9.7	8,071	9.9	-4.8	1,011	1.5
Total shareholders' equity	**40,640**	**51.3**	**42,769**	**52.4**	**-5.0**	**35,256**	**52.1**
Debt profile							
Short-term loans	9,720	12.3	7,095	8.7	37.0	3,219	4.8
Long-term loans	10,952	13.8	12,736	15.6	-14.0	14,569	21.5
Total loans	**20,672**	**26.1**	**19,831**	**24.3**	**4.2**	**17,788**	**26.3**
Cash & cash equivalents	6,008	7.6	5,415	6.6	11.0	3,023	4.5
Total net debt	**14,664**	**18.5**	**14,416**	**17.7**	**1.7**	**14,765**	**21.8**
Key ratio							
RONOA (%)	19.6		16.4			12.8	
ROE (%)	15.8		15.9			9.8	
Total net debt/EBITDA (times)*	1.27		1.49			1.67	
Total net debt/shareholders' equity (times)	0.36		0.34			0.42	

* Total Net Debt/EBITDA (times) is calculated based on 12-month rolling EBITDA (annualized).