



Management Discussion and Analysis Q3/2026 (Unreviewed)



Overview of Business Operations, Economic Factors, and Industry Conditions that Affect Performance

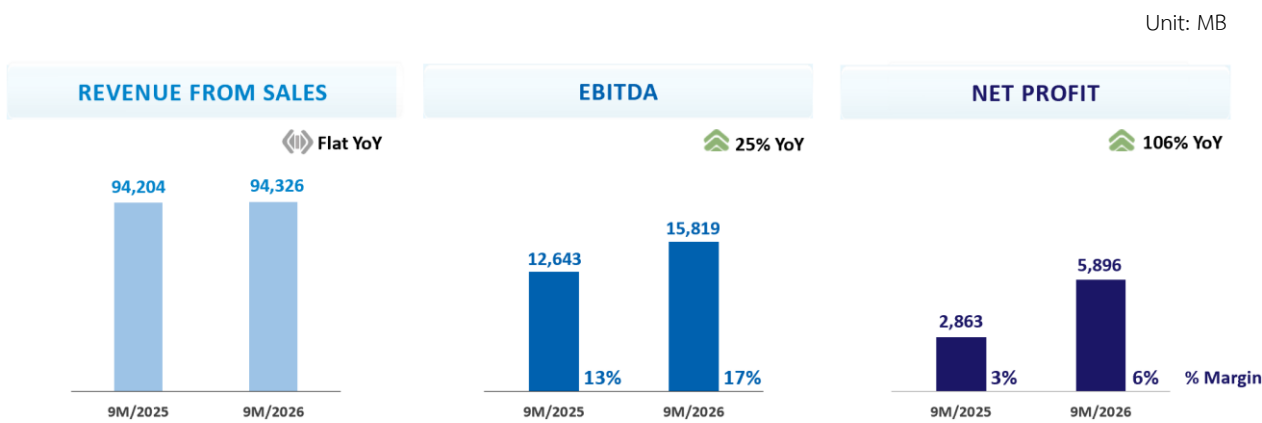
During the first nine months of 2026, packaging demand was influenced by geopolitical uncertainties, which continued to pose downside risks to consumer confidence. Demand softened temporarily during the public holiday period in Vietnam and Indonesia in the first quarter, increased in the second quarter, and normalized in the third quarter. ASEAN remained the region with strong growth. Consumer spending prioritized daily consumption products, while demand for durable goods remained subdued amidst elevated household debt levels.

In Q3/2026, packaging demand varied by segments, with momentum supported by pre-festive inventory replenishment toward the end of the quarter. Demand for agricultural products declined during low season, and alcoholic beverage demand softened during the Buddhist Lent period in Thailand. Export-oriented food segments, including frozen and processed food, remained resilient, while elevated household debt continued to weigh on discretionary spending. Foodservice packaging demand remained favorable, supported by summer outdoor activities in Europe, promotional campaigns by quick-service restaurants (QSRs), and inventory stocking ahead of festive celebrations. Dissolving pulp prices remained elevated, underpinned by improved demand from the textile and garment segments.

On the cost side, raw material, energy, and freight costs continued to increase amidst geopolitical conflict. In response, SCGP sustained the operational excellence initiatives to optimize costs, while strengthening competitive position through regional production network and integrated business model to enhance competitiveness and deliver solutions that meet evolving customer needs.

Performance Highlights

SCGP’s 9M/2026 performance highlights



Total revenue from sales was 94,326 MB (flat YoY).

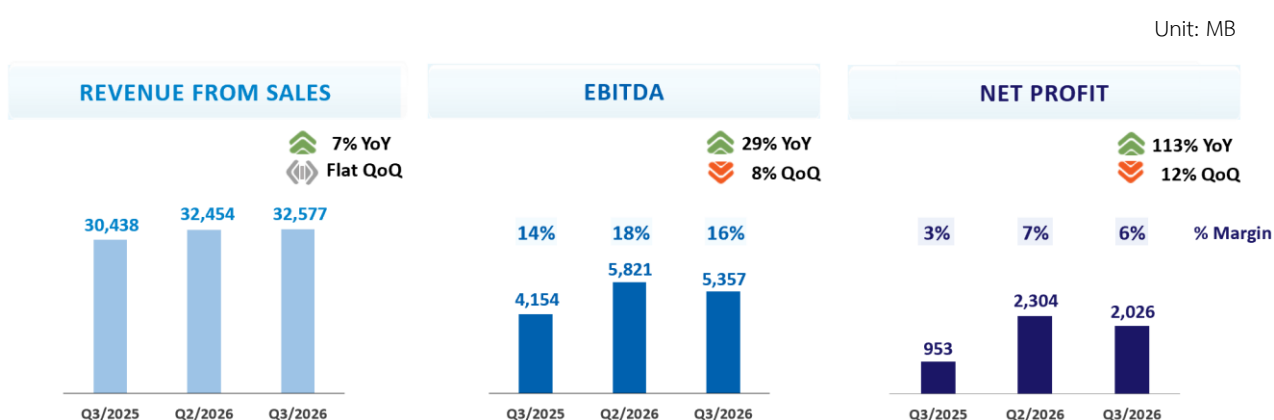
- YoY revenue remained stable, primarily due to pricing alignment to reflect higher input costs, alongside resilient domestic consumption in ASEAN.

EBITDA reported at 15,819 MB (+25% YoY) with EBITDA margin of 17%.

Profit for the period was 5,896 MB (+106% YoY) with net profit margin of 6%.

- YoY profitability increased, mainly reflecting sustained improvement in packaging paper operations in Indonesia, while margins benefited from continued cost-saving efforts.

SCGP's Q3/2026 performance highlights



Total revenue from sales was 32,577 MB (+7% YoY and flat QoQ).

- YoY revenue increased across all business units, reflecting packaging paper price alignment in Indonesia with regional market levels, higher costs, and resilient demand for consumer products.
- QoQ revenue remained stable.

EBITDA reported at 5,357 MB (+29% YoY and -8% QoQ) with EBITDA margin of 16%.

Profit for the period was 2,026 MB (+113% YoY and -12% QoQ) with net profit margin of 6%.

- YoY profitability rose in line with revenue growth and sustained profitability improvements of packaging paper operation in Indonesia.
- QoQ profitability declined amidst higher raw material and energy costs.

Table 1 - SCGP's Consolidated Financial Statements

Unit: MB

	Q3				Jan - Sep		
	2026	2025	%y-o-y	%q-o-q	2026	2025	%y-o-y
Operating Results from Consolidated Financial Statements							
Revenue from sales	32,577	30,438	7%	0.4%	94,326	94,204	0.1%
Cost of sales	25,719	24,967	3%	4%	73,600	77,198	-5%
Gross profit	6,858	5,471	25%	-11%	20,726	17,006	22%
Gross profit margin (%)	21%	18%			22%	18%	
Distribution cost & administrative expense	4,128	3,767	10%	-3%	12,377	11,763	5%
EBITDA	5,357	4,154	29%	-8%	15,819	12,643	25%
EBITDA margin (%)	16%	14%			17%	13%	
Profit for the period	2,026	953	113%	-12%	5,896	2,863	106%
Net profit margin (%)	6%	3%			6%	3%	
Earnings per share (Baht)	0.47	0.22			1.37	0.67	
Core Financials							
Core EBITDA	5,253	4,210	25%	-10%	15,725	12,688	24%
Core profit	1,945	998	95%	-17%	5,822	2,907	100%

Note:

Revenue from sales	= Revenue from sales after inter-segment elimination basis
EBITDA	= Earnings before finance cost, tax, depreciation and amortization included dividend from associates In 9M/2026 and 9M/2025, Dividend from associates were 17 MB and 16 MB, respectively.
Profit for the period	= Profit for the period attributable to owners of the Company

Table 2 – Key-Items Adjustment for Core profit and Core EBITDA

Unit: MB

	Core profit		Core EBITDA	
	Q3		Q3	
	2026	2025	2026	2025
Profit for the period and EBITDA	2,026	953	5,357	4,154
Less Adjustment	81	(45)	104	(56)
Core profit and Core EBITDA	1,945	998	5,253	4,210

Key analysis on Core profit and Core EBITDA

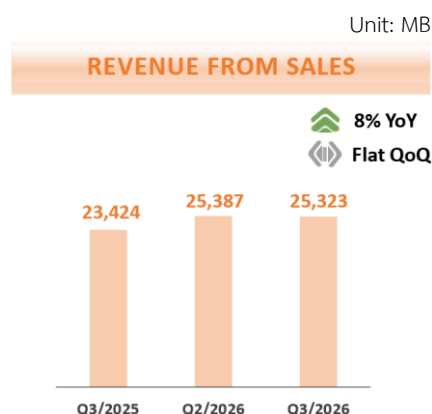
In Q3/2026, SCGP's Core EBITDA amounted to 5,253 MB (+25% YoY and -10% QoQ), and Core profit was 1,945 MB (+95% YoY and -17% QoQ). Key-items in Q3/2026 were attributed to gain on bargain purchase, net realizable value (NRV) adjustment, and asset impairment.



Operating Results by Key Business Segments

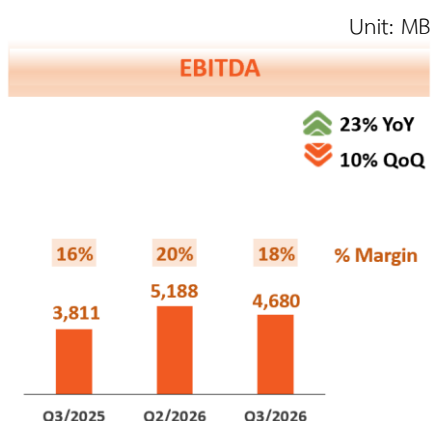
Integrated Packaging Business (IPB)

Q3/2026 performance (before inter-segment elimination)



Revenue from sales recorded at 25,323 MB.

- YoY, revenue increased by 8%, reflecting selling price adjustments across all product categories in response to rising raw material costs.
- QoQ revenue remained stable. Polymer packaging revenue was maintained by resilient packaging demand, particularly in Vietnam. Revenue from medical supplies and labware declined due to lower demand during summer holiday in Europe. Fiber packaging revenue remained flat, supported by resilient consumer staples demand in Vietnam and Indonesia, which offset softer demand in Thailand for agricultural products and alcoholic beverages, coupled with cautious spending on non-essential goods. Packaging paper revenue remained stable, led by Indonesia operation with average selling price improved in line with higher costs, while demand slightly softened due to seasonal factors.

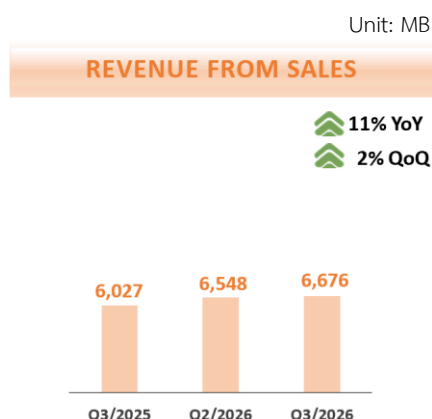


EBITDA recorded at 4,680 MB with EBITDA margin of 18%. Profit for the period amounted to 2,121 MB.

- YoY, EBITDA and profit for the period increased by 23% and 87%, respectively, primarily attributed to improved performance of packaging paper operation in Indonesia and continued growth across businesses in Vietnam.
- QoQ, EBITDA and profit for the period decreased by 10% and 15%, respectively, due to higher input costs amidst geopolitical uncertainties.

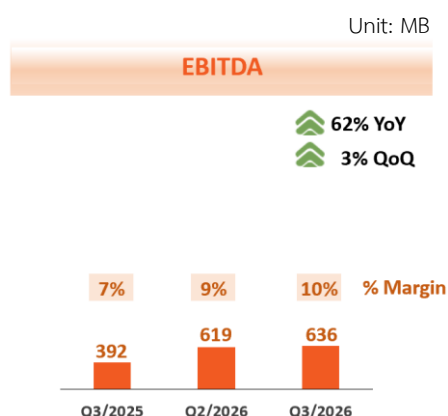
Fibrous Business (FB)

Q3/2026 performance (before inter-segment elimination)



Revenue from sales recorded at 6,676 MB.

- YoY, revenue increased by 11%, primarily due to pulp price improvement and higher sales volume in foodservice packaging business.
- QoQ, revenue increased by 2%. Foodservice packaging revenue grew, supported by seasonal summer demand in Europe, promotional campaigns, and inventory buildup ahead of year-end festivities. Revenue from fine and specialty paper declined due to seasonal softness in fine paper demand and intensified competition in the specialty paper market in India. Meanwhile, pulp revenue rebounded by healthier demand for textile and garment sector and higher market prices for dissolving pulp.



EBITDA recorded at 636 MB with EBITDA margin of 10%. Profit for the period was 59 MB.

- YoY, EBITDA increased by 62% and profit for the period increased as a net loss was recorded in Q3/2025, in line with revenue growth and favorable pulp market trends.
- QoQ, EBITDA and profit for the period increased by 3% and 26%, respectively, mainly attributed to selling prices, particularly in dissolving pulp.

Table 3 - Operating Results by Business Segment

Unit: MB

	Q3				Jan - Sep		
Revenue from sales	2026	2025	%y-o-y	%q-o-q	2026	2025	%y-o-y
Consolidated SCGP	32,577	30,438	7%	0.4%	94,326	94,204	0.1%
Integrated Packaging Business	25,323	23,424	8%	-0.3%	73,525	71,581	3%
Fibrous Business	6,676	6,027	11%	2%	19,181	19,314	-1%
Recycling Business	2,133	2,077	3%	3%	5,926	6,180	-4%
Intersegment Elimination	(1,555)	(1,090)	-43%	-0.1%	(4,306)	(2,871)	-50%

	Q3				Jan - Sep		
EBITDA	2026	2025	%y-o-y	%q-o-q	2026	2025	%y-o-y
Consolidated SCGP	5,357	4,154	29%	-8%	15,819	12,643	25%
Integrated Packaging Business	4,680	3,811	23%	-10%	14,231	11,142	28%
Fibrous Business	636	392	62%	3%	1,547	1,573	-2%
Recycling Business and Corporate	329	369	-11%	-86%	3,628	4,323	-16%
Intersegment Elimination	(288)	(418)	31%	87%	(3,587)	(4,395)	18%

	Q3				Jan - Sep	
EBITDA margin (%)	2026	2025			2026	2025
Consolidated SCGP	16%	14%			17%	13%
Integrated Packaging Business	18%	16%			19%	16%
Fibrous Business	10%	7%			8%	8%

	Q3				Jan - Sep		
Profit (loss) for the period	2026	2025	%y-o-y	%q-o-q	2026	2025	%y-o-y
Consolidated SCGP	2,026	953	113%	-12%	5,896	2,863	106%
Integrated Packaging Business	2,121	1,135	87%	-15%	6,472	3,153	105%
Fibrous Business	59	(149)	n/a	26%	(102)	(121)	16%
Recycling Business and Corporate	0.1	(19)	n/a	-100%	2,518	3,143	-20%
Intersegment Elimination	(154)	(14)	n/a	93%	(2,992)	(3,312)	10%

Note:

EBITDA = Earnings before finance cost, tax, depreciation and amortization included dividend from associates

EBITDA margin = EBITDA / Revenue from sales

Profit (loss) for the period = Profit (loss) for the period attributable to owners of the Company

Consolidated SCGP's financial statement is presented after the intersegment elimination.

Cost of Sales

In 9M/2026, SCGP's cost of sales was 73,600 MB (-5% YoY): integrated packaging business (IPB) accounted for 56,793 MB, fibrous business (FB) accounted for 17,008 MB, and recycling business (RB) accounted for 4,390 MB, with the details as follows:

Table 4 - Cost of Sales by Business Segment

Unit: MB

	Q3		%y-o-y	%q-o-q	Jan - Sep		
	2026	%			2026	%	%y-o-y
Integrated Packaging Business	20,003	78%	5%	5%	56,793	77%	-2%
Fibrous Business	5,773	22%	5%	1%	17,008	23%	-1%
Recycling Business	1,609	6%	-6%	7%	4,390	6%	-12%
Intersegment Elimination	(1,666)	-6%	-38%	-3%	(4,591)	-6%	-43%
Consolidated SCGP	25,719	100%	3%	4%	73,600	100%	-5%

Raw material management: SCGP maintains a reliable supply of high-quality recovered paper (RCP) and other key raw materials through a globally diversified sourcing approach, which strengthens SCGP's resilience against supply disruptions stemming from geopolitical uncertainties. SCGP sources raw materials from both domestic and international markets, including Europe, US, Japan, and Oceania, allowing the company to optimize the mix of local and imported volumes based on market conditions. This flexibility supports effective input cost management while preserving supply reliability and adherence to product quality standards. SCGP sourced raw materials domestically through the network, with 179 recycling stations and partner facilities underpinning security of upstream supply base. To broaden import capabilities, SCGP utilizes strategic sourcing subsidiaries, namely Peute Recycling in the Netherlands and Jordan Trading in US. These entities prioritize direct engagement with primary sources, ensuring a dependable and fully traceable supply base.

Energy management: SCGP has applied artificial intelligence (AI) technologies to strengthen procurement decision-making and optimize coal cost management by integrating data analytics with index-linked pricing mechanisms. This approach has enabled SCGP to optimize sourcing volumes and maintain competitive cost structures while delivering measurable improvements in overall energy efficiency. In line with the environmental commitments, SCGP continues to drive sustainable innovation and resource efficiency in accordance with circular economy principles. The company has diversified energy mix through the use of biomass and other alternative fuels, progressively reducing greenhouse gas emissions across the operations. In 9M/2026, alternative fuels accounted for 37% of total energy consumption.

Summary of Financial Positions as of 30 September 2026

Total assets were equal to 182,773 MB or an increase of 6,242 MB (+4% from December 2025). The change was attributable to foreign exchange translation of 2,671 MB due to the depreciation of Thai Baht, mainly against Vietnamese Dong (VND). Furthermore, the increase in total assets was primarily due to a net increase in cash and short-term investments of 2,048 MB, higher trade receivables of 1,704 MB, and inventories of 1,171 MB. In addition, the increase was attributable to the acquisition of Jin Zhong Fa Paper Industrial Co., Ltd. of 615 MB, while property, plant and equipment decreased by 1,995 MB.

Total liabilities were equal to 87,908 MB or an increase of 1,493 MB (+2% from December 2025). This was primarily due to a 735 MB increase from foreign exchange translation resulting from Thai Baht depreciation, an increase in trade and other current payables of 1,284 MB, while a net decrease in loans of 680 MB.

Total shareholders' equity reported at 94,865 MB or an increase of 4,749 MB (+5% from December 2025). The change was mainly attributable to foreign exchange translation of 1,936 MB from Thai Baht depreciation, combined with profit for the period of 6,482 MB, while dividend payment amounted to 3,667 MB.

Capital Structure

In 9M/2026, total debt to equity ratio was at 0.9 times, which slightly declined compared to 9M/2025. Net debt to EBITDA was at 2.4 times, representing a decrease from 3.4 times in 9M/2025, attributable to higher EBITDA.

Table 5 - Summary of SCGP's Consolidated Statement of Financial Position

Unit: MB

	September	December	Change	
	2026	2025	MB	%
Total Assets	182,773	176,531	6,242	4%
Current Assets	57,647	50,766	6,881	14%
Cash and cash equivalents	7,449	6,464	985	15%
Short-term investments	6,078	4,441	1,637	37%
Trade and other current receivables	24,970	22,151	2,819	13%
Inventories	18,810	17,356	1,454	8%
Investments in associates	1,430	1,330	100	8%
Property, plant and equipment	84,513	85,325	(812)	-1%
Goodwill	26,908	26,434	474	2%
Other intangible assets	8,214	8,325	(111)	-1%
Total Liabilities	87,908	86,415	1,493	2%
Trade and other current payables	16,271	14,707	1,564	11%
Loans	62,863	62,904	(41)	-0.1%
Total Shareholders' Equity	94,865	90,116	4,749	5%
Total equity attributable to owners of the Company	78,918	74,402	4,516	6%
Non-controlling interests	15,947	15,714	233	1%

Table 6 - SCGP's Net Debt

Unit: MB

	September 2026	December 2025
Short-term Loans	25,134	24,387
Foreign	11,087	7,683
Baht	14,047	16,704
% of Total Loans	40%	39%
Long-term Loans	37,729	38,517
Foreign	8,049	8,750
Baht	29,680	29,767
% of Total Loans	60%	61%
Total Loans	62,863	62,904
Average cost of debt (%)	3.3%	3.7%
Cash and Cash Under Management	13,527	10,905
Cash and cash equivalents	7,449	6,464
Investments in debt instruments	6,078	4,441
Net Debt	49,336	51,999



Table 7 - Key Financial Ratio

			Jan - Sep	
			2026	2025
Profitability Ratio				
1	Gross Profit Margin	(%)	22.0	18.1
2	EBITDA Margin	(%)	16.8	13.4
3	Net Profit Margin	(%)	6.3	3.0
4	Core EBITDA Margin	(%)	16.7	13.5
5	Core Profit Margin	(%)	6.2	3.1
6	Return on Assets	(%)	4.4	1.7
7	Return on Equity	(%)	9.2	3.7
8	Return on Invested Capital	(%)	6.8	3.8
Liquidity Ratio				
9	Current Ratio	(times)	1.2	1.2
10	Quick Ratio	(times)	0.7	0.7
Activity Ratio				
11	Account Receivable Turnover	(times)	6.0	6.1
12	Account Payable Turnover	(times)	8.6	9.6
13	Cash Cycle	(days)	86	87
14	Total Asset Turnover	(times)	0.7	0.7
15	Inventory Turnover	(times)	5.4	5.6
Leverage Ratio				
16	Net Debt to EBITDA	(times)	2.4	3.4
17	Net Debt to Equity	(times)	0.5	0.6
18	Debt to Equity	(times)	0.9	1.0
19	Interest-bearing Debt to Equity	(times)	0.7	0.7

Note:

- 1) Gross profit margin (%) is calculated by gross profit divided by revenue from sales
- 2) EBITDA margin (%) is calculated by EBITDA divided by revenue from sales
- 3) Net profit margin (%) is calculated by profit for the period attributable to owners of the parent divided by revenue from sales
- 4) Core EBITDA margin (%) is calculated by core EBITDA divided by revenue from sales
- 5) Core profit margin (%) is calculated by core profit divided by revenue from sales
- 6) Return on assets (%) is calculated by profit for the period (LTM) divided by average total assets
- 7) Return on equity (%) is calculated by profit for the period (LTM) divided by average shareholders' equity attributable to owners of the parent
- 8) Return on invested capital (%) is calculated by profit from operations minus tax expense, divided by the sum of interest-bearing debt minus cash and shareholders' equity
- 9) Current ratio (times) is calculated by current assets divided by current liabilities.
- 10) Quick ratio (times) is calculated by sum of cash and cash equivalents plus short-term investment and trade and other receivables, divided by current liabilities
- 11) Account receivable turnover (times) is calculated by revenue from sales divided by average trade receivables
- 12) Account payable turnover (times) is calculated by cost of sales divided by average trade payables
- 13) Cash cycle (days) is calculated by sum of average collection period plus inventory days minus accounts payable day
- 14) Total asset turnover (times) is calculated by revenue from sales divided by average total assets
- 15) Inventory turnover (times) is calculated by cost of sales divided by average inventory
Net debt is calculated by total debt (interest bearing), less cash and cash under management
- 16) Net debt to EBITDA (times) is calculated by net debt divided by EBITDA (LTM)
- 17) Net debt to equity (times) is calculated by net debt divided by equity
- 18) Debt to equity (times) is calculated by total debt divided by total equity
- 19) Interest-bearing debt to equity (times) is calculated by interest-bearing debt divided by total equity



Summary of Cash Flows Statement Ended 30 September 2026

In 9M/2026, SCGP's net cash flows provided by operating activities amounted to 12,510 MB, comprising operating cash flows of 13,768 MB and tax payment of 1,258 MB. Cash flows generated from operations were comprised of profit for the period adjusted by items such as depreciation and amortization, tax expense, and change in operating assets and liabilities.

Net cash flows used in investing activities amounted to 4,749 MB, mainly attributable to capital expenditure of 3,655 MB and a net increase in short-term investments of 1,242 MB.

Net cash flows used in financing activities amounted to 6,985 MB from dividend payment of 3,667 MB, interest payments of 1,525 MB, and a net decrease in borrowings of 1,481 MB.

Table 8 - Summary of SCGP's Consolidated Statement of Cash Flows

Unit: MB

	Jan - Sep		Change
	2026	2025	
Cash flows from operating activities	12,510	11,737	773
Cash flows from investing activities	(4,749)	(5,597)	848
Cash flows from financing activities	(6,985)	(9,122)	2,137
Net increase (decrease) in cash and cash equivalents	776	(2,982)	3,758
Free cash flows	8,855	8,049	806

Major Business Update



VEM (Thailand) Co., Ltd. (VEM-TH), healthcare supplies business, continued to make progress in 2026 to capture the growing demand for healthcare products across ASEAN. Production is based at Rojana Industrial Park, Rayong, where 30 production lines are in operation, with annual capacities of 12 million urine containers, 180 million syringes, 100 million needles, and 9.5 million meters of medical tubes. Commercial launches are being rolled out in phases. The sterile urine container was launched in Q2/2026, followed by syringes (3 ml, 5 ml and 10 ml) in Q3/2026. Hypodermic needles and medical tubes are scheduled for launch in Q4/2026. Safety needle has been submitted to the Thai Food and Drug Administration (FDA) for license approval.



SCGP announced an expansion of plasterboard liner and premium linerboard production capacity at the existing facility of Siam Kraft Industry Co., Ltd. (SKIC) in Kanchanaburi, Thailand. The total investment budget of 9,846 MB will be deployed on a phased basis, covering machinery, installation, and working capital. This investment aligns with SCGP's strategy to strengthen market leadership in high-value product lines, enhance capability to serve growing demand in the region, and grow strategically alongside customers. The project will strengthen SCGP's market position by capturing growing regional demand for plasterboard liner, a specialized paper grade that requires advanced manufacturing technology and expertise, for which a limited number of producers have the capability to supply. Demand for gypsum board continues to trend upward, supported by the increasing adoption of lightweight construction materials globally. The new, state-of-the-art machine is highly flexible and can produce both plasterboard liner and premium linerboard. It will support SCGP's currently fully utilized operations in Thailand and Vietnam, while enabling the company to optimize product mix in response to market conditions and maximize asset utilization. The investment will add capacity of 400,000 tons per year. Commercial start-up is expected in Q4/2028.



SCGP has acquired a 90% stake in Jin Zhong Fa Paper Industrial Company Limited (JZF), a fiber packaging manufacturer in Chonburi, Thailand, with the total investment of 68 MB (after net debt adjustments). This acquisition aligns with the strategy to expand consumer packaging business across ASEAN. JZF's client base and additional capacity provide a scalable platform to broaden SCGP's market reach, enhance cross-selling opportunities, increase network synergies, and support long-term growth. By reallocating fruit box orders to JZF, SCGP expects to optimize group margins through more cost-competitive operations and reduced logistics expenses. In addition, the acquisition provides opportunities for future expansion by leveraging JZF's land availability to reinforce market position in Eastern Thailand, a region with strong growth potential driven largely by significant foreign capital inflows, which provide substantial opportunities for packaging business growth.

Key Factors that May Affect Future Operations and Growth

Looking ahead to the rest of 2026 and into 2027, global economic growth is expected to moderate, led by high-tech investment. Prolonged tensions in the Middle East are likely to keep costs and inflation elevated, while the impact of trade barriers has been limited. As the benefits of the supply chain reallocation from China to ASEAN and back to China mature, SCGP will prioritize capturing the opportunities while closely monitoring competitive dynamics and future investment trends. Asia remains the fastest-growing region. In China, policy support continues to sustain investment and boost domestic consumption, while public investment underpins growth in India. ASEAN growth is expected to continue, anchored by domestic consumption and public investment. Key external risks include trade uncertainty, energy inflation and uneven demand, which are partially offset by AI-related demand, foreign direct investment and regional investment.

For the packaging industry, demand in Q4/2026 is expected to be supported by year-end activities, with this momentum continuing into Q1/2027, particularly in Vietnam and Indonesia, where New Year festivals lift consumption particularly in essential products. Nonetheless, demand may soften during the New Year holiday period, and volumes may be constrained by tighter consumer spending arising from household debt, higher inflation and persistent uncertainty.

On the cost side, raw material and energy costs remain elevated but are more stable than during the geopolitical shock, which supports more reliable production planning. Packaging paper prices continue to reflect market conditions and input costs, while the company's cost optimization programs are mitigating inflationary pressure. Consumer packaging continues to benefit from value-based pricing.

SCGP continues to pursue growth through ongoing business transformation aimed at enhancing competitiveness, reinforced by automation and fit-for-purpose AI capabilities, with 250 AI facilitators driving adoption across the organization. The company continues to explore the opportunity in Vietnam and India to strengthen market presence and create new growth opportunities. Continued investment in employee capabilities and mindset, automation and machine modification is expected to improve productivity and support growth. In addition, SCGP continues to integrate environmental, social and governance (ESG) principles into business strategy to support sustainable growth and long-term value creation. In 9M/2026, the company achieved 37% alternative fuel usage and continues to advance circular economy solutions toward the target of making all packaging recyclable, reusable or compostable by 2030. These efforts support SCGP's commitment to reduce greenhouse gas emissions by 25% by 2030 and to achieve Net Zero by 2050.



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