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SCGP Announces Q2 Profit, supported by Indonesia Turnaround, Continued Strong Performance in Vietnam; Declares Interim Dividend of 0.40 Baht per Share and Expands Integrated Solutions Portfolio

SCGP announced its quality growth in operating results for the second quarter of 2026, with total revenue from sales of Baht 32,454 million and profit for the period of Baht 2,304 million. The strong performance was supported by a turnaround to profitability in the Indonesian operations and expanding packaging demand across ASEAN, particularly in Vietnam, where strong growth continued. SCGP is moving ahead with its strategy to expand investment in the fiber packaging business, strengthening its capabilities to deliver integrated packaging solutions across ASEAN. SCGP also announced an interim dividend payment of Baht 0.40 per share. Looking ahead to the third quarter, cost conditions are expected to have lower volatility, while demand in Thailand is anticipated to benefit from government stimulus measures and inventory preparation toward the end of the quarter.

Wichan Jitpukdee, Chief Executive Officer of SCG Packaging Public Company Limited or SCGP, said that the overall packaging industry in the second quarter of 2026 demonstrated continued growth. This was driven by higher domestic demand across ASEAN countries and increased exports after the holiday periods in Indonesia and Vietnam, together with the high agricultural season and inventory buildup to address supply uncertainty. Furthermore, government stimulus measures aimed at reducing the cost of living and promotional campaigns related to the FIFA World Cup 2026 contributed to favorable packaging demand, particularly for consumer goods and food packaging. Meanwhile, on the cost side, raw material, energy, and freight costs surged due to disruptions from the Middle East conflict.

SCGP continued to enhance operational excellence and ensure customers' business continuity, while strengthening competitive position through the regional production network and delivering integrated packaging solutions for consumers. These capabilities have enabled SCGP to respond effectively to evolving customer requirements. These efforts were evident in the turnaround of operations in Indonesia, which successfully returned to profitability. This improvement was supported by higher domestic packaging sales volumes, selling price adjustment following regional market conditions, cost optimization, energy mix arrangement, and enhanced production efficiency, all of which enabled SCGP to achieve cost optimization targets. Concurrently, operations in Vietnam continued to experience robust growth, driven by ongoing economic expansion and resilient domestic consumption. In addition, SCGP has collaborated with customers to adapt packaging solutions in response to prevailing market conditions.

Consequently, these factors contributed to quality growth in operating results for the second quarter of 2026. SCGP reported total revenue from sales of Baht 32,454 million, up 3% from the same period of the previous year and 11% from the previous quarter. EBITDA amounted to Baht 5,821 million, up 37% year on year and 25% quarter on quarter. Profit for the period was Baht 2,304 million, up 128% year on year and 47% quarter on quarter.

Accordingly, On 21 July 2026, the Board of Directors of SCGP has approved a H1/2026 interim dividend payment of 0.40 Baht/Share (Baht 1,717 million), which is payable on 19 August 2026 (XD-date on 4 August 2026 and record date on 5 August 2026).

Wichan added that the overall packaging industry is expected to grow in the third quarter of 2026 compared with the same period of the previous year. This positive outlook will be driven by manufacturing activities to support inventory preparation toward the end of the third quarter through the fourth quarter, catering to both export and domestic consumption, particularly in Vietnam, Indonesia, and Thailand. Meanwhile, packaging demand in the consumer goods segment is expected to continue its favorable trend, and oil price volatility is expected to show lower volatility. However, due to unresolved international conflicts, market dynamics must be closely monitored to determine appropriate management approaches. This will be executed in parallel with expanding value proposition to customers through the development of products, solutions, and services that effectively respond to a wider variety of needs.

SCGP is committed to driving growth through a proactive strategy to expand its fiber packaging business in ASEAN, aiming to capture opportunities from continuously expanding demand. SCGP focuses on expanding converting capacity by 26,800 tons per year of corrugated containers in the south of Vietnam. The new capacity will be located at the existing packaging paper facility of Vina Kraft Paper Co., Ltd. (VKPC) in SCGP, in Ho Chi Minh City, with a total investment of approximately Baht 748 million. The investment will enable SCGP to capture further growth opportunities in Vietnam, with commercial operations expected to commence in September 2027. Meanwhile, SCGP continues to strengthen the competitiveness of its operations in Indonesia by increasing domestic sales volumes. This is firmly supported by the strategic application of technologies, Artificial Intelligence (AI), Machine Learning, and Deep Learning to enhance operational efficiency, cost management, quality control, and data analytics. Additionally, SCGP has adopted Collaborative Robots (Cobots) in its production processes to enhance efficiency in repetitive tasks requiring continuity.

Following the retirement of Mr. Wichan Jitpukdee, the Board of Directors of SCGP has approved the appointment of Mr. Danaidej Ketsuwan as Chief Executive Officer, effective January 1, 2027. This appointment marks another important milestone in SCGP's ongoing preparation for its next phase of growth, reflecting a structured and seamless leadership transition that supports the company's strategic direction and future business model. It also ensures the continuation of SCGP's core strengths while bringing in new ideas and perspectives to enhance operational efficiency, strengthen competitiveness, and create sustainable value for shareholders, customers, and all stakeholders.

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