

SINO THAI ENGINEERING & CONSTRUCTION
THAILAND / CONSTRUCTION SERVICES

STEC TB

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ภาพปี 2024 พื้นตัวจากฐานต่ำ

- บริษัทตั้งเป้าปี 2024 รายได้ดีขึ้นเล็กน้อย y-y ที่ 3-3.1 หมื่นล้านบาท สอดคล้องกับประมาณเรา แต่สัดส่วนงานเอกชนสูงขึ้นคาดหนุน GPM พื้นตัวเป็นไม่ต่ำกว่า 5%
- เป้ารับงานเพิ่ม 4-5 หมื่นล้านบาท มีสัญญาณบวกจากการเบิกจ่ายงบประมาณเร็วขึ้น
- คงราคาเหมาะสม 10 บาท (อิง PER 25x) ราคาหุ้นมี Upside จำกัด ยังแนะนำถือ

ตั้งเป้าปี 2024 รายได้โตเล็กน้อย หวังการฟื้นตัวจาก GPM

บริษัทตั้งเป้ารายได้ปี 2024 ใกล้เคียงประมาณการเราที่ 3-3.1 หมื่นล้านบาท เพิ่มขึ้นเล็กน้อยจาก 2.96 หมื่นล้านบาทในปี 2023 ประเด็นลบคือโครงการสนามบินอุตะปะเทที่เริ่มงานล่าช้ากว่าที่บริษัทเคยคาดในกลางปีและรับรู้รายได้ 3 พันล้านบาทในปีนี้ เนื่องจากยังต้องรอความชัดเจนของรถไฟความเร็วสูงเชื่อม 3 สนามบิน แต่มีงานใหม่อย่างโรงไฟฟ้า solar มูลค่า 5 พันล้านบาทเข้ามาช่วยทดแทน ส่วนเป้าอัตรากำไรขั้นต้นไม่ต่ำกว่า 5% จากปี 2023 ที่ 4.4% ตามสัดส่วนหลักมาจากภาคเอกชนซึ่งมาร์จินดีกว่าภาครัฐ ชดเชยค่าซ่อมแซมงานอุโมงค์น้ำบึงหนองบอนที่ยังบันทึกใกล้เคียงกับปี 2023 ที่ 200-300 ล้านบาท ซึ่งบริษัทอยู่ระหว่างเคลมประกันเพื่อ reverse ในต้นทุนภายหลัง

ทิศทางการดำเนินงานประมุลใหม่ ตั้งเป้ารับเพิ่ม 4-5 หมื่นล้านบาท

Backlog ปัจจุบันอยู่ที่ 9.6 หมื่นล้านบาท (รวมงานสนามบินอุตะปะเท 2.7 หมื่นล้านบาท ซึ่งยังไม่มีการเริ่มงานชัดเจน) ขณะที่ทิศทางการประมุลงานดีขึ้นจากการเร่งผลักดัน พ.ร.บ.งบประมาณปี 2024 โดยบริษัทตั้งเป้ารับเพิ่มในปี 4-5 หมื่นล้านบาท (เทียบกับปี 2023 ที่ 1.2 หมื่นล้านบาท) โครงการไฮไลต์ใน 1H24 คือ ทางด่วนจุดตัด-ลำลูกกา มูลค่า 1.9 หมื่นล้านบาท เปิดประมูลในเดือนเม.ย. และรถไฟทางคู่ขอนแก่น-หนองคาย มูลค่า 2.9 หมื่นล้านบาท เปิดประมูล 2Q24 ซึ่งผู้บริหารคาดหวัง success rate 20-25% ขณะที่ 2H24 คาดเห็นความคืบหน้าของหลายโครงการ อาทิ รถไฟฟ้าทางคู่, ทางด่วน,มอเตอร์เวย์, รถไฟฟ้าสายสีแดง รวมถึงงานเอกชนอย่างโรงไฟฟ้าของ Gulf

ปรับโครงสร้าง Holding Company เสร็จสิ้นใน 3Q24

บริษัทเห็นว่าการเป็นมากกว่าธุรกิจก่อสร้างด้วยการขยายลงทุนในธุรกิจ Recurring จากการจัดตั้ง Holding Company ผ่าน Share Swap กับผู้ถือหุ้นเดิมในอัตรา 1:1 ซึ่งได้รับอนุมัติจากผู้ถือหุ้นแล้วในวันที่ 15 ก.พ. และกระบวนการแล้วเสร็จ 3Q24 โดยเริ่มต้นจากลงทุนในธุรกิจ data center (ถือหุ้น 60%) ซึ่งอยู่ระหว่างเจรจากับลูกค้า 2 ราย และเริ่มรับรู้รายได้ตั้งแต่ต้น ค. 2026 รวมถึงอยู่ระหว่างศึกษาธุรกิจโรงไฟฟ้า Waste to Energy อย่างไรก็ดี เรายังคงต้องรอความชัดเจนแผนการลงทุนในธุรกิจใหม่

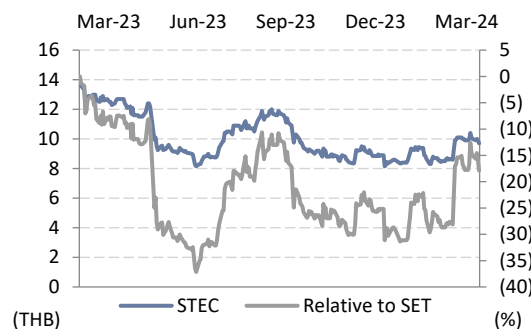
คงราคาเหมาะสม 10 บาท ราคาหุ้น Upside จำกัด ยังแนะนำถือ

เราคงประมาณการกำไรปี 2024 ที่ 604 ล้านบาท (+14% y-y) จากฐานต่ำ โดยคาดรายได้ +4% y-y ที่ 3.1 หมื่นล้านบาท และอัตรากำไรขั้นต้นระดับต่ำ 4.9% ขณะที่ส่วนแบ่งขาดทุนบริษัทรวมมากขึ้นหลังรถไฟฟ้าเหลือง-ชมพูเดินรถเต็มปี คงราคาเหมาะสม 10 บาท หุ้นมี Upside จำกัด ระยะสั้นกำไร 1Q24 คาดลดลง y-y แนะนำถือ

| | |
|-----------------|-----------|
| TARGET PRICE | THB10.00 |
| CLOSE | THB9.70 |
| UP/DOWNSIDE | +3.1% |
| PRIOR TP | THB10.00 |
| CHANGE IN TP | UNCHANGED |
| TP vs CONSENSUS | -10.1% |

KEY STOCK DATA

| YE Dec (THB m) | 2023 | 2024E | 2025E | 2026E |
|----------------------|--------|--------|--------|--------|
| Revenue | 29,598 | 30,765 | 31,970 | 32,667 |
| Net profit | 528 | 604 | 694 | 765 |
| EPS (THB) | 0.35 | 0.40 | 0.46 | 0.50 |
| vs Consensus (%) | - | 2.0 | (1.9) | (9.9) |
| EBITDA | 1,270 | 1,627 | 1,694 | 1,749 |
| Recurring net profit | 504 | 604 | 694 | 765 |
| Core EPS (THB) | 0.33 | 0.40 | 0.46 | 0.50 |
| Chg. In EPS est. (%) | nm | (0.2) | (2.0) | nm |
| EPS growth (%) | (38.6) | 19.8 | 14.9 | 10.2 |
| Core P/E (x) | 29.3 | 24.5 | 21.3 | 19.3 |
| Dividend yield (%) | 1.8 | 2.0 | 2.3 | 2.6 |
| EV/EBITDA (x) | 12.8 | 11.0 | 10.6 | 10.7 |
| Price/book (x) | 0.8 | 0.8 | 0.8 | 0.8 |
| Net debt/Equity (%) | 6.1 | 14.7 | 14.6 | 18.4 |
| ROE (%) | 2.7 | 3.4 | 3.8 | 4.1 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|---------------------------|---------|----------|
| Absolute (%) | 11.5 | 9.6 | (30.2) |
| Relative to country (%) | 13.8 | 10.1 | (17.7) |
| Mkt cap (USD m) | 416 | | |
| 3m avg. daily turnover (USD m) | 1.5 | | |
| Free float (%) | 66 | | |
| Major shareholder | Charnvirakul family (24%) | | |
| 12m high/low (THB) | 14.10/7.95 | | |
| Issued shares (m) | 1,525.11 | | |

Sources: Bloomberg consensus; FSSIA estimates



Thanyatorn Songwutti

Fundamental Investment Analyst on Securities; License no. 101203
thanyatorn.s@fssia.com, +66 2646 9963

Investment thesis

เราประเมินว่ากำไรของ STEC หายดีขึ้นในปี 2024 แม้ถูกจุดจากส่วนแบ่งขาดทุนของรถไฟฟ้าชมนพ-เหลือง แต่ธุรกิจก่อสร้างมีแนวโน้มฟื้นตัว ขณะที่แผนการปรับโครงสร้างธุรกิจครั้งใหญ่สู่บริษัทโฮลดิ้งเพื่อขยายลงทุนในธุรกิจอื่น แม้ระยะสั้น-กลางยังไม่มีผลชัดเจน แต่มองบวกระยะยาวช่วยกระจายความเสี่ยงจากการพึ่งพาเพียงธุรกิจรับเหมาที่ค่อนข้างผันผวนและสร้างผลการดำเนินงานให้มีเสถียรภาพขึ้น อย่างไรก็ตาม เราแนะนำถือ จากราคาหุ้นปัจจุบันที่ Upside จำกัด และ Valuation สูงสุดในกลุ่มฯ

Company profile

STEC ก่อตั้งในปี 1962 ประกอบธุรกิจหลักคือรับเหมาก่อสร้าง รับงานทั้งภาครัฐและเอกชน ตั้งแต่โครงการขนาดกลางถึงขนาดใหญ่ แบ่งเป็น 5 ประเภทคือ ด้านสาธารณูปโภค ด้านอาคาร ด้านพลังงาน ด้านอุตสาหกรรม และด้านสิ่งแวดล้อม โดยในปี 2022 มีสัดส่วนรายได้จากงานภาคเอกชน 70% และภาครัฐ 30% หากพิจารณาตามประเภทงาน จะมีสัดส่วนมากที่สุดจากงานก่อสร้างสาธารณูปโภค 56% รองลงมาเป็นงานก่อสร้างโรงไฟฟ้า 27% ของรายได้รวม

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Principal activities (revenue, 2023)

■ Construction - 99.8 %

■ Sales and service - 0.2 %

Source: Sino Thai Engineering & Construction

Major shareholders

■ Charnvirakul family - 23.6 %

■ Others - 76.4 %

Source: Sino Thai Engineering & Construction

Catalysts

ปัจจัยหนุนการเติบโตคือ 1) การเข้าร่วมประมูลงานใหม่ โดยเฉพาะงานโครงสร้างพื้นฐานของภาครัฐ 2) การขยายการลงทุนในธุรกิจใหม่ ซึ่งยังไม่รวมในประมาณการ

Risks to our call

ความเสี่ยงต่อประมาณการ 1) ความผันผวนของอัตราค่าไถ่ขึ้นต้น 2) ความล่าช้าและค่าใช้จ่ายซ่อมแซมเพิ่มของโครงการระบายน้ำบึงหนองบอน 3) กรอบเวลาการเริ่มก่อสร้างงานสนามบินอู่ตะเภาล่าช้า 4) ความล่าช้าของการเปิดประมูลงานใหม่ 5) ผลขาดทุนบริษัทรวมมากกว่าคาด

Event calendar

| Date | Event |
|----------|---------------------------|
| May 2024 | 1Q24 results announcement |

Key assumptions

| | 2024E | 2025E | 2026E |
|---------------------|--------|--------|--------|
| Revenue (THB m) | 30,765 | 31,970 | 32,667 |
| GPM (%) | 4.9 | 5.0 | 5.1 |
| SG&A to revenue (%) | 2.3 | 2.4 | 2.4 |
| Associates (THB m) | -280 | -220 | -160 |

Source: FSSIA estimates

- ### Earnings sensitivity

 - For every 5% increase in revenue, we estimate 2024 net profit to rise by 5.4%, and vice versa, all else being equal.
 - For every 0.1% increase in GPM, we estimate 2024 net profit to rise by 4.2%, and vice versa, all else being equal.
 - For every 0.1% increase in SG&A to revenue, we estimate 2024 net profit to fall by 4.2%, and vice versa, all else being equal

Source: FSSIA estimates

กำไร 4Q23 อ่อนแอ กดดันจาก SG&A สูง

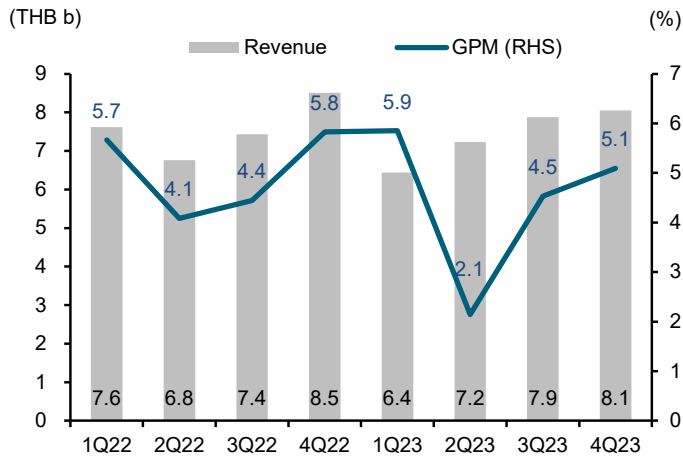
STEC รายงานกำไรสุทธิ 4Q23 เท่ากับ 74 ล้านบาท (-43% q-q, -77% y-y) สาเหตุหลักจากค่าใช้จ่ายขายและบริหารสูงกว่าคาด เพิ่มขึ้นอย่างมีนัยเป็น 292 ล้านบาท (+114% q-q, +48% y-y) หลักๆจากค่าผลตอบแทนพนักงานประจำปี ขณะที่มียารายการพิเศษจากกำไรจากการตีมูลค่ายุติธรรมที่ดินราว 23 ล้านบาท หากหักออก กำไรปกติอยู่ที่ 50 ล้านบาท (-61% q-q, -82% y-y)

รายได้ก่อสร้างทำได้ 8 พันล้านบาท (+2% q-q, -5% y-y) หลักๆจากการรับรู้ถไฟฟ้าสายสีม่วงใต้, โรงไฟฟ้าศรีราชา และปลวกแดง, หมอชิตคอมเพล็กซ์ และงาน O&M มอเตอร์เวย์ ส่วนอัตรากำไรขั้นต้นพื้นเป็น 5.1% จาก 4.5% ใน 3Q23 จากสัดส่วนสูงขึ้นของงานโรงไฟฟ้าซึ่งมาร์จิ้นดี แต่ยังปรับลงจาก 5.8% เนื่องจากยังมีค่าใช้จ่ายเยียวจากอุบัติเหตุงานอุโมงค์ระบายน้ำบึงหนองบอน ขณะที่ดอกเบี้ยจ่ายเพิ่มขึ้นเป็น 22 ล้านบาท (เทียบกับ 9 ล้านบาทใน 3Q23 และ 4 ล้านบาทใน 4Q22) หลังกู้ยืมมากขึ้นเพื่อรองรับแผนการลงทุนธุรกิจใหม่ และส่วนแบ่งขาดทุนจากรถไฟฟ้าขมพู-เหลืองที่ 51 ล้านบาท ใกล้เคียงกับ 3Q23 จบปี 2023 กำไรสุทธิ 528 ล้านบาท (-38% y-y) หากหักรายการพิเศษ กำไรปกติ 504 ล้านบาท (-39% y-y)

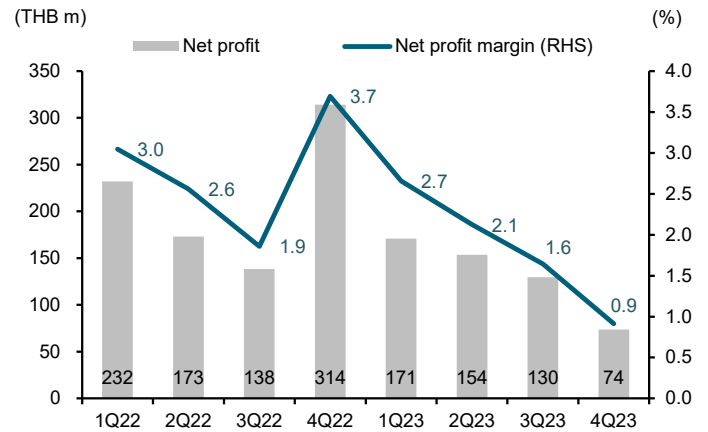
Exhibit 1: STEC - 4Q23 results summary

| | 4Q22 | 1Q23 | 2Q23 | 3Q23 | 4Q23 | ----- Change ----- | |
|---------------------|---------|---------|---------|---------|---------|--------------------|--------|
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q%) | (y-y%) |
| Total revenue | 8,509 | 6,438 | 7,231 | 7,876 | 8,053 | 2.2 | (5.4) |
| Cost of sales | 8,013 | 6,061 | 7,076 | 7,519 | 7,643 | 1.6 | (4.6) |
| Gross profit | 496 | 377 | 155 | 357 | 410 | 15.0 | (17.3) |
| SG&A | 197 | 191 | 216 | 137 | 292 | 113.6 | 47.9 |
| Operating profit | 299 | 186 | (60) | 220 | 118 | (46.2) | (60.3) |
| Other income | 60 | 36 | 179 | 15 | 32 | 104.8 | (46.9) |
| Interest expense | 4 | 5 | 7 | 9 | 22 | 136.7 | 510.4 |
| Tax expense | (72) | (43) | 9 | (41) | (27) | (33.3) | (62.4) |
| Associates | (2) | (1) | 36 | (54) | (51) | n/a | n/a |
| Reported net profit | 314 | 171 | 154 | 130 | 74 | (43.2) | (76.6) |
| Core profit | 278 | 171 | 154 | 130 | 50 | (61.2) | (81.9) |
| Key ratios (%) | | | | | | (ppt) | (ppt) |
| Gross margin | 5.8 | 5.9 | 2.1 | 4.5 | 5.1 | 0.6 | (0.7) |
| SG&A / Sales | 2.3 | 3.0 | 3.0 | 1.7 | 3.6 | 1.9 | 1.3 |
| Operating margin | 3.5 | 2.9 | (0.8) | 2.8 | 1.5 | (1.3) | (2.0) |
| Net margin | 3.7 | 2.7 | 2.1 | 1.6 | 0.9 | (0.7) | (2.8) |
| Norm margin | 3.3 | 2.7 | 2.1 | 1.6 | 0.6 | (1.0) | (2.6) |

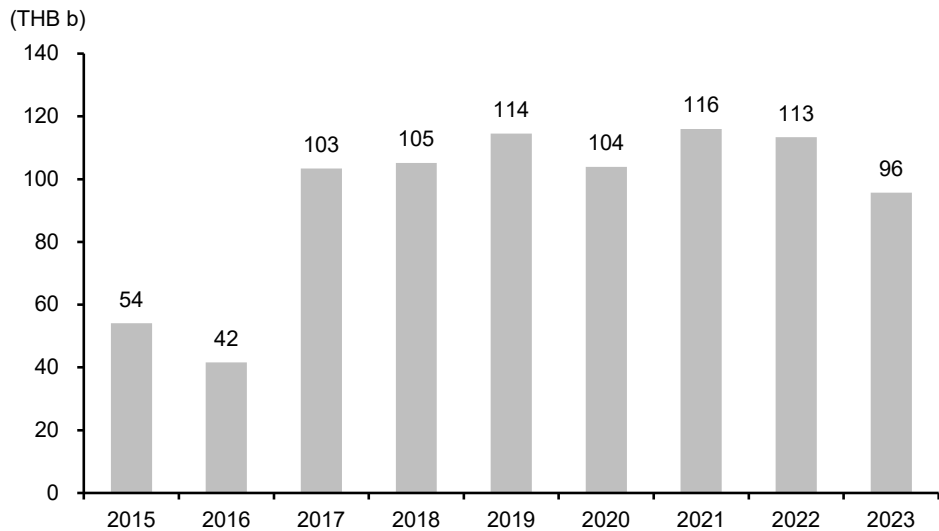
Sources: STEC; FSSIA's compilation

Exhibit 2: Quarterly revenue and GPM

Sources: STEC; FSSIA's compilation

Exhibit 3: Quarterly net profit and net profit margin

Sources: STEC; FSSIA's compilation

Exhibit 4: Backlog

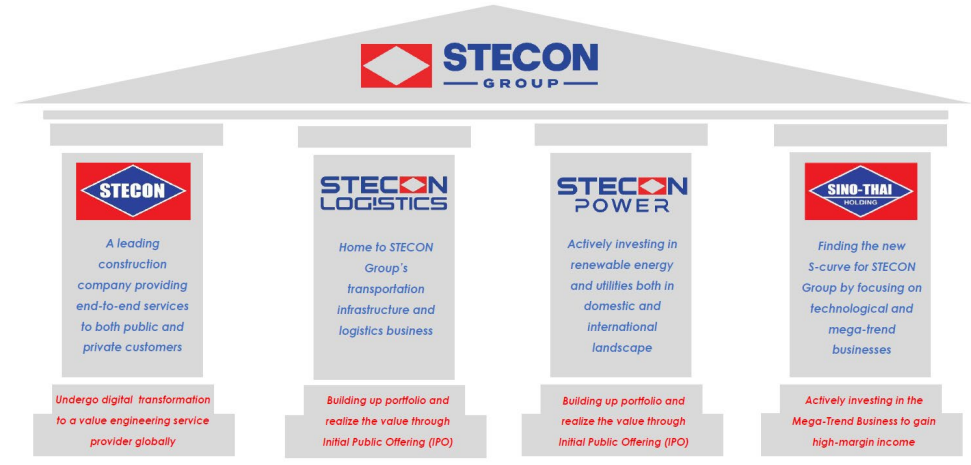
Sources: STEC; FSSIA's compilation

Exhibit 5: Targeted projects total THB368b

| Type of work | Project | Project owner | Contract value (THB m) | Project status |
|-----------------------------|---|---------------|------------------------|--|
| Motorway | Utraphimuk Elevated, Rangsit-Bang Pa-In (M5) | DOH | 28,360 | Proposing the Cabinet and expect to open for bidding in 2024 |
| | The Intercity Motorway No.7-Extension to U-Tapao Airport (M7) | DOH | 4,508 | |
| | Bang Khun Thian-Bang Bua Thong (M9) | DOH | 56,035 | |
| Expressway | Expressway N2 (Prasertmanukit-Outer Ring Road East section) | EXAT | 16,960 | Further studying and plan to open for bidding in 2024 |
| | Expressway Chatuchote-Lam Luk Ka | EXAT | 19,000 | Expect to open for bidding in April 2024 |
| Electrified Train | Brown Line : Khae Rai-Lumsalee | MRTA | 41,720 | Expect to propose to the Cabinet in 2Q25 |
| | Orange Line West : BangKhonnon-Minburi | MRTA | 85,200 | |
| | Dark Red Line : Thammasart-Mahachai | SRT | 6,468 | Proposing the Cabinet and expect to open for bidding in 2024 |
| | Light Red Line : Salaya-Hua Mark | SRT | 15,364 | |
| Double Track Railway | Khon Kaen-Nong Khai section | SRT | 29,748 | Approved by the Cabinet |
| | Jira Junction-Ubonratchathani | SRT | 37,527 | Expect to open for bidding in 2024 |
| Building | Data Center | DC Power BN1 | 7,200 | Expect 1 st phase in 2H24 |
| | Others | Various | 14,000 | Expect to bid in 2024 |
| Power & Energy | Renewable Energy Power Plants | Various | 6,000 | Expect to bid in 1H24 |

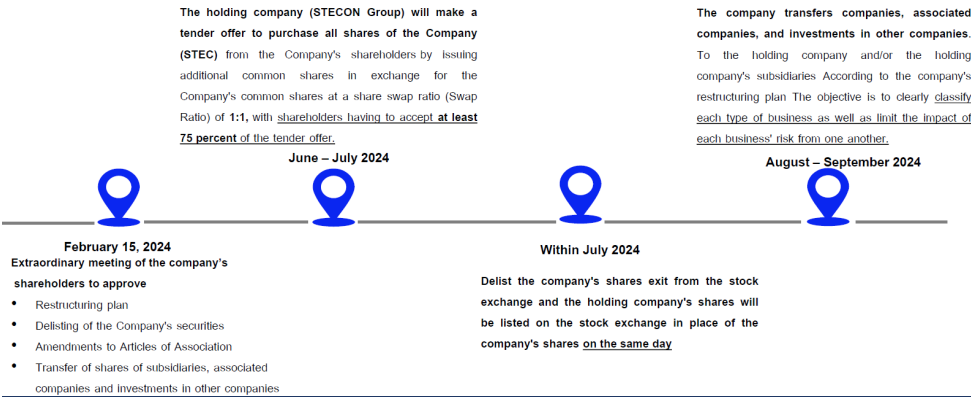
Sources: STEC; FSSIA's compilation

Exhibit 6: Structure after the implementation of the restructuring plan



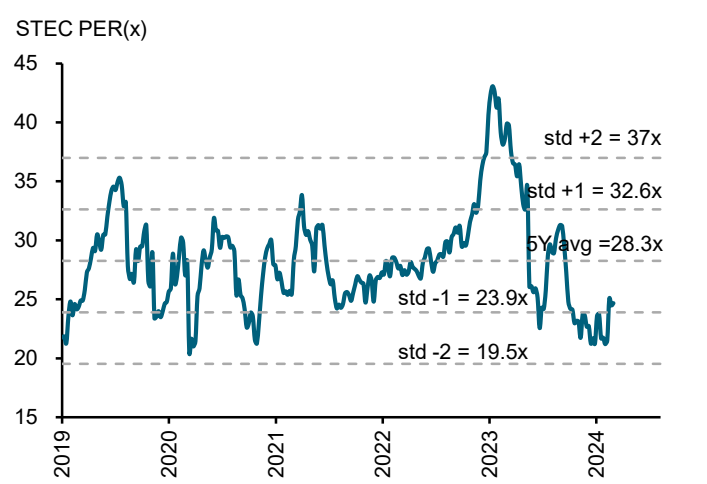
Source: STEC

Exhibit 7: Restructuring timeline



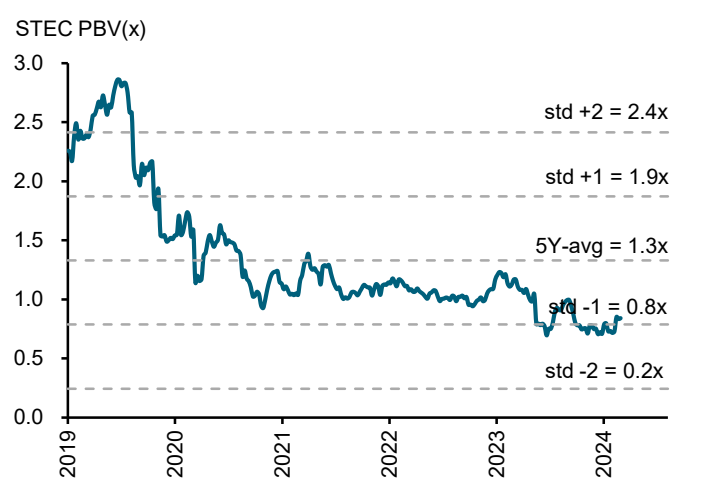
Source: STEC

Exhibit 8: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Sino Thai Engineering & Construction

| Profit and Loss (THB m) Year Ending Dec | 2022 | 2023 | 2024E | 2025E | 2026E |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue | 30,326 | 29,598 | 30,765 | 31,970 | 32,667 |
| Cost of goods sold | (28,792) | (28,299) | (29,257) | (30,372) | (31,001) |
| Gross profit | 1,534 | 1,299 | 1,507 | 1,599 | 1,666 |
| Other operating income | - | - | - | - | - |
| Operating costs | (779) | (834) | (706) | (750) | (782) |
| Operating EBITDA | 1,793 | 1,270 | 1,627 | 1,694 | 1,749 |
| Depreciation | (1,038) | (805) | (825) | (845) | (865) |
| Goodwill amortisation | 0 | 0 | 0 | 0 | 0 |
| Operating EBIT | 754 | 464 | 801 | 849 | 884 |
| Net financing costs | 19 | (1) | (38) | (37) | (38) |
| Associates | 34 | (70) | (280) | (220) | (160) |
| Recurring non-operating income | 244 | 151 | (27) | 36 | 99 |
| Non-recurring items | 36 | 23 | 0 | 0 | 0 |
| Profit before tax | 1,054 | 637 | 736 | 848 | 945 |
| Tax | (187) | (102) | (122) | (144) | (170) |
| Profit after tax | 867 | 536 | 614 | 704 | 775 |
| Minority interests | (9) | (8) | (10) | (10) | (10) |
| Preferred dividends | 0 | 0 | 0 | 0 | 0 |
| Other items | - | - | - | - | - |
| Reported net profit | 857 | 528 | 604 | 694 | 765 |
| Non-recurring items & goodwill (net) | (36) | (23) | 0 | 0 | 0 |
| Recurring net profit | 821 | 504 | 604 | 694 | 765 |
| Per share (THB) | | | | | |
| Recurring EPS * | 0.54 | 0.33 | 0.40 | 0.46 | 0.50 |
| Reported EPS | 0.56 | 0.35 | 0.40 | 0.46 | 0.50 |
| DPS | 0.30 | 0.17 | 0.20 | 0.23 | 0.25 |
| Diluted shares (used to calculate per share data) | 1,525 | 1,525 | 1,525 | 1,525 | 1,525 |
| Growth | | | | | |
| Revenue (%) | 9.6 | (2.4) | 3.9 | 3.9 | 2.2 |
| Operating EBITDA (%) | 47.5 | (29.2) | 28.1 | 4.1 | 3.3 |
| Operating EBIT (%) | 25.7 | (38.4) | 72.6 | 5.9 | 4.2 |
| Recurring EPS (%) | 18.3 | (38.6) | 19.8 | 14.9 | 10.2 |
| Reported EPS (%) | 20.6 | (38.5) | 14.5 | 14.9 | 10.2 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | 5.1 | 4.4 | 4.9 | 5.0 | 5.1 |
| Gross margin exc. depreciation (%) | 8.5 | 7.1 | 7.6 | 7.6 | 7.7 |
| Operating EBITDA margin (%) | 5.9 | 4.3 | 5.3 | 5.3 | 5.4 |
| Operating EBIT margin (%) | 2.5 | 1.6 | 2.6 | 2.7 | 2.7 |
| Net margin (%) | 2.7 | 1.7 | 2.0 | 2.2 | 2.3 |
| Effective tax rate (%) | 17.8 | 16.0 | 16.6 | 17.0 | 18.0 |
| Dividend payout on recurring profit (%) | 55.7 | 52.3 | 50.0 | 50.0 | 50.0 |
| Interest cover (X) | (52.8) | 566.9 | 20.4 | 24.2 | 25.9 |
| Inventory days | 5.2 | 7.4 | 9.0 | 8.9 | 9.0 |
| Debtor days | 108.0 | 124.3 | 125.5 | 121.7 | 119.2 |
| Creditor days | 341.6 | 319.5 | 278.5 | 279.2 | 281.8 |
| Operating ROIC (%) | (10.8) | (9.8) | (114.5) | (73.6) | 14.8 |
| ROIC (%) | 4.7 | 2.6 | 2.7 | 3.0 | (0.8) |
| ROE (%) | 4.5 | 2.7 | 3.4 | 3.8 | 4.1 |
| ROA (%) | 1.7 | 1.0 | 1.3 | 1.5 | 1.5 |
| * Pre-exceptional, pre-goodwill and fully diluted | | | | | |
| Revenue by Division (THB m) | | | | | |
| Construction | 30,265 | 29,527 | 30,695 | 31,900 | 32,577 |
| Sales and service | 61 | 71 | 70 | 70 | 90 |

Sources: Sino Thai Engineering & Construction; FSSIA estimates

Financial Statements

Sino Thai Engineering & Construction

| Cash Flow (THB m) Year Ending Dec | 2022 | 2023 | 2024E | 2025E | 2026E |
|---|----------------|----------------|----------------|----------------|----------------|
| Recurring net profit | 821 | 504 | 604 | 694 | 765 |
| Depreciation | 1,038 | 805 | 825 | 845 | 865 |
| Associates & minorities | - | - | - | - | - |
| Other non-cash items | 36 | 23 | 0 | 0 | 0 |
| Change in working capital | 2,140 | (2,001) | 744 | 1,382 | 675 |
| Cash flow from operations | 4,036 | (668) | 2,173 | 2,921 | 2,306 |
| Capex - maintenance | - | - | - | - | - |
| Capex - new investment | (545) | (574) | (1,060) | (1,092) | (1,125) |
| Net acquisitions & disposals | - | - | - | - | - |
| Other investments (net) | (2,584) | 1,585 | (2,170) | (1,205) | (1,251) |
| Cash flow from investing | (3,129) | 1,011 | (3,230) | (2,297) | (2,375) |
| Dividends paid | (343) | (211) | (242) | (278) | (306) |
| Equity finance | 0 | 0 | 0 | 0 | 0 |
| Debt finance | (105) | (111) | 13 | 14 | 15 |
| Other financing cash flows | 2,477 | (2,771) | 118 | 109 | 67 |
| Cash flow from financing | 2,029 | (3,093) | (110) | (155) | (224) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | 2,935 | (2,751) | (1,167) | 469 | (294) |
| Free cash flow to firm (FCFF) | 926.01 | 385.82 | (975.00) | 708.36 | 18.33 |
| Free cash flow to equity (FCFE) | 3,278.39 | (2,539.46) | (925.84) | 746.10 | 12.08 |
| Per share (THB) | | | | | |
| FCFF per share | 0.61 | 0.25 | (0.64) | 0.46 | 0.01 |
| FCFE per share | 2.15 | (1.67) | (0.61) | 0.49 | 0.01 |
| Recurring cash flow per share | 1.24 | 0.87 | 0.94 | 1.01 | 1.07 |
| Balance Sheet (THB m) Year Ending Dec | 2022 | 2023 | 2024E | 2025E | 2026E |
| Tangible fixed assets (gross) | 9,689 | 10,174 | 10,683 | 11,217 | 11,778 |
| Less: Accumulated depreciation | (4,751) | (5,467) | (5,740) | (6,027) | (6,328) |
| Tangible fixed assets (net) | 4,938 | 4,707 | 4,942 | 5,190 | 5,449 |
| Intangible fixed assets (net) | 0 | 0 | 0 | 0 | 0 |
| Long-term financial assets | 0 | 0 | 0 | 0 | 0 |
| Invest. in associates & subsidiaries | 23,370 | 21,342 | 23,476 | 24,650 | 25,882 |
| Cash & equivalents | 6,993 | 4,242 | 3,075 | 3,543 | 3,249 |
| A/C receivable | 9,772 | 10,386 | 10,768 | 10,550 | 10,780 |
| Inventories | 421 | 698 | 708 | 735 | 751 |
| Other current assets | 4,975 | 5,309 | 5,538 | 5,755 | 5,880 |
| Current assets | 22,160 | 20,636 | 20,088 | 20,583 | 20,661 |
| Other assets | 321 | 764 | 800 | 831 | 849 |
| Total assets | 50,790 | 47,449 | 49,306 | 51,254 | 52,841 |
| Common equity | 19,592 | 17,701 | 18,064 | 18,480 | 18,939 |
| Minorities etc. | 297 | 371 | 381 | 391 | 401 |
| Total shareholders' equity | 19,889 | 18,072 | 18,445 | 18,871 | 19,340 |
| Long term debt | 376 | 265 | 278 | 292 | 307 |
| Other long-term liabilities | 3,052 | 2,415 | 2,523 | 2,622 | 2,679 |
| Long-term liabilities | 3,428 | 2,680 | 2,801 | 2,914 | 2,985 |
| A/C payable | 26,895 | 21,244 | 22,151 | 23,018 | 23,520 |
| Short term debt | 324 | 5,082 | 5,500 | 6,000 | 6,500 |
| Other current liabilities | 253 | 373 | 410 | 451 | 496 |
| Current liabilities | 27,472 | 26,698 | 28,060 | 29,469 | 30,516 |
| Total liabilities and shareholders' equity | 50,790 | 47,449 | 49,306 | 51,254 | 52,841 |
| Net working capital | (11,981) | (5,222) | (5,548) | (6,429) | (6,605) |
| Invested capital | 16,649 | 21,591 | 23,671 | 24,241 | 25,576 |
| * Includes convertibles and preferred stock which is being treated as debt | | | | | |
| Per share (THB) | | | | | |
| Book value per share | 12.85 | 11.61 | 11.84 | 12.12 | 12.42 |
| Tangible book value per share | 12.85 | 11.61 | 11.84 | 12.12 | 12.42 |
| Financial strength | | | | | |
| Net debt/equity (%) | (31.6) | 6.1 | 14.7 | 14.6 | 18.4 |
| Net debt/total assets (%) | (12.4) | 2.3 | 5.5 | 5.4 | 6.7 |
| Current ratio (x) | 0.8 | 0.8 | 0.7 | 0.7 | 0.7 |
| CF interest cover (x) | (201.2) | (1,810.8) | 4.5 | 51.2 | 30.9 |
| Valuation | 2022 | 2023 | 2024E | 2025E | 2026E |
| Recurring P/E (x) * | 18.0 | 29.3 | 24.5 | 21.3 | 19.3 |
| Recurring P/E @ target price (x) * | 18.6 | 30.2 | 25.2 | 22.0 | 19.9 |
| Reported P/E (x) | 17.3 | 28.0 | 24.5 | 21.3 | 19.3 |
| Dividend yield (%) | 3.1 | 1.8 | 2.0 | 2.3 | 2.6 |
| Price/book (x) | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Price/tangible book (x) | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| EV/EBITDA (x) ** | 4.9 | 12.8 | 11.0 | 10.6 | 10.7 |
| EV/EBITDA @ target price (x) ** | 5.2 | 13.2 | 11.3 | 10.9 | 11.0 |
| EV/invested capital (x) | 0.5 | 0.8 | 0.8 | 0.7 | 0.7 |
| * Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income | | | | | |

Sources: Sino Thai Engineering & Construction; FSSIA estimates

Sino-Thai Engineering & Construction (STEC TB)

FSSIA ESG rating


39.73 /100

Exhibit 10: FSSIA ESG score implication

| Rating | Score | Implication |
|--------|---------|--|
| ★★★★★ | >79-100 | Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability. |
| ★★★★ | >59-79 | A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers. |
| ★★★ | >39-59 | Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually. |
| ★★ | >19-39 | Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable. |
| ★ | 1-19 | The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC. |

Sources: FSSIA estimates

Exhibit 11: ESG – peer comparison

| | FSSIA ESG score | Domestic ratings | | | | | | Global ratings | | | | | Bloomberg | | |
|----------|-----------------------|------------------|-------------|------|----------|--------------|-----------|-------------------------|-------------|------|---------|-----------|---------------|--------------|---------------------|
| | | DJSI | SET THSI | THSI | CG score | AGM level | Thai CAC | Morningstar ESG risk | ESG Book | MSCI | Moody's | Refinitiv | S&P Global | ESG score | Disclosure score |
| SET100 | 69.20 | 5.34 | 4.40 | 4.40 | 4.76 | 4.65 | 3.84 | Medium | 51.76 | BBB | 20.87 | 58.72 | 63.91 | 3.72 | 28.17 |
| Coverage | 67.12 | 5.11 | 4.15 | 4.17 | 4.83 | 4.71 | 3.53 | Medium | 52.04 | BB | 16.97 | 56.85 | 62.09 | 3.40 | 31.94 |
| CK | 38.06 | -- | -- | -- | 5.00 | 4.00 | -- | High | 50.15 | BB | -- | 43.93 | 22.00 | 2.13 | 43.16 |
| ITD | 14.63 | -- | -- | -- | 4.00 | 4.00 | -- | Severe | -- | -- | -- | -- | 13.00 | -- | -- |
| STEC | 39.73 | -- | -- | -- | 5.00 | 5.00 | -- | Severe | 62.52 | BBB | -- | 36.51 | 22.00 | 1.64 | 37.87 |
| SYNTEC | 36.38 | -- | -- | Y | 5.00 | 5.00 | Certified | -- | 53.14 | -- | -- | 37.86 | -- | -- | -- |
| NWR | 24.97 | -- | -- | -- | 4.00 | 5.00 | Certified | -- | 47.79 | -- | -- | -- | -- | -- | -- |

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 12: ESG score by Bloomberg

| FY ending Dec 31 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| ESG financial materiality scores - ESG score | 1.38 | 1.44 | 1.46 | 1.40 | 1.39 | 1.45 | 1.64 | 1.64 |
| BESG environmental pillar score | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.40 | 0.40 |
| BESG social pillar score | 2.10 | 2.10 | 2.10 | 2.10 | 2.10 | 2.10 | 2.10 | 2.10 |
| BESG governance pillar score | 3.66 | 3.99 | 4.09 | 3.77 | 3.72 | 4.05 | 3.75 | 3.77 |
| ESG disclosure score | 31.84 | 31.84 | 31.84 | 31.84 | 33.23 | 34.06 | 37.88 | 37.87 |
| Environmental disclosure score | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.66 | 1.66 |
| Social disclosure score | 14.24 | 14.24 | 14.24 | 14.24 | 18.41 | 18.41 | 19.44 | 19.41 |
| Governance disclosure score | 81.10 | 81.10 | 81.10 | 81.10 | 81.10 | 83.59 | 92.35 | 92.35 |
| Environmental | | | | | | | | |
| Emissions reduction initiatives | No | No | No | No | No | No | No | No |
| Climate change policy | No | No | No | No | No | No | No | No |
| Climate change opportunities discussed | No | No | No | No | No | No | No | No |
| Risks of climate change discussed | No | No | No | No | No | No | Yes | Yes |
| GHG scope 1 | — | — | — | — | — | — | — | — |
| GHG scope 2 location-based | — | — | — | — | — | — | — | — |
| GHG Scope 3 | — | — | — | — | — | — | — | — |
| Carbon per unit of production | — | — | — | — | — | — | — | — |
| Biodiversity policy | No | No | No | No | No | No | No | No |
| Energy efficiency policy | No | No | No | No | No | No | No | No |
| Total energy consumption | — | — | — | — | — | — | — | — |
| Renewable energy use | — | — | — | — | — | — | — | — |
| Electricity used | — | — | — | — | — | — | — | — |
| Fuel used - natural gas | — | — | — | — | — | — | — | — |

Sources: Bloomberg; FSSIA's compilation

Exhibit 13: ESG score by Bloomberg (cont.)

| FY ending Dec 31 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fuel used - crude oil/diesel | No | No | No | No | No | No | No | No |
| Waste reduction policy | No | No | No | No | No | No | Yes | Yes |
| Hazardous waste | — | — | — | — | — | — | — | — |
| Total waste | — | — | — | — | — | — | — | — |
| Waste recycled | — | — | — | — | — | — | — | — |
| Waste sent to landfills | — | — | — | — | — | — | — | — |
| Environmental supply chain management | No | No | No | No | No | No | No | No |
| Water policy | No | No | No | No | No | No | Yes | Yes |
| Water consumption | — | — | — | — | — | — | — | — |
| Social | | | | | | | | |
| Human rights policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Policy against child labor | No | No | No | No | No | No | No | No |
| Quality assurance and recall policy | No | No | No | No | No | No | Yes | Yes |
| Consumer data protection policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Equal opportunity policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Gender pay gap breakout | No | No | No | No | No | No | No | No |
| Pct women in workforce | — | — | — | — | — | — | — | 36 |
| Pct disabled in workforce | — | — | — | — | — | — | — | — |
| Business ethics policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Anti-bribery ethics policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Health and safety policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Lost time incident rate - employees | — | — | — | — | — | — | — | — |
| Total recordable incident rate - employees | — | — | — | — | — | — | — | — |
| Training policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Fair remuneration policy | No | No | No | No | No | No | No | No |
| Number of employees – CSR | 1,287 | 1,231 | 1,377 | 1,513 | 1,652 | 1,754 | 1,720 | 1,665 |
| Employee turnover pct | — | — | — | — | — | — | — | — |
| Total hours spent by firm - employee training | 29,963 | 31,138 | 41,280 | 49,015 | 54,589 | 7,708 | 33,490 | 29,664 |
| Social supply chain management | No | No | No | No | No | No | No | No |
| Governance | | | | | | | | |
| Board size | 12 | 12 | 12 | 12 | 11 | 11 | 11 | 11 |
| No. of independent directors (ID) | 7 | 7 | 7 | 7 | 6 | 7 | 7 | 7 |
| No. of women on board | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| No. of non-executive directors on board | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Company conducts board evaluations | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| No. of board meetings for the year | 4 | 5 | 7 | 5 | 10 | 8 | 7 | 4 |
| Board meeting attendance pct | 96 | 100 | 98 | 98 | 89 | 100 | 99 | 100 |
| Board duration (years) | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Director share ownership guidelines | No | No | No | No | No | No | No | No |
| Age of the youngest director | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 51 |
| Age of the oldest director | 71 | 72 | 73 | 75 | 76 | 77 | 77 | 78 |
| No. of executives / company managers | 20 | 20 | 21 | 20 | 17 | 20 | 20 | 20 |
| No. of female executives | 4 | 4 | 5 | 5 | 4 | 5 | 5 | 5 |
| Executive share ownership guidelines | No | No | No | No | No | No | No | No |
| Size of audit committee | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| No. of ID on audit committee | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Audit committee meetings | 5 | 6 | 7 | 5 | 8 | 8 | 11 | 5 |
| Audit meeting attendance % | 100 | 100 | 100 | 100 | 97 | 100 | 100 | 100 |
| Size of compensation committee | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| No. of ID on compensation committee | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| No. of compensation committee meetings | 3 | 2 | 3 | 2 | 2 | 3 | 3 | 3 |
| Compensation meeting attendance % | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Size of nomination committee | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| No. of nomination committee meetings | 3 | 2 | 3 | 2 | 2 | 3 | 3 | 3 |
| Nomination meeting attendance % | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Sustainability governance | | | | | | | | |
| Verification type | No | No | No | No | No | No | No | No |

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

| ESG score | Methodology | Rating | | | | | | | | | | | | | | | | | | | | |
|---|--|---|---|--------------|----------------|---|-----------|-------------|----------|-------------|------------|-------------|-----------------|---|-----------|-------------|----------|-------------|------------|-------------|-----------------|---|
| The Dow Jones Sustainability Indices (DJSI) By S&P Global | The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion. | Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe. | | | | | | | | | | | | | | | | | | | | |
| Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET) | THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years. | To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks. | | | | | | | | | | | | | | | | | | | | |
| CG Score by Thai Institute of Directors Association (Thai IOD) | An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations. | Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%). | | | | | | | | | | | | | | | | | | | | |
| AGM level By Thai Investors Association (TIA) with support from the SEC | It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i> | The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79. | | | | | | | | | | | | | | | | | | | | |
| Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC) | The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i> | The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements. | | | | | | | | | | | | | | | | | | | | |
| Morningstar Sustainabilitys | The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i> | A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table> | NEGL | Low | Medium | High | Severe | 0-10 | 10-20 | 20-30 | 30-40 | 40+ | | | | | | | | | | |
| NEGL | Low | Medium | High | Severe | | | | | | | | | | | | | | | | | | |
| 0-10 | 10-20 | 20-30 | 30-40 | 40+ | | | | | | | | | | | | | | | | | | |
| ESG Book | The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis. | The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance. | | | | | | | | | | | | | | | | | | | | |
| MSCI | MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table> | | AAA | 8.571-10.000 | Leader: | leading its industry in managing the most significant ESG risks and opportunities | AA | 7.143-8.570 | A | 5.714-7.142 | BBB | 4.286-5.713 | Average: | a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers | BB | 2.857-4.285 | B | 1.429-2.856 | CCC | 0.000-1.428 | Laggard: | lagging its industry based on its high exposure and failure to manage significant ESG risks |
| AAA | 8.571-10.000 | Leader: | leading its industry in managing the most significant ESG risks and opportunities | | | | | | | | | | | | | | | | | | | |
| AA | 7.143-8.570 | | | | | | | | | | | | | | | | | | | | | |
| A | 5.714-7.142 | | | | | | | | | | | | | | | | | | | | | |
| BBB | 4.286-5.713 | Average: | a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers | | | | | | | | | | | | | | | | | | | |
| BB | 2.857-4.285 | | | | | | | | | | | | | | | | | | | | | |
| B | 1.429-2.856 | | | | | | | | | | | | | | | | | | | | | |
| CCC | 0.000-1.428 | Laggard: | lagging its industry based on its high exposure and failure to manage significant ESG risks | | | | | | | | | | | | | | | | | | | |
| Moody's ESG solutions | Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term. | | | | | | | | | | | | | | | | | | | | | |
| Refinitiv ESG rating | Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i> | | | | | | | | | | | | | | | | | | | | | |
| S&P Global | The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100. | | | | | | | | | | | | | | | | | | | | | |
| Bloomberg | ESG Score | Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best. | | | | | | | | | | | | | | | | | | | | |
| Bloomberg | ESG Disclosure Score | Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point. | | | | | | | | | | | | | | | | | | | | |

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

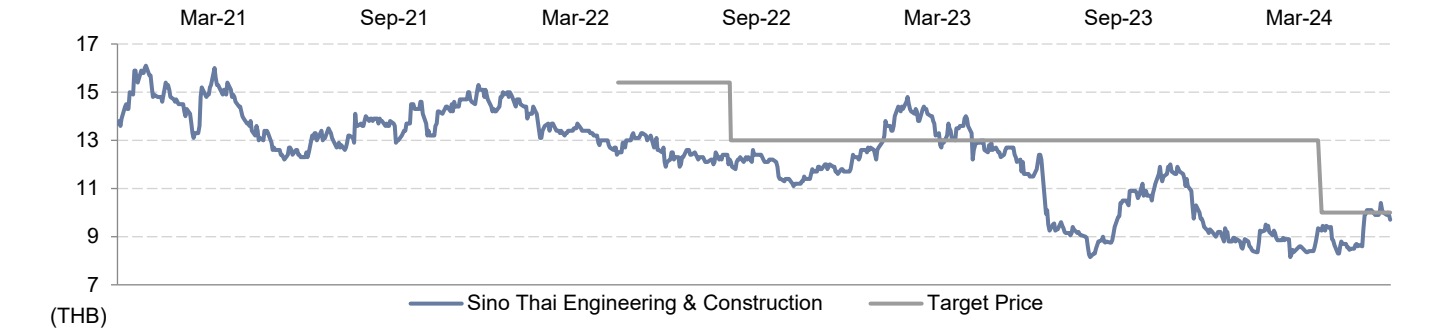
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History of change in investment rating and/or target price

Sino Thai Engineering & Construction (STEC TB)



| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 12-May-2022 | BUY | 15.40 | 17-Aug-2022 | HOLD | 13.00 | 05-Jan-2024 | HOLD | 10.00 |

Thanyatorn Songwutti started covering this stock from 05-Jan-2024

Price and TP are in local currency

Source: FSSIA estimates

| Company | Ticker | Price | Rating | Valuation & Risks |
|--------------------------------------|---------|----------|--------|---|
| Sino Thai Engineering & Construction | STEC TB | THB 9.70 | HOLD | Downside risks to our TP include 1) volatility of the gross margin, 2) a delay and additional repair expenses on the Bueng Nong Bon drainage tunnel project, 3) a delay in the commencement of its construction of U-Tapao Airport, 4) a delay in new auctions, and 5) a higher-than-expected loss sharing from associates. |

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 07-Mar-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.