

PYLON PYLON TB

THAILAND / CONSTRUCTION SERVICES

HOLD
UNCHANGED

3Q24 results at first glance

ผลประกอบการ 3Q24 ฟิ้นกลับเป็นกำไรตามคาด

Highlights

- PYLON รายงานกำไรสุทธิ 3Q24 เท่ากับ 13.5 ล้านบาท จากขาดทุน -6.7 ล้านบาทใน 2Q24 และกำไร 4.3 ล้านบาทใน 3Q23 เป็นไปตามที่เราคาด
- ผลประกอบการที่ฟื้นตัวมาจากอัตราการใช้เครื่องจักรที่เร่งขึ้นเป็น 10-12 ชุด (จาก 6-8 ชุดใน 2Q24 และ 8-9 ชุดใน 3Q23) เนื่องจากเริ่มงานใหม่ อาทิ โรงแรม Hatai-Narai และ Embassy Wireless ส่งผลให้รายได้ก่อสร้าง +82% q-q, +23% y-y ที่ 291 ล้านบาท ส่วนอัตรากำไรขั้นต้นขยับขึ้นเป็น 11.9% จาก 6.8% ใน 2Q24 และ 10% ใน 3Q23 ตามทิศทางรายได้และผลของ Economy of scale
- ค่าใช้จ่ายขายและบริหารต่อรายได้ปรับลงเป็น 7.1% จาก 13.9% ใน 2Q24 และ 8.4% ใน 3Q23 จากรายได้สูงขึ้นและเน้นควบคุมค่าใช้จ่าย ส่วนต้นทุนการเงินเพิ่มขึ้นเป็น 0.4 ล้านบาท (+16% q-q, +20% y-y) ตามทิศทางดอกเบี้ยสูงขึ้น

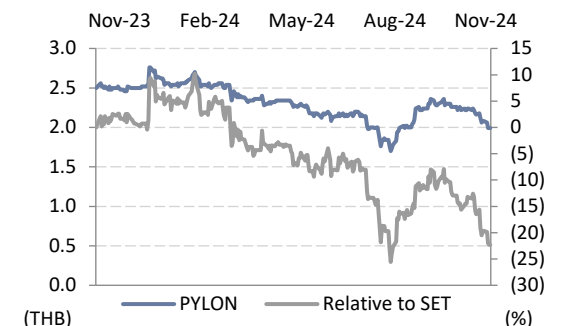
Outlook

- แนวโน้มผลประกอบการ 4Q24 ไม่สดใส คาดหดตัว q-q และ y-y ตามอัตราการใช้เครื่องจักรที่ลดลงเป็น 8 ชุด (เทียบกับ 10-12 ชุดใน 3Q24 และ 13-14 ชุดใน 4Q23) เนื่องจากเป็นรอยต่อที่งานเก่าอยู่ในช่วงท้ายโครงการ ขณะที่งานใหม่ถูกเลื่อนไปเริ่มก่อสร้างในปลายไตรมาส อีกทั้ง มีปัจจัยฤดูกาลจากช่วงวันหยุดยาว
- กำไรสุทธิ 9M24 อยู่ที่ 8 ล้านบาท (เทียบกับ 77 ล้านบาทใน 9M23) คิดเป็นเพียง 36% ของประมาณการทั้งปีของเราที่ 22 ล้านบาท ซึ่งมี Downside จากรายได้ต่ำกว่าคาดจากปริมาณงานใหม่ซบเซา เบื้องต้นประเมินจบปี 2024 มีโอกาสหดตัว 90% y-y เป็นระดับ 5-10 ล้านบาท
- หุ้นขาด Catalyst ขณะที่ Backlog ไม่สูง คาดระดับ 600 ล้านบาท และปี 2025 ยังมีความท้าทายท่ามกลางสถานการณ์ปัจจุบันที่งานในตลาดซบเซาและการแข่งขันสูง และเรอดูจนกว่าจะเห็นความชัดเจนของการรับงานใหม่

TARGET PRICE THB2.40
CLOSE THB1.99
UP/DOWNSIDE +20.6%
TP vs CONSENSUS -3.8%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,483	1,005	1,115	1,200
Net profit	106	22	49	57
EPS (THB)	0.14	0.03	0.07	0.08
vs Consensus (%)	-	(50.0)	(17.6)	(20.0)
EBITDA	215	113	152	162
Recurring net profit	102	19	49	57
Core EPS (THB)	0.14	0.02	0.07	0.08
EPS growth (%)	(7.9)	(81.8)	164.2	15.9
Core P/E (x)	14.6	79.9	30.2	26.1
Dividend yield (%)	7.0	1.5	3.3	3.8
EV/EBITDA (x)	6.6	11.6	8.8	8.4
Price/book (x)	1.4	1.4	1.4	1.4
Net debt/Equity (%)	(7.8)	(17.6)	(14.6)	(12.3)
ROE (%)	9.8	1.8	4.7	5.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(11.9)	17.1	(20.4)
Relative to country (%)	(10.7)	4.4	(23.9)
Mkt cap (USD m)	42		
3m avg. daily turnover (USD m)	0.0		
Free float (%)	41		
Major shareholder	Sangaranyakul Family (55%)		
12m high/low (THB)	2.82/1.66		
Issued shares (m)	749.87		

Sources: Bloomberg consensus; FSSIA estimates



Thanyatorn Songwutti

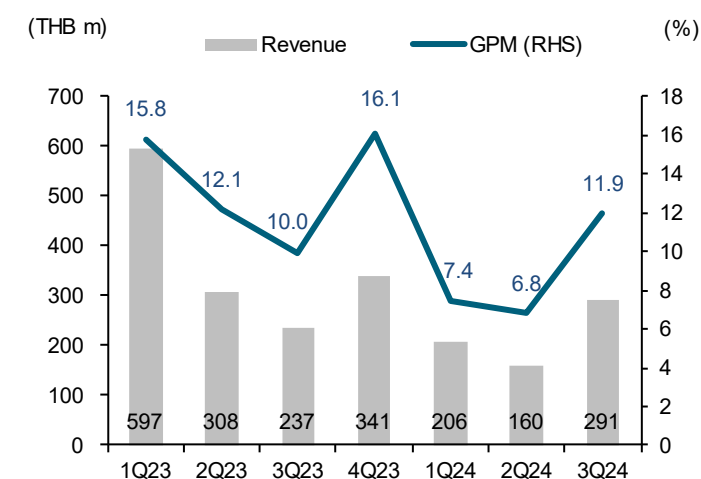
Fundamental Investment Analyst on Securities; License no. 101203
thanyatorn.s@fssia.com, +66 2646 9963

Exhibit 1: PYLON - 3Q24 results summary

	3Q23	4Q23	1Q24	2Q24	3Q24	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	237	341	206	160	291	82.0	22.7
Cost of sales	214	286	191	149	256	71.9	20.0
Gross profit	24	55	15	11	35	219.6	46.9
SG&A	20	22	18	22	21	(7.2)	2.8
Operating profit	4	33	(2)	(11)	14	na	291.2
Interest expense	0.3	0.3	0.3	0.3	0.4	16.2	20.4
Tax expense	1	6	(0)	(2)	3	na	456.9
Reported net profit	4	30	1	(7)	14	na	212.8
Core profit	3	27	(0)	(8)	12	na	272.8
Key ratios (%)						(ppt)	(ppt)
Gross margin	10.0	16.1	7.4	6.8	11.9	5.1	2.0
SG&A / Sales	8.4	6.3	8.5	13.9	7.1	(6.8)	(1.4)
Operating margin	1.5	9.8	(1.1)	(7.1)	4.9	11.9	3.3
Net margin	1.8	8.7	0.6	(4.2)	4.6	8.8	2.8
Norm margin	1.4	8.1	(0.2)	(5.2)	4.3	9.4	2.9

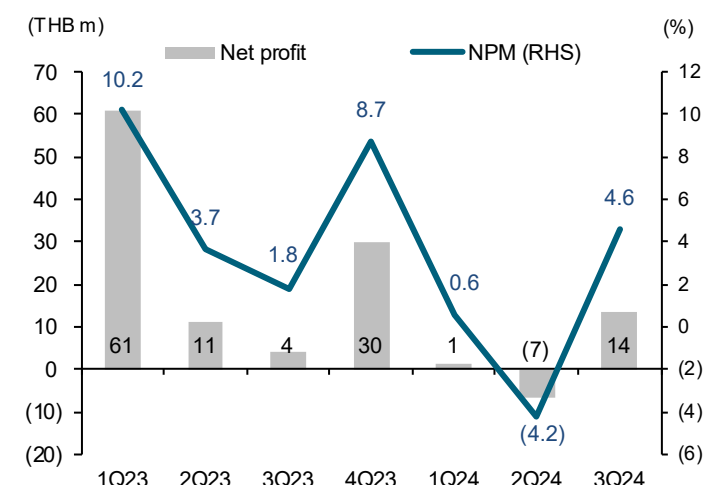
Sources: PYLON; FSSIA's compilation

Exhibit 2: Quarterly revenue and GPM



Sources: PYLON; FSSIA's compilation

Exhibit 3: Quarterly net profit and NPM



Sources: PYLON; FSSIA's compilation

Financial Statements

Pylon

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	1,147	1,483	1,005	1,115	1,200
Cost of goods sold	(935)	(1,273)	(899)	(970)	(1,044)
Gross profit	212	210	105	145	156
Other operating income	11	4	6	6	7
Operating costs	(84)	(86)	(86)	(88)	(90)
Operating EBITDA	234	215	113	152	162
Depreciation	(94)	(87)	(88)	(89)	(90)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	139	128	25	63	72
Net financing costs	(1)	(1)	(1)	(2)	(2)
Associates	-	-	-	-	-
Recurring non-operating income	0	0	0	0	0
Non-recurring items	9	4	3	0	0
Profit before tax	147	131	26	61	71
Tax	(27)	(24)	(4)	(12)	(13)
Profit after tax	120	106	22	49	57
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	120	106	22	49	57
Non-recurring items & goodwill (net)	(9)	(4)	(3)	0	0
Recurring net profit	111	102	19	49	57
Per share (THB)					
Recurring EPS *	0.15	0.14	0.02	0.07	0.08
Reported EPS	0.16	0.14	0.03	0.07	0.08
DPS	0.15	0.14	0.03	0.07	0.08
Diluted shares (used to calculate per share data)	750	750	750	750	750
Growth					
Revenue (%)	45.9	29.3	(32.2)	10.9	7.7
Operating EBITDA (%)	64.8	(7.9)	(47.6)	34.5	7.0
Operating EBIT (%)	208.8	(8.3)	(80.8)	154.6	15.5
Recurring EPS (%)	190.6	(7.9)	(81.8)	164.2	15.9
Reported EPS (%)	201.3	(11.2)	(79.4)	125.5	15.9
Operating performance					
Gross margin inc. depreciation (%)	18.5	14.2	10.5	13.0	13.0
Gross margin exc. depreciation (%)	26.7	20.0	19.3	21.0	20.5
Operating EBITDA margin (%)	20.4	14.5	11.2	13.6	13.5
Operating EBIT margin (%)	12.2	8.6	2.4	5.6	6.0
Net margin (%)	9.7	6.9	1.9	4.4	4.8
Effective tax rate (%)	18.4	18.5	16.7	19.0	19.0
Dividend payout on recurring profit (%)	101.1	102.4	116.0	99.0	99.0
Interest cover (X)	105.7	99.7	16.4	39.2	43.9
Inventory days	23.0	16.8	21.3	20.8	19.9
Debtor days	90.3	89.3	103.0	79.8	81.0
Creditor days	68.5	48.5	69.0	65.8	65.5
Operating ROIC (%)	15.4	11.3	2.2	5.8	6.5
ROIC (%)	14.2	11.0	2.1	5.7	6.4
ROE (%)	11.0	9.8	1.8	4.7	5.5
ROA (%)	9.0	8.1	1.6	4.0	4.5

* Pre exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Bored Piles	814	1,186	804	892	960
Diaphragm Wall/ Barrette Pile	0	294	198	220	236
Ground Improvement	333	3	3	3	4

Sources: Pylon; FSSIA estimates

Financial Statements

Pylon

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	111	102	19	49	57
Depreciation	94	87	88	89	90
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	(270)	(98)	91	(23)	(14)
Cash flow from operations	(65)	92	198	116	133
Capex - maintenance	-	-	-	-	-
Capex - new investment	(44)	(64)	(76)	(99)	(100)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(44)	(64)	(76)	(99)	(100)
Dividends paid	(36)	(109)	(18)	(49)	(57)
Equity finance	0	0	0	0	0
Debt finance	(27)	7	0	4	2
Other financing cash flows	-	-	-	-	-
Cash flow from financing	(64)	(102)	(18)	(45)	(55)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(172)	(74)	104	(28)	(22)
Free cash flow to firm (FCFF)	(107.51)	29.17	123.77	18.36	34.68
Free cash flow to equity (FCFE)	(136.07)	34.89	122.39	20.76	35.03

Per share (THB)

FCFF per share	(0.14)	0.04	0.17	0.02	0.05
FCFE per share	(0.18)	0.05	0.16	0.03	0.05
Recurring cash flow per share	0.27	0.25	0.14	0.18	0.20

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	1,089	1,044	1,054	1,064	1,074
Less: Accumulated depreciation	(651)	(651)	(651)	(651)	(651)
Tangible fixed assets (net)	438	392	402	412	422
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	206	132	236	208	186
A/C receivable	390	336	231	256	276
Inventories	65	44	50	50	54
Other current assets	144	345	330	340	345
Current assets	804	858	847	854	861
Other assets	37	19	20	21	22
Total assets	1,279	1,269	1,269	1,287	1,305
Common equity	1,052	1,046	1,046	1,047	1,047
Minorities etc.	0	0	0	0	0
Total shareholders' equity	1,052	1,046	1,046	1,047	1,047
Long term debt	36	42	40	43	45
Other long-term liabilities	3	3	3	3	4
Long-term liabilities	39	45	43	46	49
A/C payable	161	154	153	165	177
Short term debt	8	8	11	12	12
Other current liabilities	18	14	16	17	19
Current liabilities	187	176	180	194	209
Total liabilities and shareholders' equity	1,279	1,268	1,269	1,287	1,305
Net working capital	419	558	443	464	478
Invested capital	894	969	865	897	923

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	1.40	1.40	1.40	1.40	1.40
Tangible book value per share	1.40	1.40	1.40	1.40	1.40

Financial strength

Net debt/equity (%)	(15.3)	(7.8)	(17.6)	(14.6)	(12.3)
Net debt/total assets (%)	(12.6)	(6.4)	(14.5)	(11.8)	(9.9)
Current ratio (x)	4.3	4.9	4.7	4.4	4.1
CF interest cover (x)	(68.7)	77.9	133.6	76.1	83.0

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	13.4	14.6	79.9	30.2	26.1
Recurring P/E @ target price (x) *	16.2	17.6	96.3	36.5	31.5
Reported P/E (x)	12.5	14.0	68.2	30.2	26.1
Dividend yield (%)	7.5	7.0	1.5	3.3	3.8
Price/book (x)	1.4	1.4	1.4	1.4	1.4
Price/tangible book (x)	1.4	1.4	1.4	1.4	1.4
EV/EBITDA (x) **	5.7	6.6	11.6	8.8	8.4
EV/EBITDA @ target price (x) **	7.0	8.0	14.3	10.9	10.3
EV/invested capital (x)	1.5	1.5	1.5	1.5	1.5

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Pylon; FSSIA estimates

PYLON PCL (PYLON TB)

FSSIA ESG rating

★ ★

Exhibit 4: FSSIA ESG score implication

20 /100

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.

Source: FSSIA estimates

Exhibit 5: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings					Bloomberg		
	ESG score	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
PYLON	20.00	--	--	--	5.00	5.00	Certified	--	--	--	--	--	--	--	--
SEAFCO	14.00	--	--	--	5.00	4.00	--	--	--	--	--	--	--	--	--
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	--	--	--

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 6: ESG disclosure from the company's one report

FY ending Dec 31		FY 2022	FY ending Dec 31		FY 2022
Environmental			Governance		
Climate change policy		Yes	Board size / Independent directors (ID) / Female		9 / 4 / 0
Climate change opportunities discussed		--	No. of board meetings for the year / % attendance		6 / 96.3%
GHG scope 2 location-based policy		Yes	Company conducts board evaluations		Yes
Biodiversity policy		--	Number of non-executive directors on board		5
Energy efficiency policy		Yes	Director share ownership guidelines		No
Electricity used		--	Board age limit		No
Fuel used - crude oil/diesel		--	Age of the youngest / oldest director		48 / 81
Waste reduction policy		--	Number of executives / female		11 / 1
Water policy		Yes	Executive share ownership guidelines		No
Water consumption		--	Size of audit committee / ID		3 / 3
Social			Audit committee meetings		5
Human rights policy		Yes	Audit committee meeting attendance (%)		93.33
Policy against child labor		Yes	Size of compensation committee		3 / 2
Quality assurance and recall policy		Yes	Number of compensation committee meetings		2
Consumer data protection policy		--	Compensation committee meeting attendance (%)		100
Equal opportunity policy		Yes	Size of nomination committee / ID		3 / 2
Gender pay gap breakout		--	Number of nomination committee meetings		2
Pct women in workforce		Yes	Nomination committee meeting attendance (%)		100
Business ethics policy		Yes	Board compensation (THB m)		2.376
Anti-bribery ethics policy		Yes	Auditor fee (THB m)		0.88
Health and safety policy		Yes	(Proud in Pro Company Limited.)		
Lost time incident rate - employees		--			
Training policy		Yes			
Fair remuneration policy		Yes			
Number of employees - CSR		--			
Total hours spent by firm - employee training		--			
Social supply chain management		--			

Source: 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 Sustainability	The Sustainalytics' 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+										
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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
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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

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Pylon (PYLON TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
14-Jun-2023	HOLD	3.80	27-Nov-2023	HOLD	2.70	17-Sep-2024	HOLD	2.40

Thanyatorn Songwutti started covering this stock from 14-Jun-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Pylon	PYLON TB	THB 1.99	HOLD	Downside risks to our P/E-based TP include 1) fewer new projects than expected; 2) bidding delays for new projects; 3) political uncertainty; 4) delays in construction; 5) labour shortages; 6) higher raw material and labour costs; and 7) intense competition. Upside risks would be 1) a higher-than-expected additional backlog and new auctions; and 2) the sooner-than-expected commencement of the high-speed train project linking three airports.

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 14-Nov-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

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.