5 NOVEMBER 2025

EQUITY RESEARCH - COMPANY REPORT

STECON GROUP STECON TB

THAILAND / CONSTRUCTION SERVICES

Construction likely softer in 3Q25

- Expect 3Q25 net profit to dip 67% q-q from a high base in 2Q25, but recover from a loss in 3Q24.
- 3Q25 construction revenue likely to drop q-q (lower than expected) due to delays in some private projects.
- Near-term pressure from lower 3Q25E profit and lack of catalysts.

3Q25E net profit to drop q-q from a high base

We project a 3Q25 net profit of THB170m, down 67% q-q but turning from a loss of THB147m in 3Q24. Excluding extra items in 2Q25, core profit should edge up 5% q-q and also turn from a loss of THB147m. The earnings improvement should be supported by a reduction in loss sharing from associates, expected at THB10m (vs a loss of THB22m in 2Q25 and THB142m in 3Q24 due to the absence of losses from the Pink and Yellow Line projects following the reclassification of investments in 2Q25.

Construction revenue in 3Q25 likely lower than expected

Construction in 3Q25 might come in lower than our previous expectations of q-q and y-y growth. We expect 3Q25 revenue of THB7.5b (-14% q-q, +2% y-y). The anticipated q-q decline is mainly due to the delay in recognizing construction revenue from some private projects to 4Q25. Meanwhile, the gross margin should stand at 7.2% in 3Q25, relatively stable compared to 2Q25, but improving from 3.6% in 3Q24, which was pressured by repair expenses on the Bueng Nong Bon project. SG&A-to-revenue is expected to decrease to 3.5% in 3Q25 from 4.2% in 2Q25, but rise from 3.2% in 3Q24, mainly due to higher expenses related to initial works on the MRT Orange Line.

Expect 4Q25 earnings to recover q-q and y-y

Assuming in-line results, STECON's 9M25 net profit would account for 77% of our full-year estimate. We expect 4Q25 earnings to rise q-q and turn from a significant loss in 4Q24, supported by an acceleration in construction activities. STECON's backlog at end-3Q25E is estimated at around THB100b. The company maintains its new contract target of THB50b for 2025, with THB32b already secured in 9M25. The company expects additional new projects in 4Q25, focusing on private sector work, particularly renewable power plant and data center development projects.

Maintain BUY with a TP of THB9.5; lack of near-term catalysts

We maintain our forecast and BUY call with a TP of THB9.5. In the short term, the stock may be pressured by softer construction operations in 3Q25, while near-term catalysts remain limited as no new public project tenders are expected in 4Q25. Meanwhile, the road collapse incident near Contract 1 of the MRT Purple Line construction site, operated by the CK–STECON JV, is currently under damage assessment. The company stated that the project is covered by insurance and has preliminarily assessed that the damage should be less severe than the Bueng Nong Bon tunnel incident, which affected a 2 km section (with repair costs of around THB1b), compared to only about 50 m in this case.

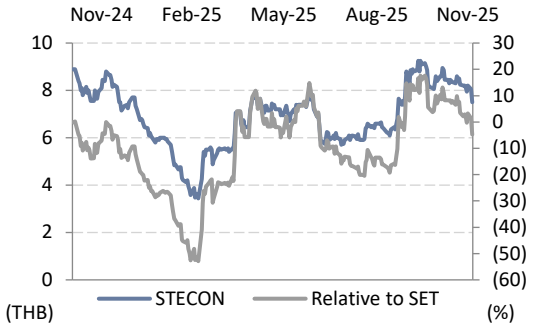
BUY

UNCHANGED

TARGET PRICE	THB9.50
CLOSE	THB7.50
UP/DOWNSIDE	+26.7%
PRIOR TP	THB9.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-0.6%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	30,005	31,616	32,583	33,217
Net profit	(2,357)	1,317	1,065	1,091
EPS (THB)	(1.55)	0.87	0.70	0.72
vs Consensus (%)	-	27.4	(2.5)	(7.8)
EBITDA	(139)	2,175	2,221	2,270
Recurring net profit	(1,268)	967	1,065	1,091
Core EPS (THB)	(0.83)	0.64	0.70	0.72
Chg. In EPS est. (%)	nm	-	-	-
EPS growth (%)	nm	nm	10.0	2.5
Core P/E (x)	(9.0)	11.8	10.7	10.4
Dividend yield (%)	-	4.6	3.7	3.8
EV/EBITDA (x)	(122.9)	7.6	7.5	7.5
Price/book (x)	0.7	0.6	0.6	0.6
Net debt/Equity (%)	29.7	24.7	24.5	25.5
ROE (%)	(7.2)	5.4	5.7	5.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(10.7)	16.3	(14.3)
Relative to country (%)	(11.1)	10.1	(3.4)

Mkt cap (USD m)	346
3m avg. daily turnover (USD m)	4.4
Free float (%)	66
Major shareholder	Charnvirakul family (24%)
12m high/low (THB)	9.50/3.38
Issued shares (m)	1,525.11

Sources: Bloomberg consensus; FSSIA estimates

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Investment thesis

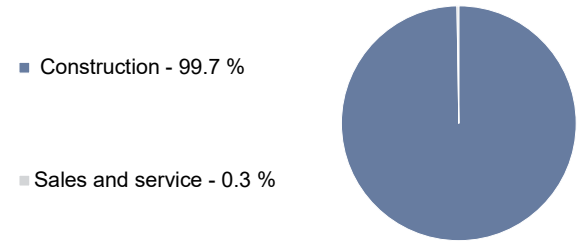
The 2024 operating performance turned into a loss, the first in six years, mainly due to allowance for doubtful accounts on the CFP and advanced repair expenses related to the Bueng Nong Bon drainage tunnel. However, management is confident because it has set aside reserves in full in 4Q24. More importantly, the performance should turn around in 2025 after repair expenses related to the drainage tunnel no longer pressure the gross margin from 1Q25 onward, and STECON received the insurance claim in 2Q25. The company will no longer book loss sharing from the Pink and Yellow Lines from 2Q25 onwards, following the change from equity accounting as associates to classification as long-term investments.

Company profile

Established in 1962, STEC operates primarily as a construction company. It has businesses from both the public and private sectors. From mid-to-large-sized projects, STEC divides its business into five categories. They include infrastructure, building, power & energy, industrial, and environment. In 2022, STEC earned 70% of its revenue from the private sector and 30% from the public sector. By category, infrastructure contributed the highest revenue share (56%), followed by power (27%).

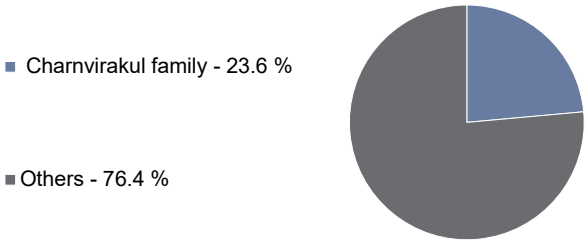
www.stecon.co.th

Principal activities (revenue, 2024)



Source: Stecon Group

Major shareholders



Source: Stecon Group

Catalysts

Key potential catalysts include 1) new auctions, particularly for public utilities and sizable private contracts, 2) investment expansion in new businesses, and 3) payment of debts from the UJV group for the CFP.

Risks to our call

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 U-Tapao Airport construction, 4) a delay in new auctions, 5) a higher-than-expected loss sharing from associates, and 6) a delay and additional repair expenses on the contract 1 of the MRT Purple Line project.

Event calendar

Date	Event
12 November 2025	3Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Revenue (THB m)	31,616	32,583	33,217
GPM (%)	7.3	7.2	7.2
SG&A to revenue (%)	3.2	3.1	3.1
Associates (THB m)	(200)	(80)	(75)

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in construction revenue, we estimate 2025 net profit to rise by 4%, and vice versa, all else being equal.
- For every 0.25% increase in construction GPM, we estimate 2025 net profit to rise by 5%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to revenue, we estimate 2025 net profit to fall by 2%, and vice versa, all else being equal

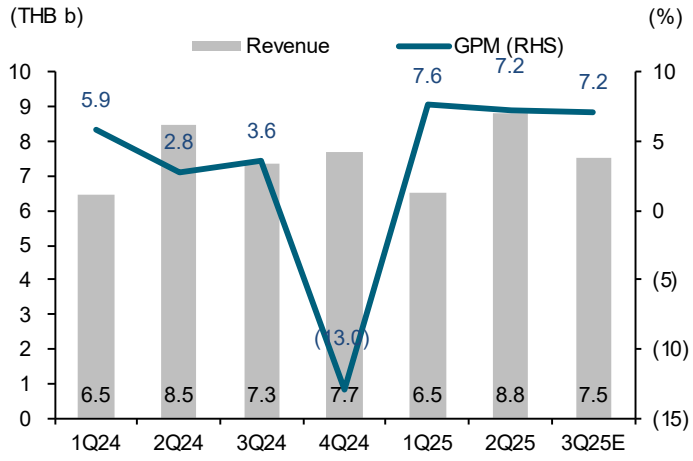
Source: FSSIA estimates

Exhibit 1: STECON – 3Q25 results preview

	3Q24 (THB m)	4Q24 (THB m)	1Q25 (THB m)	2Q25 (THB m)	3Q25E (THB m)	Change (q-q%)	Change (y-y%)
Total revenue	7,349	7,715	6,526	8,789	7,518	*(14.5)*	*2.3*
Cost of sales	7,081	8,717	6,029	8,157	6,980	*(14.4)*	*(1.4)*
Gross profit	268	(1,002)	497	632	538	*(14.9)*	*101.0*
SG&A	235	171	206	373	263	*(29.5)*	*12.1*
Operating profit	33	(1,173)	291	259	275	*6.1*	*729.4*
Other income	22	23	255	23	17	*(24.5)*	*(21.8)*
Interest expense	37	54	61	63	64	*0.2*	*70.4*
Tax expense	(19)	135	(3)	(30)	(44)	*47.5*	*n/a*
Associates	(142)	(130)	(136)	(22)	(10)	*(54.1)*	*n/a*
Reported net profit	(147)	(2,247)	342	512	170	*(66.8)*	*n/a*
Core profit	(147)	(1,158)	342	162	170	*4.7*	*n/a*
Key ratios (%)						*(ppt)*	*(ppt)*
Gross margin	3.6	(13.0)	7.6	7.2	7.2	*(0.0)*	*3.5*
SG&A / Sales	3.2	2.2	3.2	4.2	3.5	*(0.7)*	*0.3*
Operating margin	0.5	(15.2)	4.5	2.9	3.7	*0.7*	*3.2*
Net margin	(2.0)	(29.1)	5.2	5.8	2.3	*(3.6)*	*4.3*
Norm margin	(2.0)	(15.0)	5.2	1.8	2.3	*0.4*	*4.3*

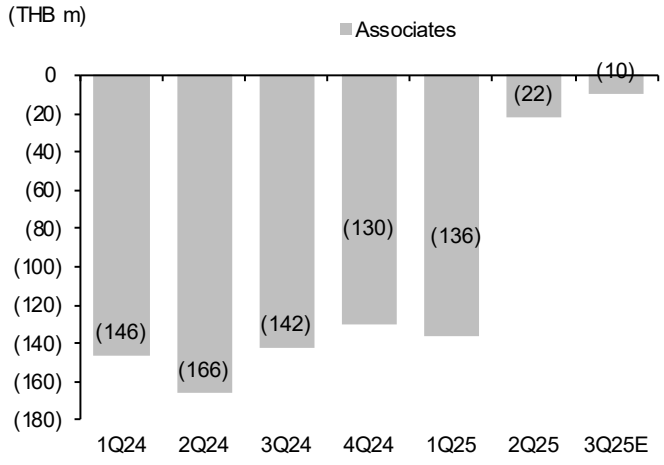
Sources: STECON; FSSIA estimates

Exhibit 2: Quarterly revenue and GPM



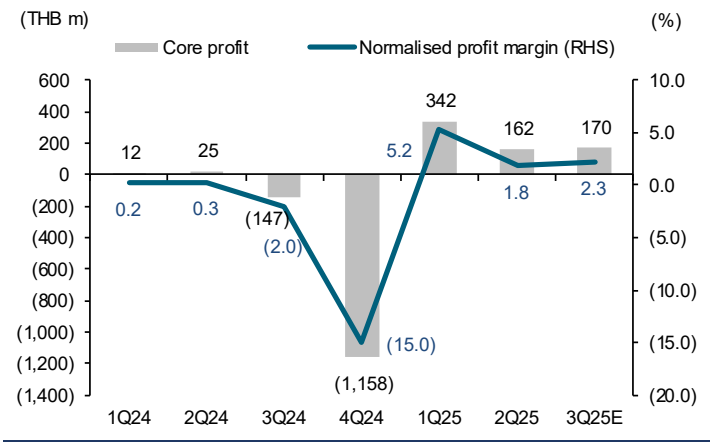
Sources: STECON; FSSIA estimates

Exhibit 3: Quarterly loss from associates



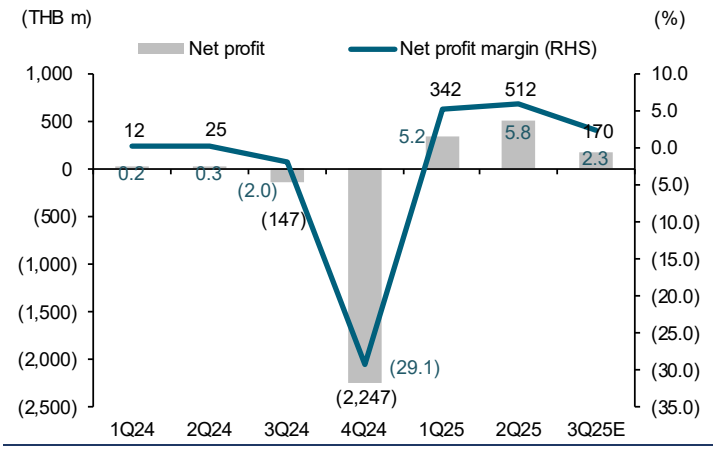
Sources: STECON; FSSIA estimates

Exhibit 4: Quarterly core profit and norm profit margin



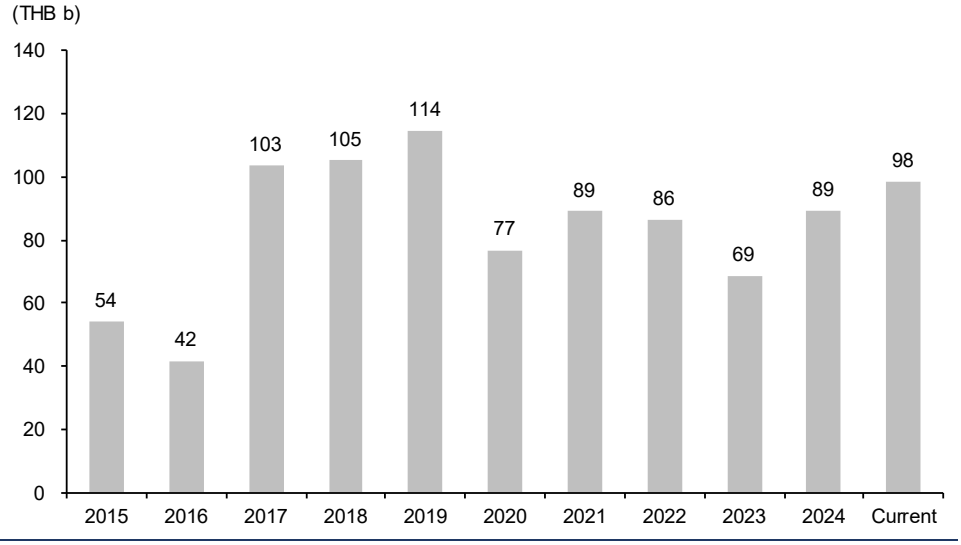
Sources: STECON; FSSIA estimates

Exhibit 5: Quarterly net profit and NPM



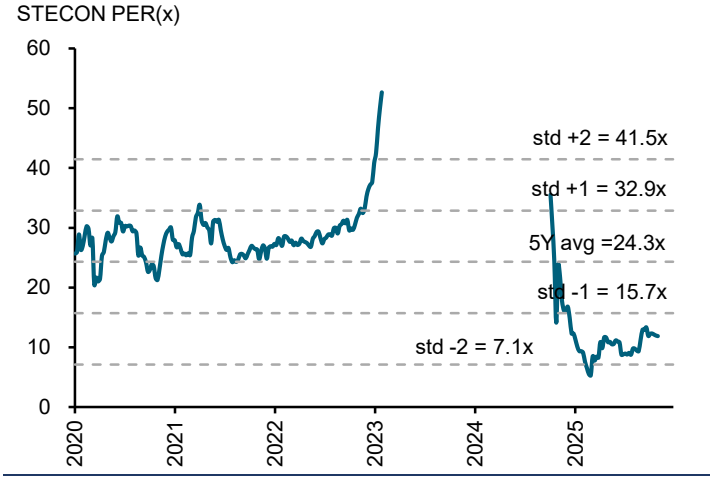
Sources: STECON; FSSIA estimates

Exhibit 6: Backlog (excluding the U-Tapao airport project worth THB27b)



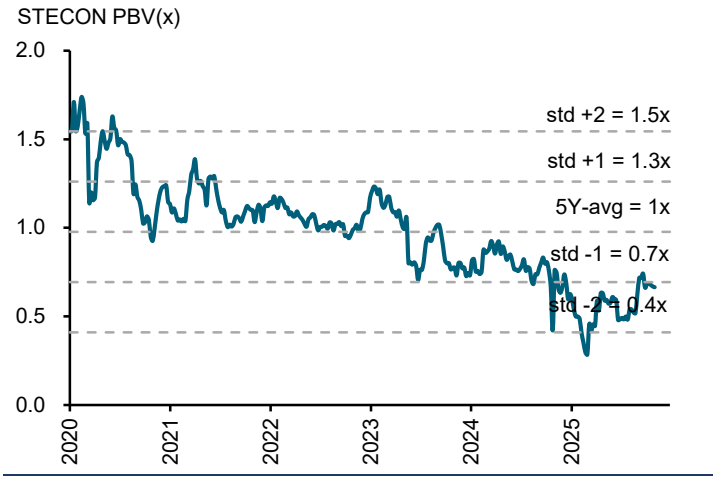
Sources: STECON; FSSIA estimates

Exhibit 7: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 8: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Stecon Group

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	29,598	30,005	31,616	32,583	33,217
Cost of goods sold	(28,299)	(30,123)	(29,298)	(30,225)	(30,811)
Gross profit	**1,299**	**(118)**	**2,318**	**2,357**	**2,405**
Other operating income	-	-	-	-	-
Operating costs	(834)	(846)	(988)	(1,002)	(1,020)
Operating EBITDA	**1,270**	**(139)**	**2,175**	**2,221**	**2,270**
Depreciation	(805)	(825)	(845)	(865)	(885)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**464**	**(964)**	**1,330**	**1,356**	**1,385**
Net financing costs	(1)	(125)	(243)	(245)	(247)
Associates	(70)	(584)	(200)	(80)	(75)
Recurring non-operating income	151	(277)	102	211	216
Non-recurring items	23	(1,089)	350	0	0
Profit before tax	**637**	**(2,456)**	**1,539**	**1,323**	**1,355**
Tax	(102)	68	(202)	(238)	(244)
Profit after tax	**536**	**(2,388)**	**1,337**	**1,085**	**1,111**
Minority interests	(10)	31	(20)	(20)	(20)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	**526**	**(2,357)**	**1,317**	**1,065**	**1,091**
Non-recurring items & goodwill (net)	**(23)**	**1,089**	**(350)**	**0**	**0**
Recurring net profit	**502**	**(1,268)**	**967**	**1,065**	**1,091**
Per share (THB)					
Recurring EPS *	0.33	(0.83)	0.64	0.70	0.72
Reported EPS	0.34	(1.55)	0.87	0.70	0.72
DPS	0.15	0.00	0.35	0.28	0.29
Diluted shares (used to calculate per share data)	1,525	1,519	1,519	1,519	1,519
Growth					
Revenue (%)	(2.4)	1.4	5.4	3.1	1.9
Operating EBITDA (%)	(29.2)	nm	nm	2.1	2.2
Operating EBIT (%)	(38.4)	nm	nm	2.0	2.1
Recurring EPS (%)	(38.8)	nm	nm	10.0	2.5
Reported EPS (%)	(38.7)	nm	nm	(19.2)	2.5
Operating performance					
Gross margin inc. depreciation (%)	4.4	(0.4)	7.3	7.2	7.2
Gross margin exc. depreciation (%)	7.1	2.4	10.0	9.9	9.9
Operating EBITDA margin (%)	4.3	(0.5)	6.9	6.8	6.8
Operating EBIT margin (%)	1.6	(3.2)	4.2	4.2	4.2
Net margin (%)	1.7	(4.2)	3.1	3.3	3.3
Effective tax rate (%)	16.0	2.8	13.1	18.0	18.0
Dividend payout on recurring profit (%)	45.5	-	54.5	40.0	40.0
Interest cover (X)	566.9	(9.9)	5.9	6.4	6.5
Inventory days	7.4	10.9	11.4	9.2	9.2
Debtor days	124.3	133.5	136.1	136.6	137.4
Creditor days	319.5	267.0	284.7	287.3	288.9
Operating ROIC (%)	(9.8)	229.3	(377.0)	(198.1)	(134.3)
ROIC (%)	2.6	(4.2)	4.4	4.7	4.6
ROE (%)	2.7	(7.2)	5.4	5.7	5.7
ROA (%)	1.0	(2.4)	2.2	2.3	2.3

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Construction	29,527	29,930	31,359	32,307	32,919
Sales and service	71	75	257	276	298

Sources: Stecon Group; FSSIA estimates

Financial Statements

Stecon Group

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	502	(1,268)	967	1,065	1,091
Depreciation	805	825	845	865	885
Associates & minorities	-	-	-	-	-
Other non-cash items	23	(1,089)	350	0	0
Change in working capital	(2,001)	2,340	555	492	400
Cash flow from operations	**(670)**	**808**	**2,717**	**2,422**	**2,376**
Capex - maintenance	-	-	-	-	-
Capex - new investment	(574)	(1,349)	(1,107)	(975)	(913)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	1,585	(4,098)	(308)	(1,311)	(1,367)
Cash flow from investing	**1,011**	**(5,447)**	**(1,415)**	**(2,286)**	**(2,280)**
Dividends paid	(210)	0	(527)	(426)	(436)
Equity finance	0	(14)	0	0	0
Debt finance	(111)	345	21	9	9
Other financing cash flows	(2,770)	2,636	(43)	270	80
Cash flow from financing	**(3,091)**	**2,966**	**(548)**	**(147)**	**(347)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**(2,751)**	**(1,672)**	**753**	**(11)**	**(251)**
Free cash flow to firm (FCFF)	383.73	(4,480.49)	1,579.49	417.63	381.31
Free cash flow to equity (FCFE)	(2,540.29)	(1,658.03)	1,280.32	415.20	**185.79**
Per share (THB)					
FCFF per share	0.25	(2.94)	1.04	0.27	0.25
FCFE per share	(1.67)	(1.09)	0.84	0.27	0.12
Recurring cash flow per share	0.87	(1.01)	1.42	1.27	1.30

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	10,174	10,683	11,217	11,778	12,366
Less: Accumulated depreciation	(5,467)	(5,452)	(5,725)	(6,176)	(6,736)
Tangible fixed assets (net)	**4,707**	**5,231**	**5,492**	**5,602**	**5,630**
Intangible fixed assets (net)	**0**	**0**	**0**	**0**	**0**
Long-term financial assets	0	2	0	0	0
Invest. in associates & subsidiaries	21,342	24,512	25,738	27,025	28,376
Cash & equivalents	4,242	2,570	3,323	3,313	3,062
A/C receivable	10,386	11,559	12,014	12,382	12,622
Inventories	698	1,054	727	749	764
Other current assets	5,309	4,899	5,533	5,588	5,644
Current assets	**20,636**	**20,082**	**21,598**	**22,032**	**22,093**
Other assets	764	1,690	775	798	814
Total assets	**47,449**	**51,516**	**53,602**	**55,457**	**56,913**
Common equity	17,701	17,411	18,201	18,840	19,495
Minorities etc.	371	432	452	472	492
Total shareholders' equity	**18,072**	**17,843**	**18,653**	**19,312**	**19,987**
Long term debt	265	610	631	640	649
Other long-term liabilities	2,415	2,908	2,845	3,095	3,156
Long-term liabilities	**2,680**	**3,518**	**3,476**	**3,735**	**3,805**
A/C payable	21,244	21,619	22,764	23,460	23,916
Short term debt	5,082	7,255	7,300	7,400	7,500
Other current liabilities	373	1,281	1,409	1,550	1,705
Current liabilities	**26,698**	**30,156**	**31,473**	**32,410**	**33,121**
Total liabilities and shareholders' equity	**47,449**	**51,516**	**53,602**	**55,457**	**56,913**
Net working capital	(5,222)	(5,389)	(5,899)	(6,291)	(6,591)
Invested capital	21,591	26,046	26,106	27,134	28,229
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	11.61	11.46	11.98	12.40	12.83
Tangible book value per share	11.61	11.46	11.98	12.40	12.83
Financial strength					
Net debt/equity (%)	6.1	29.7	24.7	24.5	25.5
Net debt/total assets (%)	2.3	10.3	8.6	8.5	8.9
Current ratio (x)	0.8	0.7	0.7	0.7	0.7
CF interest cover (x)	(1,811.6)	(1.5)	10.8	6.7	5.5

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	**22.8**	**(9.0)**	**11.8**	**10.7**	**10.4**
Recurring P/E @ target price (x) *	**28.8**	**(11.4)**	**14.9**	**13.6**	**13.2**
Reported P/E (x)	21.8	(4.8)	8.7	10.7	10.4
Dividend yield (%)	2.0	-	4.6	3.7	3.8
Price/book (x)	0.6	0.7	0.6	0.6	0.6
Price/tangible book (x)	0.6	0.7	0.6	0.6	0.6
EV/EBITDA (x) **	10.2	(122.9)	7.6	7.5	7.5
EV/EBITDA @ target price (x) **	12.6	(144.7)	9.0	8.8	8.8
EV/invested capital (x)	0.6	0.7	0.6	0.6	0.6

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

Sources: Stecon Group; FSSIA estimates

Stecon Group (STECON TB)

FSSIA ESG rating

n/a

Exhibit 9: 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 10: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings						Bloomberg	
	ESG score	DJSI	SET ESG	SET ESG Rating	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	48.13	--	Y	AA	5.00	4.00	--	High	50.90	B	--	49.71	28.00	2.82	57.10
PYLON	18.00	--	--	--	4.00	4.00	Certified	--	--	--	--	--	--	--	--
SEAFCO	14.00	--	--	--	5.00	4.00	--	--	--	--	--	--	--	--	--
STECON	31.89	--	Y	AA	5.00	4.00	--	--	--	--	--	--	27.00	3.01	53.19

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 11: ESG score by Bloomberg

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	**1.44**	**1.46**	**1.40**	**1.40**	**1.45**	**1.72**	**1.73**	**3.01**
BESG environmental pillar score	0.00	0.00	0.00	0.00	0.00	0.40	0.40	1.32
BESG social pillar score	2.10	2.10	2.10	2.10	2.10	2.18	2.22	4.85
BESG governance pillar score	4.00	4.10	3.76	3.75	4.07	4.06	4.02	4.05
ESG disclosure score	**31.84**	**31.84**	**31.84**	**33.23**	**34.92**	**45.38**	**46.50**	**53.19**
Environmental disclosure score	0.00	0.00	0.00	0.00	0.00	10.45	16.43	32.74
Social disclosure score	14.24	14.24	14.24	18.41	20.98	33.16	30.56	32.38
Governance disclosure score	81.10	81.10	81.10	81.10	83.59	92.35	92.35	92.35
Environmental								
Emissions reduction initiatives	No	No	No	No	No	No	No	Yes
Climate change policy	No	No	No	No	No	No	No	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	Yes	Yes	Yes
GHG scope 1	—	—	—	—	—	—	0	1
GHG scope 2 location-based	—	—	—	—	—	—	0	0
GHG Scope 3	—	—	—	—	—	—	0	0
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No	Yes
Energy efficiency policy	No	No	No	No	No	No	No	Yes
Total energy consumption	—	—	—	—	—	0	3	3
Renewable energy use	—	—	—	—	—	—	—	—
Electricity used	—	—	—	—	—	0	1	1
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 12: ESG score by Bloomberg *(cont.)*

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	No	No	No	No	No	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	—
Total waste	—	—	—	—	—	0	0	0
Waste recycled	—	—	—	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—	—	—	—
Environmental supply chain management	No	No	No	No	No	No	No	Yes
Water policy	No	No	No	No	No	Yes	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	Yes
Quality assurance and recall policy	No	No	No	No	No	Yes	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	27
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	—	—	—	—	—	0	0	0
Total recordable incident rate - employees	—	—	—	—	—	0	0	0
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	1,231	1,377	1,513	1,652	1,754	1,720	1,669	1,593
Employee turnover pct	—	—	—	—	7	10	13	10
Total hours spent by firm - employee training	31,138	41,280	49,015	54,589	7,708	11,593	15,772	15,930
Social supply chain management	No	No	No	No	No	No	No	Yes
Governance								
Board size	**12**	**12**	**12**	**11**	**11**	**11**	**11**	**12**
No. of independent directors (ID)	**7**	**7**	**7**	**6**	**7**	**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	5	7	5	10	8	7	4	4
Board meeting attendance pct	100	98	98	89	100	99	100	96
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	40	41	42	43	44	45	51	52
Age of the oldest director	72	73	75	76	77	77	78	79
No. of executives / company managers	**20**	**21**	**20**	**17**	**20**	**20**	**20**	**21**
No. of female executives	4	5	5	4	5	5	5	6
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	6	7	5	8	8	11	5	8
Audit meeting attendance %	100	100	100	97	100	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	2	3	2	2	3	3	3	4
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	2	3	2	2	3	3	3	4
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.
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 **SETESG 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. **SETESG Index** is extended from the SET ESG Ratings 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%). (*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.)*	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. *(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.)*	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 Sustainalytics	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. *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.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. NEGL: 0-10 / Low: 10-20 / Medium: 20-30 / High: 30-40 / Severe: 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. AAA 8.571-10.000 / AA 7.143-8.570 / A 5.714-7.142 / BBB 4.286-5.713 / BB 2.857-4.285 / B 1.429-2.856 / CCC 0.000-1.428 **Leader:** leading its industry in managing the most significant ESG risks and opportunities **Average:** a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers **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. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
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) ""**SETESG**" The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

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History of change in investment rating and/or target price

Stecon Group (STECON TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Jan-2024	HOLD	10.00	07-Aug-2024	REDUCE	8.00	26-May-2025	BUY	9.50
07-May-2024	REDUCE	9.60	06-Mar-2025	BUY	8.00			

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
Stecon Group	STECON TB	THB 7.50	BUY	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 U-Tapao Airport construction, 4) a delay in new auctions, 5) a higher-than-expected loss sharing from associates, and 6) a delay and additional repair expenses on the contract 1 of the MRT Purple Line project.

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 04-Nov-2025 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.