

Company Update

Friday, August 22, 2025



I V Global Securities Public Company Limited

Stecon Group (STECON)

Rating: BUY

Fair price: Bt8.75

Close price: Bt6.10

Company Information

Ticker:	STECON TB
Sector:	Construction
Shares outstanding (m):	1,519.08
Market capitalization (Btm):	9,266.39
Trading vol/day (Btm):	48.90
Free float (%):	55.30
Beta:	1.40

Major Shareholders

CT Venture Co	19.33%
UBS AG Singapore Branch	10.59%
P P Global Wealth Co	5.08%
Thai NVDR	2.89%

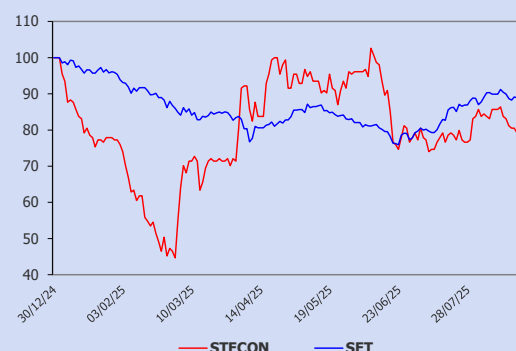
Consensus Bloomberg

2025F EPS (Bt):	0.65
Target price (Bt):	9.40

Price Performance

52 Wk high/low: 9.70 / 3.38

	1M	3M	1Y	YTD
Absolute (%)	0.8	-12.9	-29.1	-20.8
Relative (%)	-2.2	-18.4	-22.1	-9.7



Rating	CGR	Thai CAC	SET ESG
STEC		n/a	AA

Analyst

Rattana Leenutaphong
rattana@ivglobal.co.th
Tel: 662-658-5787

Earnings diversification takes time

- At the analyst meeting, management highlighted its confidence in generating Bt32bn of construction revenue this year (with 1H25 achieving 47% of its full-year target). Under a new holding structure, STECON disclosed that the company will likely sign two data center projects as the contractor and investor for certain projects by 4Q25, with the first project's construction expected to be completed by 2Q26, and the second at a later date. In addition, the company has invested in two tech start-ups: Alice Technologies (a construction technology company) and Asperitas (a specialist in data center cooling solutions). However, the majority of earnings will still come from traditional construction activities. These new business opportunities may allow it to seek recurring income to compensate for the slow growth in construction profitability.
- Management's current backlog reached Bt126.89bn at end-2Q25, including U-Tapao airport worth Bt27bn. The company already secured Bt26bn in 1H25, from a full-year target of Bt50bn. Construction revenue this year will largely be secured by double-track railways, seven solar power plants, data center projects, Pink & Yellow line-related work, the Purple Line, Orange Line, and motorway projects.
- Normalized gross profit margin in 1H25 of 7.4% implies a full-year target of 7%, which is likely achievable. The operating loss related to a 20% owned associate, U-Tapao International Aviation Co is about Bt20-30m per quarter. Pending discussions about the new terms of the project after a five-year delay, if the project can't continue, the operator will request compensation for the investment loss.
- The unusually high SG&A expenses during 2Q25 are related to one-time staff compensation. Therefore, SG&A expenses should fall back to a normal level of about 3% of revenues in 2H25F.
- The earnings performance in 2H25F will likely improve YoY, although it may not be as high as 1H25 earnings.
- Maintain BUY.** We have decided to raise our earnings estimates by 85%/27%/15% over 2025-27F, respectively, by removing the equity loss from the Pink and Yellow line mass-transit projects. We prefer to maintain our BUY rating with a price target of Bt8.75, based on an adjusted 2025F P/BV of 1.0x. The downside risk to our earnings projections depends on any delays to construction work because of unexpected adverse weather conditions or higher-than-expected labour cost increases.

Investment summary

FY Dec 31	2022	2023	2024	2025F	2026F	2027F
Revenues (Bum)	30,265	29,527	29,930	31,595	32,095	32,595
Change (%)	9.6	(2.4)	1.4	5.6	1.6	1.6
Net profit (Btm)	857	526	(2,357)	1,253	1,021	1,049
Change (%)	20.6	(38.7)	(548.5)	(153.1)	(18.5)	2.8
EPS (Bt)	0.56	0.35	(1.55)	0.82	0.67	0.69
Change (%)	20.6	(38.5)	(548.5)	(153.1)	(18.5)	2.8
P/E (x)	10.9	17.6	(3.9)	7.4	9.1	8.8
EV/EBITDA (x)	0.9	6.2	138.0	5.7	5.9	5.5
DPS (Bt)	0.30	0.15	0.00	0.29	0.27	0.28
Yield (%)	4.9	2.5	0.0	4.7	4.4	4.5
BVPS (Bt)	12.85	11.61	11.46	10.14	10.53	10.95
P/BV (x)	0.5	0.5	0.5	0.6	0.6	0.6
ROE (%)	4.7	2.8	(13.5)	7.6	6.5	6.4
ROA (%)	2.3	1.5	(6.4)	3.5	2.9	2.9
Net DE ratio (%)	Net cash	Net cash	24.7	32.7	26.1	20.3

Source: Company and IVG estimates

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Results

(Btm)	2Q25	2Q24	% YoY	1Q25	%QoQ	1H25	1H24	% YoY
Revenue	8,719	8,438	3.3	6,463	34.9	15,182	14,904	1.9
Gross profit	1,032	236	337.7	497	107.7	1,530	616	148.4
SG&A	373	243	53.6	206	80.8	580	441	31.4
EBIT	659	(7)	(9,205.1)	291	126.8	950	175	443.9
Equity profit	(22)	(166)	(86.9)	(136)	(84.0)	(158)	(312)	(49.4)
Other income	13	227	(94.2)	251	(94.7)	264	279	(5.2)
Interest expense	63	32	97.1	61	3.3	125	67	85.7
Profit before tax	626	35	1,686.9	348	79.8	975	91	969.3
Net profit	512	24	2,008.8	342	49.9	854	36	2,285.7
EPS (Bt)	0.34	0.02	2,008.8	0.22	49.9	0.56	0.02	2,285.7

Source: Company and IVG estimates

Financial ratios

(%)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Revenue growth YoY	0.7	16.8	(7.2)	(3.6)	(0.0)	3.3
Revenue growth QoQ	(17.7)	30.4	(13.5)	6.2	(16.5)	34.9
Gross margin	5.9	2.8	3.6	(12.4)	7.6	11.7
SG&A as % of sales	3.1	2.9	3.7	1.7	3.2	4.2
EBIT margin	2.8	(0.1)	(0.1)	(14.2)	4.5	7.5
Other income as % of revenue	0.9	2.9	0.8	(0.3)	3.9	0.2
Net margin	0.2	0.3	(2.0)	(29.1)	5.3	5.9

Source: Company and IVG estimates

Track record

(Btm)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Revenue	6,466	8,429	7,291	7,743	6,463	8,719
Gross profit	380	236	266	(964)	497	1,032
SG&A	198	242	272	134	206	373
EBIT	182	(6)	(5)	(1,098)	291	659
Equity profit	(146)	(166)	(142)	(130)	(136)	(22)
Other income	51	227	55	(26)	251	13
Interest expense	35	32	32	59	61	63
Profit before tax	56	36	(124)	(2,424)	348	626
Net profit	12	25	(143)	(2,251)	342	512
EPS (Bt)	0.01	0.02	(0.09)	(1.48)	0.22	0.34

Source: Company and IVG estimates

Track record

(Btm)	2021	2022	2023	2024
Revenue	27,613	30,265	29,527	29,930
Gross profit	1,275	1,534	1,299	(118)
SG&A	675	779	834	846
EBIT	600	754	464	(964)
Equity profit	40	34	(70)	(584)
Other income	212	210	220	307
Interest expense	33	20	43	158
Profit before tax	1,002	1,054	637	(2,456)
Net profit	711	857	526	(2,357)
EPS (Bt)	0.47	0.56	0.35	(1.55)

Source: Company and IVG estimates

Financial ratios

(%)	2021	2022	2023	2024
Revenue growth YoY	(22.8)	9.6	(2.4)	1.4
Revenue growth QoQ	0.0	0.0	0.0	0.0
Gross margin	4.6	5.1	4.4	(0.39)
SG&A as % of sales	2.4	2.6	2.8	2.8
EBIT margin	2.2	2.5	1.6	(3.2)
Other income as % of revenue	0.9	0.8	0.9	0.9
Net margin	2.6	2.8	1.8	(7.9)
Net cash	6,531	7,597	34	(4,308)

Source: Company and IVG estimates

STECON

E: Environmental

STEC has realized the significance of business responsibility towards society, the economy, the environment, and good governance to achieve its goals for sustainable business growth. STEC is conscious of and has a commitment to various aspects of environmental management and climate change. The company aims to contribute to the country's goal of reducing greenhouse gas emissions by 20% compared to business as usual and move towards achieving carbon neutrality by the year 2050.

S: Social

STEC operates its business with social responsibility. It has work standards to minimize the potential impacts on society and its business stakeholders, including employees, partners, customers, and communities near construction sites. In addition, the company places importance on helping society in various areas such as education, relief for disaster victims, etc.

Governance

STEC realizes the significance of Good Corporate Governance and has established a Good Corporate Governance Policy to address concerns over shareholders' rights, equitable treatment of shareholders, the role of stakeholders, disclosure and transparency, and the board of directors' responsibilities. Moreover, STEC provides a code of conduct for directors, management, and employees to ensure that the management system is efficient, transparent, and verifiable and helps to build confidence among shareholders, stakeholders, and all related parties. STEC has adhered to the Good Corporate Governance policy and Code of Conduct as the main policies of the company.

Comment

STEC has been awarded a SET ESG rating of A, indicating a strong commitment to Environmental, Social, and Governance (ESG) practices and clear long-term objectives in this regard. Furthermore, the company demonstrates an ability to execute its short-term goals effectively.

Source: Company and IVG estimates

I V Global Investment Research – Recommendation Definitions

Sector Recommendations

OVERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index by at least 10% over the next 12 months.

NEUTRAL: The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

UNDERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index by 10% over the next 12 months.

Stock Recommendations

BUY: Expecting positive total returns of 15% or more over the next 12 months.




HOLD: Expecting total returns of not more than -10% to +10% over the next 3 months.

SELL: Expecting negative total returns of 15% or more over the next 12 months

Anti-corruption Progress Indicator Definitions

Level 5 Extended	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
Level 4 Certified	Audit engagement by audit committee or auditors approved by the office of SEC, and receiving certification or assurance by independent external assurance providers (CAC etc.)
Level 3 Established	Carrying out preventive measures, risk assessment, communication and training for all employees, including consistent monitoring and review processes. (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)
Level 2 Declared	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
Level 1 Committed	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
Partially progress	Insufficient or not clearly defined policy
No progress	Data not available / no policy

Corporate Governance Report (CGR)

	Excellent
	Very good
	Good

Disclaimers

The disclosure of the survey result of corporate governance, which is surveyed by the Thai Institute of Directors Association ("IOD"), and the Anti-Corruption Progress Indicators, which is assessed by Thaipat Institute, are the disclosure of the survey or assessment result based on the information received from the listed company that was stipulated in the form for Annual Corporate Governance Report of Thai Listed Companies (CGR) and the form for the assessment of Anti-corruption that refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) or other relevant documents or reports of such listed company (as the case may be). The survey or assessment result is based on the information of the listed company, which is disclosed to the public and can be accessed by all investors and is made in order to comply with the policy of the Office of the Stock Exchange of Thailand.

Nevertheless, the survey or assessment result is made from the perspective of the IOD or Thaipat Institute that are the third party only. It is not an assessment of operation of the listed company and is not based on any inside information."

Since this survey or assessment result is only the survey or assessment result as of the date appearing in the survey or assessment result only, it may be changed after that date or when there is any change to the relevant information. Nevertheless, I V Global Securities Plc. (IVG) does not confirm, verify, or certify the accuracy and completeness of the survey or assessment result.



IVGlobal Securities Public Company Limited

18th Floor, Mercury Tower, 540 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Telephone: +66 (0) 2658-5800 Fax: +66 (0) 2658-5799