

Stecon Group Pcl. (STECON TB) - BUY**Analyst Meeting**

Saksid Phadthanarak | Email: saksid.pha@ttbwealth.co.th

Positive tone from the analyst meeting

- **STECON maintains its Bt35bn revenue target and...**
- **...gross margin above 7% this year.**
- **It also targets Bt50bn in new orders this year from...**
- **...infrastructure, data center, and power plant projects.**

We joined STECON's analyst meeting last Friday and the key takeaways are as follows.

- STECON maintained its FY26 revenue target of Bt35bn, with 1Q26 revenue already achieving 21% of the full-year goal. Revenue recognition is expected to accelerate from 2Q26 onward.
- Gross margin should stay above 7% (vs 7.8% in 1Q26), with higher material costs manageable via the K factor and stockpiling.
- SG&A-to-sales ratio should decline from 2Q26 onward, supported by economies of scale from higher revenue.
- It still targets Bt50bn new orders this year, supported by:
 - Bt243bn infra. projects expected to open for bidding this year
 - Bt34bn five buildings projects
 - Bt23bn three data center projects
 - Bt12bn power plants
 - Bt5bn industrial plants
- Bt16bn O&M work for the M82 motorway is now under the bidding process while STECON expect construction for the U-Tapao airport to start this year.
- We reiterate our BUY call on STECON as a key beneficiary of Thailand's new construction cycle, with strong exposure to infrastructure, data centers, and renewable energy themes. Its valuation is also attractive in our view.

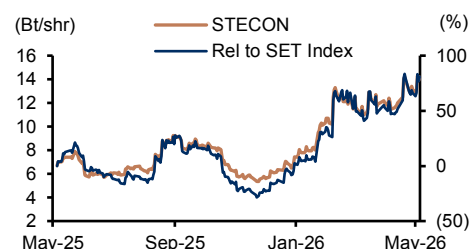
Key Valuations

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	33,473	35,413	37,811	40,424
Net profit	1,948	1,645	1,287	1,502
Norm net profit	921	1,445	1,287	1,502
Norm EPS (Bt)	0.6	1.0	0.8	1.0
Norm EPS gr (%)	na	57.0	(10.9)	16.7
Norm PE (x)	23.4	14.9	16.8	14.4
EV/EBITDA (x)	12.4	11.4	10.3	9.1
P/BV (x)	1.3	1.2	1.2	1.1
Div. yield (%)	3.9	3.1	2.7	3.5
ROE (%)	5.4	8.5	7.2	8.1
Net D/E (%)	24.5	20.7	18.7	15.0

Source: ttb wealth estimates

Stock Data

Closing price (Bt)	14.20
Target price (Bt)	16.00
Market cap (US\$ m)	661
Avg daily turnover (US\$ m)	8.5
12M H/L price (Bt)	14.30/5.35

Price Performance

Source: Bloomberg

Ex 1: Private Projects

Project	Contract Value (Bt m)	Status
Building 5 projects	34,000	Expected to open for bidding in 2026-2027
Data Center 3 projects	22,500	Expected to open for bidding in 2026
Power plant	12,000	Expected to open for bidding in 2026
Industrial plant	5,000	Expected to open for bidding in 2026

Source: Company data

Ex 2: Cabinet-Approved Projects

Type	Project	Owner	Contract value (Bt m)	Status
Motorway	- Motorway M9 Bang Khun Thian-Bang Bua Thong (M9)	DOH	56,035	- Under Preparing RFP, Expected to open for bidding in 4Q26
	- Motorway M5 Utraphimuk Elevated, Rangsit-Bang Pa-In (M5)	DOH	31,358	- Under Preparing RFP, Expected to open for bidding in 3Q26
	- O&M for Motorway M82 Bang Khun Thian - Ban Phaeo (O&M M82)	DOH	15,724	- Under Bid Evaluation
Expressway	- Kratuu-Patong Expressway	EXAT	16,759	- Under preparing for TOR, Expected to open for bidding in 2026
High Speed Rail	- Thai-Chinese high-speed railway Phase 2 (Nakhon Ratchasima-Nong Khai) Contract 1-3	SRT	98,060	- Expected to open for bidding in 2026
Rest Area	- The rest areas on the Bang Pa-In-Nakhon Ratchasima Motorway (M6)	DOH	9,500	- RFP has been issued
	- The rest areas on the Bang Yai-Kanchanaburi Motorway (M81)	DOH	6,103	- RFP has been issued
Sewerage Tunnel	- Bueng Nong Bon Tunnel Expansion	BMA	9,800	- Expected to open for bidding in 2026

Source: Company data

General Disclaimers And Disclosures:

This report is prepared and issued by ttb wealth securities public company limited (ttb wealth) which is owned 99.97% by TMBThanachart Bank Public Company Limited (TTB) as a resource only for clients of ttb wealth, TMBThanachart Bank Public Company Limited (TTB) and its group companies. Copyright © ttb wealth securities public company limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of ttb wealth. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which ttb wealth or TTB or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither ttb wealth, TTB nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, ttb wealth, TTB and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

ttbwealth, TTB and its group companies perform and seek to perform business with companies covered in this report. ttb wealth, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. ttb wealth, TTB or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: ttb wealth securities public company limited (ttb wealth) acts as an underwriter of “Debentures of MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED No. 3/2026 (B.E. 2569), therefore investors need to be aware that there could be conflicts of interest in this research.

Note: ttb wealth securities public company limited (ttb wealth) acts as an underwriter of “Debentures of IRPC PUBLIC COMPANY LIMITED No. 1/2026 (B.E. 2569), therefore investors need to be aware that there could be conflicts of interest in this research.

Disclosure of Interest of ttb wealth securities public company limited

Investment Banking Relationship

Within the preceding 12 months, ttbwealth has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: -