



Syntech Construction
SYNTEC

SELL
Bt1.37

Balance Sheet	2003	4Q04	+-%
Cash	170.45	81.99	-51.90%
Current Assets	1,555.94	2,323.18	49.31%
Total Assets	2,745.39	3,207.33	16.83%
Current Liabilities	939.85	1,363.43	45.07%
LT-Debt	249.93	394.91	58.01%
Total Liabilities	1,328.41	1,842.97	38.74%
Paid-up Capital	1,600.00	1,600.00	0.00%
Retained Earnings	-177.25	-288.72	-62.89%
Total Equities	1,416.99	1,364.35	-3.71%
Book Value	4.43	4.26	
Current Ratio	1.66	1.70	
D/E R	0.94	1.35	
Net D/E	0.82	1.29	
Debt Ratio	48.39%	57.46%	

Income Statement	3Q04	4Q04	QoQ%
Construction Sales	1,005.53	810.97	-19.35%
Cost of Sales	984.81	897.52	-8.86%
SG&A Expenses	41.21	35.40	-14.11%
Directors' Remuneration	0.00	0.00	0.00%
EBITDA	-7.09	-107.85	-1421.16%
EBIT	-14.00	-114.55	-718.21%
Other Operating Income	6.49	7.40	14.02%
Interest Expenses	5.18	3.97	-23.36%
Operating Profit	-19.18	-118.52	-517.94%
Extraordinary Gain (Loss)	-5.51	-3.93	28.68%
Net Profit	-26.57	-124.92	-370.15%
EPS	-0.02	-0.08	-300.00%
Pre-Extra Profit	-21.06	-121.00	-474.55%
Pre-Extra Profit Per Share	-0.01	-0.08	-700.00%

Financial Ratios	3Q04	4Q04
Gross Margin	2.06%	-10.67%
EBITDA Margin	-0.71%	-13.30%
EBIT Margin	-1.39%	-14.13%
Pre-Extra Profit Margin	-2.09%	-14.92%
Net Margin	-2.64%	-15.40%

Negative margin in 4Q04 caused loss in 2004.

- Very disappointed 4Q04.
- Negative margin signaled very low margin in backlog. Negative view in operation 2005 is seen. Based on expected EPS 05 at Bt0.05, SYNTEC's P/E-2005 is demanding at 27x, much higher than average P/E. SELL maintained.

Disappointed 4Q04 results

Loss continued from Bt26Mn in 3Q04 to Bt124Mn in 4Q04 as a result of collapsed margin in 4Q04 from 3Q04. 4Q04 results were off to our expectation. Overall performance turned loss of Bt134Mn.

Small chance to see better margin in 2005

Given backlog as of Dec 03 of Bt5,411Mn and awarded projects in 2004 of Bt3,672Mn, sales realized in 2004 of Bt3,487Mn was predominantly from backlog as of Dec 03. Low gross margin in 2004 implies low margin in SYNTEC's backlog. Our projection in 2005 would display low margin again despite sales realized is set to rise to Bt4,846Mn from Bt3,487Mn. We then see EPS 2005 at Bt0.05.

Share Valuation

Negative margin signaled very low margin in backlog. Negative view in operation 2005 is seen. Based on expected EPS 05 at Bt0.05, SYNTEC's P/E-2005 is demanding at 27x, much higher than average P/E. SELL maintained.