

BUY (Unchanged)
Change in Numbers

TP: Bt 26.00
Upside : 20.9%

(From: Bt 29.00)
2 AUGUST 2023

Small Cap Research

Ch. Karnchang Pcl (CK TB)

Factoring in minimum wage hikes

Factoring in 10% p.a. minimum wage hikes in 2024-25F, we cut our earnings for CK and TP to Bt26. But we see our view of secured earnings growth with a 20% CAGR in 2023-26F due to record-high backlog and rising equity income as intact. With the shares trading at a 42% discount to its associates' market value, we reaffirm our BUY.



SAKSID PHADTHANANARAK
662 – 779 9112
saksid.pha@thanachartsec.co.th

Minimum wage hike impacts

CK is not too concerned about the new government's potential minimum wage hikes as **1)** most of its workers are skilled with above-minimum-wage salaries, **2)** it has a margin cushion which is factored into bidding prices to lower the risk of volatile labor and material costs, and **3)** new wage rates would be applied when it bids for new projects. These factors allowed CK to maintain its gross margin at 7-10% over the past 10 years despite facing many minimum wage hikes. However, as 55% of CK's total costs come from subcontractor expenses, we are worried that CK may have to help them to partly subsidize their rising labor expenses. With our house view of 10% p.a. minimum wage hikes in 2024-25F, we cut our gross margin assumptions by 0.9-1.2ppt to 7.4/7.1% in 2024-25F and our earnings estimates by 9-15%.

Lowering our TP to Bt26; reaffirming BUY

Rolling over the base year in our model to 2024F, our DCF-derived SOTP-based 12-month TP falls to Bt26/share (from Bt29), and we reaffirm our BUY call on CK as **1)** the share price is already down 10% from its peak this year, **2)** despite our earnings cuts, we estimate its earnings CAGR at 20% in 2023-26F, driven by its construction business with record-high backlog value and rising equity income from its associates' earnings turnaround, and **3)** valuation looks inexpensive to us with the shares trading at a 42% discount to its associates' market value. This implies that investors buying CK would get a 42% discount on its investment portfolio's market value and the construction business for free.

Construction business in an early growth cycle

CK's backlog, including the Bt91bn Luang Prabang Hydropower Plant, reached a record high of Bt149bn as of end-1Q23. It also expects to sign a contract for the Bt109bn West Orange Line, as almost all of the court cases against the bidding processes have been dismissed. With other upcoming projects (see Exhibit 5), its total Bt264bn backlog should secure construction revenue growth for at least the next four years. There are also two more high-potential projects – Bt27bn of M&E work for the South Purple Line and Bt35bn of construction work for the double-deck expressway, as these projects will very likely be operated by its 34%-owned Bangkok Expressway & Metro (BEM TB, Bt9.0, BUY).

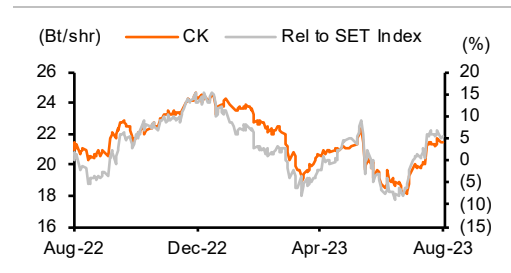
Sustained high dividend and equity income

To reduce the construction business volatility, CK invests in infrastructure firms to get recurring income. Driven by BEM's record-high earnings this year onward and its 30%-owned CK Power Pcl's (CKP TB, Bt3.44, BUY) earnings turnaround, we estimate CK's dividend and equity income to rise from Bt2bn this year to Bt2.1-2.3bn in 2024-25F vs. Bt1.4-2bn in 2018-22.

COMPANY VALUATION

Y/E Dec (Bt m)	2022A	2023F	2024F	2025F
Sales	18,293	30,928	35,629	40,491
Net profit	1,105	1,293	1,450	1,632
Consensus NP	—	1,656	2,193	2,570
Diff frm cons (%)	—	(21.9)	(33.9)	(36.5)
Norm profit	882	1,243	1,450	1,632
Prev. Norm profit	—	1,243	1,588	1,912
Chg frm prev (%)	—	0.0	(8.7)	(14.7)
Norm EPS (Bt)	0.52	0.73	0.86	0.96
Norm EPS grw (%)	783.4	40.9	16.6	12.6
Norm PE (x)	41.3	29.3	25.1	22.3
EV/EBITDA (x)	256.9	88.0	78.7	66.3
P/BV (x)	1.5	1.5	1.4	1.4
Div yield (%)	1.2	1.4	1.6	1.8
ROE (%)	3.6	5.1	5.7	6.2
Net D/E (%)	159.5	138.3	128.6	106.8

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 2-Aug-23 (Bt)	21.50
Market Cap (US\$ m)	1,062.9
Listed Shares (m shares)	1,693.9
Free Float (%)	66.2
Avg Daily Turnover (US\$ m)	2.9
12M Price H/L (Bt)	24.70/18.10
Sector	Construction
Major Shareholder	Trivisvavet group 38.5%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report P9

Factoring in minimum wage hike impacts

Although management is not too worried about minimum wage hikes ...

The new government's potential minimum wage hike would affect the construction sector significantly. However, Ch. Karnchang's (CK) management is not overly worried about the wage increases as:

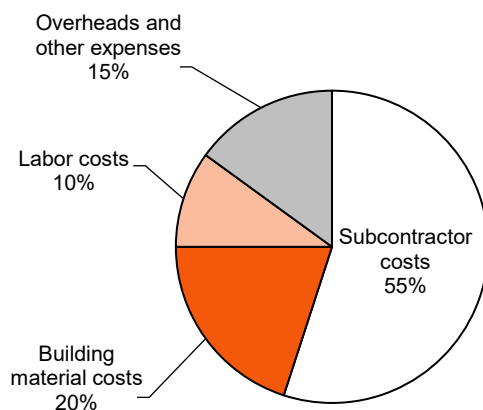
First, its labor costs make up around 10-12% of its total costs and most of its laborers are skilled with higher-than-minimum-wage salaries.

Second, CK has a policy not to cut prices when it bids for construction work and it normally factors a margin cushion of 5-10% into its bidding prices to lower the risk from volatile and unpredictable construction costs.

Third, new wage rates would be factored into its bidding prices immediately when it bids for new projects.

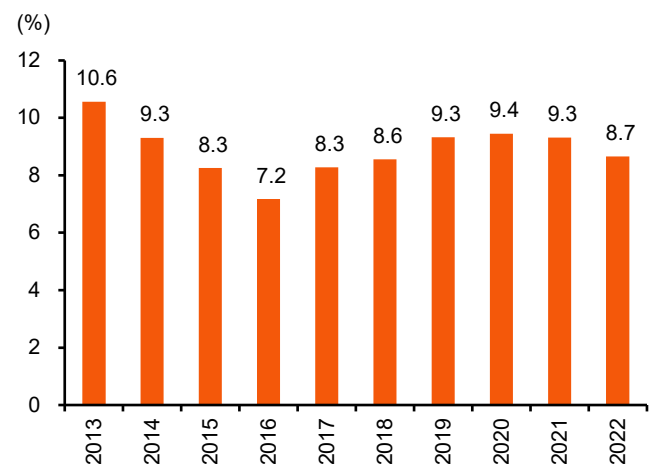
These factors allowed CK to maintain its gross margin at 7-10% over the past 10 years despite facing many minimum wage hikes in the past.

Ex 1: CK's Cost Breakdown In 1Q23



Source: Company data

Ex 2: CK's Gross Margin



Source: Company data

...we cut our gross margin assumptions by 0.9-1.2ppt in 2024-25F and earnings by 9-15%

However, we are still worried about CK's subcontractors, which have more unskilled workers and could get hit harder by minimum wage hikes. Therefore, CK may have to help them to partly subsidize their rising labor costs so they can get their work done on time. Given that subcontractor costs make up around 50-55% of CK's total costs and our house view for the minimum wage hikes is 10% a year in 2024-25F, we conservatively cut our gross margin assumptions on CK by 0.9-1.2ppt to 7.4/7.1% in 2024-25F and our earnings estimates by 9-15%.

Ex 3: Key Assumption Changes

	2021	2022	2023F	2024F	2025F
Backlog value (Bt bn)					
New	45,877	55,867	129,857	203,640	188,346
Old			221,193	214,582	203,117
Change (%)			(41.3)	(5.1)	(7.3)
Revenue (Bt bn)					
New	12,389	18,293	30,928	35,629	40,491
Old			24,087	31,808	36,661
Change (%)			28.4	12.0	10.4
Gross margin (%)					
New	9.4	9.3	7.8	7.4	7.1
Old			8.3	8.3	8.3
Change (ppt)			(0.5)	(0.9)	(1.2)
Equity & dividend income (Bt m)					
New	1,088	1,530	1,486	1,811	1,996
Old			1,741	1,843	1,891
Change (%)			(14.6)	(1.7)	5.6
Normalized earnings (Bt m)					
New	100	882	1,243	1,450	1,632
Old			1,243	1,588	1,912
Change (%)			—	(8.7)	(14.7)

Sources: Company data, Thanachart estimates

Cutting our TP to Bt26; reaffirming BUY

Our TP falls to Bt26 and we maintain our BUY call as...

...CK's share price is down by 10% from its peak,...

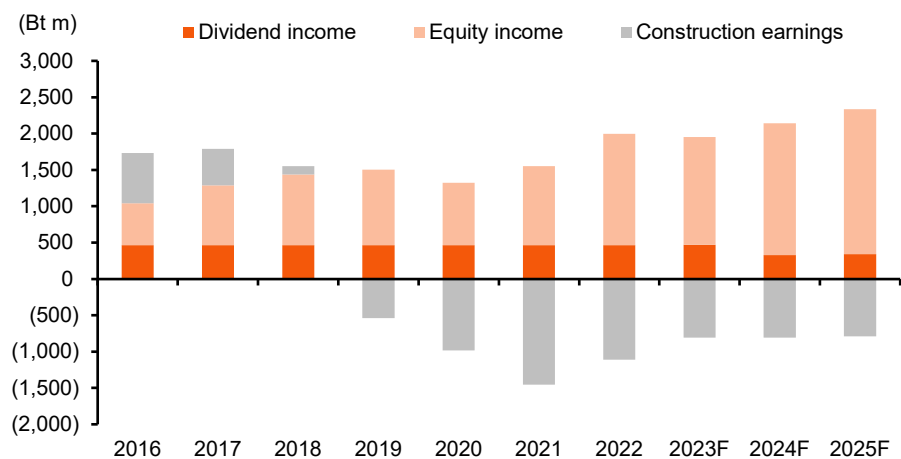
...we still estimate its earnings CAGR at 20% in 2023-26F, and...

With the rollover of the base year in our model to 2024F, our DCF-derived SOTP-based 12-month TP falls to Bt26/share (from Bt29). Despite that, we reaffirm our BUY call on CK as:

First, this negative news about the potential wage hikes has already caused the share price to fall by 10% from its peak this year.

Second, despite our earnings cuts, our view on CK's earnings growth being secured for at least the next four years with an earnings CAGR of 20% a year in 2023-26F remains intact, driven by its construction business with its record-high backlog value and its associates' earnings turnaround.

Ex 4: CK's Earnings Breakdown



Sources: Company data, Thanachart estimates

Including the Bt91bn Luang Prabang Hydropower Plant, CK's backlog reached a record high of Bt149bn as of end-1Q23 while there are still many high potential projects, including:

- 1) The Bt109bn West Orange Line, which CK expects to sign a contract for after the new government is formed as its 34%-owned Bangkok Expressway & Metro (BEM TB, BUY, Bt9.0) is the lowest bidder and almost all of the court cases against the bidding processes have been dismissed.
- 2) The Bt35bn of construction work for the double-deck expressway which is now under an environmental impact assessment (EIA) study. As this project would be built above BEM's existing expressway, it would very likely be operated by BEM and built by CK.
- 3) The Bt27bn of M&E work for the South Purple Line which is now under construction. As this project is an extension of BEM's Purple Line, it would also very likely be operated by BEM with the M&E work carried out by CK.

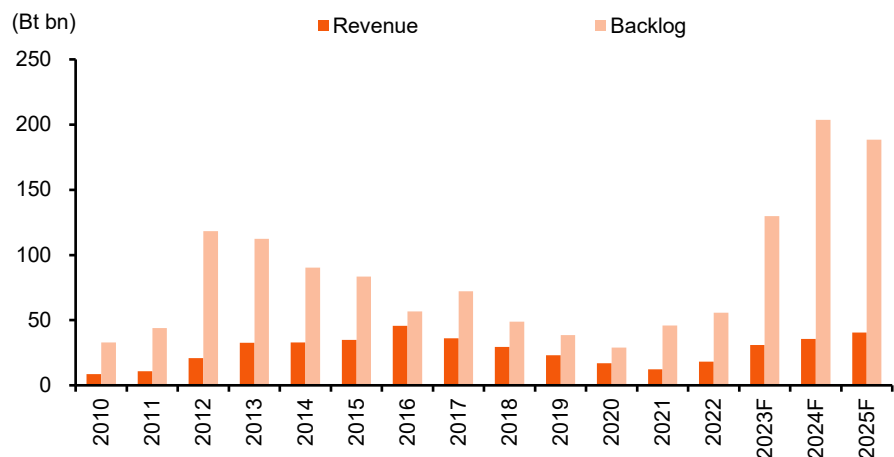
Ex 5: CK's Existing Backlog As Of 31 March 2023

Existing projects	Bt m
MRT Purple Line	17,241
MRT Blue Line	1,642
MRT East Orange Line	2,268
Double-track railways	21,554
Luang Prabang hydropower	90,907
Expressways & Motorways	1,141
Hospital buildings	2,623
Other projects	11,980
Total	149,356

Upcoming projects	Bt m
National Highway No. 118	799
MRT Purple & Blue lines' maintenance work	1,630
Thonburi Wastewater treatment plant	2,505
MRT West Orange Line's civil and M&E work	109,243
Total	114,177

High potential projects	Bt m
Double-deck expressway	35,000
MRT South Purple Line's M&E work	27,000
Total	62,000

Sources: Company data, Thanachart estimates

Ex 6: CK's Backlog And Revenue

Sources: Company data, Thanachart estimates

Ex 7: Major Projects' Revenue Recognition Periods

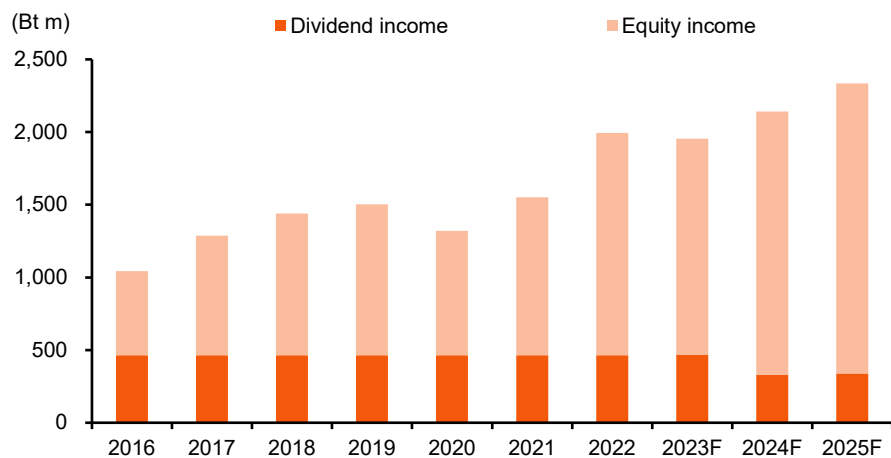
Project	Contract value (Bt m)	Revenue Recognition period							
		2023	2024	2025	2026	2027	2028	2029	2030
MRT Purple Line (Southern Extension), Contract 1	9,987								
MRT Purple Line (Southern Extension), Contract 2	8,161								
MRT Purple Line (Southern Extension), M&E*	27,000								
Double Track : Denchai - Chiang Khong, Contract 2	13,571								
Double Track : Denchai - Chiang Khong, Contract 3	9,240								
MRT Orange Line (Western Extension), M&E*	26,714								
MRT Orange Line (Western Extension), Civil work*	82,502								
Luang Prabang Hydroelectric Power	99,788								

Sources: Company data

Note: * Upcoming projects

We also expect CK to benefit from its associates' earnings turnaround. We estimate BEM's record-high earnings this year, driven by its strong traffic volume and ridership recovery, to offset a fall in its 30%-owned CK Power Plc's (CKP TB, BUY, Bt4.84) earnings due to drought and lower dividend income from its 19%-owned TTW Plc (TTW TB, SELL, Bt8.7) due to the end of the Pathum Thani plant's concession. Net-net, we estimate CK's dividend and equity income at Bt2-2.3bn in 2023-25F vs. Bt1.4-2bn in 2018-22.

Ex 8: CK's Dividend And Equity Income



Sources: Company data, Thanachart estimates

...valuation looks
inexpensive with the shares
trading at a 42% discount to
associates' market value

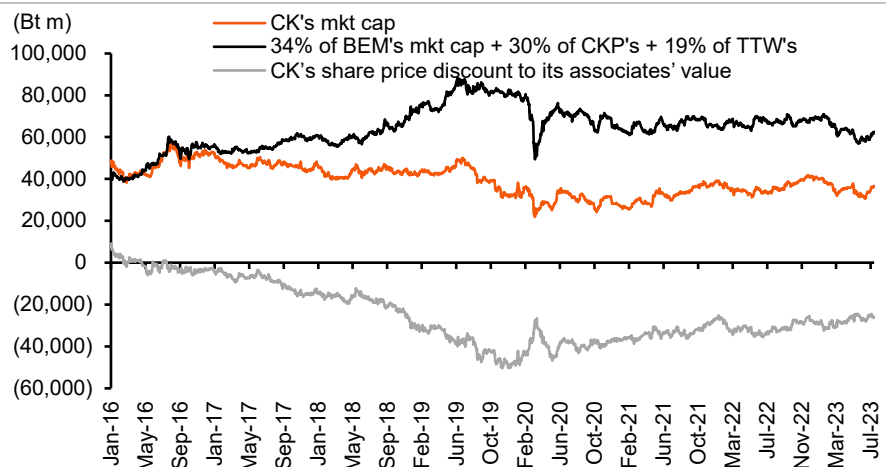
Third, CK's valuation looks inexpensive to us. Based on CK's stakes in BEM, CKP, and TTW, their current share prices imply a value of Bt37 per CK share. This means CK's share now trades at a 42% discount to its associates' market value. In other words, this implies that investors buying CK would get a 42% discount on its investment portfolio's market value and the construction business for free.

Ex 9: CK's SOTP Value

BBG code	% holding	Our TP	Fair value (Bt m)	30% discount (Bt m)	Share price (Bt/share)	Market value (Bt m)
TTW TB	19.4%	10.00	7,741	5,418	8.55	6,618
BEM TB	34.4%	11.80	62,063	43,444	9.00	47,336
CKP TB	30.0%	4.50	10,975	7,682	3.44	8,390
Total			80,778	56,545		62,344
Per CK share (Bt)				33.4		36.8
Construction business value (Bt)				(7.7)		
Our TP (Bt)				25.7		

Sources: Company data, Thanachart estimates

Ex 10: CK's Market Cap Vs. Its Associates' Market Cap



Source: Bloomberg

Valuation Comparison

Ex 11: Peer Valuation Comparison

Name	BBG code	Current Price (Bt)	EPS growth		PE		P/BV		EV/EBITDA		Div yield	
			23F (%)	24F (%)	23F (x)	24F (x)	23F (x)	24F (x)	23F (x)	24F (x)	23F (%)	24F (%)
Pylon Pcl	PYLON TB	3.28	35.0	19.4	15.2	12.7	2.2	2.1	6.9	5.9	4.7	4.9
Seafco Pcl	SEAFKO TB	3.16	na	22.8	18.0	14.6	1.5	1.5	7.7	6.6	2.8	3.4
CH Karnchang*	CK TB	21.50	40.9	16.6	29.3	25.1	1.5	1.4	88.0	78.7	1.4	1.6
Sino Thai Eng. & Cons*	STEC TB	10.80	6.5	16.9	18.8	16.1	0.8	0.8	4.8	4.3	1.6	2.2
Average			27.5	18.9	20.3	17.1	1.5	1.5	26.9	23.9	2.6	3.0

Source: Bloomberg

Note: * Thanachart estimates using normalized EPS growth

Based on 2 August 2023 closing prices

COMPANY DESCRIPTION

Ch. Karnchang Pcl (CK) is one of Thailand's leading contractors and basic infrastructure developers. It has more than 30 years of experience in constructing large-scale infrastructure, building complexes and general civil work. The company has also been investing in the government's concession projects in order to expand its operations and generate steady long-term income.

Source: Thanachart

COMPANY RATING



Rating Scale

Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: Thanachart; * CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- One of the Big Four contractors in Thailand and categorized as class-A in terms of being qualified to bid for most large-scale investments.
- Business diversification into infrastructure investments to stabilize its long-term earnings.

O — Opportunity

- Thailand is in an infrastructure investment cycle.
- Its exposure to high-potential projects abroad, especially hydroelectric work in Laos.

W — Weakness

- Most of CK's revenues come from projects it has to bid for, and there are no guarantees it will win these bids.
- CK's interest expenses are high, leading to a significant risk of earnings losses if revenues fall.
- The construction business is labor-intensive, so there are risks of higher labor costs and labor shortages.

T — Threat

- The COVID-19 impact and the government's time-consuming implementation processes could cause delays to Thailand's infrastructure investment.
- Volatility in building material prices is another risk.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	26.65	26.00	-2%
Net profit 23F (Bt m)	1,656	1,293	-22%
Net profit 24F (Bt m)	2,193	1,450	-34%
Consensus REC	BUY: 15	HOLD: 0	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2023-24F earnings are 22-34% lower than the Bloomberg consensus estimates, which we believe is due to us having a more conservative view on gross margins due to our expectation of minimum wage hikes.
- However, our SOTP-based TP is only 2% lower than other brokers', which we attribute to us having a more bullish view of its associates' business prospects.

Sources: Bloomberg consensus, Thanachart estimates

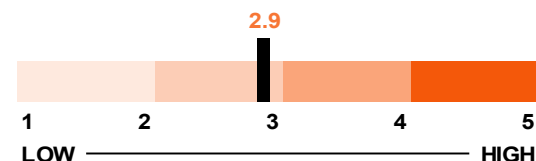
RISKS TO OUR INVESTMENT CASE

- The key downside risk to our call would be if the government's infrastructure investment projects cannot be implemented, as this would likely prompt us to adjust down our new work value assumptions.
- Building material expenses account for 20% of CK's total costs. Therefore, adverse fluctuations in prices present a secondary downside risk to our earnings forecasts.
- The weak economy could have a significant negative impact upon people's confidence and new investments.

Source: Thanachart

CK is Thailand's No.3 construction firm engaging in civil and mechanical work in infrastructure, building, and power plant projects. Its work releases pollutants with mitigation measures in compliance with relevant laws. Our ESG score of 2.92 is moderate to reflect its standardized approach to environmental management and attention to ESG issues.

Thanachart ESG Rating



	SETTHSI Index	THSI Index	DJSI Index	MSCI (CCC-AAA)	Arabesque S-Ray (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
CK	-	-	-	BB	50.35	43.67	20.00	-	5.0

Sources: SETTRADE, SETTHSI Index, Thailand Sustainability Investment (THSI), The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, Arabesque S-Ray®, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)

Note: Please see third party on "term of use" toward the back of this report.

Factors

Our Comments

ENVIRONMENT

- Environmental Policies & Guidelines
- Energy Management
- Carbon Management
- Water Management
- Waste Management

- CK's environmental policies and management comply with relevant laws and regulations. It implements dust-control measures according to the National Environmental Quality Promotion and Conservation Act B.E. 2535 and guidelines by the Pollution Control Department, making its projects' dust volume less than 0.33 milligrams/cubic meter and dust particles less than 0.12 milligrams/cubic meter on average over 24 hours.
- The construction noise level is also monitored and inspected to ensure it is below 115 dBA at any time and at a 70 dBA average per day. Management of wastewater and waste is also implemented in compliance with the National Environment Promotion Act 1992.
- Its electricity consumption in 2021 was 10m megajoules, which implied greenhouse gas (GHG) emissions of 1,629 tonnes of CO₂e. CK is continuing with measures to lower its electricity consumption such as replacing fluorescent lamps with LED lamps.
- In 2021, CK received the Compliance With Environmental Standards Award from the Mass Rapid Transit Authority of Thailand.

SOCIAL

- Human Rights
- Staff Management
- Health & Safety
- Product Safety & Quality
- Social Responsibility

- CK follows human rights principles and ensures good corporate governance and fairness in execution according to the Labor Protection Act and Labor Relations Act. It also regards its security policy as of the highest standard having committed to conducting safe operations under the Occupational Safety and Health law.
- In 2021, 72% of its employees were male and 28% were female with 6.49 training hours per person per year, and a 0.04% injury rate caused by work.
- It has received the Outstanding Award for Occupational Health Management from the Mass Rapid Transit Authority of Thailand.
- CK conducts CSR activities, e.g., donating funds for the construction of patient wards for field hospitals, creating the "BioSafe Sampling Trucks" project, and providing funding support for community innovation.

GOVERNANCE &
SUSTAINABILITY

- Board
- Ethics & Transparency
- Business Sustainability
- Risk Management
- Innovation

- CK has a 10-member board of directors (BOD), of whom four are independent directors. There is one female board member. Five members are executive directors.
- In 2021, it received the Thailand Sustainability Investment award from the Stock Exchange of Thailand. It also received the "Excellent" level in the assessment of the corporate governance of Thai listed companies from the Thai Institute of Directors Association.
- It has appointed EY Office Limited as the independent auditor for the group.

Sources: Company data, Thanachart

INCOME STATEMENT

FY ending Dec (Bt m)	2021A	2022A	2023F	2024F	2025F
Sales	12,389	18,293	30,928	35,629	40,491
Cost of sales	11,235	16,711	28,505	32,993	37,620
Gross profit	1,153	1,583	2,423	2,637	2,871
% gross margin	9.3%	8.7%	7.8%	7.4%	7.1%
Selling & administration expenses	1,915	1,927	2,258	2,423	2,591
Operating profit	(761)	(344)	165	214	279
% operating margin	-6.1%	-1.9%	0.5%	0.6%	0.7%
Depreciation & amortization	695	638	647	679	711
EBITDA	(67)	294	812	892	990
% EBITDA margin	-0.5%	1.6%	2.6%	2.5%	2.4%
Non-operating income	1,225	1,145	1,083	876	824
Non-operating expenses	0	0	0	0	0
Interest expense	(1,386)	(1,411)	(1,471)	(1,429)	(1,441)
Pre-tax profit	(922)	(610)	(223)	(339)	(338)
Income tax	38	21	0	0	0
After-tax profit	(960)	(631)	(223)	(339)	(338)
% net margin	-7.8%	-3.5%	-0.7%	-1.0%	-0.8%
Shares in affiliates' Earnings	1,088	1,530	1,486	1,811	1,996
Minority interests	(28)	(16)	(20)	(23)	(26)
Extraordinary items	806	222	50	0	0
NET PROFIT	906	1,105	1,293	1,450	1,632
Normalized profit	100	882	1,243	1,450	1,632
EPS (Bt)	0.5	0.7	0.8	0.9	1.0
Normalized EPS (Bt)	0.1	0.5	0.7	0.9	1.0

We forecast CK's earnings to continue to turn around strongly, driven by...

...higher revenue recognition from its high backlog and...

... higher earnings contributions from its associates

BALANCE SHEET

FY ending Dec (Bt m)	2021A	2022A	2023F	2024F	2025F
ASSETS:					
Current assets:	20,069	23,057	28,241	31,328	35,603
Cash & cash equivalent	6,973	7,061	7,000	7,000	7,000
Account receivables	2,273	2,549	5,931	8,004	10,539
Inventories	2,988	5,639	7,810	7,683	8,245
Others	7,835	7,807	7,500	8,640	9,819
Investments & loans	50,826	49,757	51,257	48,757	46,257
Net fixed assets	10,927	10,116	10,270	10,391	10,481
Other assets	1,598	2,221	3,642	4,174	4,724
Total assets	83,421	85,151	93,410	94,650	97,065
LIABILITIES:					
Current liabilities:	17,748	20,043	26,841	27,807	32,852
Account payables	2,174	2,850	4,295	4,520	6,184
Bank overdraft & ST loans	82	2,705	0	0	0
Current LT debt	6,590	5,439	3,786	3,675	3,264
Others current liabilities	8,902	9,049	18,759	19,612	23,405
Total LT debt	36,598	37,945	38,280	37,162	33,001
Others LT liabilities	2,966	2,696	2,933	3,370	3,822
Total liabilities	57,313	60,684	68,054	68,339	69,675
Minority interest	439	440	460	483	509
Preferreds shares	0	0	0	0	0
Paid-up capital	1,694	1,694	1,694	1,694	1,694
Share premium	4,869	4,869	4,869	4,869	4,869
Warrants	0	0	0	0	0
Surplus	3,736	1,704	1,704	1,704	1,704
Retained earnings	15,370	15,759	16,629	17,561	18,613
Shareholders' equity	25,669	24,026	24,896	25,828	26,881
Liabilities & equity	83,421	85,151	93,410	94,650	97,065

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2021A	2022A	2023F	2024F	2025F
Earnings before tax	(922)	(610)	(223)	(339)	(338)
Tax paid	(44)	(21)	0	0	0
Depreciation & amortization	695	638	647	679	711
Chg In working capital	372	(2,252)	(4,107)	(1,722)	(1,432)
Chg In other CA & CL / minorities	(146)	1,759	11,504	1,524	4,610
Cash flow from operations	(46)	(486)	7,821	141	3,551
Capex	(428)	173	(800)	(800)	(800)
Right of use	49	(98)	(5)	(5)	(5)
ST loans & investments	62	0	0	0	0
LT loans & investments	(460)	1,069	(1,500)	2,500	2,500
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	245	(643)	(1,130)	(90)	(93)
Cash flow from investments	(531)	501	(3,435)	1,605	1,602
Debt financing	867	2,819	(4,023)	(1,229)	(4,573)
Capital increase	0	0	0	0	0
Dividends paid	(332)	(663)	(423)	(517)	(580)
Warrants & other surplus	(752)	(2,084)	0	0	0
Cash flow from financing	(216)	72	(4,447)	(1,746)	(5,153)
Free cash flow	(474)	(313)	7,021	(659)	2,751

VALUATION

FY ending Dec	2021A	2022A	2023F	2024F	2025F
Normalized PE (x)	364.7	41.3	29.3	25.1	22.3
Normalized PE - at target price (x)	441.0	49.9	35.4	30.4	27.0
PE (x)	40.2	33.0	28.2	25.1	22.3
PE - at target price (x)	48.6	39.9	34.1	30.4	27.0
EV/EBITDA (x)	na	256.9	88.0	78.7	66.3
EV/EBITDA - at target price (x)	na	282.9	97.4	87.3	74.0
P/BV (x)	1.4	1.5	1.5	1.4	1.4
P/BV - at target price (x)	1.7	1.8	1.8	1.7	1.6
P/CFO (x)	(797.2)	(74.9)	4.7	257.7	10.3
Price/sales (x)	2.9	2.0	1.2	1.0	0.9
Dividend yield (%)	1.2	1.2	1.4	1.6	1.8
FCF Yield (%)	(1.3)	(0.9)	19.3	(1.8)	7.6
(Bt)					
Normalized EPS	0.1	0.5	0.7	0.9	1.0
EPS	0.5	0.7	0.8	0.9	1.0
DPS	0.3	0.3	0.3	0.3	0.4
BV/share	15.2	14.2	14.7	15.2	15.9
CFO/share	(0.0)	(0.3)	4.6	0.1	2.1
FCF/share	(0.3)	(0.2)	4.1	(0.4)	1.6

Sources: Company data, Thanachart estimates

*CK now trades at 42%
below its associates'
market value...*

*...which we believe is
unjustified*

FINANCIAL RATIOS

FY ending Dec	2021A	2022A	2023F	2024F	2025F
Growth Rate					
Sales (%)	(26.9)	47.7	69.1	15.2	13.6
Net profit (%)	48.0	22.0	17.1	12.1	12.6
EPS (%)	48.0	22.0	17.1	12.1	12.6
Normalized profit (%)	(70.4)	783.4	40.9	16.6	12.6
Normalized EPS (%)	(70.4)	783.4	40.9	16.6	12.6
Dividend payout ratio (%)	46.8	38.3	40.0	40.0	40.0
Operating performance					
Gross margin (%)	9.3	8.7	7.8	7.4	7.1
Operating margin (%)	(6.1)	(1.9)	0.5	0.6	0.7
EBITDA margin (%)	(0.5)	1.6	2.6	2.5	2.4
Net margin (%)	(7.8)	(3.5)	(0.7)	(1.0)	(0.8)
D/E (incl. minor) (x)	1.7	1.9	1.7	1.6	1.3
Net D/E (incl. minor) (x)	1.4	1.6	1.4	1.3	1.1
Interest coverage - EBIT (x)	na	na	0.1	0.1	0.2
Interest coverage - EBITDA (x)	na	0.2	0.6	0.6	0.7
ROA - using norm profit (%)	0.1	1.0	1.4	1.5	1.7
ROE - using norm profit (%)	0.4	3.6	5.1	5.7	6.2
DuPont					
ROE - using after tax profit (%)	na	na	na	na	na
- asset turnover (x)	0.1	0.2	0.3	0.4	0.4
- operating margin (%)	na	na	na	na	na
- leverage (x)	3.2	3.4	3.6	3.7	3.6
- interest burden (%)	(199.1)	(76.3)	(17.8)	(31.1)	(30.6)
- tax burden (%)	na	na	na	na	na
WACC (%)	7.3	7.3	7.3	7.3	7.3
ROIC (%)	(1.3)	(0.6)	0.2	0.3	0.4
NOPAT (Bt m)	(761)	(344)	132	171	224
invested capital (Bt m)	61,966	63,055	59,963	59,666	56,145

Sources: Company data, Thanachart estimates

We expect net D/E ratio to fall to 1.4x in 2023F and 1.3x in 2024F due to its earnings growth

ESG Information - Third Party Terms

www.Settrade.com

SETTRADE: You acknowledge that the use of data, information or service displayed and/or contained in this website may require third party's data, content or software which is subject to the terms of third party provider. By accessing and/or using of such certain data, you acknowledge and agree to comply with and be bound by the applicable third party terms specified below.

ESG Scores by Third Party data from www.SETTRADE.com

1. MSCI (CCC- AAA)
2. Arabesque S-Ray (0-100)
3. Refinitiv (0-100)
4. S&P Global (0-100)
5. Moody's ESG Solutions (0-100)

SET THSI Index (SETTHSI)

Nowadays, long-term investment tends to be more focused on sustainable companies. The financial statement performance and the consideration in environmental, social and governance (ESG) perspective are keys aspects for analysis.

SET has created a Thailand Sustainability Investment (THSI) list since 2015 for using as an alternative investment in the high performance ESG stocks for investors while, supporting the sustainable Thai companies. SET defines the sustainable companies as the companies that embrace risk management, supply chain management and innovations together with responsibility for environmental, social and governance aspects

As a result, SET has created the SETTHSI for the purpose of indicating the price of these sustainable companies that pass the market capital size and liquidity criteria.

Arabesque S-Ray®

The S-Ray data here is published with a 3 month delay. For the latest data, please contact sray@arabesque.com

Arabesque S-Ray® is a service (the "Service") provided by Arabesque S-Ray GmbH ("Arabesque S-Ray") and its branch and subsidiary companies. Arabesque S-Ray is a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated in Frankfurt am Main and organized under the laws of Germany with registered number HRB 113087 in the commercial register of the local court with its seat and business address at Zeppelinallee 15, 60325 Frankfurt am Main, Germany. The Service is unconnected to any of the asset management activities conducted within the wider group of Arabesque companies, and is not investment advice or a solicitation or an offer to buy any security or instrument or to participate in investment services. RELIANCE - Arabesque S-Ray makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and accepts no liability for any loss, of whatever kind, howsoever arising, in relation thereto, and nothing contained herein should be relied upon. ENQUIRIES - Any enquiries in respect of this document should be addressed to Arabesque S-Ray.

Arabesque S-Ray® - The ESG Score, ranging from 0 to 100, identifies sustainable companies that are better positioned to outperform over the long run, based on the principles of financial materiality. That is, when computing the ESG Score of a company, the algorithm will only use information that significantly helps explain future risk-adjusted performance. Materiality is applied by overweighting features with higher materiality and rebalancing these weights on a rolling quarterly basis to stay up-to-date

MSCI ESG Research LLC

"Certain information @2021 MSCI ESG Research LLC. Reproduced by permission"

"Although [User ENTITY NAME's] information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages."

Score range	Description
CCC - B	LAGGARD: A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	AVERAGE : A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	LEADER: A company leading its industry in managing the most significant ESG risks and opportunities

The Dow Jones Sustainability Indices (DJSI)

The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognized that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. The family was launched in 1999 as the first global sustainability benchmark and tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. Created jointly by S&P Dow Jones Indices and SAM, the DJSI combine the experience of an established index provider with the expertise of a specialist in Sustainable Investing to select the most sustainable companies from across 61 industries. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for investors who wish to encourage companies to improve their corporate sustainability practices.

S&P Global Market Intelligence

Copyright © 2021, S&P Global Market Intelligence (and its affiliates as applicable). Reproduction of any information, opinions, views, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We identify five categories of ESG risk severity that could impact a company's enterprise value

Moody's ESG Solutions

© 2022 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

Additional terms for Hong Kong only: Any Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the Hong Kong Securities and Futures Ordinance ("SFO") is issued by Vigeo Eiris Hong Kong Limited, a company licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities in Hong Kong. This Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the SFO is intended for distribution only to "professional investors" as defined in the SFO and the Hong Kong Securities and Futures (Professional Investors) Rules. This Second Party Opinion or other opinion must not be distributed to or used by persons who are not professional investors.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY550,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

Refinitiv ESG

These Terms of Use govern your access or use of the ESG information and materials on the Refinitiv website and any AI powered voice assistance software ("Refinitiv ESG Information"). 2020© Refinitiv. All rights reserved. Refinitiv ESG Information is proprietary to Refinitiv Limited and/or its affiliates ("Refinitiv").

The Refinitiv ESG Information is for general informational and non-commercial purposes only. Reproduction, redistribution or any other form of copying or transmission of the Refinitiv ESG Information is prohibited without Refinitiv's prior written consent.

All warranties, conditions and other terms implied by statute or common law including, without limitation, warranties or other terms as to suitability, merchantability, satisfactory quality and fitness for a particular purpose, are excluded to the maximum extent permitted by applicable laws. The Refinitiv ESG Information is provided "as is" and Refinitiv makes no express or implied warranties, representations or guarantees concerning the accuracy, completeness or currency of the information in this service or the underlying Third Party Sources (as defined below). You assume sole responsibility and entire risk as to the suitability and results obtained from your use of the Refinitiv ESG Information.

The Refinitiv ESG Information does not amount to financial, legal or other professional advice, nor does it constitute: (a) an offer to purchase shares in the funds referred to; or (b) a recommendation relating to the sale and purchase of instruments; or (c) a recommendation to take any particular legal, compliance and/or risk management decision. Investors should remember that past performance is not a guarantee of future results.

The Refinitiv ESG Information will not be used to construct or calculate and index or a benchmark, used to create any derivative works or used for commercial purposes. Refinitiv's disclaimer in respect of Benchmark Regulations applies to the Refinitiv ESG Information.

No responsibility or liability is accepted by Refinitiv its affiliates, officers, employees or agents (whether for negligence or otherwise) in respect of the Refinitiv ESG Information, or for any inaccuracies, omissions, mistakes, delays or errors in the computation and compilation of the Refinitiv ESG Information (and Refinitiv shall not be obliged to advise any person of any error therein). For the avoidance of doubt, in no event will Refinitiv have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of the Refinitiv ESG Information.

You agree to indemnify, defend and hold harmless Refinitiv from and against any claims, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable legal and experts' fees and costs, as incurred, arising in any manner out of your use of, or inability to use, any Information contained on the Refinitiv web site or obtained via any AI powered voice assistance software.

You represent to us that you are lawfully able to enter into these Terms of Use. If you are accepting these Terms of Use for and on behalf of an entity such as the company you work for, you represent to us that you have legal authority to bind that entity.

By accepting these Terms of Use you are also expressly agreeing to the following Refinitiv's website Terms of Use.

Refinitiv ESG scores are derived from third party publicly available sources ("Third Party Sources") and are formulated on the basis of Refinitiv own transparent and objectively applied methodology. Refinitiv's ESG Information methodology can be accessed [here](#).

Score range	Description	
0 to 25	First Quartile	Scores within this range indicates poor relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly.
> 25 to 50	Second Quartile	Scores within this range indicates satisfactory relative ESG performance and moderate degree of transparency in reporting material ESG data publicly.
> 50 to 75	Third Quartile	Scores within this range indicates good relative ESG performance and above average degree of transparency in reporting material ESG data publicly.
> 75 to 100	Fourth Quartile	Score within this range indicates excellent relative ESG performance and high degree of transparency in reporting material ESG data publicly.

CG Report : by Thai Institute of Directors Association (Thai IOD), Established in December 1999, the Thai IOD is a membership organization that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.



General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart 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 TNS. 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 TNS or TCAP 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 TNS, TCAP 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, TNS, TCAP 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.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP 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: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued 22 Derivative Warrants which are CPALL16C2310A, DELTA16C2309A, EA16C2311A, EA16C2309A, GULF16C2311A, GULF16C2309A, HANA16C2309A, HANA16C2308A, JMT16C2311A, JMART16C2310A, JMART16C2308A, KBANK16C2310A, KCE16C2309A, PTTEP16C2311A, SAWAD16C2309A, SCB16C2311A, SET5016C2312A, SET5016P2312A, SET5016C2309B, SET5016C2309A, SET5016P2309A, TIDLOR16C2311A (underlying securities are (CPALL, DELTA, EA, GULF, HANA, JMART, JMT, KBANK, KCE, PTTEP, SAWAD, SCB, SET50, TIDLOR). before making investment decisions.

Note: Our major shareholder TCAP (Thanachart Capital Pcl) which holding 89.96% of Thanachart Securities and also TCAP holding 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 Co. Ltd has stake in THANI for 60% and being the major shareholder of THANI.

Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 24.33% of the shareholding in TMBThanachart Bank Pcl.

Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED (PRG) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of "Debentures of True Corporation Pcl (TRUE) No. 1/2023 (B.E. 2566) (No. 1-4) which its maturity at 2025, 2026, 2028, 2033 (B.E. 2568, 2569, 2571, 2576)", therefore investors need to be aware that there could be conflicts of interest in this research.

Disclosure of Interest of Thanachart Securities

Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: Moshi Moshi Retail Corporation Pcl. (MOSHI TB)

Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. 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 the market price and the formal recommendation.

For sectors, an "Overweight" sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. "Underweight" is used when we have SELLs on majority of the stocks we cover by market cap. "Neutral" is used when there are relatively equal weightings of BUYs and SELLs.

Thanachart Securities Pcl.

Research Team

18 Floor, MBK Tower

444 Phayathai Road, Pathumwan Road, Bangkok 10330

Tel: 662 - 779-9119

Email: thanachart.res@thanachartsec.co.th

Pimpaka Nichgaroon, CFA

Head of Research, Strategy

Tel: 662-779-9199

pimpaka.nic@thanachartsec.co.th

Nuttapop Prasitsuksant

Telecom, Utilities

Tel: 662-483-8296

nuttapop.pra@thanachartsec.co.th

Rata Limsuthiwanpoom

Auto, Industrial Estate, Media, Prop. Fund

Tel: 662-483-8297

rata.lim@thanachartsec.co.th

Siriporn Arunothai

Small Cap, Healthcare, Hotel

Tel: 662-779-9113

siriporn.aru@thanachartsec.co.th

Sittichet Rungrassameephat

Analyst, Quantitative

Tel: 662-483-8303

sittichet.run@thanachartsec.co.th

Adisak Phupiphatirungul, CFA

Retail Market Strategy

Tel: 662-779-9120

adisak.phu@thanachartsec.co.th

Pattadol Bunnak

Electronics, Food & Beverage, Shipping

Tel: 662-483-8298

pattadol.bun@thanachartsec.co.th

Saksid Phadthananarak

Construction, Transportation

Tel: 662-779-9112

saksid.pha@thanachartsec.co.th

Yupapan Polpornprasert

Energy, Petrochemical

Tel: 662-779-9110

yupapan.pol@thanachartsec.co.th

Thaloengsak Kucharoenpaisan

Analyst, Retail Market

Tel: 662-483-8304

thaloengsak.kuc@thanachartsec.co.th

Pattarawan Wangmingmat

Senior Technical Analyst

Tel: 662-779-9105

pattarawan.wan@thanachartsec.co.th

Phannarai Tiypittayarut

Property, Retail

Tel: 662-779-9109

phannarai.von@thanachartsec.co.th

Sarachada Sornsong

Bank, Finance

Tel: 662-779-9106

sarachada.sor@thanachartsec.co.th

Witchanan Tambamroong

Technical Analyst

Tel: 662-779-9123

witchanan.tam@thanachartsec.co.th

Nariporn Klangpremchitt

Analyst, Retail Market

Tel: 662-779-9107

nariporn.kla@thanachartsec.co.th