

BUY (Unchanged)

Change in Numbers

TP: Bt 23.00

Upside : 29.9%

(From: Bt 21.00)

27 FEBRUARY 2026

Small Cap Research

Ch. Karnchang Pcl (CK TB)

Another beneficiary

We reiterate our BUY call on CK, viewing it as a beneficiary of Thailand's new construction cycle, which we expect to be driven by a fresh round of the new government's infrastructure project bids. It also looks inexpensive, in our view, at 11x 2026F PE and 1x P/BV.



SAKSID PHADTHANANARAK

662-779-9119

saksid.pha@thanachartsec.co.th

Raising our TP to Bt23; reiterating BUY

Given its stronger-than-expected 2025 earnings, we raise our 2026–28F earnings estimates for CK by 23–26% and our long-term estimates by 12–18%. Our DCF-derived SOTP-based 12-month TP (2026F base year) is raised to Bt23/share (from Bt21 previously) and we reiterate our BUY call. **First**, we view it as one of the best plays on Thailand's new construction cycle, driven by the new government's reimplementation of Bt676bn worth of infrastructure projects. **Second**, with its large backlog and equity contribution from its associates, we estimate earnings growth of 5/7/11% y-y in 2026–28F. **Third**, CK is likely to benefit from less intense industry competition, as its major peer, Italian-Thai Development (ITD TB, not rated), has faced significant construction and financial challenges. **Finally**, it is also inexpensive, in our view, trading at 1x P/BV and 11x PE in 2026F.

Thailand's new construction cycle

We expect a new round of infrastructure project bidding to start late this year after the new government is formed in 2Q26. Major projects include the Bt235bn Thailand–China high-speed railway phase 2, Bt285bn of double-track railways, Bt84bn of motorways, and Bt72bn of airport projects. We also see more high-potential work for CK, including Bt27bn of M&E work for the South Purple Line and Bt35bn of construction work for the double-deck expressway. As the government will likely negotiate with CK's 42%-owned Bangkok Expressway & Metro (BEM TB, Bt6.2, BUY) to build and operate those two projects, we expect BEM to subcontract the construction work to CK in 2026–27F. We thus forecast CK's new work value at Bt43/55/30bn in 2026–28F.

Earnings outlook

We estimate CK's earnings growth at 5/7/11% y-y in 2026–28F, mainly driven by **1)** 3/4/8% y-y revenue growth in 2026–28F from its Bt166bn existing backlog (3.6x revenue) and potential new work, **2)** stable gross margin of 8.3% (vs. 8.3% in 2025), and **3)** equity and dividend income of Bt2.6–2.8bn p.a. from its associates, including BEM, 30%-owned CK Power (CKP TB, Bt2.56, BUY), and 19%-owned TTW (TTW TB, not rated).

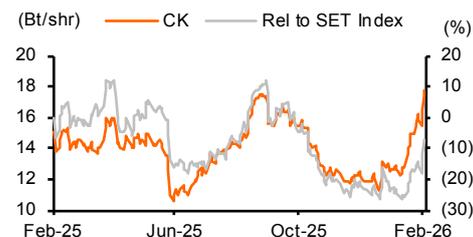
Purple Line repairs covered by insurance

We are less concerned about repair expenses related to the South Purple Line tunnel collapse, where CK's 55%-owned CKST JV is the contractor. CK's group CEO, Mr. Phongsarit Tantisuvanichkul, expects the majority of repair costs to be covered by insurance. As a result, he expects the South Purple Line project's gross margin to edge down slightly to 7–8%.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	44,277	45,743	47,750	51,508
Net profit	3,328	2,625	2,803	3,101
Consensus NP	—	2,192	2,273	2,492
Diff frm cons (%)	—	19.7	23.4	24.4
Norm profit	2,501	2,625	2,803	3,101
Prev. Norm profit	—	2,135	2,229	2,505
Chg frm prev (%)	—	22.9	25.8	23.8
Norm EPS (Bt)	1.48	1.55	1.66	1.83
Norm EPS grw (%)	73.0	5.0	6.8	10.6
Norm PE (x)	12.0	11.4	10.7	9.7
EV/EBITDA (x)	30.0	28.0	26.3	23.0
P/BV (x)	1.1	1.0	0.9	0.9
Div yield (%)	2.5	3.1	3.3	3.6
ROE (%)	9.3	9.0	9.1	9.4
Net D/E (%)	132.3	122.0	107.6	94.9

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 26-Feb-26 (Bt)	17.70
Market Cap (US\$ m)	966.0
Listed Shares (m shares)	1,693.9
Free Float (%)	68.1
Avg Daily Turnover (US\$ m)	2.5
12M Price H/L (Bt)	17.50/10.60
Sector	Construction
Major Shareholder	Trivisvavet group 31.8%

Sources: Bloomberg, Company data, Thanachart estimates



Ex 1: Key Assumption Changes

	2023	2024	2025	2026F	2027F	2028F
New work (Bt m)						
New	109,153	119,076	0	42,700	55,200	30,000
Old				7,700	69,500	25,000
Change (%)				404.5	(20.6)	20.0
Revenue (Bt m)						
New	36,725	37,721	44,277	45,743	47,750	51,508
Old				44,285	45,842	46,733
Change (%)				3.3	4.2	10.2
Gross margin (%)						
New	7.6	7.9	8.3	8.3	8.3	8.3
Old				8.2	8.2	8.2
Change (%)				0.1	0.1	0.1
Normalized profit (Bt m)						
New	1,452	1,446	2,501	2,625	2,803	3,101
Old				2,135	2,229	2,505
Change (%)				22.9	25.8	23.8

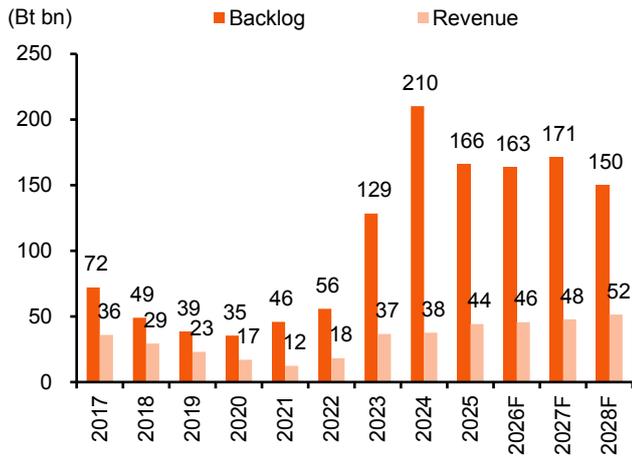
Sources: Company data, Thanachart estimates

Ex 2: CK's SOTP Value

BBG code	% holding	Fair value (Bt m)	15% discount (Bt m)	Share price (Bt/share)	Market value (Bt m)
TTW TB	19.4%	6,967	5,922	9.45	7,315
BEM TB	42.3%	51,676	43,924	6.20	40,049
CKP TB	30.0%	12,194	10,365	2.56	6,243
Total		70,836	60,211		53,607
Per CK share (Bt)			35.5		31.6
Construction business value (Bt)			(12.5)		
Our TP (Bt)			23.0		

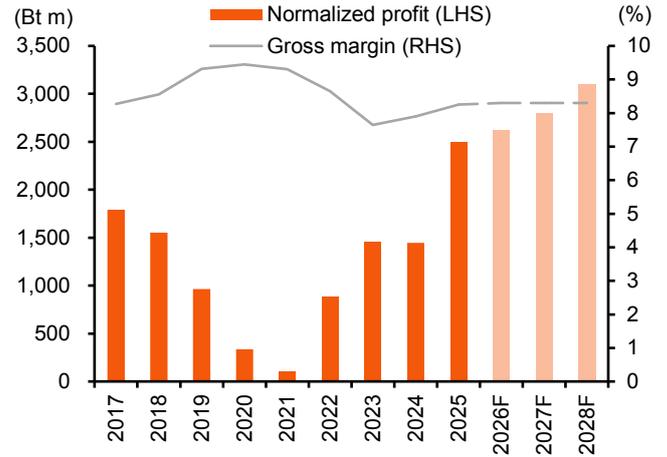
Sources: Company data, Thanachart estimates

Ex 3: CK's Revenue And Backlog



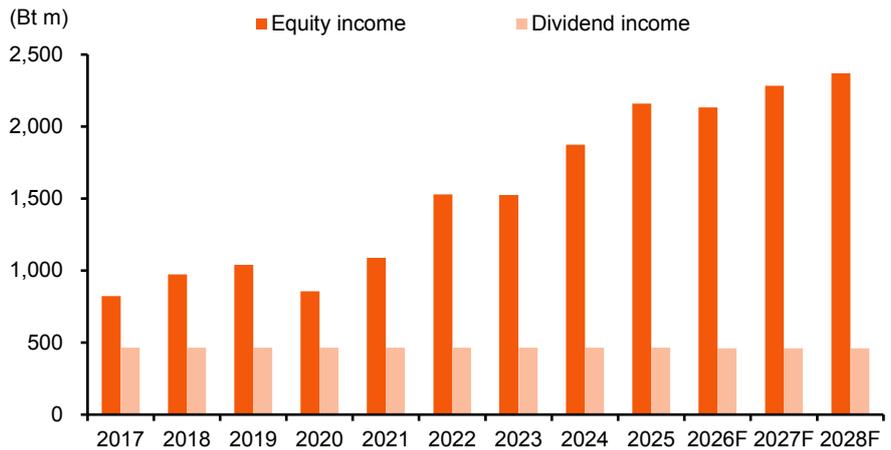
Sources: Company data, Thanachart estimates

Ex 4: CK's Gross Margin And Earnings



Sources: Company data, Thanachart estimates

Ex 5: CK's Dividend And Equity Income



Sources: Company data, Thanachart estimates

Ex 6: Our New Work Assumptions

(Bt bn)	2025	2026F	2027F
Beginning backlog	210.2	166.2	163.5
New work			
Double-deck expressway project		35.0	
Siriraj International Medical Institute project		7.7	
High-speed railway projects			24.0
Double-track railway projects			4.0
M&E work for South Purple Line project			27.0
Realized revenue	(44.0)	(45.4)	(47.4)
Ending backlog	166.2	163.5	171.2

Sources: Company data, Thanachart estimates

Ex 7: Potential Infrastructure Projects

Project type	Project	Value (Bt bn)
High-speed railway	Phase 2: Korat - Nong Khai	235.0
Double-track railway	Chira Junction - Ubonratchathani	43.0
Double-track railway	Pak Nam Pho - Den Chai	77.8
Double-track railway	Hat Yai Junction - Padang Besar	7.5
Double-track railway	Chumphon - Surat Thani	29.0
Double-track railway	Surat Thani - Hat Yai - Song Kla	64.5
Double-track railway	Den Chai - Chiang Mai	63.5
Motorway	Western Outer Ring Road - Bang Bua Thong (M9)	48.0
Motorway	Rangsit - Bang pa-in (M5)	25.0
Expressway	Kathu - Patong	11.0
Airport	Suvarnabhumi Airport East Expansion	12.0
Airport	Don Mueang Airport phase 3	60.0
Total		676.3

Sources: Company data, Thanachart estimates

Valuation Comparison**Ex 8: Peer Valuation Comparison**

Name	BBG code	Country	EPS growth		PE		P/BV		EV/EBITDA		Div yield	
			26F (%)	27F (%)	26F (x)	27F (x)	26F (x)	27F (x)	26F (x)	27F (x)	26F (%)	27F (%)
Ahluwalia Contracts	AHLU IN	India	47.8	23.1	17.1	13.9	na	na	na	na	0.1	0.1
Nagarjuna Construction	NJCC IN	India	18.8	11.3	9.9	8.9	1.2	1.0	7.8	4.9	1.5	1.5
Gamuda	GAM MK	Malaysia	15.9	25.1	21.4	17.1	2.0	1.9	18.8	15.0	2.4	2.7
IJM Corp	IJM MK	Malaysia	15.9	20.0	19.3	16.1	0.9	0.8	10.5	9.6	3.1	3.3
Hyundai Eng & Const	000720 KS	S. Korea	38.4	47.7	34.8	23.5	2.1	1.9	19.7	14.6	0.5	0.6
Samsung Engineering	028050 KS	S. Korea	12.3	9.1	10.9	10.0	1.4	1.3	4.4	4.1	2.1	2.3
Pylon Pcl	PYLON TB	Thailand	0.8	(1.2)	11.0	11.1	2.2	2.1	6.7	6.8	7.3	7.2
Seafo Pcl	SEAFKO TB	Thailand	1.1	10.2	12.5	11.3	1.2	1.1	5.8	5.5	3.0	3.2
CH Karnchang *	CK TB	Thailand	5.0	6.8	11.4	10.7	1.0	0.9	28.0	26.3	3.1	3.3
Stecon Group *	STECON TB	Thailand	19.9	13.5	18.3	16.1	1.2	1.2	10.7	9.3	1.9	2.5
Average			17.6	16.6	16.7	13.9	1.5	1.4	12.5	10.7	2.5	2.7

Source: Bloomberg, Thanachart estimates

Note: * Thanachart estimates using normalized EPS growth

Based on 27 February 2026 closing prices

COMPANY DESCRIPTION

Ch. Karnchang Pcl (CK) is one of Thailand's leading contractors and developers of basic infrastructure. 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 government concession projects 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 labour-intensive, so there are risks of higher labor costs and labor shortages.

T — Threat

- 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)	19.98	23.00	15%
Net profit 26F (Bt m)	2,192	2,625	20%
Net profit 27F (Bt m)	2,273	2,803	23%
Consensus REC	BUY: 12	HOLD: 0	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2026-27F earnings are 20-23% higher than the Bloomberg consensus estimates, which we believe is due to us having more aggressive new work and sales assumptions.
- Our SOTP-based TP is also 15% higher than that of other brokers, following our higher earnings forecasts.

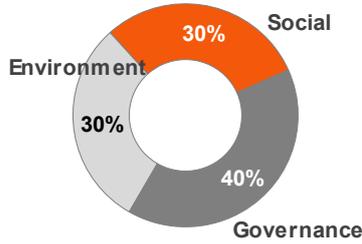
Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

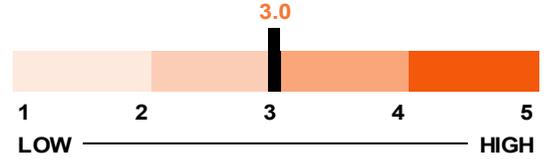
- The key downside risk to our call would be if the government's infrastructure investment projects cannot be implemented, as this would likely prompt us to adjust our new work value assumptions downward.
- Building material expenses account for 50-60% of CK's total costs. Therefore, adverse price fluctuations pose a secondary downside risk to our earnings forecasts.
- The weak economy could have a significant negative impact on people's confidence and new investments.

Source: Thanachart

ESG Weighting



Thanachart ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	Thanachart ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
CK	YES	AA	-	3.02	0	58.02	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI) MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)
 Note: Please see third party on "terms of use" toward the back of this report.

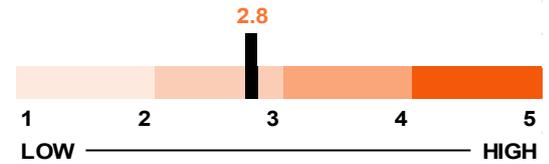


ESG Summary

- CK is one of Thailand’s top three largest construction companies, specializing in large-scale infrastructure projects, building complexes, and general civil work. We assign it a decent overall ESG score of 3.0, with Governance (G) receiving the highest score, followed by Social (S) and Environmental (E).
- CK isn’t a strong play on ESG in our view, given its overall decent score without strong prospects of an improving trend.
- We assign CK a decent G score of 3.2, reflecting its strong construction expertise in large and complex projects and its investments in infrastructure companies that provide stable and recurring dividend and equity income and additional construction opportunities from those companies’ new project developments.
- Note that the two major accidents at construction sites of its rival Italian-Thai Development (ITD) could strengthen CK’s market position (which would be positive for its business sustainability score in the G pillar) in government mega-project bidding.
- CK’s S score is also decent at 3.0. It maintains high construction quality standards, rigorous on-site safety protocols, and effective workforce management. Its experience in managing large and complex projects builds trust among employees, clients, and local communities.
- CK’s E score is moderate at 2.8. While it complies with applicable laws and regulations and is committed to environmental issues, its environmental management remains at a standard level rather than best practice.

We assign CK a moderate E score of 2.8. Despite its compliance with applicable laws and regulations and its commitment to environmental issues, the scope for further improvement toward best-practice standards remains limited.

Thanachart Environment (E) Rating



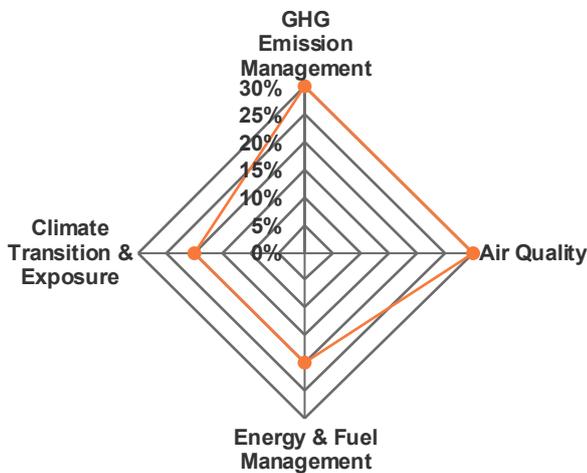
ENVIRONMENT

Our Comments

- **GHG Emission Management**
- **Air Quality**
- **Energy & Fuel Management**
- **Climate Transition & Exposure**

- We rate the Environmental (E) score for CK at a moderate level of 2.8 to reflect its environmental policies and management, which comply with relevant laws and regulations.
- It targets to reduce GHG emissions by 5% by 2027 and achieve net-zero emissions by 2065. It adheres to the ISO14064-1 standard for greenhouse gas measurement, reporting, and reduction, as certified by the Thailand Greenhouse Gas Management Organization (TGO). In 2024, its GHG emissions increased by 5% y-y to 246,724 tonnes of CO2e due to growing operational and business activities.
- It has implemented 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.
- It has also implemented noise-control measures, ensuring compliance with the standards set by the Notification of the National Environment Board No.15 (B.E. 2540). In 2024, its noise level didn't exceed the maximum level of 115 dBA and the 24-hour average noise level remained below 70 dBA. There were also no complaints regarding excessive noise.
- CK aims to reduce electricity usage by 10% by 2030 through its solar rooftop systems and energy-saving projects, such as replacing traditional light bulbs with more energy-efficient LED bulbs. In 2024, its total electricity consumption was 3.2m Kilowatt-Hours, up 4% y-y due to growing operational and business activities.
- It also aims to reduce water withdrawal by 10% by 2030 through promoting water reduction, using sensor-activated faucets, and implementing a water recycling management system in large-scale construction projects. In 2024, its total water withdrawal increased by 9% y-y to 24,640 cm3.
- CK has implemented waste management policies across all projects to ensure that waste handling meets legal standards. Recyclable and reusable materials are sorted to minimize the amount of waste requiring disposal. In 2024, CK estimated that 527 tonnes of waste was recycled.

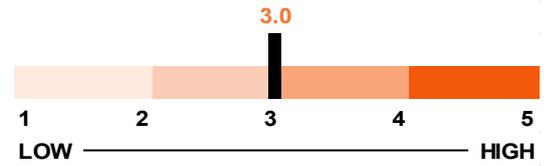
SCALE WEIGHTING



Sources: Thanachart, Company data

We assign CK a decent S score of 3.0, supported by its strong construction quality, firm commitment to health and safety standards, and ongoing investment in workforce and community development.

Thanachart Social (S) Rating



SOCIAL

Our Comments

- Human Rights & Community Relations
- Customer Welfare
- Product Quality & Safety
- Social Supply Chain Management
- Labor Relations
- Fair Labor Practices
- Health, Safety & Well-being
- Diversity & Inclusion

- We assign a decent social (S) score of 3.0 to CK as it 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 the highest standard, having committed to conducting safe operations in accordance with the Occupational Safety and Health law.
- CK’s human rights policy sets out guidelines aligned with international standards, including the UN Guiding Principles on Business and Human Rights, and applies to all stakeholders across its operations. It acknowledges the community’s right to access natural resources, conducts thorough community impact assessments before initiating any projects. In 2024, there were no cases or incidents of significant legal or social and human rights violations.
- CK is committed to ensuring the safety and occupational health of its personnel and stakeholders. It has set a target to maintain an accident rate of no more than 0.2 per 200,000 work hours for both employees and contractors. It adheres to the ISO 9001:2015 quality management system to maintain high operational standards. The 2024 occupational health and safety risk management determined that the overall risk level at each construction site remains low. However, a contractor tragically lost their life in a work-related accident.
- CK’s efficient management practices facilitate consistent delivery of high-quality, standardized construction services. Every project conducts a customer satisfaction survey. In 2024, 100% of its customers rated its services as either Good or Very Good. However, it received 63 complaints regarding its operations, and, in response, it has implemented improvements to its operational outcomes.
- CK also has an ongoing process to monitor, audit, and evaluate supplier performance through an annual on-site audit. In 2024, it carried out assessments of 134 partners and 58 subcontractors. The results were rated as good or excellent.
- It has conducted CSR activities, e.g., offering blood donation, supporting budgets for many community projects, and continuing its Community Technician Innovation Promotion project to develop community technicians to become community innovators.

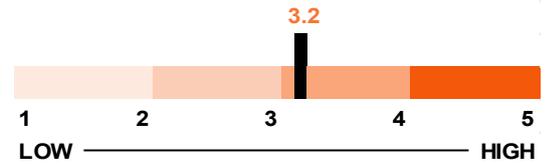
SCALE WEIGHTING



Sources: Thanachart, Company data

We assign CK a decent G score of 3.2, reflecting its strong business model as a leading contractor in Thailand and its strategic investments in infrastructure companies that deliver stable dividend and equity income.

Thanachart Governance (G) Rating



GOVERNANCE & SUSTAINABILITY

Our Comments

- Business Model and Innovation
- Leadership and Governance
- Board Structure
- Audit committee
- Remuneration
- Ethics & Compliance
- Risk Committee

- We assign CK a decent Governance (G) score of 3.2. We view its business model and innovation as strong. However, it is partly weighed down by our concerns about its board structure.
- We view CK’s business model as solid, supported by its core construction operations and recurring returns from investments in infrastructure companies. The company has extensive experience in delivering large-scale, complex construction projects. With only a limited number of major contractors possessing sufficiently strong track records to qualify for the government’s mega-projects and given Italian-Thai Development (ITD) recent operational accidents and weak financial position, CK appears well-positioned to stand out more prominently in upcoming mega-project tenders.
- Its investments in infrastructure companies are also bearing fruit, providing stable and recurring dividend and equity income with additional construction opportunities from those companies’ capacity expansion and new project developments. This integrated model strengthens earnings visibility and enhances its long-term growth prospects. However, on the downside, these strategic investments are capital-intensive and require substantial upfront funding. As a result, CK has maintained relatively high gearing levels, which in turn lead to high interest expenses.
- CK doesn’t have an ideal board structure in our view. Even though its board chair is independent, only five of the 11-member board of directors (BOD) are independent, which is below the 2/3 ideal ratio recommended for effective governance in protecting minority shareholder interests. Gender diversity is also limited with four female directors.
- On the positive side, CK has audit, nomination and remuneration, corporate social responsibility and sustainability, and corporate governance and risk management committees with independent chairs.

SCALE WEIGHTING



Sources: Thanachart, Company data

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	37,721	44,277	45,743	47,750	51,508
Cost of sales	34,742	40,624	41,946	43,787	47,233
Gross profit	2,979	3,653	3,797	3,963	4,275
% gross margin	7.9%	8.3%	8.3%	8.3%	8.3%
Selling & administration expenses	2,229	2,334	2,379	2,531	2,627
Operating profit	750	1,318	1,418	1,432	1,648
% operating margin	2.0%	3.0%	3.1%	3.0%	3.2%
Depreciation & amortization	854	950	989	1,037	1,085
EBITDA	1,604	2,268	2,407	2,469	2,733
% EBITDA margin	4.3%	5.1%	5.3%	5.2%	5.3%
Non-operating income	1,049	1,259	1,144	1,156	1,175
Non-operating expenses	0	0	0	0	0
Interest expense	(2,020)	(2,100)	(1,859)	(1,847)	(1,810)
Pre-tax profit	(222)	477	703	742	1,014
Income tax	119	109	141	148	203
After-tax profit	(340)	368	562	593	811
% net margin	-0.9%	0.8%	1.2%	1.2%	1.6%
Shares in affiliates' Earnings	1,875	2,160	2,133	2,283	2,369
Minority interests	(89)	(27)	(70)	(73)	(79)
Extraordinary items	0	827	0	0	0
NET PROFIT	1,446	3,328	2,625	2,803	3,101
Normalized profit	1,446	2,501	2,625	2,803	3,101
EPS (Bt)	0.9	2.0	1.5	1.7	1.8
Normalized EPS (Bt)	0.9	1.5	1.5	1.7	1.8

We forecast 5-11% y-y earnings growth in 2026-28F...

...driven by higher revenue recognition from its backlog value and sustained high gross margin

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	46,154	50,213	51,276	53,502	57,241
Cash & cash equivalent	10,188	9,770	10,000	10,000	10,000
Account receivables	5,472	6,615	6,893	7,195	7,761
Inventories	11,710	4,305	4,022	4,799	5,823
Others	18,783	29,523	30,361	31,508	33,656
Investments & loans	54,961	55,716	56,716	57,716	58,716
Net fixed assets	9,520	8,982	8,793	8,556	8,271
Other assets	2,467	2,165	2,239	2,339	2,522
Total assets	113,102	117,075	119,024	122,113	126,750
LIABILITIES:					
Current liabilities:	45,635	49,924	50,889	53,523	57,181
Account payables	4,376	6,365	6,551	7,918	9,835
Bank overdraft & ST loans	4,371	880	2,368	2,254	2,150
Current LT debt	12,024	11,527	10,797	10,277	9,806
Others current liabilities	24,864	31,152	31,173	33,075	35,390
Total LT debt	38,009	35,329	34,192	32,543	31,052
Others LT liabilities	2,979	3,131	3,319	3,466	3,738
Total liabilities	86,623	88,384	88,400	89,531	91,970
Minority interest	569	544	614	687	765
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	1,510	1,094	1,094	1,094	1,094
Retained earnings	17,836	20,490	22,353	24,238	26,357
Shareholders' equity	25,910	28,148	30,010	31,895	34,014
Liabilities & equity	113,102	117,075	119,024	122,113	126,750

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	(222)	477	703	742	1,014
Tax paid	(114)	(116)	(136)	(150)	(201)
Depreciation & amortization	854	950	989	1,037	1,085
Chg In working capital	(3,694)	8,251	191	288	326
Chg In other CA & CL / minorities	11,625	2,374	1,312	3,040	2,534
Cash flow from operations	8,449	11,935	3,058	4,956	4,758
Capex	(87)	(412)	(800)	(800)	(800)
Right of use	24	4	(5)	(5)	(5)
ST loans & investments	(38)	(4,145)	0	0	0
LT loans & investments	(3,471)	(755)	(1,000)	(1,000)	(1,000)
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(333)	711	118	52	94
Cash flow from investments	(3,905)	(4,596)	(1,687)	(1,753)	(1,711)
Debt financing	(1,121)	(6,667)	(379)	(2,284)	(2,065)
Capital increase	0	0	0	0	0
Dividends paid	(508)	(588)	(762)	(919)	(981)
Warrants & other surplus	(511)	(502)	0	0	0
Cash flow from financing	(2,140)	(7,758)	(1,141)	(3,203)	(3,047)
Free cash flow	8,363	11,524	2,258	4,156	3,958

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	20.7	12.0	11.4	10.7	9.7
Normalized PE - at target price (x)	26.9	15.6	14.8	13.9	12.6
PE (x)	20.7	9.0	11.4	10.7	9.7
PE - at target price (x)	26.9	11.7	14.8	13.9	12.6
EV/EBITDA (x)	46.3	30.0	28.0	26.3	23.0
EV/EBITDA - at target price (x)	51.9	33.9	31.7	30.0	26.3
P/BV (x)	1.2	1.1	1.0	0.9	0.9
P/BV - at target price (x)	1.5	1.4	1.3	1.2	1.1
P/CFO (x)	3.5	2.5	9.8	6.0	6.3
Price/sales (x)	0.8	0.7	0.7	0.6	0.6
Dividend yield (%)	1.7	2.5	3.1	3.3	3.6
FCF Yield (%)	27.9	38.4	7.5	13.9	13.2
(Bt)					
Normalized EPS	0.9	1.5	1.5	1.7	1.8
EPS	0.9	2.0	1.5	1.7	1.8
DPS	0.3	0.5	0.5	0.6	0.6
BV/share	15.3	16.6	17.7	18.8	20.1
CFO/share	5.0	7.0	1.8	2.9	2.8
FCF/share	4.9	6.8	1.3	2.5	2.3

Sources: Company data, Thanachart estimates

CK's valuation is attractive in our view at 11x PE and 1x P/BV in 2026F

The share also trades 44% below its associates' market value

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	2.7	17.4	3.3	4.4	7.9
Net profit (%)	(3.7)	130.2	(21.1)	6.8	10.6
EPS (%)	(3.7)	130.2	(21.1)	6.8	10.6
Normalized profit (%)	(0.4)	73.0	5.0	6.8	10.6
Normalized EPS (%)	(0.4)	73.0	5.0	6.8	10.6
Dividend payout ratio (%)	35.1	22.9	35.0	35.0	35.0
Operating performance					
Gross margin (%)	7.9	8.3	8.3	8.3	8.3
Operating margin (%)	2.0	3.0	3.1	3.0	3.2
EBITDA margin (%)	4.3	5.1	5.3	5.2	5.3
Net margin (%)	(0.9)	0.8	1.2	1.2	1.6
D/E (incl. minor) (x)	2.1	1.7	1.5	1.4	1.2
Net D/E (incl. minor) (x)	1.7	1.3	1.2	1.1	0.9
Interest coverage - EBIT (x)	0.4	0.6	0.8	0.8	0.9
Interest coverage - EBITDA (x)	0.8	1.1	1.3	1.3	1.5
ROA - using norm profit (%)	1.4	2.2	2.2	2.3	2.5
ROE - using norm profit (%)	5.6	9.3	9.0	9.1	9.4
DuPont					
ROE - using after tax profit (%)	na	1.4	1.9	1.9	2.5
- asset turnover (x)	0.4	0.4	0.4	0.4	0.4
- operating margin (%)	na	5.8	5.6	5.4	5.5
- leverage (x)	4.1	4.3	4.1	3.9	3.8
- interest burden (%)	(12.3)	18.5	27.4	28.7	35.9
- tax burden (%)	na	77.1	80.0	80.0	80.0
WACC (%)	7.3	7.3	7.3	7.3	7.3
ROIC (%)	1.0	1.5	1.7	1.7	2.0
NOPAT (Bt m)	750	1,017	1,134	1,146	1,319
invested capital (Bt m)	70,125	66,114	67,368	66,968	67,022

Sources: Company data, Thanachart estimates

We expect net D/E ratio to fall further to 1.4x in 2026F and 1.3x in 2027F from 1.7x in 2024

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. ESG Book (0-100)
3. SET ESG Rating (BBB-AAA)

SETESG Index (SETESG)

The SETESG Index reflects the price movement of stock of companies that have sustainable business practices which consider environmental, social and governance (ESG) aspect.

SET Index, SET50 Index, SET100 Index and all indices calculated by the Stock Exchange of Thailand ("SET") (collectively called "SET Index Series") are the registered trademarks/service marks solely owned by, and proprietary to SET. Any unauthorized use of SET Index Series is strictly prohibited. All information provided is for information purposes only and no warranty is made as to its fitness for purpose, satisfactory quality or otherwise. Every effort has been made to ensure that all information given is accurate, but no responsibility or liability (including in negligence) can be accepted by SET for errors or omissions or for any losses arising from the use of this information.

SET ESG Index (SET ESG)

Currently, long-term investment guidelines abroad are beginning to focus on investing in companies that have sustainable business practices. which considers environmental, social and governance factors (Environmental, Social and Governance or ESG) of the company in making investment decisions along with analyzing the company's financial data.

Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

ESG Book's Disclaimer

Arabesque S-Ray GmbH, also trading as "ESG Book", is a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated in Frankfurt am Main and organised 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 (hereinafter "ESG Book"). ESG Book, with its UK branch and local subsidiaries, is a provider of sustainability data and advisory services and operates the sustainability data platform ESG Book. ESG Book does not offer any regulated financial services nor products. This document is provided on a confidential basis by ESG Book and is for information purposes only; accordingly, it is not a solicitation or an offer to buy any security or instrument or to participate in any trading activities nor should it be construed as a recommendation or advice on the merits of investing in any financial product. THIRD PARTY INFORMATION. Certain information contained in this document has been obtained from sources outside ESG Book. While such information is believed to be reliable for the purposes used herein, no representations are made as to the accuracy or completeness thereof and neither ESG Book nor its affiliates take any responsibility for such information. To the extent this document contains any links to third party websites, such links are provided as a convenience and for informational purposes only; they do not constitute an endorsement or an approval by ESG Book of any of the products, services or opinions of the corporations or organization or individual operating such third party websites. ESG Book bears no responsibility for the accuracy, legality or content of the external site or for that of subsequent links. RELIANCE – ESG Book 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. CONFIDENTIALITY. This document contains highly confidential information regarding ESG Book's strategy and organization. Your acceptance of this document constitutes your agreement to keep confidential all the information contained in this document, as well as any information derived by you from the information contained in this document and not disclose any such information to any other person. This document may not be copied, reproduced, in any way used or disclosed or transmitted, in whole or in part, to any other person.

MSCI ESG Research LLC

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

"Although 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.

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.

90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
Below		N/A

General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) which is owned 99.97% by TMBThanachart Bank Public Company Limited (TTB) as a resource only for clients of TNS, TMBThanachart Bank Public Company Limited (TTB) 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 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 TNS, 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, TNS, 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.

TNS, TTB and its group companies perform and seek to perform business with companies covered in this report. TNS, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, 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.

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:

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
pimpaka.nic@thanachartsec.co.th

Nuttapop Prasitsuksant

Telecom, Utilities
nuttapop.pra@thanachartsec.co.th

Rata Limsuthiwanpoom

Auto, Industrial Estate, Media, Prop. Fund
rata.lim@thanachartsec.co.th

Siriporn Arunothai

Small Cap, Healthcare, Hotel
siriporn.aru@thanachartsec.co.th

Sittichet Rungrassameephat

Analyst, Retail Market Strategy
sittichet.run@thanachartsec.co.th

Chod Reankittiwat

Assistant Analyst
chod.rea@thanachartsec.co.th

Adisak Phupiphathirungul, CFA

Retail Market Strategy
adisak.phu@thanachartsec.co.th

Pattadol Bunnak

Electronics, Food & Beverage, Shipping
pattadol.bun@thanachartsec.co.th

Rawisara Suwanumphai

Bank, Finance
rawisara.suw@thanachartsec.co.th

Yupapan Polpornprasert

Energy, Petrochemical
yupapan.pol@thanachartsec.co.th

Thaloengsak Kucharoenpaisan

Analyst, Retail Market Strategy
thaloengsak.kuc@thanachartsec.co.th

Pattarawan Wangmingmat

Senior Technical Analyst
pattarawan.wan@thanachartsec.co.th

Phannarai Tiyapittayarut

Property, Retail
phannarai.von@thanachartsec.co.th

Saksid Phadthananarak

Construction, Transportation
saksid.pha@thanachartsec.co.th

Witchanan Tambamroong

Technical Analyst
witchanan.tam@thanachartsec.co.th

Nariporn Klangpremchitt, CISA

Analyst, Retail Market Strategy
nariporn.kla@thanachartsec.co.th