

Ch. Karnchang Pcl (CK TB) - BUY, Price Bt17.70, TP Bt23.00**Results Comment**

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Strong 4Q25 beat our estimates

- CK reported normalized profit of Bt431m in 4Q25, up 166% y-y but down 53% q-q, beating our expectations. The strong y-y growth was driven by higher sales and lower interest expenses, while the q-q decline reflected lower sales, gross margin, equity income, and no dividend income from TTW.
- Given stronger-than-expected 2025 earnings and our view that Thailand's construction upcycle will begin this year, we raise our 2026–28F earnings forecast for CK by 23–26% (see our CK report, Another Beneficiary, 27 February 2026).
- We reiterate our BUY on CK given: 1) strong revenue visibility from its record-high backlog, 2) high earnings contribution from associates, 3) attractive valuation at 11x PE, 1x P/BV, and 44% discount to subsidiaries' market value, and 4) large potential projects, including the Bt35bn double-deck expressway and Bt27bn M&E work for the South Purple Line.
- CK's revenue grew 11% y-y in 4Q25. The major projects that contributed to its revenue included the Luang Prabang Power Plant, the South Purple Line, the Den Chai-Chiang Rai-Chiang Khong double-track railway, and the M&E work for the Orange Line. We estimate its backlog to remain at Bt166bn at end 4Q25.
- Its gross margin slightly dropped to 7.6% in 4Q25 vs. 7.9% in 4Q24. Its SG&A expenses increased by 11% y-y following its sales growth. Other income rose 152% y-y and we will find out the reasons behind this increase.
- Its interest expenses also fell by 26% y-y due to debt repayments.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	(Bt m)	q-q%	y-y%	% 2025F	2025A	2026F
Revenue	9,482	11,970	10,813	11,000	10,494	Revenue	(5)	11	104	44,277	45,743
Gross profit	751	991	927	941	794	Gross profit	(16)	6	104	3,653	3,797
SG&A	596	556	534	583	662	SG&A	14	11	99	2,334	2,379
Operating profit	155	435	393	358	133	Operating profit	(63)	(14)	113	1,318	1,418
EBITDA	374	662	638	599	370	EBITDA	(38)	(1)	101	2,268	2,407
Other income	102	141	455	405	258	Other income	(36)	152	110	1,259	1,144
Other expense	0	0	0	0	0	Other expense					
Interest expense	671	507	551	546	497	Interest expense	(9)	(26)	96	2,100	1,859
Profit before tax	(414)	69	297	218	(107)	Profit before tax	na	na	362	477	703
Income tax	38	35	32	27	14	Income tax	(47)	(62)	80	109	141
Equity & invest. income	632	267	594	743	557	Equity & invest. income	(25)	(12)	107	2,160	2,133
Minority interests	(18)	(19)	4	(8)	(5)	Minority interests	na	na	na	(27)	(70)
Extraordinary items	(333)	0	0	814	13	Extraordinary items	(98)	na	165	827	0
Net profit	(171)	282	863	1,739	444	Net profit	(74)	na	136	3,328	2,625
Normalized profit	162	282	863	925	431	Normalized profit	(53)	166	129	2,501	2,625
EPS (Bt)	(0.10)	0.17	0.51	1.03	0.26	EPS (Bt)	(74)	na	136	1.96	1.55
Normalized EPS (Bt)	0.10	0.17	0.51	0.55	0.25	Normalized EPS (Bt)	(53)	166	129	1.48	1.55
Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	(%)	4Q24	1Q25	2Q25	3Q25	4Q25
Cash & ST investment	10,188	11,924	12,930	11,239	9,770	Sales growth	5.6	25.7	16.6	16.4	10.7
A/C receivable	5,472	6,457	6,117	6,972	6,615	Operating profit growth	124.6	77.7	118.6	109.4	(14.4)
Inventory	11,710	8,858	6,073	4,230	4,305	EBITDA growth	14.2	44.4	65.2	55.3	(1.2)
Other current assets	18,783	19,278	19,357	22,535	29,523	Norm profit growth	3.7	133.3	76.8	37.1	165.9
Investment	45,718	47,758	50,188	50,049	51,385	Norm EPS growth	3.7	133.3	76.8	37.1	165.9
Fixed assets	9,520	9,355	9,182	9,002	8,982	Gross margin	7.9	8.3	8.6	8.6	7.6
Other assets	11,710	12,465	12,547	12,522	6,495	Operating margin	1.6	3.6	3.6	3.3	1.3
Total assets	113,102	116,095	116,395	116,550	117,075	EBITDA margin	3.9	5.5	5.9	5.4	3.5
S-T debt	16,395	17,812	14,135	12,994	12,407	Norm net margin	1.7	2.4	8.0	8.4	4.1
A/C payable	4,376	6,203	5,210	6,227	6,365	D/E (x)	2.1	2.2	2.2	1.9	1.7
Other current liabilities	24,864	22,699	23,064	25,442	31,152	Net D/E (x)	1.7	1.8	1.7	1.5	1.3
L-T debt	38,009	40,234	44,309	40,336	35,329	Interest coverage (x)	0.6	1.3	1.2	1.1	0.7
Other liabilities	2,979	2,811	2,927	2,980	3,131	Interest rate	5.1	3.6	3.8	3.9	3.9
Minority interest	569	584	542	549	544	Effective tax rate	(9.1)	50.7	10.8	12.5	(13.6)
Shareholders' equity	25,910	25,752	26,208	28,023	28,148	ROA	0.6	1.0	3.0	3.2	1.5
Working capital	12,806	9,113	6,981	4,976	4,555	ROE	2.5	4.4	13.3	13.6	6.1
Total debt	54,403	58,046	58,443	53,330	47,736						
Net debt	44,215	46,122	45,513	42,091	37,966						

Sources: Company data, Thanachart estimates

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