

Ch. Karnchang Pcl (CK TB) - BUY

Analyst Meeting

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Positive message from analyst meeting

- **CK expects over Bt300bn of infra. projects to open for...
...this year and 25-30% chance to win.**
- **It is confident in maintaining its gross margin at 7–8%.**
- **Deleveraging will help lower its interest expenses.**

We joined CK's analyst meeting yesterday and the key takeaways are as the following.

- CK expects over Bt300bn of infrastructure projects to open for bidding this year, mainly from Phase 2 of the high-speed rail project. This has yet to include the Bt35bn double-deck project and Bt30bn South Purple Line O&M contract.
- CK targets over Bt260bn in new projects over the next three years.
- Revenue this year is expected to grow modestly, supported by continued progress across projects in its existing backlog.
- It remains confident in maintaining its gross profit margin at 7–8%, despite ongoing pressure from higher construction material costs.
- SG&A expenses are expected to increase slightly this year but the impact should be more than offset by lower interest expenses following deleveraging.
- Repair expenses related to the South Purple Line project are expected to be largely covered by insurance and are not anticipated to delay project completion.
- We reiterate our BUY call on CK, as one of the beneficiaries from Thailand's new infrastructure construction cycle and given its attractive valuation.

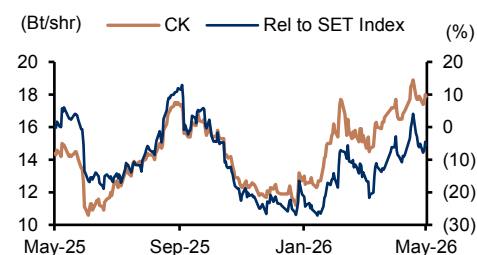
Key Valuations

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	44,277	45,823	47,515	51,217
Net profit	3,328	2,619	2,791	3,101
Norm net profit	2,501	2,619	2,791	3,101
Norm EPS (Bt)	1.5	1.5	1.6	1.8
Norm EPS gr (%)	73.0	4.7	6.6	11.1
Norm PE (x)	12.1	11.6	10.9	9.8
EV/EBITDA (x)	30.1	26.3	24.9	21.7
P/BV (x)	1.1	1.0	1.0	0.9
Div. yield (%)	2.5	3.0	3.2	3.6
ROE (%)	9.3	9.0	9.0	9.4
Net D/E (%)	132.3	108.3	94.9	82.9

Source: ttb wealth estimates

Stock Data

Closing price (Bt)	17.90
Target price (Bt)	23.00
Market cap (US\$ m)	929
Avg daily turnover (US\$ m)	3.9
12M H/L price (Bt)	18.90/10.60

Price Performance

Source: Bloomberg

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