Ch. Karnchang Pcl (CK TB) - BUY

Analyst Meeting

Saksid Phadthananarak | Email: saksid.pha@ttbwealth.co.th

Neutral tone of the analyst meeting

- **CK targets >Bt40bn sales at 7–8% gross margin this year.**
- **Despite slight delays in project bids, it still expects…**
- **…Bt771bn in project bids during 2H26–2027F and targets…**
- **…Bt285bn in new orders during 2027–28F.**

We joined CK's analyst meeting yesterday. The key takeaways are as follows:

- CK maintains its sales target of over Bt40bn this year (vs. Bt24bn in 1H26, and our forecast of Bt46bn). It also maintains its gross margin target of 7-8% (vs. 8.4% in 1H26 and our forecast of 8.3%).
- CK has seen slight delays in the government's infrastructure project bidding, as shown in Exhibit 1. However, it still expects Bt771bn worth of infrastructure projects to open for bidding in 2H26–27F. Given its backlog of Bt146bn as of end-1Q26 (equivalent to 3x our 2026F revenue), CK believes these slight delays will not impact its performance.
- Moreover, CK targets around Bt250bn in new orders in 2027–28F, as many mega projects, such as the Bt285bn Double-Track Railway Phase 2 and Bt237bn Thai-Chinese High-Speed Rail Phase 2, are expected to be divided into fewer but higher-value contracts. This could imply a limited number of qualified bidders and less intense competition.
- CK is also interested in constructing data center projects but needs to ensure that project owners have strong financial positions to support project execution.
- It is still confident that repair expenses related to the collape of part of the South Purple Line project will be largely covered by insurance and are not anticipated to delay project completion.
- we maintain our BUY call on CK given: 1) construction earnings growth from its high backlog, 2) high earnings contribution from associates, 3) attractive valuation at 12x PE, 1x P/BV, and 49% discount to subsidiaries' market value, and 4) many potential construction projects.

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Key Valuations

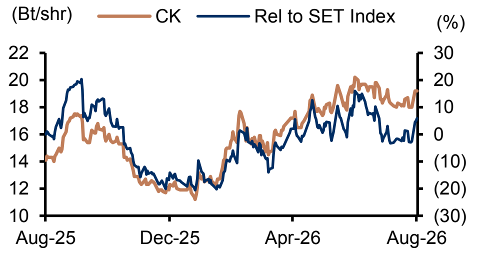
Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	44,277	45,823	47,515	51,217
Net profit	3,328	2,606	2,738	2,973
Norm net profit	2,501	2,606	2,738	2,973
Norm EPS (Bt)	1.48	1.54	1.62	1.75
Norm EPS gr (%)	73.0	4.2	5.1	8.6
Norm PE (x)	13.0	12.5	11.9	10.9
EV/EBITDA (x)	31.1	27.6	26.2	23.1
P/BV (x)	1.2	1.1	1.0	1.0
Div. yield (%)	2.3	2.8	2.9	3.2
ROE (%)	9.3	9.0	8.9	9.1
Net D/E (%)	132.3	110.7	98.7	88.2

Source: ttb wealth estimates

Stock Data

Closing price (Bt)	19.20
Target price (Bt)	22.50
Market cap (US$ m)	984
Avg daily turnover (US$ m)	6.1
12M H/L price (Bt)	20.20/11.20

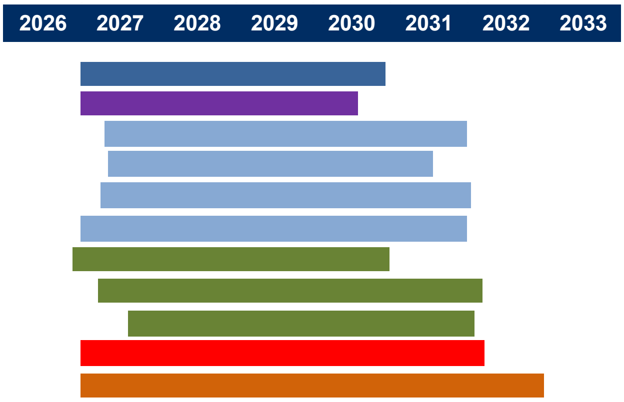
Price Performance



Source: Bloomberg

Ex 1: Potential Infrastructure Projects In 2H26-27

Project	Value (Bt m)
Double Deck (Ngam Wong Wan - Rama 9)	35,000
MRT Purple Line Project : Tao Poon - Rat Burana : M&E Works	30,000
Expressw ay: Kathu - Patong	10,600
Expressw ay: Chalong Rat - Outer Ring Road (N2)	14,000
Motorw ay : Bang Khun Thian -Bang Bua Thong (M9)	56,000
Motorw ay : Rangsit- Bang pa-in (M5)	30,000
Suvarnabhumi Airport Expansion (East Expansion)	13,000
Don Mueang Airport Expansion Phase 3	36,100
Chiang Mai Airport Expansion Phase 1	24,000
SRT High Speed Train Phase 2 : Nakhon Ratchasima - Nong Khai	237,000
SRT Double Track : 4 Routes	285,300
Total	**770,900**



Source: Company data

Ex 2: CK's Key Target Projects

Project	Value (Bt m)	Status / Timeline Remarks
Double Deck (Ngam Wong Wan-Rama IX)	35,000	Waiting for cabinet approval
Purple Line (South) : M&E Work	30,000	Negotiation in 1Q27
Motorways and Expressways	33,000	Bidding in 1Q27 (30% of 110,600)
Airport Expansion	21,900	Bidding in 4Q26 (30% of 73,000)
High Speed Train Phase 2	59,000	Bidding in 1Q27 (25% of 237,000)
Double Track Phase 2	71,000	Bidding in 1Q27 (25% of 285,300)
Expected Backlog 2027 – 2028	**249,900**	

Source: Company data

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