THAILAND	Sector Note
Sector Weighting	Overweight

Thailand Construction Sector

Nearing the bidding stage

Sector Valuation			Current	Target	Norm EPS grw		— Norm PE —		—— P/BV ——		— Div yield —	
	BBG		price	price	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F
Company	code	Rec.	(Bt)	(Bt)	(%)	(%)	(x)	(x)	(x)	(x)	(%)	(%)
CH. Karnchang Pcl	CK TB	BUY	17.30	22.50	4.2	5.1	11.2	10.7	1.0	0.9	3.1	3.3
Stecon Group Pcl	STECON TB	BUY	17.90	21.00	57.1	(9.9)	18.8	20.9	1.6	1.5	2.4	2.2

Source: ttb wealth estimates, based on 14 September 2026 closing prices

Recent cabinet approval for the double-track railway projects brings the total value of projects entering the bidding process to Bt451bn, or 57% of our Bt786bn project bid estimate for 2026-28F, and we expect bidding to commence from late this year onward. We remain Overweight on the sector.

Bt107bn of double-track railway projects approved

Cabinet approval of a Bt107bn budget for three of the six Phase 2 double-track railway lines marks further progress on infrastructure project bidding and signals the start of a new construction cycle in Thailand. We maintain our Overweight stance on the construction sector. ***First,*** we expect a wave of large new orders over the next three years, driven by the implementation of Bt786bn worth of public infrastructure projects in 2026-28F, alongside private-sector projects, particularly data centers and renewable power plants. ***Second,*** we expect the impact of rising building material prices due to the Middle East conflict to be limited, given CK and STECON's high levels of material stockpiling at pre-war prices, 3-5% margin cushions embedded in project bids, and the government's escalation factor (K). ***Third,*** we estimate a sector earnings CAGR of 11% in 2027-29F, supported by a large backlog equivalent to 3x its 2026F revenue base and new orders. ***Finally,*** despite higher share prices, we still view both STECON and CK's valuations as attractive.

57% of Bt786bn project value under TOR process

The latest cabinet meeting approved a cost revision for the Phase 2 double-track railway projects to reflect higher construction, material and diesel prices. Of the six railway lines, three have also received approval with a budget of Bt107bn, while the remaining lines must review their feasibility studies. This brings cabinet-approved projects to 57% of our Bt786bn project bidding estimate for 2026-28F, comprising Bt112bn in motorways, Bt237bn for the Thai-Chinese high-speed railway Phase 2, and Bt101bn in double-track railways. With these projects now progressing through the TOR (Terms of Reference), RFP (Request for Proposal), and bidding processes, we expect the bidding to commence from late this year onward.

11% construction earnings CAGR in 2027-29F

Taking out dividend and equity income, we forecast the sector's construction earnings to grow 8/12/13% y-y in 2027-29F driven by 1) construction revenue growth of 7% y-y in 2027F from existing backlog (3x 2026F revenue) and 10-11% y-y in 2028-29F from backlog and new orders and 2) a sustained average gross margin of 7.8% (vs. 8.1% in 1H26). We estimate the sector's new orders at Bt105/80/60bn in 2027-29F driven by both potential infrastructure and private projects mentioned above.

STECON remains our top sector pick

We rate both STECON and CK as BUYs. They are among the few large, qualified bidders for government mega-projects. Their competitive positions have strengthened further after financial issues at their rival Italian-Thai Development (ITD TB, non-rated) and Nawarat Patanakarn (NWR TB, non-rated). We prefer STECON to CK because of its exposure to all policy focus areas, including infrastructure, data centers, and renewable power plants. CK can bid for all, but given its already large backlog, it is focusing on infrastructure projects.

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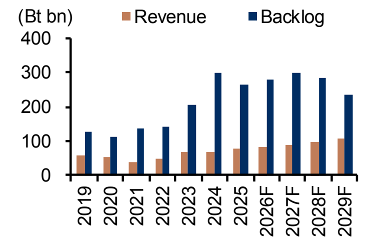
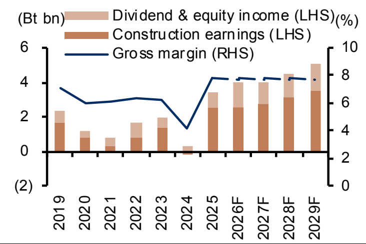
Sector Backlog And Revenue



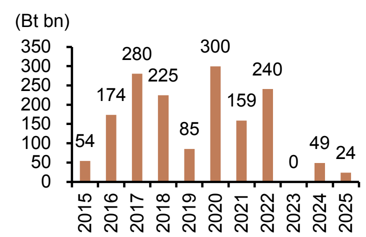
Sources: Company data; ttb wealth estimates

Sector Earnings



Sources: Company data; ttb wealth estimates

Thailand's Infra. investments



Sources: Company data; ttb wealth estimates

57% of Bt786bn project value under TOR process

Cabinet-approved project value now at 57% of our Bt786bn project bidding estimate for 2026-28F

The cabinet recently approved the construction of three Phase 2 double-track railway lines, Chumphon-Surat Thani, Surat Thani-Hat Yai, and Hat Yai-Padang Besar, with a combined construction and signaling value of Bt107bn, while asking the State Railway of Thailand (SRT) to review feasibility studies, marketing strategies, and business plans for the other three lines: Pak Nam Pho-Den Chai, Den Chai-Chiang Mai, and Thanon Chira Junction-Ubon Ratchathani. This brings the value of cabinet-approved projects to Bt451bn, or 57% of our Bt786bn project bidding estimate for 2026-28F. With these projects now in the TOR (Terms of Reference)/RFP (Request for Proposal) preparation and bidding process, we expect bidding to begin from late this year onward.

Ex 1: Thailand's Potential Infrastructure Projects In 2026-28F

Projects scheduled for bidding	Value (Bt bn)	Scheduled bidding year	Status
Cabinet-approved projects			
M82: O&M work - Bang Khun Thian - Ban Phaeo	15.7	2026	Under bidding process
M9: Bang Khun Thian - Bang Bua Thong	56.0	2026	Preparing RFP
M5: Rangsit - Bang Pa-in	30.0	2026	Preparing RFP
Expressway: Krathu - Patong	10.6	2026	Preparing TOR
High-speed train: Phase 2 Korat - Nong Khai	237.0	2026	Preparing TOR
Double track: Chumphon - Surat Thani	29.1	2027	Preparing TOR
Double track: Surat Thani - Hat Yai Junction	64.6	2027	Preparing TOR
Double track: Hat Yai Junction - Padang Besar	7.6	2027	Preparing TOR
Mass Rapid Transit Authority of Thailand			
South Purple Line: O&M work	30.0	2027	To propose to cabinet
Expressway Authority of Thailand			
Expressway: N2 Chalong Rat - ORR	13.7	2027	Waiting for cabinet approval
Expressway: Double-deck	35.0	2027	To propose to cabinet
State Railway of Thailand			
Double track: Pak Nam Pho - Den Chai	77.8	2028	Under SRT review
Double track: Den Chai - Chiang Mai	63.5	2028	Under SRT review
Double track: Chira Junction - Ubon Ratchathani	43.0	2028	Under SRT review
Airports			
Suvarnabhumi Airport: East expansion	12.5	2026	Waiting for cabinet approval
Don Mueang Airport: Phase 3	60.0	2027	Waiting for cabinet approval
Total	**786.1**		

Sources: Company data, ttb wealth estimates

Reiterating our Overweight stance

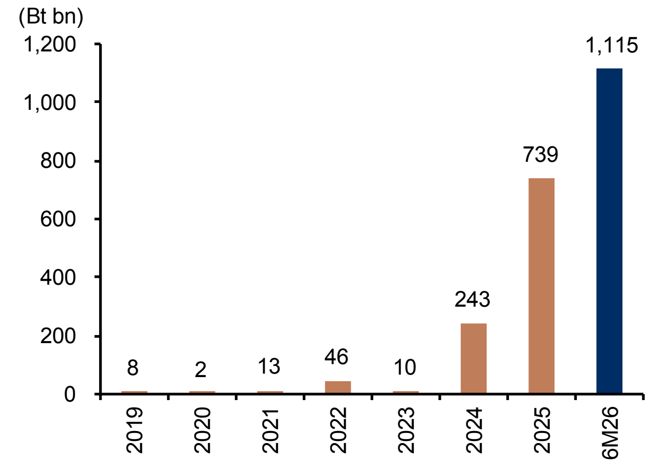
We Overweight the sector…

We reiterate our Overweight stance on the construction sector.

…given Thailand's new construction cycle in 2026-29F…

First, we expect Thailand's new construction cycle to begin late this year, driven by both government infrastructure projects discussed in the previous section and private-sector investment, particularly in data centers and renewable power. We foresee strong demand for data center construction, supported by a surge in Thailand Board of Investment (BOI) investment promotion applications, with project value rising from Bt243bn in 2024 to Bt739bn in 2025 and Bt874bn in 1Q26. Demand for renewable power plant construction should also be supported by Thailand's long-term Power Development Plan (PDP) target to raise renewable energy to 50% of total electricity generation. In 2023, 8.8GW of additional power purchase agreements (PPAs) for renewable projects worth Bt362bn were awarded to operators, and we expect the new PDP to unlock another 18.5GW of renewable PPAs, worth Bt698bn, to be bid out by 2028F.

Ex 2: BOI Application Value For Data Center Projects



Source: BOI

Ex 3: Thailand's Renewable Projects Under Development

Capacity (MW)	2024	2025	2026	2027	2028	2029	2030
Solar	195	292	253	722	1,289	528	669
Wind				686	258	629	483
Solar + battery	135	121	126	46	226	157	183
	330	**413**	**379**	**1,453**	**1,773**	**1,314**	**1,335**

Value (Bt bn)	2024	2025	2026	2027	2028	2029	2030
Solar	5.9	8.8	7.6	21.7	38.7	15.9	20.1
Wind				51.4	19.3	47.2	36.2
Solar + battery	12.2	10.9	11.3	4.1	20.4	14.1	16.5
	18.0	**19.6**	**18.9**	**77.2**	**78.3**	**77.2**	**72.8**

Sources: The Energy Regulatory Commission, ttb wealth compilation

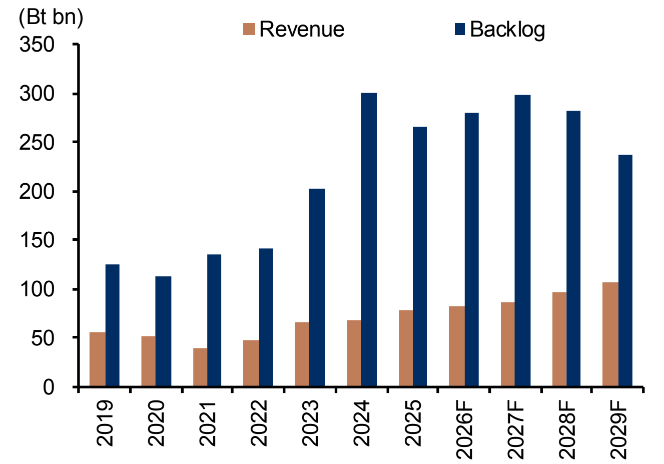
…construction revenue growth of 7-11% in 2027-29F,…

Second, with substantial potential new projects and an existing backlog worth 3x 2026F revenue, we expect the two industry leaders under our coverage, Ch. Karnchang (CK TB, Bt17.3, BUY) and Sino-Thai Engineering (STECON TB, Bt17.9, BUY), to deliver construction revenue growth of 7-11% in 2027-29F.

…11% three-year earnings CAGRs, and…

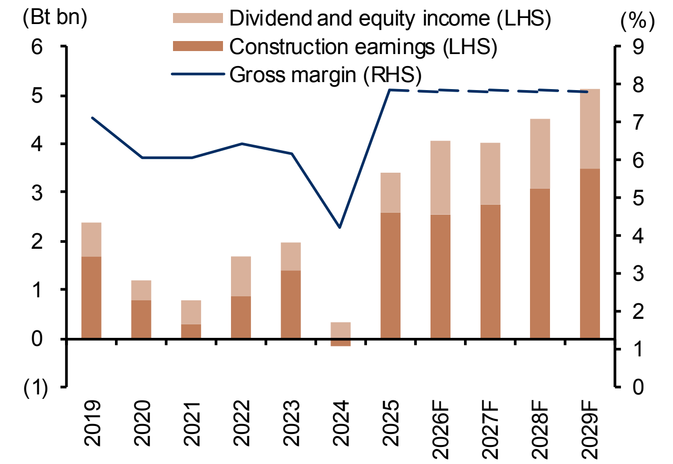
Third, we estimate their construction earnings CAGR at 11% in 2027-29F, supported by revenue growth of 7-11% and a stable gross margin of 7.8%. We expect both CK and STECON to experience a limited impact from higher building material prices due to the Middle East conflict, given their stockpiling of building materials at pre-conflict prices, the escalation (K) factor for government projects, and 3-5% cost buffers built into project bids.

Ex 4: Sector Revenue And Backlog



Sources: Company data, ttb wealth estimates

Ex 5: Sector Gross Margin And Earnings

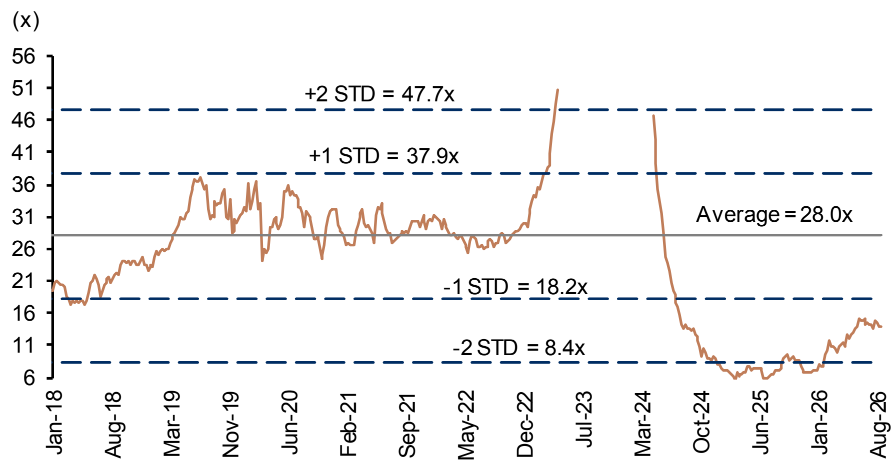


Sources: Company data, ttb wealth estimates

...trading at more than 1x STD below their average PE

Finally, valuations remain attractive, in our view, with their shares trading at more than 1x standard deviation below their average PE.

Ex 6: Sector PE Standard Deviation



Sources: Bloomberg, ttb wealth estimates

STECON is our top sector pick

We have BUYs call on both STECON and CK but prefer STECON to CK

We rate both STECON and CK as BUYs. They are among the few large, qualified contractors for bidding government mega-projects. Their competitive positions have strengthened further after financial issues at rival Italian-Thai Development (ITD TB, non-rated) and Nawarat Patanakarn (NWR TB, non-rated). However, we prefer STECON to CK because:

First, we like STECON's exposure to all policy focus areas, including infrastructure, data centers, and renewable power plants. CK can bid for all, but given its already large backlog, it is focusing on infrastructure projects.

Second, given more available capacity, we estimate STECON to offer stronger core construction earnings growth (excluding dividend and equity income) of 15/15/16% y-y in 2027-29F than CK's 4/10/10% y-y.

Slower-than-expected implementation of infrastructure projects is a key downside risks to our SOTP-based target prices for STECON and CK.

Ex 7: STECON – BUY, Price Bt17.90, TP Bt21.00

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	33,473	35,789	39,628	44,623
Net profit	1,948	1,646	1,303	1,538
Norm profit	921	1,446	1,303	1,538
Norm EPS (Bt)	0.61	0.95	0.86	1.01
Norm EPS grw (%)	na	57.1	(9.9)	18.1
Norm PE (x)	29.5	18.8	20.9	17.7
EV/EBITDA (x)	15.1	14.0	12.5	10.9
P/BV (x)	1.6	1.6	1.5	1.4
Div yield (%)	3.1	2.4	2.2	2.8
ROE (%)	5.4	8.5	7.3	8.3
Net D/E (%)	24.5	19.0	17.0	12.5

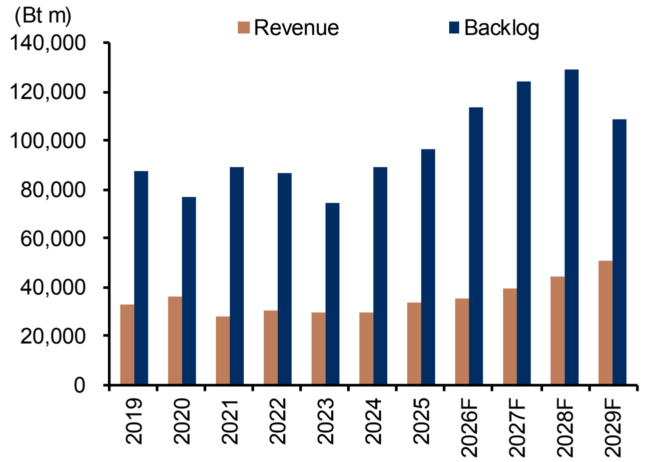
Sources: Company data, ttb wealth estimates

Ex 8: CK – BUY, Price Bt17.30, TP Bt22.50

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	44,277	45,823	47,515	51,217
Net profit	3,328	2,606	2,738	2,973
Norm profit	2,501	2,606	2,738	2,973
Norm EPS (Bt)	1.48	1.54	1.62	1.75
Norm EPS grw (%)	73.0	4.2	5.1	8.6
Norm PE (x)	11.7	11.2	10.7	9.9
EV/EBITDA (x)	29.7	26.2	24.9	22.0
P/BV (x)	1.0	1.0	0.9	0.9
Div yield (%)	2.6	3.1	3.3	3.6
ROE (%)	9.3	9.0	8.9	9.1
Net D/E (%)	132.3	110.7	98.7	88.2

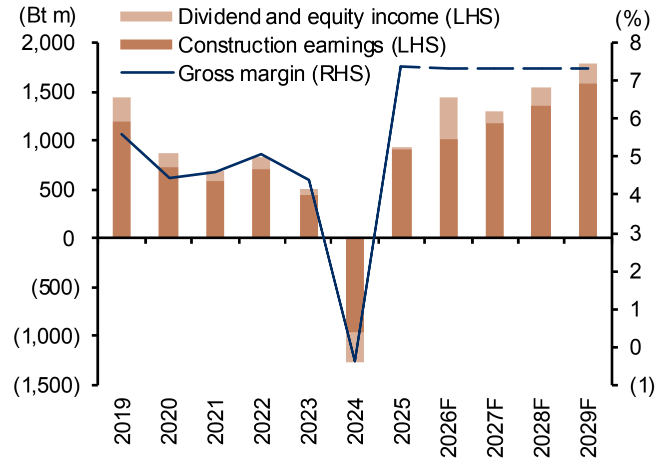
Sources: Company data, ttb wealth estimates

Ex 9: STECON's Revenue And Backlog



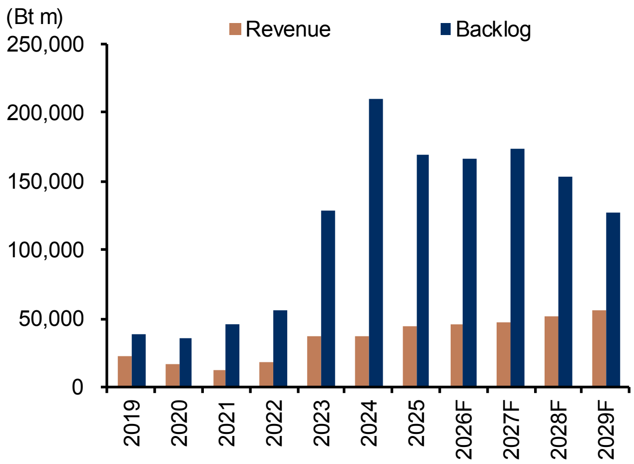
Sources: Company data, ttb wealth estimates

Ex 10: STECON's Gross Margin And Earnings



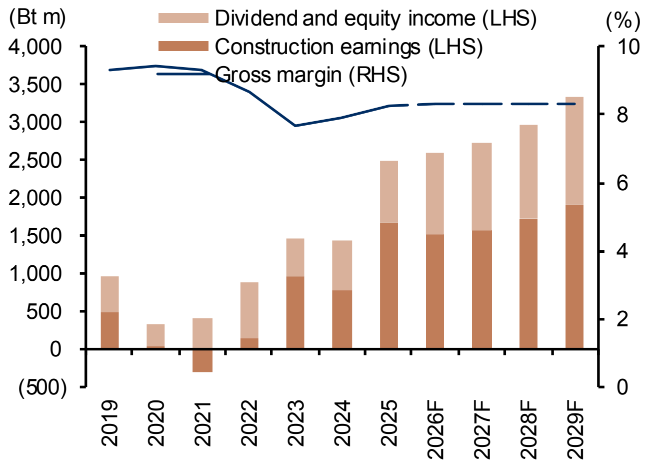
Sources: Company data, ttb wealth estimates

Ex 11: CK's Revenue And Backlog



Sources: Company data, ttb wealth estimates

Ex 12: CK's Gross Margin And Earnings



Sources: Company data, ttb wealth estimates

Valuation Comparison

Ex 13: Comparison With Regional Peers

Name	BBG code	Country	EPS growth 26F (%)	EPS growth 27F (%)	PE 26F (x)	PE 27F (x)	P/BV 26F (x)	P/BV 27F (x)	EV/EBITDA 26F (x)	EV/EBITDA 27F (x)	Div yield 26F (%)	Div yield 27F (%)
Ahluwalia Contracts	AHLU IN	India	(1.3)	29.0	15.3	11.9	na	na	na	na	0.1	0.2
Nagarjuna Construction	NJCC IN	India	35.7	13.0	9.7	8.5	1.0	0.9	5.3	4.8	1.6	1.7
Gamuda	GAM MK	Malaysia	3.1	27.2	27.1	21.3	2.2	2.1	23.7	18.7	2.0	2.3
IJM Corp	IJM MK	Malaysia	na	13.4	21.4	18.9	1.0	0.9	12.4	11.5	4.1	2.8
Hyundai Eng & Const	000720 KS	S. Korea	39.5	37.0	27.4	20.0	1.6	1.5	15.3	12.0	0.7	0.8
Samsung Engineering	028050 KS	S. Korea	20.1	22.6	13.4	10.9	1.9	1.6	5.7	4.8	1.7	2.0
Pylon Pcl	PYLON TB	Thailand	35.2	2.6	9.8	9.6	2.4	2.3	6.3	6.1	8.2	8.3
Seafco Pcl	SEAFCO TB	Thailand	65.9	(22.9)	8.2	10.6	1.3	1.2	4.6	5.4	5.6	4.2
CH. Karnchang *	CK TB	Thailand	4.2	5.1	11.2	10.7	1.0	0.9	26.2	24.9	3.1	3.3
Stecon Group *	STECON TB	Thailand	57.1	(9.9)	18.8	20.9	1.6	1.5	14.0	12.5	2.4	2.2
Average			**28.8**	**11.7**	**16.2**	**14.3**	**1.6**	**1.4**	**12.6**	**11.2**	**3.0**	**2.8**

Sources: Bloomberg

Note: * ttb wealth estimates, using ttb wealth normalized EPS

Based on 14 September 2026 closing prices

Ex 14: Key Assumptions Comparison

		CK	STECON	Industry
Rating		**BUY**	**BUY**	**Overweight**
Market cap	(US$ m)	881	817	
Target price (Bt)	**ttb wealth**	**22.50**	**21.00**	
	Consensus	24.05	21.03	
Consensus rec.	BUY	14	13	
	HOLD	0	3	
	SELL	0	0	
Sales (Bt m)	2025	44,277	33,473	77,750
	2026F	45,823	35,789	81,612
	2027F	47,515	39,628	87,144
	2028F	51,217	44,623	95,840
Normalized profits (Bt m)	2025	2,501	921	3,422
	2026F	2,606	1,446	4,052
	2027F	2,738	1,303	4,042
	2028F	2,973	1,538	4,511
Sales growth (%)	2025	17.4	11.6	14.8
	2026F	3.5	6.9	5.0
	2027F	3.7	10.7	6.8
	2028F	7.8	12.6	10.0
Normalized EPS growth (%)	2025	73.0	na	73.0
	2026F	4.2	57.1	30.7
	2027F	5.1	(9.9)	(2.4)
	2028F	8.6	18.1	13.3
ROE (%)	2025	9.3	5.4	7.3
	2026F	9.0	8.5	8.7
	2027F	8.9	7.3	8.1
	2028F	9.1	8.3	8.7
Dividend yield (%)	2025	2.6	3.1	2.8
	2026F	3.1	2.4	2.8
	2027F	3.3	2.2	2.8
	2028F	3.6	2.8	3.2
P/BV (x)	2025	1.0	1.6	1.3
	2026F	1.0	1.6	1.3
	2027F	0.9	1.5	1.2
	2028F	0.9	1.4	1.1
Normalized PE (x)	2025	11.7	29.5	20.6
	2026F	11.2	18.8	15.0
	2027F	10.7	20.9	15.8
	2028F	9.9	17.7	13.8
EV/EBITDA (x)	2025	29.7	15.1	22.4
	2026F	26.2	14.0	20.1
	2027F	24.9	12.5	18.7
	2028F	22.0	10.9	16.4
Net D/E (%)	2025	1.3	0.2	0.8
	2026F	1.1	0.2	0.6
	2027F	1.0	0.2	0.6
	2028F	0.9	0.1	0.5

Sources: Company data, ttb wealth estimates

STOCK PERFORMANCE

	Absolute (%)				Rel SET (%)			
	1M	3M	12M	YTD	1M	3M	12M	YTD
SET INDEX	(1.1)	(0.0)	22.4	26.3	—	—	—	—
Construction	1.4	(0.3)	19.4	51.7	2.5	(0.3)	(3.1)	25.4
CK TB	(3.9)	(11.3)	0.0	45.4	(2.8)	(11.2)	(22.4)	19.1
STECON TB	7.8	3.5	102.3	181.9	8.9	3.5	79.8	155.6

Source: Bloomberg

SECTOR - SWOT ANALYSIS

S — Strength

- Contractors under our coverage are the class-A contractors, allowing them to bid for all construction work.
- Their high existing backlog values should secure their revenue growth for at least the next two years.

W — Weakness

- The majority of the contractors' revenues are based on projects they have to bid for, and there are no guarantees they will be awarded the contracts.
- The construction business is labor-intensive. Thus, there are risks of higher labor costs and labor shortages.

O — Opportunity

- Thailand is embarking on a new construction cycle.
- The government intends to invest in infrastructure projects to improve Thailand's economy, competitiveness, and attraction for private investment.

T — Threat

- Volatility in building material prices is one of the major risks.
- High public debt could cause the government to delay some infrastructure investments.

REGIONAL COMPARISON

	— EPS growth —		—— PE ——		—— P/BV ——		—— EV/EBITDA——		—— Div. Yield ——	
Name	26F (%)	27F (%)	26F (x)	27F (x)	26F (x)	27F (x)	26F (x)	27F (x)	26F (%)	27F (%)
India	17.2	21.0	12.5	10.2	1.0	0.9	5.3	4.8	0.9	1.0
Malaysia	3.1	20.3	24.3	20.1	1.6	1.5	18.1	15.1	3.1	2.6
South Korea	29.8	29.8	20.4	15.5	1.8	1.6	10.5	8.4	1.2	1.4
Thailand	40.6	(6.3)	12.0	13.0	1.6	1.5	12.8	12.2	4.8	4.5
Average	**22.7**	**16.2**	**17.3**	**14.7**	**1.5**	**1.4**	**11.7**	**10.1**	**2.5**	**2.4**
CK	4.2	5.1	11.2	10.7	1.0	0.9	26.2	24.9	3.1	3.3
STECON	57.1	(9.9)	18.8	20.9	1.6	1.5	14.0	12.5	2.4	2.2
Average	**30.7**	**(2.4)**	**15.0**	**15.8**	**1.3**	**1.2**	**20.1**	**18.7**	**2.8**	**2.8**

Sources: Bloomberg Consensus
Note: * ttb wealth estimate – using normalized EPS
Based on 14 September 2026 closing prices

Ch. Karnchang

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	37,721	44,277	45,823	47,515	51,217
Cost of sales	34,742	40,624	42,019	43,571	46,966
Gross profit	**2,979**	**3,653**	**3,803**	**3,944**	**4,251**
% gross margin	7.9%	8.3%	8.3%	8.3%	8.3%
Selling & administration expenses	2,229	2,334	2,383	2,518	2,612
Operating profit	**750**	**1,318**	**1,421**	**1,425**	**1,639**
% 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**	**2,409**	**2,462**	**2,724**
% EBITDA margin	4.3%	5.1%	5.3%	5.2%	5.3%
Non-operating income	1,049	1,259	906	899	917
Non-operating expenses	0	0	0	0	0
Interest expense	(2,020)	(2,100)	(1,644)	(1,637)	(1,600)
Pre-tax profit	**(222)**	**477**	**683**	**687**	**956**
Income tax	119	109	137	137	191
After-tax profit	**(340)**	**368**	**546**	**549**	**765**
% net margin	-0.9%	0.8%	1.2%	1.2%	1.5%
Shares in affiliates' Earnings	1,875	2,160	2,130	2,262	2,286
Minority interests	(89)	(27)	(70)	(73)	(78)
Extraordinary items	0	827	0	0	0
NET PROFIT	**1,446**	**3,328**	**2,606**	**2,738**	**2,973**
Normalized profit	**1,446**	**2,501**	**2,606**	**2,738**	**2,973**
EPS (Bt)	0.85	1.96	1.54	1.62	1.75
Normalized EPS (Bt)	0.85	1.48	1.54	1.62	1.75

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	46,154	50,213	47,127	48,499	51,498
Cash & cash equivalent	10,188	9,770	10,000	10,000	10,000
Account receivables	5,472	6,615	6,905	7,160	7,718
Inventories	11,710	4,305	4,029	4,178	4,504
Others	18,783	29,523	26,193	27,161	29,277
Investments & loans	54,961	55,716	57,216	58,716	60,216
Net fixed assets	9,520	8,982	8,793	8,556	8,271
Other assets	2,467	2,165	2,243	2,328	2,508
Total assets	**113,102**	**117,075**	**115,379**	**118,099**	**122,493**
LIABILITIES:					
Current liabilities:	45,635	49,924	49,761	51,771	54,941
Account payables	4,376	6,365	6,332	7,162	8,492
Bank overdraft & ST loans	4,371	880	2,195	2,104	2,025
Current LT debt	12,024	11,527	10,007	9,592	9,233
Others current liabilities	24,864	31,152	31,228	32,912	35,190
Total LT debt	**38,009**	**35,329**	**31,689**	**30,375**	**29,239**
Others LT liabilities	2,979	3,131	3,325	3,449	3,717
Total liabilities	**86,623**	**88,384**	**84,774**	**85,595**	**87,897**
Minority interest	569	544	614	686	764
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**	**22,334**	**24,160**	**26,175**
Shareholders' equity	25,910	28,148	29,991	31,818	33,832
Liabilities & equity	**113,102**	**117,075**	**115,379**	**118,099**	**122,493**

Sources: Company data, ttb wealth estimates

Ch. Karnchang

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	(222)	477	683	687	956
Tax paid	(114)	(116)	(132)	(139)	(190)
Depreciation & amortization	854	950	989	1,037	1,085
Chg In w orking capital	(3,694)	8,251	(47)	427	447
Chg In other CA & CL / minorities	11,625	2,374	1,318	2,981	2,447
Cash flow from operations	**8,449**	**11,935**	**2,810**	**4,992**	**4,744**
Capex	(87)	(412)	(800)	(800)	(800)
Right of use	24	4	(5)	(5)	(5)
ST loans & investments	(38)	(4,145)	4,213	0	0
LT loans & investments	(3,471)	(755)	(1,500)	(1,500)	(1,500)
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(333)	711	120	44	93
Cash flow from investments	**(3,905)**	**(4,596)**	**2,028**	**(2,261)**	**(2,212)**
Debt financing	(1,121)	(6,667)	(3,846)	(1,819)	(1,574)
Capital increase	0	0	0	0	0
Dividends paid	(508)	(588)	(762)	(912)	(958)
Warrants & other surplus	(511)	(502)	0	0	0
Cash flow from financing	**(2,140)**	**(7,758)**	**(4,608)**	**(2,731)**	**(2,532)**
Free cash flow	**4,544**	**7,339**	**4,838**	**2,731**	**2,532**

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	20.3	11.7	11.2	10.7	9.9
Normalized PE - at target price (x)	26.4	15.2	14.6	13.9	12.8
PE (x)	20.3	8.8	11.2	10.7	9.9
PE - at target price (x)	26.4	11.5	14.6	13.9	12.8
EV/EBITDA (x)	45.8	29.7	26.2	24.9	22.0
EV/EBITDA - at target price (x)	51.3	33.5	29.9	28.5	25.2
P/BV (x)	1.1	1.0	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	10.4	5.9	6.2
Price/sales (x)	0.8	0.7	0.6	0.6	0.6
Dividend yield (%)	1.7	2.6	3.1	3.3	3.6
FCF Yield (%)	15.5	25.0	16.5	9.3	8.6
(Bt)					
Normalized EPS	0.85	1.48	1.54	1.62	1.75
EPS	0.85	1.96	1.54	1.62	1.75
DPS	0.30	0.45	0.54	0.57	0.61
BV/share	15.30	16.62	17.71	18.78	19.97
CFO/share	4.99	7.05	1.66	2.95	2.80
FCF/share	2.68	4.33	2.86	1.61	1.49

Sources: Company data, ttb wealth estimates

Ch. Karnchang

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	2.7	17.4	3.5	3.7	7.8
Net profit (%)	(3.7)	130.2	(21.7)	5.1	8.6
EPS (%)	(3.7)	130.2	(21.7)	5.1	8.6
Normalized profit (%)	(0.4)	73.0	4.2	5.1	8.6
Normalized EPS (%)	(0.4)	73.0	4.2	5.1	8.6
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	1.5
D/E (incl. minor) (x)	2.1	1.7	1.4	1.3	1.2
Net D/E (incl. minor) (x)	1.7	1.3	1.1	1.0	0.9
Interest coverage - EBIT (x)	0.4	0.6	0.9	0.9	1.0
Interest coverage - EBITDA (x)	0.8	1.1	1.5	1.5	1.7
ROA - using norm profit (%)	1.4	2.2	2.2	2.3	2.5
ROE - using norm profit (%)	5.6	9.3	9.0	8.9	9.1
DuPont					
ROE - using after tax profit (%)	na	1.4	1.9	1.8	2.3
- asset turnover (x)	0.4	0.4	0.4	0.4	0.4
- operating margin (%)	na	5.8	5.1	4.9	5.0
- leverage (x)	4.1	4.3	4.0	3.8	3.7
- interest burden (%)	(12.3)	18.5	29.3	29.6	37.4
- 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	1.8	2.1
NOPAT (Bt m)	750	1,017	1,136	1,140	1,311
invested capital (Bt m)	70,125	66,114	63,882	63,889	64,330

Sources: Company data, ttb wealth estimates

STECON Group

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	30,005	33,473	35,789	39,628	44,623
Cost of sales	30,123	31,009	33,176	36,736	41,366
Gross profit	**(118)**	**2,464**	**2,613**	**2,893**	**3,257**
% gross margin	-0.4%	7.4%	7.3%	7.3%	7.3%
Selling & administration expenses	846	1,129	1,181	1,308	1,473
Operating profit	**(964)**	**1,335**	**1,432**	**1,585**	**1,785**
% operating margin	-3.2%	4.0%	4.0%	4.0%	4.0%
Depreciation & amortization	755	743	759	849	939
EBITDA	**(209)**	**2,078**	**2,190**	**2,434**	**2,724**
% EBITDA margin	-0.7%	6.2%	6.1%	6.1%	6.1%
Non-operating income	341	346	806	393	432
Non-operating expenses	0	0	0	0	0
Interest expense	(158)	(268)	(267)	(239)	(225)
Pre-tax profit	**(782)**	**1,414**	**1,970**	**1,739**	**1,992**
Income tax	(68)	282	394	348	398
After-tax profit	**(714)**	**1,132**	**1,576**	**1,391**	**1,593**
% net margin	-2.4%	3.4%	4.4%	3.5%	3.6%
Shares in affiliates' Earnings	(584)	(212)	(150)	(110)	(80)
Minority interests	31	1	20	22	25
Extraordinary items	(1,089)	1,028	200	0	0
NET PROFIT	**(2,357)**	**1,948**	**1,646**	**1,303**	**1,538**
Normalized profit	**(1,268)**	**921**	**1,446**	**1,303**	**1,538**
EPS (Bt)	(1.55)	1.28	1.08	0.86	1.01
Normalized EPS (Bt)	(0.83)	0.61	0.95	0.86	1.01

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	20,082	24,622	23,921	26,147	29,043
Cash & cash equivalent	3,425	4,216	3,000	3,000	3,000
Account receivables	11,559	14,524	14,708	16,286	18,338
Inventories	3,231	3,886	4,090	4,529	5,100
Others	1,867	1,996	2,123	2,332	2,605
Investments & loans	24,531	22,418	22,418	22,418	22,418
Net fixed assets	4,683	5,041	5,783	6,434	6,995
Other assets	2,221	4,168	4,379	4,721	5,164
Total assets	**51,516**	**56,249**	**56,500**	**59,720**	**63,621**
LIABILITIES:					
Current liabilities:	30,156	35,325	34,534	36,819	39,410
Account payables	18,977	23,774	24,541	26,671	29,466
Bank overdraft & ST loans	6,921	7,903	6,000	5,779	5,090
Current LT debt	146	68	53	51	45
Others current liabilities	4,112	3,580	3,940	4,318	4,809
Total LT debt	**438**	**425**	**330**	**318**	**280**
Others LT liabilities	3,080	3,448	3,794	4,119	4,539
Total liabilities	**33,673**	**39,198**	**38,658**	**41,256**	**44,229**
Minority interest	432	417	397	375	350
Preferreds shares	0	0	0	0	0
Paid-up capital	1,519	1,519	1,519	1,519	1,519
Share premium	2,089	2,089	2,089	2,089	2,089
Warrants	0	0	0	0	0
Surplus	7,056	4,364	4,364	4,364	4,364
Retained earnings	**6,747**	**8,662**	**9,473**	**10,117**	**11,069**
Shareholders' equity	17,411	16,634	17,445	18,090	19,042
Liabilities & equity	**51,516**	**56,249**	**56,500**	**59,720**	**63,621**

Sources: Company data, ttb wealth estimates

STECON Group

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	(782)	1,414	1,970	1,739	1,992
Tax paid	68	(282)	(394)	(348)	(398)
Depreciation & amortization	755	743	759	849	939
Chg In w orking capital	(658)	1,177	379	113	171
Chg In other CA & CL / minorities	96	(870)	84	59	139
Cash flow from operations	**(521)**	**2,181**	**2,798**	**2,411**	**2,842**
Capex	(1,488)	(1,101)	(1,500)	(1,500)	(1,500)
Right of use	209	(719)	(10)	(10)	(10)
ST loans & investments	(77)	(17)	0	0	0
LT loans & investments	(3,135)	2,113	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(1,652)	167	345	(8)	(13)
Cash flow from investments	**(6,143)**	**443**	**(1,165)**	**(1,518)**	**(1,523)**
Debt financing	2,642	891	(2,013)	(235)	(733)
Capital increase	(0)	0	0	0	0
Dividends paid	(229)	(6)	(836)	(658)	(586)
Warrants & other surplus	2,366	(2,719)	0	0	0
Cash flow from financing	**4,780**	**(1,834)**	**(2,849)**	**(893)**	**(1,319)**
Free cash flow	**(6,665)**	**2,625**	**1,633**	**893**	**1,319**

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	na	29.5	18.8	20.9	17.7
Normalized PE - at target price (x)	na	34.7	22.1	24.5	20.7
PE (x)	na	13.96	16.5	20.9	17.7
PE - at target price (x)	na	16.38	19.4	24.5	20.7
EV/EBITDA (x)	na	15.1	14.0	12.5	10.9
EV/EBITDA - at target price (x)	na	17.4	16.1	14.4	12.6
P/BV (x)	1.6	1.6	1.6	1.5	1.4
P/BV - at target price (x)	1.8	1.9	1.8	1.8	1.7
P/CFO (x)	(52.2)	12.5	9.7	11.3	9.6
Price/sales (x)	0.9	0.8	0.8	0.7	0.6
Dividend yield (%)	0.0	3.1	2.4	2.2	2.8
FCF Yield (%)	(24.5)	9.7	6.0	3.3	4.9
(Bt)					
Normalized EPS	(0.83)	0.61	0.95	0.86	1.01
EPS	(1.55)	1.28	1.08	0.86	1.01
DPS	0.00	0.55	0.43	0.39	0.51
BV/share	11.46	10.95	11.48	11.91	12.53
CFO/share	(0.34)	1.44	1.84	1.59	1.87
FCF/share	(4.39)	1.73	1.07	0.59	0.87

Sources: Company data, ttb wealth estimates

STECON Group

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	1.4	11.6	6.9	10.7	12.6
Net profit (%)	na	na	(15.5)	(20.8)	18.1
EPS (%)	na	na	(15.5)	(20.8)	18.1
Normalized profit (%)	na	na	57.1	(9.9)	18.1
Normalized EPS (%)	na	na	57.1	(9.9)	18.1
Dividend payout ratio (%)	0.0	42.9	40.0	45.0	50.0
Operating performance					
Gross margin (%)	(0.4)	7.4	7.3	7.3	7.3
Operating margin (%)	(3.2)	4.0	4.0	4.0	4.0
EBITDA margin (%)	(0.7)	6.2	6.1	6.1	6.1
Net margin (%)	(2.4)	3.4	4.4	3.5	3.6
D/E (incl. minor) (x)	0.4	0.5	0.4	0.3	0.3
Net D/E (incl. minor) (x)	0.2	0.2	0.2	0.2	0.1
Interest coverage - EBIT (x)	na	5.0	5.4	6.6	7.9
Interest coverage - EBITDA (x)	na	7.8	8.2	10.2	12.1
ROA - using norm profit (%)	na	1.7	2.6	2.2	2.5
ROE - using norm profit (%)	na	5.4	8.5	7.3	8.3
DuPont					
ROE - using after tax profit (%)	na	6.6	9.3	7.8	8.6
- asset turnover (x)	0.6	0.6	0.6	0.7	0.7
- operating margin (%)	na	5.0	6.3	5.0	5.0
- leverage (x)	2.8	3.2	3.3	3.3	3.3
- interest burden (%)	125.4	84.1	88.1	87.9	89.8
- tax burden (%)	na	80.0	80.0	80.0	80.0
WACC (%)	9.3	9.3	9.3	9.3	9.3
ROIC (%)	(5.6)	5.0	5.5	6.1	6.7
NOPAT (Bt m)	(964)	1,069	1,145	1,268	1,428
invested capital (Bt m)	21,491	20,814	20,828	21,238	21,457

Sources: Company data, ttb wealth estimates

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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.

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