

# Thailand Construction Services

## ลุ้นผ่านร่างงบประมาณ เปิดประตูประมูลงานใหม่

- กลุ่มรับเหมาฯเป็นหนึ่งในผู้ที่ได้รับประโยชน์จากการพิจารณางบประมาณปี 2567 ที่เร็วขึ้น โดยคาดเริ่มเบิกจ่ายในเดือนเม.ย. ซึ่งระยะเวลาใช้จ่ายเพียง 6 เดือน คาดช่วยเร่งการลงทุนโครงการภาครัฐใน 2H24
- 1H24 มีแผนเปิดประมูลงานใหม่ 2 โครงการ มูลค่ารวม 4.8 หมื่นล้านบาท ซึ่งผ่านความเห็นชอบครบแล้ว
- ภาพปี 2024 สดชื่นทั้งด้านผลประกอบการและมี Catalyst จากงานประมูล เลือกรับ CK เป็น Top Pick

### เร่งเบิกจ่ายงบประมาณปี 67 ภายใน 6 เดือน หนุนการผลักดันงานภาครัฐ

สภาผู้แทนราษฎรพิจารณาร่างพร.บ.งบประมาณปี 2567 วงเงิน 3.48 ล้านล้านบาทในวาระ 2-3 วันที่ 20-21 มี.ค. ซึ่งเร็วขึ้นจากกำหนดการเดิม 2 สัปดาห์ โดยงบลงทุนมีสัดส่วน 21% หรือ 7.2 แสนล้านบาท (+4% y-y) และเป็นงบกระทรวงคมนาคม 1.8 แสนล้านบาท (+2% y-y) คาดเริ่มเบิกจ่ายเดือนเม.ย. ซึ่งระยะเวลาใช้จ่ายเพียง 6 เดือน คาดกระตุ้นกระบวนการประมูลโครงการภาครัฐและมูลค่าการลงทุนก่อสร้างกลับมาขยายตัวใน 2H24 ซึ่งเป็นเครื่องยนต์สำคัญขับเคลื่อนเศรษฐกิจ อ้างอิงจากรมว.คมนาคมเผยว่ามีแผนการผลักดัน 14 โครงการ วงเงินรวม 5.7 แสนล้านบาท นอกจากนี้ยังช่วยหนุนความเชื่อมั่นการลงทุนภาคเอกชนฟื้นตัวในระยะต่อไป

### เห็นหน้าเต็มงานใหม่มือ คาดงานประมูลใหม่ปีนี้กว่า 2 แสนล้านบาท

Backlog ณ สิ้นปี 2023 ของ 4 บริษัทรับเหมาฯอยู่ที่ 2.3 แสนล้านบาท (+26% y-y) และมีทิศทางเป็นขาขึ้น นอกเหนือจากรถไฟฟ้าสายสีส้มซึ่งอยู่ระหว่างรอคำตัดสินศาลปกครองสูงสุด เราประเมินว่าปี 2024 จะมีการผลักดันประมูลงานใหม่ 9 โครงการ มูลค่ารวม 2 แสนล้านบาท โดย 1H24 ที่มีกรอบเวลาชัดเจนคือ ทางด่วน จตุโชติ-ลำลูกกา มูลค่า 1.9 หมื่นล้านบาท และรถไฟฟ้าทางคูชอนแก่น-หนองคาย มูลค่า 2.9 หมื่นล้านบาท คาดขายของเดือนเม.ย.-พ.ค. ขณะที่ 2H24 คาดมีความคืบหน้าหลายโครงการ มูลค่ารวม 1.5 แสนล้านบาท อาทิ มอเตอร์เวย์, รถไฟฟ้าทางคู่, รถไฟฟ้าสีแดงต่อขยาย โดยผู้เข้าประมูลหลักเป็น Main Contractor และกลุ่มฐานรากได้รับประโยชน์ในงานเสาเข็มของรถไฟฟ้าและทางด่วน สำหรับประเด็น ITD เผชิญปัญหาขาดสภาพคล่อง คาดเอื้อต่อการแข่งขันในตลาดลดลง ส่วนผู้รับเหมารายอื่นยังมีฐานะการเงินแข็งแกร่งและบริหารจัดการหนี้ได้

### ประเมินกำไรกลุ่มฯ 1Q24 ไม่เด่น ก่อนฟื้นตัวใน 2Q24 และดีขึ้นใน 2H24

กำไรปกติกลุ่มฯปี 2023 อยู่ที่ 2.2 พันล้านบาท (+31% y-y) ขณะที่ปี 2024 คาด +21% y-y ที่ 2.7 พันล้านบาท จากรายได้เร่งตัวตามงานใหม่ ขณะที่แรงกดดันด้านต้นทุนผ่อนคลายขึ้น ทั้งความผันผวนราคาวัสดุก่อสร้างลดลงและแรงงานสมดุลขึ้น ส่วนการขึ้นค่าแรงขั้นต่ำคาดกระทบไม่มาก เราประเมินกำไร 1Q24 ลดลง q-q และ y-y อย่างไรก็ดี ฟื้นตัวใน 2Q24 จากเงินปันผลรับของ CK, STEC และดีขึ้นใน 2H24 จากผู้รับเหมาหลักมีความคืบหน้างานใหญ่ โดยเฉพาะรถไฟฟ้าม่วงใต้ และฐานรากอาจเริ่มงานทางด่วนจตุโชติใน 4Q24

### ภาพรวมกลุ่มรับเหมาฯเป็นบวกขึ้น คงเลือก CK เป็น Top Pick

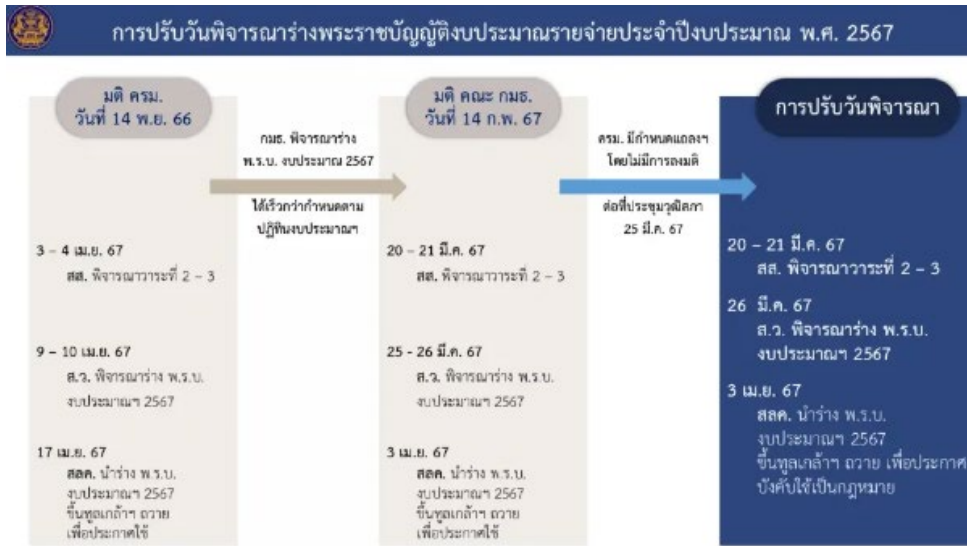
เราให้น้ำหนักลงทุนกลุ่มรับเหมาฯมากกว่าตลาดจาก 1) คาดกำไรปี 2024 โตตามการรับรู้งานใหม่ 2) ปี 2023 SETCONS -29% เทียบกับ SET -15% หลังไม่มีประมูลงานใหม่ ขณะที่ปี 2024 งานประมูลใหม่มากขึ้นจะหนุนการปรับขึ้นราคาหุ้น 3) ระยะสั้นมี Catalyst จากการพิจารณาร่างงบประมาณ 2567 ซึ่งหุ้นถูกเก็งกำไรช่วงก่อนหน้าบ้างแล้ว โดยอิงสถิติหลังผ่านร่างงบประมาณ 2566 ใน 1 สัปดาห์พบว่าราคาหุ้น +2-8% ทั้งนี้ เราชอบ Main contractor มากกว่าฐานราก แม้งานประมูลใหม่มากขึ้น แต่เริ่มก่อสร้างปลายปี ทำให้กลุ่มฐานรากยังพึ่งพางานภาคเอกชนที่การแข่งขันสูงก่อนคาดกลับมาดูดีขึ้นใน 4Q24 โดยเราเลือก CK เป็น Top Pick จากการเติบโตกำไรและงานใหม่เด่นสุด รวมถึงมีศักยภาพรับงานเพิ่มทั้งบริษัทในเครือและภาครัฐ



Thanyatorn Songwutti

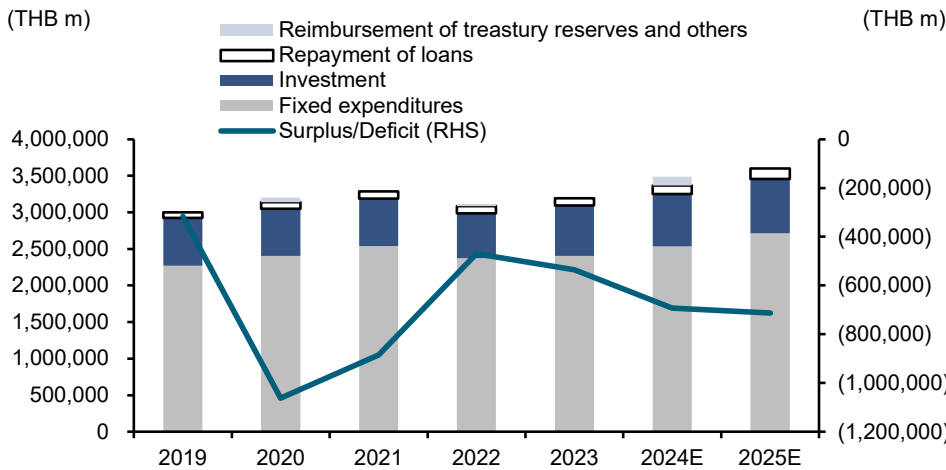
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**Exhibit 1: 2024 fiscal budget timeline**



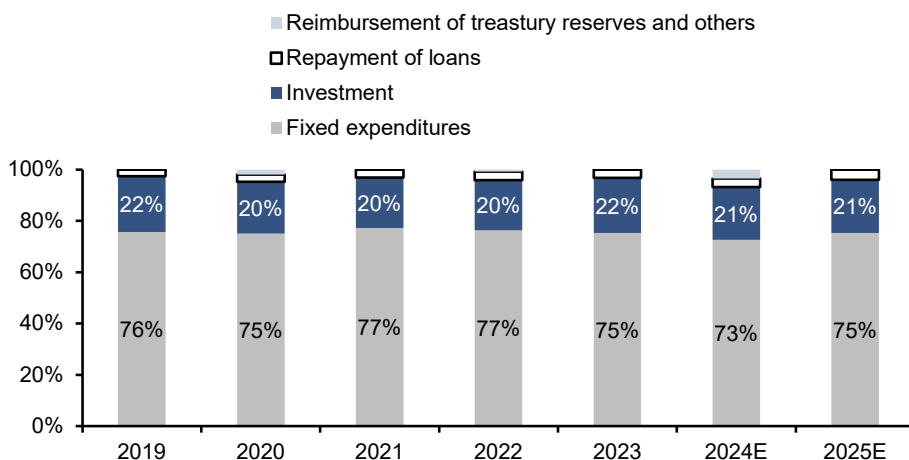
Source: Cabinet

**Exhibit 2: 2024 fiscal budget**



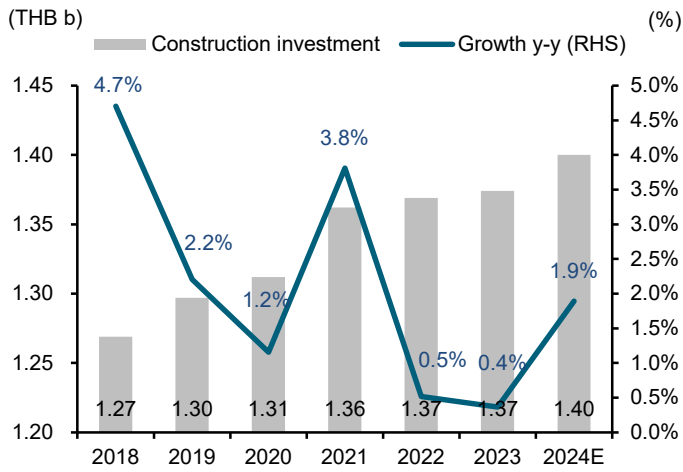
Sources: Budget Bureau; FSSIA's compilation

**Exhibit 3: 2024 fiscal budget**



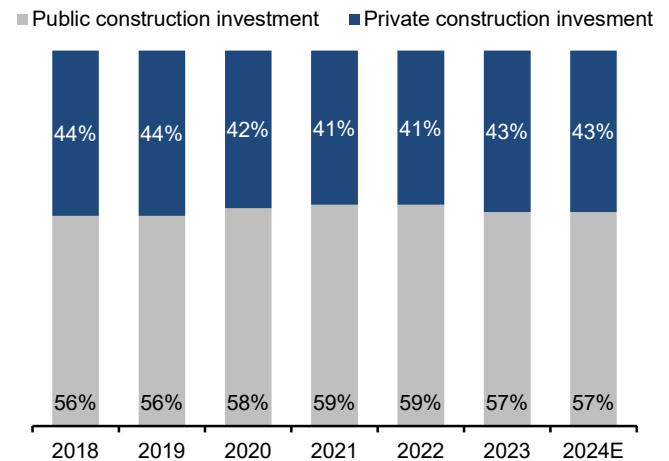
Sources: Budget Bureau; FSSIA's compilation

**Exhibit 4: Construction Investment**



Sources: NESDC, K-Research; FSSIA's compilation

**Exhibit 5: Public and Private Construction Investment**



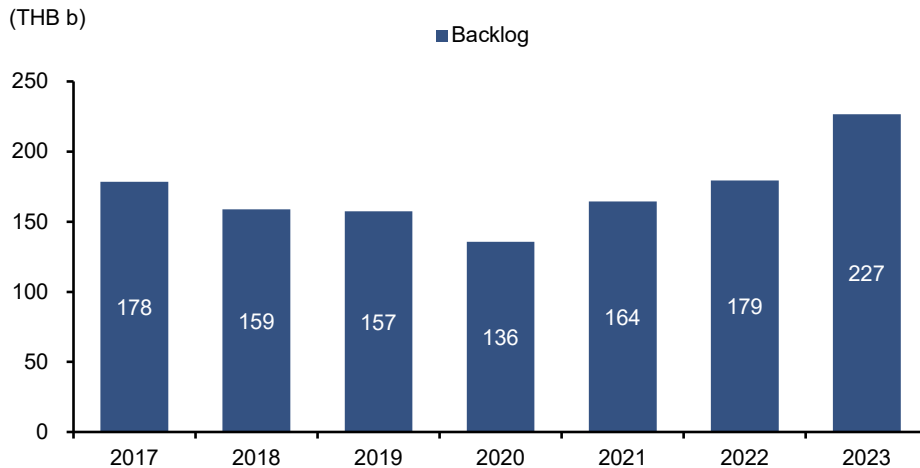
Sources: NESDC, K-Research; FSSIA's compilation

**Exhibit 6: Gross Domestic Product Forecast**

	2021 (y-y%)	2022 (y-y%)	2023 (y-y%)	2024E (y-y%)
Real GDP growth	1.6	2.5	1.9	2.2-3.2
Private consumption	0.6	6.2	7.1	3.0
Private investment	3.7	0.1	(4.6)	1.5
Public consumption	2.9	4.7	3.2	3.5
Public investment	3.5	(3.9)	(4.6)	(1.8)
Export value growth (USD)	19.2	5.4	(1.7)	2.9
Inflation (%)	1.2	6.1	1.2	0.9-1.9
Current account to GDP (%)	(2.0)	(3.2)	1.3	1.4

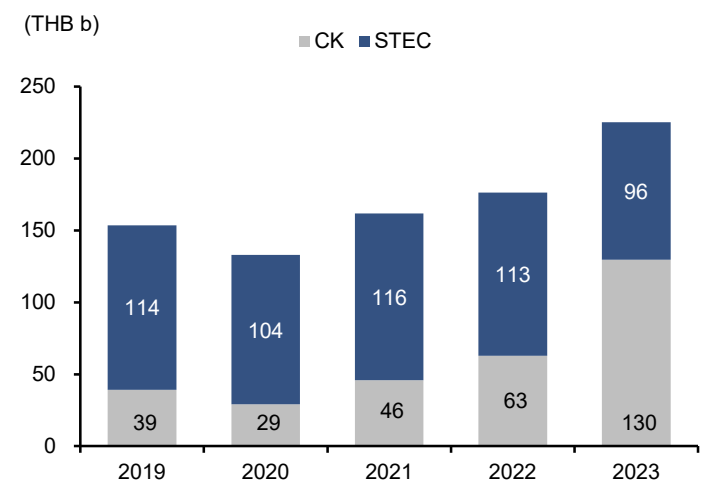
Sources: NESDC; FSSIA's compilation

**Exhibit 7: Backlog**



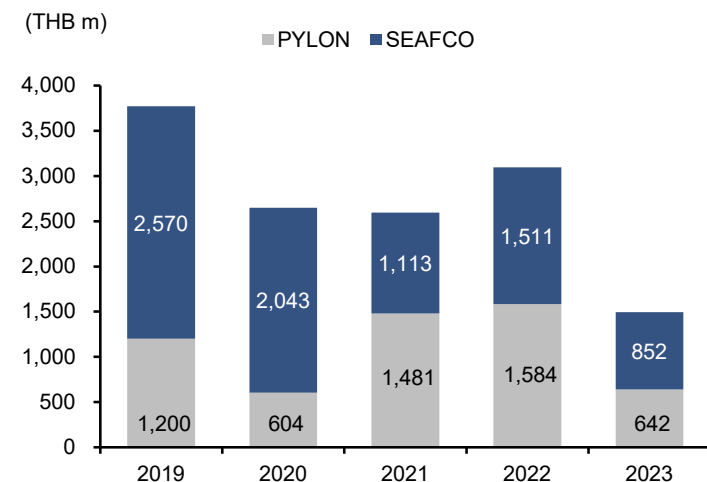
Sources: Company data; FSSIA's compilation

**Exhibit 8: Main contractor's backlog**



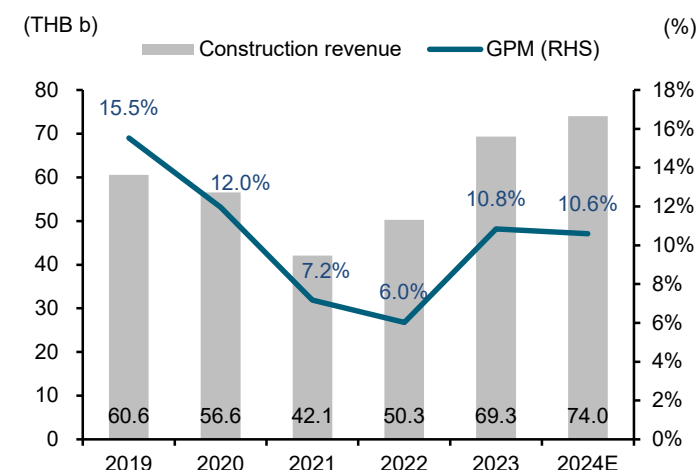
Sources: Company data; FSSIA's compilation

**Exhibit 9: Piling contractor's backlog**



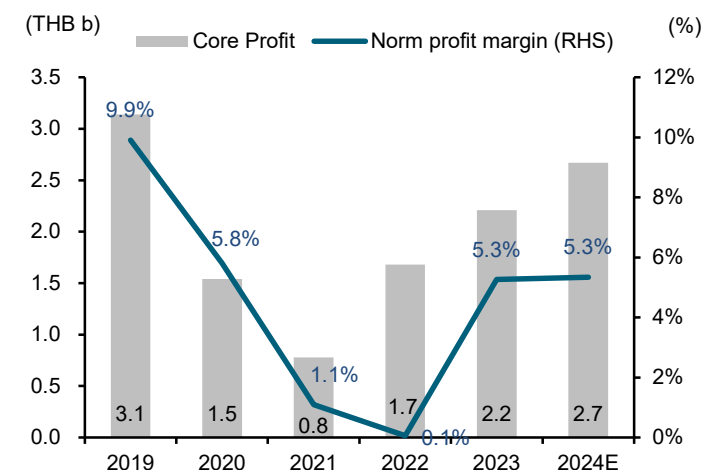
Sources: Company data; FSSIA's compilation

**Exhibit 10: Yearly construction revenue and GPM**



Sources: Company data; FSSIA's compilation

**Exhibit 11: Core profit and norm profit margin**



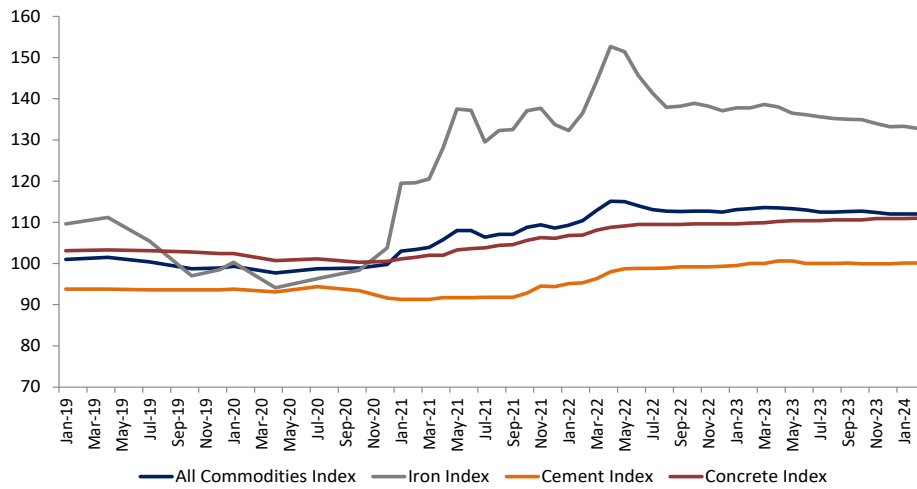
Sources: Company data; FSSIA's compilation

**Exhibit 12: New project bidding in 2024**

Type of work	Project	Project owner	Contract value (THB m)	Project status
<b>Motorway</b>	Utraphimuk Elevated, Rangsit-Bang Pa-In (M5)	DOH	28,360	Proposing the Cabinet and expect to open for bidding in 2H24
	Bang Khun Thian-Bang Bua Thong (M9)	DOH	56,035	
<b>Expressway</b>	Expressway Chatuchote-Lam Luk Ka	EXAT	19,000	Expect to open for bidding in April-24
<b>Electrified Train</b>	Orange Line West : BangKhonnon-Minburi	MRTA	109,216	Waiting for Signing Contract
	Red Line : Talingchan-Salaya	SRT	10,670	
	Red Line : Talingchan-Siriraj Hospital	SRT	4,694	
	Red Line : Rangsit-ThammasatUniversity	SRT	6,474	
<b>Double Track Railway</b>	Khon Kaen-Nong Khai section	SRT	29,748	Approved by the Cabinet and expect to open for bidding in May-24
	Jira Junction-Ubonratchathani	SRT	37,527	Waiting for a Cabinet approval and expect to open for bidding in 2H24
<b>Airport</b>	Suvarnabhumi expansion (East)	AOT	10,000	Design process
<b>Total</b>			<b>311,724</b>	

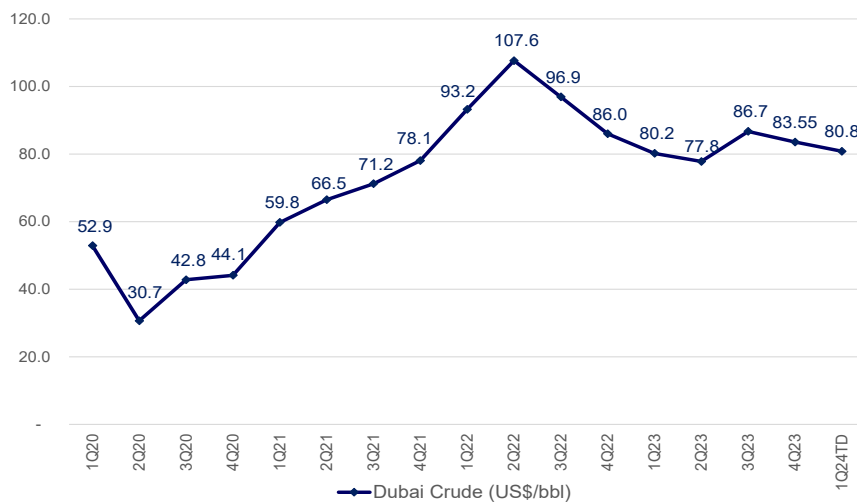
Sources: Company data; FSSIA's compilation

**Exhibit 13: Construction Materials Price Index**



Sources: MOC; FSSIA's compilation

**Exhibit 14: Dubai Crude**



Sources: Bloomberg; FSSIA's compilation

**Exhibit 15: 1Q24E performances**

1Q24E performances	Net profit		Core profit	
	(q-q %)	(y-y %)	(q-q %)	(y-y %)
CK	-	-	-	-
STEC	0	-	+	-
PYLON	-	-	-	-
SEAFCO	0	-	0	-
<b>Total</b>	-	-	-	-

Source: FSSIA estimates

**Exhibit 16: D/E and Net IBD/E**

	D/E		Net IBD/E	
	2022	2023	2022	2023
CK	2.5	2.7	1.6	1.8
STEC	1.6	1.6	Cash	0.1
PYLON	0.2	0.2	Cash	Cash
SEAFCO	0.5	0.6	0.2	0.1

Sources: Company data; FSSIA's compilation

**Exhibit 17: การเปลี่ยนแปลงราคาหุ้นนับจากร่างงบประมาณปี 66 วันที่ 23 ส.ค. 22**

Stock	-1M (%)	-1W (%)	+1W (%)	+1M (%)
CK	-1.4%	5.0%	2.0%	10.2%
STEC	-2.4%	6.9%	3.4%	3.4%
PYLON	-0.4%	17.6%	4.0%	-0.4%
SEAFCO	-1.1%	-29.2%	8.0%	6.3%

Sources: SETSMART; FSSIA's compilations

**Exhibit 18: การเปลี่ยนแปลงราคาหุ้นนับจากวันที่ 18 มี.ค. 24**

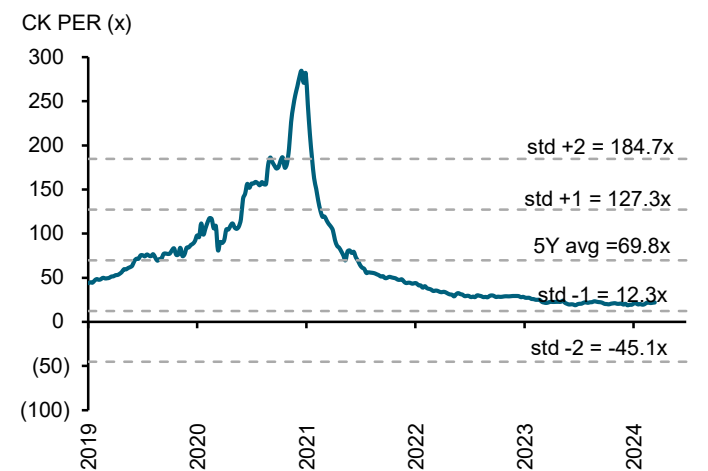
Stock	2023 (%)	YTD (%)	-1M (%)	-1W (%)
CK	-14.4%	15.4%	1.3%	0.8%
STEC	-38.2%	27.4%	7.5%	4.9%
PYLON	-43.5%	0.8%	-5.9%	-0.8%
SEAFCO	-32.3%	4.8%	-4.3%	-2.2%

Sources: SETSMART; FSSIA's compilations

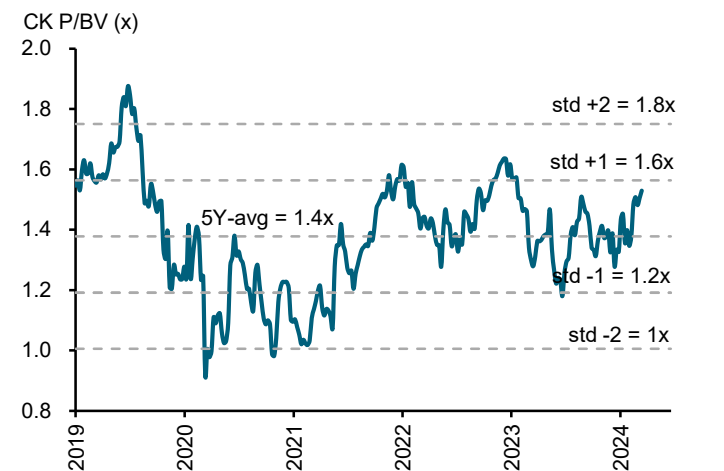
**Exhibit 19: Peer comparisons as of 19 Mar 2024**

Company	BBG	Rec	Rec profit growth		PE		DivYld		ROE		PBV		PBV 5Y-avg (x)
			24E (%)	25E (%)	24E (x)	25E (x)	24E (%)	25E (%)	24E (x)	25E (x)	24E (x)	25E (x)	
<b>Thailand</b>													
CH Karnchang	CK TB	BUY	24.8	11.5	22.4	20.1	1.8	2.0	7.0	7.4	1.5	1.5	1.4
Sino-Thai Engineering	STEC TB	HOLD	19.8	14.9	27.0	23.5	1.9	2.1	3.4	3.8	0.9	0.9	3.2
Pylon	PYLON TB	HOLD	(5.0)	6.1	19.6	18.4	4.1	4.3	9.2	9.6	1.8	1.8	1.3
Seafoo	SEAFCO TB	BUY	4.1	4.4	12.4	11.9	4.0	4.2	9.6	9.6	1.2	1.1	2.3
<b>Average</b>			<b>21</b>	<b>12</b>	<b>20.4</b>	<b>18.5</b>	<b>2.9</b>	<b>3.2</b>	<b>7.3</b>	<b>7.6</b>	<b>1.3</b>	<b>1.3</b>	<b>2.0</b>

Sources: Bloomberg; FSSIA estimates

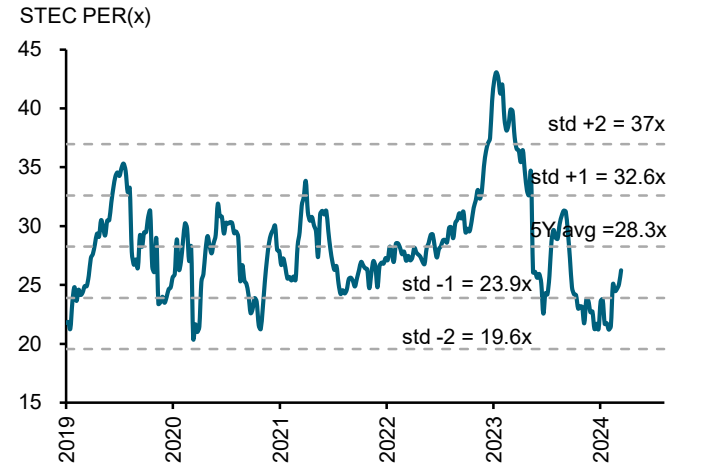
**Exhibit 20: CK - Historical P/E band**

Sources: Bloomberg; FSSIA estimates

**Exhibit 21: CK - Historical P/BV band**

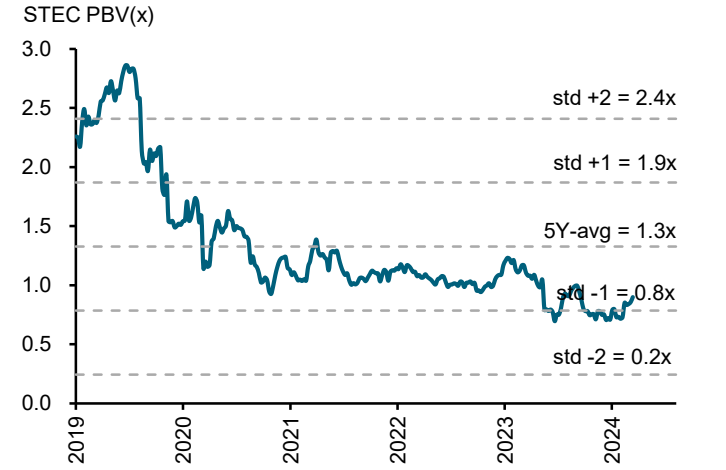
Sources: Bloomberg; FSSIA estimates

**Exhibit 22: STEC - Historical P/E band**



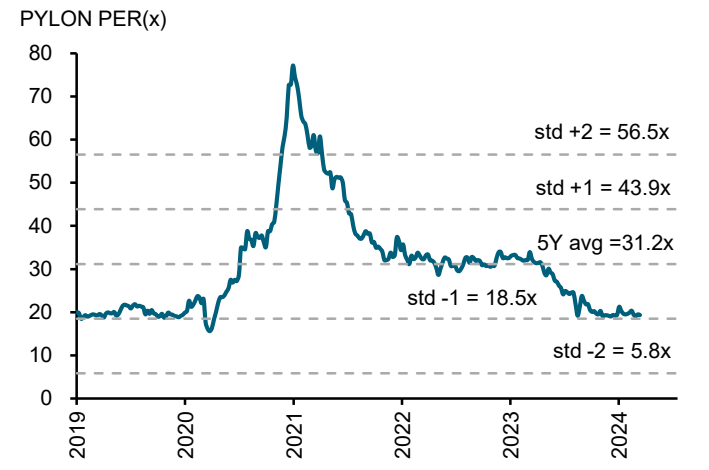
Sources: Bloomberg; FSSIA estimates

**Exhibit 23: STEC - Historical P/BV band**



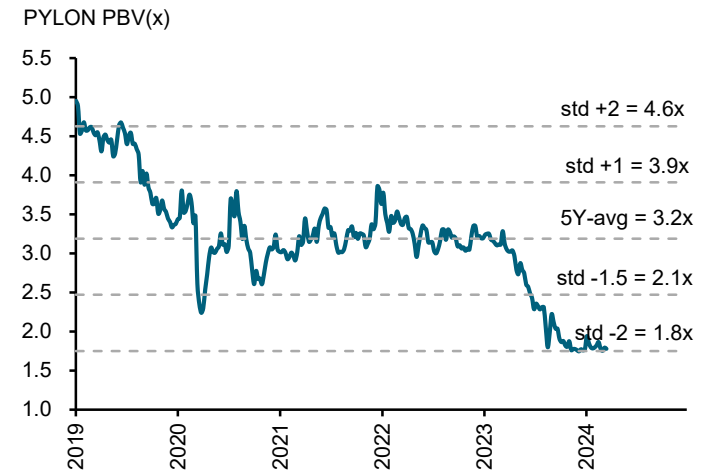
Sources: Bloomberg; FSSIA estimates

**Exhibit 24: PYLON - Historical P/E band**



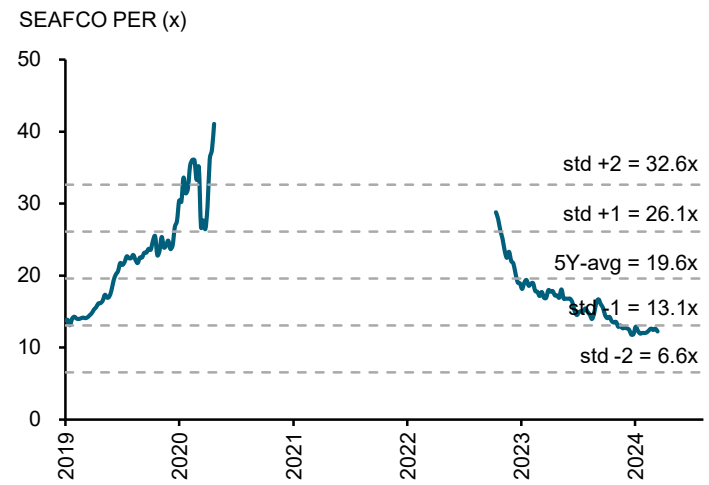
Sources: Bloomberg; FSSIA estimates

**Exhibit 25: PYLON - Historical P/BV band**



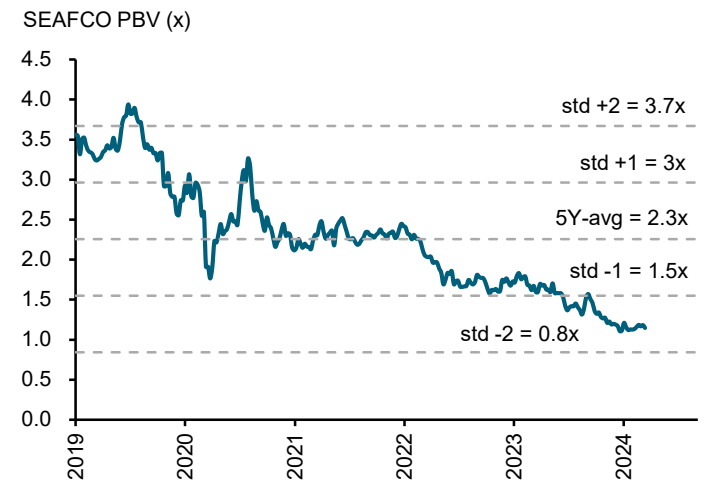
Sources: Bloomberg; FSSIA estimates

**Exhibit 26: SEAFCO - Historical P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 27: SEAFCO - Historical P/BV band**



Sources: Bloomberg; FSSIA estimates

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (50-59), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
<b>Thai CAC</b> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
<b>Morningstar Sustainalytics</b>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
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<b>ESG Book</b>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
<b>MSCI</b>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td rowspan="3"><b>Leader:</b></td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td rowspan="3"><b>Average:</b></td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<b>Moody's ESG solutions</b>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
<b>Refinitiv ESG rating</b>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<b>S&amp;P Global</b>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

**Rating** regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation



## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

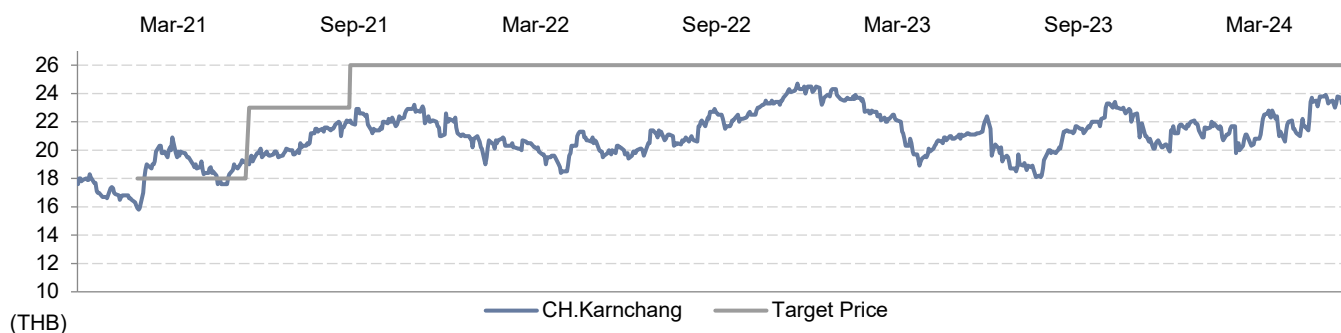
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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### History of change in investment rating and/or target price

#### CH.Karnchang (CK TB)



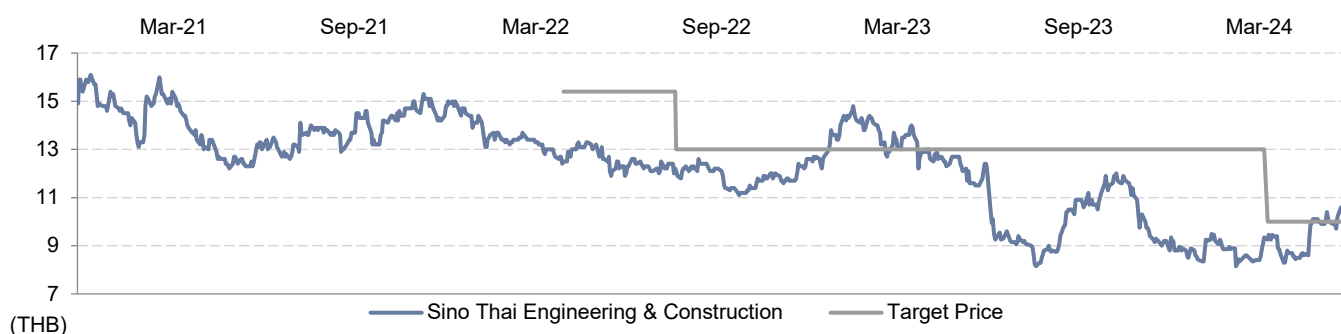
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
11-May-2021	BUY	18.00	13-Aug-2021	BUY	23.00	10-Nov-2021	BUY	26.00

Thanyatorn Songwutti started covering this stock from 11-Apr-2023

Price and TP are in local currency

Source: FSSIA estimates

#### Sino Thai Engineering & Construction (STEC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-May-2022	BUY	15.40	17-Aug-2022	HOLD	13.00	05-Jan-2024	HOLD	10.00

Thanyatorn Songwutti started covering this stock from 05-Jan-2024

Price and TP are in local currency

Source: FSSIA estimates

**Pylon (PYLON TB)**

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
14-Jun-2023	HOLD	3.80	27-Nov-2023	HOLD	2.70	-	-	-

Thanyatorn Songwutti started covering this stock from 14-Jun-2023

Price and TP are in local currency

Source: FSSIA estimates

**Seafoo (SEAFKO TB)**

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Apr-2023	BUY	4.70	04-Dec-2023	BUY	3.80	-	-	-

Thanyatorn Songwutti started covering this stock from 04-Apr-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
CH.Karnchang	CK TB	THB 23.70	BUY	Key downside risks to our SoTP-based TP include 1) delays in the signing of the Luang Prabang hydropower plant and Orange Line projects; 2) fewer new projects than expected; 3) political uncertainty; 4) delays in construction; 5) labour shortages; 6) higher raw material and labour costs; and 7) intense competition.
Sino Thai Engineering & Construction	STEC TB	THB 10.70	HOLD	Downside risks to our TP include 1) volatility of the gross margin, 2) a delay and additional repair expenses on the Bueng Nong Bon drainage tunnel project, 3) a delay in the commencement of its construction of U-Tapao Airport, 4) a delay in new auctions, and 5) a higher-than-expected loss sharing from associates.
Pylon	PYLON TB	THB 2.42	HOLD	Downside risks to our P/E-based TP include 1) fewer new projects than expected; 2) bidding delays for new projects; 3) political uncertainty; 4) delays in construction; 5) labour shortages; 6) higher raw material and labour costs; and 7) intense competition. Upside risks would be 1) a higher-than-expected additional backlog and new auctions; and 2) the sooner-than-expected commencement of the high-speed train project linking three airports.
Seafoo	SEAFKO TB	THB 2.64	BUY	Downside risks to our P/BV-based TP include 1) fewer-than-expected new contract signing; 2) auction delays; 3) a failure to win contracts from the Orange Line project; 4) political uncertainties; 5) construction delays and cost overrun; 6) higher building material costs, labor shortages, and a minimum wage hike; and 7) fierce competition.

Source: FSSIA estimates

**Additional Disclosures**

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 19-Mar-2024 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**BUY (B).** The upside is 10% or more.

**HOLD (H).** The upside or downside is less than 10%.

**REDUCE (R).** The downside is 10% or more.

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 market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.