

Thailand Construction Services

Catalysts Falling Into Place

- มีปัจจัยบวกมากขึ้นจากความเสี่ยงด้านภูมิรัฐศาสตร์ที่ผ่อนคลายลง และการเข้าสู่รอบการลงทุนใหม่หนุนจากการใช้จ่ายโครงสร้างพื้นฐานภาครัฐและการลงทุนเอกชนด้าน Data Center
- โมเมนตัมกำไรคาดฟื้นตัวต่อเนื่องในช่วง 2Q-3Q26 โดยคาดว่ากำไรปกติของกลุ่มจะเติบโต 9% y-y ในปี 2026
- ปรับคำแนะนำกลุ่มเป็น Overweight พร้อมปรับเพิ่มราคาเป้าหมายสะท้อนปัจจัยพื้นฐานที่มีแนวโน้มแข็งแกร่งขึ้น

ความเสี่ยงภูมิรัฐศาสตร์ที่ผ่อนคลาย เป็นบวกด้านต้นทุนและอุปสงค์

ความขัดแย้งระหว่างสหรัฐฯ-อิหร่านที่ทวีความรุนแรงขึ้นในช่วงปลายเดือนกุมภาพันธ์ 2026 ส่งผลให้ราคาน้ำมันปรับตัวสูงขึ้นอย่างรวดเร็ว และผลักดันราคาวัสดุก่อสร้างเพิ่มขึ้นจากต้นทุนพลังงานและการขนส่งที่สูงขึ้น อย่างไรก็ตาม เราคาดว่าผลกระทบต่อความสามารถในการทำกำไรของกลุ่มยังอยู่ในระดับที่บริหารจัดการได้ และแรงกดดันด้านต้นทุนมีแนวโน้มจะผ่อนคลายใน 3Q26 จากสัญญาณเชิงบวกจากความตึงเครียดทางภูมิรัฐศาสตร์ที่ลดลง หลังสหรัฐฯ และอิหร่านลงนามบันทึกความเข้าใจ (MoU) เมื่อวันที่ 18 มิถุนายน ซึ่งรวมถึงการกลับมาเปิดช่องแคบฮอร์มุซ เหตุการณ์ดังกล่าวจะช่วยลดความกังวลเกี่ยวกับการหยุดชะงักของอุปทานพลังงาน สนับสนุนการลดลงของต้นทุนวัสดุก่อสร้าง การฟื้นตัวของอัตรากำไร และช่วยเสริมบรรยากาศการลงทุน

กำไรมีแนวโน้มฟื้นตัวต่อเนื่องถึง 3Q26

เราคาดว่าผลประกอบการของกลุ่มจะยังแข็งแกร่งใน 2Q26 โดยได้รับแรงหนุนจากการเติบโตของกำไร q-q ของ CK และ STECON จากส่วนแบ่งกำไรจากบริษัทร่วมและรายได้เงินปันผลที่เพิ่มขึ้น ขณะที่ PYLON และ SEAFCO คาดว่า จะยังรักษาการเติบโตของกำไร y-y ได้ แม้ว่ากำไร q-q จะอ่อนตัวจากจำนวนวันหยุดที่เพิ่มขึ้น ขณะที่กำไรมีแนวโน้มแข็งแกร่งขึ้นใน 3Q26 จากความคืบหน้าการก่อสร้างที่เร่งตัว จำนวนวันทำงานที่มากขึ้น และแรงกดดันด้านต้นทุนที่ลดลง โดยเราคาดว่ากำไรปกติของกลุ่มจะเติบโต 9% y-y ในปี 2026 จากแรงสนับสนุนของความคืบหน้าก่อสร้างของโครงการขนาดใหญ่และอัตรากำไรที่ยังอยู่ในระดับดี

มีโอกาสรับงานเข้ามาเติมจากการประมูลงานรอบใหม่

Backlog ของกลุ่มยังอยู่ในระดับแข็งแกร่งที่ 2.56 แสนล้านบาท ณ สิ้น 1Q26 ซึ่งสูงกว่าระดับก่อนปี 2023 ที่อยู่ในช่วง 1-2 แสนล้านบาท และช่วยเพิ่มความชัดเจนของรายได้ข้างหน้า โดย CK และ STECON มี backlog รองรับรายได้ราว 4 ปี และ 3 ปี ตามลำดับ ขณะที่ PYLON และ SEAFCO มีงานในมือเพียงพอรองรับการดำเนินงานไปตลอดช่วงที่เหลือของปี 2026 ขณะที่เรามองว่ามีโอกาสในการได้งานใหม่มีแนวโน้มเพิ่มขึ้นใน 2H26 จากการเร่งลงทุนโครงสร้างพื้นฐานของภาครัฐภายใต้สภาพแวดล้อมทางการเมืองที่มีเสถียรภาพมากขึ้น โครงการสำคัญได้แก่ รถไฟความเร็วสูงไทย-จีน ระยะที่ 2, มอเตอร์เวย์ M5 และ M9 รวมถึงโครงการขยายสนามบินสุวรรณภูมิ นอกจากนี้ การลงทุนของภาคเอกชนด้าน Data Center ที่เติบโตอย่างรวดเร็วกำลังก้าวขึ้นมาเป็นแหล่งอุปสงค์ใหม่ของธุรกิจก่อสร้าง

ปรับคำแนะนำกลุ่มเป็น Overweight พร้อมปรับราคาเป้าหมายขึ้น

เราปรับคำแนะนำกลุ่มเป็น Overweight (จาก Neutral) จากแนวโน้มกำไรที่ฟื้นตัวบน backlog ที่แข็งแกร่ง ความกังวลด้านต้นทุนที่ลดลง และโมเมนตัมการลงทุนที่เพิ่มขึ้น เรามองว่ากลุ่มกำลังก้าวเข้าสู่ช่วงเริ่มต้นของวัฏจักรการลงทุนรอบใหม่ โดยมีแรงขับเคลื่อนจากการเร่งลงทุนโครงการภาครัฐและการลงทุนภาคเอกชนที่เพิ่มขึ้น โดยเฉพาะในกลุ่ม Data Center หุ่นยนต์ของเราคือ CK โดยปรับราคาเป้าหมายใหม่เป็น 23.0 บาท (จาก 19.0 บาท) พร้อมปรับคำแนะนำขึ้นเป็น "ซื้อ" นอกจากนี้ ปรับราคาเป้าหมายของ STECON เป็น 19.1 บาท (จาก 13.0 บาท) พร้อมคงคำแนะนำ "ถือ" ขณะที่ยังคงคำแนะนำ "ซื้อ" สำหรับ PYLON ด้วยราคาเป้าหมายใหม่ 4.0 บาท และปรับเพิ่มคำแนะนำ SEAFCO เป็น "ซื้อ" ด้วยราคาเป้าหมายใหม่ 3.5 บาท



Thanyatorn Songwutti

Fundamental Investment Analyst on Securities; License no. 101203
thanyatorn.s@fssia.com, +66 2646 9963

Easing Geopolitical Risks Improve Cost and Demand Outlook

Rising Material Costs Remain Manageable

Escalating tensions between the U.S. and Iran since late February 2026 triggered a sharp rise in oil prices amid growing concerns over potential disruptions to traffic through the Strait of Hormuz. Brent crude subsequently climbed above USD100/bbl in early March.

Although fuel costs account for only a small portion of total costs—approximately 1% for major contractors such as CK and STECON, and around 5–8% for foundation contractors including PYLON and SEAFCO—higher oil prices have indirectly increased transportation expenses and construction material costs.

According to TPSO data, construction material prices increased 3.2% y-y during the first five months of 2026. The pace of increase accelerated steadily from March onward, rising 2.6% y-y in March, 5.9% y-y in April, and 7.2% y-y in May. The sharp acceleration in May was primarily driven by energy-intensive materials, including steel (+5.4% y-y), cement (+2.4% y-y), and concrete products (+9.5% y-y).

Although we expect higher construction material costs to exert some pressure on margins, management believes the impact remains manageable, as there have been no shortages of construction materials. For main contractors, cost volatility has been mitigated through advance procurement contracts, bulk inventory management, and supplier diversification. In addition, subcontractors account for a significant portion of construction activity (approximately 50-60%), reducing contractors' direct exposure to rising material costs. Furthermore, most backlog projects are large-scale developments with long construction periods. As a result, management believes that higher costs would affect only a portion of the project lifecycle, allowing overall project margins to remain broadly in line with original targets.

For foundation contractors, the impact is more immediate due to the shorter duration of their projects. The company has been affected by higher concrete and fuel costs, while the impact from steel bars remains relatively limited, as purchases are typically secured upon project award. For ongoing projects, SEAFCO and PYLON have already revised cost estimates to reflect the anticipated impact, part of which was recognized in 1Q26 results based on conservative oil price assumptions. Preliminary estimates suggest that costs for ongoing projects could rise by approximately 5%, potentially reducing gross margins by 1–2 percentage points. New projects should be less affected, as higher costs can be incorporated into bidding prices. For newly secured projects that have yet to commence construction, the company plans to negotiate price adjustments with project owners to reflect higher input costs.

Moreover, the Cabinet recently approved revisions to the construction cost compensation (K-factor) mechanism, lowering the compensation threshold from $\pm 4\%$ to $\pm 2\%$ for contracts with milestone deliveries between 28 February and 30 September 2026. Management views the measure positively and believes it should help mitigate rising cost pressures.

Exhibit 1: Dubai crude



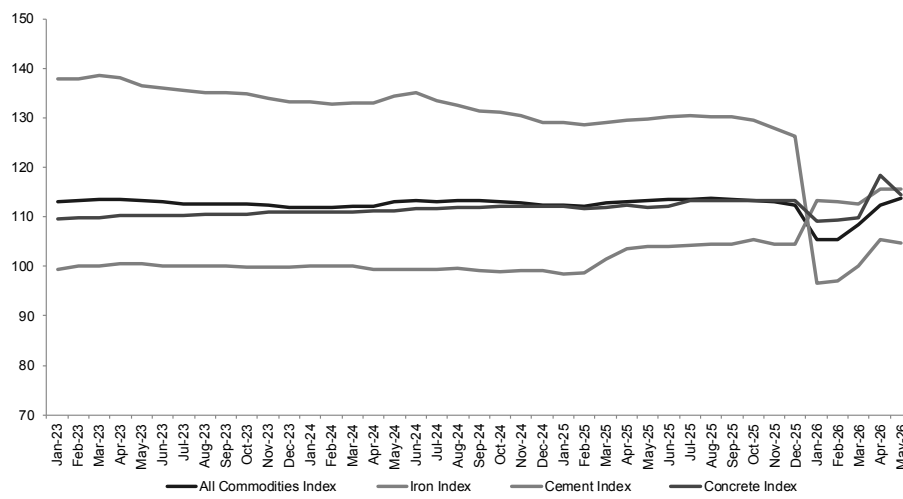
Sources: Aspen; FSSIA's compilation

Exhibit 2: Structure of construction costs

Company	Sub-contract (%)	Construction materials (%)	Labor (%)	Others (%)
CK	55-60	15-20	10-12	10
STECON	40-45	25-30	12-15	10
PYLON		40-50	16	30
SEAFCO		40-50	16	30

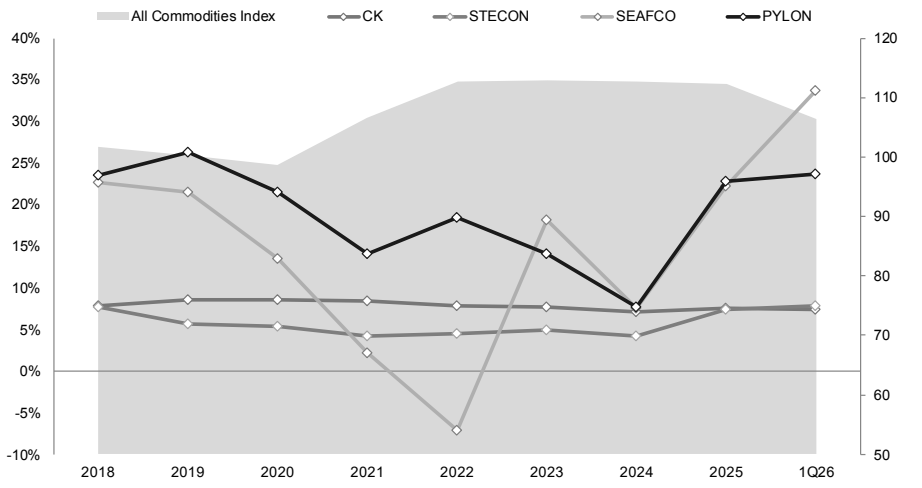
Source: FSSIA's compilation

Exhibit 3: Construction Materials Price Index



Source: MOC

Exhibit 4: All commodities index vs %GPM



Sources: MOC; FSSIA's compilation

Cost Headwinds Ease as Investment Momentum Builds

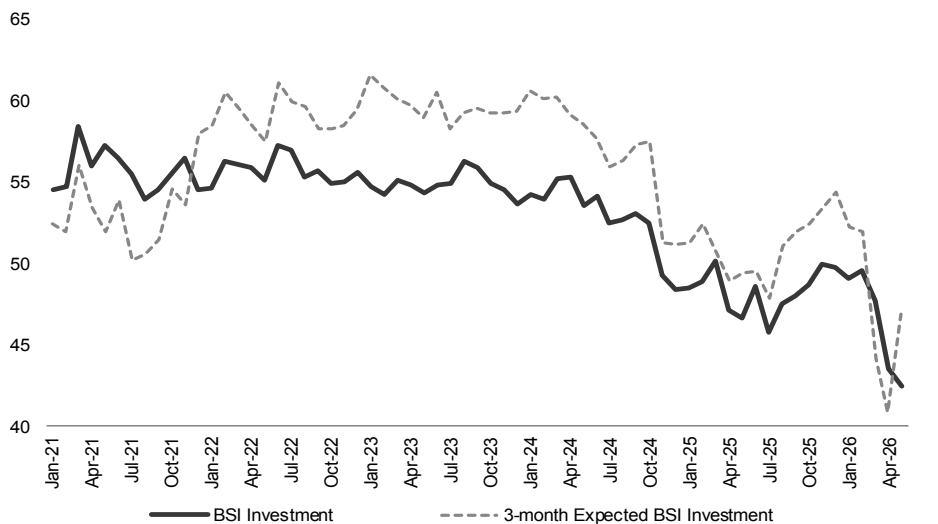
Encouragingly, the U.S. and Iran signed a memorandum of understanding (MoU) on 18 June 2026, marking a significant step toward easing geopolitical tensions. The agreement includes the reopening of the Strait of Hormuz, helping alleviate concerns over potential disruptions to global energy supplies.

As a result, oil prices are expected to moderate, reducing pressure on energy and transportation costs and, in turn, easing construction material inflation. We therefore expect construction material inflation to peak in 2Q26 and gradually moderate in 3Q26, supporting margin recovery across the construction sector.

For foundation contractors such as SEAFCO and PYLON, which have already incorporated conservative oil price assumptions into project cost estimates and partially recognized the impact in 1Q26, lower oil and material costs should help ease margin pressure and support margin recovery from 3Q26 onward.

Beyond the cost benefits, easing geopolitical tensions could also support a recovery in construction demand and investment sentiment. Investment decisions across both the public and private sectors were previously delayed by uncertainty surrounding the conflict and volatile construction material prices. As visibility improves and input cost volatility subsides, project execution and new investment activity are likely to accelerate, providing an additional tailwind for the construction sector.

Exhibit 5: Business Sentiment Index



Source: BoT

Earnings Recovery to Continue Through 3Q26

2Q26 Outlook Remains Resilient

1Q26 net profit of the four construction companies under our coverage totaled THB824m (-32% q-q, +42% y-y). Among the companies under our coverage, only PYLON delivered both q-q and y-y earnings growth, mainly driven by higher revenue recognition. Overall, the sector's core operations continued to recover on a y-y basis, supported by a larger backlog. However, the q-q decline was primarily attributable to the accelerated completion of several large projects in 4Q25. Gross profit margins remained healthy, benefiting from economies of scale amid stronger revenue, while operating expenses were well controlled.

Aggregate 1Q26 earnings accounted for 18% of our full-year forecast. Looking ahead, we expect the sector's core operations to remain resilient in 2Q26. CK's earnings are expected to increase q-q, driven by a stronger share of profit from associates, reflecting seasonal recoveries at both CKP and BEM, as well as dividend income from TTW. Meanwhile, STECON's earnings are expected to grow both q-q and y-y, supported by dividend income from GULF. Construction progress across key projects also remains on track, providing continued support for earnings in 2Q26.

For pile contractors PYLON and SEAFCO, 2Q26 earnings are expected to continue growing y-y, supported by the low base in 2Q25. However, profits are likely to soften q-q due to the impact of extended holidays during the quarter, while several projects remain in their early construction phases.

Exhibit 6: 1Q26 sector performance summary

Company	Net Profit					Core Profit				
	1Q25 (THB m)	4Q25 (THB m)	1Q26 (THB m)	Change		1Q25 (THB m)	4Q25 (THB m)	1Q26 (THB m)	Change	
				(q-q %)	(y-y %)				(q-q %)	(y-y %)
CK	282	444	329	(25.9)	16.6	282	431	329	(23.7)	16.6
STECON	342	598	351	(41.3)	2.7	342	340	154	(54.6)	(54.8)
PYLON	18	72	77	7.6	324.5	17	71	75	5.7	333.0
SEAFCO	(62)	105	67	(35.9)	n/a	(60)	120	67	(44.2)	n/a
Total	580	1,219	824	(32.4)	42.1	581	962	625	(35.0)	7.6

Sources: Company data; FSSIA's compilation

Growth Expected to Accelerate in 3Q26

Most contractors under our coverage projected to deliver continued q-q earnings growth. CK should benefit from the seasonal high season of its associates, supporting stronger share of profit contributions. In contrast, STECON's earnings are likely to soften q-q in 3Q26 due to a high base in 2Q26, which benefited from the recognition of dividend income from GULF.

For PYLON and SEAFCO, earnings are expected to accelerate on the back of faster construction progress across existing projects and a higher number of working days compared with 2Q26, which was affected by multiple long holidays. In addition, recent progress toward a potential ceasefire agreement between the U.S. and Iran could help ease energy and construction material cost pressures, providing further support for margin recovery in 3Q26.

We forecast sector core profit of THB4.3b in 2026, representing growth of 9% y-y. While the pace of growth is expected to moderate from the exceptionally strong recovery seen in 2025 (+2,223% y-y), earnings should remain supported by an estimated 3% y-y increase in construction revenue, driven by ongoing project execution, including the Orange Line MRT project and double-track railway projects.

Meanwhile, gross profit margins are expected to remain at healthy levels, broadly in line with 2025, supported by economies of scale from higher revenue and a more rational competitive environment.

Exhibit 7: Sector 2026-28 operations forecast

	Actual	Forecast			Growth		
	2025 (THB m)	2026E (THB m)	2027E (THB m)	2028E (THB m)	2026E (%)	2027E (%)	2028E (%)
Total revenue	80,469	82,767	85,194	88,169	2.9	2.9	3.5
CK	43,967	44,200	44,694	45,758	0.5	1.1	2.4
STECON	33,473	35,153	36,948	38,796	5.0	5.1	5.0
PYLON	1,489	1,663	1,734	1,760	11.7	4.2	1.5
SEAFCO	1,540	1,752	1,818	1,856	13.7	3.8	2.1
Reported net profit	5,661	4,528	4,029	4,204	-20.0	-11.0	4.3
CK	3,328	2,277	2,335	2,395	-31.6	2.5	2.6
STECON	1,955	1,737	1,213	1,313	-11.1	-30.2	8.3
PYLON	211	256	269	273	21.4	5.1	1.4
SEAFCO	167	258	212	223	54.3	-17.6	4.9
Core profit	3,903	4,268	4,029	4,204	9.3	-5.6	4.3
CK	2,501	2,277	2,335	2,395	-9.0	2.5	2.6
STECON	1,007	1,477	1,213	1,313	46.6	-17.9	8.3
PYLON	207	256	269	273	23.4	5.1	1.4
SEAFCO	187	258	212	223	37.8	-17.6	4.9
Key ratios (%)							
Gross margin	15.0	16.3	15.3	15.3	1.3	-1.0	0.0
CK	7.6	7.6	7.6	7.5	0.0	0.0	-0.1
STECON	7.4	7.4	7.4	7.4	0.1	0.0	0.0
PYLON	22.9	25.1	25.2	25.2	2.2	0.1	0.0
SEAFCO	22.2	25.1	21.1	21.1	2.9	-4.0	0.0
Net profit margin	7.0	5.5	4.7	4.8	-1.6	-0.7	0.0
CK	7.6	5.2	5.2	5.2	-2.4	0.1	0.0
STECON	5.8	4.9	3.3	3.4	-0.9	-1.7	0.1
PYLON	14.2	15.4	15.5	15.5	1.2	0.1	0.0
SEAFCO	10.9	14.7	11.7	12.0	3.9	-3.0	0.3
Core profit margin	4.8	5.2	4.7	4.8	0.3	-0.4	0.0
CK	5.7	5.2	5.2	5.2	-0.5	0.1	0.0
STECON	3.0	4.2	3.3	3.4	1.2	-0.9	0.1
PYLON	13.9	15.4	15.5	15.5	1.5	0.1	0.0
SEAFCO	12.2	14.7	11.7	12.0	2.6	-3.0	0.3
Norm ROE	11.2	12.9	11.6	11.4	1.8	-1.3	-0.2
CK	8.7	7.5	7.3	7.2	-1.2	-0.2	-0.2
STECON	5.9	8.2	6.4	6.7	2.3	-1.7	0.3
PYLON	18.5	21.6	21.4	20.6	3.1	-0.1	-0.8
SEAFCO	11.6	14.6	11.2	11.0	3.0	-3.4	-0.2

Source: FSSIA estimates

Solid Backlog Drives Revenue Visibility

As of end-1Q26, the aggregate backlog of the construction sector stood at THB255.8b, down from the THB300b level recorded during 2024–25 due to the absence of major new project awards. Nevertheless, the backlog remains well above the pre-2023 range of THB100–200b, providing solid revenue visibility and underpinning earnings growth prospects for the sector.

The majority of CK's and STECON's backlogs comprise large-scale infrastructure projects, particularly the MRT Orange Line (Western Extension), which remains in the early stage of construction and is scheduled for completion in 2030, as well as several double-track railway projects targeted for completion during 2027–28. Both contractors continue to maintain healthy backlog levels, with THB156.8b for CK and THB95.8b for STECON, providing revenue visibility for approximately four years and three years, respectively.

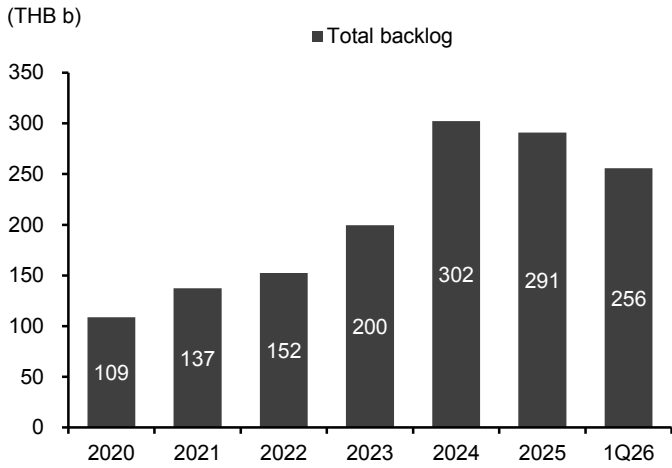
Among foundation contractors, PYLON and SEAFCO currently hold backlogs of THB1.7b and THB1.4b, respectively, which should be sufficient to support revenue recognition through the end of 2026. PYLON's backlog remains concentrated in private-sector projects, including mixed-use developments, hotels, and hospitals, accounting for 84% of the total. Meanwhile, SEAFCO's backlog is predominantly derived from government projects (83%), mainly related to the MRT Orange Line project.

Looking ahead, we expect 2026 revenue growth to be driven primarily by the execution of existing backlog projects, led by the MRT Orange Line (Western Extension), in which CK, STECON, PYLON, and SEAFCO are all participating. Civil works commenced in early 2025, with overall project progress reaching approximately 20% as of end-1Q26. The foundation works, undertaken by SEAFCO and PYLON, are expected to be largely completed by 3Q26. Thereafter, the main construction works are expected to accelerate progressively toward the project's scheduled completion in 2030, supporting sustained revenue recognition and earnings visibility for the main contractors.

Additional support should come from the South Purple Line and several double-track railway projects, which were approximately 50% complete as of end-1Q26 and are currently in the mid-construction phase. These projects are expected to remain key contributors to sector revenue over the next several quarters.

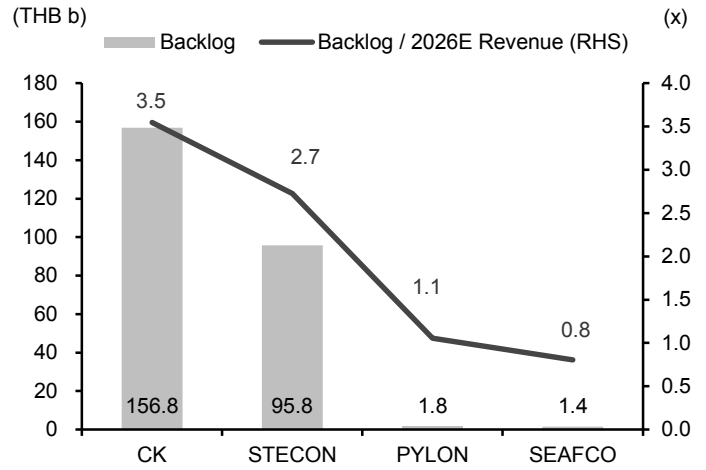
Regarding the road subsidence incident at the MRT Purple Line project, operated by the CK–STECON JV, management believes the companies are likely to recover the damages in full through insurance claims, as the investigation concluded that the incident was not caused by contractor negligence. Moreover, the incident is not expected to affect the construction schedule, with management reaffirming that the project remains on track for completion within the contractual timeframe.

Exhibit 8: Sector yearly backlog



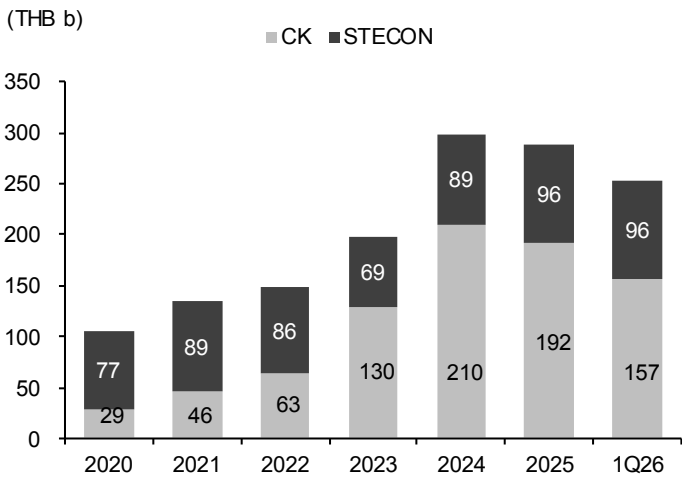
Sources: Company data; FSSIA's compilation

Exhibit 9: Current backlog vs 2026E revenue



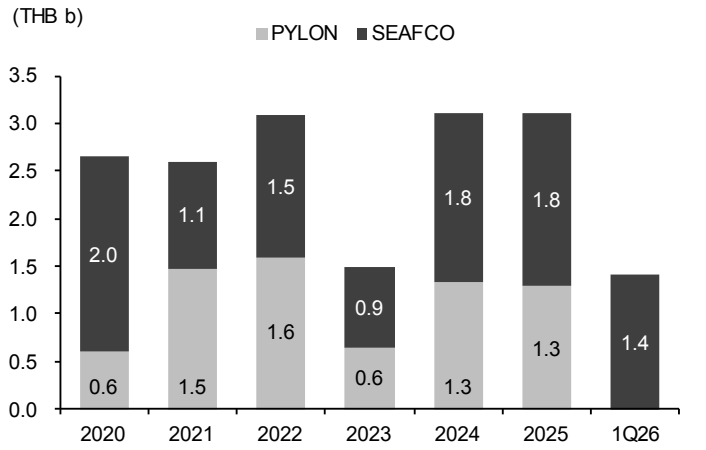
Sources: Company data; FSSIA's compilation

Exhibit 10: Main contractor backlog



Sources: Company data; FSSIA's compilation

Exhibit 11: Foundation contractor backlog



Sources: Company data; FSSIA's compilation

Positioned to Capture the Next Wave of New Project Awards

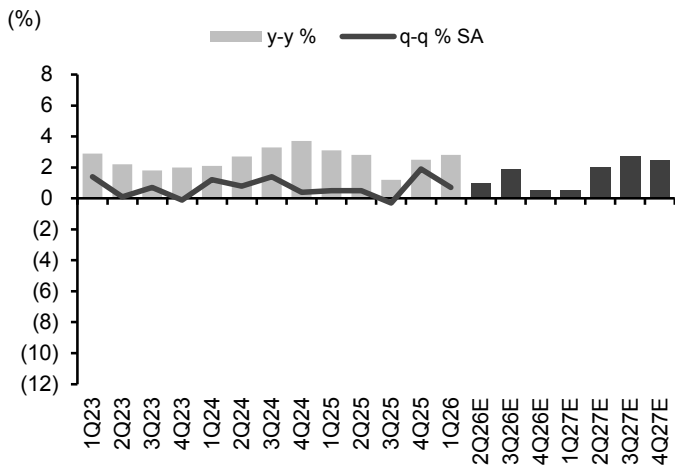
Economic growth to remain investment-driven in 1Q26

The investment outlook remains positive and was a key driver of Thailand's economic growth in 1Q26. This was reflected in total investment growth of 4.9% y-y, marking the fourth consecutive quarter of expansion. Both public and private investment remained robust, rising by 9.4% y-y and 10.1% y-y, respectively.

Public investment growth moderated from the previous quarter, mainly due to slower construction-related spending. In contrast, private investment accelerated, driven primarily by stronger machinery and equipment investment, which emerged as the key growth driver during the quarter.

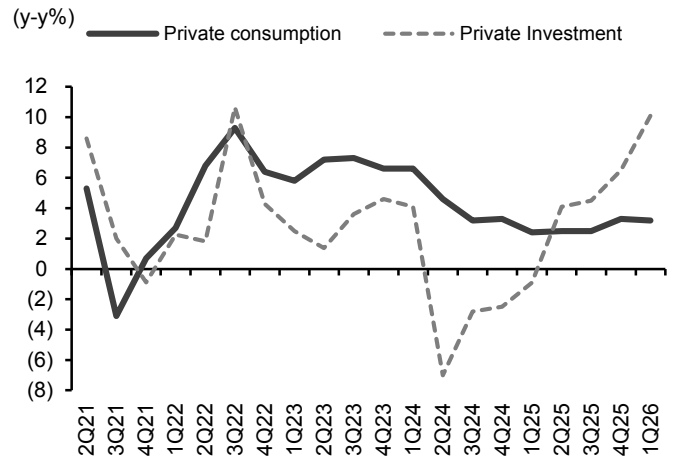
Construction investment continued to expand, albeit at a slower pace than in the previous quarter, while remaining above the level recorded a year earlier. Overall construction investment increased by 6.2% y-y, supported by public construction spending, which rose by 8.3% y-y, while private construction investment grew by 3.0% y-y.

Exhibit 12: Thailand's GDP



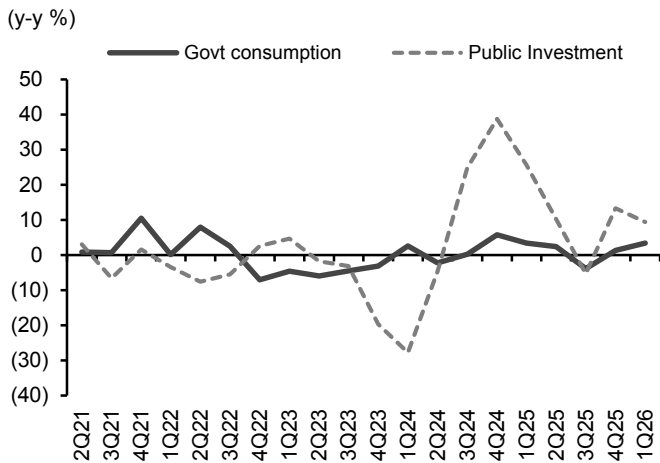
Sources: NESDC and BoT

Exhibit 13: Private consumption remain resilient; investment surged



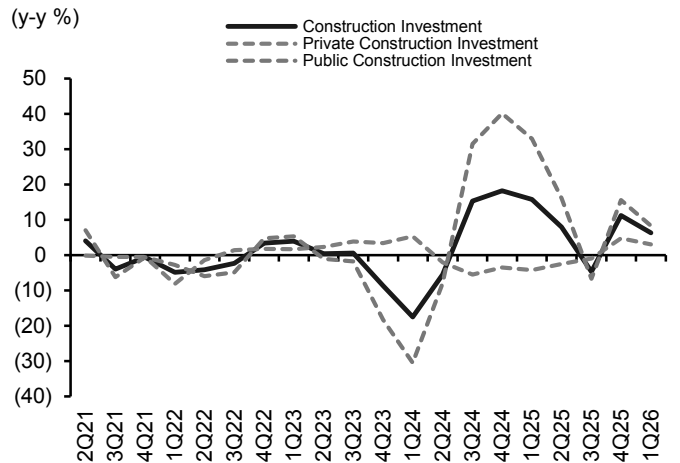
Sources: NESDC

Exhibit 14: Strong public spending and investment on frontloaded budget disbursement



Sources: NESDC

Exhibit 15: Public and private construction investment continued to expand



Sources: NESDC

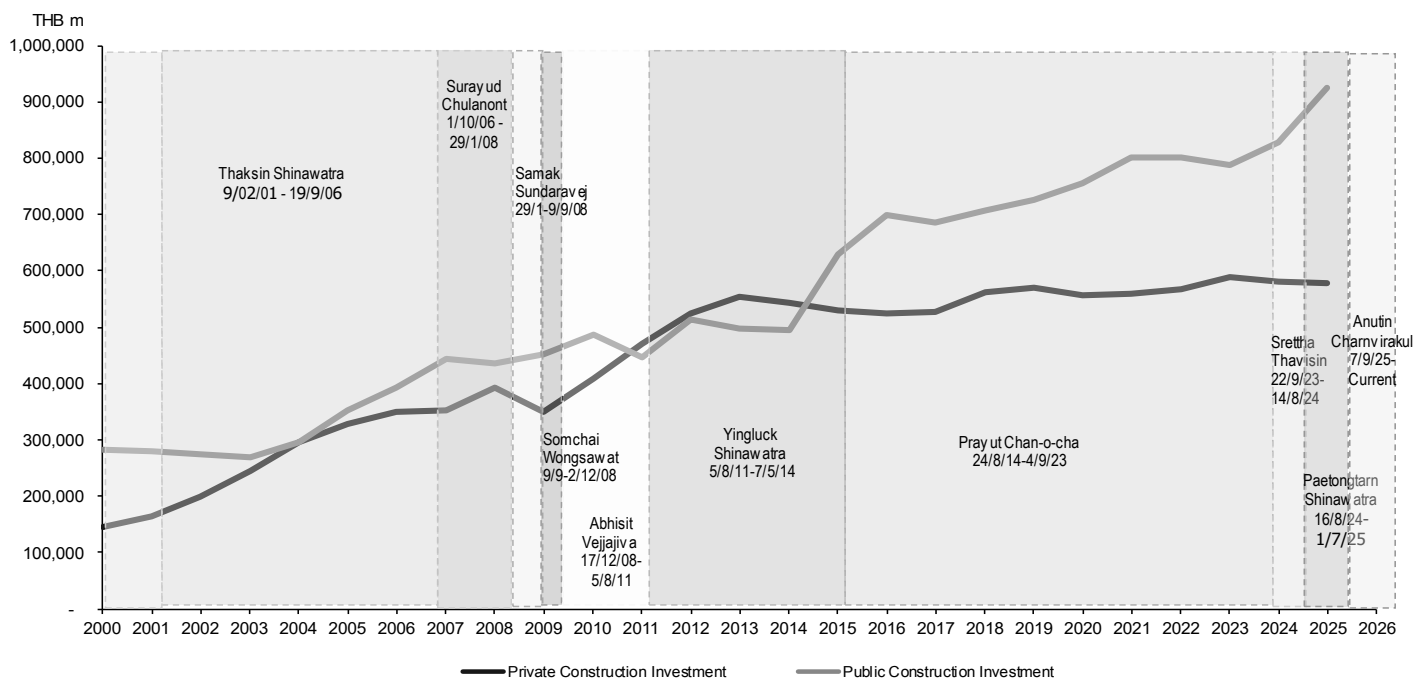
Political Stability Supporting a New Investment Cycle

The political environment has become more stable since Prime Minister Anutin Charnvirakul took office in September 2025. A stable political backdrop is generally supportive of the construction sector, as it facilitates policy continuity, budget disbursement, and the implementation of large-scale infrastructure projects. Historically, periods of political stability have been associated with stronger public investment, which is often followed by a recovery in private-sector investment.

Looking back over the past decade, a notable example was 2015 under the administration of Prime Minister Prayut Chan-o-cha, when a relatively stable political and policy environment supported construction investment growth of 11.7%, the highest level recorded over the past decade. Public investment was accelerated as a key tool to stimulate the economy following the political uncertainty during 2013–14, marking the beginning of a new infrastructure investment cycle in Thailand. Although private construction investment contracted by 2.7% in 2015, it gradually recovered and returned to positive growth in 2017, reflecting improving investor confidence and the spillover effects of public infrastructure spending.

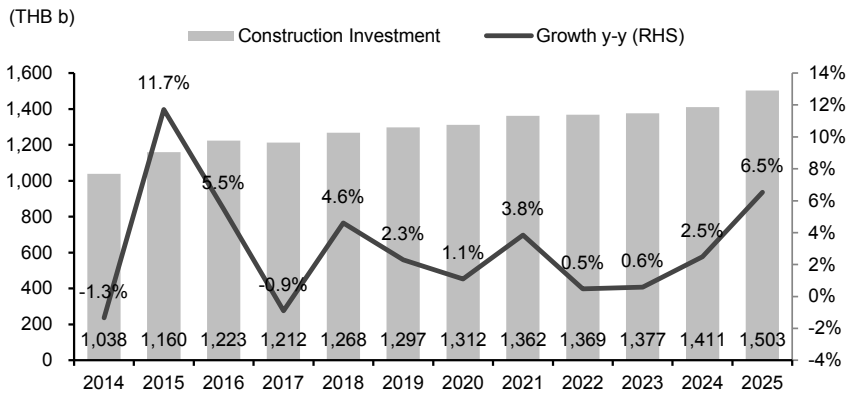
For 2026, the NESDC maintained its GDP growth forecast for Thailand at 1.5–2.5%. The outlook continues to be supported primarily by private investment, which is projected to expand by 3.7%, accelerating slightly from 3.5% in 2025. Public investment is expected to be the second key growth driver, with growth forecast at 3.1%, although this represents a moderation from the high base of 8.9% growth recorded in 2025.

Exhibit 16: Construction investment by government period



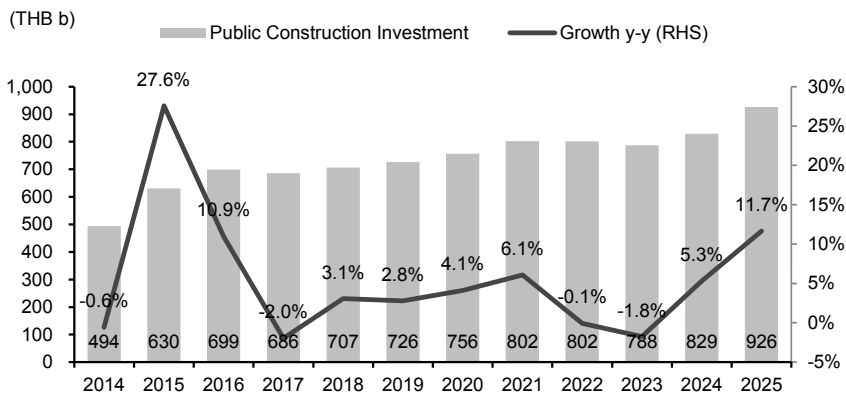
Sources: NESDC; FSSIA's compilation

Exhibit 17: Construction investment



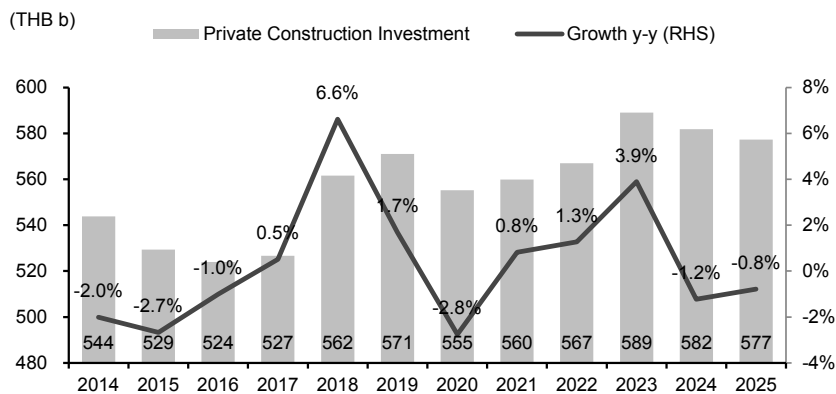
Sources: NESDC; FSSIA's compilation

Exhibit 18: Public construction investment



Sources: NESDC; FSSIA's compilation

Exhibit 19: Private construction investment



Sources: NESDC; FSSIA's compilation

Exhibit 20: Current NESDC and BoT economic projections

	2022	2023	2024	2025	----- NESDC -----	----- Bank of Thailand -----	
	(y-y%)	(y-y%)	(y-y%)	(y-y%)	2026E (y-y%)	2026E (y-y%)	
						2027E (y-y%)	
Real GDP growth	2.6	2.0	2.5	2.4	1.5-2.5	1.5	2.0
Private consumption	6.2	6.9	4.4	2.7	2.4	1.6	1.9
Private investment	4.6	3.1	(1.6)	3.5	3.7	3.0	2.6
Public consumption	0.1	(4.7)	2.5	0.6	1.2	0.0	0.3
Public investment	(3.9)	(4.2)	4.8	8.9	3.1	1.5	0.6
Export value growth (USD b)	5.4	(1.5)	5.8	12.7	9.6	8.1	1.1
Headline inflation	6.1	1.2	0.4	(0.1)	2.0-3.0	2.9	1.5
Current account to GDP (%)	(3.5)	1.5	2.3	3.1	2.4	-	-
Number of tourist arrivals (m)	11.2	28.1	35.5	33	35	33	35.5

Sources: NESDC and BoT

Public Projects Likely to Regain Momentum

According to management, visibility on government megaprojects should improve in 2H26 as the government accelerates infrastructure investment under the PPP framework. Eight projects with a combined value of THB243b have already received cabinet approval and are currently awaiting the bidding process.

Key projects expected to enter the bidding stage later this year include the Nakhon Ratchasima–Nong Khai High-Speed Rail project (THB98b) and the M5 and M9 motorway projects, with a combined value of THB87b. Among these, the Bueng Nong Bon Tunnel Expansion project (THB9.8b) is expected to be the first to move forward, with bid submissions scheduled as early as next week. In addition, management expects the Suvarnabhumi Airport East Expansion project, valued at THB13.8b, to enter the bidding stage later this year.

Large-scale infrastructure projects typically require significant technical expertise and execution capabilities, which should continue to favor established contractors with proven track records, specialized know-how, and strong balance sheets. We believe CK and STECON are among the key beneficiaries of the upcoming infrastructure investment cycle, given their extensive experience in delivering large-scale infrastructure projects.

At the same time, expressway, railway, and mass transit projects generally involve substantial foundation works, creating opportunities for foundation contractors such as SEAFCO and PYLON through subcontracting arrangements.

Meanwhile, competitive intensity has eased following several years of industry downturn. The prolonged slowdown has weakened the financial position of certain contractors and reduced their capacity to aggressively bid for new projects, while the exit of several major players in the foundation construction segment has further alleviated competitive pressure. This should support pricing discipline, margin expansion, and earnings growth, while reinforcing the sector's profitability outlook over the medium term.

Exhibit 21: Cabinet approved projects

Type of work	Project	Owner	Contract Value (THB m)	Status
Motorway	Motorway M9 Bang Khun Thian-Bang Bua Thong (M9)	DOH	56,035	Under Preparing RFP, Expected to open for bidding in Q4 2026
Motorway	Motorway M5 Utraphimuk Elevated, Rangsit-Bang Pa-In (M5)	DOH	31,358	Under Preparing RFP, Expected to open for bidding in Q3 2026
Motorway	O&M for Motorway M82 Bang Khun Thian - Ban Phaeo (O&M M82)	DOH	15,724	Under Bid Evaluation
Expressway	Kratu-Patong Expressway	EXAT	16,759	Under preparing for TOR, Expected to open for bidding in 2026
High Speed Rail	Thai-Chinese high-speed railway Phase 2 (Nakhon Ratchasima-Nong Khai) Contract 1-3	SRT	98,060	Expected to open for bidding in 2026
Rest Area	The rest areas on the Bang Pa-In-Nakhon Ratchasima Motorway (M6)	DOH	9,500	RFP has been issued
Rest Area	The rest areas on the Bang Yai-Kanchanaburi Motorway (M81)	DOH	6,103	RFP has been issued
Sewerage Tunnel	Bueng Nong Bon Tunnel Expansion	BMA	9,800	Expected to open for bidding 2026

Sources: STECON; FSSIA's compilation

Exhibit 22: Upcoming Public Projects

Type of work	Project	Owner	Contract Value (THB m)	Status
Motorway	Motorway M9W Bang Bua Thong-Bang Pa-in (M9W)	DOH	15,862	SOC has listed the projects on the Cabinet agenda
Expressway	N2 Expressway (Prasertmanukit-Outer Ring Road East section)	EXAT	13,665	SOC has listed the projects on the Cabinet agenda
Airport	Suvarnabhumi airport (East Expansion)	AOT	13,829	SOC has listed the projects on the Cabinet agenda
Double Track Railway	Double track railway - Surat Thani-Hat Yai-Songkhla section	SRT	64,578	NESDC approved, pending Cabinet agenda
Double Track Railway	Double track railway - Chumphon-Surat section	SRT	29,099	NESDC approved, pending Cabinet agenda
Double Track Railway	Double track railway - Hat Yai-Padang Besar section	SRT	7,574	NESDC approved, pending Cabinet agenda
Motorway	Motorway M8 Nakorn Pathom-Cha Am (M8)	DOH	61,154	Expected to propose to cabinet in 2026
Motorway	Bang Pa-in Junction Development Project Connecting Motorway M6 (Bang Pa-in - Nakhon Ratchasima) with Highway No. 32	DOH	5,550	Expected to propose to cabinet in 2026
Motorway	Bang Pa-in Junction Development Project Connecting Motorway M9 (Eastern Outer Ring Road: Bang Pa-in - Bang Na Section)	DOH	4,101	Expected to propose to cabinet in 2026
Expressway	Mueng Mai, Koh Kaew, Kratu, Phuket Expressway	EXAT	46,751	Expected to propose to cabinet in 2026
Expressway	Double-Deck Expressway Project: Ngam Wong Wan - Rama IX Section	EXAT	34,800	Expected to propose to cabinet in 2026
Expressway	Srinagarindra - Suvarnabhumi Airport Expressway	EXAT	20,811	Expected to propose to cabinet in 2026
Airport	Don Mueang airport expansion phase 3	AOT	69,285	Expected to propose to cabinet in 2026
Airport	Chiang Mai airport expansion phase 1	AOT	24,000	Expected to propose to cabinet in 2026
Airport	Phuket International Airport Phase 2	AOT	16,000	Expected to propose to cabinet in 2026

Sources: STECON; FSSIA's compilation

Private Projects Back in Focus

Beyond public infrastructure projects, we expect private investment to play an increasingly important role in driving construction demand. While the residential construction market remains subdued, the sector is increasingly supported by Thailand's emergence as a regional data center hub. The rapid expansion of data center investment is creating a meaningful new source of construction activity and could help diversify contractors' revenue streams beyond traditional government projects.

BOI data show that data center investment applications reached THB728b in 2025, more than seven times higher than the THB98.5b recorded in the previous year. Momentum has continued into 2026, with BOI approving more than THB1t of data center-related investments during the first five months of the year alone. This reflects strong demand from global hyperscalers and AI-driven digital infrastructure providers seeking to expand their presence in Thailand.

Given that civil and structural works typically account for 25–35% of total data center project costs, the potential construction value could exceed THB250b, representing a sizeable source of new project awards and backlog replenishment opportunities for contractors over the medium term. Beyond data center construction, rising electricity demand from hyperscale facilities could support the next wave of investment in power generation and related infrastructure, creating additional construction opportunities over the medium to long term.

Among the companies under our coverage, STECON appears best positioned to benefit from this trend given its direct exposure to data center-related projects, as well as its capability to undertake large-scale industrial, power, and utility infrastructure projects. Meanwhile, foundation contractors such as SEAFCO and PYLON could capture opportunities from foundation and piling works, which typically account for around 5–7% of total construction costs, as data centers require extensive ground improvement and deep foundation systems to support high structural loads.

Upgrade Sector Rating to Overweight; Raise Target Prices

Brighter Outlook Supports Sector Re-rating

Given the improving outlook for the construction sector, we upgrade our sector rating to Overweight from Neutral. In the near term, earnings momentum is expected to strengthen in 2Q26 and continue into 3Q26, supported by strong backlog levels and resilient project execution. In addition, improving geopolitical conditions could help alleviate cost pressures while supporting a recovery in construction demand and investment sentiment.

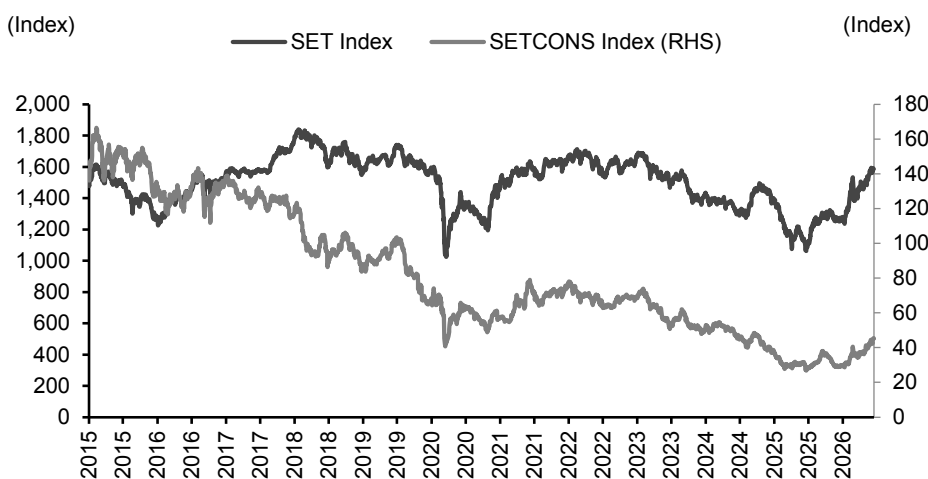
Looking further ahead, we remain constructive on the sector's medium- to long-term outlook, driven by expectations of a larger project pipeline from both the public and private sectors. On the public side, the government is expected to accelerate infrastructure investment in 2H26 under a more stable political environment. Meanwhile, private-sector investment is gaining momentum, particularly in the Data Center segment. Combined with a more rational competitive landscape, we believe the sector is entering a more favorable operating environment.

Accordingly, we upgrade our sector valuations to reflect improving earnings visibility, stronger profitability, and a more favorable industry backdrop. We forecast sector core earnings to grow 9% y-y in 2026, while normalized ROE is expected to improve to 13%, the highest level in six years, from 11% in 2025. The combination of accelerating earnings growth, expanding project opportunities, and improving returns supports a valuation re-rating and reinforces our positive stance on the sector.

Our revised target prices are based on a P/BV valuation methodology. We apply a target multiple equivalent to a 0.5 standard deviation discount to the historical average P/BV for major contractors and a 0.75 standard deviation discount for foundation contractors. The valuation framework is derived from historical trading ranges since 2015, encompassing various construction cycles, including the infrastructure investment upcycle during 2015–2018, the COVID-19-induced slowdown beginning in 2020, and the period of political uncertainty during 2023–2024.

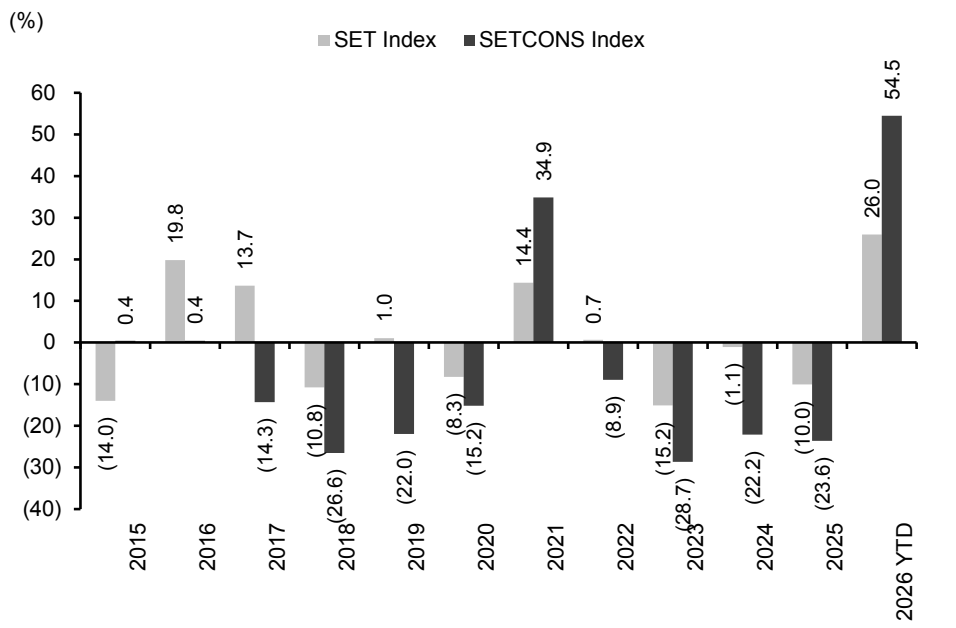
Despite our more constructive sector outlook, we maintain a discount to historical average valuations, as the sector remains in the early stage of a new investment cycle. While the outlook for public-sector investment has improved, several large-scale infrastructure projects have yet to enter the tendering stage, and the timeline for tender launches has yet to be clearly announced.

Exhibit 23: SET vs SETCONS since 2015



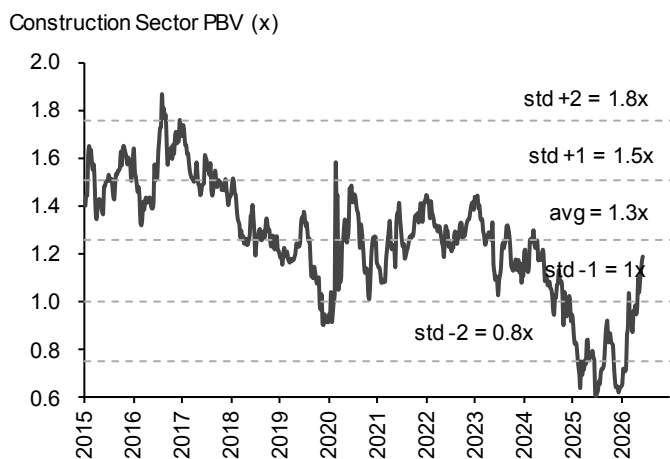
Source: FSSIA's compilation

Exhibit 24: Annual change (%) SET vs SETCONS since 2015



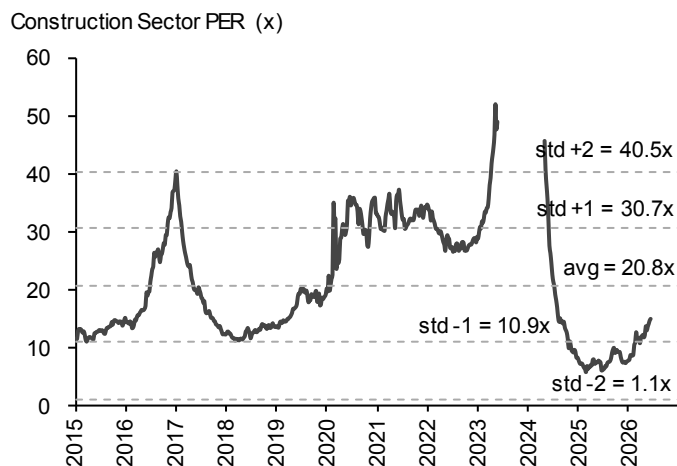
Source: FSSIA's compilation

Exhibit 25: Sector Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 26: Sector Historical P/E band



Sources: Bloomberg; FSSIA estimates

We revise our target prices for the stocks under coverage as follows:

CK – New TP of THB23.0 (from THB19.0), Upgrade to BUY

We raise our target price to THB23.0 based on our SOTP valuation methodology, driven primarily by a higher target EV/EBITDA multiple of 11x (from 9x) for the construction business. The revised target price implies a 2026 P/BV of 1.3x, equivalent to a 0.5 standard deviation discount to its historical average since 2015.

We upgrade our recommendation to BUY from HOLD, supported by a more attractive upside and continued q-q earnings growth in 2Q26–3Q26, together with potential upside from new project awards. In particular, the THB35b Double Deck Expressway project, which is currently awaiting Cabinet approval, is expected to be awarded to BEM within this year, providing additional construction opportunities for CK.

STECON – New TP of THB19.1 (from THB13.0), Maintain HOLD

We raise our target price to THB19.1 based on a target P/BV of 1.6x (previously 1.1x), equivalent to a 0.5 standard deviation discount to its historical average since 2015.

We maintain our HOLD recommendation, as the current share price offers less than 10% upside despite improving business fundamentals. STECON has significantly outperformed the market, with its share price rising 177% YTD, compared with gains of 26% for the SET Index and 54% for the SET Construction Index. We believe the current valuation already reflects key positive factors, including the recognition of the special dividend from GULF, potential upside from upcoming public-sector projects, and growing opportunities from Data Center investments.

In addition, we expect STECON's earnings to peak in 2Q26, supported by dividend income from GULF, before moderating q-q in 3Q26. This contrasts with other contractors under our coverage, which are expected to deliver continued earnings growth in 3Q26.

PYLON – New TP of THB4.0 (from THB3.8), Maintain BUY

We raise our target price to THB4.0 based on a target P/BV of 2.4x (previously 2.5x), equivalent to a 0.75 standard deviation discount to its historical average since 2015.

We maintain our BUY recommendation. Earnings in 2Q26 are expected to grow y-y but soften q-q, due to projects remaining in the early stage of construction, the impact of multiple holidays, and greater pressure on gross margins from higher material costs. However, we expect earnings momentum to re-accelerate in 3Q26 as major projects progress into full-scale construction, supporting stronger revenue recognition and margin recovery.

In addition, the company maintains a strong net cash position, supporting an attractive dividend yield of approximately 7–8% per annum.

SEAFCO – New TP of THB3.5 (from THB2.8), Upgrade to BUY

We raise our target price to THB3.5 based on a target P/BV of 1.6x (previously 1.3x), equivalent to a 0.75 standard deviation discount to its historical average since 2015.

We upgrade our recommendation to BUY from HOLD, as the stock now offers a more attractive upside to our revised target price. We expect 2Q26 earnings to remain higher y-y on a low 2Q25 base, but decline q-q, compared with our previous expectation of q-q growth. Earnings momentum is expected to recover in 3Q26 and reach its peak for the year, driven by progress on the Orange Line MRT project and Bangkok Mall Phase 2, with project deliveries expected toward the end of the quarter.

Meanwhile, we continue to monitor the progress of the Double Deck Expressway project awards, where we believe SEAFCO has a high probability of participation. If awarded, the project could provide meaningful backlog replenishment and improve earnings visibility into 2027.

Exhibit 27: Summary of Target Price and Recommendation Revision

Company	Valuation Method	Previous Multiplier	Target price (THB)	-- Rating --	Revised Multiplier	Target price (THB)	-- Rating --	Current price (THB)	Upside
CK	SOTP	EV/EBITDA 9x	19.0	HOLD	EV/EBITDA 11x	23.0	BUY	19.5	17.9%
STECON	PBV	1.1x	13.0	HOLD	1.6x	19.1	HOLD	17.5	9.1%
PYLON	PBV	2.4x	3.8	BUY	2.5x	4.0	BUY	3.44	16.3%
SEAFCO	PBV	1.3x	2.8	HOLD	1.6x	3.5	BUY	3.0	16.7%

Source: FSSIA estimates

Exhibit 28: 10Y Historical PBV Band

Company	PBV 26E (x)	Valuation PBV 10Y									Premium/Discount (±SD)
		-2.0SD	-1.5SD	-1.0SD	-0.5SD	Average	+0.5SD	+1.0SD	+1.5SD	+2.0SD	
CK	1.1	0.7	0.9	1.1	1.3	1.4	1.6	1.8	2.0	2.2	-0.9
STECON	1.5	-0.5	0.0	0.6	1.2	1.8	2.4	3.0	3.6	4.1	-0.2
PYLON	2.2	0.3	1.1	1.9	2.8	3.6	4.4	5.2	6.0	6.9	-0.9
SEAFCO	1.4	0.3	0.8	1.3	1.7	2.2	2.7	3.2	3.6	4.1	-0.9

Source: FSSIA's compilation

Preferred Picks: CK and PYLON

We select CK as our top pick, as its share price has significantly underperformed STECON year-to-date, rising 65% compared with STECON's 177%, while still offering around 17% upside to our revised target price.

In addition, we expect earnings to grow q-q in 2Q26 and continue strengthening in 3Q26, driven primarily by a seasonal improvement in share of profit from associates. Meanwhile, the construction business is expected to remain solid, supported by ongoing progress in the Orange Line West MRT project and the Luang Prabang hydropower plant.

CK's valuation also remains attractive, with the stock currently trading at 1.1x 2026E P/BV, equivalent to approximately 1 standard deviation below its historical average. Furthermore, the current share price implies a roughly 35% discount to the combined NAV of its listed investments in BEM, CKP, and TTW, providing additional downside protection and valuation support.

For foundation contractors, we prefer PYLON over SEAFCO. PYLON is supported by a solid backlog, which should sustain high machinery utilization through the end of 2026. In addition, the recovery in private-sector construction activity should support further backlog replenishment and increase opportunities for new project awards. PYLON's share price has also underperformed SEAFCO year-to-date, rising 28% compared with SEAFCO's 44%, offering a more attractive risk-reward profile.

Meanwhile, SEAFCO's ability to secure new projects is currently constrained by its commitment to the Orange Line MRT project, one of its largest ongoing projects, which is scheduled for completion in late 3Q26. As a result, the company will need to accelerate new project acquisitions to replace the project backlog and sustain revenue recognition from 4Q26 onward.

Exhibit 29: Peers comparison as of 18 June 2026

Company	Rec	Core profit			Core profit growth		PE		DivYld		ROE		PBV		PBV
		25 (THB m)	26E (THB m)	27E (THB m)	26E (%)	27E (%)	26E (x)	27E (x)	26E (%)	27E (%)	26E (x)	27E (x)	26E (x)	27E (x)	
CK TB	BUY	2,501	2,277	2,335	(9.0)	2.5	14.5	14.1	2.3	2.3	7.9	7.7	1.1	1.1	1.2
STECON TB	HOLD	1,007	1,477	1,213	46.6	(17.9)	18.0	21.9	2.7	1.9	8.6	6.7	1.5	1.4	0.9
PYLON TB	BUY	207	256	269	23.4	5.1	10.1	9.6	7.4	7.8	22.2	22.0	2.2	2.1	2.4
SEAFCO TB	BUY	187	258	212	37.8	(17.6)	9.5	11.5	4.2	3.5	15.1	11.5	1.4	1.3	1.4
Average		3,903	4,268	4,029	9	(6)	13.0	14.3	4.2	3.9	13.4	12.0	1.5	1.5	2.0

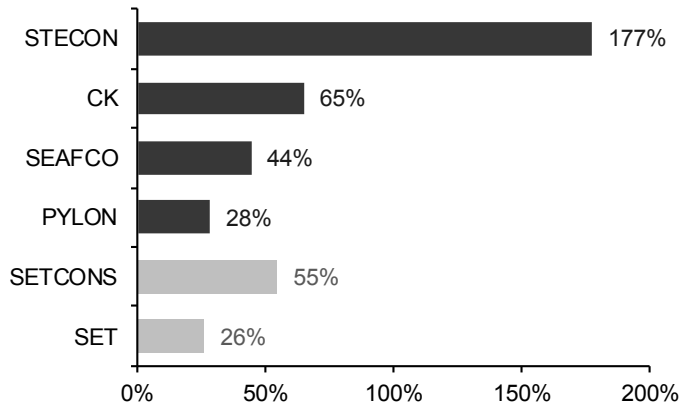
Source: FSSIA estimates

Exhibit 30: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESGCG Rating	ESGCG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
CK	46.39	--	Y	AA	5.00	5.00	--	High	57.89	B	--	62.69	28.00	--	--
PYLON	17.00	--	--	--	3.00	4.00	Certified	--	--	--	--	--	--	--	--
SEAFCO	17.00	--	--	A	5.00	4.00	--	--	--	--	--	--	--	--	--
STECON	40.68	--	Y	AAA	5.00	5.00	--	--	--	--	--	64.23	27.00	2.85	53.80

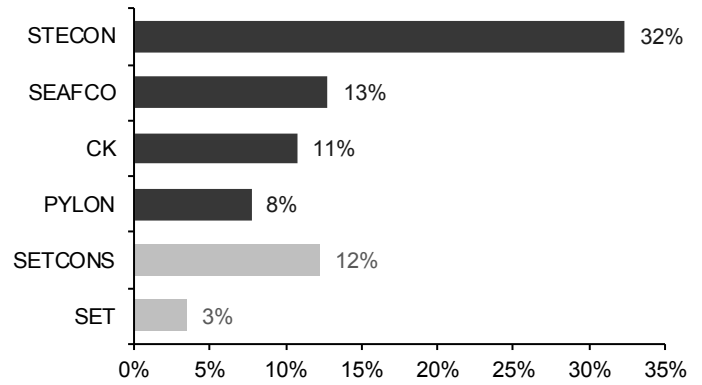
Sources: FSSIA estimates and compilation

Exhibit 31: 2026 YTD sector performances



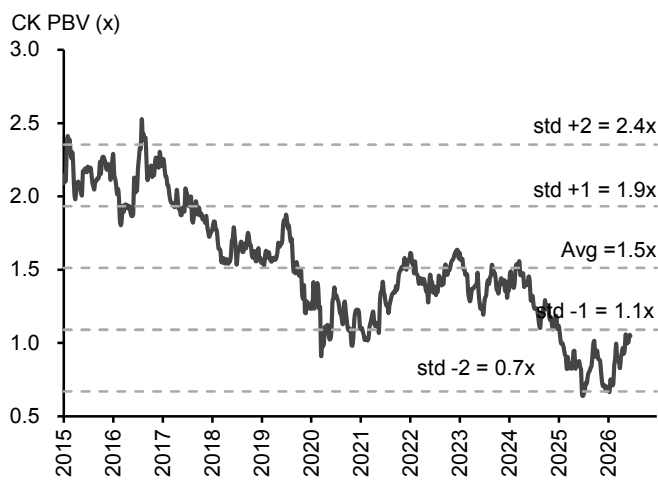
Source: SETSMART

Exhibit 32: Price Movement Since Iran War Started (27 Feb)



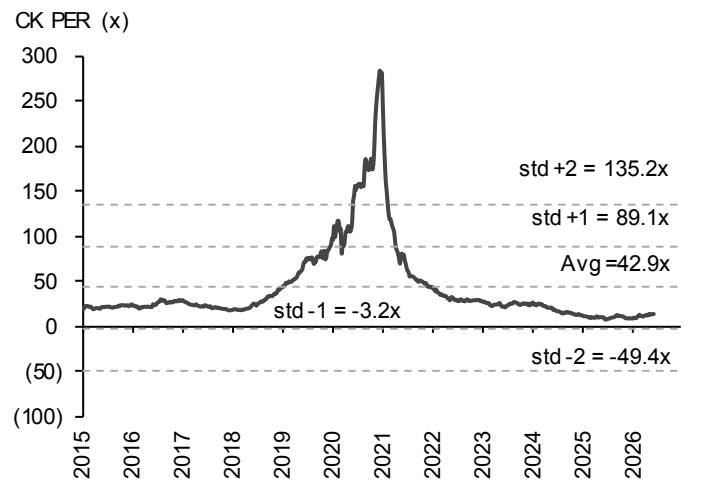
Source: SETSMART

Exhibit 33: CK - Historical P/BV band



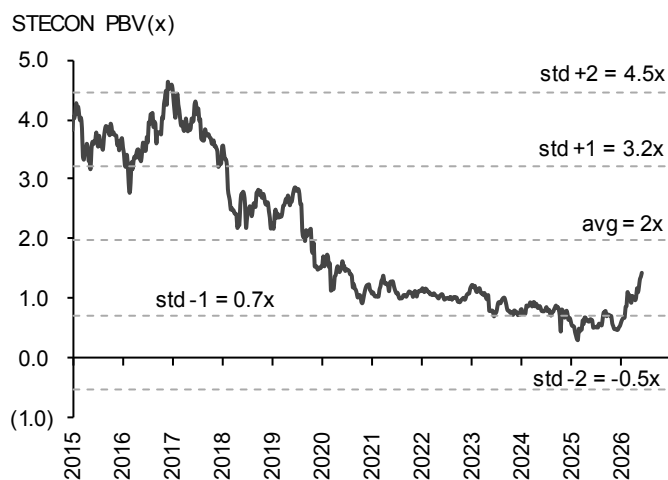
Sources: Bloomberg; FSSIA estimates

Exhibit 34: CK - Historical P/E band



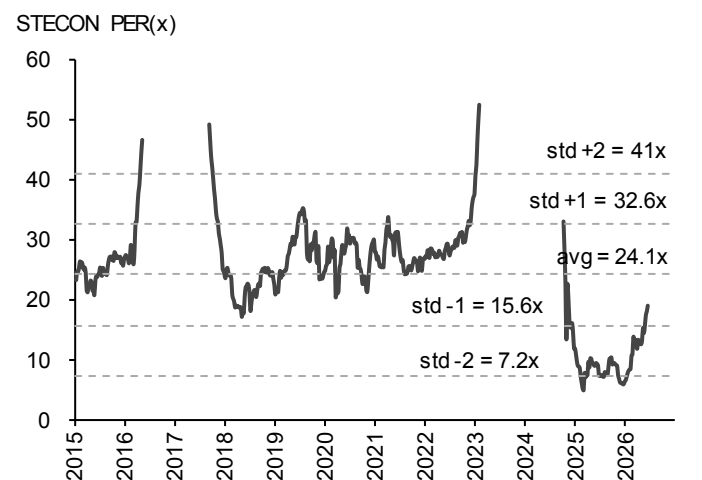
Sources: Bloomberg; FSSIA estimates

Exhibit 35: STECON - Historical P/BV band



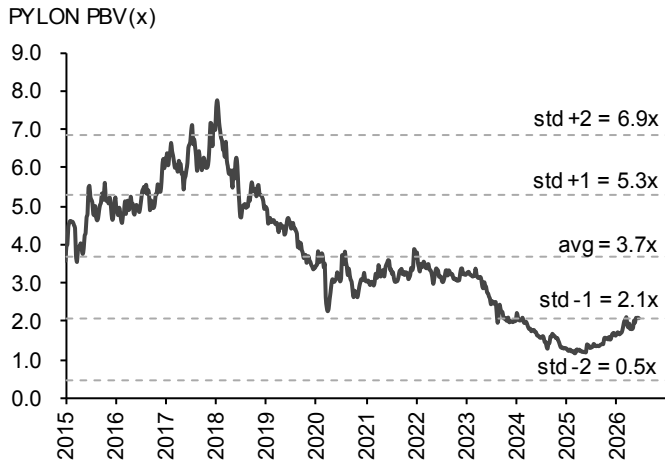
Sources: Bloomberg; FSSIA estimates

Exhibit 36: STECON - Historical P/E band



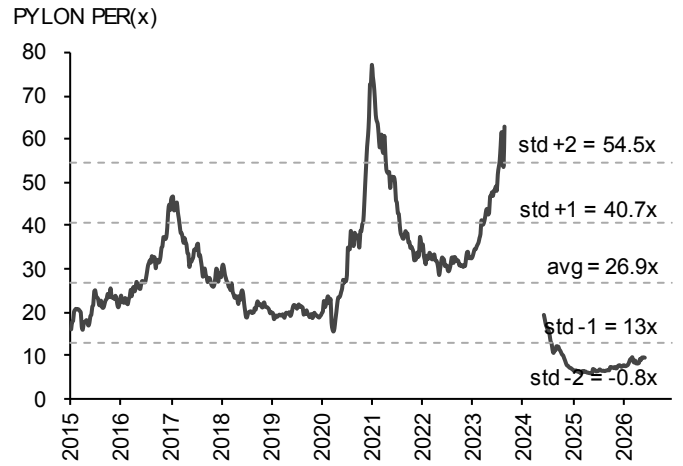
Sources: Bloomberg; FSSIA estimates

Exhibit 37: PYLON - Historical P/BV band



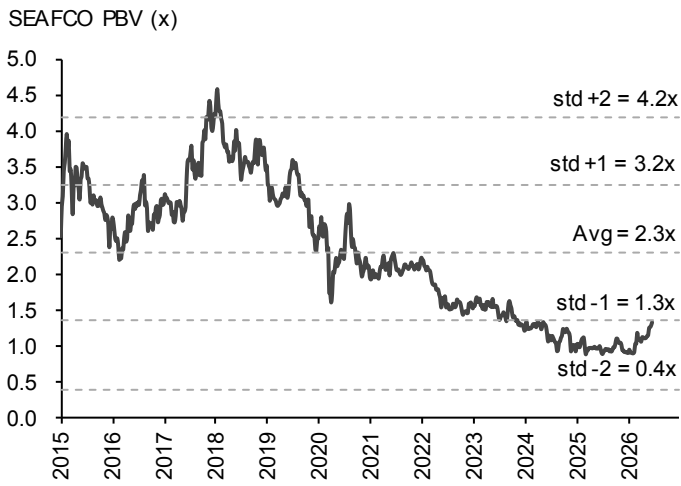
Sources: Bloomberg; FSSIA estimates

Exhibit 38: PYLON - Historical P/E band



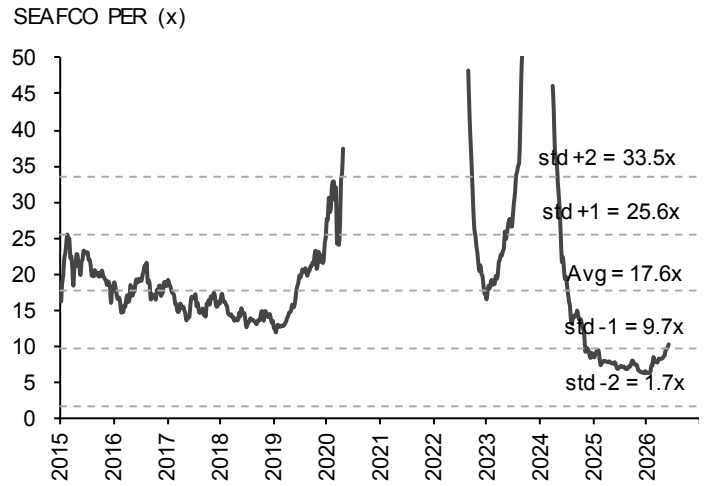
Sources: Bloomberg; FSSIA estimates

Exhibit 39: SEAFCO - Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 40: SEAFCO - Historical P/E 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.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG inclusion , 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. SETESG Index is extended from the SET ESG Ratings 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.																			
CG Score 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 (60-69), 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%).																			
AGM level 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&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.																			
Thai CAC 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.																			
Morningstar Sustainalytics	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 & 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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ESG Book	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.																			
MSCI	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>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</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>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	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.																				
Refinitiv ESG rating	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; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	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.																				
Bloomberg	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) "SETESG". 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

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Company	Ticker	Price	Rating	Valuation & Risks
CH.Karnchang	CK TB	THB 19.50	BUY	Key downside risks to our SoTP-based TP include 1) delays in the signing of the Orange Line project; 2) auction delays and fewer new projects than expected; 3) political uncertainty; 4) slower-than-expected construction progress and cost overrun; 5) increased building material costs, labor shortages, and a minimum wage hike; 6) weaker-than-expected performance of associates (BEM, CKP, and LPCL), and 7) a delay and additional repair expenses on the contract 1 of the MRT Purple Line project.
Stecon Group	STECOM TB	THB 17.50	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 U-Tapao Airport construction, 4) a delay in new auctions, 5) a higher-than-expected loss sharing from associates, and 6) a delay and additional repair expenses on the contract 1 of the MRT Purple Line project.
Pylon	PYLON TB	THB 3.44	BUY	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 comprise 1) a higher-than-expected additional backlog and new auctions; and 2) sooner-than-expected commencement of the high-speed train project linking three airports.
Seafoo	SEAFKO TB	THB 3.00	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 18-Jun-2026 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.