0CK Power Pcl (CKP TB) - BUY

News Update

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Electricity output weakened y-y in April

- **Total hydropower output fell 13% y-y**
- **Decent water availability, but a high base last year**
- **Stable sale volume from SPP plant**
- **Yet momentum looks strong into rainy season**

Total electricity generation from CKP's two major hydropower plants dropped 13% y-y and 14% m-m in April 2022 on slightly lower water availability in Mekong and Nam-Ngum rivers from previous month, while there is a high base of power output from Nam-Ngum 2 project last year. Having said that, we still expect a strong earnings momentum for CKP into 2Q22F as there have been much more frequent rains in May, signaling a good start of rainy season.

- **Xayaburi (XPCL, hydro, 482MW):** Total electricity output from XPCL was 532GWh in April, fell 7% y-y and 15% m-m despite water flow into the project was 4% higher compared to the same period last year. We believe it was likely due to a weaker flow rate thus less power generated. This production rate implies 57.5% capacity factor this month (vs. 43% breakeven level).

- **Nam Ngum 2 (NN2, hydro, 283MW):** Electricity volume sale from NN2 was 106GWh in April, also down 34% y-y and 16% m-m. The y-y decline was still mainly due to a high base last year when CKP intentionally reserved water during late 2020 to produce more electricity in 1Q21, while total water inflow to its reservoir continued to be strong at 155mcm this month (up 17% y-y). Having said that, due to reserved water from 2020 to 2021, current water level in NN2's reservoir is around 5% lower than the same period in 2021.

- **Bangpa-in Cogen (BIC, gas-fired, 154MW):** Total electricity volume sale from BIC was slightly higher by 2% y-y to 131GWh in April. However, steam volume sale dropped sharply 12% y-y. We believe BIC will continue to suffer from margin squeeze issue like other SPP plants in 2Q22F, despite expecting 1Q22 to already mark its bottom.

- **Solar farms (BKC, solar, 19MW):** Total electricity output from solar farms increased strongly by 19% y-y to 2.08GWh in April, in-line with reported performance from other solar farms this year, thanks to a strong solar radiation during this Summer.

Key Valuations

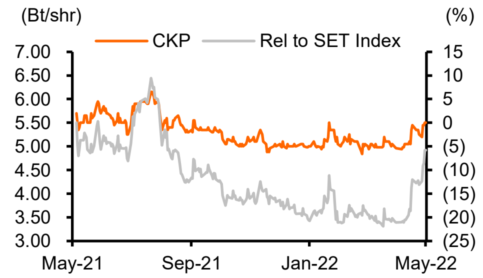
Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Revenue	8,798	10,608	10,212	9,758
Net profit	2,179	2,270	2,168	2,009
Norm net profit	1,996	2,270	2,168	2,009
Norm EPS (Bt)	0.2	0.3	0.3	0.2
Norm EPS gr (%)	313.4	13.7	(4.5)	(7.3)
Norm PE (x)	22.6	19.9	20.8	22.5
EV/EBITDA (x)	20.4	21.1	15.6	16.3
P/BV (x)	1.8	1.7	1.6	1.6
Div. yield (%)	1.4	2.0	2.4	2.7
ROE (%)	8.2	8.9	8.1	7.2
Net D/E (%)	67.1	58.3	55.1	56.4

Source: Thanachart estimates

Stock Data

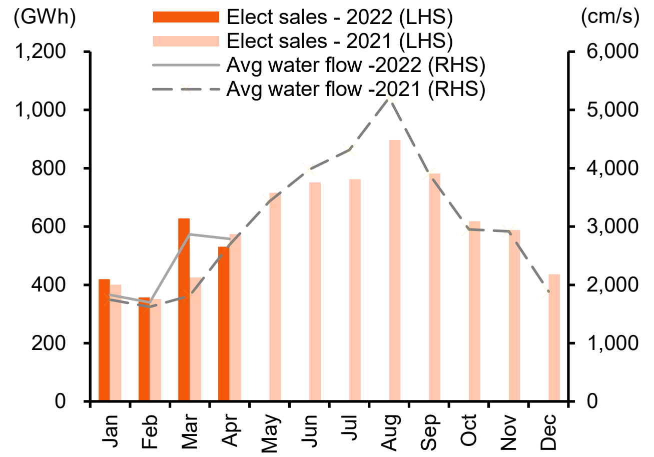
Closing price (Bt)	5.55
Target price (Bt)	6.50
Market cap (US$ m)	1,307
Avg daily turnover (US$ m)	2.6
12M H/L price (Bt)	6.15/4.84

Price Performance



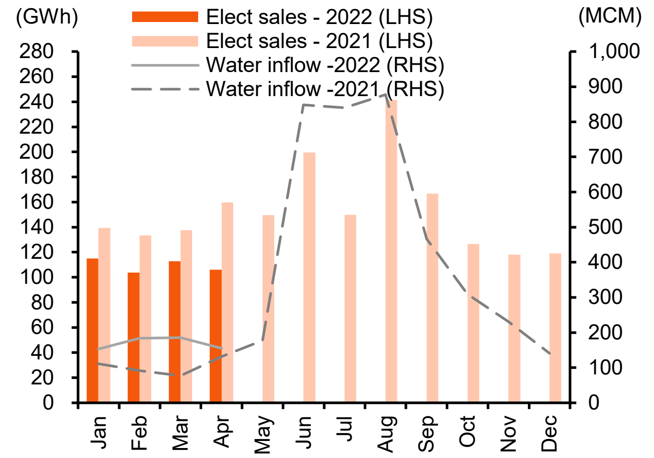
Source: Bloomberg

Ex 1: Output From XPCL Still Grew Y-Y



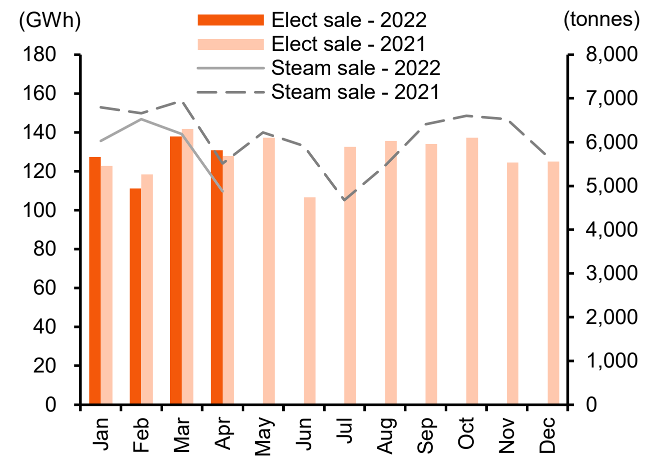
Source: Company data

Ex 2: NN2 Remains Under A High Base Impact



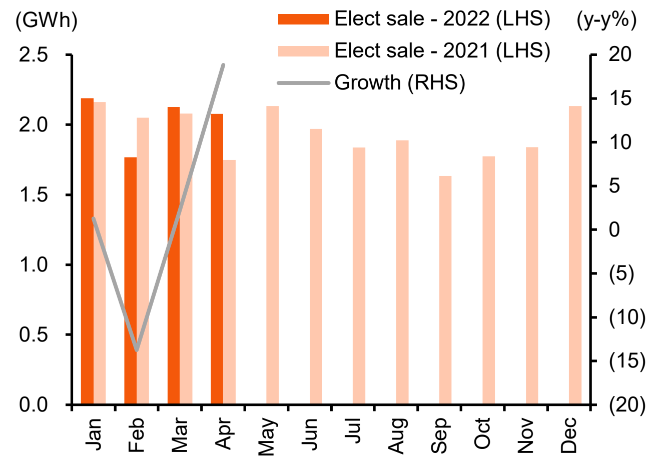
Source: Company data

Ex 3: Stable Electricity Sale From BIC, But Weak Steam



Source: Company data

Ex 4: Strong Output From Solar Projects This Month



Source: Company data

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