

CK Power Pcl (CKP TB) - BUY

News Update

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Coming off peak season

- **Softened hydro output m-m, but still higher y-y**
- **Higher overall water availability compared to last year**
- **SPP plant sets to recovery from fuel cost issue**
- **CKP is on track for a record earnings year**

Total electricity generation from CKP's two hydropower plants rose strongly by 23% y-y to 917GWh in October. Its major XPCL hydro plant remained the key driver, supported by high water availability in Mekong River. NN2 started to contribute growth on diminishing impact from its high base last year. Given water flows in both rivers remain healthy, we expect CKP's earnings in 2022F to be its new record year.

- **Xayaburi (XPCL, hydro, 546MW):** Electricity output from XPCL project was 796GWh in October, implying a decent capacity factor at 86% this month. The generation was 29% higher y-y, thanks to a 37% higher amount of water flow in Mekong River this year. Its 11% drop m-m was mainly a season effect given the rainy season in Indochina region ends in September.
- **Nam Ngum 2 (NN2, hydro, 283MW):** Electricity volume sale from NN2 was 121GWh in October, down 4% y-y but up 11% m-m. A drop from the same period last year was due to a high base impact, while actual water inflow to NN2's reservoir increased 27% y-y to 391MCM this month. An increase m-m was since CKP feels more confident in water situation this year, thus announce higher generation rate.
- **Bangpa-in Cogen (BIC, gas-fired, 154MW):** Electricity volume sale from BIC was 124GWh in October, dropped 10% y-y since there was a planned maintenance in one (from two) of its generation units. Steam sale volume increased 11% y-y, continuing its recovery momentum. We also see less margin pressure on BIC's margin as domestic gas price looks to start falling in 4Q22F.
- **Solar farms (BKC, solar, 19MW):** Total electricity output from solar farms (and solar rooftop projects) was 1.70GWh in October, down 4% compared to the same period last year. Solar radiation was lower this year given strong rainfalls and extended rainy season.

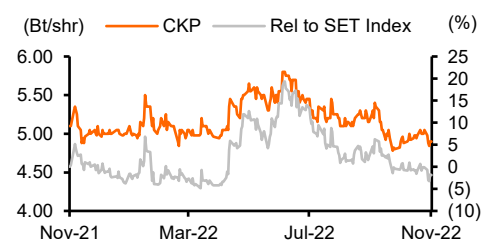
Key Valuations

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)	20.0	17.6	18.4	19.8
EV/EBITDA (x)	18.9	19.4	14.4	15.0
P/BV (x)	1.6	1.5	1.4	1.4
Div. yield (%)	1.6	2.3	2.7	3.0
ROE (%)	8.2	8.9	8.1	7.2
Net D/E (%)	67.1	58.3	55.1	56.4

Source: Thanachart estimates

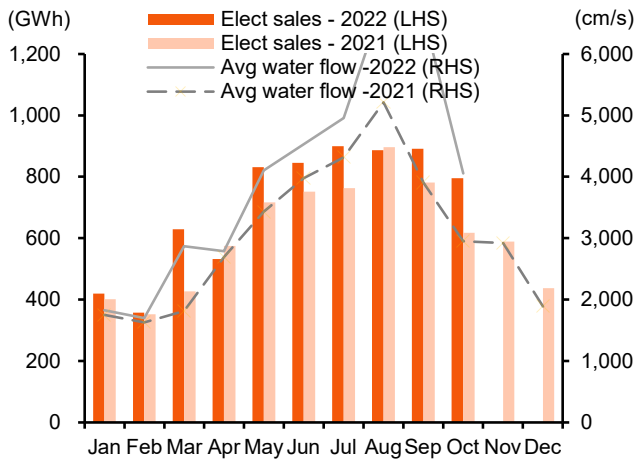
Stock Data

Closing price (Bt)	4.90
Target price (Bt)	6.50
Market cap (US\$ m)	1,114
Avg daily turnover (US\$ m)	2.2
12M H/L price (Bt)	5.80/4.78

Price Performance

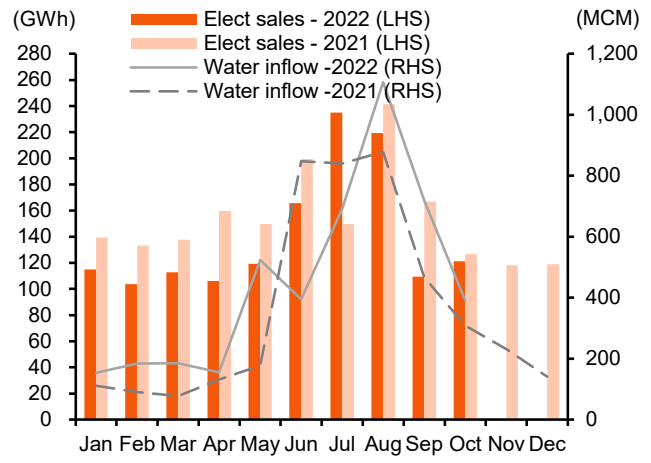
Source: Bloomberg

Ex 1: Softened Output From XPCL On Seasonality



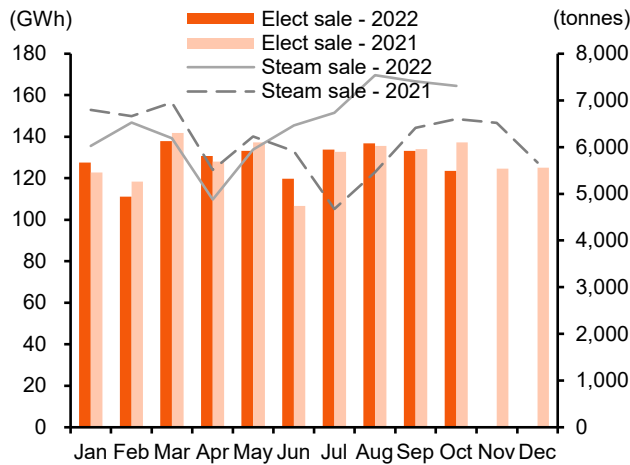
Source: Company data

Ex 2: But A Y-Y Growth From NN2 Given A Low Base



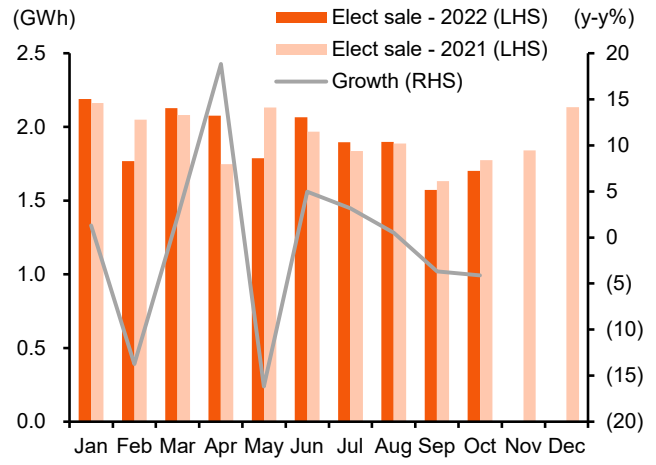
Source: Company data

Ex 3: Minor Planned Maintenance In One Unit Of BIC



Source: Company data

Ex 4: Improving Solar Output After Rainy Season Ended



Source: Company data

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