

CK Power Pcl (CKP TB) - BUY

News Update

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7-day shutdown for XPCL in September

- **Total hydropower output dropped 21% y-y in September**
- **XPCL shutdown during 21-27 Sep due to water overflow**
- **Output from NN2 was very strong**
- **We expect Bt720m profit for CKP in 3Q24F**

Total electricity generation from CKP's two hydropower projects was 847GWh in September 2024. It fell 21% y-y, due mainly to a 7-day production halt at XPCL, from 21-27 September because of water overflow. The output increased 9% m-m, thanks to a strong electricity generation from NN2 project, which benefited from robust water inflow during the peak of the rainy season.

Based on the past three months of operating data, we estimate CKP to report Bt720m profit in 3Q24F, down 18% y-y due to the two production halts at XPCL this year. It surged 391% q-q, reflecting strong electricity generation from hydropower projects in this peak quarter of rainy season. We maintain BUY on CKP as a major beneficiary of the La Nina cycle.

- **Xayaburi (XPCL, hydro, 546MW):** Electricity generation from XPCL project fell 38% y-y and 16% m-m to 521GWh in September, despite being its peak season. This was since the water overflow caused the project to halt its production again for 7 days this month (21-27 September), after a 10-day shutdown in August. The project's capacity factor fell to 56% (from 91% last year), though it remained above the breakeven level of 54%.
- **Nam Ngum 2 (NN2, hydro, 283MW):** Electricity generation from the NN2 project was exceptionally strong in September at 326GWh, up 42% y-y and 107% m-m. The output implied 74% capacity factor for the project. NN2 benefited from continuously high water inflow at 1,447m cubic meter, which is 63% stronger than the previous year. Despite this strong output, the project's reservoir level remained high at 374m above sea-level (vs. 372m last year), suggesting strong generation could be expected into 4Q24F.
- **Bangpa-in Cogen (BIC, gas-fired, 154MW):** BIC gas-fired SPP project sold 132GWh of electricity in September, a flat generation compared to last year. However, steam sales dropped 15% y-y to 5,711 tons, marking a weak quarter for the steam sale, pressured by a weak production of its sole client. We thus expect BIC's profit to be slightly lower q-q, pressured by this slightly softer demand and the rise in gas pool price from an unusually low level in the previous quarter.
- **Solar farms (BKC, solar, 19MW):** Total electricity output from solar farms and solar rooftop projects was 1.54GWh in September, down 9% y-y. The business unit remains small in CKP's portfolio.

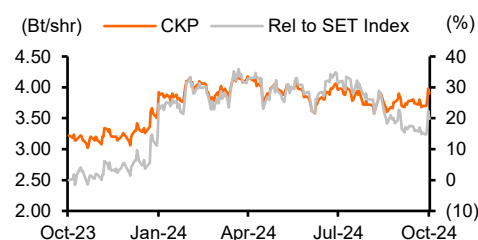
Key Valuations

Y/E Dec (Bt m)	2023A	2024F	2025F	2026F
Revenue	10,286	10,195	10,254	10,209
Net profit	1,462	1,713	1,919	2,253
Norm net profit	1,511	1,713	1,919	2,253
Norm EPS (Bt)	0.2	0.2	0.2	0.3
Norm EPS gr (%)	(40.6)	13.3	12.1	17.4
Norm PE (x)	21.0	18.5	16.5	14.1
EV/EBITDA (x)	16.8	12.5	12.3	11.9
P/BV (x)	1.2	1.1	1.1	1.0
Div. yield (%)	2.2	2.3	2.3	2.3
ROE (%)	5.6	6.2	6.6	7.5
Net D/E (%)	54.0	46.0	42.0	37.1

Source: Thanachart estimates

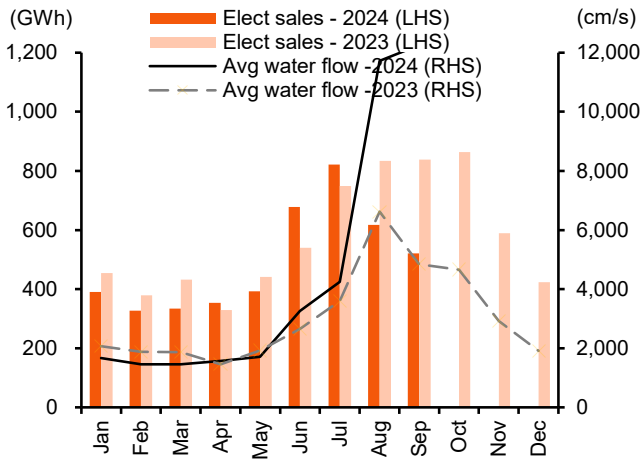
Stock Data

Closing price (Bt)	3.90
Target price (Bt)	5.00
Market cap (US\$ m)	951
Avg daily turnover (US\$ m)	0.9
12M H/L price (Bt)	4.22/3.02

Price Performance

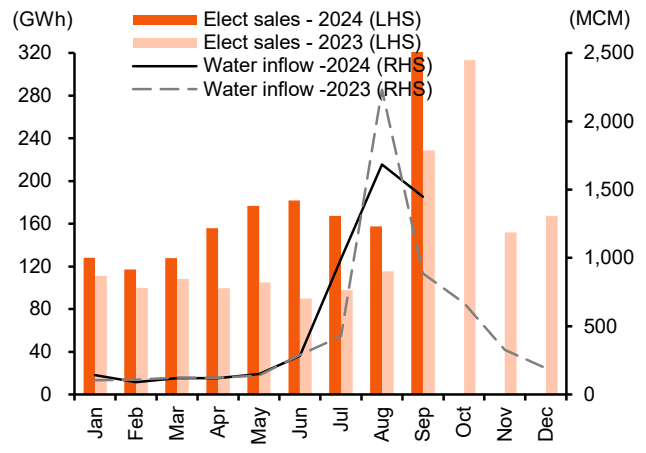
Source: Bloomberg

Ex 1: XPCL Halted Production For 10-Days In August



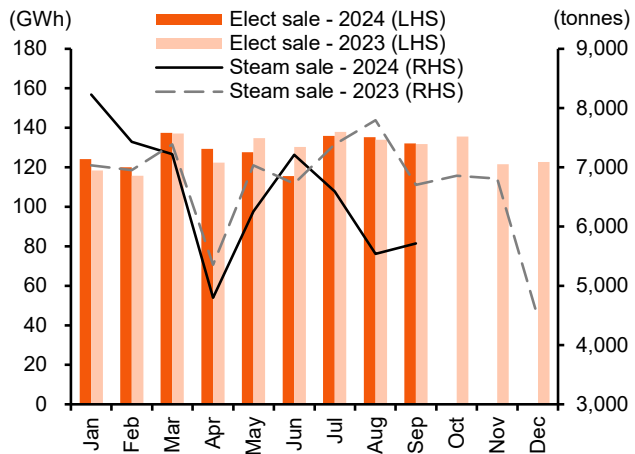
Sources: Company data

Ex 2: Strong Water Inflow To NN2 Project



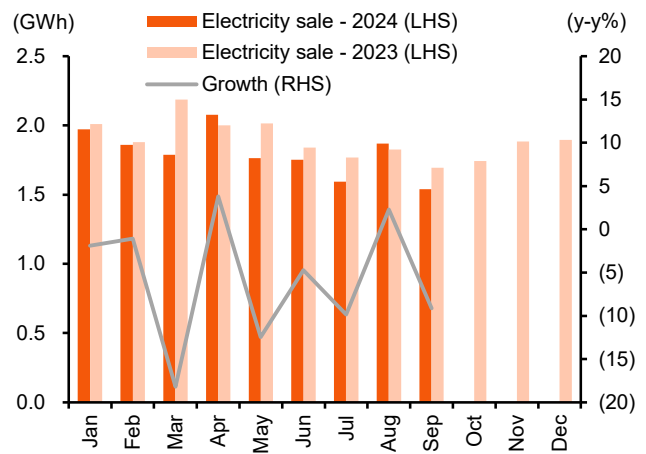
Sources: Company data

Ex 3: BIC's Performance Remains Stable



Sources: Company data

Ex 4: Contribution From Solar Projects Remains Small



Sources: Company data

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