

**CK Power Pcl (CKP TB) - BUY, Price Bt3.48, TP Bt5.00****Results Comment**

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**Weak 3Q24 profit, in-line**

- CKP reported Bt610m normalized profit (ex. gain/loss from FX and hedging) in 3Q24, down 30% y-y but increased 316% q-q in a like for like basis. A drop from the same period last year was due to 17-day unplanned shutdown at its Xayaburi project, while a q-q improvement was due to the high season of output from hydropower projects this quarter.
- Gross profit grew nicely by 39% y-y and 15% q-q to Bt814m in 3Q24, driven mainly by higher electricity generation from Nam Ngum 2 hydropower plant in this La Nina year. This more than offset lower profit contribution from BIC SPP plant this quarter, pressured by higher gas cost.
- SG&A expense was well controlled at Bt105m in 3Q24, rose 4% y-y but declined 15% q-q from a high base last quarter.
- EBITDA grew 25% y-y and 13% q-q to Bt1.1bn in 3Q24, in-line with stronger performance from Nam Ngum 2 project.
- Equity income fell sharply 47% y-y to Bt358m in 3Q24, mainly due to a temporary production halt at Xayaburi project for total 17 days during the quarter given water overflow. It improved from a loss in the previous quarter on seasonality.
- Despite a weak profit this quarter such that its 9M24 profit was only 46% of our full-year forecast, we maintain our projection on CKP's 2024F profit as we expect for stronger performance in 4Q24F supported by strong water availability in this La Nina year with no more production disruption at Xayaburi plant.
- We maintain BUY.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(Bt m)	q-q%	y-y%	% 2024F	2024F	2025F
Revenue	2,478	2,889	2,348	2,472	2,758	Revenue	12	11	73	10,396	10,467
<b>Gross profit</b>	<b>587</b>	<b>926</b>	<b>417</b>	<b>708</b>	<b>814</b>	<b>Gross profit</b>	<b>15</b>	<b>39</b>	<b>65</b>	<b>2,988</b>	<b>3,183</b>
SG&A	102	248	104	124	105	SG&A	(15)	4	59	565	569
Operating profit	485	678	313	585	708	Operating profit	21	46	66	2,423	2,614
<b>EBITDA</b>	<b>881</b>	<b>1,073</b>	<b>703</b>	<b>975</b>	<b>1,102</b>	<b>EBITDA</b>	<b>13</b>	<b>25</b>	<b>69</b>	<b>4,035</b>	<b>4,237</b>
Other income	171	152	143	148	143	Other income	(3)	(16)	79	553	512
Other expense						Other expense					
Interest expense	268	269	263	298	308	Interest expense	4	15	73	1,195	1,132
<b>Profit before tax</b>	<b>389</b>	<b>560</b>	<b>193</b>	<b>435</b>	<b>543</b>	<b>Profit before tax</b>	<b>25</b>	<b>40</b>	<b>66</b>	<b>1,781</b>	<b>1,994</b>
Income tax	31	31	15	28	36	Income tax	30	15	50	155	343
Equity & invest. income	681	511	(344)	(33)	358	Equity & invest. income	na	(47)	(8)	237	997
Minority interests	(161)	(271)	(85)	(228)	(256)	Minority interests	na	na	75	(760)	(838)
Extraordinary items	145	(227)	(211)	(73)	581	Extraordinary items	na	300	na		
<b>Net profit</b>	<b>1,022</b>	<b>543</b>	<b>(461)</b>	<b>74</b>	<b>1,191</b>	<b>Net profit</b>	<b>1,511</b>	<b>17</b>	<b>73</b>	<b>1,103</b>	<b>1,810</b>
<b>Normalized profit</b>	<b>877</b>	<b>769</b>	<b>(250)</b>	<b>147</b>	<b>610</b>	<b>Normalized profit</b>	<b>316</b>	<b>(30)</b>	<b>46</b>	<b>1,103</b>	<b>1,810</b>
EPS (Bt)	0.13	0.07	(0.06)	0.01	0.15	EPS (Bt)	1,511	17	73	0.14	0.22
Normalized EPS (Bt)	0.11	0.09	(0.03)	0.02	0.08	Normalized EPS (Bt)	316	(30)	46	0.14	0.22
Balance Sheet						Financial Ratios					
(consolidated)						(%)					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24		3Q23	4Q23	1Q24	2Q24	3Q24
Cash & ST investment	4,947	6,501	5,535	9,423	10,620	Sales grow th	(26.3)	11.4	(8.1)	4.6	11.3
A/C receivable	1,937	2,026	2,042	2,092	2,675	Operating profit grow th	(19.4)	329.8	36.0	245.1	45.9
Inventory						EBITDA grow th	(11.8)	93.9	14.1	74.1	25.2
Other current assets	2,583	1,575	2,544	593	652	Norm profit grow th	(36.4)	176.4	na	na	(30.5)
Investment	20,381	21,220	20,802	21,221	23,634	Norm EPS grow th	(36.4)	176.4	na	na	(30.5)
Fixed assets	7,714	7,670	7,587	7,544	7,437	Gross margin	23.7	32.0	17.8	28.7	29.5
Other assets	30,577	29,774	29,431	29,054	28,635	Operating margin	19.6	23.5	13.3	23.7	25.7
<b>Total assets</b>	<b>68,139</b>	<b>68,765</b>	<b>67,940</b>	<b>69,927</b>	<b>73,653</b>	EBITDA margin	35.5	37.1	30.0	39.4	40.0
S-T debt	3,784	4,603	5,883	4,809	5,512	Norm net margin	35.4	26.6	(10.7)	5.9	22.1
A/C payable	1,057	1,233	1,315	1,257	1,403	D/E (x)	0.8	0.7	0.7	0.8	0.8
Other current liabilities	128	179	143	134	141	Net D/E (x)	0.6	0.6	0.6	0.6	0.5
L-T debt	25,034	23,362	22,166	25,825	26,446	Interest coverage (x)	3.3	4.0	2.7	3.3	3.6
Other liabilities	488	470	493	496	530	Interest rate	3.7	3.8	3.8	4.1	3.9
Minority interest	11,423	11,653	11,636	11,801	11,899	Effective tax rate	8.0	5.6	7.6	6.3	6.6
<b>Shareholders' equity</b>	<b>26,224</b>	<b>27,264</b>	<b>26,304</b>	<b>25,606</b>	<b>27,722</b>	ROA	5.2	4.5	(1.5)	0.9	3.4
Working capital	880	794	727	835	1,272	ROE	13.6	11.5	(3.7)	2.3	9.1
Total debt	28,818	27,965	28,048	30,634	31,958						
<b>Net debt</b>	<b>23,871</b>	<b>21,464</b>	<b>22,514</b>	<b>21,211</b>	<b>21,338</b>						

Sources: Company data, Thanachart estimates

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