

CK Power Pcl (CKP TB) - BUY

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News Update**Water availability remains strong in October**

- **Total hydropower output fell 5% y-y in October**
- **But water situation points toward a strong 4Q24F**
- **SPP margin also likely recovers q-q**
- **We maintain BUY**

Total electricity generation from CKP's two hydropower projects reached 1.12TWh in October 2024, down 5% y-y. Robust output from the Xayaburi project was offset down by weaker generation from NN2, reflecting the seasonal transition away from the rainy period in the Indochina region. However, the output surged 32% m-m as Xayaburi resumed full operations following a 7-day production halt last month, while water flow in the Mekong River remains strong.

- **Xayaburi (XPCL, hydro, 546MW):** Electricity generation from XPCL project hit a record-high of 911GWh in October, the best month since its operations began in 2019. Despite the end of rainy season Mekong River flows stayed elevated, likely due to lingering Li Nana effects. The output rose 5% y-y and soared 75% m-m, following its temporary production halt in September due to water overflow. The project's capacity factor rose to 98% this month, from 56% in September and 93% last year.
- **Nam Ngum 2 (NN2, hydro, 283MW):** Electricity volume sale from NN2 was 208GWh in October, down 34% y-y and 36% q-q, implying a 47% capacity factor for the project. A weaker output compared to the same period last year was due to a 16% lower water inflow to the project at 562m cubic meter, while a drop m-m was due to a seasonal impact. Having said that, water level at its reservoir remained high at 374m above sea level at end October, vs. 371m last year, signaling a likely strong power generation from NN2 over the next few months.
- **Bangpa-in Cogen (BIC, gas-fired, 154MW):** BIC gas-fired SPP project sold 134GWh of electricity in October, down slightly by 2% y-y. Steam volume sale also weakened 9% y-y to 6,238 tons. Despite this slight volume drop, we expect BIC's profit to improve q-q in 4Q24F, supported by a softened gas pool price compared to the previous quarter.
- **Solar farms (BKC, solar, 19MW):** Total electricity output from solar farms and solar rooftop projects fell slightly to 1.72GWh in October, down 1% y-y. The business unit remains small in CKP's power generation portfolio.

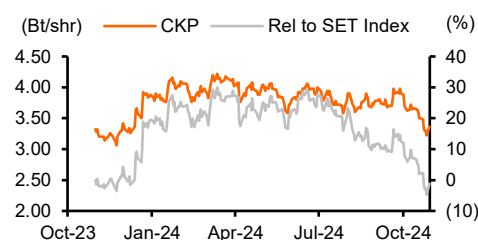
Key Valuations

Y/E Dec (Bt m)	2023A	2024F	2025F	2026F
Revenue	10,286	10,396	10,467	10,463
Net profit	1,462	1,103	1,810	2,119
Norm net profit	1,511	1,103	1,810	2,119
Norm EPS (Bt)	0.2	0.1	0.2	0.3
Norm EPS gr (%)	(40.6)	(27.0)	64.1	17.0
Norm PE (x)	18.1	24.8	15.1	12.9
EV/EBITDA (x)	15.4	11.5	10.8	10.5
P/BV (x)	1.0	1.0	1.0	0.9
Div. yield (%)	2.5	2.7	2.7	2.7
ROE (%)	5.6	4.0	6.4	7.2
Net D/E (%)	54.0	48.1	44.1	39.2

Source: Thanachart estimates

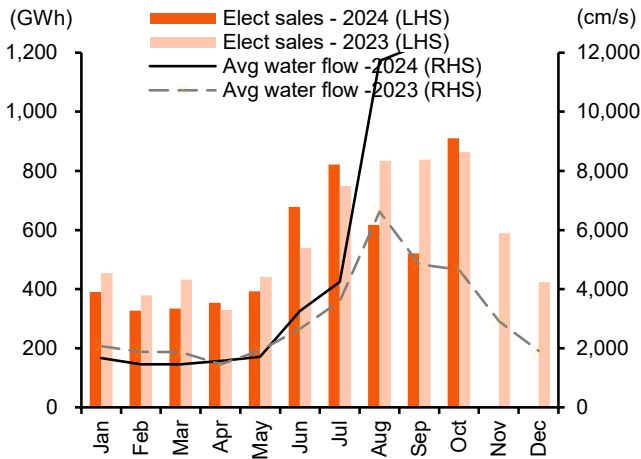
Stock Data

Closing price (Bt)	3.36
Target price (Bt)	5.00
Market cap (US\$ m)	785
Avg daily turnover (US\$ m)	0.9
12M H/L price (Bt)	4.22/3.06

Price Performance

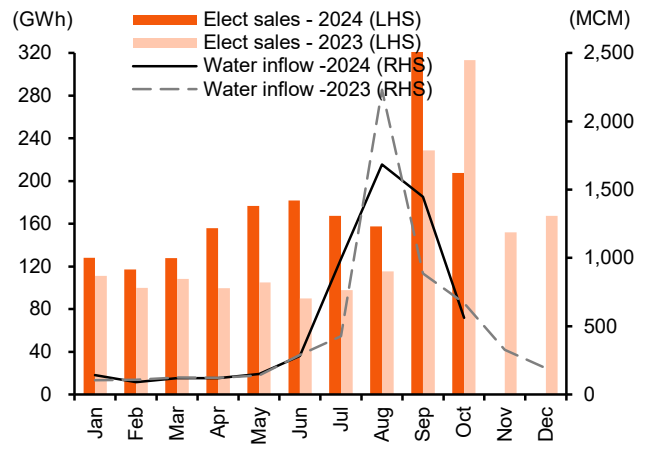
Source: Bloomberg

Ex 1: XPCL's Output Marked New Record-High In Oct-24



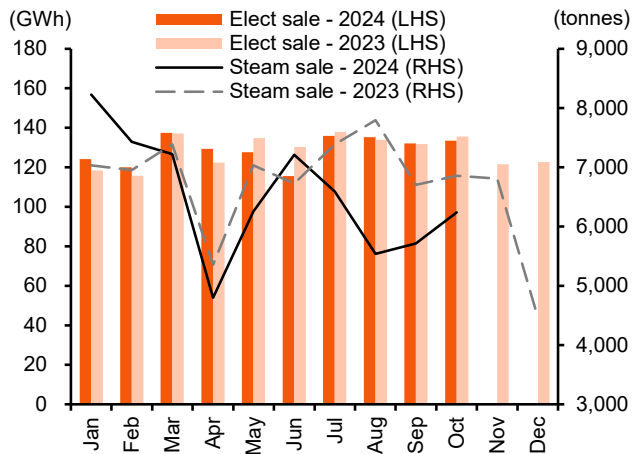
Sources: Company data

Ex 2: Electricity Generation From NN2 Seasonally Fell



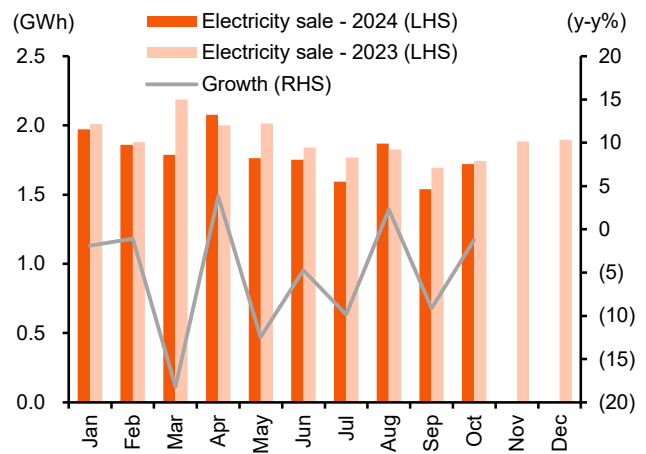
Sources: Company data

Ex 3: BIC's Volume Sales Were Relatively Stable



Sources: Company data

Ex 4: Contribution From Solar Projects Remained Small



Sources: Company data

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