

**CK Power Pcl (CKP TB) - BUY, Price Bt2.86, TP Bt5.00****Results Comment**

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**1Q25 beat on cost control**

- CKP reported Bt63m normalized profit (excluding accounting gain/loss from FX and hedging) in 1Q25, improved from a loss in the same period last year but fell 92% q-q on seasonality. The result came in above our expectation due to better-than-expected cost control and interest cost savings.
- Gross profit increased 8% y-y to Bt450m in 1Q25, driven by higher electricity generation from Nam Ngum 2 hydropower plant (NN2) this year while performance of BIC gas-fired SPP plant was stable from last year. It dropped 46% q-q due to a seasonally lower output from NN2.
- SG&A expense was well controlled at Bt97m in 1Q25, down 6% y-y and 26% q-q, mainly due to lower consultant fees.
- EBITDA grew 5% y-y to Bt739m in 1Q25, in-line with the gross profit trend. The drop of 32% q-q was also from seasonality.
- Interest expense went down 5% q-q to Bt286m in 1Q25, thanks mainly to its gradual debt repayments. The cost was still 9% higher than the same period last year as average cost of debt remained higher at 3.9% in 1Q25, vs. 3.7% in 1Q24.
- From its strong earnings beat this quarter while we expect total electricity generation from its two hydropower projects to be higher than last year, we still expect an earnings turnaround for CKP this year and re-iterate our BUY rating.

Income Statement (consolidated)						Income Statement 3M as					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(Bt m)	q-q%	y-y%	% 2025F	2025F	2026F
Revenue	2,348	2,472	2,758	2,634	2,277	Revenue	(14)	(3)	23	9,941	9,687
<b>Gross profit</b>	<b>417</b>	<b>708</b>	<b>814</b>	<b>829</b>	<b>450</b>	<b>Gross profit</b>	<b>(46)</b>	<b>8</b>	<b>16</b>	<b>2,833</b>	<b>2,835</b>
SG&A	104	124	105	132	97	SG&A	(26)	(6)	20	482	486
Operating profit	313	585	708	696	353	Operating profit	(49)	13	15	2,351	2,350
<b>EBITDA</b>	<b>703</b>	<b>975</b>	<b>1,102</b>	<b>1,090</b>	<b>739</b>	<b>EBITDA</b>	<b>(32)</b>	<b>5</b>	<b>19</b>	<b>3,962</b>	<b>3,970</b>
Other income	143	148	143	142	134	Other income	(6)	(6)	22	597	588
Other expense						Other expense			na		
Interest expense	263	298	308	300	286	Interest expense	(5)	9	22	1,281	1,236
<b>Profit before tax</b>	<b>193</b>	<b>435</b>	<b>543</b>	<b>538</b>	<b>201</b>	<b>Profit before tax</b>	<b>(63)</b>	<b>4</b>	<b>12</b>	<b>1,667</b>	<b>1,702</b>
Income tax	15	28	36	28	16	Income tax	(43)	8	9	167	170
Equity & invest. income	(344)	(33)	358	572	(13)	Equity & invest. income	na	na	(1)	1,192	1,457
Minority interests	(85)	(228)	(256)	(305)	(110)	Minority interests	na	na	13	(875)	(934)
Extraordinary items	(211)	(73)	581	(236)	8	Extraordinary items	na	na	na		
<b>Net profit</b>	<b>(461)</b>	<b>74</b>	<b>1,191</b>	<b>541</b>	<b>70</b>	<b>Net profit</b>	<b>(87)</b>	<b>na</b>	<b>4</b>	<b>1,817</b>	<b>2,055</b>
<b>Normalized profit</b>	<b>(250)</b>	<b>147</b>	<b>610</b>	<b>777</b>	<b>63</b>	<b>Normalized profit</b>	<b>(92)</b>	<b>na</b>	<b>3</b>	<b>1,817</b>	<b>2,055</b>
EPS (Bt)	(0.06)	0.01	0.15	0.07	0.01	EPS (Bt)	(87)	na	4	0.22	0.25
Normalized EPS (Bt)	(0.03)	0.02	0.08	0.10	0.01	Normalized EPS (Bt)	(92)	na	3	0.22	0.25

  

Balance Sheet (consolidated)						Financial Ratios					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(%)	1Q24	2Q24	3Q24	4Q24	1Q25
Cash & ST investment	5,535	9,423	10,620	9,466	7,948	Sales grow th	(8.1)	4.6	11.3	(8.8)	(3.0)
A/C receivable	2,042	2,092	2,675	2,217	2,020	Operating profit grow th	36.0	245.1	45.9	2.8	12.9
Inventory						EBITDA grow th	14.1	74.1	25.2	1.6	5.1
Other current assets	2,544	593	652	576	570	Norm profit grow th	na	na	(37.6)	32.7	na
Investment	20,802	21,221	23,634	24,344	25,469	Norm EPS grow th	na	na	(37.6)	32.7	na
Fixed assets	7,587	7,544	7,437	7,409	7,342	Gross margin	17.8	28.7	29.5	31.5	19.8
Other assets	29,431	29,054	28,635	28,253	27,881	Operating margin	13.3	23.7	25.7	26.4	15.5
<b>Total assets</b>	<b>67,940</b>	<b>69,927</b>	<b>73,653</b>	<b>72,265</b>	<b>71,230</b>	EBITDA margin	30.0	39.4	40.0	41.4	32.5
S-T debt	5,883	4,809	5,512	5,192	4,666	Norm net margin	(10.7)	5.9	22.1	29.5	2.8
A/C payable	1,315	1,257	1,403	1,222	1,335	D/E (x)	0.7	0.8	0.8	0.8	0.7
Other current liabilities	143	134	141	181	133	Net D/E (x)	0.6	0.6	0.5	0.5	0.5
L-T debt	22,166	25,825	26,446	25,004	24,419	Interest coverage (x)	2.7	3.3	3.6	3.6	2.6
Other liabilities	493	496	530	533	536	Interest rate	3.8	4.1	3.9	3.9	3.9
Minority interest	11,636	11,801	11,899	12,077	12,048	Effective tax rate	7.6	6.3	6.6	5.2	7.8
<b>Shareholders' equity</b>	<b>26,304</b>	<b>25,606</b>	<b>27,722</b>	<b>28,057</b>	<b>28,093</b>	ROA	(1.5)	0.9	3.4	4.3	0.4
Working capital	727	835	1,272	995	684	ROE	(3.7)	2.3	9.1	11.1	0.9
Total debt	28,048	30,634	31,958	30,196	29,085						
<b>Net debt</b>	<b>22,514</b>	<b>21,211</b>	<b>21,338</b>	<b>20,730</b>	<b>21,136</b>						

Sources: Company data, Thanachart estimates

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