

**CK Power Pcl (CKP TB) - BUY**

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**News Update****Weak electricity generation in December**

- **Total hydropower output dropped 28% y-y in December ...**
- **... as water availability weakened meaningfully**
- **Strong SPP performance partially offsets the weakness**
- **Still, share price correction is overdone in our view**

Total electricity output from CKP's two hydropower projects dropped sharply by 28% y-y to 639GWh in December, marking the first, and only, material monthly contraction in 2025. The weakness was evident across both XPCL and NN2 as water inflows normalized from an unusually strong base last year. Having said that, higher margins and improved sales volume from its SPP project could partially offset the negative of its core business.

- **Xayaburi (XPCL, hydro, 546MW):** XPCL's electricity generation declined sharply by 28% y-y to 507GWh in December. The is despite average water flow through the project at 2,935 cm/s was 3% higher than the same period last year. The output was equivalent to 55% capacity factor for the project, which remains above its 54% breakeven level.
- **Nam Ngum 2 (NN2, hydro, 283MW):** NN2's electricity output also dropped 30% y-y to 133GWh in December, which implies only 30% capacity factor. Still, we believe this was a deliberate strategy to conserve water for the upcoming dry season, as an amount of water inflow to the project's reservoir fell only 5% y-y to 191m cubic meters while reservoir level remained elevated at 372m above sea level, vs. 370m last year.
- **Bangpa-in Cogen (BIC, gas-fired, 154MW):** Performance from CKP's sole gas-fired SPP project looks strong this month. Electricity sales volume grew 3% y-y to 125GWh in December, while steam sales volume also increased by 15% y-y to 3,682 tons. In addition to the improving sales volume, we expect BIC's margins to improve q-q as lower domestic natural gas costs were falling much faster than a small cut in national electricity tariff.
- **Solar farms (BKC, solar, 19MW):** Total electricity output from solar farms and solar rooftop projects declined 8% y-y to 1.89GWh in December, likely due to prolonged rainfall thus weaker solar irradiation this year. Having said that, the business unit remains small in CKP's portfolio.

Based on the reported operational statistics over the past three months, we expect CKP to post a normalized profit of Bt716m in 4Q25F, down 42% q-q due to seasonal hydropower weakness but only 8% y-y from a high base last year. Given the limited y-y earnings decline, we see CKP's 23% share price correction from its peak in September as overdone and reiterate BUY.

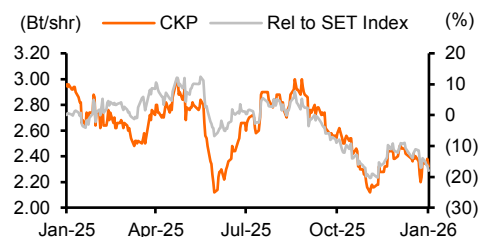
**Key Valuations**

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	10,212	10,129	10,175	9,562
Net profit	1,345	1,908	2,298	2,349
Norm net profit	1,283	1,908	2,298	2,349
Norm EPS (Bt)	0.2	0.2	0.3	0.3
Norm EPS gr (%)	(10.1)	48.7	20.4	2.2
Norm PE (x)	14.7	9.9	8.2	8.0
EV/EBITDA (x)	10.3	9.7	8.9	8.8
P/BV (x)	0.7	0.6	0.6	0.6
Div. yield (%)	3.7	3.9	3.9	3.9
ROE (%)	4.6	6.7	7.7	7.4
Net D/E (%)	53.0	48.1	42.1	36.1

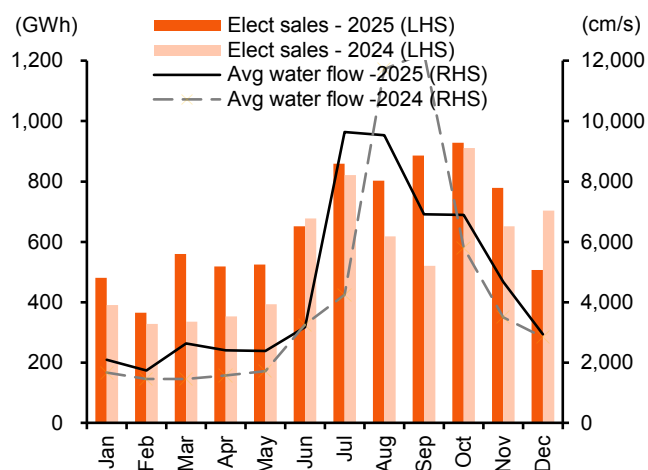
Source: Thanachart estimates

**Stock Data**

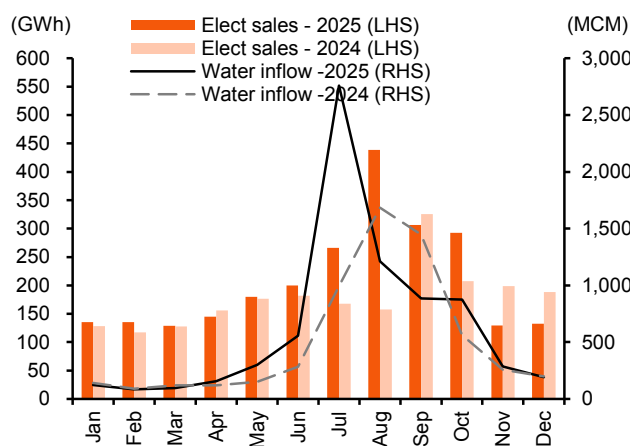
Closing price (Bt)	2.32
Target price (Bt)	5.00
Market cap (US\$ m)	601
Avg daily turnover (US\$ m)	0.7
12M H/L price (Bt)	3.00/2.12

**Price Performance**

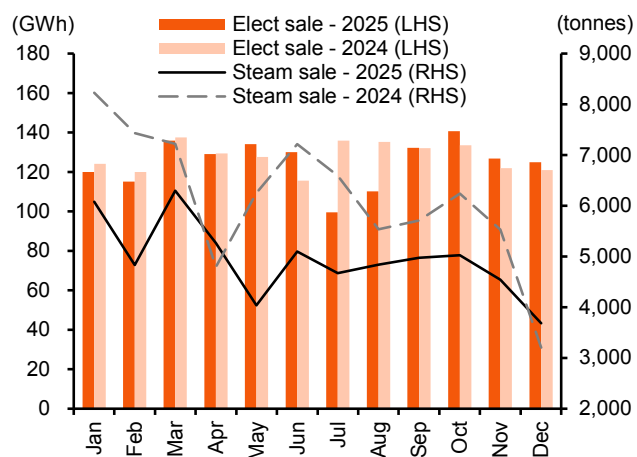
Source: Bloomberg

**Ex 1: Weak Electricity Generation From XPCL**

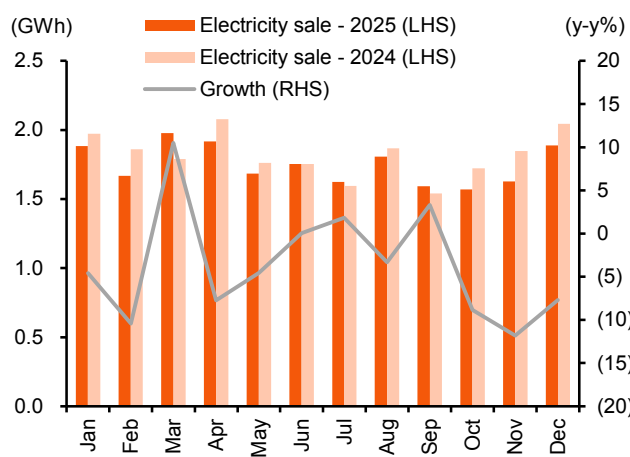
Source: Company data

**Ex 2: High Reserved Water Level At NN2**

Source: Company data

**Ex 3: Decent Volume Growth At SPP Project**

Source: Company data

**Ex 4: Solar Output Remained Weak**

Source: Company data

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