CK Power Pcl (CKP TB) - BUY, Price Bt2.36, TP Bt5.00

Results Comment

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Better-than-expected low season

- CKP reported normalized profit, excluding FX gain and one-off accounting gains from affiliates, at Bt112m in 1Q26, grew 78% y-y but fell 83% q-q. The y-y growth was driven by stronger generation from the Xayaburi project, which more than offset negative impact of an unplanned outage at its SPP plant, while the q-q drop reflected seasonally lower hydropower output.
- Gross profit fell 27% y-y to Bt328m in 1Q26, pressured by the unplanned outage at the BIC gas-fired SPP plant, partially offset by a higher generation from the Nam Ngum 2 hydropower project. It declined 37% q-q from both weaker SPP performance and seasonally lower hydropower output.
- Total SG&A expense rose 6% y-y to Bt104m in 1Q26, against a low base last year, and dropped 39% q-q on seasonality.
- EBITDA consequently declined 17% y-y and 18% q-q to Bt611m in 1Q26, consistent with the gross profit trend.
- Equity income turned to a profit of Bt172m in 1Q26, from a loss in the same period last year, driven by a 17% increase in output from the Xayaburi project, supported by stronger water releases from upstream dams in China. The profit fell 74% q-q, reflecting the high-water season in the previous quarter.
- We maintain our BUY rating on CKP and maintain our 2026F earnings forecasts as we expect a materially stronger earnings in 2H26F with the onset of the hydropower high season and the resumption of full operations at the BIC project.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**
Revenue	2,277	2,526	2,929	2,375	1,859
Gross profit	**450**	**664**	**1,177**	**519**	**328**
SG&A	97	107	111	169	104
Operating profit	353	557	1,066	350	224
EBITDA	**739**	**948**	**1,461**	**747**	**611**
Other income	134	137	134	118	98
Other expense					
Interest expense	286	284	316	315	296
Profit before tax	**201**	**410**	**884**	**153**	**26**
Income tax	16	27	45	22	7
Equity & invest. income	(13)	193	890	672	172
Minority interests	(110)	(219)	(501)	(139)	(80)
Extraordinary items	8	254	42	167	68
Net profit	**70**	**610**	**1,270**	**831**	**180**
Normalized profit	**63**	**356**	**1,228**	**664**	**112**
EPS (Bt)	0.01	0.08	0.16	0.10	0.02
Normalized EPS (Bt)	0.01	0.04	0.15	0.08	0.01

Income Statement			3M as		
(Bt m)	**q-q%**	**y-y%**	**% 2026F**	**2026F**	**2027F**
Revenue	(22)	(18)	18	10,175	9,562
Gross profit	**(37)**	**(27)**	**11**	**3,121**	**2,936**
SG&A	(39)	6	21	486	489
Operating profit	(36)	(36)	9	2,635	2,447
EBITDA	**(18)**	**(17)**	**14**	**4,256**	**4,078**
Other income	(17)	(27)	21	463	377
Other expense			na		
Interest expense	(6)	4	27	1,098	942
Profit before tax	**(83)**	**(87)**	**1**	**2,001**	**1,881**
Income tax	(70)	(58)	3	200	226
Equity & invest. income	(74)	na	12	1,486	1,768
Minority interests	na	na	8	(988)	(1,074)
Extraordinary items	(59)	787	na		
Net profit	**(78)**	**155**	**8**	**2,298**	**2,349**
Normalized profit	**(83)**	**78**	**5**	**2,298**	**2,349**
EPS (Bt)	(78)	155	8	0.28	0.29
Normalized EPS (Bt)	(83)	78	5	0.28	0.29

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**
Cash & ST investment	7,948	9,857	10,011	9,593	9,626
A/C receivable	2,020	2,218	2,672	1,611	1,407
Inventory					
Other current assets	570	1,433	2,017	3,599	1,336
Investment	25,469	27,390	28,933	30,819	32,543
Fixed assets	7,342	7,245	7,149	7,032	6,972
Other assets	27,881	27,513	26,617	24,163	23,755
Total assets	**71,230**	**75,657**	**77,399**	**76,818**	**75,638**
S-T debt	4,666	7,005	6,540	5,406	5,784
A/C payable	1,335	1,282	1,190	947	1,028
Other current liabilities	133	157	150	209	124
L-T debt	24,419	26,201	26,812	26,552	25,069
Other liabilities	536	536	597	626	618
Minority interest	12,048	12,178	12,498	12,471	12,418
Shareholders' equity	**28,093**	**28,298**	**29,611**	**30,607**	**30,598**
Working capital	684	936	1,482	664	380
Total debt	29,085	33,205	33,352	31,958	30,853
Net debt	**21,136**	**23,348**	**23,341**	**22,365**	**21,227**

Financial Ratios					
(%)	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**
Sales growth	(3.0)	2.2	6.2	(9.8)	(18.4)
Operating profit growth	12.9	(4.8)	50.5	(49.8)	(36.5)
EBITDA growth	5.1	(2.8)	32.6	(31.5)	(17.3)
Norm profit growth	na	143.3	101.3	(14.6)	77.8
Norm EPS growth	na	143.3	101.3	(14.6)	77.8
Gross margin	19.8	26.3	40.2	21.9	17.6
Operating margin	15.5	22.0	36.4	14.7	12.1
EBITDA margin	32.5	37.5	49.9	31.5	32.9
Norm net margin	2.8	14.1	41.9	28.0	6.0
D/E (x)	0.7	0.8	0.8	0.7	0.7
Net D/E (x)	0.5	0.6	0.6	0.5	0.5
Interest coverage (x)	2.6	3.3	4.6	2.4	2.1
Interest rate	3.9	3.7	3.8	3.9	3.8
Effective tax rate	7.8	6.6	5.1	14.3	25.1
ROA	0.4	1.9	6.4	3.4	0.6
ROE	0.9	5.1	17.0	8.8	1.5

Sources: Company data, ttb wealth estimates

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