CK Power Pcl (CKP TB) - SELL

News Update

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Stable hydro output, despite weak new water

- **Total output from two hydro plants fell 1% y-y in June**
- **Decent XPCL's output offset weak new water in NN2**
- **SPP volume sales declined again this month**
- **We are cautious into potential El Niño emergence**

Total electricity output from CKP's two hydropower projects declined 1% y-y to 840GWh in June, as solid performance from XPCL was offset by significantly lower NN2's generation amid weak new water inflows. Both electricity and steam sales volume at the BIC gas-fired SPP project contracted again this month, with margin compression providing further headwind. Looking ahead, we remain cautious on the potential emergence of the El Niño cycle, which we expect to intensify water scarcity in the region through 2H26F.

- **Xayaburi (XPCL, hydro, 546MW):** XPCL's electricity generation rose 9% y-y to 712GWh in June, supported by 17% y-y stronger water flow to 3,702cm/s. The output represents 77% capacity factor, comfortably above the project's breakeven level of around 50%. We note that XPCL's performance remained broadly resilient despite the emerging El Niño backdrop, though we forecast a material y-y softening in 3Q26F amid potentially weaker seasonal rainfalls across the Mekong basin this year.
- **Nam Ngum 2 (NN2, hydro, 283MW):** NN2's electricity generation fell 36% y-y to 128GWh in June, equivalent to a capacity factor of only 29%. Water inflow to the project's reservoir fell 70% y-y to 169m cubic meters, with the reservoir level at 355m above sea level vs. 354m in the same period last year. We see the y-y inflow weakness reflects both the delayed onset of seasonal rainfall and the emerging El Niño impact. We see NN2 as the key vulnerability in CKP's portfolio amid the headwind of emerging El Niño cycle.
- **Bangpa-in Cogen (BIC, gas-fired, 154MW):** Electricity sales volume from the BIC gas-fired SPP project fell 16% y-y to 109GWh in June. Steam sales also declined 13% y-y to 4,436 tonnes. We expect BIC's profitability to remain under pressure of elevated gas pool prices, with minimal electricity tariff hikes. We expect BIC to remain a drag on group earnings through 3Q26F, when the full impact of elevated global energy price fully hits on SPP margins.
- **Solar farms (BKC, solar, 19MW):** Total electricity output from solar farms and solar rooftop projects rose 2% y-y to 1.79GWh in June, supported by higher solar radiation given lower rainfall this year. The business unit remains immaterial to CKP's portfolio.

Key Valuations

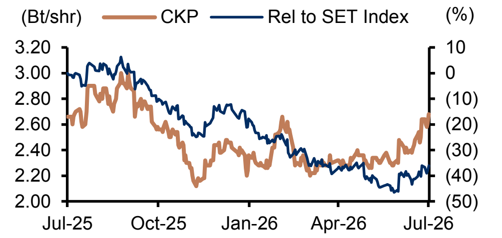
Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	10,107	10,710	9,598	9,276
Net profit	2,782	2,326	2,361	2,395
Norm net profit	2,311	2,326	2,361	2,395
Norm EPS (Bt)	0.3	0.3	0.3	0.3
Norm EPS gr (%)	82.3	0.7	1.5	1.4
Norm PE (x)	9.4	9.4	9.2	9.1
EV/EBITDA (x)	11.1	9.4	10.1	10.7
P/BV (x)	0.7	0.7	0.6	0.6
Div. yield (%)	3.3	3.4	3.4	3.4
ROE (%)	7.9	7.4	7.1	6.9
Net D/E (%)	51.0	44.3	38.6	33.9

Source: ttb wealth estimates

Stock Data

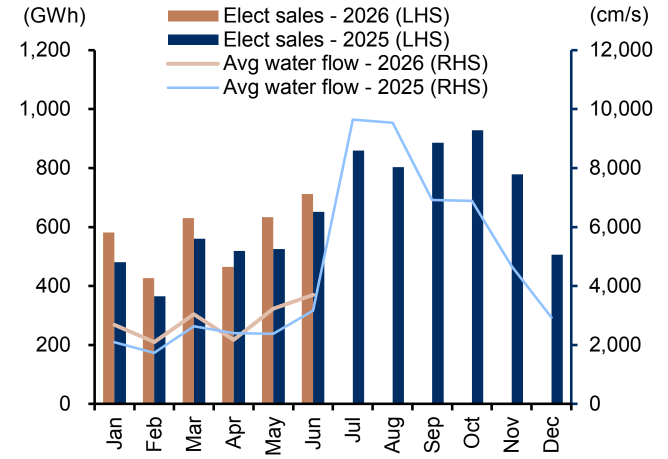
Closing price (Bt)	2.68
Target price (Bt)	2.30
Market cap (US$ m)	648
Avg daily turnover (US$ m)	0.6
12M H/L price (Bt)	3.00/2.12

Price Performance



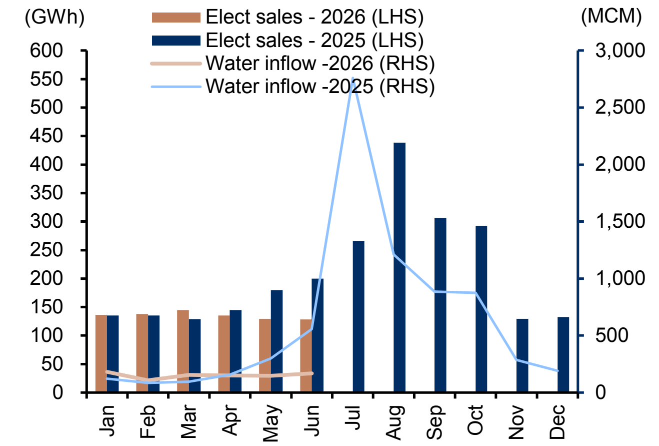
Source: Bloomberg

Ex 1: XPCL's Output Remained Resilient



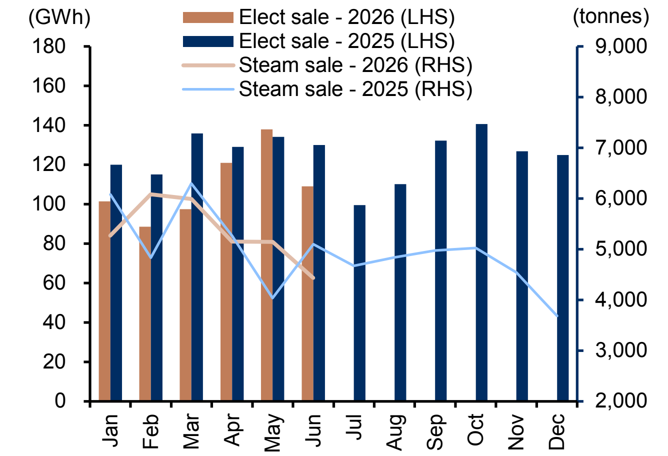
Source: Company data

Ex 2: Weak Water Inflows To NN2's Reservoir



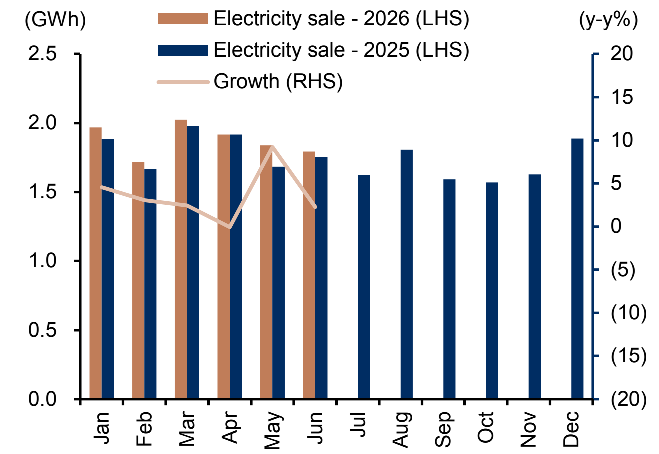
Source: Company data

Ex 3: Softened Sales Volume And Margins For BIC



Source: Company data

Ex 4: Higher Solar Power Generation This Year



Source: Company data

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