CK Power Pcl (CKP TB) - SELL

News Update

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Y-Y weaker hydropower output in August

- **Generation from two hydropower projects fell 22% y-y**
- **A slight water overflow in XPCL**
- **NN2 maintained its conservative dispatch volume**
- **BIC project remained under gas cost pressure**

Total electricity output from CKP's two hydropower projects declined 22% y-y to 972GWh, also down 10% m-m despite its usual peak generation month in August. Power generation from XPCL remained solid, supported by strong water flow in the Mekong River amid ongoing robust releases from upstream dams in China, though some production disruption due to mild water spillage constraints. NN2's output remained subdued as the project continued its conservative dispatch strategy to preserve water for the widely expected strong drought period ahead. BIC's sales volume improved substantially, but margin compression from elevated gas pool prices remained a key headwind. We therefore still expect CKP's 3Q26F earnings to be pressured by lower hydropower output and softer SPP margins.

- **Xayaburi (XPCL, hydro, 546MW):** XPCL's electricity generation rose 1% y-y to 810GWh in August, driven by 9% stronger water flow to 10,409 cm/s. However, the project's capacity factor fell to 88% this month, from 99% in July, as the elevated water flow resulted in spillage constraints that forced some production disruption during the month.

- **Nam Ngum 2 (NN2, hydro, 283MW):** NN2's electricity generation declined 63% y-y to 162GWh in August, alongside 11% lower water inflow to 1,082m cubic meters, marking the fifth consecutive month of contraction in both output and inflow. We believe that the weak generation at only 37% capacity factor, despite August being the peak rainy season, was partially due to the project's deliberate strategy to reserve water for the widely expected drought period amid the widely expected 'super' El Nino next year. The reservoir level rose to 364m above sea level from, 356m in July, but still below 372m in a prior year.

- **Bangpa-in Cogen (BIC, gas-fired, 154MW):** Electricity sales volume from the BIC gas-fired SPP project rose 25% y-y to 138GWh in August, recovering from a low base last year when the project was partially down for planned maintenance. Steam sales declined 10% y-y to 4,357 tonnes. Despite higher sales volume, margins remained pressured by elevated gas pool prices (up 25% y-y to Bt352/mmbtu in August) amid minimal tariff adjustments (Bt3.95/kWh, down 1% y-y).

- **Solar farms (BKC, solar, 19MW):** Total electricity output from solar farms and solar rooftop projects fell 13% y-y to 1.58GWh in August. That said, the business unit remains small in CKP's portfolio.

Key Valuations

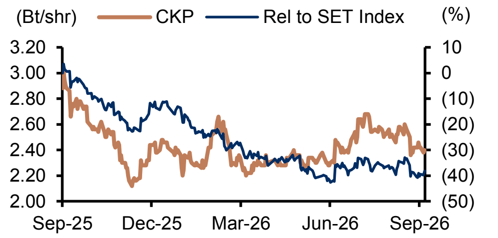
Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	10,107	10,710	9,598	9,276
Net profit	2,782	2,326	2,361	2,395
Norm net profit	2,311	2,326	2,361	2,395
Norm EPS (Bt)	0.3	0.3	0.3	0.3
Norm EPS gr (%)	82.3	0.7	1.5	1.4
Norm PE (x)	8.4	8.4	8.3	8.1
EV/EBITDA (x)	10.5	8.9	9.5	10.1
P/BV (x)	0.6	0.6	0.6	0.5
Div. yield (%)	3.7	3.8	3.8	3.8
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

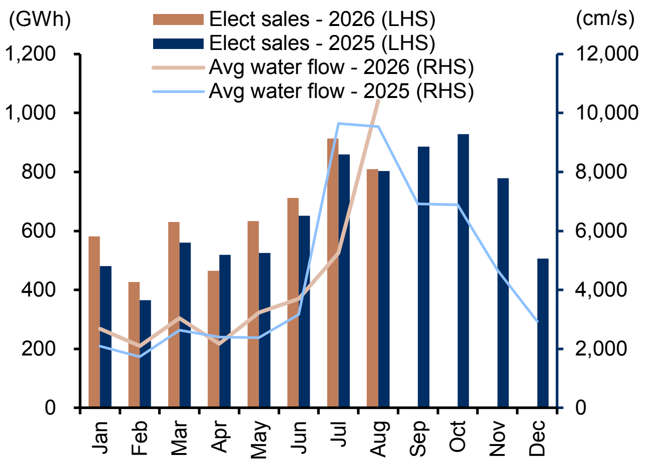
Closing price (Bt)	2.40
Target price (Bt)	2.30
Market cap (US$ m)	586
Avg daily turnover (US$ m)	0.6
12M H/L price (Bt)	3.00/2.12

Price Performance



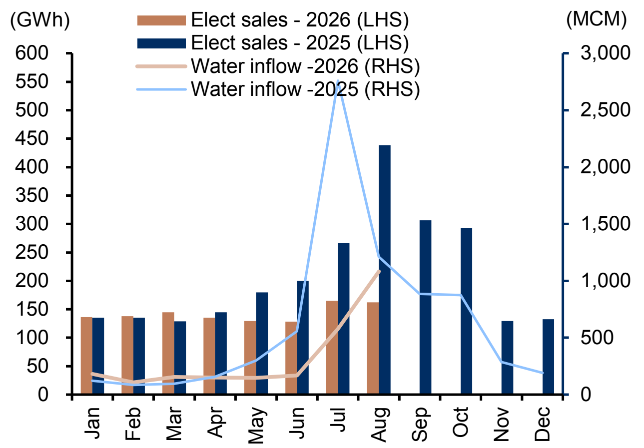
Source: Bloomberg

Ex 1: Solid XPCL's Output Albeit Some Overflow



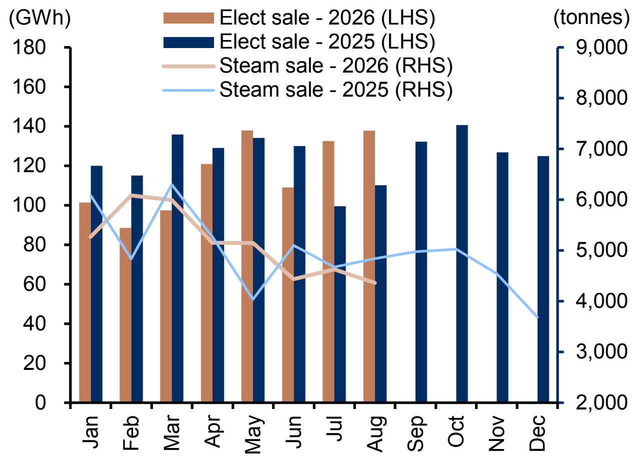
Source: Company data

Ex 2: Both NN's Generation And Inflow Remained Weak



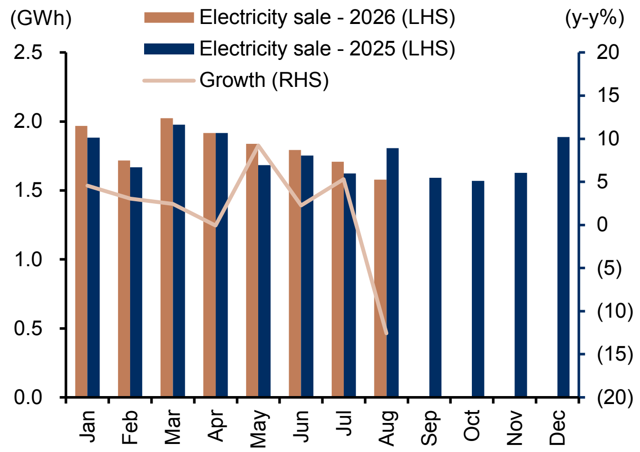
Source: Company data

Ex 3: Higher Sales Volume, But Weak Margins For BIC



Source: Company data

Ex 4: Weakened Solar Power Generation This Year



Source: Company data

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