

CK POWER CKP TB

THAILAND / UTILITIES - CONVENTIONAL

BUY

UNCHANGED

TARGET PRICE	THB6.60
CLOSE	THB5.45
UP/DOWNSIDE	+21.1%
PRIOR TP	THB6.60
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+6.5%

Twin drivers from XPCL and LPB

- We expect the company to post a strong 1Q22 NP of THB429m, driven by rising production from its two key hydropower plants.
- CKP signed an MOU with EGAT to secure a THB2.4/kWh electricity tariff for LPB; electricity sales to begin in 2030.
- Maintain BUY and our SoTP-based TP of THB6.6.

XPCL as a near-term and Luangprabang as a long-term driver

We remain confident on CKP's net profit growth outlook and now expect its share price to rerate ahead of two key drivers. First, we expect the company to post a strong 1Q22 net profit of THB429m, driven by rising production levels at its two key hydropower plants, XPCL and NN2, thanks to higher water levels which should timely offset the weaker net profit from its small power producer (SPP) Bangpa-in (BIC) due to the higher gas cost. Second, CKP has successfully secured its long-awaited, large-scale 1.4GW hydropower plant Luangprabang (LPB) in Laos; owned 42% by CKP and likely to be developed by its parent CK.

Luangprabang hydropower plant sets the stage for growth

On 27 Apr-22, CKP announced that it had signed an MOU with EGAT to secure a THB2.4/kWh electricity tariff for LPB and will begin selling electricity to EGAT in 2030. LPB is one of four potential large-scale, Mekong River-based hydropower plants in Laos and is the flagship project long anticipated by both CK and CKP for the past 7 years. Based on the current PDP 2018 Revision 2, we think LPB is likely to be included in the "power import" scheme for 2030 in the new PDP 2022 currently being finalised, two years earlier than under the current PDP, along with Pak Beng, Pak Lai, and Sanakham, owned by GULF.

Up to THB4.3/share value boost from LPB to CKP

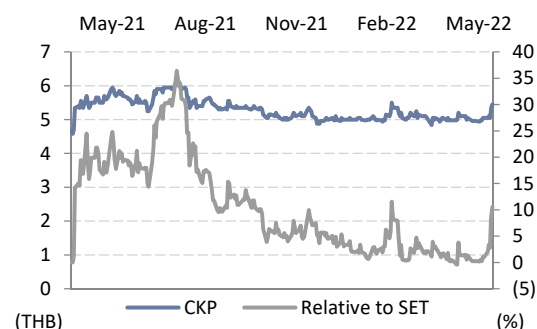
We estimate that LPB could add up to a THB4.3/share value to CKP, based on the following assumptions: 1) its 26-year operating life cycle from 2030-56; 2) the tariff of THB2.4/kWh; 3) the investment cost of THB130b; 4) the 75% debt and 25% equity funding structure; and 5) an average annual CF of 50%. Given that LPB has a larger capacity of 1.4GW vs XPCL's 1.28GW, and CKP owns a higher stake in LPB at 42% vs 37.5% in XPCL, we estimate that LPB will contribute a similar value of THB4.3/share to CKP, considering its potentially lower average CF of 50% vs our current 60% assumption for XPCL's average CF.

Time to load up on this hydropower growth play

We maintain BUY and our SoTP-based TP of THB6.6, which still excludes LPB's value. We believe CKP's share price is now poised for rerating ahead of its near-term growth driver – its strong 1Q22E net profit – and the long-term catalyst from the new hydropower plant LPB.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	8,798	12,268	13,651	13,930
Net profit	2,179	3,103	3,121	3,777
EPS (THB)	0.27	0.38	0.38	0.46
vs Consensus (%)	-	25.4	12.4	-
EBITDA	3,388	4,403	3,568	3,873
Core net profit	2,213	3,103	3,121	3,777
Core EPS (THB)	0.27	0.38	0.38	0.46
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	431.4	40.2	0.6	21.0
Core P/E (x)	20.0	14.3	14.2	11.7
Dividend yield (%)	0.7	1.8	1.8	2.8
EV/EBITDA (x)	16.3	11.6	13.3	11.3
Price/book (x)	1.8	1.6	1.5	1.3
Net debt/Equity (%)	(1.2)	(14.8)	(24.9)	(33.5)
ROE (%)	9.1	11.8	10.8	12.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	9.4	5.8	16.5
Relative to country (%)	10.9	4.1	11.1
Mkt cap (USD m)	1,295		
3m avg. daily turnover (USD m)	2.8		
Free float (%)	28		
Major shareholder	CH. Karnchang PCL (27%)		
12m high/low (THB)	6.30/4.54		
Issued shares (m)	7,370.00		

Sources: Bloomberg consensus; FSSIA estimates



Suwat Sinsadok, CFA, FRM, ERP
 suwat.sin@fssia.com
 +66 2611 3558

Siriluck Pinthusoonthorn
 siriluck.pin@fssia.com
 +66 2611 3562

Investment thesis

CK Power was established by CH. Karnchang PCL (CK TB, BUY, TP THB26), one of three main contractors in Thailand, in 2011 as a holding company that focuses on investing in the production and distribution of electricity generated from various types of energy sources.

The company's core revenue source is dividends from its investments in subsidiaries and associated companies. CKP sells its electricity to the Electricity Generating Authority of Thailand (EGAT) and industrial users (IU) through the independent power producer (IPP) and small power producer (SPP) mechanisms. Currently, CKP holds three main business types: 1) hydropower; 2) solar farms; and 3) cogeneration power plants.

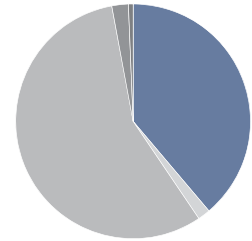
Company profile

CKP is a power subsidiary of CH. Karnchang PCL, operating power plant assets in Thailand and Laos that include hydropower plants, solar farms, and SPPs.

www.ckpower.co.th

Principal activities (revenue, 2021)

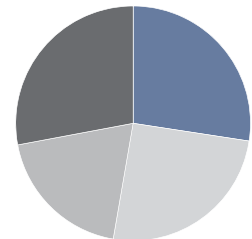
- Generation of electricity from hydroelectric power segment - 38.8 %
- Generation of electricity from solar power segment - 1.7 %
- Generation of electricity from thermal power segment - 56.5 %



Source: CK Power

Major shareholders

- CH. Karnchang PCL - 27.4 %
- TTW Plc - 25.3 %
- BEM Plc - 19.3 %
- Others - 27.9 %



Source: CK Power

Catalysts

Higher utilisation rates of power plants and rising demand for electricity in Thailand and Laos should be key growth drivers.

Risks to our call

The downside risks to our SoTP-based TP include lower-than-expected demand for electricity in Thailand and lower-than-expected water supply for hydro projects.

Event calendar

Date	Event
May 2022	1Q22 results announcement

Key assumptions

	2022E	2023E	2024E
Tariff (THB/kWh)	2.90	2.96	3.02
Capex (THB m)	1,605	1,605	1,605
XPCL capacity factor (%)	60	65	65
NN2 capacity factor (%)	50	50	50

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in gas price, we estimate 2022 earnings would rise by 1.1%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate 2022 earnings would decline by 1.3%, and vice versa, all else being equal.

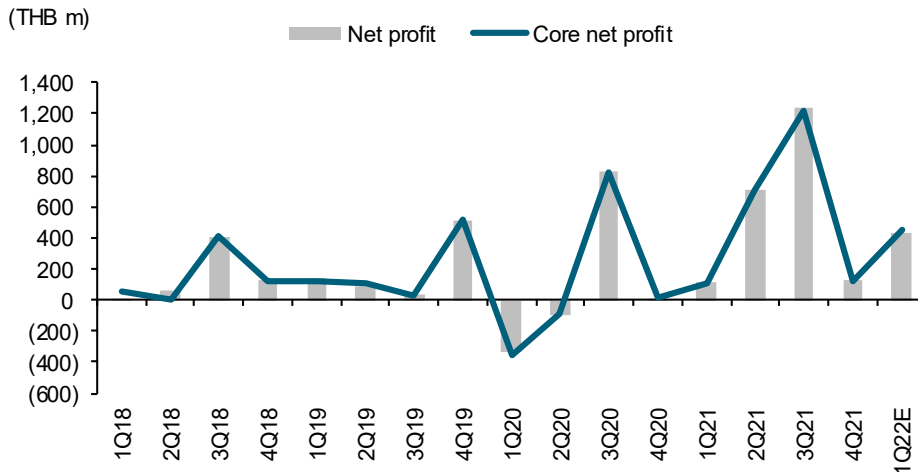
Source: FSSIA estimates

Twin drivers from XPCL and LPB

We remain confident on CKP's net profit growth outlook and now expect CKP's share price to rerate ahead of two key drivers.

First, we expect the company to post a strong 1Q22 net profit of THB429m, driven by rising production levels at its two key hydropower plants, XPCL and NN2, thanks to higher water levels. We think this will timely offset a weaker net profit from its SPP BIC due to the higher gas cost.

Exhibit 1: Quarterly net and core profits

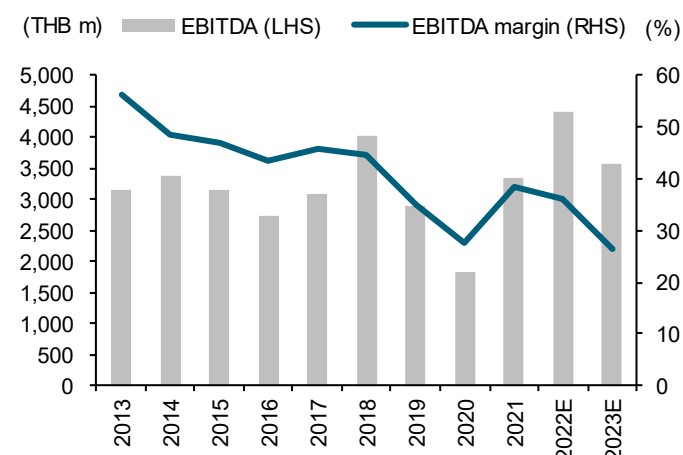


Sources: CKP; FSSIA estimates

Second, CKP has now successfully secured its long-awaited, large-scale 1.4GW hydropower plant LPB in Laos; owned 42% by CKP and likely to be developed by its parent company CK.

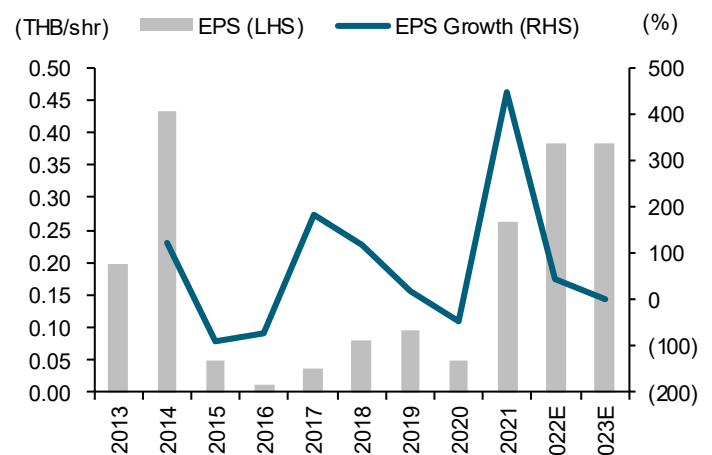
On 27 Apr-22, CKP announced that the company had signed a memorandum of understanding (MOU) to secure an electricity tariff of THB2.4/kWh for LPB and added that the new hydropower plant is likely to be included in Thailand's new Power Development Plan (PDP) 2022.

Exhibit 2: EBITDA and EBITDA margin



Sources: CKP; FSSIA estimates

Exhibit 3: EPS and EPS growth



Sources: CKP; FSSIA estimates

Expect a strong 1Q22 net profit of THB429m

We project CKP to post a strong 1Q22 net profit of THB429m, up 250% q-q and 274% y-y. Key points are the strong operations of its key hydropower plant XPCL which we think will offset the weaker net profit from its other hydropower plant, NN2. Also, BIC SPP is expected to see a weaker net profit in 1Q22 due to the higher gas cost.

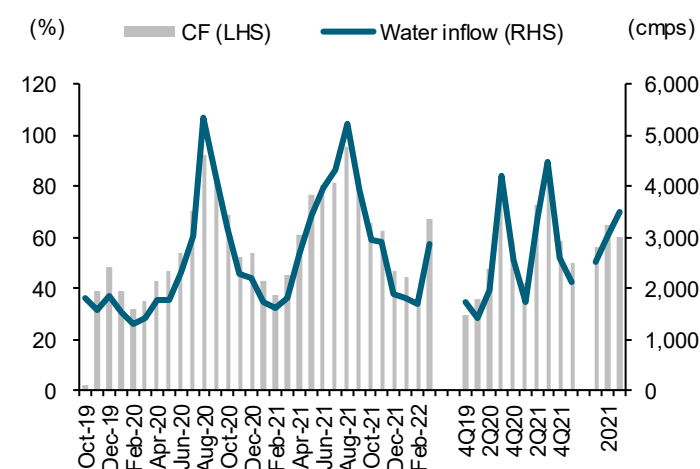
Exhibit 4: 1Q22E operational performance

	1Q21	4Q21	----- 1Q22E -----			2021	2022E	chg.
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	1,985	2,237	2,247	0.4	13.2	8,798	12,268	39.4
Operating costs	(1,188)	(1,574)	(1,506)	(4.3)	26.7	(5,410)	(7,865)	45.4
EBITDA	797	663	741	11.7	(7.0)	3,388	4,403	30.0
<i>EBITDA margin (%)</i>	<i>40.1</i>	<i>29.6</i>	<i>33.0</i>	<i>nm</i>	<i>nm</i>	<i>38.5</i>	<i>35.9</i>	<i>nm</i>
Depn & amort.	(386)	(397)	(396)	(0.1)	2.5	(1,571)	(1,605)	2.2
EBIT	411	267	345	29.4	(16.0)	1,817	2,798	54.0
Interest expense	(262)	(275)	(277)	0.8	5.7	(1,070)	(789)	(26.3)
Interest & invt inc	114	191	199	4.0	74.6	532	424	(20.4)
Other income	2	1	1	(0.2)	(34.6)	5	10	117.5
Associates' contrib	(32)	11	320	2,769.1	(1,092.6)	1,528	2,240	46.6
Exceptionals	11	(1)	3	(335.0)	(72.2)	1	-	(100.0)
Pretax profit	243	194	591	204.4	143.3	2,812	4,682	66.5
Tax	(8)	(11)	(32)	186.4	303.0	(61)	(116)	90.1
<i>Tax rate (%)</i>	<i>3.3</i>	<i>5.8</i>	<i>5.4</i>	<i>nm</i>	<i>nm</i>	<i>2.2</i>	<i>2.5</i>	<i>14.2</i>
Minority interests	(120)	(60)	(130)	115.2	8.0	(572)	(1,462)	155.5
Net profit	115	123	429	250.1	274.3	2,179	3,103	42.4
Core net profit	104	124	450	263.6	332.1	2,213	3,103	40.2
EPS (THB)	0.02	0.02	0.05	217.4	239.4	0.27	0.38	42.4
Core EPS (THB)	0.01	0.02	0.06	229.6	291.7	0.27	0.38	40.2

Sources: CKP; FSSIA estimates

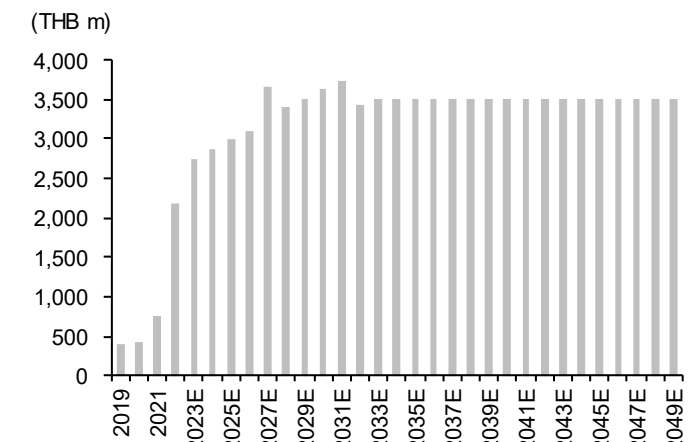
Strong performance from XPCL. In 1Q22, XPCL produced 1,404.5GWh of electricity, up 19% y-y from 1,179.0GWh in 1Q21, driven by higher water flows which increased its capacity factor (CF) to 49.9%, up from 41.9% in 1Q21. With its average THB2.2/kWh electricity tariff, we estimate that the higher sales volume of 225.5GWh y-y will generate over THB208m in additional pre-tax net profit for CKP in 1Q22 based on its 37.5% stake in XPCL.

Exhibit 5: XPCL's capacity factor (CF) and water inflow rate

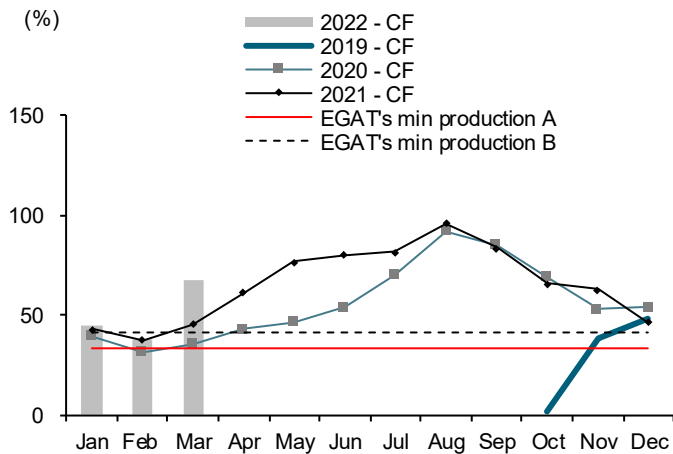


Sources: CKP; FSSIA estimates

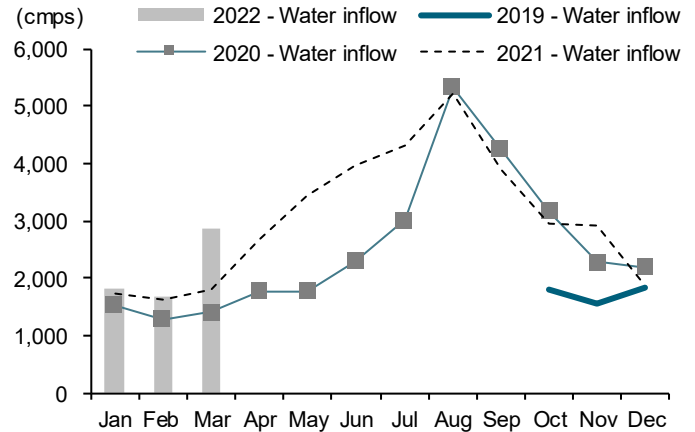
Exhibit 6: XPCL – net profit projections



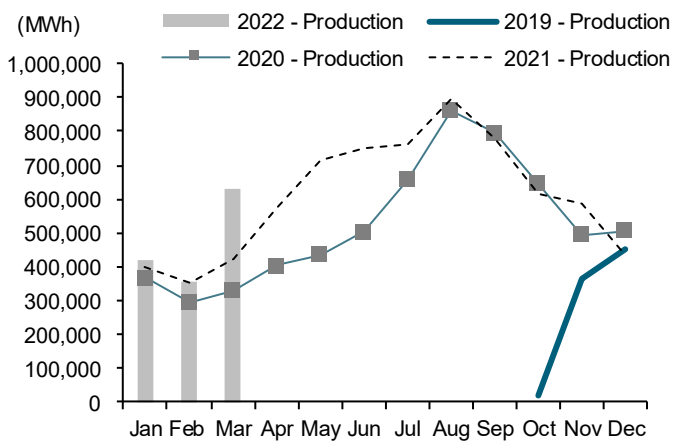
Sources: CKP; FSSIA estimates

Exhibit 7: XPCL's capacity factor (CF)

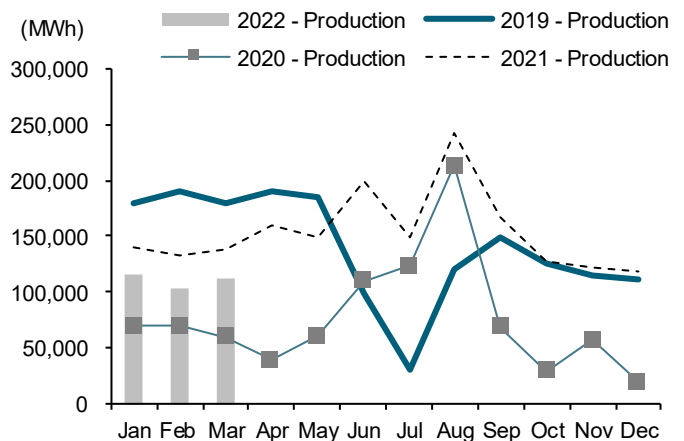
Sources: CKP; FSSIA estimates

Exhibit 8: XPCL's water inflow

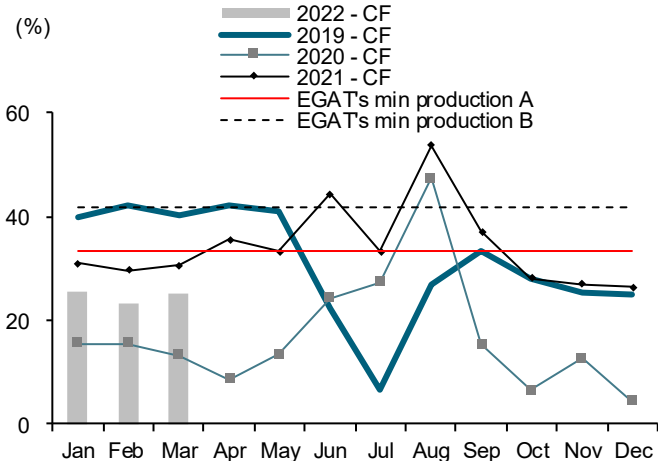
Sources: CKP; FSSIA estimates

Exhibit 9: XPCL's electricity production

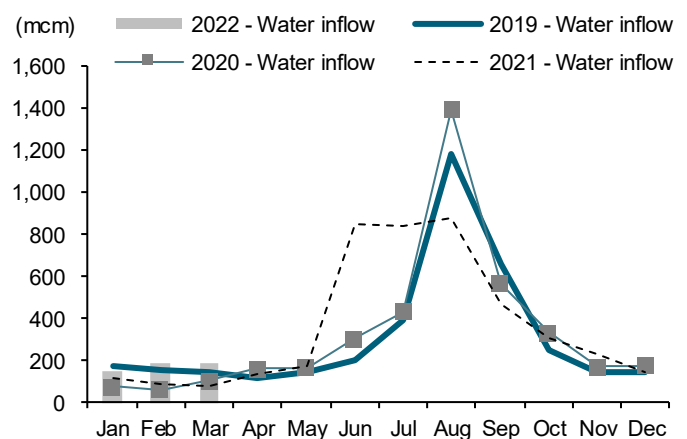
Sources: CKP; FSSIA estimates

Exhibit 10: NN2's electricity production

Sources: CKP; FSSIA estimates

Exhibit 11: NN2's capacity factor (CF)

Sources: CKP; FSSIA estimates

Exhibit 12: NN2's water inflow rate

Sources: CKP; FSSIA estimates

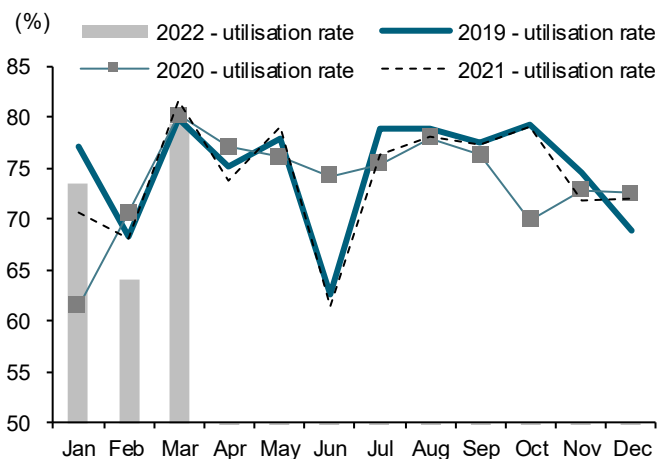
Weaker performance from NN2. In 1Q22, NN2 produced 331.5GWh of electricity, down 19% y-y from 410.4GWh in 1Q21, due to CKP's more conservative operating forecasts. Unlike XPCL, which is a run-of-river hydropower plant whose electricity production is difficult to predict due to the naturally fluctuating water flow level, NN2's reservoir-based hydropower plant is required to inform the Electricity Generating Authority of Thailand (EGAT) – the buyer – one month in advance.

Hence, CKP has been conservative in its estimates provided to EGAT for electricity production in 1Q22 vs 1Q21 due to its less positive view on water flows into the reservoir in 2022. However, management indicated that in 2Q22 onward CKP is likely to increase the electricity production of NN2 as the water flow into NN2's reservoir has been higher than expected YTD. As a result, we project NN2 to generate a y-y net profit in 2Q-4Q22 based on higher water levels.

The higher gas cost eroded BIC's margin in 1Q22. Due to the sharp rise in the gas cost, we project that the net profit from the BIC SPP will be weak in 1Q22 despite its strong sales volumes for both electricity and steam to industrial users (IU). Of BIC's total 238MW electricity capacity, we estimate that 58MW of electricity and around 20t per hour of steam will be sold to IUs.

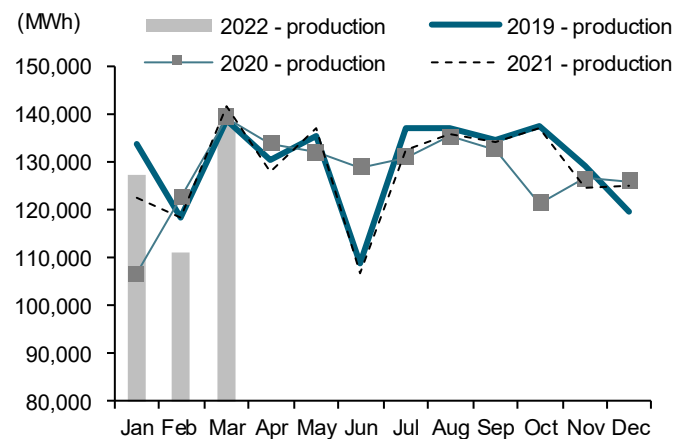
This 58MW IU-driven margin will be subject to a mismatch between the selling price and the gas cost as the Thai government has called for the national electricity grid tariff to rise at a slower and lower rate than the rise in the gas cost.

Exhibit 13: BIC's utilisation rate



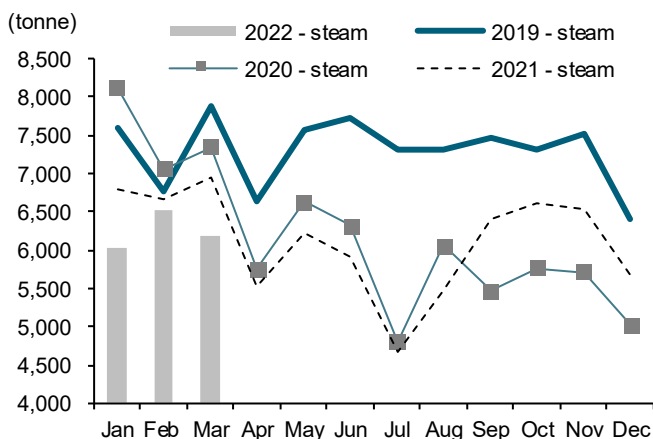
Sources: CKP; FSSIA estimates

Exhibit 14: BIC's electricity production



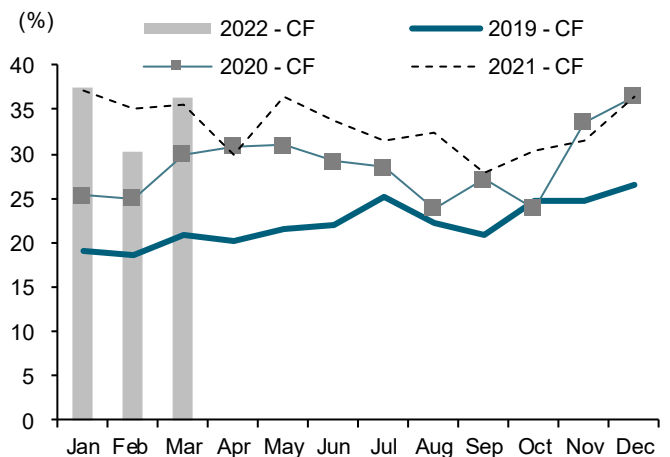
Sources: CKP; FSSIA estimates

Exhibit 15: BIC's steam production



Sources: CKP; FSSIA estimates

Exhibit 16: BIC's capacity factor (CF)



Sources: CKP; FSSIA estimates

New growth driver from Luangprabang hydropower plant

On 27 Apr-22, CKP announced that it had signed an MOU with EGAT to secure a THB2.4/kWh electricity tariff for LPB ahead of the electricity sales to EGAT beginning in 2030. LPB, one of four potential large-scale, Mekong River-based hydropower plants in Laos, is the flagship project long anticipated by both CK and CKP for the past 7 years.

The agreement follows MOUs signed by Gulf Energy Development (GULF TB, BUY, TP THB60) with EGAT for its Nam Ngum 3, Pak Beng, and Pak Lai hydropower plants in Laos in 2H21-1Q22.

Based on our initial estimate, we expect the total investment cost for LPB to be USD4.2b (THB130b), implying a USD3m/MW capacity, in line with industry investment norms. Management indicated that CKP plans to fund up to 75% of LPB's construction cost via loans, hence CKP will be required to invest THB13.6b in equity (42% stake) during 2024-29, ahead of LPB's scheduled commercial operation date (COD) in 2030.

Exhibit 17: Potential and operating hydropower plant projects along the Mekong River

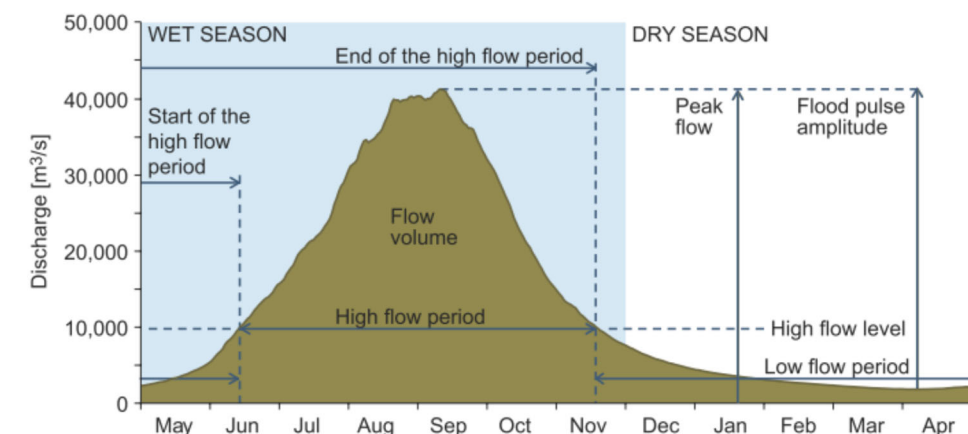
COD	Project	Capacity (MW)	Stake (%)	Equity Capacity (MW)	Investment (USD m)	Status	Key developer		Electricity offtaker
2026E	Nam Ngum 3	480	20	96	1,440	PPA signed Jul-19	EDL, EGATi	Reservoir	90% EGAT/10% EDL
2029E	Pak Beng	897	30	269	2,372	Proposed 2017	Datang (Lao) Pak Beng Hydropower	Run-of-river	90% EGAT/10% EDL
2030E	Pak Lay	763	30	229	2,134	Proposed 2019	PowerChina Resources	Run-of-river	n/a
2032E	Sanakham	684	30	205	2,073	Proposed May-20	Datang Sanakham Hydropower	Run-of-river	n/a
2033E	Luang Phabang	1,400	30	420	4,200	Proposed Jul-19	PetroVietnam Power	Run-of-river	n/a
Total		3,744		1,123					
Hydropower plants in operations on Mekong River									
2019	Xaiyaburi	1,285			4,838	Operating	CK power owned 37.5%/GPSC 25%/EGCO 15%	Run-of-river	90% EGAT/10% EDL
2019	Don Sahong	260			780	Operating	Mega First Corp (Malaysia)	Run-of-river	n/a

Source: Mekong River Commission (MRC)

We think LPB is likely to be included in the "power import" scheme in 2030 in the new PDP 2022 that is in the process of being finalised, two years earlier than under the current PDP 2018 Revision 2.

LPB will be one of four new large-scale hydropower plants, along with Pak Beng, Pak Lai, and Sanakham, to be included in Thailand's new PDP 2022, according to GULF's management. Note that GULF owns stakes in the three other hydropower plants: Pak Beng, Pak Lai, and Sanakham, while CKP owns a stake in LPB.

Exhibit 18: Changes in seasonal water flow for hydropower plant projects in Laos



Source: Mekong River Commission (MRC)

Exhibit 19: New MW additions by zone under PDP 2018 Revision 2

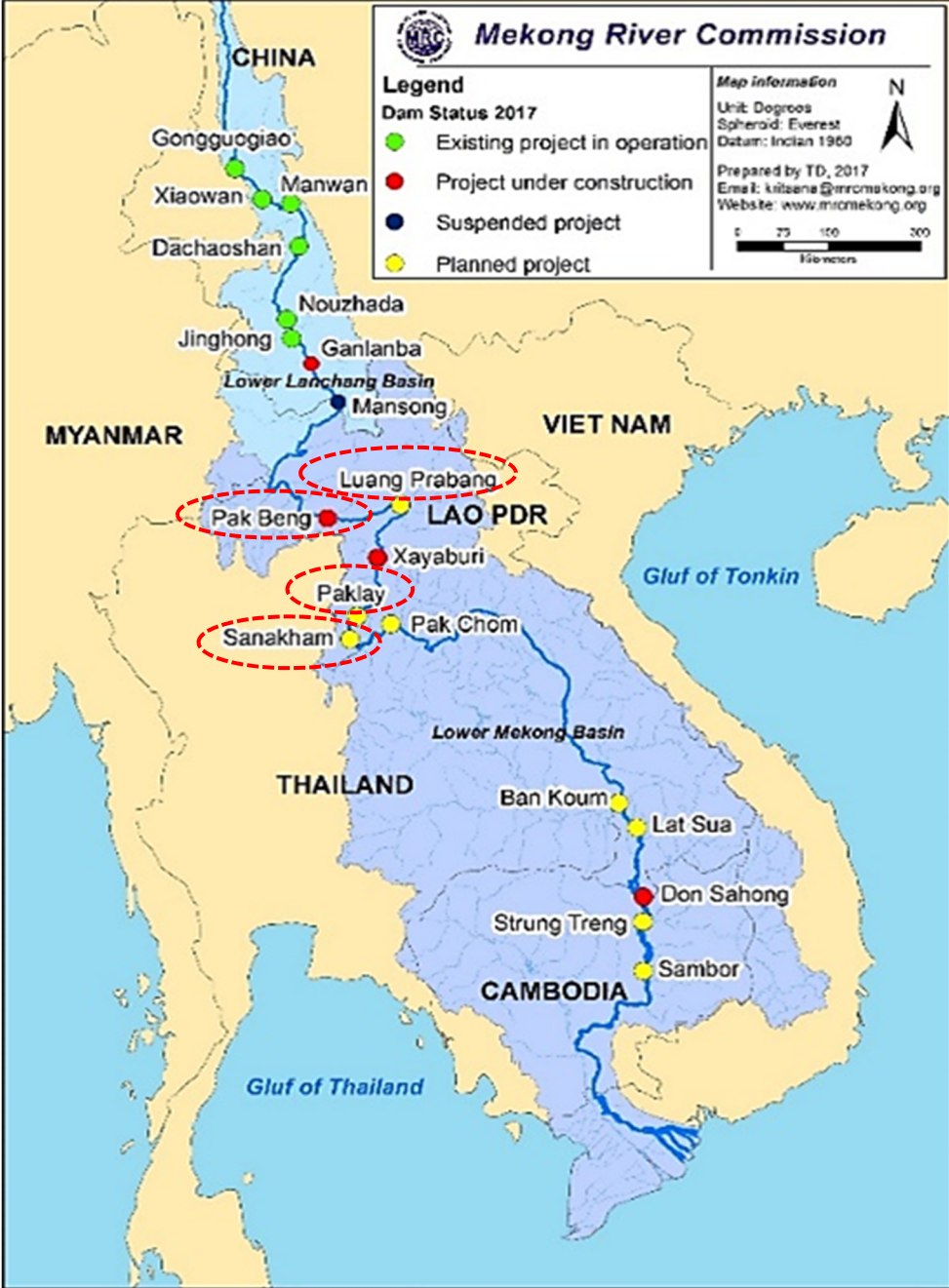
Region/Target COD	Power plant	Capacity (MW)	Remark
West			
2023E	Hin Kong	700	IPPs/EGAT (replacing TECO)
2024E	Hin Kong	700	IPPs/EGAT (replacing RG TH#1-2)
North			
2026E	Mae Moh	600	Replacement by EGAT
Northeast			
2025E	Nam Phong	650	Replacement by EGAT
2026E	Power import	700	
2028E	Power import	700	
2030E	New bidding	700	IPPs/EGAT
2032E	Power import	700	
2032E	New bidding	700	IPPs/EGAT
2033E	Power import	700	
2035E	Power import	700	
Metropolitan			
2026E	South BKK	700	Replacement by EGAT
2027E	South BKK	1,400	Replacement by EGAT
2028E	North BKK	700	Replacement by EGAT
2035E	North BKK	700	Replacement by EGAT
2036E	New bidding	700	IPPs/EGAT
South			
2027E	Surat Thani	700	Replacement by EGAT
2029E	Surat Thani	700	Replacement by EGAT
2034E	New bidding	1,000	IPPs/EGAT
2035E	New bidding	700	IPPs/EGAT
Upper central			
2032E	New bidding	1,400	IPPs/EGAT
East			
2033E	New bidding	1,000	IPPs/EGAT
2037E	New bidding	700	IPPs/EGAT

Source: PDP 2018 Revision 2

Up to a THB4.3/share value from LPB to CKP. We estimate that LPB could add up to a THB4.3/share value to CKP, based on the following assumptions: 1) 26 years of operations in 2030-56; 2) the tariff of THB2.4/kWh; 3) the investment cost of THB130b; 4) the 75% debt and 25% equity funding structure; 5) an average annual CF of 50%.

LPB vs XPCL. While LPB has a larger capacity of 1.4GW vs XPCL's 1.28GW, and CKP owns a higher stake in LPB at 42% vs 37.5% in XPCL, we estimate that LPB will contribute a similar value of THB4.3/share to CKP given its potentially lower average CF of 50% vs our current assumption that sets XPCL's average CF at 60%.

Exhibit 20: Existing and planned hydropower plant projects in Laos



Source: MRC

Exhibit 21: SoTP-based target price

Cost of equity assumptions	(%)	Cost of debt assumptions	(%)
Risk free rate	2.3	Pretax cost of debt	3.8
Market risk premium	8.5	Marginal tax rate	20.0
Stock beta	0.50		
Cost of equity, Ke	6.6	Net cost of debt, Kd	2.7
Weight applied	25.0	Weight applied	75.0
WACC (%)	3.6		

DCF valuation estimate	(THB m)	(THB/share)	Comments
NN2 (Hydro, Mar-11)	10,263	1.3	WACC 3.6%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth rate
Solar farm (BKC, NRS, CRS)	823	0.1	WACC 3.6%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth rate
BIC-1 (Gas, Jun-13)	9,469	1.2	WACC 3.6%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth rate
BIC-2 (Gas, Jun-17)	10,695	1.3	WACC 3.6%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth rate
XPCL (Hydro, Oct-19)	32,560	4.0	WACC 3.6%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth rate
Cash	7,082	0.9	At end-2022E
Debt	(6,641)	(0.8)	At end-2022E
Minorities	(11,296)	(1.3)	At end-2022E
Residual ordinary equity	52,956	6.6	

Sources: CKP; FSSIA estimates

Financial Statements

CK Power

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	6,695	8,798	12,268	13,651	13,930
Cost of goods sold	(4,417)	(4,915)	(7,252)	(9,400)	(9,361)
Gross profit	2,278	3,883	5,016	4,251	4,570
Other operating income	-	-	-	-	-
Operating costs	(428)	(494)	(613)	(683)	(697)
Operating EBITDA	1,850	3,388	4,403	3,568	3,873
Depreciation	(1,561)	(1,571)	(1,605)	(1,605)	(1,605)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	289	1,817	2,798	1,963	2,268
Net financing costs	(511)	(503)	(366)	(34)	266
Associates	407	1,528	2,240	2,780	2,905
Recurring non-operating income	416	1,532	2,250	2,790	2,915
Non-recurring items	(12)	(34)	0	0	0
Profit before tax	182	2,812	4,682	4,720	5,449
Tax	16	(61)	(116)	(92)	(121)
Profit after tax	198	2,751	4,566	4,627	5,328
Minority interests	207	(572)	(1,462)	(1,506)	(1,551)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	405	2,179	3,103	3,121	3,777
Non-recurring items & goodwill (net)	12	34	0	0	0
Recurring net profit	416	2,213	3,103	3,121	3,777
Per share (THB)					
Recurring EPS *	0.05	0.27	0.38	0.38	0.46
Reported EPS	0.05	0.27	0.38	0.38	0.46
DPS	0.02	0.04	0.10	0.10	0.15
Diluted shares (used to calculate per share data)	8,129	8,129	8,129	8,129	8,129
Growth					
Revenue (%)	(20.1)	31.4	39.4	11.3	2.0
Operating EBITDA (%)	(35.7)	83.1	30.0	(19.0)	8.5
Operating EBIT (%)	(78.7)	528.3	54.0	(29.8)	15.5
Recurring EPS (%)	(46.0)	431.4	40.2	0.6	21.0
Reported EPS (%)	(47.4)	438.4	42.4	0.6	21.0
Operating performance					
Gross margin inc. depreciation (%)	10.7	26.3	27.8	19.4	21.3
Gross margin of key business (%)	10.5	25.9	27.8	19.4	21.3
Operating EBITDA margin (%)	27.6	38.5	35.9	26.1	27.8
Operating EBIT margin (%)	4.3	20.7	22.8	14.4	16.3
Net margin (%)	6.2	25.2	25.3	22.9	27.1
Effective tax rate (%)	7.1	4.8	4.8	4.8	4.8
Dividend payout on recurring profit (%)	39.0	14.0	26.2	26.0	32.3
Interest cover (X)	1.4	6.7	13.8	140.9	(19.5)
Inventory days	5.1	4.8	4.2	4.4	5.0
Debtor days	64.0	54.2	56.8	70.8	90.1
Creditor days	54.1	57.4	57.5	60.5	68.5
Operating ROIC (%)	0.8	5.4	8.7	6.4	7.8
ROIC (%)	1.0	4.6	6.8	6.5	7.3
ROE (%)	1.8	9.1	11.8	10.8	12.0
ROA (%)	0.9	4.7	6.8	6.1	6.4

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
Generation of electricity from hydroelectric power segment	2,348	3,416	6,606	5,450	5,451
Generation of electricity from solar power segment	150	151	152	152	153
Generation of electricity from thermal power segment	3,945	4,974	5,253	7,792	8,068
Other operating segment	200	201	201	201	202

Sources: CK Power; FSSIA estimates

Financial Statements

CK Power

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	416	2,213	3,103	3,121	3,777
Depreciation	1,561	1,571	1,605	1,605	1,605
Associates & minorities	407	1,528	2,240	2,780	2,905
Other non-cash items	-	-	-	-	-
Change in working capital	685	201	(316)	(413)	(804)
Cash flow from operations	3,069	5,513	6,632	7,093	7,483
Capex - maintenance	(1,561)	(1,571)	(1,605)	(1,605)	(1,605)
Capex - new investment	(1,353)	(1,455)	(1,605)	(1,605)	(1,605)
Net acquisitions & disposals	(396)	(4,864)	0	0	0
Other investments (net)	4,607	9,335	2,240	2,780	2,905
Cash flow from investing	1,298	1,445	(971)	(430)	(305)
Dividends paid	(3,253)	(3,252)	(309)	(813)	(813)
Equity finance	0	0	0	0	0
Debt finance	2,381	(4,540)	(142)	0	0
Other financing cash flows	1,190	(982)	193	(844)	(1,049)
Cash flow from financing	318	(8,774)	(258)	(1,657)	(1,862)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	4,685	(1,816)	5,404	5,006	5,316
Free cash flow to firm (FCFF)	5,363.23	8,028.18	6,450.67	7,444.08	7,958.33
Free cash flow to equity (FCFE)	7,937.55	1,435.16	5,712.80	5,819.17	6,128.53
Per share (THB)					
FCFF per share	0.73	1.09	0.88	1.01	1.08
FCFE per share	1.08	0.19	0.78	0.79	0.83
Recurring cash flow per share	0.29	0.65	0.85	0.92	1.02
Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	39,677	39,070	39,070	39,070	39,070
Less: Accumulated depreciation	(12,675)	(13,523)	(15,128)	(16,733)	(18,338)
Tangible fixed assets (net)	27,002	25,547	23,942	22,337	20,732
Intangible fixed assets (net)	3,681	3,752	3,752	3,752	3,752
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	12,711	17,575	17,575	17,575	17,575
Cash & equivalents	8,899	7,082	12,487	17,493	22,808
A/C receivable	1,054	1,557	2,258	3,039	3,835
Inventories	61	68	99	129	128
Other current assets	552	1,005	1,401	1,559	1,591
Current assets	10,566	9,712	16,245	22,219	28,362
Other assets	13,079	12,391	12,391	12,391	12,391
Total assets	67,038	68,977	73,905	78,274	82,812
Common equity	23,774	24,834	27,628	29,937	32,900
Minorities etc.	11,264	11,296	12,759	14,265	15,815
Total shareholders' equity	35,038	36,130	40,387	44,201	48,716
Long term debt	5,638	5,142	5,000	5,000	5,000
Other long-term liabilities	20,088	24,311	24,311	24,311	24,311
Long-term liabilities	25,725	29,453	29,311	29,311	29,311
A/C payable	620	927	1,358	1,760	1,753
Short term debt	5,544	1,500	1,500	1,500	1,500
Other current liabilities	111	968	1,349	1,502	1,532
Current liabilities	6,275	3,394	4,207	4,761	4,785
Total liabilities and shareholders' equity	67,038	68,977	73,905	78,274	82,812
Net working capital	936	735	1,051	1,464	2,269
Invested capital	57,408	60,000	58,711	57,519	56,718
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	2.92	3.05	3.40	3.68	4.05
Tangible book value per share	2.47	2.59	2.94	3.22	3.59
Financial strength					
Net debt/equity (%)	6.5	(1.2)	(14.8)	(24.9)	(33.5)
Net debt/total assets (%)	3.4	(0.6)	(8.1)	(14.0)	(19.7)
Current ratio (x)	1.7	2.9	3.9	4.7	5.9
CF interest cover (x)	19.2	6.7	21.0	221.0	(28.1)
Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	106.4	20.0	14.3	14.2	11.7
Recurring P/E @ target price (x) *	128.8	24.2	17.3	17.2	14.2
Reported P/E (x)	109.5	20.3	14.3	14.2	11.7
Dividend yield (%)	0.4	0.7	1.8	1.8	2.8
Price/book (x)	1.9	1.8	1.6	1.5	1.3
Price/tangible book (x)	2.2	2.1	1.9	1.7	1.5
EV/EBITDA (x) **	31.3	16.3	11.6	13.3	11.3
EV/EBITDA @ target price (x) **	36.3	19.0	13.7	16.0	13.7
EV/invested capital (x)	1.0	0.9	0.9	0.8	0.8
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: CK Power; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSI	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIIK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAH	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Suwat Sinsadok, CFA, FRM, ERP FSS International Investment Advisory Securities Co., Ltd

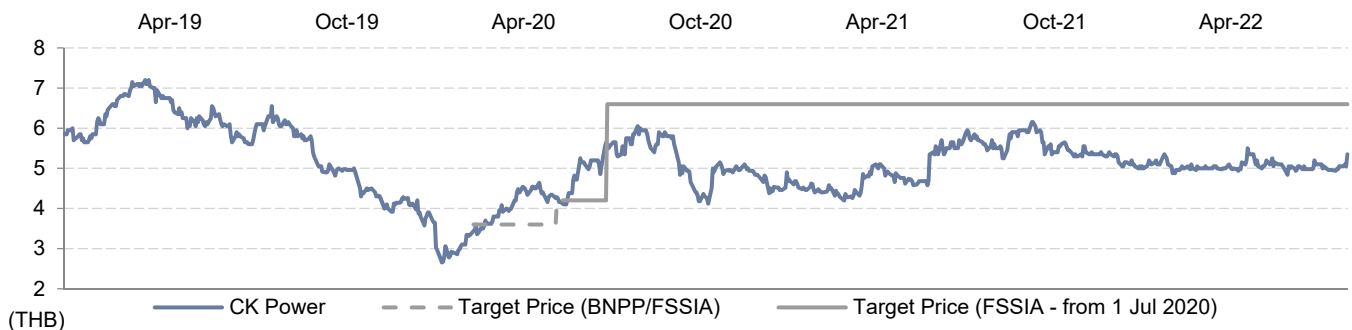
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

CK Power (CKP TB)



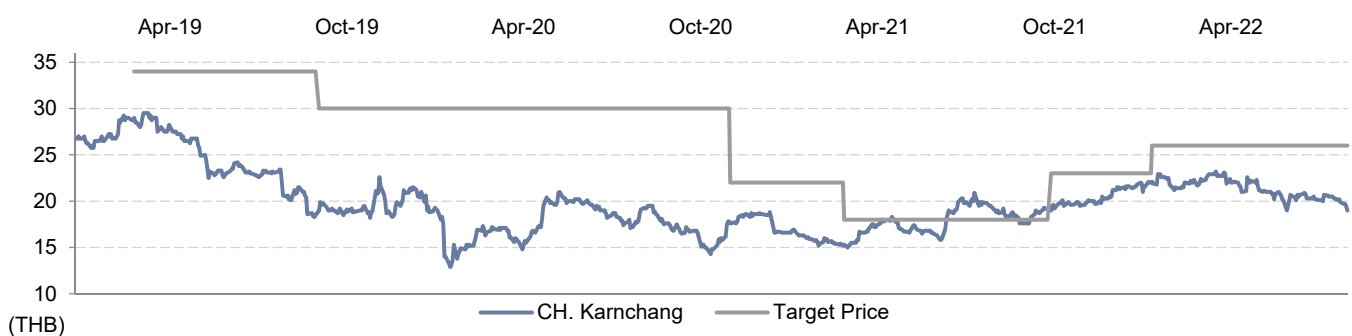
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Apr-2020	HOLD	3.60	23-Jun-2020	HOLD	4.20	04-Aug-2020	BUY	6.60

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 23-Jun-2020

Price and TP are in local currency

Source: FSSIA estimates

CH. Karnchang (CK TB)



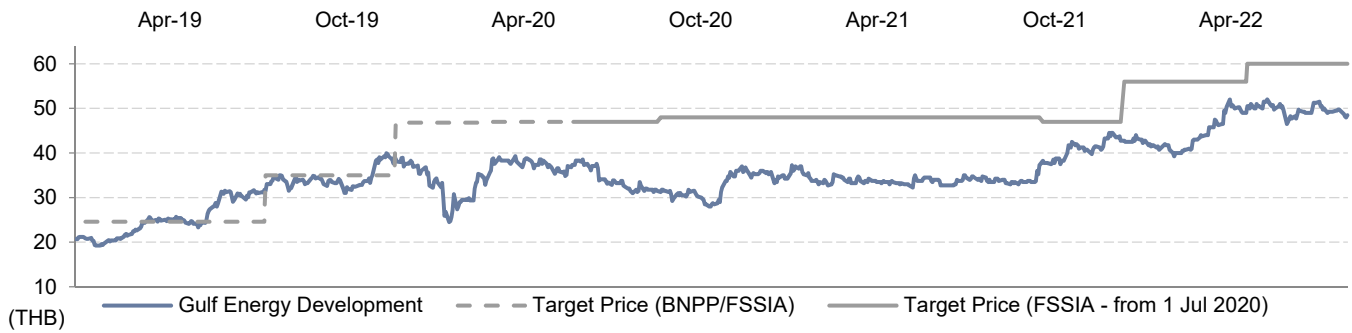
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-Jun-2019	BUY	34.00	12-Nov-2020	BUY	22.00	13-Aug-2021	BUY	23.00
25-Nov-2019	BUY	30.00	18-Feb-2021	BUY	18.00	10-Nov-2021	BUY	26.00

Songkrod Wongchai started covering this stock from 12-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Gulf Energy Development (GULF TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-May-2019	BUY	24.60	22-Apr-2020	BUY	47.00	15-Oct-2021	BUY	56.00
10-Oct-2019	BUY	35.00	11-Sep-2020	BUY	48.00	31-Jan-2022	BUY	60.00
30-Jan-2020	BUY	46.80	06-Aug-2021	BUY	47.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 30-Jun-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
CK Power	CKP TB	THB 5.45	BUY	The downside risks to our SoTP-based TP include lower-than-expected demand for electricity in Thailand and lower-than-expected water supply for hydro projects.
CH. Karnchang	CK TB	THB 19.50	BUY	Key downside risks to our SoTP-based TP are delays in new bids, political instability, fluctuations in construction material prices, cost overruns, and the prolonged Covid-19 pandemic.
Gulf Energy Development	GULF TB	THB 48.75	BUY	The downside risks to our SoTP-based TP on GULF include 1) lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) delays in project commercial operation dates.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 29-Apr-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.