FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

CK POWER CKP TB

THAILAND / UTILITIES

BUY

UNCHANGED

TARGET PRICE	THB4.40
CLOSE	THB3.94
UP/DOWNSIDE	+11.7%
PRIOR TP	THB4.40
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-5.8%

คาด 2Q24 พลิกเป็นกำไร ต่อเนื่องถึง 4Q24

- คาดกำไรสุทธิ 2Q24 พลิกเป็นกำไรและจะโตก้าวกระโดดใน 3Q24 จาก High Season ที่ดีกว่าปกติ ทำให้ปริมาณน้ำและการไหลของน้ำเพิ่มขึ้นเมื่อเทียบกับปีก่อน
- คาดกำไรสุทธิปี 2024 +7.6% y-y จากปริมาณน้ำไหลผ่านโรงไฟฟ้าและในเขื่อนที่จะมากกว่าฤดูกาลปกติจากปรากฏการณ์ลานีญา และโรงไฟฟ้าไม่มีหยุดซ่อมบำรุง
- ราคาเป้าหมาย 4.40 บาท ยังแนะนำ “ซื้อ”

คาดกำไร 2Q24 พลิกกับเป็นกำไรจากปริมาณน้ำและปริมาณน้ำไหลที่เพิ่มขึ้น

เราคาดกำไรสุทธิ 2Q24 ที่ 78 ล้านบาท พลิกจากขาดทุนสุทธิ 461 ล้านบาท ใน 1Q24 และกำไรสุทธิ 2 ล้านบาท ใน 2Q23 แรงหนุนหลักมาจากปริมาณการขายไฟฟ้าของโรงไฟฟ้าน้ำงึม 2 เพิ่มขึ้น 38% q-q และ 74% y-y เป็น 514 GWh จากปริมาณน้ำในเขื่อนที่เพิ่มขึ้นและไม่มีหยุดซ่อมบำรุงเหมือน 1Q24 บวกกับส่วนแบ่งกำไรจากบริษัทร่วมที่เป็นโรงไฟฟ้าไซยะบุรีและหลวงพระบางมีผลขาดทุน FX ลดลง โดยโรงไฟฟ้าไซยะบุรีมีปริมาณน้ำไหลผ่านโรงไฟฟ้าเฉลี่ยเพิ่มขึ้น ส่งผลให้ปริมาณการขายไฟฟ้า 2Q24 สูงถึง 1,414 GWh +34% q-q, +8% y-y โดยเฉพาะในเดือนมิ.ย. มีปริมาณการขายไฟฟ้าสูงกว่า 677 GWh +70% q-q และ +25.5% y-y แต่มีภาระดอกเบี้ยจ่ายที่อยู่ในระดับสูงและยังมีขาดทุนจาก FX และค่าใช้จ่ายดำเนินงานในโครงการหลวงพระบางเพิ่มขึ้น ขณะที่ค่าใช้จ่ายบริหารและดำเนินงานทรงตัว และภาวะดอกเบี้ยจ่ายปรับเพิ่มขึ้นเล็กน้อยจากการรีไฟแนนซ์หุ้นกู้ใน 1Q24 ส่งผลให้ต้นทุนการเงินปรับขึ้นเล็กน้อยและมีการเบิกเงินกู้เพิ่มเพื่อลงทุนในโครงการหลวงพระบาง

คาดกำไรจะก้าวกระโดด 3Q24 จากปริมาณน้ำไหลผ่านโรงไฟฟ้าสูงกว่าปีก่อน

คาดกำไรสุทธิ 3Q24 ที่ 1,200-1,300 ล้านบาท แรงหนุนหลักมาจากส่วนแบ่งกำไรจากบริษัทร่วมโดยเฉพาะโรงไฟฟ้าไซยะบุรีที่เราคาดปริมาณการขายไฟฟ้าจะอยู่ที่ 2,530 GWh +79% q-q, +5% y-y และการแข็งค่าของเงินบาทจะทำให้มีกำไรจาก FX จากเงินกู้สกุลดอลลาร์ของโครงการโรงไฟฟ้าหลวงพระบาง

คงประมาณการกำไรสุทธิปี 2024 เติบโต 7.6% y-y

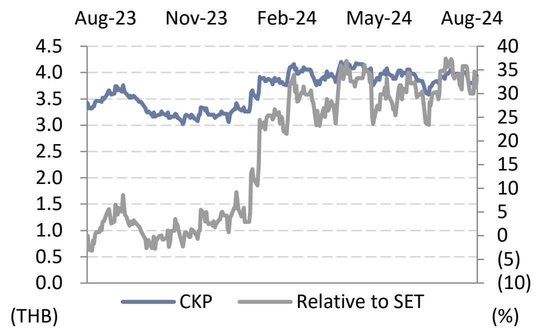
เรายังคงคาดกำไรสุทธิปี 2024 เติบโต 7.6% y-y เป็น 1.57 พันล้านบาท หนุนจากโรงไฟฟ้าพลังงานน้ำไซยะบุรีและน้ำงึม 2 ที่จะมีปริมาณน้ำไหลผ่านโรงไฟฟ้าและปริมาณน้ำในเขื่อนที่เพิ่มขึ้นมากกว่าฤดูกาลปกติหลังเกิดภาวะเอลนีโญเมื่อปีก่อน และกำลังเปลี่ยนแปลงปรากฏการณ์จากเอลนีโญสู่ลานีญาตั้งแต่ 3Q24 นี้ ตามที่กรมอุตุนิยมวิทยาคาดการณ์ โดยคาดปริมาณน้ำในเขื่อนปี 2024 จะเพิ่มขึ้นจากปีก่อน และจะเริ่มเห็นผลประกอบการ 2Q24 พลิกกลับเป็นกำไร จากขาดทุน 461 ล้านบาทใน 1Q24 และคาดว่ากำไรจะเติบโตก้าวกระโดดใน 3Q24 จากโรงไฟฟ้าไซยะบุรีที่คาดจะมีปริมาณน้ำไหลที่เพิ่มสูงขึ้นตามฤดูกาล ทำให้สามารถผลิตกระแสไฟฟ้าได้สูงขึ้น และคาดจะพีค 3Q24 รวมถึง 4Q24 คาดกำไรจะยังเป็นบวกต่อเนื่องเป็นปกติของธุรกิจ

คงคำแนะนำ “ซื้อ” ราคาเป้าหมาย 4.40 บาท

คงคำแนะนำ ซื้อ ราคาเป้าหมาย 4.40 บาท (SOTP) ตามสัญญาซื้อขายไฟฟ้าระยะยาว (PPA) และสัดส่วนการถือหุ้น โดยวิธี DCF@WACC=4.9% Risk free=3%, LT growth= 0%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	10,286	10,502	11,010	11,258
Net profit	1,457	1,573	2,141	2,320
EPS (THB)	0.18	0.19	0.26	0.29
vs Consensus (%)	-	(13.6)	4.0	3.6
EBITDA	3,130	2,911	2,522	2,536
Recurring net profit	1,462	1,573	2,141	2,320
Core EPS (THB)	0.18	0.19	0.26	0.29
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(39.4)	7.6	36.1	8.4
Core P/E (x)	21.9	20.4	15.0	13.8
Dividend yield (%)	2.2	2.5	2.5	2.5
EV/EBITDA (x)	15.0	15.4	16.9	15.9
Price/book (x)	1.2	1.1	1.1	1.0
Net debt/Equity (%)	8.0	2.1	(4.7)	(11.0)
ROE (%)	5.4	5.7	7.4	7.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.5	1.0	13.9
Relative to country (%)	(1.3)	4.5	34.0

Mkt cap (USD m)	899
3m avg. daily turnover (USD m)	0.7
Free float (%)	28
Major shareholder	CH. Karnchang PCL (27%)
12m high/low (THB)	4.28/2.98
Issued shares (m)	7,370.00

Sources: Bloomberg consensus; FSSIA estimates

Songklod Wongchai
Fundamental Investment Analyst on Securities; License no. 018086
songklod.won@fssia.com, +66 2646 9970

Investment thesis

CK Power ก่อตั้งโดยกลุ่ม ช.การช่าง ซึ่งเป็น 1 ใน 3 ผู้รับเหมาหลักในประเทศไทย ในปี 2021 ในฐานะบริษัทโฮลดิ้งที่มุ่งเน้นในการลงทุนผลิตและจำหน่ายไฟฟ้าที่เกิดจากพลังงานประเภทต่างๆ

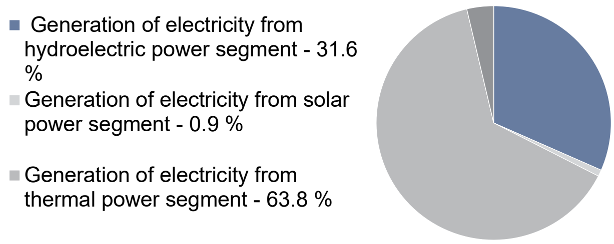
แหล่งที่มาแหล่งรายได้หลักของบริษัทมาจากเงินปันผลจากบริษัทลงทุนในบริษัทย่อยและบริษัทร่วม CKP จำหน่ายไฟฟ้าให้กับการไฟฟ้าฝ่ายผลิต การแห่งประเทศไทย (กฟผ.) และผู้ใช้อุตสาหกรรม (IU) ผ่านผู้ผลิตไฟฟ้าอิสระ (IPP) และรายเล็ก กลไกผู้ผลิตไฟฟ้า (SPP) ปัจจุบัน CKP ถือหุ้นสามประเภทธุรกิจหลัก: 1) ไฟฟ้าพลังน้ำ; 2) พลังงานแสงอาทิตย์ ฟาร์ม; และ 3) โรงไฟฟ้าพลังความร้อนร่วม

Company profile

CKP ประกอบธุรกิจหลักโดยการถือหุ้นในบริษัทอื่น ("Holding Company") ที่ประกอบธุรกิจผลิตและจำหน่ายไฟฟ้าจากพลังงานประเภทต่างๆ ทั้งภายในและต่างประเทศ โดยรายได้หลักของบริษัทที่แสดงตามงบการเงินรวม มาจากรายได้จากการขายไฟฟ้าและไอน้ำ (รวมเงินส่วนเพิ่มราคารับซื้อไฟฟ้า) และรายได้ค่าบริหารโครงการ ทั้งนี้ ณ วันที่ 31 ธ.ค. 2024 บริษัทมีกำลังการผลิตติดตั้งรวม 3,634 เมกะวัตต์ โดยจัดประเภทการลงทุนในธุรกิจผลิตและจำหน่ายไฟฟ้าออกเป็น 3 กลุ่มธุรกิจ ได้แก่ โครงการไฟฟ้าพลังน้ำ โครงการไฟฟ้าระบบโคเจนเนอเรชั่น และโครงการไฟฟ้าพลังงานแสงอาทิตย์

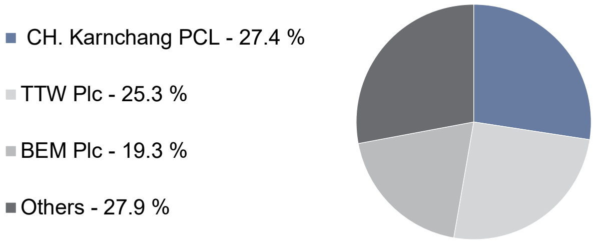
www.ckpower.co.th

Principal activities (revenue, 2023)



Source: CK Power

Major shareholders



Source: CK Power

Catalysts

ความต้องการใช้พลังงานไฟฟ้าที่สูงขึ้นทั้งในไทยและลาว รวมถึงกำลังผลิตไฟฟ้าที่เพิ่มขึ้นอย่างต่อเนื่อง จะสร้างการเติบโตในอนาคต

Risks to our call

ความต้องการไฟฟ้าในไทยลดลงมากกว่าคาด และปริมาณน้ำที่ใช้เพื่อการผลิตกระแสไฟฟ้าโครงการโรงไฟฟ้าหลักต่ำกว่าคาดจากภัยธรรมชาติ

Event calendar

Date	Event
9 August-2024	2Q24 Earnings Results

Key assumptions

Key assumptions	2024E	2025E	2026E
Tariff	3.02	3.08	3.14
Capex (THB m)	1,467	1,390	1,559
XPCL capacity factor (%)	62	66	62
NN2 capacity factor (%)	35	35	35

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in gas price, we estimate 2020 earnings would rise by 1.1%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate 2020 earnings would decline by 1.3%, and vice versa, all else being equal.

Source: FSSIA estimates

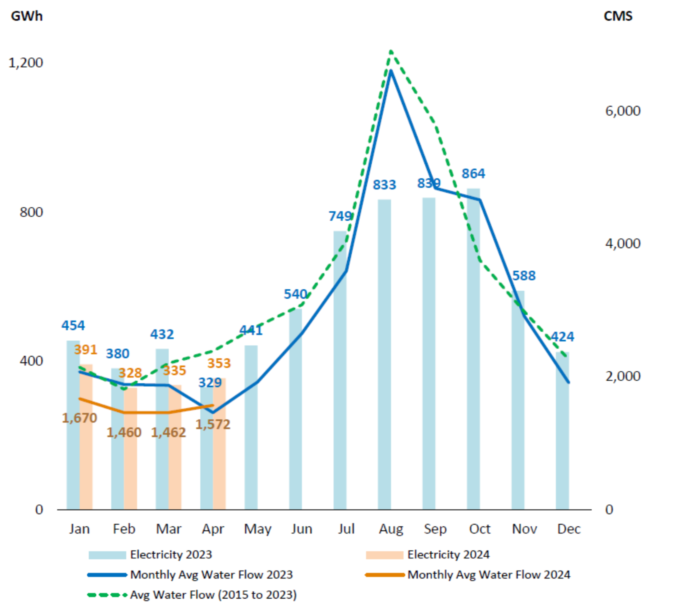
2Q24 Earnings Preview

Exhibit 1: CKP - 2Q24 Earnings Preview

	1Q23	2Q23	3Q23	4Q23	1Q24	---------- 2Q24E ----------		
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	*(q-q %)*	*(y-y %)*
Revenue	**2,555**	**2,365**	**2,478**	**2,889**	**2,348**	**2,588**	***10.2***	***9.5***
Operating costs	(2,198)	(2,062)	(1,869)	(2,031)	(1,931)	(1,946)	*0.8*	*(5.7)*
EBITDA	617	560	881	1,073	703	867	*23.3*	*54.9*
Administrative expenses	(126)	(133)	(124)	(180)	(104)	(160)	*53.8*	*20.5*
EBIT	230	169	485	678	313	482	*54.3*	*184.7*
Interest expense	(263)	(264)	(268)	(269)	(263)	(265)	*0.9*	*0.2*
Interest income	126	138	142	140	134	135	*0.7*	*(2.4)*
Other income	5	63	29	12	9	10	*13.4*	*(84.1)*
Associates' contribution	(162)	(99)	816	304	(569)	(234)	*n/a*	*n/a*
Exceptional	-	(7)	(9)	11	(16)	(30)	*n/a*	*n/a*
Pre-tax profit	(64)	22	1,214	845	(361)	118	*n/a*	*n/a*
Tax	(15)	(11)	(31)	(31)	(15)	(5)	*n/a*	*n/a*
Minority interests	(25)	(9)	(161)	(271)	(85)	(6)	*n/a*	*n/a*
Net profit	**(104)**	**2**	**1,022**	**543**	**(461)**	**108**	***n/a***	***n/a***
Key ratio:	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**		
EBITDA margin	24.1	23.7	35.5	37.1	30.0	33.5		
Gross margin	13.9	12.8	24.6	29.7	17.8	24.8		
SG&A/revenue	4.9	5.6	5.0	6.2	4.4	6.2		
Tax rate	(24)	51.0	2.6	3.7	(4)	4.0		
Net margin	(4)	(0)	41	19	(20)	3		

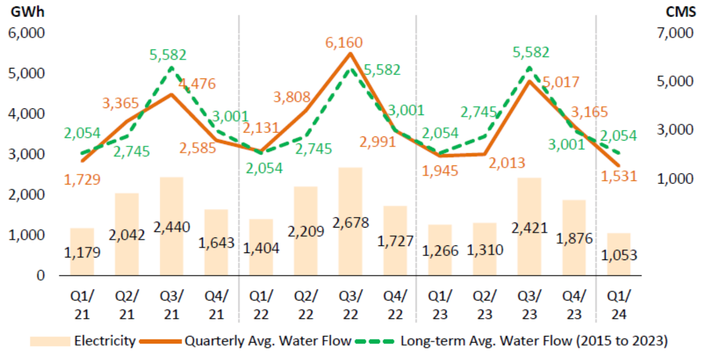
Sources: CKP, FSSIA estimate

Exhibit 2: XPCL's Electricity sale Volume and Water Inflow



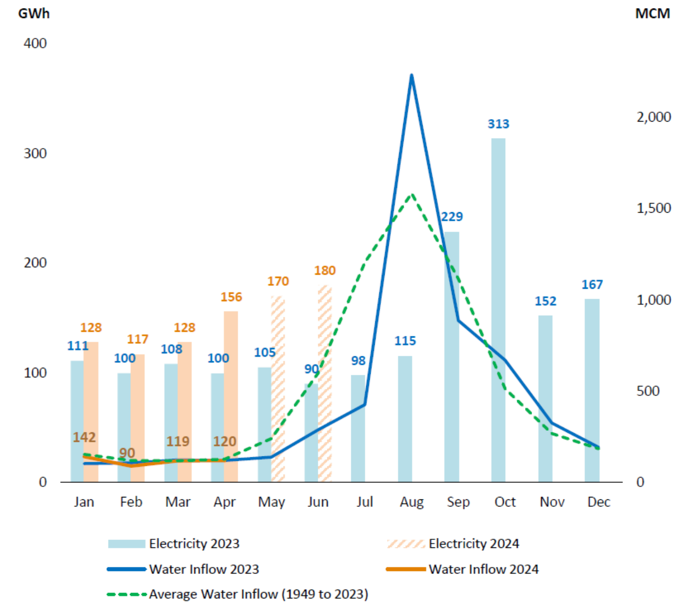
Source: CKP

Exhibit 3: XPCL's Quarterly Electricity Sale Volume and Water inflow



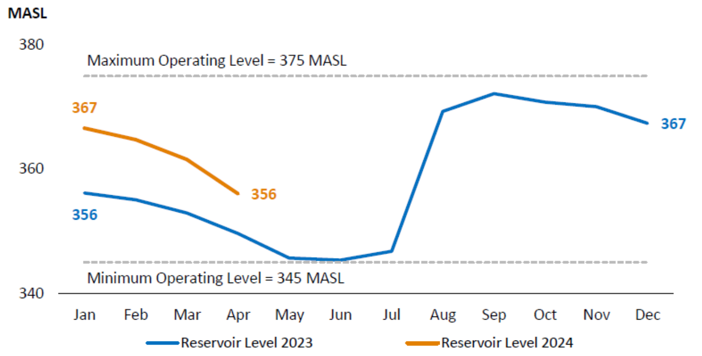
Source: CKP

Exhibit 4: NN2's Electricity Sales Volume and Water Inflow



Source: CKP

Exhibit 5: NN2's Reservoir (End of Month)



Source: CKP

ประเมินมูลค่าหุ้น

เราประเมินมูลค่าหุ้น CKP ด้วยวิธี Sum of The parts ตามสัญญาซื้อขายไฟฟ้าระยะยาว (PPA) และสัดส่วนการถือหุ้น และคำนวนหามูลค่าปัจจุบัน โดยวิธี DCF ภายใต้สุมมติฐาน WACC ที่ 4.9% Risk free rate 3%, Risk premium 8% และ Zero terminal growth rate ได้ราคาเหมาะสมตามปัจจัยพื้นฐาน 4.40 บาท ดังตารางด้านล่างนี้

Exhibit 6: Sum of the parts target price

Cost of equity assumptions (%)		Cost of debt assumptions (%)	
Risk free rate	3.0	Pretax cost of debt	2.9
Market risk premium	8.0	Marginal tax rate	20.0
Stock beta	0.7		
Cost of equity, Ke	8.7	Net cost of debt, Kd	3.6
Weight applied	25.0	Weight applied	75.0
WACC (%)	4.9		

DCF valuation estimate	(THB m)	(THB/share)	Comments
NN2 (Hydro, Mar-11)	6,298	0.8	WACC 4.9%, Risk free rate 3%, Risk premium 8.0%, zero terminal growth rate
Solar farm (42MW, 12-13)	779	0.3	WACC 4.9%, Risk free rate 3%, Risk premium 8.0%, zero terminal growth rate
BIC-1 (Gas, Jun-13)	4,702	0.6	WACC 4.9%, Risk free rate 3%, Risk premium 8.0%, zero terminal growth rate
BIC-2 (Gas, Jun-17)	6,190	0.8	WACC 4.9%, Risk free rate 3%, Risk premium 8.0%, zero terminal growth rate
XPCL(Hydro, Oct-19)	16,693	2.1	WACC 4.9%, Risk free rate 3%, Risk premium 8.0%, zero terminal growth rate
LPB (Hydro, Early 2030E)	12,302	1.5	WACC 4.9%, Risk free rate 3%, Risk premium 8.0%, zero terminal growth rate
Cash	8,764	1.1	At end-2024E
Debt	(9,603)	(1.2)	At end-2024E
Minorities	(12,100)	(1.5)	At end-2024E
Residual ordinary equity	**34,026**	**4.4**	

Sources: CKP, FSSIA estimates

Financial Statements

CK Power

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	10,904	10,286	10,502	11,010	11,258
Cost of goods sold	(9,100)	(8,161)	(8,625)	(9,549)	(9,735)
Gross profit	**1,805**	**2,125**	**1,876**	**1,461**	**1,523**
Other operating income	-	-	-	-	-
Operating costs	(526)	(563)	(525)	(551)	(563)
Operating EBITDA	**2,851**	**3,130**	**2,911**	**2,522**	**2,536**
Depreciation	(1,572)	(1,567)	(1,559)	(1,611)	(1,576)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**1,279**	**1,562**	**1,351**	**911**	**960**
Net financing costs	(561)	(513)	(652)	(416)	(159)
Associates	2,129	859	1,264	2,104	2,002
Recurring non-operating income	2,152	968	1,384	2,154	2,052
Non-recurring items	23	(5)	0	0	0
Profit before tax	**2,893**	**2,012**	**2,083**	**2,649**	**2,854**
Tax	(47)	(89)	(63)	(42)	(65)
Profit after tax	**2,846**	**1,923**	**2,020**	**2,607**	**2,788**
Minority interests	(410)	(466)	(447)	(466)	(469)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	**2,436**	**1,457**	**1,573**	**2,141**	**2,320**
Non-recurring items & goodwill (net)	**(23)**	**5**	**0**	**0**	**0**
Recurring net profit	**2,413**	**1,462**	**1,573**	**2,141**	**2,320**
Per share (THB)					
Recurring EPS *	0.30	0.18	0.19	0.26	0.29
Reported EPS	0.30	0.18	0.19	0.26	0.29
DPS	0.09	0.09	0.10	0.10	0.10
Diluted shares (used to calculate per share data)	8,129	8,129	8,129	8,129	8,129
Growth					
Revenue (%)	23.9	(5.7)	2.1	4.8	2.2
Operating EBITDA (%)	(15.9)	9.8	(7.0)	(13.4)	0.6
Operating EBIT (%)	(29.6)	22.2	(13.5)	(32.6)	5.4
Recurring EPS (%)	9.0	(39.4)	7.6	36.1	8.4
Reported EPS (%)	11.8	(40.2)	8.0	36.1	8.4
Operating performance					
Gross margin inc. depreciation (%)	16.6	20.7	17.9	13.3	13.5
Gross margin exc. depreciation (%)	31.0	35.9	32.7	27.9	27.5
Operating EBITDA margin (%)	26.1	30.4	27.7	22.9	22.5
Operating EBIT margin (%)	11.7	15.2	12.9	8.3	8.5
Net margin (%)	22.1	14.2	15.0	19.4	20.6
Effective tax rate (%)	6.2	7.7	7.7	7.7	7.7
Dividend payout on recurring profit (%)	28.6	47.3	51.7	38.0	35.0
Interest cover (X)	6.1	4.9	4.2	7.4	19.0
Inventory days	3.3	3.8	3.8	3.8	3.9
Debtor days	57.7	69.5	72.9	74.3	77.5
Creditor days	40.4	54.6	66.0	64.5	67.3
Operating ROIC (%)	3.8	4.7	4.3	3.1	3.4
ROIC (%)	4.5	3.3	3.6	4.1	4.0
ROE (%)	9.4	5.4	5.7	7.4	7.7
ROA (%)	4.7	3.4	3.6	4.1	3.9

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Generation of electricity from hydroelectric power segment	3,274	3,250	3,343	3,213	2,915
Generation of electricity from solar power segment	153	93	153	154	155
Generation of electricity from thermal power segment	7,169	6,564	6,804	7,440	7,984
Other operating segment	310	379	202	203	204

Sources: CK Power; FSSIA estimates

Financial Statements

CK Power

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	2,413	1,462	1,573	2,141	2,320
Depreciation	1,572	1,567	1,559	1,611	1,576
Associates & minorities	2,129	859	1,264	2,104	2,002
Other non-cash items	-	-	-	-	-
Change in working capital	(2,488)	114	(104)	(105)	(166)
Cash flow from operations	**3,626**	**4,002**	**4,292**	**5,752**	**5,733**
Capex - maintenance	(1,572)	(1,567)	(1,559)	(1,611)	(1,576)
Capex - new investment	(1,467)	(1,390)	(1,559)	(1,611)	(1,576)
Net acquisitions & disposals	(3,030)	(615)	(500)	(500)	(500)
Other investments (net)	4,449	510	1,264	2,104	2,002
Cash flow from investing	**(1,619)**	**(3,062)**	**(2,355)**	**(1,618)**	**(1,650)**
Dividends paid	(3,251)	(3,251)	(691)	(813)	(813)
Equity finance	0	0	0	0	0
Debt finance	1,369	692	900	0	0
Other financing cash flows	(1,278)	1,269	1,037	(520)	(383)
Cash flow from financing	**(3,159)**	**(1,290)**	**1,247**	**(1,333)**	**(1,196)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**(1,152)**	**(350)**	**3,184**	**2,801**	**2,887**
Free cash flow to firm (FCFF)	3,081.47	2,004.73	3,103.50	5,357.14	5,306.39
Free cash flow to equity (FCFE)	2,098.54	2,900.62	3,874.67	3,613.65	3,699.60
Per share (THB)					
FCFF per share	0.42	0.27	0.42	0.73	0.72
FCFE per share	0.28	0.39	0.53	0.49	0.50
Recurring cash flow per share	0.75	0.48	0.54	0.72	0.73

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	39,725	39,858	39,858	39,858	39,858
Less: Accumulated depreciation	(15,645)	(17,167)	(18,727)	(20,338)	(21,914)
Tangible fixed assets (net)	**24,081**	**22,691**	**21,131**	**19,520**	**17,943**
Intangible fixed assets (net)	**3,013**	**3,673**	**3,673**	**3,673**	**3,673**
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	20,605	21,220	21,720	22,220	22,720
Cash & equivalents	5,931	5,580	8,764	11,565	14,452
A/C receivable	1,889	2,026	2,167	2,314	2,465
Inventories	66	72	77	86	89
Other current assets	2,538	2,423	2,474	2,594	2,652
Current assets	**10,423**	**10,102**	**13,482**	**16,560**	**19,658**
Other assets	11,724	11,080	11,080	11,080	11,080
Total assets	**69,846**	**68,765**	**71,086**	**73,052**	**75,074**
Common equity	26,550	27,264	28,147	29,474	30,981
Minorities etc.	11,390	11,653	12,100	12,566	13,035
Total shareholders' equity	**37,939**	**38,918**	**40,247**	**42,041**	**44,016**
Long term debt	4,648	4,100	5,000	5,000	5,001
Other long-term liabilities	22,626	19,732	19,732	19,732	19,732
Long-term liabilities	**27,275**	**23,832**	**24,732**	**24,732**	**24,733**
A/C payable	741	1,233	1,321	1,484	1,525
Short term debt	3,362	4,603	4,603	4,603	4,603
Other current liabilities	529	179	183	192	196
Current liabilities	**4,632**	**6,015**	**6,107**	**6,279**	**6,325**
Total liabilities and shareholders' equity	**69,846**	**68,765**	**71,086**	**73,052**	**75,074**
Net working capital	3,223	3,109	3,214	3,319	3,484
Invested capital	62,646	61,773	60,818	59,811	58,900
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	3.27	3.35	3.46	3.63	3.81
Tangible book value per share	2.90	2.90	3.01	3.17	3.36
Financial strength					
Net debt/equity (%)	5.5	8.0	2.1	(4.7)	(11.0)
Net debt/total assets (%)	3.0	4.5	1.2	(2.7)	(6.5)
Current ratio (x)	2.3	1.7	2.2	2.6	3.1
CF interest cover (x)	7.4	9.4	9.3	13.5	34.3

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	**13.3**	**21.9**	**20.4**	**15.0**	**13.8**
Recurring P/E @ target price (x) *	**14.8**	**24.5**	**22.7**	**16.7**	**15.4**
Reported P/E (x)	13.1	22.0	20.4	15.0	13.8
Dividend yield (%)	2.2	2.2	2.5	2.5	2.5
Price/book (x)	1.2	1.2	1.1	1.1	1.0
Price/tangible book (x)	1.4	1.4	1.3	1.2	1.2
EV/EBITDA (x) **	16.0	15.0	15.4	16.9	15.9
EV/EBITDA @ target price (x) **	17.3	16.1	16.7	18.4	17.3
EV/invested capital (x)	0.7	0.8	0.7	0.7	0.7

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: CK Power; FSSIA estimates

CK Power PCL (CKP TB)

FSSIA ESG rating

★★★

58.18 / 100

Exhibit 7: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	**>39-59**	**Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.**
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 8: ESG – peer comparison

	FSSIA	------------------- Domestic ratings					-----------------------	-------------------------------- Global ratings					------------------------	--- Bloomberg ---	
	ESG score	DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BCPG	60.77	--	Y	Y	5.00	4.00	Certified	Medium	53.04	A	--	57.81	38.00	--	54.74
BGRIM	66.87	--	Y	Y	5.00	5.00	Certified	High	47.55	BBB	--	63.32	84.00	3.58	68.21
CKP	58.18	--	Y	Y	5.00	5.00	--	High	66.30	--	--	75.69	41.00	4.37	63.61
GULF	61.25	--	Y	Y	5.00	5.00	Certified	High	57.10	B	--	53.85	74.00	2.92	53.27
GPSC	69.86	--	Y	Y	5.00	5.00	Certified	Medium	63.22	B	--	60.43	88.00	4.77	--

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 9: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	**—**	**—**	**4.42**	**4.39**
BESG environmental pillar score	—	—	4.32	4.49
BESG social pillar score	—	—	4.35	4.05
BESG governance pillar score	—	—	4.68	4.58
ESG disclosure score	**51.56**	**61.37**	**64.21**	**63.61**
Environmental disclosure score	36.54	59.17	59.17	59.17
Social disclosure score	41.96	43.77	46.01	44.20
Governance disclosure score	76.10	81.10	87.36	87.36
Environmental				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	No	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	Yes	Yes	Yes	Yes
GHG scope 1	723	713	716	716
GHG scope 2 location-based	8	4	5	2
GHG Scope 3	—	—	—	—
Carbon per unit of production	—	—	—	—
Biodiversity policy	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	3,581	3,532	3,643	3,706
Renewable energy use	—	50	88	165
Electricity used	17	9	11	4
Fuel used - natural gas	—	354,182	355,362	354,351

Sources: Bloomberg; FSSIA's compilation

Exhibit 10: ESG score by Bloomberg *(cont.)*

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	No	Yes	Yes	Yes
Hazardous waste	0	0	0	0
Total waste	0	0	0	0
Waste recycled	0	0	0	0
Waste sent to landfills	0	0	0	0
Environmental supply chain management	No	Yes	Yes	Yes
Water policy	No	Yes	Yes	Yes
Water consumption	1,625	1,529	1,378	1,579
Social				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes
Consumer data protection policy	No	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	Yes	Yes
Pct women in workforce	62	33	33	33
Pct disabled in workforce	0	0	—	—
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	1	0	0	0
Total recordable incident rate - employees	1	0	0	0
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No
Number of employees – CSR	457	509	505	517
Employee turnover pct	6	6	—	—
Total hours spent by firm - employee training	10,136	18,833	16,737	17,173
Social supply chain management	No	Yes	Yes	Yes
Governance				
Board size	**12**	**12**	**12**	**11**
No. of independent directors (ID)	**4**	**4**	**4**	**4**
No. of women on board	1	1	1	1
No. of non-executive directors on board	7	11	11	10
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	8	7	7
Board meeting attendance pct	92	96	100	99
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	—	37	38	39
Age of the oldest director	—	76	77	77
No. of executives / company managers	**8**	**9**	**11**	**10**
No. of female executives	3	4	6	5
Executive share ownership guidelines	No	No	No	No
Size of audit committee	**3**	**3**	**3**	**3**
No. of ID on audit committee	3	3	3	3
Audit committee meetings	4	4	5	6
Audit meeting attendance %	92	100	100	100
Size of compensation committee	**3**	**3**	**3**	**3**
No. of ID on compensation committee	2	2	2	2
No. of compensation committee meetings	2	3	3	2
Compensation meeting attendance %	93	100	100	100
Size of nomination committee	**3**	**3**	**3**	**3**
No. of nomination committee meetings	2	3	3	2
Nomination meeting attendance %	93	100	100	100
Sustainability governance				
Verification type	No	No	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for **THSI inclusion**, verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. **SETTHSI Index** is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). (*The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)*	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. *(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)*	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. *Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. **NEGL**: 0-10; **Low**: 10-20; **Medium**: 20-30; **High**: 30-40; **Severe**: 40+
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. **AAA** 8.571-10.000; **AA** 7.143-8.570 — **Leader:** leading its industry in managing the most significant ESG risks and opportunities **A** 5.714-7.142; **BBB** 4.286-5.713; **BB** 2.857-4.285 — **Average:** a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers **B** 1.429-2.856; **CCC** 0.000-1.428 — **Laggard:** lagging its industry based on its high exposure and failure to manage significant ESG risks	
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.	
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.	
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Songklod Wongchai 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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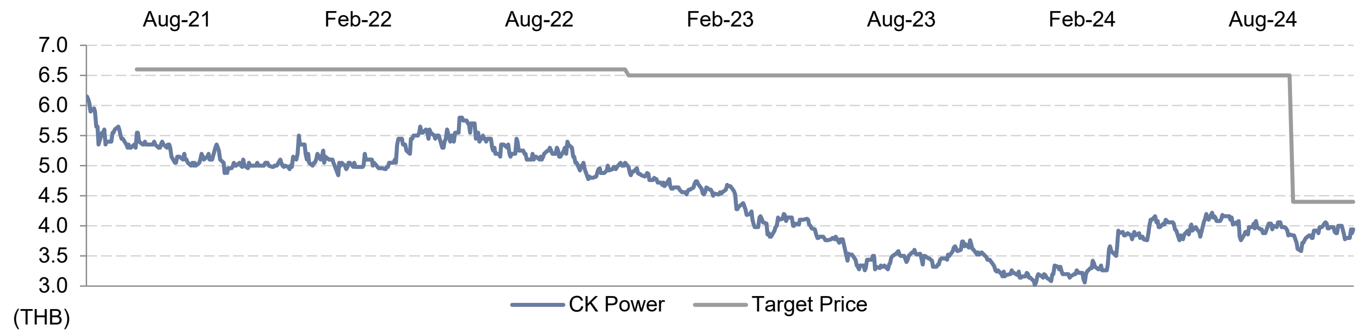
 Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

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
14-Sep-2021	BUY	6.60	11-Nov-2022	BUY	6.50	07-Jun-2024	BUY	4.40

Songklod Wongchai started covering this stock from 7-Jun-2024

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
CK Power	CKP TB	THB 3.94	BUY	ความต้องการไฟฟ้าในไทยลดลงมากกว่าคาด และปริมาณน้ำที่ใช้เพื่อการผลิตกระแสไฟฟ้าโครงการโรงไฟฟ้าหลักต่ำกว่าคาดจากภัยธรรมชาติ

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.

All share prices are as at market close on 01-Aug-2024 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.