

PetroVietnam Power Corporation (HSX: POW)

Margin gains fueled by favorable generation dispatch

- 2Q25 revenue remained flat yoy; however, net profit grew 47% yoy thanks to improved margins supported by favorable Qc dispatch. 1H25 NP increased 52% yoy, exceeding expectations and achieving 81% of MBS's forecast.
- 2025 net profit rise 17% yoy, driven by high expected Qc allocation, supporting further gross margin improvement. Growth is expected to moderate in 2026, with net profit up 16% yoy due to the drag from Nhon Trach 3&4 losses.
- Reiterate **ADD** with higher target price of VND17,400VND/share.

2Q25 business recap: Gross margin improvement offsetting FX losses

2Q25 output rose slightly by 4% yoy as Nhon Trach 1 was dispatched, hydropower output increased sharply thanks to better hydrology, while coal-fired output remained stable. In 1H25, a more favorable dispatch environment allowed plants to operate at high Qc levels, which, despite modest revenue growth, drove gross profit up 64% yoy, with the GPM improving by 5%pts. Financial income rose 96% yoy, thanks to higher deposit income, while financial expenses increased 94% yoy, driven by a 57% yoy rise in interest expenses from additional USD borrowings for NT3&4, along with an FX loss of approximately VND259bn. Consequently, 2Q25 NP rose 47% yoy, supporting a 1H25 NP increase of 52% yoy, fulfilling 81% of MBS's forecast.

Outlook 2025–26: Favorable dispatch environment with improved Qc levels

We expect plants to continue operating at high Qc levels in 2H25, significantly improving margins from last year's low base. Total output is projected at 19.7 billion kWh (+22% yoy), 3.2% below our previous forecast due to a delay in NT3&4's COD based on the company's latest update. However, this delay partially reduces the loss pressure for 2025, and we revise up our net profit forecast by 16% to VND1,459bn, representing 17% yoy growth.

For 2026, our net profit forecast remains largely unchanged, with expected growth of 16% yoy. Plants are projected to maintain strong dispatch levels amid an anticipated recovery in electricity demand. Although NT3&4 are expected to record a net loss of ~VND391bn, stable operations from existing plants and the depreciation of NT2's equipment that year will offset this pressure.

Reiterate ADD with higher target price of VND17,400VND/share

We maintain ADD rating with a target price of VND 17,400/share (+16% vs. previous report), supported by: 1) Upward revision of 2025/26 EPS forecasts by 16%/0.9% vs. previous projections; 2) Raising our target P/B multiple to 1.15x, reflecting greater optimism for the overall market potential. Currently, POW is trading at P/B of 1.1x, lower than the sector average of ~1.5x. We believe POW deserves a higher valuation baseline, especially given its position as a leading gas-fired power producer with significant long-term growth plans.

VNDbn	2024	2025	2026	2027
Revenue	30,180	39,664	57,583	58,440
Net profit	1,252	1,459	1,685	2,329
Revenue growth	8.0%	31.4%	45.2%	1.5%
Net profit growth	16.5%	16.5%	15.5%	38.2%
Gross margin	6.5%	9.6%	8.7%	9.2%
EBITDA margin	12.9%	15.9%	12.1%	12.6%
ROAE (%)	4.2%	4.6%	5.0%	6.3%
ROAA (%)	1.7%	1.7%	1.7%	2.1%
EPS (VND/share)	535	623	720	994
BVPS (VND/share)	14,777	16,135	18,166	19,418

Sources: POW, MBS Research

ADD

Target price

VND 17,400

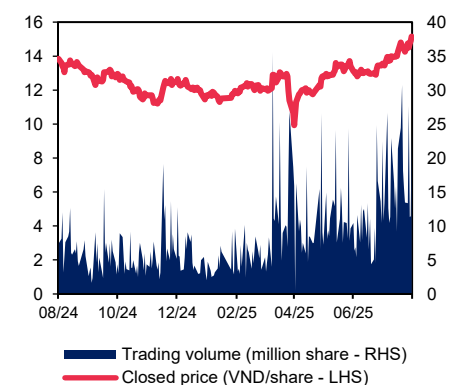
Upside

15%

Key changes in the report

- Revised up 2025/26 EPS by 16%/0.9% versus previous report

Price performance



Sources: FiinPro, MBS Research

Current price (VND)	15,150
52W High (VND)	15,150
52W Low (VND)	9,930
Market Cap (VNDbn)	35,479
P/E (TTM)	24.3
P/B	1.1
Dividend yield (%)	0.5%
Foreign ownership (%)	2.9%

Sources: <https://s24.mbs.com.vn/>

Ownership

PVN	79.9%
Others	20.1%

Sources: <https://s24.mbs.com.vn/>

Analyst(s)



Tung Nguyen

Tung.nguyenhaduc@mbs.com.vn

PetroVietnam Power Corporation (HSX: POW)

Investment thesis and Recommendation

Investment thesis

- Leading gas-fired power producer benefiting from the Government's long-term investment strategy, focused on LNG-to-power development through 2035. POW is well-positioned to strengthen its market presence through investment plans in large-scale LNG-to-power projects, which have been included in the list of national key projects. These include LNG Nhon Trach 3&4 (1,600 MW – Phase 2025–26) and LNG Quang Ninh (1,500 MW – Phase 2029–30). Additionally, the company is pursuing several other projects such as LNG Quynh Lap (1,500 MW – in partnership with SK & NASU of South Korea), LNG Vung Ang III (1,500 MW – in partnership with B.Grimm), and Ca Mau 1&2 MR (1,500 MW). Although these projects are only at the feasibility study stage, they reflect the company's determination to expand its LNG power generation capacity through 2035. In September 2025, the company plans to hold an extraordinary general meeting to approve a capital increase, primarily to fund its ambitious capacity expansion strategy.
- Vietnam's Ministry of Industry and Trade (MOIT) projects electricity consumption growth to remain above 10% annually through 2030 as the Government pursues a strong economic growth agenda. We believe this will serve as a structural driver for high dispatch rates at the company's plants, supporting a compound annual growth rate (CAGR) of 22% in net profit during 2025–27.
- Dual benefits from Vietnam's push to accelerate the shift from gasoline-powered to electric vehicles in major cities starting from 2026. In addition to driving electricity demand and supporting higher plant dispatch rates, POW is currently in discussions with V-Green to supply EV charging equipment. The company is piloting a charging station on Huynh Thuc Khang Street with a total investment of VND1.8bn, and has indicated that it will spend two years evaluating the economic feasibility before pursuing an expansion plan to 1,000 stations by 2035. While it is still too early to assess the profit contribution from this segment, we believe this is a major trend worth monitoring, and POW is well-positioned as one of the pioneering companies in this market.

Reiterate ADD with higher target price of VND17,400VND/share

We reiterate our ADD rating with a higher target price of VND17,400/share (+16% vs. previous report), driven by: 1) Upward revision to 2025/26 EPS forecasts by 16%/0.9% vs. our previous estimates, mainly due to expectations for stronger margins; 2) Raising our target P/B multiple from 1.0x to 1.15x, reflecting greater optimism about the overall market potential. While there are no major new catalysts in the short term, POW holds substantial long-term growth potential thanks to its large project pipeline as well as the emerging green mobility story. With its leading market position, we believe the current P/B of 1.1x (below the sector average of 1.5x) still leaves room for upside. Our valuation is based on an equal weighting of two methods:

- 10-year DCF (WACC: 8.8%; COE: 12%; terminal growth: 1%), reflecting a conservative view of POW's earnings growth;
- Target P/B multiple of 1.15x, which is conservative compared to the 2025–26 sector average of 1.5x.

Figure 1: DCF valuation – Summary of FCF

VNDbn	2025	2026	2027	2028	//	2035
EBITDA	6,321	6,968	7,344	6,785		5,380
(-) Depreciation and Amortisation	(3,681)	(3,632)	(3,632)	(3,538)		(1,936)
EBIT	2,641	3,336	3,712	3,247		3,445
(-) Tax	(293)	(420)	(421)	(403)		(689)
Tax rate (%)	11%	13%	11%	12%		20%
EBIAT	2,347	2,916	3,290	2,844		2,756
(+) Depreciation and Amortisation	3,681	3,632	3,632	3,538		1,936
(+) (Increase)/decrease in net working capital	2,307	(3,175)	437	1,256		(42)
(-) Capital Expenditure	(13,460)	(576)	(584)	(625)		(587)
Unleveraged Free cash flow (FCFF)	(5,124)	2,797	6,775	7,013		4,062
Terminal value						53,035

Sources: MBS Research

Figure 2: Cost of equity

Cost of equity	
Risk free rate	3.0%
Beta	1.0
Risk premium	9.0%
Cost of equity- ke	12.0%

Sources: MBS Research

Figure 3: WACC & Long-term growth rate

WACC & terminal growth	
Enterprise value	58,986
Debt	(29,482)
Cost of debt	5.6%
Tax rate	20.0%
WACC	8.7%
Perpetual growth rate	1.0%

Sources: MBS Research

Figure 4: Blended valuation

Methods	Target multiple	Implied share price	Weight	Weighted Value
		VND per share	%	VND per share
Average FY25-26 P/B	1.1x	17,268	50%	8,634
DCF, 10y		17,518	50%	8,759
Implied share price				17,393
Rounded share price				17,400

Sources: MBS Research

Figure 5: Peer comparison

Comapany	Ticker	Target price	Recom.	Mkt Cap	P/E(x)		P/BV(x)		ROA(%)		ROE (%)		EV/EBITDA (x)	
	Bloomberg	LC\$		US\$m	TTM	2025F	current	2025F	TTM	2025F	TTM	2025F	TTM	2025F
International peer														
Tata Power Co Ltd/The	TPWR IN	NA	NR	14,014.0	39.2	38.1	6.6	6.5	6.1	na	18.3	na	25.3	24.8
Malakoff Corp Bhd	MLK MK	NA	NR	1,091.0	24.9	18.5	0.9	1.0	1.2	1.5	4.5	5.3	6.0	5.8
Banpu power	BPP TB	NA	NR	772.0	15.2	7.5	0.5	0.5	1.6	3.4	3.2	5.8	22.1	7.4
Ratchaburi Elec	RATCH TB	NA	NR	1,797.2	10.0	8.2	0.6	0.6	2.6	3.8	5.7	7.0	18.7	13.9
Manila Electric	MER PM	NA	NR	10671.5	13.03	12.3	4.3	3.7	6.9	7.3	35.7	29.1	11.7	9.6
Domestic peer														
GENCO3	PGV VN	NA	NR	865.4	21.6	na	1.5	na	1.9	na	7.1	7.5	6.3	na
Quang Ninh Thermal Power	QTP VN	NA	NR	224.8	9.5	11.8	1.2	1.2	8.4	7.7	11.9	10.4	4.3	4.5
Hai Phong Thermal Power	HND VN	NA	NR	228.8	25.4	na	1.0	na	3.2	3.3	3.9	4.1	7.9	na
Nhon Trach 2 Thermal Power	NT2 VN	23,900	ADD	242.1	13.6	13.0	1.5	1.4	5.1	6.7	11.1	11.7	4.2	5.0
Average					17.2	11.8	1.4	1.4	3.4	4.4	6.8	10.1	10.1	7.7
PVPower	POW VN	17,400	ADD	1,348.5	27.6	24.0	1.1	0.9	1.7	1.7	4.0	4.6	11.4	7.5

Sources: Bloomberg, MBS Research

Upside potential

- Electricity demand grows faster than expected, supporting higher mobilization rates for gas-fired power plants.

- Nhon Trach 3&4 operate efficiently and deliver higher-than-expected profits.
- A long-term LNG supply mechanism for domestic power plants is issued.

Downside risks:

- EVN's financial difficulties remain a potential risk, putting pressure on the dispatch environment for power plants.
- Risk of gas supply shortages from Southeast Vietnam gas fields.
- Risks related to Nhon Trach 3&4, including delays in commissioning, operating losses, and foreign exchange losses in the early years due to large foreign currency borrowings.

2Q25 Business recap

Figure 6: Gross margin improvement offsetting FX losses

VNDbn	2Q25	% yoy	%qoq	1H25	%yoy	% vs previous forecast	Comment
Total output (million kWh)	4,862	1%	31%	9,157	9%	45%	Electricity output in 2Q25 remained flat yoy, mainly due to lower gas-fired generation offset by stable coal-fired and strong hydropower output
Gas-fired power	2,623	-5%	39%	4,703	7%	36%	2Q25 gas-fired output declined 5% yoy, with NT2 and Ca Mau 1&2 posting decreases mainly due to weaker electricity demand in 1H25 and low market prices, leaving little room for dispatch. However, part of this decline was offset by NT1, which was allocated Qc and began to see significant dispatch again in Q2.
Coal-fired power	1,919	3%	26%	3,696	4%	53%	Coal-fired output remained high, with Vung Ang 1 securing stable coal supply and competitive selling prices. The commissioning of the 500kV Quang Trach – Pho Noi transmission line also helped relieve grid congestion in the area.
Hydropower	319	58%	3%	617	62%	51%	2Q25 hydropower output surged 58% yoy from a low base, supported by favorable hydrology
Average price (VND/kWh)	1,973	2.7%	5.8%	1,918	2.8%	95%	
Gas-fired power	2,196	7%	9%	2,100	7%	95%	2Q25 gas-fired ASP rose 7% yoy despite anchored high gas input prices, mainly because higher Qc assigned in beginning of the year, allowed plants to earn compensation revenue in June, without participating in the competitive market where prices were lower.
Coal-fired power	1,797	-3%	-1%	1,805	1%	95%	
Hydropower	1,190	49%	1%	1,011	-7%	93%	2Q25 hydropower ASP increased sharply by 49% yoy from last year's low base, when plants were barely dispatched. This year, both Hua Na and Dakdrinh recorded total output significantly above Qc assigned, operating heavily in the competitive market, which supported higher ASP.
Revenue	9,415	0%	16%	17,565	12%	42%	
Gas-fired power	5,759	1%	51%	9,875	14%	34%	
Coal-fired power	3,449	1%	25%	6,671	5%	52%	
Hydropower	380	136%	4%	624	50%	45%	
Gross profit	1,205	64%	48%	2,021	82%	62%	In 2025, the dispatch environment improved, with thermal plants receiving higher Qc allocations and a shift to quarterly (coal) and semiannual (gas) allocation schedules instead of monthly, significantly benefiting plant margins compared to last year's constrained dispatch. Most gas-fired thermal plants in 1H25 operated at ~95% of their Qc, advantageous in a low market price environment.
GPM (%)	13%	5 d%	3 d%	12%	4 d%		2Q25 gross profit rose 64% yoy, with the gross margin improving by 5%pts.
SG&A	227	16%	-33%	565	81%	45%	SG&A expenses rose 16% yoy, mainly due to higher other administrative expenses, which we believe are related to the Nhon Trach 3&4 projects.
Financial income	207	98%	-1%	413	101%	60%	Financial income in 2Q25 surged 98% yoy, supported by higher deposit interest income.
Financial expenses	399	94%	127%	574	59%	55%	Financial expenses rose sharply by 94% yoy, mainly due to: 1) Interest expenses increasing 57% yoy; 2) FX losses of ~VND250bn in 2Q25 from USD-denominated loan principal related to financing for Nhon Trach 3&4.
Interest expenses	138	57%	15%	257	53%	0%	
Net other income	1	-80%	-170%	(0)	-100%	80%	
PBT	784	77%	54%	1,295	80%	79%	
Tax	52	7257%	35%	90	44%	50%	
NPAT	733	66%	55%	1,205	83%	81%	
Minority interest	158	219%	483%	185	-1697%	77%	Minority interest rose more than expected, mainly due to stronger-than-forecast performance from Nhon Trach 2 and Hua Na.
Net profit	575	47%	29%	1,020	52%	81%	As a result, 2Q25 net profit rose 47% yoy, lifting 1H25 net profit by 52% yoy and achieving 81% of MBS's full-year forecast. We maintain our view that POW's earnings in 2H25 will not be as strong as in 1H25 due to: 1) Q3 typically being a low-dispatch quarter; 2) Expected net loss contribution from Nhon Trach 3&4 upon commissioning. However, with Qc allocation for 2H25 expected to remain favorable, gross margins running above initial estimates, and the COD of Nhon Trach 3&4 delayed by 1–2 months versus initial assumptions, we will adjust our 2025 forecast upward.

Sources: POW, MBS Research

Outlook 2025–26: Improved Qc allocation for power plants, providing strong support for dispatch and gross margin

Figure 7: 2025-26 POW's forecast revisions

VNDbn	2024	% yoy	2025F	% yoy	Δ%	2026F	% yoy	Δ%	Comment
Total output (m kWh)	16,072	8.6%	19,724	22.7%	-3.2%	25,238	28.0%	-1.7%	
Gas-fired power	9,024	0.3%	12,180	35.0%	-7.0%	17,866	46.7%	-2.8%	
Hydropower	1,202	-2.1%	1,552	29.1%	20.8%	1,327	-14.5%	7.2%	Significant upward adjustment to hydropower output, reflecting more favorable hydrological conditions.
Coal-fired power	5,846	27.8%	5,992	2.5%	0.0%	6,044	0.9%	0.0%	
Selling price (VND/kWh)									
Gas-fired power	2,001	-5.6%	2,193	9.6%	-2.5%	2,497	13.8%	0.9%	
Hydropower	1,061	-4.9%	1,082	2.0%	0.0%	1,104	2.0%	0.0%	
Coal-fired power	1,846	-6.1%	1,817	-1.6%	-3.9%	1,817	0.0%	-3.9%	Downward adjustment to coal-fired power selling prices amid lower market electricity prices and a slight easing in input coal costs.
Total revenue (VNDbn)	30,039	7.8%	39,305	30.8%	-6.9%	57,062	45.2%	-2.1%	Revenue for 2025 is revised down slightly, mainly due to the lower selling price assumption.
Gas-fired power	18,058	-5.4%	26,714	47.9%	-9.3%	44,604	67.0%	-1.9%	
Hydropower	1,288	-5.7%	1,705	32.4%	21.1%	1,476	-13.4%	7.3%	
Coal-fired power	10,794	20.0%	10,886	0.9%	-3.9%	10,982	0.9%	-3.9%	
Gross profit	1,948	-10.8%	3,799	95.0%	16.3%	4,988	31.3%	0.6%	Significant upward revision to 2025 gross profit despite unchanged revenue, primarily due to a markedly improved dispatch environment. We have raised our Qc-based dispatch rate assumption to ~95% from the previous 80%, supporting a 2%pts increase in GPM.
%GPM	6.5%	-1%pts	9.6%	3%pts	2%pts	8.7%	-1%pts	0%pts	
SG&A	874	12.2%	1,158	32.5%	-6.9%	1,652	42.6%	-2.1%	
EBIT	1,073	-23.5%	2,641	146.0%	30.5%	3,336	26.4%	2.0%	
Financial income	616	12.2%	667	8.2%	4.1%	789	18.3%	-1.4%	
Financial expenses	667	-2.0%	1,342	101.3%	27.4%	1,763	31.3%	-0.4%	Upward adjustment to financial expenses mainly reflects higher expected FX losses in 2025, while assumptions for interest expenses remain unchanged.
Net other income	493	235.0%	26	-94.7%	-18.9%	37	44.2%	3.9%	
Minority interest	320	-63.0%	421	240.4%	23.9%	442	31.6%	-6.3%	
Net profit	1,252	16.5%	1,459	16.5%	15.7%	1,685	15.5%	0.9%	In summary, net profit forecasts for 2025/26 are revised up by 16%/0.9%, respectively.
EPS (VND/share)	535	16.5%	623	16.5%	15.7%	720	15.5%	0.9%	

Sources: POW, MBS Research

Figure 8: Nhon Trach 3&4 business forecast over 2025-30 period

Unit: VNDbn	2025	2026	2027	2028	2029	2030
Output (m kWh)	1,138.1	3,414.9	3,585.6	3,699.5	3,699.5	3,699.5
%utilisation	20%	60%	63%	65%	65%	65%
ASP (VND/kWh)	3,317.7	3,176.2	3,043.0	3,074.8	3,107.0	3,139.7
LNG price (US\$/mmbtu)	16.6	15.6	14.6	14.6	14.6	14.6
Revenue	3,964.6	21,688.7	21,818.3	22,746.3	22,984.7	23,226.0
%yoy		447%	1%	4%	1%	1%
COGS	3,623.6	20,272.3	20,146.6	20,866.4	21,051.3	21,238.2
Gross profit	341.1	1,416.4	1,671.7	1,879.9	1,933.4	1,987.9
%GPM	8.6%	6.5%	7.7%	8.3%	8.4%	8.6%
SG&A	79.3	433.8	436.4	454.9	459.7	464.5
EBITDA	391.6	2,282.3	2,535.0	2,724.7	2,773.4	2,823.1
%EBITDA margin	10%	11%	12%	12%	12%	12%
Interest expenses	437.1	1,373.7	1,248.8	1,123.9	999.0	874.2
Tax	-	-	-	-	23.7	32.5
%tax rate	0%	0%	0%	0%	10%	10%
NPAT	(175.3)	(391.1)	(13.5)	301.1	450.9	616.7
%NPAT margin	-4.4%	-1.8%	-0.1%	1.3%	2.0%	2.7%

Sources: POW, MBS Research

- **Gas-fired power:** In 2025, the dispatch mechanism has improved, with Qc allocation for gas-fired plants determined semiannually and for coal-fired plants quarterly, instead of monthly as in 2024. In addition, plants are receiving higher Qc allocations, with a minimum Qc level of 65% ensuring stable dispatch and supporting gross margins through higher selling prices.

Looking into the second half of the year, we expect this trend to continue, partly because EVN has recorded a net profit, significantly easing financial pressures. For Nhon Trach 3&4, the latest update indicates that the plants will begin commercial operations in September 2025 and November 2025, respectively—one month later than the previous plan. We base our forecasts on a minimum Qc level of 65% of the multi-year average output. Accordingly, gas-fired output in 2025 is projected at 12.1 billion kWh (+35% yoy) and 17.8 billion kWh (+46% yoy) in 2026, which is 7% lower than our previous forecast, mainly due to the delay of NT3&4. On pricing, domestic gas prices are expected to remain elevated in 2025, averaging USD 9.4/mmbtu, keeping selling prices at a high level. Once NT3&4 come online, average selling prices for the segment are expected to rise further, as the plants will use LNG feedstock priced between USD15–16/mmbtu. Consequently, gas-fired power revenue is projected at VND26,714 billion (+47% yoy) in 2025 and VND44,604 billion (+67% yoy) in 2026.

- Coal-fired power:** In 2025, with relatively low variable costs and the commissioning of the 500kV Quang Trach – Pho Noi transmission line significantly relieving capacity constraints in the region, the plant is expected to maintain high dispatch levels. We forecast coal-fired output at 5.992 billion kWh (+2.5% yoy) in 2025 and 6.044 billion kWh (+0.9% yoy) in 2026. Selling prices are expected to decline slightly by 2% yoy in 2025 and remain flat in 2026, in line with easing imported coal prices. Accordingly, revenue is projected at VND10,886 billion (+0.9% yoy) in 2025 and VND10,982 billion (+0.9% yoy) in 2026, with no change from our previous forecast.
- Hydropower:** Hydropower output in 2025 is expected to increase by 30% yoy from last year's low base, supported by favorable hydrological conditions and additional contributions from the 20MW Nam Don hydropower plant. However, selling prices are expected to remain flat as market electricity prices stay low, with the Qm ratio maintained at just 2%, similar to 2024. Accordingly, revenue is forecast at VND1,705 billion (+32% yoy) in 2025, before declining to VND1,476 billion (-13% yoy) in 2026, corresponding to the three-year average output and assuming a 2% annual increase in selling prices. This new output forecast is up 21%/7.3% from our previous estimates, mainly due to better-than-expected 1H25 performance.

Financial statements

Income statement	2023	2024	2025F	2026F	Cash flow statement	2023	2024	2025F	2026F
Net revenue	27,945	30,180	39,664	57,583	Pre-tax profit	1,459	1,517	1,992	2,401
Cost of sales	(25,761)	(28,232)	(35,865)	(52,595)	Depreciation & amortization	2,809	2,818	3,681	3,632
Gross profit	2,183	1,948	3,799	4,988	Tax paid	(219)	(261)	(213)	(295)
Gen & admin expenses	(779)	(874)	(1,158)	(1,652)	Other adjustments	-	-	(268)	(135)
Selling expenses	-	-	-	-	Change in working capital	(1,103)	876	(2,307)	3,175
Operating profit	1,404	1,073	2,641	3,336	Cash flow from operations	3,257	4,398	3,428	7,197
Operating EBITDA	4,213	3,891	6,321	6,968	Capex	(6,179)	(9,819)	(13,460)	(576)
EBIT	1,404	1,073	2,641	3,336	Proceeds from assets sales	125	3	-	-
Interest income	550	616	667	789	Cash flow from investing activities	(6,258)	(10,867)	(14,616)	(2,981)
Financial expense	(680)	(667)	(1,342)	(1,763)	New share issuance	82	21	-	-
Net other income	147	493	26	37	Net borrowings	3,604	9,865	6,822	(2,592)
Income from associates	38	1	1	1	Other financing cash flow	-	-	1,402	2,648
Pre-tax profit	1,459	1,517	1,992	2,401	Dividends paid	(365)	(137)	-	-
Tax expense	(129)	(171)	(213)	(295)	Cash flow from financing activities	3,321	9,749	8,224	57
NPAT	1,329	1,346	1,779	2,107	Cash and equivalents at beginning of period	8,252	8,440	11,720	8,756
Minority interest	(254)	(94)	(320)	(421)	Total cash generated	319	3,281	(2,964)	4,272
Net profit	1,075	1,252	1,459	1,685	Cash and equivalents at the end of period	8,592	11,720	8,756	13,029
Ordinary dividends	(365)	(137)	-	-					
Retained earnings	710	1,115	1,459	1,685					
Balance sheet	2023	2024	2025F	2026F	Key ratios	2023	2024	2025F	2026F
Cash and equivalents	8,592	11,720	8,756	13,029	Net revenue growth	-1.0%	8.0%	31.4%	45.2%
Short term investments	2,239	3,956	5,779	8,974	EBITDA growth	-25.7%	-7.6%	62.4%	10.2%
Accounts receivables	14,642	11,941	14,149	21,569	EBIT growth	-50.9%	-23.5%	146.0%	26.4%
Inventories	2,168	1,795	2,517	3,691	Pre-tax profit growth	-48.1%	4.0%	31.3%	20.5%
Other current assets	1,513	760	1,219	2,097	Net profit growth	-47.8%	16.5%	16.5%	15.5%
Total current assets	29,152	30,171	32,419	49,359	EPS growth	-47.8%	16.5%	16.5%	15.5%
Tangible fixed assets	26,362	24,270	52,446	50,275					
Intangible fixed assets	39	51	51	51	Gross profit margin	7.8%	6.5%	9.6%	8.7%
Construction in progress	8,983	19,743	1,346	461	EBITDA margin	15.1%	12.9%	15.9%	12.1%
Investments in subsidiaries	-	-	-	-	Net profit margin	3.8%	4.1%	3.7%	2.9%
Investments in associates	958	766	767	767	ROAE	3.6%	4.2%	4.6%	5.0%
Other long-term investments	-	-	-	-	ROAA	1.7%	1.7%	1.7%	1.7%
Other long-term assets	4,852	6,280	5,553	8,062	ROIC	2.3%	2.2%	2.2%	0.0%
Total non-current assets	41,195	51,110	60,164	59,617					
Total assets	70,347	81,281	92,583	108,975	Asset turnover ratio	43.9%	39.8%	45.6%	57.1%
Short-term borrowings	5,500	13,508	6,925	6,034	Dividend payout ratio	33.9%	10.9%	0.0%	0.0%
Trade accounts payable	15,950	17,159	15,975	26,016	D/E	37.1%	65.5%	78.0%	63.2%
Other payables	4,811	4,467	6,732	9,339	Net debt to total equity	12.0%	31.6%	54.8%	32.6%
Total current liabilities	26,261	35,134	29,632	41,390	Net debt to asset	5.8%	13.5%	22.4%	12.7%
Long-term borrowings	7,179	9,151	22,557	20,856	Interest coverage ratio	2.8	2.8	2.5	2.1
Other long-term payables	2,741	2,389	2,607	4,188					
Total long-term liabilities	9,920	11,540	25,164	25,044	Days account receivable	177	161	130	137
Total liabilities	36,181	46,675	54,796	66,434	Days inventory	30	26	26	26
Common shares	23,419	23,419	23,419	23,419	Days account payable	165	214	163	181
Share premium	-	-	-	-					
Treasury shares	-	-	-	-	Current ratio	1.1	0.9	1.1	1.2
Undistributed earnings	3,959	4,032	5,491	7,176	Quick ratio	1.0	0.8	1.0	1.1
Investment and development funds	4,073	4,460	5,862	8,510	Cash ratio	0.4	0.4	0.5	0.5
Foreign exchange differences	-	-	-	-					
Shareholders' equity	30,092	30,146	31,925	34,032	Valuation				
Minority interest	2,714	2,696	3,016	3,437	EPS (VND/share)	459	535	623	720
Total shareholders' equity	34,166	34,607	37,787	42,542	BVPS (VND/share)	14,589	14,777	16,135	18,166
Total liabilities & equity	70,347	81,281	92,583	108,975	P/E (x)	32.7	28.1	24.1	20.8
					P/B (x)	1.1	1.1	1.0	0.9

Sources: Company report, MBS Research

DISCLAIMER

This report has been written and distributed by MBS Research Center, MBS Securities JSC (MBS). It is based on information obtained from sources believed to be reliable, but MBS does not make any representation or warranty, express or implied, as to its accuracy, completeness, timeliness or correctness for any particular purpose. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained herein does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This report and all of its content belongs to MBS. No part of this report may be copied or reproduced in any form or redistributed in whole or in part, for any purpose without the prior written consent of MBS.

MBS RECOMMENDATION FRAMEWORK

Stock Ratings

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Add	The stock's total return is expected to reach 15% or higher over the next 12 months
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

Sector Ratings

Positive	Stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
Neutral	Stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Negative	Stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

ABOUT MBS

Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges.

Address:

MB Building, 21 Cat Linh, Dong Da Dist., Hanoi

Tel: + 8424 7304 5688 - Fax: +8424 3726 2601

Website: www.mbs.com.vn

MBS RESEARCH DEPARTMENT

Director, Head of Research

Hien Tran Thi Khanh

Deputy Head of Equity Research

Dzung Nguyen Tien

Macro & Market Strategy

Hung Ngo Quoc

Ha Anh Dinh

Cuong Phu Nghiem

Vo Duc Anh

Banking – Financial Services

Luyen Dinh Cong

Huong Pham Thi Thanh

Industrials – Energy

Tung Nguyen Ha Duc

Duy Anh Mai

Real Estate

Duc Nguyen Minh

Thanh Le Hai

Huyen Pham Thi Thanh

Consumer - Retail

Ly Nguyen Quynh