

PetroVietnam Power Corporation (HSX: POW)

Improved gas-fired generation to fuel profit growth

- 2025-26 output to grow positively from the low base of 2024, driven by the recovery of thermal power mobilization and the addition of NT3&4.
- 2025 NP remain flat yoy as costs incurred from NT3&4, before rising 48% yoy in 2026, supported by improved outlook in gas-fired power.
- Reiterate ADD with unchanged TP of 14,900VND/share.

4Q24 Results: Margin contraction and FX losses weigh on profitability

In 4Q24, output grew by 37% yoy, driven by robust recovery among thermal power plants, leading to a 25% yoy revenue increase amid persistently high electricity prices. However, the absence of compensation revenue from Qc and lower market electricity prices compressed the gross margin by 12% points, causing gross profit to decline by 57% yoy. Notably, financial revenue posted a VND264m loss, mainly due to FX losses from newly disbursed USD-denominated loans for Nhon Trach 3&4. Meanwhile, the company recognized a VND414bn compensation from Vung Ang 1 in 4Q24. Consequently, 4Q24 NP declined by 37% yoy, but full-year net profit still grew by 21% yoy from a low base, exceeding MBS's forecast by 114% mainly due to the non-recurring gains.

2025-26 outlook: Rising power demand strengthens mobilization prospects

In 2025, power generation is expected to recover from the low base of 2024, due to: (1) Power consumption growth of 12%, as planned by the MOIT, supporting a strong improvement in plant output; (2) A more favorable mobilization environment as EVN partially eases financial pressure following electricity price hikes. However, forecasted NP to remain flat (+0.7% yoy), due to new cost burdens from NT3&4.

Looking ahead to 2026, as NT3&4 reaches full-year operation and existing plants continue to benefit from double-digit electricity demand growth during 2026-30 under the Amended PDP8, this will be the primary growth driver for POW. Therefore, we expect net profit in 2026 to grow by 44% yoy, driven mainly by the gas-fired power segment.

Reiterate ADD with unchanged TP of 14,900VND/share

We maintain our ADD rating with an unchanged target price of 14,900 VND/share due to: (1) An 8%/4% downward adjustment in 2025/26 EPS compared to our previous report; (2) A shift in the DCF valuation timeframe to 2025. With the current P/B valuation at 0.9x, significantly lower than the industry average (~1.5x), we believe POW is an attractive investment option due to its low valuation, core business turnaround in 2025, and limited downside risk as challenges have already been priced into the stock.

VNDbn	2023	2024	2025F	2026F
Revenue	27,945	30,180	42,588	58,815
Net profit	1,075	1,252	1,261	1,820
Revenue growth	-1.0%	8.0%	41.1%	38.1%
Net profit growth	-47.8%	16.5%	0.7%	44.4%
Gross margin	7.8%	6.5%	7.7%	8.4%
EBITDA margin	15.1%	12.9%	13.4%	11.7%
ROAE (%)	3.6%	4.2%	4.0%	5.4%
ROAA (%)	1.7%	1.7%	1.4%	1.8%
EPS (VND/share)	459	535	538	777
BVPS (VND/share)	14,589	14,777	16,186	18,125

Sources: POW, MBS Research

ADD

Target price

VND 14,900

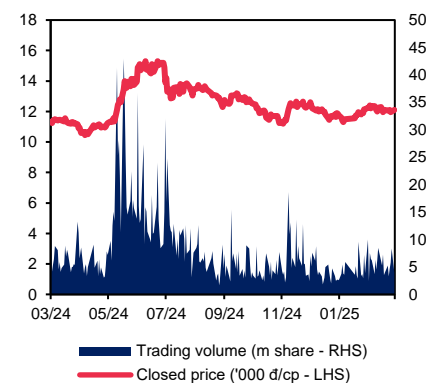
Upside

16%

Key changes in the report

Revised down 2025/26 EPS by 8.0%/4.4% versus previous report

Price performance



Sources: FinPro, MBS Research

Current price (VND)	12,900
52W High (VND)	15,300
52W Low (VND)	10,450
Market Cap (VNDbn)	28,337
P/E (TTM)	22.6
P/B	0.9
Dividend yield (%)	0.0%
Foreign ownership (%)	2.9%

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

Ownership

PVN	79.9%
Others	20.1%

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

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Investment thesis and Recommendations

Investment thesis

- A leading power enterprise, benefiting from the Government's long-term investment strategy, focused on LNG power development until 2035. POW is well-positioned to enhance its market standing, given its investment plans in large-scale LNG power projects, which have been identified as key national projects. These include the Nhon Trach 3&4 LNG plants (1,600MW – Phase 2025-26) and the Quang Ninh LNG plant (1,500MW – Phase 2029-30).
- Under the growth scenario of 11.3%, the National Load Dispatch Center (NSMO) has set a more positive power generation target for POW's plants in 2025. Meanwhile, the Ministry of Industry and Trade anticipates that electricity consumption growth will remain under significant pressure at approximately 11-12%, as the Government reaffirms its strong commitment to driving economic expansion through 2030. We believe this will serve as a continuous growth catalyst, supporting a growth rate of 20% CAGR in net profit over the 2025-26 period.
- The Nhon Trach 3&4 plants are scheduled to commence operations in Q3/25 and 2026, respectively. At present, the EPC contract and key agreements, including PPA and GSA, are progressing on schedule. Besides Nhon Trach 3&4, the Quang Ninh LNG plant (1,500MW) remains one of the few projects that retain their original timeline for completion before 2030 under the Revised PDP8, further solidifying POW's capacity expansion prospects.
- At the current price level, POW is trading at a P/B ratio of 0.89x, significantly lower than the average of power generation companies (~1.5x). We believe this represents an attractive valuation, making POW a reasonable choice for long-term investors, given the anticipated recovery in core business performance and substantial capacity expansion potential between 2025 and 2030.

Reiterate ADD with unchanged TP of 14,900VND/share

We maintain ADD rating on POW with an unchanged TP of VND14,900/share. We see this as an opportune time to reassess POW's prospects following the challenging period of 2023-24. While the Amended PDP8 call out the delay of several projects, LNG-to-power remains a key focus, and POW stands out as a major beneficiary of this trend. The new TP implies a 2025F P/B ratio of ~1.1x, reflecting a more conservative valuation approach compared to the sector average. We believe that POW's previous weak financial performance has already been priced into the stock performance. Given the limited downside risks, now is an opportune time to accumulate POW, with expectations that 2025 mark a turning point for profit growth. Our valuation is based on a blended approach of the P/B ratio and the DCF model, with equal weighting:

- 10-year DCF Methodology (WACC: 9.4%; COE: 12%; Long-term growth rate: 1%), reflecting a conservative view on POW's earnings growth.

- Target P/B of 1.1x, a cautious stance relative to the sector's 1.5x average for 2025-26.

Figure 1: DCF valuation – Summary of FCF

VNDbn	2025	2026	2027	2028 //	2035
EBITDA	5,705	6,904	7,219	6,575	5,168
(-) Depreciation and Amortisation	(3,681)	(3,632)	(3,632)	(3,538)	(1,936)
EBIT	2,024	3,272	3,587	3,037	3,232
(-) Tax	(225)	(412)	(407)	(377)	(646)
Tax rate (%)	11%	13%	11%	12%	20%
EBIAT	1,799	2,860	3,180	2,660	2,586
(+) Depreciation and Amortisation	3,681	3,632	3,632	3,538	1,936
(+) (Increase)/decrease in net working capital	2,766	(1,580)	(763)	(60)	25
(-) Capital Expenditure	(13,489)	(588)	(588)	(620)	(582)
Unleveraged Free cash flow (FCFF)	(5,243)	4,324	5,461	5,518	3,964
Terminal value					46,199

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	53,206
Debt	(28,719)
Cost of debt	5.6%
Tax rate	20.0%
WACC	8.6%
Perpetual growth rate	0.0%

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	14,948	50%	7,474
DCF, 10y		14,849	50%	7,424
Implied share price		14,898		
Rounded share price		14,900		

Sources: MBS Research

Figure 5: Peer comparison

Company	Ticker	Target price	Recom.	Mkt Cap	P/E(x)		P/BV(x)		ROA(%)		ROE (%)		EV/EBITDA (x)	
					TTM	2025F	Current	2025F	TTM	2025F	TTM	2025F	TTM	2025F
	Bloomberg	LC\$		US\$m										
International peer														
Tata Power Co Ltd/The	TPWR IN	NA	NR	13,377.8	52.0	na	7.3	na	4.5	na	15.1	na	29.8	na
Malakoff Corp Bhd	MLK MK	NA	NR	854.5	17.4	12.5	0.7	0.8	1.4	1.7	5.1	5.6	5.2	5.0
Banpu power	BPP TB	NA	NR	647.5	12.4	5.5	0.4	0.4	1.8	3.9	3.5	7.0	18.0	9.1
Ratchaburi Elec	RATCH TB	NA	NR	1,680.5	9.2	7.2	0.6	0.5	2.9	3.7	6.3	7.3	12.3	8.6
Manila Electric	MER PM	NA	NR	9,826.7	12.2	11.8	4.2	3.2	7.8	7.2	34.8	29.1	9.9	8.5
Domestic peer														
GENCO3	PGV VN	NA	NR	880.0	24.4	na	1.5	1.2	-1.6	na	-6.1	5.6	7.5	6.3
Quang Ninh Thermal Power	QTP VN	NA	NR	246.7	10.2	8.7	1.2	1.2	7.9	9.4	10.6	13.7	4.0	3.9
Hai Phong Thermal Power	HND VN	NA	NR	252.6	14.6	10.7	1.0	1.1	5.5	8.7	7.2	10.7	4.6	4.3
Nhon Trach 2 Thermal Power	NT2 VN	23,900	ADD	226.1	79.6	24.9	1.4	1.4	0.8	3.3	1.7	6.4	6.8	5.3
Average					15.1	14.7	1.7	1.6	4.3	5.9	8.8	11.3	10.9	6.4
PVPower	POW VN	14,900	ADD	1,183.2	24.1	22.2	0.9	0.8	1.7	1.3	3.9	3.3	10.2	6.4

Sources: Bloomberg, MBS Research

Re-rating catalysts:

- Stronger-than-expected electricity demand, supporting higher dispatch rates for gas-fired power plants.

- Successful commissioning of Nhon Trach 3&4, delivering higher-than-expected profitability.
- Implementation of a long-term LNG supply mechanism for domestic power plants.

Downside risks:

- EVN's financial difficulties remain a potential risk, exerting 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 potential delays, operational losses, and foreign exchange losses in the early years due to large foreign-currency debt exposure.

4Q24 business recap

Figure 6: FX loss and narrowed margin weigh on bottom line

VNDbn	4Q24	% yoy	% qoq	2024	%yoy	% vs previous forecast	Comment
Total output (million kWh)	4,656	37%	47%	16,072	9%	100%	4Q24 output increased by 37% yoy, supported by improved coal and gas-fired power generation
Gas-fired power	2,588	43%	27%	9,024	0%	101%	4Q24 output rebounded 43% yoy from the low base, particularly at NT2 and Ca Mau 1&2.
Coal-fired power	1,677	40%	177%	5,846	28%	101%	4Q24 coal-fired power output increased by 40% yoy, driven by improving demand and stronger mobilization from EVN.
Hydropower	391	4%	-2%	1,202	-2%	100%	
Average price (VND/kWh)	1,780	-7.7%	-6.8%	1,878	-1.9%		ASP dropped 7.7% yoy in 4Q24, mainly due to no Qc compensation recorded
Gas-fired power	1,917	-8%	-11%	2,001	-6%	100%	4Q24 gas-fired ASP fell 8% yoy, mainly because certain plants such as NT1 and NT2 recorded Qc revenue compensation in Q4/23, which had artificially inflated average selling prices. Currently, the average gas price remains high at approximately US\$9.4/MMBtu.
Coal-fired power	1,772	-6%	-26.5%	1,846	-6%	102%	Coal prices showed a slight downward trend in the later months of 4Q24, leading to a 6% yoy decline in coal-fired electricity prices.
Hydropower	910	-34%	-9%	1,072	-4%	97%	Hydropower selling prices dropped sharply by 34% yoy in 4Q24, mainly due to a lower proportion of mobilization in the electricity market (Qm).
Revenue	8,493	25%	40%	30,180	7%	101%	4Q24 revenue increased by 25% yoy from a low base in 4Q23
Gross profit	540	-57%	82%	1,948	-28%	93%	
GPM (%)	6%	-12 đ%	1.5%pts	6%	-3.1 đ%		Given that CGM prices were lower than thermal power ASP, and EVN assigned Qc contracts on a monthly basis, the reduction in Qc revenue compensation significantly impacted gross margin, which declined sharply by 12%pts yoy.
SG&A	394	-50%	133%	874	-31%	103%	SG&A expenses in 4Q24 decreased by 50% yoy, primarily due to the absence of additional provisions for receivables from EVN.
Financial income	(0)	-100%	-100%	616	36%	108%	4Q24 financial income recorded a loss of VND264m due to foreign exchange losses from revaluing USD-denominated loans for Nhon Trach 3&4.
Financial expenses	310	29%	-9778%	667	-9%	83%	Financial expenses in 4Q24 increased by 29% yoy, driven by additional working capital loans.
Net other income	414	1708%	224%	493	224%	410%	The company recognized the entire Vung Ang 1 compensation of approximately VND414bn in 4Q24, earlier than our initial projection of 1Q25.
PBT	250	-42%	-54%	1,516	5%	116%	
Tax	15	-86%	na	167	-29%	114%	
NPAT	235	-41%	9%	1,346	5%	112%	
Minority interest	49	na	na	94	-62%	107%	
Net profit	186	-37%	-53%	1,252	21%	114%	Overall, 4Q24 Net profit declined by 37% yoy, driving lower 2024 NP growth of 21% yoy, completing 114% MBS mainly due to one-off gain from VA1.

Sources: POW, MBS Research

2025-26 Outlook: Rising power consumption to strengthen plant mobilization prospect

Gas-fired Power: NSMO set higher dispatch rates for POW in 2025

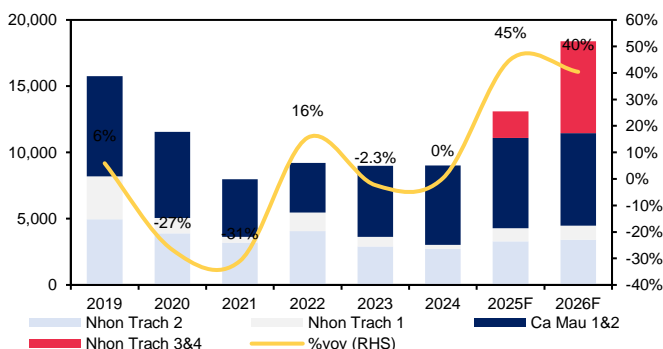
In the first two months of 2025, POW recorded a 52% yoy revenue increase, supported by significantly higher mobilization compared to the low levels in early 2024 for thermal power plants such as Ca Mau 1&2, Nhon Trach 2, and Vung Ang 1. With nationwide electricity consumption growth reaching 12.6% yoy in February, this is an early signal for sustained high growth momentum in the upcoming peak summer months.

Looking ahead to 2025-26, gas-fired power generation is expected to rebound from the low levels of 2023-24, supported by several key factors:

- Electricity demand growth in 2025 is forecasted at 12%, according to the MOIT, increasing pressure on power plant dispatch across the board. The Amended PDP8 has also adjusted medium-term electricity demand forecasts upward. With projected economic growth of ~8% in 2025-30, power demand is now expected to grow at a double-digit CAGR of ~10.5%, compared to the previous 8.9% estimate in PDP8.
- BOT contracts for Phu My 3 (expiring in 2024) and Phu My 2-2 (expiring in Q1/25) will no longer be prioritized for domestic gas allocation and are expected to transition to LNG operations, directly benefiting the Nhon Trach cluster, particularly NT2, as the plant still has a gas purchase agreement with GAS. Additionally, NT3&4 coming online in 2025-26 will contribute significantly to total output.
- EVN's improving financial position is a crucial factor supporting higher dispatch rates for power plants, in our view. The continued electricity price hikes in 2024 will provide more room for dispatching higher-cost power sources.

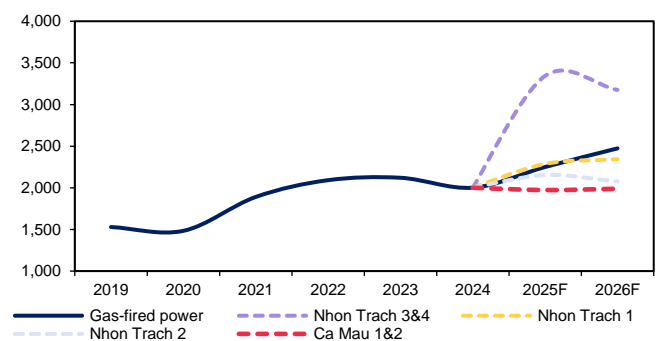
As a result, gas-fired power output for 2025-26 is projected to reach 13.1 billion kWh (+45% yoy) and 18.3 billion kWh (+40% yoy). The average electricity selling price is expected to reach VND2,250/kWh (+12% yoy) in 2025 and VND2,473/kWh (+10% yoy) in 2026, reflecting the impact of higher-cost imported LNG for new plants. This will drive revenue growth to VND29,466 billion (+63% yoy) in 2025 and VND45,479 billion (+53% yoy) in 2026.

Figure 7: Gas-fired power output is expected to improve significantly from the low base of 2024, further supported by additional contributions from NT3&4 (Unit: billion kWh).



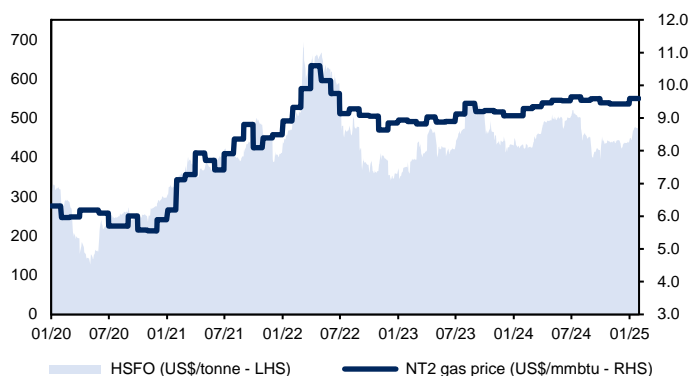
Sources: POW, MBS Research

Figure 8: Domestic gas prices remain high, while the average selling price of power plants is set to increase as NT3&4 operate on higher-priced LNG (Unit: VND/kWh).



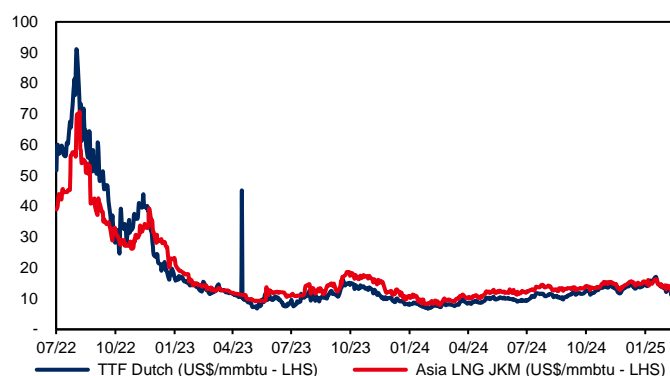
Sources: POW, MBS Research

Figure 9: Domestic gas prices are projected to stay elevated as low-cost gas fields are depleting, and new fields have higher extraction costs.



Sources: Bloomberg, NT2, MBS Research

Figure 10: Gas prices in 2025 are expected to rebound compared to imported gas batches from late 2024, exerting pressure on electricity selling prices.



Sources: Bloomberg, MBS Research

Nhon Trach 3&4: Completion of key contract negotiations

Construction Progress: As of the end of February 2025, the overall EPC package progress has reached 96%. Nhon Trach 3 is expected to commence commercial operation (COD) in Q3/2025, while Nhon Trach 4 is scheduled for COD by the end 2026 per our conservative view.

PPA Negotiations: Following the successful PPA signing in October 2024, PV Power and GAS have recently finalized the GSA for the commercial operation phase of the plants. Subsequently, GAS announced the signing of MOUs with ConocoPhillips and ExceleRate (US) regarding long-term LNG purchase agreements. We view these developments as positive signals for the gas-fired power generation sector in the coming period. Although no official details on specific contractual terms regarding plant output have been disclosed, we expect the average contracted capacity (Qc) to remain at 65% over the next 10 years, as per the Ministry of Industry and Trade’s proposal.

Figure 11: Business performance forecast for Nhon Trach 3&4 (2025-2030).

	2025	2026	2027	2028	2029	2030
Output (m kWh)	1,991.7	6,942.4	7,397.6	7,397.6	7,966.7	7,966.7
%utilisation	18%	61%	65%	65%	70%	70%
ASP (VND/kWh)	3,344.2	3,174.9	3,013.8	3,015.2	3,016.8	2,979.5
LNG price (US\$/mmbtu)	16.6	15.6	14.6	14.6	14.6	14.6
Revenue	6,660.6	22,041.5	22,294.8	22,305.7	24,033.6	23,736.6
%yoy						
COGS	6,294.9	20,322.3	20,270.4	20,272.2	21,589.5	21,597.6
Gross profit	365.7	1,719.2	2,024.4	2,033.4	2,444.0	2,139.0
%GPM	5%	8%	9%	9%	10%	9%
SG&A	133.2	440.8	445.9	446.1	480.7	474.7
EBITDA	611.2	2,578.1	2,878.2	2,887.0	3,263.1	2,964.0
%EBITDA margin	9%	12%	13%	13%	14%	12%
Interest expenses	624.4	1,373.7	1,248.8	1,123.9	999.0	874.2
Tax	-	-	-	-	48.2	39.5
%tax rate	0%	0%	0%	0%	10%	10%
NPAT	(391.9)	(95.3)	329.7	463.4	916.1	750.6
%NPAT margin	-6%	-0.4%	1%	2%	4%	3%

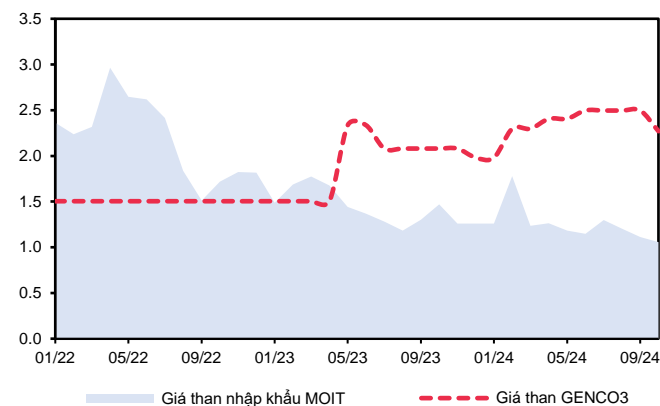
Sources: POW, MBS Research

We assume LNG price for Nhon Trach 3&4 in 2025 will be approximately \$16.6/MMBtu and estimate the electricity selling price at ~3,344 VND/kWh, based on EPTC’s proposed framework. At this price level, dispatch pressure will remain a concern for EVN, given that the current average retail electricity price stands at 2,103 VND/kWh. Nhon Trach 3&4 are expected to record net losses in

the first two years of operation, primarily due to depreciation and financial cost pressures, according to MBS's conservative assessment. In terms of cash flow, debt repayment pressure is not expected to be excessive, as EBITDA remains sufficient to cover interest payments, while POW continues to maintain a robust cash flow from its existing power plants. From 2027 onwards, we forecast a positive growth trajectory, with both plants contributing an estimated 7.0 billion kWh annually. We also recognize foreign exchange risks arising from the ~US\$721m loan for Nhon Trach 3&4. Specifically, for every 1% increase in the exchange rate, POW could face a foreign exchange loss of approximately VND150-160bn in the early years of operation.

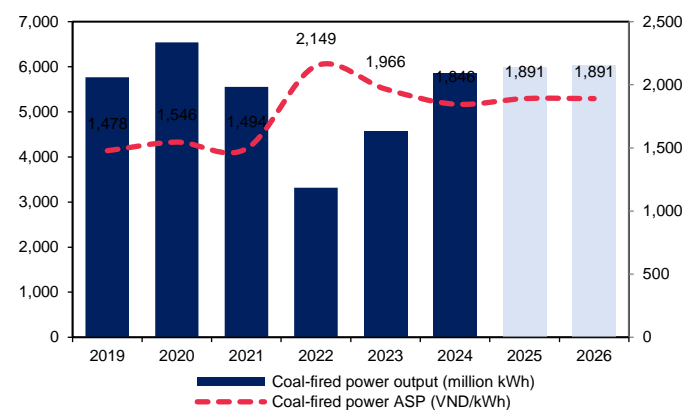
Coal-fired power: Dispatch outlook remains stable for 2025-26.

Figure 12: Coal prices for power plants are expected to rise by 13.5% in 2025, in line with TKV's coal supply plan...



Sources: GENCO3, MBS Research

Figure 13: ... As a result, the average electricity selling price is expected to remain high, putting pressure on mobilization capacity in the electricity market.



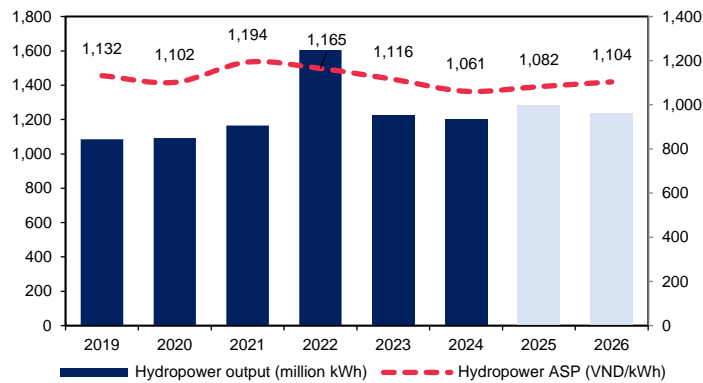
Sources: POW, MBS Research

Looking ahead to 2025-26, we expect Vung Ang 1 to maintain an optimal dispatch rate, supported by strong electricity demand growth, particularly in the northern region, which continues to record the highest load growth rate in the country (>10%), while the expansion of new capacity in this area remains relatively slow. We project Vung Ang 1's output to reach 5.9 billion kWh (+2.5% YoY) and 6.0 billion kWh (+0.9% YoY), respectively. In terms of pricing, coal-fired electricity prices are expected to remain high, reaching 1,890 VND/kWh and 1,891 VND/kWh in 2025-26. Power plants are currently utilizing blended coal, and the fuel supply cost is expected to increase by an additional 13.5% YoY. As a result, we believe that the dispatch margin in the electricity market will be limited, given that the full market price (FMP) is projected to remain flat YoY.

Hydropower: Weather phase to stay neutral in the first half 2025

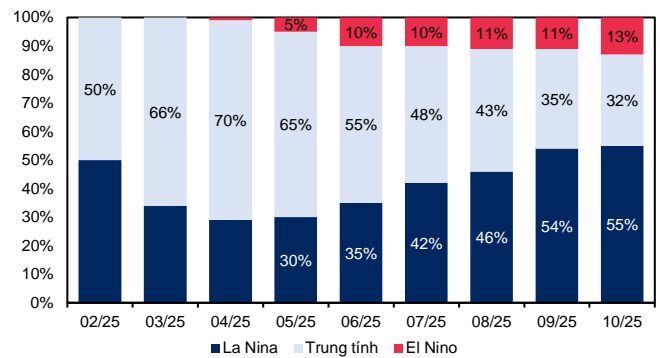
While there are more positive signs of La Niña's return in the latter half of 2025, we find these signals relatively uncertain. Consequently, we expect hydropower output in 2025-26 to remain in line with the three-year average, reaching 1.28 billion kWh (+6.9% yoy) and 1.23 billion kWh (-3.6% yoy), respectively, under a conservative approach. Hydropower pricing is unlikely to see significant improvements in 2025, as NSMO maintains the Qm ratio at 2%, limiting the potential for hydropower plants to capitalize on high-priced sources. We forecast a stable 2% annual price growth, supporting 2025-26 revenue to reach VND1,407bn (+9% yoy) and VND1,375bn (-3% yoy), respectively.

Figure 14: We expect stable growth in electricity output during 2025-26, based on the three-year average forecast.



Sources: POW, MBS Research

Figure 15: The La Niña phase is expected to return according to the latest updates from IRI.



Sources: IRI, MBS Research

2025-26 Forecast revision

In 2025, POW has set a revenue target of VND38,185bn, representing a 27% yoy increase, while NPAT is projected to decline to VND439bn (-67% yoy). We believe this cautious outlook may be based on two key concerns: the expected operational losses of Nhon Trach 3&4 in their initial years and potential foreign exchange (FX) losses. However, according to MBS's assessment, with NSMO's active volume allocation plan across most of POW's power plants—building on a low base from 2024—along with a more stable FX rate outlook in 2025, we anticipate actual net profit will surpass the company's initial target. Historically, POW has consistently exceeded its annual business plan projections during the 2019-24 period.

Figure 16: POW 2025-26 business results summary

VNDbn	2024	% yoy	2025F	% yoy	Δ%	2026F	% yoy	Δ%	Comment
Total output (m kWh)	16,072	8.6%	20,372	26.8%	-10.2%	25,670	26.0%	2.4%	2025 output reduced by -10.2%, mainly due to lower gas-fired power output in line with NSMO's Qc allocation plan and postponement of Nhon Trach 4 from Q4/25 to 2026.
Gas-fired power	9,024	0.3%	13,095	45.1%	-13.8%	18,387	40.4%	7.0%	
Hydropower	1,202	-2.1%	1,285	6.9%	-8.2%	1,238	-3.6%	-7.0%	
Coal-fired power	5,846	27.8%	5,992	2.5%	0.0%	6,044	0.9%	-0.9%	
Selling price (VND/kWh)									
Gas-fired power	2,001	-5.6%	2,250	12.4%	0.1%	2,473	9.9%	8.7%	Adjustment to gas-fired ASP for 2025/26: increased by 0.1% and 9%, reflecting higher gas prices from an assumption of 13.5 US\$/MMBtu to ~16.6 US\$/MMBtu based on EPTC's current update.
Hydropower	1,061	-4.9%	1,082	2.0%	-4.3%	1,104	2.0%	-4.3%	
Coal-fired power	1,846	-6.1%	1,891	2.4%	3.0%	1,891	0.0%	1.8%	Adjustment to coal-fired electricity selling price, reflecting an expected 13% increase in coal supply prices in 2025.
Total revenue (VNDbn)	30,039	7.8%	42,203	40.5%	-9.7%	58,283	38.1%	12.1%	2025/26 gross profit adjusted down by 26% and 6.6%, respectively, reflecting a more conservative GPM under high thermal power selling prices while market price unchanged.
Gas-fired power	18,058	-5.4%	29,467	63.2%	-13.7%	45,480	54.3%	16.3%	
Hydropower	1,288	-5.7%	1,407	9.3%	-11.1%	1,375	-2.3%	-10.5%	
Coal-fired power	10,794	20.0%	11,329	5.0%	3.0%	11,428	0.9%	0.9%	
Gross profit	1,948	-10.8%	3,268	67.8%	-26.6%	4,959	51.8%	-6.5%	Điều chỉnh giảm LN gộp 2025/26 lần lượt 26%/6.6%, phản ánh mức biên LN thận trọng hơn trong bối cảnh giá bán nhiệt điện neo cao và giá thị trường điện dự kiến đi ngang sv 2024.
%GPM	6.5%	-1%pts	7.7%	1%pts	-2%pts	8.4%	1%pts	-2%pts	
SG&A	874	12.2%	1,244	42.2%	-1.0%	1,687	35.7%	3.8%	
EBIT	1,073	-23.5%	2,024	88.6%	-36.6%	3,272	61.7%	-17.7%	
Financial income	616	12.2%	641	4.0%	9.3%	701	9.3%	-2.2%	
Financial expenses	667	-2.0%	1,053	58.0%	-42.1%	1,570	49.1%	-22.4%	Reduced financial expenses due to a 10% estimated reduction in loans for Nhon Trach 3&4, along with an assumption of a lower average interest rate from 8% to 6.8%.
Net other income	493	235.0%	28	-94.4%	-13.0%	38	37.1%	6.1%	
Minority interest	205	-63.0%	321	118.2%	-5.5%	381	56.5%	-5.3%	
Net profit	1,252	16.5%	1,261	0.7%	-8.0%	1,820	44.4%	-4.4%	Overall, 2025/26 NP adjusted down by 8% and 4%, respectively.
EPS (VND/share)	535	16.5%	538	0.7%	-8.0%	777	44.4%	-4.4%	

Sources: POW, MBS Research

Financial statements

Income statement					Cash flow statement				
	2023	2024	2025F	2026F		2023	2024	2025F	2026F
Net revenue	27,945	30,180	42,588	58,815	Pre-tax profit	1,459	1,517	1,640	2,441
Cost of sales	(25,761)	(28,232)	(39,321)	(53,856)	Depreciation & amortization	2,809	2,818	3,681	3,632
Gross profit	2,183	1,948	3,268	4,959	Tax paid	(219)	(261)	(174)	(300)
Gen & admin expenses	(779)	(874)	(1,244)	(1,687)	Other adjustments	-	-	-	-
Selling expenses	-	-	-	-	Change in working capital	(1,103)	876	(2,766)	1,580
Operating profit	1,404	1,073	2,024	3,272	Cash flow from operations	3,257	4,398	2,466	5,859
Operating EBITDA	4,213	3,891	5,705	6,904	Capex	(6,179)	(9,819)	(13,489)	(588)
EBIT	1,404	1,073	2,024	3,272	Proceeds from assets sales	125	3	-	-
Interest income	550	616	641	701	Cash flow from investing activities	(6,258)	(10,867)	(15,173)	(3,355)
Financial expense	(680)	(667)	(1,053)	(1,570)	New share issuance	82	21	-	-
Net other income	147	493	28	38	Net borrowings	3,604	9,865	6,059	(2,787)
Income from associates	38	1	1	1	Other financing cash flow	-	-	1,834	2,398
Pre-tax profit	1,459	1,517	1,640	2,441	Dividends paid	(365)	(137)	-	-
Tax expense	(129)	(171)	(174)	(300)	Cash flow from financing activities	3,321	9,749	7,893	(389)
NPAT	1,329	1,346	1,466	2,141	Cash and equivalents at beginning of period	8,252	8,440	11,720	6,906
Minority interest	(254)	(94)	(205)	(321)	Total cash generated	319	3,281	(4,814)	2,115
Net profit	1,075	1,252	1,261	1,820	Cash and equivalents at the end of period	8,592	11,720	6,906	9,021
Ordinary dividends	(365)	(137)	-	-					
Retained earnings	710	1,115	1,261	1,820					
Balance sheet					Key ratios				
	2023	2024	2025F	2026F		2023	2024	2025F	2026F
Cash and equivalents	8,592	11,720	6,906	9,021	Net revenue growth	-1.0%	8.0%	41.1%	38.1%
Short term investments	2,239	3,956	6,281	9,749	EBITDA growth	-25.7%	-7.6%	46.6%	21.0%
Accounts receivables	14,642	11,941	16,143	23,976	EBIT growth	-50.9%	-23.5%	88.6%	61.7%
Inventories	2,168	1,795	3,052	4,135	Pre-tax profit growth	-48.1%	4.0%	8.1%	48.8%
Other current assets	1,513	760	1,336	2,147	Net profit growth	-47.8%	16.5%	0.7%	44.4%
Total current assets	29,152	30,171	33,717	49,028	EPS growth	-47.8%	16.5%	0.7%	44.4%
Tangible fixed assets	26,362	24,270	52,472	50,306					
Intangible fixed assets	39	51	51	51	Gross profit margin	7.8%	6.5%	7.7%	8.4%
Construction in progress	8,983	19,743	1,349	471	EBITDA margin	15.1%	12.9%	13.4%	11.7%
Investments in subsidiaries	-	-	-	1	Net profit margin	3.8%	4.1%	3.0%	3.1%
Investments in associates	958	766	767	767	ROAE	3.6%	4.2%	4.0%	5.4%
Other long-term investments	-	-	-	-	ROAA	1.7%	1.7%	1.4%	1.8%
Other long-term assets	4,852	6,280	5,962	8,234	ROIC	2.3%	2.2%	1.9%	0.0%
Total non-current assets	41,195	51,110	60,603	59,831					
Total assets	70,347	81,281	94,320	108,858	Asset turnover ratio	43.9%	39.8%	48.5%	57.9%
					Dividend payout ratio	33.9%	10.9%	0.0%	0.0%
Short-term borrowings	5,500	13,508	6,430	5,479	D/E	37.1%	65.5%	75.8%	61.1%
Trade accounts payable	15,950	17,159	17,514	26,640	Net debt to total equity	12.0%	31.6%	57.5%	39.8%
Other payables	4,811	4,467	7,381	9,563	Net debt to asset	5.8%	13.5%	23.1%	15.5%
Total current liabilities	26,261	35,134	31,325	41,682	Interest coverage ratio	2.8	2.8	1.9	2.1
Long-term borrowings	7,179	9,151	22,289	20,453					
Other long-term payables	2,741	2,389	2,799	4,278	Days account receivable	177	161	138	149
Total long-term liabilities	9,920	11,540	25,088	24,730	Days inventory	30	26	28	28
Total liabilities	36,181	46,675	56,413	66,412	Days account payable	165	214	163	181
Common shares	23,419	23,419	23,419	23,419	Current ratio	1.1	0.9	1.1	1.2
Share premium	-	-	-	-	Quick ratio	1.0	0.8	1.0	1.1
Treasury shares	-	-	-	-	Cash ratio	0.4	0.4	0.4	0.5
Undistributed earnings	3,959	4,032	5,293	7,113					
Investment and development funds	4,073	4,460	6,294	8,692					
Foreign exchange differences	-	-	1	2	Valuation				
Shareholders' equity	30,092	30,146	31,612	33,754	EPS (VND/share)	459	535	538	777
Minority interest	2,714	2,696	2,901	3,222	BVPS (VND/share)	14,589	14,777	16,186	18,125
Total shareholders' equity	34,166	34,607	37,906	42,446	P/E (x)	26.1	22.4	22.3	15.4
Total liabilities & equity	70,347	81,281	94,320	108,858	P/B (x)	0.9	0.9	0.8	0.7

Sources: Company report, MBS Research

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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.

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