

PetroVietnam Power Nhon Trach 2 JSC (HSX: NT2)

Solid recovery outlook from low base

- 2024 NP decline of 82% yoy to VND85bn, primarily driven by reduced output amidst severe gas supply shortage.
- Looking to 2025-26, improved gas allocation and growing electricity demand to support a robust NP recovery of 289% yoy and 63% yoy.
- Recommend **ADD** with a target price of 23,900đ/cp.

11M24 Business results: Subdued production amid gas shortages

In 11M24, power output dropped 14%, reaching 2.346bn kWh - a notably low level due to reduced gas supply, which led to modest Qc allocations, particularly in 1Q24. Regarding selling prices, gas prices remained elevated at approximately US\$9.4/mmbtu (+4.4% yoy) due to the depletion of lower-cost gas sources and the higher extraction costs of new gas fields. Amid high selling prices, low market prices, and suboptimal production, NT2's GPM continued its downward trend from 2021-22, recording a gross loss of VND36bn in 9M24. For 4Q24, we anticipate output to improve owing to better Qc allocations, particularly in December, leading to a 105% yoy recovery in output. However, annual output is still expected to decline by 6% yoy in 2024. Consequently, NP is projected to remain at a low level of VND85bn (-82% yoy) per our estimation.

2025-26 Outlook: Multiple growth drivers from a low base

For 2025, NT2 is likely to benefit from prioritized gas supply due to its existing off-take agreement with GAS and the expiration of BOT contracts for competing plants like Phu My 2.2, Phu My 3 (1,400 MW), reducing their gas supply prioritization. We also anticipate a less challenging operating environment for power plants, as EVN addresses financial difficulties through electricity price rise, coupled with projected power demand growth of 11-13% yoy per the Ministry of Industry and Trade's plan. Accordingly, we estimate NP growth of 289% yoy in 2025 and 63% yoy in 2026, assuming production increases of 25% yoy and 10% yoy in these respective years.

Recommend ADD with a target price of 23,900đ/cp.

We assign an **ADD** rating with a target price of VND23,900/share (implying 19% upside potential including dividend yield) based on a blended DCF and EV/EBITDA valuation. NT2 is a defensive stock with low financial risk and solid earnings recovery prospects starting from 2025. It aligns well with a defensive sector investment strategy, supported by an attractive dividend yield. Upside catalysts include: 1) Exchange rate losses reimbursed by EVN; 2) Clear policy to supply LNG to domestic gas-fired power plants starting in 2025. Downside risk includes: 1) More severe-than-expected gas shortage; 2) Lower-than-expected power demand growth.

VNDbn	2023	2024F	2025F	2026F
Revenue	6,386	6,089	7,557	8,212
Net profit	473	85	333	543
Revenue growth	-27.3%	-4.7%	24.1%	8.7%
Net profit growth	-46.4%	-81.9%	289.1%	63.1%
Gross margin	8.0%	0.8%	5.7%	8.4%
EBITDA margin	17.7%	11.1%	11.5%	9.0%
ROAE (%)	10.9%	2.1%	8.2%	12.5%
ROAA (%)	6.0%	1.0%	3.5%	5.7%
EPS (VND/share)	1,643	297	1,156	1,885
BVPS (VND/share)	15,062	14,402	14,085	15,021

Sources: NT2, MBS Research

ADD

Target price

VND23,900

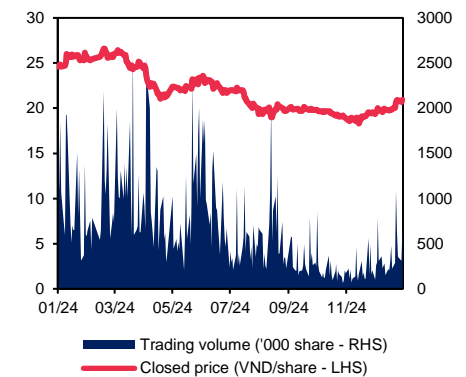
Upside

19%

Thay đổi trọng yếu trong báo cáo

na

Thông tin cổ phiếu



Sources: FiinProX, MBS Research

Current price (VND)	20,850
52W High (VND)	25,880
52W Low (VND)	18,300
Market Cap (VNDbn)	6,017
P/E (TTM)	24.2
P/B	1.5
Dividend yield (%)	4.8%
Foreign ownership (%)	0.0%

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

Ownership

PVPower	59.4%
Others	40.6%

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

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Investment thesis and Recommendation

Investment thesis

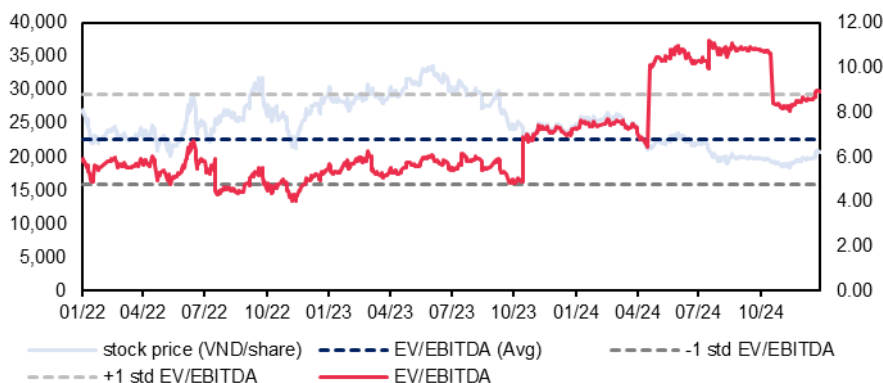
- Nhon Trach 2 power plant: A 750MW power plant utilizing F-class turbine technology in a 2-2-1 configuration, achieving an efficiency of approximately 56-58%, the highest among operational gas-fired plants. NT2 completed its long-term debt obligations in 2021, providing capacity to sustain a cash dividend payout ratio of 10-15% in coming years.
- Output is expected to recover from the low base of 2023-24, supported by national demand growth of 11-13% in 2025 and 9.1% CAGR during 2026-30, as projected in PDP8. This is particularly critical as power supply growth lags behind demand growth. Additionally, the improved transmission capacity from South to North following the operation of the 500kV Circuit 3 will mitigate oversupply issues in the southern region.
- From 2025, NT2 is anticipated to receive priority gas allocation due to its existing gas off-take agreement with GAS, whereas competitors such as Phu My 2.2 and Phu My 3 will lose priority upon the expiration of their BOT contracts in 2024-25. Furthermore, an improved dispatch environment is expected as EVN's financial position strengthens with successive electricity price hikes.
- Earnings inflection point: NT2 is forecast to achieve a turning point in profitability from 2025, with net profit CAGR of 35% over 2024-26, driven by a high likelihood of business recovery. The stock is well-suited for a defensive sector investment strategy, offering an attractive average dividend yield of 7% at the current price.

Recommend ADD with a target price of 23,900đ/cp

We recommend ADD with a target price of VND23,900/share, representing an 19% upside potential include dividend yield. Valuation is based on two methods:

- 5-year DCF (WACC of 10.6%, COE of 11%, and long-term growth of 0%), reflecting a conservative stance on NT2's long-term potential.
- Target EV/EBITDA 2025-26 at 4.5x, lower than the industry average of 8.0x and NT2's historical average during 2022-23, given comparable production capacity but lower profit margins.

Figure 1: NT2's EV/EBITDA over 2022-24



Sources: FiinProX MBS Research

Figure 2: DCF Valuation – Sum of FCFF

	2025F	2026F	2027F	2028F	2029F
EBITDA	872	738	712	596	524
(-) Depreciation and Amortisation	(541)	(151)	(151)	(151)	(151)
EBIT	331	587	562	445	373
(-) Tax	(50)	(100)	(84)	(67)	(56)
Tax rate (%)	15%	17%	15%	15%	15%
EBIAT	281	487	477	379	317
(+) Depreciation and Amortisation	541	151	151	151	151
(+) (Increase)/decrease in NWC	(266)	(647)	98	(19)	36
(-) Capital Expenditure	(2)	(2)	(2)	(2)	(2)
Unleveraged Free cash flow (FCFF)	554	(11)	724	508	502
Terminal value					4,140

Sources: MBS Research

Figure 3: DCF Valuation – WACC's assumption

Assumption	
Risk-free rate, bloomberg, 10Y	3%
Beta, bloomberg	0.9
Equity risk premium (ERP)	9%
Cost of Equity - ke	11%
Cost of debt - kd (after tax)	6.4%
Target debt to capital ratio	10%
WACC	10.6%

Sources: MBS Research

Figure 4: DCF Valuation – Equity value

DCF Valuation	VNDbn
Enterprise value	5,037
(-) Debt	(1,400)
(+) Cash	2,837
Equity value including Minority interest	6,475
(-) Minority interest	-
(-) Preferred share	-
Implied equity value	6,475
Outstanding share (mn shares)	288
Equity value per share (VND/share)	22,492

Sources: MBS Research

Figure 5: Valuation - EV/EBITDA

EV/EBITDA Valuation	VNDbn
EV/EBITDA, 1-yr (x)	5x
Enterprise value	5,839
(-) Debt	(1,400)
(+) Cash	2,837
Equity value including MI	7,277
(-) MI	-
(-) Preferred share	-
Implied equity value	7,277
Outstanding share (m)	288
Equity value per share (VND/share)	25,277

Sources: MBS Research

Figure 6: Blended valuation

Blended valuation	Price (VND)	Weight	Target price (VND)
Methodology			
DCF	22,492	50%	11,246
EV/EBITDA, 1-yr forward	25,277	50%	12,639
Average price			23,884
Discount			
SUM(VND)			23,884
Round			23,900

Sources: MBS Research

Figure 7: Peer comparison

Company	Ticker	Target price	Recom.	Mkt Cap	P/E(x)		P/BV(x)		ROA(%)		ROE (%)		EV/EBITDA (x)	
					2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
International peer														
Tata Power Co Ltd/The	TPWR IN	NA	NR	16,683.9	37.4	31.2	4.4	3.9	3.5	6.0	11.7	12.8	16.7	14.6
Banpu power	BPP TB	NA	NR	1,061.8	10.2	9.1	0.7	0.7	4.1	4.4	7.4	7.7	10.9	10.1
Ratchaburi Elec	RATCH TB	NA	NR	1,613.2	8.6	7.3	0.6	0.5	3.6	4.2	6.8	7.9	12.3	10.6
Manila Electric	MER PM	NA	NR	6,904.4	11.2	10.9	2.7	2.5	6.5	6.1	26.0	23.7	7.5	7.2
Domestic peer														
Hai Phong Thermal Power	HND VN	NA	NR	262.1	15.1	10.9	1.1	1.1	5.5	8.7	7.1	10.7	4.7	4.4
Quang Ninh Thermal Power	QTP VN	16,100	ADD	260.7	9.1	7.9	1.2	1.1	7.9	12.5	10.6	14.9	4.3	4.2
Pha Lai Thermal Power	PPC VN	NA	NR	145.3	10.8	5.8	0.8	na	6.1	12.3	6.9	7.7	41.2	15.2
PVPower	POW VN	14,900	ADD	1,167.7	12.7	20.3	0.9	0.8	1.8	1.4	4.3	3.9	8.6	8.4
GENCO3	PGV VN	NA	NR	852.4	9.2	1.5	1.2	1.0	na	-1.1	-4.1	13.3	7.8	5.9
Average					11.4	9.3	1.0	1.0	5.3	6.8	5.0	10.1	13.3	7.6
Nhon Trach 2 Thermal	NT2 VN	23,900	ADD	221.8	48.8	12.0	1.4	1.3	1.7	7.0	2.9	11.7	6.6	4.7

Sources: Bloomberg, MBS Research

Upside catalysts:

- A clearer mechanism for LNG supply to domestic plants.
- Better-than-expected prospects for mobilizing the gas-power group

Downside risks:

- Gas shortage continues to be a factor affecting output mobilization.
- Gas prices increase more than expected, hindering competitiveness in the electricity market.

Power output showing recovery from 1Q24 low base

Figure 8: 3Q24 & 9M24 NT2's business results

Unit: VNDbn	3Q24	3Q23	%yoy	%qoq	9M24	9M23	%yoy	Comment
Output (m kWh)	743	365	103.6%	-27.6%	1,922	2,494	-22.9%	3Q24 output surged 103% yoy, driven by NT2's major overhaul in in Sep 23. In Oct-Nov 24, output continued to grow by 91% yoy from a low base.
ASP (VND/kWh)	2,303	2,236	3.0%	8.1%	2,164	2,078	4.2%	Electricity prices remained elevated, following gas prices.
Avg gas price (US\$/mmbtu)	9.6	9.3	3.6%	0.9%	9.5	9.0	4.9%	
Revenue	1,712	816	109.7%	-21.7%	4,160	5,182	-19.7%	Revenue in 3Q24 rose 109% yoy, supported by the strong growth in output.
COGS	1,652	949	74.2%	56.4%	4,196	4,900	-14.4%	
Gross profit	60	(132)	na	-54.1%	(36)	282	na	3Q24 gross profit reached VND69bn, recovering from a gross loss of VND132bn in 3Q23. However, GPM remained low at 3.5%, due to suboptimal capacity utilization.
GPM (%)	3.5%	-16.2%	19.7d%	-2.4d%	-0.9%	5.4%	-6.3d%	
SG&A	25.20	16.40	53.7%	37.0%	58.30	54.20	7.6%	
EBIT	34	(149)	na	-69.1%	(94)	228	na	
Financial income	27	35	-24.1%	39.1%	65	75	-12.6%	
Financial expenses	12	11	11.4%	36.0%	28	23	25.8%	Financial expenses increased in 3Q24 and 9M24, mainly due to additional working capital short-term loans.
Net other income	1	0	586.0%	80.8%	72	(0)	na	Other income surged to VND72bn, driven by the recognition of a VND70bn increase in the value of spare material inventory.
Pretax profit	50	(124)	na	-58.8%	14	280	-94.9%	
Net profit	44	(124)	na	-63.7%	8	256	-96.8%	3Q24 NP reached VND40bn, recovering from a 3Q23 net loss, contributing to a 9M24 NP of VND8bn. However, this still represents a 97% yoy decline, mainly due to weak performance in Q1/24.
EPS (VND/share)	154	(450)	na	-63.7%	29	815	-96.4%	

Sources: NT2, MBS Research

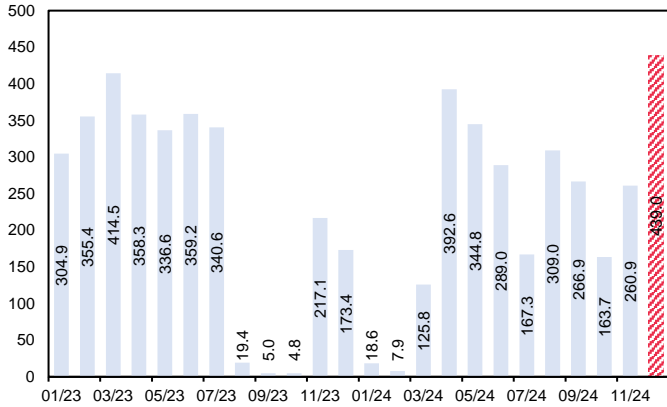
In 11M24, NT2's power generation output declined by 14% yoy to 2,346m kWh, extending the downward trend from an already challenging 2023. The primary cause was the dwindling gas supply from the Southeastern gas fields, which impacted not only NT2 but also other gas-fired plants in the region. Consequently, NT2 experienced a low Qc allocation in 1Q24. Conditions improved moderately from 2Q24, supported by a robust recovery in Vietnam's electricity demand, which grew by approximately 11% yoy during 2Q-3Q. Looking ahead to 4Q24, NT2's output is expected to maintain its recovery trend from a low baseline, although it will remain below the plant's potential capacity.

The average gas price stood at 9.4US\$/mmbtu (+4.4% yoy), driven by high HSFO prices and rising extraction costs for domestic gas fields. Low-cost gas reserves are depleting, and the share of supply from high-cost gas fields continues to grow, contributing to sustained price pressures.

NT2's gross profit margin experienced a notable decline due to a combination of elevated gas prices, low electricity market prices, and suboptimal dispatch

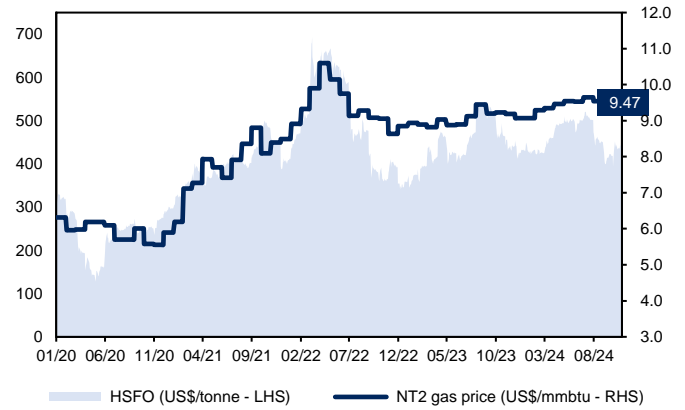
levels. Additionally, the implementation of a monthly Qc allocation method in 2024 further constrained NT2's ability to secure compensation for undelivered Qc, a mechanism that had previously cushioned profitability.

Figure 9: Electricity output in 11M24 remains Low but gradually recovers since 2Q24 (Unit: Million kWh)



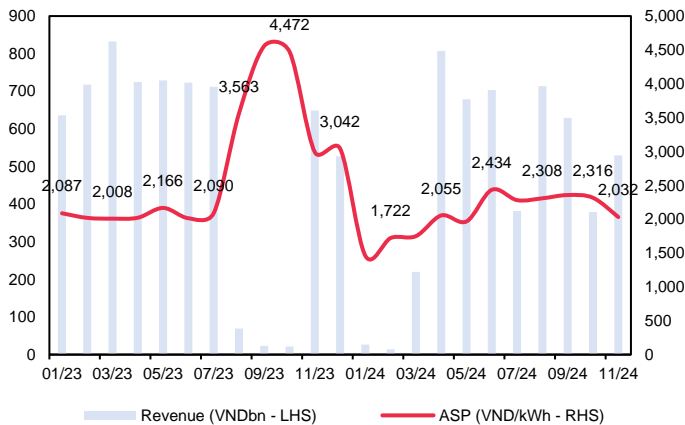
Sources: NT2, MBS Research

Figure 10: Gas prices continue to stay high, tracking the HSFO price baseline, along with an increasing proportion of supply from higher-priced gas fields



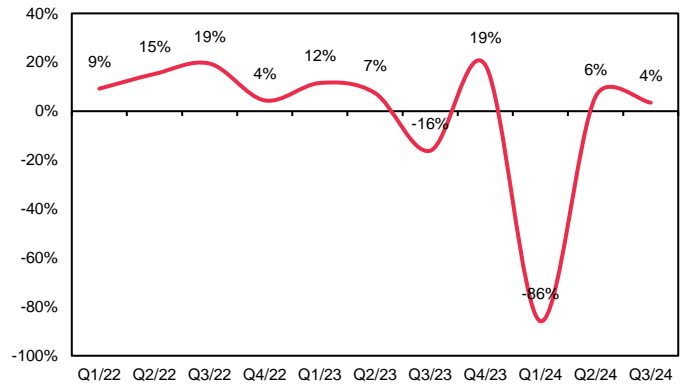
Sources: NT2, Bloomberg, MBS Research

Figure 11: Consequently, electricity selling prices also remain high, supporting increased revenue for the power plant compared to the same period last year



Sources: NT2, MBS Research

Figure 12: GPM remain subdued, primarily due to suboptimal electricity mobilization coupled with high selling prices, making it challenging to mobilize effectively in the electricity market



Sources: NT2, MBS Research

Outlook 2025-26: Significant Recovery Potential from a Low Base

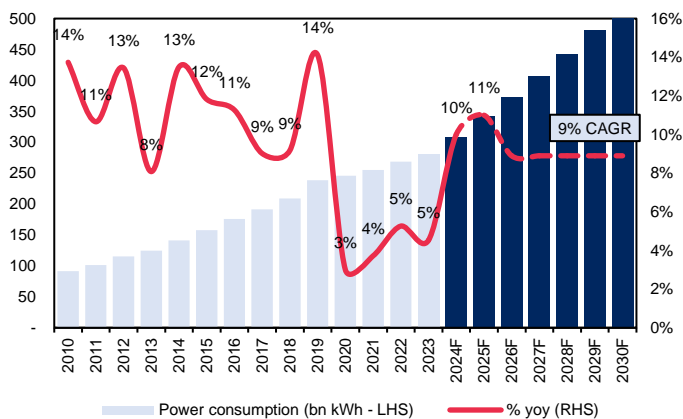
In Q4/24, we expect production to recover strongly, reaching 811 million kWh (+105% YoY), supported by high NSMO dispatch allocation in December 2024 and a low production base in October 2023 due to major maintenance. However, for the full year 2024, we project production to continue declining by 6% YoY to 2.7 billion kWh, primarily due to weak business results in Q1/24. Contract electricity prices are expected to remain high at 2,228 VND/kWh, with an average gas price of 9.4 USD/mmbtu.

Looking into 2025-26, we see brighter mobilization outlook for NT2, thanks to several supporting factors including:

- Electricity consumption is projected to grow at an average rate of 11-13% in 2025, maintaining a compound annual growth rate (CAGR) of 9.1% during 2026-30 under the high-growth scenario of Power Development Plan VIII. This supports plant dispatch prospects amidst limited supply growth.
- Phu My 3 (700 MW) will conclude its BOT contract in 2024, and Phu My 2-2 (700 MW) in Q1/2025, losing priority in gas allocation and dispatch. This directly enhances Nhon Trach 2's competitiveness, as the plant maintains its gas supply contract until 2036. In 2025, NT2 is planned to receive a Qc allocation of approximately 3.5 billion kWh, a 269% increase compared to the 1.3 billion kWh allocated in 2024. Meanwhile, the two Phu My plants are expected to operate primarily on LNG without domestic gas allocation.
- The improvement in EVN's financial position is a key factor supporting plant dispatch, in our view. The electricity price hike in Q4/24 establishes a solid foundation for greater dispatch flexibility for high-cost power sources.

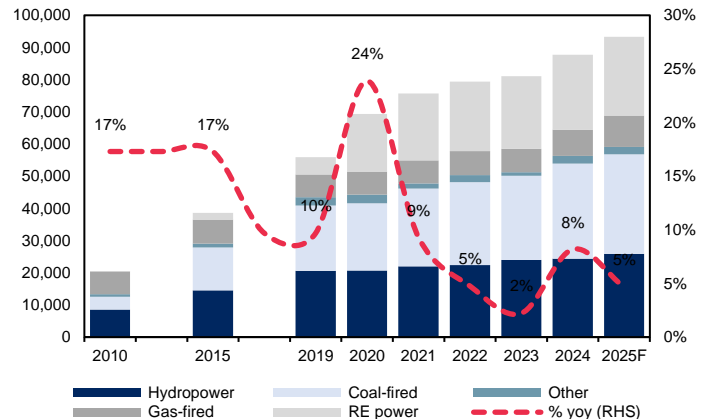
Therefore, output in 2025-2026 is expected to reach 3.4bn kWh (+25% yoy) and 3.7bn kWh (+10% yoy), respectively. The average selling price remains high at VND2,212/kWh and VND2,185/kWh, assuming gas prices of 9.3 USD/mmbtu and 9.5 USD/mmbtu, respectively.

Figure 13: Electricity consumption growth is expected to maintain a range of 11-13% in 2025, followed by a high CAGR of 9.1% as projected by the MOIT



Sources: MOIT, MBS Research

Figure 14: The MOIT plans a ~5% year-on-year increase in power sources next year, lower than the expected load growth, supporting the mobilization of existing power plants (Unit: MW)



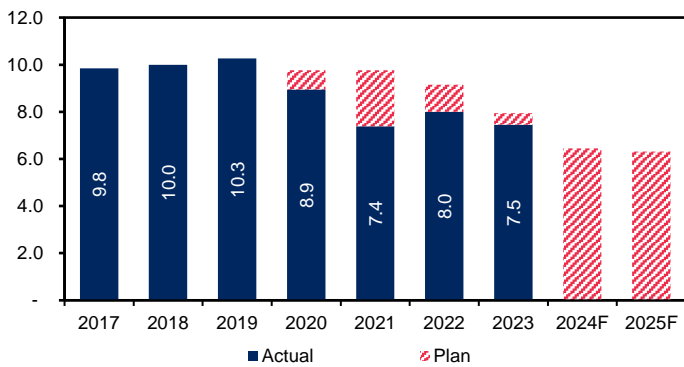
Sources: MOIT, MBS Research

In the medium to long term, on the input side, the significant decline in domestic gas supply for power generation will accelerate the adoption of LNG starting from 2025. For the feasibility of supplementing domestic plants with LNG, the authorities will need to establish clear policies related to LNG importation and business, as well as stable and long-term LNG mobilization strategies for electricity. Currently, proposals for mechanisms to supply LNG for electricity generation are under development and expected to be issued in 2025. Besides, benchmark gas prices such as the JKM LNG price, have sharply decreased from their 2023 peak, stabilizing at around 12-14US\$/mmbtu. In 2024, GAS has also started importing small LNG shipments to the Thi Vai LNG terminal, primarily from Indonesia and Malaysia, at an average price of approximately 9-12

USD/mmbtu (excluding transportation costs). Furthermore, in the context of Vietnam's need to reduce its trade deficit with the United States, the trend of importing LNG from the U.S. holds great potential. Recently, the U.S. has emphasized its intention to export LNG to Vietnam. If this materializes, Vietnam could access much cheaper gas, starting at around 3.0 USD/mmbtu (excluding transportation costs), which would support favorable selling prices for power plants.

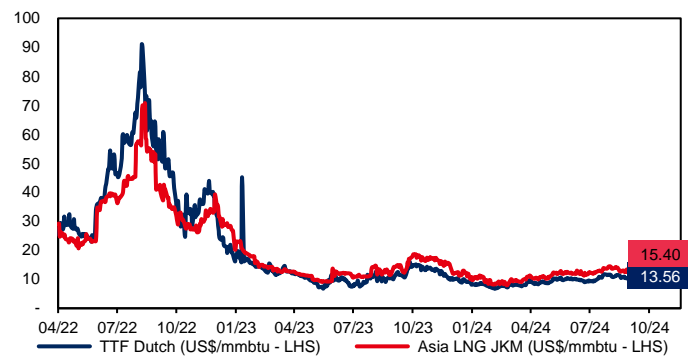
On the output side, we believe it will remain challenging for NT2 to return to a capacity utilization rate above 60%, as seen before 2022. This is mainly due to high selling prices affecting competitiveness in the electricity market and capacity reductions to accommodate renewable energy. However, as a reliable baseload power source with low emissions, we still anticipate a recovery in dispatch rates in the coming years and maintain a conservative assumption of long-term utilization rates at approximately 50-55% of maximum capacity.

Figure 15: Gas supply declined significantly over the years and consistently falling short of annual targets since 2020. We see continued downward trend from 2024-25 (Unit: billion m³)



Sources: GAS, MBS Research

Figure 16: Global LNG prices have dropped significantly and are showing signs of stabilization, which will support gas imports in the near future



Sources: Bloomberg, MBS Research

Business projections for NT2 over 2024-26

Figure 17: Business projections for NT2 over 2024-26

Unit: VNDbn	2024	%yoy	2025	%yoy	2026	%yoy	
Output (million kWh)	2,733	-6%	3,416	25%	3,758	10%	Electricity output expected to remain low in 2024, recovering from 2025 with improved gas supply and electricity demand
ASP (VND/kWh)	2,228	1%	2,212	-1%	2,185	-1%	Selling prices are assumed to remain high, driven by the depletion of cheaper gas sources and reliance on new, more expensive gas fields
Gas price (US\$/mmbtu)	9.4	4%	9.3	-1%	9.5	2%	
Revenue	6,089	-5%	7,557	24%	8,212	9%	Revenue is projected to grow in line with the recovery in electricity output
COGS	6,040	3%	7,128	18%	7,524	6%	
Gross profit	49	-90%	429	775%	688	60%	Gross profit is expected to improve significantly, supported by the recovery in output, contributing to margin enhancements. However, gross margins in 2025-26 are anticipated to remain well below historical averages
%GPM	0.8%	-7.2d%	5.7%	4.9d%	8.4%	2.7d%	
SG&A	80	15%	98	23%	101	3%	
EBIT	(31)	-107%	331	na	587	77%	
Financial expenses	56	63%	56	0%	56	0%	Financial cost assumptions remain unchanged, as the company is expected to maintain short-term loans to supplement working capital in the coming years
Financial incomes	117	10%	121	3%	123	1%	
Net other income	70	2955%	2	-97%	2	0%	The company recognizes additional revenue in 2024 from a VND 70 billion increase in the value of spare part inventories. However, no extraordinary profit is expected next year
Pretax profit	101	-80%	396	294%	654	65%	
Tax expenses	15	-63%	63	320%	111	75%	
Net profit	85	-82%	333	289%	543	63%	Net profit is forecasted to grow at -82%/+289%/+63% year-on-year, respectively
EPS (VND/share)	297	-82%	1,156	289%	1,885	63%	

Sources: NT2, MBS Research

Financial statements

Income statement	31/12/23	31/12/24	31/12/25	31/12/26	Cash flow statement	31/12/23	31/12/24	31/12/25	31/12/26
Net revenue	6,386	6,089	7,557	8,212	Pre-tax profit	514	101	396	654
Cost of sales	5,876	6,040	7,128	7,524	Depreciation & amortization	687	707	541	151
Gross profit	510	49	429	688	Tax paid	(47)	(15)	(63)	(111)
Gen & admin expenses	69	80	98	101	Other adjustments	-	(1)	(1)	(1)
Selling expenses	-	-	-	-	Change in working capital	(182)	(160)	(266)	(647)
Operating profit	441	(31)	331	587	Cash flow from operations	857	513	485	(78)
Operating EBITDA	1,129	676	872	738	Capex	(3)	(2)	(2)	(2)
EBIT	514	101	396	654	Proceeds from assets sales	0	1	1	1
Interest income	107	117	121	123	Cash flow from investing activities	(1,090)	(131)	39	92
Financial expense	34	56	56	56	New share issuance	-	-	-	-
Net other income	(0)	70	(0)	(0)	Net borrowings	569	200	-	-
Income from associates	-	-	-	-	Other financing cash flow	-	-	-	-
Pre-tax profit	514	101	396	654	Dividends paid	(719)	(202)	(432)	(288)
Tax expense	41	15	63	111	Cash flow from financing activities	(150)	(75)	(424)	(273)
NPAT	473	85	333	543	Cash and equivalents at beginning of period	384	1	308	409
Minority interest	-	-	-	-	Total cash generated	(383)	307	100	(259)
Net profit	473	85	333	543	Cash and equivalents at the end of period	1	308	409	150
Ordinary dividends	(719)	(202)	(432)	(288)					
Retained earnings	(246)	(116)	(99)	255					
Balance sheet	31/12/23	31/12/24	31/12/25	31/12/26	Key ratios	31/12/23	31/12/24	31/12/25	31/12/26
Cash and equivalents	1	308	409	150	Net revenue growth	-27.3%	-4.7%	24.1%	8.7%
Short term investments	2,100	2,347	2,429	2,459	EBITDA growth	-31.1%	-40.1%	29.0%	-15.4%
Accounts receivables	2,326	2,663	2,872	3,121	EBIT growth	-53.6%	-107.0%	-1177.4%	77.5%
Inventories	260	267	330	340	Pre-tax profit growth	-45.5%	-80.4%	293.7%	65.1%
Other current assets	83	41	74	68	Net profit growth	-46.4%	-81.9%	289.1%	63.1%
Total current assets	4,770	5,627	6,113	6,138	EPS growth	-46.4%	-81.9%	289.1%	63.1%
Tangible fixed assets	2,104	1,399	860	711					
Intangible fixed assets	22	22	22	22	Gross profit margin	8.0%	0.8%	5.7%	8.4%
Construction in progress	-	1	1	1	EBITDA margin	17.7%	11.1%	11.5%	9.0%
Investments in subsidiaries	-	-	-	-	Net profit margin	7.4%	1.4%	4.4%	6.6%
Investments in associates	-	-	-	-	ROAE	10.9%	2.1%	8.2%	12.5%
Other long-term investments	-	-	-	-	ROAA	6.0%	1.0%	3.5%	5.7%
Other long-term assets	1,556	2,435	2,432	2,643	ROIC	8.5%	1.5%	6.1%	9.5%
Total non-current assets	3,681	3,857	3,314	3,376					
Total assets	8,451	9,484	9,428	9,514	Asset turnover ratio	80.3%	67.9%	79.9%	86.7%
					Dividend payout ratio	152.0%	235.7%	129.8%	53.1%
Short-term borrowings	1,200	1,400	1,400	1,400	D/E	27.7%	33.8%	34.5%	32.4%
Trade accounts payable	1,680	2,718	2,495	2,242	Net debt to total equity	27.6%	26.3%	24.4%	28.9%
Other payables	1,235	1,196	1,455	1,513	Net debt to asset	14.2%	11.5%	10.5%	13.1%
Total current liabilities	4,115	5,314	5,350	5,154	Interest coverage ratio	12.8	(0.5)	5.9	10.5
Long-term borrowings	-	-	-	-					
Other long-term payables	-	24	23	36	Days account receivable	133	160	139	139
Total long-term liabilities	-	24	23	36	Days inventory	16	16	17	17
Total liabilities	4,115	5,338	5,373	5,190	Days account payable	104	165	128	109
Common shares	2,879	2,879	2,879	2,879	Current ratio	1.2	1.1	1.1	1.2
Share premium	-	-	-	-	Quick ratio	1.1	1.0	1.1	1.1
Treasury shares	-	-	-	-	Cash ratio	0.5	0.5	0.5	0.5
Undistributed earnings	1,231	1,115	1,016	1,271					
Investment and development funds	226	152	160	174					
Foreign exchange differences	-	-	-	-	Valuation				
Shareholders' equity	4,110	3,994	3,895	4,150	EPS (VND/share)	1,643	297	1,156	1,885
Minority interest	-	-	-	-	BVPS (VND/share)	15,062	14,402	14,085	15,021
Total shareholders' equity	4,336	4,146	4,055	4,324	P/E (x)	11.1	67.0	17.2	10.6
Total liabilities & equity	8,451	9,484	9,428	9,514	P/B (x)	1.4	1.5	1.5	1.4

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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