

PV POWER (POW)

Positive information for NT3&4 and 2025 prospects

On 15th, we attended POW's analyst meeting. Here are some notable highlights:

POW October business performance of PV Power

- POW recorded October revenue at VND2,261bn (+4% yoy, figure 1), supported by a 13% yoy rise in production output, amounting to 1,476mn kWh (Figure 2). Growth was primarily driven by Nhon Trach 2 gas-fired power plant and Dak Drinh hydropower plant (Figure 4), specially:
 - **Hydropower:** October 2024 production output surged by 43% yoy to 208mn kWh (Figure 3), led by Hua Na and Dak Drinh hydropower plants. As a result, hydropower revenue increased by VND197bn (+33% yoy, figure 2).
 - **Coal-fired power:** Production output rose to 803mn kWh (+11% yoy, figure 3), with revenue climbing to VND420bn (+15% yoy, figure 2), driven by a 6% growth in electricity consumption in October (Figure 5) and the full market price (FMP) soaring to VND1,311/kWh (+71% yoy, figure 6).
 - **Gas-fire power:** Despite a production decline of 4% yoy (Figure 4), revenue remained stable at VND657bn (+6% yoy, figure 2), supported by a positive impact from the FMP, which rose by 71% yoy in October.

12M rating **Non-rated**

Stock Data

VNIndex (18 Nov, pt)	1,206
Stock price (18 Nov, VND)	11,250
Market cap (USD mn)	1,038
Shares outstanding (mn)	2,342
52-Week high/low (VND)	15,300/10,450
6M avg. daily turnover (USD mn)	5.53
Free float / Foreign ownership (%)	20.0/3.7
Major shareholders (%)	
PVN	79.74

Performance

	1M	6M	12M
Absolute (%)	(10.0)	0.0	(3.4)
Relative to VNIndex (%p)	(3.9)	4.0	(15.0)

Stock price trend



Source: Bloomberg

Table 1. Yearly earnings and financial ratios

	2021A	2022A	2023A	2024F	2025F
Sales (VND bn)	24,561	28,224	27,945	28,672	29,309
chg. (% YoY)	(17.4)	15	(1)	3	1
Operating profit (VND bn)	2,400	2,859	1,404	899	1,871
Net profit (VND bn)	2,052	2,553	1,329	613	907
EPS (VND)	746	824	430	245	362
chg. (% YoY)	-	-	-	-	-
EBITDA (VND bn)	5,654	6,061	4,767	4,734	6,693
PE (x)	6,4	11,1	19,8	49,8	33,7
EV/EBITDA (x)	18,0	9,4	22,0	45,8	22,0
PB (x)	1,2	1,3	0,8	1,0	0,9
ROE (excl MI)	6,3	7,0	3,5	1,9	2,8
Dividend payout ratio	-	28,0	19,8	-	-

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

Research Department

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Highlights from NT3&4 project and hydropower groups

- *Gas-fired power:* The NT3 & 4 project, currently, the project progress under the total EPC package has reached 94%. All issues related to loan funding and land acquisition have been resolved. However, at present, a major concern is that PV Power has yet to secure an optimal Qc allocation for the NT3 & NT4 plants, even though the Power Purchase Agreement (PPA) has been finalized. This is a critical factor for POW to maximize long-term benefits.
 - According to the BOD, NT3 is expected to commence its first test run in December, with COD projected for June 2025. Meanwhile, NT4 is anticipated COD in September 2025. At present, the Board of Directors (BOD) is quite optimistic about the possibility of avoiding losses in the first year of operation for the NT3 plant.
 - Additionally, the BOD stated that for the PPA contracts, the Qc guarantee level for the two plants will not be less than 35%.
 - Regarding the power transmission grid system, the BOD stated that the 220kV line was completed on May 15, and the 500kV Phu My - Nha Be line is currently under construction, expected to be completed by November 28, 2024.
- *Hydropower:* On October 8, 2024, HNA (Hua Na Hydropower) signed a contract to transfer the Nam Non Hydropower Plant (20MW). The project commenced in December 2011 with a total investment of VND513bn and provides approximately 89mn kWh per year.

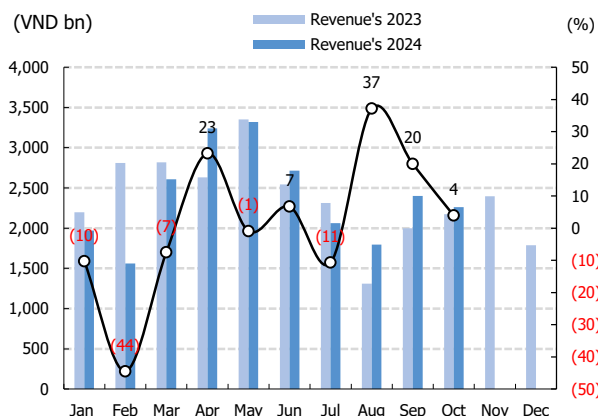
Insurance compensation could support NPAT 4Q24F

- According to BOD, POW received ~VND1,000bn from insurance compensation of the incident at Vung Ang coal-fired power plant. Therefore, we expect POW boosted VND600bn in 4Q24F, and VND400bn is expected to be recorded in 2025.

Positive expectations from some new projects in the long term

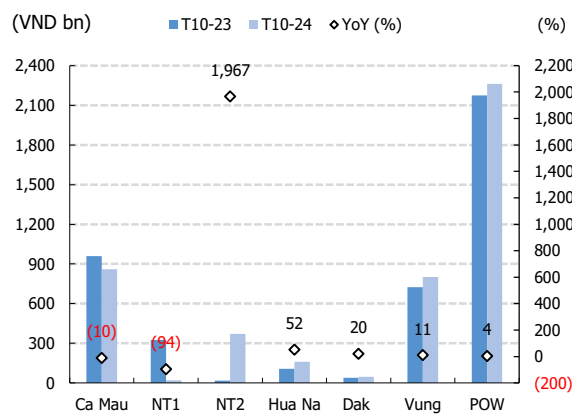
- POW is developing the Quang Ninh LNG power plant (1,500MW) with a total investment of USD2.04bn and an estimated annual output of ~9bn kWh. The project has received a business license from Quang Ninh province.
- POW has also launched its first two pilot EV charging stations, and the BOD plans to expand to 1,000 stations by 2035.

Figure 1. Revenue edged up, driven by hydropower to 43% yoy



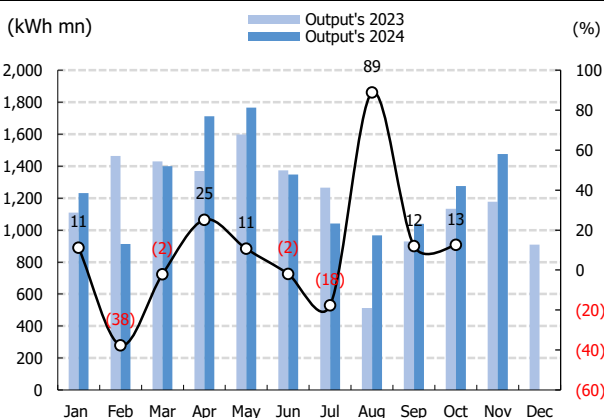
Source: Company data, KIS Research

Figure 2. Thanks to growth momentum from NT2 and the hydropower segment



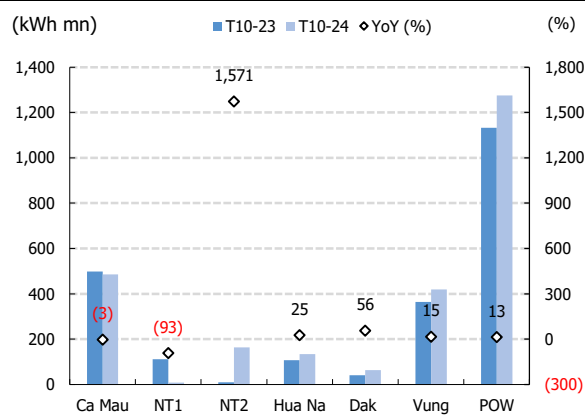
Source: Company data, KIS Research

Figure 3. October output showed positive growth, up 13% yoy



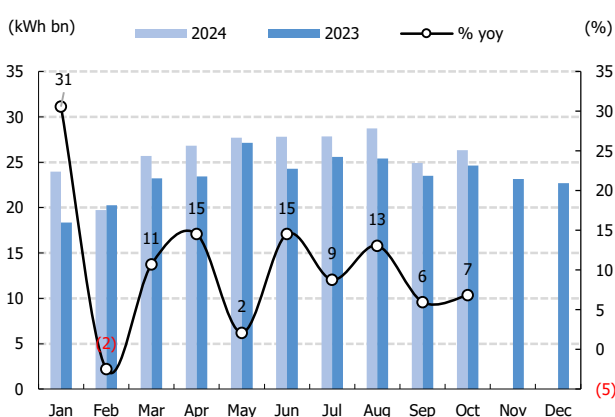
Source: Company data, KIS Research

Figure 4. Hydropower positive performance, supported by the La-Nina



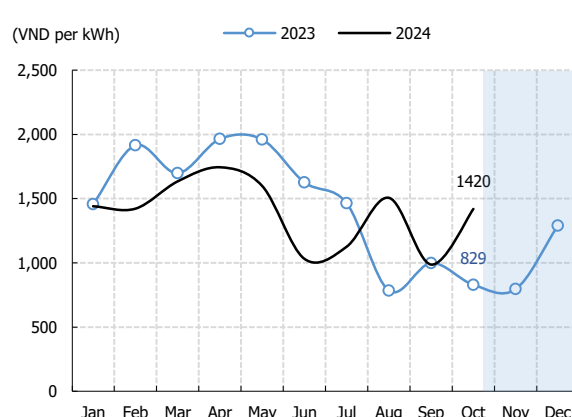
Source: Company data, KIS Research

Figure 5. Electricity output in October continued to grow, +7% yoy



Source: EVN, Company data, KIS Research

Figure 6. The FMP recorded to VND1,420kWh in October, +70% yoy



Source: Company data, KIS Research
Note: FMP (Full market Price)

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