

25 Jul 2025

## NHON TRACH 2 (NT2)

### Strong bottom-line expansion

- Gross margin expanded to 17.6%, up 11.7%p yoy.
- 3Q25F - Solid earnings performance
- Maintain a HOLD recommendation

#### Facts: 2Q25 - NPAT growth strongly to 167% yoy

In 2Q25, NT2's revenue was recorded at VND2,081bn, down 5% yoy (figure 1). The key growth drivers were:

- A significant improvement in output (figure 2), as A0 prioritized dispatching to compensate for the capacity shortage from two BOT plants – Phu My 3, which reached the end of its contract and EVN's adjustment of the Qc output coefficient from 70% to 80% in 2025.
- And the average electricity price in 2Q25 estimated to increase by 2% yoy (figure 3).

Gross profit reached VND367bn (+183% yoy, figure 5), driven by an estimated improvement in the plant's heat rate efficiency in 2Q25. As a result, the gross margin expanded to 17.6% (+11.7%p yoy, figure 5).

NPAT recorded strong growth of 167% yoy (figure 6), amounting to VND326bn, mainly driven by the following factors:

- Significant improvement in gross margin as mentioned above.
- Financial income surged 97% yoy to VND38bn, up from VND19bn in 2Q24.
- Despite the impact from financial expenses, which doubled to VND18bn (+111% yoy) from VND9bn in 2Q24.
- And corporate income tax rose to VND38bn, whereas no tax was recorded in 2Q24.

**Table 1. Quarterly earnings snapshot in 2Q25**

(VND bn, %, %p)

	2Q24	3Q24	4Q24	1Q25	2Q25	QoQ	YoY
Sales	2,186	1,712	1,784	1,427	2,081	45.9	(4.8)
OP	122	49	89	44	365	736.1	199.9
OP margin (%)	5.5	2.8	5.0	3.0	17.5	14.4	11.9
EBT	122	50	90	44	365	737.1	198.5
NPAT	122	44	75	37	326	782.6	167.0

Source: Company data, FiinPro-X KISVN

#### Pros & cons: 3Q25F - Solid earnings performance

In 3Q25F, we estimate that NT2's revenue could continue to grow strongly, driven by higher output resulting from:

- Offset for capacity shortfalls due to the expiration of BOT Phu My 3 and Phu My 2.2 contracts;

12M rating **HOLD (Maintain)**

12M TP

Up/Downside

#### Stock data

VNIndex (25 Jul, pt)	1,531
Stock price (25 Jul, VND)	20,500
Market cap (USD mn)	226
Shares outstanding (mn)	288
52-Week high/low (VND)	21,300/16,250
6M avg. daily turnover (USD mn)	0.58
Free float / Foreign ownership (%)	32.3/11.5
Major shareholders (%)	
PV Power	59.37
CFTD	8.27

#### Performance

	1M	6M	12M
Absolute (%)	n.a	4.6	6.6
Relative to VNIndex (%p)	n.a	(17.5)	(19.8)

#### Stock price



Source: Bloomberg

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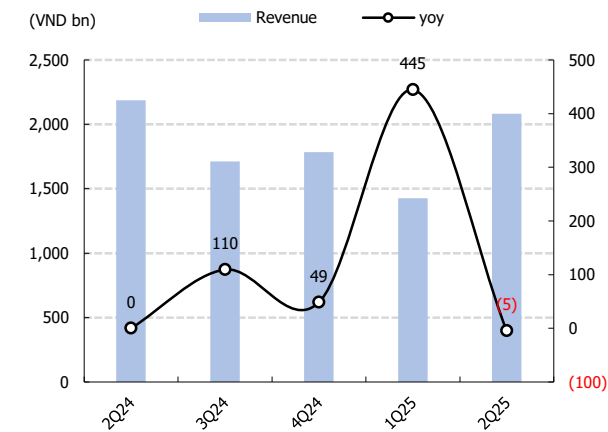
- Phu My 1 undergoing major overhaul;
- EVN's adjustment of the Qc output coefficient from 70% to 80% in 2025;
- Additionally, the average selling price in 3Q25F is estimated to increase by 2% yoy.

Regarding net profit, we forecast a yoy improvement, mainly thanks to better heat rate efficiency in 3Q25F, which could significantly enhance NT2's gross margin during the period.

### Action: Maintain HOLD rating

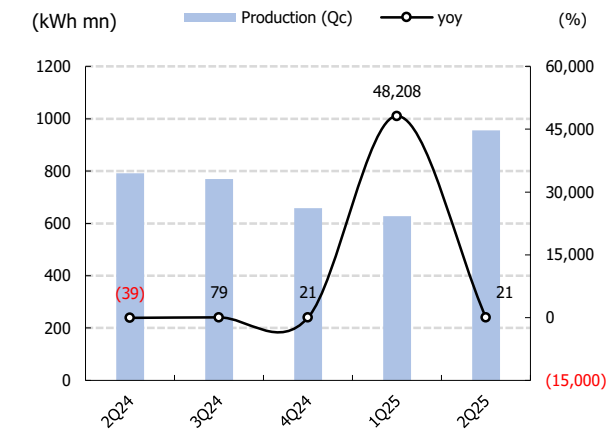
We strongly believe in a positive outlook for NT2 in the long term, as it plays an important role in maintaining system stability. However, in the short term, we anticipated that NT2's market price has almost reflected its intrinsic value. Therefore, we maintain a **HOLD** recommendation for **NT2** in 2025F.

**Figure 1. Revenue decreased slightly, recording VND2,081bn, down 5% yoy**



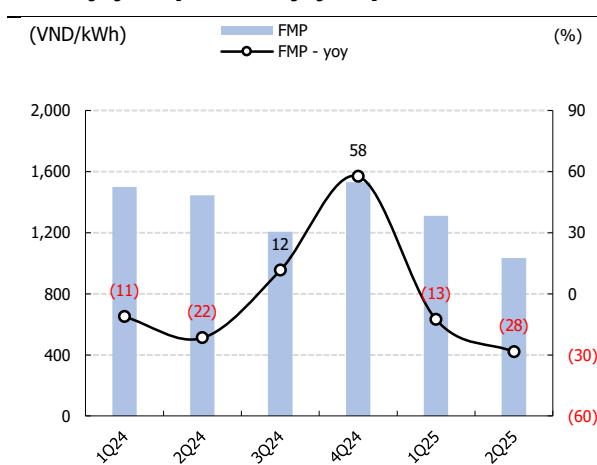
Source: NT2, KIS Research

**Figure 2. Production growth is 21% yoy due to the unit operating at full capacity**



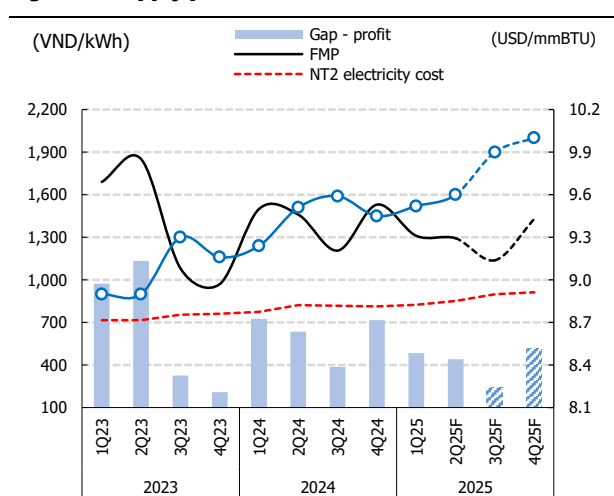
Source: NT2, KIS Research

**Figure 3. NT2's average electricity price is estimated to rise 2% yoy, despite a 28% yoy drop in FMP in 2Q25F**

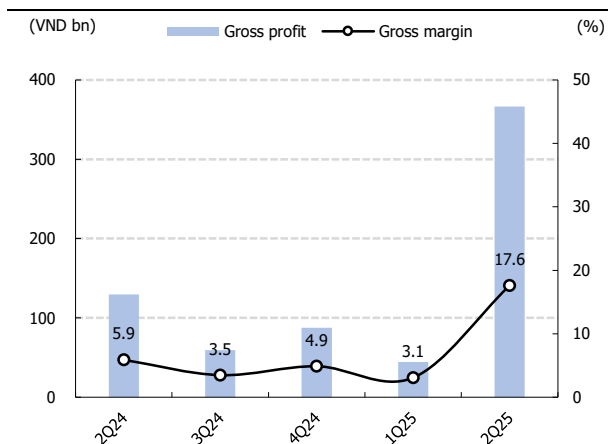


Source: POW, KIS Research

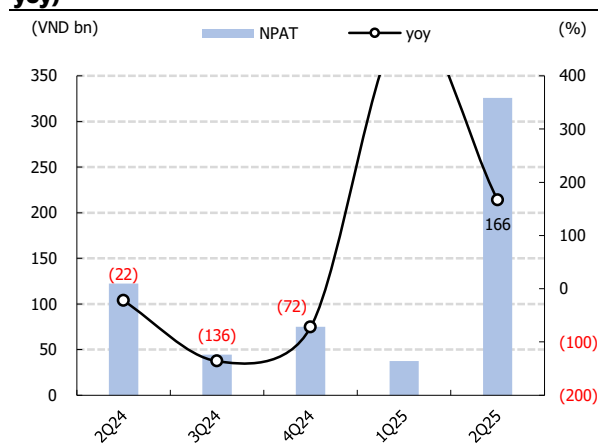
**Figure 4. The gas price estimated to rise 5% yoy, driven by high-cost supply pressure**



Source: Bloomberg, NT2, KIS Research

**Figure 5. ... and gross profit and GM rose strongly**

Source: NT2, KIS Research

**Figure 6. NPAT growth strongly to VND326bn (+167% yoy)**

Source: NT2, KIS Research

**■ Company overview**

Founded in 2007, Nhon Trach 2 Thermal Power (HSX: NT2) is a leading firm in power generation. NT2 owns the Nhon Trach 2 gas thermal power with total capacity of 750MW, which has used the advanced F-generation gas turbine combined cycle. On Jun 12, 2015, NT2 officially traded on Ho Chi Minh City Stock Exchange (HOSE).

**Balance sheet**

(VND bn)

FY-ending Dec.	2021A	2022A	2023A	2024A	2025F
Current assets	2,581	4,557	4,770	5,912	6,645
Cash & cash equivalents	1	384	1	57	70
Accounts & other receivables	2,230	2,911	2,326	2,997	3,623
Inventory	311	307	260	333	368
Non-current assets (Adj.)	2,580	4,173	4,769	5,855	6,575
Fixed assets	3,496	2,809	2,125	1,442	1,294
Investment assets	6,624	7,445	8,451	10,015	11,217
Others	-	-	-	-	-
Total assets	-	-	-	-	-
Advances from customers	1,034	770	1,680	3,687	4,541
Unearned revenue	1,147	1,431	1,235	1,153	1,420
Trade payables	210	631	1,200	996	840
Others	-	-	-	-	-
ST debt & due bonds	2,390	2,831	4,115	5,836	6,801
LT debt & bonds	4,234	4,614	4,336	4,179	4,416
Total liabilities	2,879	2,879	2,879	2,879	2,879
Controlling interest	(0)	(0)	(0)	(0)	(0)
Capital stock	160	182	226	226	226
Capital surplus	1,196	1,554	1,231	1,074	1,312
Other reserves	4,234	4,614	4,336	4,179	4,416
Retained earnings	2,581	4,557	4,770	5,912	6,645
Minority interest	1	384	1	57	70
Shareholders' equity	2,230	2,911	2,326	2,997	3,623

**Cash flow**

(VND bn)

FY-ending Dec.	2021A	2022A	2023A	2024A	2025F
C/F from operations	1,074	1,383	857	528	1,065
Net profit	566	943	514	91	778
Dep'n & Amort'n	690	689	687	687	725
Net incr. in W/C	1,266	1,668	1,119	715	1,420
C/F from investing	9	(946)	(2,245)	(67)	(588)
Capex	(2)	(1)	(1,094)	(3)	(702)
Incr. in investment	11	(945)	(1,151)	(63)	114
C/F from financing	(1,143)	(54)	420	(405)	(588)
Incr. in equity	-	-	(150)	-	-
Incr. in debt	-	-	1,551	(204)	(156)
Dividends	(575)	(474)	-	(201)	(432)
C/F from others	-	-	-	-	-
Increase in cash	(61)	383	(968)	56	(111)

**Income statement**

(VND bn)

FY-ending Dec.	2021A	2022A	2023A	2024A	2025F
Sales	6,150	8,788	6,386	5,952	7,330
COGS	5,474	7,706	5,876	5,915	6,546
Gross profit	676	1,082	510	37	784
SG&A expenses	83	131	69	79	89
Operating profit	593	950	441	(43)	695
Financial income	18	24	107	100	162
Interest income	11	21	99	95	100
Financial expenses	52	18	34	39	79
Interest expenses	20	15	34	35	32
Other non-operating profit	7	(14)	(0)	72	-
Gains (Losses) in associates, subsidiaries and JV	-	-	-	-	-
Earnings before tax	566	943	514	91	778
Income taxes	32	60	41	18	84
Net profit	534	883	473	72	694
Net profit of controlling interest	534	883	473	72	694
EBITDA	1,277	1,647	1,234	813	1,534

**Key financial data**

FY-ending Dec.	2021A	2022A	2023A	2024A	2025F
per share data (VND, adj.)					
EPS	1,757	2,961	1,586	242	2,325
BPS	14,706	16,027	15,062	14,515	15,340
DPS	1,650	2,500	1,500	700	1,500
Growth (%)					
Sales growth	1.1	42.9	(27.3)	(6.8)	23.2
OP growth	(26.8)	60.2	(53.6)	(109.7)	(1,722)
NP growth	(14.6)	65.5	(46.4)	(84.7)	859
EPS growth	(14.6)	65.5	(46.4)	(84.7)	859
EBITDA growth	(26.8)	60.2	(53.6)	(109.7)	(1,722)
Profitability (%)					
OP margin	9.6	10.8	6.9	(0.7)	9.5
NP margin	8.7	10.1	7.4	1.2	9.5
EBITDA margin	9.6	10.8	6.9	(0.7)	9.5
ROA	8.2	12.6	6.0	0.8	6.5
ROE (excl MI)	12.5	20.0	10.6	1.7	16.1
Dividend yield	6.3	8.7	6.1	3.4	7.3
Dividend payout ratio	88	95	92	89	81
Stability					
Net debt (VND bn)	209	246	1,199	939	770
Net debt/equity (%)	5	5	28	22	17
Valuation (X)					
PE	6.4	11.1	14.9	81.6	8.5
PB	1.2	1.3	1.6	1.4	1.3
EV/EBITDA	13.1	8.0	13.9	(103.5)	6.4

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- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
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