

22 Jul 2025

Quang Ninh Thermal Power (QTP)

NPAT boosted as operational efficiency

- 2Q25 gross profit growth as QTP operates plant effectively
- 2Q25 – NPAT skyrocketed to 17% yoy
- Maintain a BUY recommendation

Facts: The gross margin rose to 3.4%p yoy in 2Q25

In 2Q25, QTP posted revenue of VND2,863bn, down 21% yoy (figure 1). This decline was mainly attributable to:

- The average electricity price estimated to fall 23% yoy to 1,366 VND/kWh.
- Although electricity output in 2Q25 was estimated at 2,095mn kWh (+3% yoy, figure 2), in the context of nationwide electricity consumption rising by only 2.3% yoy in 2Q25.

Remarkably, gross profit climbed to VND267bn (+26% yoy, figure 3), driven by:

- A slight decrease in depreciation expense (-1% yoy), down to VND136bn.
- Heat rate was improved

As for bottom-line results, NPAT advanced 17% yoy to VND190bn (figure 4). Key drivers included:

- Gross margin expansion to 9.3% (figure 3), improving 3.4%p yoy.
- A 30% yoy reduction in financial expenses, down to VND4.7bn (figure 5).
- Despite a sharp increase in corporate income tax expense, which rose to VND48bn (+164% yoy).

Table 1. Quarterly earnings snapshot in 2Q25

(VND bn, %, %p)

	2Q24	3Q24	4Q24	1Q25	2Q25	QoQ	YoY
Sales	3,628	2,386	2,884	2,912	2,864	(2)	(21)
OP	181	85	172	216	239	11	32
OP margin (%)	5.0	3.6	6.0	7.4	8.3	0.9	3.3
EBIT	180	85	172	216	238	10	32
NPAT	162	76	155	173	191	10	18

Source: Company data, FiinPro-X, KIS Research

Pros & cons: 3Q25F - Bleak outlook amid falling power prices

In 3Q25F, we estimate that QTP's revenue could be less optimistic, mainly due to a 33% yoy decline in average electricity price, driven by (i) EVN's prioritization of mobilizing hydropower sources in the context of nationwide electricity consumption maintaining a low base and (ii) the sharp drop in CAN price, estimated to fall by 85% yoy in 3Q25F (figure 8).

12M rating **BUY (Maintain)**

12M TP **22,300**

Up/Downside **(68%)**

Stock data

VNIndex (22 Jul, pt)	1,484
Stock price (22 Jul, VND)	13,200
Market cap (USD mn)	227
Shares outstanding (mn)	450
52-Week high/low (VND)	13,790/12,387
6M avg. daily turnover (USD mn)	0.22
Free float / Foreign ownership (%)	47.4/1.0
Major shareholders (%)	
GENCO1	42
PPC	16.35

Performance

	1M	6M	12M
Absolute (%)	0.8	(2.2)	(1.1)
Relative to VNIndex (%)	(9.4)	(22.7)	(21.5)

Stock price



Source: Bloomberg

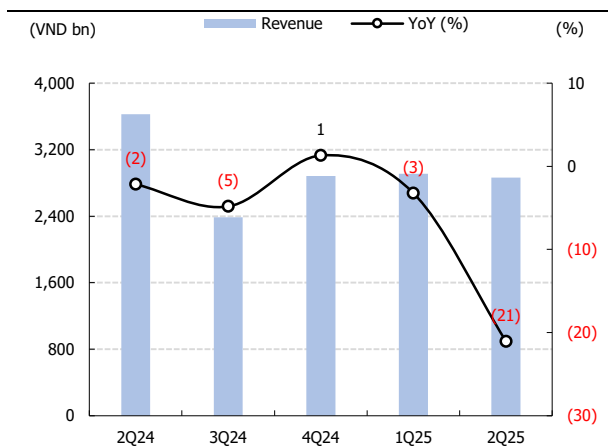
Therefore, we anticipated QTP's NPAT could experience disappointment by:

- Depreciation expenses are projected to decline to approximately VND128bn (-6% yoy), and financial expenses are estimated to fall by 3% yoy, equivalent to around VND3bn.
- However, these positive effects are unlikely to fully offset the negative impacts from the decline in average electricity selling price, as mentioned above, and the increase in corporate income tax rate to 20% in 3Q25F (3Q24: 10%).

Action: Maintain BUY rating

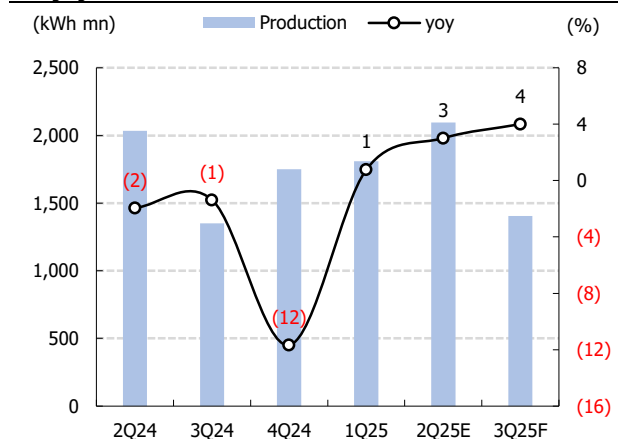
We strongly believe that QTP has a positive in the mid, and long term. In addition, QTP plays an important role in maintaining system stability. On this basic, we maintain a **BUY**-rating for **QTP** (TP: 22,300VND; Upside: +68%).

Figure 1. Revenue recorded at VND2,863bn, -21% yoy



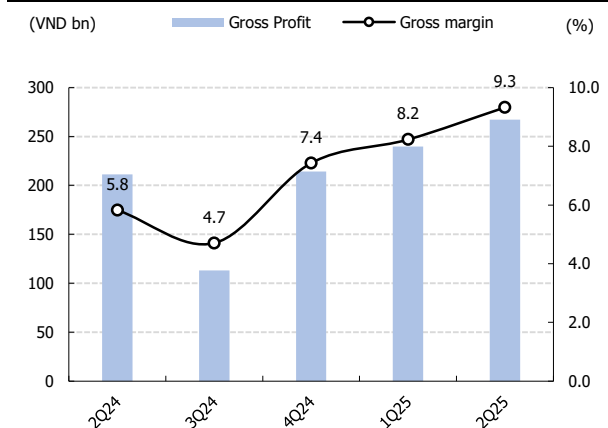
Source: QTP, FiiPro-X, KIS Research

Figure 2. Commercial output in 2Q25 estimated increase 4% yoy



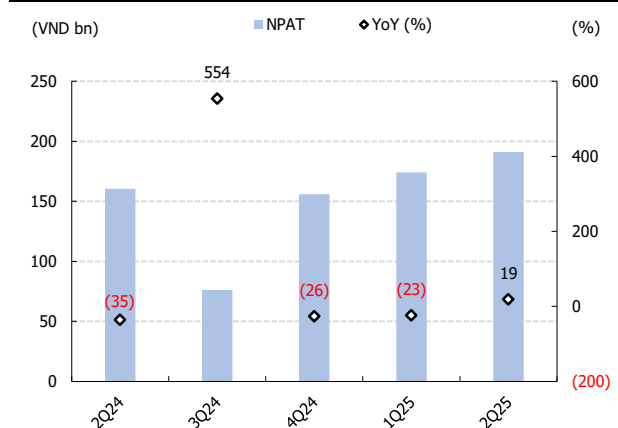
Source: QTP, FiiPro-X, EVN, KIS Research
Note: Data for 4Q24E is estimated.

Figure 3. 2Q25's gross margin rose to 9.3%, increasing 3.4%p yoy



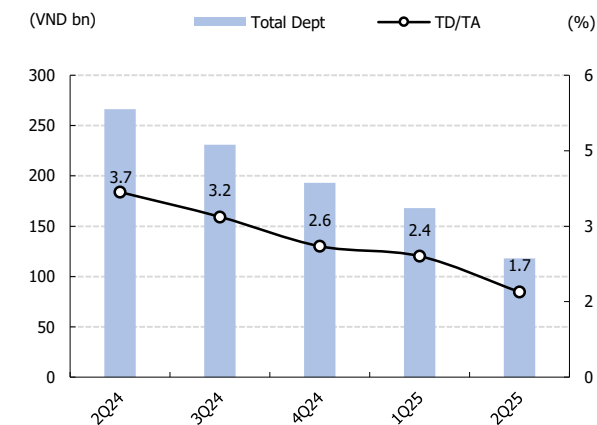
Source: QTP, FiiPro-X, KIS Research

Figure 4. NPAT advanced 17% yoy to VND190bn



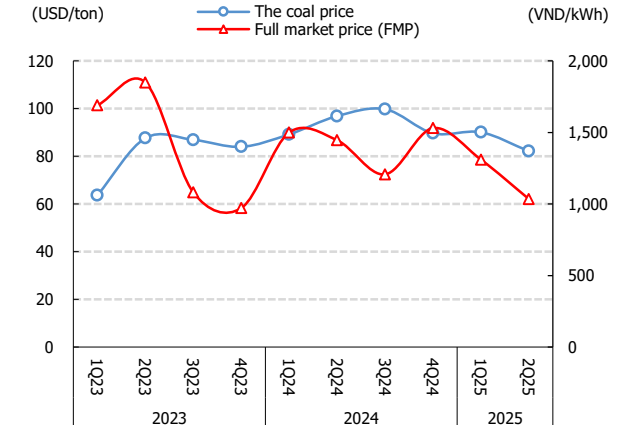
Source: QTP, FiiPro-X, KIS Research

Figure 5. In 2Q25, total debts recorded VND118bn, a decrease of 30% compared to the same period



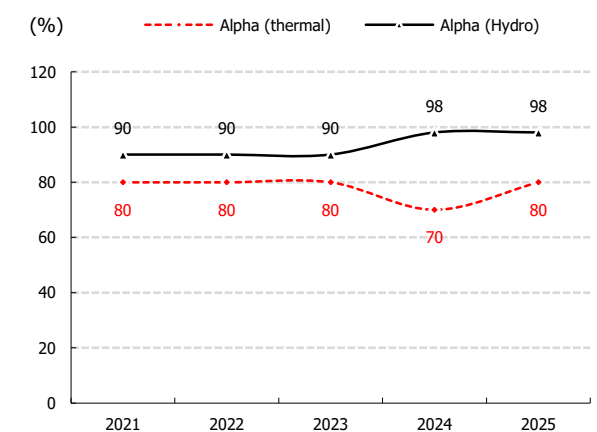
Source: QTP, FiiPro-X, KIS Research

Figure 6. The electricity price – FMP estimated down to 30% yoy in 2Q25



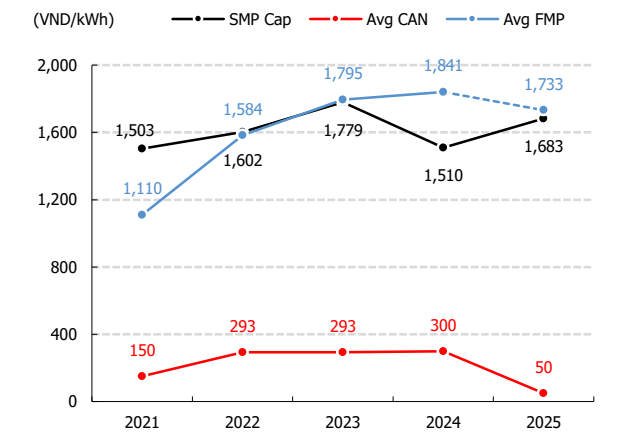
Source: PGV, KIS Research

Figure 7. Alpha coefficient in contract output of sources in 2025



Source: EVN, KIS Research

Figure 8. CAN price drops sharply in 2025 (-85% yoy), significantly affecting FMP price



Source: EVN, KIS Research

Company overview

Quang Ninh Thermal Power Joint Stock Company (QTP) was established in 2002 with founding shareholders, including Vietnam Electricity Corporation (EVN), Vietnam Coal and Minerals Corporation (TKV), Construction Machinery Corporation (COMA), Vietnam Construction and Import-Export Corporation (VINACONEX) and Vietnam Machinery Installation Corporation (LILAMA)

Balance sheet

VND bn

FY-ending Dec.	2021A	2022A	2023A	2024A	2025F
Current assets (Adj.)	3,639	3,732	3,944	4,549	5,042
Cash & cash equivalent	206	24	158	36	1,220
Non-current assets (Adj.)	2,055	2,515	2,984	2,964	2,461
Fixed Asset	426	391	724	882	718
Investment assets	3,433	3,709	3,787	4,514	3,822
Others	5,195	4,242	3,367	2,811	1,859
Total assets	8,910	8,051	7,380	7,456	6,988
Advances from customers	0	-	1	-	-
Unearned revenue	-	-	-	-	-
Trade payables	437	607	1,159	1,435	1,196
Others	143	184	607	738	615
ST debt & bond	750	776	98	75	55
LT debt & bond	1,405	316	218	118	126
Total liabilities	2,739	1,888	2,087	2,370	1,997
Controlling interest	6,171	6,162	5,292	5,086	4,992
Capital stock	4,500	4,500	4,500	4,500	4,500
Capital surplus	231	231	231	231	231
Other Reserves	274	274	145	145	145
Retained earnings	1,166	1,158	416	210	116
Shareholders' equity	6,171	6,162	5,292	145	145

Cash flow

VND bn

FY-ending Dec.	2021A	2022A	2023A	2024A	2025F
C/F from operations	1,802	1,438	1,149	1,203	1,327
Net profit	617	805	644	726	854
Depreciation	972	960	884	570	339
Net incr. in W/C	1,877	1,896	1,568	1,313	1,191
C/F from investing	(407)	217	787	(1,049)	13
Capex	(5)	(4)	(10)	(529)	(9)
Incr. in investment	(403)	221	798	(520)	22
C/F from financing	(2,025)	(1,836)	(1,802)	(922)	(776)
Incr. in equity	-	-	-	(799)	-
Incr. in debts	-	-	(791)	-	(20)
Dividends	(449)	(719)	(1,011)	-	(765)
C/F from others	-	-	-	-	-
Increase in cash	(631)	(182)	134	(768)	564

Income statement

VND bn

FY-ending Dec.	2021A	2022A	2023A	2024A	2025F
Net sales	8,571	10,417	12,058	11,908	9,927
COGS	7,581	9,336	11,241	11,051	8,986
Gross profit	990	1,081	817	858	941
SG&A	256	113	114	115	90
Operating profit	734	968	703	743	851
Financial income	82	34	23	7	16
Interest income	52	33	21	6	21
Financial expenses	195	193	78	25	13
Interest expenses	195	133	57	21	19
Other non-operating profit	(4)	(4)	(4)	1	-
Gains (Losses) in associates, subsidiaries and JV	-	-	-	-	-
Earnings before tax	617	805	644	726	854
Income taxes	39	41	32	-	43
Net profit	578	764	612	726	811
Net profit of controlling interest	578	764	612	650	811
EBITDA	1,784	1,898	1,586	1,317	1,212

Key financial data

FY-ending Dec.	2021A	2022A	2023A	2024A	2025F
per share data (VND, adj.)					
EPS	1,168	1,405	1,125	1,195	1,491
BPS	13,712	13,694	11,761	11,302	11,092
DPS	1,600	2,250	1,036	1,464	1,700
Growth (%)					
Sales growth	(6.7)	21.5	15.8	(1.2)	(16.6)
OP growth	(57.6)	32.0	(27.4)	5.6	14.6
NP growth	(55.7)	32.2	(19.9)	18.7	11.7
EPS growth	(55.7)	32.2	(19.9)	6.2	24.8
EBITDA growth	(57.6)	32.0	(27.4)	5.6	14.6
Profitability (%)					
OP margin	8.6	9.3	5.8	6.2	8.6
NP margin	6.7	7.3	5.1	6.1	8.2
EBITDA margin	8.6	9.3	5.8	6.2	8.6
ROA	6.0	9.0	7.9	9.8	11.2
ROE (excl MI)	9.4	12.4	10.7	12.5	16.1
Dividend yield	8.4	17.3	7.0	11.0	12.8
Dividend payout ratio	343	159	34	125	133
Stability					
Net debt (VND bn)	1,949	1,069	159	157	(1,038)
Net debt/equity (%)	32	17	3	3	(21)
Valuation (X)					
PE	6.4	11.1	10.9	8.2	7.4
PB	1.2	1.3	1.3	1.2	1.2
EV/EBITDA	13.0	6.3	9.7	7.6	6.6

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