

22 Oct 2025

NHON TRACH 2 (NT2)

Net profit expansion persists

- Gross margin expansion thanks to improved plant efficiency
- 4Q25F - Net profit remains on an upward trend
- Maintain a HOLD recommendation

Facts: 3Q25 - GM expansion to 10.6%, up 7.1 %p

Revenue in 3Q25 reached VND1,928bn (+13% yoy, -7% qoq; figure 1), mainly driven by:

- Production increased by 12% yoy (figure 2) due to offset capacity shortage from two BOT plants – Phu My 3 & Phu My 2.2, which reached the end of their contract; and EVN's adjustment of the production (Qc) coefficient from 70% to 80% in 2025 in the context of the country's electricity consumption in 3Q25 increasing by 7.5% yoy.
- Improve to ~6% yoy increase in the average electricity price.

Gross profit in 3Q25 reached VND205bn (+244% yoy; figure 5), equivalent to a gross margin of 10.6%, up 7.1 %p yoy thanks to the business improving operating efficiency and the recorded selling price increasing better than the gas price (~9.2 USD/mmBTU, -3% yoy).

NPAT in 3Q25 came in at VND214bn (+384% yoy; figure 6). The sharp increase was attributable to: (i) gross margin expansion as noted above; (ii) a sharp decline in SG&A expenses to just VND1bn (-96% yoy) as the company reversed VND24bn of forest-environmental-fee provisions; and (iii) financial income of VND49bn (+83% yoy).

Table 1. Quarterly earnings snapshot in 3Q25

	3Q24	4Q24	1Q24	2Q25	3Q25	QoQ	YoY
Sales	1,712	1,784	1,427	2,081	1,928	(7)	13
OP	49	89	44	365	236	(35)	379
OP margin (%)	2.9	5.0	3.1	17.5	12.3	(5.2)	9.4
EBT	50	90	44	365	239	(34)	375
NPAT	44	75	37	326	214	(34)	384

Source: Company data, FiinPro-X KISVN

Pros & cons: 4Q25F - Profit growth remains resilient

In 4Q25F, 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;
- Phu My 1 is undergoing a major overhaul.
- EVN's adjustment of the Qc output coefficient from 70% to 80% in 2025;

Additionally, the average selling price in 4Q25F is estimated to increase by 19% yoy.

12M rating **HOLD (Maintain)**

12M TP

Up/Downside

Stock data

VNIndex (22 Oct, pt)	1,679
Stock price (22 Oct, VND)	22,750
Market cap (USD mn)	249
Shares outstanding (mn)	288
52-Week high/low (VND)	23,615/15,728
6M avg. daily turnover (USD mn)	1.11
Free float / Foreign ownership (%)	32.3/11.5
Major shareholders (%)	
PV Power	61.85
CFTD	8.27

Performance

	1M	6M	12M
Absolute (%)	3.3	33.5	27.7
Relative to VNIndex (%p)	0.2	(8.6)	(6.9)

Stock price



Source: Bloomberg

Research Dept

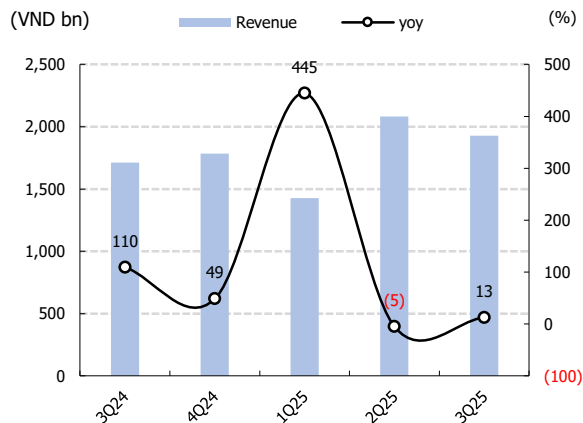
researchdept@kisvn.vn

Regarding net profit, we forecast an improvement yoy, mainly thanks to better heat rate efficiency in 4Q25F, and expect the selling price to increase more than the gas price, which could significantly enhance NT2's gross margin during the period.

Action: Maintain HOLD rating

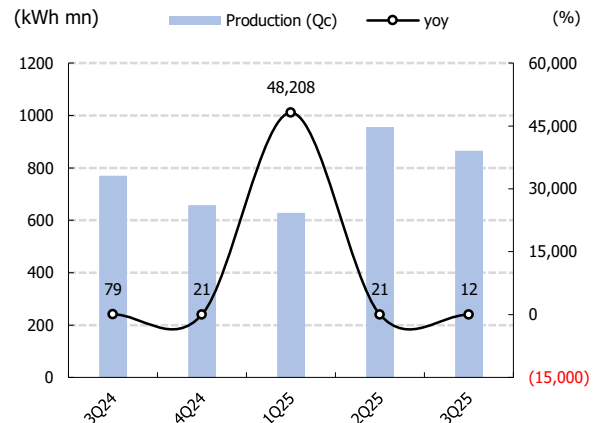
We strongly believe in a positive outlook for NT2 in the long term, as it plays an important role in maintaining system stability. However, in the short term, we anticipated that NT2's market price has almost reflected its intrinsic value. Therefore, we maintain a **HOLD** recommendation for NT2 in 2025F.

Figure 1. Revenue recorded to VND1,928bn, up 13% yoy in 3Q25



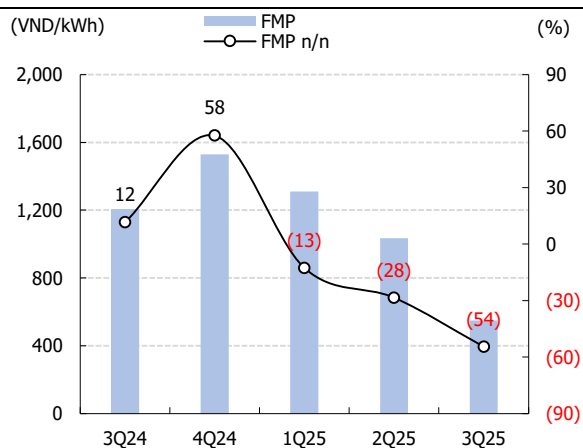
Source: NT2, KIS Research

Figure 2. Production growth is 12% yoy as offset capacity shortage from two BOT plants – Phu My 3 & Phu My 2.2



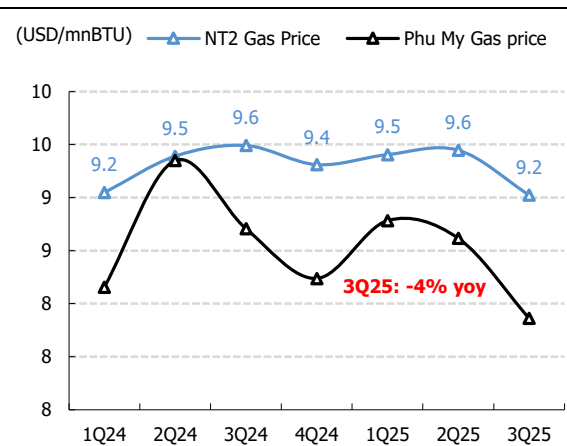
Source: NT2, KIS Research

Figure 3. NT2's average electricity price is estimated to rise 6% yoy, despite a 54% yoy drop in FMP in 3Q25F

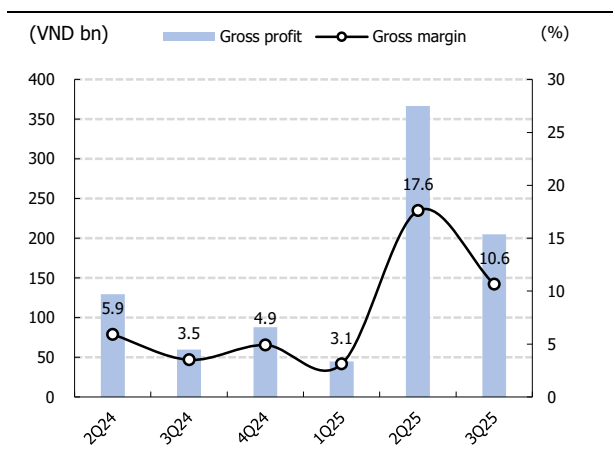


Source: POW, KIS Research

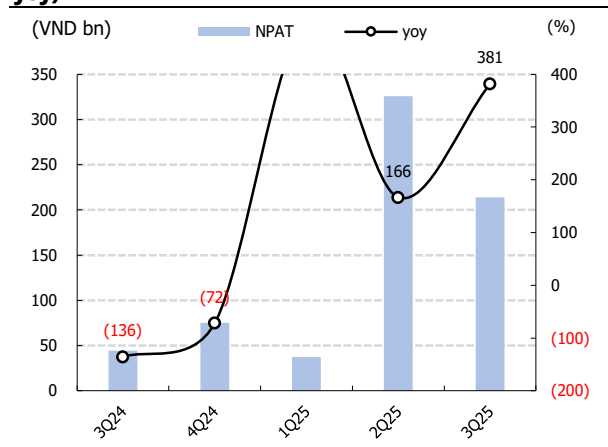
Figure 4. The gas price estimated to down 4% yoy in 3Q25



Source: Bloomberg, NT2, KIS Research

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

Source: NT2, KIS Research

Figure 6. NPAT growth strongly to VND214bn (+375% 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.	2022A	2023A	2024A	2025F	2026F
Current assets	4,557	4,770	5,912	7,020	7,086
Cash & cash equivalents	384	1	57	76	77
Accounts & other receivables	2,911	2,326	2,997	3,937	3,983
Inventory	307	260	333	396	412
Non-current assets (Adj.)	4,173	4,769	5,855	6,944	7,009
Fixed assets	2,809	2,125	1,442	1,417	1,317
Investment assets	-	-	-	-	-
Others	79	1,556	2,661	3,562	3,602
Total assets	7,445	8,451	10,015	11,999	12,005
Advances from customers	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Trade payables	770	1,680	3,687	4,934	4,991
Others	1,431	1,235	1,153	1,543	1,561
ST debt & due bonds	631	1,200	996	948	574
LT debt & bonds	-	-	-	-	-
Total liabilities	2,831	4,115	5,836	7,426	7,126
Controlling interest	4,614	4,336	4,179	4,572	4,879
Capital stock	2,879	2,879	2,879	2,879	2,879
Capital surplus	(0)	(0)	(0)	(0)	(0)
Other reserves	182	226	226	226	226
Retained earnings	1,554	1,231	1,074	1,468	1,775
Minority interest	-	-	-	-	-
Shareholders' equity	4,614	4,336	4,179	4,572	4,879

Cash flow

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025F	2026F
C/F from operations	1,383	857	528	1,067	1,377
Net profit	943	514	91	959	858
Dep'n & Amort'n	689	687	687	733	769
Net incr. in W/C	1,668	1,119	715	1,584	1,557
C/F from investing	(946)	(2,245)	(67)	(720)	(569)
Capex	(1)	(1,094)	(3)	(861)	(670)
Incr. in investment	(945)	(1,151)	(63)	140	100
C/F from financing	(54)	420	(405)	(480)	(807)
Incr. in equity	-	(150)	-	-	-
Incr. in debt	-	1,551	(204)	(48)	(375)
Dividends	(474)	-	(201)	(432)	(432)
C/F from others	-	-	-	-	-
Increase in cash	383	(968)	56	(133)	1

Income statement

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025F	2026F
Sales	8,788	6,386	5,952	7,966	8,057
COGS	7,706	5,876	5,915	7,040	7,320
Gross profit	1,082	510	37	926	737
SG&A expenses	131	69	79	73	74
Operating profit	950	441	(43)	852	663
Financial income	24	107	100	168	100
Interest income	21	99	95	100	100
Financial expenses	18	34	39	61	30
Interest expenses	15	34	35	33	30
Other non-operating profit	(14)	(0)	72	-	-
Gains (Losses) in associates, subsidiaries and JV	-	-	-	-	125
Earnings before tax	943	514	91	959	858
Income taxes	60	41	18	103	92
Net profit	883	473	72	856	766
Net profit of controlling interest	883	473	72	856	766
EBITDA	1,647	1,234	813	1,725	1,658

Key financial data

FY-ending Dec.	2022A	2023A	2024A	2025F	2026F
per share data (VND, adj.)					
EPS	2,961	1,586	242	2,868	2,567
BPS	16,027	15,062	14,515	15,883	16,950
DPS	2,500	1,500	700	1,500	1,500
Growth (%)					
Sales growth	42.9	(27.3)	(6.8)	33.8	1.1
OP growth	60.2	(53.6)	(109.7)	(2,089)	(22.2)
NP growth	65.5	(46.4)	(84.7)	1,083	(10.5)
EPS growth	65.5	(46.4)	(84.7)	1,083	(10.5)
EBITDA growth	60.2	(53.6)	(109.7)	(2,089)	(22.2)
Profitability (%)					
OP margin	10.8	6.9	(0.7)	10.7	8.2
NP margin	10.1	7.4	1.2	10.7	9.5
EBITDA margin	10.8	6.9	(0.7)	10.7	8.2
ROA	12.6	6.0	0.8	7.8	6.4
ROE (excl MI)	20.0	10.6	1.7	19.6	16.2
Dividend yield	8.7	6.1	3.1	6.6	6.6
Dividend payout ratio	95	92	89	81	91
Stability					
Net debt (VND bn)	246	1,199	939	872	497
Net debt/equity (%)	5	28	22	19	10
Valuation (X)					
PE	11.1	14.9	90.5	7.7	8.6
PB	1.3	1.6	1.6	1.4	1.3
EV/EBITDA	8.0	13.9	(101.0)	5.1	6.5

■ **Guide to KIS Vietnam Securities Corp. stock ratings based on 12-month forward performance**

- BUY: Expected total return will be 15% or more
- Hold: Expected total return will be between -5% and 15%
- Sell: Expected total return will be -5% or less
- KIS Vietnam Securities Corp. does not offer target prices for stocks with Hold or Sell ratings.

■ **Guide to KIS Vietnam Securities Corp. sector ratings for the next 12 months**

- Overweight: Recommend increasing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.
- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
- Underweight: Recommend reducing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.

■ **Analyst Certification**

I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

■ **Important compliance notice**

As of the end of the month immediately preceding the date of publication of the research report or the public appearance (or the end of the second most recent month if the publication date is less than 10 calendar days after the end of the most recent month), KIS Vietnam Securities Corp. or its affiliates does not own 1% or more of any class of common equity securities of the companies mentioned in this report.

There is no actual, material conflict of interest of the research analyst or KIS Vietnam Securities Corp. or its affiliates known at the time of publication of the research report or at the time of the public appearance.

KIS Vietnam Securities Corp. or its affiliates has not managed or co-managed a public offering of securities for the companies mentioned in this report in the past 12 months;

KIS Vietnam Securities Corp. or its affiliates has not received compensation for investment banking services from the companies mentioned in this report in the past 12 months; KIS Vietnam Securities Corp. or its affiliates does not expect to receive or intend to seek compensation for investment banking services from the companies mentioned in this report in the next 3 months.

KIS Vietnam Securities Corp. or its affiliates was not making a market in securities of the companies mentioned in this report at the time that the research report was published.

KIS Vietnam Securities Corp. does not own over 1% of shares of the companies mentioned in this report as of 22 Oct 2025.

KIS Vietnam Securities Corp. has not provided this report to various third parties.

Neither the analyst/analysts who prepared this report nor their associates own any shares of the company/companies mentioned in this report as of 22 Oct 2025.

KIS Vietnam Securities Corp. has issued CW with underlying stocks of NHON TRACH 2 (NT2) and is the liquidity provider.

Prepared by: Research Dept

Global Disclaimer

■ General

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

■ Country-specific disclaimer

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2025 KIS Vietnam Securities Corp.. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp..