

Quang Ninh Thermal Power (QTP)

Earnings dented by margin pressure

- 3Q25 – Earnings weakened due to margin contraction
- 4Q25F – Profit yet to show recovery
- Maintain a BUY recommendation

Facts: Bleak profit outlook

In 3Q25F, revenue is estimated at VND2,056bn (-14% yoy, figure 1) due to an estimated 28% yoy decline in average selling price, despite production increasing 20% yoy to 1,620mn kWh (figure 2), as national electricity consumption rose 7.5% yoy in 3Q25.

Gross profit is estimated at VND64bn (-43% yoy, figure 3), corresponding to a gross margin (GM) of 3.1% (-1.6%p yoy, figure 3), as plant efficiency declined and electricity prices fell more sharply than coal prices (VND2.1mn/ton; -14% yoy).

As a result, NPAT sharply fell to VND33bn (-57% yoy, figure 4), mainly due to the contraction in GM mentioned above, despite strong support from financial income, which surged to VND8bn (up 8x yoy).

Table 1. Quarterly earnings snapshot in 3Q25

	3Q24	4Q24	1Q25	2Q25	3Q25	QoQ	YoY
Sales	2,386	2,884	2,912	2,864	2,056	(28)	(14)
OP	85	172	216	239	42	(82)	(51)
OP margin (%)	3.6	6.0	7.4	8.3	2.0	n.a	n.a
EBIT	85	172	216	238	41	(83)	(51)
NPAT	76	155	173	191	33	(83)	(57)

Source: Company data, FiinPro-X, KIS Research

Pros & cons: 4Q25F – Persisting earnings downturn

In 4Q25F, we expect QTP's revenue to remain under pressure, with the average selling price estimated to fall by 15% yoy. Despite supporting the positive effect of an estimated 15% yoy increase in electricity production, supported by improving national power demand and a higher alpha coefficient (Qc) rising from 70% to 80% in 2025.

Accordingly, we project NPAT to continue weakening, driven by the following factors:

- GM is expected to narrow, as electricity prices are likely to decline more sharply than coal prices (figure 6).
- Although total debt are expected to decrease by ~VND30-40bn each quarter (figure 5), the improvement is insufficient to offset margin pressure on earnings.

12M rating **BUY (Maintain)**

12M TP **17,000**

Up/Downside **(32%) (included dividend)**

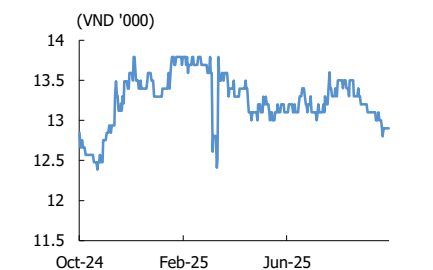
Stock data

VNIndex (28 Oct, pt)	1,642
Stock price (28 Oct, VND)	12,900
Market cap (USD mn)	221
Shares outstanding (mn)	450
52-Week high/low (VND)	13,790/12,387
6M avg. daily turnover (USD mn)	0.19
Free float / Foreign ownership (%)	31.0/1.0
Major shareholders (%)	
GENCO1	42
PPC	16.35

Performance

	1M	6M	12M
Absolute (%)	(2.3)	(4.4)	0.3
Relative to VNIndex (%)	(1.5)	(40.1)	(32.9)

Stock price



Source: Bloomberg

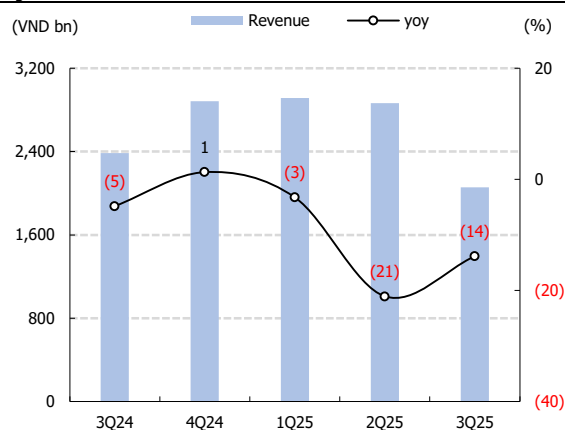
Research Dept

researchdept@kisvn.vn

Action: Maintain BUY rating

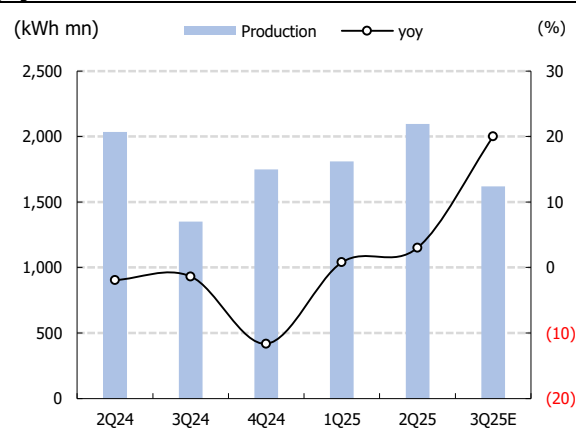
We strongly believe that QTP has a positive in the mid, and long term. In addition, QTP plays an important role in maintaining system stability. On this basic, we maintain a **BUY**-rating for **QTP** (TP: 17,000VND; Upside: +32%) in 2025F.

Figure 1. Revenue recorded at VND2,056bn, down 14% yoy



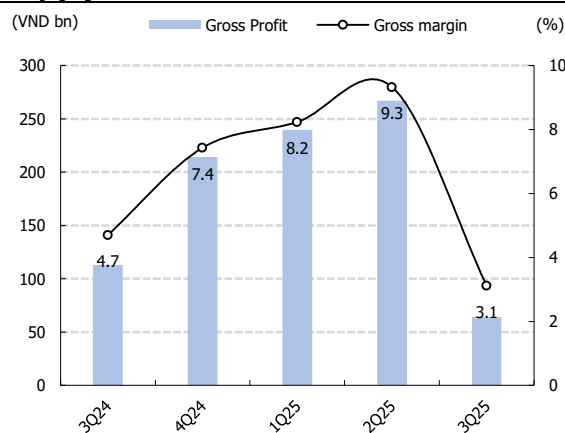
Source: QTP, FiiPro-X, KIS Research

Figure 2. Production in 3Q25F is estimated to rise 20% yoy



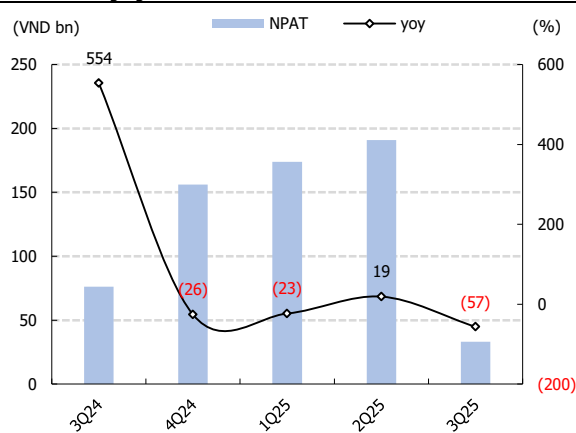
Source: QTP, FiiPro-X, EVN, KIS Research
Note: Data for 3Q25E is estimated.

Figure 3. Gross margin in 3Q25 narrowed to 3.1%, down 1.6%p yoy

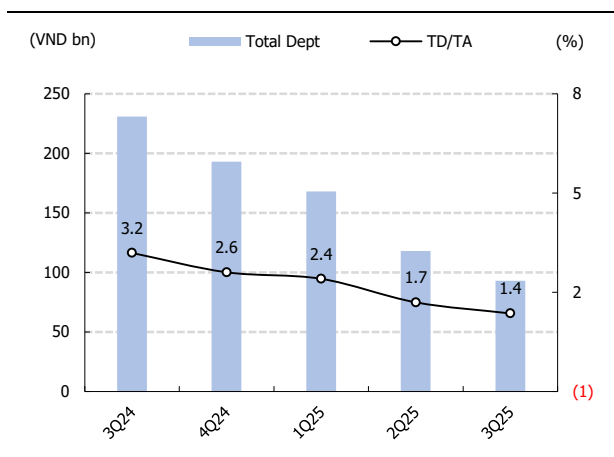


Source: QTP, FiiPro-X, KIS Research

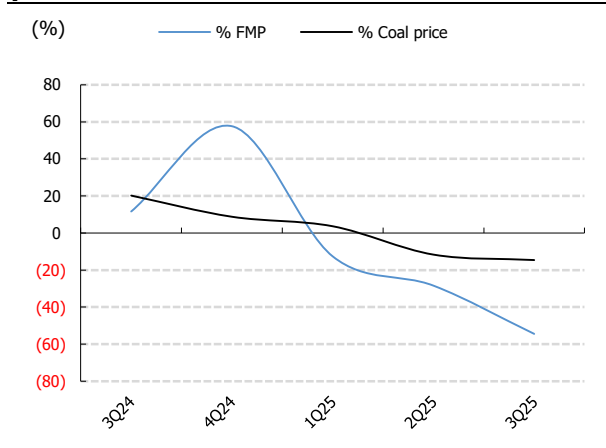
Figure 4. NPAT delivered a weak result of VND33bn, down 57% yoy



Source: QTP, FiiPro-X, KIS Research

Figure 5. Total dept in 3Q25 declined to VND93bn


Source: QTP, FinPro-X, KIS Research

Figure 6. Growth trend of electricity prices versus coal prices


Source: PGV, 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.	2022A	2023A	2024A	2025F	2026F
Current assets	3,732	3,944	4,549	4,957	5,967
Cash & cash equivalents	24	158	36	861	1,105
Accounts & other receivables	2,515	2,984	2,964	2,645	3,213
Inventory	391	724	882	799	968
Non-current assets (Adj.)	3,709	3,787	4,514	4,096	4,862
Fixed assets	4,242	3,367	2,811	1,856	902
Investment assets	-	-	-	-	-
Others	76	69	96	91	102
Total assets	8,051	7,380	7,456	6,904	6,971
Advances from customers	-	1	-	-	-
Unearned revenue	-	-	-	-	-
Trade payables	607	1,159	1,435	1,285	1,562
Others	184	607	738	661	803
ST debt & due bonds	776	98	75	59	63
LT debt & bonds	316	218	118	126	63
Total liabilities	1,888	2,087	2,370	2,137	2,496
Controlling interest	6,162	5,292	5,086	4,767	4,475
Capital stock	4,500	4,500	4,500	4,500	4,500
Capital surplus	231	231	231	231	231
Other reserves	274	145	145	145	145
Retained earnings	1,158	416	210	(109)	(401)
Minority interest	-	-	-	-	-
Shareholders' equity	6,162	5,292	5,086	4,767	4,475

Income statement

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025F	2026F
Sales	10,417	12,058	11,908	10,667	12,959
COGS	9,336	11,241	11,051	10,007	12,128
Gross profit	1,081	817	858	660	831
SG&A expenses	113	114	115	105	128
Operating profit	968	703	743	555	704
Financial income	34	23	7	27	26
Interest income	33	21	6	18	26
Financial expenses	193	78	25	13	13
Interest expenses	133	57	21	19	13
Other non-operating profit	(4)	(4)	1	-	-
Gains (Losses) in associate subsidiaries and JV	-	-	-	-	-
Earnings before tax	805	644	726	568	717
Income taxes	41	32	-	29	36
Net profit	764	612	726	540	680
Net profit of controlling interest	764	612	650	540	680
EBITDA	1,898	1,586	1,317	927	932

Cash flow

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025F	2026F
C/F from operations	1,438	1,149	1,203	950	382
Net profit	805	644	726	568	717
Dep'n & Amort'n	960	884	570	339	202
Net incr. in W/C	1,896	1,568	1,313	894	906
C/F from investing	217	787	(1,049)	27	19
Capex	(4)	(10)	(529)	(6)	(7)
Incr. in investment	221	798	(520)	33	26
C/F from financing	(1,836)	(1,802)	(922)	(772)	(915)
Incr. in equity	-	-	(799)	-	-
Incr. in debt	-	(791)	-	(16)	4
Dividends	(719)	(1,011)	-	(765)	(855)
C/F from others	-	-	-	-	-
Increase in cash	(182)	134	(768)	205	(514)

Key financial data

FY-ending Dec.	2022A	2023A	2024A	2025F	2026F
per share data (VND, adj.)					
EPS	1,405	1,125	1,195	993	1,251
BPS	13,694	11,761	11,302	10,594	9,945
DPS	2,250	1,036	1,464	1,700	1,900
Growth (%)					
Sales growth	21.5	15.8	(1.2)	(10.4)	21.5
OP growth	32.0	(27.4)	5.6	(25.3)	26.8
NP growth	32.2	(19.9)	18.7	(25.7)	26.1
EPS growth	32.2	(19.9)	6.2	(16.9)	26.1
EBITDA growth	32.0	(27.4)	5.6	(25.3)	26.8
Profitability (%)					
OP margin	9.3	5.8	6.2	5.2	5.4
NP margin	7.3	5.1	6.1	5.1	5.3
EBITDA margin	9.3	5.8	6.2	5.2	5.4
ROA	9.0	7.9	9.8	7.5	9.8
ROE (excl MI)	12.4	10.7	12.5	11.0	14.7
Dividend yield	17.3	7.0	11.3	13.2	14.7
Dividend payout ratio	159	34	125	133	76
Stability					
Net debt (VND bn)	1,069	159	157	(675)	(979)
Net debt/equity (%)	17	3	3	(14)	(22)
Valuation (X)					
PE	11.1	10.9	8.0	10.8	8.5
PB	1.3	1.3	1.1	1.2	1.3
EV/EBITDA	6.3	9.7	7.3	9.8	7.7

■ **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 28 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 28 Oct 2025.

KIS Vietnam Securities Corp. has issued CW with underlying stocks of Quang Ninh Thermal Power (QTP) 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..