

19 Jan 2026

NHON TRACH 2 (NT2)

Net profit expansion persists

- Gross margin expansion thanks to improved plant efficiency
- 4Q25 - Sharp earnings rebound
- Maintain a HOLD recommendation

Facts: 4Q25 - Earnings post strong growth

4Q25 revenue reached VND2,367bn (+33% yoy and +23% qoq; figure 1), driven by:

- A 17% yoy increase in production amid stable nationwide electricity consumption in 4Q25 (figure 2);
- An estimated 13% yoy increase in the average electricity selling price (figure 3);
- The completion of the recognition of approximately VND80bn from forest environmental service fees.

Gross profit reached VND477bn (+444% yoy), translating into a gross margin of 20.2%, up 15.1%p yoy, supported by (a) improved operating efficiency; (b) a stronger increase in the average electricity selling price relative to gas prices (around USD9.2/mmBTU, -3% yoy; figure 4); and (c) the completion of machinery depreciation in 4Q25.

As a result, NPAT reached VND422bn (+462% yoy; figure 6), mainly attributable to (i) the improvement in GM as discussed above (figure 5); and (ii) financial income of VND52bn (up VND18bn, equivalent to +51% yoy), despite (iii) higher G&A expenses of VND35bn (+52% yoy).

Table 1. Quarterly earnings snapshot in 4Q25

(VND bn, %, %p)

	4Q24	1Q25	2Q25	3Q25	4Q25	QoQ	YoY
Sales	1,784	1,427	2,081	1,928	2,367	23	32
OP	89	44	365	236	476	101	435
OP margin (%)	5.0	3.1	17.1	12.1	20.1	8.0	15.1
EBT	90	44	365	239	475	99	428
NPAT	75	37	326	214	422	98	463

Source: Company data, FiinPro-X KISVN

Pros & cons: 1Q26F - Profit continues to remain stable

In 1Q26F, we estimate that NT2's revenue could continue to grow strongly, driven by higher production amid stable electricity consumption demand, while also benefiting from capacity shortfalls following the expiration of the BOT Phu My 3 and Phu My 2.2 contracts.

In addition, the average selling price in 1Q26F is expected to increase, supported by higher temperature levels in 2026 as the neutral phase is projected to persist until September 2026 before gradually transitioning to El Niño conditions. In addition, a 2.8x yoy surge in CAN prices to approximately VND130/kWh and a 3% yoy increase in the SMP cap.

12M rating **HOLD (Maintain)**

12M TP

Up/Downside

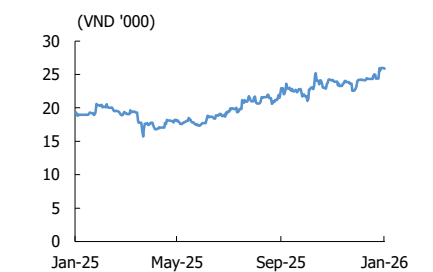
Stock data

VNIndex (19 Jan, pt)	1,896
Stock price (19 Jan, VND)	25,850
Market cap (USD mn)	283
Shares outstanding (mn)	288
52-Week high/low (VND)	25,950/15,728
6M avg. daily turnover (USD mn)	1.36
Free float / Foreign ownership (%)	32.3/11.5
Major shareholders (%)	
PV Power	59.37
Technology Development Company Limited	8.27

Performance

	1M	6M	12M
Absolute (%)	6.8	32.8	34.8
Relative to VNIndex (%p)	(4.6)	5.1	(19.6)

Stock price



Source: Bloomberg

Research Dept

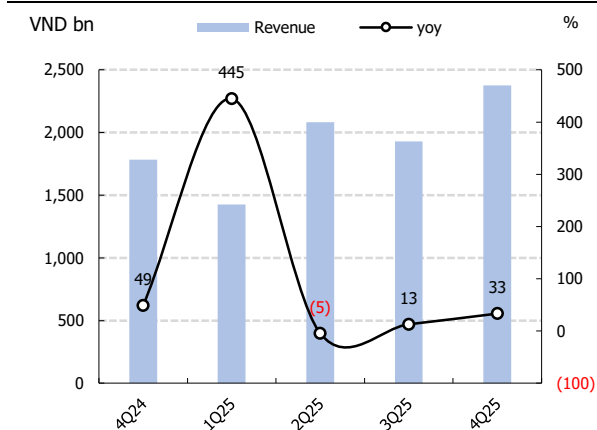
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Regarding net profit, we forecast an improvement yoy, mainly thanks to (1) better heat rate efficiency in 1Q26F, (2) expecting the selling price to increase more than the gas price and (3) the completion of machinery depreciation, which could significantly enhance NT2's gross margin during the period.

Action: Maintain HOLD rating

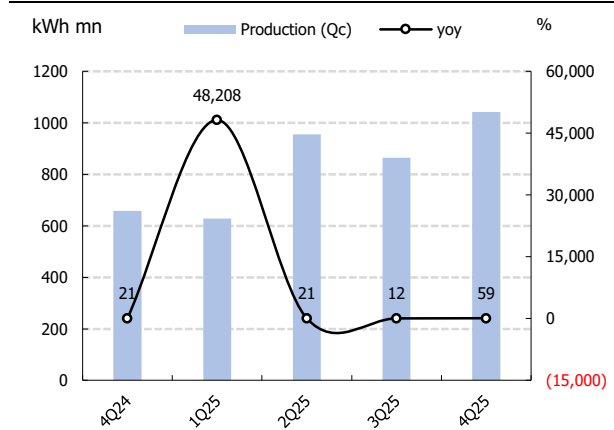
We strongly believe in a positive outlook for NT2 in the long term, as it plays an important role in maintaining system stability. However, in the short term, we anticipated that NT2's market price has almost reflected its intrinsic value. Therefore, we maintain a **HOLD** recommendation for NT2 in 2025F.

Figure 1. Revenue recorded to VND2,367bn, up 33% yoy in 4Q25



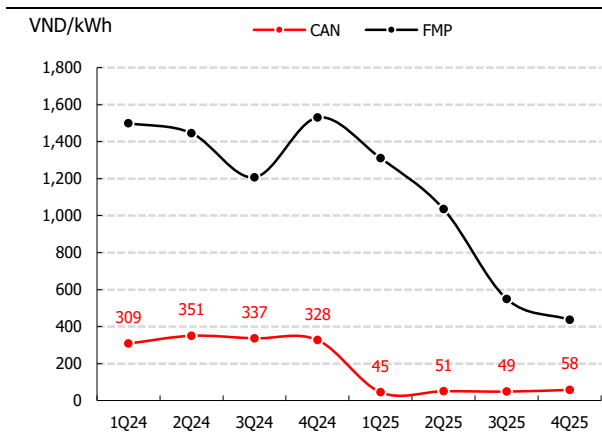
Source: NT2, KIS Research

Figure 2. ... production growth is 59% yoy



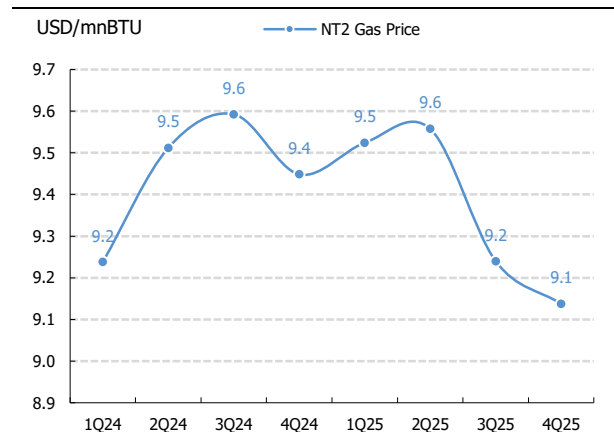
Source: NT2, KIS Research

Figure 3. NT2's average electricity price is estimated to rise 13% yoy, despite a 72% yoy drop in FMP in 4Q25F

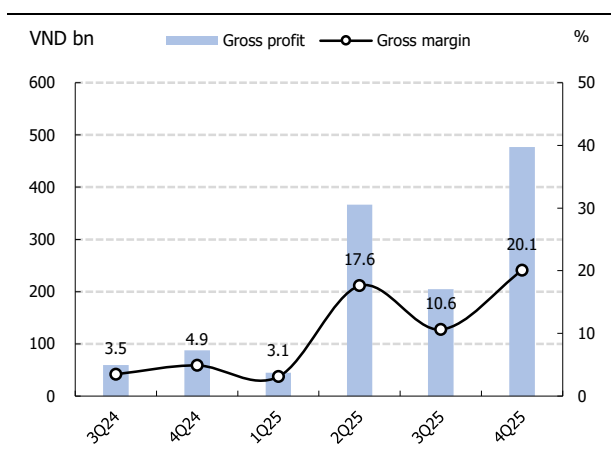


Source: POW, KIS Research

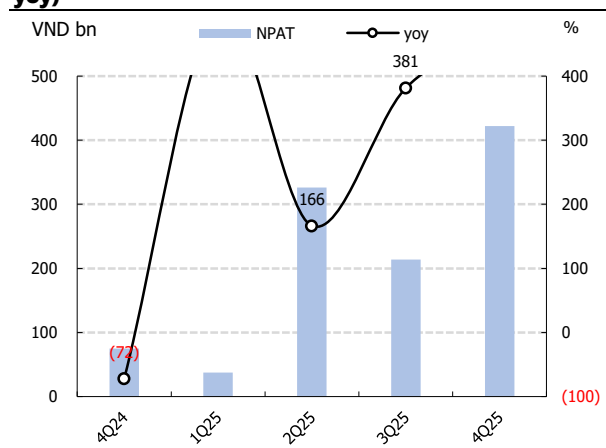
Figure 4. The gas price estimated to down 3% yoy in 4Q25



Source: Bloomberg, NT2, KIS Research

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

Source: NT2, KIS Research

Figure 6. NPAT growth strongly to VND422bn (+462% 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	6,994	8,286
Cash & cash equivalents	384	1	57	156	199
Accounts & other receivables	2,911	2,326	2,997	3,857	4,906
Inventory	307	260	333	377	488
Non-current assets (Adj.)	4,173	4,769	5,855	6,838	8,088
Fixed assets	2,809	2,125	1,442	1,735	2,277
Investment assets	-	-	-	-	-
Others	79	1,556	2,661	3,489	4,438
Total assets	7,445	8,451	10,015	12,218	15,001
Advances from customers	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Trade payables	770	1,680	3,687	4,834	6,148
Others	1,431	1,235	1,153	1,512	1,923
ST debt & due bonds	631	1,200	996	963	1,098
LT debt & bonds	-	-	-	-	-
Total liabilities	2,831	4,115	5,836	7,308	9,170
Controlling interest	4,614	4,336	4,179	4,910	5,831
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	1,805	2,727
Minority interest	-	-	-	-	-
Shareholders' equity	4,614	4,336	4,179	4,910	5,831

Cash flow

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025F	2026F
C/F from operations	1,383	857	528	1,073	1,112
Net profit	943	514	91	1,120	1,341
Dep'n & Amort'n	689	687	687	553	616
Net incr. in W/C	1,668	1,119	715	1,568	1,807
C/F from investing	(946)	(2,245)	(67)	(891)	(975)
Capex	(1)	(1,094)	(3)	(1,028)	(1,158)
Incr. in investment	(945)	(1,151)	(63)	137	183
C/F from financing	(54)	420	(405)	(264)	(95)
Incr. in equity	-	(150)	-	-	-
Incr. in debt	-	1,551	(204)	(34)	136
Dividends	(474)	-	(201)	(230)	(230)
C/F from others	-	-	-	-	-
Increase in cash	383	(968)	56	(83)	42

Income statement

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025F	2026F
Sales	8,788	6,386	5,952	7,803	9,926
COGS	7,706	5,876	5,915	6,709	8,680
Gross profit	1,082	510	37	1,094	1,246
SG&A expenses	131	69	79	76	99
Operating profit	950	441	(43)	1,018	1,147
Financial income	24	107	100	170	223
Interest income	21	99	95	102	105
Financial expenses	18	34	39	66	73
Interest expenses	15	34	35	33	33
Other non-operating profit	(14)	(0)	72	-	-
Gains (Losses) in associates, subsidiaries and JV	-	-	-	-	44
Earnings before tax	943	514	91	1,120	1,341
Income taxes	60	41	18	123	147
Net profit	883	473	72	996	1,194
Net profit of controlling interest	883	473	72	996	1,194
EBITDA	1,647	1,234	813	1,705	1,991

Key financial data

FY-ending Dec.	2022A	2023A	2024A	2025F	2026F
per share data (VND, adj.)					
EPS	2,961	1,586	242	3,340	4,002
BPS	16,027	15,062	14,515	17,055	20,256
DPS	2,500	1,500	700	800	800
Growth (%)					
Sales growth	42.9	(27.3)	(6.8)	31.1	27.2
OP growth	60.2	(53.6)	(109.7)	(2,476)	12.7
NP growth	65.5	(46.4)	(84.7)	1,277	19.8
EPS growth	65.5	(46.4)	(84.7)	1,277	19.8
EBITDA growth	60.2	(53.6)	(109.7)	(2,476)	12.7
Profitability (%)					
OP margin	10.8	6.9	(0.7)	13.0	11.6
NP margin	10.1	7.4	1.2	12.8	12.0
EBITDA margin	10.8	6.9	(0.7)	13.0	11.6
ROA	12.6	6.0	0.8	9.0	8.8
ROE (excl MI)	20.0	10.6	1.7	21.9	22.2
Dividend yield	8.7	6.1	2.9	3.3	3.3
Dividend payout ratio	95	92	89	81	91
Stability					
Net debt (VND bn)	246	1,199	939	806	900
Net debt/equity (%)	5	28	22	16	15
Valuation (X)					
PE	11.1	14.9	97.1	7.0	5.9
PB	1.3	1.6	1.7	1.4	1.2
EV/EBITDA	8.0	13.9	(112.1)	4.7	4.2

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