

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

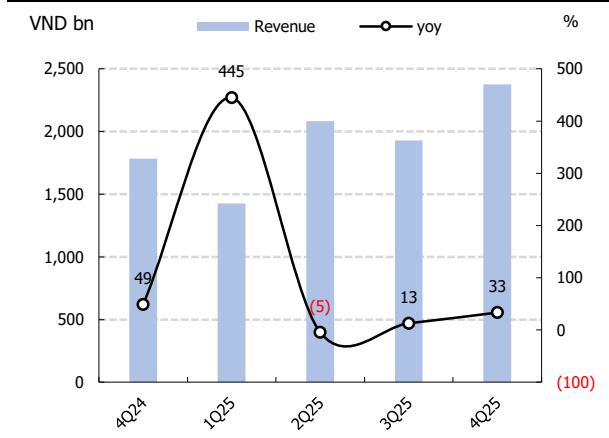
researchdept@kisvn.vn

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

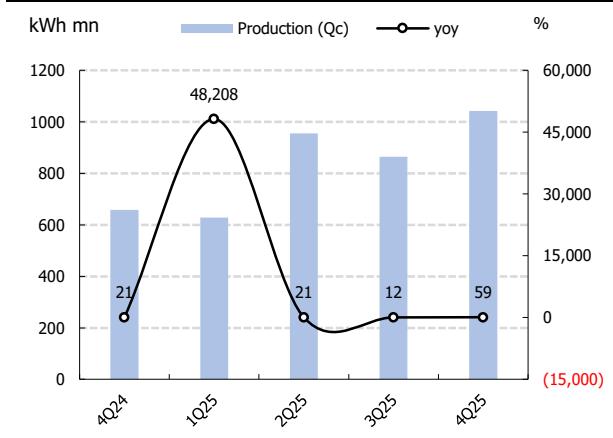
We strongly believe in a positive outlook for NT2 in the long term, as it plays an important role in maintaining system stability. However, in the short term, we anticipated that NT2's market price has almost reflected its intrinsic value. Therefore, we maintain a **HOLD** recommendation for NT2 in 2025F.

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



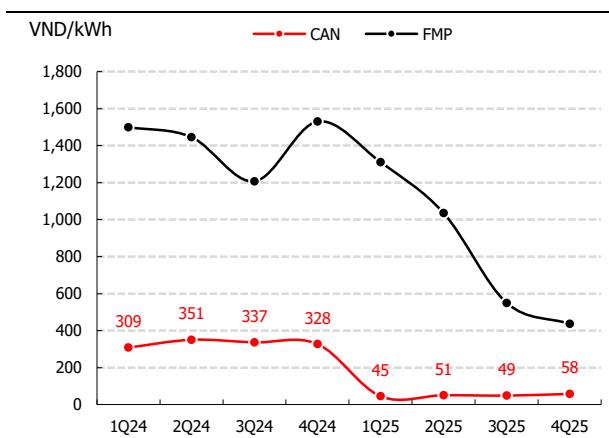
Source: NT2, KIS Research

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



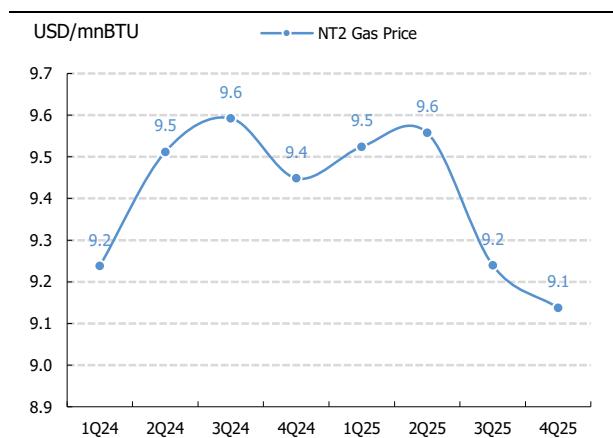
Source: NT2, KIS Research

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

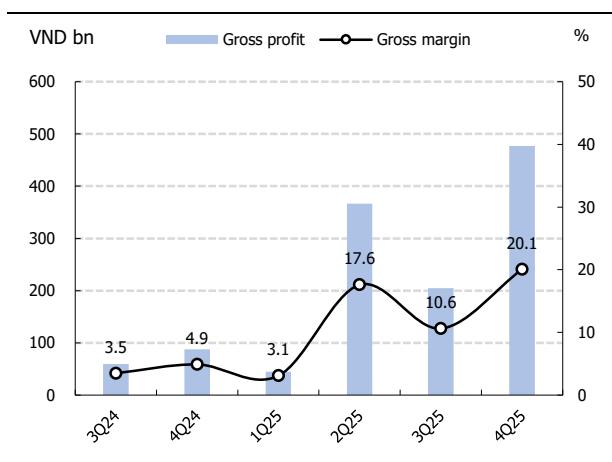


Source: POW, KIS Research

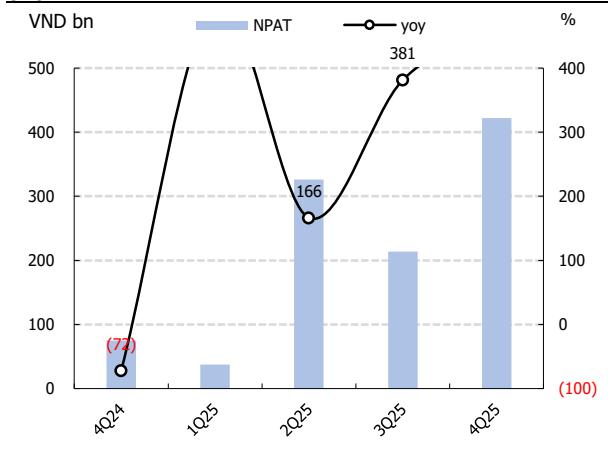
**Figure 4. The gas price estimated to down 3% yoy in 4Q25**



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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