

13 May 2026

NHON TRACH 2 (NT2)

Profit rebounded strongly

- 1Q26 - Profit jumped sharply
- 2Q26F - Profit remains resilient
- Maintain a HOLD recommendation

Facts: 1Q26 - Strong earnings momentum continued

Revenue in 1Q26 reached VND2,172bn (+52% yoy, equivalent to ~90% of KIS's forecast), driven by (i) a 59% yoy increase in production amid national power consumption growth of 6.5% yoy in 1Q26, despite (ii) an estimated 4.5% yoy decline in the average electricity selling price.

Gross profit recorded VND217bn (+4.9x yoy), with gross margin improving to 10%, up 6.9%p yoy. This significant improvement was mainly attributable to NT2 having fully depreciated its machinery and equipment by 4Q25, resulting in a sharp decline in depreciation expenses (-79% yoy) during 1Q26.

As a result, NPAT reached VND180bn (+4.8x yoy), fulfilling approximately 50% of KIS's full-year forecast. In terms of growth drivers, NPAT was supported by (i) the improvement in gross margin as mentioned above, and (ii) financial income of VND58bn (+85% yoy, equivalent to an increase of VND27bn), although (iii) SG&A expenses rose to VND34bn (+82% yoy).

Table 1. Quarterly earnings snapshot in 1Q26

(VND bn, %, %p)

	1Q25	2Q25	3Q25	4Q25	1Q26	QoQ	YoY
Sales	1,427	2,081	1,928	2,522	2,172	(13.9)	52.2
OP	44	365	236	622	223	(64.2)	411.2
OP margin (%)	3.1	17.5	12.3	24.7	10.3	(14.4)	7.2
EBT	44	365	239	620	223	(64.0)	412.5
NPAT	37	326	214	553	180	(67.4)	386.9

Source: Company data, FiinPro-X KISVN

Pros & cons: 2Q26F - Profit continues to remain stable

In 2Q26F, we estimate that NT2's revenue could continue to improve, driven by higher production amid stable electricity consumption demand

In addition, the average selling price in 2Q26F is expected to increase, supported by higher temperature levels in 2026. Besides, a 2.8x yoy surge in CAN prices to approximately VND130/kWh and a 3% yoy increase in the SMP cap.

Regarding net profit, we forecast an improvement yoy, mainly thanks to (1) better heat rate efficiency in 2Q26F, (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.

12M rating **HOLD (Maintain)**

12M TP

Up/Downside

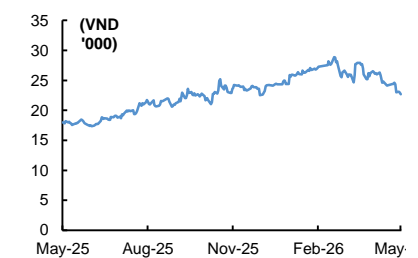
Stock data

VNIndex (13 May, pt)	1,898
Stock price (13 May, VND)	22,700
Market cap (USD mn)	250
Shares outstanding (mn)	288
52-Week high/low (VND)	28,900/17,324
6M avg. daily turnover (USD mn)	1.31
Free float / Foreign ownership (%)	30.0/11.2
Major shareholders (%)	
PV Power	59.37
Technology Development Company Limited	8.27

Performance

	1M	6M	12M
Absolute (%)	(13.4)	(0.9)	26.1
Relative to VNIndex (%p)	(17.7)	(21.0)	(20.7)

Stock price



Source: Bloomberg

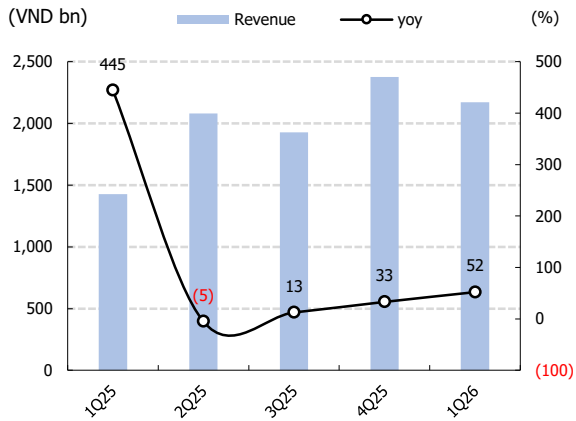
Research Dept

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Action: Maintain HOLD rating

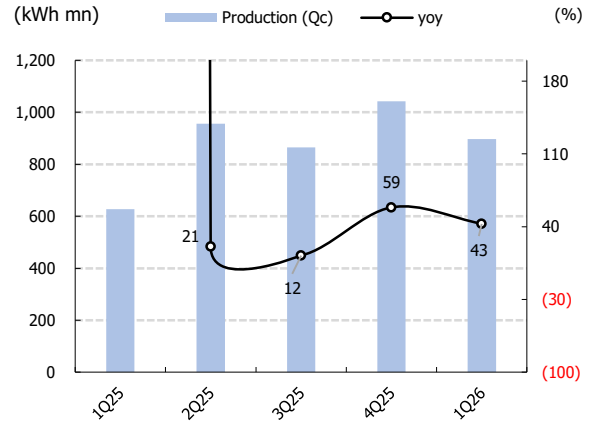
We strongly believe in a positive outlook for NT2 in the long term, as it plays an important role in maintaining system stability. However, in the short term, we anticipated that NT2's market price has almost reflected its intrinsic value. Therefore, we maintain a **HOLD** recommendation for NT2 in 2026F.

Figure 1. Revenue recorded to VND2,172bn, up 52% yoy in 1Q26



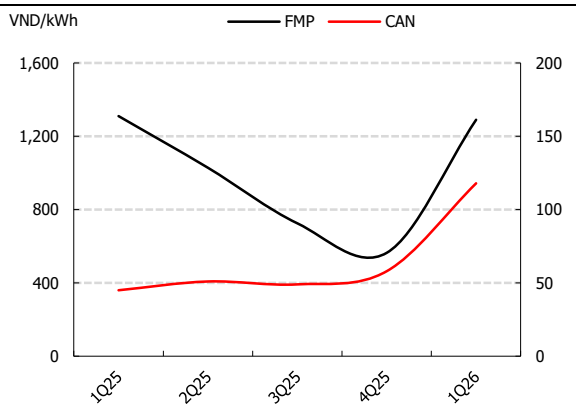
Source: NT2, KIS Research

Figure 2. ... production growth is 43% yoy



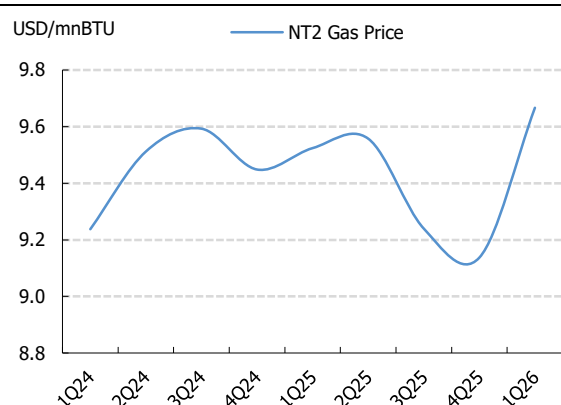
Source: NT2, KIS Research

Figure 3. FMP is expected to improve in 1Q26, driven by the recovery in CAN prices



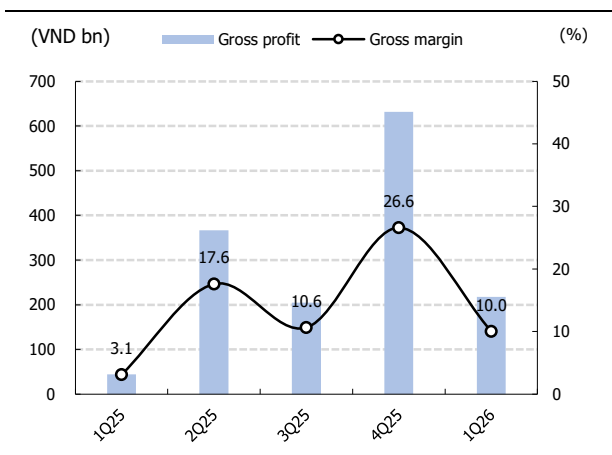
Source: POW, KIS Research

Figure 4. The gas price record to rise 1% yoy in 4Q25



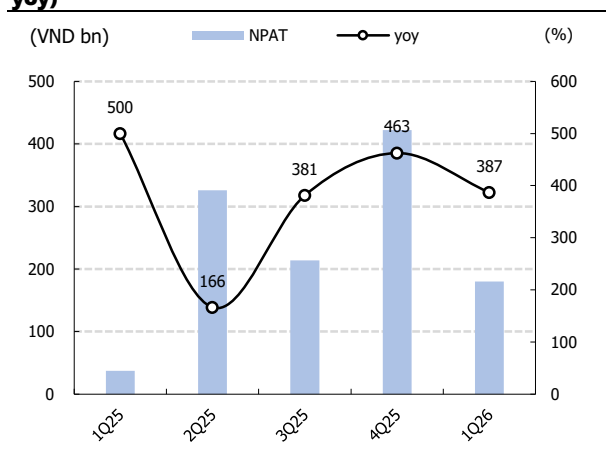
Source: Bloomberg, NT2, KIS Research

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



Source: NT2, KIS Research

Figure 6. NPAT growth strongly to VND180bn (+387% 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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- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
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