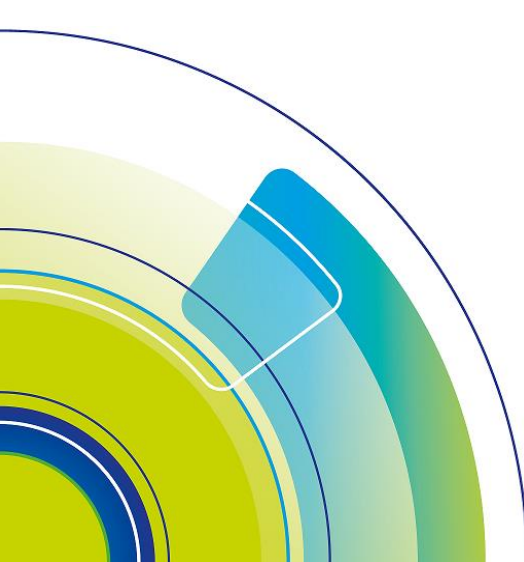




NT2 Flash News - NEUTRAL

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Flash News

Recommendation

NEUTRAL

HoSe: NT2

Thermal

Target price (VND) 17,500

Current price (VND) 19,150

Expected share price return -8.9%

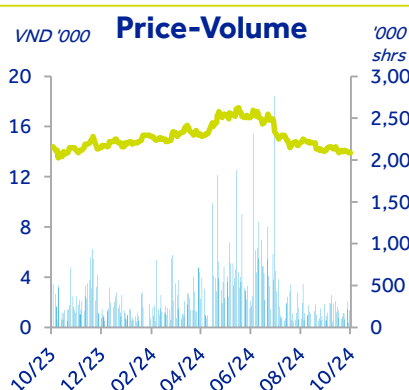
Expected dividend yield 0.0%

Expected total return -8.9%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-19.0	-3.7	-8.1	-14.2
Relative	-34.7	-5.5	-9.5	-33.1

Source: Bloomberg



Ownership

POW	59.4%
Industrial Zone Development Ltd	8.3%
Samarang UCITS	5.0%
Apollo Asia Fund	3.3%

Stock Statistics

21-Oct-24

Bloomberg code

NT2 VN

52-week range (VND) 18,650 – 26,800

Shares O/S (m) 288

Mkt cap (VND bn) 5,556

Mkt cap (USD bn) 222

Foreign room left (%) 35.8

Est. free float (%) 32.3

3m avg daily vol (shrs) 413,908

VND/USD 25,030

Index: VNIIndex / HNX 1,286.4/228.18

Nhon Trach 2 Thermal Power JSC (HoSE: NT2)

NT2 announced a more positive Q3/2024 result compared to the 1H2024 results. Revenue reached VND1,712 bn, +109.8% YoY, while NPAT reached VND44 bn. However, cumulative 9M2024, NPAT amounted to VND8 bn, -96.9% YoY, due to the loss of VND36 bn in 1H2024. This achievement completed 11.8% of the company's 2024 target and 4.4% of ACBS's forecast. A significant drop in power generation output (9M2024: 1,9 bn kWh, -22,6% YoY) and rising gas prices were the main reasons for the poor performance.

The significant increase in Q3/2024 revenue of 109.8% YoY was primarily driven by a growth of 103.6% YoY in output, reaching 743 mil kWh. In contrast, during the same period last year, NT2 underwent a 100,000-hour overhaul, leading to a substantial decline in production.

Despite a growth of 56.3% YoY in administrative expenses to VND25 bn, NPAT reached VND44 bn compared to a loss of VND124 bn in Q3/2023 due to improved gross profit. Gross profit improved from a loss of VND133 bn in Q3/2023 to VND60 bn in Q3/2024; however, the gross profit margin remained low at 3.5% due to a +3.6% YoY in the average input gas price to USD 9.59/MMBtu.

Cumulative 9M2024, revenue reached VND4,160 bn, -19.7% YoY, gross loss amounted to VND37 bn, compared to a gross profit of VND508 bn in 9M2023, while NPAT reached VND8 bn, -96.9% YoY. The net profit margin decreased to 0.2% from 4.9% in the same period last year.

Unit: bn VND	Q3/2023	Q3/2024	YoY	9M2023	9M2024	YoY
Revenue	816	1,712	109.8%	5,182	4,160	-19.7%
Gross profit	-133	60		281	-37	
Gross margin		3.5%		5.4%		
Financial Expenses	11	12	9.1%	23	28	26.1%
Interest Expenses	10	11	10.0%	22	25	13.6%
Administrative Expenses	16	25	56.3%	54	58	7.4%
NPAT	-124	44		254	8	-96.9%
NPAT's margin		2.6%		4.9%	0.2%	

Quick conclusion: NT2 achieved 11.8% of its 2024's NPAT planned after Q3/2024 and 4.4% of our forecast. These results have not yet reflected the VND177 bn in exchange rate gains as previously announced at the general shareholders' meeting. We expect NT2 will continue to post a positive result in Q4/2024, recognize VND177 bn from EVN to support for 2024's profit; thus, we remain our forecast and target price.

	2021	2022	2023	2024F	2025F
Net Sales (VNDbn)	6,150	8,788	6,386	3,616	5,226
Growth	1.1%	42.9%	-27.3%	-43.4%	44.5%
EBITDA (VNDbn)	1,283	1,640	1,128	694	815
Growth	-14.6%	27.8%	-31.2%	-38.5%	17.3%
NPAT (VNDbn)	533	883	473	186	177
Growth	-14.9%	65.7%	-46.4%	-60.7%	-4.8%
EPS (bonus-adjusted, VND)	1,775	2,970	1,535	622	592
Growth	-15.3%	67.3%	-48.3%	-59.5%	-4.8%
ROE	12.6%	19.1%	10.9%	4.6%	4.2%
ROA	8.0%	11.9%	5.6%	2.5%	2.6%
Net debt/EBITDA (x)	0.2	0.2	1.1	0.4	(1.0)
EV/EBITDA (x)	4.5	3.5	6.0	8.4	5.8
P/E (x)	10.3	6.2	11.7	29.7	31.2
P/B (x)	1.9	1.8	1.1	1.2	1.3
Dividend (VND)	1,650	2,500	1,500	-	500
Dividend yield	8.6%	13.1%	7.8%	0.0%	2.6%

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DISCLAIMER

Our Recommendation System

BUY: prospective 12 month VND total return (including dividends) will be more than 20%.

OUTPERFORM: prospective 12 month VND total return (including dividends) will be 10% to 20%.

NEUTRAL: prospective 12 month VND total return (including dividends) will be -10% to 10%.

UNDERPERFORM: prospective 12 month VND total return (including dividends) will be -20% to -10%.

SELL: prospective 12 month VND total return (including dividends) will be lower than -20%.

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