



QTP Flash News - NEUTRAL

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Flash News

Recommendation

NEUTRAL
Upcom: QTP

Thermal

Target price (VND)	14,000
Current price (VND)	14,000
Expected share price return	0.0%
Expected dividend yield	9.3%
Expected total return	9.3%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-0.4	-1.4	-7.4	0.6
Relative	-16.1	-3.2	-8.8	-18.3

Source: Bloomberg



Ownership

EVNGENCO 1	42,0%
PPC	16,4%
SCIC	11,4%
DTK	10,6%

Stock Statistics

20-Oct-24

Bloomberg code

QTP VN

52-week range (VND)	13,300 – 17,700
Shares O/S (m)	450
Mkt cap (VND bn)	6,300
Mkt cap (USD bn)	252
Foreign room left (%)	48.0
Est. free float (%)	88.4
3m avg daily vol (shrs)	209,934
VND/USD	25,030
Index: VNIIndex / HNX	1,286.4/228.2

Quang Ninh Thermal Power JSC (Upcom: QTP)

QTP announced Q3/2024 results with revenue of VND2,386 bn, -4.8% YoY, VND113 bn in gross profit, +82.3% YoY, and VND76 bn in NPAT, surged by 6.3 times YoY. For 9M2024, NPAT amounted to VND464 bn, +14.6% YoY. This achievement represents 92.8% of the company's 2024 target and 86.4% of ACBS's forecast.

Q3/2024 revenue decreased by 4.8% YoY, primarily due to -17.2% YoY in output, which reached 1.3 bn kWh. However, NPAT surged by 533% YoY to VND76 bn, driven by an improved gross profit margin of 4.7% compared to 2.5% in the same period last year. This improvement was attributed to (1) -36.7% YoY in depreciation to VND138 bn in Q3/2024; (2) an increase in the average selling price of electricity to VND1,830/kWh, +14.9% YoY, and (3) QTP's effective management and operational cost, leading to a reduction in heat loss. Additionally, finance expenses declined to VND3 bn in Q3/2024, -89.7% YoY, primarily due to a substantial reduction in interest expenses (recorded at VND5 bn, -61.5% YoY), contributing to the growth in NPAT.

For 9M2024, revenue reached VND9,024 bn, -2.0% YoY, gross profit amounted to VND 608 bn, +12.6% YoY, while NPAT reached VND464 bn, +14.6% YoY. The gross profit margin improved to 6.7% compared to 5.9% in the same period last year, and the net profit margin increased to 5.1% from 4.4% in 9M2023.

Unit: bn VND	Q3/2023	Q3/2024	YoY	9M2023	9M2024	YoY
Rev	2.507	2.386	-4,8%	9.211	9.024	-2,0%
Gross profit	62	113	82,3%	540	608	12,6%
Gross margin	2,5%	4,7%		5,9%	6,7%	
Financial Expenses	29	3	-89,7%	65	19	-70,8%
Interest Expenses	13	5	-61,5%	45	16	-66,7%
Administrative Expenses	23	25	8,7%	67	73	9,0%
NPAT	12	76	533%	404	463	14,6%
NPAT's margin	0,5%	3,2%		4,4%	5,1%	

Quick conclusion: QTP achieved 92.8% of its planned NPAT after Q3/2024 and 86.4% of our 2024 forecast. We will continue to monitor and assess negative factors impacting QTP, such as the effects of storm (like Yagi in September 2024) on operational efficiency, maintenance and ignition costs, and the hydropower generation during the transition year between El Niño and La Niña. We will adjust our forecasts and valuations for the 2024-2025 period in our next report.

	2021	2022	2023	2024F	2025F
Net Sales (VNDbn)	8,571	10,417	12,058	11,486	10,528
Growth	-6.7%	21.5%	15.8%	-4.7%	-8.3%
EBITDA (VNDbn)	1,706	1,934	1,587	1,135	1,056
EBITDA margin	-40.7%	13.4%	-17.9%	-28.4%	-7.0%
NPAT (VNDbn)	578	770	612	512	439
Growth	-55.7%	33.2%	-20.5%	-16.4%	-14.2%
EPS (bonus-adjusted, VND)	1,169	1,418	1,207	1,018	874
Growth	-58.2%	21.3%	-14.9%	-15.6%	-14.2%
ROE	9.4%	12.5%	11.6%	9.5%	8.4%
ROA	6.5%	9.6%	8.3%	6.9%	6.1%
Net debt/EBITDA (x)	1.1	0.6	0.1	(0.6)	(1.7)
EV/EBITDA (x)	2.5	2.7	3.9	6.1	7.7
P/E (x)	10.8	8.2	10.3	12.3	14.3
P/B (x)	1.0	1.0	1.2	1.2	1.2
Dividend (VND)	1,600	2,250	1,500	1,300	1,000
Dividend yield	1.5%	1.5%	1.5%	1.5%	1.5%

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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 will be -20% to -10%.

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

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