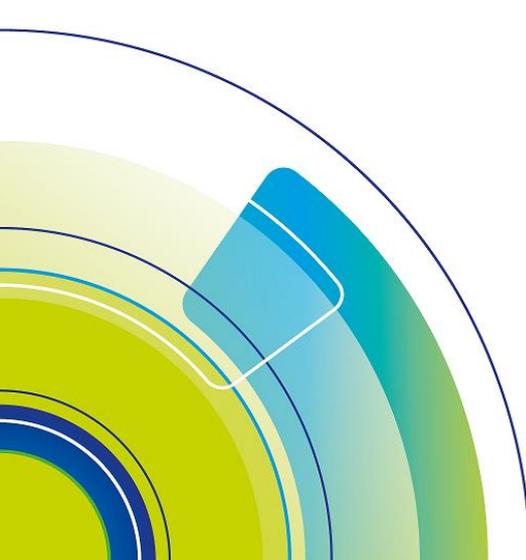




QTP Flash News - OUTPERFORM

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Flash News

Recommendation

OUTPERFORM

Upcom: QTP

Thermal

Target price (VND)	14,500
Current price (VND)	13,700
Expected share price return	5.9%
Expected dividend yield	9.5%
Expected total return	15.4%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-2.9	0.0	5.7	2.5
Relative	-1.5	1.0	7.6	-4.4

Source: Bloomberg



Ownership

EVNGENCO 1	42.0%
PPC	16.4%
SCIC	11.4%
DTK	10.6%

Stock Statistics

	22-Jan-25
Bloomberg code	QTP VN
52-week range (VND)	13,500 – 17,700
Shares O/S (m)	450
Mkt cap (VND bn)	6,120
Mkt cap (USD bn)	245
Foreign room left (%)	48.1
Est. free float (%)	47.4
3m avg daily vol (shrs)	218,770
VND/USD	25,030
Index: VNIndex / HNX	1,249.6/221.5

Quang Ninh Thermal Power JSC (Upcom: QTP)

QTP reported Q4/2024 results, with VND2,884 bn in revenue, +1.3% YoY, VND248 bn in gross profit, -10.5% YoY, and VND185 bn in NPAT, -11.1% YoY. For 2024, NPAT reached VND650 bn, +6.2% YoY, completing the company's 2024 plan by 130% and ACBS' forecast by 127%. We have upgraded our recommendation to Outperform, with a target price of VND14,500/share, representing an total expected return of 15.4%.

Q4/2024 revenue +1.3% YoY, primarily driven by a +9.5% YoY in selling prices to VND 1,791/kWh. However, gross profit +10.5% YoY due to a -7.5% YoY in production to 1.6 bn kWh and +4.9% YoY in material costs. Consequently, the gross margin decreased to 8.6% from 9.7% in 2023. Although financial expenses -53.8% YoY and administrative expenses -10.9% YoY, a significant +90.9% YoY in corporate income tax (to VND21 bn) led to an -11.1% YoY in NPAT to VND185 bn.

For 2024, output reached 6.7 bn kWh, -4.8% YoY, due to the waning El Niño effect and the transition to a La Niña cycle, which increased average annual precipitation and hydropower generation in an expense of thermal mobilization. Revenue reached VND11,908 bn, -1.2% YoY, while gross profit reached VND856 bn, +4.8% YoY, and NPAT reached VND 650 bn, +6.2% YoY. Gross margin increased to 7.2% from 6.8% in 2023, and NPAT's margin increased to 5.5% from 5.1% in 2023.

Unit: bn VND	Q4/2023	Q4/2024	YoY	2023	2024	YoY
Rev	2,847	2,884	1.3%	12,058	11,908	-1.2%
Gross profit	277	248	-10.5%	817	857	4.8%
Gross margin	9.7%	8.6%		6.8%	7.2%	
Financial Expenses	13	6	-53.8%	78	25	-67.9%
Interest Expenses	9	4	-55.6%	57	21	-64.9%
Administrative Expenses	46	41	-10.9%	114	114	0.9%
NPAT	208	185	-11.1%	612	650	6.2%
NPAT's margin	7.3%	6.4%		5.1%	5.5%	

Quick conclusion: QTP's 2024 NPAT exceeded its plan by 30% and our forecast by 27%. This positive result is expected to drive short-term price increases for the stock. However, facing competition from hydropower due to the strengthening La Niña cycle in 2025-2026 and the overall trend towards a greener energy sector, QTP's long-term outlook may not be as promising.

	2022	2023	2024	2025F	2026F
Net Sales (VNDbn)	10,417	12,058	11,908	10,528	9,835
Growth	21.5%	15.8%	-1.2%	-11.6%	-6.6%
EBITDA (VNDbn)	1,934	1,587	1,313	1,056	1,116
EBITDA margin	13.4%	-17.9%	-17.3%	-19.6%	5.7%
NPAT (VNDbn)	770	612	650	431	490
Growth	33.2%	-20.5%	6.2%	-33.6%	13.6%
EPS (bonus-adjusted, VND)	1,418	1,207	1,293	858	975
Growth	21.3%	-14.9%	7.1%	-33.6%	13.6%
ROE	12.5%	11.6%	12.8%	8.1%	9.2%
ROA	9.6%	8.3%	8.7%	6.0%	6.9%
Net debt/EBITDA (x)	0.6	0.1	0.1	(0.8)	(1.8)
EV/EBITDA (x)	2.6	3.8	4.6	6.6	7.3
P/E (x)	8.2	10.1	9.5	14.3	12.6
P/B (x)	1.0	1.2	1.2	1.2	1.2
Dividend (VND)	2,250	1,500	1,300	1,000	1,000
Dividend yield	16.4%	10.9%	9.5%	7.3%	7.3%

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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 -20% to -10%.

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

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