



NT2 Flash News – N/A

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Flash News

Recommendation

N/A
HoSE: NT2

Thermal

N/A

Target price (VND)

Current price (VND)

19,150

Expected share price return

N/A

Expected dividend yield

2.6%

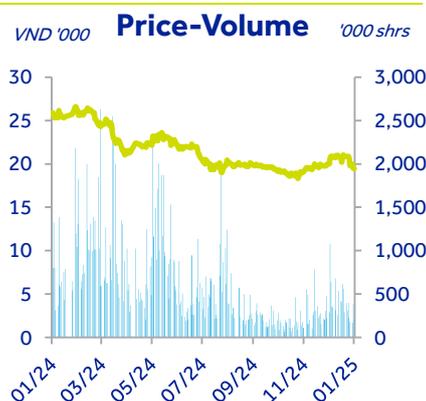
Expected total return

N/A

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-2.7	1.4	5.7	-19.7
Relative	-1.3	2.5	7.5	-26.6

Source: Bloomberg



Ownership

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

Stock Statistics

03-Feb-25

Bloomberg code

NT2

52-week range (VND)	18,650 – 26,800
Shares O/S (m)	288
Mkt cap (VND bn)	5,642
Mkt cap (USD bn)	225
Foreign room left (%)	35.3
Est. free float (%)	32.3
3m avg daily vol (shrs)	289,426
VND/USD	25,030
Index: VNIndex / HNX	1,253.0/223.5

Nhon Trach 2 Thermal Power JSC (HoSE: NT2)

NT2 announced Q4/2024 results with VND1,792 bn in revenue, +48.8% YoY. However, NPAT was only VND64 bn, -70.5% YoY. For 2024, NPAT reached VND72 bn, -84.7% YoY, fulfilling 106% of the company's 2024 plan and 39% of ACBS's forecast. The primary reasons for these unfavorable results were a decrease in output (2024: 2.7 bn kWh, -5.1% YoY) and an increase in gas prices.

Q4/2024's output increased by 107.9% YoY to 821 mil kWh. This surge was due to NT2's major 100,000-hour operational overhaul in Q3 and Q4/2023, which had significantly reduced output during that period. Despite the increased output, the selling price decreased by 1.8% to VND2,170/kWh, resulting in only a +48.8% YoY in Q4 2024 revenue. Additionally, production costs surged due to a 2.6% YoY increase in gas prices, averaging \$9.45/MMBtu. Consequently, gross profit reached VND73 bn, -68.1% YoY, with the gross margin falling to 4.1% (compared to 19.0% YoY). NPAT reached VND64 bn, -70.5% YoY.

In 2024, output reached 2.7 bn kWh, -5.1% YoY, and revenue was VND5,952 bn, -6.8% YoY. Gross profit reached VND37 bn, -92.9% YoY, with the gross margin falling to a mere 0.6% (compared to 8.0% YoY). This decline was attributed to +4.4% YoY in gas prices, averaging \$9.46/MMBtu, despite a slight decrease in oil prices, which due to the depletion of gas fields and rising extraction costs. The NPAT's margin fell to 1.2%, from 7.4% YoY, and NPAT reached VND72 bn, -84.7% YoY.

Unit: bn VND	Q4/2023	Q4/2024	YoY	2023	2024	YoY
Revenue	1,204	1,792	48.8%	6,386	5,952	-6.8%
Gross profit	229	73	-68.1%	510	37	-92.9%
Gross margin	19.0%	4.1%		8.0%	0.6%	
Financial Expenses	12	10	-16.7%	35	39	8.6%
Interest Expenses	12	10	-16.7%	34	35	2.9%
Administrative Expenses	15	21	40.0%	69	79	14.5%
NPAT	217	64	-70.5%	473	72	-84.7%
NPAT's margin	18.0%	3.6%		7.4%	1.2%	

Quick conclusion: NT2 achieved 106% of its 2024's target. However, this result only reached 39% of ACBS's expectations. This figure does not include the exchange rate difference of VND177 bn that we anticipate NT2 may receive in 2024. Recently, several negative factors are impacting NT2's performance in the near future, such as the return of the La Nina cycle, high gas prices making it difficult for NT2 to compete in the free market, and the risk of direct competition from NT3 & 4 in the same region. Therefore, we will update the forecast and valuation for NT2 in the next report.

	2021	2022	2023	2024F	2025F ¹
Net Sales (VNDbn)	6,150	8,788	6,386	5,952	5,226
Growth	1.1%	42.9%	-27.3%	-6.8%	44.5%
EBITDA (VNDbn)	1,283	1,640	1,128	645	815
Growth	-14.6%	27.8%	-31.2%	-42.8%	17.3%
NPAT (VNDbn)	533	883	473	72	177
Growth	-14.9%	65.7%	-46.4%	-84.8%	-4.8%
EPS (bonus-adjusted, VND)	1,775	2,970	1,535	241	592
Growth	-15.3%	67.3%	-48.3%	-84.3%	-4.8%
ROE	12.6%	19.1%	10.9%	1.7%	4.2%
ROA	8.0%	11.9%	5.6%	0.7%	2.6%
Net debt/EBITDA (x)	0.2	0.2	1.1	1.5	(1.0)
EV/EBITDA (x)	4.5	3.5	6.0	10.8	5.8
P/E (x)	10.3	6.2	11.7	78.4	31.2
P/B (x)	1.9	1.8	1.1	1.3	1.3
Dividend (VND)	1,650	2,500	1,500	-	500
Dividend yield	8.6%	13.1%	7.8%	-	2.6%

¹ New update is temporarily suspending.

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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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