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Update

Recommendation

BUY
HOSE: NT2

Energy

Target price (VND) 28,100

Market price (VND) 24,150

Expected share price return 16.2%

Expected dividend yield 6.2%

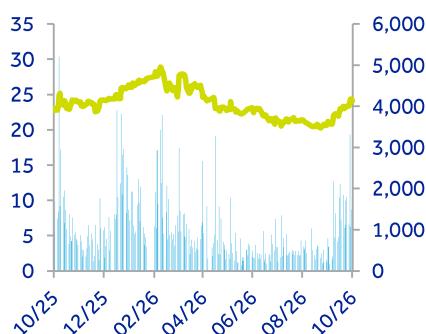
Expected total return 22.4%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-1.0	17.3	14.9	7.0
Relative	-2.2	20.4	8.7	0.2

Source: Bloomberg

VND '000 Price-Volume '000 shrs



Ownership

POW	59%
Tech Development LLC	8%

Stock Statistics 26-Oct-2026

Bloomberg code	NT2
52-week range (VND)	20,200 – 29,450
Shares O/S (m)	288
Mkt cap (VND bn)	6,938
Mkt cap (USD m)	277
Est. Foreign room left (%)	39
Est. free float (%)	32
3m avg daily vol (shrs)	760,302
VND/USD	25,030
Index: VNIndex / HNX	1,774/262

Nhon Trach 2 Thermal Power JSC (HoSE: NT2)

- NT2 reported positive business results in Q3/2026, with NPAT reaching VND419 bn, +96% YoY. Cumulative 9M2026 NPAT reached VND906 bn, +57% YoY, equivalent to 211% of the plan and 108% of ACBS's 2026 forecast.
- The strong 9M2026 earnings was driven by a 53% YoY increase in output, largely attributable to higher allocated contracted output (Qc), a 78% YoY reduction in depreciation expenses, and a 92% YoY increase in financial income.
- The company has yet to recognize an additional VND177 bn in foreign exchange gains during the period.
- We set a 2027 target price of VND28,100/share for NT2, implying an expected total return of 22.4%, rating BUY.

Q3/2026's Performance

Output reached 1.2 bn kWh, +47% YoY, while the average selling price (ASP) declined by 1% YoY to VND2,418/kWh. Nevertheless, the gross margin improved, contributing to revenue of VND2,807 bn, +46% YoY. NPAT increased by 96% YoY to VND419 bn, supported by lower depreciation expenses (-78% YoY) and labor costs (-6% YoY), as well as higher financial income from bank deposit interest (+88% YoY).

Cumulative 9M2026

9M2026 performance was broadly consistent with the results recorded in Q3/2026. Revenue reached VND7,804 bn, +44% YoY, while NPAT totaled VND906 bn, +57% YoY. The results were primarily driven by a 53% YoY increase in output to 3.3 bn kWh, a 78% YoY reduction in depreciation expenses, and a 92% YoY increase in financial income from bank deposit interest. These factors offset a 58% YoY increase in raw material costs, which totaled VND6,190 bn.

NT2's 9M2026 results exceeded our estimates in the latest update report, supported by higher-than-forecast Qc, driven by strong nationwide electricity demand and favorable El Niño conditions. Accordingly, we forecast NT2 will continue to generate nearly 1.0 bn kWh in Q4/2026. For 2026, we project output of 4.2 bn kWh, +36% YoY, revenue of VND10,040 bn, +26% YoY, and NPAT of VND1,591 bn, +41% YoY.

For 2027, we forecast NPAT of VND1,306 bn, -18% YoY, as NT2 is highly likely to undergo a major overhaul during the year. We set a 2027 target price of VND28,100/share, implying an expected total return of 22.4%, rating BUY.

	2023	2024	2025	2026F	2027F
Net Sales (VNDbn)	6,386	5,944	7,958	10,040	9,463
Growth	-27%	-7%	34%	26%	-6%
EBITDA (VNDbn)	1,128	658	1,719	1,821	1,535
Growth	-31%	-42%	161%	6%	-16%
NPAT (VNDbn)	473	83	1,130	1,591	1,306
Growth	-46%	-82%	1261%	41%	-18%
EPS (bonus-adjusted, VND)	1,535	276	3,779	5,321	4,368
Growth	-48%	-82%	1267%	41%	-18%
ROE	10.9%	2.0%	23.3%	25.2%	17.4%
ROA	5.6%	1.0%	12.2%	14.9%	11.1%
Net debt/EBITDA (x)	1.1	1.4	1.0	0.1	(0.9)
EV/EBITDA (x)	7.2	12.0	5.1	3.9	3.7
P/E (x)	14.7	83.8	6.2	4.4	5.3
P/B (x)	1.6	1.7	1.4	1.1	0.9
Dividend (VND)	1,500	700	1,000	1,500	2,000
Dividend yield	6.2%	2.9%	4.1%	6.2%	8.3%

Q3/2026 & 9M2026's PERFORMANCE

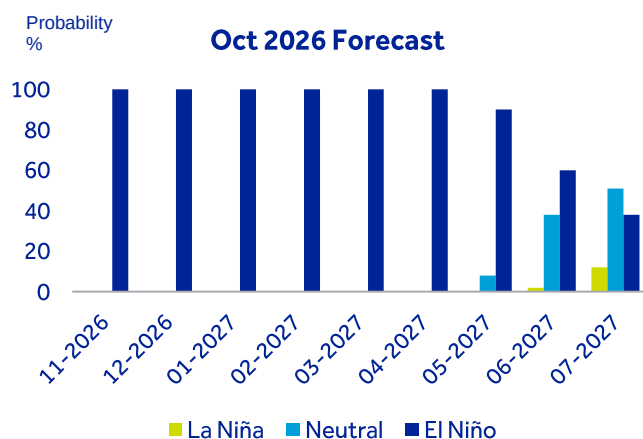
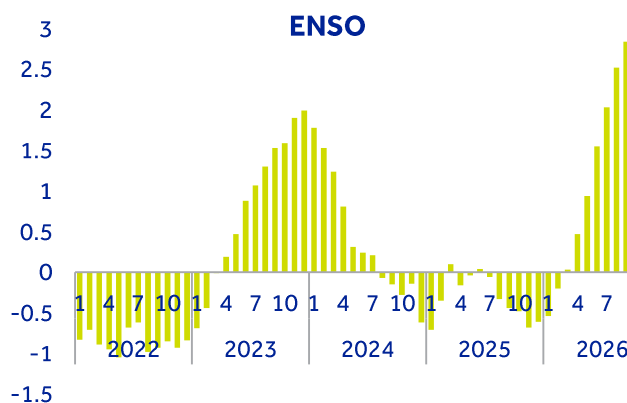
Unit: bn VND	Q3/2025	Q3/2026	YoY	9M2025	9M2026	YoY
Output: bn kWh	0.8	1.2	47%	2.2	3.3	53%
Revenue	1,928	2,807	46%	5,436	7,804	44%
Gross profit	204	490	140%	615	1,065	73%
Gross margin	11%	18%		11%	14%	
Financial expenses	16	27	69%	48	68	42%
Interest expenses	16	27	69%	46	67	46%
Administrative expenses	1	28	2,700%	41	88	115%
NPAT	214	419	96%	577	906	57%
NPAT's margin	11%	15%		11%	12%	

Sources: NT2, ACBS

2027 FORECAST

Favorable ENSO Conditions for Thermal Power Generation

According to NOAA, an El Niño episode was officially confirmed in Aug 2026, with the El Niño index exceeding 0.5 for three consecutive periods. Since then, the phenomenon has reportedly intensified rapidly, with the latest reading in early October reaching 2.8. Recent forecasts also suggest that the 2026–2027 El Niño episode will be strongest in Oct 2026 before gradually weakening and persisting until the following spring, around Apr 2027. These conditions are expected to support the earnings performance of thermal power plants, including QTP.



Sources: NOAA, ACBS

Against the backdrop of strong growth in nationwide electricity demand during the first 9M2026, which reached 268 bn kWh, +11% YoY, El Niño conditions have increased the share of electricity supplied by thermal power plants. Specifically, coal-fired generation reached 133 bn kWh in 9M2026, +15% YoY. We believe these conditions are favorable for thermal power generators in general and are likely to persist until at least Q2/2027.

For 2026, we forecast NT2's commercial electricity output will reach 4.2 bn kWh, +36% YoY. Revenue is projected at VND10,041 bn, +26% YoY, while NPAT is expected to reach VND1,591 bn, +41% YoY, including the VND177 bn foreign exchange gain.

For 2027, we forecast a 5% YoY decline in commercial electricity output to 4.0 bn kWh, as the El Niño cycle passes its peak and the plant suspends operations to undergo a major overhaul after every 25,000 operating hours. Accordingly, we project revenue of VND9,463 bn, -6% YoY, and NPAT of VND1,306 bn, -18% YoY.

On Oct 29th, 2026, the company is scheduled to pay a cash dividend of VND1,000/share from its 2025 earnings. We forecast NT2 will increase its cash dividend for 2026 earnings to VND1,500/share, implying a dividend yield of 6.2%.

Unit: bn VND	2025	2026F	YoY	2027F	YoY
Output: bn kWh	3.1	4.2	36%	4.0	-5%
Revenue	7,958	10,040	26%	9,463	-6%
Gross profit	1,248	1,781	43%	1,495	-16%
Gross margin	16%	18%		16%	
NPAT	1,130	1,591	41%	1,306	-18%
NPAT's margin	14%	16%		14%	

Sources: NT2, ACBS

VALUATION

Based on FCFF method, we assign a 2027 target price for NT2 of VND28,100/share, representing a total expected return of 22,4%, rating BUY.

FINANCIALS MODEL	Price: VND	24,150	Target: VND	28,100	Mkt cap VND bn	6,938
(VND bn except where stated)	2023	2024	2025	2026F	2027F	
Total Net Sales	6,386	5,944	7,958	10,040	9,463	
<i>Growth</i>	-27%	-7%	34%	26%	-6%	
CoGS	5,876	5,892	6,710	8,260	7,968	
EBITDA	1,128	658	1,719	1,821	1,535	
<i>EBITDA margin</i>	17.7%	11.1%	21.6%	18.1%	16.2%	
Depreciation	687	687	556	150	150	
Operating profit	514	32	1,267	1,989	1,633	
<i>Operating profit margin</i>	8.0%	0.5%	15.9%	19.8%	17.3%	
Net interest expense	(65)	(60)	(102)	(141)	(248)	
<i>as % of avg net debt</i>	-5.4%	-6.4%	-5.9%	-65.2%	18.4%	
Interest cover (x)	(6.8)	0.5	(11.4)	(11.8)	(5.6)	
Tax	41	21	138	398	327	
<i>Tax rate</i>	8.0%	20.2%	10.9%	20.0%	20.0%	
NPAT	473	83	1,130	1,591	1,306	
<i>NPAT's margin</i>	7.4%	1.4%	14.2%	15.8%	13.8%	
Cash earning	1,160	770	1,686	1,741	1,456	
Number of share: mil	288	288	288	288	288	
EPS: VND	1,535	276	3,779	5,321	4,368	
<i>Bonus factor (x)</i>	1.0	1.0	1.0	1.0	1.0	
Adjusted EPS: VND	1,535	276	3,779	5,321	4,368	
<i>EPS growth</i>	-48%	-82%	1267%	41%	-18%	

KEY CASHFLOW AND BS ITEMS	2023	2024	2025	2026F	2027F
Increase in working capital	263	199	695	616	220
Capex	3	4	9	-	-
Change in investment in affiliates	-	-	-	-	-
Other cashflow items	(1,127)	(106)	(1,351)	398	327
Free cash flow	(233)	461	(369)	1,523	1,562
Share issues		-	-	-	-
Dividends paid	719	201	431	-	-
Increase in net debt	952	(260)	800	(1,523)	(1,562)
Net debt, end of year	1,199	939	1,739	216	(1,346)
Shareholders' equity	4,336	4,190	4,860	6,307	7,496
BVPS (VND)	15,061	14,554	16,881	21,908	26,035
<i>Net debt / equity (%)</i>	<i>27.7%</i>	<i>22.4%</i>	<i>35.8%</i>	<i>3.4%</i>	<i>-18.0%</i>
<i>Net debt / EBITDA (x)</i>	<i>1.1</i>	<i>1.4</i>	<i>1.0</i>	<i>0.1</i>	<i>(0.9)</i>
Total assets	8,452	8,697	9,274	10,659	11,771

KEY RETURN AND VALUATION RATIOS	2023	2024	2025	2026F	2027F
ROE	10.9%	2.0%	23.3%	25.2%	17.4%
ROA	5.6%	1.0%	12.2%	14.9%	11.1%
ROIC	8.0%	-0.6%	17.6%	20.7%	15.0%
WACC	11.7%	11.7%	11.7%	11.7%	11.7%
EVA	-3.7%	-12.2%	5.9%	9.0%	3.3%
PER (x)	14.7	83.8	6.2	4.4	5.3
EV/EBITDA (x)	7.2	12.0	5.1	3.9	3.7
EV/FCF (x)	9.5	14.9	8.7	6.0	4.3
PBR (x)	1.6	1.7	1.4	1.1	0.9
PSR (x)	1.1	1.2	0.9	0.7	0.7
EV/sales (x)	6.2%	2.9%	4.1%	6.2%	8.3%
Dividend yield	10.9%	2.0%	23.3%	25.2%	17.4%

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OUR RECOMMENDATION SYSTEM

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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