trueFriend KIS Viet Nam Securities Corporation

Earnings Review

23 Jul 2026

NHON TRACH 2 (NT2)

Earnings remained on an uptrend

· 2Q26 - Strong earnings momentum
· 3Q26F - Profit remains stayble
· Maintain a HOLD recommendation

Facts: 2Q26 - Earnings maintained solid growth

In 2Q26, revenue reached VND2,825bn (+36% yoy, ~90% of KIS's forecast, figure 1), driven by *(1)* a 54% yoy increase in production (figure 2) amid an estimated 13% yoy growth in nationwide electricity demand during 2Q26, and *(2)* a 9% yoy increase in the average selling price, supported by a 2.8x yoy increase in the capacity charge (CAN) in 2026 (figure 3).

Gross profit reached VND477bn (+30% yoy, in line with KIS's forecast, figure 5). However, the gross margin edged down to 16.9% (-0.7%p yoy) as cost pressures outpaced revenue growth. The margin contraction was partially mitigated by the completion of plant depreciation in 4Q25 (-79% yoy), along with an improvement in the heat rate.

As a result, NPAT reached VND403bn (+24% yoy, ~103% of KIS's forecast, figure 6), mainly driven by *(1)* higher gross profit and *(2)* financial income rising to VND76bn (+100% yoy; up VND38bn yoy), supported by higher interest income from bank deposits.

Table 1. Quarterly earnings snapshot in 2Q26 (VND bn, %, %p)

	2Q25	3Q25	4Q25	1Q26	2Q26	QoQ	YoY
Sales	2,081	1,928	2,522	2,172	2,825	30.1	35.7
OP	365	236	622	223	503	125.6	38.0
OP margin (%)	17.5	12.3	24.7	10.3	17.8	7.5	0.3
EBT	365	239	620	223	504	125.6	38.1
NPAT	326	214	553	180	403	123.9	23.5

Source: Company data, FiinPro-X KISVN

Pros & cons: 3Q26F - Profit continues to remain stable

In 3Q26F, we expect NT2's revenue to continue improving, supported by higher production amid resilient electricity demand.

In addition, the average FMP is expected to continue increasing in 3Q26F, driven by higher temperatures in 2026, together with a 2.8x yoy increase in the CAN price to approximately VND130/kWh and a 3% yoy increase in the SMP cap.

We expect net profit to increase slightly yoy, mainly supported by *(1)* improved heat rate efficiency in 3Q26F; *(2)* average selling prices increasing faster than gas prices; and *(3)* the completion of plant depreciation, which is expected to provide meaningful support for NT2's gross margin during the period.

12M rating	**HOLD (Maintain)**
12M TP	
Up/Downside	

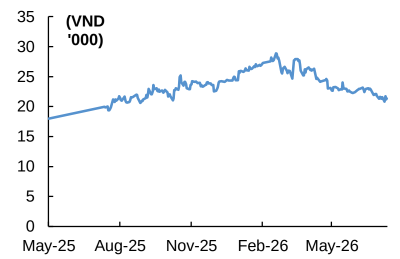
Stock data

VNIndex (23 Jul, pt)	1,699
Stock price (23 Jul, VND)	21,350
Market cap (USD mn)	234
Shares outstanding (mn)	288
52-Week high/low (VND)	28,900/18,001
6M avg. daily turnover (USD mn)	0.95
Free float / Foreign ownership (%)	30.0/10.8
Major shareholders (%)	
PV Power	59.37
Technology Development Company Limited	8.27

Performance

	1M	6M	12M
Absolute (%)	(7.2)	(19.0)	18.6
Relative to VNIndex (%p)	1.8	(9.2)	(12.8)

Stock price



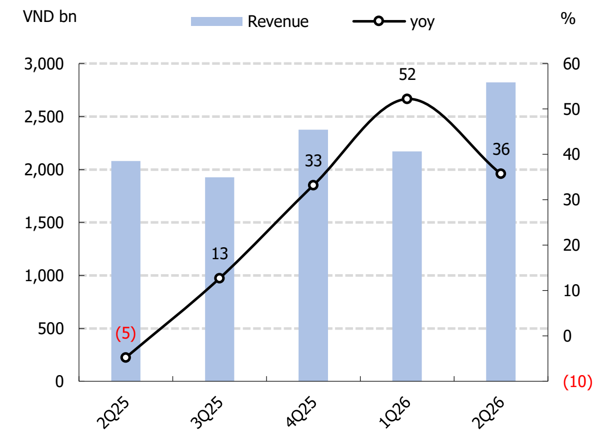
Source: Bloomberg

Research Dept
researchdept@kisvn.vn

Action: Maintain HOLD rating

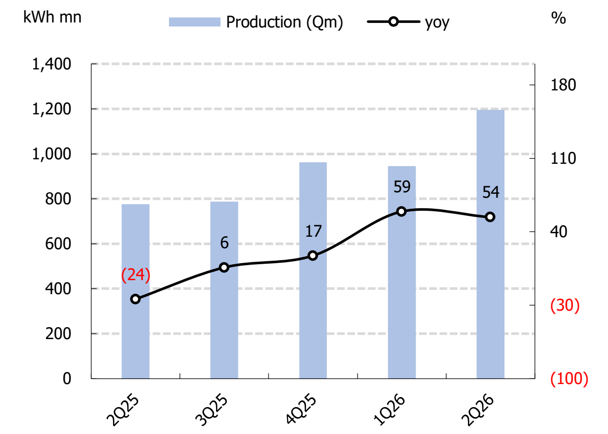
We remain constructive on NT2's long-term outlook. However, we believe near-term upside remains limited due to a lack of meaningful catalysts, despite the stock's attractive valuation. Furthermore, we expect 3Q26F earnings to remain broadly flat yoy, which could constrain share price performance. Therefore, we reiterate our **HOLD** recommendation on NT2.

Figure 1. Revenue reached VND2,825bn, up 36% yoy in 2Q26



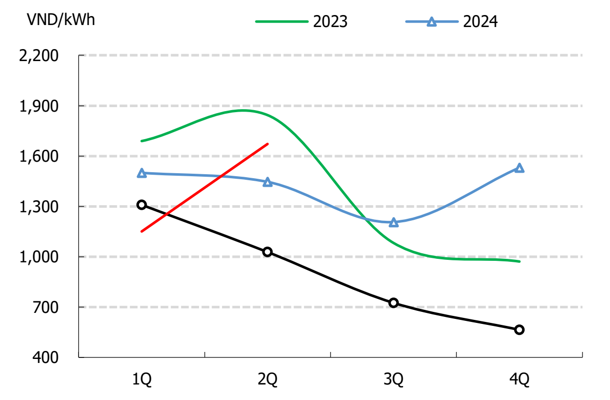
Source: NT2, KIS Research

Figure 2. Production is expected to grow 54% yoy, maintaining stable growth



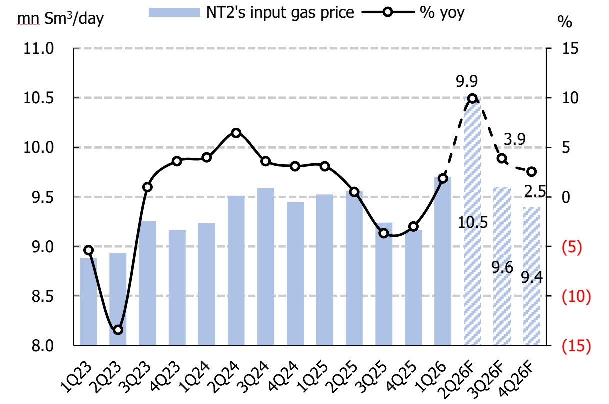
Source: NT2, KIS Research

Figure 3. The average FMP is expected to recover in 2026, supported by a significant improvement in the CAN price



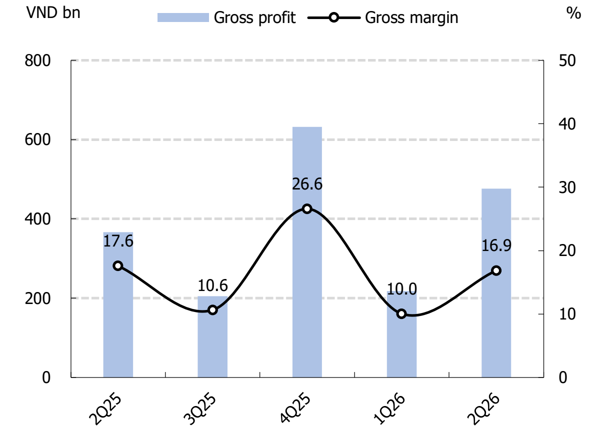
Source: POW, KIS Research

Figure 4. Gas supply is expected to improve, supported by higher production from new gas fields



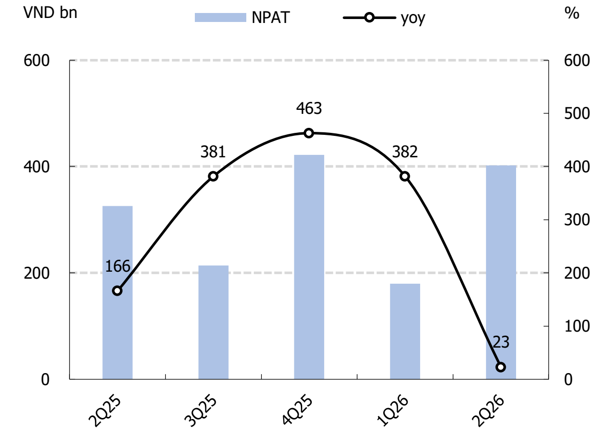
Source: Bloomberg, NT2, KIS Research

Figure 5. Gross profit grew strongly, supported by the completion of depreciation



Source: NT2, KIS Research

Figure 6. NPAT increased strongly to VND403bn (+23% yoy) in 2Q26



Source: NT2, KIS Research

■ Company overview

Founded in 2007, Nhon Trach 2 Thermal Power (HSX: NT2) is a leading firm in power generation. NT2 owns the Nhon Trach 2 gas thermal power with total capacity of 750MW, which has used the advanced F-generation gas turbine combined cycle. On Jun 12, 2015, NT2 officially traded on Ho Chi Minh City Stock Exchange (HOSE).

Balance sheet

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025A	2026F
Current assets	4,557	4,770	5,912	8,033	8,981
Cash & cash equivalents	384	1	57	22	28
Accounts & other receivables	2,911	2,326	2,997	3,895	4,732
Inventory	307	260	333	354	458
Non-current assets (Adj.)	4,173	4,769	5,855	8,011	8,953
Fixed assets	2,809	2,125	1,442	897	1,522
Investment assets	-	-	-	-	-
Others	79	1,556	2,661	343	431
Total assets	7,445	8,451	10,015	9,273	10,934
Advances from customers	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Trade payables	770	1,680	3,687	1,234	1,549
Others	1,431	1,235	1,153	1,417	1,779
ST debt & due bonds	631	1,200	996	1,762	2,075
LT debt & bonds	-	-	-	-	-
Total liabilities	2,831	4,115	5,836	4,414	5,403
Controlling interest	4,614	4,336	4,179	4,859	5,531
Capital stock	2,879	2,879	2,879	2,879	2,879
Capital surplus	(0)	(0)	(0)	(0)	(0)
Other reserves	182	226	226	226	226
Retained earnings	1,554	1,231	1,074	1,755	2,426
Minority interest	-	-	-	-	-
Shareholders' equity	4,614	4,336	4,179	4,859	5,531

Income statement

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025A	2026F
Sales	8,788	6,386	5,952	7,958	9,989
COGS	7,706	5,876	5,915	6,710	8,672
Gross profit	1,082	510	37	1,248	1,318
SG&A expenses	131	69	79	85	139
Operating profit	950	441	(43)	1,163	1,179
Financial income	24	107	100	170	297
Interest income	21	99	95	167	207
Financial expenses	18	34	39	66	92
Interest expenses	15	34	35	65	53
Other non-operating profit	(14)	(0)	72	1	-
Gains (Losses) in associates, subsidiaries and JV	-	-	-	-	-
Earnings before tax	943	514	91	1,268	1,384
Income taxes	60	41	18	138	150
Net profit	883	473	72	1,130	1,233
Net profit of controlling interest	883	473	72	1,130	1,233
EBITDA	1,647	1,234	813	1,889	2,003

Cash flow

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025A	2026F
C/F from operations	1,383	857	528	1,003	1,144
Net profit	943	514	91	1,268	1,384
Dep'n & Amort'n	689	687	687	556	566
Net incr. in W/C	1,668	1,119	715	1,697	1,745
C/F from investing	(946)	(2,245)	(67)	(1,372)	(933)
Capex	(1)	(1,094)	(3)	(9)	(1,191)
Incr. in investment	(945)	(1,151)	(63)	(1,363)	258
C/F from financing	(54)	420	(405)	334	(206)
Incr. in equity	-	(150)	-	-	-
Incr. in debt	-	1,551	(204)	766	312
Dividends	(474)	-	(201)	(431)	(518)
C/F from others	-	-	-	-	-
Increase in cash	383	(968)	56	(35)	6

Key financial data

FY-ending Dec.	2022A	2023A	2024A	2025A	2026F
per share data (VND, adj.)					
EPS	2,960	1,585	242	3,787	4,132
BPS	16,027	15,062	14,515	16,880	19,212
DPS	2,500	1,500	700	1,499	1,800
Growth (%)					
Sales growth	42.9	(27.3)	(6.8)	33.7	25.5
OP growth	60.2	(53.6)	(109.7)	(2,814)	1.4
NP growth	65.5	(46.4)	(84.7)	1,462	9.1
EPS growth	65.5	(46.4)	(84.7)	1,462	9.1
EBITDA growth	60.2	(53.6)	(109.7)	(2,814)	1.4
Profitability (%)					
OP margin	10.8	6.9	(0.7)	14.6	11.8
NP margin	10.1	7.4	1.2	14.2	12.3
EBITDA margin	10.8	6.9	(0.7)	14.6	11.8
ROA	12.6	6.0	0.8	11.7	12.2
ROE (excl MI)	20.0	10.6	1.7	25.0	23.7
Dividend yield	8.7	6.1	3.3	6.2	8.5
Dividend payout ratio	38	92	35	81	91
Stability					
Net debt (VND bn)	246	1,199	939	1,740	2,047
Net debt/equity (%)	5	28	22	36	37
Valuation (X)					
PE	11.1	14.9	83.4	6.2	5.0
PB	1.3	1.6	1.4	1.4	1.1
EV/EBITDA	8.0	13.9	(109.6)	4.3	2.6

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- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
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Prepared by: Research Dept

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