trueFriend KIS Viet Nam Securities Corporation

Earnings Review

29 Jul 2026

Quang Ninh Thermal Power (QTP)

Earnings remain stable

· 2Q26 – Sustained double-digit profit growth
· 3Q26F – Profit holds steady
· Maintain a BUY recommendation

Facts: Double - digit profit growth

2Q26 revenue reached VND3,624bn (+27% yoy, ~106% of our forecast, figure 1), driven by an estimated 5% yoy increase in production (figure 2) amid robust electricity demand (+13% yoy) and a 21% yoy increase in the average selling price (figure 6).

Gross profit rose to VND419bn (+57% yoy, ~107% of our forecast, figure 3), with the gross margin improving to 11.6% (+2.3%p yoy), supported by lower depreciation expenses (-24% yoy) and an improvement in the heat rate.

As a result, NPAT reached VND326bn (+70% yoy, ~108% of our forecast, figure 4), driven by *(i)* stronger gross margins and *(ii)* the completion of debt repayment.

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

	2Q25	3Q25	4Q25	1Q26	2Q26	QoQ	YoY
Sales	2,864	2,056	2,953	2,734	3,625	32.6	26.6
OP	239	42	837	248	410	65.4	71.4
OP margin (%)	8.3	2.0	28.3	9.1	11.3	2.2	3.0
EBIT	238	41	836	247	409	65.7	71.5
NPAT	191	33	640	197	327	65.7	71.5

Source: Company data, FiinPro-X, KIS Research

Pros & cons: 3Q26F – Stable profit performance

In 3Q26F, we expect QTP's revenue to remain stable, with the average selling price projected to increase strongly and production is expected to stay flat. This outlook is supported by improving national power demand in 2026, which is forecast to grow by 8.5% yoy, along with a low base in 2025.

Accordingly, we project NPAT to remain at a record stable level, driven by the following factors:

- Gross margin is expected to expand, as electricity prices are likely to increase at a faster pace than coal prices.
- Financial expenses are expected to decline following the completion of loan repayments in 4Q25.

12M rating	**BUY (Maintain)**
12M TP	**14,100**
Up/Downside	**(28%) (included dividend)**

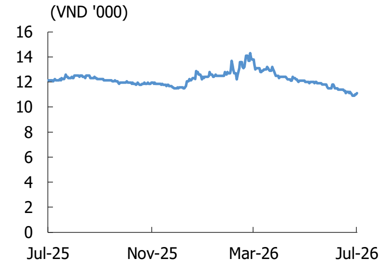
Stock data

VNIndex (29 Jul, pt)	1,705
Stock price (29 Jul, VND)	11,100
Market cap (USD mn)	190
Shares outstanding (mn)	450
52-Week high/low (VND)	14,300/10,900
6M avg. daily turnover (USD mn)	0.27
Free float / Foreign ownership (%)	20.0/.9
Major shareholders (%)	
GENCO1	42.00
PPC	16.35

Performance

	1M	6M	12M
Absolute (%)	(3.5)	(9.8)	(8.4)
Relative to VNIndex (%p)	4.3	(4.8)	(24.9)

Stock price



Source: Bloomberg

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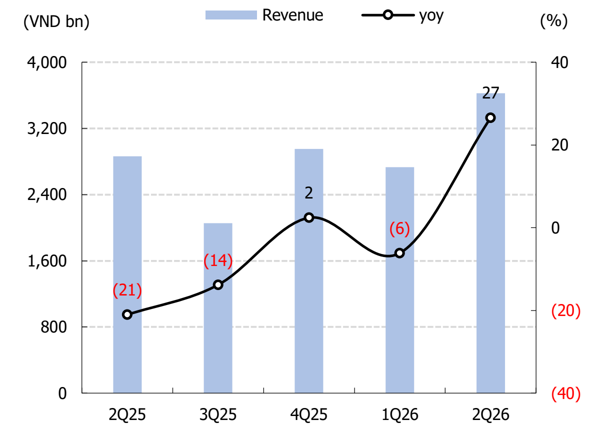
- Depreciation expense is expected to continue declining yoy, with a reduction of approximately VND15bn per quarter.

Action: Maintain BUY rating

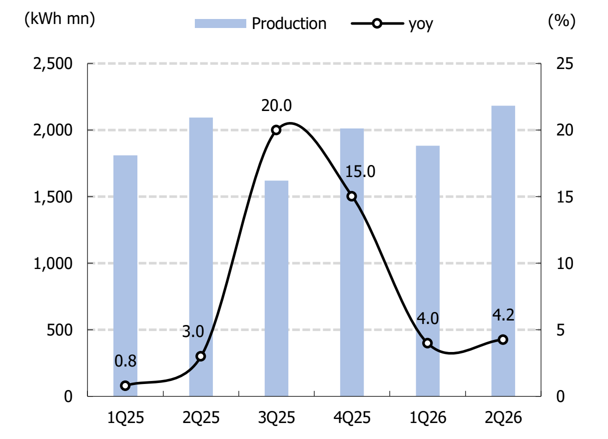
We maintain a strong positive outlook for QTP in the medium to long term. In addition, QTP plays a key role in maintaining system stability. Based on this, we reiterate our BUY recommendation for QTP with a 12-month target price of VND14,100 (Upside: +28%).

Figure 1. Revenue recorded at VND3,624bn, up 27% yoy in 2Q26



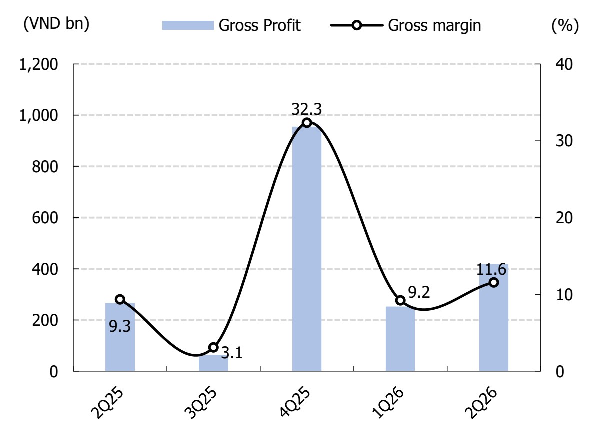
Source: QTP, FiinPro-X, KIS Research

Figure 2. Production in 2Q26 is estimated to rise 4% yoy



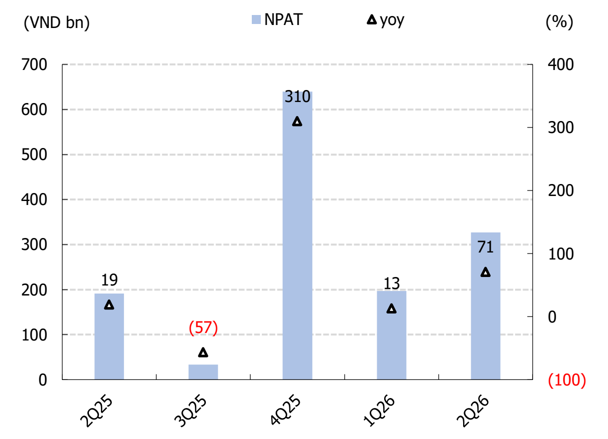
Source: QTP, FiinPro-X, EVN, KIS Research
Note: Data for 2Q26E is estimated.

Figure 3. Gross margin in 2Q26 extended to 11.6%, rising 2.3%p yoy



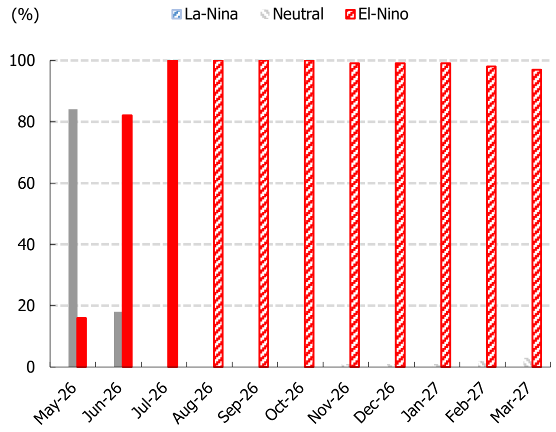
Source: QTP, FiinPro-X, KIS Research

Figure 4. NPAT surged of 71% yoy, reached VND327bn, in 2Q26



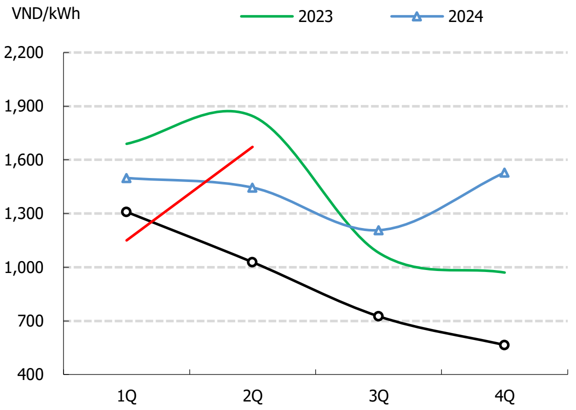
Source: QTP, FiinPro-X, KIS Research

Figure 5. According to NOAA, strong El Niño conditions are expected to persist through early 2027



Source: QTP, FiinPro-X, KIS Research

Figure 6. FMP is expected to recover in 2026, supported by a significant improvement in the CAN price



Source: PGV, KIS Research

■ Company overview

Quang Ninh Thermal Power Joint Stock Company (QTP) was established in 2002 with founding shareholders, including Vietnam Electricity Corporation (EVN), Vietnam Coal and Minerals Corporation (TKV), Construction Machinery Corporation (COMA), Vietnam Construction and Import-Export Corporation (VINACONEX) and Vietnam Machinery Installation Corporation (LILAMA)

Balance sheet

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025A	2026F
Current assets	3,732	3,944	4,549	5,589	7,467
Cash & cash equivalents	24	158	36	73	1,177
Accounts & other receivables	2,515	2,984	2,964	3,234	3,798
Inventory	391	724	882	709	899
Non-current assets (Adj.)	3,709	3,787	4,514	5,516	6,290
Fixed assets	4,242	3,367	2,811	2,126	1,217
Investment assets	-	-	-	-	-
Others	76	69	96	60	50
Total assets	8,051	7,380	7,456	7,775	8,734
Advances from customers	-	1	-	0	0
Unearned revenue	-	-	-	-	-
Trade payables	607	1,159	1,435	1,213	1,433
Others	184	607	738	598	707
ST debt & due bonds	776	98	75	-	-
LT debt & bonds	316	218	118	-	316
Total liabilities	1,888	2,087	2,370	1,846	2,498
Controlling interest	6,162	5,292	5,086	5,930	6,237
Capital stock	4,500	4,500	4,500	4,500	4,500
Capital surplus	231	231	231	231	231
Other reserves	274	145	145	145	145
Retained earnings	1,158	416	210	1,054	1,361
Minority interest	-	-	-	-	-
Shareholders' equity	6,162	5,292	5,086	5,930	6,237

Income statement

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025A	2026F
Sales	10,417	12,058	11,908	10,786	12,749
COGS	9,336	11,241	11,051	9,275	11,756
Gross profit	1,081	817	858	1,511	993
SG&A expenses	113	114	115	125	137
Operating profit	968	703	743	1,386	856
Financial income	34	23	7	29	77
Interest income	33	21	6	29	77
Financial expenses	193	78	25	81	0
Interest expenses	133	57	21	10	29
Other non-operating profit	(4)	(4)	1	(2)	-
Gains (Losses) in associate subsidiaries and JV	-	-	-	-	-
Earnings before tax	805	644	726	1,331	932
Income taxes	41	32	-	295	47
Net profit	764	612	726	1,036	885
Net profit of controlling interest	764	612	650	1,036	885
EBITDA	1,898	1,586	1,317	1,893	1,289

Cash flow

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025A	2026F
C/F from operations	1,438	1,149	1,203	1,705	621
Net profit	805	644	726	1,331	932
Dep'n & Amort'n	960	884	570	551	328
Net incr. in W/C	1,896	1,568	1,313	1,865	1,184
C/F from investing	217	787	(1,049)	(936)	97
Capex	(4)	(10)	(529)	(13)	(9)
Incr. in investment	221	798	(520)	(923)	106
C/F from financing	(1,836)	(1,802)	(922)	(733)	(224)
Incr. in equity	-	-	(799)	-	-
Incr. in debt	-	(791)	-	(193)	-
Dividends	(719)	(1,011)	-	(540)	(540)
C/F from others	-	-	-	-	-
Increase in cash	(182)	134	(768)	37	495

Key financial data

FY-ending Dec.	2022A	2023A	2024A	2025A	2026F
per share data (VND, adj.)					
EPS	1,624	1,301	1,381	2,202	1,882
BPS	13,694	11,761	11,302	13,177	13,859
DPS	2,250	1,036	1,464	1,200	1,200
Growth (%)					
Sales growth	21.5	15.8	(1.2)	(9.4)	18.2
OP growth	32.0	(27.4)	5.6	86.5	(38.3)
NP growth	32.2	(19.9)	18.7	42.7	(14.5)
EPS growth	32.2	(19.9)	6.2	59.4	(14.5)
EBITDA growth	32.0	(27.4)	5.6	86.5	(38.3)
Profitability (%)					
OP margin	9.3	5.8	6.2	12.9	6.7
NP margin	7.3	5.1	6.1	9.6	6.9
EBITDA margin	9.3	5.8	6.2	12.9	6.7
ROA	9.0	7.9	9.8	13.6	10.7
ROE (excl MI)	12.4	10.7	12.5	18.8	14.6
Dividend yield	17.3	7.0	10.5	9.6	10.8
Dividend payout ratio	159	34	125	133	76
Stability					
Net debt (VND bn)	1,069	159	157	(73)	(861)
Net debt/equity (%)	17	3	3	(1)	(14)
Valuation (X)					
PE	11.1	10.9	8.7	5.4	5.6
PB	1.3	1.3	1.2	0.9	0.8
EV/EBITDA	6.3	9.7	8.0	3.0	4.0

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