

PV Power (POW)

Ready for brighter prospects

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1Q revenue and NPAT experienced a sharp fall

In 1Q24, PV Power (POW) recorded VND6,243 billion (-15.9% YoY) in revenue and VND216.3 billion in NPAT (-66.7% YoY). GPM dropped 3.11ppts YoY to 6.03% due to the decrease in output from Nhon Trach thermal power plant that could not be offset by the impressive business results of Vung Ang and Ca Mau 1&2 thermal power clusters.

Ca Mau 1&2 and Vung Ang are the main pillars for POW's growth

1Q gas-fired power output reached 3.48 million kWh (-13.02% YoY) as gas prices are higher than coal-fired power prices, causing PV Nhon Trach 2's (NT2) mobilized output to decline sharply. However, the resumption of Ca Mau 1&2 thermal power plants and Vung Ang coal-fired power plant after renovation has partly offset the decrease in NT2's output. Therefore, we forecast POW's gas-fired power output in 2024 to slightly decrease by 2.08% YoY to 8,652 million kWh.

LNG electricity price mechanism is finalized, which helps accelerate Nhon Trach 3&4 progress

On May 27, the Ministry of Industry and Trade approved the electricity price framework for combined-cycle gas turbine power plants using LNG. We believe that the progress in determining the selling price is the basis for POW signing a long-term PPA with EVN, which helps projects easily access loans and accelerate the process of kicking off new plants.

Valuation: NEUTRAL rating - target price of VND14,000/share

Based on SOTP and EV/EBITDA, business prospects and potential risks of POW, we gave a NEUTRAL rating to POW with a price target of VND14,000/share.

Neutral change

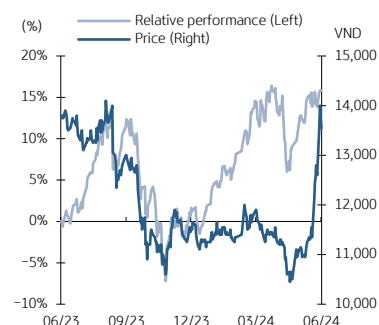
Target price	VND14,000
Upside	0.4%
Current price (Jun 17, 2024)	VND13,950
Consensus target price	VND14,000
Market cap (VNDtn/USDtn)	32,669/1.26

Trading data	
Free float	20%
3M avg trading value (VNDbn/USDmn)	14,615.81
Foreign ownership	46.8%
Major shareholder	Vietnam Electricity (EVN)

Share price performance				
(%)	1M	3M	6M	12M
Absolute	33.2	-2.6	-8.1	26.6
Relative	28.0	14.5	10.2	40.7

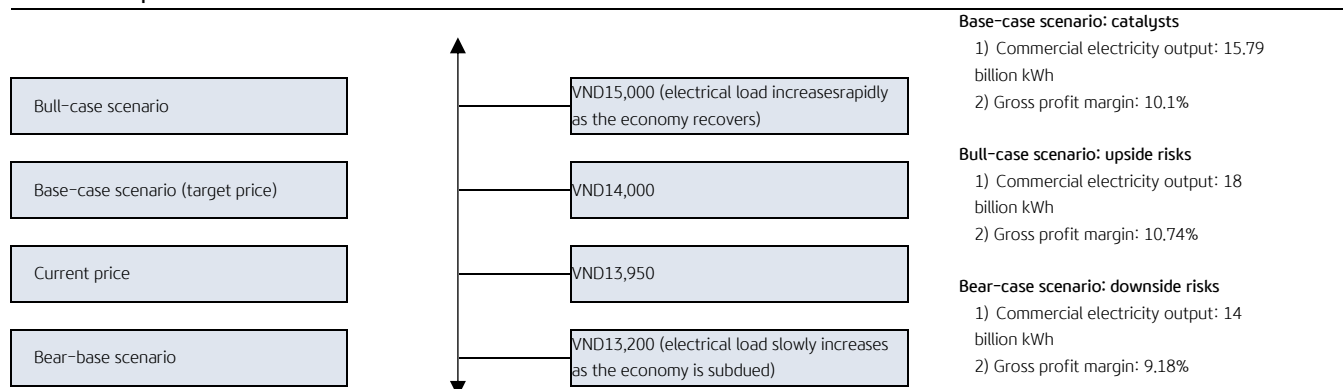
Forecast earnings & valuation

FY-end	2022	2023	2024F	2025F
Net revenue (VNDbn)	28,224	28,329	30,585	38,703
Operating income/loss (VNDbn)	2,858	1,436	1,727	1,666
NPAT-MI (VNDbn)	2,061	1,038	1,715	1,577
EPS (VND)	871	443	732	673
EPS growth (%)	15.1	-49.0	65.0	-8.0
P/E (x)	13.4	25.7	19.3	21.0
P/B (x)	0.8	0.8	0.9	0.9
ROE (%)	7.7	3.8	5.5	4.8
Dividend yield (%)	0.7	1.4	0.0	0.0



Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Revised earnings estimates

(VNDbn, %)	Revised		Previous		Change	
	2024E	2025E	2024E	2025E	2024E	2025E
Revenue	37,799	33,407	30,585	38,703	-19%	16%
EBIT	4,089	3,180	2,215	2,154	-46%	-32%
NP after MI	2,570	1,447	1,745	1,576	-32%	9%

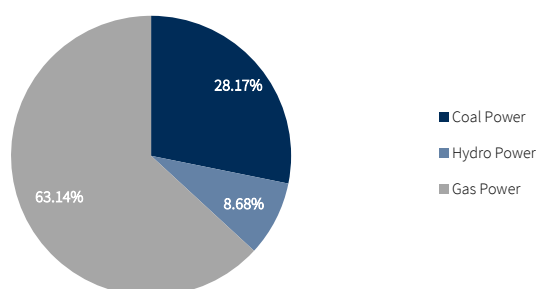
Source: KB Securities Vietnam

KBSV estimate vs consensus

(VNDbn, %)	KBSV estimates		Consensus		Difference	
	2024E	2025E	2024E	2025E	2024E	2025E
Revenue	30,585	38,703	31,430	43,102	-3%	-10%
EBIT	2,215	2,154	1,802	3,173	23%	-32%
NP after MI	1,745	1,576	1,243	2,279	38%	-31%

Source: Bloomberg, KB Securities Vietnam

Revenue composition (2023)



Business operation

PetroVietnam Power (POW) is the fourth largest power generator in Vietnam with a total capacity of 4.2GW, equivalent to 10% of the country's capacity. POW's as-fired power plants (Ca Mau 1,500MW, Nhon Trach 1 450MW, and NT2 750MW) account for 64% of the country's total capacity. The remaining capacity is generated by coal-fired power plants such as Vung Ang Plant 1,200MW and hydropower plants such as the Hua Na 180MW and Dakrinh 125MW.

Source: Kinh Bac City Development, KB Securities Vietnam

1Q24 performance updates

1Q revenue & NPAT respectively fell 16% and 48% YoY

In 1Q24, POW recorded a contraction in business results with revenue and NPAT reaching VND6.3 trillion (-16% YoY) and VND278 billion (-48% YoY), respectively. This results from the decline in revenue from its four gas-fired and hydropower plants (NT1, NT2, Hua Na, and Dakdrinh) with gas-fired power reaching VND2,951 billion and hydropower VND256 billion (dropping 44.81% and 36.28% YoY). The decline in output from these four plants hit POW's revenue harder than the Vung Ang plant incident last year. However, the decline in revenue was limited thanks to the positive output of coal-fired thermal power from the Vung Ang plant (+41.6% YoY).

Electricity output decreased due to negative impacts of Nhon Trach 1&2 plants

In 1Q, gas-fired power output reached 1,562 million kWh (down 43% YoY) mainly due to the record low output in NT1 and NT2, reaching 3.3 million kWh and 151.7 million kWh, respectively, while Ca Mau 1&2 had a guaranteed gas supply, so the mobilized output was maintained. The main reason for the plunge in the power output of NT1&NT2 came from the general trend of cutting gas power in the whole industry and the shortage of gas sources in the Southeast basins, leading to low efficiency of the plants and raising electricity production costs. Coal-fired power contributed by Vung Ang Thermal Power recorded a positive mobilized output, reaching 1,708 million kWh, equivalent to an efficiency of 68.76% (averaging 61.47% in 2023).

LNG electricity price mechanism helps to accelerate the operation time of Nhon Trach 3&4

As of 3Q24, the overall EPC progress is estimated at 83% (~6% behind the schedule). By May 2024, according to the latest update of POW at the AGM, it has completed the contract with EVN/EPTC and is submitting it to the Ministry of Industry and Trade for approval. On May 27, the Ministry of Industry and Trade approved the electricity generation price framework for combined-cycle gas turbine power plants using LNG. Accordingly, the maximum electricity price of plants using LNG is VND2,591/kWh, equivalent to the assumption of a heat consumption rate of 6,330 BTU/kWh, and the price of LNG (excluding VAT, storage and transportation costs) is USD12,976/million BTU.

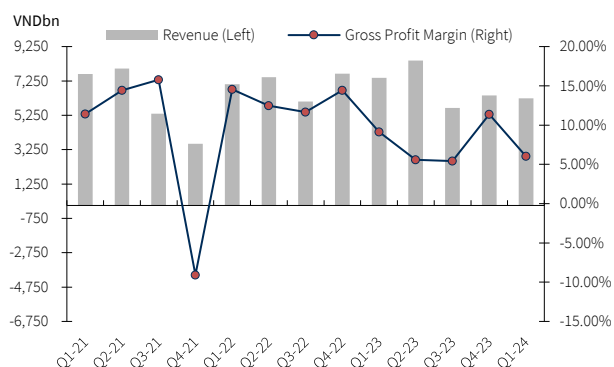
With positive progress in the negotiation of the power sale contract, POW's management expects the commissioning time at Nhon Trach 3 and Nhon Trach 4 to be delayed six months to October 2024 and April 2025, thereby bringing the commissioning date of NT3 and NT4 to mid-2025 and late 2025, respectively. Regarding the commitment clause to consume contract output, the enterprise is expected to sign a commitment to consume ~65-75% of the average output.

Table 1. POW – 1Q24 business results

	1Q23	1Q24	+/-%YoY	Notes
Revenue (VNDbn)	7,821	6,139	-21.51%	
<i>Gas-fired power</i>	5,349	2,951	-44.83%	
<i>Coal-fired power</i>	2,070	2,932	41.64%	
<i>Hydropower</i>	402	256	-36.32%	
Output (million kWh)	4,001	3,481	-13.00%	
<i>Gas-fired power</i>	2,739	1,563	-42.94%	Commercial power output of NT1 and NT2 decreased significantly by 99% and 86% YoY, respectively, while Ca Mau 1&2 output increased slightly by 5% YoY as they did not face input gas shortage.
<i>Coal-fired power</i>	934	1,708	82.87%	Vung Ang Thermal Power Plant was strongly mobilized thanks to EVN's demand for coal-fired power in 1Q. The plant reached 68.76% capacity in 1Q24.
<i>Hydropower</i>	328	210	-35.98%	Hydropower plants were asked to store water to increase the response to high load in the dry season, so electricity output decreased.
Average price (VNDbn)	1,955	1,764	-9.77%	
<i>Gas-fired power</i>	1,953	1,889	-3.28%	Electricity prices decreased slightly due to the increased proportion of competitive electricity generation of the plants in the context of deep cuts in the contracted output plan from EVN. Contract output reached 1,170 million kWh, accounting for 74.90% of total electricity output (-11.15 ppt compared to 1Q23).
<i>Coal-fired power</i>	2,218	1,716	-22.63%	Coal-fired electricity prices decreased sharply due to the increased proportion of competitive electricity generation. Qm output reached 1,046 million kWh, accounting for 61.24% of total electricity output (-27.18 ppt compared to 1Q23).
<i>Hydropower</i>	1,223	1,220	-0.25%	
Gross profit (VNDbn)	679	377	-44.48%	
Gross profit margin (%)	9.14%	6.03%	-3 ppts	POW's gross profit margin fell to only 6.03% as (1) NT2's 1Q24 recorded a loss of VND158 billion due to record low electricity output, so the revenue cannot offset depreciation costs; and (2) the price on the competitive generation market (CGM) in 1Q reached VND1,500/kWh and decreased by 11% YoY.
Financial income (VNDbn)	125	101	-19.20%	Interest income decreased due to cooling deposit interest rates.
Financial expenses (VNDbn)	140	154	10.00%	The expenses were mainly from long-term debt increasing VND4,800 billion YoY.
Profit from affiliates (VNDbn)	0	0		
Other incomes (VNDbn)	126	116	-7.94%	
SG&A costs (VNDbn)	552	260	-52.90%	
Operating profit/loss (VNDbn)	-1	-3	200.00%	
Profit before taxes (VNDbn)	536	204	-61.94%	
Profit after taxes (VNDbn)	650	216	-66.77%	
Net profit after MI (VNDbn)	534	278	-47.94%	
NPAT margin (%)	8.80%	3.50%	-5 ppts	

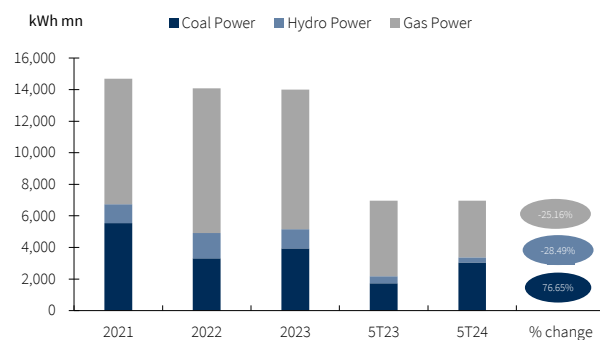
Source: PV Power, KB Securities Vietnam

Fig 1. POW – Business results in 2021–2024 (VNDbn)



Source: PV Power, KB Securities Vietnam

Fig 3. POW – Commercial power output in 2021–2024 (million kWh)



Source: PV Power, KB Securities Vietnam

Investment catalysts

Coal-fired thermal power: Positive outlook continues until the second half of the year

After nearly two years of troubleshooting and running at only half capacity, Unit 1 Vung Ang 1 (600MW) officially returned to operation in August 2023, supporting POW's output throughout 2024 (Figure 3). In 1H24, we expect that coal-fired power will maintain growth in mobilized output thanks to hydropower maintaining water reserves, while coal prices keep falling from the peak in 2023, which will boost Vietnam's coal imports for electricity production (Figure 4). Accordingly, we forecast POW's revenue and coal-fired power output in 1H24 to reach VND6,266 billion (+45.04% YoY) and 3.4 billion kWh (+61.36% YoY).

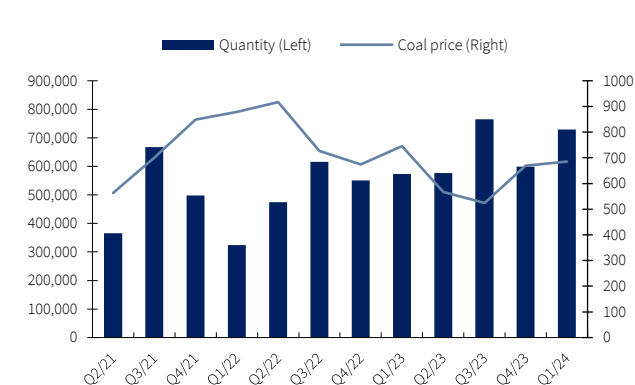
From 2H24, as the weather gradually shifts to the La-Nina phase, bringing higher rainfall and supporting hydropower mobilization, coal-fired power mobilization growth will be lower than in the first half of the year but will continue to grow over the same period because coal-fired power is a source of electricity with stable generation capacity. Therefore, it will continue to maintain a high proportion of total electricity output, helping the annual output to reach an estimated 152 billion kWh (+8.3% YoY). Accordingly, we forecast POW's revenue and coal-fired power output to reach VND10,988 billion (+23% YoY) and 5.9 billion kWh (+37.5% YoY), respectively. Looking to 2025, we expect coal-fired power output to decrease to 5.6 billion kWh (-5.7% YoY) and revenue to drop by 5.8% YoY to VND10,364 billion.

Fig 3. POW – Thermal power output & prices of Vung Ang Plant in 5M24 (million kWh, VND)



Source: PV Power, KB Securities Vietnam

Fig 4. Vietnam – Coal import volume & prices in 5M24 (million tons, USD/ton)



Source: Vietnam Customs, KB Securities Vietnam

Hydropower: Favorable weather conditions support positive business results

In 1Q, the electricity industry continued to face difficulties in mobilizing hydropower due to the El-Nino peaking in January and lasting until the end of the second half of the year. Hydropower plants received the direction to store water and not release water to prepare for peak load in the hot season, leading to increased capacity of thermal power plants, with the main contribution of coal-fired thermal power and gas-fired thermal power, reaching 41.33 billion kWh (+22.66% YoY) and 6.12 billion kWh (-11.35% YoY), equivalent to 57.85% and 8.63% of the country's total output. With the advantage in price compared to gas-fired electricity, coal-fired power has been mobilized more and reached a record maximum power/installed capacity in May 2024 at 83.43%.

With the probability of El-Nino phase in the remaining months of 2024 gradually decreasing and the weather gradually turning to neutral phase (Figure 6), we believe that the dryer weather and increased rainfall filling the reservoirs will be an opportunity for EVN to increase mobilization from hydropower, with the expected output in 2024 reaching 73.19 billion kWh (-13.81% YoY). Regarding hydropower price, although the alpha ratio increases from 90% in 2023 to 98% in 2024, the higher price on the CGM will also partly offset the decrease in the weight of hydropower on this market, so it will not have much impact on the average price of hydropower plants. We forecast the operating capacity of the two hydropower plants Dakdrinh and Hua Na to reach 55% and 37% (-2.26 pts and 0.29 pts YoY) respectively, expecting that hydropower will gradually be mobilized to promptly meet electricity demand after the water storage period in the first half of the year.

Fig 5. POW – GCM prices (VND/kWh)

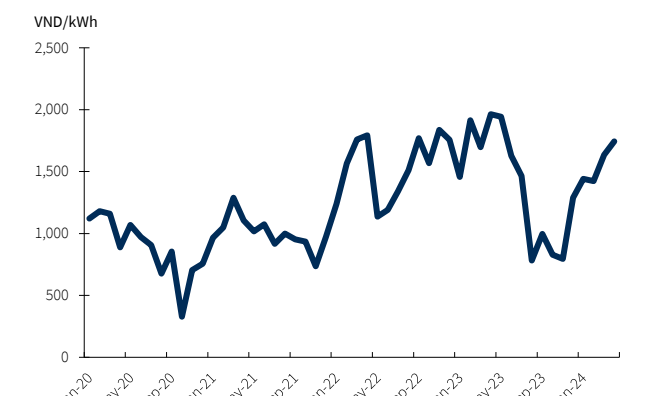
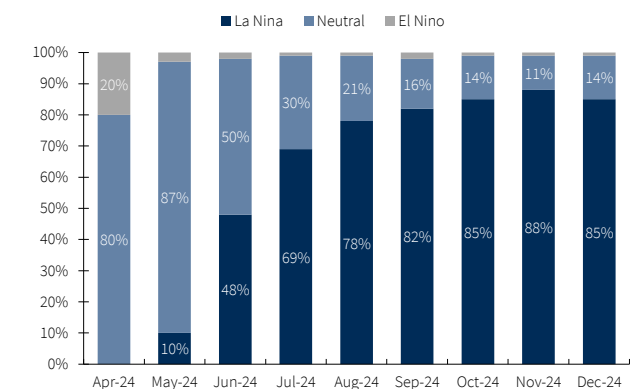


Fig 6. Global – Probability of climate phases in 2024 (%)



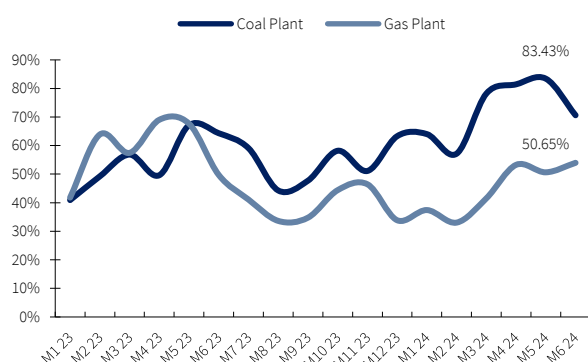
Gas-fired power: Long-term prospects are strengthened despite short-term difficulties

For the remaining months of 2024, the peak summer season in 2Q and the expectation of a recovery in production activities in the economy will be important growth drivers for electricity load, thereby leading to higher hydropower and gas-fired power mobilization from EVN from while the coal-fired thermal power nearly reached the maximum power of 83.43% in May 2024 (compared to the three-year average of 50.25%) (Figure 7). The increase in hydropower water storage in 1Q has forced EVN to push the generation capacity of coal-fired thermal power to a high threshold, increasing the risk of damage and reducing the life of the plant, so in the future, coal-fired power plants will be adjusted to reduce output. Average gas-fired electricity output in 3Q24 reached 7,200 million kWh (+17.41% compared to 1Q24), and the estimated annual output reached 27,732 million kWh (-5.35% YoY). POW has a great advantage as its new plants have been put into operation after maintenance and have a higher ability to operate stably. Ca Mau (1,500 MW) and Nhon Trach 2 (750 MW) will help the parent POW limit the impact of overall output cuts in the industry, and the 2024F gas-fired electricity output is 8,652 million kWh (-2.08% YoY).

We expect the output of Nhon Trach 1&2 plants which use gas from the Southeast mines to decrease by 15.12% YoY due to uncompetitive electricity offering prices in the context of exhausting domestic gas supply from the Southeast mines. For Ca Mau 1&2 thermal power plants, we assess the mobilized output would be more positive and gain 6.9% YoY, supported by sufficient gas supply and the plant running at 45% capacity after completing the overhaul.

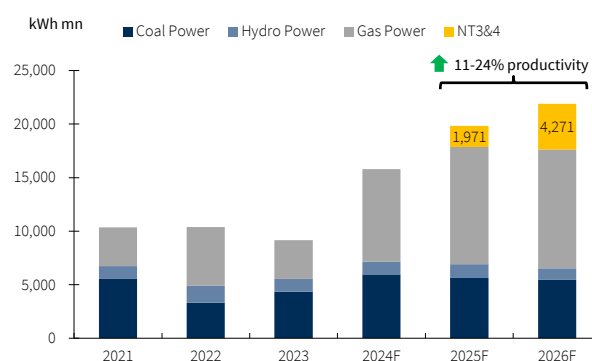
In the long term, operating Nhon Trach 3&4 plants will be the driver for revenue growth of POW when the two plants with a total capacity of 1200 MW will guarantee 65-75% of output and ensure an IRR of over 10% within 14 years. Putting the plants into operation as planned in 2025 will be an opportunity for POW to anticipate the strong shift from coal to gas power, thereby facilitating the business to increase power generation capacity and revenue (Figure 8).

Fig 7. Vietnam – Maximum power/maximum capacity of coal-fired and gas-fired in 2023–5M24 (%)



Source: National Load Dispatch Center, KB Securities Vietnam

Fig 8. POW – Electricity output by generating type after NT3&4 starting operation (million kWh)



Source: PV Power, KB Securities Vietnam

Table 2. POW – 2024F business results

	2023A	2024F	+/-%YoY	Notes
Revenue (VNDbn)	28,329	30,585	7.96%	
<i>Gas-fired power</i>	19,539	17,065	-12.66%	
<i>Coal-fired power</i>	8,575	10,988	28.14%	
<i>Hydropower</i>	1,366	1,533	12.23%	
Output (million kWh)	14,388	15,799	9.81%	
<i>Gas-fired power</i>	8,836	8,652	-2.08%	Gas-fired power is risen by the stable output of Ca Mau 1&2. The mobilized output of NT2 has recovered strongly since April (equal to 2.59 times the accumulated output of the first three months of the year).
<i>Coal-fired power</i>	4,337	5,962	37.47%	Coal-fired power is driven by the Vung Ang plant project, which will increase the full-year capacity to 60%
<i>Hydropower</i>	1,215	1,185	-2.47%	The increased mobilization in the remaining months of 2024 will help the full-year output in 2024 to witness a smaller decrease compared to that in 1Q. The mobilized capacity of Hua Na and Dak Drinh will reach 37% and 55%, respectively.
Average price (VNDbn)	1,969	1,936	-1.68%	The forecast of higher industry-wide CGM prices is based on the expectation of increased participation of the thermal power group in the context of limited hydropower mobilization for water storage.
<i>Gas-fired power</i>	2,211	1,972	-10.81%	The decline is mainly due to the higher competitive power generation ratio.
<i>Coal-fired power</i>	1,977	1,843	-6.78%	The decline is mainly due to the higher competitive power generation ratio.
<i>Hydropower</i>	1,124	1,294	15.12%	The increase is mainly thanks to the higher industry-wide CGM prices.
Gross profit (VNDbn)	2,704	3,096	14.50%	
Gross profit margin (%)	9.54%	10.12%	1 ppts	The improvement in Vung Ang's profit margin should offset the decline in NT1&2's GPM.
Financial income (VNDbn)	544	543	-0.18%	
Financial expenses (VNDbn)	730	861	17.95%	Long-term corporate debt increases to meet the construction capital needs of NT3&4.
Profit from affiliates (VNDbn)	53	0		
Other incomes (VNDbn)	1,268	1,369	7.97%	
SG&A costs (VNDbn)	1,436	1,727	20.26%	
Operating profit/loss (VNDbn)	152	435	186.18%	We expect the compensation of VND1,000 billion for the Vung Ang plant to be received within two years, with VND435 billion in the first year.
Profit before taxes (VNDbn)	1,442	1,897	31.55%	
Profit after taxes (VNDbn)	1,283	1,998	55.73%	
Net profit after MI (VNDbn)	1,038	1,715	65.22%	
NPAT margin (%)	4.50%	6.53%	2 ppts	

Source: PV Power, KB Securities Vietnam

Forecast & valuation

**Valuation: NEUTRAL rating –
target price of VND14,000/share**

We used SOTP and the EV/EBITDA method with a ratio of 50/50 to value POW shares and gave a NEUTRAL rating with a target price of VND14,000/share, equivalent to an upside of 0.4% compared to the closing price on June 17, 2024. Compared to the previous valuation, we recorded a decrease in the discounted value of NT1 and NT2 gas-fired power plants at a time when these two plants recorded less favorable business results than expected. In return, the target EV/EBITDA ratio is increased to 7.22x, 1 standard deviation higher than the five-year average of the period 2019–2024 to reflect positive changes in the LNG electricity sales mechanism that helps determine the output prices for the plants.

As a result, our valuation also includes the value of the Nhon Trach 3 & 4 LNG mega-project based on new announcements on selling prices and commissioning time. We apply the input gas price assumption for 2025–2027 at USD13/mmbtu, then adjust the price up by an average of 2% per year to estimate the electricity price at around VND2,480/kWh. This price is lower than the ceiling price of VND2,591/kWh in 2024 because we conservatively assume that EVN will cover 65% of the operating capacity in the first three years and 70% in the following years of the two plants, instead of 85% as previously planned by the Management. With this price, the GPM will reach 5–6% and ensure the economic efficiency of the two plants. We also apply a 15% discount to the value of the two plants to account for uncertainties affecting the forecast results as EVN has only initially announced a price framework for 2024 instead of a long-term price roadmap.

Table 3. POW – Final valuation

Method	Estimated price	Weight	Weighted Price
SOTP	15,825	50%	7,913
EV/EBITDA (7.24x)	12,224	50%	6,112
Target Price			14,000
Current Price (17/06/2024)			130
Upside			0.4%

Source: KB Securities Vietnam

Table 4. POW – Assumed capital costs

Metric	Value
WACC	12.24%
Re	14.6%
Risk free rate	5.00%
Beta	1.20
Risk Premium	8.00%
Rd *Tax shield	7.04%
Rd	8.00%

Source: KB Securities Vietnam

Table 5. POW – Valuation according to EV/EBITDA method

Metric	Value
EBITDA 2024F	4602
Target EV/EBITDA	7.24
Enterprise Value	33,318
(+) Cash and Short term investment	10,831
(-) Net Borrowings	-12,807
(-) Minority interest	-2,714
Equity Value	28,628
Outstanding shares (mn shares)	2,341.90
Stock Price	12,224

Source: KB Securities Vietnam

Table 6. POW – Valuation according to SOTP

Valuation	Method	POW's value
Ca Mau 1&2	DCF	3,655
Nhon Trach 1	DCF	1,049
Nhon Trach 2	DCF	3,011
Hua Na	DCF	4,150
Dakdrinh	DCF	4,379
Vung Ang 1	DCF	17,151
Nhon Trach 3 (discount 15%)	DCF	4,848
Nhon Trach 4 (discount 15%)	DCF	3,507
Enterprise Value		41,750
(+) Cash and short term investment		10,831
(-) Net borrowings		-12,807
(-) Minority interest		-2,714
Equity Value		37,060
Outstanding shares (million shares)		2,341.90
Stock Price		15,825

Source: KB Securities Vietnam

Fig 9. POW – EV/EBITDA developments



Source: Bloomberg, KB Securities Vietnam

POW – 2022A–2025F financials

Income Statement (VND billion)	2022	2023	2024F	2025F
Net sales	28,224	28,329	30,585	38,703
Cost of sales	-24,498	-25,625	-27,489	-35,305
Gross Profit	3,726	2,704	3,096	3,398
Financial income	445	544	543	624
Financial expenses	-592	-730	-861	-1,033
of which: interest expenses	-438	-565	-655	-785
Gain/(loss) from joint ventures (from 2015)	23	53	53	53
Selling expenses	0	0	0	0
General and admin expenses	-868	-1,268	-1,369	-1,732
Operating profit/(loss)	2,734	1,303	1,462	1,310
Other incomes	67	162	425	425
Other expenses	23	10	10	10
Net other income/(expenses)	44	152	415	415
Income from investments in other entities	0	1	2	3
Net accounting profit/(loss) before tax	2,778	1,455	1,877	1,725
Corporate income tax expenses	-256	76	101	92
Net profit/(loss) after tax	2,553	1,283	1,998	1,837
Minority interests	492	245	283	260
Attributable to parent company	2,061	1,038	1,715	1,577

Margin ratio	2022	2023	2024F	2025F
-				
Gross profit margin	13.2%	9.5%	10.1%	8.8%
EBITDA margin	20.1%	15.0%	14.2%	12.2%
EBIT margin	10.1%	5.1%	5.7%	4.3%
Pre-tax profit margin	10.0%	5.1%	6.2%	4.5%
Operating profit margin	9.7%	4.6%	4.8%	3.4%
Net profit margin	9.1%	4.5%	6.5%	4.8%

Cash Flow Statement (VND billion)	2022	2023	2024F	2025F
Net profit/(loss) before tax	2,564	1,442	1,897	1,745
Depreciation and amortisation	2,809	2,809	2,604	3,055
Profit/loss from investing activities	0	0	0	0
Interest expense	437	565	655	785
Operating profit/(loss) before changes in Working Capital	5,524	5,488	5,828	6,257
(Increase)/decrease in receivables	-4,788	-3,491	-188	-4,020
(Increase)/decrease in inventories	-146	-21	-92	-643
Increase/(decrease) in payables	1,390	6,225	-3,449	217
(Increase)/decrease in prepaid expenses	1,887	-3,962	12	500
Net cash inflows/(outflows) from operating activities	3,178	3,352	1,556	2,133
Purchases of fixed assets and other long term assets	-2,562	-6,312	-4,500	-4,500
Proceeds from disposal of fixed assets	2	125	0	0
Loans granted, purchases of debt instruments	-1,438	-3,071	-1,352	-1,352
Collection of loans, proceeds from sales of debts instruments	286	2,330	734	734
Investments in other entities	-22	-30	-30	-30
Proceeds from divestment in other entities	3	0	0	0
Dividends and interest received	365	473	473	473
Net cash inflows/(outflows) from investing activities	-3,367	-6,485	-4,660	-4,660
Proceeds from issue of shares	0	82	0	0
Payments for share returns and repurchases	0	0	0	0
Proceeds from borrowings	8,027	13,107	3,561	3,266
Repayment of borrowings	-7,587	-9,503	0	0
Finance lease principal payments	0	0	0	0
Dividends paid	-199	-365	0	0
Interests, dividends, profits received	0	0	0	0
Net cash inflows/(outflows) from financing activities	241	3,321	3,561	3,266
Net increase in cash and cash equivalents	53	188	457	739
Cash and cash equivalents at the beginning of period	8,224	8,252	8,440	8,870
Cash and cash equivalents at the end of period	8,277	8,440	8,870	9,676

Source: PV Power, KB Securities Vietnam

Balance Sheet (VND billion)	2022	2023	2024F	2025F
CURRENT ASSETS	24,925	29,042	29,377	35,698
Cash and cash equivalents	8,252	8,440	8,870	9,676
Short-term investments	1,650	2,391	2,000	3,352
Accounts receivable	12,538	14,560	14,748	18,768
Inventories	2,086	2,167	2,259	2,902
LONG-TERM ASSETS	31,918	41,320	43,446	47,830
Long-term trade receivables	0	0	0	0
Fixed assets	29,155	26,402	30,619	35,085
Investment properties	936	9,032	7,220	7,220
Long-term incomplete assets	0	0	0	0
Long-term investments	0	0	0	0
TOTAL ASSETS	56,843	70,362	72,823	83,528
LIABILITIES	23,562	36,243	36,543	45,431
Current liabilities	18,326	26,785	22,780	27,077
Trade accounts payable	7,346	15,947	13,264	17,814
Advances from customers	4	1	1	1
Short-term unrealized revenue	0	0	0	0
Short-term borrowings	4,769	5,635	5,105	4,280
Long-term liabilities	5,236	9,458	13,763	18,354
Long-term trade payables	0	0	0	0
Long-term advances from customers	0	0	0	0
Unrealized revenue	0	0	0	0
Long-term borrowings	3,382	7,172	11,263	15,354
OWNER'S EQUITY	33,281	34,166	36,280	38,097
Paid-in capital	23,419	23,419	23,419	23,419
Share premium	0	0	0	0
Undistributed earnings	3,420	3,959	5,934	7,750
Minority interests	2,765	2,714	3,251	3,251

Key ratios				
-				
Multiple				
P/E	13.4	25.7	19.3	21.0
P/E diluted	13.4	25.7	19.3	21.0
P/B	0.8	0.8	0.9	0.9
P/S	1.0	0.9	1.1	0.9
P/Tangible Book	0.8	0.8	0.9	0.9
P/Cash Flow	8.6	8.0	21.2	15.5
EV/EBITDA	5.3	8.0	10.1	9.8
EV/EBIT	10.5	23.5	25.3	27.8
Operating performance				
ROE	7.7%	3.8%	5.5%	4.8%
ROA	4.5%	1.8%	2.7%	2.2%
ROIC	8.2%	3.5%	3.7%	3.3%
Financial structure				
Cash Ratio	0.5	0.4	0.5	0.5
Quick Ratio	1.2	1.0	1.1	1.2
Current Ratio	1.4	1.1	1.3	1.3
LT Debt/Equity	10%	21%	31%	40%
LT Debt/Total Assets	6%	10%	15%	18%
Debt/Equity	14%	16%	14%	11%
Debt/Total Assets	8%	8%	7%	5%
ST Liabilities/Equity	55%	78%	63%	71%
ST Liabilities/Total Assets	32%	38%	31%	32%
Total Liabilities/Equity	71%	106%	101%	119%
Total Liabilities/Total Assets	41%	52%	50%	54%
Activity ratios				
Account Receivable Turnover	3.1	2.1	2.1	2.3
Inventory Turnover	12.5	12.1	12.2	12.2
Account Payable Turnover	2.4	1.6	1.6	2.2

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Investment ratings & definitions

Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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