

PV Power (POW)

Growth anchored by NT2, with NT3&4 to follow

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2Q2025 revenue and NPAT-MI maintained recovery momentum

In 2Q2025, POW posted revenue of VND9,399 billion (+0.2% YoY / +15% QoQ) and NPAT-MI of VND602 billion (+54% YoY / +35% QoQ). Strong contributions from the hydropower segment (VND301 billion, +85% YoY) and coal-fired power (VND3,527 billion, +2.8% YoY) offset the weaker performance of gas-fired power, which recorded revenue of VND5,385 billion (-5.1% YoY).

Stronger contracted capacity and electricity tariff hikes should support POW's profitability

Nhon Trach 2 (NT2) is expected to continue benefiting from a higher contracted capacity ratio, supporting POW's gross profit, which is projected to reach VND3,016 billion in 2025. In addition, the potential approval of new mechanisms allowing EVN to raise electricity tariffs could generate one-off gains of VND120 billion in 2025 and VND148 billion in 2026.

The charter capital increase plan will help ease the long-term debt burden

POW will submit a plan at the upcoming extraordinary general meeting of shareholders to raise charter capital by 31%, from VND23,418 billion to VND30,678 billion, to finance the Nhon Trach 3 & 4 projects. This move is expected to strengthen the balance sheet and ease the company's long-term interest burden.

We reiterate NEUTRAL on POW with a target price of VND17,200/share

Based on SOTP and EV/EBITDA valuation, business outlook, and potential risks, we reiterate our NEUTRAL rating on POW with a target price of VND17,200 per share, implying a 13.3% upside potential from the closing price on September 12, 2025.

Neutral maintain

Target price	VND17,200
Upside	13.3%
Current price (Sep 12, 2025)	VND 15,450
Consensus target price	VND 15,300
Market cap (VNDtn/USDbn)	35.4/1.3

Forecast earnings & valuation

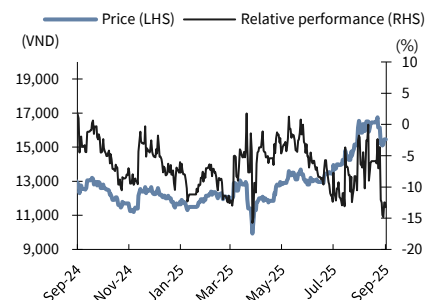
FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	28,329	30,180	37,351	51,543
Operating income/loss (VNDbn)	1,436	1,074	1,988	2,328
NPAT-MI (VNDbn)	1,038	1,252	1,252	1,383
EPS (VND)	443	535	463	451
EPS growth (%)	-49.0	0.0	-14.0	-3.0
P/E (x)	38.8	32.2	28.4	29.1
P/B (x)	1.2	1.2	1.0	1.0
ROE (%)	3.8	3.9	3.7	3.9
Dividend yield (%)	0.0	0.0	2.3	0.8

Trading data

Free float	20.1%
3M avg trading value (VNDbn/USDmn)	214.9/8.2
Foreign ownership	2.7%
Major shareholder	PetroVietnam (79.9%)

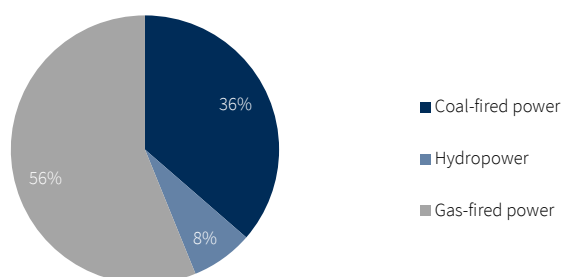
Share price performance

(%)	1M	3M	6M	12M
Absolute	0.3	16.5	26.1	16.9
Relative	-3.0	-7.9	3.1	-13.5



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2024)



Source: PV Power, KB Securities Vietnam

Business operation

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

Investment Catalysts

The expiration of BOT plants' gas supply contracts allows NT2 to secure priority access to low-cost domestic gas, underpinning 2025F revenue of VND7,018 billion (+19% YoY) or 19% of total revenue.

NT3 & NT4, as pioneering long-term contract projects, are set to receive dispatch priority, contributing VND4,702 billion in 2025F and VND19,457 billion in 2026F (13% and 38% of overall revenue).

The electricity price adjustment mechanism will accelerate the recognition of FX-related receivables, resulting in one-off gains of VND120 billion in 2025F and VND148 billion in 2026F.

Notes

Please find more details [here](#)Please find more details [here](#)

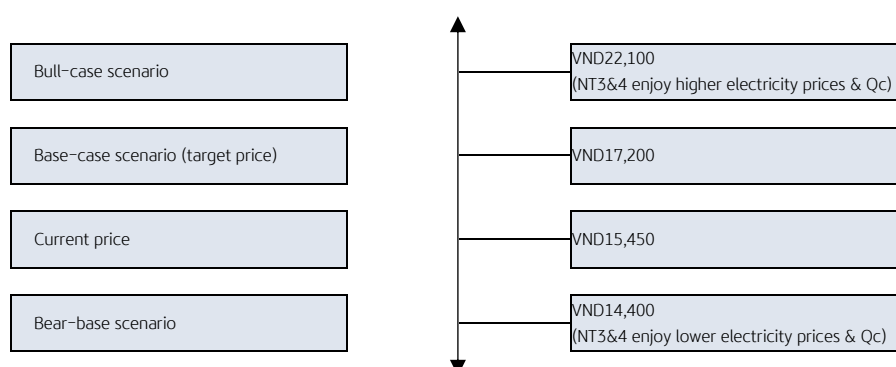
Please find more details below

Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	37,351	51,543	0%	0%	40,182	49,489	-7%	4%
EBIT	2,148	2,516	26%	15%	2,697	3,640	-20%	-31%
NP after MI	1,252	1,383	78%	62%	1,199	1,626	4%	-15%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Base-case scenario: catalysts

- 1) PPA price*: VND3,000/kWh
- 2) Qc ratio**: 70%

Bull-case scenario: upside risk

- 1) PPA price: VND3,180/kWh
- 2) Qc ratio: 75%

Bear-case scenario: downside risk

- 1) PPA price: VND2,820/kWh
- 2) Qc ratio: 65%

PPA price* (power purchase agreement price) refers to the price agreed upon between Vietnam Electricity (EVN) and power producers.

Qc ratio** (contracted capacity ratio) refers to the percentage of total electricity generation capacity or output that is contracted through PPAs.

Business performance

Revenue remained flat while NPAT-MI surged 54% YoY in 2Q2025

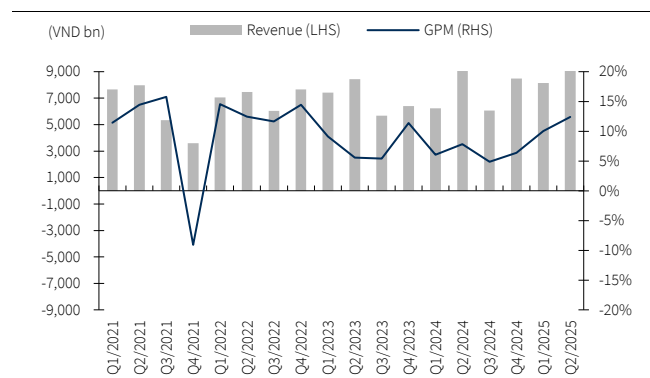
In 2Q2025, POW reported revenue of VND9,399 billion (+0.2% YoY / +15% QoQ) and NPAT-MI of VND602 billion (+54% YoY / +35% QoQ). Hydropower delivered robust growth, supported by heavy rainfall that boosted generation contributed meaningfully to total output. Meanwhile, thermal power showed mixed performance: coal-fired output edged up 4.2% YoY to 1,936 million kWh, while gas-fired output fell 10.7% YoY to 2,528 million kWh, generating revenue of VND3,527 billion and VND5,385 billion, respectively. Gross margin improved markedly on higher sales volume and favorable electricity prices, driving POW's highest net profit year-to-date as of end-June.

Table 1. POW – 1H2024–1H2025 financial results

(VNDbn)	2Q2024	2Q2025	+/-%YoY	1H2024	1H2025	+/-%YoY	Notes
Revenue	9,382	9,399	0.2%	15,625	17,549	12.3%	
Gas-fired power	5,677	5,385	-5.1%	8,628	9,835	14.0%	
Coal-fired power	3,430	3,527	2.8%	6,362	6,671	4.9%	
Hydropower	163	301	84.7%	419	624	48.9%	
Sales volume (million kWh)	4,893	4,771	-2.5%	8,374	9,016	7.7%	
Gas-fired power	2,832	2,528	-10.7%	4,395	4,703	7.0%	
Coal-fired power	1,858	1,936	4.2%	3,566	3,696	3.6%	
Hydropower	203	307	51.2%	413	617	49.4%	
Average electricity price (VND/kWh)	1,917	1,970	2.8%	1,866	1,946	4.3%	
Gas-fired power	2,005	2,130	6.2%	1,963	2,091	6.5%	Driven by a higher Qc ratio
Coal-fired power	1,846	1,822	-1.3%	1,784	1,805	1.2%	
Hydropower	803	980	22.0%	1,015	1,011	-0.4%	
Gross profit	735	1,168	58.9%	1,112	1,984	78.4%	Thanks to a high Qc ratio, NT2 recorded gross profit of VND366 billion (+183% YoY).
<i>Gross profit margin (GPM)</i>	7.8%	12.4%	4.6 ppts	7.1%	11.3%	4.2 ppts	
Financial income	104	206	98.1%	205	414	102.0%	
Financial expenses	-206	-399	93.7%	-360	-575	59.7%	
Profit from joint ventures & associates	1	0	-100%	1	1	0%	
SG&A	-195	-166	-14.9%	-311	-504	62.1%	
Operating income/loss	439	809	84.3%	646	1,320	104.3%	
Other income	3	-1	-133%	74	-4	-105%	
Profit before tax (PBT)	442	810	83.3%	720	1,320	83.3%	
Net profit after tax (NPAT)	441	761	72.6%	657	1,233	87.7%	
NPAT-MI	392	602	53.6%	670	1,047	56.3%	
<i>NPAT margin</i>	4.7%	8.1%	3.4 ppts	4.2%	7.0%	2.8 ppts	

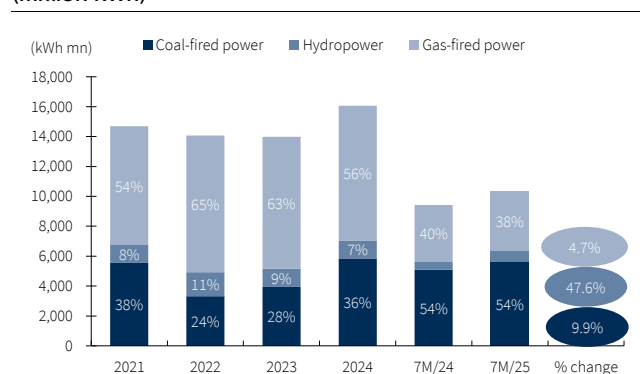
Source: PV Power, KB Securities Vietnam

Fig 2. POW – Revenue, gross profit margin (VNDbn, %)



Source: PV Power, KB Securities Vietnam

Fig 3. POW – Electricity sales volume by generation source (million kWh)



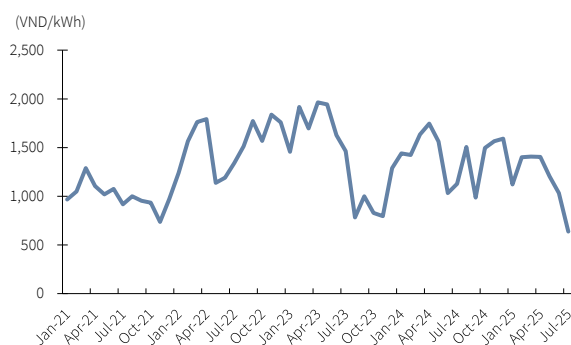
Source: PV Power, KB Securities Vietnam

Hydropower: Output improved thanks to favorable weather

Hydropower output rebounded strongly on higher rainfall in Nghe An and Quang Ngai. In Nghe An, rainfall began recovering from March 2025, with 2Q2025 precipitation doubling YoY to 129 mm. In Quang Ngai, rainfall reached 481 mm in 2Q2025, slightly above last year, suggesting the province was less affected by off-season weather. Early 3Q trends showed divergence, with Nghe An recording 736 mm versus only 215 mm in Quang Ngai. Benefiting from stronger rainfall in Nghe An, we slightly raised POW's 2025F hydropower revenue and output to VND1,484 billion and 1,500 million kWh.

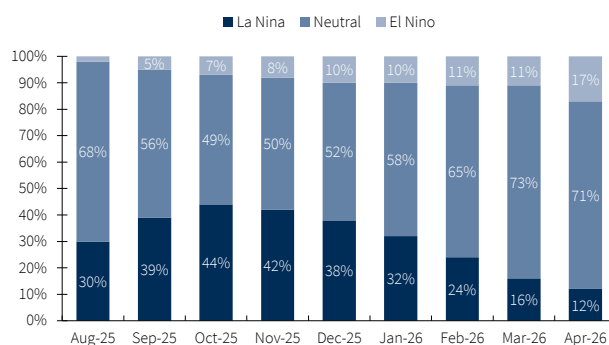
For 2026, KBSV expects early-year hydropower output to improve under neutral weather conditions, offsetting weaker rainy-season output later in the year. Overall, output is projected to ease just 7% YoY to 1,393 million kWh. Average electricity prices are expected to edge up YoY, supported by a higher thermal power share in 2H, bringing estimated revenue to VND1,392 billion (-6% YoY).

Fig 4. Vietnam – Full market price (VND/kWh)



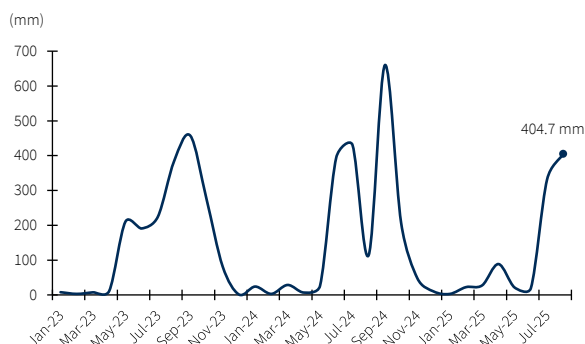
Source: Genco 3, KB Securities Vietnam

Fig 5. Global – Probabilities of weather patterns in 2025–2026



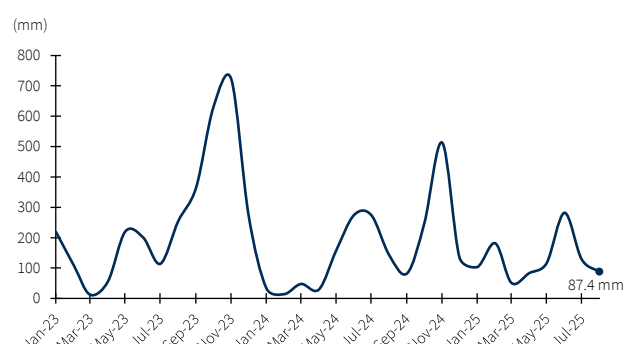
Source: International Research Institute for Climate and Society, KB Securities Vietnam

Fig 6. Vietnam – Rainfall in Nghe An (mm)



Source: Vrain, KB Securities Vietnam

Fig 7. Vietnam – Rainfall in Quang Ngai (mm)



Source: Vrain, KB Securities Vietnam

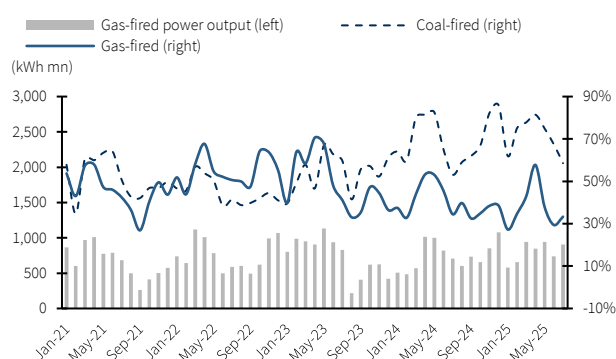
Gas-fired power: Higher contracted capacity and stable supply underpin NT2's sustained recovery

In the first seven months of 2025 (7M2025), NT2 generated 1,675 million kWh (+24% YoY). Following the expiration of gas supply contracts for Phu My 2.2 and 3, NT2's contracted capacity ratio rose to 105%, well above the industry average of 80%, underscoring the National Load Dispatch Center (A0)'s priority in dispatching stable, low-cost sources. For 2H2025, Qc allocated to NT2 is expected to reach 1.9 billion kWh, 19% higher than in 1H, supporting sustained revenue and output growth. For 2025/2026, we revise up NT2's generation forecasts to 3,435/3,533 million kWh (+25% / +3% YoY), equivalent to revenue of VND7,003/7,292 billion (+24% / +4% YoY).

Incorporating FX losses into tariffs will improve EVN's payments to NT2

In the draft amendment to Decree 72 on the mechanism for adjusting the average retail electricity price, the Ministry of Industry and Trade has proposed incorporating electricity tariffs into production costs. This would provide EVN with additional financial inflows to offset accumulated losses, while enabling power producers with outstanding receivables from FX differences—such as NT2—to receive earlier payments. We expect the decree to be approved soon, paving the way for EVN to raise tariffs as early as 2025. Accordingly, NT2 is projected to book extraordinary income of VND120 billion in 2025 and VND148 billion in 2026.

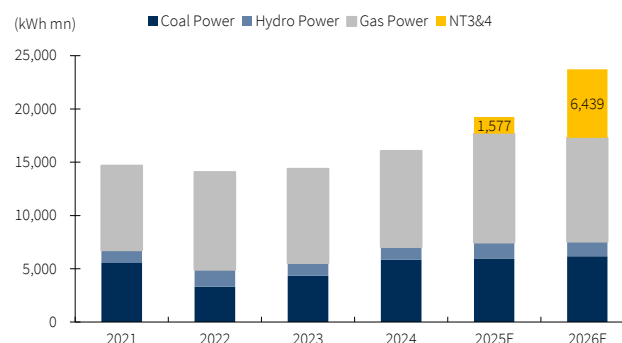
Fig 8. POW – Gas-fired output (LHS), Pmax/P ratio of coal- & gas-fired power (RHS) (million kWh, %)



Source: National Electricity System and Market Operation Company Limited, KB Securities Vietnam

Pmax/P refers to the ratio of maximum power capacity (*Pmax*) to actual power generation (*P*).

Fig 9. POW – Power generation by source (million kWh)



Source: PV Power, KB Securities Vietnam

The charter capital increase plan will help ease the long-term debt burden

The capital increase plan is expected to be approved at the upcoming extraordinary general meeting scheduled for September 25, 2025. Under the plan, the company will raise its charter capital by 31%, from VND23,418 billion to VND30,678 billion, sourced as follows: (i) VND2,810 billion from a rights offering to existing shareholders at VND10,000/share, (ii) VND3,512 billion from the development investment fund, and (iii) VND936 billion from undistributed retained earnings. The proceeds are intended to finance equity contributions for the NT3 & NT4 projects and help ease the company's long-term debt burden. The rights offering is expected to take place in 3Q2025.

Forecast & Valuation

Table 10. POW – 2024A–2026F financial results

(VNDbn)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Notes
Revenue	30,180	37,351	24%	51,543	38%	
Gas-fired power	17,983	25,458	42%	39,346	55%	
Coal-fired power	10,794	10,409	-4%	10,804	4%	
Hydropower	1,185	1,484	25%	1,392	-6%	
Sales volume (million kWh)	16,072	19,247	20%	23,735	23%	
Gas-fired power	9,024	11,785	31%	16,182	37%	Output should surge as NT3 & NT4 are expected to operate at 70% and 75% capacity in 2025 and 2026, respectively.
Coal-fired power	5,846	5,962	2%	6,160	3%	
Hydropower	1,202	1,500	25%	1,393	-7%	
Average electricity price (VND/kWh)	1,878	1,941	3%	2,172	12%	
Gas-fired power	1,993	2,160	8%	2,431	13%	
Coal-fired power	1,846	1,746	-5%	1,754	0%	
Hydropower	986	989	0%	999	1%	
Gross profit	1,948	3,071	58%	3,823	24%	Compared to our previous forecast, POW's gross profit in 2025/2026 is revised up by VND448 billion/VND319 billion, reflecting higher Qc allocation for NT2 in line with 1H2025 levels.
Gross profit margin	6.5%	8.2%	1.7 pts	7.4%	-0.8 pts	
Financial income	616	737	20%	722	-2%	
Financial expenses	667	1,254	88%	1,436	15%	Financial expenses are revised down by VND244 billion and VND369 billion in 2025F and 2026F, respectively, due to reduced borrowings following the equity capital increase.
Profit from joint ventures & associates	40	40	0%	40	0%	
SG&A	874	1,083	24%	1,495	38%	
Operating income/loss	1,074	1,988	85%	2,328	17%	
Other income	493	120	-76%	148	23%	Extraordinary income from subsidiary NT2 is expected at VND120 billion in 2025F and VND148 billion in 2026F.
Profit before tax (PBT)	1,517	1,631	8%	1,802	10%	
Net profit after tax (NPAT)	1,346	1,452	8%	1,604	10%	
NPAT-MI	1,252	1,252	0%	1,383	10%	
NPAT margin	4.1%	3.4%	-0.7 pts	2.7%	-0.7 pts	For 2025 and 2026, margin is projected to improve by 1.5pts and 1.0ppt, respectively, versus our previous forecast, underpinned by NT2's more efficient operations and lower financial expenses.

Source: PV Power, KB Securities Vietnam

We reiterate NEUTRAL on POW with a target price of VND17,200/share

We apply a discounted cash flow (DCF) valuation for each of POW's plants and an EV/EBITDA multiple valuation with an equal 50/50 weighting to determine POW's fair value. Accordingly, we reiterate our NEUTRAL rating on POW with a target price of VND17,200 per share, implying a 13.3% upside from the closing price on September 12, 2025.

For the multiple-based method, we use average EBITDA for 2025F–2029F to better capture project profitability once operations stabilize, and apply a target EV/EBITDA multiple of 8.5x—nearing one standard deviation above the five-year average but still below the global power sector average of 10x. This reflects an improving sector outlook, underpinned by EVN's stronger financial position and increased dispatch potential from NT3 & NT4.

Table 11. POW – EV/EBITDA valuation

(VNDbn)	Value
Average 2025F–2029F EBITDA	6,088
Target EV/EBITDA (x)	8.5
Enterprise value (EV)	51,748
(+) Cash & Short-term investments	16,442
(-) Net debt	-22,659
(-) Minority interest	-2,696
Equity value	42,835
Number of shares outstanding (million shares)	2,342
Value per share (VND)	18,290

Source: KB Securities Vietnam

Table 12. POW – SOTP valuation

(VNDbn)	Valuation method	Contribution to POW
Ca Mau 1&2	DCF	5,141
Nhon Trach 1	DCF	792
Nhon Trach 2	DCF	5,988
Hua Na	DCF	3,841
Dakdrinh	DCF	3,383
Vung Ang 1	DCF	11,251
Nhon Trach 3	DCF	7,928
Nhon Trach 4	DCF	8,126
Enterprise value		46,450
(+) Cash & Short-term investments		16,442
(-) Net debt		-22,659
(-) Minority interest		-2,696
Equity value		37,537
Number of shares outstanding (million shares)		2,341.90
Value per share (VND)		16,028

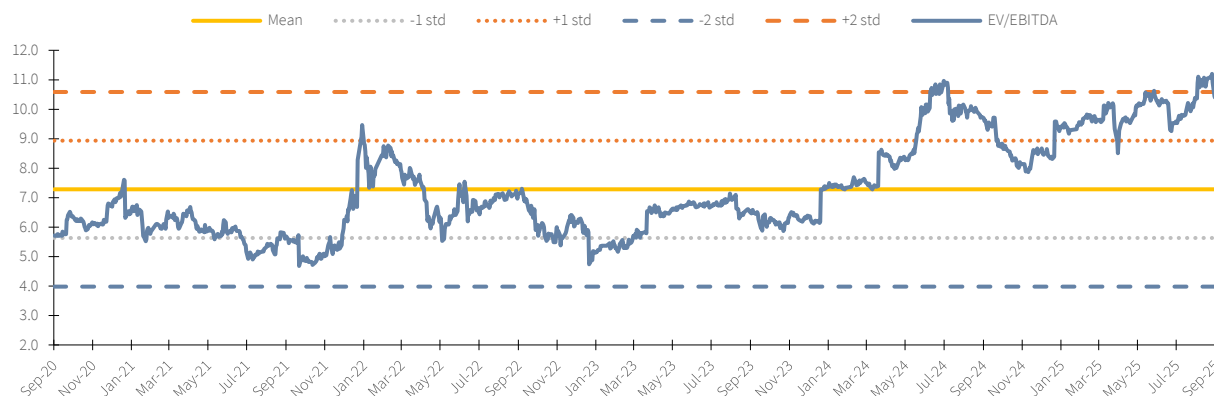
Source: KB Securities Vietnam

Table 13. POW – Valuation results

Valuation method	Derived price	Weight	Weighted price
SOTP	16,028	50%	8,014
EV/EBITDA (8.5x)	18,290	50%	9,145
Target price (rounded)			17,200
Current price (Sep 12, 2025)			15,450
Upside			13.3%

Source: KB Securities Vietnam

Fig 14. POW - EV/EBITDA in 2020-2025



Source: Bloomberg, KB Securities Vietnam

Table 15. POW - Correlation between PPA price & Qc ratio

		Contracted capacity ratio (Qc ratio)				
		60%	65%	70%	75%	80%
+/-% PPA price (Base price: VND3,000/kWh)	-20%	-26.9%	-26.2%	-26.2%	-26.2%	-25.6%
	-15%	-8.7%	-8.1%	-6.2%	-5.5%	-4.2%
	-10%	8.7%	10.7%	13.3%	15.2%	17.2%
	-5%	26.2%	29.5%	33.3%	35.9%	39.2%
	0%	44.3%	48.2%	52.8%	56.6%	60.5%

Source: PV Power, KB Securities Vietnam

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Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of 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 the assessment of sector prospects over the next 6 months)

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

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