

PetroVietnam Power (POW)

OUTPERFORM +11.3%

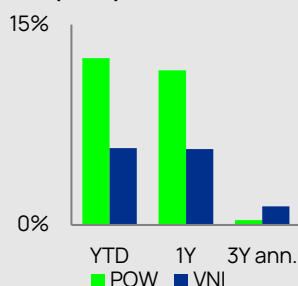
Industry	Utilities
Report Date	June 2, 2025
Current Price	VND13,300
Target Price	VND14,800
Last Target Price	VND12,900
Upside to TP	+11.3%
Dividend Yield	0.0%
TSR	+11.3%
Market Cap	USD1.2bn
Foreign Room	USD553mn
30D ADTV	USD6.0mn
State Ownership	80%
Outstanding Shares	2,342 mn
Fully Diluted O/S	2,342 mn

	POW	VNI
P/E (ttm)	21.9x	13.6x
P/B (curr)	1.0x	1.7x
ROA	1.9%	2.0%
ROE	4.5%	12.9%

Company overview

PV Power is the fourth-biggest electricity producer in Vietnam. It possesses a 4.2 GW power portfolio, which is ~5% of the national capacity. Its strengths center on gas-fired power plants (Ca Mau plant – 1,500 MW, Nhon Trach 1 – 450 MW and NT2 – 750 MW), which account for 64% of its total capacity. Coal thermal (Vung Ang – 1,200 MW) and hydropower (Hua Na – 180 MW and Dakdrinh – 125 MW) make up the remaining capacity.

Share price performance



Tuan Do

Analyst
tuan.do@vietcap.com.vn
 +8428 3914 3588 ext.196

Duong Dinh

Associate Director
duong.dinh@vietcap.com.vn
 +8428 3914 3588 ext.140

	2024	2025F	2026F	2027F
Revenue (VND bn)	30,306	42,294	54,727	57,221
Revenue % YoY	7.0%	39.6%	29.4%	4.6%
NPAT-MI (VND bn)	1,112	1,318	1,970	3,275
NPAT-MI % YoY	7.0%	18.6%	49.4%	66.3%
Core NPAT-MI	881	1,334	1,970	3,275
GPM	6.6%	7.4%	8.9%	10.5%
NPM	3.7%	3.1%	3.6%	5.7%
Net D/E	32.0%	42.6%	28.3%	12.9%
ROE	3.5%	4.1%	5.8%	9.0%
Dividend yield	0.0%	0.0%	0.0%	0.0%
Core P/E	37.8x	24.6x	16.7x	10.0x
Reported P/E	29.6x	24.9x	16.7x	10.0x
P/B	1.0x	0.9x	0.9x	0.8x
EV/EBITDA	10.4x	7.8x	5.1x	4.5x

Robust earnings in 2026/27 with lower Nhon Trach 3&4 losses

- We raise our target price (TP) for POW by 14.7% to VND14,800/share and upgrade our rating to OUTPERFORM from MARKET PERFORM.
- Our higher TP is driven by (1) 2.0% increase in our aggregate 2025-2029F NPAT-MI forecast (respective changes of 0%/-15%/-5%/+7%/+13% for 2025/26/27/28/29F) and (2) the positive impact of rolling our TP horizon forward to mid-2026F.
- Higher aggregate NPAT-MI is driven by our projection for (1) Nhon Trach 3&4 (NT 3&4)'s aggregate profit of ~VND700bn vs a loss of ~VND200bn previously (due to our 5% lower average input LNG price projection in 2026-29F, see our [Energy Sector- April 2025](#)), and (2) 10%/15% higher NPAT-MI projections for Hua Na/Dakdrinh (driven by higher output projections).
- (1) and (2) outweigh our (3) 6%/11%/13% lower NPAT-MI projections for Ca Mau/Nhon Trach 1/NT2 (due to our slightly lower sales volume projections and 5% lower average CGM price forecasts in 2025-29F) and (4) 3% lower profit from the Vung Ang plant (see page 3).
- We project 2025F reported NPAT-MI of VND1.3tn (+19% YoY), mainly driven by (1) +53%/+16%/+20% YoY core NPAT growth from Vung Ang/NT2/Ca Mau, outweighing (2) estimated ~VND800bn losses from NT 3&4 for their first years of operation.
- POW's valuation looks undemanding with a 2026F P/E of 16.7x, 8% lower than its 5Y average P/E. This implies a PEG of 0.3 based on a 2026-28F EPS CAGR of 54%.
- **Upside potential:** Provision reversal of VND400bn for the Vung Ang plant.
- **Downside risk:** Higher-than-expected FX loss; lower-than-expected sales volume.

We raise Vung Ang's PPA fixed component by 3.8%, applied from 2026F, based on anticipated finalization of its capex in the PPA formula. At the 2025 AGM, POW disclosed plans to renegotiate the PPA with EVN in May 2025, referencing an actual capex of VND29.5tn, compared to VND26.5tn under the current agreement. The adjustment will occur in phases, per POW, with our assumed new capex finalized at VND27.5tn, translating to a 3.8% increase in the fixed component. However, we add VND400bn in 2025F provision expenses for insurance compensation from PVI (VND136bn booked in Q1), slightly lowering our NPAT forecast.

NT 3&4 are poised to contribute to long-term earnings growth. In March 2025, the Government set a minimum committed Qc of 65% for LNG-fired power plants. Accordingly, POW guided minimum Qc volume of ~5.2bn kWh for NT 3&4 in the long run, in line with our forecast. Management also aligns with our view that NT 3&4 will incur losses in the first two years, turning profitable in the third year with its lowest gas consumption per kWh. In this Update, we apply a 5% lower LNG input price forecast for 2026-29F ([Energy Sector Update – April 2025](#)), with an average price of USD11-12/MMBTU in 2027-29F—competitive with new domestic gas sources (Block B: USD14-15/MMBTU), supporting demand for NT 3&4 output. We project NT 3&4 to contribute ~17% of POW's NPAT-MI during 2027-29F, following expected losses in 2025-26F.

2025 Outlook: Core NPAT-MI gains from most existing power plants to outweigh NT 3&4 loss

Figure 1: 2025 Outlook

VND bn	2024	2025F	YoY	New 2025F vs old	Vietcap's comments on: (a) YoY growth and (b) New 2025F vs old
Sales volume (million kWh)	16,058	21,607	35%	-4%	(a) Driven by (1) the first-year operation of Nhon Trach 3 & 4 (NT 3&4) and (2) YoY growing volume from all of POW's power plants. (b) Mainly driven by our volume cuts in Ca Mau, outweighing our higher output projection for Dakdrinh.
Ca Mau	5,997	6,349	6%	-16%	(b) Following lower-than-expected Q1 sales volume.
Nhon Trach 1	284	505	78%	0%	
NT2	2,729	3,236	19%	-4%	(b) Driven by our lower 2025F national power demand (see more in our NT2 Update).
Nhon Trach 3	0	2,459	N.M.	0%	
Nhon Trach 4	0	647	N.M.	0%	
Vung Ang	5,846	7,075	21%	4%	(b) Following stronger-than-expected Q1 output.
Hua Na	636	678	7%	0%	
Dakdrinh	566	657	16%	20%	(b) Following stronger-than-expected Q1 output.
Revenue	30,306	42,294	40%	-5%	(a) Driven by revenue expansion YoY across all of POW's power plants, except Ca Mau and Hua Na. (b) Mainly driven by our 4% lower total sales volume projection.
Ca Mau	11,502	11,372	-1%	-17%	(b) Mainly due to our output cut.
Nhon Trach 1	689	1,429	107%	-2%	
NT2	5,952	7,179	21%	-5%	(b) Mainly due to our output cut.
Nhon Trach 3	0	6,631	N.M.	5%	(b) Driven by our 9% higher LNG price projection, outweighing our 8% lower CGM price forecast.
Nhon Trach 4	0	1,745	N.M.	5%	
Vung Ang	10,815	12,689	17%	-1%	
Hua Na	684	668	-2%	0%	
Dakdrinh	501	573	15%	20%	(b) As we raise our sales volume forecast.
Others	163	7	-95%	0%	
Reported NPAT-MI	1,112	1,318	19%	0%	(a) Mainly driven by core NPAT YoY growth from Vung Ang, NT2, Ca Mau, and Dakdrinh, outweighing losses from NT 3&4 for their first operation year. (b) As we almost maintain our core NPAT-MI projection, while our addition of the Ca Mau O&M receipt (VND381bn) and provision expenses for Vung Ang (VND400bn) offset each other. Q1 reported NPAT-MI was VND455bn (+61% YoY), ~ 34% of our previous forecast.
Ca Mau	551	965	75%	12%	(b) We accelerate the VND381bn receipt from O&M expenses by one year to 2025, per 2025 AGM guidance (page 9). This outweighs our lower core NPAT projection.
Nhon Trach 1	-99	-152	N.M.	N.M.	(a) As Nhon Trach 1 must run on expensive DO in 2025F vs cheap domestic gas in 2024.
NT2	43	138	221%	-45%	(b) We delay VND244bn one-off income from FX loss compensation and forest fees by one year to 2026F.
Nhon Trach 3	0	-366	N.M.	N.M.	
Nhon Trach 4	0	-439	N.M.	N.M.	
Vung Ang	1,136	898	-21%	-14%	(b) We add VND400bn of provision expenses for the remaining insurance compensation from PVI, which POW provisioned VND136bn for in Q1 2025. This outweighs our higher core NPAT projection.
Hua Na	165	147	-11%	1%	
Dakdrinh	131	177	35%	59%	
Holdco exp*	-816	-48	-94%	N.M.	
Core NPAT-MI	881	1,334	51%	1%	Q1 core NPAT was VND599bn, 2x YoY, 45% of our previous 2025F forecast. (b) Higher core NPAT from Vung Ang and Dakdrinh to offset an NPAT cut for Ca Mau.
Ca Mau	551	660	20%	-23%	(b) Driven by our 16% output cut, outweighing our 4% lower gas price projection.
Nhon Trach 1	-99	-152	N.M.	N.M.	
NT2	9	138	1494%	4%	
Nhon Trach 3	0	-366	N.M.	N.M.	
Nhon Trach 4	0	-439	N.M.	N.M.	
Vung Ang	837	1,278	53%	22%	(b) Driven by our 4% higher sales volume and 7% coal price cut projections.
Hua Na	165	147	-11%	1%	
Dakdrinh	131	177	35%	59%	(b) Due to our 20% higher output projection.
Holdco exp *	-712	-108	-85%	N.M.	

Source: POW, Vietcap. (*) Includes financial income and negligible profit from other, smaller segments.

2025-29F forecast summary

We raise our aggregate 2025-29F reported NPAT-MI forecast by 2.0% (respective changes of 0%/-15%/-5%/+7%/+13% for 2025/26/27/28/29F), driven by our projection for (1) NT 3&4's aggregate profit of ~VND700bn vs a loss of ~VND200bn previously (due to our 5% lower input LNG price projection in 2026-29F on average, see our [Energy Sector Update](#)), and (2) 10%/15% higher NPAT-MI projections for Hua Na/Dakdrinh (driven by higher output projections).

These factors together outweigh our (3) 6%/11%/13% lower NPAT-MI projections for Ca Mau/Nhon Trach 1/NT2 (due to our slightly lower sales volume projections and 5% lower CGM price forecasts in 2025-29F on average, see our [Thermal Sector Update - June 2025](#)), and (4) our 3% lower aggregate NPAT forecast for the Vung Ang plant due to a VND400bn provision for insurance compensation for its historical technical issues, outweighing a slight increase in its fixed component.

Figure 2: POW's 2025-2029F earnings forecasts summary

VND bn	2024	2025F	2026F	2027F	2028F	2029F	Aggregate 2025-2029F
Reported NPAT-MI (New)	1,112	1,318	1,970	3,275	4,655	4,921	16,140
Ca Mau	551	965	788	863	1,197	1,280	5,092
Nhon Trach 1	-99	-152	-59	73	156	166	184
Nhon Trach 2	43	138	438	336	584	597	2,093
Nhon Trach 3	0	-366	-348	165	399	402	252
Nhon Trach 4	0	-439	-348	437	420	402	472
Vung Ang 1	1,136	898	1,214	878	1,516	1,596	6,101
Hua Na	165	147	161	203	122	93	728
Dakdrinh	131	177	251	266	100	78	871
Holdco G&A expenses and financial income	-816	-48	-126	54	159	307	346
Reported NPAT-MI (Old)		1,319	2,310	3,455	4,361	4,373	15,817
Change %		0%	-15%	-5%	7%	13%	2.0%

Source: POW, Vietcap

Valuation

We continue to employ a 100% discounted cash flow (DCF) approach and a 15% valuation discount on our target price, reflecting limited sector transparency for investors.

We raise our target price (TP) for POW by 14.7% to VND14,800/share and upgrade to an **OUTPERFORM** rating from **MARKET PERFORM**. Our higher TP is driven by (1) 2.0% increase in our aggregate 2025-2029F NPAT-MI forecast (respective changes of 0%/-15%/-5%/+7%/+13% for 2025/26/27/28/29F) and (2) the positive impact of rolling our TP horizon forward to mid-2026F.

Figure 3: Valuation summary

Valuation method	Fair price	Weight	VND/share
DCF	17,404	100%	17,404
Fair value			17,404
Discount for sector's limited transparency %			15%
Target price			14,800
2025F P/E at target price			27.7x

Source: Vietcap

DCF valuation

Figure 4: Discounted cash flow assumptions and valuation

VND bn	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F
EBIT	1,634	3,685	4,777	6,295	6,421	6,407	6,416	6,423	6,428	6,728
+ Depreciation	3,635	4,362	4,416	4,469	4,522	4,576	4,423	4,476	4,529	4,583
- Tax	-300	-455	-499	-773	-948	-1,008	-1,072	-1,134	-1,200	-962
- Change in WC	-1,445	-1,421	-2,231	-2,483	-1,578	-38	-26	-28	-28	-87
- Capex	-8,547	-1,347	-800	-800	-800	-800	-800	-800	-800	-800
Free Cash Flow	-5,022	4,825	5,663	6,708	7,618	9,136	8,942	8,937	8,930	9,462
Present value of FCF	-4,735	4,043	4,218	4,441	4,483	4,779	4,157	3,694	3,280	3,089
Total PV of FCF	-4,735	-692	3,526	7,967	12,450	17,229	21,387	25,080	28,361	31,450

Cost of Capital	Old	New
Beta	1.0	1.0
Market Risk Premium %	8.0	8.0
Risk Free Rate %	6.0	6.0
Cost of Equity %	14.0	14.0
Cost of Debt %	8.0	8.0
Corporate Tax Rate %	10.0	10.0
Debt-to-capital ratio %	22.0	22.0
WACC %	12.5	12.5
Terminal growth %	2.0%	2.0%

DCF	VND bn
PV of Free Cash Flow	31,450
PV of Terminal Val	23,184
PV of FCF and TV	54,634
Plus: Cash	11,564
Less: Debt	-22,659
Less: Minority Interest	-2,780
Value of Equity	40,759
Fully diluted shares (million)	2,342
DCF value per share (VND)	17,404

Source: Vietcap

Management plans to increase the company's charter capital. In October 2023, POW submitted a charter capital-raising plan to Vietnam National Industry – Energy Group (PetroVietnam previously). POW did not disclose its proposed methods but stated that the increase in charter capital would be VND5.0tn. In our view, POW will likely increase its charter capital by using its accumulated retained earnings and development funds, which amounted to VND8.5tn at end-Q4 2024, instead of raising new capital.

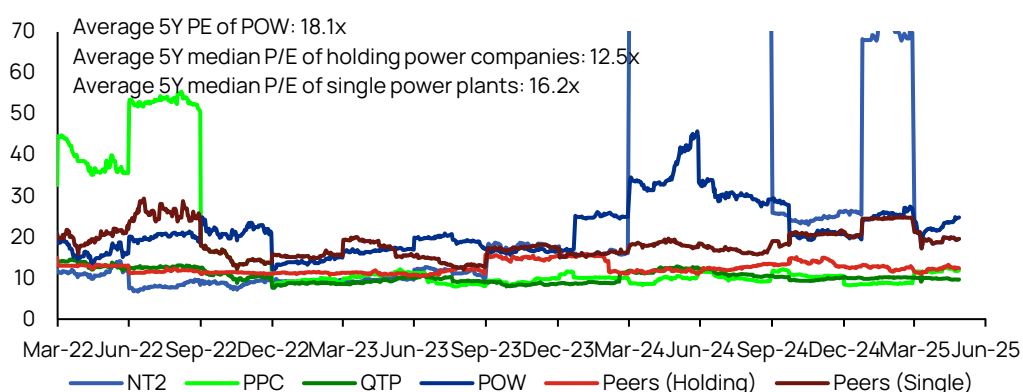
Peer comparison

Figure 5: Comparable peers

Short Name	Country	Mkt Cap (USD mn)	TTM Net sales (USD mn)	YoY (%)	TTM NPAT (USD mn)	YoY (%)	NET D/E (%)	ROA (%)	ROE (%)	Div yield (%)	TTM P/E (x)	LQ PBR (x)	EV/ EBITDA (x)
Power holding companies													
Manila Electric	Philippines	10,889	8,314	8.5	808.6	18.1	0.9	7.0	35.8	4.5	12.9	4.3	11.9
First Philip Hld	Philippines	493	2,931	4.8	262.1	1.9	44.2	2.9	9.4	3.7	1.8	0.2	4.5
Ratchaburi Elec	Thailand	1,714	834	-23.6	166.9	10.5	28.6	2.6	5.7	5.6	9.7	0.6	18.4
Banpu Power Pcl	Thailand	662	765	-22.7	47.2	-57.7	41.5	1.6	3.2	7.6	13.2	0.4	20.8
Global Power Syn	Thailand	2,805	2,538	1.4	124.6	26.1	90.2	1.5	4.0	2.5	21.2	0.9	8.9
Nava Bharat Vent	India	N/A	471	4.3	129.1	15.7	-6.3	10.4	15.0	N/A	N/A	N/A	8.7
Tata Power Co	India	14,963	7,746	6.6	469.8	7.4	116.9	2.7	11.7	0.5	32.2	3.6	12.7
Cikarang Listrin	Indonesia	728	545	-0.2	74.2	20.9	7.9	4.9	10.3	9.8	9.6	1.0	3.9
Ytl Power Intl	Malaysia	6,295	5,014	-2.2	608.9	-22.4	118.6	4.1	13.8	2.2	9.6	1.3	8.5
Malakoff Corp Bh	Malaysia	922	1,965	-1.1	58.9	N/A	100.3	1.4	5.1	5.5	17.9	0.7	5.5
Mmc Corp Bhd	Malaysia	N/A	1,141	6.6	130.5	99.7	90.2	2.1	5.7	N/A	N/A	N/A	8.6
K-Electric Ltd	Pakistan	559	1,565	-26.3	-126.7	N/A	125.3	N/A	N/A	N/A	N/A	N/A	N/A
Median		1,318	1,765	0.6	129.8	13.1	67.2	2.7	9.4	4.5	12.9	0.9	8.7
Single power plants													
Sahacogen Chonbu	Thailand	73	93	-31.4	-6.4	N/A	122.5	-2.5	-6.5	2.5	N/A	0.7	18.2
Vivant Corp	Philippines	325	175	51.9	41.8	24.0	9.9	7.8	12.4	3.1	7.5	0.9	13.8
AC Energy	Philippines	1,790	597	-7.1	148.7	6.2	78.0	2.8	5.8	2.0	13.8	0.7	63.6
Guangzhou Heng-A	China	887	583	-15.2	32.2	-8.0	124.6	1.2	3.5	1.6	27.4	0.9	N/A
Gepic Energy D-A	China	2,838	1,444	46.6	287.0	63.7	89.0	7.3	18.2	1.7	6.8	1.5	N/A
Yunnan Wenshan-A	China	4,397	858	9.7	156.5	11.1	69.5	2.4	5.3	1.3	28.0	1.5	N/A
Guizhou Qianyu-A	China	957	287	2.1	35.8	-11.4	113.3	1.7	6.6	1.8	26.6	1.7	N/A
Quang Ninh (QTP)	Vietnam	231	475	-1.2	24.7	1.2	-7.2	8.4	12.0	11.0	9.7	1.2	4.6
Hai Phong (HND)	Vietnam	232	441	-3.6	10.3	-41.4	-0.6	3.5	4.4	3.8	23.2	1.1	7.6
Phai Lai (PPC)	Vietnam	148	286	11.0	12.8	-36.1	-0.6	5.1	7.0	5.0	12.0	0.8	25.8
Nhon Trach 2 (NT2)	Vietnam	204	281	59.2	11.0	242.8	-31.9	3.6	6.8	4.3	19.6	1.3	5.2
Median		325	441	2.1	32.2	3.7	69.5	3.5	6.6	2.5	16.7	1.1	13.8
POW	Vietnam	1,225	1,275	18.7	50.6	63.6	29.2	1.9	4.5	0.0	21.9	1.0	10.1

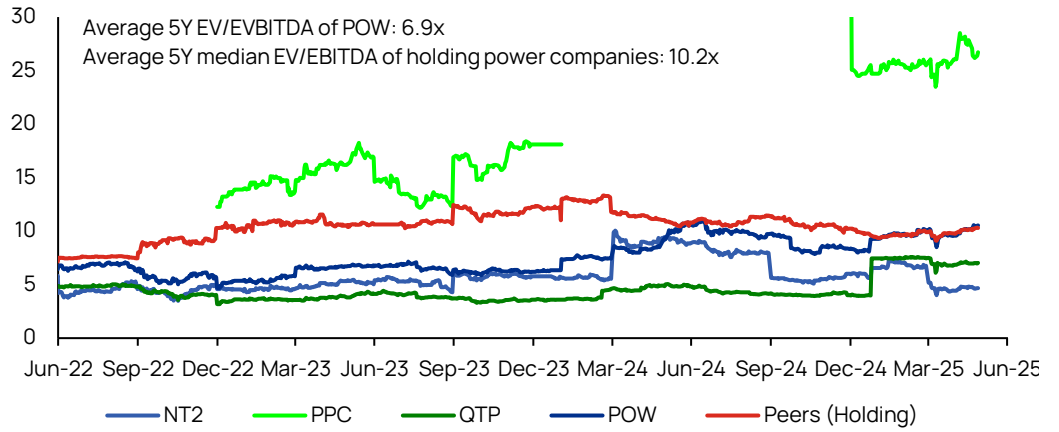
Source: Listed companies, Vietcap (Data as of May 27, 2025)

Figure 6: Historical median trailing P/E on reported earnings of POW vs peers (x) (*)



Source: Listed companies, Vietcap (Data as of May 27, 2025) (* NT2 P/E surpassed 100x in Q2 & Q3 2024 due to its loss in Q1 2024)

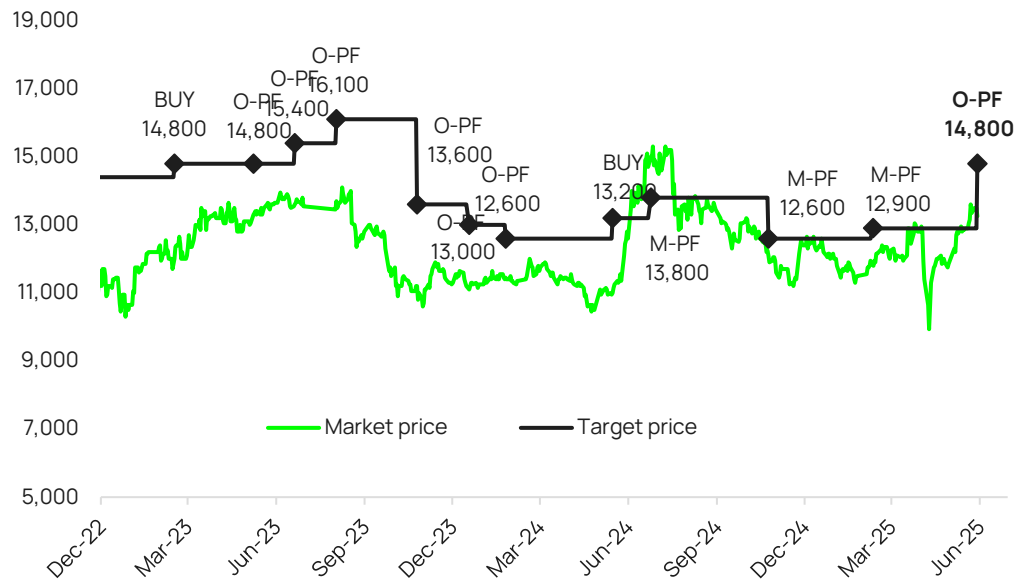
Figure 7: Historical median trailing EV/EBITDA of POW vs peers (x) ()**



Source: Bloomberg, Vietcap (Data as of May 27, 2025; **PPC's 2022 EBITDA was negative; Q1 2024 EBITDA was relatively small, resulting in 110x EV/EBITDA in Q2 2024)

Recommendation History

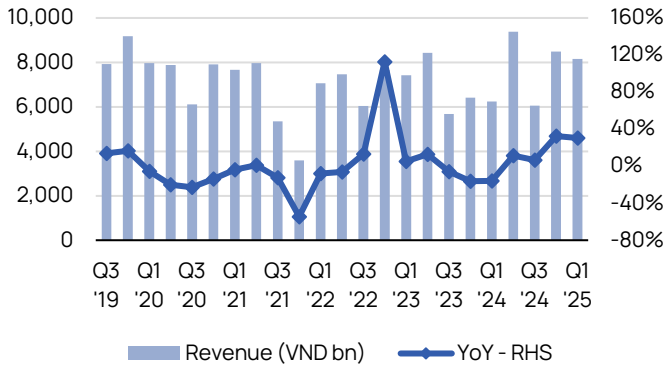
Figure 8: Historical Vietcap target price vs share price (VND/share)



Source: FiinPro, Vietcap

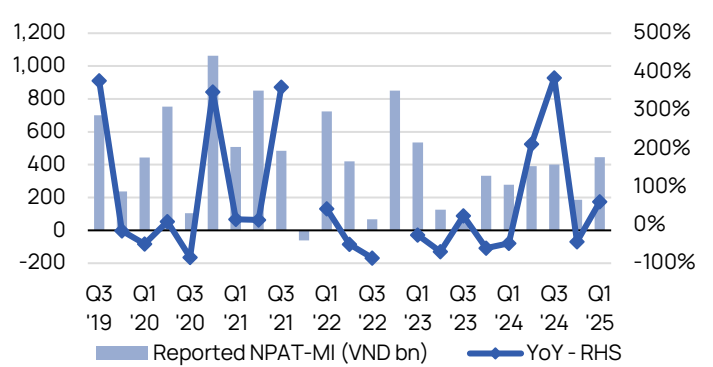
Quarterly Results

Figure 9: Quarterly revenue (VND bn)



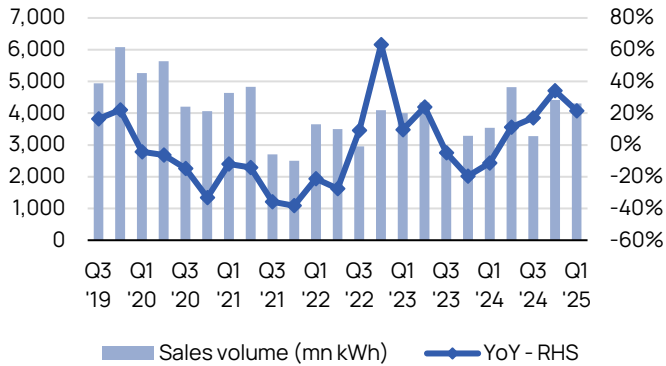
Source: POW, Vietcap

Figure 10: Quarterly reported NPAT-MI (VND bn)



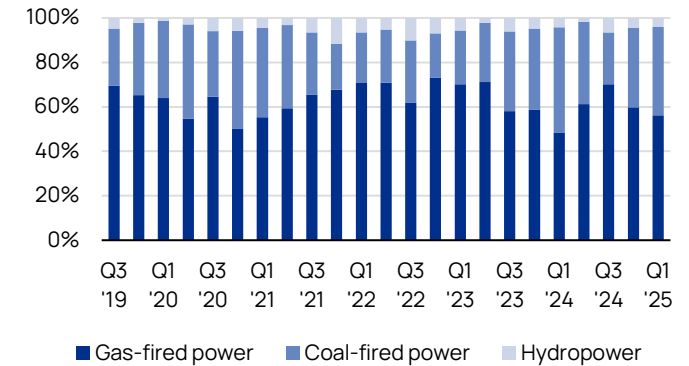
Source: POW, Vietcap

Figure 11: Quarterly sales volume (million kWh)



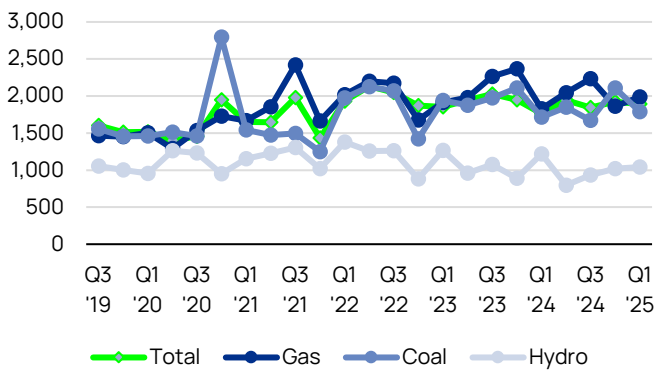
Source: POW, Vietcap

Figure 12: Revenue breakdown by source of power



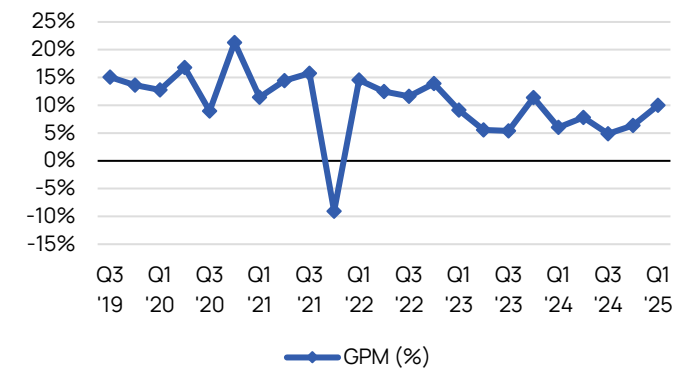
Source: POW, Vietcap

Figure 13: Quarterly ASP (VND/kWh)



Source: POW, Vietcap

Figure 14: Quarterly gross profit margin (GPM)*



Source: POW, Vietcap (*GPM plunged in Q4 2021 due to (1) a technical issue with Vung Ang's generator 1, (2) high fuel costs for Nhon Trach 1 & 2, and (3) Ca Mau rebating some of its earnings to EVN)

Financial Statements

P&L (VND bn)	2024	2025F	2026F	2027F
Revenue	30,306	42,294	54,727	57,221
COGS	-28,308	-39,175	-49,832	-51,202
Gross Profit	1,998	3,119	4,896	6,019
Sales & Marketing exp.	0	0	0	0
General & Admin exp.	-878	-1,485	-1,211	-1,242
Operating Profit	1,120	1,634	3,685	4,777
Financial Income	566	760	936	1,048
Financial Expenses	-845	-1,003	-1,831	-1,747
- o/w Interest Expense	-382	-912	-1,665	-1,588
Associates	42	0	0	0
Net Other Income/(Loss)	500	381	0	0
Profit Before Tax	1,383	1,771	2,790	4,079
Income Tax	-172	-300	-455	-499
NPAT Before MI	1,211	1,472	2,335	3,580
Minority Interest	-100	-154	-365	-304
NPAT Less MI, Reported	1,112	1,318	1,970	3,275
NPAT less MI, Core (1)	881	1,334	1,970	3,275
EBITDA	3,938	5,269	8,047	9,193
EPS Reported, VND	450	534	797	1,326
EPS Core (1), VND	352	540	797	1,326
EPS fully diluted, VND	352	540	797	1,326
DPS Reported, VND	0	0	0	0
DPS/EPS Reported (%)	0%	0%	0%	0%

(1) Excluding FX loss, bad debt provisions and delayed FX payments

RATIOS	2024	2025F	2026F	2027F
Growth YoY				
Revenue	7.0%	39.6%	29.4%	4.6%
Op profit (EBIT)	-22.0%	45.9%	125.6%	29.6%
EPS Reported	7.0%	18.6%	49.4%	66.3%
EPS Core	-9.5%	53.7%	47.6%	66.3%
Profitability				
Gross Profit Margin	6.6%	7.4%	8.9%	10.5%
Op. Profit, (EBIT) Margin	3.7%	3.9%	6.7%	8.3%
EBITDA Margin	13.0%	12.5%	14.7%	16.1%
NPAT-MI Margin	3.7%	3.1%	3.6%	5.7%
ROE, core	2.8%	4.1%	5.8%	9.0%
ROE, reported	3.5%	4.1%	5.8%	9.0%
Efficiency				
Days Inventory on Hand	23	23	23	23
Days Accts, Receivable	143	140	130	115
Days Accts, Payable	203	180	160	130
Cash Conversion Days	(37)	(17)	(7)	8
Liquidity				
Current Ratio x	0.9	1.2	1.3	1.6
Quick Ratio x	0.8	1.1	1.2	1.5
Cash Ratio x	0.3	0.4	0.5	0.7
Debt / Assets %	28.4%	31.1%	28.0%	26.5%
Debt / Capital %	39.5%	43.8%	40.5%	36.6%
Net Debt / Equity	31.6%	45.2%	29.8%	13.6%
Interest Coverage x	2.8	2.3	2.2	3.3

B/S (VND bn)	2024	2025F	2026F	2027F
Cash & Equivalents	11,564	12,741	15,218	18,659
ST Investment	4,112	4,112	4,112	4,112
Accounts Receivables	11,873	16,222	19,492	18,029
Inventories	1,795	2,484	3,160	3,247
Other Current assets	636	636	636	636
Total Current Assets	29,981	36,196	42,618	44,682
Fixed Assets, Gross	70,655	85,507	100,307	101,107
- Depreciation	-46,333	-49,969	-54,331	-58,746
Fixed Assets, Net	24,321	35,538	45,976	42,361
LT investments	766	766	766	766
CIP and other LT asset	24,847	17,841	3,688	2,988
Total LT Assets	49,934	54,146	50,431	46,115
Total Assets	79,915	90,342	93,049	90,797
Accounts Payable	17,261	20,854	23,379	19,771
ST Debt	13,508	5,956	5,768	5,436
Other ST Liabilities	2,688	2,688	2,688	2,688
Total Current Liabilities	33,457	29,498	31,835	27,895
LT Debt	9,151	22,147	20,299	18,584
Other LT liabilities	2,626	2,626	2,626	2,626
Total Liabilities	45,234	54,271	54,760	49,105
Preferred Equity	0	0	0	0
Paid in capital	23,419	23,419	23,419	23,419
Share premium	0	0	0	0
Retained earnings	8,482	9,719	11,571	14,671
Other equity	0	0	0	0
Minority interest	2,780	2,934	3,299	3,603
Total equity	34,681	36,071	38,288	41,693
Liabilities & equity	79,915	90,342	93,049	90,797
Y/E shares out, mn	2,342	2,342	2,342	2,342
Y/E shares out, mn (F.D.)	2,342	2,342	2,342	2,342

CASH FLOW (VND bn)	2024	2025F	2026F	2027F
Beginning Cash Balance	8,440	11,564	12,741	15,218
Net Income	1,112	1,318	1,970	3,275
Dep. & Amortization	2,818	3,635	4,362	4,416
Δ in Working Capital	2,103	-1,445	-1,421	-2,231
Other Adjustments	-1,689	154	365	304
Cash from Operations	4,344	3,662	5,276	5,764
Capital Expenditures, Net	-9,793	-8,547	-1,347	-800
Investments, Net	-1,180	700	700	700
Cash from Investments	-10,973	-7,847	-647	-100
Dividends Paid	-132	-82	-117	-175
Δ in Share Capital	21	0	0	0
Δ in ST Debt	8,002	-7,552	-188	-332
Δ in LT Debt	1,979	12,996	-1,848	-1,715
Other financing C/F	-115	0	0	0
Cash from Financing	9,754	5,362	-2,152	-2,223
Net Change in Cash	3,125	1,177	2,477	3,441
Ending Cash Balance	11,564	12,741	15,218	18,659

Source: POW, Vietcap forecasts

Appendix

Updated sector assumptions

Please see our [Thermal Power Sector Update, dated June 02, 2025](#).

Nhon Trach 3&4 are on track for COD in Q4

Minimum Qc of 65% approved for NT 3&4: POW guides for minimum Qc volume of ~5.2bn kWh for NT 3&4 in the long run, broadly in line with our forecast. Management also shared the same view with our forecast, in which NT 3&4 would make losses in the first two-year of operation and turn to profit in the third year. POW guides for 2025 NT 3&4 sales volume of 2.5bn kWh. However, NSMO plans to mobilize 4bn kWh, reflecting no risk to our forecast of 3.1bn kWh.

Shareholders approved an LNG Sales and Purchase Agreement (GSPA) with GAS in the April 2025 AGM. Committed volume is 530mn cbm/year for the first five years (20,700,000MMBTU/year), ~39% of LNG demand for NT 3&4 at full utilization rate of 68%. In a positive development, following the recent approval of the 65% minimum contract QC ratio, POW will increase its committed LNG purchase volume from GAS, according to POW's management.

Vung Ang is finalizing capex for PPA renegotiation

Vung Ang 1 is working with the Government and EVN to finalize the total capex used to calculate the plant's PPA price (currently ~VND26.5tn vs recalculated capex of ~VND29.5tn).

In the 2025 AGM, POW aimed to raise PPA for Vung Ang in discussion with EVN in May 2025. Specifically, 90% of actual capex has now been finalized—higher than the amount previously used in earlier PPA discussions. POW will negotiate the PPA based on this finalized 90%, with the remaining 10% to be addressed in later negotiations.

In this Update, we raise Vung Ang's PPA fixed component by 3.8%, applied from 2026F based on our assumed new capex of VND27.5tn.

POW expects to receive O&M payment in Q2 2025

In its 2025 AGM, POW shared its expectation to receive VND381bn for O&M expenses related to Ca Mau in Q2 2025. Accordingly, we accelerate a VND381bn receipt from O&M expenses by one year to 2025.

For details on this O&M payment, please see our [POW Update – February 2025](#).

Huge capacity expansion pipeline

In the 2025 AGM, POW shared a huge capacity expansion pipeline, focusing on POW's strength, which is gas/LNG-fired plants, detailed ownership has not yet been disclosed. All of the below four projects were approved in the Revised PDP VIII.

- LNG Quang Ninh (30%-stake, 1,500 MW, Quang Ninh Province): MoIT approved FS in December 2024, Quang Ninh provincial authorities are conducting land clearance as of April 2025.
- LNG Vung Ang III (1,500 MW, Ha Tinh Province): POW is conducting pre-FS.
- LNG Quynh Lap (1,500 MW, Nghe An Province): POW partners with SK E&S (Korean) and NASU (TH Group); submitted the investment proposal in September 2024.
- Ca Mau 3 (1,500 MW) and LNG terminal: acting as backup plan for approved LNG-fired power plants in the Revised PDP VIII, potentially sourcing gas from Block B or LNG.
- POW is negotiating with VIC to produce equipment for electric vehicle charging stations. POW will develop and transfer to VIC with expected good returns. Potential revenue and profit are not yet disclosed.

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Contacts

Corporate

www.vietcap.com.vn

Head Office

Bitexco Financial Tower, 15th Floor
2 Hai Trieu Street, District 1, HCMC
+84 28 3914 3588

Hanoi Branch

109 Tran Hung Dao
Hoan Kiem District, Hanoi
+84 24 6262 6999

Nguyen Hue Transaction Office

Vinatex Building, 1st & 3rd Floor
10 Nguyen Hue Street, District 1, HCMC
+84 28 3914 3588 (417)

Ham Nghi Transaction Office

Doji Tower, 16th Floor
81-83-83B-85 Ham Nghi Street, District 1, HCMC
+84 28 3914 3588 (400)

Dong Da Transaction Office

9 Lane 82 Pham Ngoc Thach
Dong Da District, Hanoi
+84 24 6262 6999

Research

Research Team: +84 28 3914 3588
research@vietcap.com.vn

Nam Hoang, Head of Research, ext 124
nam.hoang@vietcap.com.vn

Banks, Securities and Insurance

- Ngoc Huynh, Manager, ext 138
- Quan Vu, Deputy Manager, ext 364
- Nga Ho, Analyst, ext 516

Macro

Luong Hoang, Senior Manager, ext 368
- Quang Dao, Analyst, ext 365

Consumer

Nam Hoang, Head of Research, ext 124
- Ha Huynh, Senior Analyst, ext 185
- Ngan Ly, Analyst, ext 532

Oil & Gas, Power and Water

Duong Dinh, Associate Director, ext 140
- Phuoc Duong, Analyst, ext 135
- Tuan Do, Analyst, ext 181
- Loc Pham, Analyst, ext 549

Real Estate

Hong Luu, Senior Manager, ext 120
- Anh Pham, Senior Analyst, ext 149
- Thuc Than, Analyst, ext 174

Industrials and Infrastructure

Vy Nguyen, Senior Manager, ext 147
- Han Nguyen, Analyst, ext 191
- Huy Hoang, Analyst, ext 526

Retail Client Research

Duc Vu, Associate Director, ext 363
- Trung Nguyen, Manager, ext 129
- Anh Tong, Senior Analyst, ext 366
- Ngoc Vu, Analyst, ext 365
- Dang Le, Analyst, ext 570

Investment Advisory Department, Institutional Sales & Trading and Bonds

Tuan Nhan
Managing Director
Investment Advisory Department,
Institutional Sales & Trading and Bonds
+84 28 3914 3588, ext 107
tuan.nhan@vietcap.com.vn

Quynh Chau
Managing Director
Investment Advisory Department
+84 28 3914 3588, ext 222
quynh.chau@vietcap.com.vn