

Vietnam

ADD (no change)

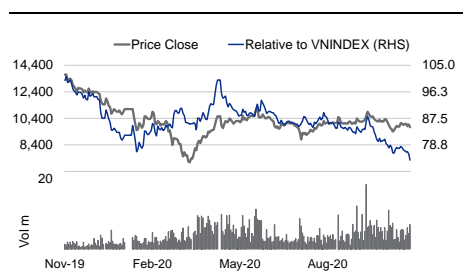
Consensus ratings*: Buy 10 Hold 2 Sell 0

Current price:	VND9,730
Target price:	VND12,200
Previous target:	VND13,600
Up/downside:	25.4%
CGS-CIMB / Consensus:	-8.2%
Reuters:	POW.HM
Bloomberg:	POW VN
Market cap:	US\$983.2m
	VND22,786,410m
Average daily turnover:	US\$2.13m
	VND49,430m
Current shares o/s:	2,342m
Free float:	20.0%

*Source: Bloomberg

Key changes in this note

- FY20F EPS decreased by 19.7%.
- FY21F EPS decreased by 27.7%.
- FY22F EPS decreased by 26.4%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-5.5	-1.5	-28.7
Relative (%)	-8.7	-16.5	-25.8

Major shareholders	% held
Vietnam Oil and Gas Group	79.9
Norges Bank	1.3
Amersham Industries Limited	0.7

Analyst(s)



Mai PHAM

T (84) 94 328 0850

E mai.phamle@vndirect.com.vn

PetroVietnam Power Corporation

Bumpy recovery

- 9M20 revenue fell 16.9% yoy to VND21,795bn, following an 8.2% yoy drop in sales volume and 9.5% yoy decline in electricity selling prices.
- We revise down our FY20-22 EPS forecasts by 19.7%-27.7%, mainly on lower volumes from thermal power and lower ASP.
- Reiterate Add with a lower target price of VND12,200.

Bottom line fell sharply in 3Q20

PetroVietnam Power (POW) generated 4.2bn kWh of electricity (-14.9% yoy) in 3Q20 while its average selling price (ASP) fell 9.4% yoy as a second wave of COVID-19 halted the recovery of demand, while the fast recovery of hydropower (the cheapest source of power) dragged down the prices on competitive generation market (CGM). 3Q20 revenue tumbled 22.9% yoy to VND6,112bn, but net profit recorded a larger decline of 85.0% yoy due to a one-off provision expense of VND85bn for Electric Power Trading Company (EPTC)'s receivables and higher tax expenses as the tax incentives for Ca Mau 1&2 plants expired in 2020.

9M20 results fell below our expectations

9M20 revenue fell 16.9% yoy to VND21,795bn on an 8.2% yoy drop in sales volume and 9.5% yoy decline in electricity ASP. 9M20 net profit declined 40.3% yoy to VND1,303bn, coming in at 54.4% of our full-year forecasts. This number was below our expectations due to the faster-than-expected recovery of hydropower that stifled the CGM price and lowered the mobilisation of thermal power sources.

We cut FY20-21-22F EPS forecasts by 19.7%-27.7%

Taking into account 3Q20 results, we reduce the utilisation rate of gas-fired and coal-fired plants, while increasing POW's hydropower utilisation by 5% pts. In addition, we now assume CGM price to fall 20% yoy, leading to a 4.9% downward revision in ASP. For FY20F, we expect EPS to fall 22.9% yoy before recovering at a slower pace than previously, at 15.6% yoy in FY21F and 12.3% yoy in FY22F.

Reiterate Add with lower target price of VND12,200

We cut our TP to VND12,200 due to lower FY20-22F EPS forecasts while maintain the Add rating on the back of: 1) net profit recovery in FY21-22F as demand rebounds post Covid-19 and POW would not encounter gas supply issues like in 1H20, given that the new gas field Sao Vang has come into operation in Nov 20, and 2) potential gas-fired capacity expansion (+55.0%) over the next five years. Our TP is based on an equal weighting of DCF and target FY20-21F EV/EBITDA of 5.5x. Re-rating catalyst: gas-fired output recovery from FY21F. Downside risk: unexpected operational/technical issues.

Financial Summary	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue (VNDb)	32,662	35,421	29,451	34,143	35,788
Operating EBITDA (VNDb)	7,604	7,048	5,750	6,026	6,319
Net Profit (VNDb)	1,921	2,491	1,921	2,221	2,495
Core EPS (VND)	850	1,064	820	948	1,065
Core EPS Growth	(17.1%)	25.1%	(22.9%)	15.6%	12.3%
FD Core P/E (x)	11.44	9.15	11.86	10.26	9.13
DPS (VND)	-	-	-	-	-
Dividend Yield	0%	0%	0%	0%	0%
EV/EBITDA (x)	5.24	5.14	6.11	6.13	6.52
P/FCFE (x)	17.35	11.08	14.17	29.04	37.05
Net Gearing	61.5%	39.9%	33.9%	36.1%	44.5%
P/BV (x)	0.93	0.84	0.81	0.75	0.70
ROE	7.78%	9.68%	6.98%	7.62%	7.95%
% Change In Core EPS Estimates			(19.7%)	(27.7%)	(26.4%)
CGS-CIMB/Consensus EPS (x)			0.82	0.82	0.92

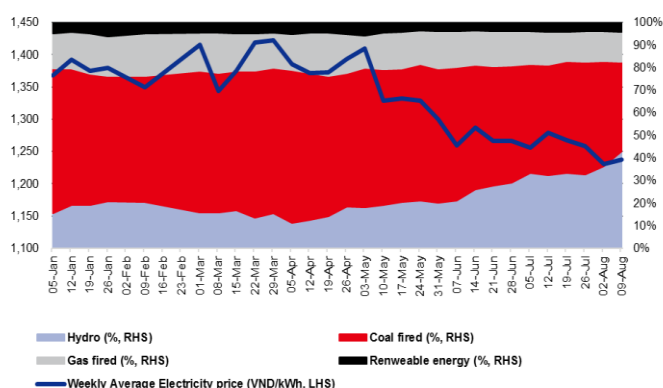
SOURCES: VND RESEARCH, COMPANY REPORTS

Bumpy recovery

9M20 results fell below our expectation

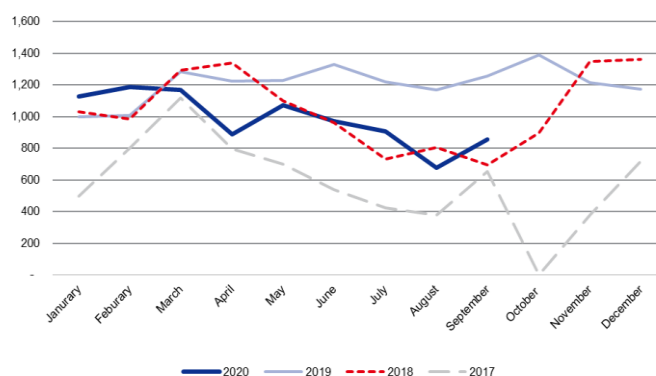
In Aug, a second-wave of COVID-19 started in Da Nang, leading to certain social distancing measures which weakened Vietnam's electricity demand and selling prices. 3Q20 electricity consumption only grew 4.4% yoy, keeping 9M20 growth at 3.2% yoy, far below the 10.3% yoy increase in 9M19.

Figure 1: Hydroelectric output accounted for 43% of EVN's mobilisation in Aug



SOURCES: VNDIRECT RESEARCH, EVN

Figure 2: A sharp fall in CGM price in 3Q20



SOURCES: VNDIRECT RESEARCH, GENCO3

Meanwhile, the 3Q20 electricity price in the competitive generation market (CGM) fell 33.1% yoy due to: (1) a higher proportion of hydropower in the national supply (34% in 3Q20 vs. 19% in 2Q20) due to the recovery of hydropower plants on unexpectedly heavy raining in Vietnam, (2) slower-than-expected recovery of electricity demand as a second wave of COVID-19 hit in Aug 20.

In that context, POW generated 4.2bn kWh of electricity, down 14.9% yoy due to: (1) Nhon Trach 2 (NT2)'s output declined 31.5% yoy due to a maintenance schedule from 15 Sep to 21 Oct 2020 and (2) lower mobilisation of gas-fired and coal-fired power as hydropower recovered. Net revenue fell 22.9% yoy to VND6,112bn on top of an average 8M20 POW's CGM price falling 15.5% yoy to VND999.49/kWh. 3Q20 net profit dropped 85.0% yoy to VND105bn, following another provision booked for EPTC's receivables of VND85.6bn.

Figure 3: 3Q20 and 9M20 results comparison

FYE Dec (VNDbn)	3Q20	3Q19	% yoy	9M20	9M19	% yoy	% of our FY20F forecast	Comment
Output (m kWh)								
Total volumes	4,204	4,939	-14.9%	15,107	16,461	-8.2%	70.8%	
Gas-fired	2,639	3,420	-22.8%	9,233	11,827	-21.9%	70%	
Ca Mau 1&2	1,482	1,586	-6.5%	5,166	5,721	-9.7%	73%	3Q20's output fell slightly as EVN prioritised hydropower mobilisation
Nhon Trach 1	384	706	-45.6%	883	2,418	-63.5%	75%	Low Qc assigned in 3Q, especially Aug
Nhon Trach 2	772	1,128	-31.5%	3,184	3,688	-13.7%	65%	The plant carried out an overhaul from 15 Sep to 21 Oct
Hydropower	301	333	-9.7%	586	816	-28.2%	70%	
Hua Na	178	239	-25.7%	320	478	-33.1%	92%	Thanks to heavy rain since Jul 20, water levels at POW's hydropower plants began to recover, with Dakdrinh performing well in Sep-Oct and Hua Na expected to recover fully by Oct.
Dakdrinh	123	88	40.2%	267	326	-18.1%	54%	
Coal-fired	1,265	1,185	6.7%	5,288	3,818	38.5%	72%	
Vung Ang 1	1,265	1,185	6.7%	5,288	3,818	38.5%	72%	
ASP, dong/kWh	1,454	1,604	-9.4%	1,443	1,594	-9.5%		Due to the faster-than-expected recovery of hydropower segment (which incurs the lowest generation cost), the market's CGM price fell c.33.1% yoy.
Unit: VNDbn, otherwise noted								
Revenue	6,112	7,924	-22.9%	21,795	26,239	-16.9%	64.5%	
COGS	5,565	6,731	-17.3%	18,902	22,368	-15%	65.8%	
Gross profit	547	1,193	-54.1%	2,893	3,870	-25%	57.3%	
Gross profit margin (%)	9.0%	15.1%	-6.1% pts	13.3%	14.7%	-1.5% pts		
SG&A expenses	271	177	52.9%	773	528	46%	71.9%	3Q20 increased due to a provision expense of VND85bn for EPTC's receivables.
EBIT	277	1,015	-72.8%	2,120	3,342	-37%	53.4%	
Financial income	146	138	6.1%	436	360	21%	258.0%	
Financial expenses	235	284	-17.2%	818	999	-18%	80.9%	Interest expense declined 32.4% yoy
Pretax profit	190	875	-78.3%	1,742	2,745	-37%	54.4%	
Pretax profit margin (%)	3.1%	11.0%	-7.9% pts	8.0%	10.5%	-2.5% pts		
Profit after tax	124	793	-84.3%	1,487	2,491	-40.3%	62.2%	
Net profit	105	700	-85.0%	1,303	2,223	-41.4%	54.4%	
Net profit margin (%)	1.7%	8.8%	7.1% pts	6.0%	8.5%	2.5% pts		

SOURCES: VND RESEARCH, COMPANY REPORTS

For 9M20, POW's revenue and net profit fell to VND21,795bn (-16.9% yoy) and VND1,303bn (-41.4% yoy), respectively, on the back of a contraction in electricity volume (-8.2% yoy), a 9.5% drop in selling price, and the booking of VND332bn provision expenses. 9M20 net profit made up 54.4% of our full-year forecasts, below expectation as we did not expect such a fall in gas-fired output and CGM price in 3Q20.

Earnings forecasts revision

Taking into account 3Q20 results, we reduce the utilisation rate of gas-fired and coal-fired plants, while increasing POW's hydropower utilisation by 5% pts. In addition, we now assume CGM price to fall 20% yoy in FY20F, leading to a 4.9% downward revision in ASP.

We expect a strong recovery of POW's performance from FY21F onwards on the back of (1) demand recovery post Covid-19, supported by secured gas supply for POW's power plants from buying additional gas from Petronas and new gas field Sao Vang, (2) positive hydropower outlook, at least in 1H21F as the hydropower plants has accumulated sufficient water after the heavy rainfall season in 3Q20.

Figure 4: Forecast revision summary

	2020F			2021F			2022F		
Unit: m kWh	Old	New	%	Old	New	%	Old	New	%
POW	21,338	19,559	-8.3%	22,529	21,663	-3.8%	22,597	22,134	-2.0%
Gas-fired	13,140	12,286	-6.5%	14,992	14,651	-2.3%	15,060	14,651	-2.7%
Hydropower	840	966	15.0%	1,230	1,230	0.0%	1,230	1,176	-4.4%
Coal-fired	7358.4	6,307	-14.3%	6,307	5,782	-8.3%	6,307	6,307	0.0%
ASP, VND/kWh	1,584	1,506	-4.9%	1,720	1,576	-8.4%	1,793	1,617	-9.8%
Unit: VNDbn, other noted									
Revenue	33,791	29,451	-12.8%	38,756	34,143	-11.9%	40,511	35,788	-11.7%
COGS	(28,743)	(25,264)	-12.1%	(32,815)	(29,816)	-9.1%	(34,273)	(31,213)	-8.9%
Gross profit	5,048	4,187	-17.1%	5,941	4,327	-27.2%	6,237	4,574	-26.7%
Gross profit margin (%)	14.9%	14.2%	-0.7% pts	15.3%	12.7%	-17.3%	15.4%	12.8%	-17.0%
SG&A	(1,076)	(1,091)	1.4%	(1,175)	(955)	-18.7%	(1,175)	(909)	-22.6%
EBIT	3,972	3,096	-22.1%	4,766	3,372	-29.2%	5,063	3,665	-27.6%
Pre-tax profit	3,203	2,570	-19.8%	4,108	2,967	-27.8%	4,567	3,361	-26.4%
Profit after tax	2,725	2,188	-19.7%	3,499	2,530	-27.7%	3,859	2,842	-26.4%
Net profit	2,393	1,921	-19.7%	3,072	2,221	-27.7%	3,388	2,495	-26.4%
EPS (VND/share)	1,022	820	-19.7%	1,312	948	-27.7%	1,447	1,065	-26.4%

SOURCES: VND RESEARCH, COMPANY REPORTS

Update on the progress of investment projects ➤

On 19th October 2020, POW, Colavi, Tokyo Gas, and Marubeni signed a memorandum of understanding (MOU) to develop LNG Quang Ninh gas-fired project. After two years of research and preparing documents from related parties, Quang Ninh gas-fired project has been approved into the revised Power Development Plan VII (PDP VII) on 17 Oct 2020. More specifically, the project is invested under IPP-scheme (Independent Power Producer) with a total initial investment cost of USD1.9bn. With a debt/equity ratio of 80%/20%, the project is considering using Japan's ODA (Official Development Assistance) as its source of fund, thanks to their Japanese partners. The electricity selling price is proposed at US\$8.7/kWh (not including VAT and forex fluctuations) and gas input price at US\$8.62/mmbtu. The project includes a 1,500MW power plant, a LNG terminal with capacity of 72,000 DWT (equal to 130,000 m3) and 2 LNG tanks with a capacity of 100,000 m3/tank, scheduled to go into operation in FY26-27F.

Reiterate Add with lower target price of VND12,200

We lower our target price to VND12,200 due to the downward revision in our FY20-22F EPS forecasts. Our target price is based on an equal weighting of DCF valuation and a target FY20-21F EV/EBITDA of 5.5x. We maintain Add based on 1) net profit recovery in FY21-22F as demand rebounds post Covid-19 and POW would not encounter gas supply issues like in 1H20, given that the new gas field Sao Vang has come into operation in Nov 20, and 2) potential gas-fired capacity expansion (+55.0%) over the next five years.

Figure 5: DCF valuation – summary of free cash flow (FCF)

	2019	2020	2021	2022 //	2030
EBITDA	7,048	5,750	6,026	6,319	6,013
(-) Depreciation and Amortisation, ex NT 3&4	(3,132)	(2,654)	(2,654)	(2,654)	(1,960)
EBIT	3,917	3,096	3,372	3,665	4,053
(-) Tax	(307)	(469)	(506)	(575)	(811)
Tax rate (%)	-	0	0	0	0
EBIAT	3,609	2,627	2,865	3,090	3,242
(+) Depreciation and Amortisation	3,132	2,654	2,654	2,654	1,960
(+) (Increase)/decrease in net working capital	2,057	(449)	(378)	498	70
(-) Capital Expenditure, ex NT 3&4	(349)	(295)	(341)	(358)	(415)
Unleveraged Free cash flow (FCFF)	8,449	4,538	4,801	5,884	4,857
Terminal value					50,095

SOURCES: VND RESEARCH, COMPANY REPORTS

Figure 6: Cost of equity

Cost of equity	
Risk free rate	4.0%
Beta	0.9
Risk premium	11.0%
Cost of equity- ke	13.9%

SOURCES: VNDIRECT RESEARCH, COMPANY REPORTS

Figure 7: WACC and terminal growth

WACC & terminal growth	
Enterprise value	49,507
Debt	(17,158)
Cost of debt	7.2%
Tax rate	20.0%
WACC	11.9%
Perpetual growth rate	2.0%

SOURCES: VNDIRECT RESEARCH, COMPANY REPORTS

Figure 8: Blended valuation

Valuation Table				
Methods	Target multiples	Implied share price	Weight	Weight Value
		VND per share	%	VND per share
EV/EBITDA, 1-yr forward	5.50x	8,707	50%	4,353
DCF, 10y		15,693	50%	7,847
Implied share price				12,200
Rounded share price				12,200

SOURCES: VNDIRECT RESEARCH

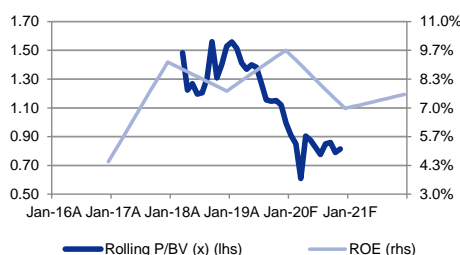
Figure 9: Peer comparison

Company	Bloomberg Ticker	Recom.	Price	Target price	Mkt Cap	PE (x)	3-yr EPS CAGR (%)	P/BV (x)	EV/EBITDA (x)	ROE (x)				
			LC\$	LC\$	US\$ m	TTM	CY20F	TTM	CY20F	TTM	CY20F	TTM	CY20F	
International peer														
ANHUI WENENERGY Co LTD	000543 CH Equity	NR	4.1	NA	1,422.0	10.3	9.1	14.0%	0.6	0.6	NA	NA	6.2	7.2
FIRST GEN CORPORATION	FGEN PM Equity	NR	27.6	NA	2,055.0	6.8	9.1	-1.0%	1.0	0.8	5.3	4.8	13.3	9.4
JSW ENERGY LTD	JSW IN Equity	NR	61.7	NA	1,364.0	8.9	12.0	0.0%	0.8	0.8	5.7	5.8	9.4	6.8
MALAKOFF CORP BHD	MLK MK Equity	ADD	0.9	1.05	1,104.0	12.2	15.9	-0.7%	0.7	0.7	5.0	6.5	5.4	4.6
GIODIAN CHANGYUAN ELECT	000966 CH Equity	NR	3.9	NA	650.0	13.2	8.7	5.0%	1.0	0.9	NA	NA	9.6	11.4
Average					1,319.0	10.3	11.0	3.5%	0.8	0.8	5.3	5.7	8.8	7.9
Domestic peer														
POWER GENERATION CORP	PGV VN Equity	NR	12,100	NA	559.0	15.1	NA	NA	1.1	NA	6.7	NA	7.9	NA
HAI PHONG THERMAL POWE	HND VN Equity	NR	18,000	NA	388.0	7.7	7.5	-11.0%	1.5	NA	4.0	NA	19.7	18.0
PHA LAI THERMAL POWER J	PPC VN Equity	NR	22,250	27,400	308.0	7.2	8.8	-13.0%	1.2	1.1	5.9	8.5	16.4	13.2
PETROVIETNAM NHON TRAC	NT2 VN Equity	NR	23,150	30,100	288.0	11.0	9.8	4.0%	1.6	1.6	5.0	4.9	14.6	16.3
Average					385.8	10.3	8.7	-6.7%	1.3	1.4	5.4	6.7	14.7	15.8
PVPOWER	POW VN Equity	ADD	9,730	12,200	983.2	10.8	11.9	2.5%	0.8	0.8	5.7	6.1	6.0	7.0

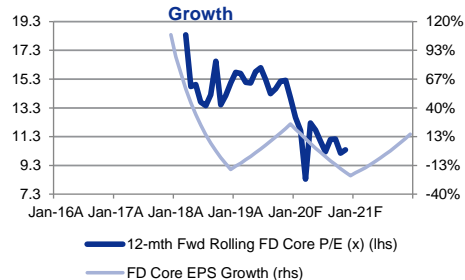
SOURCES: VND RESEARCH, CGS-CIMB RESEARCH, COMPANY REPORTS (DATA AS AT 19 NOV)

BY THE NUMBERS

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Net Revenues	32,662	35,421	29,451	34,143	35,788
Gross Profit	4,477	5,123	4,187	4,327	4,574
Operating EBITDA	7,604	7,048	5,750	6,026	6,319
Depreciation And Amortisation	(3,920)	(3,132)	(2,654)	(2,654)	(2,654)
Operating EBIT	3,683	3,917	3,096	3,372	3,665
Financial Income/(Expense)	(1,264)	(877)	(598)	(479)	(383)
Pretax Income/(Loss) from Assoc.	50	57	60	60	60
Non-Operating Income/(Expense)	22	48	12	14	19
Profit Before Tax (pre-EI)	2,492	3,145	2,570	2,967	3,361
Exceptional Items	0	0	0	0	0
Pre-tax Profit	2,492	3,145	2,570	2,967	3,361
Taxation	(205)	(307)	(382)	(438)	(519)
Exceptional Income - post-tax	0	0	0	0	0
Profit After Tax	2,287	2,837	2,188	2,530	2,842
Minority Interests	(366)	(346)	(267)	(309)	(347)
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax	0	0	0	0	0
Other Adjustments - post-tax	0	0	0	0	0
Net Profit	1,921	2,491	1,921	2,221	2,495
Recurring Net Profit	1,921	2,491	1,921	2,221	2,495
Fully Diluted Recurring Net Profit	1,921	2,491	1,921	2,221	2,495

Cash Flow

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
EBITDA	7,604	7,048	5,750	6,026	6,319
Cash Flow from Inv. & Assoc.	0	0	0	0	0
Change In Working Capital	(1,114)	(2,057)	449	378	(498)
(Incr)/Decr in Total Provisions	(69)	766	0	0	0
Other Non-Cash (Income)/Expense	22	48	12	14	19
Other Operating Cashflow	(45)	24	98	(219)	56
Net Interest (Paid)/Received	(1,307)	(1,152)	(1,075)	(1,121)	(1,129)
Tax Paid	(96)	(326)	(382)	(438)	(519)
Cashflow From Operations	4,996	4,352	4,852	4,641	4,248
Capex	(219)	(137)	(3,166)	(6,770)	(8,881)
Disposals Of FAs/subsidiaries	125	4	0	0	0
Acq. Of Subsidiaries/investments	891	(207)	(1,928)	(1,362)	(575)
Other Investing Cashflow	759	299	432	555	638
Cash Flow From Investing	1,555	(42)	(4,661)	(7,577)	(8,818)
Debt Raised/(repaid)	(5,284)	(2,254)	1,417	3,721	5,185
Proceeds From Issue Of Shares	0	2	0	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	(349)	(119)	(703)	0	0
Preferred Dividends	0	0	0	0	0
Other Financing Cashflow	0	0	1	38	13
Cash Flow From Financing	(5,633)	(2,370)	716	3,759	5,198
Total Cash Generated	919	1,940	906	822	628
Free Cashflow To Equity	1,267	2,056	1,608	785	615
Free Cashflow To Firm	7,858	5,462	1,265	(1,816)	(3,441)

SOURCES: VND RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Cash And Equivalents	3,361	5,741	8,575	10,759	11,962
Total Debtors	7,531	8,701	7,199	7,877	8,401
Inventories	4,187	3,912	3,447	4,046	4,222
Total Other Current Assets	172	192	171	191	203
Total Current Assets	15,251	18,546	19,393	22,873	24,789
Fixed Assets	40,113	37,250	35,445	36,677	41,215
Total Investments	1,314	1,205	3,581	6,524	8,273
Intangible Assets	64	71	71	71	71
Total Other Non-Current Assets	1,369	1,097	763	927	936
Total Non-current Assets	42,860	39,623	39,859	44,199	50,494
Short-term Debt	706	3,954	8,908	12,738	14,666
Current Portion of Long-Term Debt	5,848	5,195	4,000	2,000	1,330
Total Creditors	5,900	6,684	5,288	6,073	6,458
Other Current Liabilities	5,116	3,598	3,456	4,343	4,174
Total Current Liabilities	17,571	19,431	21,651	25,154	26,628
Total Long-term Debt	13,304	8,406	6,149	8,083	12,030
Hybrid Debt - Debt Component	0	0	0	0	0
Total Other Non-Current Liabilities	422	729	492	437	502
Total Non-current Liabilities	13,725	9,135	6,641	8,520	12,532
Total Provisions	0	0	0	0	0
Total Liabilities	31,296	28,565	28,292	33,674	39,161
Shareholders' Equity	24,506	26,979	28,069	30,198	32,576
Minority Interests	2,309	2,624	2,891	3,200	3,547
Total Equity	26,815	29,603	30,960	33,398	36,123

Key Ratios

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue Growth	9.9%	8.4%	(16.9%)	15.9%	4.8%
Operating EBITDA Growth	(9.7%)	(7.3%)	(18.4%)	4.8%	4.9%
Operating EBITDA Margin	23.3%	19.9%	19.5%	17.6%	17.7%
Net Cash Per Share (VND)	(7,044)	(5,045)	(4,476)	(5,150)	(6,860)
BVPS (VND)	10,464	11,520	11,986	12,895	13,910
Gross Interest Cover	2.82	3.40	2.88	3.01	3.25
Effective Tax Rate	8.2%	9.8%	14.9%	14.8%	15.5%
Net Dividend Payout Ratio	NA	NA	NA	NA	NA
Accounts Receivables Days	79.76	83.63	98.80	80.58	83.01
Inventory Days	49.99	48.78	53.31	45.86	48.34
Accounts Payables Days	70.85	75.80	86.72	69.54	73.27
ROIC (%)	7.63%	9.23%	7.56%	8.79%	9.31%
ROCE (%)	8.46%	9.00%	7.26%	7.39%	7.15%
Return On Average Assets	6.33%	6.92%	5.40%	5.46%	5.26%

Key Drivers

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Power Despatched (GWh)	21,007.0	22,540.3	19,558.9	21,662.7	22,134.2
Capacity (MW)	4,208.2	4,208.2	4,205.0	4,205.0	4,205.0
Average Capacity Utilisation (%)	57.0%	61.1%	53.1%	58.8%	60.1%
Avg tariff/ASP per kwh (% chg)	8.0%	0.3%	-3.9%	4.7%	2.6%
Fuel Cost Per Kwh (% Change)	16.9%	-3.4%	2.3%	11.9%	4.1%
Industry Reserve Margin (%)	N/A	N/A	N/A	N/A	N/A

SOURCES: VND RESEARCH, COMPANY REPORTS

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Description:	Excellent	Very Good	Good	N/A	

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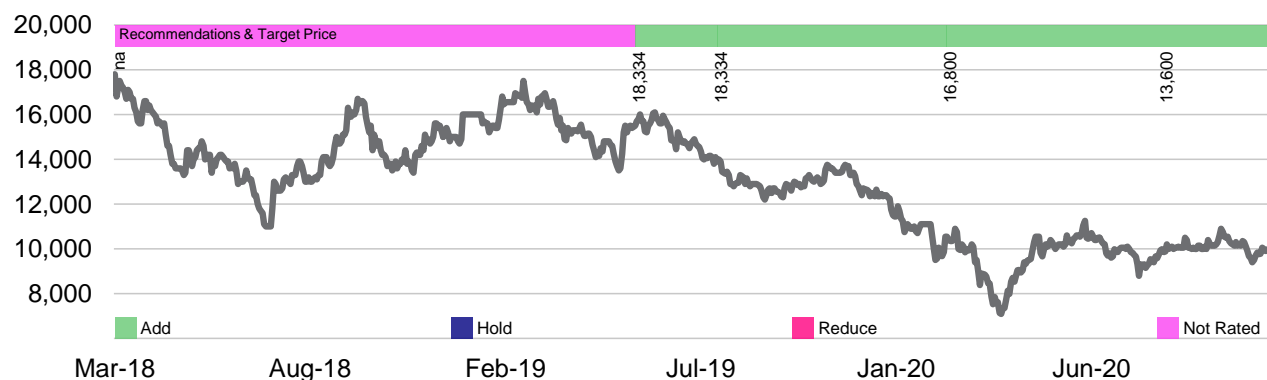
institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Distribution of stock ratings and investment banking clients for quarter ended on 30 September 2020		
795 companies under coverage for quarter ended on 30 September 2020		
	Rating Distribution (%)	Investment Banking clients (%)
Add	63.0%	0.5%
Hold	25.2%	0.1%
Reduce	11.8%	0.3%

Spitzer Chart for stock being researched (2 year data)

PetroVietnam Power Corporation (POW VN)

— Price Close



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2019, Anti-Corruption 2019

ADVANC – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BAM** – not available, n/a, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BGP** – Excellent, Certified, **BGPB** – Excellent, Certified, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** – Good, n/a, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENEL** – Very Good, Certified, **CHAYO** – Good, n/a, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – not available, n/a, **CRC** – not available, n/a, **DELTA** – Excellent, Declared, **DEMCO** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** – Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Declared, **III** – Excellent, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – not available, n/a, **BJC** – Very Good, n/a, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTG** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Certified, **MALEE** – Excellent, Certified, **MC** – Excellent, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MK** – Very Good, n/a, **MTC** – Excellent, n/a, **NETBAY** – Very Good, n/a, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PLAT** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PSTC** – Very Good, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Excellent, n/a, **RSP** – not available, n/a, **S** – Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Certified, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Excellent, Certified, **SF** – Good, n/a, **SHR** – not available, n/a, **SIRI** – Very Good, Certified, **SPA** – Good, n/a, **SPALI** – Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Excellent, Certified, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TMB** – Excellent, Certified, **TNR** – Very Good, Certified, **TOP** – Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Declared, **UNIQ** – not available, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

1 CG Score 2019 from Thai Institute of Directors Association (IOD)

2 AGM Level 2018 from Thai Investors Association

3 Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 30, 2018) are categorised into:

companies that have declared their intention to join CAC, and companies certified by CAC.

4 The Stock Exchange of Thailand : the record of listed companies with corporate sustainable development "Thai sustainability Investment 2018" included:

SET and mai listed companies passed the assessment conducted by the Stock Exchange of Thailand: THSI (SET) and THSI (mai)

SET listed companies passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI) .

RECOMMENDATION FRAMEWORK

Stock Ratings

Definition:

Add	The stock's total return is expected to reach 15% or higher over the next 12 months.
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

The total expected return of a stock is defined as the sum of the:(i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

Hien Tran Khanh – Deputy Head of Research

Email: hien.trankhanh@vndirect.com.vn

Mai Pham – Senior Analyst

Email: mai.phamle@vndirect.com.vn

Nhat Hoang – AnalystEmail: nhat.hoanglong@vndirect.com.vn**VNDIRECT Securities Corporation**

1 Nguyen Thuong Hien Str – Hai Ba Trung Dist – Ha Noi | Tel: +84 2439724568

Email: research@vndirect.com.vn | Website: <https://vndirect.com.vn>