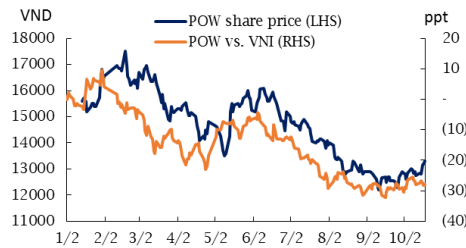


BUY
TP upside (downside) +32.3%
31 Oct 2019

Current Price VND13,200
12M Target VND17,457
Previous target VND17,457

Share price performance relative to VNINDEX


Source: Bloomberg

Market cap (USD bn)	1.3
6M ADT (USD mn)	1.09
Outstanding shares (mn)	2,342
Free float (%)	88
FINI ownership (%)	14.2
Major shareholders (%)	79.9
Asset/equity (x)	2.2
BVPS (VND)	12,309
P/E (x)	12.1
P/B (x)	1.1
EV/EBITDA (x)	5.8
FOL (%)	6.01

Source: Bloomberg, YSVN

Financial outlook

Year to Dec	2018	2019E	2020E	2021E
Sales (VND bn)	32,662	34,453	36,815	37,769
EPS (VND)	820	1,076	1,372	1,585
ROE (%)	7.0	9.1	10.7	11.3
Div. yield (%)	-	2.3	2.3	2.3

Source: POW, YSVN

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Bloomberg code: YUTA
PV POWER (POW VN)
Powerful 3Q19 results
Event

3Q19 earnings grew by 4.8x YoY. 3Q19 revenue rose by 13.8% YoY to reach VND 7,924bn. However, PATMI increased 4.8x YoY to reach VND700 bn. As a result, POW's 9M19 results have achieved 76% our revenue forecast and 88% of our PATMI forecast.

Our view

3Q19 PATMI jumped 4.8 times YoY to reach VND700 bn. This is mainly attributable to its 13.8% YoY quarterly revenue growth to reach VND 7,923bn, slightly higher margin, and reduced interest expenses.

3Q19 gross profit margin expanded by +1ppt YoY to reach 15.1%. In addition, net financial expenses fell by 78% YoY to reach VND 146.6bn, of which interest expenses declined by 16.9% YoY to VND 283bn. Net debt/equity fell to 43% in 3Q19, a 22ppt YoY decline.

9M19 PATMI +59.5% YoY to reach VND 2,222bn. This is partly attributable to the 5.8% YoY increase in revenue (VND 26,238bn) which was underpinned by a 7.3% YoY rise in average selling price to VND 1,532 per kWh. In addition, volumes grew by 2.6% YoY to 16.5 bn kWh. We provide details on the individual power plants in our [October 18](#) update titled "Strong 9M2019 preliminary results".

9M19 gross margin expanded 0.8ppt YoY to reach 14.7%. Net financial expenses fell by 44% YoY to VND 639bn, of which interest expenses fell by 11% to reach VND 880bn. Notably, POW posted an unrealized net FX gain of VND45bn YTD, a welcome contrast from the 9M18 FX loss of VND415bn.

POW has achieved 88% of our 2019 earnings forecast of VND2,521bn. The 9M19 results have achieved 76% our revenue forecast of VND34,453bn.

We reiterate BUY with target price of VND 17,457. Our target implies 2019E PE of 16.2x and 2020E PE of 12.7x, which we view as reasonable. The main downside risk is NT2's PPA renegotiation, which remains unsettled as far as we know. Continued foreign net selling in line with the broader market is also a possible risk.

ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES ARE LOCATED IN APPENDIX A.

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BUY: We have a positive outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors add to their position.

HOLD–Outperform: In our view, the stock's fundamentals are relatively more attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

HOLD–Underperform: In our view, the stock's fundamentals are relatively less attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

SELL: We have a negative outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors reduce their position.

Under Review: We actively follow the company, although our estimates, rating and target price are under review.

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