truefriend KIS Viet Nam Securities Corporation

Earnings Review

20 Nov 2026

GIA LAI ELECTRICITY JSC (GEG)

3Q26 – Earnings improved yoy

· 3Q26 - Hydropower and wind power drove earnings growth
· 4Q26F – Less favorable outlook
· Maintain a HOLD recommendation

Facts: 3Q26 – NPAT grew 25% yoy

Revenue and gross profit (GP) reached VND722bn (+7% yoy, equivalent to approximately 115% of KIS's forecast, Figure 1) and VND342bn (+6% yoy, approximately 120% of KIS's forecast, Figure 5), respectively. Growth was mainly driven by the hydropower and wind power segments. Details by segment are as follows:

- Hydropower: Revenue and GP reached VND11bn (+18% yoy, Figure 1) and VND69bn (+45% yoy), respectively. This was supported by an estimated 155% yoy increase in average FMP (accounting for 2% of revenue, Figure 3), which partly offset a 37% yoy decline in production due to the strong impact of the El Niño phase, which is expected to persist through 1H27.
- Solar power: Revenue reached VND221bn, remaining flat yoy (Figure 1), while production amounted to 112mn kWh (+18% yoy, Figure 2), supported by the official COD of Duc Hue 2 in 2Q26.
- Wind power: Revenue and GP reached VND348bn (+10% yoy, Figure 1) and VND210bn (+14% yoy), respectively, while production amounted to 167mn kWh (+12% yoy, Figure 2). Performance was supported by unusual weather patterns associated with the El Niño phase and an improvement in the average selling price.

As a result, 3Q26 NPAT reached VND100bn (+25% yoy), VND49bn below KIS's forecast (Figure 6), reflecting the factors mentioned above.

Table 1. Quarterly earnings snapshot in 3Q26 (VND bn, %, %p)

	3Q25	4Q25	1Q26	2Q26	3Q26	QoQ	YoY
Sales	671	590	767	580	722	24	7
OP	98	91	285	18	114	514	16
OP margin (%)	14.7	15.4	37.2	3.2	15.9	12.7	1.2
EBT	98	90	286	18	114	517	16
NPAT	80	96	263	8	100	1,132	25

Source: Company data, FiinPro-X KISVN

Pros & cons: 4Q26F – Bleak earnings outlook

In 4Q26F, we expect GEG's business performance to soften slightly, mainly due to weaker hydropower generation, while renewable energy is expected to remain the primary growth driver.

12M rating **HOLD (Maintain)**

12M TP

Up/Downside

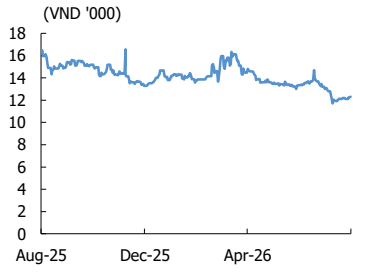
Stock data

VNIndex (20 Nov, pt)	1,689
Stock price (20 Nov, VND)	11,450
Market cap (USD mn)	167
Shares outstanding (mn)	376
52-Week high/low (VND)	16,334/11,400
6M avg. daily turnover (USD mn)	0.11
Free float / Foreign ownership (%)	24.6/44.9
Major shareholders (%)	
AVH Pte. Ltd	30.01
Thanh Thanh Cong Investment JSC	14.36

Performance

	1M	6M	12M
Absolute (%)	(3.0)	(14.1)	(20.1)
Relative to VNIndex (%p)	(2.9)	(3.6)	(24.1)

Stock price



Source: Bloomberg

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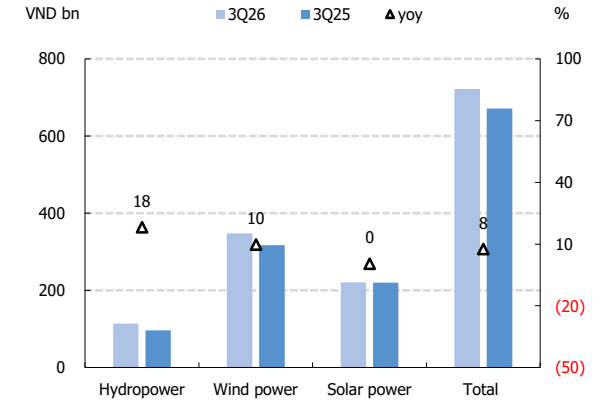
Details by segment are as follows:

- Hydropower: We expect the hydropower segment to deliver slightly weaker performance in 4Q26F, as its capacity factor (CF) could decline by 3–4% yoy due to the impact of the El Niño phase, which is expected to persist through 1H27. This could be partly offset by an estimated 155% yoy increase in average FMP.
- Solar power: We expect the solar power segment to remain stable, supported by (i) the official COD of Duc Hue 2 in 2Q26 and (ii) a slight improvement in the average selling price yoy, amid expectations that the exchange rate will remain elevated.
- Wind power: We forecast the wind power segment to remain stable in 4Q26F, supported by expectations of a further improvement in the average selling price, as discussed above.

Action: Maintain HOLD rating

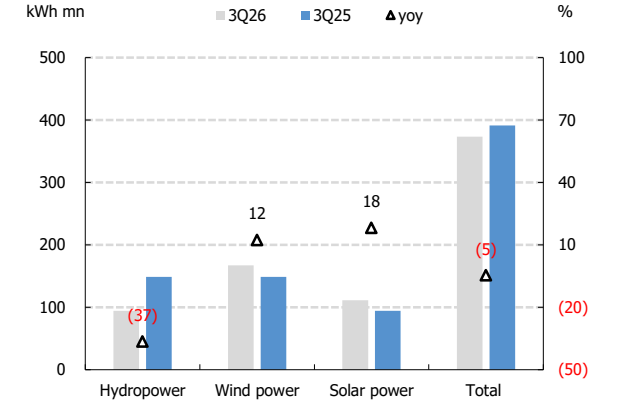
We maintain a positive view on GEG's long-term outlook. However, at the current stage, we believe there remains a lack of strong catalysts to drive the share price higher, despite its still-attractive valuation. In addition, we are cautious that weaker-than-expected earnings performance in 4Q26 may weigh on the stock price. Accordingly, we reiterate our HOLD recommendation on GEG.

Figure 1. GEG's revenue improved in 3Q26, mainly supported by the hydropower and wind power segments



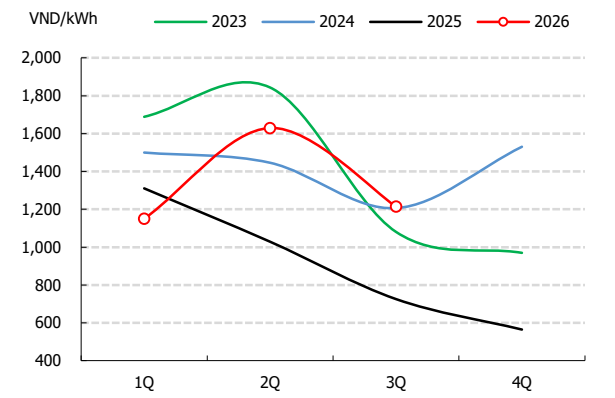
Source: GEG, KIS Research

Figure 2. Production declined 5% yoy, with hydropower generation recording a sharper 37% yoy drop



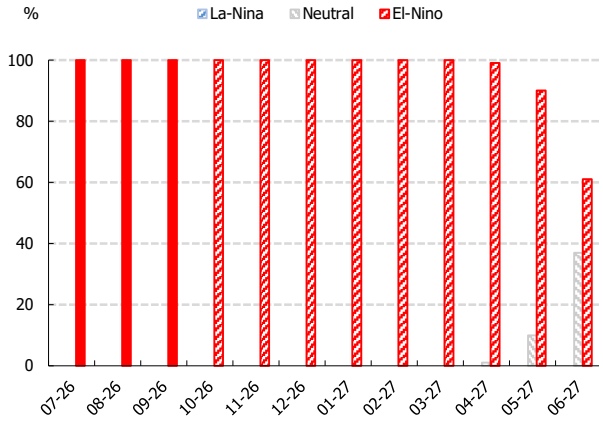
Source: GEG, KIS Research

Figure 3. Average FMP continued to stay elevated in 3Q26, rising 155% yoy



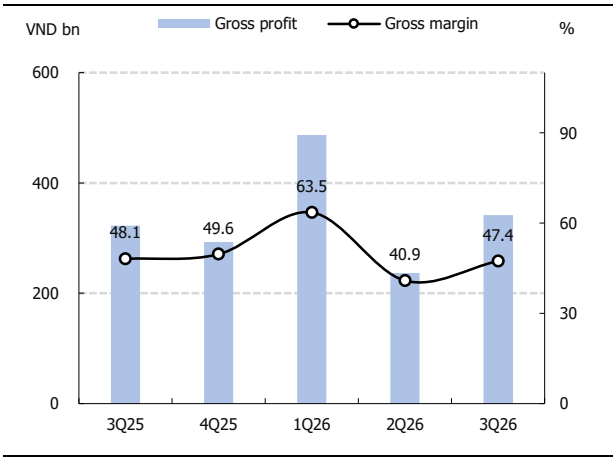
Source: GEG, KIS Research

Figure 4. … the El Niño phase is likely to persist through mid-2027



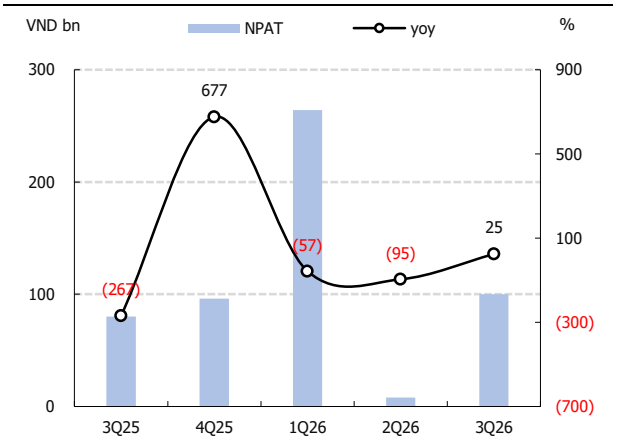
Source: Bloomberg, GEG, KIS Research

Figure 5. Gross margin declined to 47.4% in 3Q26, down 0.7ppt yoy



Source: GEG, KIS Research

Figure 6. NPAT edged up to VND100bn in 3Q26



Source: Bloomberg, GEG, KIS Research

■ Company overview

Gia Lai Electricity Joint Stock Company (GEC) was formerly known as Gia Lai – Kon Tum Hydropower Company, under the Gia Lai – Kon Tum Provincial People's Committee. With 33 years of formation and development, GEC currently owns and operates 12 small and medium-sized hydropower plants, five solar power plants, 34 rooftop solar systems, and three wind power plants, with a total installed capacity of 545MWp. With a target of exceeding 1,700MWp in total capacity by 2025, GEC aims to further expand into new segments, including waste-to-energy and biomass power.

Balance sheet

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025A	2026F
Current assets	2,118	1,458	1,382	1,793	1,910
Cash & cash equivalents	334	229	164	86	768
Accounts & other receivables	750	829	823	1,280	723
Inventory	155	127	119	46	46
Non-current assets (Adj.)	1,785	1,229	1,218	1,707	1,143
Fixed assets	9,965	14,068	13,295	12,506	11,640
Investment assets	113	168	174	58	60
Others	4,921	438	322	754	(28)
Total assets	17,118	16,132	15,172	15,111	13,582
Advances from customers	2	2	1	1	1
Unearned revenue	0	0	0	0	-
Trade payables	1,225	75	32	15	13
Others	180	188	154	251	213
ST debt & due bonds	663	1,415	597	616	303
LT debt & bonds	9,264	8,682	8,596	7,727	5,710
Total liabilities	11,488	10,365	9,409	8,613	6,903
Controlling interest	4,278	4,350	4,424	4,965	5,146
Capital stock	3,861	4,054	4,225	4,148	4,148
Capital surplus	26	21	21	14	26
Other reserves	98	96	96	96	96
Retained earnings	292	179	82	706	876
Minority interest	1,352	1,417	1,339	1,533	1,533
Shareholders' equity	5,630	5,767	5,763	6,498	6,679

Income statement

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025A	2026F
Sales	2,093	2,163	2,325	2,999	2,542
COGS	1,082	1,043	1,252	1,284	1,282
Gross profit	1,011	1,121	1,073	1,714	1,261
SG&A expenses	161	159	136	200	198
Operating profit	851	961	938	1,514	1,063
Financial income	214	101	38	142	22
Interest income	31	41	38	29	59
Financial expenses	657	871	801	683	727
Interest expenses	592	842	786	665	504
Other non-operating profit	(13)	4	7	1	-
Gains (Losses) in associates, subsidiaries and JV	13	5	5	5	5
Earnings before tax	407	200	187	979	358
Income taxes	(5)	5	34	32	40
Net profit	412	195	153	947	318
Net profit of controlling interest	316	137	115	702	318
EBITDA	1,649	1,738	1,777	2,446	1,749

Cash flow

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025A	2026F
C/F from operations	496	1,068	885	933	2,455
Net profit	407	200	187	979	358
Dep'n & Amort'n	652	697	804	800	887
Net incr. in W/C	1,481	1,655	1,775	2,305	1,950
C/F from investing	(8,823)	(2,752)	58	2	(121)
Capex	(9,004)	(2,943)	(83)	(407)	82
Incr. in investment	181	191	141	409	(202)
C/F from financing	8,043	474	(1,890)	(1,012)	(2,319)
Incr. in equity	5,225	309	(983)	(83)	11
Incr. in debt	-	2,366	1,079	(839)	(313)
Dividends	(4)	(4)	(16)	(77)	-
C/F from others	(0)	0	0	0	-
Increase in cash	(283)	(1,210)	(948)	(77)	15

Key financial data

FY-ending Dec.	2022A	2023A	2024A	2025A	2026F
per share data (VND, adj.)					
EPS	523	214	171	1,045	
BPS	13,287	12,747	12,346	13,856	-
DPS	-	-	-	-	
Growth (%)					
Sales growth	51.6	3.4	7.5	29.0	(15.2)
OP growth	30.3	13.0	(2.5)	61.5	(29.8)
NP growth	(10.6)	(52.6)	(21.9)	520.2	(66.4)
EPS growth	11.6	(56.5)	(16.3)	511.5	(54.6)
EBITDA growth	30.3	13.0	(2.5)	61.5	(29.8)
Profitability (%)					
OP margin	40.6	44.4	40.3	50.5	41.8
NP margin	19.7	9.0	6.6	31.6	12.5
EBITDA margin	40.6	44.4	40.3	50.5	41.8
ROA	2.8	1.2	1.0	6.3	2.2
ROE (excl MI)	8.2	3.2	2.6	15.0	6.3
Dividend yield	-	-	-	-	-
Dividend payout ratio	-	32	-	-	-
Stability					
Net debt (VND bn)	9,593	9,867	9,029	8,257	5,245
Net debt/equity (%)	170	171	157	127	79
Valuation (X)					
PE	11.1	22.4	28.2	5.8	14.5
PB	1.3	1.0	1.0	1.1	0.9
EV/EBITDA	19.1	16.7	16.1	10.3	13.8

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