

8 Jun 2026

PV POWER (POW)

NPAT recorded strong growth

- 1Q26 – Growth driven by the gas-fired power segment
- 2Q26F - Earnings expected to continue growing
- Maintain the HOLD recommendation

Facts: Gross margin expanded to 14.6%, up 4.6%p yoy

In 1Q26, revenue reached VND12,327bn (+50% yoy, figure 1), supported by a 33% yoy increase in total power production. Growth was mainly driven by gas-fired power.

- **Hydropower:** Production reached 342mn kWh (+10% yoy, figure 2), supported by a sharp increase in water inflows nationwide in 1Q26 (+46% yoy, figure 5), which offset the decline in the FMP (accounting for 2% of revenue; -2% yoy). As a result, hydropower revenue remained broadly flat at VND324bn (+1% yoy, figure 1).
- **Gas-fired power:** Revenue rose to VND8,646bn (+92% yoy, figure 1), driven mainly by NT1 & 2 and the NT3 & 4. Combined production from these plants increased by 58% yoy to 3,441mn kWh (figure 2), supported by (1) stable electricity demand growth of 6.5% yoy in 1Q26 and (2) the commercial operation of Nhon Trach 3 & 4. In addition, we estimate that the average selling price of electricity from Nhon Trach 2 and Nhon Trach 3 & 4 increased at a faster pace than input fuel costs, supporting margin expansion and earnings growth in 1Q26.
- **Vung Ang coal-fired power:** Revenue declined to VND3,060bn (-3% yoy, figure 1) as the average selling price of electricity fell faster than coal prices, despite production increasing by 6% yoy to 1,866mn kWh (figure 2), amid national electricity consumption growth of 6.5% yoy in 1Q26.

As a result, gross profit reached VND1,804bn (+121% yoy, figure 3), while the gross margin expanded to 14.6% (+4.6%p yoy, figure 3), supported by the positive factors mentioned above. Consequently, NPAT surged to VND1,301bn (+176% yoy; figure 4), driven by (1) margin expansion, (2) a low base effect in the prior-year period, (3) a 30% yoy decline in SG&A expenses, (4) a 44% yoy increase in financial income to VND299bn.

Table 1. Quarterly earnings snapshot in 1Q26

	1Q25	2Q25	3Q25	4Q25	1Q26	QoQ	YoY
Sales	8,150	9,399	7,855	8,747	12,327	41	51
OP	511	809	1,006	752	1,409	87.4	175.5
OP margin (%)	6.3	8.6	12.8	8.6	11.4	2.8	5.1
EBT	510	810	1,012	748	1,408	88.2	175.7
NPAT	472	761	948	688	1,300	89.1	175.3

Source: FiinPro-X, Company data, KISVN

12M rating **HOLD (Maintain)**

12M TP

Up/Downside

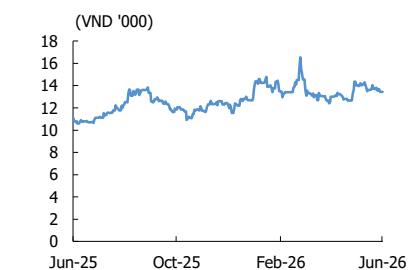
Stock data

VNIndex (08 Jun, pt)	1,791
Stock price (08 Jun, VND)	13,450
Market cap (USD mn)	1,566
Shares outstanding (mn)	3,068
52-Week high/low (VND)	16,550/10,580
6M avg. daily turnover (USD mn)	8.15
Free float / Foreign ownership (%)	27.4/4.3
Major shareholders (%)	
PVN	79.94
Norges Bank	1.27

Performance

	1M	6M	12M
Absolute (%)	(3.9)	10.0	21.4
Relative to VNIndex (%p)	2.3	7.3	(15.3)

Stock price



Source: Bloomberg

Research Dept

researchdept@kisvn.vn

Pros & cons: 2Q26F – Gas-fired power to remain the key growth driver

In 2Q26F, we expect POW to deliver positive earnings growth, primarily driven by its thermal power segment. In particular, we forecast power production to continue expanding strongly, supported by (i) the official COD of Nhon Trach 3 & 4 in 1Q26 and (ii) higher dispatch levels for thermal power plants under EVN's 2026 operating plan, amid expectations that national electricity demand will remain robust in 2Q26.

Details are as follows:

- **Hydropower:** Based on historical data from NOAA, we expect that during transition years from La Niña to neutral conditions (figure 6), the capacity factor may decline by 4%–6% yoy. As a result, production from this segment is likely to be negatively affected, despite the average FMP (accounting for 2% of revenue) potentially increasing by 40%–50% yoy. Therefore, we forecast lower gross margins and earnings for the hydropower segment in 2Q26F.
- **Gas-fired power:** We expect revenue from this segment to continue growing in 2Q26F, driven by stronger contributions from Nhon Trach 2 and the Nhon Trach 3 & 4 following their official COD. Regarding domestic gas-fired plants (NT1 & 2 and Ca Mau 1 & 2), we anticipate gross margins and earnings to improve on the back of a low base in 2Q25.

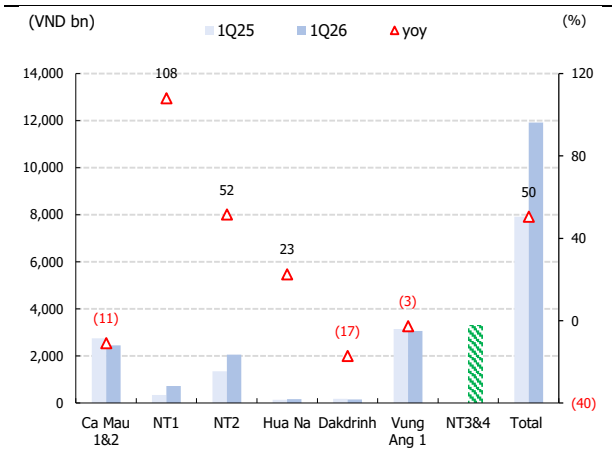
In addition, based on EVN's demand outlook and our expectation that nationwide electricity consumption will remain elevated in 2Q26, we estimate Nhon Trach 3 & 4 will continue to be dispatched at favorable levels, supporting positive revenue and earnings contributions during the quarter.

- **Vung Ang coal-fired power:** We expect Vung Ang to maintain stable performance in 2Q26F, supported by higher generation output. This outlook is based on a 51% yoy decline in water inflows recorded in May, which could increase the need for thermal power dispatch, while national electricity demand is expected to remain strong. In addition, the anticipated recovery in the FMP (which accounts for 20% of revenue), as discussed above, should provide further support for revenue and profitability.

Action: Maintain the HOLD recommendation

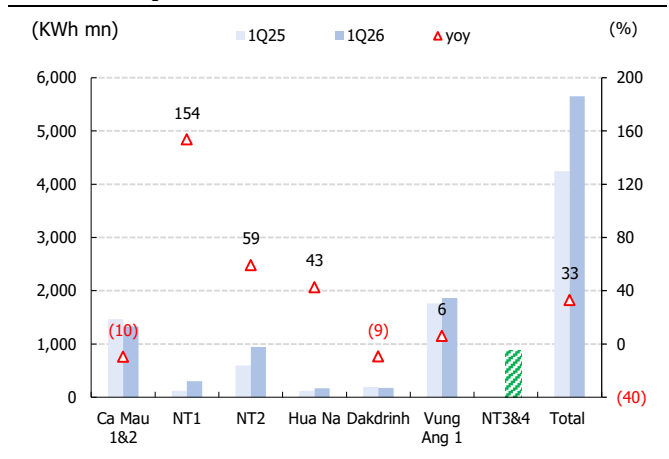
We believe POW will show more positive developments over the medium to long term, particularly as the LNG Nhon Trach 3 & 4 project plays an important role in stabilizing the power system once operational. However, in the short term, we believe the current market price largely reflects POW's intrinsic value. Therefore, we maintain a **HOLD** recommendation on POW for 2026.

Figure 1. Revenue reached VND12,327bn, up 51% yoy



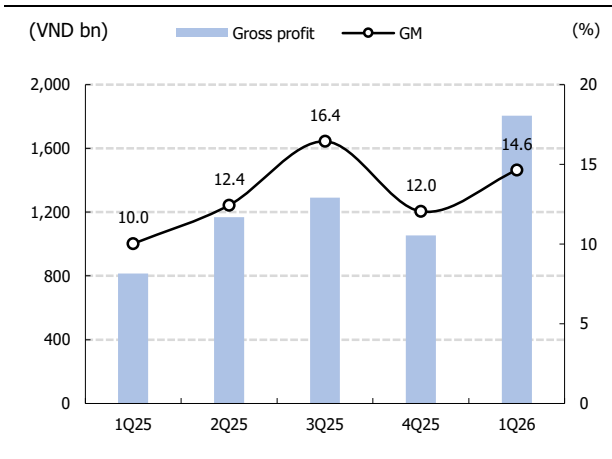
Source: Company data, FiinPro-X, KIS Research

Figure 2. The main growth contributors were Nhon Trach 3 & 4 and NT1 in 1Q26



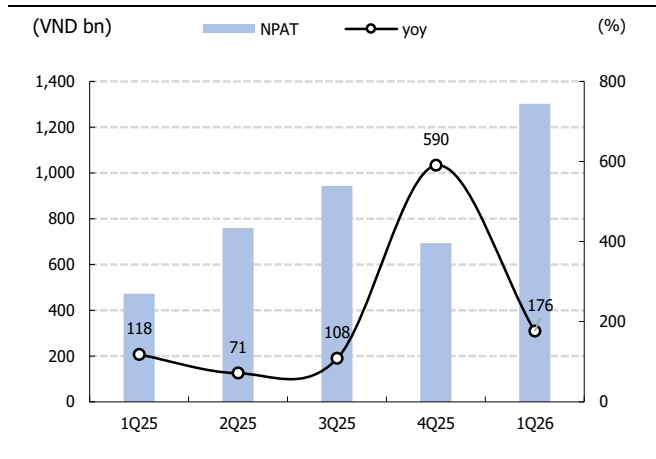
Source: Company data, FiinPro-X, KIS Research

Figure 3. GM improved to 14.6%, up 4.6%p yoy in 1Q26



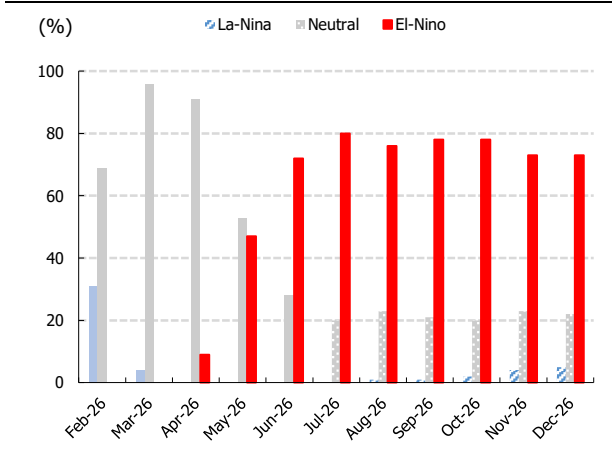
Source: Company data, FiinPro-X, KIS Research

Figure 4. NPAT surged to VND1,301bn (+176% yoy)



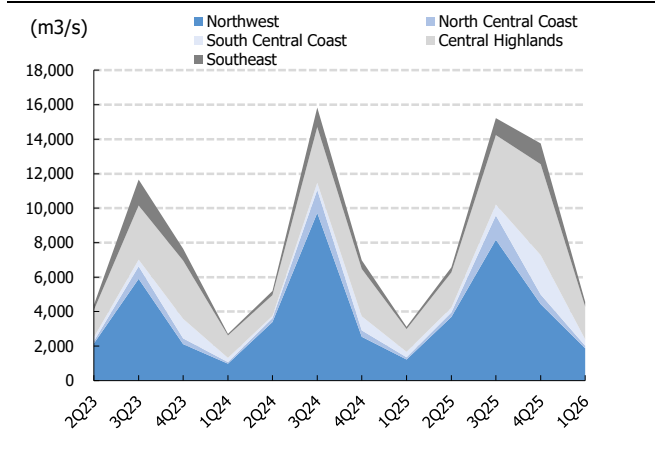
Source: Company data, FiinPro-X, KIS Research

Figure 5. El Niño intensified from June and was expected to persist through the end of 2026



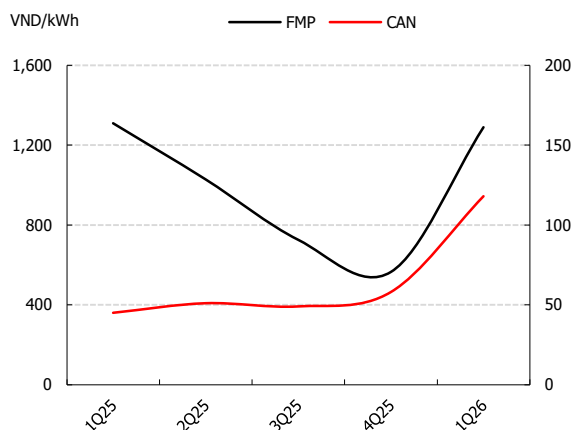
Source: EVN, KIS Research

Figure 6. Reservoir inflow remained stable in 1Q26



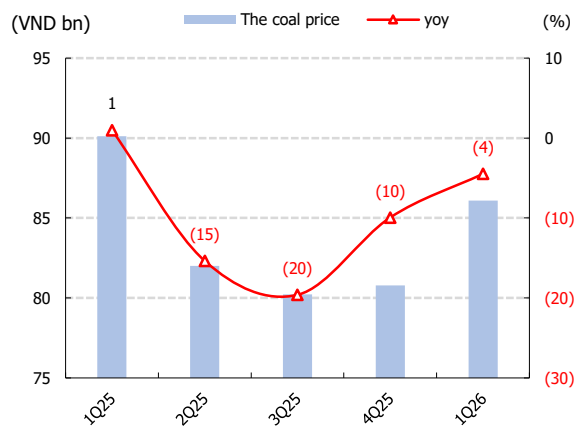
Source: NOAA, KIS Research

Figure 7. The FMP recovered in 1Q26, however, it remained below the level recorded in 1Q25



Source: EVN, KIS Research

Figure 8. Coal prices recorded a decline compared with the same period last year in 1Q26



Source: EVN, KIS Research

■ Company overview

PetroVietNam Power Corporation (PV Power) was established in 2007 under Decision No.1468/QĐ-DKVN issued by Vietnam Oil and Gas Group. The Corporation has its main business in the generation, transmission, trading, import, and export of electricity. The Corporation has been put into operation under the model of a joint-stock company since July 2018.

Balance sheet

(VND bn)

FY-ending Dec.	2024	2025	2026F	2027F	2028F
Current assets	30,171	43,164	54,128	53,123	55,646
Cash & cash equivalents	11,720	23,794	29,396	28,443	30,014
Accounts & other receivables	11,941	12,659	16,908	16,767	17,565
Inventory	1,795	1,896	2,719	2,819	2,918
Non-current assets (Adj.)	18,451	19,370	24,731	24,680	25,631
Fixed assets	24,321	54,403	50,187	45,969	41,751
Investment assets	766	766	766	766	766
Others	26,023	1,063	3,465	3,386	3,838
Total assets	81,281	99,396	108,545	103,244	102,001
Advances from customers	3	4	5	5	5
Unearned revenue	-	-	-	-	-
Trade payables	17,159	19,417	25,936	25,719	26,943
Others	4,464	5,051	6,747	6,691	7,009
ST debt & due bonds	13,508	12,839	15,144	13,662	12,960
LT debt & bonds	9,151	21,342	17,923	14,503	11,760
Total liabilities	46,675	61,357	69,365	64,160	62,427
Controlling interest	31,911	35,343	36,485	36,388	36,877
Capital stock	23,419	23,419	23,419	23,419	23,419
Capital surplus	(0)	(0)	(0)	(0)	(0)
Other reserves	4,460	4,460	4,460	4,460	4,460
Retained earnings	4,032	7,464	8,606	8,509	8,998
Minority interest	2,696	2,696	2,696	2,696	2,696
Shareholders' equity	34,607	38,039	39,181	39,083	39,573

Cash flow

(VND bn)

FY-ending Dec.	2024	2025	2026F	2027F	2028F
C/F from operations	4,398	7,375	5,394	2,511	3,571
Net profit	1,517	3,881	1,525	(130)	654
Dep'n & Amort'n	2,818	4,218	4,218	4,218	4,218
Net incr. in W/C	4,231	8,102	6,147	4,212	4,755
C/F from investing	(22,280)	(6,823)	1,323	1,438	1,445
Capex	(20,685)	(8,514)	(19)	0	(5)
Incr. in investment	(1,594)	1,690	1,342	1,438	1,451
C/F from financing	19,635	11,522	(1,115)	(4,902)	(3,445)
Incr. in equity	9,770	-	-	-	-
Incr. in debt	27,050	(669)	2,305	(1,482)	(701)
Dividends	-	-	-	-	-
C/F from others	0	-	-	-	-
Increase in cash	1,754	12,073	5,602	(953)	1,571

Income statement

(VND bn)

FY-ending Dec.	2024	2025	2026F	2027F	2028F
Sales	30,180	34,151	45,615	45,235	47,387
COGS	28,232	29,824	42,775	44,338	45,903
Gross profit	1,948	4,327	2,840	897	1,484
SG&A expenses	874	683	912	905	948
Operating profit	1,073	3,644	1,928	(7)	536
Financial income	616	1,040	1,342	1,438	1,451
Interest income	460	894	1,259	1,354	1,367
Financial expenses	667	1,042	1,746	1,561	1,334
Interest expenses	382	1,692	1,746	1,561	1,334
Other non-operating profit	1,684	-	-	-	-
Gains (Losses) in associates, subsidiaries and JV	1	1	1	1	1
Earnings before tax	1,517	3,881	1,525	(130)	654
Income taxes	171	215	305	(26)	131
Net profit	1,346	3,667	1,220	(104)	523

Key financial data

FY-ending Dec.	2024	2025	2026F	2027F	2028F
per share data (VND, adj.)					
EPS	500	1,466	488	(42)	209
BPS	13,626	15,092	15,579	15,538	15,747
DPS	-	-	-	-	-
Growth (%)					
Sales growth	8.0	13.2	33.6	(0.8)	4.8
OP growth	(23.5)	239.5	(47.1)	(100.4)	(7,408.8)
NP growth	1.2	172.4	(66.7)	(108.5)	(603.2)
EPS growth	16.5	192.9	(66.7)	(108.5)	(603.2)
EBITDA growth	(23.5)	239.5	(47.1)	(100.4)	(7,408.8)
Profitability (%)					
OP margin	3.6	10.7	4.2	(0.0)	1.1
NP margin	4.5	10.7	2.7	(0.2)	1.1
EBITDA margin	3.6	10.7	4.2	(0.0)	1.1
ROA	1.8	4.1	1.2	(0.1)	0.5
ROE (excl MI)	4.0	10.9	3.4	(0.3)	1.4
Dividend yield	-	-	-	-	-
Dividend payout ratio	-	-	-	-	-
Stability					
Net debt (VND bn)	10,939	10,387	3,671	(278)	(5,294)
Net debt/equity (%)	32	27	9	(1)	(13)
Valuation (X)					
PE	32.6	12.0	32.2	(377.8)	75.1
PB	1.4	1.2	1.1	1.1	1.1

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- BUY: Expected total return will be 15% or more
- Hold: Expected total return will be between -5% and 15%
- Sell: Expected total return will be -5% or less
- KIS Vietnam Securities Corp. does not offer target prices for stocks with Hold or Sell ratings.

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- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
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