truefriend KIS Viet Nam Securities Corporation

Earnings Review

5 Nov 2026

PV POWER (POW)

Earnings surged beyond expectations

· 3Q26 – Earnings surged beyond expectations
· 4Q26F – Earnings momentum expected to persist
· Maintain the HOLD recommendation

Facts: Earnings significantly exceeded expectations

In 3Q26, revenue and GP reached VND16,772bn (+114% yoy, equivalent to ~108% of KIS's forecast, figure 1) and VND2,311bn (+79% yoy, equivalent to 121% of KIS's forecast, figure 3), respectively, mainly driven by the recognition of revenue from NT3 & NT4 and the plants' commercial operation. Growth was primarily supported by the thermal power segment.

- Hydropower: Revenue and GP are estimated at VND452bn (-23% yoy, figure 1) and VND264bn (-22% yoy), respectively, with production reaching 389mn kWh (-27% yoy, figure 2), due to the expected decline in water inflows. Hydropower CF is estimated to decrease by 4%p yoy amid strong El Niño conditions (figure 6, 7). However, higher average FMP (accounting for 2% of revenue) could provide some support, with an estimated increase of 155% yoy.
- Gas-fired power: Revenue and GP are estimated at VND12,054bn (+145% yoy) and VND1,682bn (+107% yoy), respectively, with production reaching 4,322mn kWh (+88% yoy, figure 2). Growth was mainly driven by the contribution from NT2 and the commercial operation of NT3 & NT4 (COD: January 2026), while nationwide electricity demand remained stable in 3Q26. Average FMP (accounting for 20% of revenue) is also expected to increase by approximately 155% yoy (figure 8).
- Coal-fired power – Vung Ang: Revenue is estimated at VND2,736bn (+21% yoy, figure 1), with production reaching 1,555mn kWh (+46% yoy, figure 2), supported by stable nationwide electricity demand in 3Q26. However, GP is estimated to record a loss of VND91bn, compared with a profit of VND150bn in 3Q25, mainly because the plant's heat rate remained high, leading to higher production costs.

NPAT reached VND2,073bn (+120% yoy, equivalent to 143% of KIS's forecast, figure 5), supported by (i) a low base in 3Q25; (ii) financial income of VND549bn (+147% yoy, up VND327bn), mainly due to higher bank deposit interest income (figure 4); and (iii) lower G&A expenses of VND78bn, compared with VND212bn in 3Q25, following the recognition of the provision for Ca Mau O&M costs in the same period last year.

12M rating	**HOLD (Maintain)**
12M TP	
Up/Downside	

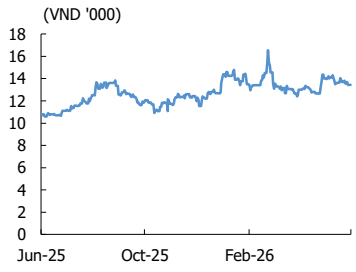
Stock data

VNIndex (05 Nov, pt)	1,741
Stock price (05 Nov, VND)	12,500
Market cap (USD mn)	1,493
Shares outstanding (mn)	3,068
52-Week high/low (VND)	16,550/11,550
6M avg. daily turnover (USD mn)	4.35
Free float / Foreign ownership (%)	27.4/4.0
Major shareholders (%)	
PVN	79.94
Norges Bank	1.27

Performance

	1M	6M	12M
Absolute (%)	(1.2)	(8.4)	2.9
Relative to VNIndex (%p)	(0.5)	(2.7)	(4.3)

Stock price



Source: Bloomberg

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Pros & cons: 4Q26 - Earnings growth expected to continue

In 4Q26F, we expect POW to maintain a positive earnings outlook, with growth primarily driven by the thermal power segment.

Details are as follows:

- Hydropower: Based on historical NOAA data, we expect the hydropower capacity factor (CF) to decline by 4 – 6%p. Consequently, production is likely to weaken, despite average FMP (accounting for approximately 2% of revenue) being projected to increase by 155% yoy. Accordingly, we expect both gross margin and earnings from the hydropower segment to decline in 4Q26F.
- Gas-fired power: We expect the segment to maintain positive growth, supported by (i) the commercial operation of Nhon Trach 3 & 4 in 2026 and (ii) higher production from NT2. Growth is expected to be primarily driven by improved production, amid expectations of stable nationwide electricity demand in 4Q26F and an estimated 155% yoy increase in average FMP (accounting for 20% of revenue).
- Vung Ang coal-fired power: We expect the plant to deliver solid revenue growth, supported by an estimated 37% yoy increase in production amid resilient nationwide electricity demand. However, gross margin and earnings are expected to remain under pressure, as persistently high coal prices and a sharp yoy decline in the average selling price are likely to weigh on 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. Therefore, we maintain a **HOLD** recommendation on POW for 2026.

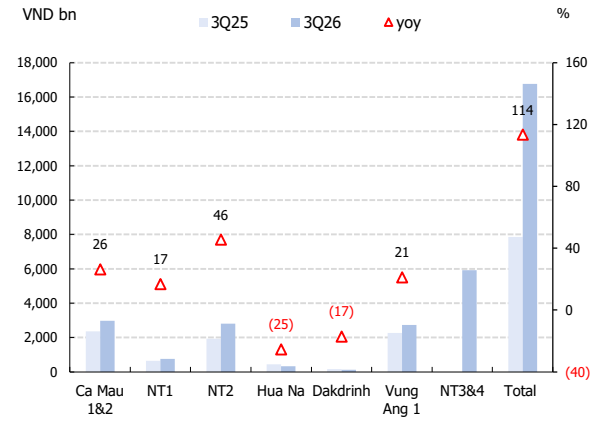
Table 1. Quarterly earnings snapshot in 3Q26

(VND bn, %, %p)

	3Q25	4Q25	1Q26	2Q26	3Q26	QoQ	YoY
Sales	7,855	8,902	12,327	20,306	16,772	(17)	114
OP	1,006	907	1,409	3,920	2,417	(38)	140
OP margin (%)	12.8	10.2	11.4	19.3	14.4	(4.9)	1.6
EBT	1,012	902	1,408	3,922	2,414	(38)	139
NPAT	948	825	1,300	3,525	2,073	(41)	119

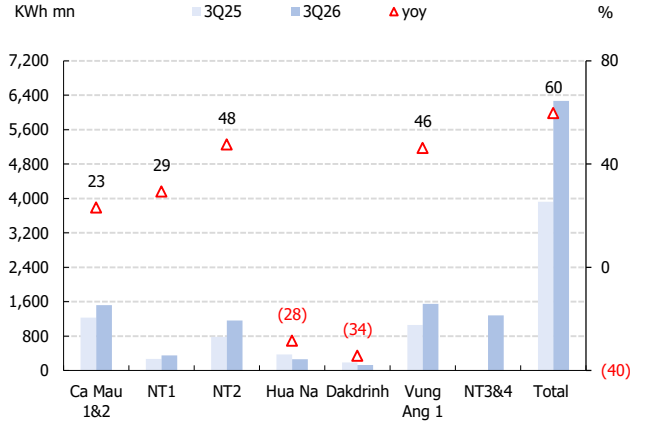
Source: FiinPro-X, Company data, KISVN

Figure 1. Revenue reached VND16,772bn, driven by the gas-fire power in 3Q26



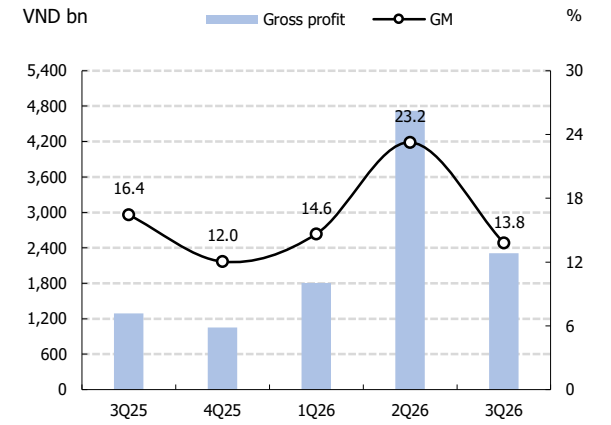
Source: Company data, FiinPro-X, KIS Research

Figure 2. The main growth contributors were Nhon Trach 3 & 4 and NT2 in 3Q26



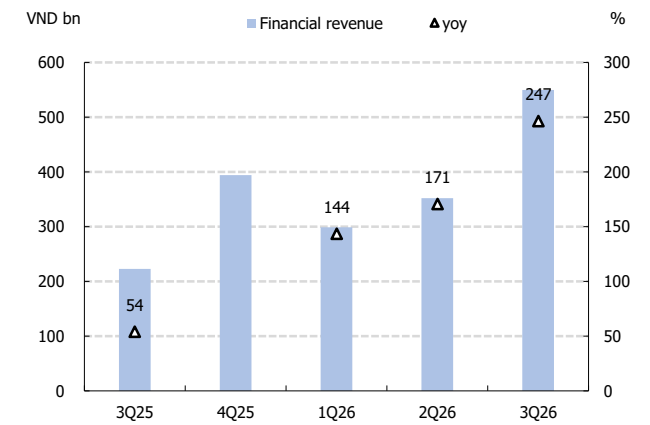
Source: Company data, FiinPro-X, KIS Research

Figure 3. Gross profit recorded VND2,311bn in 3Q26



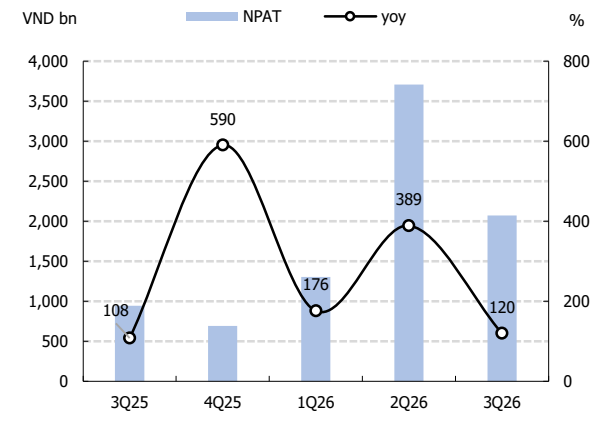
Source: Company data, FiinPro-X, KIS Research

Figure 4. Financial recorded growth mainly due to higher bank deposit interest income in 3Q26



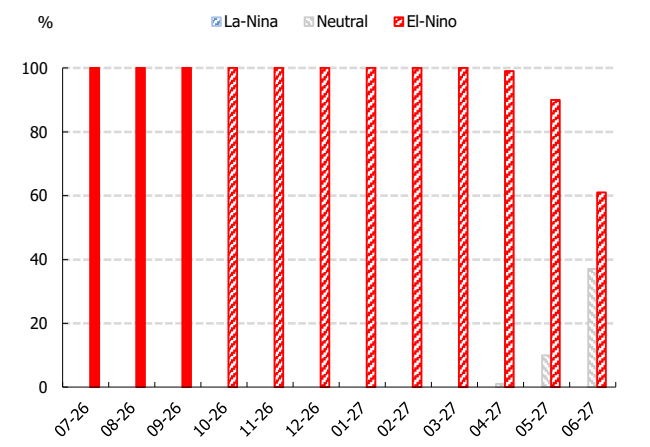
Source: Company data, FiinPro-X, KIS Research

Figure 5. NPAT surged to VND2,073bn (+120% yoy)



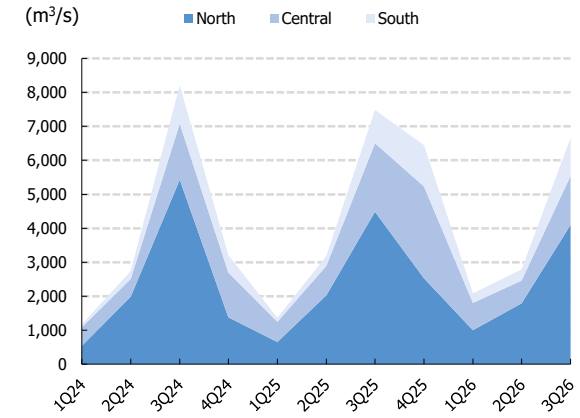
Source: EVN, KIS Research

Figure 6. According to NOAA, strong El Niño conditions are expected to persist through early 2027



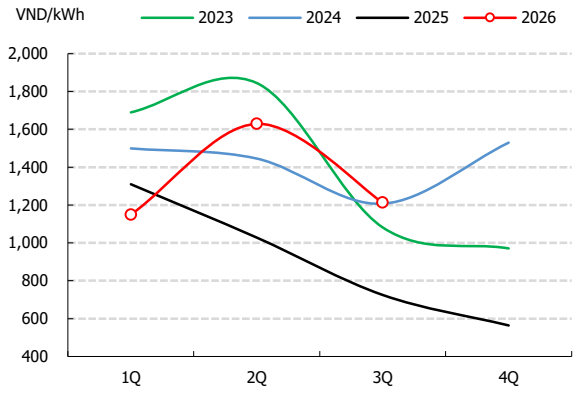
Source: NOAA, KIS Research

Figure 7. Reservoir inflow declined by 15% yoy in 3Q26



Source: EVN, KIS Research

Figure 8. The FMP is expected to recover in 2026, supported by a significant improvement in the CAN price



Source: PGV, 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	37,008	55,122	49,310	49,387
Cash & cash equivalents	11,720	6,738	12,803	11,254	10,179
Accounts & other receivables	11,941	14,578	24,415	21,055	21,975
Inventory	1,795	2,174	3,963	3,671	3,850
Non-current assets (Adj.)	18,451	30,270	42,319	38,056	39,207
Fixed assets	24,321	45,789	60,004	45,866	39,015
Investment assets	766	848	848	848	848
Others	26,023	4,968	(7,564)	(805)	9,018
Total assets	81,281	88,612	111,276	97,369	99,677
Advances from customers	3	20	34	30	31
Unearned revenue	-	5	-	-	-
Trade payables	17,159	14,880	25,589	22,068	23,031
Others	4,464	5,458	9,386	8,095	8,448
ST debt & due bonds	13,508	11,250	12,562	8,227	12,938
LT debt & bonds	9,151	17,637	20,389	17,791	15,194
Total liabilities	46,675	51,396	71,482	58,571	62,130
Controlling interest	31,911	34,215	36,793	35,797	34,546
Capital stock	23,419	27,868	27,868	27,868	27,868
Capital surplus	(0)	(0)	(0)	(0)	(0)
Other reserves	4,460	1,345	1,345	1,345	1,345
Retained earnings	4,032	5,002	7,581	6,584	5,333
Minority interest	2,696	3,001	3,001	3,001	3,001
Shareholders' equity	34,607	37,216	39,794	38,798	37,547

Income statement

(VND bn)

FY-ending Dec.	2024	2025	2026F	2027F	2028F
Sales	30,180	34,306	58,997	50,879	53,101
COGS	28,232	29,828	54,357	50,354	52,810
Gross profit	1,948	4,479	4,640	525	290
SG&A expenses	874	1,247	2,145	1,850	1,931
Operating profit	1,073	3,231	2,495	(1,324)	(1,640)
Financial income	616	1,032	1,225	1,341	1,274
Interest income	460	799	1,142	1,257	1,190
Financial expenses	667	1,034	1,779	1,563	1,556
Interest expenses	382	655	1,779	1,563	1,556
Other non-operating profit	1,684	0	-	-	-
Gains (Losses) in associates, subsidiaries and JV	1	5	5	5	5
Earnings before tax	1,517	4,037	3,803	(1,460)	(1,821)
Income taxes	171	234	761	(292)	(364)
Net profit	1,346	3,803	3,042	(1,168)	(1,457)

Cash flow

(VND bn)

FY-ending Dec.	2024	2025	2026F	2027F	2028F
C/F from operations	4,398	2,897	7,900	1,731	(7,326)
Net profit	1,517	4,037	3,803	(1,460)	(1,821)
Dep'n & Amort'n	2,818	2,859	4,570	4,171	(5,491)
Net incr. in W/C	4,231	7,593	9,552	3,564	(6,261)
C/F from investing	(22,280)	(12,739)	(6,530)	3,555	4,026
Capex	(20,685)	(5,176)	(4,233)	2,247	2,783
Incr. in investment	(1,594)	(7,563)	1,225	1,341	1,274
C/F from financing	19,635	5,825	3,794	(6,836)	2,226
Incr. in equity	9,770	-	-	-	-
Incr. in debt	27,050	6,054	1,312	(4,335)	4,711
Dividends	-	(230)	(269)	97	113
C/F from others	0	(6)	-	-	-
Increase in cash	1,754	(4,024)	5,164	(1,549)	(1,074)

Key financial data

FY-ending Dec.	2024	2025	2026F	2027F	2028F
per share data (VND, adj.)					
EPS	500	970	1,216	(467)	(582)
BPS	13,626	14,610	15,711	15,286	14,752
DPS	-	98	115	(41)	(48)
Growth (%)					
Sales growth	8.0	13.7	72.0	(13.8)	4.4
OP growth	(23.5)	201.0	(22.8)	(153.1)	23.8
NP growth	1.2	182.6	(17.1)	(138.4)	24.8
EPS growth	16.5	93.8	25.4	(138.4)	24.8
EBITDA growth	(23.5)	201.0	(22.8)	(153.1)	23.8
Profitability (%)					
OP margin	3.6	9.4	4.2	(2.6)	(3.1)
NP margin	4.5	11.1	5.2	(2.4)	(2.8)
EBITDA margin	3.6	9.4	4.2	(2.6)	(3.1)
ROA	1.8	4.5	3.0	(1.1)	(1.5)
ROE (excl MI)	4.0	7.3	8.6	(3.2)	(4.1)
Dividend yield	-	0.6	0.7	(0.2)	(0.3)
Dividend payout ratio	-	-	-	-	9
Stability					
Net debt (VND bn)	10,939	22,149	20,148	14,765	17,952
Net debt/equity (%)	32	60	51	38	48
Valuation (X)					
PE	20.9	10.2	12.9	(33.6)	(26.9)
PB	0.9	1.1	1.1	1.1	1.1

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- Hold: Expected total return will be between -5% and 15%
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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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