

Power

1Q25F Preview: Hydropower and renewable energy shine

1Q25E - Hydropower and renewable energy advance

According to EVN, electricity consumption in 1Q25E is estimated at 73bn kWh (+5% yoy). Overall, nationwide growth has shown signs of slowing down but remains stable, as reflected in the PMI and export-import value.

In 1Q25F, we estimated production of the *hydropower plants* to reach 14bn kWh (+26% yoy), accounting for 19% of production in the system. The capacity factor (CF) predicts of 29%, an increase of 8%p compared to the 21% recorded in 1Q24. Due to impact of the La-Nina phase show the water flow at the reservoir across the nationwide improve to 17% yoy in 1Q25E.

The *coal-fired group's* production amounted to 41bn kWh (+2% yoy), primarily driven by (a) compensation for the capacity shortfall of hydropower sources as water was reserved for the upcoming dry season and (b) rising electricity consumption demand in 1Q25F. As a results, the coal-fired power group's CF stood at 71%, up 6%p yoy.

Beside, the production electricity of *renewable energy* was estimated at 12bn kWh (+5% yoy), accounting for ~16% of the system. The mainly reason due to EVN add 430 MW (+35% yoy) to the system in 1Q25E. From there, we expect the CF of solar and wind power to reach 21% (+2% yoy) and 28% (+3% yoy). Furthermore, the production from renewable energy groups is on the positive trend, with at 12bn kWh (+4% yoy), accounting for ~12% of the system.

Conversely, *gas-fired power plants* experienced a decrease of 4.6bn kWh (-23% yoy, accounting for 6% of the system. The key factors include: (a) an increase in renewable energy capacity in the system (430 MW, +35% yoy); (b) maintenance and repair work at Phu My 1 in January 2025; and (c) Phu My 2.2 and Phu My 3 expiration of their BOT contracts.

Recommendation

We recommend a **BUY**-rating for **QTP** (18,900VND, UPSIDE: +35%). However, we assume the market price could move in the opposite direction in the short-term due to negative earnings in 1Q25F.

Beside, we anticipated that the positive outlook's REE in 1Q25F and play an important role in stabilizing the power system. Therefore, we recommendation rating **BUY** for **REE** (81,000VND; UPSIDE: 24% yoy) in 2025F.

Neutral

Company	Rating	TP (VND)
QTP	BUY	18,900
REE	BUY	81,000
GEG	HOLD	
POW	HOLD	
NT2	HOLD	
PPC	HOLD	

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Table 1. Coverage valuation

Recommendation & TP				Earning & Valuation									
Company				Sales	OP	NP	EPS	BPS	ROE	ROA	PE	PB	EV/EBITDA
				(VND bn)	(VND bn)	(VND bn)	(VND)	(VND)	(%)	(%)	(x)	(x)	(x)
Quang Ninh Thermal Power (QTP)	Recommendation	BUY	2022A	10,417	1,081	764	1,405	13,694	12.4	9.0	11.1	1.3	6.3
	TP	18,900	2023A	12,058	817	612	1,125	11,761	10.7	7.9	10.9	1.3	9.7
	Price	14,000	2024A	11,908	725	650	1,195	11,302	12.5	10.8	8.1	1.3	8.9
	Market cap	5,670	2025F	12,539	975	876	1,702	11,303	18.2	12.2	7.0	1.3	7.0
	(VND bn)		2026F	11,670	1,044	902	1,658	11,061	17.9	12.0	7.2	1.3	7.0
REE Corporation (REE)	Recommendation	BUY	2022A	9,372	3,663	3,515	7,527	43,507	18.7	10.7	11.1	1.3	10.3
	TP	81,000	2023A	8,570	2,954	2,787	5,341	42,269	13.3	8.1	8.3	1.3	11.3
	Price	65,200	2024A	8,384	2,428	2,396	4,232	40,126	11.0	7.7	11.6	1.7	16.6
	Market cap	28,826	2025F	9,255	2,611	2,838	6,026	46,153	14.0	7.8	11.2	1.5	15.4
	(VND bn)		2026F	8,836	2,972	3,209	6,813	52,965	13.7	8.5	11.4	1.3	13.6
Petro Vietnam Power (POW)	Recommendation	HOLD	2022A	28,224	2,859	2,553	824	13,031	7.0	4.6	11.1	1.3	9.4
	TP	15,100	2023A	27,945	1,404	1,329	430	13,430	3.5	2.1	19.8	0.8	22.0
	Price	10,600	2024A	30,180	1,073	2,704	500	13,626	4.0	3.6	11.1	0.9	36.9
	Market cap	24,940	2025F	41,219	550	487	(95)	13,531	(0.8)	(0.3)	11.2	0.9	68.6
	(VND bn)		2026F	49,008	985	341	136	13,667	1.1	0.3	11.5	0.9	40.3
Nhon Trach 2 Power (NT2)	Recommendation	HOLD	2022A	8,788	1,082	883	2,961	16,027	20.0	12.6	11	1.3	8
	TP	19,900	2023A	6,386	510	473	1,586	15,062	10.6	6.0	15	1.6	14
	Price	17,350	2024A	5,952	37	72	242	14,515	1.7	0.8	79	1.4	(106)
	Market cap	4,922	2025F	6,256	(44)	75	(155)	12,861	(1.2)	(0.5)	-	1.5	(36)
	(VND bn)		2026F	6,251	(122)	(105)	(351)	11,010	(3.0)	(1.1)	-	1.8	(22)
Gia Lai Electricity JSC (GEG)	Recommendation	HOLD	2022A	2,093	851	412	928	13,287	8.2	2.8	11.1	1.3	19.1
	TP	15,500	2023A	2,163	961	195	381	12,747	3.2	1.2	22.4	1.0	16.7
	Price	12,550	2024A	2,325	938	153	303	12,346	2.6	1.0	33.1	1.1	16.9
	Market cap	4,353	2025F	2,415	844	760	1,668	14,029	13.4	4.1	8.0	1.0	13.9
	(VND bn)		2026F	2,330	1,137	659	1,741	15,770	12.3	4.3	7.7	0.9	13.9
Pha Lai Thermal Power JSC (PPC)	Recommendation	HOLD	2022A	5,266	373	487	1,399	15,377	9.9	8.8	11	1.3	15
	TP	16,000	2023A	5,814	36	380	1,091	15,360	7.6	6.7	12	0.9	(57)
	Price	11,500	2024A	7,681	230	424	1,217	13,852	8.9	8.2	8	0.8	44
	Market cap	3,382	2025F	10,047	271	267	780	13,132	6.2	4.6	14	0.9	(9)
	(VND bn)		2026F	9,543	(75)	406	1,166	12,798	9.6	6.7	9	0.9	(11)

Table 2: 1Q25F business results forecast, KIS's coverage

(VNDbn, %)

	Revenue			NPAT		
	1Q25F	yoy	qoq	1Q25F	yoy	qoq
QTP	3,132	4	9	195	(14)	5
REE	2,183	19	(6)	705	28	(20)
POW	8,015	28	(6)	194	(10)	(17)
NT2	1,157	342	(35)	9	(25)	(89)
GEG	615	(17)	11	121	(4)	875
PPC	2,586	30	48	127	(19)	(28)
KIS coverage list	17,688	26	(0.6)	1,315	18	(13)

Source: Company data, KISVN estimate

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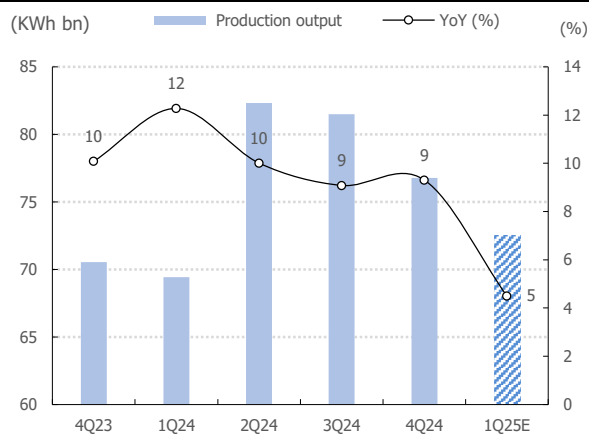
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I. 1Q25E - Hydropower and renewable energy advance

1Q25E – Electricity consumption maintain firm

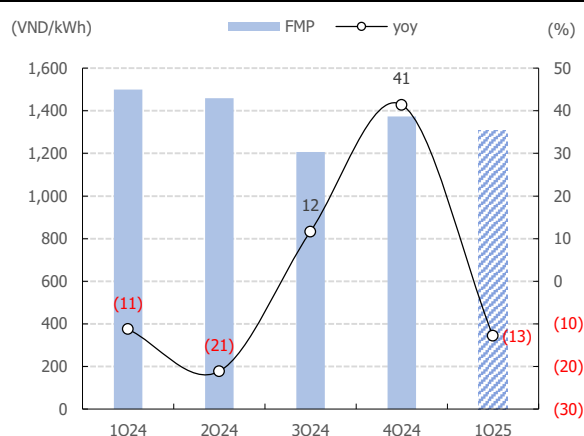
According to EVN, electricity consumption in 1Q25E is estimated at 73bn kWh (+5% yoy, figure 1). Overall, nationwide growth has shown signs of slowing down but remains stable, as reflected in the PMI (figure 3) and export-import value (figure 4).

Figure 1. Production electricity consumption in 1Q25E is estimated to reach 73bn kWh (+5% yoy).



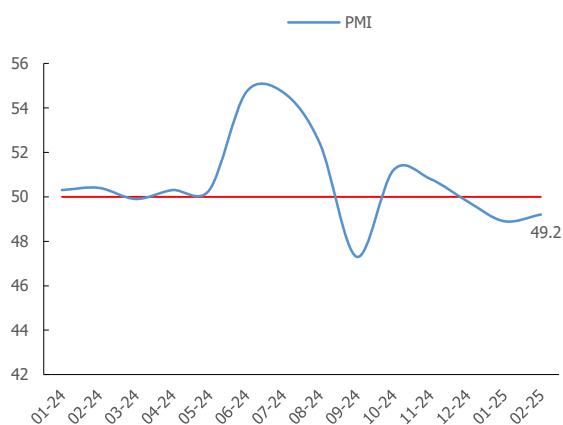
Source: EVN, KISVN

Figure 2. The average FMP in 1Q25E is down to 13% yoy, reaching 1,307 VND/kWh.



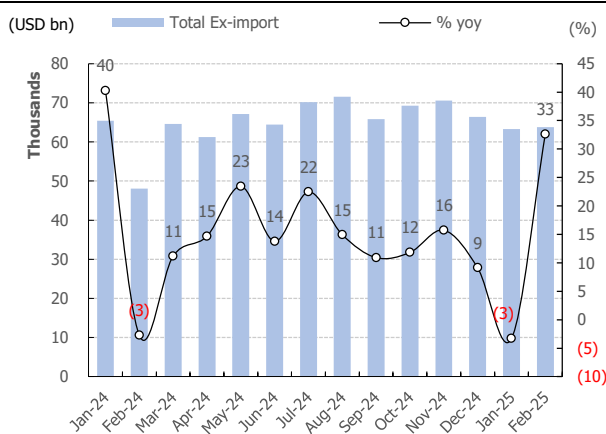
Source: POW, KISVN

Figure 3. The 1Q25E PMI shows signs of stagnation



Source: EVN, KISVN
Note: PMI (Purchasing Managers Index)

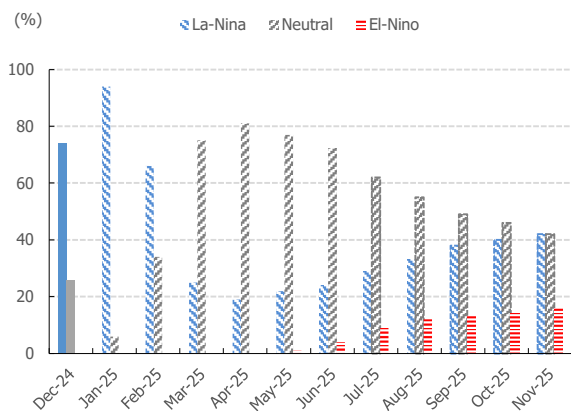
Figure 4. Ex-import value recorded maintain stayable



Source: GSO, KISVN

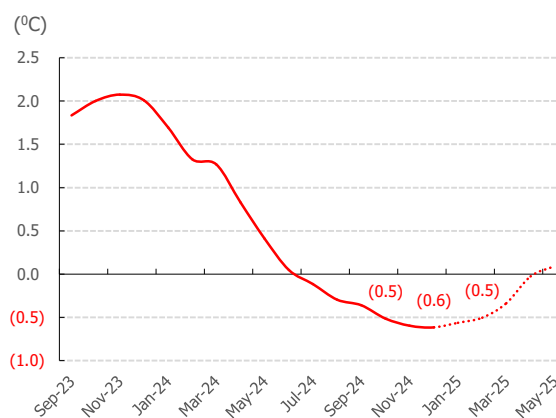
Hydro and renewable energy gain momentum

Figure 5. La-Niña phase is likely to last in the end of 2025



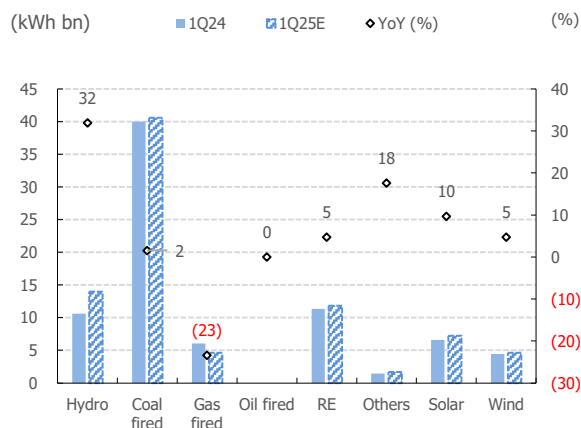
Source: NOAA, KISVN

Figure 6. The temperature in zone 3.4 tends to decrease gradually in 1Q25F



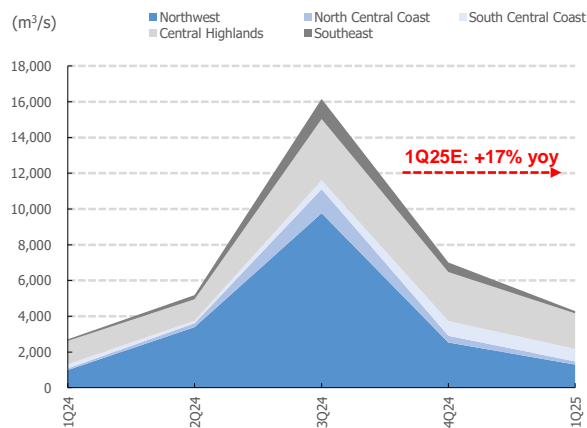
Source: NOAA, KISVN

Figure 7. Hydropower output improved significantly in 1Q25E, reaching 14bn kWh (+32% yoy)



Source: EVN, KISVN

Figure 8. The water flow reservoirs across regions nationwide in 1Q25E show improves optimistic at 17% yoy

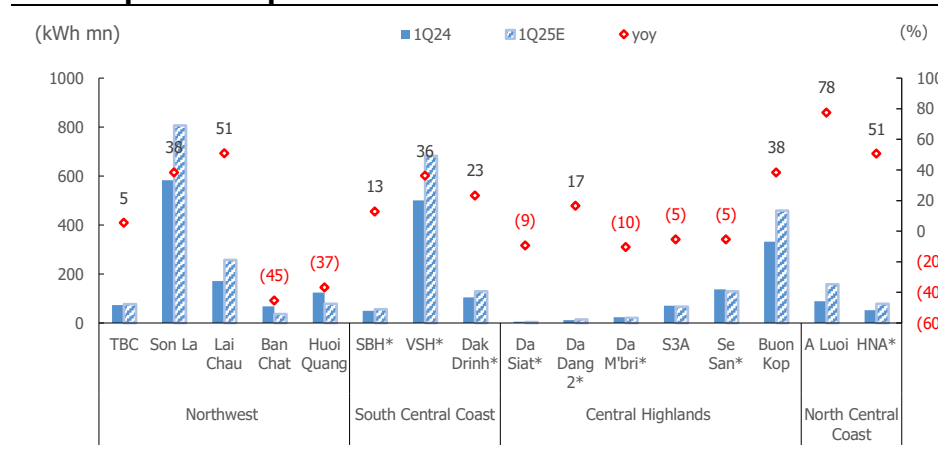


Source: EVN, KISVN

Hydropower

Production: In 1Q25E, we estimated production of the hydropower plants to reach 14bn kWh (+32% yoy, figure 7), accounting for 19% of production in the system (+26% yoy, figure 10). CF predicts 29%, an increase of 8%p compared to the 21% recorded in 1Q24 (figure 11). Due to the impact of the La-Niña phase, the water flow at the reservoir across the nation improved 17% yoy in 1Q25F.

Figure 9. Production recorded in 1Q25F at the reservoirs across region nationwide also recorded optimistic compared to 2023



Notes:

SBH*, VSH*, Dak Drinh*, Da Siat*, Da Dang 2*, Da M'Bri*, Se San *, HNA*, in which we estimated data accumulate to Feb - 2025. TBC, Son La, Lai Chau, Ban Chat, Huoi Quang, S3A, Buon Kop, A Luoi – data in 1Q25 estimated

Source: EVN, TBC, S4A, SBH, S3A, CHP, SHP, POW, PGV, KISVN

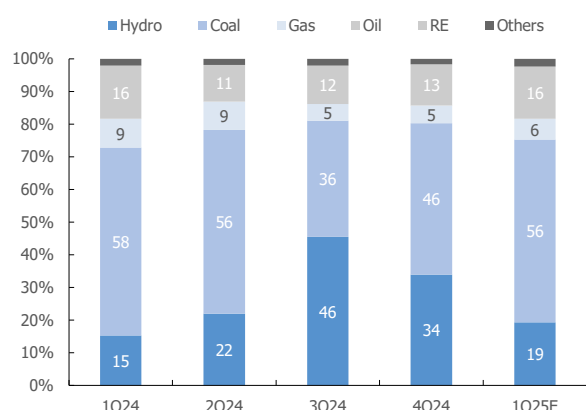
List companies

According to EVN data, we estimated the water flow at the reservoirs across the nation increased 17% yoy in 1Q25E. The data also show that the average water flow of the reservoirs in 1Q25E increased significantly in the South Central Coast (+48% yoy) and Southeast (+39% yoy). Therefore, we anticipate a positive mobilization for hydropower plants in the region, such as SBH (+13% yoy), VSH (+36% yoy), Dak Drinh (+23% yoy), A Luoi (+78% yoy), and HNA (+51% yoy).

By contrast, the Central Highlands are experiencing a flat trend, with the water flow to the reservoirs only remaining at 1,333 cubic meters per second (+2% yoy). As a result, the hydropower groups in this region have not improved compared to the same period, such as Da Siat (-9% yoy), Da M'Bri (-10% yoy), S3A (-5% yoy), ...

Margin & profit: Although in 1Q25F, we estimate the average FMP to reach VND1,307/kWh (-13% yoy), EVN has maintained the alpha coefficient for contracted output (Qc) of hydropower plants at 98% (2024: 98%). However, we believe that (1) the increase in output thanks to the impact of the La-Niña phase, which is expected to last until 1H25F, and (2) the low base in 1Q24, have offset the decline in FMP prices (-13% yoy). On this basis, we expect the gross margin and gross profit of hydropower plants to record growth in 1Q25F.

Figure 10. Proportion production in hydropower groups improve reach 19% in 1Q25E, while the coal-fired groups down slightly



Source: EVN, KISVN

Figure 11. Capacity factor of the coal-fired plants group maintain high level at 71% (+6%p yoy) in 1Q25E

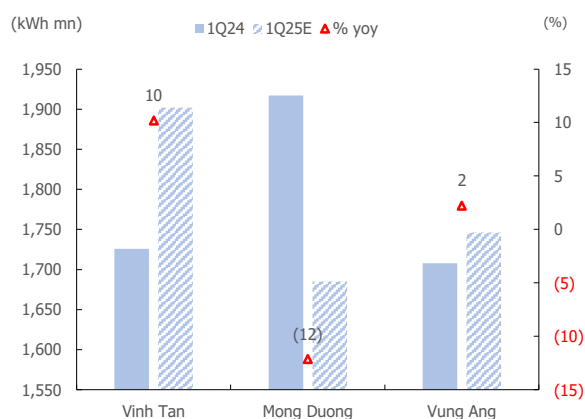
CF	Hydro	Coal	Gas	Oil	RE	Solar	Wind
1Q23	31	50	45	0	21	18	22
2Q23	29	68	59	7	19	21	17
3Q23	52	54	34	2	18	18	18
4Q23	44	57	34	0	18	15	20
1Q24	21	65	38	0	22	19	25
2Q24	36	74	42	6	18	21	16
3Q24	75	48	24	0	20	20	20
4Q24	46	62	27	1	20	17	23
1Q25	29	71	29	0	24	21	28

Source: EVN, KISVN

Coal-fired power

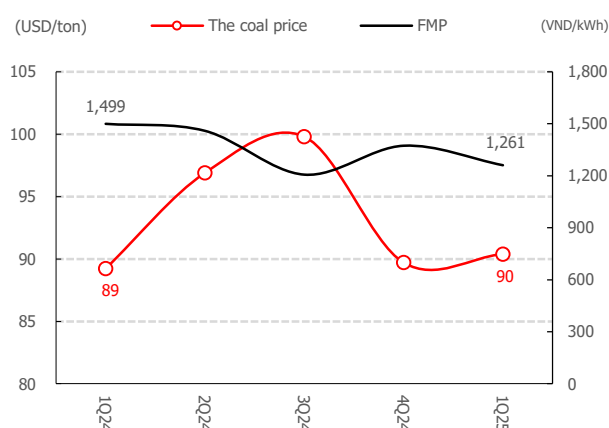
Production: The group's production amounted to 41bn kWh (+2% yoy, figure 7), primarily driven by (a) compensation for the capacity shortfall of hydropower sources as upcoming hydropower plants were reserved for the upcoming dry season and (b) rising electricity consumption demand in 1Q25F. Consequently, the coal-fired power group's capacity factor stood at 71%, up 6%p yoy (figure 11).

Figure 12. Production of the coal-fired power plants increasing slightly compared to the same period



Source: EVN, KISVN
Vinh Tan, Mong Duong, Vung Ang – data estimated in 1Q25E
Mong Duong coal-fired power has performed maintenance and repairs.

Figure 13. Negatively impact coal-fired power's gross margin due to higher coal price (+2% yoy) and lower electricity price (-13% yoy).



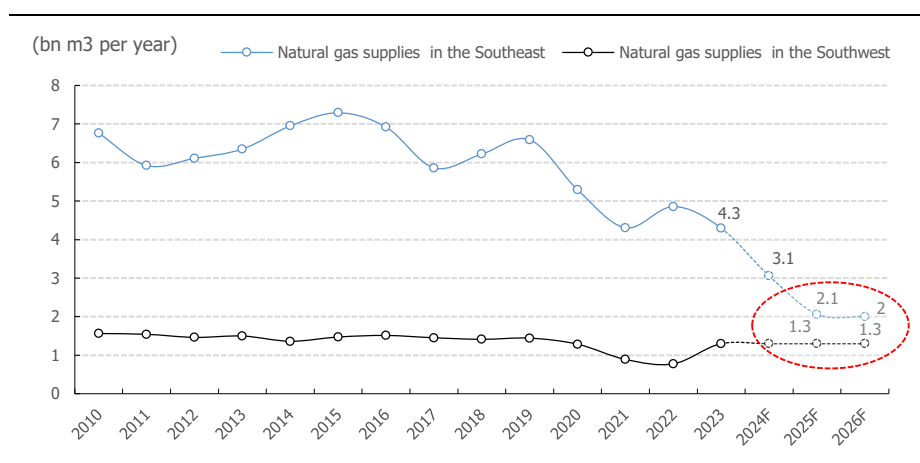
Source: PGV, POW, KISVN

Evidence shows that production of the coal-fired power plants maintain stable, such as Vinh Tan (+10% yoy), Vung Ang (+2% yoy), Mong Duong (-12% yoy) (figure 12).

Margin & profit: In 1Q25F, we estimate that the output of the coal-fired power group could remain stable (+2% yoy). However, (1) the FMP is estimated to decline significantly to VND1,307/kWh (-13% yoy, figure 2), as the CAN price drop 80% yoy in 1Q25F; (2) marginal costs are expected to rise slightly (+2% yoy, figure 13); and (3) the alpha coefficient for contracted output is projected to increase to 80% (2024: 70%). However, we anticipated that output grow

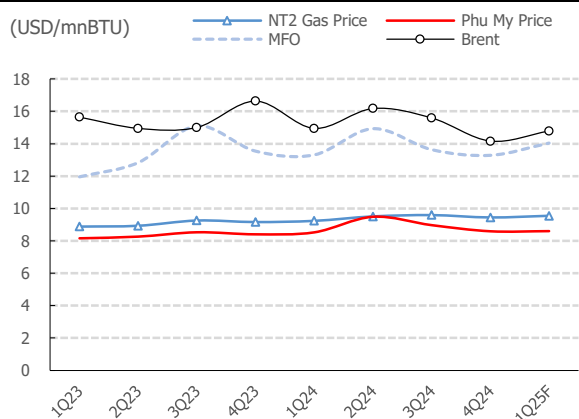
could not be sufficient to offset the decline in gross margin in 1Q25F.

Figure 14. The natural gas supply in the Southeast is increasingly declining



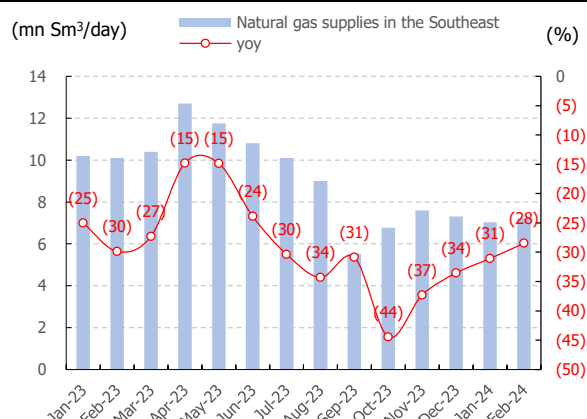
Source: EVN, KISVN

Figure 15. Estimates for 1Q25F indicate a 3% increase in gas prices yoy, due to shortage gas supply



Source: PGV, KISVN

Figure 16. Declining gas supply leads to mobilization of expensive gas sources like Sao Vang Dai Nguyet



Source: PGV, POW, KISVN

Gas-fired power

In 1Q25F, production output stood at 4.6bn kWh (-23% yoy, figure 7), with the CF declining to 29% (-9%p yoy), accounting for 6% of the system. The main reasons come from (a) an increase in renewable energy capacity in the system (0.43 GW, +35% yoy), (b) maintenance and repair work at Phu My 1 in January 2025, and (c) Phu My 2.2 and Phu My 3 expiration of their BOT contracts.

Besides, the gas price in 1Q25F ability increased slightly (+3% yoy or +2% qoq) (figure 15). Due to supply constraints in Feb - 2025, which only reached 7 Sm³/day (-28% yoy, figure 16), leading to more expensive gas sources such as Sao Vang-Dai Nguyet, mobilization had to occur.

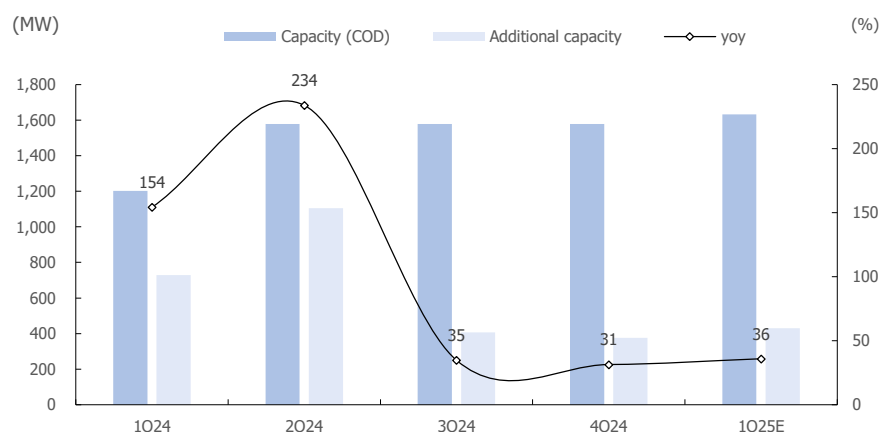
Margin & profit:

- We estimate that (1) production from natural gas thermal power plants (NT1, Ca Mau 1&2, Phu My 1, Phu My 4) could increase by ~15% in 1Q25F. In addition, (2) these plants could benefit from the rise in the alpha coefficient from 70% to 80% (2024: Alpha record 70%), meaning

most of their output is sold at the contract price, which is significantly higher than the FMP. However, this positive factor may not be sufficient to fully offset the sharp drop in CAN prices. Therefore, we believe the gross margin and profit of the gas-fired power group could be less favorable in 1Q25F.

- In contrast, we believe that NT2 alone could have an optimistic outlook in 1Q25F, thanks to (1) a significant expected increase in production (+239% yoy), supported by the alpha coefficient increase from 70% to 80%, which could offset the decline in gross margin caused by the negative factors mentioned above.

Figure 17. There was 0.43GW (+35% yoy) of renewable energy capacity added to the national system in 1Q25F



Source: EVN, KISVN

Table 3. EVN's progress in approving additional capacity to the system as of Feb - 2025

Date	Projects submitted dossiers ⁽¹⁾	Capacity ⁽¹⁾	Project proposal (temporary price) ⁽²⁾	Capacity ⁽²⁾	Projects (PPA) ⁽³⁾	Capacity (PPA) ⁽³⁾	Projects (COD) ⁽⁴⁾	Capacity (COD) ⁽⁴⁾	Potential-MW (PPA) ⁽⁵⁾
Dec-23	81	4,598	69	3,927	63/69	3,399	21	1,201	2,198
Jan-24	81	4,598	69	3,927	63/69	3,399	21	1,201	2,198
Feb-24	81	4,598	69	3,927	63/69	3,399	21	1,201	2,198
Mar-24	81	4,598	69	3,927	63/69	3,399	21	1,201	2,198
Apr-24	81	4,598	69	3,927	63/69	3,399	21	1,201	2,198
May-24	81	4,598	72	4,128	63/72	3,429	29	1,578	1,852
Jun-24	81	4,598	72	4,128	63/72	3,429	29	1,578	1,852
Jul-24	81	4,598	72	4,128	64/72	3,429	29	1,578	1,852
Aug-24	81	4,598	72	4,128	64/72	3,429	29	1,578	1,852
Sep-24	81	4,598	72	4,128	64/72	3,429	29	1,578	1,852
Oct-24	81	4,598	72	4,128	64/72	3,429	29	1,578	1,852
Nov-24	81	4,598	72	4,128	64/72	3,429	29	1,578	1,852
Dec-24	81	4,598	72	4,128	64/72	3,429	29	1,578	1,852
Jan-25	81	4,598	72	4,128	64/72	3,429	29	1,578	1,852
Feb-25	81	4,598	72	4,128	64/72	3,429	30	1,632	1,798

Source: EVN, KIS Research

Note:

+ (1): Number of projects that have submitted dossiers for temporary price negotiation

+ (2): Number of projects proposing to sign a temporary price at 50% of the ceiling price under Decision 21

+ (3): Number of projects that have completed the PPA signing at 50% of the ceiling price

+ (4): Number of projects that have completed construction and proceeded to COD (Commercial Operation Date)

+ (5): Installed capacity of projects that have completed PPA signing at the temporary price and are waiting for commercial operation. (5) is the result of (3) – (4).

Renewable energy

In 1Q25F, electricity production from renewable energy was estimated at 12bn kWh (+5% yoy, figure 7), accounting for approximately 16% of the system (figure 10). The main reason is that EVN added 430MW (+35% yoy) to the grid in 1Q25E, including 87.3MW of solar power (+23% yoy) and 354MW of wind power (+43% yoy).

As a result, we expect the CF of solar and wind power to reach 21% (+2% yoy) and 28% (+3% yoy), respectively, accounting for 10% (+4% yoy) and 6% (flat yoy) of the system (figures 10, 11).

II. Risks to be considered

In the short term, weather conditions are always a difficult problem, and the driving force to improve the CF of the hydropower plants. Therefore, this is the top key risk that needs to be monitored regularly to provide more accurate updates on the operations of power enterprises. In addition, ensuring the stability of the gas supply is also an essential decisive factor in the operations of gas-fired power plant enterprises.

III. 1Q25F business results of listed enterprises

QTP – Profit pressure from the CAN price

Table 4. QTP 1Q25F earnings forecast

(VNDbn, %)

	1Q24A	4Q24A	1Q25F	2025F		2025F	yoy	Consensus	
				yoy	qoq			1Q25	2025F
Revenue	3,010	2,884	3,132	4	9	12,539	5		11,746
GP	284	248	238	(16)	(4)	1,059	23		974
SG&A costs	23	41	22	(1)	(46)	106	(8)		-
OP	253	206	217	(14)	6	975	34		-
Non-operating P/L	(1)	0	0	(100)	(100)	0	(100)		-
EBT	252	206	217	(14)	5	975	35		-
NP	227	185	195	(14)	5	876	35		678

Source: Company data, Bloomberg, KISVN estimate

Forecast: In 1Q25F, we estimated forecast revenue growth at VND3,132bn (+4% yoy) due to (1) the expectation that QTP's production electricity in 1Q25F could reach 1,938mn kWh (+8% yoy) according to EVN's plan for 2025F as the alpha coefficient in the contract output of thermal power plants in 2025F has increased to 80% (compared to 70% in 2024). This has positively impacted the plant's outlook for 1Q25F.

In contrast, NPAT recorded a decrease to 14% of VND195bn as (3) pressure from the full market price (FMP) in 1Q25F decreased to 13% of 1,307 VND/kWh and (4) the coal price increased to 7%. This led to the gross margin being down to 7.6% (-1.8%p yoy). (5) The only bright spot comes from estimated interest expenses of ~VND30bn per quarter in the coming quarters. However, this positive factor is unlikely to offset the sharp decline in the gross margins in 1Q25F.

Recommendation: In the long term, we strongly believe that QTP has a positive outlook, as it plays an important role in maintaining the system. On this basis, we still recommend a **BUY**-rating for **QTP (18,900VND, UPSIDE: +35%)** in mid & long-term. However, we assume the market price could move in the opposite direction in the short term due to negative earnings in 1Q25F.

REE - Bright prospects for Power and M&E segments

Table 5. REE 1Q25F earnings forecast

(VNDbn, %)

	1Q24A	4Q24A	1Q25F		2025F		Consensus		
				yoy	qoq		yoy	1Q25	2025F
Revenue	1,842	2,334	2,183	19	(6)	9,255	10	N/A	9,895
Energy	1,023	1,299	1,259	23	(3)	4,654	12		
Water	4	70	40	960	(43)	160	40		
M&E	552	639	573	4	(10)	3,207	11		
Real estate	264	360	282	7	(22)	1,234	5		
GP	432	934	873	102	(6)	3,548	14	N/A	3,851
SG&A costs	96	185	199	107	8	809	40	-	-
OP	598	883	705	18	(20)	2,820	5	-	-
Non-operating P/L	4	8	0		(100)	0		-	-
EBT	598	985	787	31	(20)	2,820	5	-	-
NP	549	883	705	29	(20)	2,529	6	N/A	2,505

Source: Company data, Bloomberg, KISVN estimate

Forecast: We forecast REE's revenue and NPAT to reach VND2,183bn (+19% yoy) and VND705bn (+29% yoy), respectively. The strong growth is driven by the efficient performance of the company's segments, specifically:

- *Power segment:* Revenue and gross profit are estimated to reach VND1,259bn (+23% yoy) and VND605bn (+40% yoy). Growth is primarily driven by (1) the low base in 1Q24 (1Q23 impacted by the El-Niño phase); (2) the hydropower group could improve from the transition to La-Niña. This can be seen through the average water flow data at reservoirs in 1Q25F, which increased by 17% yoy. Besides, (3) Thac Ba 2 hydropower (18 MW) could COD in 1Q25 and contribute production for REE.
- *M&E segment:* According to our estimates, revenue and gross profit are predicted to reach VND573bn (+4% yoy) and VND115bn (+5% yoy), driven by the expected increase in the backlog contract value translated in 2025 recorded VND5,556bn (+131% yoy).
- *Real estate segment:* Revenue and NPAT are expected to reach VND591bn (+7% yoy) and VND122bn (+11% yoy). Thanks to the positive outlook from the record occupancy rate improvement of the Etown 6 and profit from the Light Square.

Recommendation: From the above analysis, we also believe that REE could experience many positive results in the short, medium, and long term as its plants play an important role in stabilizing the power system. Therefore, we recommend a **BUY** rating for **REE (81,000VND; UPSIDE: 24% yoy)** in 2025F.

GEG – Waiting for a breakout

Table 6. GEG 1Q25F earnings forecast

(VNDbn, %)

	1Q24A	4Q24A	1Q25F		2025F		Consensus		
				yoy	qoq		yoy	1Q25	2025F
Revenue	739	555	615	(17)	11	2,415	4		2,421
GP	418	206	329	(21)	60	1,353	26		1,210
SG&A costs	44	30	52	18	74	155	14		-
OP	137	31	134	(2)	336	844	379		-
Non-operating P/L	(1)	1	0			200			-
EBT	137	31	134	(2)	336	844	379		-
NP	126	12	121	(4)	875	760	725		273

Source: Company data, Bloomberg, KISVN estimate

Forecast: We forecast GEG's revenue recorded VND615bn (-17% yoy) due to decreasing the output to reach 556mn kWh (-24% yoy). As a result, NPAT recorded an experienced outlook with a negative reach of VND121bn (-4% yoy). especially:

- *Hydropower plants:* We expect the output of GEG's hydropower plants to increase a record 70mn kWh (+23% yoy) thanks to the effect of the La-Niña phase lasting into 1H25F. This factor could positively impact the profitability of GEG's hydropower plants in 1Q25F, although the FMP estimated a decrease of 11% yoy in 1Q25F.
- *Solar power plants:* In 1Q25F, we anticipate that the output of solar power plants could decline by 300mn kWh (-33% yoy) due to the impact of the La-Niña phase. As a result, revenue and gross profit are expected to be VND300bn (-23% yoy) and VND180bn (-48% yoy), respectively.
- *Wind power plants:* In contrast, as temperatures were no longer as intensely hot as in the same period of 2023 due to the La-Niña phase, which is expected to persist through 1H25F, the output of wind power plants is projected to increase slightly to 233mn kWh (+4% yoy). Consequently, revenue and gross profit are expected to be VND234bn (+4% yoy) and VND105bn (+1% yoy), respectively.

Recommendation: We believe in GEG's positive long-term outlook, supported by its important role in maintaining power system stability. However, in the short – term, we recommend a **HOLD** rating for **GEG** due to impact from a potentially weak earnings result in 1Q25F.

PPC - Sharp CAN price decline weighs on profit

Table 7. PPC's 1Q25F earnings forecast

(VNDbn, %)

	1Q24A	4Q24A	1Q25F		2025F		Consensus		
			yoy	qoq		yoy	1Q25	2025F	
Revenue	1,996	1,750	2,586	30	48	10,047	31	N/A	8,913
GP	95	64	3	(97)	(95)	(125)	(154)	N/A	381
SG&A costs	31	49	73	133	48	283	94	-	-
OP	159	181	129	(19)	(28)	271	(38)	-	-
Non-operating P/L	0	0	0			200		-	-
EBT	159	181	129	(19)	(28)	271	(38)	-	-
NP	157	178	127	(19)	(28)	267	(37)	N/A	432

Source: Company data, Bloomberg, KISVN estimate

Forecast: We forecast PPC's revenue to reach VND2,586bn (+30% yoy), primarily driven by (1) expect PPC's production electricity in 1Q25F could reach 1,367mn kWh (+10% yoy) according to EVN's plan for 2025F as the alpha coefficient in the contract output of thermal power plants in 1Q25 has increased to 80% (compared to 70% in 2024). This has positively impacted the plant's outlook for 1Q25F.

In contract, NPAT recorded down to 19% of VND127bn as (2) pressure from the full maret price (FMP) in 1Q25F down to 13% of 1,307 VND/kWh and (3) the coal price increase to 7%. This led to the gross margin down to 0.1% (-4.7%p yoy). (4) The only bright spot comes from estimated financial expenses estimated increase 108% yoy, reach VND199bn in 1Q25F. However, this positive factor is unlikely to offset the sharp decline in the gross margins in 1Q25F.

Recommendation: We anticipate that PPC plays a key role in maintaining system stability. However, in the short term, PPC is likely to remain under pressure due to (1) coal prices staying elevated compared to the same period, and (2) an 80% yoy drop in the 2025 capacity price (CAN). Therefore, we recommend a **HOLD** rating for **PPC** in 1Q25F.

NT2 – Profit recovery from low base

Table 8. NT2's 1Q25F earnings forecast

(VNDbn, %)

	1Q24A	4Q24A	1Q25F		2025F		Consensus		
				yoy	qoq		yoy	1Q25	2025F
Revenue	262	1,792	1,157	342	(35)	6,256	5	N/A	6,414
GP	(225)	73	4	(102)	(95)	(44)	(223)	N/A	285
SG&A costs	15	23	23	55	0	88	8	-	-
OP	(158)	75	7		(91)	76	(15)	-	-
Non-operating P/L	70	1	0			91	25	-	-
EBT	(158)	75	7		(91)	76	(15)	-	-
NP	(158)	63	7		(89)	75	5	N/A	257

Source: Company data, Bloomberg, KISVN estimate

Forecast: We forecast NT2's revenue to reach VND1,157bn (+342% yoy), mainly driven by a sharp output increase (+239% yoy) due to (1) Phu My 1 maintenance in Jan-25 and (2) Phu My 2.2 & Phu My 3 ending BOT contract.

However, pressure from (3) the average gas price in 1Q25F is expected to remain high compared to the same period last year, reaching 9.55 USD/mm BTU (+4% yoy), and (4) the average FMP is estimated to be down 13% yoy as the CAN price in 2025 decreases by VND47bn (-80% yoy). Therefore, we estimate NT2's NPAT for 1Q24F down to VND7bn (1Q24: -VND158bn).

Recommendation: We strongly believe in a positive outlook for NT2 in the long term, as it plays an important role in maintaining system stability. However, in the short term, we believe that NT2's market price has almost reflected its intrinsic value. Therefore, we maintain a **HOLD** recommendation for **NT2** in 1Q25F.

POW - Fuel price pressure persists

Table 9. POW's 1Q25F earnings forecast

(VNDbn, %)

	1Q24A	4Q24A	1Q25F		2025F		Consensus		
			yoy	qoq		yoy	1Q25	2025F	
Revenue	6,243	8,493	8,015	28	(6)	41,219	36	N/A	40,474
Hydropower	256	361	290	13	(20)	1,506	22		
Coal - fired	2,932	2,972	3,357	14	13	12,768	18		
Gas - fired	2,967	5,029	4,368	47	(13)	26,945	49		
GP	377	540	301	(20)	(44)	1,402	(28)	N/A	3,140
SG&A costs	116	394	116	0	(70)	860	(0)	-	-
OP	278	249	249	(10)	(0)	550	(64)	-	-
Non-operating P/L	71	413	0					-	-
EBT	278	249	249	(10)	(0)	550	(64)	-	-
NP	216	235	194	(10)	(17)	487	(64)	N/A	1,290

Source: Company data, Bloomberg, KISVN estimate

Forecast: Revenue is projected at VND8,015bn (+28% yoy), primarily fueled by a higher generation volume of 4,693mn kWh (+27%). In contrast, NPAT is expected to decline sharply to VND194bn (-10% yoy) in 1Q25F, mainly due to:

- *Hydropower plants:* We expect the output of POW's hydropower plants to increase a record 283mn kWh (+35% yoy) thanks to the effect of the La-Niña phase lasting into 1H25F. This factor could positively impact the profitability of POW's hydropower plants in 1Q25F, although the FMP estimated a decrease of 13% yoy in 1Q25F.
- *Vung Ang coal-fired plant:* We believe the outlook for the coal-fired power segment could improve due to Vung Ang's expected output growth of 15%, driven by the anticipated increase in the alpha Qc coefficient from 70% to 80% in 1Q25F. However, we anticipate these advantages may not fully offset the sharp decline in CAN prices (-85% yoy), and the coal price increased 7% yoy in 1Q25F.
- *Gas-fired power plants:* According to EVN's mobilization data, the output of POW's gas-fired power plants is expected to continue to increase (+39% yoy). However, we believed these advantages could not fully cover the plunge in CAN price (-80% yoy) and the increase in gas price (+4% yoy) in 1Q25F.

Recommendation: From the above analysis, we also believe that POW will experience many positive changes in the medium, and long term as its plants play an important role in stabilizing the power system. However, in the short term, we believe that POW's market price has almost reflected its intrinsic value. Therefore, we maintain a **HOLD** recommendation for **POW** in 1Q25F.

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