true friend KIS Viet Nam Securities Corporation

Earnings Review

18 Nov 2025

PV POWER (POW)

Gross margin widens, profits advance

· Gross margin gains drive profit momentum
· 4Q25F – Profit acceleration
· Maintain the HOLD recommendation

12M rating **HOLD (Maintain)**

12M TP

Up/Downside

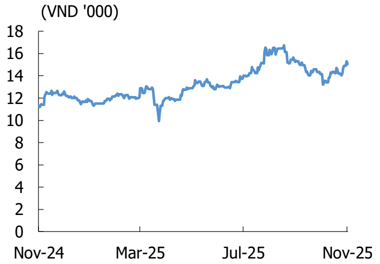
Stock data

VNIndex (18 Nov, pt)	1,656
Stock price (18 Nov, VND)	15,050
Market cap (USD mn)	1,337
Shares outstanding (mn)	2,342
52-Week high/low (VND)	16,750/9,930
6M avg. daily turnover (USD mn)	6.49
Free float / Foreign ownership (%)	20.1/2.7
Major shareholders (%)	
PVN	79.74
Norges Bank	1.27

Performance

	1M	6M	12M
Absolute (%)	6.4	16.7	33.2
Relative to VNIndex (%p)	10.6	(12.2)	(5.4)

Stock price



Source: Bloomberg

Facts: Net profit surged 336% yoy

In 3Q25, revenue recorded VND7,855bn (+30% yoy, -16% qoq) with total electricity production rising 30% yoy (figure 1). Specifically:

- *Hydropower:* Production reached 569mn kWh (+38% yoy, figure 2) thanks to the positive impact of the neutral phase (figure 5, 6), leading to revenue of VND643bn (+51% yoy, figure 1) despite a 54% yoy decline in FMP prices (accounting for 2% of revenue, figure 7).
- *Vung Ang coal-fired power:* Revenue reached VND2,258bn (+55% yoy, figure 1) with production of 1,063mn kWh (+75% yoy, figure 2), supported by a 7% yoy rise in national electricity consumption in 3Q25 and the low base last year due to scheduled major maintenance.
- *Gas-fired power:* Revenue reached VND4,929bn (+12% yoy, figure 1). Growth was driven by NT1 & NT2 with a combined production of 2,307mn kWh (+13% yoy, figure 2), supported by: *(1)* A0 increasing dispatch for gas-fired plants to compensate for the shortage from two BOT plants; *(2)* Phu My 1 undergoing major maintenance; and *(3)* EVN raising the alpha coefficient (Qc) to 80% in 2025.

As a result, gross profit (GP) reached VND1,290bn (+336% yoy, figure 3), lifting the gross margin (GM) to 16.4% (+11.5%p yoy, figure 3) thanks to the above positive factors. Consequently, NPAT reached VND948bn (+109% yoy, figure 4) despite *(i)* SG&A rising 25% yoy to VND212bn; *(ii)* financial income falling to VND223bn (-46% yoy); and *(iii)* financial expenses increasing to VND295bn (3Q24: -VND3bn).

Table 1. Quarterly earnings snapshot in 3Q25 (VND bn, %, %p)

	3Q24	4Q24	1Q25	2Q25	3Q25	QoQ	YoY
Sales	6,061	8,493	8,150	9,399	7,855	(16)	30
OP	542	(164)	511	809	1,006	24	86
OP margin (%)	8.9	(1.9)	6.3	8.6	12.8	4.2	3.9
EBT	547	250	510	810	1,012	25	85
NPAT	453	235	472	761	948	25	109

Source: FiinPro-X, Company data, KISVN

Pros & cons: 4Q25F - Earnings to remain positive

In 4Q25F, we expect POW to maintain a positive outlook, with key drivers coming from the gas-fired and hydropower segments. Details for each business segment are as follows:

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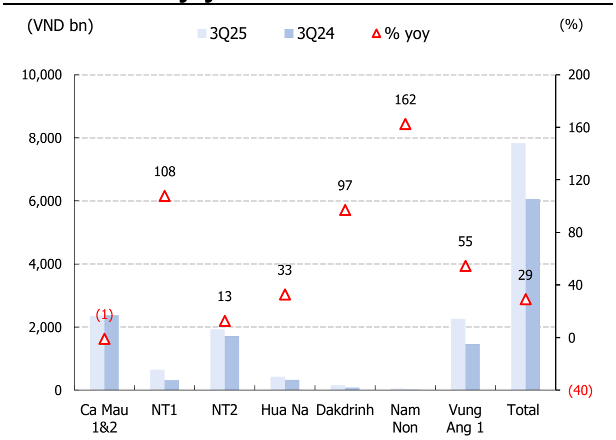
- ***Hydropower:*** We expect POW's hydropower production to continue improving as the neutral phase is likely to extend until September 2026, while inflows into reservoirs (as of November) remain 10% yoy higher. We believe the increase in production could offset the decline in FMP prices (-54% yoy, chart 7). Therefore, we forecast GM and earnings for the hydropower segment to improve in 4Q25F.
- ***Gas-fired power:*** Based on EVN's data, to ensure sufficient electricity supply, we project POW's gas-fired production to rise sharply, driven mainly by NT1 and NT2. Additional support includes *(i)* improved plant efficiency; *(ii)* selling prices increasing faster than gas input prices (figure 7, 8); and *(iii)* NT2 potentially completing depreciation of machinery in 4Q25F. As a result, we expect GM and earnings for this segment to remain positive.
- ***Vung Ang coal-fired power:*** We expect an improving outlook for the coal-fired segment as Vung Ang 1's production is projected to rise 17% yoy, supported by: *(a)* sustained strong national electricity consumption; *(b)* the alpha coefficient (Qc) increasing from 70% to 80% in 2025; and *(c)* a low base last year due to major maintenance. In addition, we expect selling prices to improve faster than input coal costs (figure 7, 8), enabling GM expansion for this plant in 4Q25F.

Action: Maintain the HOLD recommendation

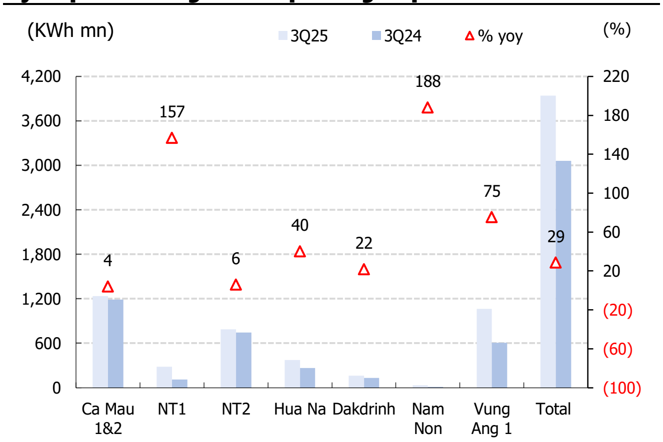
We believe that POW will experience substantial improvements in the medium and long term, as its power plants play an essential role in stabilising the national grid, supported further by the commissioning of NT3 & NT4 from 2025. However, in the short term, we think the current market price has largely reflected the company's intrinsic value. Therefore, we maintain our HOLD recommendation.

Figure 1. Revenue recorded VND7,831bn, recording an increase of 29% yoy



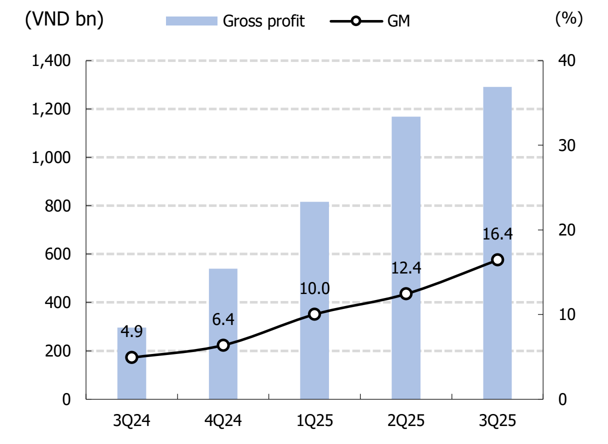
Source: Company data, FiinPro-X, KIS Research

Figure 2. Production recorded a growth of 29% yoy, led by the hydropower and gas-fired power groups



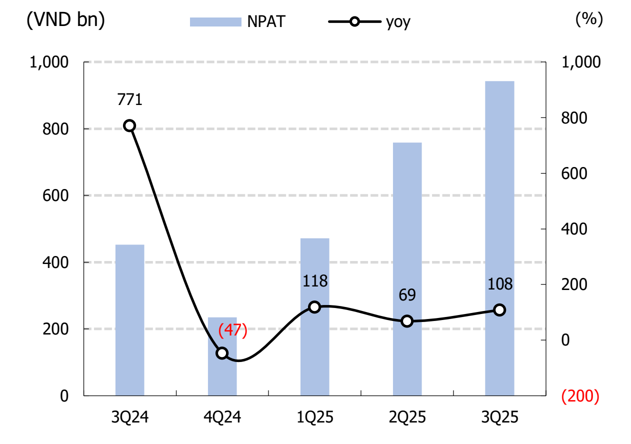
Source: Company data, FiinPro-X, KIS Research

Figure 3. GM improved to 16.4%, up 11.5%p yoy in 3Q25



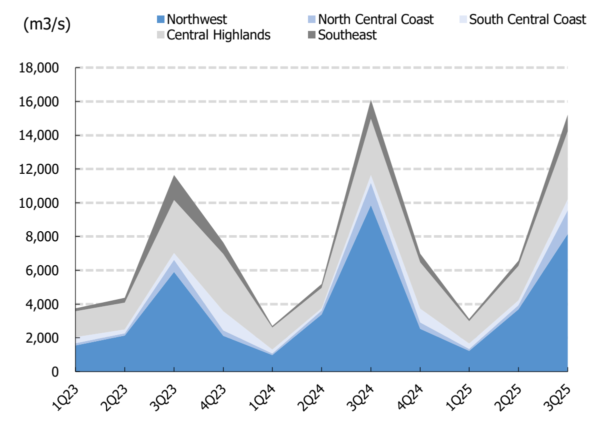
Source: Company data, FiinPro-X, KIS Research

Figure 4. NPAT growth to 108% yoy, as gross margin expands



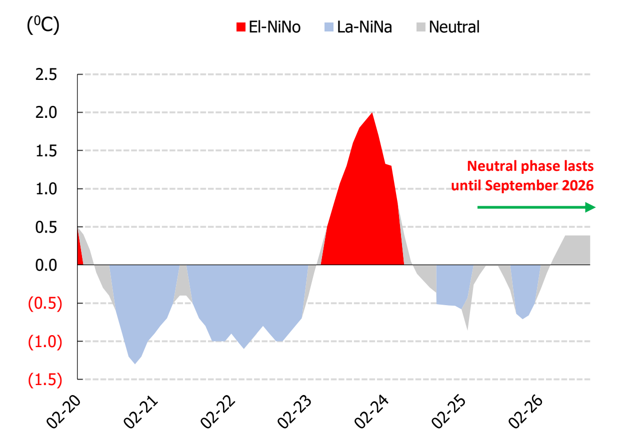
Source: Company data, FiinPro-X, KIS Research

Figure 5. The water flow shows a positive trend as support from the neutral phase, predicted for the last to September 2026



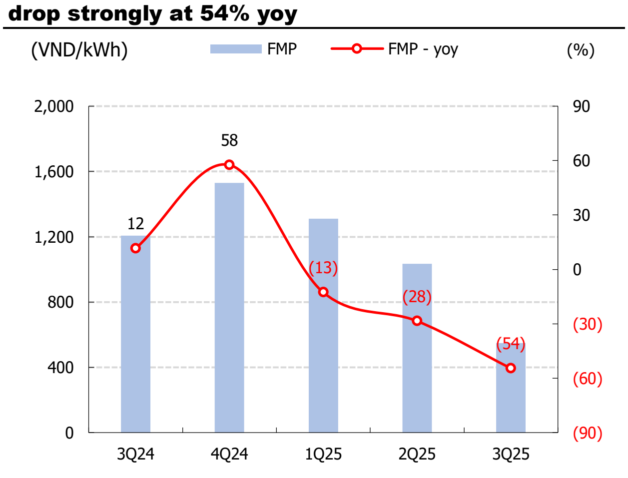
Source: EVN, KIS Research

Figure 6. According to NOAA, the neutral phase is expected to last the September 2026



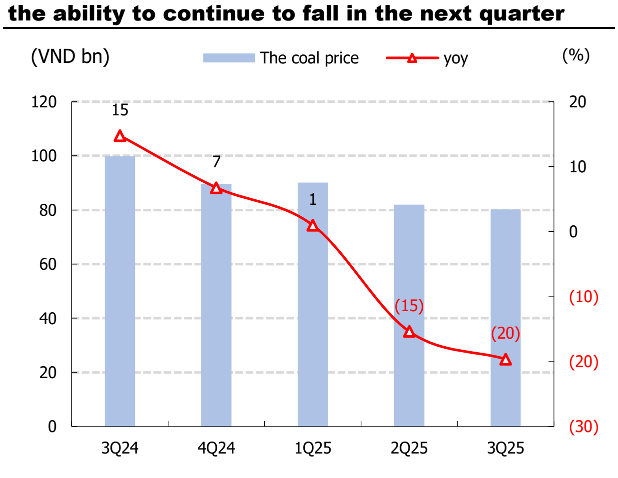
Source: NOAA, KIS Research

Figure 7. The FMP shows a trend that continues to drop strongly at 54% yoy



Source: EVN, KIS Research

Figure 8. The coal price shows a downtrend, with the ability to continue to fall in the next quarter



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.	2024F	2025F	2026F	2027F	2028F
Current assets (Adj.)	30,171	44,873	57,631	56,732	59,507
Cash & cash equivalent	11,720	25,944	32,237	31,452	33,042
Accounts & other receivables	11,941	12,349	17,425	17,264	18,229
Inventory	1,795	1,786	2,830	2,888	3,043
Non-current assets (Adj.)	18,451	18,929	25,394	25,280	26,466
Fixed Asset	24,321	54,403	50,187	45,969	41,751
Investment assets	766	766	766	766	766
Others	26,023	889	3,752	3,663	4,208
Total assets	81,281	100,930	112,336	107,130	106,232
Advances from customers	3	3	5	5	5
Unearned revenue	-	-	-	-	-
Trade payables	17,159	18,942	26,728	26,481	27,962
Others	4,464	4,928	6,953	6,889	7,274
ST debt & bond	13,508	12,496	15,566	14,054	13,484
LT debt & bond	9,151	24,048	20,628	17,209	14,465
Total liabilities	46,675	63,055	73,601	68,324	67,083
Controlling interest	31,911	35,180	36,039	36,110	36,452
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	7,301	8,160	8,231	8,574
Minority interest	2,696	2,696	2,696	2,696	2,696
Shareholders' equity	34,607	37,875	38,735	38,806	39,148

Income statement

(VND bn)

FY-ending Dec.	2024F	2025F	2026F	2027F	2028F
Net sales	30,180	33,316	47,009	46,575	49,179
COGS	28,232	28,090	44,518	45,432	47,865
Gross profit	1,948	5,226	2,491	1,143	1,314
SG&A	874	666	940	931	984
Operating profit	1,073	3,976	1,551	211	331
Financial income	616	906	1,503	1,621	1,639
Interest income	460	979	1,419	1,538	1,555
Financial expenses	667	1,203	1,907	1,738	1,512
Interest expenses	382	1,845	1,907	1,738	1,512
Other non-operating profit	1,684	-	-	-	-
Gains (Losses) in associates, subsidiaries and JV	1	1	1	1	1
Earnings before tax	1,517	3,976	1,147	95	457
Income taxes	171	484	229	19	91
Net profit	1,346	3,492	918	76	366
EBITDA	4,734	10,039	7,273	6,051	6,188

Cash flow

(VND bn)

FY-ending Dec.	2024F	2025F	2026F	2027F	2028F
C/F from operations	4,398	7,304	5,157	2,527	3,267
Net profit	1,517	3,976	1,147	95	457
Depreciation	2,818	4,218	4,218	4,218	4,218
Net incr. in W/C	4,231	8,492	5,770	4,430	4,550
C/F from investing	(22,280)	(6,966)	1,487	1,619	1,635
Capex	(20,685)	(8,514)	(16)	(2)	(3)
Incr. in investment	(1,594)	1,547	1,503	1,621	1,639
C/F from financing	19,635	13,885	(350)	(4,931)	(3,313)
Incr. in equity	9,770	-	-	-	-
Incr. in debts	27,050	(1,012)	3,069	(1,511)	(570)
Dividends	-	-	-	-	-
C/F from others	0	-	-	-	-
Increase in cash	1,754	14,223	6,294	(785)	1,589

Key financial data

FY-ending Dec.	2024F	2025F	2026F	2027F	2028F
EPS	500	1,396	367	30	146
BPS	13,626	15,022	15,389	15,419	15,566
DPS	-	-	-	-	-
Growth (%)					
Sales growth	8.0	10.4	41.1	(0.9)	5.6
OP growth	(23.5)	324.8	(66.0)	(86.4)	56.6
NP growth	1.2	159.5	(73.7)	(91.7)	380.9
EPS growth	16.5	178.9	(73.7)	(91.7)	380.9
EBITDA growth	(23.5)	324.8	(66.0)	(86.4)	56.6
Profitability (%)					
OP margin	3.6	13.7	3.3	0.5	0.7
NP margin	4.5	10.5	2.0	0.2	0.7
EBITDA margin	3.6	13.7	3.3	0.5	0.7
ROA	1.8	3.8	0.9	0.1	0.3
ROE (excl MI)	4.0	10.4	2.6	0.2	1.0
Dividend yield	-	-	-	-	-
Dividend payout ratio	-	-	-	-	-
Stability					
Net debt (VND bn)	10,939	10,601	3,957	(190)	(5,092)
Net debt/equity (%)	32	28	10	(0)	(13)
Valuation (X)					
PE	26.2	10.1	32.7	394.1	81.9
PB	1.1	1.0	0.8	0.8	0.8
EV/EBITDA	41.8	9.9	29.0	212.8	135.9

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