

4 Feb 2026

GIA LAI ELECTRICITY JSC (GEG)

Profit growth amplified by a low base

- 4Q25 - Earnings rebound on a low base effect
- 1Q26F - Earnings slip without one-off income
- Maintain a HOLD recommendation

Facts: 4Q25 - Profit surge driven by a low base

Revenue reached VND590bn (+6% yoy, equivalent to 98% of KIS's forecast, figure 1), with growth mainly driven by the wind power segment (+48% yoy). Total production amounted to 344mn kWh (+2% yoy, figure 2). Segment details are as follows:

- **Hydropower:** Revenue reached VND208bn (+63% yoy), supported by production of 154mn kWh (+19% yoy), driven by the neutral phase extending through the quarter, which lifted reservoir inflows by 100% yoy in 4Q25 (figure 4), alongside an improvement in average selling prices.
- **Solar power:** Revenue declined to VND143bn (-16% yoy), mainly due to lower production of 66mn kWh (-13% yoy) amid erratic weather conditions, while electricity prices improved as exchange rate fluctuations remained at elevated levels
- **Wind power:** Revenue reached VND252bn (+48% yoy), driven by (i) higher electricity selling prices from Tan Phu Dong 1 and other projects; and (ii) the recognition of electricity revenue and profit from tower A7 (VPL project), despite production declining to 124mn kWh (-8% yoy).

As a result, gross profit and NPAT were recorded at VND293bn (+42% yoy, 124% of KIS's forecast, figure 5) and VND96bn (+676% yoy, 168% of KIS's forecast, figure 6), respectively. This was driven by (1) gross margin expansion to 50.5%, up 13.4%p yoy; (2) a low base in 4Q24; and (3) a reduction in financial expenses of approximately VND27bn (-17% yoy), mainly due to lower provisioning for investments in subsidiaries and associates, despite (4) G&A expenses surging to VND80bn (+169% yoy).

Table 1. Quarterly earnings snapshot in 4Q25 (VND bn, %, %p)

	4Q24	1Q25	2Q25	3Q25	4Q25	QoQ	YoY
Sales	555	1,113	624	671	590	(12)	6
OP	42	605	183	98	91	(7)	117
OP margin (%)	7.6	54.4	29.4	14.7	15.4	0.7	7.8
EBT	43	605	184	98	90	(8)	108
NPAT	12	612	157	80	96	20	676

Source: Company data, FiinPro-X KISVN

12M rating **HOLD (Maintain)**

12M TP

Up/Downside

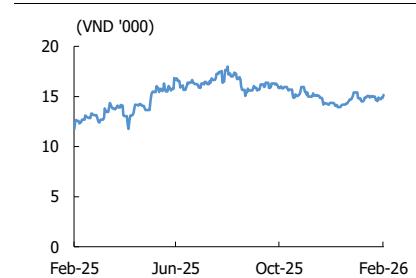
Stock data

VNIndex (04 Feb, pt)	1,791
Stock price (04 Feb, VND)	15,150
Market cap (USD mn)	209
Shares outstanding (mn)	358
52-Week high/low (VND)	18,000/11,750
6M avg. daily turnover (USD mn)	0.46
Free float / Foreign ownership (%)	35.5/46.3
Major shareholders (%)	
AVH Pte. Ltd	29.76
Thanh Thanh Cong Investment JSC	14.24

Performance

	1M	6M	12M
Absolute (%)	(1.6)	(15.8)	28.9
Relative to VNIndex (%)p	(2.1)	(34.0)	(15.1)

Stock price



Source: Bloomberg

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Pros & cons: 1Q26F - Profit declines amid absence of one-off gains

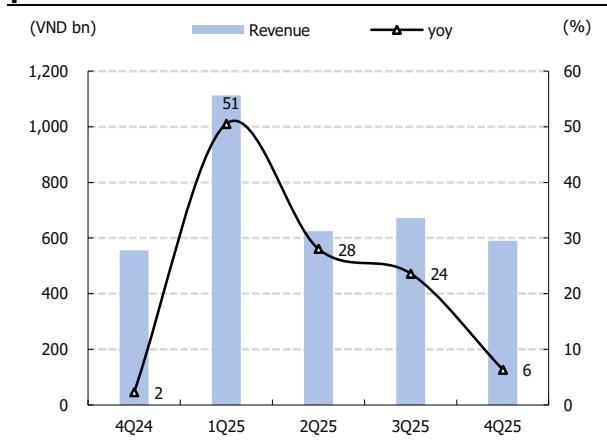
In 1Q26F, we expect GEG's performance to be less favorable yoy, mainly due to a high base, as the company recorded a sizable one-off income reversal related to the Tan Phu Dong 1 wind power project in the same period last year. Specifically, by segment:

- **Hydropower:** We expect the hydropower segment to soften slightly in 1Q26F, as capacity factors may decline by 4%-6% during the transition from La-Niña to neutral conditions, based on historical NOAA data. Meanwhile, electricity prices for small hydropower plants are projected to remain stable in 2026F under the avoided cost tariff mechanism.
- **Solar power:** We estimate that the solar power segment will remain broadly stable, supported by (i) relatively steady production and (ii) a slight yoy improvement in electricity prices in 1Q26F as exchange rate fluctuations remained at elevated levels.
- **Wind power:** We forecast a less favorable outlook for the wind power segment, as no non-recurring income reversal related to the Tan Phu Dong 1 project (approximately VND400bn) is expected to be recorded yoy. This is despite supportive factors from improving production, driven by neutral weather conditions, and higher electricity prices, as discussed above.

Action: Maintain HOLD rating

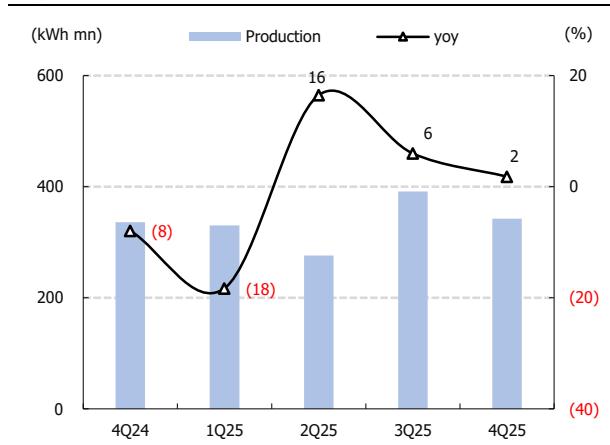
We maintain a positive view on GEG's long-term outlook. However, at the current stage, we believe there remains a lack of strong catalysts to drive the share price higher, despite its still-attractive valuation. In addition, we are cautious that weaker-than-expected earnings performance in 1Q26 may weigh on the stock price. Accordingly, we reiterate our HOLD recommendation on GEG.

Figure 1. Revenue reached VND590bn, driven by wind power

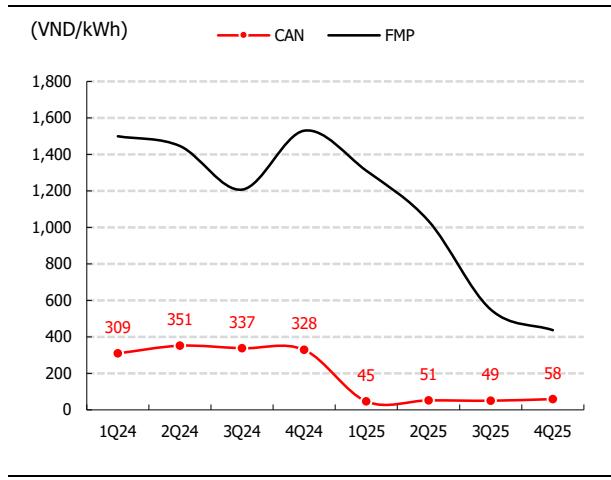


Source: GEG, KIS Research

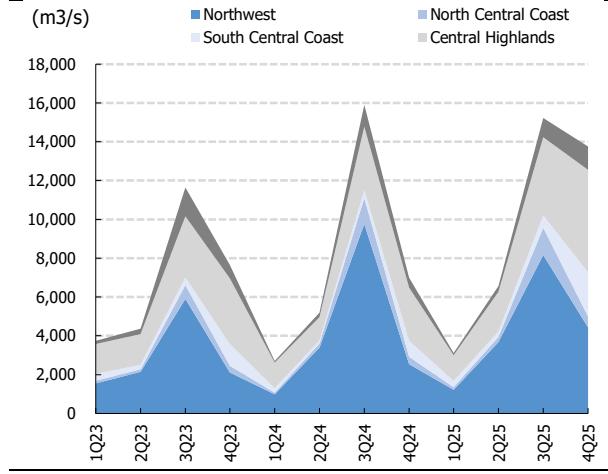
Figure 2. Total production remained stable, up 2% yoy in 4Q25



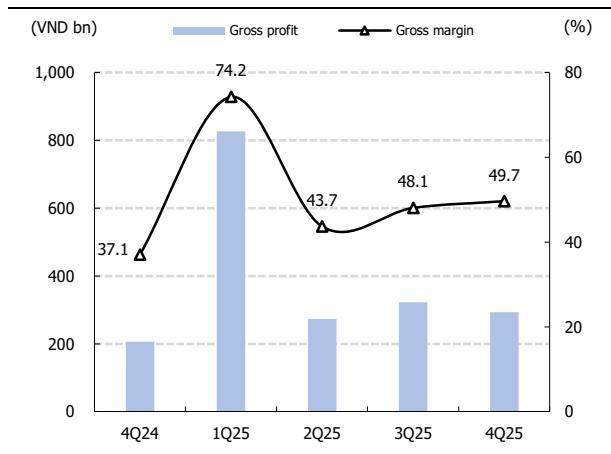
Source: GEG, KIS Research

Figure 3. ... drop 72% yoy in FMP in 4Q25

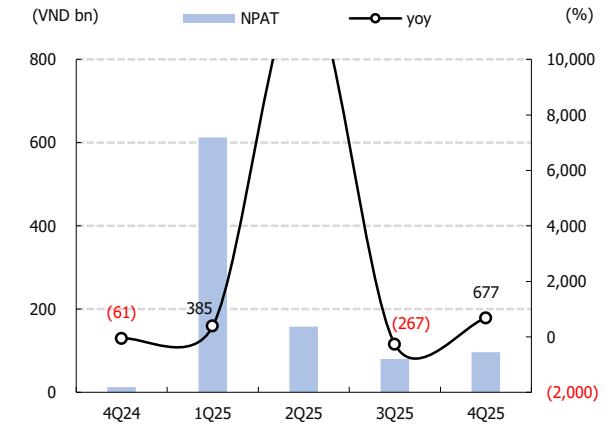
Source: POW, KIS Research

Figure 4. Water inflow into the reservoir remained high, showing a 100% yoy growth in 4Q25

Source: Bloomberg, GEG, KIS Research

Figure 5. ... and gross profit and GM rose strongly

Source: GEG, KIS Research

Figure 6. NPAT growth strongly to VND96bn (+676% yoy)

Source: 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.

GIA LAI ELECTRICITY JSC (GEG)					
Balance sheet			(VND bn)		
FY-ending Dec.	2021A	2022A	2023A	2024A	2025A
Current assets	1,316	2,118	1,458	1,382	3,630
Cash & cash equivalents	250	334	229	164	2,427
Accounts & other receivables	772	750	829	823	777
Inventory	146	155	127	119	122
Non-current assets (Adj.)	1,066	1,785	1,229	1,218	1,202
Fixed assets	10,495	9,965	14,068	13,295	12,490
Investment assets	100	113	168	174	175
Others	562	4,921	438	322	71
Total assets	12,473	17,118	16,132	15,172	16,365
Advances from customers	3	2	2	1	2
Unearned revenue	0	0	0	0	-
Trade payables	315	1,225	75	32	42
Others	152	180	188	154	199
ST debt & due bonds	408	663	1,415	597	509
LT debt & bonds	6,695	9,264	8,682	8,596	7,717
Total liabilities	8,735	11,488	10,365	9,409	9,745
Controlling interest	3,378	4,278	4,350	4,424	5,319
Capital stock	3,037	3,861	4,054	4,225	4,225
Capital surplus	38	26	21	21	26
Other reserves	94	98	96	96	96
Retained earnings	208	292	179	82	972
Minority interest	360	1,352	1,417	1,339	1,339
Shareholders' equity	3,738	5,630	5,767	5,763	6,659
Cash flow					
FY-ending Dec.	2021A	2022A	2023A	2024A	2025A
C/F from operations	2,633	496	1,068	885	2,922
Net profit	460	407	200	187	973
Dep'n & Amort'n	414	652	697	804	910
Net incr. in W/C	1,166	1,481	1,655	1,775	2,216
C/F from investing	(11,779)	(8,823)	(2,752)	58	304
Capex	(11,744)	(9,004)	(2,943)	(83)	163
Incr. in investment	(35)	181	191	141	141
C/F from financing	7,051	8,043	474	(1,890)	(962)
Incr. in equity	3,768	5,225	309	(983)	5
Incr. in debt	-	-	2,366	1,079	(88)
Dividends	(4)	(4)	(4)	(16)	-
C/F from others	0	(0)	0	0	-
Increase in cash	(2,094)	(283)	(1,210)	(948)	2,264
Income statement					
FY-ending Dec.	2021A	2022A	2023A	2024A	2025A
Sales	1,381	2,093	2,163	2,325	2,998
COGS	614	1,082	1,043	1,252	1,284
Gross profit	767	1,011	1,121	1,073	1,714
SG&A expenses	114	161	159	136	200
Operating profit	653	851	961	938	1,514
Financial income	37	214	101	38	142
Interest income	26	31	41	38	134
Financial expenses	409	657	871	801	683
Interest expenses	384	592	842	786	504
Other non-operating profit	172	(13)	4	7	-
Gains (Losses) in associates, subsidiaries and JV	6	13	5	5	5
Earnings before tax	460	407	200	187	973
Income taxes	(1)	(5)	5	34	32
Net profit	461	412	195	153	941
Net profit of controlling interest	283	316	137	115	941
EBITDA	1,256	1,649	1,738	1,777	2,358
Key financial data					
FY-ending Dec.	2021A	2022A	2023A	2024A	2025A
per share data (VND, adj.)					
EPS	895	928	381	303	2,484
BPS	11,121	13,287	12,747	12,346	14,845
DPS	-	-	-	-	-
Growth (%)					
Sales growth	(7.5)	51.6	3.4	7.5	28.9
OP growth	1.3	30.3	13.0	(2.5)	61.5
NP growth	46.4	(10.6)	(52.6)	(21.9)	516.2
EPS growth	9.9	11.6	(56.5)	(16.3)	719.3
EBITDA growth	1.3	30.3	13.0	(2.5)	61.5
Profitability (%)					
OP margin	47.3	40.6	44.4	40.3	50.5
NP margin	33.4	19.7	9.0	6.6	31.4
EBITDA margin	47.3	40.6	44.4	40.3	50.5
ROA	4.6	2.8	1.2	1.0	5.7
ROE (excl MI)	8.8	8.2	3.2	2.6	19.3
Dividend yield	-	-	-	-	-
Dividend payout ratio	47	-	32	-	-
Stability					
Net debt (VND bn)	6,853	9,593	9,867	9,029	5,798
Net debt/equity (%)	183	170	171	157	88
Valuation (X)					
PE	6.4	11.1	22.4	35.6	5.8
PB	1.2	1.3	1.0	1.2	1.0
EV/EBITDA	21.9	19.1	16.7	16.5	10.2

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