

3 Feb 2026

PV POWER (POW)

Profit growth mainly reflects a low base

- Profit growth reflects the low base effect
- 1Q26F – Nhon Trach 3 & 4 weigh on profitability
- Maintain the HOLD recommendation

Facts: The profit growth supported by a low base

In 4Q25, revenue reached VND8,747bn (+1% yoy, equivalent to 95% of KIS's forecast, figure 1), supported by a 25% yoy increase in total power production (Qc). Growth was mainly driven by hydropower and gas-fired power generation. In detail:

- **Hydropower:** Production reached 516mn kWh (+32% yoy, figure 2), supported by a sharp increase in water inflows across the country (+100% yoy, figure 5), which offset the decline in the FMP (accounting for 2% of revenue; -72% yoy). As a result, hydropower revenue increased to VND463bn (+15% yoy, figure 1).
- **Gas-fired power:** Revenue rose to VND5,892bn (+17% yoy, figure 1), driven mainly by Nhon Trach 1 & 2, with combined production increasing 39% yoy (figure 2) thanks to (1) higher dispatch by A0 to compensate for capacity shortages from two BOT plants, and (2) a low base in 4Q24 for NT1 & NT2.
- **Vung Ang coal-fired power:** Revenue declined to VND2,439bn (-18% yoy, figure 1) as production fell to 1,214mn kWh (-23% yoy, figure 2) in the context of national electricity consumption growing 5.7% yoy in 4Q25 and persistently high hydropower inflows.

As a result, gross profit reached VND1,053bn (+79% yoy, figure 3), with the gross margin (GM) improving to 12% (+6.0%p yoy, figure 3), supported by the positive factors above. Hence, NPAT reached VND688bn (+585% yoy, equivalent to 110% of KIS's forecast; figure 4), driven by (1) margin improvement, (2) a low base in 4Q24, and (3) financial income of VND403bn (4Q24: -VND51bn), mainly from interest income and dividends, despite a 34% yoy increase in G&A expenses to VND530bn.

Table 1. Quarterly earnings snapshot in 4Q25

	4Q24	1Q25	2Q25	3Q25	4Q25	QoQ	YoY
Sales	8,619	8,150	9,399	7,855	8,747	11	1
OP	(305)	511	809	1,006	752	(25)	-
OP margin (%)	(3.5)	6.3	8.6	12.8	8.6	(4.2)	-
EBT	116	510	810	1,012	748	25	85
NPAT	100	472	761	948	688	(28)	585

Source: FiinPro-X, Company data, KISVN

12M rating **HOLD (Maintain)**

12M TP

Up/Downside

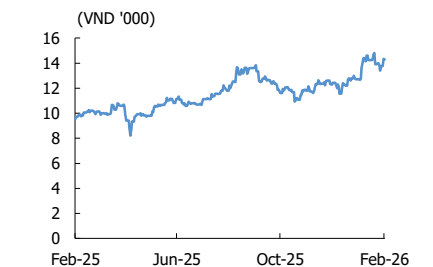
Stock data

VNIndex (03 Feb, pt)	1,813
Stock price (03 Feb, VND)	14,300
Market cap (USD mn)	1,687
Shares outstanding (mn)	3,068
52-Week high/low (VND)	14,800/8,208
6M avg. daily turnover (USD mn)	6.81
Free float / Foreign ownership (%)	27.4/5.1
Major shareholders (%)	
PVN	79.94
Norges Bank	1.27

Performance

	1M	6M	12M
Absolute (%)	12.6	21.4	49.8
Relative to VNIndex (%p)	10.9	(0.8)	2.6

Stock price



Source: Bloomberg

Research Dept

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Pros & cons: 1Q26F – Profitability pressured as NT3 & 4 commence operations

In 1Q26, we expect POW's production to continue recording strong growth, with a 20% yoy increase driven by (i) NT3 & 4 officially achieving COD in 1Q26F and (ii) production growth in line with EVN's 2026 operating plan.

However, NPAT may record a slight decline. While we forecast that earnings from domestic gas-fired power plants (Nhon Trach 1 & 2) and the Vung Ang coal-fired plant could improve yoy, weaker performance from the hydropower segment and losses from the NT3 & 4 project are the key factors weighing on POW's profit growth outlook in 1Q26F. 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 around 2% of revenue) potentially improving by 40%–50% yoy. Therefore, we forecast a decline in both GM and earnings for the hydropower segment in 1Q26F.
- **Gas-fired power:** In 1Q26, we forecast revenue from this segment to record growth, with total production increasing by 53% yoy, mainly driven by Nhon Trach 3 & 4 officially commencing operations in 1Q26.

In terms of profitability for domestic gas-fired plants (NT1 & 2; Ca Mau 1 & 2), we expect GM and earnings to improve due to (1) a low base in 1Q24 (NT2), (2) selling prices increasing faster than gas input prices (NT2; Ca Mau 1 & 2), and (3) the expectation of recognizing VND177bn in non-recurring foreign exchange gains (NT2).

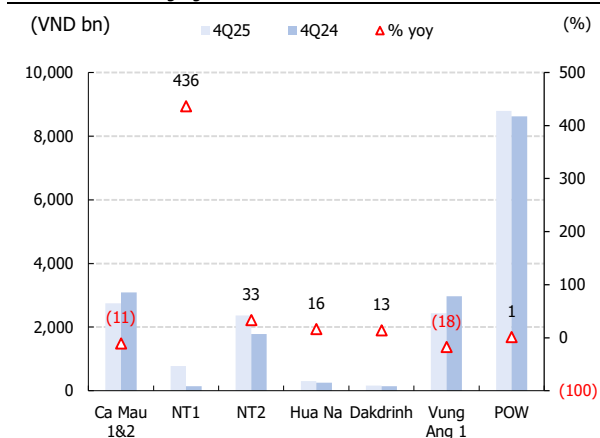
In contrast, for the Nhon Trach 3 & 4 project, based on EVN data, we estimate that with a contracted output of 65% Qc, the project could record a loss of approximately VND100bn in 1Q26F.

- **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 18% yoy, supported by sustained strong national electricity consumption. In addition, we expect selling prices to increase faster than input coal costs, enabling GM expansion for this plant in 1Q26F.

Action: Maintain the HOLD recommendation

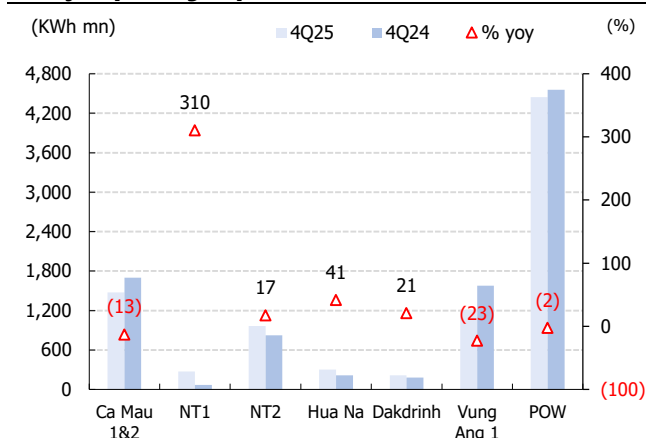
We believe POW will show more positive developments over the medium to long term, particularly as the LNG Nhon Trach 3 & 4 project plays an important role in stabilizing the power system once operational. However, in the short term, we believe the current market price largely reflects POW's intrinsic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

Figure 1. Revenue recorded VND8,747bn, recording an increase of 1% yoy



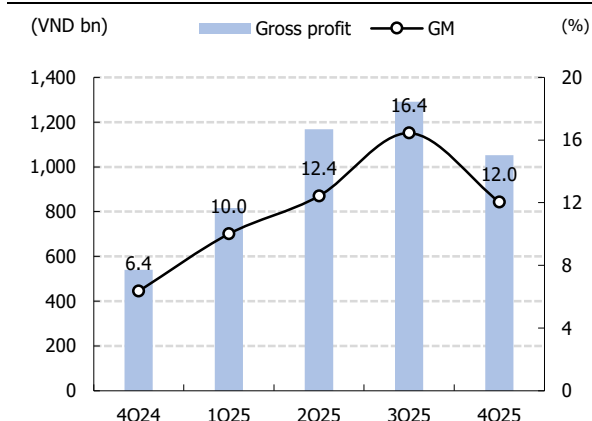
Source: Company data, FiinPro-X, KIS Research

Figure 2. The main contributors to growth came from NT2 and the hydropower group



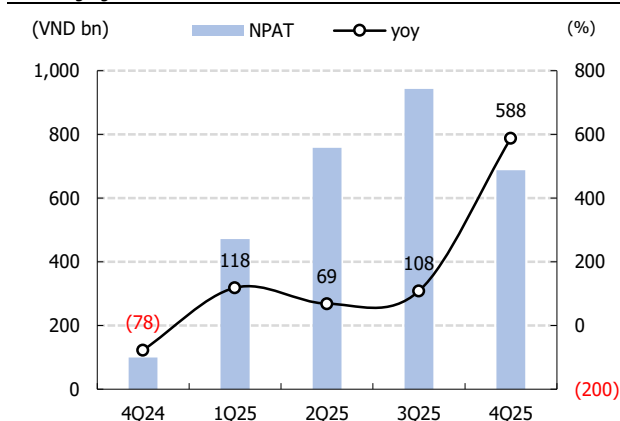
Source: Company data, FiinPro-X, KIS Research

Figure 3. GM improved to 12.0%, up 5.6%p yoy in 4Q25



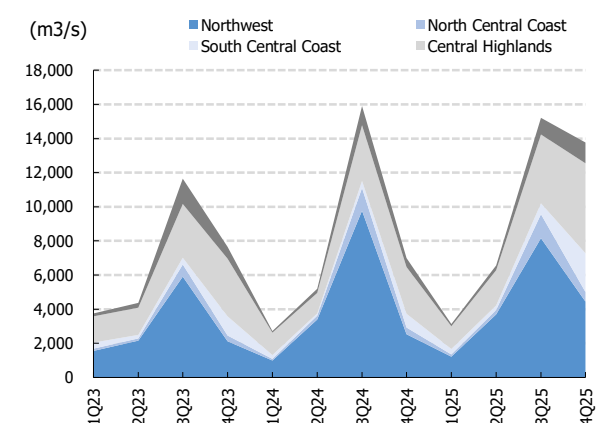
Source: Company data, FiinPro-X, KIS Research

Figure 4. The profit growth supported by a low base, up 588% yoy in 4Q25



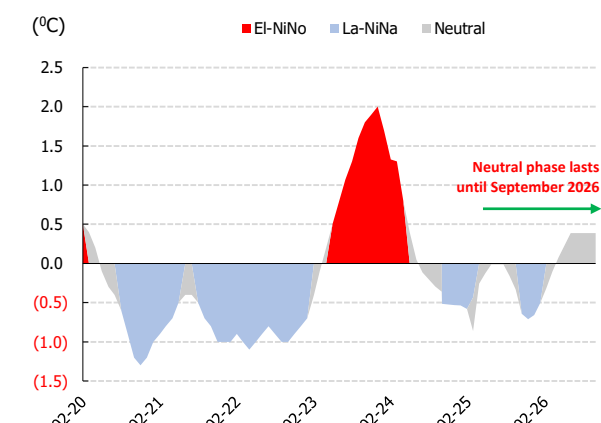
Source: Company data, FiinPro-X, KIS Research

Figure 5. Water inflow into the reservoir remained high, showing a 100% yoy growth in 4Q25

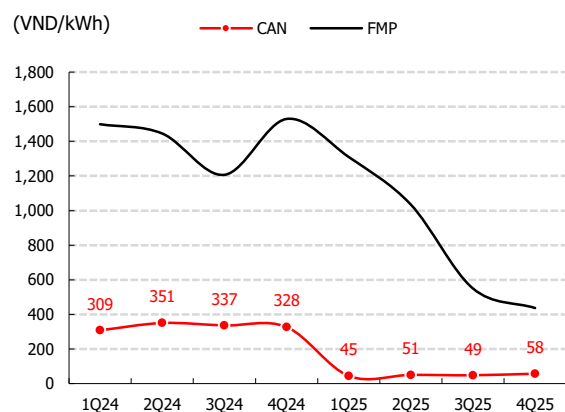


Source: EVN, KIS Research

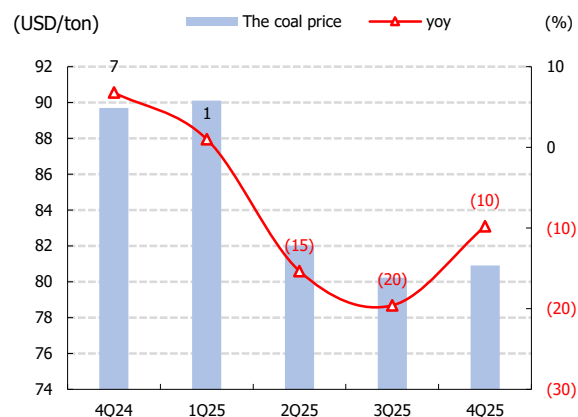
Figure 6. According to NOAA, the neutral phase is expected to last until September 2026



Source: NOAA, KIS Research

Figure 7. ... drop 72% yoy in FMP in 4Q25

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.	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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