



POWER

2026 Outlook : Thermal power cycle returns

“In 2026, nationwide power demand is projected to grow by 8.5% yoy under EVN’s base-case scenario, with thermal power emerging as a key bright spot for the sector. The main driver comes from compensating for capacity shortfalls from hydro power, as the neutral phase is expected to last only until Sep 2026 before gradually transitioning to El Niño conditions. In addition, the average FMP is forecast to improve by 40-50% yoy, supported by a sharp increase in the CAN price to around VND131/kWh, up 2.8x yoy, along with a 3% yoy increase in the SMP cap. Altogether, these factors are expected to provide strong support for the business performance of natural gas-fired and coal-fired thermal power plants.”



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What is the report about?

- Power generation and imports are forecast to grow by increasing 8.5% yoy
- Hydropower production declines while thermal power returns cycle
- QTP, PC1 and NT2 are our favorite stocks

I. Executive summary

2026F – Electricity consumption forecast to keep growing

According to EVN's assessment, nationwide electricity consumption in 2026 is projected to increase by 8.5% yoy, reaching 351.6 bn kWh under EVN's base-case scenario (Scenario 5), with contributions from each source as follows:

- Hydropower: Production is estimated at 96bn kWh (-8% yoy), equivalent to a capacity factor (CF) of 46% (-4%p yoy). According to our assessment, during transition years from La-Niña to neutral conditions, hydropower CF typically drop by 4% - 6%. Hence, hydropower's outlook for 2026F appears less favorable due to a significant decline in production.

Although the average electricity selling price (FMP – accounting for around 2% of revenue) may improve at 40-50% yoy on expectations of higher temperatures in 2026F compared to 2025, this improvement is unlikely to offset the loss in production.

- Coal-fired power: Production is projected at 171bn kWh (+18% yoy), equivalent to a CF of 65% (+9%p yoy), supported by (i) compensating for the shortfall from hydropower amid national electricity demand growth of 8.5% yoy in 2026F; and (ii) the BOT Vung Ang II project (1,200MW) entering commercial operation date (COD).

According to TKV, coal prices in 2026 are expected to rise to VND2.5-2.6mn/tonnes (up 13% - 15% yoy). Based on these assumptions, we estimate that coal-fired power's GM (Gross margin) could record an improvement in 2026F, supported by higher utilization rates and increased production and the sell electricity price.

- Gas-fired power: Production is estimated at 26bn kWh (+28% yoy), equivalent to a CF of 33% (+4%p yoy), mainly driven by the NT3 & NT4 projects (1,600MW) COD in 2026F, in which we estimate that NT3 & NT4 will be dispatched in line with the planned schedule with a take-or-pay level of 65% (equivalent to 6.05bn kWh – 6,500 hours).

Natural gas prices are expected to stay elevated due to continued declines in domestic gas supply, requiring dispatch from higher-cost sources such as Sao Vang – Dai Nguyet. As a result, we estimate that GM for natural gas-fired plants may improve slightly, reflecting mild pressure on electricity selling prices while gas input costs edge up yoy.

- Renewable energy: We estimated total renewable production at 44bn kWh (+6% yoy), with solar power and wind power contributing 26bn kWh (-5% yoy) and 16bn kWh (+11% yoy), respectively, as we expect the neutral phase to persist until around September 2026.

Challenges from changing hydrological situations

The improvement of hydropower operations largely depends on the easing of El Niño impacts or a shift toward neutral conditions. However, unpredictable hydrological patterns remain a major challenge. Weather forecasting, even in the short term, continues to be highly uncertain and deserves close attention from investors.

Table 1. Coverage valuation

Recommendation & TP			Earning & Valuation										
Company				Sales	OP	NP	EPS	BPS	ROE	ROA	PE	PB	DY
				(VND bn)	(VND bn)	(VND bn)	(VND)	(VND)	(%)	(%)	(x)	(x)	(%)
Quang Ninh Thermal Power (QTP)	Recommendation	BUY	2022A	10,417	968	805	1,405	13,694	11.1	1.3	9.0	12.4	17.3
	TP	18,200	2023A	12,058	703	644	1,125	11,761	10.9	1.3	7.9	10.7	7.0
	Price	12,800	2024A	11,908	743	726	1,195	11,302	7.7	1.1	9.8	12.5	11.8
	Market cap	5,632	2025A	10,786	1,405	1,285	2,362	12,628	4.3	1.0	16.8	23.9	8.4
	(VND bn)		2026F	12,493	666	661	1,216	12,644	8.4	1.0	8.3	11.6	9.7
REE Corporation (REE)	Recommendation	BUY	2022A	9,372	3,663	3,515	7,527	43,507	11.1	1.3	10.7	18.7	3.9
	TP	76,000	2023A	8,570	2,954	2,787	5,341	42,269	8.3	1.3	8.1	13.3	4.3
	Price	63,000	2024A	8,384	2,428	2,728	4,232	40,126	12.7	1.8	7.7	11.0	2.9
	Market cap	33,420	2025A	10,003	3,011	3,017	6,406	43,319	11.5	1.7	8.3	15.4	4.4
	(VND bn)		2026F	10,496	2,591	2,691	5,563	46,091	13.2	1.6	7.4	12.9	4.0
Petro Vietnam Power (POW)	Recommendation	HOLD	2022A	28,224	2,859	2,553	824	13,031	11.1	1.3	4.6	7.0	n.a
	TP	15,100	2023A	27,945	1,404	1,329	430	13,430	19.8	0.8	2.1	3.5	n.a
	Price	15,150	2024A	30,180	1,073	1,346	500	13,626	29.2	1.2	1.8	4.0	n.a
	Market cap	42,950	2025A	34,151	3,644	3,667	1,466	15,092	10.7	1.1	4.1	10.9	n.a
	(VND bn)		2026F	45,615	1,928	1,220	488	15,579	32.2	1.1	1.2	3.4	n.a
PV POWER Nhon Trach 2 (NT2)	Recommendation	HOLD	2022A	8,788	950	883	2,961	16,027	11.1	1.3	12.6	20.0	8.7
	TP	26,000	2023A	6,386	441	473	1,586	15,062	14.9	1.6	6.0	10.6	6.1
	Price	27,500	2024A	5,952	(43)	72	242	14,515	97.1	1.7	0.8	1.7	2.9
	Market cap	7,183	2025A	7,803	1,018	1,136	3,808	17,523	6.2	1.4	10.2	24.6	3.3
	(VND bn)		2026F	9,926	1,147	1,190	3,989	20,711	5.9	1.2	8.7	21.6	3.3
Ha Do group JSC (HDG)	Recommendation	n.a	2022A	3,581	2,049	1,362	4,439	21,681	11.1	1.3	8.8	22.7	2.6
	TP	n.a	2023A	2,889	1,490	866	2,175	19,352	9.7	1.4	5.9	11.9	0.0
	Price	27,650	2024A	2,718	1,140	447	1,036	18,133	22.8	1.7	3.2	5.8	2.8
	Market cap	9,730	2025A	2,815	730	956	2,843	19,976	10.7	1.5	6.9	14.9	3.3
	(VND bn)		2026F	4,199	1,813	1,217	3,618	22,321	8.4	1.4	8.3	17.1	4.2
Gia Lai Electricity JSC (GEG)	Recommendation	HOLD	2022A	2,093	851	412	928	13,287	11.07	1.31	2.8	8.2	n.a
	TP	19,900	2023A	2,163	961	195	381	12,747	22.45	1.01	1.2	3.2	n.a
	Price	15,600	2024A	2,325	938	153	303	12,346	35.33	1.22	1.0	2.6	n.a
	Market cap	5,303	2025A	2,998	1,514	941	2,484	14,845	5.77	1.02	6.0	19.3	n.a
	(VND bn)		2026F	2,751	1,134	613	1,618	16,463	8.90	0.90	4.0	10.9	n.a
PC1 Group JSC (PC1)	Recommendation	n.a	2022A	8,358	1,318	691	1,700	18,918	11.1	1.3	3.4	9.4	n.a
	TP	n.a	2023A	7,694	1,057	271	116	16,330	33.0	1.8	1.3	0.7	n.a
	Price	28,500	2024A	10,078	1,516	844	1,287	15,416	11.1	1.7	4.1	8.7	n.a
	Market cap	10,056	2025A	13,085	2,064	1,365	3,815	19,220	6.8	1.4	6.4	22.0	n.a
	(VND bn)		2026F	16,370	5,121	4,610	12,890	32,069	2.0	0.8	20.5	50.3	n.a

Table 2: 2026F business results

(VNDbn, %, %p)

	Revenue		NPAT	
	2026F	yoy	2026F	yoy
QTP	12,493	16	661	(49)
REE	10,496	5	2,691	(11)
POW	45,615	34	1,220	(67)
HDG	4,199	49	1,217	27
NT2	16,370	25	4,610	238
PC1	9,926	27	1,190	5
GEG	2,751	(8)	613	(35)
KIS coverage list	101,850	25	12,202	(1)

Source: Company data, KISVN

II. 2026 - Electricity consumption forecast to keep growing

1. Supply and demand outlook for 2026

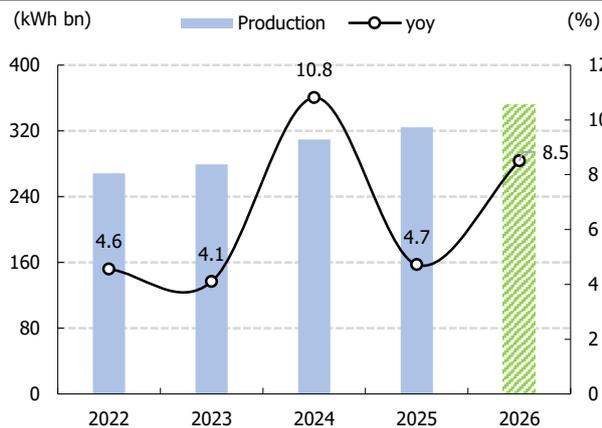
Electricity consumption keeps rising in 2026

FMP in 2026 to record an improvement of approximately 40% - 50% yoy

According to EVN's assessment, nationwide electricity consumption in 2026 is projected to increase by 8.5% yoy, reaching 351.6 bn kWh (figure 1) under EVN's base-case scenario (Scenario 5, figure 2).

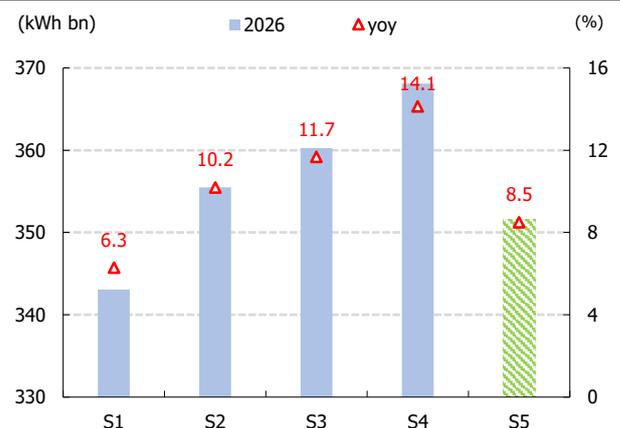
For average FMP in 2026F, we anticipate a yoy improvement of approximately 40% - 50% yoy (figure 3), supported by (i) higher temperature levels in 2026, driven by the expected impact of a prolonged neutral phase through Sep 2026 before gradually transitioning to El-Niño, and (ii) a strong rebound in CAN prices, which can be increased 2.8x to around VND131/kWh based on EVN data. As a result, we believe this will be a favorable factor for power generators participating in the competitive generation market.

Figure 1. Nationwide electricity consumption in 2026 is expected to grow by 8.5% yoy



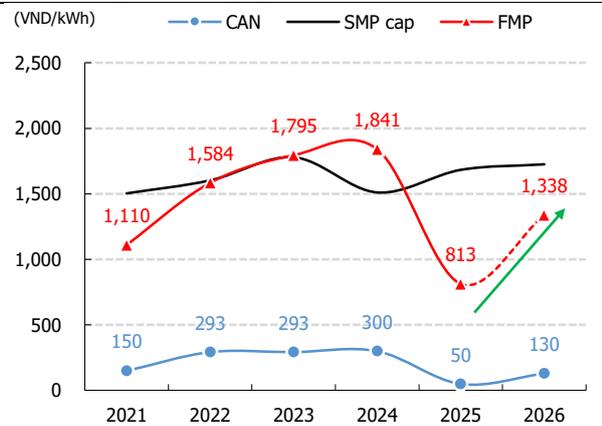
Source: EVN, KISVN

Figure 2. Scenarios for nationwide electricity consumption growth in 2026



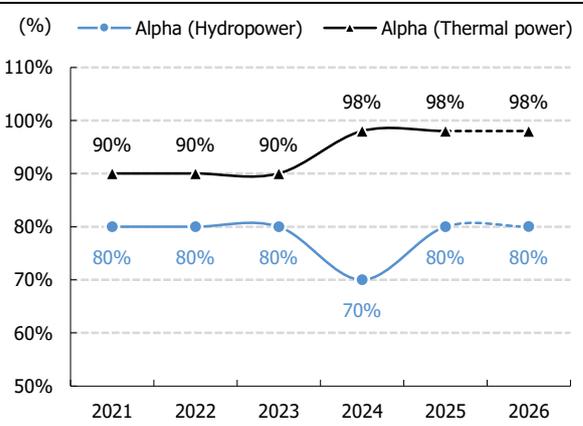
Source: EVN, KISVN

Figure 3. Average FMP prices are expected to increase by 40-50% yoy in 2026F



Source: EVN, KISVN

Figure 4. Alpha coefficients of power groups remain at levels similar to 2025



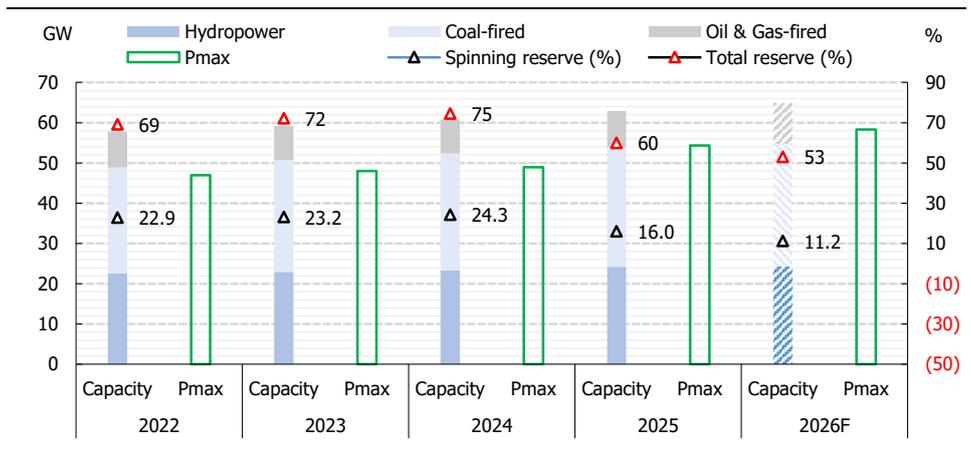
Source: EVN, KISVN

... indicates a high risk of severe power shortages in 2026

2. Electricity supply from new projects in 2026

Based on data from EVN, we estimate that in 2026F, the system plans to add 2.8 GW of new capacity (+3% yoy), bringing total installed capacity to 87.9 GW. Meanwhile, Pmax is expected to reach 58.2 GW, up 7% compared to 2025. As a result, the spinning reserve is projected to decline to 11.2% in 2026 (figure 5). This indicates a high risk of severe power shortages in 2026, particularly amid a prolonged neutral phase extending into 2026.

Figure 5. The spinning reserve remains at a low level in 2026F



Source: EVN, KISVN

... bringing total installed capacity to 87.9 GW in 2026

Gas-fired power is expected to be the key growth driver, adding 1.6 GW (table 1), mainly from Nhon Trach 3 & 4 project, both scheduled to COD in January 2026. Coal-fired capacity is set to rise by 1.2 GW following the COD of BOT Vung Ang II, strengthening baseload supply. Meanwhile, hydropower records a net addition of 0.639 GW, although its contribution remains limited as hydrological conditions normalize. Renewable energy additions stay modest at 0.1 GW, reflecting the project execution and legal policy.

Table 01. List the projects added to the system in 2026

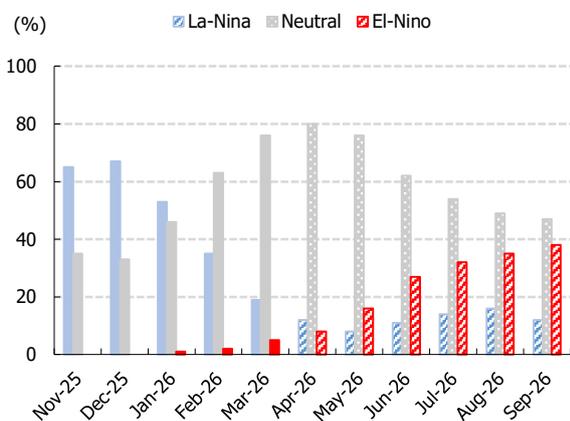
Sources	Location	(MW)	Investor	COD	2024A	2025A	2026F
Hydro power					23,357	23,757	24,406
Capacity increase over 2025							639
1. Ban Mong - Song Hieu	Nghe An	45	Privated company	3Q25			
2. Tra Khuc 1	Quang Ngai	36	Privated company	2Q25			
3. Ialy MR	Dong Nai	360	EVN	31/12/2025			
4. Hoa Binh MR	Hoa Binh	36	EVN	02/09/2025			
5. Thac Ba 2	Yen Bai	18.9	TBC, REE	03/04/2025			
6. La Ngau	Binh Thuan	46	Privated company	01/01/2026			
7. Yen Son	Tuyen Quang	90	Privated company	2025-2030			
8. Son Nham	Quang Ngai	9	HDG	4Q26			
9. Tri An MR	Dong Nai	200	EVN	01/12/2026			
Coal – fired					29,021	29,681	30,341
Capacity increase over 2025							660
1. BOT Vung Ang II	Ha Tinh	1200	BOT	01/07/2025			
Gas – fired					7,382	7,849	8,982
Capacity increase over 2025							1600
1. Nhon Trach 3 (LNG)	Dong Nai	800	POW	01/08/2025			
2. Nhon Trach 4 (LNG)	Dong Nai	800	POW	01/11/2025			
Renewable energy					24,039	24,139	24,239
Capacity increase over 2025							100
+ Biomass							
+ Wind power							100
+ Solar power							
Total additional capacity over 2025							2,899
Total capacity					83,799	84,972	87,970

Source: EVN, KISVN

III. 2026F Power – Bright spot in the thermal power group

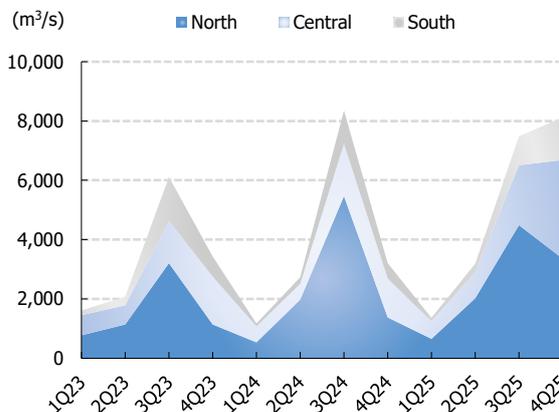
1. Hydropower faces a downturn as water inflows are expected to be weaker than in 2025

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



Source: EVN, KISVN

Figure 7. According to historical data, water flow improves when the neutral phase returns

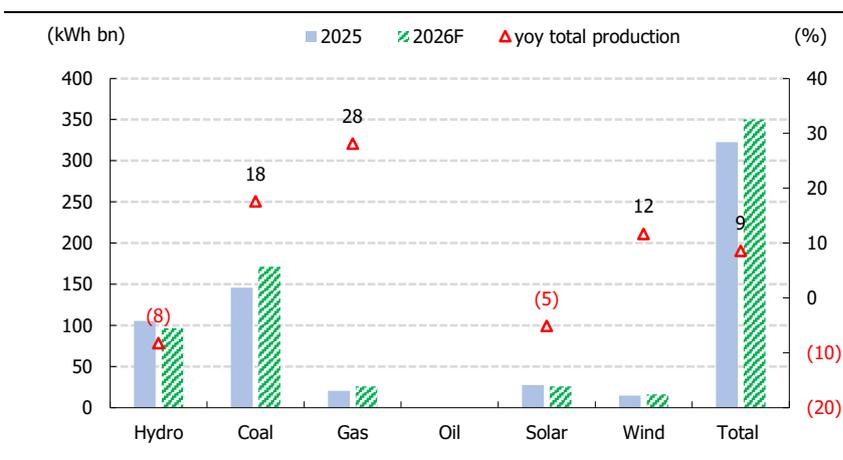


Source: EVN, KISVN

... the hydropower CF typically declines by around 4%-6%

- Hydropower:** In 2026F, hydropower production is forecast at 97bn kWh, down 8% yoy (figure 8), with the CF declining to 46% (-4%p yoy). Key drivers include:
 - According to NOAA, historically, during the transition from the La-Niña phase to neutral conditions (figure 6), hydropower CF typically declines by around 4%-6%, which underpins our more cautious production assumptions.

Figure 8. Coal & gas production remain strong as hydropower falls



Source: EVN, KISVN

Add capacity is expected to increase by 638 MW from several new hydropower projects (table 1), including Thac Ba 2 (19 MW), Pac Ma (46 MW), Yen Son (90 MW), Ban Mong – Song Hieu (45 MW), and the Hoa Binh hydropower expansion (480 MW).

... increase by 638 MW from several new hydropower projects

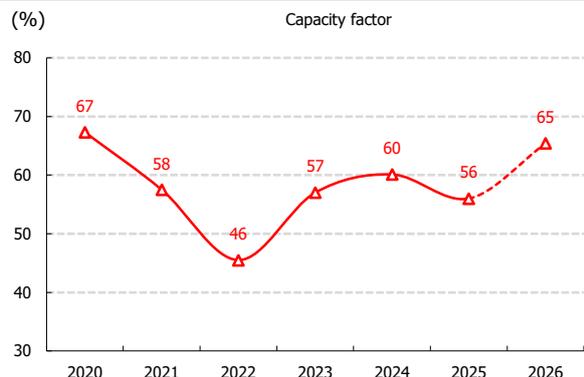
- The sharp yoy decline in production is also explained by a high base in 2025, when hydropower generation benefited from the impact of multiple major storms. Reservoir inflows in 2025 reached their highest level since 2020, supporting unusually strong production.

On the pricing side, the average FMP is projected to improve by 40%-50% (accounts for 2% of revenue) in 2026F as explained above (figure 3).

... impact from higher FMP may not fully offset lower production

- Hydropower's GM:** Based on these assumptions, we estimate that hydropower's GM in 2026F could record a slight decline, as the positive impact from higher FMP may not fully offset lower production.

Figure 9. CF is projected to stay at 65% (+9%p yoy) in 2026F, up 16.7% yoy



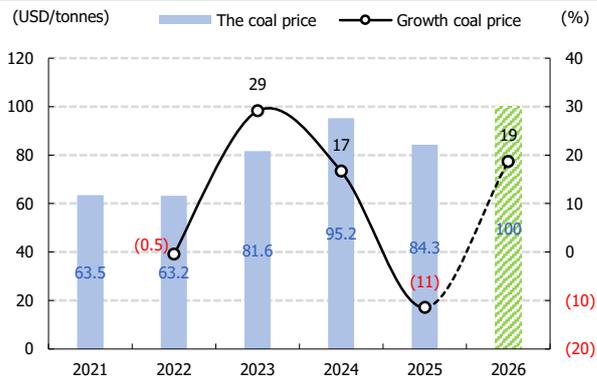
Source: EVN, KISVN

... with CF projected to improve significantly to 65% (+9%p yoy)

Additional 1,320 MW from the Vung Ang II BOT project is expected to come online

... coal-fired power's GM could record an improvement in 2026F

Figure 10. Coal prices stay elevated in 2026F



Source: EVN, PGV, POW, KISVN

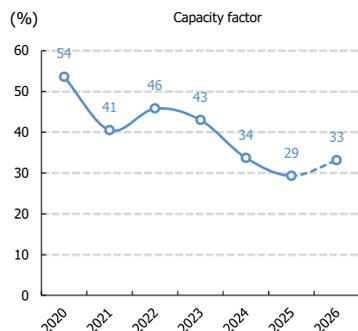
- Coal-fired power:** Production is estimated to reach 171bn kWh in 2026F (figure 8), up 28% yoy, with the CF projected to improve significantly to 65% (+9%p yoy, figure 9). This outlook is supported by robust growth in nationwide electricity consumption under the base-case scenario (+8.5% yoy). Key drivers include.

 - In terms of capacity expansion, an additional 1,320 MW from the Vung Ang II BOT project (table 1) is expected to come online, with COD for October 2025, contributing meaningfully to higher generation in 2026F.
 - On the cost side, coal prices in 2026F are anticipated to edge up slightly (figure 10), driven by TKV's plan to increase the share of blended coal to 52%, while the remaining 48% will continue to be sourced from imported coal.

On the pricing side, the average FMP is projected to improve by 40%-50% (accounts for 20% of revenue) in 2026F as explained above (figure 3).

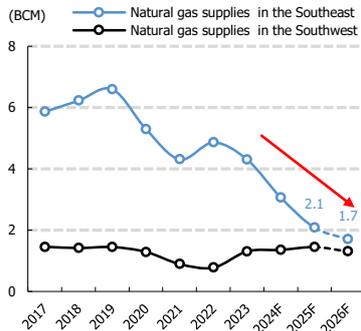
- Coal-fired power's GM:** Based on these assumptions, we estimate that coal-fired power's GM could record an improvement in 2026F, supported by higher utilization rates and increased production and the sell electricity price.

Figure 11. CF in 2026F improve due to record NT3 & 4 put into operation



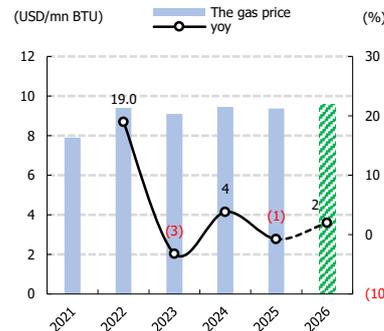
Source: EVN, KIS Research

Figure 12. Domestic gas supply continues to decline



Source: EVN, KIS Research

Figure 13. 2026 gas price estimated to rise 2 - 5% yoy



Source: EVN, KIS Research

Gas-fired power production is estimated at 26bn kWh, up 28% yoy

- **Gas-fired power:** In 2026F, production is estimated at 26bn kWh (figure 8), up 28% yoy, with the CF improving to 33% (+4%p yoy), supported by electricity consumption growth of 8.5% yoy in 2026F, driven by:
 - Domestic gas-fired power production is estimated at 19.8bn kWh, down 2% yoy. In contrast, LNG-based generation is projected to reach 6.2bn kWh, supported mainly by the COD of Nhon Trach 3 (Dec-25) and Nhon Trach 4 (Jan-26). Based on more conservative assumptions than POW’s plan, we estimate the CF of NT3 and NT4 at 65% (equivalent to around 6,500 operating hours).

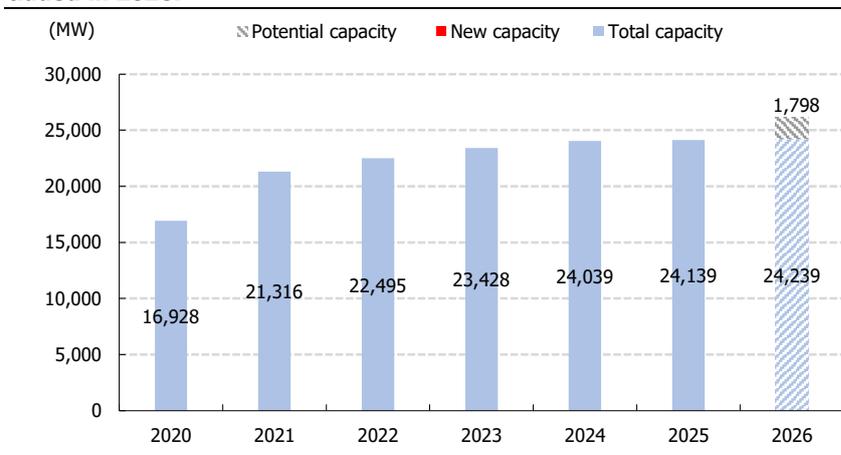
Key factors shaping the gas-fired power outlook include (i) EVN’s addition of around 100 MW of renewable capacity, which affects system dispatch priorities, and (ii) persistently high gas prices due to declining domestic supply, with gas prices estimated to increase by around 5% yoy in 2026F.

On the pricing side, the average FMP is projected to improve by 40%-50% (accounts for 20% of revenue) in 2026F as explained above (figure 3).

GM of the gas terminal-based power group could improve in 2026F

- **Gas-fired power’s GM:** Based on these assumptions, we estimate that the GM of the gas terminal-based power group could improve in 2026F. However, for NT3 and NT4, we expect these plants to record an NPAT loss of approximately VND100bn during their initial year of operation in 2026F.

Figure 14. Based on EVN data, an additional 100MW is expected to be added in 2026F



Source: EVN, KISVN

Total renewable power production is projected to reach 44bn kWh, up 4% yoy

.... expected to come online from 85 transitional renewable projects that signed PPAs in July 2025

System activity depends on the decline of the El-Niño phase

- Renewable energy:** In 2026F, total renewable power production is projected to reach 44bn kWh (figure 8), up 4% yoy, with the CF estimated at 20%, broadly flat yoy.
 - Wind power:** Wind production is forecast at 16bn kWh, up 11% yoy (figure 8), supported by neutral weather conditions expected to persist through September 2026, which should remain conducive to wind generation.
 - Solar power:** By contrast, solar production is estimated at 26bn kWh (figure 8), down 5% yoy, reflecting more normalized irradiation conditions and a higher comparison base in the previous year.

On the capacity side, an additional 100 MW is expected to come online from 85 transitional renewable projects that signed PPAs in July 2025. In addition, around 1,798 MW of prospective renewable capacity has already secured PPA contracts and is currently completing documentation and testing procedures in preparation for COD.

IV. Risks to be considered

The motivation to improve the operation of hydropower plants is largely based on the probability of decline of the El-Niño phase. However, weather forecasting is always a difficult problem, even in the short term. Therefore, this will be the top key risk that needs to be regularly monitored to provide more accurate updates on the operations of electricity businesses. Besides, ensuring the stability of the gas supply system is also an essential deciding factor in the operation of gas thermal power enterprises.

V. Company Analysis

QTP	Profit starts to recover
HDG	Charm Villas 3 drives earnings growth
PC1	The real estate segment is driving profit growth
REE	Power segment weighs on GM
POW	Optionality from NT3 & NT4 in the next phase
NT2	Gross margin expected to expand
GEG	Waiting for a better entry point

REE Corporation. (REE)

BUY (Maintain)

VNIndex (03 Mar, pt)	1,813
Stock price (03 Mar, VND)	64,500
Market cap (USD mn)	1,334
Shares outstanding (mn)	542
52-Week high/low (VND)	69700/53044
6M avg. daily turnover (USD mn)	1.35
Free float / Foreign ownership (%)	38/49
Major shareholders (%)	
Platinum Victory Pte.Ltd	34.85
Nguyen Thi Mai Thanh	12.82

Yr to	Sales	OP	NP	EPS	% chg	BPS	PE	P/B	ROA	ROE	DY
Dec	(VND bn)	(VND bn)	(VND bn)	(VND)	(yoy)	(VND bn)	(x)	(x)	(x)	(%)	(%)
2022A	9,372	3,663	3,515	7,527	26.3	43,507	11.1	1.3	10.7	18.7	3.9
2023A	8,570	2,954	2,787	5,341	(29.0)	42,269	8.3	1.3	8.1	13.3	4.3
2024A	8,384	2,428	2,728	4,232	(20.8)	40,126	12.7	1.8	7.7	11.0	2.9
2025F	10,003	3,011	3,017	6,406	51.4	43,319	11.5	1.7	8.3	15.4	4.4
2026F	10,496	2,591	2,691	5,563	(13.2)	46,091	13.2	1.6	7.4	12.9	4.0

Source: Company data, KIS Research

Note: NP and EPS attributed to controlling interest

The profit dropped due to the power segment

Power segment drags on earnings: In 4Q25, revenue is recorded at VND2,878bn (+23% yoy), mainly driven by the M&E segment. Gross profit (GP) is estimated at VN1,040bn (-14% yoy), with the GM projected to narrow to 36.1% (-7.4%p yoy). Accordingly, NPAT reached at VND723bn, up 28% yoy.

Performance

	1M	6M	12M
Absolute (%)	4.5	1.0	3.8
Rel. to VNI (%p)	4.5	(7.6)	(37.0)

Stock price



Source: Bloomberg

Table 2. REE earnings forecast

(VNDbn, %)

	1H25	2H25F	1H26F			2026F			Consensus	
				yoy	qoq		yoy	1H26F	2026F	
Revenue	4,582	5,421	5,650	23	4.2	10,496	5	-	10,975	
Power	2,433	2,546	1,951	(20)	(23)	3,786	(24)	-	-	
Water	106	68	90	(15)	32	180	3	-	-	
Leasing	555	600	620	12	3.4	1,270	10	-	-	
M&E	1,314	2,205	2,304	75	4.5	5,256	49	-	-	
Housing	174	2	2	(99)	0	4	(98)	-	-	
NPAT	1,555	1,593	1,346	(10)	(12)	2,849	(6)	-	2,640	

Source: Company data, Bloomberg, KISVN estimate

The power segment weighs on profitability: In 2026F, revenue is recorded at VND10,496bn (+5% yoy). The main driving force comes from the mechanical and electrical (M&E) segment.

GP reaches VND3,531bn (-6% yoy), corresponding to the projected GM decreasing to 33.6% (-1.5 %p yoy). Consequently, NPAT is estimated to reach VND2,849bn, a decrease of 6% yoy. Specifically by segment:

- **Power:** Revenue and GP are estimated to reach VND3,786bn (-24% yoy) and VND1,324bn (-45% yoy), respectively. This is affected by the hydropower group, as we project production could decrease by 10 - 20% yoy based on NOAA data during the transition years from La-Niña to neutral conditions the CF decreases by 4% - 6%. This is despite the electricity selling price (FMP average) being expected to remain stable (up 40% – 50% yoy) in 2026.
- **Water:** Revenue and GP are estimated to reach VND180bn (+3% yoy) and VND77bn (+3% yoy) based on expectations from (1) doubling the capacity of the Song Da water plant; (2) the wholesale price of VND7,767/m³ (+53% yoy) officially applied from 2Q25.
- **M&E:** We project revenue and GP to reach VND5,256bn (+49% yoy) and VND1,209bn (+55% yoy), respectively. This expectation is based on REE potentially continuing to sign new contracts in 2026, with the new signed value and remaining unexecuted value in 2025

estimated at approximately VND3,809bn. Therefore, we believe that the profit from EPC contracts will continue to contribute positively to this segment's revenue - profit in 2026.

- *Real Estate:* Total revenue and GP are projected to reach VND1,274bn (-4% yoy) and VND920bn (+14% yoy), respectively. The main driver comes from the office for lease segment, as we believe the occupancy rate could increase to 86% (+3%p yoy). Furthermore, the selling price also has the potential to improve due to the expected brighter outlook for the real estate market in 2026.

Action: We maintain a positive view on REE's medium- and long-term prospects, given its important role in maintaining power system stability. Accordingly, we recommend a BUY on REE with a target price of VND76,000/share (upside: +24%) for the medium to long term. However, we remain cautious about weaker profit performance in 1Q26F and 2Q26F, which could weigh on the stock price in the short term.

Risks: (i) Challenges from changing hydrological conditions; (ii) Risk from the Phu Lac 2 project being in violation of CCA, potentially leading to retrospective revenue adjustments is still in the consultation process from EVN.

Gia Lai Electricity JSC (GEG)

Stock VNIndex (03 Mar, pt)	1,813
Stock price (03 Mar, VND)	16,000
Market cap (USD mn)	219
Shares outstanding (mn)	358
52-Week high/low (VND)	18000/11750,
6M avg. daily turnover (USD mn)	0.31
Free float / Foreign ownership (%)	35/44
Major shareholders (%)	
AVH Pte.Ltd	29.76
Thanh Thanh Cong Investment JSC	14.24

Yr to	Sales	OP	NP	EPS	% chg	BPS	PE	P/B	ROA	ROE	DY	HOLD (Maintain)		
												(VND bn)	(VND bn)	(VND bn)
Dec														
2022A	2,093	851	412	928	3.7	13,287	11.07	1.31	2.8	8.2	-			
2023A	2,163	961	195	381	(59.0)	12,747	22.45	1.01	1.2	3.2	-			
2024A	2,325	938	153	303	(20.3)	12,346	35.33	1.22	1.0	2.6	-			
2025A	2,998	1,514	941	2,484	719.3	14,845	5.77	1.02	6.0	19.3	-			
2026F	2,751	1,134	613	1,618	(34.8)	16,463	8.90	0.90	4.0	10.9	-			

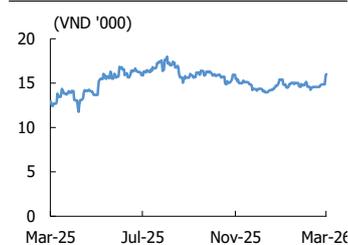
Source: Company data, KIS Research
Note: NP and EPS attributed to controlling interest

2026F – Stable performance in the new cycle

Performance

	1M	6M	12M
Absolute (%)	7.7	1.3	23.6
Rel. to VNI (%p)	7.7	(7.3)	(17.3)

Stock price



Source: Bloomberg

4Q25 – Waiting for opportunities: In 4Q25, revenue and GP are estimated at VND590bn (+6% yoy) and VND292bn (+42% yoy), respectively. Growth is driven by the wind power segment, with total production reaching 342m kWh (+2% yoy).

As a result, 4Q25 NPAT is recorded at VND96bn (+676% yoy), mainly due to (i) gross margin expansion to 50.5%, up 13.4%p yoy; (ii) a low base in 4Q24; and (iii) reduction in financial expenses of around VND27bn (-17% yoy), mainly due to lower provisioning for investments in subsidiaries and associates, despite (iv) unfavorable developments in the hydropower segment, which may continue to exert negative pressure on GEG's revenue and profit.

Table 3. GEG earnings forecast

(VNDbn, %)

	1H25	2H25F	1H26F		2026F		Consensus		
			yoy	qoq	yoy		1H26F	2026F	
Revenue	1,737	1,261	1,407	(19.0)	12	2,751	(8.3)	-	2,760
Hydropower	136	304	142	4.8	(53)	359	(18.5)	-	-
Solar power	458	363	507	10.6	40	994	21.1	-	-
Wind power	1,103	569	716	(35.1)	26	1,351	(19.2)	-	-
NPAT	771	176	325	(19.0)	84	613	(35)	-	410

Source: Company data, Bloomberg, KISVN estimate

Stability in the new cycle in 2026F: Revenue and GP are estimated to reach VND2,751bn (-8% yoy) and VND1,320bn (-23% yoy), respectively. The growth driver comes from the hydropower and solar power segments, with total production reaching 1,408mn kWh (+5% yoy).

- **Hydropower segment:** Revenue and GP are projected to reach VND359bn (+5% yoy) and VND182bn (+17% yoy), respectively, with total estimated production of 355mn kWh (-1% yoy). In addition, the average electricity selling price is expected to remain stable.
- **Solar power segment:** Revenue and GP are projected to reach VND994bn (+21% yoy) and VND483bn (+33% yoy), respectively, with total estimated production of 433mn kWh (+16% yoy), thanks to the Duc Hue 2 solar power plant (49MW) achieving COD and an improved selling price thanks to an improved exchange rate and the likelihood of prices remaining high until year-end.
- **Wind power segment:** Wind power segment: We estimate wind power production in 2026F to reach 622mn kWh (flat yoy), and the selling price is expected to improve thanks to the factor mentioned above. Therefore, revenue and GP are projected to reach VND1,351bn (-20% yoy) and

VND794bn (-32% yoy), due to a high base in 2025E.

As a result, NPAT in 2026F is projected to reach VND612bn (-35% yoy), mainly due to (i) the factors mentioned above; (ii) GEG no longer recording extraordinary profit from the Tan Phu Dong 1 project; and (iii) the GP dropp from 55.8% to 48% (-9.1%p yoy).

Action: We maintain a positive view on GEG's long-term outlook. However, at the current stage, we believe there is a lack of strong catalysts to drive the stock price upward, despite its still-attractive valuation. Therefore, we reiterate our HOLD recommendation for GEG.

Risks: (a) Challenges from hydrological conditions; (b) Legal risk from the CCA issue.

Ha Do Group JSC (HDG)

NON-RATED

VNIIndex (03 Mar, pt)	1,813
Stock price (03 Mar, VND)	27,350
Market cap (USD mn)	386
Shares outstanding (mn)	370
52-Week high/low (VND)	35700/17910
6M avg. daily turnover (USD mn)	3.85
Free float / Foreign ownership (%)	57/19
Major shareholders (%)	
Nguyen Trong Thong	31.83
Nguyen Van To	8.12

Yr to	Sales	OP	NP	EPS	% chg	BPS	PE	P/B	ROA	ROE	DY
Dec	(VND bn)	(VND bn)	(VND bn)	(VND)	(yoy)	(VND bn)	(x)	(x)	(x)	(%)	(%)
2022A	3,581	2,049	1,362	4,439	(20.0)	21,681	11.1	1.3	8.8	22.7	2.6
2023A	2,889	1,490	866	2,175	(51.0)	19,352	9.7	1.4	5.9	11.9	0.0
2024A	2,718	1,140	447	1,036	(52.4)	18,133	22.8	1.7	3.2	5.8	2.8
2025F	2,815	730	956	2,843	174.5	19,976	10.7	1.5	6.9	14.9	3.3
2026F	4,199	1,813	1,217	3,618	27.3	22,321	8.4	1.4	8.3	17.1	4.2

Source: Company data, KIS Research

Note: NP and EPS attributed to controlling interest

Charm Villas 3 drives profit growth

4Q25 – Profit sustained by a low base: In 4Q25, reported revenue reached VND885bn (+18% yoy). Growth was driven by the power segment and hotel services. GP reached VND276bn (+10% yoy), corresponding to a gross margin of 68.8% (down 4.7%p yoy). The main supported by (i) a low base in 4Q24 and (ii) selling and administrative expenses of VND90bn (down VND229bn), as HDG recorded provisioning expenses related to the Hong Phong 4 project in the same period last year.

Table 4. HDG earnings forecast

(VNDbn, %)

	1H25	2H25F	1H26F		2026F		Consensus	
			yoy	qoq	yoy	1H26F	2026F	
Revenue	1,207	1,608	2,096	74	30	4,199	50	3,442
Power	969	1,305	1,046	8	(20)	2,445	8	-
Real estate	0	47	789	-	1576	1,228	2,508	-
Construction	4	4	8	100	132	17	115	-
Leassing real estate	161	173	167	4	(3)	340	2	-
Hotel service	72	80	85	17	7	170	12	-
NPAT	240.9	710.0	503.2	108.9	(29)	1,217	28	1,149

Source: Company data, Bloomberg, KISVN estimate

2026 - Profit surge driven by the launch of Charm villas phase 3: Revenue is recorded at VND4,199bn (+50% yoy). The main driving force comes from the real estate segment.

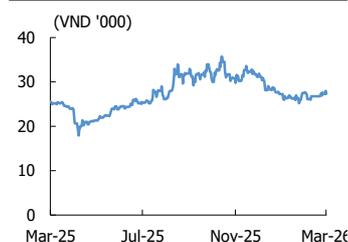
GP estimated at VND2,101bn, up 18% yoy. Hence, NPAT is estimated to reach VND1,217bn (+28% yoy). Specifically, by segment:

- **Power:** Revenue and GP are estimated to reach VND2,445bn (+8% yoy) and VND1,251bn (-24% yoy), respectively, with total production reaching 1,523mn kWh (-14% yoy). This is due to the impact of the hydropower group, as we project that in the transition years from La Niña to neutral conditions, the CF of hydropower will decrease by 4 - 6%.
- **Real Estate & Construction:** Revenue and GP are estimated to reach VND1,228bn (up 26x yoy) and VND667bn (2025: -VND24bn), as we expect HDG to potentially start recording the handover of the Charm Villas Phase 3 project (estimated to recognize 25 units).
- **Hotel services:** Revenue and GP are estimated to reach VND170bn (+12% yoy) and VND102bn (+19% yoy), thanks to the expectation that rental prices may improve and the occupancy rate remains consistently

Performance

	1M	6M	12M
Absolute (%)	(1.1)	(17.0)	7.1
Rel. to VNI (%p)	(1.1)	(25.6)	(33.8)

Stock price



Source: Bloomberg

stable.

- *Service provision & Real estate leasing*: Revenue and GP are projected to reach VND340bn (+2% yoy) and VND70bn (+6% yoy), due to expectations of improving rental prices and a low base in 2025.

Risks: (i) Challenges from changing hydrological conditions; (ii) Risk of compensation for illicit profits from the Hong Phong 4 project, which violated CCA and was built on state mineral land.

PV POWER Nhon Trach 2 JSC (NT2)

HOLD (Maintain)

VNIndex (03 Mar, pt)	1,813
Stock price (03 Mar, VND)	28,800
Market cap (USD mn)	317
Shares outstanding (mn)	288
52-Week high/low (VND)	28900/16250
6M avg. daily turnover (USD mn)	1.32
Free float / Foreign ownership (%)	32/13
Major shareholders (%)	
PV POWER - POW	59.37
Technology Development	8.27

Yr to	Sales	OP	NP	EPS	% chg	BPS	PE	P/B	ROA	ROE	DY
Dec	(VND bn)	(VND bn)	(VND bn)	(VND)	(yoy)	(VND bn)	(x)	(x)	(x)	(%)	(%)
2022A	8,788	950	883	2,961	69	16,027	11.1	1.3	12.6	20.0	8.7
2023A	6,386	441	473	1,586	(46)	15,062	14.9	1.6	6.0	10.6	6.1
2024A	5,952	(43)	72	242	(85)	14,515	97.1	1.7	0.8	1.7	2.9
2025F	7,803	1,018	1,136	3,808	1,470	17,523	6.2	1.4	10.2	24.6	3.3
2026F	9,926	1,147	1,190	3,989	5	20,711	5.9	1.2	8.7	21.6	3.3

Source: Company data, KIS Research

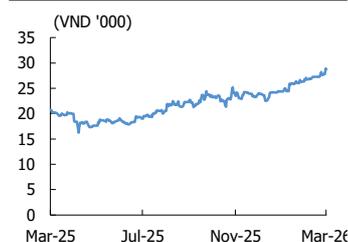
Note: NP and EPS attributed to controlling interest

2026F – Earnings maintain an upward trend in 2026.

Performance

	1M	6M	12M
Absolute (%)	8.3	31.0	43.3
Rel. to VNI (%p)	8.3	22.5	2.5

Stock price



Source: Bloomberg

4Q25 – The profit growth supported by a low base: In 4Q25F, revenue reached VND2,367bn, up 33% yoy, driven by (i) a 17% yoy increase in production amid stable nationwide electricity consumption in 4Q25; (ii) an estimated 13% yoy increase in the average electricity selling price; and (iii) the completion of the recognition of approximately VND80bn from forest environmental service fees.

Gross profit reached VND477bn (+444% yoy), supported by (a) improved operating efficiency; (b) a stronger increase in the average electricity selling price relative to gas prices (around USD9.2/mmBTU, -3% yoy); and (c) the completion of machinery depreciation in 4Q25.

As a result, NPAT reached VND422bn (+462% yoy), mainly attributable to (i) the improvement in GM as discussed above; and (ii) financial income of VND52bn (up VND18bn, equivalent to +51% yoy), despite (iii) higher G&A expenses of VND35bn (+52% yoy).

Table 5. NT2 earnings forecast

(VNDbn, %)

	1H25	2H25	1H26F		2026F		Consensus	
			yoy	qoq	yoy	1H26F	2026F	
Revenue	3,508	4,295	4,970	42	12	9,926	25	7,994
Production	1,369	1,749	2,140	56	22	4,409	41	-
GP	411	682	777	89	(7)	1,246	0	-
EBIT	408	865	796	96	(7)	1,334	4	-
NPAT	363	773	711	96	(8)	1,191	5	727

Source: Company data, Bloomberg, KISVN estimate

2026F - Stable profit maintenance: Revenue is estimated to reach VND9,926bn, up to 25% yoy, as production is expected to be stayble amidst consistently growing electricity consumption, despite a potential slight decrease in selling price.

GP is estimated to reach VND1,246bn (flat yoy) as the GM is estimated to decline to 12.6%, a decrease of 3.1 %p yoy in 2026F.

As a result, NPAT is estimated to reach VND1,191bn, up 5% yoy. This is thanks to the expected recognition of VND50bn in extraordinary profit from forest environment fees and foreign exchange gains, despite pressure from the narrowing GM.

Action: 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 anticipated that NT2's market price has almost reflected its intrinsic value. Therefore, we maintain a HOLD recommendation for NT2 in 2026F.

Risks: (a) Higher natural gas prices; (b) Increasingly depleted gas supply in the Southeast region.

Quang Ninh Thermal Power JSC (QTP)

BUY (Maintain)

VNIindex (03 Mar, pt)	1,813
Stock price (03 Mar, VND)	13,700
Market cap (USD mn)	235
Shares outstanding (mn)	450
52-Week high/low (VND)	14000/12200
6M avg. daily turnover (USD mn)	0.14
Free float / Foreign ownership (%)	31/1
Major shareholders (%)	
Power Generation Corporation 1	42.00
Pha Lai Thermal Power JCS	16.35

Yr to	Sales	OP	NP	EPS	% chg	BPS	PE	P/B	ROA	ROE	DY
Dec	(VND bn)	(VND bn)	(VND bn)	(VND)	(yoy)	(VND bn)	(x)	(x)	(x)	(%)	(%)
2022A	10,417	968	805	1,405	20.3	13,694	11.1	1.3	9.0	12.4	17.3
2023A	12,058	703	644	1,125	(19.9)	11,761	10.9	1.3	7.9	10.7	7.0
2024A	11,908	743	726	1,195	6.2	11,302	7.7	1.1	9.8	12.5	11.8
2025F	10,786	1,405	1,285	2,362	97.7	12,628	4.3	1.0	16.8	23.9	8.4
2026F	12,493	666	661	1,216	(48.5)	12,644	8.4	1.0	8.3	11.6	9.7

Source: Company data, KIS Research

Note: NP and EPS attributed to controlling interest

2026F - Profit starts to recover

4Q25 - Gross margin expansion driven by one-off income : In 4Q25, QTP's revenue reached VND2,953bn, up 2% yoy, mainly driven by (i) the recognition of VND663bn in foreign exchange income and (ii) an estimated 15% yoy increase in production, in a context where electricity consumption remained stable during 4Q25, despite (iii) an 11% yoy decline in the average selling price.

Gross profit amounted to VND955bn, surging 346% yoy, with the GM expanding to 32.3% (+24.9%p yoy). This sharp improvement was largely attributable to the aforementioned one-off income. As a result, NPAT rose significantly to VND655bn (+319% yoy)

Table 6. QTP earnings forecast

(VNDbn, %)

	1H25	2H25F	1H26F	2026F		Consensus			
				yoy	qoq	1H26F	2026F		
Revenue	5,776	5,009	6,877	19	37	12,493	16	-	10,830
Production	3,890	3,633	4,082	5	12	7,801	4	-	-
GP	507	1,019	511	1	(50)	803	(47)	-	-
EBIT	457	900	490	7.2	(46)	748	(44)	-	-
NPAT	457	900	490	7.2	(43)	599	(43)	-	679

Source: Company data, Bloomberg, KISVN estimate

2026F - Earnings return to the cycle: Revenue is projected to reach VND12,493bn, an increase of 16% yoy due to an expected improvement in selling price of 10% yoy and expected output to remain stable in the context of national electricity consumption expected to reach 8.5% yoy.

GP is estimated to reach VND803bn (-47% yoy), with gross margin declining to 6.4% (-7.7%p yoy), as the same period last year recorded approximately VND663bn in foreign exchange gain revenue.

As a result, NPAT is projected to reach VND599bn (-43% yoy) due to a high base effect in 2025.

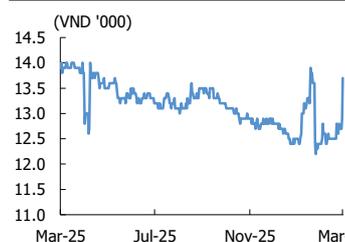
Action: We strongly believe that QTP has a positive in the mid, and long term. In addition, QTP plays an important role in maintaining system stability. On this basic, we maintain a BUY-rating for QTP (TP: 15,100VND; Upside: +22%) in 2026F.

Risks: (i) Challenges from high coal prices due to increasingly depleted domestic supply of cheap coal; (ii) Changing hydrological conditions.

Performance

	1M	6M	12M
Absolute (%)	10.5	9.7	8.1
Rel. to VNI (%p)	10.5	1.1	(32.7)

Stock price



Source: Bloomberg

PetroVietnam Power (POW)

HOLD (Maintain)

VNIindex (03 Mar, pt)	1,813
Stock price (03 Mar, VND)	16,550
Market cap (USD mn)	1,939
Shares outstanding (mn)	3,068
52-Week high/low (VND)	16550/8208
6M avg. daily turnover (USD mn)	6.74
Free float / Foreign ownership (%)	27/5
Major shareholders (%)	
PVN	79.94
Norges Bank	1.27

Yr to	Sales	OP	NP	EPS	% chg	BPS	PE	P/B	ROA	ROE	DY
Dec	(VND bn)	(VND bn)	(VND bn)	(VND)	(yoy)	(VND bn)	(x)	(x)	(x)	(%)	(%)
2022A	28,224	2,859	2,553	824	10.5	13,031	11.1	1.3	4.6	7.0	-
2023A	27,945	1,404	1,329	430	(47.8)	13,430	19.8	0.8	2.1	3.5	-
2024A	30,180	1,073	1,346	500	16.5	13,626	29.2	1.2	1.8	4.0	-
2025A	34,151	3,644	3,667	1,466	192.9	15,092	10.7	1.1	4.1	10.9	-
2026F	45,615	1,928	1,220	488	(66.7)	15,579	32.2	1.1	1.2	3.4	-

Source: Company data, KIS Research

Note: NP and EPS attributed to controlling interest

2026F - Optionality from NT3 & NT4 in the next phase

Earnings growth supported by a low base: In 4Q25, revenue reached VND8,747bn (+1% yoy), supported by a 25% yoy increase in total power production. Growth was mainly driven by hydropower and gas-fired power generation.

As a result, gross profit reached VND1,053bn (+79% yoy), with the gross margin improving to 12% (+6.0%p yoy), supported by the positive factors above. Consequently, NPAT reached VND693bn (+590% yoy, equivalent to 110% of KIS's forecast), driven by (1) gross margin improvement, (2) a low base in 4Q24, and (3) financial income of VND403bn (4Q24: -VND51bn), mainly from interest income and dividends, despite (4) a 34% yoy increase in G&A expenses to VND530bn.

Performance

	1M	6M	12M
Absolute (%)	15.7	21.0	62.8
Rel. to VNI (%p)	15.7	12.4	21.9

Stock price



Source: Bloomberg

Table 7. POW earnings forecast

(VNDbn, %)

	1H25	2H25F	1H26F		2026F		Consensus		
				yoy	qoq		yoy	1H26F	2026F
Revenue	17,549	16,602	22,593	28.7	36	45,615	34		43,932
Hydropower	757	1,131	646	(14.7)	(43)	1,688	(11)		-
Gas-fired power	9,937	10,822	14,508	46.0	34	30,849	49		-
Coal-fired power	6,671	4,697	7,439	11.5	58	13,079	15		-
GP	1,984	2,343	1,452	(27)	(38)	2,880	(33)		-
NPAT	1,230	1,636	1,141	(7)	(30)	2,216	(23)		2,640

Source: Company data, Bloomberg, KISVN estimate

2026F - Waiting for opportunities from the NT3 & NT4 projects: Revenue is projected to record VND45,615bn (+34% yoy) as NT3 & 4 come online (1,500MW) with total production reaching 19,900mn kWh (+14% yoy). The key growth driver primarily comes from the gas power segment.

- **Hydropower:** Revenue and GP are estimated to reach VND1,688bn (-11% yoy) and VND724bn (-11% yoy), respectively, with production reaching 1,514mn kWh (-9% yoy) as we project that in the transition years from La Niña to neutral conditions, the CF of hydropower may decrease by 4 - 6%, even though the selling price of electricity remains stable.
- **Gas-fired power:** Revenue is estimated to reach VND30,849bn (+49% yoy), mainly driven by contributions from NT3 & NT4 plants. However, we forecast that NT3 & 4 may record a loss of around VND100bn. Therefore, we expect this segment to deliver an unoptimistic result in 2026F.

- *Coal-fired power:* Revenue and GP are estimated to reach VND13,079bn (+15% yoy) and VND7,30 bn (+10% yoy), respectively. This is due to an estimated slight increase in production amidst consistently stable growth in electricity consumption, despite the selling prices down slightly in 2026F.

As a result, NPAT is recorded at VND2,216bn, a decrease of 23% yoy due to (1) the GM falling to 6.3% (-6.4 %p yoy); and (2) a high base effect in 2025A.

Action: 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.

Risks: (i) High fuel prices; (ii) Challenges from changes in hydrology negatively impacting the thermal power segment.

PC1 Group JSC (PC1)

NON-RATED

VNIndex (03 Mar, pt)	1,813
Stock price (03 Mar, VND)	31,350
Market cap (USD mn)	492
Shares outstanding (mn)	411
52-Week high/low (VND)	31350/16044
6M avg. daily turnover (USD mn)	4.02
Free float / Foreign ownership (%)	60/15
Major shareholders (%)	
Trinh Van Tuan	21.38
VIX	4.95

Yr to	Sales	OP	NP	EPS	% chg	BPS	PE	P/B	ROA	ROE	DY
Dec	(VND bn)	(VND bn)	(VND bn)	(VND)	(yoy)	(VND bn)	(x)	(x)	(x)	(%)	(%)
2022A	8,358	1,318	691	1,700	(42.5)	18,918	11.1	1.3	3.4	9.4	-
2023A	7,694	1,057	271	116	(93.2)	16,330	33.0	1.8	1.3	0.7	-
2024A	10,078	1,516	844	1,287	1,006.8	15,416	11.1	1.7	4.1	8.7	-
2025A	13,085	2,064	1,365	3,815	196.4	19,220	6.8	1.4	6.4	22.0	-
2026F	16,370	5,121	4,610	12,890	237.8	32,069	2.0	0.8	20.5	50.3	-

Source: Company data, KIS Research

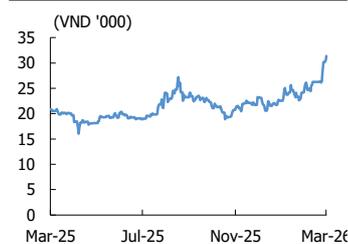
Note: NP and EPS attributed to controlling interest

Earnings surge led by real estate segment

Performance

	1M	6M	12M
Absolute (%)	22.0	30.2	50.2
Rel. to VNI (%p)	22.0	21.6	9.4

Stock price



Source: Bloomberg

Earnings growth driven by real estate segment: In 4Q25, revenue and GP are recorded at VND5,012bn, up 93% yoy and VND1,066bn (+77% yoy), respectively. The main growth drivers are the construction and real estate segments. As a result, NPAT is recorded at VND660bn, up 400% yoy.

Table 8. PC1 earnings forecast

(VNDbn, %)

	1H25	2H25F	1H26F			2026F			Consensus	
				yoy	qoq		yoy	1H26F		
Revenue	4,795	8,282	7,177	50	(13)	16,370	25	-	-	13,788
Power	787	1,015	787	0	(22)	1,900	5	-	-	-
Construction	2,296	4,402	2,985	30	(32)	7,217	72	-	-	-
Niken	459	681	506	10	(26)	1,485	8	-	-	-
Real estate	308	1,125	1,940	529	72	3,931	30	-	-	-
Industrial Production	231	303	231	0	(24)	405	(24)	-	-	-
Production of goods & materials	713	756	727	2	(4)	1,432	(3)	-	-	-
GP	741	1,770	2,747	271	55	6,061	141	-	-	-
NPAT	310	1,055	2,134	589	102	4,610	238	-	-	1,029

Source: Company data, Bloomberg, KISVN estimate

2026F - Earnings growth driven by construction and real estate segments:

Revenue is expected to reach VND 16,370bn (+25% yoy). The main growth drivers are the construction and real estate segments. GM is projected at 37% (+17.8%p yoy), leading to NPAT is estimated at VND 4,610bn (+238% yoy). Details by segment are as follows:

- **Power:** Revenue and GP are estimated at VND1,485bn (+5% yoy) and VND1,027bn (+26% yoy), respectively. Thanks to improve the selling price and maintaining stability, despite production record slight reduction as mentioned above
- **Nickel segment:** We project revenue and GP of VND1,389bn (+174% yoy) and VND661bn (+50% yoy), respectively, driven by expectations of improved sales volume and selling prices remain high level.
- **Real estate:** We forecast revenue and GP in 2026F at VND3,931bn (2x yoy) and VND3,340bn (up 13x yoy), respectively, as we expect PC1 to complete revenue-profit recognition from the Thap Vang real estate project and the Yen Lenh industrial park.
- **Construction:** We project the segment's revenue and GP in 2026F at VND7,217bn (+8% yoy) and VND722bn (-6% yoy), respectively. Growth is supported by ~VND8,000bn in newly secured backlog in 11M25, with

further increases expected in 2026F thanks to the positive outlook from Power Plan VIII and several new PC1 projects during 2026-2027. However, project cost pressures and changes in project mix will weigh on GP.

Risks: (i) Nickel price volatility; (ii) challenges from changing hydrological conditions; and (iii) the pace of real estate project launches

APPENDIX

Figure 15. The electricity selling prices for sources in the system in 2025

No.	Sources	Nourth (VND/KWh)	Central (VND/KWh)	South (VND/KWh)	Nourth (UScent//KWh)	Central (UScent/kWh)	South (UScent/kWh)	Legal Basis
1	Solar Power	1,383	1,107	1,012	5.5	4.4	4.0	Decision No.988 10/04/2025
2	Solar Power + BESS	1,572	1,257	1,150	6.3	5.0	4.6	Decision No.988 10/04/2025
3	Floating Solar	1,686	1,336	1,228	6.7	5.3	4.9	Decision No.988 10/04/2025
4	Floating Solar + BESS	1,877	1,487	1,367	7.5	5.9	5.5	Decision No.988 10/04/2025
5	Onshore Wind Power	1,959	1,807	1,840	7.8	7.2	7.4	Decision No.1508 30/05/2025
6	Nearshore Wind	1,987	1,987	1,987	7.9	7.9	7.9	Decision No.1508 30/05/2025
7	Offshore Wind	3,975	3,079	3,869	15.9	12.3	15.4	Decision No.1824 26/06/2025
8	Biomass to Energy	2,092	2,092	2,092	8.4	8.4	8.4	Decision No.1008 14/04/2025
9	Waste to Energy	2,575	2,575	2,575	10.3	10.3	10.3	Decision No.1251 06/05/2025
10	Natural Gas	3,069	3,069	3,069	12.3	12.3	12.3	Decision No.983 10/04/2025
11	LNG	3,327	3,327	3,327	13.3	13.3	13.3	Decision No.1313 13/05/2025
12	Hydropower	1,110	1,110	1,110	4.4	4.4	4.4	Decision No.982 10/04/2025
13	Pumped storage hydropower	3,457	3,457	3,457	13.8	13.8	13.8	Decision No.1198 26/04/2025
14	Coal power	1,706	1,706	1,706	6.8	6.8	6.8	Decision No.1009 14/04/2025
15	Coal power imported from Laos	1,758	1,758	1,758	7.0	7.0	7.0	Decision No.1007 14/04/2025
16	Hydropower imported from Laos	1,741	1,741	1,741	7.0	7.0	7.0	Decision No.1007 14/04/2025
17	Wind power imported from Laos	1,741	1,741	1,741	7.0	7.0	7.0	Decision No.1007 14/04/2025
18	Electricity imported from China	2,363	2,363	2,363	9.3	9.3	9.3	Decision No.1231 05/05/2025

Source: EVN, KISVN

Figure 16. FMP could record growth of 40-50% yoy, supported by a higher temperature base in 2026

Year	SMP cap (VND/kWh)	CAN (VND/kWh)	FMP cap (VND/kWh)	FMP average (VND/kWh)	SMP average (VND/kWh)	%SMP avg/cap	% Growth electricity	ENSO
2020	1,342	80	1,422	886	806	43.9%	(4.1)	La Niña beginning
2021	1,503	150	1,653	1,001	851	49.5%	4.3	Strong La Niña
2022	1,602	293	1,895	1,534	1,241	75.9%	4.6	Weakening La Niña – El Niño transition
2023	1,779	293	2,072	1,396	1,103	69.0%	4.1	Strong El Niño
2024	1,510	300	1,810	1,420	1,120	70.2%	10.8	Neutral phase beginning
2025	1,683	50	1,733	818	894	46.6%	4.7	Strong Neutral
2026	1,725	130	1,855	1,165 - 1,208	1,035 - 1,338	60% - 70%	8.5	Weakening Neutral – El Niño transition

Source: EVN, KISVN

Figure 17. Updating the electricity selling prices mechanism for the renewable energy projects

No.	Sources	Notes	Sub-type	Tariff Type	Nourth (VND/KWh)	Central (VND/KWh)	South (VND/KWh)	Legal Basis
1	Solar power without BESS	COD from 01/06/2017 to 30/06/2019	Solar Power	FIT 1	9.4	9.4	9.4	Decision 11/2017
2	Solar power without BESS	COD from 01/07/2019 to 31/12/2020	Solar Farm	FIT 2	7.1	7.1	7.1	Decision 13/2020
			Floating Solar		7.7	7.7	7.7	
			Rooftop Solar		8.4	8.4	8.4	
3	Wind power	COD before 01/11/2021	Onshore Wind	FIT	8.5	8.5	8.5	Decision 39/2018
			Nearshore Wind		9.8	9.8	9.8	
4	Wind and Solar power	Projects with COD after 2021	Solar Farm	Transitional Price	4.6	4.6	4.6	Decision 21/QD-MOIT (07/01/2023)
			Floating Solar		5.9	5.9	5.9	
			Onshore Wind		6.2	6.2	6.2	
			Nearshore Wind		7.1	7.1	7.1	

Source: EVN, KISVN

Figure 18. The power trading mechanism in the DPPA

No.	Participants	EVN grid	Private grid
		A total of 3 contracts are signed	Offtaker will make full payment to PC and RE
			Only 1 contract is signed
1	EVN		
2	Renewable energy		
3	Major Customers	- Difference between contract price and spot market price	
4	PC	- Difference between actual production and spot market settled production - Transmission costs and other related fees	- Difference between actual production committed and contract price

Source: EVN, KISVN

Background, benefits and key challenges of the DPPA mechanism

The DPPA mechanism was introduced in the context of significant changes in Viet Nam's power market. After the expiry of the FIT mechanism, the rapid surge in renewable energy development to capture preferential tariffs led to widespread project delays. Many projects are now selling electricity to EVN at only around 50% of the original FIT price or have not yet secured grid connection. At the same time, EVN's strained financial position no longer allows it to maintain high tariff mechanisms to further incentivize and mobilize new projects. Therefore, the MOIT introduced the DPPA framework to create a more effective operating mechanism for renewable energy development and to ensure the sustainable growth of the power system.

In terms of potential benefits, the DPPA mechanism is expected to enhance project efficiency, improve capital mobilization capacity, lay the groundwork for the issuance of Renewable Energy Certificates (RECs), and help ensure that the system-wide capacity expansion plan is achieved.

However, there are still significant barriers and implementation challenges. Although EVN has not publicly disclosed detailed data, the actual implementation of DPPA contracts remains very limited to date, with only a few notable transactions such as VSIP-LEGO and Samsung C&T-KN Holdings. In addition, the benefits are not yet sufficiently compelling for buyers, as renewable energy generators need to sell at prices above 8.2 US cents/kWh (including LCOE, transmission, and ancillary charges), while the current retail electricity price for industrial customers from EVN is only around 8.3-8.5 US cents/kWh. Moreover, the number of enterprises in Viet Nam that have a firm commitment to sourcing 100% renewable electricity remains relatively limited. The introduction of the two-part tariff mechanism has also significantly increased the cost of simultaneously using DPPA and grid electricity from EVN.

Overall, although the short-term practicality of the DPPA mechanism remains limited, in the long term, as demand for clean energy increases, renewable energy developers are expected to benefit more significantly from the DPPA framework.

Background of the formation of a two-component electricity pricing mechanism

- System's total reserve capacity remains relatively weak. The financial position of EVN constrains its ability to develop new power generation projects.
- EVN is unable to fully compensate controllable power projects during peak load periods.

Target customers: Manufacturing customers supplied directly by EVN and its member retail units, with average electricity consumption of 200,000 kWh per month or more (calculated as the average over the most recent 12 months).

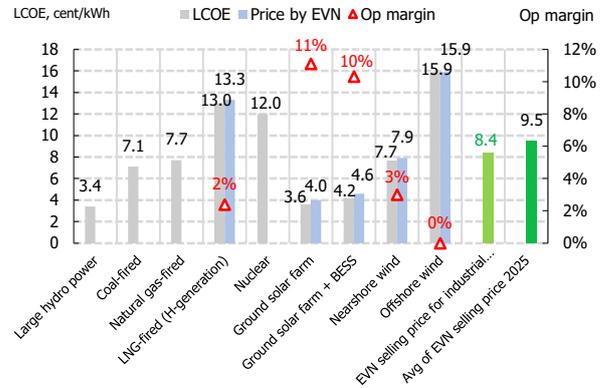
Customers pay for both how much electricity they use and how much capacity they require from the system.

Figure 19. The low spinning reserve ratio indicates a risk of electricity shortages during 2027–2030F, especially under El Niño weather conditions



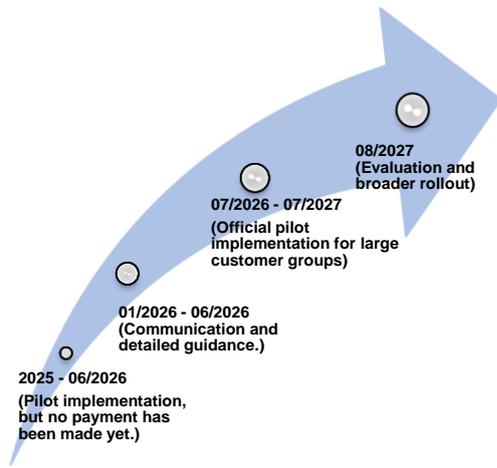
Source: EVN, KISVN

Figure 20. The electricity costs of new controllable power projects (LNG, nuclear) remain relatively high, putting additional pressure on the financial position of EVN



Source: EVN, KISVN

Figure 22. Official implementation roadmap



Source: EVN, KISVN

Figure 23. Retail electricity prices for manufacturing industries (Current)

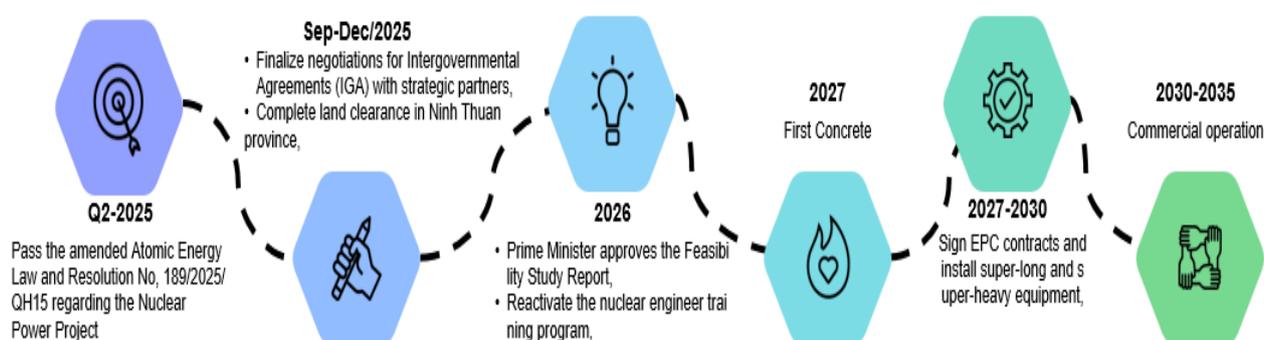
Voltage level	Current pricing		Two-part tariff		Change
	Capacity tariff (VND/kW/month)	Energy tariff (VND/kWh)	Capacity tariff (VND/kW/month)	Energy tariff (VND/kWh)	Energy tariff %
U ≥ 110 kV	None	1,146 - 3,266	209,459	843 - 2,162	down 26 - 34
22 Kv ≤ U ≤ 110 kV	None	1,190 - 3,398	235,414	859 - 2,182	down 28 - 36
6 kV ≤ U ≤ 22 kV	None	1,234 - 3,508	240,050	871 - 2,189	down 29 - 38
U < 6 kV	None	1,300 - 3,640	286,153	904 - 2,251	down 31 - 38

Source: EVN, KISVN

- Example:** (1) Same production, Different Demand: Units A and B consume equal total energy (kWh), but A has volatile "spikes" while B remains steady. (2) Infrastructure Costs: Unit A requires significantly higher grid investment and transformer capacity to handle its extreme peak demand (P max). (3) Grid Pressure: A's surges, especially during peak hours (5PM – 8PM), force the grid to use expensive "backup" power sources. (4) Billing Inequity: Under the current 1-part system, stable users (Unit B) effectively "subsidize" the massive infrastructure built solely for peaky users (Unit A). (5) The 2-Part Advantage: This mechanism ensures Unit A pays for the capacity it reserves, while Unit B is rewarded with lower energy rates for its efficiency.
- Switching to a two-tiered electricity pricing system is absolutely necessary.

- **Fairness & Transparency:** Ensures that the cost of power infrastructure is borne by those who demand high peak capacity, eliminating "cross-subsidization" between different users.
- **Efficiency Incentives:** Encourages customers to optimize their "load profile" by shifting usage to off-peak hours and reducing peak demand (P_{max})
- **Macroeconomic Stability:** Reduces the need for massive, immediate investments in power plants that only run during peak bursts.

Figure 24. Nuclear Power - Expected to commence operations during 2030-2035



Source: EVN, KISVN

The Ninh Thuan nuclear power program consists of two projects Ninh Thuan 1 and Ninh Thuan 2

Ninh Thuan 1 is invested by EVN, with Russia as the official strategic partner. The project is expected to have a capacity of approximately 2,000-3,200MW and is currently in the land compensation phase.

Meanwhile, Ninh Thuan 2 is invested by PVN, with South Korea or Japan considered as potential strategic partners. The expected capacity is similar, at around 2,000-3,200MW, and the project is also progressing with land compensation activities.

The system becomes more stable, but high-cost power plants will face greater risks

- With two nuclear power plants expected to commence operations during 2030-2035F, their technical characteristics require stable and continuous operation. As a result, nuclear plants will primarily serve as baseload generators, operating at consistently high capacity factors.
- This will increase output stability for the system but may create dispatch risks for other power sources such as gas-fired plants, solar power, and offshore wind, which could face curtailment or greater daily load fluctuations.
- In addition, due to the technical characteristics of nuclear power,

with capacity factors around 80%, controllable sources such as hydropower, coal, and liquefied natural gas may face output reductions.

- At the same time, we believe that with the implementation of the two-part electricity tariff from late 2027 and EVN's roadmap to raise retail electricity prices by 5-7% annually, the two project owners-EVN and PVN-are unlikely to incur losses once the plants enter full commercial operation. However, achieving high IRR may also be challenging.

Progress of offshore wind power development is allocated across several regions with a total targeted capacity of 6,000MW. In the North 1.3 area, 500MW has been assigned to EVN. In the South Central 1 region, 1,500MW is allocated to PetroVietnam. Meanwhile, the South 3 area has a target capacity of 500MW assigned to REE Corporation.

Offshore wind - high generation costs and security concerns remain key obstacles

With a development target of 6-17 GW of offshore wind capacity, the MOIT has granted survey permits to three entities - EVN, PVN, and REE Corporation REE - covering approximately 2.5 GW as a foundation for feasibility studies.

According to the plan, Vietnam aims to commission its first offshore wind power plant by 2030. However, to date, projects have not yet conducted key site investigations such as seismic surveys or wind resource measurements. Based on available information, it is more likely that the first offshore wind plant will only become operational around 2032.

Consumption costs remain a major hurdle. The LCOE is estimated at above 15 US cents/kWh, while the price ceiling set by EVN is only around 15-16 US cents/kWh. This narrow margin makes project development financially challenging for investors.

In addition, national security considerations and the limitation on eligible project developers are likely to remain in place, potentially constraining Vietnam's ability to achieve the targets under the modified - PMP 8

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