



# **GEG Flash News – N/A**

**November 1, 2024**

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### Flash News

Recommendation

N/A  
HoSE: GEG  
Electricity

Target price (VND)

N/A

Current price (VND)

11,200

Expected share price return

N/A

Expected dividend yield

N/A

Expected total return

N/A

### Stock performance (%)

|          | YTD   | 1M   | 3M    | 12M   |
|----------|-------|------|-------|-------|
| Absolute | -7.7  | -1.3 | -20.6 | 0.6   |
| Relative | -21.4 | 0.9  | -22.2 | -22.5 |

Source: Bloomberg



### Ownership

|                      |       |
|----------------------|-------|
| AVH Pte. Ltd         | 29.8% |
| DEG                  | 16.9% |
| Thanh Thanh Cong JSC | 14.2% |
| SBT                  | 9.3%  |

### Stock Statistics

01-Nov-24

Bloomberg code

GEG VN

52-week range (VND)

11,150 –  
16,381

Shares O/S (m)

358

Mkt cap (VND bn)

4,049

Mkt cap (USD bn)

162

Foreign room left (%)

5.2

Est. free float (%)

40.8

3m avg daily vol (shrs)

712,321

VND/USD

25,030

Index: VNIIndex / HNX

1,264.5/226.4

## GIA LAI ELECTRICTY JST (HoSE: GEG)

GEG reported -4.1% YoY in revenue to VND543 bn in Q3/2024, resulting in NPAT of VND48 bn loss compared to VND315 mil YoY. Cumulative 9M2024, GEG achieved VND80 bn in NPAT, -27.8% YoY. This outcome completed only 29.6% of the 2024 company's target and 30.4% of ACBS's forecast. The overall underperformance relative to the previous year is primarily attributed to the Tan Phu Dong 1 project, which is currently being recognized at a provisional price of 50% of the ceiling price, despite COD in May 2023, while other operating costs have escalated.

Q3/2024 revenue decreased by 4.1% YoY, primarily driven by a 4.8% decline in output to 1,012 mil kWh, which was mostly from -13.8% YoY in wind power to 131 mil kWh, despite a 0.7% increase in the average selling price to VND1,508/kWh.

NPAT recorded a loss of VND48 bn, Q3/2023: VND315 mil. This was primarily due to a 12.1% YoY increase in operating costs, which compressed the gross profit margin. Additionally, administrative expenses increased, although finance costs decreased. To illustrate, gross profit -19.1% YoY to VND237 bn, resulting in a gross profit margin of 43.6%, down from 51.8% YoY. Finance costs stood at VND230 bn, -8.7% YoY, with interest expenses accounting for VND224 bn, -5.1% YoY, and lastly administrative expenses increased by 17.9% YoY to VND33 bn.

For 9M2024, output reached 1,012 mil kWh, +16.5% YoY, driven by the commercial operation of the Tan Phu Dong 1 project since May 2023. This contributed to +11.1% YoY in revenue to VND1,770 bn. However, the average selling price decreased by 4.6% YoY to VND1,749/kWh due to the pricing of Tan Phu Dong 1 at 50% of the ceiling price as per Decision No. 21/QD-BCT, resulting in a decline in the gross profit margin to 49% from 54.4% in the same period last year.

**Quich conclusion:** Given the gray Q3/2024 financial performance, GEG has only achieved 29.6% of its 2024 plan and 30.4% of our forecast. Consequently, we will reassess and update our forecast and valuation for GEG in our upcoming report.

|                           | 2021  | 2022  | 2023  | 2024F | 2025F |
|---------------------------|-------|-------|-------|-------|-------|
| Net Sales (VNDbn)         | 1,381 | 2,093 | 2,163 | 2,483 | 2,604 |
| Growth                    | -8%   | 52%   | 3%    | 15%   | 5%    |
| EBITDA (VNDbn)            | 1,067 | 1,503 | 1,658 | 1,951 | 2,038 |
| Growth                    | 77%   | 72%   | 77%   | 79%   | 78%   |
| NPAT (VNDbn)              | 326   | 371   | 143   | 263   | 300   |
| Growth                    | 10%   | 14%   | -61%  | 84%   | 14%   |
| EPS (bonus-adjusted, VND) | 775   | 840   | 370   | 659   | 753   |
| Growth                    | 11%   | 8%    | -56%  | 78%   | 14%   |
| ROE                       | 9%    | 7%    | 2%    | 4%    | 5%    |
| ROA                       | 3%    | 2%    | 1%    | 2%    | 2%    |
| Net debt/EBITDA (x)       | 6.4   | 6.1   | 5.8   | 4.9   | 4.2   |
| EV/EBITDA (x)             | 11.2  | 9.5   | 8.9   | 7.5   | 6.7   |
| P/E (x)                   | 18.1  | 20.7  | 35.9  | 19.6  | 17.1  |
| P/B (x)                   | 1.5   | 1.5   | 0.9   | 0.9   | 0.8   |
| Dividend (VND)            | -     | -     | -     | -     | -     |
| Dividend yield            | -     | -     | -     | -     | -     |
| Old forecast              |       |       |       |       |       |

## Q3/2024 GEG's Financial Performance

| Unit: bn VND             | Q3/2023      | Q3/2024      | YoY          | 9M2023       | 9M2024       | YoY           |
|--------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Revenue</b>           | <b>566</b>   | <b>543</b>   | <b>-4.1%</b> | <b>1,593</b> | <b>1,770</b> | <b>11.1%</b>  |
| Gross profit             | 293          | 237          | -19.1%       | 866          | 867          | 0.1%          |
| <i>Gross margin</i>      | <i>51.8%</i> | <i>43.6%</i> |              | <i>54.4%</i> | <i>49.0%</i> |               |
| Financial Revenue        | 13           | 10           | -23.1%       | 38           | 28           | -26.3%        |
| Financial Expenses       | 252          | 230          | -8.7%        | 655          | 645          | -1.5%         |
| <i>Interest Expenses</i> | <i>236</i>   | <i>224</i>   | <i>-5.1%</i> | <i>620</i>   | <i>629</i>   | <i>1.5%</i>   |
| Administrative Expenses  | 28           | 33           | 17.9%        | 100          | 105          | 5.0%          |
| <b>NPAT</b>              | <b>0,3</b>   | <b>-48</b>   |              | <b>111</b>   | <b>80</b>    | <b>-27.8%</b> |
| <i>NPAT's margin</i>     | <i>0.2%</i>  |              |              | <i>7.0%</i>  | <i>4.5%</i>  |               |

Sources : GEG, ACBS

## Q3/2024 GEG Energy Portfolio Output Structure

| Unit: mil kWh    | Q3/2023      | Q3/2024      | YoY          | 9M2023       | 9M2024       | YoY          |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>GEG</b>       | <b>378</b>   | <b>360</b>   | <b>-4.8%</b> | <b>869</b>   | <b>1,012</b> | <b>16.5%</b> |
| Hydro            | 131          | 133          | 1.5%         | 217          | 187          | -13.8%       |
| Wind             | 152          | 131          | -13.8%       | 356          | 517          | 45.2%        |
| Solar            | 95           | 96           | 1.1%         | 296          | 308          | 4.1%         |
| <b>Structure</b> |              |              |              |              |              |              |
| <i>Hydro</i>     | <i>34.7%</i> | <i>36.9%</i> |              | <i>25.0%</i> | <i>18.5%</i> |              |
| <i>Wind</i>      | <i>40.2%</i> | <i>36.4%</i> |              | <i>41.0%</i> | <i>51.1%</i> |              |
| <i>Solar</i>     | <i>25.1%</i> | <i>26.7%</i> |              | <i>34.1%</i> | <i>30.4%</i> |              |

Sources : GEG, ACBS

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## DISCLAIMER

### Our Recommendation System

**BUY:** prospective 12 month VND total return (including dividends) will be more than 20%.

**OUTPERFORM:** prospective 12 month VND total return (including dividends) will be 10% to 20%.

**NEUTRAL:** prospective 12 month VND total return (including dividends) will be -10% to 10%.

**UNDERPERFORM:** prospective 12 month VND total return (including dividends) will be will be -20% to -10%.

**SELL:** prospective 12 month VND total return (including dividends) will be lower than -20%.

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