



GEG Flash News – NEUTRAL

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Flash News

Recommendation

NEUTRAL

HoSE: GEG

Electricity

Target price (VND)	13,700
Current price (VND)	12,500
Expected share price return	9.6%
Expected dividend yield	0.0%
Expected total return	9.6%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-4.6	0.0	4.3	-0.7
Relative	-2.7	0.8	6.6	-8.1

Source: Bloomberg



Ownership

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

Stock Statistics

09-Feb-25

Bloomberg code

GEG

52-week range (VND)	10,450 – 16,381
Shares O/S (m)	358
Mkt cap (VND bn)	4,103
Mkt cap (USD bn)	164
Foreign room left (%)	5.3
Est. free float (%)	40.8
3m avg daily vol (shrs)	330,088
VND/USD	25,030
Index: VNIndex / HNX	1,242.5 / 220.7

GIA LAI ELECTRICTY JST (HoSE: GEG)

GEG announced Q4/2024 results with VND555 bn in revenue, -2.5% YoY, and VND12 bn in NPAT, -62.5% YoY. For 2024, NPAT reached VND92 bn, -35.6% YoY, fulfilling 34.1% of the 2024 plan and exceeding ACBS's forecast by more than 3 times. However, the 2024 business results were still less positive compared to the same period last year due to the hydropower segment continuing to be affected by the 2023-2024 El Nino cycle.

Q4/2024 output decreased by 8.0% YoY, reaching 335 mil kWh. Of which, wind power reached 130 mil kWh, -15.0% YoY, and hydropower reached 129 mil kWh, -7.2% YoY. However, the average electricity selling price in Q4/2024 increased by 6.0% YoY, to VND 1,657/kWh, helping Q4/2024 revenue decrease by only 2.5% YoY, to VND555 bn. Gross profit reached VND205 bn, -19.0% YoY, and the gross margin decreased to 36.9% compared to 44.5% in the same period due to solar power having a thinner gross margin than the others.

For 2024, output was 1,347 mil kWh, +9.2% increase YoY, thanks to the Tan Phu Dong 1 being put into operation from May 2023, which helped wind power production increase to 647 mil kWh, +27.1% YoY. Revenue in 2024 increased by 7.5% YoY, reaching VND2,325 bn. However, gross profit reached VND1,072 bn, -4.2% YoY, and the gross margin decreased to 46.1% compared to 51.8% in the same period due to: (1) the average selling price for the whole year decreased by 1.6% YoY, to VND1,726/kWh, (2) the Tan Phu Dong 1 project is currently recording a temporary selling price equal to 50% of the ceiling price according to Decision No. 21/QD-BCT, and (3) the output structure changed when hydropower (which has a higher gross margin) decreased by 11.6% YoY in the expense of solar power increased by 6.1% YoY.

Quick conclusion: GEG completed 34.1% of the 2024 plan and exceeded our forecast for 2024 by 3 times due to a sharp decrease in interest expenses in Q4/2024. In which, raising capital to implement the Duc Hue 2 solar power project has been stagnant. For 2025, we forecast NPAT to reach VND211 bn, +129.9% YoY, thanks to reducing financial costs such as interest expenses and the return of the La Nina 2025-2026 cycle, which will have a positive impact on the company's results. We give a target price of VND 13,700/share for GEG, representing a total expected return of 9.6%.

	2022	2023	2024	2025F	2026F
Net Sales (VNDbn)	2,093	2,163	2,325	2,355	2,588
Growth	51.6%	3.3%	7.5%	1.3%	9.9%
EBITDA (VNDbn)	1,503	1,658	1,742	1,801	2,018
Growth	40.9%	10.3%	5.1%	3.4%	12.1%
NPAT (VNDbn)	371	143	92	211	417
Growth	13.8%	-61.5%	-35.7%	129.9%	97.2%
EPS (bonus-adjusted, VND)	793	313	321	549	1,083
Growth	8.4%	-60.6%	2.7%	71.0%	97.2%
ROE	6.6%	2.5%	1.6%	3.5%	6.5%
ROA	2.2%	0.9%	0.6%	1.4%	2.9%
Net debt/EBITDA (x)	6.4	6.0	5.2	4.6	3.7
EV/EBITDA (x)	9.4	8.7	7.8	7.1	5.9
P/E (x)	20.7	31.3	48.7	21.2	10.7
P/B (x)	1.5	0.8	0.8	0.7	0.7
Dividend (VND)	-	-	-	-	-
Dividend yield	-	-	-	-	-

GEG's performance in Q4/2024 and 2024

Unit: bn VND	Q4/2023	Q4/2024	YoY	2023	2024	YoY
Revenue	569	555	-2.5%	2,163	2,325	7.5%
Gross profit	253	205	-19.0%	1,120	1,073	-4.2%
<i>Gross margin</i>	<i>44.5%</i>	<i>36.9%</i>		<i>51.8%</i>	<i>49.0%</i>	
Financial Revenue	63	9	-85.7%	101	38	-63.4%
Financial Expenses	226	156	-31.0%	871	801	-9.1%
<i>Interest Expenses</i>	<i>221</i>	<i>157</i>	<i>-29.0%</i>	<i>842</i>	<i>786</i>	<i>-6.5%</i>
Administrative Expenses	48	30	-37.5%	158	135	-8.8%
NPAT	32	12	-62.5%	143	92	-35.6%
<i>NPAT's margin</i>	<i>5.6%</i>	<i>2.2%</i>		<i>6.6%</i>	<i>4.0%</i>	

Sources : GEG, ACBS

GEG's output structure in Q4/2024 and 2024

Unit: mil kWh	Q4/2023	Q4/2024	YoY	2023	2024	YoY
GEG	364	335	-8.0%	1,233	1,347	9.2%
Hydro	139	129	-7.2%	356	316	-11.2%
Wind	153	130	-15.0%	509	647	27.1%
Solar	72	76	5.6%	368	384	4.3%
Structure						
<i>Hydro</i>	<i>38.2%</i>	<i>38.5%</i>		<i>28.9%</i>	<i>23.5%</i>	
<i>Wind</i>	<i>42.0%</i>	<i>38.8%</i>		<i>41.3%</i>	<i>48.0%</i>	
<i>Solar</i>	<i>19.8%</i>	<i>22.7%</i>		<i>29.8%</i>	<i>28.5%</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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