



GEG Update - BUY

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Update

Recommendation

BUY

HoSE: GEG

Energy

18,400

Target price (VND)	18,400
Current price (VND)	14,900
Expected share price return	23.3%
Expected dividend yield	0.0%
Expected total return	23.3%

Stock performance (%)

YTD 1M 3M 12M

Absolute	-4.2	0.0	-3.6	30.1
Relative	-6.8	-3.5	-11.5	-15.8

Source: Bloomberg



Ownership

AVH Pte. Ltd	30%
CTCP Đầu tư TCC	14%
SBT	9%

Stock Statistics	30-Jan-2026
Bloomberg code	GEG
52-week range (VND)	11,450 – 18,450
Shares O/S (m)	358
Mkt cap (VND bn)	5,285
Mkt cap (USD m)	211
Foreign room left (%)	3.7
Est. free float (m)	35.5
3m avg daily vol (shrs)	361,925
VND/USD	25,030
Index: VNIndex / HNX	1,829/256

Gia Lai Electricity JSC (HoSE: GEG)

GEG reported Q4/2025 results with revenue of VND590 bn, +6% YoY, NPAT reached VND95 bn, +692% YoY. For 2025, NPAT amounted to VND946 bn, +927% YoY, equivalent to 138% of the Company's plan and 105% of ACBS's forecast. The strong 2025 performance was primarily driven by a significant increase in average electricity selling prices (ASP), following GEG's successful negotiation of official power purchase agreement (PPA) prices for several wind power projects, most notably Tan Phu Dong 1 (TPD1, 100 MW). However, we expect less favorable reported earnings in 2026, as GEG will no longer record non-recurring income of VND497 bn, which in 2025 arose from the retrospective revenue adjustment of TPD1 and the divestment of Truong Phu Hydropower JSC. Accordingly, we forecast revenue to decline by 5% YoY and NPAT to fall by 41% YoY in 2026, despite core earnings growing by 24% YoY. We maintain a target price of VND 18,400/share for 2026, implying a total expected return of 23.3%, rating BUY.

By Q4/2025, GEG generated 344 mil kWh, +3% YoY, mainly driven by higher hydropower output (154 mil kWh, +20% YoY), which offset declines in solar power (66 mil kWh, -13% YoY) and wind power (124 mil kWh, -5% YoY). The ASP increased 3% YoY to VND 1,713/kWh, supported by the finalized pricing for the TPD1 wind project. Consequently, revenue reached VND590 bn, +6% YoY. GEG also reversed VND37 bn of provisions for doubtful receivables during the quarter, contributing to a 42% YoY increase in gross profit, which reached VND292 bn. As a result, NPAT rose to VND95 bn, +692% YoY, and NPAT's margin expanded from 2% in Q4/2024 to 16%.

For 2025, total output reached 1.3 bn kWh, broadly flat YoY. Revenue increased to VND2,998 bn, +29% YoY, primarily due to a 30% YoY increase in ASP, which averaged VND2,236/kWh, following the successful PPA price negotiation and retrospective revenue recognition for TPD1 in Q1/2025. Gross profit amounted to VND1,713 bn, +60% YoY, while NPAT surged to VND946 bn, +927% YoY.

	2023	2024	2025	2026F	2027F
Net Sales (VNDbn)	2,163	2,325	2,999	2,848	2,963
<i>Growth</i>	<i>3.3%</i>	<i>7.5%</i>	<i>29.0%</i>	<i>-5.0%</i>	<i>4.1%</i>
EBITDA (VNDbn)	1,658	1,742	2,319	2,025	2,117
<i>EBITDA margin</i>	<i>10.3%</i>	<i>5.1%</i>	<i>33.1%</i>	<i>-12.7%</i>	<i>4.6%</i>
NPAT (VNDbn)	143	92	947	556	689
<i>Growth</i>	<i>-61.5%</i>	<i>-35.7%</i>	<i>929.3%</i>	<i>-41.3%</i>	<i>23.8%</i>
EPS (bonus-adjusted, VND)	313	321	1,959	1,323	1,642
<i>Growth</i>	<i>-60.6%</i>	<i>2.7%</i>	<i>510.4%</i>	<i>-32.5%</i>	<i>24.1%</i>
ROE	2.5%	1.6%	14.5%	7.9%	9.1%
ROA	0.9%	0.6%	6.2%	3.6%	4.5%
Net debt/EBITDA (x)	6.0	5.2	3.4	3.5	2.7
EV/EBITDA (x)	9.2	8.2	5.7	6.1	5.3
P/E (x)	37.3	58.0	5.6	9.6	7.7
P/B (x)	0.9	0.9	0.8	0.8	0.7
Dividend (VND)	-	-	-	-	-
Dividend yield	-	-	-	-	-

GEG Q4/2025 & 2025 Performance

Unit: VNDbn	Q4/2024	Q4/2025	YoY	2024	2025	YoY
Output: mil kWh	335	344	3%	1,347	1,341	0%
Hydro	129	154	20%	316	375	19%
Wind	130	124	-5%	647	606	-6%
Solar	76	66	-13%	384	360	-6%
Revenue	555	590	6%	2,325	2,998	29%
Hydro	128	198	55%	327	430	325%
Wind	219	259	18%	1,058	1,679	59%
Solar	170	149	-12%	858	827	-4%
Gross profit	205	292	42%	1,072	1,713	60%
<i>Gross margin</i>	37%	50%		46%	57%	
Financial expenses	156	129	-17%	801	683	-15%
Interest expenses	157	129	-18%	706	664	-16%
Administrative expenses	30	80	167%	135	200	48%
NPAT	12	95	692%	92	946	927%
<i>NPAT's margin</i>	2%	16%		4%	5%	

Sources: GEG, ACBS
2026 FORECAST: Core Earning +24% YoY.

For 2026, amid continued influence from the La Niña weather cycle in early 2026, gradually weakening toward year-end, we forecast total output of approximately 1.3 bn kWh, +1% YoY. Hydropower output is expected to decline by around 3% YoY, which would be offset by increased generation from wind energy and solar. We project revenue of VND2,848 bn, -5% YoY and NPAT of VND558 bn, -41% YoY. The ASP is expected to increase by 13% YoY, driven by higher FIT-supported tariffs for solar and wind power projects (8.5 – 9.8 cents/kWh), which are significantly higher than hydropower tariffs. The decline in NPAT is attributable to the absence of the VND497 bn one-off income recorded in 2025 from the retrospective adjustment of TPD1 and the divestment of Truong Phu Hydropower. Excluding these non-recurring items, we estimate core NPAT in 2026 to increase by 24% YoY to VND 556 bn.

For 2027, we forecast output will remain broadly flat YoY, 1.3 bn kWh, as the El Niño cycle is expected to return toward the end of 2026. We anticipate a continued decline in hydropower generation (approximately -4% YoY in 2027), which should be largely offset by incremental output from wind and solar assets. Accordingly, we project revenue of VND2,963 bn, +4% YoY and NPAT of VND692 bn, +24% YoY.

Unit: VNDbn	2025	2026F	YoY	2027F	YoY
Output: mil kWh	1.3	1.3	1%	1.3	1%
Hydro	375	362	-3%	348	-4%
Wind	606	625	3%	643	3%
Solar	360	367	2%	374	2%
Revenue	2,998	2,848	-5%	2,963	4%
<i>Gross profit</i>	1,715	1,383	-19%	1,477	+7%
<i>Gross margin</i>	57%	49%		50%	
NPAT	946	556	-41%	689	24%
<i>NPAT's margin</i>	32%	20%		23%	

Sources: GEG, ACBS
VALUATION

Based on FCFF method, we recommend a target price of VND18,400/share for GEG, representing a total expected return of 23.3%, rating **BUY**.

FINANCIALS MODEL	Price: VND	14,900	Target: VND	18,400	Mkt cap VND bn	5,285
(VND bn except where stated)	2023	2024	2025	2026F	2027F	
Total Net Sales	2,163	2,325	2,999	2,846	2,959	
<i>Growth</i>	<i>3.3%</i>	<i>7.5%</i>	<i>29.0%</i>	<i>-5.1%</i>	<i>4.0%</i>	
CoGS	1,043	1,252	1,284	1,465	1,487	
EBITDA	1,658	1,742	2,319	2,022	2,113	
<i>EBITDA margin</i>	<i>76.7%</i>	<i>74.9%</i>	<i>77.3%</i>	<i>71.1%</i>	<i>71.4%</i>	
Depreciation	697	804	804	804	804	
Operating profit	196	180	979	630	782	
<i>Operating profit margin</i>	<i>9.1%</i>	<i>7.7%</i>	<i>32.6%</i>	<i>22.1%</i>	<i>26.4%</i>	
Net interest expense	801	748	639	581	519	
<i>as % of avg net debt</i>	<i>8.1%</i>	<i>8.3%</i>	<i>8.1%</i>	<i>8.2%</i>	<i>8.9%</i>	
Interest cover (x)	1.2	1.3	2.4	2.1	2.5	
Tax	47	55	71	83	103	
<i>Tax rate</i>	<i>24.1%</i>	<i>30.4%</i>	<i>7.3%</i>	<i>13.0%</i>	<i>13.0%</i>	
NPAT	143	92	947	556	689	
<i>NPAT's margin</i>	<i>6.6%</i>	<i>4.0%</i>	<i>31.6%</i>	<i>19.5%</i>	<i>23.3%</i>	
Cash earning	840	896	1,751	1,360	1,493	
Number of share: mil	341.2	358.3	358.3	358.3	358.3	
EPS: VND	328	321	1,959	1,319	1,633	
<i>Bonus factor (x)</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	
Adjusted EPS: VND	313	321	1,959	1,319	1,633	
<i>EPS growth</i>	<i>-60.6%</i>	<i>2.7%</i>	<i>510.4%</i>	<i>-32.7%</i>	<i>23.8%</i>	

KEY CASHFLOW AND BS ITEMS	2023	2024	2025	2026F	2027F
Increase in working capital	587	889	1,181	1,151	839
Capex	1,578	82	-	-	-
Change in investment in affiliates	85				
Other cashflow items	1,106	990	586	684	642
Free cash flow	(304)	915	1,155	892	1,295
Share issues	114	-	-	-	-
Dividends paid	85	76	45	45	45
Increase in net debt	275	(839)	(1,111)	(848)	(1,250)
Net debt, end of year	9,868	9,029	7,918	7,071	5,820
Shareholders' equity	5,767	5,763	6,543	7,016	7,601
BVPS (VND)	16,902	16,084	18,261	19,580	21,214
<i>Net debt / equity (%)</i>	<i>171.1%</i>	<i>156.7%</i>	<i>121.0%</i>	<i>100.8%</i>	<i>76.6%</i>
<i>Net debt / EBITDA (x)</i>	<i>6.0</i>	<i>5.2</i>	<i>3.4</i>	<i>3.5</i>	<i>2.8</i>
Total assets	16,132	15,171	15,369	15,295	15,343

KEY RETURN AND VALUATION RATIOS	2023	2024	2025	2026F	2027F
ROE	2.5%	1.6%	14.5%	7.9%	9.1%
ROA	0.9%	0.6%	6.2%	3.6%	4.5%
ROIC	6.1%	6.3%	10.0%	8.1%	8.6%
WACC	9.4%	9.4%	9.4%	9.4%	9.4%
EVA	-3.3%	-3.1%	0.6%	-1.3%	-0.7%
PER (x)	37.3	58.0	5.6	9.6	7.8
EV/EBITDA (x)	9.2	8.2	5.7	6.1	5.3
EV/FCF (x)	(50.0)	15.7	11.5	13.9	8.6
PBR (x)	0.9	0.9	0.8	0.8	0.7
PSR (x)	2.5	2.3	1.8	1.9	1.8
EV/sales (x)	7.0	6.2	4.4	4.4	3.8
Dividend yield	-	-	-	-	-

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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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