



POW Update - OUTPERFORM

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Update

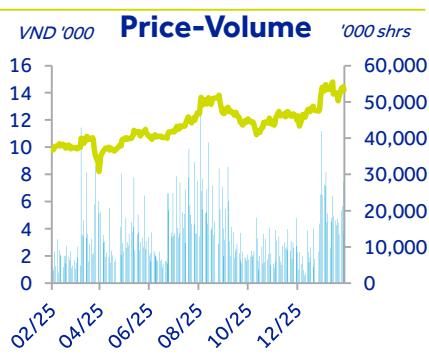
Recommendation **OUTPERFORM**
HoSE: POW

	Energy
Target price (VND)	16,900
Current price (VND)	14,450
Expected share price return	17.5%
Expected dividend yield	0.0%
Expected total return	17.5%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	11.8	13.8	22.7	48.8
Relative	11.8	13.3	14.0	4.7

Source: Bloomberg



Ownership

PVN	80%
Norges Bank	1%

Stock Statistics

	05-Feb-2026
Bloomberg code	POW
52-week range (VND)	8,199 – 15,200
Shares O/S (m)	3,068
Mkt cap (VND bn)	43,563
Mkt cap (USD m)	1,740
Foreign room left (%)	45.0
Est. free float (m)	27.4
3m avg daily vol (shrs)	12,903,660
VND/USD	25,030
Index: VNIndex / HNX	1,783/263

PetroVietnam Power Corporation (HoSE: POW)

POW announced Q4/2025 results VND8,747 bn in revenue, +2% YoY, and NPAT of VND688 bn, +588% YoY. For 2025, NPAT reached VND2,869 bn, +137% YoY, equivalent to 654% of the company's plan and 126% of ACBS's 2025 forecast. The strong 2025 performance was primarily driven by higher hydropower output with lower dispatch costs, +39% YoY, and +38% YoY in contracted capacity (Qc), which lifted the average electricity selling price (ASP), reduced overall dispatch costs, and improved profit margins. We set a target price for POW at VND16,900/share, implying a total expected return of 17.5%, rating OUTPERFORM.

In Q4/2025, POW delivered 4.4 bn kWh output, -5% YoY, while revenue +2% YoY to VND8,747 bn. Thermal output declined sharply, particularly at Vung Ang 1 (VA1), which recorded 1.2 bn kWh, -17% YoY, and Ca Mau 1&2 (CM1&2), which generated 1.5 bn kWh, -13% YoY. In contrast, hydropower output increased by 32% YoY, driven by Dakdrinh, Hua Na, and Nam Mu plants, reaching 516 mil kWh. In addition, Qc output +25% YoY, contributing to a 6% YoY increase in ASP, which reached VND1,889/kWh. As a result, gross margin improved to 12%, compared to 7% in Q4/2024, driving gross profit to VND4,328 bn, +79% YoY. NPAT reached VND688 bn, with NPAT's margin expanding from 1% in Q4/2024 to 8% in Q4/2025.

For 2025, total output (excluding NT3&4) reached 17.4 bn kWh, +8% YoY. Revenue amounted to VND34,151 bn, +13% YoY, while gross profit surged to VND4,328 bn, +117% YoY. This improvement was mainly attributable to +38% YoY in Qc and +39% YoY in hydropower dispatch. Accordingly, ASP increased 4% YoY to VND1,934/kWh. NPAT reached VND2,869 bn, +137% YoY, with NPAT's margin improving from 4% in 2024 to 8% in 2025.

	2023	2024	2025	2026F	2027F
Net Sales (VNDbn)	28,329	30,306	34,151	45,701	51,195
<i>Growth</i>	0.4%	7.0%	12.7%	33.8%	12.0%
EBITDA (VNDbn)	4,245	3,938	5,933	6,806	7,266
<i>EBITDA margin</i>	-25.1%	-7.2%	50.7%	14.7%	6.8%
NPAT (VNDbn)	1,283	1,211	2,869	1,752	2,620
<i>Growth</i>	-49.7%	-5.6%	136.9%	-38.9%	49.5%
EPS (bonus-adjusted, VND)	378	474	900	511	848
<i>Growth</i>	-52.9%	25.5%	89.6%	-43.2%	65.9%
ROE	3.8%	3.5%	7.7%	4.4%	6.2%
ROA	1.8%	1.5%	3.2%	1.9%	2.9%
Net debt/EBITDA (x)	0.4	1.8	1.6	0.6	(0.2)
EV/EBITDA (x)	10.9	13.0	9.1	7.1	5.9
P/E (x)	34.6	36.6	15.5	25.3	16.9
P/B (x)	1.3	1.3	1.2	1.1	1.1
Dividend (VND)	-	-	-	-	-
Dividend yield	-	-	-	-	-

POW Q4/2025 & 2025 Performance

Unit: VNDbn	Q4/2024	Q4/2025	YoY	2024	2025	YoY
Output: mil kWh	4,657	4,445	-5%	16,077	17,369	8%
CM1&2	1,699	1,477	-13%	5,997	5,574	-7%
NT1	67	275	310%	284	1,032	263%
NT2	822	961	17%	2,743	3,117	14%
HNA	213	301	41%	636	966	52%
DHC	178	215	21%	566	702	24%
VA1	1,677	1,215	-28%	5,846	5,973	2%
Revenue	8,619	8,747	2%	30,305	34,151	13%
Gross profit	590	1,053	79%	1,998	4,328	117%
<i>Gross margin</i>	7%	12%		7%	13%	
Financial expenses	489	173	-65%	846	1,042	23%
<i>Interest expenses</i>	117	246	110%	381	655	72%
Administrative expenses	397	530	34%	878	1,246	42%
NPAT	100	688	588%	1,211	2,869	137%
<i>NPAT's margin</i>	1%	8%		4%	8%	

Sources: POW, ACBS
2026 Outlook: Weaker Earnings Due to NT3&4 Depreciation and Interest Expenses

For 2026, amid continued influence from the La Niña weather cycle in early 2026, gradually weakening toward year-end, we forecast total electricity output of 21.8 bn kWh, +18% YoY. Output from the parent company—including NT1, CM1&2, VA1, and NT3&4—is projected to reach 17.0 bn kWh, +24% YoY. Accordingly, we forecast revenue of VND45,701 bn, +34% YoY. However, NPAT is expected to decline to VND1,752 billion, -39% YoY. The earnings contraction is mainly due to a sharp increase in interest expenses, depreciation, and administrative costs following the commercial operation of NT3&4, while output utilization and revenue contribution from these plants remain unstable. Board of Management has also indicated that NT3&4 are likely to incur losses during their first two years of commercial operation.

For 2027, as El Niño conditions are forecast to return toward late 2026, we project total output of 23.1 bn kWh, +6% YoY, with parent company output reaching 18.0 bn kWh, +7% YoY. We expect the decline in hydropower output observed in 2026 (estimated at around -3% YoY in 2027) to persist, but to be offset by increased thermal power dispatch. As a result, revenue would reach VND51,195 bn, +12% YoY, generating VND2,650 bn in NPAT, +50% YoY, marking a recovery in profitability.

Unit: VNDbn	2025	2026F	YoY	2027F	YoY
Output: mil kWh	17,369	21,851	18%	23,453	7%
CM1&2	5,574	5,650	1%	5,913	5%
NT1	1,032	828	-20%	896	+19%
NT2	3,117	3,219	3%	3,548	10%
HNA	966	974	1%	927	-5%
DHC	702	668	-5%	646	-3%
VA1	5,973	6,097	2%	6,307	3%
Revenue	34,151	45,701	34%	51,195	12%
Gross profit	4,327	3,979	-8%	4,788	20%
<i>Gross margin</i>	13%	9%		9%	
NPAT	2,869	1,752	-39%	2,620	50%
<i>NPAT's margin</i>	8%	4%		5%	

Sources: POW, ACBS

FINANCIALS MODEL	Price: VND	14,450	Target: VND	16,900	Mkt cap VND bn	43,563
(VND bn except where stated)	2023	2024	2025	2026F	2027F	
Total Net Sales	28,329	30,306	34,151	45,701	51,195	
<i>Growth</i>	<i>0.4%</i>	<i>7.0%</i>	<i>12.7%</i>	<i>33.8%</i>	<i>12.0%</i>	
CoGS	25,625	28,308	29,824	41,722	46,407	
EBITDA	4,245	3,938	5,933	6,806	7,266	
<i>EBITDA margin</i>	<i>15.0%</i>	<i>13.0%</i>	<i>17.4%</i>	<i>14.9%</i>	<i>14.2%</i>	
Depreciation	2,809	2,818	2,854	4,476	4,244	
Operating profit	1,290	883	3,078	1,947	2,911	
<i>Operating profit margin</i>	<i>4.6%</i>	<i>2.9%</i>	<i>9.0%</i>	<i>4.3%</i>	<i>5.7%</i>	
Net interest expense	112	(80)	(143)	144	(128)	
<i>as % of avg net debt</i>	<i>6.1%</i>	<i>-1.1%</i>	<i>-1.5%</i>	<i>3.6%</i>	<i>9.6%</i>	
Interest cover (x)	12.8	(14.0)	(21.5)	16.2	(23.6)	
Tax	235	171	215	195	291	
<i>Tax rate</i>	<i>16.3%</i>	<i>12.4%</i>	<i>7.0%</i>	<i>10.0%</i>	<i>10.0%</i>	
NPATMI	1,038	1,111	2,341	1,331	2,207	
<i>NPATMI's margin</i>	<i>3.7%</i>	<i>3.7%</i>	<i>6.9%</i>	<i>2.9%</i>	<i>4.3%</i>	
Cash earning	3,847	3,929	5,195	5,807	6,451	
Number of share: mil	2,342	2,342	2,342	3,068	3,068	
EPS: VND	378	474	900	390	648	
<i>Bonus factor (x)</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.3</i>	<i>1.3</i>	
Adjusted EPS: VND	378	474	900	511	848	
<i>EPS growth</i>	<i>-52.9%</i>	<i>25.5%</i>	<i>89.6%</i>	<i>-43.2%</i>	<i>65.9%</i>	

KEY CASHFLOW AND BS ITEMS	2023	2024	2025	2026F	2027F
Increase in working capital	2,137	(61)	5,788	1,647	2,375
Capex	-	-	-	-	-
Change in investment in affiliates	30	-	26	-	-
Other cashflow items	(4,049)	(8,992)	(1,786)	1,540	1,355
Free cash flow	(2,369)	(5,002)	(2,405)	5,700	5,432
Share issues	-	-	-	-	-
Dividends paid	365	132	176	117	117
Increase in net debt	2,734	5,134	2,581	(5,583)	(5,315)
Net debt, end of year	1,848	6,982	9,563	3,980	(1,335)
Shareholders' equity	34,120	34,681	37,084	40,183	42,169
BVPS (VND)	14,569	14,809	15,835	13,098	13,746
<i>Net debt / equity (%)</i>	<i>5.4%</i>	<i>20.1%</i>	<i>25.8%</i>	<i>9.9%</i>	<i>-3.2%</i>
<i>Net debt / EBITDA (x)</i>	<i>0.4</i>	<i>1.8</i>	<i>1.6</i>	<i>0.6</i>	<i>(0.2)</i>
Total assets	70,360	79,913	88,451	90,012	89,490

KEY RETURN AND VALUATION RATIOS	2023	2024	2025	2026F	2027F
ROE	3.8%	3.5%	7.7%	4.4%	6.2%
ROA	1.8%	1.5%	3.2%	1.9%	2.9%
ROIC	3.1%	2.0%	4.7%	3.5%	4.6%
WACC	10.5%	10.5%	10.5%	10.5%	10.5%
EVA	-7.4%	-8.5%	-5.8%	-7.0%	-5.9%
PER (x)	34.6	36.6	15.5	25.3	16.9
EV/EBITDA (x)	10.9	13.0	9.1	7.1	5.9
EV/FCF (x)	(19.5)	(10.3)	(22.4)	8.5	7.9
PBR (x)	1.3	1.3	1.2	1.1	1.1
PSR (x)	1.6	1.5	1.3	1.0	0.9
EV/sales (x)	1.6	1.7	1.6	1.1	0.8
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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