GEG Flash Note – BUY

4-Aug-26

Pham Duc Toan
(+84 28) 7300 7000 (x1051)
toanpd@acbs.com.vn

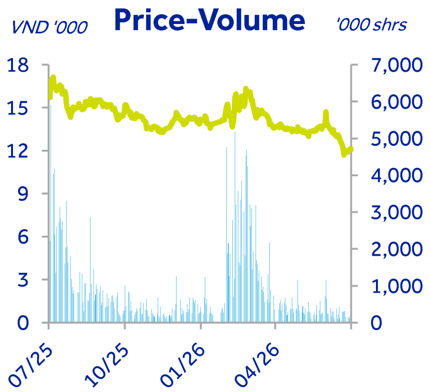
Flash note earning

Recommendation	**BUY**
	HOSE: GEG
	Energy
Target price (VND)	**17,500**
Market price (VND)	**12,200**
Expected share price return	43.4%
Expected dividend yield	0,0%
Expected total return	**43,4%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-17.5	-17.4	-10.8	-22.7
Relative	-16.1	-11.5	-6.0	-40.8

Source: Bloomberg



Ownership

AVH Pte. Ltd	30%
TCC Investment JSC	14%
SBT	11%

Stock Statistics	**04-Aug-26**
Bloomberg code	**GEG VN**
52-week range (VND)	11,700 – 17,571
Shares O/S (m)	376
Mkt cap (VND bn)	4,552
Mkt cap (USD m)	172
Est. Foreign room left (%)	5
Est. free float (%)	35
3m avg daily vol (shrs)	361,193
VND/USD	26,394
Index: VNIndex / HNX	1.777/286

Gia Lai Electricity JSC (HOSE: GEG)

- **Q2/2026's result: Revenue reached VND580 bn, -7% YoY, while NPAT came in at VND8 bn, -95% YoY, broadly in line with our forecast.**
- **6M2026 results: NPAT totaled VND272 bn, -65% YoY, fulfilling 72% of the company's targeg and 51% of ACBS's forecast for 2026. The 6M2026 results were in line with our expectations. We had already factored in the YoY earnings decline, primarily due to the absence of the VND144 bn gain recognized in Q2/2025 from the divestment of Truong Phu Hydropower JSC (TPH), as well as the absence of the retroactive revenue recognized in Q1/2025 from the Tan Phu Dong 1 (TPD1) project following the successful negotiation of the official power tariff.**
- **Accordingly, we maintain our GEG's 2026 target price of VND17,500/share (ex-dividend adjustment), implying a total expected return of 43.4%, rating BUY.**

Q2/2026: Lower wind power output weighed on revenue and gross margin, while higher interest expenses eroded earnings.

- Generation by segment was as follows: Hydro: 43 mil kWh, +13% YoY; Solar: 268 mil kWh, +8% YoY; Wind: 238 mil kWh, -17% YoY. Consequently, revenue declined 7% YoY to VND580 bn, mainly due to lower wind power generation, which generates the highest revenue per kWh. Gross profit reached VND237 bn, -13% YoY, while the gross margin narrowed from 44% in Q2/2025 to 41% in Q2/2026.
- NPAT fell sharply to VND8 bn, -95% YoY, primarily due to the absence of the VND144 bn gain from the divestment of TPH in Q2/2025, together with +16% YoY in interest expenses as GEG increased borrowings to finance the Duc Hue 2 solar power project, which achieved commercial operation (COD) in Q2/2026.

Cumulative 6M2026:

- Ouput reached 616 mil kWh, +2% YoY, supported by +10% YoY in solar power to 219 mil kWh. Revenue amounted to VND4,470 bn, -51% YoY, mainly due to the absence of the retroactive revenue recognized from the TPD1 project in Q1/2025. Gross profit totaled VND724 bn, -34% YoY.
- NPAT was VND272 bn, -65% YoY, driven by the factors discussed above.

Quick conclusion: GEG's 6M2026 earnings declined significantly YoY, completing 72% of the company's target and 51% of ACBS's forecast for 2026. Overall, the results were in line with our 2026's expectations. We therefore maintain our 2026 target price of VND17,500/share, implying a total expected return of 43.4%, rating BUY.

	2023	2024	2025	2026F	2027F
Net Sales (VNDbn)	2,163	2,325	2,999	2,816	3,240
Growth	*3.3%*	*7.5%*	*29.0%*	*-6.1%*	*15.1%*
EBITDA (VNDbn)	1,658	1,742	2,315	2,010	2,357
Growth	*10.3%*	*5.1%*	*32.9%*	*-13.2%*	*17.2%*
NPAT (VNDbn)	143	92	947	530	758
Growth	*-61.5%*	*-35.7%*	*929.3%*	*-44.1%*	*43.2%*
EPS (bonus-adjusted, VND)	313	211	1,867	1,082	1,593
Growth	*-60.6%*	*-32.4%*	*783.5%*	*-42.0%*	*47.2%*
ROE	2.5%	1.6%	14.6%	7.6%	10.0%
ROA	0.9%	0.6%	6.3%	3.3%	4.8%
Net debt/EBITDA (x)	6.0	5.2	3.6	3.9	2.9
EV/EBITDA (x)	8.6	7.7	5.4	6.1	4.8
P/E (x)	30.3	47.1	4.6	8.2	5.7
P/B (x)	0.8	0.8	0.7	0.6	0.6
Dividend (VND)	-	-	-	-	-
Dividend yield	-	-	-	-	-

Q2/2026's PERFORMANCE

Unit: bn VND	Q2/2025	Q2/2026	YoY	6M2025	6M2026	YoY
Output: mil kWh	**276**	**254**	**-8%**	**606**	**616**	**2%**
Hydro	*45*	*24*	*-46%*	*77*	*75*	*-2%*
Wind	*124*	*113*	*-9%*	*330*	*322*	*-2%*
Solar	*107*	*117*	*9%*	*199*	*219*	*10%*
Revenue	**624**	**580**	**-7%**	**1,737**	**1,347**	**-23%**
Hydro	*38*	*43*	*13%*	*129*	*132*	*2%*
Wind	*287*	*238*	*-17%*	*1,109*	*678*	*-39%*
Solar	*249*	*268*	*8%*	*459*	*504*	*10%*
Gross profit	273	237	*-13%*	1.099	724	*-34%*
Gross margin	*44%*	*41%*		*63%*	*54%*	
Financial expenses	173	182	*5%*	360	347	*-4%*
Interest expenses	*158*	*183*	*16%*	*342*	*348*	*2%*
Administrative expenses	37	42	*14%*	82	83	*1%*
NPAT	**157**	**8**	**-95%**	**770**	**272**	**-65%**
NPAT's margin	*25%*	*1%*		*44%*	*20%*	

Sources: GEG, ACBS

CONTACTS

Ho Chi Minh City Head Office
3rd Floor, 117 Nguyen Dinh Chieu, Xuan Hoa Ward, Ho Chi Minh City
Tel: (+84 28) 7300 7000
Fax: (+84 28) 7300 3751

Hanoi Office
10 Phan Chu Trinh, Cua Nam Ward, Ha Noi
Tel: (+84 24) 3942 9396

RESEARCH & MARKET STRATEGY DEPARTMENT

Email: research.gr@acbs.com.vn
trangdm@acbs.com.vn

INSTITUTIONAL CLIENT DIVISION

Director
Huong Chu
(+84 28) 7300 7000 (x1083)
huongctk@acbs.com.vn
groupis@acbs.com.vn

Manager
Huynh Nguyen
(+84 28) 7300 6879 (x1088)
huynhntn@acbs.com.vn

OUR RECOMMENDATION SYSTEM

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months
OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months
NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months
UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months
SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

DISCLAIMER