POW Update – BUY

6-Aug-26

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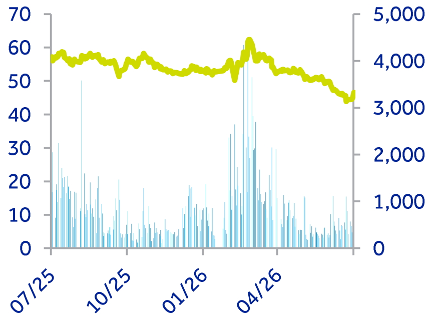
Update

Recommendation	**BUY**
	HOSE: POW
	Energy
Target price (VND)	**18,400**
Market price (VND)	**13,800**
Expected share price return	33.3%
Expected dividend yield	0.0%
Expected total return	**33.3%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	7.1	-6.8	8.3	14.3
Relative	8.5	-0.9	13.1	-3.8

Source: Bloomberg



Ownership

PVN	80%
Norges Bank	1%

Stock Statistics	**05-Aug-26**
Bloomberg code	**POW VN**
52-week range (VND)	10,662 – 16,850
Shares O/S (m)	3,068
Mkt cap (VND bn)	42,796
Mkt cap (USD m)	1,581
Est. Foreign room left (%)	45
Est. free float (%)	27
3m avg daily vol (shrs)	11,069,542
VND/USD	26,394
Index: VNIndex / HNX	1,776/294

PetroVietnam Power Corporation (HOSE: POW)

- **Q2/2026: Revenue reached VND20,308 bn, +116% YoY, while NPAT totaled VND3,708 bn, +387% YoY, significantly exceeding our forecast.**
- **6M2026: NPAT reached VND5,008 bn, +306% YoY, equivalent to 446% of the company's target and 166% of ACBS's forecast for 2026. The strong earnings significantly outperformed our expectations, driven by a sharp increase in dispatched output, primarily supported by a substantial increase in Qc. In addition, the company recognized a VND1,600 bn foreign exchange gain from the revaluation loans related to VA1, together with VND381 bn in operation and maintenance (O&M) service for CM1&2 from EVN.**
- **Core 6M2026 NPAT reached VND3,027 bn, equivalent to 100% of our 2026 forecast. Following our reassessment of the company's 2026 outlook, we raise the projected output to more than 22 bn kWh, primarily reflecting higher expected generation from the gas-fired power plants based on the latest Qc allocation. We forecast 2026 revenue of VND54,739 bn, +11% from previous forecast, and NPAT of VND7,123 bn, +135% from previous estimate. Core 2026 NPAT is projected at VND5,142 bn, +71% YoY. Accordingly, we raise 2026 target price for POW from VND17,100/share to VND18,400/share, +8% from previous target price, implying a total expected return of 33.3%, rating BUY.**

Q2/2026: Strong growth in dispatched electricity output (+51% YoY).

- Output +51% YoY to 7.4 bn kWh, mainly driven by thermal power plants. Specifically, output reached 1.2 bn kWh at NT2 (+54% YoY), 2.3 bn kWh at VA1 (+20% YoY), and 1.7 bn kWh at NT3&4, 16-fold increase YoY. As a result, revenue surged to VND20,308 bn, +116% YoY.
- Gross profit reached VND4,721 bn, +304% YoY, benefiting from +30% YoY in the average Full Market Price (FMP) and a substantial increase in Qc during the peak summer demand season and ahead of the anticipated El Niño cycle.
- NPAT rose sharply to VND3,708 bn, +387% YoY, supported by the recognition of a VND1,600 bn foreign exchange gain from VA1 and VND381 bn in O&M service for CM1&2 from EVN.

Cumulative 6M2026: Revenue reached VND32,635 bn, +86% YoY, while NPAT +306% YoY to VND5,008 bn.

	2023	2024	2025	2026F	2027F
Net Sales (VNDbn)	28,329	30,306	34,306	54,739	56,380
Growth	0.4%	7.0%	13.2%	59.6%	3.0%
EBITDA (VNDbn)	4,245	3,938	6,089	11,951	9,817
Growth	-25.1%	-7.2%	54.6%	96.3%	-17.9%
NPATMI (VNDbn)	1,283	1,211	3,006	7,123	5,762
Growth	-49.7%	-5.6%	148.2%	137.0%	-19.1%
EPS (bonus-adjusted, VND)	288	307	728	1,958	1,591
Growth	-52.9%	6.3%	137.2%	169.1%	-18.8%
ROE	3.8%	3.5%	8.1%	16.6%	12.1%
ROA	1.8%	1.5%	3.4%	7.4%	5.9%
Net debt/EBITDA (x)	0.4	1.8	1.6	0.2	(0.5)
EV/EBITDA (x)	10.5	12.6	8.6	3.7	3.9
P/E (x)	33.4	35.3	14.2	6.0	7.4
P/B (x)	1.3	1.2	1.1	1.0	0.9
Dividend (VND)	-	-	-	-	-
Dividend yield	-	-	-	-	-

Q2/2026's PERFORMANCE

Unit: bn VND	Q2/2025	Q2/2026	YoY	6M2025	6M2026	YoY
Output: mil kWh	**4,873**	**7,371**	***51%***	**9,137**	**13,035**	***43%***
CM1&2	*1,397*	*1,409*	*13%*	*2,862*	*2,734*	*-5%*
NT1	*356*	*402*	*13%*	*472*	*699*	*48%*
NT2	*777*	*1,196*	*54%*	*1,369*	*2,141*	*56%*
HNA	*165*	*176*	*7%*	*292*	*343*	*18%*
DHC	*133*	*124*	*-7%*	*325*	*299*	*-8%*
VA1	*1,939*	*2,318*	*20%*	*3,696*	*4,184*	*13%*
NT3&4	*105*	*1,727*	*1,545%*	*105*	*2,601*	*2,377%*
Revenue	**9,399**	**20,308**	***116%***	**17,549**	**32,635**	***86%***
CM1&2	*2,502*	*3,561*	*42%*	*5,356*	*6,011*	*12%*
NT1	*780*	*1,050*	*35%*	*1,203*	*1,774*	*48%*
NT2	*2,059*	*2,903*	*41%*	*3,577*	*4,955*	*39%*
HNA	*251*	*229*	*-9%*	*430*	*403*	*-7%*
DHC	*146*	*133*	*-9%*	*370*	*283*	*-24%*
VA1	*3,541*	*4,580*	*29%*	*6,861*	*7,640*	*11%*
NT3&4	*-*	*6,017*		*-*	*9,317*	
Gross profit	1,168	4,721	*304%*	1,984	6,525	*229%*
Gross margin	*12%*	*23%*	*%*	*11%*	*20%*	
Financial expenses	398	516	*30%*	574	974	*70%*
Interest expenses	*138*	*518*	*276%*	*257*	*932*	*263%*
Administrative expenses	166	422	*154%*	504	658	*31%*
NPAT	**761**	**3,708**	***387%***	**1,233**	**5,008**	***306%***
NPAT's margin	*8%*	*18%*		*7%*	*15%*	

Sources: POW, ACBS

2026 FORECAST

We revise upward output forecast compared with previous update, mainly for the gas-fired power plants NT1, NT2 and NT3&4, supported by the following factors:

- A more secure gas supply, as management has proactively diversified fuel procurement through imported gas sources;
- A strong recovery in electricity demand alongside the rebound in economic activity; and
- The approaching El Niño cycle, which is expected to further support electricity dispatch from thermal power plants.

Furthermore, incorporating the VND1,600 bn foreign exchange gain from VA1 and VND381 bn in O&M service revenue for CM1&2, we forecast 2026 revenue of VND54,739 bn, +11% from previous forecast, and NPAT of VND7,123 bn, 135% higher than previous estimate.

Unit: bn VND	2025	2026 Old Forecast	YoY	2026 New Forecast	YoY
Output: mil kWh	**18,600**	**21,300**	***15%***	**22,449**	***21%***
CM1&2	*5,574*	*5,650*	*1%*	*5,650*	*1%*
NT1	*1,032*	*828*	*-20%*	*1,222*	*18%*
NT2	*3,117*	*3,219*	*3%*	*3,548*	*14%*
HNA	*966*	*992*	*3%*	*992*	*3%*
DHC	*702*	*668*	*-5%*	*668*	*-5%*
VA1	*5,973*	*6,097*	*2%*	*6,097*	*2%*
NT3&4	*1,145*	*3,841*	*235%*	*4,268*	*273%*
Revenue	**34,306**	**49,288**	***44%***	**54,739**	***57%***
NPAT	**3,006**	**3,023**	***1%***	**7,123**	***137%***
NPAT's margin	*9%*	*6%*		*13%*	

Sources: POW, ACBS

VALUATION

Based on FCFF method, we assign 2026 POW target price of VND18,400/share, implying a total expected return of 33.3%, rating BUY.

FINANCIALS MODEL	Price: VND	13,800	Target: VND	18,400	Mkt cap VND bn	42,796
(VND bn except where stated)	**2023**		**2024**	**2025**	**2026F**	**2027F**

(VND bn except where stated)	2023	2024	2025	2026F	2027F
Total Net Sales	**28,329**	**30,306**	**34,306**	**54,739**	**56,380**
Growth	*0.4%*	*7.0%*	*13.2%*	*59.6%*	*3.0%*
CoGS	25,625	28,308	29,828	45,166	48,661
EBITDA	**4,245**	**3,938**	**6,089**	**11,951**	**9,817**
EBITDA margin	*15.0%*	*13.0%*	*17.7%*	*21.8%*	*17.4%*
Depreciation	2,809	2,818	2,859	3,935	3,698
Operating profit	**1,290**	**883**	**3,233**	**7,914**	**6,402**
Operating profit margin	*4.6%*	*2.9%*	*9.4%*	*14.5%*	*11.4%*
Net interest expense	112	(80)	(143)	144	(241)
as % of avg net debt	*6.1%*	*-1.1%*	*-1.5%*	*7.8%*	*4.2%*
Interest cover (x)	12.8	(14.0)	(22.6)	55.7	(25.4)
Tax	235	171	234	791	640
Tax rate	*16.3%*	*12.4%*	*7.2%*	*10.0%*	*10.0%*
NPATMI	**1,038**	**1,111**	**2,426**	**6,673**	**5,422**
NPATMI's margin	*3.7%*	*3.7%*	*7.1%*	*12.2%*	*9.6%*
Cash earning	3,847	3,929	5,285	10,608	9,120
Number of share: mil	2,342	2,342	2,787	3,068	3,068
EPS: VND	**378**	**402**	**801**	**1,958**	**1,591**
Bonus factor (x)	0.8	0.8	0.9	1.0	1.0
Adjusted EPS: VND	**288**	**307**	**728**	**1,958**	**1,591**
EPS growth	*-52.9%*	*6.3%*	*137.2%*	*169.1%*	*-18.8%*

KEY CASHFLOW AND BS ITEMS	2023	2024	2025	2026F	2027F
Increase in working capital	2,137	(61)	4,696	5,227	4,555
Capex	-	-	-	-	-
Change in investment in affiliates	30	-	78	-	-
Other cashflow items	(4,049)	(8,992)	(2,917)	2,396	2,060
Free cash flow	**(2,369)**	**(5,002)**	**(2,406)**	**7,777**	**6,624**
Share issues	-	-	-	-	-
Dividends paid	365	132	230	-	-
Increase in net debt	2,734	5,134	2,636	(7,777)	(6,624)
Net debt, end of year	**1,848**	**6,982**	**9,618**	**1,841**	**(4,784)**
Shareholders' equity	**34,120**	**34,681**	**37,217**	**42,893**	**47,773**
BVPS (VND)	14,569	14,809	13,355	13,981	15,572
Net debt / equity (%)	*5.4%*	*20.1%*	*25.8%*	*4.3%*	*-10.0%*
Net debt / EBITDA (x)	*0.4*	*1.8*	*1.6*	*0.2*	*(0.5)*
Total assets	**70,360**	**79,913**	**88,612**	**96,770**	**98,321**

KEY RETURN AND VALUATION RATIOS	2023	2024	2025	2026F	2027F
ROE	3.8%	3.5%	8.1%	16.6%	12.1%
ROA	1.8%	1.5%	3.4%	7.4%	5.9%
ROIC	3.1%	2.0%	4.9%	11.5%	8.4%
WACC	10.3%	10.3%	10.3%	10.3%	10.3%
EVA	-7.3%	-8.4%	-5.5%	1.1%	-1.9%
PER (x)	33.4	35.3	14.2	6.0	7.4
EV/EBITDA (x)	10.5	12.6	8.6	3.7	3.9
EV/FCF (x)	(18.8)	(10.0)	(21.8)	5.7	5.7
PBR (x)	1.3	1.2	1.1	1.0	0.9
PSR (x)	1.5	1.4	1.2	0.8	0.8
EV/sales (x)	1.6	1.6	1.5	0.8	0.7
Dividend yield	-	-	-	-	-

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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