



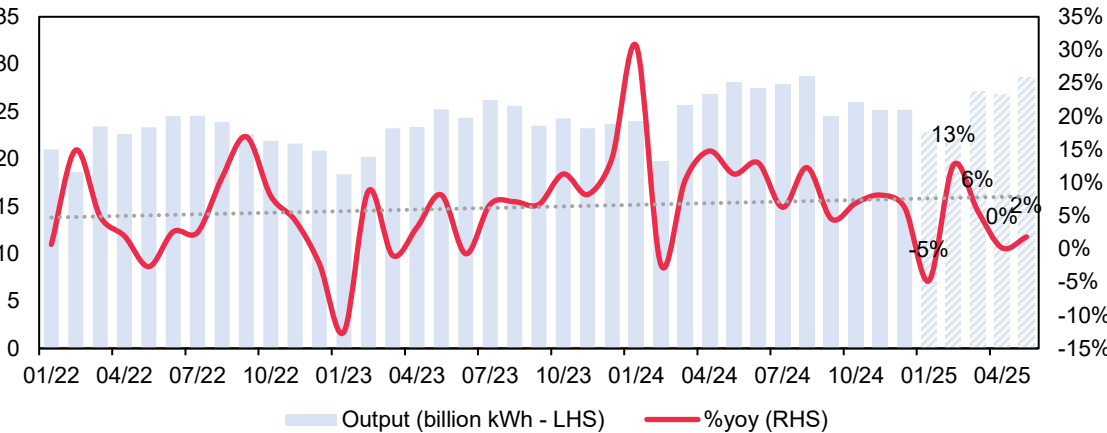
Steadily stepping into a new development phase

Analyst(s):

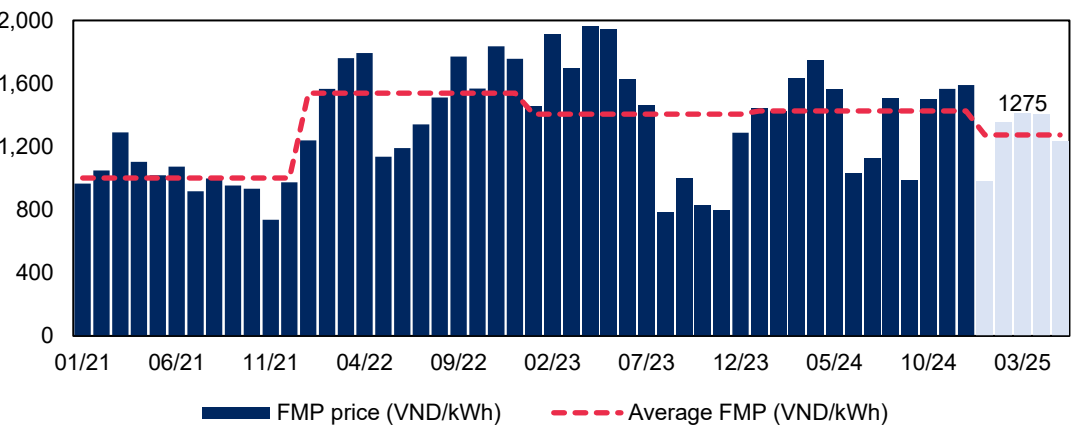
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1H25 Recap: Electricity demand growth below expectations

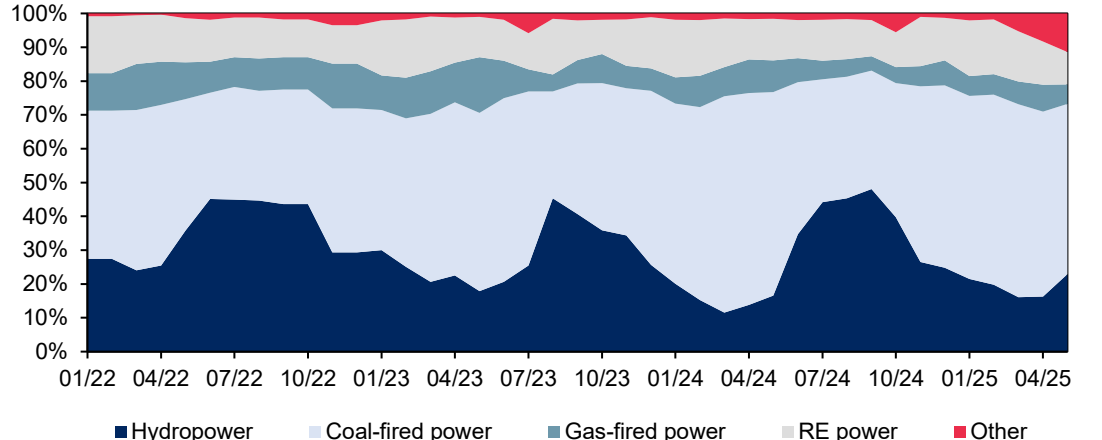
6M25 output increased modestly 2.7% yoy, falling short of the MOIT's 2025 target of 11-12%. The main reason was lower nationwide temperatures, leading to slower load growth.



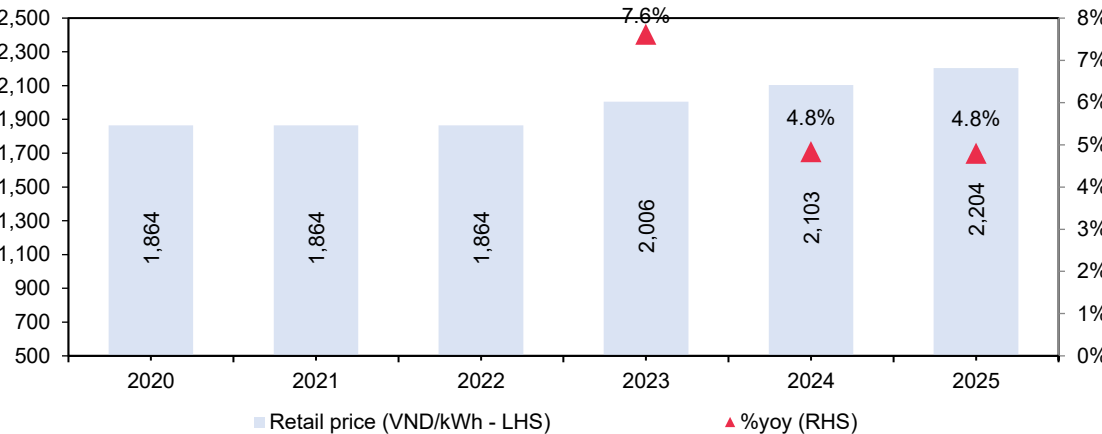
5M25 average FMP price reached only VND1,286/kWh (-10% yoy) as EVN mainly dispatched hydropower under favorable weather conditions and low demand, leading to a limited room for thermal power with higher high selling prices.



Hydropower recovered from the low base. Coal-fired power and RE output remained stable, while gas-fired power output dropped due to weak demand. In 2025, imported output rose strongly, supplying the Northern region



Electricity retail prices rose 4.8% yoy from May 2025, marking the fourth increase in three years. It is expected to improve the prolonged loss situation, supporting dispatch conditions and enhancing sector investments cash flow.



The Revised PDP8: Promoting renewable energy and integrating new power sources to mitigate risks from gas-fired power projects

Compared to PDP8, the Revised PDP8 reflects major changes in power capacity plans after updating economic development scenarios and assessing project feasibility

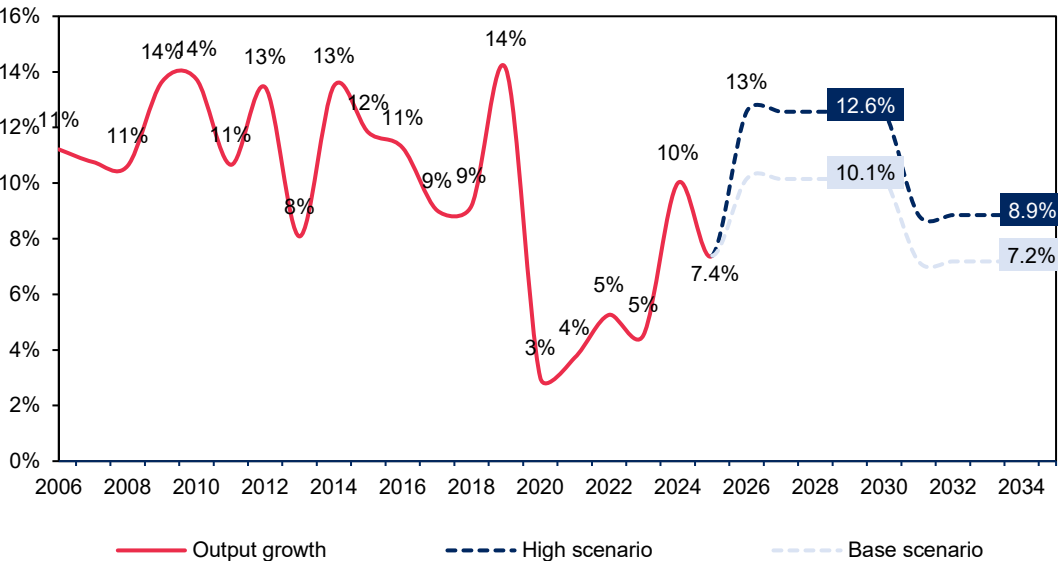
Unit: MW		Base scenario						High scenario					
Power sources	2025	2030F	Δ (+/-) vs PDP8	2035F	Δ (+/-) vs PDP8	2050F	Δ (+/-) vs PDP8	2030F	Δ (+/-) vs PDP8	2035F	Δ (+/-) vs PDP8	2050F	Δ (+/-) vs PDP8
Coal-fired power	29,539	31,055	928	31,055	856	25,798	166	31,055	928	31,055	856	25,798	166
Domestic gas-fired power	9,393	10,861	(4,069)	7,900	-	14,930	-	10,861	(4,069)	7,900	-	14,930	-
LNG gas-fired power	814	8,824	(13,576)	25,524	124	31,412	6,012	8,824	(13,576)	33,447	8,047	36,968	11,568
Hydropower	24,600	33,294	3,948	39,746	6,092	40,624	4,608	34,667	5,321	40,611	6,957	40,611	4,595
Onshore & nearshore wind	6,774	26,066	4,186	33,676	3,276	84,696	7,646	38,029	16,149	44,125	13,725	91,400	14,350
Offshore wind	-	-	(6,000)	6,000	(12,000)	113,503	22,003	-	(6,000)	17,032	(968)	139,097	47,597
Solar power (farm + rooftop)	17,049	46,459	25,868	77,836	20,970	293,088	103,794	73,416	52,825	124,689	67,823	295,646	106,352
Pumped storage + BESS	-	12,394	9,694	18,298	8,848	116,810	71,260	22,271	19,571	31,331	21,881	117,310	71,760
Nuclear power	-	-	-	6,000	6,000	10,544	10,544	-	-	6,000	6,000	14,031	14,031
Other	1,399	14,339	6,769	20,885	853	43,098	(20,159)	17,221	9,651	30,238	10,206	62,890	(367)
Total capacity	89,569	183,291	27,747	273,949	35,018	774,503	205,874	236,363	80,819	370,953	132,022	838,681	270,052

- Total installed capacity by 2030 is projected to increase by ~27,000-80,000MW versus PDP8, with a strong focus on expanding renewable energy and new power sources to offset the shortfall from delayed gas-fired projects. Specifically: 1) Solar power capacity is expected to double by 2030, with approximately 30% serving DPPA transactions and new energy production; 2) Onshore/nearshore wind power capacity is projected to rise by ~15%-40% compared to PDP8, accounting for 14-16% of total power capacity by 2030; 3) Under the base case scenario, PDP8A defers the first 6,000MW of offshore wind projects to the 2030-2035 period, while maintaining high-case expectations.
- Conversely, the Revised PDP8 postpones 13,576MW of LNG-fired power and domestic gas projects (including Ca Voi Xanh and Bao Vang) to 2030-2035 due to updated feasibility assessments. To compensate for the capacity gap, the plan adds 9,694-19,571MW of pumped-storage hydropower and battery energy storage systems (BESS) alongside ~6,700-9,600MW from flexible sources, biomass, and imports. Until 2030, the power system will operate similarly to the current structure, where coal-fired power remains the baseload due to its low variable costs, gas-fired power serves mid-merit load, hydropower and storage cover peak demand, and notably, wind and solar are prioritized for dispatch.
- Looking to 2035, the Revised PDP8 approves integrating an additional 6,000MW of nuclear power into the system, serving as a critical baseload source. The investment costs for renewable energy are expected to decline rapidly, making them increasingly competitive with conventional sources, thereby justifying continued expansion. Coal and gas-fired plants will remain as baseload and mid-merit sources, but there will be strategies to convert its traditional fuel to biomass, ammonia, or hydrogen. Flexible generation and storage will play an increasingly important role in peak shaving, as the share and dispatch priority of thermal power are set to decline gradually.

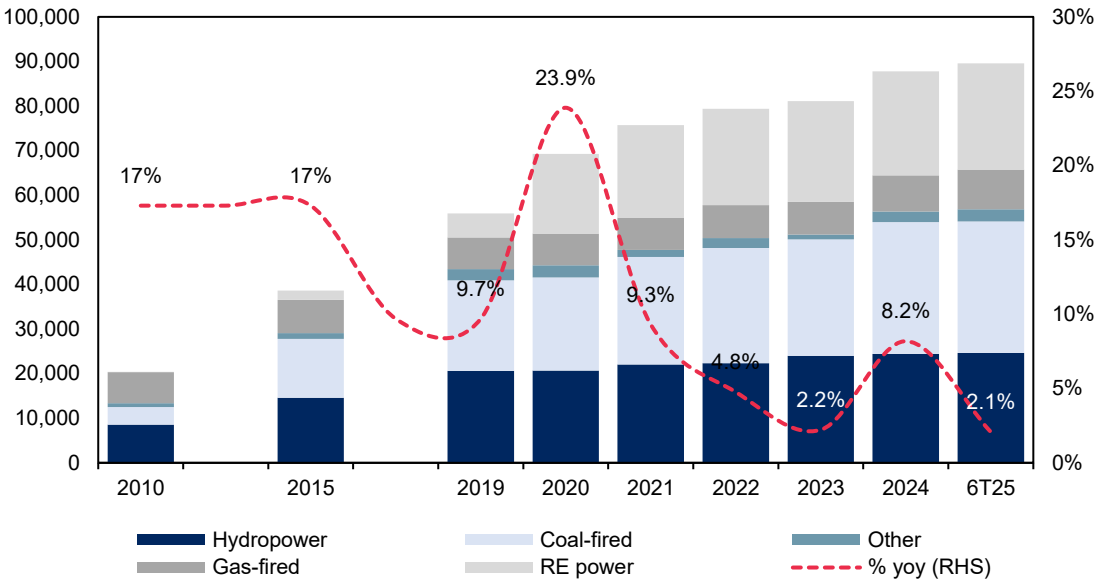
The Revised PDP8: Electricity consumption growth projected to remain high, driven by the Government’s strong commitment to economic growth targets

- The Revised PDP8 focuses on two key GDP growth scenarios as the basis for power development planning. Specifically, under the base case, average GDP growth is projected at 8% during 2026-2035, maintaining 7.5% through 2050. Under the high-growth scenario, which is considered crucial for Vietnam to enter a new era of national prosperity, average GDP growth is forecast at 10% during 2026-2035, with 7.5% maintained through 2050, higher than PDP8’s previous assumptions of 6.5-7%. Corresponding to these two scenarios, the plan forecasts average electricity consumption growth of 12.6% (high case) and 10.1% (base case) for 2025-2030.
- At June 2025 meeting on electricity supply for the year, electricity consumption growth in 6M25 to reach only 2.7% yoy, mainly due to reduced residential demand as a result of lower nationwide temperatures compared to last year. For full-year 2025, the Ministry of Industry and Trade projects total electricity output to increase by 7.39% yoy, falling short of the initial 12% target. However, given the low growth in 6M25, achieving this projection would require H2 growth to exceed 10%.

The Revised PDP8 forecasts double-digit demand growth under both base and high scenarios to support economic growth objectives over 2025-30



High power demand pressure persists in the context of power supply growth consistently lagging behind load growth during 2022-2025 (Unit: MW).



• Sources: MOIT, EVN, MBS Research

Policy framework completion: 2025 marks a bright spot with the issuance of key landmark policies

In 2H25, reflecting the Government's strong determination to resolve policy bottlenecks, a series of critical documents for the power sector were approved and issued. Notable among these are the Revised PDP8 and its implementation plan, alongside circulars on bidding regulations and price frameworks for various power sources. These policies have significantly addressed project-related obstacles and improved the investment environment for power companies. We believe 2025 will mark the beginning of a new investment cycle after several years of stagnation.

List of key policies in 2025

Policies/project(s)	Progress
Completed	
Revised PDP8 Implementation	The Government approved on May 30, 2025, immediately after issuing the Revised PDP8 on April 15, 2025.
Price framework for power sources	Continuously issued in 2Q25.
DPPA	Decree No. 57/2025/ND-CP on DPPA in March 2025
Circular regulating the criteria for evaluating bidding documents	Circular 27/2024/TT-BCT dated November 27, 2024.
Law on Electricity (amended)	Passed by the National Assembly on November 30, 2024, effective from February 1, 2025
Under process	
Refinding the DPPA	Calculating DPPA service fees; Continue to perfecting the policy over 2025-30 period
2-components electricity price	EVN proposed to the MOIT in November 2024, expected to pilot at some customer groups before expanding in 2025.
Carbon credit market	Deployment in the 2025-30 period

• Sources: MOIT, MBS Research

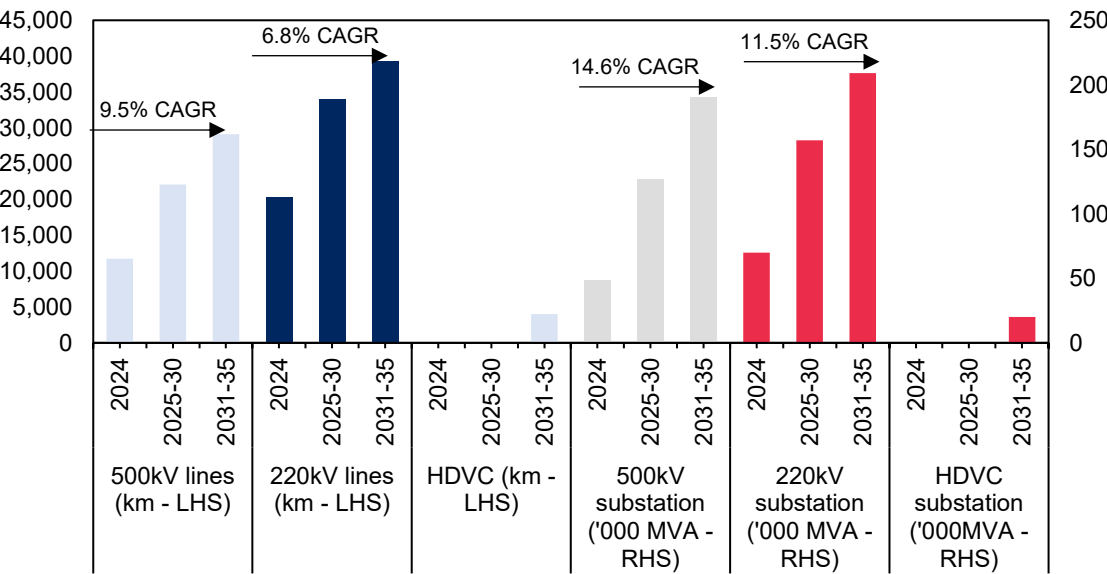
2025 price framework for major power generation types

Power source	Region	VND/kWh	US\$cent/kWh
Solar farm (without BESS)	North	1,382.7	5.39
	Central	1,107.1	4.31
	South	1,012.0	3.94
Floating solar (without BESS)	North	1,685.8	6.57
	Central	1,336.1	5.20
	South	1,228.2	4.78
Solar farm (with BESS)	North	1,572.0	6.12
	Central	1,257.1	4.90
	South	1,149.9	4.48
Floating solar (with BESS)	North	1,876.6	7.31
	Central	1,487.2	5.79
	South	1,367.1	5.33
Onshore wind power	North	1,959.4	7.63
	Central	1,807.4	7.04
	South	1,840.3	7.17
Nearshore wind power		1,987.4	7.74
Domestic gas-fired power		3,069.4	11.96
LNG gas-fired power (2025)		3,327.4	12.96
Hydropower		1,110.0	4.32
Coal-fired power		1,705.7	6.64
Biomass		2,091.7	8.15
Wind power imported from Laos			6.95
Hydropower imported from Laos			6.95
Coal-fired power imported from Laos			7.02
Offshore wind power	North	3,975.1	15.49
	Central	3,078.9	11.99
	South	3,868.5	15.07
Pumped storage hydropower		3,457.0	13.47
Waste-to-power		2,575.2	10.03
Imported from China			9.30

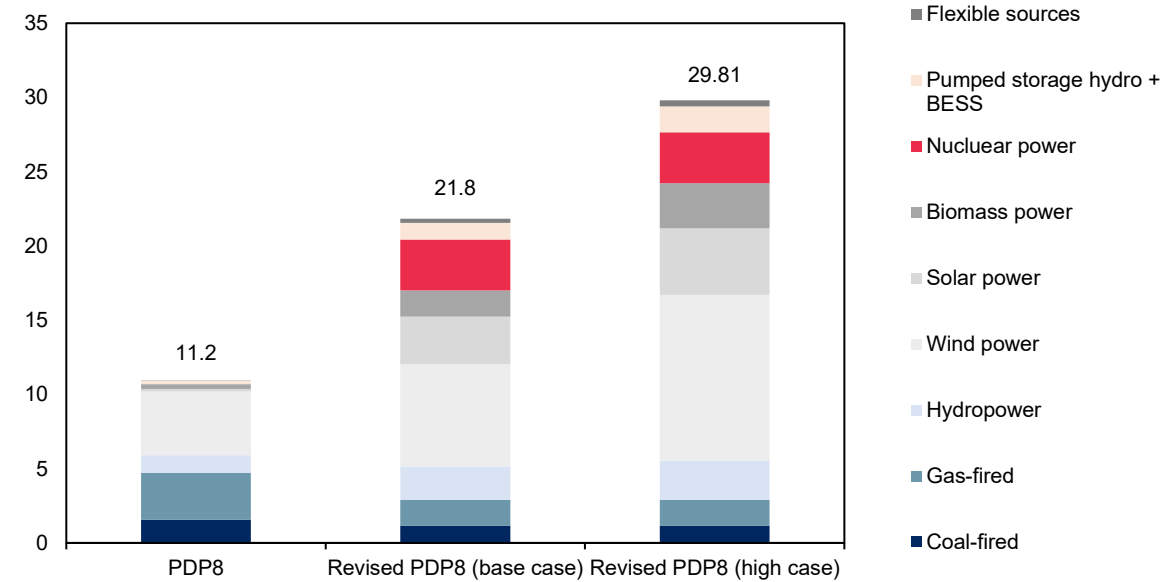
Power infrastructure: Investment capital under Revised PDP8 1.6 times higher than PDP8, creating greater workloads for power construction to 2050

- With renewable energy development set as a key focus for 2025-30, grid expansion needs become particularly critical to ensure system stability amidst a high share of variable sources. The estimated workload for grid upgrades and new construction is around USD1.3bn from now to 2030, securing project pipelines for leading EPC and consulting contractors such as **PC1, TV1, and TV2**. However, due to intense competition and sharply rising material costs, contract packages awarded by EVN tend to offer declining gross profit margins over time. Major contractors gain an edge by undertaking large-scale, technically complex projects that build market reputation.
- Capital for capacity development during 2025-2030 are estimated at ~USD21bn per year under the base scenario, with 31% allocated to wind power and 15% to solar power, underlining the crucial role of private capital, projected to contribute 70% of the total. Prominent EPC contractors such as PC1, TV2, and PVS stand to benefit significantly from abundant workloads. Additionally, investment demand is driven by the development of new power sources including nuclear power (6.2%), pumped-storage hydropower and BESS (5.1%), and biomass (8.0%). In the initial stages, companies with strengths in research, design, and feasibility study preparation will gain the most, notably **TV1 and TV2**.

The volume of work for grid transmission projects is expected to remain high from 2025 to 2050, with an estimated value of ~USD 1.3 billion per year.



Investment capital for 2026-30 under Revised PDP8 is nearly twice that of PDP8, with a strong allocation towards RE and new power sources. (Unit: USDbn)



• Sources: MOIT, MBS Research

Renewable energy: 2025 marks the start of a new growth cycle, with leading RE companies expected to continue benefiting

- The power sector has officially shifted to a bidding mechanism, and in Apr-May 2025, the MOIT issued price frameworks for RE power, resolving major policy bottlenecks.
- For solar power, the new price framework is more diversified, accounting for battery storage systems and categorized by specific regions. The ceiling price for utility-scale solar remains broadly flat compared to the transitional framework, prompting cautious investment sentiment. Specifically, according to IRENA, solar investment costs fell 33% from the FIT1 period in 2020 to 2024, slower than the 50% drop in selling prices. We believe solar project returns will be lower than in previous phases. However, some companies with hydropower reservoirs such as REE, TV2, and EVN have shown strong interest in floating solar projects, which benefit from higher selling prices. Despite ample development potential driven by rapidly falling investment costs and higher module efficiency through technological advances, we believe the coming period will favor companies with strong cost optimization and project execution capabilities.
- For wind power, the new price framework is considered attractive, with onshore wind prices ~14-23% higher than the transitional framework and nearshore wind prices up 9%. In May 2025, several provinces such as Tra Vinh and Quang Tri launched project interest tenders, attracting many investors. We expect that companies with prior project development experience and ambitions to expand capacity in the coming period, such as **HDG, GEG, REE, and PC1**, will benefit from these opportunities starting in 2025.

The new price framework opens opportunities for renewable energy companies after approximately four years of policy stagnation.

Unit: US\$/kWh		Region	FIT1	FIT2	Transitional price	2025 price framework (US\$)	2025 price framework (VND)	% versus transitional price
Solar power without BESS	Floating solar	North	9.35	7.69	4.6	6.6	1685.8	42%
		South central				5.2	1336.1	13%
		South				4.8	1228.2	4%
	Solar farm	North	9.35	7.09	4.6	5.4	1382.7	17%
		South central				4.3	1107.1	-7%
		South				3.9	1012.0	-15%
Solar power with BESS	Floating solar	North	9.35	7.69	4.6	7.3	1876.6	na
		South central				5.8	1487.2	na
		South				5.3	1367.1	na
	Solar farm	North	9.35	7.09	4.6	6.1	1572.0	na
		South central				4.9	1257.1	na
		South				4.5	1149.9	na
Onshore wind	North	8.5	6.2		7.6	1959.4	23%	
	South central				7.0	1807.4	14%	
	South				7.2	1840.3	16%	
Nearshore wind			9.8		7.1	7.7	1987.4	9%

• Sources: MOIT, MBS Research

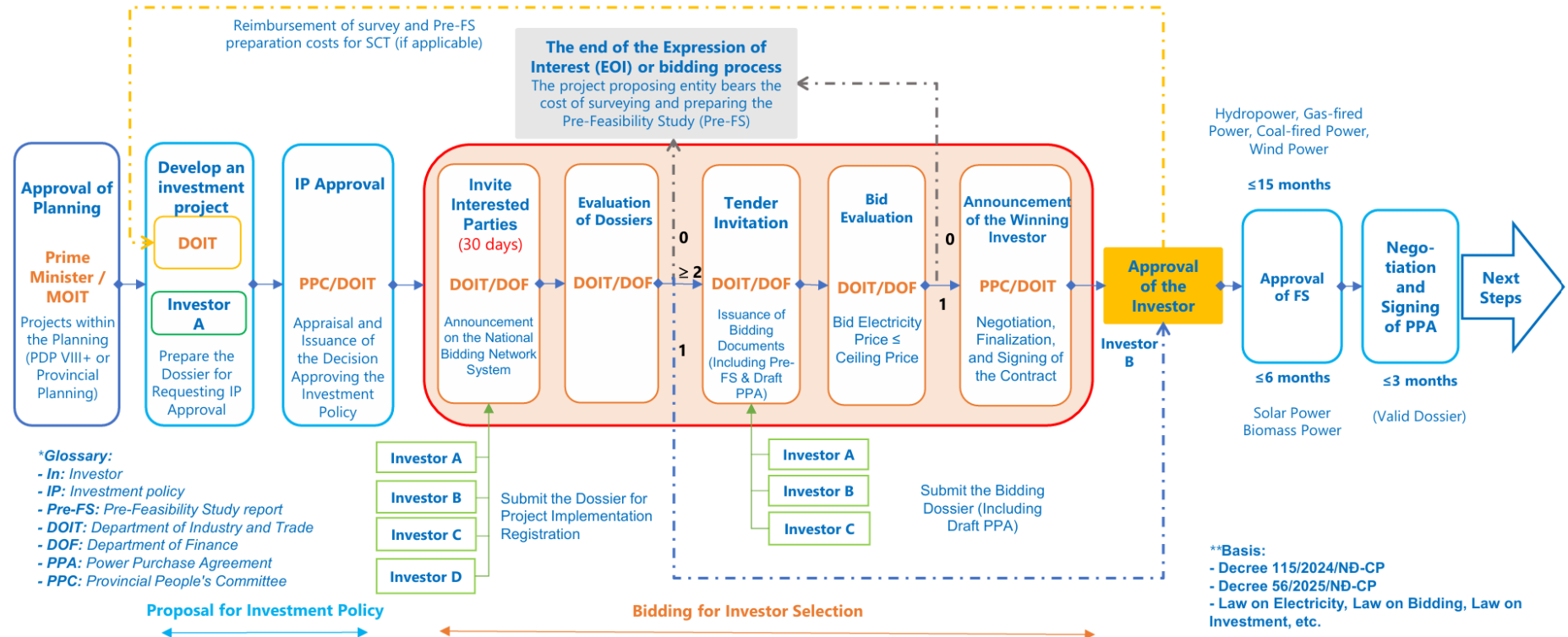
Renewable energy: Bidding mechanism shapes a new development trend

The bidding mechanism establishes a transparent, market-based playing field, creating opportunities for companies with genuine experience and capabilities. Selection criteria for investors are set out under Circular 27/2024/TT-BCT as follows:

- 1. Experience and capability (5-10%):** Requires equity capital of at least 15% of total investment, ability to mobilize debt financing, and proven project development experience.
- 2. Business plan (5-10%):** Assesses project suitability, including scope, scale, preliminary investment costs, timeline, progress, feasibility, and business viability.
- 3. Sector and local development effectiveness (80-90%):** The bid price factor carries the largest weight, with bids not exceeding the ceiling price set by MOIT and IRR capped at 12%. The ability to execute projects efficiently, operate effectively, and mobilize low-cost capital will be decisive for investors to offer competitive bids.

While some areas require improvement, such as (1) unclear timelines for applying new price frameworks and PPAs; (2) the restrictive IRR cap of 12%; and (3) VND-denominated electricity prices not reflecting inflation risks, overall, the new policies represent significant progress, unlocking major bottlenecks for the sector.

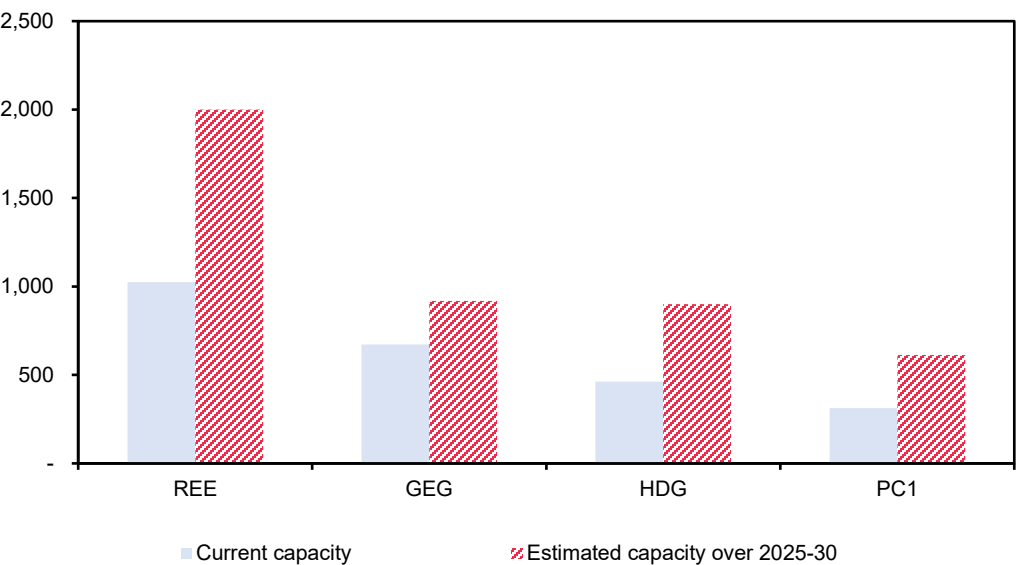
Investor selection bidding process



Renewable energy: A playing field for leading companies

- We believe that top-tier companies with proven project execution capabilities in previous phases will benefit significantly under the bidding mechanism. **REE** is currently developing the Duyen Hai wind power project (48MW) and preparing bidding procedures for Tra Vinh V1-3 Phase 2 (48MW), V1-5 and V1-6 (80MW). The company is also researching floating solar projects, targeting an additional 500MW by 2028 and aiming to reach ~2,000-2,500MW by 2030. **HDG** aims to double its capacity to ~900MW by 2030. It has started implementing the Phuoc Huu wind project (50MW) and pursuing a RE portfolio of ~400MW for 2025-2030. **GEG** is developing the VPL2 Ben Tre wind project (40MW) and Duc Hue 2 solar project (50MW). The company recently won a bid for a nearshore wind project in Tien Giang (100MW), and preparing a pipeline of 1GW over 2025-30. **PC1** has also shared plans to continue seeking investments in new wind power projects, targeting total RE capacity of 800MW by 2030, although it has yet to announce specific project details.

Several listed companies continue to demonstrate strong commitment to expanding their renewable energy capacity through 2030



Some provinces have begun opening tenders for project interest registration, attracting participation from many companies eager to compete

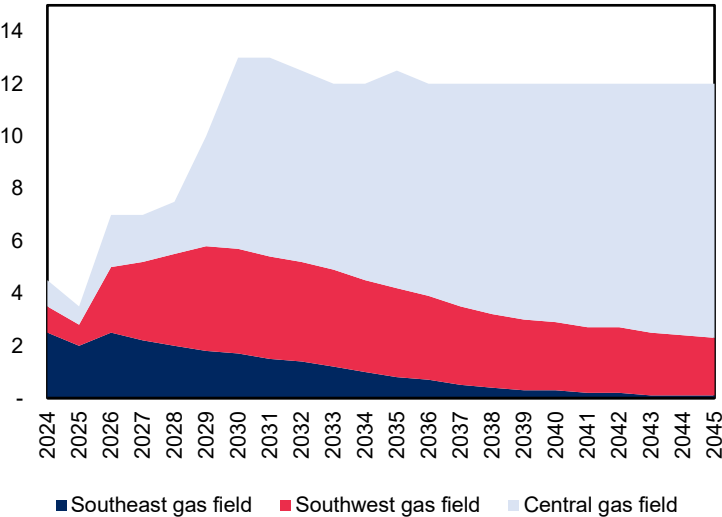
Project	Capacity (MW)	Investment (VNDbn)	List of investors
Quang Tri Win 1	48	1,759	1) Thuan Binh Wind Power JSC (REE); 2) AIT Joint venture; 3) Win Quang Tri - Wind Intl Joint venture; 4) ASM
Quang Tri Win 2	48	1,609	1) Thuan Binh Wind Power JSC (REE); 2) AIT Joint venture; 3) Win Quang Tri - Wind Intl Joint venture
Quang Tri Win 3	48	1,689	1) Nam Binh Wind Power JSC; 2) WinQT-Win Power JVs
Tra Vinh V1-5, 1-6	80	3,864	1) REE ; 2) Phuoc Minh-Minhyang JV; 3) GEG ; 4) Tra Vinh 1-Rev 1&2 Joint Venture (Singapore)
Tra Vinh V1-1 phase 2	48	2,546	1) REE + Trung Nam Joint venture; 2) Tra Vinh 1-Rev 2 Joint venture; 3) GEG ; 4) Bac Phuong-Vien An Joint Venture
Tra Vinh V1-2 expand	48	2,393	1) Phuoc Minh - Minhyang Joint venture; 2) TTVN; 3) Tra Vinh 1-Rev 2 Joint venture
Tra Vinh V1-3 phase 2	48	2,257	1) REE ; 2) Phuoc Minh - Minhyang Joint Venture; 3) Tra Vinh Wind Power 1 and Rev2 JV
Dong Hai 3 (V3-3)	48	2,771	1) Phuoc Minh - Minhyang Joint Venture; 2) Tra Vinh Wind Power 1 and Rev1&2 JV; 3) TTVN

Sources: Company reports, Báo đầu thầu, MBS Research

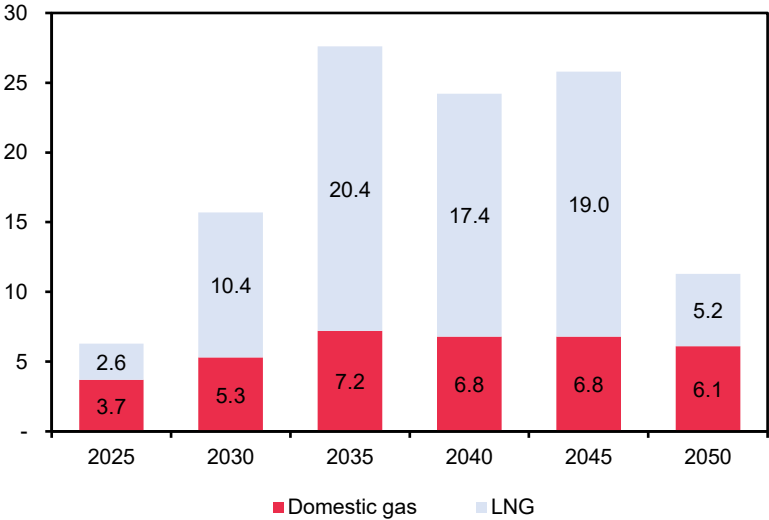
Gas-fired power: LNG supply becoming an inevitable trend from 2025 onwards

- Domestic gas for power generation is declining sharply, with output expected at 3.7bn kWh in 2025, down 22% from the already low level in 2024, particularly in the Southeast region. As cheap gas fields are depleted, new gas fields entail higher extraction costs, keeping gas prices elevated at around US\$9-10/mmbtu. Average prices are projected to increase to ~USD 11-13/mmbtu once new fields such as Block B and Ca Voi Xanh come into operation. In the short term, certain plants such as PGV’s Phu My and **NT2** continue to receive domestic gas allocation under existing contracts with GAS. BOT plants whose PPAs have expired, such as Phu My 2.2 and Phu My 3, will switch to LNG from 2025, partially alleviating gas shortages. For Southern gas fields, Vietnam is expected to cease imports from Malaysia after 2028. To prepare for upcoming power plants, supplementary LNG supply has become essential in the medium and long term to ensure feedstock availability.
- In 2025, LNG prices have stabilized, maintaining levels of US\$12-13/mmbtu. Although this is still 20-30% higher than domestic gas prices, the gap has narrowed significantly, enhancing competitiveness. Furthermore, LNG import demand in 2025 plays an important role in supporting Vietnam’s tax negotiations with the US. We believe that favorable cooperation could secure a stable and preferential LNG supply through long-term contracts.

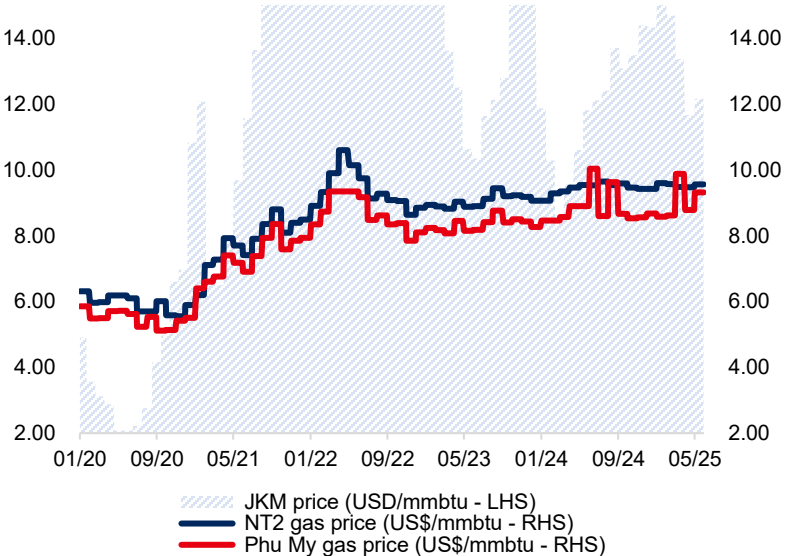
Domestic gas supply is expected to decline significantly, while new gas fields are planned to supply power plants in accordance



LNG demand is projected to rise sharply from now until 2035 to meet power generation needs.



Imported LNG prices are stabilizing in 2025, gradually narrowing the gap with domestic gas prices.



Sources: MOIT, NT2, GENCO3, Bloomberg, MBS Research

Gas-fired power: In the long term, gas-fired power remain one of the key pillars of development through 2035

List of key gas-fired power projects under the Revised PDP8

- Under the Revised PDP8, many current projects face significant challenges in contract negotiations and financing arrangements, posing risks of timeline delays beyond 2030 under the base scenario.
- In 2025, the Ministry of Industry and Trade issued the price framework for domestic gas power (VND 3,069/kWh) and LNG power (VND3,327/kWh), alongside Decree 56/2025/ND-CP, which stipulates a minimum Qc level of 65% of design capacity for 10 years, fundamentally ensuring economic feasibility for these plants. We believe these policies will unlock investment potential, supporting Vietnam's rapid upcoming development goals.
- Besides prominent companies with strong pipeline projects included in the plan, such as: **POW** (Nhon Trach 3 & 4 LNG, Quang Ninh LNG) **PGV** (Long Son LNG), the gas-fired power sector also includes several coal-to-LNG conversion projects as well as notable additions from new market entrants, such as **VinEnerg**o with Hai Phong LNG 1 & 2. These projects form the backbone of Vietnam's strategy to secure cleaner, reliable baseload capacity in the coming decades.

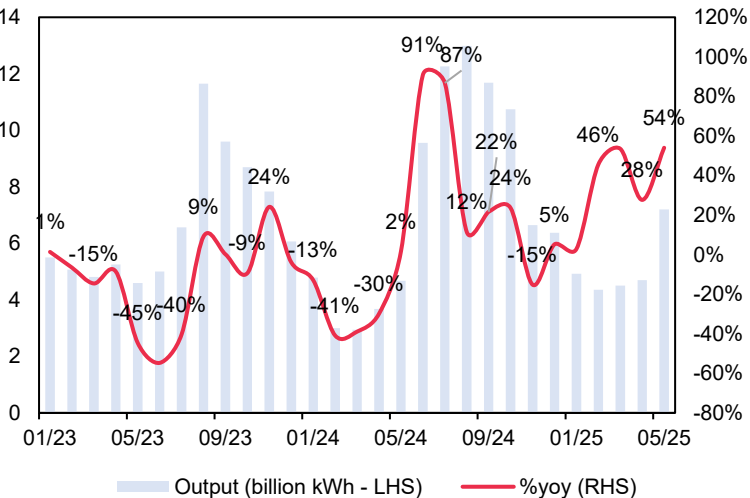
Power plant	Capacity (MW)	Timeline	Investor	Progress
LNG gas-fired power				
Nhon Trach 3&4	1,624	2025	PVPower	Operate from 3Q25
LNG Hiep Phuoc 1	1,200	2028	Hai Linh Company Limited	PPA negotiation; delay from 2025 to 2028
LNG Bac Lieu	3,200	2030	Delta Offshore Energy	Reviewing FS; arranging capital
LNG Quang Ninh	1,500	2028-29	PVPower - Colavi - Tokyo Gas - Marubeni	Reviewing FS
LNG Thai Binh	1,500	2028		Building FS
LNG Nghi Son	1,500	2028		Investor selection
LNG Quynh Lap	1,500	2028	SK Group (Korea) interested	Investor selection
LNG Quang Trach	1,500	2028	EVN	Building FS
LNG Hai Lang	1,500	2028-29	T&T Group - Hanwha - Kospo - Kogas	Reviewing FS
LNG Ca Na	1,500	2028		Investor selection
LNG Son My 2	2,250	2028	AES group	Reviewing FS
LNG Son My 1	2,250	2028	EDF - Sojitz - Kyushu - Pacific Group	Reviewing FS
LNG Long Son	1,500	2031-35		Proposed to push progress to before 2030
LNG Long An 1	1,500	2028-29	GS Energy - Vinacapital	Arranging capital; PPA negotiation
LNG Long An 2	1,500	2031	GS Energy - Vinacapital	Arranging capital; PPA negotiation
LNG Hai Phong 1	1,600	2030	VinEnergo - Vingroup	Newly included in Power plan
LNG Hieu Phuoc 2	1,500	2025-30		
LNG Cong Thanh	1,500	2031-35	SK Group (Korea) interested	Proposed to convert from coal-fired to gas-fired
LNG Hai Phong 2	3,200	2031-35	VinEnergo - Vingroup	Newly included in Power plan
LNG Vung Ang 3	1,500	2031-35	Vingroup, T&T, PVN, Samsung C&T interested	Newly added to serve Northern power demand
LNG Quang Trach 3	1,500	2031-35	EVN	Newly added to serve Northern power demand
Domestic gas-fired power				
O Mon 3,4 (Block B)	2,100	2028-30	PVN	Selecting contractors; Negotiating PPA, GSA
O Mon 2 (Block B)	1,050	2027-28	Vietracimex - Marubeni	Building FS
Dung Quat 2 (Blue whale)	750	2030	Semcorp	FS approved; progress depend on upstream timeline
Dung Quat 1,3 (Blue whale)	1,500	2030	EVN	Building FS; progress depend on upstream timeline
Mien Trung 1,2 (Blue whale)	1,500	2030	PVN	Building FS
Quang Tri	340	2030	Gazprom (Nga)	Using Bao Vang gas field

Sources: Revised PDP8, MBS Research

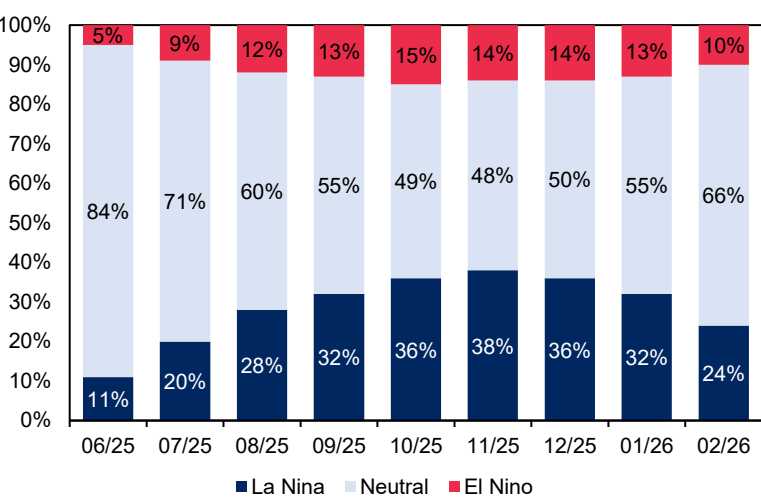
Hydropower: Output recovers from a low base in 2025

- In 1H25, nationwide rainfall remained around the historical average, except for the Central region, which experienced favorable weather conditions. Hydropower output recorded a strong recovery of 35% yoy, rebounding from last year's low base when the El Niño phase combined with intense water storage for the dry season peak.
- Looking at weather patterns for the remainder of 2025, according to the Meteorological and Hydrological Center, the Neutral phase is expected to persist with the highest probability (55-90%). From July to September, nationwide rainfall is forecast to remain around average, with higher rainfall in the Central region. From October to November, rainfall in the Central, South Central, and the Central Highlands is projected to be 10–25% above average. We believe the high growth seen in 6M25 will be difficult to sustain in 2H25. However, with a particularly positive outlook in the Central region, companies operating in this area such as REE and HDG may benefit.

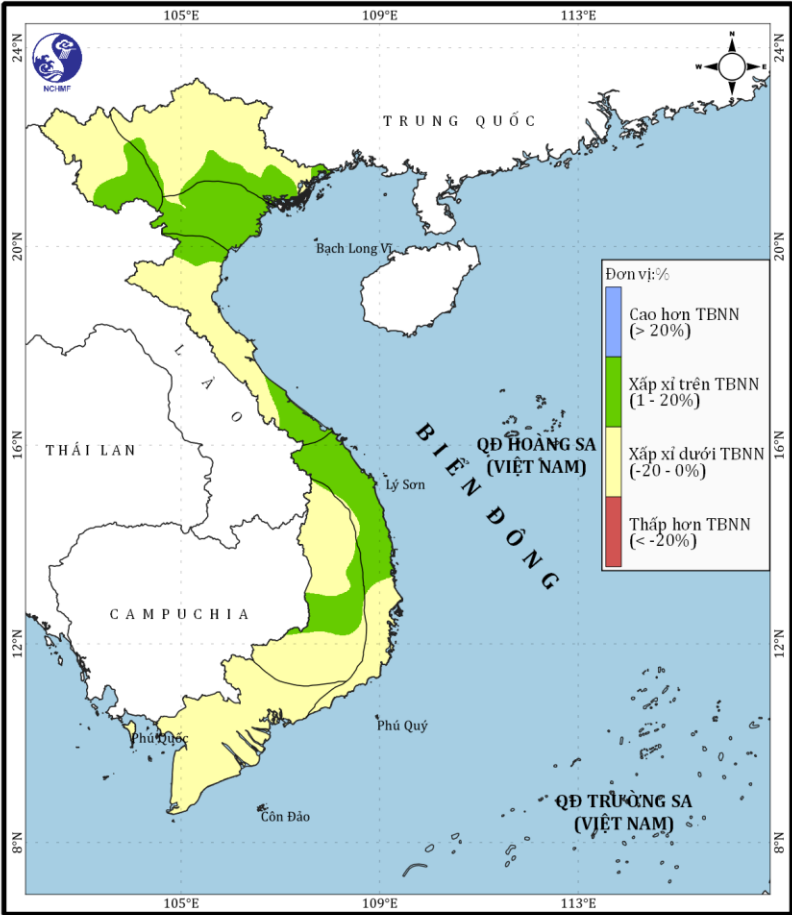
Hydropower output in 5M25 rebounded strongly from last year's low base



IRI forecasts the Neutral phase will persist throughout 2025 with high probability



Rainfall across Vietnam in 2025 is expected to be around the historical average, with exceptions in the Red River Delta and Central regions

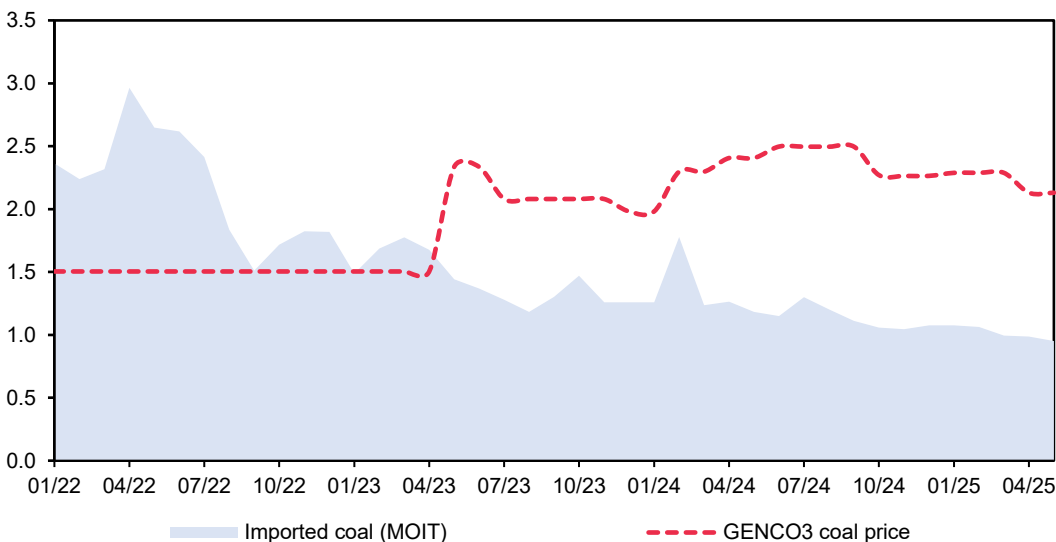


Sources: IRI, EVN, MBS Research

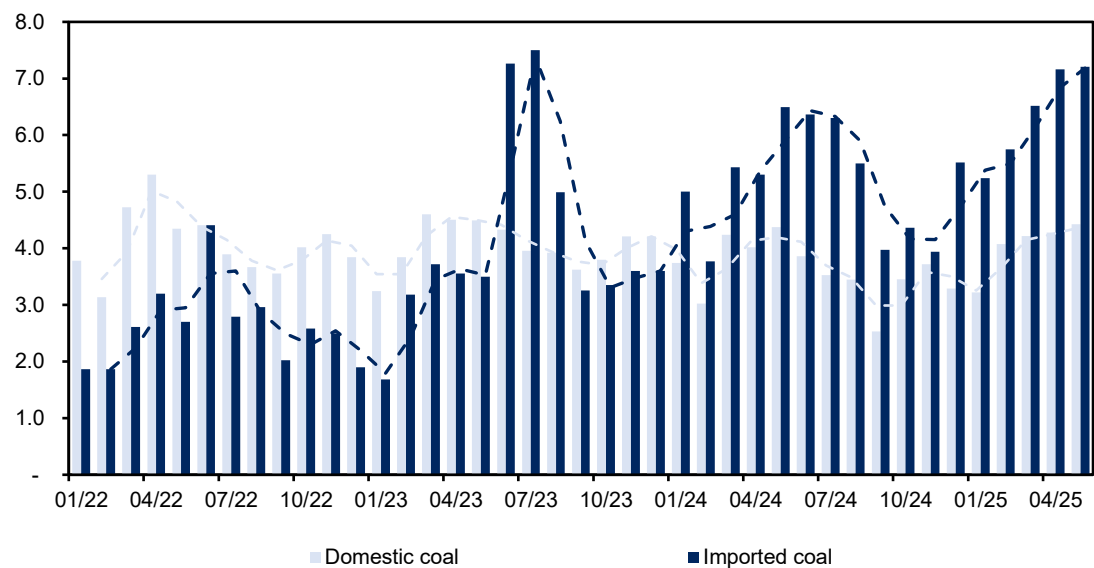
Coal-fired power: Maintaining favorable dispatch outlook in the medium term

- In 2025, EVN's allocated output for coal plants is expected to remain high, similar to 2024 levels, particularly in the Northern region. In 1H25, coal power dispatch volume declined only slightly by 6% yoy, supporting a stable outlook for these plants. We continue to see coal as a critical baseload source for the system in the medium term. On pricing, according to the World Bank, global coal prices are projected to decline by 27% in 2025 and further by 5% in 2026, driven by slower economic growth and weak demand, especially in China. In Vietnam, however, coal prices for power plants have not fallen proportionately, with only a modest decline of 2-5%, while TKV is planning a price increase of 13-15% due to cost pressures, though this proposal has yet to be approved. Regarding market dispatch, opportunities have narrowed as the 5M25 FMP price fell by 10% yoy to ~VND 1,275/kWh, impacting plant gross margins. However, the adjustment of Qc allocation from 70% in 2024 to 80% in 2025 has partially alleviated this pressure.
- From a company perspective, while growth is not expected, stable output dispatch ensures healthy cash flows for dividend payments, an important factor in defensive sector investment strategies. Leading coal power companies such as **QTP**, **HND**, and **PPC** continue to maintain dividend yields above 10%.

Blended coal prices declined slightly by ~2-5% due to sharp drops in import coal prices, supporting plant dispatch economics (Unit: VND million/ton)



TKV increased coal inventory levels, partly to take advantage of lower global prices and secure input supply for peak demand periods (Unit: million tons)



• Sources: GENCO3, MOIT, MBS Research

2025-26F business forecast of power stock coverage

VNDbn	PC1		POW		REE		HDG		NT2		QTP		GEG	
	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026
Revenue (VNDbn)	11,098	12,527	42,481	58,081	10,492	10,104	3,346	3,794	7,452	8,171	11,115	11,922	2,653	2,763
% growth	10.1%	12.9%	40.8%	36.7%	25.0%	-3.7%	23.1%	13.4%	25.4%	9.6%	-6.7%	7.3%	14.1%	4.1%
Gross profit	2,135	2,325	3,375	4,505	4,073	3,934	2,188	2,462	322	622	784	843	1,374	1,448
Gross margin (%)	19.2%	18.6%	7.9%	7.8%	38.8%	38.9%	65.4%	64.9%	4.3%	7.6%	7.1%	7.1%	51.8%	52.4%
EBITDA	2,363	2,492	5,815	6,471	4,606	4,605	2,379	2,713	789	672	1,277	1,328	2,078	2,173
EBITDA margin (%)	21.3%	19.9%	13.7%	11.1%	43.9%	45.6%	71.1%	71.5%	10.6%	8.2%	11.5%	11.1%	78.3%	78.6%
Net profit (VNDbn)	554	725	1,204	1,392	2,520	2,541	957	1,366	239	476	538	582	548	584
% growth	20.2%	31.1%	-3.8%	15.6%	26.4%	0.9%	174.8%	42.8%	188.9%	98.6%	-13.1%	8.1%	377.2%	6.5%
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
EPS (VND/share)	1,548	2,028	514	594	4,652	4,692	2,275	3,212	832	1,652	1,136	1,228	1,529	1,629
BVPS (VND/share)	20,717	23,519	16,151	17,835	43,687	48,666	18,442	21,427	14,636	15,329	10,873	10,723	17,365	19,127
Net cash/share (VND/share)	(21,216)	(21,268)	(6,614)	(3,124)	(5,381)	(1,355)	(8,412)	(6,239)	6,044	6,621	1,135	1,083	(16,611)	(12,099)
D/E (x)	1.8	1.7	0.8	0.6	0.6	0.5	0.7	0.5	0.2	0.2	0.0	0.0	1.4	1.3
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	1.2%	1.2%	4.0%	4.0%	3.7%	5.3%	11.0%	11.0%	0.7%	0.7%
ROAE (%)	7.5%	8.6%	3.8%	4.2%	10.6%	9.6%	14.0%	17.2%	5.7%	10.8%	11.0%	12.1%	9.0%	8.7%
ROAA (%)	2.4%	2.8%	1.4%	1.4%	6.7%	6.4%	6.5%	8.5%	2.7%	5.0%	8.4%	9.1%	3.6%	3.8%

2H25 power investment strategy: We chose PC1, HDG and GEG

Stock	Rcm.	Target price VND/share	Investment thesis
PC1	ADD (+29%)	28,500	- Positive prospects driven by large investment workload over 2026-30, 1.6x higher than PDP8. With its competitive edge as a leading electrical construction and wind power EPC contractor, PC1 is among the earliest beneficiaries. In 2025, alongside major domestic projects such as the Con Dao submarine cable (VND1,800bn), the company is implementing its first international EPC project – a 58MW wind power plant in the Philippines (VND1,200bn). The BoD shared that it is negotiating contracts for 2-3 wind power projects in Vietnam and the Philippines, targeting a 2025 backlog of ~VND 6,000-7,000bn, and confident in maintaining at least 10-15% annual growth in this segment through 2030. - PC1 expand its power portfolio with two small hydropower plants – Bao Lac A (30MW) and Thuong Ha (13MW) – scheduled to commence operations in 2026-2027. In addition, the company aims to raise its total installed capacity to 800MW by 2030, with a strong focus on wind power. - EPS growth is projected at 30% CAGR during 2025-2027, driven primarily by its real estate segment. The launch of Thap Vang from 2025 and the inclusion of PC1 Gia Lam in the pilot list under Decree 171 will be key revenue growth drivers. In IP segment, besides Nomura 2 IP (100% ownership), scheduled to begin construction by end-2025, PC1 also owns Western Pacific (associate company) with multiple projects in the handover phase, such as Yen Phong IIA and Yen Lenh.
HDG	ADD (+22%)	31,200	- Net profit CAGR 2025-27 projected at an impressive 45%, driven by Charm Villa Phase 3 handover (~108 units), officially launched sales in June 2025, with selling prices of ~VND200m/m². The project's revenue scale is estimated at ~VND3,000-3,500bn, with expected net profit margins of 50%. A major highlight is the resolution of legal bottlenecks for real estate projects under the pilot mechanism of Decree 171. Currently, the 62 Phan Dinh Giot project has received official approval from the Hanoi People's Committee, while projects in Ho Chi Minh City, including Minh Long and Green Lane, are expected to be approved in 2H25. - In 2025, the company's hydropower portfolio benefits from favorable weather conditions, supporting earnings recovery. Risks related to Hong Phong 4 have already been provisioned in 2024, creating a solid foundation for profit growth from 2025 onwards. In terms of power development plans, the company is implementing two small hydropower plants – Son Linh and Son Nham, as well as the Phuoc Huu wind project (50MW), and continues to pursue the Binh Gia wind project (80MW) in Lang Son, reflecting its ambition to double total capacity by 2030.
GEG	ADD (+21%)	20,000	2025 marks an inflection point for net profit driven by: Tan Phu Dong 1 wind power project (100MW) has officially secured a final tariff of VND1,813/kWh, after having to operate at a temporary price equivalent to only 50% of this level in 2024. Interest expenses are trending down, providing significant net profit support amid its high leverage and highly sensitive to financing costs. The company expects a 4.3x surge in net profit to VND777bn in 2025. It is considered to have overcome its most challenging period, with more stable debt repayment cash flows and reduced interest burden. - GEG holds a strong market position, ranking second among listed renewable energy companies with a total capacity of 672MW. In 2025, the company continues to implement Duc Hue 2 solar project (48MW) and is preparing for investment in VPL2 Ben Tre wind project (30MW), Tan Thanh (100MW). Additionally, GEG is actively researching ~1GW of new renewable projects from now until 2030.

2H25 power investment strategy: We chose PC1, HDG and GEG

Stock	Rcm.	Target price VND/share	Investment thesis
POW	HOLD (+15%)	14,900	- In 2025, output is expected to recover from last year's low base, supported by improved allocations, particularly for NT2, Ca Mau 1&2, and Vung Ang 1. The dispatch environment has become more favorable, with the Qc ratio for thermal power rising to 80% from 70% level last year, enhancing gross margins for gas-fired plants. POW's plants benefit from stable gas input sources and high efficiency, as they continue to be prioritized for gas allocation under existing contracts with GAS. - Nhon Trach 3&4 will commence operations in 2H25, serving as a medium-term profit growth driver despite expected net losses in the first two years. The regulatory mechanism stipulating a minimum Qc of 65% of design capacity for 10 years generally ensures project profitability. We expect the project to contribute ~15-17% of total net profit from 2028 onwards. - Attractive long-term valuation as a leading gas-fired power company: POW's current share price implies a P/B of ~0.95x, significantly below the sector average of ~1.5x. We believe this price already partially reflects the short-term challenges POW is facing.
QTP	ADD (+20%)	16,100	- Coal power plant dispatch is expected to remain stable at high levels similar to 2024, implying limited revenue growth potential. - Gross margin expansion room is also constrained, with a dual impact from a sharp decline in market electricity prices (-10% yoy in 1H25) offset by an increase in Qc ratio to 80% from 70% in 2024, reducing reliance on spot market dispatch. Net profit is projected to decline by ~13% yoy as the plant's tax incentives expire in 2025. Looking ahead to 2026-27, the company has potential FX gains of ~VND600bn, which management has indicated will be distributed as dividends if realized in coming years. Additionally, falling imported coal prices are supporting a reduction in blended coal input costs for power plants. - The company plans to pay a dividend of VND1,200/share in 2025, implying a dividend yield of ~10%, aligning well with a defensive sector investment strategy.
REE	ADD (+15%)	75,700	- Growth drivers in 2025 stem from the launch of the Thai Binh Light Square low-rise housing project and the opening of the E.Town 6 office building. The power and water segments are also expected to recover from last year's low base, supporting projected 2025 profit growth of 26% yoy. - In 2025, the M&E segment is anticipated to rebound, with a carry-forward backlog from 2024 of ~VND5,500bn (+393% yoy), including ~VND2,534bn from the Long Thanh airport project. - From 2026 onwards, the Government's issuance of key sector policies – including RE price frameworks and the Adjusted PDP8 implementation plan - create significant opportunities for REE to accelerate its capacity expansion ambitions. In addition to ongoing projects such as Duyen Hai wind power (48MW) and Tra Khuc 2 hydropower (30MW), REE, as a leading RE company, is well-positioned to secure further new projects. REE is participating in tenders for ~250MW across multiple projects in Tra Vinh and Quang Tri, reflecting its strong determination to expand renewable energy capacity through 2030.
NT2	ADD (+20%)	23,100	- Net profit in 2025 is projected to surge by 188% yoy from a low base, driven by: 1) Significantly higher allocated output compared to the low levels in 2024. 2) Stable gas supply under the gas offtake contract with GAS valid until 2027, while competition such as Phu My 2.2 and Phu My 3 BOT plants transition to LNG from 2025. - Net profit in 2026 is expected to continue strong recovery with an 98% yoy increase, supported by: 1) Depreciation expenses declining by ~VND300bn; 2) Potential FX gains of ~VND177bn, anticipated to be recognized during 2025-2026. - For 2025, the company plans to pay a dividend of VND700/share, implying a relatively low dividend yield. However, there is significant dividend potential as plant operations stabilize and receivables from EVN improve. Currently, the company has fully repaid its long-term debt, and if it can maintain dividend payments of ~VND 1,500/share (equivalent to a 7.8% yield), NT2 will be a suitable choice for defensive sector investment strategies.

Peer comparison

Company	Ticker	Price	Target price	Recom.	Mkt Cap	P/E (x)		P/BV (x)		ROA (%)		ROE (%)		EV/EBITDA (x)		D/E
						Bloomberg	LC\$	LC\$	US\$m	TTM	2025	Current	2025	TTM	2025	
Gas-fired power peer																
PVPower	POW VN	13,450	14,900	HOLD	1,206.5	24.6	24.9	1.0	0.9	1.7	1.6	4.0	3.8	10.5	8.7	67%
GENCO 3	PGV VN	19,050	NA	NR	819.8	na	na	1.5	1.4	(0.2)	na	(0.9)	na	6.9	5.7	205%
PetroVietnam Nhon Trach 2 JSC	NT2 VN	19,700	23,100	ADD	213.9	20.6	23.6	1.4	1.4	3.6	2.7	6.8	5.7	5.0	4.7	12%
Average						22.6	24.3	1.3	1.2	1.7	2.1	3.3	4.8	7.5	6.4	95%
Median						22.6	24.3	1.4	1.4	1.7	2.1	4.0	4.8	6.9	5.7	67%
Coal-fired power peer																
HAI Phong Thermal Power JSC	HND VN	11,700	NA	NR	224.1	21.6	na	1.0	na	3.6	na	4.6	na	7.4	na	2%
Quang Ninh Thermal Power JSC	QTP VN	13,200	16,100	ADD	225.8	9.5	11.0	1.2	1.1	8.4	8.4	11.9	11.0	4.3	4.6	4%
Pha Lai Thermal Power JSC	PPC VN	11,650	NA	NR	140.6	11.4	13.5	0.8	0.8	5.1	5.3	7.0	6.4	25.5	10.2	0%
Average						14.2	12.3	1.0	0.9	5.7	6.8	7.8	8.7	12.4	7.4	2%
Median						11.4	12.3	1.0	0.9	5.1	6.8	7.0	8.7	7.4	7.4	2%
Hydropower peer																
Vinh Son - Song Hinh Hydropower	VSH VN	49,050	NA	NR	448.0	16.4	na	2.4	na	8.0	na	15.1	na	8.8	na	67%
Hua Na Hydropower JSC	HNA VN	23,900	NA	NR	215.4	17.9	na	1.7	na	8.6	na	9.7	na	9.1	na	15%
Central Hydropower JSC	CHP VN	35,150	NA	NR	198.1	12.8	na	2.6	na	11.1	na	15.9	na	9.2	na	30%
Average						15.7	na	2.2	na	9.2	na	13.6	na	9.0	na	37%
Median						16.4	na	2.4	na	8.6	na	15.1	na	9.1	na	30%
RE power peer																
Gia Lai Electricity JSC	GEG VN	16,300	20,000	ADD	223.0	14.8	10.8	1.4	1.0	2.5	3.6	9.8	12.1	7.7	6.8	140%
BCG Energy JSC	BGE VN	3,680	NA	NR	156.4	na	na	0.6	na	na	na	na	na	12.9	na	66%
Multi-segment peer																
REE Corp	REE VN	67,600	75,700	ADD	1,388.1	17.1	14.7	1.9	1.6	5.9	6.7	11.5	10.7	10.9	9.8	44%
Ha Do Group JSC	HDG VN	25,650	31,200	ADD	357.1	33.1	11.2	1.5	1.4	2.0	6.5	4.6	14.0	8.7	5.6	63%
PC1 Group JSC	PC1 VN	22,750	28,500	ADD	306.2	19.9	19.4	1.4	1.0	2.1	2.4	7.4	7.6	7.3	8.0	143%
Gelex Group JSC	GEX VN	39,500	NA	NR	1,382.7	20.4	26.6	2.5	2.4	3.2	na	13.1	na	7.98	na	79%
Average						22.6	18.0	1.8	1.6	3.3	5.2	9.1	10.8	9.0	7.8	82%
Median						20.2	17.1	1.7	1.5	2.6	6.5	9.5	10.7	8.7	8.0	71%
Power construction																
PECC 2	TV2 VN	38,400	NA	NR	99.2	38.1	na	2.0	na	3.2	na	5.1	na	19.4	na	9%
PECC 1	TV1 VN	24,400	NA	NR	24.9	7.4	na	1.7	na	8.0	na	23.4	na	4.9	na	70%

• Sources: Bloomberg, MBS Research

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Our investment recommendations are based on the expected profitability of the stock, calculated as the sum of (i) the percentage difference between target price and market price at the time of publication, and (ii) expected dividend yield. Unless otherwise stated in the report, investment recommendations have an investment horizon of 12 months.

ADD	The stock can generate a profitability of 15% or more
HOLD	The stock can generate a profitability of between -15% and 15%
REDUCE	The stock can generate a loss of 15% or more

Sector rating

POSITIVE	Industry stocks have Add recommendations on a weighted market capitalization basis
HOLD	Industry stocks have Hold recommendations on a weighted market capitalization basis
NEGATIVE	Industry stocks have Reduce recommendations on a weighted market capitalization basis

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