POWER SECTOR: Power consumption improved from 3Q25, supporting sector's earnings

- 3Q25 nationwide power consumption started to recover from the low level in Q2, increasing 7.7% yoy. Notably, the first 20 days of September recorded ~13% yoy growth, supporting the outlook for higher plant dispatch in 2H25.
- Hydropower output to remain stable compared to last year's high base, while coal- and gas-fired power plants benefit from improved profit margins.
- 3Q25 NPAT-MI growth of power companies under MBS coverage is forecasted to reach 17% yoy, with some companies expected to post impressive recoveries from a low base, such as NT2 and GEG.

National electricity consumption growth improves in Q3/25…

In 3Q25, power consumption growth showed improvement compared to the relatively weak growth in Q2, though it remained below the MOIT's target of 10–12% yoy. Specifically, during July, August, and the first 20 days of September, consumption growth averaged ~7.7% yoy. Notably, September alone recorded ~13% yoy growth, signaling a clear recovery in demand.

…With most power sources reporting better dispatch levels

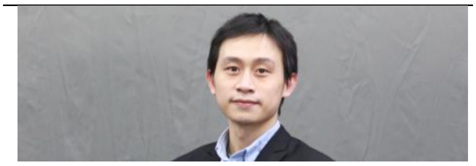
Hydropower: Output increased ~3% yoy (as of 20/9). Growth was not high due to already strong dispatch levels in the same period last year. According to the National Center for Hydro-Meteorological Forecasting, ENSO remained in a Neutral phase during 3Q and is likely to persist until year-end (55%–90% probability). As a result, rainfall nationwide stayed around the long-term average, with some regions recording above-average such as the North and Central region. Companies with plants in these areas, such as HDG and REE, are expected to benefit.

Coal-fired power: 3Q25 output rose modestly by 6% yoy, broadly in line with overall system demand. Imported coal prices have declined ~25% yoy and ~17% YTD, leading to a ~15% yoy reduction in mixed coal prices supplied to plants (GENCO3). This helped reduce coal power generation costs. In July–August, the electricity market price (FMP) was very low, at ~VND 737/kWh, meaning plants mainly followed contracted output (Qc) for dispatch. In 2025, thermal power plants have seen clear margin improvement, supported by higher Qc allocations from the beginning of the year and improved contract settlement cycles (from monthly in 2024 to quarterly/bi-annual in 2025). We expect this trend to continue into Q3 and Q4/25.

Gas-fired power: Output rose 12% yoy, due to higher mobilization of plants using Southeast Basin gas (Phu My, Nhon Trach 1&2), recovering from a low base last year. By contrast, Ca Mau 1&2 reported slightly lower yoy dispatch. Similar to coal plants, higher Qc allocations supported a significant improvement in gross profit margins. Gas prices trended down ~4% yoy, averaging USD 8.4–9.1/mmbtu, which eased costs for gas power generation, although still relatively high compared to other sources.

Renewables: Output increased 11% yoy, mainly due to added capacity. Renewables remain prioritized in system dispatch. Notably, electricity imports continued to surge in 3Q25, rising ~100% yoy, which we attribute to new projects coming online in Laos.

Analyst(s)



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From Q3/25: Continued execution and refinement of key policies

The first nine months of 2025 saw the issuance of multiple key policies, addressing long-standing bottlenecks in the sector. These included: The Revised PDP8 and its implementation roadmap; price framework for power sources; Bidding mechanisms; DPPA regulations; Incentive mechanisms for self-consumption rooftop solar; etc. Although further refinements are still needed, we believe the coming period will focus on policy execution and fine-tuning. Currently, investors have sufficient regulatory grounds to move projects forward. 3Q25 also marked a revival in RE activity as localities launched project prequalification rounds, attracting several strong investor participation. Listed companies such as GEG, REE, and HDG are among the most active in bidding and rolling out new projects.

A notable development was the Politburo's Resolution 70 (16/09/2025), which consolidated key sector objectives, including the shift toward clean energy, building a transparent market mechanism, and reducing monopoly power. Looking ahead to 2H25 and 2026, key events to watch include: Official resolution of non-compliant renewable projects; Further completion of the DPPA framework; Drafting of price frameworks for BESS (battery storage); Pilot implementation of a two-part electricity tariff scheme, etc.

3Q25 NPAT-MI forecast for Power companies under MBS coverage

No	Ticker	Sector	3Q25 NPAT-MI forecast							Comment
			3Q25		%yoy		%qoq	2025		%yoy	
1	GEG	RE power, Hydropower	64	↑	337%*	↓	-61%	705	↑	513%	NPAT-MI is expected to reach ~VND64bn in 3Q25, a sharp turnaround from a net loss of VND27bn in 3Q24. Output is expected to remain stable; however, wind power revenue will increase significantly as TPD1's official tariff, negotiated at twice the provisional price of last year, boosts both revenue and gross margin. Financial expenses are also expected to decline from last year's high base. The company plans to use proceeds from extraordinary gains recorded in 1H25 to buy back part of its outstanding bonds ahead of maturity in 2H25.
2	NT2	Gas-fired power	120	↑	173%	↓	-63%	550	↑	664%	For 3Q25, total output is projected at ~750 million kWh, up slightly yoy and only 3% lower than 2Q25. Gas prices remain elevated at ~USD 9.2/mmbtu. During the quarter, plants are likely to follow contracted output (Qc) for dispatch due to low market prices. Indeed, actual dispatch in July–August was lower than allocated Qc, this continues to support margin improvement. Hence, 3Q25 NPAT-MI expected to grow strongly by 173% yoy, reaching ~VND120bn.
3	REE	RE power, Hydropower	562	↗	17%	↘	-10%	2,588	↑	30%	3Q25 NPAT-MI is expected to grow ~17% yoy, moderating from the high growth achieved in 2Q25. In Q3, hydropower output will increase but not significantly, as last year's dispatch levels were already strong. The main growth driver will come from the handover of the Thai Binh Light Square project, which the company is determined to fully deliver within this year. Meanwhile, the water utility and M&E segments are also likely to contribute positively, while the new E.Town 6 office building still faces a relatively low occupancy rate.
4	HDG	RE power, Hydropower	145	↗	5%	↑	1308%*	840	↑	46%	3Q25 NPAT-MI is projected to increase slightly by 5% yoy. Although hydropower output may improve compared with 3Q24, we believe FX loss pressure from EUR-denominated loans will weigh on earnings during this period. Moreover, the company is unlikely to record revenue from the handover of Charm Villa Phase 3 and will continue provisioning for Hong Phong 4.
5	QTP	Coal-fired power	80	↗	5%	↓	-58%	620	→	0%	Q3/25 is typically a low-dispatch period for QTP due to the scheduled overhaul of one turbine, resulting in lower output compared with the peak in Q2, but broadly stable versus Q3 last year. Selling prices are trending slightly lower yoy, supported by declining coal prices. We expect NPAT-MI to remain flat, edging up 5% yoy, mainly supported by improved gross margin. Given the low market electricity price in 3Q25, plants are likely to follow Qc allocations for dispatch.
6	POW	Gas-fired power	371	↘	-6%	↓	-38%	1,459	↗	17%	Total 3Q25 output is expected to rise ~23% yoy, supported by Vung Ang 1 and hydropower, while gas-fired output will likely fall yoy, mainly due to lower generation at Ca Mau 1&2. Gross margin is projected to expand from last year's low base, supported by higher Qc allocations in 2H25. Core operating profit will rebound strongly; however, NPAT-MI is expected to remain flat, down ~6% yoy, as 3Q24 benefited from substantial FX gains, whereas 3Q25 faces FX loss pressure and higher interest expenses.
7	PC1	RE power. Power construction	159	→	-1%	↗	12%	554	↑	20%	Revenue across business segments in 3Q25 is likely to remain stable yoy. The construction segment is expected to record growth following the successful energization of the Con Dao submarine cable project in September. Western Pacific continues to deliver and record revenue from industrial park projects such as Yen Phong IIA and Yen Lenh. However, PC1 is likely to continue facing FX pressures in 3Q25, whereas 3Q24 booked FX gains of VND94bn. Accordingly, NPAT-MI is projected to remain flat, down slightly by 1% yoy.

Note (*): Growth is calculated on an absolute basis as previous quarters recorded net losses.

Sources: MBS Research

DISCLAIMER

ABOUT MBS

Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges.

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