

GELEX Electric JSC (HSX: GEE)

Beneficiary of the infrastructure investment cycle

- Vietnam's leading electrical equipment supplier; revenue grew 46% YoY in 1H26, extending strong performance since 2024.
- We forecast a 25% net profit CAGR in 2026-27 (excluding extraordinary gains) as GEE benefits from Vietnam's 2026-30 infrastructure cycle.
- Recommend **ADD** with a target price of VND82,200/share.

1H26 results: Impressive growth momentum sustained

As a leader in Vietnam's electrical equipment industry, GEE owns an ecosystem covering all key segments through several long-established brands. The company has achieved a strong breakthrough since 2024, supported by robust demand for electrical equipment and a group restructuring that optimized operating and production costs. Revenue continued to grow strongly by 46% YoY in 1H26. Although gross margin narrowed amid rising input-cost pressure, selling and G&A cost optimization enabled EBIT to rise 33% YoY. Financial income surged 163% YoY, supported by short-term deposits and increased intra-group lending, while financial expenses rose sharply due to additional working-capital borrowings. Accordingly, 1H26 net profit reached VND1,289bn, up 32% YoY.

2026-27 outlook: Comprehensive beneficiary of the national infrastructure development cycle

Vietnam's electrical equipment market is estimated at approximately USD5bn in 2025 and may sustain a 10-12% CAGR over 2026-30. Management highlights an infrastructure development cycle featuring multiple megaprojects across transport, urban and energy infrastructure. Specifically, GEE plans to continue accelerating R&D and new product development in 2025-26 to capture projects with high electrical-equipment content, including airports, seaports and railways; industrial-park factories; data centers; and power systems. The company is also developing a vision for a high-tech ecosystem, internationalizing its subsidiaries and expanding into overseas markets. We forecast a revenue CAGR of 26% and profit growth of 27% over 2026-27 (excluding extraordinary gains). We believe this will be the period in which GEE can most effectively convert the infrastructure investment cycle into revenue growth.

Recommend ADD with a target price of VND82,200/share

We issue an ADD recommendation with a target price of VND82,200/share (34% total return including dividends). Our valuation equally weights a DCF and a sum-of-the-parts P/E approach. We believe GEE has a highly efficient business model and is a major beneficiary of Vietnam's development trends. Its current P/E has de-rated to 11.4x, below the three-year average, while projected ROE remains superior to peers.

Financial indicators	2024	2025	2026F	2027F
Net profit	21,351	25,660	34,735	41,240
Revenue growth	1,588	3,257	2,507	3,109
Net profit growth	27.4%	20.2%	35.4%	18.7%
Gross margin	113.1%	105.1%	-23.1%	24.0%
EBITDA margin	14.4%	16.0%	13.9%	14.3%
ROAE (%)	12.2%	12.8%	10.5%	10.7%
ROAA (%)	28.4%	42.3%	29.0%	31.3%
EPS (VND/share)	11.9%	22.3%	13.3%	13.9%
BVPS (VND/share)	2,480	5,086	3,913	4,854
	8,745	12,022	13,476	15,520

Source: GEE, MBS Research

ADD

Target price

VND82,200

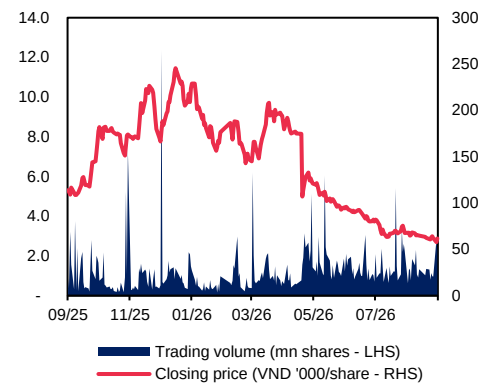
Upside

34%

Key changes in this report

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Price performance



Source: FiinProX, MBS Research

Current price (VND)	62,900
52W High (VND)	137,440
52W Low (VND)	57,700
Market Cap (VNDbn)	39,519
P/E (TTM)	11.1
P/B	4.9
Dividend yield (%)	5.9%
Foreign ownership (%)	0.8%

Source: <https://s24.mbs.com.vn/>

Ownership

GELEX Group	76%
Others	24%

Source: <https://s24.mbs.com.vn/>

GELEX Electric JSC (HSX: GEE)

Investment thesis and recommendation

Investment thesis

- GEE is the leader in Vietnam's electrical equipment industry, with an ecosystem covering almost the entire value chain, from electrical cables and copper wire to transformers, metering equipment and electric motors, through long-established brands including CADIVI, THIBIDI, EMIC, CFT and MEEPOWER. Its superior manufacturing capacity, extensive distribution network and ability to supply a broad range of equipment for large-scale projects provide clear advantages in market share, cross-selling and cost control. Following restructuring, digital transformation and production optimization, GEE has built a more efficient operating platform that supports sustainably high profitability over the long term.
- Positioned to fully benefit from Vietnam's infrastructure investment cycle, opening substantial growth potential over 2026-30. Vietnam is entering a large-scale infrastructure investment cycle across energy, transport/urban infrastructure and digital infrastructure, driving strong demand for electrical equipment. GEE is well positioned to participate directly in distribution-grid, airport, seaport, metro, railway, industrial-park and data-center projects thanks to its broad product portfolio and experience in projects with stringent technical standards. We forecast a revenue CAGR of 26% and profit growth of 27% over 2026-27 (excluding one-off gains). We believe this will be the period in which GEE can most effectively convert the infrastructure investment cycle into core revenue growth.
- Valuation has become more attractive as earnings growth returns. Following the correction, GEE's P/E has fallen to approximately 11.1x, well below the elevated 2025 range and below its three-year average. Capital efficiency remains outstanding, with projected ROE of 29%/31% in 2026-27, significantly above electrical equipment peers. This reflects GEE's asset quality, market position and ability to generate returns on equity. The company has also maintained a stable cash-dividend policy of more than 20% (VND2,000/share) since 2022.

Recommend ADD with a target price of VND82,200/share

We issue an ADD recommendation with a target price of VND82,200/share (34% total return including dividends). We believe GEE has a highly efficient business model and is a major beneficiary of Vietnam's development trends. Its current P/E has de-rated to 11.1x, below the three-year average, while projected ROE remains superior to peers. We combine two valuation methods with equal weight:

- A 10-year DCF, an appropriate methodology for a manufacturer such as GEE that captures the company's long-term cash-generation capacity.
- Sum-of-the-parts P/E valuation: Applied to key subsidiaries such as CADIVI, THIBIDI and EMIC and to other assets, this approach clearly

reflects each member company's contribution. It is particularly appropriate given GEE's holding-company structure and the possibility of future divestments or restructuring.

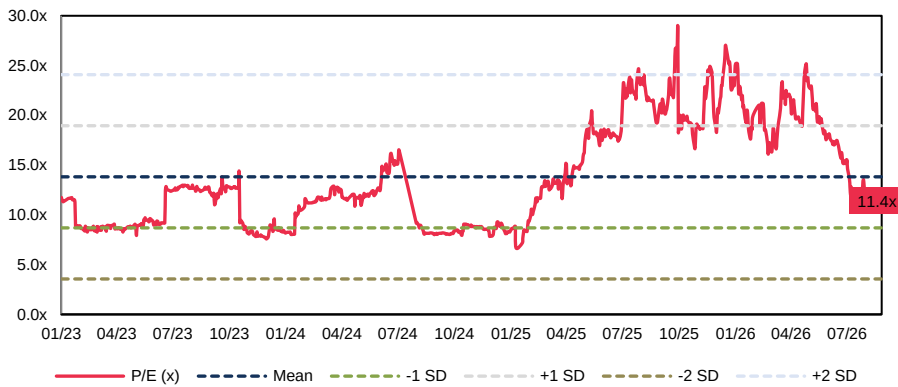
Re-rating catalysts:

- Lower-than-expected copper prices, supporting margin improvement.
- Higher-than-expected demand for electrical equipment, supporting revenue growth.

Downside risks:

- Further increases in low-interest lending to related parties could reduce the company's capital efficiency.
- Continued sharp increases in input prices such as copper and aluminum.

Figure 1: P/E multiple, 2023-26



Source: FiinProX, MBS Research

Figure 2: DCF valuation - Cash flow forecast summary

VND bn	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
EBITDA	3,642	4,406	5,117	5,872	6,632	7,547	8,138	8,789	9,478	10,222	11,015
(-) Depreciation expense	(337)	(349)	(359)	(371)	(382)	(393)	(405)	(416)	(427)	(69)	(69)
EBIT	3,305	4,057	4,757	5,501	6,250	7,154	7,733	8,373	9,051	10,153	10,946
(-) Tax	(678)	(851)	(989)	(1,141)	(1,313)	(1,513)	(1,657)	(1,824)	(2,003)	(2,269)	(2,480)
EBIAT	2,627	3,206	3,768	4,360	4,938	5,641	6,077	6,549	7,048	7,884	8,466
(+) Depreciation	337	349	359	371	382	393	405	416	427	69	69
(+) Decrease/(increase) in NWC	(1,503)	(421)	(1,664)	(1,522)	(1,325)	(1,877)	(1,410)	(1,456)	(1,707)	(1,799)	(2,013)
(-) Capital expenditure	(207)	(228)	(219)	(218)	(222)	(220)	(220)	(220)	(220)	(220)	(220)
FCFF	1,253	2,906	2,244	2,991	3,773	3,938	4,852	5,289	5,549	5,934	6,301
Terminal value											55,617

Source: MBS Research

Figure 3: DCF valuation - WACC assumptions

Assumption	
Risk-free rate	4.5%
Bloomberg 2Y beta	1.4
Equity risk premium (ERP)	8%
Cost of equity - Ke	16%
After-tax cost of debt - Kd	6.4%
Debt-to-capital ratio	50%
WACC	11.3%

Source: MBS Research

Figure 4: DCF valuation - Enterprise value

DCF valuation	VND bn
Enterprise value	55,082
(-) Debt	(8,015)
(+) Cash	6,622
Enterprise value	53,689
(-) Non-controlling interests	(472)
(-) Preferred shares	-
Fair equity value	53,217
Shares outstanding (mn shares)	641
Value per share (VND/share)	83,087

Source: MBS Research

Figure 5: SOTP valuation

Unit: VND bn	Ownership	Method	Multiple	2026-27 NPAT	Fair value
Cadivi	97%	P/E	20	2,079	40,361
Thibidi	98%	P/E	19	223	4,146
EMIC	90%	P/E	19	264	4,522
Others	87%	P/E	19	56	924
EEMC	47%	Market price			1,487
(+ Other investments)					1,935
(+ Parent-company cash & cash equivalents)					53
(-) Parent-company borrowings					1,292
Equity value					52,136
Shares outstanding (mn shares)					641
Value per share (VND/share)					81,399

Source: MBS Research

Figure 6: Valuation summary

Valuation summary			
Method	Price (VND/share)	Weight	Target price (VND/share)
DCF (10-year)	83,087	50%	41,543
SOTP	81,400	50%	40,700
Average price (VND/share)			82,243
Discount (%)			
Share price (VND/share)			82,243
Rounded share price (VND/share)			82,200
Current price (VND/share)			63,900
Upside (%)			33.6%

Source: MBS Research

Figure 7: Peer comparison

Company	Ticker	Market cap	P/E(x)		P/BV(x)		EV/EBITDA (x)		ROA (%)		ROE (%)		D/E (%)
			TTM	2026	Current	2026	TTM	2026	TTM	2026	TTM	2026	
Ta Ya Electric Wire & Cable	1609 TT	940	13.9	na	1.6	na	12.7	na	3.3	na	12.2	na	192.2
KEI Industries	KEII IN	4,628	48.1	42.0	6.6	5.8	34.9	30.3	11.7	11.3	15.5	14.7	3.8
Finolex Cables	FNXC IN	2,252	25.6	19.1	3.0	2.3	22.2	15.6	11.2	11.6	12.3	12.8	0.4
I-Sheng Electric Wire & Cable	6115 TT	261	12.8	na	1.6	na	7.7	na	7.7	na	13.3	na	29.5
PIE Industrial	PIE MK	166	45.7	na	1.6	na	37.5	na	2.7	na	3.5	na	7.4
Transformers & Rectifiers India	TARIL IN	914	32.9	28.8	5.7	5.0	22.2	19.4	12.7	10.9	23.7	19.1	4.9
Voltamp Transformers	VAMP IN	1,160	36.2	28.7	6.1	4.9	30.8	24.4	19.7	16.1	22.1	18.0	0.0
Gunkul Engineering	GUNKUL TB	1,390	23.0	22.8	2.9	3.0	18.9	16.7	5.9	6.4	13.2	13.8	97.8
Crompton Greaves	CROMPTON IN	1,562	na	na	4.6	4.5	18.8	18.2	(4.2)	na	(7.1)	na	6.0
Hunan Valin Wire & Cable	001208 CH	1,367	82.8	na	3.1	na	93.4	na	1.7	na	4.7	na	88.5
GELEX Electric	GEE VN	1,580	11.4	16.3	5.1	4.7	11.9	13.2	21.0	13.9	47.9	29.1	100.3
Average			33.2	25.6	3.8	4.2	28.3	19.6	8.5	11.9	14.7	18.5	48.3
Median			29.3	25.8	3.1	4.5	22.2	18.2	7.7	11.5	13.2	16.4	7.4

Source: Bloomberg, MBS Research

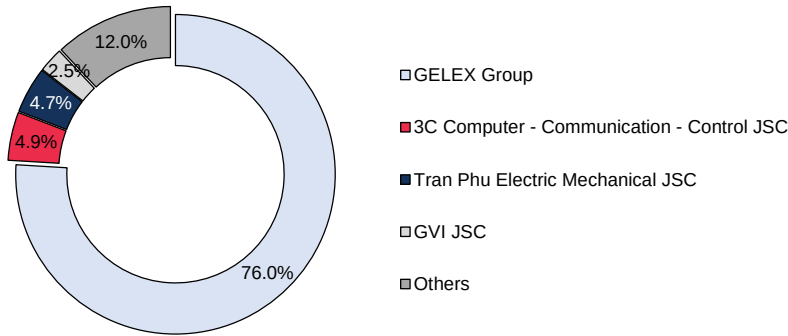
Company overview

A core member of the GELEX ecosystem with concentrated ownership and substantial expertise in the electrical equipment industry

GELEX Electric JSC (GEE) is GELEX Group's core subsidiary in electrical equipment. Operating as a holding company, GEE invests in and manages electrical equipment manufacturing and energy businesses.

In addition to parent company GELEX's controlling 76% stake, the remaining major shareholders are companies with long-standing experience in the same industry and are expected to contribute valuable expertise to the Group's strategic planning. Overall, the ownership structure is highly concentrated and stable, while the strategic shareholders are capable of adding value.

Figure 8: Major shareholders with extensive electrical equipment expertise



Source: GEE, MBS Research

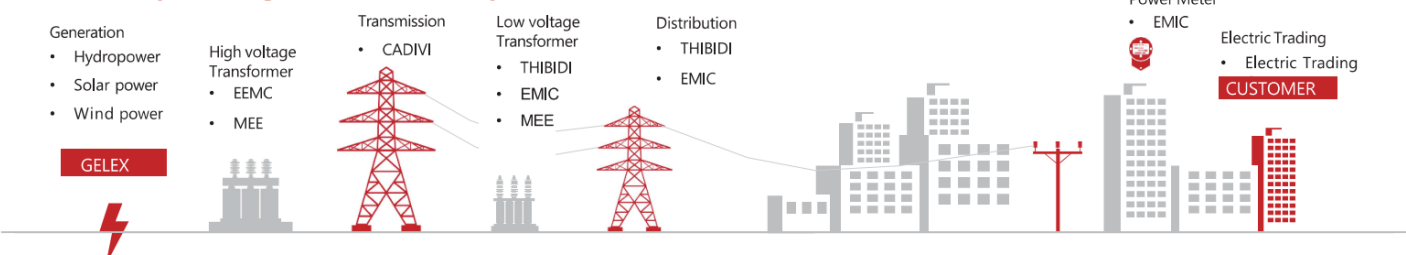
GEE covers the entire electrical equipment value chain and holds leading market positions

GEE's electrical equipment ecosystem spans raw materials, electrical cables, transformers, metering equipment, electric motors and power distribution. Its core brands hold strong positions in the domestic market, creating clear advantages in brand equity, scale and the ability to provide integrated solutions for large projects.

Across the value chain, **CFT** supplies copper wire inputs; **CADIVI** leads Vietnam's electrical cable market by nationwide share; **THIBIDI** leads the distribution transformer segment; and **MEEPOWER** and **EEMC** extend GEE's reach into power and extra-high-voltage transformers. **EMIC** supplies electrical metering equipment, while **HEM** provides electric motors and repair services. GEE also participates in power generation, power distribution and high-tech product development through GELEX Power Generation, GETC and GELEX Technology.

Figure 9: Comprehensive electrical equipment manufacturing and distribution capabilities

GELEX Electricity's Offerings Across the Electricity Value Chain



Source: GEX, MBS Research

Figure 10: Long-established brands with proven domestic market positions and capabilities

Brand	Description	Key product portfolio			
CADIVI	- Vietnam No. 1 electrical cable manufacturer - Three plants; capacity of 2mn km/year. - A nationwide distribution network of 400 dealers. - Nationwide market share of approximately 31%; 80% in the South and approximately 20% in the North (2025).				



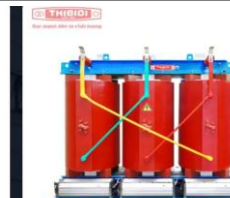
- **Vietnam's largest transformer company: distribution transformers** (medium and low voltage) supplied to real estate projects, industrial parks, buildings and distribution grids.
- One plant; production capacity of 2.6mn kVA/year.
- Nationwide market share of 21% (2024).



OIL-IMMERSED TRANSFORMER



PAD-MOUNTED TRANSFORMER



DRY-TYPE TRANSFORMER



- **Electrical metering equipment: electricity meters, current transformers, voltage transformers and measuring devices**
- One plant; capacity of 2.5mn products/year



ELECTRICITY METERS



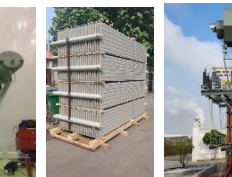
CURRENT TRANSFORMERS



VOLTAGE TRANSFORMERS



- **Power transformers**
- In 2025, successfully designed and installed a 220kV-250MVA transformer for the high-voltage transmission equipment segment.



- **Power and extra-high-voltage transformers**
- Vietnam's only extra-high-voltage transformer manufacturing plant.



500kV transformers



220kV transformers



110kV transformers



- **Electrical copper wire**
- One plant; capacity of 54,000 tonnes/year
- A key input supplier to CADIVI



Copper rod



Copper wire



Welding copper wire

Source: GEE, MBS Research

Industry competitiveness depends more on distribution strength and customer segmentation than on technological differentiation

We focus our competitive analysis on electrical cables through CADIVI, GEE's principal representative business. Supplier pricing power in this industry is moderate to low and competition is intense, as reflected in modest gross margins. Product technology content is moderate; price differences arise from input-material quality, such as premium materials, added fire-resistant materials and coatings, or a company's strength and exclusivity in certain high-end niches. In the mass market, competitive advantages are generally determined by distribution reach, product breadth, large-scale supply capacity, reputation and brand quality.

CADIVI has extensive dealer coverage, a diversified product portfolio, high standards and the scale required to serve large projects. Another important advantage is its access to premium customers and major contractors, which favor reputable suppliers with deep industry experience to mitigate project risks and optimize maintenance costs.

CADIVI has almost fully penetrated the Southern market. In the North, however, it must compete against long-established regional players such as Tran Phu Electric Mechanical, CADI-SUN and LS-VINA:

- LS-VINA, a Korean joint venture, has a clear advantage in high-voltage and underground cables serving transmission, utility and industrial projects.
- CADI-SUN and Tran Phu Electric Mechanical are direct competitors in the mass-market residential segment, from low to medium voltage. Both have strong positions in Northern Vietnam and slightly lower prices. CADIVI, however, offers a broader product portfolio and has advantages in specialized products such as ACCC® high-temperature conductors, TR-XLPE medium-voltage cables, airport runway cables and LF products (lead-free, green-certified, etc.). This enables CADIVI to access premium projects that are less price-sensitive.
- The industry also includes many smaller companies and foreign competitors, including Chinese suppliers, but their current threat is limited because: (1) cables are heavy metal products, making imports more costly than domestic production; establishing local plants in Vietnam would largely put foreign players on an equal footing without a major advantage; and (2) for infrastructure and large-scale projects, Decree 344/2026/ND-CP gives preference to domestic suppliers in power projects, supporting local companies from a policy perspective. Some Chinese companies, such as TBEA, have successfully bid for major 220/500kV projects, but they primarily supply transmission equipment, transformers and specialized high-voltage technology, segments in which domestic manufacturing capability remains limited.

Figure 11: Comparison of selected competitive factors among CADIVI's peers

	CADIVI's position	CADIVI	Trần Phú	CADI-SUN	LS-VINA
Distribution network	Very strong	A nationwide network of more than 400 tier-1 dealers and extensive tier-2 retailers. Digital sales and dealer support through CRM/TMS software and the CADIVI Connect app for order tracking.	Long-established network and strong brand recognition in Northern Vietnam.	Branches and dealers across Northern, Central and Southern Vietnam, although fewer in number.	More focused on corporate, utility and project customers than retail; less dense dealer coverage than CADIVI.
Price positioning	Weak	Positioned in the premium price tier, generally above CADI-SUN and Tran Phu.	Lowest-priced for most mass-market products; a strong advantage among price-sensitive customers.	Prices are generally close to CADIVI's but slightly lower for many products.	Premium pricing, although project-based quotations prevent direct comparison with list prices.
Brand	Very strong	Strong brand trust and market share support premium pricing without requiring the lowest-cost position.	Strong Northern brand; positioned around competitive pricing and consistent quality.	Strong industry brand with extensive project coverage.	Pricing power derives from technical compliance, system-engineering capability and the global LS brand.
Product breadth	Strong	Diversified: residential wires, underground cables, FR/LSHF cables, control cables, bare conductors, ABC, medium-voltage cables up to 40.5kV and specialized cables.	Strong in residential, low-voltage, FR/LSZH, underground and bare-conductor products; the public portfolio currently skews more toward low voltage than medium/high voltage.	A broad portfolio comparable to CADIVI's	The broadest voltage range: residential wires, low voltage, medium voltage, underground high-voltage cables up to 230kV, OPGW, high-capacity conductors and specialized cables.
Technology /specialized products	Strong	ACCC® composite-core conductors exclusively licensed by CTC Global; water-tree-resistant TR-XLPE; lead-free wires, solar cables and EV-charging cables certified by TÜV; and selected high-performance FR/LSHF products.	No publicly disclosed proprietary technology comparable to ACCC or PP insulation.	Differentiation is driven more by product breadth and manufacturing capacity than by proprietary technology.	The strongest advanced technology: high/extra-high voltage up to 230kV, low-sag LSCC conductors, OPGW and PP-insulated medium-voltage cables.

Medium/high-voltage capability	Balanced	Strong in medium voltage up to 40.5kV and ACCC conductors; suitable for transmission and large infrastructure projects.	More clearly focused on residential and low-voltage products.	Strong in medium voltage up to 40.5kV, serving utilities and industrial customers.	A clear advantage in high and extra-high voltage.
Manufacturing capacity	Balanced	Three large plants with total capacity of approximately 2mn km/year; an affiliated copper-core wire company secures key inputs.	A highly automated, approximately five-hectare plant in VSIP Hai Duong using European production lines.	Three plants with substantial scale and annual capacity of approximately USD390mn, equivalent to VND10tn.	An integrated high/medium/low-voltage complex with 100,000 tonnes/year of SCR copper casting and rolling capacity and 30,000 tonnes/year of aluminum casting capacity.
Customers/projects	Strong	A strong track record: Ben Thanh-Suoi Tien Metro, wind/solar power, Xekaman 3, 500kV transmission lines, Long Thanh Airport, etc.	A long history of supplying domestic projects.	Customers/partners include EVN, Vinaconex, Cotecons, Hoa Binh, PVN and Vinpearl.	Strong in utilities, industrial applications and high voltage, with long-standing experience in high-voltage cable supply.
Geographic market	Strong	Strongest in Southern Vietnam, while rapidly expanding in the North; nationwide market presence.	A home-market advantage in Northern Vietnam, with a long-established brand and dealer network in Hanoi and the North.	Originated in the North but has expanded strongly into Central and Southern Vietnam through branches and dealers.	Less dependent on retail geography; focused on utilities, projects and industrial customers nationwide.
Exports/internationalization	Weak	A small export contribution, now beginning to accelerate.	Limited international presence	Exports to several markets; moderate level of internationalization.	The clearest advantage comes from the LS Cable & System network (Korean joint venture).
Standards and certifications	Balanced	High standards including TCVN/IEC/AS-NZS; TÜV Rheinland certification for lead-free wires, solar cables and EV-charging cables; advantages in green, premium and export projects.	ISO 9001:2015; TCVN, IEC/DIN/VDE, UL, ASTM and JIS; suitable for most residential and industrial applications.	ISO 9001:2015 and multiple low-/medium-voltage and fire-resistant standards; strong compliance capability for EVN and contractors.	KEMA, Intertek, Kinectrics, TÜV, etc.; type-tested across multiple high/extra-high-voltage levels.
Technical services	Balanced	Dealer/project support, digitized logistics, order tracking and anti-counterfeiting solutions.	Traditional product-support model.	Technical support by cable category, a dedicated project team and a nationwide branch network.	The strongest system-level engineering capability: bonding and grounding, current-rating calculations, installation layouts, testing and turnkey high-voltage solutions.

Source: MBS Research

2021-25 restructuring: Streamlining the portfolio and concentrating resources on the electrical equipment value chain

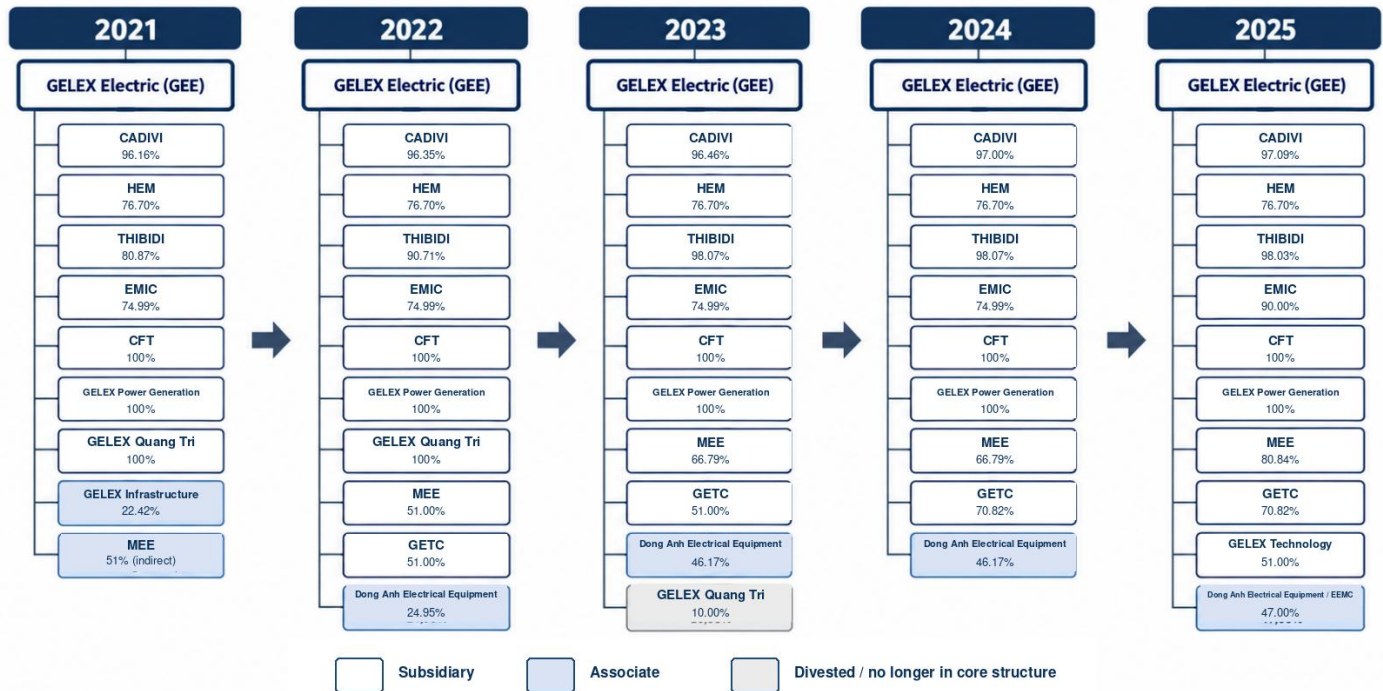
Since 2021, the company has restructured its investment portfolio and centralized management, including divestments from power generation and from companies within the broader ecosystem such as GELEX Infrastructure (GEL). At the same time, GEE has continuously increased its ownership in electrical equipment companies including MEE, CADIVI, THIBIDI and Dong Anh Electrical Equipment, and established GELEX Technology in 2025 to support R&D for high-tech products. These moves show that the company is allocating most of its investment resources to expand its core electrical equipment business.

The restructuring has extended beyond the investment portfolio to the management model. GEE now serves as the central body guiding and supporting member companies in areas including:

- (1) Investment resource allocation and capital management;
- (2) Market research and business strategy planning;
- (3) Centralized procurement and materials management, with GEE acting as the primary buyer of production inputs.

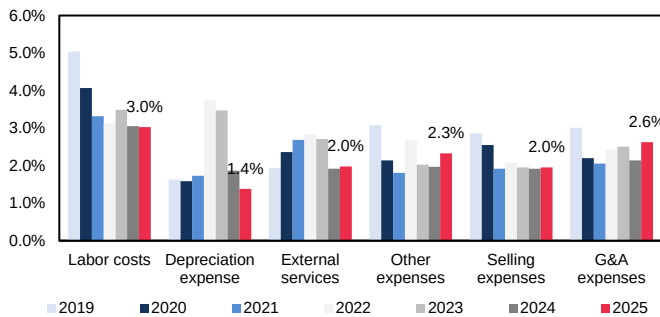
By managing the group centrally rather than operating separate member-company systems, GEE has materially improved inventory optimization and reduced distribution-channel, administrative and selling costs.

Figure 12: Ownership of major electrical equipment/power member companies, 2021-25



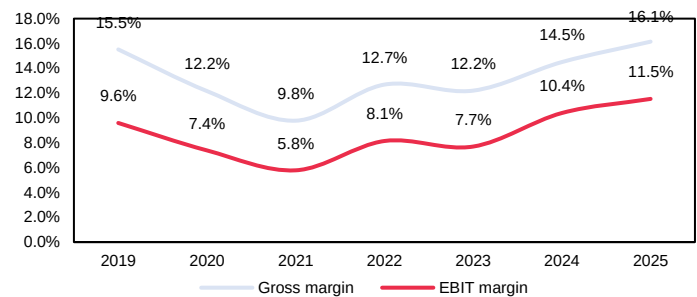
Source: GEE, MBS Research

Figure 13: Clear cost reduction since 2019 following restructuring (Unit: % of revenue)



Source: GEE, MBS Research

Figure 14: Margin improvement (Unit: %)



Source: GEE, MBS Research

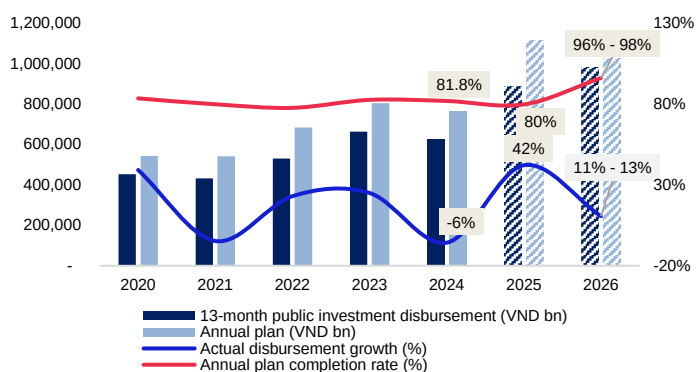
GEE is fully leveraging Vietnam's accelerating infrastructure investment cycle to expand its revenue base

Vietnam entered a new infrastructure investment cycle in 2025, with substantially greater scale and implementation speed than in the previous period, creating a large demand base for electrical equipment companies such as GEE. The Government assigned a 2025 public investment plan of nearly VND902tn, while year-end disbursement reached approximately VND755tn, VND207tn higher and up 38% YoY. Momentum continues in 2026, with planned public investment capital raised to approximately VND1.01-1.02qn. In 8M26 alone, state-budget investment reached VND546.8tn, up 18.5% YoY, indicating a rapid increase in actual capital flowing into infrastructure construction.

Notably, the current growth cycle is generating electrical equipment demand across multiple infrastructure layers. It is financed not only by the state budget but also by substantial private/PPP capital, allowing the total addressable market to expand much faster than public investment alone would suggest. Power

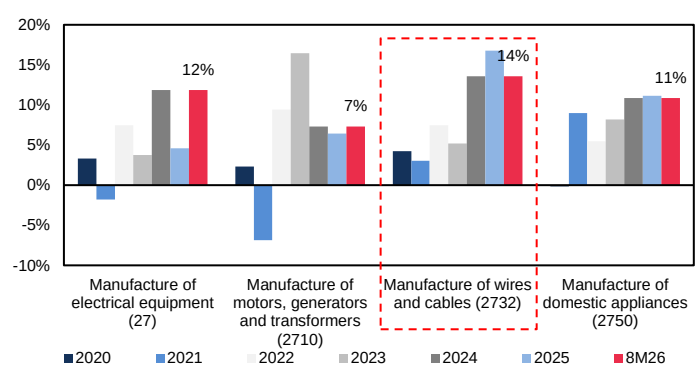
Development Plan VIII and grid-upgrade requirements are driving 220-500kV transmission line and substation projects, while public and private investment is expanding into airports, railways, seaports, industrial parks, urban developments and data centers. All of these projects require substantial electrical equipment content and stringent technical standards. From 2025, a series of strategic infrastructure projects began implementation or investment preparation: the North-South high-speed railway, with preliminary investment of approximately VND1.71qn (USD67.3bn); urban railway and metro networks in Hanoi and Ho Chi Minh City; Gia Binh International Airport, approved by the National Assembly in late 2025 with total investment of approximately VND196.4tn and the first phase scheduled for 2025-30; and major real estate projects such as the Red River Landscape Boulevard and Olympic Urban Area.

Figure 15: Public investment disbursement accelerated in 2025 and remained strong in 2026 (Unit: VND bn)



Source: MOIT, MBS Research

Figure 16: IIP growth for electrical equipment products has clearly recovered since 2024, led by cable production



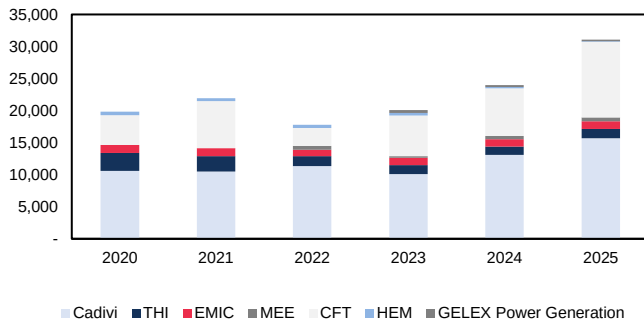
Source: MOIT, MBS Research

GEE is well positioned to convert strong investment in power, transport, urban and industrial infrastructure directly into revenue growth because its portfolio covers almost the entire electrical equipment value chain. In 2023, the company accelerated its Northern expansion by establishing a CADIVI legal entity in Bac Ninh, shortening logistics distances and improving service quality for regional customers. The push into this new market produced immediate positive results despite intense competition from long-established players such as Tran Phu, CADI-SUN and LS-VINA. GEE's advantages rest on three differentiators: (1) the CADIVI brand and deep experience in national-scale projects help overcome technical-standard barriers; (2) GEE can provide integrated product groups across cables, transformers and meters, while many competitors are strong only in selected segments; and (3) large-scale raw-material procurement and an integrated production chain allow competitive pricing while preserving margins.

We believe another key factor behind GEE's strong growth since 2024 is its B2B customer base. Customers currently fall into three main groups: (1) EVN and utility companies; (2) developers, EPC contractors, real estate companies and construction firms; and (3) residential dealer networks. EVN-channel sales account for only approximately 15%, while dealers continue to represent a large share and sales to developers and project contractors are growing particularly rapidly. GEE belongs to the GELEX ecosystem, which owns a substantial infrastructure investment portfolio spanning industrial-park real estate, urban developments and airport infrastructure. The industrial-park opportunity is amplified by access to major tenants such as Samsung, Foxconn, Amkor, Canon and BYD. GEE also works with leading developers including Vingroup,

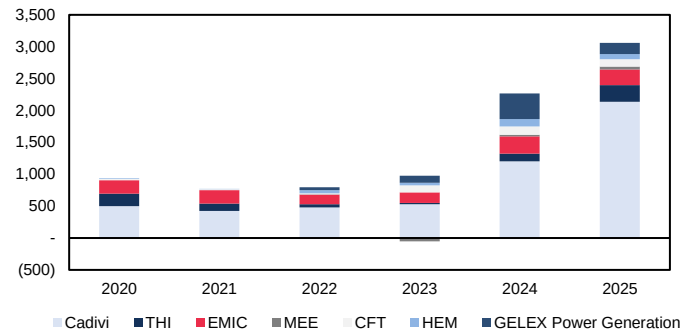
Masterise and Sun Group, all of which have construction-intensive pipelines of megaprojects over the next five years. We believe strong relationships with large companies and contractors enable GEE to increase volumes rapidly without the gross-margin pressure typically associated with traditional distribution-channel expansion.

Figure 17: Unconsolidated revenue of key companies (Unit: VND bn)



Source: GEE, MBS Research

Figure 18: PBT of key companies, showing CADIVI as the largest growth driver (Unit: VND bn)



Source: GEE, MBS Research

Since 2020, GEE's revenue mix has remained relatively stable, with CADIVI consistently contributing the largest share at approximately 50-55%. CFT follows with approximately 24% on a consolidated basis and 38% before consolidation, as it supplies most of its output to CADIVI. Other companies including THIBIDI, EMIC, MEE and HEM contribute approximately 10-12%. All business segments have recorded strong growth since 2024, led by CADIVI and transformer manufacturer MEE, which in turn has driven corresponding demand for CFT's copper wire.

CADIVI contributes the majority of PBT at approximately 65-70%, while CFT contributes less than 1% because of its low margin. Other core businesses, including THIBIDI, EMIC, MEE and HEM, contribute approximately 21-25%. PBT margins at all companies have improved materially since 2024 as a result of corporate restructuring.

The power segment's contribution has gradually declined following the divestment of almost the entire portfolio from 2024. Power generation revenue is now only approximately VND100bn per year. The segment's high profit growth in recent years mainly reflected divestment gains.

The input-price upcycle is pressuring sales and margins

Figure 19: GEE's business value chain



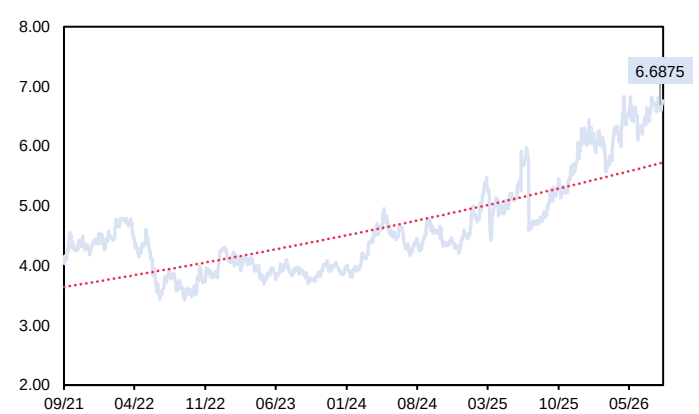
Source: GEX, MBS Research

As raw materials typically account for 70-80% of operating production costs, input-price volatility pressures GEE's business in two ways: (1) exceptionally high input costs may reduce demand and delay construction schedules; and (2) gross margins come under pressure because mass-market segments are highly price-sensitive.

Copper, aluminum and plastics are the most important inputs, representing up to 90% of raw-material costs. Copper alone accounts for approximately 50% and is largely imported. LME copper futures have risen 13% YTD and 40% YoY, approaching a new record high of USD6.68/lb, equivalent to approximately USD14,800/tonne. This occurred amid the possibility of new US copper import tariffs, which encouraged traders to redirect metal to US warehouses and tightened supply elsewhere. Prices recently eased to USD6.4/lb after additional deliveries to London warehouses signaled more ample supply. Goldman Sachs attributes the rally primarily to speculative forces as record copper inventories entered the US ahead of potential tariffs, creating shortages in other regions. Once tariff policy becomes clear, copper prices could stabilize, as the refined copper market is still considered oversupplied in the short term. Global institutions including ING and UBS forecast that 2027 copper prices will stabilize at approximately USD13,000-13,500/tonne, 9% below current levels.

We regard this as an industry-wide issue. GEE nevertheless retains advantages from centralized, large-volume procurement, preferential discounts, efficient distribution and more secure supply.

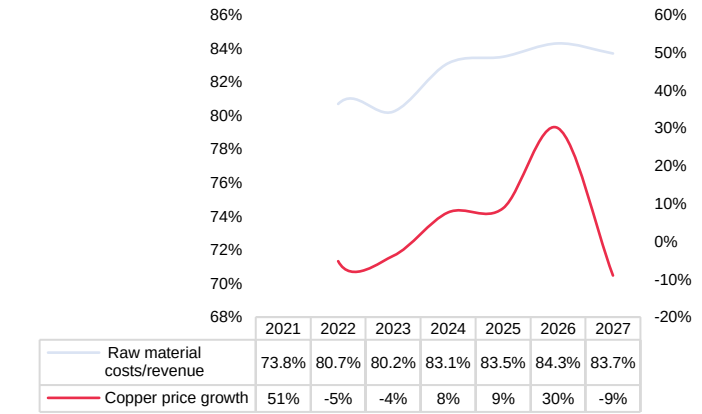
Figure 20: Global copper prices rose 13% YTD and 40% YoY, approaching a new record high (Unit: USD/lb)



Source: Bloomberg, MBS Research

The impact of raw-material costs on actual margins is obscured by several offsetting factors. We therefore compare copper-price growth with raw-material costs as a percentage of revenue. Since 2023, the raw-material cost ratio has risen during copper-price upcycles and declined when copper prices fell. This generally demonstrates that higher input prices can pressure gross margins. Although management indicates that price retention for premium products supports margins, we believe sudden, rapid input-cost increases still create a short-term lag in pass-through to selling prices. Margins are also supported by other factors, including initiatives to optimize operating and selling costs and inventory management. We expect gross-margin pressure to persist in 2026, assuming a 30% increase in copper prices, before easing from 2027.

Figure 21: Raw-material cost pressure is greater during copper price upcycles (Unit: %)

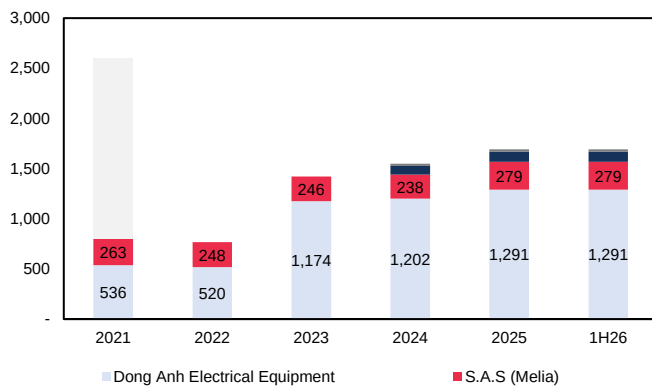


Source: GEE, MBS Research

A healthy investment portfolio, but capital allocation is not yet optimal because resources are being directed to parent company GELEX

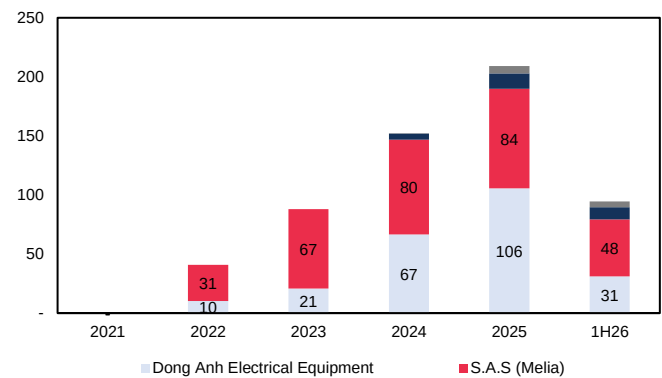
GEE currently owns stakes in four associates with a total book value of VND1,693bn. The most valuable is its 47% stake in Dong Anh Electrical Equipment (EEMC), with a book value of VND1,291bn. EEMC is part of the electrical equipment ecosystem, is Vietnam's only producer of high-voltage transformers and is a key beneficiary of the power-sector investment cycle. The remaining investments comprise S.A.S (35%), operator of the Melia hotel; GELEX Ninh Thuan Solar Power (20%), the residual stake after the power divestment; and HEM Electrical Mechanical JSC (20%). EEMC and Melia currently contribute up to 90% of profit from associates and joint ventures. Melia maintains stable profit and dividends, while EEMC has delivered positive growth on stronger operations and GEE has continually increased its ownership over time.

Figure 22: Associate investment portfolio value of approximately VND1,700bn, equivalent to 10% of total assets



Source: GEE, MBS Research

Figure 23: Profit contributions from associates and JVs are increasingly significant, led by Dong Anh Electrical Equipment (EEMC)

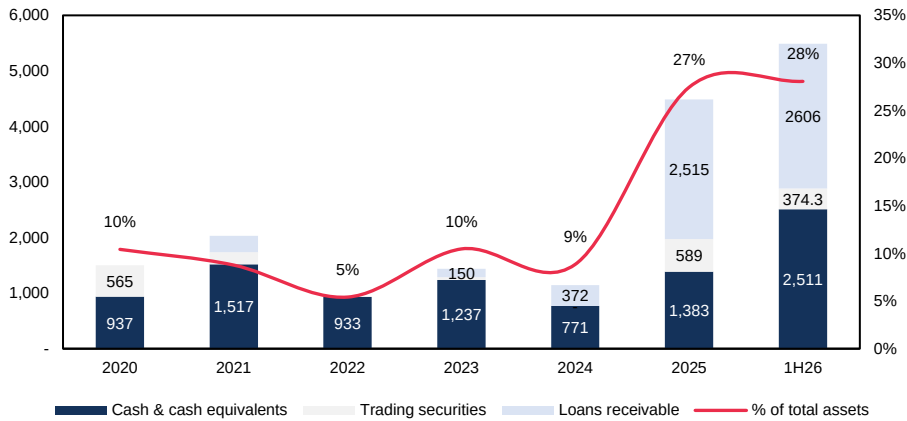


Source: GEE, MBS Research

Short-term financial investments were estimated at approximately VND5,611bn at end-2Q26, equivalent to approximately 28% of total assets and demonstrating strong cash-generation capacity. Cash and bank deposits totaled approximately VND2,511bn. Around VND374bn represented the book value of an equity investment in VPBank Securities JSC (VPX), which currently carries an estimated unrealized loss of VND33bn. The remaining approximately VND2,605bn comprised loans to related companies including GELEX and GELEX Infrastructure (GEL). These loans increased sharply from 2025 to fund the Group's sizable investment requirements and carry interest rates of only 6.8-7.9%, below the disclosed deposit rates of 7.1-8.9%.

Although GEE's operations remain stable, the use of a large portion of its cash could weigh on financial performance, particularly as intra-group lending rates are below deposit rates while GEE must still increase external short-term borrowing for working capital. This warrants attention because related-party loans are now material at approximately 14% of total assets. Conversely, as noted above, GEE also benefits significantly from additional orders generated by GELEX's substantial construction investment needs.

Figure 24: Short-term financial investments have risen sharply since 2025, with half comprising intra-ecosystem loans (Unit: VND bn)



Source: GEE, MBS Research

1H26 results: Impressive growth momentum sustained

Figure 25: 1H26 earnings summary

VND bn	Q2/25	Q2/26	% YoY	1H25	1H26	% YoY	Assessment
Revenue	6,510	9,524	46%	11,791	16,621	46%	Revenue growth remained strong as the electrical equipment business continued to expand. We believe the main drivers were increased market share in Northern Vietnam and substantial nationwide infrastructure investment. Selling prices also rose strongly, partly reflecting higher input prices.
Electrical equipment	6,444	9,465	47%	11,668	16,549	42%	
Power	49	-	-100%	108	56	-48%	
Others	17	59	249%	15	16	7%	
Cost of goods sold	5,475	8,157	49%	9,923	14,239	43%	Gross margin declined YoY, mainly due to sharp increases in input costs such as copper and aluminum.
Gross profit	1,035	1,366	32%	1,868	2,382	28%	
Electrical equipment	1,008	1,355	34%	1,825	2,381	30%	
Power	22	-	-100%	36	(4)	-111%	
Others	6	12	114%	7	5	-29%	Selling & G&A expenses grew more slowly than revenue, continuing to demonstrate clear improvement in management efficiency.
Gross margin	15.9%	14.3%	1.6ppts	15.8%	14.3%	1.5ppts	
Selling & G&A expenses	292	308	5%	497	560	13%	
EBIT	743	1,058	42%	1,370	1,822	33%	
Financial income	38	109	187%	70	184	163%	Financial income increased sharply, primarily because higher intra-group deposits and loans supported interest income growth.
Financial expenses	119	190	60%	197	317	61%	Financial expenses rose sharply due to additional working-capital borrowings.
Profit/(loss) from associates and JVs	61	46	-25%	90	87	-3%	Profit from associates and JVs declined due to weaker operations at Dong Anh Electrical Equipment (EEMC), as EVN investment slowed amid legal risks.
Other net income	(2)	(73)	3550%	(4)	(72)	1700%	Other expenses increased sharply during the period, primarily due to a VND73bn tax penalty.
PBT	722	950	32%	1,330	1,705	28%	Accordingly, net profit grew 34% YoY in 2Q26, supporting 32% YoY growth in 1H26 net profit to VND1,289bn.
Tax rate	21.6%	21.5%	-	20.8%	20.7%	-	
NPAT	566	745	32%	1,053	1,351	28%	
Non-controlling interests	38	35	-8%	73	62	-15%	
Net profit	528	710	34%	980	1,289	32%	

Source: GEE, MBS Research

2026-27 outlook: Comprehensive beneficiary of the national infrastructure development cycle

According to Roland Berger research cited in GEE's annual report, Vietnam's electrical equipment market was estimated at approximately USD5bn in 2025 and may sustain a 10-12% CAGR over 2026-30. Management highlights an infrastructure development cycle featuring multiple megaprojects across transport, urban and energy infrastructure, in which GEE intends to play a key role. The company plans to continue accelerating R&D, developing new products and moving up the value chain in 2025-26 to capture projects with high electrical-equipment content, including airports, seaports and railways; industrial-park factories; data centers; and power systems. It is also developing a vision for a high-tech ecosystem, internationalizing its subsidiaries and expanding into overseas markets.

Figure 26: 2026-27 earnings forecast summary

Unit: VND bn	2025	% YoY	2026	% YoY	2027	% YoY	Assessment
Revenue	25,660	20%	34,735	35%	41,240	19%	
Electrical equipment	25,104	22%	34,501	37%	41,119	19%	Sales are expected to benefit fully from the national infrastructure investment cycle. We forecast electrical equipment revenue of approximately VND8.5-9.0tn per quarter in 2026, followed by 19% growth in 2027.
Cadivi	15,697	20%	21,191	35%	25,429	20%	
THI	1,461	16%	1,900	30%	2,241	18%	
EMIC	1,170	-1%	1,521	30%	1,795	18%	
MEE	626	28%	814	30%	960	18%	
CFT	6,418	31%	8,985	40%	10,602	18%	
HEM	91	-50%	91	0%	91	0%	
Power	289	-11%	61	-79%	-	-100%	
Others	70	-74%	172	145%	121	-30%	
Cost of goods sold	21,352	18%	29,708	39%	35,131	18%	
Gross profit	4,111	34%	4,819	17%	5,907	23%	We expect gross margin to decline amid higher input-cost pressure before recovering from 2027.
Electrical equipment	4,058	31%	5,150	27%	6,238	21%	
Power	124	-19%	11	-91%	-	-100%	
Others	(71)	-61%	(134)	88%	(129)	-4%	
Gross margin	16.0%	12%	13.9%	-13%	14.3%	3%	
SG&A	1,174	35%	1,514	29%	1,849	22%	
EBIT	2,937	34%	3,305	13%	4,057	23%	
EBITDA	3,291	27%	3,642	11%	4,406	21%	
Financial income	1,715	215%	531	-69%	591	11%	Financial income is forecast to decline sharply in 2026 versus 2025, mainly because the prior year included an approximately VND1,500bn gain from the GELEX Infrastructure divestment. Thereafter, financial income should grow in line with the company's expanding cash balance.
Financial expenses	538	-12%	691	28%	715	3%	Financial expenses are forecast to increase 28% YoY, mainly due to sharply higher working-capital borrowings and rising lending rates.
Of which: interest expense	231	-14%	427	85%	453	6%	
Profit from associates and JVs	150	505%	143	-4%	150	4%	We estimate a slight YoY decline in profit from associates and JVs, mainly due to weaker EEMC results this year as power-sector investment slowed, while the remaining companies maintain stable operations.
Other net income	(0)	-91%	(2)	481%	(1)	-41%	
PBT	4,262	98%	3,286	-23%	4,082	24%	
Electrical equipment	2,887	55%	3,363	16%	3,963	18%	
Power	171	-57%	175	2%	178	2%	
Others	(23)	74%	(35)	51%	(28)	-19%	
Tax expense	845	93%	678	-20%	851	25%	
Tax rate	-19.8%	-3%	-20.6%	4%	-20.9%	1%	
NPAT	3,417	99%	2,608	-24%	3,231	24%	
Minority interest	160	26%	102	-36%	122	20%	
Net profit	3,257	105%	2,507	-23%	3,109	24%	Accordingly, we forecast net profit to decline 23% YoY in 2026 before recovering 24% YoY in 2027. Excluding extraordinary gains, core net profit is estimated to grow approximately 33% YoY in 2026. Our 2026 forecast is 18% above management's initial plan, primarily reflecting exceptional revenue growth in 2Q26.

Source: GEE, MBS Research

FINANCIAL STATEMENTS

Income statement	2024	2025	2026	2027	Cash flow statement	2024	2025	2026	2027
Net revenue	21,351	25,660	34,735	41,240	Pre-tax profit	2,153	4,262	3,286	4,082
Cost of sales	(18,066)	(21,352)	(29,708)	(35,131)	Depreciation & amortization	399	354	337	349
Gross profit	3,064	4,111	4,819	5,907	Tax paid	(307)	(502)	(678)	(851)
Gen & admin expenses	(457)	(673)	(835)	(1,040)	Other adjustments	(161)	(1,434)	(90)	(143)
Selling expenses	(410)	(501)	-	-	Change in working capital	(1,295)	(2,906)	(1,503)	(421)
Operating profit	2,197	2,937	3,305	4,057	Cash flow from operations	535	(472)	1,008	2,609
Operating EBITDA	2,596	3,291	3,642	4,406	Capex	(149)	(268)	(207)	(228)
EBIT	2,197	2,937	3,305	4,057	Proceeds from assets sales	1	21	-	-
Interest income	544	1,715	531	591	Cash flow from investing activities	1,012	631	(1,695)	287
Financial expense	(609)	(538)	(691)	(715)	New share issuance	5	78	245	-
Net other income	(4)	(0)	(2)	(1)	Net borrowings	(1,612)	2,425	2,500	(172)
Income from associates	25	150	143	150	Other financing cash flow	-	-	-	-
Pre-tax profit	2,153	4,262	3,286	4,082	Dividends paid	(375)	(2,144)	(1,921)	(1,921)
Tax expense	(438)	(845)	(678)	(851)	Cash flow from financing activities	(1,982)	359	823	(2,094)
NPAT	1,715	3,417	2,608	3,231	Cash and equivalents at beginning of period	1,125	692	1,213	1,349
Minority interest	(126)	(160)	(102)	(122)	Total cash generated	(435)	518	136	802
Net profit	1,588	3,257	2,507	3,109	Cash and equivalents at the end of period	692	1,213	1,349	2,151
Ordinary dividends	(375)	(2,144)	(1,921)	(1,921)					
Retained earnings	1,213	1,113	585	1,187					
Balance sheet	2024	2025	2026	2027	Key ratios	2024	2025	2026	2027
Cash and equivalents	692	1,213	1,349	2,151	Net revenue growth	-0.4%	27.4%	20.2%	35.4%
Short term investments	80	729	2,659	2,659	EBITDA growth	-6.5%	39.5%	26.8%	10.7%
Accounts receivables	2,253	4,261	5,913	6,112	EBIT growth	-5.8%	71.9%	33.7%	12.5%
Inventories	3,680	5,605	6,529	7,309	Pre-tax profit growth	-13.7%	122.6%	98.0%	-22.9%
Other current assets	157	415	577	682	Net profit growth	0.0%	113.1%	105.1%	-23.1%
Total current assets	6,861	12,223	16,726	18,633	EPS growth	0.0%	113.1%	105.1%	-23.1%
Tangible fixed assets	2,377	1,459	1,345	1,241					
Intangible fixed assets	76	68	266	279	Gross profit margin	12.1%	14.4%	16.0%	13.9%
Construction in progress	173	196	185	190	EBITDA margin	11.1%	12.2%	12.8%	10.5%
Investments in subsidiaries	123	81	75	69	Net profit margin	4.4%	7.4%	12.7%	7.2%
Investments in associates	2,662	1,698	1,774	1,855	ROAE	28.4%	42.3%	29.0%	31.3%
Other long-term investments	-	-	-	-	ROAA	11.9%	22.3%	13.3%	13.9%
Other long-term assets	561	562	837	948	ROIC				
Total non-current assets	6,042	4,123	4,579	4,687					
Total assets	12,903	16,346	21,305	23,320	Asset turnover ratio	160.4%	175.5%	184.5%	184.8%
					Dividend payout ratio	100.4%	23.6%	65.8%	76.7%
Short-term borrowings	2,971	4,467	7,139	7,139	D/E	85.6%	94.7%	122.5%	110.8%
Trade accounts payable	1,126	606	1,304	1,483	Net debt to total equity	75.3%	39.3%	51.2%	69.6%
Other payables	1,284	1,699	2,237	2,720	Net debt to asset	31.5%	20.6%	21.9%	18.8%
Total current liabilities	5,381	6,772	10,680	11,343	Interest coverage ratio	8	13	8	9
Long-term borrowings	453	1,048	876	704					
Other long-term payables	116	129	174	212	Days account receivable	36	46	35	31
Total long-term liabilities	569	1,177	1,050	916	Days inventory	68	79	80	76
Total liabilities	5,950	7,949	11,730	12,259	Days account payable	17	15	16	15
Common shares	3,000	3,660	6,405	6,405	Current ratio	1.0	1.3	1.8	1.6
Share premium	-	-	-	-	Quick ratio	0.5	0.6	1.0	1.0
Treasury shares	-	-	-	-	Cash ratio	0.2	0.1	0.3	0.4
Undistributed earnings	2,045	3,669	1,754	2,942					
Investment and development funds	-	-	-	-					
Foreign exchange differences	-	-	-	-	Valuation				
Shareholders' equity	5,601	7,700	8,632	9,941	EPS (VND/share)	2,480	5,086	3,913	4,854
Minority interest	556	371	472	594	BVPS (VND/share)	8,745	12,022	13,476	15,520
Total shareholders' equity	6,953	8,397	9,575	11,061	P/E (x)	25.8	12.6	16.3	13.2
Total liabilities & equity	12,903	16,346	21,305	23,320	P/B (x)	7.3	5.3	4.7	4.1

Source: Company financial statements, MBS Research

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MBS RECOMMENDATION FRAMEWORK

Stock Ratings

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Add	The stock's total return is expected to reach 15% or higher over the next 12 months
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 15% over the next 12 months.

Sector Ratings

Positive	Stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
Neutral	Stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Negative	Stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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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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