



## **GEG Flash News – N/A**

**November 1, 2024**

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## Flash News

Recommendation

N/A

HoSE: GEG

Electricity

Target price (VND)

N/A

Current price (VND)

11,200

Expected share price return

N/A

Expected dividend yield

N/A

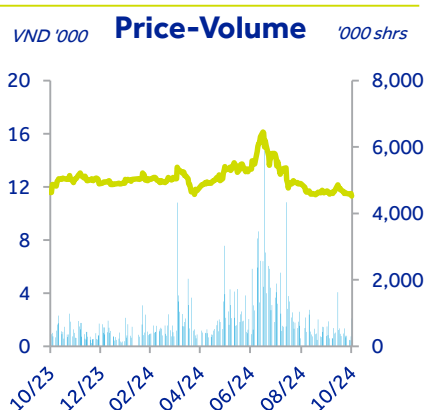
Expected total return

N/A

## Stock performance (%)

	YTD	1M	3M	12M
Absolute	-7.7	-1.3	-20.6	0.6
Relative	-21.4	0.9	-22.2	-22.5

Source: Bloomberg



## Ownership

AVH Pte. Ltd	29.8%
DEG	16.9%
Thanh Thanh Cong JSC	14.2%
SBT	9.3%

## Stock Statistics

01-Nov-24

Bloomberg code

GEG VN

52-week range (VND)	11,150 – 16,381
Shares O/S (m)	358
Mkt cap (VND bn)	4,049
Mkt cap (USD bn)	162
Foreign room left (%)	5.2
Est. free float (%)	40.8
3m avg daily vol (shrs)	712,321
VND/USD	25,030
Index: VNIIndex / HNX	1,264.5/226.4

## GIA LAI ELECTRICTY JST (HoSE: GEG)

GEG reported -4.1% YoY in revenue to VND543 bn in Q3/2024, resulting in NPAT of VND48 bn loss compared to VND315 mil YoY. Cumulative 9M2024, GEG achieved VND80 bn in NPAT, -27.8% YoY. This outcome completed only 29.6% of the 2024 company's target and 30.4% of ACBS's forecast. The overall underperformance relative to the previous year is primarily attributed to the Tan Phu Dong 1 project, which is currently being recognized at a provisional price of 50% of the ceiling price, despite COD in May 2023, while other operating costs have escalated.

Q3/2024 revenue decreased by 4.1% YoY, primarily driven by a 4.8% decline in output to 1,012 mil kWh, which was mostly from -13.8% YoY in wind power to 131 mil kWh, despite a 0.7% increase in the average selling price to VND1,508/kWh.

NPAT recorded a loss of VND48 bn, Q3/2023: VND315 mil. This was primarily due to a 12.1% YoY increase in operating costs, which compressed the gross profit margin. Additionally, administrative expenses increased, although finance costs decreased. To illustrate, gross profit -19.1% YoY to VND237 bn, resulting in a gross profit margin of 43.6%, down from 51.8% YoY. Finance costs stood at VND230 bn, -8.7% YoY, with interest expenses accounting for VND224 bn, -5.1% YoY, and lastly administrative expenses increased by 17.9% YoY to VND33 bn.

For 9M2024, output reached 1,012 mil kWh, +16.5% YoY, driven by the commercial operation of the Tan Phu Dong 1 project since May 2023. This contributed to +11.1% YoY in revenue to VND1,770 bn. However, the average selling price decreased by 4.6% YoY to VND1,749/kWh due to the pricing of Tan Phu Dong 1 at 50% of the ceiling price as per Decision No. 21/QD-BCT, resulting in a decline in the gross profit margin to 49% from 54.4% in the same period last year.

**Quick conclusion:** Given the gray Q3/2024 financial performance, GEG has only achieved 29.6% of its 2024 plan and 30.4% of our forecast. Consequently, we will reassess and update our forecast and valuation for GEG in our upcoming report.

	2021	2022	2023	2024F	2025F
Net Sales (VNDbn)	1,381	2,093	2,163	2,483	2,604
Growth	-8%	52%	3%	15%	5%
EBITDA (VNDbn)	1,067	1,503	1,658	1,951	2,038
Growth	77%	72%	77%	79%	78%
NPAT (VNDbn)	326	371	143	263	300
Growth	10%	14%	-61%	84%	14%
EPS (bonus-adjusted, VND)	775	840	370	659	753
Growth	11%	8%	-56%	78%	14%
ROE	9%	7%	2%	4%	5%
ROA	3%	2%	1%	2%	2%
Net debt/EBITDA (x)	6.4	6.1	5.8	4.9	4.2
EV/EBITDA (x)	11.2	9.5	8.9	7.5	6.7
P/E (x)	18.1	20.7	35.9	19.6	17.1
P/B (x)	1.5	1.5	0.9	0.9	0.8
Dividend (VND)	-	-	-	-	-
Dividend yield	-	-	-	-	-
Old forecast					

## Q3/2024 GEG's Financial Performance

Unit: bn VND	Q3/2023	Q3/2024	YoY	9M2023	9M2024	YoY
<b>Revenue</b>	<b>566</b>	<b>543</b>	<b>-4.1%</b>	<b>1,593</b>	<b>1,770</b>	<b>11.1%</b>
Gross profit	293	237	-19.1%	866	867	0.1%
<i>Gross margin</i>	<i>51.8%</i>	<i>43.6%</i>		<i>54.4%</i>	<i>49.0%</i>	
Financial Revenue	13	10	-23.1%	38	28	-26.3%
Financial Expenses	252	230	-8.7%	655	645	-1.5%
<i>Interest Expenses</i>	<i>236</i>	<i>224</i>	<i>-5.1%</i>	<i>620</i>	<i>629</i>	<i>1.5%</i>
Administrative Expenses	28	33	17.9%	100	105	5.0%
<b>NPAT</b>	<b>0,3</b>	<b>-48</b>		<b>111</b>	<b>80</b>	<b>-27.8%</b>
<i>NPAT's margin</i>	<i>0.2%</i>			<i>7.0%</i>	<i>4.5%</i>	

Sources : GEG, ACBS

## Q3/2024 GEG Energy Portfolio Output Structure

Unit: mil kWh	Q3/2023	Q3/2024	YoY	9M2023	9M2024	YoY
<b>GEG</b>	<b>378</b>	<b>360</b>	<b>-4.8%</b>	<b>869</b>	<b>1,012</b>	<b>16.5%</b>
Hydro	131	133	1.5%	217	187	-13.8%
Wind	152	131	-13.8%	356	517	45.2%
Solar	95	96	1.1%	296	308	4.1%
<b>Structure</b>						
<i>Hydro</i>	<i>34.7%</i>	<i>36.9%</i>		<i>25.0%</i>	<i>18.5%</i>	
<i>Wind</i>	<i>40.2%</i>	<i>36.4%</i>		<i>41.0%</i>	<i>51.1%</i>	
<i>Solar</i>	<i>25.1%</i>	<i>26.7%</i>		<i>34.1%</i>	<i>30.4%</i>	

Sources : GEG, ACBS

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### Our Recommendation System

**BUY:** prospective 12 month VND total return (including dividends) will be more than 20%.

**OUTPERFORM:** prospective 12 month VND total return (including dividends) will be 10% to 20%.

**NEUTRAL:** prospective 12 month VND total return (including dividends) will be -10% to 10%.

**UNDERPERFORM:** prospective 12 month VND total return (including dividends) will be will be -20% to -10%.

**SELL:** prospective 12 month VND total return (including dividends) will be lower than -20%.

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