



GEG Flash News – BUY

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Flash News

Recommendation

BUY

HoSE: GEG

Renewable Energy

Target price (VND) **17,700**

Current price (VND) **14,600**

Expected share price return 21.3%

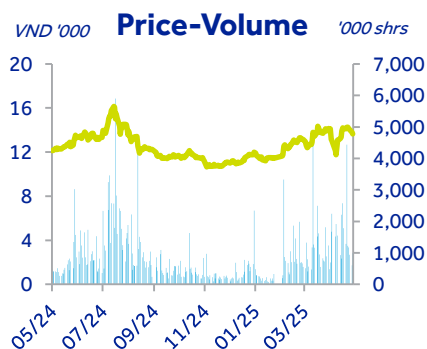
Expected dividend yield 0.0%

Expected total return **21.3%**

Stock performance (%)

| | YTD | 1M | 3M | 12M |
|----------|------|------|------|------|
| Absolute | 13.8 | -0.7 | 20.5 | 24.4 |
| Relative | 16.8 | 6.1 | 23.4 | 21.2 |

Source: Bloomberg



Ownership

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

Stock Statistics

05-May-25

Bloomberg code

GEG

52-week range (VND) 10,450 – 16,381

Shares O/S (m) 358

Mkt cap (VND bn) 4,891

Mkt cap (USD bn) 195

Foreign room left (%) 5.1

Est. free float (%) 40.8

3m avg daily vol (shrs) 1,204,730

VND/USD 25,030

Index: VNIndex / HNX 1,226.3/211.9

GIA LAI ELECTRICITY JSC (HoSE: GEG)

On Apr 29th, 2025, GEG held the Annual General Meeting (AGM), main points below:

1/ Post-Adjusted Power Plan VIII (PP8) Outlook: Following the approval of the adjusted PP8 in Apr 2025, a more rapid increase in national electricity output and total installed power generation capacity is anticipated. Thus, energy companies such as GEG are expected to benefit significantly. Specifically, several of GEG's projects, including the Duc Hue 2 Solar PV project (50 MW) and the VPL2 Wind Power project (30 MW), along with other key initiatives, are slated for recommencement. Management indicates that GEG's project pipeline totals 1 GW, although these projects may be subject to re-tendering processes.

2/ The output target for 2025 is 1,376 mil kWh, +2.2% YoY, revenue target is VND3,399 bn (+43.5% YoY), and NPAT target for 2025 is VND687 bn (+646.7% YoY). This NPAT projection incorporates the new electricity tariff for the Tan Phu Dong 1 project (VND 1,813/kWh) and includes a retrospective revenue recognition of VND397 bn for the period from Jun 2023 to Dec 2024, representing the price differential).

| | 2024 | 2025P | YoY | 2025F ACBS Forecast | YoY |
|------------------------|--------------|--------------|---------------|---------------------|---------------|
| Output: mil kWh | 1,347 | 1,376 | 2.2% | 1,328 | -1.4% |
| Hydro | 316 | 344 | 8.9% | 327 | 3.4% |
| Solar | 384 | 387 | 0.8% | 368 | -4.2% |
| Wind | 647 | 645 | -0.3% | 633 | -2.1% |
| Revenue: bn VND | 2,369 | 3,399 | 43.5% | 3,369 | 42.2% |
| Hydro | 327 | 364 | 11.3% | 342 | 4.6% |
| Solar | 858 | 864 | 0.7% | 861 | 0.3% |
| Wind | 1,058 | 1,722 | 62.8% | 1,738 | 64.3% |
| NPAT: bn VND | 92 | 687 | 646.7% | 776 | 743.5% |

3/ Partial Buyback of Preference Shares: GEG intends to repurchase 7.7 mil preference shares, representing 12.0% of the total outstanding preference shares, at a maximum price not exceeding VND10,936/share. The maximum total expenditure for this buyback is VND84.3 bn, with the timeframe set for Q4/2025 or Q1/2026. Successful completion of this buyback would reduce the total outstanding shares (including common and preference shares) from 422.5 mil to 414.8 mil).

| | 2022 | 2023 | 2024 | 2025F | 2026F |
|---------------------------|-------|--------|--------|--------|--------|
| Net Sales (VNDbn) | 2,093 | 2,163 | 2,325 | 3,369 | 3,041 |
| Growth | 51.6% | 3.3% | 7.5% | 44.9% | -9.7% |
| EBITDA (VNDbn) | 1,503 | 1,658 | 1,742 | 2,576 | 2,217 |
| Growth | 40.9% | 10.3% | 5.1% | 47.9% | -13.9% |
| NPAT (VNDbn) | 371 | 143 | 92 | 776 | 538 |
| Growth | 13.8% | -61.5% | -35.7% | 743.3% | -30.6% |
| EPS (bonus-adjusted, VND) | 793 | 313 | 321 | 2,014 | 1,397 |
| Growth | 8.4% | -60.6% | 2.7% | 527.4% | -30.6% |
| ROE | 6.6% | 2.5% | 1.6% | 11.8% | 7.6% |
| ROA | 2.2% | 0.9% | 0.6% | 5.0% | 3.6% |
| Net debt/EBITDA (x) | 6.4 | 6.0 | 5.2 | 3.1 | 3.2 |
| EV/EBITDA (x) | 9.4 | 8.7 | 7.8 | 4.9 | 5.2 |
| P/E (x) | 20.7 | 31.3 | 48.7 | 5.8 | 8.3 |
| P/B (x) | 1.5 | 0.8 | 0.8 | 0.7 | 0.6 |
| Dividend (VND) | - | - | - | - | - |
| Dividend yield | - | - | - | - | - |

4/ Divestment from Truong Phu Hydropower: GEG is in the process of divesting its stake in Truong Phu Hydropower JSC, currently an associate company of GEG, where GEG holds a 25.1% ownership, equivalent to 13.4 mil shares. Truong Phu Hydropower manages two hydropower plants, Alin Thuong and Alin B1, located in A Luoi, Hue. GEG's management estimates a minimum transfer price of VND36 bn/MW, translating to an anticipated revenue of over VND200 bn. The rationale for this divestment is GEG's strategic objective to streamline its involvement in joint ventures and associated companies and to focus more on developing entities where it can establish controlling stakes within the energy sector.

5/ The dividend for 2024 allocated to the 64.2 mil preference shares issued in 2022 amounts to VND40 bn, corresponding to a yield of 6.24%. The company has not yet announced its dividend plan for common shares for 2024 and 2025.

6/ Quick Conclusion: We observe a material change in GEG's business performance outlook for the 2025-2026 period, driven by the finalized new electricity tariff for the Tan Phu Dong 1 wind power project and the company's prospects following the Adjusted-PP8. Therefore, we update our projections and valuation for GEG with BUY recommendation, target price at 17.700 dong/share, representing total expected return of 21.3%,

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DISCLAIMER

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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