Shinhan Securities

Power Industry

Race against time

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Glossary of abbreviations

COD	Commercial operation date
CAN	Capacity Add-on Price
CfD	Contract for Difference
EPTC	Electricity Power Trading Company
ERAV	Electricity Regulatory Authority of Vietnam
EVN	Vietnam Electricity Corporation
FDP	Field Development Plan
FID	Final Investment Decision
FMP	Full Market Price
GSA	Gas Sales Agreement
IEA	International Energy Agency
LNG	Liquefied Natural Gas
MOIT	Ministry of Industry and Trade
NCHMF	National Center For Hydro-Meteorological Forecasting
Pc	Contractual Price
Pmax	Maximum Capacity
PPA	Power Purchase Agreement (signed between EVN/EPTC)
PSC	Production Sharing Contract
PVN	Vietnam Oil and Gas Group
Qc	Contract Quantity
Qm	Metered Quantity
SMP	System Marginal Price
TKV	Vietnam National Coal and Mineral Industries Group
VCGM	Vietnam Competitive Generation Market

Power Industry– Race Against Time

I. Power sector update for 2025 and Q1 2026

According to EVN, total system electricity generation and imports in 2025 are estimated at 322.8 billion kWh (+4.6% YoY), while output in Q1 2026 reached 76.86 billion kWh (+6.5% YoY), broadly in line with growth in IIP and GDP over the same period.

II. Power sector outlook for 2026 and 2030 direction

_ In 2026, thermal power is expected to be dispatched at higher levels, driven by El Niño weather conditions and strong electricity demand. However, this also raises the risk of power shortages as available capacity is growing at a slower pace than demand.

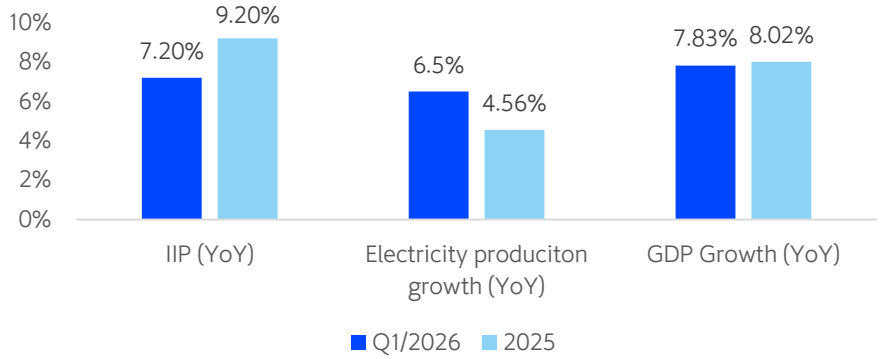
_ Overall, the investment environment is improving, but the risk of not achieving targeted LNG capacity additions before 2030 remains high. Instead, renewable energy sources such as solar and wind power are being actively promoted.

III. Investment Opportunity– POW

Companies with significant thermal power assets and early exposure to LNG development are expected to benefit from this structural shift in the power source.

Electricity generation growth improved in Q1 2026

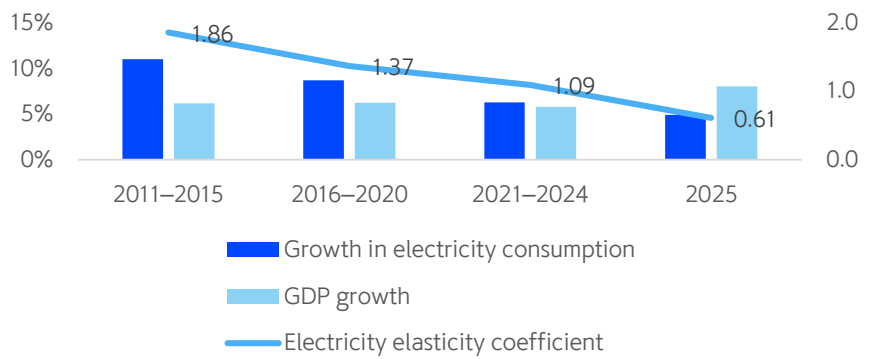
Growth in electricity production output, IIP, and GDP



Source: EVN, Fiinpro, Shinhan Securities Vietnam

- According to EVN, total system power generation and imports in 2025 are estimated at 322.8 billion kWh, up 4.6% YoY, while electricity output in Q1 2026 reached 76.86 billion kWh, representing 6.5% YoY growth, broadly in line with industrial production (IIP) and GDP growth.
- Based on calculations by ERAV, Vietnam's electricity elasticity coefficient has been on a declining trend in recent years. The elasticity of the industrial sector fell significantly during 2021–2024 to 0.83; however, the elasticity of the commercial and residential sector remained elevated at 1.27, lifting the nationwide elasticity coefficient to 1.09. In 2025, the coefficient is estimated to decline further due to several factors: (1) approximately 10 billion kWh of electricity was generated and self-consumed from rooftop solar systems, accounting for around 3.4% of total electricity sales; (2) milder weather conditions during the first half of 2025 reduced cooling demand; and (3) various industrial sectors implemented more energy-efficient production processes and electricity-saving measures.

Electricity elasticity coefficient has been declining over the years



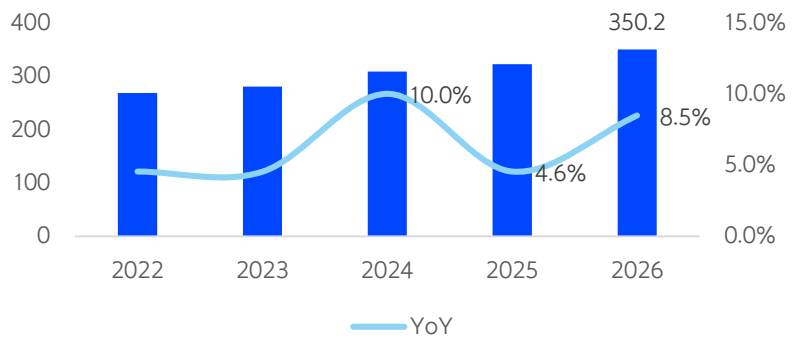
Source: ERAV, Shinhan Securities Vietnam

	Electricity consumption volume (bn kWh)	YoY
Total	**287.9**	**4.9%**
Industry & Construction	152.5	7.2%
Services & Trading	15.6	4.8%
Management – Residential consumption	97.0	1.1%
Others	22.7	6.7%

Source: ERAV, Shinhan Securities Vietnam

High power generation plan in 2026, with rising risk of power shortages

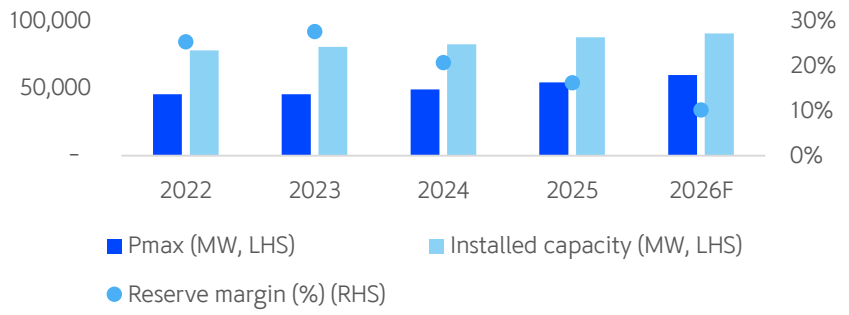
Total system power generation (billion kWh)



Source: EVN, Shinhan Securities Vietnam

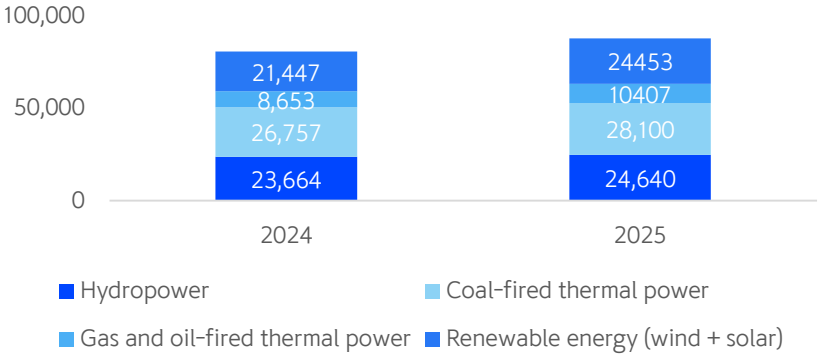
- **For 2026, the MOIT has approved the national power system operation plan, with the base-case scenario estimating total electricity generation and imports at 350.007 billion kWh (+8.5% YoY), while the stress scenario could reach 368.097 billion kWh (+14.1% YoY).**
- We forecast Pmaxin 2026F to reach 59,760 MW (+10% YoY), while newly installed capacity in 2026F is expected to reach approximately 90,400 MW (+3%), mainly driven by the commissioning of LNG power plants NT3 & NT4 (1,600 MW) and Unit 2 (650 MW) of Vung Ang II Thermal Power Plant. As a result, the system reserve margin is projected to decline to a low level of around 10%.
- In addition, hydropower capacity of approximately 25,279 MW and renewable energy output remain highly weather-dependent, increasing supply risks, particularly as the probability of El Niño conditions continues to rise. According to NSMO, system Pmax between May 23–26 has repeatedly set new records amid extreme heat conditions. **As of May 26, 2026, Pmax reached 58,226 MW (+7.1% YoY), while nationwide electricity consumption hit a record level of 1.2 billion kWh (+9.1% YoY compared to the same period peak).**
- To meet peak demand, on the evening of May 24, 2026, NSMO ordered the dispatch of high-cost oil-fired units, including Units S1 and S2 of O Mon I (FO-fired). The increasing reliance on diesel and fuel oil generation is expected to further elevate EVN's power procurement costs.

Reserve margin declines, with emerging supply shortage risks



Source: NSMO, EVN, Shinhan Securities Vietnam compilation; reserve margin = (Available installed capacity – Pmax)/Pmax

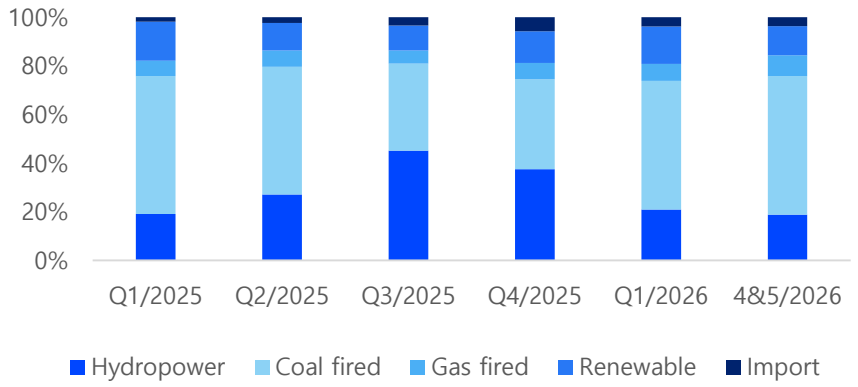
Power sources 2024-2025



Source: ERAV, Shinhan Securities Vietnam

Coal-fired thermal power is being increasingly dispatched in 2026

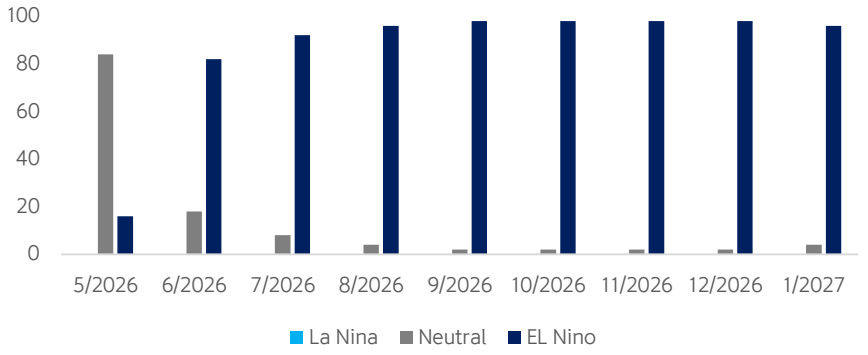
Electricity generation output by source



Source: EVN, Shinhan Securities Vietnam

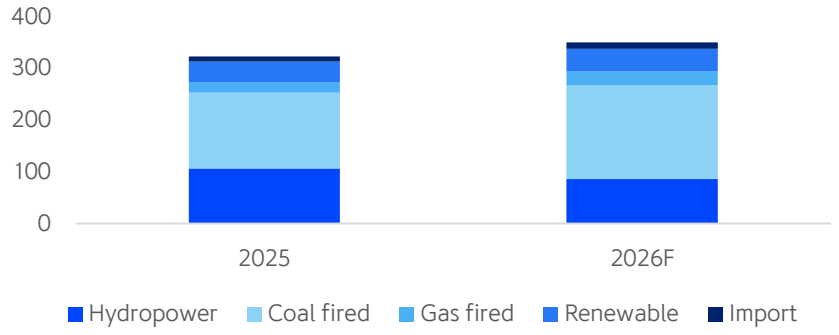
- **Electricity dispatched in Q1 2026 reached 76.86 billion kWh (+6% YoY),** of which coal-fired generation accounted for 40.58 billion kWh, representing 53% of the generation mix (up from 36% in Q3 2025). Meanwhile, hydropower output reached 16.09 billion kWh, accounting for 21% of the generation mix (down from 45% in Q3 2025). **5M2026 update: Electricity generation output reached 128.5 billion kWh (+8.1% YoY).** Thermal power plants continued to be dispatched at high levels instead of lower hydropower generation, driven by strong electricity demand during the peak heatwave period in April and May, coupled with unfavorable hydrological conditions.
- According to IRI, the probability of El Niño conditions is expected to remain high from June onward, supporting continued **high dispatch of coal-fired power plants.**
- **Based on the MOIT generation plan, we expect in 2026: coal-fired generation 180.7 billion kWh (+23.5% YoY), hydropower 86.1 billion kWh (-19.1% YoY)**, gas-fired generation 27.0 billion kWh (+10% YoY), renewables 43.7 billion kWh (+10.5% YoY), and electricity imports 12.0 billion kWh (+23.7% YoY).

NOAA CPC official ENSO probability forecast (%)



Source: IRI, Shinhan Securities Vietnam

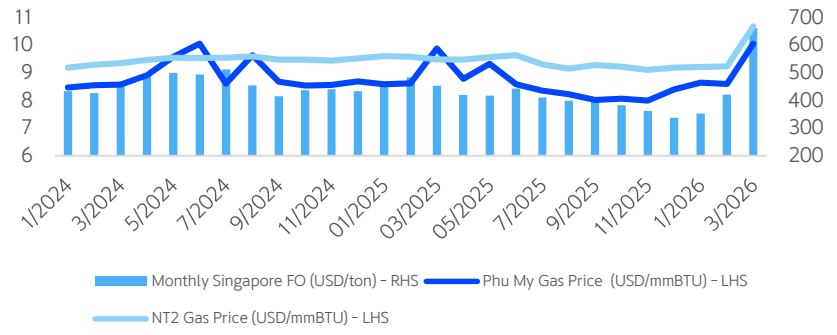
Projected electricity generation growth in 2026F



Source: EVN, Shinhan Securities Vietnam

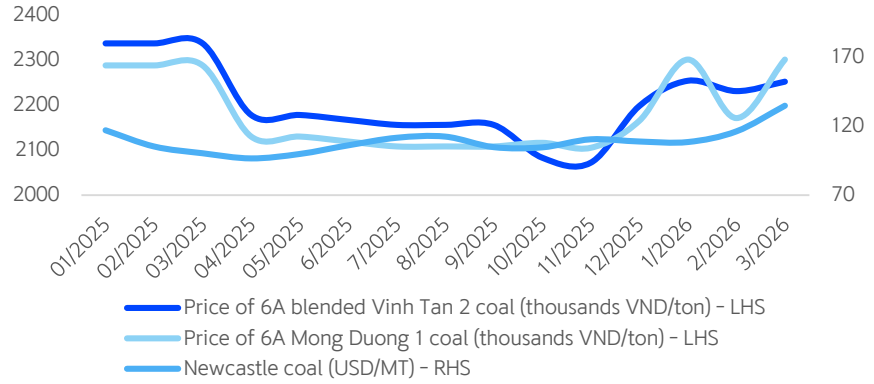
Coal and gas prices are projected to increase in 2026

Natural gas and Singapore fuel oil prices are trending upward



Source: Bloomberg, NT2, Genco3, EVN, Shinhan Securities Vietnam

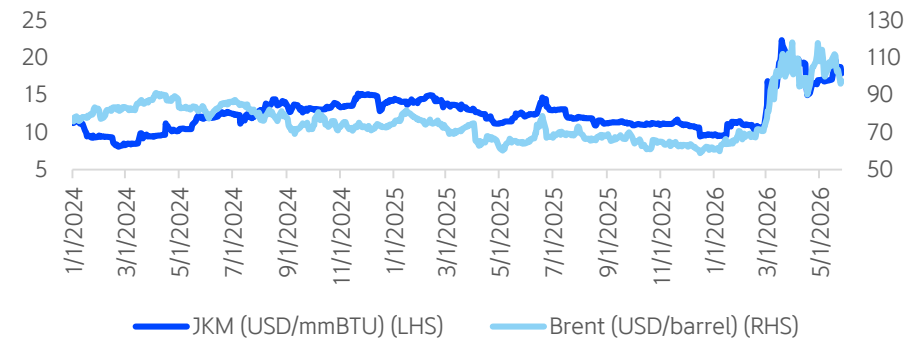
Domestic coal prices increase slightly by 2%–6% YTD



Source: Bloomberg, NT2, Genco3, EVN, Shinhan Securities Vietnam

- The closure of the Strait of Hormuz has triggered a sharp increase in global energy prices since March 2026. Global coal prices have risen by 30% YTD, while domestic coal prices have increased more moderately by around 2%–6%. NT2 gas prices reached 10.4 USD/MMBtu (+13% YTD), while fuel oil (FO) prices surged to 666.7 USD/MMBtu, nearly doubling year-to-date.
- In addition, Brent crude oil and Asia LNG prices have increased by 61% and 87% YTD, respectively. We expect energy prices to remain elevated in the coming months due to continued uncertainty over the reopening of the Strait of Hormuz. This is likely to exert upward pressure on the FMP (wholesale electricity market price) and increase EVN's power procurement costs.

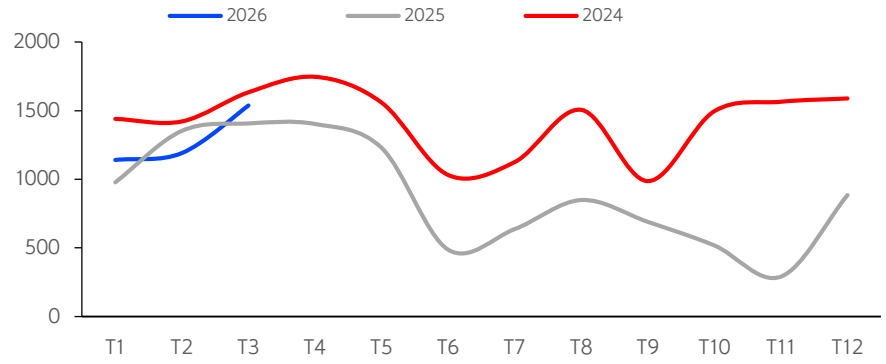
Brent oil and Asia LNG prices



Source: Bloomberg, Shinhan Securities Vietnam

FMP price improved significantly in Q1 2026

FMP actual selling prices 2024-2026 by months



Source: Genco3, EVN, Shinhan Securities Vietnam

FMP selling prices 2021-2026

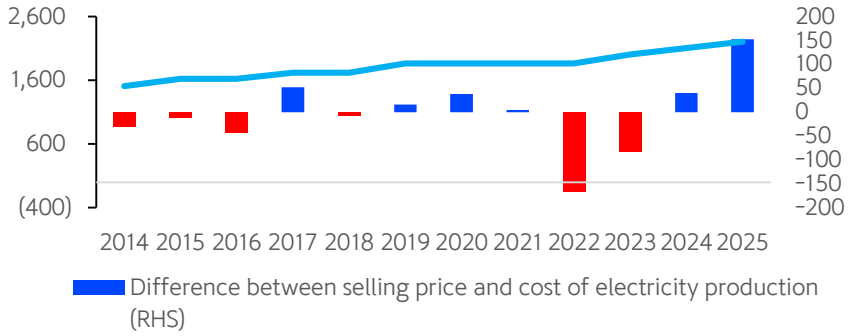
Year	SMP	CAN	FMP = SMP + CAN	Qc Hydro	Qc Coal-fired
2026	1,725.2	130	1,855.2	98%	80%
2025	1,682.6	47.96	1,730.56	98%	80%
2024	1,510	330.5	1,840.5	98%	70%
2023	1,778.8	293	2,071.8	90%	80%
2022	1,602.3	379.4	1,981.7	90%	80%
2021	1,503.5	150.7	1,654.2	90%	80%

Source: Genco3, EVN, Shinhan Securities Vietnam

- Actual FMP selling price in 2025 averaged around 894 VND/kWh (-37% YoY), mainly due to the high share of low-cost hydropower in the generation mix.In 2026, FMP is expected to reach 1,855.2 VND/kWh (+7% YoY). Specifically, in Q1 2026, the actual price reached 1,290 VND/kWh (+3.5% YoY), supported by a higher base in the same period last year, and surged +129% QoQ from the low base in Q4 2025. **We expect the average realized FMP price to continue increasing and reach around 1,400 VND/kWh (+56.5% YoY) in 2026, driven by: (1) commissioning of LNG power plants NT3 & NT4, which rely on high-cost LNG fuel; (2) rising global prices of coal, natural gas, and LNG; (3) strong electricity demand; and (4) constrained low-cost hydropower output due to adverse weather conditions.**

EVN's business performance improved significantly in 2025 but faces major challenges in 2026

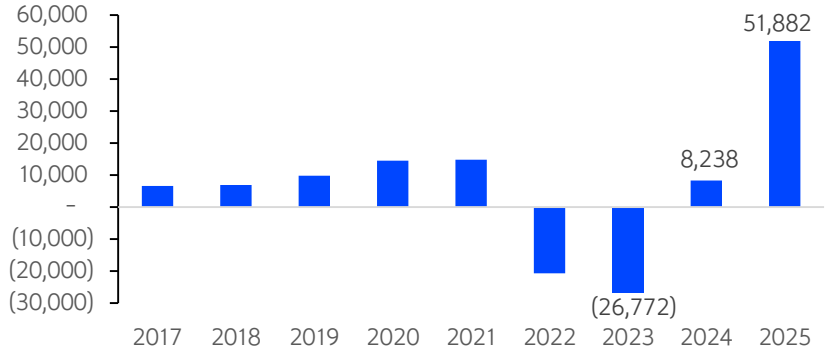
Spread between EVN's electricity selling price and power procurement cost



Source: EVN, Shinhan Securities Vietnam, data in 2025 is estimated based on EVN's FS

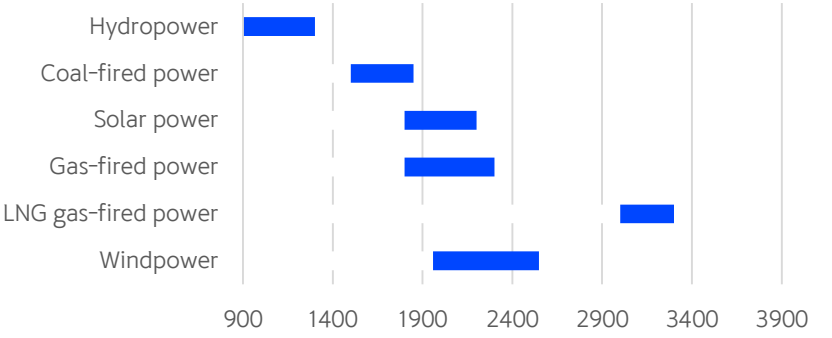
- The most recent electricity tariff adjustment by EVN was on May 10, 2025, with a +4.8% increase. Since the beginning of 2023, EVN has adjusted electricity prices four times within its pricing authority, including increases of 3.0%, 4.5%, and two separate 4.8% adjustments. Following these tariff increases, EVN returned to profitability from 2024. According to EVN's standalone 2025 FS, its accumulated losses narrowed significantly from VND44,792 billion in 2024 to approximately VND5,611 billion in 2025. **On a consolidated basis, EVN swung from accumulated losses of VND38,688 billion to retained earnings of VND5,533 billion.** However, we estimate that the average cost of electricity generation will increase by 12% in 2026, mainly driven by a sharp rise in coal and gas prices. **We therefore expect EVN to implement at least one electricity tariff increase of around 5% to maintain positive profitability in 2026.**

EVN consolidated net profit over the years



Source: EVN, Shinhan Securities Vietnam

Current generation cost by power source (VND/kWh)



Source: Shinhan Securities Vietnam compiled; excludes assumptions for offshore wind pricing and gas-fired power from Block B

Update and summary of renewable energy development status

Table: Revised Power Development Plan VIII capacity targets – base and high scenarios

Unit: MW	2025	2030 Base case	2030 High case
Coal-fired thermal power	28,100	31,055	31,055
Domestic gas-fired thermal power	9,300	10,861	14,930
LNG-fired thermal power	1,600	22,524	22,524
Hydropower	24,640	33,294	34,667
Onshore and nearshore wind power	6,292	26,066	38,029
Offshore wind power	0	6,000	6,000
Solar power	16,663	46,459	73,416

Source: Revised PDP VIII, Shinhan Securities Vietnam compiled

_ **Coal-fired thermal power**: Continues to serve as the dominant baseload source in the generation mix through 2030, after which no further capacity expansion is expected in order to meet environmental commitments.

_ **Hydropower**: Acts as a low-cost generation source. However, long-term expansion potential is limited and highly dependent on hydrological conditions.

_ **Gas-fired thermal power**: Domestic gas fields are experiencing a sharp decline in output, leading to a corresponding decrease in gas utilization rates at power plants. Gas-fired capacity and output are expected to improve significantly once the Block B – O Mon gas-to-power project chain is completed, targeted around 2028.

_ **LNG-fired power:** Positioned as a key pillar for Vietnam's energy security. However, there is a high risk of not achieving targeted capacity before 2030 due to bottlenecks in PPA negotiations. In addition, reliance on imported LNG at elevated prices contributes to higher system generation costs.

_ **Renewable energy:**

+ Solar power: Continued policy support, but primarily developed under the self-consumption and storage-integrated model (behind-the-meter with battery storage).

+ Wind power: Policy focus is strengthening. Together with LNG, wind power is becoming a second strategic pillar of Vietnam's energy security. During 2026–2030, wind capacity is expected to accelerate again to partially offset LNG supply risks toward 2030.

_ **Nuclear power:** A stable baseload energy source. The Ninh Thuan 1 and 2 projects are currently in land clearance and preparation stages, with expected commissioning in the 2030–2035 period.

The Ministry of Industry and Trade (MOIT) has approved the revision of the national energy master plan for the 2021–2030 period, with a vision toward 2050

Criteria	QD 893 (2023)	QD 363 (2026)	Delta/changes	Meaning
Total energy consumption (million TOE) 2030	107	120-130	+(13 - 23)	Greater flexibility in system planning
Total primary energy supply (million TOE) 2030	155	150-170	Widen the range	
Renewable power share (2030)	15–20%	25–30%	+10 điểm %	High ambition to integrate renewables by 2030, especially amid delays in LNG project development
Emission peak (2030)	399–449 MT CO2	433–474 MT CO2	+(25 - 34)	Acceptance of higher system costs to strengthen energy security and build a larger buffer against geopolitical volatility
Petroleum stockholding (days) 2030	75–80	90	+(10 - 15)	Significant capital requirements to support a high-renewable energy pathway
Investment capital (trillion VND)	4,133 - 4,808	4,878 - 5,482	+(60%-70%)	A high renewable power penetration requires massive capital mobilization.
Sea area requirement (ha) (2050)	1,302 - 1,701	2,945 - 3,355	Delta is double	Strong emphasis on accelerating offshore wind development as a long-term energy backbone
Natural gas production (billion m³/year) 2030	5.5-15	5.4 - 11.0	-4	Reassessment of domestic gas resource outlook, with a strategic shift toward LNG import infrastructure, including ports and storage terminals
Crude oil production (million tons/year) 2030	6 - 9.5	5.8 - 8	-1.5	

Source: MOIT, Shinhan Securities Vietnam compilation

On February 28, 2026, under Decision No. 363/QD-BCT, the Minister of Industry and Trade approved the revision of the national energy master plan for the 2021–2030 period, with a vision to 2050 (Revised National Energy Master Plan). Decision No. 893/QD-TTg became effective until February 28, 2026 and is no longer valid thereafter.

Risk of delays in LNG project implementation before 2030

Table: List of LNG power projects and progress updates

Project	Capacity (MW)	Notes / Implementation Progress	Investors
LNG Quang Ninh	1,500	COD on 19/12/2025	Consortium: POW, Colavi, Tokyo Gas, and Marubeni.
LNG Thai Binh	1,500	Construction started on 10/10/2025; expected COD in Q4/2029	Consortium of Tokyo Gas, Kyuden, and Truong Thanh Industrial Joint Stock Company (JSC).
LNG Quang Trach II	1,500	Preparation for construction in Q1/2026; full completion by 2030	EVN
LNG Hai Lang Phase I	1,500	Site clearance in progress; expected construction start in Q1/2027	T&T Group, HANWHA, KOSPO, KOGAS
Nhon Trach 3&4	1,624	Operational since end-2025	POW
LNG Hiep Phuoc Phase I	1,200	Construction and installation completed ~60% and ~20%; PPA signed on 26/03/2026; expected operation in 2027	Hai Linh
LNG Long An I	1,500	Feasibility study completed; planned COD in 2029	Vinacapital GS Energy
BOT Son My I	2,250	Site clearance in progress	EDF, Kyushu, Sojitz, Pacific Vietnam
BOT Son My II	2,250	Site clearance in progress	AES Group
LNG Bac Lieu	3,200	Agreement on procedures for 500kV transmission line (Bac Lieu – Thot Not)	DeltaOE
LNG Nghi Son	1,500	Reviewing documentation and proposing revised development plan for government approval	N/A
LNG Ca Na	1,500	Bid evaluation process completed	N/A
LNG Quynh Lap	1,500	Provincial authority approved investment policy proposal	N/A
LNG Hai Phong Phase I	1,600	Under construction; expected operation by end-2030	VinEnergo
LNG Hiep Phuoc Phase II	1,500	Investor is finalizing project documentation	N/A

Source: Revised PDP VIII, Shinhan Securities Vietnam compilation

Currently, only the NT3 & NT4 LNG power plants have entered operation in early 2026, while most other LNG projects remain significantly delayed, primarily stalled at the PPA negotiation stage. The key issues largely stem from an insufficiently attractive and bankable regulatory framework, as well as concerns over operational security for investors. In the draft amendments to Decree 56/2025/ND-CP and Decree 100/2025/ND-CP, the MOIT proposes increasing the minimum Qc from 65% to 75% of the project's multi-year average generation output, and extending the application period from 10 years to 15 years, with the aim of improving project bankability and facilitating financing. However, even with these adjustments, many investors still find the framework insufficient to secure financing, while EVN has warned that a higher Qc obligation would significantly increase system procurement costs.Overall, there remains a clear misalignment of objectives among stakeholders: investors seek a sufficiently stable mechanism to secure funding; EVN aims to control rising electricity procurement costs; MOIT must balance energy security concerns; and end consumers expect affordable electricity prices. In this context, accelerating LNG project implementation to meet energy demand **cannot be achieved through adjustments to Qc ratios and contract duration alone. We believe that identifying a mutually acceptable solution will require considerable time and policy coordination.**

Improving the investment environment for renewable energy – tariff framework for wind and solar power has been issued

Tariff by power source and region (VND/kWh)

Type	North (VND/kWh)	Central (VND/kWh)	South (VND/kWh)	Uscents/kWh*	FIT 1 (Uscents/kWh)	FIT 2 (Uscents/kWh)	Transitional price (Uscents/kWh)
Ground-mounted solar power (no battery storage)	1,382.7	1,107.10	1,012.00	4.1	9.35	7.09	4.6
Ground-mounted solar power (with battery storage)	1,571.98	1,257.08	1,149.86	5.1			
Floating solar power (no battery storage)	1,685.80	1,336.10	1,228.20	5.4	9.35	7.69	5.8
Floating solar power (with battery storage)	1,876.57	1,487.18	1,367.13	6.1			
Offshore wind power	3,975,1	3,078,9	3,868,5	13.3	9.8		
Onshore wind power	1,959.4	1,807.4	1,840.3	7.2	8.5		6.1
Nearshore wind power		1,987.4		7.6	8.5		7.0

*Source: MOIT, Shinhan Securities Vietnam; *average of Northern, Central, and Southern region tariffs, converted into US cents with exchange rate of VND 26,000 VND/USD.

_ **The tariff framework for renewable energy has been officially issued in 2025, marking a major legal step following the expiration of FIT mechanisms and the transition to transitional pricing**. This provides a foundation for PPA negotiations and the restart of multiple renewable energy projects. However, based on our observations, the tariff for solar power without battery storage is even lower than the transitional tariff, making wind power and solar-plus-storage more attractive to investors. **The new tariff framework is more suitable for experienced developers with strong financial capacity, rather than supporting the broad-based expansion seen under the previous FIT regime.**

_ **For offshore wind power,** high generation costs, long development timelines, and an incomplete regulatory framework remain major challenges. To date, key survey activities have not yet been initiated for many projects, implying a low likelihood of commissioning before 2030.

_ **In addition, for projects with compliance issues related to CCA**, EVN has proposed a final settlement mechanism under which these plants would receive transitional pricing from COD until CCA is obtained, and FIT pricing thereafter. However, based on discussions with industry representatives, this final mechanism has not yet been officially approved, and affected plants have not received payments to date.

Key notable policies in the power sector from 2025

Document	Date	Summary	Impact
Decree 56/2025/ND-CP	3/3/2025	Provides detailed guidance on key provisions of the Electricity Law: power-source and grid development planning; power project investment; regulations on **fuel switching for LNG power plants**; rules on **minimum contracted quantity (Qc)** for LNG-to-power projects.	– Power-source and transmission development becomes more specific and aligned with planning. – Establishes a clearer regulatory basis for accelerating LNG-to-power development.
Decree 57/2025/ND-CP	3/3/2025	Establishes the legal framework for **Direct Power Purchase Agreements (DPPA)**, replacing Decree 80/2024. Expands eligible participants and clarifies the renewable transaction mechanism.	Streamlines administrative procedures, enables broader participation in DPPA, and clearly sets out rights and responsibilities of stakeholders, ensuring balanced interests.
Decree 58/2025/ND-CP	3/3/2025	Completes the **legal framework to promote renewable energy** such as ground-mounted solar, onshore wind, offshore wind, and self-consumption RE systems.	Strengthens incentives for **new RE sources** such as green hydrogen and green ammonia; prioritizes dispatch for RE projects with storage systems.
Decision 599/QD-EVN	10/5/2025	EVN raised the average retail electricity price to **2,204.07 VND/kWh (+4.8% vs. current level),** aligned with the level applied in October 2024.	Improves EVN's financial performance, supporting further investment in power sources and transmission, and enabling mechanisms such as renewable energy procurement.
Decision 1508/QD-BCT	30/05/2025	Official issuance of the **wind power** price framework. For onshore wind, the maximum price (excluding VAT) in 2025 for each region is: **North: 1,959.4 VND/kWh, Central: 1,807.4 VND/kWh, South: 1,840.3 VND/kWh.**	Provides clear pricing guidance for investors to plan feasible wind power projects, promoting strong investment in wind energy.
Decision 768/QD-TTg	16/04/2025	Approval of the **Revised PDP VIII** Approval of the **Revised PDP VIII Implementation plan**	Focuses on expansion and capacity targets with diversified energy sources. The plan was promptly approved after land use obstacles were resolved, demonstrating the government's strong commitment to achieving the stated energy development goals.
Decree 225/2025/ND-CP	15/08/2025	Amends provisions related to the Bidding Law, including mechanisms for selecting investors for RE projects.	Resolves key "bottlenecks" in the bidding/selection process, making procedures clearer and more transparent.

Source: Shinhan Securities Vietnam compiled

Key notable policies in the power sector from 2025

Document	Date	Summary	Impact
Resolution No. 70-NQ/TW*	20/08/2025	Strategic orientation for Vietnam's national energy development toward 2030	_Improve institutional and policy frameworks to create competitive advantages for energy sector development. Expand energy supply and infrastructure to ensure robust energy security and meet growth requirements.
Project on "Developing a two-component electricity tariff system"	10/10/2025	The mechanism fundamentally separates fixed and variable costs in electricity supply; users that impose greater stress on the system during peak hours (requiring higher peak capacity) will bear a corresponding share of capacity investment costs. This mechanism is currently under pilot implementation.	_ Reduce pressure on peak power investment. Promote a fair and competitive electricity market
Decision No. 363/QD-BCT	28/02/2026	Revision of the National Energy Master Plan for the 2021–2030 period, with a vision to 2050 (Revised National Energy Master Plan)	_ Accelerate renewable power development while accepting higher peak emissions to meet demand growth. The sharp increase in capital requirements and marine space utilization calls for a fundamentally new financial mechanism and marine spatial planning framework.

Source: Shinhan Securities Vietnam compiled

Ticker	Segment	Capacity (MW)	Market Cap (VND bn)	Current Price (VND)	Target Price 2026 (VND)	Upside (%)	Revenue Growth 2026F (%)	NPAT-MI Growth 2026F (%)	NPM (TTM)	D/E (x)	ROE (%)	ROA (%)	P/B 2026F	P/E 2026F
REE	Diversified	1,200	31,892	51,200	61,500	20%	7%	4%	31.5	0.6	12.7	6.6	1.7	14.5
HDG	Renewable Energy	444	8,509	23,000	28,100	22%	11%	0%	35.7	0.8	11.9	5.4	1.6	14.9
POW	Gas-fired Power	5,725	42,030	13,700	16,400	20%	59%	34%	8.8	1.4	7.3	2.9	1.2	11.8
NT2	Gas-fired Power	750	6,535	22,700	27,400	21%	11%	-2%	14.2	0.9	25.0	12.6	1.4	7.1
QTP	Coal-fired Power	1,200	5,400	12,000	NA	NA	1%	-34%	9.6	0.3	18.9	13.6	0.9	7.2
PPC*	Coal-fired Power	1,040	3,123	9,740	10,500	8%	12%	-5%	2.5	0.2	3.7	3.1	0.7	27.3
PC1	EPC / Power Construction	343	7,650	18,600	NA	NA	12%	-2%	10.4	1.8	17.3	4.6	2.0	14.6
GEG	Renewable Energy	603	5,034	14,050	18,300	30%	-11%	-44%	31.6	1.3	15.1	4.7	1.3	18.8
TV2	Consulting	170	1,958	29,000	NA	NA	164%	86%	7.2	1.3	7.3	3.7	1.8	16.9
Total							**+29%**	**+3%**						

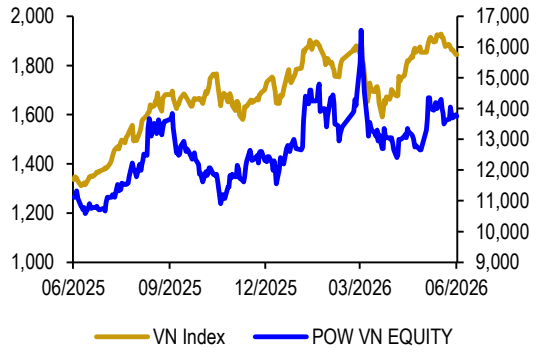
(*) Bloomberg consensus
Source: Bloomberg, Fiinpro, Shinhan Securities Vietnam
Data as of 04, June, 2026

Petrovietnam Power Corporation (HOSE:POW)

Target Price (12 months)	**16.400 VND**
Current Price (04/06/26)	13,700 VND
Suất sinh lời (%)	20%

VNINDEX	1,831
Market P/E (x)	12.5
Market cap (billion VND)	42,030
Outstanding shares (mil shares)	3,068
Free-float (mil shares)	840
52 week high (VND)	16,850
52 week low (VND)	10,456
90-day avg. trading volume (mil shares)	17.02
90-day avg. turnover (bn VND)	241
Beta	1.0

Performance	3T	6T	12M
Absolute (%)	-10.6	8.9	26.0
Rel.to VN-Index (%)	-12.4	-0.2	-12.7



Achieving the full-year plan in just one quarter

_ POW 2026 earnings outlook: Electricity output is projected at 21.6 billion kWh, revenue at VND 49,887 billion, and pre-tax profit at VND 1,120 billion. However, in Q1 2026, POW reported revenue of VND 12,327 billion and consolidated net profit of VND 1,300 billion, exceeding its full-year profit target within the first quarter. The strong earnings performance was mainly driven by a Qc ratio of 91%, up 39% YoY. In particular, several plants, including NT2 and NT3&4, recorded Qc higher than actual dispatched generation, resulting in a significant improvement in gross margins. According to POW's estimation at the 2026 AGM, 5M2026 revenue reached VND 24,000 billion and pre-tax profit reached VND 1,800 billion.

_ **Vung Ang 1**: Coal inventory remains above 300,000 tons, while domestic coal prices increased by approximately 6% during the first five months of the year. The plant is expected to recover VND 1,600 billion of foreign exchange loss compensation in Q3 2026.

_ **Nhon Trach 2**: The company plans to develop the Nhon Trach 5 flexible power project (600 MW).

_ **NT3&4**: Continues to be the key growth driver, with total investment of approximately VND 29,000 billion, about 10% below the initial budget. POW is currently negotiating the PPA with a target Qc ratio of 70–75% over 15 years to ensure long-term project viability. LNG price volatility arising from Middle East tensions is expected to have limited impact on profitability due to the pass-through mechanism with EVN, while LNG supply for the coming months remains secured.

_ **Ca Mau**: More than 60 million m³ of take-or-pay gas has been recovered at the Ca Mau power complex, with the company expecting to complete the recovery of 120 million m³ during 2026.

_ POW targets installed capacity of 7,500 MW by 2030 and 25,900 MW by 2050, focusing on projects including Quynh Lap LNG, Vung Ang 3, Lam Son Pumped Storage Hydropower (1,440 MW), and Ca Mau 3 LNG. The company will continue exploring M&A opportunities in hydropower plants 22 MW to 100 MW and currently does not prioritize significant divestments from subsidiaries. POW also plans to expand overseas through the Nam Sum 1 & 3 hydropower projects and the 1,800 MW Sekong coal-fired power project in Laos, via PV Power International Investment JSC.

_ No cash dividend for 2025 in order to prioritize capital for investment. During 2026–2030, the company plans to issue stock dividends one to two times to increase charter capital. Management is also evaluating the use of derivative instruments to keep foreign exchange losses below 2% of financial expenses.

Risks: (1) Risks related to NT3&4 (including lower-than-expected dispatch volumes); (2) Delayed payments from EVN; (3) Rising natural gas and LNG prices; (4) Weather-related risks; (5) Regulatory and policy risks in the power industry.

Year	2022	2023	2024	2025	2026F
Revenue (bil VND)	**28,224**	**28,329**	**30,306**	**34,151**	**54,427**
OP (bil VND)	2,765	1,290	883	3,079	2,826
NP (bil VND)	**2,061**	**1,038**	**1,112**	**2,341**	**3,250**
EPS (VND)	871	443	475	1000	1388
BPS (VND)	13,030	13,414	13,668	12,326	13,172
OPM	9.8	4.6	2.9	9.0	5.2
NPM	9.0	4.5	4.0	8.4	6.9
ROE (%)	6.7	3.3	3.5	8.1	10.5
P/E (x)	13.1	32.0	25.3	15.4	11.8
P/B (x)	0.8	0.8	1.0	1.0	1.2
EV/EBITDA (x)	4.7	7.3	9.6	8.1	7.0

Shinhan Securities