POW – Business Results Q1/2026: High Qc allocation for Nhon Trach 3&4

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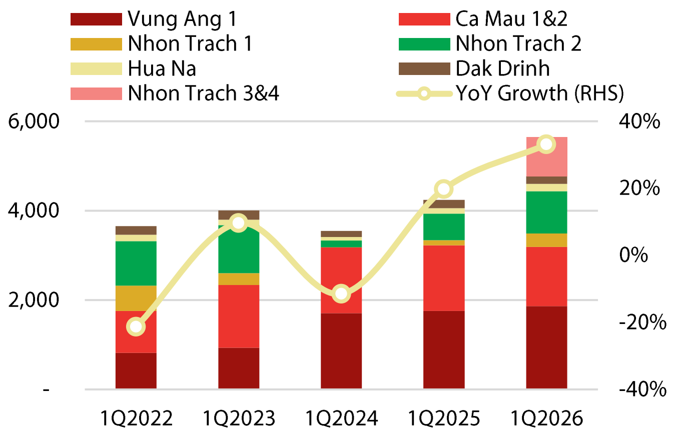
- PV Power's revenue increased by 57% YoY, and profit after tax – minority interest (NPAT-MI) increased by 147% YoY. The main growth driver comes from the Nhon Trach 3&4 (NT3&4) factory starting to contribute output and revenue.
- POW's actual generated volume (Qm) increased by 33% YoY, of which NT3&4 contributed 15% to the total output, reaching 874 million kWh. The Qm of Nhon Trach 1 and Nhon Trach 2 increased by 154% and 59% YoY, respectively, offsetting a 10% YoY decrease in the output of Ca Mau 1&2.
- The Company's gross profit margin improved by 4.6 pps YoY (reaching 14.6%) thanks to NT3&4 being allocated a high contracted volume (Qc), reaching 1.4 billion kWh, equivalent to a Qc/Qm ratio of 163%.
- POW's Q1/2026 business results exceeded our expectations, completing 102%/165% of analysts' revenue and NPAT-MI forecasts. We are revising our forecasts and will update them in the latest report. Currently, we maintain our **ACCUMULATION** recommendation on POW stock with a target price of **15,700 VND/share**. However, investors should pay attention to the risk that the business results and valuation of POW stocks may be negatively impacted by prolonged hostilities in the Middle East, pushing fuel prices to high levels.

Q1/2026 Business Results: Nhon Trach 3&4's contracted volume (Qc) supports gross profit margin

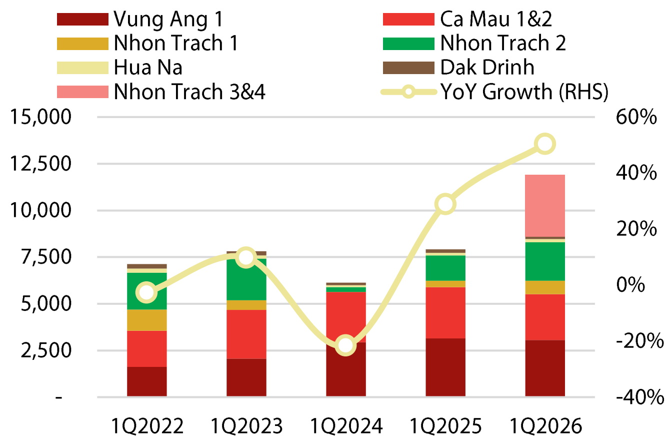
In Q1/2026, **PV Power's revenue increased by 51% YoY (+41% QoQ), reaching VND 12,327 billion,** profit after tax – minority interest (NPAT-MI) reached VND 1,200 billion (+147% YoY, +148% QoQ), equivalent to 102%/165% of analysts' revenue and NPAT-MI forecasts and completed 25%/115% of the Company's revenue and NPAT plan for the year.

Figure 1: Q1 power generation from POW's plants (million kWh) and YoY growth (%), 2022-2026



Source: POW, RongViet Securities

Figure 2: Q1 revenue from POW's plants (billion VND) and YoY growth (%), 2022-2026



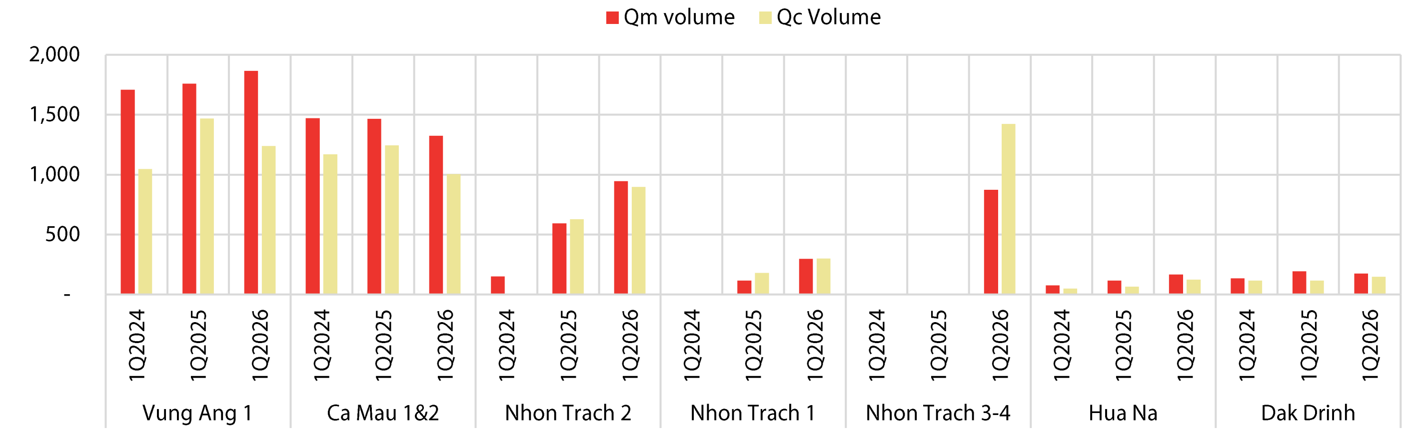
Source: POW, RongViet Securities

The Company's actual electricity generation (Qm) in the quarter reached 5.6 billion kWh (+33% YoY, +1% QoQ), of which:

- **Gas-fired group:** Dispatched gas-fired output increased by 58% YoY (+27% QoQ), reaching 3.4 billion kWh. In particular, the main growth driver comes from Nhon Trach 3& 4 (NT3 &4), starting to generate revenue in 2026, contributing 874 million kWh, equivalent to 15% of POW's total output. The plant's revenue reaches VND 3,300 billion (contributing 27% of total revenue).

  The output of Nhon Trach 1 (NT1) and Nhon Trach 2 (NT2) plants grew by 154% and 59% YoY, respectively, offsetting the 10% YoY decline of Ca Mau 1&2 (CM1&2). POW's gas-fired plants are the main growth driver of the gas-fired generation system-wide, accounting for 63% of the total mobilized output of 5.4 billion kWh (+16% YoY).
- **Coal-fired group:** The output of Vung Ang 1 plant (VA1) increased by 6% YoY (+54% QoQ), reaching 1,866 million kWh. The plant output growth is higher than the demand for system-wide coal-fired power dispatched (-0% YoY).
- **Hydropower group:** Total output improved by 10% YoY thanks to the influence of the La Niña phase lasting in January and February 2026.

Figure 3: Qm and Qc output (million kWh) of power plants in Q1, 2024-2026



Source: POW, RongViet Securities

POW's gross profit reached VND1.8 trillion (+121% YoY), equivalent to a gross profit margin of 14.6% (+4.6 pps YoY), coming from the payment under contracts for difference (CfD) of the NT3&4 plant. In the quarter, the plant was allocated a contracted output (Qc) of 1.4 billion kWh (equivalent to a Qc/Qm ratio of 163%), the difference in output was paid, even though no production costs were incurred. We estimate this difference to be about VND 492 billion.

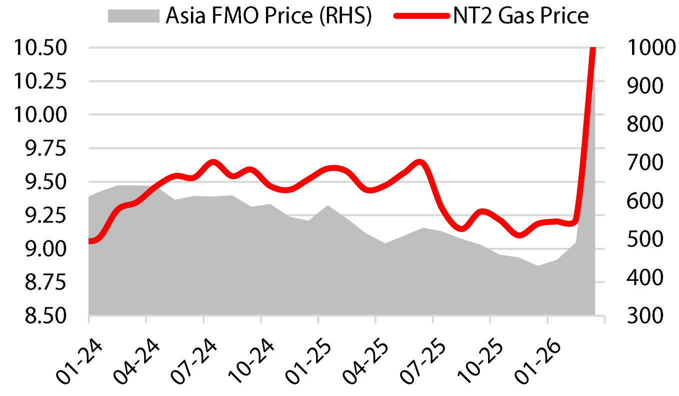
Fuel costs are starting to escalate, which may affect gross profit margin from Q2/2026

In Q1/2026, fuel costs/kWh increased by 15% YoY and 19% QoQ, coming from (1) NT3&4 participating in power generation, liquefied natural gas (LNG) power plants currently have the highest production costs in POW's portfolio of plants, and (2) prices of fuels (domestic gas, LNG, coal) began to be affected by the Middle East conflict.

- NT2's average gas purchase price in Q1 was $9.70/million BTU, up 2% YoY and 6% QoQ. Gas prices increased in March 2026 due to the escalation of the US/Israel-Iran conflict, pushing up the reference FMO oil price.
- The average spot LNG price in Q1/2026 reached $14.1/million BTU, up 2% YoY and 33% QoQ. Prices soared when Qatar, the country exporting LNG, was affected by the war, preventing gas exports, and LNG extraction and liquefaction infrastructure was attacked.
- The average price of imported coal from Indonesia increased by 8% YoY (+13% QoQ), and the average domestic coal price increased by 1% YoY (+8% QoQ), with domestic prices likely to rise in Q2/2026 as demand for coal for power generation increases and is under pressure from international coal sources.

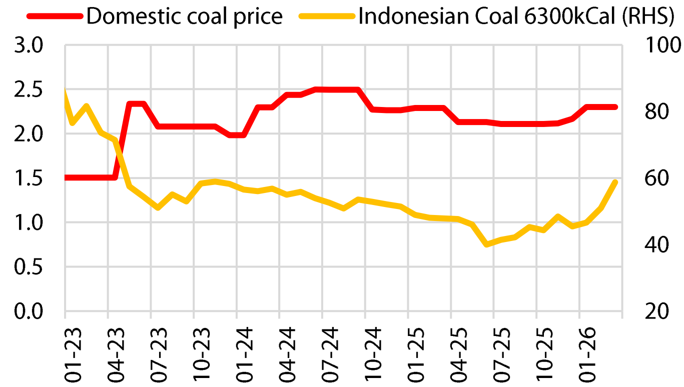
In Q1/2026, POW's gross profit margin did not clearly reflect the impact of fuel price increases, mainly because the actual electricity generation of some plants was significantly lower than the contracted output allocated in the quarter (Qc/Qm >1, implying that factories with high production costs have not yet had to generate electricity to the electricity market. and at the same time receive revenue from the contract for difference). However, this development can be reversed if the Qc/Qm in the coming quarters is lower than 1 (<1), and at the same time, the increase in oil/gas prices is stronger than the increase in other fuels (reducing the competitiveness of gas power plants). We will continue to monitor and evaluate as new information becomes available.

Figure 4: Gas purchase price at NT2 plant (USD/million BTU) and reference FMO oil price (USD/ton)



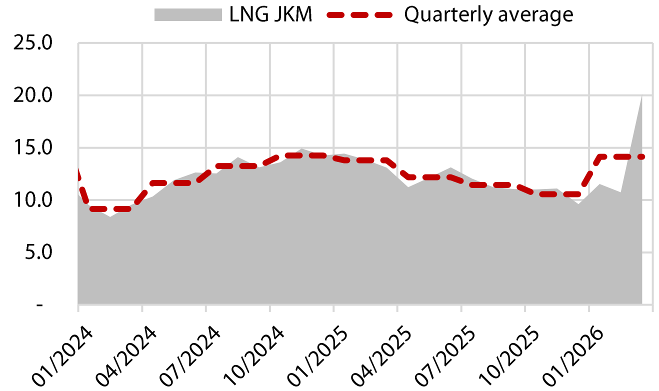
Source: NT2, Bloomberg, RongViet Securities

Figure 5: Domestic coal price (million VND/ton) and coal imported from Indonesia (USD/ton)



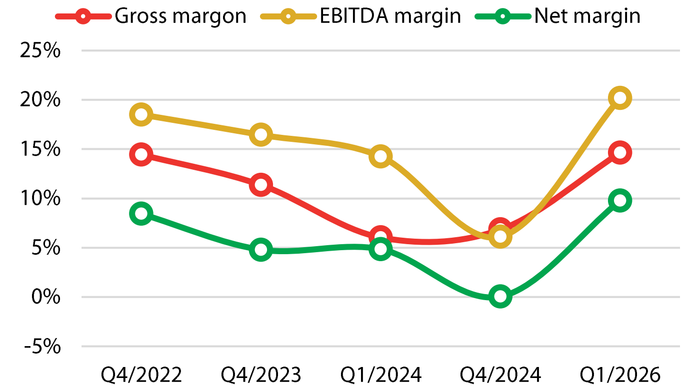
Source: EVNGENCO3, Bloomberg, RongViet Securities

Figure 6: LNG spot price in the Asian market (USD/million BTU)



Source: Bloomberg, RongViet Securities

Figure 7: EBITDA margin, gross profit margin, and net profit margin in Q1 (%)



Source: POW, RongViet Securities

Table 1: Q1/2026 business results compared to previous quarters

	Q1/2026	Q4/2025	+-QoQ	Q1/2025	+-YoY	Compared to the 2026 Plan
Total revenue (Billion VND)	**12.327**	**8.747**	**41%**	**8.150**	**51%**	**25%**
Ca Mau 1-2	2.450	2.748	*-11%*	2.748	*-11%*	
Nhon Trach 1	724	777	*-7%*	348	*108%*	
Nhon Trach 2	2.052	2.328	*-12%*	1.354	*52%*	
Vung Ang 1	3.300	-	-	-	-	
Hua Na	3.060	2.439	*25%*	3.144	*-3%*	
Dak Drin	174	237	*-27%*	142	*23%*	
Nhon Trach 3	150	161	*-7%*	181	*-17%*	
Total output (Million kWh)	**5.649**	**5.588**	**1%**	**4.245**	**33%**	***26%***
Ca Mau 1-2	1.325	1.477	*-10%*	1.465	*-10%*	
Nhon Trach 1	297	275	*8%*	117	*154%*	
Nhon Trach 2	945	961	*-2%*	593	*59%*	
Vung Ang 1	874	1.145	*-24%*	-	-	
Hua Na	1.866	1.214	*54%*	1.760	*6%*	
Dak Drin	167	301	*-45%*	117	*43%*	
Nhon Trach 3	175	215	*-19%*	193	*-9%*	
Average selling price	**2.108**	**1.956**	**8%**	**1.865**	**13%**	
Gas-fired power	2.478	2.054	*21%*	2.001	*24%*	
Coal-fired power	1.640	1.744	*-6%*	1.786	*-8%*	
Hydropower	947	734	*29%*	1.042	*-9%*	
Gross Profit	**1.804**	**1.052**	**71%**	**816**	**121%**	
Gross profit margin	*14,6%*	*12,0%*	*2.6 pps*	*10,0%*	*4.6 pps*	
Sales and Management Expenses	236	531	*-55%*	338	*-30%*	
Financial income	299	403	*-26%*	208	*44%*	
Interest expense	414	246	*68%*	119	*247%*	
Other Net Income	(1)	(4)	*-65%*	(1)	*53%*	
NPAT	**1.300**	**688**	**89%**	**513**	**153%**	**115%**
NPAT-MI	1.200	484	148%	486	147%	

Source: POW, RongViet Securities

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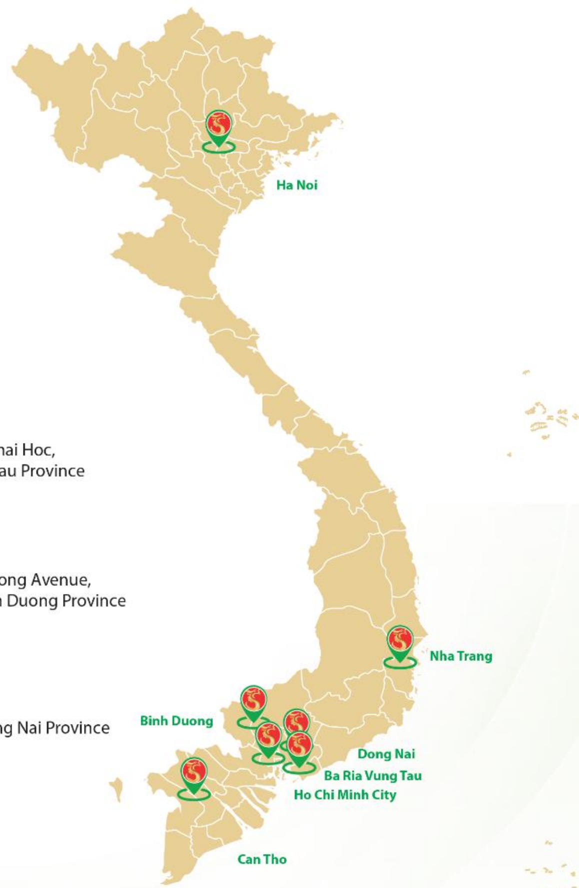

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