

DIAMOND IN THE ROUGH

23/05/2025

RECOMMENDATION BUY

Fair price	14,400
Current price	10,300
Upside/downside	39.8%

STOCK INFORMATION

Outstanding shares (mil)	760.6
Free float (mil)	95.84%
Market cap. (billion VND)	7,834
3m avg. volume (shares)	10,419,163
Foreign ownership (%)	0.21%
First listing date	07/08/2018

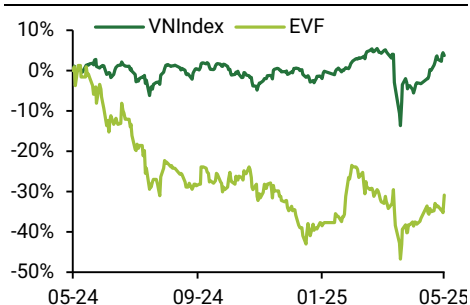
SHAREHOLDER STRUCTURE

VIX Securities JSC (HSX: VIX) - as of 15 th Jan 2025	4.16%
Others	95.84%

KEY ATTRIBUTES

TTM EPS (VND)	881
BVPS (VND)	12,159
ROA (%)	1.25%
ROE (%)	7.26%
P/E	11.69
P/B	0.85
Dividend yield (%)	-

PRICE PERFORMANCE



COMPANY PROFILE

Electricity Finance JSC was established in July 2008 and became a public company in Sep 2008. The company specializes in capital arrangement and financial management for power projects under Vietnam Electricity Group (EVN) and its subsidiaries, while also providing a range of financial products and services in the market. On Jan 12, 2022, EVF was listed on the HOSE.

RESEACH DIVISION

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- The only financial company is able to consecutively maintain about 40% credit growth in the last 04 years.
- Robust business performance:** significant NII growth (+103.7% YoY in 2024) and strong profit growth (PBT +71.9% YoY) thank to NIM recovery. Forecasted 2025 Net Profit would reach VND955bn (+70% YoY) and sustain strong credit growth (20% in 2025).
- Well-managed balance sheet:** with lowest lowest NPL ratio (0.79%) among peers, with a high LLR (134.9%).
- Strategic positioning:** focus its loan portfolio across potentially high-growth sectors (Wholesale/Retail, Electricity, Construction).
- Market mispricing:** as its current valuation does not fully reflect the company's improving fundamentals, robust asset quality, and strong growth potential.

Investment thesis:

Robust business performance: the big leap in Net Interest Income was mainly due to the significant improvement in EVF's Net Interest Margin (NIM, from 1.71% in 2023 to 2.9% in 2024) and its dramatical credit growth in 2024 (VND46,8tn, +40% YoY, and consecutively maintain this growth rate in the last 04 years).

In 1Q25, EVF recorded a pre-tax profit of VND306bn (+83% YoY). This strong performance reflects a clearer improvement in EVF's business efficiency. The profit result also represents 31.8% of 2025 AGM profit target of VND960bn. NIM also hit 3.2%.

Well-managed balance sheet: as of 2024, EVF reported the lowest NPL ratio at 0.8%, compared to the top-tier bank average of 2.3% and 2.2% among other commercial banks. At the same time, EVF maintained the highest loan loss coverage ratio (LLR) across both peer groups.

Valuation & Recommendation:

We forecast EVF's 2025 NII and profit after tax to reach VND2,034bn (+40.9% yoy) and VND955bn (+70.3% yoy), respectively. In terms of valuation, we applied the PB with ROE comparable method to estimate EVF's fair value at **14,400 VND per share**. We recommend BUY with a potential price increase of 39.8% compared to the closing price on May 22th, 2024.

Risks: (i) loan book concentration risk and (2) management risk.

Financial projections	2023A	2024A	2025F	2026F	2027F
NII (VND bn)	709	1,444	2,034	2,318	2,776
NFI (VND bn)	3	40	44	49	53
TOI (VND bn)	1,094	1,502	2,022	2,299	2,750
NP (VNDbn)	328	561	955	1,026	1,297
EPS (VND)	849	704	1,256	1,349	1,706
ROE (%)	5.13%	6.42%	10.07%	9.80%	11.16%
Book Value (VND)	12,007	11,843	13,098	14,436	16,128