Divergence across sectors

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ANALYST

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- **In 3Q25, net profit attributable to shareholders of power generation and distribution companies increased by 31% YoY**. Accordingly, cumulative 9M25 net profit attributable to shareholders of power generation and distribution companies recorded a robust growth of 124% YoY. Excluding one-off gains from divestments, we estimate the sector's net profit attributable to shareholders grew by 121% YoY.
- **For 2026, we believe the business outlook for power generation and distribution companies will be more selective**: hydropower companies are expected to have a NEGATIVE outlook due to lower output as ENSO and El Niño conditions gradually return, while gas-fired and coal-fired power producers are expected to have a POSITIVE outlook and continue to be dispatched, benefiting from the same weather patterns.
- We maintain our **OVERWEIGHT** recommendation on NT2 and **HOLD** on HDG, with upside potentials of 13% and 3%, respectively, versus the closing prices as of 14 November 2025.

Q3 2025 earnings of the power sector continued to show a solid recovery

In 3Q25, net profit attributable to shareholders of power generation and distribution companies grew by 31% YoY. Accordingly, cumulative 9M25 net profit attributable to shareholders of power generation and distribution companies recorded strong growth of 124% YoY. Excluding one-off gains from divestments, we estimate the sector's net profit attributable to shareholders rose by 121% YoY.

We believe this was driven by (i) continued growth in nationwide electricity consumption, which supported higher output, and (ii) clearer tariff mechanisms for certain power producers (wind power), alongside lower fuel costs. Notable earnings performances by segment include:

1. **Hydropower:** Revenue and net profit attributable to shareholders of HDG, SBH, HNA and REE posted positive growth YoY, mainly thanks to (i) more favorable hydrological conditions and (ii) contributions from newly commissioned plants (Nam Pong plant – HNA).
2. **Gas-fired powe:** POW and NT2 recorded strong profit growth, supported by an improvement in contracted output (Qc) allocated to their plants compared to the same period last year, while PGV reported a sharp decline in profit in 3Q25 due to foreign exchange losses.
3. **Coal-fired power:** In contrast to hydropower and gas-fired power, QTP and PPC delivered weaker operating results YoY, due to (i) lower output as hydropower generation improved and (ii) lower realized prices, reflecting both declining coal prices and lower spot market prices compared to the same period last year.

Qc(contracted electricity output): Contracted electricity output is the volume of electrical energy negotiated and agreed upon by the parties in the power purchase agreement, or calculated by the power system and market operator