

Gelex Group (GEX)

Stable growth after restructuring

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GEX achieved 106%/154% of its revenue and PBT full-year targets

For the whole year of 2025, Gelex Group (GEX) recorded VND39,918 billion and VND4,697 billion respectively in revenue/PBT (+17%/30% YoY, equal to 106%/154% of the full-year targets). All business segments recorded double-digit growth, led by the main growth pillar, electrical equipment, with VND25,248 billion in revenue (+21% YoY).

The strong investment trend in power infrastructure is bolstering GEX's growth

Strengthening and enlarging the power transmission/distribution infrastructure is a top goal in the National Power Development Plan 8 (NPD8), which will unlock growth opportunities for GEX with its diverse electrical equipment ecosystem. In the base case, Gelex Electricity's (GEE) revenue and profit should achieve a CAGR of 10%/12% by 2030 as efficient inventory management improves profit margins.

Construction materials should recover alongside real estate market, while the industrial park segment should maintain stable growth

KBSV estimates revenue for the construction materials segment in 2026/2027 at VND9,222/VND9,416 billion (+7%/+2% YoY), with GPMs maintained around 19-20% thanks to (i) the recovery of the real estate market boosting sales volume; (ii) the anti-dumping tax rate facilitating the glass segment. Despite the slowdown in the FDI sector, the industrial park & real estate segment should maintain stable revenue growth in 2026 at VND4,966 billion (+8.9% YoY), equivalent to 134ha of land handed over, thanks to its advantageous location in attracting FDI enterprises.

BUY rating – Target price VND43,700

Combining the FCF and SOTP valuation methods, KBSV recommends BUY with a target price of VND43,700, 24.3% higher than the closing price on February 12, 2026.

Buy Initiate

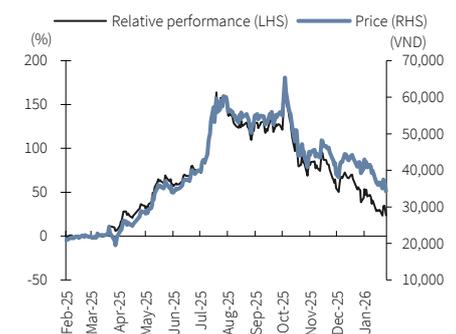
Target price	VND43,700
Upside	24.3%
Current price (Feb 12, 2026)	VND35,150
Consensus target price	VND53,550
Market cap (VNDtn/USDbn)	29.8/1.2

Trading data	
Free float	3.8/5.1%
3M avg trading value (VNDbn/USDmn)	685.6/26.0
Foreign ownership	8.4%
Major shareholder	CEO Nguyen Van Thuan (24%)

Share price performance				
(%)	1M	3M	6M	12M
Absolute	-21.9	-26.8	-44.2	56.1
Relative	-16.2	-33.7	-57.6	17.9

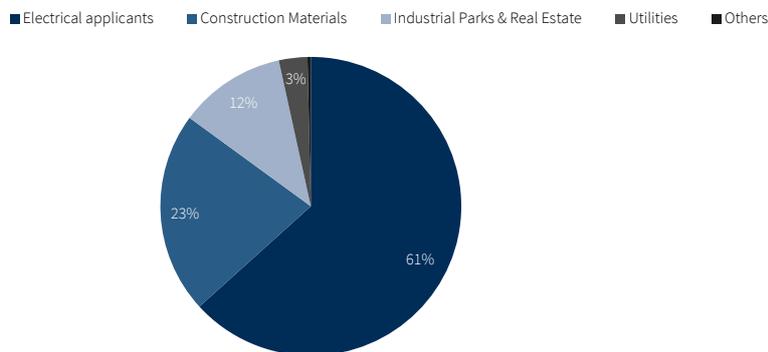
Forecast earnings & valuation

FY-end	2024	2025	2026F	2027F
Net revenue (VNDbn)	34,060	39,907	45,778	50,057
Operating income/loss (VNDbn)	3,733	4,935	5,572	6,337
NPAT-MI (VNDbn)	1,631	1,475	1,407	1,632
EPS (VND)	1,910	1,635	1,559	1,809
EPS growth (%)	392.3	-14.4	-11.6	16.0
P/E (x)	23.8	27.8	23.3	16.8
P/B (x)	2.9	2.4	2.2	2.0
ROE (%)	11.7	8.3	8.8	11.4
Dividend yield (%)	-0.2	4.0	3.6	5.0



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2024)



Source: GELEX Group, KB Securities Vietnam

Business operation

GELEX Group (GEX) was equitized in 2015 and operates in two main areas: (1) Electrical equipment manufacturing with a 76% stake in Gelex Electricity – GEE, which operates Vietnam Electric Cable Corporation – CAV (cable segment) and Electrical Equipment – THI (transformer segment); and (2) infrastructure with a 79% stake in Gelex Infrastructure JSC, which holds a controlling stake in Viglacera – VGC (building materials & industrial parks) and a 49% stake in TITAN Corp (customized warehouses). GEX has expanded into the water supply sector through its 62.5% stake in Song Da Water Investment – VCW and the banking sector through its 10% stake in Eximbank – EIB.

Investment Catalysts

GELEX's extensive involvement in the electrical applicants allows it to benefit from the wave of investment in power infrastructure, reflecting in a 12% CAGR in profit.

The building materials segment is recovering in line with the real estate investment cycle, while the industrial park segment maintains long-term momentum thanks to favorable FDI attraction.

A sustainable business foundation coupled with the potential of new projects helps strengthen GELEX's financial health.

Notes

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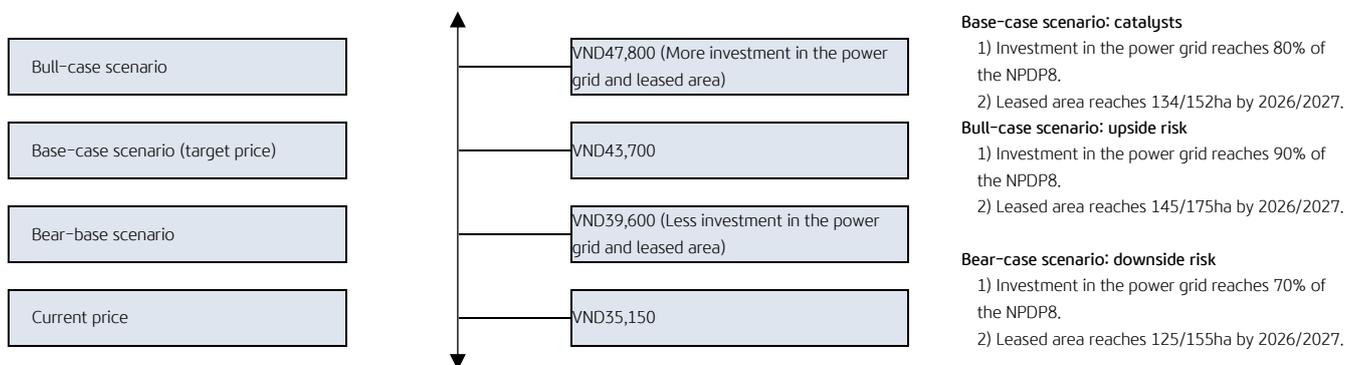
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Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
Revenue	45,778	50,057	n.a	n.a	46,083	52,837	-1%	-5%
EBIT	5,572	6,337	n.a	n.a	5,507	8,250	1%	-23%
NP after MI	1,407	1,632	n.a	n.a	1,385	2,388	2%	-32%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Business overview

GEX holds the leading market share in electrical equipment and has expanded into infrastructure development

GEX was established in 1990 as a state-owned enterprise importing and manufacturing electrical equipment. It has contributed to the development of Vietnam's power transmission and distribution infrastructure, holding a big market share estimated at 30–40% by 2024. 2015 marked a turning point in the corporation's operating model after the state divestiture and listing on the UpCOM exchange. It was reoriented to operate as a holding company with two subsidiaries, Gelex Electrical Measurement Equipment Co., Ltd. (now Gelex Electricity), handling electrical equipment, and Gelex Energy Co., Ltd. (now Gelex Infrastructure), operating in infrastructure development.

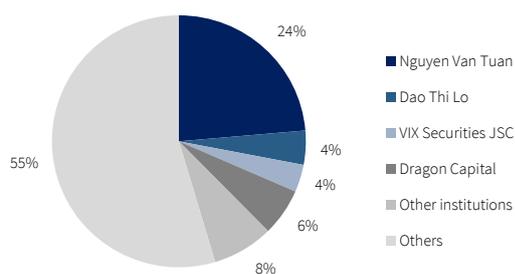
Currently, GEX operates as a holding company, employing 10,000 people and running 50 subsidiaries/affiliated companies. Its subsidiaries and affiliated units hold leading positions in their respective fields, including:

- **Electrical equipment manufacturing:** This segment includes the production of electrical equipment through GEE, in which it holds a 76% stake. This company also has controlling stakes in CAV and THI. With a production capacity of roughly two million km of wire per year, GEX holds 30–40% of the electric cable market share.
- **Infrastructure investment:** Through Gelex Infrastructure JSC (with a 79% stake), GEX owns 50.2% of VGC, a major industrial park developer with 3,500ha of land, and 62% of VCW. With a focus on expanding into real estate and warehouse leasing, the company is collaborating with several major partners (including Frasers Property) to develop new projects and diversify revenue sources.

The shareholder structure is concentrated

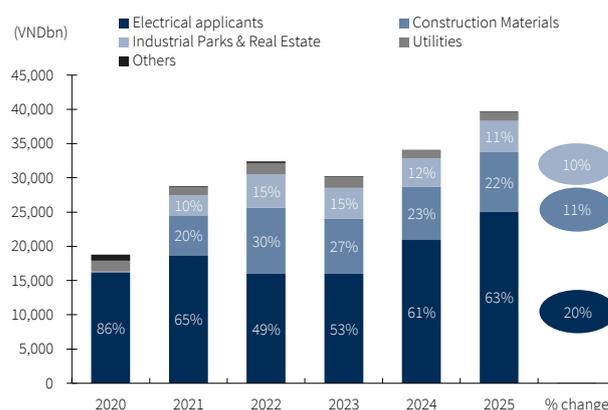
GEX's stake have been mainly hold by domestic shareholders, led by CEO Nguyen Van Tuan and his related parties with over 30% stake, namely, Mr. Nguyen Van Tuan (23.8%), Ms. Dao Thi Lo (3.1%), and VIX Securities JSC (3.5%) (Figure 1). Dragon Capital (6.1%) is the largest holding organization, along with other organizations accounting for 13.9%.

Fig 1. GEX – Ownership breakdown in 2025 (%)



Source: GELEX Group, KB Securities Vietnam

Fig 2. GEX – Revenue breakdown in 2020–2025 (VNDbn, %)



Source: GELEX Group, KB Securities Vietnam

Business performance

GEX achieved successful results in 2025, with revenue and PBT increasing by 17% and 30% YoY, respectively

In 4Q25, GEX recorded strong consolidated revenue growth, reaching VND11,764 billion (+23% YoY), but the parent company's NPAT was only VND17 billion (-97% YoY) as the profit from the sale of 3% of its subsidiary, GEE, was not recorded in the income statement but incurring tax expenses. For the full year 2025, the corporation logged revenue and PBT of VND39,918 billion and VND4,697 billion (+17% and 30% YoY), achieving 106% and 154% of the objectives, respectively. The main revenue contributor was the electrical equipment segment with VND25,248 billion (+21% YoY) after GEX's expanding its market share in the North. The industrial park and construction materials segments posted revenue growth of 10% YoY and 11% YoY respectively mainly thanks to an increase in average rents, which offset the contraction in new industrial park land leases for the year (120ha, -22% YoY), and the recovery of the real estate market, which boosted construction materials consumption. In addition, the strong growth in the clean water segment after a 50% spike in raw water selling prices offset the shortfall in the energy segment's contribution, helping infrastructure and utilities revenue grow by 13% YoY.

Table 3. GEX – 2025 business results (VNDbn, %)

(VNDbn, %)	4Q24	4Q25	+/-%YoY	2024	2025	+/-%YoY	Notes
Revenue	10,181	11,764	16%	34,060	39,918	17%	
Electrical equipment	6,155	7,227	17%	20,934	25,248	21%	
Construction materials	2,377	2,508	6%	7,778	8,655	11%	
Industrial park (IP) & real estate infrastructure	1,464	1,560	7%	4,153	4,561	10%	
Infrastructure & utilities	259	413	59%	1,148	1,299	13%	
Others	-74	56	n.a	1,148	1,299	13%	
Gross profit	2,407	2,661	11%	6,762	8,424	25%	
Electrical equipment	1,110	1,223	10%	3,146	4,233	35%	
Construction materials	457	305	-33%	1,257	1,346	7%	
IP & real estate infrastructure	882	794	-10%	2,276	2,407	6%	
Infrastructure & utilities	92	194	-72%	367	541	47%	
Others	-88	267	n.a	24	290	1,115%	
<i>Gross profit margin (GPM)</i>	<i>24%</i>	<i>23%</i>	<i>-1 ppt</i>	<i>20%</i>	<i>21%</i>	<i>1 ppt</i>	4q25 profit margins declined mainly due to rising input copper prices and prolonged poor performance in the construction materials segment.
Financial income	218	64	-71%	1,500	1,256	-16%	4Q25 financial income decreased due to a loss recorded from the divestment of the Song Bung hydropower plant as no cash dividend was recognized.
Financial expenses	-377	-672	78%	-1,690	-1,767	5%	
Profit from joint ventures/affiliates	75	101	35%	37	138	274%	
SG&A	-1,013	-966	-5%	-3,029	-3,434	13%	
Operating profit/loss	1,309	1,188	-9%	3,581	4,617	29%	
Other income	-58	-26	-55%	-120	-75	-22%	
Profit before taxes (PBT)	1,343	1,247	-7%	3,613	4,697	30%	
Profit after taxes (NPAT)	1,016	596	-41%	2,669	3,019	13%	
Net profit after minority interest	574	17	-97%	1,631	1,538	-6%	
<i>Net profit margin (NIM)</i>	<i>10%</i>	<i>5%</i>	<i>-5 ppts</i>	<i>8%</i>	<i>8%</i>	<i>0 ppt</i>	

Source: GELEX Group, KB Securities Vietnam

Investment catalysts

1. Electrical equipment segment: GEX will benefit from the wave of power infrastructure investment and the recovery of property supplies

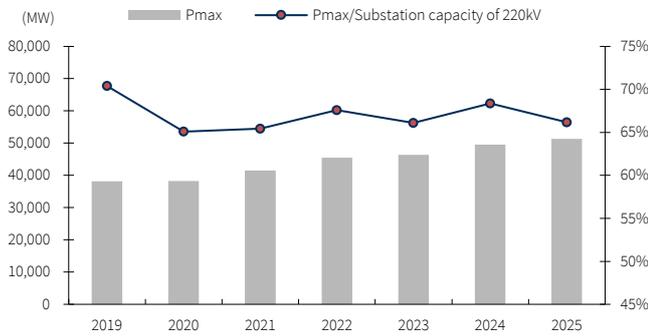
Focused investment in power infrastructure to address transmission bottlenecks will boost sales of cables and electrical equipment

As a key focus of development under the revised NPDP8, the total renewable energy capacity (wind and solar) should reach 72.5GW, accounting for 39% of the total capacity by 2030 (up from 26% in 2025). In this context, KBSV believes that the electrical equipment industry (including conductors, substations, and electricity meters) will strongly benefit from the trend of improving the quality of power projects and transmission infrastructure. For the Southern region, which possesses favorable conditions for the development of concentrated renewable energy plants, the requirements for new projects will be higher. They must ensure two main aspects: (i) Enhancing the transmission capacity of the power grid infrastructure surrounding the plant area and (ii) strengthening the regulatory capacity of the management agency by meeting the requirements for metering equipment.

For the Northern region, the higher demand for electricity transmission from the Central and Southern regions to compensate for the power shortage from plants during peak hours has put pressure on the inter-regional transmission line system. Statistics from EVNNPT show that the utilization rate of transformer and transmission line infrastructure has maintained an uptrend over the years, and especially in hot years, the rate can reach high levels of 66-70%, lowering the safety of the power system.

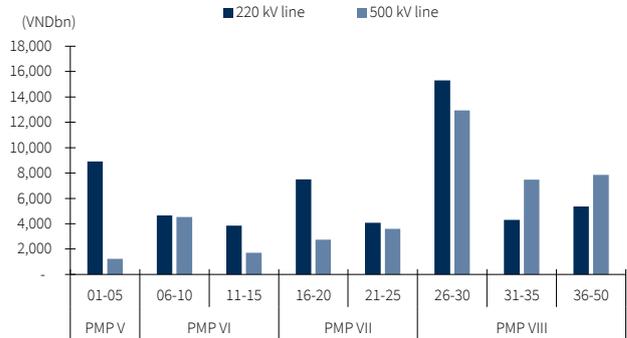
In the baseline scenario, KBSV forecasts that the total value of electricity infrastructure investment in the 2025-2030 period will reach 80% of the annual plan (equivalent to the completion progress of the NPDP8), equivalent to USD1.2 billion thanks to (i) policies to remove legal obstacles facilitating the implementation progress, and (ii) EVN's financial situation gradually improving due to a flexible electricity price increase mechanism. After 2030, the estimated value of transmission lines is expected to slow down but still maintain single-digit growth thanks to (i) increased capacity of renewable energy projects under the DPPA model, and (ii) diversification of new energy sources including nuclear power, offshore wind power, and pumped-storage hydroelectricity.

Fig 4. Vietnam – Substation power consumption (MW)



Source: GELEX Group, KB Securities Vietnam

Fig 5. Vietnam – Estimated total transmission line length in National Power Development Plans (km)

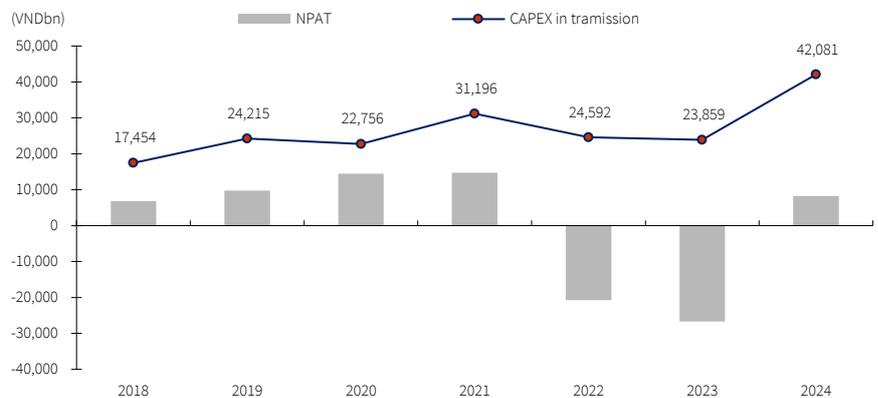


Source: National power development plans, KB Securities Vietnam

EVN's improved financial situation plays a key role in the trend of upgrading electricity infrastructure

As the sole party responsible for transmitting and distributing electricity from power plants to consumers, EVN plays a crucial role in the investment and construction of transmission lines. During the period 2016–2022, while the total installed capacity of the system exceeded the plan by 32% mainly due to solar energy, the volume of completed transmission lines remained quite limited, reaching approximately 2,300 km of 500kV lines and 5,400 km of 220kV lines (completing 77.6% and 73.9% of the targets set in the NPDP8) due to (i) poor financial situation and losses and (ii) difficulties in the process of applying for and approving investment policies, forcing project delays. KBSV believes that the speed of deploying power transmission and distribution grid infrastructure will significantly improve thanks to (i) improved financial health of EVN, providing the company with abundant resources for investment and (ii) newly enacted legal regulations (Resolution 253/2025/QH15) prioritizing infrastructure development, which will be a driving force for the smooth approval and implementation of power line projects, ensuring timely commissioning.

Fig 6. EVN – Correlation between EVN's finances and CAPEX investment cash flow (VNDbn)

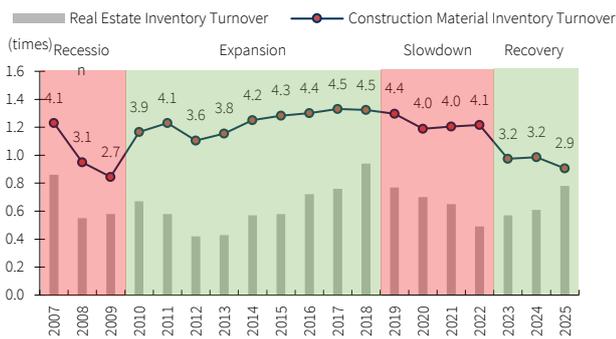


Source: GELEX Group, KB Securities Vietnam

Consumption of household electrical equipment is boosted by the expected recovery of the property market

The real estate markets in Hanoi and Ho Chi Minh City experienced a sluggish period from 2020 to 2023, causing slow growth in sales of household electrical equipment due to the Covid-19 pandemic affecting people's purchasing power and legal difficulties slowing down project implementation. In 2025-2026, the easing and removal of legal obstacles will help the real estate supply recover and strongly boost demand for electrical equipment, including wires, electricity meters, and substations. We believe that with a large market share advantage in the Southern electrical cable market, the company will directly benefit from the recovery trend of the regional property supply. At the same time, the expansion strategy in the promising Northern market will soon yield results thanks to increased advertising spending and early payment discounts offered to dealers and consumers. KBSV estimates that the revenue of the electrical equipment segment in the period 2026/2027 will reach VND30,725/VND33,952 billion (+12/10% YoY) respectively, based on a scenario where the industry growth rate reaches 10%/9.2% YoY and GEX's market share is maintained.

Fig 7. Vietnam – Inventories and inventory turnover of listed real estate companies (x)



Source: FiinProX, KB Securities Vietnam

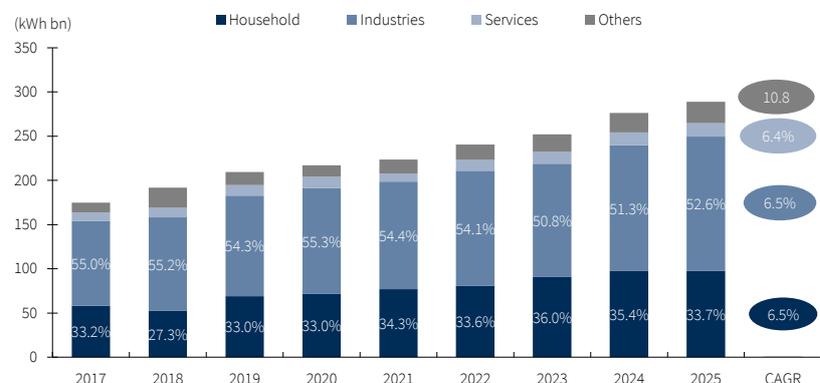
Fig 8. Hanoi, HCM – Estimated property supplies (unit)



Source: CBRE, KB Securities Vietnam

In the long term, rising incomes and urbanization rates are the main drivers of the consumer electrical equipment market. For industrial electrical equipment, the development of transmission infrastructure will increasingly accelerate to meet national electricity demand and enhance the reliability of the power grid system. KBSV estimates that the overall industry's electrical cable volume growth will reach a CAGR of 10% from 2026 to 2030.

Fig 9. Vietnam – Electricity consumption by load area (billion kWh)

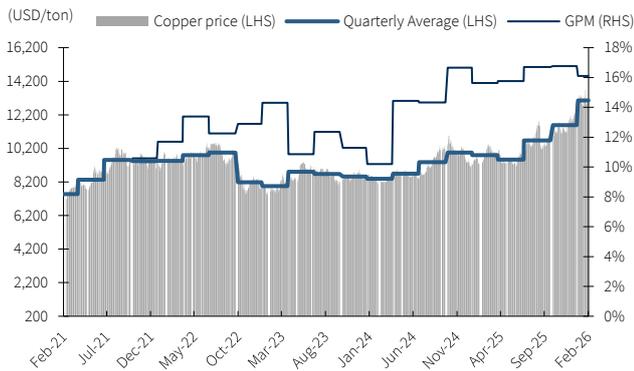


Source: EVN, KB Securities Vietnam

Profit margins should remain stable thanks to lower PVC prices and efficient inventory management

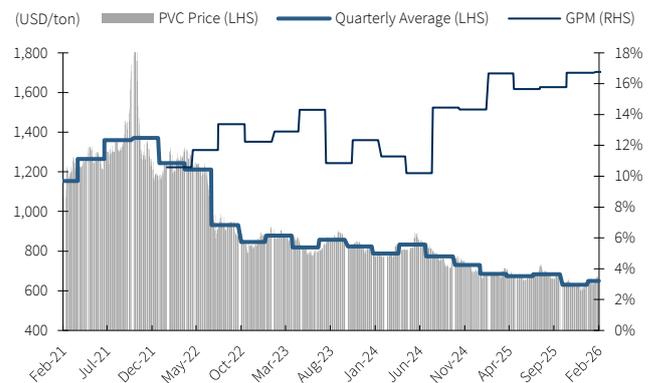
As the two main raw materials account for 65–70% of total cable production costs, the price trends of copper and PVC significantly influence GEX's GPM in the electrical equipment segment. In 2025, despite the rapid increase in copper prices due to global supply pressures and increased demand for technology infrastructure investment, GEX's GPM in the electrical equipment segment is expected to continue improving to 16.8% (+1.8ppts YoY) thanks to (i) lower input PVC prices, and ii) improved inventory management efficiency. Looking ahead to 2026, we believe GEX's GPM will face downward pressure in the first half of the year due to high copper prices hovering around USD13,000/ton after a sharp increase in late 2025, but will improve in the second half as copper prices are projected to cool down thanks to (i) decreased demand for refined copper from China due to its manufacturing PMI remaining below 50, and (ii) The uncertainty surrounding copper import tariffs no longer driving speculative demand for copper. In the base case, KBSV projects GEX's electrical equipment segment GPM will remain stable at 16.1% for the whole of 2026, supported by low PVC prices and efficient inventory management offsetting higher copper costs.

Fig 10. GEX – GPM and copper prices (% , USD/ton)



Source: GELEX Group, KB Securities Vietnam

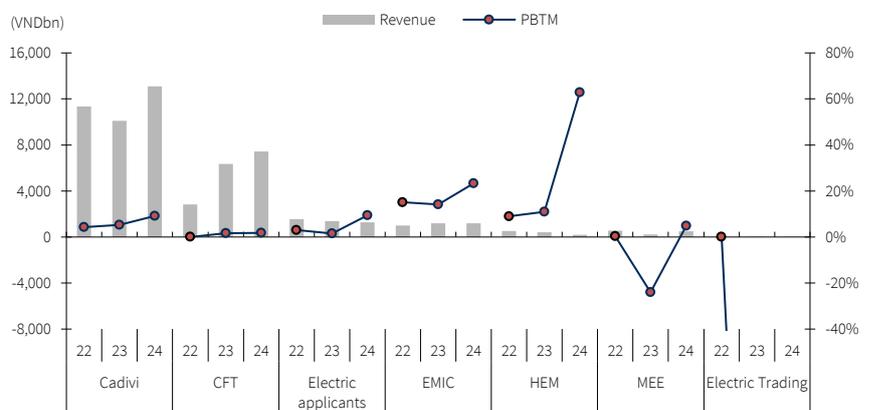
Fig 11. GEX – GPM and PVC prices (% , USD/ton)



Source: GELEX Group, KB Securities Vietnam

Fig 12. GEX – Revenue and profit margin of business segments (VND, %)

In the long term, KBSV assesses that GEX's complete ecosystem will allow the GPM of the electrical equipment segment to be maintained and improved with contributions from: (i) CFT being the main intermediary for importing and procuring copper raw materials for subsidiaries, helping to save costs; and (ii) subsidiaries possessing high-value production capabilities, including electricity meters installed in renewable energy projects. The gross profit margin of the electrical equipment segment is expected to be maintained at 16–17% during the 2026–2030 period.



Source: GELEX Group, KB Securities Vietnam

2. Building materials should recover with the real estate market, while industrial parks should maintain stable growth

The industrial park segment should recover from 2025's low base

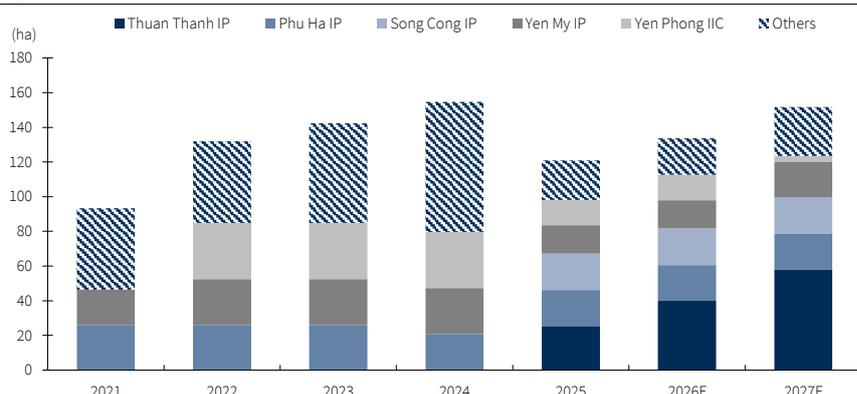
Vietnam's competitive reciprocal tariff rate relative to key peers such as India, Bangladesh, Thailand and Indonesia should be a critical determinant of the country's FDI growth outlook. Amid uncertainties surrounding Trade War 2.0, KBSV forecasts FDI inflows from large corporations targeting exports to the US to moderate in 2025–2026. Nevertheless, overall FDI growth into Vietnam is expected to be supported by the acceleration of the China Plus 1 (C+1) strategy, particularly from enterprises targeting non-US markets, driven by:

- 1) Geographical proximity to China;
- 2) Vietnam's stable political environment;
- 3) The government's ongoing push for public investment and infrastructure development, enhancing regional connectivity;
- 4) Competitive labor costs, particularly for downstream, labor-intensive segments (although this advantage is increasingly shared with other regional peers);
- 5) Strategic location for maritime trade, supporting seaport and logistics development and offering cost and delivery-time advantages over India, particularly for exporters to Asia, the EU, and Latin America.
- 6) Extensive FTA network (20 signed agreements). Key agreements such as the EU-Vietnam Free Trade Agreement (EVFTA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the Regional Comprehensive Economic Partnership (RCEP)—none of which include India—enhance Vietnam's relative trade advantage.

We believe the policy framework underpinning Donald Trump's Trade War 2.0 is becoming clearer, accelerating the realignment of global trade and investment flows. The strategy is expected to push major technology groups to reshore manufacturing to the US, while using trade negotiations to incentivize—or effectively compel—greater investment commitments into the US.

Consequently, companies focused on non-US end markets or on tariff-exempt segments (e.g., electronics and high-tech manufacturing) are likely to continue expanding capacity in alternative production bases, including Vietnam.

Fig 13. VGC – IP land handovers in 2021A–2027F (ha)



Source: Company report, KB Securities Vietnam

A sizable land bank underpins long-term growth, particularly amid an FDI recovery

VGC's total IP land bank exceeds 4,156 ha, including approximately 1,431 ha of leasable commercial land. An additional 1,728 ha is currently undergoing legal and regulatory procedures, providing a meaningful pipeline for future expansion.

Its core IPs in Bac Ninh, Hung Yen, Thai Nguyen and Phu Tho continue to see resilient leasing demand, underpinned by strong transport connectivity, an established skilled labor base and the presence of leading FDI technology manufacturers such as Samsung, LG, Foxconn, Luxshare, BYD, Hanyang Digitech, Panasonic and Canon. This concentration of anchor tenants has further attracted a network of supporting industries.

For 2026–2027, we forecast IP land handovers of 134 ha and 152 ha, respectively (vs. a 2020–2024 average of 150 ha per annum), mainly driven by Phu Ha IP, Yen Phong IIC IP, Thuan Thanh IP, Yen My IP and Song Cong II IP. Accordingly, we project IP leasing revenue of VND4,996 billion in 2026 and VND5,116 billion in 2027, implying YoY growth of 9% and 3%, respectively.

VGC's affordable building materials segment is poised to benefit significantly from the accelerated rollout of social housing policies

Three years into the “One Million Social Housing Units (2021–2030)” program, Ministry of Construction data indicate that 692 projects have been initiated nationwide, equivalent to approximately 633,000 units and 59.6% of the overall target. However, progress has been hampered by cumbersome administrative procedures and lengthy bidding processes. To date, only 103,000 units have been completed, while more than 400,000 units remain at the investment policy approval stage.

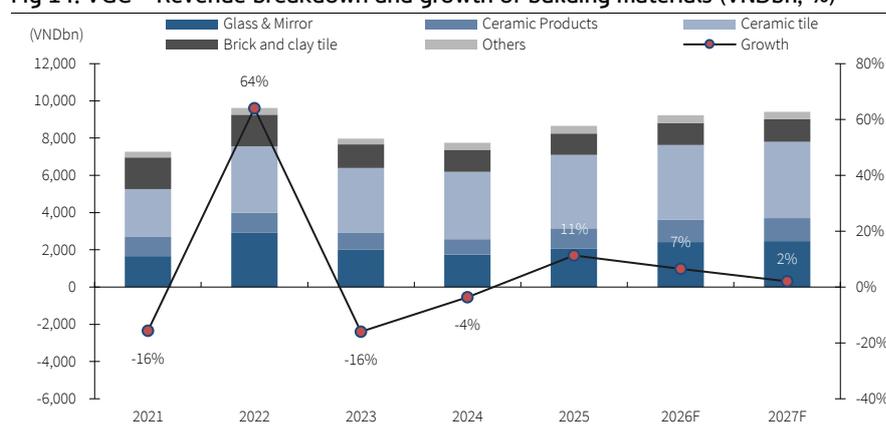
To address these bottlenecks, the National Assembly has introduced targeted measures to ease constraints for developers, including: (i) alleviating financing pressure through funding from the National Housing Fund; (ii) accelerating project implementation by permitting direct developer appointment without competitive bidding; and (iii) fully recognizing compensation and resettlement costs within total project investment, thereby enhancing developers' ability to mobilize capital.

We expect these policy initiatives to accelerate new project launches and act as a meaningful growth catalyst for VGC's building materials segment.

Anti-dumping duties on clear float glass imports provide tailwinds for VGC’s glass business post-expansion

In late January 2026, the Ministry of Industry and Trade issued Decision No. 228/QĐ-BCT imposing provisional anti-dumping duties on clear float glass imports from Indonesia and Malaysia. The duties range from 15.2% to 63.4%, depending on the specific exporter, and will be effective for 120 days from the date of implementation. Based on the final investigation results, if dumping practices and material injury to the domestic industry are confirmed, the Ministry may impose definitive anti-dumping duties. The authority also indicated the possibility of retroactive application of duties for up to 90 days prior to the effective date of the provisional measures, should there be evidence of a surge in imports causing or threatening serious harm to domestic producers. Amid intense industry competition and depressed selling prices, KBSV believes the provisional ruling—along with the potential imposition of official duties—will have a positive impact on domestic manufacturers. Large-scale producers such as VGC are expected to benefit through improved inventory management and higher plant utilization rates.

Fig 14. VGC - Revenue breakdown and growth of building materials (VNDbn, %)



Source: Vignacera Corporation, KB Securities Vietnam

Building materials revenue is projected to recover in 2026–2027

KBSV projects building materials revenue of VND9,222 billion/VND9,416 billion in 2026/2027 (+7%/+2% YoY), with gross margin expected to improve and remain in the 19–20% range (in line with the 2021–2025 five-year average of 19.6%), driven by: (i) a recovery in the real estate market, supporting higher sales volumes; (ii) growth in sanitary ware and faucet segments following the resumption of the My Xuan plant; and (iii) ongoing restructuring efforts, shifting production toward mid- to high-end product lines through the adoption of new technologies.

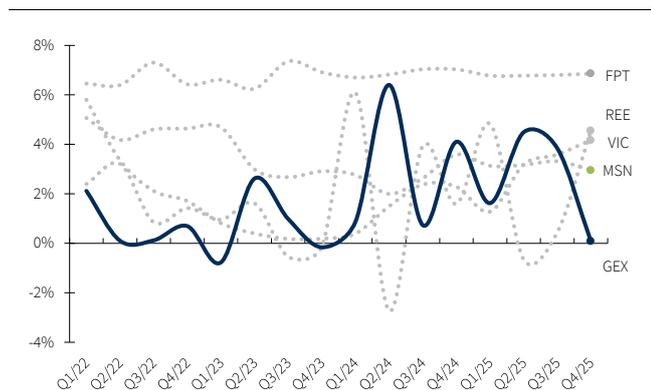
3. Solid operating foundation and earnings potential from new projects should strengthen GEX's financial position

A diversified conglomerate model comprising growth-oriented subsidiaries generates stable operating cash flows

With three core pillars—electrical equipment, building materials, and industrial parks—where it holds leading market share and one of the largest leasable industrial land portfolios among listed peers, GEX's profitability and financial position are expected to improve meaningfully, supported by a recovery in the real estate market and stable FDI inflows.

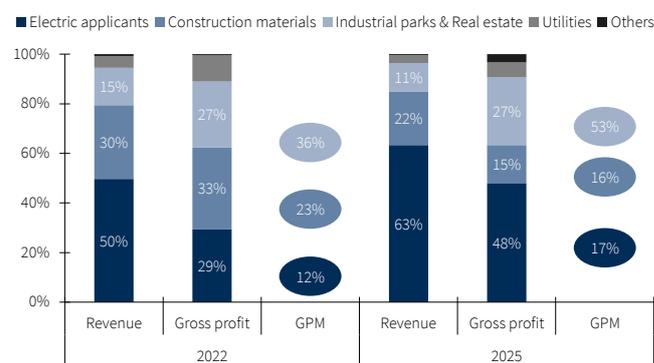
- **Favorable operating momentum to support stable cash flows:** In the electrical equipment segment, sustained revenue growth and margin expansion are expected amid a supportive business backdrop, underpinning a projected 12% earnings CAGR. Across infrastructure-related segments, the combined recovery in FDI inflows and the domestic real estate market should accelerate industrial park leasing and building materials demand, with segment profit projected to deliver a 20% CAGR.
- **Moderate leverage at subsidiaries to facilitate higher dividend upstreaming to the parent:** In 2024, GEX's increased ownership in Eximbank contributed to a 13% YoY rise in parent-level borrowings by end-2025, reaching VND8,836 billion. Nevertheless, successful divestment from the energy segment and reduced stakes in GEE and GEL strengthened the capital base and helped lower the net debt-to-equity ratio to 0.71x (vs. 0.75x in 2024). Looking ahead, we expect stronger dividend inflows from subsidiaries, supported by (i) annual operating cash flow of VND2,000–3,000bn from the electrical equipment segment and (ii) the planned IPO of GEL, which is expected to raise approximately VND2,800 billion, thereby enhancing balance sheet flexibility and alleviating debt pressure.
- **Attractive profitability upside from the real estate segment driven by prime project locations:** In 2025, GEL contributed capital to FIH Co., Ltd. to develop the 226 Le Lai residential project in Hai Phong (trade name: ANmaison). The project is structured in two phases, comprising 280 low-rise units in phase 1, followed by a 41-storey apartment tower and social housing units in phase 2. Benefiting from a prime location along a key transport corridor with well-established surrounding amenities, we expect phase 1 handovers to commence during 2026–2028 at an estimated selling price of approximately VND180 million/m², generating projected revenue of around VND2,500 billion.

Fig 15. Vietnam – ROE of selected conglomerates (%)



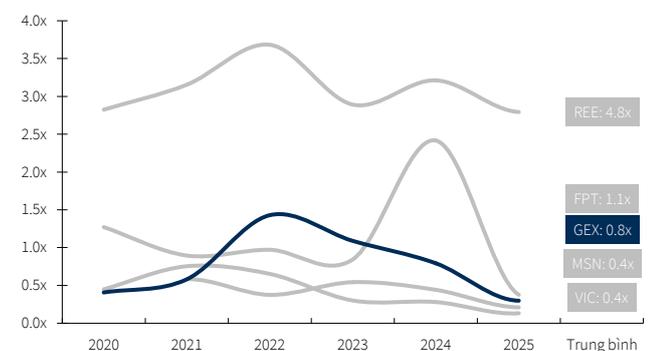
Source: Company reports, KB Securities Vietnam

Fig 16. GEX – Revenue and gross profit breakdown, gross profit margin (%)



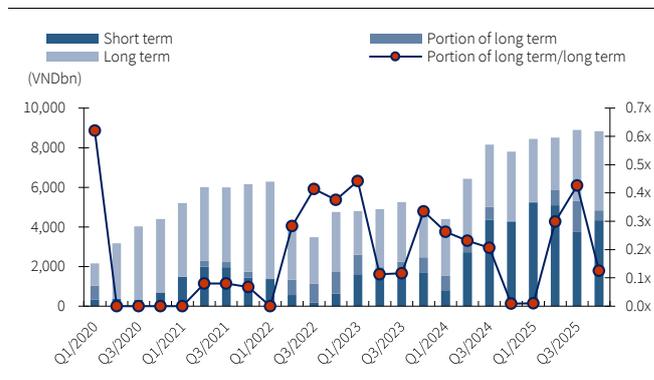
Source: Gelex Group, KB Securities Vietnam

Fig 17. Vietnam – EBITDA/Repayment of borrowings of selected conglomerates



Source: Company reports, KB Securities Vietnam

Fig 18. GEX – Parent company outstanding debt (VNDbn)



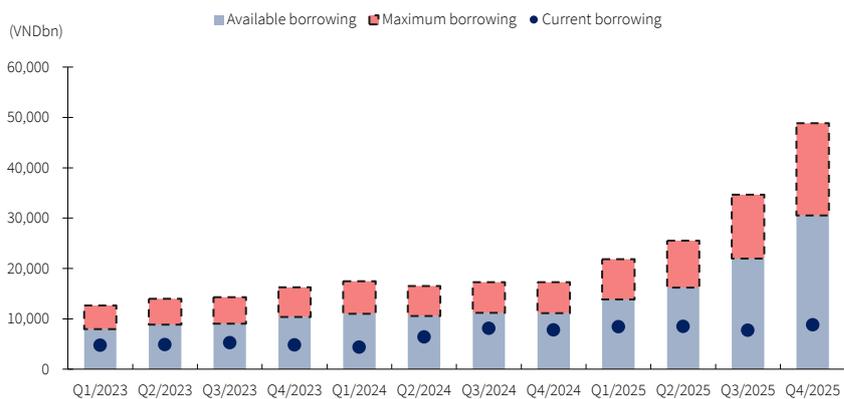
Source: Gelex Group, KB Securities Vietnam

Strong collateral base underpins the parent company’s borrowing capacity and supports debt servicing ability

As of end-4Q25, total outstanding borrowings at GEX’s parent company exceeded VND8,800 billion, the majority of which are secured by collateral comprising (i) equity stakes in subsidiaries, (ii) trading securities, (iii) fixed assets and investment properties, and (iv) receivables.

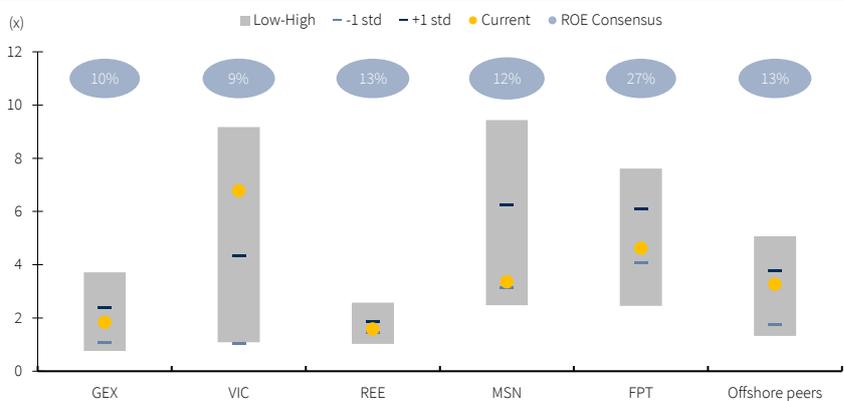
We estimate that the combined market capitalization of GEX’s listed subsidiaries amounts to over VND84,000 billion. Against this collateral base, KBSV assesses that the parent company could potentially raise between VND30,000–48,000 billion in secured borrowings, substantially higher than its current outstanding debt. As such, we believe the parent company’s debt servicing capacity remains well supported.

Fig 19. GEX - Debt-to-collateral ratio (%)



Source: Gelex Group, KB Securities Vietnam

Fig 20. Vietnam - P/B and consensus ROE of selected conglomerates



Source: Bloomberg, FinProX, KB Securities Vietnam

Forecast & Valuation

Table 21. GEX – 2025A-2027F financial results

(VNDbn, %)	2025	2026F	+/-%YoY	2027F	+/-%YoY	Notes
Revenue	39,907	45,778	15%	50,057	9%	
Electrical equipment	25,104	30,656	22%	33,883	11%	
Building materials	8,655	9,223	7%	9,417	2%	
Industrial parks & real estate	4,561	4,966	9%	5,719	15%	
Utilities	1,214	1,042	-14%	1,116	7%	
Other	143	166	16%	181	9%	
Gross profit	8,429	9,520	13%	10,620	12%	
Electrical equipment	3,700	4,697	27%	5,310	13%	
Building materials	1,346	1,757	31%	1,794	2%	2025: Margin expansion was primarily driven by operational optimization and cost efficiency improvements amid a supportive business environment.
Industrial parks & real estate	2,407	2,594	8%	2,968	14%	2025 & 2026: IP land handovers are projected at 134 ha and 152 ha, respectively (+10%/+13% YoY).
Utilities	456	338	-26%	401	19%	
Other	290	134	-54%	146	9%	
<i>Gross profit margin (GPM)</i>	<i>21%</i>	<i>21%</i>	<i>0 ppts</i>	<i>21%</i>	<i>0 ppts</i>	
Financial income	1,256	527	-58%	566	7%	Primarily due to the assumption that the company will no longer recognize gains from subsidiary divestments and trading securities.
Financial expenses	1,768	1,902	8%	1,998	5%	Mainly attributable to higher borrowings.
Profits from joint ventures & associates	133	133	0%	133	0%	
SG&A	3,494	3,948	13%	4,282	8%	
Operating profit/loss	4,636	4,410	-5%	5,118	16%	
Other income	-75	-75	0%	-75	0%	
PBT	4,636	4,410	-5%	5,118	16%	
NPAT	2,957	2,813	-5%	3,264	16%	
NPAT-MI	1,475	1,407	-5%	1,632	16%	
<i>NPAT margin</i>	<i>7%</i>	<i>6%</i>	<i>-1 ppts</i>	<i>7%</i>	<i>0 ppts</i>	

Source: Gelex Group, KB Securities Vietnam

We initiate BUY for GEX with a target price of VND43,700/share

GEX is entering a comprehensive restructuring phase, characterized by the divestment of non-core businesses (energy and logistics) and a strategic refocus on its core pillars: (i) electrical equipment, well positioned to benefit from the implementation of Power Plan VIII; (ii) industrial parks and real estate, supported by concentrated FDI inflows into Northern Vietnam; and (iii) building materials, poised to capture the anticipated recovery of the property market. Accordingly, we project earnings to deliver a 16% CAGR over 2026–2030, accompanied by a meaningful improvement in profitability. ROE is forecast to increase to 10% in 2027 and further to 14% by 2030, compared with the five-year historical average of approximately 9%. Following the recent share price correction—driven by tariff-related concerns and the absence of divestment gains in 4Q25 parent-level earnings—the stock’s P/B has moderated to an attractive level, converging with its five-year average of 1.73x. We view this as a compelling entry point for long-term investors.

Based on a blended valuation approach combining Free Cash Flow to the Firm and Sum-of-the-Parts methodologies, KBSV initiates BUY on GEX with a target price of VND43,700 per share, implying an expected upside of 24.3% from the closing price on 12 February 2025.

Table 22. GEX – FCFF valuation results

(VNDbn)	2025	2026	2027	2028	2029	2030
Net profit	3,190	2,813	3,264	4,306	5,558	5,918
(+) Depreciation & amortization	3,092	1,814	1,722	1,655	1,606	1,572
(+) Interest expense × (1 - t)	751	1,092	1,147	1,228	1,284	1,336
(-) Change in working capital	-7,165	-131	154	-785	318	545
(-) CAPEX	-5,074	-2,011	-1,855	-1,295	-1,278	-842
FCFF	3,049	3,867	4,452	6,769	7,720	5,790
PV of FCFF	2,828	3,292	3,480	4,518	4,738	3,267
Total PV of forecast cash flows						22,122
PV of terminal value						39,258
Enterprise value (EV)						61,380
(+) Cash & cash equivalents						9,884
(+) Investments in associates & financial investments						10,749
(-) Net debt and minority interest						43,836
Equity value						38,177
Equity value per share (VND)						42,306

Source: KB Securities Vietnam

Table 23. GEX – FCFF assumptions

Assumptions	Value
Risk-free rate	5.2%
Beta	1.17
Equity risk premium	8.1%
Forecast period	5
WACC	8.9%
Target EV/EBITDA	7.0
Terminal growth	0.7%

Source: KB Securities Vietnam

Table 24. GEX – SOTP valuation results

(VNDbn)	Method	Estimated value	GEX's ownership	Contribution to GEX
Electrical equipment	DCF, Book value	35,808	76%	35,808
CAV	DCF	24,322	74%	24,322
THI	DCF	530	74%	530
HEM	DCF	187	58%	187
CFT, EMIC, MEE	DCF	10,770	66-100%	10,770
Building materials	DCF	11,975	40%	11,975
Industrial parks & real estate	RNAV, DCF	10,572	40%	10,572
Water utility	DCF	4,176	49%	4,176
Other investments		5,836		5,836
Associates	Book value	2,948		2,948
Investments in other entities	Book value	334		334
Completed office properties and office properties under development	Book value	2,554		2,554
Total				68,367
(+) Cash & cash equivalents				9,884
(+) Value of trading securities				10,749
(-) Net debt & minority interest				43,836
Equity value				45,165
Conglomerate discount				10%
Equity value per share				45,045

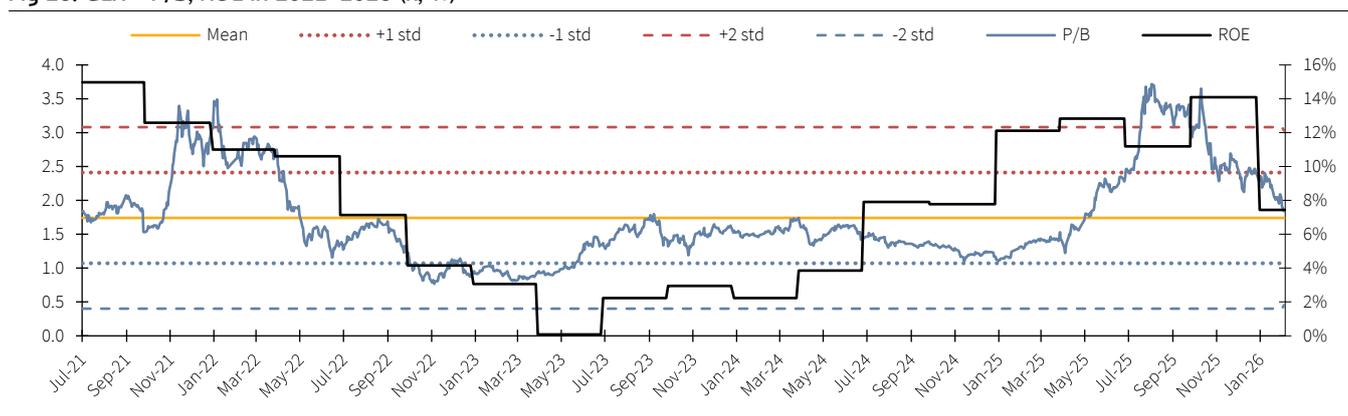
Source: KB Securities Vietnam

Table 25. GEX – Valuation results

Method	Derived price	Weight	Weighted price
FCFF	42,306	50%	21,153
SOTP	45,045	50%	22,522
Target price (rounded)			43,700
Current price (Feb 12, 2026)			35,150
Upside			24.3%

Source: KB Securities Vietnam

Fig 26. GEX – P/B, ROE in 2021–2026 (x, %)



Source: Bloomberg, KB Securities Vietnam

Risks

Risk of losses from securities investment activities

GEX's securities investment activities and related net gains/losses have exhibited pronounced volatility in recent years. Bond investments, in particular, rose sharply from VND976 billion in 2020 to over VND6.3 trillion in 2021 (with limited disclosure on the underlying details), before declining to VND1.4 trillion in 2022. In 2021, GEX recorded a net gain of VND265 billion from securities investments, contributing meaningfully to the 30% YoY increase in reported NPAT-MI. Conversely, in 2022, the company recognized a net loss of VND124 billion from these investments, which was a key driver of the 64% YoY decline in net profit. Given this earnings sensitivity, any sizable gains or losses from securities investments could materially affect our earnings projections for GEX going forward.

Risk of input raw material price volatility

The profitability of GEX's electrical equipment segment is closely linked to the prices of key metals, including copper, steel, and aluminum. Sharp fluctuations in raw material prices may exert pressure on production costs and, consequently, on profit margins. Moreover, GEX's copper hedging strategy has, at times, resulted in losses.

Risk of delays in the implementation of projects under Power Plan VIII

Currently, Vietnam Electricity (EVN) is the sole developer of power transmission infrastructure in Vietnam and is also the primary customer for products manufactured by THI, EMIC, MEE, and TBD. Should EVN implement the approved transmission projects under Power Plan VIII later than expected (we currently assume investment will commence in 2026), these subsidiaries may face challenges in improving revenue and profitability.

Risk of rising interest rates and economic slowdown affecting the building materials and industrial park segments

A slower-than-expected recovery in the real estate market, particularly if mortgage rates rise in 2026, could adversely affect the rebound in sales of the building materials segment, which is inherently cyclical with the property market. Meanwhile, global trade uncertainties may prompt changes in investment plans or a relocation of production away from Vietnam in search of more favorable manufacturing environments. In recent years, VGC's industrial parks have primarily attracted companies in the electrical and electronics sectors, many of which derive a significant portion of their market share from the US market. This creates the risk of short-term investment delays should external demand conditions deteriorate.

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Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(Based on the assessment of sector prospects over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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