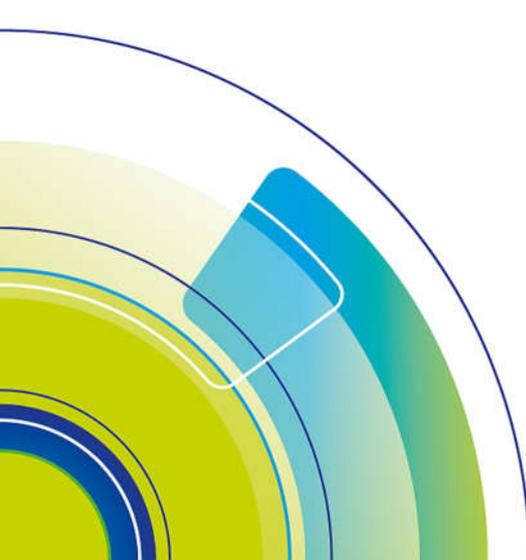




# PLX Flash Note – Neutral

August 1, 2024

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## Flash Note

Recommendation

**Neutral**  
**HSX: PLX**

Petroleum distribution

Target price (VND)	47,500
Market price (VND)	45,300
Expected share price return	4.9%
Expected dividend yield	2.2%
Expected total return	7.1%

## Stock performance (%)

	YTD	1M	3M	12M
Absolute	36,4	11,0	31,5	16,8
Relative	28,0	13,2	30,6	16,1

Source: Bloomberg



## Ownership

State	77.3%
ENEOS	13.3%

## Stock Statistics

1-Aug-24

Bloomberg code	PLX VN
52-week range (VND)	30.700 - 48.000
Shares O/S (m)	1.271
Mkt cap (VND bn)	58.320
Mkt cap (USD m)	2.311
Foreign room left (%)	2,1
Est. free float (m)	10
3m avg daily vol (shrs)	2.327.777
VND/USD	25,230
Index: VNIndex / HNX	1226.96/229.23

## Vietnam National Petroleum Group (PLX VN)

PLX announced its Q2/2024 business results with NPAT-MI reaching VND1,199 billion (+47.5% YoY and +11.7% QoQ), higher than our expectations. Cumulatively for 6M2024, NPAT-MI increased by 58.6%, reaching VND2,272 billion, completing 101.5% of PLX's annual plan and 56% of our full-year forecast.

PLX recorded revenue in Q2/2024 of VND73,836 billion (+12.3% YoY) and NPAT-MI of VND1,199 billion (+47.5% YoY). This increase in revenue and profit was due to:

- Stable domestic selling volume, increasing by 0.5% YoY to 2.67 million tons.
- Gross profit margin increased to 6.2% from 5.9% in the same period, thanks to the increase in Regulated costs in the petrol price formula (applied from July 2023). In particular, the regulated cost for gasoline increased by 2.9% and diesel increased by 6.8% compared to the last adjustment from 2014.
- Other profit increased from VND50.6 billion in the same period to VND134 billion.

With this result, PLX recorded 6M2024 results with revenue of VND148,943 billion (+11.8% YoY) and NPAT-MI of VND2,272 billion (+58.6% YoY). In addition to the above factors, PLX also benefits from: (1) more stable gasoline sources, (2) many petroleum distributors and wholesale business had their licenses revoked and fined, (3) costs factor petrol price formula in are adjusted more regularly and appropriately.

Regarding the outlook for the 2H2024: in July 2024, gasoline prices movement are more positive than in June 2024. In addition, on July 4, MOIT approved an increase in the Regulated cost applied in the basic price formula for gasoline and oil, in which RON95 gasoline increased by 5.6% and diesel increased by 13.6% compared to the previous adjustment (July 2023). This increase will actively support the operations and business results of gasoline and oil wholesalers and distributors such as PLX. In addition, the draft amendment to Decree 80/2023 also has many support points for major petroleum wholesaler such as PLX.

**Quick comment:** With the new regulated cost, we adjust our 2024 revenue/profit forecast to increase by 1.8% and 5.9%, respectively, in which revenue expected to reach VND294,863 billion (+7.5% YoY) and NPAT-MI at VND4,023 billion (+35% YoY).

**Our target price for PLX by the end of 2025 is VND47,500/share, equivalent to a total profit margin of 7.1%.**

	2022	2023	2024F	2025F	2026F
Net Sales (VNDbn)	304,064	274,253	294,863	289,782	293,282
Growth (%)	80%	-10%	8%	-2%	1%
EBITDA (VNDbn)	2,433	4,355	5,651	5,375	5,570
EBITDA margin (%)	1%	2%	2%	2%	2%
Net Profit (VNDbn)	1,450	2,812	4,023	3,781	3,965
Growth (%)	-49%	94%	43%	-6%	5%
EPS (bonus-adjusted, VND)	913	1,771	2,533	2,380	2,496
Growth (%)	-54%	94%	43%	-6%	5%
ROE	7%	11%	14%	13%	12%
ROIC	2%	4%	5%	4%	4%
Net debt/EBITDA (times)	-1.8	-2.3	-2.2	-2.7	-3.0
PER (times)	46.3	23.9	16.7	17.8	16.9
EV/EBITDA (times)	20.8	11.6	9.0	9.4	9.1
PBR (times)	1.9	1.8	1.7	1.6	1.5
DPS (VND)	1,200	700	1,500	1,000	1,000
Dividend yield (%)	3%	1%	4%	2%	2%

PLX business results	Q2/2024	Q2/2023	YoY	6T2024	6T2023	YoY
Domestic selling volume (thousand m3)	2,674	2,660	0.5%	5,298	5,273	0.5%
Revenue (billion VND)	73,836	65,749	12.3%	148,943	133,182	11.8%
Gross profit margin (%)	6.2%	5.9%		6.2%	5.6%	
SG&A	3,462	3,178	8.9%	6,898	6,192	11.4%
NPAT-MI (bil VND)	1,199	813	47.5%	2,272	1,432	58.7%

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**BUY:** Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

**OUTPERFORM:** Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

**NEUTRAL:** Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

**UNDERPERFORM:** Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

**SELL:** Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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