OIL Flash Note – OUTPERFORM

6-Aug-26

RESEARCH & MARKET STRATEGY DEPARTMENT

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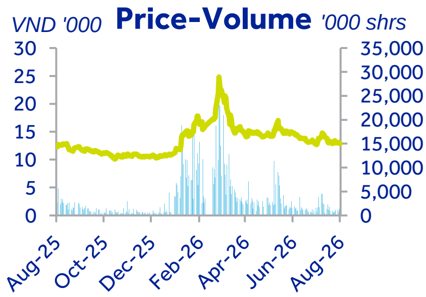
Flash note

Recommendation	**OUTPERFORM**
	UPCOM: OIL
	Petroleum retailer
Target price (VND)	**14.500**
Current price (VND)	**12.800**
Rate of price increase	13,3%
Expected dividend yield	0%
Total return	**13,3%**

Stock performance (%)

	YTD	1M	3M	12M
Rate of return	19.4	-0.8	-12.2	8.7
Alpha return	19.2	3.5	-8.0	-8.5

Source: Bloomberg



Shareholders

PVN	80%

Stock Statistics	**6-Aug-26**
Bloomberg code	**OIL VN**
52-week range (VND)	10,000 - 26,100
Shares O/S (m)	1,034
Mkt cap (VND bn)	13,342
Mkt cap (USD m)	505
Foreign room left (%)	6.4
Est. free float (%)	15.3
3m avg daily vol (shrs)	2,280,281
VND/USD	26,401
Index: VNIndex / HNX	1764.78/292.64

PETROVIETNAM OIL JSC (OIL)

OIL announced its Q2 2026 financial results, reporting a net loss of VND95 billion, which aligns with our forecast.

In Q2 2026, OIL recorded revenue of VND90 trillion (+125% YoY) and a net loss of VND95 billion (compared to a profit of VND205 billion in the same period last year). Despite revenue growth, the company posted a net loss due to: (1) a contraction in gross profit margins, (2) increased inventory provision, and (3) higher interest expenses. Specifically:

1. The gross profit margin narrowed sharply to just 1.4% (down from 2.9% in the same period last year) as geopolitical tensions in the Middle East caused volatility in petroleum prices and drove up costs.

2. The company ramped up inventory provision amidst falling oil prices; this expense rose from VND15 billion to VND231 billion by the end of Q2 2026. Excluding this provision, actual net profit would still have declined by approximately 50% year-on-year.

3. Interest expenses surged 2.5 times year-on-year to nearly VND244 billion (up from approximately VND103 billion in the same period last year).

For the first six months of 2026, accumulated revenue reached VND134 trillion (+85% YoY, meeting 90% of the annual plan and 72% of our forecast), while net profit stood at VND476 billion (doubling year-on-year, meeting 72% of the annual plan and 86% of our forecast). Revenue growth was primarily driven by: (1) sharp rise in petroleum selling prices in line with crude oil prices, and (2) 22% increase in sales volume. Specifically, the average Brent crude price for the second quarter of the year was USD104.52 per barrel (+53% YoY).

We anticipate that earnings growth will slow down in the latter part of the year due to: (1) potential oil price volatility necessitating provisions; (2) margin compression; and (3) the likelihood of borrowing costs remaining high. We maintain our 2026 revenue and profit growth forecasts of 23% and 9% year-on-year, respectively, and reiterate an **Outperform rating** with a target price of VND14,500/share (post-dividend) for year-end 2026 (representing 13% upside potential).

Outlook for the second half of 2026:

1. Growth prospects for the Jet A1 aviation fuel segment: PV OIL is actively expanding its Jet A1 distribution; the company is licensed to retail Jet A1 fuel at Tan Son Nhat, Noi Bai, and Phu Quoc airports in 2026. We expect this segment to contribute over 5% of total revenue starting from Q4 2026, once commercial operations officially commence.

2. Retail network expansion: In the first half of 2026, PV OIL opened 87 additional petrol stations. We expect the company to sustain this expansion momentum through the second half of the year.

3. Risks from oil price volatility: Prolonged conflict in the Middle East is causing oil price fluctuations, which impact the company's profit margins.

	2023	2024	2025	2026F	2027F
Revenue (bn VND)	**102,663**	**124,460**	**150,557**	**185,008**	**190,678**
Growth (%)	-1%	21%	21%	23%	3%
EBITDA (bn VND)	1,363	1,128	1,324	1,381	1,398
EBITDA margin (%)	1%	1%	1%	1%	1%
NPAT (bn VND)	**621**	**474**	**503**	**550**	**576**
Growth (%)	-14%	-24%	6%	9%	5%
EPS (VND)	419	316	343	452	479
Growth (%)	-15%	-25%	9%	32%	6%
ROE (%)	5%	4%	4%	5%	5%
ROIC (%)	4%	3%	2%	2%	3%
Net debt/EBITDA	5.2	6.7	8.2	8.0	7.3
PER	30.5	40.5	37.3	28.3	26.7
EV/EBITDA	15.8	18.4	16.2	16.6	16.8
PBR	1.2	1.2	1.1	1.2	1.2
Dividend (VND)	214	222	293	250	253
Dividend yield (%)	1.7%	1.7%	2.3%	2.0%	2.0%

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OUR RECOMMENDATION SYSTEM

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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