PVT Update - BUY

6-Aug-26

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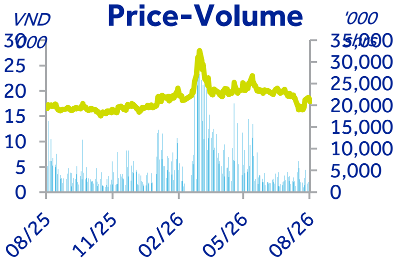
Update Report

Recommendation	**BUY**
	HSX: BMP
	Logistics
Target price (VND)	**28.200**
Market price (VND)	**17.850**
Expected share price return	58,0%
Expected dividend yield	0%
Expected total return	**58,0%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	7.0	-7.6	-15.2	11.8
Relative	6.7	-3.4	-11.1	-5.4

Source: Bloomberg



Ownership

PVN	51.00%
PVcombank	4.95%

Stock Statistics	**06-Aug-26**
Bloomberg code	**PVT VN**
52-week range (VND)	14,955 - 29,727
Shares O/S (m)	517
Mkt cap (VND bn)	9,253
Mkt cap (USD m)	351
Est. Foreign room left (%)	35.7
Est. free float (%)	48.9
3m avg daily vol (shrs)	4,168,852
VND/USD	26,394
Index: VNIndex / HNX	1765.28/292.64

PetroVietnam Transportation Corporation (HSX: PVT)

PVT delivered strong 2Q2026 earnings, driven by its shipping segment, which continued to benefit from elevated freight rates and contributions from its expanded fleet. We expect this growth momentum to continue in 2H2026, supported by time-charter contracts secured at favorable freight rates. Although fleet expansion has progressed more slowly than planned, we remain positive on PVT's medium- and long-term outlook, underpinned by resilient petroleum transportation demand and the company's intention to continue expanding its fleet when investment conditions become more attractive. Accordingly, we maintain our 2026 NPAT forecast of VND1,937bn (+45.7% YoY) and our target price of VND28,200/share.

2Q2026 earnings exceeded expectations. Revenue and NPAT increased by 32.4% YoY and 88.4% YoY, respectively, mainly driven by (1) the full-quarter contribution from 7 vessels acquired in 2025, lifting total fleet capacity to more than 2.0 million DWT (+19% YoY), (2) a sharp increase in freight rates as time-charter contracts were renewed at significantly higher rates, and (3) an improvement in the shipping segment's gross margin to 28.4% from 20.7% in the same period last year. As a result, 1H2026 NPAT fulfilled 88.7% of the company's full-year target and 55% of our forecast.

Freight rates are expected to remain elevated over the medium term. Although tensions in the Middle East have eased, freight rates should continue to be supported by stronger tonne-mile demand and ongoing geopolitical uncertainties. In addition, most of PVT's fleet operates outside the Strait of Hormuz or under time-charter contracts, allowing the company to continue benefiting from the current favorable freight rate environment.

Fleet expansion has been slower than planned, but the long-term outlook remains intact. PVT did not complete any vessel acquisitions in 1H2026 due to elevated second-hand vessel prices. Meanwhile, the proposed investment in VLCCs to serve the Nghi Son Refinery remains under evaluation and could become a key long-term growth driver if supported by a long-term transportation contract.

Forecast maintained. We expect earnings in 2H2026 to remain supported by time-charter contracts signed at favorable freight rates. Accordingly, we maintain our 2026 revenue and NPAT forecasts at VND18,197bn (+13.4% YoY) and VND1,937bn (+45.7% YoY), respectively, with a target price of VND28,200/share, based on our DCF valuation.

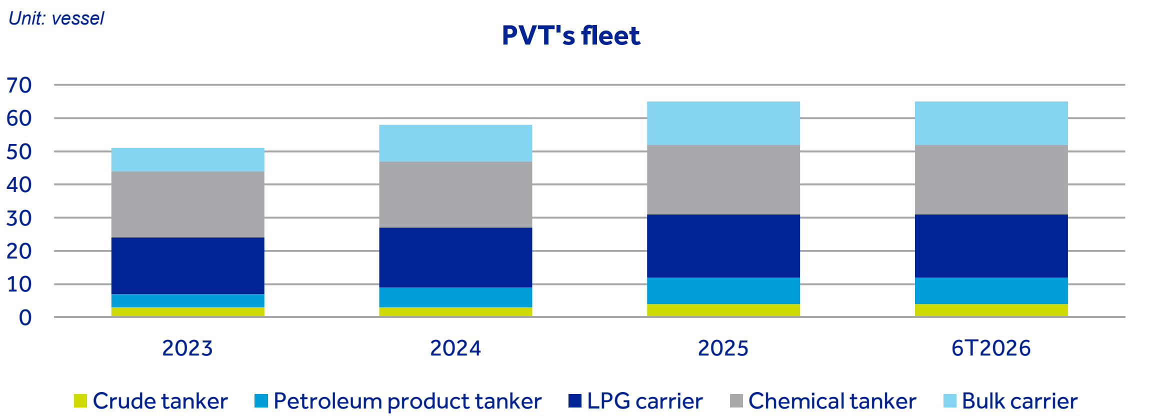
	2023	2024	2025	2026F	2027F
Net Sales (VNDbn)	9,556	11,732	16,049	18,197	18,392
Growth	*6%*	*23%*	*37%*	*13%*	*1%*
NPAT (VNDbn)	1,222	1,470	1,330	1,937	1,745
Growth	*6%*	*20%*	*-10%*	*46%*	*-10%*
EPS (bonus-adjusted, VND)	2,069	2,326	2,121	3,047	2,745
Growth	*13%*	*12%*	*-9%*	*44%*	*-10%*
ROA	14%	15%	12%	17%	15%
Total debt/Equity (times)	0.7	0.7	0.7	0.8	0.6
PBR (times)	0.6	0.6	0.7	0.7	0.7
DPS (VND)	300	300	0	0	1,000
Dividend yield (%)	3%	2%	2%	0%	6%

Strong 2Q2026 earnings growth

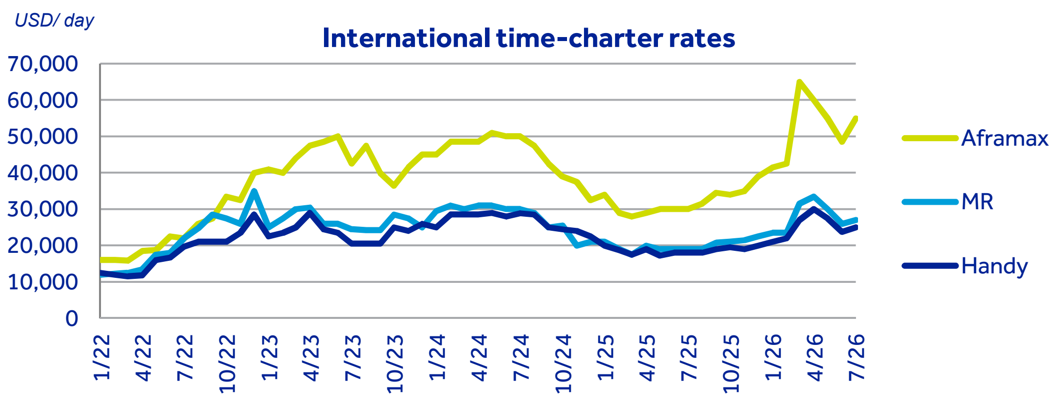
PVT reported strong 2Q2026 results, with revenue of VND5,713bn (+32.4% YoY) and NPAT of VND678bn (+88.4% YoY), driven by the following factors:

- Shipping revenue increased 30% YoY to VND3,093bn, supported by higher fleet capacity following the full-quarter contribution from seven vessels acquired in 2025, which expanded total fleet capacity to over 2.0 million DWT (+19% YoY). In addition, freight rates rose significantly as the impact of the US–Iran conflict was more fully reflected in 2Q2026 through the renewal of time-charter contracts at higher rates.
- Trading revenue (a low-margin segment with a gross margin of only 0.4–0.6%) increased 36.0% YoY to VND2,059bn.
- Gross margin improved to 16.8% from 13.8% in 2Q2025, primarily driven by the shipping segment, whose gross margin expanded to 28.4% from 20.7% in the same period last year.
- Financial income rose 9.0% YoY to VND92bn, mainly due to higher interest income from bank deposits.
- SG&A expenses declined to 1.9% of revenue, compared with 2.7% in 2Q2025.

As a result, 1H2026 revenue reached VND9,892bn (+39.3% YoY), while NPAT increased to VND1,065bn (+67.3% YoY), fulfilling 88.7% of the company's full-year earnings target and 55% of our full-year forecast.



Source: PVT, ACBS



Source: ACBS

Developments in the Strait of Hormuz

PVT currently has only one vessel operating in the Strait of Hormuz, down from seven vessels at the end of February 2026 when the conflict first escalated. The affected vessels are either employed under time-charter contracts or participate in vessel pools, allowing them to maintain stable cash flows despite temporary disruptions. Meanwhile, the majority of PVT's fleet operates outside the region and continues to benefit from elevated freight rates.

Although freight rates have retreated from the peaks recorded in March–April 2026, they remain at historically high levels. International time-charter rates currently stand at around USD55,000/day for Aframax crude oil tankers (+41% YTD), USD27,000/day for MR product tankers (+20% YTD), and USD25,000/day for Handy chemical tankers (+25% YTD).

Fleet expansion

Fleet expansion has progressed more slowly than planned due to elevated second-hand vessel prices. Although shareholders approved the acquisition of four vessels across the crude oil tanker, product tanker, chemical tanker and dry bulk segments, PVT had not completed any vessel acquisitions as of the end of 1H2026. According to management, second-hand vessel prices have remained elevated amid favorable shipping market conditions, prompting the company to take a more cautious approach to capital deployment. In 2H2026, PVT will prioritize investment opportunities in crude oil tankers and may also acquire an Ultramax dry bulk vessel should market conditions become favorable.

The VLCC investment plan for the Nghi Son Refinery remains under discussion. PVT has been working with PetroVietnam and the Nghi Son Refinery on a potential VLCC investment to support crude oil imports. Discussions are ongoing regarding the investment structure and operating model. Given the project's sizeable capital requirement and long payback period, the investment will only proceed if it meets the company's return thresholds. Therefore, management has yet to announce an implementation timeline. We believe that securing a long-term transportation contract with the Nghi Son Refinery would provide a meaningful long-term growth opportunity for PVT.

Outlook

We expect PVT's earnings to remain resilient in 2H2026, supported by time-charter contracts secured at favorable freight rates.

Although tensions in the Middle East have gradually eased, we believe tanker freight rates will remain elevated over the medium term rather than quickly returning to pre-conflict levels. Ongoing geopolitical uncertainties are encouraging countries to diversify crude oil supply sources and strengthen strategic energy reserves. As a result, longer-haul crude imports, particularly from the US, are expected to increase tonne-mile demand, providing continued support for the tanker shipping market.

Accordingly, we maintain our 2026 forecasts, projecting revenue of VND18,197bn (+13.4% YoY) and NPAT of VND1,937bn (+45.7% YoY). Based on our DCF valuation, we maintain our target price of VND28,200/share.

PVT FINANCIALS MODEL

(VND bn except where stated)	2023	2024	2025	2026F	2027F
Total Net Sales	**9,556**	**11,732**	**16,049**	**18,197**	**18,392**
Sales growth (%)	*6%*	*23%*	*37%*	*13%*	*1%*
CoGS ex-dep'n	6,363	7,490	11,514	12,591	12,656
SG&A	423	505	544	655	662
SG&A as % of sales	*4%*	*4%*	*3%*	*4%*	*4%*
EBITDA	**2,769**	**3,737**	**3,990**	**4,951**	**5,075**
EBITDA margin (%)	*29%*	*32%*	*25%*	*27%*	*28%*
Depreciation	1,354	1,799	2,193	2,343	2,671
Operating profit	**1,415**	**1,938**	**1,798**	**2,608**	**2,403**
Operating profit margin (%)	*15%*	*17%*	*11%*	*14%*	*13%*
Net interest expense	48	216	223	238	246
as % of avg, net debt	*15%*	*11%*	*9%*	*10%*	*15%*
Tax	327	399	324	484	436
Effective tax rate (%)	*21%*	*21%*	*20%*	*20%*	*20%*
Minorities	249	376	291	446	401
NPAT-MI	**972**	**1,093**	**1,038**	**1,492**	**1,344**
Net profit margin (%)	*10%*	*9%*	*6%*	*8%*	*7%*
Cash earnings	2,576	3,268	3,523	4,280	4,416
Number of shares (m)	324	356	470	470	470
EPS (VND)	**3,005**	**3,071**	**2,121**	**3,047**	**2,745**
Bonus factor (x)	0.69	0.76	1.00	1.00	1.00
Adjusted EPS (VND)	**2,069**	**2,326**	**2,121**	**3,047**	**2,745**
EPS growth (%)	*13%*	*12%*	*-9%*	*44%*	*-10%*

KEY CASHFLOW AND BS ITEMS	2023	2024	2025	2026F	2027F
Increase in working capital	(178)	(6)	80	(2,130)	(32)
Capex	3,885	3,648	3,608	3,279	3,204
Other cash flow items	0	0	0	0	0
Free cash flow	**(1,132)**	**(374)**	**(166)**	**3,131**	**1,244**
Share issues	58	141	-	-	-
Dividends paid	172	152	166	-	470
Increase in net debt	2272	892	386	-946	-410
Net debt, end of year	**1,463**	**2,355**	**2,741**	**1,795**	**1,385**
Enterprise value	9,921	10,813	11,200	10,254	9,843
Shareholders' equity	**9,030**	**10,389**	**11,491**	**11,368**	**12,307**
BVPS (VND)	27,902	29,183	24,452	24,191	26,189
Net debt / equity (%)	16%	23%	24%	16%	11%
Net debt / EBITDA (x)	0.5	0.6	0.7	0.4	0.3
Total assets	**17,490**	**19,858**	**22,313**	**25,188**	**25,102**

KEY RETURN AND VALUATION RATIOS	2023	2024	2025	2026F	2027F
ROE (%)	*14.3%*	*15.1%*	*12.2%*	*16.9%*	*14.7%*
ROA (%)	*8.9%*	*10.4%*	*8.5%*	*11.0%*	*9.6%*
ROIC (%)	*7.9%*	*8.7%*	*7.1%*	*8.9%*	*7.7%*
WACC (%)	*15%*	*14%*	*13%*	*14%*	*15%*
EVA (%)	*-6.6%*	*-5.1%*	*-6.4%*	*-5.2%*	*-7.1%*
PER (x)	*8.7*	*7.7*	*8.5*	*5.9*	*6.6*
EV/EBITDA (x)	*3.4*	*2.5*	*2.4*	*1.9*	*1.9*
EV/FCF (x)	*-8.3*	*-25.2*	*-56.8*	*3.0*	*7.6*
PBR (x)	*0.6*	*0.6*	*0.7*	*0.7*	*0.7*
PSR (x)	*0.9*	*0.7*	*0.5*	*0.5*	*0.5*
EV/sales (x)	*1.0*	*0.9*	*0.7*	*0.6*	*0.5*
Dividend yield (%)	*2.9%*	*2.4%*	*2.0%*	*0.0%*	*5.6%*

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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

DISCLAIMER