

15 Apr 2022

# PetroVietnam Gas (GAS)

## AGM Briefing: Solid outlook

On April 15th, GAS made an AGM presentation briefing for the 2022F guidance and their long-term targets.

### Conservative 2022F guidance based on Brent oil at USD60

- GAS sets 2022F guidance of VND80tn revenue (+1% yoy), and VND8.8tn PBT (-21.4% yoy), the plan is based on the scenario of Brent oil at USD60.
- Gas sales volume plan is 8,853mn m<sup>3</sup> (+23.8% yoy), particularly, power plants of 6,542mn m<sup>3</sup> (+29.7% yoy), fertilizer producers of 1,127mn m<sup>3</sup> (+21.8% yoy), industrial parks of 1,045mn m<sup>3</sup> (+3.8% yoy), and 140mn m<sup>3</sup> imported LNG.
- LPG output volume is planned at 1,700,000 tonnes (-15% yoy), in which, LPG in-house of 512,000 tonnes (+14.8% yoy), and LPG trading of 1,188,000 tonnes (-22.3% yoy).
- Condensate output volume is planned at 66,674 tonnes (+2% yoy), in which, Dinh Co factory of 60,000 tonnes (+3.1% yoy), and Ca Mau factory of 6,674 tonnes (-7.7% yoy).
- In 1Q22, the company announced preliminary revenue and PBT are VND25.3tn (+44% yoy) and above VND3tn (+13.8% yoy), respectively, per management.
- GAS estimates gas sales volume is 1.9bn m<sup>3</sup> in 1Q22.
- FY2021 cash dividend will be paid at 30% at par and shareholders approved a 25% cash dividend at par for FY2022F.
- GAS plans to divest from PV Pipe in 2022F and prepare to divest from Gas South (PGS VN, Non-rated).

12M rating **Non-rated**

12M TP **N.A**

Up/Downside **N.A**

### Stock Data

VNIndex (15 Apr, pt)	1,477
Stock price (15 Apr, VND)	117,300
Market cap (USD mn)	9,805
Shares outstanding (mn)	1,914
52-Week high/low (VND)	125,000/77,648
6M avg. daily turnover (USD mn)	5.62
Free float / Foreign ownership (%)	4.2/2.8
Major shareholders (%)	
Vietnam Oil and Gas Group	95.76

### Performance

	1M	6M	12M
Absolute (%)	8.6	4.7	40.7
Relative to VNIndex (%)	6.9	(1.8)	20.9

### Stock price trend



Source: Bloomberg

	2017A	2018A	2019A	2020A	2021A
Sales (VND bn)	64,522	75,612	75,005	64,135	78,992
chg. (% YoY)	9.2	17.2	(0.8)	(14.5)	23.2
Operating profit (VND bn)	11,627	13,725	13,649	8,694	10,374
Net profit (VND bn)	9,685	11,454	11,902	7,855	8,673
EPS (VND)	4,289	5,913	4,137	4,074	3,336
chg. (% YoY)	16.9	37.9	(30.0)	(1.5)	(18.1)
EBITDA (VND bn)	14,341	16,553	16,340	11,248	13,612
PE (x)	26.8	19.5	27.8	28.3	34.5
EV/EBITDA (x)	0.6	1.6	2.6	2.6	2.6
PB (x)	5.1	4.7	4.4	4.5	4.2
ROE (%)	23.6	26.0	25.1	16.1	17.4
Dividend yield (%)	3.3	3.5	3.7	3.1	2.7

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

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### LNG Thi Vai operation may be slower than the plan

- Per management, GAS considers importing LNG in 4Q22F or 1Q23F owing to the current high LNG price.
- GAS plans to import 140mn m<sup>3</sup> in 2022F.
- Capacity of LNG Thi Vai is 1 mn tonnes, the company submitted Ministry of Industry and Trade to expand the project to 3 mn tonnes.
- GAS is seeking opportunities to invest LNG projects in the North.

### Valuation

Based on 2022F guidance, 12MF PE is trading at 25.1x and PB is 4.0x, higher than the 2-year median of 21.2x and 3.5x, respectively.

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