

30 Jun 2022

PetroVietnam Trans (PVT)

AGM Briefing: Solid prospect of the leader

On Jun 30, we attended PVT's AGM presentation briefing for the upcoming business plan. Key issues covered were 2022F guidance and expansion strategy.

Conservative approach of BOM in 2022F

- In 2022F, PVT targets revenue of VND6,500bn (-12.9% yoy) and NPAT of VND480bn (-42.5% yoy). These targets show conservative attitude of the BOM amid political and economic uncertainties.
- Nevertheless, PVT traditionally set prudent objectives while they successfully reached 117%-141% of targeted revenues, and 149%-206% of targeted NPATs in the last four years.
- In 1H22, PVT reached a VND4,100bn revenue and a VND500bn PBT, fulfilling 63% and 83% of 2022F's target, respectively.
- We expect PVT can surpass this year's business guidance based on the hints of BOM on (1) rising transported volume/nautical mile, reflecting higher transportation demand; (2) lower vessel supply due to higher shipbuilding costs. These two drivers help remain high freight rates for PVT in 2022F.
- In 2021, PVT held 100% of domestic crude oil, and LPG transportation market shares, while accounting for 30% market share in the domestic gasoline transportation segment.
- In 2021, 80% of the company's vessel fleet operated on international routes, contributing 43% of the total consolidated revenue.

12M rating **Non-rated**

12M TP **N.A**

Up/Downside *N.A*

Stock Data

VNIndex (30 Jun, pt)	1,216
Stock price (30 Jun, VND)	21,400
Market cap (USD mn)	297
Shares outstanding (mn)	324
52-Week high/low (VND)	29,100/16,470
6M avg. daily turnover (USD mn)	4.10
Free float / Foreign ownership (%)	48.9/12.6
Major shareholders (%)	
Vietnam Oil and Gas Group	51.00
Vietnam Public Bank	4.95

Performance

	1M	6M	12M
Absolute (%)	3.4	(11.2)	5.9
Relative to VNIndex (%p)	9.1	7.2	18.5

Stock price trend



Source: Bloomberg

	2017A	2018A	2019A	2020A	2021A
Sales (VND bn)	6147.6	7523.1	7758.4	7382.7	7460.2
chg. (% YoY)	(8.7)	22.4	3.1	(4.8)	1.1
Operating profit (VND bn)	657.6	877.8	990.0	981.9	998.3
Net profit (VND bn)	533.7	780.1	820.7	830.4	834.5
EPS (VND)	1,516	2,317	2,339	1,994	2,038
chg. (% YoY)	8.7	52.8	0.9	(14.7)	2.2
EBITDA (VND bn)	1181.3	1401.7	1677.6	1731	1879.7
PE (x)	14.2	9.3	9.2	10.8	10.6
EV/EBITDA (x)	5.7	5.5	4.9	4.7	4.7
PB (x)	1.6	1.5	1.4	1.4	1.3
ROE (%)	10	13.3	12.7	11.2	10
Dividend yield (%)	4.7	4.7	1.9	4.7	0.0

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

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- The company aims to reach VND3,560bn charter capital in 2022F through a 10% stock dividend.
- PVT is currently traded at 10.2x TTM PE, which is lower than 5-year PE average of 10.8x.

Robust growth catalyst

- In 2022F, the company aims to spend VND2,915bn to acquire 8-10 new vessels, reflecting the ambitious of PVT to remain its leading position. In 1H22, PVT has already bought and fully operated 2 vessels for chemical transportation and 1 Bulk vessel. In 2021, the newly acquired VLGC alone contributed VND100bn to PVT's revenue.
- PVT has diversified the Capex strategy to leasing with the option to buy at maturity.
- 67% of Capex in 2022F is covered by debt, with cost of debt ranges from 7-8%.

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