

29 Mar 2022

## Petrolimex (PLX)

### Extraordinary AGM brief: New Board of Management for 2021-2026F

On Mar 29, Petrolimex (PLX) held the 2022 extraordinary Annual General Meeting. The company organized the election of the Board of Management and Board of Supervisors members for 2021-2026F.

#### Divestment plans in PJICO and PG Bank in 2022F

- Last week, PLX held a meeting with Commission for the Management of State Capital about its divestment in PG Bank (PGB). PLX will follow the instruction from the Commission and plans to fully divest its shares in PGB in 2022F (PLX currently owns 40% shares of PGB).
- The company also plans to have divestment in PJICO (PGI) to decrease its ownership in PGI from 40.95% to 35.1% in 2022F.

#### Increase petrol import to ensure domestic demand

- In 1Q22, Nghi Son Oil Refinery plant had to reduce its capacity and faced the possibility of operation suspension due to financial difficulties. In May 2022F, stakeholders will reach an agreement to ensure financial stability of Nghi Son.
- Starting from 2Q22, under the guidance from Ministry of Industry and Trade, PLX and other wholesale petroleum enterprises will increase the import of petrol to ensure domestic demand. However, PLX still prioritizes the supply from domestic oil refinery producers such as Dung Quat, Nghi Son. It is expected that these producers will make up 65-66% of petrol supply in 2Q22F.

#### Independent BoM member

- PLX is listed on HSX and included in the VN30 list while HSX is the most prestigious and popular stock exchange in Vietnam. It is the 1<sup>st</sup> time PLX elects an independent BoM member which shows a sign of transparency and the company's desire to meet the exchange's standards.

	2017A	2018A	2019A	2020A	2021P
Sales (VND bn)	153,697	191,932	189,604	123,919	169,113
chg. (% YoY)	N.A.	24.9	(1.2)	(34.6)	36.5
Operating profit (VND bn)	4,158	4,789	4,827	629	2,767
Net profit (VND bn)	3,468	3,748	4,158	988	2,830
EPS (VND)	3,013	2,859	3,166	686	2,011
chg. (% YoY)	N.A.	(5.1)	10.7	(78.3)	193.1
EBITDA (VND bn)	6,428	6,858	6,858	2,776	4,914
PE (x)	20.9	19.3	17.4	73.3	25.6
EV/EBITDA (x)	11.6	11.2	11.2	28.1	16.5
PB (x)	3.5	3.6	3.2	3.4	2.9
ROE (%)	14.9	16.1	17.0	4.0	10.8
Dividend yield (%)	5.4	4.6	5.4	2.1	0.0

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

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#### Stock Data

VNIndex (29 Mar, pt)	1,495
Stock price (29 Mar, VND)	56,200
Market cap (USD mn)	3,122
Shares outstanding (mn)	1,271
52-Week high/low (VND)	63,400/47,605
6M avg. daily turnover (USD mn)	5.53
Free float / Foreign ownership (%)	9.4/17.

#### Major shareholders (%)

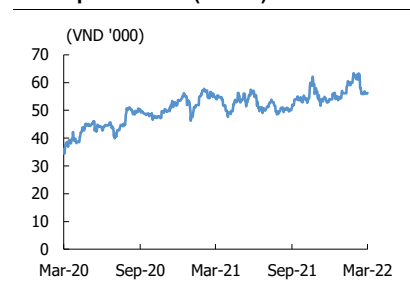
State Capital	75.87
ENEOS Vietnam	13.08
JX Nippon Oil	8.0

Source: Company data

#### Performance

	1M	6M	12M
Absolute (%)	(8.3)	8.1	3.2
Relative to VNIndex (%p)	(8.1)	(4.0)	(25.4)

#### Stock price trend (HOSE)



Source: Bloomberg

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