

25 Jul 2022

EVNGENCO 3 (PGV)

1H22 operational updates

Exchange loss damaged 1H22's business results

- EVNGENCO 3 (PGV) announced its 2Q22 business results with revenue of VND11,891bn (+13% yoy) and NPAT-post MI of VND407bn (-52% yoy). This implies that 1H22's output, revenue and NPAT-post MI was 14bn kWh (-1.1% yoy), VND22,796bn (+16% yoy) and VND1,255bn (-23.5% yoy), respectively and completed 49%/ 51%/ 68% of 2022's guidance.
- PGV's revenue growth in 1H22 was mainly assisted by the increase in revenue of its main revenue generators, Phu My and Mong Duong thermal power plants, +30% yoy and +26% yoy respectively owing to rising power price. Its hydropower maker, Buon Kuop also enjoyed a splendid revenue of VND1,191bn (+97% yoy) when its output hovered 1.15bn kWh (+42% yoy) thanks to the favorable weather condition.
- On the contrary, its major coal thermal power plant, Vinh Tan 2 reported tepid results with revenue of VND4,749 (-8% yoy) when its output shrank to 3.225bn kWh (-22% yoy) amid tight coal supplies and rising global coal prices.
- The financial expense in 2Q22 jumped to VND680bn (+101% yoy), mainly due to an increase of VND473bn of exchange loss. Overall, PGV's 1H22 NPAT-post MI reported VND1,255bn (-23.5% yoy), mostly bolstered by soar of exchange loss.

PGV's average selling price could drop in 3Q22F

- PGV expects its total output to jump 3.19bn kWh (+22.6% mom) in Jul 2022.
- The precipitation in 3Q22, especially in the North is forecasted to be higher than the average of previous years.
- We estimate that thermal power price and output, PGV's main revenue generators would drop owing to abundant volume from other hydropower makers in 3Q22.
- After a sharp rise in 4M22, the average CGM price reversed to VND1,136/kWh (-37% mom) since May 2022 due to unexpectedly high level of rainfall.

	2017A	2018A	2019A	2020A	2021A
Sales (VND bn)	37,907	39,338	44,117	40,367	37,757
chg. (% YoY)		3.8	12.1	(8.5)	(6.5)
Operating profit (VND bn)	3,868	4,445	4,467	4,157	3,671
Net profit (VND bn)	281	(605)	858	1,786	3,141
EPS (VND)	266	-716	802	1,669	2,627
chg. (% YoY)				108.1	57.4
EBITDA (VND bn)	8,898	8,960	9,254	8,814	8,174
PE (x)	94.8	(35.2)	31.4	15.1	9.6
EV/EBITDA (x)	9.5	9.6	8.7	8.5	8.6
PB (x)	2.8	2.7	2.2	1.9	1.7
ROE (%)	3.0	(6.0)	7.6	13.1	19.4
Dividend yield (%)	0.0	0.0	0.0	2.0	5.2

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

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Stock Data

VNIndex (22 Jul, pt)	1,195
Stock price (22 Jul, VND)	25,200
Market cap (USD mn)	1,205
Shares outstanding (mn)	1,123
52-Week high/low (VND)	40,389/16,670
6M avg. daily turnover (USD mn)	0.03
Free float / Foreign ownership (%)	.8/.0
Major shareholders (%)	
EVN	99.19

Performance

	1M	6M	12M
Absolute (%)	(1.2)	(33.8)	48.8
Relative to VNIndex (%p)	(3.8)	(14.8)	53.7

Stock price trend



Source: Bloomberg

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