

26 Sep 2022

PetroVietnam Gas (GAS)

AM Briefing:

On September 23rd, GAS made an AM presentation briefing for the 3Q22 business results and their long-term prospects.

Uncertain medium-term catalysts due to rocketed LNG prices

- GAS released robust 9M22 preliminary business results of 5,700mn m³ dry gas volume (+2.6% yoy), VND76.5tn revenue (+29% yoy), and VND14tn PBT (+62% yoy), fulfilling 64%/95%/160% of the conservative guidance built on the scenario of Brent oil at USD60.
- These results mean that dry gas volume, revenue, and PBT in 3Q22 are 1,700mn m³ (+10% yoy), VND21.7tn (+16% yoy), and VND3.2tn (+4% yoy), respectively.
- GAS estimates to achieve revenue of VND100tn (+26.5% yoy), and PBT of VND15.5tn (+38% yoy) for the full year of 2022.
- The company targets to reach a revenue CAGR of 7-9% in the next 3 years.
- Management believes that current LNG prices are still acceptable compared to the current high thermal coal prices.
- PV Gas has imported natural gas from Malaysia and planned to import natural gas from Indonesia.
- Per management, the new Petroleum Law can make exploration and mining projects more attractive to foreign investors because these projects in Vietnam have high costs compared to other countries.

Valuation

Based on the new 2022F target, 12MF PE is 18x lower than the 2-year median of 21.2x and PB is 3.6x higher than 3.5x, respectively.

	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

12M rating **Non-rated**

12M TP **N.A**

Up/Downside **N.A**

Stock Data

VNIndex (26 Sep, pt)	1,174
Stock price (26 Sep, VND)	113,600
Market cap (USD mn)	9,163
Shares outstanding (mn)	1,914
52-Week high/low (VND)	130,443/87,611
6M avg. daily turnover (USD mn)	4.02
Free float / Foreign ownership (%)	4.2/3.0
Major shareholders (%)	
Vietnam Oil and Gas Group	95.76

Performance

	1M	6M	12M
Absolute (%)	(1.4)	5.5	28.3
Relative to VNIndex (%p)	7.0	26.4	40.2

Stock price trend



Source: Bloomberg

Hoang Phung

Hoang.pm@kisvn.vn

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Prepared by: Hoang Phung

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