

6 Dec 2022

Petrolimex (PLX)

EGM Briefing: Lower new guidance earnings

On Dec 6, PLX made a second extraordinary general meeting to present the adjustment of 2022 guidance and its long-term prospects.

Higher revenue but lower earnings of new 2022F guidance

- PLX adjusted its 2022F guidance from VND186tn revenue (+10.1% yoy) and VND3.1tn PBT (-19.1% yoy) in June to VND240tn revenue (+42.0% yoy), and VND300bn PBT (-89.4% yoy) due to abnormal difficulties.
- In 10M22, the sudden increase in sales volume amid some wholesalers' restrictions put huge pressure on PLX's source generation and the inventory decreased very quickly in the uptrend of oil prices, leading to PLX having to buy petroleum promptly to compensate for the shortage of domestic supply.
- Besides, PLX had to increase petroleum imports due to a sudden supply disruption from Nghi Son refinery with higher actual premiums and transportation costs.
- Per the company, the petroleum business is estimated to lose VND1,450bn due to towering inventory provision. The company estimates inventory provision of over VND600bn in 4Q22 and VND3,200bn for the full-year 2022F.

Government postpones divestment plan in PLX

- According to the new divestment master plan, the Government targets to remain its stake at PLX at 76% in 2021-2025, changing from the old plan of reducing it from 76% to 51%-65%.
- PLX management expects to divest from PG bank (PGB) in 1Q23F, no later than 2Q23F. PLX currently holds a 40% stake in PG Bank and has planned to divest in 2021.

	2017A	2018A	2019A	2020A	2021A
Sales (VND bn)	153,697	191,932	189,604	123,919	169,009
chg. (% YoY)	24.9	24.9	(1.2)	(34.6)	36.4
Operating profit (VND bn)	4,158	4,789	4,827	629	2,784
Net profit (VND bn)	3,468	3,748	4,158	988	2,839
EPS (VND)	1,382	2,862	3,038	1,525	2,004
chg. (% YoY)	(61.7)	107.1	6.1	(49.8)	31.4
EBITDA (VND bn)	6,428	6,858	6,858	2,776	5,032
PE (x)	23.2	11.2	10.5	21.0	16.0
EV/EBITDA (x)	0.6	1.6	2.6	2.6	2.6
PB (x)	1.8	1.8	1.6	1.7	1.5
ROE (%)	16.8	17.9	19.1	5.0	11.9
Dividend yield (%)	9.6	8.9	8.1	9.6	3.9

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 (06 Dec, pt)	1,076
Stock price (06 Dec, VND)	31,600
Market cap (USD mn)	1,671
Shares outstanding (mn)	1,271
52-Week high/low (VND)	60,817/24,650
6M avg. daily turnover (USD mn)	1.67
Free float / Foreign ownership (%)	4.2/17.9
Major shareholders (%)	
State Capital	75.9
ENEOS Vietnam	13.1
JX Nippon Oil & Energy	8.0

Performance

	1M	6M	12M
Absolute (%)	14.3	(26.7)	(36.3)
Relative to VNIndex (%p)	6.2	(10.9)	(13.7)

Stock price trend



Source: Bloomberg

Research Dept

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Prepared by: Research Dept

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