



PLX Update—OUTPERFORM

May 30, 2025



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Update Report

Recommendation

OUTPERFORM

HSX: PLX

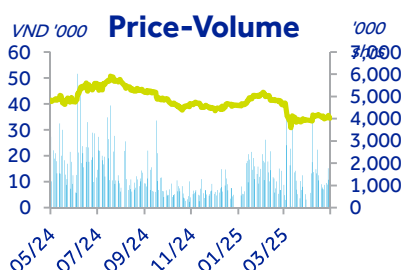
Petroleum distribution

Target price (VND)	38,000
Market price (VND)	34,500
Expected share price return	10.1%
Expected dividend yield	3.5%
Expected total return	13.6%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-7.6	2.9	-19.9	-15.9
Relative	-13.2	-7.0	-23.2	-23.3

Source: Bloomberg



Ownership

State	75.9%
ENEOS	13.1%

Stock Statistics 30-May-25

Bloomberg code	PLX VN
52-week range (VND)	30,950 - 51,700
Shares O/S (m)	1,271
Mkt cap (VND bn)	44,026
Mkt cap (USD m)	1,684
Foreign room left (%)	2.8
Est. free float (m)	86.7
3m avg daily vol (shrs)	1,473,497
VND/USD	26,140
Index: VNIndex / HNX	1329.64/223.22

Vietnam National Petroleum Group (PLX VN)

PLX announces Q1/2025 business results with NPAT reaching VND211 billion (-81.3% YoY), below our expectations. With this result, PLX has completed 11.2% of its full-year plan and 8.8% of ACBS's adjusted forecast. Using the discounted cash flow method, we value PLX at VND 38,000/share by the end of 2025. Rating: **OUTPERFORM**.

PLX reported its Q1/2025 financial statements with revenue reaching VND67,861 billion (-9.6% YoY) and NPAT of VND211 billion (-81.3% YoY). The decline in revenue and profit was due to:

- Gross margin falling to 5.5% from 6.2% in the same period last year, as the average Brent oil price in Q1/2025 declined by 8.7% YoY. The drop in oil prices put PLX at a disadvantage due to high-cost inventory, as the company must maintain a 20-day stock while retail fuel prices are adjusted every 7 days under Decree 80/2023.
- Selling prices for petroleum products were estimated to decline by 9% YoY.
- SG&A expenses increased by 5.3% YoY, mainly due to higher labor and depreciation costs. These expenses accounted for 5.3% of revenue, up from 4.6% in the same period last year.
- Provision for inventory devaluation of VND 261 billion, compared to a reversal of VND26 billion in the same period last year.

Despite that, net profit was positively impacted by: (1) an increase in Regulated costs in the petrol price formula starting from July 2024, with RON95 rising 5.6% and diesel rising 13.6% compared to the previous adjustment, (2) domestic sales volume increasing by 3.4% YoY, and (3) financial income growing by 70% YoY to VND128 billion.

2025 Outlook

For 2025, PLX targets revenue of VND248,000 billion (-12.7% YoY) and NPBT of VND3,200 billion (-19.4% YoY). Sales volume is expected to rise by 8% YoY to 17 million tons, exceeding our projection of 4% growth.

Regarding the oil price outlook, we have lowered our forecast for the average Brent crude oil price to USD 68/barrel for the year, due to adverse impacts from retaliatory tax policies under President Donald Trump and faster-than-expected production increases from OPEC. Accordingly, we have revised down our 2025 forecast for PLX, with revenue reaching VND259,303 billion (-8.7% YoY) and NPAT of VND2,405 billion (-23.9% YoY), down 12% and 41%, respectively, compared to previous forecasts.

	2022	2023	2024	2025F	2026F
Net Sales (VNDbn)	304,064	273,979	284,017	259,303	284,641
Growth (%)	80%	-10%	4%	-9%	10%
EBITDA (VNDbn)	2,433	4,345	4,827	3,940	5,265
EBITDA margin (%)	1%	2%	2%	2%	2%
NPAT-MI (VNDbn)	1,450	2,834	2,890	2,213	3,171
Growth (%)	-49%	95%	2%	-23%	43%
EPS (bonus-adjusted, VND)	913	1,784	1,820	1,393	1,997
Growth (%)	-54%	95%	2%	-23%	43%
ROE	7%	11%	11%	8%	11%
ROIC	2%	4%	4%	3%	4%
Net debt/EBITDA (times)	-1.8	-2.5	-2.5	-2.9	-2.9
PER (times)	37.6	19.3	18.9	24.7	17.2
EV/EBITDA (times)	17.1	9.6	8.6	10.5	7.9
PBR (times)	1.6	1.5	1.5	1.4	1.4
DPS (VND)	1,200	700	1,500	1,200	1,000
Dividend yield (%)	4%	3%	5%	3%	3%

Q1/2025 business results declined sharply due to oil prices

PLX reported Q1/2025 financial statements with revenue of VND67,861 billion (-9.6% YoY) and NPAT of VND211 billion (-81.3% YoY). Despite a 3.4% YoY growth in domestic sales volume, the significant decline in both revenue and profit was mainly attributed to an 8.7% YoY drop in the average Brent oil price in Q1/2025. The falling oil prices put PLX at a disadvantage due to high-cost inventories, as the company is required to maintain a 20-day inventory level, while retail fuel prices are adjusted every 7 days under Decree 80/2023/ND-CP. As a result, gross margin decreased to 5.5% from 6.2% in the same period last year, despite positive impacts from an increase in regulated costs in the petrol price formula from July 2024, with RON95 rising by 5.6% and diesel by 13.6% compared to the previous adjustment.

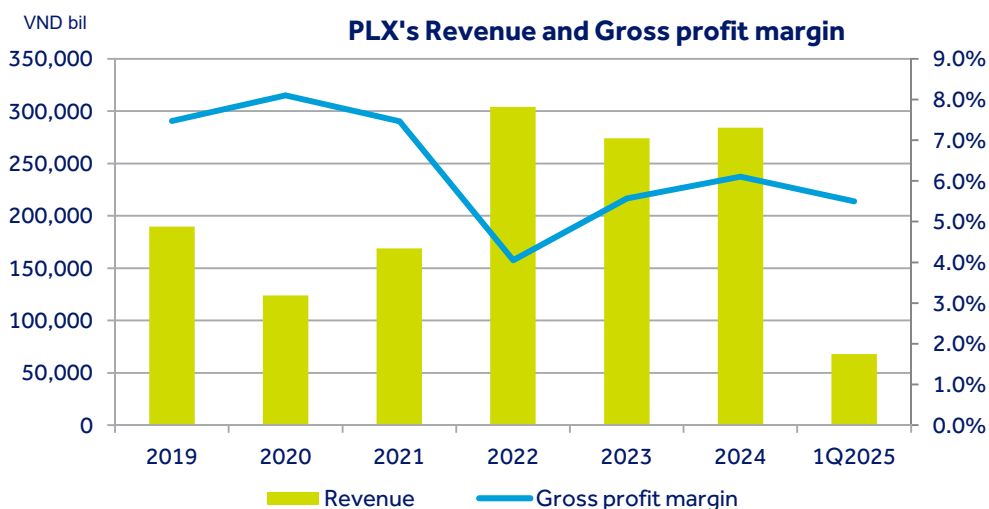
In addition, the decline was also due to:

- An estimated 9% YoY drop in fuel selling prices.
- A 5.3% YoY increase in selling and administrative expenses, mainly driven by higher labor and depreciation costs, causing these expenses as a proportion of revenue to rise to 5.3% from 4.6% in the same period last year.
- Provision of VND261 billion for inventory devaluation, compared to a reversal of VND26 billion in Q1/2024.

PLX business results	Q1/2025	Q1/2024	YoY
Domestic selling volume (thousand m3)	2,712	2,624	3.4%
Revenue (billion VND)	67,861	75,106	-9.6%
Gross profit margin (%)	5.5%	6.2%	
SG&A expense	3,617	3,436	5.3%
NPAT (billion VND)	211	1,131	-81.3%

Source: PLX, ACBS

However, NPAT also witnessed substantial support from a 70% YoY increase in financial income (reaching VND128 billion). This was primarily driven by a 21.7% YoY decrease in financial expenses, thanks to lower interest expenses and reduced foreign exchange losses.



Source: PLX, ACBS

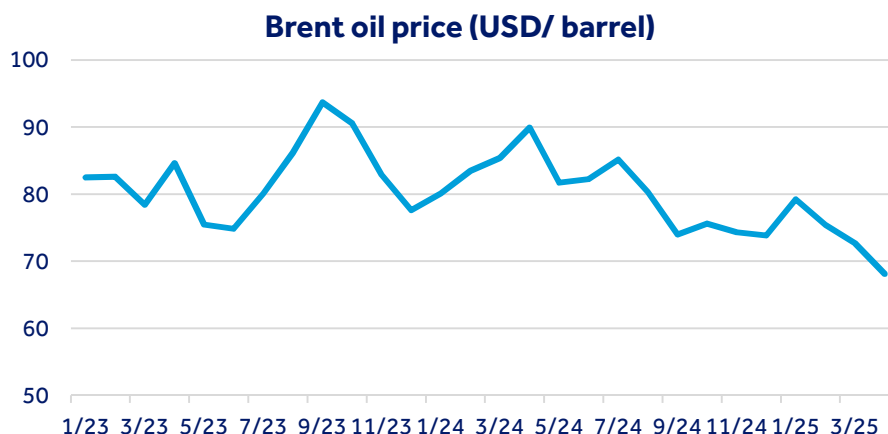
The new Decree on fuel trading could underpin business performance

The 6th draft of the new Petroleum Decree was submitted by the Ministry of Industry and Trade to the Government in April 2025, with the following key points:

- Market-based pricing mechanism: major petroleum wholesalers and distributors will be allowed to independently calculate and publish wholesale and retail fuel prices within their distribution networks. The Government will no longer regulate the base price as it does currently, but will only intervene under the Law on Prices to stabilize the market during emergencies, incidents, disasters, natural calamities, pandemics, or when fuel prices experience abnormal fluctuations.
- Distributors can purchase fuel from one another, instead of being restricted to purchase only from major petroleum wholesalers as regulated in previous drafts.

If approved, the new decree is expected to strongly support PLX's business performance from 2026 onward, as major wholesalers like PLX would be granted greater autonomy and flexibility. However, the draft is currently facing mixed reactions from economists and smaller distributors. Therefore, we have not yet incorporated the potential impacts of this policy into our valuation model.

Outlook and Valuation



Source: EIA

We revised our forecast for the average Brent crude oil price in 2025 down to USD 68/barrel, due to adverse impacts from retaliatory tax policies under President Donald Trump and faster-than-expected production increases from OPEC.

In April and May 2025, oil prices fell sharply—from USD74.4/barrel at the end of March 2025 to the USD63–65/barrel range. As a result, Q2 business results are expected to remain weak. However, with the possibility that oil prices may stabilize and experience more positive trends as impacts of U.S. retaliatory tax measures eases, we expect PLX's business performance to improve in Q3 and Q4.

Accordingly, we lowered our 2025 forecasts for PLX, with revenue projected at VND259,303 billion (-8.7% YoY) and NPAT at VND2,405 billion (-23.9% YoY), down 12% and 41%, respectively, compared to our previous estimates. Using the discounted cash flow (DCF) method, we value PLX at VND38,000/share by the end of 2025.

PLX FINANCIALS MODEL

(VND bn except where stated)	2022	2023	2024	2025F	2026F
Total Net Sales	304,064	273,979	284,017	259,303	284,641
<i>Sales growth (%)</i>	<i>80%</i>	<i>-10%</i>	<i>4%</i>	<i>-9%</i>	<i>10%</i>
CoGS ex-dep'n	290,308	256,545	264,632	243,072	265,885
SG&A	11,323	13,089	14,558	12,291	13,492
<i>SG&A as % of sales</i>	<i>4%</i>	<i>5%</i>	<i>5%</i>	<i>5%</i>	<i>5%</i>
EBITDA	2,433	4,345	4,827	3,940	5,265
<i>EBITDA margin (%)</i>	<i>1%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>
Depreciation	1,436	2,170	2,035	2,172	2,245
Operating profit	997	2,175	2,793	1,769	3,020
<i>Operating profit margin (%)</i>	<i>0%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>
Net interest expense	-224	-275	-422	-495	-527
<i>as % of avg, net debt</i>	<i>6%</i>	<i>4%</i>	<i>4%</i>	<i>4%</i>	<i>4%</i>
Tax	368	870	811	601	862
<i>Effective tax rate (%)</i>	<i>16%</i>	<i>22%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>
Minorities	452	243	271	192	276
NPAT_MI	1,450	2,834	2,890	2,213	3,171
<i>Net profit margin (%)</i>	<i>0%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>
Cash earnings	3,338	5,248	5,196	4,577	5,692
Number of shares (m)	1271	1271	1271	1271	1271
EPS (VND)	913	1,784	1,820	1,393	1,997
Share split factor (x)	1.0	1.0	1.0	1.0	1.0
Adjusted EPS (VND)	913	1,784	1,820	1,393	1,997
<i>EPS growth (%)</i>	<i>-54%</i>	<i>95%</i>	<i>2%</i>	<i>-23%</i>	<i>43%</i>

KEY CASHFLOW AND BS ITEMS	2022	2023	2024	2025F	2026F
Increase in working capital	(1,980)	(2,711)	(747)	(799)	(1,966)
Capex	532	1,158	1,572	1,317	1,363
Other cash flow items	30	30	30	30	30
Free cash flow	4,816	6,831	4,400	4,089	6,325
Share issues (m)	0	0	0	0	0
Dividends paid	1746	1100	2107	1525	1271
Increase in net debt	-1636	-6471	-1408	652	-3668
Net debt, end of year	(4,291)	(10,762)	(12,170)	(11,518)	(15,186)
Enterprise value	34,828	28,356	26,948	27,600	23,932
Shareholders' equity	27,783	29,202	29,308	30,211	31,794
BVPS (VND)	21,866	22,983	23,066	23,777	25,023
Net debt / equity (%)	-15%	-37%	-42%	-38%	-48%
Net debt / EBITDA (x)	-1.8	-2.5	-2.5	-2.9	-2.9
Total assets	74,476	79,676	81,275	77,129	85,668

KEY RETURN AND VALUATION RATIOS	2022	2023	2024	2025F	2026F
ROE (%)	6.8%	10.8%	10.8%	8.1%	11.1%
ROA (%)	1.4%	2.8%	3.5%	2.2%	3.7%
ROIC (%)	2.5%	3.7%	3.5%	2.6%	3.7%
WACC (%)	15.0%	15.0%	15.0%	15.0%	15.0%
EVA (%)	-12.5%	-11.3%	-11.5%	-12.4%	-11.3%
PER (x)	37.6	19.3	18.9	24.7	17.2
EV/EBITDA (x)	17.1	9.6	8.6	10.5	7.9
EV/FCF (x)	8.6	6.1	9.4	10.2	6.6
PBR (x)	1.6	1.5	1.5	1.4	1.4
PSR (x)	0.1	0.1	0.1	0.2	0.1
EV/sales (x)	0.1	0.2	0.1	0.2	0.1
Dividend yield (%)	4.0%	2.5%	4.8%	3.5%	2.9%

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Our Recommendation System

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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