

## AGM 2023: Earnings recover as the oil and gas market has stabilized

**BUY [+13%]**

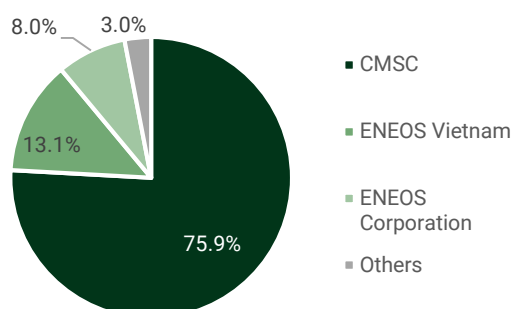
Updated: 04/07/2023

Fair price 45,100 VND  
Current price 39,850 VND

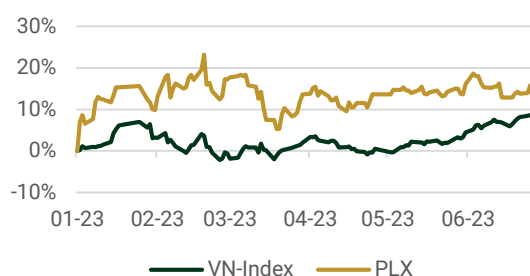
### STOCK INFORMATION

Outstanding shares (mil) 1,270.6  
Free float (mil) 127  
Market cap. (billion VND) 48,409.6  
3m avg. volume (shares) 0.7 million  
Foreign ownership (%) 13.1%  
First listing date 21/04/2017

### MAJOR SHAREHOLDERS



### PRICE MOVEMENT COMPARED TO THE INDEX



### HISTORICAL VALUATION



### Main attractions:

**Business plan:** In 2023, as planned, Net revenue and PBT are expected to be VND190 trillion and VND3.2 trillion, respectively. The figures are attributed to the assumption that Sales volume may decrease by 7% this year and are much lower than our forecast (Net revenue ~VND255.1 trillion and PBT ~VND4.4 trillion). In the current situation, we consider this plan to be relatively conservative as crude oil price fluctuates in a narrow range of around 70-80 USD/barrel, thereby enabling the petroleum market to be more stable compared to 2022 and eventually facilitating the strong recovery of the profits of petroleum distributors, particularly PLX.

**The divestment from PGBank:** In April 2023, PLX completed the divestment of all remaining 40% of stake in PGBank (PGB), and is expected to obtain VND2,568 billion.

**Dividend plan:** In 2023, the company plans to pay out cash dividend at the rate of 7% on charter capital (VND700/share).

**Investment highlights:** (1) The recovery in performance could happen remarkably in 2023 as the oil prices have been stabilized when the extreme factors impacting the Supply – Demand no longer prevail.

(2) In 2023, PLX is expected to record a financial revenue of up to VND734 billion by completing divestment of the remaining 40% stake in PGBank.

(3) While the gasoline consumption per capita of Vietnam is one of the lowest in region, the automotive market is growing rapidly, and the people tend to move far away from the urban center. The trend could potentially support the petroleum consumption and, lighten PLX's outlook in the long-term

**Valuation & recommendation:** Using DCF and Multiple method, we derive the fair price of VND45,100 per share. Thus, our recommendation is BUY with a potential upside of 13%. This valuation includes the divestment from PGBank, which is expected to bring in more than VND700 billion of financial revenue for PLX.

**Investment risks:** (1) The adverse changes in government's policies; (2) The recession risks come to forefront; (3) Petrol prices fluctuate strongly due to extreme factors affecting supply or demand.

Financial Indicators	2018A	2019A	2020A	2021A	2022A	2023F
Net revenue (billion VND)	191,932	189,604	123,919	169,009	304,064	255,107
Net Profit (billion VND)	4,155	4,677	1,253	3,124	1,902	3,513
EPS (VND)	1,142	858	(909)	2,162	1,120	2,466
EPS Growth (%)	-57.64%	-24.87%	-205.94%	N/A	-48.17%	120.09%
Book Value (VND)	16,111	17,001	14,791	16,154	15,785	17,811
P/E	13.22	12.02	51.30	17.67	34.18	18.27
P/B	2.44	2.15	2.34	1.97	2.02	2.53
Cash dividend (VND)	3,000	2,600	3,000	1,200	1,200	700