

**ALMOST PRICED IN**

26/08/2024

**RECOMMENDATION** **HOLD**

Fair price	31,650
Current price	28,800
Upside/downside	9.89%

**STOCK INFORMATION**

Outstanding shares (mil)	356.0
Free float (%)	49%
Market cap. (billion VND)	10,253
3m avg. volume (shares)	3,522,072
Foreign ownership (%)	13.1%
First listing date	10/12/2007

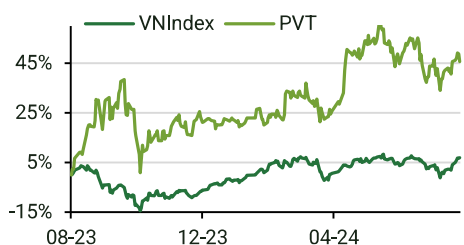
**SHAREHOLDER STRUCTURE**

PVN	51.0%
Foreign shareholders	13.1%
Others	35.9%

**KEY ATTRIBUTES**

TTM EPS (VND)	2,708
BVPS (VND)	19,745
Debt/Equity (%)	56.61%
ROA (%)	6.11%
ROE (%)	14.96%
P/E	11.62
P/B	1.46
Dividend yield (%)	0.95%

**PRICE PERFORMANCE**



**COMPANY PROFILE**

PVT operates primarily in the maritime transportation sector, offering services for the transportation of oil, chemicals, and various types of cargo. Additionally, the company is involved in leasing and managing floating warehouses and providing other auxiliary services. With a fleet comprising 51 vessels and a total deadweight tonnage exceeding 1.4 million DWT. The company commenced trading on the Exchange (HOSE) on December 10, 2007.

**ANALYST(S)**

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- In 1H24, PVT continued to maintain its growth momentum mainly thanks to 1) timely capacity increase in the context of insufficient vessel supply in the short-term 2) the sea freight rates generally remained high and slightly increased in 1H24 and 3) the expanded fleet was fully put into operation since the beginning of the year.
- Increasing geopolitical tensions worldwide (especially in the election year) is still the main factor anchoring freight rates at high levels.
- Since PVT's 1H24 growth is relatively close to PHS's forecast, we still maintain our forecasts for PVT's 2024 revenue and after-tax profit to reach VND11,627 billion (+21.7% yoy) and VND1,413 billion (15.7% yoy) respectively (equivalent to 2024F EPS of VND3,118).

**1H24 business results updates:**

- In 2Q24, PetroVietnam Transportation Corporation (PVT) recorded revenue of VND2,994 billion (+41.6% YoY) with after-tax profit reaching VND370 billion (-5.3% YoY). In 2Q24, PVT recorded an unusual other expense (VND-62.9 billion), reducing the company's pre-tax profit.
- Accumulated in 1H24, PVT earned VND5,530 billion in revenue (+33.0% YoY) and VND676 billion in profit after tax (+7.2% YoY) - respectively completing 62.8% and 88.9% of the revenue plan (VND8,800 billion, -7.9% YoY) and pre-tax profit (VND950 billion, -38.7% YoY) in 2024.
- Compared to the forecast of PHS in the report dated March 18, 2024, PVT's revenue, pre-tax profit and NPAT-MI in 1H24 were 47.6%, 47.0% and 46.9% of our 2024 forecast, respectively.

**Other comments & updates:**

**Transportation revenue**

- According to PVT, the main contributors to revenue growth in 1H24 compared to 1H23 were the petroleum/chemical transportation and bulk transportation segments with additional amount of +VND730 billion YoY and +VND276 billion YoY. Of which, the crude oil transportation segment decreased slightly by ~VND2.1 billion and LPG transportation decreased by VND86.1 billion compared to 1H23.
- In 2023, PVT purchased 7 new ships (focusing on 2H23), thereby helping to increase the long-term transportation capacity of the key segments – Oil/chemical (+62%), LPG (+57%) and Bulk (+48%) compared to 2022. However, looking at the 1H24 results, we see that only the Oil/chemical and Bulk segments recorded corresponding growth, while the LPG group has not yet shown any improvement.
- Compared to our forecast, the growths of the main transport segments are relatively as expected, although slightly lower.

**Gross Profit Margin**

- The most positive point in PVT's 1H24 business results is the gross profit margin. In 1H24, PVT recorded a gross profit margin (GPM) of 22.1% compared to 19.6% in 1H23 - and higher than our full-year 2024 forecast of 20.3%.
- In terms of quarter, 2Q24 is the quarter with the highest GPM in the past 14 years, equivalent to 23.31% compared to the most recent level of 23.18%