

Petrolimex (PLX)

Oil turbulence hit hard

- Gross profit shrank 21% under higher oil turbulence. SG&A rose 5% yoy, and NPAT accordingly downed 81% yoy.
- Sixth draft decree: price may follow market mechanism.
- 2Q25F business results will be low amid oil swings.

Facts: Oil turbulence hit hard

PLX's 1Q25 consolidated revenue declined by 10% yoy to VND67.9tn (97% of our forecast), as domestic sales volume grew 3.6% yoy to 2.7mn m³/tonne (in line with our forecast), while the average price of RON95-III dropped 11.4% yoy.

Gross profit fell 21% yoy to VND3.7tn (97% of our forecast), with gross margin narrowing to 5.5% (matching our forecast, vs 6.2% in 1Q24), amid heightened Brent volatility. Brent's coefficient of variation (CV) rose to 4.3% in 1Q25 (vs 3.7% in 1Q24).

SG&A rose 5% yoy to VND3.6tn, exceeding our expectation (112% of forecast), while net financial income reached VND128bn (+71% yoy). Coupled with a high effective tax rate of 41% (vs 21% in 1Q24), 1Q25 NPAT plunged 81% yoy to just VND211bn (only 32% of our forecast).

Pros & cons: even more pricing power for distributors

The newest (6th) draft of the petroleum decree introduces stricter legal obligations while simultaneously granting greater pricing autonomy to petroleum distributors. Notably, the retail fuel prices will be governed by **market mechanisms**: distributors can independently set and publicly announce their selling prices every Thursday. Regulatory intervention will be limited to extreme cases only, marking a shift from the 4th draft, which proposed regular ceiling prices. We view this as a positive development that empowers PLX and other distributors by offering greater flexibility to optimize profitability.

2Q25F business outcomes will be low

On April 2, President Trump announced fresh reciprocal tariffs targeting nearly all U.S. trade partners. This triggered immediate turmoil in the oil market, with Brent crude plunging 16% in just four days to as low as USD58.5/bbl, driven by fears of a global demand shock. Brent prices then rebounded to the USD65–68 range after Trump postponed the tariffs and signaled willingness to negotiate. However, from late April onward, market sentiment has remained fragile, dominated by escalating China-US tensions and OPEC's accelerated unwinding of the 2.2mb/d production cut. As a result, Brent experienced another sharp correction of ~10%, again testing the USD58.5/bbl level before stabilizing near USD61/bbl.

Such pronounced volatility is expected to significantly affect Vietnam's petroleum distributors, particularly PLX. As an upstream distributor bound by source creation quotas from the market operator and required to maintain inventories equivalent to at least 20 days of supply, PLX faces elevated risks. In 2Q25F, we anticipate material pressure on PLX's gross profit margin.

Earnings Review

9 May 2025

12M rating **BUY (Maintain)**

12M TP **VND47,300**

Up/Downside +32%

Stock Data

VNIndex (08 May, pt)	1,270
Stock price (08 May, VND)	35,700
Market cap (USD mn)	1,719
Shares outstanding (mn)	1,271
52-Week high/low (VND)	50,600/30,950
6M avg. daily turnover (USD mn)	1.79
Free float / Foreign ownership (%)	86.7/17.7
Major shareholders (%)	
CMSC	77.26
ENEOS Vietnam	13.32
Korea Investment Holdings	0.34
Fubon Securities Investment Trust	0.22

Performance

	1M	6M	12M
Absolute	7.4	(12.2)	(9.1)
Relative	(4.8)	(14.2)	(12.7)

Stock price trend



Source: Bloomberg

Action: BUY with the TP of VND47,300

We maintain a BUY rating (TP: VND47,300; +32% upside) for PLX stock for mid and long-term investment strategies, citing (1) the new Petroleum Decree, which enhances pricing power for distributors, reduces business risks, and optimizes profitability; and (2) PLX's dominant market share and robust logistics infrastructure, giving it a solid competitive edge to capture market share amid tightened regulation. The major downside risks involve further major downturns of global oil prices, causing high volatility and affect quarterly business outcomes.

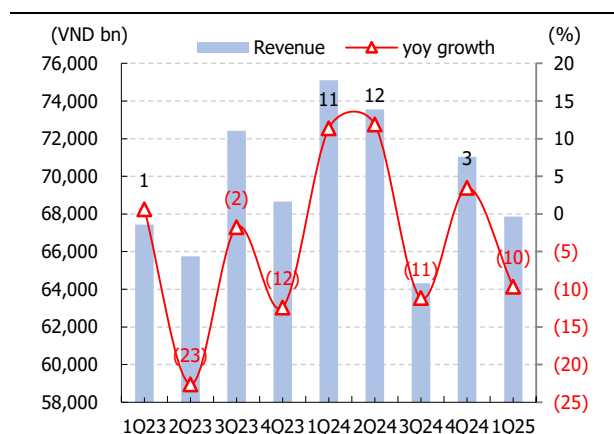
Table 1. Quarterly earnings snapshot

(VND bn, %, %p)

	1Q24	2Q24	3Q24	4Q24	1Q25	QoQ	YoY
Sales	75,106	73,559	64,324	71,038	67,861	(4.5)	(9.6)
OP	1,419	1,462	223	597	338	(43.5)	(76.2)
OP margin	1.9	2.0	0.3	0.8	0.5	(0.3)	(1.4)
PBT	1,441	1,518	241	760	358	(52.9)	(75.1)
NPAT	1,133	1,288	130	612	211	(65.6)	(81.4)

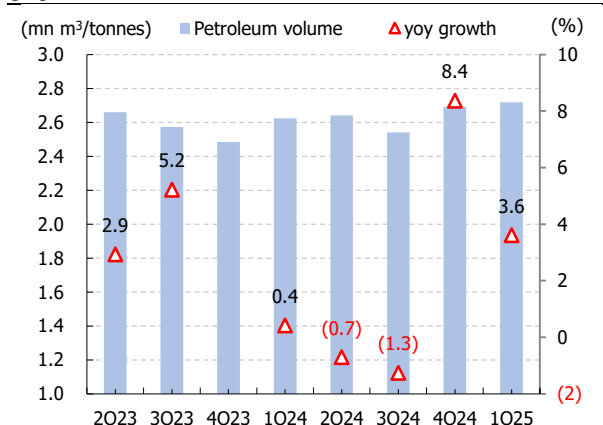
Source: Company data, KIS Research

Figure 1: 1Q25 revenue shrank 10% yoy ...



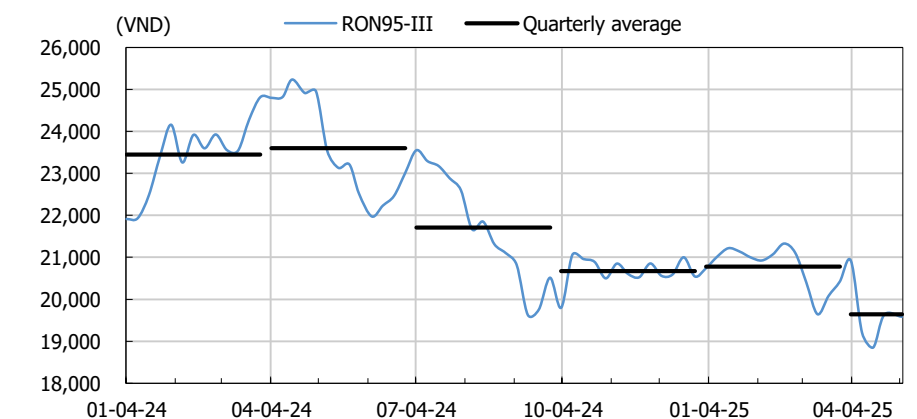
Source: FiinproX, KIS Research

Figure 2: ... as domestic selling volume rose by 3.6% yoy ...



Source: Company data, KIS Research

Figure 3: ... and RON95-III retail selling price downed by 11.4% yoy in 1Q25



Source: Company data, KIS Research

Figure 4. Brent's volatility climbed to 4.3% in 1Q25, vs 1Q24: 3.7%

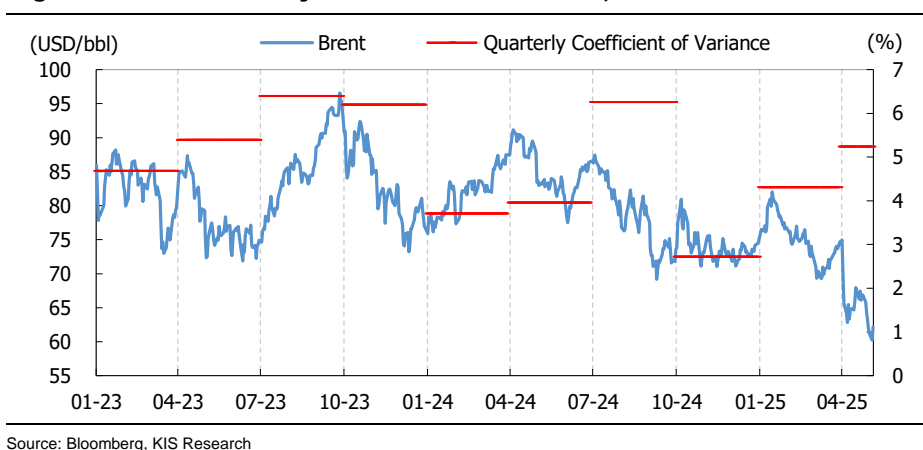


Figure 5. 1Q25 gross margin contracted to 5.5% ...

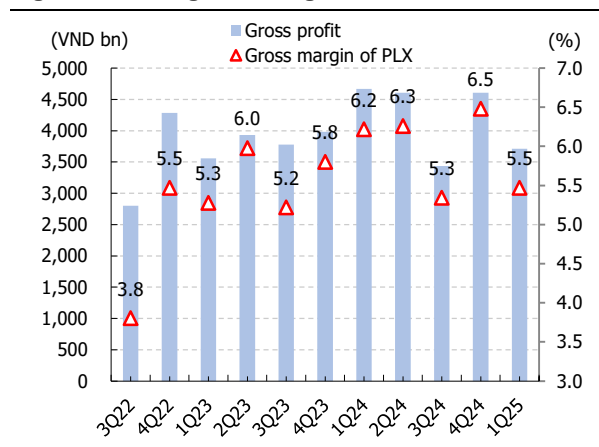


Figure 6. ... as Brent became more volatile

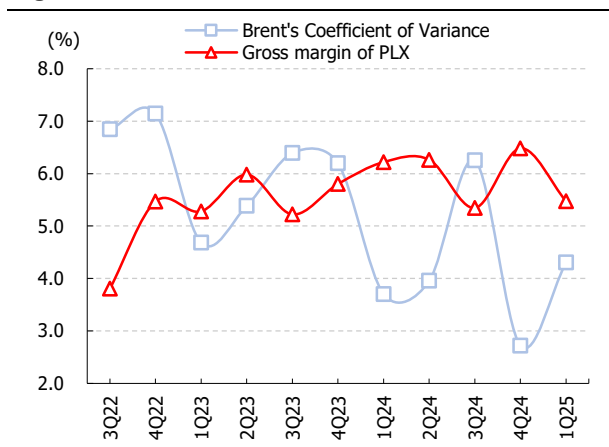


Figure 7. 1Q25 net financial gain was recorded at VND128bn, partly support earnings

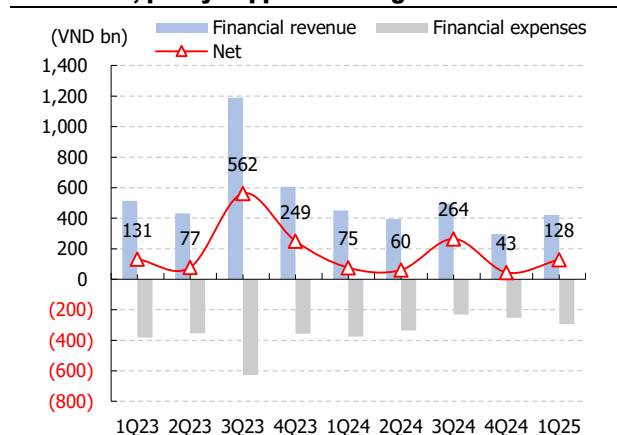


Figure 8. 1Q25 SG&A rose by 5% yoy

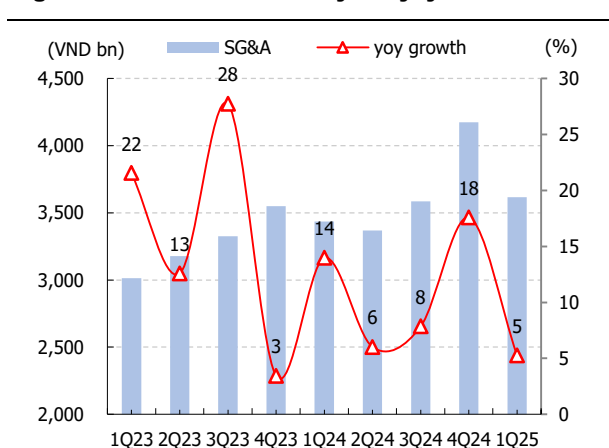
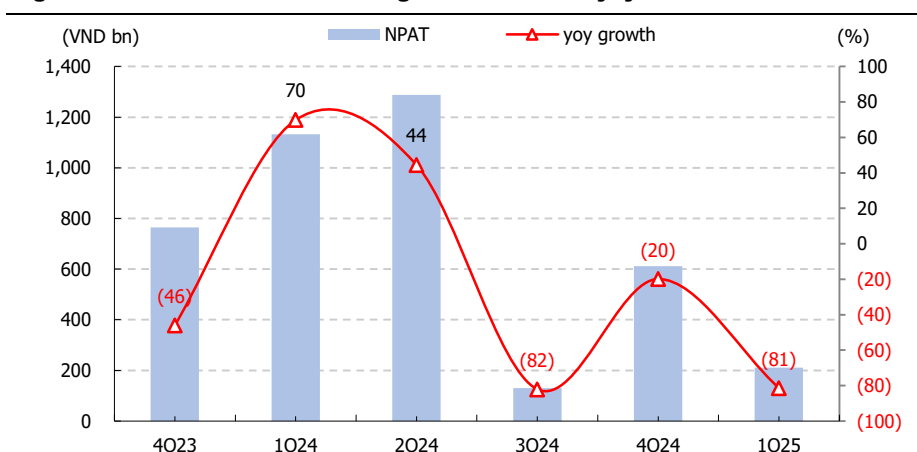


Figure 9. 1Q25 NPAT saw a strong decline of 81% yoy to VND211bn

Source: FiinproX, KIS Research

■ Company overview

Petrolimex (PLX) is a leading petroleum distributor in Vietnam, playing an important role in assuring natural energy security. PLX dominates the domestic market with 50% of market share thanks to its outstanding logistic infrastructure compared to its peers.

Balance sheet

(VND bn)

FY-ending Dec.	2023A	2024	2025F	2026F	2027F
Current assets	57,307	60,085	47,905	48,283	50,979
Cash & cash equivalents	14,048	15,062	4,964	5,043	5,454
Accounts & other receivables	10,975	12,855	11,910	12,110	13,167
Inventory	14,640	15,659	14,523	14,621	15,849
Non-current assets	43,259	45,023	42,942	43,240	45,525
Fixed assets	13,655	13,581	12,992	13,011	12,769
Investment assets	4,812	3,211	3,211	3,211	3,211
Others	3,902	4,531	4,683	4,921	5,154
Total assets	79,676	81,408	68,791	69,426	72,113
Advances from customers	287	300	280	284	307
Unearned revenue	12	11	11	11	11
Trade payables	22,157	25,384	23,644	24,022	25,980
Others	8,069	8,211	7,648	7,770	8,404
ST debt & due bonds	19,135	17,383	11,310	11,440	12,371
LT debt & bonds	647	489	330	172	14
Total liabilities	50,474	52,106	43,530	44,011	47,422
Controlling interest	25,940	26,016	27,603	30,656	33,606
Capital stock	12,939	12,939	12,939	12,939	12,939
Capital surplus	7,359	7,359	7,359	7,359	7,359
Other reserves	1,447	1,796	1,796	1,796	1,796
Retained earnings	4,195	3,921	5,509	8,562	11,512
Minority interest	3,263	3,287	3,395	3,559	3,719
Shareholders' equity	29,202	29,302	30,998	34,215	37,325

Cash flow

(VND bn)

FY-ending Dec.	2023A	2024	2025F	2026F	2027F
C/F from operations	5,274	1,995	5,000	8,109	8,272
Net profit	3,947	3,960	4,528	6,832	6,669
Dep'n & Amort'n	2,185	2,041	2,071	2,117	2,319
Net incr. in W/C	4,719	5,392	6,017	8,410	8,460
C/F from investing	(7,075)	2,872	(737)	(1,804)	(1,732)
Capex	(1,619)	(1,938)	(1,511)	(2,433)	(2,368)
Incr. in investment	(5,456)	4,810	774	629	636
C/F from financing	4,245	(3,816)	(7,525)	(1,322)	(521)
Incr. in equity	-	-	-	-	-
Incr. in debt	5,344	(1,911)	(6,073)	130	931
Dividends	(1,100)	(1,905)	(1,294)	(1,294)	(1,294)
C/F from others	(1)	(38)	-	-	-
Increase in cash	2,442	1,014	(3,262)	4,983	6,019

Income statement

(VND bn)

FY-ending Dec.	2023A	2024	2025F	2026F	2027F
Sales	273,979	284,028	264,555	268,784	290,690
COGS	258,715	266,712	247,364	249,025	269,943
Gross profit	15,264	17,315	17,192	19,758	20,746
SG&A expenses	13,089	14,568	13,757	13,977	15,116
Operating profit	2,175	2,748	3,435	5,782	5,631
Financial income	2,743	1,635	1,377	1,232	1,239
Interest income	1,173	987	729	584	591
Financial expenses	1,723	1,193	1,095	993	1,011
Interest expenses	899	569	492	390	408
Other non-operating profit	129	259	300	300	300
Gains (Losses) in associates, subsidiaries and JV	624	511	511	511	511
Earnings before tax	3,947	3,960	4,528	6,832	6,669
Income taxes	870	797	906	1,366	1,334
Net profit	3,077	3,163	3,622	5,465	5,335
Net profit of controlling interest	2,834	2,890	3,514	5,301	5,175
EBITDA	7,031	6,570	7,091	9,338	9,396

Key financial data

FY-ending Dec.	2023A	2024	2025F	2026F	2027F
Per-share data (VND, adj.)					
EPS	2,190	2,234	2,716	4,097	4,000
BPS	20,048	20,107	21,333	23,693	25,973
DPS	-	-	1,000	1,000	1,000
Growth (%)					
Sales growth	(9.9)	3.7	(6.9)	1.6	8.2
OP growth	118.2	26.3	25.0	68.3	(2.6)
NP growth	61.8	2.8	14.5	50.9	(2.4)
EPS growth	95.5	2.0	21.6	50.9	(2.4)
EBITDA growth	118.2	26.3	25.0	68.3	(2.6)
Profitability (%)					
OP margin	0.8	1.0	1.3	2.2	1.9
NP margin	1.1	1.1	1.4	2.0	1.8
EBITDA margin	0.8	1.0	1.3	2.2	1.9
ROA	4.0	3.9	4.8	7.9	7.5
ROE	11.2	11.1	13.1	18.2	16.1
Dividend yield	2.1	4.6	3.1	3.1	3.1
Dividend payout ratio	29	61	36	24	24
Stability					
Net debt (VND bn)	5,734	2,809	6,677	6,570	6,932
Net debt/equity (%)	20	10	22	19	19
Valuation (x)					
PE	14.2	13.4	11.7	7.7	7.9
PB	1.7	1.6	1.5	1.4	1.3
EV/EBITDA	17.1	17.9	14.3	8.5	8.7

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