

CNG Vietnam (CNG)

Aggressive expansion strategy

- 2Q25 volume and revenue upped 36% and 30% yoy
- 2Q25 NPAT reached VND37bn, -17% yoy
- Selling expenses surged on aggressive market expansion

Facts: sales expansion was better than expected

Sales volume touched 84.4mn Sm³ (+33% qoq, +36% yoy), fulfilling 107% of KIS's forecast. Revenue accordingly hit VND1,095bn (+29% qoq, +30% yoy), fulfilling 98% of forecast. Average selling price (VND/Sm³) edged down 4.4% yoy, as Brent and FO prices averaged lower than the last year's high base.

Gross profit margin (GPM) landed at 9.92% (+3.92%p qoq, -0.92%p yoy), higher than our expectation of 7.3%. Gross profit stood at VND108.7bn (+113% qoq, +19% yoy), exceeding our forecast by 34% as input gas price was cheaper than expected.

SG&A surged 77% yoy, to VND63bn (131% of KIS forecast) and dragged NPAT down to VND37bn (-17% yoy, 144% of KIS forecast) as the company continued to extend its customer base.

Pros & cons: robust top-line growth to come but pressures from selling expenses loom

Volume growth is expected in 2H25 as the growth momentum remained strong after it surpassed the trough from 3Q24, thanks to (1) higher gas demand from construction material producers, (2) Northern natural gas supply recovered after the well perforation in Tien Hai – Thai Binh gas system, which will partly resolve the gas shortage issue in this region, and (3) a sound US tariff deal is set improve productions as foreign orders recover when buyer's sentiments improve.

Higher selling expenses: CNG is currently pursuing an aggressive market expansion strategy to stay ahead of the curve, amid a future where more abundant LNG supply could attract increased competition. As a result, we expect rising selling expenses in upcoming periods, which poses short-term pressure for CNG's bottom line.

Action: HOLD

We maintain a **HOLD** rating for CNG stock as pressures on NPAT growth loom in upcoming periods.

Earnings Review

21 Jul 2025

12M rating **HOLD (Maintain)**

12M TP **N/A**

Up/Downside **N/A**

Stock Data

VNIndex (21 Jul, pt)	1,484
Stock price (21 Jul, VND)	29,000
Market cap (USD mn)	39
Shares outstanding (mn)	35
52-Week high/low (VND)	37,894/26,000
6M avg. daily turnover (USD mn)	0.14
Free float / Foreign ownership (%)	44/2.1
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Performance

	1M	6M	12M
Absolute	(0.3)	(6.5)	(17.3)
Relative	(10.5)	(26.6)	(36.7)

Stock price trend



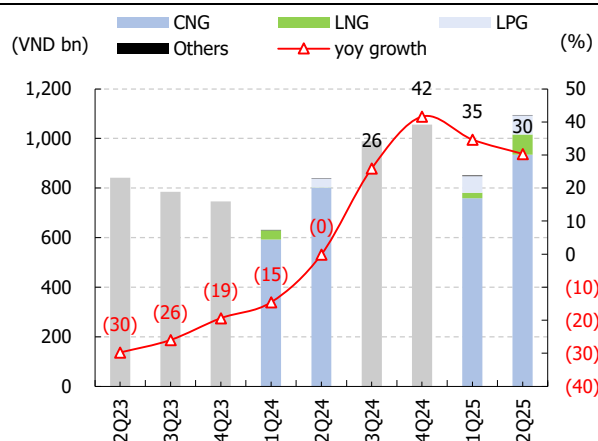
Source: Bloomberg

Table 1. Quarterly earning snapshot

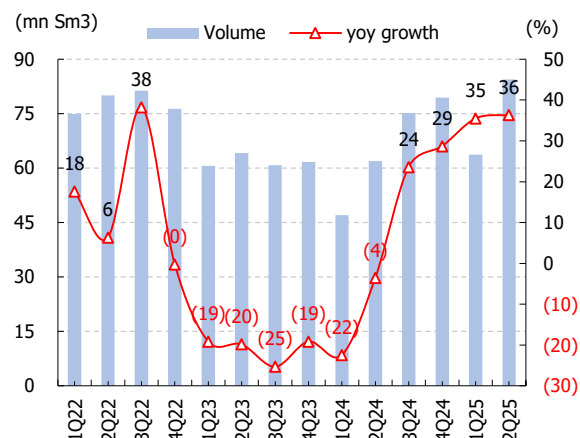
(VND bn, %, %p)

	2Q24	3Q24	4Q24	1Q25	2Q25	QoQ	YoY
Sales	840	989	1,056	850	1,095	28.8	30.3
OP	55.3	34	22	2	45.3	2,264	(18.2)
OP margin	6.6	3.5	2.1	0.2	4.1	3.9	(2.5)
PBT	56	35	22	2	47	2,334	(16.1)
NPAT	45	27	17	1	37	2,670	(16.7)

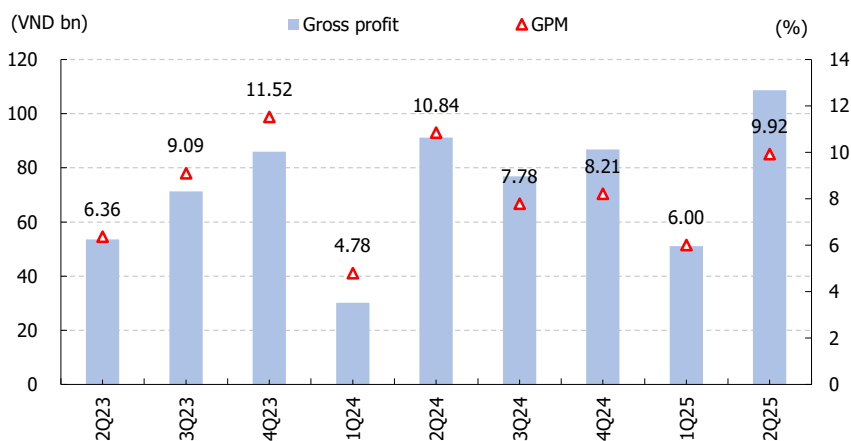
Source: Company data, KIS Research

Figure 1. Revenue grew by 30% yoy ...

Source: Company data, KIS Research

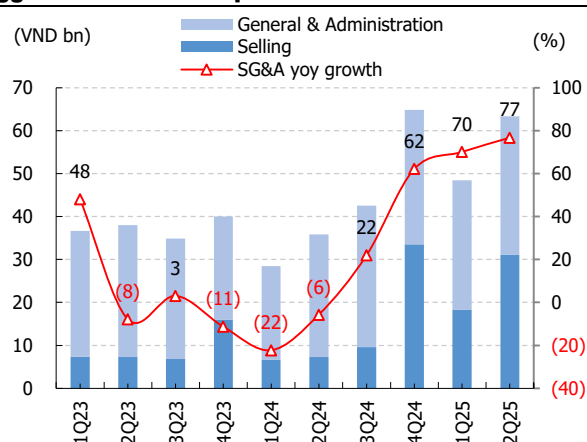
Figure 2. ... as volume upped by 35% yoy

Source: Company data, KIS Research

Figure 3. 2Q25 GPM held high at 9.92%, beating our expectation thanks to lower input price

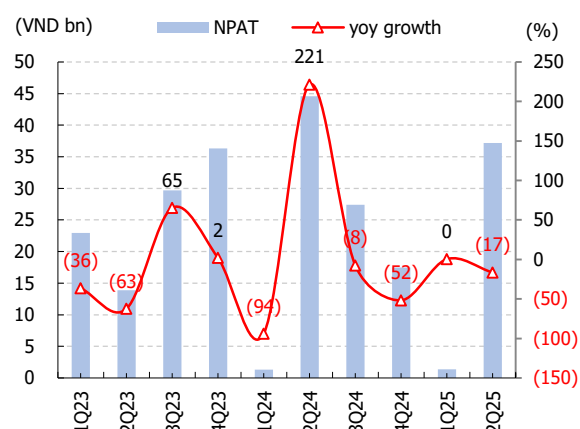
Source: Company data, KIS Research.

Figure 4. Selling expenses surged on company's aggressive market expansion orientation



Source: Company data, KIS Research

Figure 5. NPAT dropped 17% yoy, due to SG&A pressures



Source: Company data, KIS Research

■ Company overview

CNG Vietnam (CNG), a subsidiary of PV GAS (GAS), is a leading firm in distributing compressed natural gas with roughly 70% of CNG market share. The company has been listed as one of PV GAS's LNG providers, and is the pioneer in developing the LNG value chain.

Balance sheet

(VND bn)

FY-ending Dec.	2023A	2024A	2025F	2026F	2027F
Current assets	961	1,126	1,345	1,436	1,528
Cash & cash equivalents	317	341	381	408	434
Accounts & other receivables	474	639	811	867	925
Inventory	74	68	91	98	105
Non-current assets (Adj.)	644	785	964	1,029	1,094
Fixed assets	160	210	199	206	203
Investment assets	-	-	-	-	-
Others	37	29	39	40	40
Total assets	1,159	1,365	1,583	1,682	1,771
Advances from customers	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Trade payables	447	627	600	643	685
Others	60	65	81	86	92
ST debt & due bonds	23	26	29	30	31
LT debt & bonds	25	17	10	10	10
Total liabilities	556	735	722	771	820
Controlling interest	603	631	705	768	834
Capital stock	351	351	351	351	351
Capital surplus	2	2	2	2	2
Other reserves	122	155	122	122	122
Retained earnings	128	123	230	294	360
Minority interest	-	-	-	-	-
Shareholders' equity	603	631	705	768	834

Cash flow

(VND bn)

FY-ending Dec.	2023A	2024A	2025F	2026F	2027F
C/F from operations	48	128	101	140	154
Net profit	138	114	155	163	167
Dep'n & Amort'n	76	46	47	57	68
Net incr. in W/C	199	33	199	216	231
C/F from investing	(35)	(58)	(56)	(58)	(60)
Capex	(55)	(89)	(61)	(63)	(65)
Incr. in investment	20	31	5	5	5
C/F from financing	(76)	(47)	(41)	(41)	(41)
Incr. in equity	-	-	-	-	-
Incr. in debt	(23)	(24)	4	1	1
Dividends	(54)	(42)	(42)	(42)	(42)
C/F from others	0	-	-	-	-
Increase in cash	(63)	23	3	41	53

Income statement

(VND bn)

FY-ending Dec.	2023A	2024A	2025F	2026F	2027F
Sales	3,112	3,517	4,184	4,478	4,774
COGS	2,847	3,232	3,878	4,159	4,444
Gross profit	265	285	306	319	330
SG&A expenses	148	172	154	160	167
Operating profit	117	113	152	159	163
Financial income	11	4	5	5	5
Interest income	11	4	5	5	5
Financial expenses	5	4	1	1	1
Interest expenses	5	3	1	1	1
Other non-operating profit	16	-	-	-	-
Gains (Losses) in associates, subsidiaries and JV	-	-	-	-	-
Earnings before tax	138	114	155	163	167
Income taxes	28	22	31	33	33
Net profit	110	91	124	130	134
Net profit of controlling interest	110	91	124	130	134
EBITDA	219	164	203	221	236

Key financial data

FY-ending Dec.	2023A	2024A	2025F	2026F	2027F
Per-share data (VND, adj.)					
EPS	3,142	2,593	3,544	3,710	3,809
BPS	17,169	17,977	20,076	21,881	23,766
DPS	-	1,200	1,200	1,200	1,200
Growth (%)					
Sales growth	(25.6)	13.0	20.8	7.0	6.6
OP growth	(22.2)	(3.4)	18.4	4.3	2.5
NP growth	(6.2)	(17.3)	18.4	4.7	2.6
EPS growth	(6.2)	(17.5)	18.4	4.7	2.6
EBITDA growth	(22.2)	(25.1)	18.4	4.3	2.5
Profitability (%)					
OP margin	3.8	3.2	3.6	3.5	3.4
NP margin	3.5	2.6	3.0	2.9	2.8
EBITDA margin	3.8	4.7	3.6	3.5	3.4
ROA	9.1	7.2	8.5	8.0	7.7
ROE	18.8	14.7	18.4	17.7	16.7
Dividend yield	2.6	3.4	3.4	3.4	3.4
Dividend payout ratio	29.4	46.3	33.9	32.3	31.5
Stability					
Net debt (VND bn)	(269)	(298)	(342)	(368)	(394)
Net debt/equity (%)	(45)	(47)	(49)	(48)	(47)
Valuation (x)					
PE	11.3	12.0	10.0	9.6	9.3
PB	2.1	1.7	1.8	1.6	1.5
EV/EBITDA	5.3	6.6	4.1	3.9	3.8

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