

Petrolimex (PLX)

Foreign trading saved the day

- 2Q25 gross profit surprisingly upped 5% despite oil turbulence
- Expecting the new petroleum decree to be finalized in 2H25
- Maintain BUY rating with the target price of VND47,300

Facts: Foreign trading gains offset the negative effect of oil turbulence on the domestic business

PLX's 2Q25 consolidated revenue grew 5% yoy to VND77.1tn (119% of our forecast). We estimate the PLX's domestic revenue may have contracted in 2Q25 due to (1) domestic sales volume grew by 8.4% yoy to 2.86mn m³/tonne, which cannot offset (2) the 12% yoy drop in average price of RON95-III. However, we believe that PLX's domestic volume growth outpacing the market indicates a strengthening competitive position, reflecting effective market share gains from smaller peers, in line with our previous expectations. We attribute the growing revenue to growing trading activities in the global market, which was likely done via an offshore subsidiary: PLX Singapore.

Gross profit surprisingly grew 11% yoy to VND5.1tn (156% of our forecast), with gross margin expanding to 6.7% (vs 6.3% in 1Q24, vs our expectation of only 5.1%), despite oil turmoil in the period. In 2Q25, Brent coefficient of variance (CV) hit 6%, the oil market underwent 2 major swings: (i) the 2-8 April plunge under Trump's first reciprocal tariff announcement and (ii) the 11-24 June swing under the short-live war between Iran and Israel. We attribute the higher-than-expected gross earnings to positive trading gains of PLX Singapore that offset the negative effects of oil turbulence on the domestic business.

SG&A rose 12% yoy to VND3.8tn (112% of forecast), while net financial income reached VND114bn (+90% yoy). Coupled with a low effective tax rate of 16% (vs 1Q25: 41% and 2Q24: 15%), 2Q25 NPAT grew 6% yoy, to VND1.37tn.

Pros & cons: waiting for the policy breakthrough

As we previously reported, the newest (6th) draft of the petroleum decree introduced stricter legal obligations while simultaneously granting greater pricing autonomy to petroleum distributors, promoting **market mechanism**. Industry's participants are expecting the 6th draft to be the final draft document and a new official decree could be introduced in 2H25. We upheld a similar expectation.

Action: BUY with the TP of VND47,300

We maintain a BUY rating (TP: VND47,300; +26% 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. In the short term, we believe the prospects of earnings and stock price trend will largely hinge on the approval of the new petroleum decree, which we expect to be finalized in 2H25.

Earnings Review

7 Aug 2025

12M rating **BUY (Maintain)**

12M TP **VND47,300**

Up/Downside +26%

Stock Data

VNIndex (06 Aug, pt)	1,574
Stock price (06 Aug, VND)	37,450
Market cap (USD mn)	1,814
Shares outstanding (mn)	1,271
52-Week high/low (VND)	48,959/29,947
6M avg. daily turnover (USD mn)	2.60
Free float / Foreign ownership (%)	86.7/16.9
Major shareholders (%)	
CMSC	77.26
ENEOS Vietnam	13.32

Performance

	1M	6M	12M
Absolute	0.5	(3.0)	(17.6)
Relative	(13.0)	(27.9)	(50.0)

Stock price trend



Source: Bloomberg

Research Dept

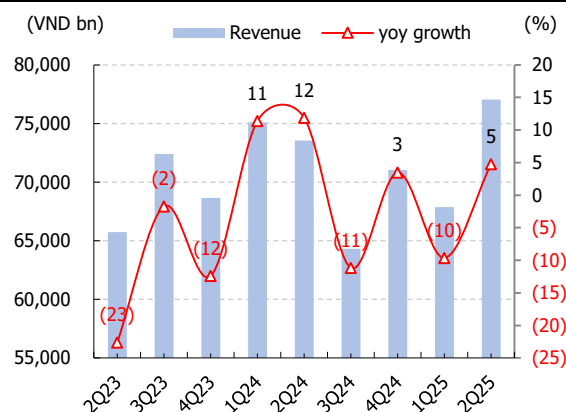
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Table 1. Quarterly earnings snapshot

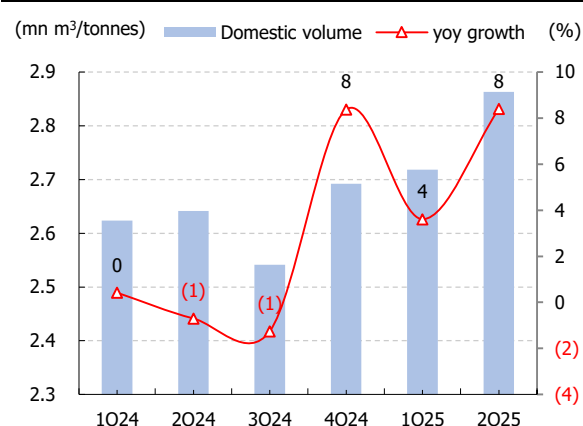
(VND bn, %, %p)

	2Q24	3Q24	4Q24	1Q25	2Q25	QoQ	YoY
Sales	73,559	64,324	71,038	67,861	77,054	13.5	4.8
OP	1,237	-150	428	95	1,365	1335.6	10.4
OP margin	1.7	-0.2	0.6	0.1	1.8	1.6	0.1
PBT	1,518	241	760	358	1,638	357.0	7.9
NPAT	1,288	130	612	211	1,368	549.2	6.3

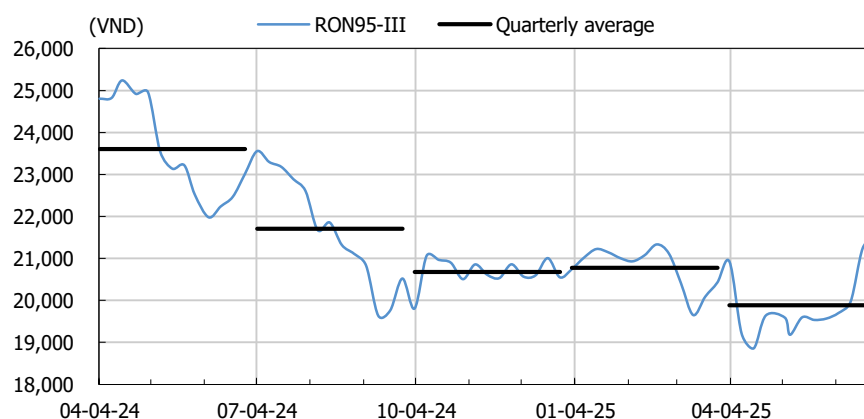
Source: Company data, KIS Research

Figure 1: 2Q25 revenue upped 5% yoy ...


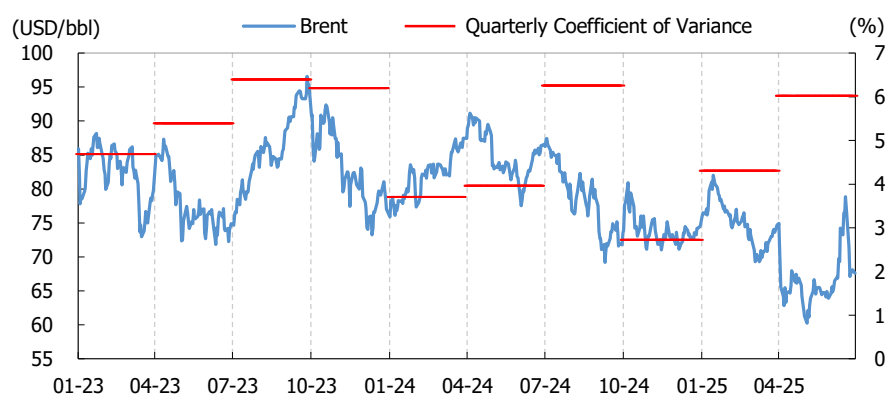
Source: FiinproX, KIS Research

Figure 2: ... despite volume upped 8.4% yoy ...


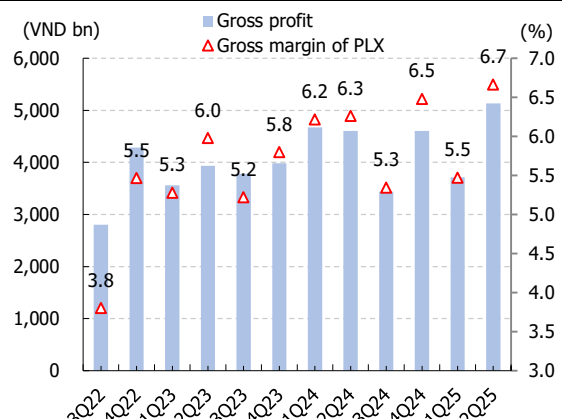
Source: Company data, KIS Research

Figure 3: ... and RON95-III retail selling price dropped by 12% yoy in 2Q25


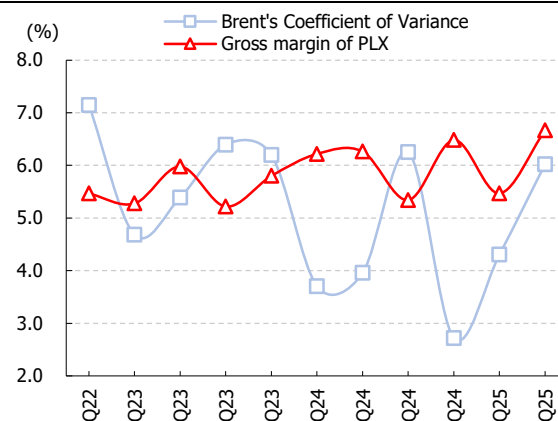
Source: Company data, KIS Research

Figure 4: Brent's volatility climbed to 6.02% in 2Q25, vs 2Q24: 3.96%


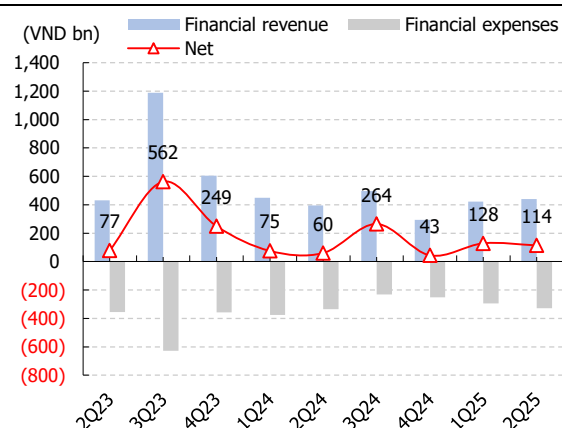
Source: Bloomberg, KIS Research

Figure 5. 2Q25 gross profit surprisingly upped 11%, with expanded GPM...


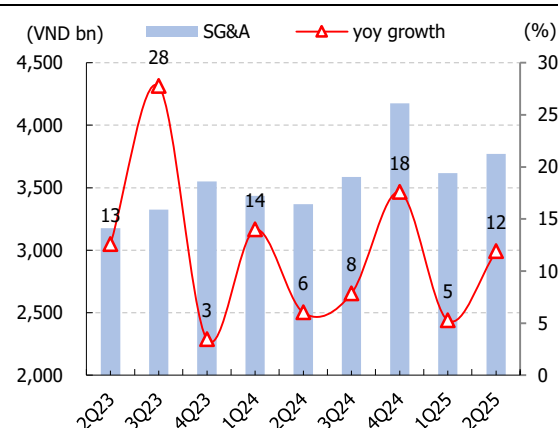
Source: FiinproX, KIS Research

Figure 6. ... eventhough Brent became more volatile


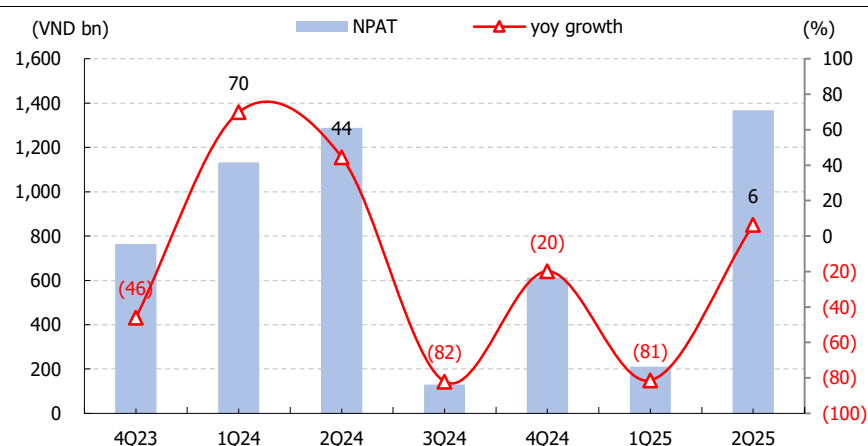
Source: KIS Research

Figure 7. Net financial gain was at +VND114bn


Source: FiinproX, KIS Research

Figure 8. 2Q25 SG&A rose by 12% yoy


Source: FiinproX, KIS Research

Figure 9. 2Q25 NPAT improved 6% yoy


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.

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