true friend KIS Viet Nam Securities Corporation

Earnings Review

27 Oct 2025

CNG Vietnam (CNG)

Sacrificing profit for market expansion

- 3Q25 volume and revenue upped 22% and 18% yoy
- 3Q25 NPAT reached VND26bn, -4% yoy
- Selling expenses surged on aggressive market expansion

Facts: top-line growth met expectations

3Q25 volume touched a record high of 91mn Sm³ (+8% qoq, +22% yoy), fulfilling 93% of KIS's forecast. Revenue accordingly hit VND1,166bn (+6% qoq, +18% yoy), fulfilling 89% of forecast. Average selling price (VND/Sm³) edged down 3% yoy, as Brent and FO prices averaged lower than the last year's high base.

Gross profit margin (GPM) landed at 8.7% (-1.2%p qoq, +0.9%p yoy), higher than our expectation of 7.3% thanks to lower than expected input gas price. Gross profit stood at VND101.5bn (-7% qoq, +32% yoy), fulfilling 106% of KIS's forecast.

SG&A surged 63% yoy, to VND69bn (91% KIS forecast), of which selling expenses surged 305% yoy to VND39bn as the company continued to extend its customer base. This dragged NPAT down to VND26bn (-4% yoy).

Pros & cons: sacrificing profit for market expansion

Higher selling expenses: As noticed in the 2025 AGM, 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 on CNG's NPAT.

We expect double-digit volume growth in 4Q25F and following quarters, mainly driven by *(1)* aggressive spending on market expansion bolstered by LNG/LPG volume and *(2)* Northern natural gas supply for CNG production recovered after the well perforation in Tien Hai – Thai Binh gas system, which will partly resolve the gas shortage issue in this region.

Action: HOLD

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

Table 1. Quarterly earning snapshot (VND bn, %, %p)

	3Q24	4Q24	1Q25	2Q25	3Q25	QoQ	YoY
Sales	989	1,056	850	1,095	1,166	6.5	17.9
OP	34.5	22	2	45	32	(29)	(7.0)
OP margin	3.5	2.1	0.2	4.1	2.8	(1.4)	(0.7)
PBT	35	22	2	47	32	(31)	(7.1)
NPAT	27	17	1	37	26	(29)	(4.2)

Source: Company data, KIS Research

12M rating	**HOLD (Maintain)**
12M TP	**N/A**
Up/Downside	*N/A*

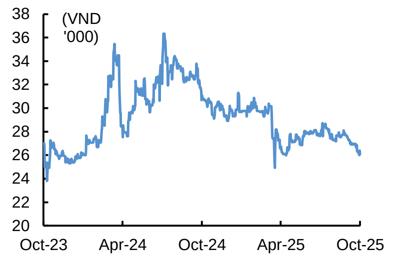
Stock Data

VNIndex (23 Oct, pt)	1,687
Stock price (23 Oct, VND)	26,100
Market cap (USD mn)	35
Shares outstanding (mn)	35
52-Week high/low (VND)	31,306/24,930
6M avg. daily turnover (USD mn)	0.07
Free float / Foreign ownership (%)	44/1.7
Major shareholders (%)	
PV GAS	56.00
America LLC	4.80

Performance

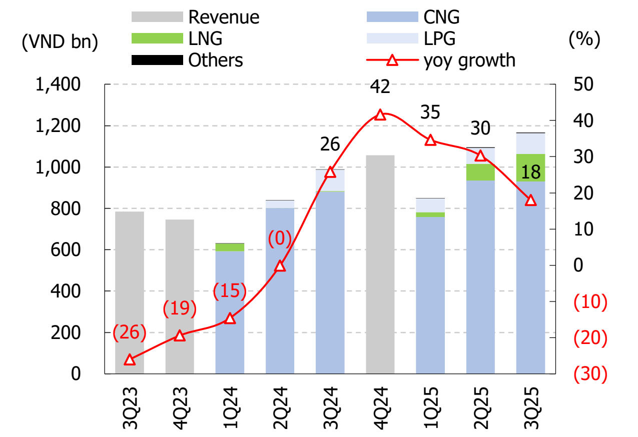
	1M	6M	12M
Absolute	(5.4)	(1.7)	(15.2)
Relative	(9.0)	(41.2)	(51.4)

Stock price trend



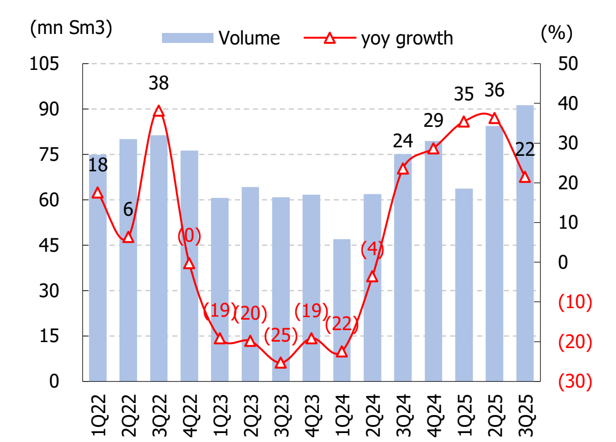
Source: Bloomberg

Figure 1. Revenue grew by 18% yoy ...



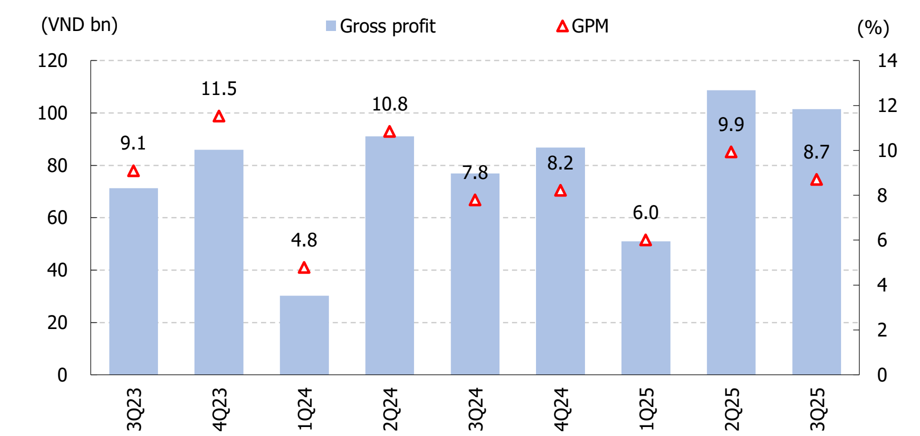
Source: Company data, KIS Research

Figure 2. ... as volume upped by 22% yoy



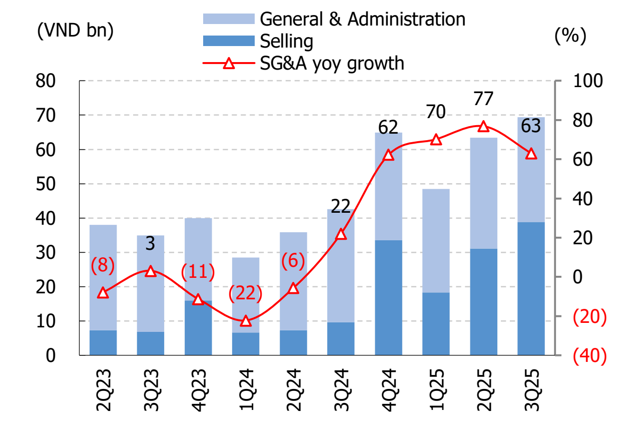
Source: Company data, KIS Research

Figure 3. 3Q25 GPM was at a decent 8.7%, higher than our expectation thanks to lower input price



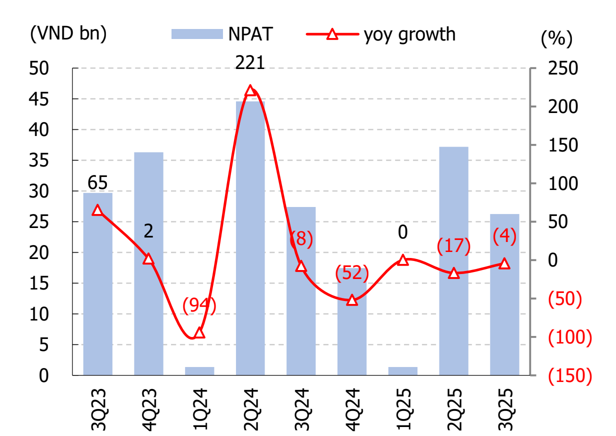
Source: Company data, KIS Research.

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



Source: Company data, KIS Research

Figure 5. NPAT dropped 4% 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	907	1,118	1,395
Cash & cash equivalents	317	341	52	65	82
Accounts & other receivables	474	639	698	870	1,094
Inventory	74	68	70	88	112
Non-current assets (Adj.)	644	785	854	1,053	1,313
Fixed assets	160	210	206	192	167
Investment assets	-	-	-	-	-
Others	37	30	32	33	36
Total assets	1,159	1,366	1,144	1,343	1,597
Advances from customers	-	0	0	0	0
Unearned revenue	-	-	-	-	-
Trade payables	447	627	760	883	1,120
Others	60	62	81	101	127
ST debt & due bonds	23	26	28	35	44
LT debt & bonds	25	18	15	12	9
Total liabilities	556	735	888	1,035	1,305
Controlling interest	603	631	608	594	584
Capital stock	351	351	351	351	351
Capital surplus	2	2	2	2	2
Other reserves	122	155	155	155	155
Retained earnings	128	124	101	86	76
Minority interest	-	-	-	-	-
Shareholders' equity	603	631	608	594	584

Income statement
(VND bn)

FY-ending Dec.	2023A	2024A	2025F	2026F	2027F
Sales	3,112	3,517	4,630	5,772	7,261
COGS	2,847	3,233	4,267	5,355	6,788
Gross profit	265	284	362	417	473
SG&A expenses	148	171	267	305	353
Operating profit	117	113	95	111	120
Financial income	11	4	1	1	1
Interest income	11	4	1	1	1
Financial expenses	5	4	3	3	3
Interest expenses	5	3	3	3	3
Other non-operating profit	16	0	0	0	0
Gains (Losses) in associates, subsidiaries and JV	-	-	-	-	-
Earnings before tax	138	114	93	110	118
Income taxes	28	23	19	22	24
Net profit	110	91	75	88	94
Net profit of controlling interest	110	91	75	88	94
EBITDA	220	163	153	180	198

Cash flow
(VND bn)

FY-ending Dec.	2023A	2024A	2025F	2026F	2027F
C/F from operations	48	107	185	64	137
Net profit	138	114	93	110	118
Dep'n & Amort'n	76	46	56	67	77
Net incr. in W/C	199	161	152	178	197
C/F from investing	(35)	(37)	(51)	(51)	(51)
Capex	(55)	(67)	(52)	(52)	(52)
Incr. in investment	20	31	1	1	1
C/F from financing	(76)	(47)	(71)	(67)	(64)
Incr. in equity	-	-	-	-	-
Incr. in debt	-	-	3	7	9
Dividends	(54)	(42)	(70)	(70)	(70)
C/F from others	0	-	-	-	-
Increase in cash	(63)	23	63	(53)	22

Key financial data

FY-ending Dec.	2023A	2024	2025F	2026F	2027F
Per-share data (VND, adj.)					
EPS	2,543	2,005	1,353	1,591	1,708
BPS	17,169	17,976	17,329	16,920	16,627
DPS	1,538	1,200	2,000	2,000	2,000
Growth (%)					
Sales growth	(25.6)	13.0	31.6	24.7	25.8
OP growth	(22.2)	(3.1)	(15.9)	17.1	7.3
NP growth	(6.2)	(17.5)	(17.9)	17.6	7.4
EPS growth	(6.2)	(17.5)	(17.9)	17.6	7.4
EBITDA growth	(22.2)	(3.1)	(15.9)	17.1	7.3
Profitability (%)					
OP margin	3.8	3.2	2.1	1.9	1.6
NP margin	3.5	2.6	1.6	1.5	1.3
EBITDA margin	3.8	3.2	2.1	1.9	1.6
ROA	9.1	7.2	6.0	7.1	6.4
ROE	18.8	14.8	12.1	14.6	16.0
Dividend yield	5.6	3.9	7.6	7.6	7.6
Dividend payout ratio	132	66	46	49	46
Stability					
Net debt (VND bn)	(269)	(297)	(9)	(19)	(30)
Net debt/equity (%)	(45)	(47)	(2)	(3)	(5)
Valuation (x)					
PE	6.4	11.1	12.4	10.5	9.8
PB	1.2	1.3	1.5	1.6	1.6
EV/EBITDA	5.2	6.5	6.1	5.2	4.8

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