

PVTrans JSC.

08/23/2021

Ticker	PVT
RATING	BUY
Current price (VND)	20,000
Target price (VND)	25,612
Upside	28.1%

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COMPANY INFORMATION

Industry	Industrial Transportation
Stock Exchange	HOSE

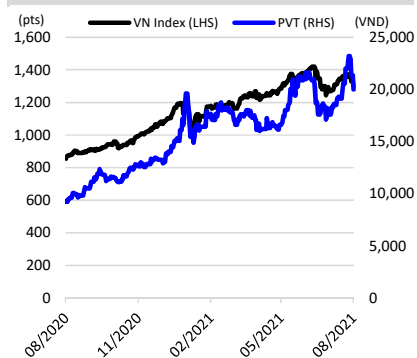
STOCK TRADING DATA

VN INDEX	1,299
Market Cap. (bn VND)	6,473
Outstanding Shares (1mn)	324
Free Floating Shares (1mn)	142
52-week High (VND)	23,800
52-week Low (VND)	9,478
Avg. Trading Volume (mn)	4.6
Avg. Reading T/O (bn VND)	105

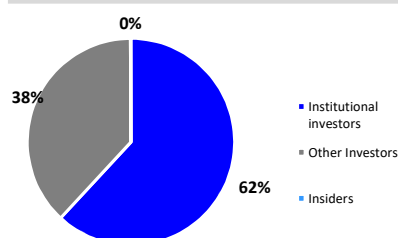
PVT's PERFORMANCE VS VN INDEX

(%)	3M	6M	12M
Absolute	20.5	13.3	111.0
Relative	19.3	3.0	59.1

STOCK PRICE PERFORMANCE



SHAREHOLDER STRUCTURE



INVESTMENT THESIS

1)Core business: Transportation of Oil&Gas products

2)Business position:

- Exclusively transporting crude oil for Dung Quat oil refinery, holding 30% market share of finished oil transportation and 100% market share of domestic LPG transportation, and also leasing crude oil/chemical tankers to the international market.

- Partners: PetroVietnam

3)Investment catalyst:

- Crude oil transportation is expected to bring stable revenue for PVT, thanks to the exclusive right to transport crude oil to Binh Son refinery, as well as accounting for 25% of crude oil transportation volume for Nghi Son refinery. At the same time, the company plans to invest in: 1) An Aframax crude oil tanker (in 2021) to serve international routes, thereby increasing PVT's exploitation capacity by 20%; 2) A VLCC tanker (expected to be completed in 2022) - instead of leasing from SK Shipping - to serve the crude oil transportation at Nghi Son refinery and thereby improving the company's gross profit margin; 3) Liquidation of PVT Athena tanker in 2021 with a profit of VND200 bn.

- Finished oil/chemicals transportation: The company maintains the strategy of buying more chemical ships to serve the demand from the international market (mainly from Japan) and takes advantage of low-labor-costs compared with competitors, thereby targeting 40-50% of the fleet to serve chemical transportation in the next 5 years. We expect that in the period of 2021-2022, PVT will invest 2 new chemical vessels per year, thereby increasing the exploitation capacity by 20%/year

- LPG transportation: Thanks to the advantage of being a subsidiary of PetroVietnam, PVT currently holds the largest market share for LPG transportation by sea to serve domestic demand (forecasted LPG demand is stable with 2021-2025 CAGR of 7%). In 2021, the company buys 1 VLGC vessel for international routes, and we expect that in 2022 the company will buy another VLGC vessel, thereby increasing the operating capacity by 25%/year.

4)Risk:

- Revenue from crude oil transportation mainly depends on the operation of Dung Quat refinery; if factory output fell (by conducting maintenance, experiencing problems to cease operations or social distancing policies) will negatively affect revenue and profitability of PVT

- The company's asset investment needs are relatively large (VND2,000 bn/year) and 50% of the amount is financed by loans, the high debt ratio will increase interest expense and negatively affect their financial structure

5) Outlook for 2021-2022

We forecast the company's business results in 2021-2022 period, with revenue of VND8,440 bn (+14% YoY) and VND9,293 bn (+10%YoY), respectively. The company's gross profit is VND1,302 bn (+17% YoY) and VND1,457 bn (+12%YoY); the net profit is VND888 bn (+33% YoY) and VND793 bn (-11%YoY), equivalent to 2021 EPS of VND2,608/share and 2022 EPS of VND2,328/share. With target P/E ratio of 11, PVT's target price for 2022 is VND25,600/share (upside + 28%).

FINANCIAL INFORMATION

	2017	2018	2019	2020	2021F
Sales (bn VND)	6,148	7,523	7,758	7,383	8,440
OP (bn VND)	603	802	928	854	1,003
Operating profit margin	9.8	10.7	12.0	11.6	11.9
NP(1bn VND)	451	583	688	664	888
Net profit margin	7.3	7.8	8.9	9.0	10.5
BPS(VND)	11,393	12,429	13,537	15,096	14,596
PER(x)	13.1	7.2	7.2	7.2	7.7
PBR(x)	1.4	1.1	1.1	0.9	1.4
ROE(%)	11.2	14.1	15.5	13.5	12.4
EPS (VND)	1,252	1,685	2,012	1,927	2,608

(*) Database information provided by Bloomberg

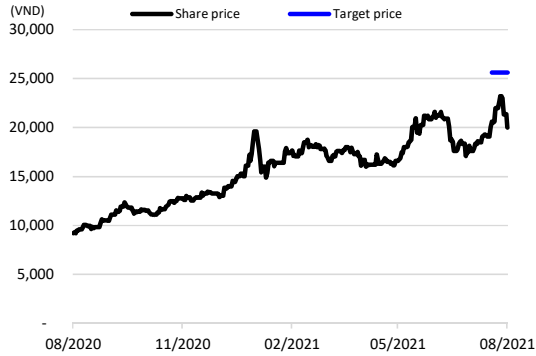
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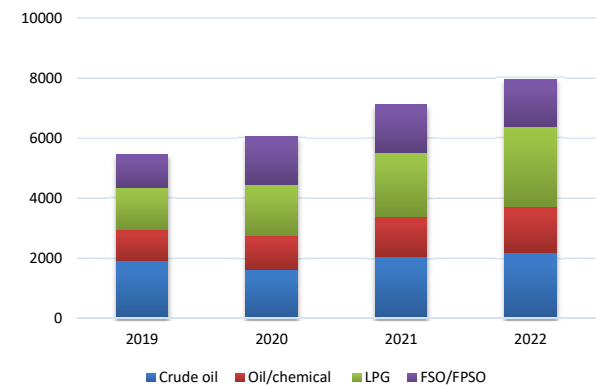


Before you invest, ask us!

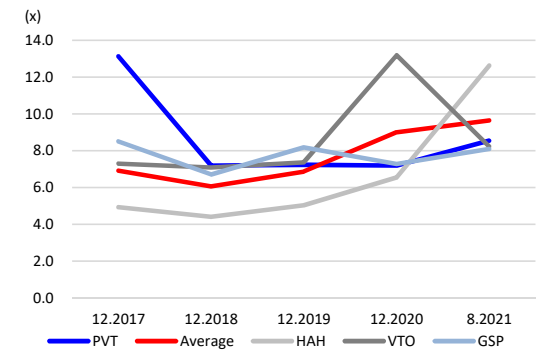
Recommendation History



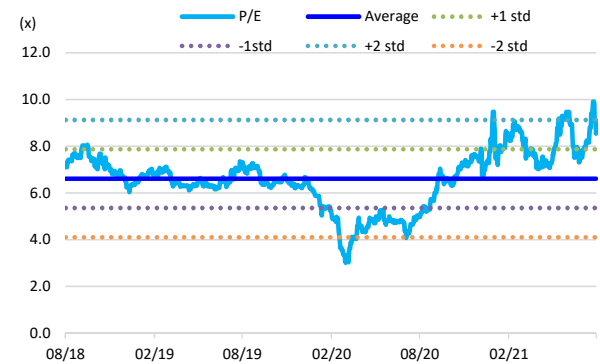
Revenue from core business (bnVND)



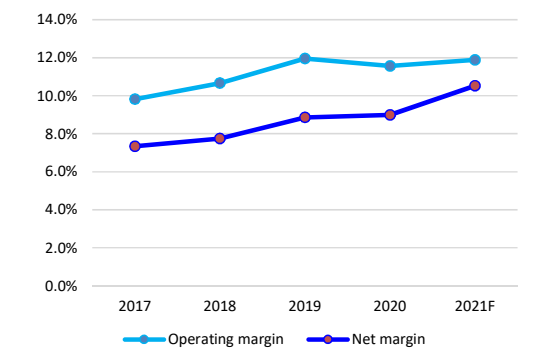
Relative valuation peers' PE



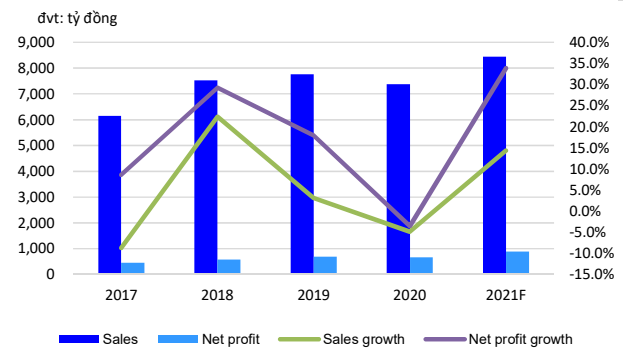
Average P/E 3 years of PVT



Operating and net margin over the years



Revenue - profit over the years



(*) Database information provided by Bloomberg

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