

18/03/2024

RECOMMENDATION

BUY

Fair price	34,850 VND
Current price	29,000 VND
Upside/downside	20.2%

STOCK INFORMATION

Outstanding shares (mil)	323.7
Free float (mil)	161.8
Market cap. (billion VND)	9,337.3
3m avg. volume (shares)	3,718,773
Foreign ownership (%)	13.2%
First listing date	10/12/2007

SHAREHOLDER STRUCTURE

PVN	51.00%
Vietnam Holding Ltd.	4.96%
PVcomBank	4.95%
VanEck Vietnam ETF	4.52%
Others	34.57%

KEY ATTRIBUTES

TTM EPS (VND)	3,004
BVPS (VND)	21,043
Debt/Equity (%)	0.94
ROA (%)	6.13%
ROE (%)	6.41%
P/E	9.69x
P/B	1.38x
Dividend yield (%)	0%

PRICE PERFORMANCE



COMPANY PROFILE

PVT operates primarily in the maritime transportation sector, offering services for the transportation of oil, chemicals, and various types of cargo. Additionally, the company is involved in leasing and managing floating warehouses and providing other auxiliary services. With a fleet comprising 51 vessels and a total deadweight tonnage exceeding 1.4 million DWT. The company commenced trading on the Exchange (HOSE) on December 10, 2007.

ANALYST(S)

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SUSTAINING GROWTH MOMENTUM

- 2023 – a record-breaking year in expanding PVT’s fleet scale (+12 vessels – 7 newly purchased and 5 leased). Consequently, PVT has increased its long-term transportation capacity ownership by +35.3% YoY.
- PVT timely boosted its capacity amidst the projected insufficient vessel supply in 2024.
- Escalating geopolitical tensions worldwide (especially during election years) are expected to bolster freight rates to remain high.

Investment thesis: (1) Expectation of strong revenue growth in the transportation segment due to increased capacity:

During the period from 2022 to 2023, PVT actively acquired an additional 10 vessels (9 oil/chemical tankers and 1 LPG carrier, with a total deadweight tonnage of 254k DWT and 55k DWT respectively), thereby contributing to marking 2023 as a record year for new vessel acquisitions.

Specifically, PVT purchased 7 new vessels in 2023 (mostly in 2H23), effectively increasing the long-term transportation capacity of key segments such as Oil/Chemical, LPG, and Dry Bulk by approximately 62%, 57%, and 48% respectively compared to the end of 2022.

(2) New vessel supply still unable to meet demand in 2024:

According to BIMCO, the largest international shipping association (representing 62% of total maritime transport capacity), demand for crude oil tanker transportation is projected to increase by 7.0% and 2.5% in 2024 – 2025, while the supply is only expected to increase slightly by 0.6% and 1.1% respectively.

In the petroleum product tanker segment, the demand-supply imbalance will be partially addressed by 2025 with the addition of new vessel supply.

(3) Increasing geopolitical tensions show no signs of cooling:

The conflict between Russia and Ukraine has fundamentally altered the global energy flow – as a result, energy will need to be transported over longer distances and through more intermediaries. Additionally, recent events in the Red Sea and NATO’s openness to deploying troops to Ukraine will help maintain current levels of maritime freight rate.

Valuation & Recommendation: We project PVT’s revenue and net profit after tax for 2024 to reach 11,627 billion (+21.7% yoy) and 1,413 billion (15.7% yoy) respectively (equivalent to 2024F EPS of 3,358 VND).

Regarding valuation, we employ a combination of 03 methods: DCF, EV/EBITDA, and PE to estimate the fair value of PVT at **34,850 VND per share**. Therefore, we recommend **BUY** with a potential price increase of **20.2%**.

Risks: (1) Economic downturn risk (cyclical risk); (2) Expansion plans for the fleet not meeting projections; (3) Changes in operational uptime during the year.

Financial Results	2021	2022	2023	2024F	2025F
Revenue (VND bn)	7,460	9,047	9,556	11,627	11,994
Gross profit (VND bn)	1,238	1,655	1,838	2,359	2,344
NPAT (VND bn)	835	1,156	1,222	1,413	1,393
GPM (%)	16.6%	18.3%	19.2%	20.3%	19.6%
EPS (VND)	1,933	2,500	3,005	3,358	3,367
BVPS (VND)	21,515	24,761	27,902	31,268	34,571