



PETROVIETNAM TRANSPORTATION CORP. (HOSE: PVT)

Investment Proposal

June 2025

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Investment Proposal

Analyst	Phuc Nguyen
Time Horizon	1-2 years
Recommendation	BUY

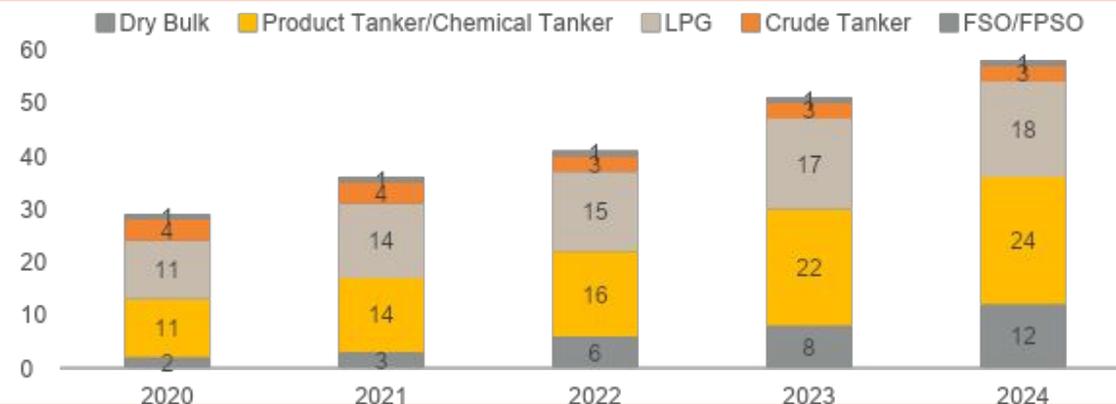
PVT prioritizes high-margin segments and secures stable cash flows in other segments via PVN's long-term contracts.

Investment Rationale

- PVT is expanding its **high-margin chemical segment**, backed by IMO chemical tankers with high technical specs that justify **premium rates**, and participation in **international pools** like Womar and Maersk.
- PVT benefits from **increased domestic crude oil** transport volume as Dung Quat refinery operates at **over 110% capacity**.
- PVT's LPG segment remains stable with domestic transport, while international expansion is planned as **new U.S. export terminals** come online by late 2025 and U.S. - China tensions ease.

Product/Chemical tanker account for more 40% of total vessels

Each segment expansion (# Vessels, '20-24)



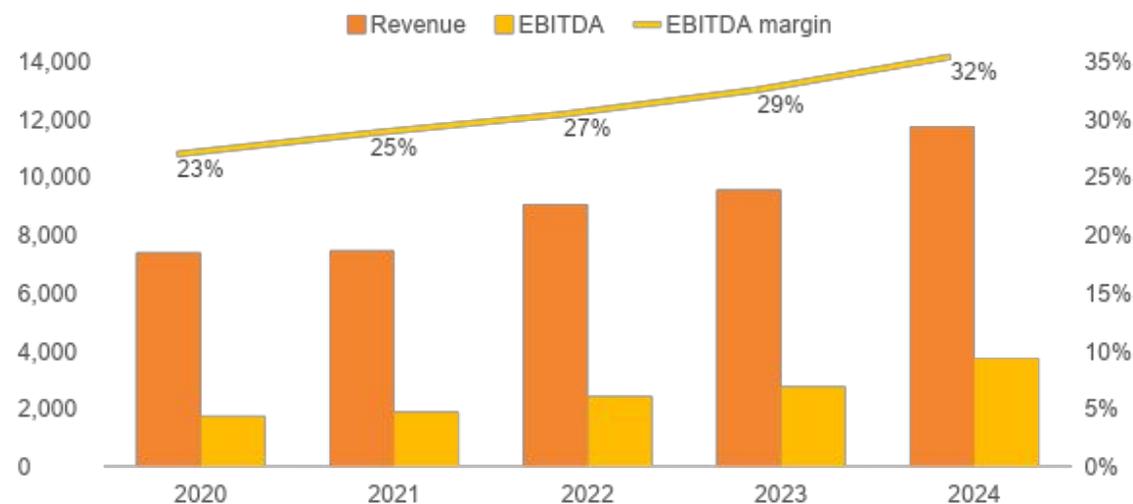
2024 results improved after a slow 2023

Financial Performance (VNDbn, '20-24)	2020A	2021A	2022A	2023A	2024A
Revenue	7,383	7,460	9,047	9,556	11,732
Growth		1.0%	21.3%	5.6%	22.8%
EBITDA	1,731	1,880	2,430	2,769	3,737
Growth		8.6%	29.3%	14.0%	35.0%
Margin	23.4%	25.2%	26.9%	29.0%	31.9%
Net Income	830	834	1,156	1,222	1,470
Growth		0.5%	38.6%	5.7%	20.3%
Margin	11.2%	11.2%	12.8%	12.8%	12.5%
EV/EBITDA	5.1x	4.8x	4.3x	5.0x	3.2x
ROE	11.1%	10.0%	15.3%	15.2%	15.1%
ROA	6.1%	5.6%	6.4%	6.1%	5.9%
P/E	12.1x	11.2x	10.3x	9.7x	6.0x
P/B	1.6x	1.4x	1.4x	1.3x	0.8x

Source: Company Annual Report, Vietcap

EBITDA and revenue rose steadily with margin rising from 23% to 32%.

Revenue, EBITDA, and Net Income (VNDbn, '20-24)



Company Overview

Vietnam's energy shipping arm under PVN, backed by state-led fleet growth and stable volumes from the PVN network.

HIGHLIGHTS



Founded in 2002



Hochiminh City



MARKETCAP

8,473 (VNDbn)

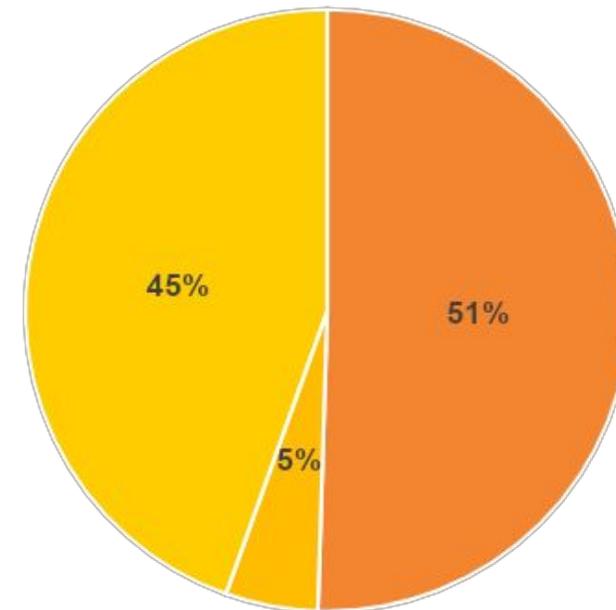


REVENUE 2024A

11,732 (VNDbn)

OWNERSHIP STRUCTURE

■ PVN ■ PVcomBank ■ Others



PVT's Subsidiaries

PVT's subsidiaries cover all key segments including crude, product, gas and dry bulk, ensuring scale and operational stability.

Thang Long Shipping JSC



- Chemical & dry bulk transport; maritime services
- PVT owns 99.9%

Phuong Nam Petroleum Transportation JSC



- Product oil transport via MR tankers
- PVT owns 69.6%

International Gas Product Transportation JSC (HOSE: GSP)



- LPG transport; chemical tanker operations
- PVT owns 68.0%

Indochina Petroleum Transportation JSC (UPCoM: PTT)



- Small/mid-size oil/chemical & road/CNG transport
- PVT owns 54.1%

Pacific Petroleum Transportation JSC (HOSE: PVP)



- Crude oil transport via Aframax & FSO
- PVT owns 64.9%

Phuong Dong Viet Shipping And Logistics Corp. (UPCoM: PDV)



- Oil/chemical & bulk transport; ship management
- PVT owns 51.9%

Nhat Viet Petroleum Transportation JSC



- LPG & dry bulk transport; ship leasing
- PVT owns 51.0%

Quang Ngai Petroleum Transportation JSC



- Maritime agency; LPG bottling; bulk trucking
- PVT owns 50.7%

Hanoi Petroleum Transportation JSC



- Dry bulk & chemical transport
- PVT owns 50.5%

PTSC Offshore Services JSC



- FSO/FPSO operations & offshore services
- PVT owns 49.0%

PVT's regional performance and strategic fleet expansion

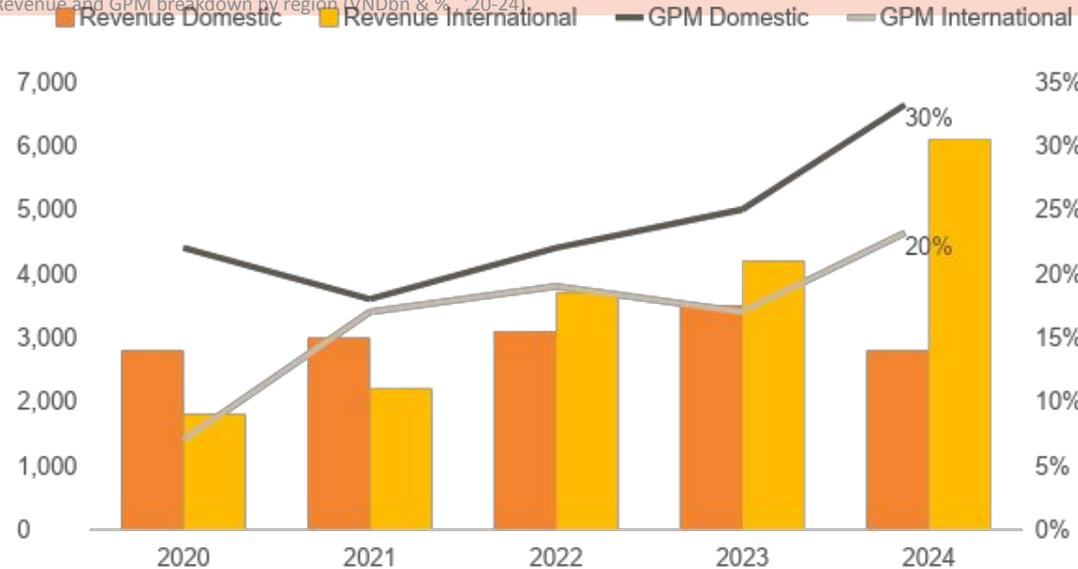
Strong international growth and stable margins despite lower volumes; expansion targets crude, chemical, and LPG.

Key Highlights

- In 2025, PVT plans to **add 6 vessels** targeting crude, chemical, and LPG-its three most profitable segments.
- Despite a decline in transport volume in 2024, revenue continued to grow due to:
 - Higher freight rates** on long-haul international routes, where clients pay more per tonne-mile.
 - Improved fleet efficiency**, as larger vessels like Aframax and VLCC tankers reduce cost per unit and enhance margin.

Majority of revenue comes from international, with stable margins

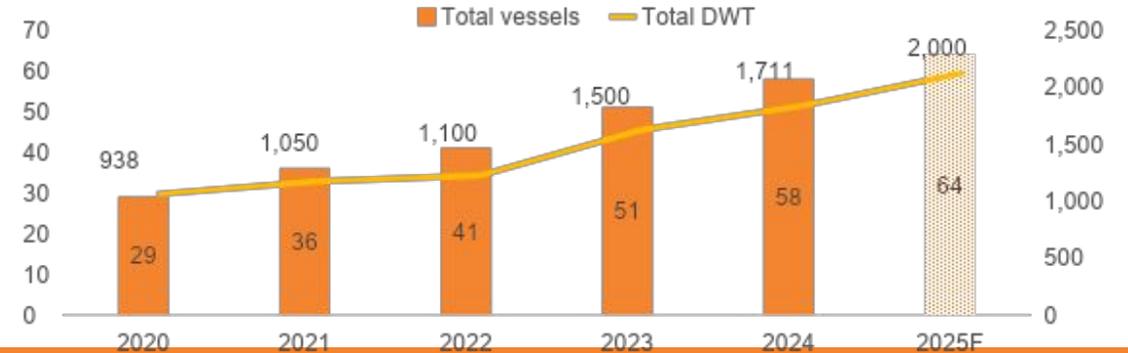
Revenue and GPM breakdown by region (VNDbn & % '20-24)



Source: Company Annual Report, PVT

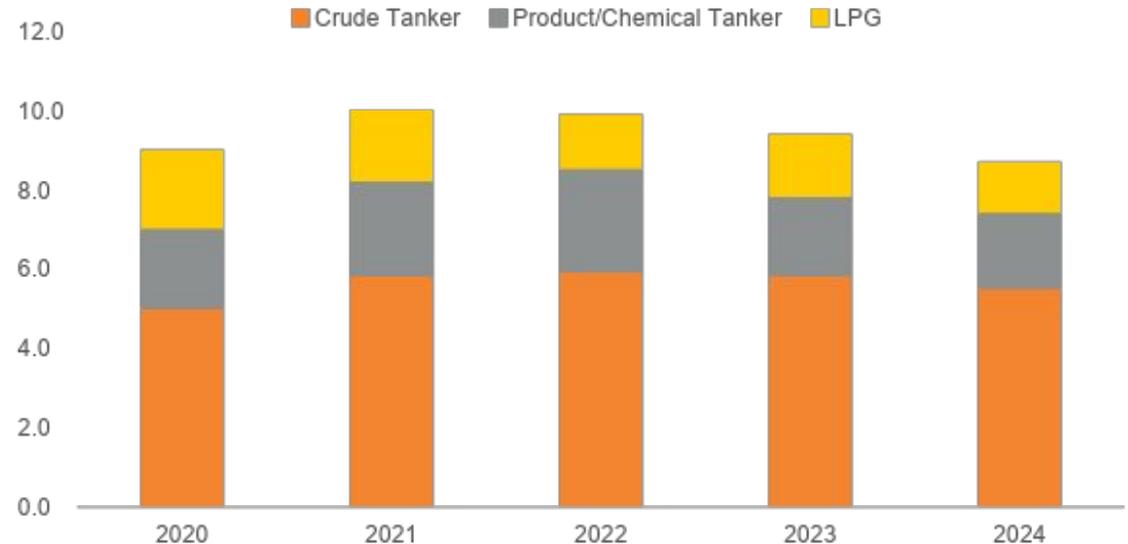
PVT plans to add 6 vessels focused on crude, chemical, and LPG in 2025

Total vessels & Accumulated DWT (kDWT, '20-25F)



Crude leads; LPG and chemical volumes shrink after 2021.

Transportation volume (Million ton, '20-24)

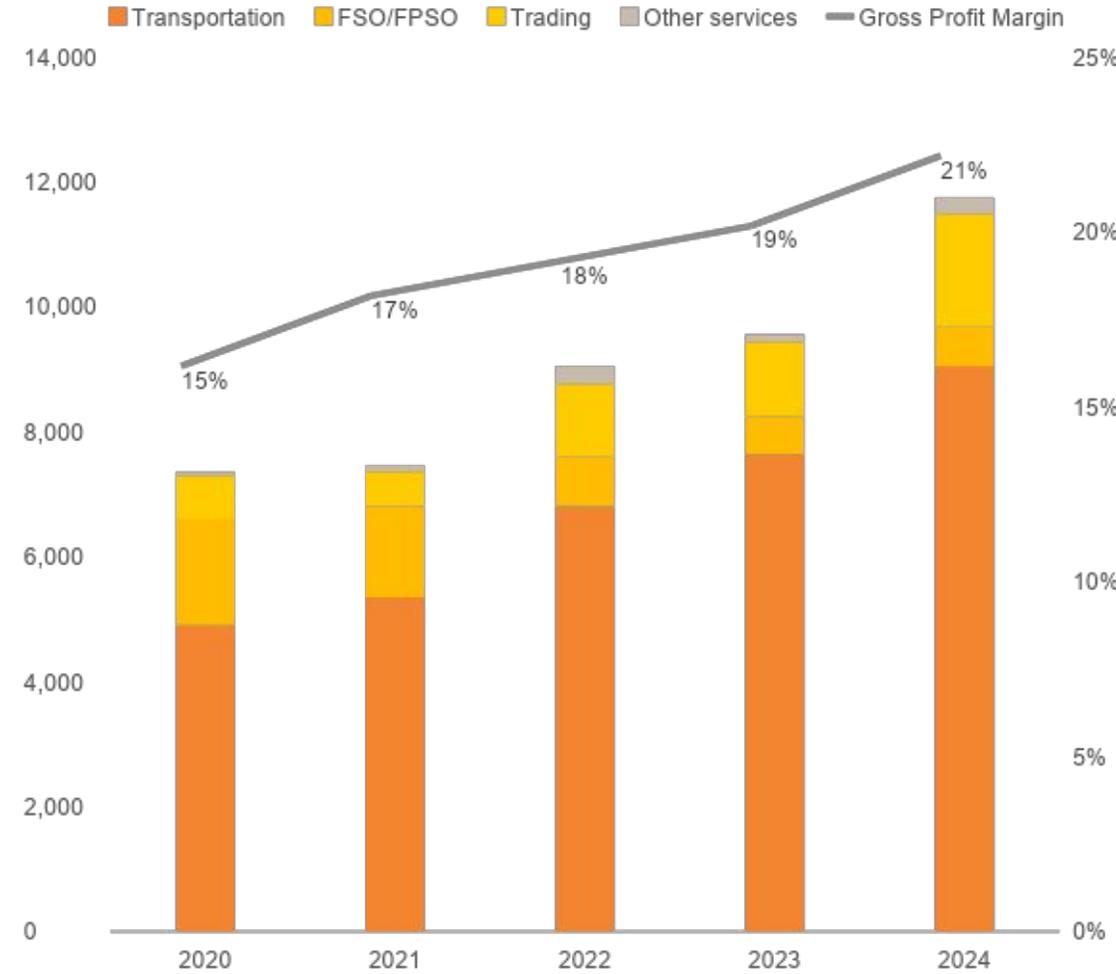


PVT Revenue structure and breakdown by segments

Transportation continues to drive topline growth, accounting for the majority of revenue, while gross profit margin steadily improved.

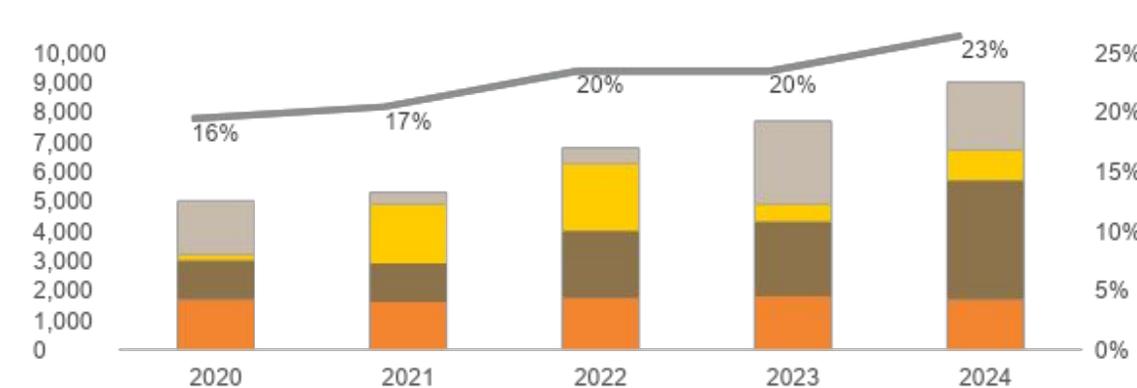
Transportation dominates revenue; margin grew steadily to 21% by 2024

Revenue structure & GPM (VNDbn & %, '20-24)



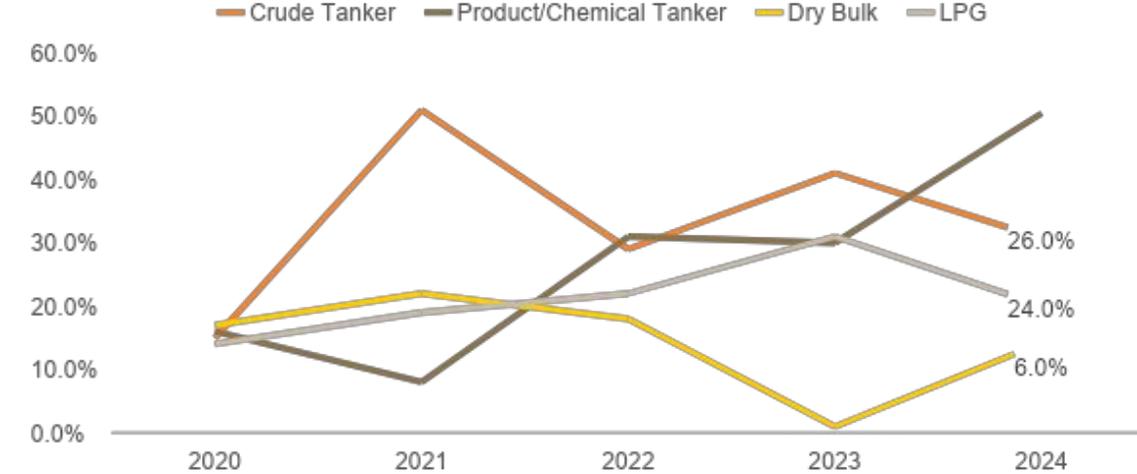
Transport revenue growth is led by Product/Chemical and LPG volumes

Transportation Breakdown (VNDbn, '20-24)



Product/Chemical and LPG segments maintained strong margins

Gross Profit Margin each segment (% , '20-24)



Source: Company Annual Report, PVT

Chemical Tanker segment Overview

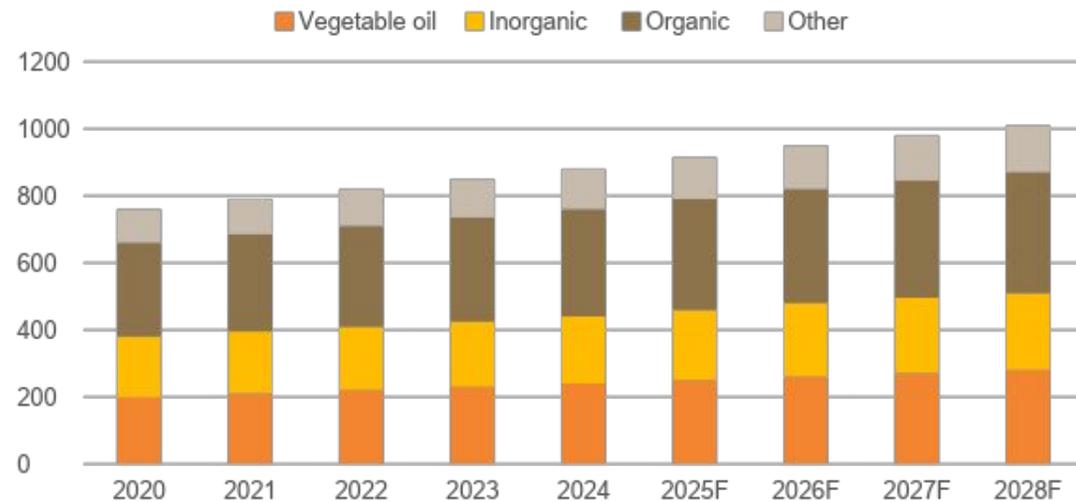
Chemical segment is PVT's most stable business, driven by steady demand, balanced supply, diverse cargo, and stable charter rates.

Key Highlights

- **Palm oil exports** from Malaysia to India, China, and Europe are rising sharply, while Indonesia is expanding **palm-based biofuel** use in 2025 => Continues to drive demand for vegetable oil transport.
- Rates for 13k–20k DWT vessels remain stable as only **IMO II/III tankers** can handle sensitive cargoes like organic, inorganic chemicals, and vegetable oils.
- In 2025 and forward, demand for vegetable oils and organic chemicals is expected to increase => driving **tonne-mile growth** and **supporting rate recovery**.

Chemical tonne-mile demand shows steady growth across all segments

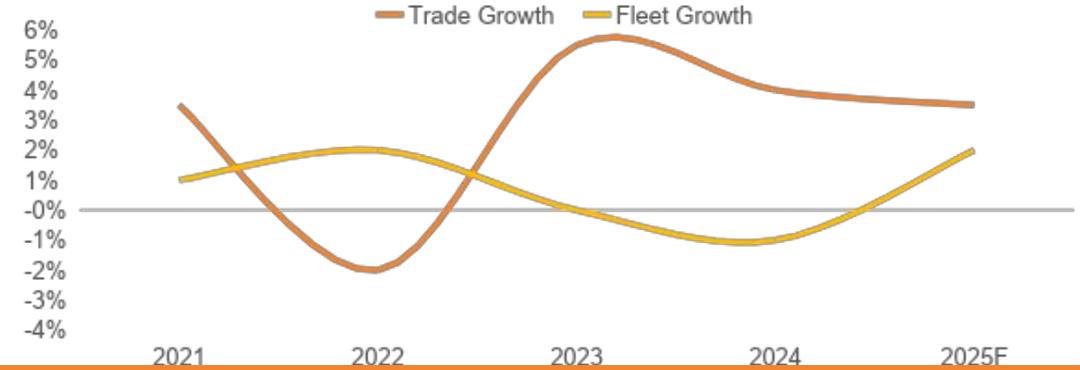
Chemical tonne-mile demand per product (Tonne-miles Bn, '20-28F)



Source: Company Annual Report, PVT

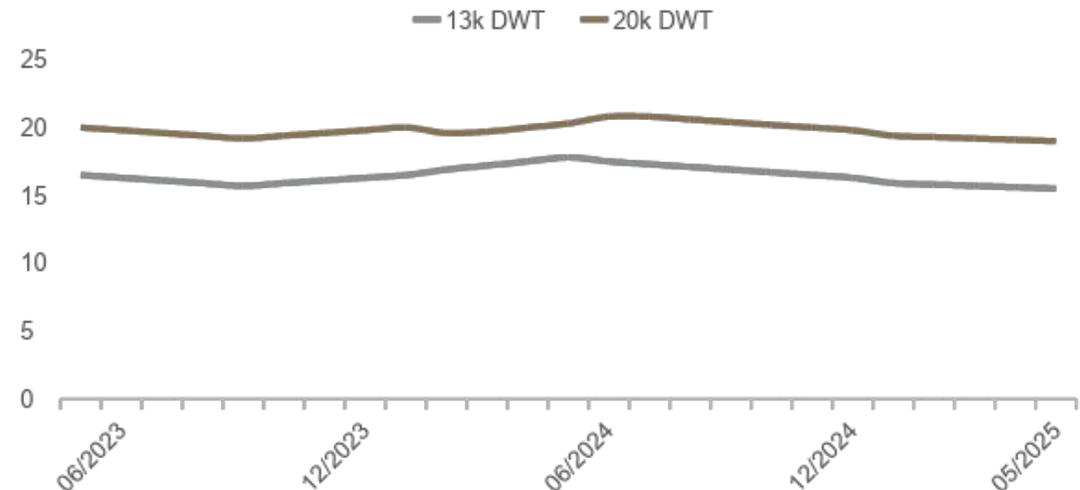
Chemical trade growth is expected to outpace fleet growth in 2025

Trade Growth & Fleet Growth of Chemical segment (% , '20-25F)



13k and 20k DWT chemical tanker rates remained relatively stable

Chemical tanker 1Y TC rate (USDk, '23-25)

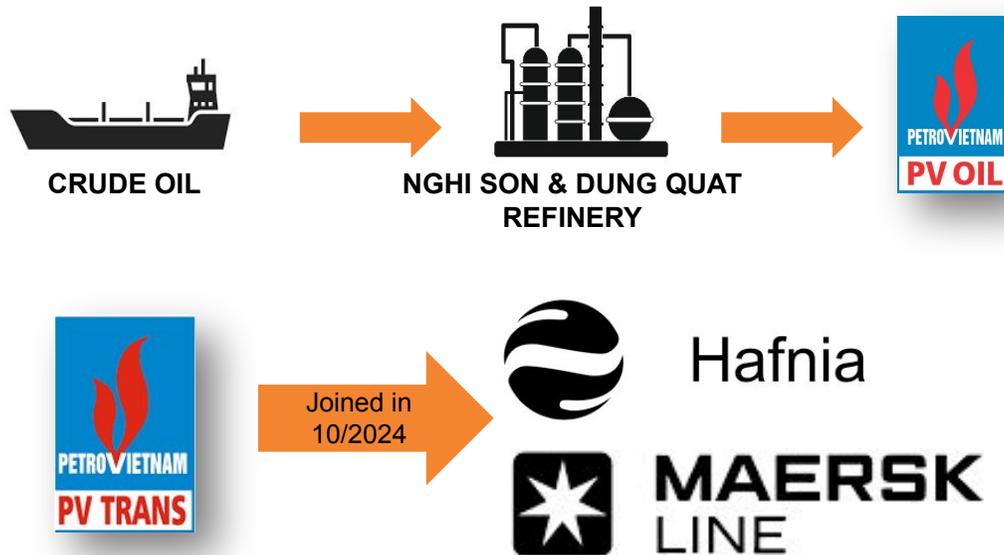


Crude & Product Tanker segment Overview

Crude & Product segment provides stable cash flow, supported by PVN's domestic cargoes.

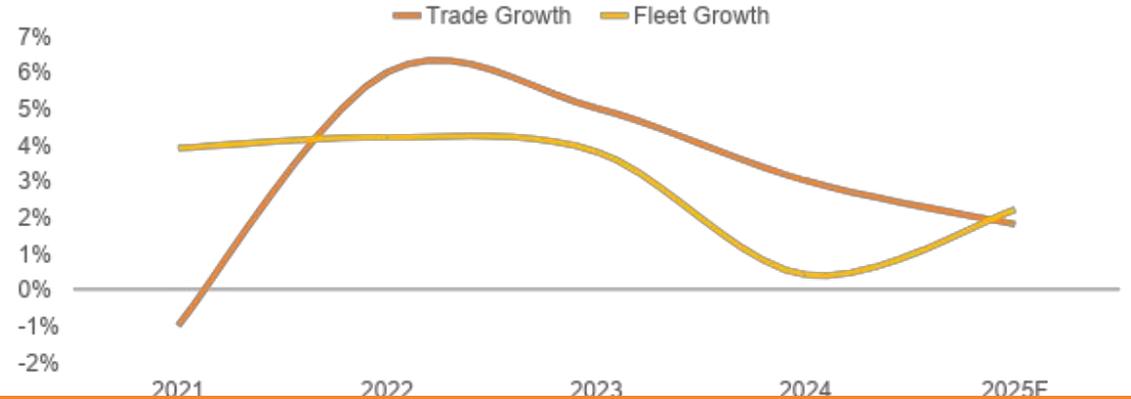
Key Highlights

- PVT handles **all domestic crude transport** reaching **5.1 million tons** in 2024, with 2/3 Aframax tankers serving Dung Quat amid rising refinery output, the other Aframax is serving international route.
- Product tankers expanding globally, joining **international pools** (Maersk, Hafnia) while domestic volumes stay secured via **PVN contracts** (transporting from Nghi Son and Dung Quat refinery to PVOil), reaching **2 million tons** in 2024.
- **Five new product tankers** (45,000-55,000 DWT) bought in 2023 and 2024, adding capacity and boosting international deployment in 2025.



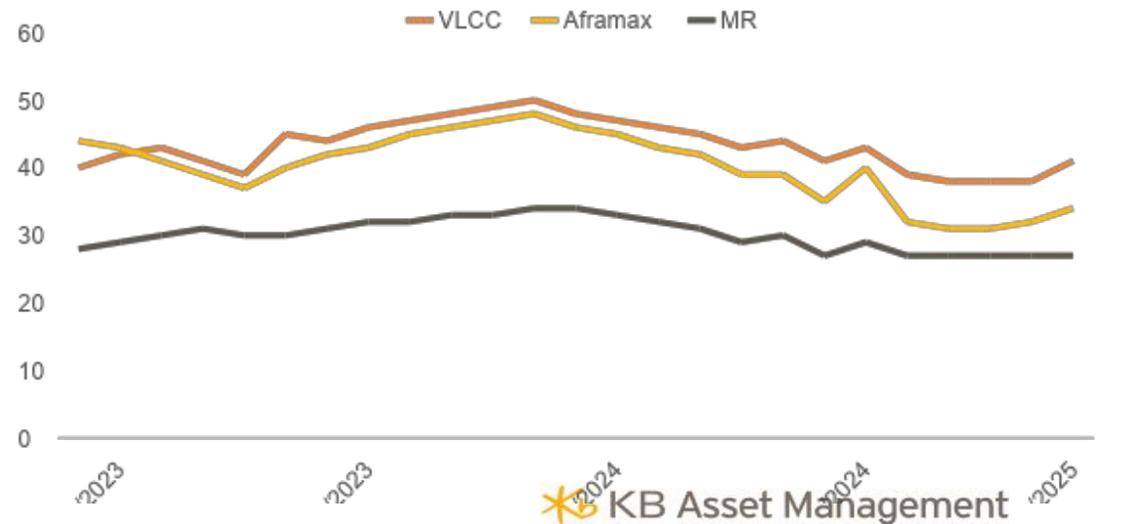
Crude and product fleet and trade growth are expected to be balanced

Trade Growth & Fleet Growth of Crude & Product segment (% , '21-25F)



TC rate is recovering in early 2025, especially for VLCC and Aframax

Crude & Product tanker 1Y TC rate (USDk , '23-25)



LPG segment Overview

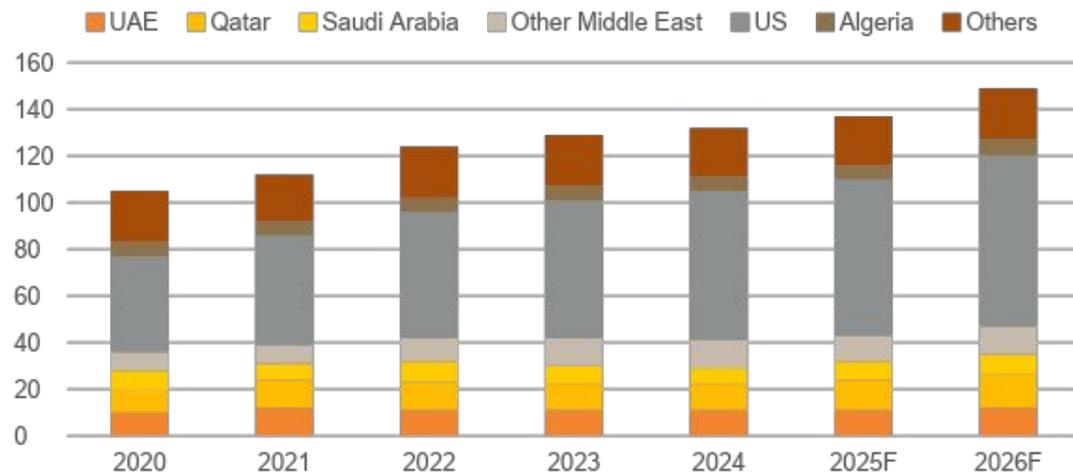
PVT's LPG segment remains stable, with international upside likely returning in 2026 as global trade momentum picks up.

Key Highlights

- Domestically, PVTrans safely and efficiently transported the entire LPG volume for PVGas, BSR, and GPP Ca Mau in 2024, reaching **1.3 million tons** in 2024.
- Internationally, the company owns 2 VLGCs positioned to capitalize on **U.S. LPG export terminals** expected to come online by late 2025 (Enterprise's SPOT and Targa's Galena Park expansion).
- Global LPG trade volume is set to rebound as China slashes LPG import tariffs on U.S. from **125% to 10%**, with import demand rising from China (+6%) and India (+3%).

US share keeps rising, reinforcing its role as key LPG exporter

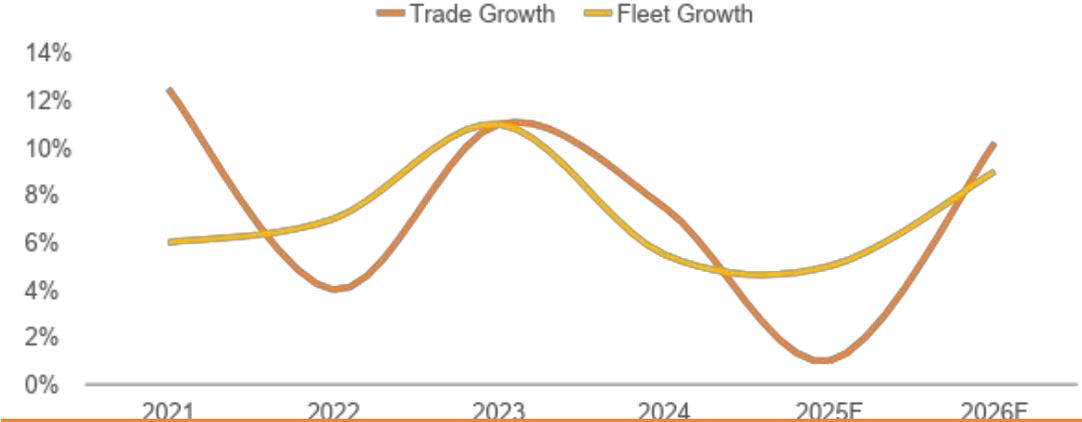
Global LPG Exports (Metric tonne, '20-26F)



Source: Company Annual Report, PVT

LPG trade slows sharply in 2025 but rebounds strongly in 2026

Trade Growth & Fleet Growth of LPG segment (% , '21-26F)



The VLGC market has been volatile recently due to US-China trade war

LPG carrier 1Y TC rate (USDk , '23-25)



Financial Projection

The future of SASCO is predicated on the growth rate of international passenger traffic

Key Assumptions (Base Case)

- **Crude Oil**
 - Domestic transportation volume will increase as expected BSR transportation volume up 18% YoY driven by Dung Quat refinery finished maintenance.
 - Charter rate for crude oil tanker remains relatively stable in 2H2025 as (1) geopolitical tensions resolved and (2) long term contract from PVN.
- **Product/Chemical**
 - Charter rate for chemical tanker remains high as fleet growth is still low while demand is high. However, charter rate for product tanker will be slightly decreased as fleet growth is expected to surpass demand growth in 2025-2026.
 - 5 new product tankers purchased in 2023-2024 will be fully running in 2025, adding more capacity in this segment.
- **Expected Growth between segments**
 - Revenue growth in 2025E is supported by

	<u>Actual</u>		<u>Forecasted</u>			
	2024A	2025F	2026F	2027F	2028F	2029F
Revenue	2,906	3,318	3,737	4,160	4,589	4,965
<i>YoY Growth</i>	12.6%	14.2%	12.6%	11.3%	10.3%	8.2%
COGS	1,187	1,327	1,607	1,706	1,881	1,986
Gross Profit	1,719	1,991	2,130	2,454	2,707	2,979
<i>YoY Growth</i>	23.1%	15.8%	7.0%	15.2%	10.3%	10.0%
<i>Margin</i>	59.2%	60.0%	57.0%	59.0%	59.0%	60.0%
SG&A	1,353	1,493	1,644	1,664	1,881	1,986
EBIT	366	498	486	790	826	993
<i>YoY Growth</i>	120.5%	36.1%	-2.4%	62.6%	4.6%	20.2%
<i>Margin</i>	12.6%	15.0%	13.0%	19.0%	18.0%	20.0%
NOPAT	283	380	370	608	637	768
<i>YoY Growth</i>	239.8%	34.3%	-2.6%	64.3%	4.8%	20.6%
<i>Margin</i>	9.7%	11.5%	9.9%	14.6%	13.9%	15.5%

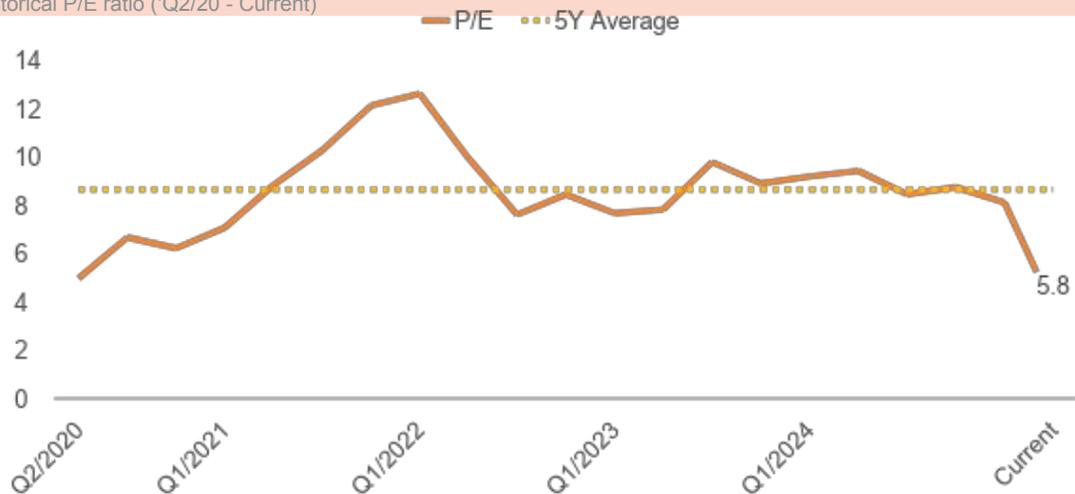
Comparable Analysis

PVT trades below peers on both P/E and P/B despite comparable profitability, suggesting a potential valuation gap.

Company	Location	Market cap (mUSD)	P/E ttm	P/B ttm	ROE 2024	ROA 2024	EV/EBITDA 2024
Vận tải Xăng dầu VIPCO	VN	33.6	8.8x	0.7x	7.3%	6.6%	4.4x
Vận tải xăng dầu VITACO	VN	39.1	11.6x	0.9x	9.6%	6.8%	1.1x
Great Eastern Shipping	INDIA	1624.5	5.8x	1.0x	16.4%	15.5%	3.5x
Thoresen Thai Agencies	THAI	305.6	6.3x	0.2x	0.5%	0.3%	4.1x
KSS Line	KR	165.3	3.9x	0.7x	10.8%	3.0%	6.7x
PV Transportation	VN	342.9	5.8x	0.6x	15.1%	5.9%	3.3x
<i>Mean</i>		433.6	7.3x	0.7x	8.92%	6.4%	4.0x
<i>Median</i>		165.3	6.3x	0.7x	9.60%	6.6%	4.1x

PVT's 5-year average P/E is 8.7, higher than current P/E which is 5.8x

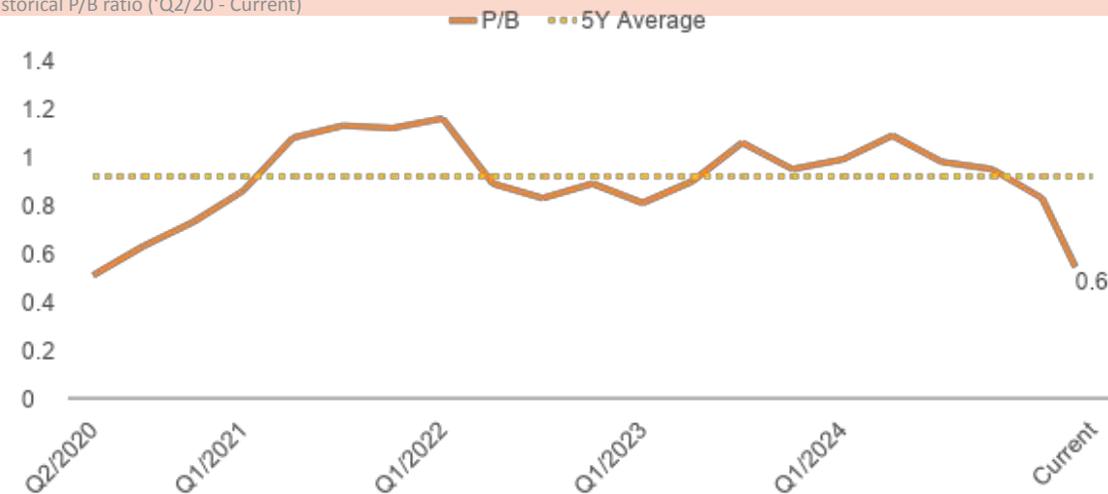
Historical P/E ratio ('Q2/20 - Current)



Source: Google Finance, Vietcap

PVT's 5-year average P/B is 0.9, higher than current P/B which is 0.6x

Historical P/B ratio ('Q2/20 - Current)



Final Investment Decision

Stable domestic cash flow backed by PVN, with upside from expanding LPG and chemical tanker operations internationally

Buying PVT with a buying price of 17,850 VND – indicating a 20%-30% IRR within time horizon of 1-2 years

Share Price	Downside	Base	Upside
FY2026 EPS	2,557	3,326	3,580
24-26 CAGR	1%	15.2%	19.5%
P/E multiple (median)	6.3x	7.3x	8.3x
Implied Share Price	16,109	24,278	29,711
(+) 2 years of dividend	600	600	600
Implied Value per Share	16,709	24,878	30,311
IRR	-3.30%	18.06%	30.31%

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