

PV Gas (GAS)

Positive 3Q21 performance driven by soaring oil prices

3Q21 business results were positive thanks to high oil price

- PV Gas (GAS) announced 3Q consolidated earnings of the parent company at VND2.4 trillion (+19.4% YoY) on revenue of VND18,543 billion (up 16.3% YoY). Although gas consumption dropped sharply in 3Q due to social distancing in the Southern provinces, GAS's profit was still positive thanks to a strong increase in gas prices in line with high world oil prices. By the end of 3Q, Brent oil price was USD78/barrel, nearly 86% higher than the 2020 average (USD42/barrel). In 9M21, GAS recorded NPAT of the parent company reaching VND6.7 trillion (+9.5% YoY).
- GAS's 9M21 total construction investment disbursement reached VND3,992 billion. The parent company disbursed VND3,546 billion, delivering 101% of the nine-month plan (focusing on Nam Con Son and liquefied natural gas (LNG) projects).

GAS and AES signed a joint venture agreement for Son My LNG Terminal

- GAS signed a joint venture agreement with AES for the Son My LNG Terminal with a capacity of 3.6 million tons/year for phase 1 and up to 6 million tons for the next phase. The terminal will receive, process and supply LNG as fuel for the Son My 1 and Son My 2 power plants, which are expected to be put into operation by the end of 2025.
- In the next 15 years, GAS will invest aggressively in LNG terminals, starting from Thi Vai terminal which will come into operation from 4Q22. According to Vietnam's Power Development Planning VIII report for the period 2020 – 2030, capacity of LNG-to-power projects will increase to 18.5GW by 2030.

We expect GAS's business results to be positive in 4Q21

- We expect GAS's 4Q21 business performance to be positive, supported by (1) high world oil prices; and (2) the recovering demand for raw gas in industrial zones and power plants after the lockdown was lifted at the end of 3Q. In the mid and long term, we believe that GAS will be a bright spot as it will become the leading LNG supplier by 2022.

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(based on expectations for absolute price gains over the next 6 months)

Buy:	Hold:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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