

PV Transportation (PVT)

3Q21 performance lowered due to COVID-19

3Q21 business results decreased due to COVID-19

— PV Transportation (PVT) announced consolidated post-tax earnings of the parent company at VND94 billion (-13.6% YoY) on net revenue of VND1.6 trillion (-9.6% YoY). The decrease in profit came from: (1) weak demand for transportation during the lockdown; and (2) operating costs incurred as a result of implementing distancing measures. PVT recorded 9M21 NPAT of the parent company at VND468 billion (+32.6% YoY) on net revenue of VND5.3 trillion (+0.7% YoY).

PVT invested in the fleet with five more new vessels

— Up to now, PVT has rejuvenated the fleet with five more new vessels, including NV Aquamarine (VLGC), PVT Azura, PVT Dawn, Shamrock Jupiter, and PVT ORIANA. According to the plan at the AGM, the parent company and its subsidiaries would buy 14 more new vessels in the coming years, focusing on large-sized crude oil tankers like VLCC, Aframax, VLGC and medium-sized product tankers of 15,000–20,000 DWT. However, given complicated developments of the pandemic and that Nghi Son oil refinery has not reached full capacity, we believe that PVT will postpone the plan to buy VLCC until 2H22 instead of 2H21 as planned.

We expect 4Q21 business results to be positive

—We expect PVT's 4Q21 business results to be positive, supported by (1) recovering domestic demand for transportation; (2) increasing freight rates following global demand for transportation; and (3) contribution of new vessels to profit and (4) profit from the liquidation of crude oil tanker Athena.

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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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