

# PV Gas (GAS)

## LPG remains the key growth driver

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**In 2Q2025, revenue was flat YoY while NPAT-MI surged 43% YoY on provision reversals**

In 2Q2025, GAS reported revenue of VND30,104 billion (flat YoY) and NPAT-MI of VND4,748 billion (+43% YoY), driven by higher LPG export volumes that offset weaker gas sales to power plants, along with a VND1,634 billion provision reversal. For 1H2025, the company achieved 75% and 89% of its full-year revenue and net profit guidance.

**GAS stands to benefit from Cambodia's pivot toward alternative LPG supplies**

Cambodia's ban on LPG imports from Thailand, effective June 22, 2025, amid armed tensions, presents a near-term opportunity for GAS to expand its market share to an estimated 69%. Accordingly, we revise up our 2025F LPG revenue forecast by 13% to VND62,349 billion (+14% YoY).

**PVN's finalization of the Nam Du – U Minh GSAs with power plants will enable GAS to boost its gas transportation revenue**

We also factor in GAS's Nam Du – U Minh gas transportation revenue of 6.8 billion Sm<sup>3</sup> (220 million m<sup>3</sup>) in 2027 and 26.3 billion Sm<sup>3</sup> (875 million m<sup>3</sup>) during 2028–2032, equivalent to ~10% of GAS's annual gas volumes over the period. The transportation tariff for Nam Du – U Minh is expected to remain in line with that of PM3-CAA, helping to offset future volume declines.

**We upgrade GAS to BUY with a target price of VND73,300/share**

Following recent corrections, GAS appears attractive for long-term investors, supported by expectations of stronger core business performance. Using a combination of the FCFF and EV/EBITDA methods, we upgrade GAS to BUY with a target price of VND73,300 per share, implying a 17.3% upside versus the closing price on September 19, 2025.

**Buy** change

<b>Target price</b>	<b>VND73,300</b>
Upside	17.3%
Current price (Sep 19, 2025)	VND62,500
Consensus target price	VND74,754
Market cap (VNDtn/USDbn)	150.8/5.7

### Forecast earnings & valuation

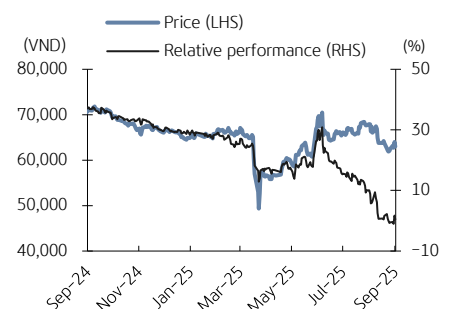
FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	90,014	103,604	107,279	125,499
Operating income/loss (VNDbn)	12,906	12,042	15,718	14,128
NPAT-MI (VNDbn)	11,606	10,398	13,311	12,386
EPS (VND)	4,972	4,354	5,574	5,186
EPS growth (%)	-20.8	-12.4	28.0	-6.9
P/E (x)	14.8	16.8	13.2	13.8
P/B (x)	2.6	2.9	2.5	2.2
ROE (%)	18.1	17.2	19.2	16.1
Dividend yield (%)	4.2	8.1	2.7	2.8

### Trading data

Free float	4.2%
3M avg trading value (VNDbn/USDmn)	4,092/164
Foreign ownership	0.8%
Major shareholder	PetroVietnam (PVN, 95.8%)

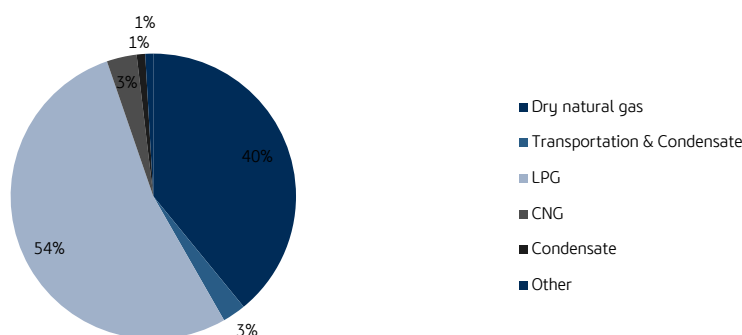
### Share price performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	-2.0	-2.1	0.6	-2.5
<b>Relative</b>	-0.6	-22.6	-25.2	-33.4



Source: Bloomberg, KB Securities Vietnam

## Revenue composition (2024)



Source: PV Gas, KB Securities Vietnam

## Business operation

PV Gas (GAS), founded in 1990, is a subsidiary of PetroVietnam (PVN) and the leading supplier of dry gas, LPG, and LNG in Vietnam.

## Investment Catalysts

## Notes

LNG consumption by power plants is set to become a key driver for GAS, lifting LNG and dry gas sales to VND37,122/52,106 billion in 2025/2026F, equaling 37%/44% of overall revenue.

Please find more details [here](#)

GAS stands to benefit from Cambodia's pivot toward alternative LPG supplies, with LPG revenue projected at VND62,349/65,503 billion in 2025/2026F, contributing 58% and 52% of total revenue.

Please find more details below

The company reversed VND1,634 billion of provisions in 2Q2025 and is unlikely to make further provisions, supporting NPAT of VND13,311 billion in 2025F (+29% YoY) and VND12,386 billion in 2026F (-7% YoY).

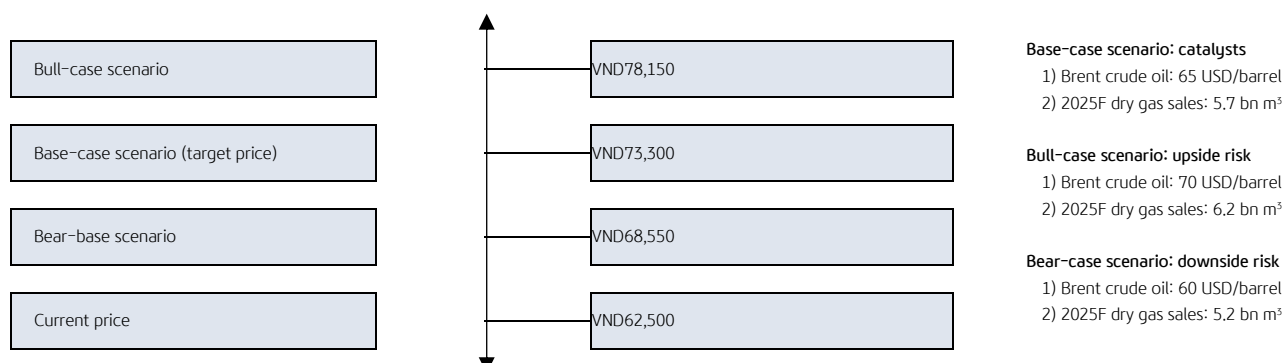
Please find more details below

## Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	107,279	125,499	20%	2%	105,651	113,691	2%	10%
EBIT	15,718	14,128	32%	-9%	14,853	14,705	6%	-4%
NP after MI	13,311	12,386	29%	-7%	11,872	12,279	12%	1%

Source: Bloomberg, KB Securities Vietnam

## Investment opinion &amp; risks



## Business performance

**In 2Q2025, revenue was flat YoY while NPAT-MI surged 43% YoY on provision reversals**

In 2Q2025, GAS reported revenue and NPAT-MI of VND30,104 billion and VND4,748 billion (0%/43% YoY), respectively, driven by higher LPG export volumes that offset weaker gas sales to power plants, along with a VND1,634 billion provision reversal. For 1H2025, the company achieved 75% and 89% of its full-year revenue and net profit guidance.

**Improved repayment capacity at gas-fired power plants enabled GAS to record a provision reversal of VND1,634 billion**

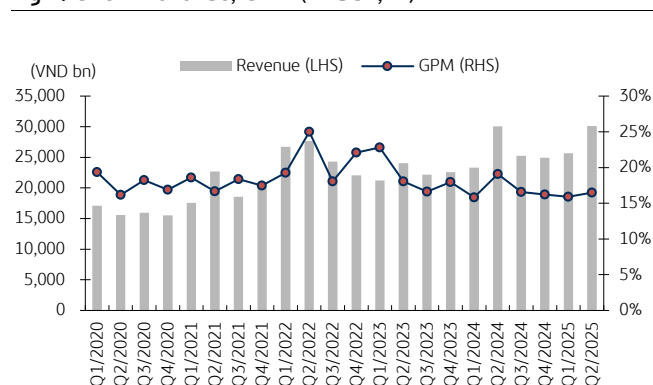
In 2Q2025, GAS recorded a provision reversal of VND1,634 billion related to overdue receivables and disputes over gas pipeline service fees at gas-fired power plants in the Southeast region. During the quarter, improved business performance at PV Power (POW)'s gas-fired power plants—which account for over 50% of GAS's outstanding principal—significantly strengthened repayment capacity, reducing the gross value of bad debts to VND873 billion (–70% YTD). For 2H2025, we expect stable operations at these plants to sustain repayment ability, allowing GAS to avoid further provisioning. Accordingly, total provision reversal in 2025 is estimated at VND1,634 billion (versus our previous forecast of an additional VND1,054 billion in provisions), while no further reversals are expected in 2026–2028 (compared with VND1,307 billion of reversals in our earlier forecast).

Table 1. GAS – 1H2024–1H2025 financial results

(VNDbn)	2Q2024	2Q2025	+/-%YoY	1H2024	1H2025	+/-%YoY	Notes
<b>Revenue</b>	<b>30,071</b>	<b>30,104</b>	<b>0%</b>	<b>53,386</b>	<b>55,779</b>	<b>4%</b>	
Dry gas + LNG	13,758	13,300	-3%	23,088	24,322	5%	Largely driven by higher average selling prices (ASP) following the distribution of high-priced LNG.
LPG	13,630	15,280	12%	26,640	28,605	7%	Lower FO oil prices limited LPG revenue growth compared with the 13% increase in sales volume.
CNG	1,285	239	-81%	1,472	426	-71%	
Condensate	364	293	-19%	320	734	129%	
Gas transportation	876	577	-34%	3,590	3,123	-13%	
Others	140	415	197%	609	606	0%	
<b>Dry gas sales volume</b>	<b>1,958</b>	<b>n.a</b>	<b>n.a</b>	<b>3,590</b>	<b>3,123</b>	<b>-13%</b>	
Fertilizer producers	310	n.a	n.a	609	606	0%	
Power plants	1,384	n.a	n.a	2,499	2,014	-19%	In 8M2025, dispatched gas-fired power generation reached 13.4 billion kWh, down 8% YoY, as BOT Phu My 2.2 and 3 contracts with EVN expired.
Industrial users	264	n.a	n.a	482	503	4%	
LPG sales volume	817	n.a	n.a	1,500	1,692	13%	
Brent crude oil price (USD/barrel)	85	67	-22%	83	71	-15%	
FO price (USD/ton)	494	426	-14%	465	447	-4%	
46% MFO price (USD/mmBTU)	6	5	-12%	6	5	-15%	
<b>Gross profit</b>	<b>5,736</b>	<b>4,954</b>	<b>-14%</b>	<b>9,427</b>	<b>9,043</b>	<b>-4%</b>	
<i>Gross profit margin</i>	<i>19%</i>	<i>16%</i>	<i>-3 ppts</i>	<i>18%</i>	<i>16%</i>	<i>-1 ppts</i>	
Financial income	445	402	-10%	908	759	-16%	
Financial expenses	-229	-100	-56%	-410	-218	-47%	
Profit from associates	14	10	-23%	13	10	-21%	
SG&A	-1,726	713	n.a	-2,529	-204	-92%	Mainly supported by the reversal of a provision for PV Power (POW) worth over VND1,600 billion.
<b>Operating income/loss</b>	<b>4,239</b>	<b>5,979</b>	<b>41%</b>	<b>7,409</b>	<b>9,390</b>	<b>27%</b>	
Other income	-12	-2	-81%	-12	-9	-25%	
Profit before tax (PBT)	4,239	5,982	41%	7,410	9,410	27%	
<b>Net profit after tax (NPAT)</b>	<b>3,416</b>	<b>4,809</b>	<b>41%</b>	<b>5,960</b>	<b>7,571</b>	<b>27%</b>	
<b>NPAT-MI</b>	<b>3,321</b>	<b>4,748</b>	<b>43%</b>	<b>5,832</b>	<b>7,504</b>	<b>29%</b>	
NPAT-MI margin	11%	16%	5 ppts	11%	14%	2 ppts	

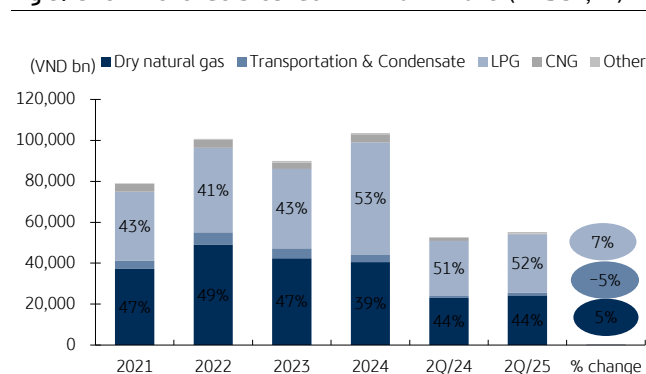
Source: PV Gas, KB Securities Vietnam

Fig 2. GAS – Revenue, GPM (VNDbn, %)



Source: PV Gas, KB Securities Vietnam

Fig 3. GAS – Revenue breakdown in 2021–2025 (VNDbn, %)



Source: PV Gas, KB Securities Vietnam

**Muted economic prospects and rising OPEC supply keep oil prices under pressure**

In 2Q2025, Brent crude oil prices fluctuated in the range of USD78–85/barrel, slightly lower QoQ but 6% higher YoY, reflecting a mixed backdrop of global recession concerns versus expectations of demand recovery from China. Looking ahead, the oil price outlook is skewed to the downside, as weak economic indicators point to softer demand and OPEC+ supply is expected to increase from October 2025 after extended production cuts to support prices. That said, prices are unlikely to fall meaningfully below USD50/barrel—the breakeven level for many US producers—as this could trigger production cuts from shale oil companies, restoring supply–demand balance and supporting a swift rebound in the medium term. Under our base-case scenario, we revise down our average oil price forecasts for 2025/2026 by 7%/7% to USD65/70 per barrel.

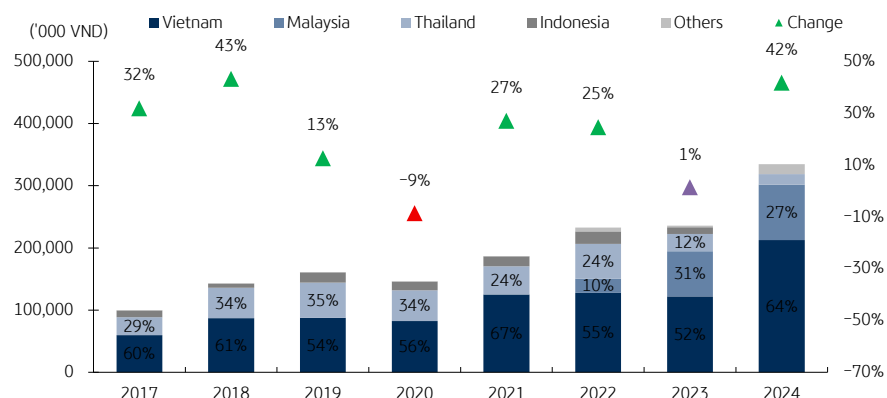
**LNG prices stage a mild short-term rebound but are likely to trade sideways with heightened volatility ahead**

Japan LNG prices (a benchmark for Asian LNG) slowed noticeably in 2Q2025, averaging USD12.2/mmBTU (+1% YoY, flat QoQ), reflecting a mixed outlook as Asian demand softened while European demand rose. We lower our 2025 LNG price forecast to USD12/mmBTU from USD14/mmBTU, based on the IEA’s projection of global LNG demand growth at just 1.3% in 2025 (0.7/1.5 ppts below the prior 2025 forecast and the 2024 growth rate), driven by (i) weaker LNG demand in China—which accounts for 40% of Asia’s LNG demand growth—amid milder weather, and (ii) sluggish economic conditions prompting developing countries to curb energy spending and prioritize cheaper fuels. For 2026, we expect LNG prices to remain broadly flat with elevated volatility, as demand growth of around 2%, supported by an Asian LNG import recovery and higher European spending to offset declining Russian supply, will be balanced by additional LNG supply from new upstream projects in North America.

**GAS stands to benefit from Cambodia’s pivot toward alternative LPG supplies**

GAS’s international LPG sales volume rose sharply by 12% in 1H2025, supported by favorable market conditions, completing 89% of the group’s full-year target. Cambodia remains one of GAS’s key markets, where the company commands a 63% share of LPG imports. Cambodia’s ban on LPG imports from Thailand, effective June 22, 2025, amid armed tensions, presents a near-term opportunity for GAS to expand its market share to an estimated 69% (+6 ppts), leveraging its integrated supply chain to promptly fill the shortfall from Thailand. Compared with our previous forecast, we revise up GAS’s 2025 LPG revenue estimate by 13% to VND62,349 billion, assuming 15% YoY volume growth to 3,565 thousand tons, with lower ASP partly offset by VND depreciation versus the USD.

Fig 4. Cambodia – LNG import market share ('000 VND)



Source: Trademap, KB Securities Vietnam

**PVN's finalization of the Nam Du – U Minh GSAs with power plants will enable GAS to boost its gas transportation revenue**

In 2025, GAS aims to finalize Gas Sales Agreements (GSAs) for the Southwest gas fields (PM3–CAA and Nam Du – U Minh) with field owner PVN to transport dry gas to downstream consumers in the Ca Mau industrial cluster. Alongside extending the existing PM3–CAA GSA, GAS will also sign a transportation contract for Nam Du – U Minh with POW to supply the Ca Mau 1&2 plants (1,500MW). GAS has committed to transport around 3 billion Sm<sup>3</sup> (~100 million m<sup>3</sup>) of Nam Du – U Minh gas annually to Ca Mau 1&2, equivalent to ~11% of the field's total output.

Based on the reserve assessment report, we incorporate Nam Du – U Minh gas transportation revenue of 6.8 billion Sm<sup>3</sup> (220 million m<sup>3</sup>) in 2027 and 26.3 billion Sm<sup>3</sup> (875 million m<sup>3</sup>) during 2028–2032, equivalent to ~10% of GAS's annual gas volumes over the period. The Nam Du – U Minh transportation tariff is expected to remain in line with that of PM3–CAA, as both share the same pipeline infrastructure. Together with contributions from the Block B – O Mon project, Nam Du – U Minh is projected to drive GAS's transportation revenue from VND1,939 billion to VND8,655 billion in 2027–2030, implying a CAGR of 45%.

**GAS unveils ambitious VND65 trillion capex plan for 2026–2030 across the value chain**

At the AGM, GAS announced a capex plan of VND65 trillion for 2026–2030, spanning projects across the value chain: (i) upstream with new gas field developments; (ii) midstream with a focus on LNG infrastructure—notably four strategic LNG terminals in Thi Vai, Son My, Central Vietnam, and Northern Vietnam—together with new pipelines such as Block B – O Mon and Su Tu Trang (White Lion) Phase 2B; and (iii) downstream with gas/LNG-to-power projects aimed at enhancing gas utilization in power generation. We have not yet incorporated these projects into our valuation model, but do not rule out potential capital increases to finance them, given the ambitious scale—equivalent to 80% of GAS's total assets—while annual operating cash flows cover only 15–20% of funding requirements.

## Business performance

Table 5. GAS – 2024A–2026F financial results

(VNDbn)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Notes
<b>Revenue</b>	<b>103,604</b>	<b>107,279</b>	<b>4%</b>	<b>125,499</b>	<b>17%</b>	
Dry gas + LNG	40,480	37,122	-8%	52,106	40%	2025F dry gas and LNG revenue is revised down by VND2,522 billion versus previous forecast, reflecting lower ASP of LNG (cut from USD14 to USD12/mmBTU).
Gas transportation	2,750	2,282	-17%	2,164	-5%	
LPG	54,875	62,349	14%	65,503	5%	2025F LPG revenue is revised up on favorable export conditions, with volumes expected to exceed plan in 2H2025.
CNG	3,517	3,639	3%	3,899	7%	
Condensate	1,001	946	-5%	886	-6%	
Others	941	941	0%	941	0%	
<b>Gross profit</b>	<b>17,654</b>	<b>17,905</b>	<b>1%</b>	<b>18,695</b>	<b>4%</b>	
<i>Gross profit margin</i>	<i>17%</i>	<i>17%</i>	<i>0 ppts</i>	<i>15%</i>	<i>-2 ppts</i>	
Financial income	1,737	1,784	3%	2,145	20%	
Financial expenses	660	693	5%	636	-8%	
Profit from associates	38	38	0%	38	0%	
SG&A	5,612	2,188	-61%	4,567	109%	Primarily supported by a VND1,634 billion provision reversal in 2Q2025.
<b>Operating income/loss</b>	<b>12,042</b>	<b>15,718</b>	<b>31%</b>	<b>14,128</b>	<b>-10%</b>	
Other income	16	16	0%	16	0%	
Profit before tax (PBT)	13,172	16,862	28%	15,691	-7%	
<b>Net profit after tax (NPAT)</b>	<b>10,590</b>	<b>13,557</b>	<b>28%</b>	<b>12,615</b>	<b>-7%</b>	
<b>NPAT-MI</b>	<b>10,398</b>	<b>13,311</b>	<b>28%</b>	<b>12,386</b>	<b>-7%</b>	
<i>NPATMI margin</i>	<i>10%</i>	<i>13%</i>	<i>2 ppts</i>	<i>10%</i>	<i>-3 ppts</i>	

Source: PV Gas, KB Securities Vietnam

### We upgrade GAS to BUY with a target price of VND73,300/share

Despite solid 2Q2025 results, GAS's share price performance has remained muted, leaving the stock at an attractive valuation level—trading below 1 standard deviation of its 5-year average P/B. Following a nearly 10% correction from its August peak, we view the current level as a favorable entry point, underpinned by the recovery outlook as new gas projects near commissioning.

Using a combination of FCFF and EV/EBITDA, we upgrade GAS to BUY with a target price of VND73,300/share, implying a 17.3% upside versus the closing price on September 19, 2025. We apply a target EV/EBITDA multiple of 8.5x—slightly above the 5-year average minus 1 standard deviation—to account for the one-off impact of provision reversals on 2025 EBITDA. On this basis, with ROE expected to average 16–17% over 2025–2027, the stock is valued at 2.5x forward P/B in 2025, consistent with historical levels.

Table 6. GAS – 2025F–2030F FCFF forecast

(VNDbn)	2025F	2026F	2027F	2028F	2029F	2030F
Operating profit	13,557	12,615	12,297	14,674	15,927	17,513
(+) Depreciation	2,556	2,183	5,012	4,402	3,894	3,469
(+) Interest expense x (1-t)	357	327	317	312	297	273
(-) Change in working capital	989	(1,758)	(1,105)	(3,157)	(1,273)	(742)
(-) CAPEX	(12,485)	(13,382)	(12,382)	(382)	(382)	(382)
FCFF	3,190	(2,160)	1,872	13,476	16,043	17,652
<b>PV of FCFF</b>	<b>3,190</b>	<b>-1,935</b>	<b>1,502</b>	<b>9,535</b>	<b>10,116</b>	<b>9,918</b>
PV of explicit period						32,327
PV of terminal value						93,338
Enterprise value						125,665
(+) Cash & cash equivalents						44,622
(+) Investments in associates and financial assets						400
(-) Net debt and minority interest						11,625
<b>Equity value</b>						<b>159,062</b>
<b>Equity value per share (VND)</b>						<b>67,800</b>

Source: KB Securities Vietnam

Table 7. GAS – FCFF model assumptions

Assumption	Value
Risk-free rate	4.7%
Beta	1.05
Equity risk premium	8.4%
Forecast duration	5 years
Weighted average cost of capital (WACC)	11.7%
Target EV/EBITDA multiple	8
Terminal growth rate	2.5%

Source: KB Securities Vietnam

Table 8. GAS – EV/EBITDA valuation

(VNDbn)	Value
EBITDA 2025F–2027F (average)	17,782
Target EV/EBITDA multiple	8.5
<b>Enterprise value (EV)</b>	<b>151,150</b>
(+) Cash & short-term investments	44,622
(+) Financial investments	400
(-) Net debt	-10,174
(-) Minority interest	-1,450
<b>Equity value</b>	<b>184,547</b>
Shares outstanding (million shares)	2,343
<b>Equity value per share (rounded)</b>	<b>78,800</b>

Source: KB Securities Vietnam

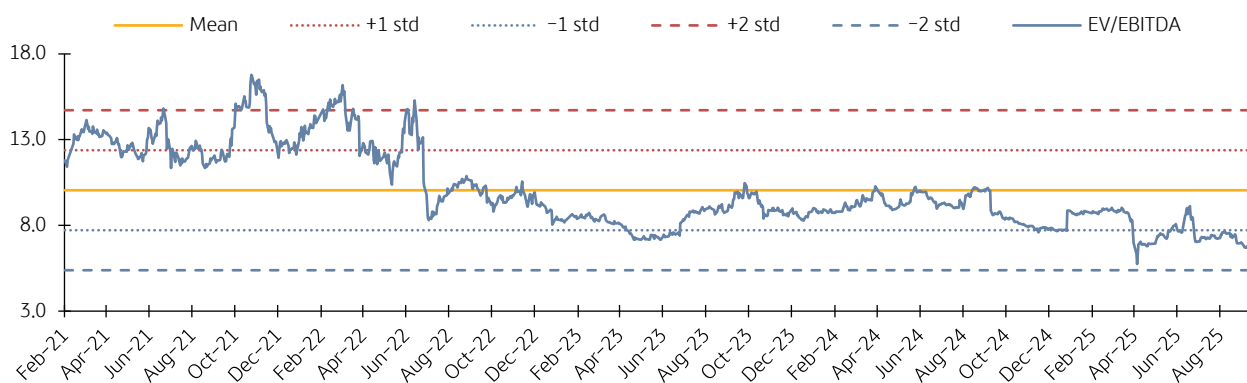
Table 9. GAS – Valuation results

Method	Implied price	Weight	Weighted price
FCFF	67,800	50%	33,900
EV/EBITDA (8.5x)	78,800	50%	39,400
<b>Target price (rounded)</b>			<b>73,300</b>
Upside			17.3%

Source: KB Securities Vietnam

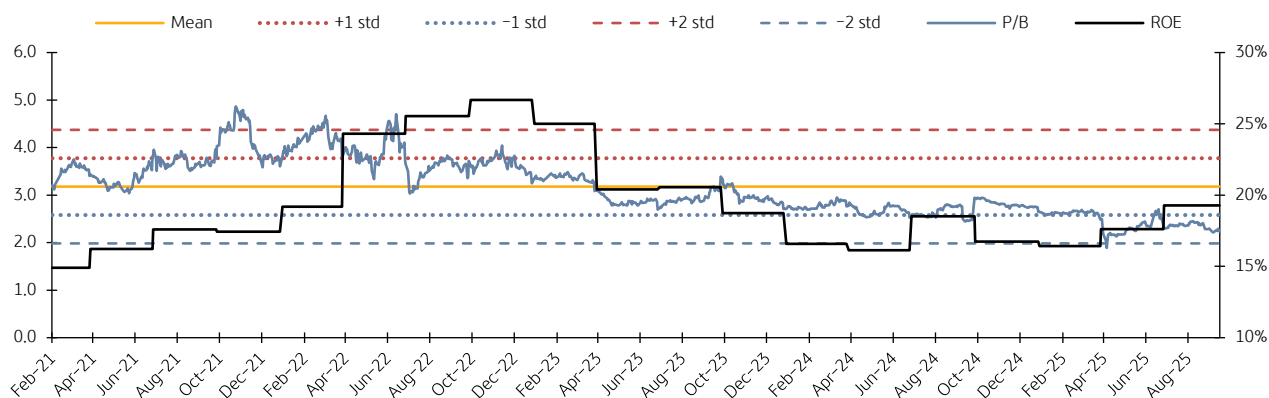


Fig 10. GAS - EV/EBITDA in 2021-2025



Source: Bloomberg, KB Securities Vietnam

Fig 11. GAS - P/B, ROE in 2021-2025



Source: Bloomberg, KB Securities Vietnam



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**Investment ratings & definitions**

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**Investment Ratings for Stocks**

**(Based on the expectation of price gains over the next 6 months)**

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

**Investment Ratings for Sectors**

**(Based on the assessment of sector prospects over the next 6 months)**

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

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