

# PetroVietnam Gas (GAS)

## 1Q26 earnings in line with forecast

- Revenue grew 48% yoy thanks to LNG global tradings
- NPAT upped 8% yoy, ~101% KIS forecast
- 2Q26F: expecting no strong growth vs the high base

### Facts: 1Q26 earnings in line with forecast

1Q26 revenue reached VND38tn (+48% yoy, -13% qoq, ~115% of KIS forecast), driven by strong LNG volume growth supported by Nhon Trach 3&4 power plants and expanded international trading activities. Gross profit came in at VND4.51tn (+10% yoy, +19% qoq, 105% of forecast). Gross margin stood at a relatively low 11.9% (-4.1%p yoy) due to dilution from higher LNG contribution. Details are as follows:

- **Natural gas & LNG segment:** Revenue reached VND21tn (+90% yoy), driven by higher LNG volume and higher selling prices. Total gas volume increased 6% to 1.5 BCM (~92% of KIS forecast). Gross margin declined to 13.9% (-7.4%p yoy, -1.7%p qoq) due to LNG expansion, which carries thinner margins than domestic gas. We believe GAS is accelerating international LNG trading, alongside increased imports into Thi Vai terminal to partially replace LPG trading, which has been disrupted by the Gulf conflict.
- **LPG segment:** Revenue reached VND15.5tn (+16% yoy). Gross margin stood at 5.3% (-2.3%p yoy, +2.1%p qoq). We estimate LPG volume grew only ~4% yoy but declined ~40% qoq, mainly due to disruptions in international LPG trading since March amid the Gulf conflict.

SG&A expenses increased 11% yoy, with no significant provisioning recorded.

As a result, 1Q26 NPAT reached VND2.99tn (+8% yoy, +116% qoq, ~101% of KIS forecast).

### Pros & cons: not expecting strong growth NPAT growth in 2Q26F

In 2Q26, we expect GAS to benefit from stronger LNG demand during the dry season peak and improved margins in the domestic gas segment supported by higher oil prices. However, we do not expect strong NPAT growth for the quarter due to (1) a sharp yoy decline in international LPG trading volume amid ongoing Hormuz blockade, and (2) a high earnings base in 2Q25 driven by a provision reversal of approximately VND1.6tn.

Regarding Nhon Trach 3&4, based on our latest update, both LNG power plants became eligible for commercial operation from December 2025 and are expected to operate at the minimum contracted take-or-pay level of 65% as stipulated by the MOIT in 2026.

## Earnings Review

3 Jun 2026

12M rating **HOLD**

12M TP **NA**

Up/Downside **NA**

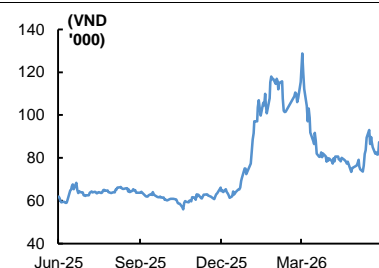
### Stock Data

VNIndex (02 Jun, pt)	1,826
Stock price (02 Jun, VND)	82,200
Market cap (USD mn)	7,515
Shares outstanding (mn)	2,413
52-Week high/low (VND)	128,700/56,000
6M avg. daily turnover (USD mn)	9.99
Free float / Foreign ownership (%)	5.0/2.1
Major shareholders (%)	
PVN	95.76

### Performance

	1M	6M	12M
Absolute	11.7	29.7	32.7
Relative	15.3	21.6	(2.9)

### Stock price trend



Source: FiiProX

### Research Dept

Researchdept@kisvn.vn

**Table 1. Quarterly earning snapshot**

(VND bn, %, %p)

	1Q25	2Q25	3Q25	4Q25	1Q26	QoQ	YoY
Sales	25,675	30,080	35,690	43,683	38,020	(13.0)	48.1
OP	3,172	5,667	2,886	1,399	3,488	149.3	9.9
OP margin	12.4	18.8	8.1	3.2	9.2	6.0	(3.2)
PBT	3,429	5,982	3,206	1,743	3,755	115.4	9.5
NPAT	2,763	4,809	2,613	1,387	2,994	115.8	8.4

Source: Company data, KIS Research

### 2026 annual general meeting highlights:

**Investment plan:** GAS plans to disburse VND9.1tn in capex during 2026. By 2030, the company plans to invest VND60,000-100,000bn into gas industry infrastructure.

**GAS takes over downstream gas sales agreement (DGSA) for PM3-CAA from PVN:** According to management, GAS could record an additional ~VND12,000bn in annual revenue from PM3-CAA gas trading. The event is not expected to materially boost short-term profits, but carries long-term strategic significance by allowing GAS greater flexibility in optimizing gas supply in Southwest Vietnam.

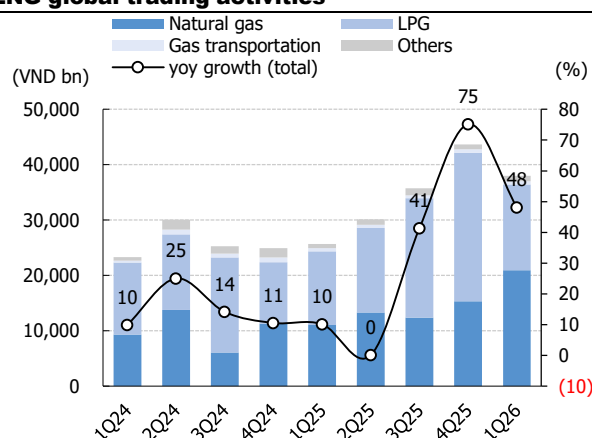
**Bad debt provisioning related to power plants:** management noted that these provisions do not reflect deteriorating payment capability from counterparties, but are mainly related to technical issues and payment mechanisms. Therefore, the provisions may be reversed in the future once receivables are settled.

Overall, we assess that information in the AGM does not materially change our view about PV GAS.

### Action: HOLD

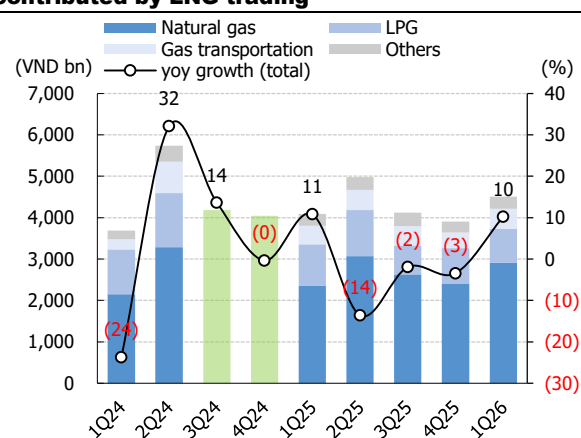
We maintain our **HOLD** recommendation, as we believe GAS's current share price largely reflects its business potential. In the short term, we note downside risks from falling global oil prices in cases of rising peace prospects in the Middle East, which could negatively impact GAS's stock performance, given its commodity-linked nature.

**Figure 1. 1Q26 revenue upped 48% yoy, driven by LNG global trading activities**



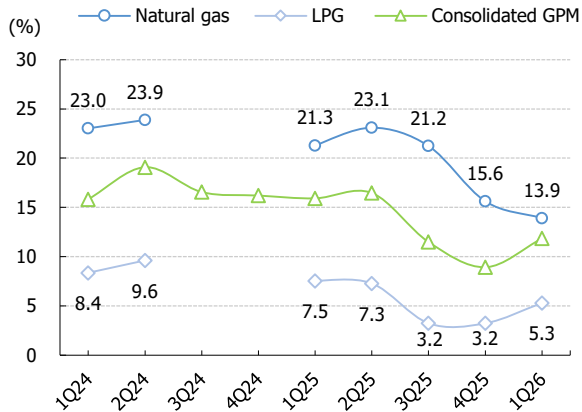
Source: Company data, KIS Research

**Figure 2. 1Q26 gross profit rose 10% yoy, mostly contributed by LNG trading**



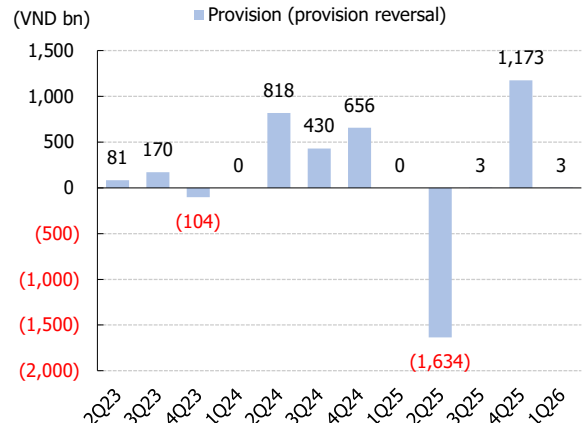
Source: Company data, KIS Research

**Figure 3. Natural gas gross margin diluted to 13.9% given the rising contribution of low-margin LNG global trading**



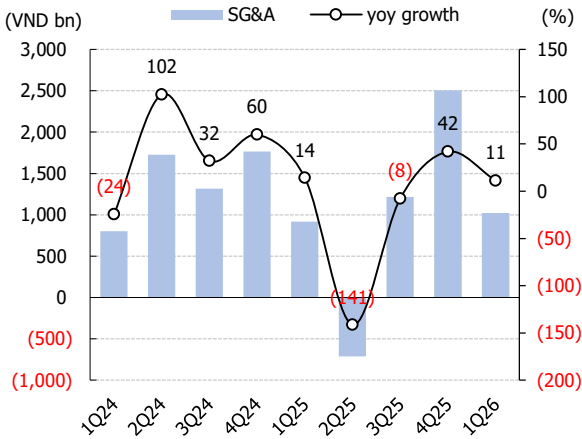
Source: Company data, KIS Research

**Figure 4. GAS did not record significant provision in 1Q26**



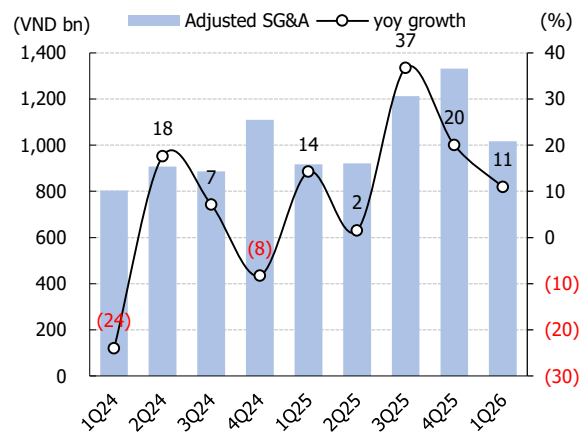
Source: Company data, KIS Research

**Figure 5. 1Q26 SG&A upped 11% yoy**



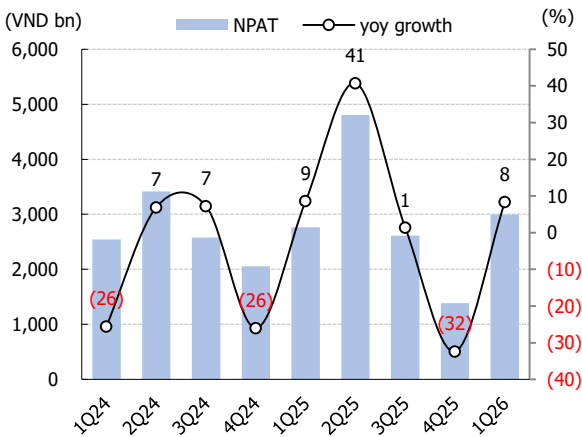
Source: Company data, KIS Research

**Figure 6. Adjusted SG&A, excluding the impact of bad debt provisions**



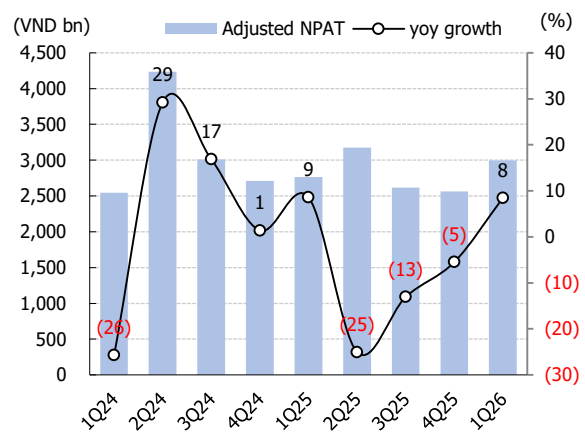
Source: Company data, KIS Research

**Figure 7. 1Q26 NPAT rose by a single-digit 8% yoy**



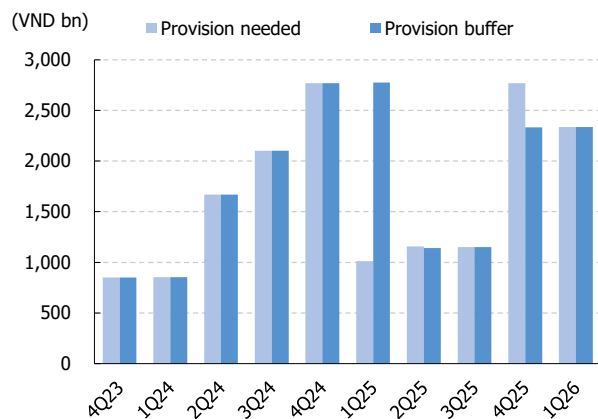
Source: Company data, KIS Research

**Figure 8. Adjusted NPAT saw no difference to NPAT**



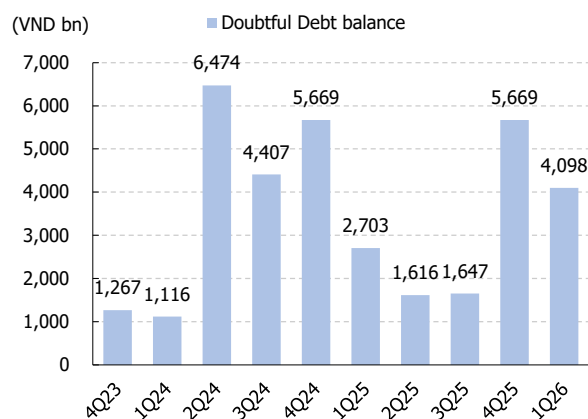
Source: Company data, KIS Research

**Figure 9. Provision buffer remained at VND2.3tn, management noted that the provisions do not reflect poor payment capability of counterparties, and can be reversed in the future**



Source: Company data, KIS Research

**Figure 10. Bad debt balance reduced vs end-2025, at VND4.1tn**



Source: Company data, KIS Research

**■ Company overview**

PV GAS (GAS), a subsidiary of PetroVietnam (PVN), is the monopoly in domestic natural gas. PV GAS is a leading firm in developing LNG supply chain in Vietnam as the first certified LNG importer. PV GAS is also a key beneficiary in the Block B – O Mon project, responsible for mid-stream gas transportation.

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