

Analyst

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Recommendation: Positive

Current price (09/06/2025): 64,900VND

Target price: **72,500 VND**

% increase/decrease in price: **+11.8%**
Basic parameters:

Market cap (billion VND):	161,410.2
No. of outstanding shares (mil):	2,342.6
No. of listed shares (mil):	2,342.6
Average volume (10D) (shares):	1,250,218
52W Low (VND):	64,855
52W High (VND):	72,552
State ownership:	95.76%
Foreign investor ownership:	1.82%
Free-float:	5.00%

Historical price


Source: SHS Research, FiinProX

	2022	2023	2024
Total assets	82,662.7	87,754.4	81,854.9
Equity	61,173.6	65,298.6	61,571.0
Revenue	100,723.6	90,014.1	103,603.6
Profit after tax	15,066.4	11,793.1	10,590.1
ROE	30.4%	23.2%	18.7%
ROA	24.0%	16.6%	13.1%
EPS	7,871.9	6,161.7	5,533.1

LPG AND LNG LEAD LONG-TERM REVENUE GROWTH

After conducting the initial valuation of GAS shares using the FCFF discounted cash flow method, SHS issued a Positive recommendation for GAS, with a 12-month target price of VND 72,500 per share, representing an 11.8% upside compared to the market price of VND 64,900 on August 28, 2025.

- Revenue improved and sustained growth momentum in 2024 and 2025 first half; however, profitability remains under pressure from volatile input costs. Net profit in 2025 is expected to be supported by provision reversals.
- Vietnam's macroeconomic growth will serve as a key driver of overall national energy demand.
- GAS's international LPG business is on an upward trajectory, with a market share of approximately 65% in Cambodia. Looking ahead, Cambodia's LPG consumption is forecast to grow at a CAGR of 7% during 2021–2040, largely driven by increased use of tuk-tuks. Notably, imports from Vietnam currently dominate Cambodia's LPG supply routes.
- GAS plays a pivotal role in the development and supply of LNG. While Vietnam is transitioning toward renewable energy, LNG remains a critical transitional fuel in the medium term. GAS enjoys a strong competitive edge with existing infrastructure, notably Thi Vai LNG Terminal has already in operation.
- Between 2012 and 2023, GAS consistently maintained a relatively high and stable cash dividend policy. In 2024, due to profit pressures, dividend payout ratio declined to 21%. In near-term, GAS is expected to maintain limited dividend payouts in order to balance operating cash flow.

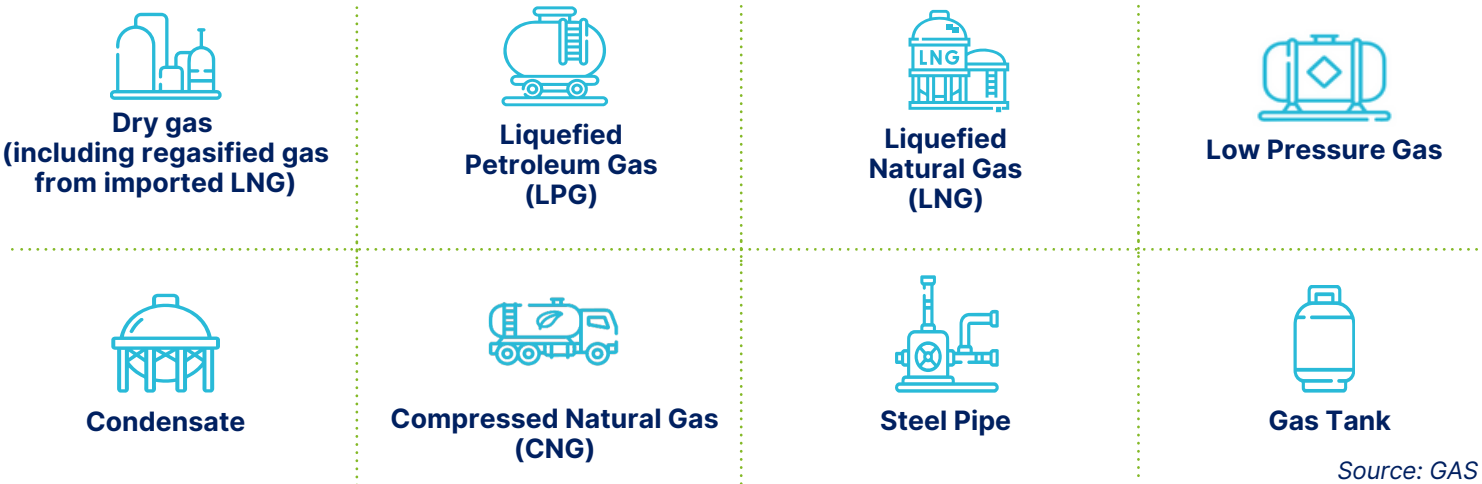
RISKS

- Profit margins haven't show any signs of improvement due to input cost pressures and regulated selling prices: (1) High volatility in global LNG spot prices; (2) Intensified competition in the LPG market, with rivals adopting price-cutting strategies, directly pressuring GAS's margins.
- Dependence on EVN and power plants: (1) Potential payment risks or changes in electricity pricing mechanisms; (2) Margins heavily tied to gas-to-power sales contracts with EVN and power plants.
- Delays in domestic oil & gas projects: (1) Prolonged legal and regulatory procedures; (2) Political risks and sovereignty disputes; (3) Infrastructure development delays.

I. PETROVIETNAM GAS JOINT STOCK CORPORATION (GAS)

1. Company overview & shareholder structure

PetroVietnam Gas Joint Stock Corporation, formerly known as PetroVietnam Gas Corporation, is a subsidiary of Vietnam Oil and Gas Group (PVN). The principal business activities of GAS include the collection, transportation, storage, processing, import-export, and trading of gas and gas-related products. GAS currently produces, supplies, and distribute:

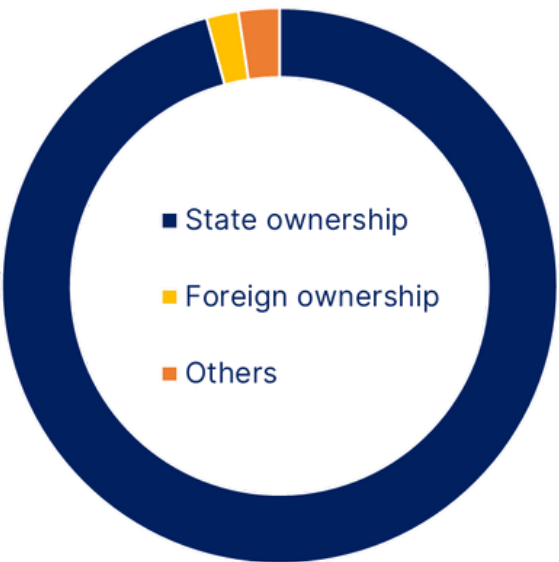


Concurrently, GAS also provides services including:



The company currently operates three major gas pipeline systems: Cuu Long and Nam Con Son (Southeast region), and PM3 (Southwest region). Concurrently managing two gas processing plants (Dinh Co and Nam Con Son), along with a nationwide LPG storage network.

GAS has been listed on the Ho Chi Minh Stock Exchange (HOSE) since 2012.



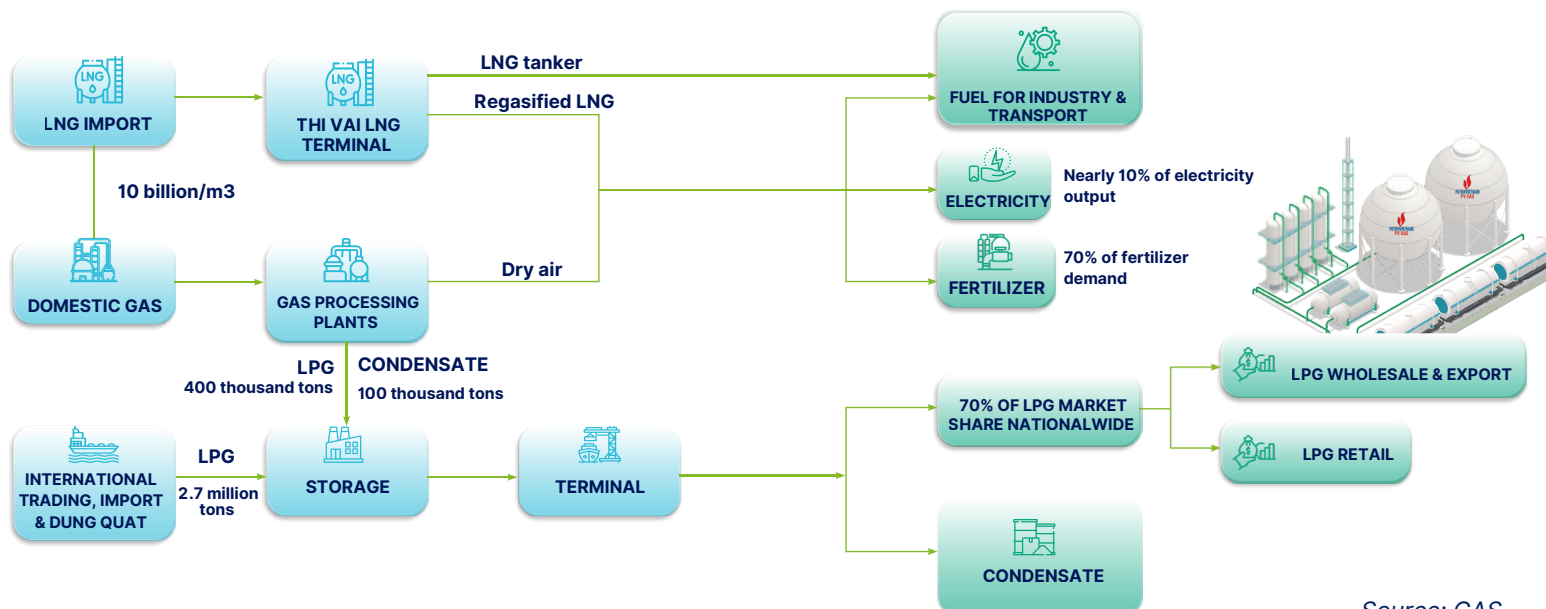
At GAS 2025 AGM, BoD addressed delisting risks as PVN holds 95.76% of its shares, below the 10% public ownership requirement. Currently, GAS is relying on a transitional exemption in the Draft Law on State Capital allowing state-owned enterprises undergoing restructuring to remain listed. In the meantime, GAS is also taking steps to expand minority shareholders through stock dividends and a 3% capital increase.

2. Company structure

GAS is structured as a parent-subsidary company. In addition to Parent company, GAS operates with 17 specialized divisions, 9 branches along with 7 subsidiaries and 2 associates.

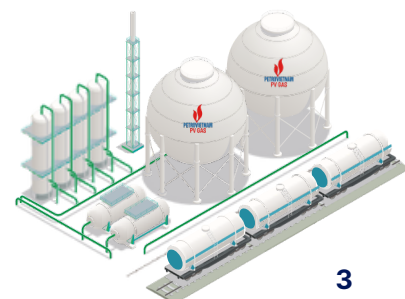
Company	Principal Activities	Ownership (%)
Subsidiaries		
PV Steel Pipe Joint Stock Company	Manufacturing steel pipes	99.99
PV Low Pressure Gas Distribution Joint Stock Company	Distributing low pressure gas	50.5
CNG Vietnam Joint Stock Company	Manufacturing natural gas	56
PV LPG Joint Stock Company	Distributing liquefied petroleum gas	51.31
PV Coating Joint Stock Company	Providing pipe coating services	52.94
LNG Vietnam Joint Stock Company	Manufacturing natural gas	51
Son My LNG Terminal Limited Liability Company	Processing natural gas	61
Associates		
Southern Gas Trading Joint Stock Company	Distributing liquefied petroleum gas	35.26
PVGazprom Natural Gas for Vehicles Company Limited	Trading gas	29

2. Business areas



Source: GAS

GAS operates nationwide across Vietnam, with major infrastructure in the South (Vung Tau, Ba Ria, Ca Mau), Central (Phu Yen, Quang Ngai), and North (Hai Phong, Quang Ninh). The company gathers and transports gas from key offshore basins such as Nam Con Son, Cuu Long, and Malay - Tho Chu.



II. GAS MARKET OVERVIEW

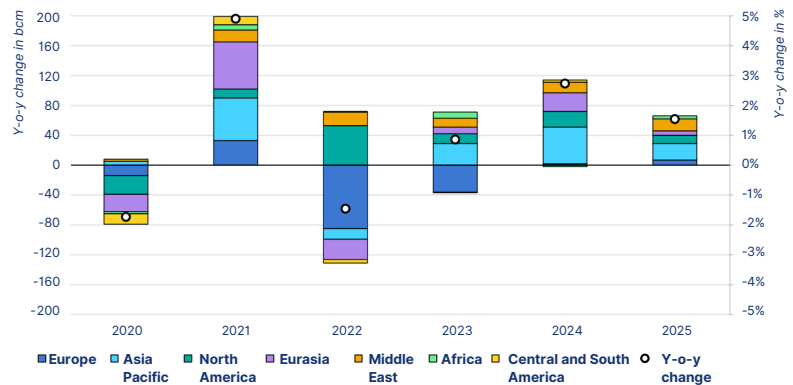
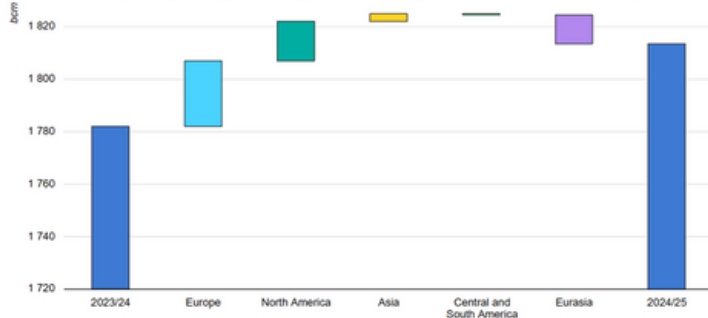
1. Global gas market

In the context of ongoing global economic uncertainties, global natural gas demand is expected to slow in 2025. Following the supply shock of 2022–2023, demand recovered in 2024 and continued to rise during the winter of 2024–2025.

However, this growth was largely concentrated in Europe and North America, while demand in Asia declined due to elevated LNG spot prices driven by tighter fundamentals and geopolitical tensions. Notably, China's gas demand fell by 2% year-on-year during the period from November 2024 to February 2025.

Europe and North America drove global gas demand growth over the 2024/25 gas winter

Estimated year-on-year changes in natural gas demand in key regions for the October 2024–March 2025 period



Source: IEA

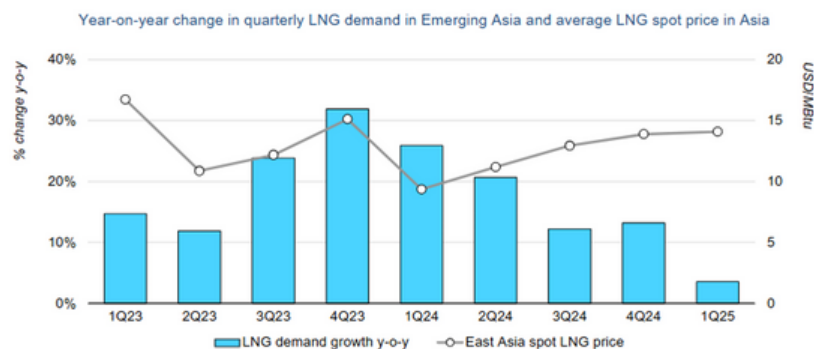
Overall, **global gas demand growth in 2025 is estimated at only around 1.5%**. Although Asia remains the largest contributor to global demand growth, its gas consumption is projected to rise by just 2%—a sharp slowdown compared with 5.5% in 2024.

Emerging Asian economies

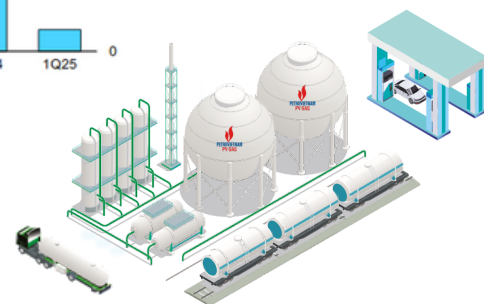
In emerging Asia, natural gas consumption increased slightly during the period from October 2024 to March 2025, primarily driven by an over 8% rise in LNG imports amid declining domestic gas production.

For 2025, gas demand in emerging Asian countries is projected to grow by around 2%, constrained by expectations of high prices and the redirection of LNG flows toward Europe. This shift is expected to reduce LNG imports and industrial gas consumption in the region. Consequently, LNG demand growth is forecast to decelerate sharply, from 17% in 2024 to below 3% in 2025.

Rising spot LNG prices have slowed LNG demand growth in Emerging Asia in recent quarters



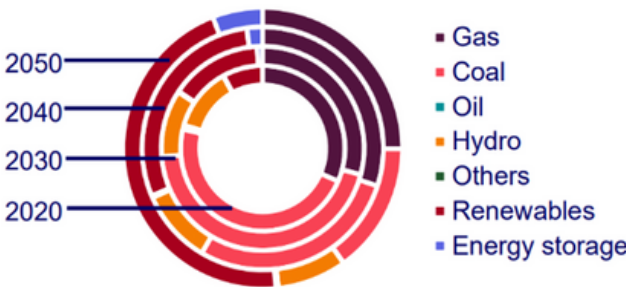
Source: IEA



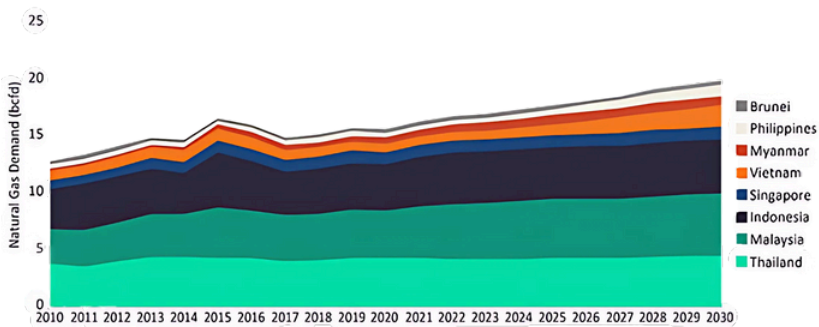
Southeast Asia

Natural gas is expected to become an essential part of Southeast Asia’s future energy mix, with its share projected to reach up to 30% of primary energy by 2050. According to Wood Mackenzie, regional gas demand is forecast to grow at an average annual rate of 3.1% through 2035. By 2032, Southeast Asia is projected to become a net LNG importer, with demand rising by 182% over the following decade.

Southeast Asia’s Energy Production Structure to 2050

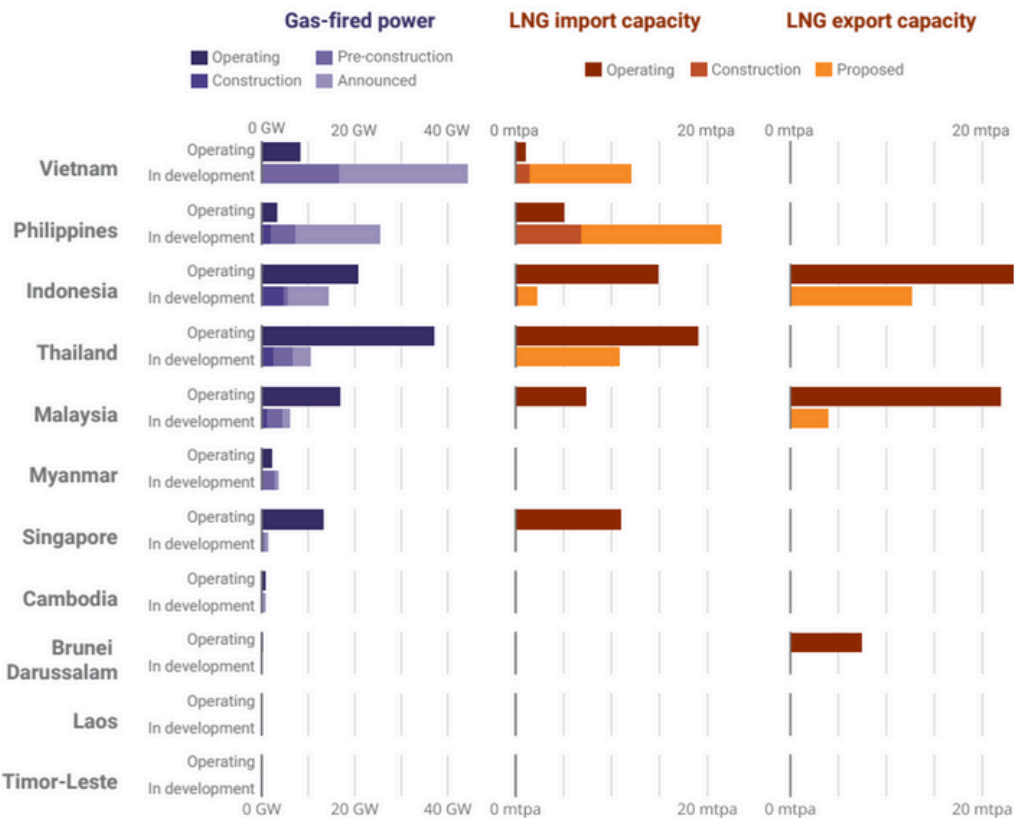


Natural Gas Demand in Southeast Asia (2010–2030)



According to data from Global Energy Monitor (GEM), Vietnam, the Philippines, Thailand, Indonesia, and Malaysia are at the forefront of the natural gas development wave in Southeast Asia. The region is currently building over 100 GW of gas-fired power capacity, alongside 47 million tons per year of LNG import capacity and 16.7 million tons per year of LNG export capacity under development.

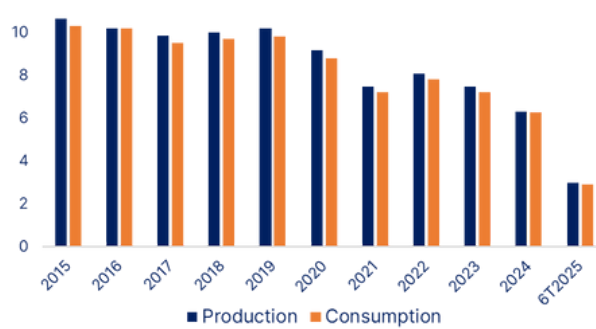
If all these projects are realized, Southeast Asia’s total gas-fired power capacity will double (from the current ~102 GW), LNG import capacity will increase by 80%, and LNG export capacity will expand by more than 30%.



Additionally, the region is actively considering a large number of final investment decisions (FIDs) in the oil and gas sector, with over 20 billion cubic meters of new annual gas production capacity—equivalent to an 18% increase from current output.

2. Vietnam

Domestic gas



Vietnam possesses significant natural gas reserves, ranking third in ASEAN. As of 2021, the country's proven natural gas reserves stood at 15.6 bcm.

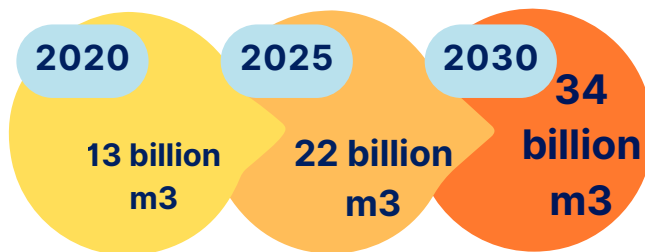
However, production has been on a declining trend, particularly at offshore fields, leading to supply shortages.

Since 2013, domestic gas output has decreased at a compound annual growth rate (CAGR) of -5%, as major fields have entered the depletion stage after long-term exploitation.

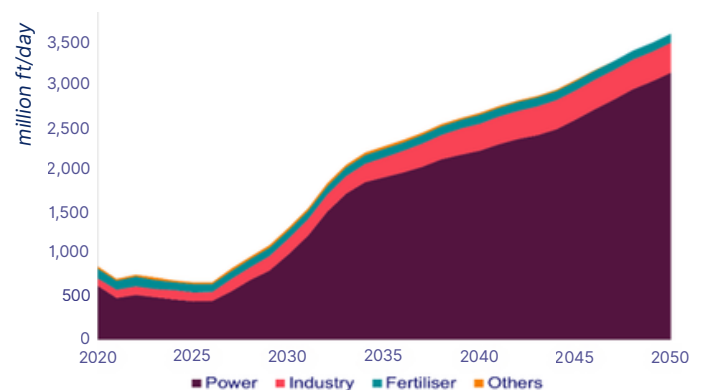
- Gas supply for power generation in Vietnam is concentrated mainly in the southern region. Since 2021–2022, the Southeast region has faced gas shortages, with current supply averaging 9.5 million cubic meters per day, meeting only about 50% of the region's power generation demand.
- In 2024, Vietnam's total gas consumption efficiency fell by approximately 10.6%, primarily due to the sharp decline in domestic supply.

Looking ahead, **natural gas demand is expected to continue rising**, driven by the power generation, chemicals, industrial, and transportation sectors.

Reaching over 34 billion m3 by 2030



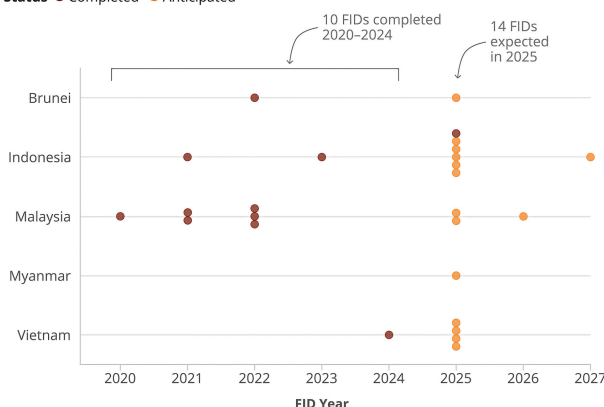
Strong growth toward 2050



Vietnam is actively accelerating the development of new natural gas fields.

According to Global Energy Monitor (GEM), 2025 is expected to mark the year with the highest number of natural gas projects reaching FID in Southeast Asia in more than a decade. These projects are spread across ASEAN countries, including Indonesia (5), Vietnam (4), Malaysia (2), Brunei (1), and Myanmar (1).

FID Status ● Completed ● Anticipated



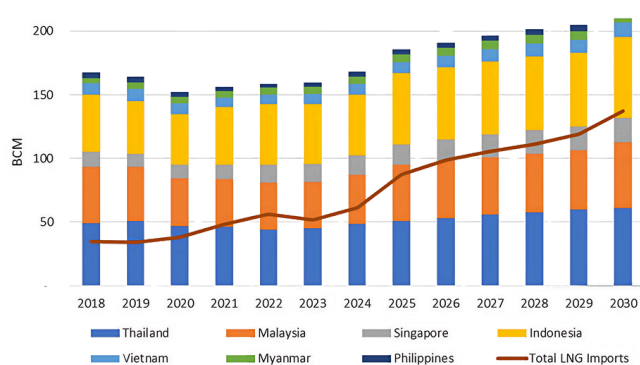
Unit name	Country	Status	Production start year (expected)	Operator	Anticipated peak bcm/y*
Ca Voi Xanh	Vietnam	discovered	2030	ExxonMobil	6.0
Kelidang Cluster	Brunei Darussalam	discovered	2025	Petronas	4.7
Maha	Indonesia	discovered	2026	Eni S.P.A.	2.1
Limbayong	Malaysia	discovered	2025	Petronas Carigali	1.6
Kaliberau Dalam	Indonesia	discovered	2028	Repsol	1.4
Su Tu Trang 2b	Vietnam	in development	2026	Cuu Long Joint Operating Company	1.3
Mako	Indonesia	discovered	2026	Conrad Energy Asia	1.2
Geng North	Indonesia	discovered	2027	Eni S.P.A.	0.9
Lengo	Indonesia	discovered	2027	KrisEnergy	0.7
Nam Du	Vietnam	discovered	2026	Jadestone Energy	0.7
Mahar	Myanmar	discovered	2027	Posco International	0.4
U Minh	Vietnam	discovered	2026	Jadestone Energy	-
Salam-Patawali	Malaysia	discovered	2026	ConocoPhillips	-

Updated Progress of New Natural Gas Field Development Projects in Vietnam

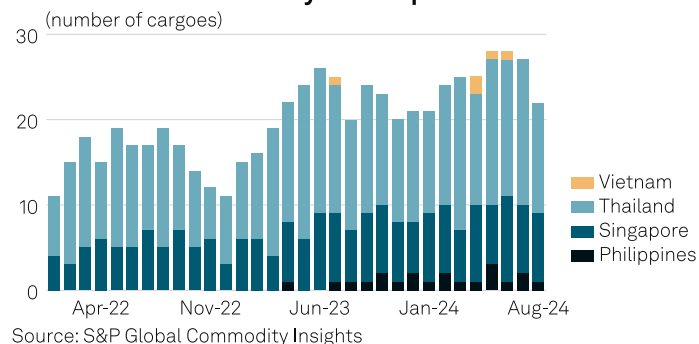
Project	Reserves	Total Investment (USD mn)	Latest Progress
Kinh Ngu Trang	2.83 bcm	650	No official announcement yet on first gas flow.
Block B – O Mon	107 bcm	12,000	EPCI#1: 22% completed; EPCI#2: 47% completed; EPC#3 (onshore pipeline): contract signed for FSO supply with Yinson.
Su Tu Trang – 2B	17.05 bcm	1,300	“Heads of Agreement” (HOA) for Gas Sales and Purchase Agreement (GSPA) signed on 22 Apr 2025.
Ca Voi Xanh	150 bcm	4,600	Vietnam finalizing negotiations with ExxonMobil in June 2025.
Nam Du – U Minh	171.3 bcm	N/A	Jadestone submitted Field Development Plan (FDP) in Mar 2025.
Ken Bau	200–250 bcm	N/A	Still in exploration stage; reserves evaluation ongoing.

Vietnam is compelled to accelerate LNG imports to safeguard energy security:

- Since 2024, output from small fields has been insufficient to supply newly built power plants.
- According to S&P Global, domestic gas production is expected to decline to 5.3–6.8 million m3 per day by 2025, while gas demand for power generation in the Southeast region is around 20–22 million m3 per day.
- Gas from the Block B field (Southwest region) will be just enough to fuel the O Mon gas-to-power cluster (3,800 MW), while gas from the Blue Whale field is projected to supply only about five power plants (~750 MW) in Dung Quat and Chu Lai.

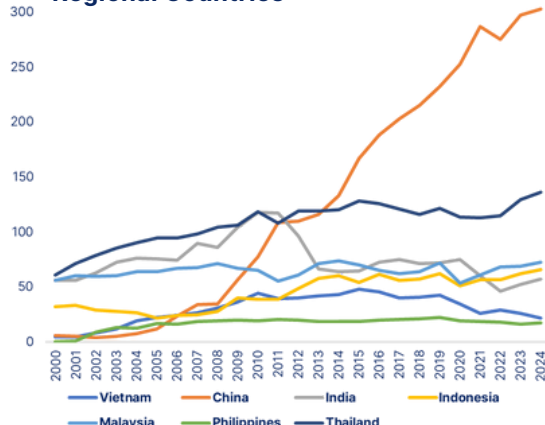


Southeast Asian monthly LNG imports

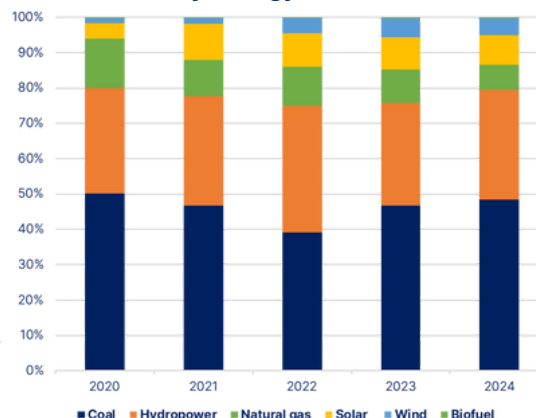


Vietnam's LNG Market: Early Stage

Gas-fired Power Generation (kWh) in Regional Countries



Vietnam's Power Generation Mix by Energy Source



LNG consumption remains limited

The country is still in the early stages of integrating LNG into its energy mix. In 2024, natural gas (including LNG) accounted for 7.2% of Vietnam's power generation, equivalent to 18.46 billion kWh. Meanwhile, total natural gas consumption has been declining at a CAGR of 16% since 2020.

Current imports:

- Vietnam officially entered the global LNG market in 2022 with its first import cargo purchased by GAS from Shell on the spot market.
- According to Reuters, only five spot cargoes totaling more than 300,000 tons of LNG have been imported to date, primarily through the Thi Vai terminal.

Infrastructure:

Currently, there are 02 LNG terminals are operational, with a combined capacity of 4 million tons per annum (MTPA).

THI VAI TERMINAL**Capacity:**

- Phase 1: 1 MTPA (0.14 bcfd);
- Currently expanding to 3 MTPA

Current status:

- Supplying blended gas to power plants

Recent activities:

- Received cargoes from Indonesia, Qatar, Malaysia, Brunei.
- Supplying LNG for Nhon Trach 3 & 4 (1.624 MW, operated since 1/2025).

CAI MEP TERMINAL**Capacity:**

- 3 MTPA

Current status:

- Under commissioning

Recent activities:

- Received 1st cargo (~90.000m³) from Sakhalin-2 (Russia), discharged on April 10 2025 via the Blue Dragon 1. Purchased on the spot market, used for commissioning operations.
- This marked Vietnam 1st LNG import from Russia, taking place under the backdrop of U.S. sanctions.

LNG Terminal Development Projects

Project	Investor(s)	Capacity	Expected Operation	Status
Son My LNG	PV Gas & AES	6 MTPA	Q1/2027	USD 3.2 billion investment, tied to 4,500 MW gas-fired power
Bac Lieu LNG	Delta Offshore Energy	2 MTPA	2027	Delayed due to issues with PPA and government guarantees
Hai Lang LNG	T&T, Hanwha, KOSPO, KOGAS	1.5 MTPA	2026–2027	Groundbreaking in 2022, slow progress
Thai Binh LNG (FSRU)	Tokyo Gas, Kyuden, Truong Thanh	0.2–0.5 MTPA	2028–2029	USD 2.56 billion project, tied to 1,500 MW gas-fired power
Vung Ang LNG	Vingroup, T&T, Hoanh Son, Samsung	2.2 MTPA	2026–2027	Linked to Vũng Áng III
Northern Vietnam LNG	Excelerate Energy, ITECO	1.2 MTPA	2027	To be developed in 2 phases
Thanh Hoa LNG	Multiple joint ventures	1.2 MTPA	Before 2030	USD 2.4 billion project
Ca Na LNG	Novatek	97,000 tons/lot	2024 (delayed)	International bidding since 2021
Nghi Son LNG	Multiple joint ventures	n/a	Before 2030	Linked to 1,500 MW power plant
Mui Ke Ga FSRU	ECV, Gunvor, B.Grimm	1.5 MTPA	2025	USD 200 million investment
Hon Khoai LNG	n/a	3 MTPA	2022–2025	Potential delays
Tien Giang LNG	n/a	4–6 MTPA	2022–2025	No progress information
My Giang LNG	n/a	3 MTPA	2030–2035	Long-term plan
Ca Hai LNG	n/a	1–3 MTPA	2030–2035	May overlap with Northern Vietnam LNG plan
Nam Van Phong LNG	Petrolimex (PLX)	1 MTPA	2025	Possibly a separate project

However, actual LNG imports remain much lower than capacity due to limited demand and incomplete distribution infrastructure.

Distribution Infrastructure

- The Nam Con Son pipeline connects Southern gas fields to power and industrial complexes, supporting LNG distribution.
- However, it is currently operating below capacity because of low import volumes.

Gas pricing & cost mechanism in Vietnam

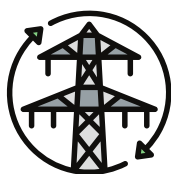
Domestic natural gas

General pricing mechanism:

- 2021-2025: maintain the current mechanism
- 2026-2030: transition to a competitive downstream market with third-party access to infrastructure.

Sales pricing mechanism:

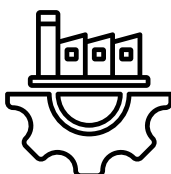
Power plants:



Price = Max [46% MFO, wellhead price] + transportation (including profit)

The gas price is either 46% of the average fuel oil (MFO) price or the wellhead price, plus regulated transportation tariffs. This ensures distributors earn a profit margin even during strong oil price volatility. Transportation fees are pipeline-specific.

Industrial:



Old

Price = Max [100% HSFO, wellhead price] + transportation (including profit)

New

Price = Based on LPG/FO price
Sales to subsidiaries: 80-90% LPG/FO.
Sales to industrial customers: 90-95% LPG/FO

Fertilizer



Price = 46% MFO + shipping fee

Fertilizer subsidies ended in 2018. From 2019, fertilizer plants have applied market-based pricing

The pricing framework has shifted towards competition and LNG integration, but still maintains the MFO/HSFO benchmarks and state oversight.



LPG :

Price = Imported LPG price + cost + VAT + distribution margin

Domestic gas procurement mechanism

Basin	Mechanism	Base Purchase Price	Customers
Cuu Long	Fixed	Wellhead price, escalated 2%/year	Power sector; Phú Mỹ Fertilizer (DPM)
Nam Con Son	Fixed	Wellhead price, escalated 2%/year	Power sector
Malay-Tho Chu	Floating	MAX [46% of MFO; wellhead price]	Power sector; Cà Mau Fertilizer (DCM)
Thai Binh	Floating	MAX [46% of MFO; wellhead price]	Industrial zones

Imported LNG – Pricing Mechanism in Vietnam

General pricing me

As of August 2025, Vietnam does not have a fixed LNG pricing formula. Instead, LNG costs are integrated into power generation costs under:

“Pass-through” mechanism

Electricity Law & Decree 56:

- LNG fuel cost is passed through into electricity price in PPA

$$\text{Price} = \text{LNG imported price} + \text{regasification cost} + \text{transportation}$$

Consumption guarantee mechanism

Decree 100:

- Ensures at least 65% of annual output from LNG-to-power projects is purchased for the first 10 years.
- Investors must commit to a minimum output, with EVN as the guaranteed buyer.

Taxation

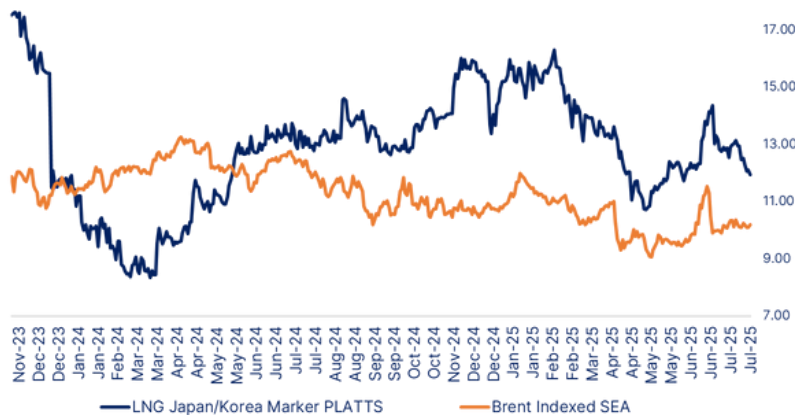
Decree 73/2025:

- Import tax for LNG reduced from 5% → 2%.
- VAT on LNG remains at 10%. No export tax applied to re-exported LNG.

Reference pricing & contracts

- Spot purchase: Indexed to JKM (Japan Korea Marker)
- Long-term contracts: typically Brent-linked (10-13% slope) or under negotiation with a JKM + fixed fee formula.

(Vietnam is in ongoing talks for long-term LNG supply contracts with Qatar, Exxonmobil)



Country	Pricing Mechanism	Reference Index	Outlook
Thailand	Managed by EGAT; mix of long-term contracts + spot purchases; carbon tax introduced in 2025	Hybrid JKM/Brent	Imports 10–12 MTPA; diversified sources (Australia, U.S.); demand growth +5%/year, but renewables (51% by 2037) limit LNG expansion
Laos	No LNG pricing mechanism	N/A	Negligible demand; no LNG imports expected by 2025
Malaysia	Managed by Petronas; primarily an LNG exporter but supplements with imports; market-based pricing with subsidies	Hybrid JKM/Brent	Imports 3–5 MTPA for power; exports ~25 MTPA; may become a net LNG importer by 2030
Indonesia	Managed by PLN; price cap of USD 6/MMBtu for consumers; carbon tax 2025	Price cap; JKM	Imports 2–4 MTPA; priority on domestic supply; regional imports to rise; biofuel to replace 40% of LNG demand by 2025

III. BUSINESS PERFORMANCE

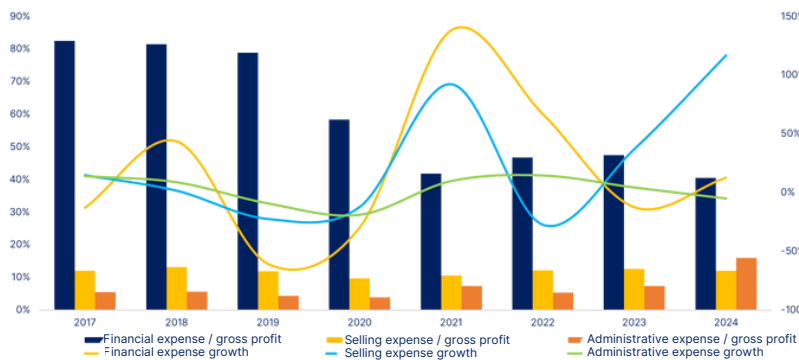
1. Full year 2024

Net revenue in 2024 reached **VND 103,603.6 billion** (+15.1% YoY) with profit after tax declined 10.2%, to **VND 10,590.1 billion**.

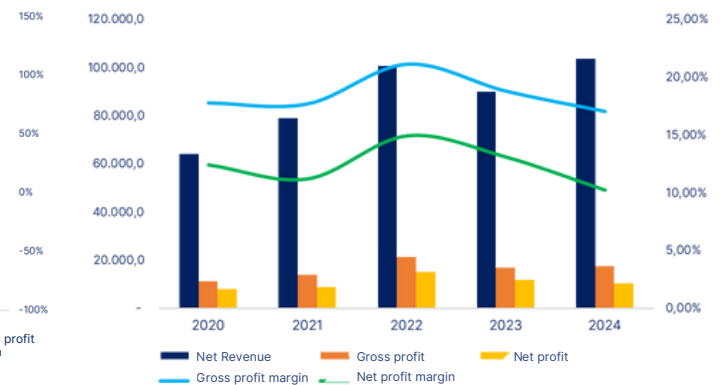
Revenue during 2020-2024 grew steadily with a CAGR of ~12%. Revenue growth in 2024 was mainly driven by LPG output increased to 2.4 million tons, high LPG prices sustained, storage capacity expansion and LNG sales to Northern Vietnam starting September 2024.

Gross margin recorded 17%, down 9.4% YoY. Net profit margin reached 10.2%, down 10% compared to 2023.

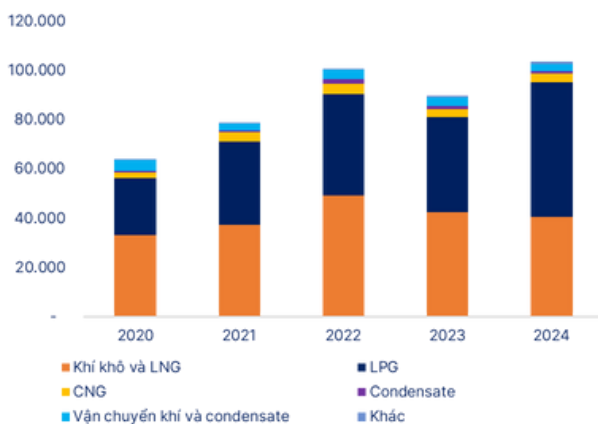
Cost/Gross Profit Ratio



GAS business results by year



Revenue structure by business segment



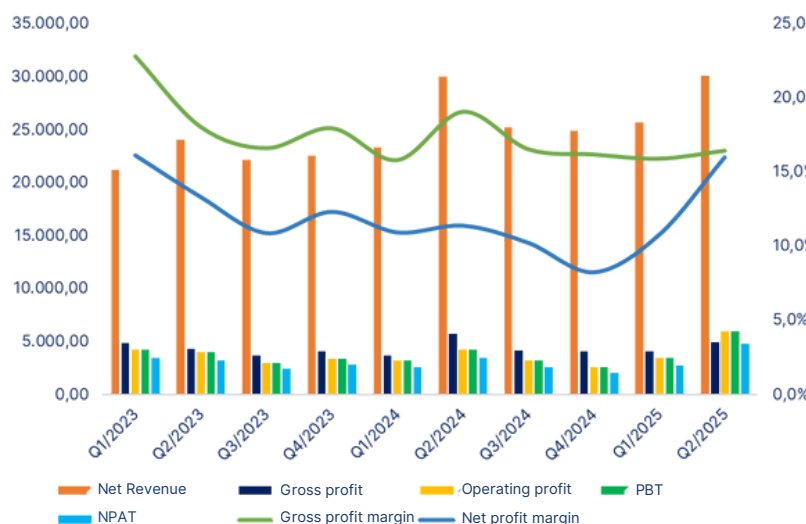
Finance expenses have significantly decrease in recent years, occupying 40% of 2024 gross profit (down from 58% in 2020).

Selling expenses remained stable and low, fluctuating between 10-13% of gross profit. However, administrative expenses increased by 116.8%, contributing to the contraction in net profit margin.

Overall, GAS delivered solid revenue growth amid economic recovery and rising energy demand. However, profitability was under pressure due to rising costs, leading to margin erosion.

2. 6T2025

GAS business results by quarter



Q2/2025 Performance

Net revenue reached **VND 30,080 billion** (flat YoY), reflecting offsetting impacts of higher LPG sales volume (+16% YoY) and lower dry gas output (-15.3% YoY) along with a 14% YoY drop in FO price.

Gross profit reached **VND 4,954 billion** (-13.7% YoY). GAS's gross profit margin fell from 19.09% to 16.47%.

Net profit after tax recorded VND 4,809 billion (+41% YoY, the highest in the last 13 quarters). Growth was mainly driven by the reversal of VND 1,634 billion in provisions, related to receivables from POW, PGV, and BOT plants such as Phu My 2.2 & 3

6T2025:

- **Net revenue recorded VND 55,756 billion** (+4.5% YoY) and net profit after tax reach **VND 7,571 billion** (+27% YoY).

=> As of 1H 2025, GAS has achieved 75% of its full-year revenue target and exceeded its 2025 profit target by 43%.

Natural gas, LNG, and LPG accounted for 95.1% of total 1H 2025 revenue. Domestic operations contributed VND 62,988 billion (equivalent to 112.9% of total revenue before intra-company elimination). Singapore operations contributed VND 2,796 billion, representing 5% of total revenue.

Updates on Key Projects:Thi Vai LNG Terminal Expansion

- Objective: Increase capacity from 1 MTPA to 3 MTPA
- Status: Investment project approved in May 2025
- Expected completion: 2029

Son My LNG Terminal

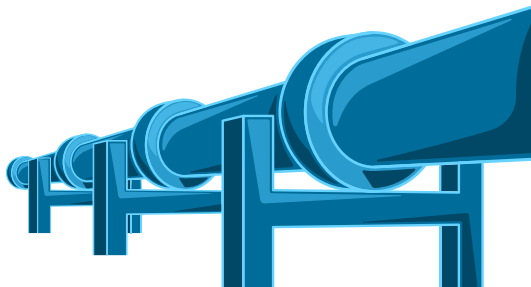
- Status: LNG Son My JSC is finalizing investment approval procedures as required.
- Expected completion: In line with the commissioning schedule of Son My power plants

LNG Terminal

- Northern LNG Terminal: proposal submitted to Nam Dinh Provincial People's Committee (Mar 2025)
- North-Central LNG Terminal: updated proposal submitted to Ha Tinh Provincial People's Committee (Jul 2025)

Hai Phong LNG Terminal (PV GAS Hai Phong)

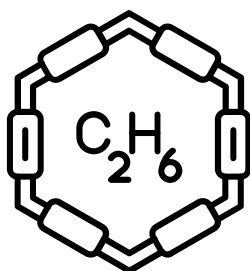
- Status: Preliminary approval for investment policy and investor selection submitted in Apr 2025

White Lion Gas Field Gathering & Transportation Pipeline

- Status: Preparing updated feasibility study (FS) in coordination with upstream project timeline
- Expected completion: 2028

Gas Supply Pipeline for Long An 1 & 2 Power Plants

- Status: Land clearance procedures ongoing; pre-feasibility study in progress

Ethane Extraction at Dinh Co

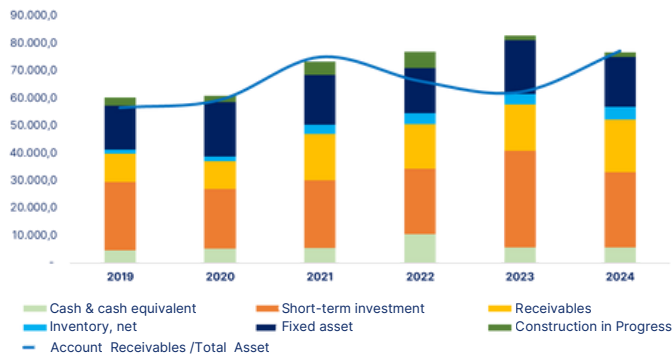
- Status: Ongoing discussions with Ba Ria-Vung Tau provincial authorities on pipeline routing
- Expected completion: 2028

3. Financial Situation

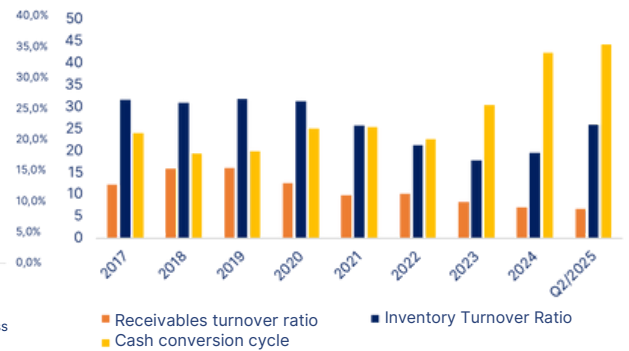
Current assets account for ~70%, mainly short-term investments and receivables.

- Short-term investments (primarily term deposits) make up a large proportion (~40%) and have increased strongly during 2022–2024.
- Receivables have shown a sharp upward trend since 2021. By 2024 and 1H2025, receivables account for ~20–23% of total assets.
- Inventories have also been rising since 2020, prolonging the working capital cycle.

Asset structure



Operating Efficiency



- The accounts receivable turnover ratio declined to 5x in Q2/2025, indicating a longer collection period.

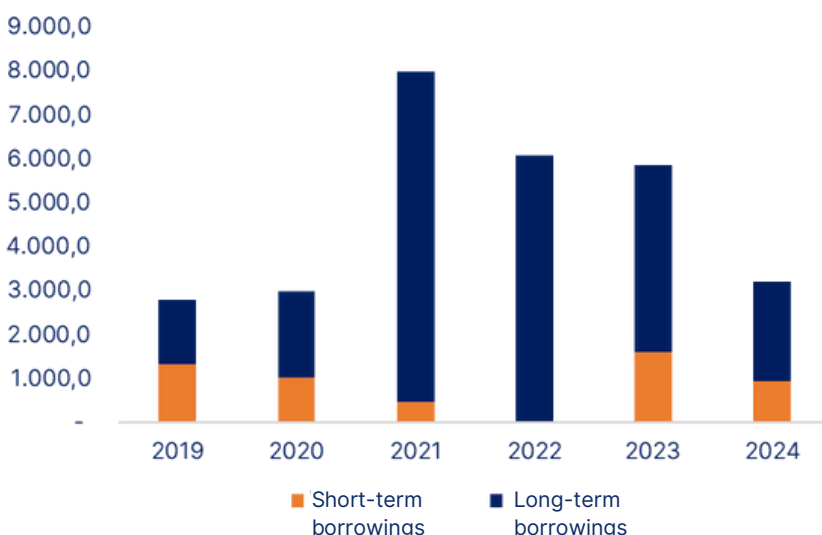
=> Consequently, the cash conversion cycle increased from 25 days to 45 days, reducing liquidity and raising working capital risks.

In 2024, bad debt expenses rose sharply as EVN delayed payments to power plants due to disputes over transportation costs for the Phu My – HCMC gas pipeline. The resolution plan set a target of reducing bad debts to 0.38% of total assets by 31/12/2024.

As of 30/06/2025, the gross value of bad debts was VND 1,616 billion, down from VND 5,669 billion on 01/01/2025.

→ This indicates that GAS resolved about 70–80% of bad debts in 1H2025, with recoveries or write-offs of around VND 108 billion, achieving a 19% recovery rate. However, as of 30/06/2025, outstanding bad debts stood at VND 458 billion (~0.5% of total assets), showing **slower progress than planned**, partly due to gas price fluctuations and delays from third parties such as the Ministry of Industry and Trade (which has only resolved 50% of the debt volume).

Debt structure



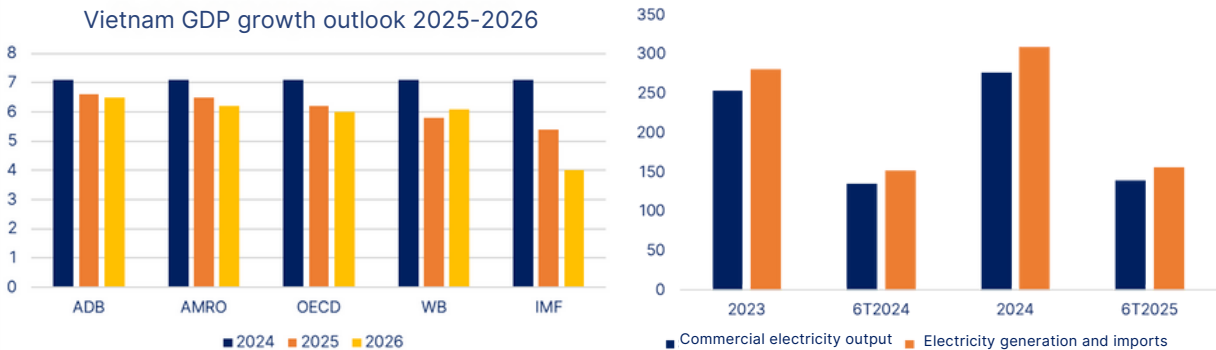
GAS currently maintains a healthy and safe financial position.

- Short-term borrowings are negligible, while long-term debt decreased to about 2–3% in 2024. GAS operates mainly with equity capital, with very limited reliance on financial leverage.
- However, the low use of leverage makes it difficult for ROE to accelerate compared to peers that utilize debt to expand. In addition, maintaining large cash reserves and short-term financial investments could reduce capital efficiency if not allocated into profitable investments.

IV. INVESTMENT THESIS

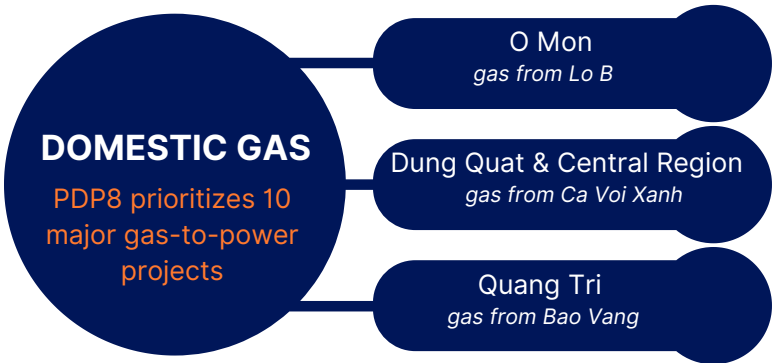
1. Macroeconomics

In the short term, Vietnam’s economy continues to maintain relatively high growth, with GDP rising about 7% in 2024 and forecasted at 6–6.5% in 2025. The main growth drivers include manufacturing, public investment disbursement, and export recovery.

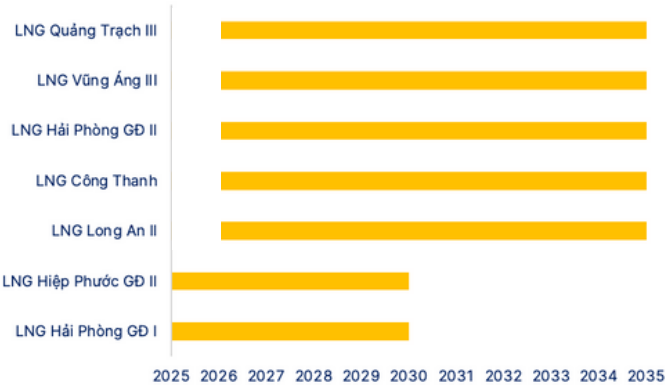


The recovery of industry and real estate has led to a sharp increase in demand for electricity, gas, and fuel. According to EVN, commercial electricity output in the first half of 2024 rose by 13%, with industrial electricity accounting for the largest share. This is a direct signal that demand for dry gas and LNG in power generation, fertilizer production, and industry will rise accordingly. However, domestic gas supply from traditional fields (Lan Tay – Lan Do, PM3 Ca Mau) has declined, requiring Vietnam to supplement with LNG imports.

In the long term, Vietnam’s energy landscape will be shaped by the transition toward cleaner energy. In April 2025, Decision No. 768/QĐ-TTg was issued to amend the Power Development Plan VIII (PDP8). Under this plan, LNG continues to play a crucial role in Vietnam’s energy mix.



LNG is considered the main substitute for coal over the next 10 years.



Restrictions on coal-fired power expansion:

- PDP8 limits coal development to 5 plants (4,000 MW);
 - A phase-out roadmap is set through 2050.
- This underscores the increasing role of gas and LNG in balancing the power system.

SHORT-TERM

Revenue growth is expected to be driven by the LNG segment and terminal services.

LONG-TERM

- A key long-term growth driver will be the completion of the Thi Vai and Son My LNG terminals.

=> Positioning GAS as the central player in Vietnam’s gas infrastructure.

2. LPG trading operations still have room for growth

GAS is Vietnam's leading producer, importer, and distributor of LPG, holding approximately 70% of the wholesale market and 9% of the retail market.

Domestic LPG prices are primarily linked to Saudi Aramco CP (Contract Price):



$$\text{Import LPG price} = (\text{CP Saudi Aramco} + \text{Premium}) * (1 + \text{Import duty}) * (1 + \text{VAT}) * \text{USD/VND}$$

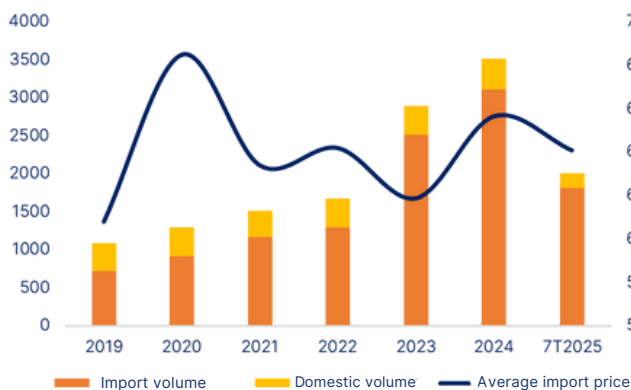
- CP Saudi Aramco: international benchmark price ;
- Premium: shipping, insurance and related import costs;
- Import duty: usually 5% on (CP + Premium), but can be lower with FTA incentives;
- VAT: 10% applied on post-duty price;
- USD/VND: FX conversion rate.



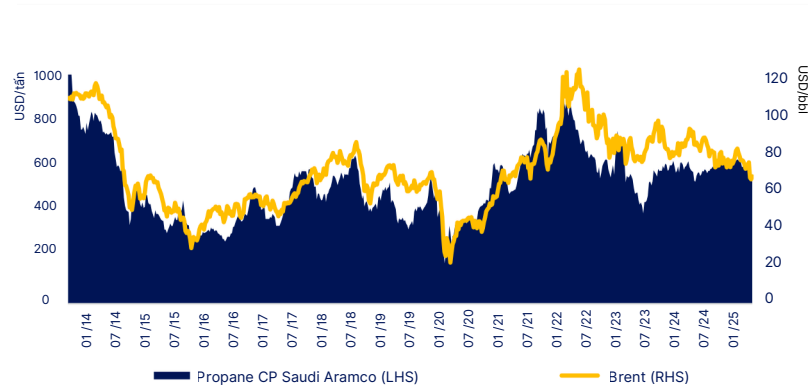
$$\text{Retail price} = \text{Import LPG price} + \text{Domestic costs} + \text{Distribution system costs} + \text{VAT}$$

- Domestic costs: management, production, depreciation, etc.

LPG volume and average import price



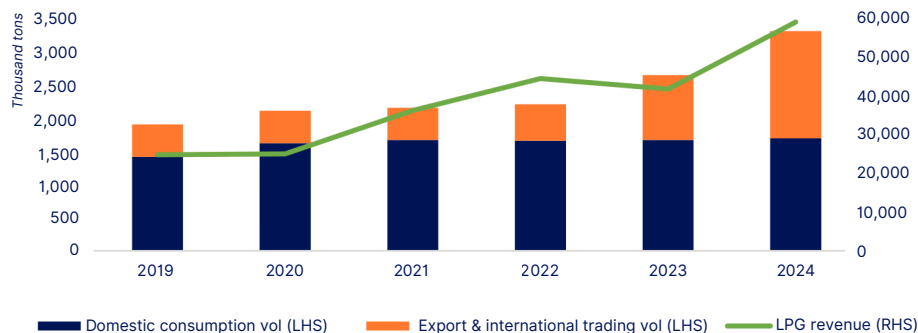
CP Saudi Aramco & Brent Price



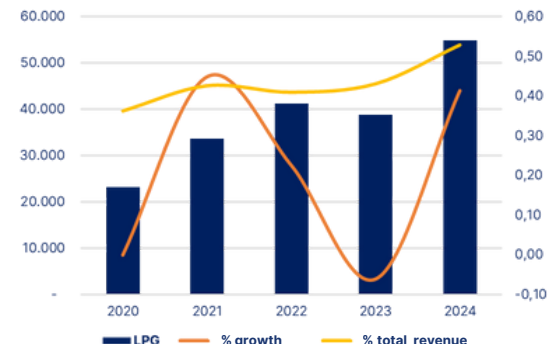
In 2024, GAS's LPG business delivered strong growth. Specifically, Sales volume reached 2.34 million tons, increase 33% compared to 2023, contributing 53% of consolidated revenue. However, the gross margin was only 6%, reflecting the highly competitive nature of the market and its dependence on volatile international CP/FOB prices.

In the first 5 months of 2025, **GAS traded over 1.3 million tons of LPG**, of which 0.6 million tons were exports, fulfilling 69% of the full-year plan.

Export volumes are the main growth driver for LPG sales



LPG revenue from 2020-2024

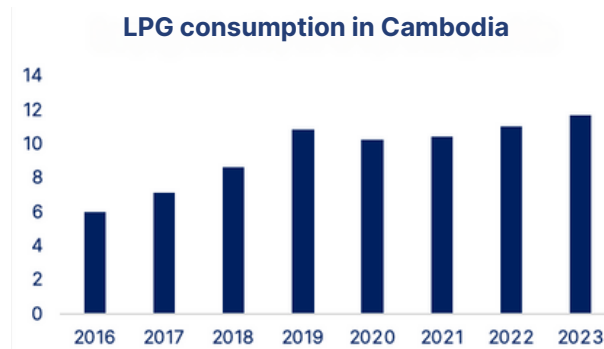


On the international market, GAS is supplying more than 65% of Cambodia's LPG demand.

- PVGas Trading – a subsidiary of GAS – has expanded LPG export activities to Cambodia since 2010.
- Vietnam holds a geographical advantage with a favorable border connection to Cambodia, helping reduce logistics costs compared to other regional suppliers.

The Cambodian LPG market – almost entirely dependent on imports

- In recent years, LPG consumption demand in Cambodia has recorded steady growth, driven by economic expansion alongside urbanization and industrialization.

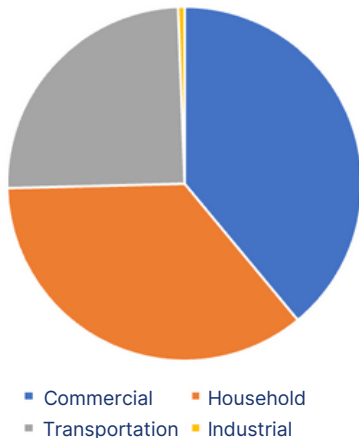


- **The CAGR during 2019–2023 was 3.8%/year**, showing a slowdown and signs of saturation compared to 2009–2019 (~20%/year).
- **In 2024, Cambodia spent USD 334 million on LPG imports (+42% YoY)**, while diesel and gasoline only grew by 7% and 11%, respectively.

ERIA forecasts that the **CAGR for 2021–2040 will reach 7%/year** (higher than the global average of ~3%), thanks to the sharp increase in tuk-tuk vehicles and the urbanization-driven shift from firewood/coal to LPG.

Demand mainly comes from residential/urbanization and commercial sectors (~75% of total demand), creating a stable growth base for LPG consumption.

LPG Consumption Structure by Sector



- Currently, LPG is the main energy source for cooking, heating, and especially small-scale industrial production.

⇒ The share of households switching from firewood/coal to LPG is rising rapidly, supported by the Cambodian government's incentive policies.

LPG consumption in Cambodia is also boosted by the growing use of three-wheeler tuk-tuks imported from India:

- In Phnom Penh, ~80% of LPG sales are for tuk-tuks. => Tuk-tuk consumption alone accounts for 17–20% of total national LPG demand.

Cambodia LPG Demand Outlook:

SHORT-TERM

1–3 years: Significant localized impact in urban areas and tourist destinations, since EVs in Cambodia is still very small. Charging/swap infrastructure remains limited, so traditional tuk-tuks still dominate the fleet.

MID-TERM

3–10 years: With government support in tax policies and EV infrastructure, the conversion rate of tuk-tuks to EVs is expected to accelerate, reducing a significant portion of LPG consumption.

LONG-TERM

By 2040: LPG consumption structure will rebalance — while total LPG demand will continue to grow, the share of transportation in overall consumption will decline.

Vietnam holds a geographical advantage in transporting LPG to Cambodia

LPG is imported into Cambodia from four main sources:

Sihanoukville Port



21.5% of import market share
Cost: ~USD 45–46/ton

Mekong Port



7.5% of import market share
Cost: ~USD 40/ton

Tank trucks from Vietnam



65.4% of import market share
Cost: ~USD 40/ton

Tank trucks from Thailand



5.8% of import market share
Cost: ~USD 96/ton

ERIA identifies the LPG import route from Vietnam to Cambodia as one of the dominant corridors.

- More than 65% of Cambodia's LPG imports from Vietnam are transported by road tank trucks.
- This does not require hub storage facilities in Cambodia, as goods from Vietnam are delivered directly to filling stations and retail outlets.
- Vietnam's LPG terminals located in the Ba Ria – Vung Tau / Southeast region serves as the most convenient “export gateway” to Cambodia.
- This shortens vehicle turnaround times, lowers logistics costs, and gives Vietnamese enterprises an advantage in supply security and responsiveness to demand fluctuations.
- GAS secures a stable LPG supply through its long-term contract with Saudi Aramco (since June 2021), supported by its network of terminals, filling stations, and wide distribution capacity.

Supply from Thailand is currently disrupted in the short-term

Since June 2025, Cambodia has temporarily suspended imports of fuel and gas from Thailand due to border tensions.

→ If this situation persists, it could open the door for Vietnam to further expand its market share (at least in the short term).

3. Breakthrough opportunities from LNG imports in 2026–2030

GAS plays a pivotal role in the development and supply of LNG, both to gradually replace declining domestic natural gas production and to meet national energy security requirements. The current macroeconomic context and infrastructure provide the foundation for this opportunity:

- Thi Vai Terminal is operational: Phase 1 ~1 MTPA, maximum 1.5 MTPA; currently being upgraded to ~3 MTPA.
- Cai Mep Terminal (~3 MTPA, expandable to ~6 MTPA) is in the commissioning stage, which will raise Vietnam's total LNG import capacity.
- Revised PDP8 energy plan: Gas-fired power plants remain a critical transitional element in the restructuring of Vietnam's energy mix.



LNG as a Transition Fuel

The government revised PDP8 (April–May 2025) to increase the share of renewable energy, particularly onshore and offshore wind

Category	PDP8 Target (MW)	Revised PDP8 Target (Max) (MW)	Change (%)
Onshore/nearshore wind power	21,880	38,029	73.8%
Offshore wind power	6,000	17,032	183.9%
Solar power	12,836	73,416	472.0%
Biomass & waste-to-energy	2,270	4,836	113.0%
Hydropower	29,346	34,667	18.1%
Pumped-storage hydropower	2,400	6,000	150.0%
Nuclear power	0	6,400	–
Battery energy storage	300	16,300	5,333.3%
Coal-fired power	30,127	31,055	3.1%
Domestic gas	14,930	14,930	0.0%
Liquefied Natural Gas (LNG)	22,400	22,524	0.6%
Imports	5,000	12,100	142.0%

While the share of renewables is rising sharply, the variability of solar and wind generation still requires fast-response balancing and backup sources.

=> Gas-fired power plants (including LNG) serve as the “balancing” source for the system.

Vietnam’s power supply scenarios 2025–2026:

2025:

- Total electricity output is projected at ~331.4 billion kWh (+7.39% YoY).
- In the second half of the year, the system can generally meet demand, but backup from oil-fired plants or LNG-fired power may still be needed to cover peak load hours.

=> Gas power is not yet the backbone but remains a flexible source.

2026: Electricity Regulatory Authority has outlined three scenarios for power supply

Scenarios	Load growth	Characteristics
Base	10-12%	GDP ~6.5 - 7%, normal weather conditions
High	13-14%	GDP >7%, prolonged heat waves
Extreme	>15%	Breakthrough GDP growth, widespread extreme weather conditions.

If load demand increases by more than 13%, gas-fired power will need to be mobilized heavily to maintain grid stability.

Vietnam’s electricity consumption is expected to **grow by 8–9% annually during 2025–2027**. Meanwhile, hydropower has almost no remaining expansion potential, domestic coal resources are gradually depleting, and many coal power projects have been canceled or suspended in line with the Net Zero 2050 commitment.

2025

Commercial LNG imports for Nhon Trach 3&4, commissioning into power generation

2026

LNG demand increases with addition of Long An I & II; Bac Lieu LNG commences operations

2027

Other LNG-to-power projects are expected to be completed (~total capacity: 10-13 GW)

Against this backdrop, LNG will play a critical role as a flexible and reserve power source for the system (especially in the South) in H2/2025. From 2026–2027, LNG could evolve into a major source of consumption if demand grows in line with the high-case scenario.

Map of LNG Terminal Projects and LNG Power Projects

Vietnam

North region^{o*}
4500MW, 2036-2040
8500MW, 2041-2045

Quang Ninh I
1500MW, 2026-2030

Hai Phong I
Phase 1&2: 750MW, 2026-2030
Phase 3&4: 1500MW, 2031-2035
Phase 5&6: 1500MW, 2036-2040

Thai Binh¹
Phase 1: 750MW, 2026-2030
Phase 2&3: 1500MW, 2031-2035
Phase 4&5: 1500MW, 2036-2040
Phase 6: 750MW, 2041-2045

Nghi Son²
Phase 1: 800MW, 2026-2030
Phase 2: 800MW, 2031-2035
Phase 3&4: 1600MW, 2036-2040
Phase 5&6: 1600MW, 2041-2045

Son My I
2250MW, 2026-2030, EDF, Kyushu, Sojiz, Thai Binh Duong Corporation

Son My II
2250MW, 2026-2030, AES

Long An I
1500MW, 2026-2030

Long An II
1500MW, 2031-2035

Nhon Trach
Phase 3&4: 1500MW, 2021-2025, PVPower

Hiep Phuoc
1200MW, 2021-2025

Tan Phuoc I⁶
Phase 1: 750MW, 2036-2040
Phase 2*: 750MW, 2036-2040

Bac Lieu
Phase 1: 800MW, 2021-2025, Delta Offshore Energy PTE. LTD
Phase 2,3,4: 2400MW, 2026-2030, Delta Offshore Energy PTE. LTD

Key **Name of the Project**
Capacity, Planned COD, Investor (if available)

- LNG terminal projects planned under the Draft Plan
- LNG-to-power plant projects planned under the PDP VIII

Quang Ninh II⁴
1500MW, 2036-2040

Hai Phong LNG Terminal
0.5-1 million ton(s)/year, 2026-2030
1-3 million ton(s)/year, 2031-2050

Hai Phong II
1600MW, 2031-2035

Thanh Hoa⁵
Phase 1&2: 1600MW, 2031-2035
Phase 3&4: 1600MW, 2036-2040
Phase 5&6: 1600MW, 2041-2045

Hai Lang^{*}
1500MW, 2036-2040
1500MW, 2041-2045

Chan May^{*}
1500MW, 2041-2045

Ca Na³
1500MW, 2031-2035

Son My LNG terminal supplying gas to Southeast region, integrated terminal of LNG-to-power plant
3 million ton(s)/year, 2026-2030
3 million ton(s)/year, 2031-2050

Son My LNG terminal supplying gas to power plants and industrial households
1 million ton(s)/year, 2026-2030
1 million ton(s)/year, 2031-2050

Thi Vai LNG terminal (phase 2)
2-5 million ton(s)/year, 2021-2025

Long Son LNG terminal
3 million ton(s)/year, 2021-2025

Long Son⁷
1500MW, 2036-2040

Phu My 3.1^{*}
850MW, 2036-2040

Floating storage regasification unit and port for import of LNG
1 million ton(s)/year, 2021-2025

Tay Nam Bo LNG terminal
1-3 million ton(s)/year, 2026-2030

Expanding Tay Nam Bo LNG terminal
1-3 million ton(s)/year, 2031-2050

1 In the high scenario, planned COD of phase 2&3&4 (Thai Binh project) with the total capacity of 2250MW is 2031-2035 and phase 5&6 with the total capacity of 1500MW is 2036-2040.

2 In the high scenario, planned COD of both phase 1&2 of Nghi Son is 2026-2030 and planned COD of phase 3&4 is 2031-2035

3 In the high scenario, planned COD of Ca Na is 2026-2030

4 In the high scenario, planned COD of Quang Ninh II is 2031-2035

5 In the high scenario, planned COD of phase 3&4&5&6 of Thanh Hoa project is 2036-2040.

6 In the high scenario, Tan Phuoc I has the capacity of 800 MW and planned COD is 2031-2035.

7 In the high scenario, planned COD of Long Son is 2031-2035

8 The specific address for this project have not yet been clarified under the PDPs

* Additional projects in case of high scenario

Decision 1313/QĐ-BCT (May 13, 2025) – sets the maximum price cap framework for LNG-fired power generation.

The government has issued a price framework mechanism and a pass-through principle to mitigate the risks of LNG price volatility.

Indicator	Description
Maximum power generation price cap 2025	P_max = 3,327.42 VND/kWh (excl. VAT)
Heat rate at 85% load	HR = 6,330.17 BTU/kWh
Reference LNG import price	14.05 USD/MMBtu
Estimated transport & regasification cost	2.589272 USD/MMBtu
Reference exchange rate	25,670 VND/USD



Fuel cost per 1 kWh (USD/kWh) = (LNG CIF price + Transport/Regasification cost) × (Heat rate, BTU/kWh) / 1,000,000

Total power generation price = fuel cost (LNG) + non-fuel costs (O&M, depreciation, financing, and others). P_max serves as the ceiling for this total.

However, the ceiling price still raises investor concerns over the profitability of LNG power projects.

- Fuel cost for LNG power: ~2,704 VND/kWh
 - Ceiling power selling price: ~3,327 VND/kWh
 - Remaining allowance for O&M, depreciation, financing, and profit: **~624 VND/kWh**
- => This narrow margin significantly compresses the profitability of LNG power producers.

For PV GAS, the key impact lies in margins from LNG sales (where a margin and service fee are typically added). If the pass-through mechanism is fully implemented, PV GAS can sustain stable profitability, since LNG selling prices will be adjusted in line with international benchmarks.

GAS's practical advantages in infrastructure , enhancing long-term revenue potential
Thi Vai LNG Terminal

- GAS has signed a 25-year long-term contract to supply LNG for the Nhơn Trạch 3 & 4 power plants → securing a stable offtake and reducing the risk of stranded CAPEX.
- Beyond direct LNG distribution to power plants, the terminal can also provide infrastructure services (e.g., storage, regasification, and logistics), creating additional revenue streams.



Slot booking:
Allowing importers/traders to rent access rights for LNG unloading and storage.



Regasification:
Provide regasification services and injecting gas into the pipeline for customers.



Truck loading, bunkering:
Loading LNG into trucks or LNG-fueled vessels.

=> Globally, LNG terminals typically operate as multi-user facilities, which optimize capacity utilization (reducing idle time) and diversify revenue streams.



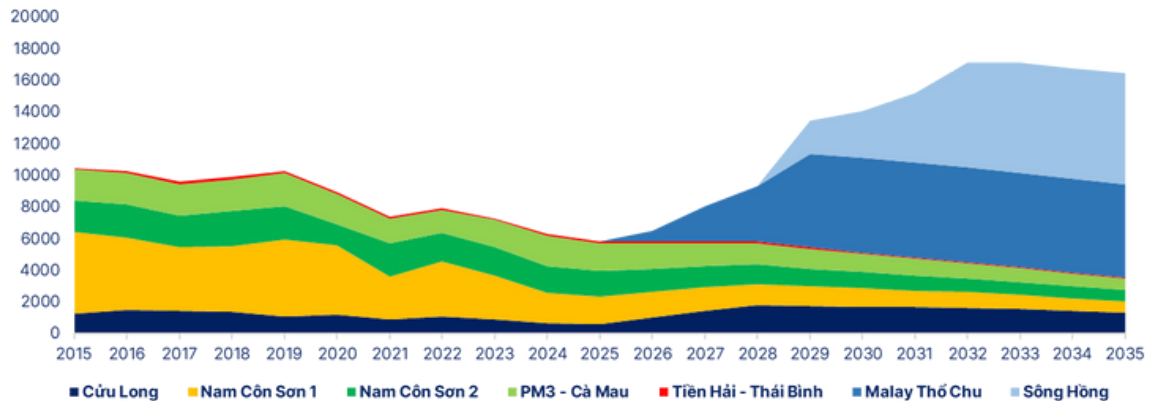
Nhon Trach 3 & 4 construction progress has reached over 98%, with commercial operation expected in October and December 2025.
GAS, as the primary LNG supplier, will directly benefit from power sector gas demand. The commissioning of Nhơn Trạch 3 & 4 will also secure stable LNG offtake, reducing market risk for GAS.

4. Key gas fields will strengthen domestic supply in the next 2–3 years

After years of supply shortages, several major gas fields are now being accelerated.

- Between now and 2027, a series of projects are scheduled for completion and commercial operation, including: Lo B; Su Tu Trang 2B; Kinh Ngu Trang & Kinh Ngu Trang Nam; Thien Nga Hai Au; Dai Hung phase 3; Nam Du – U Minh; Khanh My – Dam Doi

→ These projects will provide a significant boost to Vietnam's domestic gas supply.

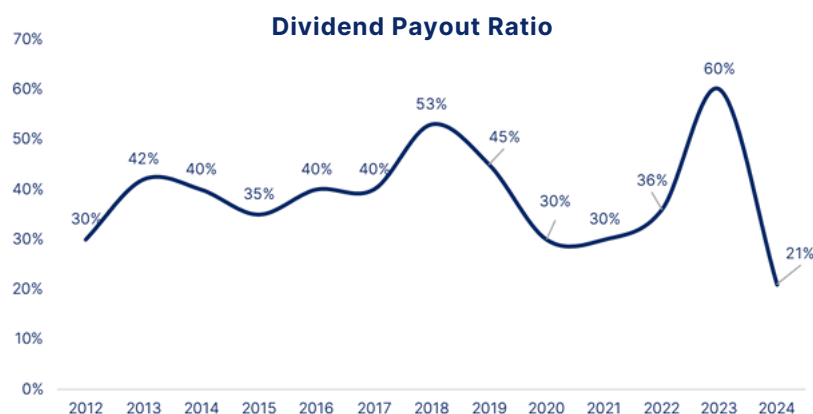


By late 2027, the Block B field, with reserves of about 107 bcm, will begin production and is expected to reach a stable output of 5 bcm/year by 2030. This is a very large volume, sufficient to offset the decline in existing fields.

For PV GAS, this represents a major uplift in collected, processed, and distributed gas volumes – potentially increasing by 70–80% compared to current levels.

- The company's revenue and profit base will also become more stable thanks to long-term gas sales contracts, with margins less affected by LNG price volatility.
- In the short term, growth will be constrained by heavy investment requirements. In the medium to long term, once Block B and other new fields come online, PV GAS will benefit from a secure supply base and more sustainable cash flows.

5. Stable dividend policy, maintain high cash payout ratio



Over the years, PV GAS has maintained a relatively stable cash dividend policy at a consistently high level. Notably, in 2023, the company raised its payout ratio to 60%, the highest in nearly a decade. However, in 2024, the payout ratio dropped to 21% as profits came under pressure from volatile input gas prices, subdued domestic demand, and the company's need to prioritize capital for LNG projects and long-term gas infrastructure.

With 2025 revenue and profit forecasts lacking strong growth catalysts, the likelihood of GAS raising its dividend payout ratio back to previous highs is limited. As such, the **near-term dividend outlook is expected to remain modest**, balancing shareholder returns with the need to retain earnings to support medium- to long-term investment strategies.

V. RISKS

Margin pressure:

GAS's gross margin has recently shown signs of contraction due to rising input costs, reflecting pressure from imported LNG and LPG prices, while selling prices are subject to government regulation:

- **Global spot LNG prices are highly volatile** (spot JKM tăng lên ~70USD/MMBtu năm 2022) → ảnh hưởng tăng lên giá đầu vào của doanh nghiệp.

Nếu GAS phải bù đắp nhu cầu bằng LNG nhập khẩu với số lượng lớn trong giai đoạn này (chưa có hợp đồng LNG dài hạn với giá ổn định), chi phí đầu vào có thể sẽ tăng nhanh, biên lợi nhuận bị nén vì giá bán nội địa khó điều chỉnh kịp.

- Growing competition in Vietnam's LPG market — both from local and foreign players — with strategies such as **"price undercutting to gain market share"** adds direct pressure on GAS's profitability.

Given LPG accounts for a large proportion of GAS's consolidated revenue, any decline in margins in this segment will strongly affect overall earnings.

Dependence on EVN and power plants:

- EVN's financial distress, with persistent losses and regulated electricity pricing, raises **risks of delayed payments or unfavorable contract adjustments**;
- GAS's LNG distribution **relies heavily on gas-to-power contracts with EVN and power plants**.

If EVN delays payments or reduces purchase prices, this could directly increase receivables, weaken cash flow, reduce liquidity, and indirectly constrain GAS's ability to maintain dividend payouts.

Policy, regulatory, and pricing Risks

Vietnam's gas sector is tightly regulated, particularly in pricing for critical sectors like power and fertilizer.

- **Legal and pricing frameworks remain uncertain.**

Sudden policy changes — such as imposing lower-than-expected selling price caps — could immediately reduce revenue and profitability.

FX and global supply chain risks

LNG and LPG imports are primarily settled in USD.

- **Any depreciation of the VND would directly raise conversion costs**, pressuring margins.
- **LNG supply chains are complex**, reliant on specialized tankers and regasification infrastructure.

Disruptions could sharply increase import costs, especially for spot contracts, affecting liquidity and financial planning.

Risks in delaying gas projects & geopolitics

Ca Voi Xanh field (estimated reserves ~150 bcm) has faced repeated delays due to technical, legal, and geopolitical issues in the South China Sea.

- According to Global Energy Monitor and The Investor, **the likelihood of commercial extraction before 2030 is low.**

Delays in major domestic gas projects like Ca Voi Xanh mean Vietnam must rely more heavily on imported LNG, exposing GAS to global price volatility and supply risks.

VI. BUSINESS PERFORMANCE OUTLOOK FOR 2025

For 2025, GAS has set a revenue target of VND 73,995 billion (-29.6% YoY) and a pre-tax profit target of VND 6,643 billion (-49.6% YoY).

However, according to first-half results, net revenue reached VND 55,756 billion (+4.5% YoY), already completing 75% of the full-year target. Net profit after tax (NPAT) came in at VND 7,571 billion (+27% YoY), exceeding the annual profit target by 43%.

Dry gas (including LNG):

Domestic dry gas output in 2025 is expected to decline further compared to 2024, as field production continues to fall at a faster pace than projected.

- However, LNG-to-power projects Nhon Trach 3 & 4, about to commence commercial operations in October–December 2024, contributing positively to LNG sales.
- In addition, the appreciation of the USD against the VND will support GAS's revenue, as most gas sales contracts are denominated in USD.

LPG:

As of 1H2025, LPG consumption volume (including imports, exports, and international trading) has already reached 89% of the annual target. Higher LPG selling prices are expected to further support revenue from this segment.

In 2H2025, GAS's gross margin is not expected to improve, continuing to decline (-7.2% YoY in 1H2025). Given that the Ministry of Industry and Trade has adjusted LNG import prices higher than expected, GAS's gross profit margin will remain under pressure.

However, net profit after tax will be supported by provision reversals, reducing administrative expenses. **We project net revenue of VND 107,392 billion (+3.7% YoY) and net profit after tax of VND 11,565 billion (+9.2% YoY) for FY2025.**

<u>VND bn</u>	2024	1H2025	% YoY	2025F	% YoY
Net Revenue	103,604	55,779	4.5%	107,392	3.7%
Dry Gas & LNG	40,480	24,323	5.3%	43,982	8.6%
LPG	54,875	28,604	7.4%	56,422	2.8%
CNG	3,517	426	-71.1%	1,680	-52.2%
Condensate	1,001	553	-5.1%	1,056	5.5%
Gas Transportation	2,750	1,139	7.6%	3,388	23.2%
Others	941	735	136.6%	864	-8.2%
Gross Profit	17,654.4	9,043.5	-4.1%	17,368.5	-4.5%
<i>Gross Margin</i>	<i>17.0%</i>	<i>16.2%</i>		<i>16.2%</i>	
Financial Income	1,736.6	758.7	-16.4%	1,644.2	-5.3%
Financial Expenses	(660.1)	(218.1)	-46.8%	(439.6)	-33.4%
SG&A	(5,612.3)	(204.2)	-91.9%	(4,166.3)	-28.5%
Profit Before Tax	13,172.1	9,410.5	27.0%	14,483.2	10.0%
Corporate Income Tax	(2,582.0)	(1,839.1)		(2,918.2)	
Net Profit After Tax	10,590.1	7,571.4	27.0%	11,565.0	9.2%
<i>Net Margin</i>	<i>10.2%</i>	<i>13.6%</i>		<i>10.3%</i>	
EPS (VND/share)	5,533.1	3,162		4,819.1	

VII. STOCK VALUATION

To determine the fair value of GAS shares, SHS applied the Discounted Free Cash Flow to Firm (FCFF) method. Based on this approach, the fair value per share is estimated at VND 72,500, representing an upside potential of +11.8% compared to the market price of VND 64,900 as of August 28, 2025.

Valuation assumption

Indicator	Yield / Rate
Risk-free rate	3.7%
Beta	0.98
Market risk premium	8.4%
Cost of equity	12.18%
Cost of debt	7.1%
Corporate tax rate	19.9%
Weighted Average Cost of Capital (WACC)	11.64%
Terminal growth rate	2%

Valuation result

FCFF Valuation (VND bn)	Value
Total present value of free cash flows	141,217.3
(-) Short-term and long-term debt	3,224.6
(+) Cash, cash equivalents & short-term investments	33,062.0
(-) Non-controlling interests	200.4
Equity value	170,854.3
Number of shares outstanding (thousand shares)	2,342,673.0
Target price (VND/share)	72,500

APPENDIX 1

Balance Sheet				
(VND billion)	2023	2024	2025F	2026F
Current Assets	62,217.7	57,290.5	57,914.0	51,944.7
Cash & Cash Equivalents	5,668.9	5,568.0	7,703.8	1,759.8
Short-term Investments	35,084.7	27,494.0	25,595.3	23,873.5
Accounts Receivable	16,865.3	19,098.4	19,019.9	20,587.5
Inventories	3,944.5	4,599.0	4,765.6	4,969.1
Other Current Assets	654.4	531.1	829.4	754.8
Non-current Assets	25,536.7	24,564.4	28,468.3	38,534.3
Long-term Receivables	318.1	531.3	369.2	453.9
Fixed Assets	19,532.1	18,221.6	17,987.2	18,851.6
Long-term Investments	429.7	430.1	431.2	431.4
Other Non-current Assets	5,256.7	5,381.4	9,680.6	18,797.5
Total Assets	87,754.4	81,854.9	86,382.3	90,479.0
Current Liabilities	14,972.0	14,575.5	15,922.4	17,077.5
Accounts Payable	7,138.0	6,037.0	7,536.6	7,794.6
Advances from Customers	119.2	270.6	191.4	213.8
Short-term Borrowings	1,604.8	933.8	1,000.1	1,360.7
Other Current Liabilities	6,110.1	7,334.1	7,194.3	7,708.3
Long-term Liabilities	7,483.9	5,708.4	6,977.3	6,816.1
Equity	65,298.6	61,571.0	63,482.5	66,585.5
Contributed Capital	22,967.4	23,426.7	23,426.7	23,426.7
Share Premium	0.3	0.3	0.3	0.3
Retained Earnings	16,879.8	9,553.0	10,462.3	11,156.2
Other Equity	24,201.3	27,267.8	28,371.8	30,705.9
Minority Interests	1,249.9	1,323.2	1,221.4	1,296.3
Total Liabilities & Equity	87,754.5	81,854.9	86,382.3	90,479.0

Income Statement				
(VND billion)	2023	2024	2025F	2026F
Net Revenue	89,953.9	103,564.1	107,124.4	112,407.9
COGS	(73,029.0)	(85,909.8)	(89,799.2)	(92,814.7)
Gross Profit	16,924.9	17,654.4	17,325.3	19,593.2
Financial Income	2,272.9	1,736.6	1,640.1	1,533.0
Financial Expenses	(586.7)	(660.1)	(438.5)	(458.2)
Share of Profit/Loss from Associates	26.7	37.8	34.9	37.0
Operating Expenses	(4,018.7)	(5,612.3)	(4,776.5)	(6,123.6)
Other Income, Net	20.4	15.7	41.3	28.6
PBT	14,639.6	13,172.1	13,826.6	14,610.0
CIT	(2,846.5)	(2,582.0)	(2,785.9)	(2,939.5)
NPAT	11,793.1	10,590.1	11,040.6	11,670.5

Financial Ratio				
(VND billion)	2023	2024	2025F	2026F
Valuation Ratios				
Outstanding Shares (million)	2,342.673	2,342.673	2,342.673	2,342.673
EPS (VND)	6,161.7	5,533.1	4,819.1	4,981.7
Profitability Ratios				
Gross Profit Margin	18.8%	17.0%	16.2%	17.4%
Net Profit Margin	13.1%	10.2%	10.3%	10.4%
ROE	23.2%	18.7%	17.5%	18.4%
ROA	16.6%	13.1%	13.0%	13.8%
Profitability Ratios				
Debt-to-Assets	0.34	0.26	0.26	0.25
Debt-to-Equity	0.51	0.35	0.34	0.33
Current Ratio	3.10	4.46	4.16	3.93
Quick Ratio	2.84	4.04	3.85	3.58

RECOMMENDATION SYSTEM

- OW: Expected price increase of 20% or more within a 12-month period.
- Positive: Expected price increase between 10% and 20% within a 12-month period.
- Hold: Expected price increase up to 10% within a 12-month period.
- Negative: Expected price decline up to 20% within a 12-month period.
- UW: Expected price decline of 20% or more within a 12-month period.
- Attention Required: Stocks with unusual or significant developments or trading activities that may have a material impact on the business (informational purposes for investors).
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