

PetroVietnam Oil Corp (OIL)

Earnings soar on higher petrol prices – [Beat]

- 1Q26 net profit (NP) surged 18.5x YoY to VND516bn (USD20mn) from a low 1Q25 base due to the upward trend of petrol prices in the quarter.
- 1Q26 NP beat our expectations at 81% of our full-year forecast.
- We see some pressure on our target price of VND14,900, which we will update after further review.

Revenue surged driven by increases in both sales volume and prices

1Q26 revenue increased 36.8% YoY to VND44.9tn (USD1.7bn), driven by a 29% YoY increase in petrol sales volume, higher selling prices and a 19% YoY increase in international crude oil trading. Rising demand for fuel reserves to ensure domestic consumption amid the Hormuz crisis presents revenue upside for the company but also introduces downside risk if prices decline sharply.

Gross profit soared thanks to the upward trend of fuel prices

Blended GM expanded 2.3% pts YoY to 4.8% and gross profit surged 161% YoY to VND2.2tn (USD83mn) in 1Q26. This was attributed to higher petrol prices on average (gasoline: +9-13% YoY / diesel: +39% YoY) as well as the upward trend of petrol prices in the quarter, particularly the surge in March following the Iran conflict, which supported OIL to benefit from low-priced inventory.

Increasing expenses put some pressure on earnings

In 1Q26, SG&A expenses surged 79% YoY to VND1.5tn (USD59) mainly due to increased sales volume. Meanwhile, net financial income slid 35% YoY to VND45bn (USD2mn) due to a 24% YoY decrease in net interest income. Rising expenses put some pressure on 1Q26 bottom line.

1Q26 NP surged, but risk of inventory devaluation in 2Q is a concern

Overall, 1Q26 NP spiked 18.5x YoY to VND516bn (USD20mn) mainly due to the upward trend of petrol prices in the quarter, beating our expectations at 81% of our full-year forecast. However, as petrol prices have cooled in April from unusually elevated levels, we consider inventory devaluation as a key risk weighing on 2Q26 earnings outlook.

VNDbn	1Q25	1Q26	%YoY	1Q26/FY26F
Revenue	32,789	44,864	36.8%	32.7%
Gross profit	831	2,173	161.4%	43.8%
SG&A	863	1,548	79.4%	34.7%
Net financial income/(expenses)	70	45	-34.9%	12.4%
PBT	41	675	1529.4%	69.4%
NPAT-MI	28	516	1746.5%	81.1%
GPM	2.5%	4.8%	2.3% pts	
NPM	0.1%	1.2%	1.1% pts	

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