Update – OUTPERFORM

January 30/01/2026

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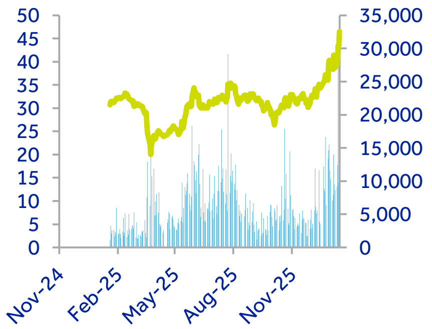
Update Report

Recommendation	**OUTPERFORM**
	HNX : PVS
	Construction Infrastructure
Target price (VND)	**47,800**
Current price (VND)	**43,500**
Rate of price increase	10.0%
Expected dividend yield	0.4%
Total return	**10.4%**

Stock price movement (%)

	YTD	1T	3T	12T
Absolute	35.6	23.9	45.9	41.0
Relative	33.3	20.4	38.0	-4.9

Source : Bloomberg



Ownership structure

PVN	51.38 %

Stock Statistics	**30-Jan-26**
Bloomberg code	**PVS VN**
52-week range (VND)	20,000 - 47,800
Shares O/S (m)	511
Mkt cap (VND bn)	23,781
Mkt cap (USD m)	901
Foreign room left (%)	33.4
Est. free float (%)	40.9
3m avg daily vol (shrs)	7,312,044
VND/USD	26,401
Index: VNIndex / HNX	1822.65/255.43

Vietnam Petroleum Technical Services Corporation (HNX)

In 2025, PVS achieved revenue of VND 32,556 billion (+36% yoy, 145% of annual plan), and net profit of VND 1,899 billion (+51% yoy, 242% of annual plan). Revenue growth mainly came from the Mechanical and Construction (M&C) segment .

2026 is expected to mark profit growth for PVS. We project revenue to reach VND 36,664 billion (+12.6% yoy) and net profit to reach VND 1,929 billion (+1.6% yoy). Using the discounted cash flow (DCF) method, we value PVS with a target price of VND 47,800 per share by the end of 2026. Potential for a 10% price increase from the current price. Rating OUTPERFORM.

In Q4.2025, the company achieved revenue of VND 9,553 billion (-1% yoy), and net profit of VND 950 billion (+73% yoy). Although revenue remained flat, net profit increased sharply due to (1) improved gross profit in the M&C segment, and (2) a 63% reduction in business management expenses to VND 185 billion - PVS reversed VND 247 billion in provisions related to leasing fees, equivalent to 11.5% of pre-tax profit in 2025.

For 2025, PVS achieved revenue of VND 32,556 billion (+36% yoy, 145% of annual plan), and net profit after tax of VND 1,899 billion (+51% yoy, 242% of annual plan).

Positive outlook for 2026.

The key points regarding PVS 's business prospects in 2026 include: (1) Decree No. 79-NQ/TW dated January 6, 2026, emphasizing the importance of energy security, (2) PVN being granted additional authority to shorten legal procedures when implementing projects, and (3) the revised National Energy Master Plan for the period 2021-2030 . Specifically, PVS's growth prospects in 2026 stem from: (1) the progress of implementing large-scale oil and gas projects such as Block B, Lac Da Vang & Su Tu Trang Phase 2B, (2) offshore wind power projects entering the peak construction phase, and (3) the legal framework for offshore wind power is expected to become clearer in 2026.

	2023	2024	2025	2026F	2027F
Revenue (bn VND)	**19,374**	**23,770**	**32,556**	**36,664**	**41,656**
Growth (%)	18%	23%	37%	13%	14%
EBITDA (bn VND)	1,843	2,219	3,021	3,076	3,192
EBITDA margin (%)	10%	9%	9%	8%	8%
NPAT (bn VND)	**1,060**	**1,255**	**1,899**	**1,929**	**2,061**
Growth (%)	1%	18%	51%	2%	7%
EPS (VND)	2,148	2,238	3,560	3,740	3,935
Growth (%)	4%	4%	59%	5%	5%
ROE (%)	8%	9%	12%	11%	11%
ROIC (%)	7%	8%	11%	10%	10%
Net debt/EBITDA	0.9	0.7	0.3	1.0	0.8
PER	20.3	19.4	13.1	11.6	11.1
EV/EBITDA	16.6	16.2	12.3	11.1	11.2
PBR	1.5	1.4	1.4	1.3	1.1
Dividend (VND)	790	793	76	193	195
Dividend yield (%)	1.8%	1.8%	0.2%	0.4%	0.4%

Business results In 2025, strong revenue growth is expected to come from the Mechanical and Construction (M&C) segment.

In Q4 2025, the company achieved revenue of VND 9,553 billion (-1% yoy), and net profit of VND 950 billion (+73% yoy). Although revenue remained flat, net profit increased sharply due to: (1) improved gross profit of M&C segment increasing by 5.6% in 2025, and (2) a 63% reduction in business management expenses to VND 185 billion - PVS reversed VND 247 billion in provisions related to leasing fees, equivalent to 11.5% of pre-tax profit in 2025.

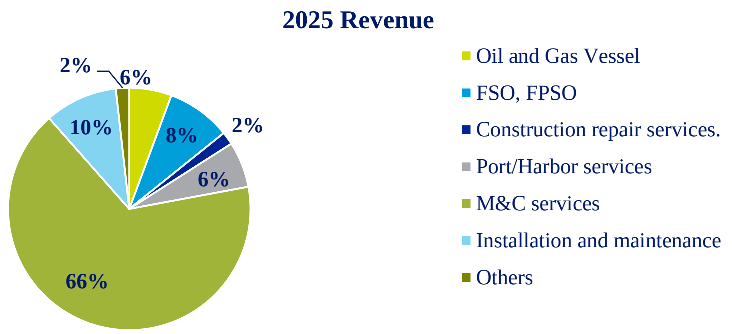
For 2025, the company achieved revenue of VND 32,556 billion (+36% yoy, 145% of the annual plan), and net profit after tax of VND 1,899 billion (+51% year-on-year, 242% of the annual plan). Revenue growth primarily came from the Mechanical and Construction (M&C) segment. Specifically:

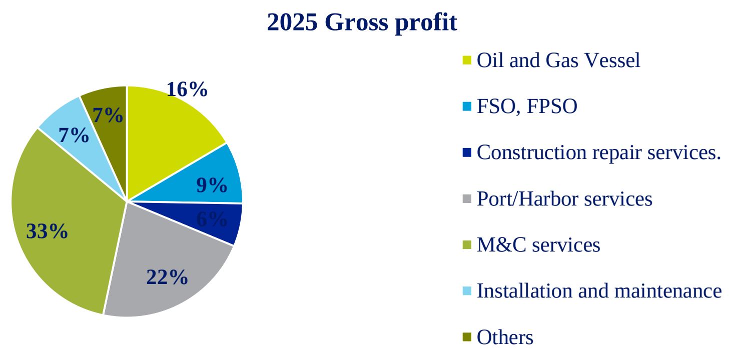
- The Mechanical and Construction (M&C) segment recorded strong revenue growth, reaching VND 21,624 billion (+54% yoy). The gross profit margin for this segment also grew strongly, reaching 2.7% (compared to 1.5% in the same period last year). This positive result stems from the progress of project implementation:
  i. Key oil and gas projects include the Block B package series (EPCI#1 and EPCI#2), and Lac Da Vang. Simultaneously, the work portfolio continues to be strengthened with the EPCI package of the central processing platform for the Su Tu Trang – Phase 2B project in September.
  ii. Offshore wind power projects are also on schedule, notably Hai Long OSS, Baltica 02, and Feng Miao.
- The Port and Harbor operations recorded strong growth with revenue reaching VND 1,993 billion (+36% yoy), and gross profit increasing to VND 398 billion (+28% yoy). The main driving force came from the strategy of expanding the scope of services to external partners, instead of focusing solely on internal customers as before. PVS currently operates 8 seaports, with the ports in the BR-VT region being used for the construction of components for offshore wind power projects.
- Revenue from the FSO/FPSO segment recorded a positive growth of nearly 18% yoy, reaching VND 2,791 billion. With a fleet of 6 FSO/FPSO units currently in operation, PVS's revenue is composed of two main streams: charter fees and maintenance services for both its internal fleet and external customers.
- Warranty provisions increased sharply by VND 1,194 billion during the year, bringing the total provision balance to VND 3,039 billion (+63% yoy) at the end of Q4.2025. These new provisions include VND 134 billion for the Baltica 2 project, VND 415 billion for the Block B project, and VND 167 billion for the Lac Da Vang project.

Business results	2025	2024	+/- yoy
Revenue (billion VND)	**32,556,274**	**23,878,029**	***36.3%***
Oil and Gas Vessel	*1,839,571*	*2,168,088*	*-15.2%*
FSO, FPSO services	*2,791,665*	*2,369,450*	*17.8%*
Construction repair services.	*559,124*	*507,073*	*10.3%*
Port/Harbor services	*1,993,807*	*1,458,129*	*36.7%*
M&C services	*21,624,723*	*14,015,683*	*54.3%*
Installation and maintenance	*3,166,761*	*2,714,880*	*16.6%*
Other services	*580,623*	*644,726*	*-9.9%*

Gross profit (billion VND)	**1,809,171**	**1,132,982**	**59.7%**
Oil and Gas Vessel	*299,026*	*223,463*	*33.8%*
FSO, FPSO services	*158,075*	*132,688*	*19.1%*
Construction repair services.	*108,721*	*57,987*	*87.5%*
Port/Harbor services	*398,210*	*309,926*	*28.5%*
M&C services	*592,082*	*206,603*	*186.6%*
Installation and maintenance	*131,228*	*114,897*	*14.2%*
Other services	*121,829*	*87,418*	*39.4%*
Gross Margin (%)	*5.6%*	*4.7%*	*0.8%*
Oil and Gas Vessel	*16.3%*	*10.3%*	*5.9%*
FSO, FPSO services	*5.7%*	*5.6%*	*0.1%*
Construction repair services.	*19.4%*	*11.4%*	*8.0%*
Port/Harbor services	*20.0%*	*21.3%*	*-1.3%*
M&C services	*2.7%*	*1.5%*	*1.3%*
Installation and maintenance	*4.1%*	*4.2%*	*-0.1%*
Other services	*21.0%*	*13.6%*	*7.4%*
Net profit after tax	**1,899,394**	**1,254,654**	**51.4%**

Source: PVS, ACBS





Source: PVS, ACBS

Stable financial health

Financial debt decreased sharply to only VND 966 billion (-41% yoy), corresponding to a low debt-to-equity ratio of nearly 6%, reflecting a low level of financial leverage and virtually negligible interest rate risk.

Financial income from exchange rate and interest income from deposits also contributed significantly to the 2025 business results. Accordingly, PVS recorded financial revenue of VND 927 billion (+63% yoy), and financial expenses decreased sharply to only VND 128 billion (-41% yoy).

PVS has good financial health, along with ample cash/deposits providing stable financial income.

PVS's business outlook for 2026: Positive

PVS is facing a great opportunity to enter a sustainable growth cycle from the following factors: (1) Decree No. 79-NQ/TW dated January 6, 2026 emphasizes the importance of energy security - Expectations to boost the process of a series of exploration and exploitation projects, (2) PVN is given more authority to help shorten legal procedures, creating momentum for mega-projects such as Ca Voi Xanh or Ken Bau to proceed faster, thereby boosting demand for upstream services, (3) The revised National Energy Master Plan for the period 2021 - 2030 will finalize the list and legal basis for projects up to 2035, providing a long-term and stable backlog vision for PVS .

2026 is expected to mark PVS's profit growth, key points on PVS 's business outlook include: (1) progress in implementing major oil and gas projects such as Block B , Lac Da Vang & Su Tu Trang Phase 2B, (2) Offshore wind power projects enter peak construction phase, and (3) The legal framework for offshore wind power is expected to become clearer in 2026. Specifically:

Upstream Oil & Gas M&C

Lac Da Vang is one of the large-scale gas-condensate fields in Vietnam. Currently, the project is on schedule to complete the topside by Q3.2026, followed by handover for offshore installation in late 2026 - early 2027. The project is expected to play a key role in maintaining stable revenue for PVS in 2026.

In July 2025, PVS was awarded the EPCI contract for the Central Processing Platform (CPP) of the Su Tu Trang Project – Phase 2B (Block 15-1) – encompassing the entire process from design, procurement, fabrication to transportation, and installation. The Su Tu Trang 2B project is expected to be completed in Q4.2027, ready to run 1st gas by the end of 2027 or early 2028. The project anticipates its peak revenue generation between 2026 and 2027.

Wind power M&C

PVS is taking strategic steps to shift its revenue structure to provide construction services for offshore wind power projects. Beside simple steel structure fabrication such as foundations, PVS is undertaking more complex projects such as offshore substations (OSS) and power systems.

- In June 2025, PVS added two projects, Baltica 2 and Fengmiao, to its backlog, with a contract to supply a total of six offshore substations (OSS) worth approximately $300 million.
- The joint venture between PTSC M&C and Semco Maritime (Denmark) signed the EPC contract for the Formosa 4 project, with PVS's portion valued at $100 million and expected to be completed by the end of 2027.

According to the Power Development Plan VIII and assessments from the World Bank, Vietnam possesses wind power potential of up to 600,000 MW, concentrated in the Central and South Central regions. With the goal of increasing the proportion of offshore wind power to 3.8% by 2030 and reaching 14–16% by 2050, PVS is considered a leading candidate for the role of general contractor in major offshore wind power projects in the near future.

Floating Storage (FSO & FPSO)

The long-term outlook for this segment has been strengthened by the contract to supply FSO for the Block B – O Mon project (through a joint venture with Yinson Production). Expected to enter commercial operation from the end of 2027, the project is anticipated to last for the entire 25-year lifespan of the gas field. In addition, the Operation and Maintenance (O&M) segment is also projected to recover strongly thanks to the workload carried over from 2025 and new contracts, further reinforcing the company's stable cash flow.

Other information

PVS plans to increase its charter capital to over 10,000 billion VND to implement upcoming oil and gas and energy projects. PVN's affirmation of maintaining a controlling stake of over 51% is expected to secure PVS's position within the national energy ecosystem.

PVS expects to record a reversal of warranty provisions exceeding VND 600 billion from the Sao Vang Dai Nguyet project when the warranty period ends in 2026.

2026 FORECAST & VALUATION

For 2026 forecast, revenue will reach VND 36,664 billion (+12.6% yoy) and net profit of VND 1,929 billion (+1.6% yoy). Key points regarding PVS's business outlook include: (1) progress in the implementation of major upstream oil and gas construction projects, (2) offshore wind power projects entering the peak construction phase, and (3) the legal framework for offshore wind power is expected to become clearer in 2026.

Using the discounted cash flow (DCF) method, we value PVS with a target price of VND 47,800 per share by the end of 2026.

PRICING MODEL					
(Unit: billion VND)	**2023**	**2024**	**2025**	**2026F**	**2027F**
Net revenue	**19,374**	**23,770**	**32,556**	**36,664**	**41,656**
Growth (%)	*18%*	*23%*	*37%*	*13%*	*14%*
COGS minus depreciation	17,842	22,103	29,951	34,093	38,899
Sales and administrative expenses	1,052	1,330	1,385	1,481	1,682
Sales and administrative expenses/DTT	*5%*	*6%*	*4%*	*4%*	*4%*
EBITDA	**1,843**	**2,219**	**3,021**	**3,076**	**3,192**
EBITDA margin (%)	*10%*	*9%*	*9%*	*8%*	*8%*
Depreciation	493	601	796	655	656
Operating Profit	**(13)**	**(265)**	**424**	**435**	**418**
Operating profit margin (%)	*0%*	*-1%*	*1%*	*1%*	*1%*
Net interest expense	73	64	68	78	62
Interest Expense/Average Net Debt	*4%*	*4%*	*7%*	*3%*	*3%*
Tax	217	299	257	414	413
Tax rate (%)	*17%*	*19%*	*12%*	*18%*	*17%*
Minorities	34	185	79	142	180
Profit after tax	**1,060**	**1,255**	**1,899**	**1,929**	**2,061**
Net profit margin (%)	*5%*	*5%*	*6%*	*5%*	*5%*
Cash	5,757	11,422	11,585	10,683	11,608
Number of shares (million shares)	478	478	511	511	511
EPS (VND)	**2,148**	**2,238**	**3,560**	**3,740**	**3,935**
Bonus/dividend payment by shares (times)	1.0	1.0	1.1	1.0	1.0
Adjusted EPS (VND)	**2,148**	**2,238**	**3,327**	**3,740**	**3,935**
Adjusted EPS growth (%)	*4%*	*4%*	*59%*	*5%*	*5%*

KEY CASH FLOW & BS ITEMS	2023	2024	2025	2026F	2027F
Change in working capital	(346)	2,814	493	(5,190)	(72)
Capex	(899)	(885)	(1,621)	(589)	(713)
Investment in associated companies and joint ventures	4,945	4,730	4,873	5,173	5,173
Free cash flow	**966**	**(2,028)**	**503**	**7,044**	**1,896**
Issuing shares	0	0	33	0	0
Dividends paid	790	793	76	193	195
Change in net debt	(334)	5,302	1,244	(3,032)	1,613
Net debt at year end	**8,346**	**13,648**	**14,893**	**11,861**	**13,474**
Enterprise value	30,592	35,894	37,139	34,107	35,720
Equity	**13,544**	**14,740**	**16,209**	**17,445**	**19,400**
Book value/share (VND)	28,337	30,838	31,694	34,110	37,934
Net debt / Equity (%)	61.6%	92.6%	91.9%	68.0%	69.5%
Net debt / EBITDA (x)	*453%*	*615%*	*493%*	*386%*	*422%*
Total assets	**26,416**	**34,077**	**38,566**	**38,051**	**41,005**

PROFITABILITY AND VALUATION RATIOS	2023	2024	2025	2026F	2027F
ROE (%)	*7.8%*	*8.5%*	*11.7%*	*11.1%*	*10.6%*
ROA (%)	*4.0%*	*3.7%*	*4.9%*	*5.1%*	*5.0%*
ROIC (%)	*7%*	*8%*	*11%*	*10%*	*10%*
WACC (%)	*10.0%*	*9.9%*	*10.1%*	*10.3%*	*10.5%*
EVA (%)	*-3%*	*-2%*	*1%*	*0%*	*-1%*
PER (x)	*20.3*	*19.4*	*13.1*	*11.6*	*11.1*
EV/EBITDA (x)	*16.6*	*16.2*	*12.3*	*11.1*	*11.2*
EV/FCF (x)	*31.7*	*(17.7)*	*73.9*	*4.8*	*18.8*
PBR (x)	*1.5*	*1.4*	*1.4*	*1.3*	*1.1*
PSR (x)	*1.1*	*0.9*	*0.7*	*0.6*	*0.5*
EV/sales (x)	*1.6*	*1.5*	*1.1*	*0.9*	*0.9*
Dividend yield (%)	*1.8%*	*1.8%*	*0.2%*	*0.4%*	*0.4%*

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DISCLAIMER

Our Recommendation System

BUY: prospective 12 month VND total return (including dividends) will be more than 20%.
OUTPERFORM: prospective 12 month VND total return (including dividends) will be 10% to 20%.
NEUTRAL: prospective 12 month VND total return (including dividends) will be -10% to 10%.
UNDERPERFORM: prospective 12 month VND total return (including dividends) will be will be -20% to -10%.
SELL: prospective 12 month VND total return (including dividends) will be lower than -20%.

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