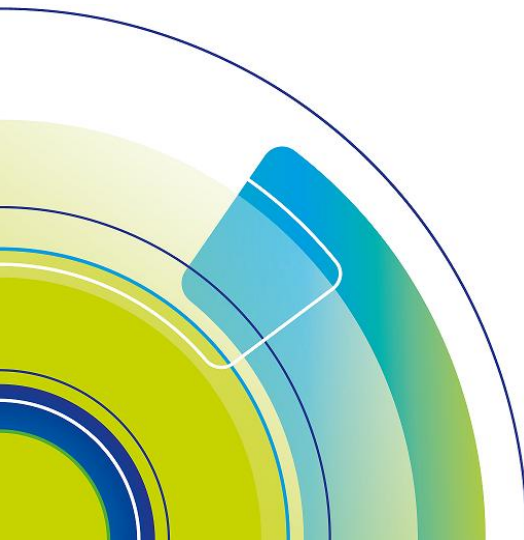




PVD Update – OUTPERFORM

February 06/02/2026



RESEARCH & MARKET STRATEGY DEPARTMENT

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Update Report

Recommendation **OUTPERFORM**

HOSE: PVD

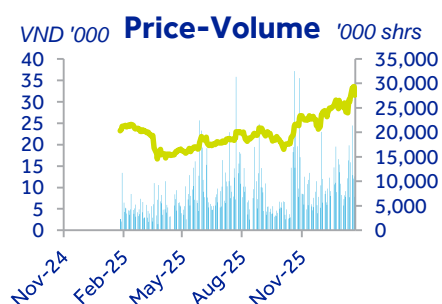
Oil and Gas Drilling Services

Target price (VND)	37,900
Current price (VND)	33,550
Rate of price increase	13%
Expected dividend yield	0%
Total return	13%

Stock price movement (%)

	YTD	1T	3T	12T
Absolute	11.3	15.3	38.4	45.1
Relative	12.4	15.5	30.4	2.3

Source: Bloomberg



Ownership structure

PVN	50.4 %
Dragon Capital	10.9%
Norges Bank	1.7%
CTBC Vietnam Equity Fund	4.9%

Stock Statistics **6-Feb-26**

Bloomberg code	PVD VN
52-week range (VND)	16,600 - 34,350
Shares O/S (m)	556
Mkt cap (VND bn)	17,538
Mkt cap (USD m)	664
Foreign room left (%)	37.5
Est. free float (%)	47.0
3m avg daily vol (shrs)	10,102,000
VND/USD	26,401
Index: VNIndex / HNX	1762.74/256.95

Petro Vietnam Drilling (HOSE: PVD)

For 2025, PVD achieved revenue of VND 10,892 billion (+17.3% yoy, completing 151% annual plan), and net profit after tax of VND 1,050 billion (+50.4% yoy, completing 198% annual plan, and 118% of ACBS's forecast). Growth came from the new drilling rig PVD VIII, and the sale of the drilling rig PVD11 .

We estimate 2026 revenue to reach VND 11,954 billion (+10% yoy) and net profit to reach VND 1,115 billion (+6% yoy) thanks to the operation of two new drilling rigs, PVD VIII & PVD IX, with improved day rates. Using the DCF cash flow discount method, we estimate PVD target price by the end of 2026 of VND 37,900/share. The upside potential is 13%. Rating: **OUTPERFORM**.

In 2025, the growth in revenue and profit was primarily driven by the contribution from the PVD VIII drilling rig, which officially started operation on September 1, 2025. In addition, the workload of the Well service segment increased.

Profits from subsidiaries increased sharply to VND 142 billion (+196% yoy). This profit mainly came from PVD Baker Hughes.

Other income also contributed significantly (increasing more than ten times to VND 185 billion). This includes tax refunds, and the divestment of PVD11 drilling rig.

Positive outlook for 2026

PVD's main growth drivers come from: (1) a sustained high utilization rate, (2) continued high day rates for jack-up rigs, (3) operations of two new rigs, and (4) supportive government policies for the energy sector.

	2023	2024	2025	2026F	2027F
Revenue (bn VND)	5,804	9,288	10,892	11,954	13,559
Growth (%)	7%	60%	17%	10%	13%
EBITDA (bn VND)	1,766	2,059	2,425	2,547	3,105
EBITDA margin (%)	30%	22%	22%	21%	23%
NPAT (bn VND)	546	698	1,050	1,115	1,169
Growth (%)	-453%	28%	51%	6%	5%
EPS (VND)	810	1,000	1,538	1,904	1,996
Growth (%)	-424%	23%	54%	24%	5%
ROE (%)	4%	4%	6%	6%	6%
ROIC (%)	3%	4%	5%	5%	5%
Net debt/EBITDA	1.9	1.5	1.8	2.2	2.1
PER	40.7	33.0	21.5	17.3	16.5
EV/EBITDA	10.4	8.8	6.7	6.2	4.7
PBR	1.2	1.1	1.1	1.0	1.0
Dividend (VND)	3	3	0	0	0
Dividend yield (%)	0%	0%	0%	0%	0%

Business results 2025 recorded strong growth thanks to the operation of new drilling rigs.

In Q4 2025, the company achieved revenue of VND 4,312 billion (+54% yoy), and net profit of VND 374 billion (+61% yoy). Q4 2025 business results showed growth mainly due to the contribution from the PVD VIII drilling rig.

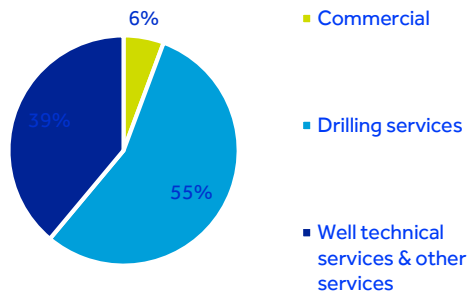
For 2025, PVD achieved revenue of VND 10,892 billion (+17.3% yoy, completing 151% annual plan), net profit after tax of VND 1,050 billion (+50.4% yoy, completing 198% annual plan, and 118% of ACBS's forecast). The growth in business results mainly came from: (1) The operation of new drilling rig contributing to increased revenue, (2) Slightly improved profit margin from 18.9% to 19.1%, (3) Profit from subsidiaries, and (4) Other income. Specifically:

- The growth in revenue and profit in 2025 was primarily driven by the contribution from the PVD VIII drilling rig, which officially started operation on September, 2025. In addition, the workload of the Well technical services segment increased.
 - i. Revenue from Drilling Services reached VND 6,006 billion (+7.2% yoy), gross profit reached VND 1,197 billion (slightly increased yoy), and the gross profit margin for this segment decreased slightly to 19.9% (compared to 21.3% in the same period last year).
 - ii. Revenue from the Well technical services segment reached VND 4,221 billion (+73.5% yoy), gross profit reached VND 848 billion (+72.7% yoy), and the gross margin for this segment remained unchanged at 20.1%.
- Profits from subsidiaries increased sharply to VND 142 billion (+196% yoy). This profit mainly came from PVD Baker Hughes, which recorded a profit of up to VND 270 billion in 2025.
- The 2025 net profit growth is largely driven by other income. Specifically, profit from other income increased more than ten times to VND 185 billion, including tax refunds related to the drilling rig's operations in Malaysia during the 2020-2023 period, and the recognition of the divestment of the PVD11 drilling rig in Q1/2025.

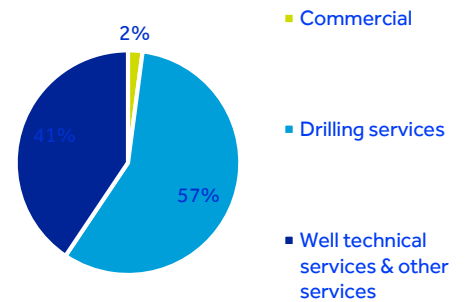
PVD's business results	2025	2024	+/- YOY
Revenue (billion VND)	10,892	9,288	17.3%
Commercial	615	1,201	-48.8%
Drilling services	6,006	5,602	7.2%
Well technical services & other services	4,221	2,433	73.5%
Gross profit (billion VND)	2,077	1,754	18.4%
Commercial	44	43	0.4%
Drilling services	1,197	1,193	0.3%
Well technical services & other services	848	491	72.7%
Gross profit margin (%)	19.1%	18.9%	0.2%
Commercial	7.1%	3.6%	3.5%
Drilling services	19.9%	21.3%	-1.4%
Well technical services & other services	20.1%	20.2%	-0.1%
Net profit after tax	1,050	698	50.4%

Source: PVD, ACBS

2025 Revenue



2025 Gross profit



Source: PVD, ACBS

Positive business outlook for 2026

PVD's main growth drivers come from: (1) a sustained high utilization rate, (2) continued high day rates for jack-up rigs, (3) operations of two new rigs, and (4) supportive government policies for the energy sector. Specifically:

- **Domestic demand for drilling rigs is increasing.**

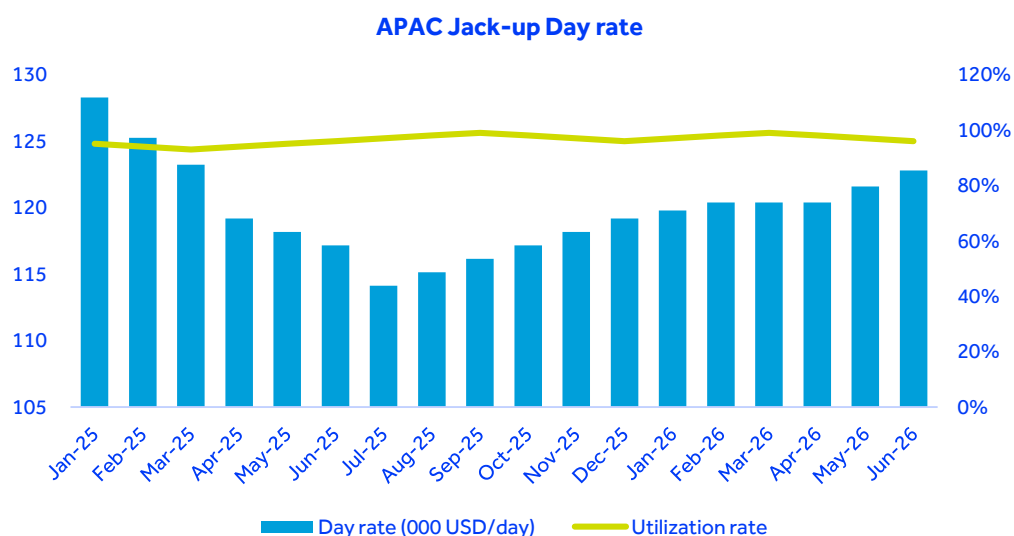
The domestic oil and gas drilling market has been boosting recently, creating a plentiful workload for PVD. In the short term, PVD is actively preparing to participate in key drilling programs, including the Block B project, Nam Du - U Minh, and Su Tu Trang Phase 2B.

In the long term, we estimate that domestic development will reach approximately 63 wells / year during the 2026-2030 period, corresponding to a demand for about 12 jack-up rigs. PVD expects to maintain 4-5 rigs in Malaysia and Indonesia due to high demand and long-term contracts.

- **PVD rig day rates continue to remain high.**

Day rates for jack-up rigs in Southeast Asia are projected to show a slight upward trend in 2026, reaching approximately US\$115,000-125,000/day. According to Westwood Global Energy Group, the global supply of jack-up rigs is expected to remain relatively stable year after year: 395 rigs in 2025 and 405 rigs in 2026. The utilization rate is also expected to remain at 89%-90% for the period up to 2026.

For the period 2026-2027, we estimate that PVD's jack-up rig day rate will remain stable at an average of approximately US\$100,000 per day, reflecting PVD's ability to maintain competitive pricing in the market.



Source: S&P, ACBS

• **PVD's drilling rigs have contracts throughout 2026.**

PV Drilling has acquired two additional Jack-up rigs: PV DRILLING VIII – which has been operational since August 2025, and PV DRILLING IX (expected to be operational in Q2 2026). Currently, PV Drilling has 7 offshore drilling rigs, including 6 Jack-up rigs and one Tender-Assisted Drilling (TAD) rig. All rigs have contracts until the end of 2026, with some having contracts until 2028. In 2026, PVD will continue to operate two rigs in the Malaysian market, including PV DRILLING VI and PV DRILLING VIII.

Drilling plan 2026

Drilling plan	2026											
	1	2	3	4	5	6	7	8	9	10	11	12
PV Drilling I	PCSB			PVEP Cuu Long - Su Tu field								
PV Drilling II	Pertamina ONWJ											
PV Drilling III	Pertamina ONWJ											
PV Drilling VI	SKEO		DIALOG			PCSB			ENEOS			
PV Drilling VIII	Vietsopetro						PCSB					
PV Drilling IX	Restart						Domestic customers					
PV Drilling V (TAD)	Brunei Shell Petroleum											
Outsource to Thor	Hoang Long - Hoan Vu											
Hakuryu 14 Outsourcing	Murphy Oil											
Outsourced GunnLord	Hoang Long			Thang Long								
	Hoan Vu											

Source: PVD, ACBS

PVD I will return to Vietnam upon completion of its drilling campaign in Malaysia, to provide services to PVEP Cuu Long - 3 wells in the Su Tu field, Block 15-1, with an estimated duration of 249 days starting in March 2026.

PVD VIII will provide services in Malaysia from Q3 2026 for one year. Specifically, the first drilling program will consist of 3 wells in East Malaysia, followed by a drilling operation of 7 wells in Sarawak.

PVD VI will operate in Malaysia in 2026, then the rig will drill for the Block B&48/95 and Block 52/97 projects - 40 wells over approximately 305 days, with deployment expected to begin between March 2027 and August 2027.

PVD IX: is undergoing a restart process so it can be ready to resume operations from Q2 2026.

- **Supportive government policies**

Government policies supporting the oil and gas – energy sector recently 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, creating momentum for the accelerated implementation of upstream energy projects; (3) the National Energy Plan for the period 2021-2030. These policies are expected to accelerate the exploration/exploitation of new oil and gas projects, creating stable jobs for PVD in the next 5-10 years. PVN's affirmation of maintaining a controlling ownership stake of over 50% is expected to ensure PVD's position in the national energy system.

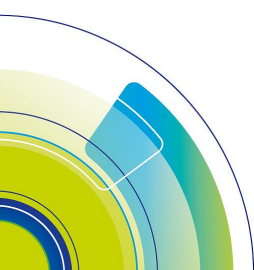
- **Other information**

PVD plans to invest in 1-2 more jack-up rigs to meet the increasing market demand. The company is also expanding its customer base in new markets such as West Africa and Thailand.

Forecast and valuation for 2026

We estimate revenue in 2026 to reach VND 11,954 billion (+10% yoy) and net profit of VND 1,115 billion (+6% yoy) thanks to additional contributions from the PVD VIII & PVD IX rigs. Drilling and Well services are the main drivers contributing to revenue and profit growth. Exploration and production (E&P) activities remain positive in 2026 due to declining natural reserves and the strategic requirement for national energy security.

Using the DCF cash flow discount method, we estimate PVD target price by the end of 2026 of VND 37,900/share. Rating: OUTPERFORM.



VALUATION MODEL

(Unit: billion VND)	2023	2024	2025	2026F	2027F
Net revenue	5,804	9,288	10,892	11,954	13,559
<i>Growth (%)</i>	7%	60%	17%	10%	13%
<i>COGS minus depreciation</i>	3,642	6,650	7,966	8,729	9,628
<i>Sales and administrative expenses</i>	547	635	856	999	1,154
<i>Sales and administrative expenses/DTT</i>	9%	7%	8%	8%	9%
EBITDA	1,766	2,059	2,425	2,547	3,105
<i>EBITDA margin (%)</i>	30%	22%	22%	21%	23%
<i>Depreciation</i>	857	884	850	865	1,317
Operating Profit	759	1,119	1,221	1,361	1,460
<i>Operating profit margin (%)</i>	13%	12%	11%	11%	11%
<i>Net interest expense</i>	250	238	191	270	326
<i>Interest Expense/Average Net Debt</i>	7%	8%	4%	5%	5%
<i>Tax</i>	112	239	333	296	292
<i>Tax rate (%)</i>	17%	26%	24%	21%	20%
<i>Minorities</i>	(39)	0	13	56	58
Profit after tax	546	698	1,050	1,115	1,169
<i>Net profit margin (%)</i>	9%	8%	10%	9%	9%
<i>Cash</i>	2,256	2,203	1,823	2,320	2,322
<i>Number of shares (million shares)</i>	556	556	556	556	556
EPS (VND)	810	1,000	1,538	1,904	1,996
<i>Bonus/dividend payment by shares (times)</i>	1.0	1.0	1.0	1.0	1.0
Adjusted EPS (VND)	810	1,000	1,538	1,904	1,996
<i>Adjusted EPS growth (%)</i>	-424%	23%	54%	24%	5%

KEY CASH FLOW & BS ITEMS	2023	2024	2025	2026F	2027F
Change in working capital	309	(391)	(320)	(2,205)	(754)
Capex	(149)	(1,371)	(2,885)	(307)	(262)
Investment in associated companies and joint ventures	666	681	770	773	873
Free cash flow	984	601	(678)	3,822	2,920
Issuing shares	0	0	0	0	0
Dividends paid	3	3	0	0	0
Change in net debt	1,525.2	(268.4)	(1,823.9)	(604.1)	(1,129.1)
Net debt at year end	193	(75)	(1,899)	(2,503)	(3,632)
Enterprise value	18,425	18,157	16,333	15,729	14,600
Equity	14,898	16,052	17,096	18,434	18,455
Book value/share (VND)	26,781	28,856	30,733	33,138	33,175
Net debt / Equity (%)	1.3%	0.5%	11.1%	13.6%	19.7%
Net debt / EBITDA (x)	11%	4%	78%	98%	117%
Total assets	21,633	23,615	28,311	29,245	30,693

PROFITABILITY AND VALUATION RATIOS	2023	2024	2025	2026F	2027F
ROE (%)	3.7%	4.3%	6.1%	6.0%	6.3%
ROA (%)	2.5%	3.0%	3.7%	3.8%	3.8%
ROIC (%)	3%	4%	5%	5%	5%
WACC (%)	9.9%	10.1%	10.0%	9.9%	10.1%
EVA (%)	-7%	-6%	-5%	-5%	-5%
PER (x)	40.7	33.0	21.5	17.3	16.5
EV/EBITDA (x)	10.4	8.8	6.7	6.2	4.7
EV/FCF (x)	18.7	30.2	(24.1)	4.1	5.0
PBR (x)	1.2	1.1	1.1	1.0	1.0
PSR (x)	3.1	2.0	1.7	1.5	1.3
EV/sales (x)	3.2	2.0	1.5	1.3	1.1
Dividend yield (%)	0%	0%	0%	0%	0%

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DISCLAIMER

Our Recommendation System

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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