PVD Flash Note – BUY

4-Aug-26

RESEARCH & MARKET STRATEGY DEPARTMENT

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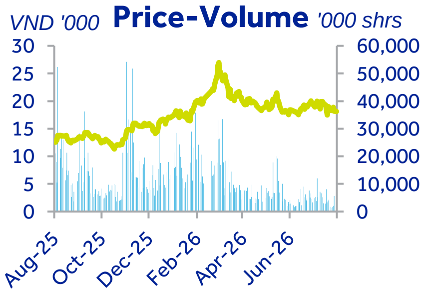
Flash note

Recommendation	**BUY**
	HNX: PVD
	O&G drilling
Target price (VND)	**24.200**
Current price (VND)	**18.100**
Rate of price increase	34%
Expected dividend yield	0%
Total return	**34%**

Stock performance (%)

	YTD	1M	3M	12M
Rate of return	6.6	-7.2	-2.6	45.0
Alpha return	6.4	-2.2	1.3	24.7

Source: Bloomberg



Shareholders

PVN	50,42%
VN Equity Fund	4,94%

Stock Statistics	**4-Aug-26**
Bloomberg code	**PVD VN**
52-week range (VND)	11,264 - 27,262
Shares O/S (m)	928
Mkt cap (VND bn)	16,792
Mkt cap (USD m)	636
Foreign room left (%)	41.6
Est. free float (%)	47.3
3m avg daily vol (shrs)	5,529,453
VND/USD	26,401
Index: VNIndex / HNX	1762.84/286.65

Petro Vietnam Drilling (HOSE: PVD)

PVD announced its Q2 2026 financial results, consistent with our forecast.

Q2 revenue reached VND 3,027 billion (+24.6% yoy), and net profit reached VND 177 billion (-28.9% yoy). The decrease in net profit is due to PVD recording a significant increase in income from asset liquidation and insurance compensation related to the PVD VI rig in the same period of 2025.

For the first six months of 2026, revenue reached VND 6,437 billion (+63% yoy), and net profit reached VND 478 billion (+22% yoy, completing 59% of the annual plan and 40% of our forecast). The gross profit margin decreased slightly to approximately 18% compared to 20% in the same period last year. This is due to PVD investing in new drilling rigs, and the conflict in the Middle East causing increased related costs.

We maintain our 2026 revenue and profit growth forecasts of 16% and 14% respectively compared to 2025. The target price by the end of 2026 (after the stock dividend in July) is VND 24,200/share (34% upside potential). **Recommendation: Buy.**

The growth in the first six months of the year mainly came from the rig leasing sector: The number of active jack-up rigs was nearly 6, compared to an average of 3.7 rigs in the same period of 2025. In addition, the number of outsourced rigs increased to nearly 2.6, compared to an average of 1.3 rigs in the same period of 2025. PVD's rigs maintained continuous operation with an average jack-up rig day-rate of approximately USD 90,000/day (equivalent to the same period last year).

The outlook for the last six months of 2026 remains stable. Specifically:

1. Investment in new drilling rigs: PVD continues to increase the number of drilling rigs - the PVD X rig is expected to be brought to Vietnam from Q4/2026, and officially provide services from mid-2027. Previously, the company spent over 88 million USD to acquire the PVD IX jack up rig, putting it into operation from mid-2026. The total investment in 2026 is expected to exceed VND 4,200 billion, focusing on adding drilling rigs, investing in technical equipment and upgrading infrastructure.

2. Drilling rigs are fully booked: All PVD drilling rigs are fully booked in 2026, with some having contracts extending into 2027-2028.

3. Growth in well drilling services: In parallel with the core drilling rig business, PVD is actively expanding its well drilling technical services - notably in the key market of Malaysia with its partners. With relatively low investment but high profit potential, this segment is expected to continue improving profit margins in the coming years.

	2024	2025	2026F	2027F
Revenue (bn VND)	**9,288**	**10,892**	**12,658**	**14,399**
Growth (%)	*60%*	*17%*	*16%*	*14%*
EBITDA (bn VND)	2,059	2,425	2,653	3,214
EBITDA margin (%)	22%	22%	21%	22%
NPAT (bn VND)	**698**	**1,050**	**1,199**	**1,256**
Growth (%)	*28%*	*51%*	*14%*	*5%*
EPS (VND)	1,000	1,538	1,228	1,286
Growth (%)	*23%*	*54%*	*-20%*	*5%*
ROE (%)	4%	6%	6%	7%
ROIC (%)	4%	5%	5%	5%
Net debt/EBITDA	1.5	1.8	2.1	2.1
PER	18.1	11.8	14.7	14.1
EV/EBITDA	8.1	6.2	5.3	4.0
PBR	0.6	0.6	0.5	0.5
Dividend (000 VND)	0	0	0	0
Dividend yield (%)	0%	0%	0%	0%

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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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