Oil and Gas

Strengthening energy supply autonomy

Thao Nguyen
☎ (84-28) 6299-8004
✉ thao.np@shinhan.com

Thuong Nguyen
☎ (84-28) 6299-8000
✉ support@shinhan.com

Oil and gas – Strengthening energy supply autonomy

1. Industry update 1H2026

Geopolitical tensions in the Middle East triggered the largest oil and gas supply shock in decades, sending ripple effects across the Vietnamese economy as input and logistics costs surged simultaneously across multiple sectors. However, thanks to a swift and coordinated policy response from the Government, domestic retail fuel price increases were partially contained, significantly limiting the adverse impact on business operations. Overall, Q1/2026 business results reflected a clear divergence across the value chain: while downstream firms faced greater pressure from oil price volatility, upstream and refining companies benefited materially, helping the sector as a whole sustain revenue and profit growth compared to the same period last year.

2. Industry outlook for 2H2026

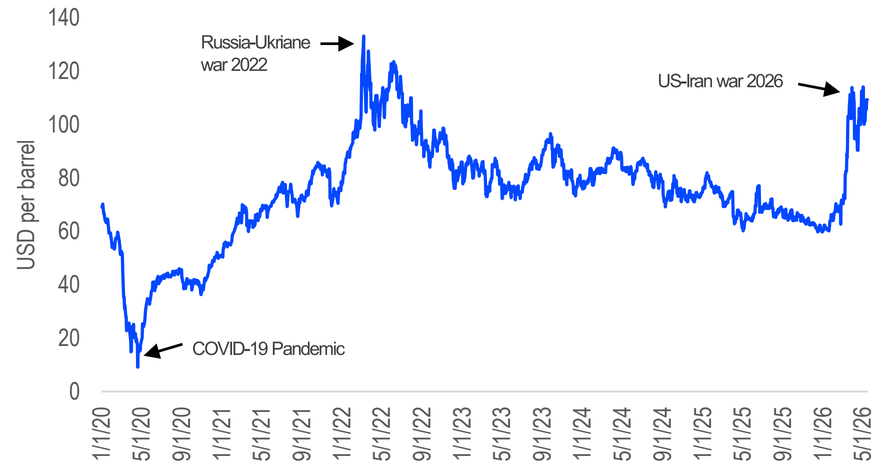
Entering 2H2026, Vietnam's oil and gas sector shifts toward strengthening supply autonomy to reinforce energy security amid continued global market volatility. Growth drivers include accelerating domestic supply development, expanding LNG infrastructure, building up strategic reserves, and refining the regulatory framework governing the fuel market alongside supportive government policies. Together, these initiatives lay the foundation for long-term supply resilience while opening up more balanced growth opportunities across the value chain from upstream to downstream.

3. Oil and gas stocks investment opportunities

BSR, PVD, PVS

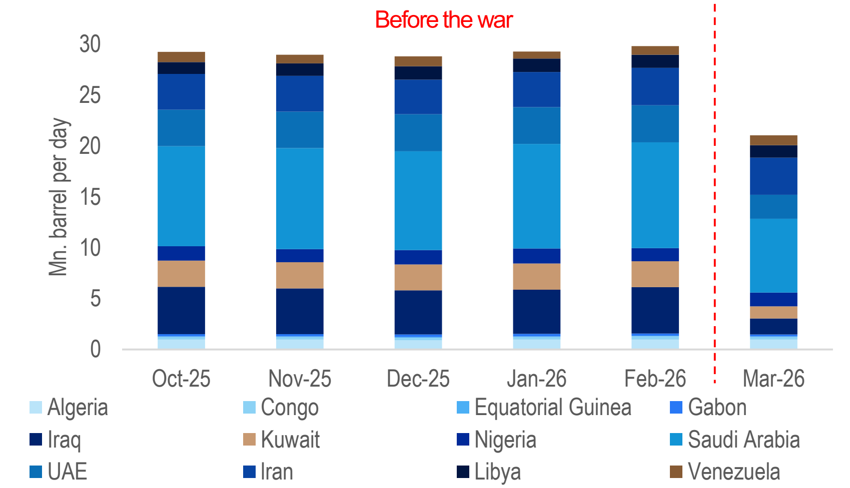
The Strait of Hormuz crisis, global oil price shock and UAE's departure from OPEC+

Brent oil price movement (USD per barrel)



Source: TradingEconomics, Shinhan Securities Vietnam

OPEC+ production over the past 6 months



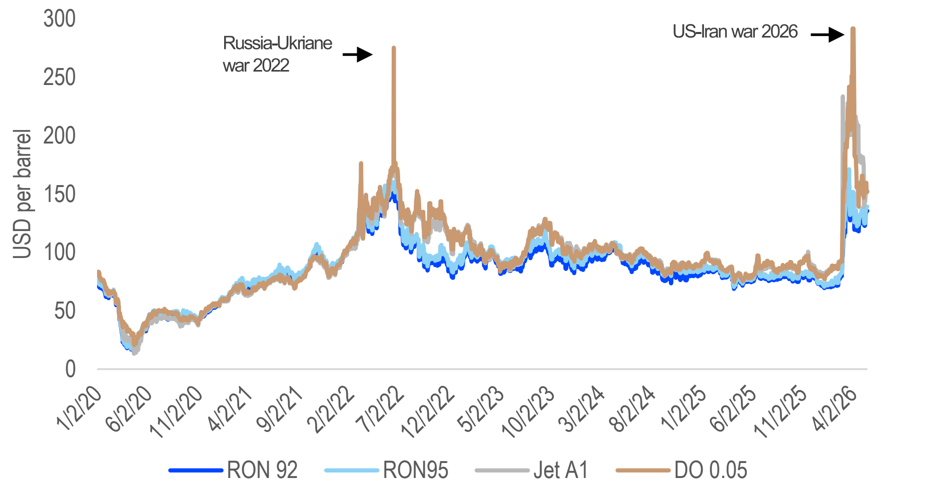
Source: IEA, Shinhan Securities Vietnam

❑ Brent crude surged sharply after Iran closed the Strait of Hormuz on March 4, at one point breaching $128/bbl amid sustained attacks on energy infrastructure throughout the month. Compared to the Russia–Ukraine war in 2022, this episode is considered more severe, the supply disruption is physical, occurring at a critical chokepoint with virtually no short-term rerouting alternatives. As of now, Brent continues to hover around $95–100/bbl as the outlook for negotiations remains unclear:

- **The supply-demand balance has reversed completely:** global production fell 7% in March and peaked at a 9% decline in April, entirely erasing the supply surplus that had been forecast at the start of the year
- **UAE officially left OPEC+ in May 2026**, freeing itself from production quotas. Once the Strait of Hormuz reopens, UAE could flood the market with an additional ~1.6 million bbl/day, creating significant downward price pressure and representing the single most unpredictable variable for oil price dynamics in 2H 2026.
- **US–Iran negotiations have yet to yield any clear outcome**, keeping near-term oil price movements highly uncertain.

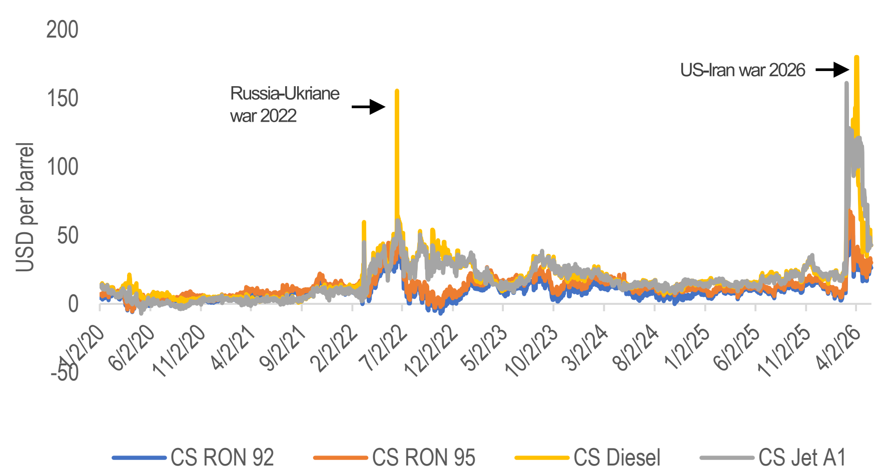
Divergent price movements across global refined petroleum

Global refined petroleum products price movement



Source: Platts, Shinhan Securities Vietnam

Refinery margin (crack spread)



Source: Platts, Shinhan Securities Vietnam

❑ Global refined product prices experienced sharp and uneven movements across different fuel types following the Hormuz closure. This event has proven significantly more severe than the 2022 conflict, which involved disruption from a single supply source. In contrast, since 2025, Ukraine has struck 21 of Russia's 38 major refineries, further eroding global refining capacity that had yet to fully recover, just as the Hormuz blockade took effect. With both crude supply and refining capacity impaired simultaneously, crack spreads surged to levels never before recorded in history.

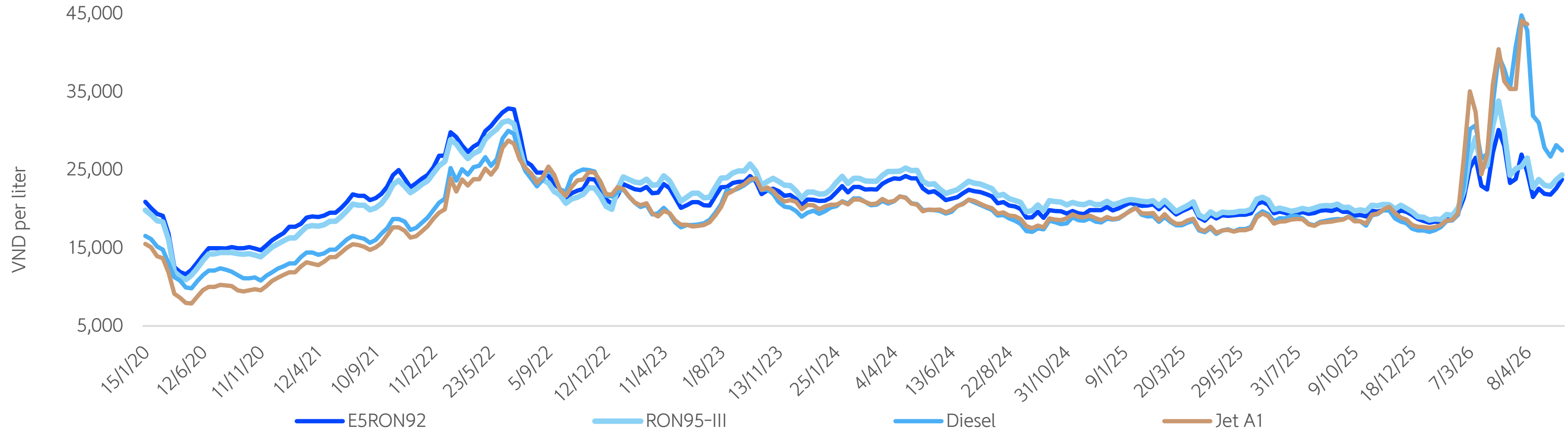
❑ Specifically, RON92 and RON95 spiked sharply in March before stabilizing at elevated levels, while Diesel and Jet A1 exhibited far more volatile swings. Notably, Diesel prices briefly exceeded $290/bbl before retreating to the $150–180/bbl range within a single week. We assess Diesel and Jet A1 as inherently more volatile given their broad-based demand across industrial and transportation activities.

❑ **The divergence in global oil product prices has had differentiated impacts across Vietnam's oil and gas value chain**.

- For refining companies, the spike in crack spreads, particularly for Diesel and Jet A1, translated directly into outsized margin expansion.
- For fuel distribution companies, the rapid and unpredictable price swings significantly amplified inventory risk. When markets reversed, the surge in inventory write-down provisions weighed heavily on profit margin

Domestic fuel prices faced strong pressure but were effectively regulated

Domestic fuel price movement



Source: Ministry of Industry and Trade (MOIT), Shinhan Securities Vietnam

- ❑ Domestic fuel prices surged sharply from early March, with notable divergence across product categories. However, from late April onward, the overall price level has gradually moderated, though still remaining well above pre-war levels.
- ❑ **RON92 and RON95 rose sharply by around 40% in March**, then gradually eased in April thanks to timely government intervention, including the use of the Price Stabilization Fund, flexible price adjustments, and tax reductions such as environmental protection tax, VAT and special consumption tax. As a result, fuel price increases in Vietnam were kept significantly lower than in regional peers, where many neighboring countries recorded increases of 50–80% versus pre-conflict levels. Without these support measures, domestic gasoline prices could have approached VND 35,000–39,000/liter, far exceeding the historical peak recorded in 2022. By May, gasoline prices had continued to cool from the March–April peak, but remained well above pre-war levels.
- ❑ **Diesel and Jet A1 experienced much sharper volatility**, rising by more than 100% in March and increasing by a further 30% in early April as premiums surged to record levels: USD 70/bbl for diesel and USD 39.6/bbl for Jet A1, far above the peak seen during the Russia–Ukraine crisis in 2022. By late April and into May, prices had eased but still remained significantly above pre-war levels..

Timely policy response from the Government to stabilize domestic fuel prices

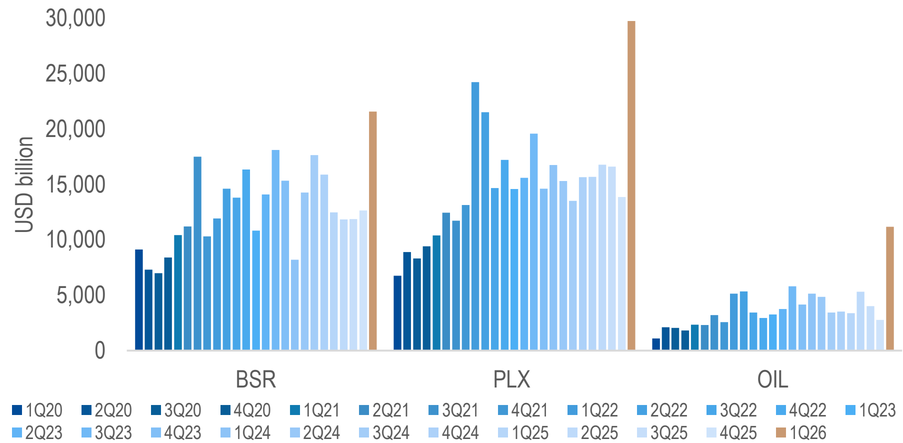
Date	Measures
March 3rd, 2026	Resolution No. 36/NQ-CP: The Ministry of Industry and Trade and the Ministry of Finance are allowed to adjust fuel prices immediately when base prices fluctuate by more than 7%, without waiting for the regular 7-day adjustment cycle.
March 9th,2026	Decree No. 72/2026/ND-CP: Preferential import tariff (MFN) reduced to 0%, effective until 30/04/2026.
March 10th,2026	The Prime Minister approved the use of the Fuel Price Stabilization Fund from 11/03 and proposed reducing environmental protection tax to VND 0/liter.
March 19th,2026	Resolution No. 55/NQ-CP: When fuel base prices increase by more than 15% or decrease by more than 10%, domestic fuel prices must be adjusted within 1 day.
March 26th,2026	Decision No. 482/QD-TTg: Environmental protection tax reduced to VND 0/liter for gasoline excluding ethanol, diesel, kerosene, fuel oil and jet fuel; special consumption tax on gasoline reduced to 0%; VAT declaration and payment waived while input VAT remains deductible. Effective until 15/04/2026.
March 29th,2026	Resolution No. 69/NQ-CP: VND 8,000bn temporarily allocated from increased central budget revenues to the Fuel Price Stabilization Fund.
From April 16th, 2026	Resolution No. 19/2026/QH16: Environmental protection tax maintained at VND 0/liter for gasoline excluding ethanol, diesel, kerosene, fuel oil and jet fuel; special consumption tax on gasoline kept at 0%; VAT declaration and payment waived while input VAT remains deductible. Effective until 30/06/2026.
From April 30th, 2026	Nationwide rollout of E10 bio-gasoline.

❑ Unlike its respones in 2022, the Government responded faster and more proactively, deploying a comprehensive set of tools within the first week of the Hormuz closure rather than waiting for prices to escalate.

- **On the supply side:** strategic petroleum reserves were raised from 15 to 26 days, while BSR and NSRP were directed to operate above capacity and prioritize Jet A-1 production to safeguard domestic supply.
- **On price management:** the Price Stabilization Fund was drawn at its maximum rate of VND 4,000–5,000/liter across 6 consecutive pricing cycles from March 10–25. The policy mix subsequently shifted toward tax-based measures, with fund contributions and drawdowns both suspended thereafter.

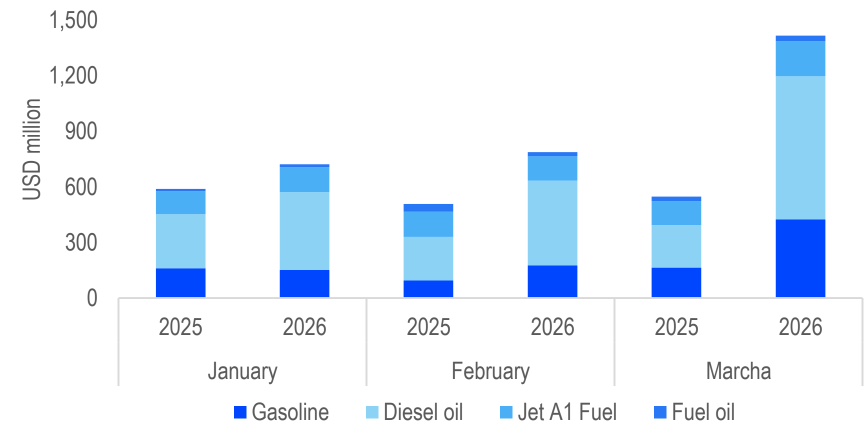
Domestic fuel supply remained secured

Net inventory value of BSR, PLX, OIL



Source: Company data, Shinhan Securities Vietnam

Petroleum import value (USD mn.)

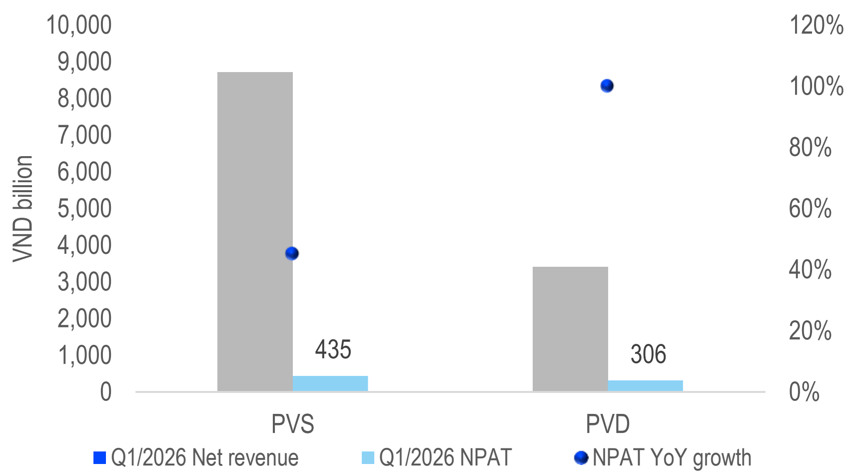


Source: General Statistics Office of Vietnam (GSO), Shinhan Securities Vietnam

- ❑ **Two refineries operated above designed capacity**: BSR maintained a minimum utilization rate of 118% of designed capacity in June 2026, while also signing long-term crude oil import contracts with partners to secure sufficient feedstock for continuous operations through the end of July 2026. Similarly, Nghi Sơn diversified its supply sources and added intermediate feedstocks such as SRFO and VGO to sustain 100% utilization after crude oil supply from Kuwait was disrupted.
- ❑ **Imports of refined products were ramped up to offset domestic supply shortages**: In March 2026, fuel wholesalers broadly increased imports of refined products, mainly from South Korea and Singapore, to quickly replenish domestic supply. Total petroleum import value reached USD 2.93bn in Q1/2026, up 77.8% YoY, while total import volume reached 3.37mn tons, up 44% YoY.
- ❑ **Companies aggressively built up inventories**: BSR's inventory value reached over VND 21,500bn at end-Q1/2026, up nearly VND 9,000bn from the beginning of the year and marking a historical high. PLX recorded inventories of nearly VND 30,000bn, also the highest level on record. Meanwhile, OIL's inventories reached VND 11,000bn, around 4x the level at the beginning of the year

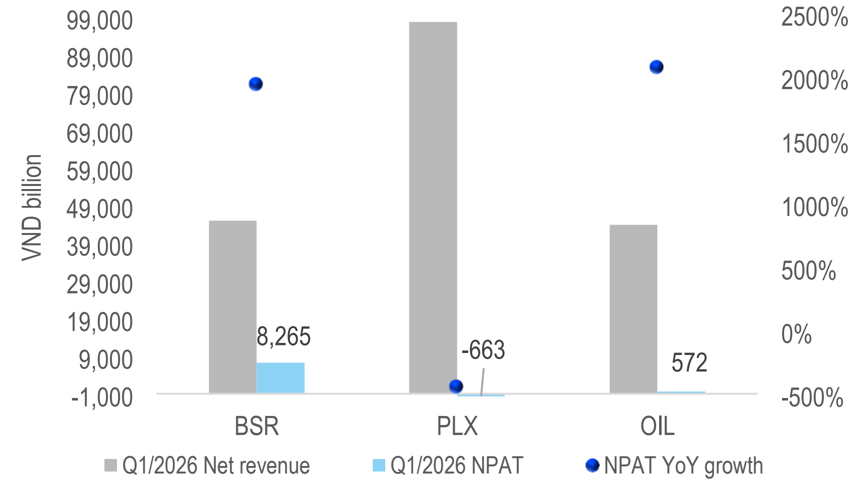
Divergent Q1/2026 business results across the value chain

Upstream companies Q1/2026 business results (VND bn.)



Source: Company data, Shinhan Securities Vietnam

Downstream companies Q1/2026 business results (VND bn.)



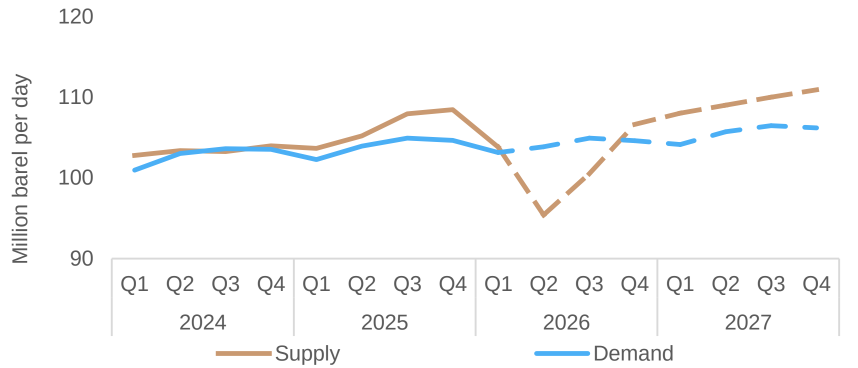
Source: Company data, Shinhan Securities Vietnam

❑ Amid geopolitical volatility, Q1 earnings across the oil and gas value chain showed clear divergence among segments.

- **Upstream group (PVD, PVS):** Continued to expand on strong backlog and accelerated domestic project execution. PVD benefited from higher operating efficiency and rising day rates, while PVS recorded solid growth from the M&C segment on the back of several large projects such as Block B and Su Tu Trang Phase 2B.
- **Downstream – Refining group (BSR):** Earnings surged thanks to a sharp expansion in crack spreads, which significantly improved refining margins, while output increased due to above-capacity operations.
- **Downstream – Petroleum distribution group (PLX, OIL):** OIL benefited from inventory gains as accumulated low-cost inventory before the conflict was sold at higher prices. In contrast, PLX faced dual pressure from high-cost inventory procurement and a sudden market reversal, forcing large inventory provisions and directly weighing on profitability.

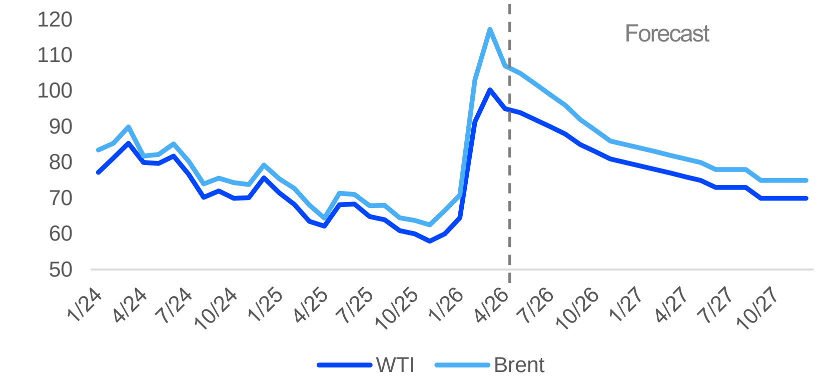
Oil prices outlook becomes increasingly uncertain

Oil supply-demand forecast



Source: EIA, Shinhan Securities Vietnam

Oil prices forecast



Source: EIA, Shinhan Securities Vietnam

- **Oil prices are expected to ease in Q4/2026:** Brent is expected to remain anchored around USD 100–105/bbl in May–June due to ongoing disruption risks at Hormuz. However, as Middle Eastern supply recovers and the shipping route gradually normalizes, the EIA forecasts Brent to decline to USD 89/bbl in Q4/2026 and USD 79/bbl in 2027.
- **Supply shortages are unfolding amid weakening demand:** The closure of Hormuz has pushed the oil market into a severe supply deficit, which is expected to persist through end-2026. On the other hand, prolonged elevated oil prices have begun to trigger demand destruction, particularly in Asia, the region most dependent on Middle Eastern supply. This comes as a deteriorating global economic outlook gradually weighs on demand across multiple product segments.
- **Key factors to monitor:** The oil price outlook remains highly dependent on the trajectory of the US–Iran conflict and the timeline for Hormuz normalization. In addition, UAE's formal departure from OPEC+ could add incremental supply to the market, creating downward price pressure. Conversely, prolonged high oil prices could further accelerate demand destruction, with the risk spreading beyond Asia to other major economies. Overall, Brent could trade within a wide USD 85–115/bbl range from now until year-end, depending on the evolution of the conflict.

Oil prices outlook becomes increasingly uncertain

Crack spread outlook in medium-long term

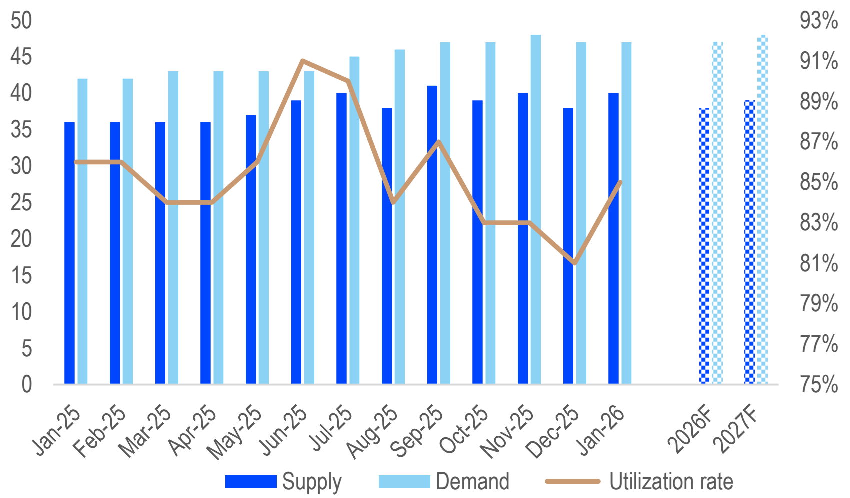
Event	Peak crack spread duration	Return to pre-crisis level	Long-term status
Russia–Ukraine war 2022	8 months	~15 months	Still 65% above 10-year average 18 months later
Abqaiq (Saudi Arabia) attack 2019	A few days	~2-3 weeks	Negligible impact
1990–1991 Gulf war	~3 months	~9 months	Short-term impact
2004–2005 Hurricane cycle	~15 months	~15 months	Medium duration

Source: EIA, Shinhan Securities Vietnam

- Based on historical precedents such as the 1990–1991 Gulf War and the 2022 Russia–Ukraine conflict, crack spreads typically take around 9–15 months to normalize after major geopolitical shocks. However, the current cycle could last longer, as supply has already been disrupted for more than three months, while attacks on refining systems across multiple regions have made global refined product supply more fragile.
- We forecast that **crack spreads need around 18–20 months after the war to cool down**, but are unlikely to return to pre-conflict levels. Instead, the market is more likely to establish a new equilibrium at levels above historical averages.
- During 2027–2030, the **global refining capacity shortfall could become a structural trend**, largely independent of war-related factors. Severely attacked or disrupted refineries may take 2–3 years to fully recover, making it difficult for refined product supply to rebound quickly. This could keep crack spreads significantly above historical averages, turning refiners into a multi-year investment theme rather than merely a short-term cyclical opportunity.

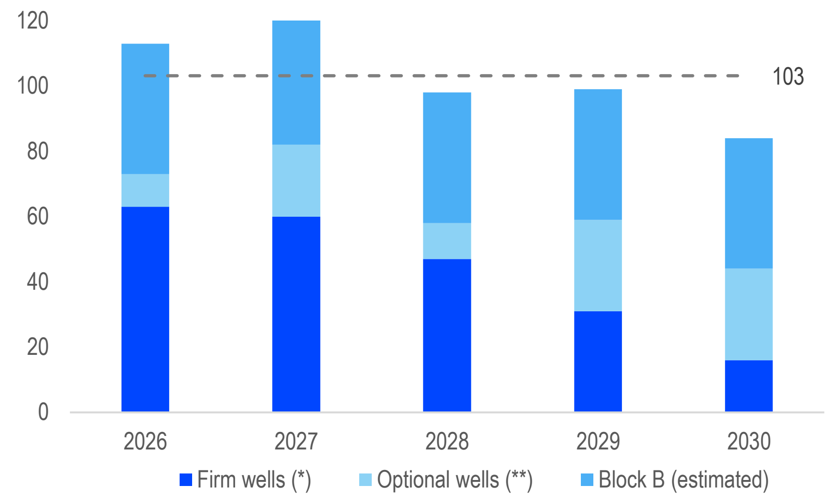
Positive outlook for the drilling rig market

Supply-demand and utilization rate in Southeast Asia



Source: S&P Global, PVD, Shinhan Securities Vietnam

Estimated drilling wells in Vietnam 2026-2030



Source: PVN, PVD, Shinhan Securities Vietnam

- ❑ **Drilling demand in Southeast Asia is expected to maintain its near-term growth momentum**, supported by newly launched projects and the need to accelerate domestic production to strengthen national energy security. Overall supply and demand remain broadly balanced, despite some localized periods of imbalance, with regional rig demand expected to stay stable at around 38–39 rigs during 2026–2027.
- ❑ **The domestic drilling upcycle is becoming increasingly evident**, with the number of wells drilled during 2026–2030 estimated to average around **103 wells per year**, significantly higher than the average of around 40 wells per year during 2016–2025. Long-term growth will be driven by the development of key gas-to-power projects such as Dai Hung Phase 3, Su Tu Trang 2B, Kinh Ngu Trang/Kinh Ngu Trang Nam, Thien Nga–Hai Au, and Block B–O Mon, providing stable workloads for upstream companies while being less exposed to short-term oil price volatility.

(*) Wells that have been approved or included in the drilling plan.

(**) Additional wells that may be developed depending on project progress and investment decisions.

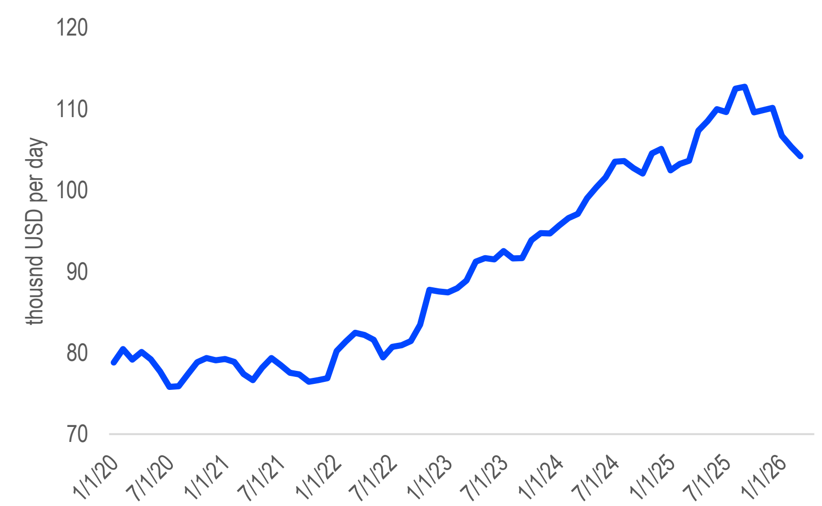
Positive outlook for the drilling rig market

Newly built drilling rigs 2026-2030

Name	Contractor	Year in service	Build region
Ayu	Dalian Shipbuilding Offshore Company	2026	Far East
West Dione		2027	Far East
West Mimas		2027	Far East
West Umbriel		2027	Far East
Essar 308	Essar Oilfields Services	2027	Indian Ocean
Kingdom 3	ARO Drilling	2027	Middle East
TS Jasper	Rigco Holding Pte Ltd	2027	Southeast Asia
TS Opal	Shanhaiguan Shipyard	2028	Far East
TS Coral		2029	Far East
Ts Emerald		2029	Far East
TS Jade		2029	Far East

Source: S&P Global, PVD, Shinhan Securities Vietnam

Average day-rate of jack-up rig 360-400' IC



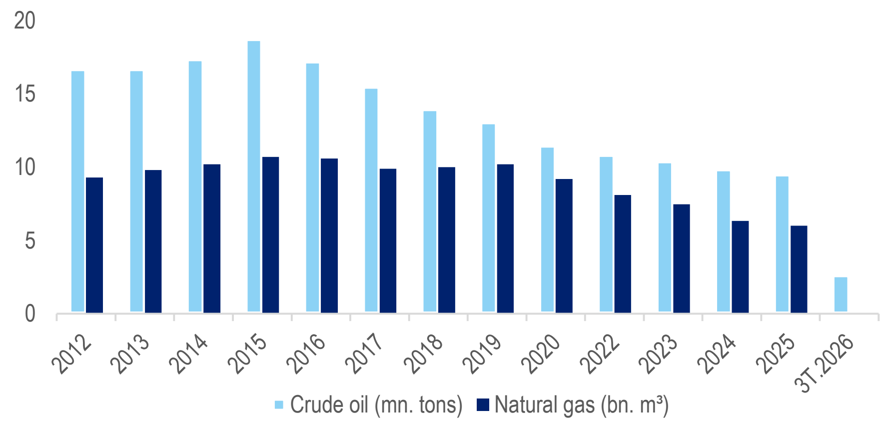
Source: Bloomberg, Shinhan Securities Vietnam

- ❑ On the supply side, nearly 10 years of limited newbuild rig orders, coupled with divestments and business exits by many major global oilfield service companies, have made rig supply increasingly scarce. This provides a **fundamental support for day rates to remain elevated in the medium term**. Notably, during 2026–2030, only one new rig is expected to be built in Southeast Asia, indicating that the supply shortage will likely persist and continue to support high day rates.

- ❑ **Regional jack-up rig day rates softened slightly in Q1/2026**, at one point falling to around USD 80,000/day. However, they are expected to recover to the USD 95,000–110,000/day range as elevated oil prices stimulate drilling and production demand.

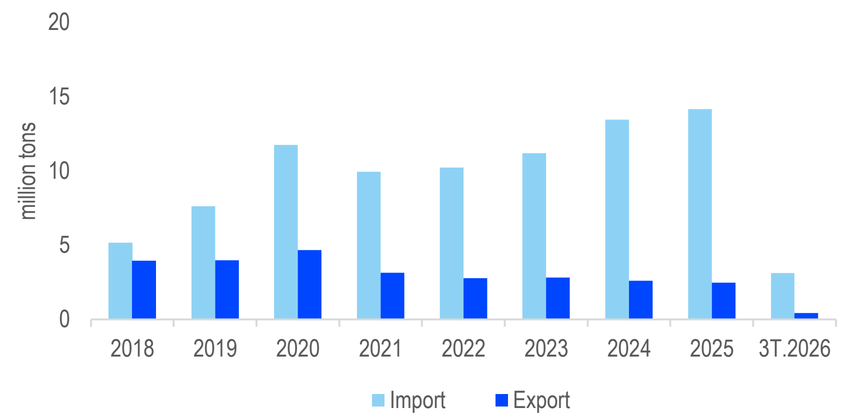
Domestic E&P activity revives after a decade of slowdown

Annual crude oil and natural gas production



Source: MOIT, Shinhan Securities Vietnam

Crude oil import and export volumes



Source: GSO, Shinhan Securities Vietnam

- Domestic crude oil production reached 2.63mn tons in Q1/2026 (+10.4% YoY), with domestic output up 12% YoY. Notably, this marks the first year of **positive production growth after 11 consecutive years of decline**, signaling a turning point in the long-term trend of Vietnam's upstream oil and gas sector.
- The **discovery of large oil and gas reserves at the Hai Su Vang field** opens up medium- to long-term supply potential, helping strengthen Vietnam's national energy security.
- PVN targets **VND 100,000bn in public investment disbursement** in 2026, focusing on key projects such as Block B–O Mon, Nhon Trach 3&4 gas-fired power plants, Su Tu Trang 2B, LNG infrastructure expansion including Thi Vai LNG terminal, Son My LNG port, PV GAS Hai Phong LNG port, and the initial development of green hydrogen production at the Dinh Co Gas Processing Plant.

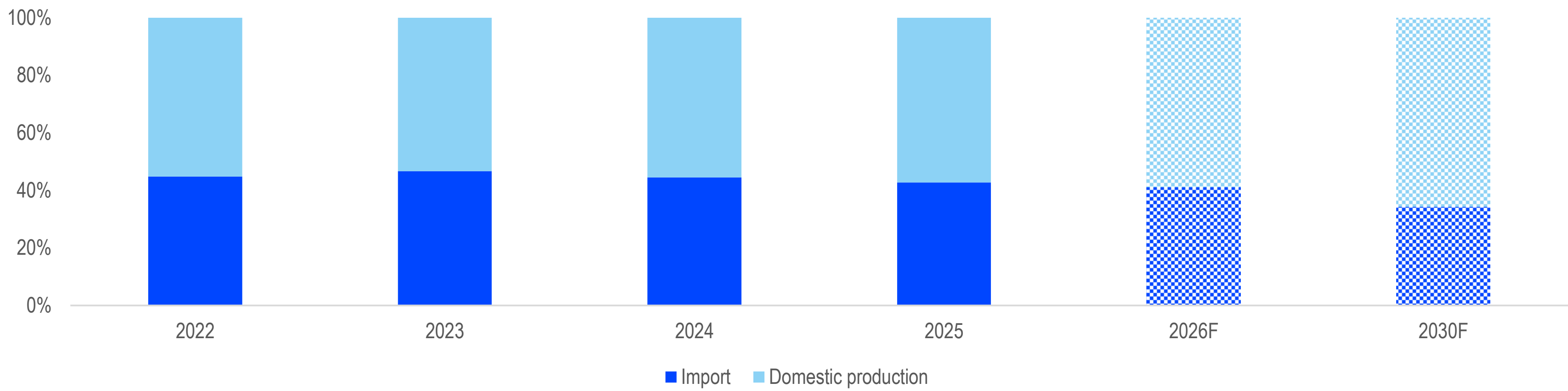
Domestic E&P activity revives after a decade of slowdown

Progress of domestic upstream projects

Project	Investor	Scale (USD mn)	Timeline	Work scope and expectations
Block B–O Mon	Phu Quoc POC	12,000	Mar-2027: Drilling; Q4-2027: First oil	PVS: EPCI packages 1, 2, 3 (>USD 1bn); FSO contract (USD 600mn, 14+9 years). PVD: PVD VI rig to participate in the drilling campaign from 2027.
Lac Da Vang	Murphy Oil	693	End-2025: Development drilling; Q4-2026: First oil	PVS: FSO joint venture (>USD 400mn, 10+5 years). FSO launched in Feb-2026. Q2-2026: Subcontract package bidding.
Su Tu Trang 2B	Cuu Long JOC	1,317	Mar-2026: Development drilling	PVS: Participates in EPC package (~USD 250mn). PVD: PVD I rig to carry out the drilling campaign
Long Phu 1	PVN	1,940	Before 2027: Commercial operation	PVS: Part of the main consortium; signed EPC contract to complete the plant worth VND 7,800 bn in late February.
Khanh My–Dam Doi	PVEP	395	May-2026: Field development agreement signing	PVS awarded EPCI contract at Block 46/13.
Nam Du–U Minh	Jadestone	378	Apr-2026: Field development agreement signing; Q4-2027: First oil	PVS expected to be awarded the EPCI contract.
Ca Voi Xanh	ExxonMobil	4,600	Awaiting FDI approval. Potential medium- to long-term backlog for PVS as offshore EPCI contractor and for PVD with the PVD V deepwater tender-assist rig.	
Ken Bau	Eni	N/A	Under exploration.	
Bao Vang-Bao Den	Gazprom	1,312		

Domestic fuel market: Enhancing autonomy from supply sources to retail pricing

Estimated domestic fuel supply structure



Source: MOIT, Shinhan Securities Vietnam

- **E10 bio-gasoline rollout**: From June 2026, E10 bio-gasoline will be rolled out nationwide to utilize domestic ethanol supply and replace around 10% of conventional gasoline volume. In terms of profitability, we believe E10 trading margins will not differ significantly from conventional gasoline. However, this is a strategic move to reduce fuel import pressure and enhance domestic market autonomy, in line with the sustainable development trend. It also marks the first step in Vietnam's long-term biofuel roadmap toward E15 and E20 when market conditions and infrastructure are ready.
- **Strategic fuel reserves**: The government is developing a strategy to gradually raise national fuel reserves to the IEA standard of 90 days, from the current level of around 26 days, with a focus on the fuel storage facility in Nghi Son, Thanh Hoa.
- **New fuel trading decree**: The new decree on fuel trading is expected to be approved in late Q2 or early Q3/2026. It would allow companies to set retail prices independently instead of being capped by the current VND 300/liter profit ceiling, laying the foundation for a recovery in fuel retail margins and more flexible operations.

Supportive policies for oil and gas sector

Several laws and resolutions have been approved to support Vietnam's oil and gas sector

Document	Content	Key highlights	Approval date
Resolution 70/NQ-TW	Ensuring national energy security through 2030, with a vision to 2045	- Shift from the concept of "ensuring supply" to "firmly and proactively ensuring energy security" - Targets by 2030: total primary energy supply of 150–170mn tons of oil equivalent; refineries to meet at least 70% of domestic petroleum demand - Promote strategic reserves and supply diversification	20 Aug 2025
Resolution 66.6/2025/ NQ-CP	Addressing difficulties and bottlenecks in delegating approval authority for certain oil and gas activities	- Assigns PVN to perform certain duties and powers of the MOIT under the 2022 Petroleum Law - Allows PVN to approve adjustments to production plans, field development plans and facility decommissioning within certain thresholds, significantly shortening project approval timelines	28 Oct 2025
Amended Petroleum Law	Amending Petroleum Law No. 12/2022/QH15 to remove institutional bottlenecks and accelerate exploration and production activities	5 key policies include: - Simplifying procedures and increasing decentralization to PVN - Introducing incentive mechanisms for deepwater and offshore blocks - Shifting from a "pre-approval" to a "post-audit" model - Delegating more authority from the Prime Minister to PVN - Creating a legal framework to attract international contractors	Expected in Q1/2027
Resolution 79/NQ-TW	Developing the state-owned economy, repositioning SOEs as strategic tools to lead national development	- Allows SOEs to be more proactive in resource allocation - Enables all proceeds from equitization to be used to increase charter capital instead of being paid to the state budget - Activates M&A activity and asset revaluation - Directly supports the oil and gas sector by accelerating project progress and securing workloads for oil and gas construction companies	06 Jan 2026

Mid and high cap listed oil and gas companies

General information				Price			Financial ratios			Business results				26F valuation	
No.	Ticker	Position in the value chain	Market cap (VND bn.)	Market price (VND)	Target price (*) (VND)	Upside (%)	NPM 2026F (%)	ROA 2026F (%)	ROE 2026F (%)	NPAT Q1/2026	NPAT growth Q1/2026 (% YoY)	NPAT 2026F (VND bn.)	NPAT growth 2026F (% YoY)	P/E (x)	P/B (x)
1	PVS	Upstream	19,945	39,000	47,800	22.5	5.1	11.9	5.2	435	45	2,039	6.1	25.1	3.0
2	PVD	Upstream	17,093	30,750	36,500	18.6	14.1	5.9	9.7	306	100	1,892	57.9	15.1	1.1
3	BSR	Downstream	144,710	28,900	30,800	6.5	11.3	11.5	13.0	8,265	1,969	18,157	248	10.0	1.3
4	PLX	Downstream	53,174	41,850	45,300	8.2	0.8	3.3	11.7	-663	-414	2,290	-14.3	16.8	1.3
	Total									**8,343**	**693.8**	24,378	111.7		

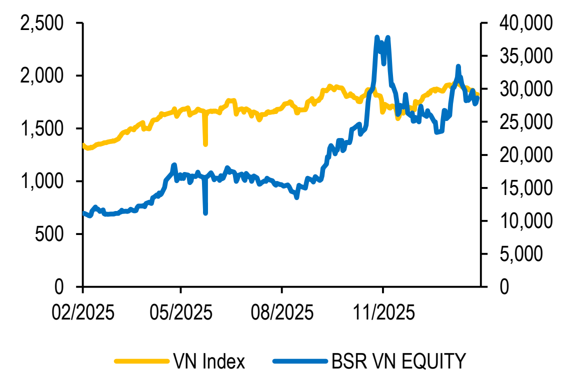
(*) Consensus data

Source: Bloomberg, Shinhan Securities Vietnam

Data as of 06/04/2026

Target price (2026F)	30,800 VND
Current price (06/04/2026)	28,900 VND
Return (%)	6.5%
VNINDEX	1,831
HNXINDEX	305
Market cap (VND bn.)	144,710
Shares outstanding (mil. shares)	5,007
Free-float (mil. shares)	394
52-week high/low (VND)	37,900/10,700
90-day avg. trading volume (mil. shares)	19.61
90-day avg. turnover (VND bn.)	536
Major shareholders (%) Petro Vietnam	92.13

Performance	3M	6M	12M
Absolute (%)	-24.3	85.4	157.7
Relative to VNIndex (%)	-24.6	80.5	122.3



Capturing the opportunity

Petrovietnam Refining and Petrochemical Corporation (BSR), formerly known as Binh Son Refining and Petrochemical JSC, operates the Dung Quat Oil Refinery, Vietnam's first and largest refinery, with a designed capacity of around 6.5mn tons of crude oil per year, meeting 30% of domestic petroleum demand. BSR is a key downstream player in Vietnam's oil and gas value chain.

Investment thesis

- The Dung Quat upgrade and expansion project, expected to start operations in Q1/2028, will raise capacity to 7.5mn tons/year, strengthening BSR's role in national energy security and supporting medium- to long-term revenue growth.
- BSR is expected to benefit indirectly from the rollout of E10 bio-gasoline from April 2026, as domestic demand for gasoline base stock remains stable..
- Its transition to a Corporation model and M&A targets in refineries and related infrastructure could significantly expand operating scale, serving as a key long-term growth catalyst during 2026–2030.
- BSR's inclusion in the FTSE index may also attract ETF and institutional inflows, improving liquidity and supporting short-term upside.

Q1/2026 update and forecast

- In Q1/2026, revenue reached VND 45,919bn (+44% YoY), while NPAT hit VND 8,265bn (+1,969% YoY), exceeding the full-year profit target after just one quarter.
- Gross margin improved sharply to 21%, from around 1% a year earlier, driven by a spike in crack spreads, especially for Diesel and Jet A1.
- Although profit is expected to ease from the Q1 peak, we expect 2H/2026 earnings to remain strong, supported by elevated crack spreads, the new fuel trading decree, and the long-term growth story from Dung Quat's expansion.

Risks: Faster-than-expected crack spread normalization and delays in the Dung Quat expansion project.

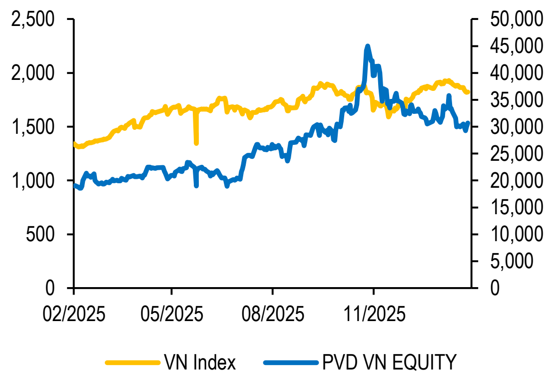
Year	2022	2023	2024	2025	2026F
Net revenue (VND bn.)	167,124	147,423	123,027	141,582	160,059
Operating income (VND bn.)	14,673	8,104	-722	4,538	13,997
NPAT (VND bn.)	14,726	8,650	631	5,214	18,157
EPS (VND)	2,874	1,658	79	1,040	2,815
OPM (%)	8.8	5.5	-0.6	3.2	8.7
NPM (%)	8.8	5.9	0.5	3.7	11.3
ROE (%)	32.4	15.3	0.7	9.0	13.0
P/E (x)	2.9	6.9	178.9	15.5	10.0
P/B (x)	0.8	1.0	1.3	1.3	1.3

PetroVietnam Drilling & Well Service Corporation (HOSE: PVD)

PETROVIETNAM PV Drilling

Target price (2026F)	36,500 VND
Current price (06/04/2026)	30,750 VND
Return (%)	18.6%
VNINDEX	1,831
HNXINDEX	304
Market cap (VND bn.)	17,093
Shares outstanding (mil. shares)	556
Free-float (mil. shares)	263
52-week high/low (VND)	45,500/18,800
90-day avg. trading volume (mil. shares)	6.87
90-day avg. turnover (VND bn.)	203
Major shareholders (%) PetroVietnam	50.42

Performance	3M	6M	12M
Absolute (%)	-31.8	15.6	58.2
Relative to VNIndex (%)	-32.1	10.7	22.7



Riding the growth wave

PetroVietnam Drilling & Well Service Corporation (PVD) is Vietnam's leading drilling contractor, holding around 40% market share in the domestic drilling market. The company provides a wide range of drilling services, well technical services, and other oilfield-related services. PVD owns a modern rig fleet comprising 06 jack-up rigs and 01 tender-assist semi-submersible rig (TAD).

Investment thesis

- Vietnam's upstream sector is recovering after a decade-long lull, with major domestic projects creating stable workloads for PVD across drilling and well services.
- Jack-up rig day rates are expected to increase by an average of 1–4% per year, supported by tight regional rig supply, which should keep day rates elevated.
- We assume PVD will invest in two additional rigs, tentatively named PVD X and PVD XI, in early 2028 and late 2029, respectively, to support PVN's target of achieving average revenue growth of 10% per year through 2030.

Q1/2026 update and forecast

- In Q1/2026, revenue reached VND 3,401bn, up 126% YoY, while NPAT reached VND 300bn, up 110% YoY, as upstream activity in both Vietnam and the region picked up strongly.
- PVD I, II, III, VI, VIII and IX have all secured long-term contracts.
- Rig day rates softened slightly in Q1/2026, at one point falling to around USD 80,000/day, but are expected to recover to USD 95,000–110,000/day in the coming period as elevated oil prices stimulate exploration and production demand.
- We forecast PVD's revenue and earnings to continue growing, supported by: (1) secured drilling workloads through end-2026, driven by the two new rigs PVD VIII and PVD IX and additional rig investment plans over the next five years; (2) tight supply and booming domestic demand, which should serve as a launchpad for a new medium-term growth cycle; and (3) supportive legal policies that create a more favorable operating environment for upstream companies

Risks: (1) new rig investments underperform expectations; (2) political/regulatory risks in international markets; and (3) FX volatility.

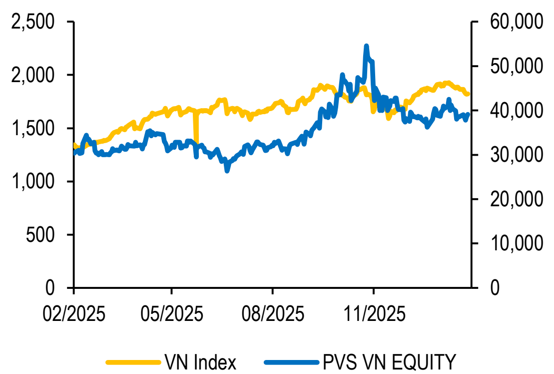
Year	2022	2023	2024	2025	2026F
Net revenue (VND bn.)	5,432	5,804	9,288	10,892	12,818
Operating income (VND bn.)	-83	567	919	1,198	1,892
NPAT (VND bn.)	-155	546	698	1,050	1,801
EPS (VND)	-185	1,051	1,254	1,865	3,190
OPM (%)	-1.5	9.8	9.9	11.0	14.8
NPM (%)	-2.9	9.4	7.5	9.6	14.1
ROE (%)	-1.1	3.7	4.4	6.1	9.7
P/E (x)	-197.4	34.8	29.1	19.6	11.5
P/B (x)	1.4	1.4	1.3	1.2	1.1

PetroVietnam Technical Services Corporation (HNX: PVS)

PTSC
A member of PETROVIETNAM

Target price (2026F)	47,800 VND
Current price (06/04/2026)	39,000 VND
Return (%)	22.5%
VNINDEX	1,831
HNXINDEX	304
Market cap (VND bn.)	19,945
Shares outstanding (mil. shares)	511
Free-float (mil. shares)	210
52-week high/low (VND)	56.400/26,355
90-day avg. trading volume (mil. shares)	7.75
90-day avg. turnover (VND bn.)	284
Major shareholders (%) — Petro Vietnam	51.38

Performance	3M	6M	12M
Absolute (%)	-24.8	18.1	32.4
Relative to VNIndex (%)	-25.1	13.2	-3.1



Benefiting from the new cycle

PetroVietnam Technical Services Corporation (PVS) is Vietnam's leading oilfield services company, operating across key segments including mechanical & construction services for oil and gas projects (M&C), floating storage/offloading units (FSO/FPSO), port bases, installation and maintenance (O&M), offshore support vessels, and seismic survey services.

Investment thesis

- The restart of Long Phu 1 thermal power plant (USD 1.3bn), the expansion of Thi Vai LNG terminal, and the O Mon 4 gas-fired power project provide additional catalysts beyond traditional oil and gas.
- Offshore wind backlog of around USD 2bn is expected to contribute meaningfully to earnings during 2025–2030, positioning PVS as a broader energy infrastructure company rather than a pure oil and gas services player.
- In the medium term, projects awaiting FID such as Ca Voi Xanh, along with potential fields such as Bao Vang–Bao Den and Ken Bau, could become major backlog sources for PVS during 2028–2030 if approved and implemented.

Q1/2026 update and forecast

- In Q1/2026, revenue reached VND 8,699bn (+14.5% YoY), while NPAT reached VND 435bn (+45.1% YoY), mainly driven by strong growth in M&C as PVS delivered several packages under Block B–O Mon and Lac Da Vang, while continuing to execute offshore wind projects during their peak construction phase.
- Gross margin reached 9.8%, up 5.6 ppts YoY, thanks to improved project execution efficiency.
- Offshore wind projects are progressing well: the Baltica 2 OSS project in Poland has exceeded 95% of total construction progress, while the Formosa 4 project in Taiwan has entered full-scale construction following its groundbreaking earlier this year.
- We forecast strong revenue and earnings growth for PVS during 2026–2030, supported by: (1) over USD 2bn M&C backlog from key oil and gas projects, with revenue recognition accelerating from 2026–2027; (2) two long-term FSO contracts at Block B and Lac Da Vang, providing stable revenue for the next 10–14 years; and (3) offshore wind backlog of USD 2bn from jacket foundation and substation EPC contracts, creating a new growth engine beyond traditional oil and gas..

Risks: (1) M&C margins may be lower than Q1 due to competitive pressure and expansion-related costs; (2) FX and construction material price volatility; and (3) delays in FID and exploration progress for key projects.

Year	2022	2023	2024	2025	2026F
Net revenue (VND bn.)	16,366	19,374	23,770	32,718	40,180
Operating income (VND bn.)	1,090	1,211	950	2,106	2,321
NPAT (VND bn.)	1,051	1,060	1,255	1,921	2,039
EPS (VND)	1,935	2,007	2,092	3,616	3,987
OPM (%)	6.7	6.3	4.0	6.4	5.8
NPM (%)	6.4	5.5	5.3	5.9	5.1
ROE (%)	8.2	8.0	8.9	12.4	12.2
P/E (x)	51.7	49.8	47.8	27.7	25.1
P/B (x)	3.7	3.5	3.2	3.2	3.0

Important Disclosure

Stock

- **BUY:** Expected 12-month gain of 15% or more
- **HOLD:** Expected 12-month loss of 15% to gain of 15%
- **SELL:** Expected 12-month loss of 15% or more

Sector

- **OVERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated BUY
- **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD
- **UNDERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated SELL

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Shinhan Investment Network

SEOUL
Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK
Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG
Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA
PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI
Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH
Shinhan Securities Vietnam Co., Ltd.
18th Floor, The Mett Tower, 15 Tran Bach Dang, Thu Thiem Ward,
Thu Duc City, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI
Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000

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Securities