PetroVietnam Drilling & Well Services Corporation

[Vietnam / OIL & GAS]

Bloomberg Code (PVD VN) | Reuters Code (PVD.HM)

HOLD

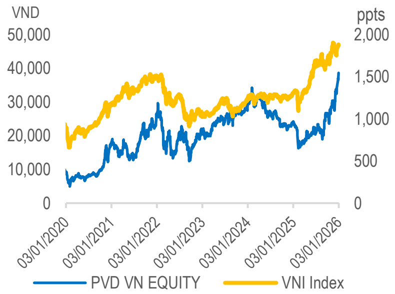
Initiate Coverage

Target price (12 months)	**39,700 VND**
Current price (03/11/2026)	41,200 VND
Upside/downside (%)	-3.6%

VNINDEX	1,728
HNXINDEX	247
Market Cap (bn VND)	22,902
Outstanding shares (mn)	556
Free-Floating (mn)	261
52-Wk High/Low (VND)	45,000/16,600
90-day avg. trading volume (mn)	10.15
90-day avg. turnover (bn VND)	328

Major shareholders (%)	PVN	50.4

Performance	3T	6T	12T
Absolute (%)	66.8	80.3	74.2
Relative to VN-Index (%)	65.1	76.0	44.5



Source: Bloomberg

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The new era has come

Initiate coverage with HOLD rating and target price of VND 39,700

Petrovietnam Drilling & Well Services Corporation (PVD) is one of the leading drilling contractors in Vietnam, holding approximately 40% of the domestic drilling market share. We expect PVD's revenue and net profit to continue expanding in the coming years, supported by: (1) Sustained growth in core drilling services segment thanks to secured workloads through 2026, contributions from 2 new rigs, and additional fleet investments over the next 5 years; (2) Tight supply and surging in domestic demand, serving as a launchpad for a new medium-term growth cycle; and (3) Supportive regulatory policies that create a favorable operating framework and improve the upstream business environment. Based on DCF valuation, we initiate coverage on PVD with a target price of VND 39,700, equivalent to a -3.6% return.

Drilling services – the core business segment expected to sustain growth thanks to secured backlog through 2026, contributions from two new rigs, and additional investments over the next five years

Over the past 2 years, PVD has expanded its fleet to 7 drilling rigs following the official commissioning of PV Drilling VIII and PV Drilling IX. Among these, 6 rigs have secured workloads for 2026, and 4 rigs have contracts extending through 2028. Notably, the 2 strategic rigs - PV Drilling VIII (operational since September 2025) and PV Drilling IX (expected to commence operations in 2Q2026) - are set to become new growth drivers, contributing approximately 23% of drilling service revenue in 2026. The deployment of these rigs not only increases capacity but also supports margin expansion. During the 2026–2030 period, PVD plans to invest in an additional 1–2 rigs, in line with PVN's long-term growth orientation.

Tight supply and surging domestic demand serves as a launchpad for PVD's new medium-term growth cycle

PVD's medium-term growth is underpinned by the supply–demand imbalance in the drilling rig market. Specifically, global jack-up rig supply remains constrained as a result of prolonged underinvestment in previous years. In contrast, demand in Southeast Asia is recovering strongly as E&P activities accelerate to enhance national energy security.

In addition, the ramp-up of key domestic projects such as Block B and Su Tu Trang Phase 2B is expected to further reinforce revenue and earnings growth over the 2026–2030 period.

Supportive regulatory policies creates a more favorable framework, helps accelerating project implementation and improving the operating environment for upstream enterprises

The special mechanism granted to PVN allows the recognition and allocation of risk-related costs against retained earnings over a five-year period. Resolution 66.6/2025/NQ-CP provides PVN with greater authority in approving and implementing E&P plans, shortening administrative procedures and expediting project timelines. Resolution 79-NQ/TW emphasizes PVN's leading role, thereby strengthening the long-term investment outlook for the sector in general and PVD in particular.

Risks: (1) Underperformance of newly invested rigs relative to expectations, (2) Low oil prices potentially delaying M&C activities; 3) Geopolitical and policy risks in international markets; and (4) Foreign exchange

Year to Dec.	2024	2025	2026F	2027F	2028F
Revenue (bn VND)	**9,288**	**10,892**	**12,818**	**14,040**	**15,555**
OP (bn VND)	919	1,198	1,892	2,513	3,056
NP (bn VND)	**698**	**1,050**	**1,801**	**2,293**	**2,909**
EPS (VND)	1,254	1,865	3,190	4,075	5,169
BPS (VND)	28,856	30,733	33,218	35,832	39,233
OPM (%)	9.9%	11%	14.76%	17.90%	19.64%
NPM (%)	7.5%	9.6%	14.1%	16.3%	18.7%
ROE (%)	**4.5%**	**6.3%**	**10.1%**	**11.9%**	**13.9%**
PER (x)	31.5	21.2	12.5	10	7.7
PBR (x)	1.4	1.3	1.2	1.1	1.0
EV/EBITDA (x)	11.7	10.5	7.4	6.0	6

Source: Company data, Shinhan Securities Vietnam

Contents

Company background

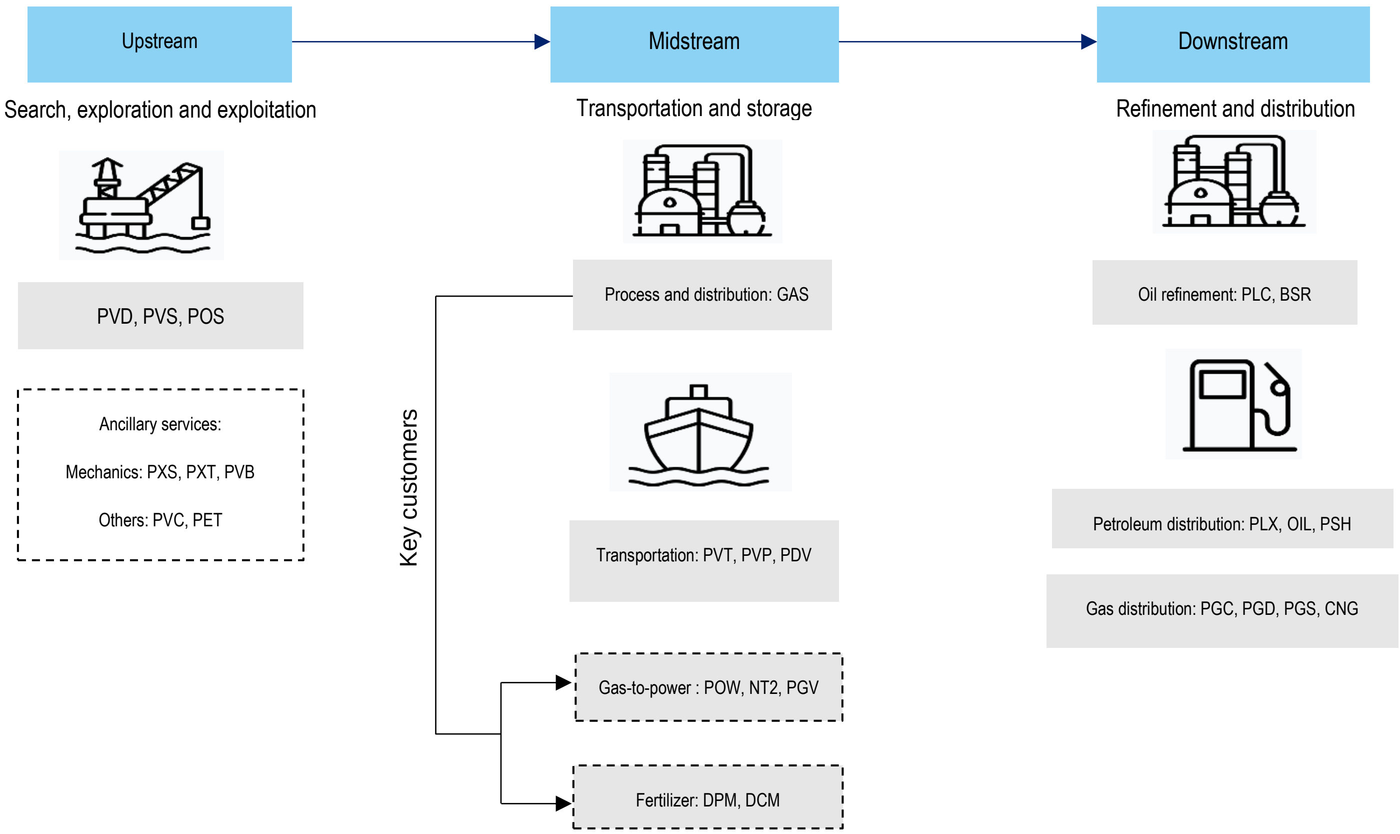
Company history

Petrovietnam Drilling and Well Services Corporation (PV Drilling – HSX: PVD), one of the core subsidiaries of Vietnam Oil and Gas Group (PVN), was originally established in 2001 as Petrovietnam Drilling and Well Services Company with the mandate to provide drilling services for domestic oil and gas exploration and production (E&P) activities. In 2006, PVD was equitized and officially listed on the Ho Chi Minh Stock Exchange (HOSE), marking a significant transition to a public company model. In 2007, the company was restructured and formally operated under the holding company structure as a corporation.

Throughout its development, PVD has continuously expanded both its rig fleet and service portfolio. The company currently owns a relatively modern fleet comprising six jack-up rigs and one tender-assisted drilling (TAD) semi-submersible rig, while also providing a comprehensive range of drilling services, well technical services, and other oilfield-related technical services.

After more than 20 years of establishment and growth, PVD has solidified its position as the leading drilling contractor in Vietnam, holding approximately 40% market share in drilling services and a dominant share (around 55–100%) across various technical service segments. Beyond the domestic market, PVD has gradually expanded its footprint regionally and internationally, with operations in Malaysia, Indonesia, Brunei, Thailand, and the Middle East, thereby strengthening its reputation and competitive capabilities within the region.

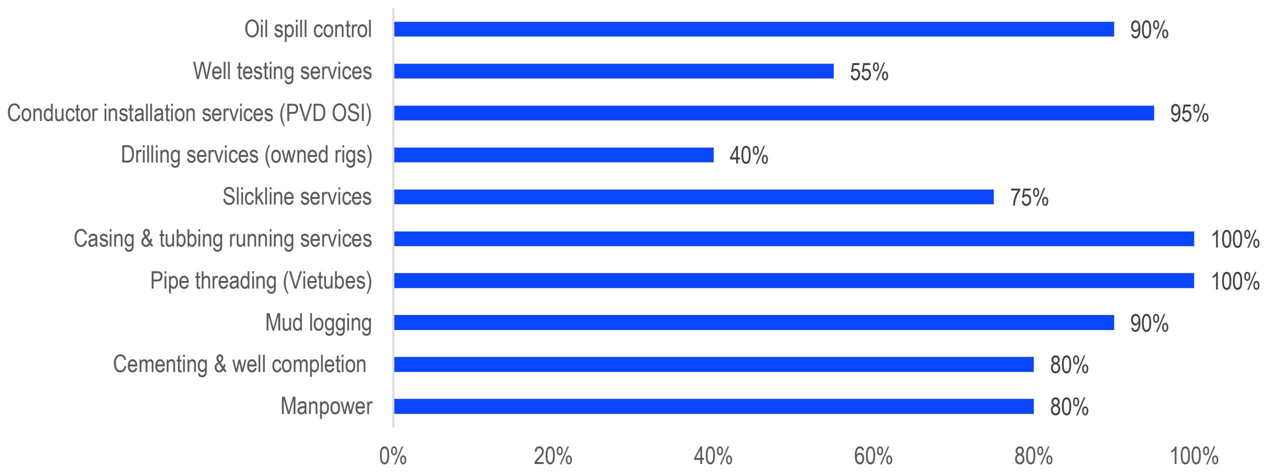
Value chain of oil & gas industry



PVD operates in the upstream segment of the oil and gas industry, focusing on the provision of drilling and well technical services (*) for explorati and production (E&P) activities. Within the upstream value chain, after operators complete geological surveys and identify prospective locatio PVD provides drilling rigs and directly executes well drilling under contract, supporting reserve verification and enabling the flow of oil and gas to t surface. At the same time, the company delivers well technical services to ensure that wells meet required technical standards and are ready commercial production. This represents the initial stage of oil and gas production development, playing a direct role in increasing reserves a sustaining output.

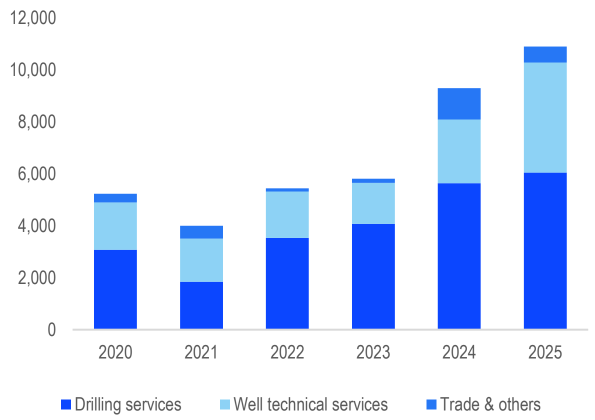
(*): Details about well technical services are presented at Appendix

PVD's domestic market share



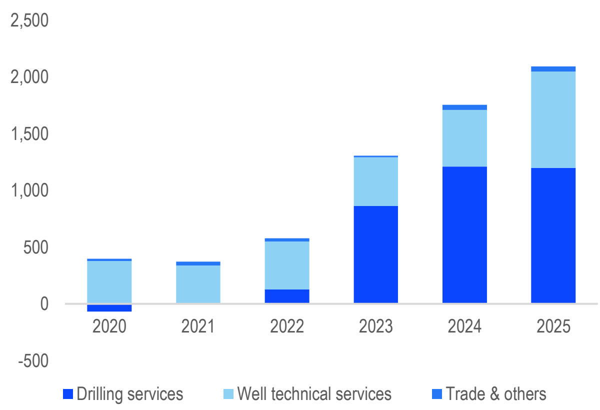
Source: Company data, Shinhan Securities Vietnam

PVD's revenue breakdown by segment (VND bn)



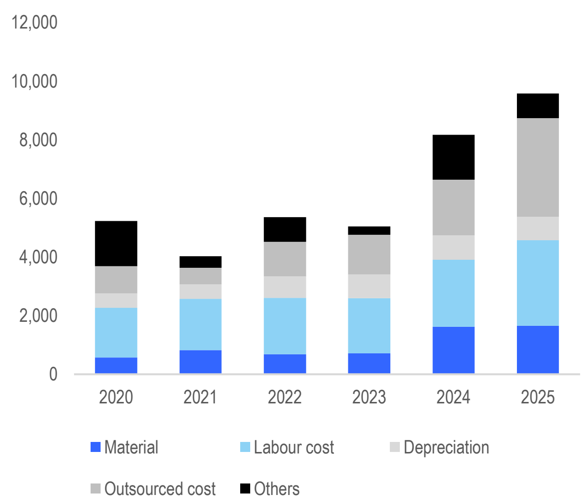
Source: Company data, Shinhan Securities Vietnam

PVD's gross profit breakdown by segment (VND bn)



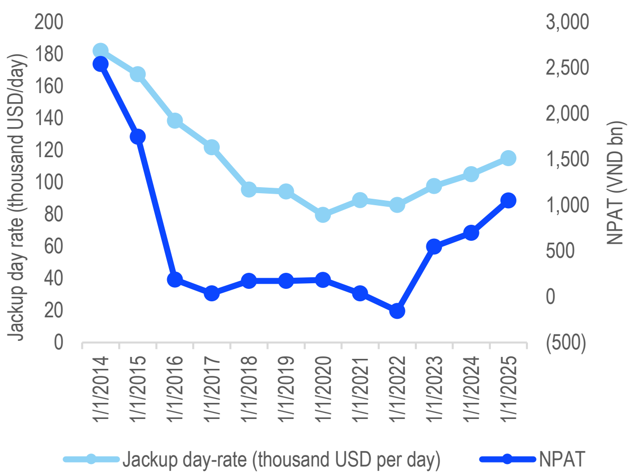
Source: Company data, Shinhan Securities Vietnam

PVD's cost breakdown (%)



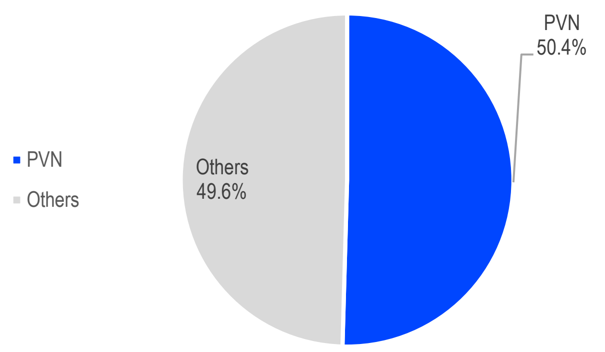
Source: Company data, Shinhan Securities Vietnam

Correlation between NPAT (bn VND) and rig day rate (thousand USD/day)



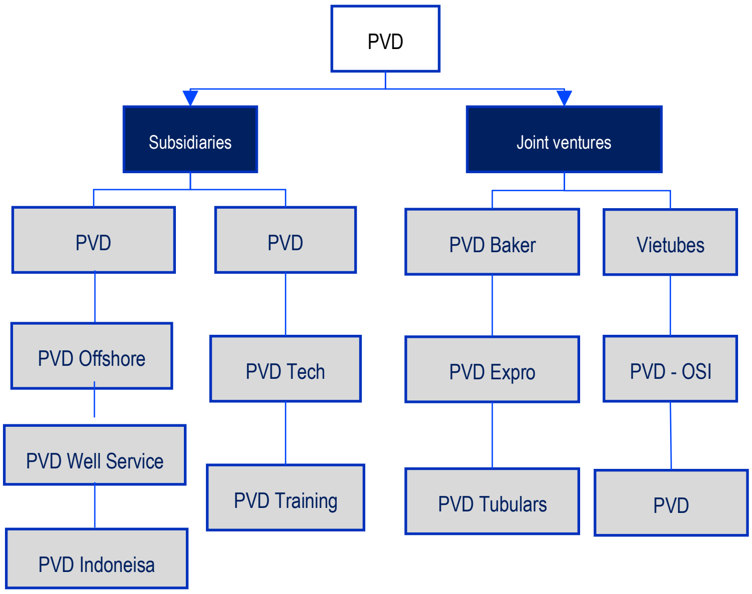
Source: Company data, Shinhan Securities Vietnam

Shareholder Structure February 27, 2026



Source: Company data, Shinhan Securities Vietnam

Corporate structure



Source: Company data, Shinhan Securities Vietnam

Subsidiaries and business segments of PVD

PVD Overseas

As the core subsidiary and strategic pillar within PVD's ecosystem, PVD Overseas is responsible for investing in, owning, and operating the company's drilling rig fleet, as well as providing drilling and related services for oil and gas exploration and production activities. This segment contributes the largest share of revenue and profit (approximately 60–70%) and serves as the foundation for PVD's regional and international expansion strategy.

PVD Well

PVD Well provides well technical services, including casing running, drilling equipment rental, well services, and the supply of specialized oilfield materials and equipment. This segment accounts for approximately 25–30% of the company's consolidated revenue.

PVD Offshore, PVD Logging và PVD Tech

These subsidiaries deliver technical and support services such as equipment fabrication and maintenance, well logging, well testing, cementing, mechanical services, and the supply of oilfield materials. Collectively, they enable PVD to offer integrated service solutions to oil and gas clients and enhance its competitiveness in bidding processes.

PVD Training

PVD Training operates in the areas of technical training, recruitment, and manpower supply for the oil and gas industry, as well as leasing services for housing, offices, and warehouses.

PVD Deepwater

PVD Deepwater provides offshore oil and gas support services, including the supply of drilling rigs and equipment for deepwater exploration and production activities. The company also conducts research and development of related technical services and offers technology consulting within the oil and gas sector.

PVD Indonesia

PVD Indonesia carries out oilfield support service activities in the Indonesian market.

Potential Oil & Gwas projects for PVD (2025-2030)

Project	Operator	Investment (USD mil.)	Potential and secured backlog
Block B - O Mon	Phu Quoc POC	12,000	Drilling campaign expected to commence in 2027. PV Drilling VI will drill at Block B&48/95 and Block 52/97 starting March 2027. This is expected to be a long-term campaign, providing a stable backlog for both drilling and well services, bolstering profitability from 2027 onwards.
Lac Đa Vang	Murphy Oil	693	PV Drilling I will commence drilling at the Su Tu field cluster starting March 2026.
Su Tu Trang Phase 2B	Cuu Long JOC	1,317	Awaiting FID. Strategic long-term backlog potential; specifically well-suited for the deepwater capabilities of the PV Drilling V (TAD) rig.
Ca Voi Xanh	ExxonMobil	4,600	Potential project (Under evaluation).
Nam Du - U Minh	Jadestone	378	Potential project (Under evaluation).
Khanh My - Dam Doi	PVEP	395	Exploration/Appraisal phase.
Ken Bau	Eni	N/A	Exploration/Appraisal phase.
Bao Vang - Bao Den	Gazprom	1,312	PV Drilling I will commence drilling at the Su Tu field cluster starting March 2026.

(Source: PVD, Shinhan Securities Vietnam)

Investment Catalyst & Theses

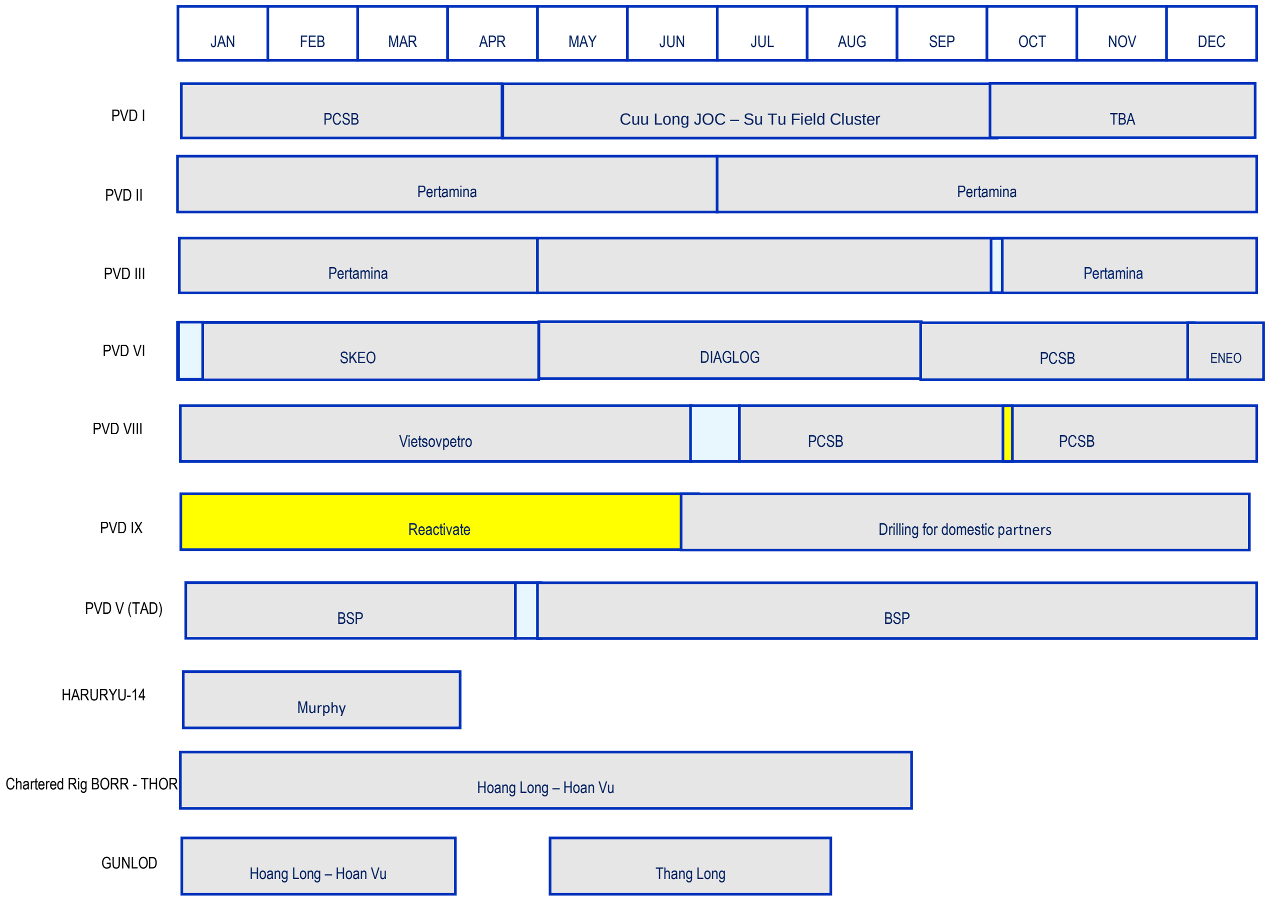
Drilling services – the core business segment expected to sustain growth driven by (1) secured backlog through 2026, (2) revenue contribution from two new rigs – PVD Drilling VIII and PVD Drilling IX, and (3) additional investment in 1–2 new rigs during 2026–2030

Over the past two years, PVD has expanded its fleet to seven rigs following the official commissioning of PV Drilling VIII and PV Drilling IX. Among these, six rigs have secured workloads through 2026, and four rigs have contracts extending to 2028.

The two strategic rigs - PV Drilling VIII (operational since September 2025) and PV Drilling IX (expected to commence operations in 2Q2026) - are projected to become key growth drivers, expected to contribute approximately 23% of drilling service revenue in 2026. The deployment of these rigs not only expands capacity but also significantly improves PVD's profit margins.

Additionally, PVD plans to invest in an additional 1–2 new rigs during 2026–2030 to enhance service capacity, capitalize on the regional drilling market recovery cycle, and align with PVN's targeted average net revenue growth of 10% per annum.

Rig activity schedule 2026



Source: Company data, Shinhan Securities Vietnam

Tight supply and surging domestic demand: A "launchpad" for PVD's new growth cycle

Supply side

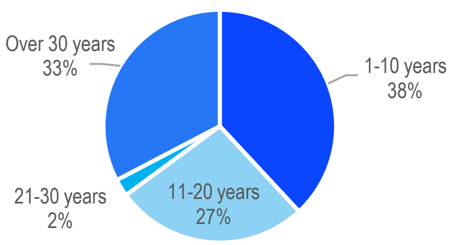
Global newbuild jack-up rig supply during 2020–2025 remained significantly below pre-COVID levels, with only 13 rigs (equivalent to approximately 3% of the global fleet) scheduled for delivery during 2025–2028. Notably, eight of these rigs are being constructed in China and are likely to primarily serve domestic demand, indicating that new supply outside China remains structurally constrained.

Following the "double crisis" in 2020, many oil majors and drilling contractors divested upstream projects or underwent restructuring, resulting in a limited number of new rigs actually entering the market. At the same time, approximately one-third of the existing global rig fleet is over 30 years old and faces potential retirement in the coming years, increasing demand for younger and higher-efficiency rigs.

	4/2014	10/2025	+/-
Marketed rigs	453	434	-19
% Newly built	31.1%	3%	-28.1%

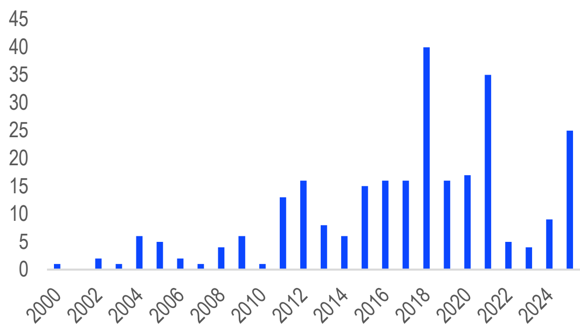
Source: S&P Global, PVD, Shinhan Securities Vietnam

Global jack-up rigs by aging (year)



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

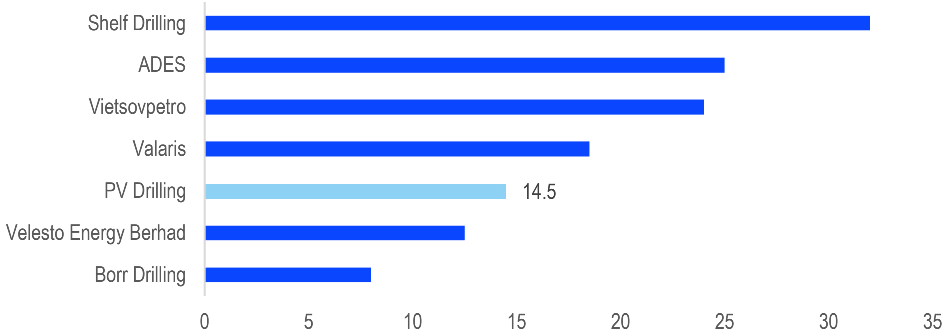
Number of Attrition - Global Jack-up Rigs 2000-2025 period



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

Against this backdrop, PVD owns a relatively young fleet with an average age of 14.5 years, lower than the global average, providing a clear competitive advantage in securing new contracts at higher day rates.

Average age of global JU drilling companies



Source: PVD, Shinhan Securities Vietnam

Demand side

Southeast Asia:

Jack-up rig demand in this region is entering a clear recovery and growth cycle after years of delayed investment and suspended production. This trend is supported by increasing upstream activities in countries such as Vietnam, Brunei, Indonesia, and Malaysia, as governments prioritize energy security amid ongoing geopolitical uncertainties and supply risks.

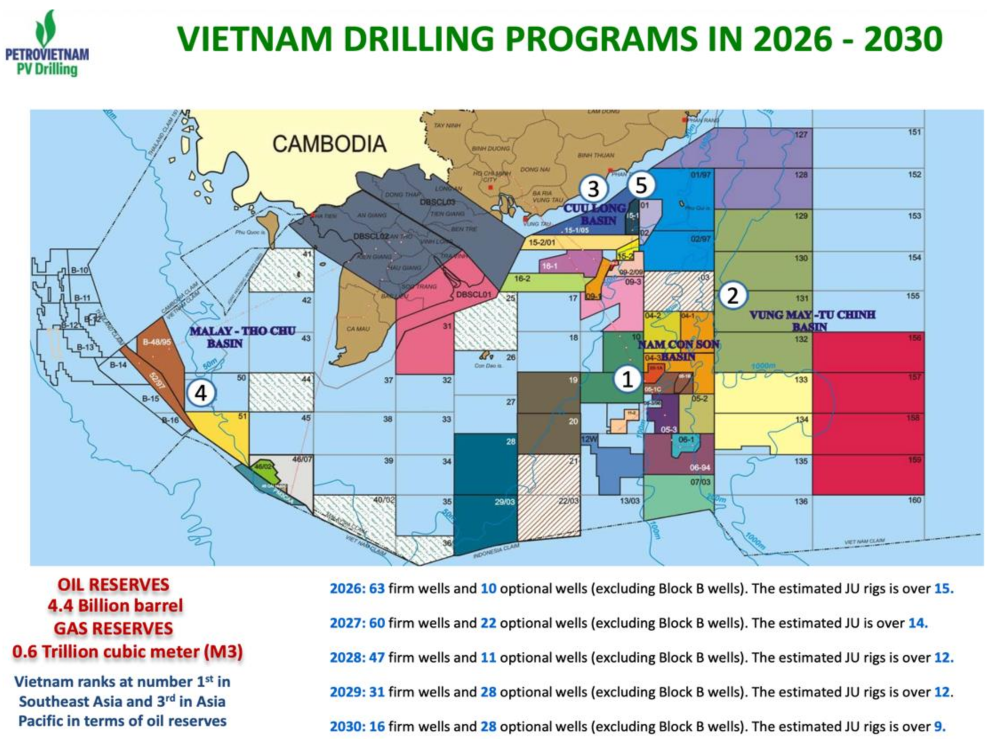
Domestic market:

Production at mature fields such as Bach Ho and Rong is entering a steep decline phase. Without new exploration and field development, Vietnam faces the risk of becoming a net energy importer in the medium term. Demand growth is further supported by a strong increase in public investment for E&P activities by PVN, with estimated disbursement in 2025 reaching approximately VND 45 trillion (+45% YoY), laying the foundation for a sustainable recovery in exploration and production activities. In this context, PVD is well-positioned to benefit as drilling demand in both Vietnam and Southeast Asia is expected to remain elevated.

In the short term, PVD is expected to participate in key drilling programs, including Block B, Nam Du – U Minh, and Su Tu Trang Phase 2B. Additionally, several potential projects such as Lac Da Vang and Thien Nga – Hai Au are anticipated to move forward, creating opportunities to expand backlog and provide drilling and well services upon completion of existing contracts.

In the medium term, under Vietnam's 2026–2030 drilling plan, an estimated 63 firm wells and 10 optional wells (excluding Block B wells) are expected to be drilled. This translates into demand for an average of 12.4 rigs per year during the 2026–2030 peak period, approximately 55% higher than the average level recorded during 2016–2024

(Source: PVD, Shinhan Securities Vietnam)



Supportive regulatory policies issued by the Government create a favorable framework, accelerate project implementation, and improve the operating environment for upstream enterprises.

We expect the 2025–2026 period to mark a pivotal turning point in the legal framework of the oil and gas sector, as a wave of reform-oriented policies is produced to remove institutional bottlenecks, streamline approval procedures, and strengthen governance mechanisms for upstream enterprises.

Policy/ regulation	Issuance date	Issuing authority	Key highlights
PVN Special Mechanism Decree	Expected H1 2026 (proposed since November 2025)	Government	Resolves bottlenecks in capital management; allows PVN to autonomously handle risk costs in exploration and international investment activities. Grants increased decentralization to the PVN Board of Directors to decide on investment projects, supplement charter capital, and approve asset depreciation. Specifically includes mechanisms for handling unsuccessful costs in overseas projects and financial regulations for projects PVN operates on behalf of the host country.
Resolution No. 66.6/2025/NQ-CP	October 28, 2025	Government	Transfers authority from the Ministry of Industry and Trade to PVN to approve: Field Development Outlines; adjustments to Early Production Plans when total CAPEX decreases or increases by less than 10% (excluding new platform construction); and decommissioning plans (with cost fluctuations within ±20%). PVN is also authorized to approve Resource and Reserve Reports for marginal fields (initial oil-in-place <30 million m^3 or gas-in-place <30 billion m^3).
Resolution No. 79-NQ/TW	January 06, 2026	Political Bureau	Strategically positions PVN to evolve into a National Energy-Industrial Group. Mandates the expansion of operations into new energy sectors, including LNG, Hydrogen, Offshore Wind, and other forms of renewable energy. Establishes the state economy's leading and pioneering role in key sectors to ensure national energy security and drive industrialization and modernization through 2030 and beyond.

The centerpiece is the anticipated official Decree on Special Mechanisms for PVN (proposed in November 2025), which is expected to take effect in 2Q2026. This represents a landmark policy shift, allowing PVN-assigned projects to recognize and allocate risk-related costs, including unsuccessful overseas exploration expenses, strategic mission-related expenditures, and other specific risk costs, against retained earnings over a 5-year period. Importantly, these expenses will be excluded from evaluations of management effectiveness, State capital preservation, and enterprise classification.

In addition, Resolution 66.6/2025/NQ-CP on decentralization and delegation further grants PetroVietnam expanded authority to perform certain responsibilities previously under the Ministry of Industry and Trade, helping to streamline E&P plan approvals and accelerate project implementation.

Furthermore, Resolution 79-NQ/TW on the development of the state-owned economic sector emphasizes the leading role of key energy conglomerates such as PVN and EVN in investing in and executing major national projects (including nuclear power and offshore wind) to safeguard national energy security, thereby reinforcing the long-term investment outlook for the industry overall and for PVD in particular.

4Q2025 and 2025 Business results

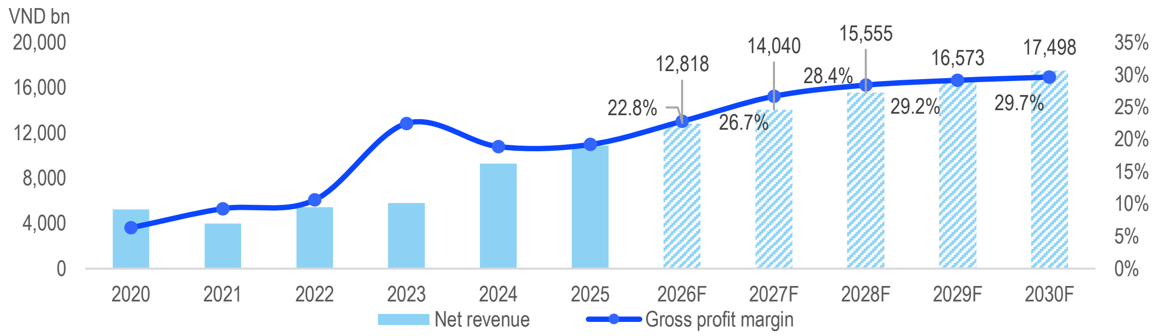
Items	Q4/2024	Q4/2025	2024	2025	Note
Net revenue (VND billion)	**2,789**	**4,313**	**9,288**	**10,892**	2025 marks a clear upswing in the drilling cycle, with PVD recording its highest net revenue in the past 10 years, driven by: (1) higher utilization rates and increased day rates for owned jack-up rigs; (2) expansion of the chartered rig fleet (3.4 rigs compared to 1.4 rigs YoY); and (3) stronger contributions from the well technical services segment, supported by a solid backlog from large-scale projects.
Growth (%YoY)		54.6		17.3	
Gross profit (VND billion)	**359**	**665**	**1,754**	**2,077**	The 18% YoY increase in gross profit was primarily driven by improved utilization rates and higher day rates.
Growth (%YoY)		85.4		18.4	
Gross profit margin (%)	**12.9**	**15.3**	**18.9**	**19**	
Profit before tax (VND billion)	**257**	**492**	**937**	**1,384**	Net profit after tax in 2025 surged by over 55% YoY, primarily driven by the strong recovery of the core business segment amid the rebound in E&P activities. Additionally, earnings were supported by a one-off gain from contractor tax refunds in Malaysia (2020–2023) and higher dividend/profit-sharing contributions from joint ventures and subsidiaries.
Growth (%YoY)		92		47.7	
NPAT-MI (VND billion)	**216**	**361**	**698**	**1037**	
Growth (%YoY)		66.8		55.3	

Earnings estimates 2026-2030F

PVD's net revenue is expected to grow at a CAGR of 8.1% over the 2026–2030F period, driven by:

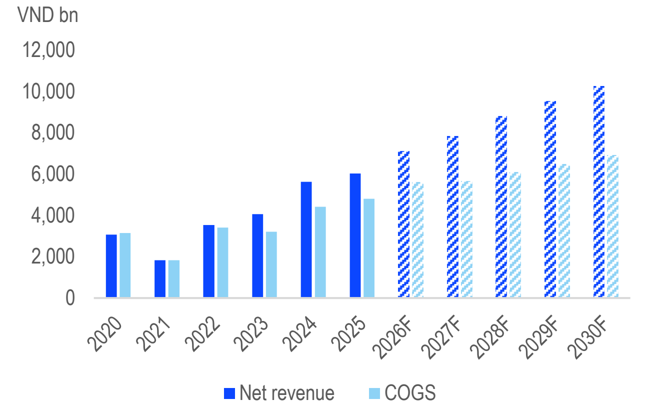
- **Drilling services segment**: Revenue from drilling services is projected to grow at a CAGR of 9.7% (2026F–2030F), mainly driven by: (1) rig utilization maintained above 90% thanks to secured backlog amid the recovery of the E&P cycle; (2) improvement in average day rates as low-priced contracts expire and are replaced by higher-priced new contracts; and (3) our assumption that 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 annum through 2030. During 2026–2030, we forecast average day rates to increase modestly by 1–4% per year, supported by sustained demand amid limited incremental supply, thereby reinforcing elevated day-rate levels over the medium term.
- **Well technical services segment**: Revenue from well technical services is estimated to grow at a CAGR of 7% (2026F–2030F), benefiting from the ongoing recovery of the E&P cycle, rising demand for technical services in the domestic and Southeast Asian markets, continued execution of existing contracts, and expanded participation in new bidding packages.

Net revenue and gross profit margin forecast for the 2026F-2030F period



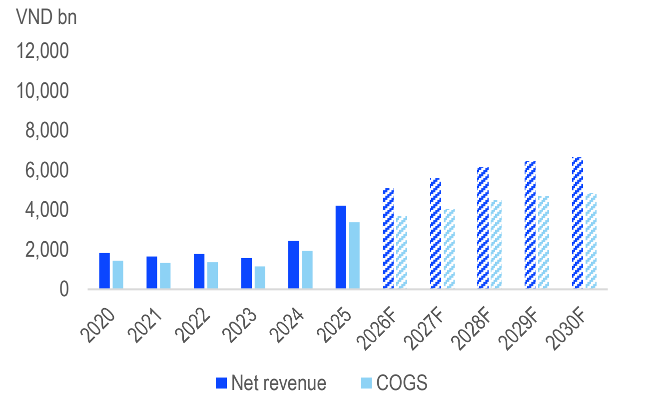
Source: Company data, Shinhan Securities Vietnam

Drilling services' net revenue and COGS forecast



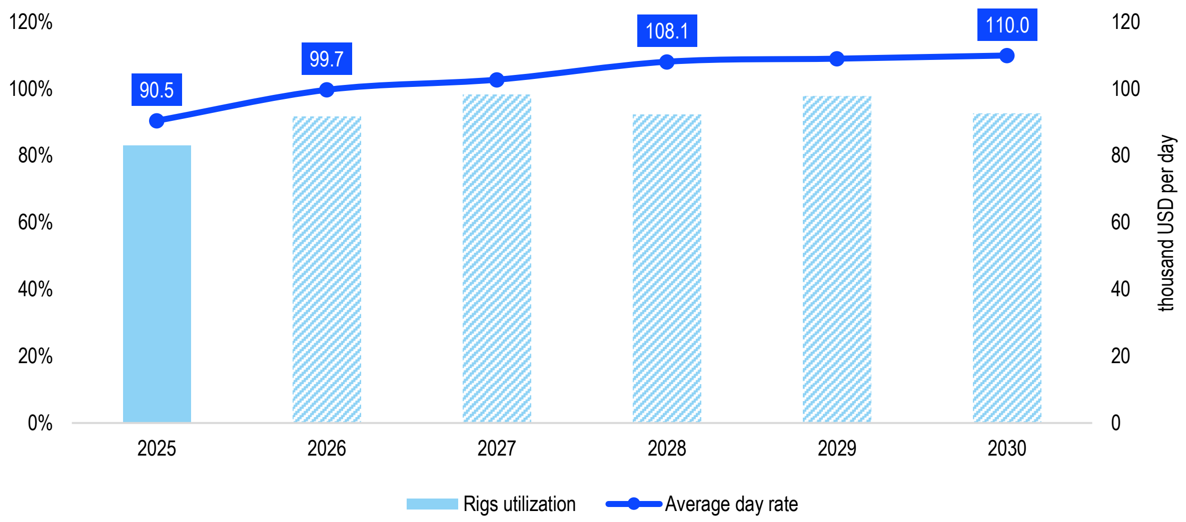
Source: Company data, Shinhan Securities Vietnam

Well technical services' net revenue and COGS forecast



Source: Company data, Shinhan Securities Vietnam

Day rates (thousand USD per day) and utilization rates (%) forecast



Source: Company data, Shinhan Securities Vietnam

Valuation and Recommendation

Initiate coverage with HOLD rating and target price of VND 39,700

We initiate coverage PetroVietnam Drilling & Well Services Corporation (PVD) with a HOLD recommendation and a target price of VND 39,700, corresponding to an increase of xx% from the current price. For a long-term view, PVD is an investment that can be considered with following advantages:

1) Drilling services – the core business segment is expected to sustain growth driven by: (1) secured workloads for rigs through 2026; (2) new growth contributions from PV Drilling VIII and PV Drilling IX; and (3) additional fleet investment during the 2026–2030 period

2) Tight supply and surging domestic demand will serve as a launchpad for PVD's new growth cycle.

3) Supportive government-issued regulatory policies create a favorable framework, accelerate project implementation, and improve the operating environment for upstream enterprises.

Valuation

We apply a Discounted Cash Flow (DCF) valuation method to value PVD.

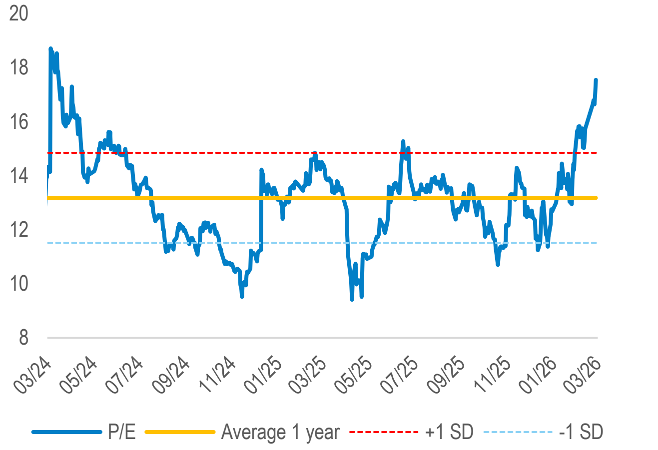
DCF valuation

Unit: billion VND	2026F	2027F	2028F	2029F	2030F
Net profit	1,775	2,267	2,876	3,046	3,299
Plus: After-tax interest expense	400	408	439	493	512
Plus: Depreciation & Amortization	854	875	971	1,060	1,159
Minus: Change in working capital	722	879	1,049	974	1,122
Minus: CapEx	856	885	3,070	3,266	978
Free Cash Flow (FCF)	**1,451**	**1,786**	**166**	**359**	**2,870**
PV of FCF	4,770				
Growth rate	2%				
Present value of long-term value	18,181				
Enterprise value	**22,951**				
Cash and cash equivalents	4,533				
Debt	3,684				
Equity value	**22,102**				
Number of shares outstanding (mn units)	556				
Target price (VND)	**39,700**				

WACC	**11.4%**
Risk-free rate	4.3%
Equity risk premium	8.13%
Beta	1.05
Debt cost	7%
The cost of equity	12.8%
Debt-to-equity ratio	24.5%
Total debt (VND bn)	4,533

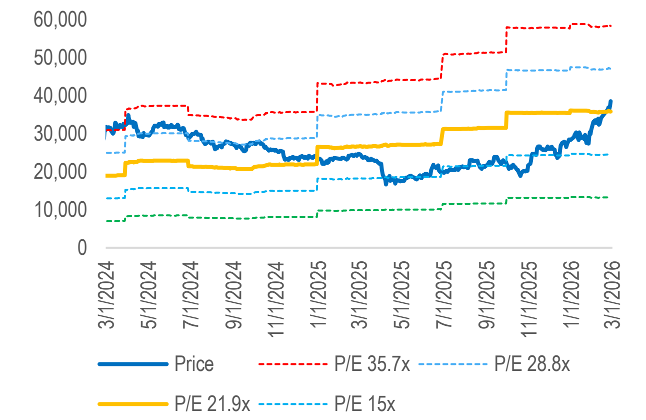
Source: Company data, Shinhan Securities Company

PVD's PER



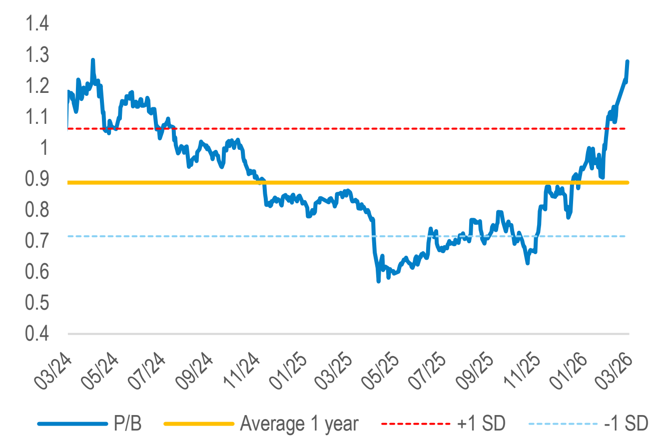
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PER band chart of PVD



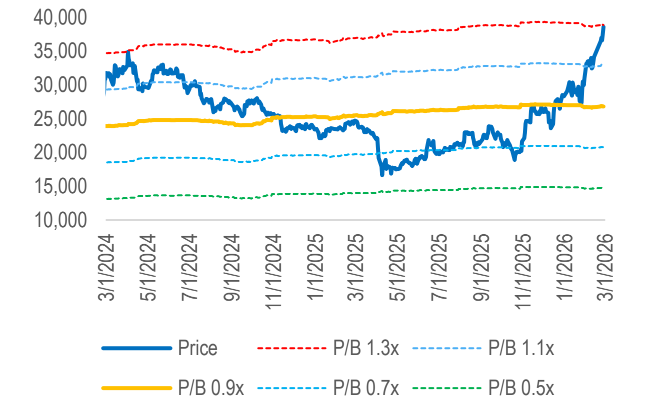
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PVD's PBR



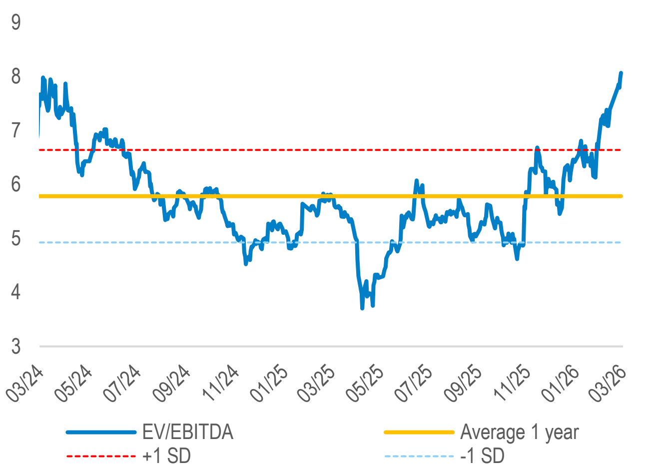
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR band chart of PVD



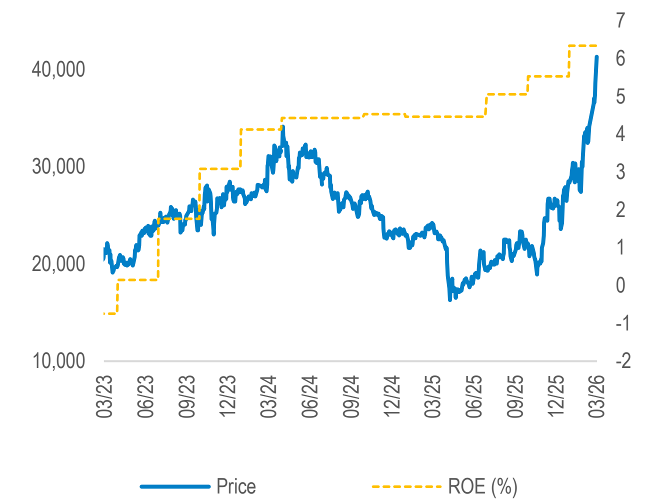
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PVD's EV/EBITDA



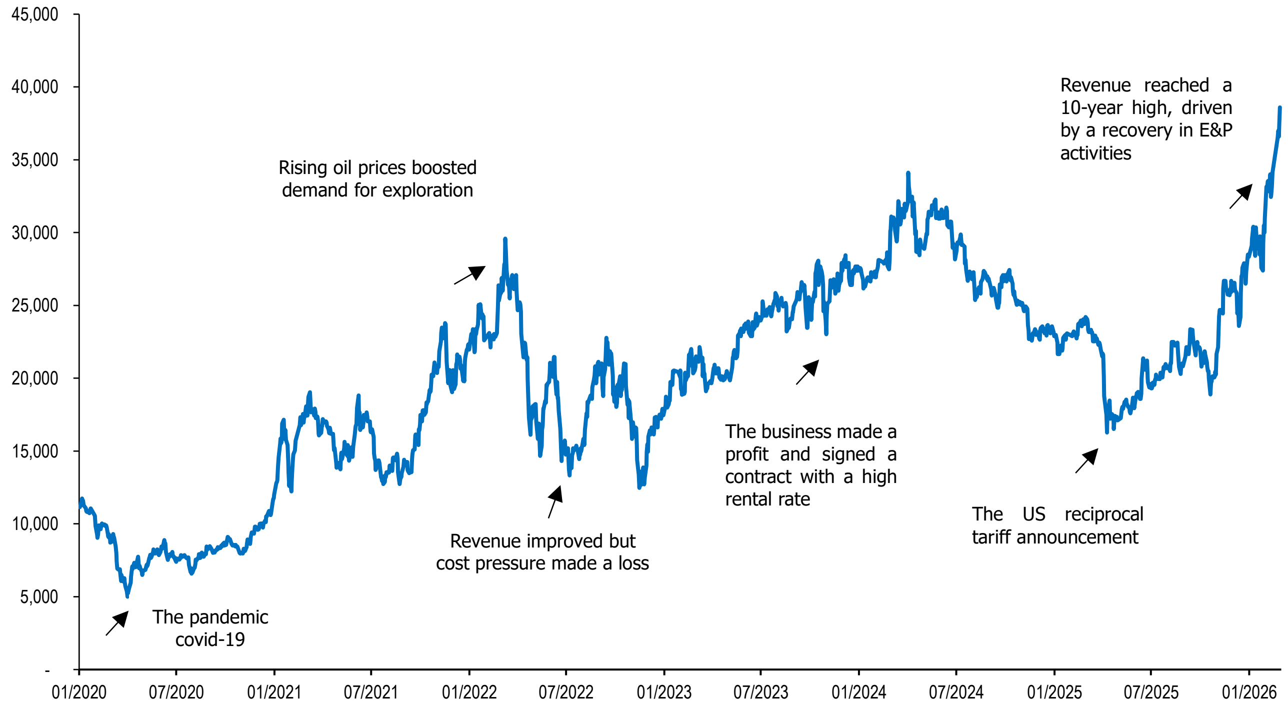
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Correlation of PVD's price and ROE



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Key event chart of PVD



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Risks

Low oil price risk

Weak oil prices, amid geopolitical instability and potential oversupply, could dampen upstream spending, slowing M&C (Mechanical & Construction) activities and delaying or downsizing new contract awards.

New rig investment execution risk

Planned investments in additional rigs (tentatively named PVD X and PVD XI) may face delivery delays, cost overruns, or lower-than-expected day rates, potentially reducing returns and extending the targeted payback period (<5 years).

International market risk

Geopolitical volatility, regulatory shifts, and changes in business conditions across PVD's international markets may adversely affect operational efficiency and overall financial performance.

Foreign exchange risk

PVD is exposed to two-way FX risk due to its multinational operations and USD-intensive capital structure. While most revenues are USD-denominated, exchange rate movements may still impact net earnings.

- Long-term USD borrowings used to finance the rig fleet may generate unrealized FX losses when USD appreciates against VND, increasing financial burdens and pressuring short-term accounting profits.
- The 2026–2030 fleet expansion plan requires significant USD-denominated CAPEX, making total investment costs and future depreciation sensitive to FX fluctuations.

Additionally, depreciation of local currencies in Southeast Asia (e.g., MYR, IDR) could reduce translated earnings upon consolidation, weighing on overall profit margins.

Appendix: Financial statements

Statement of financial position

Year to Dec. (bn VND)	2024	2025	2026F	2027F	2028F
Total assets	23,615	28,311	30,492	32,378	35,513
Current assets	7,782	9,831	11,969	13,820	14,824
Cash & equivalents	2,203	1,823	2,963	4,068	4,098
Short-term financial asset	770	687	721	757	795
Accounts receivable	3,469	5,476	6,263	6,871	7,623
Inventories	1,352	1,676	1,881	1,957	2,117
Non-current assets	15,832	18,480	18,523	18,558	20,689
Net fixed assets	12,861	14,608	14,610	14,620	16,719
Investment assets	1,222	2,049	2,049	2,049	2,049
Other long-term assets	1,749	1,824	1,864	1,890	1,921
Total liabilities	7,562	11,215	12,013	12,445	13,688
Current liabilities	4,124	6,630	7,587	7,835	8,573
Accounts payable	1,173	2,596	2,913	3,031	3,279
Short-term borrowings	507	821	1,103	961	1,074
Others	2,444	3,213	3,570	3,844	4,220
Non-current liabilities	3,438	4,585	4,426	4,610	5,115
Long-term borrowings	2,541	3,588	3,429	3,613	4,118
Other financial liabilities	897	997	997	997	997
Total shareholders' equity	16,052	17,096	18,479	19,933	21,825
Capital stock	5,563	5,563	5,563	5,563	5,563
Capital surplus	2,434	2,434	2,434	2,434	2,434
Other capital	6,784	7,554	8,027	8,604	9,308
Retained earnings	1,022	1,289	2,176	3,032	4,191
Non-controlling interest equity	250	257	278	300	329
*Total debt	3,049	4,409	4,533	4,574	5,192
*Net debt (cash)	75	1,899	849	-252	299

Source: Company data, Shinhan Securities Vietnam

Statement of comprehensive income

Year to Dec. (bn VND)	2024	2025	2026F	2027F	2028F
Revenue	9,288	10,892	12,818	14,040	15,555
Growth	60.0%	17.3%	17.7%	9.5%	10.8%
COGS	-7,534	-8,815	-9,893	-10,292	-11,135
Gross profit	1,754	2,077	2,925	3,747	4,420
GPM	18.9%	19.1%	22.8%	26.7%	28.4%
SG&A	-635	-856	-1,063	-1,212	-1,308
Operating profit	919	1,198	1,892	2,513	3,056
Growth	62.1%	30.4%	57.9%	32.8%	21.6%
OPM	9.9%	11.0%	14.8%	17.9%	19.6%
Non-operating profit	-248	-166	-195	-213	-236
Financial income	152	197	232	254	282
Financial expense	400	363	427	467	518
In which: interest expenses	238	191	400	408	439
Net other non-operating profit	18	186	61	64	88
Pre-tax profit	937	1,384	2,186	2,830	3,432
Income tax	239	334	385	536	523
Net profit	698	1,050	1,801	2,293	2,909
Growth	27.8%	50.5%	71.4%	27.4%	26.8%
NPM	7.5%	9.6%	14.0%	16.3%	18.7%
Controlling interest	698	1,037	1,775	2,267	2,876
Non-controlling interest	0	13	26	27	33
EBIT	1,119	1,575	2,586	3,238	3,871
Growth	47.5%	40.8%	64.2%	25.2%	19.6%
EBIT Margin	12.0%	14.5%	20.2%	23.1%	24.9%
EBITDA	2,002	2,437	3,440	4,113	4,842
Growth	23.9%	21.7%	41.2%	19.6%	17.7%
EBITDA margin	21.6%	22.4%	26.8%	29.3%	31.1%

Source: Company data, Shinhan Securities Vietnam

Statement of cash flow

Year to Dec. (bn VND)	2024	2025	2026F	2027F	2028F
Cash flow from operations	1,037	1,269	1,906	2,263	2,797
Net profit	698	1,037	1,775	2,267	2,876
Depreciation expense	884	850	854	875	971
(Gain) from investing activities	-111	-196	0	0	0
Change in working capital	-1,024	-1,069	-1,123	-1,072	-1,274
Others	590	646	401	193	224
Cash flow from investments	-758	-2,702	-890	-921	-3,108
Change in fixed assets	-1,371	-2,885	-856	-885	-3,070
Change in investment assets	614	182	-34	-36	-38
Others	0	0	0	0	0
Cash flow from financing	-439	980	123	-237	340
Change in equity	0	0	0	0	0
Net borrowing	-439	980	123	41	618
Dividends	0	0	0	-278	-278
Change in total cash	-160	-453	1,140	1,106	30
Beginning cash	2,256	2,203	1,823	2,963	4,068
Change in FX rates					
Ending cash	2,203	1,823	2,963	4,068	4,098

Source: Company data, Shinhan Securities Vietnam

Key ratios

Year to Dec.	2024	2025	2026F	2027F	2028F
EPS (VND)	1,254	1,051	1,202	1,619	2,030
BPS (VND)	28,856	25,877	26,999	28,510	30,405
DPS (VND)	0	0	0	500	500
PER (x)	31.5	37.6	33.1	24.5	19.6
PBR (x)	1.4	1.4	1.4	1.4	1.4
EV/EBITDA (x)	11.8	9.7	7.5	6.2	5.1
Dividend payout ratio (%)	0%	0%	0%	31%	25%
Dividend yield (%)	0%	0%	0%	1.4%	1.4%
Profitability					
EBITDA margin	21.6%	22.4%	26.8%	29.3%	31.1%
OPM	9.9%	11.0%	14.8%	17.9%	19.6%
NPM	7.5%	9.6%	14.1%	16.3%	18.7%
ROA	3.0%	3.7%	5.9%	7.1%	8.2%
ROE	4.3%	6.1%	9.7%	11.5%	13.3%
Stability					
Debt to equity ratio	19%	25.8%	24.5%	23%	23.8%
Cash ratio	53.4%	27.5%	39.1%	51.9%	47.8%
Interest coverage ratio (x)	4.7	8.2	6.5	7.9	8.8
Activity					
Working capital turnover (days)	116	106	106	106	106
Inventory turnover (days)	65	69	69	69	69
Receivable turnover (days)	107	144	144	144	144

Source: Company data, Shinhan Securities Vietnam

Appendix: Well technical services

Well technical services comprise a range of specialized activities including well design, execution, operational support, maintenance, and completion across oil & gas and related industries (e.g., groundwater, mining). These services are delivered directly in and around the wellbore to control drilling operations, acquire subsurface data, ensure structural integrity, and optimize production performance throughout the well's lifecycle.

This is a highly technical service segment performed alongside drilling operations to ensure wells meet safety, efficiency, and commercial production standards. Solutions focus on designing, monitoring, and optimizing key operating parameters during drilling and completion, while addressing technical challenges arising from actual geological conditions.

Core service offerings include:

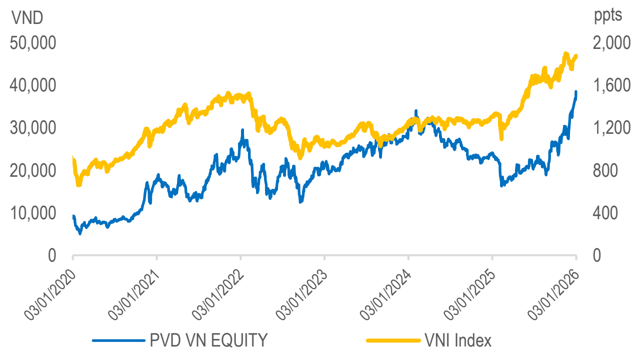
- Drilling fluids: Designing and managing drilling mud systems to maintain pressure balance, stabilize the wellbore, and transport cuttings to the surface
- Mud logging: Collecting and analyzing real-time geological and gas data during drilling to evaluate reservoir characteristics and formation structure.
- Directional drilling: Steering well trajectories (deviated or horizontal wells) to maximize reservoir contact and improve recovery rates.
- Cementing & well completion: Securing casing strings, isolating formations, and ensuring long-term well integrity.
- Well testing: Assessing reservoir productivity and flow characteristics before commercial production.
- Slickline services: Conducting well intervention operations using cable-deployed tools to install, retrieve, or maintain downhole equipment.

Regarding revenue model, this segment's performance is typically recognized based on work volume, service duration, or lump-sum contracts for specific drilling campaigns. Each well may require multiple services depending on geological conditions, depth, and technical design.

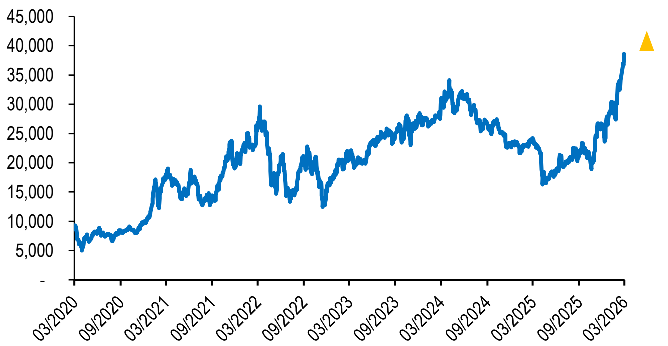
Given its direct linkage to individual wells, workload in this segment depends largely on the number of wells drilled during each exploration and production phase, as well as the technical complexity of each well.

PetroVietnam Drilling & Well Services Corporation (PVD VN)

Share price



Target price (VND)



Date	Rating	TP (VND)	TP gap (%) Mean	TP gap (%) Max/Min
12/03/2026 (Initiation)	HOLD	39,700	28.9	-11.8/139.2

Note: Calculation of target price gap based on past 12 months

Shinhan Securities Vietnam

Stock	Sector
• **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	• **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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