

11 Jun 2026

PV Drilling (PVD)

Solid NPAT growth on robust E&P

- 1Q26 gross profit and NPAT surged vs the low base
- SG&A surged 78% yoy, exceeded our forecast
- Upcoming quarters: continued 2-3-digits growth momentum

Facts: Solid NPAT growth on robust E&P

PVD's 1Q26 revenue reached VND3,401bn (+126% yoy, ~110% of KIS forecast). Gross profit recorded strong growth at VND638bn (+136% yoy, ~94% of KIS forecast). The strong performance was mainly driven by vibrant upstream (E&P) activity across Vietnam and Southeast Asia, generating abundant workload and favorable day rates for PVD. Details are as follows:

- **Drilling segment:** Revenue surged 147% yoy to VND2,162bn, supported by significantly higher workload (+1.8 owned rigs and +3.3 third-party leased rigs), compared with the low base of 1Q25 (when PVD 6 underwent major maintenance and ARAMCO's rig releases pressured regional day rates). Gross profit accordingly increased 179% yoy, with gross margin reaching 16.9%, down 1.7%p qoq. The relatively lower margin mainly reflects dilution from third-party leased rigs, which according to PVD contribute very limited profitability and mainly support revenue growth.
- **Well-related services segment:** Revenue rose 72% yoy to VND1,007bn. Gross profit reached VND243bn (+77% yoy), corresponding to a gross margin of 24.2% (+0.6%p yoy, +10%p qoq).

SG&A expenses increased sharply by 78% yoy to VND207bn, which we believe mainly reflects higher headcount to operate new rigs such as PVD 8 and the upcoming PVD 9.

1Q26 NPAT reached VND300bn (+110% yoy), below our expectations but still at a strong level.

Table 1. Quarterly earning snapshot

(VND bn, %, %p)

	1Q25	2Q25	3Q25	4Q25	1Q26	QoQ	YoY
Sales	1,503	2,447	2,571	4,346	3,401	(21.7)	126.3
OP	155	312	401	352	432	22.5	179.1
OP margin	10.3	12.7	15.6	8.1	12.7	4.6	2.4
PBT	196	321	366	499	396	(20.6)	101.9
NPAT	143	250	277	379	300	(20.7)	109.9

Source: FiinproX, KIS Research

12M rating **HOLD**

12M TP **NA**

Up/Downside **NA**

Stock Data

VNIndex (11 Jun, pt)	1,799
Stock price (11 Jun, VND)	30,150
Market cap (USD mn)	635
Shares outstanding (mn)	556
52-Week high/low (VND)	45,000/18,580
6M avg. daily turnover (USD mn)	9.93
Free float / Foreign ownership (%)	50.0/8.6
Major shareholders (%)	
PVN	50.46

Performance

	1M	6M	12M
Absolute	(9.7)	23.3	62.3
Relative	(3.7)	20.4	25.5

Stock price trend



Source: FiinproX

Pros & cons: growth momentum to sustain

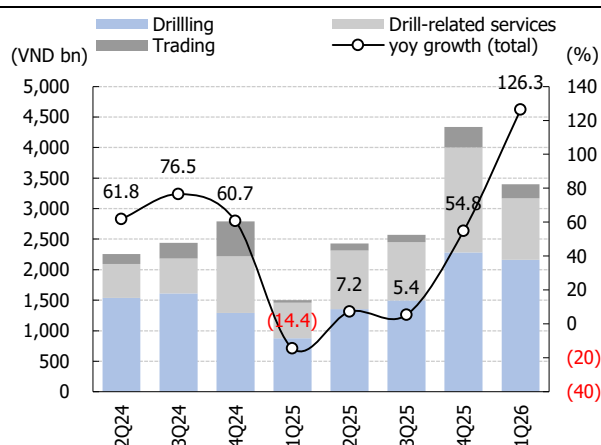
In the coming quarters, we expect PVD to continue delivering strong double- to triple-digit NPAT growth, mainly driven by (1) a higher number of operating owned rigs, supported by the full-year contribution from PVD 8 and PVD 9 starting from April, and (2) the well-related services segment benefiting from strong E&P demand in Vietnam as PVN accelerates upstream investment and growth targets.

Recently, PVD announced the acquisition of an additional jack-up rig (PVD 10), which is expected to be transported to Vietnam for reactivation from Oct-26 and commence operations in 2Q27. This is in line with the company's earlier guidance, which outlined plans to invest in an additional 2–3 drilling rigs during the 2026–30 period.

Action: HOLD

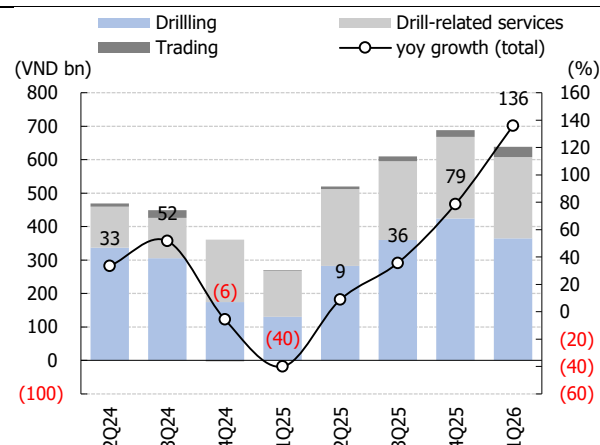
We maintain **HOLD** recommendation, as the share price has reached our target price. In cases of rising peace prospects in the Gulf region, global oil prices could face steep adjustments and pose a downside risk to PVD's stock.

Figure 1. 1Q26 Revenue surged 126% yoy, ~110% KIS forecast



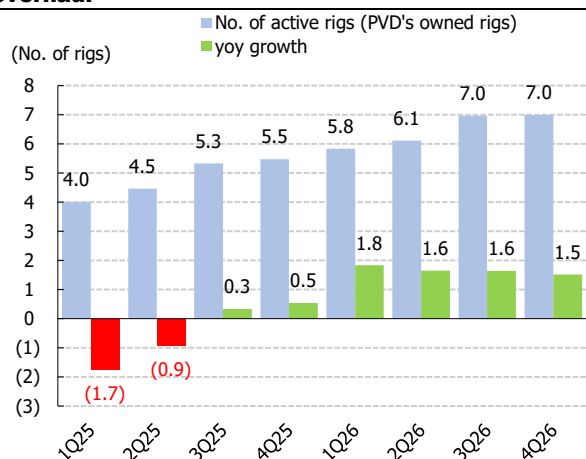
Source: Company data, KIS Research

Figure 2. Gross profit hit a 136% yoy growth, ~94% KIS forecast



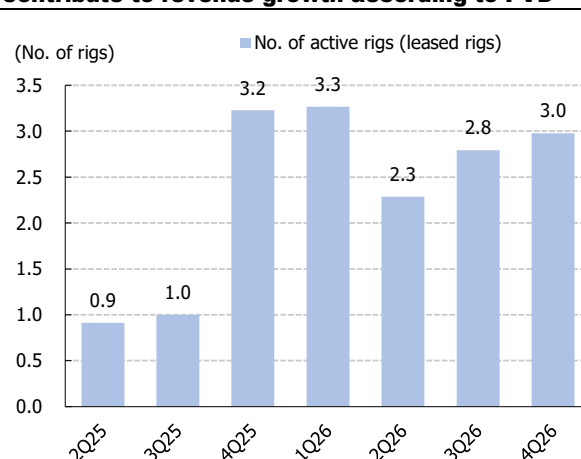
Source: Company data, KIS Research

Figure 3. No. of active PVD owned rigs rosed 1.8 rigs yoy, vs 1Q25's low base when PVD 6 underwent overhaul



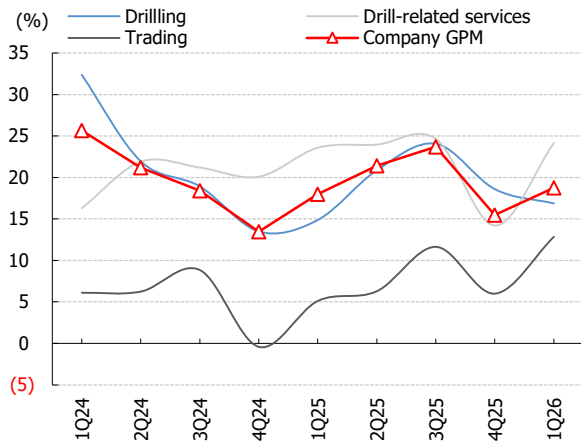
Source: Company data, KIS Research
Note: estimated based on PVD's announced drilling schedule

Figure 4. There was 2.3 leased rigs active in 1Q26, vs no rigs in 1Q25, this low-margin business mainly contribute to revenue growth according to PVD



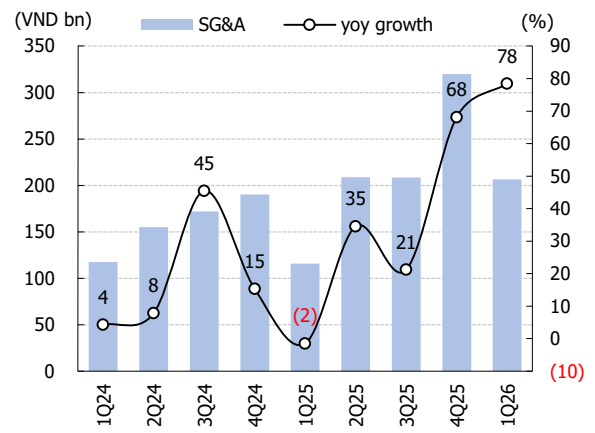
Source: Company data, KIS Research
Note: estimated based on PVD's announced drilling schedule

Figure 5. Low GPM was sourced from diluted Drilling GPM owing to higher leased rigs revenue



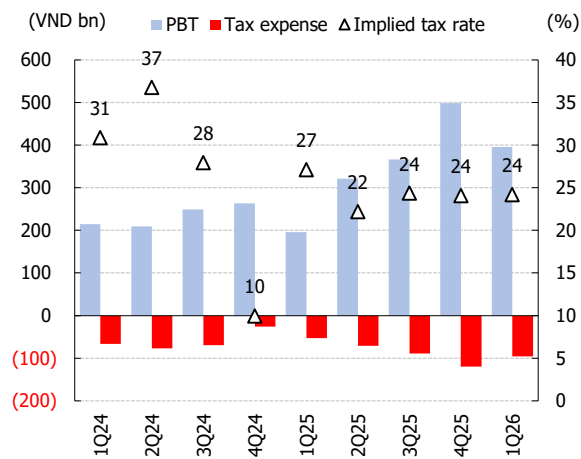
Source: Company data, KIS Research

Figure 6. SG&A upped 78% yoy



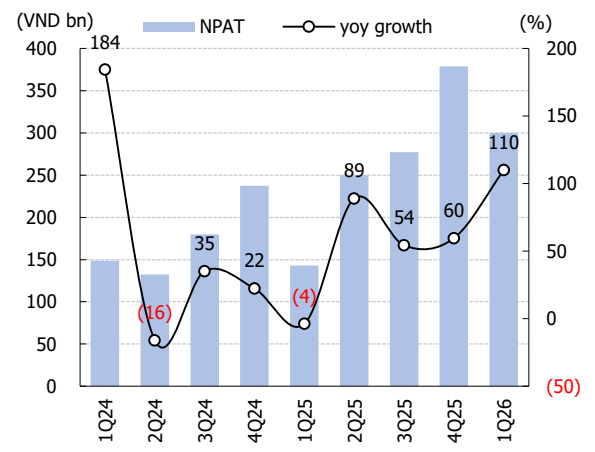
Source: FiiiproX, KIS Research

Figure 7. Implied tax rate was stable at 24%



Source: FiiiproX, KIS Research

Figure 8. 1Q26 NPAT grew by a solid 110% yoy



Source: FiiiproX, KIS Research

Figure 9. PVD drilling schedule 2025-26F

	2025												2026											
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
PVD's owned rigs																								
PVD I	Petronas - Malaysia (2-year fixed contract)												Cửu Long - Vietnam (250-day contract)											
PVD II	Pertamina - Indonesia (3-year fixed contract)																							
PVD III	Hibiscus				Pertamina - Indonesia (3-year fixed contract until 2028)																			
PVD V (TAD)	Shell - Brunei (6-year fixed contract, plus a 2-year option)																							
PVD VI	PCSB - Malaysia				SKEO								Dialog				PCSB - Malaysia							
PVD VIII	Vietsovetro - Vietnam												PCSB				Eneos							
PVD IX													Song Doc				PCSB - Malaysia							
PVD X													Reactivation											
Leased rigs																								
Hakuryu-11	Murphy																							
BORR-THOR	Vietsovetro				Zarubezhneft				HL-HV JOC (230-day contract)				PVEP				Zarubezhneft							
BORR- GUNNLOD	HL-HV JOC								Thăng Long				PVEP-NSC											
Hakuryu-14	Murphy																							
Shelf Enterprise	Zarubezhneft																							
IDUN																								

Source: Company data, KIS Research.

■ Company overview

PV Drilling (PVD), a subsidiary of PetroVietnam (PVN), is a leading firm in offshore drilling and well services in Vietnam and Southeast Asia. PVD owns a fleet of 8 offshore drilling rigs, including 7 jack-up rigs and 1 TAD rig. PVD is expected to play essential roles in the Block B project with its competencies.

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