truefriend KIS Viet Nam Securities Corporation

Earnings Review

3 Nov 2026

PV Drilling (PVD)

Earnings trough amid short-term headwinds

· Drilling was pressured by headwinds of Song Doc campaign
· 3Q26 NPAT dropped 70% yoy
· 4Q26F: recovery as Song Doc campaign finalized in 3Q26

Facts: NPAT shrank as expected

PVD recorded 3Q26 revenue of VND3,214bn (+25% yoy, ~90% of KIS forecast). Gross profit declined 33% yoy to VND179bn (vs KIS forecast: -23% yoy). Specifically:

- **Drilling segment:** Revenue increased 36% yoy to VND2,037bn, supported by strong workload growth (+1.05 owned rigs and +2.76 third-party chartered rigs, according to our estimates). Gross profit came in low at VND179bn (-50% yoy, ~106% of KIS forecast). The decline was mainly attributable to *(1)* PVD9 being deployed on the Song Doc abandonment project for almost the entire 3Q26, under a dayrate that was insufficient to cover the rig's high-spec configuration and operating costs, *and (2)* PVD6 recording a low utilization rate of only 67% as its project was completed ahead of schedule.
- **Drill-related services segment:** Revenue reached VND937bn (-2% yoy). Gross profit amounted to VND220bn (-6% yoy, vs KIS forecast of VND288bn), corresponding to a GPM of 23.5% (-1.2ppts yoy, -8ppts qoq against a high base).

SG&A expenses increased 17% yoy to VND244bn, which we believe mainly reflects PVD's increased headcount to operate newly deployed rigs such as PVD8 and PVD9.

Interest expenses surged 79% to VND83bn, as borrowing costs for rig investments made less than one year are no longer capitalized and depreciated over time, but instead recognized as interest expenses in the period under Circular 99.

Earnings from affiliates/joint ventures remained strong at VND64bn (+83% yoy, +25% qoq) thanks to elevated E&P demand.

PVD also recorded net one-off gain of VND36bn (vs 3Q25: VND0.3bn), mainly thanks to an interest waiver of VND30bn.

3Q26 NPAT accordingly came in low at VND82bn (-70% yoy, -54% qoq), compared with our forecast of a 39% yoy decline.

Table 1. Quarterly earning snapshot

(VND bn, %, %p)

	3Q25	4Q25	1Q26	2Q26	3Q26	QoQ	YoY
Sales	2,571	4,346	3,401	3,028	3,214	6.1	25.0
OP	401	352	432	315	166	(47.2)	(58.6)
OP margin	15.6	8.1	12.7	10.4	5.2	(5.2)	(10.4)
PBT	366	499	396	261	163	(37.8)	(55.6)
NPAT	277	379	300	178	82	(54.1)	(70.5)

Source: FiinproX, KIS Research

12M rating	**HOLD**
12M TP	**NA**
Up/Downside	*NA*

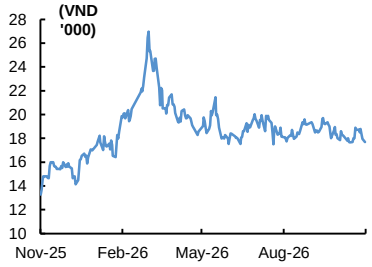
Stock Data

VNIndex (02 Nov, pt)	1,711
Stock price (02 Nov, VND)	17,700
Market cap (USD mn)	633
Shares outstanding (mn)	928
52-Week high/low (VND)	26,964/13,272
6M avg. daily turnover (USD mn)	6.73
Free float / Foreign ownership (%)	50.0/8.2
Major shareholders (%)	
PVN	50.46

Performance

	1M	6M	12M
Absolute	(1.7)	(7.0)	33.4
Relative	(0.1)	0.8	27.6

Stock price trend



Source: FiinproX

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Pros & cons: short-term headwinds passed

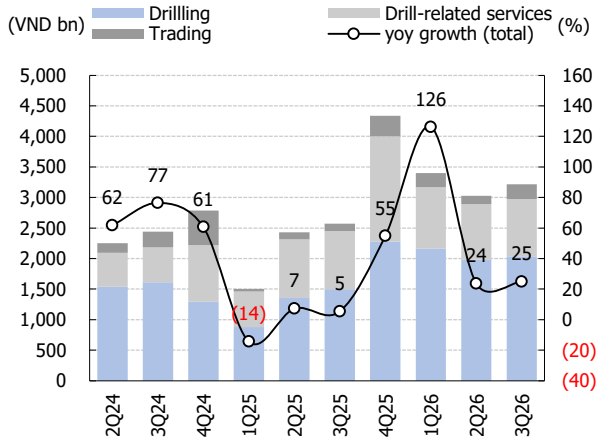
We maintain our view that the earnings trough in 2Q26–3Q26 was driven by short-term headwinds, mainly related to the Song Doc abandonment project.

In 4Q26F, we expect earnings to recover, supported by *(1)* the completion of the Song Doc project in 3Q26, with PVD9 having started a new drilling campaign in Malaysia in mid-October at a significantly higher dayrate, and *(2)* persistently strong domestic E&P demand, which continues to support the technical services segment.

Action: HOLD

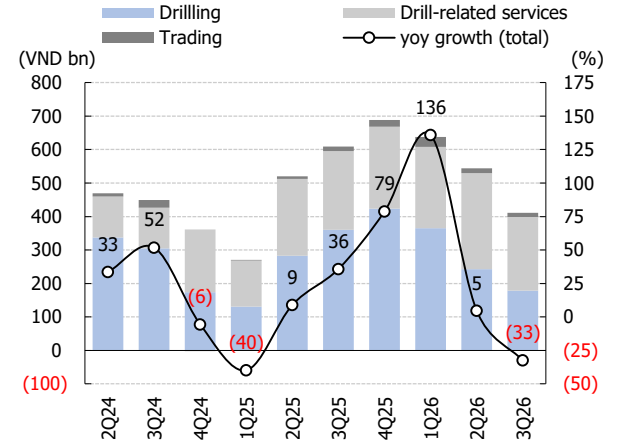
We maintain our **HOLD** recommendation, as the current share price has already reached our target price.

Figure 1. 3Q26 Revenue upped 25% yoy, ~90% KIS forecast



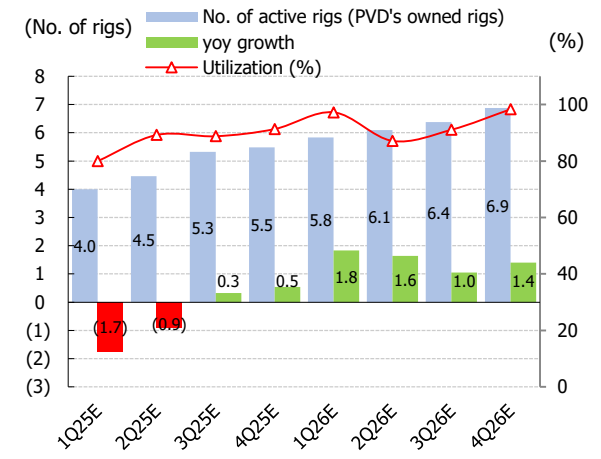
Source: Company data, KIS Research

Figure 2. Gross profit dropped 33% yoy, on negative impacts of Song Doc campaign



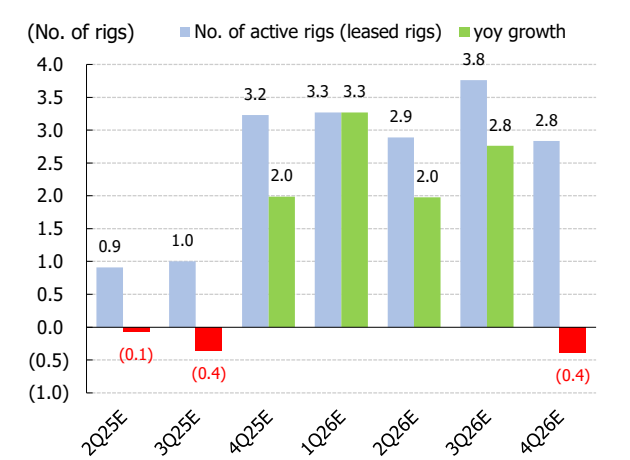
Source: Company data, KIS Research

Figure 3. No. of active PVD owned rigs rosed 1.0 rigs yoy



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

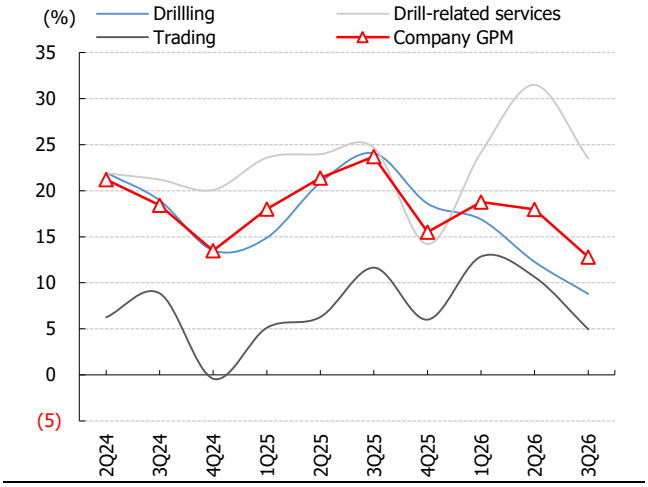
Figure 4. There was 3.8 leased rigs active in 3Q26, +2.8 rigs yoy, mainly support top-line growth



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

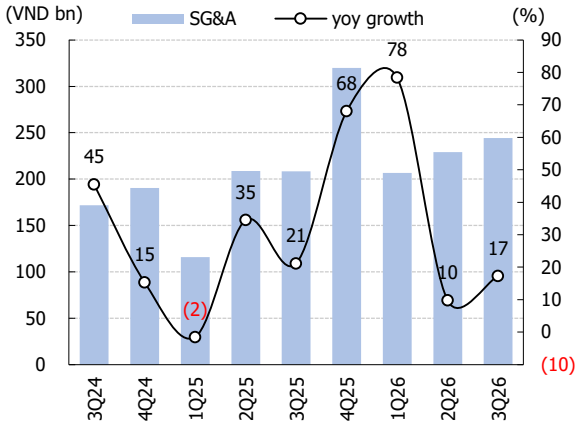
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Figure 5. Drilling GPM shrank on poor day rates of PVD9, drilled for the Song Doc campaign



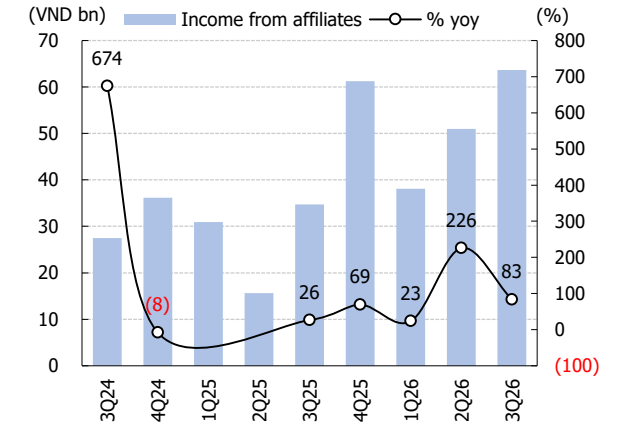
Source: Company data, KIS Research

Figure 6. SG&A upped 17% yoy



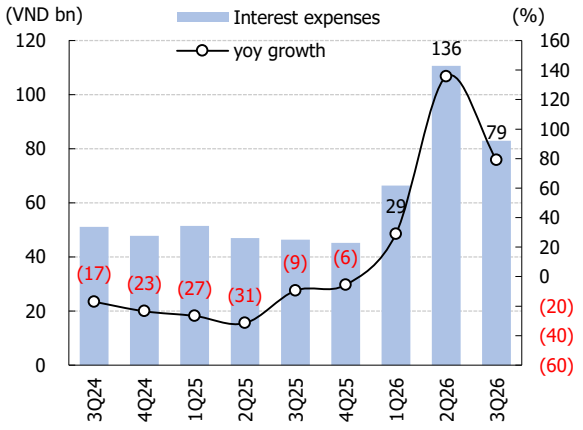
Source: FiinproX, KIS Research

Figure 7. Earnings in affiliates remained solid, upped 83% yoy, to VND64bn thanks to robust E&P demand



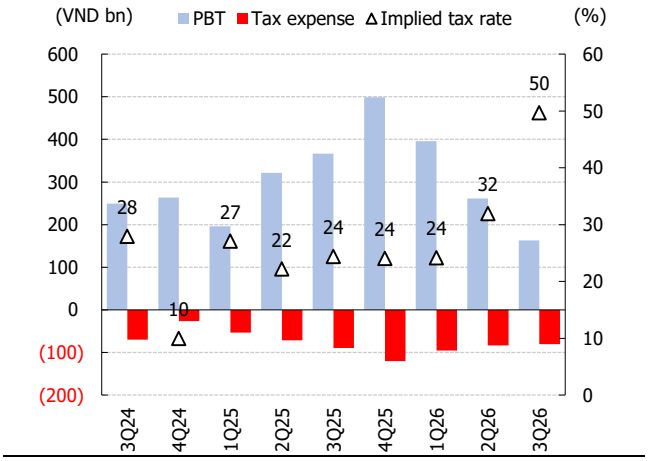
Source: FiinproX, KIS Research

Figure 8. Interest expenses surged by 79% yoy, mainly owing to new accounting regulations



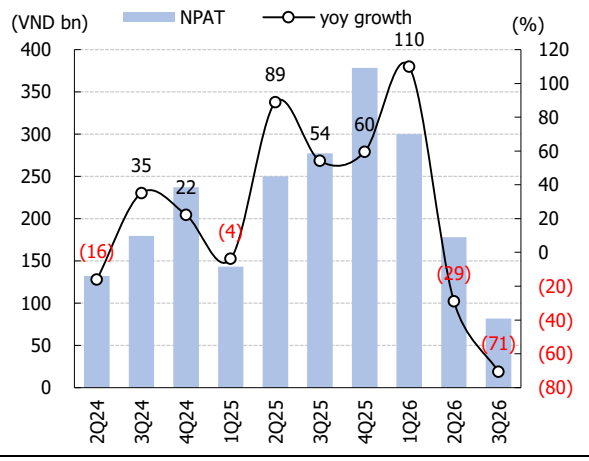
Source: FiinproX, KIS Research

Figure 9. Implied tax rate upped to 50% owing to the poor peformance of PVD9 in domestic water



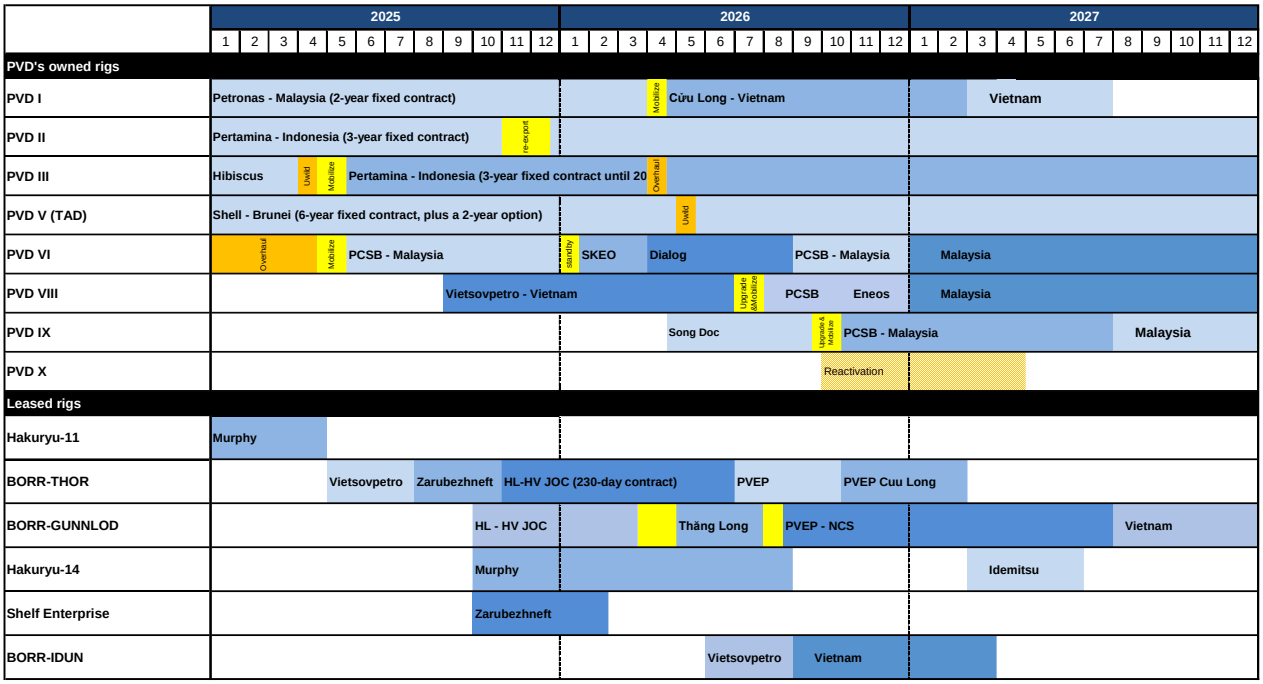
Source: FiinproX, KIS Research

Figure 10. 3Q26 NPAT contracted by 71% yoy, vs KIS forecast of -39% yoy



Source: FiinproX, KIS Research

Figure 11. PVD drilling schedule 2025-27F



Source: Company data, KIS Research.
Note: 2027F drilling schedule may not have fully reflected future workload yet

■ 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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