trueFriend KIS Viet Nam Securities Corporation

Earnings Review

18 Aug 2026

Petrovietnam Technical Services Corp (PVS)

One-off gain boosted earnings

· 2Q26 revenue grew by 17% yoy, and NPAT upped 78% yoy
· One-off gain drove earnings results
· 2H26F: solid core business prospect and one-off gain potential

Facts: One-off gain boosted earnings

In 2Q26, PVS recorded revenue and NPAT respectively at VND8.6tn (+17% yoy, ~88% KIS forecast) and VND563bn (+78% yoy, ~118% KIS forecast). Robust NPAT growth is mainly driven by a VND460bn one-off gain from compensation related to the termination fee of an offshore wind power project. Core business results are as below:

- **Mechanical & Construction (M&C):** Revenue recorded a slight retreat of -5% yoy, to VND4.6tn. Gross profit (restated under Circular 99) was only VND155bn, significantly below our forecast. Gross profit after deducting warranty provision sit at a low VND22bn (-87% yoy). We believe the poor performance mainly reflect PVS's conservativeness in profit recognition rather than worsened business conditions.
- **Non M&C services:** Revenue and gross profit from other technical services recorded robust growth of 55% and 64%, respectively at VND4,009bn and VND445bn. Robust growth mainly reflect robust E&P demand of domestic market.
- **Profit from FSO/FPSO JVs:** largely in-line with forecast, recorded at VND158bn (-31% yoy).

SG&A (restated under Circular 99) is reported at VND684bn (+11% yoy). Excluding M&C warranty provision and bad debt provision, SG&A remained at VND568bn (+78% yoy). We note that in 2Q25, PVS recorded bad debt provision related to Sao Mai – Ben Dinh of VND101bn, while in 2Q26, PVS recorded a net reversal of VND16bn.

Pros & cons: remained optimistic prospects in 2H26F

We believe the weak M&C revenue and gross profit in 2Q26 mainly reflect PVS's conservative profit recognition amid the large one-off income. Looking ahead to 2H26, we remain positive on PVS's earnings outlook, supported by the strong profit potential of the M&C segment and the potential reversal of the warranty provision related to the Sao Vang – Dai Nguyet project (outstanding balance of approximately VND684bn).

Action: HOLD

We believe the current share price has largely reflected the company's 2026 earnings growth potential and therefore maintain our HOLD recommendation on PVS.

12M rating	**HOLD**
12M TP	**N/A**
Up/Downside	*N/A*

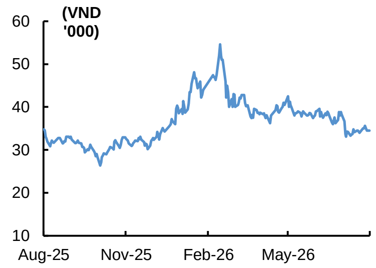
Stock Data

VNIndex (17 Aug, pt)	1,727
Stock price (17 Aug, VND)	34,500
Market cap (USD mn)	669
Shares outstanding (mn)	511
52-Week high/low (VND)	54,600/26,356
6M avg. daily turnover (USD mn)	8.02
Free float / Foreign ownership (%)	50.0/15.8
Major shareholders (%)	
Petro Vietnam	51.38

Performance

	1M	6M	12M
Absolute	0.9	(27.2)	(0.8)
Relative	(1.6)	(20.1)	(6.3)

Stock price trend



Source: FiinproX

Research Dept
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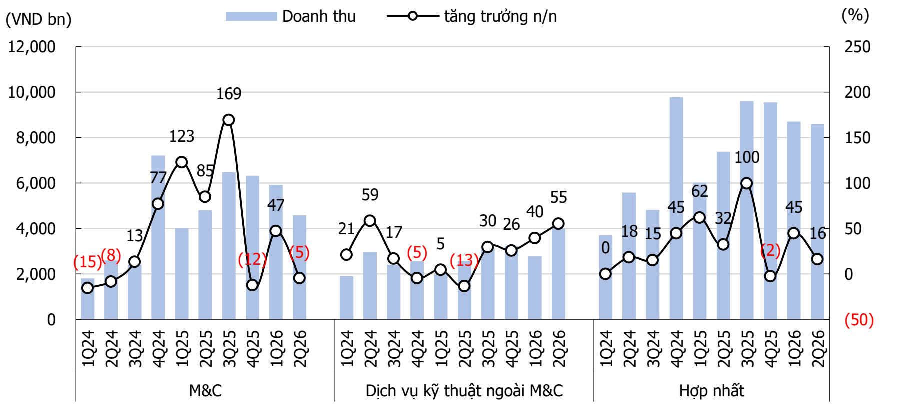
Table 1. Quarterly earnings snapshot (VND bn, %, %p)

	2Q25	3Q25	4Q25	1Q26	2Q26	QoQ	YoY
Sales	7,359	9,630	9,716	8,699	8,589	(1.3)	16.7
OP	22	(23)	621	232	(84)	(136.4)	(484.6)
OP margin	0.3	(0.2)	6.4	2.7	(1.0)	(3.7)	(1.3)
Earnings in Joint Ventures	230	214	168	157	183	16.8	(20.4)
PBT	453	380	987	528	756	43.1	66.9
NPAT	315	334	972	435	563	29.2	78.4

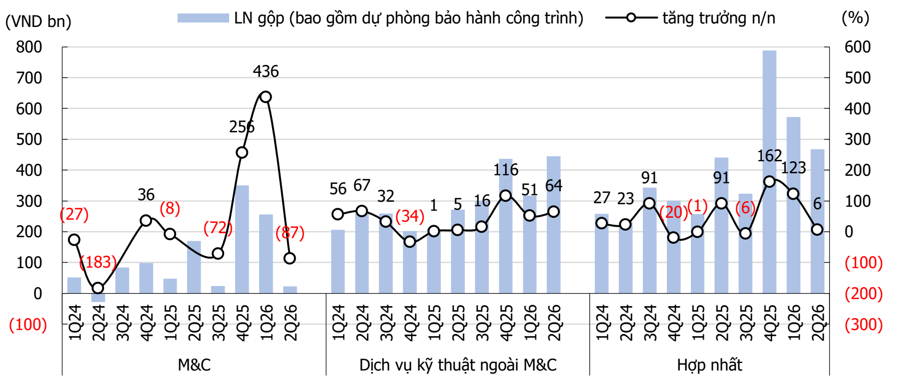
Source: FiinproX, KIS Research

Figure 1. 2Q26 consolidated revenue upped 16% yoy, mainly driven by non-M&C services (+55% yoy), while M&C revenue recorded a slight contraction of 5% yoy



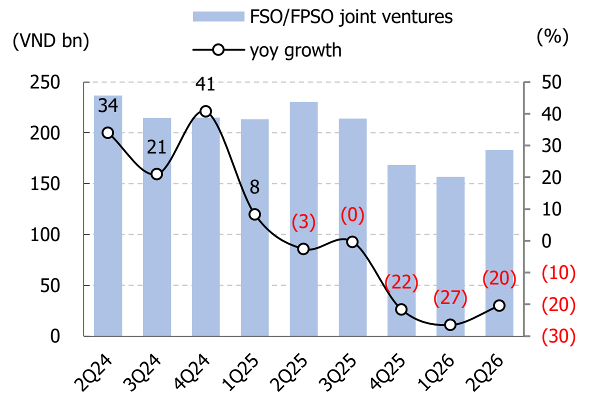
Source: Company data, KIS Research

Figure 2. Consolidated gross profit (warranty provision included) inched up 6% yoy, driven by non-M&C services (+64% yoy)



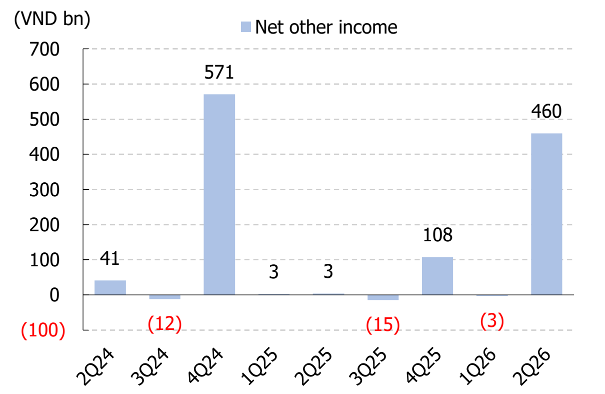
Source: Company data, KIS Research

Figure 3. Earnings from FSO/FPSO JVs declined 20% yoy



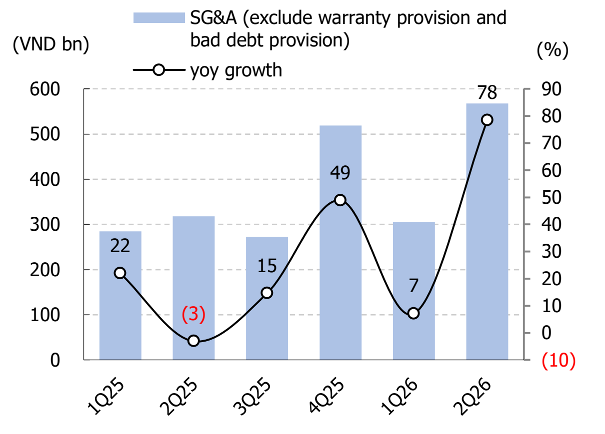
Source: FiinproX, KIS Research

Figure 4. Net one-off gain of VND460bn recorded in 2Q26, from contract termination conpensations



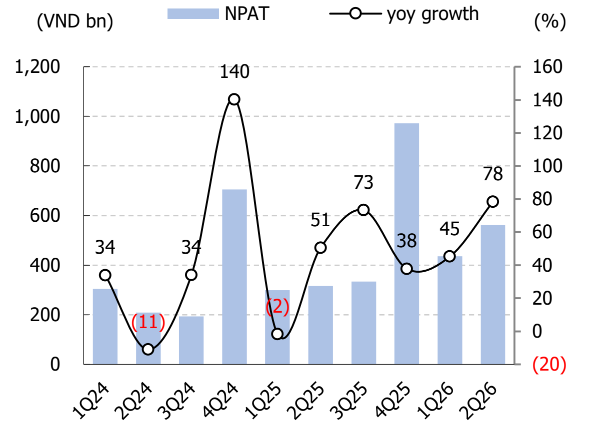
Source: FiinproX, KIS Research

Figure 5. SG&A (exclude provisions) surged 78% yoy



Source: FiinproX, KIS Research

Figure 6. 2Q26 NPAT grew by a solid 78% yoy, ~118% of KIS forecast



Source: FiinproX, KIS Research

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