true friend KIS Viet Nam Securities Corporation

Sector
Preview

9 Apr 2025

Oil & Gas

1Q25F Preview: Not All Smooth Sailing

Natural gas: LNG's gears-up

As of Feb-2025 construction of the LNG-fired power plants Nhon Trach 3&4 (NT3&4) had reached 96%. In the same month, GAS and POW signed the GSA, ensuring a stable LNG supply for the project. While the take-or-pay volume was not disclosed, it is confirmed that the ratio will align with at least 65% Qc, as mandated by Decree 56/2025/ND-CP for LNG-fired projects. We currently estimate a take-or-pay volume of approximately 0.9 BCM per annum for NT3&4.

For 2025, we maintain our forecast that total LNG consumption could reach 564 thousand tonnes (+76% yoy). In 1Q25F, LNG consumption is projected at 36 thousand tonnes, primarily for NT3&4's testing phase - contrasting with nearly zero consumption in 1Q24.

E&P: Block B – O Mon gets busy

We anticipate construction activity at Block B – O Mon to accelerate in 2025F to meet the first gas target in 2027, supported by *(1)* strong political commitment and *(2)* Phu Quoc POC's decision to issue Full Letter of Award (full LOA) for the EPCI packages, rather than limited LOA. PVS is expected to be the key beneficiary in 2025, given its involvement in all three major packages. Additionally, we expect Phu Quoc POC to finalize the bidding process for the FSO provider within the year, with PVS emerging as one of the strongest contenders.

Petroleum: a challenging quarter

Coefficient of Variation (CV) – measuring volatility – of Brent is estimated to reach a high of approximately 4.4% in 1Q25F (+1.4%p yoy, +1.7%p qoq) indicating a sharp rise in volatility during 1Q25. This heightened turbulence is expected to disrupt oil distributors' gross margins in 1Q25F, as it introduces greater price lag risks and inventory devaluation concerns.

Crack spreads for MOGAS92 and Diesel remained weak in 1Q25, averaging USD8.2 and USD13.9, downed 37% and 43% yoy, respectively. We expect weak global crack spreads to weigh heavily on the earnings of local refiners, including BSR.

Recommendation

We maintain **NEUTRAL** rating for whole sector in 1Q25F. Regarding specific companies, we reaffirm **BUY** rating for GAS (TP: VND79,300) and initiate **BUY** ratings for PVS (TP: VND45,800) and PLX (TP: VND47,300). We uphold **HOLD** ratings for CNG (maintain) and PVD (downgrade).

Neutral

Company	Rating	TP (VND)
PV GAS	BUY	79,300
CNG Vietnam	HOLD	-
PV Drilling	HOLD	-
PTSC	BUY	45,800
Petrolimex	BUY	47,300

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Table 1. Coverage valuation

	Recommendation & TP		Earnings & Valuation											
Company				Sales (VNDbn)	OP (VNDbn)	NP (VNDbn)	EPS (VND)	BPS (VND)	ROE (%)	ROA (%)	PE (x)	PB (x)	EV/ EBITDA (x)	DY (%)
GAS	Recommendation	BUY	2022A	100,724	17,799	15,066	7,732	31,274	26.7	18.7	12.9	3.2	9.5	3.0
	TP (VND)	79,300	2023A	89,954	12,906	11,793	5,053	27,887	18.7	13.8	14.7	2.7	10.9	4.0
	Price (Apr 8, VND)	54,600	2024	103,564	12,042	10,590	4,527	26,232	16.7	12.5	15.7	2.8	10.5	8.4
	Market cap. (VNDbn)	127,910	2025F	120,297	12,896	11,231	4,802	26,301	18.3	13.7	14.8	2.7	9.8	4.1
			2026F	120,637	14,024	11,993	5,127	28,217	18.8	13.9	13.8	2.6	9.0	4.1
CNG	Recommendation:	HOLD	2022A	4,185	150	118	4,356	21,014	21.6	9.8	11.1	1.3	2.0	8.4
	TP (VND)	-	2023A	3,112	117	110	3,142	17,169	18.8	9.1	11.3	2.1	5.3	2.6
	Price (Apr 8, VND)	26,600	2024	3,519	117	96	2,721	18,133	15.4	7.6	13.1	2.0	5.3	3.4
	Market cap. (VNDbn)	934	2025F	4,480	149	122	3,488	19,759	18.4	8.1	10.2	1.8	4.2	3.4
			2026F	4,701	157	129	3,677	21,537	17.8	7.5	9.7	1.7	4.0	3.4
PVD	Recommendation:	HOLD	2022A	5,432	67	(155)	(185)	24,896	(0.8)	(0.7)	11.1	1.3	175.7	-
	TP (VND)	-	2023A	5,804	759	546	1,051	26,354	4.1	2.6	27.0	1.0	19.4	-
	Price (Apr 8, VND)	17,900	2024	9,288	1,109	689	1,241	28,403	4.5	3.0	21.4	0.9	13.3	-
	Market cap. (VNDbn)	9,950	2025F	8,117	797	429	655	27,528	2.3	1.7	34.4	1.0	18.5	-
			2026F	9,964	1,298	733	1,317	28,733	4.7	2.8	20.1	0.9	11.4	-
PVS	Recommendation:	BUY	2022A	16,366	107	1,051	2,070	25,785	8.2	4.1	11.1	1.3	110.3	3.9
	TP (VND)	45,800	2023A	19,374	(13)	1,060	2,148	26,852	8.2	4.1	13.9	1.1	(1,115.1)	2.3
	Price (Apr 8, VND)	23,700	2024	23,878	(117)	1,412	2,473	27,878	9.0	4.7	10.5	1.1	(125.7)	2.3
	Market cap. (VNDbn)	11,328	2025F	34,159	378	1,504	3,052	29,619	10.6	4.5	9.8	1.0	39.0	2.3
			2026F	33,309	409	1,490	3,024	31,339	9.9	4.6	9.9	1.0	36.1	2.3
PLX	Recommendation:	BUY	2022A	304,064	997	1,902	1,120	18,930	5.8	2.7	11.1	1.3	39.8	3.9
	TP (VND)	47,300	2023A	273,979	2,175	3,077	2,190	20,048	11.2	4.0	14.2	1.7	17.1	2.1
	Price (Apr 8, VND)	33,250	2024	284,028	2,748	3,163	2,234	20,107	11.1	3.9	13.4	1.6	17.9	4.6
	Market cap. (VNDbn)	42,247	2025F	264,555	3,435	3,622	2,716	21,333	13.1	4.8	11.7	1.5	14.3	3.1
			2026F	268,784	5,782	5,465	4,097	23,693	18.2	7.9	7.7	1.4	8.5	3.1

Source: Company data, KIS Research estimate

Table 2: 1Q25F business results forecast, KIS coverage

(VNDbn, %, %p)

	Revenue			NPAT		
	1Q25F	yoy	qoq	1Q25F	yoy	qoq
GAS	27,002	15.8	8.2	2,346	(7.8)	14.3
CNG	1,024	62.2	(3.0)	26	1,831.0	46.4
PVD	1,677	(4.0)	(40.0)	48	(68.0)	(79.0)
PVS	6,563	76.9	(32.9)	375	23.0	(46.8)
PLX	69,832	(7.0)	(1.7)	663	(41.0)	8.3
KIS coverage list	106,098	1.5	(3.2)	3,458	(16.3)	(4.4)

Source: Company data, KIS Research estimate

CONTENTS

I.	**Natural gas: LNG gears up**	**4**
	Total natural gas consumption to edge down	4
	LNG gears up	7
II.	**E&P: Block B – O Mon gets busy**	**7**
	Block B – O Mon gets busy	8
	Drilling: loosened market, day rates cooled down	8
III.	**Petroleum: a challenging quarter**	**9**
	Total petroleum supply contracted	9
	Rising oil volatility may hurt petroleum distributors	9
	Refinery margins struggle to rebound	10
IV.	**1Q25F business results of listed enterprises**	**12**
	GAS – provision pressure	12
	CNG – recovering demand	13
	PVD – unfavorable day rates	14
	PVS – Block B acceleration	15
	PLX – slow down on oil turbulence	16

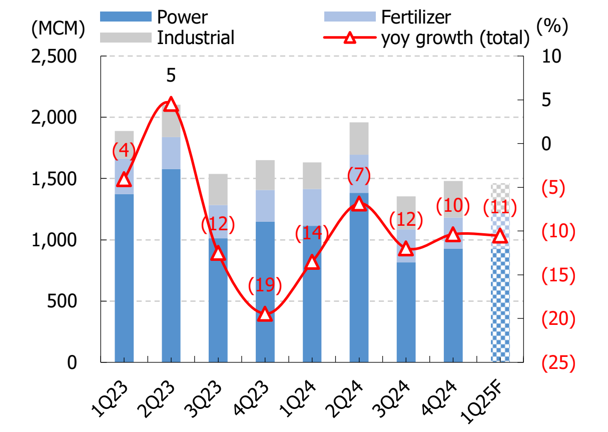
I. Natural gas: LNG gears up

Total natural gas consumption to edge down

We forecast total dry gas consumption, including LNG, to reach 1.4 BCM in 1Q25F, marking an 11% yoy decline (Figure 1). The primary drag remains the prolonged weakness in power sector demand, estimated at around 0.9 BCM (-17% yoy). Meanwhile, fertilizer sector consumption is expected to remain flat yoy, in line with stable urea production. In contrast, industrial customers are set to sustain a solid recovery, with demand rising 10% yoy in 1Q25F.

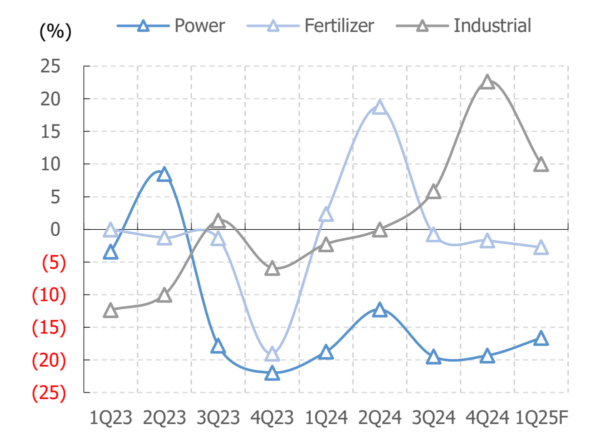
Gas price to Power plants (GENCO3[1]) remained stable at USD8.6/mmBTU in 2M25 (+1% yoy, Figure 3), despite a 10% yoy increase in FO prices to the USD475-495/tonne range. Supply capacity for power generation in the Southeast region continued its steep decline, plunging 28%-30% yoy due to dwindling offshore sources (Figure 4). This trend will likely lead to *(1)* weak demand during off-peak periods as high input costs persist, and *(2)* gas shortages during peak periods in the dry season.

Figure 1. Total natural gas may plunge by 11% yoy in 1Q25F



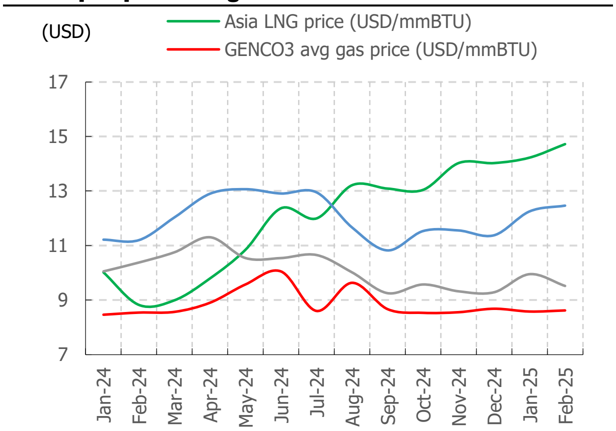
Source: Company data, KIS Research estimate

Figure 2. Yoy growth by customer groups



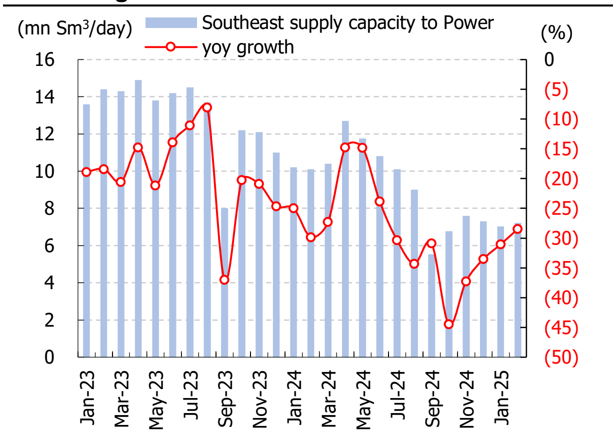
Source: Company data, KIS Research estimate

Figure 3. Gas price for Power almost platted, while LNG spot price surged



Source: GENCO3, Bloomberg, KIS Research estimate

Figure 4. Supply capacity continue to plummet in double digits



Source: GENCO3, KIS Research estimate

[1] EVN GENCO3 (HSX: PGV) consumes roughly 40% of natural gas for Southeast Power plants.

- **Demand of gas-fired power plants**

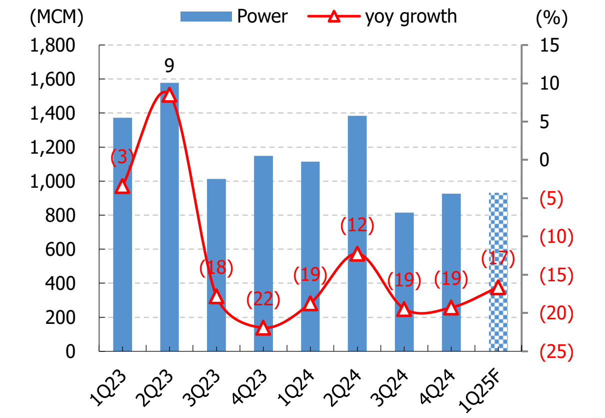
In 1Q25F, we project that natural gas consumption in Power plants will plunge by 17% yoy, reaching 0.9 BCM, hinge on lower gas-fired electricity production (Figure 5). This can be attributed to:

(1) An improved hydrological situation, compared to last year's intense El Niño impact, has led to greater hydro power utilization, consequently reducing demand for gas-fired generation (Figure 6).

(2) The expiration of Phu My 2.2 power plant's BOT contract on February 4, which previously consumed 0.77 BCM annually, likely contributed to the overall decline in gas consumption.

(3) Elevated input gas price dampened power plants' demand.

Figure 5. Natural gas to power plants may decline by 17% yoy in 1Q25F ...



Source: Company data, KIS Research estimate

Figure 6. Gas-fired electric capacity factor may downed to 26% in 1Q25F

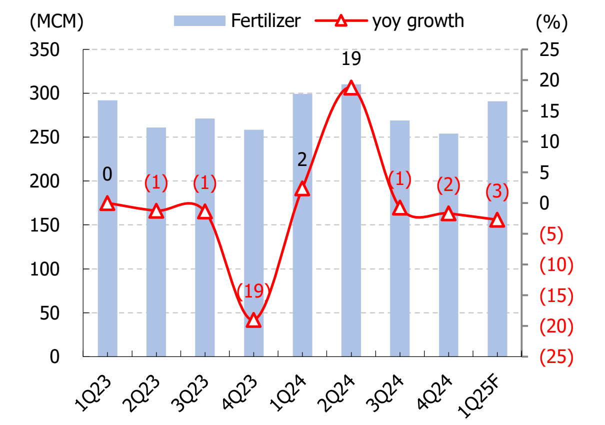
capacity factor	1Q24	2Q24	3Q24	4Q24	1Q25F
Hydro	21%	36%	75%	46%	30%
Coal	65%	74%	48%	62%	66%
Gas (include LNG)	38%	42%	24%	27%	26%
RE	22%	18%	20%	20%	24%

Source: EVN, KIS Research estimate

- **Demand of fertilizer**

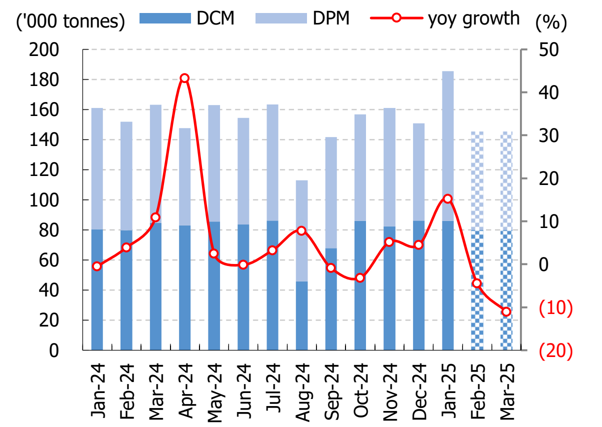
In 1Q25F, we project a stable consumption as we anticipate stable urea production. Natural gas for Fertilizer could reach 0.29 BCM in 1Q25F (Figure 7, 8).

Figure 7. Natural gas for urea production may flat...



Source: Company data, KIS Research estimate

Figure 8. ... as total urea production unchange yoy



Source: Company data, MOIT, KIS Research estimate

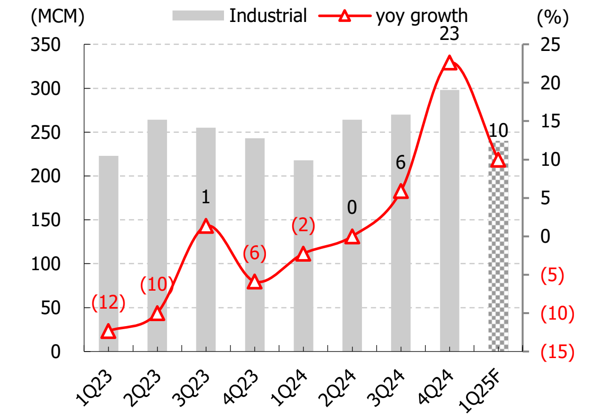
- **Demand of industrial customers**

  We expect 1Q25F gas volume to industrial customers to continue its recovery, reaching 0.24 BCM (+10% yoy, Figure 9), driven by:

  (1) Gas sales to industrial customers have likely passed their lowest point since 2Q24 and are set to maintain an upward trajectory.

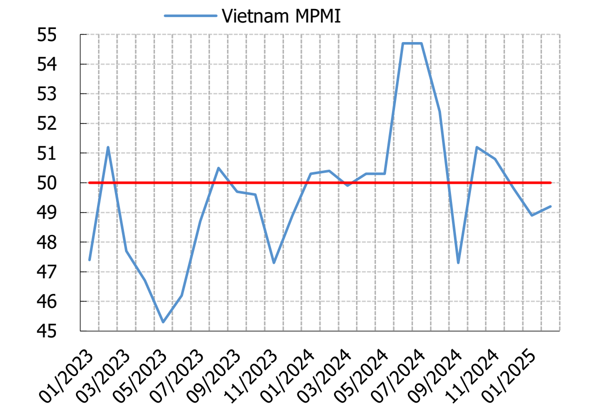
  (2) While the MPMI reflects lingering weakness in the manufacturing sector (Figure 10), we see encouraging signs from construction materials, in 1Q25F including *(a)* rising steel production and *(b)* a rebound in tile manufacturing after hitting a trough (Figures 11, 12).

Figure 9. Gas volume to industrial customers may recover 10% yoy



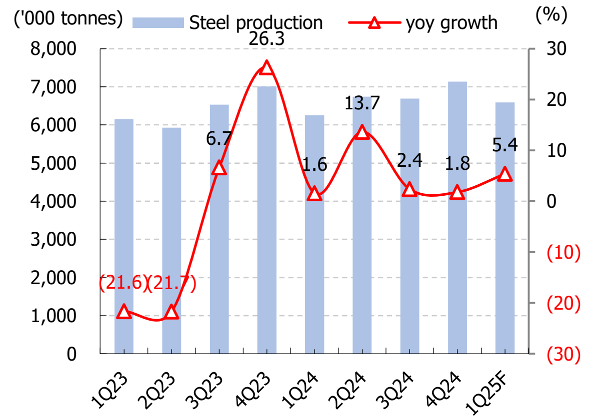
Source: Company data, KIS Research estimate

Figure 10. Vietnam MPMI implies less confident manufacturing sector



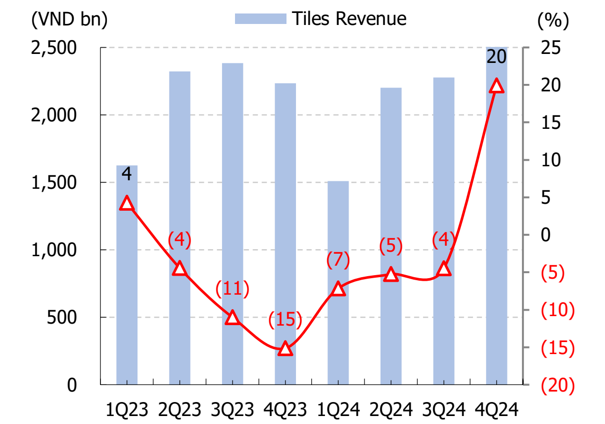
Source: Bloomberg, KIS Research

Figure 11. Steel production grew steadily



Source: VSA, KIS Research estimate

Figure 12. Tiles revenue grew 20% yoy which consolidate over-the-hump signal



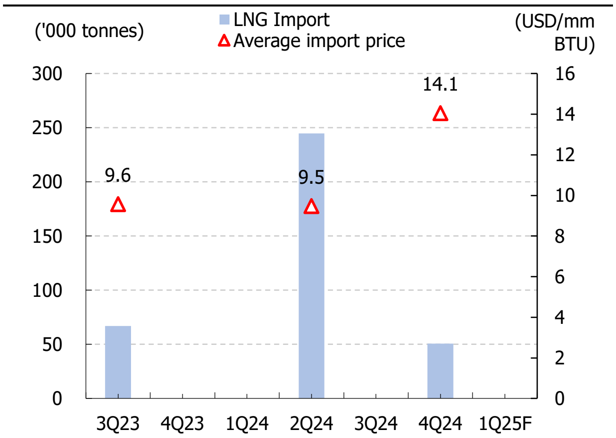
Note: total revenue of the tile segment of all listed companies
Source: Company data, KIS Research

LNG gears up

As of Feb-2025 construction of the LNG-fired power plants Nhon Trach 3&4 (NT3&4) had reached 96%. In the same month, GAS and POW signed the GSA, ensuring a stable LNG supply for the project. While the take-or-pay volume was not disclosed, it is confirmed that the ratio will align with at least 65% Qc, as mandated by Decree 56/2025/ND-CP for LNG-fired projects. We currently estimate a take-or-pay volume of approximately 0.9 BCM per annum for NT3&4.

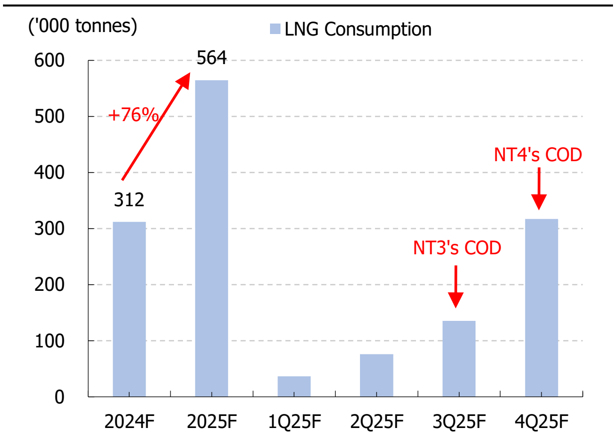
For 2025, we maintain our forecast that total LNG consumption could reach 564 thousand tonnes (+76% yoy, Figure 14). In 1Q25F, LNG consumption is projected at 36 thousand tonnes, primarily for NT3&4's testing phase - contrasting with nearly zero consumption in 1Q24.

Figure 13. LNG imported at Thi Vai LNG terminal



Source: KIS Research estimate

Figure 14. Forecasted LNG consumption in 2025F



Source: KIS Research estimate

Per our observation, the latest batch of LNG was imported on November 27, with a total volume exceeding 50 thousand tonnes. The imported price in 4Q24 stood at USD14.05/mmBTU, rising 48% compared to previous batches (Figure 13). On March 16, GAS officially signed long-term gas supply and solution agreements with U.S. partners, which we see as a significant move to secure a more stable and cost-effective LNG supply.

II. E&P: Block B – O Mon gets busy

Block B – O Mon gets busy

As of February 2025, progress on the EPCI#1 and EPCI#2 packages of the Block B – O Mon project had reached 16.7% and 34%, respectively, while the onshore pipeline EPC package was 16% complete. We anticipate construction activity to accelerate in 2025F to meet the first gas target in 2027, supported by *(1)* strong political commitment and *(2)* Phu Quoc POC's decision to issue Full Letter of Award (full LOA) for the EPCI packages, rather than limited LOA.

PVS is expected to be the key beneficiary in 2025, given its involvement in all three major packages. Additionally, we anticipate Phu Quoc POC to finalize the bidding process for the FSO provider within the year, with PVS emerging as one of the strongest contenders.

Drilling: loosened market, day rates cooled down

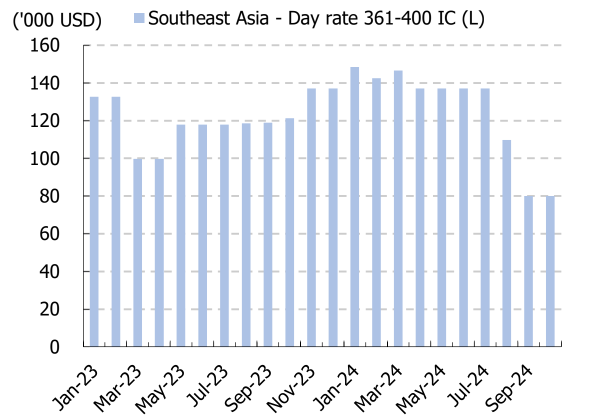
Southeast Asia jack-up day rate plunged harsh in Aug and Sep to USD110,000 and USD80,000 after 9 consecutive months at above USD135,000 (361-400 IC, figure 15), mainly because:

(1) *3 new JU contracts with low day rates including COSLSeeker, Valaris, Baltic*. COSLSeeker, a rig released by ARAMCO earlier 2024, entered a 3-year contract (with 2-year extension option) with a day rate of USD88,000. Valaris JU-106 drilled at a USD85,000 day rate; and Baltic, a 41-year-old JU rig, with low day rate also drill for Petronas since July.

(2) *JU rig marketed surplus peaked in September* while sour oil prices granted rig users more bargaining power (Figure 17).

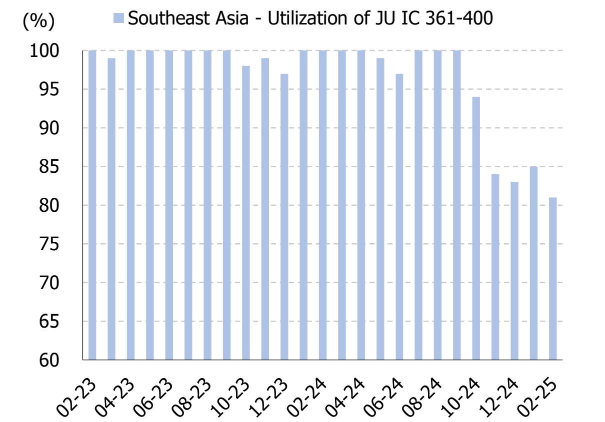
By Feb-25, the utilization rate of jack-up rigs (IC 361-400') in Southeast Asia loosened to just 81%, compared to the 97-100% level in the last 2.5 years (Figure 16). We believe this reflects a cautious stance as offshore investors reassess the new oil outlook under Trump's presidency. With the drilling market heating up throughout 2024, we expect 2025 to be a year of market adjustment. Westwood has maintained three key expectations for the 2025F global drilling market, including: *(1)* a slowdown in demand, *(2)* increased rig attrition, and *(3)* downward pressure on day rates.

Figure 15. Southeast Asia jack-up rates saw pressures since Sep - Oct-24 ...



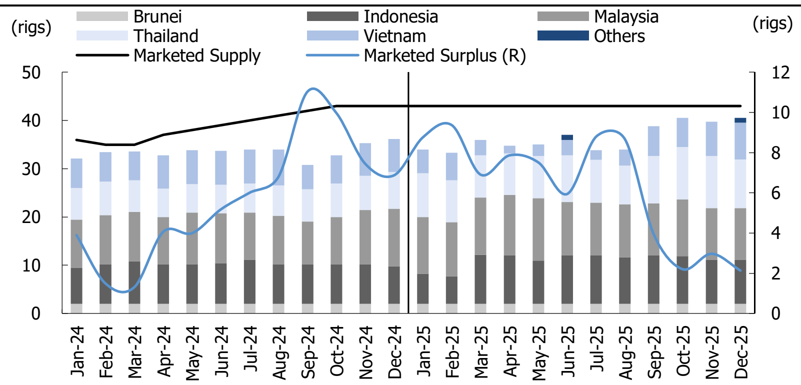
Source: SP Global, KIS Research

Figure 16. ... while low utilization signals less drilling demand



Source: Bloomberg, KIS Research

Figure 17. Rig demand could pick up in 2025F, but marketed surplus could be high throughout 8M25



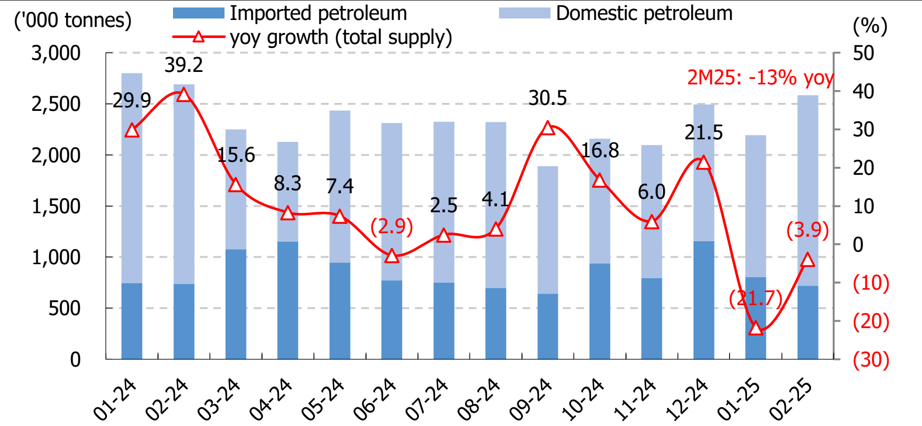
Source: S&P Global (data compiled on Oct 15), KIS Research

III. Petroleum: a challenging quarter

Vietnam's total petroleum supply contracted

Vietnam's total petroleum supply fell 13% yoy in 2M25 to 4.78mn tonnes (Figure 18), primarily due to *(1)* the high base effect and *(2)* a somewhat weaker fuel demand amid a less confident manufacturing sector, as indicated by an MPMI below 50 (Figure 8). The abundant supply in 2M24 was likely driven by higher inventories built up in anticipation of permit terminations for certain non-compliant petroleum importers. For 1Q25F, we project a single-digit decline in national petroleum supply.

Figure 18. National petroleum supply dipped 13% yoy in 2M25



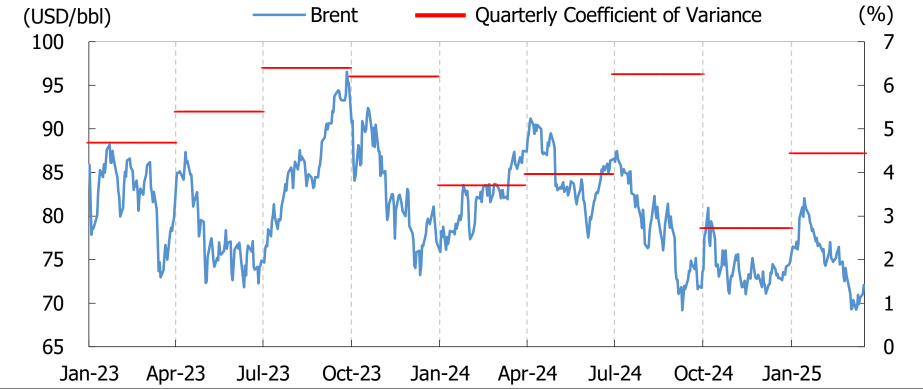
Source: Customs, MOIT, KIS Research

Rising oil volatility may hurt petroleum distributors

Brent has become increasingly volatile since the start of 2025, with significant events unfolding in short timeframes. Oil prices rose, reaching a peak of USD82/bbl after the US announced sanctions on 183 vessels labeled as part of the "shadow fleet." However, Brent experienced a sharp discount when news of a ceasefire between Israel and Hamas emerged, coupled with growing hopes for peace in the Russia-Ukraine conflict, causing Brent to dip as low as USD69/bbl. The price then adjusted upward again in response to escalating tensions between the US and Iran.

Brent's Coefficient of Variation (CV) may reach a high of approximately 4.4% in 1Q25F, reflecting a 1.4%p yoy and 1.7%p qoq increase, indicating a sharp rise in volatility during 1Q25. This heightened turbulence is expected to disrupt oil distributors' gross margins in 1Q25F, as it introduces greater price lag risks and inventory devaluation concerns.

Figure 19. Brent became more turbulent in 1Q25

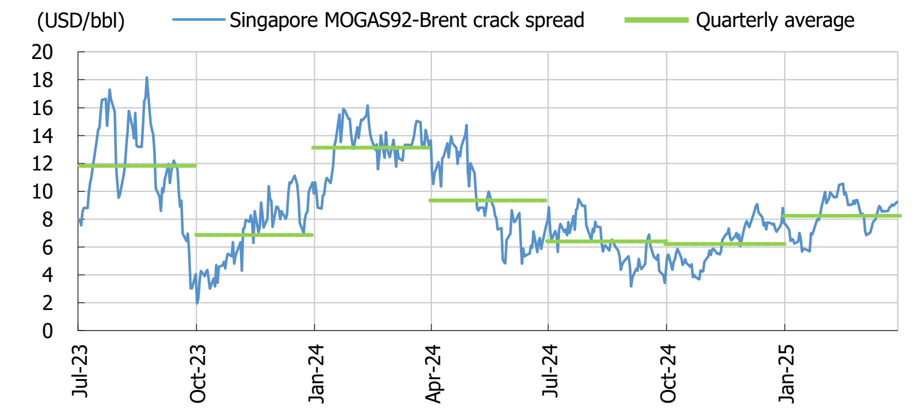


Source: Bloomberg, KIS Research

Refinery margins struggle to rebound

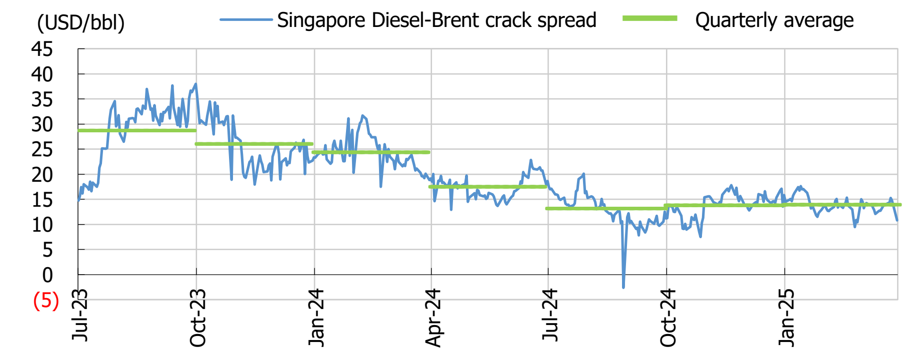
Refinery utilization in 2M25 showed mixed trends, improving in the US but declining in Asia. US refinery utilization reached 86.5% (+1.57%p yoy), while selected Asian markets saw a 1.2%p yoy decline to 93%. Crack spreads for MOGAS92 and Diesel remained weak in 1Q25, averaging USD8.2 and USD13.9, downed 37% and 43% yoy, respectively. We expect weak global crack spreads to weigh heavily on the earnings of local refiners, including BSR.

Figure 20. Gasoline crack spread



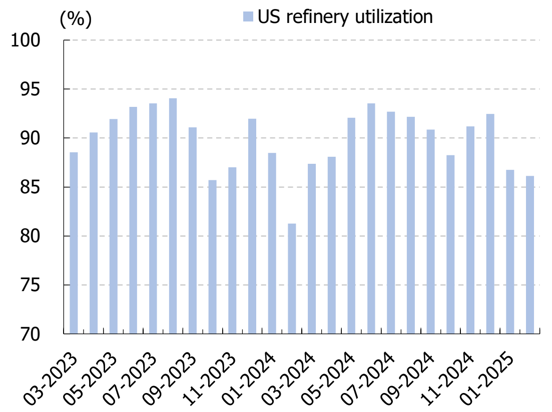
Source: Bloomberg, KIS Research

Figure 21. Diesel crack spread



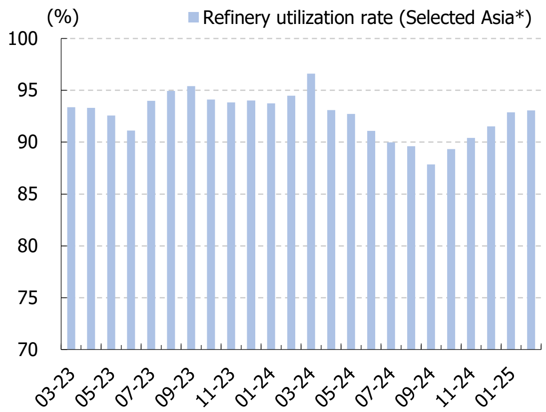
Source: Bloomberg, KIS Research

Figure 22. US refinery utilization slightly improved



Source: OPEC, KIS Research

Figure 23. Asia refinery utilization loosened



Source: OPEC, KIS Research
*Selected Asia: Japan, China, India, Singapore, South Korea

IV. 1Q25F business results of listed firms

GAS – provision pressure

Table 3. GAS 1Q25F earnings forecast

(VNDbn, %)

	1Q24	4Q24	1Q25F			2025F		Consensus	
				yoy	qoq		yoy	1Q25F	2025F
FO price	446	450	476	6.6	5.7	456	(2)		
CP price	632	578	620	(1.9)	7.2	605	(1)		
Revenue	**23,315**	**24,945**	**27,002**	**15.8**	**8.2**	**120,297**	**16**		**104,112**
Natural gas	9,416	9,042	9,273	(1.5)	2.6	49,892	23		
LPG	12,495	13,729	15,687	25.6	14.3	62,028	13		
Gas transportation	619	579	528	(14.7)	(8.8)	2,151	(22)		
Others	785	1,595	1,513	92.8	(5.2)	6,225	14		
Gross profit	**3,691**	**4,044**	**3,981**	**7.9**	**(1.6)**	**18,710**	**6**		**17,554**
Financial Revenue	463	420	400	(13.6)	(4.7)	1,600	(8)		
SG&A	803	1,767	1,337	66.5	(24.3)	5,814	4		
PBT	**3,171**	**2,558**	**2,914**	**(8.1)**	**13.9**	**13,970**	**6**		
NPAT	**2,544**	**2,052**	**2,346**	**(7.8)**	**14.3**	**11,231**	**6**		**11,008**

Source: Company data, Bloomberg, ARAMCO, KIS Research estimate

Forecast: In 1Q25F, we project a top-line growth of 16% primarily propelled by the low base of LPG in 1Q24. Gross profit will also be boosted to VND3.98tn (+7.9% yoy). Nonetheless, we anticipate SG&A expenses to soar by a staggering 67% yoy (-24.3% qoq) owing to doubtful receivables provisions - unlike 1Q24, which recorded none. As a result, 1Q25F NPAT may settle at VND2.35tn (-7.8% yoy).

- ***Natural gas:*** Volume may total 1.46 BCM, reflecting an 11% yoy decline. Persistently high gas prices continue to weigh on power plant demand, exacerbated by the ongoing decline in supply capacity. LNG sales may reach 0.05 BCM, driven primarily by industrial customers and NT3&4's testing activities.

- ***LPG:*** GAS is likely to maintain a high LPG volume, exceeding 800 thousand tonnes, to support earnings performance as seen in the past three quarters. Benefiting from the low base effect, 1Q25F volume is projected to grow by 26% yoy, with international business volume surging by 37% yoy.

Valuation: We maintain a **BUY** rating for GAS stock with a target price of **VND79,300/share** for long-term investment strategy.

Risks: Declining global oil prices could cast negative sentiment on GAS and may affect its gross margins, especially FO price; Further delays in NT3&4 and Block B projects.

CNG – recovering demand

Table 4. CNG 1Q25F earnings forecast

(VNDbn, %)

	1Q24	4Q24	1Q25F			2025F		Consensus	
				yoy	qoq		yoy	1Q24F	2025F
Volume	47	79	73	54.5	(8.5)	315	19		
Revenue	**631**	**1,056**	**1,024**	**62.2**	**(3.0)**	**4,480**	**27**		
Gross profit	**30**	**87**	**75**	**149.8**	**(13.1)**	**326**	**13**		
SG&A	28	64	44	54.6	(31.3)	176	3		
PBT	**2**	**22**	**32**	**1,586**	**47.8**	**153**	**28**		
NPAT	**1**	**18**	**26**	**1,831**	**46.4**	**122**	**28**		

Source: Company data, KIS Research estimate

Forecast: In 1Q25F, we expect gas sales to remain stable at 73mn Sm^3, slightly lower than the previous quarter, as the recovery in construction materials continues. However, the low base effect will drive an impressive 55% yoy growth. As a result, revenue is projected to surge by 62% yoy to VND1.02tn. GPM is expected at 7.4%, +2.6%p yoy from the abnormal low base. NPAT is expected to grow by 18x yoy, also benefiting from the low base effect, as 1Q24 NPAT was merely VND1.3bn.

Valuation: We maintain our **HOLD** rating on CNG stock.

Risks: Declining global oil prices could cast negative sentiment on CNG and may affect its gross margin, especially FO and Brent price.

PVD – unfavorable day rates

Table 5. PVD 1Q25F earnings forecast

(VNDbn, %)

	1Q24	4Q24	1Q25F			2025F		Consensus	
				yoy	qoq		yoy	1Q25F	2025F
Revenue	**1,756**	**2,789**	**1,677**	**(4)**	**(40)**	**8,117**	**(13)**		**8,577**
Drilling	1,162	1,290	897	(23)	(30)	4,121	(27)		
Technical services	374	931	470	26	(50)	2,758	26		
Trading	219	568	310	41	(46)	1,238	46		
GP	**450**	**359**	**240**	**(47)**	**(33)**	1,425	**(18)**		**2,317**
Financial Expenses	27	37	38	40	3	153	0		
Loss from FX	53	60	35	(34)	(42)	140	(8)		
SG&A	118	185	118	0	(36)	628	(1)		
OP	**227**	**206**	**88**	**(61)**	**(57)**	**660**	**(28)**		
Non-operating P/L	(13)	50	(11)	(8)	(123)	(46)	(358)		
PBT	**215**	**257**	**77**	**(64)**	**(70)**	**614**	**(34)**		
Tax	66	24	28	(57)	18	185	(22)		
Implied tax rate (% of EBT)	31	9	37	6	28	30	(5)		
NPAT	149	232	48	(68)	(79)	429	(38)		
NPAT-MI	**158**	**216**	**32**	**(80)**	**(85)**	**364**	**(47)**		**1,192**

Source: Company data, KIS Research estimate

Forecast: In 1Q25F, we expect PVD's revenue to contract slightly to VND1.7tn (-4% yoy, -40% qoq). The core drilling business is projected to plunge 23% yoy to VND897bn, primarily due to lower day rates:

(1) Stable workload: All five owned rigs remained fully utilized throughout 1Q25, unchanged from the previous year. Meanwhile, the land rig was sold in 4Q24 after more than six months of idleness.

(2) Day rates: The market benchmark rates have cooled since 4Q24, exerting significant downward pressure on PVD's pricing. In 1Q25, a high marketed surplus and ongoing market adjustments are expected to continue weighing on day rates. PVD's average day rate in 1Q25 is estimated at around USD78,000, compared to approximately USD87,000 in 1Q24.

GP is forecasted at a modest VND240bn (-47% yoy), mainly due to lower day rates. PBT may retreat to VND77bn (-64% yoy) and NPAT to VND48bn (-68% yoy).

Valuation: We downgrade our rating on PVD stock to **HOLD,** citing challenges in the drilling market and growing concerns over day rates in the upcoming periods.

Risks: Short-term oil price declines could cause negative sentiment on PVD stocks, although the company prospect is more linked to long-term oil outlooks.

PVS – Block B acceleration

Table 6. PVS 1Q25F earnings forecast

(VNDbn, %)

	1Q24	4Q24	1Q25F			2025F		Consensus	
				yoy	qoq		yoy	1Q25F	2025F
Revenue	**3,710**	**9,777**	**6,563**	**76.9**	**(32.9)**	**34,159**	**43**		**34,209**
GP	**258**	**300**	**312**	**20.7**	**3.9**	**1,406**	**24**		**1,869**
Financial Revenue	151	188	178	18.1	(5.2)	712	27		
Financial Expenses	14	(14)	55	288.1	N/A	218	4		
Earning in Affiliates	**197**	**215**	**213**	**7.8**	**(1.1)**	**850**	**(1)**		
SG&A	227	446	194	(14.3)	(56.4)	1,028	(18)		
PBT	**368**	**841**	**469**	**27**	**(44.3)**	**1,812**	**7**		
NPAT	**305**	**705**	**375**	**23**	**(46.8)**	**1,504**	**7**		**1,299**

Source: Company data, KIS Research estimate, Bloomberg

Forecast: We expect 1Q25F to be a growth quarter for PVS, driven by high construction volume at the Block B – O Mon project. Revenue is projected to surge 77% yoy, fueled by strong M&C performance. Earnings from FSO/FPSO affiliates are expected to remain stable at VND213bn, while SG&A is likely to normalize around VND200bn. Ultimately, NPAT is forecasted to grow 23% yoy to VND375bn.

Valuation: We initiate a **BUY** rating for mid and long term investment, with a target price of **VND45,800/share**, underpinned by *(1)* full LOA granted to PVS for EPCI packages at Block B – O Mon and *(2)* we expect PVS to secure the Block B FSO bidding in 2025F.

Risks: Short-term oil price declines could weigh on PVS stock sentiment.

PLX – slow down on oil turbulence

Table 7. PLX 1Q25F earnings forecast

(VNDbn, %)

	1Q24	4Q24	1Q25F			2025F		Consensus	
				yoy	qoq		yoy	1Q25F	2025F
Revenue	**75,106**	**71,038**	**69,832**	**(7.0)**	**(1.7)**	**264,555**	**(7)**		**269,854**
GP	**4,669**	**4,604**	**3,820**	**(18.2)**	**(17.0)**	**17,192**	**(1)**		**17,379**
Financial Revenue	450	295	344	(23.5)	16.9	1,377	(16)		
Financial Expenses	375	251	274	(27.0)	9.0	1,095	(8)		
SG&A	3,436	4,176	3,240	(5.7)	(22.4)	13,757	(6)		
PBT	**1,441**	**760**	**829**	**(43)**	**9.0**	**4,528**	**14**		
NPAT	**1,133**	**612**	**663**	**(41)**	**8.3**	**3,622**	**15**		**2,983**

Source: Company data, KIS Research estimate, Bloomberg

Forecast: PLX's domestic sales volume grew steadily by 4% yoy, to 2.7mn m^3/tonne in 1Q25. However, 1Q25F revenue is projected to decline 7% yoy to VND69.8tn, reflecting an 8% yoy drop in Brent prices. Gross profit may plunge 23.5% yoy to VND3.8tn, as we expect GPM to compress to 5.5% (-0.7%p yoy, -1.0%p qoq) amid heightened Brent volatility (CV at 4.4%). NPAT is likely to contract 41% yoy to VND663bn in 1Q25F.

Valuation: We initiate a **BUY** rating for mid and long term investment, with a target price of **VND47,300/share**, citing *(1)* the new Petroleum Decree, which enhances pricing power for distributors, reduces business risks, and optimizes profitability; and *(2)* PLX's dominant market share and robust logistics infrastructure, giving it a solid competitive edge to capture market share amid tightened regulation.

Risks: High volatility in oil prices could squeeze PLX's GPM, leading to quarterly earnings fluctuations.

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