true friend KIS Viet Nam Securities Corporation

PV Drilling (PVD)

Earnings Review

5 Nov 2025

Robust growth as expected

· 3Q25 GP grew 36% yoy, with expanded GPM
· NPAT surged 54% yoy, despite SG&A upped 21% yoy
· Maintain BUY rating with a target price of VND28,000

Facts: Robust growth thanks to favorable market conditions

3Q25 revenue upped 5.4% yoy to VND2.57tn (110% KIS forecast), with gross profit (GP) growing 36% yoy to VND609bn (114% KIS forecast). Gross margin (GPM) saw a solid recovery to 23.7% (+5.3%p yoy, +2.4%p qoq). The solid growth sourced from the robust exploration and production (E&P) activities in Vietnam and Southeast Asia, that created high backlog with favorable pricing. NPAT surged 54% yoy to VND277bn, even though SG&A grew 21% yoy.

- ***Drilling***: 3Q25 revenue came in at VND1.5tn, contracting 7.2%, but GPM expanded significantly to 24.1% (+5.1%p yoy, +3.2%p qoq). GP accordingly recorded an increase of 18% yoy to VND360bn (112% KIS forecast). GP expanded despite revenue slump was sourced from *(1)* slightly lower activities of leased rig with thinner GPM and *(2)* Higher day rates yoy thanks to high market demand.
- ***Well-related services***: revenue kept the growth momentum, with a solid growth rate of 67% yoy to VND584bn (98% KIS forecast). GP grew 94% yoy to VND235bn (114% KIS forecast) as GPM grew +5.1%p from the low base, sitting at 24.7%.

Pros & cons: growth prospects fueled by new rigs and high E&P demand

By early Sep-2025, PVD unexpectedly received the ownership transfer from Noble Highlander UK, officially acquiring the PVD IX rig. The total CapEx amounted to around USD90mn, similar to that of PVD VIII. Despite comparable CapEx, PVD IX (built in 2014) features significantly higher specifications than PVD VIII (built in 2007), which we view as a lucrative acquisition, as higher-spec rigs typically command better day rates.

We expect PVD to sustain double-digit profit growth for at least the next 2–3 quarters, supported by *(1)* a solid workload pipeline ahead, including the newly invested PVD8 rig, which began operations in Sep-2025, and PVD9, expected to commence by Apr-2026, and *(2)* a low profit base in 4Q24–1Q25 following ARAMCO's rig suspension incidents in the Middle East, which had pressured day rates.

Action: BUY with a target price of VND28,000

We maintain our BUY for mid to long-term investment strategies, and raise the target price to 28,000 (+22% upside) mainly thanks to the positive effect when we quantify PVD IX contribution. In the short term, we note the risk that falling global oil prices amid oversupply could negatively impact PVD's share performance, as the stock remains sensitive to commodity fluctuations.

12M rating	**BUY**
12M TP	**28,000**
Up/Downside	*+22%*

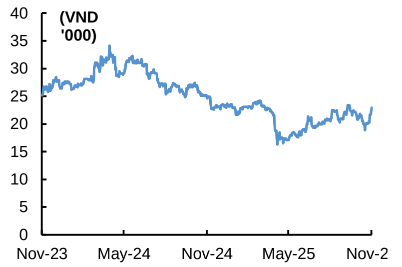
Stock Data

VNIndex (04 Nov, pt)	1,652
Stock price (04 Nov, VND)	22,900
Market cap (USD mn)	499
Shares outstanding (mn)	556
52-Week high/low (VND)	24,938/16,283
6M avg. daily turnover (USD mn)	6.29
Free float / Foreign ownership (%)	47.0/3.7
Major shareholders (%)	
PVN	50.46
Norges Bank	1.35
Hanoi Investment Holding	1.09

Performance

	1M	6M	12M
Absolute	10.1	37.0	(3.8)
Relative	9.5	1.5	(39.4)

Stock price trend



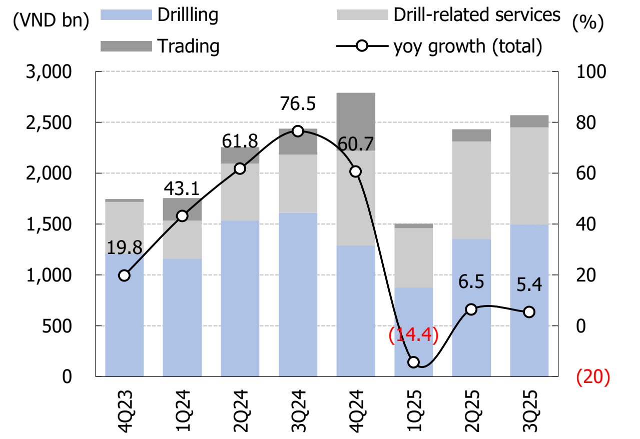
Source: Bloomberg

Table 1. Quarterly earning snapshot (VND bn, %, %p)

	3Q24	4Q24	1Q25	2Q25	3Q25	QoQ	YoY
Sales	2,438	2,807	1,503	2,430	2,571	5.8	5.4
OP	277	186	155	312	401	28.7	44.8
OP margin	11.4	6.6	10.3	12.8	15.6	2.8	4.2
PBT	249	263	196	321	366	14.2	47.0
NPAT	180	237	143	250	277	10.9	54.2

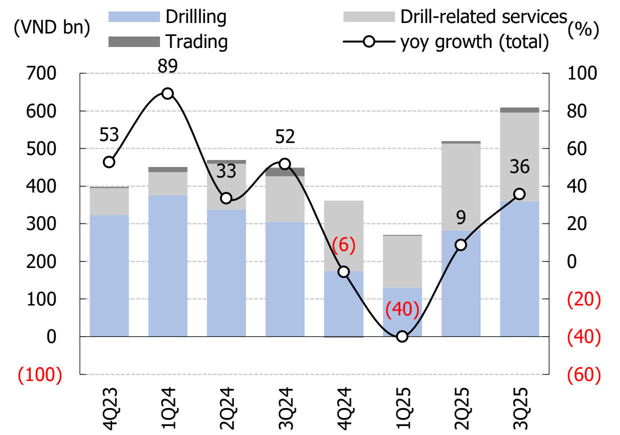
Source: FiinproX, KIS Research

Figure 1. 3Q25 revenue grew 5% yoy ...



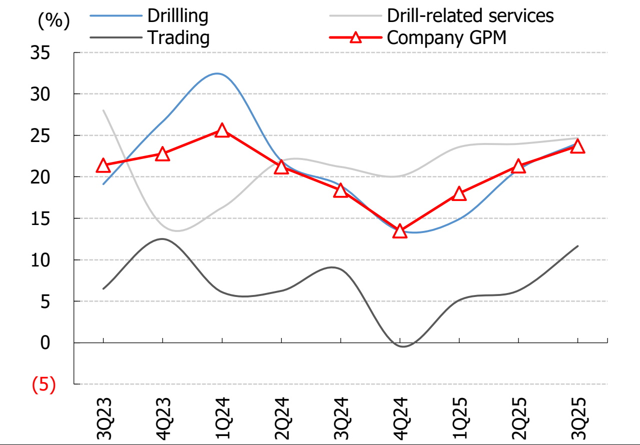
Source: Company data, KIS Research

Figure 2. ... and GP beat our expectation by 14%, upped by 36% yoy



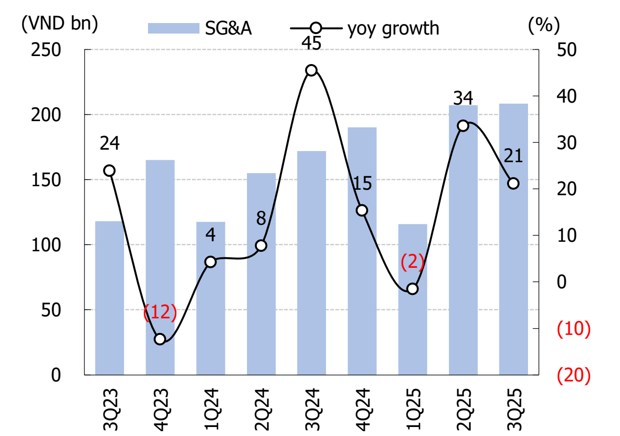
Source: Company data, KIS Research

Figure 3. GPM improve in all business segments



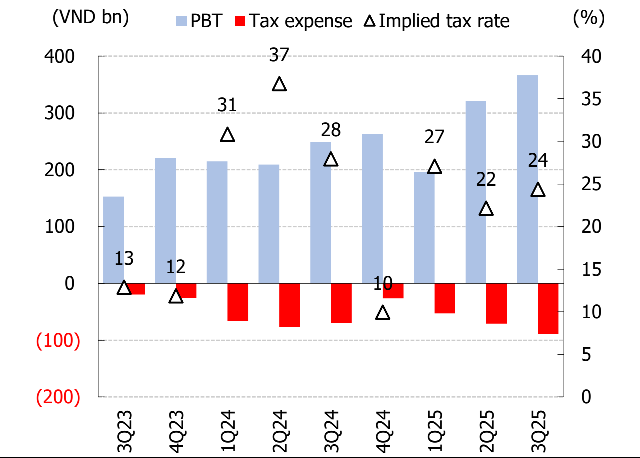
Source: Company data, KIS Research

Figure 4. SG&A upped 21% yoy



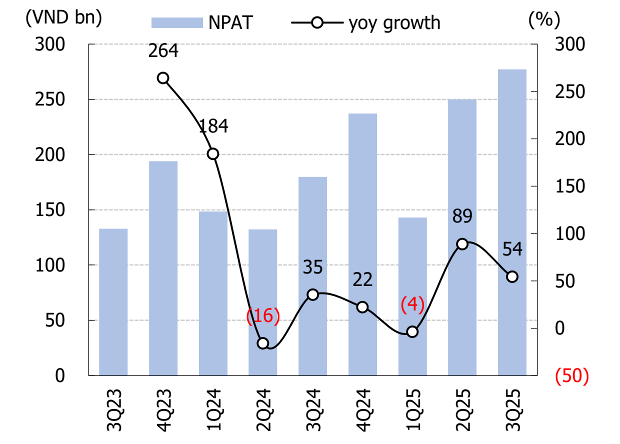
Source: FiinproX, KIS Research

Figure 5. Implied tax rate was stable at 24%



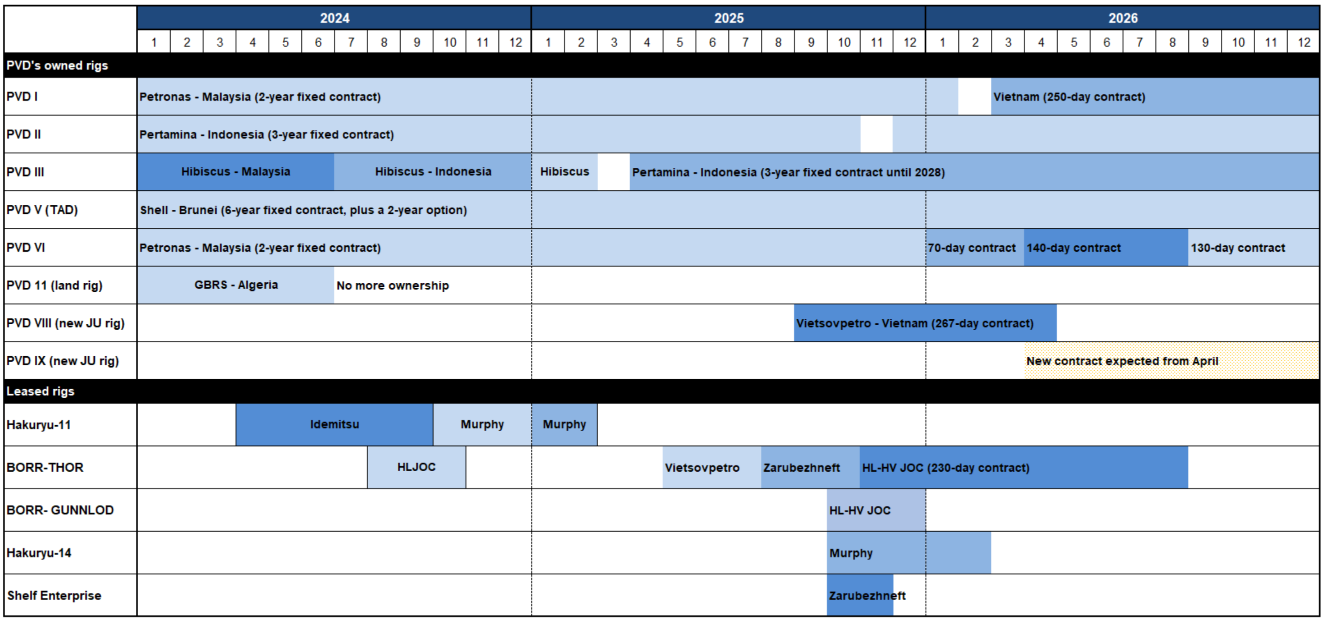
Source: FiinproX, KIS Research

Figure 6. 3Q25 NPAT surged 54%



Source: FiinproX, KIS Research

Figure 7. PVD drilling schedule 2024-26F



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 7 offshore drilling rigs, including 6 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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