

5 Feb 2026

PV Drilling (PVD)

NPAT is stronger than preliminary estimates

- 4Q25 GP grew 77% yoy on low base, NPAT upped 17% yoy
- SG&A surged 67% yoy, partly offset by one-off income
- 2026: NPAT could grow double-tripple digits

Facts: actual figures are stronger than preliminary estimation

PVD posted 4Q25 revenue of VND4,313bn (+54% yoy, ~108% of KIS's forecast). Gross profit grew strongly to VND665bn (+77% yoy, 134% of KIS's forecast). The solid growth was mainly driven by vibrant upstream activities in Vietnam and Southeast Asia, which generated a strong workload pipeline and favorable pricing for the drilling segment and other services.

- **Drilling segment:** Revenue surged 54% yoy to VND2,280bn (~94% of KIS's forecast), driven by (1) a higher number of PVD-owned rigs in operation thanks to the addition of PVD 8 (+0.67 rigs yoy) while day rates remained stable, and (2) a sharp increase in workload from third-party leased rigs (+2.67 rigs yoy). According to PVD, the expansion in third-party leased rigs contributed mainly to revenue growth rather than profitability. As a result, gross profit rose 77% yoy (~126% of KIS's forecast), while gross margin reached 18.6%, up 5.1% from a low base but down 5.5% p qoq, mainly due to the dilution effect from third-party leased rigs.
- **Well-related services:** Revenue increased 85% yoy to VND1,723bn (~118% of KIS's forecast). Gross profit reached VND245bn (+31% yoy, ~153% of KIS's forecast), translating into a relatively low gross margin of 14.2% (-5.9ppt yoy, -10.5ppt qoq). We believe this reflects a conservative profit recognition approach, as PVD booked higher costs in 2025, rather than a deterioration in business fundamentals, given the strong upstream demand backdrop.

SG&A expenses rose sharply by 67% yoy to VND318bn. Notably, PVD recorded VND129bn in one-off income, related to a one-time tax refund for rigs operating in Malaysia during 2020–23.

NPAT came in at VND375bn (+58% yoy), exceeding PVD's earlier preliminary estimate of VND160bn by 134%.

For full-year 2025, revenue reached VND10.8tn (+7% yoy), while NPAT amounted to VND1.04tn (+50% yoy).

Table 1. Quarterly earning snapshot

(VND bn, %, %p)

	4Q24	1Q25	2Q25	3Q25	4Q25	QoQ	YoY
Sales	2,807	1,503	2,430	2,571	4,313	67.8	53.6
OP	186	155	312	401	347	(13.6)	86.6
OP margin	6.6	10.3	12.8	15.6	8.0	(7.6)	1.4
PBT	263	196	321	366	492	34.4	86.9
NPAT	237	143	250	277	375	35.2	57.9

Source: FiinproX, KIS Research

12M rating **HOLD**

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

Stock Data

VNIndex (04 Feb, pt)	1,791
Stock price (04 Feb, VND)	33,500
Market cap (USD mn)	720
Shares outstanding (mn)	556
52-Week high/low (VND)	33,500/16,283
6M avg. daily turnover (USD mn)	8.48
Free float / Foreign ownership (%)	47.0/11.3
Major shareholders (%)	
PVN	50.46

Performance

	1M	6M	12M
Absolute	18.2	64.0	45.3
Relative	17.7	47.3	1.7

Stock price trend



Source: Bloomberg

Pros & cons: extended growth momentum in 2026

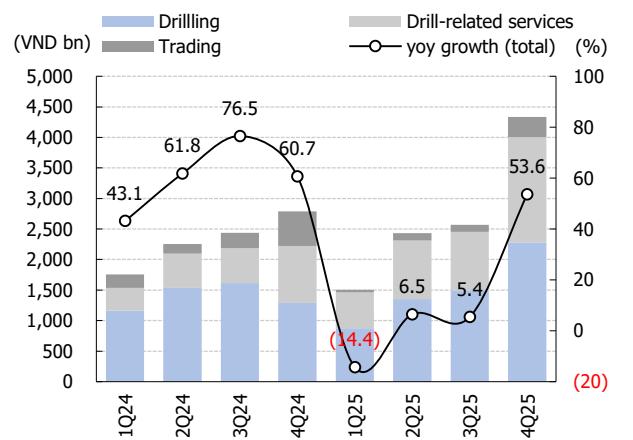
In 2026, we expect double-digit revenue growth, while NPAT could grow by double to triple digits, mainly supported by (1) the number of PVD-owned rigs in operation rising to 6.5 rigs (+1.8 rigs yoy), including PVD 8 operating throughout 2026 and PVD 9 potentially commencing as early as Mar-2026, (2) a low profit base in 1Q25 following ARAMCO's rig suspension incidents in the Middle East, which pressured day rates, and (3) the well-related services segment benefiting from stronger E&P demand in Vietnam as PVN leverages growth KPIs and accelerates upstream investment.

In the analyst meeting we attended this afternoon, PVD expect day rate (owned rigs average) in 2026 to remain quite flattened at ~USD90,500, vs 2025: USD89,600. PVD also expressed its intention to purchase 2 additional JU rigs in 2026, if favorable conditions are met, such as specification, compatibility with PVD's current operations, and <5-year payback period.

Action: HOLD

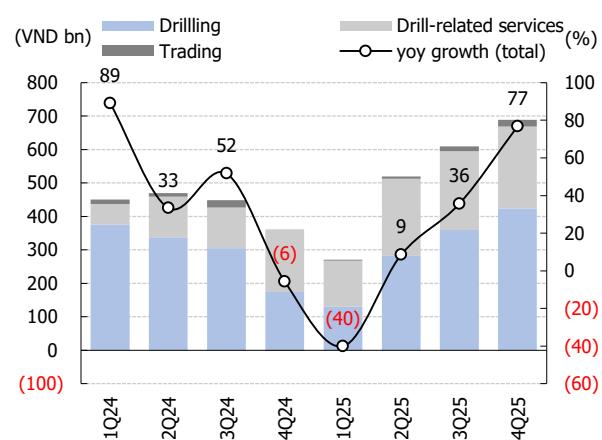
We maintain **HOLD** recommendation, as the share price has reached our target price. In the short term, weaker oil price prospects amid oversupply could pose a downside risk to PVD's stock.

Figure 1. 4Q25 revenue surged 54% yoy, ~108% KIS forecast



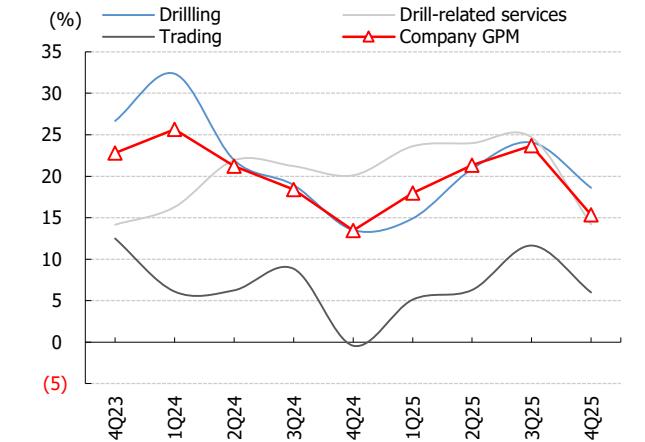
Source: Company data, KIS Research

Figure 2. Gross profit hit a 77% yoy growth, surpassing our forecast by 34%



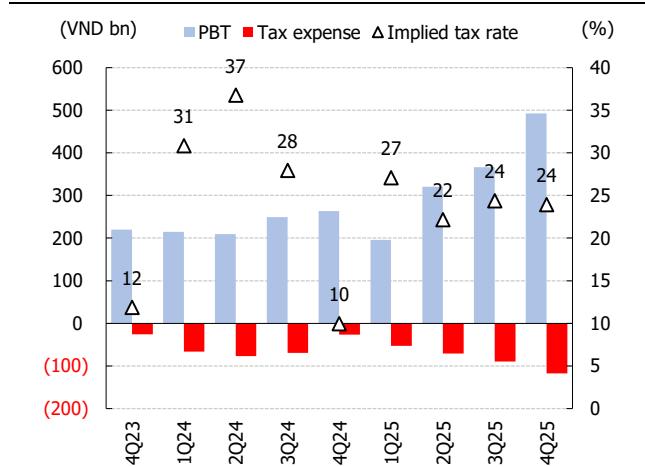
Source: Company data, KIS Research

Figure 3. Lower GPM was sourced from diluted Drilling GPM owing to higher leased rigs revenue and conservative profit recognition in Drill-related services



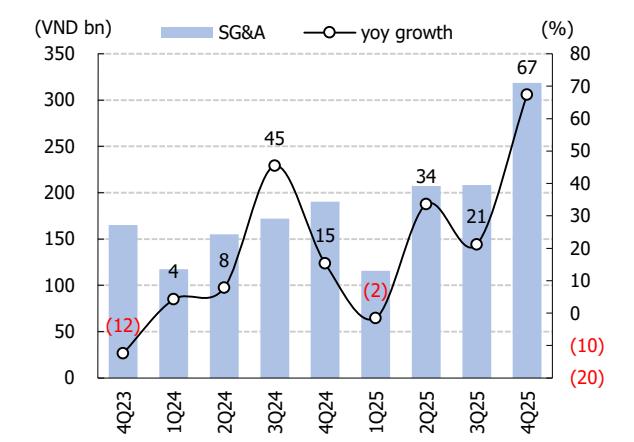
Source: Company data, KIS Research

Figure 5. Implied tax rate was stable at 24%



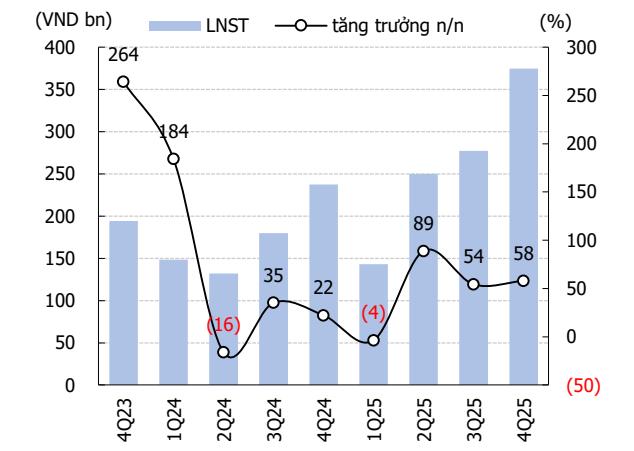
Source: FiinproX, KIS Research

Figure 4. SG&A upped 67% yoy



Source: FiinproX, KIS Research

Figure 6. 4Q25 NPAT grew 17% yoy, ~73% higher than PVD's preliminary estimate



Source: FiinproX, KIS Research

Figure 7. 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)												M&S/2026	Cửu Long - Vietnam (250-day contract)																																							
PVD II	Pertamina - Indonesia (3-year fixed contract)														T-Exxon																																						
PVD III	Hibiscus		UW/2026	Pertamina - Indonesia (3-year fixed contract until 2028)												Ong/2026																																					
PVD V (TAD)	Shell - Brunei (6-year fixed contract, plus a 2-year option)																	U/2026																																			
PVD VI	O/2026																	SKEO	Dialog		PCSB - Malaysia																																
PVD VIII (new JU rig)																																																					
PVD IX (new JU rig)																			U/2026		PCSB - Malaysia																																
Leased rigs																																																					
Hakuryu-11	Murphy																																																				
BORR-THOR																																																					
BORR- GUNNLOD																			HL-HV JOC		HL-HV (option)																																
Hakuryu-14																			Murphy																																		
Shelf Enterprise																			Zarubezhneft																																		

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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Prepared by: Research Dept

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