

Petrovietnam Technical Services Corp (PVS)

Strong NPAT growth in line with forecast

- 1Q26 revenue grew by 45% yoy, and NPAT grew 45% yoy
- Change in accounting policies relating to M&C segment
- 2026F: double-digit NPAT growth and one-off gain expected

Facts: Strong NPAT growth in line with forecast

1Q26 revenue reached VND8.7tn (+45% yoy). Of which, the Mechanical & Construction (M&C) segment recorded revenue of VND5.9tn (+47% yoy), exceeding our expectations.

Gross profit came in at VND855bn (+162% yoy), translating into a notably high gross margin of 9.8%. The M&C segment contributed VND538bn, with a gross margin of 9.1%. This record-high level mainly reflects (1) a change in accounting policy, under which warranty provision expenses are now recorded under SG&A instead of M&C cost of goods sold, and (2) stronger profit recognition after the initial cost-booking phase of the Block B packages.

Under the previous accounting method, consolidated gross profit and M&C gross profit would still have shown strong growth, reaching VND573bn (+123% yoy, -33% qoq) and VND256bn (+436% yoy, -27% qoq), respectively. Corresponding gross margins would have been 6.6% (+2.3%p yoy, -2.2%p qoq) and 4.3% (+3.1%p yoy, -1.2%p qoq).

SG&A expenses increased 57% yoy, mainly due to the accounting policy adjustment mentioned above. In 1Q26, PVS also booked VND36bn in bad debt provisions, compared with VND111bn in 1Q25. Excluding the impact of bad debt provisioning and the accounting policy change, SG&A expenses would have been VND305bn (+7% yoy, broadly in line with KIS forecast).

Profit from associates and joint ventures remained broadly stable versus 4Q25 at VND157bn (-27% yoy).

As a result, 1Q26 NPAT rose 45% yoy to VND435bn (~92% of KIS forecast).

Pros & cons: double-digit NPAT growth in 2026F and one-off gain expected

In 2026, we expect PVS to maintain double-digit NPAT growth, supported by (1) strong workload visibility and expectations for higher M&C margins, and (2) the absence of provisions related to Sao Mai – Ben Dinh land lease expenses. In addition, PVS may record one-off gains in upcoming quarters from provision reversals related to the Sao Vang – Dai Nguyet package (remaining balance of ~VND684bn).

Action: HOLD

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

Earnings Review

13 May 2026

12M rating **HOLD**

12M TP **N/A**

Up/Downside **N/A**

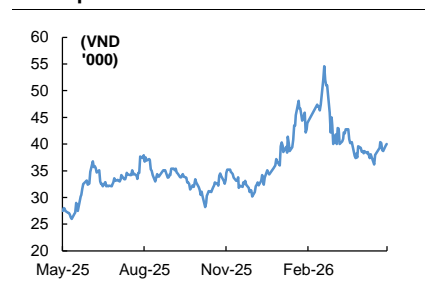
Stock Data

VNIndex (12 May, pt)	1,901
Stock price (12 May, VND)	40,000
Market cap (USD mn)	775
Shares outstanding (mn)	511
52-Week high/low (VND)	54,600/26,000
6M avg. daily turnover (USD mn)	11.88
Free float / Foreign ownership (%)	50.0/16.3
Major shareholders (%)	
Petro Vietnam	51.38

Performance

	1M	6M	12M
Absolute	3.4	17.6	45.5
Relative	(2.2)	(1.2)	(1.5)

Stock price trend



Source: FiiiproX

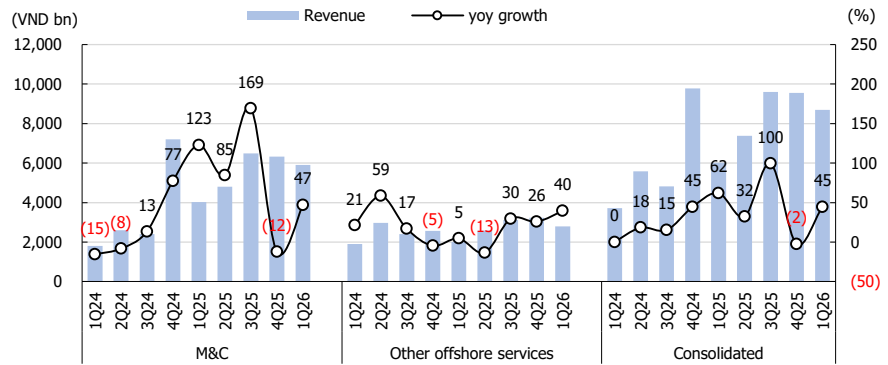
Table 1. Quarterly earnings snapshot

(VND bn, %, %p)

	1Q25	2Q25	3Q25	4Q25	1Q26	QoQ	YoY
Sales	6,014	7,359	9,630	9,716	8,699	(10.5)	44.6
OP	(138)	22	(23)	621	232	(62.6)	NA
OP margin	(2.3)	0.3	(0.2)	6.4	2.7	(3.7)	5.0
Earnings in Joint Ventures	213	230	214	168	157	(6.8)	(26.5)
PBT	384	453	380	987	528	(46.5)	37.5
NPAT	300	315	334	972	435	(55.2)	45.3

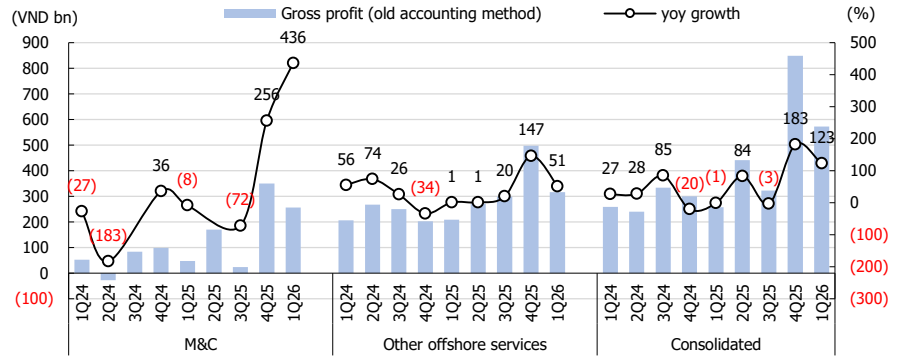
Source: FiiiproX, KIS Research

Figure 1. 1Q26 consolidated revenue grew 45% yoy, contributed by both M&C (+47% yoy) and other offshore services (+40% yoy)



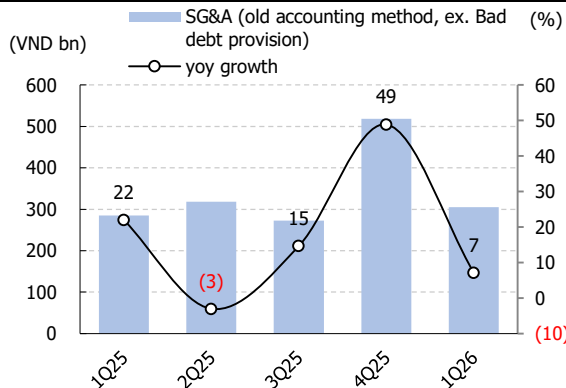
Source: Company data, KIS Research

Figure 2. 1Q26 consolidated gross profit (using old accounting method) surged 123% yoy. M&C GP surged (436% yoy), while other services GP also grew by a robust 51% yoy.



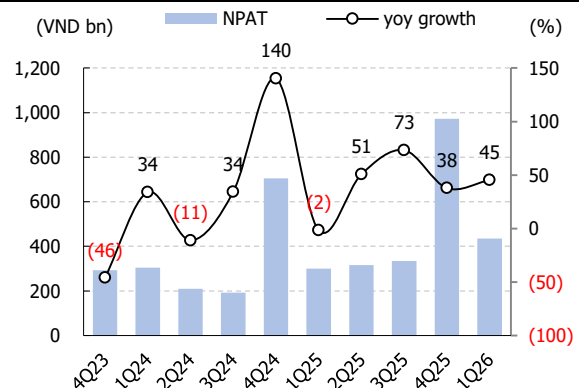
Source: Company data, KIS Research

Figure 3. SG&A (old accounting method) grew 7% yoy, largely in line with our forecast



Source: FiiiproX, KIS Research

Figure 4. 1Q26 NPAT grew by a solid 45% yoy, ~92% of KIS forecast



Source: FiiiproX, KIS Research

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Prepared by: Research Dept

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