

PetroVietnam Drilling & Well Services Corporation (HSX: PVD)

Improved drilling rig utilization to create growth momentum from 2025

- In 2Q25, PVD recorded revenue of VND 2,431 bn (+6.5% yoy) after a decline in the first quarter of the year. Revenue from drilling services recovered after the completion of the maintenance of drilling rigs and well drilling services continued to be positive, which are bringing positive signals to PVD.
- We expect PVD's net profit for the 2025-2026 period to increase by - 1.8%/46.0% yoy, respectively, thanks to improved rig rental prices and rigs' efficiency.
- We maintain our **ADD** recommendation with a target price of VND 29,500/share based on the prospect of high rig demand in the region in near term.

2Q25 business results: Revenue improved compared to the previous quarter

In 2Q25, PVD achieved revenue of VND 2,431 bn (+61.7% qoq) due to strong improvement in drilling service revenue to VND 1,354 bn (+52.8% qoq) after the first quarter's decrease in efficiency of the PV DRILLING VI jack-up drilling rig when this rig went through major maintenance (1Q25 performance: 76%, 1Q24: 100%). However, the PV DRILLING VI rig has been fully maintained and used for the well drilling contract in Malaysia from the end of April 2025, which improves PVD's rig utilization efficiency. In addition, revenue from well drilling & other services was VND 959 bn (+67.1% qoq), helping total revenue reach VND 3,934 bn in 6M25. PVD's 6M25 net profit was VND 393 bn (+32.5% yoy), above expectations and achieving 55.3% of our full-year target.

New drilling rigs continue to be the driving force for business growth from 2025

In 4Q24, PVD took over the multi-purpose 3-pin jack-up drilling rig from Seadrill Prospero.Ltd and named it PV DRILLING VIII. We anticipate this rig will complete major repairs & upgrades in Vung Tau in August this year and will soon be put into operation, creating a new motivation for revenue in the 2025-2026 period. With the dayrate of jack-up drilling rigs in Southeast Asia remaining at around 150,000 USD/day in 2025, we expect PV DRILLING VIII will be able to sign long-term drilling contracts at good prices in the conditions of high drilling demand in the region. Specifically, MBS forecasts that in 2025/2026, PVD's rig utilization efficiency and average dayrate will be 86%/98% and 89,900/99,950 USD/day, revenue and profit after tax will be at VND 7,500/8,482 bn (-19%/+13% yoy)) and VND 711/1,038 bn (+1.8%/+46.0% yoy), respectively.

ADD recommendation with a target price of 29,500 VND/share

Currently, PVD is traded at a P/B of 0.7x, lower than the 5-year average of 0.8x. Positive factors include (1) Improved rig utilization, (2) Rigs' rental prices of anchored at high levels and (3) Implementation of domestic well drilling projects, which are expected to become a driving force for PVD's profitability in 2025. We believe this is the right time to accumulate PVD shares.

Financial targets	2023	2024	2025F	2026F
Net revenue	5,804	9,288	7,500	8,482
Net profit	585	698	711	1,038
Net revenue growth	7%	60%	-19%	13%
Net profit growth	N/a	19.4%	1.8%	46.0%
Gross profit margin	22%	19%	24%	27%
EBITDA margin	28%	22%	27%	30%
ROAE	4.1%	5.8%	4.4%	6.1%
ROAA	2.8%	3.9%	3.0%	4.2%
EPS (VND/share)	1,051	1,600	1,278	1,866
BVPS (VND/share)	26,354	28,406	29,768	31,726

Source: PVD, MBS Research forecast

ADD

Target price

29,500 VND

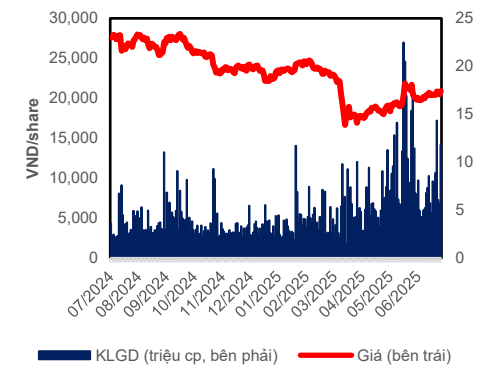
Upside

39.6%

Material changes in reporting:

N/a

Stock Data



Source: FiinPro, MBS Research

Current price (VND)	21,150
52-week High (VND)	28,050
52-week Low (VND)	16,650
Capitalization (VND bn)	11,760
P/E (TTM)	16.
P/B	0.7
Dividend yield (%)	0%
Foreign ownership (%)	4%

Source: FiinPro

Ownership Structure

Vietnam National Industry – Energy Group (PVN)	50.41%
CTBC Vietnam Equity Fund	4.95%
Others	44.64%

Source: FiinPro

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PetroVietnam Drilling & Well Services Corporation

Investment Thesis & Recommendations

Investment thesis

- Demand for drilling rigs, especially jack-up rigs, in Southeast Asia is entering a peak after years of investment delays and suspension of operation. This demand is driven by the recovery of exploration and mining investment activities, as many countries in the region (Indonesia, Vietnam, Malaysia, Brunei) are stepping up mining activities to ensure domestic energy security. As noted by Westwood Global Energy, existing rigs are "aging", some are undergoing long-term maintenance, while no new rigs are added in SEA from 2023 to 2025.
- PVD's rig utilization efficiency in 2025 is expected to reach over 90% because most of the rigs have signed contracts and are operating until the end of 2025 except: the new drilling rig PV DRILLING VIII is undergoing repair work and is expected to be put into operation from 3Q25, the BORR THOR leased drilling rig is currently operating domestic drilling from April to the end of September 2025.
- In the context of declining domestic oil and gas supply and increasing energy demand, Vietnam is promoting the restart of large-scale upstream projects after a long delay. Some typical projects that are expected to be able to start operation soon such as Lac Da Vang, Su Tu Trang – Phase 2B, Ken Bau, Thien Nga – Hai Au all create opportunities for PVD to provide jack-up drilling rigs and technical services after the existing drilling rigs end their existing contracts in the near future.

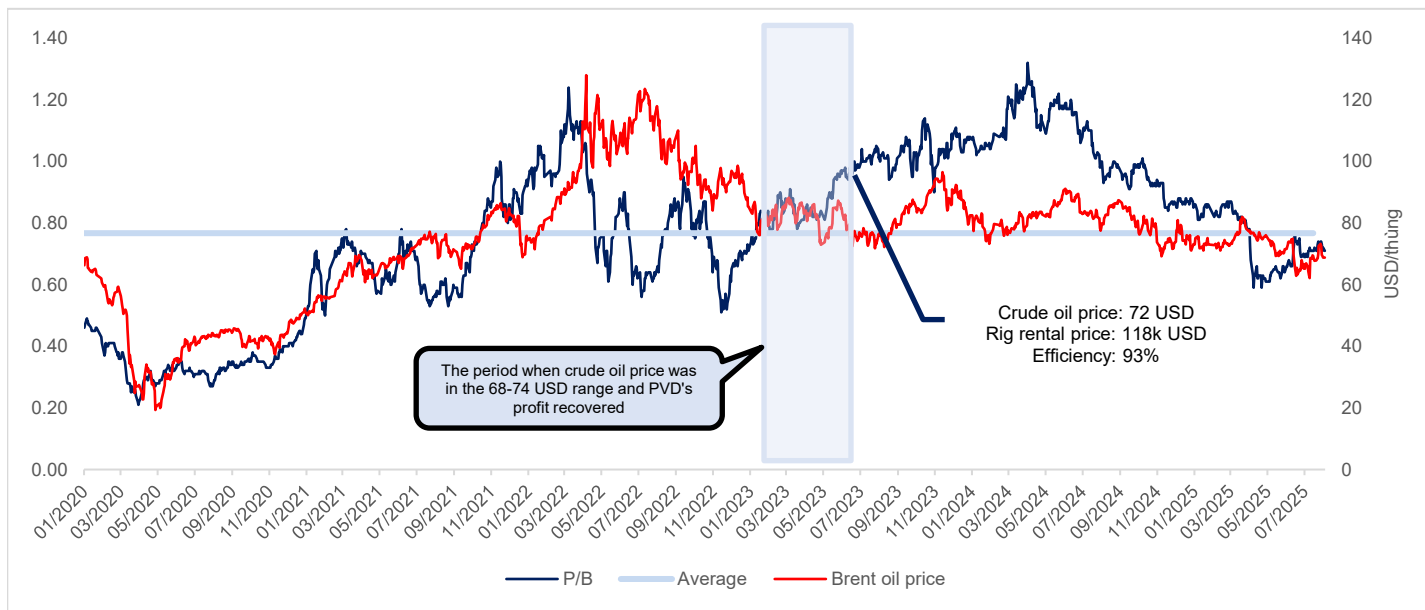
Valuation & Recommendations

Using the FCFF valuation method combined with P/B with a proportion of 50%/50% respectively for each method, we determine the fair value rounded up to 1 year of PVD is 29,500 VND/share. The target P/B value we use is 0.95, this P/B level corresponds to the period of Apr-Jul/2023 when Brent oil prices fluctuated in the range of 68-70 USD/barrel, the average regional rig dayrate increased from 100,000 to 118,000 USD, and utilization efficiency increased from 87.5% to 93%. This P/B level is higher than the 5-year average but still lower than the peak P/B of about 1.3 in the period of Mar-May/2022.

Figure 1: Pricing summary

Method	Weight	Price (VND/share)
FCFF	50%	30,900
Forward P/B	50%	28,100
Target price		29,500
Current price (closed at 31/07/2025)		21,150
Upside potential		39.6%

Figure 2: P/B of PVD in the last 5 years



Source: FiinProX, MBS Research

Figure 3: FCFF Projection

	2024	2025F	2026F	2027F	2028F
Profit after tax	890	716	1,043	1,113	1,866
Non-cash expenses	884	886	933	942	938
After-tax interest expense	246	202	214	179	149
Working capital investment	(391)	(584)	197	(225)	(138)
Fixed asset investment	(1,102)	(211)	(151)	(152)	(153)
FCFF	527	1,009	2,236	1,857	2,662

Downside risk:

- Oil prices behave unpredictably and fall below the break-even point of upstream oil and gas exploitation enterprises in Vietnam.
- Interruption of operation due to technical problems such as fire and explosion, natural disasters, etc. making the drilling rig unable to continue operating.
- Operating costs increased faster than the dayrate of drilling rigs, → eroding PVD's profit margin.

Figure 4: Comparison of enterprises in the industry

Business	Ticker	Current Price VND/share	Target price VND/share	Capitali- zation VND bn	P/E (x)		P/B (x)		ROA%		ROE (%)	
					2024	2025F	2024	2025F	2024	2025F	2024	2025F
PetroVietnam Technical Services Corporation	PVS	34,300	43,000	15,725	14.4	13.3	1.1	1.1	3.5	3.3	8.1	8.4
PetroVietnam Drilling & Well Services Corporation	PVD	21,150	29,500	11,618	12.5	16.8	0.7	0.7	3.9	3.1	5.8	4.6
PetroVietnam Gas Corporation	GAS	67,700	84,800	158,833	15.0	13.7	2.6	2.4	12.3	13.3	16.7	18.0
PetroVietnam Transportation Joint Stock Company	PVT	18,050	20,500	8,412	5.0	5.4	0.8	0.7	6.6	5.3	16.9	14.3
Binh Son Refining and Petrochemical Joint Stock Company	BSR	20,400	20,500	55,344	75.2	18.7	1.0	1.0	0.7	3.3	1.1	5.3
Vietnam National Petroleum Group (Petrolimex)	PLX	36,250	42,400	47,330	12.1	27.3	1.9	2.0	4.9	2.2	15.3	7.0
Average				49,465	22.4	15.7	1.4	1.3	5.3	5.1	10.7	9.6

Source: FiinPro, MBS Research

2Q25 and 6M25 Results: Revenue decreased slightly, mainly from drilling services

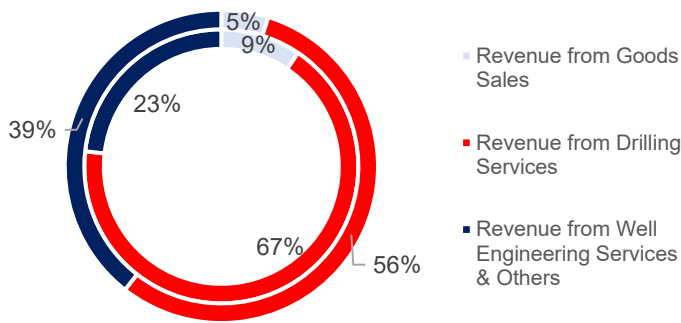
PVD's business results in 2Q25 and 6M25

Figure 5: Business results in 2Q25 and 6M25 (Unit: VND bn)

Metrics	2Q25	%yoy	%qoq	6M25	%yoy	%Forecast 2025	Comments
Revenue	2,431	6.5%	61.7%	3,934	-2.6%	58.1%	Revenue in Q2 grew positively thanks to a strong recovery in the drilling services segment compared to the first quarter of the year.
Revenue from sales of goods	118	-27.7%	174.3%	161	-57.9%	86.5%	
Revenue from the provision of drilling services	1,354	-13.0%	52.8%	2,240	-17.6%	47.0%	Drilling service revenue in Q2 recovered from the low base in Q1 due to improved rig utilization efficiency (Q1: 76%; Q2: 92%) and rental prices are at an average of \$89,900 as projected.
Revenue from the provision of well engineering services and other services	959	69.9%	67.1%	1,533	63.3%	84.4%	Revenue from well engineering services benefits from promoting the exploitation of domestic oil and gas projects. The performance is better than our previous forecast.
Cost of goods sold	1,911	5.9%	55.1%	3,144	1.1%	63.6%	COGS is higher than our previous forecast.
Gross profit	519	8.6%	91.9%	789	-15.0%	43.2%	
Gross profit margin	21.4%	0.4 pp	3.4 pp	19.8%	-3.2 pp		
Gross sales of goods profit margin	5.9%	-0.3 pp	0.8 pp	5.7%	-0.4 pp		
Gross drilling service provision profit margin	20.9%	-1.2 pp	6.0 pp	18.5%	-8.0 pp		Drilling services's Q2 profit margin recovered qoq thanks to putting PV DRILLING III and VI drilling rigs into operation.
Gross provision of well technical services and other services profit margin	24.0%	1.8 pp	2.5 pp	23.0%	3.2 pp		Signed many new contracts for drilling domestic wells, such as the drilling campaign at the Ca Ngu Vang and Te Giac Trang mines announced on July 30, 2025.
Financial income	41	6.3%	-6.9%	85	29.2%	69.7%	
Financial expense	92	-32.0%	9.6%	176	-31.9%	37.4%	Reduce interest costs and reduce losses from foreign exchange rate differences yoy.
SG&A expense	207	33.6%	78.9%	323	18.4%	53.6%	
Pre-tax profit	321	53.4%	63.7%	517	21.9%	56.0%	
Profit after tax	250	88.9%	74.8%	393	39.9%	54.9%	
Profit after Shareholder Interest (NPATMI)	240	73.3%	56.7%	392	32.5%	56.3%	6M25 profit was higher than expected due to Q2 business results in well engineering being better than expected and low financial costs.

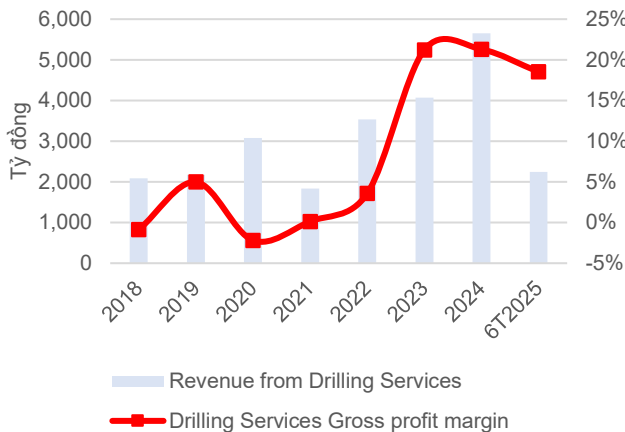
Source: PVD, MBS Research

Figure 6: Proportion of revenue by segment of PVD



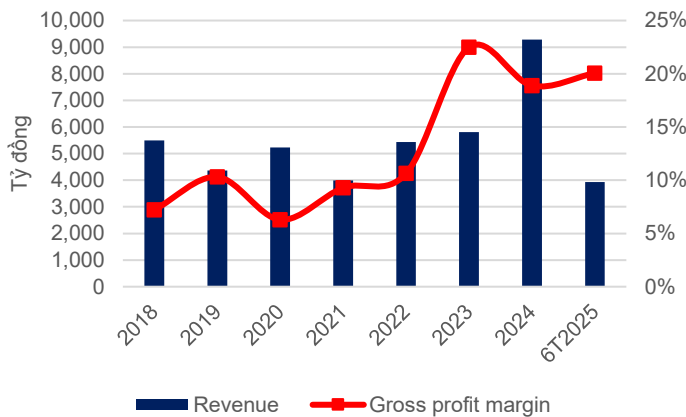
Inner ring: Q2/2024; Outer Ring: 2Q25
Source: PVD, MBS Research

Figure 7: Revenue and gross profit margin of drilling services segment



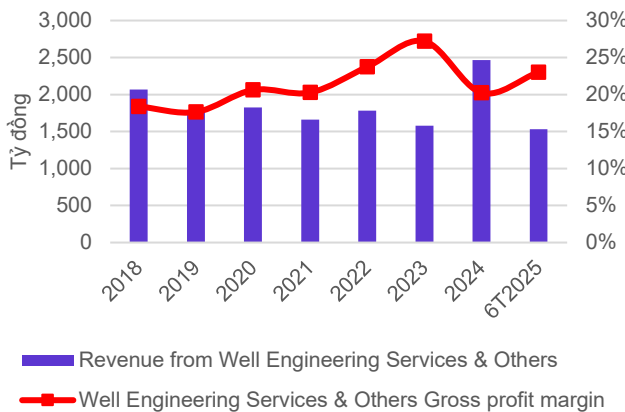
Source: PVD, MBS Research

Figure 8: PVD's revenue and gross profit margin



Source: PVD, MBS Research

Figure 9: Revenue and gross profit margin of well engineering & other services



Source: PVD, MBS Research

Positive business prospects for 2025-2026 thanks to the "thirst" for drilling rigs in the region

Increased demand for drilling rigs in Southeast Asia and Vietnam actively supports the rig rental segment

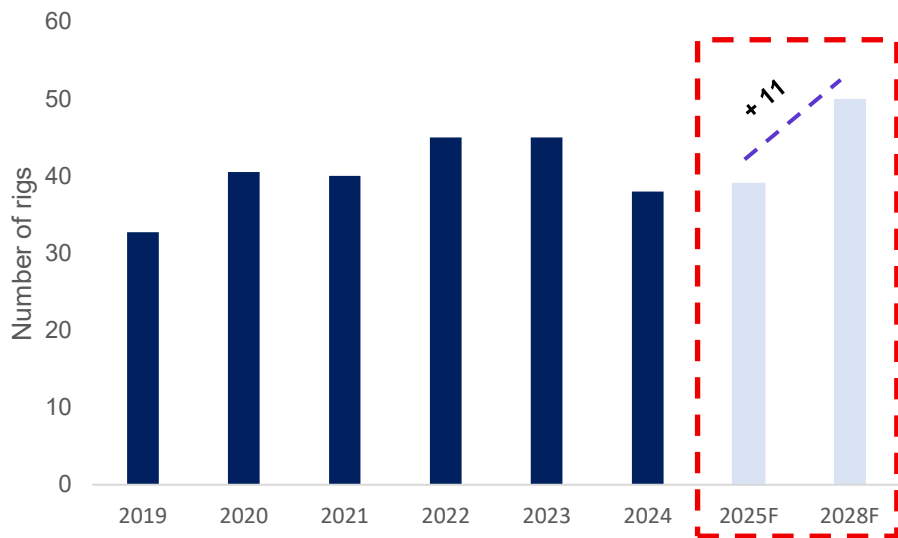
The demand for jack-up drilling rigs in the region will remain high in 2025, and is forecast to continue to grow and may reach about 50 rigs by 2028, approaching the total number of drilling rigs in Southeast Asia. According to Westwood, the total number of jack-up rigs at the end of 2024 in Southeast Asia is 55, accounting for about 14.3% of the total global jack-up rigs. Thus, assuming that the number of drilling rigs does not change significantly, in the period of 2025-2028, the demand for rigs will account for ~91% of the supply in the region, excluding the rigs in the maintenance and repair stage, it can be said that Southeast Asia may be in a state of "thirst" for drilling rigs in the next period, supporting for rig utilization efficiency and the signing of rig lease contracts at higher prices for PVD.

According to Evercore ISI, the utilization rate of jack-up drilling rigs in Southeast Asia has continuously increased since 2024 and reached a peak of 97%, although it decreased slightly to 92.8% at the end of 2024 but has increased again in 2025 due to Southeast Asian countries promoting domestic energy development such as: Malaysia (Kasawari, Jerun, Limbayong field), Indonesia (Abadi field, Natuna D-Alpha field), Vietnam (Block B – O Mon, Ca Voi Xanh, Su Tu Trang – Phase 2). For example, in the first 6 months of the year, PVD said that it ensures that the owned drilling rigs operate with high efficiency of over 99% and are safe in key markets in Southeast Asia.

PVD currently owns 5 jack-up drilling rigs and 1 TAD drilling rig. According to West Global Energy's forecast in the next 5 years, the rental price of jack-up drilling rigs will be around 110,000-140,000 USD/day. In 2025, the dayrate of jack-up rigs in the region will be around 90,000-110,000 USD/day, especially some contracts up to 150,000 USD, so we expect the rigs that will end the signed drilling period such as PV DRILLING I & VI and the newly purchased PV DRILLING VIII rig will sign new contracts at high prices. Rigs with longer contract terms are likely to sign drilling prices in the range of \$110,000-140,000 per day, higher than historical rents (average \$60,000-80,000 per day in 2022-2024). In the coming period, many organizations also forecast that rig rental prices will remain at high levels due to (1) Limited rig supply, (2) Many rigs are moved to operate in the Middle East and Africa, (3) The cost of building new rigs is high and the term is long (an average of 300 mil USD and 3 years for 1 rig), (4) The demand for drilling in the region is gradually increasing, and (5) Customers are tending to sign contracts with longer terms, leading to a shortage of available rigs.

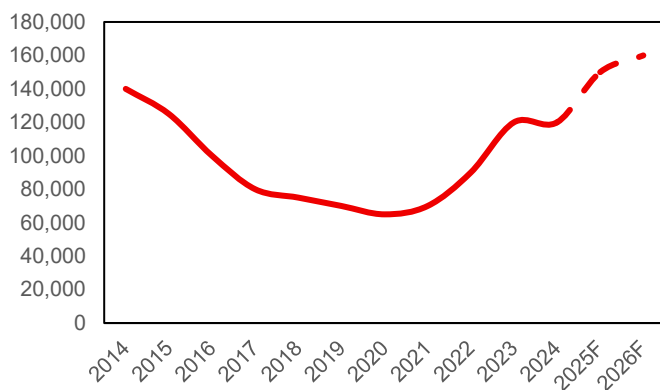
TAD drilling rigs usually have lower dayrate than jack-up drilling rigs due to somewhat more limited application characteristics, however, PVD's TAD drilling rig is the most modern generation of drilling rigs, currently belonging to the SSDT 3600E HP model, so the dayrate is likely to be higher than the price of a standard TAD drilling rig. Currently, PVD's TAD rig is operating with a contract of 90,000 USD/day and the remaining time is about 3 years. We forecast that from 2028 onwards, this rig may have a dayrate of 110,000-125,000 USD/day, equal to other high-end semisub rigs operating in the region.

Figure 10: Estimating the Demand for Drilling Rigs in Southeast Asia



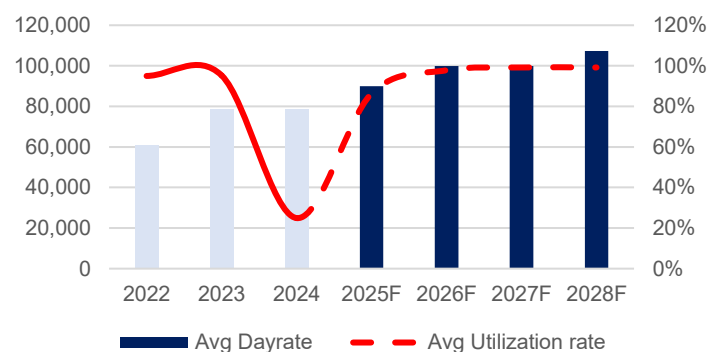
Source: Westwood, MBS Research

Figure 11: Estimated rental price of jack-up drilling rigs in Southeast Asia



Source: S&P Global, MBS Research

Figure 12: Forecast of rental price and efficiency of PVD jack-up drilling rig



Source: PVD, MBS Research

According to PVD, the reason why the company's drilling rig utilization efficiency dropped to 76% in 1Q25 is due to the maintenance of the PV DRILLING VI and PV DRILLING VIII drilling rigs. However, PV DRILLING VI has completed maintenance and put into operation in Malaysia since the end of April, PV DRILLING VIII expects to complete the repair work in August this year, and in the context of the "sought-after" drilling rigs, we expect this drilling rig to be able to come into operation from the end of the 3rd/early 4th quarter of this year. By the end of April 30th, 2025, the total remaining operating time under the contract of PVD is 4,112 days, respectively: PV DRILLING I 304 days; II 1,318 days; III 1,104 days; VI 252 days; V 986 days, THOR leased drilling rig 148 days.

With the above operation time, we forecast that the operating capacity of each drilling rig in 2025 will be: PVD RILLING I 100%, II 100%, III 100%, V 100%, VI 100%, VIII 33%. We estimate PVD's average rig utilization efficiency in 2025/2026 to be 86%/98%, respectively and drilling service revenue to be VND 4,548 bn (-19.6% yoy) and VND 5,448 bn (+19.8% yoy) in this period, gross profit margin to be 27.7%/33.9%, respectively.

Figure 13: Schedule of PVD's drilling rig

Drilling schedule	2025												2026			
	Q1			Q2			Q3			Q4			Q1			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
PV DRILLING I	Malaysia I Certain 2-year contract															
PV DRILLING II	Malaysia I Certain 3-year contract											Indonesia I Certain 3-year contract til 2028				
PV DRILLING III	Malaysia I Certain 11 wells					Indonesia I Certain 3-year contract										
PV DRILLING VI	Malaysia I Certain 2-year contract					Certain 1 well	Malaysia I Certain 2-year contract (continued)									
PV DRILLING VIII	Relaunch Labuan rig			Major maintenance and repair in Vung Tau						Sign oil drilling contract (forecast by MBS)						
PV DRILLING V	Brunei I Certain 6-year contract + 2-year optional extension + 2-year optional extension															
THOR			Viet Nam I Certain 3 wells					Viet Nam I Certain 1 well								

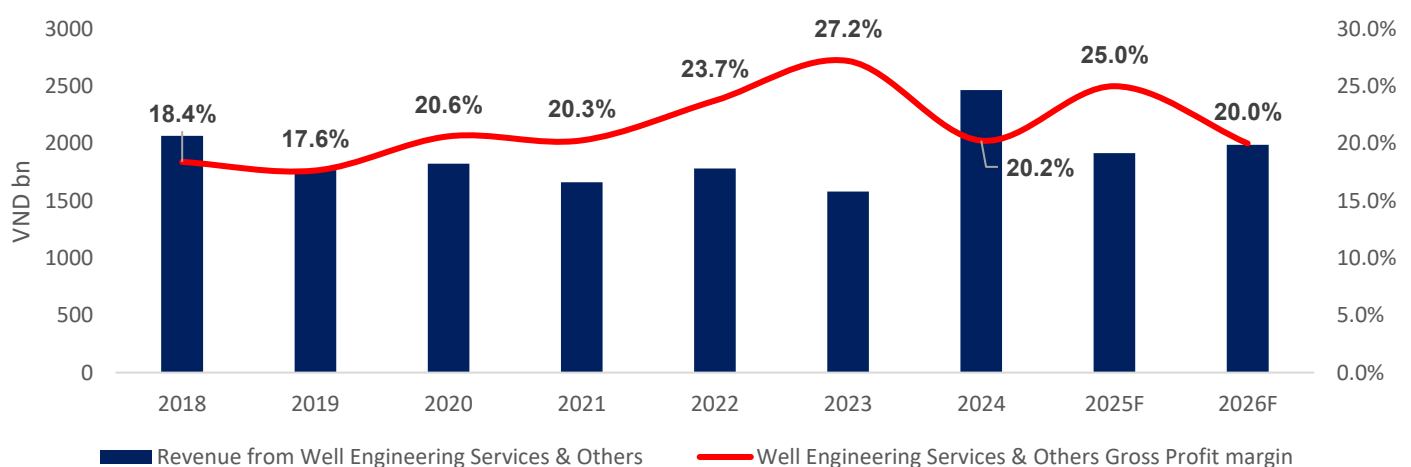
Source: PVD, MBS Research

Motivation from oil and gas exploitation projects helps PVD expand the scope of technical service provision

To ensure domestic oil and gas supply, upstream exploitation projects are being strongly promoted. We expect crude oil prices this year to remain above the break-even point, helping upstream exploitation enterprises such as PVD ensure continuing operations. Most of PVD's drilling rigs are operating overseas (except for the BORR Thor rental rig operating domestically and PV DRILLING VIII under maintenance), so we expect PVD to benefit from the provision of well engineering services.

This is also partly reflected in PVD's 6M25 business results, the well engineering and other services segment achieved a revenue of VND 959 bn (+72.5% yoy). PVD expects to be able to renew/sign new contracts for the provision of well engineering and other services for the projects of Block B – O Mon, Ca Voi Xanh and ancillary projects such as Su Tu Trang – Phase 2, Lac Da Vang, Ruby II. We expect revenue from well engineering and other services at PVD to reach VND 1,916 bn and VND 1,988 bn in 2025/2026. The segment's gross profit margin will reach 25.0% in 2025 (+4.8 pp yoy) and then decline to 20.0% due to rising cost of goods sold.

Figure 14: Estimated revenue of PVD's well drilling & other engineering segment



Source: PVD, MBS Research

New legal framework creates a launching pad for PVD in the future

In 2025, in the context of urgently putting into operation new oil and gas projects to ensure national energy security, the Government has issued many new policies related to the oil and gas sector. In particular, we evaluate Decree 146/2025/ND-CP and Decree 40/2025/ND-CP as the 2 decrees that have the most direct impact on the oil and gas exploitation segment and PVD's operations. Specifically, Decree 146 paves the way for the Ministry of Industry and Trade to have the right to license in the oil and gas sector, → reducing approval procedures through many levels, increasing the FID term. Decree 40 streamlines from 28 to 22 units and reorganizes the Department of Oil and Gas to promote the management function of the industry.

PVD is usually not an EPC general contractor but a Tier 2 subsidy contractor in the chain. Accelerating the expected approval speed not only helps PVD record positively in terms of revenue, but is also likely to support businesses to improve cash turnover when receiving faster payments from main contractors.

Figure 11: Policies affecting the oil and gas sector to take effect from 2025

No.	Issues/Policies	Old Content	New Content (2025)	Impact on upstream businesses	Effective Date
1	Decentralization in industry (Decree 146/2025/NDCP)	Previously, many procedures had to go through the Prime Minister or inter-ministries, taking time to approve	The Ministry of Industry and Trade is assigned the right to issue licenses in the field of oil and gas; reduce procedures through multiple levels	Shortening the licensing process, FID filings, facilitating E&P, especially in marginal mines	12/06/2025
2	Organization and structure of the Ministry of Industry and Trade (Decree 40/2025/NDCP)	Discrete front structure, low efficiency, easy to overlap responsibilities	Streamlining from 28 to 22 units; reorganize the Department of Petroleum to promote the management function of the industry	Increase the effectiveness of policy implementation, proactive management to help accelerate the progress of upstream projects	01/01/2025
3	Decree 132/2024 on outward investment	Complicated and difficult regulations when applying for investment licenses for offshore oil and gas projects or joint ventures	Easier to invest in foreign oil and gas exploitation, especially E&P and international joint ventures	Paving the way for corporations like PVN to deeply participate in international search, increase experience and long-term profits. Create relationships with foreign oil and gas enterprises and support to increase oil and gas supply in the future.	05/12/2025
4	Decree 58/2025 – incentives for the renewable energy industry	There is no clear incentive mechanism and development guidance for the renewable energy segment, making many investors and businesses afraid to invest heavily in this field	Details of tax incentives, investment in wind power, renewables (not directly applicable to E&P but impacting the energy restructuring process)	It is good for the energy industry in general to "green" this sector and create a diversified supply. However, in the long run, it will cause economic losses for upstream oil and gas enterprises. In the short term, this impact is not significant because renewable energy projects only account for a small proportion (12-14% of actual electricity production), so oil demand is still important	03/03/2025

Source: PVD, MBS Research

Adjustment of business forecast 2025-2026

Figure 15: Forecast of PVD's business results for the period of 2024-2026

Metrics	2024	2025F	% Projected Change	%yoy	2026F	% Projected Change	% yoy	Comments
Average jack-up rig dayrate (USD/day)	78,700	89,900	-5.1%	14.2%	99,950	5.5%	11.2%	Adjust in accordance with the situation of jack-up rig dayrate in Southeast Asia. Due to the fact that the current jack-up rigs still have contracts signed at an average price of 89,900 USD/day, we have adjusted the dayrate of the rig down compared to the previous forecast (94,750 USD).
Rig efficiency	24.9%	86.3%	-3.9 pp	61.4 pp	97.8%	-0.8 pp	11.5 pp	Adjustment based on the actual operation schedule of PVD's drilling rigs and the forecast of drilling contracts
Revenue	9,288	7,500	10.8%	-19.3%	8,482	15.9%	13.1%	Upward adjustment thanks to increase in sales of goods and well engineering segment, and a slight decrease in drilling services.
Revenue from sales of goods	1,219	1,037	456.7%	-15.0%	1,047	456.7%	1.0%	Upward adjustment due to the sale of goods having good results in 6M25 compared to the previous forecast
Revenue from the provision of drilling services	5,653	4,548	-4.7%	-19.6%	5,448	3.8%	19.8%	Downward adjustment due to decreases in the expected jack-up rig dayrate of 5.1% and rig utilization efficiency of 3.9 pp.
Revenue from drilling well technical services and others	2,465	1,916	5.6%	-22.3%	1,988	5.6%	3.7%	Upward adjustment to better reflect the recent results of the well drilling segment thanks to the signing of new domestic contracts.
Gross profit	1,754	1,819	-0.5%	3.7%	2,309	14.2%	26.9%	
Gross profit margin	18.9%	24.2%	-2.7%	5.4 pp	27.2%	-0.4%	3.0 pp	Gross margin decreased slightly due to a decline in gross margin in the drilling services segment (Gross profit margin drilling services accounted for ~72% of total gross profit margin).
Gross sales of goods margin	3.6%	7.5%	1.3%	3.9 pp	6.0%	-0.2%	-1.5 pp	
Gross drilling services margin	21.3%	27.7%	-2.7%	6.5 pp	33.9%	2.8%	6.2 pp	Downward adjustment compared to the previous forecast due to higher than expected operating costs of the PV DRILLING VIII drilling rig.
Gross well engineering & other services margin	20.2%	25.0%	5.0%	4.8 pp	20.0%	0.0%	-5.0 pp	Adjustment due to better than expected business results in well engineering service segment in 6M25.
SG&A expense	635	667	10.7%	5.0%	729	15.9%	9.3%	
% SG&A expense/Revenue	6.8%	8.9%	0 ppt	2.1 pp	8.6%	0 ppt	-0.3 pp	
Financial income	152	135	10.8%	-11.2%	153	16.1%	13.3%	Recording positive exchange rate gains
Financial expense	400	391	-16.8%	-2.3%	432	-18.8%	10.5%	Downward adjustment to financial expenses thanks to PVD's good control of interest expenses and declining exchange rate losses in 6M25
Other income	-60	-20	0.0%	-66.7%	-20	0.0%	0.0%	
Profit from associates and joint ventures	49	20	0.0%	-59.2%	23	0.0%	15.0%	
Pre-tax profit	937	895	6.7%	-10.5%	1,304	31.1%	51.4%	
Profit after tax	698	716	6.7%	-3.9%	1,043	31.0%	51.4%	
Profit after Minority Shareholder Interest (NPATMI)	698	711	6.7%	1.8%	1,038	31.2%	46.0%	Upward adjustment thanks to the forecast of a slight increase in revenue and good savings in financial expenses. The business results of 6M25 are more positive than expected.

FINANCIAL STATEMENTS

Income Statement	2023	2024	2025F	2026F	Cash Flow Statement	2023	2024	2025F	2026F
Net revenue	5,804	9,288	7,500	8,482	Pre-tax profit	658	937	895	1,304
Cost of goods sold	(4,499)	(7,534)	(5,682)	(6,173)	Depreciation & amortization	857	884	886	933
Gross profit	1,305	1,754	1,819	2,309	Non-cash profit/loss	75	94	0	0
Financial Income	134	152	135	153	Other adjustments	202	240	194	219
Financial Expense	(392)	(400)	(391)	(432)	Change in working capital	(65)	(810)	(584)	197
In which: Interest expense	(250)	(238)	(252)	(267)	Cash flow from operating activities	1,616	1,037	1,211	2,392
Profit/(loss) from joint ventures	66	49	20	23	Capital expenditures	(149)	(758)	(295)	(217)
Selling Expense	(24)	(35)	(26)	(27)	Proceeds from sale of assets	3	(1,371)	0	0
Gen & Admin Expense	(523)	(600)	(641)	(702)	Others	(749)	552	(538)	161
Net other income	91	(60)	(20)	(20)	Cash flow from investing activities	(894)	(1,578)	(833)	(55)
Pre-tax profit	658	860	895	1,304	New share issuance	0	(439)	0	0
Tax expense	(112)	31	(179)	(261)	Net borrowings	(586)	27	897	(599)
Profit after tax	546	890	716	1,043	Others	0	(466)	0	0
Profit of Shareholders of the Parent Company	585	698	711	1,038	Dividends paid	(3)	0	(167)	(167)
					Cash flow from financing activities	(590)	(877)	730	(766)
					Cash and equivalents at the beginning of the period	2,079	2,256	2,203	3,380
					Total cash generated	132	(1,418)	1,108	1,571
					Cash and equivalents at the end of the period	2,256	2,203	3,380	5,025
Balance Sheet	2023	2024	2025F	2026F	Key ratios	2023	2024	2025F	2026F
Cash and cash equivalents	2,256	2,203	3,380	5,025	Net revenue Growth	7%	60%	-19%	13%
Short-term investments	1,278	770	1,137	995	EBITDA Growth	90%	24%	2%	23%
Accounts receivable	1,719	2,724	2,208	2,686	Operating profit growth	1032%	47%	3%	37%
Inventories	1,000	1,216	1,009	1,236	Pre-tax profit growth	N/a	31%	-2%	51%
Total Short-Term Assets	6,928	7,782	8,602	10,922	Net profit growth	N/a	19%	-5%	52%
Fixed assets	13,125	14,083	14,025	13,288	EPS growth	N/a	52%	-25%	52%
Construction in progress	9	1,222	1,307	1,372	Gross profit margin	22%	19%	24%	27%
Investment in subsidiaries	0	0	0	0	EBITDA Margin	28%	22%	27%	30%
Investment in joint ventures	666	681	691	703	Net Profit Margin	10%	8%	9%	12%
Other long-term investments	0	0	0	0	ROAE	4.10%	5.84%	4.12%	5.93%
Total long-term assets	14,705	15,832	15,513	14,837	ROAA	2.76%	3.93%	2.79%	4.06%
Total assets	21,633	23,615	24,116	25,759	ROIC	3.21%	4.66%	3.22%	4.77%
					Asset turnover	27%	41%	31%	34%
Short-term debt	553	507	198	(49)	Total debt/equity	22%	19%	24%	19%
Accounts payable	569	1,173	434	1,229	Net debt/equity	7%	5%	4%	-9%
Other short-term payables	933	1,057	900	992	Net debt/total assets	5%	4%	3%	-6%
Total current liabilities	3,146	4,124	2,507	3,276	Interest coverage ratio	303%	470%	451%	594%
Long-term debt	2,788	2,541	3,748	3,395	Days receivable	108	107	107	116
Other long-term payables	801	897	1,050	1,187	Days inventory	81	59	65	73
Total non-current liabilities	3,589	3,438	4,798	4,583	Days payable	46	57	28	73
Total liabilities	6,735	7,562	7,305	7,858	Current ratio	2.2	1.9	3.4	3.3
Charter capital					Quick ratio	1.9	1.6	3.0	2.9
Share premium	5,563	5,563	5,563	5,563	Cash ratio	1.1	0.7	1.8	1.8
Treasury shares	2,434	2,434	2,434	2,434	Pricing				
Retained earnings	(21)	(21)	(21)	(21)	EPS (*)	1,051	1,600	1,198	1,817
Other reserves	694	1,022	1,702	2,710	BVPS (*)	26,354	28,406	29,687	31,596
Shareholders' equity	3,784	4,012	4,020	4,028	P/E (*)	19.1	12.5	16.7	11.0
Minority interest	14,661	15,802	16,560	17,649	P/B (*)	0.8	0.7	0.7	0.6
Total equity	237	250	251	252					
Total liabilities and equity	14,898	16,052	16,811	17,901					

(*) Note: The data sections marked with (*) are calculated based on the number of outstanding shares at the end of 2024 to standardize the basis for comparison

Source: PVD, MBS Research forecast

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MBS RECOMMENDATION FRAMEWORK

Stock Ratings

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

ADD	The stock's total return is expected to reach 15% or higher over the next 12 months
HOLD	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months
REDUCE	The stock's total return is expected to fall below negative 10% over the next 12 months

Sector Ratings

POSITIVE	Stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
NEUTRAL	Stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
NEGATIVE	Stocks in the segment have, on a market cap-weighted basis, a negative absolute recommendation

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Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges.

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