

PetroVietnam Drilling & Well Services JSC (PVD)

PVD's key AGM takeaways

- PVD set conservative guidance for 2026 with revenue growth remaining flat YoY while NPAT decreases 24% YoY.
- 1Q26 pre-tax profit is estimated at VND400bn (USD15.2mn), fulfilling 37% of FY26 guidance and 22% of our full-year forecast.
- Despite energy transition trends, management maintains a positive view on drilling demand (and fossil fuel demand) over the next five to 10 years.

FY26 guidance: Conservative plan for 2026

PVD set conservative guidance for 2026 with revenue flat YoY (+2.4% YoY) while NPAT decreases 24% YoY. Management emphasized that the company would beat this guidance and try to record growth compared to actual 2025 results. For 1Q26, preliminary pre-tax profit reached VND400bn/USD15.2mn (+2x YoY), equivalent to 37% of FY26 guidance.

Drilling market outlook: mixed impact from US – Iran conflict

The Iran conflict has mixed implications for the global drilling rig market. On one hand, disruptions to drilling activities in the Middle East have made rig supply more available, partially impacting the supply–demand balance in Southeast Asia. On the other hand, increased focus on energy security is driving higher exploration and production activity, supporting demand for drilling services. In general, the drilling market remains subdued compared to the 2011–2015 period. And the current tight rig supply is expected to support a gradual market recovery in the coming period.

Drilling schedule: Another busy year for PVD

PVD's rig fleet is fully contracted for 2026, with several rigs operating overseas under long-term contracts extending to 2028. The newly acquired JU rig – PVD IX – commenced operations in April and is expected to be deployed to Malaysia in 2H26. Furthermore, to meet rising domestic drilling demand, PVD is mobilizing chartered rigs to serve short-term contracts in the Vietnamese market. In general, PVD will prioritize long-term contracts for its owned fleet to stabilize revenue, rather than pursuing higher-priced short-term contracts.

Other key information:

- **Investment plan:** PVD plans to invest in an additional drilling rig (PVD X) in 2026, with expected commissioning in 2027. The company will also take delivery of a workover rig in June, to be deployed in the Vietnamese market.
- **Capital increase:** PVD intends to issue shares from equity with at a rate of 66.9% this year, raising its charter capital to VND9.3tn (USD352.8mn).
- **In the long term:** Alongside upgrading high-tech services in its core segments, the company positions itself as a high-tech service provider, capable of delivering services across the offshore wind and renewable energy EPC value chain.

VNDbn	FY25	FY26 guidance	% YoY	FY26 guidance vs VND's forecast
Revenue	10,921	11,185	2.4%	101.2%
Pre-tax profit	1,386	1,085	(21.7%)	59.3%
NPAT	1,052	800	(23.9%)	54.4%

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