

## PetroVietnam Drilling & Well Services JSC (PVD)

### Strong start for a promising year – [In line]

- 1Q26 net profit (NP) surged 100% YoY to VND306bn (USD11.6mn), driven by growth in all core-business segments.
- 1Q26 NP was in line with our expectations at 20.4% of our full-year forecast.
- We see some upward pressure on our target price of VND32,600, which we will update after further review.

#### Strong 1Q26 revenue driven by growth in all segments

1Q26 revenue surged 126% YoY to VND3.4tn (USD129mn), driven by broad-based growth across all segments.

- Drilling – the key contributor – recorded 1Q26 revenue growth of 147% YoY to VND2.2tn (USD82mn) on the back of: 1) larger operation-owned rig fleet (4.8 jack-up (JU) rigs vs 3.0 JU rig in 1Q25); 2) a 4% YoY increase in average JU day rate, and 3) increased revenue from hired rigs (3.5 rigs vs one rig in 1Q25)
- Well services revenue increased 72.4% YoY to VND1.0tn (USD38.3mn), reflecting vibrant drilling activities in Vietnam.
- Trading revenue (PVD's sub-segment) surged 5.4x YoY to VND233bn (USD8.9mn).

#### Blended GM increased due to drilling GM expansion

1Q26 blended GM expanded 0.8% pts YoY to 18.8% mainly driven by stronger drilling business. Drilling GM increased 2.0% pts YoY to 16.9% due to increased JU utilization (96% vs 75% in 1Q25) and improved JU day rate (+4% YoY). Meanwhile, well services GM also improved 0.6% pts YoY to 24.3%, remaining the most profitable segment.

#### 1Q26 NP surged, in line with our expectation

1Q26 SG&A increased 78.4% YoY to VND207bn (USD7.9mn), aligned with revenue growth. Net financial expenses also increased 46.6% YoY to VND58bn (USD2.2mn) as increased interest expenses (+29% YoY) and net foreign exchange loss (+10x YoY) outweighed higher deposit income (+119% YoY).

In general, 1Q26 NP surged 2x YoY to VND306bn (USD11.6mn), reflecting a strong start to the year. This bottom line was in line with our expectation at 20.4% of our full-year forecast.

VNDbn	1Q25	1Q26	%YoY	1Q26/FY26F
<b>Net sales</b>	<b>1,503</b>	<b>3,401</b>	<b>126.3%</b>	<b>30.8%</b>
- Drilling	877	2,162	146.6%	30.3%
- Well services	584	1,007	72.4%	26.9%
- Trading	43	233	447.4%	128.9%
<b>Gross profit</b>	<b>270</b>	<b>638</b>	<b>136.0%</b>	<b>23.9%</b>
SG&A	116	207	78.4%	29.3%
Net financial income/(expenses)	(40)	(58)	46.6%	21.9%
Net other income	50	(15)	-130.5%	-67.6%
PBT	196	396	101.9%	21.6%
<b>NPAT-MI</b>	<b>153</b>	<b>306</b>	<b>100.3%</b>	<b>20.4%</b>
GPM	18.0%	18.8%	0.8% pts	
NPM	10.2%	9.0%	-1.2% pts	

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