

## PetroVietnam Technical Services Corporation (PVS)

### Continuing growth momentum on stronger M&C business – [Beat]

- 1Q26 net profit (NP) increased 25.4% YoY to VND416bn (USD16mn) mainly due to stronger M&C business.
- 1Q26 NP was ahead of our expectation at 25.5% of our full-year forecast.
- We see upward pressure on our target price of VND41,800, which we will update after further review.

#### Stronger 1Q26 revenue was driven by most segments

1Q26 revenue surged 44.6% YoY to VND8.7tn (USD3331mn), driven by increases in most segments.

- The key contributor – M&C business – surged 47.1% YoY to VND5.9tn (USD225mn), as key projects such as Block B, LDV and offshore wind continue their progress.
- Other segments also posted positive revenue growth, including Offshore support vessel (+33.8% YoY), Port base (+40.8% YoY) and O&M (+75.2% YoY), partially indicating vibrant domestic E&P activity.

#### GM expanded due to stronger M&C margin and changes in provisioning accounting methodology

1Q26 blended GM expanded 5.6% pts YoY to 9.8% - the highest quarterly level since 2020, mainly driven by stronger M&C margin (+7.9% pts YoY). Alongside major projects such as Block B and LDV entering peak execution, PVS also revised its approach to recognizing long-term project maintenance provisions in this quarter, booking VND282bn (USD11mn) of maintenance provisions in selling expenses instead of COGS previously. If including it, M&C margin still expanded 3.1% pts YoY. In addition, Offshore support vessel was another driver for blended GM expansion with GM rising to 17% (+4.4% pts YoY) while other segments remained mostly stable.

#### NP growth continues to show positive signs, beating our expectation

1Q26 SG&A expenses surged 57.5% YoY to VND623bn (USD24mn), mainly as PVS recognized VND282bn (USD11mn) of maintenance provisions in selling expenses. Meanwhile, net financial income slid 53.4% YoY to VND143bn (USD5mn) due to a 78% YoY decrease in net FX gain overwhelming a 26% YoY increase in deposit income.

In general, net profit continued to show positive signs in 1Q26 with growth of 25.5% YoY to VND416bn (USD16mn), beating our expectations at 25.5% of our full-year forecast.

VNDbn	1Q25	1Q26	%YoY	1Q26/FY26F
<b>Net sales</b>	<b>6,014</b>	<b>8,699</b>	<b>44.6%</b>	<b>19.4%</b>
- M&C segment	4,018	5,911	47.1%	17.1%
- FSO/FPPO	622	695	11.7%	26.5%
- Offshore support vessel	478	640	33.8%	32.7%
- Port base	322	454	40.8%	28.5%
- O&M segment	402	705	75.2%	28.4%
- Seismic survey	87	45	-48.9%	9.7%
- Others	84	249	197.8%	27.9%
<b>Gross profit</b>	<b>257</b>	<b>855</b>	<b>232.6%</b>	<b>45.7%</b>
SG&A	396	623	57.5%	42.9%
Net financial income	306	143	-53.4%	32.1%
Affiliates income	213	157	-26.5%	16.7%
Net other income	3	(3)	-219.2%	-1.1%
PBT	384	528	37.5%	25.1%
<b>NPAT-MI</b>	<b>332</b>	<b>416</b>	<b>25.4%</b>	<b>25.5%</b>
GPM	4.3%	9.8%	5.6% pts	
NPM	5.5%	4.8%	-0.7% pts	

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