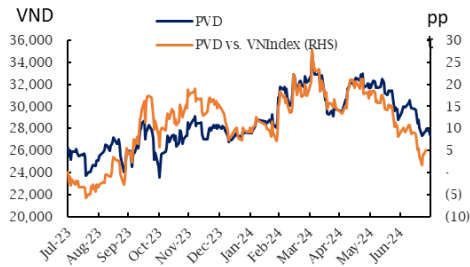


**BUY**
**TP upside (downside) +39.6%**
**Close 30 July 2024**
**Price 27,400**  
**12M Target 38,259**
**Share price performance relative to VNINDEX**


<b>Market cap (USD mn)</b>	<b>602</b>
<b>6M ADT (USD mn)</b>	<b>6.6</b>
<b>Outstanding shares (mn)</b>	<b>556</b>
<b>Free float (%)</b>	<b>49.1</b>
<b>FINI ownership (%)</b>	<b>15.8</b>
<b>FOL Room (%)</b>	<b>33.2</b>
<b>Major shareholders (%)</b>	<b>50.4</b>
<b>2024 Net debt/equity (%)</b>	<b>Net cash</b>
<b>2024 BVPS (VND)</b>	<b>36.517</b>
<b>2024 P/B (x)</b>	<b>1.0</b>
<b>2024 EV/EBITDA (x)</b>	<b>7.0</b>

**Financial outlook**

Year to Dec	2023A	2024E	2025E	2026E
Sales (VND bn)	5,812	7,402	9,565	10,272
EPS (VND)	1,041	2,228	3,881	4,494
ROE (%)	4.2	8.8	14.5	15.5
Div. yield (%)	-	-	-	-

Sources: Bloomberg, Company data, Yuanta Vietnam

**Binh Truong**
**O&G Analyst**
[binh.truong@yuanta.com.vn](mailto:binh.truong@yuanta.com.vn)
<http://research.yuanta.com>
**Bloomberg code: YUTA**
**PV Drilling (PVD VN)**
**Drilling growth momentum extended**
**Event**

2Q24 preliminary results – We attended yesterday’s analyst meeting.

**Details**

2Q24 revenue grew by 59.5% YoY... to reach VND2,254bn, underpinned by a +59% increase in drilling revenue. PVD’s average day rate increased by +25% YoY and the company added another hired rig in 2Q24. In addition, drilling-related services posted 2Q24 revenue of VND556bn, up by +43% YoY.

... but a high base means that 2Q24 PBT slid by –3% YoY to reach 207bn. The year’s VND70bn one-off gain from contract termination in 2Q23 did not repeat. Excluding that one-off, 2Q24 core PBT would have risen by +45.7% YoY.

1H24 revenue thus rose by +53% YoY to reach VND4,036bn, fulfilling 54% of our full-year revenue forecast. Notably, drilling revenue rose by +43% YoY to reach VND2,700bn. Drilling-related services increased by +31% YoY to reach VND930bn. 1H24 PBT reached VND424bn, jumped 54.2% YoY, fulfilling 28.1% 2024E PBT forecast.

**The SEA drilling market remains tight due to the rig supply shortage.**

There are only seven new rigs under construction in Asia, and the four rigs under construction in China are planned to operate in China. The SEA market thus looks to be even tighter in 2025.

**New rig acquisition in the pipeline.** PVD plans to invest US\$90mn in another rig to take advantage of strong demand. Management plans to use the additional rig for domestic drilling activity in 2026–2030. Also, PVD plans to invest approximately US\$20mn in equipment.

**Our view:** We expect further improvement in PVD’s core business due to 1) rising average day rates YoY; and 2) the commencement of Block B, which would substantially increase PVD’s drilling-related business workload from 2025.

**The share price has corrected since April** on general stock market weakness and the –13% correction in oil price (Brent). We expect upside catalysts from 1) the official announcement of the rig acquisition and/or 2) the final investment decision for Block B.

**We reiterate BUY with target price of VND 38,259 per share**, equivalent to a 2024E PB multiple of 1.7x. Our 2024 PATMI forecast of VND1.239tn (+114% YoY) reflects our positive assumption for a recovery in drilling-related business operations.

**ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES ARE LOCATED IN APPENDIX A.**

Yuanta does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

---

## Appendix A: Important Disclosures

### Analyst Certification

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.

### Ratings Definitions

**BUY:** We have a positive outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors add to their position.

**HOLD–Outperform:** In our view, the stock's fundamentals are relatively more attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

**HOLD–Underperform:** In our view, the stock's fundamentals are relatively less attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

**SELL:** We have a negative outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors reduce their position.

**Under Review:** We actively follow the company, although our estimates, rating and target price are under review.

**Restricted:** The rating and target price have been suspended temporarily to comply with applicable regulations and/or Yuanta policies.

Note: Yuanta research coverage with a Target Price is based on an investment period of 12 months. Greater China Discovery Series coverage does not have a formal 12 month Target Price and the recommendation is based on an investment period specified by the analyst in the report.

### Global Disclaimer

© 2019 Yuanta. All rights reserved. The information in this report has been compiled from sources we believe to be reliable, but we do not hold ourselves responsible for its completeness or accuracy. It is not an offer to sell or solicitation of an offer to buy any securities. All opinions and estimates included in this report constitute our judgment as of this date and are subject to change without notice.

This report provides general information only. Neither the information nor any opinion expressed herein constitutes an offer or invitation to make an offer to buy or sell securities or other investments. This material is prepared for general circulation to clients and is not intended to provide tailored investment advice and does not take into account the individual financial situation and objectives of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities, investments or investment strategies discussed or recommended in this report. The information contained in this report has been compiled from sources believed to be reliable but no representation or warranty, express or implied, is made as to its accuracy, completeness or correctness. This report is not (and should not be construed as) a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on such business in that jurisdiction.

Yuanta research is distributed in the United States only to Major U.S. Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended and SEC staff interpretations thereof). All transactions by a US person in the securities mentioned in this report must be effected through a registered broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended. Yuanta research is distributed in Taiwan by Yuanta Securities Investment Consulting. Yuanta research is distributed in Hong Kong by Yuanta Securities (Hong Kong) Co. Limited, which is licensed in Hong Kong by the Securities and Futures Commission for regulated activities, including Type 4 regulated activity (advising on securities). In Hong Kong, this research report may not be redistributed, retransmitted or disclosed, in whole or in part or and any form or manner, without the express written consent of Yuanta Securities (Hong Kong) Co. Limited.

Taiwan persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research  
Yuanta Securities Investment Consulting  
4F, 225,  
Section 3 Nanking East Road, Taipei 104  
Taiwan

Hong Kong persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research  
Yuanta Securities (Hong Kong) Co. Ltd  
23/F, Tower 1, Admiralty Centre  
18 Harcourt Road,  
Hong Kong

Korean persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

---

Head Office  
Yuanta Securities Building  
Euljiro 76 Jung-gu  
Seoul, Korea 100-845  
Tel: +822 3770 3454

Indonesia persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research  
PT YUANTA SECURITIES INDONESIA  
(A member of the Yuanta Group)  
Equity Tower, 10th Floor Unit EFGH  
SCBD Lot 9  
Jl. Jend. Sudirman Kav. 52-53  
Tel: (6221) - 5153608 (General)

Thailand persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Research department  
Yuanta Securities (Thailand)  
127 Gaysorn Tower, 16th floor  
Ratchadamri Road, Pathumwan  
Bangkok 10330

Vietnam persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Research department  
Yuanta Securities (Vietnam)  
4th Floor, Saigon Centre  
Tower 1, 65 Le Loi Boulevard,  
Ben Nghe Ward, District 1,  
HCMC, Vietnam

---

# YUANTA SECURITIES NETWORK



## YUANTA SECURITIES VIETNAM OFFICE

**Head office:** 4<sup>th</sup> Floor, Saigon Centre, Tower 1, 65 Le Loi Boulevard, Ben Nghe Ward, District 1, HCMC, Vietnam

### Institutional Research

## YUANTA SECURITIES VIETNAM OFFICE

**Head office:** 4<sup>th</sup> Floor, Saigon Centre, Tower 1, 65 Le Loi Boulevard, Ben Nghe Ward, District 1, HCMC, Vietnam

### Institutional Research

**Matthew Smith, CFA**

Head of Research

Tel: +84 28 3622 6868 (ext. 3815)

[matthew.smith@yuanta.com.vn](mailto:matthew.smith@yuanta.com.vn)

**Tam Nguyen**

Analyst (Property)

Tel: +84 28 3622 6868 (ext. 3874)

[tam.nguyen@yuanta.com.vn](mailto:tam.nguyen@yuanta.com.vn)

**Di Luu**

Assistant Analyst

Tel: +84 28 3622 6868 (ext. 3845)

[di.luu@yuanta.com.vn](mailto:di.luu@yuanta.com.vn)

**Binh Truong**

Deputy Head of Research (O&G, Energy)

Tel: +84 28 3622 6868 (3845)

[binh.truong@yuanta.com.vn](mailto:binh.truong@yuanta.com.vn)

**Tanh Tran**

Analyst (Banks)

Tel: +84 28 3622 6868 (ext.3874)

[tanh.tran@yuanta.com.vn](mailto:tanh.tran@yuanta.com.vn)

**An Nguyen**

Assistant Analyst

Tel: +84 28 3622 6868 (ext. 3845)

[an.nguyen@yuanta.com.vn](mailto:an.nguyen@yuanta.com.vn)

### Institutional Sales

**Lawrence Heavey**

Head of Institutional Sales

Tel: +84 28 3622 6868 (ext. 3835)

[lawrence.heavey@yuanta.com.vn](mailto:lawrence.heavey@yuanta.com.vn)

**Hien Le**

Sales Trader

[hien.le@yuanta.com.vn](mailto:hien.le@yuanta.com.vn)

**Dat Bui**

Sales Trader

[dat.bui@yuanta.com.vn](mailto:dat.bui@yuanta.com.vn)

**Tuan-Anh Nguyen**

Sales Trader

Tel: +84 28 3622 6868 (ext. 3909)

[anh.nguyen2@yuanta.com.vn](mailto:anh.nguyen2@yuanta.com.vn)

**Vi Truong**

Sales Trader

[vi.truong@yuanta.com.vn](mailto:vi.truong@yuanta.com.vn)