PETROVIETNAM TECHNICAL SERVICES CORP. (HNX: PVS)

As the cycle returns, earnings take off

Unit: VND bn	Q2-FY26	Q1-FY26	+/- (qoq)	Q2-FY25	+/- (yoy)
Net sales	8,589	8,701	-1.3%	7,383	16.3%
NPAT-MI	525	416	26.4%	361	45.6%
EBIT	-84	234	N.a	22	N.a
EBIT margin	-1.0%	2.7%	-367bps	0.3%	-128bps

Source: PVS, RongViet Securities

1H2026: M&C maintains growth momentum, earnings supported by compensation income

- PVS reported consolidated revenue of VND 17.29 tn and NPAT-MI of VND 941 bn in 1H2026, supported by increased M&C workloads at major projects, including Block B – O Mon, Golden Camel, and White Lion Phase 2B.
- Operating performance continued to improve, with gross margins of 9.9% in Q1 and 7.0% in Q2/2026. The M&C segment maintained healthy margins as several major projects entered their peak construction phases.
- 1H2026 earnings were significantly supported by nearly VND 460 bn in compensation income from a customer, recognized in Q2. Meanwhile, PVS continued to maintain a prudent policy for construction warranty provisions, providing room for future provision reversals as projects are completed and finalized.

2026–2027 Outlook: Strong growth driven by M&C and FSO

- We expect PVS to achieve revenue and core NPAT-MI CAGRs of 23% and 15%, respectively, during 2026–2027. The M&C segment will remain the key growth driver, contributing approximately 70% of total revenue, supported by ongoing execution of Block B – O Mon, White Lion Phase 2B, and international offshore wind projects.
- The FSO/FPSO segment is expected to become a key earnings growth driver, supported by two new projects: FSO Golden Camel (operations starting in Q4/2026) and FSO Block B (expected in Q3/2027). These projects will expand PVS's leased asset portfolio, strengthen long-term cash flows, and improve earnings quality.
- For FY2026, we forecast PVS's net revenue and NPAT-MI at VND 40.87 tn (+26% YoY) and VND 2.52 tn (+38% YoY), respectively, translating into EPS of VND 4,918/share.

Valuation & Recommendation

We expect PVS is entering a new growth cycle, supported by a strong project backlog, expanding opportunities in renewable energy, and increasing contributions from the FSO/FPSO segment.

*Using a 50:50 blend of DCF and EV/EBITDA valuation methods, we derive a 12-month target price of **VND 45,000/share**, up 21% from our May 2026 valuation. This increase reflects (1) a 60-bps upward revision in our forecast average M&C gross margin, from 3.9% to 4.5%, and (2) a 20% increase in our projected M&C backlog for 2026–2030, driven by new construction contracts.*

*Including an expected cash dividend of VND 700/share over the next 12 months, the total expected return reaches **44%**, based on the closing price on October 19, 2026.*

*We recommend **BUY** for PVS.*

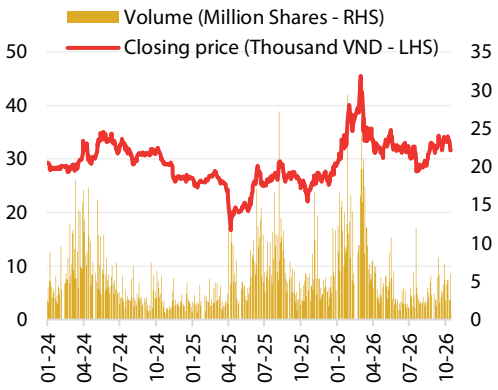
***Investment risk:** Project delays could result in weaker-than-expected earnings.*

BUY	**+44%**
Market price (VND)	31,800
Target price (VND)	45,000
Expected cash dividend (next 12M)	*VND 700*

Stock Info	
Sector	Oil & Gas
Market Cap (VND Bn)	19,393
Shares O/S (Mn)	614
3M Avg Volume (K)	3,336
Free Float (%)	50.0
52 weeks high	45,500
52 weeks low	21,900

	FY2026	Current
EPS	4,101	4,118
EPS growth (%)	15.2	55.5
P/E	8.1	9.7
P/B	1.2	1.3
EV/EBITDA	6.5	7.7
ROE (%)	14.4	12.8

Stock price movement



Major shareholders (%)	
PVN	51.4
Others	48.6
Remaining Foreign Room (%)	33.3

Oil & Gas Sector Research Department

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Q2/2026 Earnings: Core operations remain strong, supported by compensation income

In **Q2/2026**, PVS reported **consolidated revenue of nearly VND 8.6 tn (+16% YoY)** and **NPAT-MI of approximately VND 525 bn (+46% YoY)**. Growth was mainly driven by the M&C segment, as major projects such as Block B – O Mon, Golden Camel, and White Lion Phase 2B entered their peak construction phases. Revenue was 14% below our forecast, while NPAT-MI exceeded our estimate by 34%, supported by healthy margins and significant other income during the quarter.

Gross margins remained healthy. The consolidated gross margin reached 7.0%, up from 6.0% a year earlier. The M&C segment recorded a gross margin of 3.4%, compared with 3.6% in Q2/2025 and a high base of 9.1% in Q1/2026. We believe these fluctuations mainly reflect differences in project acceptance and revenue recognition timing. With Baltica 2, Fengmiao, and Golden Camel approaching completion and handover, we expect M&C margins to remain healthy in 2H2026. Meanwhile, margins in the ROV, port base, and O&M segments also improved YoY.

Customer compensation made a significant contribution to quarterly earnings. PVS recognized nearly VND 460 bn in compensation income, bringing net other income to VND 460 bn, compared with VND 3 bn in Q2/2025 and negative VND 3 bn in Q1/2026. This income accounted for 61% of Q2 PBT, significantly supporting earnings growth.

SG&A expenses increased mainly due to higher personnel costs, pushing the SG&A-to-revenue ratio to 8.0%, compared with 5.7% in Q2/2025 and 7.2% in Q1/2026. Personnel expenses rose 2.6x YoY, reflecting higher staffing needs as M&C workloads increased.

PVS maintained a prudent policy on construction warranty provisions. In Q2/2026, the company recorded VND 207 bn in additional provisions and reversed VND 147 bn in long-term provisions, mainly related to Block B – O Mon, Golden Camel, Baltica 2, Formosa 4, Gallaf 3, and SHWE 3, bringing total provision balances to VND 3.36 tn. In addition, PVS recorded VND 132 bn in short-term construction warranty provisions, classified under selling expenses in accordance with Circular 99/2025/TT-BTC.

Overall, **PVS's core operations remained strong**, although Q2 earnings growth was significantly supported by customer compensation.

In **1H2026**, PVS achieved **52% of its full-year revenue target and exceeded its annual NPAT target**. The company also completed 44% of our revenue forecast and 42% of our NPAT-MI forecast, leaving room for further growth in 2H2026.

Table 1: PVS Q2/2026 Financial Results (VND bn)

VND bn	Q2-FY26	Q1-FY26	+/- (qoq)	Q2-FY25	+/- (yoy)	6M2026	6M2025	+/- (yoy)	% Target	% VDSC Forecast
Net revenue	**8,589**	**8,701**	**-1%**	**7,383**	**16%**	**17,290**	**7,383**	**134%**	**52%**	**42%**
M&C	4,580	5,911	-23%	4,782	-4%	10,491	4,782	119%		
FSO/FPSO	674	695	-3%	652	3%	1,369	652	110%		
O&M	1,398	705	98%	658	112%	2,103	658	219%		
Marine Service	892	640	39%	444	101%	1,532	444	245%		
Port and Supply base	710	454	56%	592	20%	1,164	592	96%		
ROV	93	45	108%	153	-39%	137	153	-10%		
COGS	7,989	7,844	2%	6,942	15%	15,833	6,942	128%		
Gross profit	**600**	**857**	**-30%**	**441**	**36%**	**1,457**	**441**	**230%**		
M&C	155	538	-71%	170	-9%	693	170	307%		
FSO/FPSO	27	44	-38%	37	-27%	70	37	92%		
O&M	92	23	301%	18	400%	115	18	525%		
Marine Service	138	109	27%	69	100%	247	69	258%		
Port and Supply base	121	117	4%	93	30%	238	93	156%		
ROV	42	1	6108%	23	82%	43	23	85%		
SG&A expenses	684	623	10%	419	63%	1,307	419	212%		
Operating profit	-84	234	N.a	22	N.a	150	22	591%		
Financial income	185	215	-14%	223	-17%	399	223	79%		
Financial expense	-13	72	N.a	25	N.a	59	25	130%		
Gain/(loss) from JVs	183	157	17%	230	-20%	340	230	48%		
Net other income	460	-3	N.a	3	N.a	456	3	N.a		
PBT	756	528	43%	453	67%	1,284	453	184%	101%	38%
PAT	563	435	29%	319	76%	998	319	212%	101%	36%
NPAT - MI	**525**	**416**	**26%**	**361**	**46%**	**941**	**361**	**161%**		**37%**

Source: PVS, RongViet Securities

Q3/2026 Earnings forecast: Positive momentum supported by revenue recognition from key projects

Table 2: PVS's Q3/2026 earnings forecast (VND billion)

VND bn	Q3/2026F	+/-QoQ	+/- YoY	Notes
Net revenue	**10,169**	**18.4%**	**5.6%**	
M&C	7,045	54%	8%	**M&C segment:** Revenue is expected to continue coming from key projects, including Block B – O Mon, Golden Camel, and White Lion Phase 2B. In addition, the Fengmiao project is expected to near completion, while Baltica 2 was completed and delivered during the quarter, supporting M&C revenue in Q3/2026. **Other segments:** Revenue is expected to remain stable YoY.
FSO/FPSO	756	12%	0%	
O&M	1,029	-26%	0%	
Marine Service	415	-54%	0%	
Port and Suppy base	558	-21%	0%	
ROV	367	297%	0%	
COGS	9,384	17%	1%	
Gross profit	**785**	**31%**	**143%**	
M&C	465	201%	1900%	
FSO/FPSO	30	12%	-26%	
O&M	56	-39%	61%	
Marine Service	67	-52%	-17%	
Port and Supply base	114	-6%	27%	
ROV	53	26%	-2%	
SG&A expenses	728	6%	111%	The SG&A-to-revenue ratio is expected to remain at 7.2%, in line with 1H2026 but higher than 3.6% in Q3/2025, mainly due to the reclassification of M&C construction warranty provisions from cost of goods sold (COGS) to selling expenses.
Operating profit	57	168%	349%	
Financial income	364	97%	56%	
Financial expense	37	379%	23%	
Gain/(loss) from JVs	268	46%	25%	
Others income	-2	-100%	86%	
PBT	650	-14%	71%	
PAT	520	-8%	61%	
NPAT - MI	**463**	**-12%**	**43%**	
EBITDA	319	145%	22%	
EBIT	57	168%	349%	

Source: RongViet Securities estimates

Efficient cash conversion cycle supports financial capacity for major projects

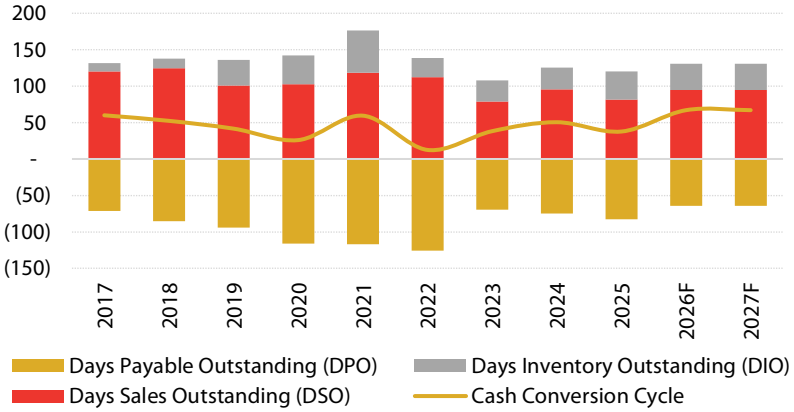
PVS significantly improved its cash conversion cycle (CCC) from an average of over 140 days during 2011–2013 to just 38 days in 2025. However, CCC increased to 69 days in 1H2026, mainly due to slower customer collections and faster payments to suppliers. Nevertheless, we believe this has not placed significant pressure on PVS's liquidity, given its strong cash position and net cash balance, even as several major projects are being executed simultaneously.

- **Days Sales Outstanding (DSO): Increased amid higher construction activity.** DSO rose from 82 days in 2025 to 97 days in 1H2026, reflecting slower collections as the M&C segment continued to expand. We believe receivables collection should be closely monitored in the coming quarters, particularly as major projects enter their peak construction phases.
- **Days Payable Outstanding (DPO): Reduced supplier financing.** DPO declined from 83 days in 2025 to 64 days in 1H2026, widening the gap between collection and payment periods to 33 days, compared with a nearly balanced position in 2025. This has increased working capital requirements, although PVS continues to maintain a strong cash position.

- **Days Inventory Outstanding (DIO): Remained well controlled.** DIO edged down from 38 days in 2025 to 36 days in 1H2026, reflecting effective inventory management despite higher M&C workloads.

Overall, we expect working capital pressure to remain manageable during 2026–2027. We forecast DIO, DSO, and DPO to remain at approximately **36, 95, and 64 days**, respectively, implying a CCC of around **67 days**, close to the 69 days recorded in 1H2026. With its strong cash position, PVS should have sufficient financial flexibility to execute large-scale M&C projects while maintaining stable cash dividends.

Figure 1: PVS's operating efficiency (Days)



Source: PVS, RongViet Securities

Table 3: Operating efficiency ratios of PVS and peers (Days)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Q2/2026
DIO											
PVS	34	29	13	23	34	57	38	25	27	30	25
Average	12	29	16	13	24	23	20	18	16	16	12
Median	10	11	11	13	14	7	8	8	8	8	11
DSO											
PVS	86	85	75	60	69	112	87	66	58	49	40
Average	123	147	133	126	135	94	84	90	90	83	86
Median	115	136	121	109	130	74	75	81	81	79	62
DPO											
PVS	82	92	85	79	93	143	122	86	65	66	50
Average	89	188	95	87	133	116	120	140	142	142	95
Median	74	94	94	90	90	95	103	95	105	99	109

Source: Bloomberg, RongViet Securities

Capital efficiency remains healthy, but one-off items should be excluded

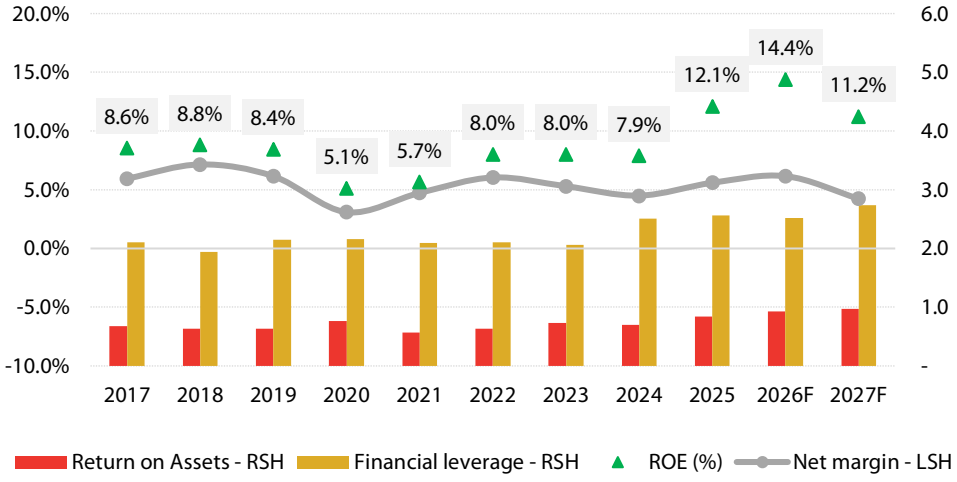
PVS maintained healthy capital efficiency, with **TTM ROE reaching 12.4% in 1H2026**, compared with 12.1% in 2025. DuPont analysis shows that profit margins remained the key driver of ROE, while asset turnover and financial leverage were relatively stable.

- **Net Profit Margin: Significant improvement from previous lows.** Net profit margin increased from 3.1% in 2020 to **5.6% in 2025 and remained at 5.7% in 1H2026**, supported by:
  - **Recovery in the M&C segment:** Despite record-high warranty provisions equivalent to 5.3% of M&C revenue, the segment's gross margin reached a six-year high of 2.7%, supported by major projects such as Block B – O Mon and offshore wind developments.
  - **Cost and tax optimization:** The reversal of VND 247 bn in provisions related to land rental expenses at Sao Mai – Ben Dinh significantly reduced SG&A expenses. Meanwhile, interest income from PVS's large cash balance helped offset borrowing costs, supporting net profit margins.

- **Asset Turnover: Continued improvement.** Asset turnover increased from 0.63x in 2022 to 0.84x in 2025 and 0.85x in 1H2026, reflecting more efficient asset utilization as M&C revenue expanded. We expect this ratio to reach **0.91x in 2026 and 0.95x in 2027**, supported by higher revenue recognition from major projects.
- **Financial Leverage: Remains stable.** PVS's equity multiplier increased from 2.1x in 2023 to 2.6x in 2025 and remained broadly unchanged in 1H2026. This increase was mainly driven by trade payables and short-term provisions rather than interest-bearing debt. We forecast the equity multiplier to rise to **2.73x in 2026 and 2.95x in 2027**, supporting ROE as business operations expand without placing significant pressure on finance costs.

Overall, **we expect PVS to maintain healthy capital efficiency during 2026–2027**, with ROE reaching **15.2% in 2026 and 11.8% in 2027**. However, reported earnings in 2025–2026 were significantly affected by non-recurring income and provision reversals. Excluding these items, **adjusted ROE is estimated at 10.5% in 2025 and 10.3% in 2026**, with adjusted net profit margins of 4.8% and 4.2%, respectively. This suggests that PVS's underlying profitability remains relatively stable, with adjusted ROE holding at around 10%.

Figure 2: DuPont analysis



Source: PVS, RongViet Securities

2026–2027 Outlook: Strong growth supported by M&C backlog and new FSO

We expect PVS to maintain strong growth momentum during 2026–2027, with revenue and core NPAT-MI CAGRs of approximately 22.9% and 14.7% respectively, excluding one-off items.

The M&C segment will remain the key growth driver, contributing approximately **70% of total revenue**, supported by major projects such as Block B – O Mon, White Lion Phase 2B, and international offshore wind developments. As these projects enter their peak construction phases, we expect M&C workloads to remain high, supporting revenue visibility over the medium term.

We expect the FSO/FPSO segment to become a key earnings growth driver, with average annual growth of approximately 29%. PVS plans to commence operations at two major projects: **FSO Golden Camel (Q4/2026)** and **FSO Block B (Q3/2027)**. These projects will significantly expand the company's leased asset portfolio and generate stable, long-term cash flows, improving earnings quality and reducing reliance on the cyclical M&C segment.

Other business segments are expected to grow in line with M&C activities. Services such as O&M, port bases, technical vessels, and geophysical surveys should maintain steady growth, supported by strong activity in offshore oil & gas and energy projects, further strengthening PVS's overall growth outlook.

Updates on PVS's key projects

Major M&C projects continue to progress on schedule, with a steady workflow supported by projects nearing completion and new projects entering the fabrication phase.

- **Block B – O Mon Gas-to-Power project**
  - **EPCI#1** (Central processing platform & Living quarters): Construction of the CPP topside is entering its final phase, with a 120-day peak construction period from August to November 2026. Contract execution is expected to continue through March 2027.

+ **EPCI#2** (Wellhead platforms & Infield pipelines): Fabrication of the wellhead platforms is ongoing, with contract execution expected to continue through April 2027.
+ **Onshore Gas Pipeline**: Construction continues to accelerate. As of July 2026, approximately 17 km of pipeline had been installed, while trench excavation had reached 38 km out of 102 km. Foundation and auxiliary works at the stations are also underway.
+ **FSO Block B**: The PVS–Yinson joint venture is developing the FSO for Block B, with operations expected to begin in Q3/2027, providing a new source of long-term revenue for the FSO/FPSO segment.

- **Lac Da Vang project**
  + **LDV-A Central Processing Platform**: PVS has completed fabrication and offshore installation of the LDV-A platform. The field has commenced production following first oil.
  + **FSO Lac Da Vang**: The FSO, with a storage capacity of over 500,000 barrels, has completed offshore installation and hook-up and officially commenced operations at the Golden Camel field. The vessel is provided and operated by the PTSC–Yinson joint venture.
- **Khanh My – Dam Doi Project (Block 46/13)**: Construction officially commenced on July 28, 2026.
- **Renewable energy projects**
  + **Baltica 2 (Poland)**: PVS completed fabrication, onshore testing, and handover of four offshore substations (OSS) in September 2026, with a combined weight of approximately 16,000 tonnes. The OSS units are being transported to Europe for offshore installation and hook-up.
  + **Fengmiao (Taiwan)**: PVS completed fabrication and transportation of major components, including a topside weighing approximately 3,400 tonnes and jackets and foundation piles totaling around 8,000 tonnes. The components arrived in Taiwan, with offshore installation starting in July 2026 and completion targeted by year-end.
  + **Formosa 4 (Taiwan)**: Fabrication is accelerating, with assembly of major jacket components starting in July–August 2026. PVS expects to deliver the project by the end of 2027.

M&C Backlog Continues to Strengthen. The addition of the **Maydan Mahzam project in Qatar**, with an estimated backlog value of **USD 1.5 bn**, has increased our projected M&C backlog for 2026–2030 to nearly **USD 6.9 bn (+20% versus our previous estimate)**, equivalent to approximately **VND 180 tn in M&C revenue**. PVS is also bidding for the **Nam Du – U Minh project** and other oil & gas EPC contracts, providing further opportunities to expand its medium-term backlog.

Table 4: PVS's forecast M&C contract revenue for 2026–2030

	Project (USD Mn)	Backlog 2026-2030	2025E	2026F	2027F	2028F	2029F	2030F
A+B	**Total**	**6,888**	**857**	**1,229**	**1,369**	**1,396**	**1,529**	**1,365**
A = I +II	**Offshores**	**5,913**	**837**	**1,029**	**1,144**	**1,146**	**1,329**	**1,265**
I	Oil & Gas Projects	2,207	559	**753**	**444**	**246**	**349**	**415**
	Su Tu Trang Phase 2	361	50	155	206			
	Block B - O Mon	558	359	390	168	-	-	
	EPCI#1	254	185	200	54	-	-	
	EPCI#2	135	93	90	45	-	-	
	EPC #3	169	81	100	69			
	Lac Da Vang	108	150	108				
	Ca Voi Xanh	830				166	249	415
	Nam Du - U Minh	180				80	100	
	Khanh My - Dam Doi	170		100	70			
II	Offshore Wind Projects	3,706	**276**	**700**	**900**	**980**	**850**	**276**
	Greater Changhua 2b & 4	0	104					
	Baltica Phase 2	151	50	101				
	Fengmiao	25	50	25				
	Formosa 4	100	25	50	50			
	Maydan Mahzam (Qatar)	1,500			450	600	450	
	Offshore wind power export project	1,200				150	350	700
	Domestic offshore wind projects	400		50	50	50	100	150
	Other projects	380		50	150	100	80	
B	**Onshores**	**975**	**45**	**200**	**225**	**250**	**200**	**100**

Long Phu 1 Thermal power plant	150	25	100	50			
Thi Vai LNG Terminal Phase 2	150	20	50	50	50		
Thi Vai LNG Terminal Phase	300				100	100	100
Son My LNG Terminal	300			100	100	100	
Long Son Ethane Storage Tanks	75		50	25			

Source: RongViet Securities estimates

Offshore Wind Outlook & International Opportunities

PVS is currently involved in projects across three continents: **Asia, Europe, and the Americas**, with the following key activities:

- **Europe:** PVS is fabricating **four offshore wind structures**, with delivery expected in 2027.
- **Taiwan:** PVS is executing **Fengmiao 1** (expected delivery in 2026) and **Formosa 4** (expected delivery in 2027). The company is also preparing to bid for several large-scale offshore wind projects under Taiwan's Round 3.3.

In addition, PVS is exploring offshore wind opportunities in South Korea, Japan, and Australia, where offshore wind capacity targets for 2030 are **14.3 GW, 10 GW, and 25 GW**, respectively.

Updates on FSO/FPSO charter contracts

The FSO/FPSO segment continues to provide stable growth, supported by long-term contracts linked to the production life of oil & gas fields. **We remain positive on the segment's outlook for 2026–2027**, as new, larger-scale projects expand its backlog while existing assets maintain high utilization rates.

- **FSO Golden Camel:** Through its PTSC AP joint venture, PVS secured a 10-year contract (with a 5-year extension option) to provide and operate the FSO. The total contract value is estimated at **USD 400–420 mn**, equivalent to approximately USD 40 mn per year. The FSO will have a storage capacity of around 500,000–600,000 barrels and is expected to commence operations in Q4/2026, supporting FSO revenue growth from 2027 onward.
- **FSO Block B – O Mon:** Through its PTSC SEA joint venture, PVS signed a contract in July 2025 to provide and operate the FSO for the Block B – O Mon project. The contract has a **14-year term with a 9-year extension option**, with an estimated total value of **USD 480–600 mn**. The FSO is designed to store approximately 350,000 barrels of condensate and is expected to commence operations in Q3/2027, generating stable long-term revenue and cash flows.

Existing assets, including **FSO Bien Dong 01 and FPSO Ruby II**, continue to operate steadily, with storage capacities ranging from approximately 350,000 to 600,000 barrels. Their long-term contracts with field operators provide recurring cash flows.

Overall, **we expect PVS's FSO/FPSO segment to remain a stable growth driver**, supported by new, larger-scale projects and high utilization of existing assets. We forecast revenue CAGR of approximately **13% over the next five years**.

Table 5: List of PVS's operating FSOs

No.	FSO	Storage Capacity (kbbl)	Charter Rate (USD/day)	Joint Venture	JV Partner	Ownership (%)	Client	Operating Area
1	FSO Orkid	745	45	Malaysia Vietnam Offshore Terminal	MISC	49%	Repsol Malaysia Limited	Malay Basin
2	FSO Golden Star	778	69	Malaysia Vietnam Offshore Terminal	MISC	49%	Idemitsu Gas Production Vietnam Limited	Nam Con Son Basin
3	FPSO Ruby II	654	92,5	Vietnam Offshore Floating Terminal	MISC	60%	Petronas Carigali Vietnam Limited	Cuu Long Basin
4	FPSO Lam Sơn	350	50	PTSC Asia Pacific Pte Ltd	Yinson	51%	Lam Son Joint Operating Company (LSJOC)	Cuu Long Basin
5	FSO Bien Dong 01	350	41	PTSC South East Asia Pte Ltd	Yinson	51%	Bien Dong POC	Nam Con Son Basin
6	FSO PPS 01*	310	42	Rồng Đôi MV12 Pte Ltd	Modec & Mitsui	33%	Korea National Oil Corporation	Malay – Tho Chu Basin
7	FSO Lac Da Vang	500	114	PTSC Asia Pacific Pte Ltd	Yinson	51%	Bien Dong POC	Cuu Long Basin
8	FSO Block B	350	94	PTSC South East Asia Pte Ltd	Yinson	51%	Phu Quoc POC	Malay – Tho Chu Basin

Source: RongViet Securities

Table 6: PVS's 2026-2027 results forecast

VND bn	2026F	+/- YoY	2027F	+/- YoY	Notes
Net revenue	**40,867**	**25%**	**49,135**	**20%**	
M&C	28,062	30%	33,990	21%	• M&C: Revenue recognition is expected to continue from major projects, including Block B, Golden Camel, White Lion Phase 2B, and offshore wind projects (Table 4). • FSO/FPSO: FSO Golden Camel and FSO Block B are expected to commence operations in Q4/2026 and Q3/2027, respectively. • O&M: Expected to grow in line with M&C and FSO workloads. • Offshore Support Vessels & Port Bases: Expected to grow in line with M&C activities, supported by higher transportation and logistics demand during peak project execution. • ROV: Expected to remain stable.
FSO/FPSO	3,117	12%	4,630	49%	
O&M	3,642	15%	4,188	15%	
Marine Service	2,450	23%	2,573	5%	
Port and Supply base	2,207	11%	2,365	7%	
ROV	1,389	22%	1,389	0%	
COGS	36,912	19.7%	45,871	24%	In 2026, PVS is expected to recognize a VND 683 bn reversal of construction warranty provisions related to the Sao Vang – Dai Nguyet project.
Gross profit	**3,955**	**111%**	**3,264**	**-18%**	
M&C	1,796	224%	1,585	-12%	
FSO/FPSO	187	16%	308	65%	
O&M	266	98%	306	15%	
Marine Service	392	-2%	412	5%	
Port and Supply base	423	6%	461	9%	
ROV	191	-17%	191	0%	
SG&A expenses	2,105	52%	2,530	20%	SG&A-to-revenue ratio is expected to remain flat YoY at 5.2%.
Operating profit	1,851	277%	733	-60%	
Financial income	998	8%	1,065	7%	Mainly includes (1) interest income from bank deposits, assuming an average interest rate of 3% per annum, and (2) foreign exchange gains.
Financial expense	147	15%	171	17%	Mainly include (1) interest expenses and (2) foreign exchange losses.
Gain/(loss) from JVs	875	5%	1,037	18%	Additional contributions from FSO Golden Camel and FSO Block B through the PTSC PA and PTSC SEA joint ventures.
Others income	460	367%	98	-79%	In 2026: PVS is expected to recognize approximately VND 460 bn in compensation income in 2026 following the termination of an offshore wind EPC contract, reportedly related to the Formosa 4 project.
PBT	**3,337**	**55%**	**2,760**	**-17%**	
PAT	**2,747**	**45%**	**2,272**	**-17%**	
NPAT - MI	**2,517**	**38%**	**2,081**	**-17%**	Excluding one-off items in 2026, core NPAT-MI is forecast to grow by 8.4% YoY in 2026 and 21.4% YoY in 2027.

Source: RongViet Securities estimates

VALUATION

LONG-TERM VALUATION USING FCFF METHOD

DCF assumptions	Value	Valuation summary (5 years)	Unit: VND bn
WACC 2025	15.1%	Discountable Free Cash Flow	17,817
Effective rate tax	20.0%	+ Cash & Equiv at Valuation Date	16,379
Cost of equity	14.0%	- Debt	-2,727
Risk-free rate	5.0%	- Minorities Interest	-1,351
Equity risk premium	9.0%	Equity value	30,118
Beta	1.2	No. of shares oustanding (million shares)	613.70
Exit EV/EBITDA	6.0x	**Equity Value per Share (VND)**	**49,026**

Source: RongViet Securities

Table 7: Sensitivity table for PVS's Equity Value per share (VND)

		Exit EV/EBITDA				
		5.00	**5.50**	**6.00**	**6.50**	**7.00**
WACC	13.1%	49,076	50,119	51,161	52,204	53,247
	14.1%	48,514	49,518	50,523	51,527	52,532
	15.1%	47,273	48,241	**49.026**	50,278	51,246
	16.1%	47,453	48,386	49,320	50,253	51,187
	17.1%	46,953	47,853	48,753	49,653	51,454

Source: RongViet Securities

SHORT-TERM VALUATION USING EV/EBITDA COMPARISON METHOD

We use the EV/EBITDA multiple approach to estimate PVS's fair value, applying a target multiple of 6.0x. This is based on the peer median of 6.3x at the end of Q2/2026 and M&A transactions in the oil and gas technical services sector. The valuation reflects PVS's growth potential from an increasing M&C backlog, while taking into account risks related to project execution timelines and profit recognition from major projects.

Table 8: Estimated target price of PVS

			EV/EBITDA				
			5.00	**5.50**	**6.00**	**6.50**	**7.00**
EBITDA	**2026**	**2,092**	37,092	38,796	**41,011**	42,206	43,910
	2027	**1,786**	36,953	38,407	39,862	41,317	42,772

Source: RongViet Securities

Combining two methods in a 50:50 ratio, the target stock price over the next 1 year is 45,000 VND/share, equivalent to a projected 2026 EV/EBITDA of 7.8x.

Investors can rely on our sensitivity analysis table to make investment decisions suitable for their risk appetite.

Method	Weight	Target price (VND/share)
DCF (5 năm, WACC: 15.1%, EV/EBITDA: 6.0x)	50%	49,000
EV/EBITDA (6.0x, EBITDA 2026F = 2,092)	50%	41,000
Total	**100%**	**45,000**

We would like to remind investors that our analysis is based on the assumption that PVS's M&C projects will be executed as scheduled. Any material deviation from this key assumption could significantly affect PVS's operating performance during the forecast period.

APPENDIX

Table 9: PVS's Q2/2026 results

(VND bn)	Q2-FY26	Q1-FY26	+/- (qoq)	Q2-FY25	+/- (yoy)
Net revenue	8,589	8,701	-1%	7,383	16%
Gross profit	600	857	-30%	441	36%
SG&A	684	623	10%	419	63%
Operating profit	-84	234	-136%	22	-490%
EBITDA	130	437	-70%	183	-29%
EBIT	(84)	234	-136%	22	-490%
Financial expense	(13)	72	-118%	25	-152%
Interest expense	20	17	23%	17	18%
D&A	215	203	6%	161	33%
Non-recurring items (*)					
Extraordinary items (*)	460	-3		3	
PBT	756	528	43%	453	67%
PAT	525	416	26%	361	46%
(*) Adjusted PAT	158	418	-62%	358	-56%

Source: PVS, RongViet Securities

Table 10: PVS's Q2/2026

Business analysis	Q2-FY26	Q1-FY26	*+/- (qoq)*	Q2-FY25	*+/- (yoy)*
Profitability (%)					
Gross margin	7.0%	9.9%	-286bps	6.0%	101bps
EBITDA margin	1.5%	5.0%	-350bps	2.5%	-96bps
EBIT margin	-1.0%	2.7%	-367bps	0.3%	-128bps
Net margin	6.1%	4.8%	134bps	4.9%	123bps
Adjusted net margin					
Turnover* (x)					
- Inventories	10.0	9.9	0.1	16.2	-6.2
- Receivables	3,7	4.2	-0.6	4.9	-1.2
- Payables	1.9	2.0	-0.1	2.2	-0.3
Leverage (%)					
Total Debt/Equity	118.6%	110.2%	837bps	97.9%	2.071bps

Source: PVS, RongViet Securities

VND bn

PL	2024A	2025A	2026F	2027F
Revenue	**23,770**	**32,556**	**40,867**	**49,135**
COGS	22,705	30,747	37,612	45,873
Gross profit	**1,065**	**1,809**	**3,255**	**3,262**
SG&A expenses	1,330	1,385	2,105	2,530
Financial income	569	927	998	1,065
Financial expense	217	128	147	171
Other income/loss	603	98	460	98
Gain/(loss) from JVs	864	834	875	1.037
PBT	**1,553**	**2,156**	**3,337**	**2,760**
Tax expense	299	257	590	488
Minority interests	185	79	231	191
PAT	**1,070**	**1,821**	**2,517**	**2,081**
EBIT	-265	424	1,151	731
EBITDA	336	1,214	2,092	1,786

%

FINANCIAL RATIOS	2024A	2025A	2026F	2027F
Growth (%)				
Revenue	22.7	37.0	25.5	20.2
Operating profit	-29.9	261.0	72.4	-14.7
EBITDA	-29.9	261.0	72.4	-14.7
PAT	4.2	70.2	38.2	-17.3
Total assets	29.1	13.4	14.2	15.2
Total equity	5.7	10.7	16.2	6.0
Profitability (%)				
Gross margin	4.5	5.6	8.0	6.6
EBITDA margin	1.4	3.7	5.1	3.6
EBIT margin	-1.1	1.3	2.8	1.5
Net margin	4.5	5.6	6.2	4.2
ROA	3.1	4.7	5.7	4.1
ROE	7.9	12.1	14.4	11.2
Efficiency				
Receivables turnover	3.8	4.5	3.8	3.8
Inventories turnover	12.4	9.5	10.1	10.1
Payables turnover	4.9	4.4	5.7	5.7
Liquidity				
Current	4.3	3.8	3.9	3.6
Quick	4.0	3.3	3.5	3.2
Finance Structure (%)				
Total debt/equity	12.2	6.4	15.6	19.1
ST debt/equity	6.4	1.3	8.2	11.4
LT debt/equity	5.8	5.2	7.4	7.7

VND bn

BALANCE SHEET	2024A	2025A	2026F	2027F
Cash and cash equivalents	11,422	11,585	12,104	14,553
Short-term investments	3,886	4,275	4,275	4,275
Accounts receivable	6,244	7,303	10,637	12,789
Inventories	1,830	3,234	3,710	4,525
Other current assets	500	621	722	869
Property, plant & equipment	4,046	5,394	6,399	7,292
Acquired intangible assets	62	72	72	72
Long-term investments	4,730	4,801	4,874	4,874
Other non current assets	1,287	1,281	1,254	1,508
Total assets	**34,007**	**38,566**	**44,047**	**50,755**
Accounts payable	4,654	6,957	6,595	8,044
Short-term borrowings	869	189	1,431	2,120
Long-term borrowings	8,415	9,189	9,919	11,926
Other non-current liabilities	790	777	1,296	1,417
Other non-current liabilities	4,609	5,245	5,983	7,193
Total liabilities	**19337**	**22,357**	**25,224**	**30,700**
Owner's capital	4,819	5,114	6,137	6,137
Treasury stock (enter as -)	0	0	0	0
Retained earnings	4,082	4,927	6.346	7,388
Other equity accounts	4,707	4,981	4,988	4,988
Total equity	**13,569**	**15,023**	**17,472**	**18,513**
Minority Interest	1,171	1,186	1,351	1,541

VALUATION RATIO	2024A	2025A	2026F	2027F
EPS (VND)	2,238	3,560	4,918	4,047
P/E (x)	27.8	13.4	6.8	8.2
BV (VND)	28,388	29,389	19,272	19,731
P/B (x)	1.1	1.1	1.7	1.7

VALUATION MODEL	Price	Contribution	Average
FCFF	49,000	50%	
EV/EBITDA	41,000	50%	
Target price (VND)		**100%**	**45,000**

VALUATION HISTORY	PRICE	RECOMMENDATION	TIME
04/2025	31,600	BUY	1 year
07/2025	32,100	ACCUMULATE	1 year
10/2025	34,250	BUY	1 year
05/2026	40,600	BUY	1 year
10/2026	45,000	BUY	1 year

VALUATION UPDATE

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report. we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information. investors may contact the assigned analyst or our client support department.

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Ratings	BUY	ACCUMULATE	HOLD	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-5% to 5%	-20% to -5%	<-20%

In some cases, we do not provide specific buy/sell recommendations but instead offer a few reference valuations to give investors additional insights, categorized under the recommendation of **OBSERVE**

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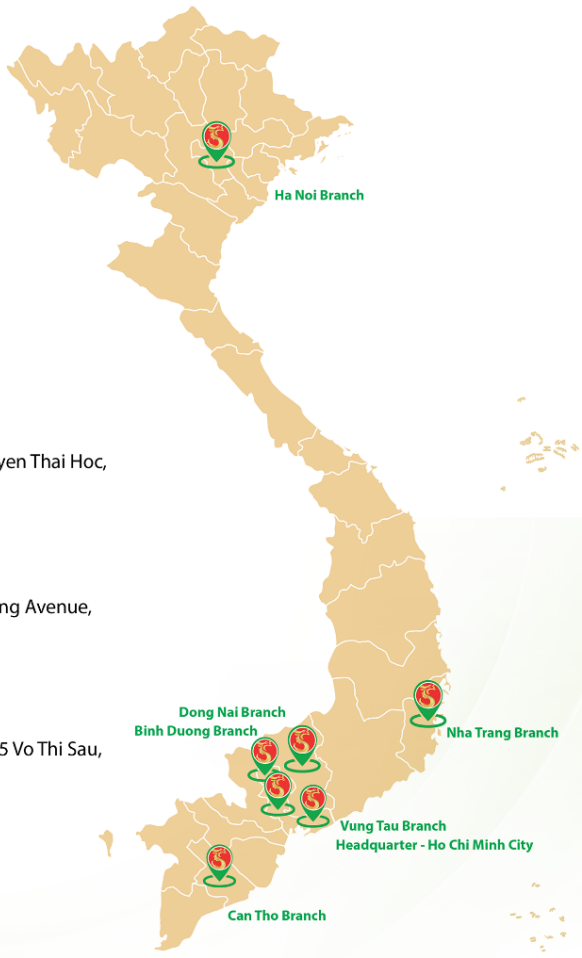
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