

5 Sep 2022

# PV Drilling (PVD)

## AM Briefing: Bright prospects in 2023F

On August 31st, PVD made an AM presentation briefing for the 1H22 business results and their 2023F prospects.

### Higher jack-up day rates will lead earnings back in 2H22F

- PVD posted 1H22 results with VND2.7tn revenue (+60.9% yoy), and VND116bn loss (vs a loss of VND98bn in 1H21) since old drilling contracts were already signed in 2021 with low Jack-up (JU) day rates.
- The South East Asia drilling market started to warm and jack-up day rate improved significantly in late 2Q22 due to high oil prices. PVD expects the better JU day rate to improve its earnings from 3Q22F onward.
- For 2023F, PVD is joining bidding for drilling programs in Thailand and Indonesia with an expected JU day rate of about USD90,000.

### Full jobs with better prices for rigs

- PVD I had a drilling contract with Vietsovpetro (VSP) until the end of 2022 with a low JU day rate and will renew the contract in 2023F with a higher rate.
- PVD II is drilling for Premier Oil in Indonesia with a JU day rate of over USD70,000.
- PVD III continues the 2-year contract with Repsol in Malaysia with an average JU day rate.
- PVD VI starts the drilling program for Premier Oil Vietnam (POVO) in September with a JU day rate of above USD70,000.
- PVD V (TAD) was put into operation with an expected 6-year drilling program for Shell in Brunei (BSP) at nearly USD90,000/day.
- Land rig continues to work for GPRS with USD25,000/day in Algeria.
- Renting-rig is drilling for Idenmitsu in Sao Vang Dai Nguyet basin.

	2017A	2018A	2019A	2020A	2021A
Sales (VND bn)	3,891	5,500	4,368	5,229	3,995
chg. (% YoY)	(27.4)	41.4	(20.6)	19.7	(23.6)
Operating profit (VND bn)	(396)	100	37	1	(27)
Net profit (VND bn)	45	197	184	186	20
EPS (VND)	1,916	395	614	(4,153)	685
chg. (% YoY)	467.3	(79.4)	55.3	(776.7)	(116.5)
EBITDA (VND bn)	393	708	627	489	507
PE (x)	10.5	51.1	32.9	(4.9)	29.5
EV/EBITDA (x)	0.6	1.6	2.6	2.6	2.6
PB (x)	0.6	0.6	0.6	0.6	0.6
ROE (%)	0.3	1.3	1.2	1.3	0.3
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

12M rating **Non-rated**

12M TP **N.A**

Up/Downside **N.A**

### Stock Data

VNIndex (05 Sep, pt)	1,281
Stock price (05 Sep, VND)	20,200
Market cap (USD mn)	479
Shares outstanding (mn)	556
52-Week high/low (VND)	30,266/13,637
6M avg. daily turnover (USD mn)	7.91
Free float / Foreign ownership (%)	49.5/8.9
Major shareholders (%)	
Vietnam Oil and Gas Group	50.41

### Performance

	1M	6M	12M
Absolute (%)	19.9 (24.0)	38.9	
Relative to VNIndex (%p)	17.6 (9.9)	41.4	

### Stock price trend



Source: Bloomberg

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