

**BUY [+22%]**

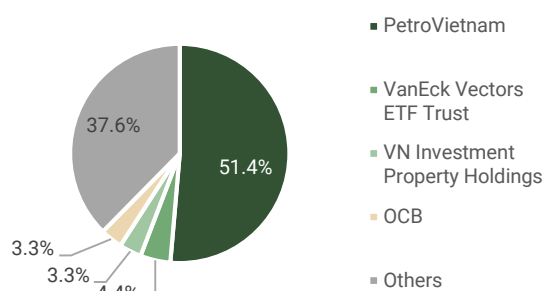
Updated: 15/05/2023

Fair price 31,400 VND  
Current price 25,700 VND

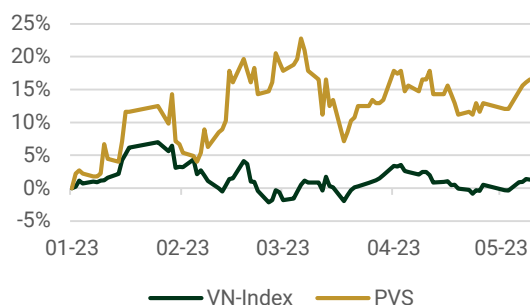
**STOCK INFORMATION**

Outstanding shares (mil) 323.7  
Free float (mil) 162  
Market cap. (billion VND) 6,230  
3m avg. volume (shares) 3.7 million  
Foreign ownership (%) 13.07%  
First listing date 27/11/2017

**MAJOR SHAREHOLDERS**



**PRICE MOVEMENT COMPARED TO THE INDEX**



**HISTORICAL VALUATION**



## The upstream segment to become vibrant thanks to high oil price

**Company profile:** PetroVietnam Technical Services Corporation (PTSC or PVS) is a member of the Vietnam Oil and Gas Group. PVS was established in 1976 and has now become the leading corporation in the field of providing oil and gas technical, industrial services in Vietnam, as well as a prestigious name in region. PVS has been listed and traded on the Hanoi Stock Exchange since September 20th 2007.

**Forecast:** We expect the company's net revenue to reach VND 16.3 trillion (-1% YoY) in 2023 with large-scale backlog projects such as Gallaf Batch 3, Shwe Phase 3 and Hai Long wind power project components. being deployed with good progress (about 50%) this year, at the same time, PVS can bid for many new projects, especially Block B - O Mon. Likewise, NPAT could be VND939 billion (-1% YoY). Thus, operating efficiency should be solidified when Gross profit margin and Net profit margin can be retained at 6% thanks to more stable prices of raw materials and fuel this year.

**Investment highlights:** (1) As a most prestigious name in technical services for O&G and other industries in Vietnam, PVS has secured a huge backlog of many significant projects, including oversea ones. The outstanding works could facilitate the its growth in many years.

(2) In current favorable condition of market and as a member of PVN, we expect the company would be able to achieve more important offshore projects in near term, particularly, the upstream components of Block B - O Mon, adding up to over USD8bn of total investment amount.

(3) Moreover, PVS is also heading towards offshore wind power development to capture the crucial green transition in next decades. The company has been realizing the objective by join MOU with major partners from Denmark to Singapore.

**Valuation & recommendation:** Using P/E Multiple methods, we derive the fair price of VND31,400 per share. Thus, our recommendation is BUY with a potential upside of 22%. This valuation has taken into account the Block B - O Mon project, which is expected to be deployed in 2024 and come into operation from 2026.

**Investment risks:** (1) The adverse fluctuation in fuel prices; (2) The recession risks come to forefront

Financial Indicators	2018A	2019A	2020A	2021A	2022A	2023F
Net revenue (billion VND)	14,638	16,789	20,180	14,198	16,373	16,281
Net Profit (billion VND)	573	996	710	677	944	939
EPS (VND)	2,191	2,161	1,306	1,258	1,849	1,868
EPS Growth (%)	-3%	-1%	-40%	-4%	47%	1%
Book Value (VND)	26,499	27,054	26,873	26,141	27,008	27,675
P/E	12.74	12.87	30.38	29.82	16.08	16.81
P/B	1.05	1.01	1.02	1.05	1.03	1.16
Cash dividend (VND)	1,000	700	1,000	1,000	800	1,200