

Vietnam

HOLD (previously ADD)

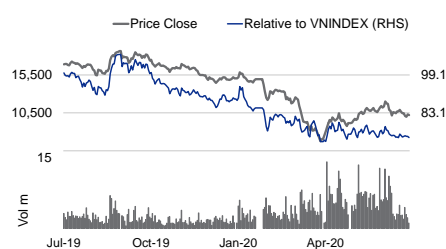
Consensus ratings*: Buy 5 Hold 4 Sell 0

| | |
|-------------------------|---------------|
| Current price: | VND10,200 |
| Target price: | VND11,700 |
| Previous target: | VND13,900 |
| Up/downside: | 14.7% |
| CGS-CIMB / Consensus: | -1.6% |
| Reuters: | PVD.HM |
| Bloomberg: | PVD VN |
| Market cap: | US\$185.1m |
| | VND4,295,524m |
| Average daily turnover: | US\$2.55m |
| | VND58,803m |
| Current shares o/s: | 421.5m |
| Free float: | 34.0% |

*Source: Bloomberg

Key changes in this note

- FY20F EPS forecast decreased by 52.4%.
- FY21F EPS forecast decreased by 25.1%.



Source: Bloomberg

| Price performance | 1M | 3M | 12M |
|-------------------|------|------|-------|
| Absolute (%) | -8.9 | 44.7 | -40.6 |
| Relative (%) | -5.2 | 20.9 | -28.2 |

| Major shareholders | % held |
|--------------------|--------|
| PetroVietnam Group | 50.4 |
| Others | 49.6 |

Analyst(s)

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PetroVietnam Drilling & Well Services JSC

Starting to feel the pain of Covid-19

- We cut our FY20-21F EPS forecasts by 25-52% to take into account the delays in the company's drilling contracts in 2H20-2021F.
- Downgrade to Hold, with a lower TP of VND11,700.

Delays in 2H20F drilling schedule due to Covid-19

At its recent annual general meeting, PetroVietnam Drilling & Well Services' (PVD) management said that some of its Malaysia customers have decided to delay their 2H20F contracts to FY21F, as a result of low oil prices and Covid-19 restrictions. Specifically, PVD II's contract with Petronas would end by Jul 20 instead of Dec 20, and PVD III's contract with Repsol from Oct-Dec 20 would be delayed until FY21. In addition, PVD III's contract with Kris Energy in Cambodia (slated to start from Jun 20) would be put off until Aug 20, and PVD 11's contract at Algeria would be postponed until the pandemic subsides (the company expects this rig to start operation in 4Q20F at the earliest). Fortunately the remaining rigs, PVD I and PVD VI, will still be in operation until year-end.

We expect the deep-water rig to resume operations from Jul 2021

According to PVD, the start date of the tender-assist drilling (TAD) rig's contract could be pushed back by three months to Jul 2021, pending further negotiation between the two contract parties. Although the contract is still nine months away and a decision has not been made, we cautiously assume that this rig will start operations later than Jul 2021, as the reactivation process might face delays due to Covid-19 restrictions. Even at a 50% utilisation rate, we expect the TAD contract to generate lower losses in FY21F (vs. the cold-stacked 2017-19 period) and start contributing US\$6m-7m (or 18%) to total gross profit from FY22F onwards.

We cut FY20-21F EPS forecasts by 25-52%

We think it is hard for PVD to find new contracts to fill the gap left by the job delays, given that regional developers are still in the process of cutting budgets for FY20F. Therefore, we assume a 76% jack-up utilisation rate for FY20F, based on the most updated drilling schedule (Fig. 1). We also adjust the start date of PVD 11 and the TAD rig as stated above. This led to a 25-52% downward revision in our FY20-21F EPS forecasts.

Downgrade to Hold, with a lower TP of VND11,700

We expect slower growth in the drilling market due to the effects of Covid-19 on long-term oil prices; we reduce our terminal growth rate assumption from 1.2% to 0.5%. We cut our TP to VND11,700 on lower FY20-22F EPS forecasts and long-term growth. Our TP is based on an equal weighting of DCF and target FY20-22F P/BV of 0.4x. Upside risks are faster-than-expected debt collection and stronger recovery of the drilling sector. Downside risks include low oil prices, which could dampen recovery in E&P activities.

Financial Summary

| | Dec-18A | Dec-19A | Dec-20F | Dec-21F | Dec-22F |
|--------------------------------|---------|---------|---------|---------|---------|
| Revenue (US\$m) | 239.2 | 188.5 | 205.1 | 202.3 | 235.9 |
| Operating EBITDA (US\$m) | 30.79 | 27.06 | 22.13 | 25.55 | 41.20 |
| Net Profit (US\$m) | 8.60 | 7.96 | 5.26 | 8.90 | 18.86 |
| Core EPS (US\$) | 0.020 | 0.019 | 0.012 | 0.021 | 0.045 |
| Core EPS Growth | 331% | (7%) | (34%) | 69% | 112% |
| FD Core P/E (x) | 21.54 | 23.28 | 35.25 | 20.82 | 9.82 |
| DPS (US\$) | 0.000 | 0.000 | - | - | - |
| Dividend Yield | 0.072% | 0.065% | 0.000% | 0.000% | 0.000% |
| EV/EBITDA (x) | 6.22 | 6.88 | 9.13 | 7.43 | 4.46 |
| P/FCFE (x) | 10.14 | NA | NA | 5.78 | NA |
| Net Gearing | 4.06% | 5.93% | 8.78% | 6.31% | 4.81% |
| P/BV (x) | 0.32 | 0.31 | 0.33 | 0.33 | 0.35 |
| ROE | 1.47% | 1.35% | 0.91% | 1.60% | 3.46% |
| % Change In Core EPS Estimates | | | (52.4%) | (25.1%) | (0.2%) |
| CGS-CIMB/Consensus EPS (x) | | | 0.96 | 1.11 | 1.09 |

SOURCES: VND RESEARCH, COMPANY REPORTS

Starting to feel the pain of Covid-19

Several drilling contracts in 2H20F have been delayed due to Covid-19 restrictions ➤

Figure 1: PVD's new drilling schedule

| Rig fleet | 4Q19 | 1Q20 | 2Q20F | 3Q20F | 4Q20F | 1Q21F | 2Q21F | 3Q21F | 4Q21F |
|-------------|------|--|-------------------|---------|-------|-------|-------|--------------|-------|
| PVD I | | Petronas | Hibiscus Malaysia | | | | | | |
| PVD II | | Petronas | | | | | | | |
| PVD III | | Repsol Malaysia | | KE | | | | | |
| PVD VI | | Sapura | | Rosneft | | | | | |
| TAD | | Reactivating for Shell Brunei contract | | | | | | Shell Brunei | |
| PVD XI | | | | | | GBRS | | | |
| Hakuryu-11* | | Idemitsu | | | | | | | |
| Idun* | | Hoang Long | | JVPC | | | | | |
| Saga* | | | ENI | | | | | | |

Firm contract Potential option

*PVD's leased rigs

SOURCES: VND RESEARCH, COMPANY REPORTS

Earnings revision ➤

Figure 2: Forecast revision

| Unit: US\$m (otherwise noted) | 2020F | | | 2021F | | | 2022F | | |
|---------------------------------|--------|--------|-----------|--------|--------|-----------|--------|--------|-------|
| | Old | New | %Δ | Old | New | %Δ | Old | New | %Δ |
| Brent oil price (US\$/bbl) | 45 | 45 | - | 55 | 55 | - | 57 | 57 | - |
| Average jack-up day rate (US\$) | 65,000 | 65,000 | - | 60,000 | 60,000 | - | 65,000 | 65,000 | - |
| Average TAD day rate (US\$) | NA | NA | NA | 95,000 | 95,000 | - | 95,000 | 95,000 | - |
| Jack-up utilisation rate (%) | 95% | 76% | -19% pts | 80% | 80% | 0% | 90% | 90% | - |
| TAD utilisation rate (%) | 0% | 0% | - | 75% | 50% | -25% pts | 95% | 95% | - |
| Net revenue | 225.6 | 205.1 | -9.1% | 210.9 | 202.3 | -4.1% | 235.9 | 235.9 | 0.0% |
| Trading | 20.8 | 20.8 | - | 21.3 | 21.3 | - | 21.9 | 21.9 | - |
| Drilling | 118.9 | 98.3 | -17.3% | 101.6 | 92.9 | -8.5% | 123.8 | 123.8 | 0.0% |
| Well services | 85.9 | 85.9 | - | 88.0 | 88.0 | - | 90.2 | 90.2 | - |
| Gross profit | 26.3 | 18.1 | -31.0% | 26.2 | 22.2 | -15.3% | 37.5 | 37.5 | 0.0% |
| Gross profit margin | 11.6% | 8.8% | -2.8% pts | 12.4% | 11.0% | -1.4% pts | 15.9% | 15.9% | - |
| SG&A expenses | (14.4) | (12.7) | -11.8% | (15.3) | (14.6) | -4.7% | (19.4) | (19.4) | 0.0% |
| Operating profit | 11.9 | 5.4 | -54.2% | 10.9 | 7.6 | -30.2% | 18.1 | 18.1 | 0.0% |
| Pre-tax profit | 12.9 | 6.1 | -52.4% | 13.9 | 10.4 | -25.1% | 22.1 | 22.1 | -0.2% |
| Net profit | 11.0 | 5.3 | -52.4% | 11.9 | 8.9 | -25.1% | 18.9 | 18.9 | -0.2% |
| EPS | 0.026 | 0.012 | -52.4% | 0.028 | 0.021 | -25.1% | 0.045 | 0.045 | -0.2% |

SOURCES: VND RESEARCH

Downgrade to Hold, with a lower TP of VND11,700 ➔

Figure 3: DCF valuation summary

| US\$m | Dec-18A | Dec-19A | Dec-20F | Dec-21F | Dec-22F | Dec-25F | Dec-30F | Dec-35F | CAGR 20-35F |
|--|-----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-------------|
| Total revenue | 239 | 188 | 205 | 202 | 242 | 280 | 341 | 368 | 4.0% |
| % yoy | 41.4% | -20.6% | 11.8% | 1.1% | 19.5% | 5.0% | 2.9% | 0.9% | |
| COGS & OPEX | (235) | (187) | (200) | (195) | (223) | (250) | (305) | (329) | |
| EBIT | 4 | 2 | 5 | 8 | 19 | 29 | 36 | 39 | 13.9% |
| Operating margin | 1.8% | 0.8% | 2.7% | 3.8% | 7.7% | 10.5% | 10.5% | 10.5% | |
| Effective tax rate | 25.8% | 8.9% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | |
| EBIT * (1-Tax rate) | 3 | 1 | 4 | 6 | 14 | 22 | 27 | 29 | 13.9% |
| + Depreciation & Amortisation | 26 | 25 | 17 | 18 | 24 | 27 | 33 | 36 | |
| % of revenue | 11.1% | 13.5% | 8.1% | 8.9% | 9.8% | 9.8% | 9.8% | 9.8% | |
| - CapEx | (3) | (2) | (29) | (16) | (12) | (14) | (17) | (18) | |
| % of revenue | -1.4% | -1.2% | -14.0% | -8.0% | -5.0% | -5.0% | -5.0% | -5.0% | |
| + Change in Working Capital | (3) | (19) | 9 | 20 | (4) | 1 | 4 | 4 | |
| % of revenue | -1.2% | -9.8% | 4.3% | 9.7% | -1.6% | 0.5% | 1.1% | 1.1% | |
| Interest and other financial activities, net | 6 | 7 | 1 | 3 | 4 | 5 | 6 | 6 | |
| % of revenue | 2.4% | 3.5% | 0.3% | 1.4% | 1.7% | 1.7% | 1.7% | 1.7% | |
| Unlevered free cash flow (UFCF) | 29 | 13 | 2 | 30 | 26 | 41 | 52 | 57 | |

SOURCES: VND RESEARCH

Figure 4: Cost of equity assumptions

| Cost of equity | |
|-----------------------|--------------|
| Risk Free Rate | 4.0% |
| Beta | 1.6 |
| Risk Premium | 11.0% |
| Cost of Equity | 21.6% |

SOURCES: VND RESEARCH

Figure 5: WACC and terminal growth

| US\$m | |
|------------------------------|--------------|
| Equity Value | 302 |
| Debt | 163 |
| Cost of Debt | 6.0% |
| Tax Rate | 25.0% |
| WACC | 15.6% |
| Perpetual Growth Rate | 0.5% |

SOURCES: VND RESEARCH

Figure 6: Blended target price*

| Method | Implied share price (VND) | Weight (%) | Weighted share price (VND) |
|------------------------------|---------------------------|-------------|----------------------------|
| DCF | 10,760 | 50% | 5,380 |
| Target FY20-22F P/BV of 0.4x | 12,579 | 50% | 6,289 |
| Blended price | | 100% | 11,669 |
| Target price | | | 11,700 |

*Assuming USD/VND rate of VND23,500

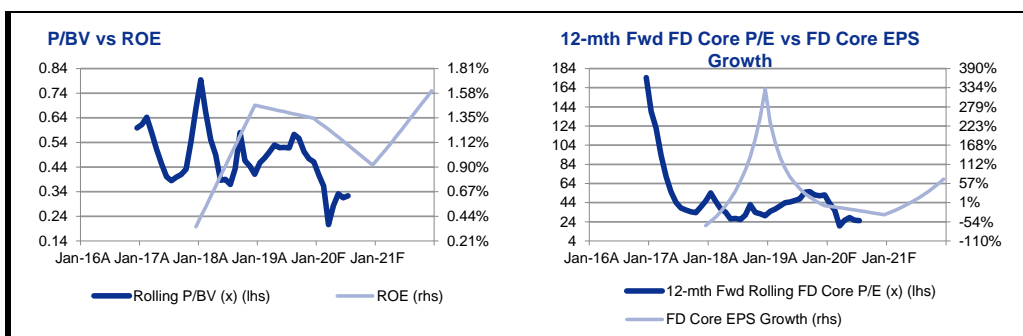
SOURCES: VND RESEARCH

Figure 7: Peer comparison

| Company | Bloomberg Ticker | Recom. | Share Price (local curr) | Target Price (local curr) | Market Cap (US\$m) | P/E (x) | | | 3-year EPS CAGR (%) | P/BV (x) | | | ROE (%) | | | ROA (%) | | |
|--|------------------|-----------|--------------------------|---------------------------|--------------------|-------------|-----------|-----------|---------------------|------------|------------|------------|---------------|---------------|--------------|---------------|--------------|--------------|
| | | | | | | TTM | FY20F | FY21F | | TTM | FY20F | FY21F | TTM | FY20F | FY21F | TTM | FY20F | FY21F |
| Offshore drilling companies | | | | | | | | | | | | | | | | | | |
| PV Drilling | PVD VN | HOLD | 10,200 | 11,700 | 185 | 14.8 | 35.3 | 20.8 | 33.3% | 0.3 | 0.3 | 0.3 | 2.2% | 0.9% | 1.6% | 1.4% | 0.8% | 1.0% |
| Borr Drilling Ltd | BDRILL NO | NOT RATED | 11.00 | NA | 181 | NA | NA | NA | 40.6% | 0.1 | 0.1 | 0.2 | -25.3% | -16.7% | -21.8% | -10.5% | NA | NA |
| Valaris plc | VAL US | NOT RATED | 0.65 | NA | 134 | NA | NA | NA | -54.3% | 0.0 | 0.0 | 0.0 | -42.6% | -32.8% | -19.5% | -21.6% | -16.5% | -8.1% |
| Velesto Energy Bhd | VEB MK | REDUCE | 0.15 | 0.10 | 287 | 17.0 | NA | NA | NA | 0.4 | 0.4 | 0.4 | 2.5% | -1.1% | -0.8% | 1.7% | -0.7% | -0.6% |
| Sapura Energy Bhd | SAPE MK | REDUCE | 0.10 | 0.04 | 373 | NA | NA | NA | -19.3% | 0.2 | 0.2 | 0.2 | -37.9% | -13.3% | -8.0% | -17.5% | -4.8% | -2.4% |
| Transocean | RIG US | NOT RATED | 1.83 | NA | 1,125 | NA | NA | NA | 19.1% | 0.1 | 0.1 | 0.1 | -12.1% | -6.2% | -6.6% | -6.0% | -3.2% | -2.9% |
| Average - Offshore drilling peers | | | | | 480 | 17.0 | NA | NA | -18.2% | 0.2 | 0.2 | 0.2 | -22.5% | -13.3% | -8.7% | -10.9% | -6.3% | -3.5% |

SOURCES: CGS-CIMB RESEARCH, VND RESEARCH, BLOOMBERG (DATA AS AT 02 JUL)

BY THE NUMBERS



Profit & Loss

| (US\$m) | Dec-18A | Dec-19A | Dec-20F | Dec-21F | Dec-22F |
|---|--------------|--------------|--------------|--------------|--------------|
| Total Net Revenues | 239.2 | 188.5 | 205.1 | 202.3 | 235.9 |
| Gross Profit | 17.3 | 19.4 | 18.1 | 22.2 | 37.5 |
| Operating EBITDA | 30.8 | 27.1 | 22.1 | 25.5 | 41.2 |
| Depreciation And Amortisation | (26.5) | (25.5) | (16.7) | (17.9) | (23.1) |
| Operating EBIT | 4.3 | 1.6 | 5.4 | 7.6 | 18.1 |
| Financial Income/(Expense) | (2.9) | (3.3) | (3.2) | (1.4) | (1.3) |
| Pretax Income/(Loss) from Assoc. | 2.6 | 4.8 | 3.1 | 3.0 | 3.5 |
| Non-Operating Income/(Expense) | 6.1 | 5.1 | 0.9 | 1.2 | 1.7 |
| Profit Before Tax (pre-EI) | 10.1 | 8.2 | 6.1 | 10.4 | 22.1 |
| Exceptional Items | | | | | |
| Pre-tax Profit | 10.1 | 8.2 | 6.1 | 10.4 | 22.1 |
| Taxation | (2.6) | (0.7) | (1.5) | (2.6) | (5.5) |
| Exceptional Income - post-tax | | | | | |
| Profit After Tax | 7.5 | 7.4 | 4.6 | 7.8 | 16.5 |
| Minority Interests | 1.1 | 0.5 | 0.6 | 1.1 | 2.3 |
| Preferred Dividends | | | | | |
| FX Gain/(Loss) - post tax | | | | | |
| Other Adjustments - post-tax | | | | | |
| Net Profit | 8.6 | 8.0 | 5.3 | 8.9 | 18.9 |
| Recurring Net Profit | 8.6 | 8.0 | 5.3 | 8.9 | 18.9 |
| Fully Diluted Recurring Net Profit | 8.6 | 8.0 | 5.3 | 8.9 | 18.9 |

Cash Flow

| (US\$m) | Dec-18A | Dec-19A | Dec-20F | Dec-21F | Dec-22F |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| EBITDA | 30.79 | 27.06 | 22.13 | 25.55 | 41.20 |
| Cash Flow from Inv. & Assoc. | (7.11) | (9.61) | (9.36) | (9.13) | (8.91) |
| Change In Working Capital | (2.89) | (18.54) | 8.80 | 19.54 | (3.89) |
| (Incr)/Decr in Total Provisions | (4.95) | 0.72 | 0.00 | 0.00 | 0.00 |
| Other Non-Cash (Income)/Expense | (20.67) | (18.91) | (15.98) | (15.14) | (19.14) |
| Other Operating Cashflow | 25.89 | 25.02 | 21.74 | 22.85 | 27.39 |
| Net Interest (Paid)/Received | (7.70) | (6.07) | (10.00) | (9.90) | (9.09) |
| Tax Paid | (6.21) | (3.01) | (1.54) | (2.60) | (5.52) |
| Cashflow From Operations | 7.15 | (3.34) | 15.80 | 31.17 | 22.06 |
| Capex | (3.42) | (2.30) | (28.71) | (16.18) | (11.79) |
| Disposals Of FAs/subsidiaries | 0.03 | 0.05 | 0.00 | 0.00 | 0.00 |
| Acq. Of Subsidiaries/investments | | | | | |
| Other Investing Cashflow | 54.90 | (7.38) | 0.00 | 0.00 | 0.00 |
| Cash Flow From Investing | 51.51 | (9.63) | (28.71) | (16.18) | (11.79) |
| Debt Raised/(repaid) | (40.38) | (3.65) | (0.53) | 17.04 | (16.61) |
| Proceeds From Issue Of Shares | | | | | |
| Shares Repurchased | | | | | |
| Dividends Paid | (0.12) | (0.12) | 0.00 | 0.00 | 0.00 |
| Preferred Dividends | | | | | |
| Other Financing Cashflow | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Flow From Financing | (40.51) | (3.77) | (0.53) | 17.04 | (16.61) |
| Total Cash Generated | 18.16 | (16.74) | (13.45) | 32.03 | (6.35) |
| Free Cashflow To Equity | 18.28 | (16.62) | (13.45) | 32.03 | (6.35) |
| Free Cashflow To Firm | 66.37 | (6.90) | (2.91) | 24.89 | 19.35 |

SOURCES: VND RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

| (US\$m) | Dec-18A | Dec-19A | Dec-20F | Dec-21F | Dec-22F |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Cash And Equivalents | 141.6 | 126.4 | 107.2 | 134.6 | 123.1 |
| Total Debtors | 69.7 | 82.5 | 72.5 | 71.5 | 83.3 |
| Inventories | 32.8 | 36.1 | 38.9 | 37.4 | 41.2 |
| Total Other Current Assets | 1.1 | 1.7 | 1.9 | 1.8 | 2.1 |
| Total Current Assets | 245.2 | 246.7 | 220.4 | 245.3 | 249.8 |
| Fixed Assets | 624.9 | 602.8 | 597.5 | 581.2 | 555.8 |
| Total Investments | 29.9 | 46.1 | 44.8 | 43.7 | 42.6 |
| Intangible Assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Non-Current Assets | 7.5 | 8.0 | 7.8 | 7.6 | 7.4 |
| Total Non-current Assets | 662.3 | 656.9 | 650.1 | 632.5 | 605.8 |
| Short-term Debt | 15.7 | 22.5 | 14.8 | 34.1 | 29.9 |
| Current Portion of Long-Term Debt | | | | | |
| Total Creditors | 42.9 | 36.9 | 40.7 | 39.3 | 43.3 |
| Other Current Liabilities | 62.4 | 64.3 | 69.8 | 68.9 | 80.3 |
| Total Current Liabilities | 121.0 | 123.8 | 125.4 | 142.2 | 153.5 |
| Total Long-term Debt | 150.2 | 139.7 | 142.2 | 136.2 | 119.6 |
| Hybrid Debt - Debt Component | | | | | |
| Total Other Non-Current Liabilities | 37.9 | 35.9 | 34.9 | 34.1 | 33.2 |
| Total Non-current Liabilities | 188.1 | 175.6 | 177.1 | 170.3 | 152.8 |
| Total Provisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Liabilities | 309.1 | 299.4 | 302.5 | 312.4 | 306.3 |
| Shareholders' Equity | 587.3 | 593.5 | 556.9 | 553.5 | 535.4 |
| Minority Interests | 11.1 | 10.7 | 11.0 | 11.8 | 13.9 |
| Total Equity | 598.4 | 604.2 | 567.9 | 565.4 | 549.3 |

Key Ratios

| | Dec-18A | Dec-19A | Dec-20F | Dec-21F | Dec-22F |
|---------------------------|---------|---------|---------|---------|---------|
| Revenue Growth | 39.4% | (21.2%) | 8.8% | (1.4%) | 16.6% |
| Operating EBITDA Growth | 77.9% | (12.1%) | (18.2%) | 15.5% | 61.3% |
| Operating EBITDA Margin | 12.9% | 14.4% | 10.8% | 12.6% | 17.5% |
| Net Cash Per Share (US\$) | (0.06) | (0.08) | (0.12) | (0.08) | (0.06) |
| BVPS (US\$) | 1.39 | 1.41 | 1.32 | 1.31 | 1.27 |
| Gross Interest Cover | 0.58 | 0.23 | 0.82 | 1.17 | 3.02 |
| Effective Tax Rate | 25.8% | 8.9% | 25.0% | 25.0% | 25.0% |
| Net Dividend Payout Ratio | 1.41% | 1.51% | NA | NA | NA |
| Accounts Receivables Days | 105.4 | 147.3 | 138.3 | 129.9 | 119.8 |
| Inventory Days | 54.36 | 74.45 | 73.43 | 77.37 | 72.42 |
| Accounts Payables Days | 58.78 | 84.00 | 74.48 | 79.42 | 74.34 |
| ROIC (%) | 0.49% | 0.23% | 0.65% | 0.94% | 2.30% |
| ROCE (%) | 1.61% | 1.14% | 1.64% | 2.21% | 3.61% |
| Return On Average Assets | 1.04% | 1.15% | 0.79% | 1.01% | 2.02% |

Key Drivers

| | Dec-18A | Dec-19A | Dec-20F | Dec-21F | Dec-22F |
|--|----------|----------|----------|----------|----------|
| Outstanding Orderbook (US\$m) | N/A | N/A | N/A | N/A | N/A |
| Order Book Wins (US\$m) | N/A | N/A | N/A | N/A | N/A |
| Order Book Depletion (US\$m) | N/A | N/A | N/A | N/A | N/A |
| Average Day Rate Per Ship (US\$) | N/A | N/A | N/A | N/A | N/A |
| No. Of Ships (unit) | N/A | N/A | N/A | N/A | N/A |
| Average Utilisation Rate (%) | N/A | N/A | N/A | N/A | N/A |
| Oil Price (US\$/bbl) | 71.2 | 64.4 | 45.0 | 55.0 | 57.0 |
| Energy Production Volume (mmbobe) | N/A | N/A | N/A | N/A | N/A |
| Average Day Rate - Drilling Rigs (US\$) | 56,149.0 | 57,500.0 | 65,000.0 | 60,000.0 | 65,000.0 |
| Average Util. Rate - Drilling Rigs (%) | 85.3% | 90.0% | 76.2% | 80.0% | 90.0% |
| Average Day Rate - FPU's (US\$) | N/A | N/A | N/A | N/A | N/A |
| Average Util. Rate - FPU's (%) | N/A | N/A | N/A | N/A | N/A |
| Total Oil Storage Capacity (000 cbm) | N/A | N/A | N/A | N/A | N/A |
| Equity Share Of Oil Storage Capacity (000 cbm) | N/A | N/A | N/A | N/A | N/A |
| Assumed Util. Rate Of Oil Storage Capacity (%) | N/A | N/A | N/A | N/A | N/A |

SOURCES: VND RESEARCH, COMPANY REPORTS

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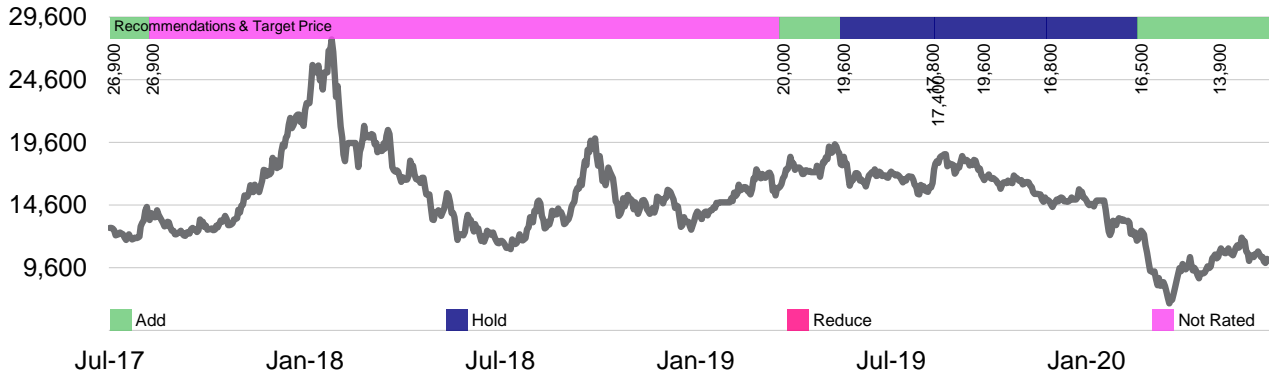
institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

| Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2020 | | |
|---|-------------------------|--------------------------------|
| 811 companies under coverage for quarter ended on 31 March 2020 | | |
| | Rating Distribution (%) | Investment Banking clients (%) |
| Add | 60.8% | 0.1% |
| Hold | 27.6% | 0.0% |
| Reduce | 11.6% | 0.0% |

Spitzer Chart for stock being researched (2 year data)

PetroVietnam Drilling & Well Services JSC (PVD VN)

— Price Close



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2019, Anti-Corruption 2019

ADVANC – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BAM** – not available, n/a, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BPC** – Excellent, Certified, **BPCG** – Excellent, Certified, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** – Good, n/a, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHAYO** – Good, n/a, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – not available, n/a, **CRC** – not available, n/a, **DELTA** – Excellent, Declared, **DEMCO** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** – Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Declared, **III** – Excellent, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – not available, n/a, **BJC** – Very Good, n/a, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Certified, **MALEE** – Excellent, Certified, **MC** – Excellent, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MK** – Very Good, n/a, **MTC** – Excellent, n/a, **NETBAY** – Very Good, n/a, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PLAT** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PSTC** – Very Good, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Excellent, n/a, **RSP** – not available, n/a, **S** – Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Certified, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Excellent, Certified, **SF** – Good, n/a, **SHR** – not available, n/a, **SIRI** – Very Good, Certified, **SPA** – Good, n/a, **SPALI** – Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Excellent, Certified, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TMB** – Excellent, Certified, **TNR** – Very Good, Certified, **TOP** – Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Declared, **UNIQ** – not available, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

1 CG Score 2019 from Thai Institute of Directors Association (IOD)

2 AGM Level 2018 from Thai Investors Association

3 Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 30, 2018) are categorised into:

companies that have declared their intention to join CAC, and companies certified by CAC.

4 The Stock Exchange of Thailand : the record of listed companies with corporate sustainable development "Thai sustainability Investment 2018" included:

SET and mai listed companies passed the assessment conducted by the Stock Exchange of Thailand: THSI (SET) and THSI (mai)

SET listed companies passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI) .

RECOMMENDATION FRAMEWORK

Stock Ratings

Definition:

| | |
|--------|---|
| Add | The stock's total return is expected to reach 15% or higher over the next 12 months. |
| Hold | The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months. |
| Reduce | The stock's total return is expected to fall below negative 10% over the next 12 months. |

The total expected return of a stock is defined as the sum of the:(i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

| | |
|-------------|--|
| Overweight | An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation. |
| Neutral | A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation. |
| Underweight | An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation. |

Country Ratings

Definition:

| | |
|-------------|--|
| Overweight | An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark. |
| Neutral | A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark. |
| Underweight | An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark. |

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