

Vietnam

**ADD** (no change)

Consensus ratings\*: Buy 6 Hold 2 Sell 1

Current price:	VND12,900
Target price:	VND16,500
Previous target:	VND16,500
Up/downside:	27.9%
CGS-CIMB / Consensus:	-0.7%
Reuters:	PVS.HM
Bloomberg:	PVS VN
Market cap:	US\$265.1m
	VND6,165,765m
Average daily turnover:	US\$2.36m
	VND55,294m
Current shares o/s:	478.0m
Free float:	34.0%

\*Source: Bloomberg

Key changes in this note

➤ No change



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	10.3	-21.4	-48.2
Relative (%)	-2.2	-13.8	-35.7

Major shareholders	% held
PetroVietnam Group	51.4
Acadian Frontier Markets Equity	3.3
Vietnam Invstmt. Property Holdings	3.2

Analyst(s)



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# PetroVietnam Technical Services

## M&C projects to be its lifesaver in 2020F

- 1Q20 net profit dropped 69.8% yoy to VND111bn, at only 12.4% of our full-year forecast.
- We think PVS is still on track to meet our net profit forecast with contribution from the M&C segment (rising-margin) in 2H20F. Reiterate Add and TP.

### 1Q20 revenue within expectations

1Q20 net revenue fell 20.8% yoy to VND3,241bn, mainly due to the 46.8% yoy decline in revenue from its Mechanics & Construction (M&C) segment, which offset the double-digit growth of other segments. 1Q20 net revenue was only at 20.1% of our full-year forecast but we expect higher M&C revenue contribution towards year-end, thanks to a ramp-up in execution as its projects near completion and governments ease Covid-19 restrictions.

### 1Q net profit hurt by margin contraction and low affiliate income

1Q20 GPM contracted 4.4% pts to 5.9%, with narrower margins across all segments on the back of lower average oil price (Brent crude oil price: -20.4% yoy) and higher operating costs due to Covid-19 travel restrictions. PVS also reported a 82.2% yoy decline in income from affiliates (-82.2% yoy, trailing expectations); we believe this was due to the booking of provisions at its FPSO/FSO joint ventures in light of subdued oil prices and potential downward revision in charter rates. Accordingly, 1Q20 net profit plummeted 69.8% yoy to VND111bn, accounting for only 12.4% of our full-year forecast.

### 2H20F earnings supported by on-track projects

Despite rising concerns over the delay of key M&C projects due to Covid-19 lockdowns, we think the Sao Vang Dai Nguyet (SVDN) project would stay on schedule (first gas in 4Q20F) and help boost PVS's bottomline in the upcoming quarters. In our view, the biggest issue resulting from the Covid-19 lockdowns is the restrictions on its staff travel -- from overseas to Vietnam, and from onshore to offshore -- for the installation and trial run of the Sao Vang central processing platform (CPP). We believe the government will give special permission for foreign experts to enter Vietnam in 2Q-3Q20F given the key role of new gas projects in Vietnam's energy security. PVS also plans to send hundreds of workers to Qatar in 3Q20F to work on the Gallaf project. As the projects proceed into later stages i.e. construction and installation, GPM would improve, said PVS.

### Reiterate Add with an unchanged TP of VND16,500

Despite the weaker-than-expected 1Q net profit, we maintain our forecast of a 6% yoy increase in FY20F net profit, assuming that SVDN comes online in 4Q20F and Gallaf Qatar in 1Q21F. Our TP is based on a 50:50 combination of DCF and target FY20-22F P/E of 6.8x. Downside risks: further M&C project delays and larger decline in demand for service-related jobs. Re-rating catalysts: a recovery in oil prices and new contract wins.

Financial Summary	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue (VNDb)	14,638	16,968	16,105	20,438	20,971
Operating EBITDA (VNDb)	939.9	618.6	763.6	849.9	917.6
Net Profit (VNDb)	1,047	849	901	1,030	1,144
Core EPS (VND)	2,191	1,777	1,884	2,154	2,393
Core EPS Growth	4.0%	(18.9%)	6.0%	14.3%	11.1%
FD Core P/E (x)	5.89	7.26	6.85	5.99	5.39
DPS (VND)	1,064	830	700	700	700
Dividend Yield	8.25%	6.43%	5.43%	5.43%	5.43%
EV/EBITDA (x)	(5.35)	(10.77)	(7.47)	(4.98)	(3.83)
P/FCFE (x)	6.10	5.88	NA	NA	NA
Net Gearing	(56.1%)	(65.2%)	(60.5%)	(55.7%)	(53.0%)
P/BV (x)	0.52	0.51	0.54	0.62	0.67
ROE	8.9%	7.1%	7.6%	9.6%	11.9%
CGS-CIMB/Consensus EPS (x)			1.07	1.19	1.00

SOURCES: VND RESEARCH, COMPANY REPORTS

## M&C projects to be its lifesaver in 2020F

### 1Q net profit hurt by margin contraction and low affiliate income ➤

Figure 1: 1Q20 results overview

FYE Dec (VNDbn)	1Q20	1Q19	% yoy	vs. FY20 forecast	Comments
<b>Net revenue</b>	<b>3,241</b>	<b>4,095</b>	<b>-20.8%</b>	<b>20.1%</b>	
Offshore support vessel	521	390	33.4%		
FSO/FPSO	550	385	42.9%		High yoy growth thanks to the increase in bareboat charter rate of FPSO Lam Son which was finalised in Mar 2019.
Seismic survey & ROV	76	54	41.4%		
Port base	373	388	-4.0%		
Mechanics & construction (M&C)	1,417	2,663	-46.8%		1Q20 progress slowed down due to the implementation of covid-19 prevention measures, such as staff travel restrictions, onsite distancing, etc.
Operation and maintenance (O&M)	195	115	70.3%		
Other services	110	100	9.9%		
<b>Gross profit</b>	<b>192</b>	<b>424</b>	<b>-54.8%</b>	<b>19.5%</b>	We expect higher contribution from the rising-margin M&C segment in 2H20F, as SVDN and Gallaf Qatar near their completion date and global covid-19 restrictions are lifted up.
Offshore support vessel	30	42	-28.3%		
FSO/FPSO	23	46	-49.5%		
Seismic survey & ROV	(5)	(13)	59.7%		
Port base	69	84	-17.3%		
Mechanics & construction (M&C)	61	240	-74.6%		
Operation and maintenance (O&M)	11	6	81.1%		
Other services	2	18	-91.5%		
<b>Gross profit margin</b>	<b>5.9%</b>	<b>10.3%</b>	<b>-4.4% pts</b>		
Offshore support vessel	5.8%	10.8%	-5.0% pts		
FSO/FPSO	4.2%	12.0%	-7.8% pts		
Seismic survey & ROV	NA	9.9%	NA		
Port base	18.6%	21.6%	-3.0% pts		
Mechanics & construction (M&C)	4.3%	9.0%	-4.7% pts		
Operation and maintenance (O&M)	5.8%	5.4%	+0.3% pts		
Other services	1.4%	18.0%	-16.6% pts		
SG&A expenses	(149)	(157)	-5.7%	21.3%	
Net financial income (expenses)	76	36	111.7%	44.9%	
Gain/loss from investment in JVs	32	179	-82.2%	6.4%	Low 1Q due to provisions made by FPSO/FSO joint ventures amid low oil price and potential downward revision in charter rates. PVS would renegotiate the charter rate for FPSO Ruby II and FSO Bien Dong in 2020F therefore we await further information before revisiting our assumptions.
<b>Pre-tax profit</b>	<b>177</b>	<b>481</b>	<b>-63.2%</b>	<b>16.4%</b>	
Profit after tax	121	385	-68.6%	14.1%	
Minority interest	10	16	-40.4%	NA	
<b>Net profit</b>	<b>111</b>	<b>369</b>	<b>-69.8%</b>	<b>12.4%</b>	

SOURCES: VND RESEARCH, COMPANY REPORTS

### Updates on key M&C projects ➤

#### Sao Vang Dai Nguyet:

- The jacket of Sao Vang CPP has been installed in Jul 2019, while 91% of the topside module was completed to date. PVS earned the engineering, procurement, construction and installation (EPCI) contract for the topside module in 2018 and has completed 100% of the engineering work, 99.1% of purchasing work, 98.8% of construction work so far. The upcoming schedule include emplacement, transportation and installation (T&I) in Jun 2020, connection and trial run in Jun-Sep, and first gas by end-Sep.
- The Dai Nguyet wellhead platform (WHP) module is on track, with 15.5% of total work completed, and is scheduled for jacket emplacement in May 2021, jacket T&I in Jun 2021, topside T&I in Jul 2021, and first gas in 3Q22F.
- Upon cross-checking with other participants of this project, we understand that PVGas (the pipeline operator) has expressed its commitment to complete the pipeline system on schedule for first gas in Oct 2020 (including intrafield and from offshore-to-onshore pipeline). PVS is the main contractor

of the intrafield pipeline system and the sub-contractor for the Nam Con Son 2 Phase 2 pipeline transferring gas to Dinh Co GPP. Accordingly, PVS could book the majority of revenue from this project in 2020F; we estimate US\$87m.

- Given that the current gas supply in Vietnam is deteriorating quickly, while the gas demand for power generation remains critical, we see limited risks of delays in gas projects such as Sao Vang Dai Nguyet. In addition, good containment of the Covid-19 outbreak in Vietnam so far and the presence of comprehensive prevention measures employed by PetroVietnam Group (PVN, unlisted) could facilitate PVS's staff mobilisation from overseas to Vietnam and from onshore to offshore to help complete the project on schedule.

### Gallaf Qatar – Al Shaheen field development

- This project is scheduled for procurement, construction, and commissioning from Nov 2018 to Jun 2020; emplacement and T&I in Jun-Jul 2020; hook-up and integration with current platform in Apr-Nov 2020, and handover by end-2020. PVS plans to send hundreds of its staff to Qatar in 3Q20F, implying that this project is also near the final stage of installation and platform integration. As the Covid-19 outbreak condition in Qatar is still complicated, we think this could have an effect, though not material, on the execution of this field development. We expect the handover of the project to occur in 1Q21F, only several months behind schedule.

**Figure 2: PVS's key projects in M&C segment**

Project	Est. contract value* (US\$m)	Est. revenue in FY20F	Expected project span	Status
<b>Incorporated</b>				
Gallaf Qatar	320	144	2019 - 1Q21F	Under development. Purchasing and execution work expected from Nov 2018 to Jun 2020F, transportation and installation (T&I) in Jun-Jul 2020F, hook-up and integration into existing platform in Apr-Nov 2020F.
Sao Vang Dai Nguyet (SVDN)	500	60	2018 - 2021F	Under development. Jacket installed in Jul 2019. Topside T&I expected in Jun 2020. First gas expected in 4Q20F.
SVDN intrafield and pipeline connecting to Nam Con Son 2	96	67	3Q19 - 2021F	Contract signed in Oct 2019. Should progress in line with the development of SVDN fields.
Nam Con Son 2 Phase 2	26	20	3Q19 - 1Q21F	Major EPC contractors selected in 3Q19. PTSC was chosen as the sub-contractor for the c.US\$130m subsea pipeline EPC contract (TechnipFMC as main contractor). We estimate that PVS could record US\$26m of revenue during FY20-21F for this contract.
LNG Thi Vai terminal	78	27	3Q19 - 4Q22F	EPC contract awarded in Jun 2019. Project started in Oct 2019. PVS has a 39% stake in the project.
Su Tu Trang Phase 2	250	-	2021 - 2023F	EPC tender could start in 2020F for first-gas by mid- to end-2023F. Phase 2A involves the development of new wells to be used as inputs for the current ST-PIP platform. Phase 2B involves the construction of a central gas facility (CGF) with 16 wells, connecting to ST-PIP platform. First gas of Phase 2A/2B are expected from Dec 2020F/4Q23F.
Block B - O Mon pipeline	1,000	-	2021 - 2023F	EPC tender opened in Feb 2020 and would end by Jul 2020F. First gas expected in 2023F.
Nam Du - U Minh	150	-	2021 - 2023F	In Mar 2020, Jadestone announced to delay the development of Nam Du - U Minh gas fields in the absence of government approval in 1Q20. Earlier in the year, Jadestone said that all related major contracts and other commercial arrangements were ready for execution upon project sanction.

SOURCES: VND RESEARCH, COMPANY REPORTS, INTERNET

### Reiterate Add with an unchanged TP of VND16,500 ➤

**Figure 3: Cost of equity assumption**

Cost of equity	
Risk Free Rate	4.0%
Beta	1.7
Risk Premium	11.0%
<b>Cost of Equity</b>	<b>22.7%</b>

SOURCES: VND RESEARCH

**Figure 4: WACC and terminal growth**

VNDbn	
Equity Value	9,798
Debt	1,356
Cost of Debt	3.0%
Tax Rate	20.5%
<b>WACC</b>	<b>20.2%</b>
<b>Perpetual Growth Rate</b>	<b>1.0%</b>

SOURCES: VND RESEARCH

**Figure 5: Summary of DCF valuation**

VNDbn	Dec-18A	Dec-19F	Dec-20F	Dec-21F	Dec-22F	Dec-25F	Dec-30F	Dec-35F	CAGR 20-35F
Total revenue	14,638	16,968	16,105	20,438	20,971	21,509	21,978	22,260	2.2%
% yoy	-13.5%	15.9%	-5.1%	26.9%	2.6%	0.6%	0.3%	0.2%	
COGS & OPEX	(14,265)	(16,828)	(15,820)	(20,104)	(20,630)	(21,159)	(21,621)	(21,899)	
Unlevered profit / EBIT	373	140	285	334	341	349	357	361	1.6%
Operating margin	2.5%	0.8%	1.8%	1.6%	1.6%	1.6%	1.6%	1.6%	
Effective tax rate	-41.3%	-26.7%	-20.5%	-20.5%	-20.5%	-20.5%	-20.5%	-20.5%	
EBIT * (1-Tax) or NOPAT	219	103	227	266	271	278	284	287	1.6%
+ Depreciation and amortisation	567	478	478	516	577	586	596	604	
% of revenue	3.9%	2.8%	3.0%	2.5%	2.8%	2.7%	2.7%	2.7%	
- Capex	(355)	(766)	(727)	(923)	(566)	(740)	(792)	(803)	
% of revenue	-2.4%	-4.5%	-4.5%	-4.5%	-2.7%	-3.4%	-3.6%	-3.6%	
+ Change in working capital	(710)	1,367	(65)	(473)	(104)	(205)	(239)	(242)	
% of revenue	-4.9%	8.1%	-0.4%	-2.3%	-0.5%	-1.0%	-1.1%	-1.1%	
Interest and other financial activities, net	604	963	793	898	1,029	1,027	1,041	1,055	
% of revenue	4.1%	5.7%	4.9%	4.4%	4.9%	4.8%	4.7%	4.7%	
<b>Unlevered free cash flow (UFCF)</b>	<b>325</b>	<b>2,145</b>	<b>706</b>	<b>284</b>	<b>1,207</b>	<b>946</b>	<b>889</b>	<b>901</b>	
% yoy	-82.7%	560.7%	-67.1%	-59.8%	324.7%	21.4%	0.9%	0.1%	

SOURCES: VND RESEARCH, COMPANY REPORTS

**Figure 6: Blended target price**

Method	Implied share price (VND)	Weight (%)	Weighted share price (VND)
DCF	18,473	50%	9,236
FY20-22F target P/E of 6.8x	14,578	50%	7,289
<b>Blended value</b>			<b>16,526</b>
<b>Target price</b>			<b>16,500</b>

SOURCES: VND RESEARCH

**Figure 7: PVS's historical P/E from 2014 to date**



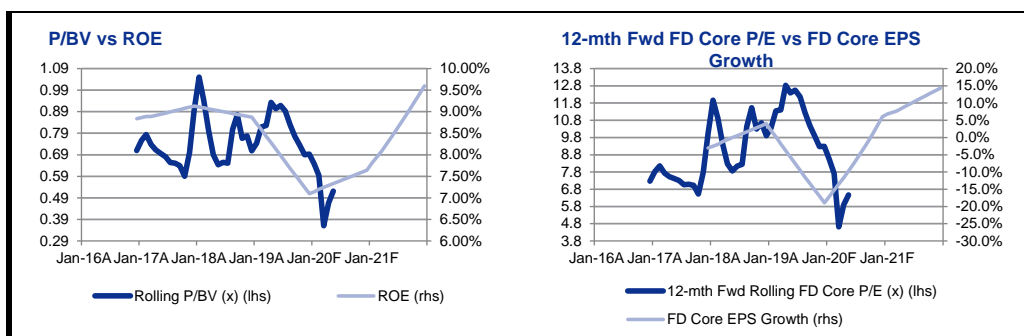
SOURCES: BLOOMBERG, VND RESEARCH, COMPANY REPORTS

Figure 8: Regional peer comparison

Company	Bloomberg Ticker	Recom.	Share Price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	P/E (x)			3-yr fw CAGR EPS (%)	P/BV (x)			ROE (%)			ROA (%)		
						TTM	FY20F	FY21F		TTM	FY20F	FY21F	TTM	FY20F	FY21F	TTM	FY20F	FY21F
<b>PV Technical Services</b>	<b>PVS VN</b>	<b>ADD</b>	<b>12,900</b>	<b>16,500</b>	<b>265</b>	<b>7.1</b>	<b>6.9</b>	<b>6.0</b>	<b>10.4%</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>7.1%</b>	<b>7.7%</b>	<b>9.6%</b>	<b>3.5%</b>	<b>3.6%</b>	<b>4.2%</b>
Malaysia Marine Eng	MMHE MK	NOT RATED	0.50	NA	183	NA	45.5	25.0	NA	0.3	0.3	0.3	0.1%	0.8%	1.6%	0.0%	0.7%	1.4%
Yinson Holdings	YNS MK	ADD	5.65	9.29	1,385	29.0	28.3	10.9	36.0%	1.7	1.7	1.6	6.2%	2.6%	11.3%	2.4%	2.5%	5.0%
Sembcorp Marine	SMM SP	HOLD	0.73	0.80	1,072	NA	NA	NA	-39.8%	0.7	0.7	0.7	-6.1%	-5.8%	-1.4%	-1.6%	-1.5%	-0.4%
Hyundai Engineering	000720 KS	HOLD	33,000	45,000	2,986	8.3	7.0	6.7	NA	0.5	0.5	0.4	6.6%	6.7%	6.7%	2.3%	2.4%	2.4%
Keppel Corp	KEP SP	ADD	6.02	7.48	7,757	16.1	17.1	14.6	6.1%	1.0	0.9	0.9	5.9%	5.6%	6.4%	2.1%	2.0%	2.4%
<b>Average (all)</b>					<b>2,275</b>	<b>15.1</b>	<b>21.0</b>	<b>12.6</b>	<b>3.2%</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>3.3%</b>	<b>2.9%</b>	<b>5.7%</b>	<b>1.4%</b>	<b>1.6%</b>	<b>2.5%</b>
<b>Average (excluding PVS)</b>					<b>2,677</b>	<b>17.8</b>	<b>24.5</b>	<b>14.3</b>	<b>0.8%</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>2.5%</b>	<b>2.0%</b>	<b>4.9%</b>	<b>1.0%</b>	<b>1.2%</b>	<b>2.2%</b>

SOURCES: BLOOMBERG, CGS-CIMB RESEARCH, VND RESEARCH (DATA AS AT 21 MAY)

## BY THE NUMBERS



### Profit & Loss

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
<b>Total Net Revenues</b>	<b>14,638</b>	<b>16,968</b>	<b>16,105</b>	<b>20,438</b>	<b>20,971</b>
<b>Gross Profit</b>	<b>1,119</b>	<b>898</b>	<b>984</b>	<b>1,282</b>	<b>1,313</b>
<b>Operating EBITDA</b>	<b>940</b>	<b>619</b>	<b>764</b>	<b>850</b>	<b>918</b>
Depreciation And Amortisation	(567)	(478)	(478)	(516)	(577)
<b>Operating EBIT</b>	<b>373</b>	<b>140</b>	<b>285</b>	<b>334</b>	<b>341</b>
Financial Income/(Expense)	440	253	169	121	87
Pretax Income/(Loss) from Assoc.	723	581	501	622	782
Non-Operating Income/(Expense)	(559)	129	123	156	160
<b>Profit Before Tax (pre-EI)</b>	<b>976</b>	<b>1,103</b>	<b>1,078</b>	<b>1,233</b>	<b>1,369</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>976</b>	<b>1,103</b>	<b>1,078</b>	<b>1,233</b>	<b>1,369</b>
Taxation	(403)	(295)	(221)	(253)	(281)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>573</b>	<b>808</b>	<b>857</b>	<b>980</b>	<b>1,089</b>
Minority Interests	474	41	43	50	55
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>1,047</b>	<b>849</b>	<b>901</b>	<b>1,030</b>	<b>1,144</b>
Recurring Net Profit	1,047	849	901	1,030	1,144
<b>Fully Diluted Recurring Net Profit</b>	<b>1,047</b>	<b>849</b>	<b>901</b>	<b>1,030</b>	<b>1,144</b>

### Cash Flow

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
<b>EBITDA</b>	<b>940</b>	<b>619</b>	<b>764</b>	<b>850</b>	<b>918</b>
Cash Flow from Inv. & Assoc.	(997)	(855)	(741)	(809)	(935)
Change In Working Capital	(710)	1,367	(65)	(473)	(104)
(Incr)/Decr in Total Provisions	90	154	0	0	0
Other Non-Cash (Income)/Expense	36	485	315	383	452
Other Operating Cashflow	1,055	495	688	723	784
Net Interest (Paid)/Received	(36)	(39)	(41)	(38)	(38)
Tax Paid	(187)	(320)	(232)	(265)	(294)
<b>Cashflow From Operations</b>	<b>192</b>	<b>1,906</b>	<b>688</b>	<b>371</b>	<b>783</b>
Capex	(355)	(766)	(727)	(923)	(566)
Disposals Of FAs/subsidiaries	2	5	5	5	5
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	1,428	(545)	(545)	(545)	(545)
<b>Cash Flow From Investing</b>	<b>1,075</b>	<b>(1,306)</b>	<b>(1,267)</b>	<b>(1,462)</b>	<b>(1,106)</b>
Debt Raised/(repaid)	(256)	448	(321)	149	(154)
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(509)	(397)	(335)	(335)	(335)
Preferred Dividends					
Other Financing Cashflow	0	0	0	0	0
<b>Cash Flow From Financing</b>	<b>(765)</b>	<b>52</b>	<b>(655)</b>	<b>(186)</b>	<b>(488)</b>
Total Cash Generated	502	651	(1,235)	(1,278)	(811)
<b>Free Cashflow To Equity</b>	<b>1,011</b>	<b>1,048</b>	<b>(900)</b>	<b>(943)</b>	<b>(477)</b>
<b>Free Cashflow To Firm</b>	<b>1,303</b>	<b>639</b>	<b>(538)</b>	<b>(1,054)</b>	<b>(285)</b>

SOURCES: VND RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Cash And Equivalents	8,037	9,692	8,457	7,179	6,368
Total Debtors	5,006	4,627	4,572	5,802	5,953
Inventories	494	1,269	786	995	1,021
Total Other Current Assets	591	396	376	477	490
<b>Total Current Assets</b>	<b>14,129</b>	<b>15,984</b>	<b>14,190</b>	<b>14,453</b>	<b>13,832</b>
Fixed Assets	2,634	3,177	3,426	3,833	3,822
Total Investments	4,937	5,372	5,256	5,269	5,271
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	1,390	1,471	1,471	1,471	1,471
<b>Total Non-current Assets</b>	<b>8,961</b>	<b>10,020</b>	<b>10,153</b>	<b>10,573</b>	<b>10,563</b>
Short-term Debt	721	771	335	417	323
Current Portion of Long-Term Debt					
Total Creditors	3,277	4,356	3,736	4,784	4,868
Other Current Liabilities	2,827	3,867	3,670	4,658	4,779
<b>Total Current Liabilities</b>	<b>6,825</b>	<b>8,995</b>	<b>7,742</b>	<b>9,859</b>	<b>9,971</b>
Total Long-term Debt	193	584	700	767	707
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	3,366	3,641	3,641	3,641	3,641
<b>Total Non-current Liabilities</b>	<b>3,559</b>	<b>4,225</b>	<b>4,341</b>	<b>4,407</b>	<b>4,347</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>10,384</b>	<b>13,220</b>	<b>12,082</b>	<b>14,266</b>	<b>14,318</b>
Shareholders' Equity	11,872	12,070	11,503	9,952	9,214
Minority Interests	833	714	758	808	863
<b>Total Equity</b>	<b>12,705</b>	<b>12,784</b>	<b>12,261</b>	<b>10,759</b>	<b>10,077</b>

### Key Ratios

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue Growth	(13.5%)	15.9%	(5.1%)	26.9%	2.6%
Operating EBITDA Growth	(3.0%)	(34.2%)	23.4%	11.3%	8.0%
Operating EBITDA Margin	6.42%	3.65%	4.74%	4.16%	4.38%
Net Cash Per Share (VND)	14,903	17,441	15,529	12,545	11,169
BVPS (VND)	24,839	25,253	24,067	20,821	19,278
Gross Interest Cover	13.91	4.15	8.02	10.12	10.34
Effective Tax Rate	41.3%	26.7%	20.5%	20.5%	20.5%
Net Dividend Payout Ratio	48.6%	46.7%	37.1%	32.5%	29.3%
Accounts Receivables Days	132.1	103.6	104.5	92.6	102.3
Inventory Days	12.96	20.02	24.87	16.97	18.72
Accounts Payables Days	84.69	81.93	90.39	74.62	82.37
ROIC (%)	6.27%	2.80%	8.40%	8.29%	8.69%
ROCE (%)	6.30%	3.32%	3.83%	4.13%	4.28%
Return On Average Assets	0.92%	2.47%	2.87%	3.58%	4.12%

### Key Drivers

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Outstanding Orderbook (VNDb)	13,070	16,991	42,072	31,871	20,305
Order Book Wins (VNDb)	N/A	N/A	N/A	N/A	N/A
Order Book Depletion (VNDb)	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)	71.1	64.2	45.0	55.0	57.0
Energy Production Volume (mmboc)	N/A	N/A	N/A	N/A	N/A
Average Day Rate - Drilling Rigs (US\$)	N/A	N/A	N/A	N/A	N/A
Average Util. Rate - Drilling Rigs (%)	N/A	N/A	N/A	N/A	N/A
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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HANA, HMPRO, INTUCH, IRPC, IVL, JAS, JMT, KBANK, KCE, KKP, KTB, KTC, LH, MAJOR, MBK, MEGA, MINT, MTC, ORI, OSP, PLANB, PRM, PSH, PSL, PTG, PTT, PTTEP, PTTGC, QH, RATCH, RS, SAWAD, SCB, SCC, SGP, SPALI, SPRC, STA, STEC, STPI, SUPER, TASCO, TCAP, THAI, THANI, THG, TISCO, TKN, TMB, TOA, TOP, TPIPP, TQM, TRUE, TTW, TU, VGI, WHA, BEAUTY, JMART, LPN, SISB, WORK.

**Corporate Governance Report:**

The disclosure of the survey result of the Thai Institute of Directors Association (“IOD”) regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

<b>Score Range:</b>	90 - 100	80 – 89	70 - 79	Below 70 or	No Survey Result
<b>Description:</b>	Excellent	Very Good	Good	N/A	

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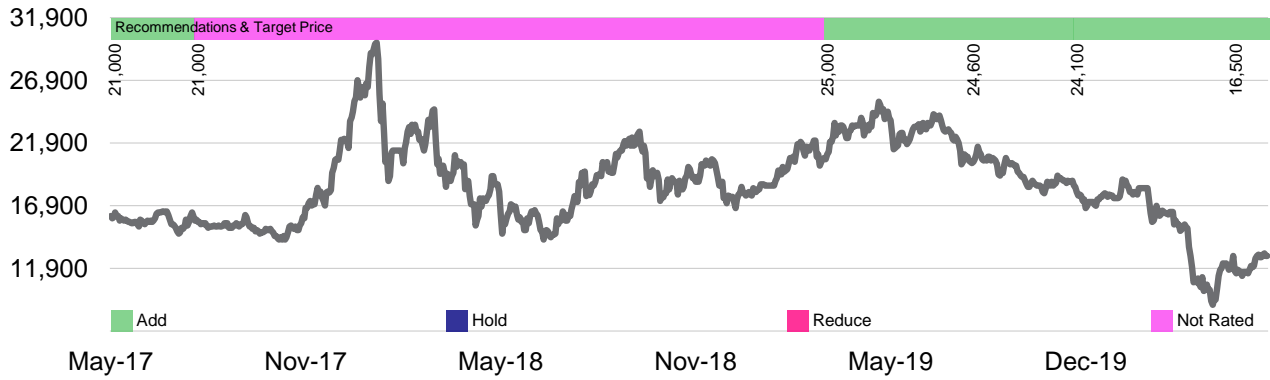
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2020		
811 companies under coverage for quarter ended on 31 March 2020		
	Rating Distribution (%)	Investment Banking clients (%)
Add	60.8%	0.1%
Hold	27.6%	0.0%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

Spitzer Chart for stock being researched ( 2 year data )

**PetroVietnam Technical Services (PVS 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, **BGP** – 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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