

VIS Rating assigns first-time AA+ issuer rating to PetroVietnam Oil Corporation, stable outlook

Hanoi, 16 April 2026 – Vietnam Investors Service and Credit Rating Agency Joint Stock Company (VIS Rating) has assigned a long-term issuer rating of AA+ to PetroVietnam Oil Corporation (PVOIL). The outlook for PVOIL's AA+ issuer rating is stable. This is the first time VIS Rating has assigned a rating to PVOIL.

The rating presented in this announcement is effective from the date of the announcement and remains in effect unless and until it is superseded by a subsequent rating action. Please visit <https://visrating.com/rating-results> to obtain the latest update on the rating.

RATING RATIONALE

The AA+ long-term issuer rating incorporates PVOIL's 'Above-Average' standalone credit profile and is underpinned by our expectation of a very high level of extraordinary support from its parent - Vietnam National Industry - Energy Group (Petrovietnam).

Established in 2008 and 80.5% owned by Petrovietnam – Vietnam's national energy corporation, PVOIL is among Petrovietnam's key subsidiaries, each assigned with a unique policy objective role in coordinating and executing Petrovietnam's policy mandate across the full energy value chain on behalf of the Government of Vietnam, to safeguard national energy security and support economic development. Over the last 50 years, Petrovietnam's policy-oriented operations have grown into a fully integrated model, covering upstream exploration, midstream production and refinery, and downstream distribution and technical services.

The strong structural linkages between PVOIL, Petrovietnam, and the government underpins our view that extraordinary support for PVOIL will be forthcoming from Petrovietnam and the government. PVOIL stands as Petrovietnam's primary policy vehicle for downstream operations, overseeing crude oil trading, import–export services, and petroleum storage and distribution. The company is instrumental in executing Petrovietnam's policy function to stabilize the domestic petroleum supply by leveraging the country's second-largest petroleum storage and distribution network.

Petrovietnam is 100% state-owned, with strategic oversight exercised via the Prime Minister and line ministries, and key decisions ratified at the Government or Politburo level. As the controlling shareholder, Petrovietnam exercises full authority over PVOIL's management and strategic direction. PVOIL accounts for a substantial 15–20% of Petrovietnam's consolidated revenue and provides exclusive services that are central to the group's core businesses, including crude oil export and oil refining.

We note that the Government has historically provided extraordinary support to Petrovietnam and its subsidiaries, mostly through government guarantees and tax incentives. For example, Dung Quat Refinery has benefited from substantial preferential tax incentives since it began operations in 2009. In 2013, the Government provided a guarantee and an offtake agreement to investors of Petrovietnam's Nghi Son Refinery and Petrochemical Project.

Petrovietnam has consistently been the largest contributor to the state budget and has significant cash resources relative to PVOIL's liabilities. Hence, we view Petrovietnam's capacity to extend support to PVOIL, when needed, as very strong.

PVOIL's standalone credit assessment incorporates our view of its 'Strong' business profile, driven by its 'Strong' competitive position and diversification in Vietnam's oil and gas sector. At the same time, we consider PVOIL's policy-oriented operations, which drive its modest but stable profitability and operating cash flows.

Vietnam's oil and gas sector is primarily state-controlled and dominated by state-owned companies, including Petrovietnam (100% state ownership), Petrolimex (77%), and their subsidiaries across the entire value chain. Sector performance is vulnerable to external forces that drive persistent volatility and require government support measures. Rising economic growth and the push towards cleaner energy will drive increasing energy needs and growth prospects for the energy sector.



PVOIL manages the second-largest nationwide network of petroleum stations to support its primary policy role in petroleum distribution, with 23% market coverage in 2025. PVOIL benefits from the direct supply of petroleum from Petrovietnam's refineries through dedicated pipelines, supporting its operating efficiency and stable margins. We note that profits for downstream petroleum distributors are generally regulated by government policy and are lower compared with the average for Vietnamese corporations.

PVOIL's revenue streams have broadened beyond domestic distribution, benefiting from international oil trading in Singapore, as well as overseas petroleum distribution in Laos and plans to enter the jet fuel business in 2H2026. PVOIL generated average net revenue from goods sold and services rendered of VND 125.9 trillion during 2023-2025, reflecting a 'Very Strong' Scale.

According to management, PVOIL is well-positioned, with sufficient processing capacity to adapt to the policy shift toward increased use of biofuels in gasoline products. Plans to expand its distribution network and supply jet fuel will support its revenue and EBITDA growth.

We view PVOIL's leverage and coverage to be 'Average', driven by its 'Above-Average' leverage score and 'Average' coverage score.

On leverage, we expect EBITDA growth and limited CAPEX to drive improvements in Debt/EBITDA to around 5.5x over the 2026-2028 period, from an average of 7.0x in 2023-2025.

Similarly, for coverage, we expect PVOIL's interest coverage, measured as EBIT (Earnings before Interest and Taxes) divided by interest expense, to improve from 2.7x to 3.2x over the next 12-18 months. We expect the stable cash flow profile of PVOIL's petroleum business to sustain its CFO (Cash from Operations)/Debt at 13-16% over 2026-2028, a level that is in line with industry peers.

We view PVOIL's vulnerability to liquidity risks as low. At the end of 2025, PVOIL has substantial cash resources exceeding its short-term debt. At the same time, PVOIL continues to benefit from access to credit lines from state-owned banks at attractive financing rates, which, in our view, is driven by its very strong operating scale and stable cash flow generation, further reinforced by the strong linkage between PVOIL and Petrovietnam.

Factors that could lead to an upgrade of the rating

An upgrade of PVOIL's issuer rating is unlikely. The AA+ rating is the highest level assigned to a corporate issuer and already incorporates PVOIL's unique public policy role, as well as its strong and entrenched structural linkages with Petrovietnam and the Government of Vietnam, including expectations of very strong extraordinary support in times of need.

Factors that could lead to a downgrade of the rating

PVOIL's AA+ issuer rating could be downgraded if one or more of the following were to occur:

1. Weakening of policy role or government linkages
Structural changes that materially reduce PVOIL's policy role, its strategic importance within the Petrovietnam group, or its alignment with government objectives—leading to a reassessment that extraordinary government or group support would become less certain and less timely.
2. Significant deterioration in standalone credit profile
A sustained weakening in PVOIL's financial metrics, including a material decline in cash flow generation or liquidity, or higher leverage, resulting in reduced financial flexibility and increased difficulty in meeting debt obligations.

RATING METHODOLOGY

Rating Methodology: Non-Financial Corporates.

For detailed information, please see our full methodologies at: <https://visrating.com/quy-trinh-xep-hang/xem-online/non-financial-corporates-rating-methodology.1>

SUMMARY OF KEY FACTORS



Source: VIS Rating

CREDIT RATING HISTORY

Date	Rating type	Rating	Outlook	Action
16 April 2026	Long-term Issuer	AA+	Stable	First-time assignment

RATING SCALE

Long-Term Rating

AAA	Issuers or debt instruments demonstrate the strongest creditworthiness relative to other domestic entities and transactions.
AA	Issuers or debt instruments demonstrate very strong creditworthiness relative to other domestic entities and transactions.
A	Issuers or debt instruments demonstrate above-average creditworthiness relative to other domestic entities and transactions.
BBB	Issuers or debt instruments demonstrate average creditworthiness relative to other domestic entities and transactions.
BB	Issuers or debt instruments demonstrate below-average creditworthiness relative to other domestic entities and transactions.
B	Issuers or debt instruments demonstrate weak creditworthiness relative to other domestic entities and transactions and may be approaching default, with strong recovery prospects.
CCC	Issuers or debt instruments demonstrate very weak creditworthiness relative to other domestic entities and transactions and are likely in or near default, typically with moderate recovery prospects.
CC	Issuers or debt instruments demonstrate extremely weak creditworthiness relative to other domestic entities and transactions and are typically in default, typically with poor recovery prospects.
C	Issuers or debt instruments demonstrate the weakest creditworthiness relative to other domestic entities and transactions and are typically in default, with very poor recovery prospects.

Note: Vietnam Investors Service appends the modifiers + and – to each generic rating classification from AA through CCC. The modifier + indicates that the obligation ranks in the higher end of its generic rating category; no modifier indicates a mid-range ranking; and the modifier – indicates a ranking in the lower end of that generic rating category

REGULATORY DISCLOSURES

For further specification of VIS Rating's Rating Symbols and Definitions, please see <https://visrating.com/how-to-get-rated/>.

PVOIL's ownership stake in VIS Rating: 0%

The ownership ratio of PVOIL held by VIS Rating's staff: 0%

Cases in which analysts and credit rating council members cease their participation in the credit rating contract before the contract expires and the reason for the cessation: 0

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Primary Analysts:

Nguyen Minh Quang, MSc – Analyst – email: quang.nguyen@visrating.com

Rating Committee Members:

Simon Chen, CFA – Committee Chairman – email: simon.chen@visrating.com

Duong Duc Hieu, CFA – Committee Member – email: hieu.duong@visrating.com

Nguyen Dinh Duy, CFA – Committee Member – email: duy.nguyen@visrating.com

Phan Duy Hung, CFA – Committee Member – email: hung.phan@visrating.com

Vietnam Investors Service and Credit Rating Agency Joint Stock Company

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Simon Chen, CFA

Head of Ratings and Research

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