

Vietnam Strategy 2026

Domestic Engines Drive Stronger Growth as External Noise Subsides

December 2025

Contents

	Page
<u>Macroeconomic Outlook</u>	3
<u>Market Outlook</u>	68
<u>Market Data Appendix</u>	80
Sectors	
<u>Banking</u>	87
<u>Other Financials</u>	133
<u>Consumer</u>	173
<u>Transportation & Logistics</u>	208
<u>Industrial Manufacturers</u>	235
<u>Construction Materials</u>	253
<u>Real Estate</u>	284
<u>Industrial Parks</u>	311
<u>Energy & Utilities</u>	331
<u>Disclaimer</u>	393

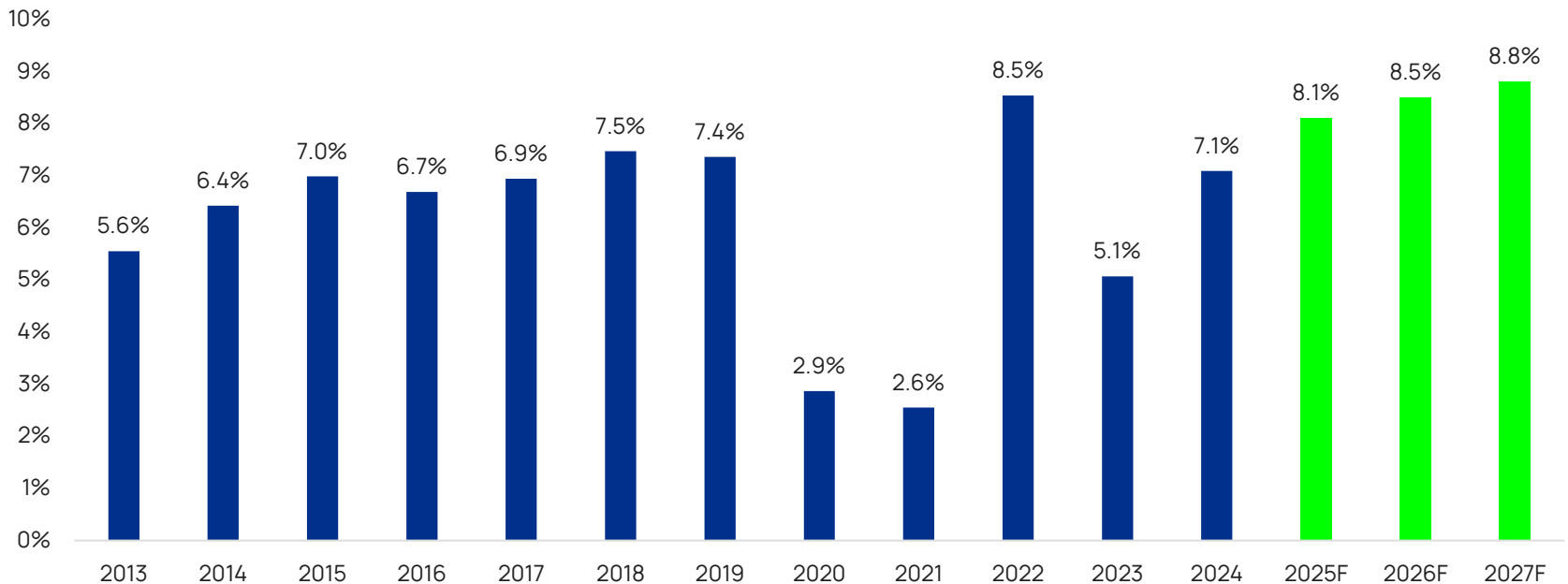
Macroeconomic Outlook

We forecast 2026 GDP growth of 8.5%

We raise our 2026 and 2027 GDP growth forecasts to 8.5% and 8.8% from 7.5% and 8.0%, respectively.

We expect Vietnam to enter a new phase of “progressively stronger growth.” Through landmark reforms - such as streamlining and restructuring the central Government apparatus and two-tier local administrative system, improving the legal system, advancing digital transformation, and fostering innovation - Vietnam aims to strengthen its position as a competitive economy in the region while ensuring inclusive social progress and long-term prosperity.

Vietnam GDP growth and Vietcap forecasts



Growth drivers in 2026

1. Policy support

- **Enhancing regulations:** The 10th Session of the National Assembly will review 50 draft laws and 34 resolutions, marking a major step in institutional reform. These efforts aim to strengthen the legal framework, reduce regulatory barriers, and support the ambitious 2026–2030 growth target.

- **Expanding fiscal spending:** Public investment in 2026 is projected to increase by 9.2% vs the 2025 estimate, with scope for further spending as seen this year. Public debt is expected to remain manageable at 36%–37% of GDP in 2026 (per the MoF), well below the 60% cap, providing room for additional fiscal stimulus.

- **Accommodative monetary stance:** The SBV is expected to maintain an accommodative monetary policy in 2026 to support economic growth.

2. Expanding investment in private sectors: We expect that Resolutions 68-NQ/TW and 198/2025/QH15, together with the Government's support measures, will help unlock resources from the private sector, which could serve as a key driver of economic growth.

3. Continued improving consumption: Consumption is expected to recover progressively, supported by stronger production activity and resulting job creation and improved income. In addition, the Government has introduced a range of measures including a 7.2% increase in minimum wages, higher personal income tax deductions, a 2% VAT cut, and other policies aimed at supporting consumption.

4. Exports competitiveness remains intact: The US's reciprocal tariff on Vietnam stands at 20%, compared to an average of 26% among competitors/potential competitors (excluding China). In addition, Vietnam's structural advantages should support resilient export growth and sustained FDI inflows over the medium term.

Note: Competitors/potential competitors are SEA countries excluding Brunei and Singapore, in addition to India, Mexico, and Bangladesh.

Downside risks and potential upside to our forecast

Downside risks to our forecast:

- Lower-than-expected public disbursement.
- A slower global recovery – particularly in the US and China – may weigh on exports, production, and tourism.
- Less favorable US trade policies toward Vietnam or more favorable US trade policy toward China.
- Stronger-than-expected impact of climate change could negatively affect Vietnam's agriculture sector.

Upside potential to our forecast:

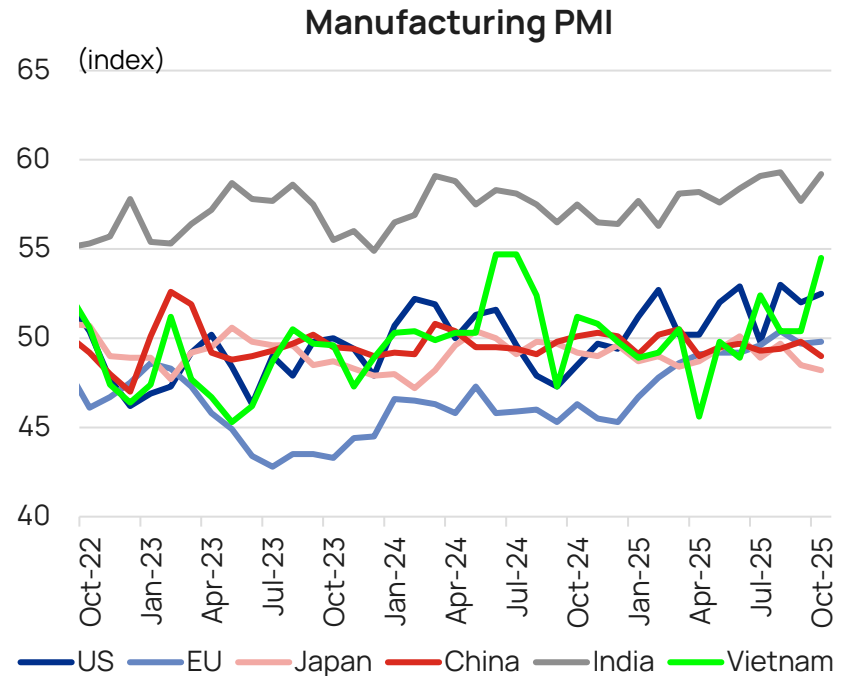
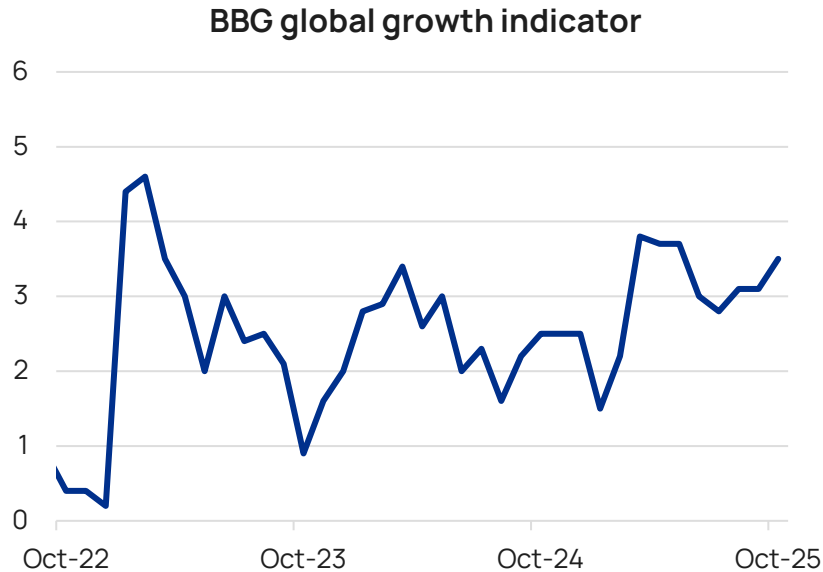
- Stronger-than-expected fiscal stimulus.
- A stronger rebound of the global economy, especially the US and China, could further support exports and production.
- A more favorable US trade policy stance toward Vietnam.

Other key macro forecasts

- **We expect that disbursed FDI could grow 7.0% in 2026/27. We expect Vietnam to maintain its attractiveness for FDI, supported by** (1) Vietnam's fundamental advantages (including its location, a long list of FTAs, and competitive labor costs, among others); (2) the recent upgrades of diplomatic ties; and (3) the US reciprocal tariff rate of 20% on Vietnam is comparable to or lower than that of competitors/potential competitors.
- **We forecast 2026/27 exports at 12% and 14%, respectively:** (1) The respective outlook for the world and the US economy (Vietnam's largest export partner) improved with the consensus forecast of global GDP growth in 2026 rising from 2.8% from the beginning of June to 2.9% in the beginning of November, in which the consensus forecast for US 2026 GDP growth also rose from 1.5% to 1.8%; (2) the US's reciprocal tariff on Vietnam stands at 20%, compared to an average of 28% among competitors/potential competitors; and (3) Vietnam has been and is still actively upgrading relations with a long list of countries, which could also help Vietnam if it tries to diversify its export markets to limit geopolitical risks.
- **We maintain our average CPI forecast for 2026 at 3.5% and expect inflationary pressure to rise in 2027, with CPI averaging 4.0%**, driven by the lagged effects of monetary expansion in 2025–2026 and a recovery in consumption.
- **We expect the VND to depreciate by 2% per annum against the USD in 2026/27.** We expect the US Federal Reserve (the Fed)'s rate cuts, ongoing solid FDI and export inflows, and the SBV's readiness to sell USD forward when necessary, could help to maintain adequate USD liquidity conditions and stabilize the USD/VND exchange rate.

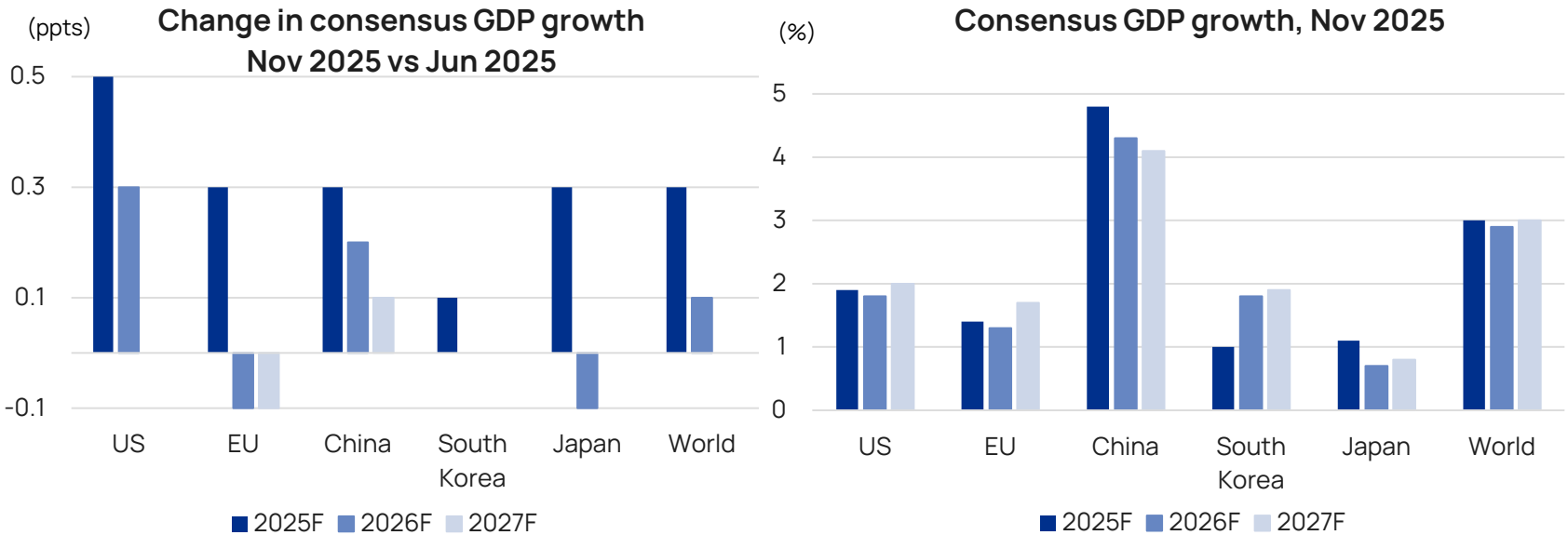
External factors may pose challenges to Vietnam's growth outlook

Global growth indicators showed signs of recovery in H2 2025



- Bloomberg's global growth indicator and PMI fell after tariff announcements.
- However, as US trade policy became clearer, global growth indicators and PMI showed signs of recovery toward the end of 2025.

2026 global consensus outlook revised up but remains weaker than 2025



Source: Bloomberg, Vietcap

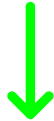
- Consensus forecasts for global GDP growth in 2026F edged up by 0.1 ppt—from 2.8% in June 2025 to 2.9% in November 2025. During the same period, forecasts for the US and China rose by 0.3 ppts and 0.2 ppts, respectively.
- Despite the recent upward revisions, the global GDP growth projection in 2026F (2.9%) remains slightly below 2025F (3.0%). Forecasts for the US and China have eased modestly—from 1.9% and 4.8% in 2025F to 1.8% and 4.3% in 2026F, respectively.
- The US, the EU, China, South Korea, and Japan collectively accounted for more than two-thirds of Vietnam’s merchandise exports in the first 10 months of 2025.

Latest US reciprocal tariff update



July 31: The US announces the **new reciprocal tariff rates** for its trading partners, with a list of products exempted from reciprocal tariffs (Annex II).

August 7: New reciprocal tariffs **come into effect**.



Trade Agreements

October
26, 2025



Malaysia

October
26, 2025



Cambodia

Investment Deal

October 28,
2025



Japan

November
14, 2025



S. Korea



Trade Frameworks

October
26, 2025



Vietnam

October
26, 2025



Thailand

October
30, 2025



China

November
14, 2025



Argentina

November
14, 2025



Guatemala

November
14, 2025



Ecuador

November
14, 2025



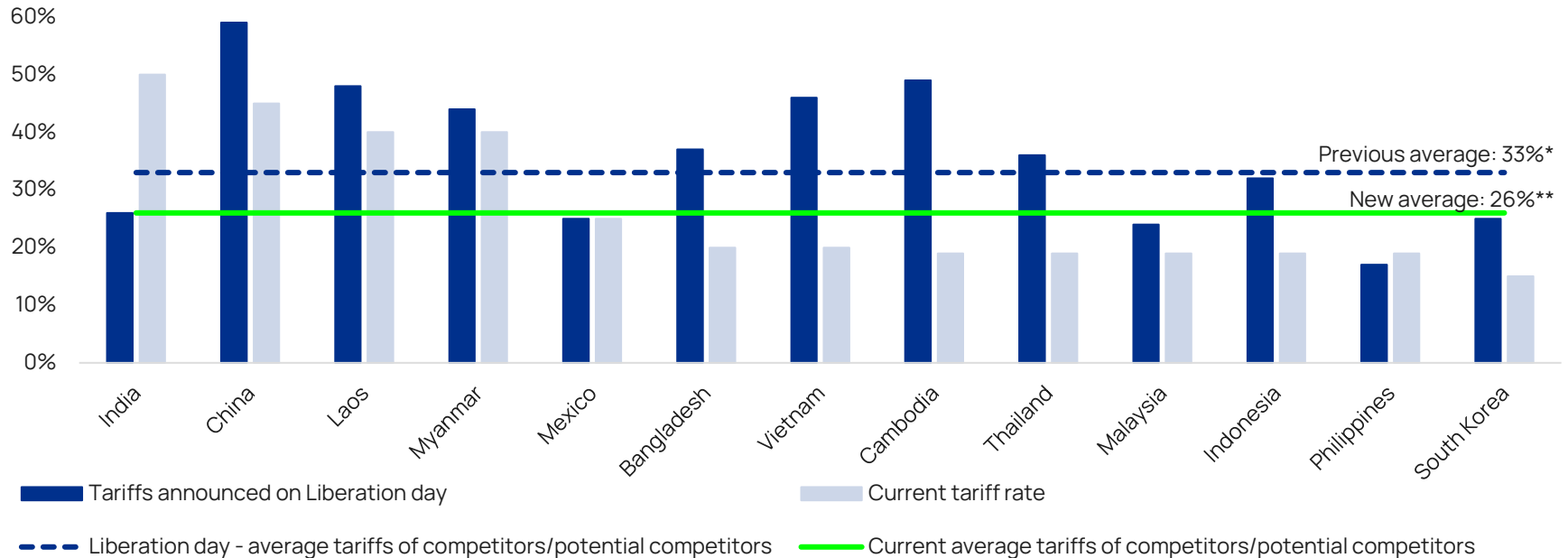
El Salvador



November 14: A **modified Annex II** announced, **adding** a long list of agriculture products to be exempted from reciprocal tariffs (**effective from November 13**).

The reciprocal tariff rate imposed on Vietnam remains lower than its competitors/potential competitors

US reciprocal tariffs on selected countries



Note:

Source: White House, Vietcap compilation

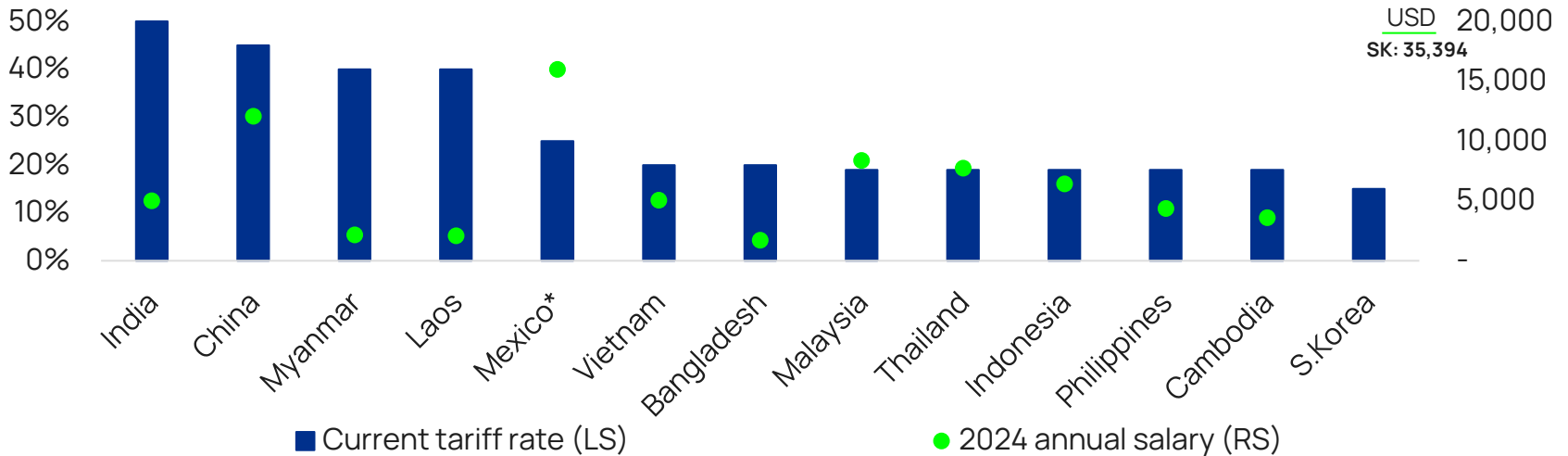
- Competitors and potential competitors: Southeast Asian countries excluding Brunei and Singapore, in addition to India, Bangladesh, Mexico and China
- China tariff rate: up to 25% first term + 10% reciprocal tariff + 10% fentanyl;
- India tariff rate: 25% reciprocal tariffs + 25% penalty for buying Russian oil

* Liberation day average: 33% Excl. China

** New average: 26% Excl. China (28% incl. China)

Vietnam remains competitive in terms of labor costs among peers

Tariffs and annual cost of manufacturing workers in 2024



Note: - Mexico ranges from USD12,000 to USD20,000

- Worker: Regular general workers with 3 years of work experience, not including contract based and probationary workers

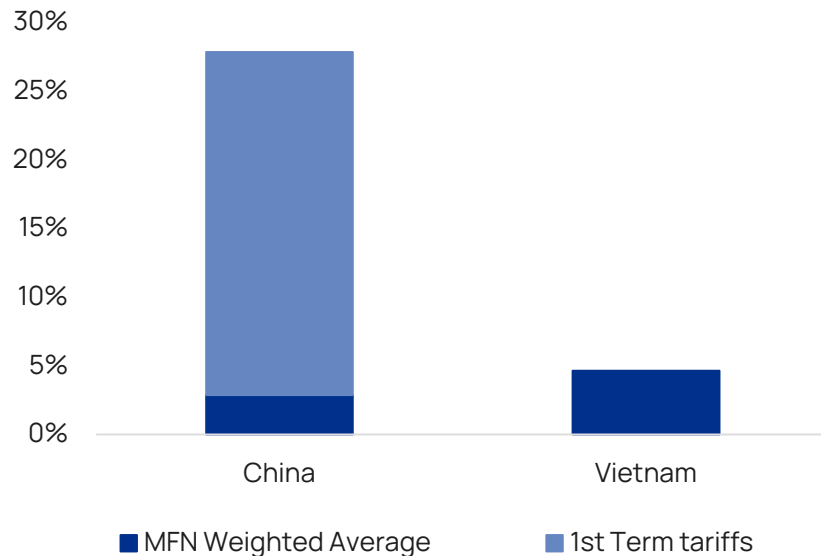
- Annual salary :Total liability for an employee (the total of annual base salary, benefits, social security, overtime allowances, and bonuses, excluding severance benefits, as of FY2024)

Source: The White House, Jetro, Vietcap compilation

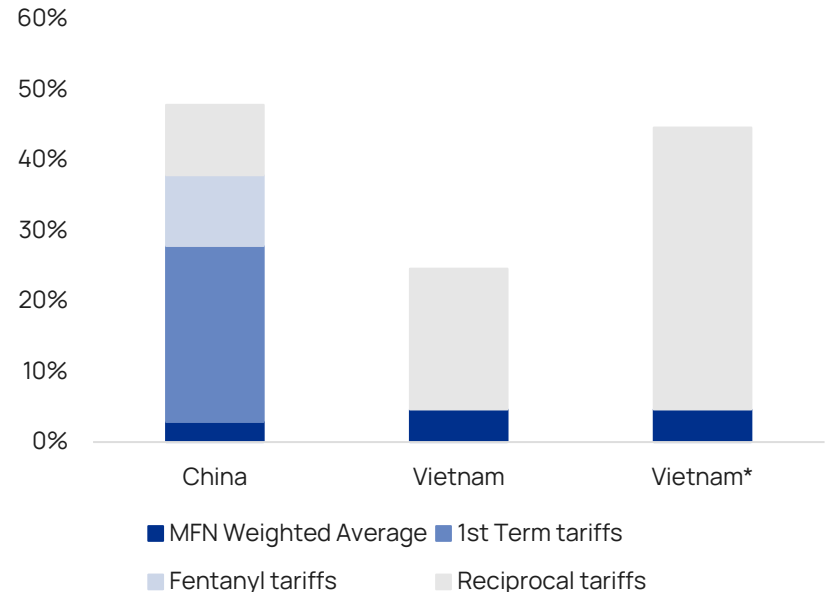
- In term of labor costs, Vietnam remains competitiveness amongst its peers.
- Vietnam's average annual salary of manufacturing workers is around USD5,052 in 2024, which is 20.1% lower than its peers' average (excluding S. Korea).

Improved US-China trade terms may weaken Vietnam's competitive position

US tariffs on China and Vietnam in President Trump's first term



US tariffs on China and Vietnam at end-November



Source: The White House, Vietcap

(*): Potential transshipment tariff rate to be imposed on products not meeting rules of origin requirement (definition remained unclear).

- During President Trump's first term, Vietnam had a clear tariff advantage over China when exporting to the US - with a differential of around 25% for a large portion of exports. The gap could widen further if the US maintains the 20% fentanyl tariff and the 10% reciprocal tariff on China as announced on April 2.
- However, on October 30, the US announced a 10% reduction in fentanyl tariffs on China, keeping the tariff differential unchanged for now. If China manages to negotiate the removal of the remaining 10% fentanyl tariff, the gap between China and Vietnam would narrow to roughly 15%, potentially eroding Vietnam's competitive edge.
- In addition, if transshipment tariffs imposed on a portion of Vietnam exports to the US, Vietnam may lose its competitiveness to its peers.

Unclear “transshipment” definition

Pure transshipment definition



- Harvard University Report: 1.7% - 16.5% of Vietnamese exports to the US were rerouted from China (during 2018-2019)



“Transshipment” definition negotiation



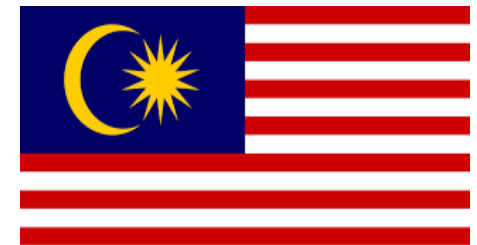
July 3: During US-India tariff negotiations, the US wants at least **60%** of a product's value added locally to qualify as “Made in India”



July 11: During US-Bangladesh negotiations, US demands a minimum **40%** local value addition (LVA) for a product to be labeled “Made in Bangladesh”



October 26: US - Malaysia Trade Agreement
No explicit number provided.
Rules of origin may be established only if substantial benefits accrue to third countries



Low localization rate poses risks for higher tariff

High localization rate

Agriculture products
> 90%



Aquatic products
> 90%



Medium localization rate

Textile products
> 50%



Footwear products
55%

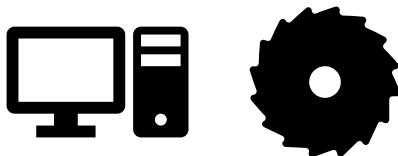


Wood & wood products
> 50%



Low localization rate

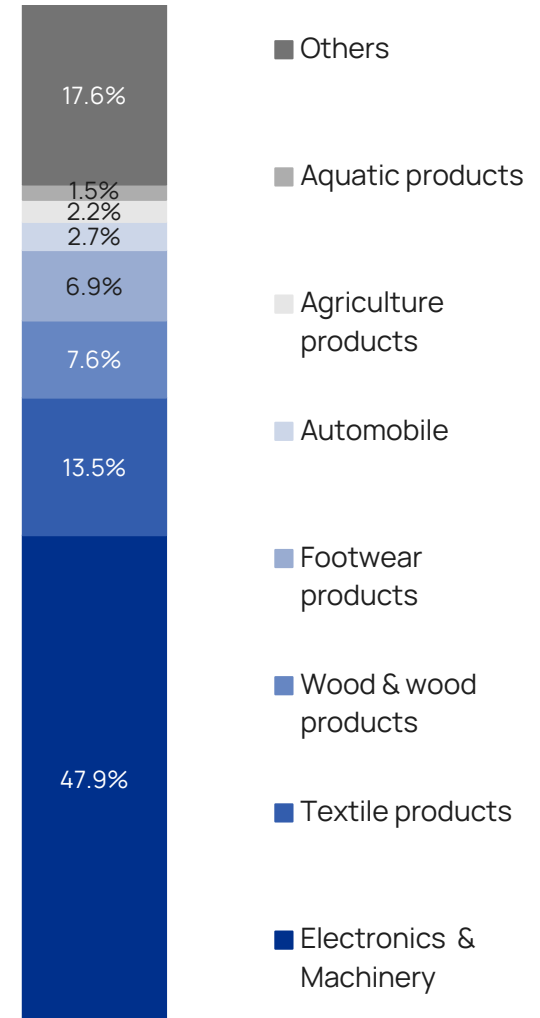
Electronics & Machinery
10-40%



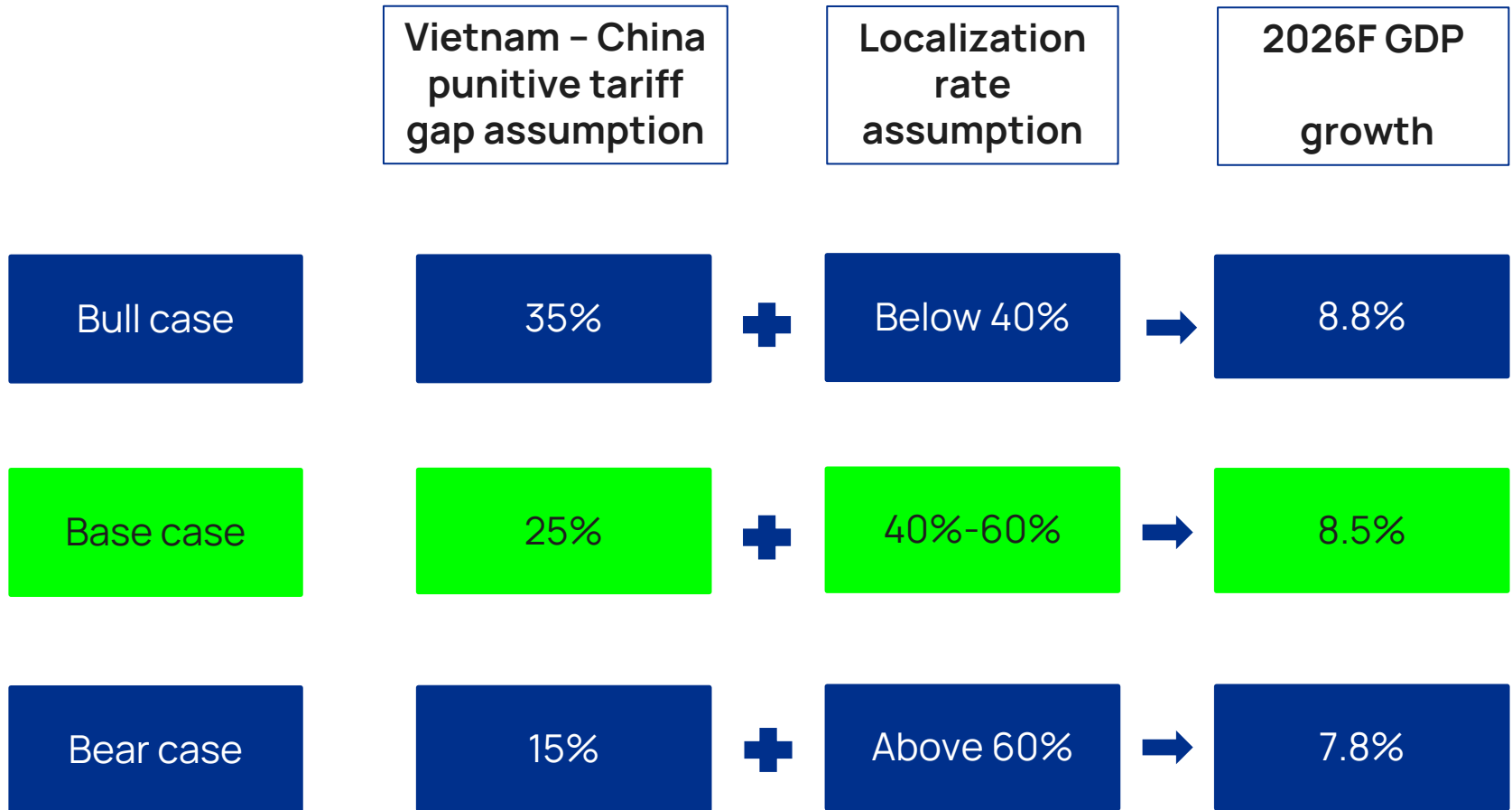
Automobiles
10-40%



Vietnam exports to US breakdown



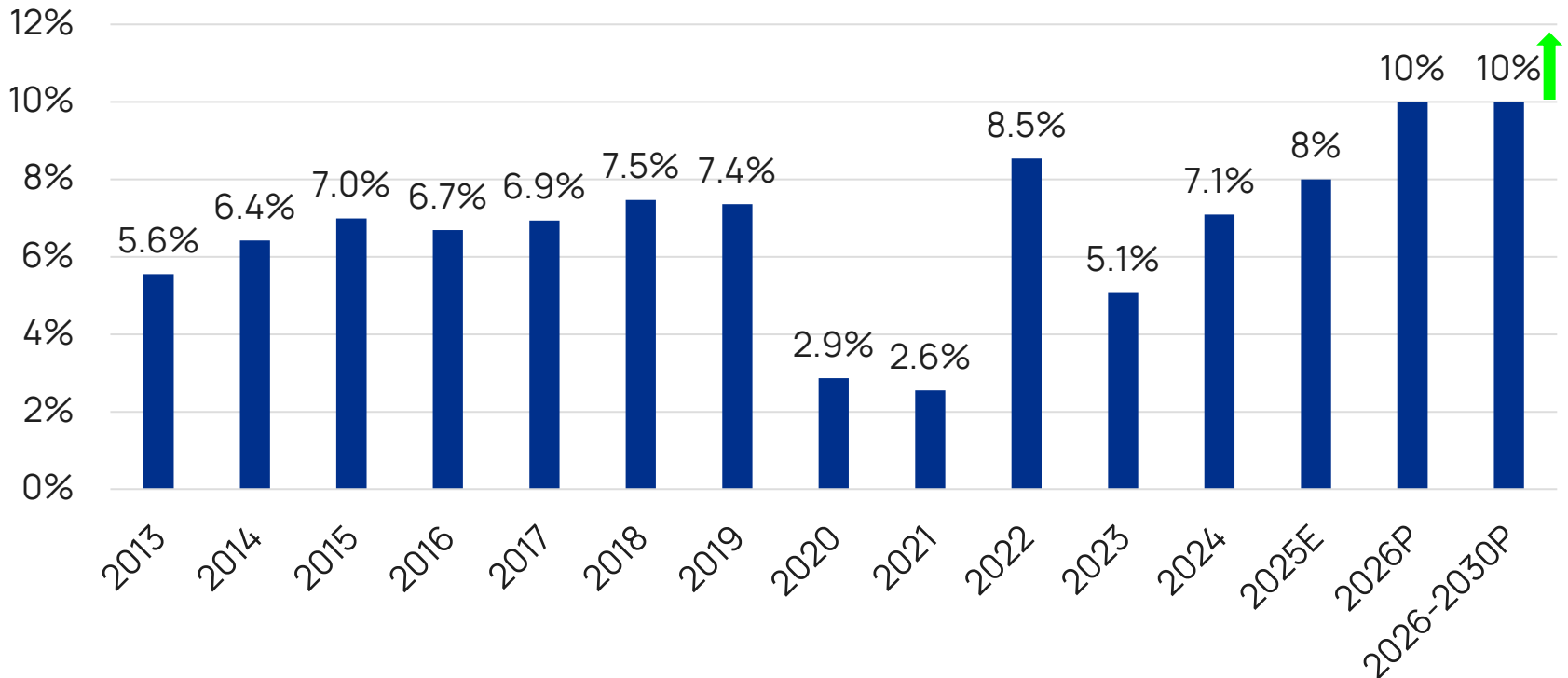
Tariff assumption



- US reciprocal tariffs on Vietnam: 20%
- US punitive tariffs on China: up to 45% = 10% fentanyl + 10% reciprocal + up to 25% from President Trump's first term

Domestic engines to withstand global headwinds, unlock new growth phase

Vietnam sets ambitious economic growth targets for the coming period



- The Government estimates that Vietnam's GDP will increase by 8% or higher in 2025.
- During the 10th session of the 15th National Assembly, the National Assembly approved the growth target of at least 10% in 2026.
- The Government also set an ambitious target of above 10% for the 2026-2030 period.

Domestic growth drivers for economic growth in 2026

Domestic growth drivers

Government support



- **Accommodative monetary stance:** Policy rates to remain unchanged.
- **Expanding fiscal spending:** Public investment +9.2% YoY.
- **Enhancing regulations:** Strengthening legal frameworks to reduce barriers and improve the business environment.

Expanding investment in private sectors



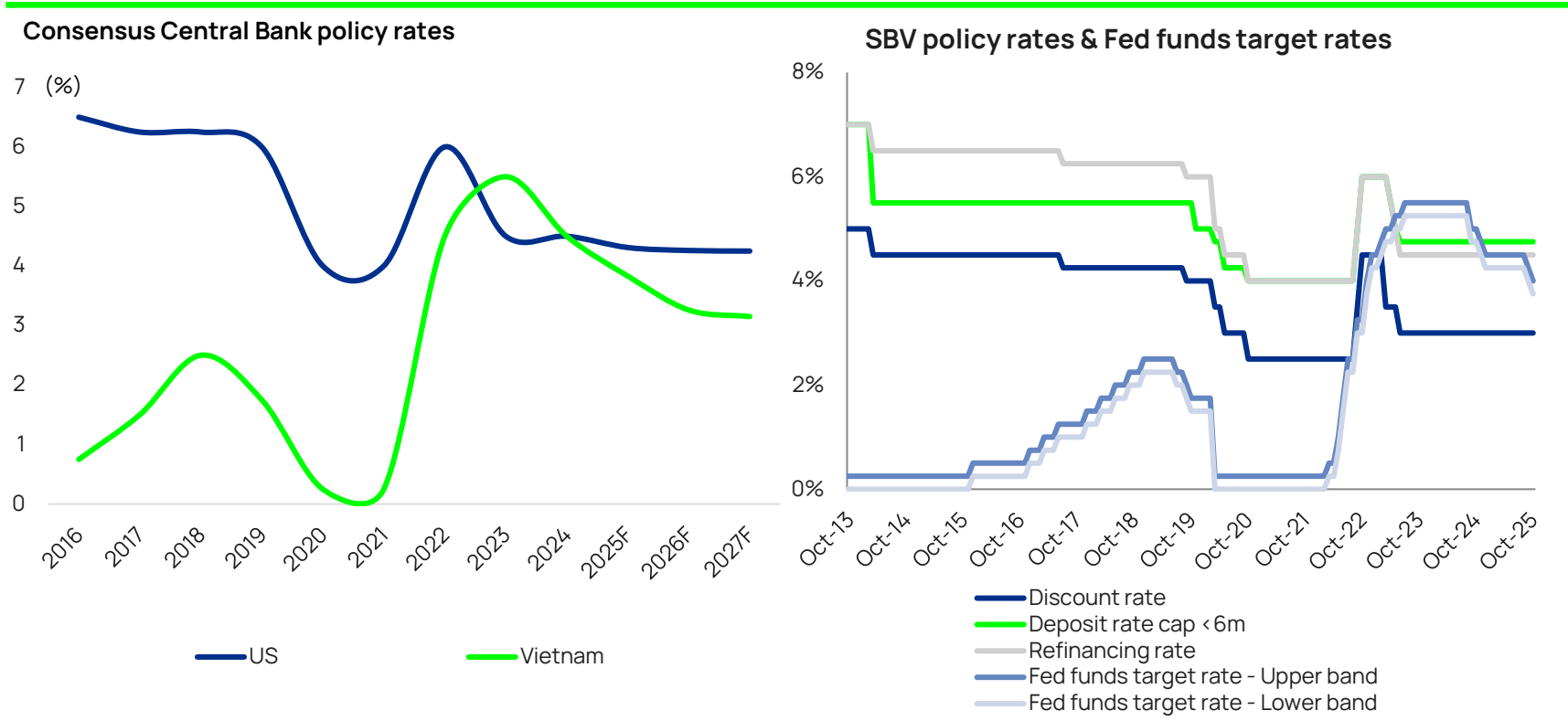
- Resolution 68-NQ/TW and Resolution 198/2025/QH15, together with the Government's support measures, will help unlock resources from the private sector, which could serve as a key driver of economic growth.

Improving consumption



- Consumption is expected to recover progressively, supported by stronger production activity, which should translate into job creation and improved income.
- The Government has introduced a range of measures including a 7.2% increase in minimum wages, higher personal income tax deductions, a 2% VAT cut, and other policies aimed at supporting consumption.

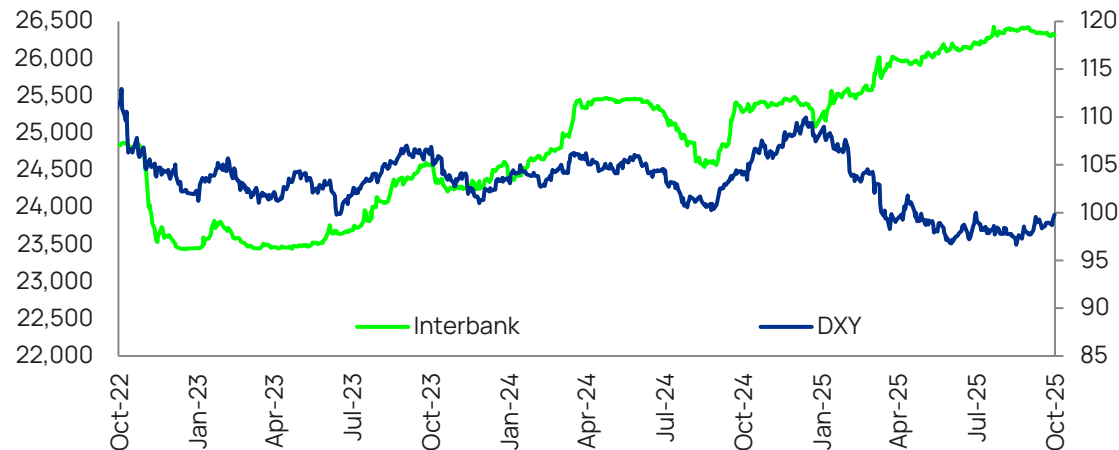
SBV to maintain a loose monetary policy stance to support economic growth



- We expect the SBV to maintain a loose monetary stance to support the economy in 2026.
- Meanwhile, upcoming Fed rate cuts could help to ease the FX rate.

SBV sold USD forward to stabilize the FX market

VND depreciated despite declining DXY

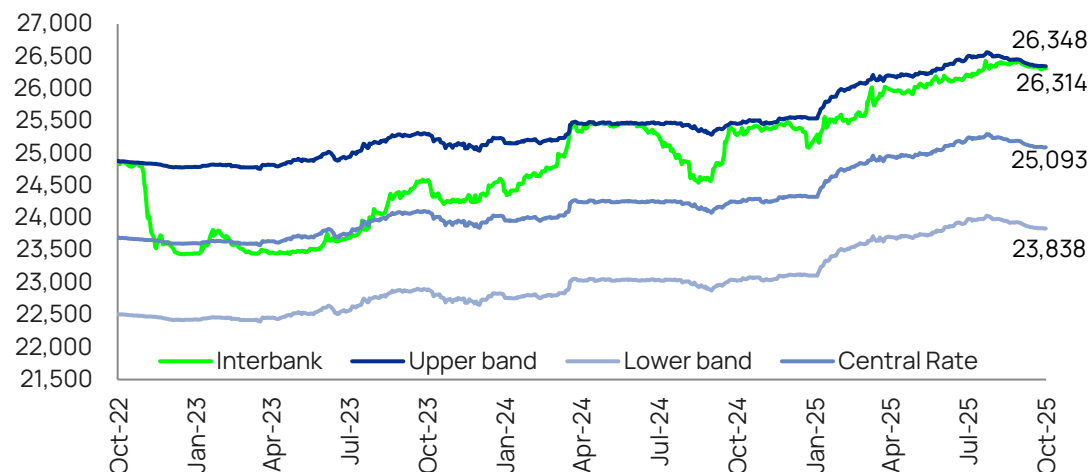


From the beginning of this year to November 20, VND has depreciated 3.4% against the USD.

SBV's recent actions:

- Sold USD in 180-day forward contracts to commercial banks.
- Gradually lowered central rates in October to cap upper limit.
- Requested Ministry of Public Security to strengthen inspection and supervision of illegal FX trading in the informal market.

Central rate decline helped to control interbank FX rate in October

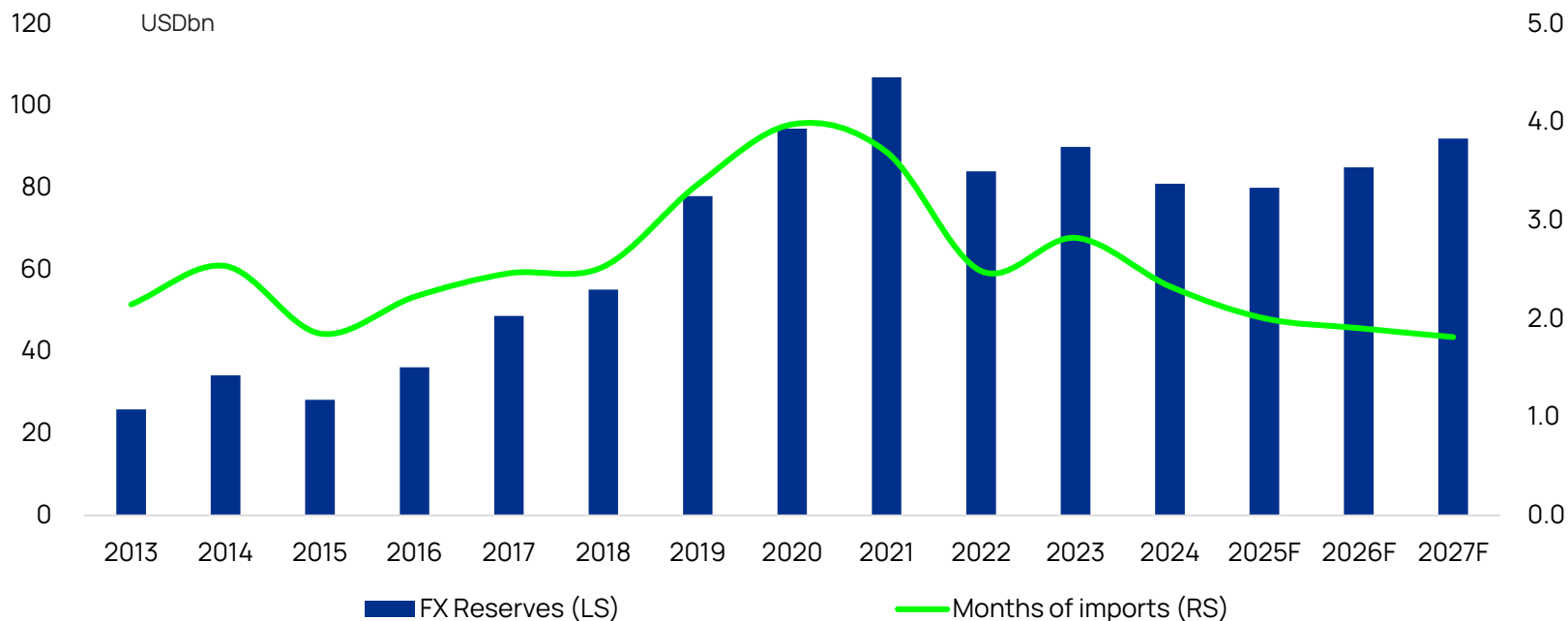


• **We expect the VND to depreciate 2.0%/ year in 2026/27.**

• We expect the Fed's rate cuts, ongoing solid FDI and export inflows, and the SBV's readiness to sell USD forward when necessary, could help to maintain adequate USD liquidity conditions and stabilize the USD/VND exchange rate.

The SBV's foreign reserve position provides limited room to manage potential pressure on the Dong

Vietnam's reserves / months of imports

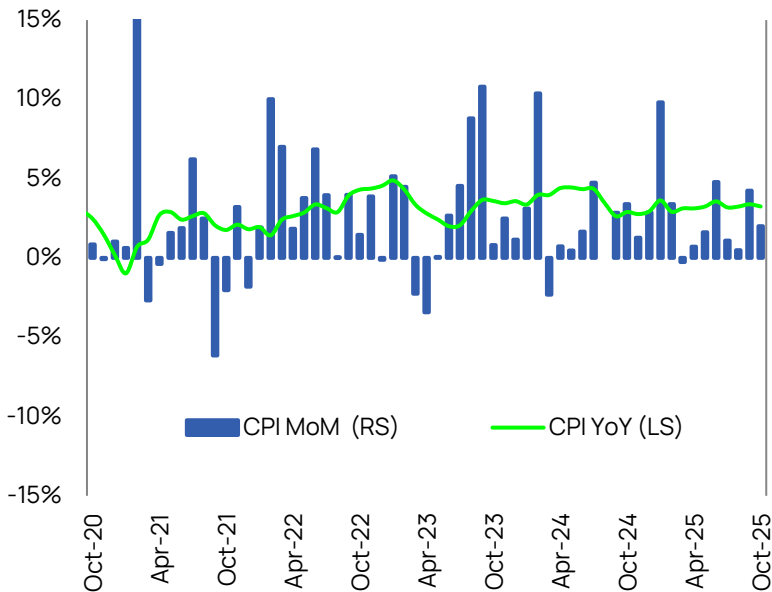


Source: Bloomberg, NSO, Vietnam Customs, Vietcap

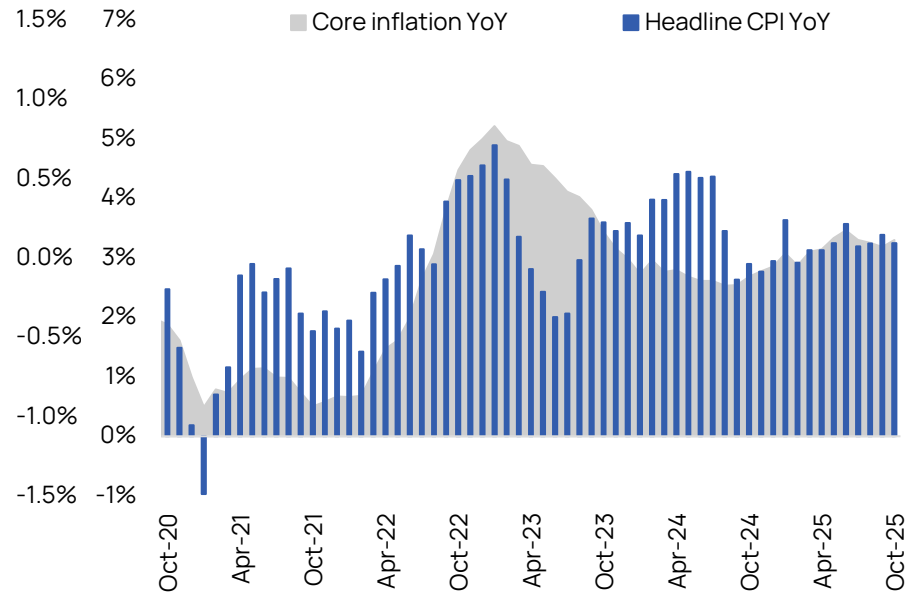
- The SBV's foreign reserves are estimated at around USD80bn (according to Bloomberg data), equivalent to around two months of imports (merchandises and services), which is lower than the IMF recommendation of three months, could limit the SBV capacity to defend the dong.
- However, the SBV showed its readiness to sell USD forward when necessary, which could help to maintain adequate USD liquidity conditions and stabilize the USD/VND exchange rate.

Inflation remains manageable, allowing the SBV to maintain its accommodative monetary stance

Monthly CPI



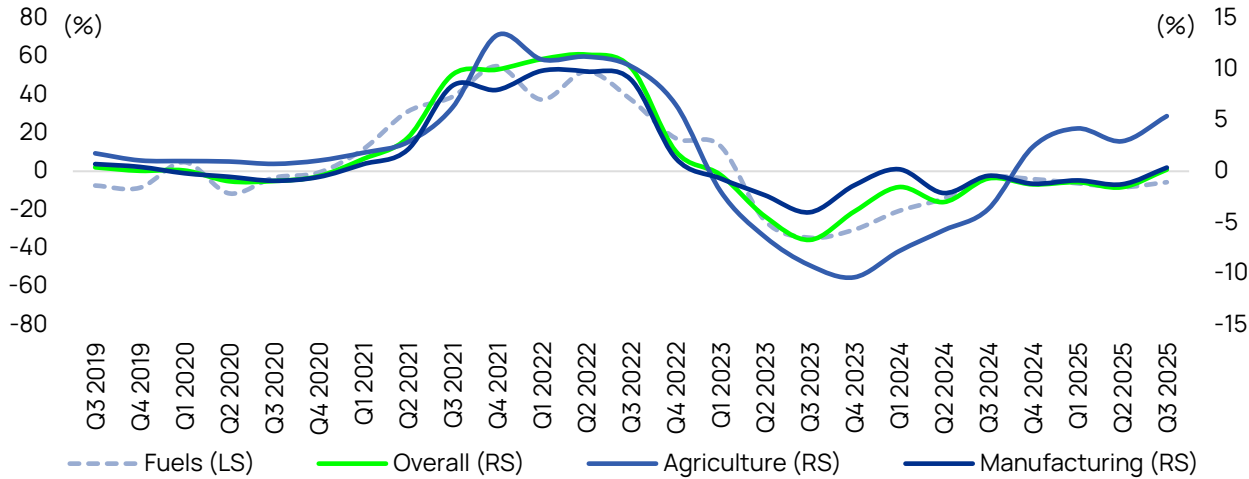
Monthly headline & core CPI



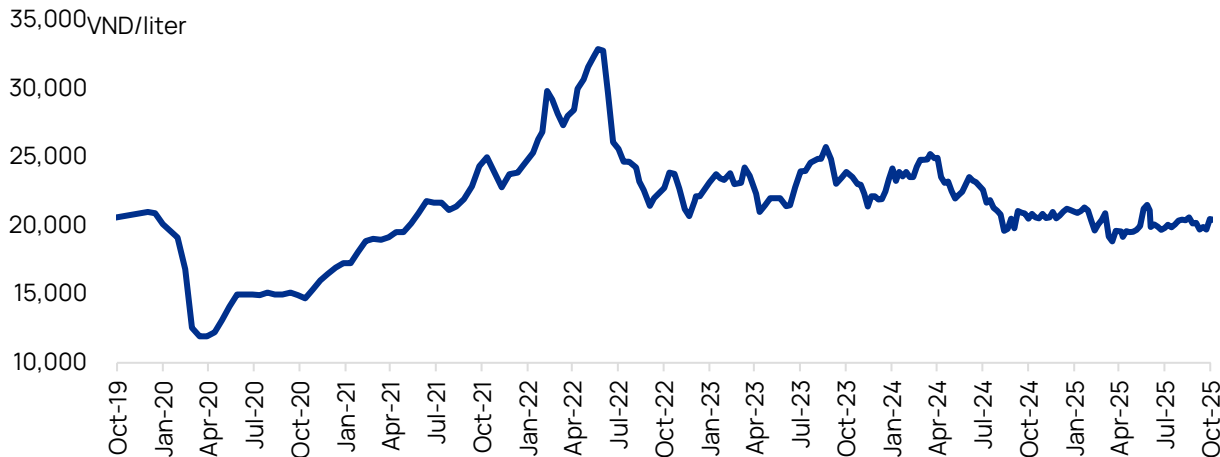
- In October, the Consumer Price Index (CPI) rose 0.2% MoM and 3.25% YoY, bringing average CPI in 10M 2025 to 3.27% YoY, significantly lower than the 4.5-5.0% target cap approved by the National Assembly.
- We maintain our 2026F average CPI forecast at 3.5% and forecast 2027F average CPI to increase to 4.0%.

Potential declines in global rice and oil prices in 2026

Import price index



Domestic oil prices



- Global rice prices:** According to the Bloomberg consensus forecast, global rice prices could decline by around 5% in 2026, which could also help to lower domestic rice prices.
- Global oil prices:** Vietcap's oil & gas team forecasts a decline of 12.4% YoY in global oil prices in 2026, which could help to curb headline inflation by 0.4 ppts (if domestic gasoline prices could decline with the same rate).
- The extension of the **2.0% VAT cut** and 50% reduction of the environmental protection tax on petroleum in 2026 could help to stabilize inflation.

Administered prices and external shocks may raise inflationary pressure

CPI by category

Category	Weight	Oct-24 YoY	Oct-25 YoY
Total CPI	100%	2.90%	3.25%
Food, foodstuffs, and catering services	33.56%	4.45%	2.09%
Beverages and tobacco	2.73%	2.26%	2.36%
Garments, footwear, and hats	5.70%	1.13%	1.50%
Housing and construction materials	18.82%	4.21%	6.76%
Family appliances and tools	6.74%	1.33%	1.69%
Medicine and healthcare	5.39%	8.28%	12.63%
Transportation	9.67%	-3.25%	-0.02%
Telecommunication	3.14%	-0.37%	-0.54%
Education	6.17%	-0.45%	3.27%
Culture, sport, and entertainment	4.55%	2.09%	1.81%
Other consumer goods and services	3.53%	7.03%	3.06%

- The Government may continue to adjust administered prices – including electricity – while private schools and universities could raise tuition fees.
- In addition, commodity prices may face upside risks due to unpredictable factors such as adverse weather conditions, natural disasters, and geopolitical tensions.

Government continues to boost public investment to support economic growth

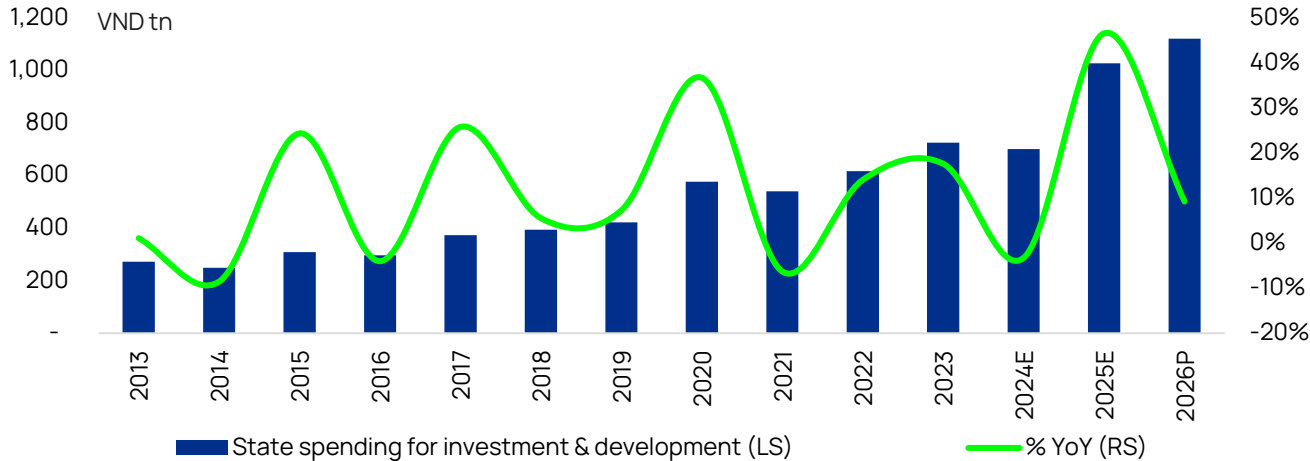
State budget 2026 plan

Unit: VND tn	2025P	2025E*	2026P**	2026P vs 2025E
A. Budget revenue	1,966.8	2,388.8	2,529.5	5.9%
Domestic revenue	1,668.4	2,060.5	2,200.0	6.8%
Revenue from crude oil	53.2	43.0	43.0	0.0%
Revenue from exports-imports	235.0	275.0	278.0	1.1%
Others	10.3	10.3	8.5	
B. Budget expenditures	2,577.2	3,059.1	3,159.11	3.3%
Current expenditures	1,603.6	1,713.2	1,809.0	5.6%
Investment & development	790.7	1,025.7	1,120.2	9.2%
Interest repayment	110.5	110.5	121.1	9.6%
Others	72.4	209.8	108.8	
C. Other revenue	138.9	208.4	23.8	
D. Budget balance	-471.5	-462.0	-605.8	
E. Budget balance/GDP	3.8%	3.6%	4.2%	

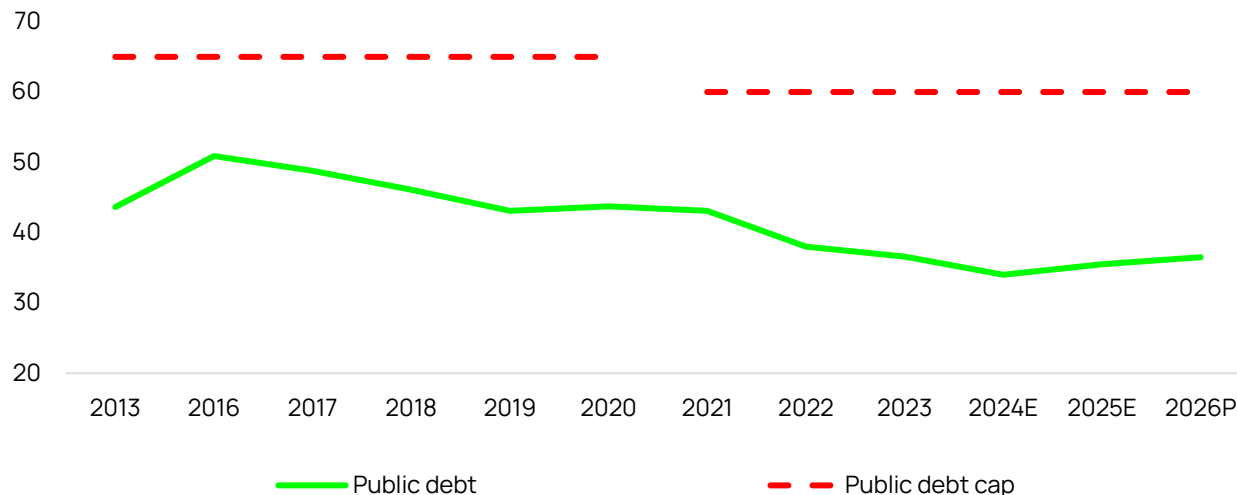
- The Ministry of Finance estimates that State spending on investment and development in 2025 could reach approximately VND1,026tn (USD38.9bn), **up 46.5% from the 2024 estimate**. This sharp increase is driven by additional capital from reserve funds, higher local government investment funded by land-use fee revenue and lottery proceeds, and the recovery of State budget capital invested in local enterprises.
- For 2026, investment and development spending is projected at VND1,120tn (USD42.5bn), which is 41.7% higher than the 2025 plan and 9.2% above the 2025 estimate, reflecting the Government's continued push to accelerate public investment and support economic growth.
- We estimate that a 9.2% increase in investment and development spending in 2026 could raise GDP growth by nearly 0.6%.

Public debt remains well below the 60% legislative cap, providing ample room for further fiscal stimulus

State spending for investment & development



Vietnam's public debt / GDP (%)



- We expect the Government may raise public investment beyond the planned level in 2026 - similar to the approach taken in 2025 - to further stimulate growth if needed.
- Meanwhile, public debt is projected to remain at 36%-37% of GDP, well below the National Assembly's 60% ceiling, providing ample room for additional fiscal support over the medium term.

Comprehensive reforms drive Vietnam's sustainable development

Strategic resolutions to support medium and long-term growth

Double-digit growth target for
2026-2030



Foundation

Streamlining the Central and Local apparatus

- Reduce administrative procedures.
- Reduce costs and waste.
- Improve operational efficiency.
- Improve the quality of public services.

Resolution 66

- Reduce administrative procedures.
- Reduce compliance costs.
- Remove unnecessary legal barriers and support a more open legal environment.

Driving forces

Private enterprise development Resolutions 68 & 198

- Promote the development of SMEs.
- Develop multinational and multi-sector enterprises with stronger integration into global supply chains.

Breakthrough in science and technology Resolution 57

- Science, technology, innovation and digital transformation are central drivers for growth in the long term.
- Increase investment in science and technology and create favorable conditions for businesses in the high-tech sector.

Resources

Human capital development Resolutions 71 & 72

Developing high-quality human resources for long-term development:

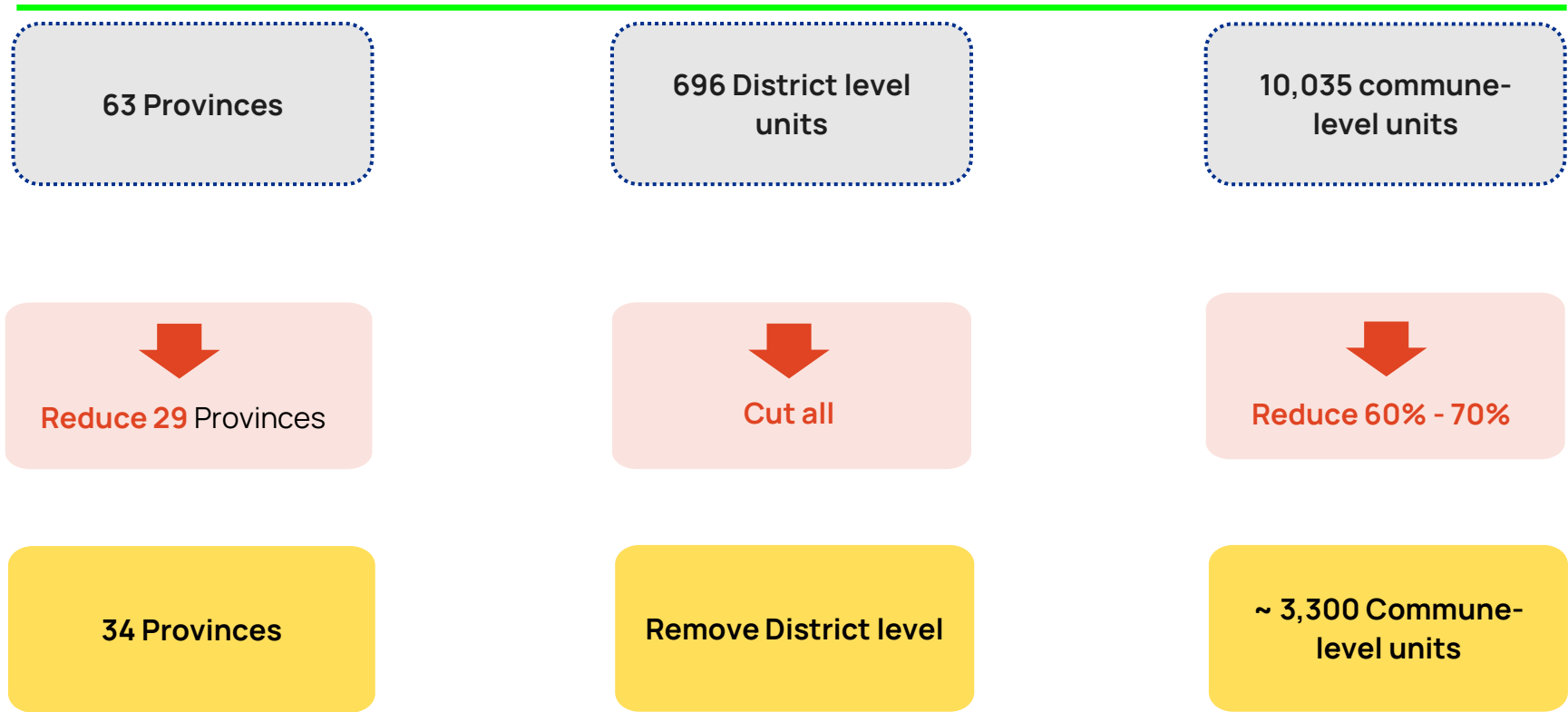
- Healthy workforce.
- Well-trained & skilled work force.
- High-tech readiness.

Government has cut 32% of Ministries and Ministerial Agencies since the beginning of 2025



- The Government estimates that 145,000 (~8.8%) civil servants and public employees were cut from November 2024 to October 2025, resulting in annual savings of VND39tn (USD1.5bn) in current expenditures.
- The Government also intends to further streamline the public workforce by an additional 10% during the 2026–2031 period.

Provincial restructuring



- Vietnam reduced 46% of provincial-level administrative units and 66.9% of commune-level administrative units; removed district-level organization and implemented 2-level local Governments.
- By merging provinces and cities and shifting to a two-level local government structure, Vietnam aims to reduce overlapping administrative layers, procedural duplication, and payroll and operating costs, thereby lowering overall administrative expenses. The Ministry of Home Affairs estimates that this reform could generate savings of around VND190.5tn (USD7.2bn) in salary and administrative expenditures nationwide during 2026–2030.

Strategic Directives for growth

Resolution 57

Technological innovation as growth catalyst

December 2024

Strategic initiatives



Institutional reform

Remove barriers to innovation



Human resources

High-quality workforce development



Digital infrastructure

Foundation for tech advancement



Technological adoption

Across key economic sectors

Resolution 68

Facilitating private sector growth

May 2025

Strategic initiatives



Eliminate outdated perceptions

Removing prejudices against private economy



Reduce administrative burden



Strengthen legal protections

For property rights and business



Enhance resource access

Strategic Directives for growth - Resolution 68-NQ/TW/2025

Resolution 68 recognizing private sector as the key engine of future growth

- | 2025 | → | 2030 | → | 2045 |
|--|---|---|---|--|
| <ul style="list-style-type: none"> Over 940,000 enterprises Mainly SMEs ~50% of GDP | | <ul style="list-style-type: none"> 2 million enterprises 20 large firms participating in global value chains ~55% - 58% of GDP | | <ul style="list-style-type: none"> 3 million enterprises Strong integration in global supply chains Over 60% of GDP |

Average monthly newly registered businesses



- Since the Politburo issued Resolution 68 in May 2025, enterprise formation has accelerated significantly. From May to October 2025, an average of more than 18,500 new enterprises were established each month - representing a 33.3% YoY increase and 43.7% growth compared to the average during 4M 2025.
- In addition, Resolution 198/2025/QH15 – which institutionalizes Resolution 68 – provides a three-year tax exemption for households and individuals transitioning into small and medium-sized enterprises.
- Resolution 198 also encourages private-sector participation in key national infrastructure projects.
- Domestic enterprises including, VinSpeed, THACO, Masterise, and Sovico are proposing to construct high-speed railways and metro projects, including North - South High-speed Railway, Ho Chi Minh City - Can Gio, and Hanoi - Quang Ninh, among others.

Source: NSO, Vietcap

Strategic Directives for growth - Resolution 57-NQ/TW/2025

Resolution 57 positions technological innovation as the key catalyst for national economic development and competitiveness

2030

- TFP Contribution: > 55% of economic growth.
- (Status 2025: On track, currently ~48%).
- High-tech exports: \geq 50% of total export value.
- Digital economy: ~30% of GDP.
- R&D Spending: Reach 2% of GDP (Public + Private).



2045

- Economic status: High-income country.
- Innovation Hub: Rank in top 30 globally (GI Index).
- Tech Ecosystem: Home to at least 10 tech unicorns and regional R&D centers.
- Digital Economy: Contributing > 50% of GDP.

- Key milestones achieved in 2025 include the ratification of the Law on Digital Technology Industry and the issuance of a series of Decrees related to science and technology, innovation and digital transformation, in which is the Degree on Semiconductor Investment Incentives, creating a clear legal corridor for FDI.
- The Government has proposed a budget of VND95tn (~USD3.6bn) for Science & Technology in 2026 (around 0.7% of GDP), improving from the current level of 0.4% of GDP.

Strategic Directives for education and health care

Resolution 71:

Breakthrough in human resource development

August 2024

Strategic initiatives



Strengthening universal education at all levels for all people



Building a modern, equitable, and quality education system



Improve the quality and benefits of teachers



Training high-quality human resources, scientific and technological talents

Resolution 72:

Public health top priority

September 2025

Strategic initiatives



Roadmap to free hospitalization



Improve people's longevity, fitness, and health in the long term



Improve the quality and benefits of healthcare workers



Developing a sustainable healthcare system

Investment in infrastructure plays a critical role in boosting economic development

- The Government plans to disburse VND8,538tn (USD325bn) for public investment in 2026-2030, 2.5x the projected disbursement for 2021-2022 (majority will be used to invest in infrastructure).
- We estimate that public investment growth should reach around 20% annually during 2026-2030 in order to fulfill this target (roundly 1.2 ppts to GDP growth annually).
- Key development plans:
 - Building 5,000 km of expressways during 2026-2030, up from around 3000 as targeted by the end of 2025.
 - Developing high-speed railways (North-South High-Speed Railway, Hai Phong – Hanoi – Lao Cai, among others), metro system.
 - Expanding strategic ports and the international airport network.
- Notably, the Government encourages private-sector participation in key national infrastructure projects. This participation may take the form of direct investment, public-private partnerships (PPPs), or other State-private cooperation models in accordance with the law.
- We expect the Government's determination to upgrade infrastructure to be an important driving force in supporting the double-digit growth target in the 2026-2030 period and thereby creating a sustainable foundation for long-term growth.

Selected key infrastructure projects during 2026 to 2030 (1)

Project	Total investment capital	Total length	Note
Expressway: Aim to have 3,000 km in 2025 and 5,000 km in 2030			
- HCMC Ring Road No.4 - Phase 1	VND122.8tn/USD4.7bn	159 km	Strive to complete site clearance by 2025. The Prime Minister requested direction to strive to complete by 2028.
- Hanoi Ring Road No. 5, Hanoi region	VND85.6tn/USD3.3bn (2013 estimate)	331 km	Expected completion before 2030.
- Ca Mau - Đát Mui Expressway	VND50tn/USD1.9bn	90 km	Construction started in August 2025 and is expected to be completed in 2028.
- Quang Ngai - Kon Tum Expressway	VND45tn/USD1.7bn (estimate)	136 km	Investment phase 2026 - 2030: Aiming to start construction in 2026.
- Quy Nhon-Pleiku Expressway	VND43.7tn/USD1.7bn	123 km	Expected to start construction in end-2025 and finish by 2029.
- Route connecting Gia Binh airport with Hanoi	VND33tn/USD1.3bn	27.7 km	Investment policy approved in November 2025, expected to start construction in 2026.
- Bac Kan - Cao Bang Expressway	VND29.9tn/USD1.1bn (estimate)	87.3 km	Aiming to start construction in Q1 2026.
- North-South Expressway (Gia Nghia - Chon Thanh)	VND20tn/USD759mn	124 km	Construction started in August 2025 and is expected to be put into use in 2027.
- Dong Dang - Tra Linh Expressway Phase 2	VND12.1tn/USD459mn	26.5 km	Construction started in August 2025 and is expected to be completed in 2027.
- Hoa Binh - Moc Chau Expressway	VND10tn/USD380mn	34 km	Construction started on September 29, 2024, expected to be completed on December 31, 2027.
- Cho Moi - Bac Kan Expressway	VND5.7tn/USD216mn	28.8 km	Aiming to complete site clearance in 2025 and expected to be completed in 2026.
Railway			
- North-South High-Speed Railway	VND1,714tn/USD67.7bn	1,541 km	Expected to start in 2026 and finish by 2035.
- Ho Chi Minh City - Can Tho Railway	VND173.6tn/USD6.6bn (Phase 1) + VND65tn/USD2.5bn (Phase 2)		VinSpeed is currently registering to invest, planning to complete the project's pre-feasibility study report in 2025-2026; start construction in 2027; put into commercial operation in 2028.
- Lao Cai - Hanoi - Hai Phong - Quang Ninh Railway (connect with China)	VND160.8tn/USD6.4bn (Phase 1)	462 km	Construction to start in December 2025 and is expected to be completed by 2030.
- Hanoi - Quang Ninh Railway	VND139.8tn/USD5.3bn	120 km	VinSpeed is submitting its investment policy in Q4 2025 and is expected to operate in Q1 of 2028.
- Thu Thiem - Long Thanh Railway	VND90tn/USD3.4bn	42 km	Investment policy submission in October 2025 and contractor selection will be completed by the fourth quarter of 2026.

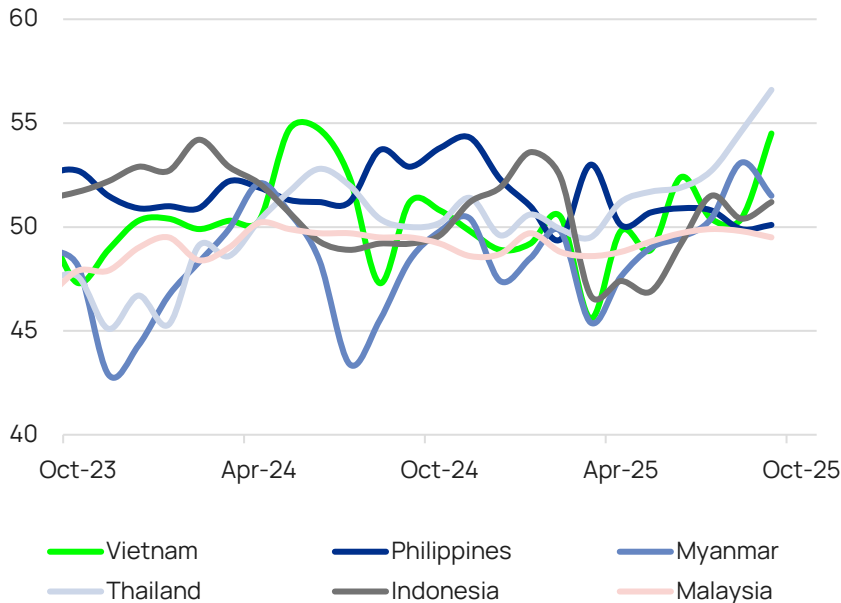
Selected key infrastructure projects during 2026 to 2030 (2)

Project	Total investment capital	Total length	Note
Port			
- Nam Do Son Port (Hai Phong)	VND373.8tn/USD14.2bn (3 phases)		The project is expected to start construction in early 2027 and be divided into three investment phases.
- Can Gio International Transshipment Port (7 phases)	VND113tn/USD4.3bn		Expected to start in 2025 and complete phase 1 by 2027.
- Cai Mep Ha Logistics Center	VND50.8tn/USD1.9bn (estimation)		There are several candidates, including: Gemadept Group and a joint venture of State Capital Investment Corporation (SCIC) - Geleximco Group - International Transport and Trading Joint Stock Company (ITC).
- Lien Chieu Port, Da Nang	VND48.3tn/USD1.8bn - 3 phase		Phase 1 (44.6 ha): VND3.4tn/USD129mmn (public investment) - expected to be completed by 2025.
- Hon Khoai Port, Ca Mau	VND15tn/USD570mn		Construction started in August 2025.
International airport			
- Gia Binh International Airport	VND141tn/USD5.4bn (Phase 1) + VND55tn/USD2.1bn (Phase 2)		The investment policy is being discussed at the 10th Session of the 15th National Assembly. If approved, phase 1 is expected to start construction in 2026.
- Long Thanh International Airport - Phase 1	VND114.5tn/USD4.3bn		Ongoing, basic construction to be completed by 2026.
- Phu Quoc International Airport Upgrade and Expansion Project	VND22tn/USD835mn (2 phases)		Sun Group is the investor. Phase 1 from 2025 to 2027 and phase 2 from 2027 to 2030.
- Noi Bai T2 Terminal Expansion	VND5tn/USD190mn		Expected completion by the end of 2025.
Energy			
- O Mon IV Thermal Power Plant Project	VND27.7tn/USD1.1bn		Construction started in August 2025 and is expected to be completed in 2027.
Bridge			
- Bridge across the sea to Hon Khoai Island	VND25.7tn/USD976mn	18 km	Under construction and expected to be completed in 2028.
- Tu Lien Bridge - Hanoi	VND20tn/USD759mn	5 km	Construction started in May 2025, expected to be completed in 2027.
- Tran Hung Dao Bridge - Hanoi	VND16tn/USD608mn	6 km	Construction started in 2025 and is expected to be completed in 2027.
- Ngoc Hoi Bridge - Hanoi	VND11.8tn/USD448mn	7 km	Construction started in 2025 and is expected to be completed in 2030.
- Hong Ha Bridge Hanoi	VND10tn/USD380mn	6 km	Construction started in 2025 and is expected to be completed in 2027.
- Thuong Cat Bridge Hanoi	VND7.3tn/USD277mn	4.5 km	Construction started in 2025 and is expected to be completed in 2027.
- Me So Bridge Hanoi	VND4.9tn/USD186mn	13.8 km	Construction started in 2025 and is expected to be completed in 2027.
- Van Phuc Bridge Hanoi	VND3.4tn/USD129mn	7.7 km	Construction started in 2025 and is expected to be completed in 2027.

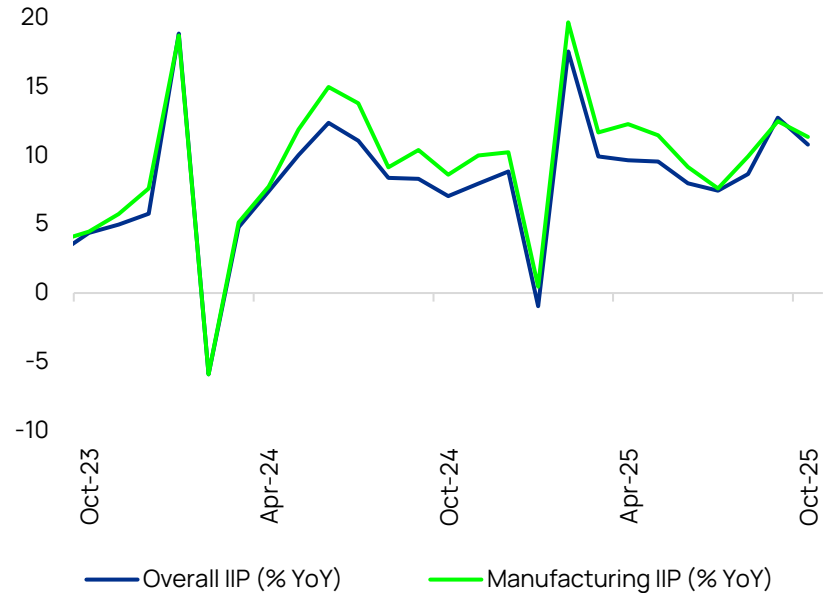
Other macro indicators

Domestic production poised to grow as public investment and business activity rise

Vietnam PMI vs several SEA countries



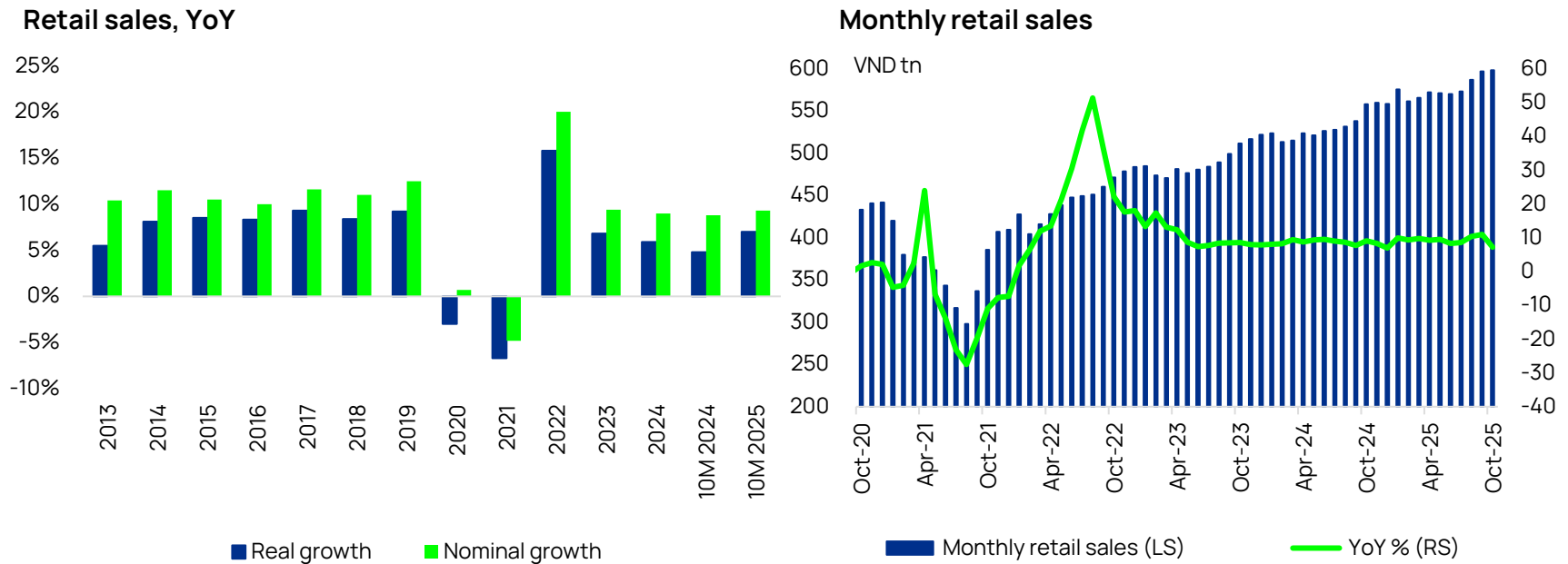
Monthly IIP



We expect several factors to support production to expand further in 2026, including:

- External demand is likely to sustain, while domestic demand is expected to improve further.
- Rising public investment (+46.5 YoY in 2025 & + 9.2% in 2026 with potential increases) and overall business activity (a recorded amount of new business formation seen in recent months).

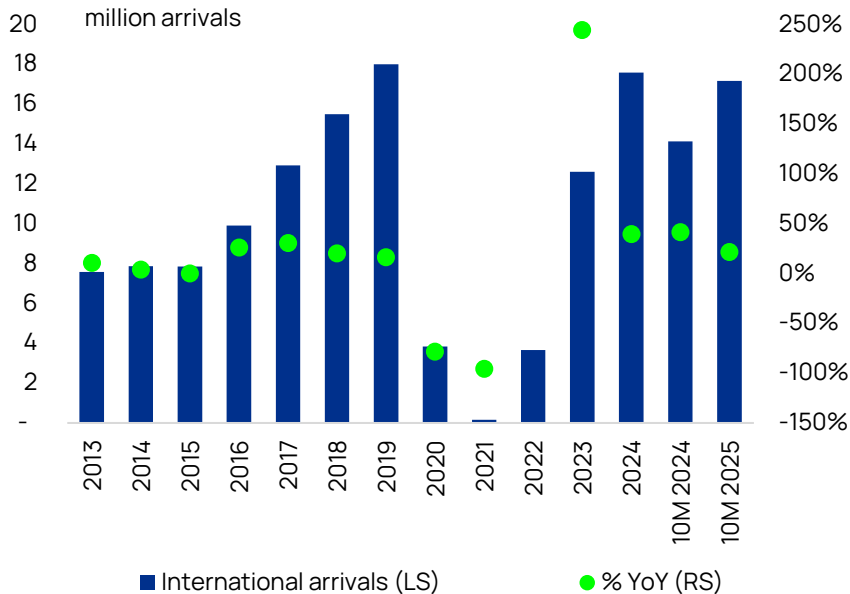
Hospitality and tourism supported retail sales (1)



- In 10M 2025, retail sales posted solid growth of 9.3% YoY (10M 2024: +8.8% YoY) in nominal terms and 7.0% YoY (10M 2024: +4.8% YoY) in real terms.
- Of the total retail sales of goods & services in 10M 2025, retail sales of goods growth at 8.0% YoY remained lower than overall retail sales.
- In addition, retail sales of accommodation & catering services and tourism increased 14.6% YoY and 19.8% YoY, respectively, supported by the ongoing recovery of international arrivals.

Hospitality and tourism supported retail sales (2)

International arrivals



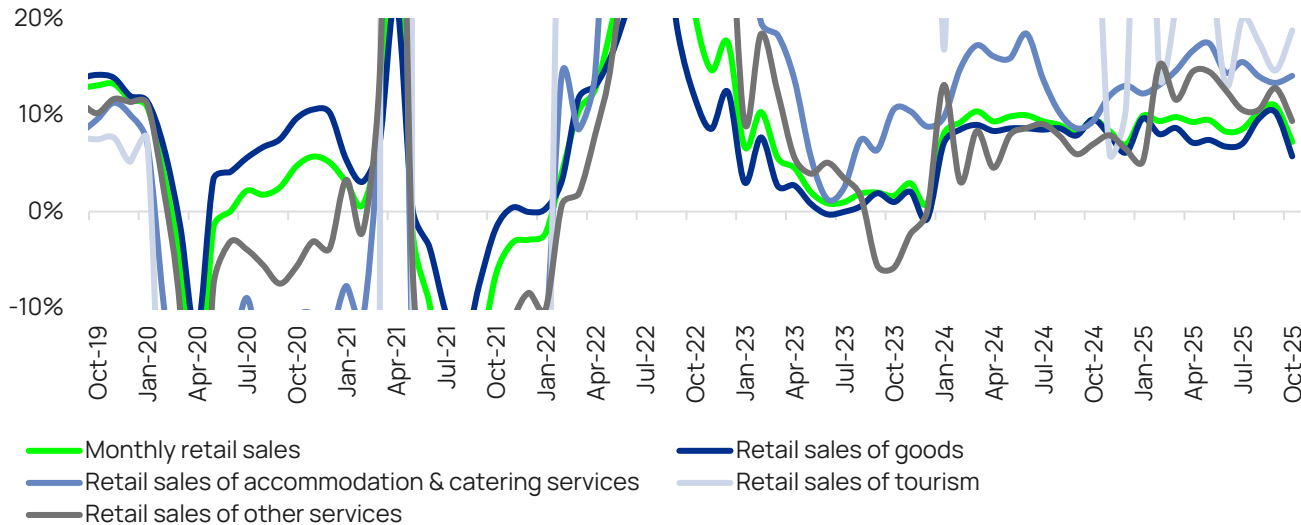
International arrivals vs pre-COVID levels

	Oct 2025 vs Oct 2019	10M 2025 vs 10M 2019
Total international arrivals	107.1%	118.5%
China	72.5%	94.6%
Excluding China	127.3%	129.5%

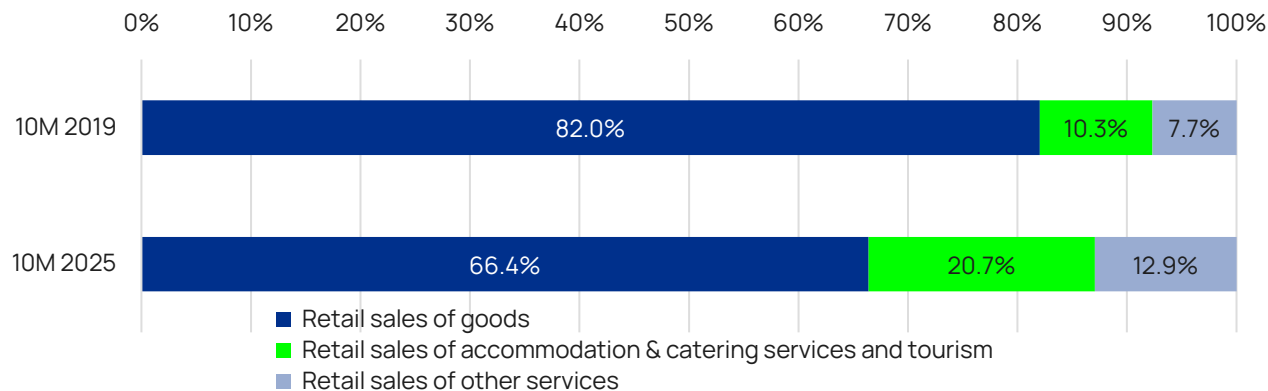
The total number of international arrivals reached 1.7 million in October (+22.1% YoY), bringing total international arrivals in 10M 2025 to 17.2 million (+21.5% YoY) - equivalent to 118.5% of pre-pandemic (10M 2019) levels. Arrivals from China reached 94.6% of pre-pandemic levels, while other markets reached 129.5%.

Hospitality and tourism strengthen their role in total retail sales

Retail sales growth - Breakdown



Contribution to total retail sales growth



Before and during the pandemic, retail sales of goods consistently accounted for over 80% of total retail sales and served as the main growth driver.

However, in the post-pandemic recovery period, the reopening and strong rebound of tourism has shifted the driver of total retail sales growth from goods toward services – particularly tourism-related services, which currently contribute around 20% to total retail sales growth (doubled from around 10% recorded pre-pandemic).

A continued recovery in consumption is anticipated in 2026

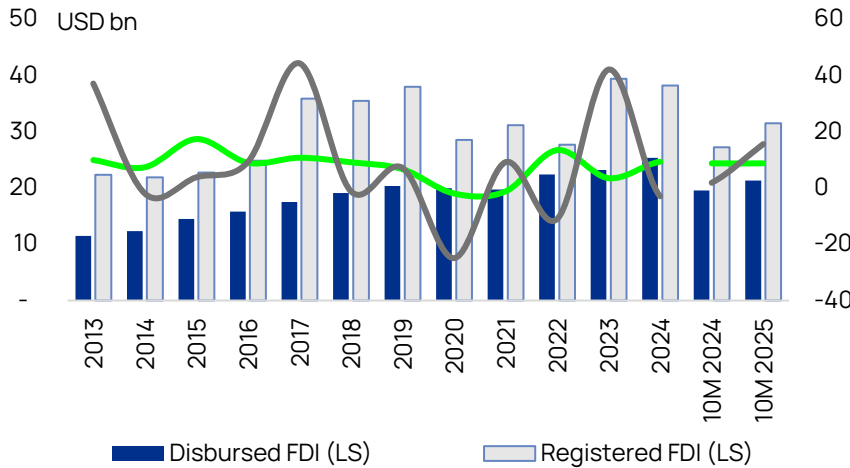
We expect domestic consumption to continue to recover in 2026, supported by several key drivers:

- 1) **Continued strong growth in tourism:** The Government targets 25 million international arrivals in 2026, compared with the target of 22–23 million in 2025.
- 2) **Rising household income:** We expect the average salary to continue to increase by around 10% in 2026.
- 3) **Strengthened social security policies:** Ongoing efforts to improve quality of life are expected to support consumer confidence over the medium term. Notable policies that have been introduced include: (1) tuition exemption for all public preschool children (ages 3–5) through 12th grade nationwide, along with tuition support for students enrolled in non-public educational institutions; (2) free annual health check-ups for all citizens starting from 2026; and (3) continued increase to pensions and social allowances for vulnerable groups. We estimate these support measures could lift GDP by 0.2 ppts.
- 4) **Promotion of cultural and artistic activities:** On November 14, 2025, the Prime Minister approved Decision 2486/QĐ-TTg on the Strategy for the Development of Cultural Industries to 2030 (with a vision to 2045), prioritizing ten cultural industries*. We expect the development of these industries to stimulate consumer demand for culture and the arts, which could generate positive spillover effects on tourism and domestic consumption, while also attracting international visitors.
- 5) **Extended tax support:** The 2% VAT cut and reduced environmental protection tax on fuel will continue until December 31, 2026, helping reduce costs and sustain consumption.

Note: Ten culture industries are (1) Cinema; (2) Fine arts, photography and exhibitions; (3) Performing arts; (4) Software and entertainment games; (5) Advertising; (6) Handicrafts; (7) Cultural tourism; (8) Creative design; (9) Television and radio; (10) Publishing

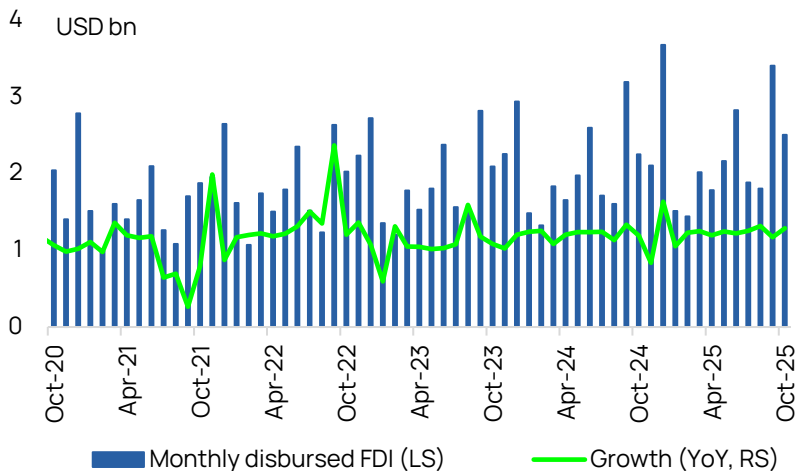
10M 2025 disbursed FDI hit highest level since 2012

FDI disbursement and registrations

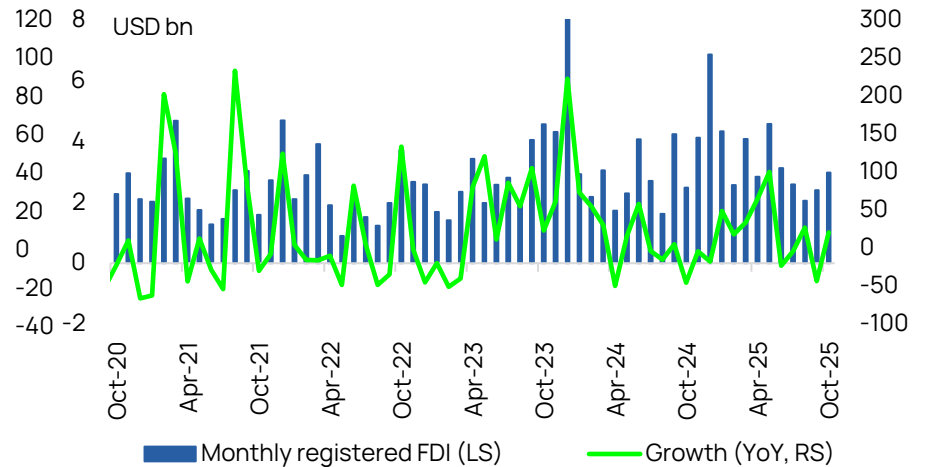


- FDI registrations surged 20.2% YoY to USD3.0bn in October, bringing total FDI registration in 10M 2025 to USD31.5bn (+15.6% YoY).
- Meanwhile, FDI disbursements increased to USD2.5bn (+11.4% YoY) in October and USD21.3bn (+8.8% YoY) in 10M 2025.

FDI registrations (monthly)

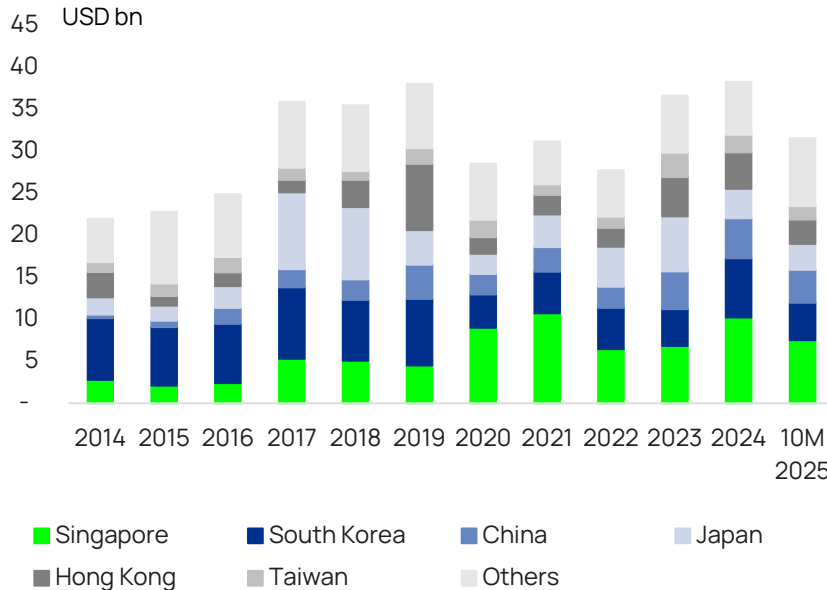


FDI disbursement (monthly)

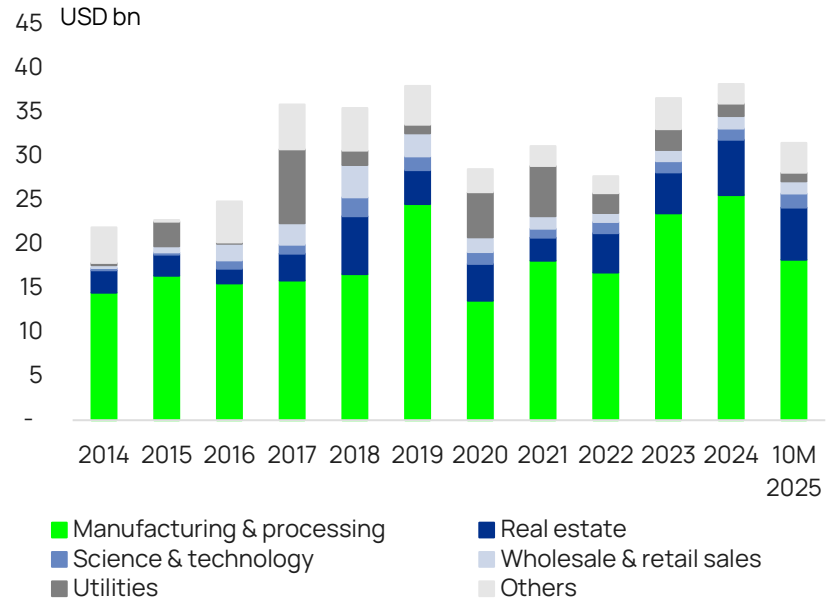


Singapore remains the largest FDI investor in Vietnam

Registered FDI by country/region in 10M 2025



Registered FDI by sector in 10M 2025

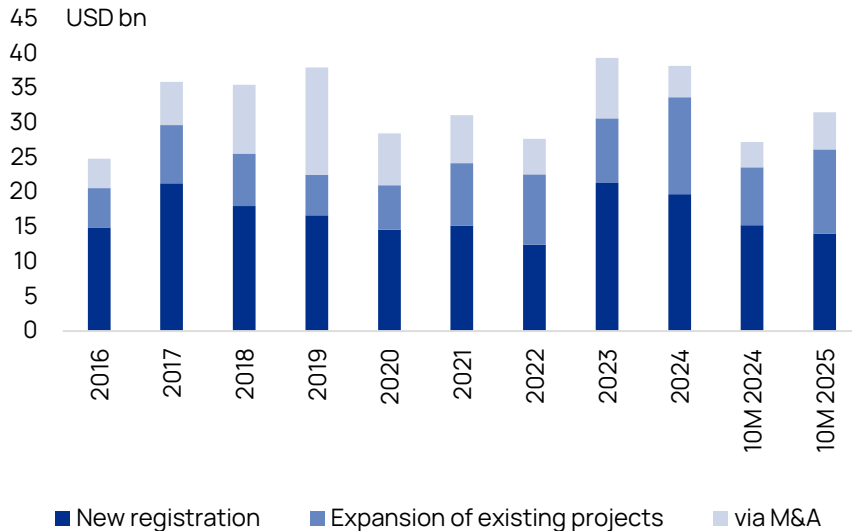


Source: Ministry of Finance, Vietcap

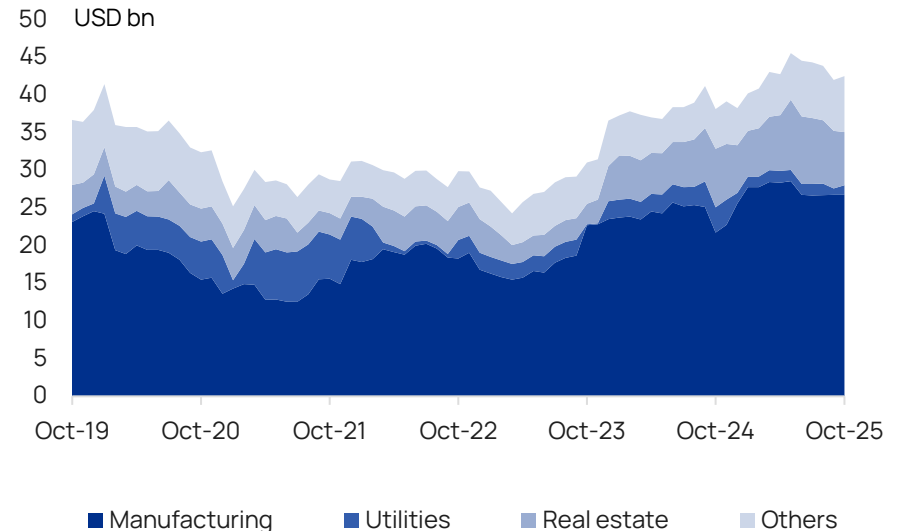
- Of the total FDI registrations in 10M 2025, the manufacturing & processing sector led with USD18.2bn, accounting for 57.8% of the total, followed by the real estate sector at USD5.9bn (18.9%).
- In terms of registration by country/region, Singapore remained the largest investor with USD7.5bn, accounting for 23.9% of the total registrations. Singapore was followed by South Korea (USD4.4bn; 14%), China (USD3.9bn; 12.5%), and Japan (USD3.1bn; 9.8%).

Vietnam to remain as an attractive destination for FDI

FDI registrations by type



FDI registrations by sector (12M rolling sum)



Source: Ministry of Finance, Vietcap

We expect that Vietnam’s disbursed FDI could increase 7.0% per annum during 2026/27.

Our expectations remain unchanged that Vietnam could maintain its attractiveness for FDI, supported by

- (1) Vietnam’s fundamental advantages (including its location, a long list of FTAs, and competitive labor costs, among others).
- (2) The US reciprocal tariff rate of 20% on Vietnam is comparable to or lower than that of competitors and potential competitors; and
- (3) The recent upgrades of diplomatic ties between Vietnam and numerous countries.

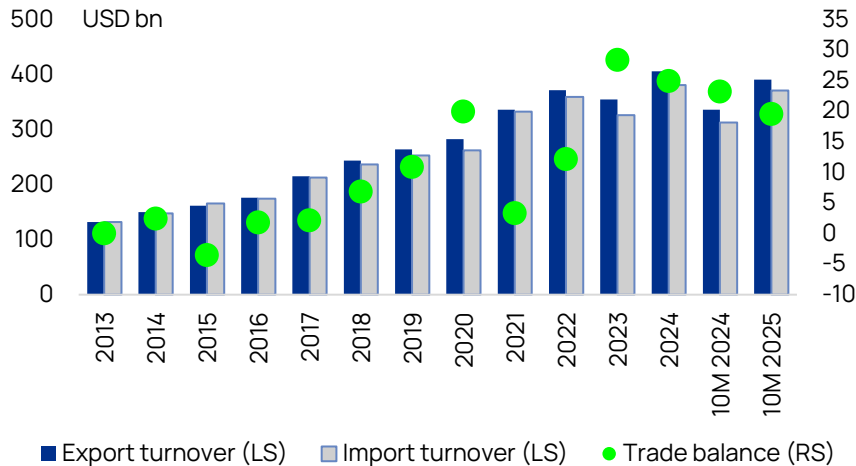
Top FDI projects by registered value in 10M 2025

Top FDI projects by registered capital in 10M 2025

#	Project	USD mn	Country	Sector	Location
1	Samsung Display invests in expanding factory to produce screens and electronic components.	1,200	Korea	Manufacturing and processing	Bac Ninh
2	Gamuda Park Yen So.	1,100	Malaysia	Art, entertainment	Ha Noi
3	Increase capital for projects to manufacture and assemble automatic control equipment.	330	Japan	Manufacturing and processing	Dong Nai
4	Increase capital for Seojin Auto Vina factory project.	271	Korea	Manufacturing and processing	Bac Ninh
5	Project for manufacturing electronic components, electronic circuit boards, electronic product control devices, smart watches.	270	China	Manufacturing and processing	Bac Ninh
6	Aeon Mall Bien Hoa.	261	Japan	Art, entertainment	Dong Nai
7	Van Canh Wind Power Plant, Binh Dinh.	228	Singapore	Utilities	Gia Lai
8	Increase capital for heat dissipation equipment manufacturing project.	125	Taiwan	Manufacturing and processing	Bac Ninh
9	High precision circuit board manufacturing plant.	110	China	Manufacturing and processing	Ha Nam
10	Mapletree Logistics Park Tam An 1 project.	101	Singapore	Transportation & logistics	Dong Nai
11	Factory producing fabric pieces, polyester yarn and fabrics for the automotive industry and other industries.	93	China	Manufacturing and processing	Tay Ninh

Vietnam's trade momentum continued to strengthen

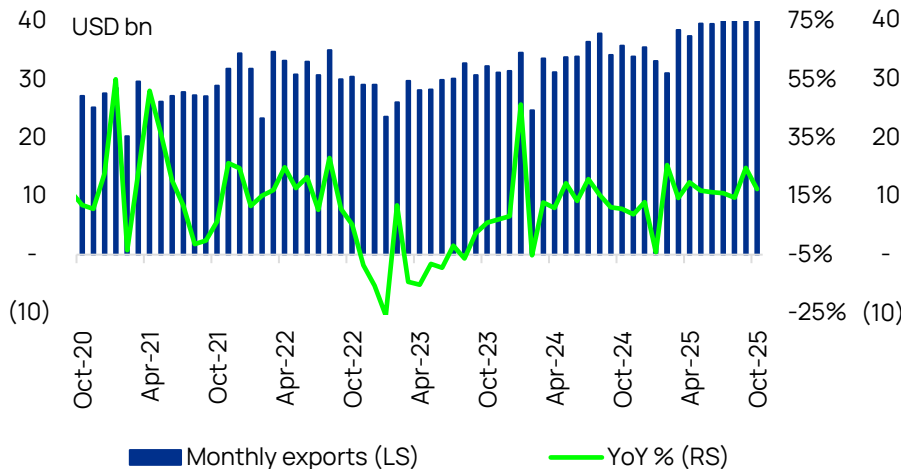
Export, import turnover and trade balance



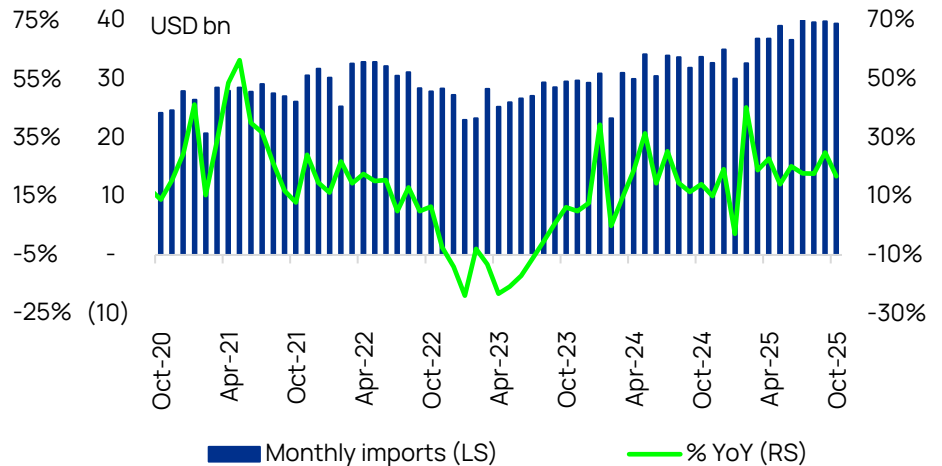
We forecast export growth of **12% in 2026** and **14% in 2027**, supported by several factors:

- **Improving global outlook** – Consensus forecasts for 2026 global GDP have been revised up from 2.8% (June) to 2.9% (November), while the US (Vietnam's largest export market) has been upgraded from 1.5% to 1.8%.
- **Strengthening external ties** – Vietnam is actively upgrading relations with a wide range of partners, which could support export diversification and mitigate geopolitical risks.
- **Moderate tariff position** – The US reciprocal tariff on Vietnam remains at 20%, below the 28% average of competitors and potential competitors.

Monthly exports

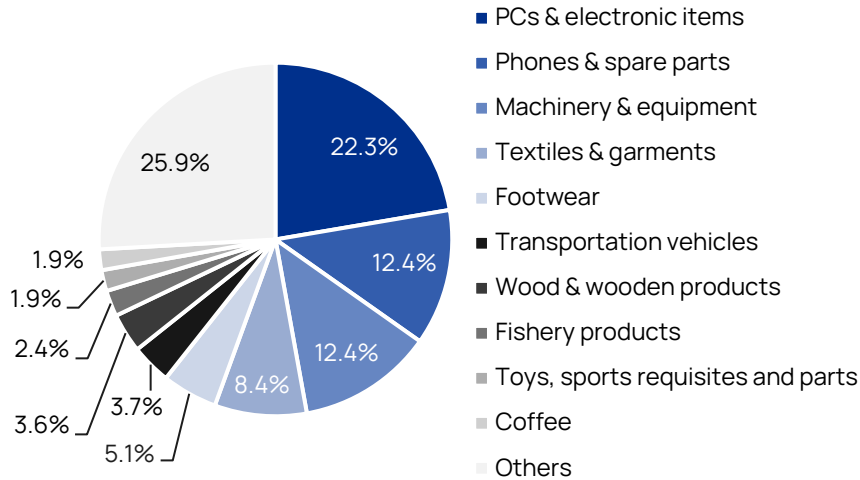


Monthly imports

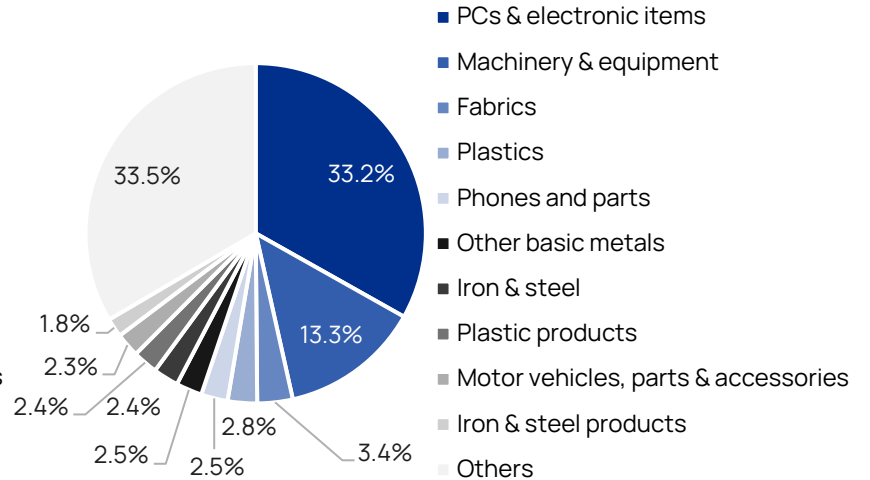


Exports of PCs & electronics remain the largest category and was one of the main key drivers

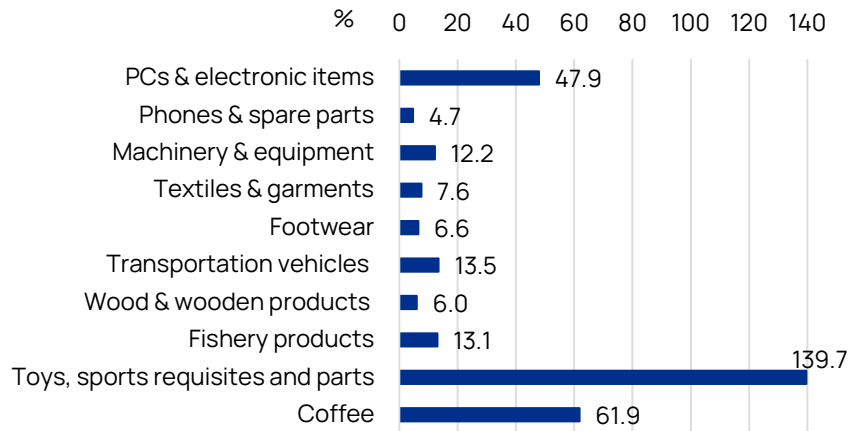
Top export products in 10M 2025



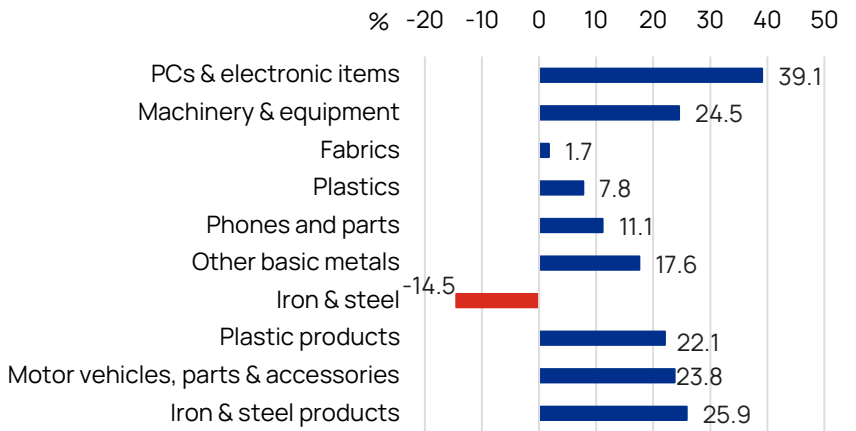
Top import products in 10M 2025



Growth of key exports in 10M 2025

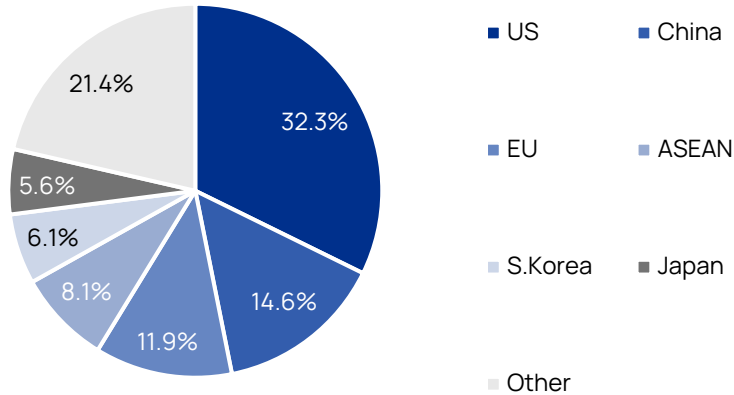


Growth of key imports in 10M 2025

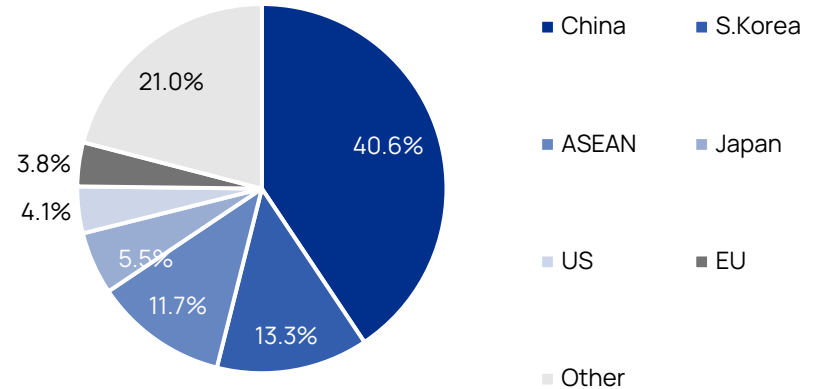


The US remained Vietnam's largest export destination

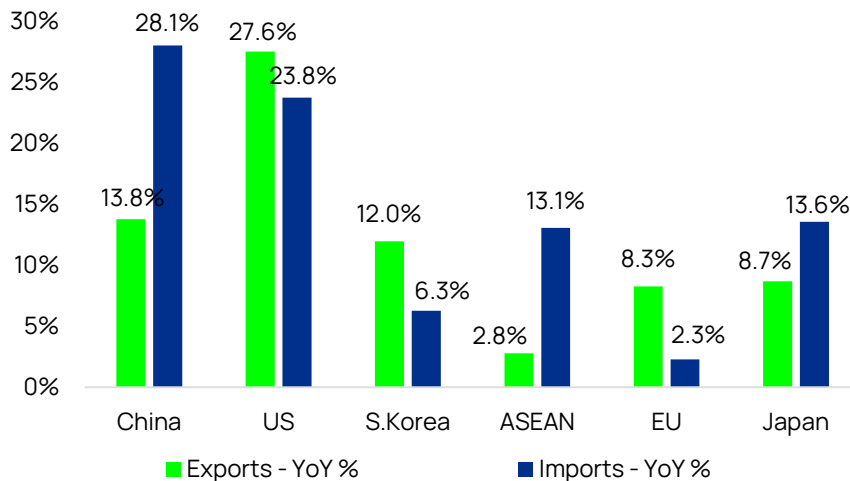
Top export markets in 10M 2025



Top import markets in 10M 2025



Export and import growth by key markets in 10M 2025



- In terms of markets, the US remained Vietnam's largest export destination. Exports to the US continued to perform strongly in October, surging 26.9% YoY following a robust increase in September (+38.5% YoY). In 10M 2025, exports to the US rose 27.6% YoY to USD126.2bn, accounting for 32.3% of Vietnam's total exports.
- Meanwhile, imports from China - Vietnam's largest import market - jumped 28.1% YoY to USD150.9bn, while South Korea ranked second with USD49.4bn (+6.3% YoY).

Macro Scorecard

MACRO INDICATORS	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F	UNITS	Source of historical data
GDP growth (real)	7.4	2.9	2.6	8.5	5.1	7.1	8.1	8.5	8.8	% YoY	NSO
Nominal GDP	334	347	366	409	430	476	509	552	601	USD bn	WB
GDP per capita	3,491	3,586	3,756	4179	4347	4,701	4,977	5,344	5,766	USD	WB
Unemployment rate	2.0	2.5	3.0	2.1	2.2	2.1	2.2	2.1	2.1	%	NSO
FDI disbursement	20.4	20.0	19.7	22.4	23.2	25.4	27.2	29.0	31.0	USD bn	FIA
FDI disbursement (% of GDP)	6.2	5.8	5.4	5.5	5.4	5.3	5.4	5.3	5.2	% of GDP	FIA
Exports (% of GDP)	80.0	82.3	92.7	92.1	82.2	85.3	91.9	94.6	97.2	% of GDP	Customs, NSO
Export growth	8.4	6.9	18.9	10.6	-4.6	14.3	15.2	12.0	14.0	% YoY	Customs, NSO
Import growth	7.0	3.7	26.7	8.0	-9.2	16.7	17.5	13.0	14.5	% YoY	Customs, NSO
Goods trade balance	10.9	19.9	3.3	12.1	28.4	24.8	20.0	18.0	18.0	USD bn	Customs, NSO
Foreign reserves	78.0	94.4	107	84.7	90.4	81.2	80.0	85.0	92.0	USD bn	IMF, Bloomberg
FX reserves (% of GDP)	23.7	27.6	30.2	20.7	21.0	17.1	15.7	15.4	15.3	% of GDP	SBV
Inflation (average)	2.8	3.2	1.8	3.2	3.3	3.6	3.2	3.5	4.0	% YoY	NSO
VND appreciation (depreciation)	0.0	0.3	1.2	-3.4	-2.8	-4.8	-3.0	-2.0	-2.0	%	Bloomberg
Deposit rate cap (< 6 mo)	5.0	4.0	4.0	6.0	4.75	4.75	4.75	4.75	4.75	%	SBV
Credit growth	13.6	12.2	13.6	14.2	13.5	15.1	17.8	17.9	16.5	% YoY	SBV
Budget deficit (excl. principal pmt)	-2.1	-2.7	-2.5	-4.3	-4.0	-3.1	-3.6	-4.2	-4.2	% of GDP	MOF
Public debt	43.1	43.7	43.1	38.0	36.6	36-37	35-36	36-37	37-38	% of GDP	MOF, WB

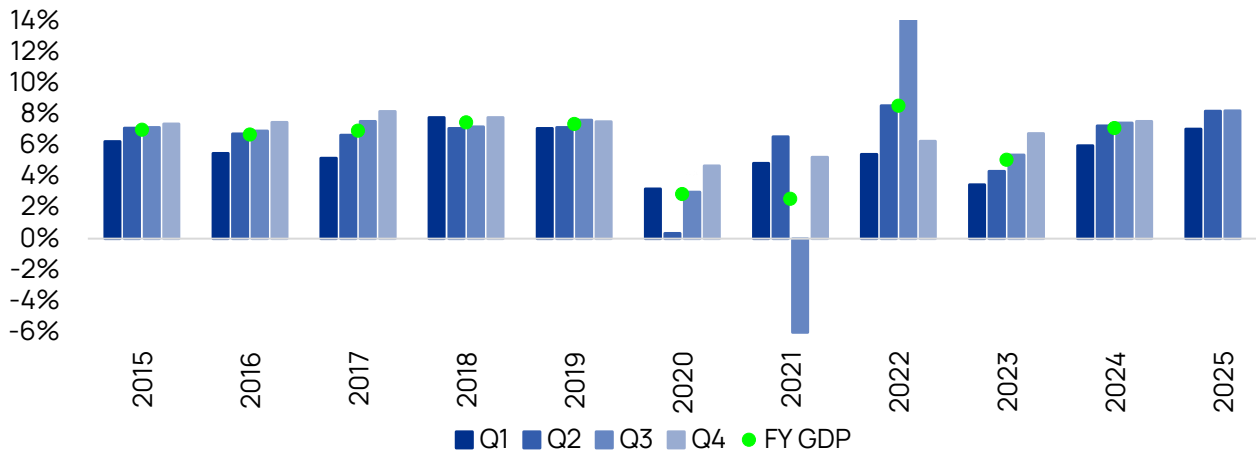
Appendix

11 groups of tasks/solutions proposed by the Government in order to reach the growth target

#	Task/solutions
1	Prioritize promoting growth is associated with macroeconomic stability, controlling inflation, ensuring major balances of the economy and implementing flexible and effective fiscal and monetary policies. In addition, promote traditional growth drivers and tap new growth drivers.
2	Perfect the institutional and legal system; resolutely cutting and simplifying administrative procedures; and stepping up the prevention and fight against corruption, waste, and negativity.
3	Perfect regulations on the organization of the State administrative apparatus at the central and grassroots levels.
4	Establish a new growth model, restructuring the economy, promoting industrialization and modernization, taking science and technology, innovation and digital transformation as the main driving forces. Strongly develop the State economy; promote the private economy; selectively attract FDI projects associated with technology transfer; and build, put into operation, and effectively promote the International Financial Center in Ho Chi Minh City and Da Nang.
5	Focus on investment in construction and ensure the progress of strategic infrastructure projects including the Lao Cai - Hanoi - Hai Phong Railway, urban railways, Can Gio International Transit Port, Hon Khoai Port, and Ninh Thuan Nuclear Power Plant.
6	Develop high-quality human resources; promoting science and technology, innovation and digital transformation.
7	Comprehensively and synchronously develop cultural and social fields, improve people's lives, and ensure social security. Focus on improving the capacity of the health system and promoting the project to build 1 million social housing units.
8	Proactively respond to climate change, prevent and combat natural disasters, strengthen resource management, protect the environment; harmoniously resolve the relationship between economic development and environmental protection.
9	Strengthen and enhance national defense and security, maintaining social order and safety; firmly pursuing an independent, self-reliant, diversified, and multilateral foreign policy; creating a peaceful and stable environment for national development.
10	Strengthen foreign affairs and international integration. Promote economic diplomacy, focusing on technological diplomacy, attract resources to serve national development, consolidate and enhance Vietnam's prestige and international position.
11	Strengthen information and propaganda work, create motivation, inspiration, and encourage innovation.

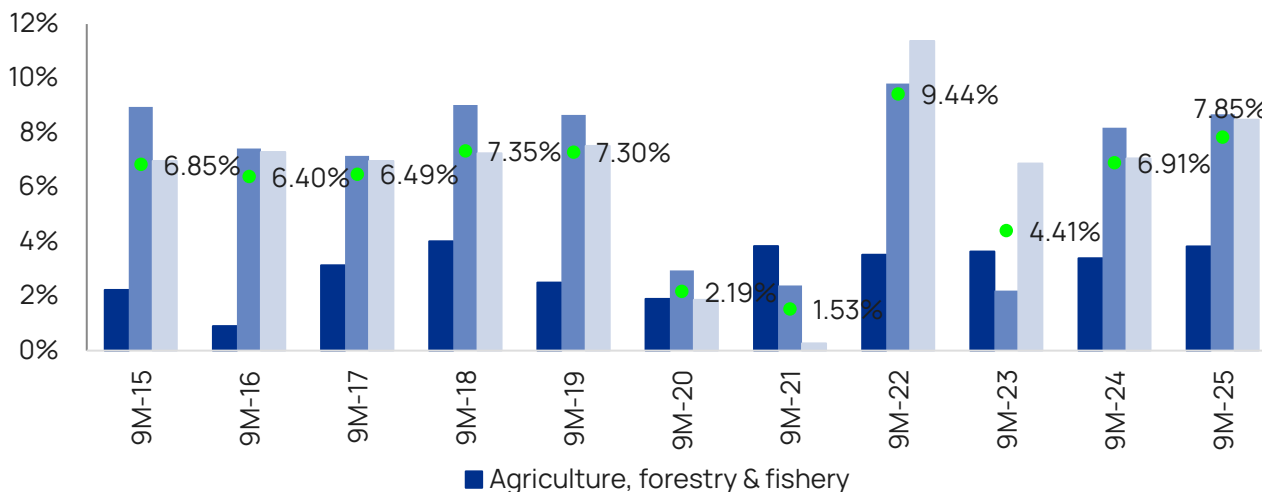
9M 2025 GDP growth reached the second highest level since 2011

GDP growth by quarter



- GDP growth reached 7.85% in 9M 2025 - the second highest level since 2011 (only lower than 9.44% growth in 9M 2022).
- The Government estimates Vietnam GDP growth will reach at least 8% in 2025.

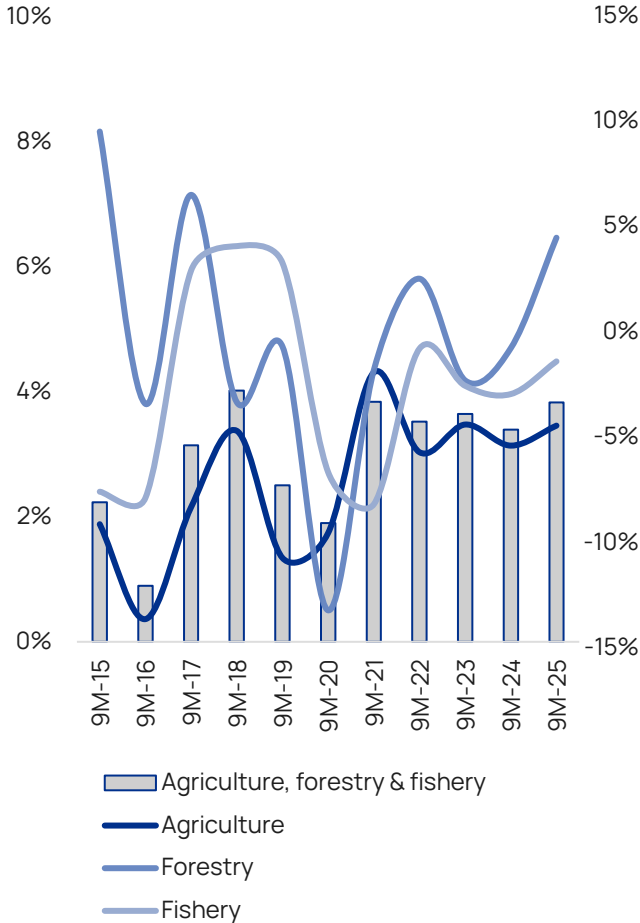
GDP growth by sector - Both industry and services sectors recorded strong growth



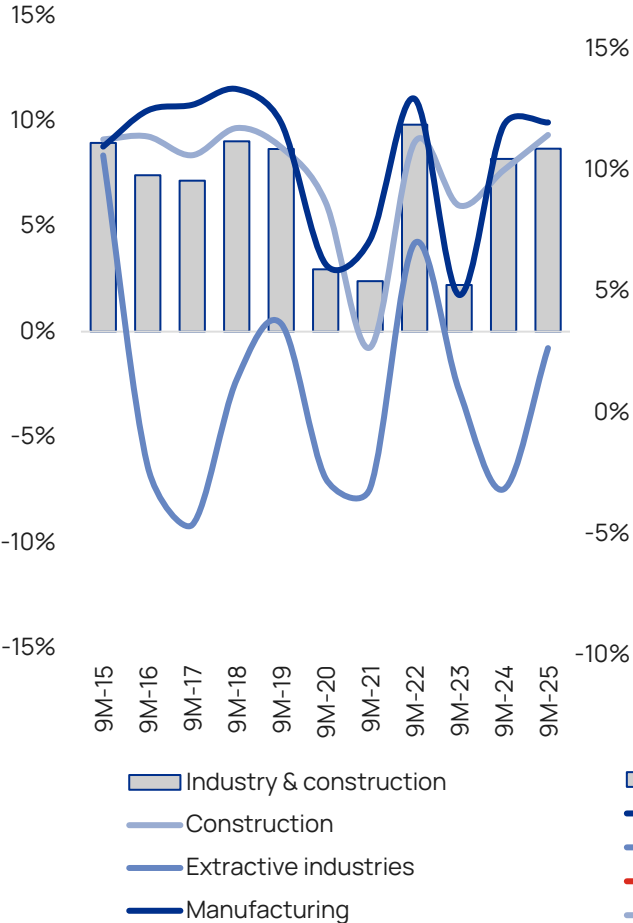
- The services sector remained the largest driver for GDP growth, increasing 8.56% YoY in Q3 and 8.49% YoY in 9M 2025
- Meanwhile, the industrial and construction sector recorded the highest growth with 9.46% YoY in Q3 and 8.69% YoY in 9M 2025

The industrial and construction sector posted strongest growth

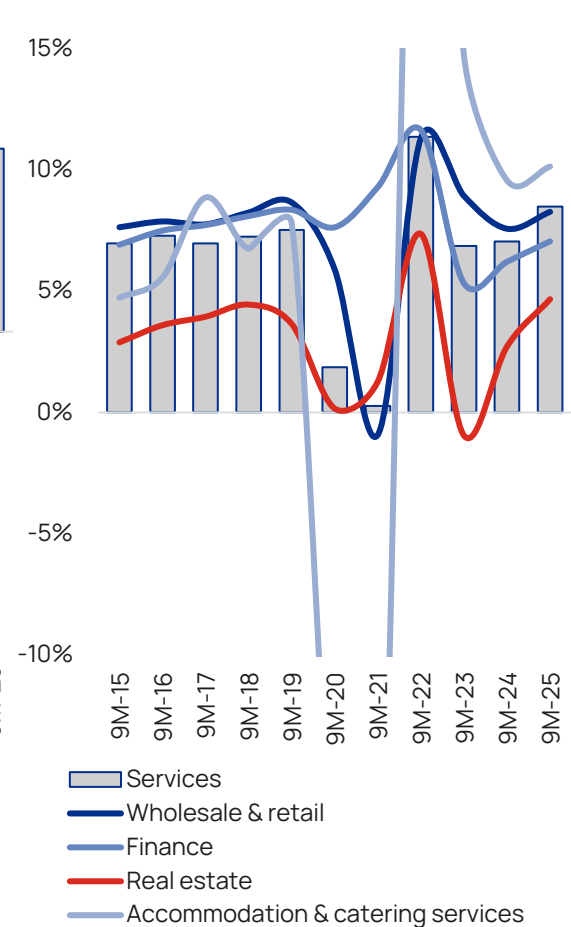
Agri, forestry & fishery GDP growth



Industrial & construction GDP growth

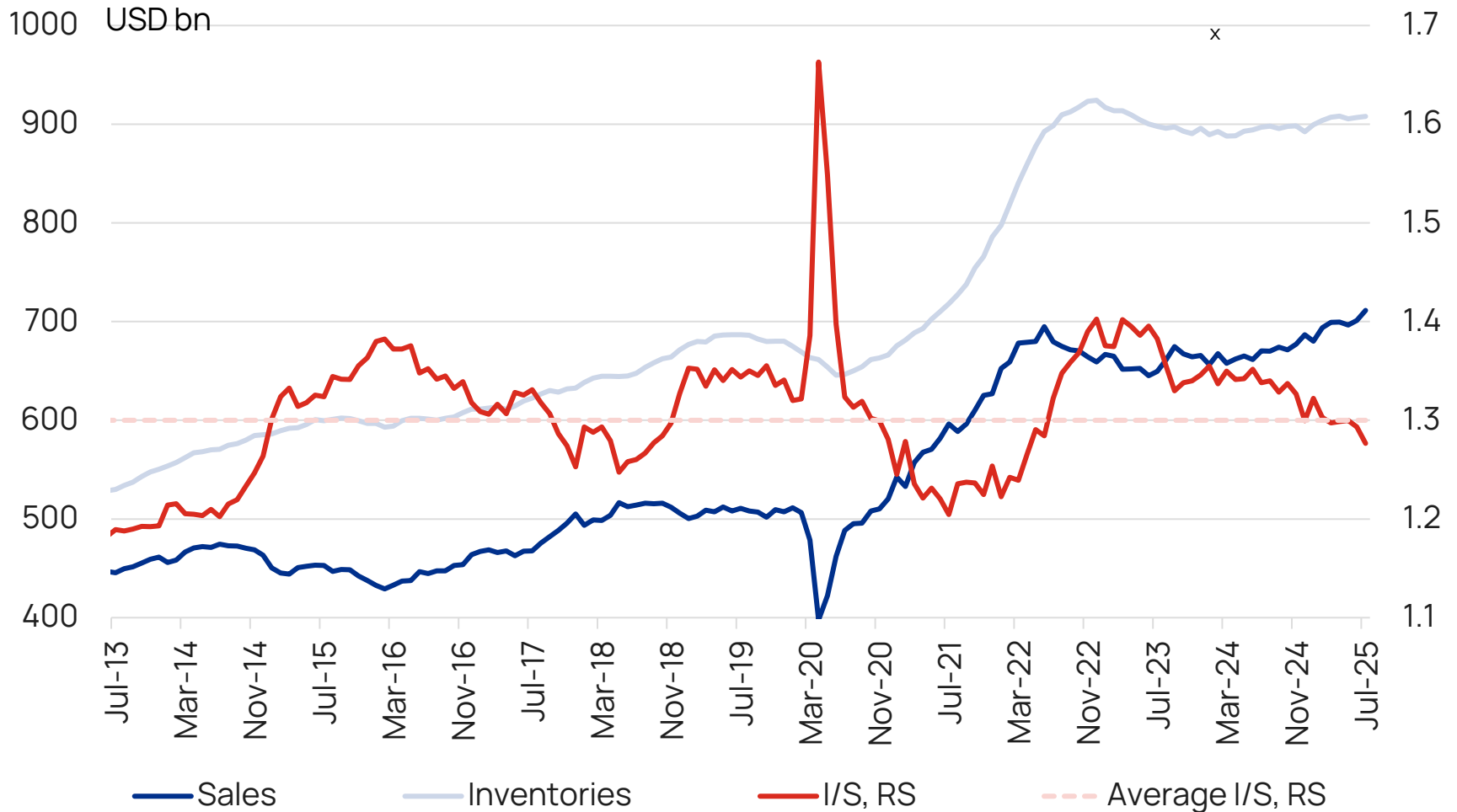


Services sector GDP growth

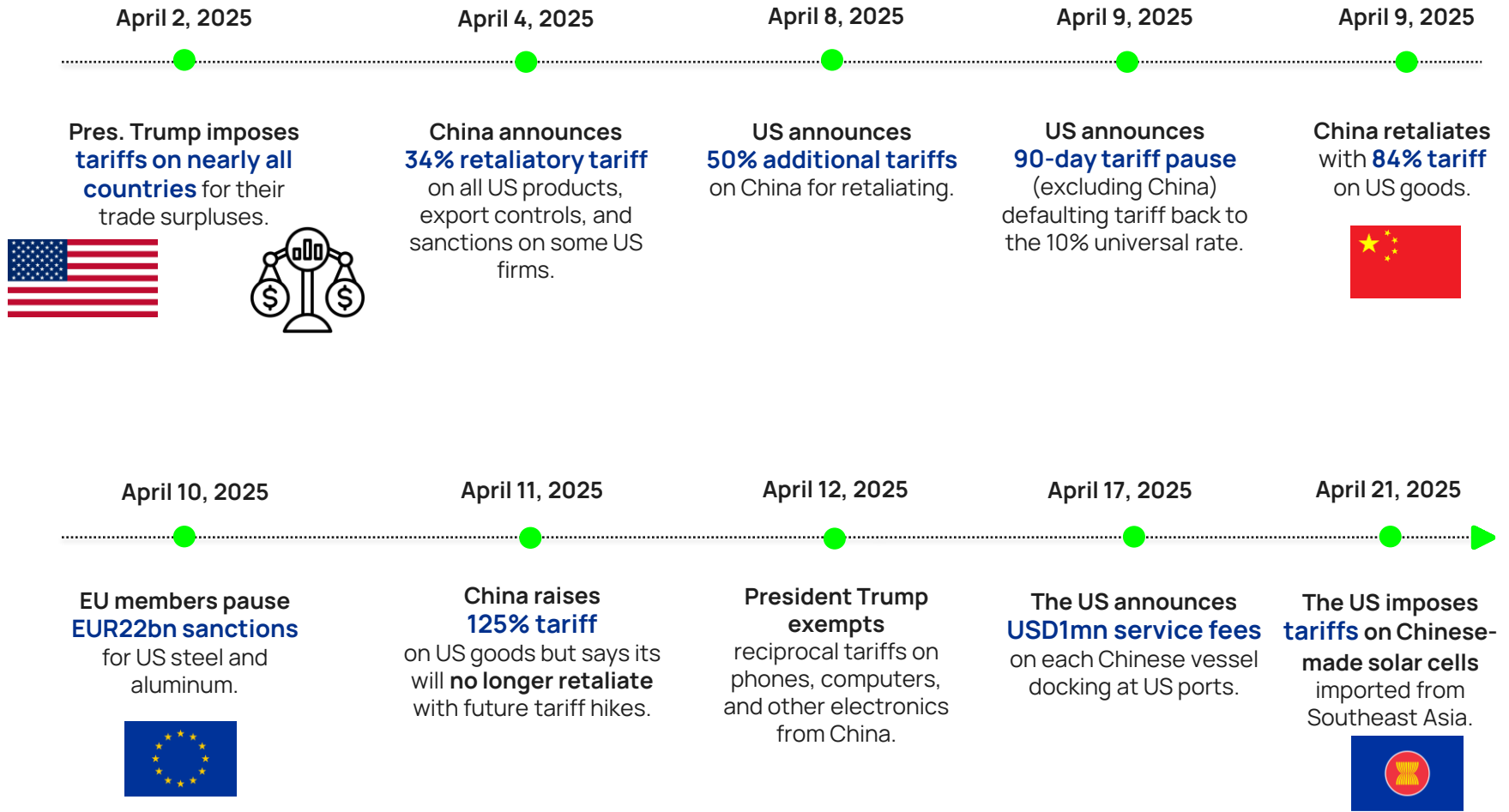


US inventories/sales dropped in recent months

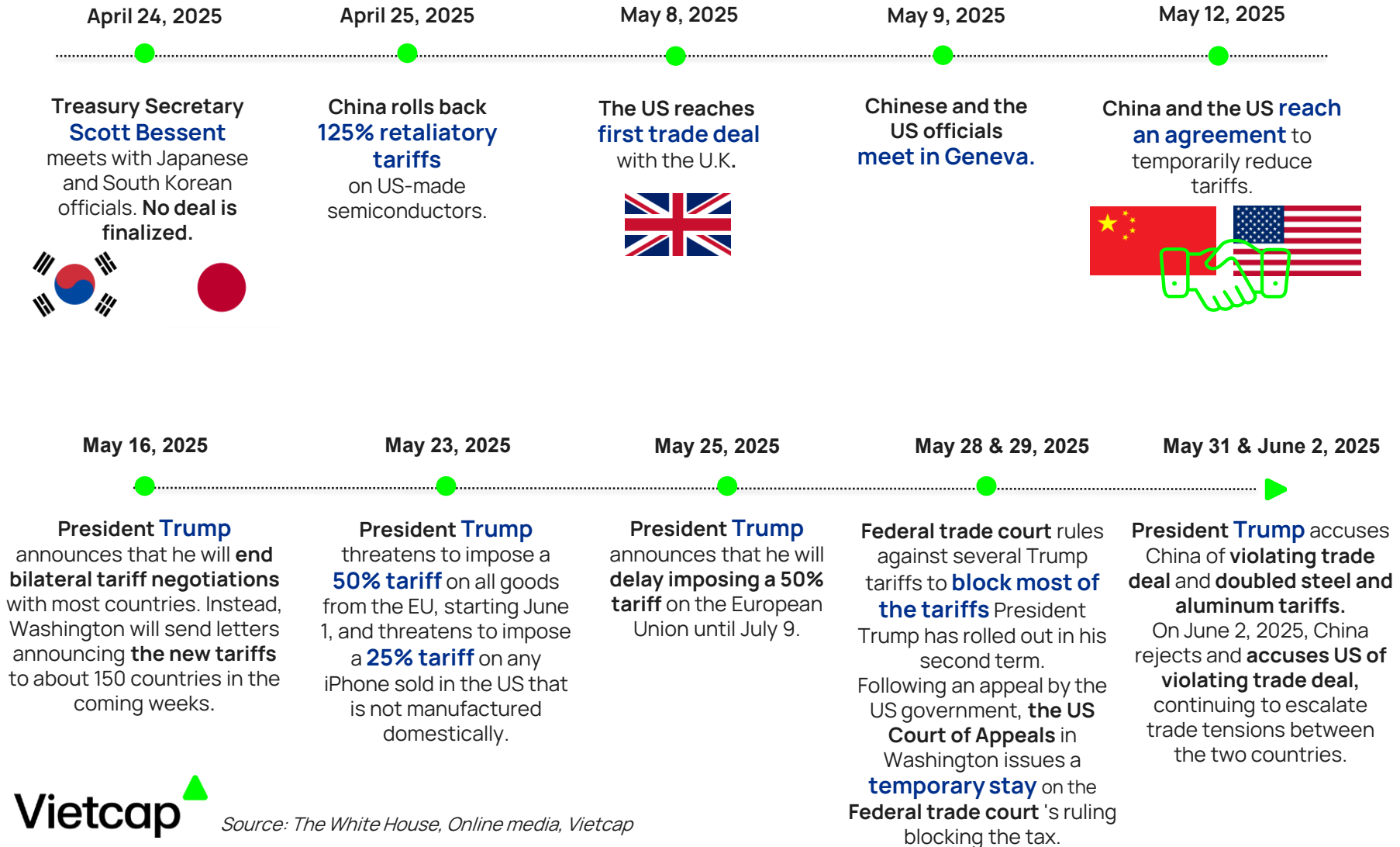
US merchant wholesalers' inventories/sales (monthly)



Recap: President Trump's tariffs and threatened trade actions



President Trump's tariffs and threatened trade actions (2)



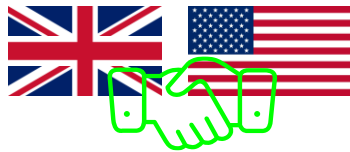
President Trump's tariffs and threatened trade actions (3)

June 3 & June 4, 2025

President Trump announces and raises import tax on aluminum and steel from **25% to 50%**

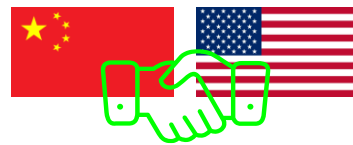
June 16, 2025

The US and the UK sign a trade agreement, officially reduced some import tariffs with the UK, such as cars, aircraft and aircraft components.



June 27, 2025

China and the US reach a trade framework base on the results of negotiations in May 2025.



July 02, 2025

President Trump announces a trade framework with Vietnam. Accordingly, a **20%** Tariff rate will be applied to Vietnamese goods coming to the US, and a **40% Tariff** on any Transshipment.

July 7, 2025

President Trump announces that the US will send **tariff letters** to its trade partners. Also, any countries aligning themselves with the **Anti-American policies of BRICS**, will be charged **an additional 10% Tariff**.

July 7, 2025

President Trump announces **14 letters**. Initial changes to tariff rates are minimal (**less than 5 pts**) for most countries on the list compared to "**Liberation Day**" rates. **Laos** and **Cambodia** are exceptions, with tariff cuts of **8 and 13 pts**, respectively.

July 9 & July 10, 2025

President Trump announces other **8 letters**. Also, President Trump announces a **50% tariff** on **Copper**, effective August 1, 2025.

July 11 & July 12, 2025

Canada (35%), Mexico (30%), EU (30%) countries that continue to receive letter. President Trump announces that he could impose blanket tariffs of **15% or 20%** on **most other trading partners**.

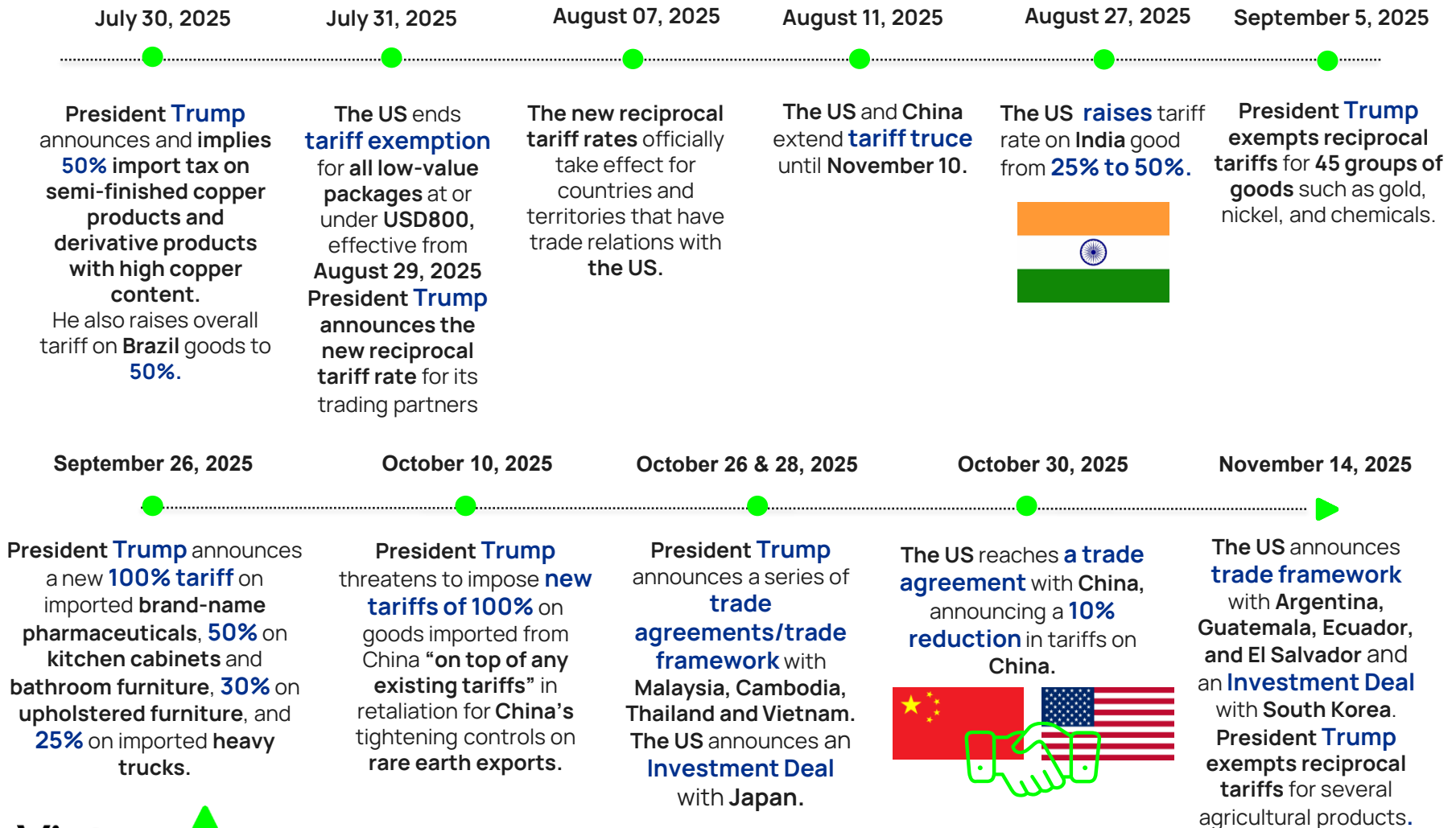
July 14, 2025

President Trump threatens **100% "secondary tariffs"** on **Russian export buyers** unless **Ukraine peace** deal is reached by September.

July 29, 2025

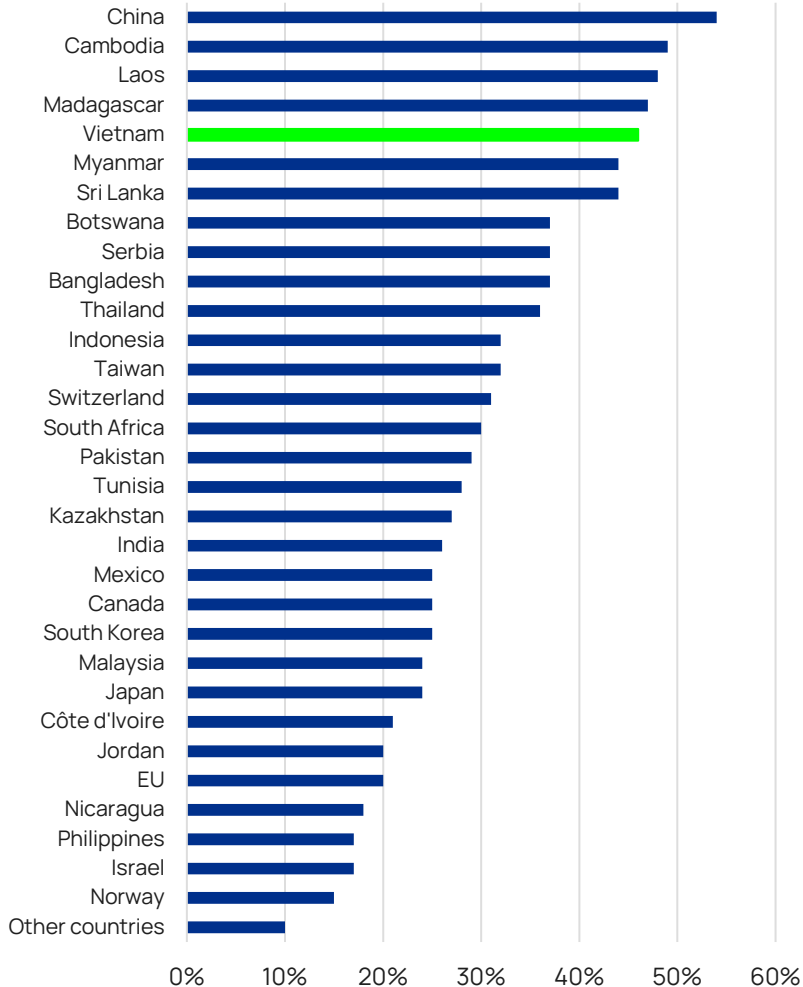
The United States and China hold **trade talks** in Sweden on **extending the trade truce**, but no formal results have yet been announced. President Trump threatens to impose **20% - 25%** tariffs on **India**.

President Trump's tariffs and threatened trade actions (4)



Vietnam should retain its competitive advantage in tariffs

Tariffs announced on Liberation Day

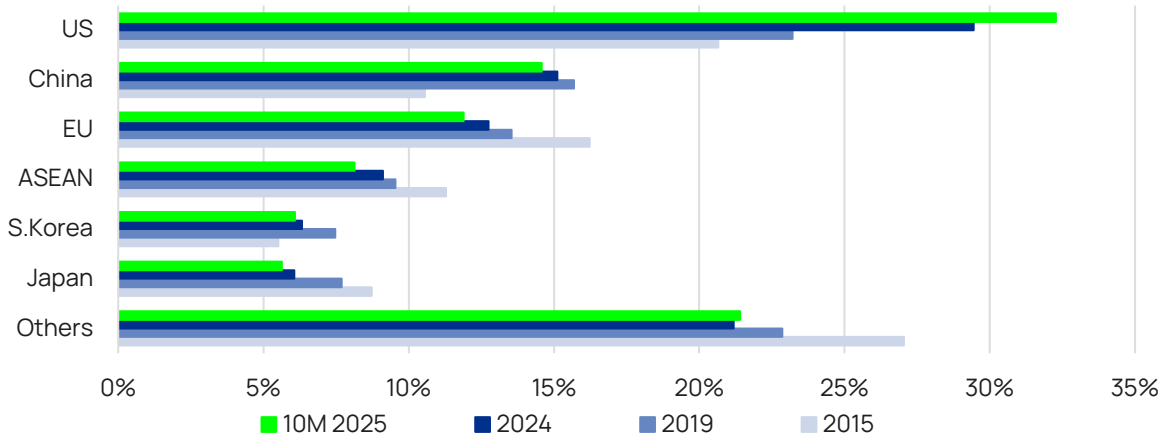


New rates until end of November 2025



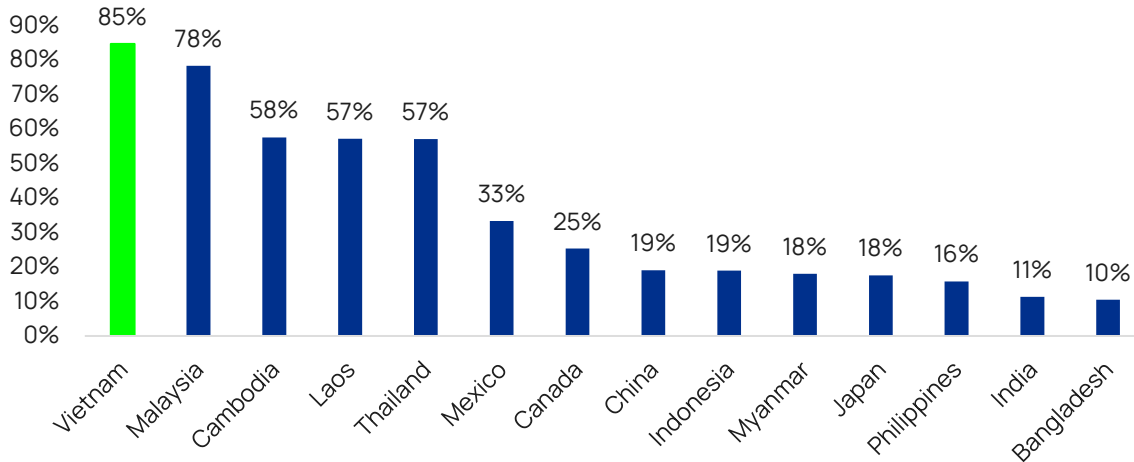
Vietnam is vulnerable as the US is the largest export partner and comprises a high proportion of exports to GDP

Export proportion of major partners



- The US is Vietnam's largest export partner and the proportion of goods exported to the US to total exports is increasing.
- Meanwhile, compared with competitors, Vietnam's merchandise exports/GDP is amongst the largest, which shows that Vietnam could face great risks if exports to the US are disrupted in the short term.

Merchandise exports/GDP (data as of 2024)



Global integration remains a key pillar for attracting FDI and trade

No	FTAs	Status	Launched	Signed	Effective
1	ASEAN Free Trade Area (AFTA)	Signed, in effect			1993
2	ASEAN-People's Republic of China Comprehensive Economic Cooperation Agreement	Signed, in effect			2003
3	ASEAN-Korea Comprehensive Economic Cooperation Agreement	Signed, in effect			2007
4	ASEAN-Japan Comprehensive Economic Partnership	Signed, in effect			2008
5	Vietnam-Japan Economic Partnership Agreement	Signed, in effect			2009
6	ASEAN-India Comprehensive Economic Cooperation Agreement	Signed, in effect			2010
7	ASEAN-Australia and New Zealand Free Trade Agreement	Signed, in effect			2010
8	Vietnam-Chile Free Trade Agreement	Signed, in effect			2014
9	Vietnam-Korea Free Trade Agreement	Signed, in effect			2015
10	Vietnam-Eurasian Economic Union	Signed, in effect			2016
11	Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	Signed, in effect			Jan-19
12	ASEAN-Hong Kong, China Free Trade Agreement	Signed, in effect			Jun-19
13	Vietnam-European Union Free Trade Agreement (EVFTA)	Signed, in effect			Aug-20
14	UK - Vietnam Free Trade Agreement	Signed, in effect			May-21
15	Regional Comprehensive Economic Partnership (RCEP)	Signed, in effect			Jan-22
16	Vietnam - Israel Free Trade Agreement	Signed, in effect			Jul-23
17	Vietnam-European Free Trade Association (EFTA)	Negotiations launched	May-12		
18	ASEAN - Canada	Negotiations launched	Nov-21		
19	Vietnam - UAE	Signed October 28, 2024			

Vietnam is actively deepening ties with its strategic partners

Type	Partners	Number of partners
Comprehensive Strategic Partnership	China (2008), Russia (2012), India (2016), South Korea (2022), United States (2023), Japan (2023), Australia (2024), France (2024), Malaysia (2024), New Zealand (2025), Indonesia (2025), Singapore (2025), Thailand (2025), United Kingdom (2025)	14
Strategic Partnership	Spain (2009), Germany (2011), Italy (2013), Philippines (2015), Brazil (2024), Czech (2025), Kazakhstan (2025), Azerbaijan (2025), Belarus (2025), Finland (2025), Bulgaria (2025)	11
Comprehensive Partnership	South Africa (2004), Chile (2007), Venezuela (2007), Argentina (2010), Ukraine (2011), Denmark (2013), Myanmar (2017), Canada (2017), Hungary (2018), Brunei (2019), Netherlands (2019), Mongolia (2024), UAE (2024), Switzerland (2025), Egypt (2025)	15

In 2025 alone, Vietnam upgraded its **Comprehensive Strategic Partnership** with **five countries** (New Zealand, Indonesia, Singapore, Thailand, and the UK), upgraded to **Strategic Partnership** with **six countries** (Czech, Kazakhstan, Azerbaijan, Belarus, Finland, and Bulgaria), and upgraded to **Comprehensive Partnership** with **two countries** (Switzerland and Egypt).

Market Outlook

Strong earnings growth to drive VN-Index reaching new high

Vietcap VN-Index targets

	2020	2021	2022	2023	2024	2025F	2026F
VN-Index (actual/Vietcap targets)	1,104	1,498	1,007	1,130	1,267	1,737	2,033
Change, %	15%	36%	-33%	12%	12%	37%	17%
EPS (BBG actual*/Vietcap forecasts)	45.9	76.7	82.9	78.6	85.3	101.7	120.7
Change, %	-21%	67%	8%	-5%	9%	19%	19%
VN-Index P/E at 1,737 (x)					19.9	17.1	14.4
Upside to targets, %						0%	17%
TTM P/E at actual/targets, x	24.0	19.5	12.2	14.4	14.8	17.09	16.84
12M forward P/E at actual/targets, x	14.4	18.1	12.8	13.2	13.3	14.39	14.39

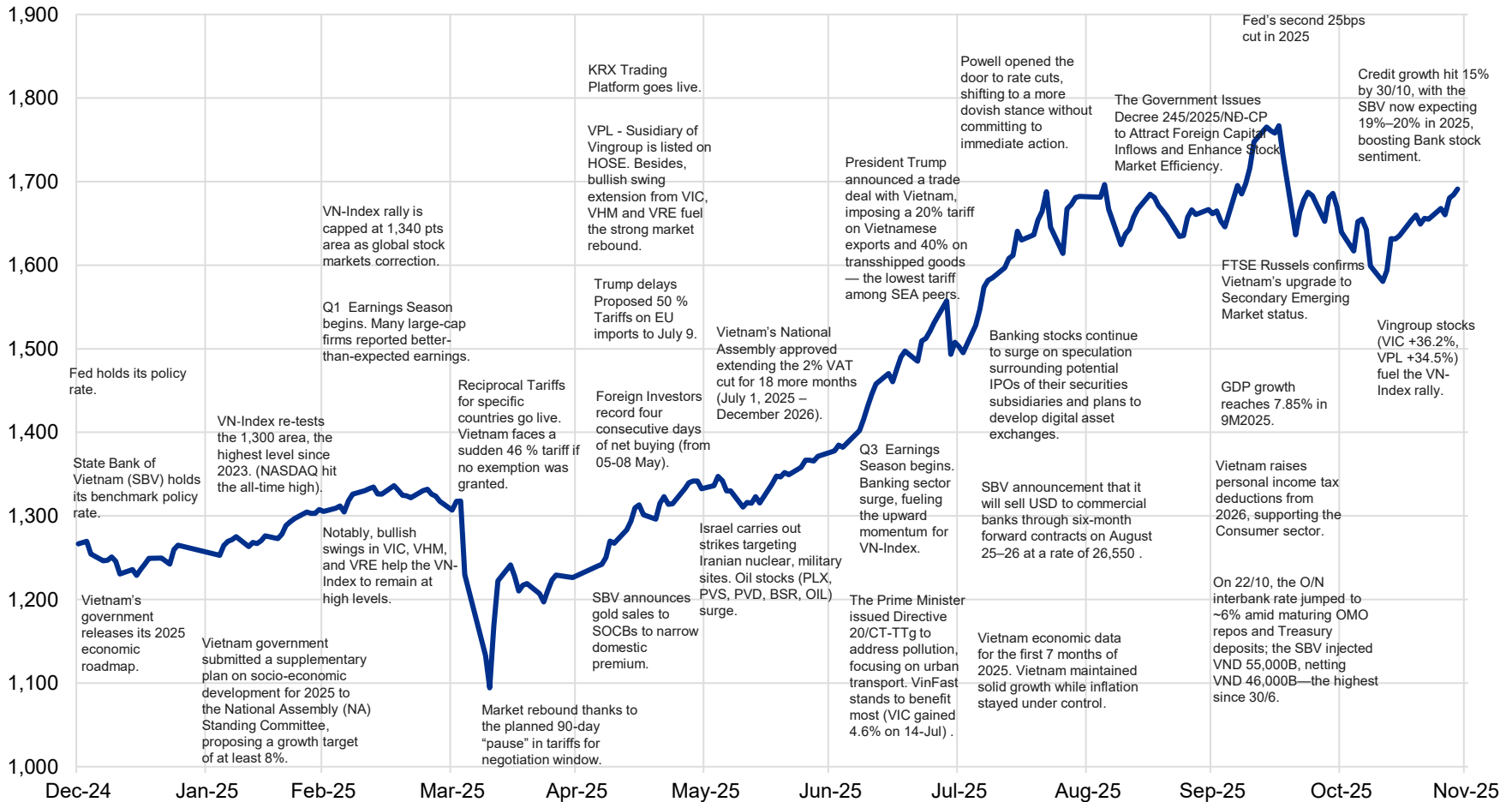
Top picks across sectors

Sector	Top picks	Sector themes
Financials	TCB, VPB, MBB, CTG	Large-scale banks with strong funding capabilities and robust ecosystem
Consumer	FRT, MSN, PNJ, MWG	Growth in modern trade, premiumization & affluent consumption
Real estate	KDH, NLG, NVL	Southern market to lead transaction growth on new launches, infrastructure upgrade
Industrial parks	KBC, IDC	Tariff normalization, ongoing manufacturing relocation, new IP launches to lift IP land sales
Materials	HPG, BMP	Infrastructure, residential recovery, import substitution, favorable input prices
Industrials	DGC, DHC	Strong competitive edges, low-US exposure players better insulated from tariff shifts
Transport	GMD	Strong throughput growth, new capacity
Oil & gas	PVS, PVD	New upstream E&P cycle, growing offshore wind business; Substantial growth in drilling demand
Power & water	PC1, NT2	Key beneficiary of transmission infrastructure expansion, Compelling dividend yield

- Our top picks from our analysts' stock recommendations are illustrated above.
- This not a model portfolio. There is a wide range of market caps and daily trading liquidity amongst the stocks shown and we make no attempt to balance market caps across sectors or with reference to index weightings.
- Please refer to the industry sections of this report for fuller discussions of covered stocks.

2025 in review: From the April tariff shock to a confidence-driven rally

VN-Index & select key events in 2025



Vietnam Upgraded to FTSE Emerging Market Status

📢 Announcement Overview

On 8 October, FTSE Russell announced Vietnam's reclassification to Secondary Emerging Market status.

Effective Date: Monday, 21 September 2026.

Interim Review: March 2026.

Objective: Evaluate the status of the global broker model to ensure index replication is seamless.

EFFECTIVE DATE

21
Sep 2026

🔑 Key Market Concerns & Our View

Key Market Concerns	Our View
<p>1. What does "enabling access to global brokers" imply?</p> <p>Global index trackers prefer to send trade orders to local brokers via global prime brokers in order to streamline the trading process.</p>	<p>The global broker model already exists in Vietnam. However, there are a few adjustments that have been requested by global index trackers (e.g., removing the requirement to sign account opening contracts with local brokers). The regulators are supportive of the changes.</p>
<p>2. Is there any risk to Vietnam's Emerging Market upgrade during the March 2026 interim review?</p>	<p>No. The regulators have been working diligently with FTSE Russell to finalize the global broker model since the upgrade announcement. We view the March 2026 interim review solely as a procedural step to evaluate the status of the global broker model which could be finalized as early as YE2025.</p>

📈 What to Expect

Implementation Details:

Execution Tranches: Reclassification will be implemented across multiple tranches (further details to be provided in March 2026).

Inclusion List: Final constituent list to be published prior to the September 2026 semi-annual review.

Projected Index Weights:

0.34%

FTSE Emerging
All Cap

0.22%

FTSE Emerging
Index

0.04%

FTSE Global
All Cap

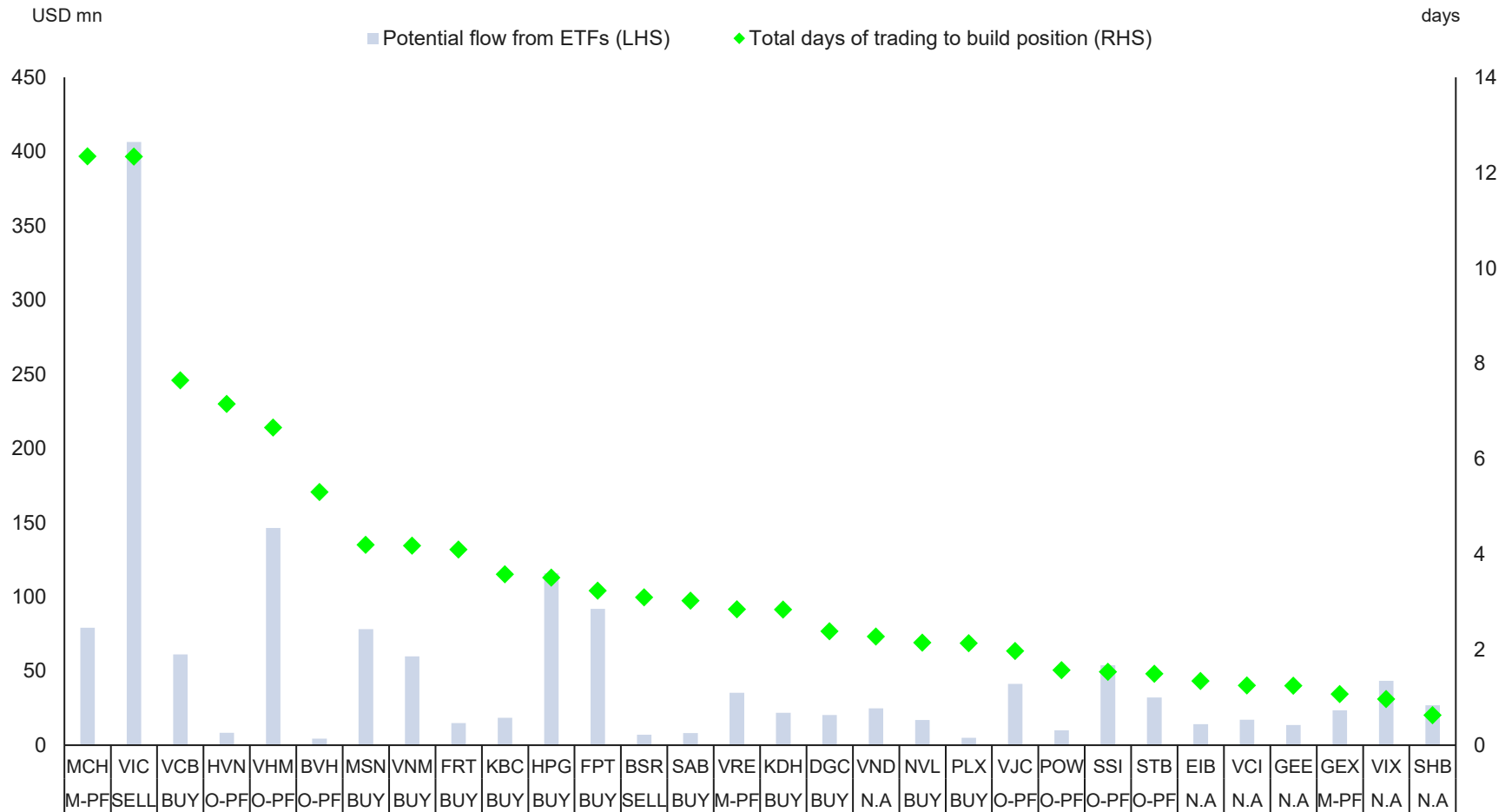
0.02%

FTSE
All-World

Further market restructuring to help Vietnam to move closer to other upgrades



Potential list from FTSE EM upgrade



Strong earnings growth momentum to continue in 2026, driven by broad-based sector strength

Vietcap total coverage by sector

Sector	Revenues, YoY			Net margins			NPAT-MI, YoY		
	2024	2025F	2026F	2024	2025F	2026F	2024	2025F	2026F
Financials	nm	nm	nm	nm	nm	nm	17%	16%	23%
Consumer	12%	7%	13%	4.7%	4.8%	4.8%	27%	10%	14%
Industrials	5%	12%	15%	8.1%	8.1%	8.2%	-2%	13%	15%
Indust'l parks	5%	8%	14%	7.8%	8.3%	9.3%	4%	15%	28%
Real estate	13%	48%	14%	6.6%	6.1%	5.9%	3%	38%	9%
Materials	17%	7%	21%	3.4%	4.2%	4.6%	74%	31%	33%
Oil & Gas	5%	6%	1%	1.3%	1.6%	1.9%	-31%	27%	19%
Power & Water	9%	20%	20%	3.3%	3.5%	3.8%	13%	28%	34%
Transport	17%	23%	3%	5.1%	5.0%	4.5%	287%	20%	-8%
Total	nm	nm	nm	nm	nm	nm	18%	19%	19%
ex-Financials	10%	15%	10%	3.9%	4.1%	4.3%	19%	23%	14%

VN-Index TTM P/E is at 10Y historical average

VN-Index TTM P/E (x)



Consensus 12M forward P/E is at a slight discount to historical average

Consensus 12M forward P/E (x)



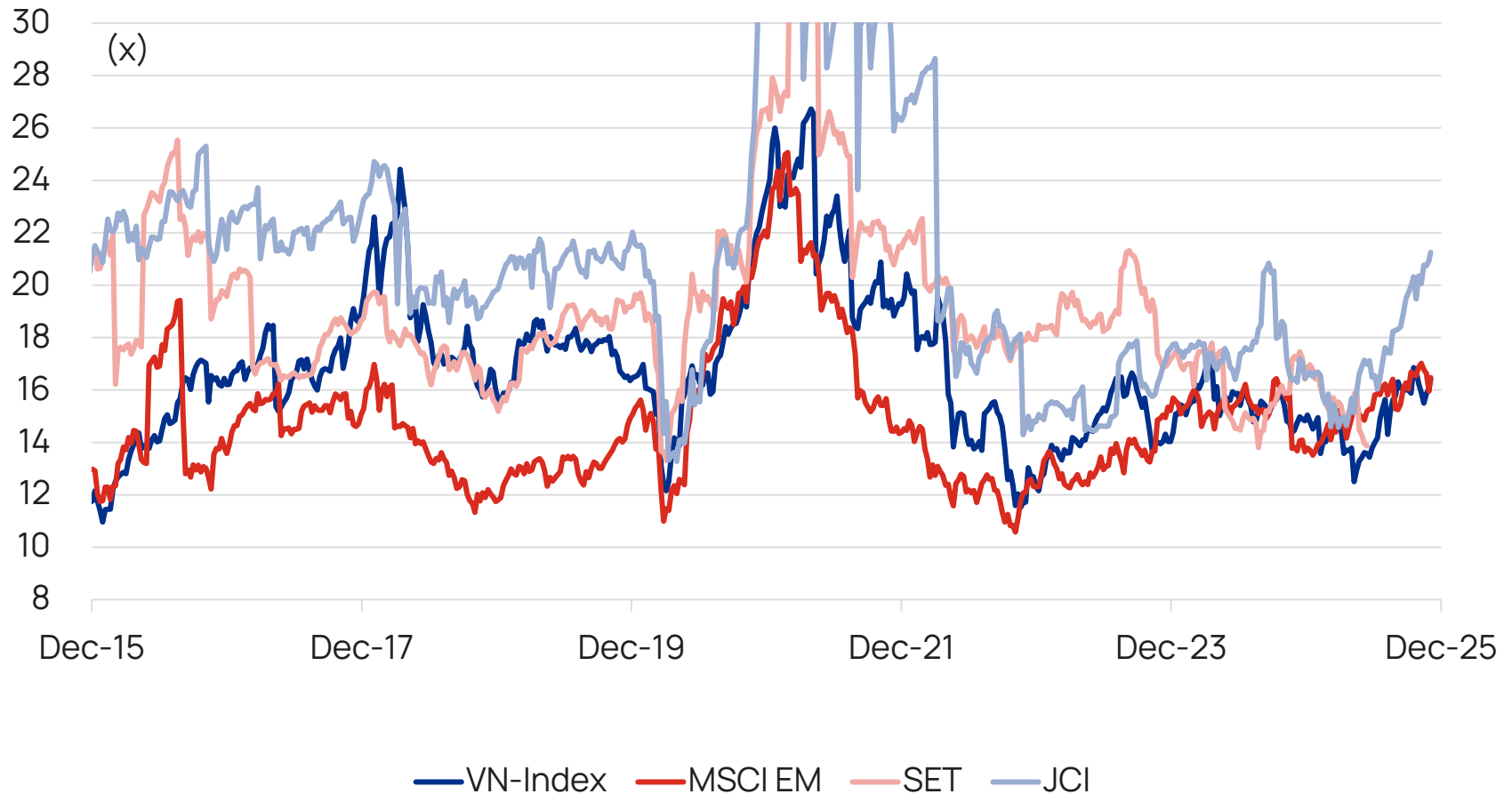
VN-Index P/BV continues to trade below its 10-year historical average

VN-Index trailing P/BV (x)



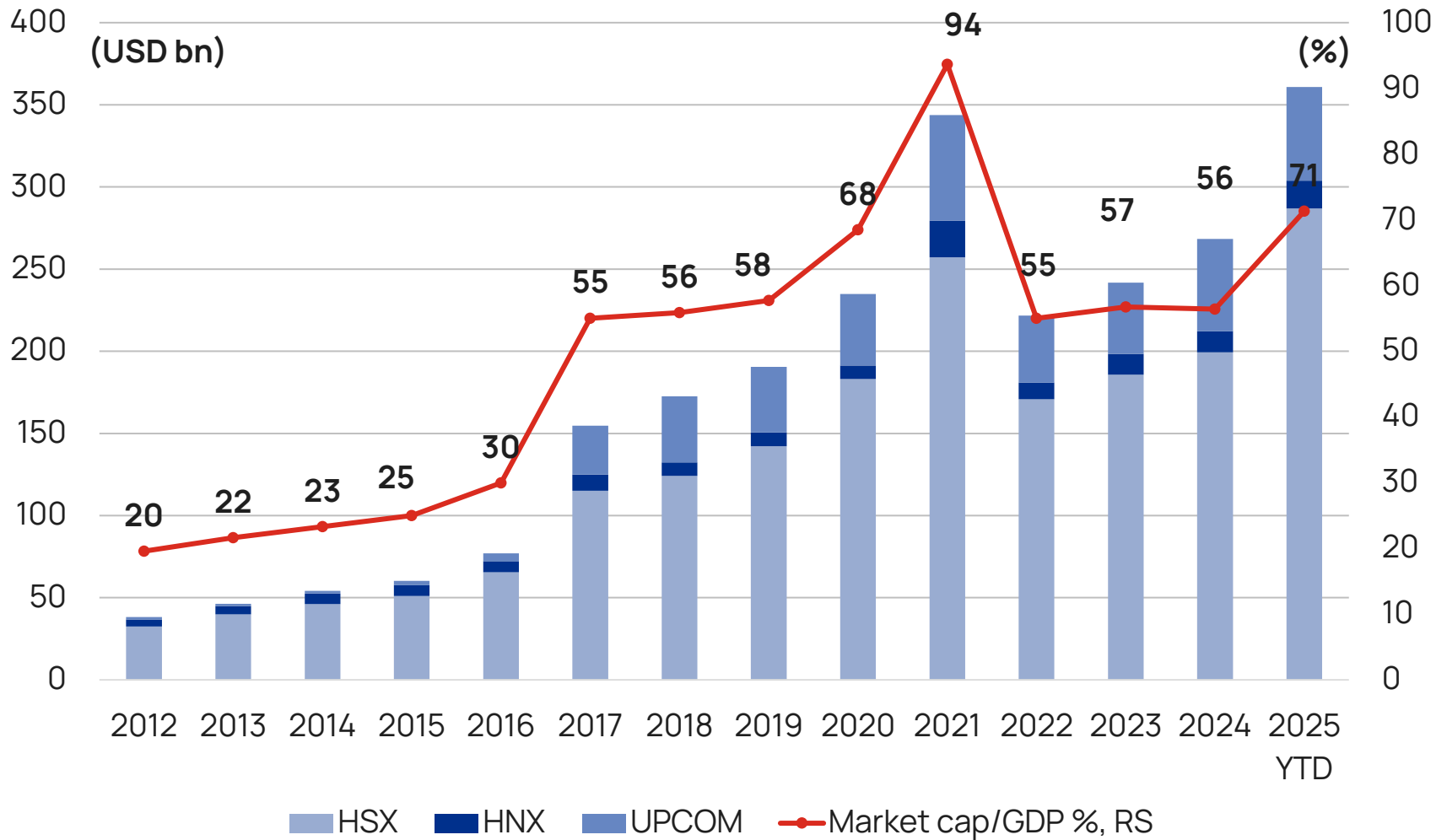
VN-Index TTM P/E converges with MSCI EM valuation

TTM P/E (x)

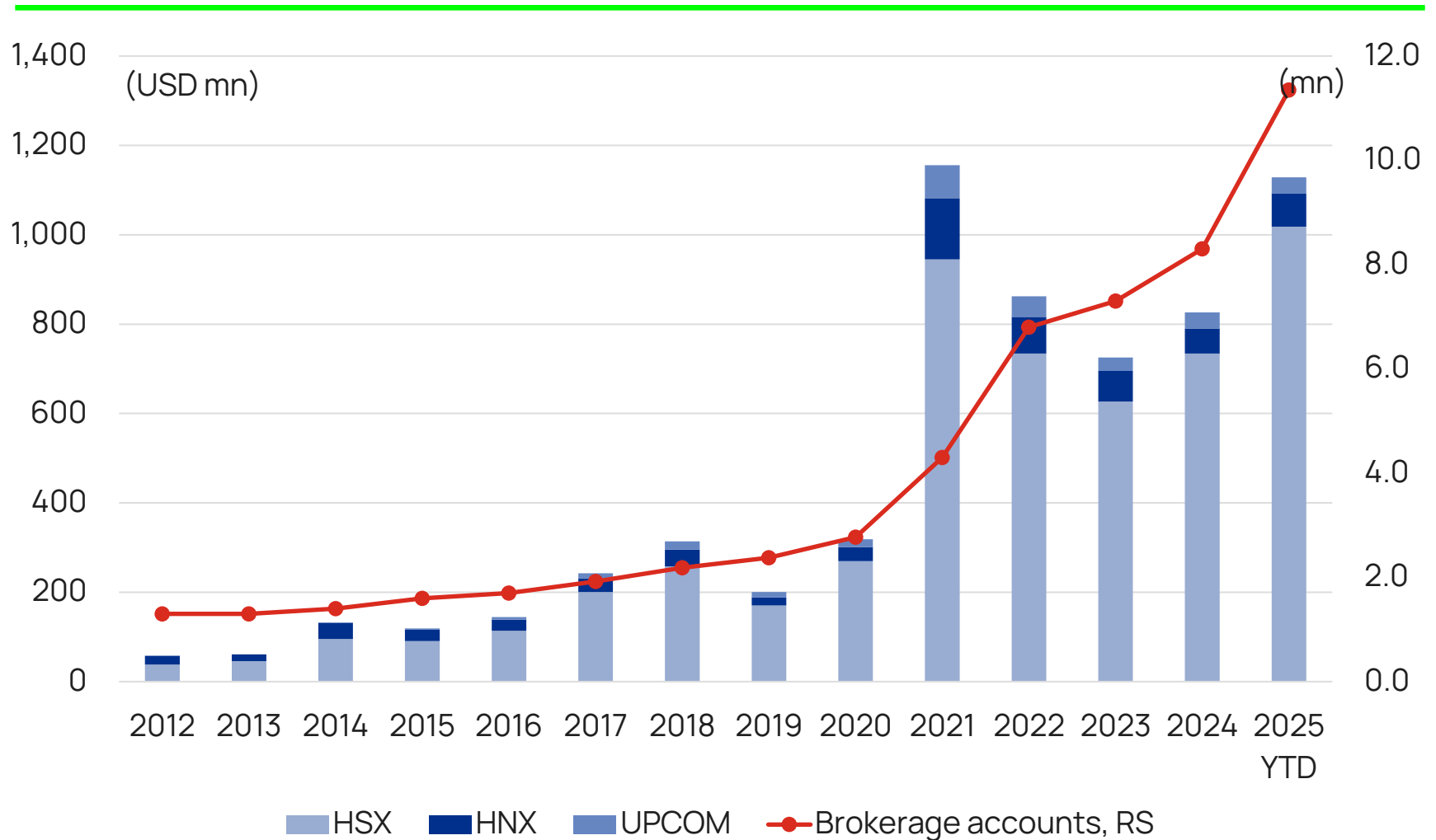


Appendix: Market data

Total market cap at end December 2, 2025



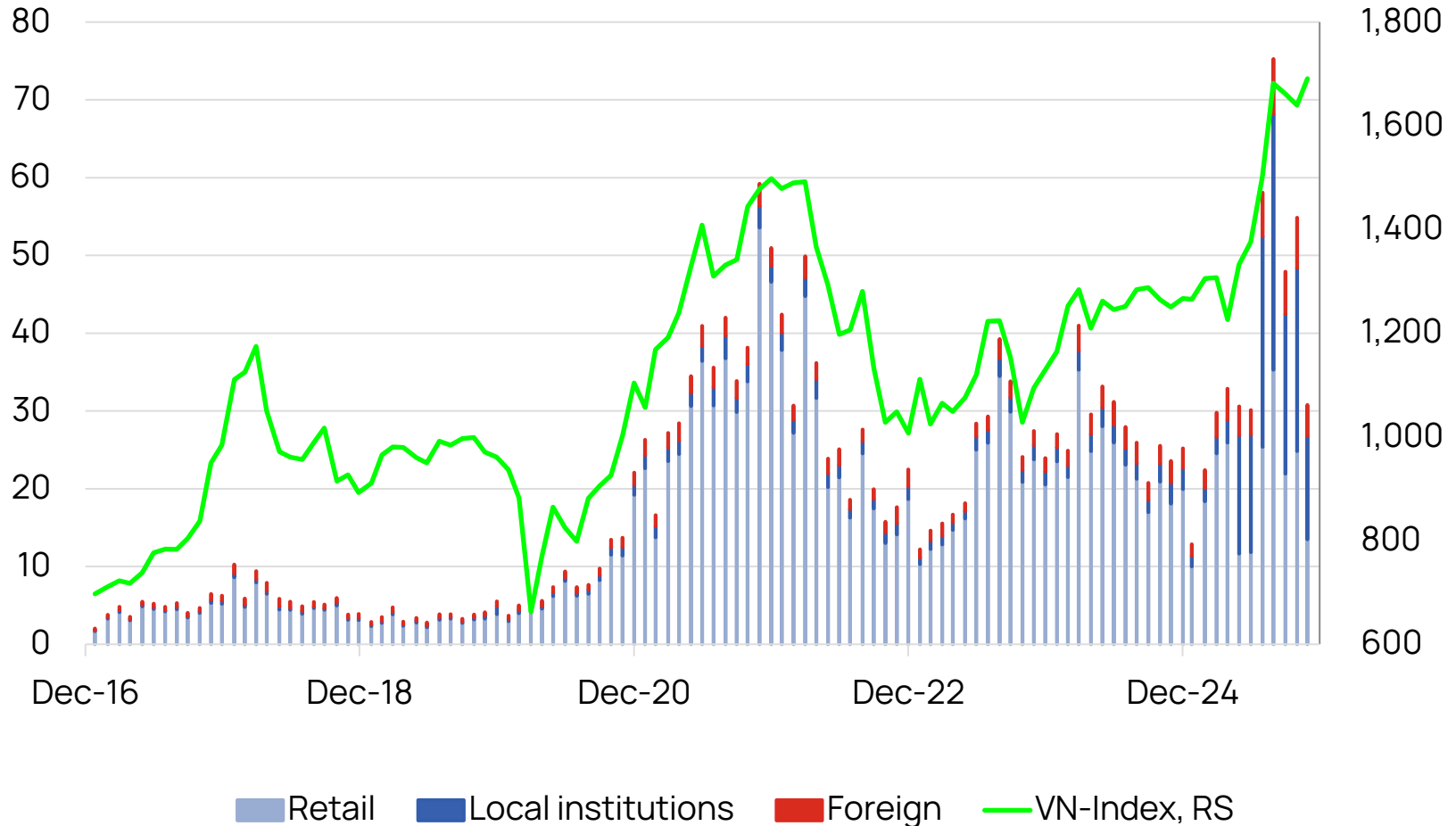
Average daily trading value (ADTV) & brokerage accounts



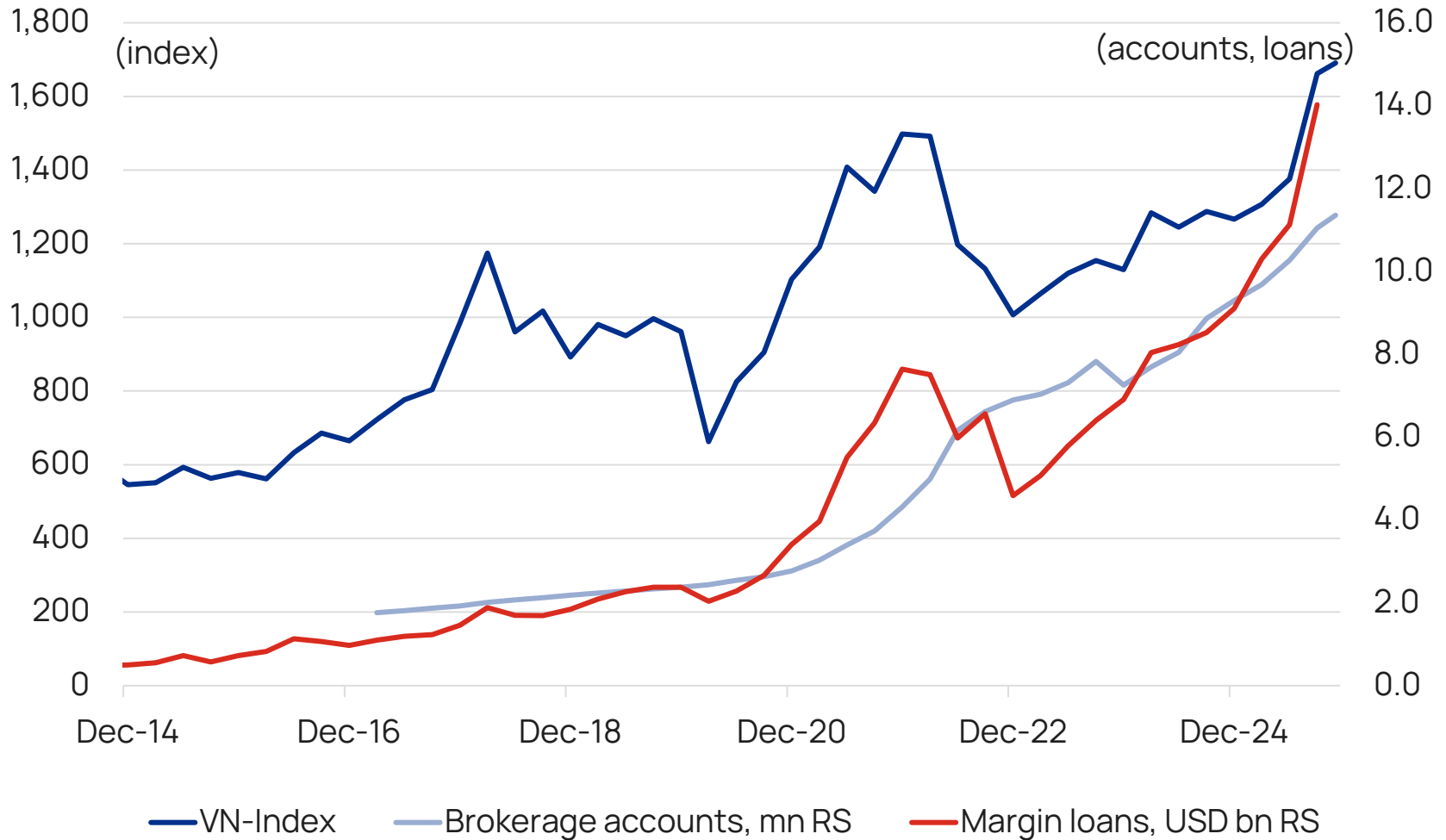
Monthly trading value by investor type & VN-Index

(USD bn)

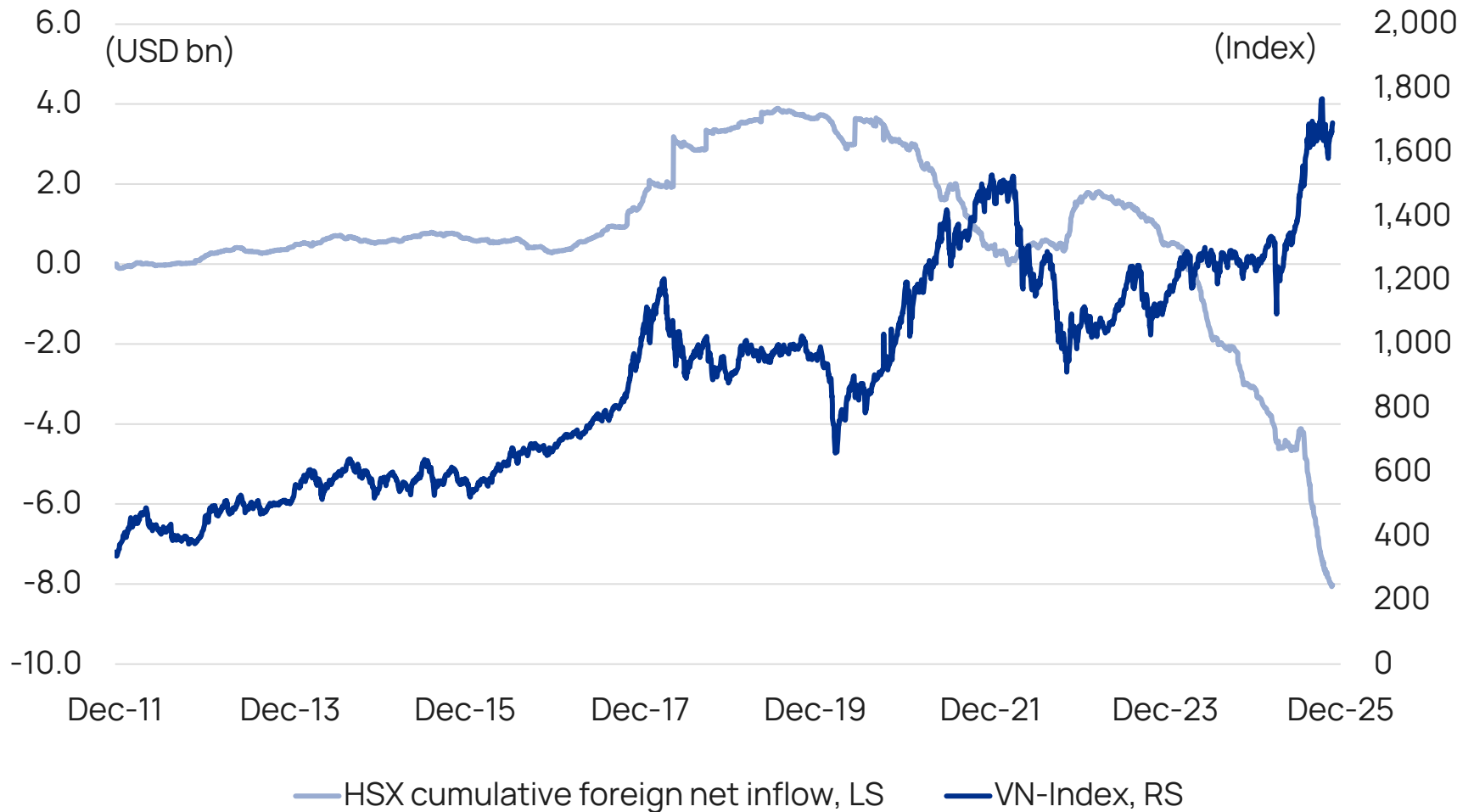
Trading by investor type & VN-Index



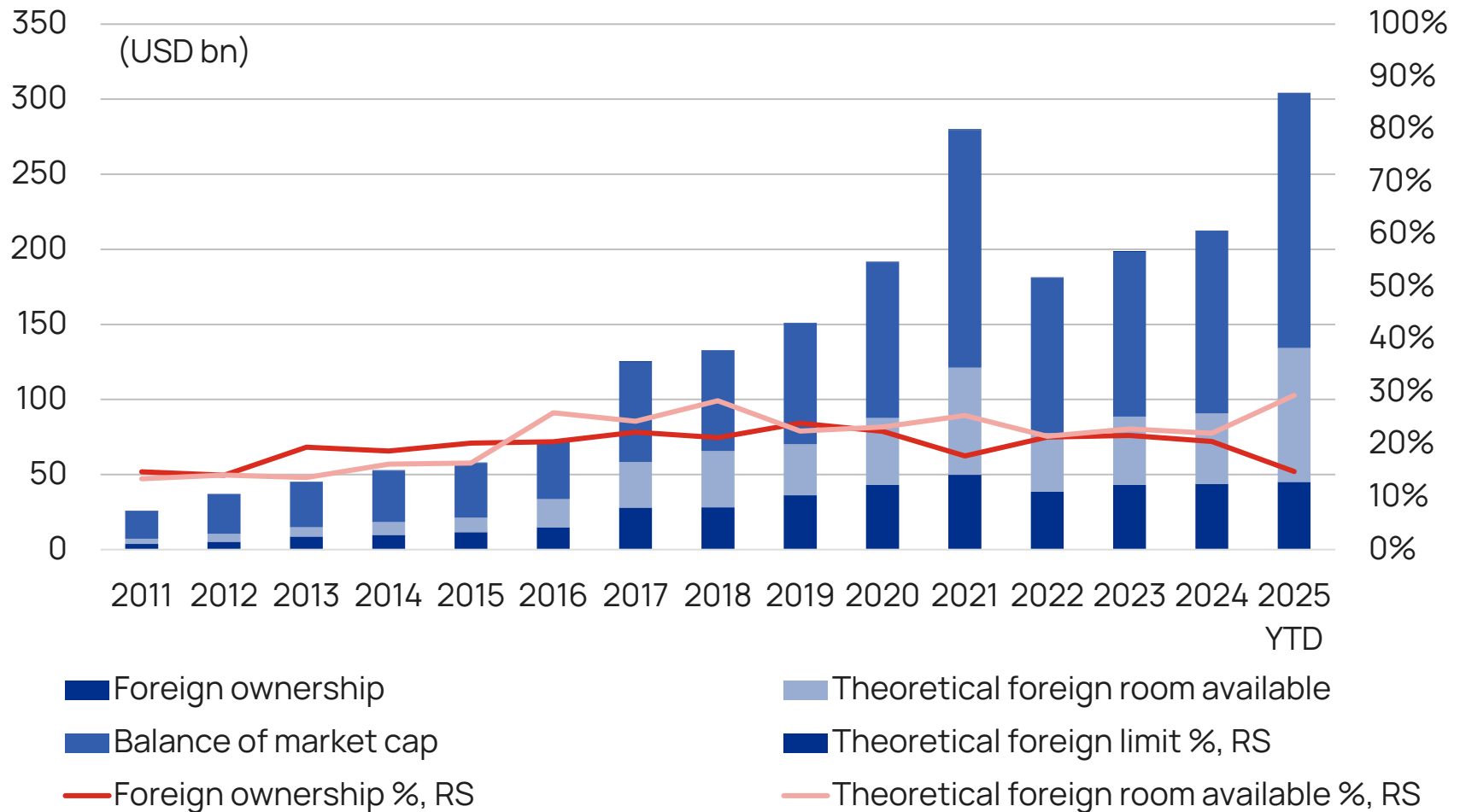
Margin loans, brokerage accounts & VN-Index



Foreign outflow continues YTD



Foreign ownership and theoretical availability (HSX & HNX)



Banking Sector

Vietnam banks gain momentum as economic upcycle continues

December 2025

Nam Hoang

Head of Research

nam.hoang@vietcap.com.vn

+8428 3914 3588 ext.123

Ngoc Huynh

Manager

ngoc.huynh@vietcap.com.vn

+8428 3914 3588 ext.138

Quan Vu

Deputy Manager

quan.vu@vietcap.com.vn

+8428 3914 3588 ext.364

Nga Ho

Analyst

nga.ho@vietcap.com.vn

+8428 3914 3588 ext.516

EPS growth for our coverage will accelerate to 19% in 2026F, driven by robust credit growth, slight NIM recovery, and strong asset quality

Indicators*	2025F	2026F	YoY	Comments
Credit growth	19.7%	19.9%	↔	Credit growth sustained at a high level, driven by strong economic growth momentum and supportive fiscal/monetary policies.
NIM	3.14%	3.23%	↑	NIM to edge up, driven by (1) a more rational pricing environment, (2) robust retail demand, and (3) strong disbursement of long-term loans.
TOI growth	9.8%	18.7%	↑	TOI growth to recover, driven primarily by net interest income (NII) regaining strong growth momentum (up 20%+ YoY).
NPL ratio plus write-off	2.6%	2.4%	↓	Asset quality continuing to strengthen under a favorable macro backdrop with the continued recovery of the real estate market.
Credit costs	1.0%	1.0%	↔	Credit costs to remain under control at a low level of 1.0%, down from an average of 1.3% during the 2022-2024 period.
CIR ratio	31.2%	30.2%	↓	CIR to improve, backed by strong revenue growth and the sector's push for digitalization and optimization of headcount/physical network.
NPAT-MI growth	13.9%	19.0%	↑	Earnings growth to accelerate with strong top-line growth and OPEX/provision expenses well-managed.
ROE	18.1%	18.6%*	↑	Stronger profitability should support multiple expansion for the banking sector.

Top picks – Large-scale banks with strong funding capabilities and robust ecosystem – TCB, VPB, MBB, CTG

Criteria for stock selection

1. Large scale: Large banks benefit from economies of scale and can pursue a broader set of growth opportunities while smaller banks may be limited to certain customer segments/geographies.

2. Strong funding: Given scarcity of deposits, banks with strong deposit franchise, high CASA, and the ability to access various sources of funding are better-positioned to keep COF under control and protect their NIM while growing their loan books at a high rate.

3. Diverse ecosystem: Banks owning subsidiaries that provide products & services beyond traditional banking (e.g. brokerage, life/non-life insurance, fund management) can offer their customers a more comprehensive suite of products with greater convenience, which strengthens brand loyalty and increases the lifetime value of customers.

4. Compelling earnings growth outlook and attractive valuation

Top picks for 2026

TCB – Techcombank (TP-VND44,800, projected return of 30%)

- 2024-2027F NPAT-MI CAGR: 20%.
- Valuation: Trailing P/B of 1.53x, 0.3 SDs above its 5-year average of 1.39x.
- Investment theses: 1) Biggest beneficiary from the current real estate upcycle, 2) low COF advantage driven by pioneering funding solutions, 3) strong ecosystem with leading securities broker TCX.

VPB – VPBank (TP-VND38,000, projected return of 27%)

- 2024-2027F NPAT-MI CAGR: 32%.
- Valuation: Trailing P/B of 1.56x, in line with its 5-year average of 1.58x.
- Investment theses: 1) Significant profitability boost in 2026-27, driven by the recovery of the real estate market and the rebound of FE Credit, 2) potential upside from 5% private placement to strategic shareholder SMBC.

MBB – Military Bank (TP-VND32,500, projected return of 28%)

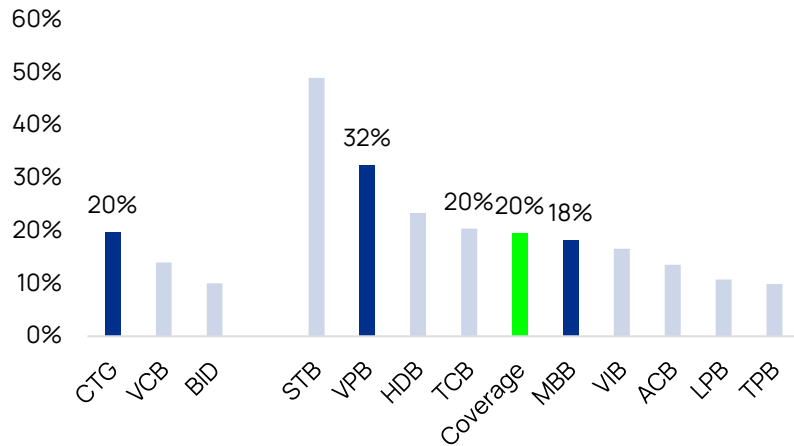
- 2024-2027F NPAT-MI CAGR: 18%.
- Valuation: Trailing P/B of 1.62x, 0.5 SDs above its 5-year average of 1.45x.
- Investment theses: 1) High credit quota and top-tier CASA, 2) diversified ecosystem of financial products/services, 3) beneficiary of the Government's efforts to untie legal knots for real estate/renewables projects.

CTG – Vietinbank (TP-VND65,000, projected return of 25%)

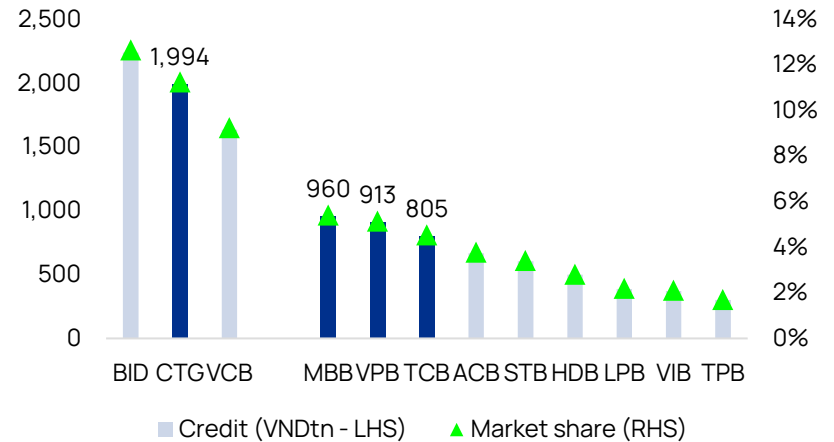
- 2024-2027F NPAT-MI CAGR: 20%.
- Valuation: Trailing P/B of 1.66x, 0.9 SDs above its 5-year average of 1.46x.
- Investment theses: 1) Strongest credit growth among SOCBs, 2) beneficiary of the Government's push for public investment, 3) credit costs moderating after years of heavy provisioning, which will lift up profitability.

Top picks – TCB, VPB, MBB, and CTG are well-positioned to deliver strong and sustainable EPS growth in the 2025-2027F period

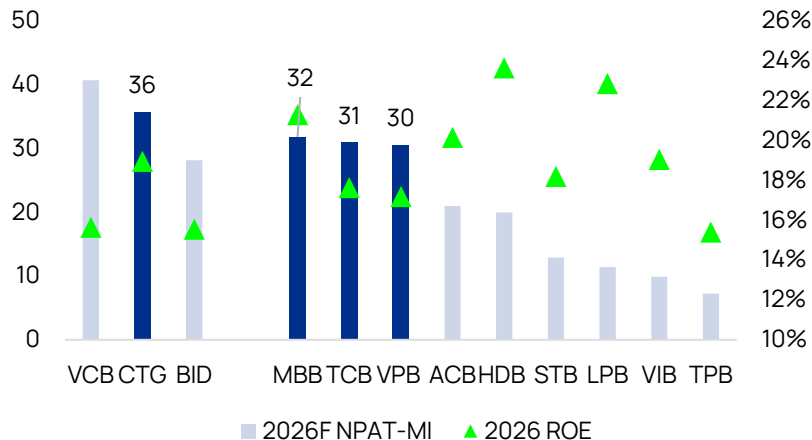
2024-2027F NPAT-MI CAGR



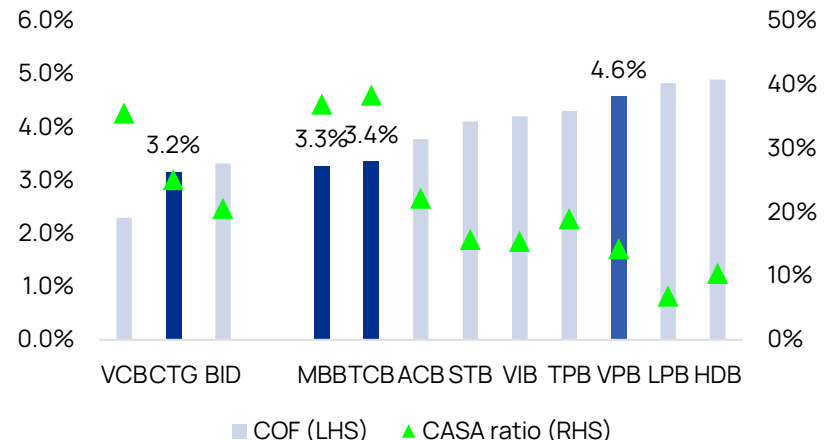
Q3 2025 total credit (VNDtn) and market share



2026F NPAT-MI and ROE



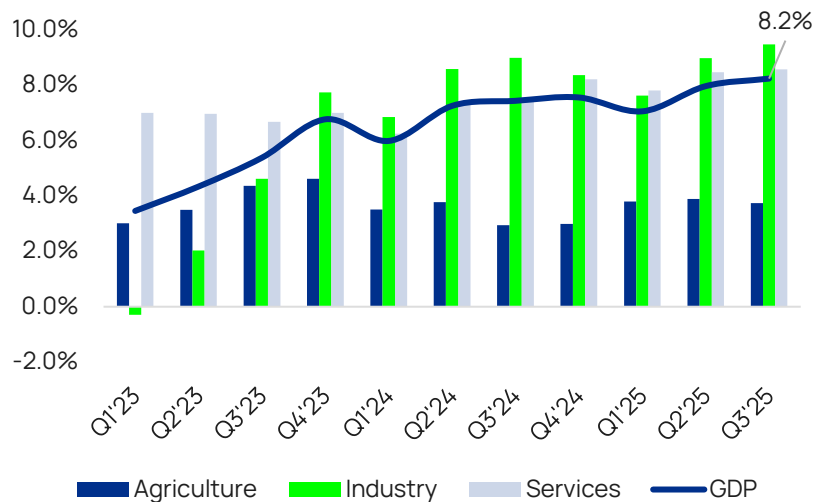
Q3 2025 CASA ratio and TTM funding costs



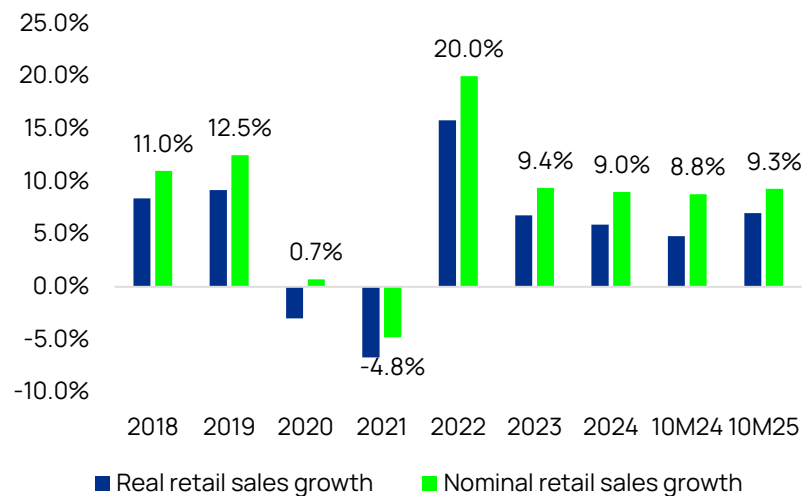
Macro recap and outlook

Q3 2025 GDP growth reached the highest level since 2011 with continued recovery in retail consumption

Quarterly GDP growth by sector, YoY



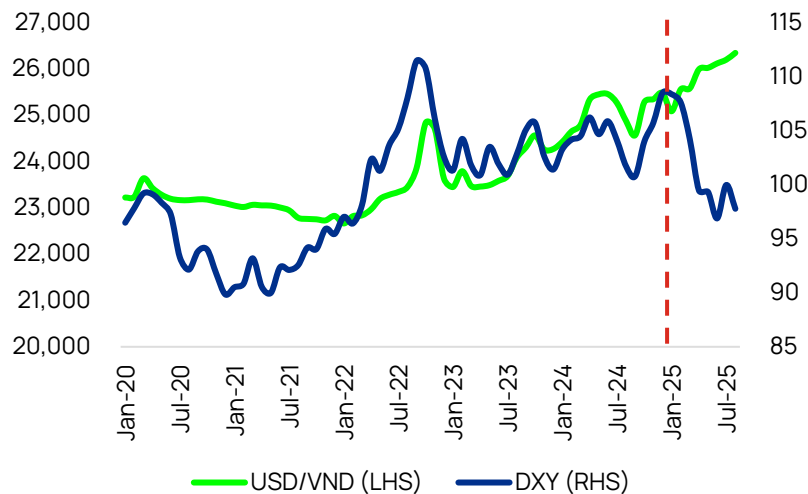
Annual retail sales, YoY



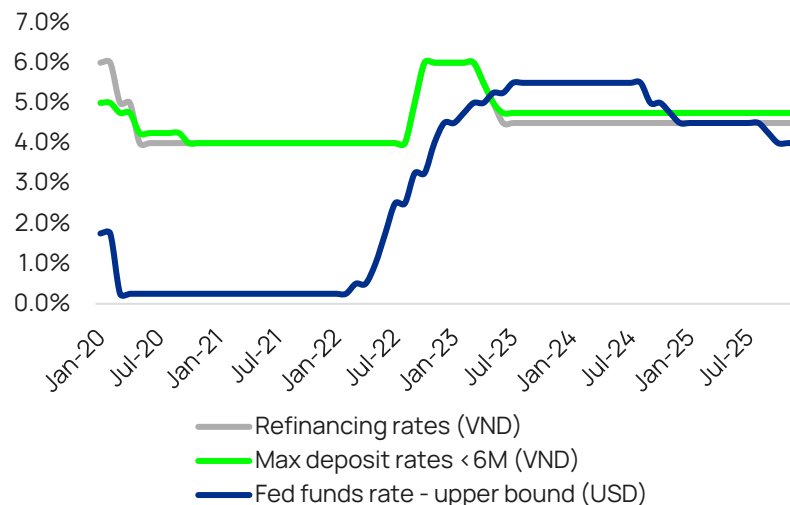
- Despite headwinds from US tariffs, Vietnam continued to gain momentum in economic growth with 9M 2025 GDP growth of 7.9% (9M 2024: +6.9%) and remains on track to hit 8%+ growth this year.
- Retail consumption continued to recover, but 10M 2025 growth remained below pre-COVID trend of 11-12%, suggesting further growth potential ahead.
- Looking ahead, Vietcap forecasts Vietnam's GDP growth during 2025-2027F at 8.1%/8.5%/8.8%, respectively. We expect stronger economic activities will create a favorable operating environment for the banking sector.

US Fed's rate cut delays have put significant pressure on the USD/VND exchange rate

DXY index vs USD/VND exchange rate



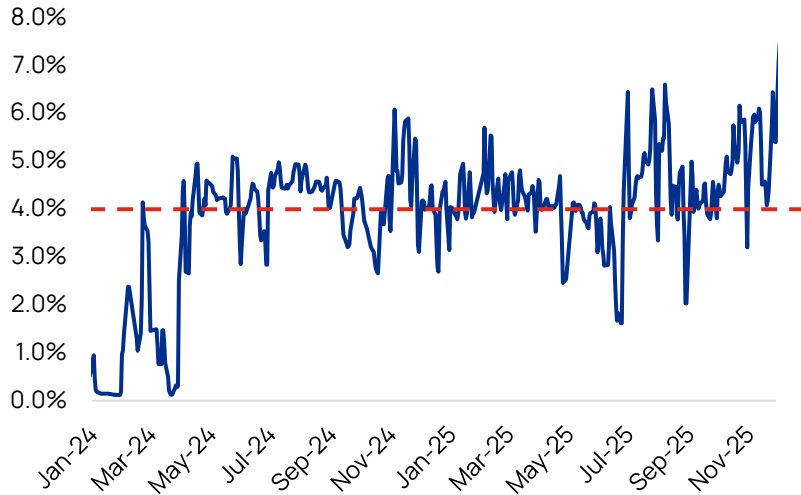
SBV policy rates vs Fed funds target rate



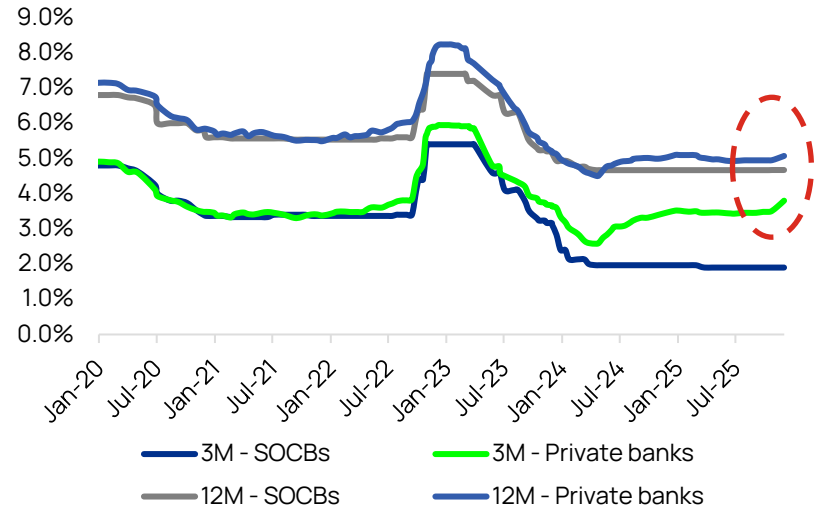
- The USD/VND exchange rate has been under significant pressure this year (+3.5% YTD), which has made it tougher for the State Bank of Vietnam (SBV) to maintain expansionary monetary policies.
- In August and October, the SBV had to intervene by selling USD forward contracts to commercial banks.
- In the near term, we expect the Fed's rate cuts, ongoing solid FDI and export inflows, and the SBV's readiness to sell USD forward when necessary, could help to maintain USD liquidity conditions and stabilize the USD/VND exchange rate. In 2026, we forecast the VND to depreciate 2.0% against the USD.

FX pressure and the significant gap between credit vs deposit growth have exerted upward pressure on interest rates in recent months

VND overnight interbank rates



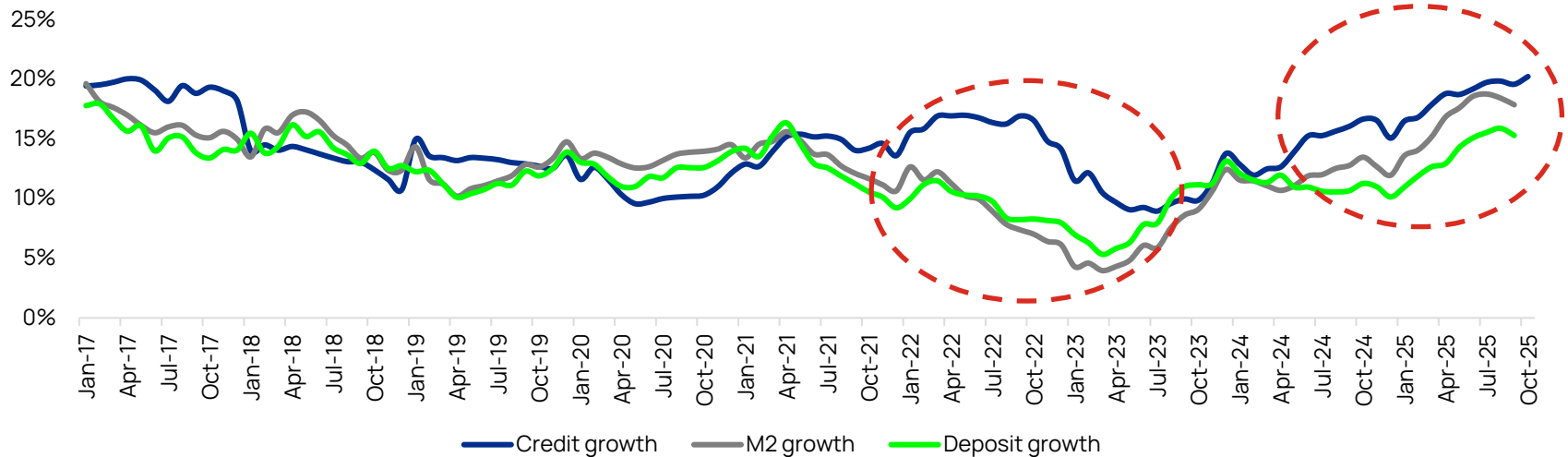
3-month and 12-month quoted deposit rates*



- Overnight interbank rates have risen to average 5% in October and November.
- Amid scarcity of deposits, commercial banks have started to raise deposit rates since July. However, the magnitude of the increases has been relatively modest.
- We believe tighter liquidity in the banking system has been driven by (1) ongoing FX pressure, (2) the significant gap between credit growth and deposit growth, (3) seasonality factors, and (4) the significant State budget surplus vs relatively slow public investment disbursements.

The gap between credit growth and deposit growth continued to widen in 2025, driving more intense competition for deposits

Credit growth vs M2/deposit growth (YoY basis)



- Strong credit demand and low deposit rates have widened the gap between credit growth and deposit growth. However, the current gap is still below the high level that we saw during 2022.
- Notably, M2 growth (which includes cash outside the banking system and valuable papers besides deposits) has tracked credit growth more closely. Higher M2 growth than deposit growth might have been driven by (1) new tax regulations leading business households to temporarily withdraw cash from banks and (2) increased issuance of valuable papers by banks.

System liquidity typically gets tighter in Q4 as credit demand surges toward year-end

Quarterly credit growth

	Q1	Q2	Q3	Q4	Year
2016	3.0%	5.0%	3.2%	5.9%	18.2%
2017	4.4%	4.4%	2.9%	5.4%	18.2%
2018	0.7%	4.1%	2.3%	3.2%	10.8%
2019	3.1%	4.1%	1.9%	3.9%	13.6%
2020	1.3%	2.3%	2.3%	5.7%	12.2%
2021	3.0%	3.4%	1.3%	5.3%	13.6%
2022	6.0%	3.3%	1.5%	2.8%	14.2%
2023	2.6%	2.1%	2.1%	6.4%	13.8%
2024	1.4%	4.6%	2.8%	5.5%	15.1%
2025	3.9%	5.8%	3.2%		

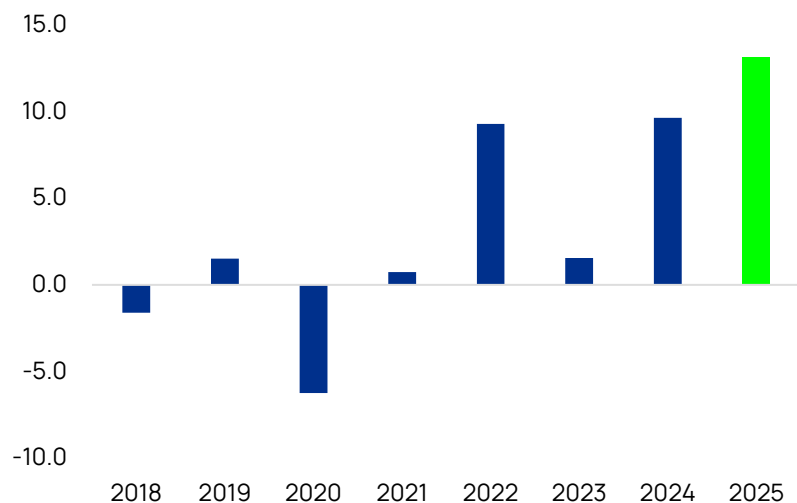
VND overnight interbank rates, monthly average(*)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	4.8%	3.3%	3.7%	4.3%	1.9%	1.3%	1.1%	0.9%	0.5%	0.5%	1.5%	3.6%	2.2%
2017	4.7%	3.3%	4.5%	4.6%	3.8%	2.2%	1.2%	0.6%	0.7%	0.7%	1.0%	1.0%	2.3%
2018	1.7%	2.6%	0.9%	1.1%	1.5%	1.1%	2.1%	3.9%	3.3%	3.6%	4.7%	4.7%	2.6%
2019	4.3%	4.4%	3.8%	3.8%	3.3%	3.3%	3.1%	3.4%	2.8%	1.9%	2.6%	3.0%	3.3%
2020	1.8%	2.3%	2.1%	2.3%	1.1%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.8%
2021	0.1%	1.3%	0.3%	0.5%	1.3%	1.1%	1.0%	0.8%	0.6%	0.7%	0.6%	0.8%	0.7%
2022	1.4%	2.7%	2.2%	1.8%	1.4%	0.4%	1.9%	3.5%	4.9%	5.8%	5.6%	4.6%	3.1%
2023	5.7%	5.4%	3.8%	4.5%	4.6%	1.8%	0.3%	0.2%	0.2%	1.2%	0.4%	0.3%	2.3%
2024	0.2%	2.4%	0.9%	4.0%	4.2%	3.9%	4.6%	4.5%	4.0%	3.6%	4.8%	4.0%	3.5%
2025	4.1%	4.5%	4.3%	3.9%	3.9%	3.2%	4.7%	4.5%	4.2%	4.9%	5.4%		4.4%

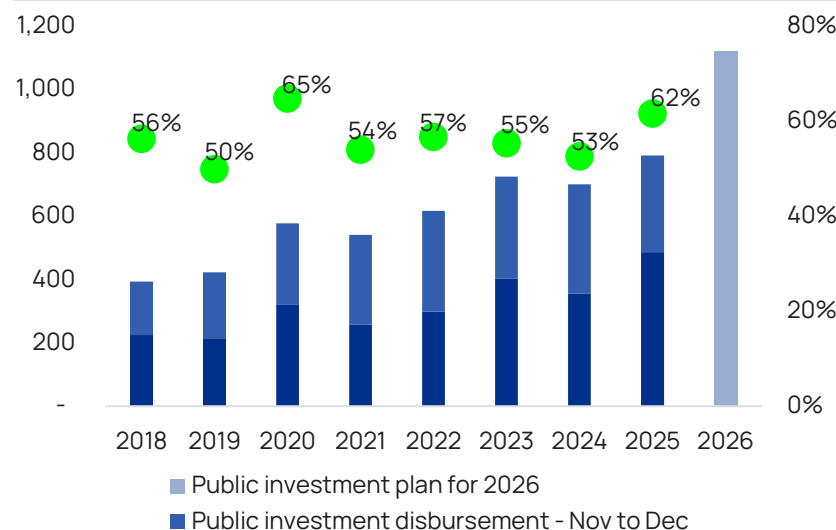
- Credit demand in Vietnam typically surges in Q4 as businesses increase borrowings for production, investment, and payments.
- As a result, system liquidity and funding usually get tighter in Q4 as banks ramp up mobilization for funding to meet customer demand, which would drive higher interbank rates.
- This phenomenon is especially acute in years where the Fed's monetary policies are restrictive relative to the SBV's stance (2018, 2022, 2024, and 2025). Typically, such funding pressure may persist through the Tet Holiday (Jan-Feb) before starting to ease from March.

Strong state revenue collection vs relatively slow disbursements contributed to weak deposit growth

State budget surplus/(deficit) through 10M (USDbn)*



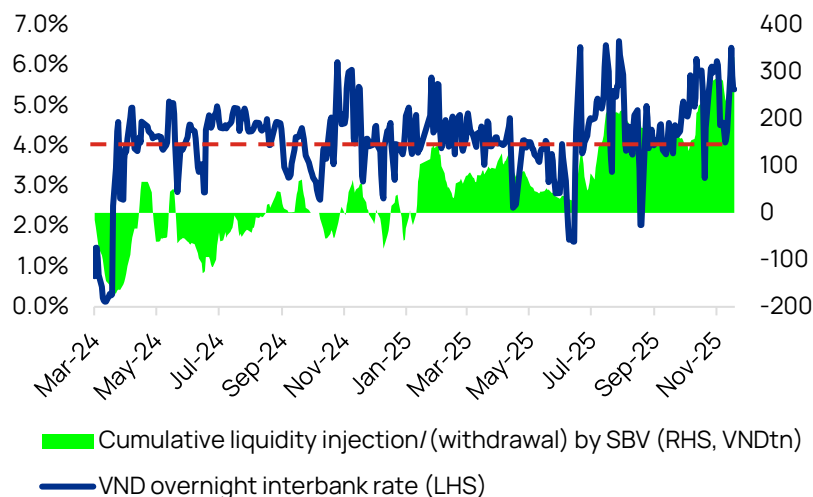
Public investment disbursement by year (VNDtn)



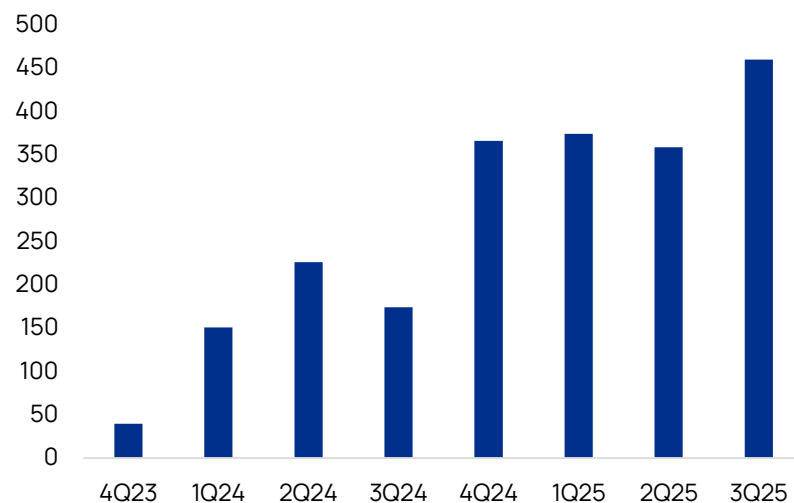
- In 10M 2025, the cumulative State budget surplus reached VND347tn (USD13.2bn), which was meaningfully higher than recent years as State revenue surged 30.8% YoY to VND2,183tn (USD8.8bn), completing 111% of the full-year target while State expenditures only reached VND1,836tn (USD69.6bn) and completed 71% of the annual plan.
- Monthly public investment disbursements showed signs of improvement in October but cumulative disbursements through 10M 2025 remained well below the annual plan at VND486tn (61.5% of the annual plan).
- A large State budget surplus contributed to slower deposit growth during 10M 2025 as money were taken out of the system. However, we expect this to be a temporary phenomenon as accelerated public disbursement toward the end of year should neutralize the impact and support deposit growth in Q4.

Upward pressure on deposit rates should be manageable as SBV maintains an accommodative stance on monetary policies

SBV open market operations (VNDtn)



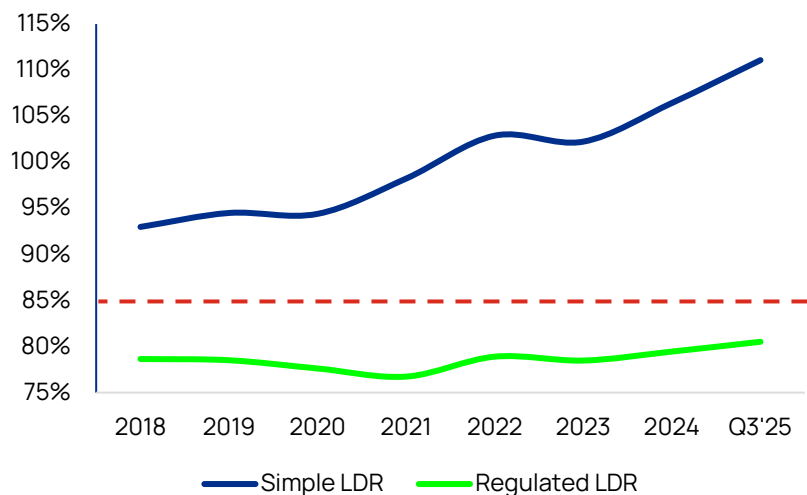
Treasury deposits at State-owned banks (*)



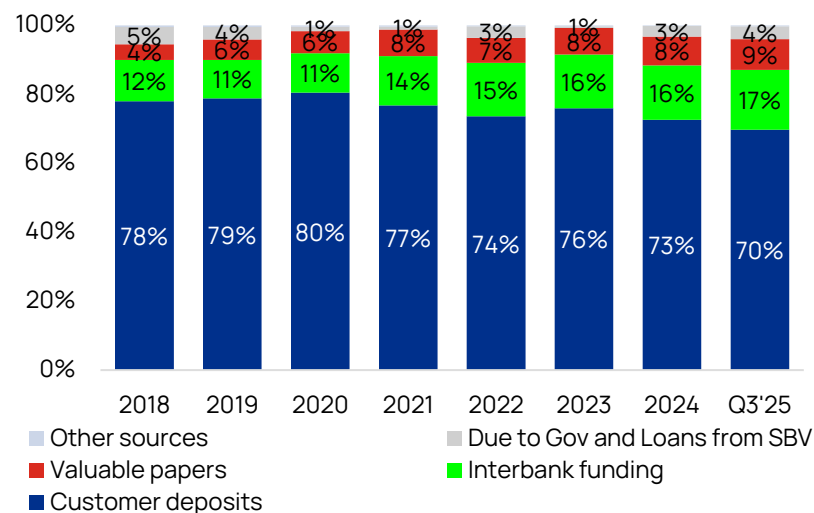
- We expect the current upward pressure on deposit rates to be manageable as we believe the SBV will maintain an accommodative stance on monetary policies to support the Government's GDP growth target of 10% in 2026.
- Over the past two years, the SBV has utilized the OMO channel in a flexible manner to support system liquidity. In early December, the SBV introduced FX swap (where the SBV will buy USD spot from commercial banks and sell USD forward for a 14-day tenor) as another intervention measure to support short-term liquidity of the system.
- In tandem with the SBV, the State Treasury has increased its deposits at State-owned banks meaningfully to support their funding.
- Furthermore, system liquidity & funding will also be supported by (1) further rate cuts by the Fed, (2) an acceleration in public investment disbursements, and (3) business households re-depositing their cash at commercial banks as they adopt new tax and e-invoice regulations.

LDR has risen significantly in recent years, but regulated LDR remains under control as the sector continued to diversify its funding base

Banking sector's simple LDR and regulated LDR



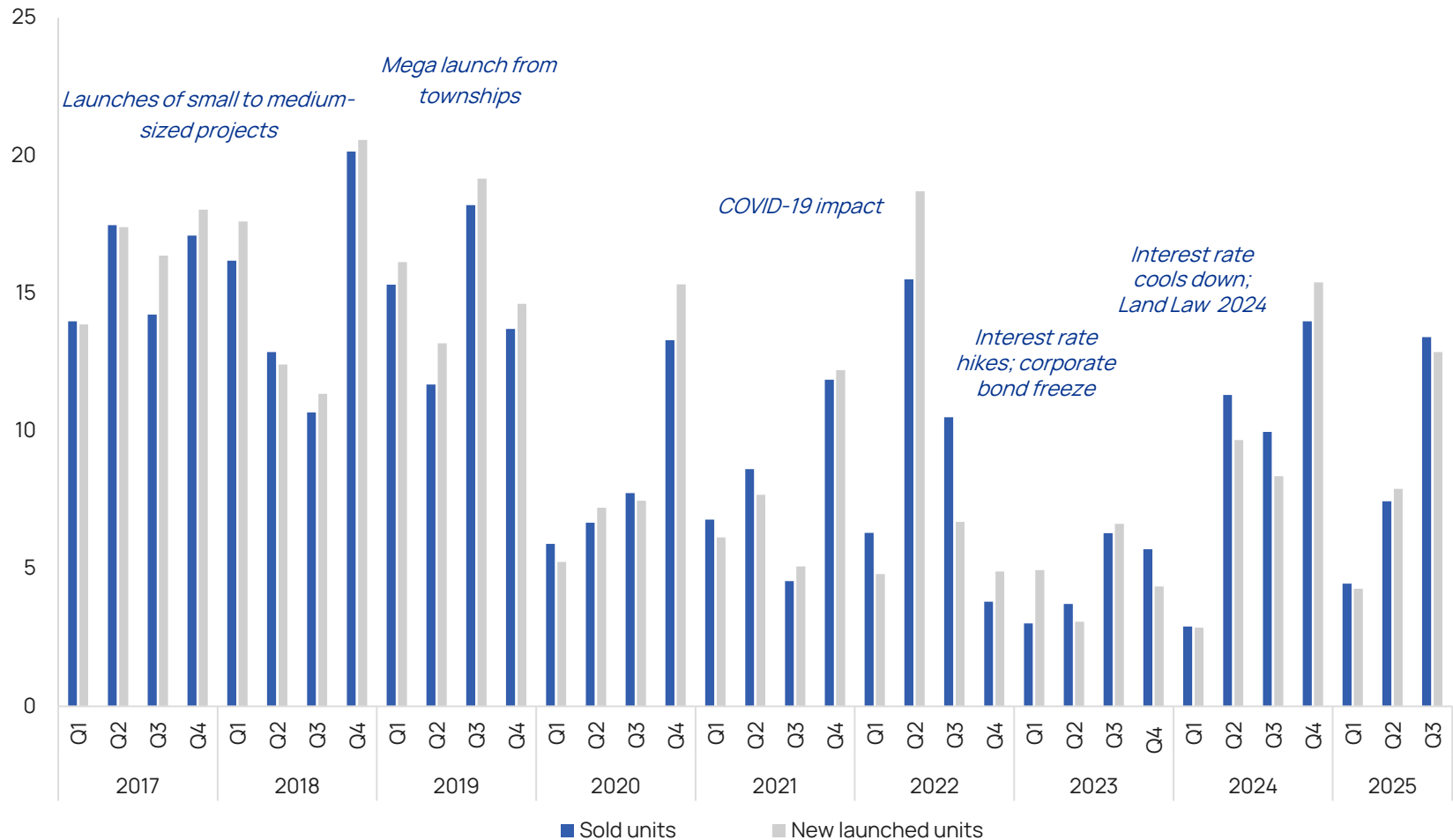
Breakdown of sector's funding sources



- Based on data for 27 listed banks, the simple LDR (loans to customers divided by customers deposits) of the banking sector has risen meaningfully from under 95% at end-2018 to over 110% as of end-Q3 2025.
- The regulated LDR of the sector (estimated per formulas from Circular 22/2019/TT-NHNN and Circular 26/2022/TT-NHNN) has edged up over time but remained well below the 85% regulatory cap.
- Over the years, banks have managed to diversify their funding base from customer deposits to other sources, including valuable papers and offshore loans.

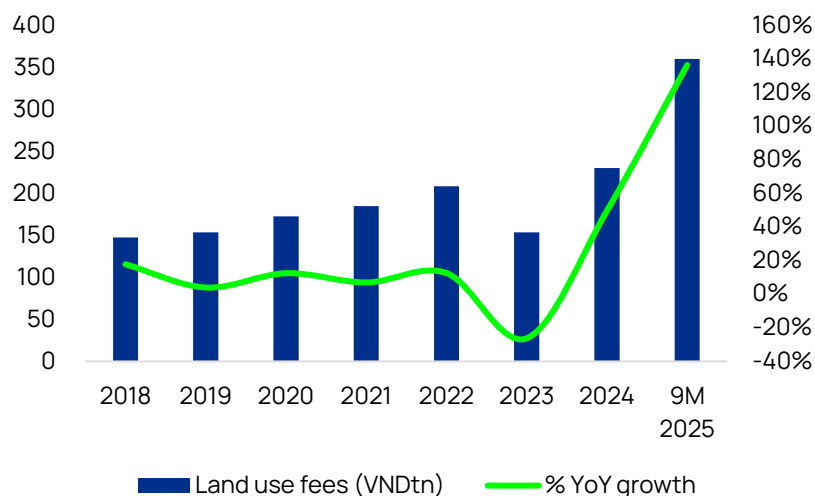
A continued recovery of the real estate market has positive implications on mortgage demand and banks' asset quality

Total condo transactions in the primary markets of Hanoi and HCMC ('000 units)

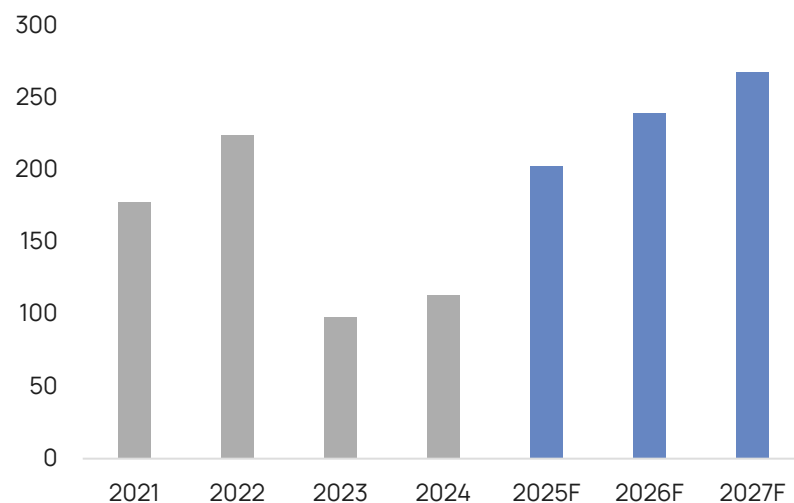


Land use fees rose sharply this year, indicating a robust pipeline of real estate projects to be launched and sold in coming quarters

Land use fees (VNDtn)



Aggregate presales for residential developers under Vietcap's coverage (VND tn)



- Based on preliminary data from the Ministry of Finance (MoF), the land use fees collected by the Government reached VND360tn (USD13.7bn) in 9M 2025, up meaningfully by 137% YoY and already surpassing the full-year 2024 level of VND230tn (USD8.7bn).
- Presales momentum is building rapidly. Vietcap forecasts that the combined presales for six covered residential developers (VHM, KDH, NLG, NVL, DXG, HDC) in 2025-2026F will be double the combined presales achieved in 2023-2024.
- These figures demonstrate that smoother legal procedures, continued infrastructure development, and an accommodative interest rate environment have fostered a favorable environment for an acceleration in RE project launches.
- A robust real estate market will be a highly critical factor for banks to prosper in this new era of high economic growth.

Banking sector recap and outlook

Key data and summary valuations

Banking sector: Key data

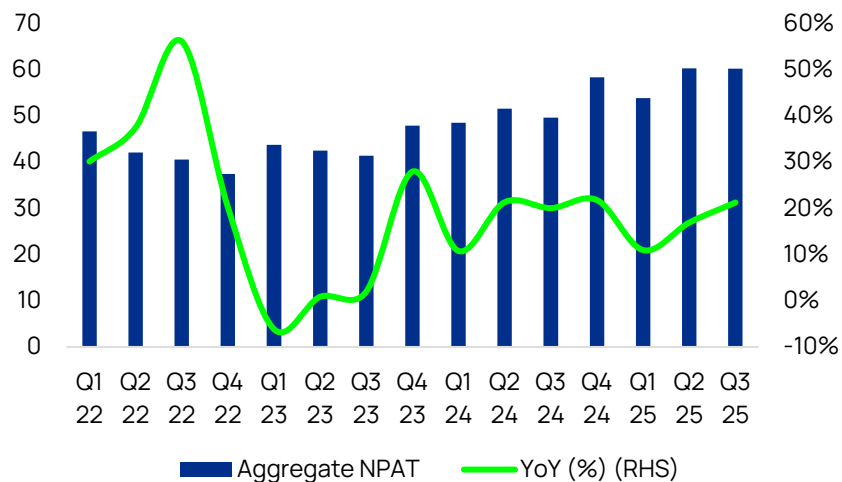
Code	Rating	Market Cap USD mn	State O'ship %	For. Limit %	For. Avail USD mn	ADTV 30D USD mn	Share Price VND ps	Target Price VND ps	Target price updated	Upside %	Div. Yield %	TSR %
VCB	BUY	18,664	74.8%	30.0%	728	8	58,900	73,500	10/11/2025	24.8%	1.4%	26.2%
CTG	BUY	10,590	64.5%	30.0%	468	15	52,000	65,000	17/11/2025	25.0%	0.0%	25.0%
BID	BUY	10,172	81.0%	30.0%	335	3	38,200	46,100	17/11/2025	20.7%	0.0%	20.7%
ACB	BUY	4,850	0.0%	30.0%	48	9	24,900	33,300	11/11/2025	33.7%	0.0%	33.7%
TCB	BUY	9,513	0.0%	22.5%	3	17	35,400	44,800	07/11/2025	26.6%	3.4%	29.9%
MBB	BUY	7,851	9.4%	23.2%	188	18	25,700	32,500	24/11/2025	26.5%	2.0%	28.4%
VPB	BUY	9,102	0.0%	30.0%	519	22	30,250	38,000	19/11/2025	25.6%	1.7%	27.3%
STB	M-PF	3,589	0.0%	30.0%	541	21	50,200	55,000	08/12/2025	9.6%	0.0%	9.6%
HDB	O-PF	4,823	0.0%	17.5%	154	25	32,950	34,000	08/09/2025	3.2%	3.0%	6.2%
VIB	O-PF	2,440	0.0%	5.0%	0	5	18,900	18,500	23/05/2025	-2.1%	0.0%	-2.1%
TPB	BUY	1,852	0.0%	30.0%	198	5	17,600	16,500	27/05/2025	-6.3%	0.0%	-6.3%
LPB	U-PF	5,608	0.0%	5.0%	226	3	49,500	39,300	18/11/2025	-20.6%	2.0%	-18.6%

Banking sector: Summary valuations

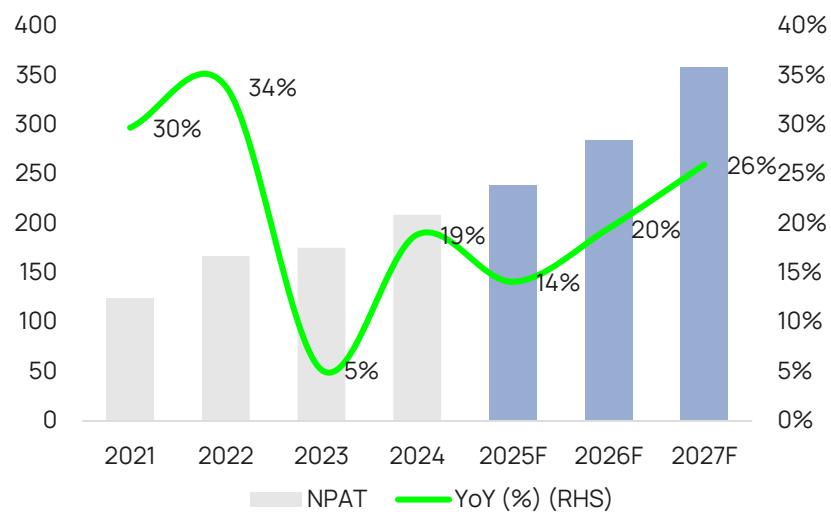
Code	Share Price VND ps	EPS g 2025F%	EPS g 2026F%	EPS g 2027F%	P/B current x	P/B 2026F X	P/B 2027F X	P/E TTM x	P/E 2026F x	P/E 2027F x	ROE 2026F%	Assets/equity LQ x
VCB	58,900	3.8%	12.0%	8.6%	2.21	1.78	1.58	15.2	13.6	12.5	18.6%	10.7
CTG	52,000	18.8%	19.4%	-31.0%	1.66	1.35	1.15	9.6	8.9	12.8	18.5%	16.3
BID	38,200	1.9%	9.6%	98.1%	1.65	1.40	1.22	11.5	10.7	5.4	19.5%	18.3
ACB	24,900	6.5%	17.5%	17.0%	1.40	1.14	0.97	10.0	6.2	5.3	22.4%	10.4
TCB	35,400	19.2%	20.0%	6.0%	1.52	1.34	1.17	11.4	8.1	7.7	15.6%	6.3
MBB	25,700	10.5%	27.3%	31.0%	1.62	1.26	1.04	8.3	6.5	5.0	22.1%	10.0
VPB	30,250	41.4%	36.7%	20.9%	1.56	1.31	1.14	11.3	7.9	6.5	11.0%	7.4
STB	50,200	12.4%	14.1%	157.9%	1.51	1.23	0.88	7.7	8.1	3.1	20.0%	13.5
HDB	32,950	19.5%	9.9%	25.5%	1.75	1.44	1.17	7.9	6.9	5.5	25.8%	11.4
VIB	18,900	8.9%	14.7%	12.6%	1.42	1.25	1.10	8.5	7.2	6.4	18.1%	12.0
TPB	17,600	8.7%	9.5%	11.3%	1.16	0.90	0.78	9.6	6.4	5.8	17.3%	11.3
LPB	49,500	10.2%	1.8%	21.2%	3.40	2.77	2.33	15.0	14.3	11.8	25.1%	12.4

We forecast aggregate earnings growth for our banking coverage to accelerate from 14% in 2025F to 20%+ in the 2026-2027F period

NPAT, quarterly (VNDtn)



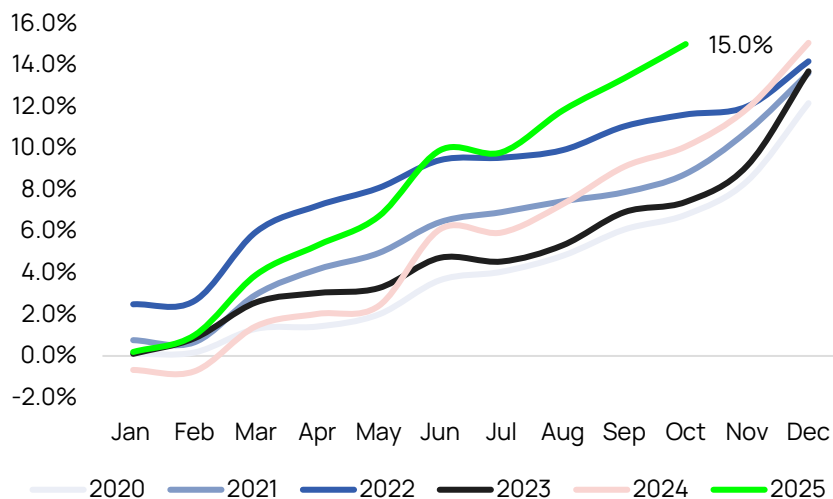
NPAT, yearly (VNDtn)



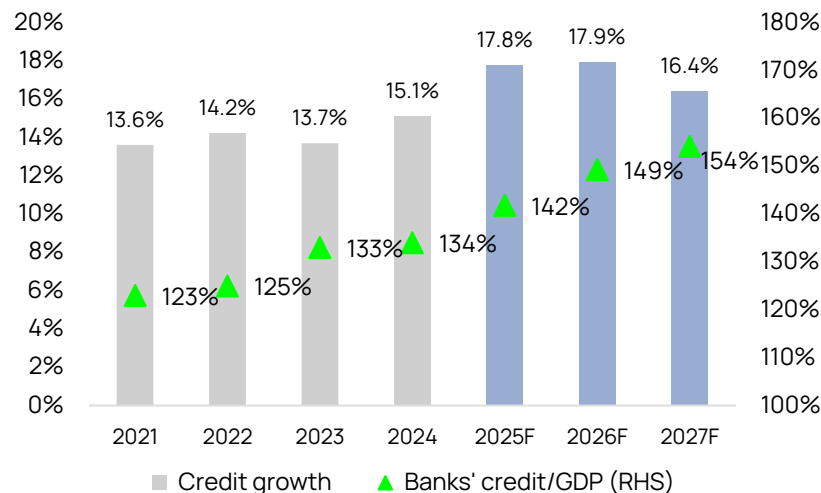
- In 9M 2025, banks under our coverage delivered 16.4% YoY earnings growth, driven by (1) strong NOII growth of 20.8% YoY, (2) a slight decrease in provision expenses of 0.9% YoY, and (3) a 38-bps improvement in CIR. Meanwhile, NII growth was soft at 7.3% due to NIM contraction despite strong credit growth. Therefore, we have revised down our NIM forecasts for several banks.
- For 2026, we forecast a 19.5% YoY increase in aggregate NPAT, supported by (1) a 21.4% YoY rise in aggregate NII, driven by robust credit growth and a slight NIM expansion, and (2) a 9.6% YoY increase in aggregate NOII, led by strong recovery income as the real estate market continues to recover. OPEX will be well under control with 14.6% YoY growth as banks continue to optimize their cost structures via digitalization. Meanwhile, we forecast 23.0% growth in provision expenses due to normalizing credit costs at BID and LPB after softening the LLR buffer, as well as continued resolving NPLs at some retail-focused banks like HDB and TPB.

Credit reached decade-high growth in 10M 2025 and is expected to remain strong in 2026F

Monthly system-wide credit growth



Annual system credit growth



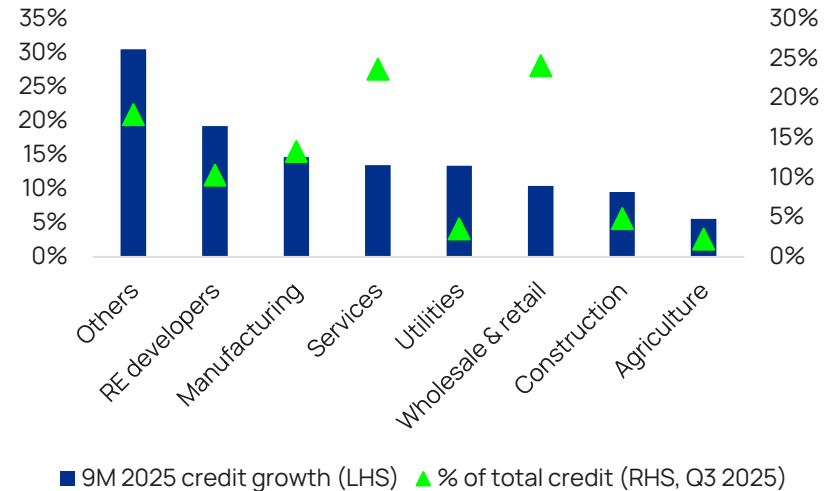
- 10M 2025 credit growth reached 15.0%, nearly matching the full-year growth of 2024 and marking a multi-year high, reflecting strong credit demand.
- We forecast system-wide credit growth to remain strong at 17.8% in 2026F, supported by (1) solid economic momentum in line with the Government's 10% GDP growth target for 2026, and (2) a continued accommodative monetary policy stance.
- We believe the credit-to-GDP ratio to remain at a manageable level over the next three years, with a gradual increase in the contribution of alternative capital markets (e.g., equity market EM upgrade, corporate bond market expansion), and improved capital efficiency driven by digitalization and process optimization to support strong GDP growth in 2026/2027F of 8.5%/8.8% respectively.

The corporate segment remained the main driver of credit growth but the retail segment continued to gain momentum

Retail loans growth vs corporate loans growth (*)



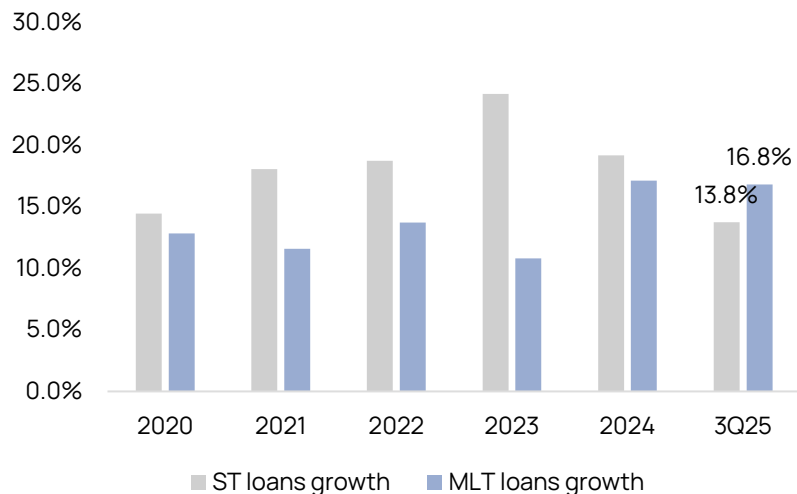
Loans growth by sector (**)



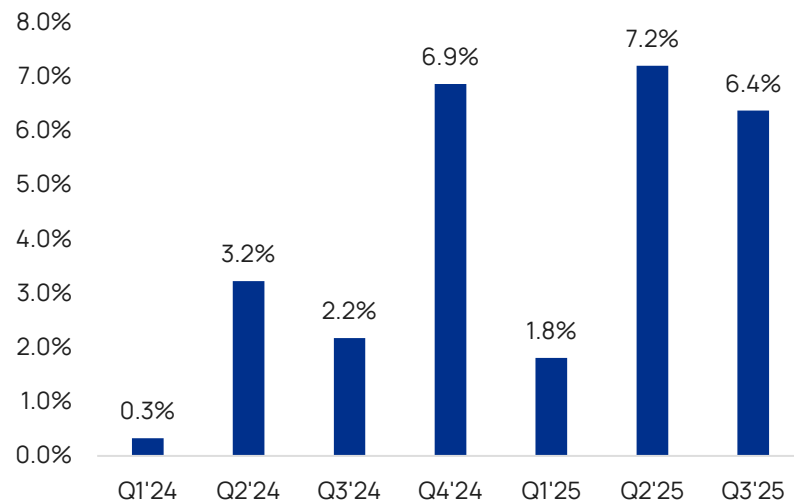
- Credit growth in 2025 continued to be led by the corporate segment, particularly in the real estate sector and the manufacturing sector as well as from major infrastructure projects.
- On the retail side, mortgage lending continued to rebound in line with the recovery of the real estate market while demand from business households was soft due to new tax regulations.
- Looking ahead into 2026, we expect key credit growth drivers will be largely similar to this year's. However, we do expect retail loans growth to accelerate further, supported by strong growth momentum in mortgages and a recovery in merchant lending as merchants fully adapt to the new tax regulations and resume their normal business operations.

More robust disbursements of medium-to-long-term loans indicate stronger business/consumer confidence

Loan growth by term (*)



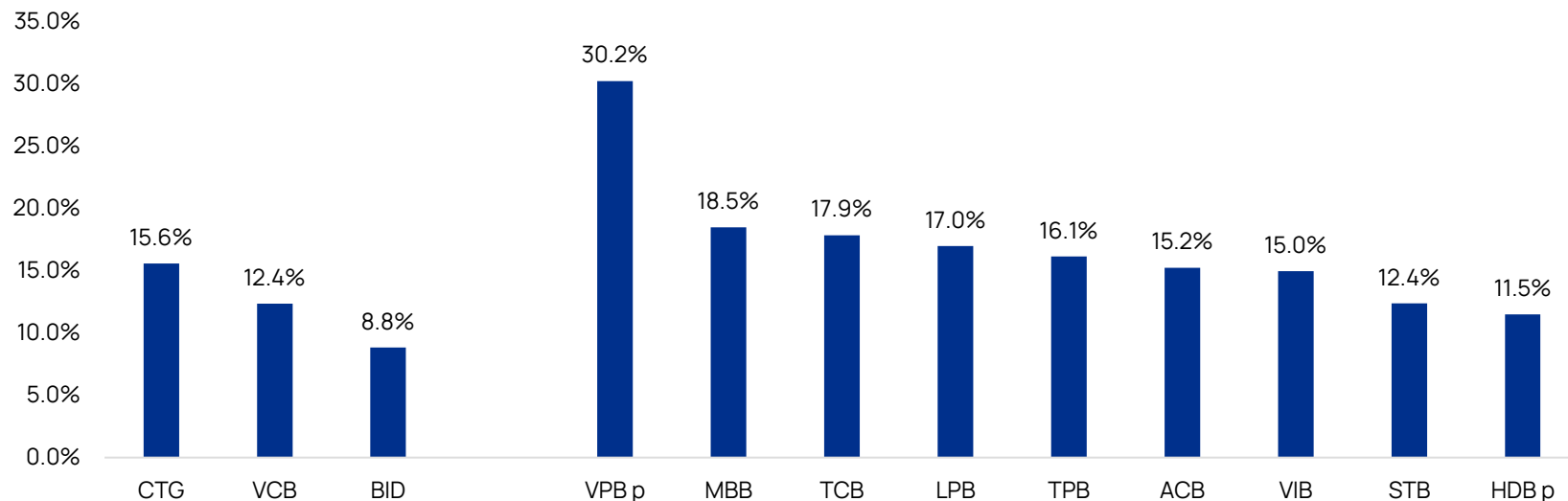
QoQ growth in mortgages balance (**)



- During 9M 2025, the banking sector saw stronger growth in medium -to-long-term (MLT) loans than in short-term (ST) loans, which indicates consumers and businesses are more confident in the outlook of Vietnam's economy, and as a result, are more willing to borrow at longer tenors.
- On the retail side, mortgages were the main driver of MLT loans growth, driven by highly favorable interest rates offered by banks and continued regulatory support from the Government.
- On the corporate side, the real estate sector and large infrastructure projects were the main drivers of MLT loans growth, per our observations.

Notable divergence in credit growth among banks under our coverage in 9M 2025

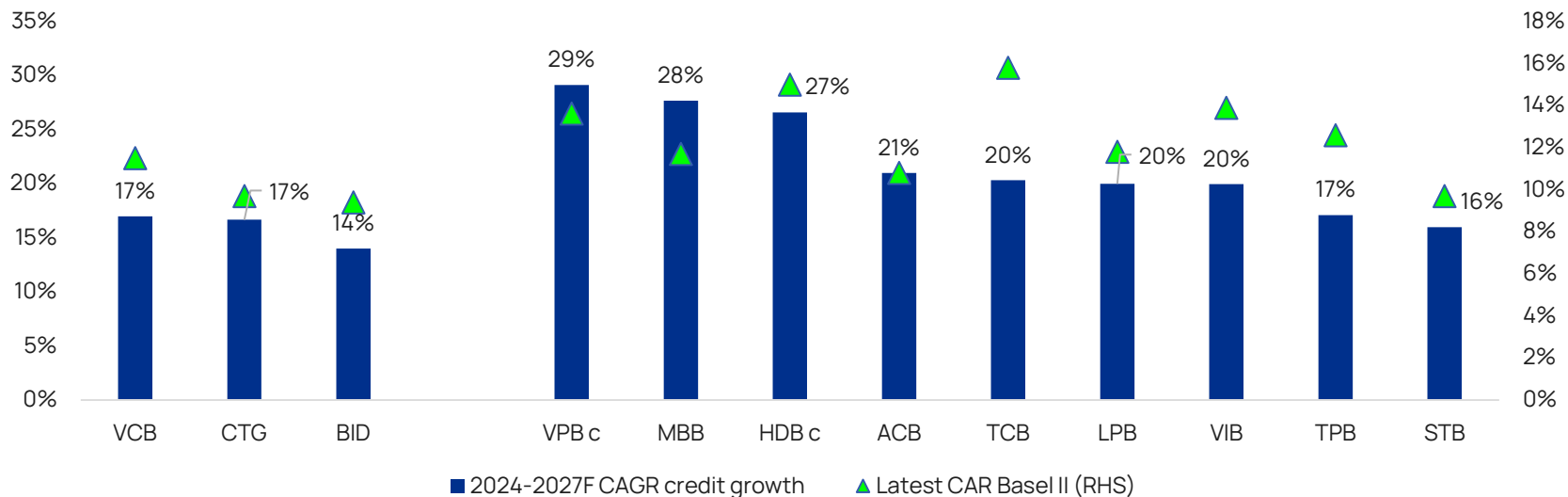
Credit growth of banks under our coverage in 9M 2025



- In 9M 2025, aggregate credit growth of banks under our coverage reached 14.7% (outpacing system-wide credit growth of 13.4%) and maintained solid momentum in Q3 2025 with 4.3% QoQ growth (vs 6.6% in Q2 2025) despite Q3 being a seasonally weak quarter. 9M 2025 credit growth of banks under our coverage including loans sold to weak banks was 16.1%.
- CTG delivered the most robust credit growth among the SOE banks while VPB, MBB, and TCB were the drivers of the private group. While VPB, MBB, and TCB have the advantages in terms of scale and expertise to expand credit to both the retail and corporate segments, ACB and VIB shifted toward the corporate segment to gain growth.
- HDB witnessed subpar credit growth in Q3 2025 due to prolonged selling loans to support Vikki bank, while VPB, MBB, and VCB have finished in Q1 2025. Loans sold by VCB, HDB, VPB, and MBB in 9M 2025 to support weak banks were VND51tn, VND38tn, VND15tn, VND33tn, respectively.

Large, well-capitalized banks to drive robust credit expansion

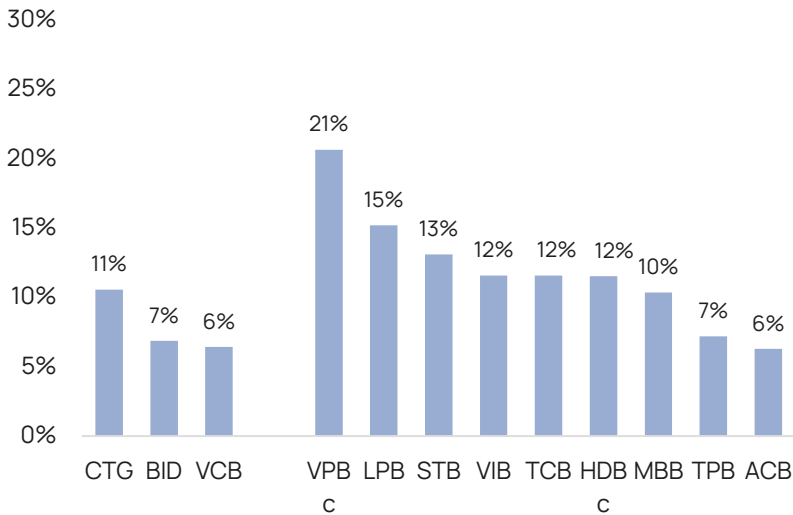
Credit growth and CAR of banks under our coverage



- We forecast ~16% aggregate credit growth for the SOCBs and ~24% aggregate credit growth for private banks in 2026F, which implies ~20% aggregate credit growth for our coverage.
- Among the SOCBs, we forecast CTG and VCB credit growth at 17% and 18% respectively, which are more robust vs 14% for BID.
- Among the private banks, we believe large private banks such as TCB, MBB, and VPB will be better positioned to deliver higher credit growth given their strong funding sources, solid capital positions, and large, diversified customer bases.

Lagging deposit growth prompts pressure on interest rates but CASA ratio slightly improved YoY

9M 2025 deposit growth of banks under our coverage



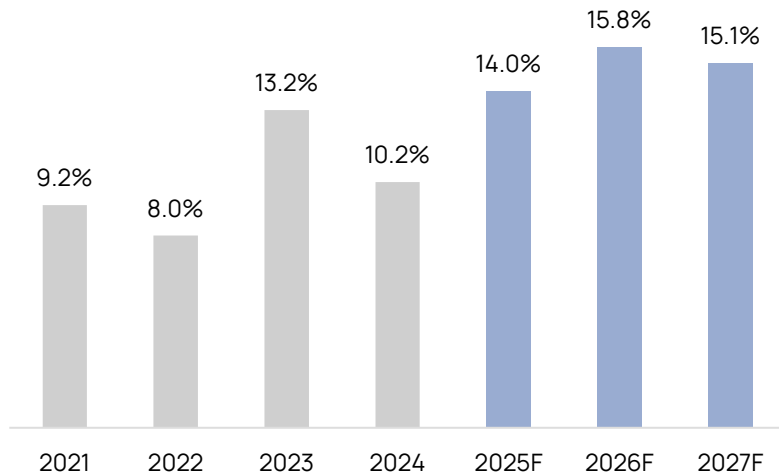
Aggregate CASA ratio of banks under our coverage



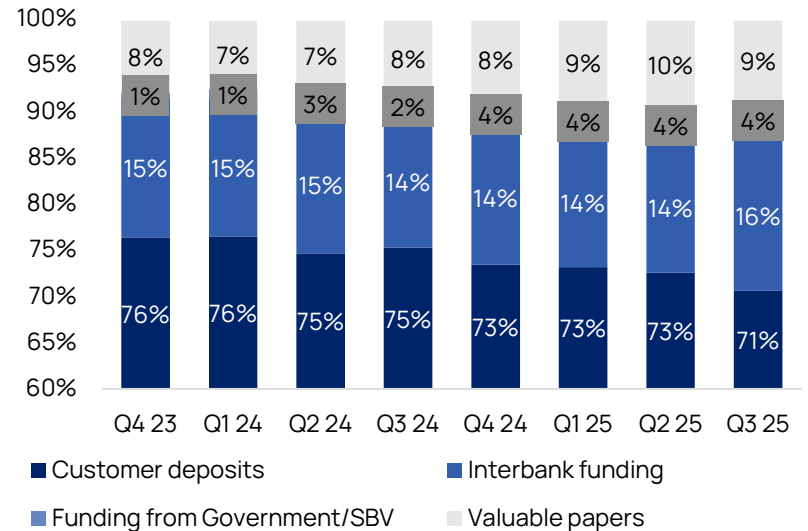
- Aggregate deposit growth for 9M 2025 of 9.7% continued to trail credit growth by a wide margin. Since the beginning of the year, SOE banks have yet to raise deposit rates. Over the past five months, some private banks—mainly smaller ones—have raised rates by 10–50 bps on average from a low base (focused on terms of 9M or less). Consensus among banks is that deposit rate pressure will pick up toward year-end, with some forecasting a 20–50 bps increase in H2 2025 vs H1 2025. Amid strong credit growth and seasonal liquidity need, large banks may increase deposit rates as well, though the overall rate environment is expected to remain supportive of growth.
- The aggregate CASA ratio for our coverage slightly improved YoY to 24.4% in Q3 2025 and remained broadly flat QoQ. We expect a seasonal uptick in Q4. Despite upward pressure on deposit rates, we see long-term upside for CASA ratios, supported by the Government’s push for non-cash payments and increased transparency in the private sector.
- We believe banks with strong scale and digital capabilities—such as TCB, VPB, MBB, and large SOEs—are well-positioned to capture incremental CASA growth.

Deposit growth to improve in 2026F while banks also tap other funding sources to fuel stronger credit growth

Annual system-wide deposit growth



Breakdown of funding sources



- We forecast system-wide deposit growth to be stronger in 2026F at 15.8%, which remains below our credit growth forecast of 17.9%. Given weak deposit growth, banks have tapped into other funding sources in recent quarters such as deposits from the State Treasury and valuable papers to bridge their financing gaps.
- However, we expect 2026F deposit growth to be stronger YoY, supported by (1) sustained robust credit growth, (2) ongoing promotion of non-cash and cross-border transactions (Thailand, Cambodia, China, etc.), and (3) a moderate increase in deposit rates while overall interest rates remain supportive. A recovery in manufacturing, exports, tourism, and private investment should also lift wage income and corporate cash flows, further underpinning system deposits.
- The aggregate funding from the Government/SBV for banks under our coverage rose by more than 2x YoY in Q3 2025. Deposits from the State Treasury account for most of these funding sources, and virtually only SOCBs enjoy access to these types of deposits.
- Valuable papers have grown to be a critical medium-to-long term source of funding for banks (30% YoY growth for banks under our coverage). Notably, TCB, VPB, and VIB have been active in issuing valuable papers as part of their auto-earning program.

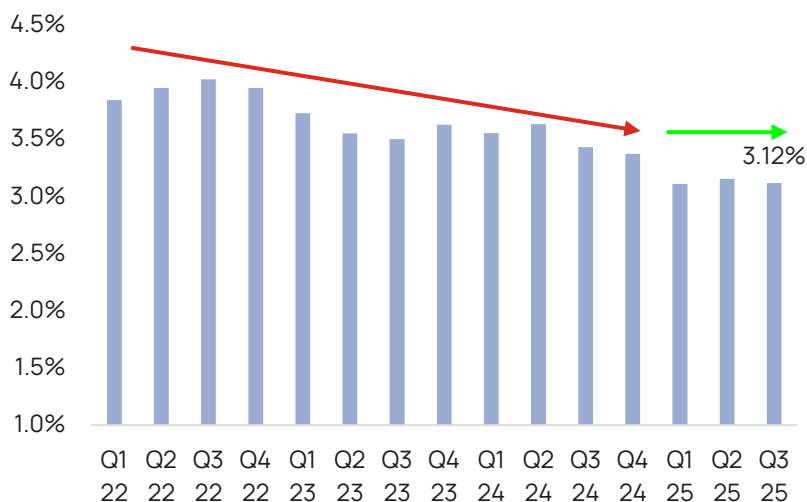


Source: SBV, Vietcap estimates

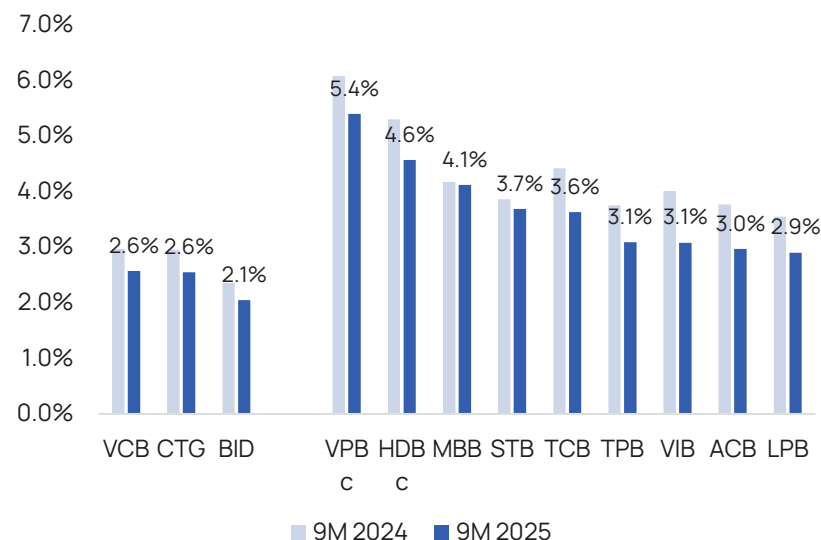
Note: 2025-2027F growth represent implied systemwide deposit growth, which is calculated based on our forecast for deposit growth of banks in our coverage universe less 2.4 pts (the average difference in the last three years). Chart on the right includes data from the 12 banks under our coverage.

NIM remained under significant pressure in 2025 but has likely bottomed out in Q3 2025

Aggregate NIM of banks under our coverage, quarterly



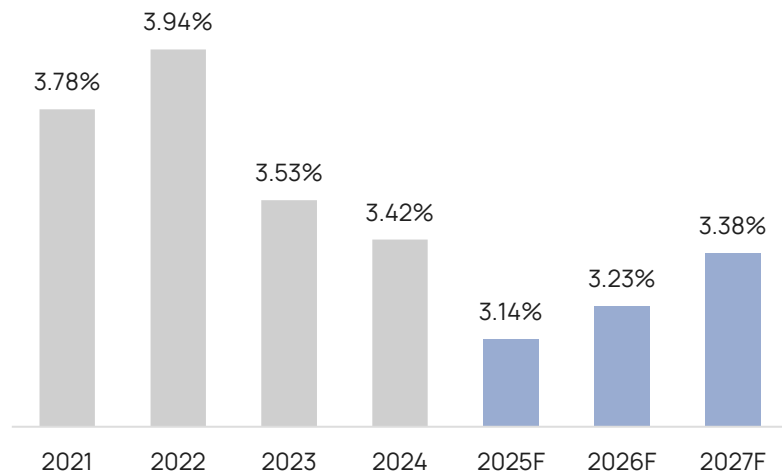
NIM by banks



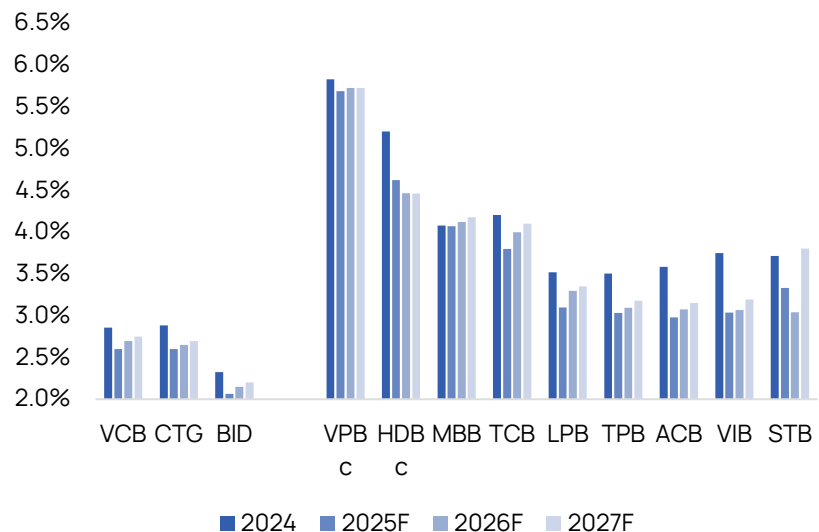
- Aggregate NIM edged down slightly in Q3 2025 to 3.12% (-4 bps QoQ, -31 bps YoY) and did not improve as we expected, which we attribute to continued lending rates competition and COF picking up amid rising pressure on funding/liquidity (particularly at smaller private banks).
- HDB had the most significant QoQ drop in NIM of 143 bps, which was also due to the asset deterioration and subpar credit growth at this bank. Meanwhile, half of banks under our coverage were able to maintain a stable NIM level or even improve their NIM meaningfully (VPB, STB, TPB) mainly due to robust improvement in IEA yield that counteracted the increase in funding costs.

We expect NIM to improve slightly in 2026F but remain well below historical levels

Aggregate NIM, yearly



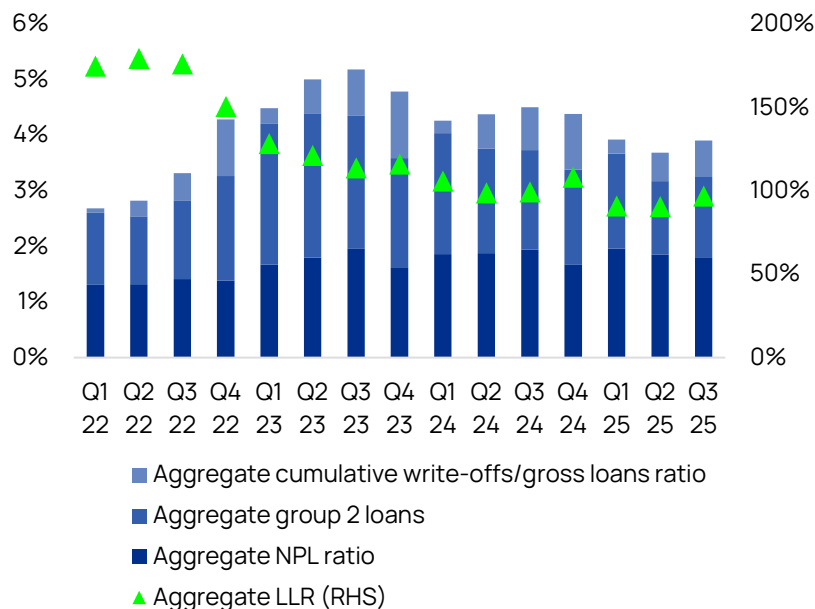
NIM by bank, yearly



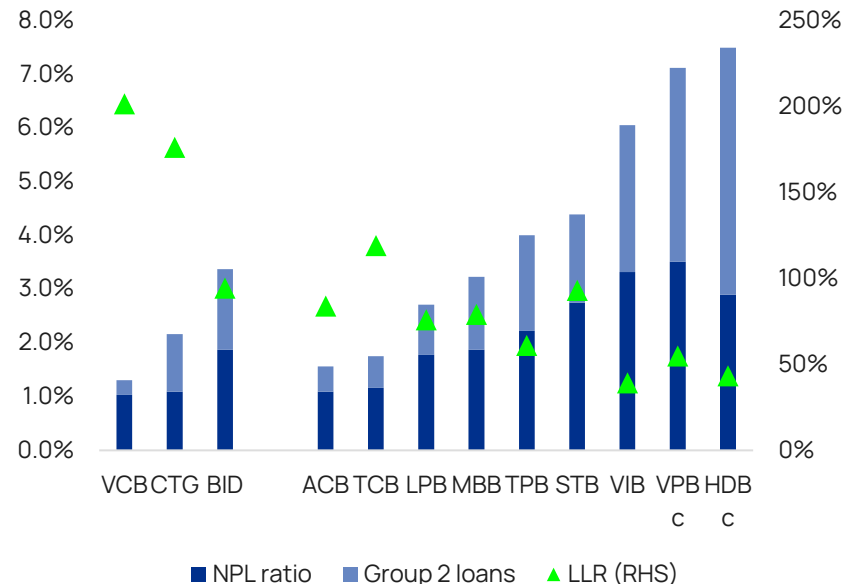
- Although Q3 2025 NIM was weaker than expected, leading to downward revisions in our NIM forecasts for most banks, we have seen encouraging commentaries from multiple banks under our coverage that their NIMs bottomed out in mid-2025.
- In 2026, we anticipate the negative impact on NIM from a modest rise in funding costs to be outweighed by (2) robust credit demand vs more constrained supply leading to a more rational pricing environment, (3) stronger retail loans growth, (4) higher disbursements of MLT loans, and (5) improving asset quality. We forecast the aggregate NIM for banks under our coverage in 2026F to improve by 9 bps YoY to 3.23%.
- We project aggregate NIM for both SOCBs and private banks to increase by 8 bps YoY in 2026F.

Asset quality improved in 2025 given robust economic growth and the stronger real estate market

Asset quality of Vietcap's banking coverage



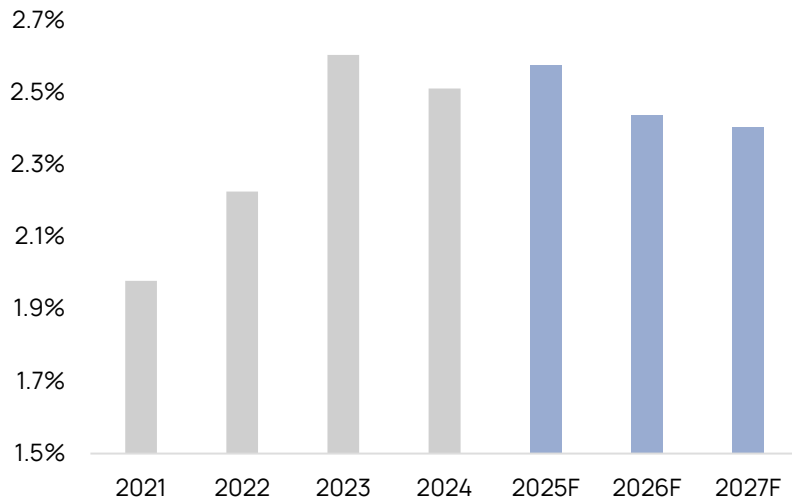
Asset quality of banks as of Q3 2025



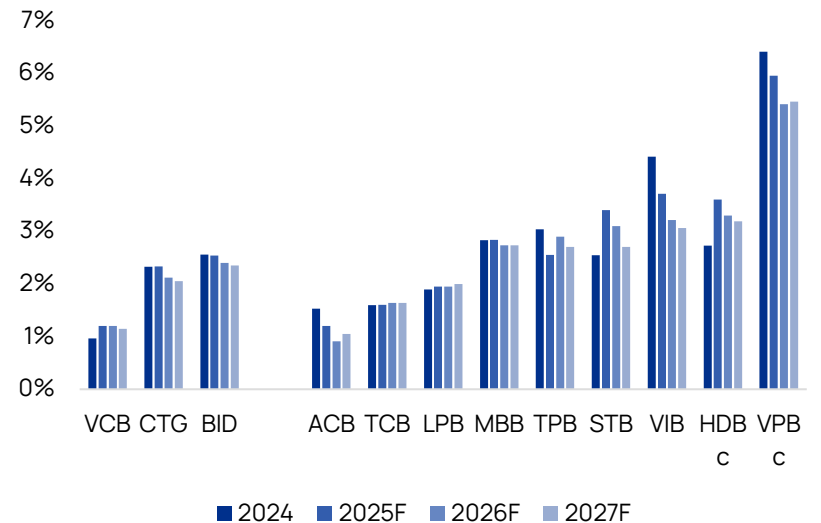
- The Q3 2025 aggregate NPL ratio reached 1.80% (-15 bps YoY) with an aggregate LLR ratio of 97% (-2.5 ppts YoY). The aggregate Group 2 loans ratio also improved YoY to 1.45% (-37 bps YoY), which suggests risk of NPL formation is moderating.
- Except for BID, HDB, and STB, all banks under coverage managed to either maintain or improve their NPL ratios. The strongest YoY improvements in asset quality were seen at CTG, ACB, and VPB.
- From a segment perspective, the SME segment is still facing the most challenges given the relative lack of competitiveness and financial resources. Meanwhile, the large corporate segment remains resilient and the retail segment continues to improve.

We expect asset quality to improve further in 2026 as the growth of the economy and the RE market recovery continue to gain traction

NPL ratio grossed up for write-offs



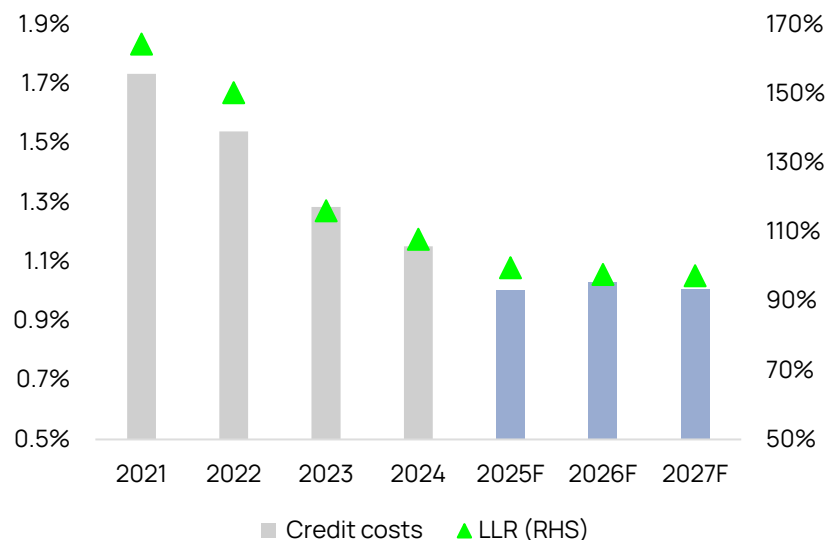
NPL ratio grossed up for write-offs by bank



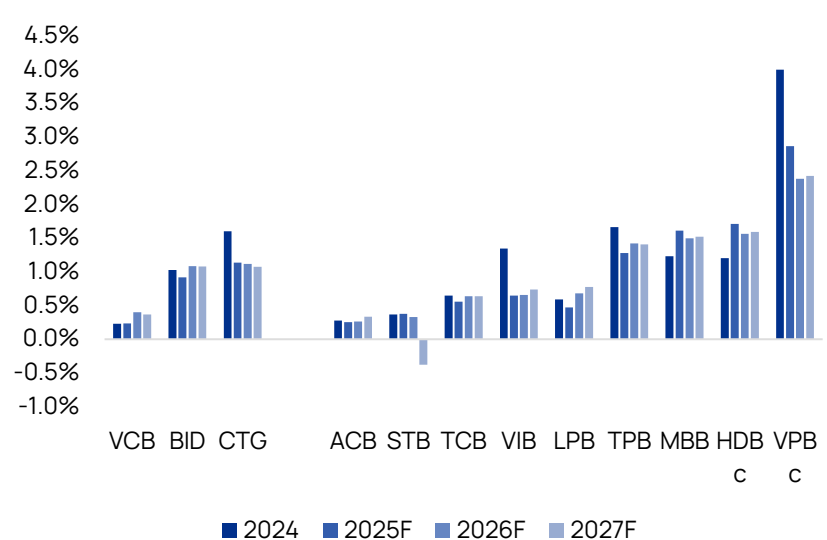
- We expect asset quality to improve in 2026, supported by (1) stronger economic activities, (2) continuing recovery of the real estate market, and (3) legalization of Resolution 42/2017 (effective October 2025) providing banks with a legal framework for more effective resolution of NPL.
- As a result, we forecast the aggregate NPL ratio grossed up for write-offs for our coverage to decline by 14 bps YoY to 2.44%. In addition, we expect State-owned banks and large private banks to continue to outperform smaller private banks with regards to asset quality.

Credit costs will remain well under control in 2026F as NPL formation moderates under a favorable macro backdrop

Aggregate credit costs and LLR for our coverage



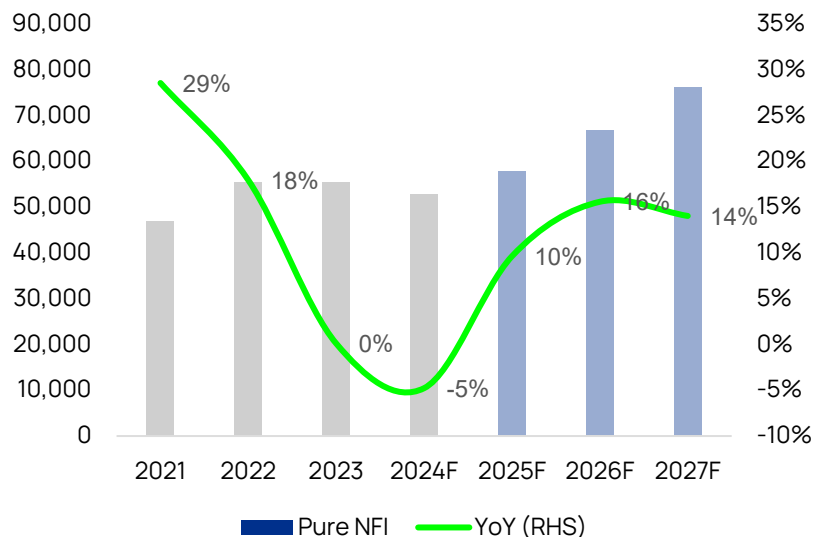
Credit costs of banks under coverage



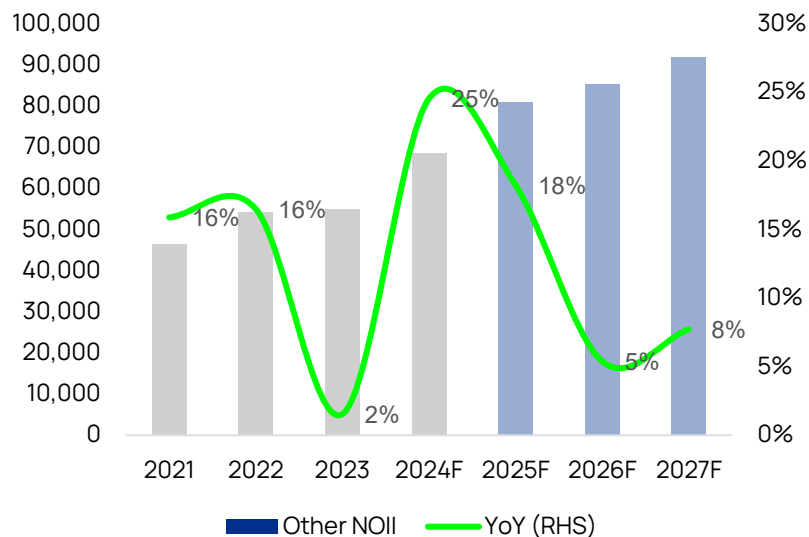
- Given a positive outlook for asset quality, we expect aggregate credit costs in 2026F to remain at a low level of around 1%, well below an average of 1.4% during the 2021-2024 period. In addition, we forecast aggregate LLR to remain broadly flat.
- Though we anticipate roughly flat YoY credit costs in 2026F, there is a divergence of credit cost movement for banks under our coverage with VCB and BID having their credit costs normalized from a low level while VPB will see the most noticeable improvement in credit costs. We expect VPB to continue to bring its credit costs down further in 2026F as the real estate sector (36% of Q3 2025 loan book) and its consumer finance arm FE Credit (7% of Q3 2025 loan book) continue their strong recoveries.
- We forecast credit costs of our remaining top picks to be broadly stable YoY (CTG, TCB) or even slightly improve (MBB) given strong credit growth and continue improvement in debt collection activities given the favorable economic backdrop.

NFI growth to strengthen in 2026F, while other NOII growth will moderate due to a high base

Aggregate pure NFI



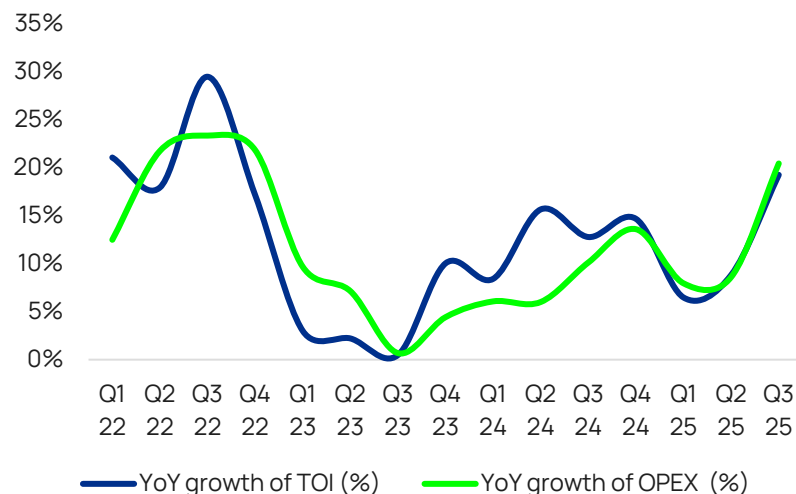
Aggregate Other NOII



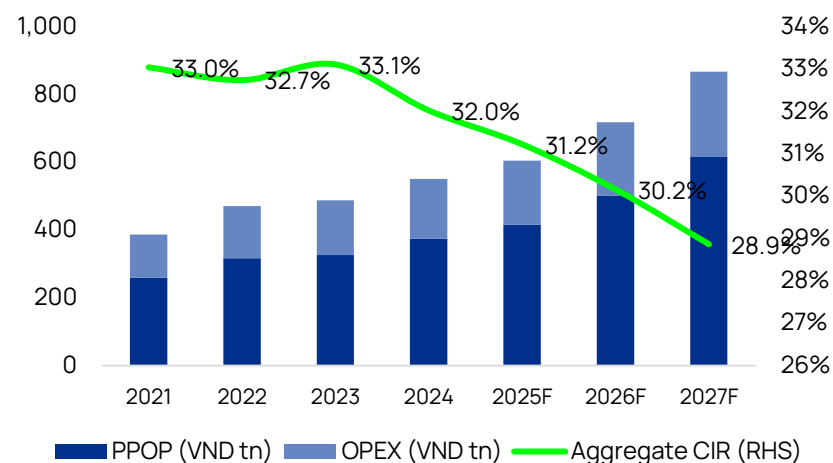
- We forecast aggregate pure NFI to post only 10% YoY growth in 2025F given (1) bancassurance remains in the early stages of recovery, (2) the intense competition in cards, and (3) headwinds from a change in accounting regulation for UPAS L/C (effective July 1, 2024).
- For the 2026F outlook, we anticipate a stronger rebound in pure NFI (+16% YoY), driven by (1) the ongoing recovery in bancassurance sales, (2) an improvement in consumer spending driving stronger payment services, and (3) banks offering new LC propositions. In addition, more aggressive expansion in brokerage services and a favorable outlook for Vietnam’s equity and bond markets will bolster NFI growth for banks. We forecast pure NFI will account for 9.3% of total TOI in 2026F.
- We forecast other NOII (including FX gains, securities trading gains, recovery income, and other income) will see robust growth of 18% YoY in 2025F, led by strong performance in securities trading and bad debt recovery. However, for 2026F, we believe growth will moderate from a high base. We forecast other NOII components will account for 11.9% of total TOI in 2026F.

Stronger top-line growth, coupled with operational streamlining and digitalization efforts, will help banks improve their CIR in 2026F

Aggregate TOI and OPEX growth, quarterly



Aggregate CIR, PPOP & OPEX, yearly



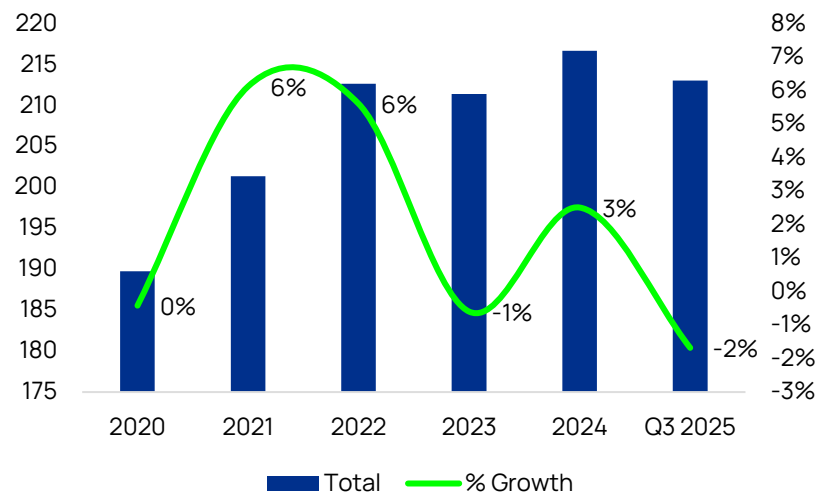
- Over the past year, banks under our coverage have continued to put a tight control over operating expenses to support the bottom line against NIM headwinds. We forecast the aggregate CIR for our coverage to improve by 90 bps YoY to 31.2% in 2025F.
- Looking ahead to 2026-2027F, we expect that (1) operating leverage gain from strong top-line growth, (2) ongoing shift from physical transaction offices to digital channels, and (3) greater adoption of technology & AI across business functions will help the banking sector increase productivity. We currently forecast the aggregate CIR for our coverage to decline further to a sub-30% level over the next two years.

Rationalization of physical network and staff headcount have been key cost saving initiatives for the sector

Number of branches & transaction offices (*)



Staff headcount (thousand) (*)

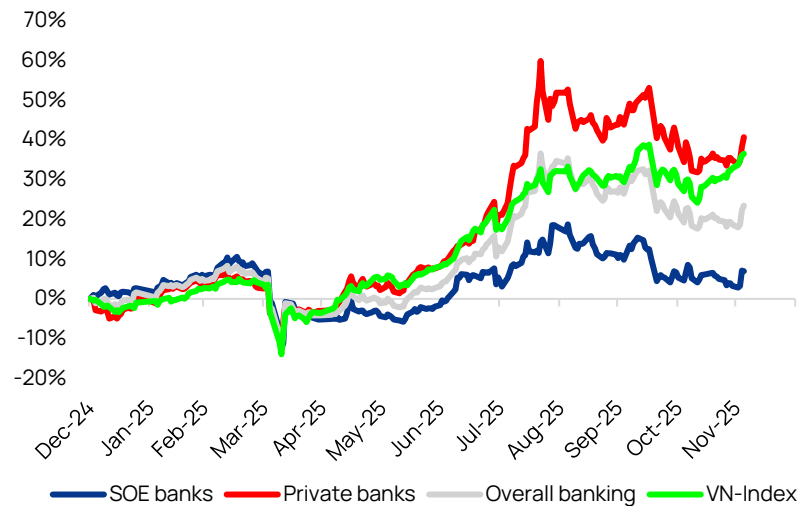


- Despite strong credit and revenue growth over the past five years, the physical network of branches & transaction offices for banks under our coverage barely expanded given the structural shift of banking services into digital channels, which started with the deposit/withdrawals/transfers processes and now are expanding into more complicated processes such as lending.
- Similarly, the total staff headcount of our covered banks has barely grown over the past two years and has actually declined this year as banks continued to rationalize their workforce structure.
- Per our observations, several banks such as TCB and MBB are more advanced than others in terms of leveraging technology to optimize their cost structures. Meanwhile, many others who lagged, such as STB, have significant room to improve their operating costs by simply removing redundancies across their organizational structure.

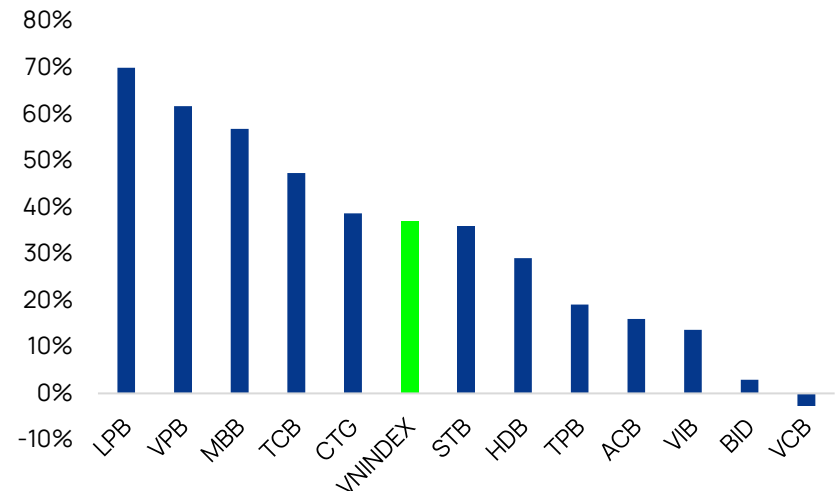
Stock performance recap and top picks for 2026

The banking sector has generated a strong return in 2025 YTD, but performance is mixed between individual stocks

YTD share price performance (*)



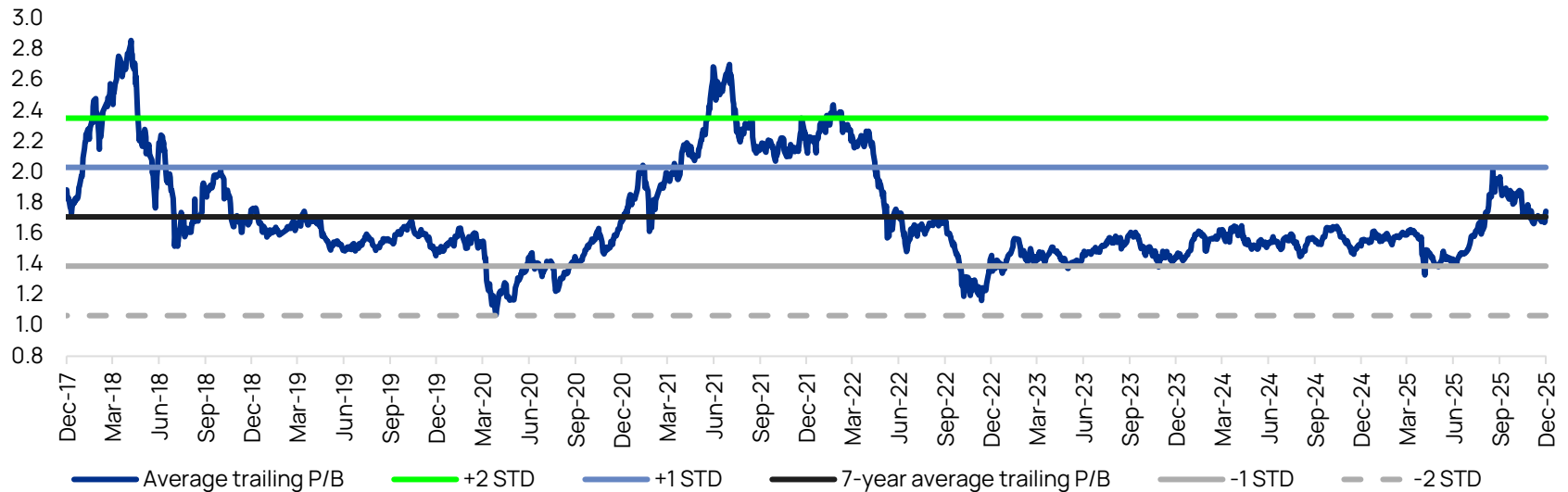
YTD share price performance by bank



- On a YTD basis through December 4, 2025, the average return for the 12 banks under our coverage was 23.5% although it trailed the VN-Index return of 36.6%.
- There was a notable divergence in performance among banks within our coverage. Specifically, private banks meaningfully outperformed SOCBs.
- Within the group of private banks, large-scale private banks with high exposure to the real estate market such as VPB, TCB, and MBB outperformed while smaller banks such as TPB and VIB were laggards.
- Within the group of SOCBs, BID and VCB continued to underperform their peers due to sluggish earnings growth while CTG continued to outperform as the bank maintained strong earnings growth momentum.

Valuation of banking sector turns attractive after recent pullback in Sep-Nov; we expect the sector to re-rate higher in 2026

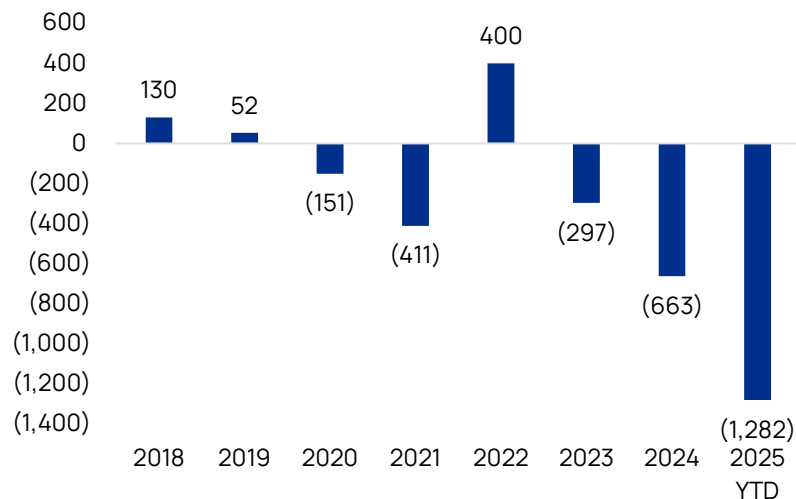
Average trailing P/B of banks under our coverage (Dec 2017 – Dec 2025)



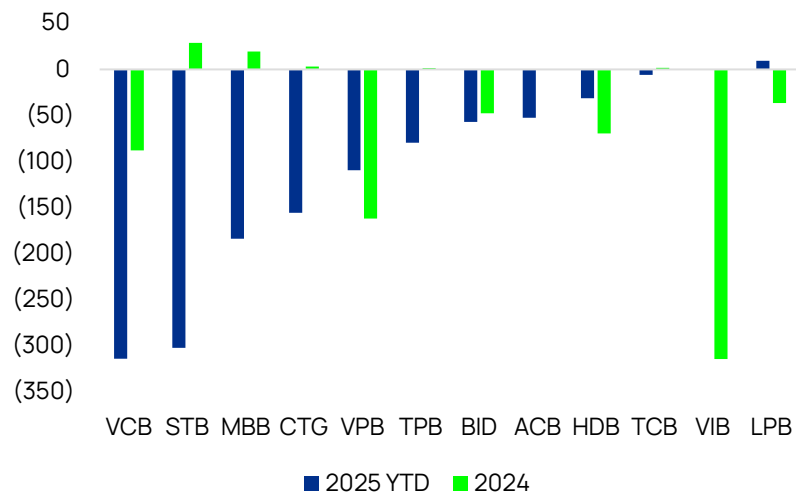
- After a massive rally from an April low (US tariff announcement), banking stocks started to pull back from the high in August in September-November, which we attribute to (1) heavy profit taking and (2) market concerns over increasing interest rates.
- Post correction, the sector is now trading at a trailing P/B of 1.7x, in line with the historical average since Dec 2017. In our view, the current valuation level is attractive given the sector's compelling growth outlook in an upcycle and a continued low-interest rate environment compared to the historical range despite some upward pressure.
- Looking ahead to 2026, we expect the sector can re-rate higher driven by stronger earnings growth and profitability as well as potential foreign inflows from the market upgrade to favor large-cap stocks like banks.

Foreign investors continued to be major net sellers of banks in 2025 as profit-taking activities intensified in the latter half of the year

Net foreign flows for our coverage banks (USDmn)



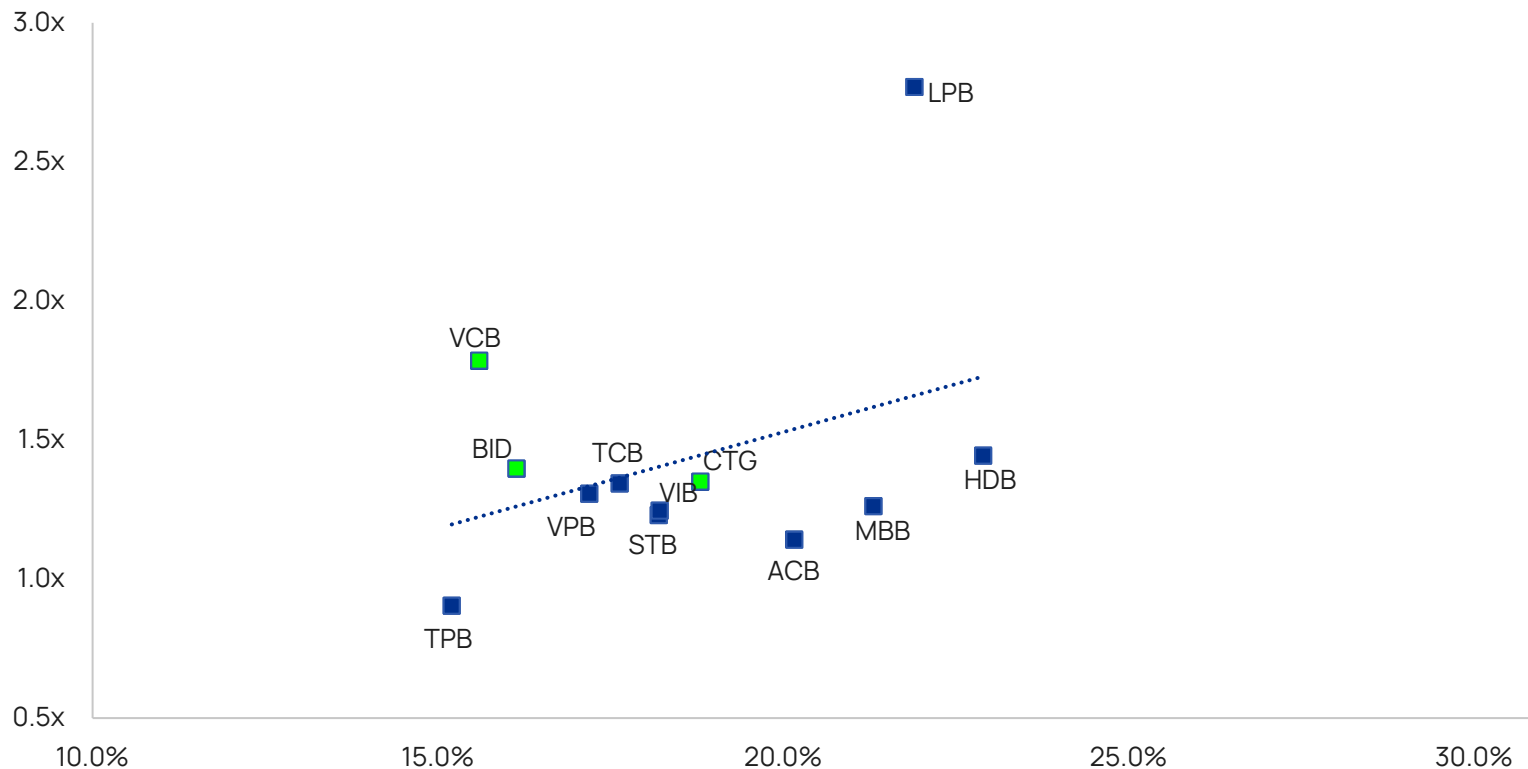
Net foreign flows by bank (USDmn)



- Foreign selling pressure on our covered banks intensified this year, which we attribute to (1) heavy profit taking activities given the sector's strong performance and (2) USD/VND exchange rate pressure.
- Banks that were sold the most by foreign investors YTD are those that have performed well relative to both the sector average and the VN-Index, including STB, MBB, CTG, and VPB. The only exception was VCB, which continued to be a major laggard.
- Only a handful bank stocks did not suffer from heavy outflows in 2025 YTD, including TCB, VIB, and LPB.
- Considering banks remain well-positioned to benefit structurally from Vietnam's growth story, we expect the sector will continue to be an attractive investment destination for foreign investors, especially when foreign flows are expected to improve following the official upgrade of Vietnam to secondary emerging market status (which we believe will take place in September 2026).

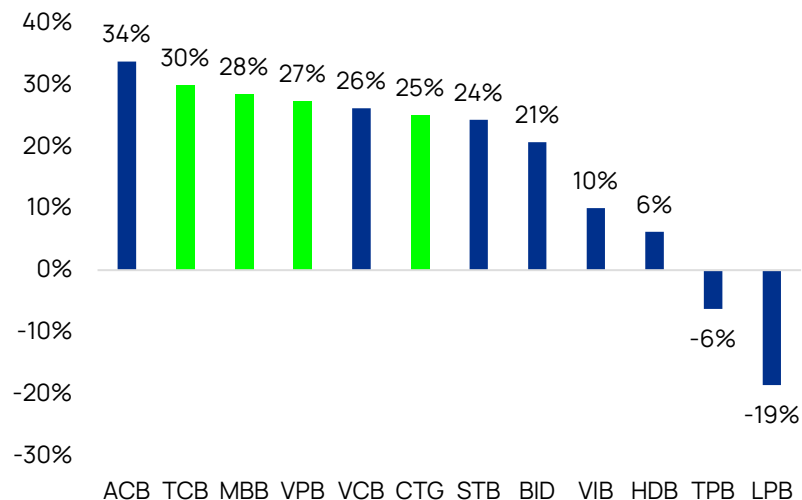
Comparable peers valuation

Vietnam banks P/B (y-axis) and ROE (x-axis) (2026F)

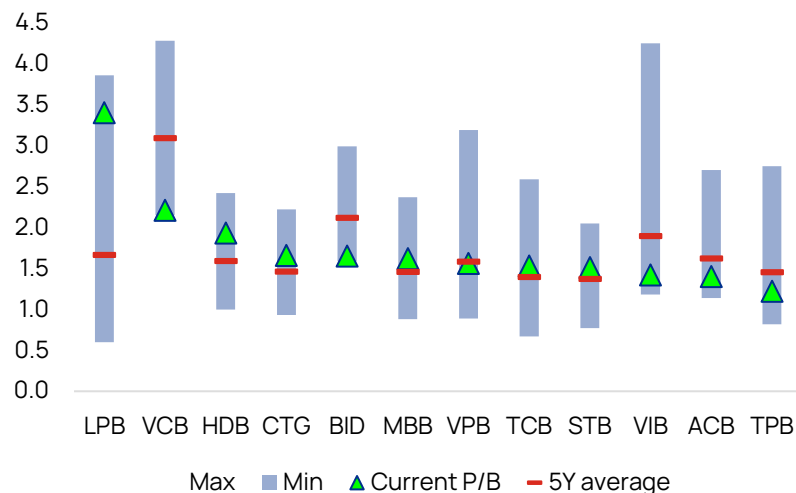


We remain bullish on the banking sector for 2026, given its strong earnings growth outlook and undemanding valuation

Potential upside/(downside) for our coverage banks



Current banks' valuation vs last 5-year range



- As discussed above, we believe the banking sector will deliver stronger earnings growth in 2026F, driven by (1) strong credit growth, (2) NIM stabilization, and (3) improving asset quality. These factors are underpinned by our expectations that the Government and the SBV will maintain supportive monetary & fiscal policies.
- Coupled with undemanding valuations, we see multiple attractive investment opportunities in our coverage for 2026 with potential upside of 25-30% based on our YE26 target prices. Therefore, we recommend investors to stay overweight in the banking sector.
- Potential risks to our positive view include (1) delay in Fed rate cuts leading to FX pressure/higher VND rates, (2) slow disbursements for large public investment projects, and (3) regulatory tightening of the real estate sector.

Top picks – Large-scale banks with strong funding capabilities and robust ecosystem – TCB, VPB, MBB, CTG

Criteria for stock selection

1. Large scale: Large banks benefit from economies of scale and can pursue a broader set of growth opportunities while smaller banks may be limited to certain customer segments/geographies.

2. Strong funding: Given scarcity of deposits, banks with strong deposit franchise, high CASA, and the ability to access various sources of funding are better-positioned to keep COF under control and protect their NIM while growing their loan books at a high rate.

3. Diverse ecosystem: Banks owning subsidiaries that provide products & services beyond traditional banking (e.g. brokerage, life/non-life insurance, fund management) can offer their customers a more comprehensive suite of products with greater convenience, which strengthens brand loyalty and increases the lifetime value of customers.

4. Compelling earnings growth outlook and attractive valuation

Top picks for 2026

TCB – Techcombank (TP-VND44,800, projected return of 30%)

- 2024-2027F NPAT-MI CAGR: 20%.
- Valuation: Trailing P/B of 1.53x, 0.3 SDs above its 5-year average of 1.39x.
- Investment theses: 1) Biggest beneficiary from the current real estate upcycle, 2) low COF advantage driven by pioneering funding solutions, 3) strong ecosystem with leading securities broker TCX.

VPB – VPBank (TP-VND38,000, projected return of 27%)

- 2024-2027F NPAT-MI CAGR: 32%.
- Valuation: Trailing P/B of 1.56x, in line with its 5-year average of 1.58x.
- Investment theses: 1) Significant profitability boost in 2026-27, driven by the recovery of the real estate market and the rebound of FE Credit, 2) potential upside from 5% private placement to strategic shareholder SMBC.

MBB – Military Bank (TP-VND32,500, projected return of 28%)

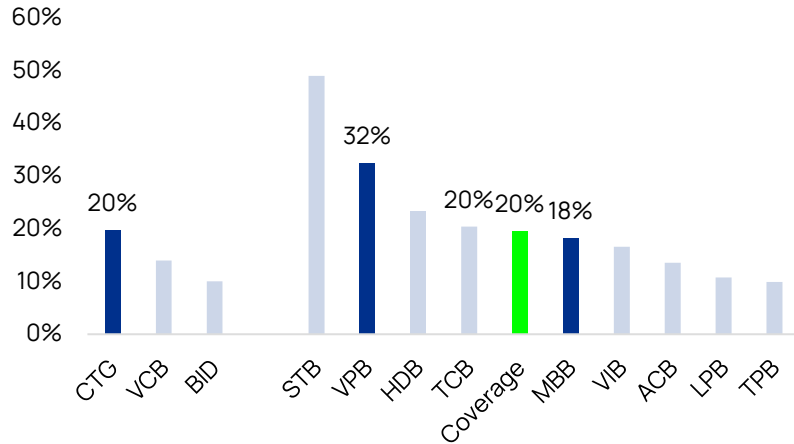
- 2024-2027F NPAT-MI CAGR: 18%.
- Valuation: Trailing P/B of 1.62x, 0.5 SDs above its 5-year average of 1.45x.
- Investment theses: 1) High credit quota and top-tier CASA, 2) diversified ecosystem of financial products/services, 3) beneficiary of the Government's efforts to untie legal knots for real estate/renewables projects.

CTG – Vietinbank (TP-VND65,000, projected return of 25%)

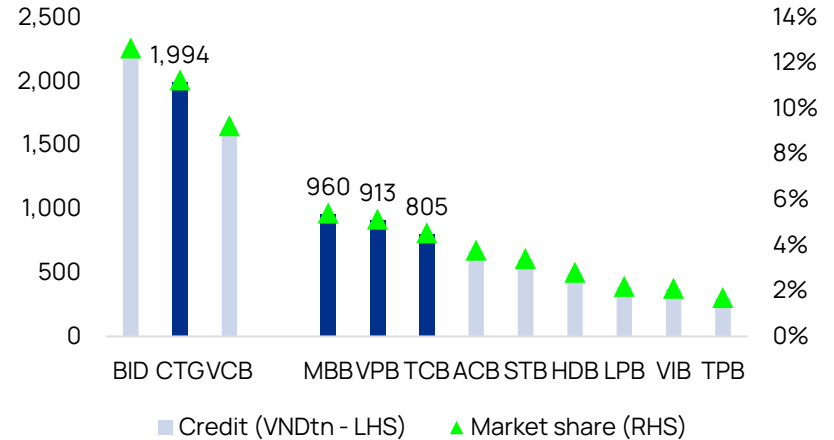
- 2024-2027F NPAT-MI CAGR: 20%.
- Valuation: Trailing P/B of 1.66x, 0.9 SDs above its 5-year average of 1.46x.
- Investment theses: 1) Strongest credit growth among SOCBs, 2) beneficiary of the Government's push for public investment, 3) credit costs moderating after years of heavy provisioning, which will lift up profitability.

Top picks – TCB, VPB, MBB, and CTG are well-positioned to deliver strong and sustainable EPS growth in the 2025-2027F period

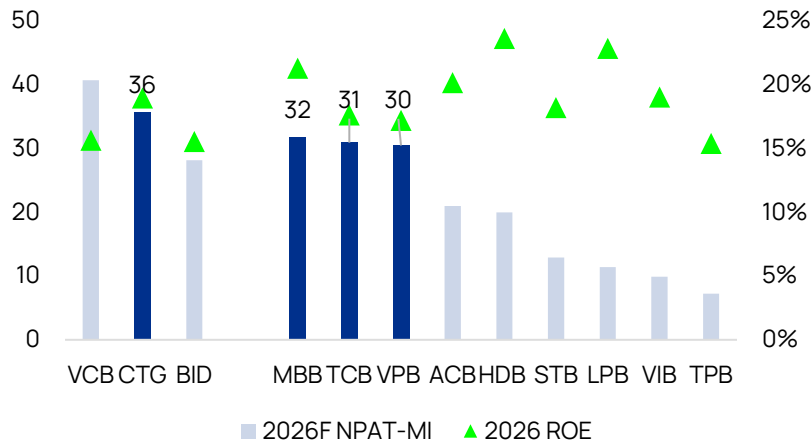
2024-2027F NPAT-MI CAGR



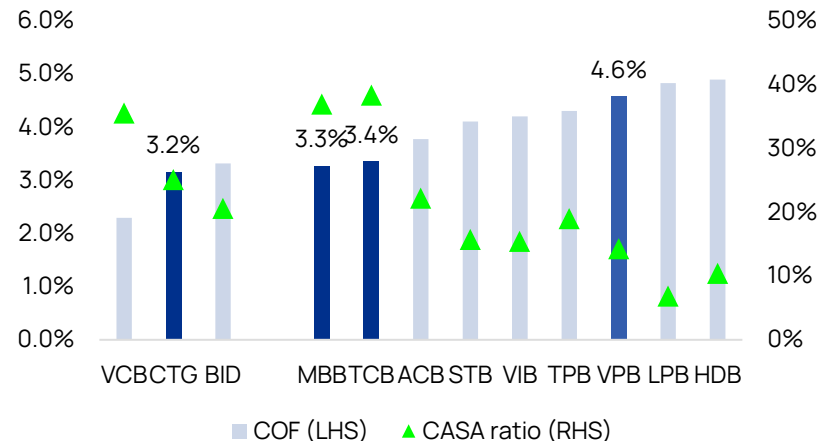
Q3 2025 total credit (VNDtn) and market share



2026F NPAT-MI and ROE



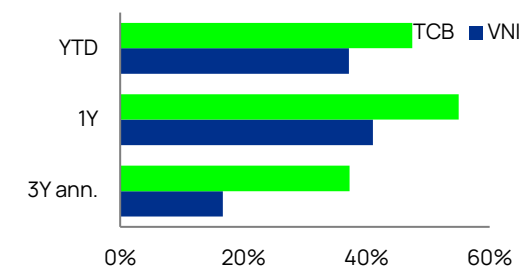
Q3 2025 CASA ratio and TTM funding costs



TCB - BUY, TP of VND44,800

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Nov 19)	VND34,800	PPOP (VND bn)	31,621	36,897	46,434	56,513
Target Price (TP)*	VND44,800	% YoY	17.9%	16.7%	25.8%	21.7%
		NPAT-MI (VND bn)	21,523	25,744	30,934	37,555
		% YoY	19.5%	19.6%	20.2%	21.4%
Upside to TP	+26.6%	EPS	19.3%	19.3%	20.0%	21.4%
Dividend Yield	3.4%	NIM	4.21%	3.80%	4.00%	4.10%
TSR	+29.9%	CASA ratio	37.4%	37.9%	38.4%	38.9%
		NPLs/gross loans	1.17%	1.20%	1.20%	1.20%
Industry	Banking	Credit costs	0.65%	0.56%	0.64%	0.64%
Market Cap	USD9.5bn	CIR	32.7%	31.0%	29.1%	28.0%
Foreign Room	USD2.6mn	P/B	1.7x	1.5x	1.3x	1.2x
ADTV30D	USD17.4mn	P/E	11.6x	9.7x	8.1x	6.7x
State Ownership	0.0%	ROE	15.6%	16.6%	17.6%	18.7%
Outstanding Shares	7.086 bn	ROA	2.4%	2.4%	2.4%	2.4%
Fully Diluted Shares	7.086 bn					

* TP and rating last updated Nov 7, 2025



Company Overview

Established in 1993, Techcombank is the fifth largest bank in our coverage universe as calculated by total assets; The bank's mortgages/gross loans are among the highest in the sector. The bank listed shares in June 2018.

TCB is one of the biggest beneficiaries from the ongoing recovery of the real estate market. The bank has significant credit exposure to this sector with 33% of its book allocated to real estate developers and 30% to mortgages. TCB possesses a unique competitive advantage in real estate lending as its two key partners, Vingroup and Masterise, are among the leading real estate developers in Vietnam. The projects TCB finances have clear legal documentation and most of them are residential projects primarily located in Hanoi and HCMC.

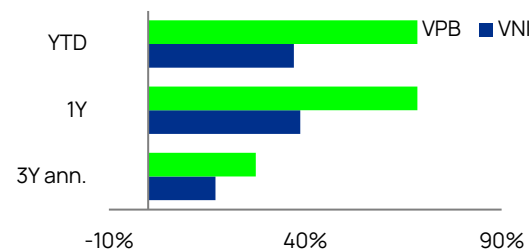
Low COF advantage helps TCB offer competitive lending rates to drive credit growth while protecting its NIM: Amid rising funding pressure, TCB managed to maintain a relatively stable COF in Q3 2025 at 3.45%, up only 14 bps YoY vs an average increase of 40 bps for private peers under our coverage. TCB's Q3 2025 COF is higher than VCB's (sector leader) but largely on par with those of CTG, BID, and MBB and well below the COF of private peers. TCB's CASA ratio (including auto-earning balance) reached 42.5% as of Q3 2025, highest in the sector. Given TCB's strong track record of product innovations and unique ecosystem plays, we believe TCB will continue to gain CASA market share, which will allow the bank to sustain its low COF advantage.

Leading technology capabilities have empowered TCB to scale up operations efficiently and improve profitability. Over the past five years, the bank has nearly doubled its TOI and net profit, but its employee count only grew 9%. As a result, TCB has achieved best-in-class productivity with a TTM net profit per employee of VND1.83bn, the highest level in our coverage and more than double its peer median of VND0.9bn. TCB expects to improve CIR this year to 30-33% and we forecast TCB to bring down its CIR further to sub-30% over time.

VPB - BUY, TP of VND38,000

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND30,250	PPOP (VND bn)	47,915	54,585	67,972	83,697
Target Price (TP)*	VND38,000	% YoY	33.8%	13.9%	24.5%	23.1%
		NPAT-MI (VND bn)	15,779	22,307	30,497	36,662
		% YoY	58.2%	41.4%	36.7%	20.2%
Upside to TP	25.6%	EPS	45.7%	41.4%	36.7%	20.2%
Dividend Yield	1.7%	NIM	5.83%	5.69%	5.73%	5.73%
TSR	27.3%	CASA ratio	14.1%	16.1%	16.6%	17.1%
		NPLs/gross loans	4.17%	3.40%	3.40%	3.50%
Industry	Banking	Credit costs	4.0%	2.9%	2.4%	2.4%
Market Cap	USD9.1bn	CIR	23.0%	24.5%	24.0%	24.5%
Foreign Room	USD519mn	P/B	1.7x	1.5x	1.3x	1.1x
ADTV30D	USD22mn	P/E	15.2x	10.8x	7.9x	6.5x
State Ownership	0%	ROE	11.0%	14.3%	17.2%	18.0%
Outstanding Shares	7.934 bn	ROA	1.8%	2.1%	2.3%	2.2%
Fully Diluted Shares	7.934 bn					

* TP and rating last updated Nov 19, 2025



Company Overview

Vietnam Prosperity Joint Stock Commercial Bank is a Vietnam-based private commercial bank that owns an asset management company (VPBank AMC), a consumer finance company (FE Credit), a brokerage firm (VPBank Securities), and an insurance company (OPES).

VPB has been expanding its business to diversify its financial products offerings. VPB owns the largest consumer finance company (FE Credit - FEC), a securities brokerage company (VPBankS), and OPES Insurance Company (a non-life insurer). FEC turned profitable in 2024 with better-than-expected growth. We expect FEC to start to deliver a major earnings contribution to the group starting in 2025F.

VPBankS successfully completed its IPO and is expected to list on HOSE in December 2025, marking a key milestone in expanding VPB's financial ecosystem and leveraging capital markets to fuel long-term growth for the parent bank.

We believe VPB is well-positioned for a valuation rerating, underpinned by its strongest growth outlook among listed banks and improving fundamentals across the board. ROE is forecast to rise to 18.0% by 2027F (vs 11.0% in 2024), driven by resilient NIM, continued strong credit growth, a rebound in non-interest income (particularly from recoveries), and increasing earnings contributions from subsidiaries. VPBankS, now among the top three in margin lending, is emerging as a long-term growth engine, with its recent IPO unlocking further capital upside. Meanwhile, FE Credit (FEC) is gradually recovering from a low base, with profit expected to grow at a 43% CAGR from 2025-2030F, per our forecasts.

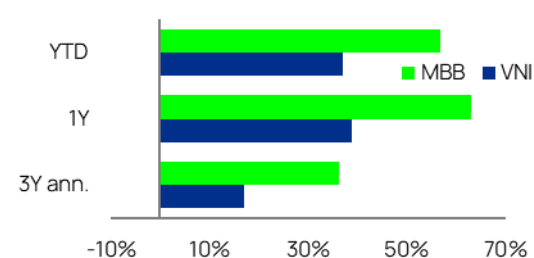
VPB to benefit from the real estate recovery amid urbanization and infrastructure upgrades. Real estate remains a strategic focus, aligned with Government housing initiatives, though legacy exposures still require oversight. Supported by strong capital, scale, and integrated banking-brokerage services, VPB offers end-to-end financial solutions for developers and homebuyers, reinforcing its competitive edge. Additionally, the recent positive developments at NVL should enhance the bank's outlook.

Upside potential: Potential capital raising plans. **Downside risks:** Lower-than-expected NIM; challenges to contain credit costs; potential termination fee for an exclusive banca partner if VPB owns a life insurance company.

MBB - BUY, TP of VND32,500

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND25,700	PPOP (VND bn)	38,406	48,504	60,254	72,651
Target Price (TP)*	VND32,500	% YoY	18.6%	26.3%	24.2%	20.6%
		NPAT-MI (VND bn)	22,634	25,007	31,828	37,425
		% YoY	9.5%	10.5%	27.3%	17.6%
Upside to TP	26.5%	EPS	8.5%	9.5%	27.3%	17.6%
Dividend Yield	1.9%	NIM	4.08%	4.07%	4.12%	4.18%
TSR	28.4%	CASA ratio	39.3%	37.5%	37.2%	36.7%
		NPLs/gross loans	1.62%	1.64%	1.54%	1.54%
Industry	Banking	Credit costs	1.23%	1.61%	1.50%	1.52%
Market Cap	USD7.8bn	CIR	30.7%	27.5%	28.5%	29.5%
Foreign Room	USD188mn	P/B	1.8x	1.5x	1.3x	1.0x
ADTV30D	USD18mn	P/E	9.1x	8.3x	6.5x	5.5x
State Ownership	9.4%	ROE	22.1%	20.3%	21.3%	20.6%
Outstanding Shares	8.055 bn	ROA	2.2%	1.9%	1.9%	1.8%
Fully Diluted Shares	8.055 bn					

* TP and rating last updated November 24, 2025



Company Overview

Founded in 1994, MBB is the fourth largest bank in our coverage universe as calculated by total assets as of December 31, 2024. The bank had its IPO in 2004 and has listed shares since November 2011.

MBB has the most diversified ecosystem among our coverage. MBB's six subsidiaries in insurance, consumer finance, securities, and asset management create strong cross-selling opportunities. Its successful digital innovation has helped grow its customer base to around 30mn in 2024, providing a sizeable pool to deepen credit penetration.

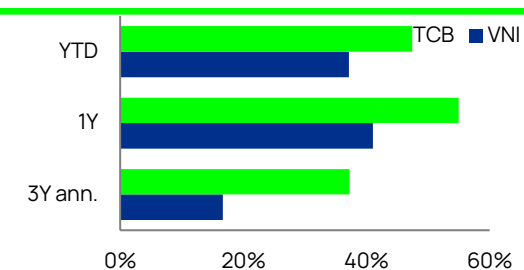
We believe MBB has demonstrated exceptional capability in delivering strong growth while maintaining healthy asset quality—and is well-positioned to continue doing so. In 2015-2024, MBB achieved a robust 23% CAGR in credit growth, while preserving asset quality, supporting an impressive 28% CAGR in NPAT-MI over the same period. This sustained performance has been underpinned by the bank's strategic large-scale expansion to build a diversified financial ecosystem. Notably, MBB's strong nationwide deposit franchise and advanced technology infrastructure—boosted by synergies with Viettel Group—have provided a significant competitive edge in customer acquisition and cost-efficient funding. These strengths enable MBB to fully leverage its preferential credit quota while maintaining manageable credit risks. We expect these advantages to persist, supporting sustainably high ROE of 20%–21% over 2025F–2027F with forecast credit CAGR of 27.7% during the same period.

Asset quality to be contained despite strong growth momentum: The bank noted that the most challenging period for the renewable energy sector has likely passed, and we believe the potential approval of EVN's revised pricing scheme would further reduce future uncertainties. Additionally, MBB stands to benefit from the recovery in the real estate sector, with recent positive developments at NVL expected to further improve the bank's asset quality outlook. **MBB is currently trading at a 7% discount to the peer median 2025F P/B at 1.2x with a 2025F ROE 20.8% vs the peer median of 17.6%, based on our forecasts.**

CTG - BUY, TP of VND65,000

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND52,000	PPOP (VND bn)	59,357	60,763	71,106	83,711
Target Price (TP)*	VND65,000	% YoY	18.5%	2.4%	17.0%	17.7%
		NPAT-MI (VND bn)	25,342	30,259	35,770	43,466
		% YoY	27.3%	19.4%	18.2%	21.5%
Upside to TP	+25.0%	EPS	29.3%	19.3%	18.2%	21.5%
Dividend Yield	0.0%	NIM	2.88%	2.60%	2.65%	2.70%
TSR	+25.0%	CASA ratio	24.8%	25.8%	26.8%	27.8%
		NPLs/gross loans	1.24%	1.25%	1.20%	1.15%
Industry	Banking	Credit costs	1.60%	1.14%	1.12%	1.07%
Market Cap	USD11.8bn	CIR	27.5%	29.2%	28.1%	26.9%
Foreign Room	USD471mn	P/B	1.9x	1.6x	1.4x	1.2x
ADTV30D	USD14.5mn	P/E	12.6x	10.5x	8.9x	7.3x
State Ownership	64.5%	ROE	18.5%	18.8%	19.0%	19.5%
Outstanding Shares	5.370 bn	ROA	1.1%	1.2%	1.2%	1.2%
Fully Diluted Shares	5.370 bn					

* TP and rating last updated Nov 17, 2025



Company Overview

Founded in 1988, CTG is the second-largest bank in our coverage universe as calculated by total assets as of December 31, 2024. CTG has one of the largest branch networks in Vietnam. The bank had its IPO in 2008 and has listed shares since July 16, 2009.

Second largest bank in Vietnam with robust credit growth prospects, which are predicated upon (1) stronger credit demand expected from higher economic growth, (2) a push in public investment to benefit State-owned banks, and (3) continued market share gain in the retail space driven by competitive lending rates. Although CTG has relatively low CAR and there is no visible capital raising plan yet, we expect the bank's strong ROE of 19-20% will allow it generate sufficient capital to fund 16% credit growth.

After years of heavy write-offs to clean up its book, CTG has achieved top-tier asset quality in the banking sector. As of end-Q3 2025, the bank reported an NPL ratio of 1.09% (-22 bps QoQ), which is only higher than VCB's 1.03% and well below BID's 1.87% and its private peers' median of 2.23%. Similarly, CTG's LLR of 176% is only behind VCB's 202% and well above peers. These metrics demonstrate CTG's high-quality customer base across segments and its robust risk management capabilities. Given the current favorable macroeconomic backdrop, we expect the bank can continue to improve its asset quality in the coming years. CTG forecasts that its credit costs will continue to ease in 2026F, which will be a key tailwind besides strong credit growth to help offset NIM pressure, in our view.

CTG deserves to re-rate higher given the bank's outperformance across key fundamentals and its strong earnings growth outlook. On a 2025F P/B basis, CTG is trading at 1.59x, which is 1%/27% below where BID/VCB are trading, respectively. However, we forecast CTG to deliver an ROE of 18.6% in 2025, which is stronger than our forecasts for BID/VCB at 17.2%/16.5%, respectively. In another comparison, we forecast CTG will generate NPAT-MI of VND30.3tn in 2025, equivalent to 86% of our forecast for VCB at VND35.2tn. However, CTG's market cap is only equivalent to 57% of VCB's market cap. Therefore, we believe CTG is attractively valued when compared to peers.

Capital raising plans

Capital raising plan	Yes/No	% of shares in issue, post money	Target investors	Transaction method	Latest CAR Basel II	Estimated issuing value (VND tn)
BID	Yes	3.7%	Under private placement: professional investors, domestic & international institutions	Private placement and/or public offering	9.4%	12.1
CTG	No				9.7%	
VCB	Yes	6.1%	Institutional investors	Private placement	11.5%	36.3
ACB	No				10.8%	
HDB			Plan to look for strategic shareholders with minimum stake sale of 10%		15.0%	
VPB			Potential additional 5% stake issuance to Sumitomo Mitsui Banking Group		13.6%	
MBB	Yes	1.01%	Viettel Group and other professional investors	Private placement	11.7%	Not yet modeled
TCB			Open to selling stake to the right strategic investor, which would likely involve a divestment by PE fund Warburg Pincus (owning a 7.9% stake)		15.8%	
STB			Yes, in the form of recovery from sale of Mr. Tram Be's 32.5% stake		9.70%	21.0
TPB	No				13.9%	
VIB			Strategic shareholder CBA initiated divestment in 2024		12.6%	
LPB	No				11.8%	

Other Financials

Financials sector benefits from macro tailwinds; market upgrade marks a new growth chapter for brokers

December 2025

Nam Hoang

Head of Research

nam.hoang@vietcap.com.vn

+8428 3914 3588 ext.124

Ngoc Huynh

Manager

ngoc.huynh@vietcap.com.vn

+8428 3914 3588 ext.138

Nga Ho

Analyst

nga.ho@vietcap.com.vn

+8428 3914 3588 ext.516

Summary

- **The brokerage sector** is a high beta play on the equity market. As of Dec 4, 2025, the VN-Index traded at a 12-month trailing P/E of 15.3x, below its ten-year average of 15.4x, indicating an attractive entry point. With Vietnam's GDP expected to grow around 10% annually during 2026–2030F and multiple regulatory reforms supporting market development and business activity, Vietcap forecasts corporate earnings growth will accelerate from 18% in 2025F to 19% in 2026F. In this context, **Vietnam's overall market valuation appears compelling for investors.**
- We project a 26% YoY increase in ADTV in 2026F to USD1,350mn, which is supported by our expectations that (1) the KRX system's new features—such as intra-day trading and a shorter T+2 settlement cycle from T+2.5—which should enhance trading activity, (2) strong corporate earnings growth under a favorable macro backdrop with highly supportive monetary/fiscal policies; and (3) stronger foreign inflows at around USD5–6bn following Vietnam's EM upgrade in 2026F.
- We maintain our bullish view on the brokerage sector and have a **BUY** rating for **SSI**. With its strong capital base and an aggressive strategy to expand market share and develop new products and services, we believe SSI can lift its brokerage market share to above 12% during Q4 2025–2026F. This, in turn, should support robust earnings growth of 44% YoY in 2025F and 29% YoY in 2026F.
- Insurance premiums showed strong recovery signs across both life and non-life sectors in 9M 2025. We forecast total **life insurance new business premium growth of 5.5% YoY** and **non-life insurance premium growth of 15.4% YoY** in 2026F. We believe the non-life segment will benefit from accelerating public investment and improving economic activity. Meanwhile, the recovery in life insurance may be slower amid tightening regulation.
- We expect **stronger earnings growth for insurers in 2026F**, driven by recovering premium growth, improved underwriting, and higher ROI amid rising interest rates. Lower technical reserves should also support life insurers' earnings.
- We maintain **a positive long-term outlook for Vietnam's insurance sector**, supported by strong economic growth and low insurance penetration. BVH and BMI remain leaders with solid customer bases and broad distribution networks. In the near term, challenges persist around capital raising to boost competitiveness and meet regulatory requirements, including the new capital framework effective from 2028 for insurers. However, we believe any progress on BVH's capital plan could trigger a re-rating for this stock.

Securities Brokerage Sector

Positive outlook for ADTV, compelling valuation

Key data and summary valuations

Securities Sector: Key data

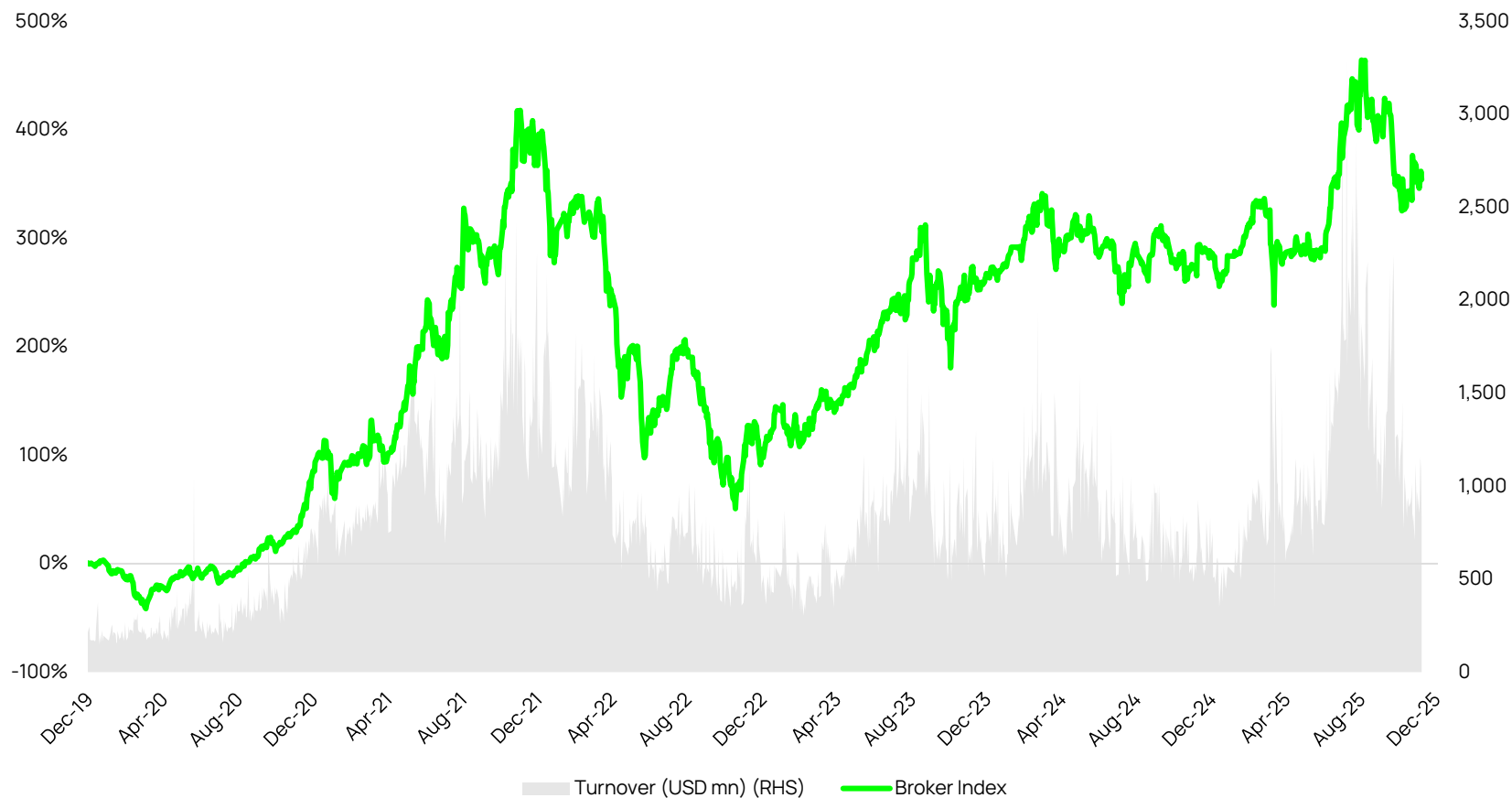
Code	Rating	Market Cap USD mn	State O'ship %	For. Limit %	For. Avail USD mn	ADTV 30D USD mn	Share Price VND ps	Target Price VND ps	Target price updated	Upside %	Div. Yield %	12M TSR %
SSI*	BUY	2,544	0.00%	100%	1,737	36	29,840	35,100	8/12/2025	17.7%	3.0%	20.7%
HCM	N/A	938	0.00%	49%	140	7	22,850	N/A	N/A	N/A	N/A	N/A
VCI	N/A	946	0.00%	100%	815	13	34,450	N/A	N/A	N/A	N/A	N/A
VND	N/A	1,099	0.00%	100%	1,005	10	19,000	N/A	N/A	N/A	N/A	N/A
MBS	N/A	721	0.00%	49%	288	3	28,800	N/A	N/A	N/A	N/A	N/A
TCX	N/A	4,070	0.00%	100%	509	4	46,500	N/A	N/A	N/A	N/A	N/A
VPX	N/A	1,926	0.00%	100%	274	N/A	33,900	N/A	N/A	N/A	N/A	N/A
VPS	N/A	2,909	0.00%	100%	1,434	N/A	60,000	N/A	N/A	N/A	N/A	N/A

Securities Sector: Summary valuations

Code	EPS g 2024 %	EPS g 2025F %	EPS g 2026F %	P/B LQ x	P/B 2024 x	P/B 2025F x	P/B 2026F x	P/E TTM x	P/E 2024 x	P/E 2025F X	P/E 2026F X	ROE TTM %	ROA TTM %	Net debt / Equity %
SSI*	1.4%	28.8%	9.4%	2.2x	2.1x	2.1x	2.0x	17.2x	25.2x	19.5x	17.9x	16.0%	6.3%	208%
HCM	-2.0%	N/A	N/A	1.6x	2.0x	N/A	N/A	17.2x	20.4x	N/A	N/A	10.5%	2.8%	218%
VCI	12.8%	N/A	N/A	2.0x	1.8x	N/A	N/A	21.8x	26.2x	N/A	N/A	10.5%	4.5%	108%
VND	-32.0%	N/A	N/A	1.4x	1.0x	N/A	N/A	15.0x	11.2x	N/A	N/A	9.7%	3.9%	152%
MBS	-2.7%	N/A	N/A	2.6x	2.4x	N/A	N/A	18.5x	22.0x	N/A	N/A	15.0%	3.9%	255%
TCX	30.0%	N/A	N/A	2.5x	3.4x	N/A	N/A	22.4x	23.4x	N/A	N/A	15.2%	7.5%	59%
VPX	-2.8%	272%	10.8%	2.8x	2.9x	2.4x	1.6x	39.2x	52.1x	14.3x	12.6x	15.5%	6.6%	96%
VPS	284%	N/A	N/A	5.5x	6.0x	N/A	N/A	22.6x	27.3x	N/A	N/A	27.1%	9.9%	46%

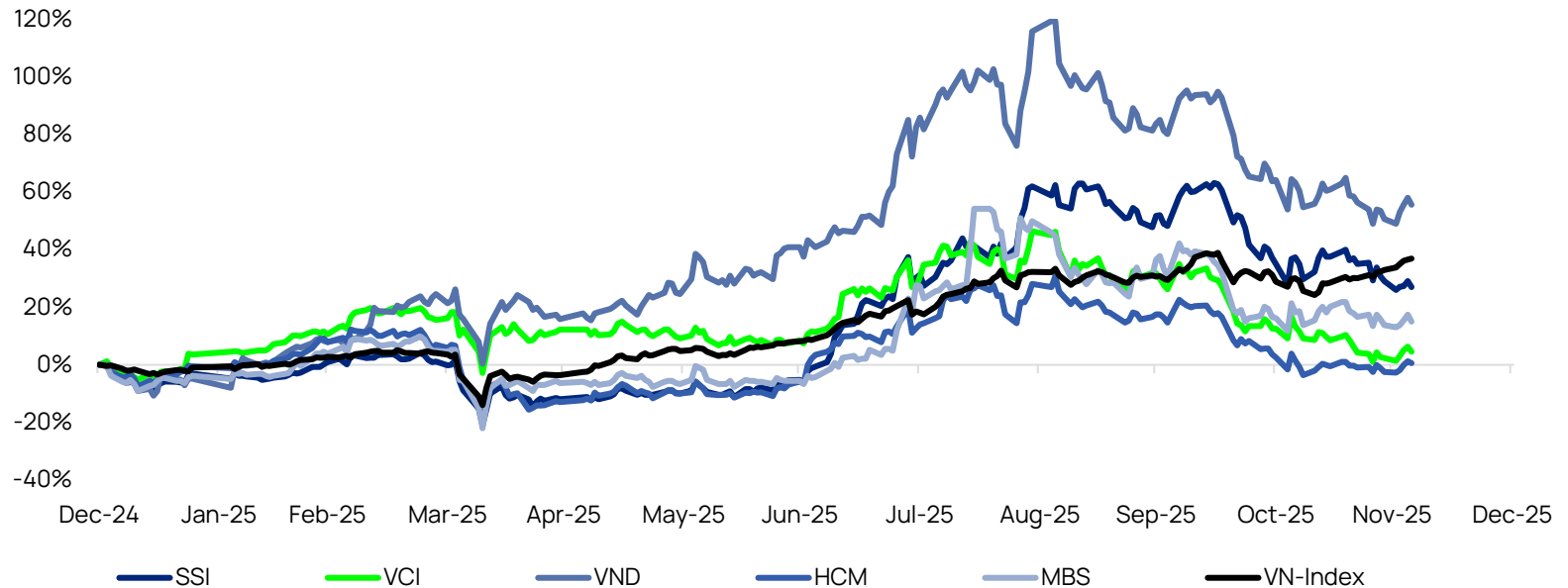
Brokerage index rallies on higher market turnover since H2 2025

Broker index performance and total turnover of three trading venues from 2020



Growth-stories brokers outperformed the VN-Index

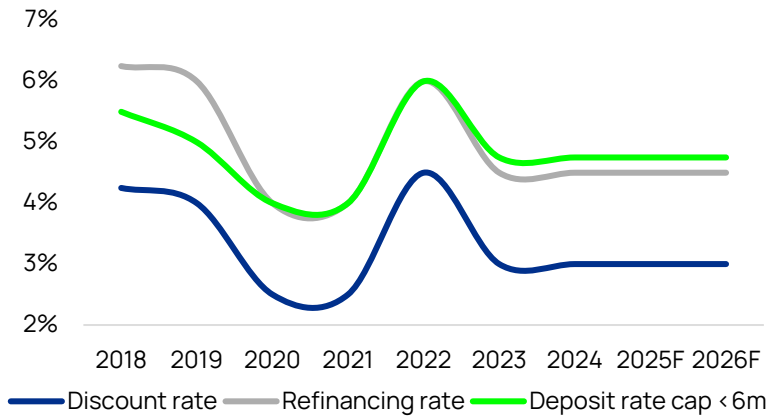
Share price performance of the VN-Index and the top five listed players in the securities sector (11M 2025)



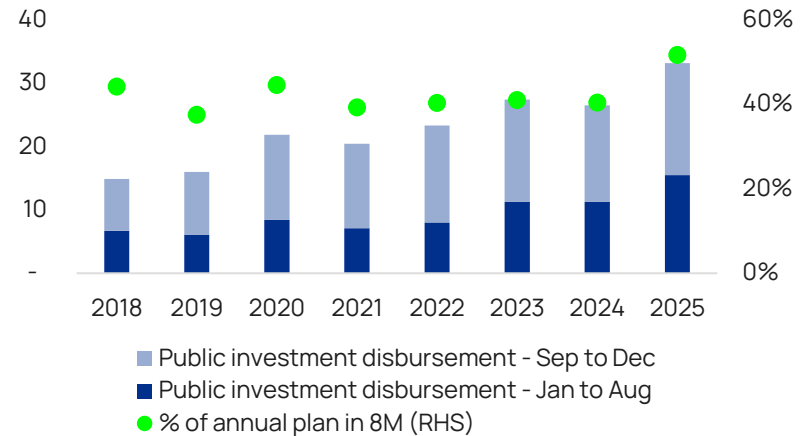
Tickers	Absolute change	Relative to VNI
SSI	26.9%	-9.9%
VND	55.6%	18.7%
VCI	4.5%	-26.0%
HCM	0.6%	-36.3%
MBS	15.0%	-21.9%

GDP growth to accelerate on the back of supportive monetary and fiscal policies

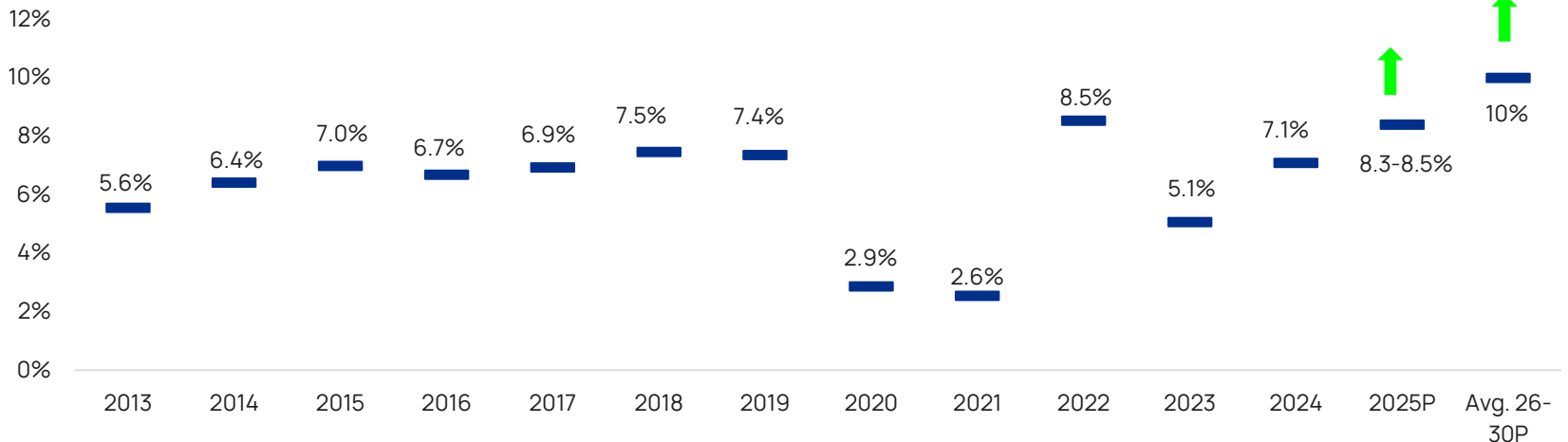
SBV expected to maintain low policy rates



Government raised public investment to boost growth (USDbn)



Vietnam GDP growth



A vibrant equity market has fueled a new wave of IPOs

Financials Sector



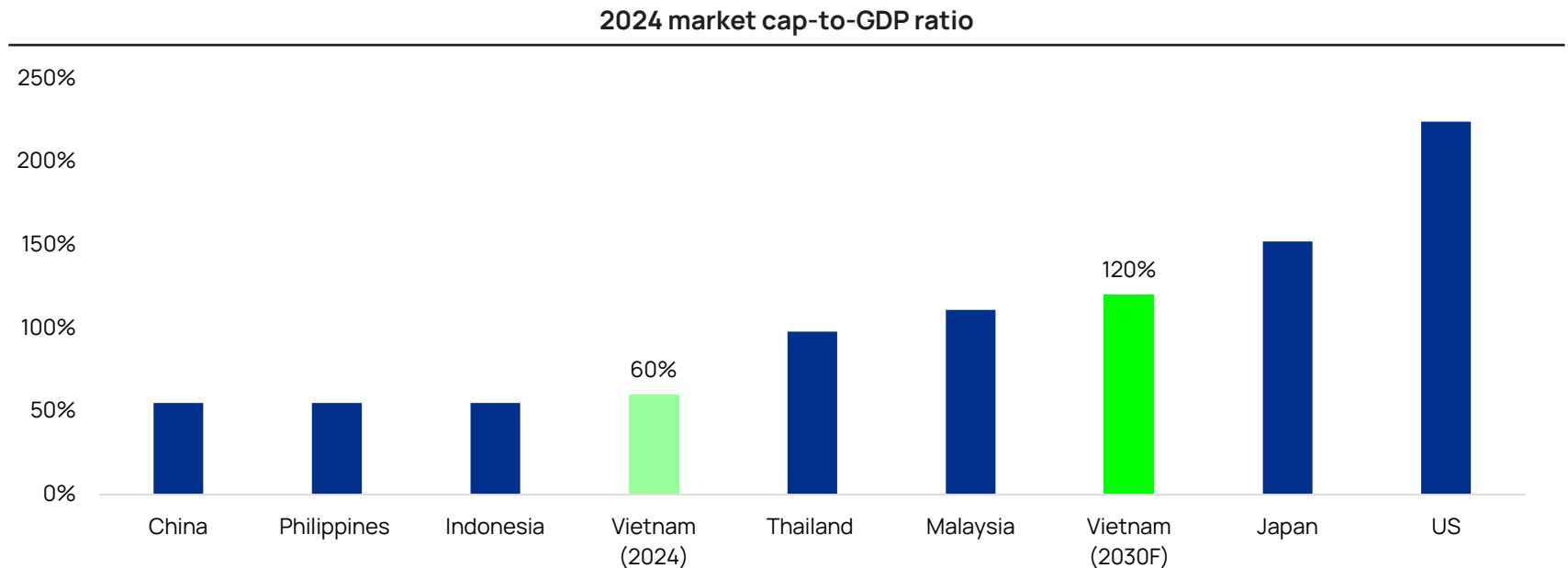
Consumer Sector



Other Sectors



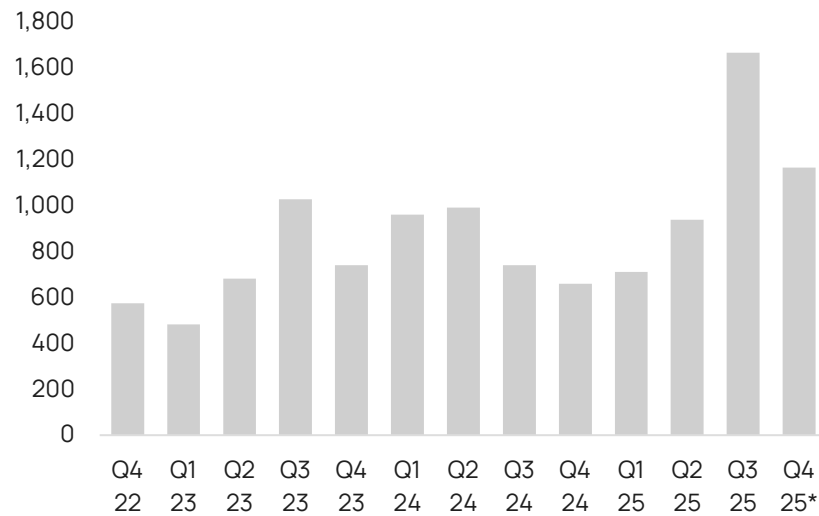
Vietnam's stock market offers substantial room for expansion



- Vietnam's economy continues to rely heavily on bank credit to finance production and business expansion. However, with medium- to long-term growth prospects remaining strong, the need for diversified funding channels has become increasingly important, making the development of the equity and corporate bond markets essential.
- As of Q3 2025, Vietnam's equity market capitalization accounted for only 56% of GDP, well below regional peers such as Thailand and Malaysia. This significant gap indicates substantial room for the domestic equity market to expand as the economy grows.
- Additionally, in 2022, the government's capital market development strategy targets equity market capitalization reaching 120% of GDP by 2030F.

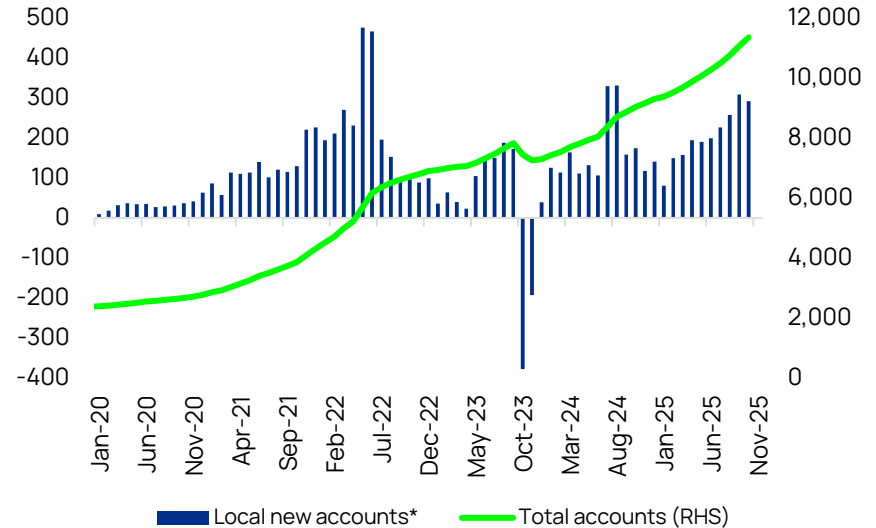
11M 2025 ADTV increased 1.8x compared to H1 2025, reaching a new all-time high

ADTV of three trading venues combined by quarter (USD mn)



Source: FiinPro, Vietcap. *Data as of Dec 4, 2025, Vietcap

Total brokerage accounts and new local accounts (thousand)



Source: Vietnam Securities Depository (VSD), Vietcap; * We calculate the implied number of new accounts opened by using the difference in total accounts. Note: In October and November 2023, the VSD deleted inactive accounts.

- The ADTV in 11M 2025 significantly increased and reached around USD1.5bn – the new historical high of Vietnam stock market. We attribute this to (1) a supportive macroeconomic backdrop, as highlighted in earlier slides; (2) a series of new regulatory reforms that strengthened market infrastructure and reinforced the momentum toward a potential market upgrade; and (3) a strong return of domestic investors, driven by an increasingly positive equity market outlook and attractive margin lending rates.

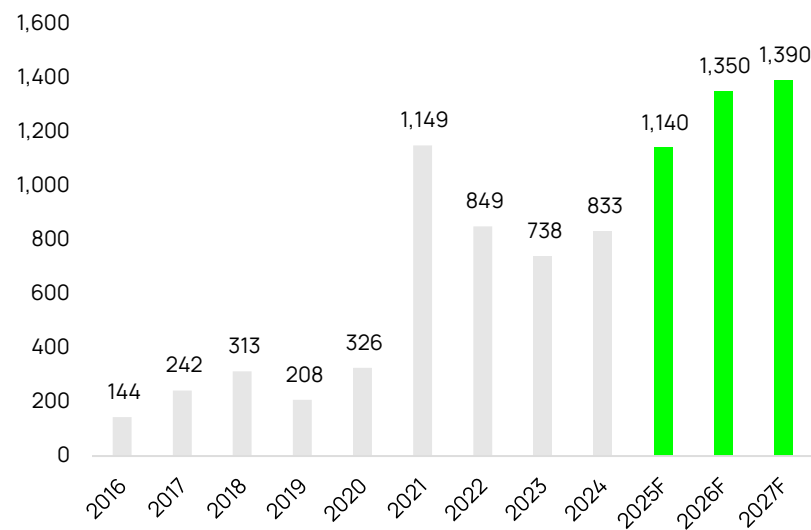
ADTV is expected to maintain strong growth in 2026F

Trading value per account (VND mn)



Source: Fiinpro, Vietcap

ADTV of three trading venues combined (USD mn)

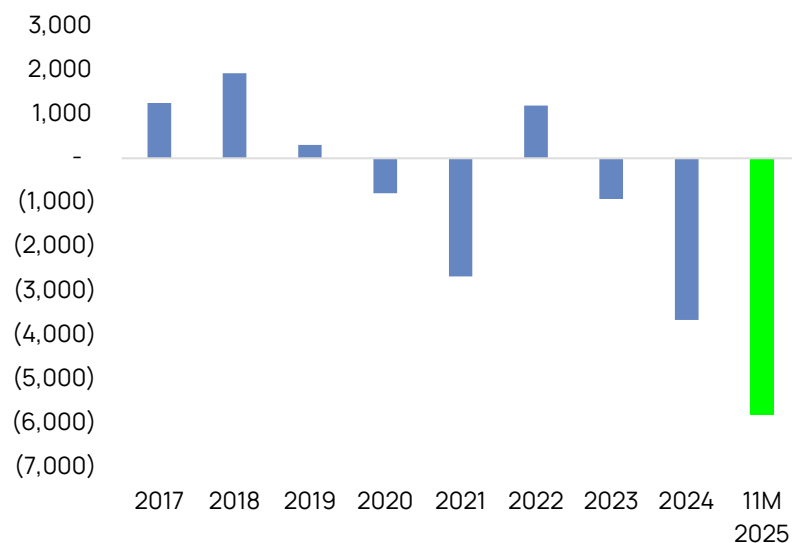


Source: FiinPro, Vietcap

- We expect the ADTV to soften in Q4 2025 as the market enters a correction phase following the strong rally in Q3. In addition, investors have become more conservative, delaying large transactions until full-year results and clearer 2026F guidance, which will further weigh on Q4 liquidity compared with Q3. Overall, we forecast 2025F ADTV to grow 36.9% YoY.
- We project a 18% YoY increase in ADTV in 2026F to USD1.35bn. This is support by our expectation that (1) the KRX system's new features—such as intra-day trading and a shorter T+2 settlement cycle from T+2.5—which should enhance trading activity, (2) strong corporate earnings growth under a favorable macro backdrop with highly supportive monetary/fiscal policies; and (3) stronger foreign inflows at around USD5-6bn following Vietnam's EM upgrade in 2026F.

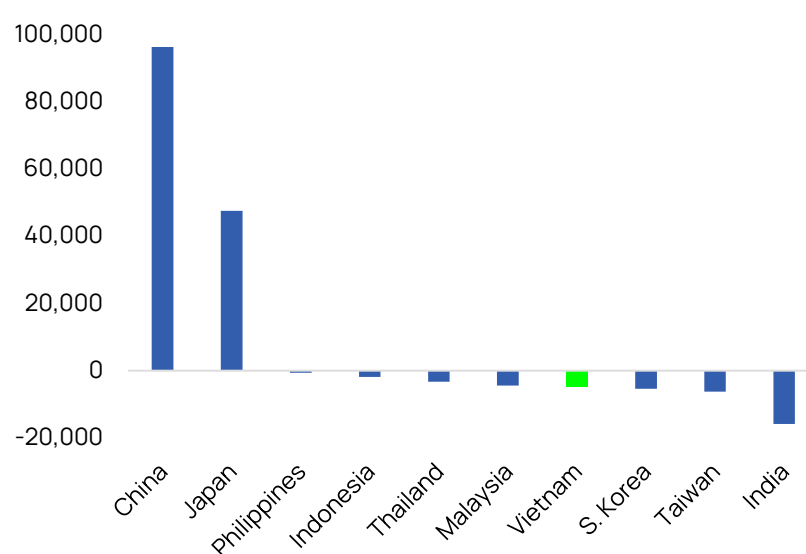
Net foreign selling reaches a multi-year high amid profit taking, USD strength and Asia-wide capital reallocation

Cumulative net foreign trading in the Vietnam stock market on three trading venues (USD mn)



Source: FiinPro, Vietcap

Net foreign trading value in Asian countries vs VN-Index (YTD, USD mn)

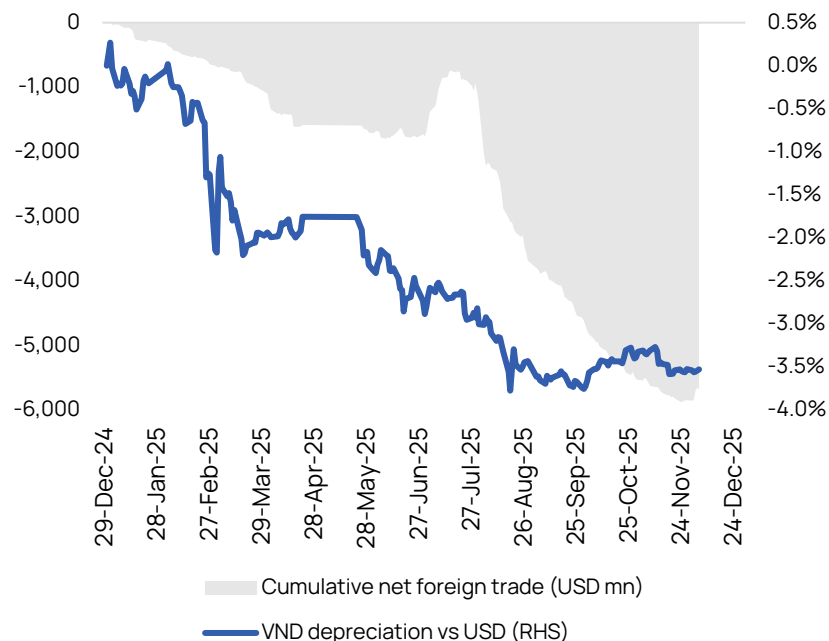


Source: Bloomberg, FiinPro, Vietcap. Data as of Dec 4, 2025.

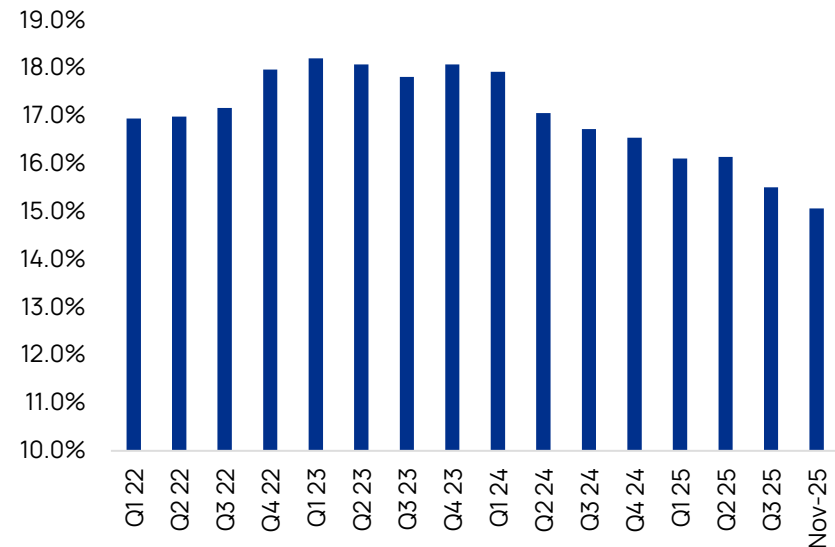
- In 11M 2025, foreign investors net sold a total of USD5.8bn worth of Vietnamese stocks across all three trading venues, equivalent to 1.6x of their total net selling value in 2024.
- This was driven by several factors, including: (1) divestments by strategic shareholders (such as SK at MSN and VIC; CBA at VIB), (2) strengthening USD vs VND and higher U.S. yields triggered a rotation out of Vietnam; (3) reallocating capital into China and Japan, and (4) a reduction in Vietnamese bank holdings as valuations became less compelling, while investors waited for clearer signs of recovery in other sectors before re-entering.
- However, since early December 2025, we have observed foreign investors beginning to accumulate Vietnamese stocks

Room for foreign ownership expands, opening attractive entry opportunities for new investors

Cumulative net foreign trading in the Vietnam stock market on three trading venues (USD mn)



% Foreign ownership in Vietnam stock market



- As of November 2025, foreign ownership in the Vietnam stock market fell to 15%, the lowest level since 2022.
- Many high-quality blue-chip stocks such as MBB, ACB, MWG, and GMD, which in previous years had no available foreign room, are now available to foreign investors at market prices. We view this as an attractive opportunity for foreign investors to accumulate stocks of leading corporates in Vietnam at compelling valuations.

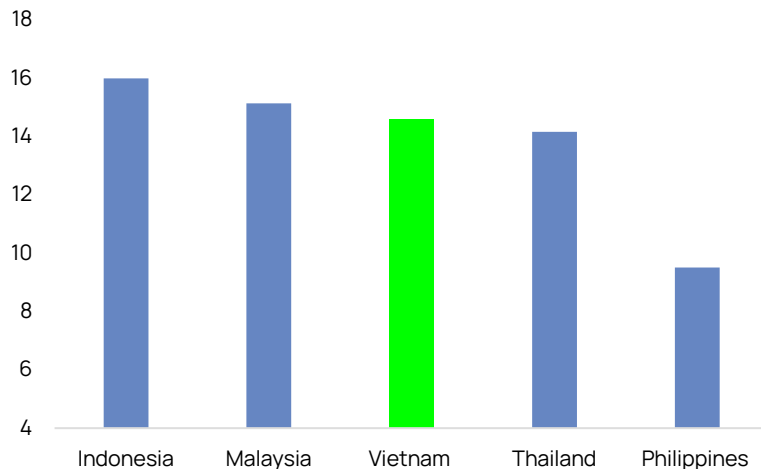
FTSE upgrade is expected to attract significant foreign inflows



Estimated foreign inflows:
1-2 USD billion from passive funds + 5-6 USD billion from active funds

Vietnam equity valuation is compelling compared to peers and historical range

Consensus forward P/E of select emerging markets as of Dec 4, 2025

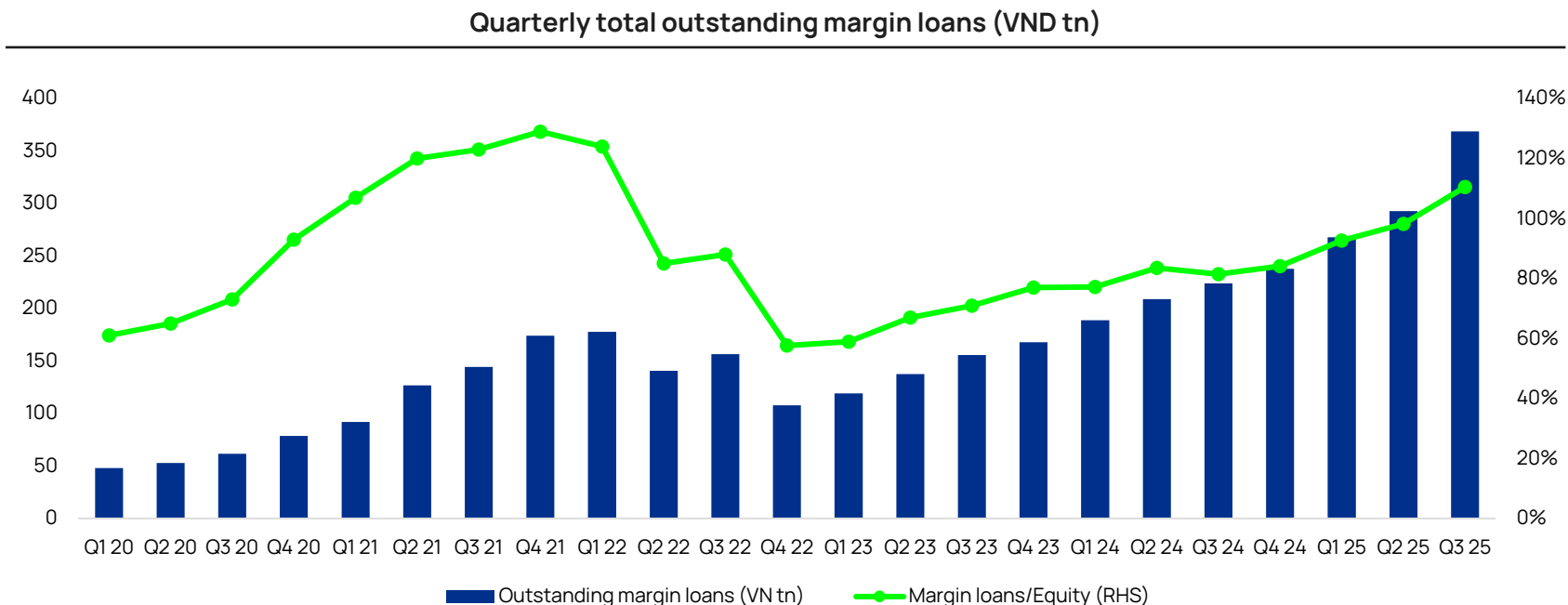


VN-Index 12M trailing headline P/E



- Under our base-case scenario, we forecast Vietnam's 2025F -2026F GDP growth at 8.1% and 8.5%, continuing to outperform regional peers. This growth is supported by (1) ongoing strong policy support by the Government (including enhancing regulations, expanding fiscal spending and remaining an accommodative monetary stance); (2) expanding investment in private sectors; (3) continued improving consumption and (4) exports competitiveness remains intact..
- We see VN-Index valuations as compelling, with the 12-month trailing P/E at 15.3x— equal the 10-year average—and 2026F earnings expected to grow around 19% YoY, further improving forward valuations. Moreover, the recent market rally has been concentrated in Vingroup stocks and financial stocks, while valuations across many other sectors remain compelling.
- Given this attractive valuation backdrop and Vietnam's strong long-term growth prospects, we expect foreign investors to re-enter the market.

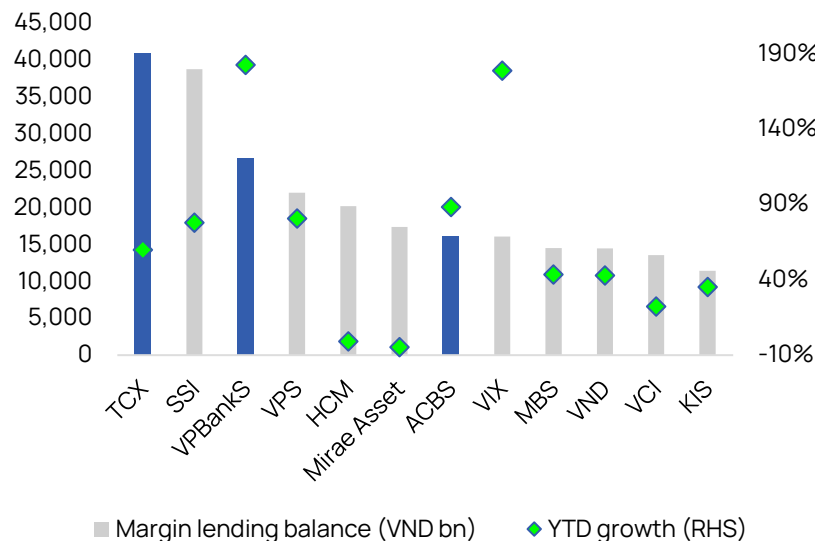
Industry-wide outstanding margin loans continued increasing



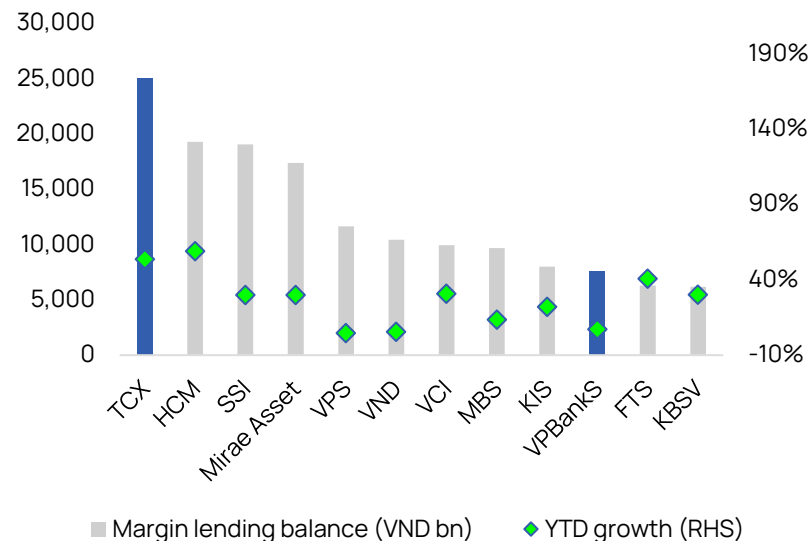
- According to FiinPro, total outstanding margin loans increased 26.0% QoQ in Q3 2025 to VND369tn (now 4.0% of total market capitalization). The margin loan-to-equity ratio remained well below the 200% regulatory cap at 110%, the increasing balance.
- We attribute this surge primarily to (1) increased margin lending for large clients and (2) heightened retail investor optimism, fueled by a low interest-rate environment and the Government’s aggressive public investment push. In addition, the continued increase of new retail investors has further contributed to the rise in margin balances.

Bank-backed brokers significantly gain the margin lending market shares in 2025

Top 12 margin lending brokers in Q3 2025



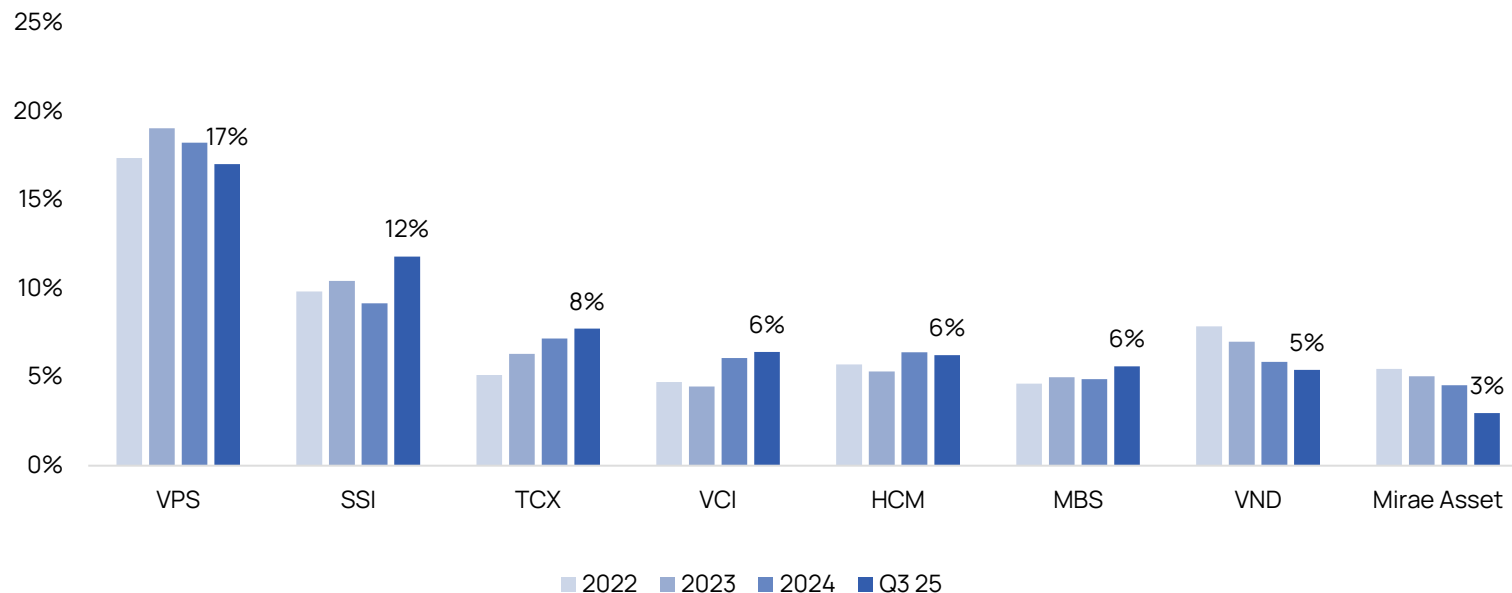
Top 12 margin lending brokers in Q3 2024



- Among the top 12 margin-lending brokers, bank-backed and well-capitalized firms—such as TCX, SSI, VPBankS, and ACBS—posted strong YTD margin-lending growth of 60–180%. In contrast, brokers facing capital constraints, including HCM and Mirae Asset, reported negative margin-lending growth.
- We anticipate an increase in margin loans in 2025-2026F, supported by several factors: (1) the positive outlook for the VN-Index, (2) the continued growth of retail brokerage accounts, and (3) enhanced retail investor activity driven by the positive outlook on Vietnam’s economy, which is likely to boost margin demand.

Strong capital brokers gained brokerage market share in 9M 2025

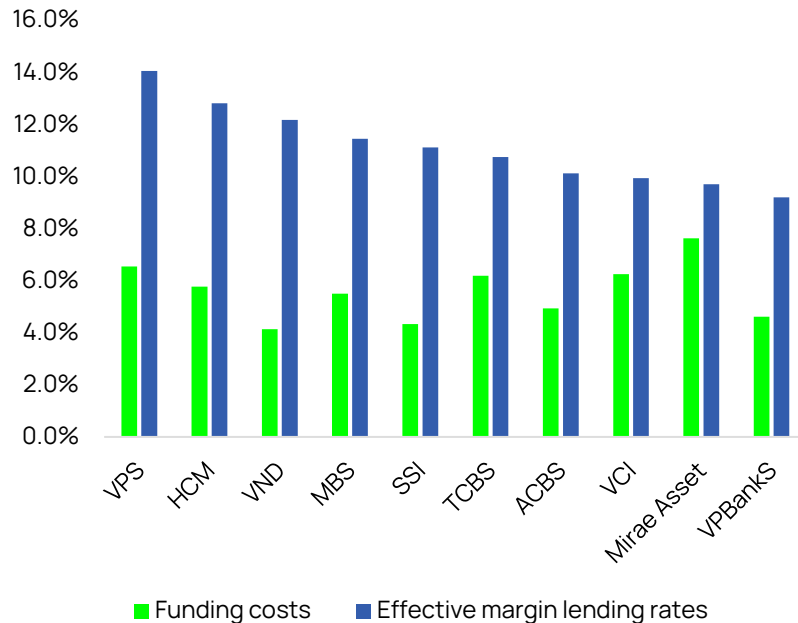
Market share on HOSE of top brokerage companies (%)



- As of Q3 2025, SSI, TCX, VCI, and MBS have gained market share compared to 2024, supported by (1) strong capital positions that allow them to offer competitive margin lending services, and/or (2) superior brokerage capabilities driven by technology and industry expertise. In contrast, retail-focused and independent brokers such as VPS, VND, and Mirae Asset have seen a decline in market share.

Funding edge supports long-term market share gains

Q3 2025 effective margin lending rates and funding costs of the top brokers



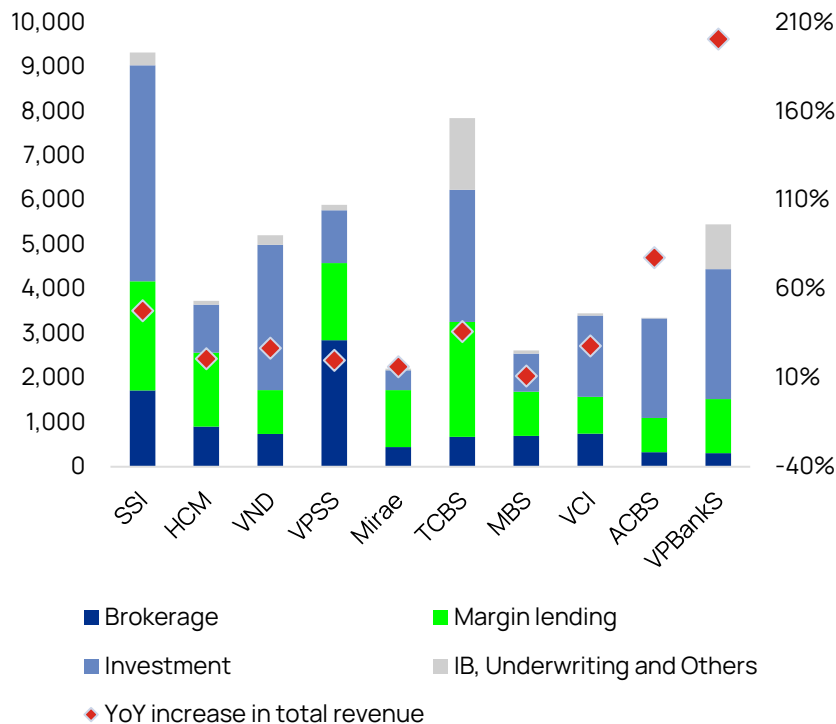
Q3 2025 margin lending/total equity



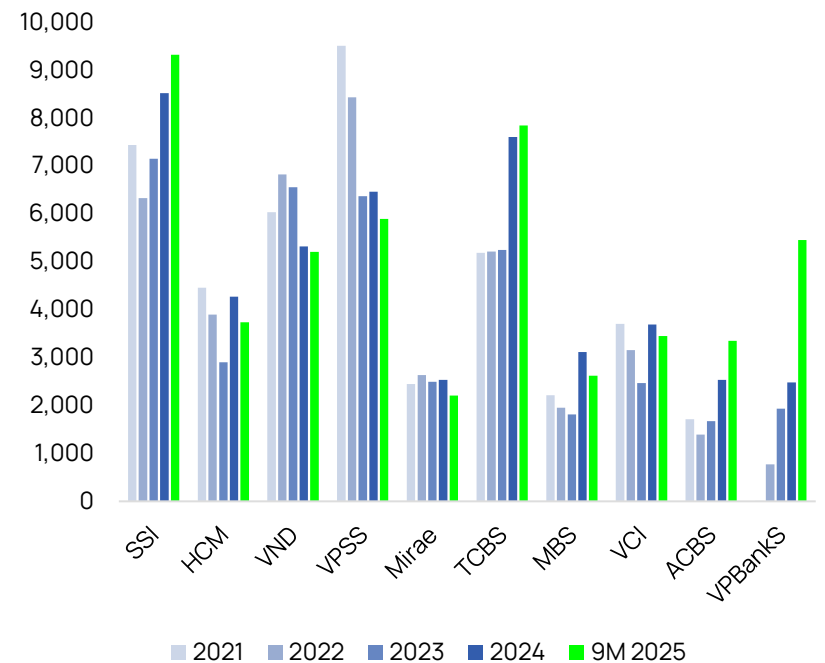
- Q3 2025 data shows that bank-backed and well-capitalized brokers are offering more attractive margin-lending rates than independent brokers.
- These firms also have significantly larger equity bases, giving them far greater lending capacity. We believe this combination of competitive pricing and ample capital positions them as the long-term winners in both margin lending and brokerage market share.

Brokers delivered robust operating revenue growth in 9M 2025

Breakdown of revenue of top-eight brokers (9M 2025)



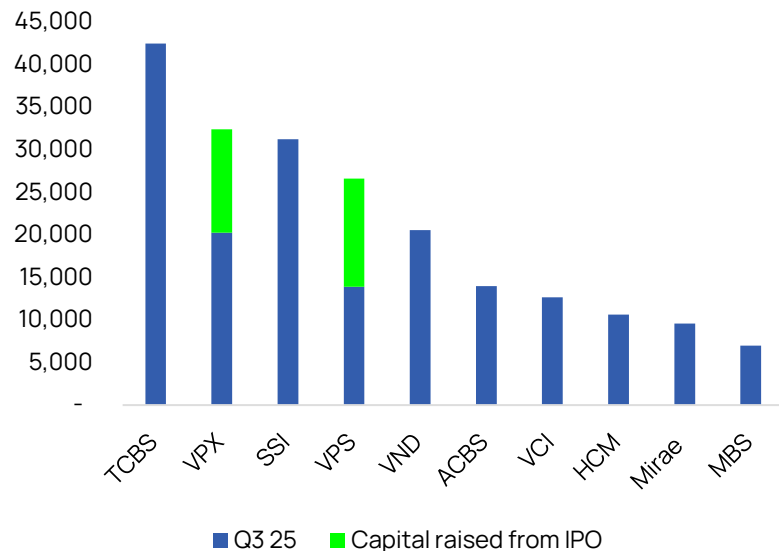
Revenue of top eight brokers (2021 - 9M 2025)



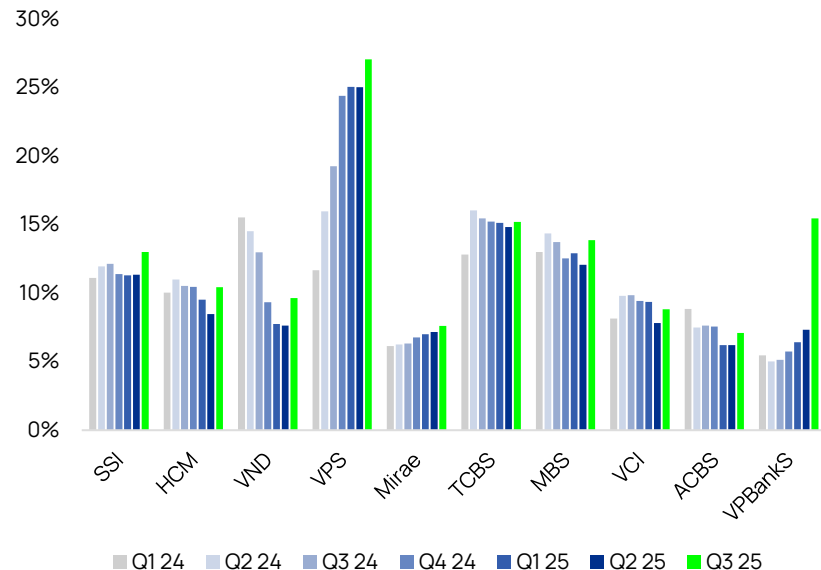
- Benefiting from favorable market conditions, all top 10 brokers reported strong YoY revenue growth across all segments, including brokerage, margin lending, investment, and other income streams. Notably, VPBankS and ACBS delivered the strongest performance, with YoY revenue growth of 201% and 78%, respectively. Both firms have successfully repositioned their strategies and achieved outstanding expansion in margin lending and investment banking segments.

In the short-term we expect some ROE compression among brokers given their large-scale capital-raising initiatives

Total equity of the top brokers



Quarterly TTM ROE of the top brokers



- Based on our analysis, TTM ROE recovered across all top brokers in Q4 2025. However, from Q4 2025 through 2026F, we expect ROE to come under pressure, as most brokers plan to raise 10–20% additional capital through IPOs, private placements, or rights issuances.
- This wave of capital raising is essential to enhance margin lending capacity and expand investment banking and underwriting services. Additionally, increased capital will support improvements in technology infrastructure and the development of new product offerings, such as digital assets and AI-driven solutions. That said, we view these initiatives as necessary steps to position brokers for long-term growth in an evolving financial landscape..

Digital assets emerging as a potential business opportunity

Legal framework

Law on Digital Technology Industry

Defines digital assets

Resolution 05/2025/NQ-CP

Five-year pilot of crypto asset market

Huge market opportunity

17 Million

Vietnamese people owning crypto assets (*)

#4

Crypto adoption index

Several financial institutions have made preparations

TECHCOMSECURITIES 

 **VPBank Securities**



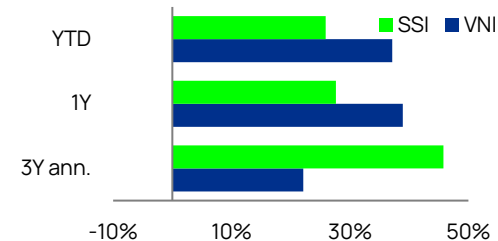
Brokerage valuations back to the 10-year average, offering an attractive entry points

Average P/B of top 5 listed brokers (SSI, HCM, VND, VCI, MBS)



SSI – BUY, TP of VND35,100/share

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND32,8000	Revenue (VND bn)	8,709	11,660	13,587	14,955
Adjusted current price*	VND29,840	% YoY	19.6%	33.9%	16.5%	10.1%
Target Price (TP)	VND35,100	NPAT-MI (VND bn)	2,835	4,092	5,241	6,062
		% YoY	23.6%	44.3%	28.1%	15.7%
Upside to TP	17.7%	EPS	5.7%	28.8%	9.4%	11.4%
Dividend Yield	3.0%	GPM	61.5%	64.3%	67.4%	68.8%
TSR	+20.7%	NPM	33.2%	35.7%	39.1%	41.1%
		Margin lending/equity	81.3%	124.0%	115.6%	107.5%
Industry	Brokerage	Net debt/ equity	168.7%	203.6%	176.0%	169.1%
Market Cap	USD12.5bn	P/B	2.4x	2.1x	2.0x	1.8x
Foreign Room	USD1.2bn	P/E	25.2x	19.5x	17.9x	16.0x
ADTV30D	USD36mn	ROE	11.4%	13.6%	14.0%	13.9%
State Ownership	0%	ROA	4.0%	4.6%	4.8%	5.0%
Outstanding Shares	2,078 mn	* Note: theoretical ex-rights price, assuming the stock goes ex-rights at the current share price				
Fully Diluted Shares	2,493 mn					



Company Overview

SSI has consistently been a leading stockbroker over the last five years with operations spanning brokerage, principal investments, asset management, and investment banking. SSI was established in 1999 and as of YE2024 employed 1,522 people with a presence in HCMC, Hanoi, and Hai Phong.

SSI is one of the top brokerage companies in Vietnam. The company has the 2nd largest market share on HOSE with the 2nd largest margin lending book and a low margin lending over equity ratio among large brokers (128% in Q3 2025). We view SSI as one of the best securities companies that can capture the growth of Vietnam's stock market due to its strong capital buffer, solid reputation, large network, and ability to tap offshore funding sources.

We project 28.1% YoY growth in 2025F NPAT-MI, driven by a 23.0% YoY increase in brokerage revenue, supported by SSI expanding its brokerage market share from 8.6% in 2024 to around 12% in 2026F due to its strong capital and attractive margin lending rates and our forecast for 2026F ADTV to increase 28.3% YoY. Furthermore, with leading brokers such as HCM, MBS, and Mirae Asset approaching the 200% margin-to-equity regulatory threshold, we anticipate that some clients may shift to SSI. As a result, we project a 48.0% YoY increase in SSI's margin lending revenue.

SSI is currently trading at a trailing P/B of 2.2x vs its five-year average trailing P/B of 2.0x. However, we believe SSI, as well as the brokerage sector, should be traded at a premium as it enters a new growth cycle.

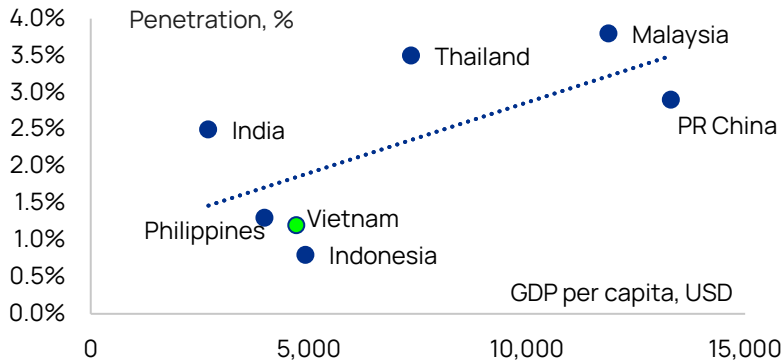
Upside/(downside) risks: Higher/(lower)-than-expected market turnover and margin lending; large net gains/(losses) in SSI's FVTPL portfolio.

Insurance sector

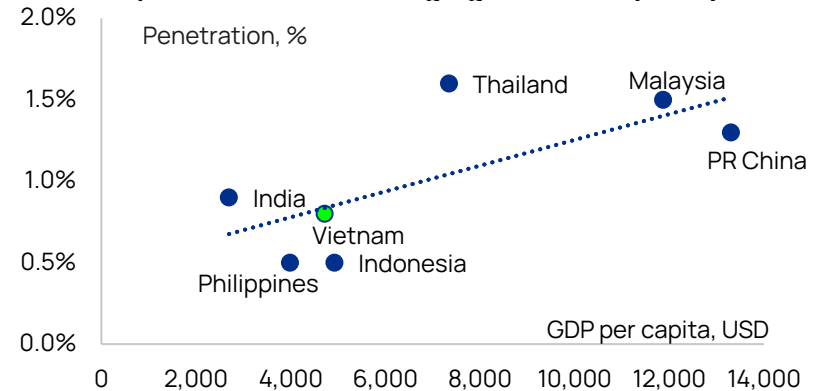
Stronger premium growth and investment returns support earnings

Insurance sector has a strong growth potential due to low penetration level

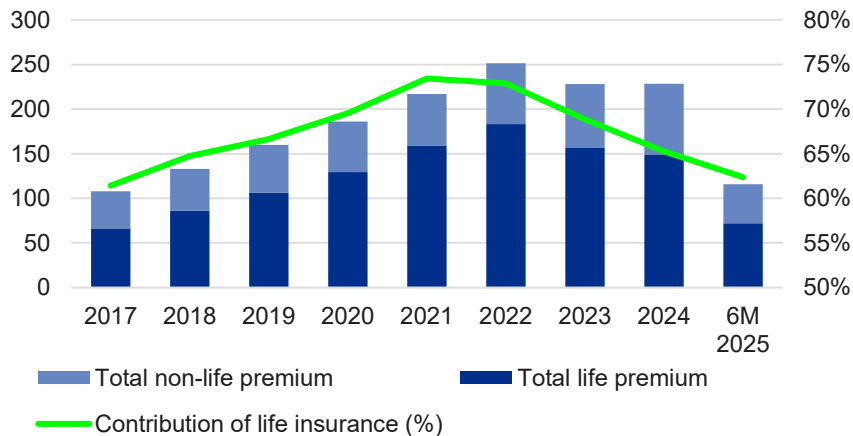
Life insurance penetration relative to GDP per capita of selected emerging countries (2024)



Non-life insurance penetration relative to GDP per capita of selected emerging countries (2024)

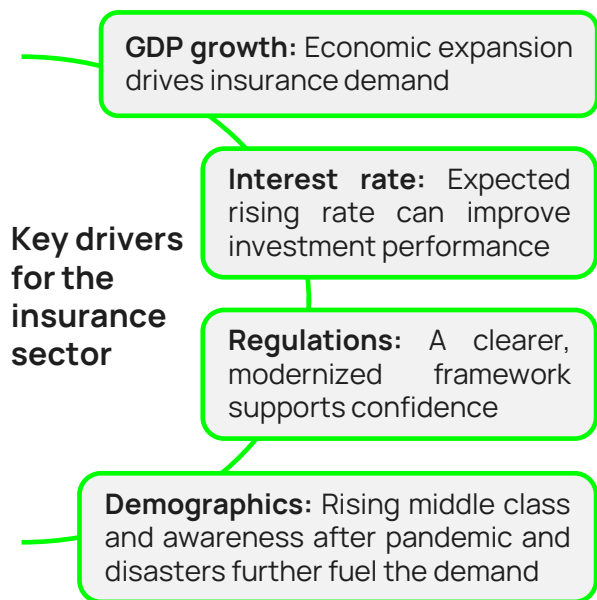


Total direct premium by type (VND tn) and contribution of life insurance (%) (2017 - 6M 2025)

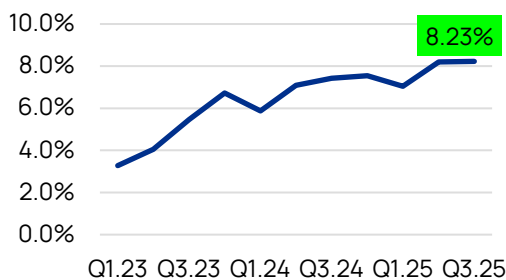


- Insurance penetration in Vietnam is low for both life and non-life, at 1.20% and 0.80% respectively, lagging regional peers like Malaysia, Thailand.
- In 2017-2022, the total insurance sector grew at a 23% CAGR, primarily driven by life insurance growth.
- The bancassurance crisis in 2023 severely impacted life insurance and overall sector premium growth. However, we expect that this would prompt to a more sustainable growth in the future, supported by better sales quality.
- Insurance premium growth has bottomed out in 2024. Looking forward, we expect favorable economic conditions, evolving regulations, and strong demographics to drive recovery and future growth.

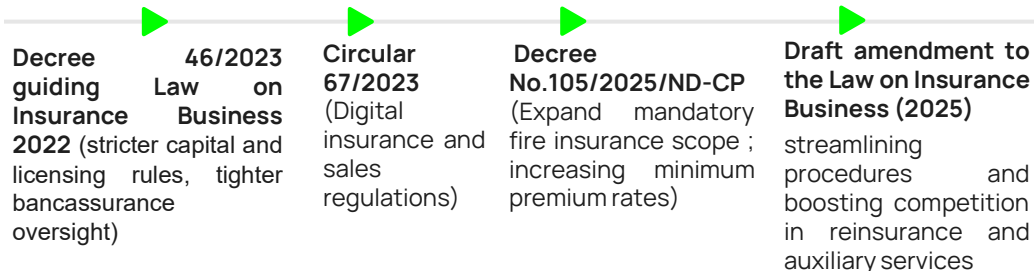
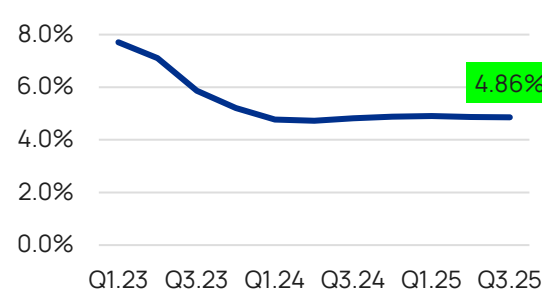
Vietnam's economic backdrop favors the insurance sector



Vietnam quarterly GDP growth (%) (Q1 2023 - Q3 2025)



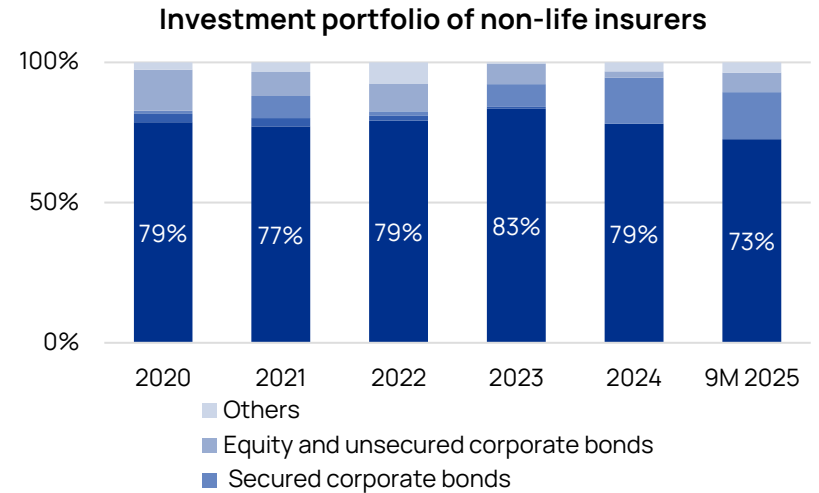
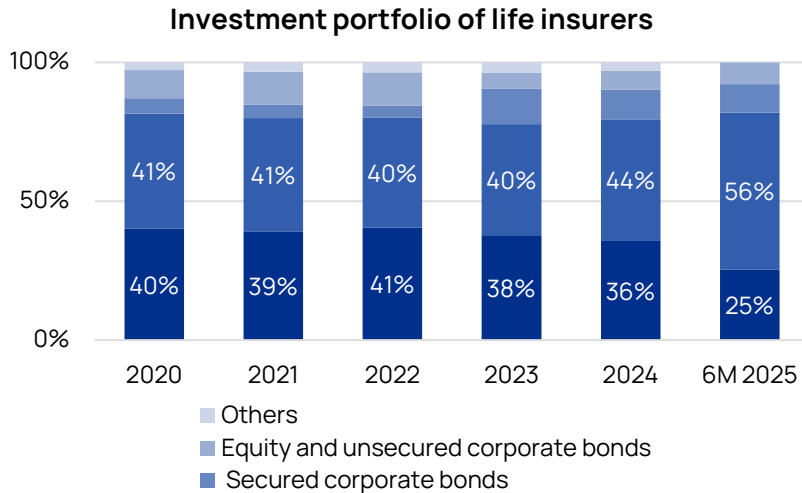
12M Deposit rate (%) bottomed out (Q1 2023 - Q3 2025)



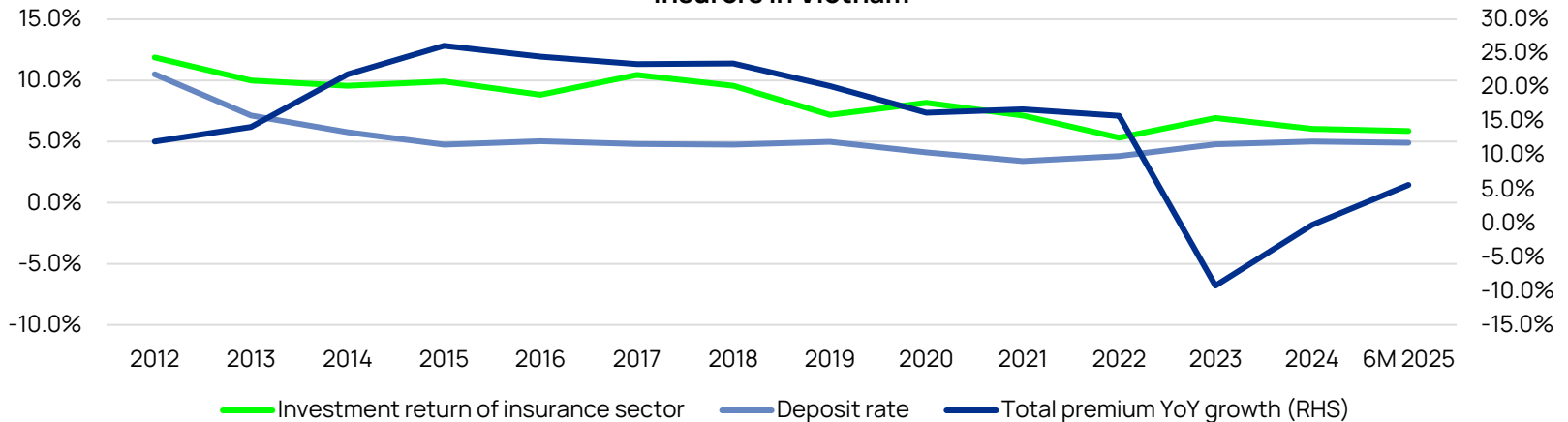
Government's targets for insurance sector

	2024	2021-2025	2026-2030
Premium growth	-0.26%	15%/year	10% /year
Premium growth via online channels	N/A	10%/year	10%/year
CAGR of assets, total investments	Total asset growth: 10.9% YoY Total investment growth: 12.2% YoY	15%/year	10%/year
Premium/GDP	2.1%*	3.0% - 3.3%	3.0% - 3.5%
% life insurance penetration on population	11%	15%	18%
Premium per capita	VND2.3mn/capita*	VND3mn/capita	VND3mn/capita

Upward pressure on interest rate favors insurers' investment return in 2026F



Deposit rate* paid by commercial banks has a strong positive correlation with investment return of insurers in Vietnam

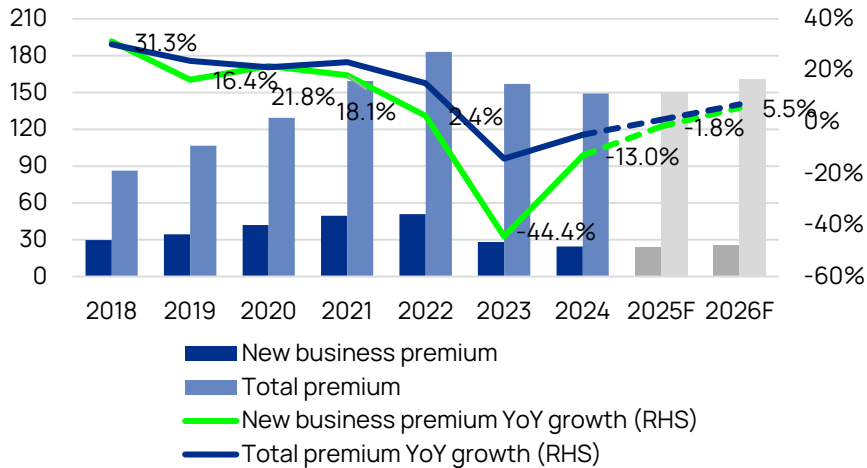


Life Insurance

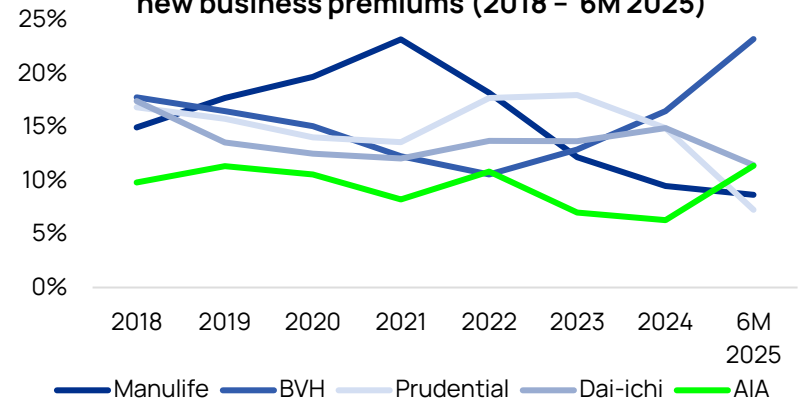
Regain premium growth in 2026F; lower technical reserve level

We forecast new business premium to increase 5.5%, driven by universal life product

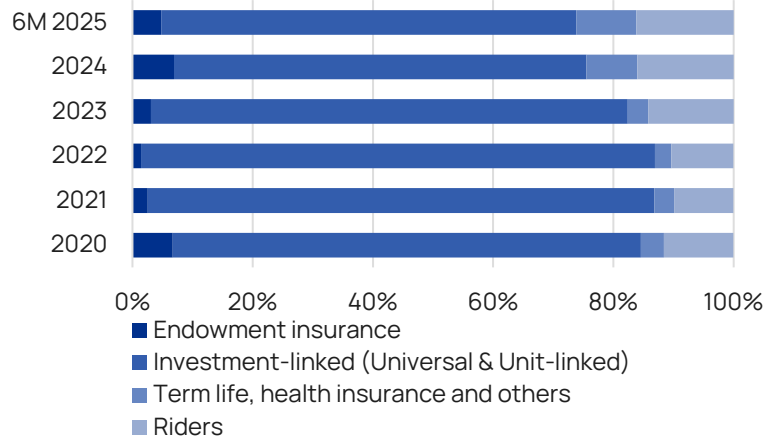
Life premium and growth (2018 – 2026F)



Market share of life insurers in terms of new business premiums (2018 – 6M 2025)



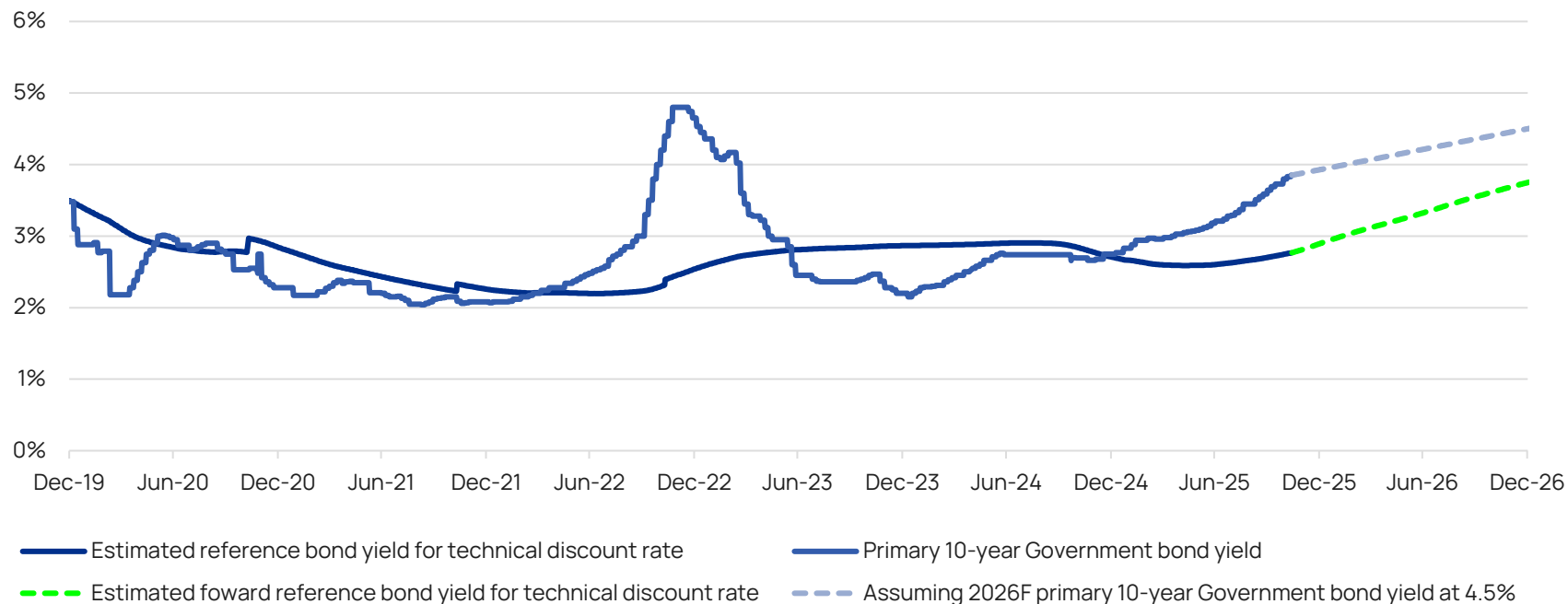
New business premiums by product line (2020-6M 2025)



- 6M 2025 growth of new/total direct premium were 8.6%/2.4% YoY, implying to us a recovery in life insurance. We expect this trend to continue thanks to Vietnam's favorable demographic trends of aging population and rising middle class amid low penetration at 1.2% in 2024 compared to 3.5% in Thailand or 3.8% in Malaysia.
- Following bancassurance-related scandals that eroded client trust, BVH has leveraged its agent-based model and strong network to recapture market leadership.
- The dominance of investment-linked products — particularly Universal Life — reflects a growing appetite for flexible, investment-oriented insurance solutions among younger, affluent customers. This trend is likely to continue with middle-class expansion and demand for long-term wealth accumulation and protection.

Pick up in Government bond yields to ease pressure on technical discount rate and support lower reserve level

Vietnam's 10-year Gov't bond yield and estimated reference bond yield for technical discount rate



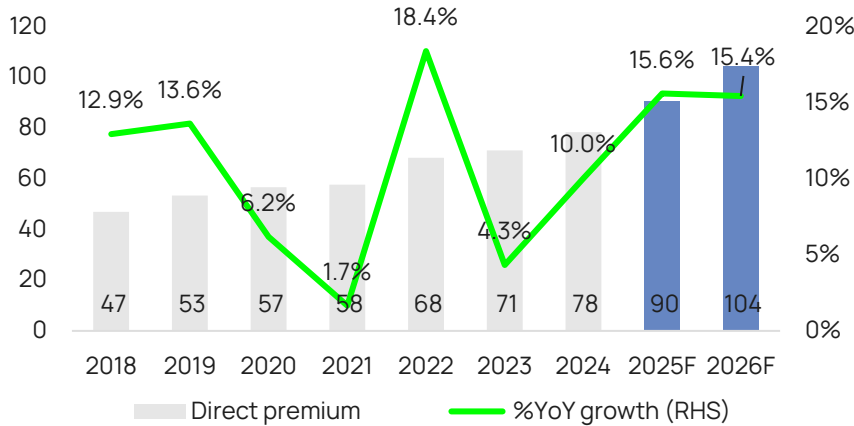
- Starting from 2022, the discount rate for the calculation of reserves is based on a maximum of 80% of the average interest rate of Government bonds with terms of more than 10 years that were issued within 24 months before the reserve is set aside.
- Given the 10Y primary Government bond yield of 3.85% as of mid-Nov. Assuming G-bond yield reaching 4.50% towards the end of 2026F, our estimates indicate that the reference bond yield for the technical discount rate is on track to increase YoY at end-2025F and end-2026F, easing pressure on mathematical reserve expenses for life insurers.

Non-Life Insurance

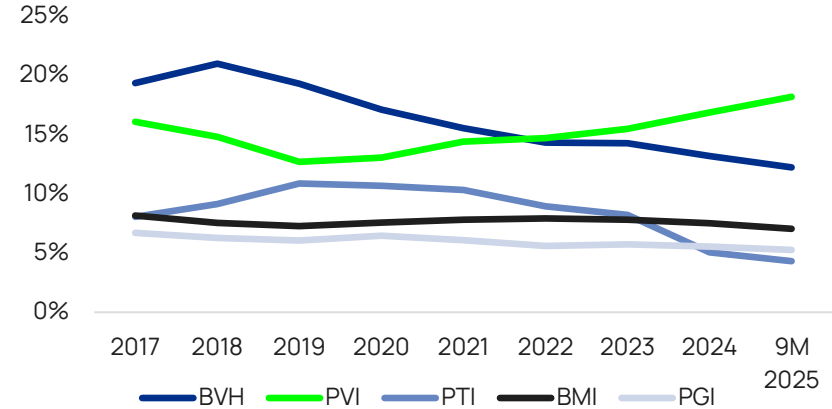
Robust premium growth in 2025F-2026F ; combined ratio remains under control despite natural disasters

Robust non-life premium growth to continue in 2026F amid accelerating economic activities

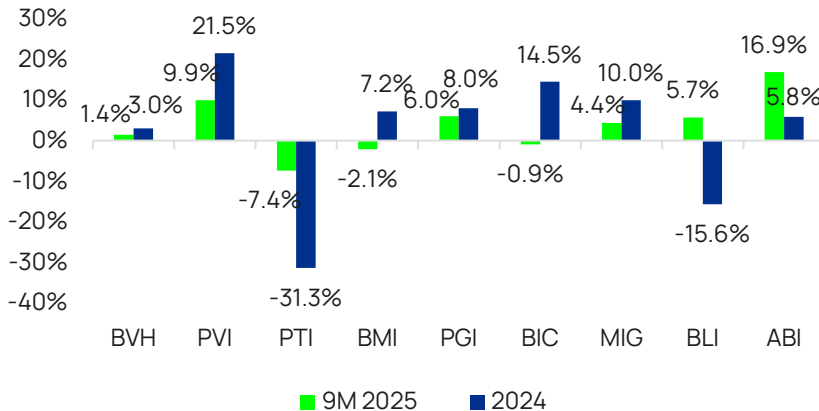
Total direct premiums (VND tn) and growth (%) (2018 – 2026F)



Market share of non-life insurers in terms of direct premium (2017 – 9M 2025)

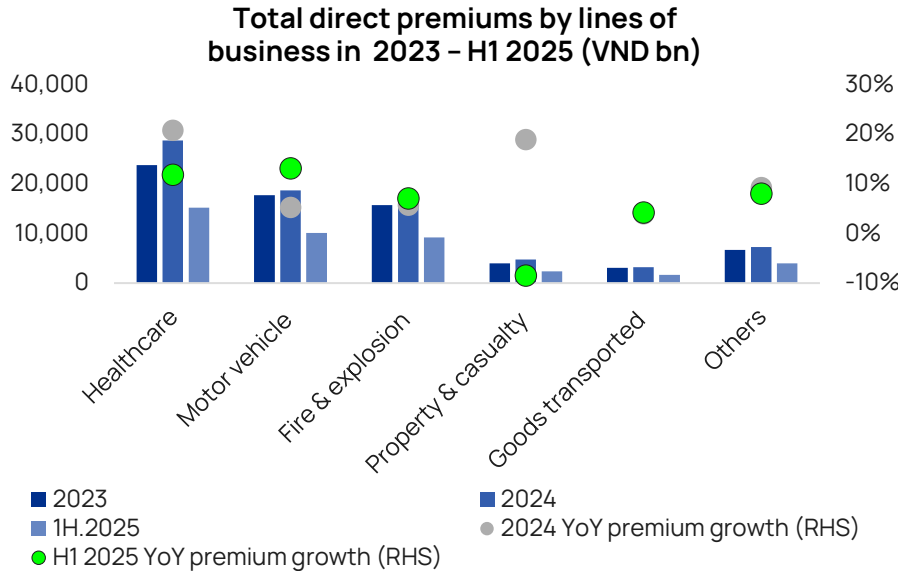


2024 and 9M 2025 premium growth of top nine listed insurance companies (% YoY)

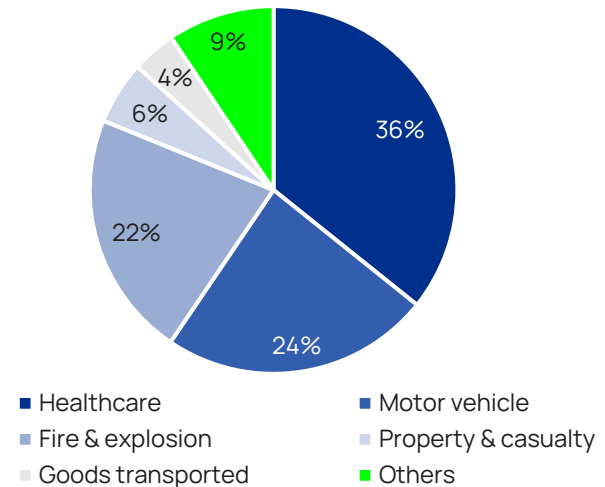


- 9M 2025 premium growth of 10% YoY implies to us a continuing recovery of the sector amid a decade high Q3 GDP growth of 8.23% in 2025. Government targets of 8-10% GDP growth for 2025-26, low insurance penetration, tighter compulsory insurance regulations (e.g. Decree 105/2025 on fire and explosion insurance), and rising awareness post-pandemic and natural disasters support further non-life premium growth.
- Among market leaders, while most are experiencing market share contraction as they prioritize underwriting margin improvement, PVI stands out with market share expansion. We believe this is driven by its ability to leverage a strong client network—particularly corporate clients—while maintaining a low combined ratio at the lower end of the market.

Fire insurance emerges as a new growth driver beyond healthcare and auto



Total direct premium contributions by line of business in 6M 2025

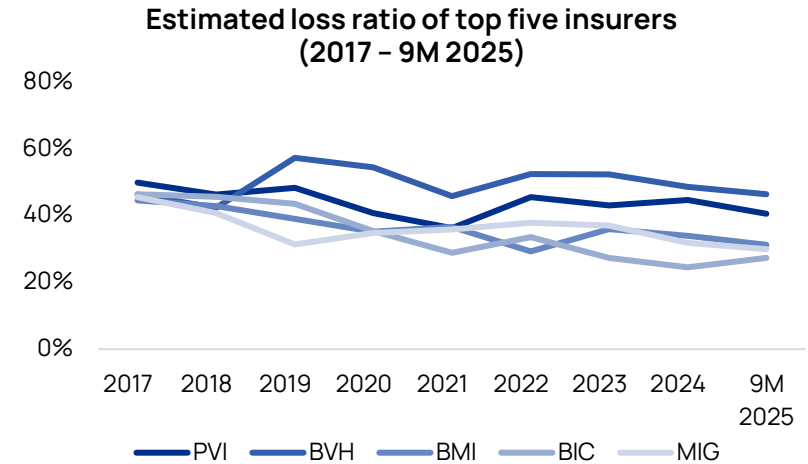
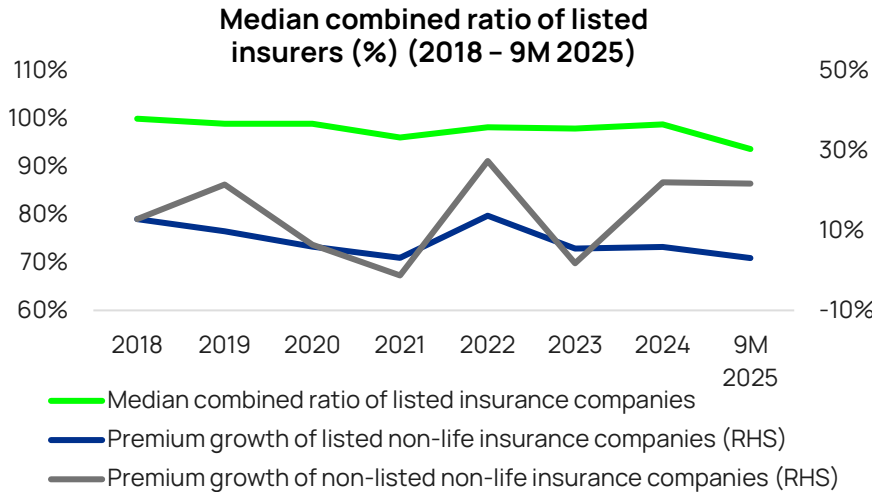


- Healthcare insurance**
- Post-pandemic awareness
 - Expanding aging population and middle class – projected to double from 13% in 2023 to 26% in 2026
- Motor vehicle insurance**
- Compulsory civil liability insurance under Decree 67/2023/NĐ-CP
 - Vietnam has high vehicles ownership rate

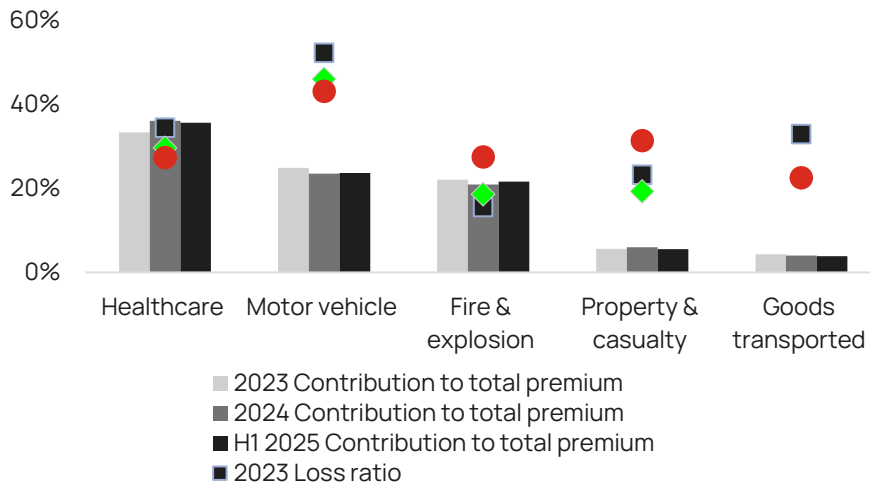


- Property & casualty insurance**
- Large-scale investments in energy, transport, infrastructure
 - Heightened risk perception and hedging after severe natural disasters .
- Fire insurance**
- Decree 105/2025/ND-CP expanding mandatory coverage scope.
 - Industrial parks expansion further fueling demand for fire insurance.

Natural disasters may weigh on Q4 ratios, but we expect long-term stability

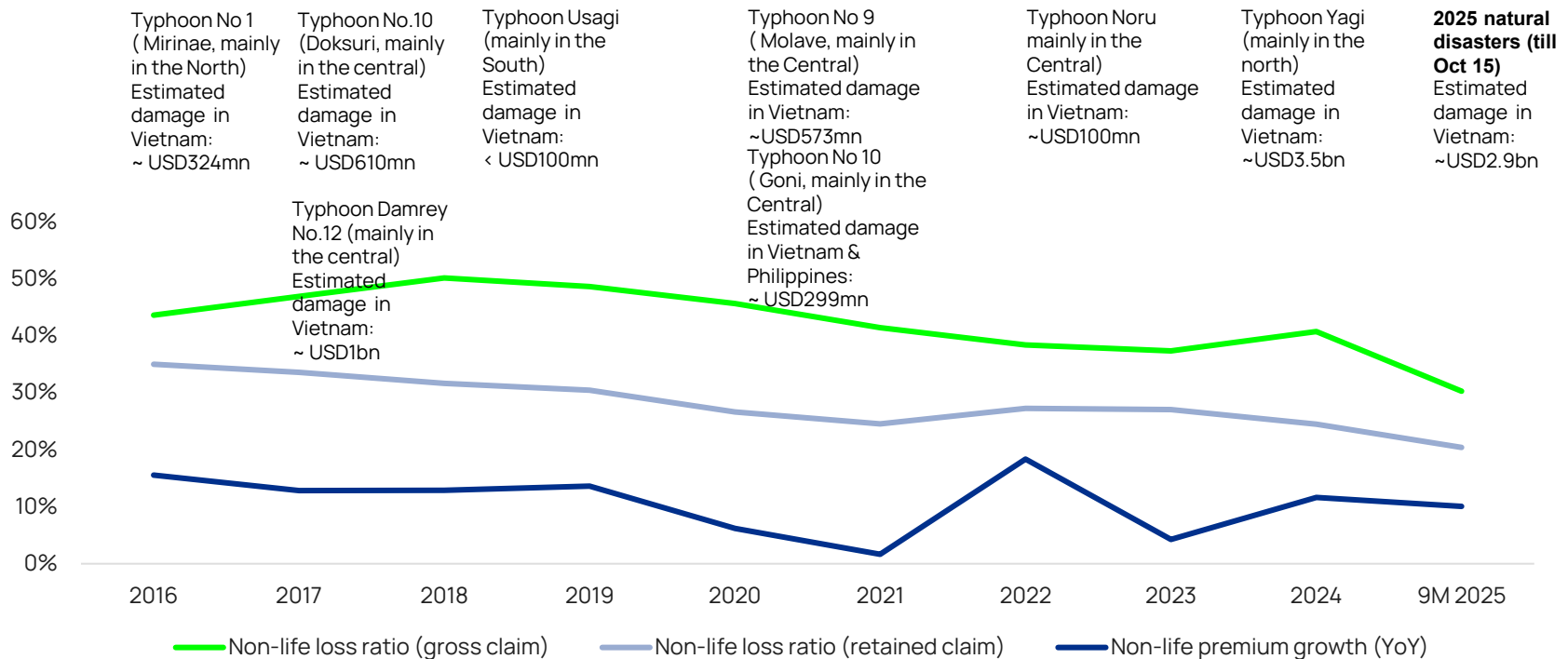


Premium share and loss ratio by business line (2023-H1 2025)



- As of 9M 2025, the combined ratio has significantly improved compared to 2024, thanks to a milder disaster landscape. However, we expect higher pressure on the combined ratio in Q4, as major typhoons (Matmo, Fengshen and Kalmaegi) and their aftermaths could cause significant property, engineering losses and motor claims.
- Despite short-term volatility, the combined ratio shows a declining long-term trend, reflecting insurers' strategic pivot from aggressive growth (2021–2022) to profit quality and disciplined underwriting.
- Notably, loss ratios in retail lines (healthcare, vehicles) have improved, which we attribute to tighter underwriting standards post-pandemic and improving operational procedures preventing insurance fraud.

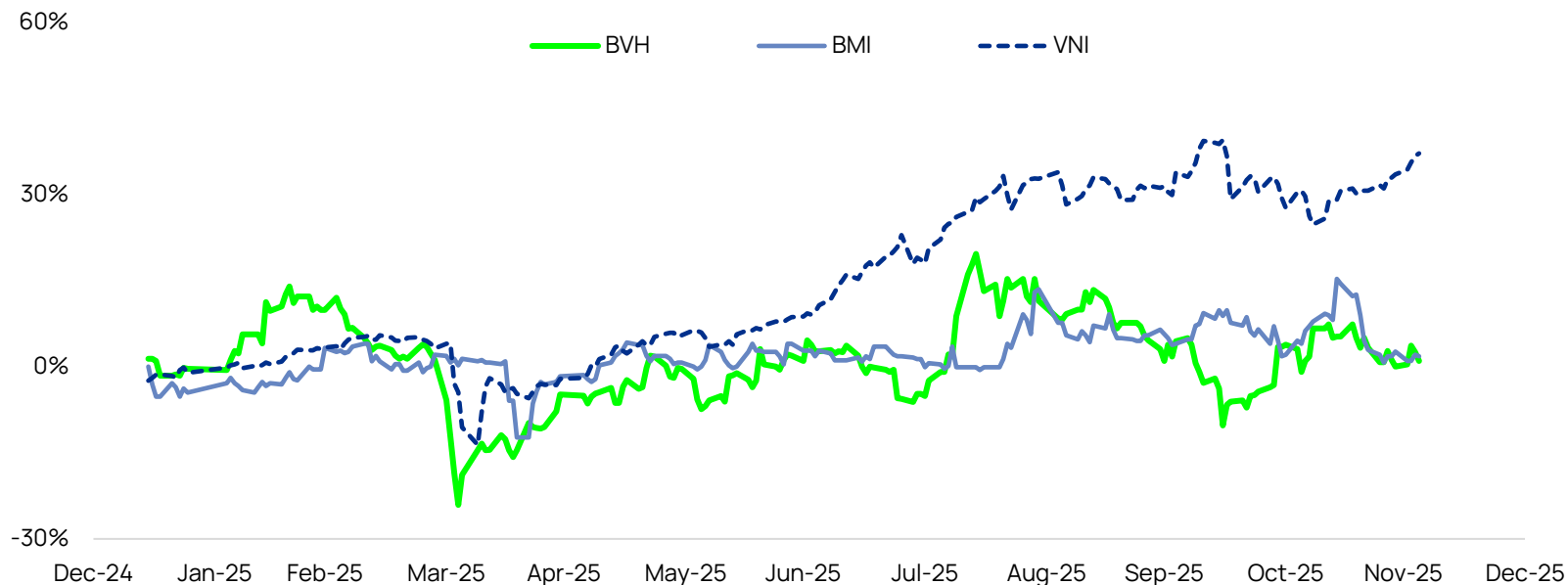
2025 may see the highest natural disaster losses in a decade; however, we expect loss ratio to be flat YoY



- As of October 2025, estimated natural disaster-related damages in Vietnam have already approached full-year 2024 levels—excluding the impact of the historically severe floods and Typhoon No.15 in November. While 2025 may mark a historic high in natural disaster claims for insurers, we believe the pressure remains manageable. The system-wide loss ratio is expected to stay broadly flat YoY, supported by (1) robust premium growth, (2) current low insurance penetration, and (3) active reinsurance strategies by insurers to mitigate losses. Moreover, these extreme events may heighten public awareness of risk protection, supporting the long-term outlook for premium growth.

Insurance stock price performance has been underperformed VNINDEX given slow premium growth and low-interest rate level

BVH and BMI's share prices vs VN-Index



Tickers	Absolute change	Relative to VNI
BVH	+6.1%	-31.0%
BMI	+2.3%	-34.8%

Key data and summary valuations

Insurance sector: Key data

Code	Rating	Market Cap USD mn	State O'ship %	For. Limit %	For. Avail USD mn	ADTV 30D USD mn	Share Price VND ps	Target Price VND ps	Target price updated	Upside %	Div. Yield %	12M TSR %
BMI	BUY	106	51.0%	49%	22	0.3	18,500	23,100	4/12/2024	24.9%	2.7%	27.6%
BVH	O-PF	1,500	68.0%	49%	324	0.8	52,800	56,900	5/26/2025	7.8%	1.7%	9.5%

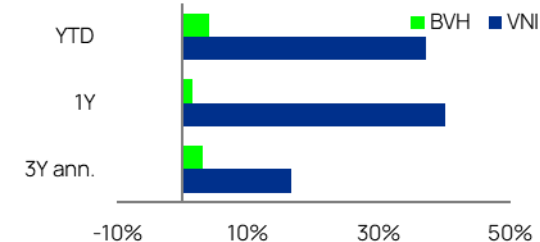
Insurance sector: Summary valuations

Code	EPS g 2025F %	EPS g 2026F %	EPS g 2027F %	P/B trailing	P/B 2025F	P/B 2026F	P/B 2027F	P/E 2025F	P/E 2026F	P/E 2027F	ROE TTM %	ROA TTM %	Assets/ Equity x
BMI	49.8%	16.3%	16.0%	1.0x	0.9x	0.8x	0.7x	7.3x	6.3x	5.5x	1.7%	0.6%	2.8x
BVH	23.2%	18.7%	13.6%	1.7x	1.6x	1.4x	1.3x	14.6x	12.3x	10.8x	11.4%	1.1%	11.1x

BVH – OUTPERFORM, TP of VND56,900

Rating*	OUTPERFORM		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND52,800	Direct premium (VND bn)	42,616	46,380	50,435	55,811
Target Price (TP)*	VN56,900	% YoY	-0.1%	8.8%	8.7%	10.7%
		NPAT-MI (VND bn)	2,185	2,691	3,194	3,627
		% YoY	26.8%	23.2%	18.7%	13.5%
Upside to TP	+7.8%	EPS	27.6%	23.2%	18.7%	13.5%
Dividend Yield	+1.7%	Life/total premium	75.5%	74.3%	73.5%	73.2%
TSR	+9.5%	Retention ratio	91.9%	91.5%	91.2%	91.1%
		Claims & reserves/NWP	47.2%	44.5%	43.7%	43.4%
Industry	Insurance	Portfolio/equity	10.9x	10.1x	9.8x	9.3x
Market Cap	USD1.5bn	P/B	1.7x	1.6x	1.4x	1.3x
Foreign Room	USD324mn	P/E	17.9x	14.6x	12.3x	10.8x
ADTV30D	USD0.8mn	ROE	9.9%	11.3%	12.2%	12.4%
State Ownership	68.0%	ROA	1.0%	1.1%	1.2%	1.2%
Outstanding Shares	742 mn	Net ROI	4.8%	4.3%	4.4%	4.4%
Fully Diluted Shares	742 mn					

* TP and rating last updated May 26, 2025



Company Overview

BVH is a diversified financial group founded in 1965 as a wholly State-owned company in the general insurance industry. It began selling life insurance in 1996 and subsequently opened other subsidiaries and associates in brokerage, banking, and fund management.

BVH has one of the largest agency networks in terms of headcount. We believe that the agency channel will remain the core channel for BVH to sell insurance products over the next few years. We believe that the agency channel provides better quality customer consultations vs other distribution channels, which has helped BVH to mitigate the negative impact from cases of policy mis-selling.

BVH will remain a major player in both life and non-life insurance given its strong reputation, solid customer base, and a wide range of physical distribution networks. In 9M 2025, BVH retained its leading market share among life insurers in terms of new business premiums and the top-two position in non-life insurance in terms of direct premium (after PVI).

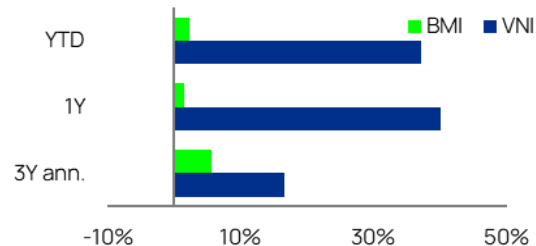
BVH is expected to sustain earnings growth in 2026F, supported by improved underwriting policies and a stable top-line. Life insurance premiums should continue recovering, though at a slower pace, as the market rebuilds trust after mis-selling scandals in 2022 and adapts to stricter regulations. Additionally, BVH's non-life segment should benefit from domestic growth drivers such as accelerating public investment and the ongoing recovery of the real estate sector, that stimulates economic activity and drives insurance demand. We expect BVH's restructuring efforts—including improvements in underwriting policies (as evidenced by a significant reduction in vehicle insurance loss ratios), enhanced reinsurance activities, and reduced life insurance surrender cases—to further alleviate margin pressure.

Progressing with the equitization of Baoviet Life and Baoviet Insurance (non-life insurer) amid urgent capital needs, BVH expects to design a plan including (1) a reduction in State ownership starting from 2026 and an increase in capital, and (2) a change in the legal status of these subsidiaries from limited liability companies to joint-stock companies to enhance funding flexibility.

BMI - BUY, TP of VND23,100

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND18,500	Direct premium (VND bn)	6,023	6,830	7,288	7,776
Target Price (TP)*	VND23,100	% YoY	8.3%	13.4%	6.7%	6.7%
		NPAT-MI (VND bn)	345	381	442	506
		% YoY	4.6%	10.7%	16.0%	14.5%
Upside to TP	+24.9%	EPS	4.3%	10.6%	16.3%	16.0%
Dividend Yield	+2.7%	Retention ratio	74.1%	74.6%	75.6%	76.6%
TSR	+27.6%	Loss ratio	34.2%	33.8%	33.7%	34.1%
		Combined ratio	97.6%	97.3%	97.4%	98.1%
Industry	Insurance	Portfolio/equity	1.5x	1.4x	1.6x	2.3x
Market Cap	USD106mn	P/B	1.0x	0.9x	0.8x	0.7x
Foreign Room	USD22mn	P/E	8.1x	7.3x	6.3x	5.5x
ADTV30D	USD0.3mn	ROE	12.5%	12.6%	13.3%	13.8%
State Ownership	50.70%	ROA	4.5%	4.4%	4.6%	4.3%
Outstanding Shares	151 mn	Net ROI	6.4%	6.2%	6.6%	5.1%
Fully Diluted Shares	151 mn					

* TP and rating last updated April 12, 2024



Company Overview

BMI was founded in 1994 as a product of a spin-off from Bao Viet's largest branch. It operates in three main segments: non-life insurance, reinsurance, and financial investments.

BMI maintained its top-three premium market share: We believe BMI can defend its market share in the next two years given its management's plan to expand its branch network and promote online sales. 2025F results tracked behind our expectation and implied potential downside risks to our forecasts. However, we expect a brighter growth outlook in 2026F given continuing improved macro conditions.

BMI's combined ratio to remain stable in 2026F. The company is cautiously adjusting new health insurance sales and expects the restructuring to be completed in 2025. In the meantime, BMI is expanding its retail insurance offerings—particularly human-related and motor vehicle products—in select provinces to offset premium growth pressure. The company aims to control its combined ratio by cutting acquisition costs and curbing insurance fraud.

Rebalance investment portfolio to optimize returns amid remained low interest-rate environment. The bank deposits portion will be reduced from 84% to 59%, while equity investment will rise from 4% to 15%, alongside a new 5% allocation to investment entrustment and an increase in bond investments from 5% to 13%. Corporate bond investments are confined to bank-issued bonds, reducing risks.

Management anticipates capital raising and new capital management adoption in 2026-2029. BMI is preparing for the implementation of the new Risk-Based Capital (RBC) model for insurance companies (adoption timeline by 2028). To support its growth and improve solvency margins under the upcoming framework, Bao Minh plans to raise new equity (apart from paying stock dividends) to increase its charter capital from VND1.5n to VND2tn in 2026-2029.

Consumer

Favorable environment for modern trade and sector consolidation

December 2025

Nam Hoang

Head of Research

nam.hoang@vietcap.com.vn

+8428 3914 3588 ext.124

Vinh Bui

Senior Analyst

vinh.bui@vietcap.com.vn

+8428 3914 3588 ext.584

Ngan Ly

Senior Analyst

ngan.ly@vietcap.com.vn

+8428 3914 3588 ext.532

Nguyen Nguyen

Analyst

nguyen.nguyenthao@vietcap.com.vn

+8428 3914 3588 ext.268

Summary

The consumer sector is entering a pivotal period in Vietnam's new growth era. Vietnam's long-standing demographic tailwinds remain in place: a young population, rising disposable incomes, and substantial urbanization headroom. These forces collectively create a multi-year runway for growth across modern retail penetration, premiumization, and rising healthcare and discretionary consumption. In addition, FMCG giants are recovering from difficulties with operational revamp and a new wave of product launches.

The Government is formalizing the informal economy, which should accelerate the structural shift from general trade to modern trade. The measures include (1) tighter tax compliance for household businesses, (2) crackdowns on smuggling and counterfeit goods, and (3) regulating the e-commerce market. Within our coverage, we see the strongest prospects in the modern grocery, pharmacy, and jewelry retail segments.

Against this backdrop, we like companies that are positioned to outperform their respective industries. **Our top picks include MWG, FRT, PNJ, and MSN:**

- **MWG's** grocery retail chain (BHX) became profitable and is expanding quickly amid supportive regulations. In addition, its market-dominant electronics chain (TGDD & DMX) is gaining market share after an operational revamp. We forecast 2026F NPAT-MI to jump 30% YoY as TGDD & DMX's revenue jumps 9% while BHX's NPAT doubles with new store openings and margin improvements.
- We hold a constructive long-term outlook for **FRT**, mainly driven by sustained growth at Long Chau (healthcare business) with its market-leading pharmacy chain and the scaling-up of its vaccination services business. For 2026F, we project FRT's NPAT-MI to grow 52% YoY, mainly driven by LC's robust growth and our expectation for FPT Shop to maintain its profit-making momentum.
- We believe **PNJ** will sustain its outperformance vs the overall jewelry market given its superior competitiveness and proven capabilities to navigate different external business environments. We forecast 2026F NPAT-MI to increase 10% YoY, mainly driven by 8% YoY retail sales growth - well ahead of industry growth where modern chains face expansion challenges and mom-and-pop stores grapple with tighter regulatory and compliance requirements.
- Within **MSN's** consumer-retail ecosystem, the FMCG champion MCH is recovering from GT disruptions. Wincommerce, its grocery retail chain, became profitable and is expanding rapidly. In addition, MSN's all other major businesses also became profitable and its high financial leverage should benefit from a low interest-rate environment. We forecast 2026F NPAT-MI to grow 57% YoY due to leverage, 20% growth of MCH, doubled NPAT of WCM, and 25% growth of Techcombank's contribution.

Key themes and outlook














Strong consumption in Vietnam's new growth era

Vietnam stands out in Asia: Young population, low GDP & urbanization bases, and catching up quickly to peers

Vietnam arrives at GDP/capita of USD5,000 - middle-income status – at least 5–10 years after most ASEAN peers* and China.

However, similar to India, Vietnam has a rare convergence of:

- Strong GDP growth (7%-8% in 2024 vs 2.5%-5.6% in Thailand, Indonesia, the Philippines, and Malaysia);
- Leading growth in consumer expenditure in Asia (9%-11% vs 4.5%-9%);
- Urbanization rates at a low base (~40% vs 55%-78%);
- Despite ongoing aging, the population remains relatively younger than the region with strong young adult income growth.

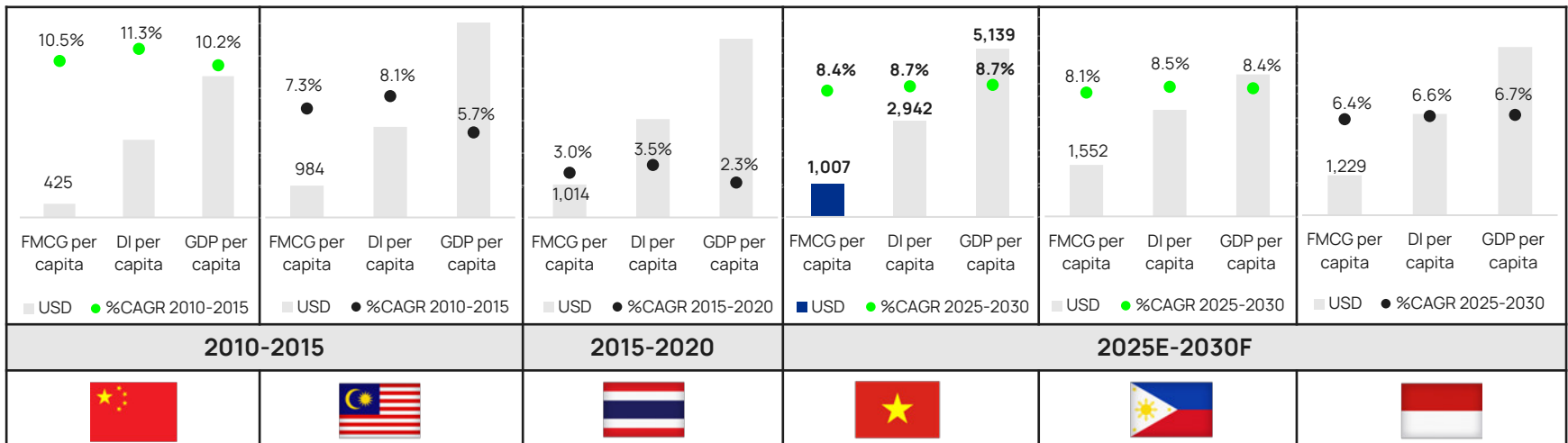
		ASEAN						Developed Asia					Populous countries	
														
		Vietnam	Indonesia	Philippines	Thailand	Malaysia	ASEAN	Taiwan	Hong Kong	Singapore	South Korea	Japan	China	India
GDP per capita	USD (2025E)	5,139	5,187	4,275	7,515	12,752	6,121	35,958	55,530	91,254	37,548	34,043	13,800	2,986
	CAGR 21-25 (%)	9.7%	7.7%	9.4%	4.1%	5.3%	7.4%	5.7%	2.9%	3.3%	4.5%	4.0%	4.5%	10.7%
	CAGR 25-29 (%)	8.8%	6.7%	8.4%	4.0%	5.0%	6.5%	4.1%	3.9%	3.1%	4.1%	3.2%	5.1%	10.1%
Consumer expenditure	CAGR 21-25 (%)	7.7%	8.5%	10.7%	10.0%	9.8%	9.6%	5.7%	3.9%	9.3%	4.7%	4.2%	5.1%	12.1%
	CAGR 25-29 (%)	9.4%	7.2%	9.1%	4.5%	6.5%	7.4%	3.4%	4.2%	3.8%	3.6%	2.6%	5.4%	11.2%
Young adults (Ages 15-34) Average gross income	USD (2025E)	3,843	4,286	4,852	5,382	10,737	4,959	24,008	55,467	45,765	27,692	28,161	10,564	2,880
	CAGR 21-25 (%)	7.9%	7.4%	10.5%	4.9%	6.8%	8.1%	6.1%	3.7%	4.7%	4.5%	2.3%	3.5%	10.1%
	CAGR 25-29 (%)	7.1%	6.2%	7.6%	5.6%	5.6%	6.3%	3.5%	3.7%	3.7%	3.4%	2.8%	4.5%	9.6%
Urbanization rate	%	38.6%	59.7%	55.6%	55.0%	77.7%	54.0%	80.8%	100.0%	100.0%	81.3%	92.2%	66.9%	37.2%
Urban population	Million (2025E)	39	171	65	39	27	375	19	8	6	42	114	942	545
	CAGR 21-25 (%)	2.6%	1.9%	1.4%	1.3%	2.1%	1.8%	0.3%	0.4%	2.9%	0.0%	-0.4%	1.5%	2.3%
	CAGR 25-29 (%)	2.3%	1.7%	1.5%	1.1%	1.6%	1.6%	0.1%	0.4%	0.4%	0.0%	-0.5%	1.1%	2.3%

Vietnam is approaching the inflection point where rising incomes begin to unlock a stronger FMCG upcycle

Comparing to peers with the same economic base*, Vietnam delivers the most robust FMCG growth outlook, in our view – **stronger than Indonesia and the Philippines, echoing China’s 2010s ‘Golden times’** but at a higher FMCG consumption base.

Not yet at the ceilings that constrained earlier ASEAN peers: Unlike Thailand and Malaysia, which slowed down after a long period maintaining middle-income status, Vietnam is still an early-stage, middle-income economy with substantial room in income growth, demographics, and urbanization, setting to close the gap toward regional peers in this new cycle.

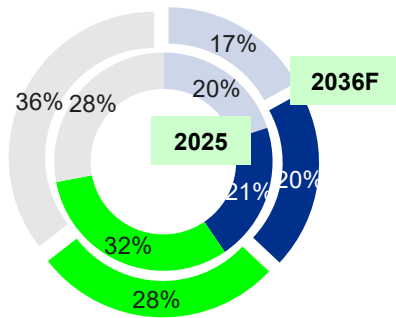
Peer comparison within similar economic base* period: Vietnam’s FMCG spending** currently at an early stage, with growth set to outperform ASEAN peers



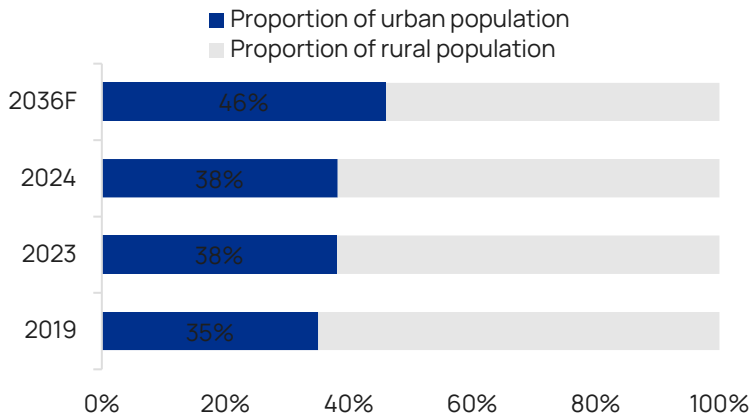
Long-term demographic advantages remain intact, supporting continued growth in consumption and modernization

Vietnam's young demographics are expected to be maintained through 2036F¹

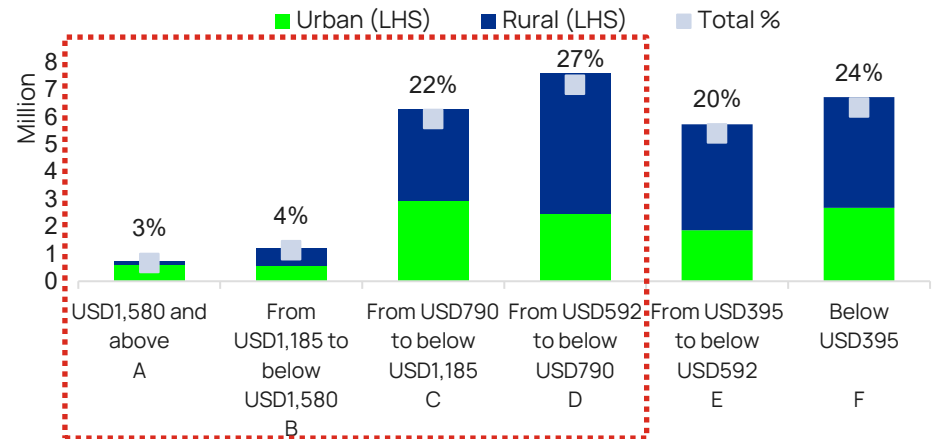
0-14 years old 15-29 years old 30-49 years old +50 years old



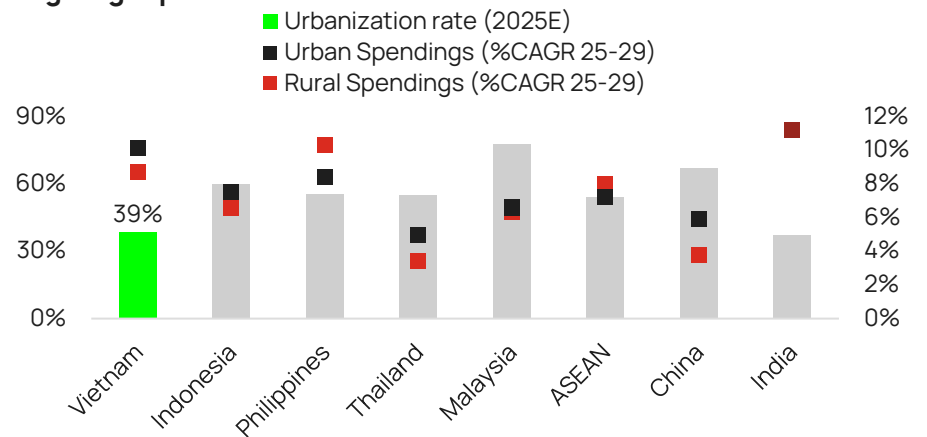
Rapid urbanization is expected to sustain, driving consumption and modernization



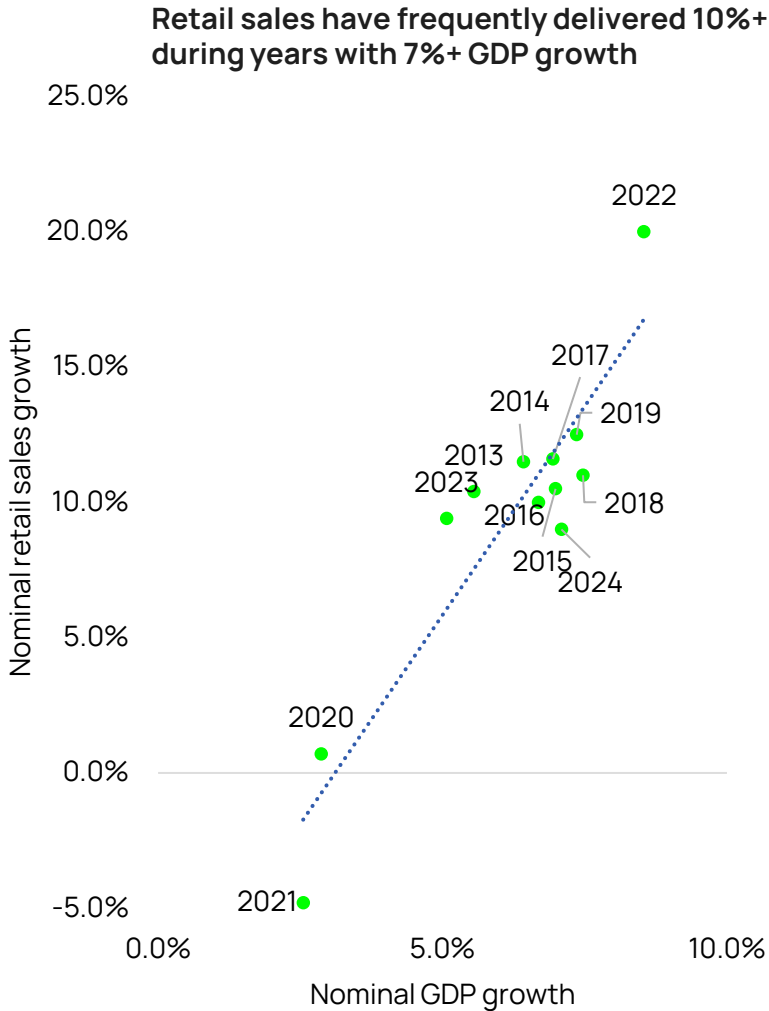
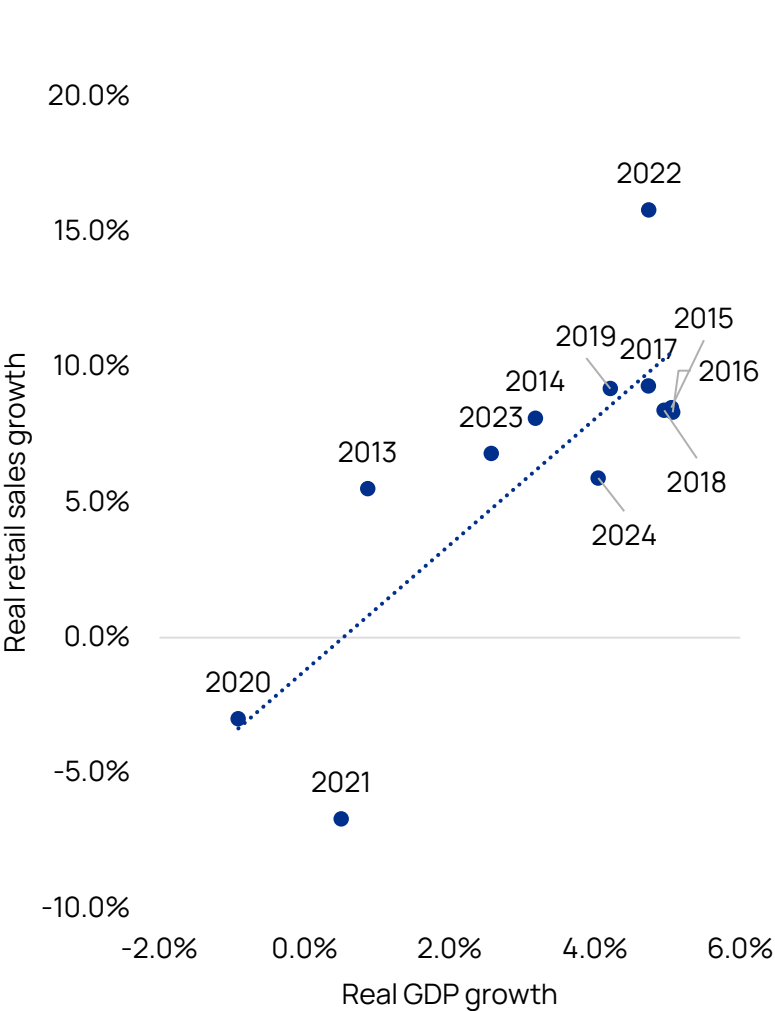
Consuming class with monthly income above USD592/VND15mn accounted for 56% of Vietnam's total households in 2024



Urban spending is expected to further accelerate, while rural spending growth is catching up to narrow the gap amid ongoing rapid urbanization²

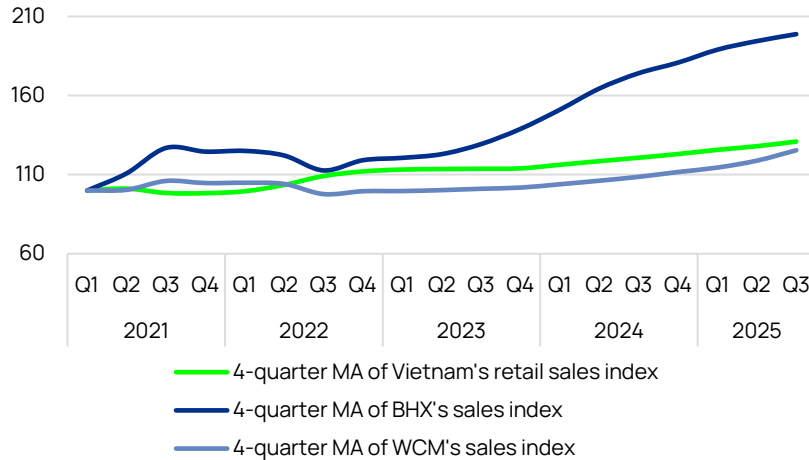


Nominal retail sales can accelerate to double digit growth given a 10%+ GDP growth target in 2026

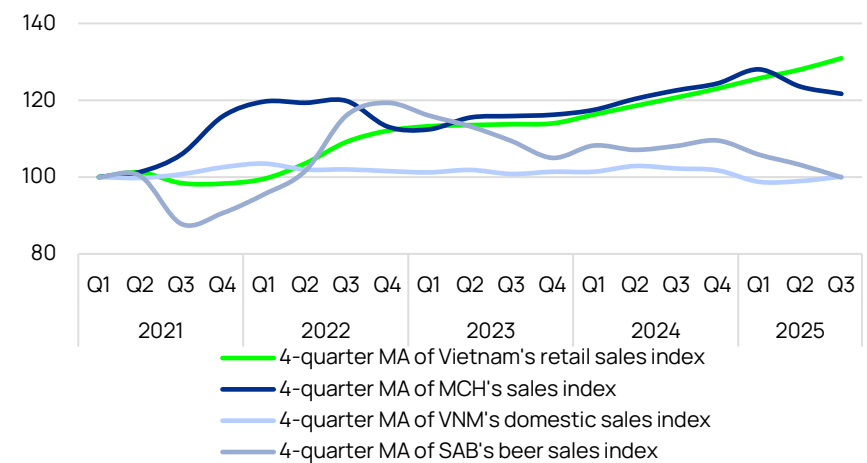


Historically, almost all consumer sub-sectors have delivered strong sales growth, with FMCG as the soft spot

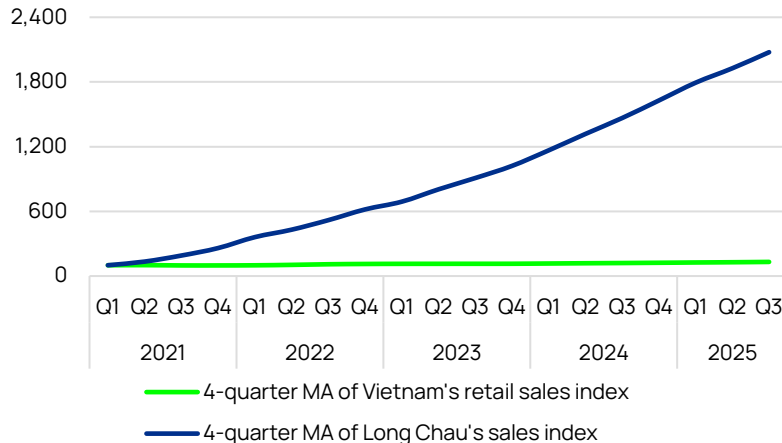
Grocery: BHX, WCM entered a growth upswing starting in 2023



FMCG: Softer FMCG sales growth momentum vs Vietnam's retail sales



Pharmacy: Long Chau's exponential growth far outpaces retail sales of goods

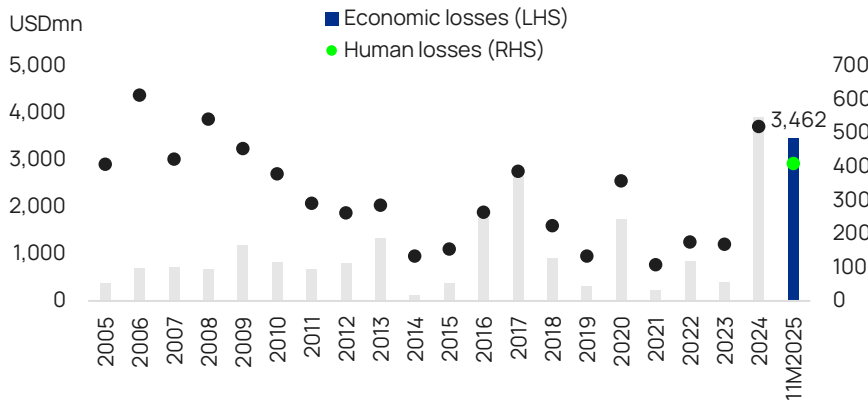


Jewelry: PNJ's resilient outperformance vs Vietnam's retail sales



However, mass segment consumer spending has slowed down temporarily due to flooding and GT disruptions since Q2 2025

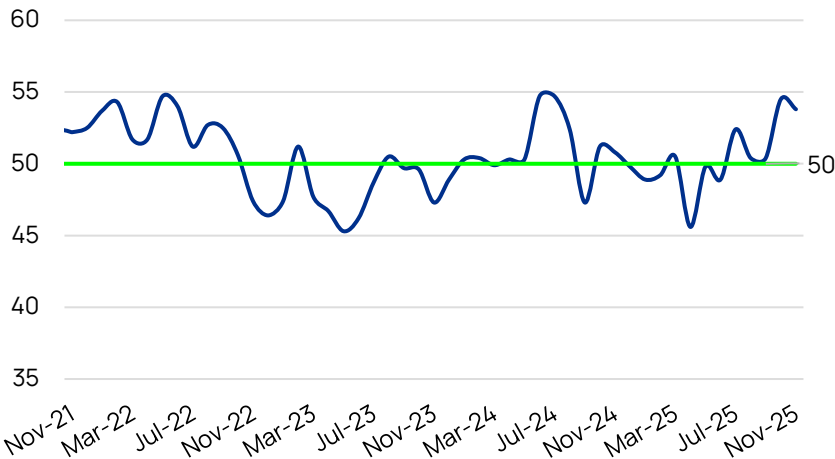
Severe human and economic losses caused by storms and floods



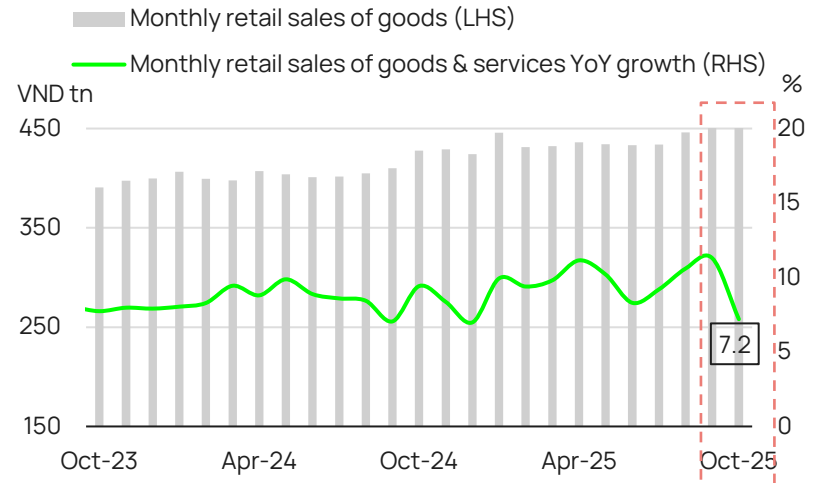
Insignificant impacts on retailers in our coverage

- DMX & TGDD:** 260 stores (9% of total store count), inventory damages are largely insured
- BHX:** ~200 stores (8%), consumers stocked up before floods
- WCM:** ~150 stores (4%), consumers stocked up before floods
- PNJ:** a single-digit number of stores (<2%); minimal impact
- LC & FPT Shop:** insignificant impact

The S&P Global Vietnam Manufacturing Purchasing Managers' Index (PMI) maintained above 50



Vietnam's monthly retail sales temporarily slowed down due to storms and floods

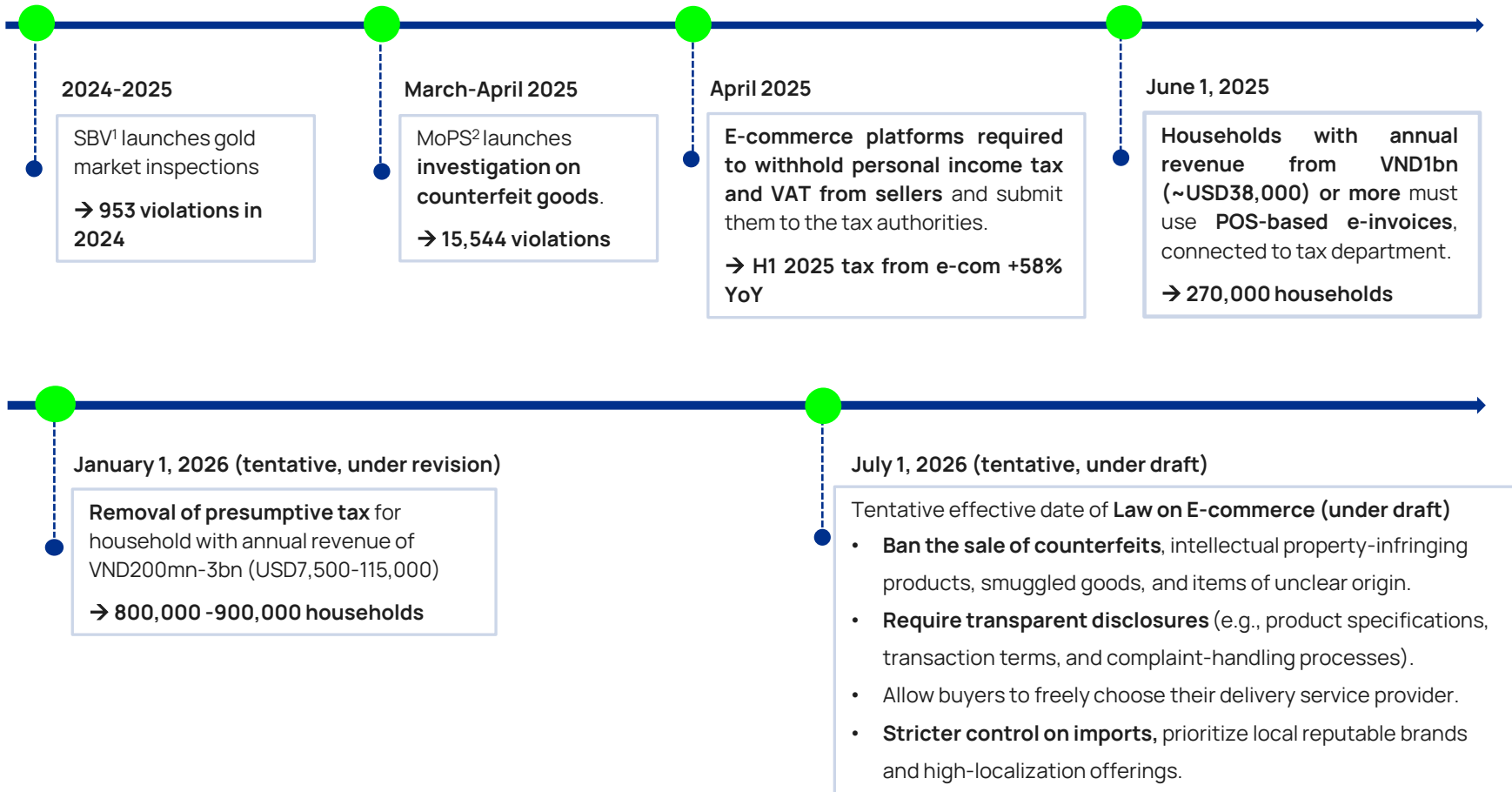


Key themes and outlook

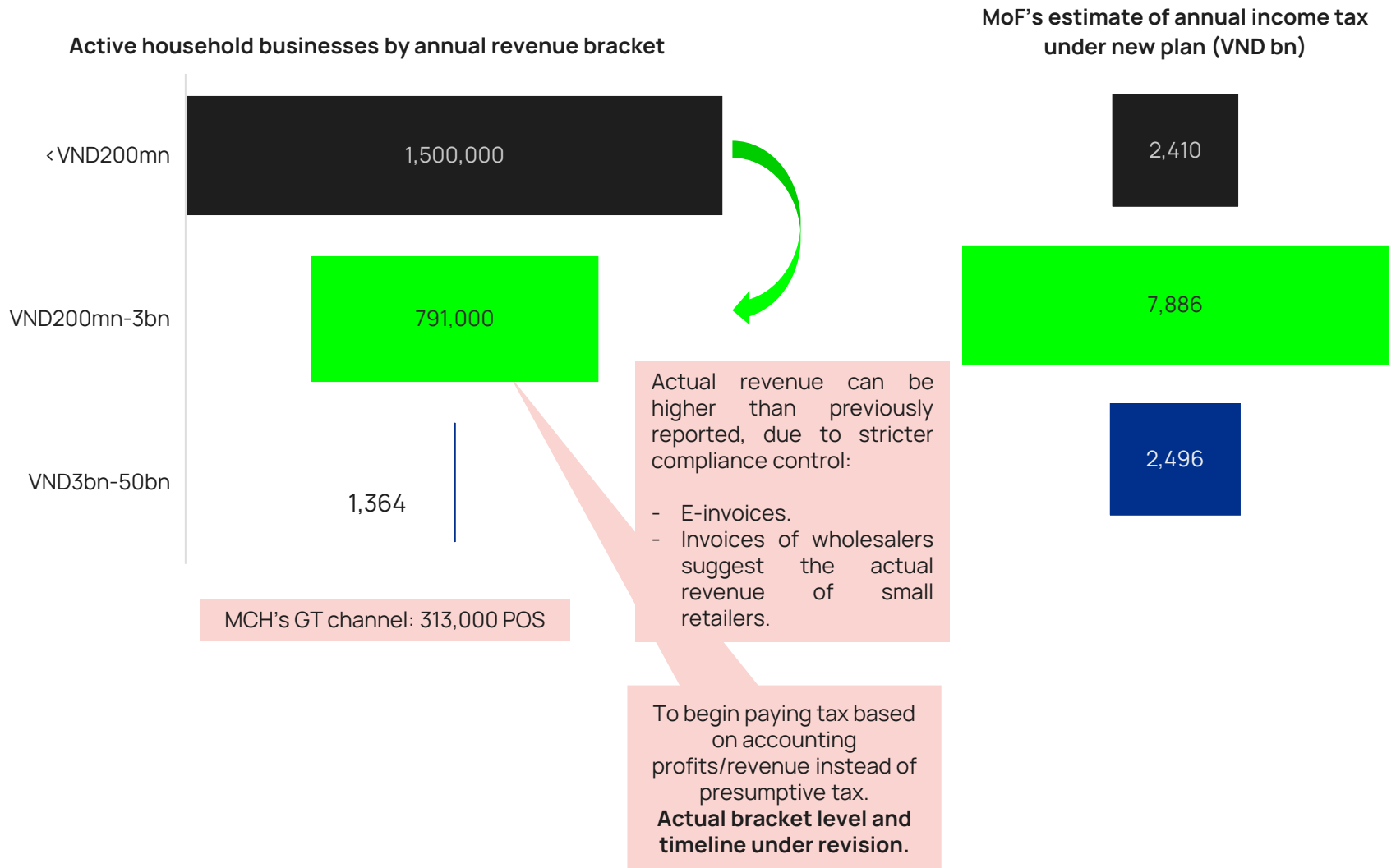
Formalizing the informal economy

- Modern retailers are the prime beneficiary
- FMCG brands see mixed effects due to GT disruptions

Tightened control on tax, smuggling & counterfeits, and e-commerce now level the playing field for modern retailers

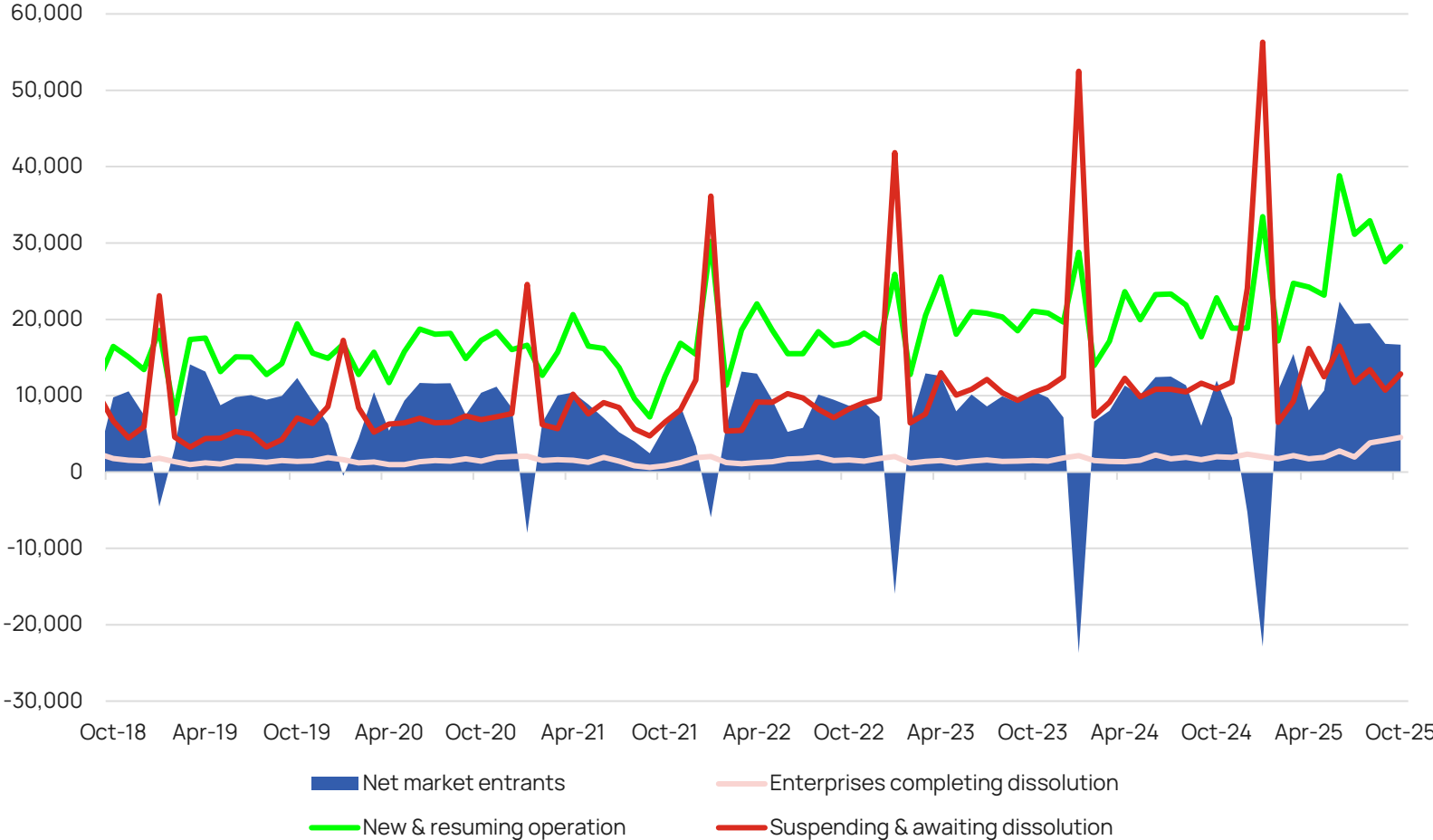


Phasing out presumptive tax: we believe more transparent reporting from household businesses is key



Despite a surge in enterprises being dissolved in May-Oct 2025, more new enterprises have formed

Monthly enterprise data



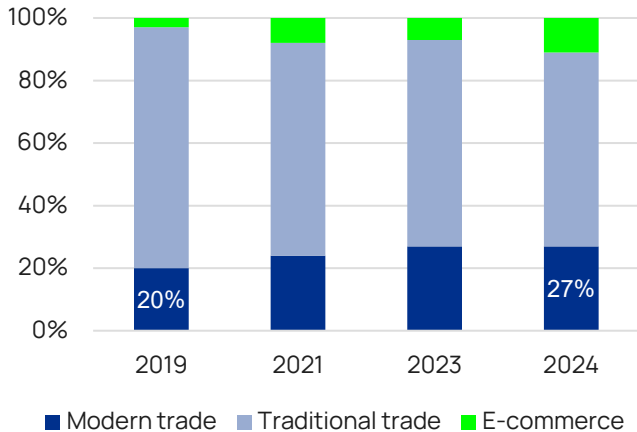
Key themes and outlook

Modern retailers accelerate growth

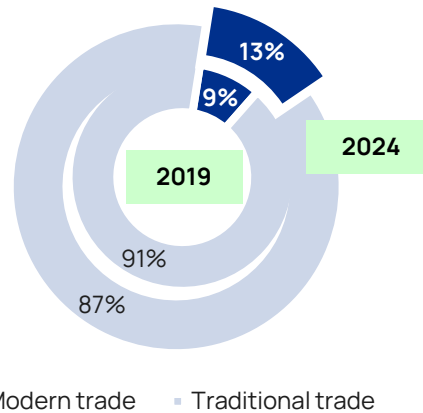
- Ramping up scale and profitability
- Leaders solidifying dominance
- Supportive regulations

Modern trade becomes increasingly important; minimarts and pharmacies lead the expansion

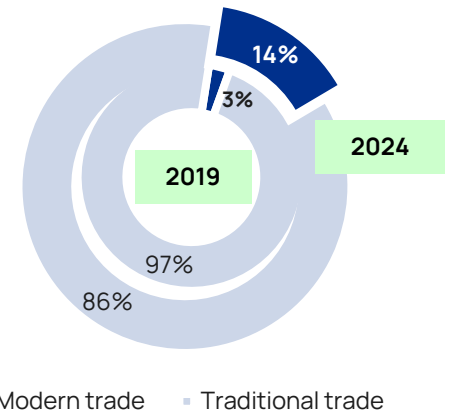
Vietnam's retail value contribution by channel



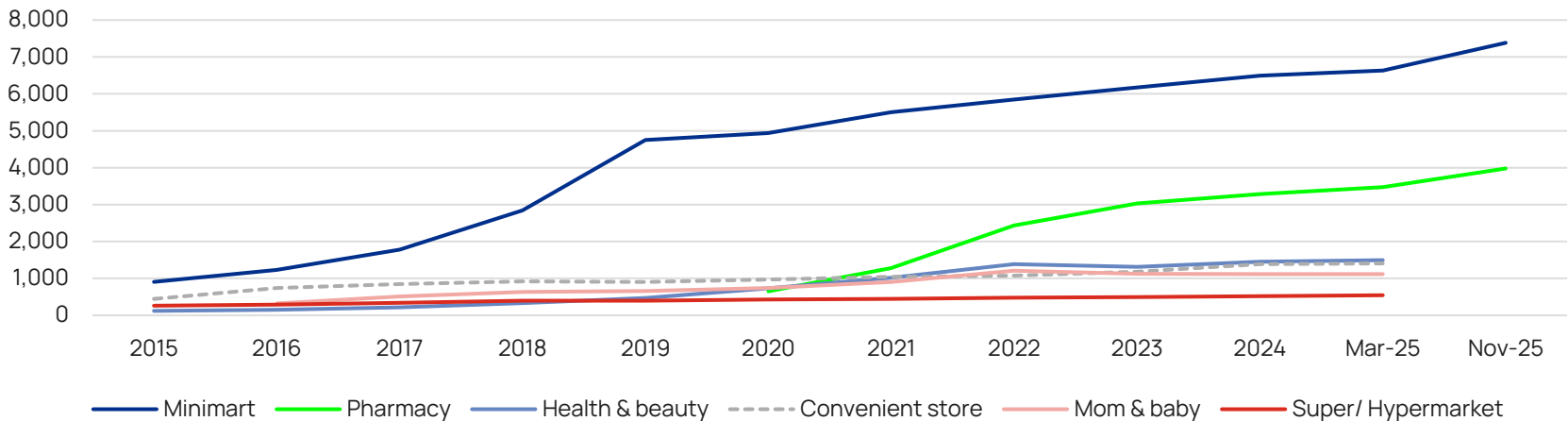
Grocery by channel



Pharmaceuticals by channel

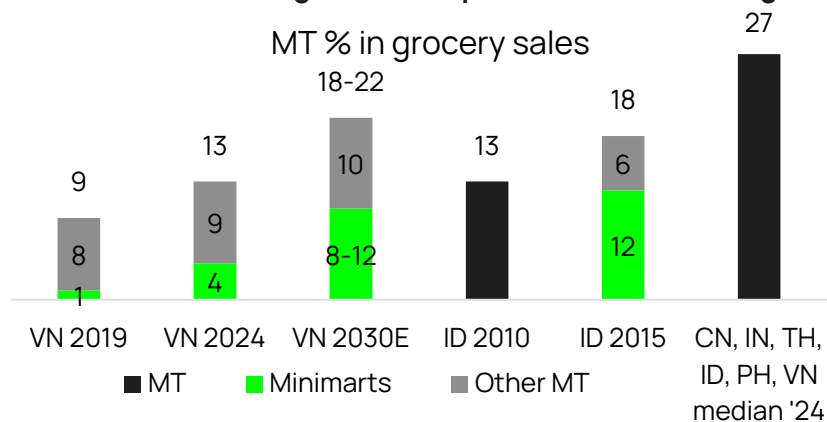


Minimarts and pharmacies lead the modern store expansion in Vietnam*

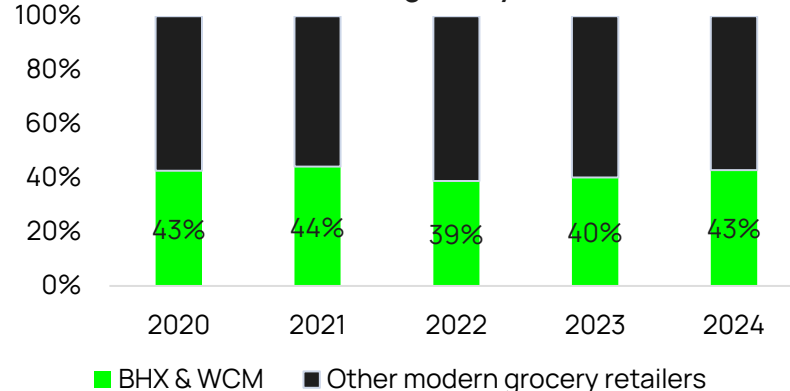


Grocery: Minimart leaders accelerate growth after finding profitable models and favorable regulations

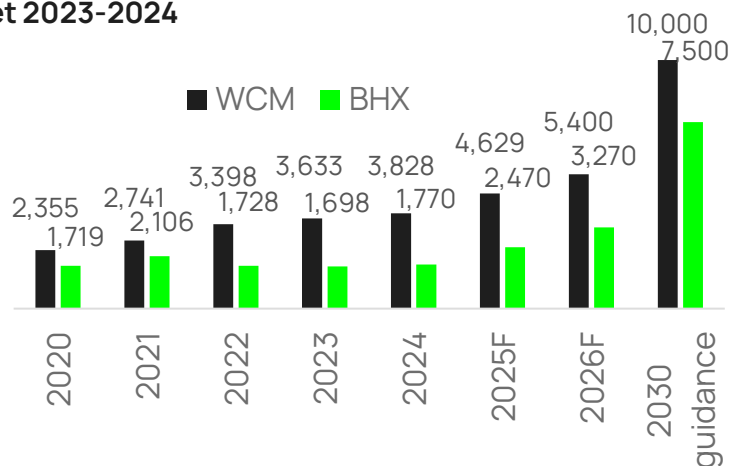
We expect Vietnam's modern grocery retail sales to grow 2x-3x over 2025-30 given underpenetration vs the region



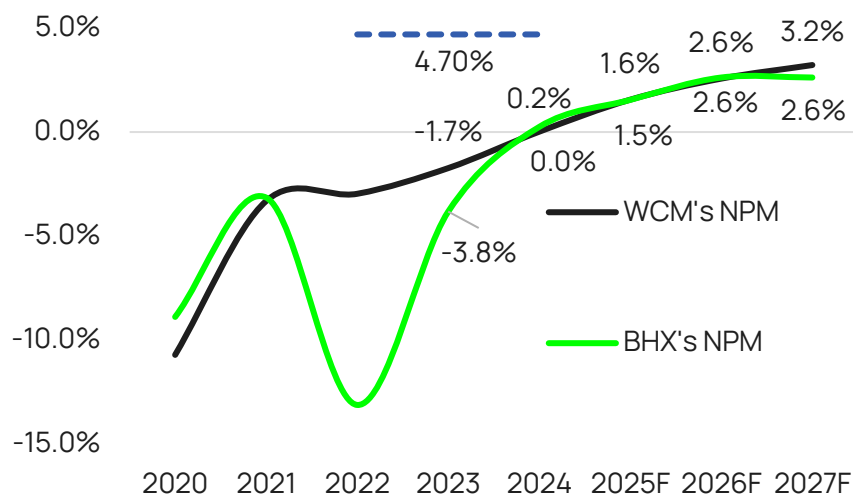
BHX & WCM minimarts: 43% share (2024) & main growth driver of Vietnam's modern grocery retail



BHX & WCM's store count to surge from 2025 onward after quiet 2023-2024



BHX & WCM: Profitability quickly improving



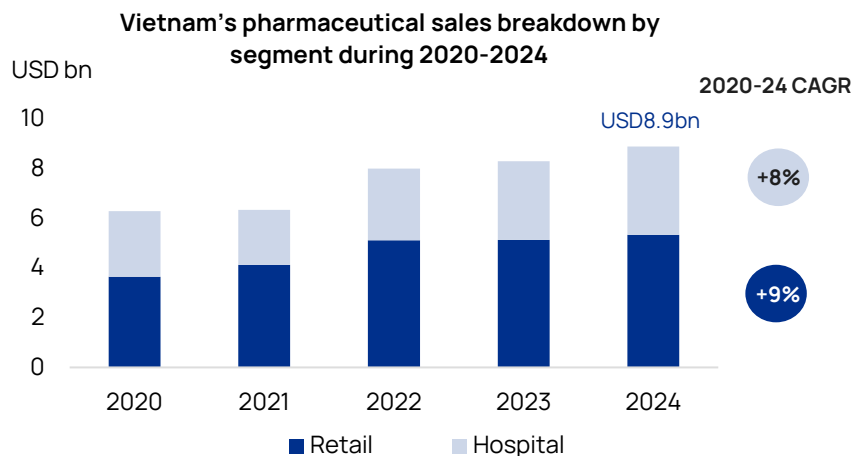
Source: Euromonitor, Kantar, Nielsen IQ, Company disclosures, Vietcap.

Note: CN: China, IN: India, TH: Thailand, ID: Indonesia, PH: the Philippines, VN: Vietnam

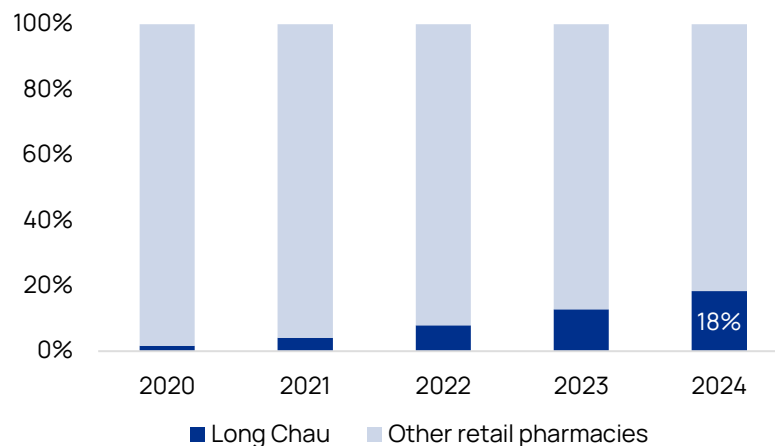
* China, India, Southeast Asia; We show peers OPM because BHX and WCM have minimal interest expenses and 0% tax rate until YE2029.

Pharmacy: Long Chau outgrows the competition in Vietnam's retail pharmacy landscape

Retail channel continues to dominate Vietnam's pharmaceutical sales

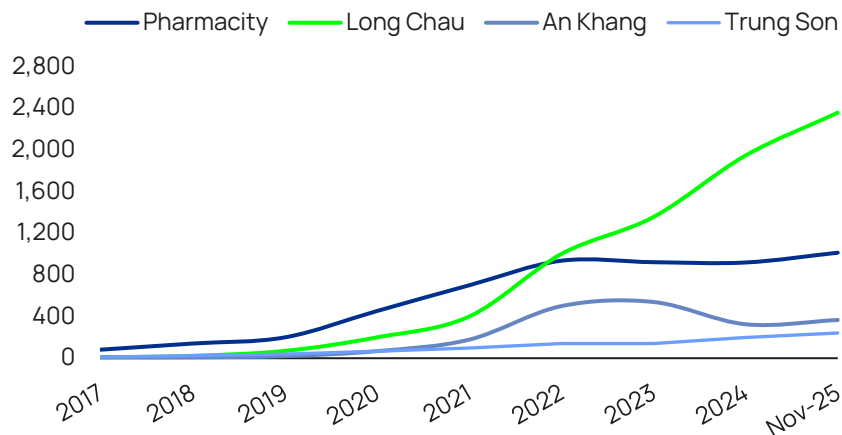


Long Chau's market share in retail pharmacy continues to widen

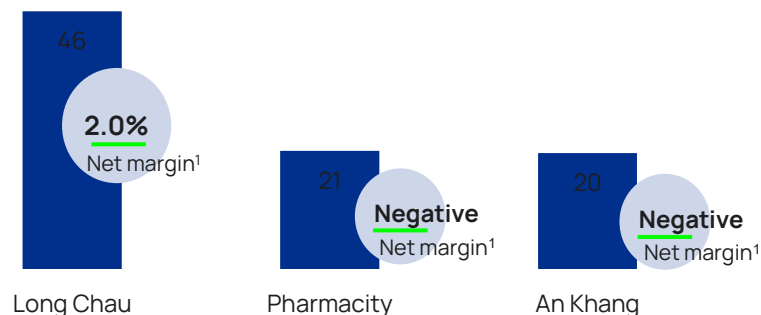


Long Chau leads modern pharmacy chains in store expansion

Long Chau is the only profitable modern pharmacy chain

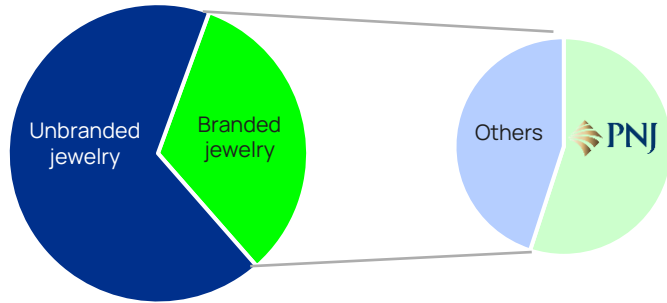


■ TTM monthly sales/store* (USD thousand)

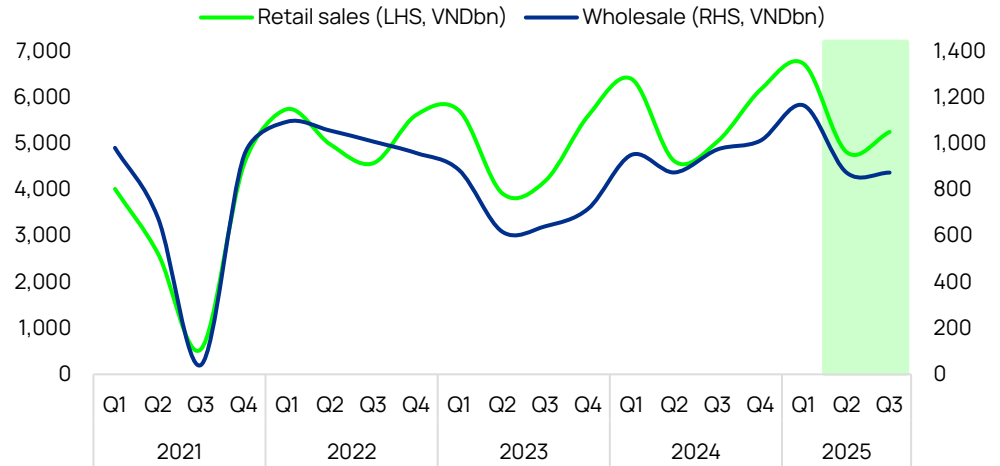


Jewelry: PNJ's proven leadership and adaptability to capture industry consolidation opportunities (1)

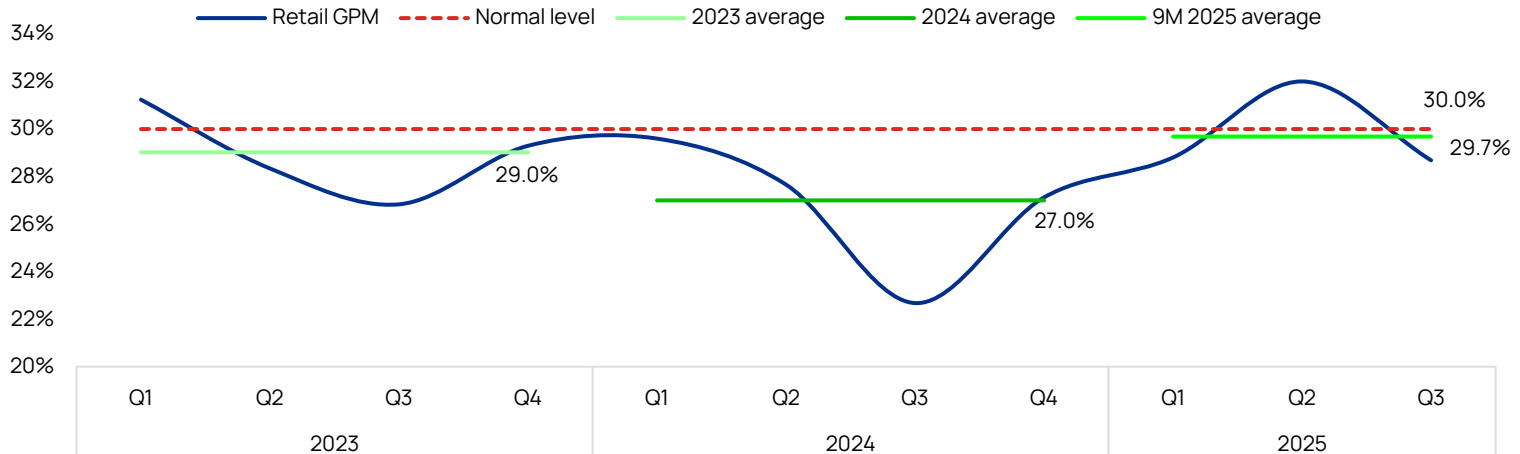
Branded jewelry accounted for 33% of the jewelry market, where PNJ holds a dominant position



Industry consolidation opportunities are emerging alongside stricter compliance requirements¹

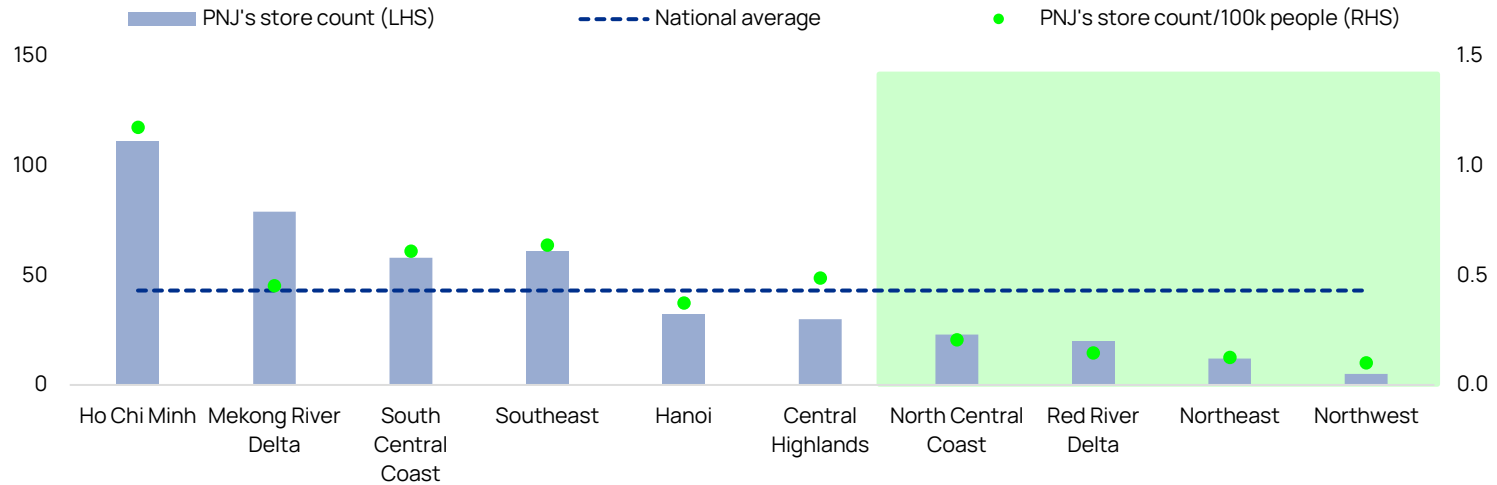


Execution capabilities navigate industry headwinds, recovering 9M 2025 retail GPM to the average 2017-2024 level

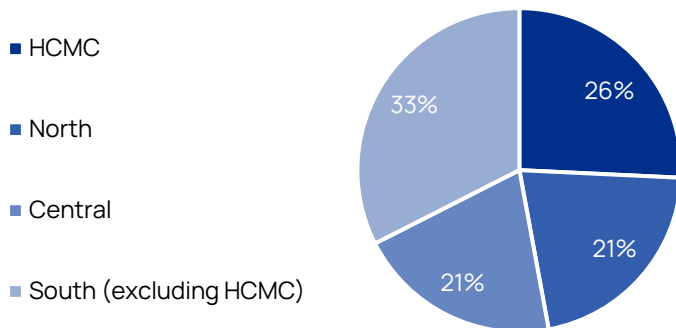


Jewelry: PNJ's proven leadership and adaptability to capture industry consolidation opportunities (2)

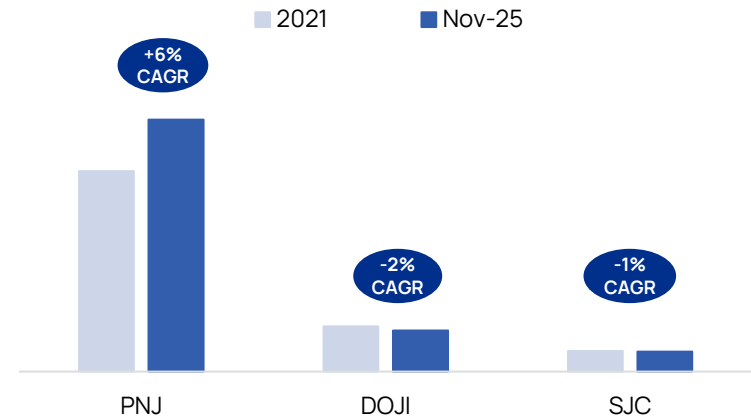
Large potential headroom for store expansion in the north and tier-2/3 areas¹



PNJ's stores by region: North & central market coverage is still narrow



PNJ's significant lead in store expansion to capture future demand

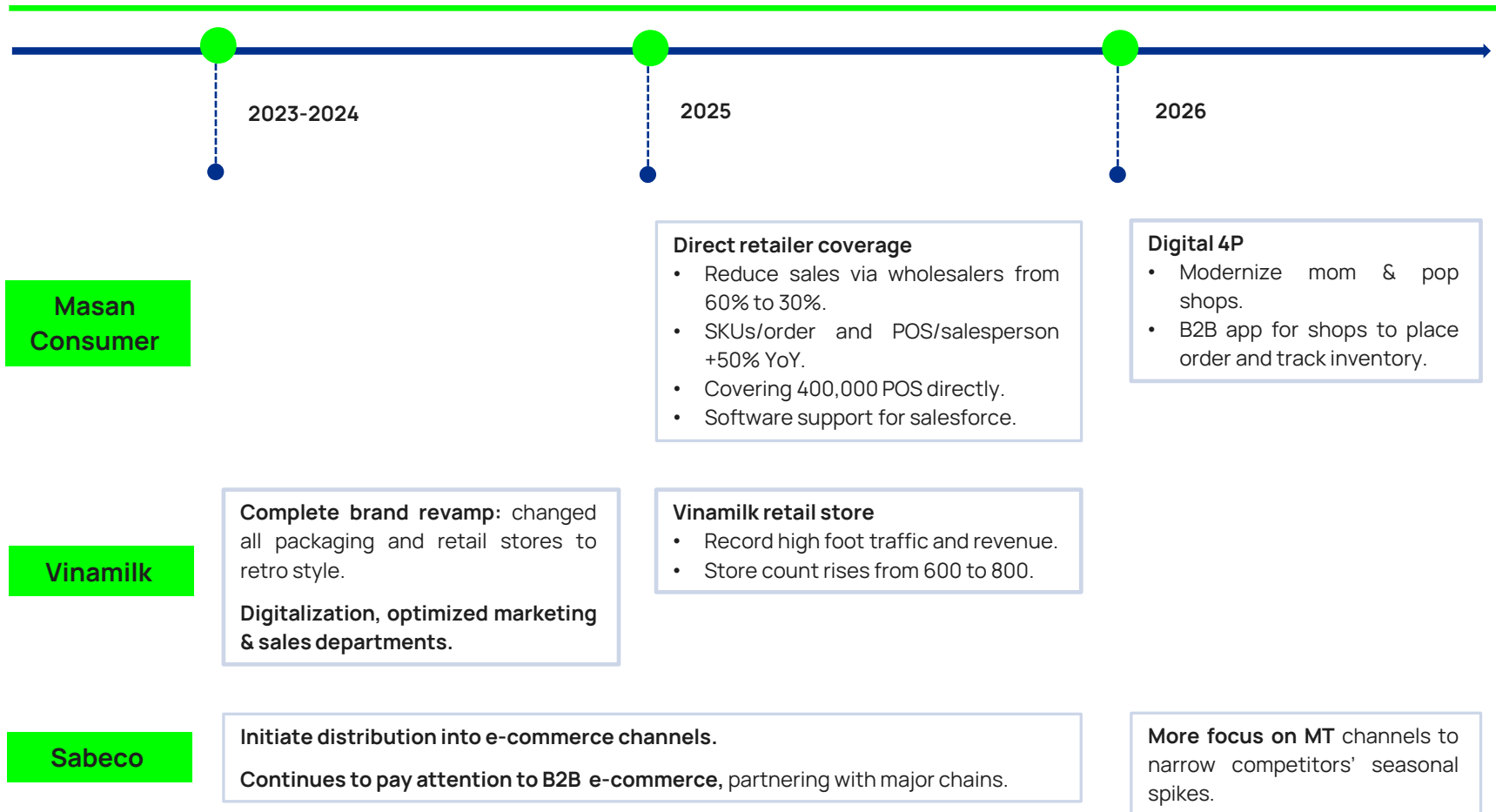


Key themes and outlook

FMCG giants awaken

- Marketing, distribution, and product revamp
- Favorable input prices
- Yet face short-term GT disruptions

Improvements in tech, distribution, and marketing pave the way for stronger moat and revenue growth

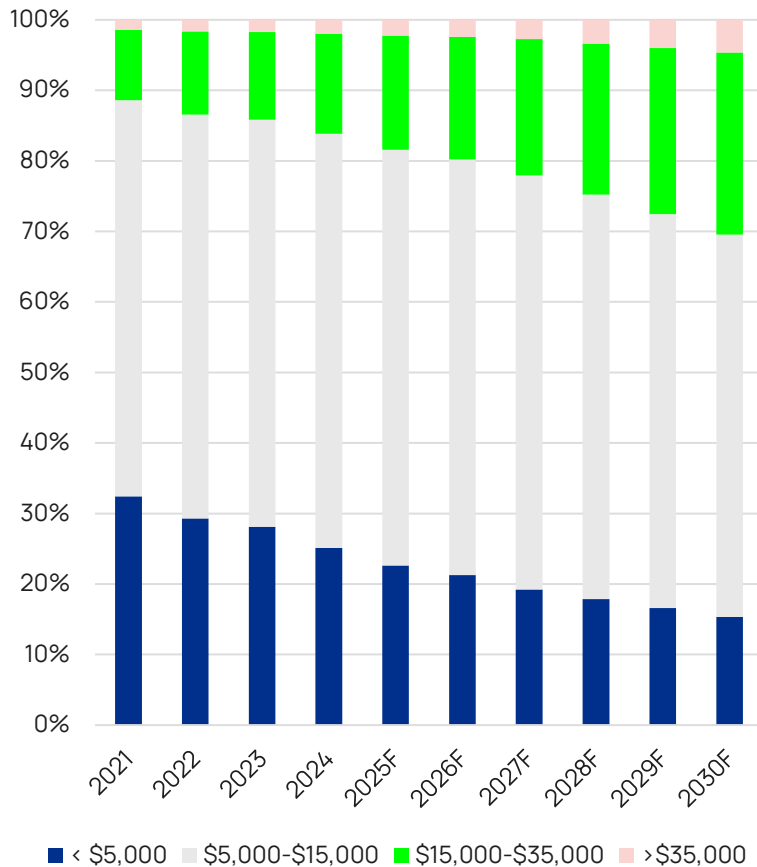


Product launches and relaunches are speeding up

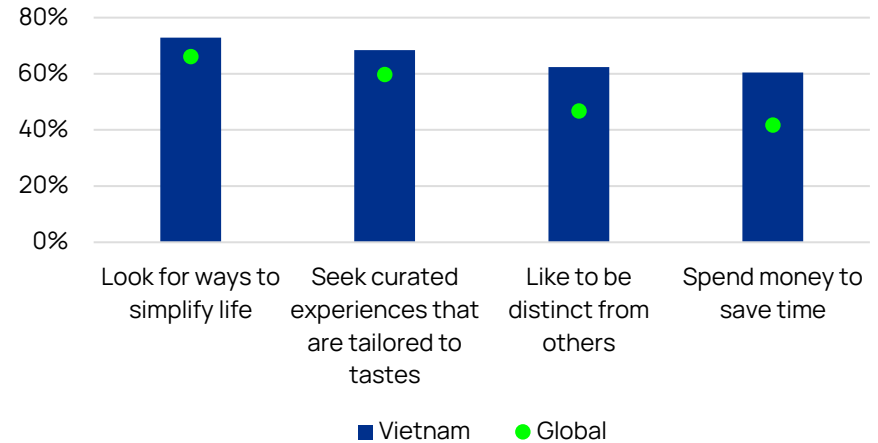


Premiumization continues as consumers trade up from economy to mainstream, and from premium to super premium

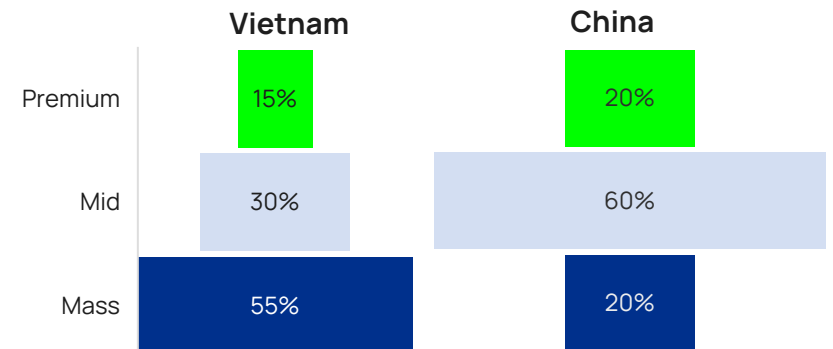
Proportion of high-income households is expected to rise



What drives consumer preference for premium offerings?*

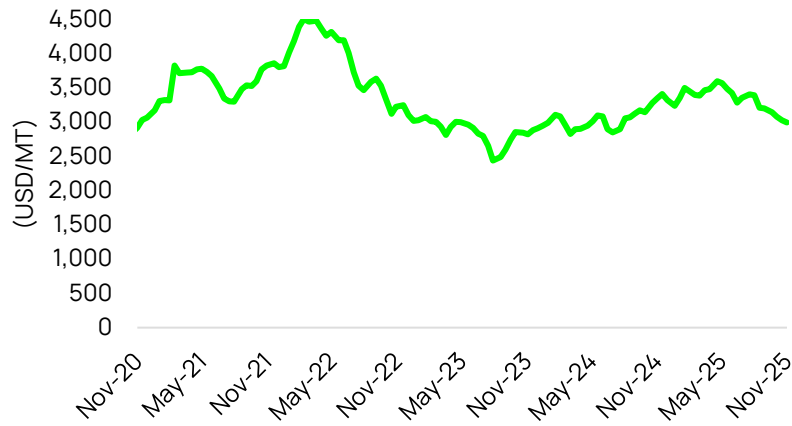


Premiumization: FMCG market price segmentation**

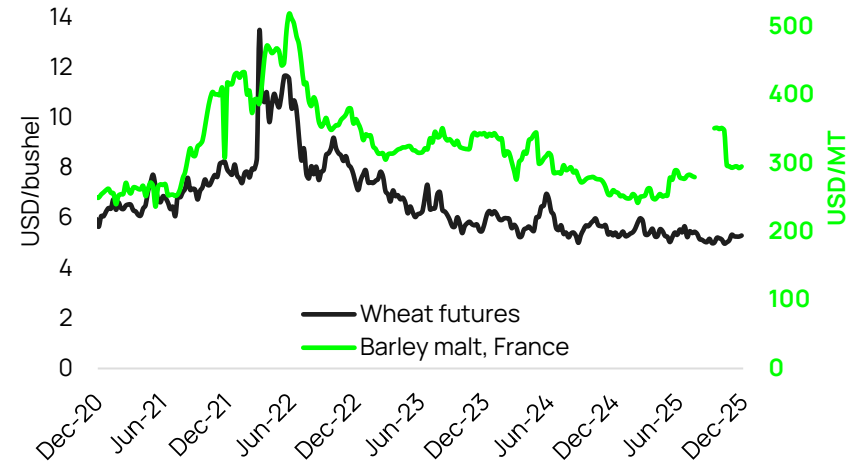


Cooling agricultural commodity prices to support FMCG GPM

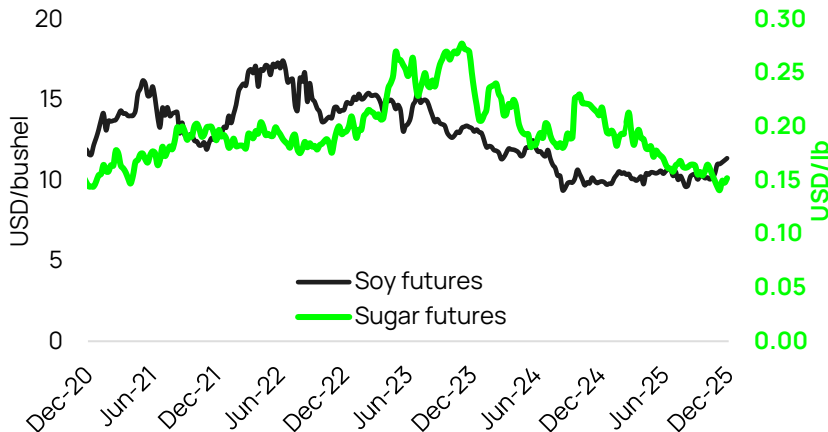
Average whole & skim milk powder prices



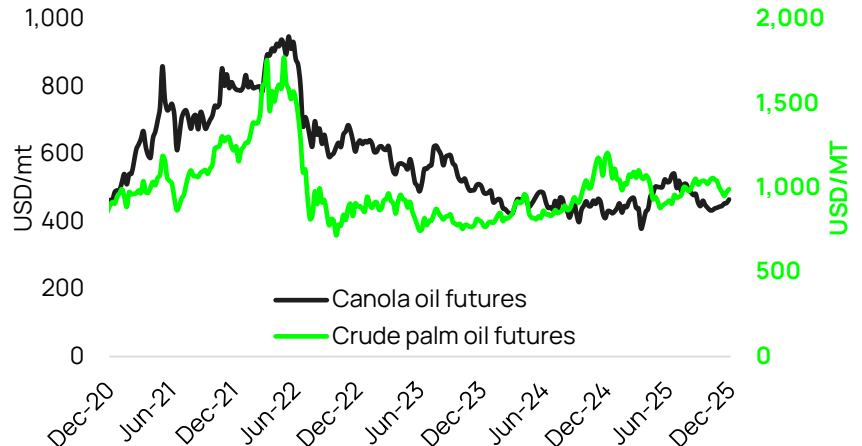
Wheat & malt prices



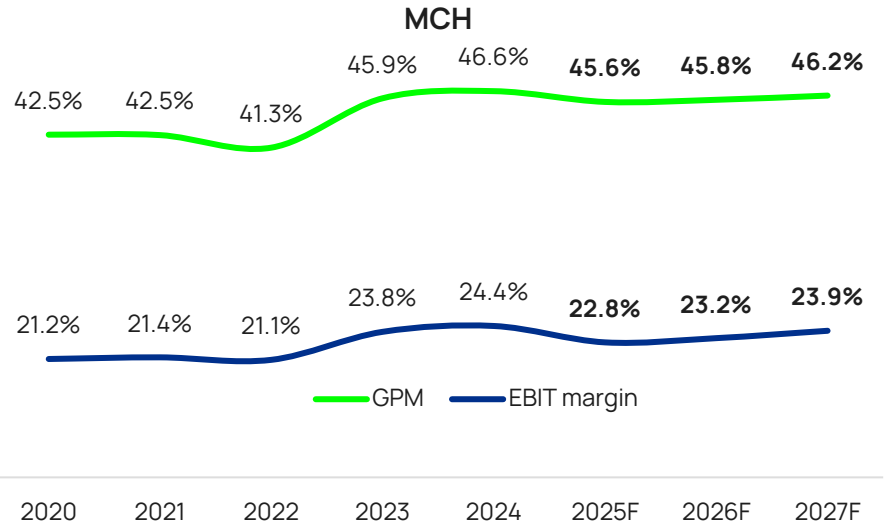
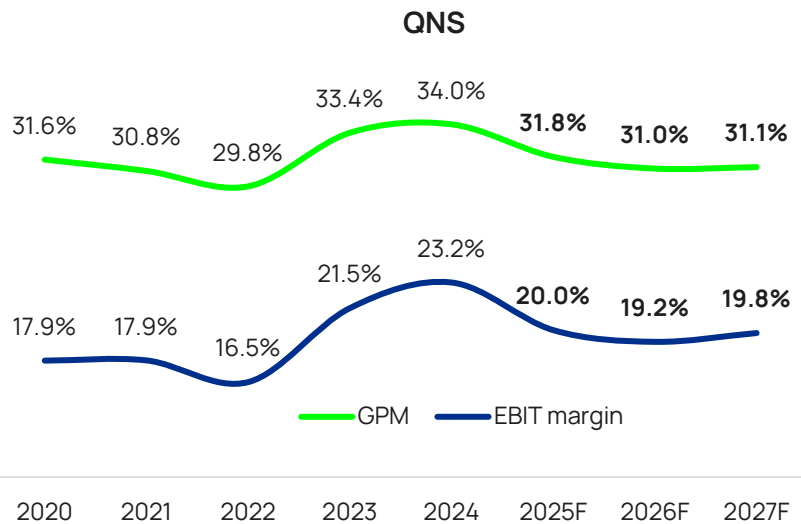
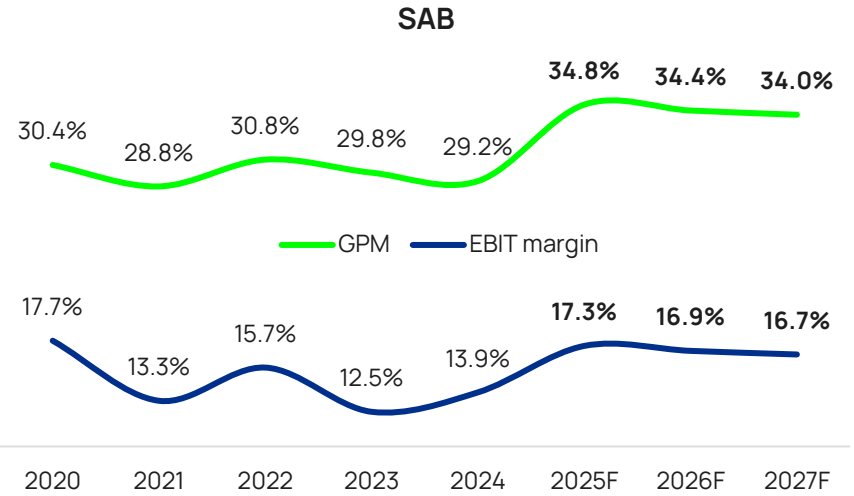
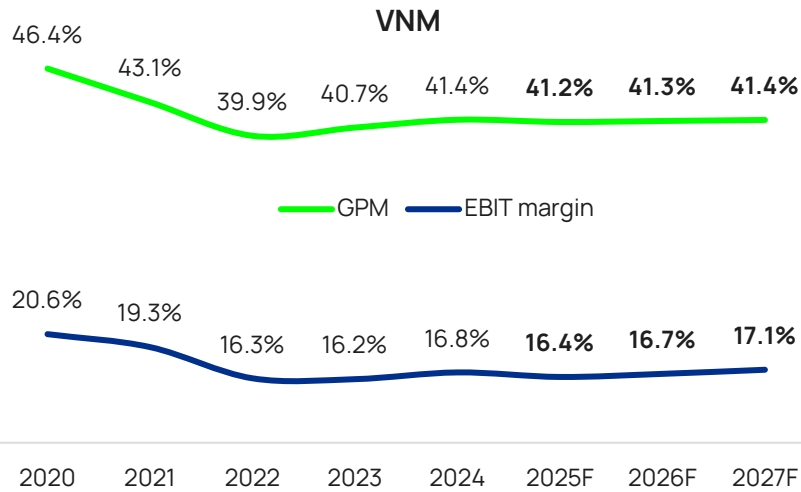
Sugar & soy prices



Vegetable oil prices



FMCG profit margins



Top Picks

Consumer team's top picks

Stocks	Comments
FRT	Leading pharmacy chain with strong competitive advantages, well-positioned to capture growth opportunities from industry consolidation. Long-term earnings growth is supported by the scaling-up of its vaccination services business.
MSN	Strong consumer ecosystem that focuses on consumers' daily essential needs. <ul style="list-style-type: none">• Grocery retail chain became profitable and is expanding quickly amid supportive regulations.• FMCG champion recovering from GT disruptions.• Other major businesses also became profitable.• Valuation at discount vs sum of parts.• High financial leverage benefiting from a low interest-rate environment
MWG	Preeminent player in modern retail in Vietnam, which is undergoing rapid long-term growth of modern grocery sector. <ul style="list-style-type: none">• Grocery retail chain became profitable and is expanding quickly amid supportive regulations.• Dominant electronics chain gaining market share after operation revamp.
PNJ	Market leader in branded jewelry, benefiting from rising incomes and the structural shift from unbranded to branded products. Demonstrates proven adaptability across varying business environments.

Consumer Sector: Key data

Code	Rating	Market cap, USD mn	State O'ship	Foreign limit	Foreign avail, USD mn	ADTV 30D, USD mn	Share price, VND ps	Target price, VND ps	Target price, updated	Upside	Div. yield	12M TSR
PNJ	BUY	1,168	0.0%	49%	0	1.6	90,300	113,500	07/11/2025	25.7%	2.2%	27.9%
QNS	O-PF	629	0.0%	49%	249	0.2	45,100	53,400	30/08/2024	18.4%	8.9%	27.3%
MSN	BUY	4,381	0.0%	49%	1,068	19.0	79,900	101,200	21/05/2025	26.7%	0.0%	26.7%
SAB	BUY	2,476	36.0%	100%	1,012	2.3	50,900	58,000	10/09/2025	13.9%	9.8%	23.8%
FPT	BUY	6,299	5.8%	49%	502	30.1	97,500	116,600	22/10/2025	19.6%	2.4%	21.9%
MWG	BUY	4,811	0.0%	49%	55	19.6	85,800	101,000	14/10/2025	17.7%	1.2%	18.9%
VNM	BUY	5,025	36.0%	100%	2,592	13.3	63,400	70,300	24/04/2025	10.9%	6.3%	17.2%
CTR	O-PF	382	65.7%	49%	154	1.9	88,000	100,400	12/09/2025	14.1%	2.3%	16.4%
VHC	O-PF	490	0.0%	100%	382	2.9	57,600	63,500	13/10/2025	10.2%	3.5%	13.7%
FRT	BUY	1,024	0.0%	49%	167	3.2	158,500	178,800	13/11/2025	12.8%	0.6%	13.4%
DGW	M-PF	369	0.0%	49%	110	3.5	44,000	45,400	18/11/2025	3.2%	1.1%	4.3%
MCH	M-PF	8,852	0.0%	49%	2,873	6.1	220,800	220,800	28/11/2025	0.0%	2.7%	2.7%
VEA	M-PF	1,762	88.5%	49%	836	1.0	35,000	30,800	28/10/2025	-12.0%	13.8%	1.8%

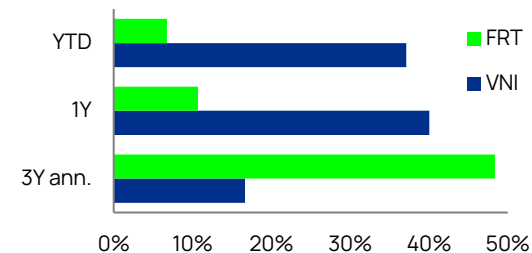
Consumer Sector: Summary valuations

Code	Share price, VND ps	EPS g 2025F %	EPS g 2026F %	EPS g 2027F %	P/E TTM x	P/E 2025F x	P/E 2026F x	P/E 2027F x	EV/EBITDA 2026F x	ROE 2026F %	P/B LQ x	Net D/E LQ x
PNJ	90,300	9.0%	9.1%	13.0%	14.6	14.4	13.2	11.6	9.2	19%	2.6	0.0
QNS	45,100	-0.2%	1.1%	4.9%	7.2	6.5	6.5	6.2	4.1	20%	1.4	-0.2
MSN¹	79,900	39.9%	56.2%	42.3%	35.5	42.6	27.3	19.2	7.3	13%	3.6	-0.3
SAB	50,900	2.8%	5.2%	3.1%	15.1	15.1	14.4	13.9	8.5	23%	2.9	-0.5
FPT	97,500	15.7%	14.7%	15.8%	18.6	19.7	17.1	14.7	9.1	26%	5.3	-0.5
MWG	85,800	74.7%	27.8%	15.3%	33.7	19.3	15.1	13.1	9.7	23%	3.7	0.0
VNM	63,400	-0.5%	4.9%	6.2%	17.7	15.8	15.1	14.2	9.1	27%	4.0	-0.5
CTR	88,000	9.0%	16.3%	17.7%	22.9	22.8	19.6	16.7	7.3	30%	4.6	-0.5
VHC	57,600	10.1%	11.0%	2.6%	8.2	9.7	8.7	8.9	5.5	15%	1.3	0.1
FRT	158,500	134.0%	51.4%	46.4%	43.8	36.3	24.0	16.4	14.3	24%	8.7	0.8
DGW	44,000	17.9%	17.0%	21.4%	18.4	18.4	15.7	12.9	13.0	17%	3.0	0.8
MCH	220,800	-17.9%	18.8%	14.6%	33.3	36.3	30.5	26.6	26.9	44%	15	1.1
VEA	35,000	4.5%	-7.0%	-3.2%	5.9	6.1	6.6	6.8	3.6	26%	1.5	-0.5

FRT – Healthcare dominance to drive long-term growth

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND158,500	Revenue (VND bn)	40,104	50,737	60,574	69,414
Target Price (TP)*	VND178,800	%YoY	26%	27%	19%	15%
		NPAT-MI (VND bn)	318	744	1,129	1,654
		% YoY	N.M.	134%	52%	46%
Upside to TP	+12.8%	EPS	N.M.	134%	51%	46%
Dividend Yield	0.6%	GPM	18.9%	19.7%	20.3%	20.8%
TSR	+13.4%	EBITDA margin	2.2%	3.1%	3.5%	3.9%
		OPM	1.7%	2.7%	3.3%	4.0%
Industry	Retailing	NPM	0.8%	1.5%	1.9%	2.4%
Market Cap	USD1,024mn	FCFE/Sales	2.3%	2.8%	2.7%	3.2%
Foreign Room	USD167mn	EV/EBITDA	33.4x	19.1x	14.3x	11.0x
ADTV30D	USD3.2mn	P/E	85.0x	36.3x	24.0x	16.4x
State Ownership	0%	ROE	18.1%	25.8%	23.7%	25.8%
Outstanding Shares	170.3 mn	ROIC	5.2%	9.1%	10.7%	12.6%
Fully Diluted Shares	170.3 mn					

* TP and rating last updated November 13, 2025



Company Overview

Established in 2012, FPT Retail owns (1) the largest pharmacy chain, Long Chau and (2) the second-largest ICT retailing chain, FPT Shop in Vietnam. It has expanded its healthcare business to include vaccination services.

We hold a constructive long-term outlook for FRT, mainly supported by sustained growth at Long Chau (healthcare business) with its market-leading pharmacy chain and the scaling-up of its vaccination services business.

We believe Long Chau will deliver double-digit pharmacy earnings growth in the medium term, with longer-term momentum sustained by its vaccination services. With modern pharmacy penetration in Vietnam estimated at just 14% in 2024, we believe the market offers consolidation potential. As the leading modern pharmacy chain, LC is well positioned to capture this opportunity by expanding its store network into Tier 2-3 areas, with its store count projected to reach nearly 3,000 by 2027F. We expect LC's longer-term growth momentum to be sustained by its vaccination services entering a profit-accretive phase, supported by the shortage of vaccination facilities in Vietnam and rising awareness of preventive healthcare. These outlooks translate into our projected **14% revenue 2025-30F CAGR** for LC, driven by SSSG and continued store openings. Alongside improving operating efficiency, LC should deliver **33% NPAT-MI CAGR**, reinforcing LC's position as FRT's core earnings growth driver over the long term.

We project FPT Shop to deliver a 2025-30F sales CAGR of 4% and sustain profit-making momentum expected in 2025F in coming years.

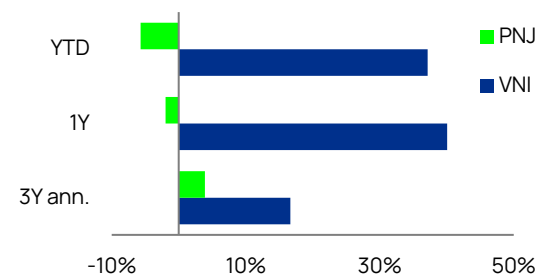
FRT is trading at a 2026F P/E of 24.0x, while our TP implies a 2026F P/E of 27.1x – still below its 5-year average forward P/E of 28.2x. We view this as attractive given robust long-term prospects with our projected **34% NPAT-MI CAGR in 2025-30F**.

Upside potential/downside risks: Stronger/weaker-than-expected store openings and profitability for LC; stronger/weaker-than-expected profitability recovery of FPT Shop.

PNJ – Unquestioned leader in Vietnam’s fashion jewelry market

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND90,300	Revenue (VND bn)	37,823	35,161	38,322	41,819
Target Price (TP)*	VND113,500	%YoY	14%	-7%	9%	9%
		NPAT-MI (VND bn)	2,113	2,315	2,537	2,882
		% YoY	7%	10%	10%	14%
Upside to TP	+25.7%	EPS % YoY	4%	9%	9%	13%
Dividend Yield	2.2%	GPM	17.6%	20.8%	20.6%	21.1%
TSR	+27.9%	EBITDA margin	7.3%	8.6%	8.6%	8.9%
		OPM	7.1%	8.3%	8.4%	8.7%
Industry	Jewelry	NPM	5.6%	6.6%	6.6%	6.9%
Market Cap	USD1,168mn	FCF/Sales	-0.1%	3.9%	1.9%	5.0%
Foreign Room	USD0.4mn	EV/EBITDA	11.0x	10.1x	9.2x	8.1x
ADTV30D	USD1.6mn	P/E	15.9x	14.4x	13.2x	11.6x
State Ownership	0%	P/B	2.7x	2.4x	2.1x	1.9x
Outstanding Shares	341.1 mn	ROE	20.1%	19.3%	18.7%	18.7%
Fully Diluted Shares	341.1 mn					

* TP and rating last updated November 7, 2025



Company Overview

PNJ is the leading jewelry producer and retailer in Vietnam with an extensive network of 429 stores as of YE2024.

PNJ, Vietnam's leading fashion jewelry player, is poised to capitalize on the long-term growth of the branded jewelry industry. We anticipate that rising incomes and an increasing share of discretionary spending will drive jewelry consumption in Vietnam, particularly for branded jewelry, which has seen its market share double from 16% in 2015 to 33% in 2022. Within this space, PNJ is the market leader with a diversified product range, exceptional in-house design and manufacturing capabilities, and a substantial lead in store count, whereas competitive threats remain limited.

We expect PNJ to sustain its outperformance vs the overall jewelry market with a projected 11% retail sales CAGR in 2025-30F. Growth should be driven by SSSG (fueled by market share gains) and continuous store expansion (especially tapping into underserved northern areas and tier-2/3 areas). On margins, we anticipate retail GPM to remain flat vs 2025F going forward, reflecting PNJ's ability to sustain its retail GPM under various external conditions.

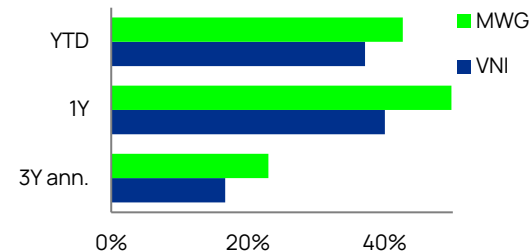
PNJ is trading at a 2026F P/E of 13.2x, which we view as attractive vs its 5Y average TTM P/E of 15.6x and our projected 2025-30F EPS CAGR of 16%.

Upside potential/downside risks: Stronger/weaker demand; faster/slower store expansion.

MWG – Prominent modern retailer with nationwide coverage

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND85,800	Revenue (VND bn)	134,341	157,818	188,499	219,544
Target Price (TP)*	VND101,000	%YoY	13.6%	17.5%	19.4%	16.5%
		NPAT-MI (VND bn)	3,722	6,559	8,531	10,067
		% YoY	2119.8%	76.2%	30.1%	18.0%
Upside to TP	17.7%	EPS % YoY	2119.8%	74.7%	27.8%	15.3%
Dividend Yield	1.2%	GPM	20.5%	20.3%	20.8%	21.3%
TSR	18.9%	EBITDA margin	4.7%	5.5%	5.9%	5.9%
		OPM	3.0%	4.1%	4.6%	4.7%
Industry	Retailing	NPM	2.8%	4.2%	4.5%	4.6%
Market Cap	USD4.6bn	FCF/Sales	9.6%	3.8%	4.1%	4.3%
Foreign Room	USD66mn	EV/EBITDA	18.6x	13.7x	9.7x	9.0x
ADTV30D	USD22.8mn	P/E	33.7x	19.3x	15.1x	13.1x
State Ownership	0%	ROE	14.6%	21.3%	22.8%	22.1%
Outstanding Shares	1.48 bn	ROIC	6.1%	8.9%	10.4%	10.8%
Fully Diluted Shares	1.48 bn					

* TP and rating last updated October 14, 2025



Company Overview

MWG owns the leading mobile phone and consumer electronics chains in Vietnam with 2022 market shares of 60% and 50%, respectively. To sustain strong long-term growth, MWG is rolling out the Bach Hoa Xanh minimart chain.

TGDD & DMX ambition is being materialized after restructuring. 9M 2025 sales increased 14% YoY, beating the industry in all major categories. We forecast TGDD & DMX's revenue CAGR at 7.5%, a GPM expansion from 18.3% to 19.7%, and an EPS CAGR of 12%. We expect MWG to gradually gain market share and increase its service revenue component amid Vietnam's ICT consumption growth of ~5%/year. In August 2025, management announced a plan to grow revenue/NPAT at a 2025-2030 CAGR of 10%/15% based on quality – service revenue.

BHX: Aggressive new openings, strong margins: For 2025-30, we forecast BHX's store count to surge from 2,500 to 6,000, delivering a revenue CAGR of 26% while NPM improves from 1.5% to 2.8%. For 2026, we forecast NPAT to surge from VND806bn to VND1.9tn due to 750/800 new stores and 8% SSSG each in 2025/2026, as well as NPM expanding from 1.5% to 2.6%.

Looking ahead, BHX plans to refocus on improving revenue in existing stores. Q3 2025 SSSG was only 2% vs the Q1's 15% and Q2's 6%. BHX attributed this to (1) changes in fresh-product assortment that helped reduce shrinkage, (2) flooding impacts—which affected BHX more than peers due to its high fresh-food mix, and (3) prioritizing the ramp-up of new stores over existing stores.

MWG is traded at 2025F/26F P/Es of 19.0x/14.8x, respectively, which we find undemanding given its 2025-28F EPS CAGR of 20%.

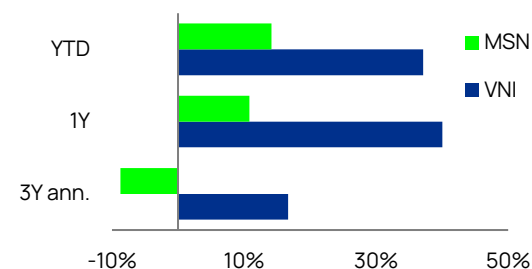
Potential upside/downside risks: Stronger/weaker-than-expected ICT profitability; stronger/weaker-than-expected store expansion; operational efficiency at BHX.

MSN – Prime beneficiary of Vietnam’s consumption growth

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND79,900	Revenue (VND bn)	83,178	81,417	90,401	99,123
Target Price (TP)*	VND101,200	%YoY	6.3%	-2.1%	11.0%	9.6%
		EBIT %YoY	47.7%	17.1%	17.7%	18.8%
		PBT %YoY	135.1%	11.2%	36.1%	28.9%
Upside to TP	+26.7%	NPAT-MI ¹ (VND bn)	1,681	2,852	4,475	6,399
Dividend Yield	0.0%	EPS ¹ %YoY	278.7%	68.9%	56.2%	42.3%
TSR	+26.7%	EBITDA margin ²	16.3%	18.8%	18.9%	19.4%
		OPM	7.4%	8.9%	9.4%	10.2%
Industry	Consumer	NPM ¹	2.0%	3.5%	4.9%	6.5%
Market Cap	USD4.5bn	FCF/Sales	6.5%	-5.0%	2.3%	3.8%
Foreign Room	USD977mn	EV/EBITDA ²	9.7x	8.3x	7.3x	6.5x
ADTV30D	USD15.5mn	P/E ¹	71.9x	42.2x	27.3x	19.2x
State Ownership	0.0%	P/B	3.7x	3.5x	3.0x	2.6x
Outstanding Shares	1.44 bn	ROE ¹	5.9%	9.0%	12.6%	15.9%
Fully Diluted Shares	1.51 bn					

* TP and rating last updated May 21, 2025

¹ Based on core earnings that exclude one-off financial income; ² Core EBITDA excludes profits from Techcombank (TCB).



Company Overview

Masan Group specializes in consumer businesses that span FMCG, the meat value chain and grocery retailing. Other businesses include metal-based materials and a significant holding in Techcombank.

MCH is a unique growth-at-scale asset in Asian FMCG. We forecast (1) 2025F-2026F NPAT-MI to retreat 18% then rebound 20% YoY due to distribution revamp and (2) a 16% 2026F-28F NPAT-MI CAGR, with NPM expanding from 22.4% to 24.0%. We also expect MCH to maintain 45% ROE despite a 30%+ net cash/equity position. It has various growth avenues in a USD16bn addressable market, proven innovation and premiumization power and is revamping distribution and technology to win in both GT and MT.

WCM is a market leader in modern grocery retailing. We forecast revenue and NPM to double each in 2025F-2030F. WCM achieved net profits even at record high stores opened in 2025. Its LFL growth surged to 12%-15% September-October 2025. WCM's value proposition (value-for-money, medium-affluent class) fits Vietnam's growth pockets, balancing growth with diversification.

Consumer-retail synergy: Subsidiaries support each other in tech, logistics, consumer insight, tactical discounts, and private labels.

We forecast an EBIT CAGR of 21% in 2024-29. MSN is trading at a discount vs its sum-of-the-parts valuation.

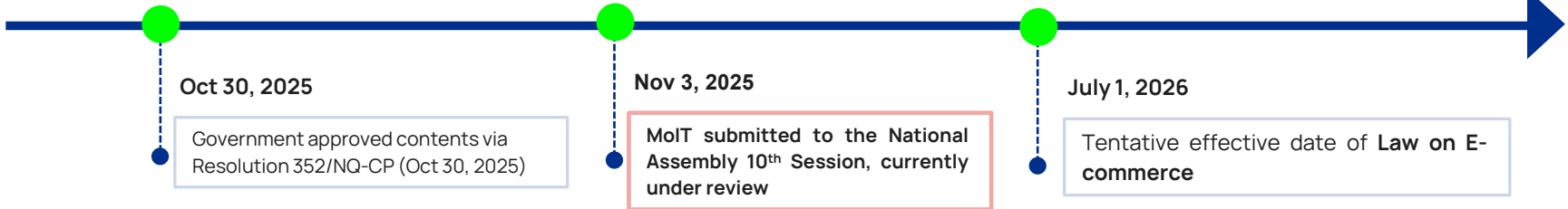
Upside potential: Reduced obligations to investors, stronger-than-expected Wincommerce and MHT earnings.

Key risks to our positive view: MSR's weaker-than-expected profitability; WCM's lower-than-expected sales and profitability improvements, inflation pressure and GT disruptions due to presumptive tax removal, long disruptions from wholesaler reduction.

Appendices

Upcoming e-commerce law to boost modernized domestic consumption and market integrity

E-Commerce Law Draft Update



Main contents

Higher compliance for platforms/merchants, improved marketplace integrity and fair competition, enable domestic consumption growth and modernization

- **Supporting domestic consumption development & modernization:** Encourage new e-commerce models, innovation, and initiatives aligned with market needs. Encourage platforms to adopt preferential mechanisms for Vietnamese-origin and key local/ regional products; prioritize reputable brands and high-localization offerings; ensure a balanced mix between domestic and imported goods.
- **Expand competition opportunities in domestic e-commerce:** Ban on forcing users/sellers to use exclusive platforms/services, such as specific payment providers or shipping providers; ban on manipulating product display or user reviews.
- **Managing retail activities on e-commerce platforms:** Tighter operating and governance requirements; transparent product information and transaction terms; immediate responses toward violations.
- **Oversight and protecting rights of consumers & sellers:** Strengthened, transparent and accessible complaint-handling mechanisms; clear allocation of responsibilities for e-commerce inspection and oversight.
- **Cross-border e-commerce:** Foreign sellers register and appoint a local representative; platforms ensure tax, customs, and product-safety compliance; tighter controls on high-risk categories.

Transportation & Logistics

Capacity expansion accelerates, seaports gain from robust trade

December 2025

Han Nguyen

Analyst

han.nguyenngoc@vietcap.com.vn

+8428 3914 3588 ext.191

Huy Hoang

Analyst

huy.hoang@vietcap.com.vn

+8428 3914 3588 ext.526

Vy Nguyen

Senior Manager

vy.nguyen@vietcap.com.vn

+8428 3914 3588 ext.147

Summary

- **Air passengers: supportive tourist policies and improving consumer spending to fuel growth:** In 2025F/26F/27F, we forecast 47/53/59 million international pax (+14%/+13%/+11% YoY) and 75/82/87 million domestic pax (+9%/+9%/+7% YoY). In 10M 2025, international and domestic pax reached 38.5/61.7 million (+14%/+7% YoY), respectively.
- **Air cargo:** We expect 2026F international growth of high-single digits to ~10%, in line with the sector's long-term rate, and domestic growth of mid-to-high single digits from a low base as Vietnam tightens informal cross-border trade with China.
- **Long Thanh International Airport (LTH) - Phase 1 to be operational from mid-2026; Phase 2 under feasibility assessment:** Phase 1 is scheduled for inauguration on December 12, 2025, with trial operations in H1 2026 and full commercial launch in H2 2026, in line with our expectations. In 2025–2030, LTH is designated to handle ~80% of international routes, though we expect traffic reallocation to be gradual (30%/40% in H2 2026F/2027F) due to infrastructure constraints. Regarding fees, we expect LTH to apply USD25/pax (same as Noi Bai) vs Tan Son Nhat International Airport (SGN)'s USD20/pax. Phase 2 is under feasibility assessment, with a total capex of VND80tn, per ACV and local media, and is set for implementation in 2028–32.
- **Other key airport developments:** Gia Binh Airport (GBA) has moved into execution with Masterise as the investor and land clearance is underway, while Noi Bai's capacity targets are cut to ease ACV's capex burden and refocus on LTH Phase 2. Sun Group's PQC expansion reinforces its aviation-tourism ecosystem, with ACV transferring assets but retaining interim earnings, pending valuation.
- **Long Thanh International Airport cargo terminal No. 1 (LTH-C1):** ACV will invest in LTH-C1, and SCS thus will have no stake in it. Regarding the bidding progress, the construction package has been closed, and construction work is underway. The operations package, however, has not been tendered. We expect the package to be opened sometime in 2026 to allow the terminal to commence operations in parallel with the main passenger terminal.
- **Seaports:** We have a positive view on the sector's 2026F growth outlook, supported by a bright trade environment amid Vietnam's favorable US tariff gap vs peers. We also review the competitive landscape in Hai Phong following new deep-sea port capacity additions in early 2025. Our assessment indicates that NDV has been minimally affected. Most of the competition has occurred among the deep-sea terminals themselves, with Lach Huyen 3–6 gaining share from Lach Huyen 1–2. NDV continues to record strong throughput growth and has captured market share from other river ports upstream. In the southern region, we expect limited competitive pressure in 2026F. Most ports are operating at or above full capacity, and no major new capacity is scheduled to come online except for Gemalink 2A in 2027F.
- **Stock picks:**

GMD: We remain constructive on GMD for three key reasons: (1) our positive outlook on Vietnam's trade growth, supported by minimal US tariff differentials vs peers; (2) NDV's high resilience, which - contrary to initial expectations - has seen limited impact from the new deep-sea port capacity additions in Lach Huyen - due to different customer segmentation and NDV's high competitiveness as a river port; and (3) an attractive valuation, with TTM and 2026F P/E and EV/EBITDA multiples currently trading below both historical averages and the peer median.

Transportation & Logistics: Key data and summary valuations

Key data

Ticker	Rating	Market Cap USD mn	State O'ship %	Foreign Limit %	Foreign Avail. USD mn	ADTV 30D USD mn	Share Price VND ps	Target Price VND ps	Target price updated	Upside %	Div. Yield%	12M TSR %
GMD*	BUY	1,004	0%	40%	89	4.9	62,100	78,200	21-Nov-25	25.9%	3.5%	29.4%
SCS	O-PF	197	14%	16%	28	0.7	54,800	67,000	29-May-25	22.3%	10.9%	33.2%
ACV	O-PF	7,430	95%	3%	3,393	2.1	54,900	64,600	19-Nov-25	17.7%	0.0%	17.7%
AST	BUY	130	0%	44%	6	0.03	75,900	80,600	26-Aug-25	6.2%	4.6%	10.8%

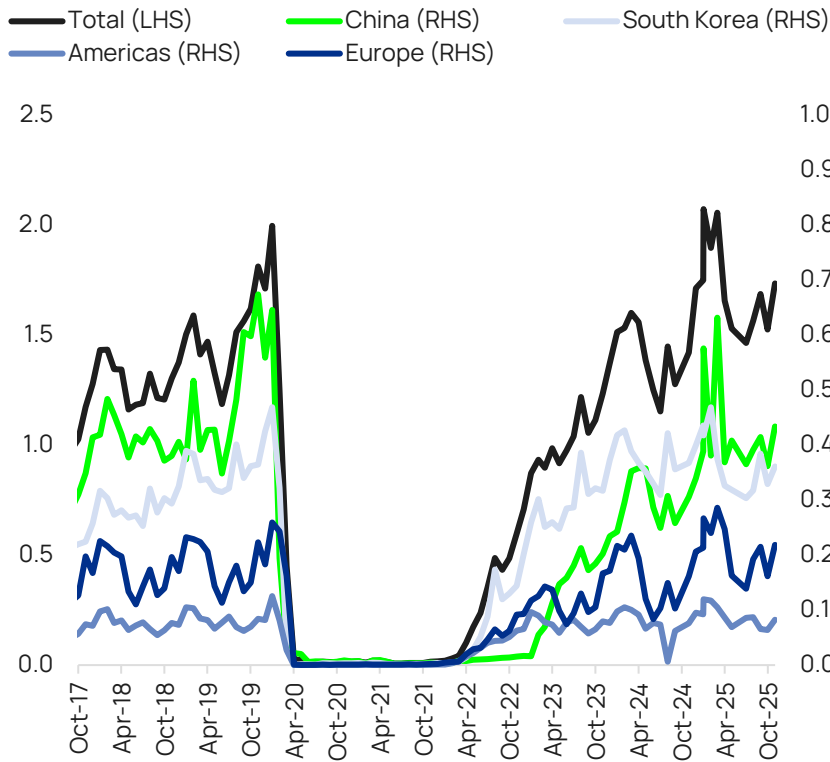
Summary valuations

Ticker	Share price VND ps	EPS g 2025F %	EPS g 2026F %	EPS g 2027F %	P/E 2025 x	P/E 2026F x	P/E 2027F x	EV/ EBITDA 2026F x	ROE 2026F %	P/B LQ x	Net D/E LQ x
GMD*	62,100	6.6%	18.7%	7.1%	16.5x	13.9x	13.0x	6.6x	15%	2.1x	0.0x
SCS	54,800	-1.0%	2.6%	-25.4%	7.6x	7.4x	9.9x	4.1x	46%	3.2x	-0.8x
ACV	54,900	2.0%	-26.2%	-8.8%	18.3x	24.8x	27.2x	11.6x	11%	2.9x	-0.2x
AST	75,900	50.7%	18.8%	16.7%	15.7x	13.2x	11.3x	7.1x	29%	5.3x	-0.5x

Aviation Sector: Double-digit international passenger growth; infrastructure expansion and privatization accelerate

International passengers: Visa relaxation, active tourism campaigns continue to drive strong international pax numbers

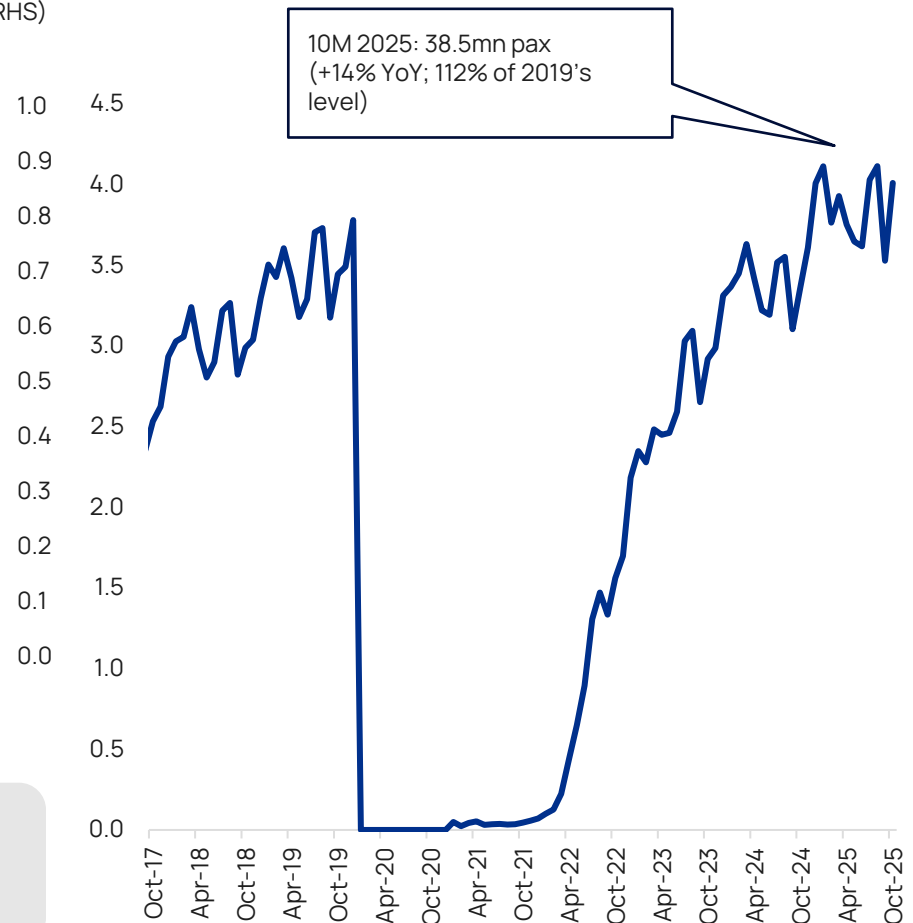
Monthly foreign arrivals in Vietnam (mn arrivals)



10M 2025:

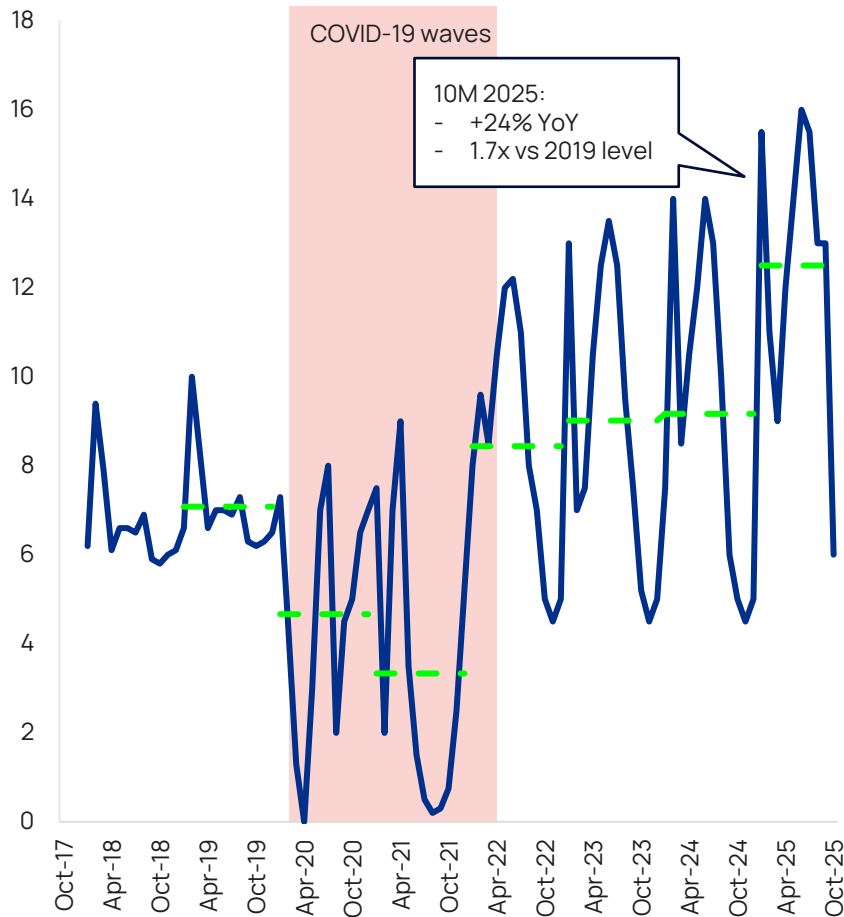
- Total: +22% YoY; 119% of 2019's level
- China: +44% YoY; 95% of 2019's level
- EU: +35% YoY; 121% of 2019's level

Vietnam's international air passengers (mn pax)

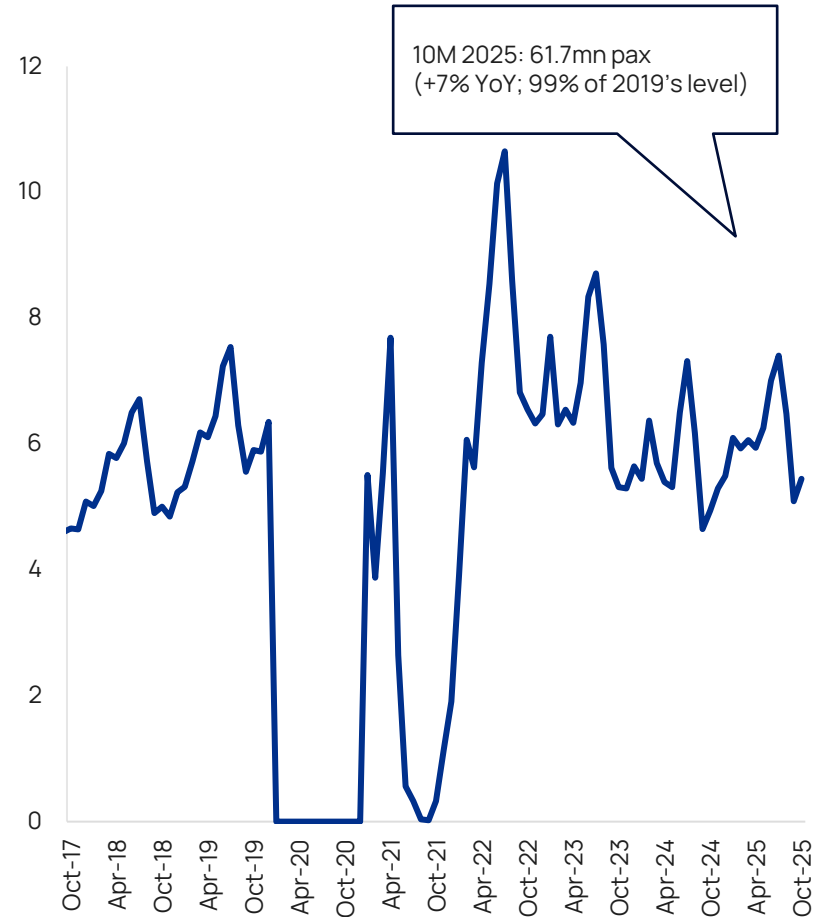


Domestic passengers: Domestic pax growth lags domestic arrivals, yet recovery momentum is holding

Monthly domestic arrivals in Vietnam* (mn arrivals)



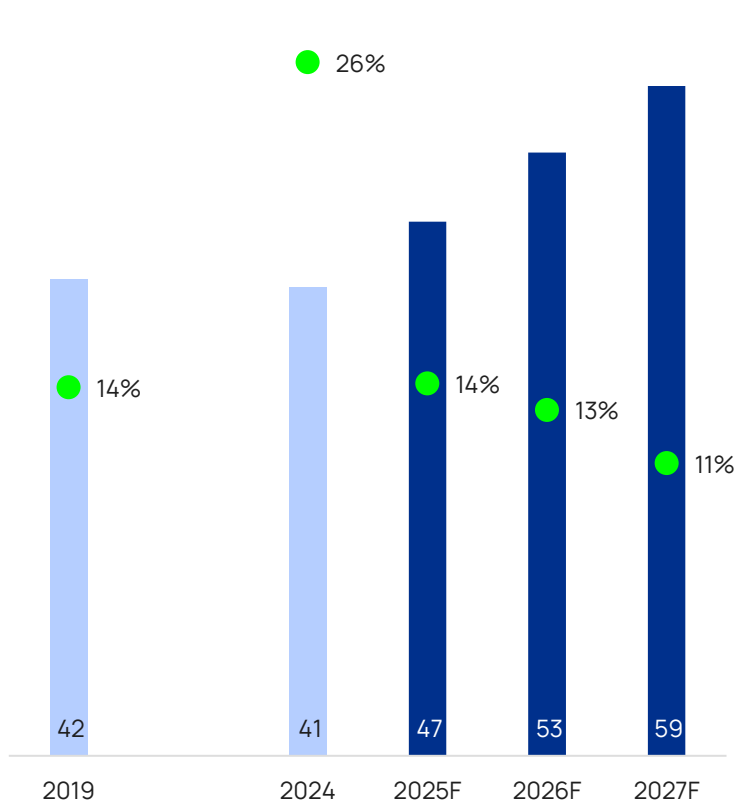
Vietnam's domestic air passengers (mn pax)



Vietcap's forecasts: International air travel to sustain double-digit growth; domestic pax on a gradual growth path

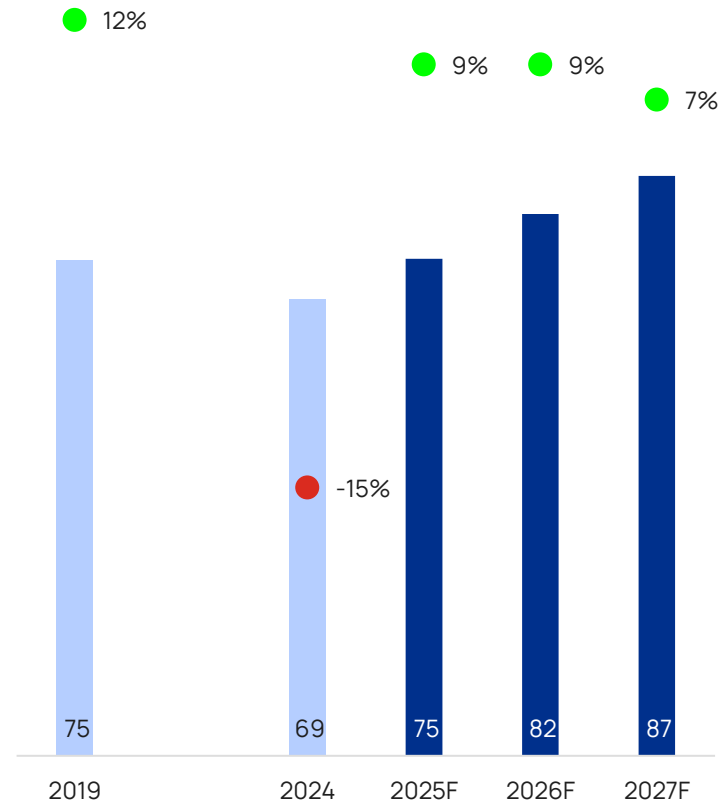
International air passengers forecast

■ International air passengers (million) ● YoY (%)



Domestic air passengers forecast

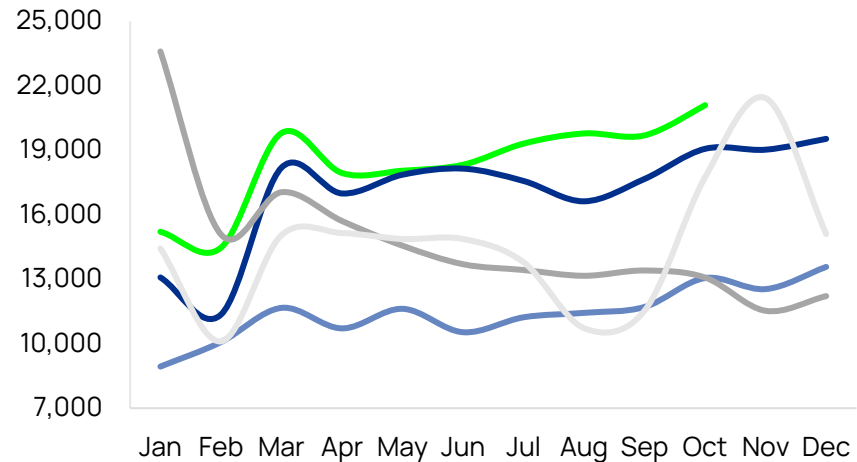
■ Domestic air passengers (million) ● YoY (%)



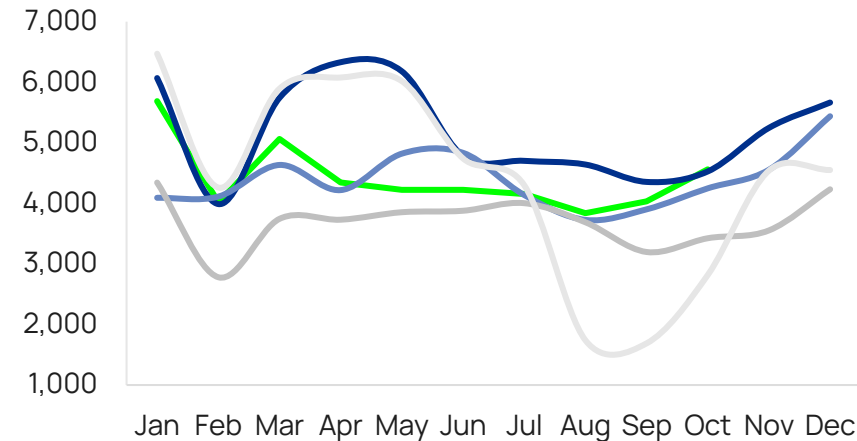
Air cargo: 2026F international cargo to grow at high single digits to 10%, domestic cargo to grow at mid-to-high single digits

- We expect 2026F growth for the international segment at high-single digits to 10%, aligning with the industry's long-term growth rate.** This expectation reflects our view for continued resilient trade growth in 2026F, given that the US tariffs have shown to have limited impact over Vietnam's exports competitiveness. This is due to (1) favorable tariff gaps vs peer countries and (2) Vietnam's strong fundamentals that have made the country attractive to FDI flows over the years (e.g., close proximity to China, skilled and low-cost labor, among others). Bloomberg consensus also indicates resilient 2026F GDP growth at key exports regions, including the US (3.26% vs 3.83% in 2025F) and the EU (2.15% vs 2025F's 2.22%).
- For domestic cargo volume growth, we expect mid-to-high single-digit growth from a low base,** given Vietnam's tightening over informal cross border trade with China. These goods were previously transported by land to northern Vietnam before being flown south via Tan Son Nhat, benefiting SCS's cargo operations. Due to the tightening, SCS's domestic volume has also been hit, with 10M 2025 results dropping 14% YoY.

SCS's 10M 2025 international volume +10% YoY (tonnes)



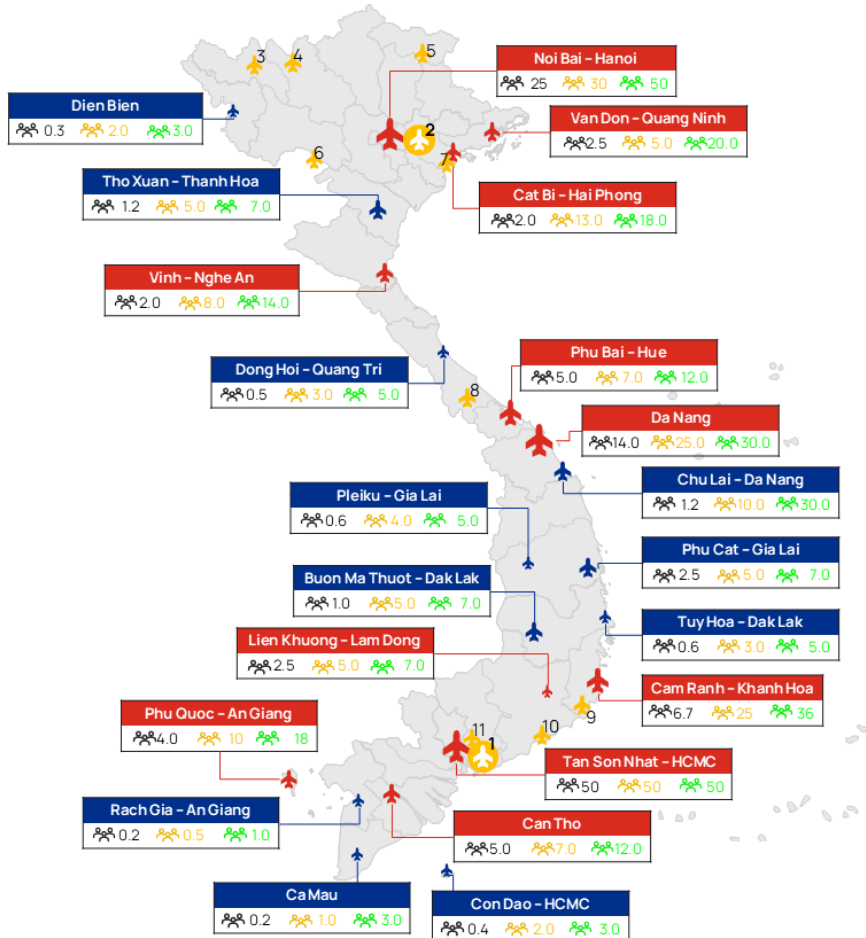
SCS's 10M 2025 domestic volume -14% YoY (tonnes)



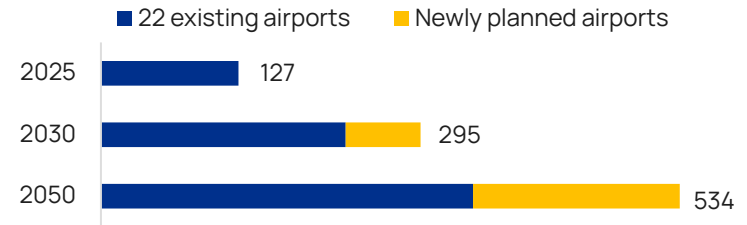
— 2025 — 2024 — 2023 — 2022 — 2021

Vietnam airport masterplan: Capacity roadmap to 2030 & 2050

11 International airport
 11 Domestic airport
 11 New airports in 2030-2050
 Existing (mn pax/year) To 2030 To 2050



Airports' passenger capacity outlook* (mn pax/year)



List of 11 new planned airports and capacity targets* (mn pax/year)

List of airports	2030 (mn pax/year)	2050 (mn pax/year)
1 Long Thanh (LTH) - Dong Nai	25.0	100.0
2 Gia Binh (GBA) - Bac Ninh	30.0	50.0
3 Lai Chau	0.5	1.5
4 Sa Pa - Lao Cai	3.0	5.0
5 Cao Bang	-	2.0
6 Na San - Son La	1.0	2.0
7 Hai Phong	-	12.0
8 Quang Tri - Quang Binh	1.0	2.0
9 Thanh Son - Khanh Hoa	1.5	3.0
10 Phan Thiet - Lam Dong	2.0	3.0
11 Bien Hoa - Dong Nai	5.0	10.0
Total	69.0	190.5

- Vietnam to more than double airport capacity by 2030 and quadruple by 2050, driven by exiting hub upgrades and 11 new airports.
- LTH and GBA account for 80% of newly planned capacity and will contribute 19%/28% of total national capacity by 2030/2050, respectively.

Long Thanh International Airport (LTH)

Summary of LTH phase 1 project

	Sub-project No.1	Sub-project No.2	Sub-project No.3	Sub-project No.4	Total
Category	Government buildings	Buildings for air traffic management	Essential airport construction, including general infrastructure and cargo terminal no. 1	Buildings for additional aviation services, including cargo terminal no. 2.	
Investors	Government authorities and/or PPP investors if Government authorities cannot arrange capital	Vietnam Air Traffic Management Corporation	ACV	Ministry of Transport will oversee the bidding process for the fourth sub-project	
Total investment cost (VND bn)	293.26	3,435.25	99,625.02	6,363.97	109,717.50
Total investment cost (USD mn) (at a VND/USD exchange rate of 26,334)	11.14	130.45	3,783.13	241.66	4,166.38

LTH Phase 1 is set to be operational from mid-2026

- **LTH is scheduled to be inaugurated on December 12, 2025**, followed by a trial operation in H1 2026 and full commercial operations from H2 2026, according to CAAV – broadly in line with our expectations.
- **In 2025-2030, LTH is designated to handle around 80% of international routes** (all international flights over 1,000 km and others at airlines' discretion) and 10% of domestic routes, while SGN will handle the remaining 20% of international and 90% of domestic flights. The allocation ratio will be reviewed after 2030. Given initial infrastructure constraints, particularly road connectivity between LTH and HCMC, we expect a gradual reallocation of international pax from SGN to LTH, reaching 30%/40% in H2 2026F/2027F, rather than an immediate full diversion.
- **ACV has submitted the proposed fee framework for LTH and is awaiting regulatory approval.** We expect LTH to apply the same international passenger service fee as Noi Bai (USD25/pax) – above SGN's current fee of USD20/pax – implying a potential yield uplift.

LTH Phase 2 is under feasibility assessment; the third runway is slated for early construction from December 19, 2025

- **LTH phase 2 is set for implementation during 2028-2032, with a total capex of VND80tn, per ACV and local media.** The project includes construction of one additional runway, a 25mn passenger terminal, and supporting infrastructure. Upon completion, LTH total capacity will increase to 50mn pax and 1.5mn tonnes of cargo per year (from 25mn pax and 1.2mn tonnes of cargo in phase 1).
- **ACV has proposed to be the Phase 2 investor.** Notably, ACV proposed for early construction of the Runway 3 (VND12tn, from December 19, 2025) of Phase 2, capitalizing on the workforce and machinery already mobilized for Runways 1 & 2 – thereby reducing mobilization time and additional setup costs. ACV is preparing the Feasibility Study Report (FSR). The MoF will assess ACV's financing capability during the FSR appraisal process.
- **Ministry of Construction is proposing to revise Resolution 94/2015/QH13** to allow the Government to approve the Phase 2 FSR without further submission to the National Assembly.

Other key airport developments

Gia Binh International Airport (GBA):

- **GBA - located 43 km from Noi Bai International Airport (HAN), is now positioned as Hanoi's long-term aviation hub.** The project is designed for capacities of 30mn/50mn pax and 1.6mn tonne/2.5mn tonne cargo per year by 2030/2050, requiring respective capex of VND141.0tn/VND55.2tn (USD5.35bn/USD2.09bn). Masterise is appointed to be the investor. Concurrently, Noi Bai's capacity targets have been cut to 30mn/50mn pax by 2030/2050 (from 55mn/85mn previously).
- **On November 14, 2025, the Government submitted the investment approval dossier to the National Assembly**—signaling a new phase of execution rather than just policy ambition. Previously, on August 19, 2025, GBA has broken ground, entering the land clearance phase with ~700/1,900 affected households already resettled.
- **GBA development plan help ease ACV's capex burden—given its role as Vietnam's monopoly airport operator, but traffic risk has emerged.** These adjustments allow ACV to focus on LTH Phase 2's development and reducing the urgency to expand Noi Bai, which is operating at ~120% utilization. However, once GBA enters operation (expected from 2027), passenger traffic at HAN could soften, as GBA will absorb part of regional demand – impacting ACV's earnings base. Passenger diversion between the two airports will require further assessment. While the HAN-GBA distance (~40 km) is broadly comparable to the SGN-LTH pairing, we note that the dynamics are different, as HAN and GBA will be owned and operated by different entities.

Phu Quoc International Airport (PQC):

- **In June 2025, Sun Group was approved as the investor for the PQC expansion project.** The project involves an estimated total capex of ~VND22 trillion (USD834.9mn), split across Phase 1 (2025–27, targeted to serve APAC 2027) and Phase 2 (2027–30), aiming to expand annual capacity to 20 million passengers - 4.5x vs the current level. The move strengthens Sun Group's integrated aviation-tourism ecosystem, catering to its growing network of resorts, entertainment complexes, and international-standard hospitality assets in Phu Quoc. It also aligns with Sun Group's recent establishment of Sun Phu Quoc Airways.
- **ACV's PQC infrastructure assets transition to Sun Group begins:** Per Government Notice No. 625/TB-VPCP (November 17, 2025), ACV has transferred its infrastructure assets at PQC to the People's Committee of Kien Giang Province, which are set to be subsequently transferred to Sun Group. Despite the transfer, ACV will continue to operate and recognize earnings (~6% of 2024 NPAT, per ACV) of PQC while the asset valuation is underway. Once completed - likely within 2025 - ACV will submit the valuation to the People's Committee and Sun Group will support the full residual value based on ACV's valuation results. We will incorporate the impact once adequate information becomes available.

Road Infrastructure: Acceleration in the roll-out of new road transportation infrastructure projects

We observe an acceleration in the roll-out of new road transportation infrastructure projects

No	Project	Annual capacity/Length/Scale	Capex	Status	Timeline
Approved projects					
1	North-South Highway				
	- Phase 1	666 km	VND88.1tn (USD3.5bn)	Finished	
	- Phase 2	721 km	VND147tn (USD5.9bn)	On going	Complete in 2026
2	HCMC Ring Road No.3	90 km	VND75.4tn (USD3bn)	On-going	Complete in 2026
3	HCMC Ring Road No.4 – Phase 1	159 km	VND120.4tn (USD4.6bn)	Approved by the National Assembly	2025-2029
4	Hanoi Ring Road No.4	112.8 km	VND85.8tn (USD3.4bn)	On-going	Basic completion in 2026, full operations in 2027
6	North-South High-speed Railway	350km/h max speed, connecting HCMC-Hanoi. 1,541km	USD67.4bn	Approved by the National Assembly	Start construction by end-2026
7	Hanoi – Quang Ninh High-speed Railway	120 km	VND133.6tn (USD5.1bn)	Master plan approved by the PM	Q4 2025 – Q1 2028
8	Lao Cai – Hanoi – Hai Phong railway	Main route: 391km, sub-route: 28 km	VND203.2tn (USD8.4bn)	Approved by the National Assembly	2025 - 2030
9	Bien Hoa – Vung Tau Railway	132 km	USD6.2bn	Master plan approved by the PM	
Proposed projects					
1	Road linking Gia Binh Airport with Hanoi	16 km (3 segments)	VND33tn (USD1.3bn)	Approved by Hanoi authorities	2025 - 2026
2	Hanoi Ring Road No.5	331 km	VND85.6tn (2013 price); VND150tn (USD5.7bn; 2025's price)	Awaiting approval for major segments	Partially underway; majority expected to commence pre-2030
3	Vinh – Thanh Thuy Expressway	60 km	VND24tn (USD910mn)	Proposed to the National Assembly	Q3 2026 - 2029
4	North-South Expressway Expansion	1,144 km	VND152tn (USD5.8bn)	Proposed by the MoC	2026 - 2030

Overview of North-South High-Speed Railway

- The project was approved by Vietnam's 15th National Assembly in November 2024. Currently, there are proposals from two interested parties: Vinspeed (a subsidiary of Vingroup) and Thaco (also a large multi-industry conglomerate in Vietnam).
- According to the Government's initial plan, construction is scheduled to begin in December 2026 and be completed by 2035, implying a 10-year construction period. Vinspeed proposes a 5-year timeline, while Thaco suggests a 7-year timeframe.
- Total length is **1,541 km**, linking Hanoi (Ngoc Hoi) to Ho Chi Minh City (Thu Thiem) with a total of 23 passenger stations and 5 cargo stations. It will be an electrified double track of 1,435 mm gauge, designed for speeds of 350 km per hour.
- The project's expected capex is **USD67.34bn**. Under the Government's initial plan, funding is from the State budget, including sources like G-bonds, ODA, and foreign loans. Under private sector proposals, both Vinspeed and Thaco plan to self-fund 20% of the investment. For the remaining 80%, Vinspeed proposes borrowing from the State at a 0% interest rate, while Thaco proposes to borrow from credit institutions but requesting the Government to guarantee and subsidize interest on all loans, with the project serving as collateral.
- Economic impact** (per the Ministry of Finance and Ministry of Construction*): GDP growth +0.97% p.a. during construction; +180,000 construction jobs, +13,880 operational roles, and +1,200 engineers.

Regional comparisons

High-Speed Railway (HSR)	Opening date	Capex (USD bn)	Length (Km)	Capex / km (USDmn / km)
Beijing - Shanghai (China)	Apr 18, 2008	43.6	1,318	33.1
Jakarta-Bandung HSR (Indonesia)	Sept 7, 2023	7.3	142	51.3
Kuala Lumpur - Singapore HSR (Malaysia - Singapore)	2027	23.8	350	68
Moscow - St. Petersburg HSR (Russia)	2028	25.3	679	37.3
North-South HSR (Vietnam)	2035	67.6	1,541	43.7

Preliminary station locations and routes



Overview of Hanoi – Quang Ninh High-Speed Railway

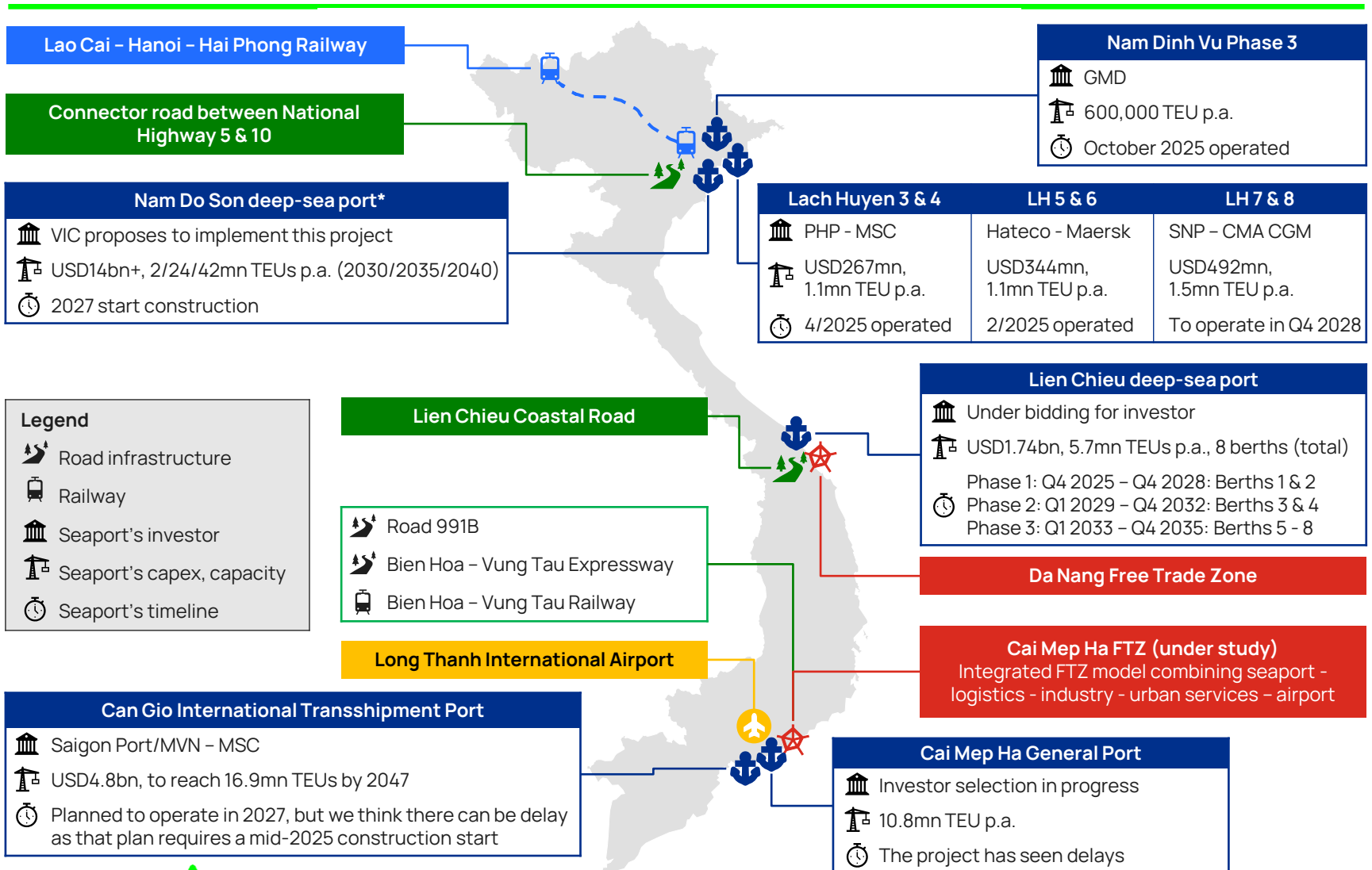
- The 120 km Hanoi – Quang Ninh high-speed rail line, designed for 350 km/h, is positioned to become the primary passenger transport mode along the busy Hanoi – Quang Ninh economic corridor. The project has recently been included in the revised “Railway Network Master Plan for the 2021–2030 period, with a vision to 2050” dated October 29, 2025 (Decision No. 2404/QĐ-TTg) by the Prime Minister.
- Per VinSpeed’s Environmental Impact Assessment Report for the Hanoi – Quang Ninh High-Speed Railway project and *Báo Đầu Tư* (loosely translated as *Vietnam Investment Press*; A publication under the Finance – Investment Newspaper by the MoF), the project carries a total investment of **VND143.7tn (USD5.5bn), including VND10.1tn (USD388mn) of land clearance cost, and VND133.6tn (USD5.1bn) of capex**. The government is expected to cover land clearance costs of VND10.1tn (~USD390mn). **The VND133.6tn (USD5.1bn) is funded by the investor**, with equity of VND20tn (USD772mn), and loan of VND113.5tn (USD4.4bn), implying an equity:loan mix of ~15:85.
- Vinspeed proposes to implement this project. The company also proposes to act as the lead arranger of financing for the project, amounting to USD4.66bn, sourced from Techcombank (TCB).
- Vinspeed proposes implementing the project under the investment-for-commercial operation model in accordance with the Law on Investment. This investment model is also being proposed by Vinspeed for the USD65bn+ North–South high-speed railway.
- Economic impact** (per the Transport Engineering Design JSC – TEDI): The project is expected to generate a ~USD5bn construction market, 90,000 jobs during construction, and 2,500 long-term operational jobs. Further, the project enhances regional connectivity and serves as an important pilot for Vietnam before implementing the USD 65bn North–South high-speed railway.

Proposed Implementation Schedule for the Hanoi – Quang Ninh High-Speed Railway (Vinspeed proposal)

No.	Activity	Timeline
1	Preparation of the Pre-Feasibility Study Report	Q4 2025
2	Finalization of the Pre-Feasibility Study Report for appraisal submission	Q4 2025
3	Appraisal and approval of the investment policy	Q4 2025
4	Land clearance	From Q4 2025
5	Preparation and approval of the Feasibility Study Report and basic design	Q4 2025
6	Contractor selection	Q4 2025
7	Commencement of construction	Q4 2025
8	Construction and equipment installation	Q4 2025 – Q3 2027
9	Trial operation	Q4 2027
10	Commercial operation	Q1 2028

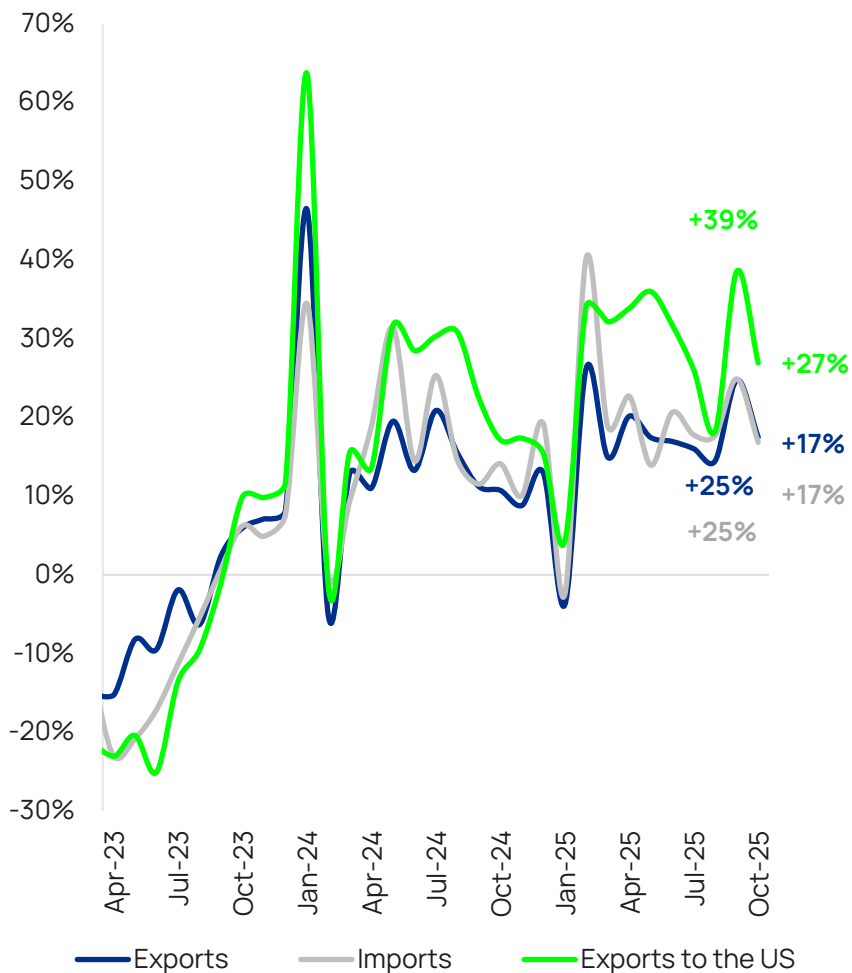
Seaport: Nationwide seaport expansion aligns with road infrastructure and FTZ buildout; benefits from bright trade outlook

Seaports: Coordinated nationwide seaports capacity growth with transportation infrastructure and FTZ synergies

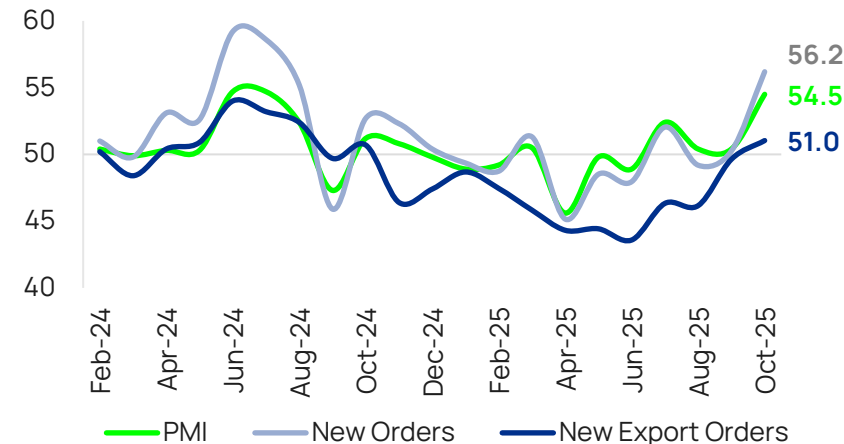


Seaports: We stay positive on the sector's 2026F growth, given a bright trade outlook amid a low US tariff gap vs peers (1)

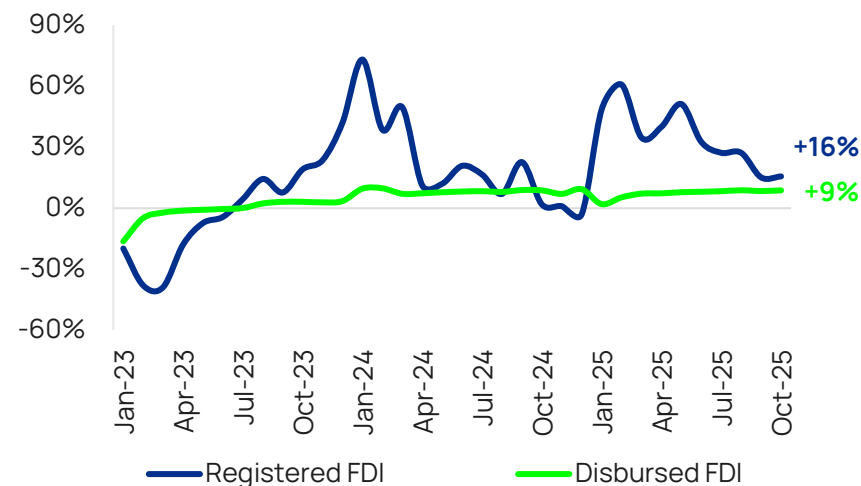
Vietnam's exports, imports YoY growth



Vietnam's PMI and selected sub-indexes



Vietnam's registered and disbursed FDI, YTD YoY



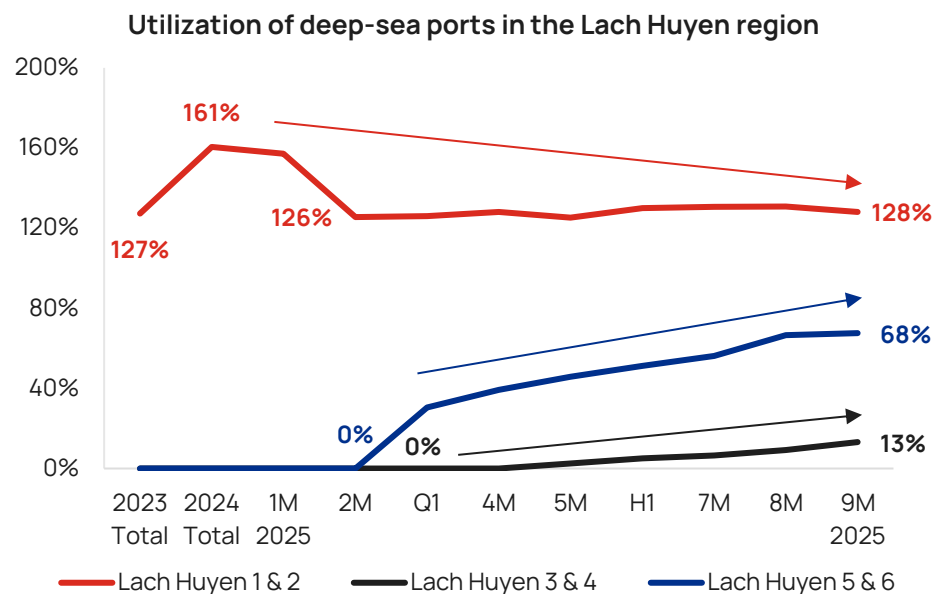
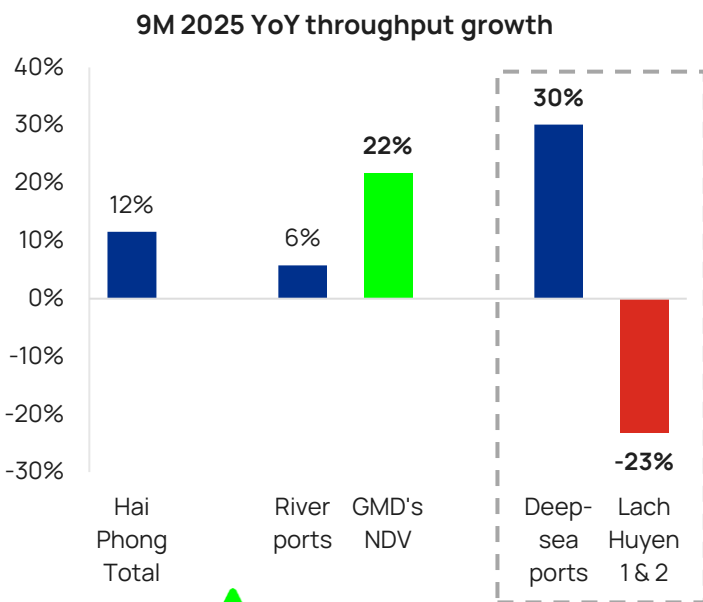
Seaports: We stay positive on the sector's 2026F growth, given a bright trade outlook amid a low US tariff gap vs peers (2)

Latest update on US tariff on Vietnam's export peers/competitors/potential competitors (highest to lowest)

Countries	Tariffs announced on Liberation Day	Latest tariff announcement	Change
India	26%	50%***	+24%
China	25% + 34%*	45%**	-14%
Laos	48%	40%	-8%
Myanmar	44%	40%	-4%
Mexico	25%	25%	0%
Vietnam	46%	20%	-26%
Bangladesh	37%	20%	-17%
Cambodia	49%	19%	-30%
Thailand	36%	19%	-17%
Indonesia	32%	19%	-13%
Malaysia	24%	19%	1%
Philippines	17%	19%	2%
South Korea	25%	15%	0%

Seaports: New Lach Huyen ports take share from old terminals; NDV extends growth lead with share gain from other river ports

- We provide an update on competition among Hai Phong ports following the commissioning of new deep-sea ports in Lach Huyen.
- Competition intensifies mainly within the deep-sea cluster, with Lach Huyen berths 1 & 2 (LH 1 & 2) losing market share to LH 3-6.** We attribute this to (1) LH 1 & 2 having operated above capacity for an extended period, impairing service quality (e.g., slower cargo handling and longer ship waiting times), and (2) LH 1 & 2's shipping partners being smaller than those of LH 3-6. LH 1 & 2's partners - ONE and Wan Hai - rank 6th and 11th globally by container capacity, vs MSC (ranked 1st) for LH 3 & 4 and Maersk (ranked 2nd) for LH 5 & 6.
- NDV maintains strong growth of +22% YoY in 9M 2025, higher vs overall river ports of +6%, implying market share gain from other river ports upstream.** We attribute this to NDV having superior advantages in geographic location and the Ha Nam canal.
- Compared to deep-sea ports, we believe the rivalry on NDV is limited, given (1) different customer segments (NDV mainly serves smaller intra-Asia vessels, while LH mainly caters to large, long-haul ships), (2) NDV's fees being half of LH's due to differing port facilities, (3) weak road linkage between LH and inner land (there is only one road, and it has frequent traffic congestion), and (4) a USD50/TEU charge for importers/exporters when entering LH facilities, which is material for intra-Asia cargo (as the freight rate is only a few hundred USD/TEU) but minor relative to Vietnam-US freight (several thousand USD/TEU).



Seaports: Overview of existing, upcoming deep-sea ports in Lach Huyen

Overview of HICT berths No. 1 to No. 8

	Berths No. 1 & 2 (existing)	Berths No. 3 & 4 (existing)	Berths No. 5 & 6 (existing)	Berths No. 7 & 8 (2028F online)
Ownership	Saigon Newport (SNP), ONE, Itochu, Wan Hai	PHP	Hateco	SNP
Partner*	ONE (Top 6 global market share, 6.2%), Wan Hai (Top-11, 1.7%)	MSC (Top-1, 20.2%)	Maersk (Top-2, 14.3%)	CMA CGM (Top-3, 12.7%)
Operational timeline	May 2018	April 2025	February 2025	Q1 2026 start construction Q4 2028 operate
No. of berths	2	2	2	2
Length (m)	750	750	900	900
Designed capacity (mn TEUs)	1.0	1.1	1.1	1.5
Maximum ship size (TEUs)	12,000	14,000	18,000	18,000
Capex (VNDbn)	7,580	6,950	8,950	12,800
Capex (USDmn)	292	267	344	492

Seaports: In the south, we continue to expect no significant increase in competition in 2026F

- In 2026F, we expect an insignificant increase in competition in the south as (1) demand is still solid, with 9M 2025 utilization rates of the region reaching 108%, and (2) there will be no capacity expansion in 2026F – the only upcoming one is Gemalink (GML) 2A but that will not be online until 2027.

2024 and 9M 2025 throughput in the Cai Mep – Thi Vai region

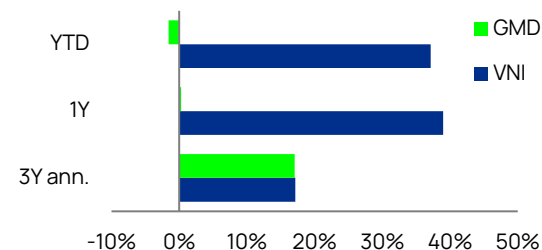
'000 TEUs	Capacity	2024 throughput	YoY	Utilization rate (2024)	9M 2025 throughput	YoY	Utilization rate (9M 2025)
TCIT	1,800	1,960	4%	109%	1,640	14%	121%
TCTT	1,000	1,090	33%	109%	920	14%	123%
CMIT	1,100	990	55%	90%	910	28%	110%
SSIT	1,500	680	36%	45%	710	47%	63%
GML	1,500	1,740	72%	116%	1,400	8%	124%
Total	6,900	6,460	33%	94%	5,580	18%	108%

Stock pitch

GMD – Beneficiary of brightening trade outlook; attractive valuation

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND62,100	Revenue (VND bn)	4,832	5,955	6,862	7,473
Target Price (TP)*	VND78,200	Revenue % YoY	26%	23%	15%	9%
		NPAT-MI (VND bn)	1,459	1,504	2,032	2,209
		NPAT-MI % YoY	-35%	3%	35%	9%
Upside to TP	+25.9%	Core EPS** % YoY	77%	7%	19%	7%
Dividend Yield	3.5%	GPM	44.7%	44.6%	45.1%	45.6%
TSR	+29.4%	EBITDA margin	36.2%	36.6%	39.8%	40.8%
		OPM	27.8%	27.6%	30.0%	31.6%
Industry	Ports	NPM	30.2%	25.3%	29.6%	29.6%
Market Cap	USD1,004.4mn	FCF/Sales	-10.7%	-42.1%	25.5%	27.2%
Foreign Room	USD89.2mn	EV/EBITDA	10.0x	8.0x	6.6x	6.1x
ADTV30D	USD4.9mn	P/E**	17.6x	16.5x	13.9x	13.0x
State Ownership	0.0%	P/B	2.1x	2.0x	1.9x	1.7x
Outstanding Shares	420.2 mn	ROE	13.4%	13.4%	15.0%	15.0%
Fully Diluted Shares	420.2 mn					

* TP and rating last updated November 21, 2025.



Company Overview

GMD is one of Vietnam's largest port operators and domestic logistics service providers that has integrated capabilities across the logistics value chain. In addition to its core business in port operations and logistics services,

We have an optimistic view on Vietnam's trade outlook as data shows the US tariff has had limited impact, benefitting GMD as a leading port operator in Vietnam. Vietnam's exports rose 18% YoY and 10% QoQ in Q3, with September/October growth at 17%/25% YoY even after the front-loading period. PMI, new orders, and new export orders have recovered since July, reaching above 50 in the two months. FDI also remained solid. GMD saw strong Q3 volume (NDV -4% QoQ from a high base, +11% YoY; GML +11% QoQ, +3% YoY from high base) and October (NDV 140k TEUs; GML 180k TEUs - historically high levels). We forecast 2026F throughput for NDV of 1.8mn TEUs (+18% YoY, vs +15% in 2025F) – implying NDV3 to operate at 80% utilization in 2026F (in line with management guidance) – and for Gemalink of 2.07mn TEUs (+8% YoY; 138% utilization rate; vs +10% and 128% utilization in 2025F). Gemalink can operate above 100% by collaborating with nearby terminals to augment handling capacity. However, we believe such arrangements would require a profit-sharing mechanism.

Attractive valuation vs 5Y average and vs peers. GMD is trading at a 2026F P/E and EV/EBITDA of ~1SD below their 5Y averages. For peer comparison, we use EV/EBITDA (which we believe is a better metric for peer comparison compared to P/E). GMD is trading at a TTM and 2026F EV/EBITDA of 8.9x and 6.6x, which is a premium vs the Chinese peer median (5.3x and 5.8x, respectively), and a discount vs the non-Chinese peer median (10.9x and 9.8x, respectively). The premium valuation vs Chinese peers is justified, given the materially higher trade barriers facing China compared with Vietnam. Compared to non-Chinese peers, we view the valuation attractive, given Vietnam's relatively stronger trade outlook vs those countries, GMD's leading position in the domestic port industry, and its capacity expansion plans, all of which will translate into stronger growth for GMD vs those peers, in our view. Further, GMD has historically traded at a much wider premium vs peers, making the valuation more compelling.

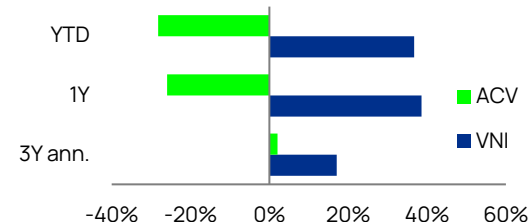
Upside potential: Non-core assets divestment; deep-sea port handling fee hike; approval of GML's berth length extension.

ACV - Long-term strength, near-term headwinds; LTH starts in mid-2026

Rating*	OUTPERFORM		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND54,900	Revenue (VND bn)	22,555	25,423	28,295	33,663
Target Price (TP)*	VND64,600	%YoY	13%	13%	11%	19%
		NPAT-MI (VND bn)	11,564	11,774	8,628	7,840
		% YoY	37%	2%	-27%	-9%
Upside to TP	+17.7%	EPS **	43%	0%	-32%	-13%
Dividend Yield	0.0%	GPM	61.2%	61.3%	47.2%	43.2%
TSR	+17.7%	EBITDA margin	64.7%	67.0%	64.1%	66.7%
		OPM	54.5%	54.8%	41.8%	37.5%
		NPM	52.3%	46.2%	28.0%	20.2%
Industry	Airports	FCF/Sales	-15.0%	-167.6%	-116.9%	-21.8%
Market Cap	USD7.4bn	EV/EBITDA	14.4x	12.3x	11.6x	9.3x
Foreign Room	USD3.4bn	P/E	18.7x	18.3x	24.8x	27.2x
ADTV30D	USD2.1mn	P/B	3.3x	2.7x	2.4x	2.2x
State Ownership	95.4%	ROE	21.0%	17.9%	11.4%	9.3%
Outstanding Shares	3.6 bn					
Fully Diluted Shares	3.6 bn					

* TP and rating last updated November 19, 2025.

(**) EPS adjusted for TO/L and BN/W



Company Overview

Airports Corporation Vietnam (ACV) owns and operates almost all of the passenger terminals at Vietnam's 22 active airports. Passenger service charges are the largest component of the company's revenue. ACV was equitized in Q1 2016, and the Committee for Management of State Capital (CMSC) holds a controlling 95.4% stake.

We forecast 2025F/26F/27F pax at 47/53/59 million international pax (+14%/+13%/+11% YoY) and 75/82/87 million domestic pax (+9%/+9%/+7% YoY). In 10M 2025, international and domestic pax reached 38.5/61.7 million (+14%/+7% YoY), respectively.

We assume LTH to begin operations in mid-2026: This is in-line with the Government's target for LTH to inaugurate on December 12, 2025, followed by a trial-operation phase in H1 2026 and full commercial operations in H2 2026, per CAAV. In 2025-2030, LTH is designated to handle around 80% of international routes (all international flights over 1,000 km and others at airlines' discretion) and 10% of domestic routes, with SGN managing the remainder. However, given current limited connectivity between LTH and HCMC, we expect for international pax's gradual reallocation from SGN to LTH at 30%/40% in H2 2026F/27F. We expect LTH to adopt the same international passenger service fee as Noi Bai at USD25/pax, above SGN's current USD20/pax

Phu Quoc International Airport (PQC) transition to Sun Group begins: Per Government Notice No. 625/TB-VPCP (November 17, 2025), ACV has transferred its infrastructure assets at PQC to the People's Committee of Kien Giang Province, which are set to be subsequently transferred to Sun Group - the investor for the PQC expansion. Despite the transfer, ACV will continue to operate and recognize earnings (~6% of 2024 NPAT, per ACV) of PQC while the asset valuation is underway. Once completed - likely within 2025 - ACV will submit the valuation to the People's Committee and Sun Group will support the full residual value based on ACV's valuation results. We will incorporate the impact once adequate information becomes available.

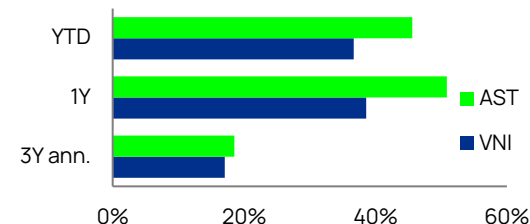
Valuation: We forecast NPAT-MI growth to be +2%/-27%/-9% YoY in 2025F/26F/27F. However, our EBITDA growth projection remains positive at 17%/6%/26%, respectively, supported by structural demand growth and upcoming capacity additions. Meanwhile, headwinds such as LTH's costs burden and concerns over rising competition from private players are partly priced in, leaving ACV at deep discounts with 2025F/26F/27F EV/EBITDA of 12.3x/11.6x/9.3x (22%/26%/41% discounts vs ACV's 2017-20 average of 15.8x).

Downside risks: Higher-than-expected bad debt provisions or capex; lower-than-expected passenger numbers; dilution risk from the State's capital increase through State-invested assets; higher-than-expected diversion rate between Noi Bai and Gia Binh airports.

AST - Aggressive expansion to drive medium-term growth

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND75,900	Revenue (VND bn)	1,330	1,657	2,059	2,379
Target Price (TP)*	VND80,600	%YoY	21%	25%	24%	16%
		NPAT-MI (VND bn)	149	224	266	311
		% YoY	29%	51%	19%	17%
Upside to TP	+6.2%	EPS	29%	51%	19%	17%
Dividend Yield	4.6%	GPM	61.1%	61.9%	61.9%	62.0%
TSR	+10.8%	EBITDA margin	21.0%	22.8%	22.0%	21.7%
		OPM	18.5%	19.7%	19.2%	19.2%
Industry	Aviation Services	NPM	11.2%	13.5%	12.9%	13.1%
Market Cap	USD130mn	FCF/Sales	16.2%	9.8%	12.4%	14.5%
Foreign Room	USD6.0mn	EV/EBITDA	11.4x	8.5x	7.1x	6.2x
ADTV30D	USD0.03mn	P/E	23.7x	15.7x	13.2x	11.3x
State Ownership	0.0%	P/B	5.5x	4.2x	3.4x	2.7x
Outstanding Shares	45.0mn	ROE	24.6%	31.3%	29.3%	27.5%
Fully Diluted Shares	45.0mn					

* TP and rating last updated August 26, 2025



Company Overview

AST has two core businesses: (1) operating airport retail stores (both non-duty-free and duty-free) at Vietnam's seven largest airports and (2) operating a four-star hotel in Da Nang. AST also has an affiliate company that provides air catering services.

We forecast 2025F/26F/27F NPAT-MI growth of 51%/19%/17% YoY, driven by (1) 26/30/15 new store openings in 2025F/26F/27F, mainly from Tan Son Nhat Terminal 3 (SGN T3) (Q2 2025) and Noi Bai Terminal 2 (HAN T2) (expected in Q2 2026F, per management), pending details on LTH's bidding to incorporate in our model, (2) rising air travel demand with improving pax spending, and (3) ongoing cost optimization and enhanced operational efficiency.

We forecast 2025F/26F/27F pax at 47/53/59 million international pax (+14%/+13%/+11% YoY) and 75/82/87 million domestic pax (+9%/+9%/+7% YoY). In 10M 2025, international and domestic pax reached 38.5/61.7 million (+14%/+7% YoY), respectively.

We estimate Lucky's 2025F/26F retail sales/store to reach VND6.7bn/VND7.3bn, equivalent to 86%/94% of the 2019 level. This is equivalent to 86%/94% of the pre-COVID level.

Nearly all of AST's SGN T3 locations are now operational; expansion opportunities in T1 remain promising. In Q2 2025, although only HVN moved to T3 (vs the initial plan of both HVN and VJC), management indicated that T3's performance remains in line with expectations, supported by strong lounge revenue. Looking ahead, while VJC's decision to stay in T1 may limit upside, we expect (1) Bamboo Airways and Vietravel Airlines' move to T3 in mid-August to sustain passenger flow and partly offset VJC's absence, and (2) AST's T1 expansion, leveraging recent exits of smaller players, unlocking further upside.

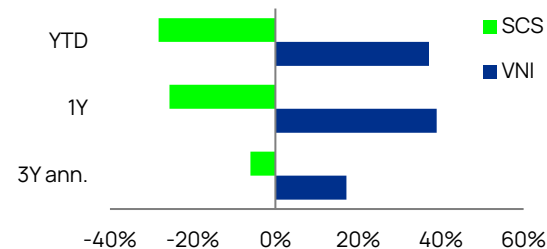
AST has 2025F/26F P/Es of 15.7x/13.2x, vs a 2018-19 average TTM P/E of 15.0x.

Downside risk: Weaker-than-expected international arrivals; softer-than-expected passenger spending; lower-than-expected space allocation in the HAN T2 expansion.

SCS - US tariff to impact earnings; high cash DPS

Rating*	OUTPERFORM		2024	2025F	2026F	2027F	
Share Price (Dec 4)	VND54,800	Revenue (VND bn)	1,037	1,113	1,139	874	YTD
Target Price (TP)*	VND67,000	%YoY	47%	7%	2%	-23%	1Y
		NPAT-MI (VND bn)	693	694	712	531	3Y ann.
		% YoY	39%	0%	3%	-25%	
Upside to TP	+22.3%	EPS % YoY	41%	-1%	3%	-25%	
Dividend Yield	10.9%	GPM	77.2%	79.7%	80.0%	77.0%	
TSR	+33.2%	EBITDA margin	79.8%	82.1%	82.3%	81.5%	
		OPM	70.4%	74.0%	74.2%	70.3%	
Industry	Aviation Services	NPM	66.8%	62.4%	62.5%	60.8%	
Market Cap	USD197.2mn	FCF/Sales	68.0%	51.8%	55.5%	45.1%	
Foreign Room	USD27.7mn	EV/EBITDA	4.7x	4.2x	4.1x	5.4x	
ADTV30D	USD0.7mn	P/E	7.5x	7.6x	7.4x	9.9x	
State Ownership	13.6%	P/B	3.7x	3.5x	3.3x	3.2x	
Outstanding Shares	94.9 mn	ROE	50.5%	47.7%	45.9%	32.6%	
Fully Diluted Shares	94.9 mn						

* TP and rating last updated May 29, 2025



Company Overview

Saigon Cargo Service (SCS) is an air cargo terminal operator located at Tan Son Nhat International Airport (SGN). SCS currently holds 49% and 40% of international and domestic market share at SGN, respectively. SCS also leases airport apron, offices, and soccer fields – all located on the same land plot.

We forecast high single-digit NPAT-MI growth in 2026F, mainly driven by our expectation for throughput growth across both international and domestic segments. For international cargo, we expect high single-digit to around 10% growth, consistent with the industry's long-term trajectory. This outlook reflects our view that Vietnam's trade momentum will remain resilient in 2026F, as US tariff measures have shown limited impact on Vietnam's export competitiveness. On the domestic side, we expect mid-to-high single-digit cargo growth. This reflects the ongoing tightening of informal cross-border trade with China. Historically, these unofficial goods entered northern Vietnam by land and were subsequently flown south via Tan Son Nhat, supporting SCS's domestic cargo volumes. As the tightening took effect, domestic volume contracted materially, with SCS's 10M 2025 throughput down 14% YoY. We expect this drag to ease gradually in 2026F as the domestic cargo base normalizes.

Progress of LTH-C1 bidding: ACV will invest in LTH-C1, and SCS thus will have no stake in it. Regarding bidding progress, the construction package has been closed, and construction works are underway. The operations package, however, has not been tendered. We expect the package to be opened sometime in 2026 to allow the terminal to commence operations in parallel with the main passenger terminal.

Upside potential: Operational fees from LTH-C1, better-than-expected US tariff on Vietnam.

Industrial Manufacturers

Strong-moat, low-US exposure players better insulated from tariff shifts

December 2025

Summary

Vietnam's tariff position is favorable in key export products, though the outlook remains uncertain amid ongoing negotiations

- Among key export categories, Vietnam is gaining market share in the US, mainly captured from China, supported by favorable tariff positioning. Vietnam's share in US apparel imports rose to 21% in Q3 2025 (from 18% in 2024), while wooden furniture edged up to 47% (from 43%). In contrast, China's market share fell sharply to 13%/9% (from 22%/16%), respectively.
- In textiles, Vietnam currently enjoys a US reciprocal tariff rate of 20%, significantly lower than China's tariff of 45% (25% in President Trump's first term, 10% reciprocal, 10% for fentanyl) and is broadly aligned with Bangladesh (20%) and Indonesia (19%), while considerably more favorable than India's 50% (25% reciprocal tariff and 25% in addition due to India's import of Russian oil).
- For wooden furniture, the Section 232 proclamation—effective October 14, 2025—imposes 10–50% tariffs on wood and wooden products. This could raise end-prices for US consumers, softening demand amid only moderate housing recovery and increasing cost-sharing pressure for exporters. However, existing AD/CVD/safeguard measures remain intact, preserving Vietnam's advantage.
- The 40% tariff on "transshipment goods" adds another layer of uncertainty, particularly for sectors heavily reliant on Chinese inputs—such as textiles (70% of raw materials are sourced from China). However, we await further clarification on the definition and scope of "transshipment goods" to more accurately assess the potential impact.

Stock picks: Players with strong moat, limited US exposure, and expansion opportunities appear more attractive

- **DGC:** We expect the company to achieve sustainable double-digit earnings growth in the medium term, driven by a resilient P-business and reinforced by contributions from the chlor-alkali project (expected in 2026F) and real estate (expected in 2027F-28F). Bauxite is positioned as a structural long-term game changer. With only 2% revenue exposure to the US, DGC is well-insulated from tariff risks. DGC's 2025F/26F/27F EV/EBITDAs are 7.1x/6.4x/5.5x, respectively, offering 18%/26%/37% discounts compared to its 10Y average of 8.7x.
- **DHC:** Structural supply cut marks a turning point for the pricing of packaging paper market. DHC - with (1) a low-cost advantage and (2) favorable geographic positioning, is well placed to capitalize on this industry transition. GL3 is the key strategic medium-term growth engine, enabling 128% paper capacity expansion with a move into higher-margin kraftliner products. DHC's 2025F/26F/27F EV/EBITDAs are 5.7x/5.1x/4.0x, respectively, offering 33%/40%/53% discounts compared to its 10Y average of 8.5x.

Industrials: Key data and summary valuations

Key data

Ticker	Rating	Market Cap USD mn	State O'ship %	Foreign Limit %	Foreign Avail. USD mn	ADTV 30D USD mn	Share Price VND ps	Target Price VND ps	Target price updated	Upside %	Div. Yield %	12M TSR %
DGC	BUY	1,397	0%	15%	480	8.5	97,000	118,000	07-Nov-25	21.6%	3.1%	24.7%
DHC	BUY	123	0%	37%	15	0.4	33,500	39,100	21-Aug-25	16.7%	3.3%	20.0%
TLG	BUY	214	0%	15%	182	0.7	64,200	61,900	12-Sep-25	-3.6%	5.5%	1.9%
PTB	O-PF	130	0%	13%	15	0.3	51,400	52,000	06-Oct-25	1.2%	4.1%	5.3%
STK	O-PF	89	0%	17%	74	0.0	16,800	25,500	17-Jan-25	51.8%	0.0%	51.8%
ACG	BUY	200	0%	39%	23	0.0	35,000	45,800	15-Jul-25	30.9%	4.9%	35.7%

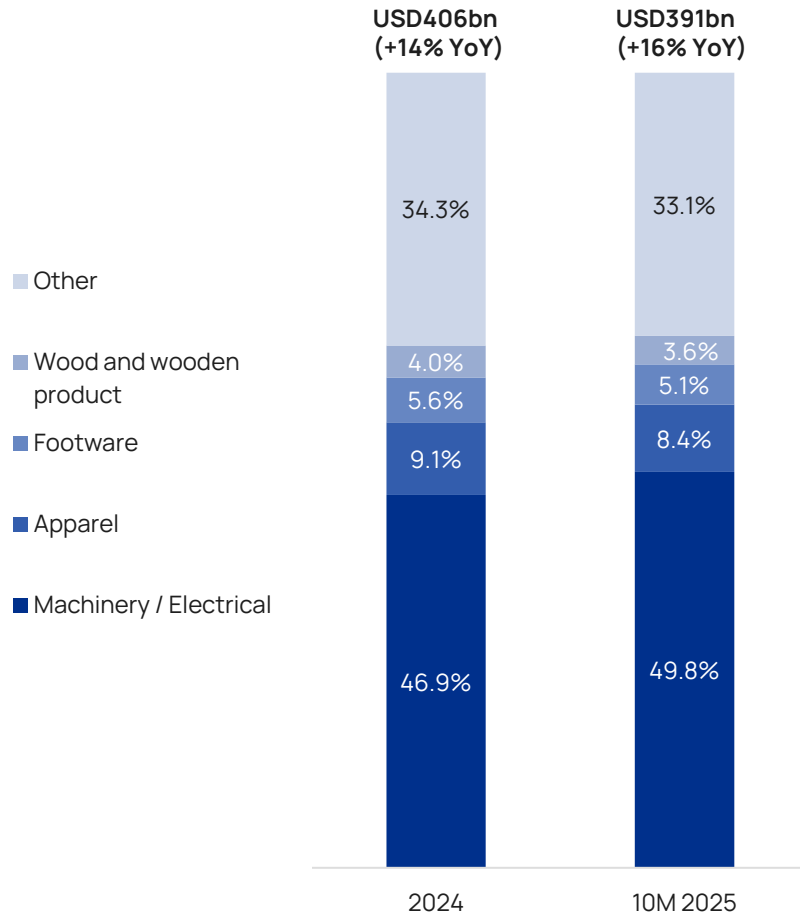
Summary valuation

Ticker	Share price VND ps	EPS g 2025F%	EPS g 2026F %	EPS g 2027F %	P/E 2025Fx	P/E 2026F x	P/E 2027F x	EV/ EBITDA 2026F x	ROE 2026F %	P/B LQ x	Net D/E LQ x
DGC	97,000	7.1%	15.9%	13.6%	11.5x	9.9x	8.7x	6.4x	22%	2.4x	-0.8x
DHC	33,500	33.6%	10.1%	7.7%	10.0x	9.1x	8.4x	5.1x	15%	1.5x	-0.1x
TLG	64,200	9.6%	2.6%	7.5%	9.1x	8.9x	8.3x	5.6x	12%	2.2x	0.3x
PTB	51,400	74.1%	78.6%	65.3%	20.2x	11.3x	6.8x	7.7x	8%	1.1x	1.1x
STK	16,800	2.5%	14.2%	15.7%	11.9x	10.4x	9.0x	7.8x	21%	1.3x	0.0x
ACG	35,000	36.7%	10.9%	15.8%	9.7x	8.7x	7.5x	4.9x	14%	1.2x	-0.3x

Favorable tariffs fuel Vietnam's market share gain in the US, but uncertainty remains

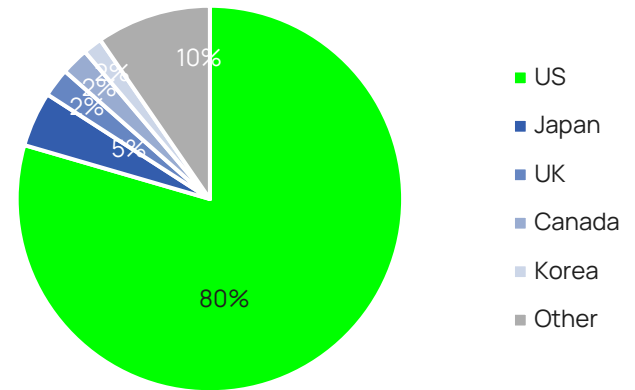
Vietnam's textile and wood exports have high exposure to the US market

Vietnam's exports breakdown by value

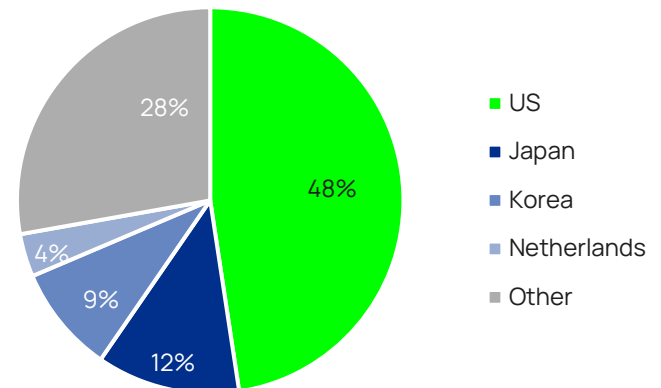


Key products' export destination (2024)

Wooden furniture



Apparel



Vietnam's apparel and wood tariffs moat against China with a manageable gap vs key rivals

Apparel

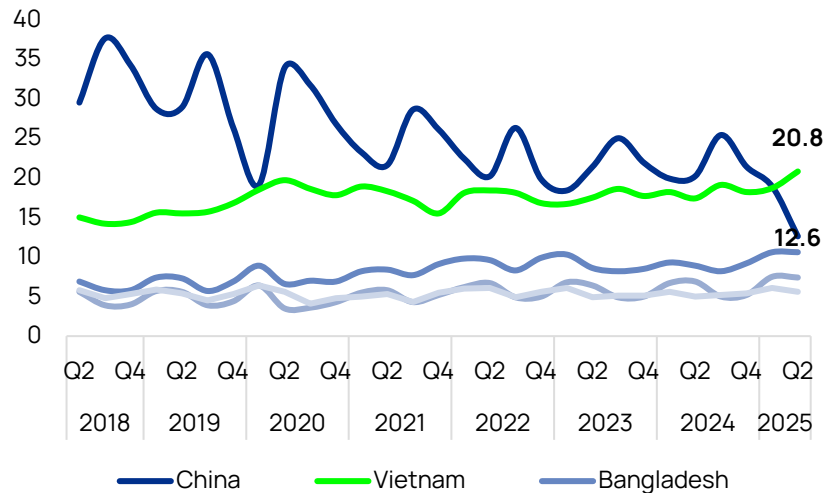
	Share of US's imports (Q2 2025)	Tariff before Pres. Trump's adjustments	Reciprocal tariff (effective August 7, 2025)
China*	12.6%	3.3-18.5%	45%
Vietnam	20.8%		20%
Bangladesh	10.6%		20%
India**	7.4%		50%
Indonesia	5.6%		19%
Others	43.0%		

Wood and wooden products

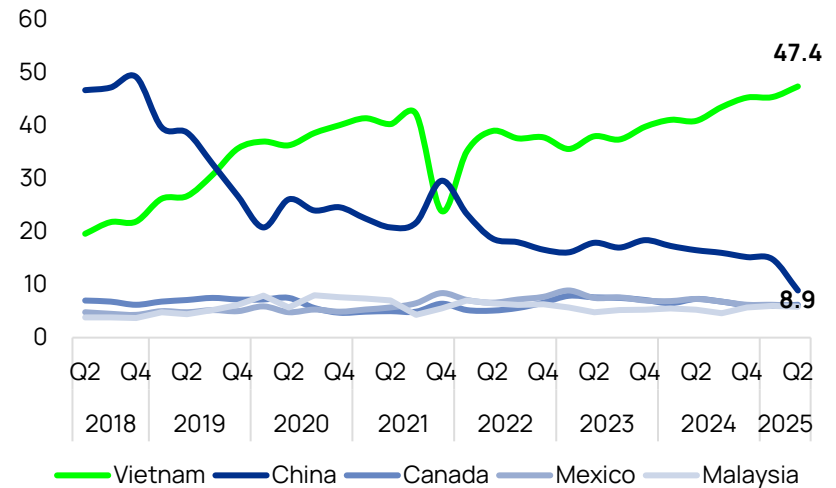
	Share of US's import (Q2 2025)	Tariff (before April 2, 2025)	AD/CVD/ Safeguards	Reciprocal tariff (effective August 7, 2025)	Wood and wooden product tariff(*)	
					(effective October 14, 2025)	(effective January 1, 2026)
Vietnam	47.4%	- Wooden furniture, Lumber, Logs: 0% - Plywood: 0-8%	- Hardwood and decorative plywood: under AD/CVD investigation, together with China, Indonesia	20%	- Softwood timber and lumber: 10%	- Softwood timber and lumber: 10%
China*	8.9%	- Wooden furniture, Lumber, Logs: 0% - Plywood: 0-8%	- Wooden cabinets and vanities: AD from 4.37%-262.18% and CVD from 13.33%-293.45% - Hardwood and decorative plywood: under AD/CVD investigation, together with Vietnam, Indonesia	45%	- Certain upholstered wooden products: 25%	- Certain upholstered wooden products: 30%
Canada	6.2%	0% (USMCA)	- Lumber: CVD 14.63% and AD duties of 20.56%	35%		
Mexico	6.0%	0% (USMCA)	No	25%	- Kitchen cabinets and vanities: 25%	- Kitchen cabinets and vanities: 50%
Other	31.5%					

Tariff advantage underpins Vietnam's 2025 market share gains

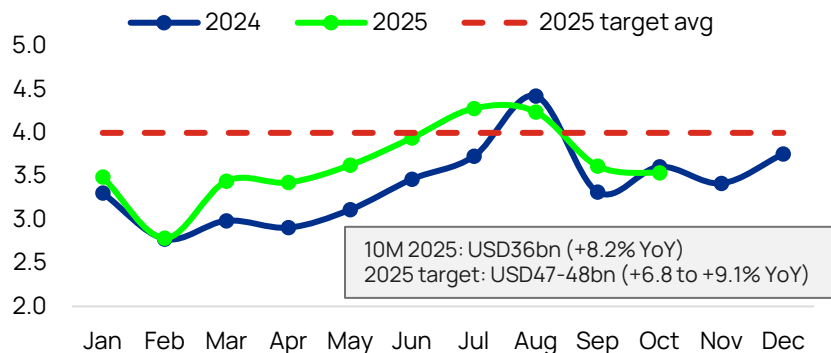
Share in value in US apparel imports (%)



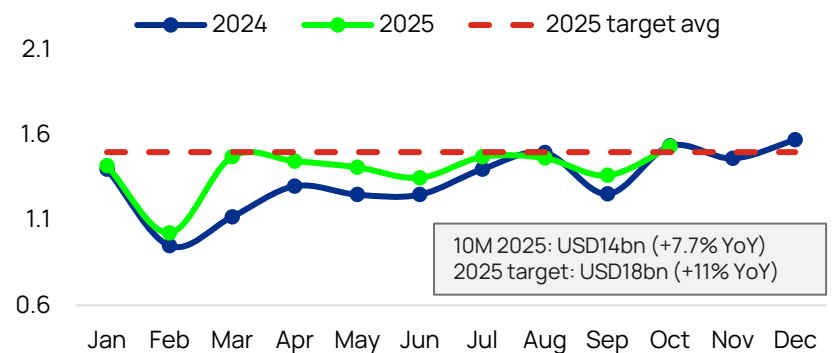
Share in value in US wooden furniture imports (%)



Vietnam's textile exports (USD bn)

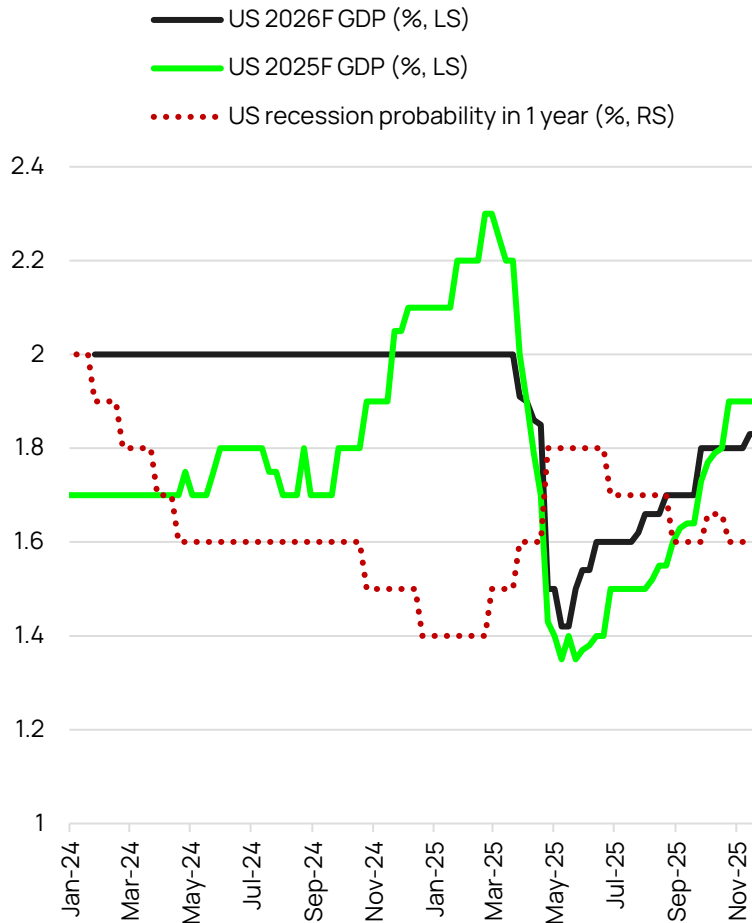


Vietnam's wood and wooden product exports (USD bn)



Expecting steadier US macro backdrop and improving sector indicators to support Vietnam's 2026 export momentum

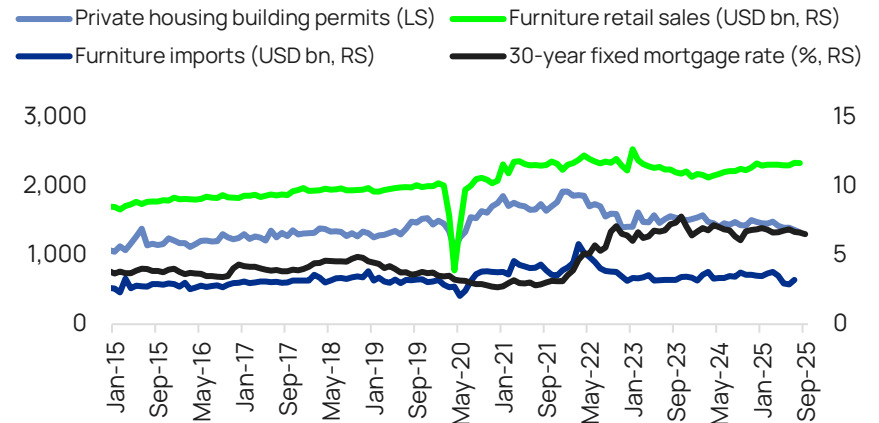
US's GDP and recession forecast: Easing recession risk and firmer GDP expectations strengthen the 2026 outlook



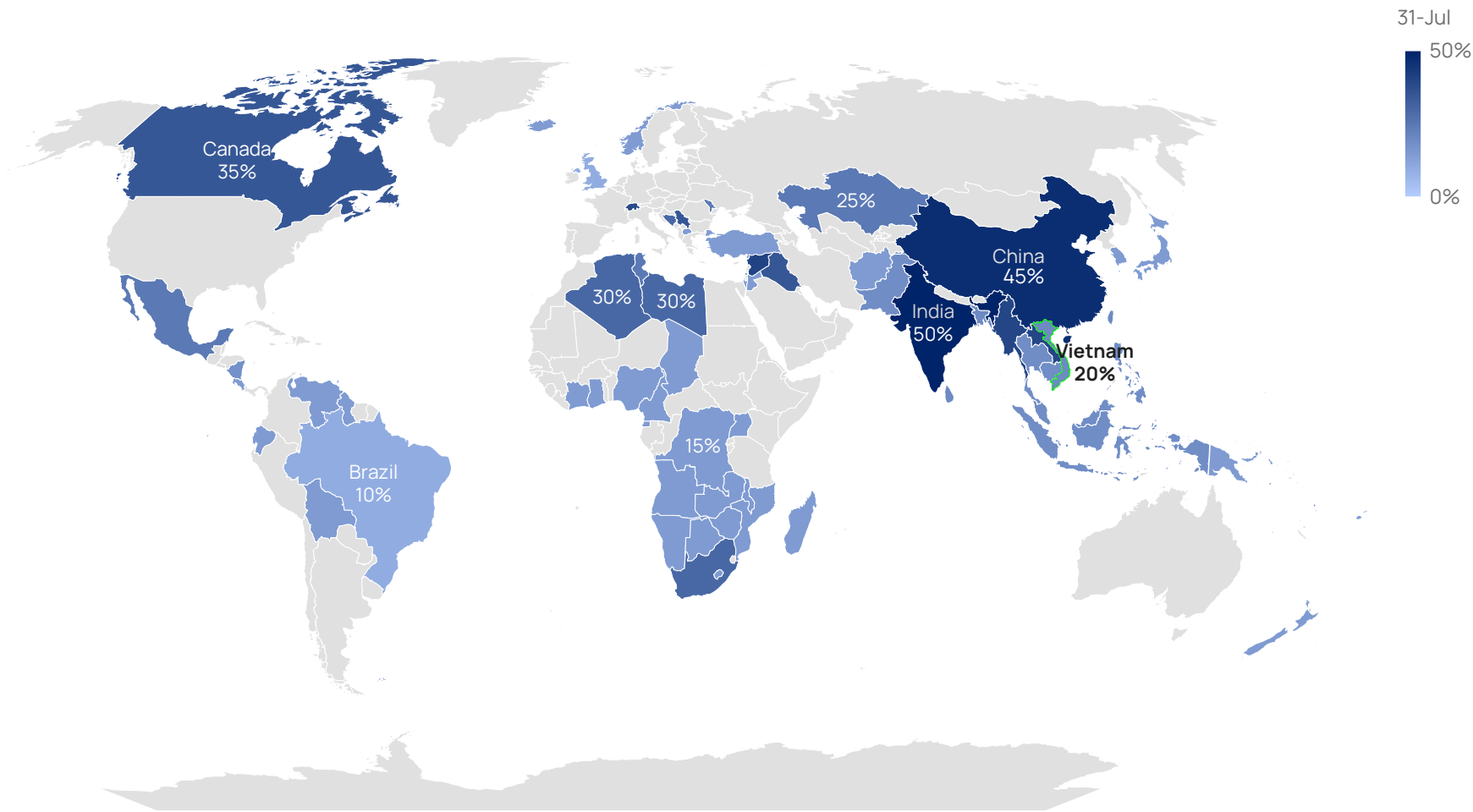
US clothing demand steady while inventory stays lean



Expecting YoY easing US mortgage rates in 2025 to support recovery in housing permits, thus boosting furniture imports



Global tariff landscape: Outlook turning clearer, but US-China terms shift and “transshipment” interpretation remain key monitor points



© Australian Bureau of Statistics, GeoNames, Microsoft, Navinfo, Open Places, OpenStreetMap, Overture MapsFundation, TomTom, Zenrin
Powered by Bing

Players with strong moat, limited US exposure, and expansion opportunities appear more attractive

Revenue exposure to US exports

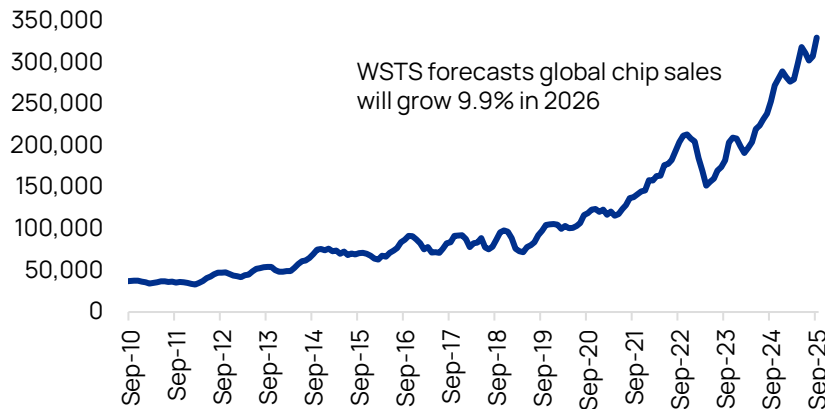
All companies in our coverage are export-oriented, particularly DGC (only 2% of revenue exposed to the US), DHC (indirect, end-customers are exporters), STK, and PTB. Among these, PTB and STK are most exposed to the US market and thus remain more vulnerable to potential US tariff escalations. An escalation in tariffs in key export markets could directly pressure sales volumes and margins. In contrast, companies with lower export exposure (ACG, TLG) or those benefiting from natural FX hedging (DHC, TLG) are better insulated from tariff and currency risks.

Revenue exposure to USD and exports in 2024

Company	Export demand exposure in revenue	Direct US exposure in revenue	COGS USD exposure	USD debt
DGC	75%	< 2%	40% of COGS for coke, sulfur, and ammonia imports	Immaterial
DHC	50%	No	Imported old corrugated containers: 40% of COGS	Immaterial
STK	100%	10%	Imported PET chips: 60% of COGS	Immaterial
PTB	70%	Most of export revenue	Immaterial	Immaterial
ACG	20%	12%	Immaterial	None
TLG	27%	11%	30% of COGS for plastic chip and other material imports	Immaterial

DGC: Rising chip sales and remaining high fertilizer level to drive P-business growth outlook; P4 export tax increases from 2026

Taiwan Semiconductor Manufacturing Company's (TSMC) three-month average revenue (TWD mn)



Vietnam's P4 export tax

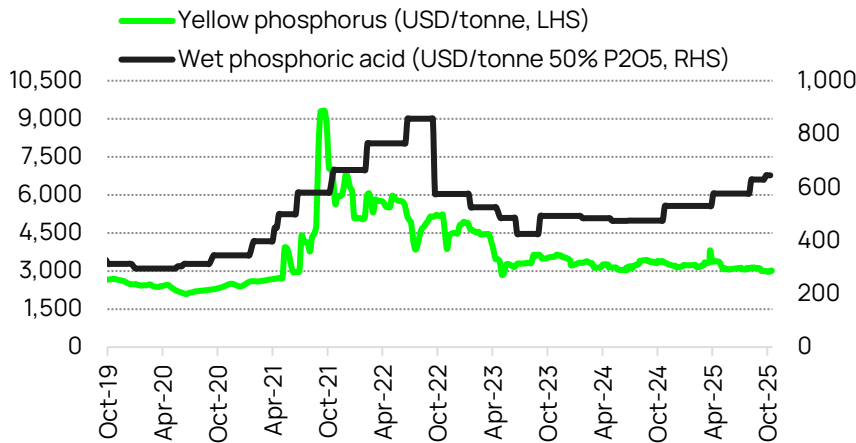


(* P4 exports to Japan (from 2026) and the EU (from 2027) will enjoy 0% tariffs under FTAs)

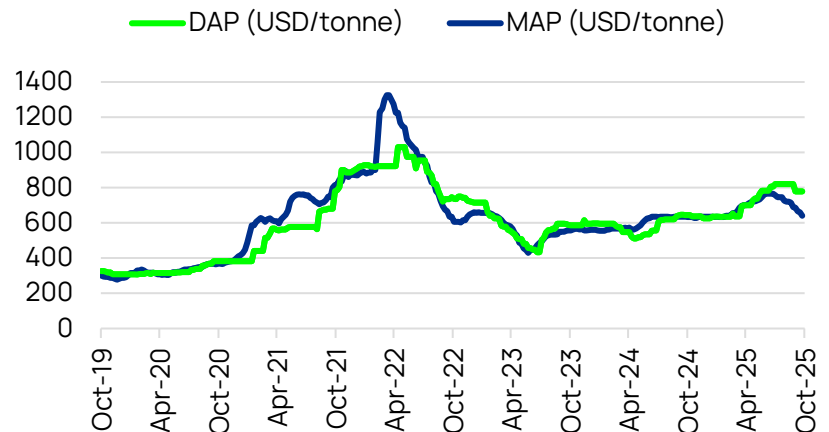
We expect DGC to **partial pass-through** the increasing P4 export tax to East Asian customers and limited pass-through to India and other markets.

Mitigations: DGC plans to (1) expand in higher-ASP East Asian markets, (2) shift a portion of P4 exports to TPA, and (3) integrate with the new chlor-alkali plant to produce PAC, PCl_3 , and H_3PO_3 , among others.

P4 and WPA market prices



DAP and MAP market prices

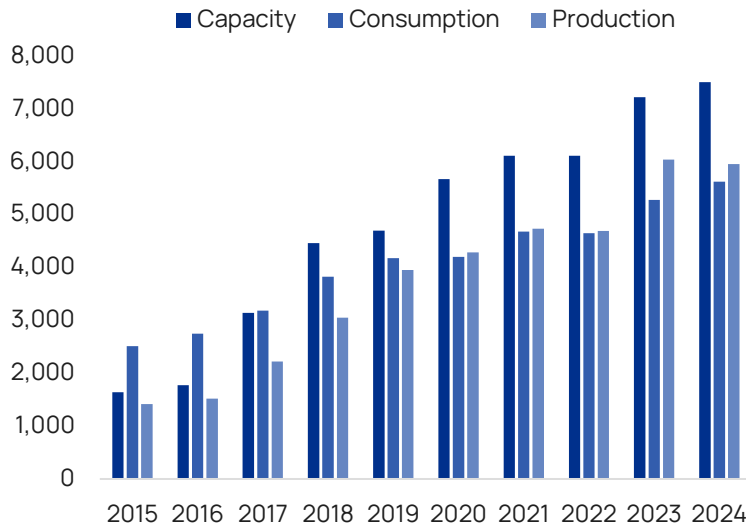


DGC: Near-term momentum from chlor-alkali; bauxite positioned as structural long-term game changer

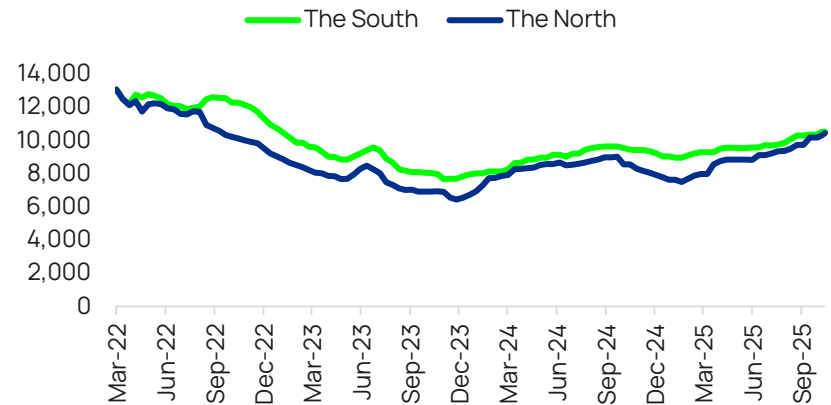
	Chlor-alkali	Alumina
Capex	USD100mn	USD700mn - USD1bn
Annual capacity	50,000 tonnes of NaOH Chlorine chemicals	1.2 million tonnes of alumina
Annual revenue*	USD75mn Incorporated into our forecasts.	USD480mn Not incorporated into our forecasts.
Average ROIC*	15% DGC does not have major cost advantages in chlor-alkali. Most of its inputs are externally sourced.	20% - 25% State-owned Vinacomin's alumina ROIC is 10%. Alumina is Vinacomin's most profitable business. DGC is confident it can invest and produce at cheaper costs than Vinacomin. Vietnam's top-tier bauxite mines provide cost advantages.
Latest progress	Under construction.	The master plan allows private players into the sector, prioritizing capable players like DGC.
Remaining steps	Purchasing equipment; acquiring approval for fire safety. Operations expected to begin in Q2 2026.	DGC is applying to mine bauxite and process bauxite into alumina. All approvals could take two years while construction takes another two years. DGC can generate alumina revenue in 2028-2029.
Potential expansion	No longer pursuing PVC plastic. DGC plans to produce phosphorus trichloride: $P_4 + 6 Cl_2 \rightarrow 4 PCl_3$	DGC plans to increase its bauxite-alumina-aluminum complex's annual production capacity to 2mn tonnes alumina and 500kt aluminum.

DHC: Structural paper capacity cuts reshape industry landscape, supporting price spread rebound and margin expansion

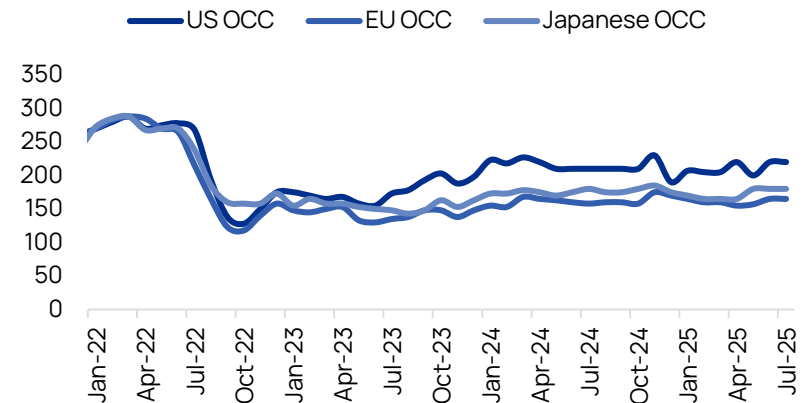
Vietnam's packaging paper statistics (mn tonnes)



Vietnam's paper prices (VND/kg)



Vietnam's imported OCC prices (USD/tonne)



Structural supply cut is reshaping industry dynamics.

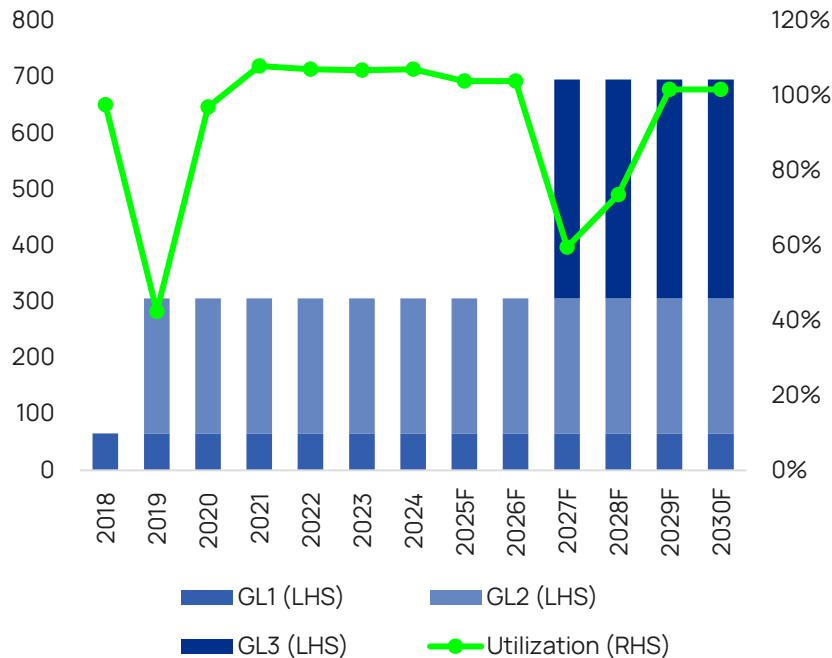
Following the closure of Phong Khe paper village as of end-Q2 2025, ~1.9mn tonnes/year of packaging paper capacity has been suspended, per VPPA. This has effectively resolved the oversupply-driven margin erosion after years from Q3 2025.

Meanwhile, packaging paper demand on an 8-10% CAGR runway to 2030, per VPPA.

This is driven by (1) rising sustainability-led consumption, (2) Vietnam's growing manufacturing & export activities, and (3) e-commerce with a potential threefold surge in 2024-2030, per "E-Economy SEA 2024.:

DHC: Capacity-led long-term growth story, while moving into kraftliner supports margin uplift

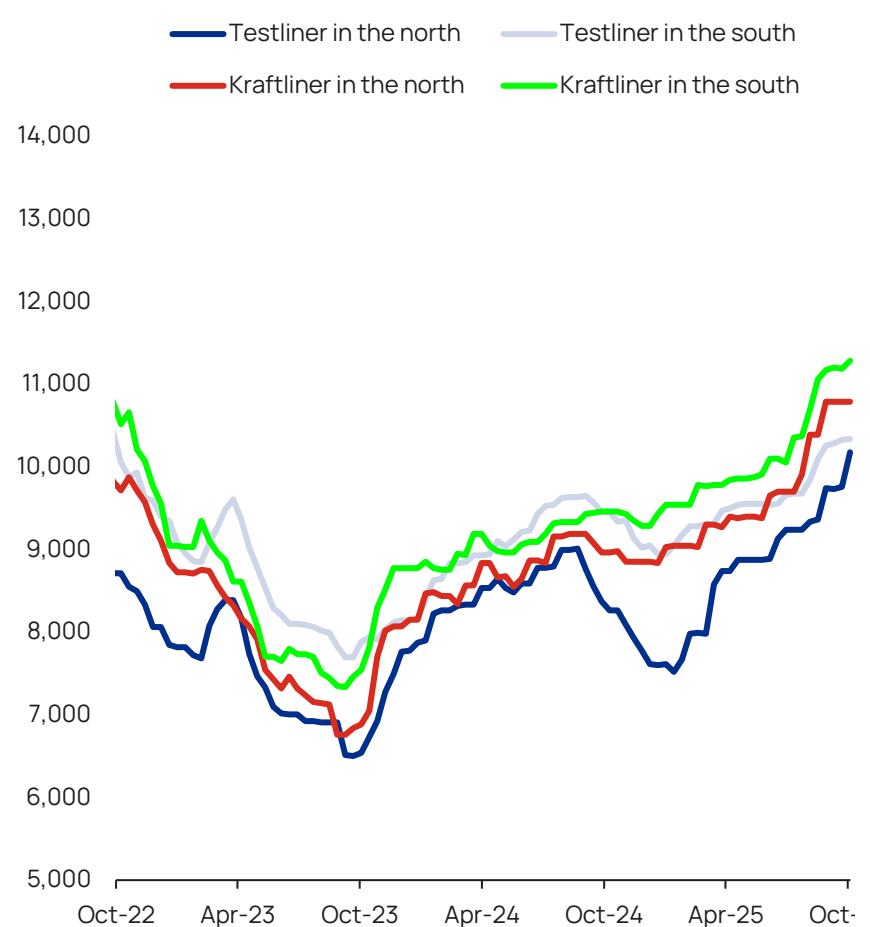
DHC's paper capacity & utilization ('000 tonnes/year, %)



Giao Long 3 (GL3) will add ~390kt/year (~1,200 tonnes/day), expanding DHC's total capacity by 128% from the current. Per management, GL3 is set to 30%/70% kraftliner/testliner, depending on market demand.

We currently assume GL3 to be operational in H2 2027, with projected 25%/50% in 2027F/28F, respectively.

Vietnam's kraft paper prices (VND/kg)

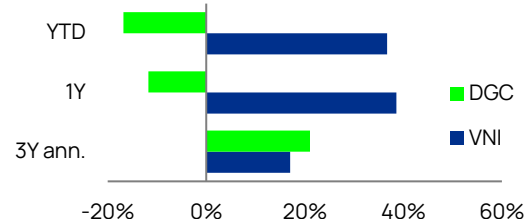


Top Stock Picks

DGC: Sustained P-business; chlor-alkali, real estate drive near-term earnings; bauxite acts as long-term game changer

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND97,000	Revenue (VND bn)	9,865	11,059	13,501	15,994
Target Price (TP)*	VND118,000	%YoY	1%	12%	22%	18%
		NPAT-MI (VND bn)	2,989	3,201	3,710	4,213
		% YoY	-4%	7%	16%	14%
Upside to TP	+21.6%	EPS % YoY	-4%	7%	16%	14%
Dividend Yield	3.1%	GPM	35.5%	34.7%	31.9%	31.4%
TSR	+24.7%	EBITDA margin	32.5%	32.5%	30.0%	29.0%
		OPM	28.7%	28.8%	25.9%	25.2%
Industry	Chemical	NPM	30.3%	28.9%	27.5%	26.3%
Market Cap	USD1.4bn	FCF/Sales	26%	20%	20%	26%
Foreign Room	USD480mn	EV/EBITDA	8.0x	7.1x	6.4x	5.5x
ADTV30D	USD8.5mn	P/E	12.3x	11.5x	9.9x	8.7x
State Ownership	0.0%	P/B	2.7x	2.4x	2.1x	1.8x
Outstanding Shares	380 mn	ROE	23.2%	21.9%	22.1%	21.8%
Fully Diluted Shares	380 mn					

* TP and rating last updated November 07, 2025



Company Overview:

Duc Giang Chemicals Group is Vietnam's leading producer of phosphorus chemicals, which serve agricultural and electronic applications, among others. In addition, DGC is set to become the country's preeminent player in chlor-alkali-vinyl chemicals, which are crucial to the general manufacturing and construction sectors.

We forecast IPC revenue to grow 8% YoY in 2026F, underpinned by a 7% increase in sales volume to 69,944 tonnes (phosphorus content), driven by stronger global demand—particularly from electronics and semiconductor end-markets. In addition, we estimate 2026F IPC ASP to remain flat YoY at VND100mn/tonne, reflecting higher P4 export taxes in 2026–27F, offset by underlying pricing dynamics. We assume DGC will partially pass through the additional tax burden to East Asian customers, while pricing power remains limited in India and other markets.

Chlor-alkali project provides near-term earnings visibility: We now assume the plant to be operational from Q2 2026, with respective 2026F/27F utilization of 65%/90%. PVChem will offtake around 30–40% of the plant's output. Our projection translates into NPAT of VND210bn/VND335bn, contributing 6%/8% to our 2026F/27F NPAT forecasts for DGC.

Real estate adds non-core earnings optionality: The Duc Giang real estate project received investment approval in November 2025. The project includes 1,000 apartments and 60 townhouses, with an estimated revenue of VND5tn and NPAT of VND1tn. We currently forecast NPAT from this project to reach VND413bn/VND1.0tn in 2027F/2028F, contributing 9%/20% to our DGC's NPAT, respectively.

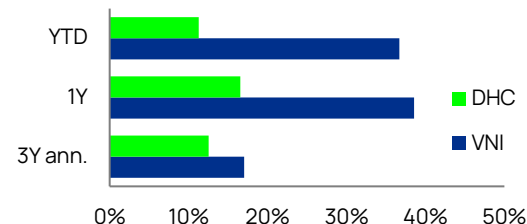
Bauxite project is a structural long-term game changer: For phase 1, the project is awaiting investment license for the processing plan, while the mining license has to be decided by the central government. Management expects to obtain the investment permit for Phase 1 in 2025, breaking ground in 2026. Phase 1 alone could yield VND12tn in revenue (122% of 2024 revenue) and VND3tn in NPAT (equivalent to 2024 NPAT). We anticipate a revenue contribution starting in 2029. However, we have not incorporated this project into our forecast, awaiting a fuller review.

Downside risks: Stronger-than-expected compression in market price spreads, delays in the chlor-alkali project, and unfavorable changes in phosphorus export policies.

DHC: Structural supply cuts widen price spread, carton box volumes ramp up, GL3 anchors long-term growth

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND33,500	Revenue (VND bn)	3,597	3,419	3,572	4,579
Target Price (TP)*	VND39,100	%YoY	10%	-5%	4%	28%
		NPAT-MI (VND bn)	242	323	356	383
		% YoY	-22%	33%	10%	8%
Upside to TP	+16.7%	EPS % YoY	-22%	34%	10%	8%
Dividend Yield	3.3%	GPM	11.8%	15.2%	15.8%	14.3%
TSR	+20.0%	EBITDA margin	10.7%	12.8%	13.7%	13.8%
		OPM	7.6%	10.4%	10.9%	9.5%
Industry	Packaging Paper	NPM	6.7%	9.5%	10.0%	8.4%
Market Cap	USD123mn	FCF/Sales	16.3%	0.8%	-16.2%	-4.3%
Foreign Room	USD15mn	EV/EBITDA	6.5x	5.7x	5.1x	4.0x
ADTV30D	USD0.4mn	P/E	13.4x	10.0x	9.1x	8.4x
State Ownership	0.0%	P/B	1.6x	1.5x	1.3x	1.2x
Outstanding Shares	96.6 mn	ROE	12.6%	15.3%	15.1%	14.8%
Fully Diluted Shares	96.6 mn					

* TP and rating last updated August 21, 2025



Company Overview

Dong Hai Ben Tre (Dohaco) is a medium-sized packaging paper company in Vietnam with a 2020 market share of ~5%, per our estimate. DHC owns two recycled paper mills and a packaging factory in Ben Tre Province in southern Vietnam. DHC's main products include packaging papers and corrugated carton boxes.

Structural capacity cuts widen packaging paper price spread, accelerating DHC's earnings recovery from a low base in near-term: The closure of Phong Khe paper village eliminated 1.9mn tonnes/year of packaging paper capacity—almost equal to Vietnam's excess supply—triggering a structural supply contraction. Benefiting from that, DHC's ASPs surged 7% YoY and 11% QoQ to VND9,995/kg in Q3 2025, outperforming expectations and continuing to trend upward. Meanwhile, OCC input prices have remained broadly stable, further supporting margin recovery. We expect this favorable pricing trend to remain intact. We see upside potential to our forecasts current GPM forecast of 15.2%/15.8% in 2025F/26F, pending further review.

Carton box segment: utilization ramp-up continues, with ASP recovery expected to follow input paper price momentum: Utilization improved to 82% in 9M 2025 (vs 70% in 2024) due to export recovery and stronger domestic demand. We expect utilization to reach 85%/95%/100% in 2025F/26F/27F, with management planning a third factory once current plants near full capacity. ASPs were flat QoQ at VND8,142/kg (-5% YoY) in Q3 2025, reflecting the lagged pass-through of paper price increases. As input prices have already rebounded, we expect ASPs to gradually recover, adding pricing tailwinds to a visible volume-led earnings improvement.

GL3 is the key long-term growth driver, with high-margin kraftliner focus. We expect GL3 to commence operations in H2 2027. The plant will add approximately 390kt/year (~1,200 tonnes/day), expanding DHC's total capacity by 128% from the current 304kt/year. GL3 will primarily produce kraftliner (30%) and testliner (70%), with flexibility to adjust the mix based on demand. This capacity expansion, coupled with a more premium product portfolio, positions DHC for sustained margin expansion and earnings scalability.

Downside risks: Pressure on selling prices caused by capacity additions by competitors; higher-than-expected US tariff.

Construction Materials

Domestic market continues to be key growth driver

December 2025

Summary

2026F steel demand outlook: Domestic demand to prevail over exports

- **Domestic market:** Demand will be driven by robust infrastructure spending (main driver) and a recovering real estate market, supporting construction steel sales. The Government has set an aggressive 2026P public investment plan of VND1,120tn (USD43.1bn; +28% YoY from the 2025P revised plan of VND875tn/ USD33.7bn). This marks a new record high for an annual public investment plan.
- **Exports:** Protectionism to keep weighing on Vietnam's 2026F steel exports, but limited room for a further sharp YoY decline from 2025's low base.

Steel output, input price, and Vietnamese steelmakers' margins outlook

- **Output:** We expect steel prices to experience a gradual and bumpy recovery in 2026F. The key driver is capacity cuts under China's anti-involution policy, which aims to curb irrational competition and enforce stricter capacity discipline. This is partly offset by China's weak construction demand.
- **Input:** We expect 2026F iron ore and coking coal input prices to remain soft, driven by (1) slightly higher exports from Australia – a major production country, (2) significantly higher iron ore supply from the Simandou project in Africa (expected to come online in November 2025, thus will have its first full-year contribution in 2026F), and (3) supply-cut-driven weaker steel production from China which also reduces demand for steel input materials.
- **Margins:** We expect favorable input-output price dynamics to result in a YoY margin expansion for upstream producers like HPG. For downstream galvanized steel producers, we remain cautious on the 2026F margin outlook, despite the expected price recovery in China as domestic competition remains intense amidst weak exports outlook. High competition makes it challenging to fully pass on higher HRC input costs, which pressures core GPM performance, as seen throughout 2025.

Vietnam's domestic protection against imported steel: In July and August 2025, the Ministry of Industry and Trade (MoIT) imposed 5-year final AD tariffs on imported Chinese HRC (rates from 23% - 28%, case code: AD20) and imported galvanized steel from China (37%) and South Korea (12-16%) (AD19), respectively. As AD20 only covers narrow-width HRC (widths below 1.88m), importers have allegedly circumvented the tariffs by importing wide-width HRC (widths above 1.88m) which falls outside the scope of AD20. As such, the MoIT launched an investigation into this act in late October, expected to last up to 9 months. If imposed, the extended AD tariffs are beneficial for both HRC sales volume and ASP of HPG and Formosa.

Stock recommendations:

- **HPG:** A strong growth play, benefiting from both domestic and international tailwinds. Domestic tailwinds for construction steel include real estate market recovery and record-high infrastructure investment spending. For HRC, growth drivers include DQSC2 expansion, and the AD tariff on imported HRC. External tailwinds include (1) gradual steel price recovery in China and (2) higher iron ore supply. These tailwinds underpin our 2026F NPAT-MI growth forecast of 36% YoY and 2025-28F CAGR of 25%. Given the solid outlook, the current valuation looks attractive, with a 2026F P/E of 10x.
- **BMP:** Record earnings ahead: We project Q4 2025F and 2026F NPAT-MI to set new quarterly/annual highs, driven by weak input costs. We forecast 2025F NPAT-MI of +35% YoY, supported by strong 9M results and a solid Q4 earnings outlook (+4% QoQ, +60% YoY). From this record base, we expect 2026F NPAT-MI of +6% YoY. We model GPM at record levels of 46.5%/46.6% in 2025/26F, underpinned by input price assumptions of -6.5%/0% YoY. The stock also offers highly attractive cash dividend, with a projected next-12M yield of 9.7%.

Construction Materials: Key data and summary valuations

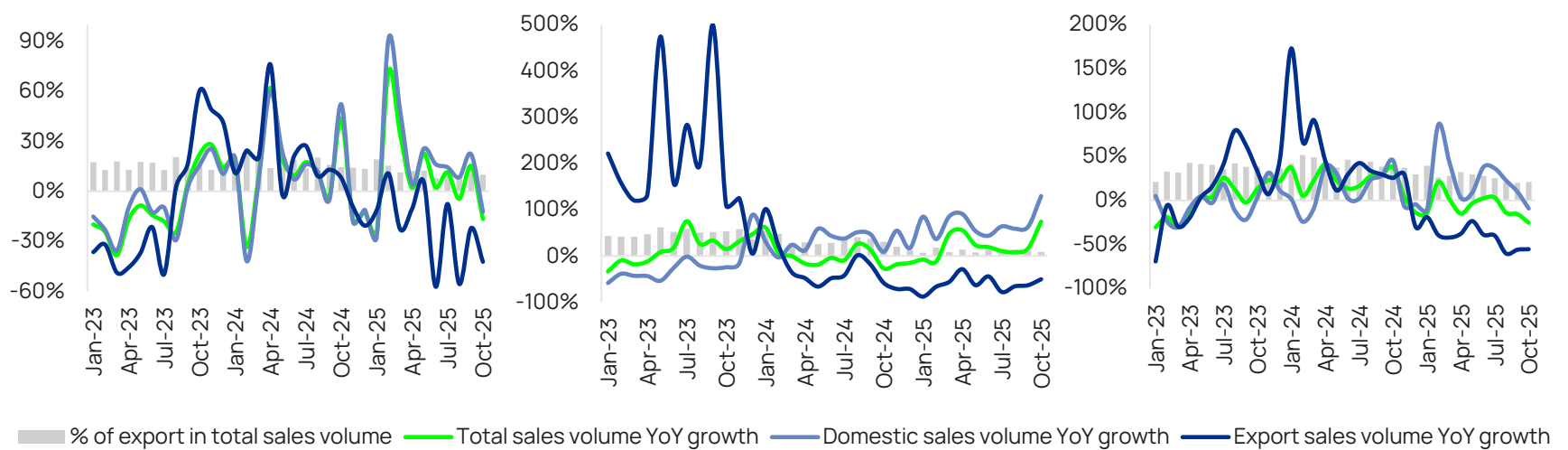
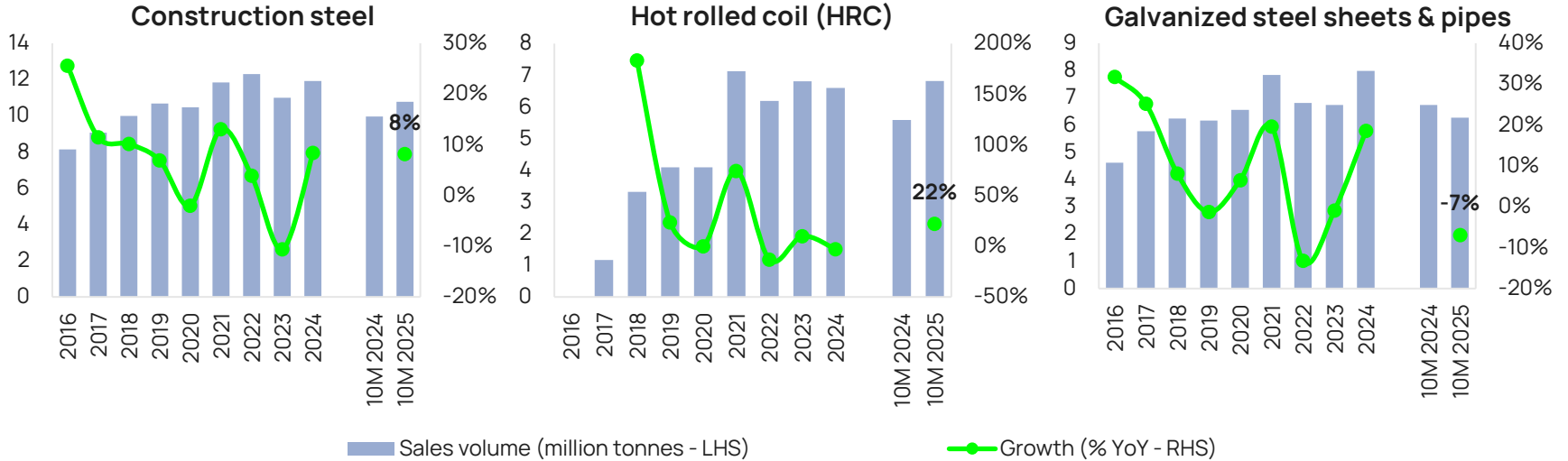
Key data

Ticker	Rating	Market cap, USD mn	State O'ship %	Foreign limit %	Foreign avail, USD mn	ADTV 30D, USD mn	Share price, VND ps	Target price, VND ps	Target price, updated	Upside %	Div. yield %	12M TSR %
HPG	BUY	7,946	0%	22%	2,170	31.8	27,300	35,700	10-Nov-25	30.8%	2.9%	33.7%
BMP	BUY	511	0%	86%	73	0.7	164,500	192,500	12-Nov-25	17.0%	9.7%	26.7%
HSG*	M-PF	397	0%	8%	161	2.3	16,850	13,500	18-Apr-25	-19.9%	3.0%	-16.9%
NKG	M-PF	275	0%	5%	123	4.5	16,200	13,100	18-Apr-25	-19.1%	0.0%	-19.1%

Summary valuations

Ticker	Share price VND ps	EPS g 2025F %	EPS g 2026F %	EPS g 2027F %	P/E 2025 x	P/E 2026F x	P/E 2027F x	EV/ EBITDA* 2026F x	ROE 2026F %	P/B LQ x	Net D/E LQ x
HPG	27,300	33.1%	35.7%	23.7%	13.6x	10.0x	8.1x	7.0x	16%	1.7x	0.5x
BMP	164,500	34.5%	6.0%	-3.7%	10.2x	9.6x	10.0x	5.6x	47%	4.3x	-0.9x
HSG*	16,850	-2.4%	18.1%	43.0%	21.1x	17.8x	12.5x	7.7x	5%	0.9x	0.3x
NKG	16,200	-26.4%	35.0%	65.3%	16.9x	12.5x	7.6x	7.4x	7%	0.9x	0.7x

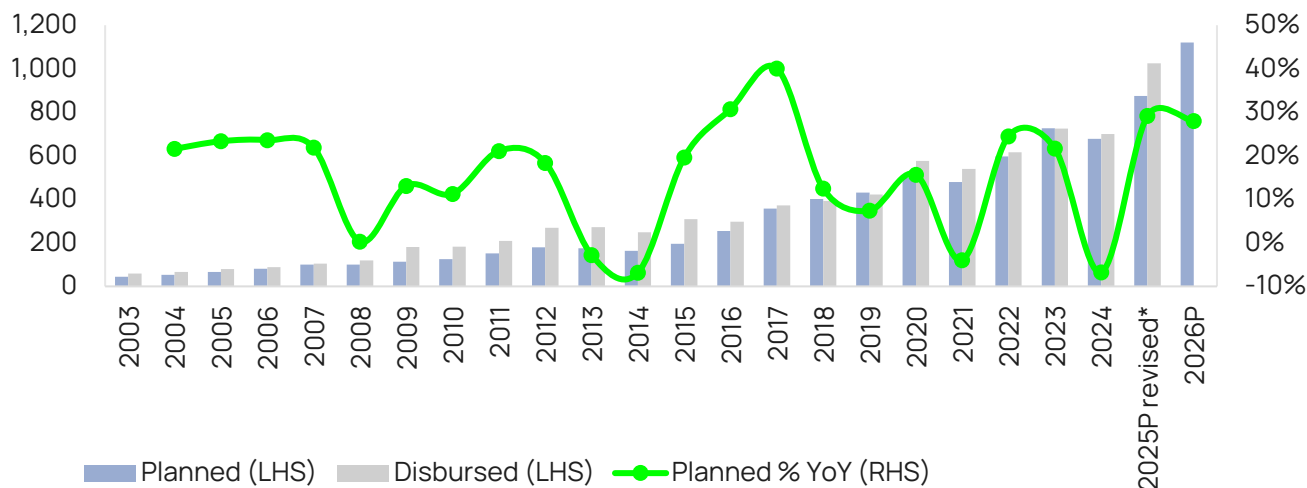
10M 2025 Recap: Domestic market showed healthy recovery, exports challenged by protectionism and Chinese steel



Domestic market: We expect 2026 volume growth in low-teen-digits across construction materials, led by infrastructure (1)

State expenditure budget for investment & development (VND tn)

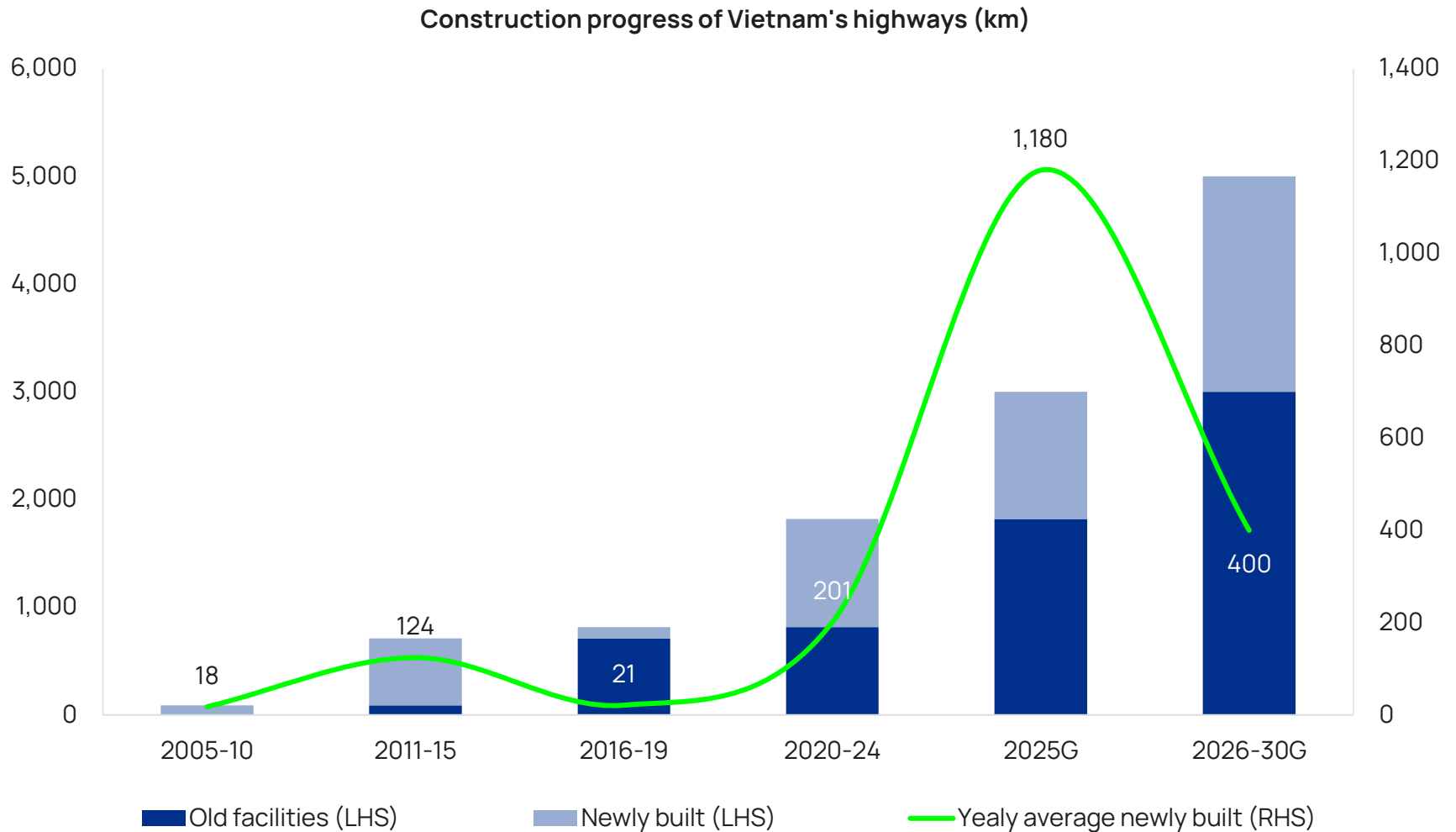
The Government has set an aggressive 2026P public investment plan of **VND1,120tn** (USD43.1bn; **+28% YoY** from the 2025P revised plan of VND875tn/ USD33.7bn). This marks a new record high for an annual public investment plan.



State expenditure budget for investment & development in 2020-2026

	2020	2021	2022	2023	2024	2025G revised	2026G
Amount planned for the year	VND471tn (USD18.1bn) +9% vs 2019	VND477tn (USD18.3bn) +1% vs 2020	VND526tn (USD20.2bn) +10% vs 2021	VND727tn (USD28.0bn) +38% vs 2022	VND677tn (USD26.0bn) -7% vs 2023	VND875tn (USD33.7bn) +29% vs 2024	VND1,120tn (USD43.1bn) +28% vs 2025
	planned budget	planned budget	planned budget	planned budget	planned budget	planned budget	planned Budget
Actual disbursement*	VND576tn (USD22.2bn)	VND516tn (USD19.8bn)	VND530tn (USD20.4bn)	VND725tn (USD27.9bn)	VND700.1tn (USD26.9bn)**	VND486.1tn (USD18.7bn) in 10M 2025 , +57.9% YoY	
Actual vs planned	122.5%	108.1%	100.8%	99.8%	103.4%*	55.6% of annual plan (vs 45.5% in 10M 2024)	

Domestic market: We expect 2026 volume growth in low-teen digits across construction materials*, led by infrastructure (2)



Domestic market: Major infrastructure projects are being put in motion (1)

Major approved infrastructure projects

No	Project	Annual capacity/Length/Scale	Capex	Status	Timeline
1	North-South Highway				
	- Phase 1	666 km	VND88.1tn (USD3.5bn)	Finished	
	- Phase 2	721 km	VND147tn (USD5.9bn)	On going	Complete in 2026
2	HCMC Ring Road No.3	90 km	VND75.4tn (USD3bn)	On-going	Complete in 2026
3	HCMC Ring Road No.4 – Phase 1	159 km	VND120.4tn (USD4.6bn)	Approved by the National Assembly	2025-2029
4	Hanoi Ring Road No.4	112.8 km	VND85.8tn (USD3.4bn)	On-going	Basic completion in 2026, full operations in 2027
5	Long Thanh Airport	100mn pax, 5mn tonnes of cargo	VND336.6tn (USD13.5bn)		
	- Phase 1	25mn pax; 1.2mn tonnes of cargo	USD5bn	On-going	Operational by early 2027*
	- Phase 2	25mn pax; 0.3mn tonnes of cargo	VND80tn (USD3.1bn)	Not started	2028 - 2032
	- Phase 3	50mn pax; 3.5mn tonnes of cargo		Not started	
6	North-South High-speed Railway	350km/h max speed, connecting HCMC-Hanoi. 1,541km	USD67.4bn	Approved by the National Assembly	Start construction by end-2026
7	Hanoi – Quang Ninh High-speed Railway	120 km	VND133.6tn (USD5.1bn)	Master plan approved by the PM	Q4 2025 – Q1 2028
8	Lao Cai – Hanoi – Hai Phong railway	Main route: 391km, sub-route: 28 km	VND203.2tn (USD8.4bn)	Approved by the National Assembly	2025 - 2030
9	Bien Hoa – Vung Tau Railway	132 km	USD6.2bn	Master plan approved by the PM	
10	Ninh Thuan Nuclear Power Project	Design capacity: ~4,000 MW in total.	USD22bn	Approved by the National Assembly	2026 - 2038
11	Cai Mep Ha Logistics Center	2,200ha, able to receive world's largest ship (250,000 DWT)	USD6.7bn		
12	Can Gio International Transshipment Port	2.1mn TEUs (2027), 4.8mn TEUs (2030), 16.9mn TEUs (2047)	VND113.5tn (USD4.5bn)	Received investment approval	2025 - 2027 (first phase)

Domestic market: Major infrastructure projects are being put in motion (2)

Major proposed infrastructure projects

No	Project	Annual capacity/Length	Capex	Status	Timeline
1	Red River Boulevard	11,000ha and stretch more than 40km along the Red River	More than VND400tn (USD15.4bn+)	Approved by Hanoi authorities	Targeting groundbreaking on December 19, 2025
2	Hanoi Olympic sports Urban Area	16,081ha, including 4 areas		Plan approved	
3	Road linking Gia Binh Airport with Hanoi	16 km (3 segments)	VND33tn (USD1.3bn)	Approved by Hanoi authorities	2025 - 2026
4	Hanoi Ring Road No.5	331 km	VND85.6tn (in 2013 estimates); VND150tn (USD5.7bn) at 2025's price	Awaiting approval for major segments	Partially underway; majority expected to commence pre-2030
5	Vinh - Thanh Thuy Expressway	60 km	VND24tn (USD910mn)	Proposed to the National Assembly	Q3 2026 - 2029
6	North-South Expressway Expansion	1,144 km	VND152tn (USD5.8bn)	Proposed by the MoC	2026 - 2030
7	Gia Binh International Airport (GBA)	- Phase 1: 30mn pax; 1.6mn tonnes of cargo, - Phase 2: 50mn pax; 2.5mn tonnes of cargo	Phase 1: USD5.4bn Phase 2: USD2.1bn	Proposed to the National Assembly	Phase 1: 2026-2030 Phase 2: 2031-2050

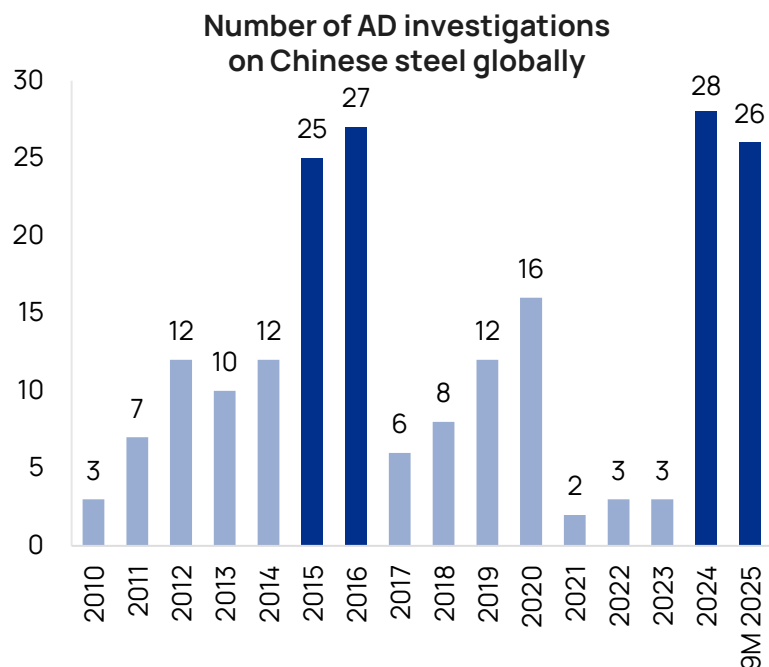
Domestic market: Major infrastructure projects are being put in motion (3)

- For the **North-South HSR**, the Government estimates **total steel demand of 3.5mn tonnes**. We believe construction steel makes up a large portion of building up supporting infrastructure for the project, as **railway steel demand is nearly 185,000 tonnes**, per our calculation.*

Estimation of construction materials needed

	North-South HSR	Long Thanh International Airport	North-South Expressway	Hanoi Ring Road 4	HCMC Ring Road 3	Khanh Hoa - Buon Ma Thuot Expressway - phase 1	Bien Hoa - Vung Tau Expressway - phase 1	HCMC Ring Road 4
Types	High-speed railway	Airport	Expressway	Expressway	Expressway	Expressway	Expressway	Expressway
Construction stone	17.4M m ³	18M cbm	18.5M cbm	4.4M cbm	4.4M cbm	0.9M cbm	0.7M cbm	11.6M cbm
Concrete	N/A	1.6M cbm						
Cement	6.72 Mt	1 Mt						
Steel	3.5 Mt	0.1 Mt						
Paving stone		500,000 sqm						
Wooden panel		50,000 sqm						

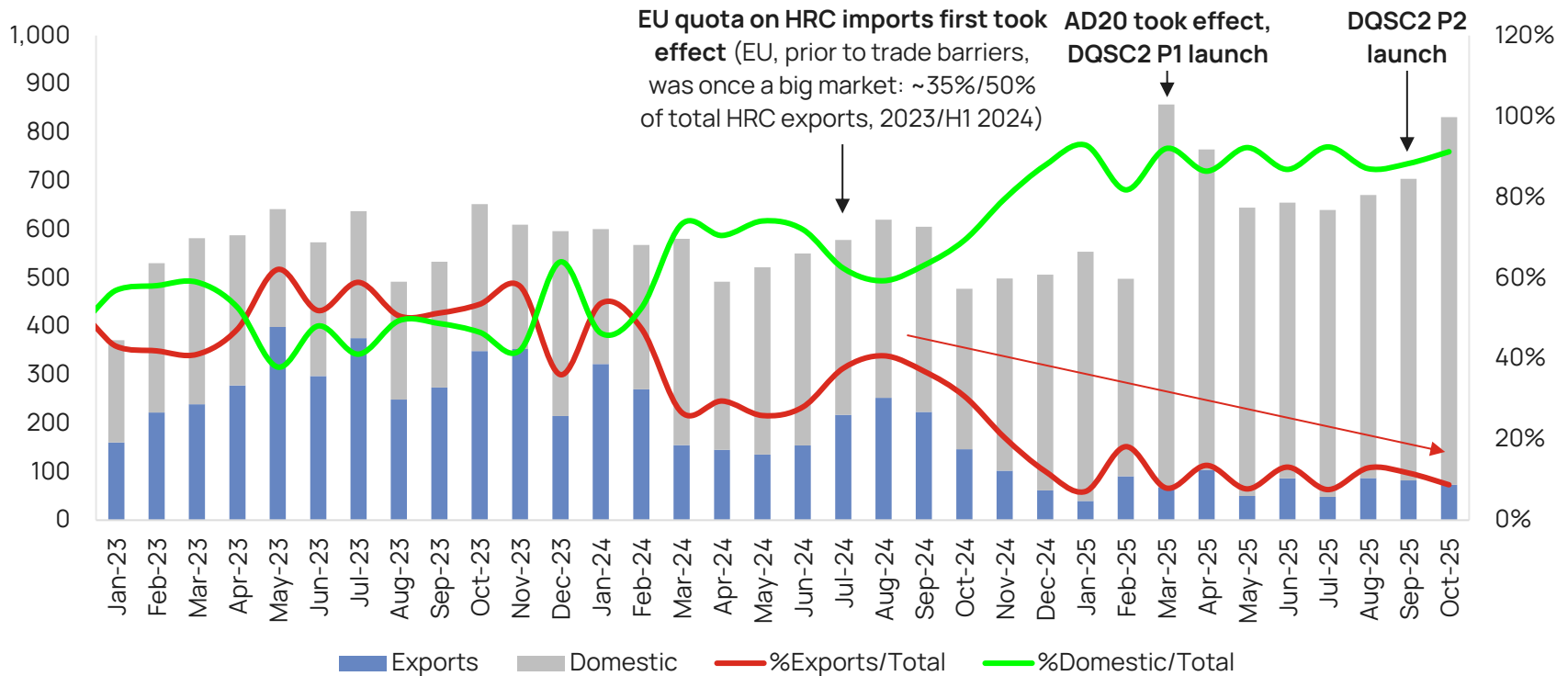
Exports: Protectionism to keep weighing on Vietnam's 2026F exports, but limited room for further decline from a low base



- We use ongoing AD investigations against Chinese steel as a proxy for the broader rise in global steel protectionism.
- We expect Vietnam's 2026F steel exports to remain subdued due to protectionist measures globally, though not experience another sharp YoY drop as seen in 2025, given that most major export markets have already imposed tariffs on Vietnam's steel (mainly flat steel). This has already weighed on 2025 exports results of Vietnam's flat steel. That said, we do not anticipate any immediate, material rebound in 2026F from a low base either, as protectionist measures tend to persist for multiple years.
- For HPG specifically, we expect its 2026F HRC exports to remain weak as well, but show better growth vs the industry average, given favorable tariffs in the EU and India markets. That said, we view these tariff benefits as mildly positive for HPG only.

Exports: VN HRC exports fell on external challenges; domestic demand offset the shortfall due to AD protection

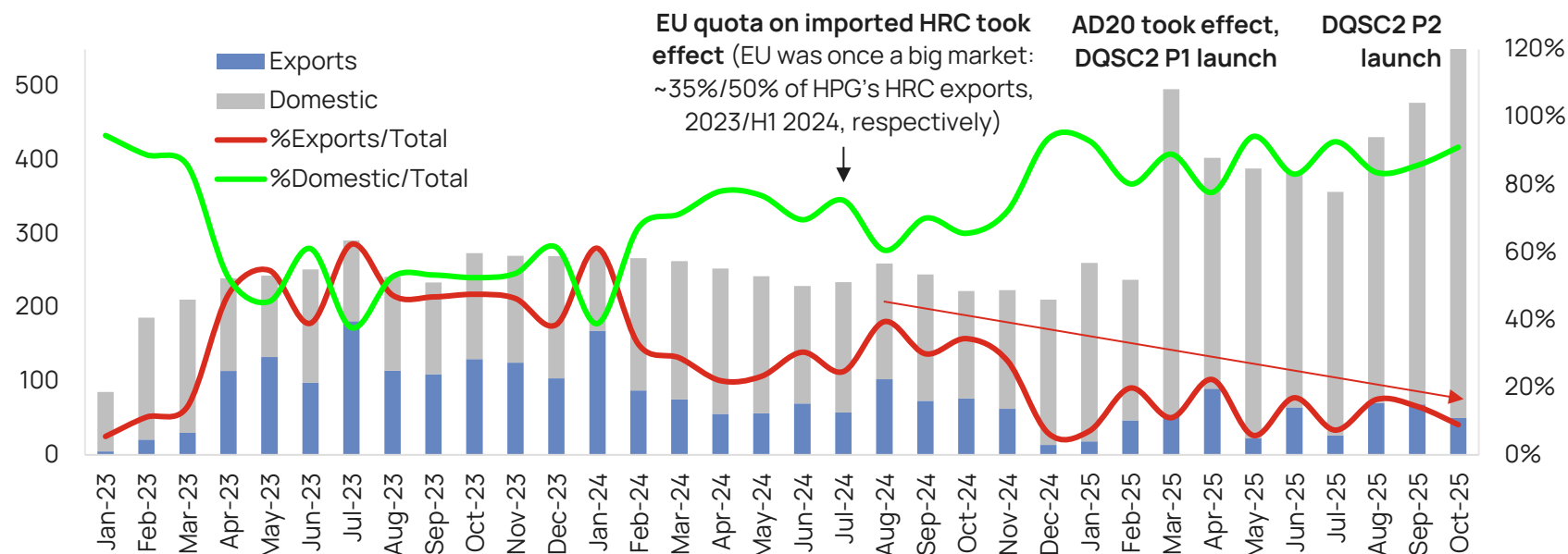
Vietnam's HRC sales volume, breakdown by domestic and export sales ('000 tonnes)



- Increased competition from Chinese exports and protectionist policies in export markets weighed on HRC exports, but domestic demand made up the shortfall, driven by AD20 protection against Chinese imports.
- Vietnam's 10M 2025 HRC sales volume grew 22% YoY due to DQSC2 expansion. Of that, domestic sales surged +71% YoY, while exports plunged 64% YoY. We view the successful launch of DQSC2 as challenging to achieve without tariff protection, hence we attribute strong domestic demand growth to AD20.

Exports: HPG's HRC exports also faced headwinds from external conditions, yet domestic market compensated for the shortfall

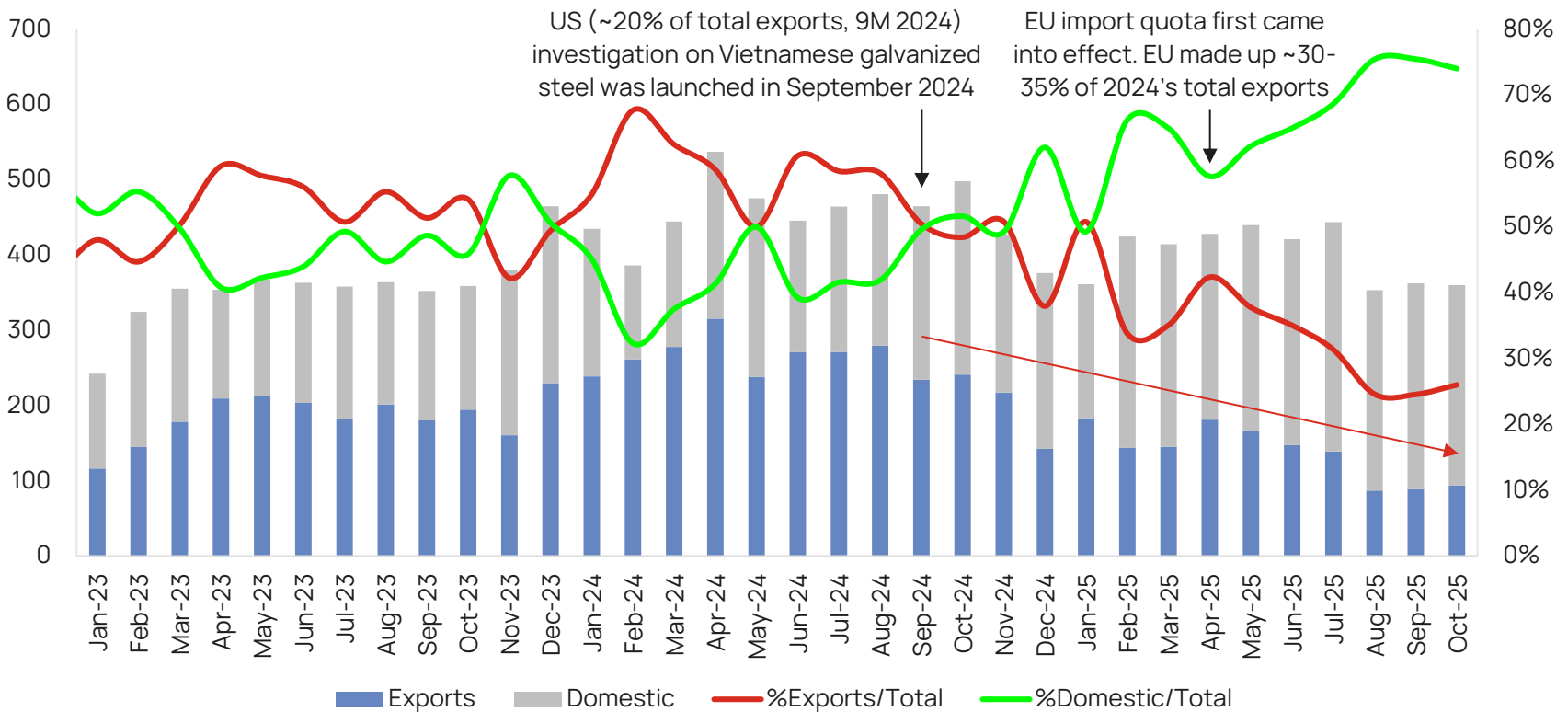
HPG's HRC sales volume, breakdown by domestic and export sales ('000 tonnes)



- As one of the two sole onshore HRC suppliers, HPG's HRC sales closely followed industry sales volume, with domestic demand offsetting export demand.
- 10M 2025 sales volume increased 60% YoY (domestic: +109% YoY, exports: -38% YoY). The strong result was driven by (1) AD20 taking effect in March and (2) DQSC2 phase 1 (DQSC2 P1) and phase 2 (P2) coming online in March and September 2025, respectively. Each phase has an annual HRC capacity of 2.8mn tonnes, equivalent to the whole HRC capacity of DQSC1.
- The 38% YoY decline in HPG's 10M 2025 HRC exports is lower vs the industry's 64% drop, indicating HRC export market share gains from Formosa. We attribute this to HPG's advantageous tariff positions in the EU and India markets. That said, we view these tariff benefits as mildly positive, and domestic market remains the core demand driver in 2026F.

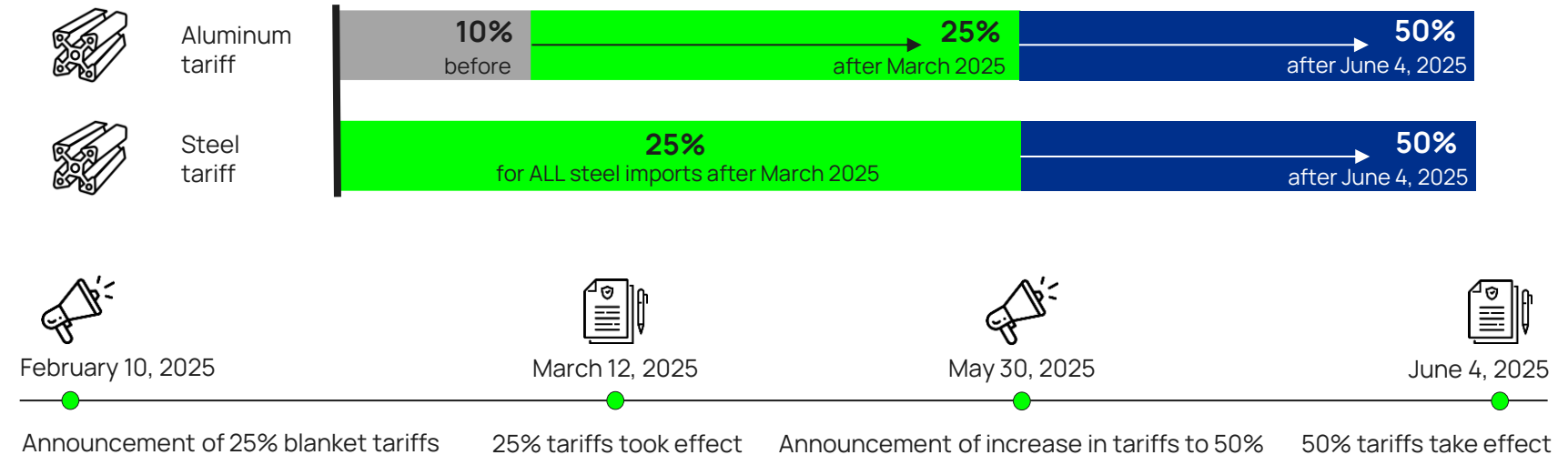
Exports: For galvanized steel, sales have shifted toward the local market due to export challenges

Vietnam's galvanized steel sales volume, breakdown by domestic and export sales ('000 tonnes)



- Competition from Chinese exports and protectionist policies in export markets weighed on galvanized steel exports from Q4 2024, domestic demand partly made up the shortfall.
- 10M 2025 sales volume dropped 13% YoY (domestic: +31% YoY, exports: -48% YoY).

Global protectionism: The US's 50% blanket tariff on steel has immaterial impact on our coverage list



On May 30, 2025, US President Donald Trump announced plans to double tariffs on all steel and aluminum imports from 25% to 50%, effective June 4, 2025 (US time). Tariffs have remained at 50% so far.

Impact on our steel stocks under coverage:

- **HPG:** We expect minimal impact. HPG's exposure to the US market is limited, accounting for only ~1-2% of its 2024/9M 2025 sales volume.
- **Galvanized steel players:** We foresee no material impact. US buyers have largely halted imports of galvanized steel from Vietnam since Q4 2024, due to ongoing anti-dumping (AD) and countervailing duty (CVD) investigations (further details on the next slide).

Global protectionism: US's DoC finalized anti-dumping and countervailing investigations on Vietnam's galvanized steel

Anti-dumping (AD), countervailing duties (CVD):

Target product: Corrosion-resistant steel (CORE), including galvanized steel.

Investigation launch: September 2024.

% of US / total galvanized steel exports (prior to tariffs investigation): ~20% in 9M 2024.

Current stage: Final determination by the DoC was issued in late August 2025, awaiting a final determination by the ITC for official imposition of the final tariffs. During this interim period, importers are required to post cash deposits at the final AD, CDV rates. If the ITC later on reaches an affirmative conclusion, the US will convert these deposits into duties; if the ITC's determination is negative, the deposits will be refunded. Overall, in the interim period, trade flows remain constrained as these requirements weigh on importers' cash flow and add uncertainty.

Impact on Vietnam:

- **Galvanized steel players:** Exports hit hard. 9M 2025 total exports dropped 46% YoY, partly attributed to the tariffs, on top of competitive pressure from Chinese steel in the exports market.
- **HPG:** Limited direct impact as galvanized steel makes up ~5% of HPG's total volume. However, we believe the company is indirectly affected as downstream galvanized steel players are hit.

AD and CVD timeline, and rates of the US on Vietnam's galvanized steel

Step	AD investigation	CVD investigation
Petition(s) filed	September 5, 2024	September 5, 2024
DoC initiation date	September 25, 2024	September 25, 2024
ITC preliminary determinations	October 21, 2024	October 21, 2024
DoC preliminary determinations	April 4, 2025	February 3, 2025
DoC final determinations	August 26, 2025	August 26, 2025
ITC final determinations*	October 9, 2025	October 9, 2025
Issuance of orders (i.e., official tariffs are applied from this point onwards)*	October 16, 2025**	October 16, 2025**

Planned timeline initially stated by the DoC. As of now, the progress has been slower vs this expectation.

CVD rate	Prelim rates	Final rates
HSG, GDA	0%	0.3% - 1.3%
Other named producers	140.05%	257.83%
Other unnamed producers (incl. HPG, NKG)	46.73%	1.29%

AD rate	Prelim rates	Final rates
HSG	59.00%	110.19%
NKG	49.42%	94.89%
GDA	39.84%	87.07%
HPG	49.42%	94.89%
Other named entities	49.42%	94.89%
Other unnamed entities	88.12%*	162.96%

Global protectionism: EU's proposal to further tighten steel imports; final AD on Vietnam's HRC imposed in September 2025

European Commission's proposal to tighten steel imports:

In early October 2025, the European Commission (EC) introduced a proposal aimed at shielding the EU steel industry from the effects of persistent global overcapacity. The proposal, once approved, would replace the existing steel safeguard mechanism, which is scheduled to expire in June 2026. Key elements include:

- Reducing tariff-free import quotas to 18.3mn tonnes/year, **implying a nearly 50% cut vs the 2024 level – a materially tighter quota.**
- Doubling out-of-quota duty to 50% (vs 25% currently).
- Reinforcing product traceability through a Melt and Pour origin requirement to curb circumvention.

Potential impact on Vietnam, if the proposal is passed:

Vietnamese steel exports to the EU are already constrained under the current safeguard regime, with quarterly quotas of roughly ~110,000 tonnes for HRC and ~140,000 tonnes for galvanized steel. While the EC has not yet provided product-level allocation under the revised quota, a pro-rata calculation suggests a cut to ~55,000 tonnes/quarter for HRC, and ~70,000 tonnes/quarter for galvanized steel.

We expect the proposal to have a further, though limited, negative impact on HPG and other Vietnamese galvanized steel exporters, as export volumes to the EU have already been materially curtailed under the existing safeguard measure.

Final AD tariff on Vietnam's HRC:

In late September 2025, the EU announced final ADs on Vietnam's HRC (along with Egypt and Japan).

Formosa faces duties of 12.1%, but HPG is exempt from the tariff due to (1) advanced production and (2) proactive cooperation.

Positive impact on HPG as it allows the company to gain EU export market share from Formosa. **However, we expect the effect is limited** as the current quota limits exports to ~110,000 tonnes/quarter only (vs HPG's monthly HRC sales of more than 400,000 tonnes). Further, if the October proposal is passed, quota will be further tightened, limiting any positive effects that the duty gap creates for HPG.

Global protectionism: India imposes safeguard duty on flat steel products; AD tariffs on Vietnam's HRC

India finalized its 11%-12% safeguard duty on flat steel imports:

- In August 2025, India finalized its safeguard investigation on steel. The country aims to impose 3-year tariffs of 12% in the 1st year, 11.5% in the 2nd year, and 11% in the 3rd year. This follows the proposals made in March 2025. Tariffs are applied to all countries, including Vietnam.
- **Targeted product:** Flat steel, including but not limited to, HRC and galvanized steel.

Impact on Vietnam:

HRC producers: Limited further impact

- In 2024, Vietnam's HRC exports to India made up ~20% of Vietnam's total HRC exports. Formosa made up nearly all of these exports, whereas HPG's exposure was minimal. During 9M 2025, we see nearly none exports to India. Hence, we expect additional tariffs will have limited impact.

Galvanized steel producers : Minimal impact

- In 2024 and 9M 2025, India accounted for below 3% of Vietnam's total galvanized steel exports.
- HSG, NKG, and GDA all had minimal exposure to the Indian market (less than 5% of total exports for each company).

AD tariffs on Vietnam's HRC:

- In November 2025, India imposed AD tariffs on Vietnam's HRC exports to the country. The tariff is effective for 5 years.
- HPG's HRC exports to India are NOT subject to tariffs as the dumping margin falls within the 0-10% range.
- Other Vietnamese companies (i.e., Formosa) were found to have dumping margins of 20-30% and are subject to a duty of USD121.5/tonne.

Impact on Vietnam:

- We view the decision as favorable for HPG, as it opens room to expand exports to India.
- However, the impact is likely limited, as steel exports to India are still subject to the safeguard tariff of 12%. Further, the country also faces oversupply + weak demand issue, which depresses prices – making the market unattractive. The October 2025 HRC imports price into India is ~USD400/tonne only, per Fastmarket, vs HPG's Vietnam domestic HRC price of over USD500/tonne.

Global protectionism: Malaysia eases tariffs on Vietnam's listed galvanized steel players in its final AD ruling in October 2025

Malaysia eases AD tariffs on Vietnam's galvanized steel:

- On October 31, 2025, Malaysia finalized its AD investigation on galvanized steel from China, South Korea, and Vietnam.
- The measure officially took effect on November 1, 2025, and is valid for 5 years until October 31, 2030.
- Most notably, all listed galvanized steel exporters in Vietnam see their duties cut to 0% (vs July's preliminary duties of 11% - 24%). However, some big Chinese players also see their tariffs cut to 0% as well, including Baoshan Iron & Steel, Beijing Shougang Cold Rolling, and Fujian Kaijing.
- The investigation was originally launched in February 2025, and the preliminary duty was imposed in late June.

Impact on Vietnam's listed galvanized steel producers:

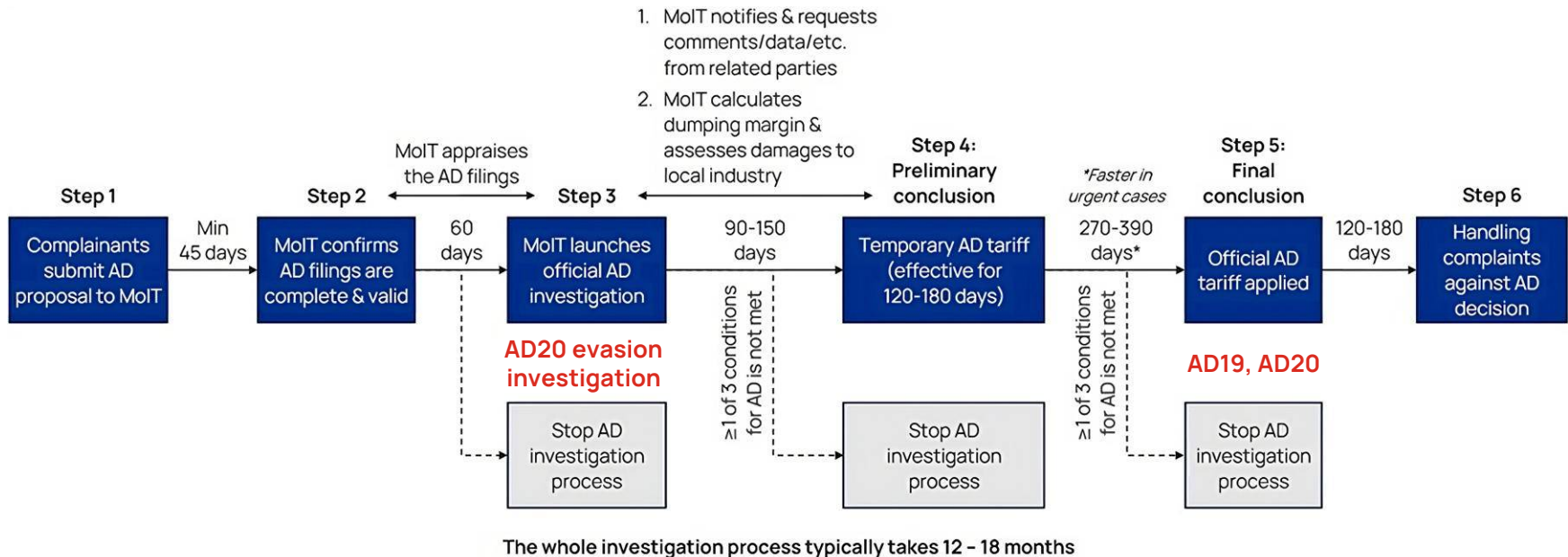
- In calendar year 2024 (i.e., prior to the AD investigation), exports to Malaysia made up 16%/9% of HSG's exports/total volume of galvanized steel. The ratio was 7%/4% for GDA, 5%/4% for NKG, and 1%/1% for HPG, respectively.
- As such, we believe this decision will have a positive effect on exports, mostly on HSG, then GDA, NKG, and HPG. However, the effect is likely limited, in our view, given (1) generally low sales volume contribution, and (2) potential competition from low-priced Chinese steel (with some big producers, as named above, also receive 0% tariffs).

Malaysia's AD tariffs on galvanized steel	Prelim	Final
China		
Baoshan Iron & Steel	8.7%	0%
Beijing Shougang Cold Rolling	4.9%	0%
Fujian Kaijing Greentech Materials	7.9%	0%
Shougang Jingtang United Iron & Steel	14.9%	7.7%
Baosteel Zhanjiang Iron & Steel	3.9%	26.8%
Others	26.8%	26.8%
South Korea		
POSCO	11.7%	2.2%
Hyundai Steel	9.0%	5.6%
KG Dongbu Steel	16.1%	13.8%
Others	31.5%	31.5%
Vietnam		
HPG	16.8%	0%
HSG	11.4%	0%
NKG	15.3%	0%
GDA	24.4%	0%
China Steel and Nippon Steel Vietnam	18.9%	4.8%
Southern Steel Sheet	16.5%	9.9%
Tay Nam	35.8%	42.6%
TVP Steel	20.3%	42.6%
Tan Phuoc Khanh	57.9%	48.1%
Others	57.9%	57.9%

Domestic tariffs: VN Government also took steps to protect the domestic market amid pressure from Chinese steel dumping

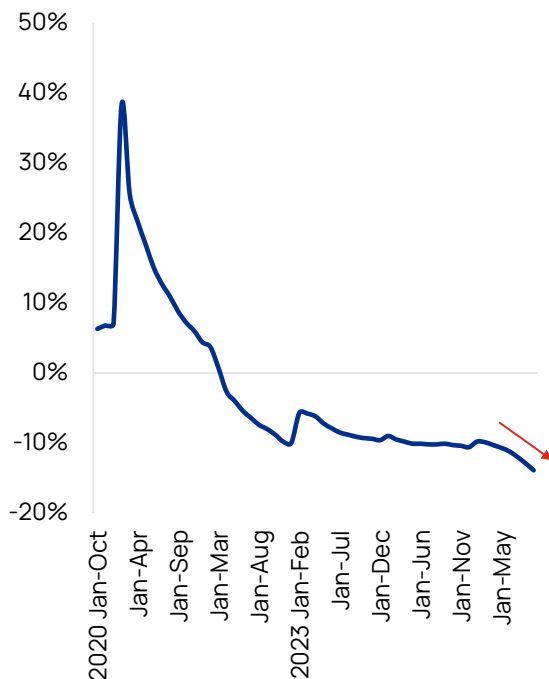
- **AD on galvanized steel imports (AD19):** In August 2025, the MoIT imposed official AD tariffs on most imported galvanized steel from China (37.13%) and South Korea (12.0%–15.7%). Duties are excluded for some small producers.
- **AD on HRC imports (AD20):** Effective July 6, 2025, the Ministry of Industry and Trade (MoIT) imposed official AD tariffs of 23.1%–27.83% on Chinese HRC. The measure applies to narrow-width HRC (i.e., widths below 1.88 meters) and is valid for 5 years.
- **Wide-width HRC AD investigation:** On October 27, 2025, the MoIT initiated an investigation into alleged evasion of AD20 through imports of wide-width Chinese HRC (i.e., widths above 1.88m and below 2.3m), which currently falls outside AD20's scope. The investigation duration is up to 9 months from the launch date. If imposed, this would benefit both HRC sales volume and ASP of HPG and Formosa.

A typical AD investigation process in Vietnam



Commodity prices: China construction demand remains weak

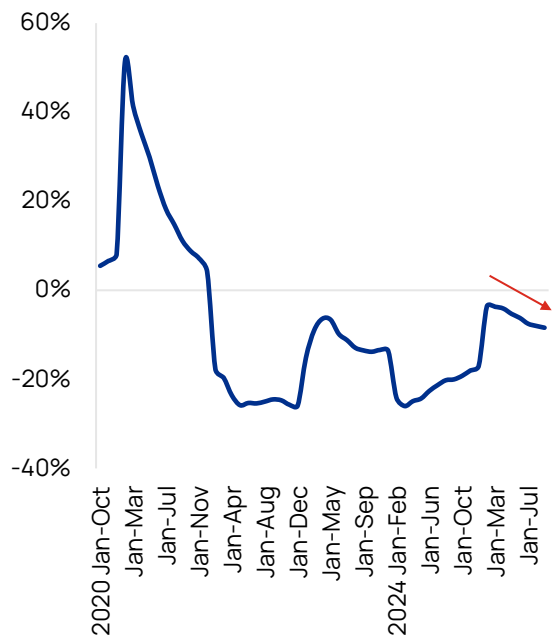
China YTD investment in real estate development YoY



Total (Jan - Sep 2025): -13.9%

- Residential buildings: -12.9%
- Office buildings: -19.1%
- Commercial buildings: -10.4%

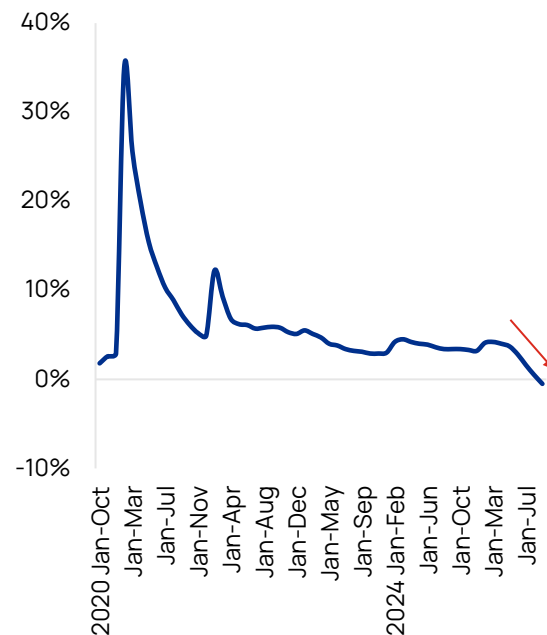
China YTD funds for investment for real estate developers YoY



Total (Jan - Sep 2025): -8.4%

- Domestic loans: -1.4%
- Foreign investment: -37.3%
- Self-raised funds: -9.3%
- Deposits & advance receipts: -10.3%
- Individual mortgages: -10.6%

YTD investment in fixed assets YoY



Total (Jan - Sep 2025): -0.5%

- State-owned/holdings: +1.0% → Strong
- Private investment: -3.1% → Weak

Rising State investment has been insufficient to propel the private sector.

Commodity prices: Our view on 2026F steel output and input prices; Vietnam's upstream steelmakers' margin to improve YoY

Outputs

We expect Chinese steel prices to experience a gradual and bumpy recovery in 2026F. The key catalyst will be capacity cuts under China's anti-involution policy, which aims to curb irrational competition and enforce stricter capacity discipline. However, with China's construction demand remaining weak we think sentiment-driven price rallies will likely correct back to underlying fundamentals once weak demand data is released, resulting in a bumpy recovery path rather than a smooth upward movement.

Inputs

We expect input prices to remain weak in 2026F on higher supply and weaker steel demand from China:

- 1. Iron ore:** According to Australia's DISR*, Australia is expected to expand iron ore export volumes by ~1.4% p.a. during 2026–27F. The most material shift, however, is the upcoming Simandou supply from Africa. Simandou, one of the world's largest untapped high-grade (~65% Fe) iron ore deposits with over 2.0bn tonnes of reserves, is scheduled to begin operations in November 2025. Per Bloomberg, expected production is ~60mn tonnes in 2026F, ramping to 120mn tonnes from 2027F at full utilization. At full capacity, Simandou would represent ~10% of China's annual seaborne iron ore imports (~7.5% of global seaborne trade), signaling a structurally meaningful addition to supply.
- 2. Coking coal:** Australia's coking coal exports are forecast to rise from 147mn tonnes in FY2023/24 to 158mn in FY2024/25 and 169mn in FY2025/26, also per the Australian DISR*, pointing to multi-year supply growth.

In addition, we believe China's anti-involution driven steel capacity cuts will also reduce demand for iron ore and coking coal from lower steel production volume, further contributing to downward pressure on input prices.

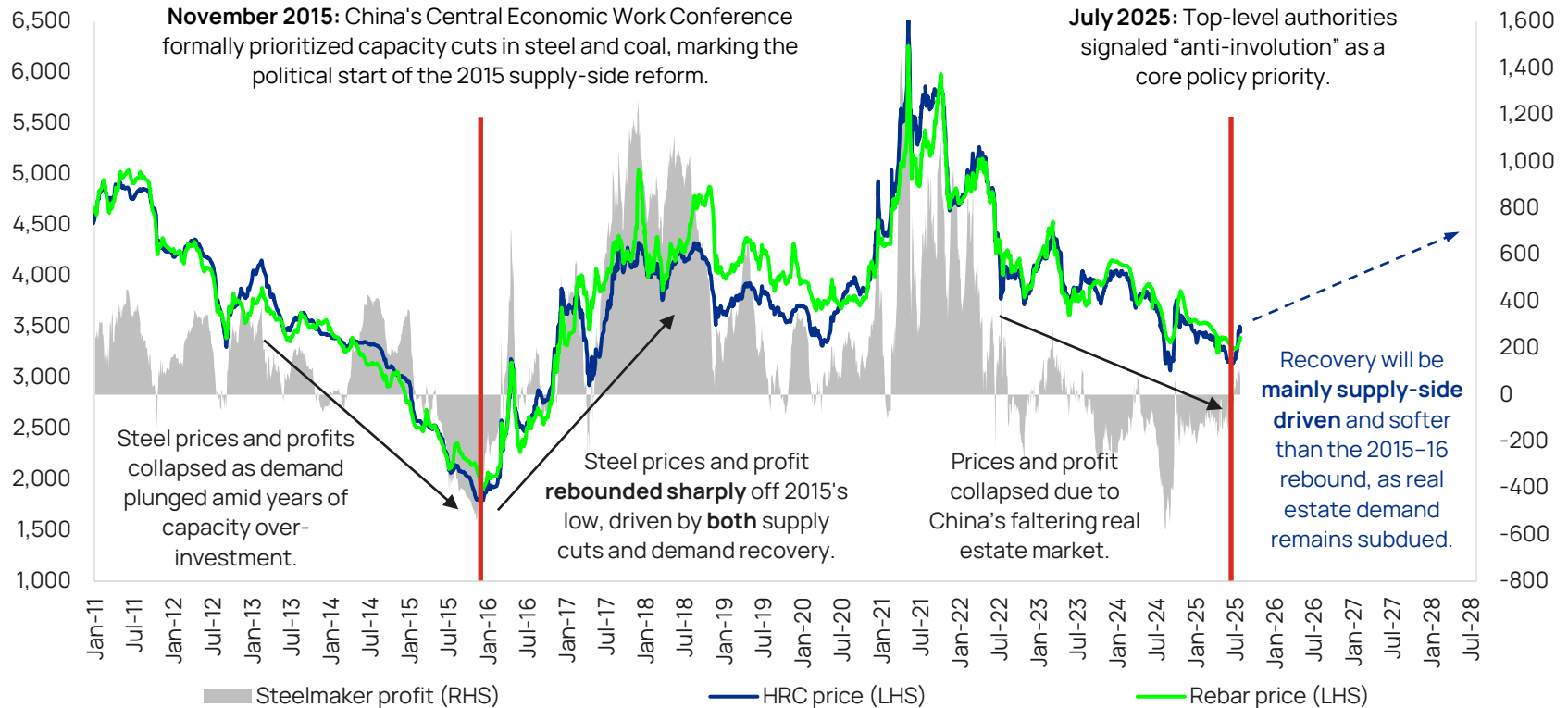
2026F margin outlook for Vietnam's steelmakers

Upstream steel producers (e.g., HPG): We expect upstream players to benefit from favorable input-output dynamics, with softer raw material prices and a gradual improvement in steel prices supporting margin expansion in 2026F.

Downstream galvanized steel producers (e.g., NKG, HSG): We remain cautious on the 2026F margin outlook for downstream galvanized steel producers, despite the expected price recovery in China as domestic competition remains intense amid a weak exports outlook. In 2025, as Vietnamese galvanized steel exports—historically making up ~50% of total sales volume—were disrupted, producers shifted aggressively back to the domestic market, which has long been oversupplied. As a result, manufacturers were unable to fully pass through higher HRC costs, leading to core GPM compression throughout 2025. Overall, we expect flat to only modestly higher 2026F margins for downstream producers, with ASP increases likely just sufficient to offset higher HRC costs (still an improvement vs 2025 when higher ASP was not sufficient to offset higher input costs),

Commodity prices: Our view on the effects of China's anti-involution policy on 2026F and longer-term steel price

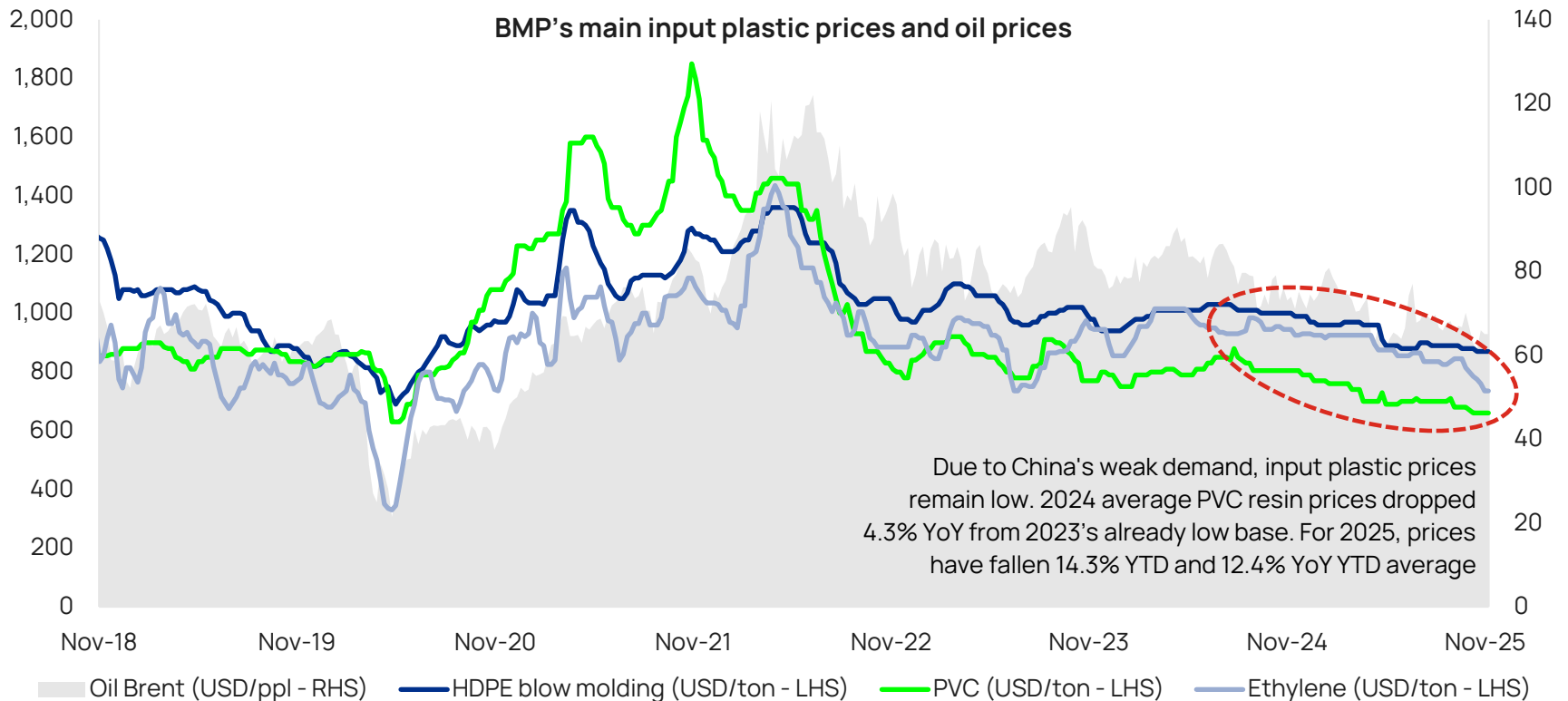
China HRC and rebar prices, and profit of blast oxygen furnace (BOF) steelmakers (CNY/tonne)



We expect a gradual, supply-led recovery in Chinese steel prices from current multi-year lows, with a softer pace than the 2015 upcycle. In the previous cycle, from the 2015 trough to end-2017, HRC and rebar prices rose ~135% and ~136%, respectively, driven by aggressive capacity cuts and a recovery in real estate demand, leading to record profitability. An IMF (2018) study estimated that 60% of the price recovery stemmed from demand and 40% from supply actions. This time, we expect the rebound to be primarily supply-driven, with Chinese real estate demand still weak. As such, the pace of recovery would be softer vs the 2015 cycle which benefited from both factors. **In 2026F, we expect only a gradual and bumpy recovery as supply cuts take time to materialize while real estate demand stays weak, but momentum should strengthen over the medium to long term.**

Commodity prices: We believe that input PVC resin costs will remain low in Q4 2025 & 2026 – positive for BMP’s margins (1)

PLASTIC PIPES

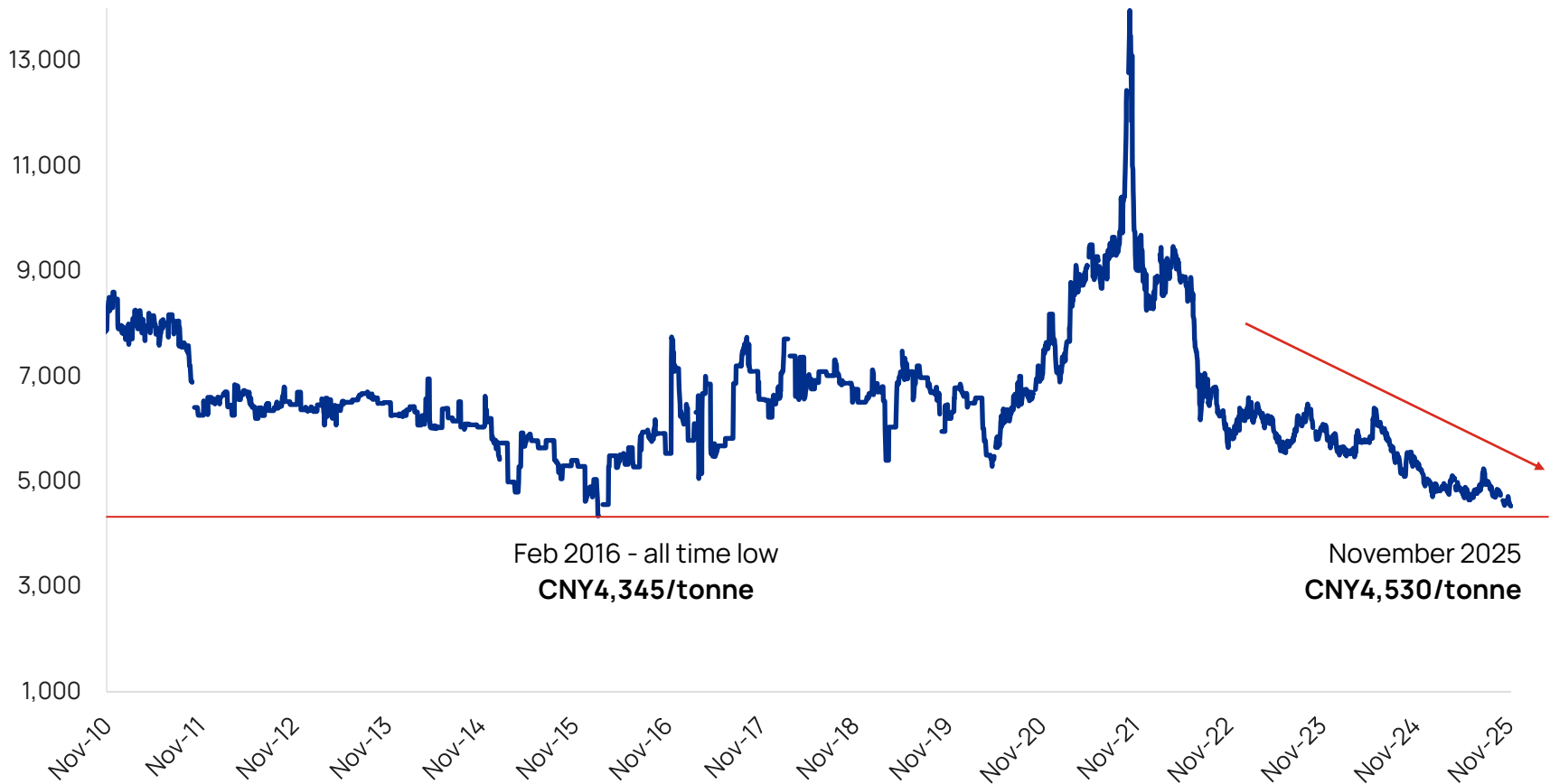


- Due to weak demand from China, input plastic prices have remained low throughout 2024. 2024 average PVC resin prices dropped 4.3% YoY from 2023's already low base. BMP's GPM rose to 43.1% from 2023's high base of 41%.
- We project 2025F GPM of 44.1%, slightly higher YoY as we expect slightly lower input prices YoY, following the US-China trade war which would pressure China's demand recovery.

Commodity prices: We believe that input PVC resin costs will remain low in Q4 2025 & 2026 – positive for BMP’s margins (2)

PLASTIC PIPES

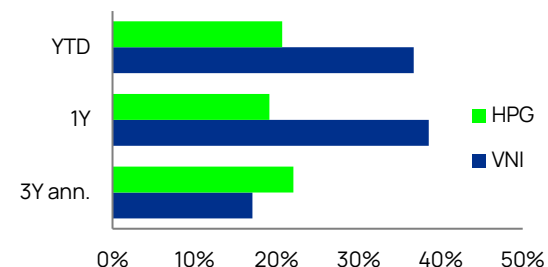
China PVC futures prices hit near all-time low in November 2025 (CNY/tonne, daily)



HPG - Local, global tailwinds support solid outlook

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND27,300	Revenue (VND bn)	138,855	151,338	186,166	212,044
Target Price (TP)*	VND35,700	%YoY	17%	9%	23%	14%
		NPAT-MI (VND bn)	12,020	16,003	21,714	26,857
		% YoY	76%	33%	36%	24%
Upside to TP	+30.8%	EPS % YoY	76%	33%	36%	24%
Dividend Yield	2.9%	GPM	13.3%	16.7%	17.6%	18.6%
TSR	+33.7%	EBITDA margin	15.5%	20.5%	21.6%	22.3%
		OPM	10.5%	13.6%	14.7%	15.8%
Industry	Steel	NPM	8.7%	10.6%	11.7%	12.7%
Market Cap	USD7.9bn	FCF/Sales	-18.3%	7.1%	4.4%	8.8%
Foreign Room	USD2.2bn	EV/EBITDA	13.0x	9.1x	7.0x	5.9x
ADTV30D	USD31.8mn	P/E	18.1x	13.6x	10.0x	8.1x
State Ownership	0.0%	P/B	1.8x	1.6x	1.4x	1.3x
Outstanding Shares	7.7 bn	ROE	11.1%	13.1%	15.8%	17.4%
Fully Diluted Shares	7.7 bn					

* TP and rating last updated November 10, 2025.



Company Overview

HPG is Vietnam's largest private steel producer. Its main products include construction steel (capacity of 5.2mn tonnes/year; HRC (8.4mn tonnes/year) and steel pipes (1.0mn tonnes/year).

We reiterate our positive view on HPG's short- and medium-term growth outlook, given domestic and external tailwinds. Domestic tailwinds for construction steel include real estate market recovery and record-high infrastructure investment spending. For HRC, growth drivers include DQSC2 expansion, and AD tariff on imported HRC. External tailwinds include (1) gradual steel price recovery in China due to the anti-involution policy to curb excess supply, and (2) higher iron ore supply during 2026-27F as the Simandou project comes online in November 2025. Regarding (1), in the near term, we expect a gradual and bumpy recovery as supply cuts take time to materialize while real estate demand stays weak, but momentum should strengthen over the medium to long term. We expect the new upcycle in Chinese steel prices to lift Vietnam's domestic steel prices, supporting margin and earnings expansion for steelmakers like HPG.

We project 2026F NPAT-MI growth of 36% YoY, driven by (1) 12% construction sales volume growth, (2) 43% HRC sales volume growth from full-year contribution of DQSC2 phase 1 and 2 (2026F utilization for DQSC1 of 100%, DQSC2 phase 1 of 80%, phase 2 of 60%), and (3) slight margin expansion as we expect low-single digit steel price growth, while iron ore input prices remain favorable due to new supply from Simandou.

Attractive valuation: At the current market price, HPG is trading at a 2026F P/E of 10x, highly attractive vs strong 2026F earnings growth of 36% YoY, and 2025-28F CAGR of 25%. Our TP puts the 2026F P/E at 13.1x, aligning with 0.75 standard deviation (1SD) above HPG's 10Y average P/E, which we think is justified given strong 2025/26/27/28F NPAT-MI growth of 33%/36%/24%/16%, respectively.

IPO of Hoa Phat Agriculture (HPA) expected in December 2025: HPA has a charter capital of VND2.55tn (USD98.1mn) and is ~95% owned by HPG. The offering size is 30mn shares. HPA operates in four segments: (1) feed production (~30% of 2024 revenue), (2) pig farming (~40%), (3) cow farming (~20%), and (4) poultry and egg (~10%). HPA runs on a 2F (Feed-Farm) vertical model, producing feed for its farms and selling the surplus externally.

Initial thoughts on potential impact of VinMetal on HPG (1)

Overview of VinMetal:

- VinMetal has a charter capital of VND15tn (USD576.9mn). This is a VND5tn (USD192.3mn) increase vs the initially announced VND10tn (USD384.6mn) charter capital.
- **Construction start:** Per local media, the plant will start construction on December 19, 2025. We estimate a 2-to-3-year construction period, based on HPG's track record.
- **Annual capacity:** 5mn tonnes at phase 1. The VND15tn capital seems small compared to the scale of the project (DQSC2 has annual capacity of 5.6mn tonnes with capex of VND70tn/USD2.8bn). Therefore, we think VinMetal might need to raise more capital to reach the desired capacity (either via building its own plant, and/or M&A/purchasing existing mills).
- **Product mix:** Construction steel, HRC, high-quality and specialized steel, railway and structural steel. The detailed product mix for the plant has not been announced yet.
- **Current goal:** Support in-house demand from major Vingroup businesses (Vinhomes, VinFast, etc.), and upcoming infrastructure, energy, and transport projects (e.g. high-speed rail lines) that Vingroup is or plans to be involved in.
- **Longer-term ambition:** To become a leader in "green steel" within Vietnam, using low carbon technologies and renewable energy / energy reuse methods.

Our initial view on potential impact on HPG:

- We expect an increase in competitive pressure as new supply comes online, as 5mn tonnes of annual capacity is sizable, making up ~16% of 2025F production of 32mn tonnes (VSA figure), and around one-third of HPG's end-2025 capacity.

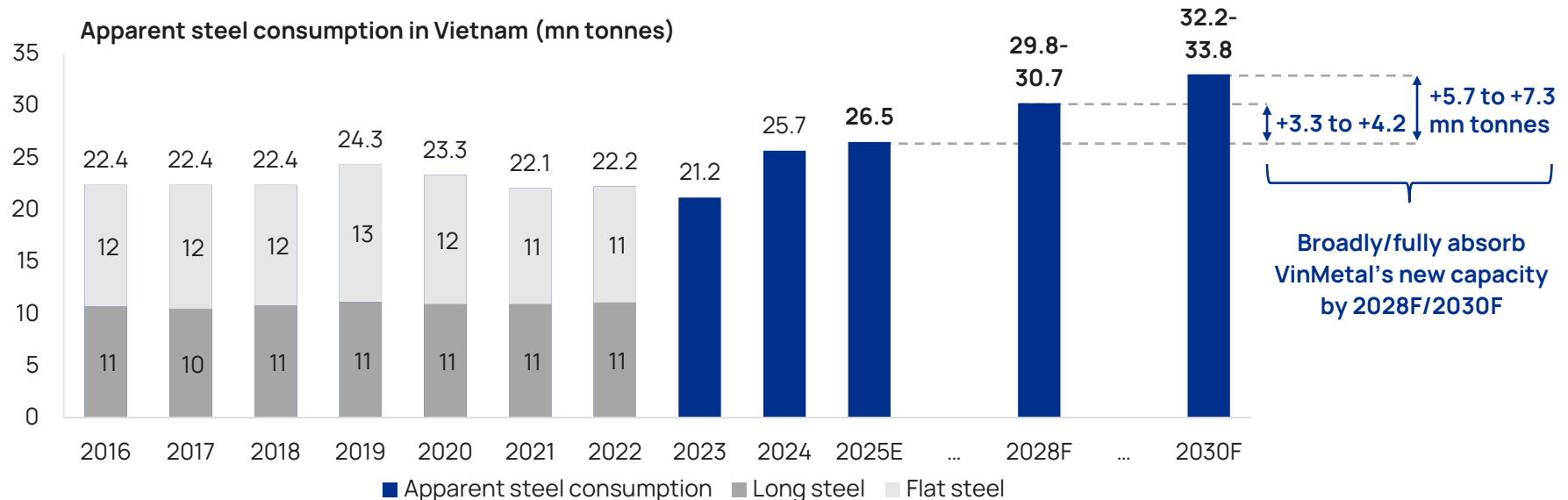
Some factors to monitor as information at this stage is still limited:

- **Impact depends on development timeline of VinMetal:** If the company opts to build a new steel plant, we think that would take 2-3 years (based on HPG's past capex investments), implying negligible impact on HPG at least before late 2027F/early 2028F. However, if it opts for faster options (e.g., M&A/purchasing an existing steel plant, etc.), the pressure will come earlier.
- **Impact also depends on VinMetal's capex mix by product type:** A higher proportion of investment in construction steel and HRC (HPG's core products) would increase competitive pressure, while a lower allocation would lessen it.

Initial thoughts on potential impact of VinMetal on HPG (2)

Mitigation factors to lessen competitive pressure on HPG:

- Demand-side cushion over the medium term:** Vietnam's 2025F steel demand is ~26.5mn tonnes in 2025 (per VSA) and we expect demand to grow at a ~4-5% CAGR to 2030. This implies an additional steel demand of ~3.3 to 4.2mn tonnes by 2028F and ~5.7 to 7.3mn tonnes by 2030F, broadly absorbing VinMetal's new supply over the medium term. This means that, by 2028F, demand growth would cover 66-84% of VinMetal's new supply, leaving a surplus of 0.8-1.7mn tonnes. We do not expect this to pressure HPG materially, as new mills rarely reach full utilization in their 1st year. Even DQSC2 is expected to operate at 60-70% in year one, which is already relatively high given that demand is largely driven by import-replacement needs amid elevated AD tariffs on Chinese steel. By 2030F, incremental demand is expected to fully absorb VinMetal's capacity.
- Green steel cost dynamics:** Media reports suggest VinMetal will focus on green steel technology. Given higher costs associated with low-carbon steel production vs traditional BOF technology, we believe HPG's mainstream commercial steel offerings should remain largely shielded from direct competition. For instance, per our industry check, as of mid-November 2025, the price difference between flat-rolled green steel, and Vietnam's CFR HRC price was ~USD100-200/tonne, equivalent to a 20-40% premium.



VIC establishes ties with Pomina; potential impact on HPG

We recently observed Vingroup (HOSE: VIC) and Pomina (UpCOM: POM) moving increasingly closer in strategic alignment.

- In mid-November 2025, VinMetal (98% owned by VIC) appointed Mr. Do Tien Si – CEO and Deputy Chairman of POM – as its CEO.
- In late-November, VIC announced a strategic partnership and financial support for Pomina (UpCOM: POM), with details as follows:
 - Under the agreement, VIC, through its steel subsidiary VinMetal, will provide working-capital financing to POM at a 0% interest rate for up to two years (total facility size undisclosed).
 - VIC will also prioritize POM as a steel supplier for its ecosystem companies, including VinFast, Vinhomes, and VinSpeed, and will support Pomina through its restructuring process.
 - Regarding VinMetal's management transition, Mr. Do Tien Si – recently appointed as VinMetal's CEO – will return to lead POM, while Mr. Pham Nhat Quan Anh (son of VIC's Chairman) assumes the CEO role at VinMetal.

Brief overview of POM: POM was once a major construction steel producer in southern Vietnam, holding a 30% market share in 2013 (16% of the whole country). Years of mismanagement and financial distress subsequently led to a severe decline. As of 10M 2025, POM's reported construction steel market share at the VSA stands at 0%. However, based on its financial statements and market price of construction steel, we estimate that POM made up ~1–2% of the construction steel market share in 2024 and 9M 2025.

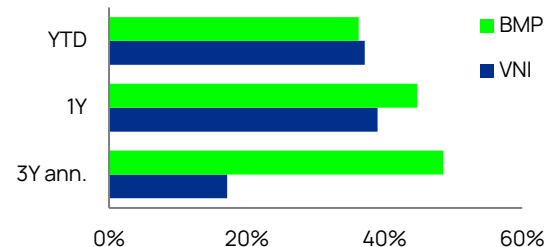
Our view on VinMetal and POM: This development (1) strengthens POM's short-term liquidity and restructuring efforts, and (2) allows VIC/VinMetal to deepen their steel-sector capabilities and potentially utilize POM's production capacity more effectively. Over time, this could help secure a more stable steel supply for construction activities of the Vingroup ecosystem, if POM improves operational efficiency.

Potential impact on HPG:

- If VIC's support enables Pomina to revive its operations, competitive pressure will increase. However, the impact will be confined to construction steel, as POM does not produce HRC and therefore cannot compete with HPG in flat-steel segments.
- **For Vingroup-related construction steel demand**, we expect POM to become a priority supplier, given the partnership. This may shift a portion of construction steel volumes away from HPG; however, we believe the impact will be manageable as (1) POM's capacity is small vs HPG's (1.5mn vs. 5.8mn tonnes), and (2) we think VIC is likely to diversify its supplier base rather than rely on a single source.
- **For the broader commercial market**, we do not expect POM to materially challenge HPG. HPG's significantly larger scale, integrated cost structure, and economies of scale give it a huge structural cost advantage that POM is unlikely to match.

BMP - 2026F earnings to hit new record high on weak input cost

Rating*	BUY		2024	2025F	2026F	2027F	
Share Price (Dec 4)	VND164,500	Revenue (VND bn)	4,616	5,657	6,223	6,659	YTD
Target Price (TP)*	VND192,500	%YoY	-10%	23%	10%	7%	1Y
		NPAT-MI (VND bn)	991	1,333	1,413	1,361	3Y ann.
		% YoY	-5%	35%	6%	-4%	
Upside to TP	+17.0%	EPS % YoY	-5%	35%	6%	-4%	
Dividend Yield	+9.7%	GPM	43.1%	46.5%	46.6%	43.8%	
TSR	+26.7%	EBITDA margin	30.9%	33.1%	31.1%	28.3%	
		OPM	28.4%	31.4%	29.6%	26.9%	
Industry	Plastics	NPM	21.5%	23.6%	22.7%	20.4%	
Market Cap	USD510.6mn	FCF/Sales	19.5%	28.4%	24.0%	21.7%	
Foreign Room	USD73.3mn	EV/EBITDA	7.6x	5.8x	5.6x	5.7x	
ADTV30D	USD0.7mn	P/E	13.7x	10.2x	9.6x	10.0x	
State Ownership	0.0%	P/B	5.0x	4.5x	4.5x	4.5x	
Outstanding Shares	81.9 mn	ROE	36.8%	46.8%	47.1%	45.1%	
Fully Diluted Shares	81.9 mn						



Company Overview

Established in 1977, BMP is the pioneer of Vietnam's plastic pipe industry. Currently, BMP's largest shareholder (54.4% holdings) is Nawaplastic - a subsidiary of SCG Thailand.

We expect Q4 2025F and 2026F NPAT-MI to reach new quarterly/annual highs, driven mainly by our outlook for input costs to remain weak. We forecast 2025F NPAT-MI to surge 35% YoY, supported by strong 9M results and expected solid Q4 growth (+4% QoQ, +60% YoY from a low base), and 2026F NPAT-MI to rise 6% YoY from 2025F's record high base. We assume 2025/26F GPM of 46.5%/46.6%, reflecting our 2025/26F input price growth of -6.5%/0% YoY.

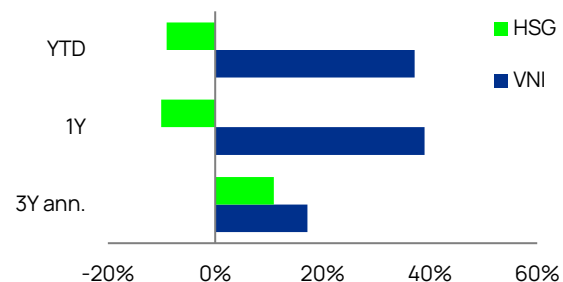
We have a bearish view on the PVC price outlook (and hence a bullish view on BMP's GPM), driven by (1) weak fundamentals in China's PVC industry and (2) our view that PVC is unlikely to be targeted under the anti-involution policy. Supply-wise, (1) PVC social inventories remain at historically high levels, while (2) new capacities are scheduled to come online in 2025F, with YoY capacity growth of 9%. When the anti-involution emerged in mid-2025 as a key policy direction of China moving forward, we initially assumed PVC could be targeted by anti-involution measures (in our [September 4, 2025 Update Report](#)) to be cautious, but have since seen no mention of the sector in several high-level policy meetings that touched on this topic. This leads us to revise our base-case assumption toward no or only limited supply cuts (as stated in our latest [November 12, 2025 Update Report](#)). Demand-wise, (1) data shows that China's domestic construction demand has stayed in contraction for over three years, with further weakening in recent months, while (2) export demand will face challenges from India's upcoming anti-dumping tariffs. Overall, these factors underpin our bearish stance on PVC prices.

Given BMP's robust earnings and next-12M dividend yield of 9.7%, we see the stock's valuation as attractive, with a 2026F P/E of 9.6x at the current market price. Our target price implies a 2026F P/E of 11.3x, aligning with its 3-/5-year average P/Es of 11.4x/11.3x, respectively.

HSG - Steel price rebound to offer some relief, but performance to be pressured by fierce domestic rivalry, weak exports

Rating*	MARKET PERFORM		FY2024	FY2025F	FY2026F	FY2027F
Share Price (Dec 4)	VND16,850	Revenue (VND bn)	39,272	40,669	44,259	48,815
Target Price (TP)*	VND13,500	%YoY	24.1%	3.6%	8.8%	10.3%
		NPAT-MI (VND bn)	515	502	594	849
		% YoY	1717%	-2%	18%	43%
Upside to TP	-19.9%	EPS	1717%	-2%	18%	43%
Dividend Yield	3.0%	GPM	10.9%	11.0%	11.1%	11.5%
TSR	-16.9%	EBITDA margin	3.6%	4.0%	4.2%	4.5%
		OPM	1.1%	1.5%	1.8%	2.3%
Industry	Steel	NPM	1.3%	1.2%	1.3%	1.7%
Market Cap	USD396.8mn	FCF/Sales	-6.8%	5.1%	2.7%	2.4%
Foreign Room	USD160.9mn	EV/EBITDA	10.1x	8.9x	7.7x	6.5x
ADTV30D	USD2.3mn	P/E	20.6x	21.1x	17.8x	12.5x
State Ownership	0.0%	P/B	1.0x	0.9x	0.9x	0.9x
Outstanding Shares	616 mn	ROE	4.7%	4.6%	5.3%	7.4%
Fully Diluted Shares	616 mn					

* TP and rating last updated April 18, 2025



Company Overview

Founded in 2001, HSG is a leading manufacturer of galvanized steel sheets (2.7-million-tonne capacity) in Vietnam. Other products include steel pipes and plastic pipes. HSG's financial year (FY) end is September 30.

We remain conservative on HSG's FY2026F outlook, despite the expected gradual steel price recovery in China, as intense domestic competition and a weak export environment continue to weigh on industry dynamics. In a steel price upcycle, margins typically expand as spot-driven output prices adjust faster than previously procured, lower-cost inputs, and downstream galvanized steel producers tend to benefit even more than upstream players like HPG due to their shorter value chain. However, in FY2026F, we expect limited margin improvements for HSG. Throughout 2025, protectionist measures in key export markets drove all Vietnamese galvanized steel producers to redirect volumes into an already oversupplied domestic market. This has created huge competitive pressure as exports previously made up ~50% of Vietnam's galvanized steel sales. As a result, the benefits of AD19 protection have been muted, and producers, including HSG, have struggled to pass through higher HRC costs (from AD20), pressuring core GPM, per our observation. Further, we notice the entrance of some new small players in Q3 2025 (combined capacity of ~500,000 tonnes, or ~10% of the capacity of the top four producers), adding further pressure. Overall, we expect HSG's FY2026F margins to be flat to only modestly higher, with ASP improvements likely just sufficient to offset higher HRC costs – still a better outcome vs H2 FY2025, when price gains were not enough to fully pass on input cost increases.

HSG is trading at a FY2026F P/E of 17.8x, vs its 5-year average P/E of ~9-10x (excluding stress periods) and a peer median of 12-13x. We note that we see downside risks to the current FY2026F earnings forecast, given weaker-than-expected FY2025 core results, and our view on the FY2026F outlook.

NKG - 2026F steel price recovery supportive, but intense domestic competition, soft exports remain key headwinds

Rating*	MARKET PERFORM		2024	2025F	2026F	2027F	
Share Price (Dec 4)	VND16,200	Revenue (VND bn)	20,609	19,805	26,966	32,915	
Target Price (TP)*	VND13,100	%YoY	10.8%	-3.9%	36.2%	22.1%	
		NPAT-MI (VND bn)	453	442	596	986	
		% YoY	286%	-3%	35%	65%	
Upside to TP	-19.1%	EPS % YoY	286%	-26%	35%	65%	
Dividend Yield	0.0%	GPM	8.9%	8.8%	8.7%	9.3%	
TSR	-19.1%	EBITDA margin	5.2%	5.7%	6.4%	6.7%	
		OPM	3.4%	3.8%	3.9%	4.6%	
Industry	Steel	NPM	2.2%	2.2%	2.2%	3.0%	
Market Cap	USD276.6mn	FCF/Sales	-8.9%	-7.0%	2.1%	0.2%	
Foreign Room	USD123.4mn	EV/EBITDA	11.9x	11.4x	7.4x	5.8x	
ADTV30D	USD4.5mn	P/E	12.5x	16.9x	12.5x	7.6x	
State Ownership	0.0%	P/B	0.9x	0.9x	0.9x	0.8x	
Outstanding Shares	447.6 mn	ROE	8.0%	6.4%	7.3%	11.2%	
Fully Diluted Shares	447.6 mn	* TP and rating last updated April 18, 2025					

Company Overview

Founded in 2002, Nam Kim Steel is one of Vietnam's largest manufacturers of galvanized steel sheets and steel pipes for use in residential, industrial, and civil construction.

We adopt a cautious stance on NKG's 2026F outlook, despite the expected gradual steel price recovery in China, as intense domestic competition and a weak export environment continue to constrain sector conditions. Normally, a steel price upcycle allows margins to expand because spot-driven output prices adjust more quickly than previously procured, lower-cost inputs, and downstream galvanized steel producers typically see an even stronger benefit than upstream players such as HPG due to their shorter value chain. However, we expect only limited margin improvements for NKG in 2026F. In 2025, protectionist measures across major export markets forced local producers to redirect volumes to an already-oversupplied domestic market. This created huge downward pressure, as exports previously accounted for around half of Vietnam's galvanized steel sales. As a result, we observe that AD19 had a muted positive effect on the domestic galvanized steel market, and producers, including NKG, struggled to pass on higher HRC costs (from AD20), weighing on core GPM. We believe competition will further intensify following the entry of some new small-scale players in Q3 2025 (combined capacity of ~500,000 tonnes, equivalent to ~10% of the top four producers). Net-net, we expect NKG's 2026F margins to remain flat to only slightly higher, with ASP gains likely just enough to offset rising HRC costs – which is still a better outcome vs 2025, when price adjustments were insufficient to fully absorb input cost inflation.

NKG is trading at a 2026F P/E of 12.6x, vs its 5-year average P/E of ~10x (excluding stress periods) and a peer median of 12-13x. We note that we see downside risks to the current 2026F earnings forecast, given weaker-than-expected 9M 2025 core results, and our view on 2026F outlook.

Real Estate

Strong demand, policy support to drive growth ahead

December 2025

Real Estate: Growth phase ahead, underpinned by strong demand and supportive policies

Summary

- **We are confident the real estate sector will enter a growth phase in 2026F** as we forecast 25-30% growth in primary market transactions. Key drivers include (i) sustained real demand and increasing investor participation, (ii) greater new supply, (iii) a stable-to-accommodative interest rate environment to support economic growth, and (iv) continued infrastructure development. We expect the southern market to gain stronger momentum, reflecting more active project rollouts – including large-scale township developments – alongside infrastructure-led improvement.
- **The long-term structural drivers for Vietnam's housing sector remain positive**, including improving infrastructure, a growing urban population, an emerging middle-affluent class, and increasing mortgage penetration. In the medium term, we expect the sector to transition toward more sustainable and compliant development practices, primarily driven by the Government's directions.
- **We believe the Government and SBV will continue to provide supportive conditions for real estate development through accommodating monetary policies, an infrastructure drive, and streamlined project approvals.** Given our expectation that a proactive and strategic policy stance will continue, we believe key policy measures could include efforts to maintain a stable interest rate environment to support economic growth. Additionally, increased emphasis on infrastructure development will play a pivotal role in supporting real estate demand, while legal reforms (e.g., upcoming Resolution aimed at removing difficulties in implementing the 2024 Land Law) are expected to ensure effective and consistent implementation of the legal framework.
- **We expect a favorable capital-raising environment in 2026F**, supporting developers' funding needs for project execution. Bank loans will likely remain the primary financing channel, while the corporate bond market is expected to gradually recover and equity-raising plans re-emerge. Real estate credit growth in 8M 2025 outpaced overall credit growth, indicating a pickup in sector activity and project restarts. We believe strengthened legal compliance should help reduce sector risks without implying a shift toward tighter policy.
- **We forecast 2026F presales growth for residential developers in our coverage**, supported by new project launches and continued phase rollouts. We forecast aggregate presales for KDH, NLG, NVL, DXG and HDC to rise 81% YoY in 2026F, following a strong 188% YoY rebound expected in 2025F and sharp contractions of 88% in 2023 and 15% in 2024. For VHM, we project presales growth of 9% YoY in 2026F, after rising 69% YoY in 2025F.
- **Top stock picks: KDH and NLG**, due to their strong brand equity in southern Vietnam and upcoming launch plans. We also favor **NVL** with new presales expected to resume in 2026F as restructuring efforts gain traction.

Vietcap real estate coverage

Real Estate: Key data

Code	Rating	Market Cap USD mn	State O'ship %	Foreign Limit %	Foreign Avail USD mn	ADTV 30D USD mn	Share Price VND ps	Target Price VND ps	Target Price Updated	Upside %	Dividend Yield %	12M TSR %
KDH	BUY	1,467	0%	50%	205	8.0	34,450	48,500	11/12/25	41%	0%	41%
NLG	BUY	665	0%	50%	34	2.4	36,100	52,100	11/7/25	44%	1%	45%
NVL	BUY	1,166	0%	49%	492	7.7	15,000	20,000	10/1/25	33%	0%	33%
DXG	BUY	740	0%	50%	195	10.6	19,150	24,000	12/5/25	25%	0%	25%
DXS	BUY	233	0%	50%	67	0.6	10,600	13,600	12/5/25	28%	0%	28%
HDC	O-PF	208	0%	49%	96	2.9	27,450	27,100	3/21/25	-1%	0%	-1%
VHM	O-PF	16,398	0%	50%	6,356	19.4	105,200	118,900	12/5/25	13%	0%	13%
VRE	M-PF	2,967	0%	49%	915	11.9	34,400	32,000	12/5/25	-7%	0%	-7%
VIC	SELL	37,992	0%	48%	15,726	49.6	133,500	105,000	12/5/25	-21%	0%	-21%

Real Estate: Summary valuations

Code	Share price VND ps	EPS g 2024 %	EPS g 2025F %	EPS g 2026F %	EPS g 2027F %	P/E 2025F x	P/E 2026F x	P/B LQ x	P/B 2025F x	P/B 2026F x	ROE 2026F %	Net D/E LQ %
KDH	34,450	6%	18%	70%	37%	39.9	23.5	2.1	2.1	1.9	9%	35%
NLG	36,100	10%	38%	-20%	23%	20.4	25.4	1.4	1.4	1.3	6%	22%
NVL	15,000	N.M.	N.M.	N.M.	671%	N.M.	83.8	0.8	0.8	0.8	2%	119%
DXG	19,150	23%	-7%	62%	342%	71.7	44.2	1.6	1.5	1.4	4%	12%
DXS	10,600	N.M.	222%	24%	31%	15.1	12.2	1.0	0.9	0.9	8%	23%
HDC	27,450	-50%	145%	73%	9%	32.0	18.5	1.9	2.3	2.0	12%	47%
VHM	105,200	-4%	28%	7%	14%	11.2	10.4	2.0	1.8	1.5	16%	39%
VRE	34,400	-7%	55%	-14%	8%	17.4	12.3	1.7	1.6	1.5	11%	5%
VIC	133,500	466%	5%	9%	31%	79.6	73.0	6.9	5.6	5.2	7%	151%

Recap: Stable Hanoi condo demand and rising HCMC activity highlight southern recovery

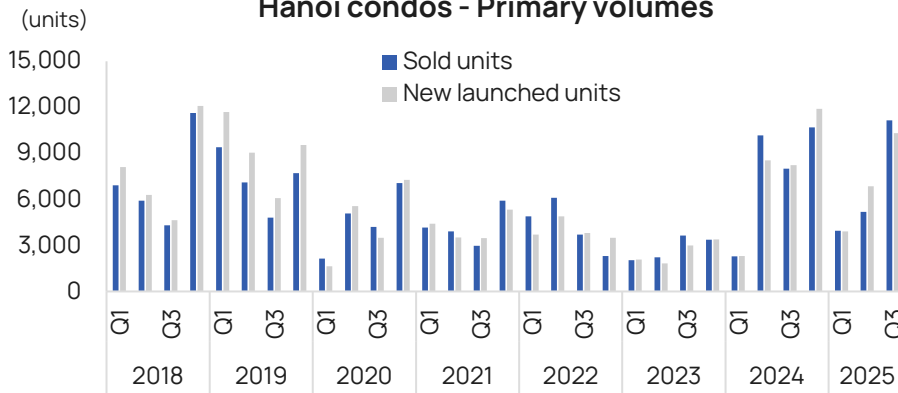
Hanoi (9M 2025)

- ✓ Condo primary transactions: ~21,300 units (+4% YoY), stable.
- ✓ Landed transactions: ~5,100 units (+47% YoY), strong growth.

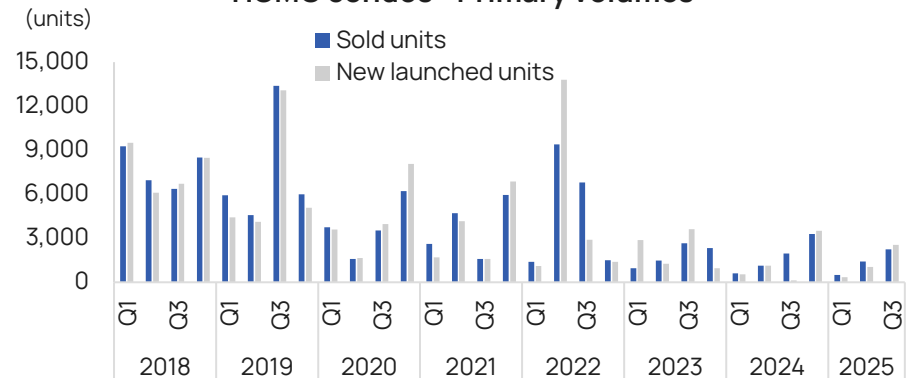
Core HCMC (9M 2025)

- ✓ Condo transactions: ~4,200 units (+13% YoY).
- ✓ Landed transactions: ~300 units (+36% YoY).
- ✓ Indicates a gradual, broad-based southern market recovery.

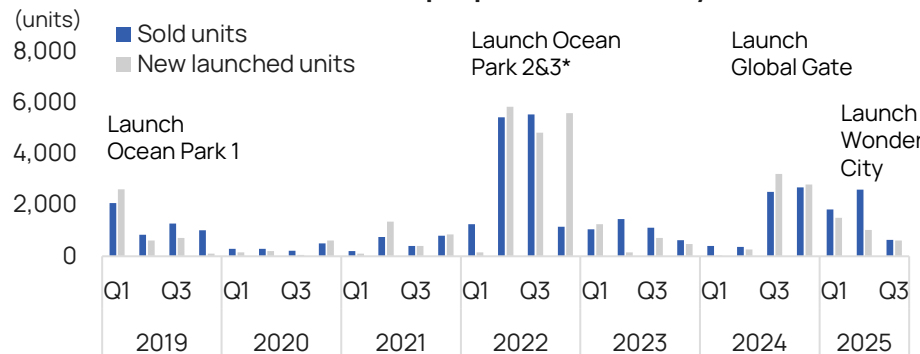
Hanoi condos - Primary volumes



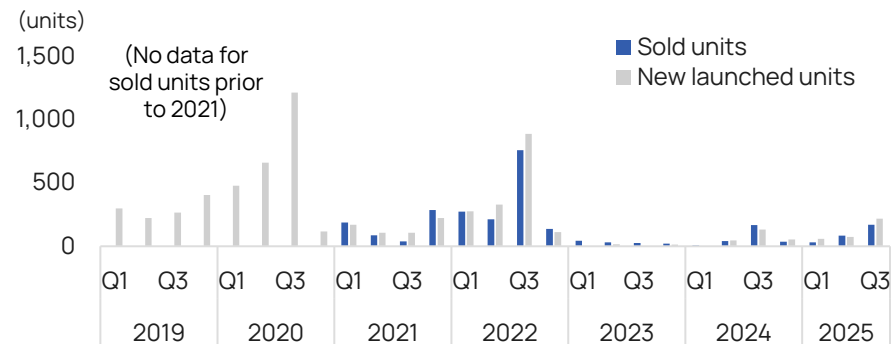
HCMC condos - Primary volumes



Hanoi landed properties - Primary volumes



HCMC landed properties - Primary volumes

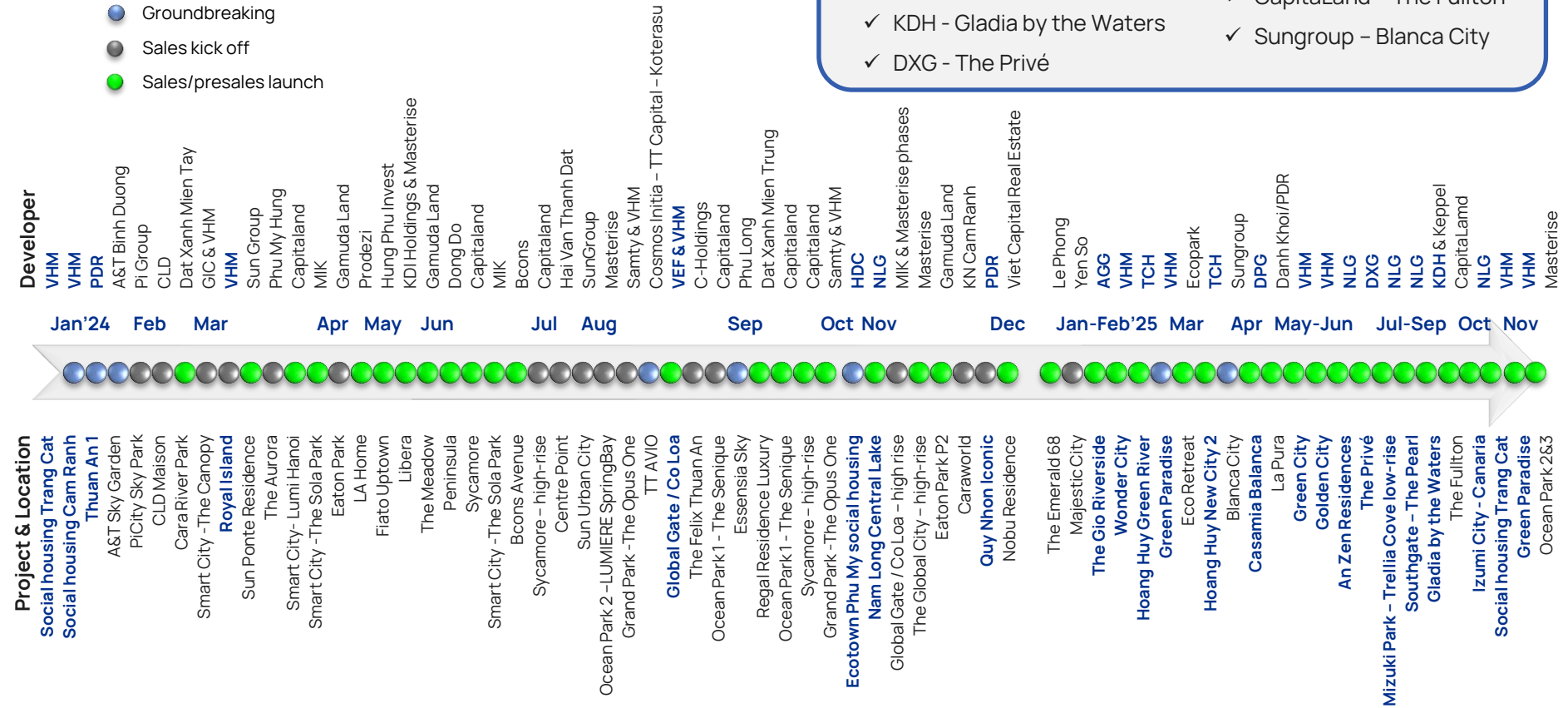


Recap: Activities for new project launches active in 2025

2025 Notable project launches

- ✓ VHM - Wonder City, Green City, Green Paradise*
- ✓ KDH - Gladia by the Waters
- ✓ DXG - The Privé
- ✓ Ecopark - Eco Retreat
- ✓ CapitaLand - The Fullton
- ✓ Sungroup - Blanca City

- Groundbreaking
- Sales kick off
- Sales/presales launch



2026 Outlook: Infrastructure boost and supportive interest rates to sustain primary market transaction growth

Vietcap's views on the 2026F market growth outlook

Market Drivers

- ❖ We expect primary market transactions to grow 25-30% in 2026F, supported by:
 - ✓ Sustained real demand and stronger investor participation
 - ✓ Greater new supply entering the market
 - ✓ Stable-to-accommodative interest rate environment
 - ✓ Ongoing infrastructure development
- ❖ Southern market set to gain stronger momentum supported by several new launches, while northern transactions may soften.
- ❖ Average net primary prices to rise at mid-single-digit growth vs 2025F.

Buyer Behavior & Demand Profile

- ❖ We expect higher price bases in Hanoi and core HCMC to lead to more selective buyers.
- ❖ Demand shifting toward projects with:
 - ✓ Strong connectivity
 - ✓ Clear legal status
 - ✓ Reputable developers
- ❖ End-user demand dominates; speculative activity remains muted amid disciplined credit conditions.

Presales Outlook

- ❖ We forecast aggregate presales (coverage developers: VHM, KDH, NLG, NVL, DXG, and HDC) to grow:
 - ✓ +79% YoY in 2025F
 - ✓ +18% YoY in 2026F
 - ✓ Compared to +16% in 2024
- ❖ Growth supported by:
 - ✓ New project launches and phased rollouts
 - ✓ NVL's presales resumption expected in 2026F following restructuring since end-2022

Key risk to our positive view: Higher-than-expected mortgage rates remain the main threat.

Strengthening southern momentum and accelerating infrastructure to drive new project launches

Notable projects and completion timeline based on latest Government-announced plans

- North-South High-Speed Railway (TBA)
- Long Thanh Intl' Airport P1 (by **2025**)*

- Ring Road 3.5, 4 (by **2027-2028**)*
- May Chai/ Nguyen Trai bridges (Hai Phong; completed **2025/** by **2027**)*
- Tu Lien bridge (Hanoi; by **2027**)*
- Ngoc Hoi bridge (by **2028**)*
- Ninh Binh – Hai Phong Expressway (by **2029**)*
- **Metro** Line Nam Thang Long – Tran Hung Dao (Hanoi; by **2029**)*
- Lao Cai – Hanoi – Hai Phong Railway (by **2030**)
- Hai Noi – Quang Ninh high-speed railway^

- Nhon Trach bridge (completed **2025**)
- Ring Road 3 (by **2025**)*
- Bien Hoa – Vung Tau Expressway (by **2025**)*
- Ben Luc – Long Thanh Expressway (by **2026**)*
- Can Tho – Ca Mau Expressway (by **2026**)*
- Chau Doc – Can Tho – Soc Trang Expressway (by **2026**)*
- HCMC – Thu Dau Mot – Chon Thanh Expressway (by **2027**)*
- Huong Lo 2 Road (Dong Nai; by **2028**)
- Cat Lai, Phu My 2, Dong Nai 2 bridges (by **2028**)
- Ben Thanh – Can Gio **Metro** Line (HCMC; by **2028**)^
- Can Gio bridge (HCMC; by **2028**)
- Thu Thiem 4 bridge (HCMC; by **2028**)
- Vam Co Dong, Vam Co Tay, Can Giuoc bridges (Long An; by **2030**)
- **Metro** Line 1 extension to Binh Duong, Line 2 Ben Thanh – Tham Luong (HCMC; by **2030-2035**)
- Can Gio – Vung Tau sea-crossing bridge^



Expected new launches nationwide in 2026F

- **VEF** – Global Gate, **Gallery Giang Vo***
- **VHM** – Wonder City
- HDG – Charm Villa
- SJS – Van La-Van Khe, Nam An Khanh
- TAL – Long Bien Central
- Sunshine Group – Noble Crystal
- VHM – Ocean Park 2&3
- Yen Son – Majestic City
- **VHM** – Ha Long Xanh (**Apollo City**)
- VHM – Royal Island, Golden City
- NLG – An Zen Residences
- TCH – Hoang Huy New City 2, Commerce H2
- Sungroup – Sun Urban City

- **VHM** – Lang Van*
- VCRE – Nobu Residences
- Sungroup – Sun Residence
- DPG – Casamia Balanca
- Regal Group – Regal Residence Signature

- **VHM** – Can Gio (**Green Paradise**)*, **Leman Golf**
- **KDH** – **Gladia by the Waters***, **Solina**
- NLG – Mizuki Park
- DXG – The Privé
- Masterise – Global City
- Gamuda Land – Eaton Park
- NLG – Izumi City, **Paragon***
- NVL – Aqua City
- DXG – Gem Sky World
- ITC – Terra Flora
- Gamuda Land – Spring Ville
- HDC – The Light City, Ngoc Tuoc 2, Eco Town Phu My
- Sungroup – Blanca City
- AGG – The Gio Riverside
- **PDR** – **Thuan An 1, 2***
- Capitaland – Sycamore
- Le Phong – The Emerald 88
- **TBS** – **Green Tower***
- Phuc Loc Khang – TT AVIO
- **Bcons** – **Bcons New Sky***
- **Becamex Tokyu** – **The Ten Midori Park***
- NLG – Waterpoint
- VHM – Green City (Hau Nghia)
- Eco Park – Eco Retreat
- NLG – Can Tho

Expanding low-rise supply in suburbs; city condo supply steady

Developer	Project	Location	Land area (ha)	Total units	9M 2025	Q4 2025F*	2026F*	2027F*
VHM	Wonder City	Hanoi	133	2,300 low-rise, 2 high-rise blocks				
	Green City	Long An	197	4,600 low-rise, high-rise blocks				
	Golden City	Hai Phong	240	4,900 low-rise				
	Green Paradise	HCMC	2,870	~37,000 units				
	Lang Van	Da Nang	512	~5,900 low-rise				
	Leman Golf	HCMC	200	200 low-rise				
	Apollo City	Quang Ninh	4,119	N/A				
	My Lam	Tuyen Quang	455	~4,100 low-rise				
	Int. Uni Township	HCMC	864	N/A				
KDH	Gladia	HCMC	11.8	220 low-rise, 600 high-rise				
	The Solina	HCMC	16.4	P1 ~500 low-rise				
	Tan Tao	HCMC	329	N/A				
NLG	Akari City	HCMC	8.5	P3 ~1,200 high-rise				
	Mizuki City	HCMC	26	P2&3 ~2,600 high-rise, 84 low-rise				
	Southgate	Long An	165	2,700 low-rise, 4,800 high-rise				
	Izumi City	Dong Nai	170	2,900 low-rise, high-rise				
	Can Tho	Can Tho	43	880 landplots, 1,600 social housing				
	An Zen Residences	Hai Phong	1.5	887 Ehome				
	Paragon	Dong Nai	45	580 low-rise				
DXG	Gem Sky World	Dong Nai	92	4,000 low-rise				
	The Privé	HCMC	4.3	3,200 high-rise				
HDC	The Light City P1	BRVT	27.2	703 low-rise, 400 high-rise				
	Ecotown Phu My	BRVT	6.3	870 social housing				
	East 3/2	BRVT	2.6	850 high-rise, 30 low-rise				
NVL	Aqua City	Dong Nai	615	9,726 low-rise				
	NovaWorld Phan Thiet	Binh Thuan	1,000	18,310 low-rise				
	NovaWorld Ho Tram	BRVT	523	3,180 low-rise				
HDG	Hado Charm Villas	Hanoi	15.1	P3: 108 low-rise				
	Hado Minh Long	HCMC	2.7	1,400 high-rise, 31 low-rise				
	Hado Green Lane	HCMC	7.7	1,230 high-rise				
DPG	Casamia Balanca	Quang Nam	31.1	363 low-rise				
TCH	Hoang Huy New City 2	Hai Phong	49.6	1,185 low-rise, 2,500 high-rise, 510 social housing				
	Hoang Huy Commerce H2	Hai Phong	1	976 high-rise				
PDR	Thuan An 1,2	Binh Duong	4.4	5,900 high-rise				
	Bac Ha Thanh P2	Binh Dinh	21.9	795 landplots, low-rise				

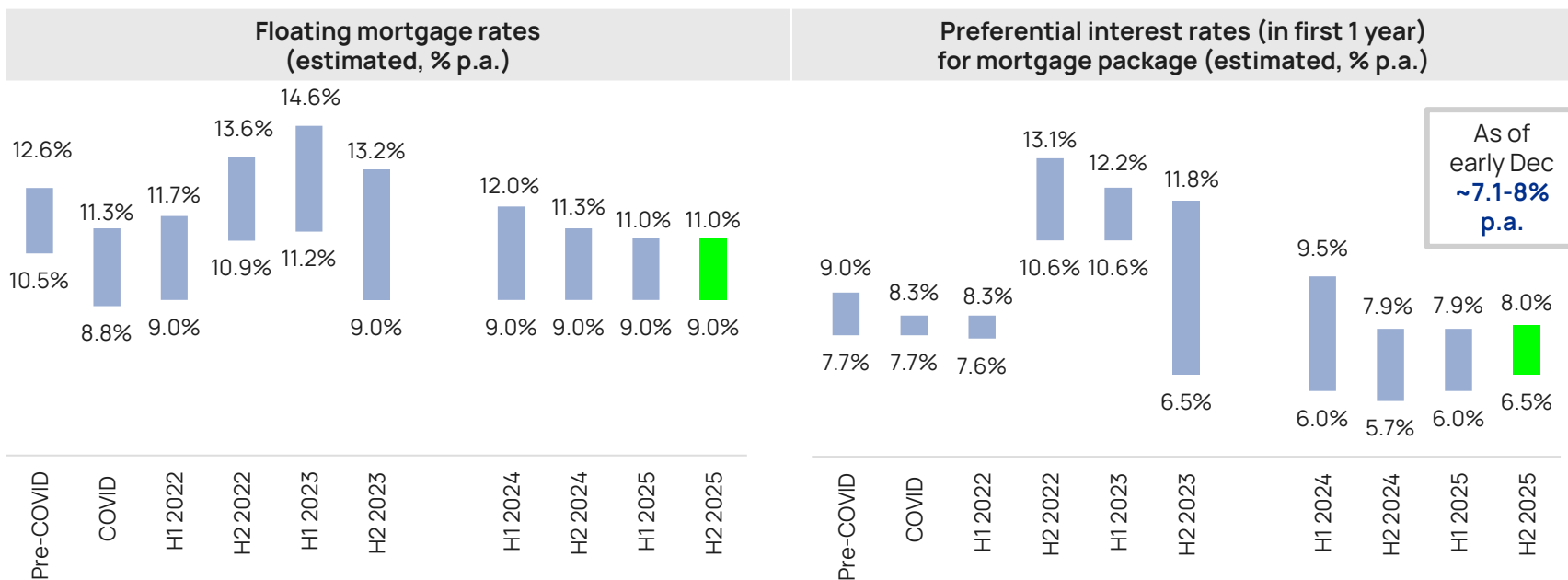
Mortgage rates to edge up modestly, but homebuyer confidence to hold firm

Preferential fixed mortgage rates have remained **broadly attractive**, though a few banks have increased rates marginally over the past month.

2026F outlook: We expect the **policy rate** (deposit rate cap for terms under six months) to remain broadly stable vs the 2023-2025F period. The market lending rates, including mortgage rates, may edge up modestly in response to stronger credit demand. The increase is expected to be minor and unlikely to materially affect homebuyer confidence, given developers' attractive sales incentives, favorable payment terms, and ongoing infrastructure rollouts.

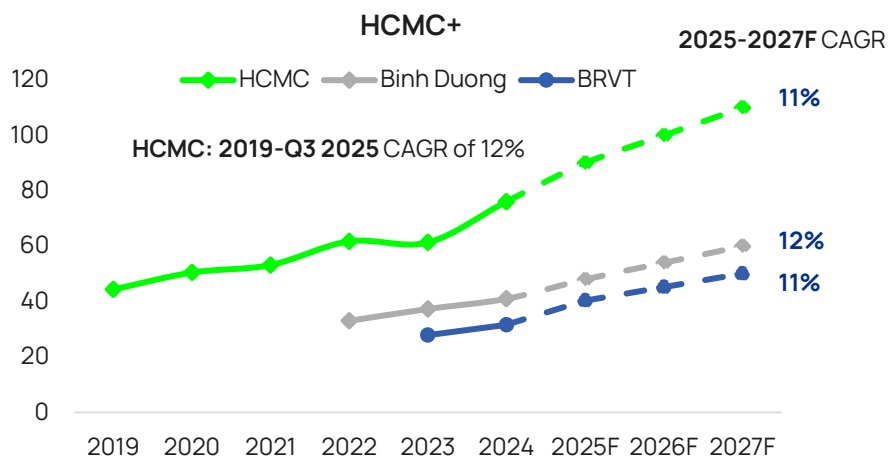
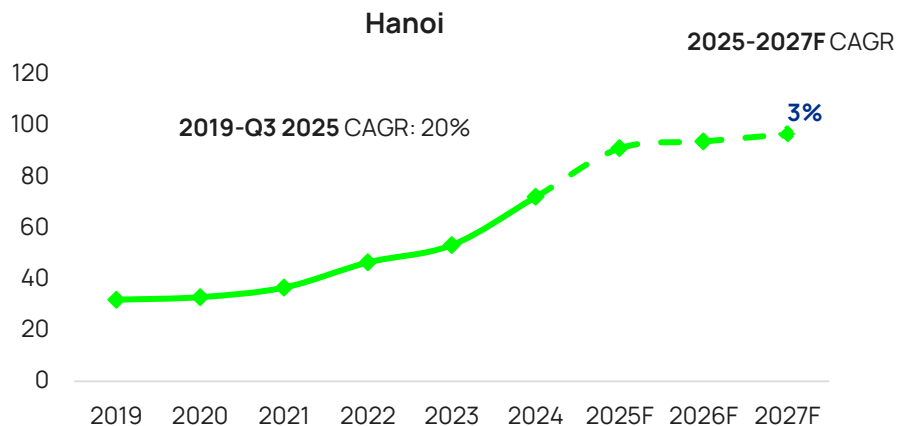
Risks to our positive view: Higher-than-expected mortgage rates could slow the expected growth pace for the real estate sector in 2026F.

Vietcap's survey on floating and preferential mortgage rates at select banks



Primary price growth expected; while sales incentives and broader new supply to offer more affordable options

CBRE's average condo prices for Hanoi and HCMC (VND mn/sqm)



Diverse sales incentives for YTD 2025 new project launches to appeal to different homebuyer groups

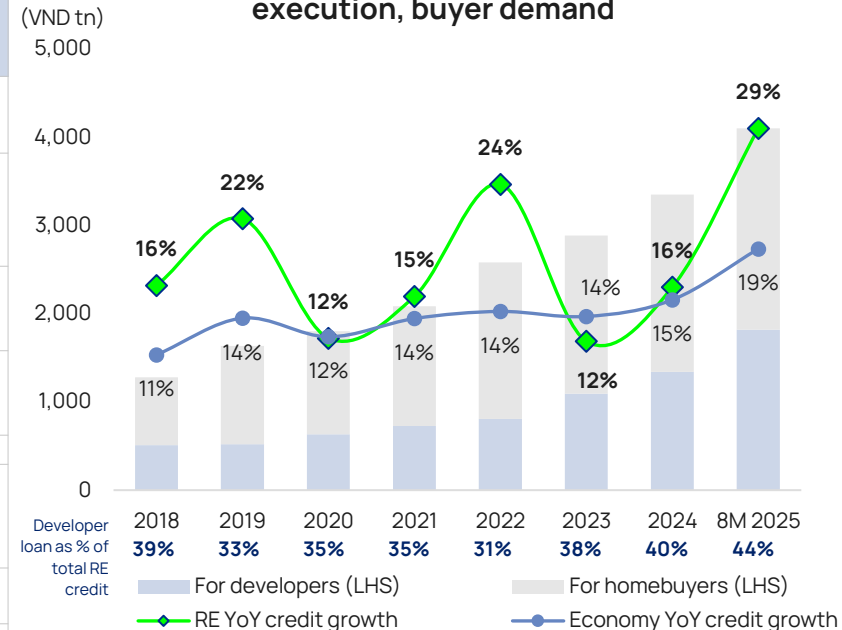
Vietcap's comments	
Relaxed payments up to 5 years for high-rise and 3 years for low-rise	The easing upfront cash flow scheme in initial years suits investor profiles
Discount for quick payment up to 8-16%	Developers have maintained strong discounts for quick payment, incentivizes buyers with strong cash positions .
Interest subsidy up to 30 months; principal grace period up to 60 months	The extended principal grace period of up to 60 months, now also available for select properties in the secondary housing market , whereas previously this option was mostly limited to primary market purchases.
Rental guarantee 5% p.a. for 24 months	Few developers , including VHM, adopt a rental guarantee strategy.
Incentives for shareholders	Homebuyers may receive a discount when they hold shares in certain listed real estate companies launching new projects.

Favorable capital raising outlook to support project development, debt refinancing

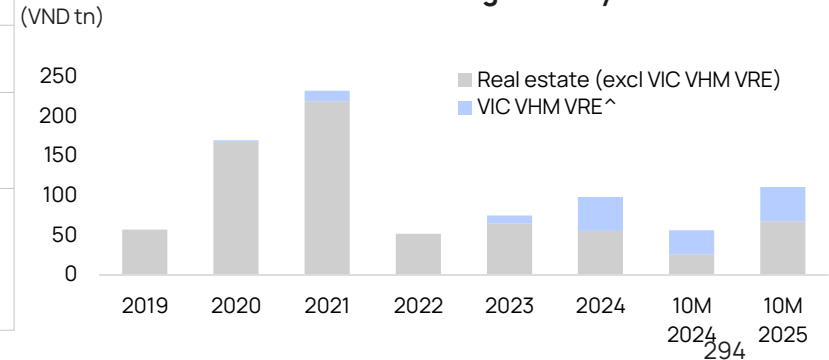
2025-2026G bond/equity raising plans of select real estate companies

Ticker	LQ Net D/E	Bond issues	Rights issue	Private placement	Purpose
VHM	39%	Issued VND25.5tn in YTD 2025 (interest rate 11-12.5% p.a.)			Mainly debt refinancing
VPL	19%		Raised VND5.0tn		Project development, internal restructuring, debt payment and working capital
BCM	91%	Issued VND2.5tn in YTD 2025 (10.3-10.5% p.a.)			Debt restructuring
KDH	35%			Raised VND3.0tn	Debt repayment, potentially for project development
NVL	119%			Up to VND2.6tn	Liability swap
KBC	60%			Raised VND4.16tn	Debt repayment, potentially for project development
PDR	48%			Raised VND341bn	Debt swap
DIG	15%		Up to VND1.8tn		Project development, bond payment
NLG	22%	Issued VND660bn in YTD 2025 (11% p.a.).	Up to VND2.5tn		Project development, debt refinancing
DXG	12%		Raised VND1.8tn	Up to VND1.74tn	Debt payment, working capital, increase charter capital in DXG's subsidiary
HDC	47%	Issued VND500bn in YTD 2025 (10.5-11% p.a.), planned VND500bn convertible bond in Q4 2025.			Project development, debt payment

Strong RE credit growth reflects active project execution, buyer demand



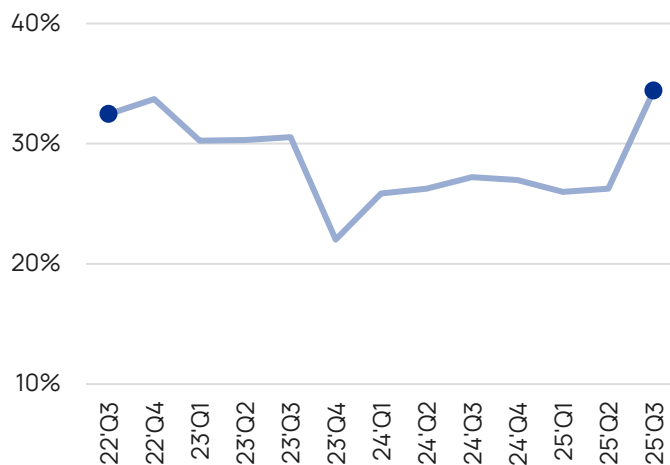
New RE bond issuance gradually resumes



Increasing leverage to reflect growth rather than stress, with a disciplined credit environment likely to mitigate risks

- ✓ Leverage ratio of most selected listed RE companies remains healthy.
- ✓ The increase in median net debt-to-equity from its Q4 2023 low primarily reflects greater use of debt to support medium-term project development under favorable interest rates.
- ✓ Portion of bonds in total debt has declined for most companies, except for VHM, VPI, and HDC.

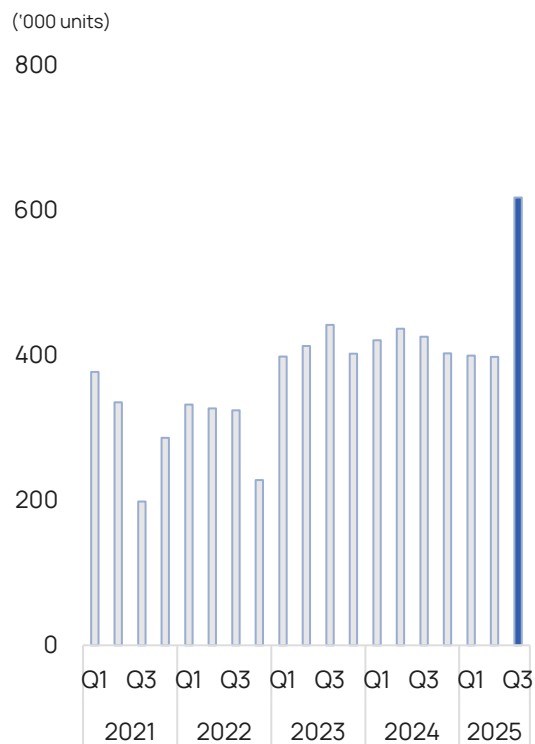
Median net D/E of select RE companies



Company	At end-Q3 2022 (%)			At end-Q3 2025 (%)			
	Net D/E	Debt-to-capital	Bond-to-total debt	Net D/E	Debt-to-capital	Bond-to-total debt	Higher leverage
VIC	112	57	49	151	67	35	✓
VHM	17	22	24	39	38	37	✓
VRE	-3	9	94	5	12	0	✓
KDH	38	38	15	35	33	0	
SSH	162	63	87	62	40	75	
NVL	111	62	70	119	56	44	✓
PDR	50	34	54	48	33	0	
DXG	32	29	57	12	25	6	
TCH	-56	8	0	-39	4	0	✓
NLG	3	26	55	22	33	52	✓
VPI	123	57	26	110	53	38	
CEO	17	32	13	-17	6	0	
DIG	43	41	64	15	29	48	
IJC	22	20	44	17	18	13	
DXS	19	24	9	23	24	0	✓
HDC	95	50	0	47	36	30	
AGG	27	40	38	34	26	0	✓
Median	32	34	44	34	33	13	
Average	48	36	41	41	31	22	

Legal developments to reinforce new project rollouts

Ministry of Construction's data shows a surge in commercial housing construction in Q3 2025



YTD legal developments of notable projects in Vietcap's real estate coverage

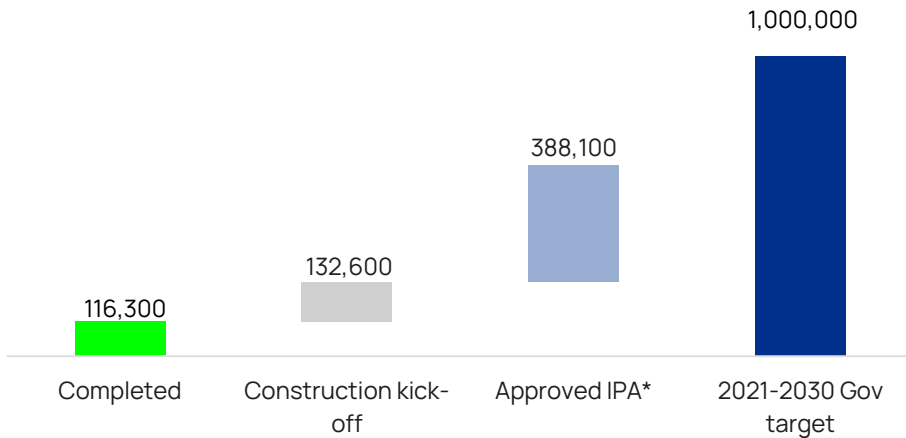
Project	Investment approval	Legal milestones achieved in YTD 2025		
		Master/ Detailed plan	LURF [^]	Construction permit
VHM Green Paradise (Can Gio; HCMC) Apollo City (Ha Long Xanh; Quang Ninh)		Approved 1/500 in January. Approved 1/2,000 in October.	Approved the land price amount in June.	Construction kick-off in April.
KDH Gladia by the Waters (HCMC) The Solina Phase 1 (HCMC) Binh Trung Dong (HCMC)	Obtained in October.		Approved in early 2025.	Received for low-rise in June.
NLG Izumi City (Dong Nai) Mizuki Park (HCMC) Paragon (Dong Nai) Waterpoint Phase 2 (Long An)		Approved the revised 1/500 plan in June. Approved the revised 1/500 plan in June.	Received a notice for additional LURF payment.	Received for CC5 condo phase in June. Approved in July.
NVL Aqua City (Dong Nai) NovaWorld Phan Thiet (Binh Thuan)	Obtained the revised approval in June.	Approved the revised 1/500 plan in June.	Approved for one-time lease payment method in June, awaiting the price amount.	Ongoing.

Upcoming resolution shows ongoing efforts to streamline Land Law implementation

Regulation	2024 Land Law (effective from August 1, 2024)	Draft Resolution dated October 19, 2025 (proposed to be effective from January 1, 2026)*	Vietcap's comments
Land price table	<p>Provincial People's Committee will issue the land price table on an annual basis (starting from 2026).</p> <p>Not issue land price adjustment coefficients.</p>	<p>Provincial People's Council will issue and apply the land price table starting from 2026. The table may be revised and supplemented when necessary.</p> <p>The Provincial People's Committee shall issue the land price adjustment coefficient annually, effective from 2026; and may amend or supplement the coefficients during the year as needed.</p>	<p>We think this proposal suggests that the land price table would be revised only when necessary, rather than updated annually. The introduction of an annual land price adjustment coefficient is intended to improve responsiveness to market developments while helping reduce the administrative workload for provincial authorities, particularly following provincial mergers.</p>
Basis for calculating land use fees and land rent	Based on the land price table and specific land price.	Based on the land price table and land price adjustment coefficient.	<p>We observe in practice, developers' land use fees are often determined based on specific land prices appraised by independent valuers. The proposed framework, which combines the land price table with adjustment coefficients, aims to provide a more consistent and standardized approach to determining LUF and rent.</p> <p>At the same time, some agencies have recommended specific land pricing may still apply for large-scale or new-area projects where market data are limited; further assessment required for practical rollout.</p>
Land expropriation for socio-economic development in the national or public interest	The law specifies cases in which the State will be responsible for land expropriation in support of socio-economic development projects deemed to serve national or public interests.	<p>Supplement three additional land expropriation cases, including:</p> <ol style="list-style-type: none"> 1) Projects in free trade zones and international financial centers. 2) Projects in which investors acquire land through private agreements with land users: if the negotiation period (including any extension) ends and agreements have been reached for more than 75% of land area and users, the Provincial People's Council may consider and approve the expropriation of the remaining land area for allocation or lease to the investor. 3) Creation of land funds for BT contract payments. 	<p>The proposed additional expropriation cases aim to facilitate land access, clearance, and project implementation while maintaining consistency with regulations on public-private partnerships (supplement 3).</p> <p>For the second proposed supplement: We believe that if approved, its implementation would require clear and detailed guidelines to ensure consistency across provinces and minimize potential disputes during land clearance.</p>

Continued emphasis on housing affordability and market transparency; though implementation challenges remain

Progress toward completing 1 million social housing units nationwide in 2021-2030 as of end-Q3 2025



Social housing project pipeline of select developers

	Project (location)	Total units	Current status
VHM	Thanh Hoa	~3,100 condos	Ongoing presales
	Nam Trang Cat (Hai Phong)	~4,000 condos & 300 low-rise	Ongoing presales
	Cam Ranh	~4,100 low-rises	Under construction
NLG	EhomeS Can Tho	~1,600 condos	Ongoing presales
HDC	Ecotown Phu My (BRVT)	870 condos	Under construction
	HODECO Phu My (BRVT)	823 condos	Under legal procedures
BCM	Viet Sing Zone 6 (Binh Duong)	1,867 condos	Under construction
	Zone 5 Dinh Hoa (Binh Duong)	2,372 condos	Under construction

Proposals aim for market transparency, curb speculation, and improve housing affordability

Proposals

- **New RE tax transfer** (e.g., 20% tax on the transfer profit, tax on holding period).
- **Real Estate Transaction Centers:** Digital hubs to verify and monitor all transactions.
- **Credit control:** Limit housing loans (excluding social housing) to 50% of contract value for second homes and 30% for third or subsequent purchases.
- **Affordable housing supply:** Provinces to allocate at least 20% of new commercial housing (2026–2030) for affordable projects, with preferential policies on land pricing, profit caps (20%), and simplified investor selection, while prohibiting resale of purchased units.

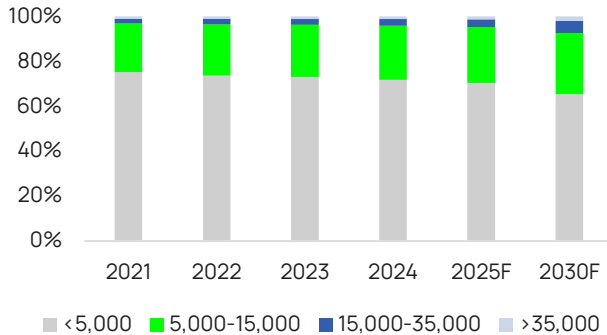
Vietcap's comments

- Postponed - not included in the upcoming Amended Personal Income Tax Law.
- Practical challenges in digital infrastructure readiness.
- Risk of impact on genuine upgraders.
- Potential overlap with social housing regulations, challenge in low developer incentives on affordable segment.

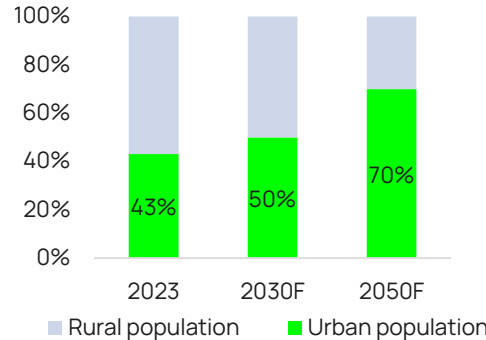
We expect the proposals may undergo further revisions, and the effectiveness and feasibility will also rely on timely issuance of detailed guiding decrees and circulars.

Long-term outlook: Structural growth drivers for housing sector remain solid

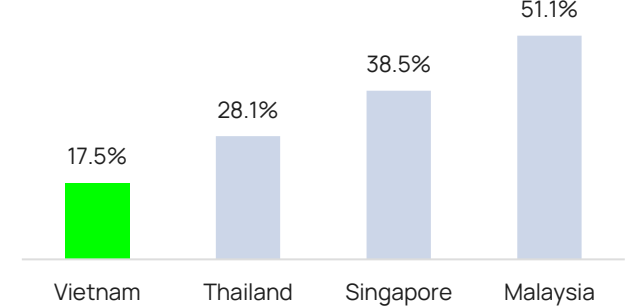
Vietnam's projected household disposable income distribution (%), measured in USD



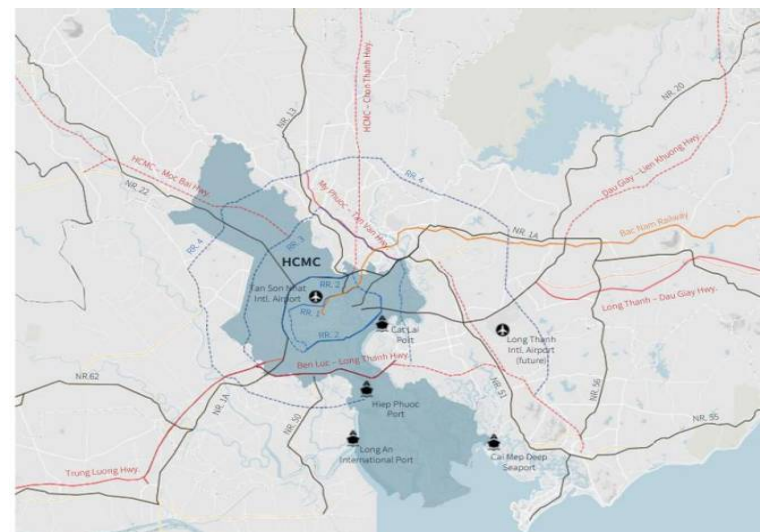
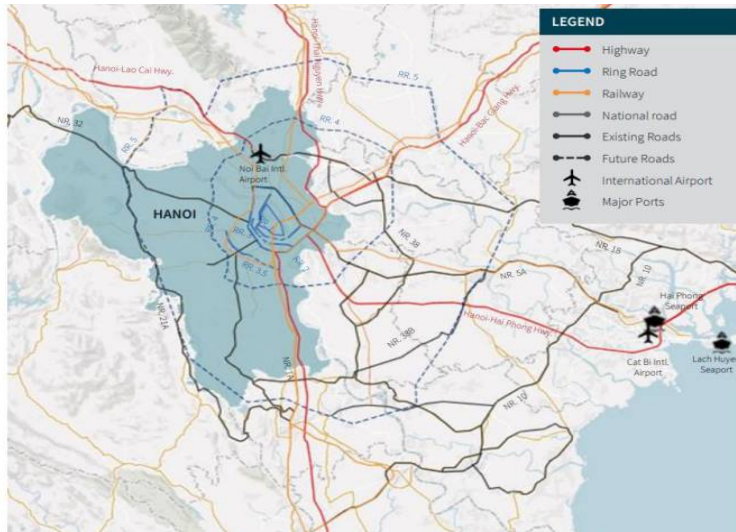
Vietnam's urbanization rate (%)



Total home mortgage loans outstanding as percentage of GDP in 2024



Infrastructure improvement to spur demand in areas surrounding the centers of Hanoi and HCMC

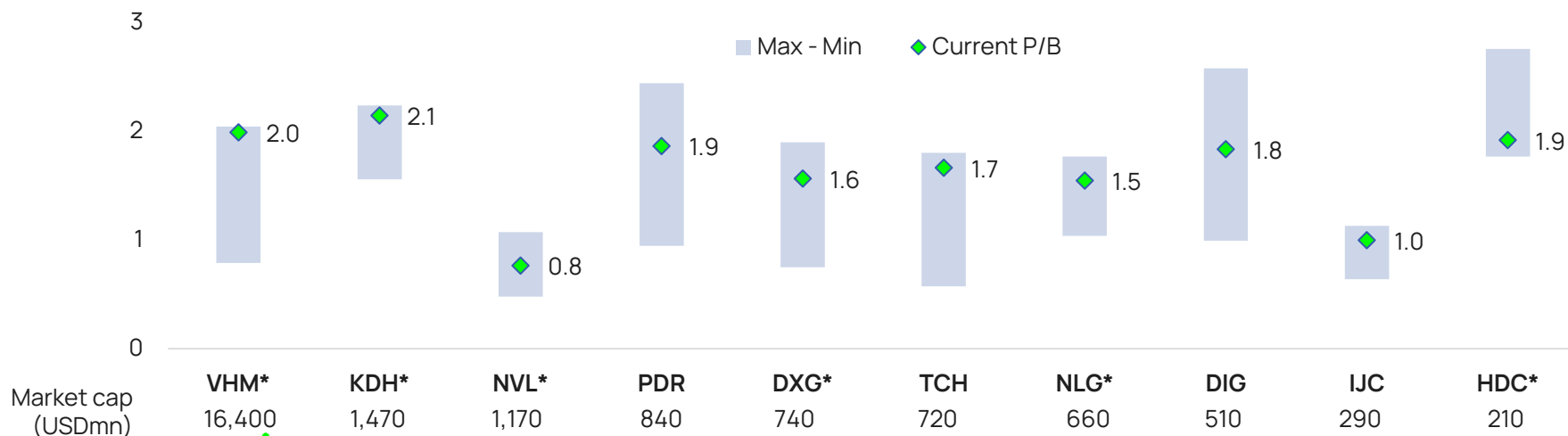


Real estate stocks: YTD share price performance has been mixed

Share price performance

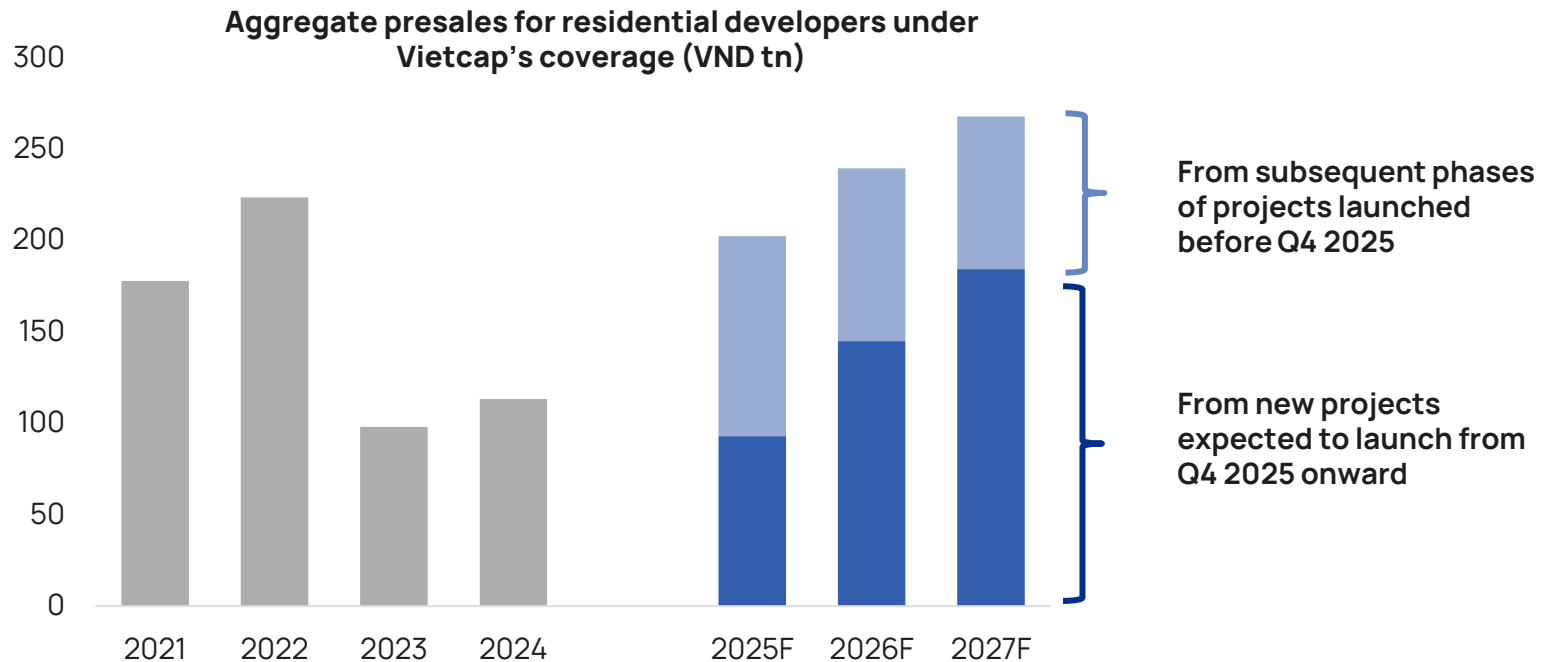
	VN-Index	VIC*	VRE*	VHM*	KDH*	NLG*	NVL*	DXG*	DXS*	HDC*	IJC	PDR	TCH	DIG
H1 2022	-20%	-23%	-5%	-22%	-24%	-44%	-18%	-44%	-43%	-51%	-42%	-26%	-58%	-63%
H2 2022	-16%	-27%	-8%	-23%	-25%	-12%	-81%	-35%	-60%	-22%	-34%	-74%	-25%	-43%
H1 2023	11%	-5%	2%	15%	16%	7%	6%	16%	35%	21%	47%	24%	31%	47%
H2 2023	1%	-13%	-13%	-21%	12%	11%	15%	38%	5%	17%	0%	66%	54%	27%
H1 2024	10%	-8%	-12%	-13%	18%	14%	-22%	-17%	-6%	-5%	17%	-6%	44%	-1%
H2 2024	2%	-2%	-16%	6%	8%	-12%	-23%	-3%	2%	0%	0%	-13%	-20%	-29%
H1 2025	9%	136%	44%	92%	-19%	8%	48%	32%	24%	3%	-10%	-13%	32%	-1%
YTD 2025	37%	558%	101%	163%	5%	9%	46%	50%	47%	23%	5%	18%	65%	27%

Median monthly LQ P/B ratios (Jan 2023–present)



Vietcap residential stock coverage: Presales momentum to accelerate

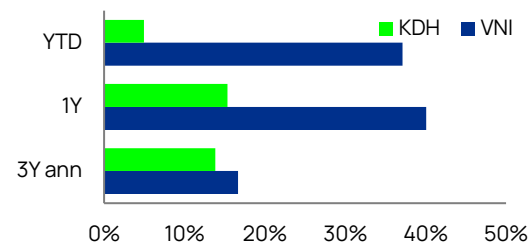
- ✓ We expect presales growth to persist through 2026–27F for residential developers under our coverage, underpinned by a pipeline of new projects and next-phase launches.
- ✓ We forecast aggregate presales for KDH, NLG, NVL, DXG and HDC to rise 81% YoY in 2026F, following a strong 188% YoY rebound expected in 2025F and sharp contractions of 88% in 2023 and 15% in 2024. For VHM, we project presales growth of 9% YoY in 2026F, after rising 69% YoY in 2025F and 19% in 2024.



KDH – Strong land bank monetization to boost earnings growth

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND34,450	Revenue (VND bn)	3,279	4,954	7,577	8,904
Target Price (TP)*	VND48,500	% YoY	57.0%	51.1%	53.0%	17.5%
		EBIT (VND bn)	1,309	2,378	4,620	3,712
		NPAT-MI (VND bn)	809	1,041	1,768	2,420
Upside to TP	+40.8%	% YoY	13.0%	28.6%	69.9%	36.9%
Dividend Yield	0.0%	EPS % YoY	6.1%	18.4%	69.9%	36.9%
TSR	+40.8%	Presales (VND bn)	900	6,100	6,800	8,600
		GPM	53.1%	56.8%	70.1%	52.6%
Industry	Real Estate	OPM	39.9%	48.0%	61.0%	41.7%
Market Cap	USD1.5bn	NPM	24.7%	21.0%	23.3%	27.2%
Foreign Room	USD205.0mn	ROE	5.2%	5.8%	9.1%	11.2%
ADTV30D	USD8.0mn	Net D/E	19.2%	28.5%	31.3%	31.3%
State Ownership	0.0%	P/E	47.3x	39.9x	23.5x	17.2x
Outstanding Shares	1.0 bn	P/B	2.2x	2.1x	1.9x	1.7x
Fully Diluted Shares	1.0 bn					

* TP and rating last updated November 12, 2025



Company Overview

KDH is a well-known landed property (townhouses and villas) developer in HCMC. Since 2017, the company has expanded into mid-range condo developments. Currently, KDH owns a sizeable land bank in HCMC.

Strong land bank in core HCMC to enhance KDH's appeal: KDH's disclosed pipeline represents a sizable total site area of over 500 ha in core HCMC. Additionally, KDH has a proven track record of delivering high-quality projects with timely handovers and integrated infrastructure. Its focus on well-established, strategic HCMC locations further strengthens the appeal of its offerings.

Gladia's low-rise units to boost earnings in Q4 2025F and 2026F: Given the strong presales performance (~100 low-rise units out of a total 226 units, equivalent to ~VND4tn, as of early October 2025), we expect sales and handovers of all low-rise units at Gladia – whose construction has been completed – to be finished in 2026F. The company plans to start the high-rise phase (616 condos) in early 2026G, with presales launch in Q3 2026G and handovers from Q4 2027G.

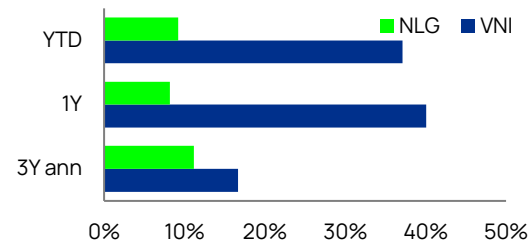
Binh Trung Dong, The Solina, and Le Minh Xuan Expansion IP to gain momentum from 2027F onward, while Tan Tao anchors longer-term outlook: We expect 2027F presales launches for the low-rise units at new projects Binh Trung Dong and The Solina, along with the initial launch of the Le Minh Xuan Expansion IP. As of October 2025, KDH received investment approval for Binh Trung Dong (18.2 ha; ~200 low-rise and ~3,500 high-rise units; adjacent to Gladia) and began infrastructure construction for both The Solina (~500 low-rise units and ~1,000 high-rise units) and Le Minh Xuan Expansion IP (~110 ha). For the ~330 ha Tan Tao project, management guides to largely complete land clearance by 2026G and to proceed with construction starting in 2027G.

Downside risk: Slower-than-expected launches of large-scale projects such as Tan Tao.

NLG – Southern market recovery, ready land bank to power presales outlook

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND36,100	Revenue (VND bn)	7,196	5,000	6,368	6,705
Target Price (TP)*	VND52,100	% YoY	126.2%	-30.5%	27.3%	5.3%
		EBIT (VND bn)	1,664	1,189	1,805	1,822
		NPAT-MI (VND bn)	518	710	718	882
Upside to TP	+44.3%	% YoY	7.1%	37.0%	1.1%	22.9%
Dividend Yield	1.1%	EPS	9.8%	37.6%	-19.7%	22.9%
TSR	+45.4%	Presales (VND bn)	5,200	7,200	9,700	11,700
		GPM	42.5%	46.3%	48.6%	46.5%
Industry	Real Estate	OPM	23.1%	23.8%	28.3%	27.2%
Market Cap	USD664.7mn	NPM	7.2%	14.2%	11.3%	13.2%
Foreign Room	USD34.0mn	ROE	5.4%	6.3%	5.5%	6.5%
ADTV30D	USD2.4mn	Net D/E	6.1%	-0.5%	5.1%	6.3%
State Ownership	0.0%	P/E	28.1x	20.4x	25.4x	20.7x
Outstanding Shares ^	485.2 mn	P/B	1.4x	1.4x	1.3x	1.3x
Fully Diluted Shares ^	485.2 mn					

* TP and rating last updated November 7, 2025. ^ including rights issue (XR Oct 17, 2025), assuming full subscription



Company Overview

NLG is a property developer with over 30 years of experience. After becoming a proven low-end housing developer, NLG expanded into the mid-range and landed properties segments across its land bank in HCMC, Tay Ninh (Long An), Dong Nai, Hai Phong, and Can Tho.

An experienced developer with well-positioned products in the mid-end housing market: NLG is poised to be among the early beneficiaries of southern real estate market recovery due to its strong brand equity, strategic partnerships, mid-end products, healthy balance sheet, and ready land bank in HCMC and key satellite provinces.

Izumi City to accelerate profit and presales contribution in Q4 2025F: In early November, NLG completed transferring a 15% stake in Izumi City to a Japanese partner, and launched presales for the next phase, Canaria (461 low-rise units, sales permit approved in October 2025). These developments reaffirm our expectation that Izumi City will be the main driver for NLG's earnings and presales in Q4 2025F.

Robust presales growth underpinned by southern market momentum and ready land bank: We project NLG's presales in 2026F to maintain double-digit growth from strong 2025F, driven mainly by the Dong Nai project cluster, including Izumi City and the expected new project Paragon (received sales permit for Phase 1 in December 2025). We believe the timely infrastructure development in the south (especially connectivity via Dong Nai) will benefit NLG's presales, in addition to its strong market position and clear legal status.

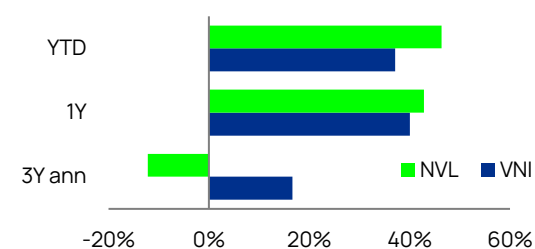
Strong backlog and upcoming presales to drive 2026F core earnings growth: NLG's end-Q3 2025 unbilled bookings stood at ~VND5.2tn (USD197mn, per NLG), primarily from the Southgate project. For 2026F, we forecast a 35% YoY increase in NLG's underlying property revenue (driven ~60% by unbilled backlog and ~40% by new presales) and a 78% YoY increase in core NPAT-MI from underlying property handovers.

Downside risk: Slower-than-expected launches of projects in second-tier provinces.

NVL – Restructuring gains to accelerate presales recovery

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND15,000	Revenue (VND bn)	9,074	10,690	12,772	18,799
Target Price (TP)*	VND20,000	% YoY	90.7%	17.8%	19.5%	47.2%
		EBIT (VND bn)	-1,900	1,505	2,127	4,202
		NPAT-MI (VND bn)	-6,455	-790	402	3,222
Upside to TP	+33.3%	% YoY	N.M.	N.M.	N.M.	701.9%
Dividend Yield	0.0%	EPS % YoY	N.M.	N.M.	N.M.	671.5%
TSR	+33.3%	Presales (VND bn)	2,800	2,500	11,400	31,300
		GPM	0.9%	35.9%	36.3%	38.6%
Industry	Real Estate	OPM	-20.9%	14.1%	16.7%	22.4%
Market Cap	USD1.2bn	NPM	-71.1%	-7.4%	3.1%	17.1%
Foreign Room	USD492.0mn	ROE	-17.0%	-4.2%	2.1%	15.9%
ADTV30D	USD7.7mn	Net D/E	120.4%	133.9%	136.8%	129.2%
State Ownership	0.0%	P/E	N.M.	N.M.	83.8x	10.9x
Outstanding Shares	1.95 bn	P/B	0.8x	0.8x	0.8x	0.8x
Fully Diluted Shares	1.95 bn					

* TP and rating last updated October 1, 2025



Company Overview

NVL is one of the largest real estate developers in Vietnam, mainly focusing on residential and hospitality projects in the southern region, with large land bank across core HCMC, Dong Nai, Ba Ria Vung Tau and Binh Thuan. NVL has been engaged in business restructuring since Q4 2022.

Restructuring efforts to underpin turnaround: Once among the leading southern developers, NVL entered restructuring amid a late-2022 liquidity squeeze. Since Q2 2025, NVL's restructuring efforts have made more meaningful progress on key project legal matters, laying the groundwork for resuming project development and supporting gradual homebuyer confidence.

Presales to rebound in 2026F, driven by new phase launches: We forecast 2025F presales to remain modest as the company focuses on project execution, while secondary market liquidity is expected to improve during H2 2025F. These factors should support a recovery in presales activity from 2026F onward. We project aggregate 2026-27F presales at VND42.6tn (USD1.6bn), driven by the expected resumption of presales for unsold units at Aqua City, NovaWorld Phan Thiet (NVW PT), and NovaWorld Ho Tram (NVW HT).

Cash collections to accelerate in 2026-28F, driven by the ramp-up in handovers: At end-Q2 2025, NVL's total unbilled bookings stood at VND228tn (USD8.7bn), with Aqua City accounting for 48%, NVW PT 26%, NVW HT 10%, and HCMC projects 16%. The remaining cash collections from presold units, estimated at ~VND100tn (USD3.8bn), should be realized gradually through 2029F.

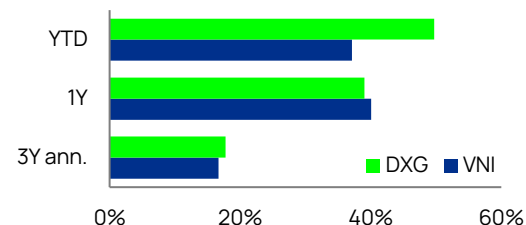
Aqua City to be the first NVL project to recover: We expect Aqua City's legal progress, accelerating construction, and infrastructure upgrades will enable additional handovers from H2 2025F and new presales from 2026F. While the recovery of NVW PT and NVW HT is likely to be more gradual, NVL's sizable and strategically located land bank in core HCMC is subject to ongoing legal processes.

Downside risks: (1) longer-than-expected restructuring finish, (2) potential dilution risk from equity issue plans, (3) limited transparency in cash collection due to internal structure, and (4) disclosure risk regarding project ownership.

DXG – GSW, The Privé to drive 2026/27F earnings growth

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND19,150	Revenue (VND bn)	4,795	3,741	5,794	11,016
Target Price (TP)*	VND24,000	% YoY	28.7%	-22.0%	54.9%	90.1%
		EBIT (VND bn)	1,140	985	1,481	3,680
		NPAT-MI (VND bn)	256	294	512	2,211
Upside to TP	+25.3%	% YoY	48.8%	14.9%	74.3%	331.5%
Dividend Yield	0.0%	EPS % YoY	23.0%	-7.0%	62.0%	341.8%
TSR	+25.3%	Presales (VND bn)	200	10,400	19,800	12,100
		GPM	48.1%	55.8%	53.5%	58.0%
Industry	Real Estate	OPM	23.8%	26.3%	25.6%	33.4%
Market Cap	USD740.5mn	NPM	5.3%	7.9%	8.8%	20.1%
Foreign Room	USD194.6mn	ROE	2.6%	2.4%	3.5%	13.9%
ADTV30D	USD10.6mn	Net D/E	34.4%	12.3%	5.9%	0.7%
State Ownership	0.0%	P/E	66.6x	71.7x	44.2x	10.0x
Outstanding Shares	1.1 bn	P/B	1.5x	1.5x	1.4x	1.3x
Fully Diluted Shares	1.1 bn					

* TP and rating last updated Dec 5, 2025



Company Overview

DXG is a mid-range residential developer with land bank focused in HCMC, Binh Duong, and Dong Nai. DXG's 59%-owned subsidiary Dat Xanh Services (HOSE: DXS) is a leading property brokerage company with around 30% market share nationwide.

GSW relaunch and The Privé to boost 2026-27F earnings: We expect GSW (~4,000 low-rise and land-plot units; ~60% already presold and ~50% handed over as of end-Q3 2025; located in Dong Nai Province) to relaunch presales in 2026F, supported by the ongoing development of Long Thanh International Airport, which we expect to be operational by mid-2026. We estimate GSW's unbilled backlog at end-2025F at around 400 units, equivalent to ~VND1.4tn. For The Privé (~3,200 condos in Binh Trung Ward, HCMC), we expect the project to be sold out over 2025-2026F, with handovers starting from 2027F. We forecast GSW and The Privé together to contribute ~41% and ~64% of 2026F/2027F total revenue, respectively (vs ~20% in 2025F).

Sizeable project pipeline to support long-term presales: In addition to The Privé and GSW, DXG plans to develop Dat Xanh Homes Park View (5 ha; HCMC), Ngoc Khanh (~1 ha; HCMC), and Opal Luxury (~8.6 ha, HCMC) projects over the medium term. We expect Dat Xanh Homes Park View to launch from 2027F as the project is currently processing land use rights fees, while Ngoc Khanh and Opal Luxury are not yet included in our forecasts.

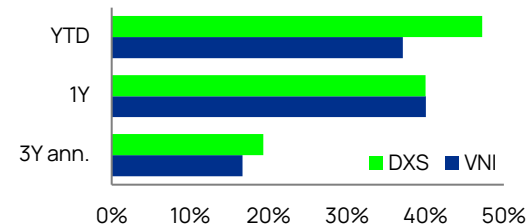
Brokerage segment recovery to continue in 2025F: We anticipate DXG's brokerage revenue to grow 51%/30% YoY in 2025/26F, underpinned by increased property transaction volumes from the lows of 2023-2024.

Downside risks: Slower-than-expected new launches; dilution risk from capital raising plans.

DXS – Brokerage transaction growth to power 2026F earnings

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND10,600	Revenue (VND bn)	2,438	3,403	4,040	4,729
Target Price (TP)*	VND13,600	% YoY	23.2%	39.6%	18.7%	17.1%
		EBIT (VND bn)	445	838	1,057	1,335
		% YoY	317.9%	88.5%	26.2%	26.2%
Upside to TP	+28.3%	NPAT-MI (VND bn)	141	453	560	734
Dividend Yield	0.0%	% YoY	N.M.	222.0%	23.7%	30.9%
TSR	+28.3%	EPS	N.M.	222.0%	23.7%	30.9%
		GPM	48.3%	53.6%	51.7%	53.2%
Industry	Real Estate	OPM	18.2%	24.6%	26.2%	28.2%
Market Cap	USD233.0mn	NPM	5.8%	13.3%	13.9%	15.5%
Foreign Room	USD66.7mn	ROE	2.4%	7.3%	8.3%	9.9%
ADTV30D	USD600,000	Net D/E	20.7%	18.4%	9.6%	0.0%
State Ownership	0.0%	P/E	48.5x	15.1x	12.2x	9.3x
Outstanding Shares	579.1 mn	P/B	1.0x	0.9x	0.9x	0.8x
Fully Diluted Shares	579.1 mn					

* TP and rating last updated Dec 5, 2025



Company Overview

DXS is the leading brokerage company in Vietnam with around 30% of the primary brokerage market share and a strong nationwide distribution network. DXS enjoys a superior margin from its full-service brokerage business, which is a key competitive advantage compared to local peers.

Property transaction growth to drive 2026F earnings: We forecast DXS's brokerage revenue to rebound 70% YoY in 2025F from a low base and to grow a further 30% YoY in 2026F, with segment GPM reaching 60% and 62%, respectively. We believe DXS is well-positioned to capture the property market's growth, supported by its market-leading estimated 30–35% share and continued network expansion, with its salesforce increasing to around 3,000 as of end-Q3 2025 (vs ~2,000 at end-2024).

Growing deposits and inventory signal stronger pipeline: As of end-Q3 2025, DXS recorded VND6.0tn (USD227mn; +8% QoQ, +26% YoY) in deposits for marketing/distribution contracts and VND4.8tn (USD183mn; +4% QoQ, +15% YoY) in inventory. The continued QoQ and YoY increases in both deposits and inventory suggest a strengthening project pipeline and improving demand visibility. We expect presales and handovers at key self-developed projects – including Regal Legend (21 ha, Quang Binh), Regal Maison (Phu Yen), and Regal Victoria (Quang Nam) – to support property sales handovers during 2025–28F.

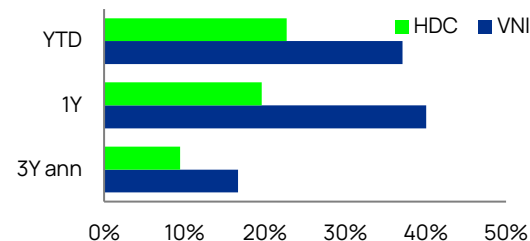
The Privé and Gem Sky World relaunches to support the brokerage segment: We expect the two projects (developed by DXG – DXS's parent company) launching in 2025/2026F to contribute ~20/35% to DXS's 2025/26F brokerage revenue forecasts, compared to relatively minor contributions from DXG's projects and affiliates in 2023–24.

Downside risk: Slower-than-expected recovery in property sales activities.

HDC – Large land bank leveraged to expected recovery in Vung Tau

Rating*	OUTPERFORM		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND27,450	Revenue (VND bn)	546	644	859	1,451
Target Price (TP)*	VND27,100	% YoY	-17.9%	17.9%	33.4%	68.9%
		EBIT (VND bn)	163	180	253	362
		NPAT-MI (VND bn)	66	173	300	328
Upside to TP	-1.3%	% YoY	-49.8%	162.2%	72.9%	9.5%
Dividend Yield	0.0%	EPS % YoY	-49.9%	145.4%	72.9%	9.5%
TSR	-1.3%	Presales (VND bn)	300	900	1,400	1,700
		GPM	40.3%	37.7%	38.1%	31.8%
Industry	Real Estate	OPM	29.9%	27.9%	29.4%	25.0%
Market Cap	USD208.1mn	NPM	12.1%	26.9%	34.9%	22.6%
Foreign Room	USD95.6mn	ROE	3.2%	7.4%	11.6%	11.4%
ADTV30D	USD2.9mn	Net D/E	69.9%	70.8%	72.8%	62.9%
State Ownership	0.0%	P/E	78.4x	32.0x	18.5x	16.9x
Outstanding Shares	178.4 mn	P/B	2.4x	2.3x	2.0x	1.8x
Fully Diluted Shares	178.4 mn					

* TP and rating last updated March 21, 2025



Company Overview

HDC is a property developer with 34 years of experience. HDC currently owns projects with a total land area of ~490 ha, mainly located in Ba Ria - Vung Tau Province.

An experienced developer to benefit from recovery in the Ba Ria - Vung Tau (BRVT) market. We anticipate the BRVT real estate market to start recovering toward end-2025F, supported by improving homebuyer sentiment, the recent entry of a large developer, and ongoing infrastructure development (i.e., Bien Hoa-Vung Tau Expressway, targeted to be completed by end-2025). HDC is well-positioned to capture the BRVT recovery, with its strategically located landbank benefitting from the upcoming BHVT Expressway.

2025-26F presales and profit to recover from the low base in 2024: We forecast HDC's average 2025-26F presales at VND1.1tn p.a. (USD45mn; vs VND850bn/USD33mn p.a. in 2021-24), driven by launched projects (The Light City P1, Ngoc Tuoc 2, and West 3/2) and expected launches from new social housing project Ecotown Phu My and small-scale projects. We expect (1) unbilled backlogs, (2) new presales, and (3) transfers of Thong Nhat and Dai Duong will drive 2025-26F earnings.

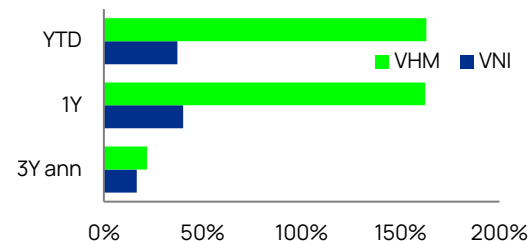
9M 2025 NPAT surpassed our full-year forecast due to Dai Duong divestment gains: HDC's 9M 2025 NPAT-MI reached VND609bn (USD23mn; +9x YoY), boosted by the recognition of the Dai Duong stake sales recorded in Q2 and Q3. According to management, HDC has recognized most of the profits from the Dai Duong divestment as of Q3 2025, as well as having collected most of the proceeds. The remaining receivable of ~VND300bn (USD11mn) is expected to be collected by June 2026.

Downside risks: Longer-than-expected development timeline of projects; challenges to raise capital for large-scale project developments.

VHM – Solid backlog, accelerating presales to boost 2026F profit

Rating*	OUTPERFORM		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND105,200	Revenue (VND bn)	102,323	130,460	135,905	141,095
Target Price (TP)*	VND118,900	Underlying property revenue**	112,500	125,600	158,700	177,200
		EBIT** (VND bn)	41,100	45,500	63,200	76,900
		NPAT-MI (VND bn)	31,801	38,631	41,356	47,156
Upside to TP	+13.0%	% YoY	-4.7%	21.5%	7.1%	14.0%
Dividend Yield	0.0%	EPS % YoY	-4.5%	28.5%	7.1%	14.0%
TSR	+13.0%	Presales (VND bn)	103,900	175,400	190,500	202,600
		GPM	32.2%	39.1%	41.4%	43.1%
Industry	Real Estate	EBIT** margin	36.5%	36.2%	39.8%	43.4%
Market Cap	USD16.4bn	NPM	31.1%	29.6%	30.4%	33.4%
Foreign Room	USD6.4bn	ROE	16.7%	17.4%	15.8%	15.4%
ADTV30D	USD19.4mn	Net D/E	23.0%	41.0%	50.3%	43.5%
State Ownership	0.0%	P/E	14.4x	11.2x	10.4x	9.2x
Outstanding Shares	4.11 bn	P/B	2.1x	1.8x	1.5x	1.3x
Fully Diluted Shares	4.11 bn					

* TP and rating last updated December 5, 2025; ** Underlying property sales segment only, including BCCs and bulk sales recorded as financial income.



Company Overview

Vinhomes (VHM), a 73.5%-owned subsidiary of Vingroup (VIC), has established itself as the leading developer in Vietnam's residential market by delivering a number of developments with sizable scale.

We believe VHM is well-positioned for growth in Vietnam's residential property sector over the long run with its leading market position, large land bank, and proven track record in large-scale project development.

Strong unbilled bookings and presales to support 2026F earnings: We forecast underlying property revenue to grow 12%/26%/12% YoY in 2025/26/27F with unbilled bookings (end-Q3 2025: VND223.9tn/USD8.6bn) to contribute ~100%/64%/18% of respective underlying property revenue forecasts for Q4 2025/26/27F. We expect presales momentum to continue at newly launched projects (Green Paradise, Green City, and Golden City), along with contributions from expected new launches (Apollo City and Tuyen Quang in 2026F).

Infrastructure to support presales outlook of mega-scale projects: VIC/VinSpeed proposed to develop the Ben Thanh-Can Gio Metro Line (53 km long, total investment of VND85.65tn; HCMC will commence construction on December 19) and the Hanoi-Quang Ninh High-Speed Railway, which could significantly bring benefits to the Green Paradise and Apollo City projects.

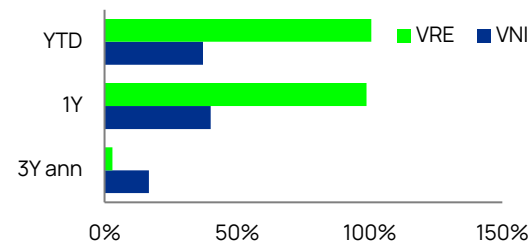
Higher leverage to fund aggressive pipeline: VHM is undertaking preparation activities for several large-scale projects, which require extensive capital. In addition, Vinhomes Ha Tinh IP (VHM owns 99.8%) received investment approvals for the Son Duong International Port project (total investment of VND8.87tn) and the factory-for-rent supporting the EV supply chain (VND21.4tn). We forecast VHM's net D/E at end-2026/27F to reach 50.3% and 43.5%, respectively, compared to projected 41.0% at end-2025F and an average 22% over 2018-2024.

Downside risks: Weaker-than-expected presales launches and margins at new projects.

VRE – Stable retail leasing, property sales to drive 2026F core profit

Rating*	MARKET PERFORM		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND34,400	Revenue (VND bn)	8,939	8,812	10,246	11,847
Target Price (TP)*	VND32,000	% YoY	-8.7%	-1.4%	16.3%	15.6%
		EBIT (VND bn)	3,773	4,143	4,710	5,291
		Leasing NOI (VND bn)	5,626	6,028	6,503	6,993
Upside to TP	-7.0%	NPAT-MI (VND bn)	4,096	6,358	5,439	5,896
Dividend Yield	0.0%	% YoY	-7.1%	55.2%	-14.5%	8.4%
TSR	-7.0%	EPS	-7.1%	55.2%	-14.5%	8.4%
		% YoY				
		GPM	53.2%	55.2%	54.3%	53.0%
Industry	Real Estate	OPM	42.2%	47.0%	46.0%	44.7%
Market Cap	USD3.0bn	NPM	45.8%	72.2%	53.1%	49.8%
Foreign Room	USD914.9mn	ROE	10.3%	14.1%	10.7%	10.4%
ADTV30D	USD11.9mn	Net D/E	3.6%	1.4%	1.7%	-3.6%
State Ownership	0.0%	P/E	19.1x	12.3x	14.4x	13.3x
Outstanding Shares	2.3 bn	P/B	1.9x	1.6x	1.5x	1.3x
Fully Diluted Shares	2.3 bn					

* TP and rating last updated December 5, 2025



Company Overview

VRE is the leading developer, owner, and operator of retail malls in Vietnam. The company currently owns 1.89 million sqm of retail GFA under four different mall formats: Vincom Center (VCC), Vincom Mega Mall (VMM), Vincom Plaza (VCP), and Vincom+ (VC+).

Leading mall developer that is well-positioned to capitalize on the rise of modern retail in Vietnam over the long run, with its dominant position and proven track record.

Resilient retail leasing to support steady profit growth in 2026F: We forecast VRE's retail leasing gross profit to grow 10% YoY in 2026F, driven by (1) full-year contributions from new malls opened in 2025 (VMM Ocean City and VMM Royal Island) and (2) improving occupancy rates to 87% in 2025-26F (vs 84% in 2024).

Pipeline of new malls to underpin long term growth: According to VRE, its new mall pipeline includes ~1.5–1.6mn sqm GFA of total new retail GFA after 2025 (comprising ~718,000 sqm secured and ~800,000–900,000 sqm under feasibility study). For 2026F, VRE plans to launch VCP Wonder City (Hanoi; 27,000 sqm of retail GFA). We expect VRE's total retail leasing GFA to expand to 1.91mn/1.94mn sqm by end-2025/26F, up from 1.89mn sqm currently. We maintain our projection for new retail GFA additions to average ~106,000 sqm per year during 2026–29F.

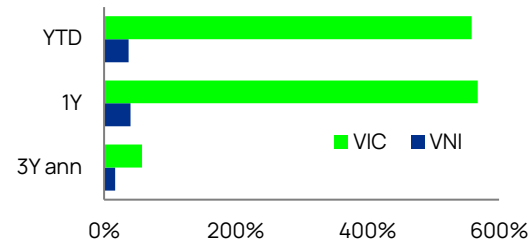
New property sales pipeline to supplement NPAT-MI growth from 2026F: We project VRE's shophouse component in Royal Island and Golden Avenue (total ~1,200 low rise units; under construction) to start presales and handovers in 2026F, while expecting the newly acquired component in Green Paradise (~1,300 units) to start presales in 2027F and handovers in 2028F, providing an additional earnings growth driver for VRE from 2026F.

Upside/downside potential: Stronger or slower-than-expected profit margin improvement, presales launch of newly acquired shophouse portions, and development of projects under BCCs with VIC/VHM.

VIC – Strong property profit; ongoing Chairman funding; new-sector potential; premium valuation

Rating*	SELL		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND133,500	Revenue (VND bn)	189,068	317,647	369,444	440,492
Target Price (TP)*	VND105,000	Revenue % YoY	17.1%	68.0%	16.3%	19.2%
		EBIT (VND bn)	-5,901	8,172	30,086	62,058
		PBT (VND bn)	16,739	27,823	26,457	42,173
Upside to TP	-21.3%	NPAT-MI (VND bn)	11,903	12,534	13,716	17,915
Dividend Yield	0.0%	NPAT-MI % YoY	451.9%	5.3%	9.4%	30.6%
TSR	-21.3%	EPS^ % YoY	466.4%	4.9%	9.0%	30.6%
		GPM	14.4%	17.6%	22.9%	28.0%
Industry	Diversified	OPM	-3.1%	2.6%	8.1%	14.1%
Market Cap	USD38.0bn	NPM	6.3%	3.9%	3.7%	4.1%
Foreign Room	USD15.7bn	ROE	9.5%	7.9%	7.4%	8.9%
ADTV30D	USD49.6mn	Net D/E	117.2%	141.0%	170.3%	167.5%
State Ownership	0.0%	P/E^	83.4x	79.6x	73.0x	55.9x
Outstanding Shares	7.49 bn	P/B^	7.2x	5.6x	5.2x	4.8x
Fully Diluted Shares	7.53 bn					

* TP and rating last updated December 5, 2025. ^ Excluding VIC shares owned by its subsidiaries



Company Overview

VIC is a conglomerate with a wide range of operations, including residential real estate development, hospitality development and operation, and automobile manufacturing. In addition, VIC is entering new sectors with several proposed large-scale projects in energy, infrastructure, and logistics.

Property sector leader: We expect proven name **Vinhomes** to benefit from growth in housing demand from an emerging middle class. We forecast VHM's aggregate 2025-2027F presales to reach VND568tn (USD21.6bn), supported by ongoing projects and expected new projects.

Recovery of the hospitality segment is on track: We expect its EBIT to continue improving, driven by tourism recovery and improving efficiency.

Chairman's strong commitment to support VinFast's continued funding demands: We project the capex investment (including new R&D) and EBITDA loss of the industrial segment (mainly VinFast) in 2026F at VND20.9tn (USD792mn; -23% vs 2025F) and VND34.2tn (USD1.3bn; lower vs VND46.3tn EBITDA loss in 2025F), respectively. These will be mainly funded by VIC's net debt increase (excluding VHM), which we project at VND28.7tn (USD1.1bn) in 2026F. We also expect VIC's Chairman to remain strongly committed to supporting VinFast's funding needs via committed grants through 2026F.

Significant cash outlays for new sectors, while medium-term earnings contributions remain limited: VIC's expansion into new sectors—including energy, infrastructure, and steel—may provide long-term potential benefits such as recurring revenue, improved material supply security, and access to new land banks. We estimate that VIC has contributed ~VND24.6tn (USD934mn) in cash to VinEnerg, VinSpeed, and VinMetal as of December 2025, likely sufficient for near-term project development, with future injections expected to align with project progress. Nevertheless, we expect their medium-term earnings contributions to remain limited.

Upside potential: Improved cash burn control and a more favorable capital raising outlook; accelerated approval and commencement of large-scale energy and infrastructure projects.

Industrial Parks

Broader IP sector recovery as conditions gradually normalize

December 2025

Industrial Parks: Broader IP sector recovery as conditions gradually normalize

Summary

- **We expect a broader recovery in the industrial park (IP) sector from 2026F, though structural challenges remain.** We observe early signs of demand recovery, as some IP developers report tenants restarting expansion discussions following the July tariff reset, even though it may take time for these talks to convert into signed contracts. We forecast aggregate IP land sales among major listed developers to decline 9% YoY in 2025F, before increasing 29% in 2026F and 32% in 2027F, supported by around 5,500 ha of new leasable land coming onstream and a gradual recovery in demand as tariff conditions normalize.
- **Vietnam's relative competitiveness to be maintained under the tariff reset, though enforcement remains a variable.** The July 2025 US tariff decision (20% on Vietnamese exports and 40% on goods deemed "transshipped") has reduced policy uncertainty and generally preserved Vietnam's relative cost position, particularly in electronics manufacturing. While stricter enforcement of 'transshipped' goods may weigh on near-term demand, Vietnam's labor cost advantage, improving infrastructure, and growing supply chain should continue to attract manufacturing relocation.
- **Approval process improving, supporting medium-term supply growth:** We expect the IP development process to become more efficient, benefiting both established IP developers and those with large convertible rubber land. We estimate that ~22,800 ha of new IP land was approved in 2024–9M 2025 (+7.2% for 2024 and +9.4% for 9M 2025), driven by finalized provincial masterplans and decentralized approval to local authorities.
- **Pricing growth to moderate with additional supply:** IP land sales and net absorption slowed in 2024–9M 2025, while asking rents continued to rise modestly. We now expect more moderate ASP growth of 0–5% p.a. in 2025–26F (vs 5–8% p.a. previously expected prior to the April tariff announcement), with pricing increasingly differentiated by location, infrastructure readiness, and tenant mix. Well located IPs may still secure selective rent increases, while others may need greater flexibility on pricing.
- **Top picks:** We favor **IDC** for its strategic, cleared land bank and diversified customer base, as well as its strong balance sheet and expected stable dividends, and **KBC** for its large land bank pipeline and the anticipated medium-term launch of the fully cleared Trang Cat urban area project, which should support growth. Both stocks are trading at attractive valuations, based on our forecasts; IDC at 1.4x (2026F) adjusted P/B, and KBC at 1.2x (2026F) P/B, below the 2-year peer median P/B of 1.9x, which we believe do not fully reflect the scale and strategic quality of their land banks.
- **Key risks:** uncertainty around the definition and enforcement of "transshipped" goods, and slower-than-expected project launches.

Vietcap industrial park coverage

Industrial parks: Key data

Code	Rating	Market Cap USD mn	State O'ship %	Foreign Limit %	Foreign Avail USD mn	ADTV 30D USD mn	Share Price VND ps	Target Price VND ps	Target Price Updated	Upside %	Dividen d Yield %	12M TSR %
IDC	BUY	565	0%	49%	180	4.9	39,200	54,000	11/26/25	38%	5%	43%
KBC	BUY	1,271	0%	49%	399	5.1	35,550	42,500	11/24/25	20%	0%	20%
SIP	BUY	514	2%	49%	227	1.0	55,900	73,900	6/18/25	32%	4%	36%
VGC	BUY	754	39%	49%	327	1.8	44,300	64,100	10/21/25	45%	5%	50%
SZC	O-PF	214	58%	20%	38	0.7	31,400	42,400	7/1/25	35%	3%	38%
PHR	O-PF	299	67%	49%	103	0.5	58,200	67,400	6/25/25	16%	2%	18%
GVR	M-PF	4,228	97%	13%	512	2.8	27,850	31,200	7/4/25	12%	1%	13%

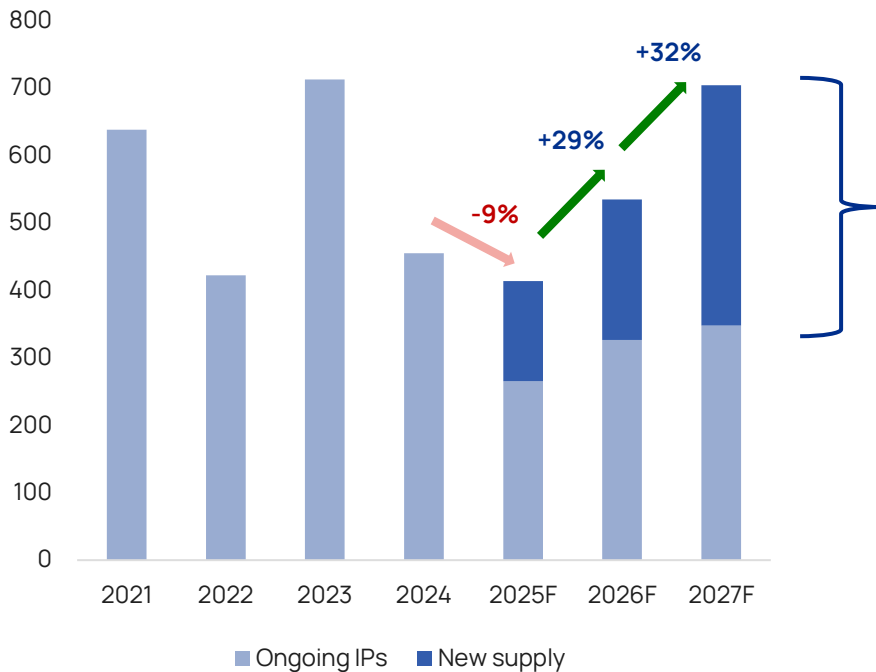
Industrial parks: Summary valuations

Code	Share price VND ps	EPS g 2024 %	EPS g 2025F %	EPS g 2026F %	EPS g 2027F %	P/E 2025F x	P/E 2026F x	Adj. P/B L/Q X	Adj. P/B 2025F x	Adj. P/B 2026F x	ROE 2026F %	Net D/E LQ %
IDC	39,200	43%	-18%	17%	17%	9.2	7.9	1.5	1.6	1.4	29%	-28%
KBC	35,550	-81%	287%	63%	29%	18.5	11.3	1.4	1.4	1.2	11%	67%
SIP	55,900	26%	4%	7%	7%	12.1	11.3	1.3	1.3	1.2	24%	-20%
VGC	44,300	-9%	3%	44%	52%	18.2	12.7	1.9	2.1	2.0	19%	15%
SZC	31,400	12%	4%	21%	22%	19.5	16.1	1.7	1.7	1.6	12%	57%
PHR	58,200	-26%	19%	48%	25%	16.0	10.8	1.7	1.7	1.5	18%	-44%
GVR	27,850	52%	8%	11%	12%	25.9	23.3	1.8	1.9	1.8	8%	-28%

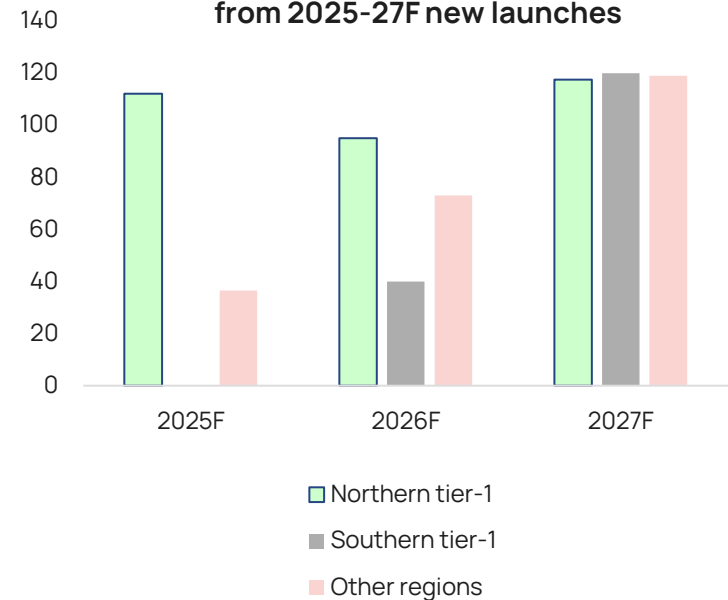
Recovery of IP land sales in 2026F to be underpinned by Vietnam-US trade framework agreement and new IP launches

- ✓ We project aggregate IP land sales at projects developed by listed companies (KBC, IDC, VGC, GVR, SIP, SZC, LHG, BCM, and KDH) to decline 9% YoY in 2025F before **rebouncing by 29% in 2026F and 32% in 2027F**, driven by new project launches – concentrated in tier-1 industrial regions in the north and south that can cater to broader tenant demand – and a gradual normalization in tenant expansion decisions.
- ✓ Tariff shocks early in 2025 made tenants more cautious and weighed on IP land sales, but enquiries and engagement improved toward year-end, suggesting sentiment is stabilizing as trade and enforcement risks become clearer into 2026F.

Aggregate IP land sales (ha) – Vietcap forecast *



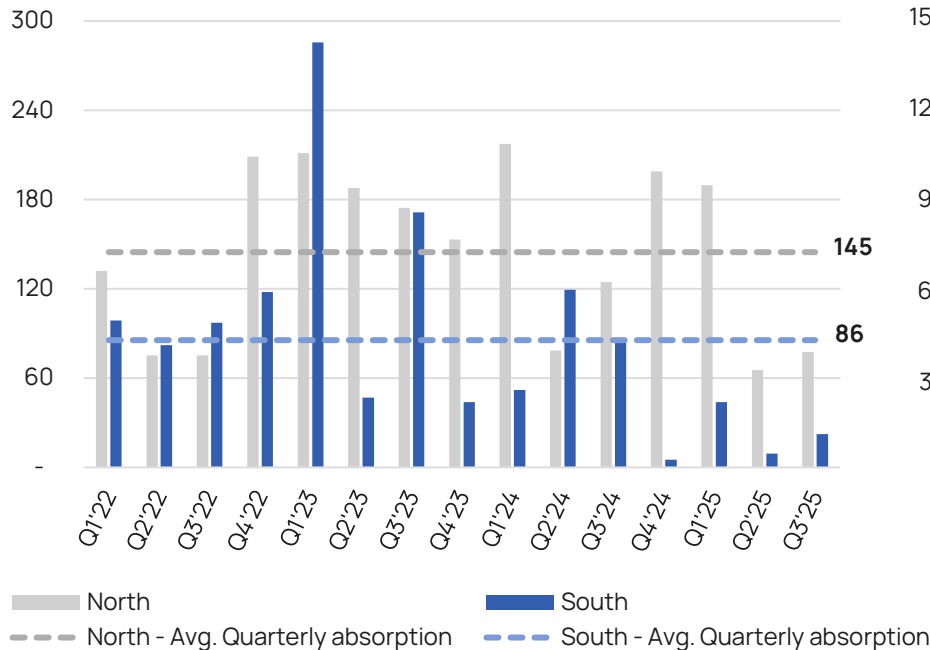
Breakdown of IP land sales forecast (ha) from 2025-27F new launches



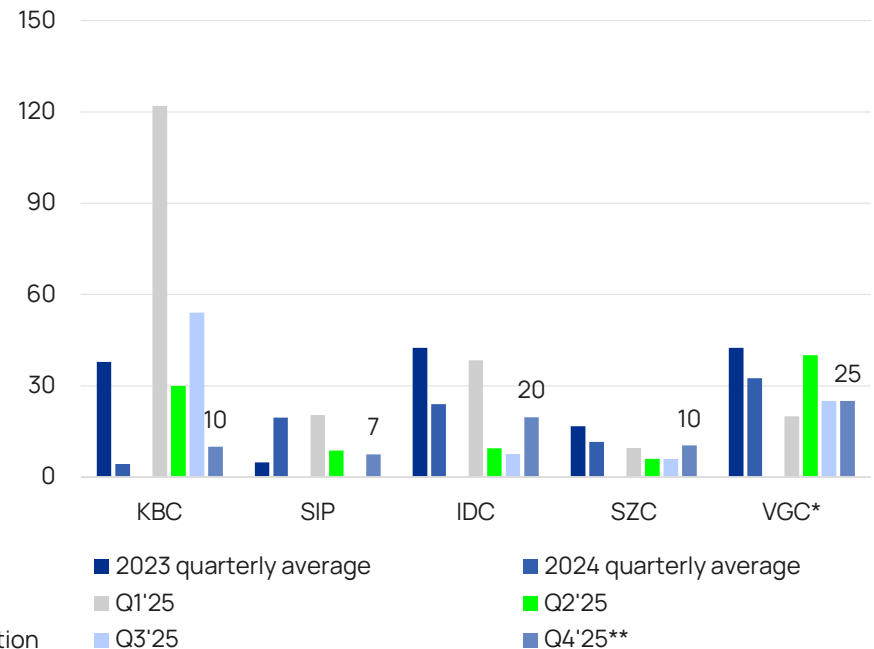
IP land sales remained relatively slow in 9M 2025 but expected to pick up in Q4

- ✓ Per CBRE, Q3 2025 IP land sales (ex-MOUs) rose QoQ to ~78 ha (north) and ~22 ha (south) but stayed below the recent average, weighed down by April 2025 tariffs and limited land availability in the south.
- ✓ We observe that 9M 2025 activity was led by SMEs and tenants with lower US exposure, as larger multinationals remained cautious amid tariff uncertainty.
- ✓ 9M 2025 IP land sales were generally flat to weaker YoY, though we expect a gradual Q4 improvement for most developers.

CBRE's compilations of industrial land net absorption (ha)



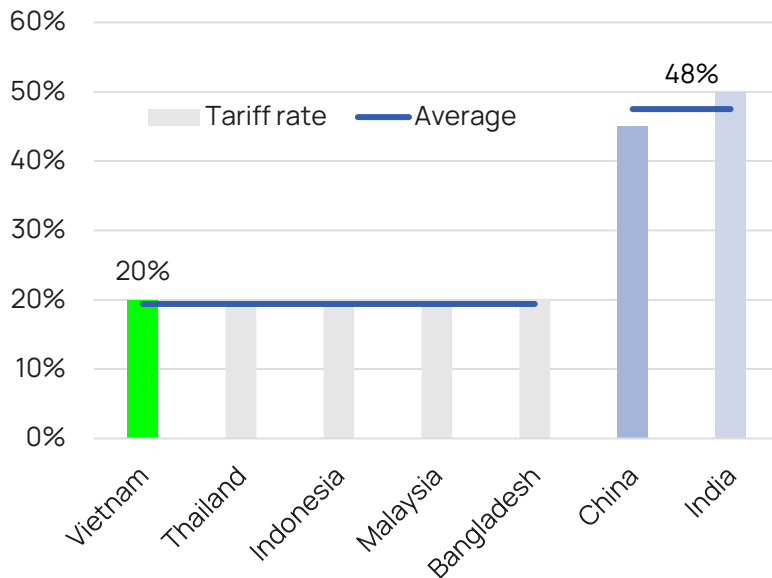
9M 2025 results & Q4 2025F forecasts for IP land sales (ha) of select IP developers



Tariff reset still favors Vietnam as a relocation hub

- ✓ While the tariff gap between China and Vietnam has narrowed to ~25% (broadly back to pre-April levels, from ~34% in August), we believe it remains sufficient to support ongoing manufacturing relocation, underpinned by Vietnam’s strong fundamentals – its strategic location next to China, lower labor costs, and continued efforts to upgrade infrastructure and upskill the workforce.
- ✓ However, enforcement criteria for “transshipped” goods remain unclear. Any move toward stricter enforcement on Vietnam’s key exports to the US – especially electronics and machinery – could weigh on tenant sentiment and slow decision-making for new IP land leases in affected segments.

Comparison of tariff applied by the US on Vietnam and other manufacturing peers



Localization rate by sectors

High localization rate

Agriculture products > 90%



Aquatic products > 90%



Medium localization rate

Textile products > 50%



Footwear products 55%



Wood & wood products > 50%



Low localization rate

Electronics & Machinery 10-40%



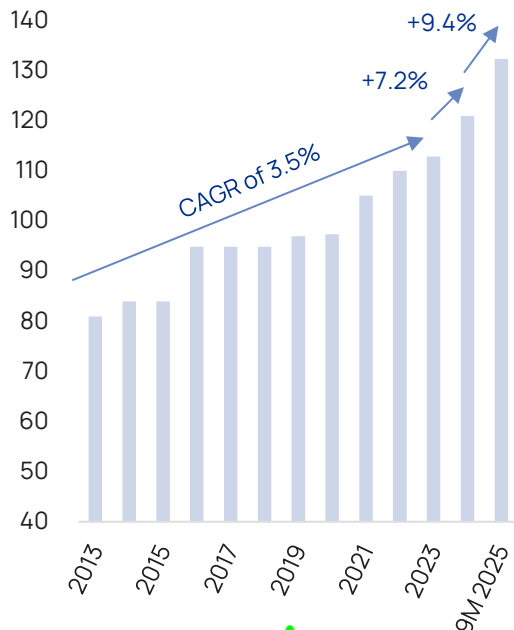
Automobile 10-40%



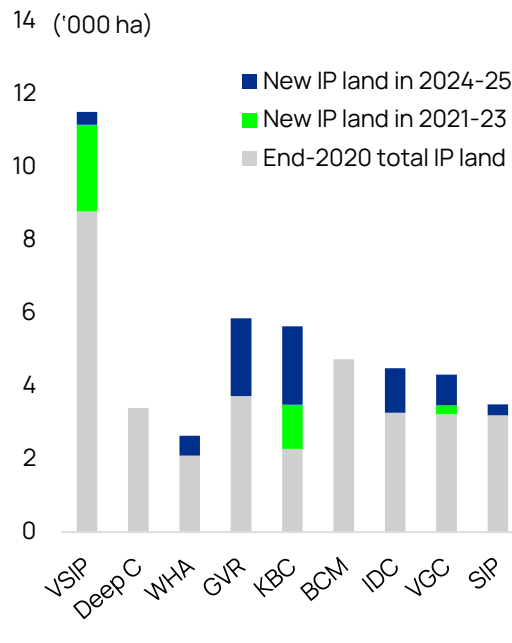
Upcoming IP land supply to support land sales recovery

- ✓ **Vietnam's IP approvals accelerated meaningfully in 2024–9M 2025**, with an estimated ~22,800 ha of new IP land approved in this period. This translates into IP land stock growth of 7.2% in 2024 and 9.4% in 9M 2025, well above the 10-year average expansion rate of 3.5%. Meanwhile, Vietnam possesses ~95,000 ha of operational IP land, the largest area in the ASEAN region.
- ✓ **Leading IP developers are well positioned to capture the upcoming supply.** From 2024 to 9M 2025, GVR, KBC, IDC and VGC expanded their land banks through newly approved projects. We believe developers with strong balance sheets, solid FDI-tenant attraction records, and proven execution on large-scale projects to benefit most from this next wave of IP supply.

Total IP site area (ha) of IPs established* in Vietnam in 2013-9M 2025



Total approved IP site area of leading foreign and domestic developers from 2020-9M 2025



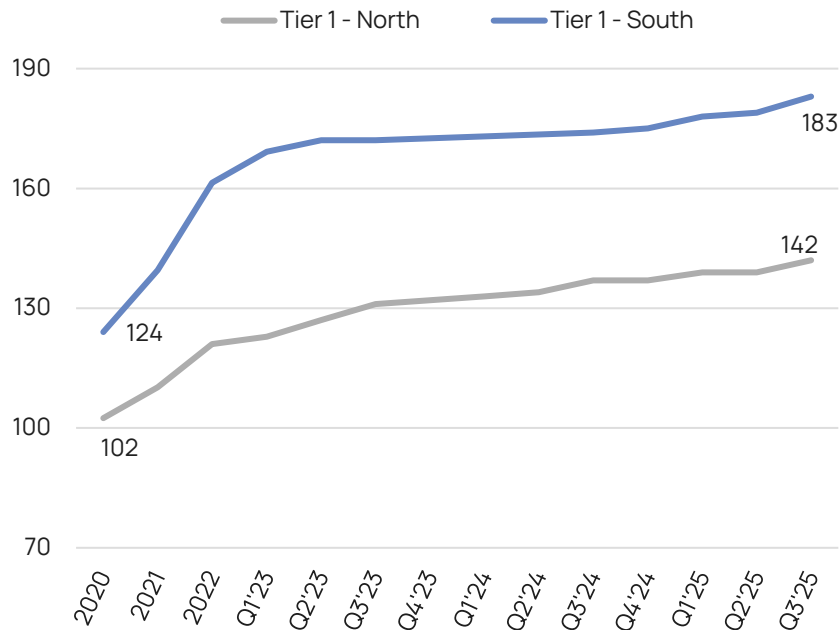
Regional land bank comparison

Country	Total IP site area (ha)	Occupancy rate	Total operational IPs
Vietnam	~95,000	~75%	~300
High occupancy in tier-1 industrial regions (~80–90%+), while long-term supply remains supported by the Government's target of ~210,000 ha of IP land by 2030. Established electronics clusters.			
Thailand	~22,700**	~60–90%	~90
Established automotive landscape which accounts for around 10% of GDP. However, the number of zones lag peers.			
Indonesia	~94,000	~60%	~170
Large deposits of minerals that are strategic inputs to electric vehicle batteries. Over the past five years, 50 new IPs have been added.			
Malaysia	N/A	N/A	>600
Established infrastructure and strong source of highly skilled workers. However, workers' wages are higher than peers.			
Philippines	N/A	N/A	N/A
Because the Philippines is an archipelago, IP development faces logistical and infrastructure connectivity constraints.			
China	N/A	~30–50%	>20,000
World's current manufacturing hub, but manufacturers are diversifying away from China.			
India	~757,000	~80%	~4,800
One of the leading destinations for the "China + 1" manufacturing shift.			

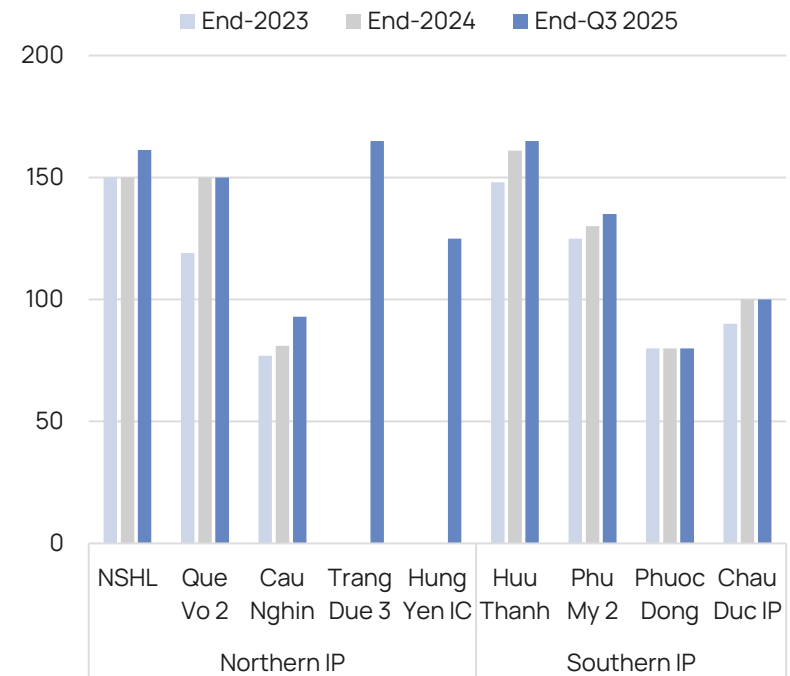
ASP growth to moderate in 2025-26F

- ✓ **Ongoing ASP growth in Q3 2025, but more measured:** According to CBRE, average asking rents for IP land rose by 4.1% YoY in the north and 4.8% YoY in the south in Q3 2025, marking a clear slowdown from the ~10% annual average recorded in 2021-2023. We attribute this moderation partly to Vietnam's IP land ASPs now converging toward regional averages.
- ✓ **Gradual increases expected in 2025-26F:** We expect ASPs to edge up by ~0-5% per year in 2025-26F (vs ~7% in 2024 and ~12% in 2023), reflecting a more sustainable pace as tenants digest recent tariff developments and new supply comes onstream. We expect pricing to become more differentiated, with well-located IPs still able to secure selective increases.

Industrial land average asking rental rates
(USD/sqm/remaining terms)



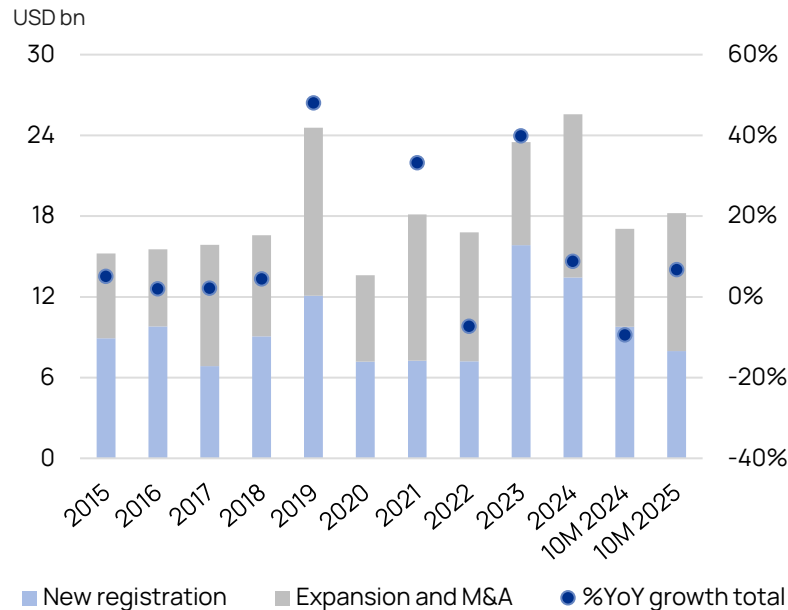
ASPs of select IPs*
(USD/sqm/remaining terms)



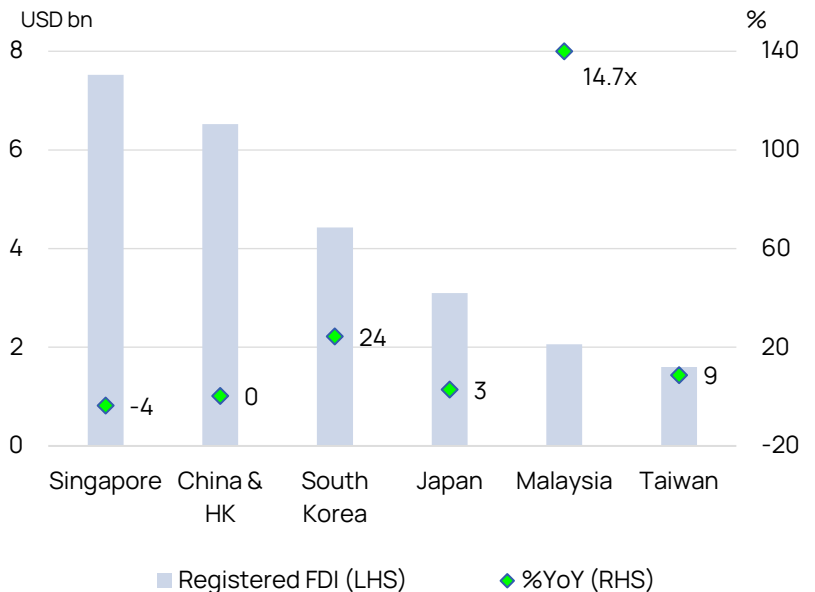
FDI sentiment steady YTD despite slower transaction pace

- ✓ FDI registrations remained resilient in 10M 2025 (up 15.6% YoY to USD31.5bn). Manufacturing FDI rose ~7% YoY to USD16.8bn, as a 41% increase in expansion and M&A capital offset a 19% drop in new project registrations – suggesting existing investors are scaling up while some new projects are delayed amid tariff-related uncertainty.
- ✓ FDI disbursements rose 8.8% YoY to USD21.3bn in 10M 2025.
- ✓ We expect FDI disbursements to grow ~6% annually in 2025–2027F to USD27.5–30bn, supported by ongoing manufacturing expansion and gradual supply-chain realignment into Vietnam, albeit with intermittent volatility as global trade conditions evolve.

Breakdown of manufacturing FDI registrations, 2015-10M 2025



Leading countries by FDI (total) into Vietnam, 10M 2025



Investor sentiment has turned less defensive, reflected in new investment announcements from some high-tech players

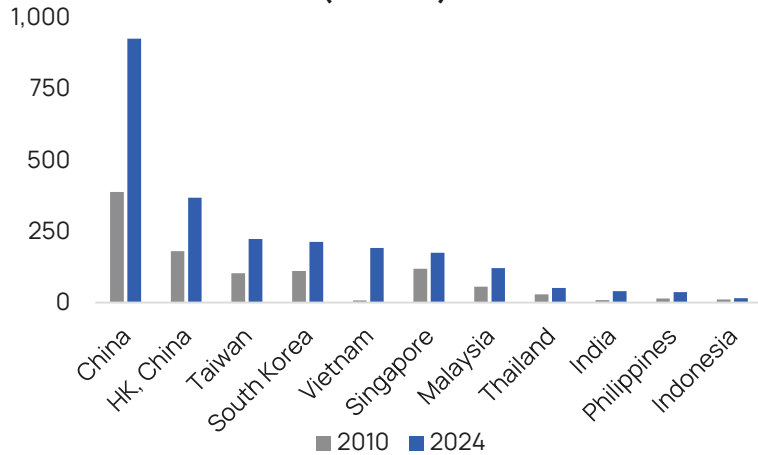
- ✓ Overall sentiment remained cautious, with YTD sector-wide MOU/lease area down YoY and headline leasing volumes lower than in 2024. However, selected high-tech tenants in data centers, batteries, and electronics continue to announce sizeable expansion plans in Vietnam.
- ✓ We also observe a pickup in demand from local tenants, as Viettel, Hoa Sen Group, and Imexpharm started to lease industrial land – in contrast to 2024 when most notable deals were driven by FDI tenants. This points to a gradually broader demand base.
- ✓ Looking ahead, we see Vietnam’s push to build a high-tech industrial ecosystem – via infrastructure upgrades and higher-skilled labor – and the rising presence of domestic manufacturers as key drivers for sustainable, high-quality land-lease growth, even if near-term volumes remain below previous peaks.

Notable announced IP land sales by select IP developers YTD

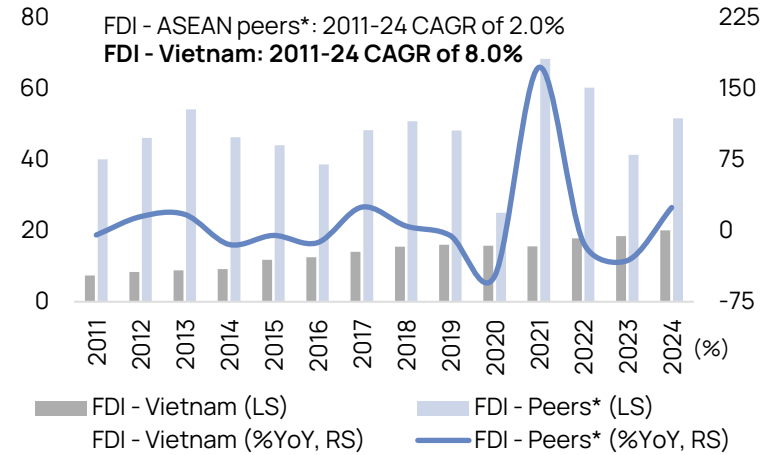
Company	Country	Industry	Investment (USD mn)	Total area (ha)	Province*	Industrial park	Developer
New IP leasing contracts/MOUs							
AIC/KBC/Vietinbank	HK	AI data center	2,000	10	HCMC	Tan Phu Trung	KBC
Syre	Sweden	Textile	1,000	20	Binh Dinh	Nhon Hoi A	Sai Gon – Nhon Hoi
HPG/CCEED/STG VN	VN/CN/ US	Battery	850	12-15	HCMC	High-tech Park	HCMC
Viettel	VN	R&D Center	380	13	Hanoi	Hoa Lac Hi-tech	Hanoi
Luxshare-ICT	CN	Electronics	300	4	Bac Ninh	Nam Son Hap Linh	KBC
Goertek	CN	Electronics	N/A	31	Bac Ninh	Nam Son Hap Linh	KBC
Lares Pte.Ltd	SG	Ceramics	200	32	Thanh Hoa	Van Thang Yen Tho	Kim Long
ICT Vina	SK	Medical equipment	177	8	Da Nang	Da Nang High-tech	Da Nang authority
Nitto Denko	JP	Polarizing film	132	9	Hung Yen	Thang Long II	Sumitomo
Colorful Nylon Fiber	CN	Synthetic Fibers	120	6	BR-VT	Dat Do	Tin Nghia – Phuong Dong
Red Board Electronics	CN	PCB	110	10	Ha Nam	Kim Bang 1	Kim Bang
Unilever	UK	Consumer goods	109	11	HCMC	Northwest Cu Chi	Sai Gon Tay Bac
Hoa Sen Group	VN	Steel	90	9	Binh Dinh	Do Thi Nhon Hoi	SNP
Imexpharm	VN	Pharma	58	10	Dong Thap	Quang Khanh IC	Dong Thap province
Sanyo Denki	JP	Electronics	47	4.8	Hung Yen	Thang Long II	Thang Long II
Kim Long/LG	VN & SK	Battery	46	9	Hue	Kim Long Motor	Kim Long Motor

Vietnam's environment continues to support FDI inflows

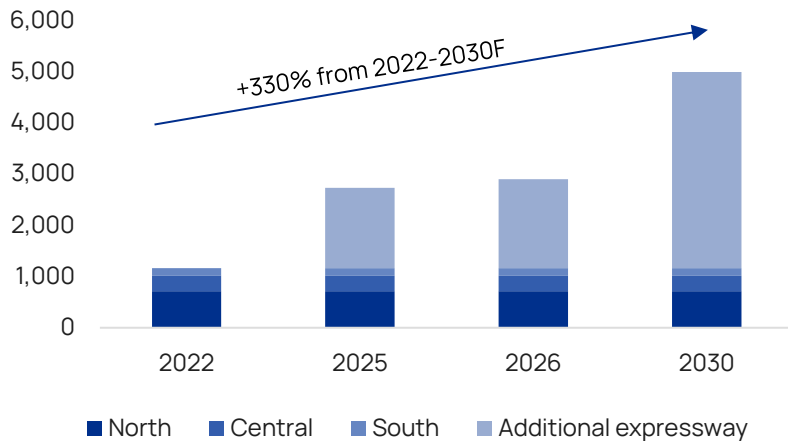
Electronics exports by value in 2010 & 2024 (USD bn)



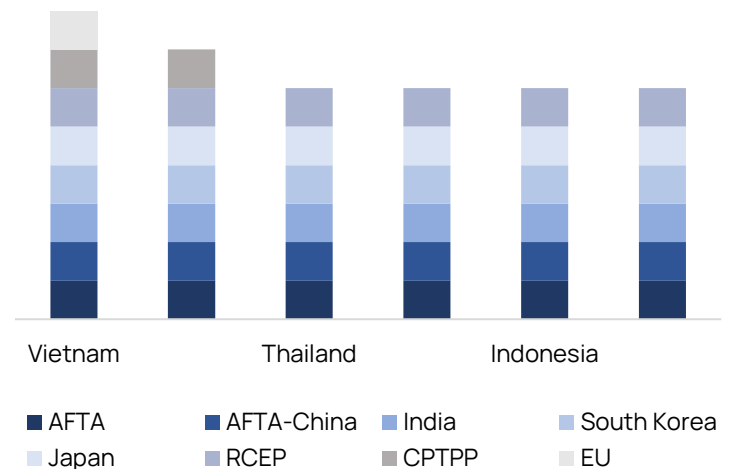
Foreign direct investment, net inflows (BoP, current USD bn) to Vietnam and peers



Expressway kilometers in Vietnam (Unit: km)

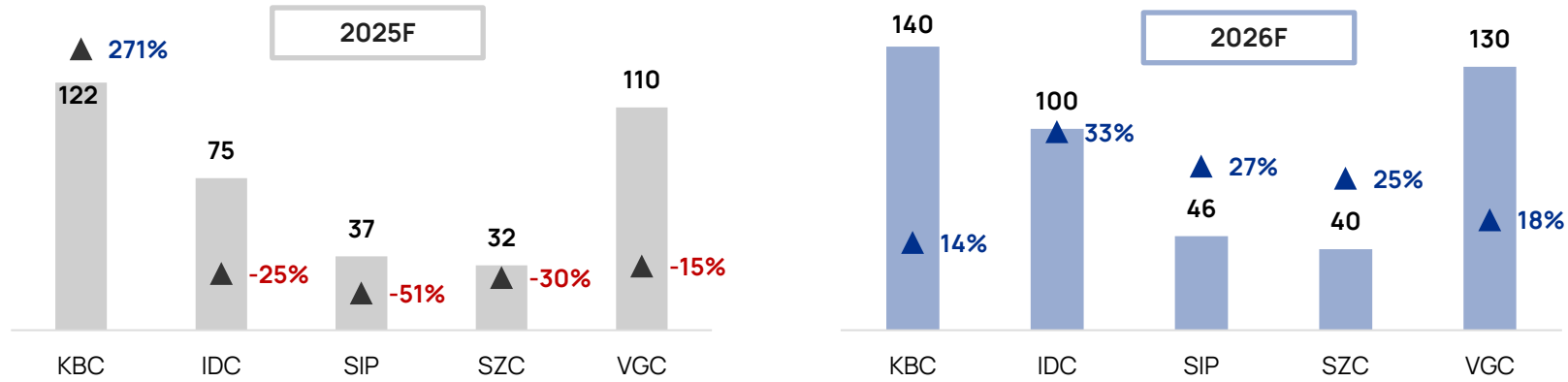


FTAs among Southeast Asian countries

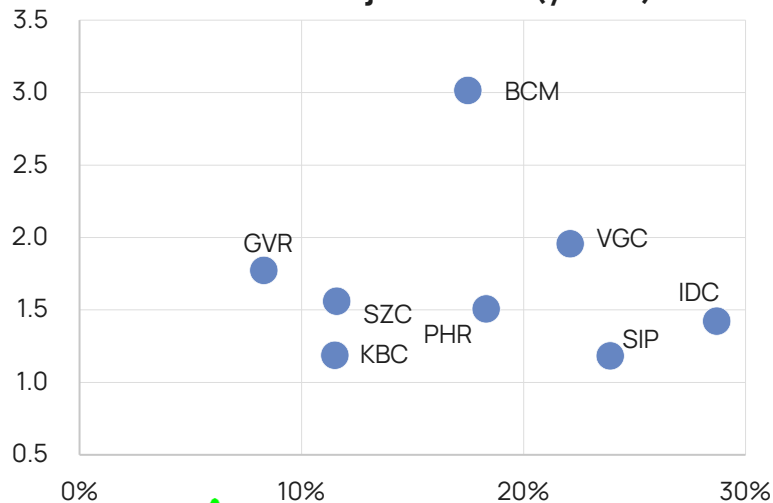


Vietcap's industrial park coverage

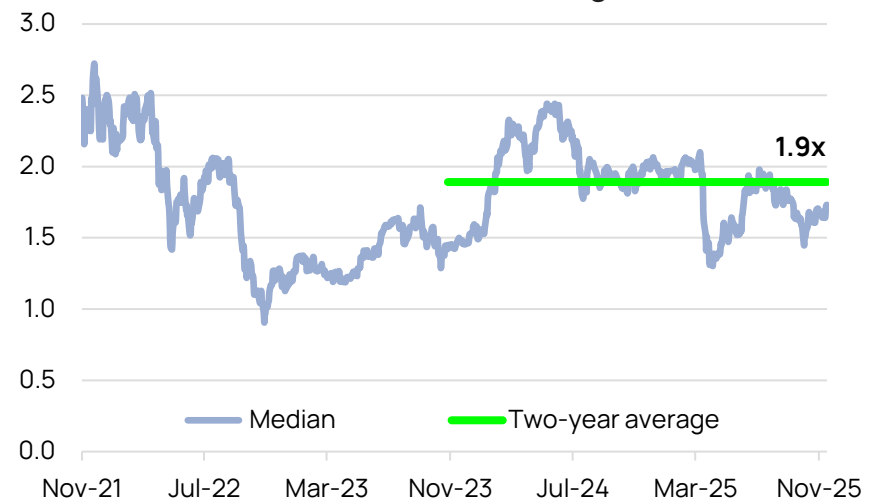
IP land sales forecast (ha) for select IP developers*



Select IP stocks with 2026F ROE (x-axis) and 2026F adjusted P/B (y-axis)

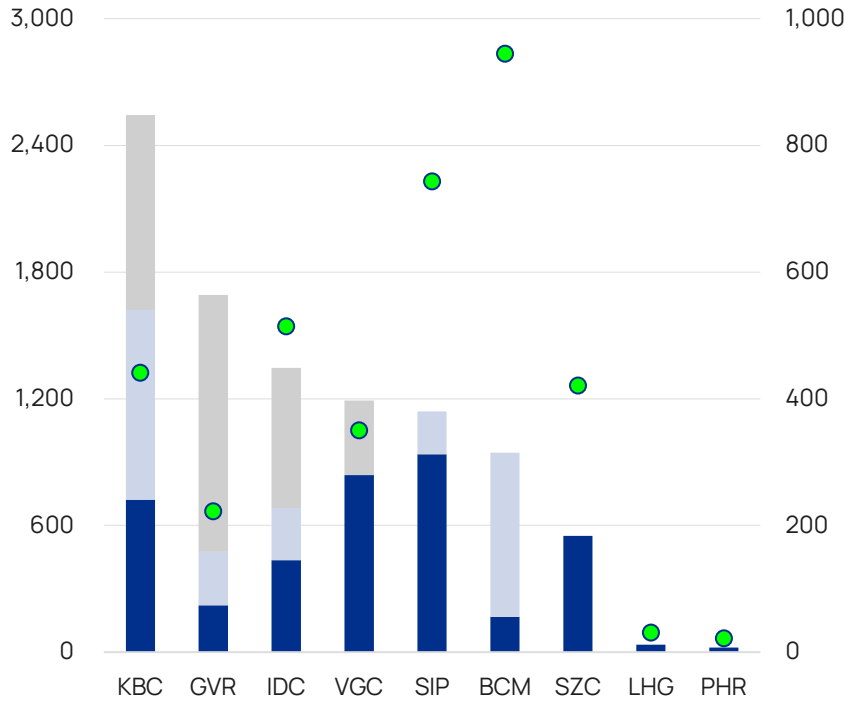


Adjusted P/B ratio of IP stocks under our coverage

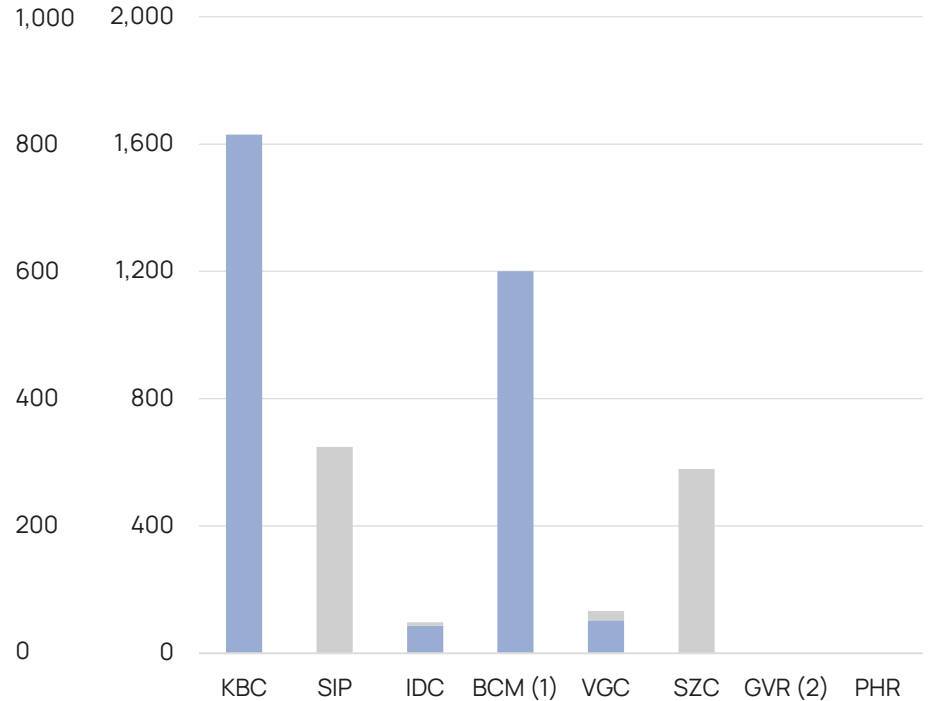


Land bank of select IP developers

Leasable area (ha) of IP projects of select IP developers that have obtained investment approval^



Total site area (ha) of pipeline urban area projects of select IP developers



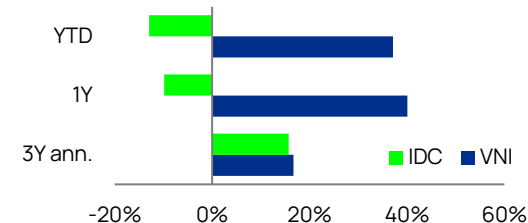
- Upcoming leasable area - Tier 2* (ha - LHS)
- Upcoming leasable area - Tier 1* (ha - LHS)
- Current leasable area (ha - LHS)
- Remaining cleared leasable area (ha - RHS)

- Near 1st tier industrial areas
- Near 2nd tier industrial areas

IDC – Large strategic land bank to drive IP land sales rebound

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND39,200	Revenue (VND bn)	8,846	8,142	9,107	10,477
Target Price (TP)*	VND54,000	Revenue % YoY	22.2%	-8.0%	11.8%	15.1%
		EBIT (VND bn)	2,939	2,287	2,741	3,235
		NPAT-MI (VND bn)	1,996	1,634	1,910	2,228
Upside to TP	+37.8%	NPAT-MI % YoY	43.2%	-18.2%	16.9%	16.6%
Dividend Yield	5.1%	EPS % YoY	43.2%	-18.2%	16.9%	16.6%
TSR	+42.9%	IP cash inflow (VND bn)	4,487	3,401	3,350	4,393
		GPM	37.7%	33.2%	35.0%	35.6%
Industry	IP & Real estate	OPM	33.2%	28.1%	30.1%	30.9%
Market Cap	USD564.6mn	NPM	22.6%	20.1%	21.0%	21.3%
Foreign Room	USD180.3mn	ROE	37.7%	27.9%	28.7%	28.4%
ADTV30D	USD4.9mn	Net D/E	-18.3%	-26.1%	-14.7%	-10.6%
State Ownership	0.0%	P/E	7.5x	9.2x	7.9x	6.7x
Outstanding Shares	379.5 mn	Adjusted P/B	1.7x	1.6x	1.4x	1.2x
Fully Diluted Shares	379.5 mn					

* TP and rating updated Nov 26, 2025



Company Overview

IDICO (HNX: IDC) is a leading industrial park (IP) developer in Vietnam with a current total site area of ~4,500 ha in key southern and northern industrial provinces. IDC also invests in hydropower plants, electricity trading, construction, toll roads, and real estate projects.

IP land sales to recover from Q4 2025F: We forecast 2025F IP land sales of 75 ha (-25% YoY), as we expect Q4 IP land sales to recover QoQ to ~20 ha (vs 8 ha in Q3 2025), supported by new medium-scale deals (~5-10 ha each) being secured in October. For 2026F, we forecast IP land sales to rebound to 100 ha (+33% vs 2025F), underpinned by IDC's sizeable ready-for-sale land bank in tier-1 industrial provinces and the scheduled rollout of new IPs from 2026F. In addition, we expect IDC to sustain new RBF/RBW leases of ~80,000 sqm (~8 ha) annually from the ~10 ha of site area leased by end-2025F, as the company plans to develop a further ~47 ha of RBF/RBW over the medium term.

Large IP and UA land bank to support medium-term growth: As of end-Q3 2025, IDC held ~1,350 ha of remaining saleable IP land, of which ~500 ha was already cleared, mainly in tier-1 provinces with strong connectivity. Within this, Vinh Quang IP Phase 1 and Tan Phuoc 1 IP are undergoing land clearance and are expected to commence construction by Q1 2026G. Complementing its IP portfolio, we expect IDC to launch presales for the Huu Thanh UA project (47 ha; Tay Ninh) in 2026F, following the start of infrastructure construction in November 2025.

Strong balance sheet and cash flows to maintain cash dividend payment: We believe IDC can maintain a cash dividend of VND2,000/share (5.0% yield), supported by its solid net cash-to-equity position (28% as of end-Q3 2025) and its resilient IP cash inflows (averaging VND3.7tn/USD141mn annually over 2025-27F, per our forecast).

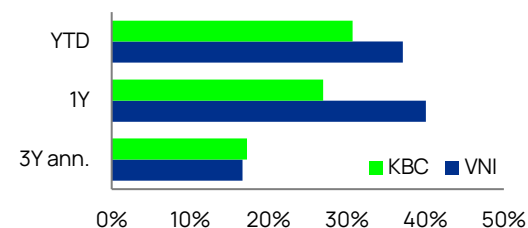
IDC is trading at compelling 2025/26F adjusted P/Bs of 1.6x/1.4x (based on our forecasts), significantly below its 2-year median of 2.1x.

Downside risk: Higher-than-expected US tariffs on Vietnam cause a slower-than-expected IP land sales recovery.

KBC – Trang Cat UA launch, strong IP backlog to boost 2026 earnings

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND35,550	Revenue (VND bn)	2,776	6,051	10,238	14,566
Target Price (TP)*	VND42,500	Revenue % YoY	-50.6%	118.0%	69.2%	42.3%
		EBIT (VND bn)	726	2,471	4,577	6,049
		EBIT % YoY	-74.8%	240.5%	85.2%	32.2%
Upside to TP	+19.5%	NPAT-MI (VND bn)	382	1,645	2,961	3,815
Dividend Yield	0.0%	NPAT-MI % YoY	-81.2%	330.7%	80.0%	28.8%
TSR	+19.5%	EPS	-81.2%	286.8%	63.4%	28.8%
		GPM	46.2%	52.3%	53.3%	50.5%
Industry	IP & Real estate	OPM	26.1%	40.8%	44.7%	41.5%
Market Cap	USD1.3bn	NPM	13.8%	27.2%	28.9%	26.2%
Foreign Room	USD399.3mn	ROE	2.1%	7.7%	11.5%	13.1%
ADTV30D	USD5.1mn	Net D/E	17.2%	66.8%	71.8%	65.2%
State Ownership	0.0%	P/E	71.4x	18.5x	11.3x	8.8x
Outstanding Shares	941.8 mn	P/B	1.5x	1.4x	1.2x	1.1x
Fully Diluted Shares	941.8 mn					

* TP and rating updated Nov 24, 2025



Company Overview

Founded in 2002, KBC is a leading industrial park (IP) developer in Vietnam. KBC and its associates own ~8,000 ha in total site area of industrial and residential land. Most of KBC's land is in industrial hubs in northern Vietnam. KBC's major clients include LG, Foxconn, Canon, and Goertek.

Sizeable unbilled IP land backlog to drive 2026F IP segment growth: We forecast IP land handovers to rise 14%/16% YoY to 140 ha/163 ha in 2026/2027F, from 122 ha in 2025F. This outlook is underpinned by KBC's robust IP pipeline, including Trang Due 3 IP (MOUs for ~30 ha and a potential ~30 ha lease to CTP Invest Ltd), the Que Vo 2 Expansion IP (MOUs for ~50 ha), and the Long An IPs (expected to commence IP land sales and handovers in 2026F), in addition to ongoing projects such as Nam Son Hap Linh IP, Tan Phu Trung IP, and the Hung Yen ICs.

Residential (UA) segment to lift medium- to long-term growth: We expect UA land handovers to accelerate from 5.0 ha in 2025F to 17.3 ha in 2026F and 34.0 ha in 2027F, driven mainly by the planned launch of Trang Cat UA (Hai Phong; 585 ha) in 2026F and the expected relaunch of Phuc Ninh UA (Bac Ninh) in 2027F. For the Trang Cat UA, we project bulk sales of ~12 ha in 2026F at an assumed ASP of VND23mn/sqm, with strong take-up potential given (1) completed legal procedures, including full land clearance and land-use rights payments, and (2) an attractive cost base and pricing upside, as KBC has invested in the project since 2006. The Trump International Hung Yen project is not yet included in our forecasts, although KBC guides for a 2026G sales launch for part of the ~136 ha saleable area.

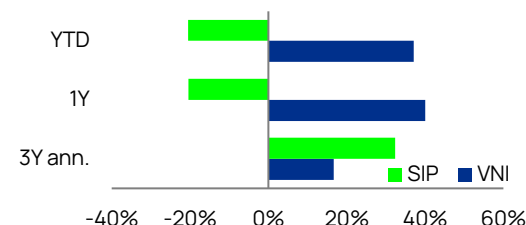
KBC is trading at respective 2025F/2026F P/Bs of 1.4x/1.2x (based on our forecasts under our base case tariff scenario), below its 2-year TTM peer median of 1.8x.

Downside risks: Delays in launching new projects and/or investment delays from customers; higher-than-expected US tariffs on Vietnam cause a slower-than-expected IP land sales recovery.

SIP – Recurring income growth to drive earnings stability

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND55,900	Revenue (VND bn)	7,801	7,872	7,845	8,305
Target Price (TP)*	VND73,900	Revenue % YoY	16.8%	0.9%	-0.3%	5.9%
		EBIT (VND bn)	985	1,047	1,098	1,189
		NPAT-MI (VND bn)	1,170	1,217	1,297	1,386
Upside to TP	+32.2%	NPAT-MI % YoY	26.2%	4.0%	6.5%	6.9%
Dividend Yield	3.6%	EPS % YoY	26.2%	4.0%	6.5%	6.9%
TSR	+35.8%	IP cash inflow (VND bn)	1,222	1,263	1,406	1,823
		GPM	14.0%	14.9%	15.7%	16.2%
Industry	IP & Utilities	OPM	12.6%	13.3%	14.0%	14.3%
Market Cap	USD513.7mn	NPM	15.0%	15.5%	16.5%	16.7%
Foreign Room	USD227.3mn	ROE	29.6%	26.0%	23.9%	22.2%
ADTV30D	USD1.0mn	Net D/E	-43.1%	-44.5%	-49.4%	-51.8%
State Ownership	1.8%	P/E	12.6x	12.1x	11.3x	10.6x
Outstanding Shares	242.1 mn	Adjusted P/B	1.5x	1.3x	1.2x	1.1x
Fully Diluted Shares	242.1 mn					

* TP and rating updated Jun 18, 2025. Forecasts and valuation under review.



Company Overview

Sai Gon VRG Investment (SIP) is a leading listed industrial park (IP) developer whose land bank is located in Vietnam's southern industrial provinces. SIP was founded by Vietnam Rubber Group (GVR) and related entities in 2007. Its core businesses are IPs, residential real estate, and related fields such as utilities.

SIP is one of the largest listed IP developers in Vietnam's southern industrial hub. SIP currently owns five IPs in Tay Ninh Province (~2,200 ha), HCMC (~500 ha), and Dong Nai Province (~800 ha), totaling around 3,500 ha of IP land site area. SIP also operates four electricity substations and provides water & other utilities in its IPs, generating solid recurring income.

Recurring income growth to be underpinned by IP utility services, RBF/RBW and solar panel segments: We project SIP's gross profit from IP utilities (electricity, water, and related services) to average VND800bn (USD30mn) per year in 2025–27F. We expect the segment's growth to be supported by (1) increasing occupancy and tenant manufacturing activity and (2) the rising contribution from rooftop solar (~12 MWp of new capacity per year vs 64 MWp installed by end-2024). SIP also benefits from growing exposure to RBFs, with ~200,000 sqm of operational RBFs by end-Q3 2025, and an additional ~100,000 sqm under a business cooperation contract (BCC) with The He Moi.

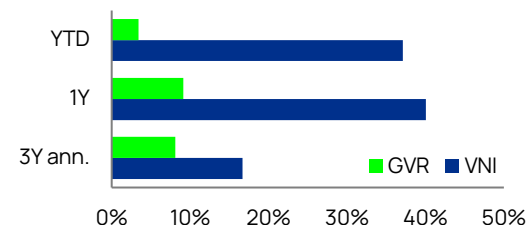
Substantial land reserves support medium-term growth: As of end-Q3 2025, SIP possesses a remaining leasable IP land bank of ~1,150 ha (including Long Duc Phase 2 IP which received investment approval in February 2025), among which we estimate that ~750 ha is cleared and readily leasable located in strategic tier-1 and tier-2 industrial zones. In addition, SIP is selling the Phuoc Dong UA with a total site area of 247 ha (~120 units presold with estimated presales value of ~VND120bn/USD4.5mn as of end-Q3 2025), which has been fully cleared and is ready-for-sale.

Downside risks: Slower-than-expected IP land sales and/or revenue from utilities.

VGC – Construction materials recovering; restructuring launched

Rating*	BUY		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND44,300	Revenue (VND bn)	11,906	13,295	16,047	18,918
Target Price (TP)*	VND64,100	Revenue % YoY	-9.8%	11.7%	20.7%	17.9%
		EBIT (VND bn)	1,911	2,037	2,706	3,935
		NPAT-MI (VND bn)	1,105	1,141	1,641	2,497
Upside to TP	+44.7%	NPAT-MI % YoY	-9.3%	3.3%	43.8%	52.1%
Dividend Yield	5.0%	EPS % YoY	-9.3%	3.3%	43.8%	52.1%
TSR	+49.7%	IP cash inflow (VND bn)	3,570	4,040	5,058	6,526
		GPM	29.5%	28.8%	30.1%	33.5%
Industry	IP & Real estate	OPM	16.0%	15.3%	16.9%	20.8%
Market Cap	USD753.8mn	NPM	9.3%	8.6%	10.2%	13.2%
Foreign Room	USD327.1mn	ROE	13.7%	13.6%	18.7%	25.3%
ADTV30D	USD1.8mn	Net D/E	15.3%	9.6%	3.4%	-17.6%
State Ownership	38.6%	P/E	18.9x	18.2x	12.7x	8.3x
Outstanding Shares	448mn	Adjusted P/B	2.1x	2.1x	2.0x	1.7x
Fully Diluted Shares	448mn					

* TP and rating updated Oct 21, 2025; From our energy team's coverage of GEX



Company Overview

VGC is a leading industrial park (IP) developer in northern Vietnam. VGC also conducts manufacturing and trading of building materials including glass, sanitary wares, and ceramic tiles. Additionally, VGC is developing social housing within its IP area.

Second-largest leasable land bank under our coverage: By end-Q3 2025, the company owns 17 industrial parks (14/1/1 IPs in northern/central/southern Vietnam and 1 in Cuba) with total land sites of 4,600 hectares and ~1,290 ha available for sales. VGC has attracted over 200 corporations to its IPs, including renowned brands such as Samsung and Amkor. We project that VGC will lease an average of 163 ha of IP land p.a. in 2026-29F (15% higher than the 2022-25 average) due to their leading position and new IPs launches.

VGC launched a group-wide restructuring in August 2025 focused on construction materials, aiming to streamline operations, reduce subsidiaries, and reorganize into four core sub-segments: tiles, ceramic & faucet products, building glass, and bricks. Each will be managed by a single core company to better align demand and production, optimize inventory, and **cut selling expenses/sales from ~9% to 5% (similar to GEE)**, enhancing margins and competitiveness. We expect the plan to succeed with support from GEX and the proven GEE restructuring model and have a positive impact on selling expense from 2027 onward with **assumed selling expenses/revenue to reduce from 9.4% in 2025 to 7.2% in 2029**.

In our [VGC October Update](#), we lower our target price (TP) for VGC by 1.8% to VND64,100/share but upgrade our rating from MARKET PERFORM to BUY as the stock price has plunged 24% over the past two months.

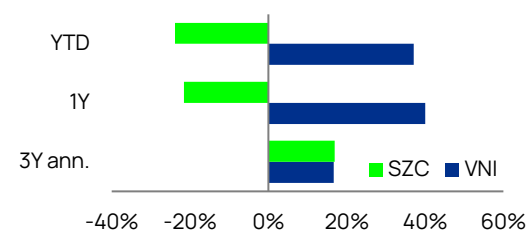
We project 2026F NPAT-MI to grow 44% YoY, driven by (1) +24% YoY IP GP expansions (land handovers +19% YoY) and (2) +27% YoY construction materials GP (sales growth and GPM recovery). We maintain a positive 2026 outlook, forecasting 130 ha of IP land handovers (+19% YoY), supported by (1) favorable finalized tariff outcomes, and (2) strong 9M FDI disbursement/registration growth of 9%/15% YoY.

VGC's valuation looks undemanding with a 2026F P/E of 12.7x, implying a PEG of 0.3 based on a 2026-28F NPAT-MI CAGR of 40%.

SZC – IP land backlog and residential rebound to fuel 2026F profit growth

Rating*	OUTPERFORM		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND31,400	Revenue (VND bn)	871	926	1,012	1,179
Target Price (TP)*	VND42,400	Revenue % YoY	6.4%	6.3%	9.3%	16.5%
		EBIT (VND bn)	369	398	493	607
		EBIT % YoY	25.1%	7.8%	23.8%	23.0%
Upside to TP	+35.0%	NPAT-MI (VND bn)	302	315	382	466
Dividend Yield	3.2%	NPAT-MI % YoY	38.0%	4.3%	21.3%	21.8%
TSR	+38.2%	EPS	12.5%	4.3%	21.3%	21.8%
		GPM	49.5%	50.1%	55.6%	58.4%
Industry	IP & Real estate	OPM	42.4%	43.0%	48.7%	51.4%
Market Cap	USD214.5mn	NPM	34.7%	34.0%	37.8%	39.5%
Foreign Room	USD38.0mn	ROE	12.5%	10.0%	11.6%	13.3%
ADTV30D	USD0.7mn	Net D/E	41.0%	44.9%	47.6%	53.6%
State Ownership	57.7%	P/E	20.3x	19.5x	16.1x	13.2x
Outstanding Shares	180.0 mn	Adjusted P/B	1.8x	1.7x	1.6x	1.6x
Fully Diluted Shares	180.0 mn					

* TP and rating updated July 1, 2025. Forecasts and valuation under review.



Company Overview

SZC is a leading industrial park (IP) and urban area (UA) developer in Ba Ria-Vung Tau Province (60-85 km from central HCMC) with a total site area of ~2,300 ha. SZC is a subsidiary of Sonadezi Corporation (UPCoM: SNZ), which is a State-owned holdings group founded by Dong Nai Province.

We believe SZC is one of the main beneficiaries from major infrastructure projects, including the fast-growing Cai Mep port cluster, the upcoming Long Thanh International Airport (LTA) in Dong Nai Province, and potential development of the Bien Hoa-Vung Tau Expressway. SZC cleared 83% of its ~2,300-ha total land bank at an estimated average land clearance cost of ~USD8/sqm.

IP cash inflows to remain steady: We forecast IP cash inflows to remain broadly stable in 2025–2027F vs VND1.06tn (USD43mn) in 2024E, as easing IP land sales – normalizing to 39 ha per year (23% below the 2022–2024E average) – are largely cushioned by 5% p.a. ASP growth, supported by rapid infrastructure upgrades and Chau Duc IP’s still-competitive pricing vs the regional average. We expect long-term demand to stay resilient, underpinned by improving regional connectivity and SZC’s diversified tenant base in steel, plastics, textiles and electronics.

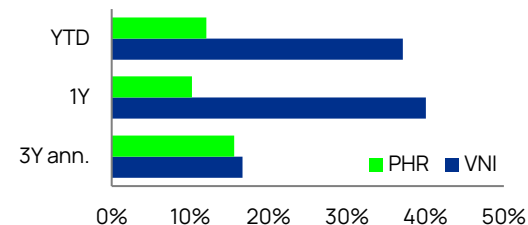
Residential and toll collection segments to support 2025-26F earnings outlook: We forecast revenue from the 41-ha Huu Phuoc urban area (part of the Chau Duc IP & UA complex; ~160 shophouses and ~500 townhouses) to accelerate from 2026F, underpinned by recovering homebuyer sentiment and rising housing demand along new infrastructure corridors. The Bien Hoa-Vung Tau Expressway – located just ~4 km from Chau Duc IP & UA and slated for completion by end-2025 – is expected to be a key catalyst. We also expect earnings to be supported by the resumption of BOT 768 toll collection from April 2025 and gradual improvement in golf segment performance as occupancy at both the IP and UA areas increases. Meanwhile, the Chau Duc UA is expected to be an additional long-term growth driver, with ~83% of land clearance already completed.

Downside risks: Slower-than-expected IP land sales and Chau Duc UA presales launch.

PHR – Rubber land conversion to resume, drive 2026F earnings

Rating*	OUTPERFORM		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND58,200	Revenue (VND bn)	1,633	1,618	1,582	1,864
Target Price (TP)*	VND67,400	Revenue % YoY	20.9%	-0.9%	-2.2%	17.9%
		EBIT (VND bn)	253	248	232	360
		EBIT % YoY	30.6%	-1.8%	-6.6%	55.4%
Upside to TP	+15.8%	NPAT-MI (VND bn)	460	547	810	1,011
Dividend Yield	2.3%	NPAT-MI % YoY	-25.8%	18.9%	48.0%	24.8%
TSR	+18.1%	EPS	% YoY -25.8%	18.9%	48.0%	24.8%
		GPM	25.9%	25.5%	24.8%	29.5%
Industry	Rubber & IP	OPM	15.5%	15.3%	14.6%	19.3%
Market Cap	USD299.3mn	NPM	28.2%	33.8%	51.2%	54.2%
Foreign Room	USD103.1mn	ROE	12.5%	13.9%	18.3%	19.8%
ADTV30D	USD0.5mn	Net D/E	-46.3%	-53.8%	-55.1%	-40.0%
State Ownership	66.6%	P/E	19.0x	16.0x	10.8x	8.7x
Outstanding Shares	135.5 mn	Adjusted P/B	1.8x	1.7x	1.5x	1.3x
Fully Diluted Shares	135.5 mn					

* TP and rating updated Jun 25, 2025. Forecasts and valuation under review.



Company Overview

PHR is one of the largest natural rubber companies in Vietnam with total rubber land bank of 15,000-ha, which the company plans to convert to industrial park land in the long-run. PHR operates industrial parks in Binh Duong Province through its subsidiary and affiliates. PHR is a 66.6%-owned subsidiary of Vietnam Rubber Group (HOSE: GVR).

Strategic shift to IP development to secure long-term growth outlook: PHR has accumulated around 15,000 ha of rubber land bank in Binh Duong Province in well-connected areas, among which a sizeable portion could be converted into IP and residential land.

Expected compensation income from Bac Tan Uyen 1 IP to be an earnings growth driver for 2025-27F: At the June 18 groundbreaking of HCMC's Ring Road 4, the Binh Duong People's Committee approved investment for the 786-ha Bac Tan Uyen 1 IP, which is being developed by THADICO Binh Duong (under THACO Group). As this IP project is developed mainly on PHR's rubber land, we project ~400 ha of PHR's rubber land to be converted into IP land during 2025-27F (vs ~100 ha in our previous projection), with compensation income (excluding VSIP III) contributing ~34% of PHR's aggregate PBT forecast over the period.

Affiliate income to grow YoY in 2025F: We estimate that VSIP III and NTU3 will contribute VND210bn in annual profit (USD8.0mn), accounting for ~21% of PHR's average annual PBT over 2025-27F, up from VND152bn (USD5.8mn; 28% of PBT) in 2024, driven by YoY higher IP land handovers.

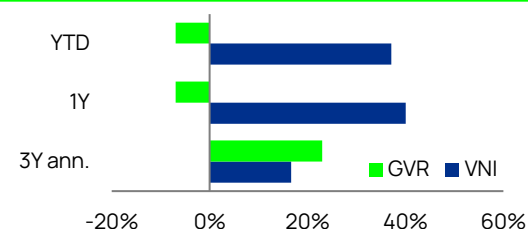
Provincial masterplan guides for substantial land bank to be converted from PHR's rubber land: Based on the approved 2021-2030 Binh Duong provincial masterplan, PHR could convert ~2,800 ha of total site area into IPs, ~580 ha into ICs, ~1,150 ha into residential land (UA), in addition to land for other purposes (out of a total land bank of ~15,000 ha). We currently assume that PHR could self-develop ~650 ha of IPs/ICs in 2026-36F and convert ~2,450 ha of rubber land to IP/IC and UA land in 2025-40F.

Downside risks: Delays to future IP approvals, slower-than-expected IP land sales.

GVR – Accelerated rubber land conversion to fuel long-term growth

Rating*	MARKET PERFORM		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND27,850	Revenue (VND bn)	26,242	27,096	28,151	29,364
Target Price (TP)*	VND31,200	Revenue % YoY	18.5%	3.3%	3.9%	4.3%
		EBIT (VND bn)	4,088	4,221	4,419	4,770
		EBIT % YoY	63.1%	3.3%	4.7%	7.9%
Upside to TP	+12.0%	NPAT-MI (VND bn)	3,989	4,293	4,772	5,346
Dividend Yield	1.4%	NPAT-MI % YoY	52.1%	7.6%	11.2%	12.0%
TSR	+13.4%	EPS	52.1%	7.6%	11.2%	12.0%
		GPM	26.5%	26.3%	26.3%	26.3%
Industry	Rubber & IP	OPM	15.6%	15.6%	15.7%	16.2%
Market Cap	USD4.2bn	NPM	15.2%	15.8%	17.0%	18.2%
Foreign Room	USD512.0mn	ROE	7.8%	7.9%	8.3%	8.9%
ADTV30D	USD2.8mn	Net D/E	-21.7%	-23.6%	-27.4%	-31.3%
State Ownership	96.8%	P/E	27.9x	25.9x	23.3x	20.8x
Outstanding Shares	4.0 bn	Adjusted P/B	2.0x	1.9x	1.8x	1.7x
Fully Diluted Shares	4.0 bn					

* TP and rating updated July 4, 2025. Forecasts and valuation under review.



Company Overview

Vietnam Rubber Group (HOSE: GVR) and its associates manage a large land bank of more than 407,800 ha (~97% of which is rubber plantations) across Vietnam, Cambodia, and Laos. GVR's core businesses include natural rubber, rubber products, industrial parks (IP) and wood processing.

Strategic shift to IP development to secure long-term growth outlook: GVR is the largest natural rubber exporter in Vietnam with substantial rubber land bank in Vietnam of around ~280,000 ha. GVR plans to convert a sizeable portion of its land bank into IP land.

Rubber segment to benefit from sustained high ASP: For 2026F, we expect GVR's rubber ASP to drop slightly YoY but still remain at a relatively favorable level compared to prior years. Meanwhile, we anticipate a rebound for GVR's wood processing revenue from a low base in 2025.

Rubber land conversion as a medium to long-term earnings driver: Our valuation factors in around 24,000 ha of rubber land being converted to IP use by 2045F, of which approximately 18,000 ha is expected to be self-developed by GVR. Conversion procedures accelerated in 2024-25, as the Government granted investment approvals totaling ~2,600 ha across five IPs during this period.

Upside potential: Faster-than-expected approval for rubber land conversion to IP land.

Energy and Utilities

December 2025



Tuan Do
Analyst
tuan.do@vietcap.com.vn
+8428 3914 3588 ext.181

Phuoc Duong
Analyst
phuoc.duong@vietcap.com.vn
+8428 3914 3588 ext.135

Duong Dinh
Associate Director
duong.dinh@vietcap.com.vn
+8428 3914 3588 ext.140

Loc Pham
Analyst
loc.pham@vietcap.com.vn
+8428 3914 3588 ext.549

Oil & Gas

Resolution 70 & 66.6 ensure domestic E&P recovery despite lower YoY oil prices in 2026

December 2025

Duong Dinh

Associate Director

duong.dinh@vietcap.com.vn

+8428 3914 3588 ext.140

Loc Pham

Analyst

loc.pham@vietcap.com.vn

+8428 3914 3588 ext.549

Phuoc Duong

Analyst

phuoc.duong@vietcap.com.vn

+8428 3914 3588 ext.135

Tuan Do

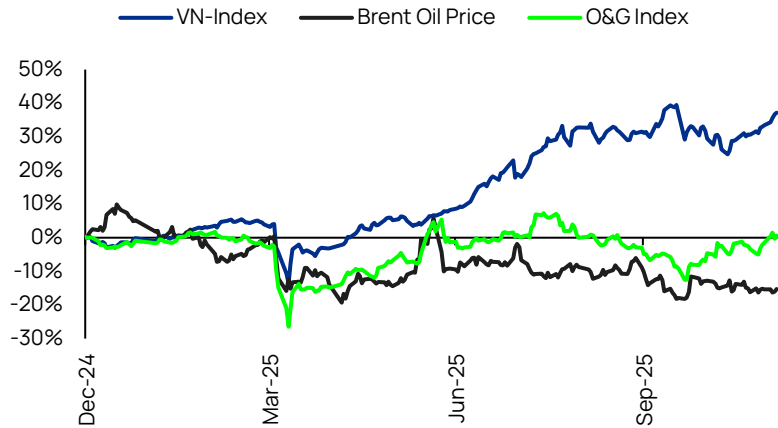
Analyst

tuan.do@vietcap.com.vn

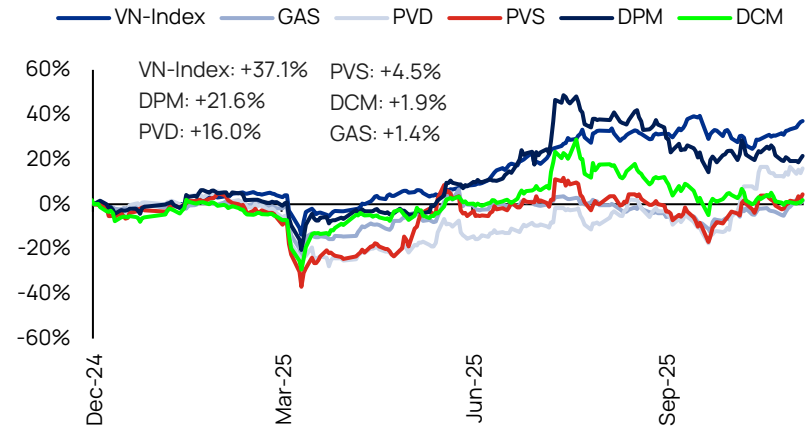
+8428 3914 3588 ext.181

Oil & Gas stock performance

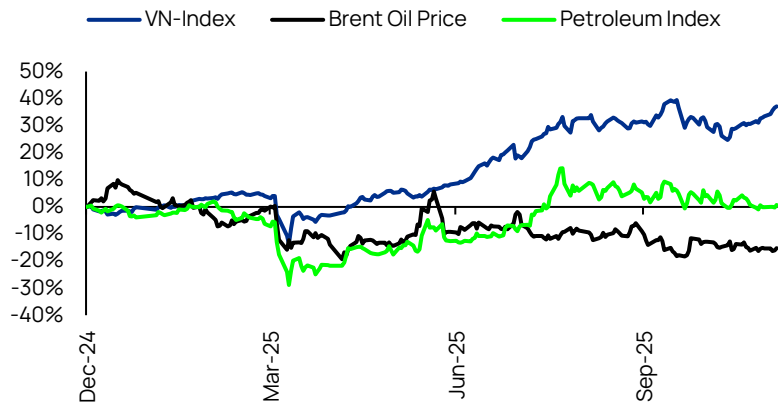
Vietcap Oil & Gas Index vs VN-Index



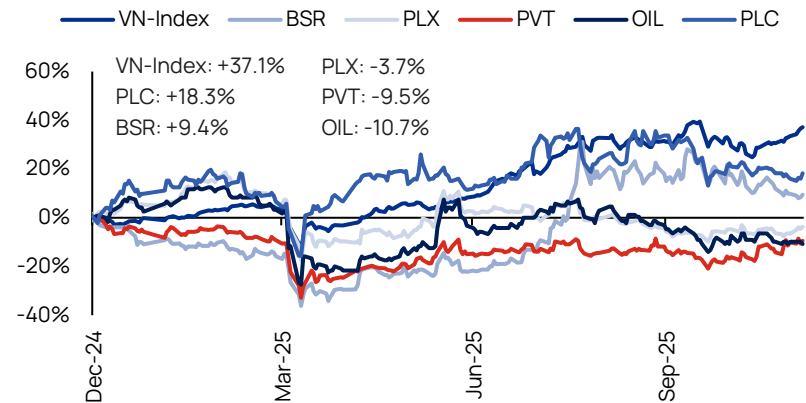
Vietcap Oil & Gas stocks vs VN-Index



Vietcap Petroleum Index vs VN-Index



Vietcap petroleum stocks vs VN-Index



Oil & Gas Sector: Resolution 70 & 66.6 ensure domestic E&P recovery despite lower YoY oil prices in 2026

- **We forecast the average Brent oil price at USD60/bbl (-8% YoY) for 2026F due to potential oversupply.** For the longer term, we project the 2027-2029 Brent oil price at USD65/bbl as we are encouraged by US support policies for fossil fuels. We have observed the US's breakeven WTI oil price of USD61-64/bbl, which implies Brent oil above USD65-68/bbl (based on the 5-year average Brent-WTI spread of USD4.1/bbl). This should support global and domestic E&P activities as it is 10% higher vs the pre-COVID 19 level.
- **Resolution No.70 on energy security lays a strong legal framework for developing more gas field projects as it targets to develop the gas market to reach 30-35 billion cbm/year, 3-4x higher than the current level.** We expect giant project Blue Whale (capex USD5bn) to kick off in 2028 and produce its first gas in 2033. We estimate Blue Whale to provide ~20% of the total gas feedstock demand for Vietnam's energy sector by 2033, which makes its development essential for national security despite potentially higher prices vs LNG. These factors show a strong outlook for GAS in the long-term.
- **Resolution No.66.6 on granting more power to PetroVietnam confirms our expectation for Vietnam's E&P short-term recovery cycle.** PetroVietnam's capex grew 45% YoY in 9M 2025. We forecast domestic E&P spending to grow 60% YoY in 2026, mainly from Block B's continued disbursement, which ensures revenue and profit for PVS/PVD. This also helps to accelerate medium near-term oil & gas projects (total capex of USD1.4bn) including Nam U-U Minh, Khanh My - Dam Doi, Thien Nga - Hai Au, and other oil & gas fields (total capex of USD3.6bn) including Pink Camel, Golden Sea Lion, and Bao Vang-Bao Den.
- **PVS (our top pick) to benefit from domestic E&P recovery and the huge potential of offshore wind power projects:** We view PVS as the top beneficiary of Resolution No.70 as it poised to benefit from EPC contracts for Blue Whale, more LNG terminals, domestic offshore wind power, and nuclear power projects, which ensure our forecast backlog of USD5.3bn by 2030 (56% already signed). We forecast 2026 NPAT to grow 19% YoY and see potential upside to our 2025 NPAT forecast coming from: potential VND250bn reversal of provision for Sao Mai Ben Dinh, higher-than-expected forex gains, and potential reversal of a ~VND400bn M&C warranty provision booked in 9M 2025. PVS's CEO expects to have a detailed plan of doubling share capital in early 2026.
- **We like PVD due to its aggressive rig expansion given its strong belief in drilling demand. In addition, robust domestic E&P will also fuel growth.** Management highlighted a strong multi-year drilling outlook in Vietnam, with an estimated 100 wells per year during 2026-2030, implying demand for around 14 jack-up rigs, +75% higher vs the previous period (2016-2024). This underscores a significant and sustainable workload pipeline for PVD. We forecast 2026F core NPAT-MI to surge 43% YoY, fueled by: (1) the recovery in jack-up utilization, (2) a 2.4% rise in the average jack-up day rate, (3) the full-year contribution from PVD VIII, and (4) margin expansion from PVD I's lower depreciation expenses. Upside potential: PVD IX to come online earlier than expected, i.e., April 2026 vs our forecast early 2027.
- **We like DCM, who delivers a solid and sustainable dividend yield (~5%) and potentially benefits from sustained high urea prices and weak oil prices in 2026. We forecast DCM's 2026 NPAT to grow 24% YoY.** DCM and DPM maintain the view that this urea price upcycle is sustainable considering the EU tariffs on Russia- these tariffs will progressively rise from 6.5% to nearly 100% by 2028, effective from July 1, 2025, and the Carbon Border Adjustment Mechanism (CBAM) adds USD20-120/ton. DCM's management expects 2026F urea prices at USD395-475/ton in 2026, slightly higher than our forecast.

Oil & Gas Sector: Key data and summary valuations

Oil & Gas and petroleum stocks – Key data

Code	Rating	Market Cap, USD mn	State O'ship %	Foreign Limit %	Foreign Avail, USD mn	ADTV 30D, USD mn	Share price, VND ps	Target price, VND ps	Target price, updated	Upside %	Div yield %	12M TSR %
DCM	BUY	688	75.6	49.0	312	2.6	34,250	46,600	09/17/25	36.1	5.8	41.9
DPM	O-PF	607	75.6	49.0	281	3.9	23,550	29,000	09/17/25	23.1	5.1	28.2
PVS	BUY	630	51.4	49.0	227	7.3	33,100	42,100	10/27/25	27.2	0.0	27.2
PLC	BUY	78	79.1	49.0	37	0.1	26,000	31,900	09/12/25	22.7	3.8	26.5
OIL	O-PF	413	80.5	6.6	25	0.3	10,500	12,700	10/17/25	21.0	1.0	22.0
PLX	BUY	1,667	75.9	20.0	86	2.3	34,950	41,100	10/13/25	17.6	3.4	21.0
GAS	BUY	5,955	95.8	49.0	2,811	2.3	65,000	76,100	11/12/25	17.1	3.9	20.9
PVT	BUY	334	51.0	49.0	136	2.8	19,000	22,100	11/06/25	16.3	0.0	16.3
PVD	BUY	549	50.5	49.0	223	17.5	26,550	29,000	11/05/25	9.2	0.0	9.2
BSR	SELL	2,906	92.0	49.0	1,420	2.5	15,450	12,300	08/28/25	-20.4	0.0	-20.4

Oil & Gas and petroleum stocks – Summary valuations (based on reported earnings)

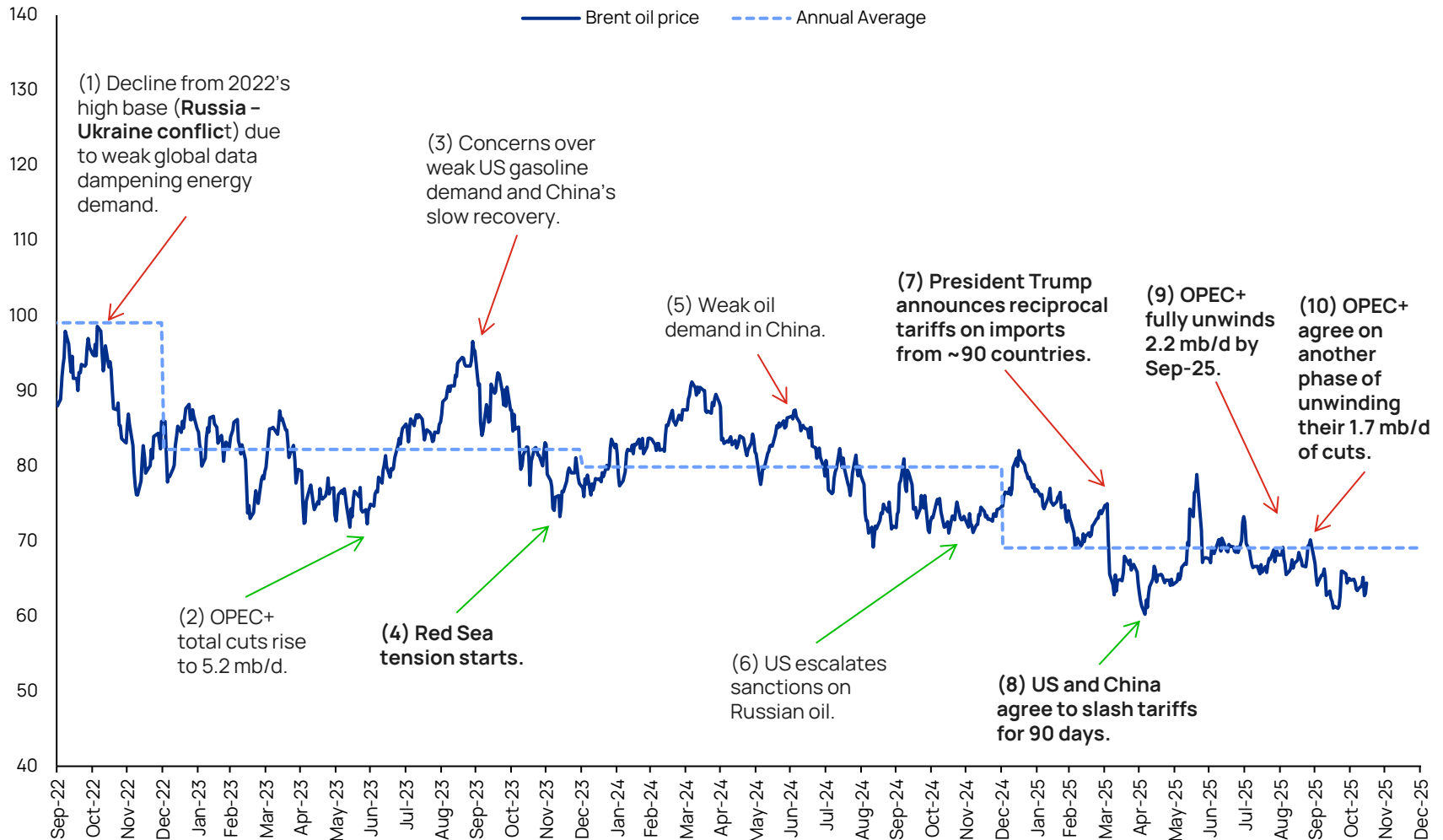
Code	Share price VND ps	EPS g 2024 %	EPS g 2025F %	EPS g 2026F %	P/E TTM x	P/E 2024 x	P/E 2025F x	P/E 2026F x	EV/EBITDA 2025F x	ROE 2025F %	P/B LQ x	Net D/E LQ x
DCM	34,250	28.0	43.6	24.0	11.3	13.9	9.7	7.8	4.2	19.1	1.8	-90.3
DPM	23,550	3.5	101.4	38.1	22.7	35.9	17.8	12.9	4.4	9.5	1.4	-72.1
PVS	33,100	-7.5	33.9	19.3	16.1	23.1	17.3	14.5	6.0	8.1	1.1	-99.5
PLC	26,000	-57.6	192.6	99.7	17.3	48.6	16.6	8.3	7.8	9.8	1.6	77.6
OIL	10,500	-26.9	-59.5	253.4	27.4	36.3	36.0	24.6	10.7	1.5	1.0	-60.1
PLX	34,950	2.0	-13.1	28.2	23.2	16.9	19.5	15.2	5.9	8.4	1.7	-38.0
GAS	65,000	-10.4	18.4	5.3	13.4	15.4	13.0	12.3	7.7	19.3	2.4	-61.5
PVT	19,000	12.4	-6.4	24.8	9.0	8.5	9.1	7.3	3.3	12.4	1.0	12.7
PVD	26,550	19.1	24.3	34.1	19.3	24.3	19.5	14.6	9.0	5.3	0.9	12.1
BSR	15,450	-92.7	370.2	49.1	37.0	122.6	26.1	17.5	7.1	4.5	1.4	-54.2

Global Oil & Gas Sector

Sustained Brent oil price of USD60-65/bbl to support E&P activity

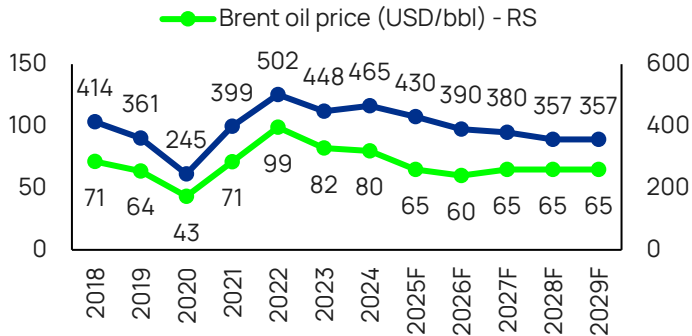
Higher supply to outweigh eased trade tension in 2026

Brent oil price movement (USD/bbl)



Brent oil, fuel oil, and LNG price forecasts for 2025-2029F

Vietcap's Brent oil (USD/bbl) and fuel oil price (USD/tonne) base case assumptions



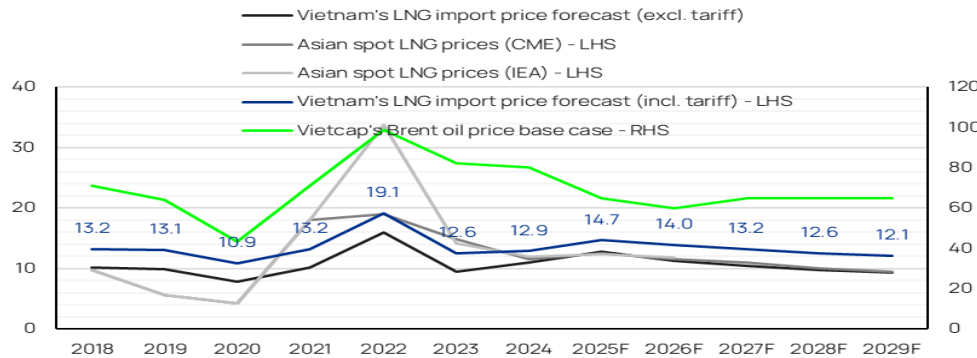
Source: Bloomberg, Vietcap

Brent oil price forecasts, 10M 2025: USD69/bbl(USD/bbl)

Institutions	2025F	2026F	2027F	2028F	2029F	Forecast as of
Bloomberg consensus	68	63	67	69	69	Nov-25
EIA	69	55	N/A	N/A	N/A	Nov-25
World Bank	68	60	65	N/A	N/A	Oct-25
Average of above forecast	68	59	66	69	69	
Vietcap's oil price base case	65	60	65	65	65	Sep-25

Source: Institutions in table, Vietcap

Vietcap's LNG price forecasts (USD/MMBTU)



Source: World Bank, IEA, CME, Vietcap. Note: The World Bank's forecast is as of April 2025, CME's consensus is as of September 2025, and IEA forecasts are from July 2025.

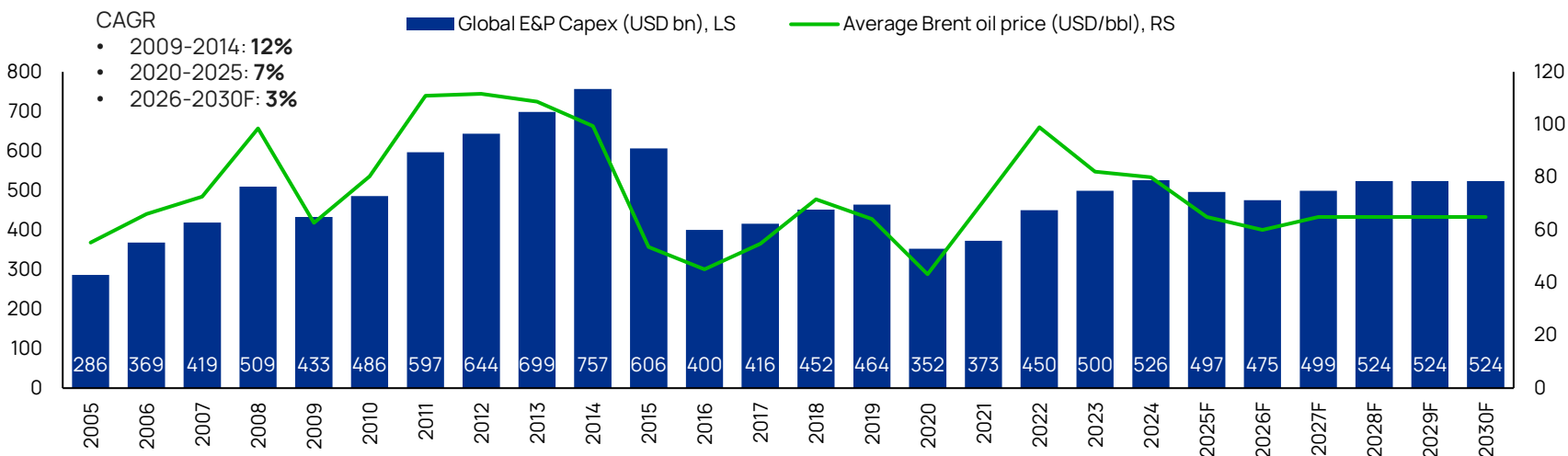
FO & Gas price forecasts

- We project an average 2026F FO price of USD390/tonne (-9% YoY).
- 2026F international LNG price consensus is USD11.6/MMBTU (excl. tariff), reflecting the maintained outlook that prices will cool down from 2026F onward due to rising supply.
- We project GAS's 2026F LNG import price (incl. tariff) of USD14.0/MMBTU (-5% YoY), enhancing competitiveness of LNG gas-fired power plants (cheaper than new domestic gas sources) and supporting GAS's LNG sales outlook.

Global E&P spending to slow in 2025–26 while US fossil-fuel support boosts medium-term resilience; SEA remains a bright spot

- Policy support for fossil fuels underpins global E&P spending's medium-term resilience of an average of USD509bn p.a. over 2026–2030, ~10% higher vs pre-COVID 19 level.** After a strong recovery during 2021–24, we project global E&P spending to enter a mild contraction phase, decreasing 5.6% in 2025F and 4.3% in 2026F. This is driven by (1) weaker Brent oil prices and (2) near-term oversupply. We expect spending to recover from 2027 onward, underpinned by an ~8% YoY rebound in Brent oil prices and US support policies for fossil fuels. According to Treasury Secretary Scott Bessent, the US targets production growth of 3.0 mboe/d by 2028 vs 2024, implying a 5.3% CAGR, necessitating sustained upstream investment. Beyond 2029, we expect capex to shift from expansion to maintenance as oil demand peaks, resulting in flat E&P spending through 2029–30.
- Middle East remains critical to supply stability.** Despite Saudi Aramco's 9M 2025 upstream capex declining 4% YoY (vs +2% in H1) amid suspended jack-up drilling programs, we expect a gradual resumption from 2027, tracking OPEC+'s planned unwinding of production cuts. Without sustained new investment, Aramco's production capacity could decline from 12 mb/d to ~10.5 mb/d by 2027, reinforcing the need for reinvestment.
- Southeast Asia remains a resilient bright spot.** S&P Global's October 2025 forecast projects regional jack-up utilization at 83.4%/87.3%/87.3% in 2025/26/27, well above the 2022/23 levels of 80%/78% and the 2015–19 average of 61%, highlighting sustained drilling appetite despite softer global prices.

Global E&P capex(USD bn)



Vietnam's Oil & Gas Sector

Block B on track for first gas in mid-2028;
Blue Whale preparation to begin

Accelerating exploration with the synergy of Resolution 70 and PVN's delegated authority

Resolution 70-NQ/TW (August 2025)

- Emphasizes national energy security, identifying oil & gas as a strategic pillar.
- Targeting gas production of 30-35 bcm per year.

Specify the request to cut procedures

Resolution 66.6/2025/NQ-CP (October 2025): The Government granted PVN several tasks and authorities previously held by the MoIT.

- (1) **O&G field development:** PVN approves Master Plans for most O&G field developments (except onshore projects or those with integrated land-sea facilities), as well as adjustments to already-approved plans.
- (2) **Early-development fields:** PVN approves adjustments when (a) total investment is reduced or (b) **investment increases by < 10%** with no new offshore platform added. **We view this as the most impactful change.**
- (3) **Decommissioning plans:** PVN approves adjustments when cost forecasts deviate by < 20% from MoIT-approved levels.
- (4) **Small discoveries:** PVN may approve resource/reserve reports for small fields (oil < 30 mn cbm; gas < 30 bcm), except where PVN is the operator.

To improve the 2022 Oil & Gas Law

Specify the request to cut procedures

Oil & Gas Law 2022 (effective July 1, 2023)

- **Expanding supply:** Prioritize development of small/marginal, deepwater offshore fields.
- **Reducing barriers:** Better risk-sharing with more flexible PSC (Product Sharing Contract) model.
- **Special incentives for priority projects:** (1) CIT of 25% (vs normal of 32%), export tax of 5%. (2) Higher cost recovery rate for investors (up to 80% vs 70% under normal incentive).

Potential Oil & Gas Law 2026 amendments:
The Government plans to amend the 2022 Oil & Gas Law in 2026, **focusing on reforming delegation mechanisms and others.**

Exploration & production acceleration across the oil & gas value chain

Upstream

- **PVS:** Increased demand for EPC contracts in oil & gas.
- **PVD:** Rising workload in drilling rigs and well-related services.

Midstream

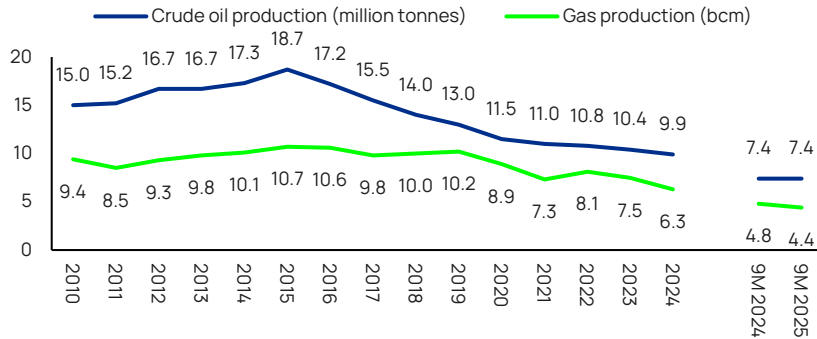
- **GAS:** Midstream infrastructure (pipelines, processing, LNG storage).

Downstream

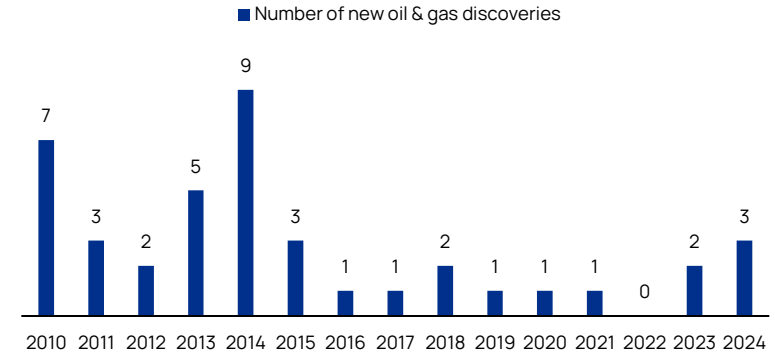
- **DPM DCM:** Secure gas supply and enhance plant efficiency.
- **BSR:** Strengthen domestic crude feedstock supply.

Vietnam's oil & gas production target to increase by 50% and 3.0x by 2030

Vietnam's crude oil/gas production declined by 6.8%/5.7% CAGRs over 2015–2024, highlighting an urgent need to reinvigorate upstream activity to ensure national energy security

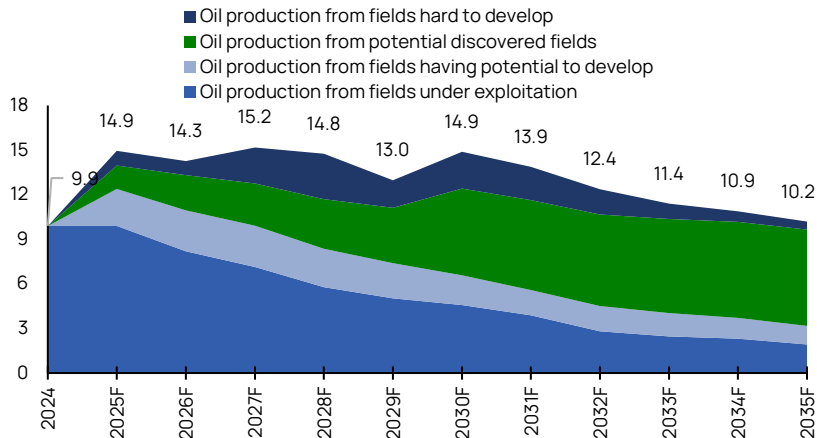


Three new oil & gas discoveries were made in 2024, the strongest activity since 2015, signaling a meaningful recovery in E&P momentum



Source: PVN, GSO, Vietcap

Vietnam's crude oil production targets CAGR of 7% in 2024E-30F (million tonnes), driven by new field developments

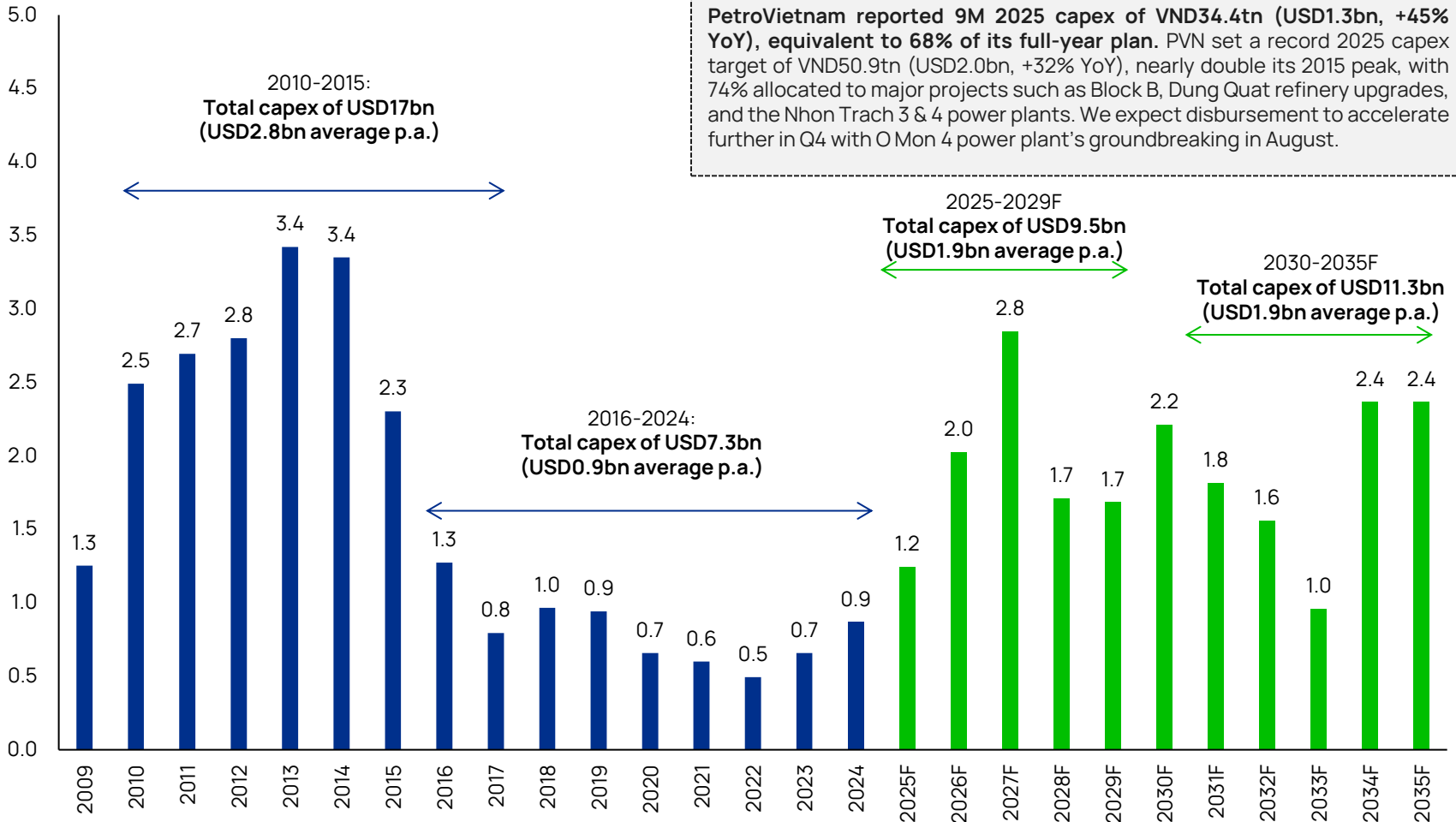


Vietnam's gas production targets CAGR of 24% in 2025-30G (billion cubic meters), to meet rising demand from the power sector

	2020E	2025G	2030G	2050G
Power	6.6	7.8	25.5	14.1
Fertilizer	1.2	1.1	2.4	2.4
Industrial	0.9	1.4	2.3	6.2
Total	8.7	10.4	30.1	22.6
CAGR		2020-25G: 3.7%	2020-30G: 13.2%	2020-50G: 3.2%
			2025-30G: 23.7%	2025-50G: 3.2%

Vietnam's oil & gas sector enters a new investment cycle, with exploration & production spending expected to double

Vietnam's E&P capex (USDbn)



Select oil & gas projects in Vietnam expected in 2024-2035F

No	Block	Project	Capex* (USDbn)	Oil/gas reserves	Investors	Status	Expected first gas/ oil	Location
GAS PROJECTS								
1	52/97; 48/95	Block B	5.2	107 bcm	PVN (42.9%), PVEP (26.8%), MOECO (22.6%), PTTEP (7.7%)	Started work in September 2024. EPCI#1/#2 25%/55% completed by end of June 2025.	2028	Malay Tho Chu Basin
2	117-119	Blue Whale	4.6	150 bcm	ExxonMobil (64%), PVN (36%)	Implementation of revised PDP VIII guides COD in 2030 but we forecast 2033 given the status of ExxonMobil's potential withdrawal and PVN's self-development. PVS may secure a USD830mn contract.	2033	Song Hong Basin
3	15-1	White Lion - Phase 2B	1.1	17 bcm	Cuu Long JOC including PVEP (50%), ConocoPhillips (23.25%), KNOOC (14.25%), SKI (9%), Geopetrol (3.5%)	PVS won the EPC contract in July 2025, targets first gas in Q4 2027. July 2025: PTSC M&C (a 100%-owned subsidiary of PVS) was awarded the EPCI contract.	2026	Cuu Long Basin
4	112-113	Bao Vang - Bao Den	1.3	58 bcm	PVN (50%), Gazprom (50%)	Implementation of revised PDP VIII guides COD in 2030 but we forecast 2031.	2031	Song Hong Basin
5	114	Ken Bau**	4.9	225 bcm	Eni Vietnam B.V. (50%), Essar E&P Limited (50%)	In the discovery phase; reserve confirmation expected by 2026. MoIT notes Ken Bau could supply gas for 6,000 MW (development 2031-2035).	2038	Song Hong Basin
6	46/07; 51	Nam Du - U Minh	0.8	5.6 bcm	Jadestone Energy (100%)	January 2024: GAS and Jadestone Energy signed the HoA.	2027	Malay Tho Chu Basin
7	46/13	Khanh My - Dam Doi	0.3	4.0 bcm	PVEP, PV GAS	March 2025: Jadestone submitted FDP to PVN for approval. May 2024: GAS and PVEP signed an MoU on GSPA.	2027	Malay - Tho Chu Basin
8	19/11	Thien Nga - Hai Au	0.3	7.4 bcm	Zarubezhneft JSC (100%)	March 2025: PVEP awarded FEED to THAI CONSULT BND-BD. May 2025: Zarubezhneft stated it is preparing FDP and key agreements.	2027	Nam Con Son Basin
9	103&107	Ky Lan	0.1	1.8 bcm	PVEP, PV GAS	July 2024: GAS and PVEP signed the agreement on supply and consumption of gas from the Ky Lan field.	2032	Song Hong Basin
OIL PROJECTS								
1	09-2/09	Kinh Ngu Trang - Kinh Ngu Trang Nam	0.7	6 mn bbl	Vietsovpetro (40%), PVEP (30%), AO Zarubezhneft (30%)	In the commercial phase.	Already in 7/2025	Cuu Long Basin
2	15-1/05	Yellow Camel	0.7	100 mn bbl	Murphy Oil (40%), PVEP (35%), SKI (25%)	September 2025: LDV-A jacket completed; Phase A (including transport pipeline) is expected to be completed by end-2026.	2026-2027	Cuu Long Basin
3	PM3-CAA	Bunga Aster	0.5	48-84 mn bbl	Hibiscus Oil & Gas Malaysia (35%), PVEP (30%), Petronas (35%)	Comprehensive project review ongoing.	2029	Cuu Long Basin
4	15-2/17	Golden Sea Lion	1.9	170-430 mn bbl	Murphy Oil (40%), PVEP (35%), SKE (25%)	In April 2025, PVN and Petronas signed an agreement to extend the production sharing contract (PSC) of Block PM3 CAA for another 20 years (to 2047), helping to ensure maximum exploitation of the project in Block PM3-CAA.	2030	Cuu Long Basin
5	15-1/06	Pink Camel	0.3	30-60 mn bbl	Murphy Oil (40%), PVEP (35%), SKE (25%)	January 2025: Oil discovered. Murphy Oil continues its appraisal plan from Q3 2025. May 2025: Oil discovered. Murphy Oil expects first oil before 2030.	2030	Cuu Long Basin
Total			22.7					

Key oil & gas projects in Vietnam expected for 2024–2038F, with a total investment of USD20bn

2024

Projects commencing construction:

- Block B (September 2024)
- Yellow Camel (June 2024)

Oil discoveries: Bunga Aster (May 2024)

2026

FID and commencing construction expected:

- Nam Du – U Minh (USD0.8bn)
- Khanh My – Dam Doi (USD0.3bn)
- Thien Nga – Hai Au (USD0.3bn)

Revenue recognition and profit realization from Block B.

Progress of Blue Whale gas field, offshore wind power export to Singapore.

2025

Construction start:

- White Lion Phase 2 (July 2025)

Oil discoveries:

- Golden Sea Lion (January 2025)
- Pink Camel (May 2025)

First oil flow: Kinh Ngu Trang – Kinh Ngu Trang Nam (July 2025, USD0.7bn)

From 2027 onward

FID expected during:

2027–2028

- Blue Whale (USD5bn)
- Bao Vang – Bao Den (USD1.3bn)
- Ky Lan (USD0.1bn)
- Bunga Aster (USD0.5bn)
- Golden Sea Lion (USD1.9bn)
- Pink Camel (USD0.3bn)

2032:

- Ken Bau (USD14.0bn)

Multiple mega gas-to-power projects ensure Vietnam's energy security and drive national growth



Upstream



Downstream

Ken Bau (USD14bn)

- Reserves: 200–250 bcm
- Investors: Italy (ENI 50%) and India (Essar 50%)
- First gas: 2038
- Progress: In the exploration phase; reserve confirmation expected by 2026.

- Capable of supplying gas for **6,000 MW** of power plants (according to the MoIT).
- Expected development 2031–2035.

Blue Whale (~USD5bn)

- Reserves: 150 bcm (9–10 bcm/year)
- Investors: Vietnam (PVN 36%) and the US (ExxonMobil 64%)
- First gas: 2033
- Progress: ExxonMobil's potential withdrawal and PVN's self development.
- Gas price by 2033: potential higher prices vs LNG

Dung Quat I, II, III & Central Vietnam I, II power plants

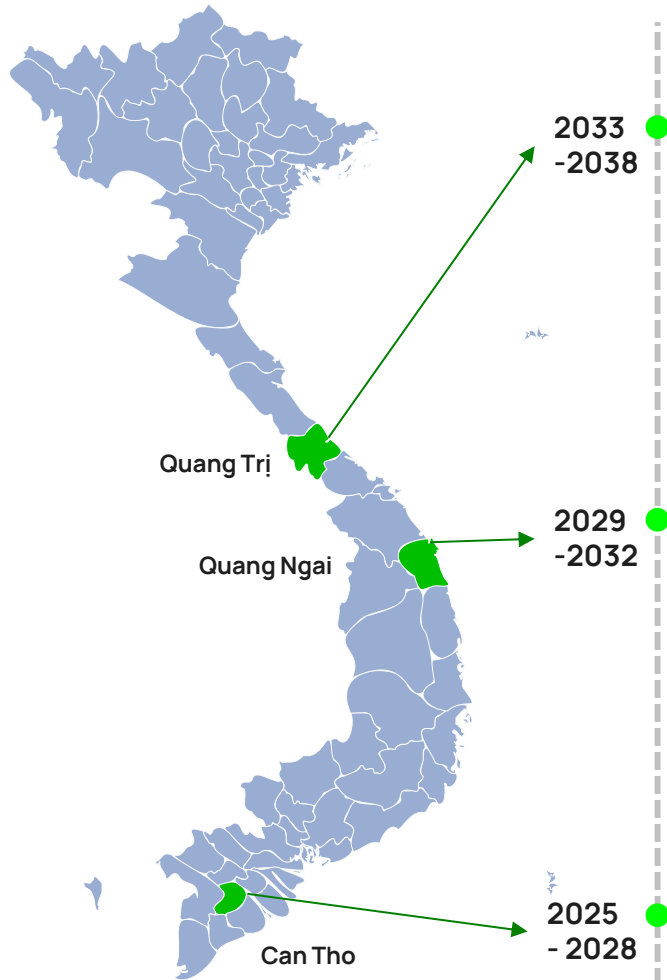
Power generation capacity of 3,750 MW

Block B (~USD5bn)

- Reserves: 107 bcm (~5.06 bcm/year)
- Investors: Vietnam (PVN & PVEP 69.7%), Japan (MOECO 22.6%), Thailand (PTTEP 7.7%)
- First gas: 2028
- Progress: Construction of gas pipelines and platforms underway.
- Gas price by 2028: USD14.5/MMBTU, ~15% higher vs LNG

O Mon I, II, III, IV power plants

Power generation capacity of 3,810 MW



Vietcap estimates LNG demand growth of ~13x during 2025-30

The National Energy Master Plan projects that imported LNG volume will be 2.2 billion m³ in 2025, subsequently increasing to 15.7 billion m³ by 2030.

Four LNG terminal projects of GAS vs competitors – Hai Linh

Son My LNG Terminal	
Location	Binh Thuan Province
Investor	GAS & AES
Investment capital	USD1.4bn
Capacity	3.6-6 MMTPA
COD	Phase 1: 2028
Status	Received investment plan approval/ completed investment preparation
Power plants supplied	Son My 1 & 2

Thi Vai LNG Terminal	
Location	Ba Ria - Vung Tau Province
Investor	GAS
Investment capital	Phase 1: USD286mn Phase 2: USD341mn Phase 3: USD341mn
Capacity	Phase 1: 1 MMTPA Phase 2: 3 MMTPA Phase 3: 6 MMTPA
COD	Phase 1: 2024 Phase 2: 2029 Phase 3: 2032
Status	Phase 1: Commercial operation Phase 2: under Front-end Engineering Design Phase 3: N/A
Power plants supplied	Nhon Trach 3 & 4, Long An I & II, Genco 3's power plants



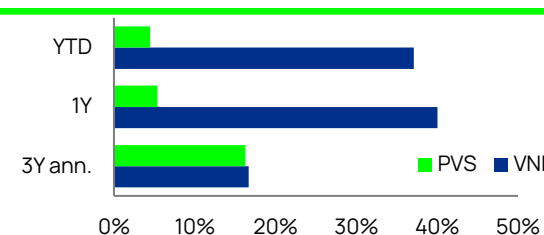
Nam Dinh LNG Terminal	
Location	Nam Dinh Province
Investor	GAS
Investment capital	N/A
Capacity	3 MMTPA
COD	N/A
Status	Awaiting investment approval
Power plants supplied	Nearby power plants

Ha Tinh LNG Terminal (Phase 1)	
Location	Ha Tinh Province
Investor	GAS
Investment capital	USD1bn
Capacity	1-3 MMTPA
COD	2029
Status	Received investment appr.
Power plants supplied	Quang Trach 2&3 and Vung Ang 3 LNG power plants

Hai Linh LNG Terminal - Phase 1	
Location	Ba Ria - Vung Tau Province
Investor	Hai Linh Company Limited (Private company)
Investment capital	USD231mn
Capacity	1 MMTPA
COD	September 2024
Status	COD
Power plants supplied	Hiep Phuoc 1, 2 power plants, and Genco 3's power plants

PVS – M&C margin rebound in Q4 to boost 2025 core NPAT

Rating*	BUY	(VND bn)	2024	2025F	2026F	2027F
Share Price (Dec 4)	VND33,100	Revenue	23,770	33,967	38,716	45,232
Target Price (TP)*	VND42,100	%YoY	22.7%	42.9%	14.0%	16.8%
		NPAT-MI	1,070	1,225	1,461	1,685
Upside to TP	+27.2%	% YoY	4.2%	15%	19%	15%
Dividend Yield	0.0%	Core NPAT-MI	1,022	1,420	1,461	1,685
TSR	+27.2%	EPS % YoY	-0.4%	38.9%	2.9%	15.3%
		GPM	4.5%	4.4%	4.9%	5.4%
Industry	Oil & Gas	EBITDA margin	1.4%	2.6%	3.6%	4.0%
Market Cap	USD630mn	OPM	-1.1%	-0.1%	1.1%	1.7%
Foreign Room	USD227mn	NPM	5.3%	3.7%	4.1%	4.1%
ADTV30D	USD7.3mn	ROE	7.6%	8.1%	8.9%	9.3%
State Ownership	51.4%	EV/EBITDA	13.2x	6.0x	5.2x	4.2x
Outstanding Shares	511.0 mn	P/E	23.1x	17.3x	14.5x	12.6x
Fully Diluted Shares	511.0 mn	P/B	1.2x	1.2x	1.1x	1.0x
2-year PEG	0.9	* TP and rating last updated October 27, 2025				



Company Overview

As a member of PetroVietnam Group and the only domestic provider of technical services (excluding drilling services) for the oil & gas industry, PVS enjoys majority market shares in related industries, including offshore support vessels (OSV/ship segment, 97% market share), mechanics & construction (M&C), supply base (port segment, 100%), and floating oil storage (FSO/FPSO, 60%). PVS owns and operates a fleet of 21 vessels, three FSOs, and two FPSOs.

In our October 2025 Update Report, we raise our target price (TP) for PVS by 8% to VND45,000/share and reiterate a BUY rating, reflecting a 7% increase in our 2025–2029F NPAT-MI forecast (+18%/+15%/-4%/+8%/+5% for 2025–2029F, respectively), and the positive effect from rolling our TP horizon to end-2026.

Our higher NPAT-MI forecast is driven by: (1) a higher net FX gain given the increase in overseas revenue, (2) higher profit from the seismic survey & ROV segment following 9M results, and (3) VND100bn compensation for canceled offshore wind power. These factors outweigh our 8% lower M&C backlog assumption. 9M reported NPAT completes 98% of our previous 2025F forecast.

We forecast 2025F core NPAT-MI to grow 39% YoY, driven by the M&C segment, with its revenue rising 70% and GPM to hit 1.8% (vs 0.8% in 2024). Reported NPAT-MI is expected to grow 15% YoY due to another VND250bn provision for 51%-owned subsidiary Sao Mai Ben Dinh. We forecast reported NPAT-MI to grow 19% YoY in 2026, supported by a 14% increase in M&C revenue with Block B's peaking progress, GPM rising to 2.0%, and no one-off expenses.

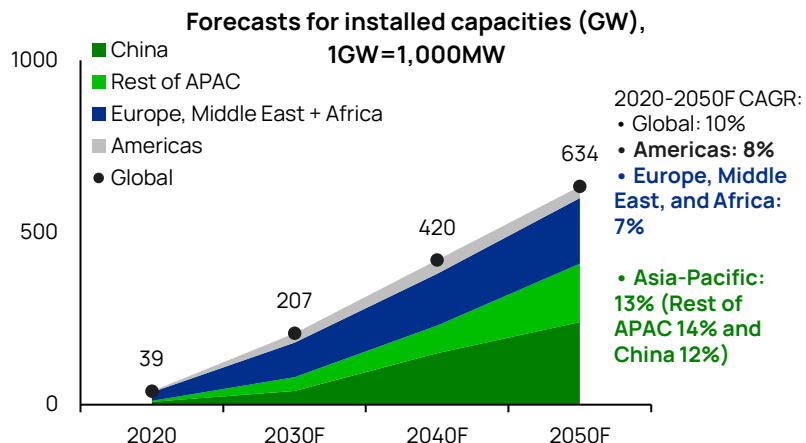
We project 17% reported EPS CAGRs for 2026–28F, driven by our M&C backlog projection of USD5.3bn for 2025–2029F and profit from FSO/FPSO JVs of VND831bn p.a. in 2025–29F. PVS is attractive at a reported 2026 P/E of 14.5x (implied PEG of 0.9) vs its 5-year average P/E of 18x.

Upside potential/catalysts: Reversal of the VND250bn provision for Sao Mai – Ben Dinh (page 18), faster-than-expected VND700bn warranty provision reversal for the Sao Vang-Dai Nguyet project, and M&C contracts from LNG/ Vietnam's offshore wind power and nuclear power.

Downside risks: A material downturn in oil prices could weigh on sentiment.

Offshore wind power potential in Asia-Pacific and Vietnam

APAC emerging as the fastest-growing region in offshore wind, implying sustained multi-decade demand for EPC



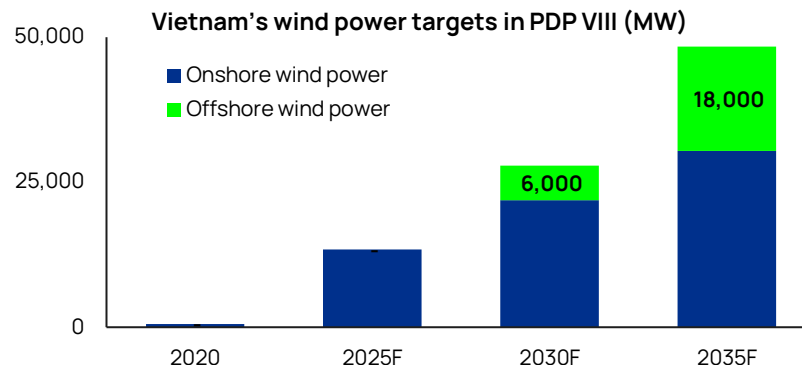
Strong project pipelines across key APAC markets, ~USD150bn

- **Taiwan:** Target of 13.1GW by 2030 (18% CAGR for 2024-30)
- **Japan:** Target of 10GW by 2030 (10% CAGR 2024-30)
- **South Korea:** Target of 14.3GW by 2030 (117% CAGR 2024-30)
- **Australia:** Approved 13 licensed offshore wind projects with ~25GW potential



PVS is well positioned to benefit from APAC's multi-year offshore wind super-cycle. Despite Taiwan's stringent 60% local-content requirement, the company plans to stay active in upcoming auction rounds given the sizeable market pipeline. PVS is also expanding its bidding footprint across Asia and Europe. Its strong execution record is evidenced by USD1.7bn of new backlog secured during 2022-24 (~USD567mn per year), with 93% originating from APAC markets.

Vietnam offshore wind power (USD10-30bn potential capex is accelerating with Resolution 70)



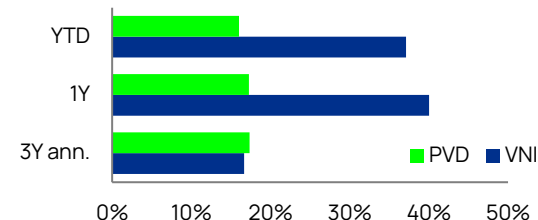
Vietnam is drafting a new resolution specifically for offshore wind power projects. It might address marine spatial zoning, a pricing framework, and a 90% offtake guarantee for offshore wind output COD before 2032.

Vietnam's offshore wind power (initial capacity of 2,300 MW; ~USD5bn capex) export to Singapore and Malaysia

- Feasibility study underway targeted for completion by 2026, followed by FID in 2027 and COD by 2033. PVS will primarily act as EPC contractor but may also participate as an investor based on project profitability.
- We note this project is not included in the Government's current 6,000 MW offshore wind target
- May 2025: The project was expanded to include Malaysia (vs initially planned to export electricity solely to Singapore).
- August 2025: PVS and LS Eco Energy Ltd. signed a JDA to build Vietnam's first high-voltage submarine cable manufacturing plant for renewable projects.

PVD – Aggressive rig expansion, robust domestic E&P fuel growth

Rating*	BUY	(USD mn)	2024	2025F	2026F	2027F
Share Price (Dec 4)	VND26,550	Revenue	374	365	357	499
Target Price (TP)*	VND29,000	%YoY	52.2%	-2.2%	-2.3%	39.7%
		NPAT-MI	28.1	34.0	44.8	71.6
Upside to TP	+9.2%	% YoY	14.7%	21.3%	31.5%	59.9%
Dividend Yield	0.0%	Recurring NPAT-MI	30.2	33.5	47.7	74.3
TSR	+9.2%	% YoY	28.6%	13.4%	45.3%	58.9%
		EPS	695	879	1,179	1,923
Industry	Oil & Gas	GPM	18.9%	19.4%	24.2%	25.6%
Market Cap	USD549mn	NPM	7.5%	9.3%	12.5%	14.4%
Foreign Room	USD223mn	ROE	21.6%	20.6%	27.4%	26.3%
ADTV30D	USD17.5mn	Net D/E	4.6%	5.3%	6.6%	9.7%
State Ownership	50.5%	P/E	24.3x	19.5x	14.6x	8.9x
Outstanding Shares	556.3 mn	P/B	0.9x	0.9x	0.8x	0.7x
Fully Diluted Shares	556.3 mn	EV/EBITDA	7.1x	9.0x	6.5x	4.4x
3-Year PEG	0.5	* TP and rating last updated November 05, 2025				



Company Overview

PVD is a member of the PetroVietnam Group and the leading domestic provider of drilling services for the oil & gas industry. PVD holds majority market shares in all of its key segments, including 50% in drilling services and 55%-100% in well-related services. PVD's fleet includes six jack-up (JU) rigs, one tender assist drilling rig (TAD).

In our November 2025 Update Report, we raise our target price (TP) for PVD by 17% to VND29,000/share and upgrade our rating to BUY from OUTPERFORM. Our higher TP is driven by our 9% higher aggregate 2025–29F core NPAT-MI forecast (with respective changes of +9%/+7%/+12%/+10%/+9%) and the positive impact of rolling our TP horizon forward to end-2026.

The higher aggregate core NPAT-MI is driven by: (1) stronger gross profit from well-related services given 9M 2025 results, (2) a 1.7% reduction in 2025-29 average operating cash costs, (3) doubling the stake in PVD IX, and (4) extending PVD VIII and PVD IX's depreciation to 15 years (from 7). These factors outweigh (4) a 1.4% lower 2025-29F average jack-up day rate.

We forecast 2026F core NPAT-MI to surge 43% YoY, fueled by: (1) the recovery in jack-up utilization, (2) a 2.4% rise in the average jack-up day rate, (3) the full-year contribution from PVD VIII, (4) margin expansion from PVD I's lower depreciation expenses, and (5) 10% well-related services gross profit growth, supported by accelerating exploration & production (E&P) capex in Vietnam.

We forecast a 44% CAGR in reported NPAT-MI (2026–28F), driven by slightly rising day rates, contributions from PVD VIII (Q4 2025) and PVD IX (2027), well services recovery, and JV profit.

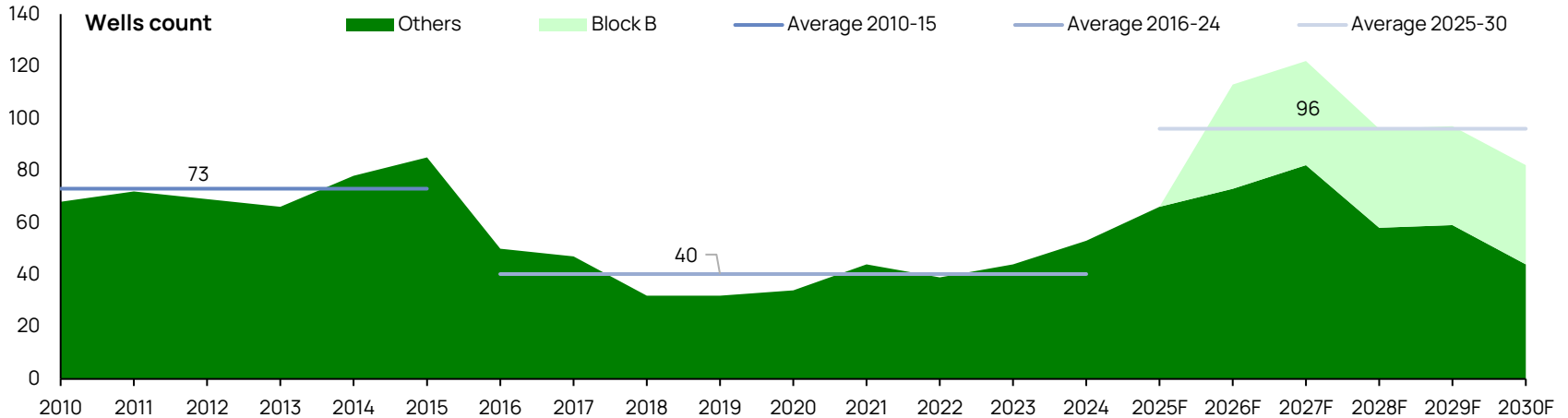
PVD looks attractive at a reported 2026 P/E of 14.6x (implied PEG of 0.3) and 2025F P/B of 0.9x.

Upside potential: PVD IX to come online earlier than expected, i.e., April 2026.

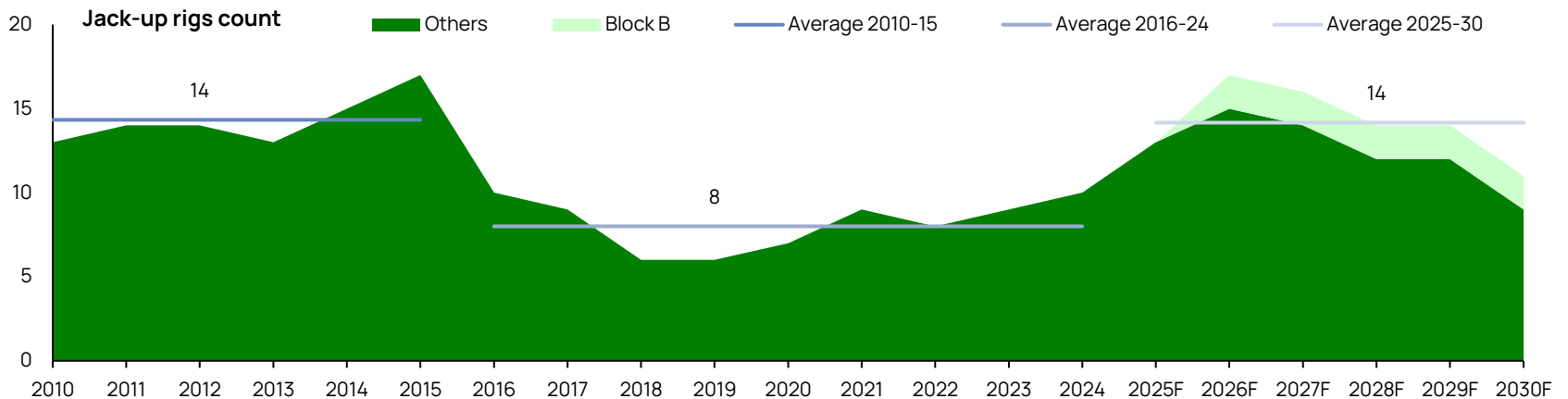
Downside risks: FX loss on USD-denominated debt; lower-than-expected day rate.

Vietnam's structural drilling upcycle to sustain multi-year workload across drilling and well-related services

We estimate Vietnam's wells count to average 93 wells/year during 2025-2030 or 63 wells (excluding Block B), which are 2.5x and 1.6x higher than the 2016-2024 trough period, respectively. This acceleration is bolstered by supportive policy reforms and Vietnam's energy security priorities.



This volume surge translates into jack-up rig demand of approximately 14 rigs or 12 rigs (excluding Block B) more than double PVD's current owned fleet. This reinforces a highly visible, sustainable workload outlook for PVD.

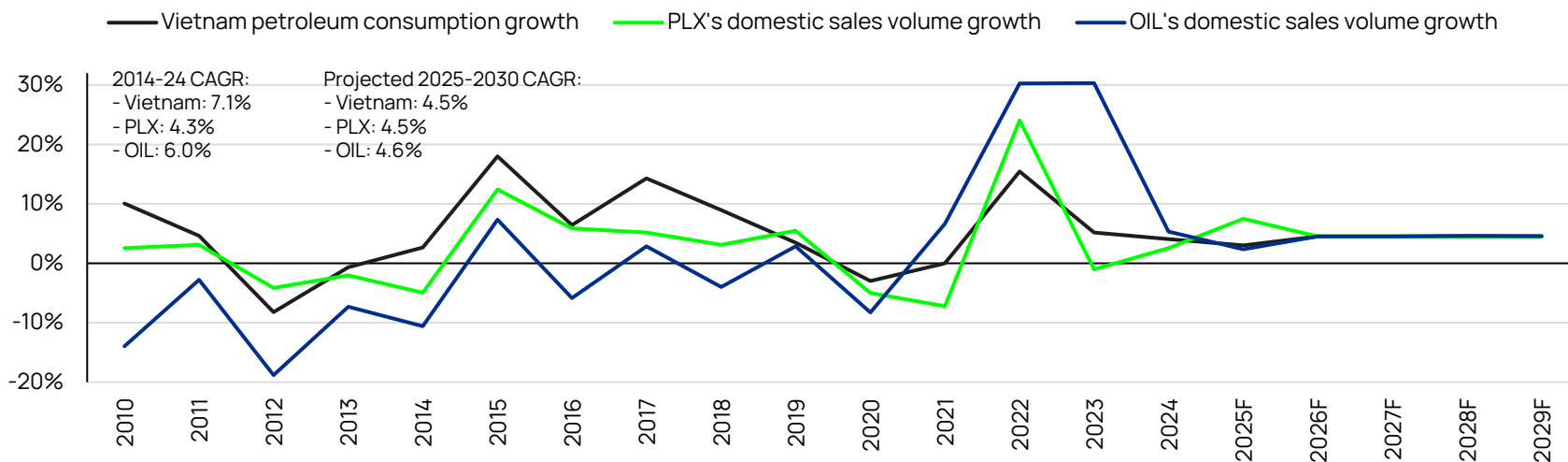


Vietnam's Petroleum Sector

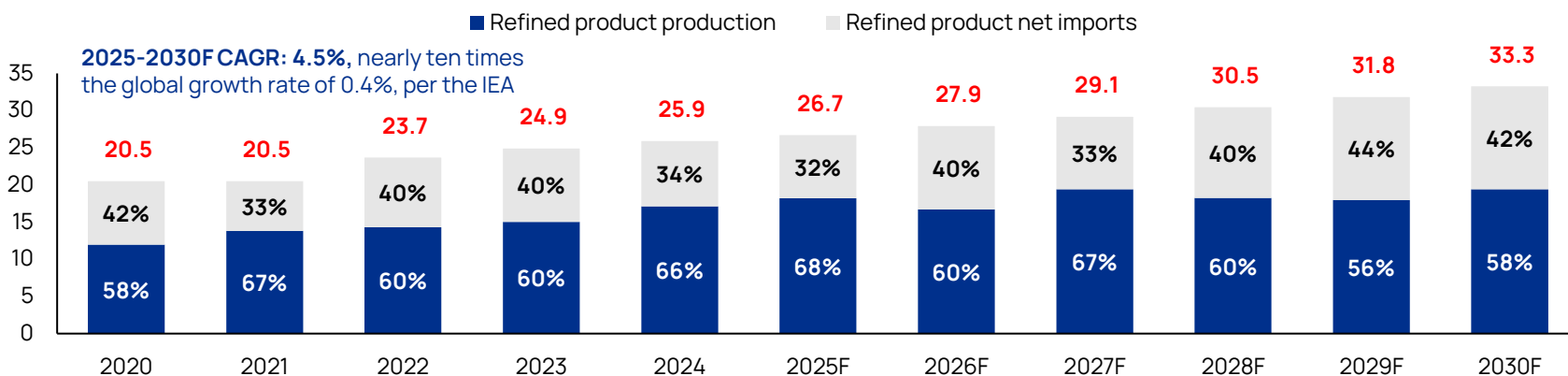
Vietnam's petroleum consumption to grow at a 4.5% CAGR in 2025-30F

Vietnam's petroleum consumption set for continued growth with sufficient supply

Vietnam's petroleum consumption and PLX/OIL domestic volume growth (%)



Vietnam's petroleum consumption forecasts (million tonnes)

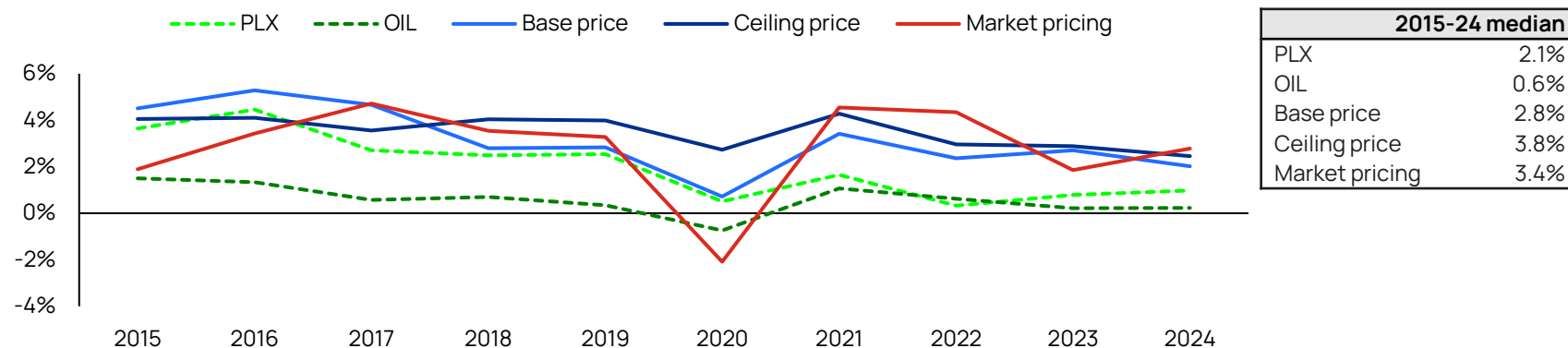


Further revisions to petroleum regulations to boost earnings

Comparison between Draft 7 of new decree vs Current decree and previous draft

	Decree 83/2014	Decree 95/2021	Decree 80/2023 (Current)	New decree (Drafts 3 & 4)	New decree (Draft 6)	New decree (Draft 7)
Retail pricing mechanism	Base price Distributors sell at base price, which is calculated by the Government.	Base price Distributors sell at base price, which is calculated by the Government.	Base price Distributors sell at base price, which is calculated by the Government.	Ceiling price Distributors can set their own price, provided below the ceiling set by the Government.	Market price Distributors calculate and declare their own retail prices (based on actual input sourcing cost + operating cost + operating profit + VAT).	Semi-Market price Government regulates operating cost component; Distributors set profit component and declare their own retail prices (based on actual input sourcing cost + regulated operating cost + operating profit + taxes).
Regulated operating cost	Gasoline: VND1,050 Diesel: VND950	The MoF will review every year.	MoF will review every year. Current regulated operating cost under Dispatch No. 6808/BTC-QLG dated July 1, 2024. A95 gasoline's regulated cost: VND1,140/liter. Diesel's regulated cost: VND1,170/liter.	Regulated operating cost adjusted annually based on the CPI. This will be reviewed every three years to ensure accuracy (based on our understanding).	No regulation.	The regulated cost will be announced by the Government, adjusted annually based on CPI, and reviewed every three years.
Regulated profit	VND300/liter	VND300/liter	VND300/liter	VND300/liter	No regulation.	No regulation.

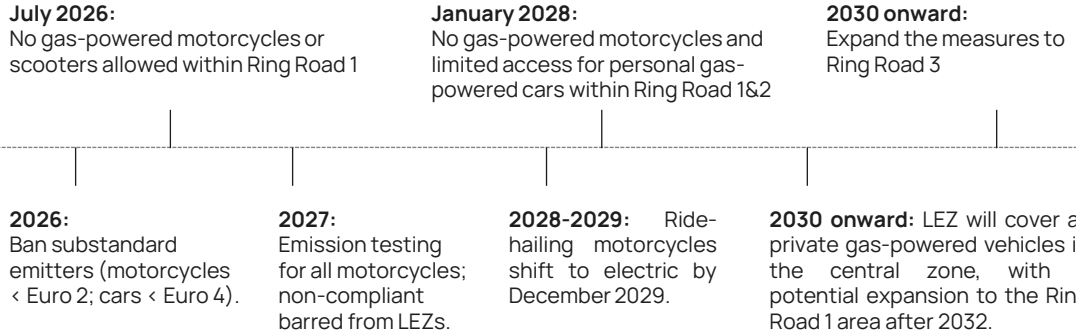
EBIT margin comparison



EVs post a nominal threat on petroleum consumption in the next five years

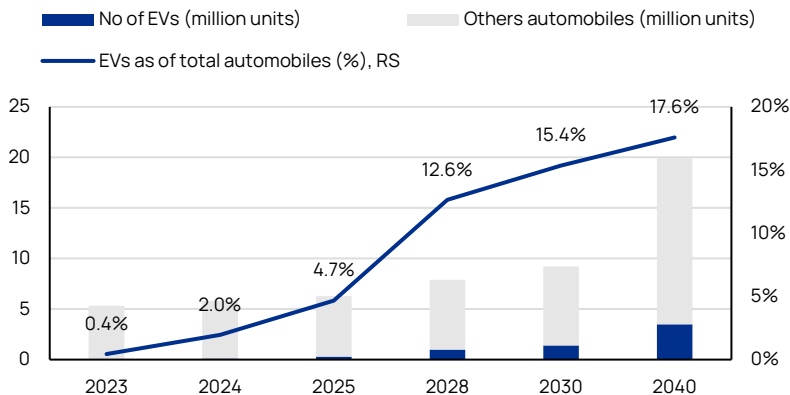
The 2026–2030 implementation timeline for Hanoi and HCMC

Hanoi – Directive 20/CT-TTg: Restricts gas-powered two-wheelers and limits personal gas-powered car access in urban zones



HCM City – Low Emission Zone (LEZ): Pilot in central core (Districts 1 & 3) and Rung Sac corridor (Can Gio).

EVs are projected to grow rapidly at a 52% CAGR in 2024–2030 (vs 8% for the total of automobiles), but EVs will still account for a small share of 15% of automobiles in operation through 2030.



Even in a worst-case scenario, the combined restrictions from both cities would affect at most 10.4% of national petroleum demand

City / Scenario	City's share of national petroleum consumption	2-Wheelers Impact	Incl. 4-Wheelers Impact
Hanoi	7.4%	3.1%	4.4%
HCMC (pre-merger)	10.0%	4.1%	6.0%
Combined	17.4%	7.2%	10.4%

In practice, the impact should be lower, as Hanoi restricts only personal gas-powered cars (not business vehicles), and HCMC still allows vehicles that meet emission standards.

Several offsetting factors support petroleum demand resilience:

- Vietnam's plan to cut import tax on US-made vehicles to 0% could stimulate new car purchases and lift gasoline consumption. Previously, US-made vehicles with fewer than nine seats faced import taxes of 70%, 52%, or 32%, depending on engine capacity.
- Business fleets are exempt from the restrictions, and their activity is closely linked to industrial (e.g., trucks, tankers) and service-sector (e.g., taxis) expansion. As Vietnam's economic and industrial activity grows, these segments will continue to underpin petroleum demand.

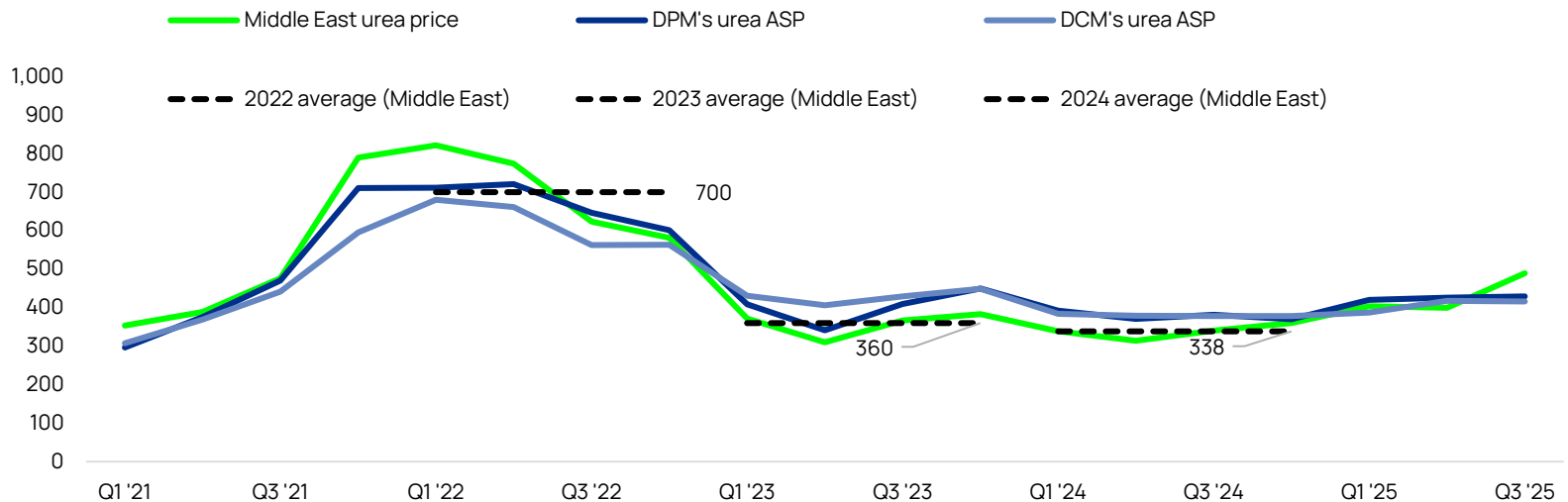
Urea Sector

Urea upcycle sustained into 2026F

Lower input gas price to likely outweigh slightly lower urea price in 2026

- 2025 actual Middle East urea price likely to be USD425/tonne (slightly lower than our projected USD435/tonne).
- **However, we maintain our projected Middle East urea price to sustain its high price at USD420/tonne in 2026F (22% higher than the 2015-24 average)**, albeit slightly down at -3% YoY reflecting higher Chinese supply.
- DCM and DPM maintain the view that this urea price upcycle is sustainable given EU tariffs on Russia- these tariffs will progressively rise from 6.5% to nearly 100% by 2028, effective from July 1, 2025, and the Carbon Border Adjustment Mechanism (CBAM) adds USD20-120/ton. DCM's management expects an average 2026F urea price of USD395-475/ton in 2026.
- **China resumed fertilizer exports in June 2025 under a quota mechanism with regulated price floors, exerting only mild downward pressure on global urea prices.** According to DCM's CEO, China is still prioritizing domestic inventory and will export opportunistically, limiting export-driven price risks.
- We forecast average Brent oil price and FO price to decline 8% YoY and 9% YoY in 2026.

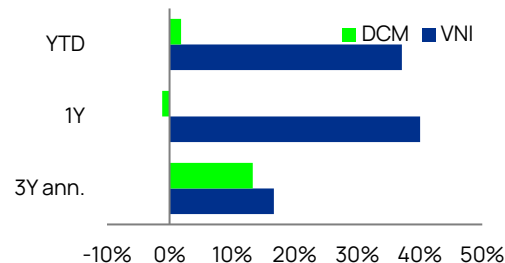
Middle East urea price vs domestic urea prices (USD/tonne)



DCM – Sustained high urea ASP underpins earnings growth

Rating*	BUY	(VND bn)	2024	2025F	2026F	2027F
Share Price (Dec 4)	VND34,250	Revenue	13,456	15,525	16,853	17,910
Target Price (TP)*	VND46,600	%YoY	7.0%	15.4%	8.6%	6.3%
		NPAT-MI	1,420	2,039	2,528	2,787
		% YoY	28.0%	43.6%	24.0%	10.2%
Upside to TP	36.1%	EPS	28.0%	43.6%	24.0%	10.2%
Dividend Yield	5.8%	DPS (VND)	2,000	2,000	2,000	2,000
TSR	+41.9%	Div yield	5.8%	5.8%	5.8%	5.8%
		GPM	18.7%	23.5%	24.6%	24.3%
Industry	Agrochemicals	ROE	14.1%	19.1%	21.3%	20.6%
Market Cap	USD688mn	Net D/E	-74.6%	-76.1%	-75.7%	-77.9%
Foreign Room	USD312mn	P/E	13.9x	9.7x	7.8x	7.1x
ADTV30D	USD2.6mn	P/B	1.8x	1.6x	1.4x	1.3x
State Ownership	75.6%	EV/EBITDA	8.2x	4.2x	3.1x	2.3x
Outstanding Shares	530mn					
Fully Diluted Shares	530mn					

* TP and rating last updated Sept 17, 2025



Company Overview

DCM is one of the two largest urea producers in Vietnam and has a ~32% market share. DCM owns a urea plant with an annual capacity of 800,000 tonnes of granular urea and an NPK plant with a capacity of 660,000 tonnes.

Management reaffirmed a strong international urea price outlook for 2026–27, ranging from USD395–475/tonne, implying a sustained urea price upcycle.

In our [September 2025 Update Report](#), we increase our target price (TP) for DCM by 14.5% to VND46,600/share and maintain our BUY rating. This is driven by our 14.1% higher aggregate 2025–2029F NPAT-MI forecast (respective changes of +18.5%/+13.7%/+17.8%/+11.7%/+9.6% for 2025/26/27/28/29F).

Our higher aggregate 2025–29F NPAT-MI forecast is mainly driven by 12% higher projected ASP for 2025–29F on average, following our (1) 10% higher respective Middle East urea price forecasts and (2) stronger-than-expected 9M 2025 ASP.

We project 2026F reported NPAT-MI to grow 24% YoY, fueled by (1) 3.1x YoY NPK NPAT (higher utilization), (2) YoY higher urea NPAT (-5% YoY lower gas cost to outweigh 1% YoY lower ASP), and (3) the full-year effect of VAT savings.

DCM's valuation is undemanding at a 2026F P/E of 7.8x, 34% cheaper than its own 5Y average P/E. 2026F EV/EBITDA is 3.1x, 47% lower than the 5Y peer average of 5.9x.

Upside potential: Higher-than-expected cash dividend / profit from long-term projects. **Downside risks:** Slightly lower-than-expected Q4 2025 NPAT; higher-than-expected input gas cost;

DCM continues to pursue vertical expansion across three key pillars to double its revenue to VND30tn by 2030 (17% CAGR in 2024–30):

- 1) Fertilizer (~VND20–23tn): Expanding value chain through product diversification, nutrient solutions, and high-tech farming applications;
- 2) Chemicals & industrial gases (VND3–4tn): Trial production of food-grade CO₂ underway, with commercialization expected in early 2026; actively studying off-gas product investments (Ar, N₂, CH₄, methanol, SOP); and
- 3) Biotech & post-harvest processing (~VND10tn): Operating a seed R&D lab, progressing toward raw material cultivation, and ESG-compliant processing/export targeting US, China, and EU markets.

Power Sector

Resolution 70 triggers solid power capacity expansion recovery



Tuan Do
Analyst

tuan.do@vietcap.com.vn
+8428 3914 3588 ext.181

Phuoc Duong
Analyst

phuoc.duong@vietcap.com.vn
+8428 3914 3588 ext.135

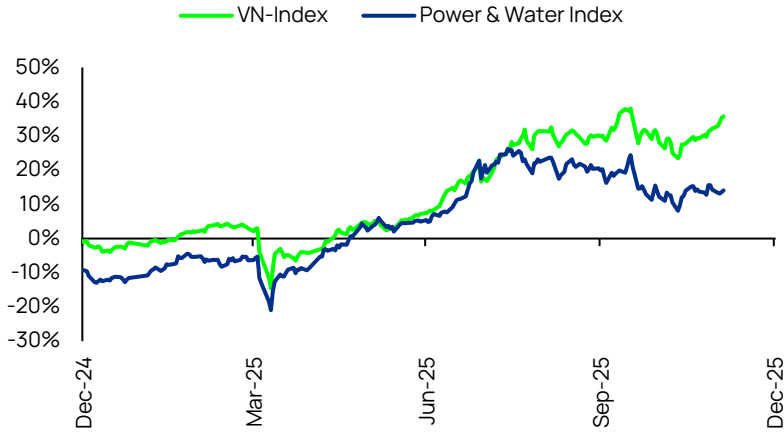
Loc Pham
Analyst

loc.pham@vietcap.com.vn
+8428 3914 3588 ext.549

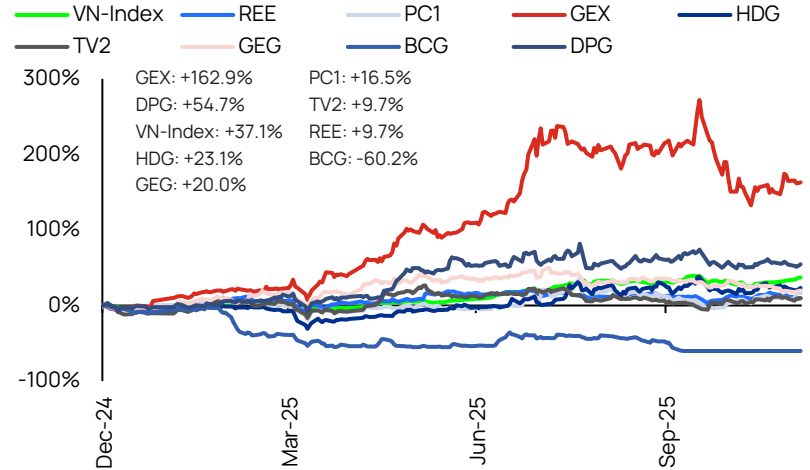
Duong Dinh
Associate Director
duong.dinh@vietcap.com.vn
+8428 3914 3588 ext.140

Power & Water stock performance

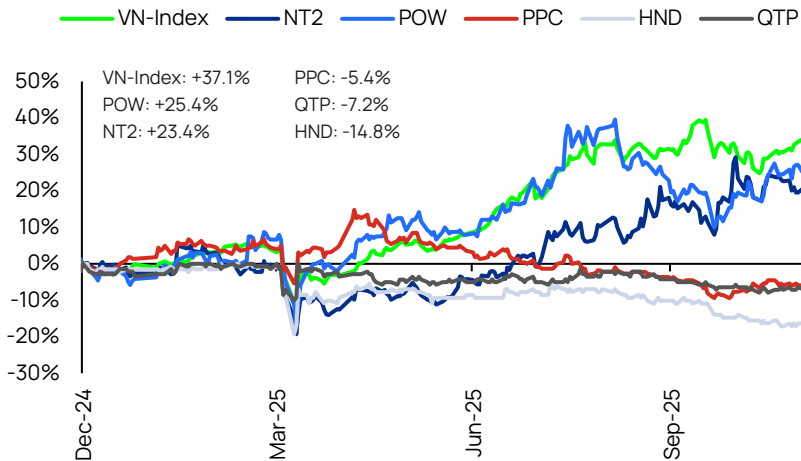
Vietcap Power & Water Index (*) vs VN-Index



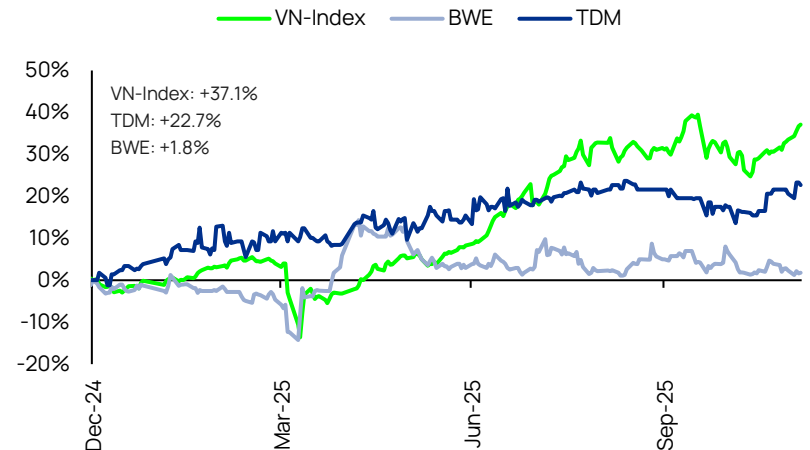
Renewable power stocks



Thermal power generation stocks



Water stocks



Power Sector: Resolution 70 triggers solid power capacity expansion recovery

- **In August 2025, Resolution No.70 on energy security was issued. We believe that it will enforce Revised Power Master Plan VIII and the 2024 Amended Electricity Law.** The Revised PDP VIII targets doubling national power capacity to 210,000 MW by 2030, guides for substantial capex of USD136bn, ~30% of GDP by 2030, and guides for robust power demand at a 12% CAGR, which reflects the Government GDP target of 10%. The Amended Electricity Law supports power project IRR and privatization. VinEnergco's participation with share capital of VND28tn is a notable case.
- **For 2026, we expect more regulations to be issued, including: 1) Resolution/Decree on the elimination of PPA price negotiation step in renewable power project development** which benefits renewable power players including PC1, REE, HDG; 2) Revision to Revised PDP VIII to add more feasible projects; 3) Resolution/Decree on higher contracted volume for LNG & offshore wind power which benefits NT2, POW, REE; 4) more favorable DPPA regulations to benefit all renewable power stocks (and potential LNG); 5) nuclear power progress to benefit TV2, PVS.
- **Renewables power sector is poised for stronger capacity expansion with onshore wind power leading the trend, followed by floating solar.** On May 30, 2025, the MoIT issued Decision 1508/QĐ-BCT, approving ceiling prices for wind power that received CoDs in 2025. The new tariffs for onshore and nearshore are 18%/9% higher than the transitional tariffs and 16%/6% higher than our forecasts. This benefits REE, PC1, and HDG significantly. On April 10, 2025, the MoIT released Decision 988, announcing the official prices applicable to both ground-mounted and floating solar projects without battery energy storage systems (BESS), as well as the first-ever price framework for solar projects integrated with BESS. This potentially benefits DPG's solar glass segment.
- **We project national installed capacity to grow 6-14% in 2026-2030F** with more favorable policies. This is ~2.0x the muted growth of 5% over the past five years. We believe onshore wind power will lead Vietnam's power capacity expansion with projected 20,000 MW or USD26bn capex.
- **We forecast electricity consumption growth of 7.5% YoY in 2026.** We believe that neutral weather conditions in 2025- 2026, compared to the slight El Niño effect (resulting in low rainfall) in 2024, will support sufficient power output to meet demand. We forecast competitive generation market prices to grow 26% YoY (mainly due to higher CAN/capacity add-on price), gas prices to rise 3% YoY, and mixed coal prices to rise 4% YoY in 2026F.
- **We like PC1 as it stands as the prime beneficiary of transmission infrastructure expansion as well as the privatization trend.** We estimate 2025-30F transmission infrastructure capex of USD10.0bn, doubling vs the 2020-24 period, in which USD1.8bn from the private sector (~20% total) to benefit PC1. Record high backlog of VND8tn and recent guidance implies upside to our 2025F NPAT forecast. We also expect PC1's wind capacity to double by 2028F. Together with its IP & residential real estate segment, these drivers support a 2026-28F EPS CAGR of 57%. The valuation is attractive at a 11.8x 2026F P/E – ~45% below its 4-year average – with an implied PEG of 0.2.
- **We like REE as it is the fastest in wind power capacity expansion under our coverage and its hydro portfolio benefits from favorable weather conditions.** The recent groundbreaking of Duyen Hai near-shore wind farm (48 MW), wind V1-3 Phase 2 (48 MW), and V1-5 & V1-6 Phase 2 (80 MW) confirm our projection for its wind power capacity to increase 6x over the next five years. REE's valuation looks undemanding with a 2026F P/E of 11.0x, 28% cheaper than REE's 2Y median P/E and implying a PEG of 0.5 based on a 2026-28 NPAT-MI CAGR of 21%.
- **We like NT2** due to its competitive cost edge vs its peers and its compelling yield (8.3% in the near term, potentially rise to 10.4% in the longer term).
- **We pick BWE as we believe in its strong earnings growth over the next three years.** We forecast an EPS CAGR of 36% over 2026F-2028F, driven by (1) volume growth of 8%/11% for 2026F/2027F, (2) a 20% residential waste tariff hike in mid-2026, (3) a 3% p.a. water tariff hike from early 2027, and (4) Biwase Long An's capacity doubling to 120,000 cbm/day. BWE's valuation looks attractive at a 2026F P/E of 11.5x which implies a PEG of 0.3.

Power Sector: Key data and summary valuations

Power & Water – Key data

Code	Rating	Market Cap, USD mn	State O'ship %	Foreign Limit %	Foreign Avail, USD mn	ADTV 30D, USD mn	Share price, VND ps	Target price, VND ps	Target price, updated	Upside %	Div yield %	12M TSR %
DPG	BUY	168	0.0	49.0	73	0.6	43,800	55,200	04/09/25	26.0	2.3	28.3
BWE	BUY	392	19.4	49.0	162	0.2	47,000	57,300	11/11/25	21.9	2.8	24.7
REE	BUY	1,313	5.3	49.0	0	1.0	63,900	78,200	04/11/25	22.4	1.5	23.9
QTP	BUY	219	80.4	49.0	105	0.1	12,800	15,000	02/06/25	13.6	9.1	22.7
TV2	BUY	94	51.3	15.0	7	0.3	36,650	43,900	09/18/25	19.8	2.7	22.5
NT2	BUY	263	61.8	49.0	91	1.1	24,050	27,200	10/21/25	13.1	8.3	21.4
PPC	M-PF	122	51.0	49.0	51	0.1	10,050	12,400	02/06/25	15.3	5.6	20.9
PC1	BUY	362	0.0	50.0	137	2.1	23,200	27,000	05/11/25	16.4	0.0	16.4
HDG	O-PF	448	0.0	50.0	130	3.1	31,900	37,000	11/17/25	16.0	0.0	16.0
GEX	M-PF	1,581	0.0	50.0	669	21.6	46,200	52,300	08/21/25	13.2	1.1	14.3
TDM	M-PF	251	0.0	50.0	122	0.1	59,500	58,100	11/11/25	-2.4	2.4	0.0
POW	O-PF	1,337	79.9	50.0	616	6.0	15,050	14,800	02/06/25	-1.7	0.0	-1.7
VGC	BUY	753	38.6	49.0	349	1.8	44,300	64,100	10/21/25	44.7	5.0	49.7

Power & Water – Summary valuations (based on reported earnings)

Code	Share price VND ps	EPS g 2024 %	EPS g 2025F %	EPS g 2026F %	P/E TTM x	P/E 2024 x	P/E 2025F x	P/E 2026F x	EV /EBITDA 2025F x	ROE 2025F %	P/B LQ x	Net D/ELQ x
DPG	43,800	10.3	52.5	125.5	17.4	19.7	12.9	5.7	9.4	12.2	2.2	89.2
BWE	47,000	-4.8	34.2	26.9	14.3	19.4	14.5	11.4	8.1	14.8	1.8	94.9
REE	63,900	-8.9	31.1	20.2	14.5	17.4	13.2	11.0	9.4	13.1	1.8	13.9
QTP	12,800	6.2	-5.0	7.7	10.5	9.3	9.8	9.1	8.1	12.0	1.2	-18.8
TV2	36,650	32.0	3.9	297.2	66.4	60.2	57.9	14.6	24.0	5.1	1.9	-15.6
NT2	24,050	-82.0	874.7	11.3	10.6	86.6	8.9	8.0	5.7	17.3	1.5	-49.3
PPC	10,050	11.6	-42.8	127.5	14.3	7.9	13.9	6.1	10.5	5.3	0.7	-1.8
PC1	23,200	1,189.5	49.8	24.6	17.8	22.0	14.7	11.8	7.5	12.2	1.6	86.1
HDG	31,900	-47.6	104.5	83.1	35.1	34.9	17.1	9.3	8.2	11.2	1.9	44.0
GEX	46,200	393.8	-6.1	14.6	20.0	25.8	27.5	24.0	6.5	10.7	2.4	70.2
TDM	59,500	-27.9	-2.4	-22.3	27.4	35.2	36.0	46.4	29.3	7.8	2.6	19.5
POW	15,050	7.0	18.6	49.4	20.5	33.4	28.2	18.9	8.5	4.1	1.0	20.6
VGC	44,300	-9.3	3.3	43.8	14.3	18.9	18.2	12.7	4.5	13.6	1.9	19.6

Resolution 70: A pillar of energy security with clear solutions

Context: Vietnam targets GDP growth of 10% p.a. through 2030, which will lead to a sharp increase in electricity and primary energy demand, particularly by 2030.

- Vietnam's total primary energy supply is expected to reach 150–170 million tons of oil equivalent (Mtoe) (2.4x higher than in 2024; CAGR +15% during 2024–2030).
- Total installed capacity is projected at 183–236 GW (2.3–2.9x vs. 2024; CAGR +14–19% during 2024–2030).
- Total electricity generation to reach 560–624 billion kWh (2.0x vs 2024).

Key objectives:

- Ensure strong, proactive, and reliable energy security, with **absolutely no power shortages**.
- Achieve electricity supply reliability among the top three in ASEAN.
- Develop the gas market to reach 30–35 billion cbm/year, 3–4x higher than the current level.
- Domestic refineries to meet at least 70% of petroleum demand, with strategic reserves covering ~90 days of net imports.
- Increase the share of renewable energy to 25–30% of total supply by 2030.

Key solutions:

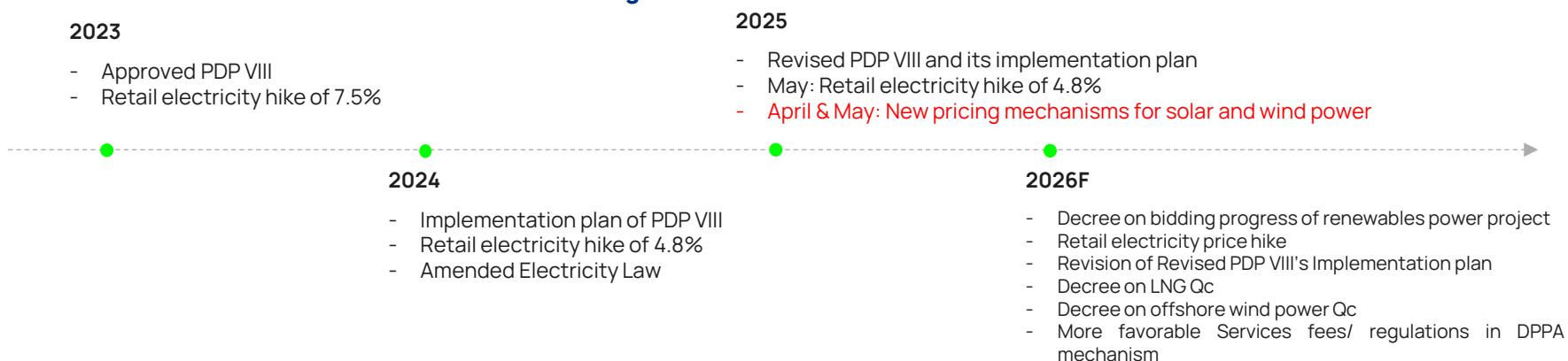
- **Enforce the Amended Electricity Law (2024) to reform electricity pricing and allow consumers to choose power suppliers via DPPA.**
- Promote private and foreign investment participation.
- Streamline administrative procedures, cutting 30–50% in time and cost.
- Address sector bottlenecks hindering development, targeted for resolution within 2025.

Resolution 70/2025 marks a turning point for Vietnam's energy sector

Category	Before Resolution 70	After Resolution 70 (2025–2030)
Breakthrough pricing mechanism	<ul style="list-style-type: none"> • Retail electricity price had only one component, not fully reflecting investment and operating costs. • Cross-subsidization among customer groups persisted. • Renewable energy pricing framework (2022–2024) was quite risky and less efficient for investors. • Energy projects faced limited access to capital. 	<ul style="list-style-type: none"> • Retail electricity price now includes two components, reflecting investment and operating costs. • Eliminates cross-subsidization among customer groups. • Pricing mechanism becomes more attractive, ensuring higher IRR. • Favorable conditions for attracting long-term capital, green funds, and FDI into energy.
More competitive retail market structure	<ul style="list-style-type: none"> • EVN held a monopoly over retail electricity distribution. • No DPPA (Direct Power Purchase Agreement) mechanism allowing direct sales from generators to consumers. 	<ul style="list-style-type: none"> • Consumers can choose their electricity supplier. • DPPA mechanism officially issued.
Promoting privatization in power generation & transmission infrastructure	<ul style="list-style-type: none"> • State-owned enterprises does many step across the value chain (EVN, PVN, TKV). • Private sector mainly participates in renewable energy, less in other fields. • EVNNPT/NSMO solely invests/controls/operates transmission infrastructure. 	<ul style="list-style-type: none"> • The State retains main transmission and develops nuclear power. • Private sector expands into LNG • Ensure the legalizing private investment in transmission infrastructure under the Amended Electricity Law (2024) to come into practice.
Administrative reforms	<ul style="list-style-type: none"> • Multiple bottlenecks in project approval, Approval for oil and gas exploration and power projects often prolonged for years. • Decision-making process remained centralized and lacked delegation. 	<ul style="list-style-type: none"> • Cuts approval time and cost by 30–50%. • Delegation to PVN for approval of certain oil and gas exploration projects.
Diversifying energy sources	<ul style="list-style-type: none"> • Heavily dependent on coal and traditional fossil fuels. • Nuclear power projects halted since 2016. • Targeted renewables at 15–20% of total supply. 	<ul style="list-style-type: none"> • Develop LNG, offshore wind, hydrogen, and other new energy sources. • Restart and develop nuclear power in 2030–2035. • Raise renewables target to 25–30% of total supply by 2030.

Resolution 70 to enforce Amended Electricity Law & Revised PDP VIII

Crucial legal framework unlocks in 2023-26F



Revised PDP VIII key power indicators

Indicator by 2030F	Old PDP VIII	Revised PDP VIII	Revised vs Old PDP VIII % changes
2025 – 30F GDP growth (% YoY)	7.0%	10.0%	N/A
Production output (bn kWh)	567	593	4%
Maximum usable capacity (MW)	90,512	94,795	5%
Power demand (bn kWh)	505	529	5%
Power demand 2025-30F CAGR (% YoY)	8.6%	12.0%	N/A

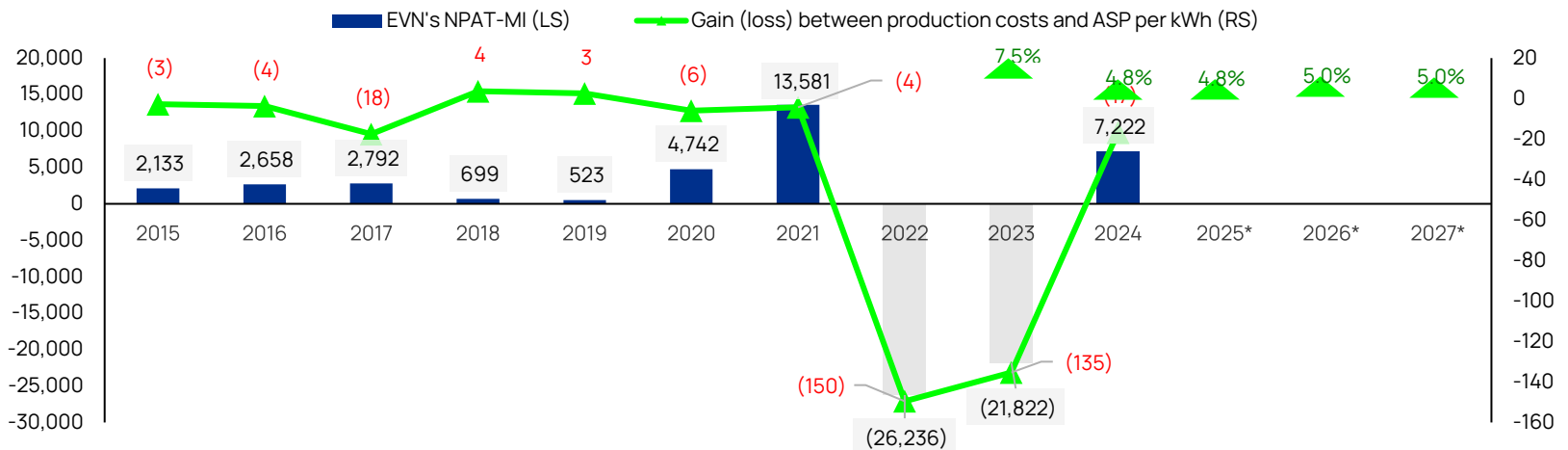
Target capex of USD136bn, ~30% of GDP, ~70% from private investors

USD bn	Previous PDP VIII	Revised PDP VIII	Revised vs Previous PDP VIII (% change)
Power capacity expansion	72	118	+64%
Transmission infrastructure	6	18	+200%
Total capex	78	136	+74%

Two-component price pilot and higher retail tariff increase benefit EVN/power plants

- In October 2025, EVN released its calculation and started a pilot of a two-component electricity price (capacity and energy charge) as follows:
 - Phase 1: From October 2025, EVN starts **simulated billing (no actual collection)** for industrial customers consuming over 200,000 kWh per month.
 - Phase 2: From January–June 2026, communication and **"on-paper" piloting**: authorities issue parallel mock bills (no payment) to all pilot customers, with guidance on the two-part retail tariff.
 - Phase 3: July 2026–July 2027. The two-part tariff is **officially trialed for one year**. Regulators monitor demand shifts, usage behavior, customer response, power sales revenue, and use the results to **fine-tune the tariff structure**.
 - Phase 4: From July 2027, the Ministry of Industry and Trade will review the pilot and **expand application** of the two-part tariff **to additional customer groups**.
- The new pricing structure will reflect more accurately Vietnam's electricity production costs and help to increase retail electricity price and indirectly benefit all power plants in the long term.
- **We expect 5%/5% YoY further price hikes in 2026/27F to:** (1) clear its cumulative losses in 2022-2023, (2) be able to afford higher input costs (gas/coal price to increase 3%/4% YoY in 2026F), and (3) fund capex investment, **following a 4.8% increase in 11M 2025**.

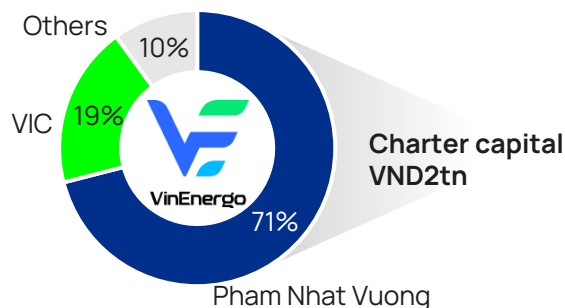
EVN's reported NPAT-MI (VND bn) and retail electricity price hike



Source: MoIT, Vietcap (*In 2025, EVN's NPAT-MI has not been released yet while retail electricity price increased 4.8% as of mid- 366 November 2025)

VinEnergy: New player to realize privatization

VinEnergy's original shareholder structure



VinEnergy's current charter capital is ~5x of REE, similar to POW. It was established in March 2025 with an initial charter capital of VND2tn. The company later increased its charter capital to VND10tn and then to VND28.3tn in October, with VIC maintaining its 19% stake and Dynamic Invest acquiring a 5% stake.

In March 2025, VinEnergy proposed a total of 47,500 MW of renewable energy capacity for 2025-2035, including 20,500 MW by 2030 with an estimated USD20-25bn, comprising 13,900 MW of solar power and 6,600 MW of wind power. We see this proposal as ambitious, as these account for 32% and 24% of the additional solar and wind capacity planned of the revised Power Development Plan VIII.

VinEnergy potentially has 7% market share in LNG power once it completes its Hai Phong LNG phase 1 plant. It commenced construction of the Hai Phong LNG Power Plant just six months after its establishment. Phase 2 (3,200 MW)

VinEnergy is expected to be one of the promising players for developing offshore wind power projects.

Selected VIC - VinEnergy's developing and proposed power projects

Sector	Project	Capacity (MW/MWp)	Investment Value (USD mn)	Location	Note
LNG	Hai Phong LNG Power Plant	1,600	1,522**	Hai Phong	Approved. Phase 1, groundbreaking in Q3-2025.
Wind* ~7,000 MW	Halcom Hong Duc Wind	200	346**	Quang Tri	Pre FS. Proposed by VIC, received Investment License in Q4-2025.
	Ky Anh Wind	400	647**	Ha Tinh	Approved, received Investment License in Q3-2025, passed pre-qualification in Q4 2025.
	Eco Wind Ky Anh	498	860**	Ha Tinh	Approved, received Investment License in Q4-2025, passed pre-qualification in Q4 2025.
	Tra Vinh Nearshore Wind	3,000	4,500	Tra Vinh	Under Pre-FS. Proposed by VIC, 2 phases: 1,500 MW (2025-2030) and 1,500 MW (2031-2035).
	Quang Binh - Vingroup Wind	3,000	3,900	Quang Tri	Under pre-FS. Proposed by VIC, 2 phases: 1,500 MW (2025-2030) and 1,500 MW (2031-2035).
Solar ~2,000 MW	BESS integrated Solar Power System	43 MWp + 45 MWh BESS	N/A	Ha Tinh	Through DPPA, MOUs signed with VinFast, VinES, and V-G Ha Tinh.
	Son La Hydro Floating Solar Power	1,850	N/A	Son La	Under Pre-FS. Proposed by VIC, included in the Revised PDP VIII Implementation plan.

The Government is determined to deploy nuclear power plants, USD10-20bn

Development progress of Ninh Thuan 1 & 2 (NT 1&2) nuclear power plants

Q1 2025

- The establishment of the Steering Committee.
- National Assembly finalizes specific mechanisms for the project.

Expected in H2 2025

- Completion of site clearance compensation.

Expected in 2028

- Construction permit.

2024

- National Assembly agrees to continue the investment license for the project.

Q2 2025

- National Assembly assigns EVN as the investor for NT1 and PetroVietnam as the investor for NT2.
- National Assembly passes the Atomic Energy Law.

Expected for H2 2025-2027

- Technology selection (Russia/Japan/US).
- Environmental impact assessment (EIA).
- Pre-feasibility study (Pre-FS).
- Feasibility study (FS).
- Technical design (TD).
- Front-end engineering design (FEED).

Expected for 2028-2035

- Complete plant construction and commence operations.

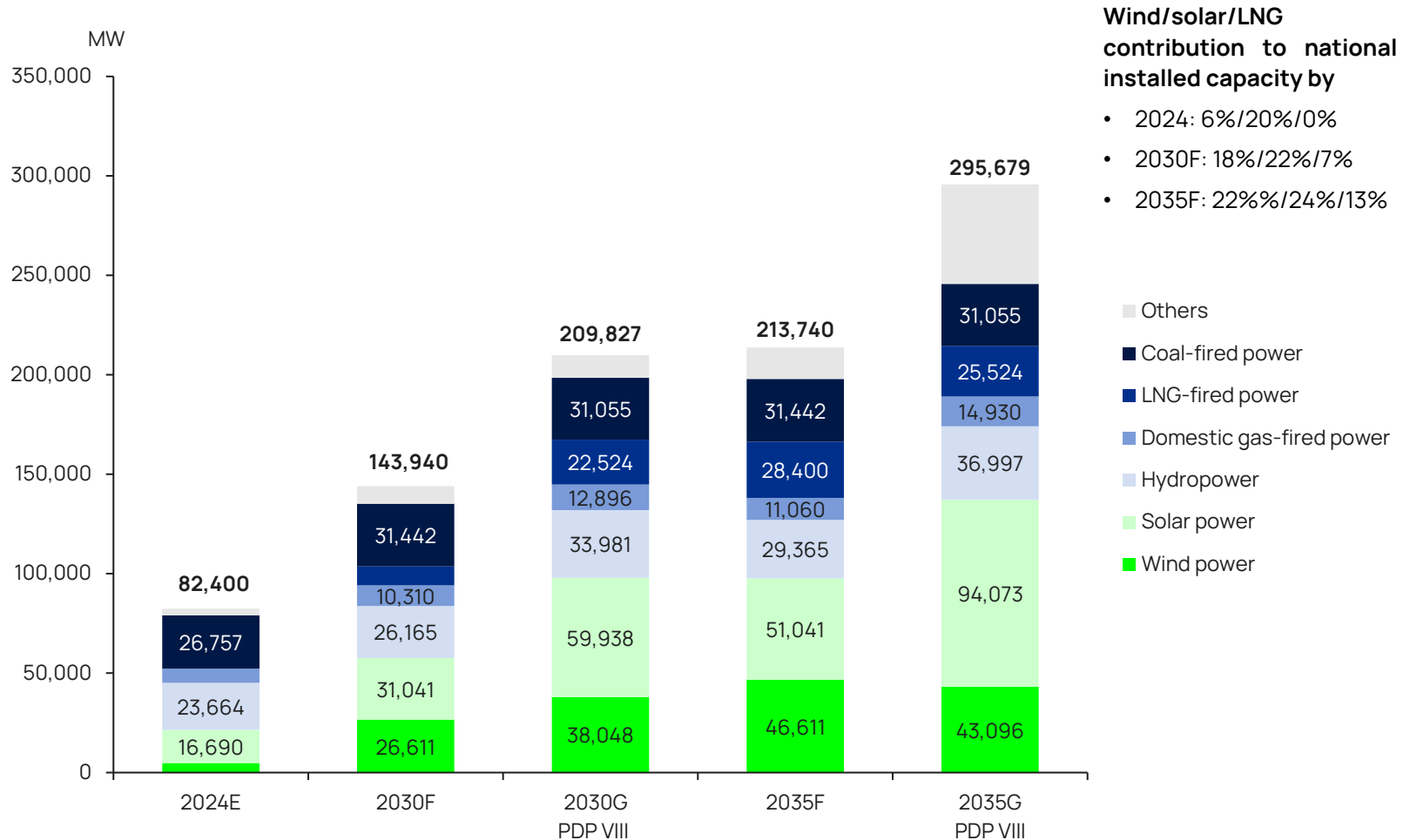
Government guidance on Ninh Thuan 1 & 2 nuclear power plant projects

Project	Capacity (MW)	Investment capital (USD)	Operational date (Revised PDP VIII)	Expected COD	Note
Ninh Thuan 1 nuclear power plant	2,000 – 3,200	~11 billion	2030–2035	2033-2035	State-owned
Ninh Thuan 2 nuclear power plant	2,000 – 3,200	~11 billion	2030–2035	2033-2035	State-owned

We expect nuclear plants to come online in 2035 per the latest deadline of the Government's guidance, contributing 3% of national power capacity, partly helping to maintain Vietnam's future electricity tariff's competitive advantage vs its regional peers.

Wind/Solar/LNG – the new pillars for power source security in 2025-30F

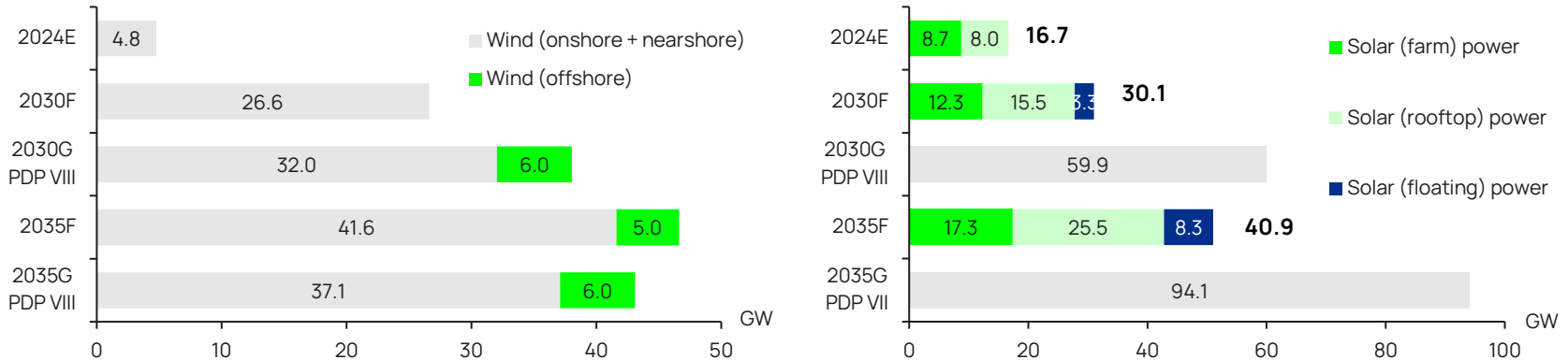
Vietcap estimates high power generation capacity growth with CAGRs reaching 10%/8% in the 2024-30F/2030-35F periods to meet consumption demand growth of 9%/5% (MW)



Renewable Power & LNG

Onshore and nearshore wind power projects accelerate as regulatory barriers are removed

Vietcap forecasts for renewables capacity growth by 2030/35F vs Revised PDP VIII (1 GW = 1,000 MW)



Projects approved for investment license/groundbreaking after regulatory clearance

Sector	Investor/Partner	Project	Capacity (MW/MWp)	Location	Investment Approval Date/Breaking ground
Wind	HDG	Phuoc Huu	50	Ninh Thuan	April 2024/Q4 2025
	HDG	Binh Gia	80	Lang Son	April 2024/ Q4 2026
	REE	V1-5 and V1-6 Phase 2	80	Tra Vinh	August 2025
	TV2	An Dong 1	50	Ca Mau	June 2024/Q4 2025
	TV2	Tan Thuan Phase 3	25	Ca Mau	October 2025
	GEG	Tan Thanh	100	Dong Thap	June 2025
	Nexif Ratch Energy Se Asia	Van Canh	143	Gia Lai	September 2025
	VinEnerg	Ky Anh	400	Ha Tinh	September 2025
	N/A	SCI Huong Viet, SCI Tan Thanh	56	Quang Tri	July 2025
	N/A	Win 12 3	146	Quang Tri	April 2025
	N/A	Hon Trau Phase 1	750	Gia Lai	November 2025
	Xuan Thien & Cuong Thinh Thi consortium	Quang Ninh 1	200	Quang Ninh	November 2025
	Solar	N/A	Phuoc Thai 2 & 3	150	Ninh Thuan
DPPA	VSIP/LEGO Vietnam	KCN VSIP III	2	Binh Duong	September 2025
	VinEnerg/VFS-VinES-VG	KKT Vung Ang	88	Ha Tinh	August 2025

Attractive wind tariffs approved and potential no PPA negotiation to boost next wave of wind capacity development

On May 30, 2025, the MoIT issued Decision 1508/QĐ-BCT, approving ceiling prices for wind power that receive COD in 2025. This move breaks a three-year stagnation period caused by uncompetitive transitional tariffs and confirms our positive view on the 2025 policy license.

- REE can already execute project development with IRR of 10%-11% at EVN's proposed wind prices, which are 12% to 4% lower than these approved prices.
- Although the new wind tariffs are ~14%-21% lower than FIT 1, they remain 9%-18% above transitional prices. When combined with declining capex in recent years, this should ensure IRR of 11-12%.
- This supports our new wind capacity development forecasts for HDG/REE/PC1 to respectively increase 12x/6x/3x by 2029F to ~600/800/440 MW from 2025.

2025 wind power ceiling prices vs FIT 1 and transitional prices

US cent/kWh	FIT 1 prices 2021	Transitional prices* 2022- 2024	2025 ceiling prices*	2025 vs FIT 1 (%)	2025 vs Transitional (%)
Onshore wind	8.5	6.2	7.3	-14%	+18%
Nearshore wind	9.8	7.1	7.7	-21%	+9%

Potential elimination of the PPA negotiation phase:

Power projects currently undergo two pricing steps: (1) proposing a tariff to obtain the investment license and (2) negotiating the PPA price with EVN.

In Q4 2025, a **Draft Resolution** on removing energy-sector bottlenecks and promoting energy development **proposes eliminating the PPA negotiation phase, adopting the investment-license tariff as the final PPA price (excluding thermal and offshore wind)**. We expect this change to streamline and significantly accelerate onshore/nearshore wind and solar project implementation.

Potential higher Qc of offshore wind power (capex of USD10-30bn)

Development progress of the legal framework for offshore wind power projects

Oct-2018: Resolution 36-NQ/TW: Maritime Economic Strategy, identifying RE (including offshore wind power) as a key sector.

Feb-2025: Decree 37/ND-CP: Plan for implementing marine spatial planning (2026-30); requires identification of priority offshore wind power zones.

Jun-2025: Decision 1824/QĐ-BCT: Approval of offshore wind power price of 3,641 VND/kWh (~14.2 US cents/kWh), higher than the 2025 LNG (3,327 VND/kWh).

Expected 2027: Competitive bidding for electricity selling price.

Expected 2028-2035: Commence construction, start commercial operation.

Jun-2024: Resolution 139/2024/QH15: Approval of National Marine Spatial Planning 2021-30, vision to 2050, allocating 34,000 ha of sea for encouraged offshore wind power development.

Mar-2025: Decree 58/ND-CP - Guiding the Electricity Law on RE, stipulating 80% offtake for offshore wind power output -> potential to increase to 90%.

Mar-2025: Decree 65/ND-CP: Regarding the allocation of sea areas to organizations/individuals for exploitation and use.

Sep-2025: Announcement of 20 national standards on offshore wind power.

Key milestones required in 2025-2026 to kick-off offshore wind power:

1. Issue detailed Marine Spatial Planning (foundational element in all markets).
2. Rules for competitive bidding on electricity selling price.
3. Issue survey permits.
4. Grid connection and onshore infrastructure studies.
5. Industry development plan.

1. Vietnam's offshore wind power potential:

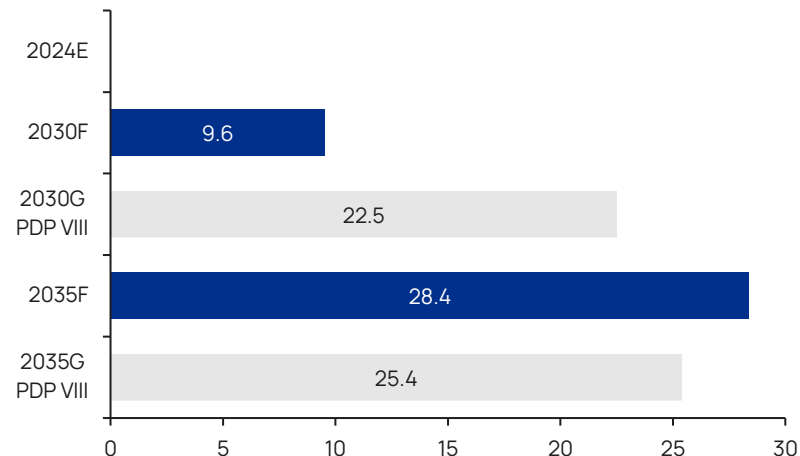
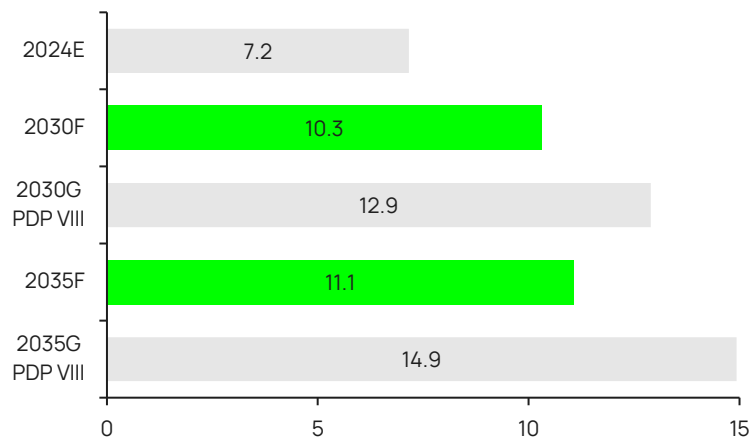
- According to a World Bank (WB) assessment, Vietnam has a technical potential of nearly 600 GW of offshore wind power in nearshore waters.
- Reports from Vietnam's maritime management agency suggest a larger figure: 1,068 GW (within the full Exclusive Economic Zone).

2. Potential offshore wind power projects and investors:

- **PVN - Copenhagen Infrastructure Partners (CIP) (Denmark) developing the La Gan project (3.5 GW), total investment capital of USD10.5bn.**
- **Enterprise Energy (EE) (UK) developing the Thang Long Wind project (3.5 GW), total capex of USD11.9bn.** EE was granted a survey license from 2019 and expects CoD from 2029.
- **REE (REE Corporation):** Has submitted a project to the Government to develop **10 GW of offshore wind power** in the southern region by 2040, with expected capex of **USD35-40bn** (REE contributing ~51% of capital, the remainder from partners). The plan is divided into 3 phases: Phase 1 (2032) 2 GW, Phase 2 (2035) 3 GW, and Phase 3 (2036 - 2040) 5 GW. On November 11, 2025, REE received the rights to use 7,091 ha offshore area to conduct surveys for Nam Bo 3 offshore wind (500 MW, Vinh Long Province).

Potential higher Qc for LNG power plants

Vietcap forecasts for domestic gas (left) and LNG (right) power source growth by 2030/35F vs revised PDP VIII (GW)



Projects approved for investment policy/commence construction after mechanism clearance, ~6 GW

Sector	Investor / Partner	Project	Capacity	Location	Time of receiving Licence/Commencement	Investment
LNG	1. GAS	Northern Central LNG Terminal	1-3 MMTPA	Ha Tinh	Sep-2025	
	2. Tokyo Gas/Truong Thanh	Thai Binh LNG Power Plant	1,500 MW	Thai Binh	Q4-2025 Commencement	
	3. EVN	Quang Trach 2 LNG Power Plant	1,500 MW	Quang Binh	Q4-2025 Commencement	
	4. VIC/VinEnerg	Hai Phong LNG Power Plant	1,600 MW	Hai Phong	Q3-2025 Commencement	
	5. GS Energy-Vinacapital	Long An I & II LNG Power Plant	3,000 MW	Long An	Q1-2026	

Expecting new decree on DPPA mechanism

The Government issued Decree 57/2025/NĐ-CP on March 3, 2025, regulating the direct power purchase agreement (DPPA) between renewable power generators and large consumers, replacing Decree 80/2024 from July 2024 with the following changes in the table.

1,500 large users consuming over 1 million kWh/year, accounting for 25% of national power consumption, are qualified for DPPA adoption.

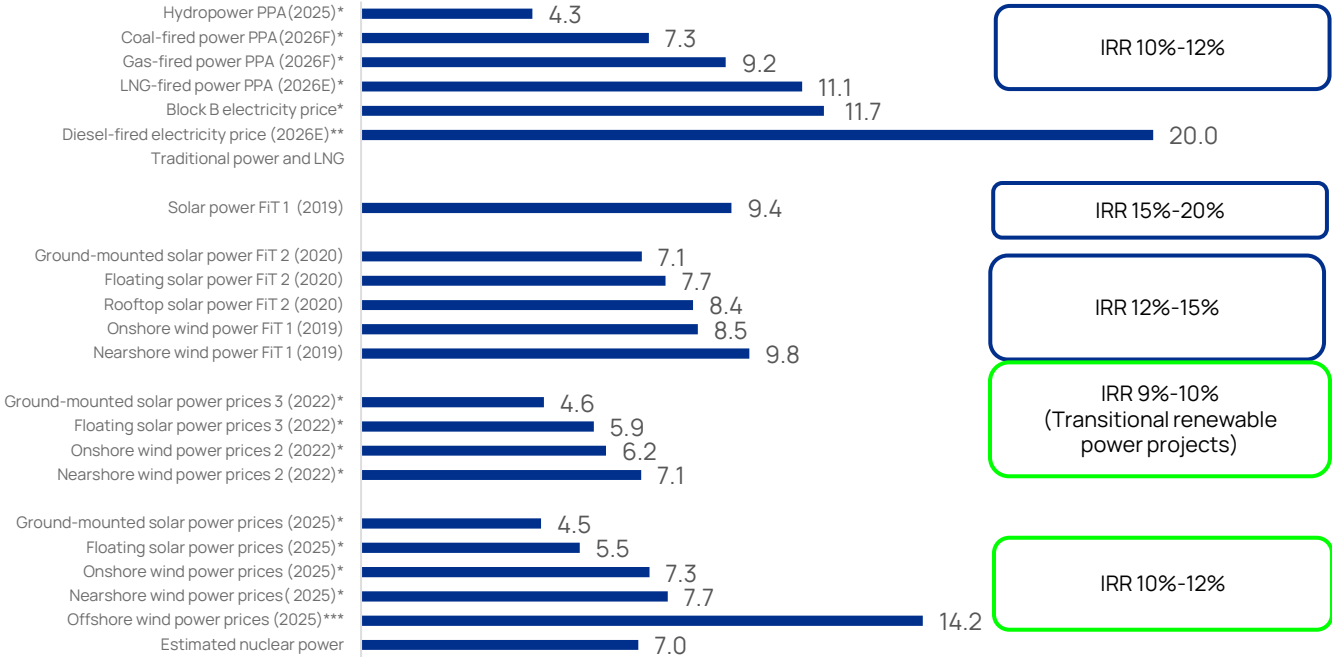
	Decree 80/2024 (Old)	Decree 57/2025 (New)
Requirements for “Large end -users”	200,000 kWh/month power consumption	Meet periodic requirements set by the MoIT.
Hydropower plant participation (Off-grid DPPA)	Small hydropower plants	All hydropower plants.
Sell surplus electricity from rooftop solar power	N/A	Sell up to 20% of their production to EVN.
Power plant type (Grid-connected DPPA)	Wind and solar power (10MW and above)	Wind, solar, or biomass power (10 MW and above).
Price cap (Off-grid DPPA)	No limit, subject to negotiation between parties	Subject to negotiation between parties but must not exceed the maximum limit within the regulated price framework for the respective power sources.
Grid management	EPTC	EPTC and NSMO.

***Our view:** We anticipate a more attractive service fee and more favorable regulations in 2026F to boost implementation, benefiting REE and PC1.*

New pricing mechanism for renewable power in 2025 to boost new wave of investments

New ceiling prices for wind/solar in 2025 were released in H1 2025, boosting new capacity developments after three muted years with our estimated IRR of 10%-12%, amid decreasing capex/MW for wind and solar power over the past three years.

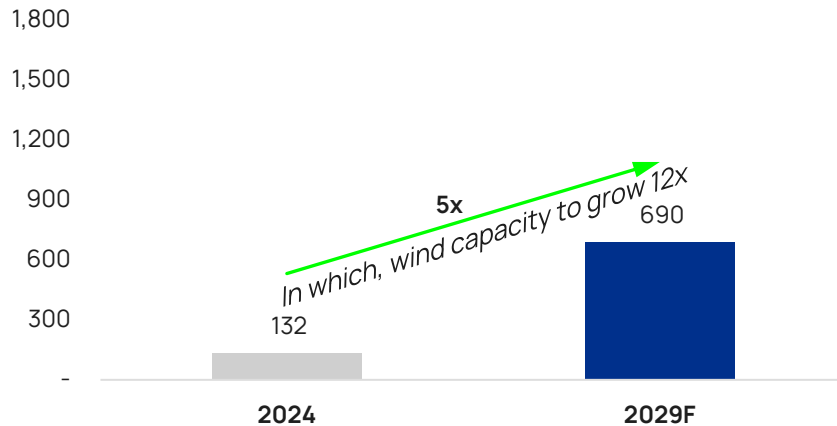
Contracted Power Purchase Agreement (PPA) of traditional power vs FiT and new prices of renewable energy (US cents/kWh)



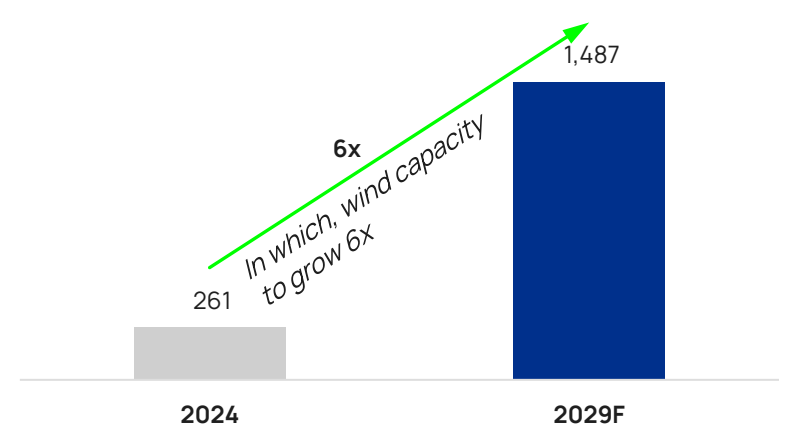
Source: EVN, MoIT, Vietcap (*Prices are denominated in VND, which we convert to VND at a USD/VND rate of 25,670; **Based on assumed Brent oil price of USD70/bbl; ***US 14.2 cents is price applying for initial offshore wind projects in Vietnam, while global prices are applied for more matured offshore wind markets (China, EU, US) range between US 5 and 12 cents/kWh).

Renewable energy capacity expanding

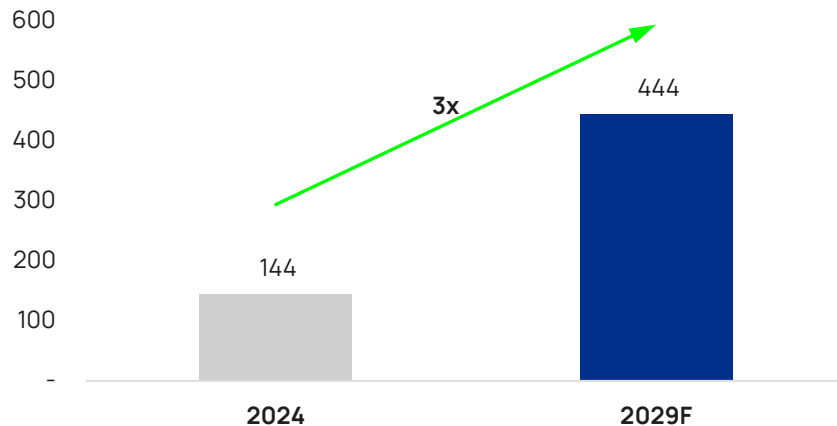
HDC's projected renewable energy capacity (MW)



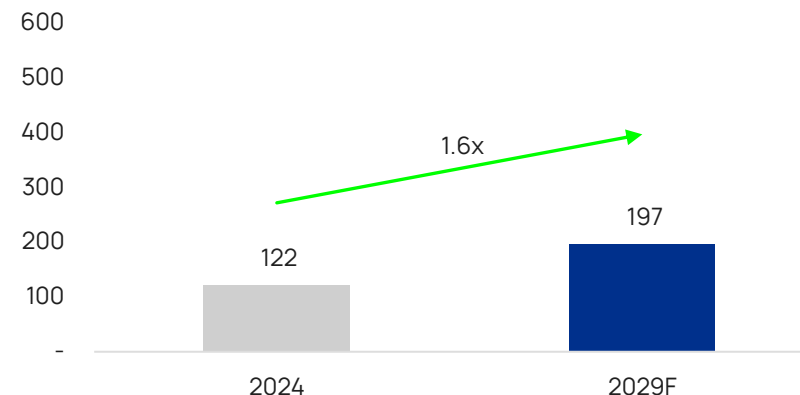
REE's projected renewable energy capacity (MW)



PC1's projected renewable energy capacity (MW)



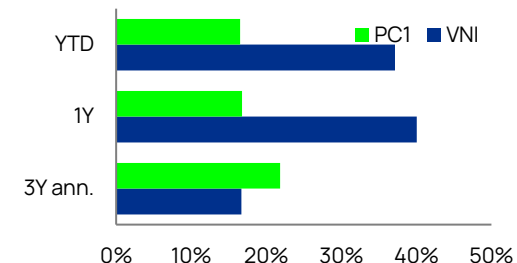
TV2's projected renewable energy capacity (MW)



PC1 – Power construction recovery gaining strong momentum

Rating*	BUY	(VND bn)	2024	2025F	2026F	2027F
Share Price (Dec 4)	VND23,200	Revenue	10,089	12,427	14,267	17,390
Target Price (TP)*	VND27,000	%YoY	31.1%	23.2%	14.8%	21.9%
		NPAT-MI	468	700	873	1,799
		%YoY	1189.5%	49.8%	24.6%	106.1%
Upside to TP	+16.4	Core NPAT-MI %YoY	592.7%	32.6%	19.2%	98.6%
Dividend Yield	0.0%	GPM	20.7%	20.1%	19.3%	22.8%
TSR	+16.4%	NPM	4.6%	5.6%	6.1%	10.3%
		ROE	8.8%	12.2%	14.0%	25.0%
Industry	Power	Net D/E	110.2%	95.9%	101.8%	109.4%
Market Cap	USD362mn	Dividend yield	0.0%	0.0%	0.0%	0.0%
Foreign Room	USD137mn	DPS (VND)	0	0	0	0
ADTV30D	USD1.3mn	P/E	22.0x	14.7x	11.8x	5.7x
State Ownership	0.0%	P/B	1.7x	1.6x	1.5x	1.2x
Outstanding Shares	411mn	EV/EBITDA	8.4x	7.5x	6.9x	5.0x
Fully Diluted Shares	411mn					

* TP and rating last updated November 5, 2025.



Company Overview

PC1 has 50 years of experience in erecting and installing power transmission lines & substations in Vietnam. Its key businesses include 1) 313 MW of power generation capacity (169 MW hydropower; 144 MW wind), 2) power-related construction, 3) residential and industrial real estate, and 4) nickel minerals.

Substantial power construction on track in both the top line and margin: Power construction revenue rebounded strongly in 9M 2025 to VND4tn (+64% YoY), driven by EVN's continued capex expansion in transmission infrastructure, with PC1 securing major projects such as the Con Dao submarine cable (VND1.8tn). Gross margin improved steadily for three consecutive quarters to 9.2% in Q3, bringing 9M 2025 GPM to 8.5% (up from 7% in 2024), in line with our projection. We expect (1) average 2026–29F revenue of VND8.5tn (+63% vs 2025F), supported by higher private-sector contribution following the approval of new wind and solar prices, and (2) gradual GPM recovery toward a normalized 9.3% over 2026–29F.

PC1 stands as the prime beneficiary of the Revised PDP VIII. Transmission capex is set to quadruple in 2025–30 vs 2020–24, with 500kV line length planned to rise 3.8x, with accelerated disbursement from private participation. We also expect PC1's wind capacity to double by 2028F. Together with its residential real estate segment, these drivers support a 2026–28F EPS CAGR of 57%. **PC1 expects a revision of PDP VIII's implementation plan to add more projects and as such, will benefit further.**

In our [November Update Report](#), we maintain our target price for PC1 at VND27,000/share but upgrade our rating to BUY from OUTPERFORM as its share price has decreased 8% over the past three months.

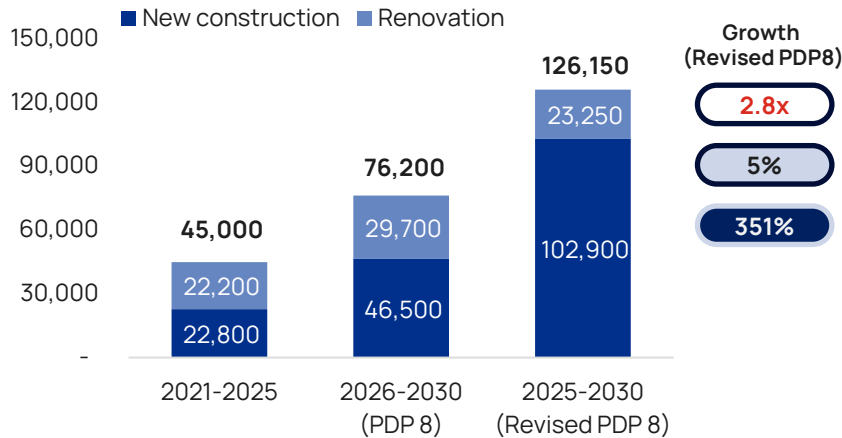
We project 25% NPAT-MI growth in 2026F, driven by (1) +61% YoY power construction gross profit (GP) on revenue expansion and (2) +17% YoY nickel GP (volume recovery, rising ASP).

PC1's valuation is compelling with a 2026F P/E of 11.8x, ~45% lower than its historical 4Y P/E and implied PEG of 0.2 based on a projected 2026–28 EPS CAGR of 57%.

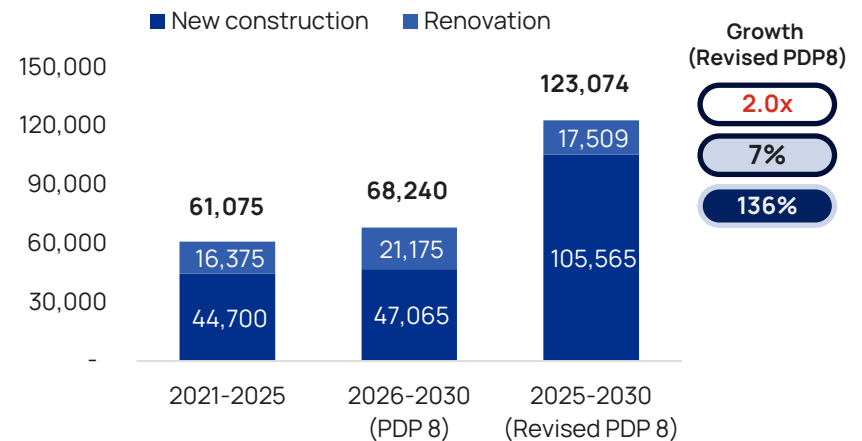
Upside potential: Upside to our 2025F NPAT-MI due to recent strong guidance; stronger-than-expected backlog/revenue from both EVN/private on strong transmission infrastructure and wind expansion developments. **Downside risks:** Higher-than-expected FX loss to weigh on short-term reported NPAT.

Investment growth in 500kV substations, transmission lines for 2026 – 2030 to benefit PC1 & TV2

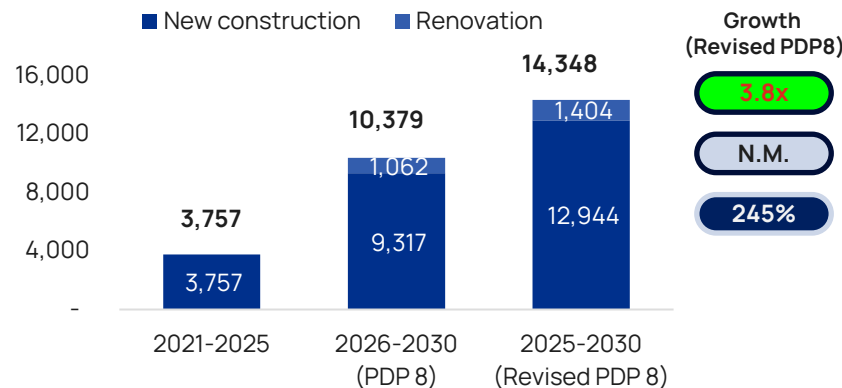
500kV substations capacity (MVA)



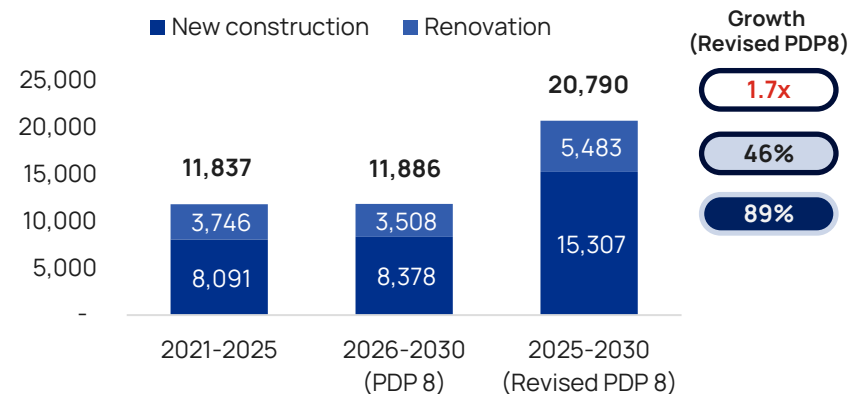
220kV substations capacity (MVA)



500kV transmission line length (km)



220kV transmission line length (km)



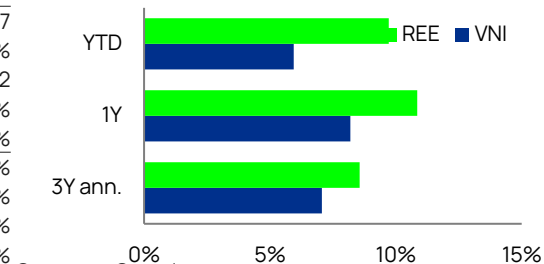
Transmission Infrastructure (TI) capex of USD10bn in 2025-30, 2x vs 2020-24, partly from privatization trend, benefits PC1

Category	Before	After Resolution 70 & Amended Electricity Law (2024)
Legal framework	<ul style="list-style-type: none"> State fully invests and controls TI. 	<ul style="list-style-type: none"> Legalizing private investment in transmission infrastructure (TI): 110kV can be approved by provincial authority, 220-500kV is subject to MOIT/Gov approval.
Why does TI need private participation?	<ul style="list-style-type: none"> Current grid overload leading to power shortages and output curtailment. Project finance: large capex with no Government guarantee. Lengthy approval process. EVNNPT/NSMO bear risks. 	<ul style="list-style-type: none"> Power shortages partly come from shortage of TI. Accelerate TI investment, reduce curtailment to ensure IRR. Quicken approval process. Risk sharing.
Investment mechanism	<ul style="list-style-type: none"> State invests/operates/controls fully. 	<ul style="list-style-type: none"> Investors: private participation via PPP, BT, BOT, BOOT. Asset owner: EVN National Power Transmission Corp NPT, private investors (limited time, to accelerate private lines connecting renewables & potential LNG via DPPA), Independent Transmission Developer for specific grid (e.g. offshore wind, regional renewable hub). Operator: EVNNPT + NSMO, private investor for specific transmission lines.
Pricing mechanism		<ul style="list-style-type: none"> Transmission fee: either included in PPA prices or separated fee. FX conversion mechanism.
Capex	<ul style="list-style-type: none"> 2020-24 disbursement: ~USD4.5bn. 	<ul style="list-style-type: none"> 2025-30: Guidance of USD18.1bn in Revised PDP VIII (3x vs old PDP VIII), in which USD5.2bn (29% of total) comes from private sources. We estimate 2025-30F total disbursed capex of USD10.0bn (2.2x vs 2020-24), in which USD1.8bn comes from the private sector (~20% total), based on Revised PDP VIII target and our capacity expansion forecast.
Projects developed	<ul style="list-style-type: none"> Pilot for Trung Nam Group: 220-500kV lines (17 km) connecting Trung Nam – Thuan Nam (450 MW solar, online in December 2020); 500kV line (1.2 km) connecting Ea Nam (400 MW wind, online in October 2021). Pilot for Xuan Thien Group: 500kV line (22 km) connecting Ea Sup (600 MW solar, online in November 2020). Pricing mechanism is not disclosed. 	<ul style="list-style-type: none"> Viet-Lao Energy Investment JSC: 220kV line Truong Son – Do Luong (40 km) connecting 600 MW wind from Laos (online in September 2025). Pricing mechanism is not disclosed.

REE – Wind expansion progresses; hydropower secures growth

Rating*	BUY	(VND bn)		2024	2025F	2026F	2027F
Share Price (Dec 4)	VND63,900	Revenue		8,384	10,519	12,639	15,767
Target Price (TP)*	VND78,200	%YoY		-2.2%	25.5%	20.2%	24.8%
		NPAT-MI		1,993	2,613	3,141	4,132
		% YoY		-8.9%	31.1%	20.2%	31.5%
Upside to TP	+22.4%	EPS	% YoY	-8.9%	31.1%	20.2%	31.5%
Dividend Yield	1.5%	GPM		37.3%	36.6%	36.4%	39.3%
TSR	+23.9%	NPM		23.8%	24.8%	24.9%	26.2%
		ROE		11.0%	13.1%	14.1%	16.3%
Industry	Utilities	Net D/E		16.5%	10.7%	38.1%	55.6%
Market Cap	USD1.3bn	Dividend yield		1.6%	1.6%	1.6%	1.6%
Foreign Room	USD0mn	DPS (VND)		1,000	1,000	1,000	1,000
ADTV30D	USD1.0mn	P/E		17.4x	13.2x	11.0x	8.4x
State Ownership	5.3%	P/B		1.8x	1.7x	1.5x	1.3x
Outstanding Shares	542mn	EV/EBITDA		11.2x	9.4x	8.1x	5.6x
Fully Diluted Shares	542mn						

* TP and rating last updated November 4, 2025.



Company Overview

REE is a holding company with three main business lines: power (~1,050 MW, contributing nearly 50% of total earnings), mechanical and engineering installation (M&E), and office leasing. REE is a leading M&E player and possesses 182,000 sqm of office leasing space. Other segments include water & real estate.

Progressing wind capacity expansion at REE. After the favorable new wind tariff approvals in May 2025, REE began developing the Duyen Hai near-shore wind farm (48 MW), with expected COD in mid-2026. In October 2025, REE also established subsidiaries for V1-3 Phase 2 (48 MW) and V1-5 & V1-6 Phase 2 (80 MW), which we expect to come online in Q4 2026 and 2027, respectively. REE has additionally proposed feasibility studies for ~350 MW of new projects in Tra Vinh (V3-5, V3-7, V1-4 Phase 2). These initiatives **highlight REE's strong execution capability and financial strength**, supporting our forecast of 96/280/300 MW wind additions in 2026/27/28F. **We project REE to double its ownership-adjusted power capacity to ~2,300 MW by 2029F** (vs REE's target to triple), driven by 8x/5x increases in wind/solar capacity (incl. floating solar).

On November 11, 2025, REE received the rights to use 7,091 ha offshore area to conduct surveys for Nam Bo 3 offshore wind (500 MW, Vinh Long province), providing upside potential to our long-term NPAT projection.

Favorable hydropower outlook in 2026/27F: We expect strong earnings growth in REE's hydropower segment during 2026–27F, supported by the continued transition toward La Niña conditions (per weather forecasting consensus), which has driven solid hydropower results in 2025. Accordingly, we project **hydropower NPAT-MI to grow 12%/14% YoY in 2026/27F**, contributing 74%/57% to REE's power segment's NPAT-MI - the company's key earnings driver.

In our November Update Report, we raise our target price for REE by 8.3% and upgrade our rating to BUY from MARKET PERFORM as the share price has decreased 4% over the past two months.

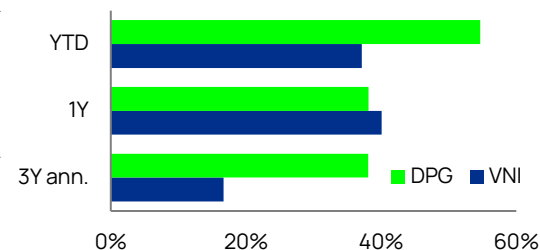
We project 2026F NPAT-MI growth of 20% YoY, mainly driven by (1) +17% YoY power earnings on favorable hydropower and 96 MW of new wind capacity, (2) +39% YoY office leasing NPAT-MI on recovering occupancy rates, and (3) 3x YoY real estate NPAT.

REE's valuation looks undemanding with a 2026F P/E of 11.0x, 28% cheaper than REE's 2Y median P/E and implying a PEG of 0.5 based on a 2026–28 NPAT-MI CAGR of 21%. **Downside risk:** Delay of new wind projects. **Upside potential:** Guided ~VND150bn provision write-back for the M&E segment in 2025, and a potential gain from selling held-for-trading securities (VIB) in the long term.

DPG – Energy, construction segments to boost valuation further

Rating*	BUY	(VND bn)	2024	2025F	2026F	2027F
Share Price (Dec 4)	43,800 VND	Revenue	3,578	4,866	5,793	7,385
Target Price (TP)*	55,200 VND	%YoY	4%	36%	19%	27%
		NPAT-MI	224	341	770	950
		% YoY	10%	52%	125%	23%
Upside to TP	+26.0%	EPS	10.3%	52.5%	125.5%	23.5%
Dividend Yield	2.3%	GPM	15.3%	18.1%	27.0%	26.1%
TSR	+28.3%	NPM	6.3%	7.0%	13.3%	12.9%
		ROE	9.0%	12.2%	22.6%	22.0%
Industry	Diversified	Net D/E	52.9%	84.8%	56.5%	38.4%
Market Cap	USD168mn	Dividend yield	2.3%	2.3%	2.3%	2.3%
Foreign Room	USD73mn	DPS (VND)	1,000	1,000	1,000	1,000
ADTV30D	USD0.6mn	P/E	19.7x	12.9x	5.7x	4.6x
State Ownership	0.0%	P/B	1.5x	2.0x	1.5x	1.2x
Outstanding Shares	101mn	EV/EBITDA	11.2x	9.4x	5.3x	4.0x
Fully Diluted Shares	101mn					

* TP and rating last updated September 04, 2025



Company overview

DPG is a private company operating primarily in (1) bridge & road construction, (2) the energy sector with a 100 MW hydro power portfolio, and (3) the real estate sector with ~240 ha of landbank in central Vietnam.

In our [September update report](#), we raise our target price (TP) for DPG by 10% to VND55,200/share and upgrade our rating from OUTPERFORM to BUY. Our higher TP is due to a 6% increase in our aggregate NPAT forecast, with respective changes of +13%/+8%/+3%/+8%/+4% for 2025/26/27/28/29F. This is mainly due to 1) 15% higher aggregate profit from the energy segment as we expect 8% higher aggregate hydropower sales volume and 2) 8% higher profit from the construction segment following higher-than-expected newly-signed contract value in 8M 2025, which outweighs (3) slightly lower real estate earnings due to higher financial expenses.

We forecast 52% NPAT-MI growth in 2025F, mainly due to (1) turnaround of the real estate segment with the Casamia Balanca project's initial revenue book of ~VND600bn, (2) construction revenue recognition of record high signed contracts in 2023 (VND5.8tn), and (3) higher hydropower sales volume due to more favorable weather conditions.

We forecast DPG's NPAT to nearly triple over the next three years, which implies a 2025-2027F NPAT-MI CAGR of 67%, mainly driven by full contribution from Casamia Balanca (31 ha) with an estimated total NPAT of ~VND1.4tn over 2025-2027, single digit top-line growth from the construction segment, and stable earnings contributions from its hydropower portfolio.

We view DPG's valuation as attractive at 2025/26/27F P/Es of 12.9x/5.7x/4.6x. We forecast DPG to pay sustainable VND1,000/share cash dividends p.a.

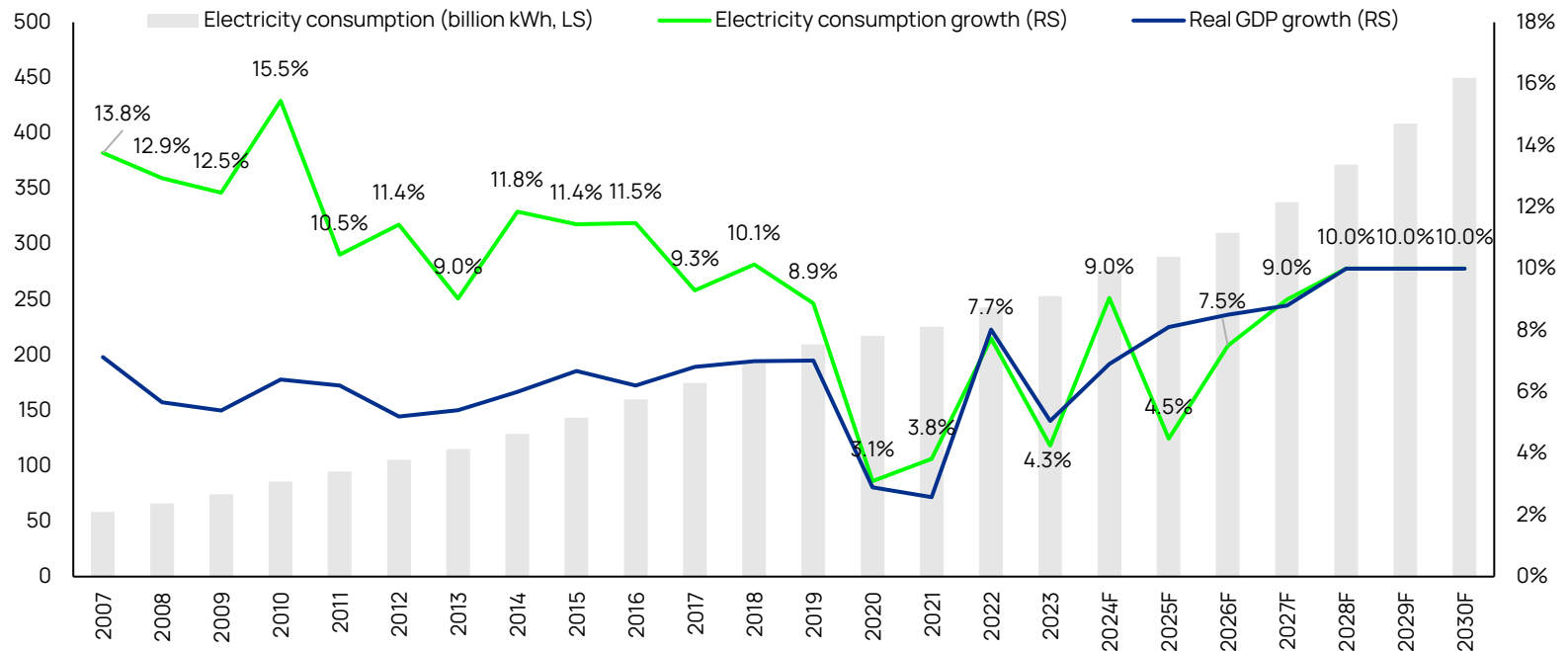
Downside risks: Slower-than-expected sales of Casamia Balanca; PV solar glass' lower-than-expected volume or ASP.

Traditional Power

2026F electricity consumption growth to accelerate

- We maintain our 2026F electricity demand growth projection of 7.5% YoY (up from NSMO's 2025E +4.5% YoY), driven by our projected 8.5% GDP growth. This is lower than preliminary plan for demand growth of 6.4%-10.2% and official production target of 8.5%-14.1% in 2026F.
- We maintain our 2027-30F power consumption growth forecast of 9-10% p.a., supported by the National Assembly's strong target for GDP growth.

Vietnam's electricity consumption growth vs GDP growth*



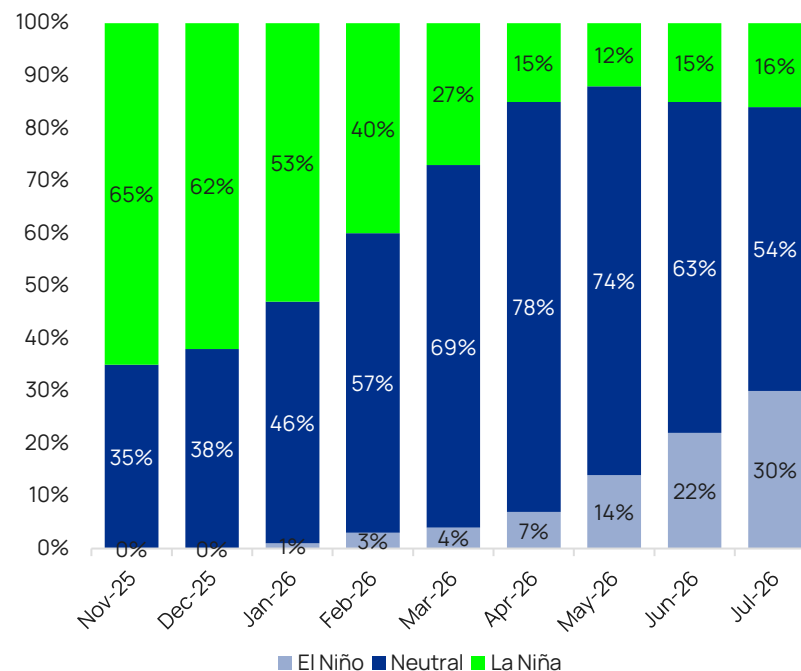
We forecast power capacity to grow 8% YoY in 2026

- We estimate 2025 national power capacity to grow 7% YoY, mainly coming from LNG-fired plants (Nhon Trach 3), coal-fired power projects (Vung Ang 2 rotor 1 - 660 MW), hydro (Hoa Binh expansion - 240MW).
- We forecast power capacity to grow 8% YoY in 2026, mainly from wind power (1,600 MW, ~USD2bn), coal fired power plants (Quang Trach 1 - 1,400 MW; Vung Ang 2 - rotor 2 - 665 MW), and solar RTS (1,100 MW).
- We project national installed capacity to grow 6-14% in 2026-2030F with more favorable policies.

Vietcap's forecasts for Vietnam's power generation capacity (MW)

MW	2022	2023	2024	2025F	2026F
Hydropower	22,544	22,872	23,664	24,493	25,336
Coal-fired power	25,312	26,757	26,757	27,417	29,592
Gas-fired & LNG power	7,160	7,160	7,160	7,910	8,660
Solar power (farm)	8,736	8,736	8,736	8,950	9,080
Solar power (rooftop)	7,954	7,954	7,954	7,873	8,961
Wind power	3,980	4,757	4,757	6,640	8,215
Others	2,114	2,319	3,372	5,122	5,422
Total capacity	77,800	80,555	82,400	88,405	95,295
YoY growth	1.5%	3.5%	2.3%	7.3%	7.8%

Probability for weather conditions as of October 2025



Gas/coal prices to increase 3%/4% YoY in 2026F

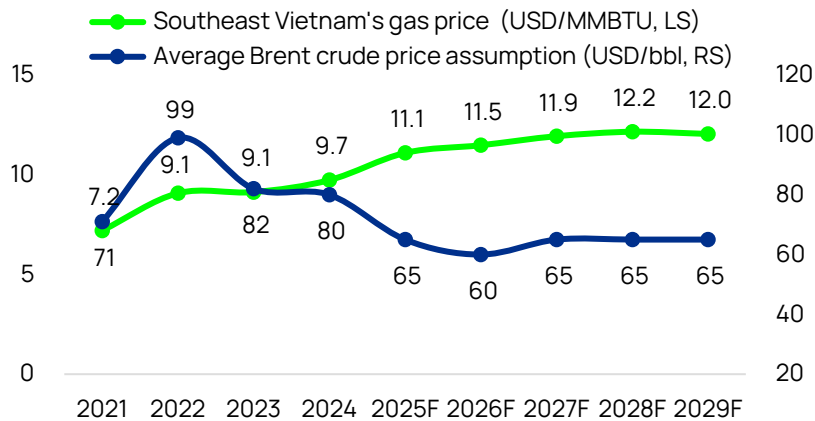
We expect gas prices for power plants to **be stable in 2026-29F at around USD11-12/MMBTU**, supporting demand growth from power plants amid EVN's ability to further raise retail electricity prices.

We expect mixed coal prices to increase 4% YoY in 2026, retaining coal-fired power cost-competitive vs gas-fired power (gas price +3% YoY in 2026F).

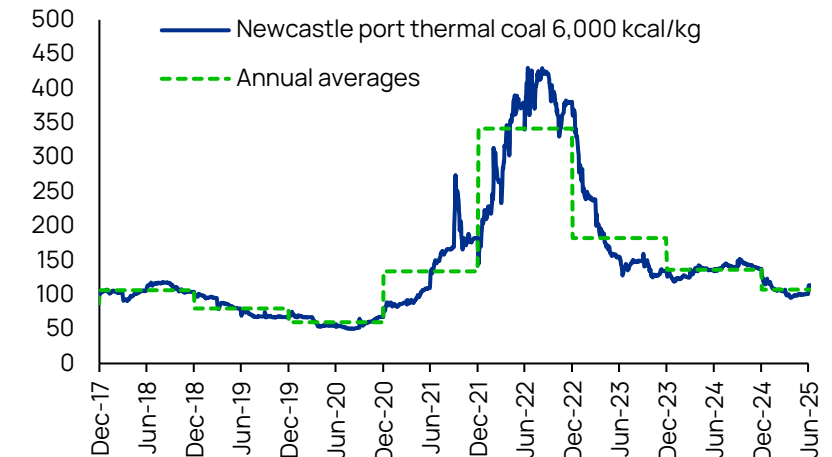
Forecast for average prices of 5a domestic coal and its mixed coal equivalent

VND mn/tonne	2022	2023	2024	2025F	2026F	2027F	2028F	2029F
Domestic coal, 5a (5,500 kcal/kg)	1,845	1,808	1,898	1,993	2,093	2,198	2,308	2,423
YoY growth	0.0%	-2.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Mixed coal, 5a equivalent (*)	2,738	2,238	2,460	2,275	2,358	2,294	2,534	2,539
YoY growth	48.4%	-18.3%	9.9%	-7.5%	3.6%	-2.7%	10.5%	0.2%

Gas price outlook for power plants in southeastern Vietnam (USD/MMBTU)



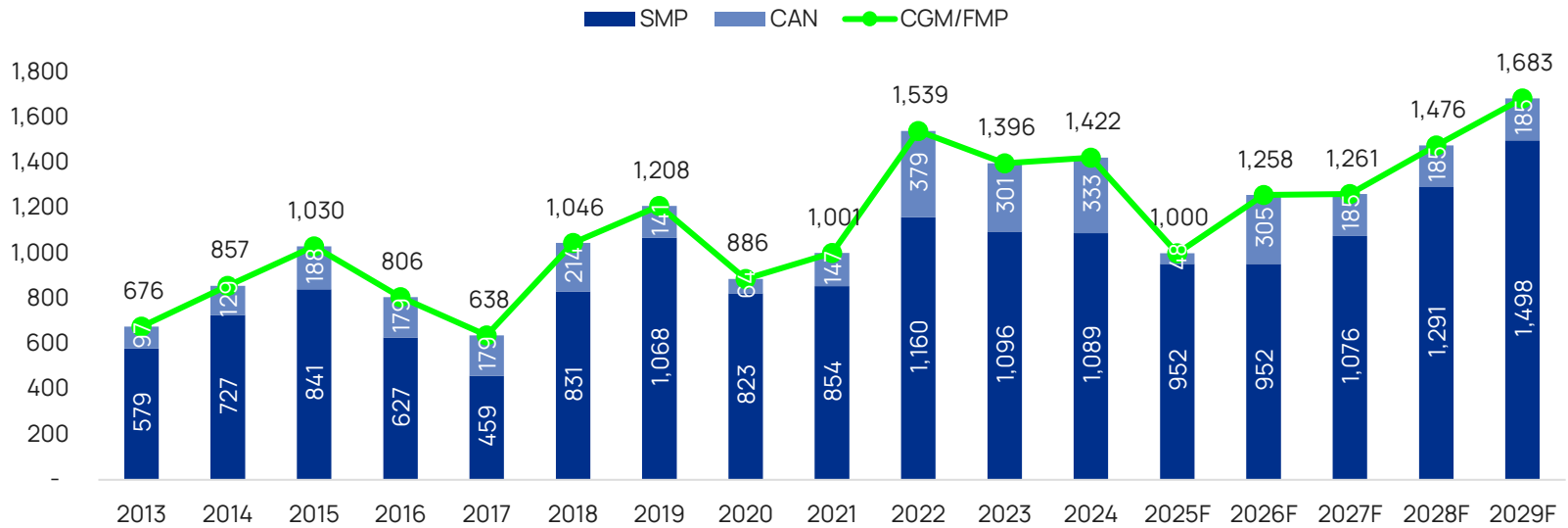
Newcastle thermal coal prices (6,000 kcal/kg) (USD/tonne)



2026F CGM price to recover +26% YoY on CAN normalization

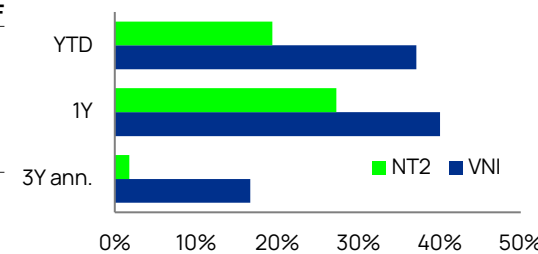
- We cut our 2025F average CGM forecast by 22% to VND1,000/kWh (-30% YoY) following weaker-than-expected 10M average of VND957/kWh (-31% YoY), driven by low demand growth due to storms, flooding, and cooler weather.
- We expect an average 2026F CGM price of VND1,261/kWh (+26% YoY), driven by a rising CAN price to VND305/kWh (6.4x YoY, normalizing toward the 2022-24 level from 2025's extreme low, per industry players), while we project SMP price remaining flat YoY (stronger demand +7.5% YoY and rising gas and coal cost ~4% YoY together offset stronger cheap sources – hydropower output).
- Overall, we lower our 2025-29F average CGM projection by 7% mainly due to our 2025F cut. This implies a 2024-29F CGM CAGR of 3.4%, in line with the inflation target.

Average CGM price outlook (VND/kWh)



NT2 – Robust profit to drive cash dividend tripling YoY

Rating*	BUY	(VND bn)	2024	2025F	2026F	2027F	
Share Price (Dec 4)	24,050 VND	Revenue	5,944	7,691	9,259	10,262	YTD
Target Price (TP)*	27,200 VND	%YoY	-6.9%	29.4%	20.4%	10.8%	1Y
		NPAT-MI	83	808	900	676	3Y ann.
		% YoY	-82.5%	875.1%	11.3%	-24.8%	
Upside to TP	+13.1	EPS	-82.0%	875.1%	11.3%	-24.8%	
Dividend Yield	8.3%	GPM	0.9%	11.4%	10.9%	7.8%	
TSR	+21.4%	NPM	1.4%	10.5%	9.7%	6.6%	
		ROE	1.9%	17.4%	17.5%	12.6%	
Industry	Utilities	Net D/E	-31.8%	-38.0%	-39.6%	-41.8%	
Market Cap	USD263mn	Dividend yield	2.9%	8.3%	8.3%	8.3%	
Foreign Room	USD91mn	DPS (VND)	700	2,000	2,000	2,000	
ADTV30D	USD1.1mn	P/E	86.6x	8.9x	8.0x	10.6x	
State Ownership	62%	P/B	1.7x	1.4x	1.4x	1.3x	
Outstanding Shares	288mn	EV/EBITDA	12.0x	5.7x	7.0x	8.7x	
Fully Diluted Shares	288mn						



Company overview
 NT2 is one of the most modern and efficient gas thermal power plants in Vietnam and provides approximately 4.5 billion kWh of electricity annually (~2% of the national power supply). The plant is in Dong Nai Province, which is an industrial & economic hub of southeast Vietnam.

In our [October update report](#), we maintain BUY rating and raise our target price (TP) for NT2 by 15.7% to VND27,200/share, mainly due to: (1) our higher 2025-30F aggregate reported NPAT projection (respective changes of +65%/+12%/-1%/-7%/-3%/-2%), (2) the positive impact of rolling our TP horizon from mid-2026 to end-2026, and (3) a 50% higher net cash balance.

Our higher 2025-30F aggregate reported NPAT projection is mainly due to our 7% higher ASP assumption for 2025-30F following NT2's stronger-than-expected 9M 2025 ASP which beat our forecast by 10% and a lower-than-expected gas price in Q3.

We project NT2's 2025 reported NPAT to surge 10x YoY to VND808bn, driven by (1) sales volume expanding 19% YoY, (2) a high contracted volume Qc of 3.5bn kWh (+ 58% YoY), and (3) the price spread increasing 73% YoY. NT2's 9M NPAT achieved 117% of our previous 2025F forecast.

We expect 2026F reported NPAT to continue rising to VND900bn (+11% YoY), driven by (1) ~VND370bn lower depreciation expenses, (2) continuous sales volume expansion to 3.7bn kWh (+16% YoY, below the 10Y average of 4.1bn kWh), and (3) ~VND270bn of one-off income.

NT2 expects dividend per share (DPS) to triple from VND700 in 2024 to VND2,000 in 2025 (8.3% yield) and we believe this DPS to be sustainable due to a strong FCF cash flow of ~VND1.0tn p.a. We forecast DPS to jump to VND3,000 (12.5% yield) from 2028 onward.

NT2's valuation is undemanding with a 2026F PER of 8.0x, 42% lower than the 5Y average of comparable single power plant peers (13.7x) and 62% lower than NT2's own 5Y average. Implied dividend yield at our TP is 7.4%, which makes NT2 compelling vs bank deposits.

Downside risk: Lower-than-expected price spread/volume in 2026.

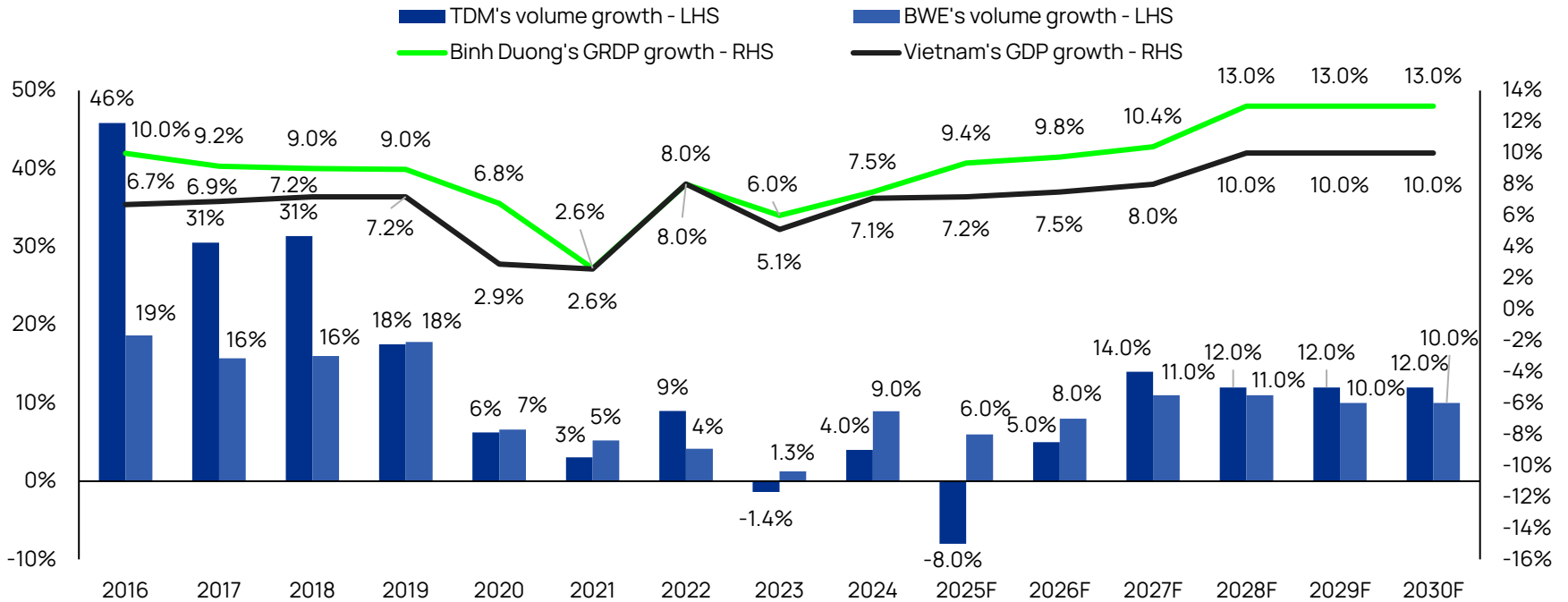
Upside potential: Sooner-than-expected receipt of a forest fee and FX loss compensation.



Water Sector

Bright outlook for clean water in Vietnam

BWE and TDM's water volume outlook



Binh Duong's water tariff is expected to increase

Pattern 1: Water tariff to increase steadily by ~5%-10% p.a.

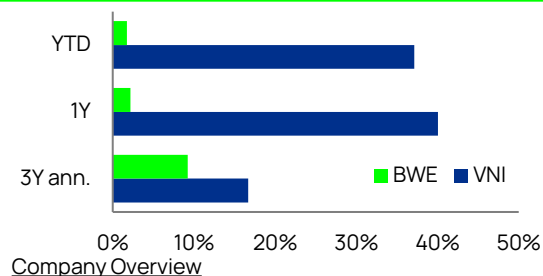
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Binh Duong	16%		4%			6%	5%	5%	6%	5%			
HCMC	11%						6%	6%	6%	6%			
Ba Ria - Vung Tau	10%		9%	11%	10%	14%						8%	
Binh Phuoc			4%		5%	3%	3%	11%	12%	5%	4%	4%	4%
Tay Ninh			4%		4%						17%		
Long An				23%		2%		14%	8%	8%	8%		5%
Bac Lieu						5%					7%	3%	11%

Pattern 2: Water tariff to be raised substantially (~30%-50%) after being kept flat for several years.

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Ha Noi	13%	12%	10%								36%	10%	
Dong Nai		36%								15%			
Can Tho	43%						14%					33%	
Soc Trang				17%			32%		10%				
Hau Giang						48%			11%		17%		
Vinh Long			13%		21%		13%						33%
Ben Tre				41%									
Tra Vinh					31%					28%			
Ca Mau		39%									18%		15%
Quang Tri	16%			25%								37%	
Quang Binh		10%			8%				12%				32%

BWE - Higher water GPM to outweigh water tariff, waste tariff delay

Rating*	BUY	(VND bn)	2024	2025F	2026F	2027F
Share Price (Dec 4)	VND47,000	Revenue	3,959	4,342	4,640	5,362
Target Price (TP)	VND57,300	%YoY	12.3%	9.7%	6.9%	15.6%
		NPAT-MI	642	862	1,093	1,666
		% YoY	-4.8%	34.2%	26.9%	52.5%
Upside to TP	21.9%	Core NPAT	763	885	1,103	1,673
Dividend Yield	2.8%	Core EPS	5.3%	16.0%	24.6%	51.7%
TSR	+24.7%	DPS (VND)	1,300	1,400	1,500	1,600
		GPM	42.8%	44.6%	47.1%	53.2%
Industry	Utilities	NPM	16.2%	19.8%	23.6%	31.1%
Market Cap	USD403mn	ROE	12.3%	14.8%	17.1%	23.0%
Foreign Room	USD166mn	Net D/E	100.3%	96.6%	89.0%	66.7%
ADTV30D	USD0.3mn	P/E	19.4x	14.5x	11.4x	7.5x
State Ownership	19%	P/B	1.9x	1.8x	1.6x	1.4x
Outstanding Shares	220 mn	EV/EBITDA	9.5x	8.1x	7.9x	6.6x
Fully Diluted Shares	220 mn	* TP and rating last update November 11, 2025				



Company Overview

BWE is the second largest water distribution company in Vietnam and had a capacity of 822,000 cbm per day as of 2023. BWE offers a full environmental value chain from water generation and distribution (80% of gross profit) to wastewater treatment. BWE is also active in waste treatment, funeral services, and rooftop solar power.

In November update, we raise our target price (TP) for BWE by 7.9% to VND57,300/share and upgrade our rating from OUTPERFORM to BUY. Our higher TP is mainly due to an 11% increase in BWE's stand-alone valuation (given a 2% upward revision in our aggregate NPAT-MI forecast for 2025-2030F, with respective changes of +7%/-4%/+1%/3%/4%/2% for 2025/26/27/28/29/30F) and the positive impact of rolling our TP horizon from mid-2026 to end-2026.

Our higher aggregate 2025-2030F NPAT-MI forecast is primarily due to (1) a higher water GPM assumption given lower outsourcing & other cash costs following Q3 results and (2) a decrease in the input price from TDM for the 2026-2030 period (~30% of BWE's water volume), which outweighs (3) a one-year delay in the water tariff hike due to longer-than-expected procedures following provincial mergers, and (4) a six-month delay in the 20% waste tariff hike following the company's guidance.

We forecast a 34% YoY increase in 2025 NPAT-MI to VND862bn due to (1) +6% YoY water volume and (2) a VND72bn increase in profit from the wastewater segment & financial income.

We forecast 2026 NPAT to grow 27% from (1) 8% water volume growth, (2) 11% waste volume growth, and (4) a 20% waste tariff hike from mid-2026.

BWE's valuation looks attractive at a 2026F P/E of 11.4x which implies a PEG of 0.3 and is 23% cheaper vs its regional peers' P/E.

Downside risk: Later-than-expected water tariff hike.

Disclaimer

Analyst Certification of Independence

I, Nam Hoang, and the Vietcap Research Analysts, hereby certify that the views expressed in this report accurately reflect our personal views about the subject securities or issuers. We also certify that no part of our compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The equity research analysts responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues, which include revenues from, among other business units, Institutional Equities and Investment Banking.

Vietcap and its officers, directors and employees may have positions in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment). Vietcap may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment.

Copyright 2025 Vietcap Securities Company "Vietcap". All rights reserved. This report has been prepared on the basis of information believed to be reliable at the time of publication. Vietcap makes no representation or warranty regarding the completeness and accuracy of such information. Opinions, estimates and projection expressed in this report represent the current views of the author at the date of publication only. They do not necessarily reflect the opinions of Vietcap and are subject to change without notice. This report is provided, for information purposes only, to institutional investors and retail clients of Vietcap in Vietnam and overseas in accordance to relevant laws and regulations explicit to the country where this report is distributed and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction. Investors must make their investment decisions based upon independent advice subject to their particular financial situation and investment objectives. This report may not be copied, reproduced, published or redistributed by any person for any purpose without the written permission of an authorized representative of Vietcap. Please cite sources when quoting.

U.K. and European Economic Area (EEA): Unless specified to the contrary, issued and approved for distribution in the U.K. and the EEA by Vietcap issued by Vietcap has been prepared in accordance with Vietcap's policies for managing conflicts of interest arising as a result of publication and distribution of investment research. Many European regulators require a firm to establish, implement and maintain such a policy. This report has been issued in the U.K. only to persons of a kind described in Article 19 (5), 38, 47 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons being referred to as "relevant persons"). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is only available to relevant persons and will be engaged in only with relevant persons. In other EEA countries, the report has been issued to persons regarded as professional investors (or equivalent) in their home jurisdiction. **Australia:** This material is issued and distributed by Vietcap in Australia to "wholesale clients" only. Vietcap does not issue or distribute this material to "retail clients". The recipient of this material must not distribute it to any third party or outside Australia without the prior written consent of Vietcap. For the purposes of this paragraph the terms "wholesale client" and "retail client" have the meanings given to them in section 761G of the Corporations Act 2001. **Hong Kong:** The 1% ownership disclosure as of the previous month end satisfies the requirements under Paragraph 16.5(a) of the Hong Kong Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission. (For research published within the first ten days of the month, the disclosure may be based on the month end data from two months prior.) **Japan:** There is a risk that a loss may occur due to a change in the price of the shares in the case of share trading, and that a loss may occur due to the exchange rate in the case of foreign share trading. In the case of share trading, Vietcap will be receiving a brokerage fee and consumption tax (shouhizei) calculated by multiplying the executed price by the commission rate which was individually agreed between Vietcap and the customer in advance. **Korea:** This report may have been edited or contributed to from time to time by affiliates of Vietcap. **Singapore:** Vietcap and/or its affiliates may have a holding in any of the securities discussed in this report; for securities where the holding is 1% or greater, the specific holding is disclosed in the Important Disclosures section above. **India:** For private circulation only, not for sale. **Pakistan:** For private circulation only, not for sale. **New Zealand:** This material is issued and distributed by Vietcap in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money. Vietcap does not issue or distribute this material to members of "the public" as determined in accordance with section 3 of the Securities Act 1978. The recipient of this material must not distribute it to any third party or outside New Zealand without the prior written consent of Vietcap. **Canada:** The information contained herein is not, and under no circumstances is to be construed as, a prospectus, an advertisement, a public offering, an offer to sell securities described herein, or solicitation of an offer to buy securities described herein, in Canada or any province or territory thereof. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. The information contained herein is under no circumstances to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities must be conducted through a dealer registered in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed judgment upon these materials, the information contained herein or the merits of the securities described herein, and any representation to the contrary is an offence. **Dubai:** This report has been issued to persons regarded as professional clients as defined under the DFSA rules. **United States:** This research report prepared by Vietcap is distributed in the United States to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Decker&Co, LLC, a broker-dealer registered in the US (registered under Section 15 of Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Decker&Co, LLC in the US shall be borne by Decker&Co, LLC. All resulting transactions by a US person or entity should be effected through a registered broker-dealer in the US. This report is not directed at you if Vietcap Broker or Decker&Co, LLC is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Decker&Co, LLC and Vietcap is permitted to provide research material concerning investment to you under relevant legislation and regulations.

Contacts

Research

Research team

+84 28 3914 3588
research@vietcap.com.vn

Head of Research

Nam Hoang, ext 124

Macro

Luong Hoang, Senior Manager, ext 368
- Quang Dao, Analyst, ext 365

Banks, Securities, and Insurance

- Ngoc Huynh, Manager, ext 138
- Quan Vu, Deputy Manager, ext 364
- Nga Ho, Analyst, ext 364

Real Estate

Hong Luu, Senior Manager, ext 120
- Anh Pham, Senior Analyst, ext 149
- Thuc Than, Senior Analyst, ext 174

Industrials and Infrastructure

Vy Nguyen, Senior Manager, ext 147
- Han Nguyen, Analyst, ext 191
- Huy Hoang, Analyst, ext 526

Consumer

Nam Hoang, Head of Research, ext 124
- Vinh Bui, Senior Analyst, ext 584
- Ngan Ly, Senior Analyst, ext 532
- Nguyen Nguyen, Analyst, ext 268

Oil & Gas and Power

Duong Dinh, Associate Director, ext 140
- Tuan Do Analyst, ext 181
- Phuoc Duong, Analyst, ext 135
- Loc Pham, Analyst, ext 549

Retail Client Research

Duc Vu, Associate Director, ext 363
- Trung Nguyen, Manager, ext 129
- Anh Tong, Senior Analyst, ext 363
- Dang Le, Analyst, ext 570
- Kiet Vo, Analyst, ext 470

Investment Advisory Department and Institutional Sales & Trading

Anthony Le

Director

Institutional Sales & Trading

+84 28 3914 3588, ext 525
anthony.le@vietcap.com.vn

Quynh Chau

Managing Director

Investment Advisory Department

+84 28 3914 3588, ext 222
quynh.chau@vietcap.com.vn