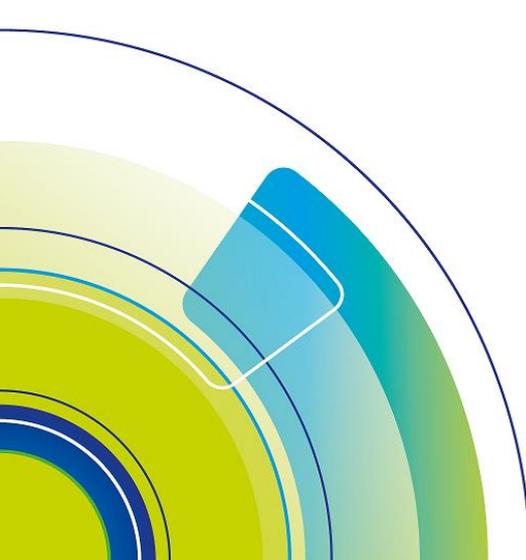




SIP Flash note - OUTPERFORM

February 7, 2025



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Earnings Flash note

Recommendation **OUTPERFORM**

HSX: SIP

Property

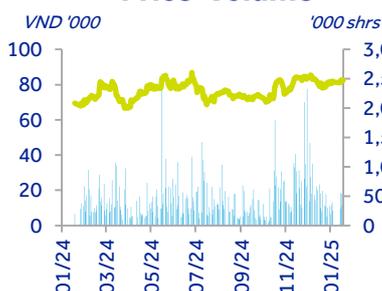
Target price (VND)	95,200
Market price (VND)	82,800
Expected share price return	14.9%
Expected dividend yield	2.2%
Expected total return	17.1%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-1.0	4.8	5.9	21.7
Relative	-1.4	2.8	4.8	12.8

Source: Bloomberg

Price-Volume



Ownership

An Loc Urban Development & Investment JSC	21.86%
Mr. Tran Manh Hung (Chairman)	10.30%
Nam Tan Uyen IP JSC	10.11%
Mr. Lu Thanh Nha (CEO)	7.56%

Stock Statistics 6-Feb-24

Bloomberg code	SIP VN
52-week range (VND)	64,348 - 87,900
Shares O/S (m)	211
Mkt cap (VND bn)	17,327
Mkt cap (USD m)	679
Est. Foreign room left (%)	44.4
Est. free float (%)	67.1
3m avg daily vol (shrs)	635,754
VND/USD	25,510
Index: VNIndex / HNX	1272.60/229.75

SAIGON VRG INVESTMENT JSC (SIP VN)

Flat 4Q2024 and positive 2024 results mainly thanks to growth in the power & water supply segment and financial income. Industrial park leasing in 2024 improved significantly compared to 2023. Keep 2025 forecast and YE2025 target price nearly unchanged at VND95,200/share. Change our rating from Buy to Outperform as stock price has increased by 12% since our last update report in 11/2024.

SIP posted a flat 4Q2024 result with revenue of VND2,066 bn (+8% YoY) and NPAT of VND376bn (+1% YoY). In 2024, the company recorded high growth with revenue of VND7,804 bn (+17% YoY) and NPAT of VND1,278 bn (+27% YoY), completing 161% of profit target and 107% of our forecast. Growth in last year mainly came from the power & water supply segment and financial income.

Power & water supply segment: In 2024, this segment posted revenue of VND6,548 bn (+9% YoY), accounting for 84% of total revenue. Growth mainly came from 6.4% growth in power volume distributed in industrial parks (IPs) while average power price grew by 1.9% YoY, to VND1,846/kwh. Segmented gross margin was 8.2% compared with 10.2% in 2023 mainly due to higher revenue proportion of power revenue generated from IPs which usually has lower margin than roof-top solar power (5.7% vs 45.8%).

IP land leasing segment: In 2024, revenue from IP land leasing slightly increased by 4% YoY, to VND389 bn, accounting for 5% of total revenue given SIP uses annual revenue allocation accounting method. Leasing activities achieved good result in 2024 with 74ha leased (+289% YoY), of which 58 ha at Phuoc Dong IP and 16ha at Loc An Binh Son IP. Last year, the company signed two key leasing contracts, one with an UK textile company for 50ha with leasing rate of USD60-70/sqm/remaining leasing term at Phuoc Dong IP and one with SLP Logistics for 16ha with leasing rate of USD230/sqm/remaining leasing term at Loc An Binh Son IP. By YE2024, SIP's remaining NLA was 960 ha in Tay Ninh, HCMC and Dong Nai.

In 2024, financial income jumped by 42% YoY, to VND622 bn, of which profit from stock trading and disposal of investment (i.e. selling VRG, GVR, CSM and TRC shares) was nearly VND300bn.

SIP remained good financial health. In 2024, SIP's total debts increased by over VND1.9 trn, to nearly VND3.6 trn mainly because the company had a new loan balance of VND1,154 bn from Vietcombank to finance for the clearance and compensation of Phuoc Dong Boi Loi - Phase 3 project. Thus, Net cash/Equity ratio reduced from 56.7% to 45.6% in 2024.

Quick comment: We keep 2025 forecast nearly unchanged with estimated revenue of VND8.7 trn (+11% YoY) and NPAT of VND1.3 trn (+4% YoY). Target price at YE2025 is virtually unchanged at VND95,200/share. Change our rating from Buy to Outperform as stock price has increased by 12% from our last update report in 11/2024.

	2022	2023	2024U	2025F	2026F
Net Sales (VNDbn)	6,035	6,677	7,800	8,660	9,670
Growth	8.2%	10.6%	16.8%	11.0%	11.7%
EBITDA (VNDbn)	1,119	1,232	1,435	1,673	1,875
Growth	17.1%	10.1%	16.5%	16.6%	12.1%
PATMI (VNDbn)	977	927	1,164	1,210	1,338
Growth	17.0%	-5.1%	25.6%	4.0%	10.5%
EPS (bonus-adjusted, VND)	4,287	4,062	5,067	5,268	5,822
Growth	14.8%	-5.3%	24.7%	4.0%	10.5%
ROE	31.4%	27.2%	29.5%	25.4%	23.6%
ROIC	4.0%	3.7%	4.2%	3.9%	4.3%
Net debt/EBITDA (times)	-3.1	-1.9	-1.5	-1.1	-1.3
EV/EBITDA (times)	13.6	12.3	10.6	9.1	8.1
PER (times)	19.3	20.4	16.3	15.7	14.2
PBR (times)	2.3	4.2	4.0	3.4	2.8
DPS (VND)	4,500	1,600	1,600	1,800	2,000
Dividend yield	5.4%	1.9%	1.9%	2.2%	2.4%

Table: 2024 business result

Unit: VNDbn	2023	2024	YoY growth	2024 Target	% Completion
Net revenue	6,677	7,804	17%	5,388	145%
Power & water supply	6,017	6,548	9%		
Services provided in IPs	29	427	1364%		
IP land leasing	375	389	4%		
Sales of goods and finished products	115	117	2%		
Others	141	323	130%		
Gross profit	930	1,095	18%		
Financial income	439	622	42%		
Financial expense	69	116	70%		
SG&A expenses	109	110	1%		
NPAT	1.004	1,278	27%	793	161%

Sources: SIP, ACBS

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BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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