SIP Flash note - BUY

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Earnings Flash note

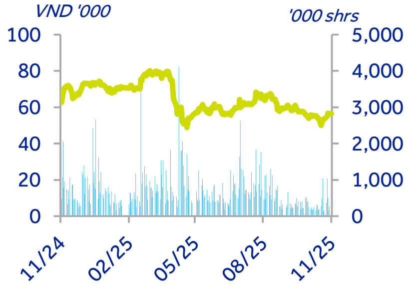
Recommendation	**BUY**
	HSX: SIP
	Property
Target price (VND)	**77,000**
Market price (VND)	**56,500**
Expected share price return	35.8%
Expected dividend yield	3.5%
Expected total return	**39.3%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-21.0	2.0	-16.3	-10.7
Relative	-50.2	3.1	-26.1	-42.7

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	**3-Nov-24**
Bloomberg code	**SIP VN**
52-week range (VND)	48,609 - 82,435
Shares O/S (m)	242
Mkt cap (VND bn)	13,679
Mkt cap (USD m)	519
Est. Foreign room left (%)	45.7
Est. free float (%)	67.1
3m avg daily vol (shrs)	432,719
VND/USD	26,347
Index: VNIndex / HNX	1611.80/259.92

SAIGON VRG INVESTMENT JSC (SIP VN)

Positive 3Q2025 and 9M2025 results mainly thanks to stable power & water supply and industrial park segments and strong growth in financial income. Keep our 2025 and 2026 forecast unchanged. Roll forward target price to YE2026 at VND77,000/share and change our rating from Outperform to Buy as stock price has decreased by 16% since our update report on 08/14/2025.

SIP posted a double-digit growth in 3Q2025 result with revenue of VND2,234 bn (+13% YoY) and NPAT of VND382 bn (+22% YoY). Growth mainly came from: (1) stable growth of the power & water supply segment, (2) annual allocation of the industrial park (IP) revenue and (3) a 28% YoY growth in financial income, to VND174 bn.

Power & water supply segment: Revenue grew at a 10.9% YoY, to VND1,796 bn in 3Q2025 and 8.4% YoY to VND5,185 bn in 9M2025. Growth mainly came from higher power volume distributed in IPs as the number of tenants came into operation increased and a 4.8% growth in average power price from 05/10/2025 according to Decision No. 1279/QD-BCT by the Ministry of Industry and Trade. Gross margin slightly improved from 8.1% to 8.5% in 9M2025 which is in line with our forecast.

IP land leasing segment: Revenue grew 10.6% YoY, reaching VND311 bn in 9M2025, in line with ACBS's forecast. Leasing prices was stable at the YE2024 levels. Gross margin reached 68.2%, unchanged from YoY.

SIP remained good financial status. In 9M2025, SIP's total debts increased by nearly VND1 trn, to nearly VND4.6 trn. Thus, Net cash/Equity ratio reduced from 47.1% to 23.2% in 9M2025.

Quick comment: Overall, the outlook for the IP segment has improved as framework agreements were announced in late October 2025 and remain unchanged from the tariff rates announced in late July 2025, which are much better than the tariff rates announced in early April 2025 and on par with neighboring countries. The annual allocation method applied for the IP segment, stable growth of the power & water supply segment and solid financial income from deposits and lending are expected to sustain the in the coming years.

We keep our 2025 forecast unchanged with estimated revenue of VND8,810 bn (+13% YoY) and NPAT of VND1,414 trn (+11% YoY). **For 2026, we estimate revenue of VND9,579 bn (+9% YoY) and NPAT of VND1,556 bn (+10% YoY). We roll forward target price to VND77,000/share at YE2026 and change our rating from Outperform to Buy** as stock price has decreased by 16% since our update report on 08/14/2025. The stock is trading at P/E 2026F of 10.4x and P/B 2026F of 2.2x, compared with 3-year average of 8.5x and 2.3x and industry median of 11.1x and 1.5x, respectively.

	2022	2023	2024	2025F	2026F
Net Sales (VNDbn)	6,035	6,677	7,801	8,810	9,579
Growth	*8.2%*	*10.6%*	*16.8%*	*12.9%*	*8.7%*
EBITDA (VNDbn)	1,119	1,232	1,436	1,706	1,858
Growth	*17.1%*	*10.1%*	*16.6%*	*18.9%*	*8.9%*
NPAT (VNDbn)	1,010	1,004	1,279	1,414	1,556
Growth	*11.2%*	*-0.6%*	*27.4%*	*10.6%*	*10.0%*
EPS (bonus-adjusted, VND)	3,728	3,532	4,445	4,915	5,408
Growth	*14.8%*	*-5.3%*	*25.9%*	*10.6%*	*10.0%*
ROE	31.4%	27.2%	29.6%	26.9%	24.6%
ROIC	4.0%	3.7%	4.2%	4.3%	4.6%
Net debt/EBITDA (times)	-3.1	-1.9	-1.6	-1.7	-2.1
EV/EBITDA (times)	11.0	10.0	8.6	7.2	6.7
PER (times)	15.2	16.0	12.7	11.5	10.4
PBR (times)	1.6	2.9	2.7	2.6	2.2
DPS (VND)	4,500	1,600	1,700	1,700	2,000
Dividend yield	8.0%	2.8%	3.0%	3.0%	3.5%

Table: 3Q2025 and 9M2025 business results

Unit: VNDbn	3Q2024	3Q2025	YoY Growth	9M2024	9M2025	YoY growth	2025 Target	% Completion
Net revenue	**1,976**	**2,219**	**12%**	**5,738**	**6,304**	**10%**	**5,657**	**111%**
Power & water supply	1,675	1,796	7%	783	5,185	8%		
Services provided in IPs	91	101	11%	281	311	11%		
IP land leasing	63	141	125%	350	432	23%		
Real estate	-	103	n/a	-	137	n/a		
Others	148	79	-47%	324	240	-26%		
Gross profit	296	366	24%	812	977	20%		
Financial income	135	174	28%	392	619	58%		
Financial expense	40	45	13%	75	152	103%		
SG&A expenses	24	55	130%	77	111	45%		
NPAT	**314**	**382**	**22%**	**902**	**1,102**	**22%**	**833**	**132%**

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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