SIP Update – BUY

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Company Update

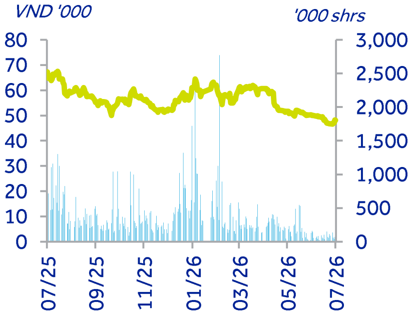
Recommendation	**BUY**
	HSX: SIP
	Property
Target price (VND)	**68,000**
Market price (VND)	**48,100**
Expected share price return	41.4%
Expected dividend yield	10.4%
Expected total return	**51.8%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-1.0	-4.4	-15.0	-22.0
Relative	-0.1	2.0	-9.7	-39.9

Source: Bloomberg

Price-Volume



Ownership

An Loc Urban Development & Investment JSC	19.79%
Nam Tan Uyen IP JSC	9.00%
Mr. Tran Manh Hung (Chairman)	8.64%

Stock Statistics	**31-Jul-26**
Bloomberg code	**SIP VN**
52-week range (VND)	46,100 - 68,700
Shares O/S (m)	242
Mkt cap (VND bn)	11,755
Mkt cap (USD m)	444
Est. Foreign room left (%)	46.7
Est. free float (%)	48.1
3m avg daily vol (shrs)	171,248
VND/USD	26,480
Index: VNIndex / HNX	1735.78/271.25

SAIGON VRG INVESTMENT JSC (SIP VN)

SIP's 2Q2026 and 1H2026 financial results were positive and in line with our projections. Growth during the period mainly came from other income of VND68 bn from the liquidation of BCC contracts with The He Moi, while the power and water supply segment continued to grow steadily based on the number of tenants, and the industrial park (IP) segment also recorded stable results thanks to the annual allocation method of revenue recognition. We maintain our 2026 projections and BUY rating but reduce the YE2026 target price by 6% to VND 68,000/share due to an adjustment of 5-10% reduction in IP leasing rates.

SIP recorded positive 2Q2026 financial results with revenue of VND2,402 bn (+13% YoY) and NPAT of VND447 bn (+41% YoY). Growth mainly came from:

(1) Other income of VND68 bn from the liquidation of BCC contracts with The He Moi,

(2) The electricity and water supply segment continued to grow steadily by 11% YoY, to VND1,991 bn mainly thanks to increased output along with a higher number of IP tenants, and

(3) The IP segment also recorded stable revenue growth of 19% YoY, reaching VND110 bn thanks to the annual allocation method of revenue recognition.

For 1H2026, the company also recorded positive results with revenue of VND4,567 bn (+12% YoY) and NPAT of VND804 bn (+8% YoY), completing 92% of the profit target and 51% of ACBS's forecast. Growth during the period mainly came from the above factors.

In 1H2026, SIP leased 48 hectares of new IP area, a 66% increase YoY and achieving 80% of its plan. This includes 33.7 hectares at Phuoc Dong IP and 14.3 hectares at Loc An Binh Son IP. Leasing rates decreased slightly YoY due to the merger of Ba Ria-Vung Tau and Binh Duong provinces into Ho Chi Minh City, prompting the company to adjust leasing rates downwards to attract investment and enhance the competitiveness of the IPs.

Table 1: Business results

Unit: VNDbn	2Q2025	2Q2026	YoY Change	1H2025	1H2026	YoY Change
Total revenue	**2,129**	**2,402**	**13%**	**4,071**	**4,567**	**12%**
Power, water	1,800	1,991	11%	3,389	3,678	9%
IP	92	110	19%	210	226	8%
Others	237	301	27%	472	662	40%
Gross profit	291	364	25%	146	221	51%
Financial income	212	209	-2%	611	721	18%
Financial expenses	63	81	28%	401	403	1%
SG&A expenses	31	40	29%	56	84	51%
NPAT	**318**	**447**	**41%**	**744**	**804**	**8%**

	2023	2024	2025	2026F	2027F
Net Sales (VNDbn)	6,677	7,801	8,596	9,217	10,147
Growth	*10.6%*	*16.8%*	*10.2%*	*7.2%*	*10.1%*
NPAT (VNDbn)	1,004	1,279	1,467	1,568	1,629
Growth	*-0.6%*	*27.4%*	*14.7%*	*6.9%*	*3.9%*
EPS (bonus-adjusted, VND)	3,532	4,445	5,171	5,528	5,741
Growth	*-5.3%*	*25.9%*	*16.3%*	*6.9%*	*3.9%*
ROE	27.2%	29.6%	27.9%	26.9%	26.8%
Net debt/EBITDA (times)	-1.9	-1.6	-0.7	-0.5	-0.6
PER (times)	13.6	10.8	9.3	8.7	8.4
PBR (times)	2.5	2.3	2.3	2.2	2.1
DPS (VND)	1,600	1,700	5,000	5,000	5,000
Dividend yield	3.3%	3.5%	10.4%	10.4%	10.4%

Table 2: SIP's industrial parks

Project name	Location	SIP's stake	Total investment (VND bn)	Total area (ha)	Total NLA (ha)	Remaining NLA (ha)	Occupancy rate	Estimated leasing rate (USD/sqm/ remaining term)
Phuoc Dong IP	Tay Ninh	100%	5,906	2,189	1,721	667	61.1%	90
Dong Nam IP	HCMC	100%	1,963	287	194	22	88.8%	238
Le Minh Xuan 3 IP	HCMC	100%	2,065	231	156	98	37.3%	315
Loc An Binh Son IP	Dong Nai	69%	1,984	498	361	101	71.9%	207
Long Duc Phase 2 IP	Dong Nai	58%	n/a	294	220	220	0.0%	n/a
Total				**3,499**	**2,651**	**1,108**		

Sources: SIP, ACBS

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OUR RECOMMENDATION SYSTEM

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

DISCLAIMER