

# Saigon VRG (SIP)

## Lucrative valuation in the long term

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**2Q25 NPAT slightly decreased, completing 86% of the full-year plan**

In 2Q25, Saigon VRG Investment Corporation (SIP) recorded revenue and net earnings of VND2,129 billion (+10% YoY) and VND318 billion (-4% YoY), respectively. For 1H25, revenue and NPAT reached VND4,071 billion (+8% YoY) and VND720 billion (+22% YoY), respectively, completing 86% of the net profit target. Of that, (1) electricity sales output rose 3-5% YoY to 1,768 million kWh, and (2) the area of industrial park (IP) handed over reached 28.7ha.

**IP land handover sales in 2025/2026 should hit 50ha/60ha**

In 2025/2026F, we maintain our forecast that the growth of SIP's IP land leased area will slow down, estimated at 50ha/60ha (-32%/+20% YoY). However, revenue from this segment may only record a slight decrease, supported by a part of the area that has been handed over in level 1 IPs, namely Le Minh Xuan 3 IP (8.4ha) and Dong Nam IP (1.5ha), with high rents (USD270-300/m<sup>2</sup>/leasing term, 2-3x compared to Phuoc Dong IP). Accordingly, we estimate land rental revenue in 2025/2026F will reach VND1,546 billion (-2% YoY)/VND 1,832 billion (+18% YoY).

**Phuoc Dong New City Urban Area may start record revenue in 2025/2026F**

Phuoc Dong Urban Area Phase 1 (247ha) will be opened for sale in 2Q-3Q25 with 205 low-rise apartments that have been completed and ready for handover. Up to now, the project has successfully launched 120 apartments, equivalent to an occupancy rate of 62%. We expect SIP to complete the sale of 205 units in 1H26, expected to record VND295 billion in sales.

**Valuation: BUY – Target price: VND71,300/share**

SIP is trading at an attractive price range with PBR 2025 of 3.0x, below the five-year historical mean. Based on the business outlook and valuation results, we recommend BUY for SIP shares with a target price of VND71,300/share.

**Buy** maintain

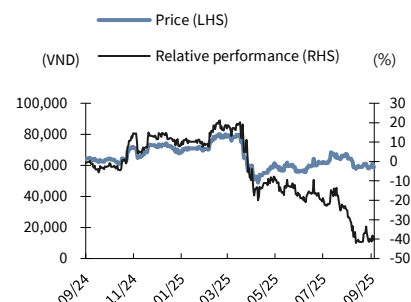
<b>Target price</b>	<b>VND71,300</b>
Upside	21%
Current price (Sep 18, 2025)	VND58,700
Consensus target price	VND75,100
Market cap (VNDtn/USDbn)	14.2/0.5

<b>Trading data</b>	
Free float	67.1%
3M avg trading value (VNDbn/USDmn)	47.1/1.8
Foreign ownership	4.0%
Major shareholder	An Loc Urban Development & Investment (19.9%)

<b>Share price performance</b>				
(%)	1M	3M	6M	12M
<b>Absolute</b>	-8.9	4.5	-24.2	-9.3
<b>Relative</b>	-11.0	-19.6	-49.8	-41.4

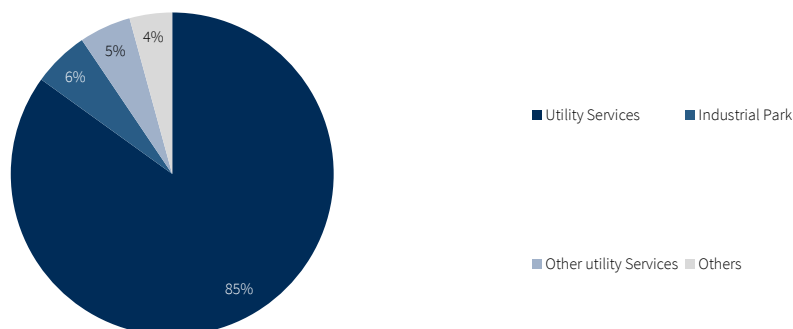
### Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	6,677	7,800	8,506	9,245
Operating income/loss (VNDbn)	1,263	1,555	1,714	1,920
NPAT-MI (VNDbn)	927	1,164	1,249	1,399
EPS (VND)	4,574	5,530	5,158	5,780
EPS growth (%)	-2.6	20.9	-6.7	12.0
P/E (x)	9.2	12.6	11.4	10.2
P/B (x)	2.1	3.0	2.5	2.1
ROE (%)	23.0	23.9	21.7	20.8
Dividend yield (%)	6	2	3	3



Source: Bloomberg, KB Securities Vietnam

## Revenue composition (2024)



Source: Sai Gon VRG Investment, KB Securities Vietnam

## Business operation

Sai Gon VRG Investment Corporation (SIP) is a leading IP developer in the South, owning an industrial land bank of up to 3,149ha. In addition to leasing industrial parks, SIP also provides utility services including electricity, water, factories, and waste treatment for customers.

## Investment Catalysts

SIP boasts a large industrial park land bank, covering 1,189ha with full legal documents and 78% site clearance completed.

The industrial park land lease area in 2025/2026F should reach 50ha/60ha (-34%/+20 YoY), bringing in VND1,546 billion (-2% YoY)/VND 1,832 billion (+18% YoY) in sales respectively

The corporation has stable cash flow from electricity supply activities, with sales output in 2025/2026F estimated at 3,536/3,713 million kWh (+4%/+5% YoY)

## Notes

Please find more details in [1Q25 report](#)

Please see more details below

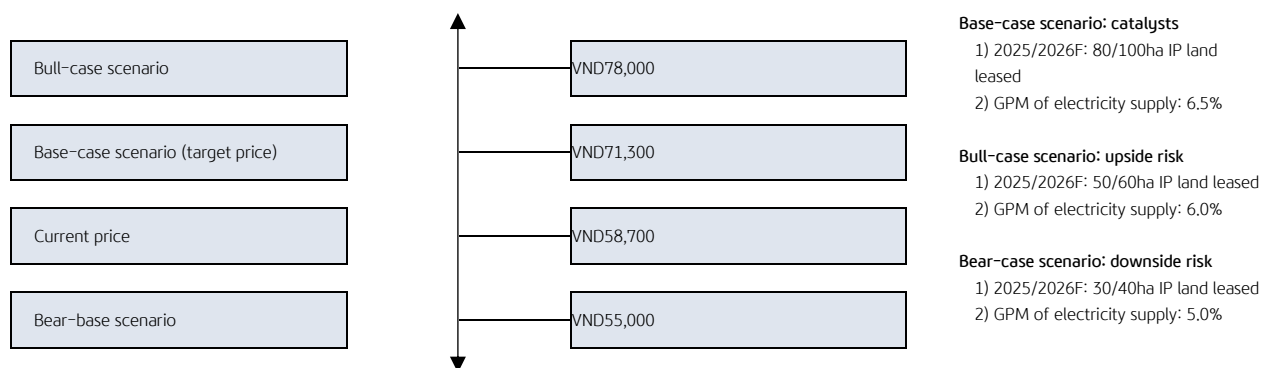
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## Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	8,506	9,245	-3%	-5%	8,705	9,510	-2%	-3%
EBIT	1,104	1,254	+1%	+4%	1,193	1,282	-7%	-2%
NP after MI	1,249	1,399	-1%	+1%	1,218	1,275	+3%	+10%

Source: Bloomberg, KB Securities Vietnam

## Investment opinion &amp; risks



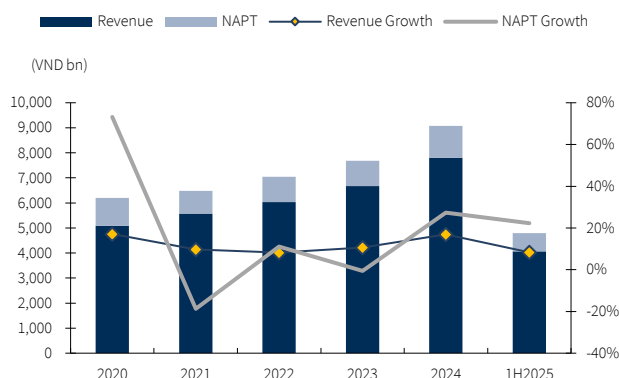
## Business performance

Table 1. SIP – 1H25 business results

(VNDbn, %)	2Q24	2Q25	+/-%YoY	1H24	1H25	+/-%YoY	Notes
<b>Revenue</b>	1,933	2,129	10%	3,760	4,071	8%	- This is equal to 71% of the 2025E consolidated revenue guidance (VND5,657 billion). - 1H25 electricity sales output rose about 3–5% YoY to 1,768 million kWh. - EVN raised PPA price by 4.8% from May 10, 2025. - In 1H25, SIP recorded the handover of 28.7ha in industrial park land, including Phuoc Dong IP (16.8ha), Le Minh Xuan 3 IP (8.4ha), Loc An – Binh Son IP (2ha), and Dong Nam IP (1.5ha).
Electricity and water supply	1,622	1,800	11%	3,109	3,390	9%	
IP leasing	95	93	-3%	190	210	11%	
Other utility services	157	144	-8%	286	291	2%	
Commercial real estate	0	34		0	34		- SIP recorded revenue from the handover of 20–25 low-rise apartments at Phuoc Dong New City Urban Area.
Others	56	59	6%	172	146	-15%	- Revenue from providing construction services fell to VND1.4 billion in 1H25 (-96.5% YoY).
Gross profit	244	291	19%	516	611	18%	
Gross profit margin	12.6%	13.7%	+1.0pp	13.7%	15.0%	+1.3pp	
Financial income	191	212	11%	257	445	74%	- Interest from deposits and loans to other partners was VND233 billion (+55% YoY). Of that, financial investment in 2Q25 was recorded at VND6,417 billion (+77% YoY); and loans to partners, mostly to Vietcombank Securities (VCBS) and VietinBank Securities (CTS), represented VND2,685 billion (+80% YoY). - SIP earned VND179 billion (+1.48x YoY) in interest from selling Tay Ninh Rubber (TRC) and Nam Tan Uyen (NTC). - Interest expense grew to VND71.3 billion (+1.24x YoY) as debt was recorded at VND4,772 billion in 2Q24 (+57% YoY).
Financial expenses	18	63	247%	35	107	208%	- The company reported VND34 billion in financial investment provision expenses (+34x YoY), including VND13.8 billion for The Southern Rubber Industry (CSM) and VND21 billion for VRG.
Profit from joint ventures	17	3	-81%	34	18	-46%	
SG&A	27	31	13%	53	56	7%	
Operating income/loss	407	412	1%	719	912	27%	
Other incomes	2	-6	-4.x	6	-6	-2.x	
Profit before taxes (PBT)	409	406	-1%	725	905	25%	
<b>Profit after taxes (NPAT)</b>	331	318	-4%	589	720	22%	- SIP reached 89% of the year's consolidated NPAT objective (VND832.5 billion).
NP after MI	299	285	-5%	545	636	17%	
NPAT margin	17.1%	14.9%	-2.2pp	15.7%	17.7%	+2.0pp	

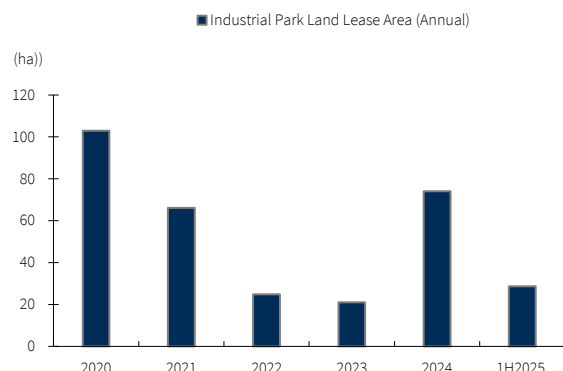
Source: Sai Gon VRG Investment, KB Securities Vietnam

Fig 2. SIP – Revenue &amp; NPAT (VNDbn)



Source: Sai Gon VRG Investment, KB Securities Vietnam

Fig 3. SIP – Leased area of IPs (ha)



Source: Sai Gon VRG Investment, KB Securities Vietnam

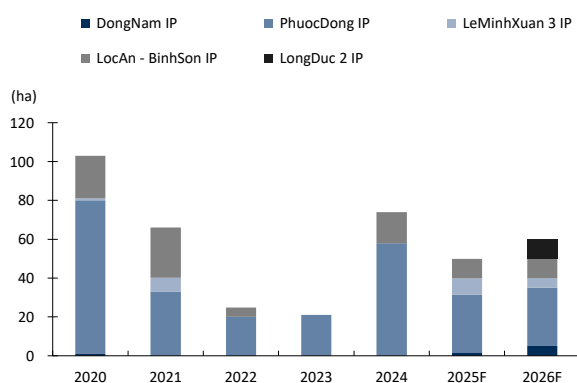
### IP land handover sales in 2025/2026 should hit 50ha/60ha

The trade war 2.0 has been posing more barriers to KBC in attracting FDI from high-tech industries, including electronic components/equipment, AI and semiconductor equipment. These industries have achieved significant changes in recent years and are a large customer base that KBC is targeting (*See also Appendix 1*). This has indirectly increased competitive pressure on SIP's customer attraction since most of its land area is in level 2 industrial parks, especially Phuoc Dong IP (725ha), accounting for more than 60% of the total remaining commercial area.

Therefore, in the 2H25–2026 period, we maintain our forecast that SIP's land lease handover area will slow down in growth compared to 2024, with land lease area for the whole year of 2025/2026 estimated at 50ha/60ha (–32%/+20%YoY).

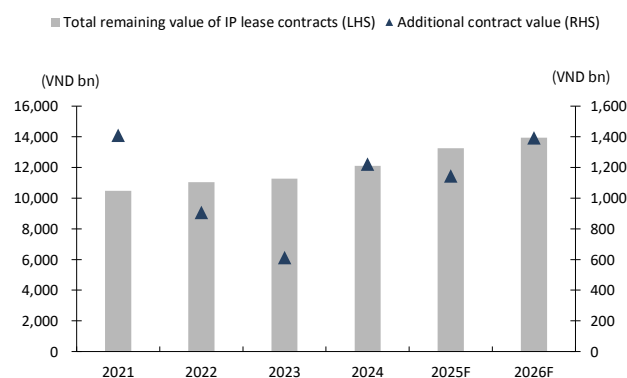
However, revenue from this segment may only record a slight decrease, supported by a part of the area that has been handed over in level 1 Ips. TO be more specific, SIP delivered land in Le Minh Xuan 3 IP (8.4ha) and Dong Nam IP (1.5ha) in 1H25, with high rents (USD270–300/m<sup>2</sup>/leasing term, 2–3x compared to Phuoc Dong IP). Accordingly, we estimate land rental revenue in 2025/2026F will reach VND1,546 billion (–2% YoY)/VND 1,832 billion (+18% YoY).

Fig 4. SIP – Revenue &amp; NPAT (VNDbn)



Source: Sai Gon VRG Investment, KB Securities Vietnam

Fig 5. SIP – Presales of leased land (VNDbn)



Source: Sai Gon VRG Investment, KB Securities Vietnam

Table 6. SIP – Industrial land area (ha)

Project	Location	Ownership	Site clearance & compensation	Planned IP land area (ha)	Commercial land area (ha)	Occupancy rate (%)	Remaining IP land area (ha)	Progress
<b>Total area</b>				3,503	2,653		1,161	
Dong Nam IP	HCM City	100%	100%	287	206	88%	23	Legal procedures completed
Phuoc Dong A IP	Tay Ninh	100%	100%	1,014	817	95%	34	Legal procedures completed
Phuoc Dong B IP	Tay Ninh	100%	80%	1,175	911	23%	691	– Legal procedures completed – Continue compensation for land acquisition
Le Minh Xuan 3 IP	HCM City	100%	100%	231	156	33%	97	Legal procedures completed
Loc An – Binh Son IP	Dong Nai	69%	100%	497	361	68%	114	Legal procedures completed
Long Duc 2 IP	Dong Nai	70%	0%	294	202	0%	202	– Completing legal procedures, land acquisition, and site clearance – Expected to be available for lease from 2026

Source: Sai Gon VRG Investment, KB Securities Vietnam

### Phuoc Dong New City Urban Area may start record revenue in 2025/2026F

Phuoc Dong Urban Area Phase 1 covers 247ha and has a total investment capital of VND983 billion. The project was opened for sale since 2Q–3Q25 with 205 low-rise units completed and ready for handover. According to our survey, it has so far successfully launched 120 units, equivalent to an occupancy rate of 62%. With the current sales progress, we expect SIP to complete the sale of all 205 units in 1H26, equivalent to expected sales of VND295 billion.

Phuoc Dong Urban Area Phase 1 (247ha) is located right at the gateway to Phuoc Dong IP, so it could reach potential customers who are experts, engineers and workers in the IP. The urban area is 3km from Moc Bai – Ho Chi Minh City highway, 40km from Tay Ninh center, and 65km from Ho Chi Minh City center.

Fig 7. SIP – Phuoc Dong New City Urban Area



Source: Sai Gon VRG Investment

## Forecast & valuation

Table 8. SIP – 2025–2026F business results

(VNDbn, %)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Assumptions
<b>Revenue</b>	7,800	8,506	9%	9,245	9%	
Electricity and water supply	6,548	7,029	7%	7,545	7%	<ul style="list-style-type: none"> <li>– Electricity sales output forecast was lowered compared to 1Q25 report due to the slower operation plan of Phuoc Dong – Boi Loi 5 Substation (Phuoc Dong IP). In 2025/2026F, estimated power output will reach 3,536 million Kwh (+4% YoY) and 3,713 million Kwh (+5% YoY), respectively.</li> <li>– The average electricity price increased 3.0% due to EVN adjusting the PPA price up by 4.8% on May 10, 2025.</li> <li>– In 2025F, revenue from leasing industrial parks will reach 50ha, including: Phuoc Dong IP (30ha), Loc An Binh Son IP (10ha), Le Minh Xuan 3 IP (8.5ha), and Dong Nam IP (1.5ha).</li> <li>– In 2026F, the leasing turnover will reach 60ha, including Phuoc Dong IP (30ha), Dong Nam IP (5ha), Le Minh Xuan 3 IP (5ha), and Loc An Binh Son IP (20ha).</li> </ul>
Industrial park leasing	389	403	3%	439	9%	<ul style="list-style-type: none"> <li>*SIP records revenue with allocation method.</li> <li>– In 2025/2026F, SIP will hand over 198,542 m<sup>2</sup>/ 219,042 m<sup>2</sup> of warehousing area (+7%/+10%YoY) for USD3–5/m<sup>2</sup>/month.</li> <li>– It is expected that Phuoc Dong New City Urban Area will complete the sale of 205 low-rise apartments in 2025–1H26, bringing in VND295 billion in revenue.</li> </ul>
Utility services (at industrial parks)	531	638	20%	684	7%	
Other services (leasing production facilities)	0	86	–	209	142%	
Other segments	334	350	5%	368	5%	
<b>Gross profit</b>	1,095	1,256	15%	1,419	13%	
<i>Gross profit margin</i>	14.0%	14.8%	+0.7pp	15.3%	+0.6pp	
Financial income	622	711	14%	752	6%	Financial income increased mainly because SIP recorded VND6,417 billion in 2Q financial investment (+77% YoY). Lending to partners reached VND2,685 billion (+80% YoY), mainly to VCBS and CTS.
Financial expenses	116	163	40%	152	–6%	
Profit from joint ventures	65	61	–5%	66	7%	
SG&A	110	151	38%	164	9%	
Operating income/loss	1,555	1,714	10%	1,920	12%	
Other incomes	16	0		0		
Profit before taxes (PBT)	1,571	1,714	9%	1,920	12%	
<b>Profit after taxes (NPAT)</b>	1,278	1,371	7%	1,536	12%	
<b>NP after MI</b>	1,164	1,249	7%	1,399	12%	
<i>NPAT margin</i>	16.4%	16.1%	–0.3pp	16.5%	+0.4pp	

Source: Sai Gon VRG Investment, KB Securities Vietnam

**We reiterate our BUY recommendation with a price target of VND71,300**

We use SOTP method to value SIP with two main business segments: (1) DCF for utility services and (2) RNAV for ongoing projects of industrial and commercial real estate segment. We set a target price of VND71,300/share, lower than the previous target price mainly because the company paid stock dividends in July 2025, increasing the number of outstanding shares.

We believe industrial parks still have growth potential in the medium and long term. SIP deserves high valuation thanks to its large land bank and stable cash flow from electricity/water supply activities. Based on the business outlook and valuation results, we recommend BUY for SIP shares with a target price of VND71,300 apiece.

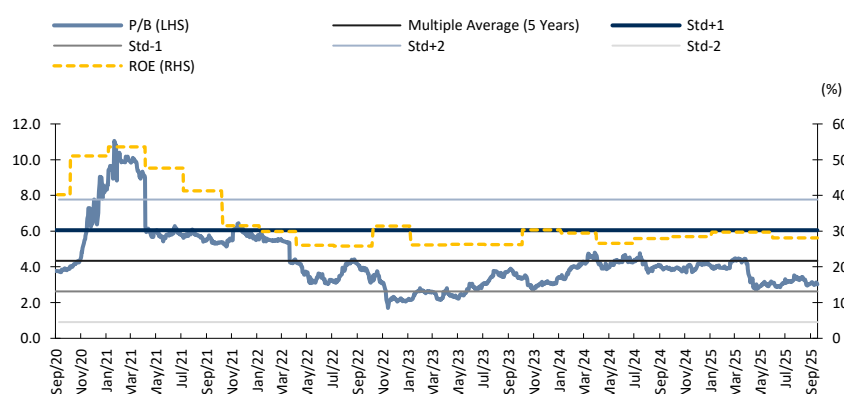
**Table 9. SIP – Valuation**

	Valuation method	Contribution to SIP (VNDmn)
Industrial real estate	RNAV	8,150
Residential real estate (Phuong Dong Phase 1)	RNAV	174
Utilities + Other services	DCF	6,902
<b>Total project NAV</b>		<b>15,226</b>
+ Cash, Short-term Investments		6,830
- Debt		4,773
<b>RNAV</b>		<b>17,284</b>
Outstanding shares		242,112,943
Stock price (VND)		<b>71,300</b>
Current price (September 18, 2025)		58,700
Upside		<b>22%</b>

Source: Sai Gon VRG Investment, KB Securities Vietnam

SIP is trading at an attractive price range with 2025 PBR of 3.0x, below its five-year average

**Fig 10. SIP – P/B & ROE in 2020–2025 (x, %)**



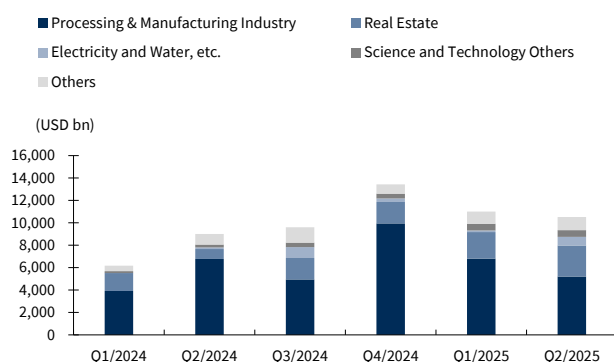
Source: Bloomberg, KB Securities Vietnam

## Appendix 1 – FDI into Vietnam in 2H25

### 2Q FDI flows into the manufacturing and processing industry have recorded a steep fall

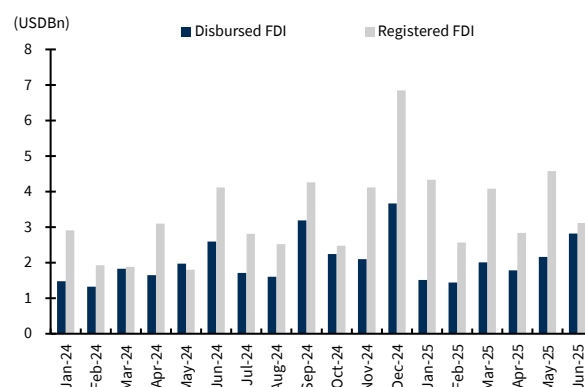
The overall landscape in 2Q25 has not reflected the risks of Trade war 2. Registered FDI inflows in 2Q were recorded at USD10.54 billion (+17% YoY), driven by USD2.8 billion in real estate (x2 YoY thanks to large projects such as Lodgis Hospitality Holdings, Phuong Trach Tower, and Ganmuda Land). However, FDI flows into the manufacturing and processing industry in 2Q recorded a sharp decline, going down 22% YoY/21% QoQ to USD5.2 billion, reflecting uncertainties amid trade war (Figure 10).

Fig 11. Vietnam – FDI inflows by industry (USDmn)



Source: Sai Vietnam Foreign Investment Agency, FiiData, KB Securities Vietnam

Fig 12. Vietnam – FDI growth in 2Q25 (USDbn)



Source: Sai Vietnam Foreign Investment Agency, FiiData, KB Securities Vietnam

### Updates on the Trade war 2.0 impacts on industrial parks

On July 2, President Donald Trump threatened to slap reciprocal tariff rates on its trading partners. Accordingly, Vietnam would have to pay 20% in taxes for goods originating from Vietnam and 40% for transshipped goods. The 20% rate is relatively positive in the long term as it is lower than most of Vietnam's major competitors. However, the risk of the 40% rate on transshipped goods should be noted. Referring to previous US negotiations with India and Thailand, Trump required a localization rate of 60% to enjoy preferential tariffs, so it is likely that the same scenario will happen to Vietnam, which exceeds the localization rate of most Vietnamese exports (Figure 13).

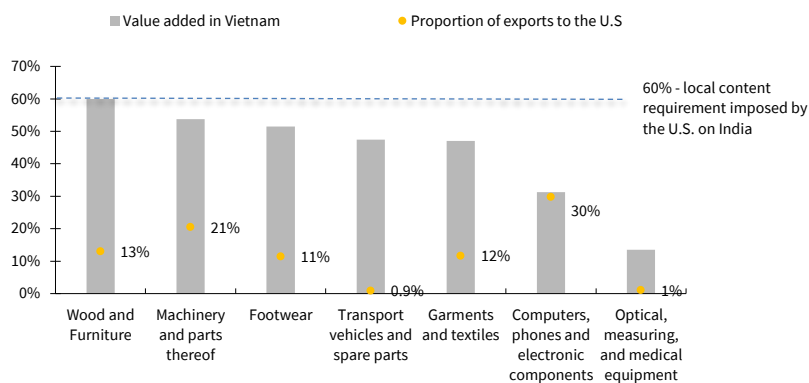
Therefore, we maintain the view that FDI inflows in 2H25–2026 will decline, especially in the industrial/high-tech sector with low localization rates. Projects of Samsung, LG, Luxshare, and Goetek have signed MOUs since 2024, but the specific plans have not been revealed.

In the long term, we expect Vietnam to continue to attract FDI inflows, including businesses targeting the US market, because: (1) the new reciprocal tax rate does not create a large competitive gap with major peer countries; (2) Vietnam has advantages in low-cost labor, political stability, and many FTAs; and (3) FDI enterprises will expand production stages in Vietnam for better localization and tax rates (20%).



However, in the long term, growth momentum may slow down compared to 2018–2024 period (China +1 trend) since FDI enterprises targeting the US will have to carefully consider the supply capacity of domestic enterprises before expanding production in Vietnam to dodge the 40% tax rate.

**Fig 13. Vietnam – Value added in Vietnam in total export turnover in 2024 (%)**



Source: ITC, Vietnam Inter-sectoral balance sheet (GSO), OECD, KB Securities Vietnam

\* Estimated figures may be affected by differences between commodity statistics of organizations and the impact of errors when estimating the proportion of imports used for domestic final consumption and production for export. The estimated error is less than 5%.



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**Investment Ratings for Stocks**

**(Based on the expectation of price gains over the next 6 months)**

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

**Investment Ratings for Sectors**

**(Based on the assessment of sector prospects over the next 6 months)**

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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