Stock Market Outlook 2026

Stand firm against challenges

Head of Macro & Strategy Tran Duc Anh
(+84) 24-7303-5333 anhtd@kbsec.com.vn

Analyst Nguyem Sy Tien
(+84) 24-7303-5333 tienns@kbsec.com.vn

Analyst Nguyen Dinh Thuan
(+84) 24-7303-5333 thuannd@kbsec.com.vn

Analyst Pham Phuong Linh
(+84) 24-7303-5333 linhpp@kbsec.com.vn

Analyst Nguyen Thi Trang
(+84) 24-7303-5333 trangnt6@kbsec.com.vn

December 31, 2025

KBSV expects the VNIndex at the end of 2026 will reach 2,040 points (or +16% from the current range), which corresponds to:

- An estimated 15.7% YoY increase in the average EPS of listed companies on the HSX. The projection is more prudent than 2025's due to the high base for comparison. However, this is still a positive growth rate, reflecting a pivotal transformation in the macroeconomic landscape as Vietnam enters the first year of the 2026-2030 Five-Year Plan with a groundbreaking GDP growth target amid supportive monetary and fiscal policies and the government's efforts to remove legal obstacles.
- The forward P/E of listed companies was estimated at 14.9x (after being adjusted according to the impact from the surge in Vingroup-related stocks in 2025 - *See also Section I. Stock market outlook for 2026*). This ratio is slightly higher than the current 14.6x as we are positive about the macroeconomic outlook and the long-term profit growth prospects of businesses next year. However, it is lower than the five-year average of 16.2x, reflecting concerns about rising interest rates in 2026 and the high valuation and significant influence of Vin stocks.

The key domestic market drivers next year will continue to be **the government's economic stimulus policies, efforts to remove legal barriers for businesses, boosted public investment, and the maintenance of high credit growth**. Nevertheless, interest rates have rebounded from their lowest point, showing clear signs of increasing in the last two months of 2025 and are expected to keep rising by 0.5%-1% next year, which will be a barrier for the stock market.

Notable external factors will be related to the **Fed's rate cuts, new tariff developments, and several risks** that need further monitoring such as the AI bubble, rising global inflation due to tariff barriers, and high bond yields as central banks expand fiscal policy.

Our chosen investment themes for 2026 are **boosted public investment, streamlined legal frameworks, market reclassification, and recovering FDI inflows**.

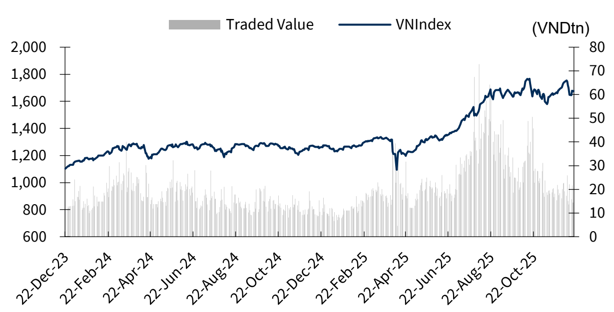
Contents

I. Stock market outlook for 2026

Vietnam stock market achieved strong rallies in 2025

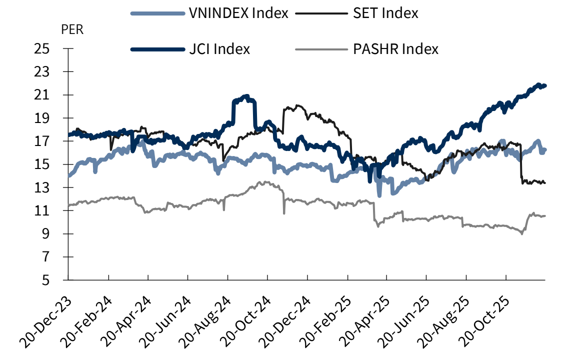
Vietnam stock market posted positive growth in 2025, marked with three main phases. The first phase, from the beginning of the year until Trump's announcement of reciprocal tariffs on April 2, saw a stable uptrend in the VNIndex, fueled by expectations of domestic economic stimulus policies and encouraging results from both the macroeconomic context and corporate business performance. The second phase witnessed volatile market movements, including steep corrections, until the grieves for reciprocal tariffs were granted on April 9. This was followed by a strong recovery until mid-August, attributable to Vingroup stocks. The third phase, the remainder of the year, saw sideways and volatile movements with Vin stocks remained as the mainstay, while most other stocks experienced price corrections. As of December 31, 2025, the VNIndex advanced 41% in points and 33% in trading volumes compared to the same period last year.

Fig 1. Vietnam – VN-Index, trading volumes (points, VNDtn)



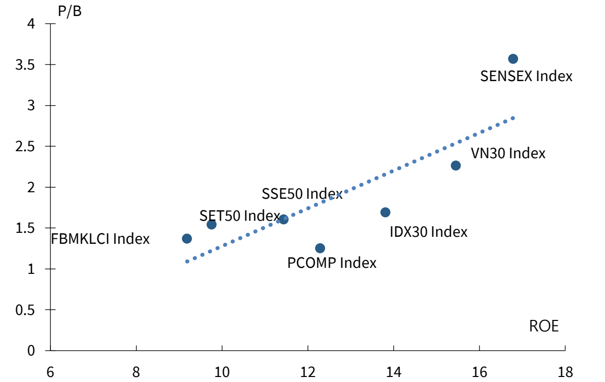
Source: Bloomberg, KB Securities Vietnam

Fig 2. ASEAN4 – P/E across markets (x)



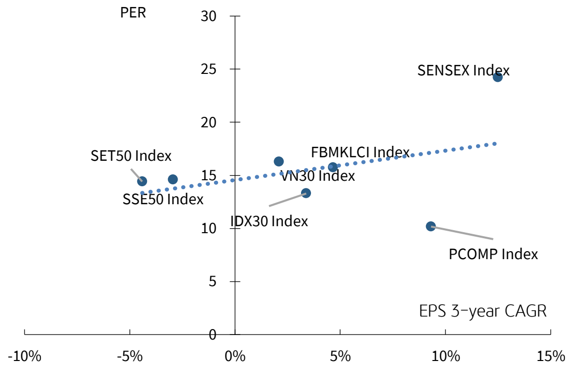
Source: Bloomberg, KB Securities Vietnam

Fig 3. Asia – P/B vs. ROE across markets (x, %)



Source: Bloomberg, KB Securities Vietnam

Fig 4. Asia – P/E vs. EPS growth across markets (x, %)



Source: Bloomberg, KB Securities Vietnam

The year 2026 ahead is full of risks and uncertainties, but we expect the market to extend its uptrend with the support from fundamental drivers:

Listed companies should continue record strong profit growth

We estimate market-wide EPS growth at 15.7% YoY, which is a more prudent forecast compared to 2025. However, we are still positive about a development in the macroeconomic landscape as Vietnam enters the first year of its 2026-2030 Five-Year Plan with the goal of robust GDP growth, underpinned by expansionary monetary and fiscal policies and the government's efforts to completely lift legal barriers.

The international macroeconomic environment is favorable with expectations of two Fed interest rate cuts. Tariff risks have eased but need further monitoring

The global stock market in 2026 may further benefit from interest rate cuts by major central banks from the US, EU, UK, and China. According to CME Group, the Fed is expected to cut interest rates two more times next year as recent data showed more signs of weakness in the US job market. This is a basis for forecasts of a depreciating USD and global stock market's upward momentum for the next year.

However, we also note some potential risks such as the possibility of bursting AI bubble, rising global tariff-led inflation, higher bond yields as central banks expand fiscal policy, and especially the developments of reciprocal tariffs, with Vietnam being one of the countries that could be hit the hardest. The tax provisions related to "transshipment" remain an open issue in US-Vietnam trade agreements, so it is not possible to conclude that the related risks have been eliminated.

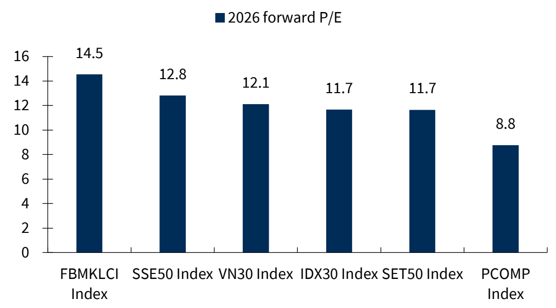
Easing fiscal policies will be utilized to the maximum extent, while the room for further extension of monetary policy is no longer abundant

The new government's economic development strategy after the 14th National Party Congress is expected to maintain its goal of boosting economic growth, aiming for a 10% GDP growth rate in 2026.

To achieve this goal, supportive fiscal and monetary policies will be applied to the maximum extent, alongside administrative and tax reforms and policies supporting businesses. Regarding fiscal policy, we believe there is much room to accelerate public investment thanks to low public debt-to-GDP ratios and a series of large projects that have been or are about to be launched. In contrast, the room for monetary policy easing is quite limited, as the low-interest rate environment maintained over the past two years has created pressure on exchange rates and liquidity in the final months of 2025, indicating that interest rates need to find a new equilibrium point. Furthermore, the resurgence of inflation risk next year may need careful consideration.

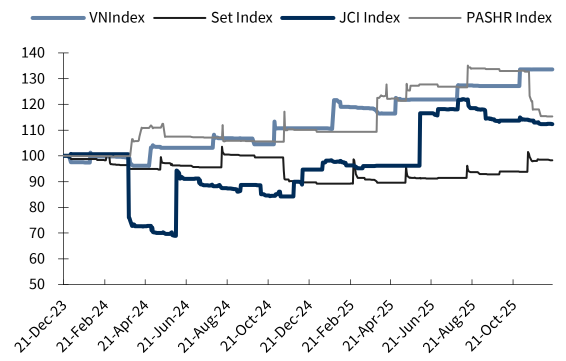
Overall, strong disbursement of public investment, strong credit growth (16%-18%), but only a slight increase in interest rates (0.5%-1%) may be notable macroeconomic factors of 2026.

Fig 5. Asia – 2025 forward P/E across markets



Source: Bloomberg, KB Securities Vietnam

Fig 6. ASEAN4 – EPS trends across markets



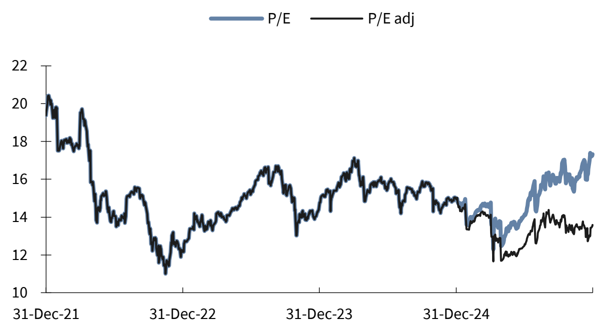
Source: Bloomberg, KB Securities Vietnam

The VNIndex valuation remains attractive

The current P/E ratio of the VNIndex is 17.2x (according to Bloomberg), the highest in nearly four years and much higher than the three-year average of 15x. However, the high P/E does not reflect the overall price level of most stocks on the Vietnam stock market, as it is influenced by the spike in Vingroup stocks in 2025 (with Vingroup – VIC, Vinhomes – VHM, and Vincom Retail – VRE alone contributing 262, 79, and 15 points respectively to the VNIndex's rallies in 2025), resulting in extremely high valuations for this group, with VIC's P/E and P/B ratios reaching 142x and 9x respectively.

Accordingly, to have a more accurate assess of the current valuation of the VNIndex, we revised the market's P/E ratio *(hereinafter referred as the* ***adjusted P/E****)* over the last five years, assuming the VIC – VHM – VRE stock group gains 15% in 2025, consistent with the overall market increase and improvements in business performance (Figure 7, 8). The adjusted P/E ratio came in at 14.6x (equal to its five-year historical mean of 16.2x – 0.7Std).

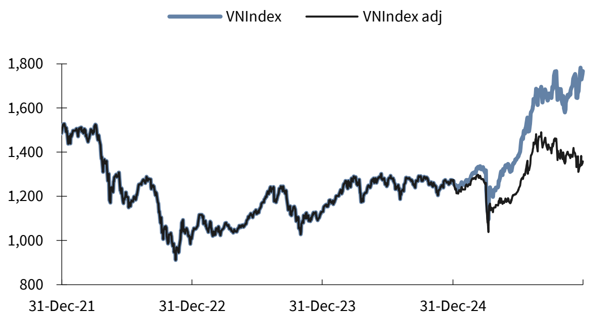
Fig 7. Vietnam – P/E and adjusted P/E of the VNIndex (x)



Source: Bloomberg, KB Securities Vietnam

Note: The adjusted VNIndex and PE ratio are estimated after we excluded the sharp increases in the VIC-VHM-VRE group since the beginning of 2025.

Fig 8. Vietnam – The VNIndex valuation and adjusted valuation (point)



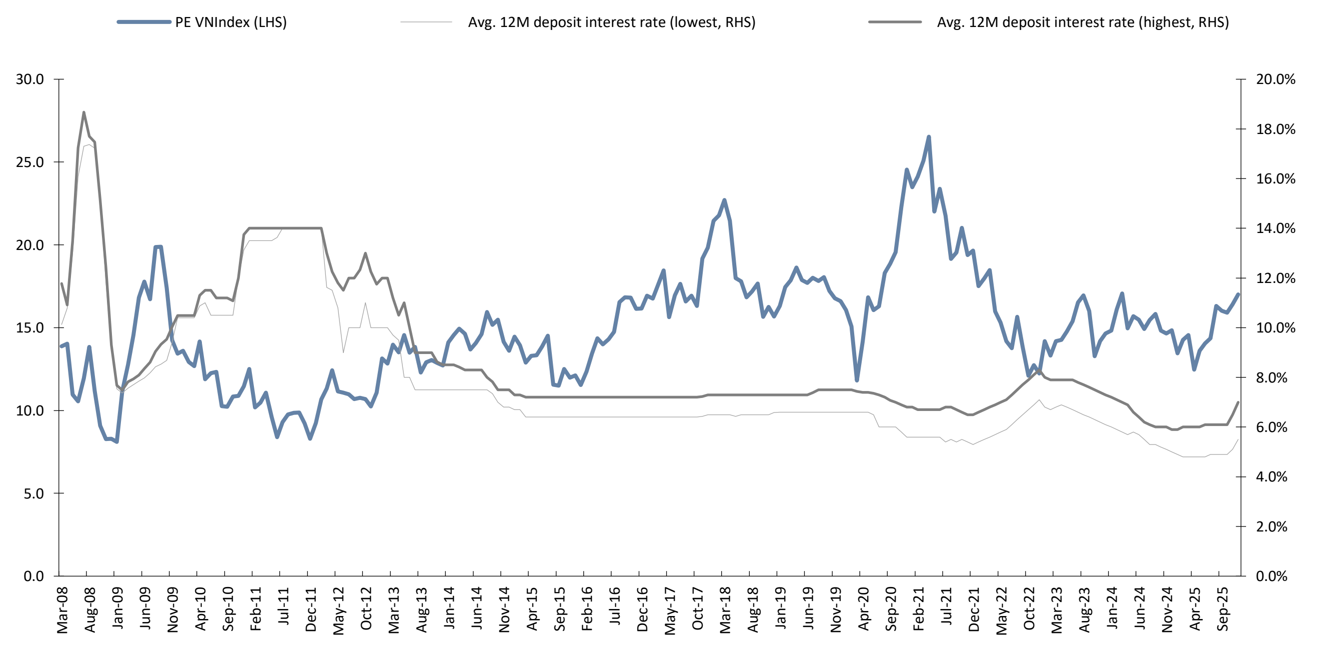
Source: Bloomberg, KB Securities Vietnam

The VNIndex should reach 2,040 points by the end of 2026

Regarding the market outlook for 2026, we expect the VNIndex to grow 16% to 2,040 points by the end of the year, based on estimates of average market EPS growth and a reasonable P/E ratio for 2026:

- The overall market's EPS growth in 2026 is expected to be 15.7% YoY thanks to government policies supporting economic growth, promoting public investment, extending credit growth targets, and removing legal obstacles for private enterprises *(See also Section II. Business performance).*
- In terms of valuation, with bright prospects for macroeconomic growth and the profitability of listed companies, we expect the adjusted P/E ratio to further improve. Currently, this ratio is much lower than the five-year average (around 16.2x), which helps eliminate the risk of deep corrections from the current price level. In other words, the "downside" is somewhat limited. However, with the increase in interest rates in the last two months of the year and the forecast of continued hikes throughout 2026 (with an increase of approximately 0.5% – 1% – *See also Section III, Part 2. Vietnam – Macro stability bolstering growth*), we believe this P/E level is unlikely to experience a sharp increase, although it is approaching the last five-year average of 16.2x. On the other hand, after a period of rapid growth, the price level of Vin family stocks has prematurely reflected the fundamental changes in the businesses (especially VIC), so we predict that the P/E of this group will drop before sideways movements establish a new price range. All things considered, the reasonable adjusted P/E ratio for the VNIndex in 2026 came in at 14.9x.

Fig 9. Vietnam – The VNIndex P/E vs. interest rate levels (x, %)



Source: FiinPro, KB Securities Vietnam

Note: The bold areas represent periods of sharp increases in the stock market's P/E ratio amid a low interest rate environment

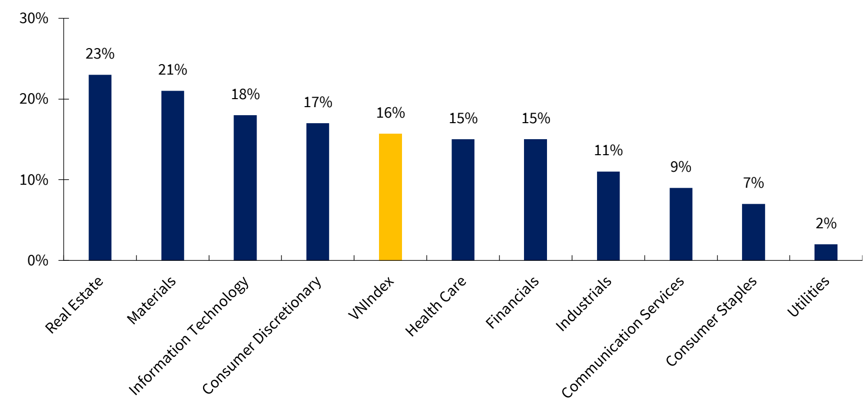
II. Business performance

We have raised our forecast for average EPS growth of listed companies on the HSX in 2026 to 15.7% YoY

We forecast market-wide EPS for 2026 will grow 15.7% YoY. Although this forecast is more conservative than 2025's due to a higher comparative base, it implies a positive pivotal change in the macroeconomic landscape as Vietnam enters the first year of its 2026-2030 Five-Year Plan with the goal of robust GDP growth. Alongside supportive monetary and fiscal policies to achieve double-digit economic growth, we see the government's efforts to completely remove legal barriers. Overall market growth is projected based on:

- **An increasingly improved legal framework**: The decisive streamlining of legal frameworks, focusing on the new Land, Housing, and Real Estate Business Laws, will be a boost for the earnings growth of listed companies. The removal of barriers frees up resources for the real estate sector, thereby facilitating credit flow and reducing bad debt pressure on the banking sector. Furthermore, streamlined administrative procedures promote the disbursement of public investment, creating a positive effect on the construction material sector. Increased transparency in the business environment reduces compliance costs and operational risks, reinforcing expectations of double-digit EPS growth.
- **Boosted public investment and strategic infrastructure**: The investment and development plan for the 2026-2030 period should soar 166% compared to the previous period, with total disbursed capital reaching roughly VND8.5 trillion. The simultaneous commencement and acceleration of infrastructure projects will offer new development opportunities for the logistics, airline, and service sectors. Public investment continues to play an important role in spreading direct capital flows to the raw materials and infrastructure construction sectors.
- **Easing monetary policies**: The State Bank of Vietnam (SBV) plans to maintain a supportive monetary policy in 2026 to achieve double-digit GDP growth. Although interest rates are projected to increase slightly (0.5%-1%), credit growth (15-17%) will facilitate supplementing capital to the economy.

Fig 10. Vietnam – 2026 forward EPS growth (% YoY)



Source: Bloomberg, KB Securities Vietnam

Real estate and materials led the profit growth across the market

Based on the overall macroeconomic context, industry outlook assessments, and specific projections for leading companies, we present the following projections:

- **Leading sectors**: Sectors highly sensitive to economic cycles and domestic policies should post strong growth, particularly real estate (+23%), building materials (+21%), and consumer discretionary (+17%). This growth momentum is reinforced by key factors, namely (1) a favorable legal framework combined with supportive interest rates; (2) ramped up public disbursement boosting the materials sector; and (3) easing monetary and domestic consumption stimulus policies.
- **Sectors with lower growth**: The industrial (+11%), consumer staples (+7%), and utilities (+2%) sectors are supposed to log more modest growth rates due to the significant impact of global trade risks and the slowdown in FDI. For the essential consumer goods in particular, low growth reflects defensive characteristics and stable demand. Therefore, this sector typically does not generate significant profit surges during economic recovery compared to cyclical sectors.

III. Macro & stock market overview

1. Global – Continued easing monetary policies

The international macroeconomic environment is favorable with expectations of two Fed rate cuts

The global stock market situation in 2026 should turn the corner mainly thanks to the continued monetary easing cycle of major central banks. This is a key basis for forecasts of a weakening USD and uptrend in global stock markets next year.

However, we also note some potential risks such as the possibility of the AI bubble bursting, a US economic recession, a surge in global inflation, and especially the risk of the 40% tariff on commodities "transshipped" through Vietnam. In addition, geopolitical risks tend to climb with the Russia-Ukraine conflict, prolonged Middle East tensions, and increasingly complex new disputes in Asia, which could trigger wobbles in the global investment environment.

Table 11. Global – Main macro drivers in 2026

		KBSV forecasts	
Macro driver	Impact on the VNIndex	2025 trend	2026F trend
Major central banks maintain easing monetary policy	Positive	Interest rate cuts	Continued easing policy
DXY	Neutral	Steep falls	Slight reductions in 2026
Global trade – Trade war 2.0	Neutral	Risks peaking	Clearer policy Global trade shifts towards "fragmentation" instead of "globalization" Uncertainty risks remain
Other geopolitical risks	Negative	Protracted Middle East conflicts, Russia-Ukraine war Emerging disputes: China-Japan, Thailand-Cambodia	Unpredictable
Negative		Neutral	Positive

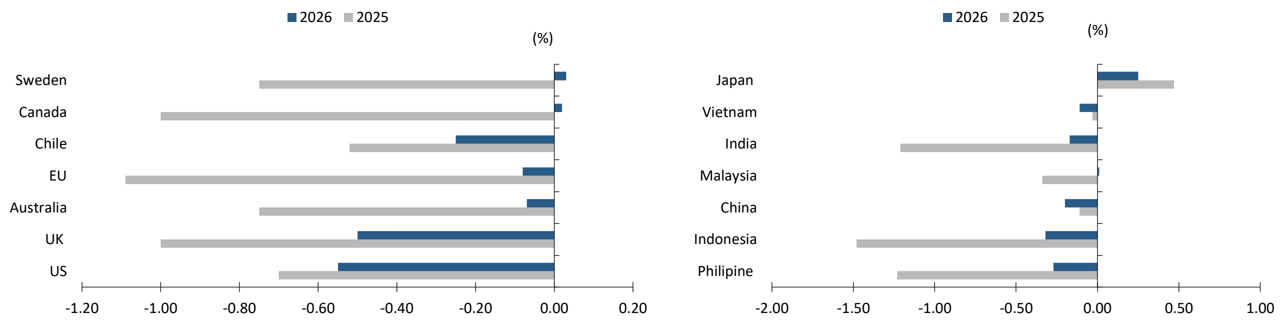
Source: KB Securities Vietnam

Major central banks should continue the monetary easing cycle

The Fed continues to prioritize labor market stability while accepting higher inflation in the short term. In 2026, we expect it to have two more interest rate cuts of 25bps each in the first half of the year, based on two assumptions. First, the US labor market is showing signs of weakening, evidenced by the unemployment rate touching 4.6% in November 2025, the highest level since September 2021. Additionally, the number of new jobs has also decreased since May 2025, indicating that businesses are becoming more cautious in hiring. Second, inflationary pressures in the US are expected to cool down again in the second half of 2026 as purchasing power weakens and the price increases due to tariffs in the second half of 2025 are temporary when a portion of the tariff costs have already been passed on to selling prices. Furthermore, according to CME Group, the Fed is expected to cut interest rates twice more in 2026, which reinforces our expectations.

We predict that the Fed's rate cuts and the USD depreciation may help other countries maintain their easing monetary policies, although the extent will vary between countries. For Europe, the ECB should maintain its expansionary fiscal policy, but the pace of interest rate cuts will slow down as inflation in the region has reached its target of 2%. Asian countries are maintaining loose monetary policies to bolster the economy. For Japan, the Bank of Japan is gradually raising interest rates thanks to positive GDP growth and stable inflation, allowing the bank to normalize monetary policy after a prolonged period of easing.

Fig 12. Global – Consensus forecast for interest rate cuts by major central banks



Source: Bloomberg, KB Securities Vietnam

The DXY is projected to decline slightly in 2026. The downtrend will be concentrated in the early part of the year, before rebounding in the second half of 2026

In early 2026, we believe the DXY will continue to go down on expectations of two more Fed's rate cuts in 1H26, while other major central banks are nearing the end of their interest rate cutting cycles. However, in 2H26, the index may see a recovery thanks to:

(1) The US economic growth may make a clearer recovery in 2H26 as the effects of the One Big Beautiful Bill absorb into the economy. In the context of a low interest rate environment, a stable labor market, policies to promote investment/production and tax cuts for individuals/businesses will strongly boost the US economic growth in 2026.

(2) The interest rate cutting cycle should end in 2H26, helping the USD to appreciate.

Fig 13. US – DXY

Source: Bloomberg, KB Securities Vietnam

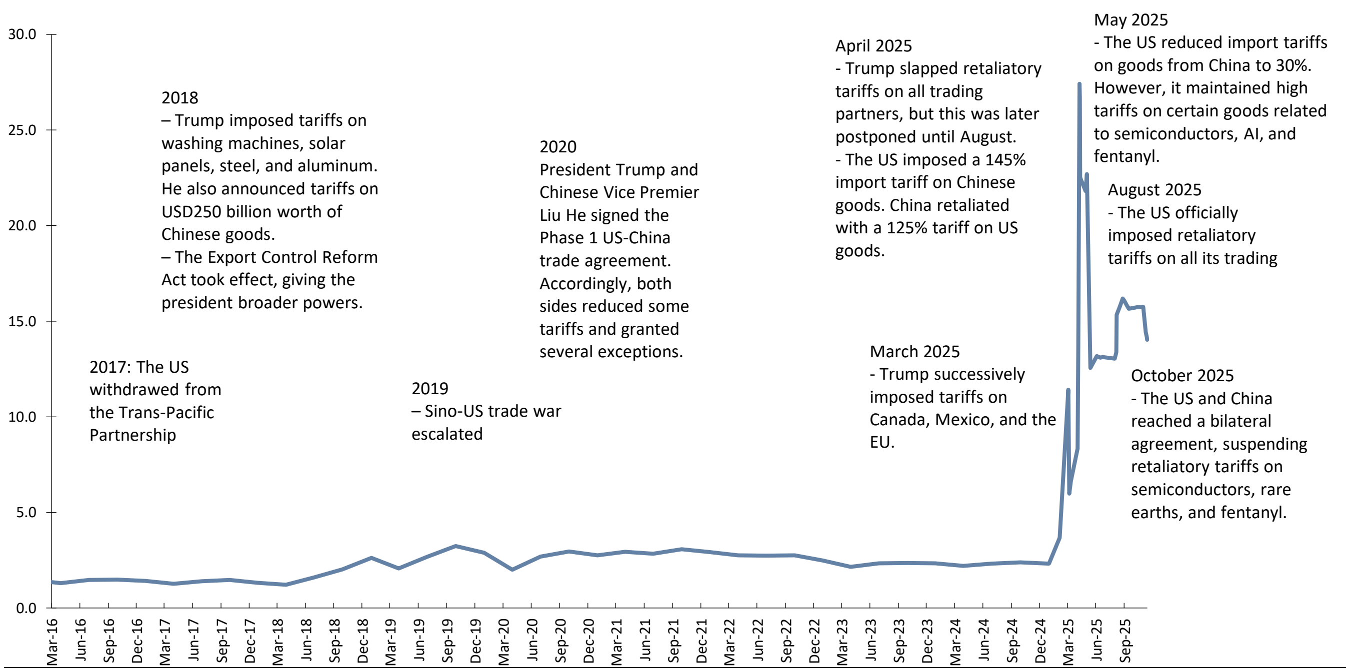
The impact from Trade War 2.0 should be gauged more precisely in 2026 with clearer policies to be announced

Overall, the level of uncertainty surrounding Trade War 2.0 has significantly decreased. The influencing factors are gradually being assessed through the Trump administration's announcement of specific tariff rates applied to each group of commodities and trading partners (Figure 14).

Nevertheless, the risk associated with the imposition of a 40% tariff on "transshipped" goods remains, as the US has not yet issued clear legal guidance on defining transshipped items for each country, except for Canada. However, considering the current context, we do not think the Trump administration will fully implement this policy in 1H26, assuming:

- The average tariff on goods entering the US is recorded at 15-20%, applied to 70% of goods imported into the US, the highest since the 1930s and significantly higher than that in Trade War 1.0. According to a 2018 Fed study, if the average import tariff into the US increases by 5%, it would be equivalent to a 0.7% decrease in GDP and a 0.4% increase in inflation. Therefore, in the context of a slowing US economy and a weakening labor market, we expect the US to not yet apply the 40% tariff on transshipped goods to mitigate the negative impact on the economy.
- Donald Trump has partially achieved his goals in Trade War 2.0, including increasing trade taxes to offset the US trade deficit and increasing pressure on other countries to raise their purchases of US commodities.

Fig 14. US, China – Major developments of Trade Ward 1.0 – 2.0



Source: US ITC, Bloomberg, KB Securities Vietnam

Risks that need close monitoring

Geopolitical risks are prevailing, with constant conflicts in the Middle East and the protracted Russia-Ukraine disputes imperiling global energy and supply chains. Furthermore, emerging conflicts in Asia in 2025, such as those between China and Japan or Thailand and Cambodia, could increase regional risks, impacting investor sentiment and global investment flows.

In addition, other risk factors such as the potential resurgence of Trade War 2.0, the AI bubble bursting, and US economic recession should also be closely monitored in 2026.

2. Vietnam – Macro stability bolstering growth

Easing fiscal policies will be optimized to achieve growth targets, while monetary policy may shift towards a controlled easing approach

We maintain our positive view on Vietnam economic growth in 2026, driven by accelerated public disbursement and continued credit expansion. Credit growth is expected to reach 15-17%, lower than the 19-20% of 2025, but still high, playing a crucial role in supporting domestic production, business, and consumption. In addition, public investment is being boosted, with the medium-term public disbursement plan for 2026-2030 demonstrating a strong commitment to infrastructure upgrades, creating a positive profound effect across many economic sectors.

Given flexibility in fiscal policy thanks to the low public debt/GDP ratio, the SBV may be more prudent in its monetary policy control in terms of interest rates after a period of strong easing. A harmonious combination of these two policies is expected to maintain macroeconomic stability and help achieve sustainable economic growth in 2026.

Interest rates may be 50-100bps higher than in 2025

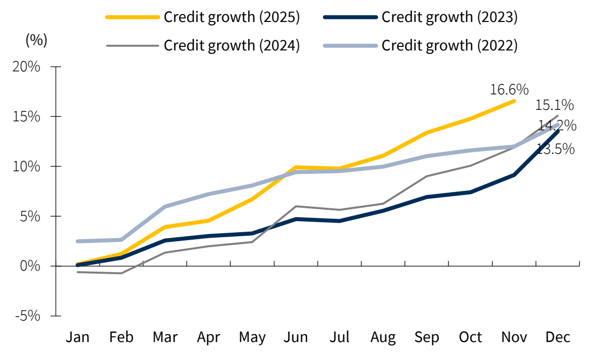
Cash in the banking system faced large pressure in the last months of the year, pushing overnight interbank interest rates (ON) up sharply to the 7-7.5% range in late November and early December. This development mainly stemmed from two factors: (1) seasonal liquidity demand increases sharply from the end of the year to around February of the following year; (2) credit growth remained high while customer deposits grew low (since low deposit interest rates have been maintained for a long time, tax changes increased people's demand for cash, and treasury surplus surged when the government had a budget surplus).
In that context, besides injecting cash through the OMOs, the SBV used the FX Swap tool - USD/VND exchange with commercial banks for a 14-day term. This helped cool down ON in the short term, but the impact of the technical support was only temporary.

The local liquidity stress caused banks to proactively adjust and raise customer deposit interest rates in 4Q25. According to our observations, the state-owned bank group has seen an increase of about 50bps, and the large commercial bank group, typically Vietnam Prosperity Bank (VPB), has had two-three interest rate adjustments with an increase of 30-50 bps/time. Meanwhile, many smaller banks have also maintained the trend of increasing interest rates since August to ensure capital balance.

We believe that the trend of increasing deposit interest rates will continue in 2026, with higher refinancing interest rate level (+50-100 bps compared to the end of 2025) to rebalance the liquidity of the banking system when: (1) Credit growth is expected to be high, reaching 15-17%, continuing to play a key role in economic growth. (2) Interest rates have remained low for a long time, causing slow deposit growth, while the room for support from channels such as OMOs or State Treasury deposits has narrowed. (3) There is an imbalance in maturities as 80% of banks' mobilized capital is short-term while lending is up to 50% medium- and long-term, which poses potential risks for the system. (4) In the medium and long term, liquidity support tools are only supplementary and cannot completely replace the mobilization channel from customers, accounting for the dominant proportion in the capital structure (about 80-90%). Therefore, maintaining a reasonable interest rate level is necessary to ensure the stability of capital sources, thereby supporting sustainable credit growth.

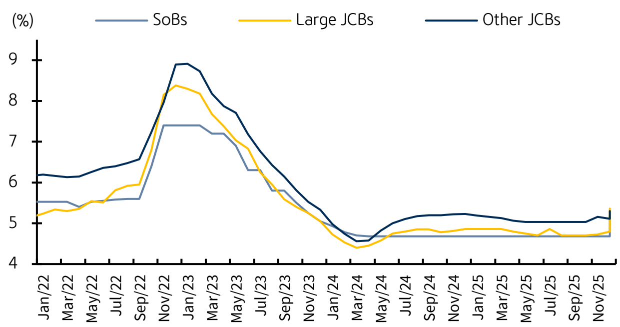
Lending interest rates have also been in line with deposit interest rates, with many banks raising their rates for new loans in 4Q25. The increase in capital costs in the current context will slightly increase lending interest rates, but the rate of increase may be slower than deposit rates to create a favorable interest rate environment to support economic growth, while interest rate competition for market share among banks remains fierce.

Fig 15. Vietnam – Credit growth over the years (%)



Source: State Bank of Vietnam, KB Securities Vietnam

Fig 16. Vietnam – Deposit interest rates by bank group (%)

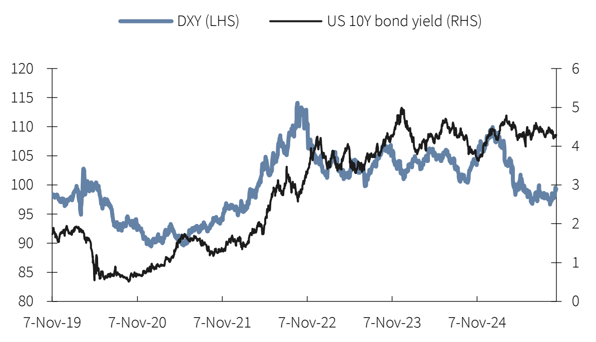


Source: Banks' financial statements, KB Securities Vietnam

The USD/VND exchange rate may remain under pressure at certain times and gain 2.5–3% YoY

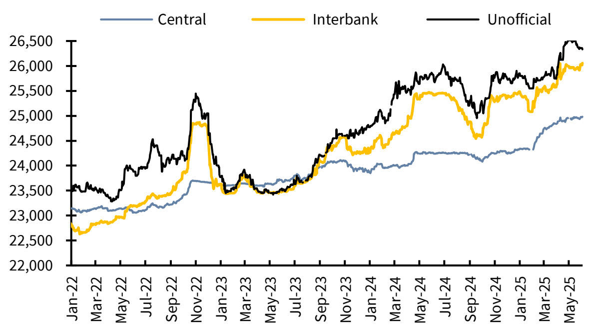
In the base case, KBSV forecasts that the USD/VND exchange rate in 2026 may increase by 2.5–3%, lower than the 3.5% increase in 2025. Factors that support the VND include: (1) the weakening trend of the DXY as the Fed is expected to cut interest rates two more times, while other major central banks such as Japan, the EU, and the England have shifted to a tightening phase or signaled that they will soon end their rate cutting cycle. (2) The interest rate level of the USD, after several cuts, is lower than the VND interest rate, thereby eliminating speculation on the interest rate differential between the two currencies. (3) Foreign currency supply will also be more positive in 2026 from FDI inflows, export recovery as the tariff story becomes clearer, and notably the market upgrade attracts foreign capital to the stock market.

Fig 17. US – 10-year bond yield and DXY



Source: Bloomberg, KB Securities Vietnam

Fig 18. US, Vietnam – USD/VND exchange rates (VND/USD)



Source: CEIC, General Statistics Office of Vietnam, KB Securities Vietnam

The macroeconomic environment still has bright spots to support the stock market's upward momentum

With a stable macroeconomic foundation and bright economic growth prospects, coupled with support from monetary and fiscal policies, we believe the stock market will maintain its long-term upward trend. Although interest rates are projected to rise slightly from their record lows during the Covid-19 period, they are only slightly higher than the cyclical lows and remain lower than the five-year average before Covid-19, reflecting the market's self-adjustment mechanism as the economy enters expansionary phase after recovery. Meanwhile, the USD/VND exchange rate being controlled will help minimize macroeconomic risks, strengthen investor sentiment, and increase market valuations in the medium and long term.

IV. Investment themes

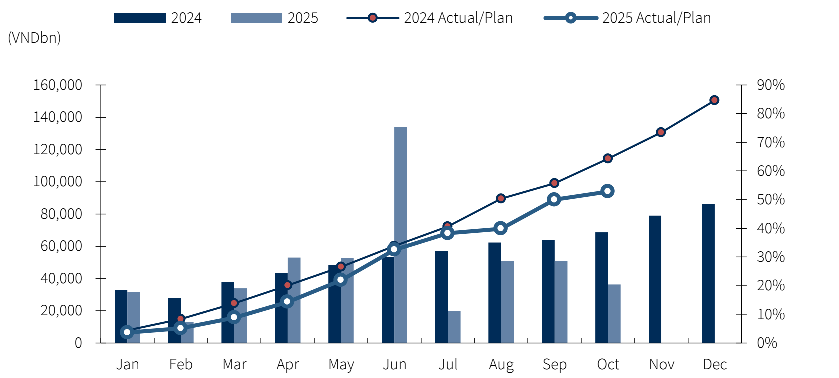
Investment theme	Beneficiary sectors	Top picks
Boosted public investment	Real estate, infrastructure development, building materials	HPG, PC1, CTD, HHV
Easing legal bottlenecks	Infrastructure development, building materials, real estate, energy	GAS, KDH, HDG, VND
Upcoming market reclassification	The group of stocks included in the FTSE Emerging Index, securities	HPG, VNM, MSN, VCI, HCM
Recovering FDI	Industrial parks, logistics	GVR, SIP, PHR, GMD

1. Boosted public investment

The disbursement of public investment in 11M25

According to the Ministry of Finance's report, the cumulative disbursed public capital from the beginning of the year to the end of October 2025 was VND464,828 billion, meeting 51% of the plan. As of November 30, 2025, the total disbursed capital hit VND553,250 billion or 60.6% of the plan assigned by the Prime Minister (Figure 19). The disbursement rate has not met expectations, while the remaining capital to be disbursed in 2025 is VND360 trillion.

Fig 29. Vietnam – Disbursement of public investment in 2024-2025 (VNDbn, %)



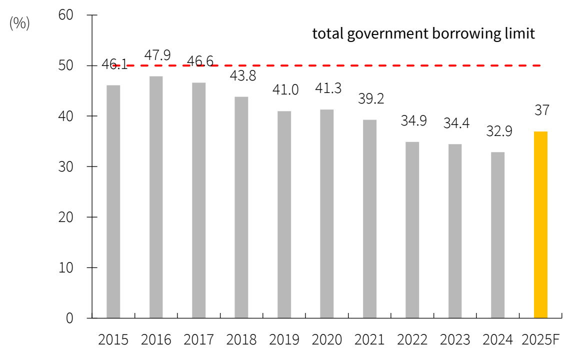
Source: Ministry of Finance, KB Securities Vietnam

Public investment remains as a pillar economic growth force in 2026

Fiscal policy will play a crucial role in supporting economic activity and promoting growth. In the 2026-2030 plan, with many ambitious new targets, the government intends to allocate VND8.51 trillion (USD320 billion) for development investment, 1.5 times more than the VND3.4 trillion (USD128 billion) allocated in the 2021-2025 period.
The National Assembly also officially approved the Resolution on the State Budget Estimate for 2026. Accordingly, the total projected state budget expenditure for 2026 is over VND3,159 trillion, with VND1,120 trillion (USD42 billion) for development investment (+42% YoY).

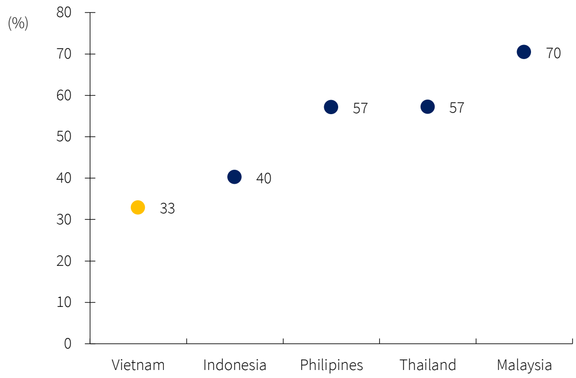
We have observed that fiscal policy still has room for expansion as Vietnam's government debt/GDP ratio is estimated at 36-37% of GDP by the end of 2025, much lower than the 50% ceiling set by the National Assembly (Figure 20). Furthermore, the government debt/GDP ratio is lower than that of other Southeast Asian countries. This gives opportunities for the government to continue expanding public investment spending while ensuring debt safety in the medium term. Regarding revenue sources, reforms in tax policy are expected to help increase budget revenue. However, to ensure a large amount of capital for disbursement in the coming years, funds raised from government bonds will be used, which may put slight pressure on bond interest rates. Overall, KBSV maintains the view that public investment will be the overarching investment theme in the medium term.

Fig 20. Vietnam – The government debt/GDP ratio in 2020–2025 (%)



Source: Bloomberg, KB Securities Vietnam

Fig 21. Southeast Asia – The government debt/GDP ratio of Vietnam vs other countries (%)



Source: Bloomberg, KB Securities Vietnam

A series of public investment projects has begun and will begin construction nationwide

A slew of public investment projects has begun and will begin construction nationwide. On December 19, 148 projects and works were simultaneously launched across the country, including many large-scale projects such as Component Project 1 of the Lao Cai – Hanoi – Hai Phong Railway (VND2,300 billion) and the Red River scenic boulevard (VND855,000 billion, 11,000ha). For 2026, many key connecting infrastructure projects will also continue to be urgently launched and completed (Table 22).

The building materials and infrastructure construction sectors are the first to benefit from the wave of public investment

In that context, the building materials and infrastructure construction sectors are expected to be the first and most direct beneficiaries of the current wave of public investment.

To be more specific, in the initial stages of project implementation, the demand for materials used in leveling and foundation construction, such as sand, construction stone, steel, and cement, will surge, thereby boosting sales volume of material suppliers. This will allow the construction materials sector to record growth soon thanks to the mandatory and irreplaceable demand for materials during the public investment cycle.

In addition, the infrastructure construction and installation sectors are also expected to gain direct advantages from the booming construction contracts, especially in key projects such as highways, airports, seaports, and urban infrastructure. A larger contract backlog will not only provide a foundation for short-term revenue growth but also improve the ability to recognize profits in the medium term, especially for businesses with strong construction capabilities, established experience in implementing large-scale projects, and good cost management.

Table 22. Vietnam – Key public projects

	Project	Total investment (USDbn)	Before 2025	2025	2026	2027	2028	2029
Airport								
	Chu Lai International Airport	0.6						
	Gia Binh International Airport	5.4						
	Long Thanh International Airport (Phase 1)	4.7						
Railway								
	North-South High-Speed Railway	67.3						
	Metro Lines 3, 4, and 6	19						
	Lao Cai - Hanoi - Hai Phong Railway	8.4						
	Metro Line 5: Van Cao - Ngoc Khanh - Hoa Lac	2.5						
	Metro Line 2: Ben Thanh - Tham Luong	2						
	Metro Line 2: Nam Thang Long - Tran Hung Dao	1.4						
Road								
	Hanoi Ring Road 5	6.5						
	12 component projects of the North-South Expressway	6.2						
	Ho Chi Minh City Ring Road 4	4.6						
	Hanoi Ring Road 4	3.7						
	Ho Chi Minh City Ring Road 3	3.2						
	Hanoi - Ha-Binh - Son La Expressway	2.5						
	Cao Bang - Bac Kan Expressway	2.5						
	Ca Mau - Dat Mui Expressway	2.2						
	Ha Tien - Rach Gia - Bac Lieu Expressway	2.1						
	Chau Doc - Can Tho - Soc Trang Expressway	1.7						
Seaport								
	Can Gio International Port	5.5						
	Lien Chieu Port, Da Nang	1.8						
	Cai Mep Logistics Center	0.5						
	Nam Do Son Port	1.1						

Source: KB Securities Vietnam

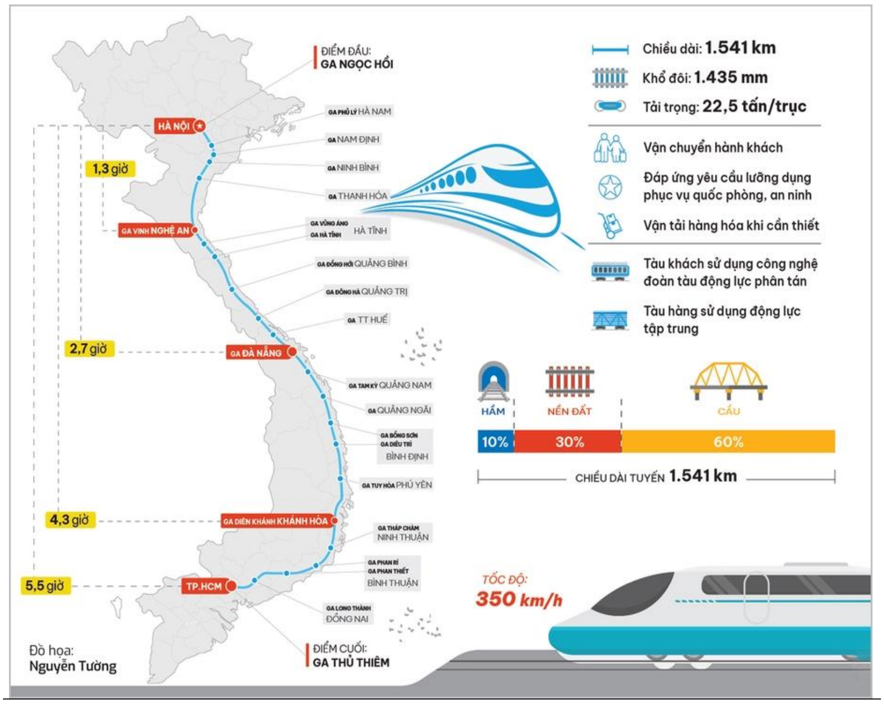
The North-South High-speed Railway project will be a highlight for the upcoming period

In addition to the ongoing road connectivity projects, several large-scale national infrastructure megaprojects, including the North-South High-speed Railway, ring roads in Hanoi and Ho Chi Minh City (HCMC), and nuclear power plants, are expected to generate significant spillover effects and serve as key pillars of economic growth.

In particular, the North-South High-speed Railway, with a total investment of USD67 billion, will represent a strategic step toward transforming Vietnam's transport infrastructure and enhance the national competitiveness.

- Total investment: VND1.71 quadrillion (USD67 billion).
- Target completion: Substantial completion targeted by 2035.
- Scale: The railway will span 1,541 km across 20 provinces, featuring 23 passenger stations and 5 freight stations. It will also be designed to accommodate defense and cargo transport needs when required.
- Expected groundbreaking: Late 2026.

Fig 23. Vietnam – The North-South High-speed Railway



Source: Ministry of Transport, KB Securities Vietnam

According to the Ministry of Planning and Investment, during the construction phase, the North-South high-speed railway project could add 0.97% to annual GDP growth. The pre-feasibility study estimates construction-related expenditures at around VND846 trillion, underscoring its substantial scale and economic spillover potential. At this stage, demand for construction materials—including stone, sand, cement, and steel—will surge to develop critical infrastructure such as bridges, tunnels, roadbeds, and stations. The project will also mobilize hundreds of thousands of workers, generating substantial employment and stimulating overall economic activity.

Construction material suppliers and real estate developers will gain direct benefits

Businesses participating in construction and material supply contracts are expected to be the first to benefit. According to KBSV's collected data, China's Beijing-Shanghai high-speed railway project, with a length of 1,318 km, will consume 7.35 million tons of steel; 44.18 million tons of cement; and employ 114,000 workers. Based on this, KBSV estimates that Vietnam's North-South high-speed railway project will require 8-10 million tons of steel, about 50 million tons of cement, and other materials. The combined effect of the commencement of numerous large infrastructure projects will drive a significant increase in demand for construction materials. This will be a positive signal for businesses in the industry such as Hoa Phat Group (HPG), Vicem Ha Tien Cement (HT1), Bien Hoa Building Materials (VLB), and Hoa An JSC (DHA).

In addition, high-speed rail paves the way for the development of the TOD (Transit-Oriented Development) model, an urban planning and development model in which residential, commercial, office, and service areas are built concentrated around public transportation hubs (such as metro stations, urban rail stations, and BRT terminals). According to some studies on the impact of high-speed rail on real estate prices in China, areas with these rail connections will see an average price increase of about 13% compared to before, and more than 7% in comparison to other areas. Therefore, KBSV sees this as a big opportunity for real estate developers to develop projects around high-speed rail stations. Furthermore, land prices in real estate projects will be supported by the trend of infrastructure completion.

Finally, to effectively utilize mega-projects such as the high-speed railway and Long Thanh airport, a convenient connecting transportation system needs to be built. Simultaneously, supporting infrastructure such as power plants, transmission lines, and substations must be completed to ensure their operation. KBSV maintains its previously positive stance towards contractors in the public investment sector such as Vietnam Airlines (HHV), VINCONEX (VCG), and PC1 Group (PC1) given more bidding packages in the near future.

2. Easing legal bottlenecks

Vietnam witnessed many significant changes, especially in policy in 2025

With an ambitious growth target of 8.3-8.5% in 2025 and striving for double-digit growth in coming years, alongside strengthening infrastructure investment and improving the quality of human resources, streamlining the legal framework is one of the top priorities and should bring positive impacts to related sectors.

The summary of the 10th session of the 15th National Assembly has shown many outstanding results. The Assembly passed 51 laws (accounting for 30% of the total documents of the term), 39 resolutions, and promulgated eight legal resolutions. It can be said that 2025 is one of the years witnessing the most changes in legal aspects. Looking ahead to 2026, we believe this trend of streamlining the legal framework will continue. In particular, policies adopted in 2025 will have more time to be absorbed and begin to be implemented more effectively.

KBSV maintains the view that certain areas will be prioritized for consideration and removal of obstacles, such as public investment, real estate, and energy. If these policies are effective, these groups will strongly benefit. Therefore, important changes that KBSV is focusing on will relate to laws such as the Land Law, the Investment Law, the Securities Law, and the Electricity Law.

Fig 24. Vietnam – The VNIndex development in relation with some events

Source: Bloomberg, KB Securities Vietnam

Real estate, construction, building materials, and energy sectors are expected to leverage benefit from legal changes

The real estate sector is witnessing numerous legal solutions to address bottlenecks, as it plays a crucial role in the economy. Draft documents addressing short-term obstacles while ensuring long-term stability have been released, such as the "Draft Law amending and supplementing several articles of the Land Law" and the "Draft Regulations on some mechanisms and policies to remove difficulties and obstacles in the implementation of the Land Law" *(See also Section VI. Sector outlook, Part 3. Residential real estate).* We expect these changes to accelerate the implementation of new projects and resolve current stalled projects. Accordingly, real estate companies, such as Vinhomes (VHM), Khang Dien House (KDH), and Nam Long Investment (NLG), with years of experience, large land bank, and strong financial resources will be able to leverage these changes to achieve breakthroughs.
In addition, the boost for the real estate market will also indirectly benefit sectors that experience increased demand, such as construction and building materials. Along with the amendments to the Investment Law and the Public Investment Law, projects are expected to experience shorter approval times and faster disbursement, which will increase demand for this sector.

The Energy sector also has a draft Resolution on mechanisms and policies to remove difficulties in national energy development for the period 2026-2030, which has been approved by the National Assembly. We expect this to be a catalyst for many changes in the electricity sector and the prospects of stocks in the sector. A more detailed analysis will be presented in *Section VI. Sector outlook, Part 10. Power)*

3. Upcoming market reclassification

Bluechips and securities companies are the most beneficiaries

The upgrade is not just a label change, but a re-rating process based on improvements in infrastructure quality and institutional capital flows. Passive capital flows from global ETFs are bought in proportion to the index's weighting. Therefore, leading stocks will be the first and most direct beneficiaries.

- **Large caps**: Based on data from the end of 2024, FTSE Russell released a list of 28 stocks (from small to large-cap) eligible for inclusion in the FTSE Global All-Cap Index. Although the final results may change when the official announcement takes effect in September 2026, based on quantitative criteria, KBSV believes that large- and mid-cap stocks are almost certain to remain on the list in the next period, alongside some small-cap stocks that have seen significant improvements in market capitalization and liquidity.
- **Securities companies**: This group will gain the biggest benefits from both aspects, increased liquidity and the deployment of new financial products. The upgrade is expected to push the average daily trading volumes to USD2-3 billion, thereby increasing brokerage and margin lending revenue for leading securities companies such as VPS Securities (VCK), Techcom Securities (TCX), and SSI Securities (SSI).

Table 25. Vietnam – Stocks eligible for inclusion in the FTSE Emerging Index

	Free float (%)	Remaining foreign room (%)	Market cap (USDbn)	Market size rated by FTSE Russell
VIC	35%	92%	43.5	Large
VCB	11%	29%	18.5	Large
VHM	30%	82%	16.1	Large
HPG	55%	60%	7.8	Large
VNM	40%	50%	5.0	Mid
MSN	60.00%	77%	4.2	Mid
SAB	11.00%	42%	2.5	Mid

Source: KB Securities Vietnam

Updates on the FTSE Russell upgrade roadmap and expected capital flows

The upgrade roadmap has officially moved from the "monitoring" phase to the "technical implementation" phase:

- *Official effective date*: September 21, 2026 is the date when Vietnam will be officially reclassified as a secondary emerging market.
- *Interim assessment* (March 2026): This is a crucial progress check. FTSE Russell will reconfirm the system's implementation capabilities and assess market readiness, particularly global broker access.
- *Implementation mechanism*: The removal of Vietnam from the frontier index will be a single tranche in September 2026, while inclusion in the emerging index may be done in multiple tranches to manage liquidity.

Decision No. 3761/QD-BTC is a step towards achieving emerging market status according to higher standards

As mentioned in Stock Market Outlook 4Q25 Report, the upgrade will trigger a big wave of passive and active capital flows, shifting from global index funds into Vietnam. According to FTSE Russell, KBSV, and other financial institutions, the total potential value of passive and active capital inflows into the market could range from USD3 to USD9 billion, with an estimated weighting of 0.3-1.1% in the FTSE Emerging All Cap basket. Regarding outflows, selling pressure from exit mandates by frontier funds is estimated at around USD0.8-1 billion. However, this figure is much smaller than the potential buying power from emerging markets.

The Ministry of Finance recently officially issued Decision No. 3761/QD-BTC dated November 6, 2025, on the plan for implementing Decision No. 2014/QD-TTg approving the project to upgrade the Vietnam stock market in the period 2025-2030. This detailed plan outlines short-term and long-term solutions, with the overall goal of improving management capacity, increasing liquidity, diversifying products, and improving transparency, aiming for an upgrade according to MSCI and FTSE Russell standards (Advanced emerging).

Table 26. Vietnam – Summary of the Appendix to Decision No. 3761/QD-BTC

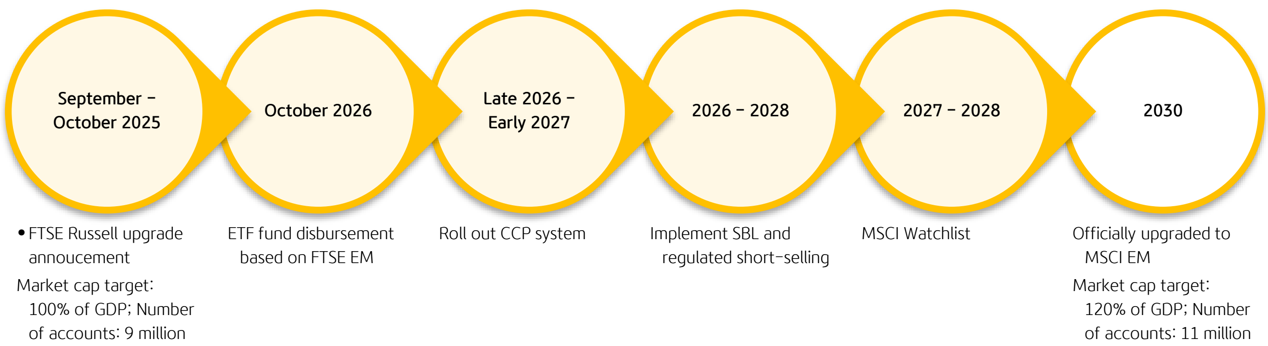
	Task	Details	Institution in charge
Short term	Removing transaction barriers	Addressing the issue of advance payments for securities purchases (pre-transaction margin) for foreign investors	State Securities Commission (SSC)
	Improving information transparency	Ensuring transparency regarding the maximum foreign ownership ratio	SSC
	Modernizing trading mechanisms	Implementing the Omnibus Trading Account (OTA) mechanism in accordance with international practices	Vietnam Exchange (VNX), SSC
	Upgrading the system	Strengthening the Straight-Through-Processing system (STP) between custodian banks and securities companies; enhancing the capacity of trading and settlement systems	Vietnam Securities Depository and Clearing Corporation (VSD), VNX
	Strengthening management and coordination	Improving the management and supervisory capacity of the SSC in terms of personnel and technology; coordinating with the SB) to simplify account registration procedures for foreign investors and propose solutions to stabilize the foreign exchange market	SSC, Department of Financial Institutions
Long term	Completing the legal framework	Reviewing and raising the maximum foreign ownership ratio, eliminating unnecessary restrictions, and proposing amendments to the Investment Law	Foreign Investment Agency, Department of Legal Affairs
	Developing CCP infrastructure	Establishing and operating a subsidiary to perform the function of a Central Counterparty (CCP) to meet the mechanism of settlement without requiring 100% margin	VSD
	Rolling out new services	Researching and implementing a roadmap allowing securities lending and borrowing, and controlled short selling (through pending securities transactions and intraday trading)	SSC
	Enhancing transparency and governance	Implementing International Financial Reporting Standards (IFRS) and strengthening corporate governance according to OECD standards for public companies	Department of Accounting and Auditing Management and Supervision; SSC
	Diversifying markets	Diversifying the product portfolio (green finance, green bonds, options contracts, new futures contracts) and developing and diversifying the investor base (encourage investment through investment fund certificates)	SSC
	Stabilizing macroeconomic and foreign exchange environment	Stabilizing macroeconomic financial policies (coordinating fiscal and monetary policies); coordinating with the SBV to implement foreign exchange risk hedging tools for indirect investment activities and monitor capital flows	Department of State Budget, Department of Financial Institutions

Source: KB Securities Vietnam

The FOL criterium has posed long-term challenges

Despite being included in Decision 3761/QD-BTC, resolving "Foreign Ownership Limits (FOLs)" is the most complicated challenge and difficult to achieve fundamental changes within a year. Easing/removing FOLs requires synchronization and changes to specialized laws across multiple ministries, not just the finance sector. Therefore, making significant legal changes (such as removing FOLs at banks or large-cap companies) within 2026 is a major challenge. International investors consider the lack of transparency and FOLs as the main risks as it limits market capitalization and investment potential.

Fig 27. Vietnam – Upgrade roadmap plan until 2030



Source: KB Securities Vietnam

4. Recovering FDI

Trade war 2.0 – Short-term challenges free up long-term FDI opportunities

We expect registered FDI into Vietnam, a prerequisite for industrial park land handover activities, to bounce back from 2H26, assuming:

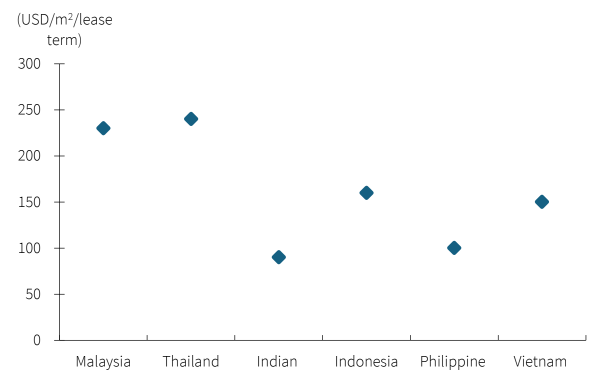
- Trade war 2.0 does not change Vietnam's core competitive advantages as (1) the tariffs imposed by the US on Vietnam and its competitors do not show a big divergence; and (2) the advantages of low labor costs, political stability, and strategic location are still maintained.
- The US and China conflicts over tariff issues are complicated, increasing the need for supply chain diversification from multinational corporations, while Vietnam is still considered an ideal destination.
- Tariff issues will become clearer in 2026, reducing uncertainty compared to 2025, encouraging FDI enterprises to make decisions to relocate production bases. The transshipment term remains a potential risk, but we do not appreciate the likelihood of this issue emerging next year (*as analyzed in Section III, Part 1. Global – Continued easing monetary policies*). In the scenario Vietnam is subject to a 40% transshipment tax, businesses with low localization rates will be hit hard. However, some FDI businesses will strive to improve their localization rates to avoid the tax, thereby increasing the value created by domestic businesses *(See also Section VI. Sector outlook, Part 8. Industrial real estate).*

Table 28. US – Reciprocal tariff updates (%)

	Reciprocal tariff	Other taxes	Notes
All trading partners	10% – Baseline	40% – Transshipped goods	CBP is responsible for identifying items/countries subject to the 40% tariff. Currently, only Canada has guidance on how to specifically determine the application.
Others			
China	24%	10% – Fentanyl	Reciprocal tariffs have been delayed until October 11, 2026, lowering the average US import tariff on goods from China from 42% to 32%. The US threatened to impose 10–200% tax rate on other items. 40% on transshipped commodities – Detailed regulations not yet released
India	25%	25% – Russian oil	40% on transshipped commodities – Detailed regulations not yet released
Vietnam	20%	25% – Venezuelan oil	40% on transshipped commodities – Detailed regulations not yet released
Thailand	19%		40% on transshipped commodities – Detailed regulations not yet released
Bangladesh	20%		40% on transshipped commodities – Detailed regulations not yet released
Philippines	19%		40% on transshipped commodities – Detailed regulations not yet released
Indonesia	19%		40% on transshipped commodities – Detailed regulations not yet released
Malaysia	19%	25% – Venezuelan oil	40% on transshipped commodities – Detailed regulations not yet released

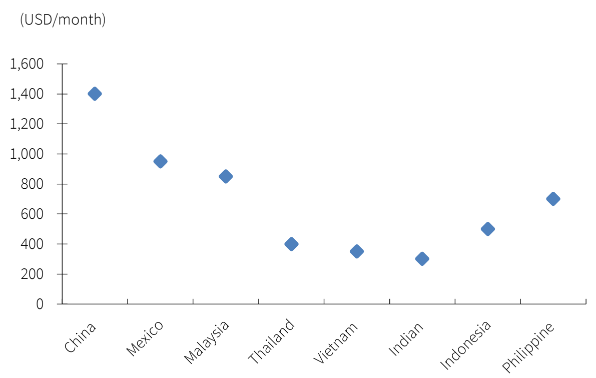
Source: Bloomberg, KB Securities Vietnam

Fig 29. Asia – Average industrial park rent in some countries (USD/m²)



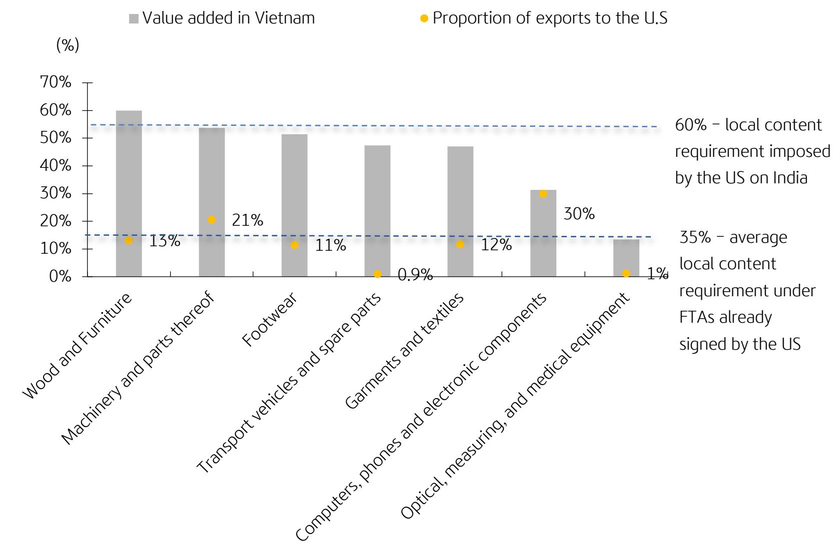
Source: CEIC, KB Securities Vietnam

Fig 30. Asia – Average income in in some countries (USD/month)



Source: CEIC, KB Securities Vietnam

Fig 33. Vietnam – Value added in Vietnam's total export turnover in 2024



Source: ITC, Vietnam Sectoral Balance Sheet – General Statistics of Vietnam, KB Securities Vietnam

Industrial parks, maritime shippers and port operators will cheer the recovery of FDI Inflows

- **Industrial real estate**: We expect industrial parks will perform better from 2H26 mainly thanks to the recovery in land lease demand from FDI enterprises, while most risks have already been reflected in 2025 valuation. Therefore, investors can look for opportunities to accumulate stocks at low prices for companies with large land bank, stable financial status, and attractive valuation. Our noteworthy investment choices include Sai Gon VRG Investment (SIP), Vietnam Rubber (GVR), Phuoc Hoa Rubber (PHR), and Kinh Bac City Development (KBC).
- **Logistics and seaport**: The rebounding FDI inflows to Vietnam will underpin import and export turnover. Meanwhile, Vietnam's import and export activities are the "lifeblood" of the logistics and port industry. The Vietnamese port system is undergoing a significant infrastructure upgrade to accommodate large vessels, particularly at the Cai Mep – Thi Vai and Hai Phong port clusters. Companies like Gemadept (GMD) and Hai An Transport and Stevedoring (HAH) exemplified companies that have seen improved business results thanks to the surge in cargo throughput.

V. KBSV model portfolio

Ticker	Target price	Closing price (Dec 31, 2025)	Expected return	2026F P/E	2026F NPAT growth	Investment catalysts	Link to reports
HPG	35,900	26,700	34%	8.7	41.0%	- Sales volumes are projected to increase by 23%/5% in 2026/2027 on a recovery in the real estate market and strong public investment, while steel prices are expected to rise by 4%/3% YoY, supported by stronger domestic demand and higher iron ore and coking coal costs. - HPG stands to benefit from domestic anti-dumping measures on HRC, a 0% anti-dumping duty on HRC exports to the EU and India, and the VND15,000bn railway steel manufacturing plant.	HPG
MWG	106,100	87,100	22%	14.0	27.7%	- TGDD + DMX are highly likely to deliver around 12% YoY growth in 2026, supported by favorable macro conditions and an improving business environment. - BHX may open 1,000 new stores (+25% YoY), underpinned by a scalable and well-suited operating model. - Operating leverage and increased contributions from financial income will support further margin expansion.	MWG
MBB	33,900	24,850	36%	5.3	31.1%	- Credit growth should remain strong on a higher credit quota and broad-based expansion across retail and large corporate segments. - NIM is projected to remain more resilient than peers thanks to superior funding cost management. - Asset quality should improve alongside the economic rebound and the codification of Resolution 42.	MBB
CTD	99,000	74,900	32%	18.2	72.9%	- Backlog at end-1QFY26 is estimated at VND45,000-50,000bn, driven by public investment projects, translating into revenue growth of 20%/9% in FY26/FY27. - Gross margin is projected to improve to 3.4%/3.6% in FY26/FY27, supported by supply chain optimization, Unicons restructuring, and stronger demand, which should enhance pricing power in contract negotiations.	CTD
PC1	27,800	22,600	23%	13.0	8.6%	- EPC revenue is projected to grow by 16%/10% YoY in 2026/2027, supported by a backlog of over VND8,000bn as of end-9M25, with additional upside from future project awards. - Gia Lam Golden Tower is scheduled for handovers from late 2025, contributing VND102bn/VND62bn in profit to PC1 in 2025/2026. - Despite tariff-related headwinds, the IP segment remains PC's long-term driver given its sizable land bank.	PC1
KDH	39,900	31,700	26%	35.0	26.6%	- Growth in 2026 is expected to be driven by launches at The Galdia (11.8 ha, Thu Duc) and The Solina (16.4 ha, Binh Chanh, HCMC), with prime locations supporting sales momentum despite rising interest rates. - KDH is poised to benefit from legal bottleneck resolutions, particularly land clearance at its largest project, Tan Tao Residential Area (330 ha, Binh Tan, HCMC), with construction expected to commence in 2027. - KDH owns a land bank of over 500 ha, primarily concentrated in HCMC.	KDH
GMD	76,500	61,300	25%	15.3	10.7%	- Port throughput is projected to grow by 6%/6% YoY in 2026/2027, while port service charges are expected to rise 4-7% per year through 2030. - Nam Dinh Vu 3 (650,000 TEU), entering trial operations in 4Q25, and Gemalink 2A (900,000 TEU), commencing operations from late 2027, should underpin GMD's medium- to long-term growth. - The divestment of the rubber business is expected to deliver one-off gains for GMD in the near term.	GMD
VCI	42,100	35,400	19%	n/a	n/a	- VCI's strong institutional franchise positions it to capture returning foreign inflows post market reclassification. - A more constructive equity market outlook in 2026 should provide tailwinds to brokerage, margin lending, and proprietary trading. - Margin lending retains ample headroom, with the 3Q25 margin loan-to-equity ratio at 100% vs. the 200% cap.	VCI

VI. Sector outlook

Banking

Boosting credit growth

Analyst Pham Phuong Linh
(+84) 24-7303-5333 linhpp@kbsec.com.vn

December 30, 2025

Positive maintain

Recommendations	
VCB	BUY
Target price	VND76,500
BID	BUY
Target price	VND51,800
CTG	BUY
Target price	VND58,00
ACB	BUY
Target price	VND32,100
TCB	BUY
Target price	VND43,100
VPB	BUY
Target price	VND37,800

Banks beat credit growth target before the end of the year

The first year of the "Era of Growth" marked a pivotal change in macroeconomic management, with consistently loose monetary and fiscal policies to support economic growth. In this context, the banking sector, a crucial policy channel, touched 10-year highs and exceeded the 16% target even before the end of the year. To promote growth and adhere to the direction of maintaining low interest rates, NIMs of many banks have been dented, reflecting the trade-off between profit margins and expansion. Asset quality improved and remained stable thanks to a more favorable economic environment and customer support policies. Despite the impact from external factors (tariffs and exchange rate pressure), PBT of 27 banks managed to post growth (+13% YoY in 9M25).

The credit growth momentum should be maintained in 2026

2025 is a groundbreaking year as a slew of policy changes have been implemented to expand market openness and support higher growth target, thereby creating a favorable foundation for banks to enter 2026 with a more positive outlook. We expect credit growth will maintain its strong momentum in 2026 (15-17%) with an encouraging business environment and the central role of credit in macroeconomic management. Given rising costs of funds (CoF), NIM is projected to remain stable thanks to strong credit growth and increasingly significant contributions from non-interest income. In addition, capital increases, the move towards Basel III standards, and the deployment of digital asset and gold exchanges will also strengthen the capacity and prospects of banks in the medium-long term.

The growth outlook is underpinned by several favorable factors, making banking stocks more attractive

Currently, the banking sector is trading at a P/B ratio of 1.54x, only higher than the five-year average -1Std. We believe that the business environment in 2026 will be more favorable with a priority on credit growth, stable NIM, and asset quality, while legal changes are facilitating the development of the entire industry. We expect the P/B ratio of banks to be redefined in the five-year average P/B range (1.7x). Our selected bank stocks for 2026 investment strategy include ViettinBank (CTG), Military Bank (MBB), Techcombank (TCB), Vietnam Prosperity Bank (VPB), and Asia Commercial Bank (ACB).

9M25 business performance

Banks led the overall economic growth in 2025

The first year of the "Era of Growth" marked a pivotal change in macroeconomic management, with consistently loose monetary and fiscal policies to support economic growth. In this context, the banking sector, a crucial policy channel, touched 10-year highs and exceeded the 16% target even before the end of the year. To promote growth and adhere to the direction of maintaining low interest rates, NIMs of many banks have been dented, reflecting the trade-off between profit margins and expansion. Asset quality improved and remained stable thanks to a more favorable economic environment and customer support policies. Despite the impact from external factors (tariffs and exchange rate pressure), PBT of 27 banks managed to post growth (+13% YoY in 9M25).

Credit growth touched many-year highs, playing a crucial role in economic growth

According to the State Bank of Vietnam's (SBV) statistics, system-wide credit growth as of November 27 reached 16.56% YTD, beating the full-year target of 16%. This growth rate is the highest recorded in the last 10 years as credit is an important factor to boost GDP growth. The main credit trends in 2025 include:

(1) Lending to corporate customers, especially large enterprises, has grown impressively. Meanwhile, the SME and individual customer groups are still recovering slowly, as shown by the performance of banks with a large proportion of retail lending such as ACB and Vietnam International Bank (VIB), credit growth is slower than the industry average. This shows that the recovery level is not uniform among different groups in the economy.

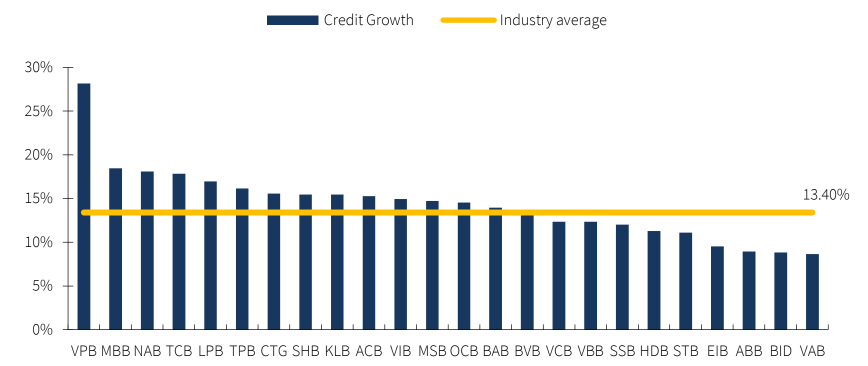
(2) Loans to real estate have grown more strongly than other sectors and industries, implying that the recovery of the real estate market (removal of legal obstacles) and the promotion of credit are two coordinative factors to accelerate project implementation. The strong increase in supply also helped to make the market more vibrant, and home loans have become the driving force for the retail banking segment at most banks.

(3) Banks that took over weak credit institutions have outperformed. VPB and MBB are two banks in KBSV's watchlist with the highest credit growth rates across quarters, reaching 28.2% YTD and 18.4% YTD respectively (excluding the transfer of bad debts to weaker credit institutions) at the end of 3Q. HCM Development Bank's (HDB) credit growth slowed in 3Q, falling to 11% due to the transfer of some quality debt to Vikki Bank. If excluding this transfer, HDB's credit growth will be 20.2% YTD.

Although there was no additional credit allocation for banks in 4Q25 as in previous years, sector-wide credit growth exceeded the 16% target after positive developments in the first three quarters.

Banks with high credit limits (VPB & MBB) and those that have large outstanding loans to the real estate sector experienced better growth compared to the rest. Retail banking saw slight signs of recovery from 3Q.

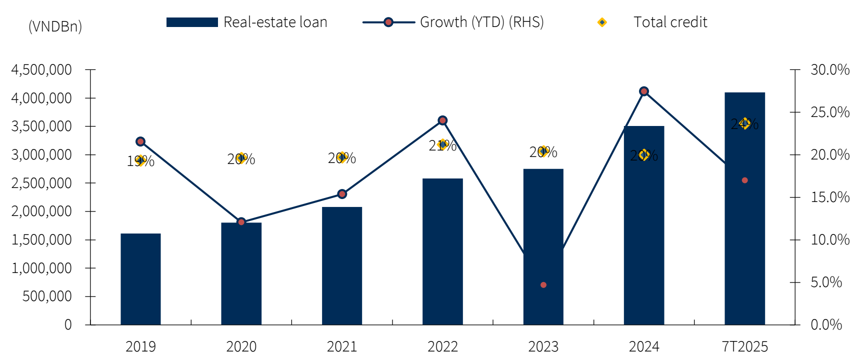
Fig 1. Vietnam – Credit growth across banks in 9M25 (%)



Source: Bank financial statements, KB Securities Vietnam

Data released by July 2025 showed that disbursed credit for the real estate sector reached over VND4.1 trillion, significantly increasing its contribution to the total outstanding loans of the economy (from 20% to 24%). The credit growth rate for this sector is nearly 20% YoY.

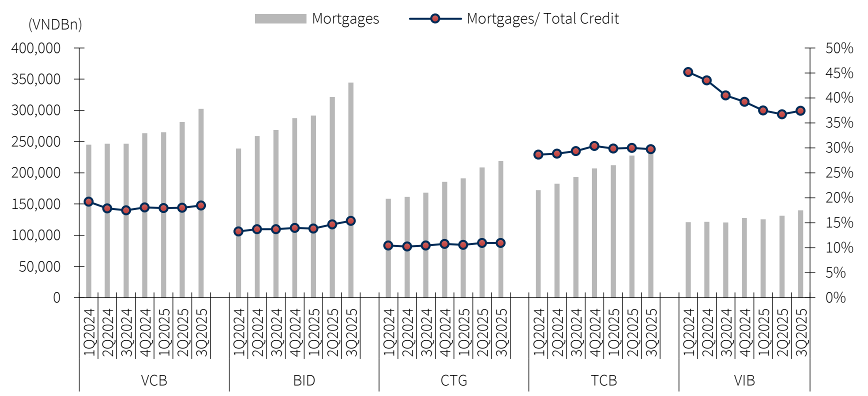
Fig 2. Vietnam – Real estate credit growth (%)



Source: Bank financial statements, KB Securities Vietnam

The proportion of outstanding mortgages in the total loans of state-owned banks has gained, while private banks (such as TCB and VIB, with 30-40% of mortgages) have shown more stable performance. This could be due to state-owned banks offering lower lending interest rates and participating in disbursing funds for social housing projects.

Fig 3. Vietnam – Mortgages, mortgages/total credit



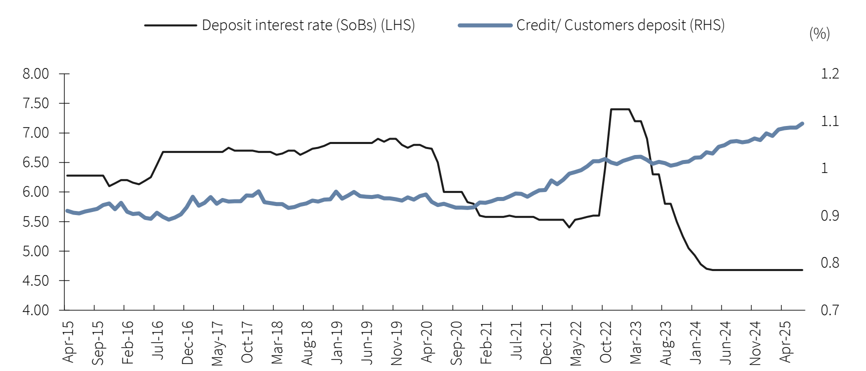
Source: Bank financial statements, KB Securities Vietnam

Customer deposit slowed down due to low interest rates, and mobilization structure shifted to interbank channel

Although credit recorded impressive growth, the mobilization activity of the entire banking sector was slower (12% YoY increase compared to 16% of credit as of the end of November), widening the gap between these two factors. Customer deposit growth in 9M25 of 27 listed banks was 10.2% given plunging deposit interest rates in line with the easing monetary policy to support the economy. This led to a sharp increase in the net LDR ratio (Loan/Deposit ratio in customer market) in many banks to over 100%, resulting in the system's credit/deposit ratio reaching 1.1x, touching historical highs. To limit liquidity risk, banks also actively shifted to other mobilization sources besides the support of the SBV, including: (1) issuing credit institution bonds and (2) OMO/interbank borrowing. (3) Furthermore, the SBV also supported liquidity for banks handling weak credit institutions and increased Treasury deposits at state-owned banks. The proportion of securities and interbank borrowing increased from 24% (2024) to 26% (3Q25). However, the strong increase in liquidity demand nearing year-end period triggered a wave of deposit interest rate increases across many private banks.

The credit/deposit ratio has quickly widened to a historical high (1.1x). This piled more pressure on customer deposit interest rates, pushing them up from the current lows.

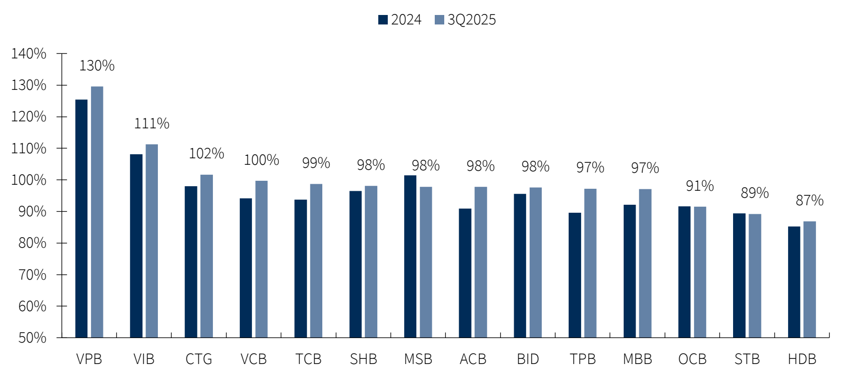
Fig 4. Vietnam – Corporate bonds/total credit across banks (%)



Source: FiinPro, KB Securities Vietnam

Most banks have seen their net LDR ratio increase compared to the end of last year due to deposit growth not keeping pace with credit growth. This poses liquidity risks and puts upward pressure on deposit interest rates in the market.

Fig 5. Vietnam – Corporate bonds/total credit across banks (%)



Source: Bank financial statements, KB Securities Vietnam

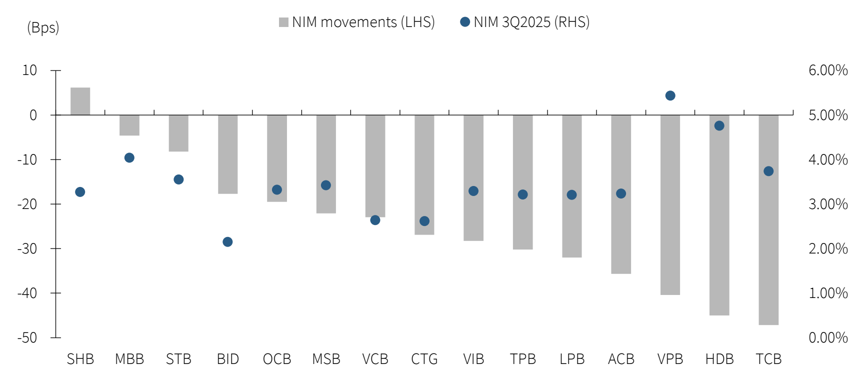
NIM was under strong downward pressure from plummeting lending interest rates

NIM of most banks under our coverage faced strong downward pressure in 2025. This development is mainly influenced by declining lending yields amid (1) the government directives to maintain low lending interest rates to bolster the economy and (2) interest rate competition among banks to increase market share and credit growth. Although deposit interest rates fell sharply during this period, increased mobilization from government bonds and interbank loans made it difficult for banks to improve their CoF. Sector-wide NIM in 3Q was more stable as the downtrend in lending interest rates slowed down.

Intense competition among private banks within the same group has caused the NIM of many banks such as VPB, HDB, TCB, and ACB to see steep falls from 2024 to the present. Meanwhile, the state-owned banks and MBB experienced milder declines thanks to more tools to manage input costs.

NIM of many banks saw steep falls compared to 2024 due to pressure from competitive lending interest rates, while the CoF remained stable despite low deposit interest rates, but mobilization from higher-cost sources increased (issuing government bonds and interbank borrowing).

Fig 6. Vietnam – NIM growth in 2025 (% YoY)



Source: Bank financial statements, KB Securities Vietnam

A number of banks (MBB, VPB, STB, and SHB) recorded a slight QoQ recovery in NIM in 3Q25, while the rate of decline in NIM at the remaining banks slowed down. Yields improved thanks to higher lending interest rates, while the CoF also advanced due to deposit interest rate rising competition.

Fig 7. Vietnam – NIM of banks showed a modest recovery QoQ in 3Q25 (%)

	IEA			COF			NIM (LTM)		
	2Q2025	3Q2025	+/- bps (QoQ)	2Q2025	3Q2025	+/- bps (QoQ)	2Q2025	3Q2025	+/- bps (QoQ)
BID	4.89%	5.00%	11	3.07%	3.13%	7	2.16%	2.15%	-1
VCB	4.46%	4.48%	2	2.05%	2.10%	5	2.69%	2.63%	-6
CTG	5.10%	5.24%	14	2.77%	2.88%	11	2.68%	2.61%	-6
MBB	6.20%	6.54%	35	2.77%	2.94%	18	3.94%	4.03%	9
TCB	6.32%	6.36%	5	3.03%	3.08%	4	3.89%	3.74%	-15
VPB	8.40%	8.81%	41	3.81%	4.10%	29	5.34%	5.43%	9
ACB	5.85%	6.13%	28	3.13%	3.40%	26	3.29%	3.23%	-6
STB	6.85%	7.15%	30	3.67%	3.84%	18	3.44%	3.55%	11
SHB	6.78%	7.16%	38	4.22%	4.49%	28	3.07%	3.27%	20
HDB	8.56%	8.81%	25	4.30%	4.49%	19	4.84%	4.76%	-8
VIB	6.47%	6.67%	20	3.65%	3.84%	20	3.36%	3.29%	-7
TPB	6.37%	6.57%	20	3.52%	3.77%	25	3.41%	3.21%	-21
MSB	5.83%	6.05%	22	3.10%	3.19%	9	3.40%	3.42%	2
OCB	6.48%	6.83%	35	3.88%	4.11%	23	3.40%	3.32%	-8

Source: Bank financial statements, KB Securities Vietnam

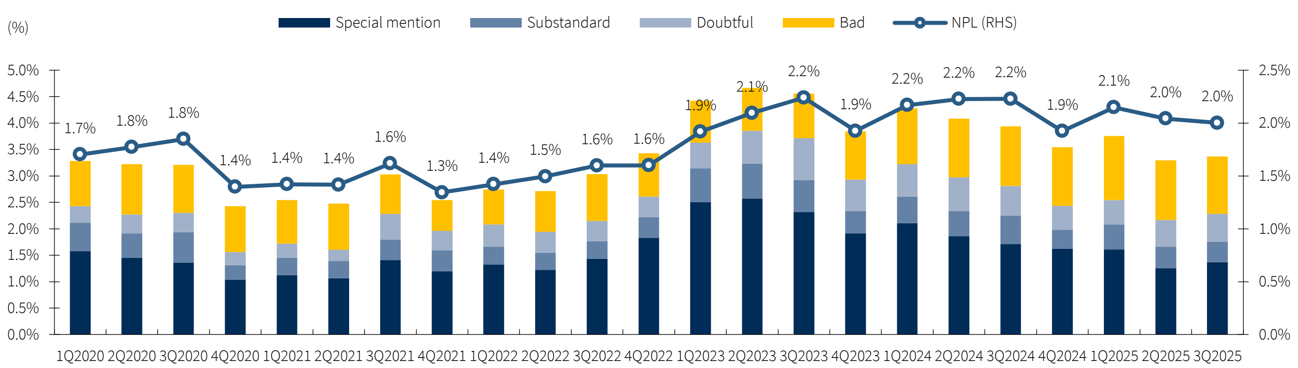
Asset quality was more stable thanks to a favorable macroeconomic environment, alongside legal support from the legislation of Resolution 42

As of the end of 3Q25, NPL ratio of 27 listed banks decreased 20bps YoY to 2.0%. State-owned banks and large-scale private banks showed the most notable improvement in NPLs, such as VPB, ACB, TCB, VCB, and CTG. Provisions of listed banks grew by a mere of 4% YoY to cushion profits. Meanwhile, the increase in NPL along with the scale of credit implied that the loan loss coverage ratio (LLCR) of banks has not recovered much after the sharp decline in 2024 (a period when many provision buffers were used to handle bad debts). Except for CTG and the group of large-scale private banks (CTG, TCB, VPB, ACB) which recorded better LLCR, the remaining banks all showed declines. The two remaining state-owned banks, VCB and BID, saw their coverage buffer decrease by 20-40bps after the first three quarters of 2025. BID's LLCR fell below 100% after a year of maintaining high at over 130%.

In 2025, the completion of the legal system also contributed to improving asset quality. The legislation of Resolution 42 should improve customers' debt repayment awareness while also shortening the time for processing and recovering bad debts for banks *(See also Stock Market Outlook 2H2025, Section IV, Part 3. Resolution 42)*. The amended law officially took effect from October 2025. According to many banks, these changes have already begun to exert an initial positive impact.

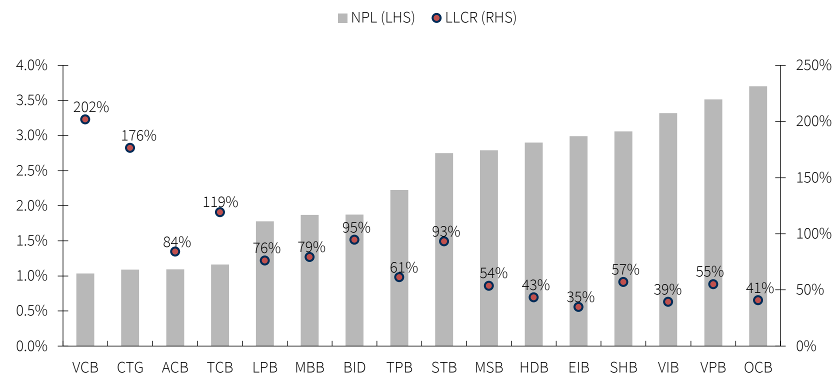
About the impact of natural disasters on the asset quality of the entire industry, statistics show that around 250,000 customers were affected with outstanding loans of nearly VND60,000 billion. The SBV has directed commercial banks to implement timely solutions to support customers such as reducing interest rates and offering loan programs to restore production. It is expected that the damage caused by natural disasters will not significantly affect the asset quality of the entire industry due to (1) the relatively small scale compared to Typhoon Yagi in 2024 and (2) support measures from banks to help customers overcome the hardship.

Fig 8. Vietnam – NPL portfolio across banks (%)



Source: FiinPro, KB Securities Vietnam

Fig 9. Vietnam – NPL & LLCR at banks by the end of 3Q25 (%)



Source: Bank financial statements, KB Securities Vietnam

2026 outlook

Controlled easing policy should be maintained in 2026, and interest rates may advance 50-100bps YoY.

In 2026, monetary policy is likely to continue its controlled easing trend to support a GDP growth target of around 10%. However, the room for further easing will be more limited than in 2025 as risks of exchange rates and liquidity caused the SBV to operate its policy more flexibly and cautiously. Cash situation in the banking system has become strained again recently, following the strong credit growth in 2025 and leading to a rapid increase in deposit interest rates in 4Q.

In this context, we project that deposit interest rates in 2026 will be repositioned to a level 70-120bps higher than in 2025 to ensure a balanced supply for high credit growth targets (15-17%) and compliance with the SBV safety ratios. Lending interest rates bottomed out in 3Q25, consistent with our forecasts in quarterly strategy reports. The current increase in CoF will push lending interest rates up, but the rate of increase may be slower due to the relatively fierce competition for market share among banks.

With interest rates expected to re-establish in a new equilibrium zone, we believe that customer deposits at banks will improve compared to 2025. Simultaneously, the increased issuance of certificates of deposit & FI bonds may help narrow the gap between credit and deposit. Furthermore, the SBV is likely to continue flexibly using monetary policy tools to supplement system liquidity to reach the credit growth target. Therefore, KBSV forecasts that liquidity pressure in 2026 will not be too large, although periods of tension may still occur, but these will be temporary.

Credit growth is expected to remain high at 15-17%

The outlook for credit growth in 2026 is positive (15-17%) as it plays a key role in achieving the Government's GDP growth target of 10%. The driving forces are:

(1) The real estate market is projected to recover strongly after legal obstacles were removed in 2025. In addition, new legal frameworks effective from 2026 will create a more transparent and stable foundation, boosting both individual home loan and real estate developer credit demand.

(2) Public disbursement continues to be a bright spot as many key infrastructure projects enter peak construction phases, leading to higher credit demand from the construction, materials, and logistics sectors. Furthermore, new projects under the 2026-2030 infrastructure plan will be launched, creating room for expanding credit for businesses.

(3) The recovery of retail activity, along with the improved capital absorption capacity of businesses as production and business activities recover, will help expand the room for consumer lending.

(4) Although interest rates may rebound, the increase will remain much lower than in the previous period, ensuring easy access to capital for businesses and individuals, thereby maintaining stable credit demand.

We believe that credit will remain an effective tool for the government to pursue high growth targets in the 2026-2030 period, but bank capital needs to be more evenly distributed across sectors to ensure growth is accompanied by quality and to limit concentration risks. State-owned banks will play a leading role in channeling credit for production, exports, and FDI, while private banks are expected to benefit more from the recovery of retail and real estate. Banks such as MBB, VPB, and HDB should maintain high credit growth, reaching 20-30%, thanks to their advantages in credit limits and the ability to expand their customer base.

NIM should stabilize after a period of sharp falls

NIM of banks should stabilize in 2026 despite pressure from rising CoF, but this will be offset by output growth and optimized loan portfolio strategies.

(1) CoF are forecast to post slight increases as deposit interest rates have bottomed out. Other funding channels also maintain high costs, interbank lending rates remain high for a long time, while bond issuance rates of banks closely follow the general interest rate trend. This makes the challenge of managing CoF more difficult. Banks with large CASA advantages or liquidity support from the SBV (TCB| MBB, VPB, HDB, VCB, and CTG) will control CoF increases at a slower rate than the industry average.

(2) The recovery of yield-earning assets (IEA) will undermine the negative impact on NIM with (i) high sector-wide credit growth at 15-17%; (ii) a portion of Cof being passed on to customers, with lending interest rates increasing slightly in line with the market developments; (iii) the credit structure shift towards higher-yielding segments, such as real estate, retail, and medium-to-long-term lending, thanks to recovering demand and banks' priority strategies; and (iv) improved asset quality that helps to better recognize interest receivables.

We believe that the NIM growth will be mixed among different groups of banks. State-owned banks, which have maintained very low deposit interest rates for a long time, are more likely to see better improvements in NIM than private banks. In addition, the group of banks supporting weaker financial institutions should also recover positively thanks to the advantage of high credit growth limits and preferential interest rate input capital. Small and medium-sized private banks may face greater pressure, causing NIM to tend to go flatline or slightly decrease. This is due to fierce competition in both input (deposit mobilization) and output (lending), especially at banks with low CASA ratios or those competing for credit growth.

Positive profit growth will help improve asset quality

In the scenario which expects 15-17% credit growth and stable NIM in 2026, we forecast that NIM of banks will improve from 2025's levels, returning to a growth rate of 15-20% YoY. Meanwhile, non-interest income sources are projected to contribute more to the total operating income after 2025 as banks boost operations for subsidiaries within the financial ecosystem such as insurance and securities.

Maintaining a double-digit income growth rate gives banks more room to strengthen their reserve buffers, which were limited due to the slowdown in NIM last year. On the other hand, we expect that with the economy recovering and growing better, credit quality will improve and the NPL ratio will be controlled. In addition, legal changes in the debt resolution process (legislation of Resolution 42) would have a positive effect on the risk management activities of banks. However, KBSV will also stay cautious about external uncertainties surrounding tariff policies (affecting domestic export businesses) and the rapid growth of real estate credit.

The banking sector is expected to take pivotal changes to prepare for a new growth cycle

The banking sector is expected to enter a new growth cycle with groundbreaking changes:

(1) Roadmap for meeting internationally standardized Basel III:
The issuance of Circular 14/2025 establishing a roadmap for the gradual application of Basel III (voluntary until 2029, mandatory from 2030) will help improve the capital quality and risk management of banks. This is considered an important foundation for the gradual removal of the credit limit mechanism, as future credit growth may be determined more by capital capacity and risk control levels rather than administrative allocation. Accordingly, banks with a big capital buffer will have a clear advantage in expanding their operations and maintaining high growth rates in the medium to long term. Meanwhile, pressure to increase capital will intensify for banks with thin buffers (CTG, BID, STB, and the group of small-scale banks), but it will also open up opportunities for capital increases in many banks to meet increasingly stringent requirements.

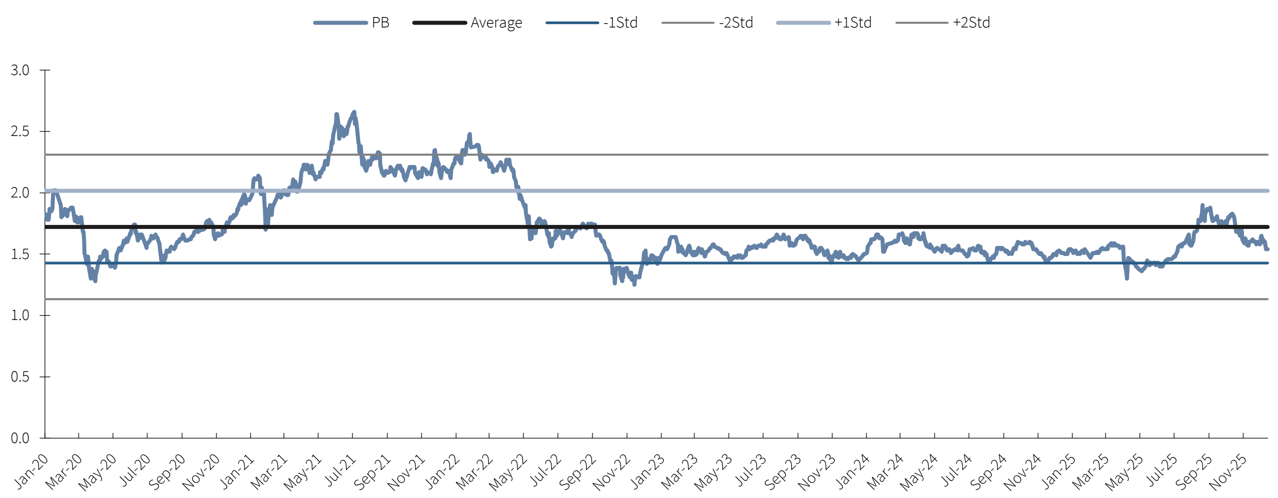
(2) Changes in regulations on digital assets and gold trading for improved openness of the financial market:
The promulgation of Decree 232/2025 on the management of the gold market has gradually brought large-scale gold transactions back into the formal financial system, enhancing transparency and expanding the intermediary role of banks. Furthermore, the legal framework for digital assets is gradually being finalized with the identification of digital assets and the establishment of strict licensing standards for domestic exchanges. These new regulations not only contribute to improving market transparency but also help banks expand their operational scope and new revenue sources, especially in the areas of services, payment, and distribution. Banks with strong capital bases, technological advantages, and complete ecosystems (like TCB, MBB, VPB, and ACB) are supposed to benefit.

The growth outlook is bright with many supportive factors, making bank stocks more attractive

After a market correction, the banking sector's P/B ratio returned to 1.54x, equal to the P/B ratio at the end of 2024 and only slightly higher than the five-year average -1Std. We believe the business environment in 2026 will be more favorable, with a priority on credit growth, stable NIM, and asset quality, while legal changes are facilitating the development of the entire sector. We expect the banking sector's P/B ratio to be reset to the historical mean of 1.7x.

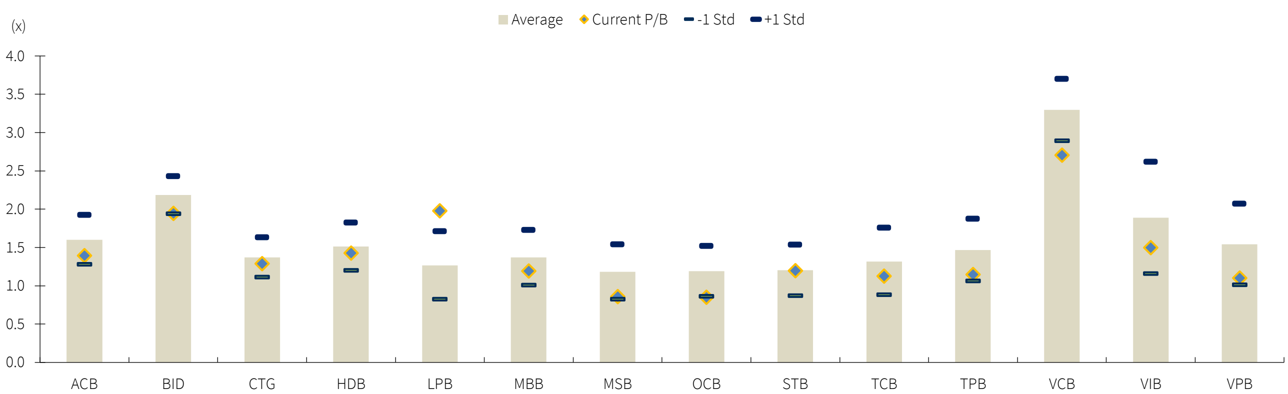
For our stock picks for 2026, we favor CTG in the state-owned group for its transformation into a dynamic bank; TCB, MBB, and VPB for their outstanding growth rates and potential for deploying digital assets; and ACB for its safe risk appetite and its new move to anticipate the gold bullion business. Currently, these stocks are trading at relatively attractive price levels for buy and long-term accumulation.

Fig 10. Vietnam – P/B of the banking sector in 2020-2025 (x)



Source: Fiinpro, KB Securities Vietnam

Fig 11. Vietnam – P/B across banks (x)



Source: Bloomberg, KB Securities Vietnam

KB Securities VIETNAM

KBSV RESEARCH

Asia Commercial Bank (ACB)

A strategic move toward revenue diversification

December 5, 2025

Analyst Pham Phuong Linh
(+84) 24-7303-5333 linhpp@kbsec.com.vn

Credit growth accelerated in 3Q2025 after a subdued first half

By end-September 2025, ACB delivered credit growth of 15.2% YTD—outpacing the sector average of 13.4%—following a subdued first half driven by the slow recovery of the retail lending segment. Despite the solid rebound in loan disbursements, net interest income edged down slightly amid continued NIM compression. For the first nine months, ACB reported VND6,072 billion in PBT, equivalent to 67% of its full-year guidance.

Lending yields improved in 3Q, but NIM recovery remains constrained

Encouragingly, lending yields improved in 3Q (+17bps), supported by broad-based gains across both credit volumes and loan rates. However, we believe NIM is unlikely to stage a meaningful recovery, given rising deposit rates in the retail market and an accommodative monetary policy stance expected to persist throughout 2026.

Asset quality improved broadly, keeping provisioning needs manageable despite a slight expected uptick in NPLs

Asset quality strengthened across most customer segments, easing provisioning pressure in the quarter (provisions declined 20% YoY). While the NPL ratio may tick up slightly toward year-end, we continue to view ACB's asset quality as resilient, with the full-year NPL ratio projected to remain in the 1.2-1.3% range.

We reiterate BUY on ACB with a target price of VND32,100/share

We reiterate our BUY call on ACB and revise our target price to VND32,100 per share, implying 28% upside from the closing price on December 4, 2025.

Buy maintain

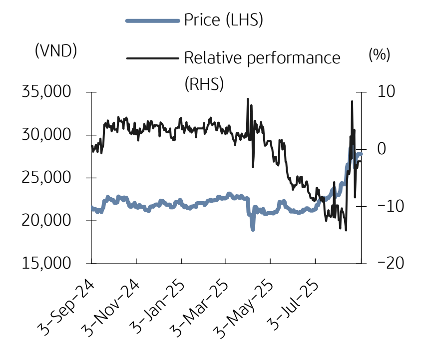
Target price	VND32,100
Upside	28%
Current price (Dec 4, 2025)	VND24,900
Consensus target price	VND32,232
Market cap (VNDtn/USDbn)	142.8/5.4

Trading data

Free float	87.9%
3M avg trading value (VNDbn/USDmn)	403.5/15.4
Foreign ownership	30.0%
Major shareholder	Sather Gate Investments Limited (4.99%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	20.9	30.8	23.0	28.9
Relative	8.4	6.0	-5.5	-2.1



Source: Bloomberg, KB Securities Vietnam

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net interest income (VNDbn)	24,960	27,795	29,310	34,820
PPOP (VNDbn)	21,872	22,612	24,865	28,194
NPAT-MI (VNDbn)	16,045	16,790	18,005	20,137
EPS (VND)	4,131	3,759	3,505	3,920
EPS growth (%)	2	-9	-7	12
P/E (x)	6.0	6.6	7.1	6.4
Book value per share (VND)	18,269	18,685	18,779	21,324
P/B (%)	1.36	1.33	1.33	1.17
ROE (%)	24.8	21.7	20.0	19.6
Dividend yield (%)	2.16	2.16	2.16	3.60

BID Bank (BID)

Asset quality showing signs of recovery

December 5, 2025

Manager Nguyen Anh Tung
(+84) 24-7303-5333 emailaddress@kbsec.com.vn

3Q25 PBT grew 16.9% YoY to VND7,594 billion

In 3Q25, NII of Bank for Investment & Development of Vietnam (BID) gained 8.5% YoY to VND15,173 billion, driven by 8.8% YTD credit growth while NIM continued to remain low. Credit costs were average (0.28%) with provisions touching VND6,186 billion (+1.4% QoQ, +33.9% YoY), and PBT was VND7,594 billion (+16.9% YoY). 9M25 PBT totaled VND23,632 billion (+7.2% YoY).

Credit growth in 2026 should reach 15%

KBSV expects BID's credit growth to remain at 15% in 2026, based on (1) high credit demand in the context of the government's GDP growth target of 10%; (2) the driving force from the private economy, promoting public investment, and the real estate recovery; and (3) competitive advantage from low CoF.

NIM expected to improve in 2026

KBSV expects NIM of BID in 2026 will be better than 2025 as credit growth is higher than deposit growth, allowing the bank to flexibly adjust lending interest rates. Furthermore, BID can benefit in the short term as interbank interest rates rise while the bank continues interbank net lending.

NPL improved to 1.87% and may further decrease in 2026

Asset quality has shown positive developments with the NPL ratio reaching 1.87% (-10bps QoQ). KBSV expects that low interest rates and strongly rebounding economy will help BID's asset quality improve significantly in 2026.

BUY rating - Target price VND51,800/share

After considering valuation results, business prospects, and possible risks, we recommend BUY for BID shares. The target price for 2026 is VND51,800 apiece, 37% higher than the price on December 5, 2025.

BUY change

Target price	VND51,800
Upside	37.0%
Current price (Dec 5, 2025)	VND37,800
Consensus target price	VND43,280
Market cap (VNDtn/USDbn)	265.4/10.1

Trading data

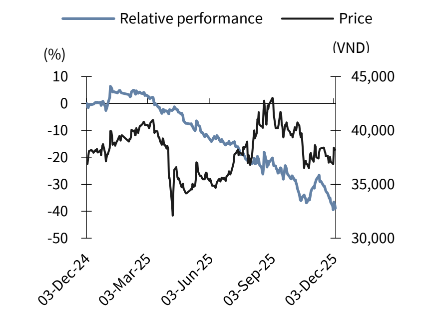
Free float	5.7%
3M avg trading value (VNDbn/USDmn)	135.5/5.13
Foreign ownership	14.7%
Major shareholder	State Bank of Vietnam (SBV, 80.99%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	1.1	-6.8	6.5	0.4
Relative	-9.1	-11.0	-22.7	-38.9

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net interest income (VNDbn)	56,136	58,008	60,718	75,062
PPOP (VNDbn)	47,932	53,094	54,545	67,466
NPAT-MI (VNDbn)	21,505	25,140	26,368	29,060
EPS (VND)	3,773	3,645	3,755	4,139
EPS growth (%)	5	(3)	3	10
PER (x)	10.0	10.4	10.1	9.1
BVPS	21,554	21,009	25,078	29,217
PBR (x)	1.8	1.8	1.5	1.3
ROE (%)	19.4	19.1	16.7	15.5
Dividend yield (%)	0.0	0.0	0.0	0.0



Source: Bloomberg, KB Securities Vietnam

KB Securities VIETNAM

KBSV RESEARCH

VietinBank (CTG)

Solid growth momentum into 2026

Manager Nguyen Anh Tung
(+84) 24-7303-5333 tungna@kbsec.com.vn

November 28, 2025

3Q2025 PBT amounted to VND10,614 billion (+62% YoY)

In 3Q2025, net interest income reached VND17,176 billion, up 10.3% YoY, supported by robust credit growth of 15.6% YTD despite a 37bps YoY contraction in NIM. Provision for credit losses declined 36.7% YoY thanks to improving asset quality, lifting 3Q2025 PBT to VND10,614 billion (+62.0% YoY).

KBSV expects CTG's credit growth to hit 17% in 2026

KBSV expects CTG's credit growth to hit 17% in 2026, underpinned by (1) robust borrowing demand amid the Government's ambitious GDP growth target of 10% and beyond; (2) momentum from the private sector, boosted public investment, and the ongoing recovery of the real estate market; and (3) CTG's structural low-cost funding advantage.

NIM should edge up on a higher share of retail lending

KBSV forecasts a modest 3bps YoY increase in CTG's NIM in 2026, supported by a higher share of retail lending, which should lift average IEA yield and partially offset the rise in CoF amid tightening liquidity conditions and USD/VND-related pressures on deposit rates.

CTG is expected to sustain healthy asset quality in 2026

Asset quality remains a key strength, with an NPL ratio of 1.09% (the second lowest in the sector after VCB) and a robust buffer, as reflected in a 176% loan loss coverage ratio (LLCR). KBSV believes favorable macro conditions and a low interest-rate environment will enable CTG to sustain healthy asset quality in 2026.

We upgrade CTG to BUY with a target price of VND58,000/share

Based on valuation results, business outlook, and potential risks, we upgrade CTG to BUY with a target price of VND58,000 per share for 2026, implying an 18.8% upside from the closing price on 27 November 2025.

Buy change

Target price	VND58,000
Upside	18.8%
Current price (Nov 27, 2025)	VND48,850
Consensus target price	VND62,175
Market cap (VNDtn/USDbn)	260.7/9.9

Trading data

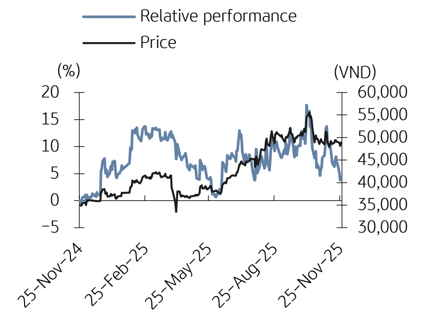
Free float	15.8%
3M avg trading value (VNDbn/USDmn)	480.5/15.2
Foreign ownership	25.5%
Major shareholder	State Bank of Vietnam (SBV, 64.49%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	0	-1	30	40
Relative	-3	-4	1	4

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net interest income (VNDbn)	52,957	62,403	65,695	77,594
PPOP (VNDbn)	50,105	59,363	62,370	74,239
NPAT-MI (VNDbn)	19,904	25,348	32,420	36,674
EPS (VND)	3,706	4,720	6,037	6,829
EPS growth (%)	5.3	27.4	27.9	13.1
P/E (x)	13.2	10.3	8.1	7.2
Book value per share (VND)	23,440	27,655	33,692	40,521
P/B (x)	2.08	1.77	1.45	1.21
ROE (%)	17.1	18.6	19.8	18.5
Dividend yield (%)	0.0	0.0	0.0	0.0



Source: Bloomberg, KB Securities Vietnam

Techcombank (TCB)

Lower concentration risk from real estate

Analyst Pham Phuong Linh
(+84) 24-7303-5333 linhpp@kbsec.com.vn

December 1, 2025

TCB's real estate lending will be halved to 25% in the next five years

Techcombank (TCB) has set a long-term plan to lower the proportion of the ReCom sector (Real estate, construction & construction materials) in its credit portfolio from the current 37% to 25% in the next five years. Assuming credit growth of 18%/year in 2026-2030, it is estimated that credit growth of the sector will slow down to 9-11%/year (or 50% less than the average growth rate of over 20% in the past three years).

NIM posted modest rebound QoQ, but it is still under pressure amid rising interest rates

Deposit interest rates are tending to increase again in the 4Q industrywide to balance deposits with loans, piling pressure on cost of funds (CoF) of TCB. NII from the Flexible pricing policy should help NIM recover after the bank completes the handling of outstanding loans under this policy in 2028.

Asset quality should not be affected by changes in lending strategy

We expect TCB to continue to maintain its leading position in asset quality, especially with the strategy of diversifying the loan portfolio to minimize concentration risk.

Valuation: BUY - Target price VND43,100/share

We recommend BUY for TCB shares with a target price of VND43,100 after shifting the valuation time to the end of 2026, which is equivalent to a potential upside of 28% compared to the closing price on November 28, 2025. For the period 2026-2030F, the expected annual profit growth is still positive, but the increase in interest rates may continue to put pressure on NIM, making it difficult to return to the peak of over 4.5-5% in history.

Buy change

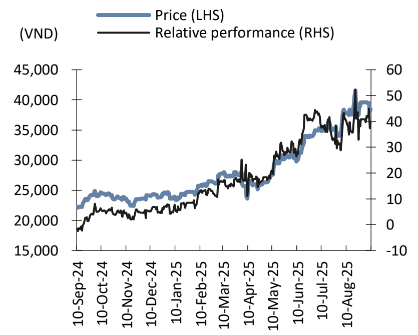
Target price	VND43,100
Upside	28.1%
Current price (Nov 28, 2025)	VND33,750
Consensus target price	VND44,143
Market cap (VNDtn/USDbn)	277.1/10.5

Trading data

Free float	77.4%
3M avg trading value (VNDbn/USDmn)	933.9/35.6
Foreign ownership	22.5%
Major shareholder	Masan Group (MSN, 14.9%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	1.7	28.1	38.5	73.0
Relative	-1.6	3.7	15.4	42.6



Source: Bloomberg, KB Securities Vietnam

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net interest income (VNDbn)	27,691	35,508	37,648	46,051
POPP (VNDbn)	26,809	31,621	35,335	41,254
NPAT-MI (VNDbn)	18,191	21,760	24,776	29,087
EPS (VND)	5,111	3,046	3,463	4,060
EPS growth (%)	-11%	-40%	14%	17%
PER (x)	5.1	8.6	7.5	6.4
Book value per share (VND)	37,364	20,940	24,085	26,351
PBR (x)	0.70	1.25	1.23	1.12
ROE (%)	14.8%	15.6%	15.6%	16.3%
Dividend yield (%)	0.00%	0.00%	2.87%	2.87%

KB Securities VIETNAM

KBSV RESEARCH

Vietcombank (VCB)

Anchored by industry-leading asset quality

November 13, 2025

Manager Nguyen Anh Tung
(+84) 24-7303-5333 tungna@kbsec.com.vn

3Q2025 PBT touched VND11,239 billion (+5% YoY)

In 3Q2025, despite a solid 12.4% YTD credit expansion, NII grew only 8.0% YoY due to continued NIM compression. Provision for credit losses jumped by 138.2% YoY to VND776 billion, resulting in PBT of VND11,239 billion (+5.0% YoY). For 9M2025, PBT reached VND33,133 billion (+5.1% YoY).

Loan growth is forecast at 15.5% in 2026

KBSV forecasts VCB's credit growth at 15.5% in 2026, driven by: (1) strong credit demand under the Government's 10% GDP growth target; (2) momentum from the private sector, boosted public investment, and a recovering property market; and (3) VCB's structural low-cost funding advantage.

NIM is expected to remain broadly flat in 2026

KBSV expects NIM to remain broadly flat in 2026, as VCB is likely to maintain low lending rates to support economic growth and foster loan growth. Meanwhile, sustaining low deposit rates may prove challenging amid tightening liquidity and exchange rate pressures. Several factors that may lend support to NIM in 2026 include: (1) liquidity assistance from the SBV; (2) lower reserve requirement ratio; and (3) VCB's net lending position in the interbank market.

VCB's industry-leading asset quality keeps provisioning pressure minimal

Provisioning pressure is considered negligible, backed by VCB's superior asset quality. The bank's 3Q2025 NPL ratio stood at 1.03%—the lowest in the system—while its LLCR remained robust at 202%, providing strong provisioning flexibility.

We reiterate BUY for VCB with a target price of VND76,500/share

Based on valuation results, business prospects, and potential risks, we reiterate BUY for VCB with a 2026F target price of VND76,500 per share, implying a 28.6% upside from the closing price on November 12, 2025.

Buy maintain

Target price	VND76,500
Upside	28.6%
Current price (Nov 12, 2025)	VND 59,500
Consensus target price	VND 75,900
Market cap (VNDtn/USDbn)	497.2/18.8

Trading data

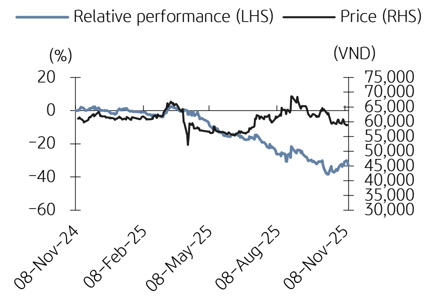
Free float	10.2%
3M avg trading value (VNDbn/USDmn)	467.9/17.7
Foreign ownership	21.5%
Major shareholder	State Bank of Vietnam (SBV, 74.80%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-5	-7	6	-3
Relative	2	-3	-19	-33

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net interest income (VNDbn)	53,621	55,406	57,717	67,695
PPOP (VNDbn)	45,809	45,551	47,910	55,509
NPAT-MI (VNDbn)	33,033	33,831	35,438	37,502
EPS (VND)	5,910	6,053	4,241	4,488
EPS growth (%)	(6.4)	2.4	(29.9)	5.8
P/E (x)	15.1	14.7	14.0	13.3
Book value per share (VND)	29,524	35,106	27,723	32,211
P/B (x)	3.01	2.53	2.15	1.85
ROE (%)	22.0	18.7	16.6	15.0
Dividend yield (%)	0.0	0.0	0.0	0.0



Source: Bloomberg, KB Securities Vietnam

VPBank (VPB)

Cheering the successful IPO of VPBankS

Manager Nguyen Anh Tung
(+84) 24-7303-5333 tungna@kbsec.com.vn

November 6, 2025

3Q25 PBT recorded VND9,166 billion (+76.7% YoY)

The impressive credit growth of 29.4% YTD and improved NIM in 3Q brought NII of VPBank (VPB) to VND15,061 billion (+12.0% QoQ, +23.9% YoY). Provisions slightly gained 6.8% YoY, making PBT surge 76.7% YoY to VND9,166 billion. 9M25 PBT of the bank hit VND20,396 billion (+47.2% YoY).

Credit growth target of 35% for 2025 is feasible

KBSV maintains its forecast that VPB's credit growth will reach 35% YTD in 2025 and stay high until 2026, with (1) corporate customers being the key growth force, (2) healthy developments of the real estate industry, and (3) recovering retail lending.

Pressure on NIM will remain high in 4Q25 and 2026

We expect the average interest earning assets (IEA) to improve with the recovery of retail lending, a segment with higher lending rates, and better asset quality, thereby improving NII. Meanwhile, the cost of funds (CoF) will continue to face pressure from liquidity and exchange rates.

VPB made a successful IPO of 375 million VPBanks shares for VND33,900 apiece

On October 31, VPB officially closed the IPO for 375 million shares of VPBankS Securities (VPBankS) with the price of VND33,900/share. The total proceeds came in at VND12,173 billion, raising the charter capital to VND18,750 billion. After the IPO, VPB's ownership at VPBankS was 80%.

Valuation: BUY - Target price VND37,800/share

Based on the valuation results, business prospects, and potential risks, we recommend BUY for VPB shares. The target price for 2026 is VND37,800, 32.8% higher than the price on November 6, 2025.

Buy change

Target price	VND37,800
Upside	32.8%
Current price (Nov 6, 2025)	VND28,500
Consensus target price	VND36,100
Market cap (VNDtn/USDbn)	226.1/8.6

Trading data

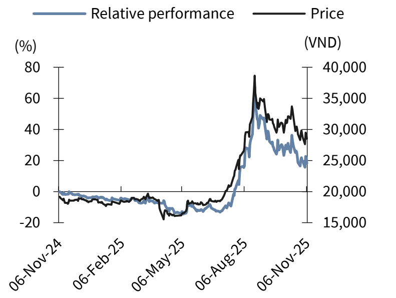
Free float	55.6%
3M avg trading value (VNDbn/USDmn)	1,472/55.9
Foreign ownership	24.05%
Major shareholder	SMBC (15.01%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-11.2	-8.4	56.6	48.6
Relative	-5.2	-9.1	29.9	18.2

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net interest income (VNDbn)	38,175	49,080	57,096	73,051
PPOP (VNDbn)	35,798	47,915	53,382	69,295
NPAT-MI (VNDbn)	9,974	15,779	21,006	25,541
EPS (VND)	1,257	1,989	2,648	3,219
EPS growth (%)	-53	58	33	22
PER (x)	22.7	14.3	10.8	8.9
Book value per share (VND)	17,620	18,563	20,210	23,430
PBR (x)	1.62	1.54	1.41	1.22
ROE (%)	7.0	11.1	13.8	15.7
Dividend yield (%)	0.0	0.4	3.5	0.0



Source: Bloomberg, KB Securities Vietnam

Securities

Encouraged by high economic growth target and returning foreign cash flows

Manager Nguyen Anh Tung
(+84) 24-7303-5333 tungna@kbsec.com.vn

December 22, 2025

Positive maintain

Operating profit and NPAT of the securities companies under our coverage posted strong YoY growth in 9M25

In the first nine months of 2025, the total NPAT of the group of 35 securities companies with the largest owner's equity spiked 60.3% to VND28,569 billion. This was attributable to the robust growth of the stock market and improved trading volumes, especially in 2Q-2Q25 with encouraging news from the market upgrade and high economic growth.

The growth came from all business segments, especially in margin lending and investment

9M25 gross profit of the brokerage, investment, and margin lending segments of the monitored securities companies respectively came in at VND2,999 billion (+35.3% YoY), VND25,383 billion (+73.6% YoY), and VND18,142 billion (+34.0% YoY with an average yield of 8.2%). Cumulative 12M ROE reached 12.5%, an improvement compared to 10.1% in 2023.

KBSV expects healthy price and liquidity developments in 2025

We are positive about the outlook on price and trading volumes of the Vietnam stock market in 2026, based on: (1) expected return of foreign capital; (2) bright business prospects for listed companies; and (3) large market liquidity thanks to favorable interest rates.

Main business segments should perform smoothly

KBSV believes that the brokerage and margin lending segments across the sector will post another prosperous year with upward price and liquidity. For securities investment, growth may slow down as bond trading faces more challenges amidst volatile interest rates, while the equity investment should maintain considerable contribution.

Current valuations are relatively attractive in the medium - long term

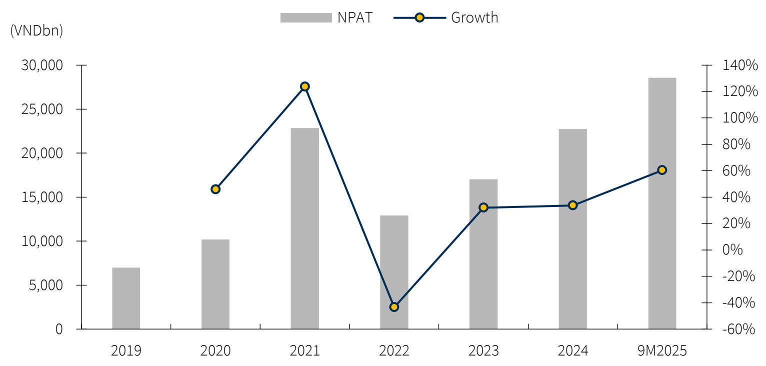
We assess that the securities sector is currently in an attractive valuation range, with expectations of strong stock market growth in 2026 in both price and liquidity, driven by the high economic growth target. Investors can consider and choose to invest in stocks with advantages in trading with institutional clients, strong resources, and attractive valuation such as Vietcap Securities (VCI), HCM Securities (HCM), and SSI Securities (SSI), while large companies that have been recently listed on the stock exchange like Techcom Securities (TCX), VPBank Securities (VPX), and VPS Securities (VCK) will need more corrections to fall to reasonable valuations.

9M25 business performance

9M25 sector-wide NPAT soared 60.3% YoY

In the first nine months of 2025, the total NPAT of the group of 35 securities companies *(data from these companies were used to represent the entire securities sector in this report)* with the largest owner's equity spiked 60.3% to VND28,569 billion. This was attributable to the robust growth of the stock market and improved trading volumes, especially in 2Q-2Q25 with encouraging news from the market upgrade and high economic growth.

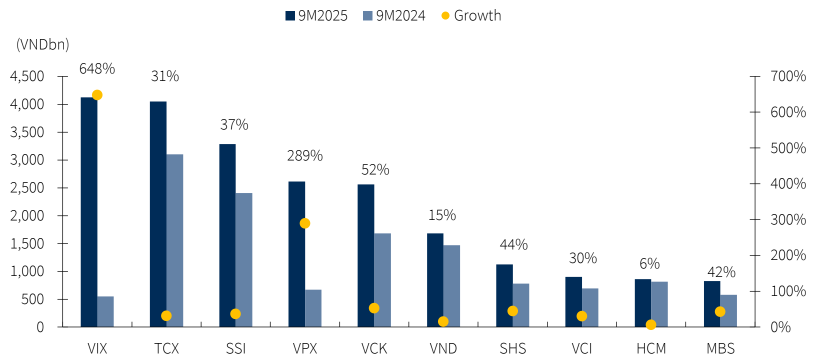
Fig 1. Vietnam – NPAT growth of securities companies in 2019-9M25 (VNDbn, %)



Source: Company reports, KB Securities Vietnam
**The data is compiled from 35 securities companies with a capital of approximately or greater than VND2,000 billion, together accounting for more than 90% of the total profit of the securities sector.*

Profit growth of these companies showed a clear differentiation:
- The top three securities companies in terms of market share, VCK, SSI, and TCX, maintained impressive growth despite their large scale.
- Long-established securities companies like VN Direct Securities (VND), HCM, and VCI experienced more modest growth due to intense competition.
- VIX Securities (VIX) and VPBank Securities stood out with robust profit growth, primarily driven by their investment segment.

Fig 2. Vietnam – NPAT of listed securities companies in 9M25 (VNDbn, %)

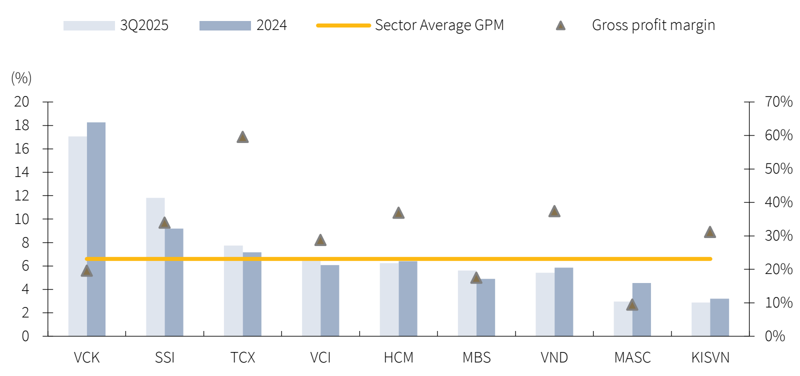


Source: Company reports, KB Securities Vietnam

Earnings from brokerage increased 35.3% YoY thanks to favorable price and liquidity developments

9M25 brokerage revenue generated by the securities companies came in at VND12,988 billion (+24.4% YoY) as favorable pricing and improved liquidity boosted fee revenue. GPM gained 1.9ppts YoY to 23.1% thanks to revenue growth and a reduced focus on fee reductions to enhance competitiveness. This resulted in operating profit reaching VND2,999 billion (+35.3% YoY). Regarding market share, VCK faced fierce competitive pressure and recorded a 1.2ppt-decrease in market share YTD but remained firmly in the leading position with 17.05% market share. SSI and TCX thrived, bringing their market share up by 2.6ppts and 0.6ppts YTD, respectively. VCI, HCM, and MB Securities (MBS) maintained their positions, while VND and the South Korean group of companies, MASC and KISVN, lagged behind due to a lack of clear competitive advantages.

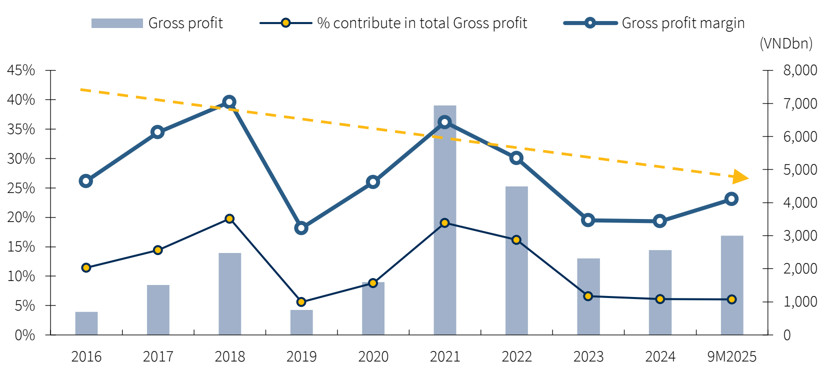
Fig 3. Vietnam – Brokerage market share and GPM of top 10 HSX-listed securities firms (%)



Source: Company reports, KB Securities Vietnam

Gross profit from brokerage services increased by 35.3% YoY, driven by improved market liquidity, with the average daily trading volume across the market reaching VND18.788 trillion (+41.1% YoY) as of December 15, 2025.
The contribution from the brokerage segment to overall profit remains quite limited because securities companies are still maintaining a strategy of sacrificing transaction fees for the sake of margin lending.

Fig 4. Vietnam – Brokerage gross profit & GPM in 2016-9M25 (VNDbn, %)

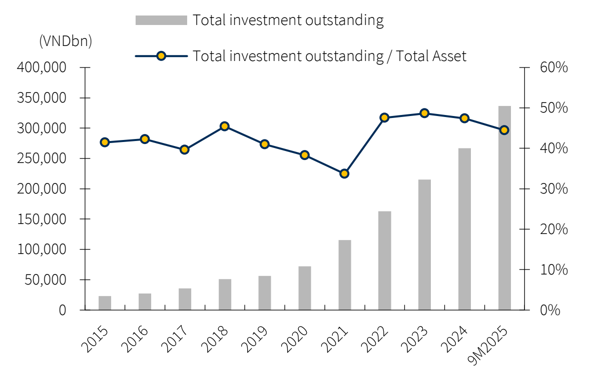


Source: Company reports, KB Securities Vietnam

Securities investment profits spiked 73.6% YoY thanks to increased investment scale and supportive developments in both capital and debt markets

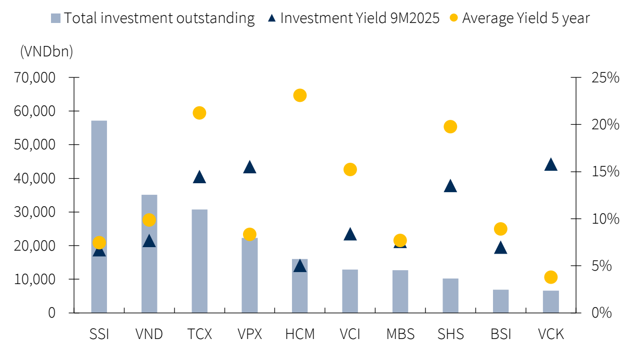
The gross profit from investment segment of the monitored securities group reached VND25,383 billion in 9M25, surging 73.6% YoY with an average yield of 10.2%, far exceeding the comparative base of 9.0% in 9M24. The impressive growth was attributable to (1) the low base at the end of 2024 and the strong market uptrend. The VNindex advanced 32.6% YTD as of December 16, 2025, led by Vin Group (VIC) and banking stocks. (2) The trading activities of bond-capitalizing companies such as VCK and TCX were effective amid a low and stable interest rate environment. (3) The scale of investment continued to expand. The total investment balance, including FVTPL, HTM, and AFS investments, hit VND336,577 billion as of 3Q25 (+26.2% compared to the end of 2024). This is the result of efficient capital utilization following the industry-wide capital increase during the 2021-2024 period. Regarding portfolio structure, companies tend to maintain a high proportion in safe asset groups such as certificates of deposit and bonds, while limiting a small proportion in high-risk asset groups such as stocks.

Fig 5. Vietnam – Total investment outstanding of securities firms in 2015-9M25 (VNDbn, % total assets)



Source: Company reports, KB Securities Vietnam

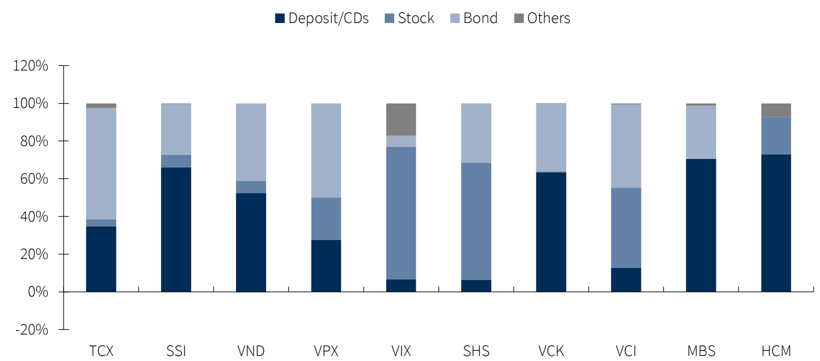
Fig 6. Vietnam – Total investment outstanding & average yield of some securities firms in 9M25 (VNDbn, %)



Source: Company reports, KB Securities Vietnam

Except for VIX and SHS, which have a large proportion of their portfolio in stocks, the other securities companies in the Top 10 maintain a relatively low proportion of stock investments, under 30%.

Fig 7. Vietnam – Portfolio composition of top 10 HSX-listed companies by equity (%)

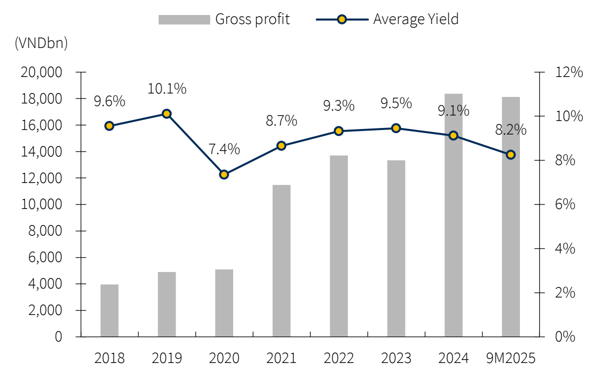


Source: Company reports, KB Securities Vietnam

Margin lending segment grew 34% YoY on improved market liquidity

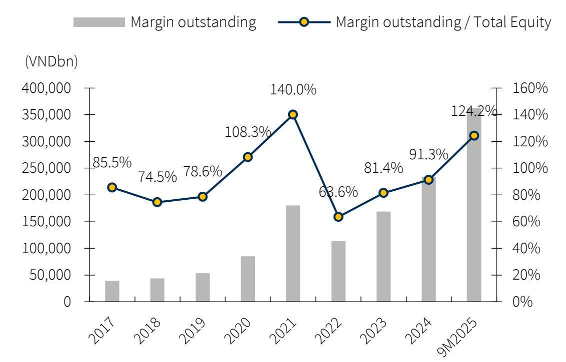
In the first nine months of 2025, the gross profit of the margin lending segment of the securities firms monitored reached VND18,142 billion, a 34% increase YoY. The main supportive factors are the increased liquidity and stock price levels, combined with higher capital demand from businesses, leading to stronger demand for margin loans. The average trading value in 2025 reached VND26.6 trillion/session (+42.5% YoY). The outstanding margin loan in 3Q25 hit VND362,426 billion (+32.7% YoY), the highest level ever. The margin lending/equity ratio strongly increased to 124.2%, the second highest level after 2021, implying certain risks from the high leverage used in the market.

Fig 8. Vietnam – Margin lending gross profit & average yield of the securities sector (VNDbn, %)



Source: Company reports, KB Securities Vietnam

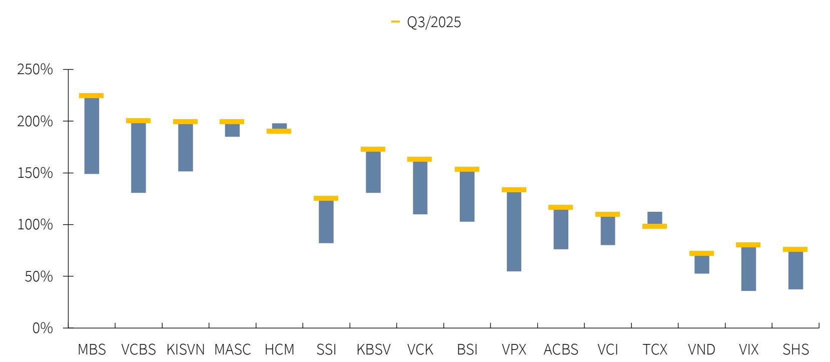
Fig 9. Vietnam – Outstanding margin loans at securities firms in 2015–9M25 (VNDbn, % equity)



Source: Company reports, KB Securities Vietnam

In 3Q25, many securities companies such as MBS, HCM, and SSI reached their maximum loan balance (maximum margin loan/equity ratio = 200%).

Fig 10. Vietnam – Margin lending-to-equity ratio of top 11 securities firms by equity over the last four quarters (%)



Source: Company reports, KB Securities Vietnam

2026 outlook

The stock market in 2026 has a good growth momentum on the overall growth of the economy and the return of foreign capital

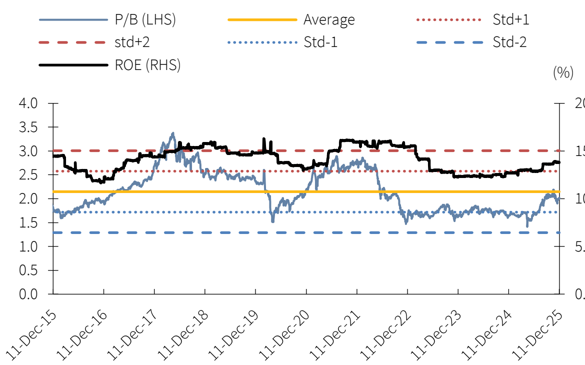
KBSV maintains a positive view on price and liquidity developments for the Vietnam stock market in 2026, based on:

(1) Foreign capital is expected to return in 2026. Foreign investors have recorded large net sell volume in the past time, with cumulative value reaching VND289,453 billion in 2020-2025 and VND128,305 billion in 2025 alone. The main reason is the global economic and political instability causing capital to tend to withdraw from frontier and emerging markets. In 2026, KBSV expects foreign capital to return when the Vietnam is officially upgraded to a secondary emerging market by FTSE Russell, effective from September 21, 2026, thereby luring USD6 billion from ETFs and active funds tracking FTSE's index basket.

(2) Listed companies expect strong business results in the context of the government setting an ambitious target of 10% GDP growth in 2026, making the valuation level of businesses more attractive. In addition, the current P/E valuation of the Vnindex is at 17.0x, lower than the average of the group of markets included in the secondary emerging market basket (17.9x), showing that the market still has much room for price increases.

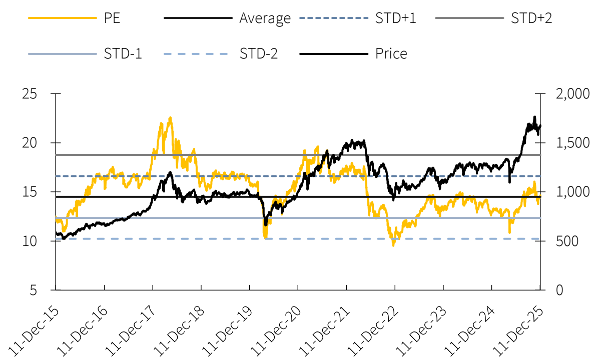
(3) Market liquidity will remain high in 2026 thanks to maintaining reasonable interest rates. KBSV projects that interest rates will increase by 50-100bps YoY, equivalent to the interest rate levels of 2015-2019 and still within a reasonable range. This, coupled with expected stable exchange rate pressure thanks to more easing monetary policy from the US and the return of FDI, will stimulate demand for securities investment when deposit channels do not offer attractive returns.

Fig 11. Vietnam – VN-Index's P/B in 2015-2025 (x)



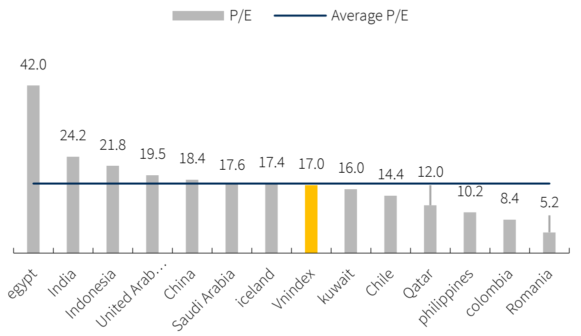
Source: FiinPro, KB Securities Vietnam

Fig 12. Vietnam – VN-Index's P/E in 2015-2025 (x)



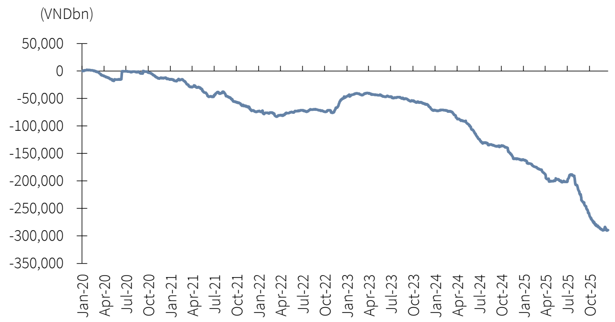
Source: FiinPro, KB Securities Vietnam

Fig 13. Vietnam – VNIndex's P/E compared to other secondary emerging markets (FTSE Russell, x)



Source: Bloomberg, KB Securities Vietnam

Fig 14. Vietnam – Foreign net sell in 2020-2025 (VNDbn)



Source: FiinPro, KB Securities Vietnam

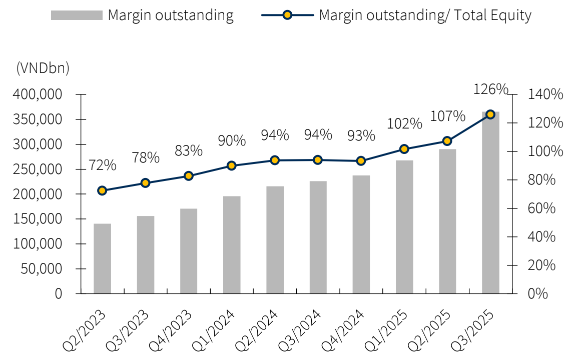
Brokerage revenue is expected to grow along with improved profit margin

KBSV expects the brokerage services to grow further as stock price levels and liquidity improve in 2026. The GPM of the segment may also improve thanks to: (1) After a period of continuously reducing transaction fees for customers due to competitive pressure, transaction fees of most securities companies have reached low levels, and there is not much room for further reduction. (2) Revenue growth will help optimize fixed costs.

Margin lending will remain as the main growth force, especially for securities companies with large lending capacity

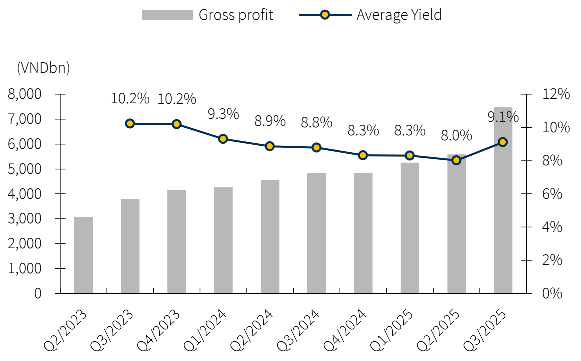
Margin lending is the main growth force for 2026, given the expected increase in trading volumes while securities businesses still have room for lending with a loan-to-equity ratio of 126% as of 3Q25 (vs the maximum 200%). Opportunities will be even more abundant for companies with significant growth potential such as VCK, BIDV Securities (BSI), VCI, and VND. Regarding lending interest rates, KBSV believes that securities companies generally have the ability to flexibly adjust lending interest rates according to the overall interest rate movements of the entire economy when the demand for margin lending is high, assuming (1) simple appraisal process and fast disbursement speed; (2) high liquidity, allowing investors to proactively increase or decrease outstanding loans compared to bank loans. Reducing lending interest rates to increase customer accessibility will occur locally at securities firms with small capital and low competitive advantages.

Fig 15. Vietnam – Margin loan to total equity ratio of securities companies (%)



Source: Bloomberg, KB Securities Vietnam

Fig 16. Vietnam – Gross profit and average yield of margin lending of securities companies (VNDbn, %)

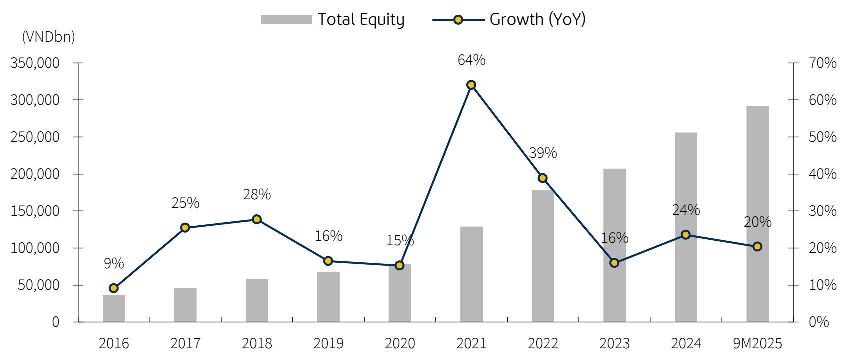


Source: Bloomberg, KB Securities Vietnam

Fluctuating interest rates will adversely impact the bond market, while the equity trading segment should remain healthy

With expectations of an average interest rate increase of 50-100bps in 2026, KBSV anticipates a 10-20% YoY return from securities companies' deposit/certificate-of-deposit portfolios. In contrast, higher interest rates will pose difficulties for bond trading, making it hard for securities companies to maintain high growth in this segment. Meanwhile, the equity segment is expected to continue performing well in 2026 thanks to the positive outlook for the overall economy, while many listed companies have lucrative valuation.

Fig 17. Vietnam – Owner's equity of securities companies in 2016-9M25 (VNDbn)

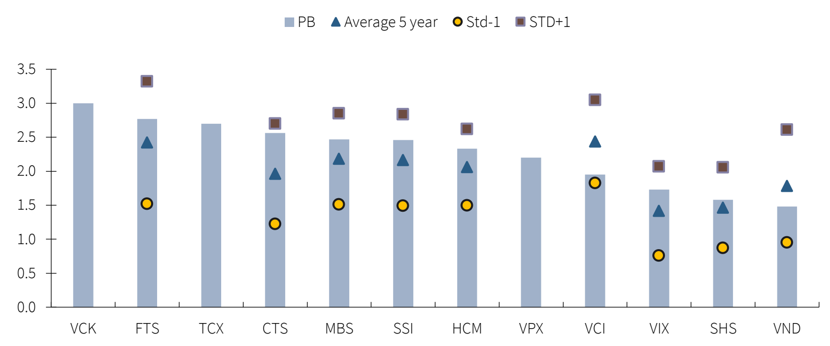


Source: Company reports, KB Securities Vietnam

Current valuations are relatively attractive in the medium to long term

Interest rates rebounded towards the end of the year due to cash shortages, triggering adverse movements on the stock market. Currently, most stocks in the securities sector are trading around the average five-year P/B ratio. With expectations of strong stock market growth in 2026 in both price and liquidity, along with the positive impact of market upgrade, KBSV believes that the securities sector is currently in an attractive valuation range. Investors can consider investing in stocks with advantages in attracting institutional clients to capitalize on foreign capital inflows, possessing strong resources and currently at attractive valuations such as VCI, HCM, and SSI. Meanwhile, for newly listed stocks such as VCK, TCX, and VPX, despite their leading position and large capital base, investors should wait for more corrections to bring their prices to a more reasonable level.

Fig 48. Vietnam – P/B of listed securities companies (x)



Source: Bloomberg, KB Securities Vietnam

Residential real estate

Benefits from boosted infrastructure and streamlined legal frameworks

Analyst Nguyen Dinh Thuan
(+84) 24-7303-5333 thuannd@kbsec.com.vn

December 30, 2025

Positive maintain

Recommendations	
KDH	BUY
Target price	VND39,900
NLG	BUY
Target price	VND45,600

Business performance of real estate firms in 9M25 showed a recovery

In 9M25, listed real estate companies posted VND41,944 billion (+65% YoY) in NPAT on revenue of VND300,767 billion (+29% YoY). If excluding Vingroup-related and Novaland (NVL) stocks, the business results sector-wide showed a slight recovery with NPAT and revenue respectively reaching VND5,467 billion (+14% YoY) and VND30,046 billion (-4% YoY). However, only 34 out of 63 observed companies showed positive profit growth compared to the same period last year, indicating a divergence in business performance.

The property market is rebounding steadily thanks to improved supply and legal frameworks

The supply of property products has risen, but the number of transactions has not kept pace with that. According to the Ministry of Construction, the number of completed commercial housing projects in 3Q25 was 21 projects with approximately 9,496 units, surging 200% QoQ and 131% YoY. Meanwhile, the total transaction volume of land plots, apartments, and separate houses in 9M25 grew by a mere of 0.6%YoY. This explains why the property inventory at the end of 3Q25 spiked 56% YTD. Meanwhile, the absorption rate has not grown strongly, partly reflecting the pressure from persistently hefty selling prices, limiting access to real estate, especially for the middle-income group (who has high demand for housing).

Real estate businesses expect strong growth in 2026 from improved supply

KBSV predicts real estate companies in 2026 to experience strong growth from improved supply, given (1) the trend of removing legal obstacles and perfecting mechanisms for the real estate market, (2) the promotion of transportation infrastructure, offering many development opportunities, and (3) favorable interest rates for robust economic growth targets.

The sector has attractive long-term valuation

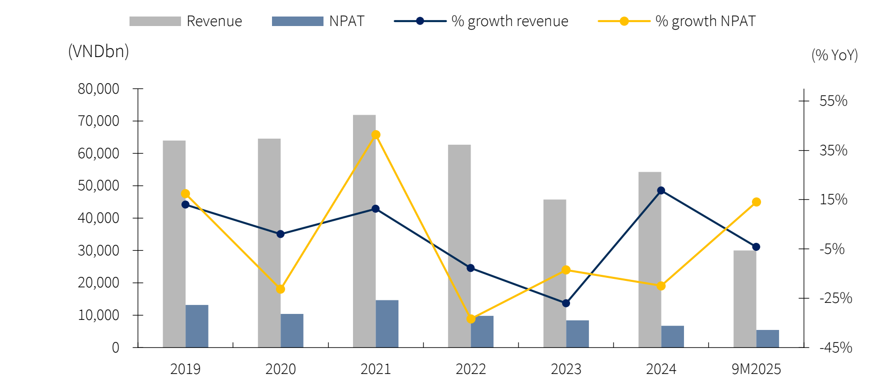
Most of the real estate companies we observe currently have an average P/B ratio lower than the five-year average. With many positive expectations for 2026, investors can consider and choose companies with good prospects, large clean land bank, complete legal documentation, strong project implementation capability, and a safe financial structure. Notable investment opportunities include Khang Dien House (KDH) and Nam Long Investment (NLG).

9M25 business performance

Business performance of real estate firms in 9M25 showed a recovery

In 9M25, listed real estate companies posted VND41,944 billion (+65% YoY) in NPAT on revenue of VND300,767 billion (+29% YoY). If excluding Vingroup-related and Novaland (NVL) stocks, the business results sector-wide showed a slight recovery with NPAT and revenue respectively reaching VND5,467 billion (+14% YoY) and VND30,046 billion (-4% YoY). However, only 34 out of 63 observed companies showed positive profit growth compared to the same period last year, indicating a divergence in business performance.

Fig 1. Vietnam – Revenue, NPAT of listed real estate companies (VNDbn, %YoY)



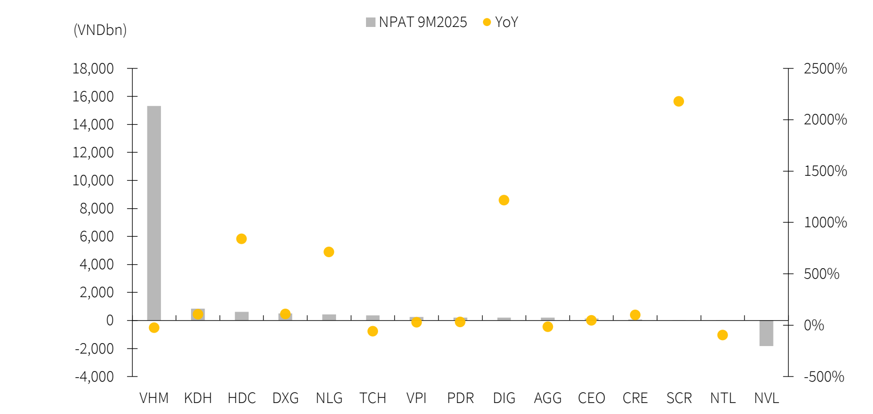
Source: Fiinpro, KB Securities Vietnam

**The data excludes (1) Vingroup-related stocks due to its significantly larger scale compared to the rest of the sector and (2) NVL as the company reported a loss of VND4,000 billion from provisioning for land lease payments and land use fees associated with the Lakeview City project.*

Fig 2. Vietnam – NPAT of some real estate firms in 9M25 (VNDbn, % YoY)

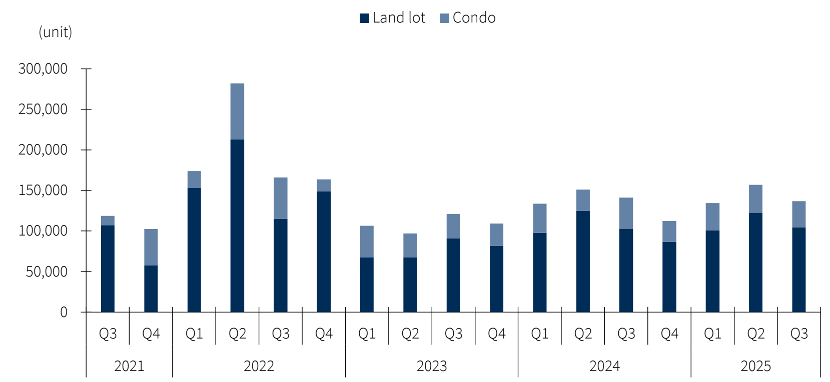
Of the 15 real estate companies under our coverage, 10 out of 15 reported positive YoY growth in 9M25 NPAT, indicating a recovery in business results.

This result was attributable to companies starting to launch and hand over projects amidst persistently low interest rates and the government's efforts to ease legal obstacles. However, a characteristic of the property sector is handing over projects and recognizing revenue in the last quarter of the year.



Source: Fiinpro, KB Securities Vietnam

Fig 3. Vietnam – Condo & separate house, land plot transactions in 2021-2024 (unit)



Source: Ministry of Construction, KB Securities Vietnam

The land market is recovering steadily thanks to improvements in supply and legal frameworks, although sales remain flat and price pressure persists

The supply of property products has risen, but the number of transactions has not kept pace with that. According to the Ministry of Construction, the number of completed commercial housing projects in 3Q25 was 21 projects with approximately 9,496 units, surging 200% QoQ and 131% YoY. Meanwhile, the total transaction volume of land plots, apartments, and separate houses in 9M25 grew by a mere of 0.6%YoY. This explains why the property inventory at the end of 3Q25 spiked 56% YTD. Meanwhile, the absorption rate has not grown strongly, partly reflecting the pressure from persistently hefty selling prices. According to the Ministry of Construction, the average selling price (ASP) of primary apartments in the two main markets, Hanoi and Ho Chi Minh City (HCMC), respectively came in at VND95 million/m^2 (+33% YoY) and VND91 million/m^2 (+36% YoY). The booming ASP resulted from the emergence of new supply, mainly in the high-end and luxury segments, while lower-end segments are limited in central areas like Hanoi or only appear in the outskirts of the pre-merger HCMC. Rocketing prices have limited access to properties, especially for the middle-income group, who have strong demand for housing.

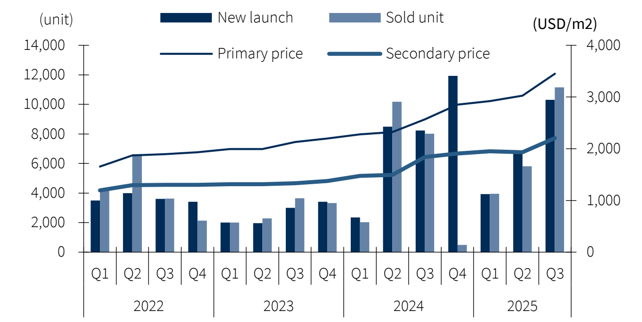
In 9M25, the Hanoi market showed positive developments in the condo segment but remained sluggish in the townhouse and villa segment

Hanoi property market showed developments in the condo segment but sluggishness in the townhouse and villa segment:

— **Condos**: In 9M25, the total supply touched 21,100 units (+10% YoY). Notably, 3Q25 saw a record high in new supply from projects with asking prices above VND120 million/m^2, reaching over 2,000 units launched. The average asking price in the primary market exceeded VND90 million/m^2 (+16% QoQ, +41% YoY). In the secondary market, the ASP hit VND58 million/m^2 (+19% YoY).

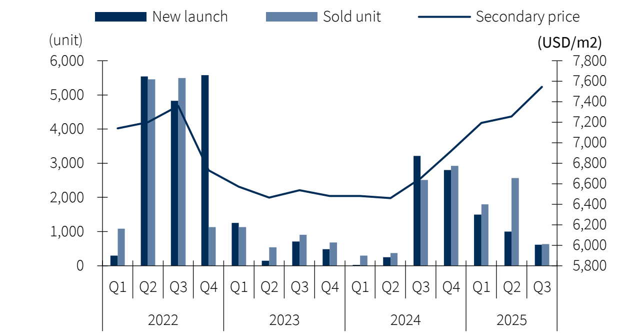
— **Townhouses & villas**: New supply of townhouses launched in 3Q25 surpassed 620 units (-40% QoQ, -80% YoY), slowing down mainly due to the lack of significant supply from large urban projects. Total real estate market transactions reached 640 units. The majority of new supply in the quarter was concentrated in projects located far from the city center, pushing the primary ASP to VND186 million/m^2 (-19% QoQ, -21% YoY). Meanwhile, the secondary ASP was VND198 million/m^2 (+4% QoQ).

Fig 4. Hanoi – Condo supply & ASP (unit, USD/m²)



Source: CBRE, KB Securities Vietnam

Fig 5. Hanoi – Low-rise product supply & ASP (unit, USD/m²)



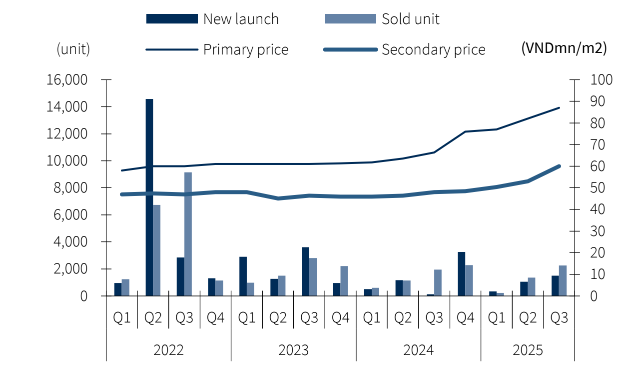
Source: CBRE, KB Securities Vietnam

HCM market also posted recovery signs

HCM land market is beginning to recover, particularly in the condo segment:

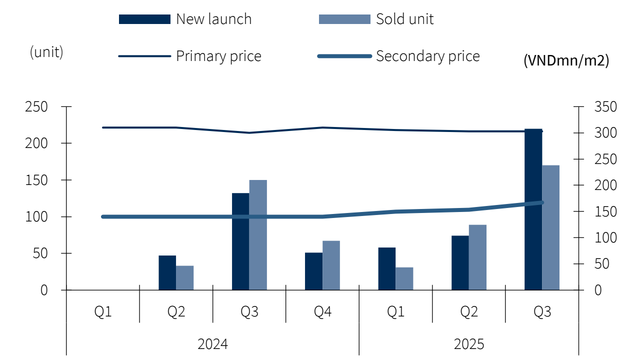
- **Condos**: Many projects are being launched and resumed selling after a long period of suspension. In 3Q25, new condo volume was nearly double the total supply in the first half of 2025 (+143% QoQ, +19x YoY). More than 75% of new supply is concentrated in the Eastern part of HCMC (before the merger). ASP in the primary market hit VND87 million/m² (+6.3% QoQ, +31% YoY). Price pressure has spread to the secondary market, pushing the ASP up to VND60 million/m² (+13% QoQ, +25% YoY).
- **Townhouses & villas**: The low-rise property market in HCMC showed signs of a slight recovery in 3Q25. New supply came in at 220 units (+197% QoQ). Notably, over 95% of the new supply was concentrated in the former Binh Tan and Binh Chanh areas, reflecting a development towards the outskirts of the city center. Primary market ASP remained stable at VND303 million/m². Meanwhile, secondary market ASP spiked amidst limited new supply (+18% YoY), reaching VND167 million/m².

Fig 6. HCMC – Condo supply & ASP (unit, USD/m²)



Source: CBRE, KB Securities Vietnam

Fig 7. HCMC – Low-rise product supply & ASP (unit, USD/m²)



Source: CBRE, KB Securities Vietnam

Sales results of companies under KBSV's coverage all showed growth

Four real estate companies that we are monitoring all showed strong sales growth:

- **Vinhomes (VHM)**: Total contract value reached VND162.8 trillion (+96% yoy), mainly contributed by Vinhomes Green Paradise, Wonder City and Royal Island projects.
- **Nam Long Investment (NLG)**: Total contract value came in at VND5,004 billion (+42% YoY), mainly from Southgate, Can Tho, Akari City and Mizuki Park projects.
- **Khang Dien House (KDH)**: Total contract value was estimated at over VND5,000 billion (+800% YoY) thanks to the active launch of The Gladia project and growth from a low base in the same period in 2024.
- **Dat Xanh Group (DXG)**: Total contract value was estimated at over VND10,000 billion, significantly higher than the same period last year thanks to (1) strong presales at The Prive project and (2) no new projects launched last year.

2026 outlook

The government has made efforts to remove obstacles and improve the legal framework to ensure medium and long-term growth

In 9M25, the real estate sector witnessed many solutions to address legal issues. Draft documents addressing short-term bottlenecks while ensuring long-term stability have been issued, such as Resolution 171/2024/QH15, accompanied by Decree 75/2025/ND-CP, Resolution 206/2025/QH15, and the "Draft Regulations on some mechanisms and policies to remove difficulties in the organization and implementation of the Land Law" (Table 12).

We see these as positive loosening of policy mechanisms by the authorities after a period of previous tightening. This trend is likely to continue in 2026, when policies have more time to be absorbed and become effective. Therefore, KBSV expects a significant increase in the number of newly approved projects as procedural times are streamlined and mechanisms become more refined. In particular, projects that encountered obstacles will soon be implemented and offered for sale again next year.

Table 8. Vietnam – Some important legal documents on real estate

Legal document	Main content
Resolution 171/2024/QH15	Pilot program allowing investors to implement commercial housing projects through land use rights agreements (including agricultural land and non-residential land) without mandatory auction/bidding, aiming to remove legal bottlenecks in land fund creation (Application period of five years)
Resolution 170/2024/QH15	Apply a special mechanism to handle projects and land funds with protracted legal obstacles based on inspection, audit, and court ruling conclusions in HCMC, Da Nang, and Khanh Hoa, thereby resuming pending projects
Resolution 201/2025/QH15	Pilot a special policy to promote social housing, including land allocation, tax incentives, and investor selection mechanisms
Resolution 206/2025/QH15	Create a special mechanism to address obstacles caused by complicated laws, allowing flexible application to expedite project approval
Draft Regulations on some mechanisms and policies to remove difficulties in the organization and implementation of the Land Law	- Improve the implementation mechanism of the 2024 Land Law and resolve obstacles related to land prices, compensation, land acquisition, land allocation, land lease fee exemptions and reductions - Apply more flexible mechanisms such as calculating land use fees, allow land acquisition when more than 75% of the land is subject to agreement, and provide clearer regulations on land use fee payments

Source: KB Securities Vietnam

Boosted investment in connecting infrastructure will bring opportunities to real estate projects

The planned transportation infrastructure projects are expected to raise the value of property products.
In 2026, in addition to the ongoing road infrastructure projects, large-scale infrastructure projects (like North-South high-speed railway and ring roads in Hanoi and HCMC) should be implemented *(See also Stock Market Outlook 2026, Section IV, Part 1. Boosted public investment)*, creating a synchronized and convenient transportation network. This will bring significant added value to surrounding areas and raise real estate prices.

The expansion and upgrade of transportation infrastructure will strongly improve the convenience of daily life and the potential of real estate sector. This should increase property prices and create a foundation for investors to implement new projects. At the same time, a prevailing market trend has shown that many contractors are willing to take a proactive approach, participating in real estate products in areas with developing infrastructure, leading to early asset valuation even before the infrastructure projects are fully operational.

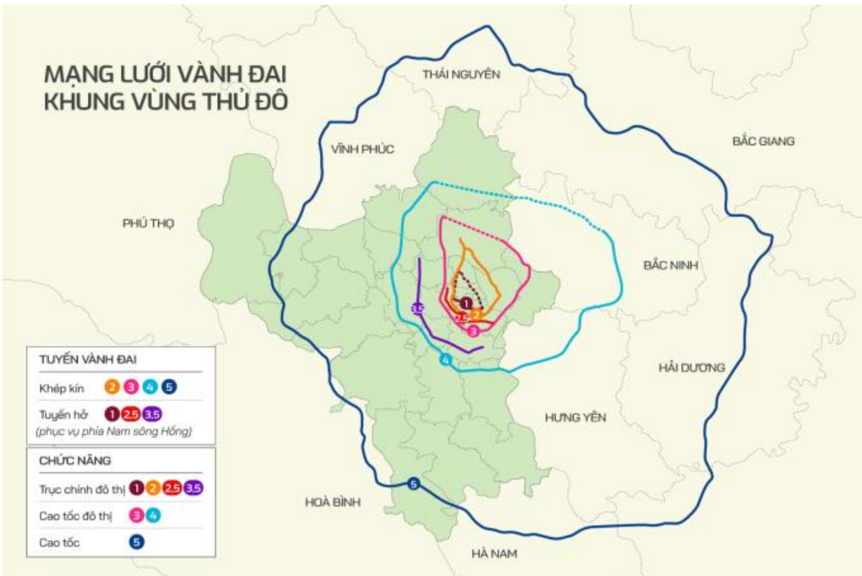
Fig 9. Vietnam – Ben Thanh-Can Gio Metro Line

Source: KB Securities Vietnam

Fig 10. Vietnam – Lao Cai-Hanoi-Hai Phong-Quang Ninh Railway

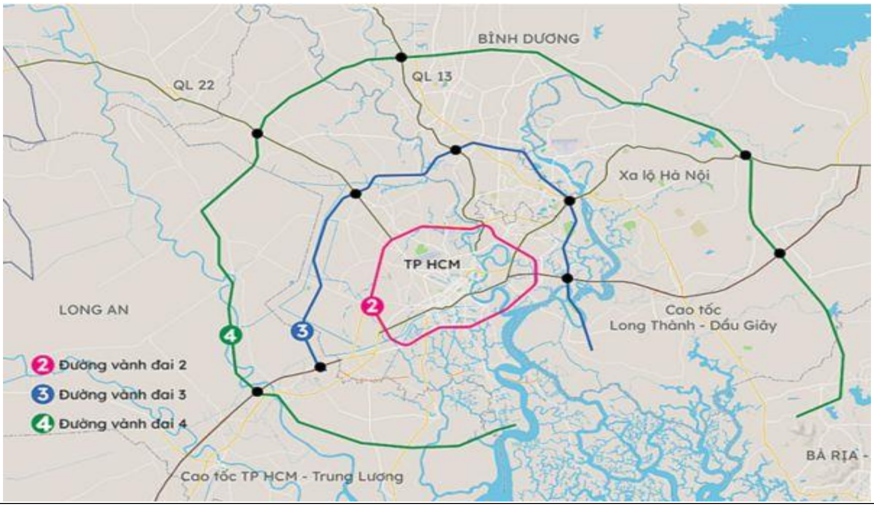
Source: Vnexpress, KB Securities Vietnam

Fig 51. Hanoi – Ring road network



Source: KB Securities Vietnam

Fig 12. HCMC – Ring road network



Source: KB Securities Vietnam

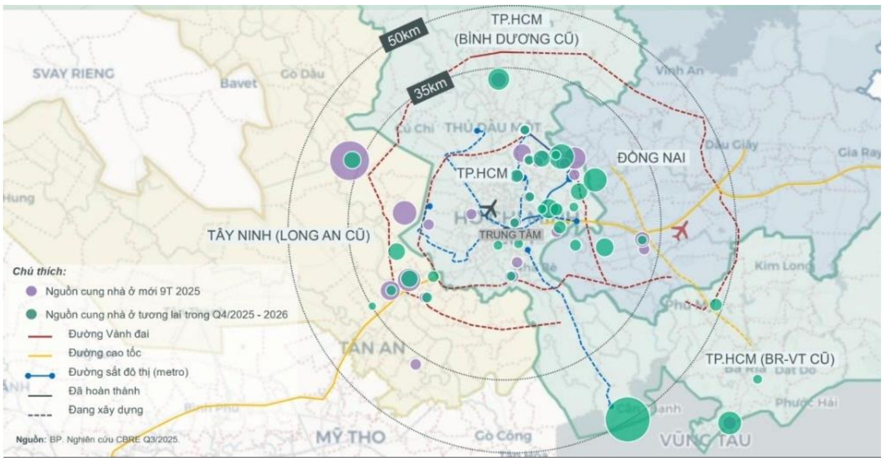
The trend of shifting to areas surrounding the city center is increasingly evident

The shift in housing trend towards suburban areas is becoming more obvious due to (1) high real estate prices in the inner city with the development of the high-end segment, which mismatched the needs of the middle-income group (a group with great potential demand); (2) increasingly scarce inner-city land, causing contractors to seek projects in suburban areas; and (3) the trend of promoting the development of connecting transportation infrastructure, which will increase convenience, along with the demand for spacious living spaces and a better environment.

This trend is not only happening in Vietnam but is also common in many large cities around the world. In this context, KBSV believes that businesses will further develop land in areas surrounding the city center, and opportunities for urban development following the Transit-Oriented-Development (TOD) model will increase. The absorption rate for projects launched in suburban areas is also projected to be healthy. Businesses owning land in suburban areas and key transportation projects will therefore benefit in 2026.

Connectivity infrastructure will unlock opportunities for urban development following the TOD model.

Fig 13. HCMC – Urban development in TOD model

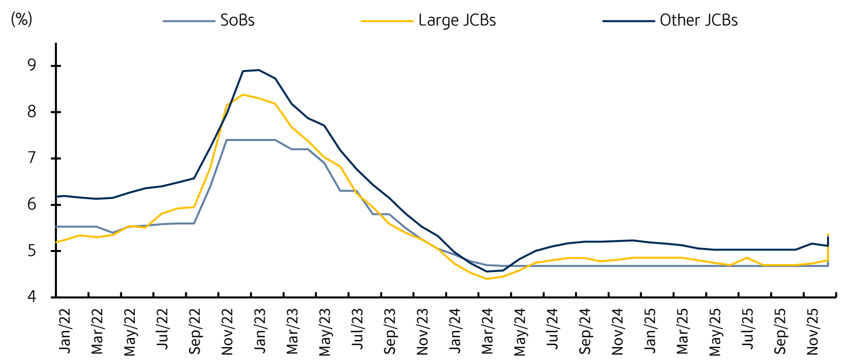


Source: KB Securities Vietnam

Interest rates may rise slightly but remain stable at appropriate levels, supporting the real estate market

We have observed that mortgage lending rates have advanced 100-150bps across banks, but this level is still lower than in the 2020-2021's average. We forecast that mortgage lending rates may inch up by 50-100bps in 2026 but remain stable throughout the year given the government's priority of promoting growth. Therefore, appropriate interest rates should continue to be a positive supporting factor for the land market next year.

Fig 14. Vietnam – 12M interest rates across banks (%)

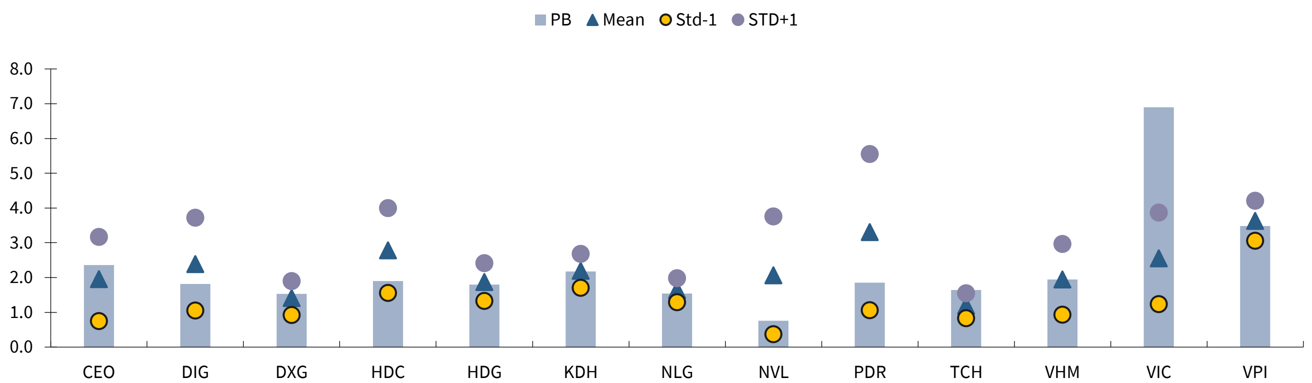


Source: KB Securities Vietnam

Real estate firms currently have attractive long-term valuation

Most of the real estate companies we observe currently have an average P/B ratio lower than the five-year average. KBSV expects the business performance of real estate companies in 2026 to grow positively thanks to improved supply, given (1) the trend of removing legal obstacles and streamlining mechanisms for the real estate market, (2) promoting the completion of connecting transportation infrastructure, and (3) interest rates maintaining a low base to support economic growth targets. With many positive expectations for 2026, investors can consider and choose companies with good prospects, large clean land bank, complete legal documentation, strong project implementation capability, and a safe financial structure. Notable investment opportunities include KDH and NLG.

Fig 15. Vietnam – P/B of residential real estate companies (x)



Source: Bloomberg, KB Securities Vietnam

Khang Dien House (KDH)

Gladia recording positive sales

December 10, 2025

Analyst Nguyen Dinh Thuan
(+84) 24-7303-5333 emailaddress@kbsec.com.vn

3Q25 NP-MI was recorded at VND236 billion (+235% YoY)

In 3Q25, Khang Dien House (KDH) posted VND236 billion (+235% YoY) in NP-MI on revenue of VND1,098 billion (+335% YoY) thanks to the recognition from The Gladia project. 9M25 results meet 75% and 84% of 2025 revenue and profit targets, respectively.

Gladia & The Solina projects will be the main drivers in 4Q25 and 2026

KDH launched the first phase of The Gladia project with low-rise units for average selling price (ASP) of VND250 million/m². The project has recorded good absorption rate as we expected. KBSV believes that the launch and revenue recognition at The Gladia will be the main driver for the rest of the year and in 2026. For 2026, KDH should launch and sell Phase 1 of The Solina project (13ha with 500 low-rise units).

Tan Tao Residential Area is expected to benefit from legal reforms in the real estate sector

It is expected that KDH will strongly benefit from policy changes. A National Assembly resolution stipulating some mechanisms and policies to address difficulties in the implementation of the Land Law is currently being discussed and considered at the 15th National Assembly Session. If the proposals are approved, KBSV believes they will accelerate the land clearance process for the Tan Tao Residential Area.

BUY rating - Target price VND39,900/share

KDH shares are currently trading at 2025 forward P/B of 1.8x, lower than the five-year average P/B. Therefore, based on business prospects and valuation results, we give KDH a BUY rating with a target price of VND39,900/share, 23% higher than the closing price on December 10, 2025.

Buy maintain

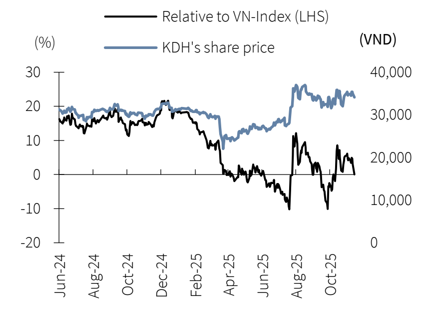
Target price	VND39,900
Upside	23%
Current price (Dec 10, 2025)	32,550
Consensus target price	43,700
Market cap (VNDtn/USDbn)	38/1.4

Trading data

Free float	65%
3M avg trading value (VNDbn/USDmn)	232/8
Foreign ownership	27.4%
Major shareholder	Tien Loc Investment JSC (11%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	3	-1	-2	15
Relative	2	-1	-3	20



Source: Bloomberg, KB Securities Vietnam

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	2,088	3,279	4,946	6,650
Operating income/loss (VNDbn)	1,122	1,131	2,418	3,332
NPATT-MI (VNDbn)	716	810	985	1,246
EPS (VND)	895	801	974	1,233
EPS growth (%)	-42	-11	22	27
P/E (x)	38.	42	35	27
P/B (x)	2	1.9	1.8	1
ROE (%)	5.7	5.3	5.5	6.6
Dividend yield (%)	0	0	0	0

Nam Long Invest (NLG)

Maintaining bright outlook

December 8, 2025

Analyst Nguyen Dinh Thuan
(+84) 24-7303-5333 thuannd@kbsec.com.vn

9M25 NP-MI hit VND146 billion (+8% YoY), meeting 55% of the full-year guidance

Nam Long Investment Corporation (NLG) logged VND1,877 billion in 3Q revenue (+407% YoY) and VND146 billion (+8% YoY) in NPAT-MI, attributable to the handover of Southgate, Izumi, Akari City, and Nam Long Can Tho projects. 9M25 respective results totaled VND3,941 billion (+376% YoY) and VND441 billion (+711% YoY), representing 58% and 55% of the full-year objectives.

9M25 presales touched VND5,004 billion (+42% YoY)

Presales, mainly from Can Tho, Southgate, Akari City, Mizuki Park, and Izumi City projects, came in at VND1,740 billion (+129% QoQ, +42% YoY) in 3Q, bringing cumulative 9M amount to VND5,004 billion (+42% YoY).

Presales for 2025/2026F may reach VND7,675 billion/VND8,842 billion (+47%/+15% YoY)

KBSV raised its forecast for NLG's 2025 presales by 47% YoY to VND7,675 billion, driven by the South Gate, Mizuki Park, Can Tho, and Izumi City projects, assuming good absorption rates.

NLG expects to benefit from the trend of infrastructure development and the shift to suburban areas

NLG's major projects concentrated in Dong Nai and Long An provinces, aiming to benefit from infrastructure development and the shift in housing trend towards suburban areas.

BUY rating - Target price VND 45,600/share

NLG's share price is currently trading below its 2025 forward P/B of 1.36x, lower than its five-year historical mean of 1.6x. After considering the business outlook and valuation results, we issue a BUY recommendation for NLG shares with a target price of VND45,600 apiece, 28% higher than the closing price on December 5, 2025.

Buy maintain

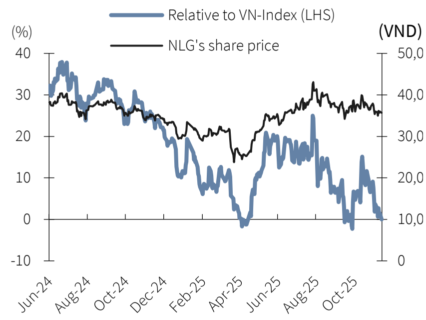
Target price	VND45,600
Upside	28%
Current price (Dec 5, 2025)	VND35,650
Consensus target price	VND45,838
Market cap (VNDtn/USDbn)	17.3/0.66

Trading data

Free float	63.4%
3M avg trading value (VNDbn/USDmn)	113/4.3
Foreign ownership	45.1%
Major shareholder	Nguyen Xuan Quang (8.69%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-4	-10	2	10
Relative	-3	-9	0	4



Source: Bloomberg, KB Securities Vietnam

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net presales (VNDbn)	3,181	7,196	5,495	6,085
Operating income/loss (VNDbn)	942	1,783	1,257	1,424
NPAT-MI (VNDbn)	484	512	621	713
EPS (VND)	1,257	1,330	1,613	1,851
EPS growth (%)	-13	6	21	15
P/E (x)	27.20	24.85	22.13	19.28
P/B (x)	1.40	1.32	1.36	1.29
ROE (%)	5.2	5.3	6.1	6.7
Dividend yield (%)	1	0	1	1

Retail

Ready for robust growth in 2026

Analyst Nghiem Sy Tien
(+84) 24-7303-5333 tienns@kbsec.com.vn
Analyst Nguyen Duc Quan
(+84) 24-7303-5333 quannd@kbsec.com.vn

December 24, 2025

Positive maintain

Recommendations	
MWG	BUY
Target price	VND106,100
DGW	BUY
Target price	VND49,500
PNJ	NEUTRAL
Target price	VND105,600

Service revenue was a bright spot

In 11M25, total retail and consumer service revenue gained 9.1% YoY, but retail sales of goods grew by a mere of 7.9% YoY partly due to tightened spending. In contrast, revenue generated by accommodation, food and beverage services (+14.6% YoY) and travel (+20% YoY) posted impressive growth thanks to international tourists. Domestic purchasing power slowed down as natural disasters disrupted transportation and raised logistics costs. Meanwhile, income has not improved much since the labor market and production orders have recovered slowly, while salaries of public employees have remained unchanged since 2024.

Business results have entered a new growth cycle

In 9M25, retailers recorded a bounceback. Mobileworld (MWG) logged VND113,607 billion (+13.7% YoY) and VND4,965 billion (+72% YoY) in revenue and NPAT respectively, beating its full-year guidance ahead of schedule thanks to the growth of the ICT sector and the breakthrough of Bach Hoa Xanh (BHX). FPT Digital Retail (FRT) recorded VND33,111 billion (+26% YoY)/VND636 billion (+131% YoY) in revenue/NPAT, driven by Long Chau Pharmacy chain (contributing 67% of revenue) and the profitable recovery of FPT Shop. Digiworld (DGW) maintained revenue growth of +18.7% YoY and NPAT of +30% YoY (VND393 billion) thanks to a shift in product categories, with the AI Laptop, office equipment, and household appliance showing robust growth (43-94% YoY), offsetting the saturation of the mobile phone segment. The profit margins of all three companies improved thanks to optimized operations and leveraging better purchasing power. Despite low growth in jewelry retail, Phu Nhuan Jewelry (PNJ) recorded positive revenue/NPAT, reaching VND25,353 billion (-13% YoY)/VND 1,615 billion (+17% YoY).

The growth prospects of the retail sector in 2026 are positive

The sector outlook for 2026 is considered positive thanks to the recovery of domestic purchasing power. The ICT & CE group (MWG, DGW, FRT) should boom with the upgrade cycle of AI PCs, AI smartphones, and Windows 11, combined with the personal income tax reduction policy to stimulate demand. Department store retail (BHX) will leverage the invoice transparency roadmap to gain market share from business households and strongly expand its store network. The pharmaceutical segment (Long Chau) should grow steadily with the development of its vaccination and healthcare ecosystem.

The sector has attractive valuation

With a promising outlook for 2026, stocks with valuations at or below the five-year average P/S such as PNJ, FRT, and DGW, still offer investment opportunities with upside exceeding 15%. In addition, investors can wait for short corrections to open new positions or increase their holdings in MWG.

11M25 business performance

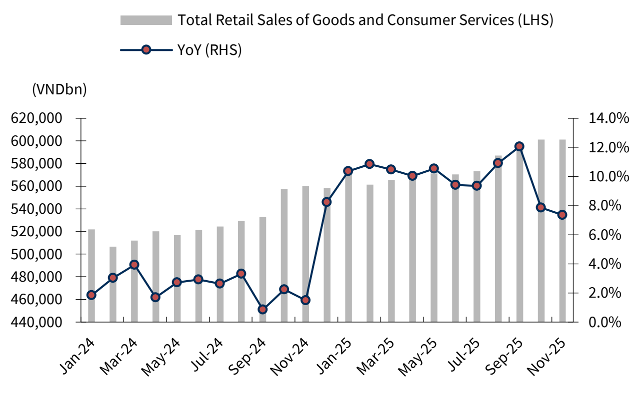
Total retail sales and consumer services in 11M25 are projected to grow by 9.1% YoY

In November 2025, total retail sales of goods and services are estimated at VND601.2 trillion (+7.1% YoY). Notably, the household appliance group surged 13.6% YoY on the demand for replacements after natural disasters and seasonal changes. For 11M25, total sales gained 9.1% YoY to VND6,377 trillion (excluding price increases of 6.8%), higher than the 2024 growth rate. Of that, retail sales of goods accounted for the largest share (76.2%, +7.9% YoY). Hospitality and travel-tourism were bright spots with remarkable growth rates of 14.6% and 19.9% YoY, respectively, which was underpinned with effective stimulus policies and increased domestic and international travel demand. This balanced recovery reflects gradually improving consumer purchasing power.

Vietnam's manufacturing sector marks its fifth consecutive month of improved business conditions

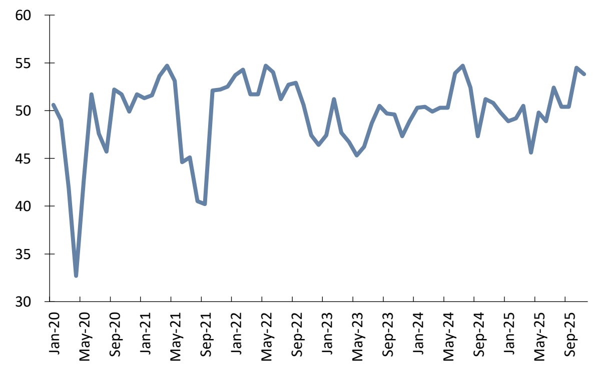
The PMI for November 2025 reached 53.8 points, marking the fifth consecutive month of strong rebound, despite being slightly lower than October. The main driver was the continuous increase in new orders, especially export orders, which touched 15-month highs thanks to demand from China and India. This boosted goods production for the seventh consecutive month and employment for the second straight month. However, the momentum was undermined by the impact of major storms, which caused supply chain delays and production disruptions. Overall, the manufacturing sector continues to show positive recovery with abundant orders and a thriving export market.

Fig 1. Vietnam – Monthly retail sales of goods & services (VNDtn)



Source: General Statistics Office of Vietnam

Fig 2. Vietnam – Monthly PMI (point)



Source: General Statistics Office of Vietnam

MWG recorded consistent improvement across all business segments

MWG logged net revenue/NPAT of VND113,647 billion (+13.7% YoY)/VND4,965 billion (+72% YoY), exceeding the full-year profit targets after the first nine months of the year. The main growth contributors are The gioi Di Dong (TGDD) and Dien May Xanh (DMX) chains, which successfully maintained double-digit growth thanks to strong sales per store and market share gains from competitors. In particular, BHX gained the spotlight by securing a stable positive profit margin with 3Q25 estimated profit of VND240 billion amidst a continuous increase in the number of new stores launched in the Central region, nearly double the full-year plan. Optimized operational efficiency coupled with strong financial revenue growth significantly improved the corporation's net profit margin to over 4%.

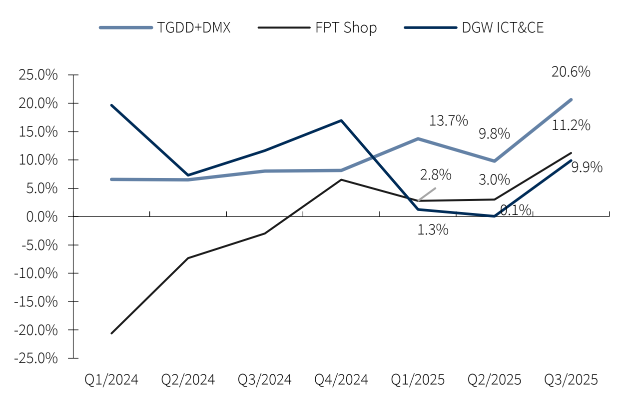
DGW achieved growth thanks to a change in product development strategy

DGW achieved net revenue/NPAT of VND18,614 billion (+15% YoY)/VND388 billion (+28% YoY). This result proved the effectiveness of a product diversification strategy. While the mobile phone segment reached saturation, new segments experienced strong growth. Laptops & tablets grew 30.4%, and the office equipment & IoT (AI servers, Edge AI) group saw a 42.7% increase, while the household appliance soared 94.1% in 3Q. Despite competitive pressure on GPM, extraordinary income and effective cost management helped the company maintain its net profit margin.

FRT is approaching its historical high revenue/profit target

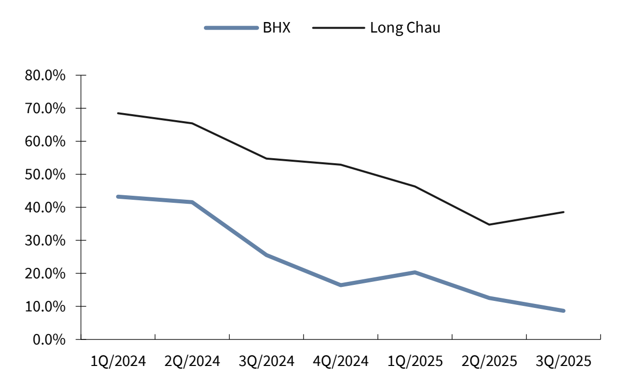
For 9M25, FRT posted VND36,170 billion (+25% YoY)/VND636 billion (+131% YoY) in revenue/NPAT. The core growth driver came from the Long Chau chain, contributing 67% of the total revenue (+31% YoY) with the opening of 151 new stores (126 pharmacies, 25 convenience stores), exceeding the year's opening plan. FPT Shop returned to profitability in 3Q with VND48 billion, the highest level in the past three years, thanks to effective restructuring of its store network. Net profit margin also improved by 1.2ppts YoY thanks to an increased contribution from health supplements, ETC drugs, and vaccines. 3Q net profit margin reached 1.7%, a significant improvement of 0.4ppts YoY/0.7ppts QoQ.

Fig 3. Vietnam – Revenue growth of ICT&CE retail chains (%)



Source: Company reports, KB Securities Vietnam

Fig 4. Vietnam – Revenue growth of other retail chains (%)



Source: Company reports, KB Securities Vietnam

2026 outlook

The retail sector will reach a turning point in structural changes in 2026

Vietnam retail market has entered 2026 as an industry on the verge of revolutionary changes. Following a positive but uneven recovery in 2025, the macroeconomic landscape in 2026 is projected to have all the favorable factors to fuel a strong surge in domestic consumer spending. GDP should reach USD5,400-5,500 by 2026, propelling Vietnam further into the group of upper-middle-income countries. As income surpasses the basic threshold, consumer spending will shift from essential goods to products and services that enhance quality of life, such as AI-integrated technology devices, smart home appliances, and specialized healthcare services.

2026 growth should be facilitated by improved policy and legal environment

2026 marks a turning point for the retail market thanks to the synchronized implementation of tax policies and market management. The increase in personal income tax deductions under Resolution 110/2025 is expected to boost after-tax income by approximately 10%, creating a strong impetus for consumption, especially for consumer discretionary. Furthermore, the mandatory adoption of electronic invoices and the elimination of lump-sum taxes for business households have purified the market, eliminating the price competitiveness of traditional channels. This establishes a fair business environment, encouraging consumers to shift to modern retail chains like BHX or WinMart. At the same time, stricter controls on counterfeit goods help legitimate businesses like MWG, FRT, and DGW consolidate their positions thanks to advantages in product origin and professional after-sales service support in an increasingly stringent legal environment.

Table 5. Vietnam – Summary of policies supporting the retail sector

Policies related to	Details	Impact on the retail sector
Value Added Tax (VAT)	Maintaining the 2% reduction (from 10% to 8%) until the end of 2026	Boosting demand for electronics, technology, and consumer goods
Personal Income Tax	Expanding the scope of application of deductions to pre-tax personal income (the financial supporter: VND15.5 million; the dependent on the supporter: VND6.2 million)	Increasing real disposable income of households by approximately 10%
Amended Pharmaceutical Law	Standardizing the circulation and online sale of medicines	Promoting modern pharmacy chains (Long Chau) to gain market share
Decree 70/2025	Managing electronic invoices for businesses with revenue exceeding VND1 billion	Improving market transparency and reducing unfair competition from smuggled goods
Gold trading	Allowing private enterprises to import raw gold and produce gold bars	Removing supply chain bottlenecks for the jewelry industry (PNJ)

Source: KB Securities Vietnam

GMCGs & fresh food: Witnessing the rise of the "Modern Market" model

The essential goods retail segment (FMCGs and fresh food) is witnessing a strong rise of modern convenience stores and minimarts. The penetration rate of modern retail in Vietnam is only about 15-16% in 2024, much lower than the average of 40-60% in Southeast Asian countries. This shows that there is still abundant room for growth, especially as the government exerts more efforts to eliminate unhygienic and unsafe food. 2026 will be the year when modern retail chains like Bach Hoa Xanh (MWG) and WinMart (MSN) continue their expansion after proving the success of their new operating model. These chains will not only focus on the two major cities of Hanoi and Ho Chi Minh City but will also begin to penetrate deeper into the central region and rural provinces, where people are shifting from traditional market shopping habits to shopping at air-conditioned stores with publicly displayed prices and a wide variety of goods. According to forecasts, the penetration rate of modern retail could reach 25% by 2027 thanks to the heavy investment of leading retailers.

KBSV believes that the BHX chain can leverage its operating model to accelerate its expansion into the Northern region, where the rate of modern retail is still low. With the expected number of new stores exceeding 1,000, it can directly compete with traditional markets and Winmart.

ICT and home appliance: Boosted by replacement cycle and AI

Vietnam consumer electronics market, after a difficult period in 2023-2024, has begun to recover from the second half of 2025. In 2026, the main growth drivers for the ICT-CE segment will come from two factors, (1) product replacement cycles and (2) the wave of integrating AI into end devices. AI PCs and next-generation smartphones with deeply integrated on-premise data processing capabilities are expected to stimulate upgrade demand from Generation Y and Generation Z.

The recovery of the real estate market in 2026 will also be a significant factor driving sales of consumer electronics such as televisions, refrigerators, washing machines, and air conditioners. In particular, the demand for smart home appliances is projected to achieve a CAGR of 9.6% between 2025 and 2029. Major retailers like MWG and FRT are making full use of their extensive store networks and installation and maintenance services to maintain their dominant market share against pressure from e-commerce platforms. Meanwhile, DGW, with its exclusive brand distribution and diverse product range, is also maximizing growth in the household appliance sector.

Pharmaceutical retail: Potential from the proactive healthcare trend

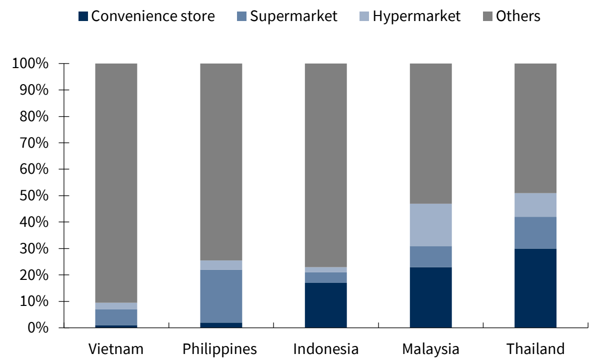
The pharmaceutical sector maintains stable growth despite economic fluctuations. In 2026, the modern pharmaceutical retail model is forecast to continue its double-digit store opening rate. Support from the amended Pharmaceutical Law (effective from July 2025) helps remove legal bottlenecks, allowing large pharmacy chains like Long Chau (FRT) and An Khang (MWG) to more flexibly manage medicines and professional personnel within their systems.

The "prevention is better than cure" trend is driving sales of health supplements, vitamins, and vaccination services. Modern pharmacy chains are gradually replacing traditional family pharmacies due to their advantages in clear medicine origins, diverse product catalogs (especially prescription drugs), and professional pharmacist consulting services. The penetration rate of modern pharmacy chains in Vietnam is expected to reach 11% by 2026, compared to the modest rates recorded in the previous years.

Jewelry retail: Expectations of supply chain management and benefits from increased income

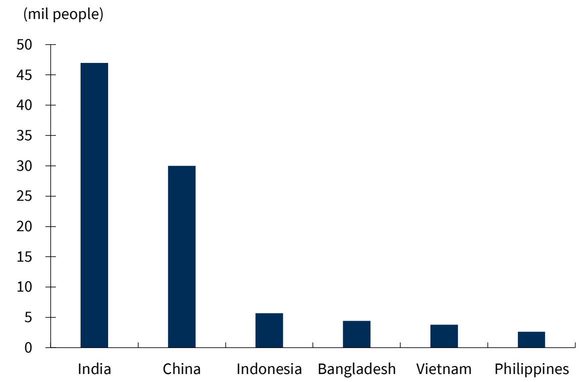
With the Amended Decree 232, the jewelry and gold industry should see improvements in import supply. We expect large enterprises such as PNJ, DOJI, and SJC to directly benefit from the improved supply, helping them reduce production costs and improve working capital efficiency. On the other hand, gold prices are projected to continue rising amidst global economic instability, which will further require gold businesses to pile their inventory to optimize production costs. Furthermore, improved consumer purchasing power and strong economic growth will be encourage jewelry consumption in 2026.

Fig 6. Southeast Asia – Revenue structure of department stores (%)



Source: Euromonitor

Fig 7. Global – Top countries with the highest number of new people entering the "consumer class”



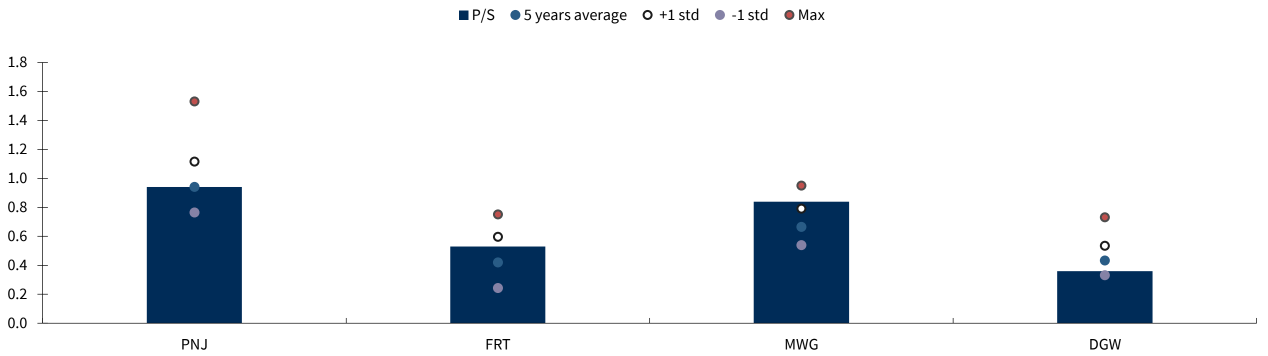
Source: NielsonIQ KB Securities Vietnam

Note: The "consumer class” refers to those who spend more than USD12 per day, as reflected in 2017 purchasing power parity)

Some retail stocks are currently at attractive valuation

Overall, the year 2026 would open new growth potential for retail businesses, strengthened by both macroeconomic environment and legal framework and policies aimed at stimulating consumer demand. Although each company has its own growth story, expectations of a year of robust growth in both revenue and profit are reasonable. Therefore, stocks with valuations equal to or below the five-year average P/S ratio, such as PNJ, FRT, and DGW, still offer investment opportunities with upside potential exceeding 15%. Furthermore, the market is already reflecting some of MWG's growth potential with a P/S ratio of historical mean +1Std, but investors can wait for short corrections to open new positions or increase their holdings, as the business model still holds significant long-term potential for further development.

Fig 8. Vietnam – P/S of some retail stocks (x)



Source: Bloomberg, KB Securities Vietnam

Mobileworld (MWG)

Strong prospects heading into 2026

December 1, 2025

Analyst Nghiem Sy Tien
(+84) 24-7303-5333 tienns@kbsec.com.vn

MWG achieved its full-year profit target within the first nine months

In 9M2025, MWG posted net revenue of VND113,607 billion (+13.7% YoY). NPAT reached VND4,965 billion (+72% YoY), surpassing the full-year target and keeping the net profit margin above 4%. The solid performance was underpinned by sustained double-digit growth in the ICT & CE segment (TGDD + DMX) and an estimated VND443 billion profit from the BHX grocery chain.

TGDD+DMX are expected to sustain double-digit revenue growth in 2026

The ICT & CE segment is projected to grow 12% YoY in 2026 revenue, fueled by stronger purchasing power following the revised personal income tax policy and an ongoing shift toward modern retail driven by greater business transparency through mandatory e-invoicing and tighter e-commerce controls. MWG's industry-leading position enables it to capitalize on these favorable macro trends.

BHX's optimized operating model underlies its improving profitability and faster store rollout

Store network efficiencies should help BHX achieve around VND700 billion in net profit in 2025. This lays the foundation for further expansion to over 700 stores in 2026, with the expansion focus shifting toward the North Central Coast and the Red River Delta, where preparatory work is already underway.

Margin expansion should drive medium- to long-term growth

Margin expansion will be supported by operating leverage as BHX scales up and TGDD+DMX maintain their market leadership. Meanwhile, robust operating cash flow helps MWG optimize its cost of capital and generate steady financial income, reinforcing a net margin above 4% over the medium to long term.

We reiterate BUY on MWG with a target price of VND106,100/share

Given its long-term growth potential, we reiterate BUY on MWG, with a 2026 target price of VND106,100/share (32% upside vs. the Dec 1, 2025 closing price).

Buy maintain

Target price	VND106,100
Upside	32%
Current price (Dec 1, 2025)	VND80,000
Consensus target price	VND95,000
Market cap (VNDtn/USDbn)	117/4.6

Trading data

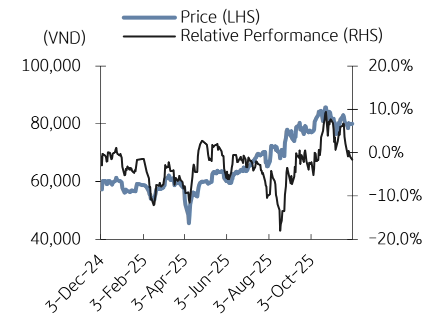
Free float	82.7%
3M avg trading value (VNDbn/USDmn)	560.2/21.5
Foreign ownership	49.0%
Major shareholder	Retail World Ltd. (10.49%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	6.2	18.6	27.8	8.3
Relative	-3.4	-5.9	1.8	-21.5

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	118,280	134,341	155,535	189,383
Operating income/loss (VNDbn)	436	4,084	6,726	8,424
NPAT-MI (VNDbn)	168	3,722	6,402	8,173
EPS (VND)	113	2,514	4,325	5,521
EPS growth (%)	-96	2,120	72	28
P/E (x)	679.8	30.6	17.8	13.9
P/B (x)	4.8	4.0	3.4	2.9
ROE (%)	0.7	13.2	19.3	20.5
Dividend yield (%)	0.8	0.8	0.8	0.8



Source: Bloomberg, KB Securities Vietnam

Digiworld (DGW)

Charting a new path

December 24, 2025

Analyst Nghiem Sy Tien
(+84) 24-7303-5333 tienns@kbsec.com.vn

DGW achieved 73%/74% of its 2025 revenue/net profit guidance

DGW reported 3Q revenue/NPAT-MI of VND7,391 billion (+18.7% YoY) / VND166 billion (+37% YoY). In 9M2025, revenue hit VND18,642 billion (+15% YoY) and NPAT-MI VND388 billion (+28% YoY), with home appliances leading growth (+87% YoY). Overall, DGW met 73%/74% of its full-year revenue/earnings guidance.

The laptop/tablet segment should lead ICT growth

The laptop/tablet segment is expected to grow 16.2% YoY in 2026, supported by the replacement cycle, rising adoption of AI-enabled PCs/laptops, and Microsoft's end-of-support for Windows 10. In contrast, mobile phones may experience flat to declining growth due to the erosion of exclusive distribution rights for Apple and Xiaomi products, alongside intensified pricing pressure from major retail chains. Contributions from Motorola are expected to remain marginal.

Office equipment and home appliances are emerging as DGW's key growth drivers

DGW's growth drivers are shifting toward office equipment and home appliances, projected to grow 51% and 35% YoY in 2026, respectively. Office equipment benefits from the structural shift toward Edge AI Servers and rising investment in IT infrastructure. IoT products and home appliances are supported by Xiaomi's integrated AIoT ecosystem and personal income tax reduction policies, which should underpin consumer spending.

We recommend BUY on DGW with a target price of VND49,500/share

KBSV forecasts DGW's 2025/2026 net revenue of VND25,176/30,041 billion (+14%/+19% YoY) and NPAT of VND539/707 billion (+21%/+31% YoY), driven by higher-margin office equipment and home appliances. Accordingly, we recommend BUY on DGW with a 2026F target price of VND49,500 per share.

Buy change

Target price	VND 49,500
Upside	24.3%
Current price (Dec 23, 2025)	VND 39,800
Consensus target price	VND 49,700
Market cap (VNDtn/USDbn)	8.8/0.3

Trading data

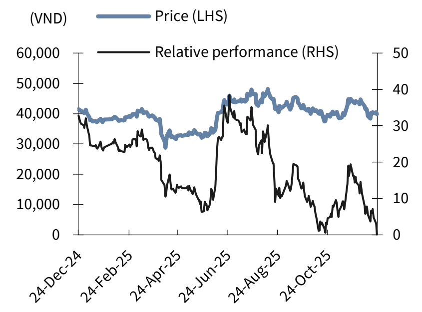
Free float	62.9%
3M avg trading value (VNDbn/USDmn)	125.8/4.8
Foreign ownership	22.1%
Major shareholder	Retail World Investment Consultant Co., Ltd (10.49%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-1.2	-6.7	43.5	-9.3
Relative	-4.9	-25.3	-11.7	-41.8

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	18,817	22,079	25,176	30,041
Operating income/loss (VNDbn)	417	527	554	764
NPAT-MI (VNDbn)	354	444	539	707
EPS (VND)	1,601	2,006	2,434	3,194
EPS growth (%)	-48	25	21	31
P/E (x)	25.2	20.1	16.6	12.6
P/B (x)	2.7	3.0	2.7	2.3
ROE (%)	13.8	14.9	15.6	17.5
Dividend yield (%)	1.9	1.0	1.1	2.2



Source: Bloomberg, KB Securities Vietnam

Phu Nhuan Jewelry (PNJ)

Strengthening position in the peak season

December 10, 2025

Analyst Nguyen Duc Quan
(+84) 24-7303-5333 quannd@kbsec.com.vn

3Q2025 NPAT jumped by 130% YoY on surging 24 gold bar sales

In 3Q2025, PNJ reported net revenue of VND8,136 billion (+14% YoY) and NPAT of VND496 billion (+130% YoY). The key highlight was the strong recovery in gold bar sales, which surged 83% YoY on a low base in 3Q2024, supported by improvements in domestic supply and prior raw material stockpiling. Meanwhile, retail jewelry recorded modest growth of 4.3% YoY and wholesale jewelry fell 12% YoY amid soft end-consumer demand.

PNJ is set to strengthen market position despite expected flat demand

Despite expected flat demand, we believe that PNJ will continue to gain more market share, benefiting from its scale, extensive store network, and targeted marketing efforts to boost brand recognition.

The long-term outlook remains promising

We forecast PNJ's compound annual growth rate (CAGR) of 5% for revenue and 6% for NPAT over 2026-2030. Key growth drivers include: (1) same-store sales growth of approximately 3% per year; (2) store network expansion into northern regions with lower projected demand; and (3) modest margin improvement as supply constraints ease.

We reiterate BUY on PNJ with a target price of VND105,600/share

KBSV sets an end-2026 target price of VND 105,600 per share for PNJ, implying an upside potential of 20%. The stock is currently trading at a 2026 forward P/E of 12x, below its five-year historical average, suggesting an attractive investment opportunity.

Buy maintain

Target price	VND 105,600
Upside	20%
Current price (Dec 10, 2025)	VND 88,100
Consensus target price	VND 101,400
Market cap (VNDtn/USDbn)	30.0/1.15

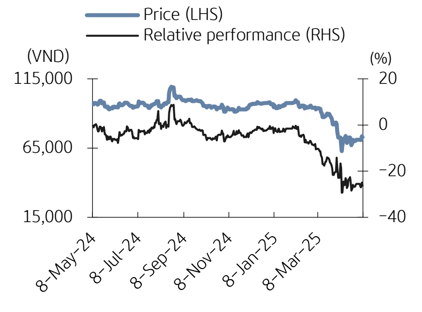
Trading data	
Free float	86.5%
3M avg trading value (VNDbn/USDmn)	79.1/3.1
Foreign ownership	46.8%
Major shareholder	VIETFUND (9.16%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	7.9	-25.9	-21.7	-25.4
Relative	-2.5	-24.0	-21.5	-25.4

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	33,137	37,823	34,271	35,987
Operating profit/loss (VNDbn)	2,529	2,670	2,941	3,185
NPAT-MI (VNDbn)	1,971	2,113	2,336	2,530
EPS (VND)	5,830	6,250	6,911	7,485
EPS growth (%)	9	7	11	8
P/E (x)	14	14	13	12
P/B (x)	2.9	2.6	2.3	2.3
ROE (%)	21.6	20.1	19.4	18.5
Dividend yield (%)	2.2	2.3	2.3	2.3



Source: Bloomberg, KB Securities Vietnam

Consumer

Positive outlook, attractive valuations

Analyst Nguyen Duc Quan
(+84) 24-7303-5333 quannd@kbsec.com.vn

December 31, 2025

Positive change

Recommendations	
Vinamilk (VNM)	NEUTRAL
Target price	VND69,800
Masan Group (MSN)	BUY
Target price	VND98,800
Vinh Hoan Corporation (VHC)	BUY
Target price	VND68,000
Sao Ta Foods (FMC)	BUY
Target price	VND46,800

9M25 business performance showed clear divergence

Within the consumer staples segment, most companies under our coverage (MSN, VNM, QNS) recorded revenue declines and underperformed expectations. This was driven by the abolition of lump-sum tax regulations and transition to a real tax declaration mechanism, which disrupted retail channels; persistently intense competition; and ongoing consumer frugality. In contrast, hog farming companies (DBC, BAF, HPA) delivered robust year-on-year growth in both revenue and earnings. This strength was fueled by persistently elevated liveweight hog prices, a direct result of supply constraints from disease outbreaks and severe weather disruptions over the past year. Meanwhile, seafood exporters maintained relatively stable business results during the period. This resilience was supported by contained farming costs and a front-loading of export orders in 9M25.

In 2026, stronger domestic demand should underpin consumer staples and hog farming, in contrast to softer prospects for seafood exporters facing trade and market challenges

Economic activity and consumer spending in 2026 are expected to be buoyed by the government's ambitious GDP growth target and personal income tax (PIT) deductions, creating meaningful upside for local consumer firms. We expect leading players like MSN and VNM to leverage their extensive distribution networks, strong brand equity, and ongoing product premiumization strategies to maintain dominance and capture recovering demand. In the hog farming sector, we anticipate continued market share consolidation toward larger players, supporting positive sales volume growth prospects, while hog prices will likely remain anchored at elevated levels. For seafood exporters, we forecast low growth or a slight contraction, as competition intensifies in key markets such as the US and Europe and trade-related barriers continue to pose potential risks.

Attractive valuations in seafood, solid growth potential in consumer staples

We favor VNM and MSN given their strong competitive moats and clear growth visibility in 2026. Between the two, MSN stands out as the more attractive option at present, based on its superior upside potential. In addition, we recommend BUY on leading pangasius and shrimp exporters VHC and FMC, as their current valuations have been discounted near-term headwinds to attractive levels, presenting compelling entry points for exposure to the long-term seafood export story.

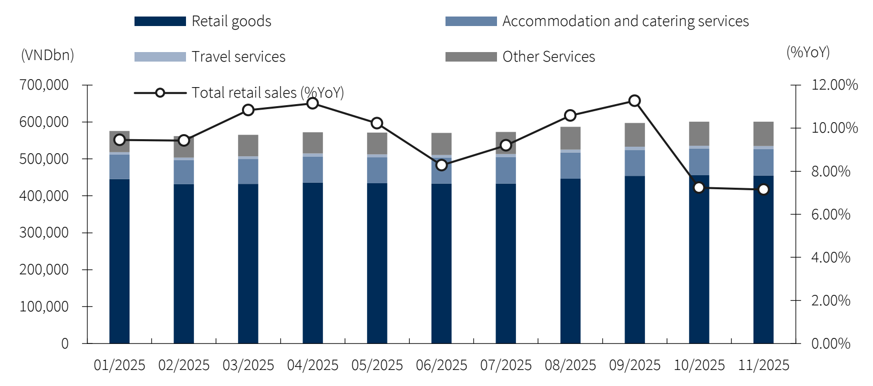
9M25 business performance

The retail consumer sector maintained stable growth, supported by benign inflation

In 11M25, total retail sales of consumer goods expanded by 7.15% in real terms (inflation-adjusted), indicating moderate momentum. Consumption growth remained constrained by cautious consumer sentiment amid heightened economic and social uncertainties, including the ongoing restructuring of the state apparatus and potential risks associated with US reciprocal tariffs.
On the positive side, strong growth in the tourism sector provided a meaningful boost to overall consumption. Accommodation & food services and travel-related services posted robust growth of 14% and 20% YoY, respectively, over the first 11 months, offering notable support to nationwide consumer demand.
Inflation remained well under control, with headline CPI and core CPI up 3.6% and 3.28% YoY, respectively, as of November.

Overall, growth momentum moderated in October-November, suggesting that demand is decelerating and settling into a more stable trajectory.

Fig 1. Vietnam – Retail sales of consumer goods & services (VNDbn, %YoY)



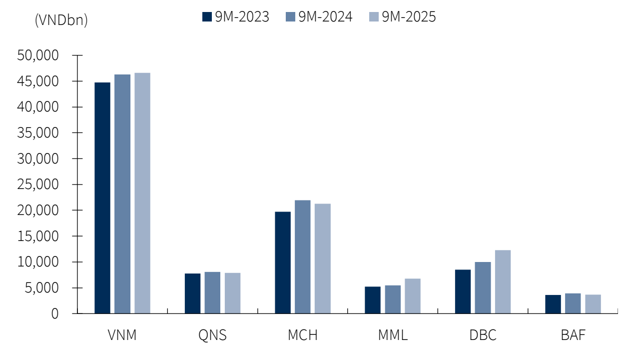
Source: FiinPro, General Statistics Office of Vietnam

Consumer staples: Companies face short-term headwinds from tax reform and channel restructuring

In 2025, the abolition of the lump-sum tax regime emerged as one of the most significant headwinds for the consumer sector. The new regulations require household businesses to record actual revenues via linked bank accounts, replacing the previous estimation-based method and effectively raising the tax burden by an estimated fourfold. This prompted an immediate reduction in procurement by small retailers from 2Q onwards, weighing on traditional trade sales. As a result, MCH, the largest consumer staples player with a diversified portfolio spanning seasonings, instant noodles, and beverages, was among the hardest hit, with revenues declining 15% in 2Q25 and 6% YoY in 3Q25.

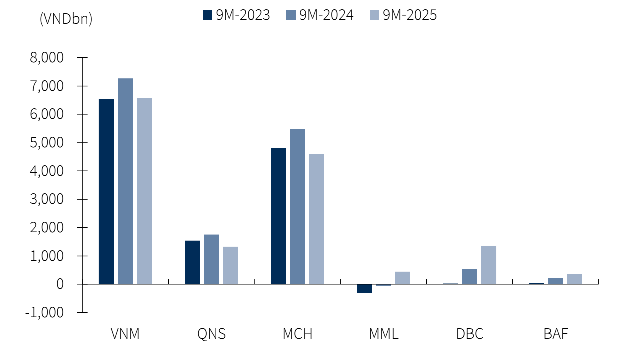
In parallel, both MSN and VNM undertook a comprehensive overhaul of their go-to-market models to reduce reliance on the traditional wholesale distribution channel, which historically accounted for 70-90% of revenues. Both companies rolled out new technology-enabled platforms leveraging AI to connect directly with retail outlets, enabling real-time sales tracking, automated ordering, and demand forecasting based on live consumer data. These store-level restructuring initiatives also contributed to near-term revenue declines, particularly for VNM in 1Q25 and MCH (a subsidiary of MSN) in 2Q25, as the transition temporarily disrupted sales execution.

Fig 2. Vietnam – Revenue of selected food & consumer staples companies (VNDbn)



Source: KB Securities Vietnam

Fig 3. Vietnam – NPAT of selected food & consumer staples companies (VNDbn)



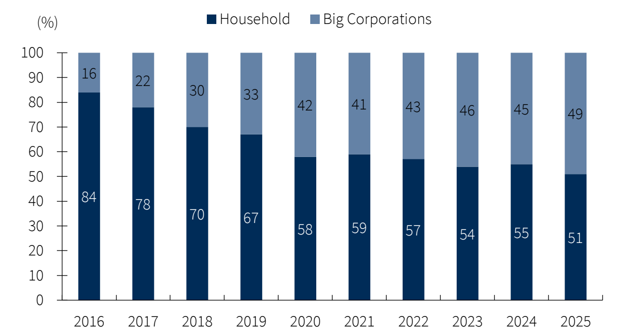
Source: KB Securities Vietnam

Hog farming & processing: Companies enjoyed strong growth thanks to favorable hog prices

In 2025, hog supply was affected by multiple factors, notably: (1) African Swine Fever (ASF), which caused irregular supply disruptions and (2) severe storms and flooding that increased mortality rates during the farming cycle. These factors were the primary drivers of heightened price volatility, with hog prices surging in the first two quarters—coinciding with peak demand—before correcting sharply as demand weakened and farms proactively liquidated inventory to mitigate disease and weather-related risks.

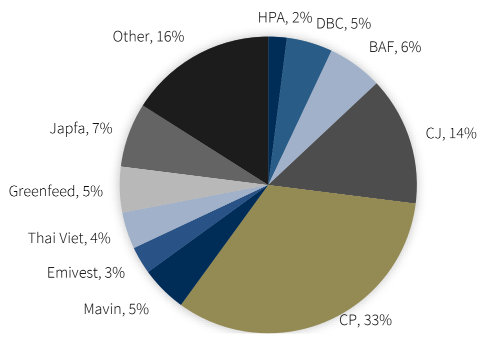
Large-scale producers continued to benefit in a high-price environment, supported by more stable supply, better-invested farming infrastructure that helped reduce mortality rates, and the ability to capitalize on periods of elevated hog prices. In addition, animal feed costs remained low and stable amid ample global supply and subdued demand, enabling large players to optimize costs and sustain healthy margins. Over 9M25, the three largest listed hog farming and processing companies—DBC, BAF, and MML—reported net profits of VND1,358bn (+156% YoY), VND363bn (+69% YoY), and VND438bn (+710% YoY), respectively.

Fig 4. Vietnam – Farmed pork market share (%)



Source: AgroMonitor

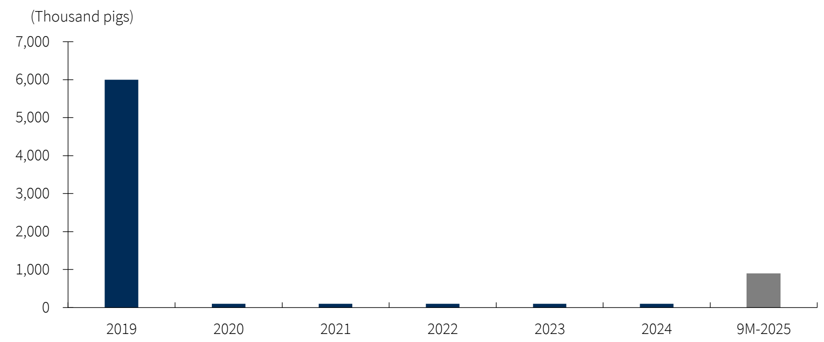
Fig 5. Vietnam – Top hog producers by sow herd size



Source: AgroMonitor

In 9M25, more than 1.2 million hogs nationwide were culled, marking a sharp increase from 2024. As a result, hog supply is expected to remain tight in the near term, as farms require additional time to restore biosecurity standards and rebuild herds.

Fig 6. Vietnam – Hogs culled due to disease outbreaks (thousand heads)



Source: AgroMonitor, Food and Agriculture Organization, Department of Livestock Production and Animal Health

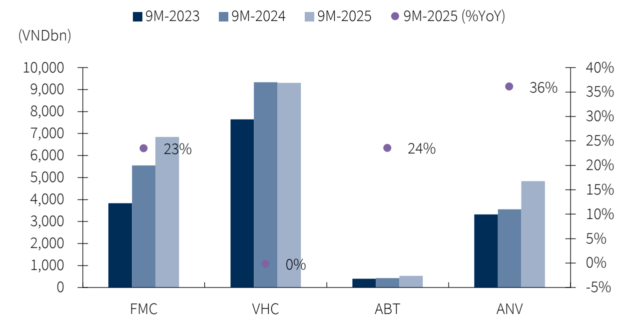
Seafood: Despite stable order numbers, gross margins shrank due to heightened competition and tariff-related impacts

Over 9M25, the two listed seafood exporters under our preference—VHC in pangasius and FMC in shrimp—both delivered earnings growth despite facing high reciprocal tariffs of 10-20% in the US, their primary export market.

For VHC, revenue was flat YoY while NPAT-MI rose 39% YoY in 9M25. Earnings growth was mainly driven by lower farming costs (primarily feed), provision write-backs, and stable selling prices, resulting in a 260 bps YoY expansion in gross margin. Total pangasius sales volume reached 67.6k tons (-7% YoY), with key markets comprising the US (36.6k tons, -4% YoY), Europe (11.7k tons, +11% YoY), China (6.1k tons, -43% YoY), and other markets (13.1k tons, -1% YoY). Despite some front-loaded orders, US volumes declined due to moderate end-demand and elevated inventory levels. Meanwhile, shipments to China dropped sharply amid weak fillet demand, lower quality requirements, and intense competition. Overall, VHC's average selling prices remained broadly flat YoY, constrained by tariff impacts and heightened global competition.

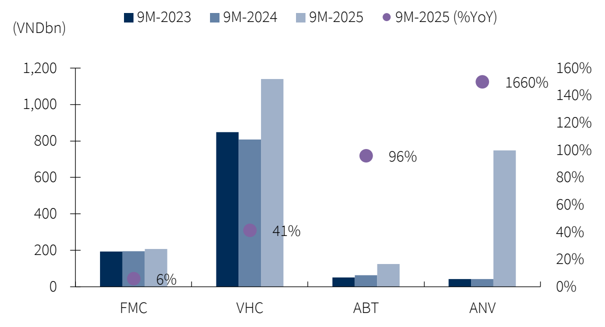
For FMC, revenue and NPAT-Mi increased by 24% YoY and 6% YoY, respectively, in 9M25. US revenue—accounting for 30%-44% of total sales—now incorporates tariffs of 10-20% on most orders from 3Q onwards, following FMC's shift to a Delivered Duty Paid (DDP) shipping terms. On the positive side, shrimp export volumes rose 18% YoY, supported by front-loading demand in the US (44% of revenue) and stable demand across other markets. However, selling expenses surged 99% YoY, driven by reciprocal tariffs and higher provisions for anti-dumping and countervailing duties, which eroded profitability despite solid top-line and volume growth.

Fig 7. Vietnam – Revenue of major seafood exporters (VNDbn, %YoY)



Source: KB Securities Vietnam

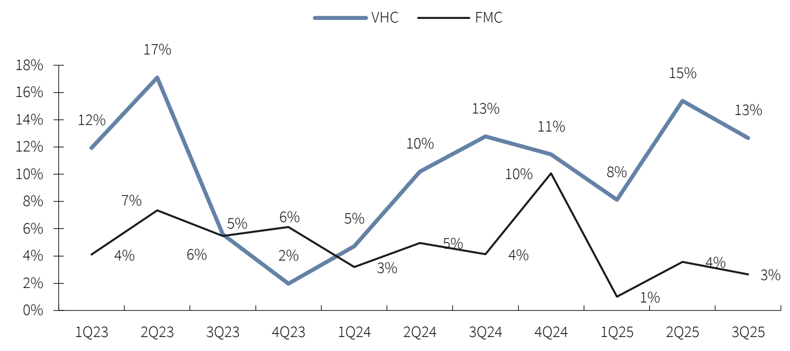
Fig 8. Vietnam – NPAT of major seafood exporters (VNDbn, %YoY)



Source: KB Securities Vietnam

VHC's net profit growth was primarily driven by margin expansion, supported by lower production costs and provision write-backs. In contrast, FMC's margins contracted due to relatively high tax-related provisions, despite strong improvements in both sales volumes and revenue.

Fig 9. VHC, FMC – EBIT margin (%)



Source: KB Securities Vietnam

2026 outlook

The tax-free income threshold is expected to increase by 40%, helping to lift consumer purchasing power

In late 2025, the government approved an increase in the PIT deduction threshold from VND11mn to VND15mn, and the dependent deduction from VND4.4mn to VND6.2mn, effective from 2026. This represents an approximately 40% increase in the tax-free income threshold, which should meaningfully enhance disposable income and support purchasing power. However, strong investment demand across the economy and households will likely divert part of the incremental income toward capital allocation, keeping consumer goods growth at a mid-single-digit pace.

Major consumer staples are well positioned for recovery

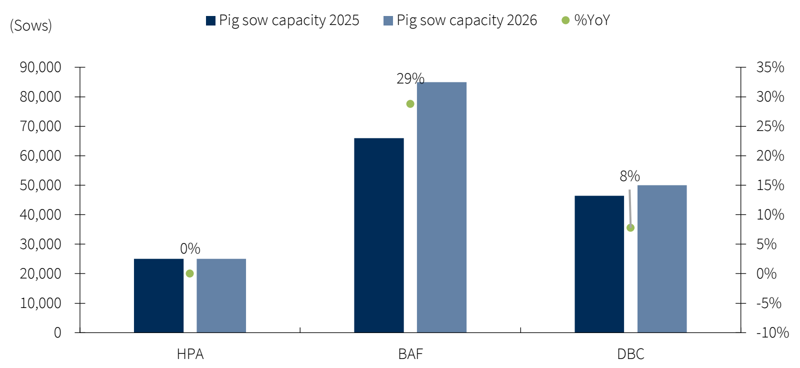
Looking ahead to 2026, we expect VNM and MSN to be key beneficiaries of the new tax regulations. Both companies benefit from scale, strong brand equity, and well-established manufacturing and distribution networks, alongside sustained investment in product development. Importantly, their expanding exposure to modern retail positions them well to capture shifting consumer preferences and defend market leadership.
For MCH, continued WinMart expansion, with store count up 16% YoY in 11M25, provides incremental growth in modern trade amid ongoing traditional trade volatility. For VNM, the company continues to scale its proprietary retail network toward 700 stores nationwide while supporting the formalization of traditional retail. We forecast net profit growth of 9.9% YoY for VNM and 9.8% YoY for MCH in 2026, underpinned by strong operating cash flows and improving dividend capacity.

Pig farming & processing companies will likely achieve positive growth thanks to improved production, rising market share, and sustained high prices

Amid ongoing ASF challenges and heightened biosecurity risks, small-scale farms are expected to contract sharply due to limited capital and weak biosecurity. This creates a golden opportunity for large-scale, vertically integrated players—from breeding to processing—to maintain cost efficiency amid volatile prices. We expect listed players, including live hog producers (BAF, DBC, HPA) and processed meat producers (BAF, MML), to see continued volume growth in 2026, with BAF leading thanks to its acquisition of underperforming small farms. In addition, the continued shift toward modern retail channels should further support volumes, particularly for BAF and MML. On pricing, constrained supply is expected to keep hog prices elevated during the peak period from 4Q25 to 1Q26, broadly mirroring the 2024-2025 cycle and providing a supportive earnings backdrop for large-scale producers with superior farming efficiency and higher survival rates. However, supply is expected to recover in 2H26 in line with the industry cycle, which could exert downward pressure on prices. Overall, we expect average liveweight hog prices to stabilize around VND60,000/kg in 2026 (flat YoY).

With the breeding sow herd rising sharply to 85,000 heads, BAF demonstrates the highest growth potential in herd expansion. The company has also announced a long-term "multi-story pig farming" strategy, targeting 10 million market pigs by 2030.

Fig 10. Vietnam – Breeding sow herd size of selected companies (head)



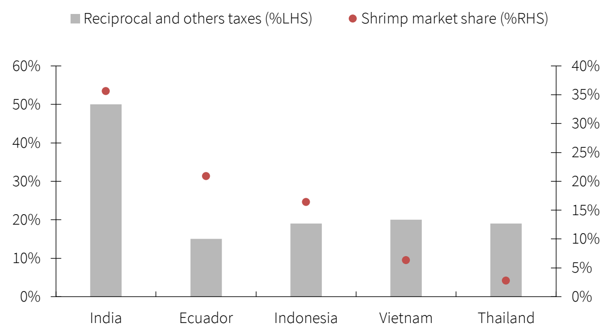
Source: Company reports

Seafood exporters are expected to see flat YoY revenue growth thanks to market diversification

Seafood exporters are facing numerous challenges, including high preliminary anti-dumping duties on shrimp, intensified competition among Vietnamese pangasius exporters (with an additional six companies now benefiting from zero anti-dumping tariffs), and a sharp reduction in US tariffs on Chinese imports to 20%—on par with Vietnam.

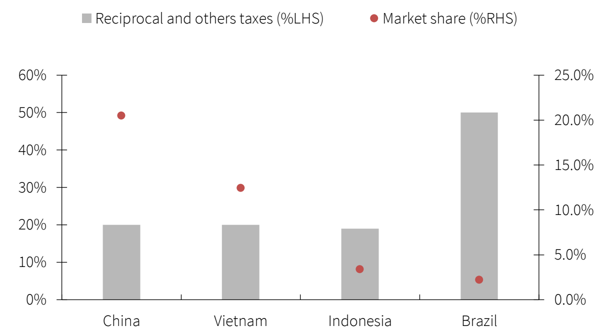
For the two listed companies under our coverage, market expansion and diversification will be the key strategy in 2026, given the potential risks in the US market. We expect VHC and FMC's sales volumes to remain flat YoY, with selling prices 3-5% lower due to diversification away from the higher-priced US market. However, FMC's margins could improve thanks to sales expansion into markets with higher profitability than the US, which is burdened by high compliance costs under anti-dumping tariffs. For VHC, we expect stable margins, supported by revenue shifts toward collagen & gelatin products as well as rice-based snacks and other rice-based products. Amid a projected softer market in 2026, the partially self-sufficient raw material model (VHC 70%, FMC 30%) allows both companies to flexibly reduce external purchases to match order demand, avoiding the risk of excess capacity while effectively protecting margins.

Fig 11. Vietnam – Total US tariffs on shrimp (excluding the preliminary ~35% tariff on Vietnamese shrimp) (%)



Source: KB Securities Vietnam

Fig 12. Vietnam – Total US tariffs on pangasius (%)



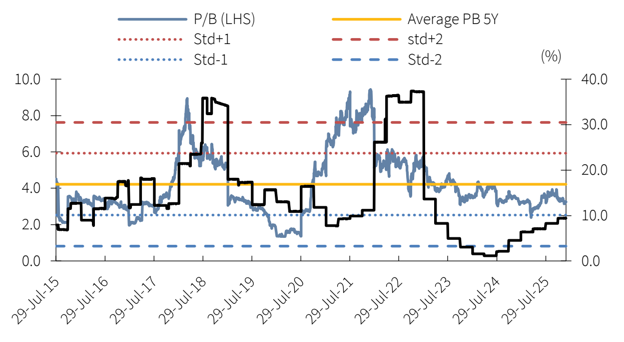
Source: ITC, KB Securities Vietnam

Most companies under our coverage are currently trading at attractive valuations

We favor VNM, MSN, VHC, and FMC for their industry-leading positions and strong moats. Our recommendations are further nuanced by distinct sector drivers:

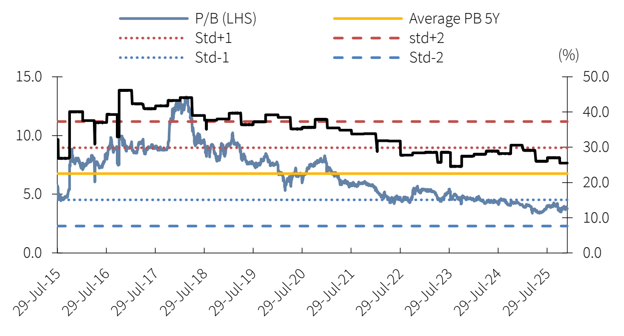
- **Consumer staples (VNM, MSN):** Key drivers include structural growth and a positive recovery trajectory, which should underpin robust profit expansion. At current valuations, MSN is the more compelling pick, supported by the rapid growth of its modern retail arm and the anticipated recovery of its consumer goods segment (MCH) by 2026.
- **Seafood exporters (VHC, FMC):** While the sector outlook remains moderate, deeply discounted valuations serve as the primary investment catalyst. Both VHC and FMC trade at substantial discounts to their historical averages on P/E and P/B multiples, presenting a clear valuation opportunity.

Fig 13. MSN – P/B, ROE in 2015-2025



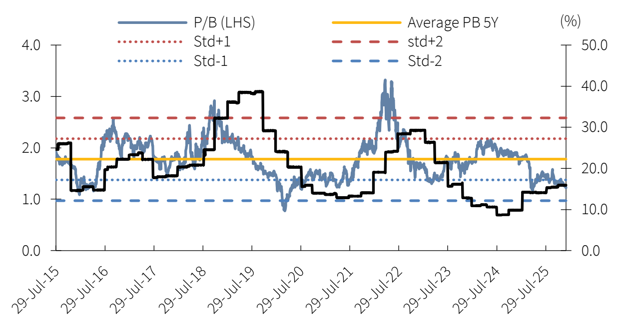
Source: KB Securities Vietnam

Fig 14. VNM – P/B, ROE in 2015-2025



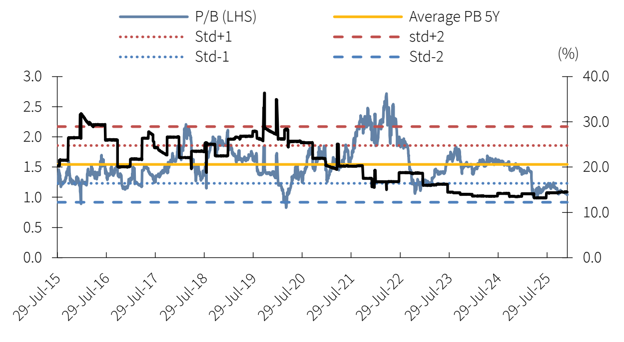
Source: KB Securities Vietnam

Fig 15. VHC – P/B, ROE in 2015-2025



Source: KB Securities Vietnam

Fig 16. FMC – P/B, ROE in 2015-2025



Source: KB Securities Vietnam

Sao Ta Foods (FMC)

Attractive valuation with positive outlook

Analyst Nguyen Duc Quan
(+84) 24-7303-5333 quannd@kbsec.com.vn

November 3, 2025

For 9M2025, consolidated revenue rose 23% YoY, while NPAT-MI grew a modest 6% YoY

Sales volume grew 18% YoY in 9M2025, boosted by tariff-driven frontloading among US importers. Although demand eased in 3Q, keeping volumes flat YoY, FMC still posted revenue of VND2,984 billion (+5% YoY) and NPAT-MI of VND97 billion (+22% YoY). For 9M2025, consolidated revenue reached VND6,850 billion (+23% YoY) and NPAT-MI totaled VND207 billion (+6% YoY).

FMC is expected to retain its 0% anti-dumping duty rate, paving the way for potential provision reversals in 2026

In 2Q2025, the US Department of Commerce (DOC) announced a preliminary anti-dumping duty (ADD) rate of 35.27% for Stapimex, a Vietnamese shrimp exporter, and extended the same rate to others, including FMC. Nevertheless, FMC is likely to reaffirm its non-dumping status and retain the 0% ADD rate maintained over the past four years. A favorable outcome would enable the company to reverse an estimated VND172 billion in provisions for 2024-2025, boosting 2026 earnings.

Stable tariff differentials and higher US duties on Indian shrimp strengthen FMC's competitiveness and export outlook

Tariff gaps with competitors have remained largely unchanged compared to the period preceding the announcement of US reciprocal tariffs, allowing FMC to maintain its competitiveness in the US. Meanwhile, the additional 50% reciprocal tariff imposed on Indian shrimp—the largest supplier to the US—could shift demand toward other exporters, including Vietnam, supporting FMC's export growth.

We recommend BUY for FMC with a target price of VND46,800/share

FMC appears attractive at its current valuation of 7.7x P/E and 1.09x P/B, which is 20% and 30% below the five-year averages, following a 20% decline amid tariff-related uncertainties. We recommend BUY with a target price of VND46,800/share, implying a 28% upside potential.

Buy maintain

Target price	VND46,800
Upside	28%
Current price (Nov 3, 2025)	VND36,600
Consensus target price	VND 48,850
Market cap (VNDtn/USDbn)	2.2/0.09

Trading data

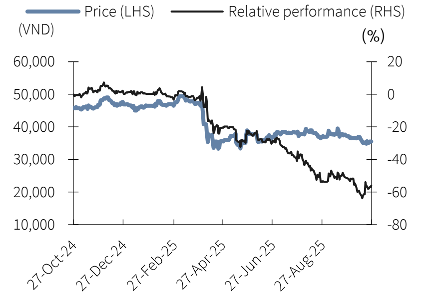
Free float	23.2%
3M avg trading value (VNDbn/USDmn)	3.6/0.1
Foreign ownership	31.0%
Major shareholder	PAN Group (37.45%)
	C.P. Vietnam (24.9%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-4.6	-7.3	-0.3	-22.7
Relative	-5.9	-17.2	-37.2	-57.0

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	5,087	6,913	8,292	8,768
Operating income/loss (VNDbn)	363	269	387	486
NPAT-MI (VNDbn)	276	306	292	351
EPS (VND)	4,222	4,675	4,472	5,372
EPS growth (%)	-10.7	10.7	-4.3	20.1
P/E (x)	8.7	7.8	8.2	6.8
P/B (x)	1.2	1.1	1.1	1.0
ROE (%)	14	15	13	16
Dividend yield (%)	5.5	5.5	5.5	5.5



Source: Bloomberg, KB Securities Vietnam

Vinh Hoan Corp (VHC)

An industry leader with attractive valuation

November 27, 2025

Sector Analyst Nguyen Duc Quan
(+84) 24-7303-5333 quannd@kbsec.com.vn

3Q performance improved thanks to business segments other than pangasius

Vinh Hoan Corporation (VHC) logged VND3,471 billion (+6% YoY) and VND433 billion (+35% YoY) in 3Q revenue and NPAT-MI, respectively. The improvement is attributable to the divesture from investment securities and the strong rebound in collagen & gelatin (C&G)/Sa Giang/by-product revenue (+20%/12%/29% YoY) amid better sentiment and demand. Meanwhile, revenue from pangasius (fillet and value-added products) contracted 9% YoY due to the impact of 2Q frontloading.

Demand for pangasius is expected to stabilize in 2026

We expect Europe and the US to remain as the main export markets of VHC thanks to the established value chain and stable demand for farmed whitefish, which may increase as wild fish production is forecasted to continue to be sharply cut in both high-end and low-end segments. However, the competition from tilapia is expected to further climb, somewhat limited by hefty US tariffs on key suppliers.

Long-term momentum will come from non-pangasius segments

With the pangasius fillet segment reaching its growth limit, VHC is investing more carefully in C&G and Sa Giang (rice and rice crackers brand), hoping to create long-term growth momentum. With its distribution system and long-term experience, we expect revenue from these two segments to maintain double-digit growth rates with high NIMs around 20%.

Valuation: BUY rating - Target price VND68,000

We determine the fair price for VHC stock in 2026 at VND68,000/share, equivalent to an upside potential of 18%. VHC is currently trading at a PE and PB ratio 30% and 25% lower than the five-year historical means, which shows a lucrative investment prospect.

Buy change

Target price	VND68,000
Upside	+18%
Current price (Nov 27, 2025)	VND57,800
Consensus target price	VND59,850
Market cap (VNDtn/USDbn)	12.9/0.48

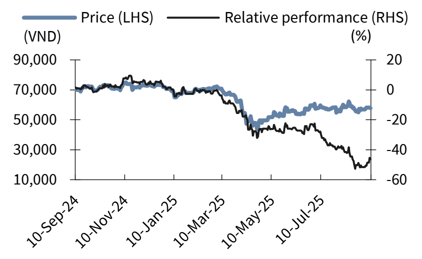
Trading data	
Free float	35.2%
3M avg trading value (VNDbn/USDmn)	192.9/7.7
Foreign ownership	28.5%
Major shareholder	Truong Thi Le Khanh (42.3%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-1.4	6.9	-18.5	-17.7
Relative	-4.2	-17.5	-41.4	-46.3

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	10,033	12,513	12,553	12,956
Operating income/loss (VNDbn)	1,118	1,450	1,730	1,788
NPAT-MI (VNDbn)	919	1,226	1,462	1,524
EPS (VND)	4,914	5,463	6,509	6,785
EPS growth (%)	-54	11	19	4
P/E (x)	17.6	10.7	9.0	8.6
P/B (x)	1.9	1.5	1.3	1.2
ROE (%)	11	14	16	14
Dividend yield (%)	0	6.8	0	0



Source: Bloomberg, KB Securities Vietnam

Masan Group (MSN)

Momentum remains strong

December 15, 2025

Analyst Nguyen Duc Quan
(+84) 24-7303-5333 quannd@kbsec.com.vn

NPAT-MI surged 101% YoY in 9M2025

In 3Q25, MSN reported revenue of VND21,164 billion (-1.5% YoY) and NPAT-MI of VND1,209 billion (+72% YoY). For 9M2025, revenue reached VND58,375 billion (-3% YoY), while NPAT-MI more than doubled to VND2,634 billion (+101% YoY).

Modern retail, branded pork, and mining drove revenue growth amid softer traditional trade demand

MCH's consumer products segment continued to see a decline in revenue (-6% YoY, improving from -15% YoY in 2Q), primarily due to weak demand in the traditional general trade (GT) channel, affected by changes in tax regulations and distribution channel restructuring. In contrast, the modern retail segment (WCM), branded pork and processed meat (MML), and mining (MSR) benefited from favorable market trends, delivering robust revenue growth of 18%-33% YoY in 3Q2025.

MCH targets 10%-15% annual revenue and profit growth in 2026-2030

MCH plans to transfer its listing to the Ho Chi Minh Stock Exchange (HOSE) in 2026. The company continues to target annual revenue and profit growth of 10%-15% during 2026-2030, supported by new product development, premiumization trends, and stronger export performance.

We reiterate BUY on MSN with a target price of VND98,800/share

Using a sum-of-the-parts (SOTP) valuation, we reiterate our BUY rating on MSN with an updated target price of VND98,800 per share, implying an upside potential of 34% from the closing price on December 15, 2025.

Buy maintain

Target price	VND 98,800
Upside	34%
Current price (Dec 15, 2025)	VND 73,500
Consensus target price	VND 99,800
Market cap (VNDtn/USDbn)	111.2/4.2

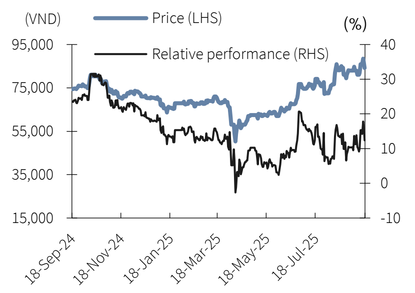
Trading data	
Free float	50%
3M avg trading value (VNDbn/USDmn)	843.6/32.1
Foreign ownership	25.4%
Major shareholder	Masan Group (31%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-3.75	-8	-3	6.4
Relative	-3.05	-9.05	-24	-26.1

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	78,252	83,178	80,854	89,937
Operating income/loss (VNDbn)	2,350	6,761	9,065	15,773
NPAT-MI (VNDbn)	419	1,999	3,704	6,152
EPS (VND)	293	1,321	2,448	4,066
EPS growth (%)	88	352	85	66
P/E (x)	266	56	30	18
P/B (x)	4.2	3.7	3.3	2.8
ROE (%)	2	7	12	17
Dividend yield (%)	0.2	1.5	0	0



Source: Bloomberg, KB Securities Vietnam

KB Securities VIETNAM

KBSV RESEARCH

Vinamilk (VNM)

Heading into steady growth

December 5, 2025

Analyst Nguyen Duc Quan
(+84) 24-7303-5333 quannd@kbsec.com.vn

3Q2025 results beat expectations, supported by both domestic and overseas markets

VNM's consolidated net revenue and net profit in 3Q2025 recorded a solid recovery, reaching VND16,953 billion (+9.1% YoY) and VND2,527 billion (+2.1% YoY), respectively. For 9M2025, the company achieved 72% of its revenue target and 68% of its net profit target, with results partly weighed down by distribution channel restructuring in 2Q.

Domestic demand continues to recover, while exports deliver a surprising 40% YoY surge

The quarter's key highlight was the improvement in domestic revenue (+4.4% YoY), while export revenue posted exceptional growth (+44% YoY), driven by market share expansion in Cambodia and steady demand from Iraq. We expect this positive trend to persist in the coming quarters.

The 2026 outlook appears promising following restructuring efforts

Looking into 2026, we anticipate a meaningful uplift in VNM's earnings, underpinned by a refreshed product portfolio that enhances competitiveness across both mid-range and premium segments. Rising disposable income following the new personal income tax regulations, along with the continued stabilization of distributor restructuring and stricter tax enforcement on household businesses, should further support the company's growth prospects.

We downgrade VNM to NEUTRAL with a target price of VND69,800

Based on our valuation, we derive a fair value of VND69,800 per share for 2026, implying a 10% upside. Accordingly, we downgrade VNM from BUY to NEUTRAL.

Neutral change

Target price	VND69,800
Upside	10%
Current price (Dec 5, 2025)	VND 63,400
Consensus target price	VND 71,800
Market cap (VNDtn/USDbn)	135.6/5.2

Trading data

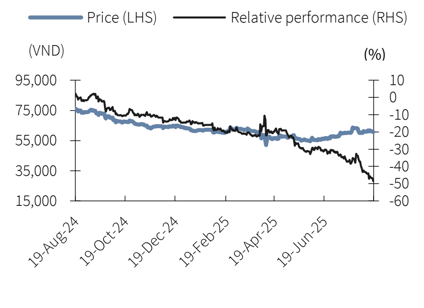
Free float	35.3%
3M avg trading value (VNDbn/USDmn)	265/10.3
Foreign ownership	50.8%
Major shareholder	SCIC (36%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	0.8	8.4	-0.2	-20.1
Relative	-8.5	-17.8	-27.2	-49.8

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	60,369	61,783	62,476	66,834
Operating income/loss (VNDbn)	10,405	9,955	11,020	11,445
NPAT-MI (VNDbn)	8,874	9,392	9,033	9,925
EPS (VND)	4,246	4,494	4,322	4,749
EPS growth (%)	4%	6%	-4%	10%
P/E (x)	15.3	14.5	15.0	13.7
P/B (x)	4.3	4.2	4.3	4.4
ROE (%)	29	29	28	32
Dividend yield (%)	5.9	6.7	6.7	6.7



Source: Bloomberg, KB Securities Vietnam

Construction

Fueled by strong backlog

Analyst Nguyen Thi Ngoc Anh
(+84) 24-7303-5333 anhntn@kbsec.com.vn

December 31, 2025

Positive maintain

Recommendations	
PC1 Group (PC1)	BUY
Target price	VND27,800
Coteccons Construction (CTD)	BUY
Target price	VND99,000

Revenue growth outpaced earnings growth across construction companies in 9M25. Most construction companies posted robust revenue growth in the period (CTD/VCG/HHV up 30%/40%/13% YoY), supported by: (1) a healthy backlog carried over from end-2024; (2) accelerated project execution as 2025 marks the final year of the 2021-2025 medium-term public investment cycle; and (3) a gradual recovery in the real estate market. Nonetheless, gross profit growth lagged meaningfully behind revenue growth due to (1) intensified competition, which pressured profit margins; and (2) rising input costs, particularly for sand and stone.

Residential construction is expected to grow further amid ongoing housing market recovery. New condo supply in Hanoi and Ho Chi Minh City (HCMC) is projected to grow by 13%/6% YoY in 2025/2026. The recovery is driven by: (1) the removal of legal bottlenecks and (2) the acceleration of key transport infrastructure projects that enhance connectivity.

Industrial construction is likely to slow in 2026, reflecting a more cautious stance among investors and manufacturers amid tariff-related uncertainties. This trend is evidenced by: (1) registered FDI moderation since June 2025 and (2) signs of softer demand for industrial park land leases since early 2025.

Robust public investment is set to ensure stable workloads for infrastructure contractors through 2026. Key catalysts include: (1) the Government's plan to allocate up to VND1.08 million billion to public investment in 2026 and (2) the recently amended Construction Law, which streamlines approval procedures and is expected to accelerate project implementation. In addition, the Power Plan VIII, with total investment in power transmission infrastructure during 2026-2030 estimated at USD18.1 billion, should secure long-term growth visibility for electrical construction companies, particularly in transmission and renewable energy.

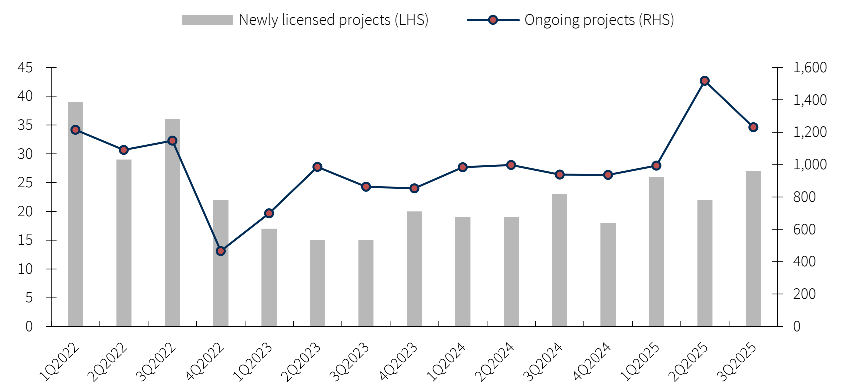
We remain bullish on the residential and infrastructure construction segments, underpinned by a recovering housing market and robust public investment commitments. In contrast, industrial construction is poised for a moderating growth phase, weighed down by uncertainties related to US tariff policies. Our notable picks are VCG, PC1, CTD, and HHV. From a valuation perspective, we view VCG and PC1 as particularly attractive, as both are currently trading at a discount to their five-year average P/B, while growth narratives remain firmly intact. This growth is supported by sizable backlogs and a high probability of securing additional large-scale projects in the coming period.

9M25 business performance

Residential construction is poised to benefit from the ongoing recovery in the housing market

Over the first nine months of 2025, residential construction demonstrated a clear recovery, with newly licensed housing projects rising 23% YoY to 75. The number of projects underway as of end-3Q25 increased sharply to 1,231, up from 939 in 3Q24. This rebound was driven by persistently low interest rates and the resolution of legal bottlenecks at several projects, which helped accelerate construction progress during the period.

Fig 1. Vietnam – Newly licensed and ongoing projects

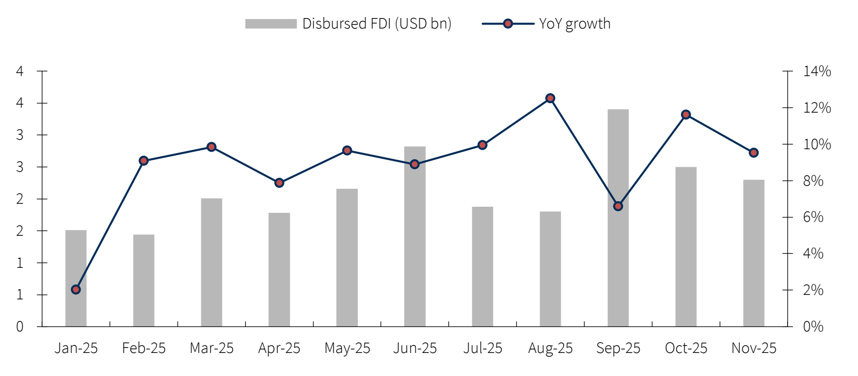


Source: Ministry of Construction

Industrial construction growth moderates in 9M25 as new large-scale projects are postponed amid tariff-related uncertainty

Disbursed FDI totaled USD23.6 billion (+8.9% YoY) in 11M25, despite a slowdown in newly registered FDI over the past few months (Figure 6), suggesting that previously licensed industrial projects continued to be implemented largely on schedule. However, industrial construction was driven mainly by the expansion and upgrading of existing facilities, while new large-scale projects were postponed as investors adopted a more cautious stance amid reciprocal tariff risks, particularly in sectors with high exposure to exports to the US. As a result, industrial construction growth in 9M25 moderated compared with earlier periods, as reflected by the decline in this segment's contribution at CTD from 40% in 2024 to around 20% in 2025.

Fig 2. Vietnam – Disbursed FDI in Jan-Nov 2025 (USDbn, %YoY)



Source: General Statistics Office of Vietnam

Public investment disbursement reached 61% of the annual target

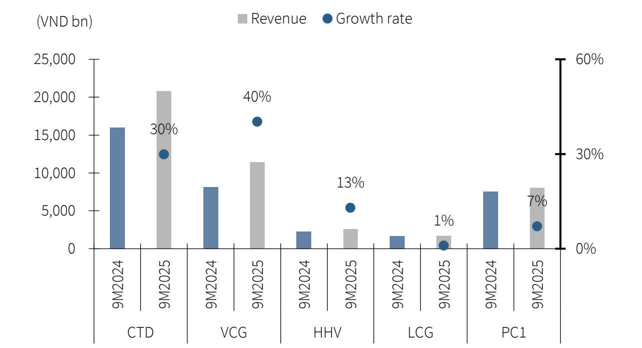
In 11M25, public investment disbursement neared VND553.25 trillion, or 61% of the annual target, falling significantly behind schedule due to (1) provincial and municipal mergers and administrative restructuring, which delayed land clearance, and (2) shortages of construction materials. Nevertheless, the push to meet targets in the final year of the 2021-2025 medium-term public investment cycle has helped sustain a steady pipeline of work for large-scale infrastructure and construction contractors such as HHV, VCG, LCG, and PC1, supported by major projects including Long Thanh International Airport (now entering its final stage), intra-city and inter-regional transport networks (the North-South expressway, Ring Roads 3 and 4 in Hanoi and HCMC), and energy infrastructure developments.

9M25 business performance shows a divergence among construction companies

The business performance of several notable construction companies can be summarized as follows:

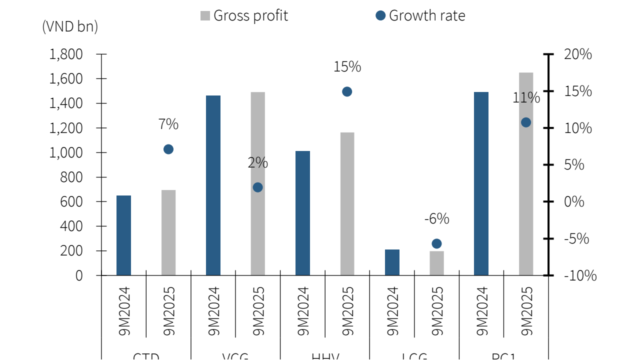
- **CTD and VCG** recorded strong revenue growth in 9M25, driven by their construction segments, supported by sizeable backlogs as of end-2024 of VND32 trillion and VND28 trillion, respectively. However, gross margins declined due to (1) intense competition in residential and industrial construction, as well as rising input material costs (sand and stone) in CTD's case, and (2) a sharp increase in the contribution from construction activities—which carry significantly lower margins than real estate development—in VCG's case.
- **HHV** posted positive growth in 9M25, driven by (1) BOT revenue supported by organic traffic growth and (2) the Cam Lam-Vinh Hao project, which began operations in mid-2024.
- **LCG** experienced slower revenue growth and a contraction in construction gross margins, as several projects have yet to complete cost finalization, delaying revenue recognition.
- **PC1** saw an improvement in gross margins, primarily due to a recovery in construction margins, following a low base in 2024 when the company had to increase outsourcing to meet the timeline of the Pho Noi project.

Fig 3. Vietnam – Revenue of selected construction companies (VNDbn, %YoY)



Source: Company reports, KB Securities Vietnam

Fig 4. Vietnam – Gross profit of selected construction companies (VNDbn, %YoY)



Source: Company reports, KB Securities Vietnam

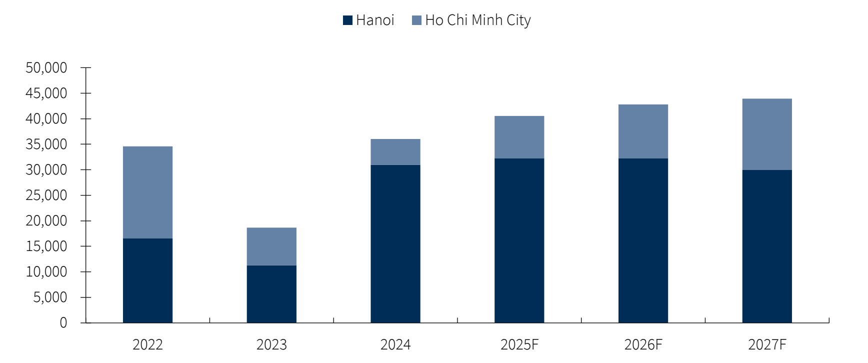
2026 outlook

Residential construction is expected to grow further amid ongoing housing market recovery

In 9M25, new condo supply in Hanoi and HCMC reached 21,100 units (+10% YoY) and 3,952 units (+119% YoY), respectively. CBRE forecasts that new supply will remain robust in 4Q25 and through 2026, with total new supply in Hanoi and HCMC projected at 40,552 and 42,820 units in 2025/2026, representing growth of 13% and 6% YoY. This pipeline should provide a stable flow of work for residential construction companies in 2026. The recovery is underpinned by (1) improving demand across multiple residential projects, supported by shorter commuting times as intra-city and inter-regional transport infrastructure is accelerated under the government's push to expedite public investment disbursement, and (2) the gradual resolution of legal bottlenecks through the amended Land Law, revised Housing Law, and 2025 Construction Law, which are expected to accelerate the rollout of new projects and unblock stalled developments.

Additionally, the rebound in the housing market is improving cash flows for project developers, reducing bad debt risks for residential construction companies, and enhancing the likelihood of recognizing profits from the reversal of provisions. For example, in 3Q25, CTD recorded a provision reversal of VND265 billion, while bad debts declined 30% YoY.

Fig 5. Vietnam – New condo supply in Hanoi & HCMC (pre-merger) (unit)

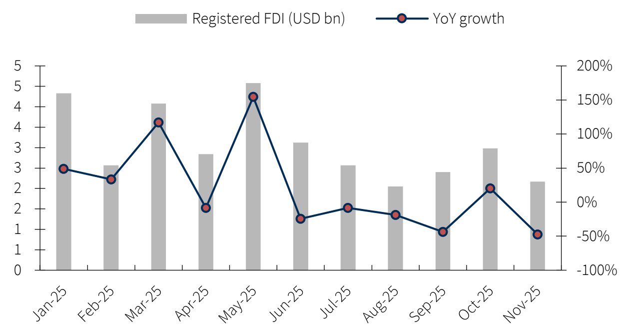


Source: CBRE

Industrial construction is likely to slow in 2026 before a mild recovery materializes following the US administration's announcement of transshipment terms

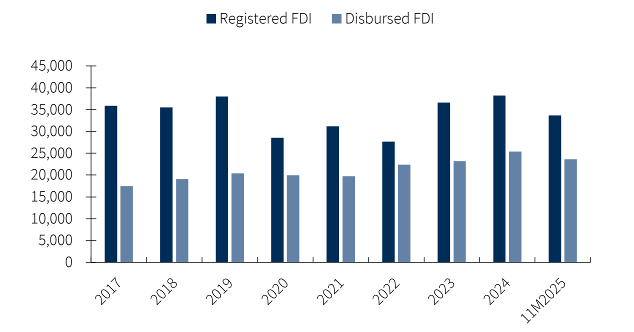
Although disbursed FDI continued to record relatively stable growth, registered FDI has shown clear signs of deceleration since 2Q25. In 3Q25, total registered FDI amounted to only USD7.02 billion, down 27% YoY. The continued decline in registered FDI in recent months, together with signs of slowing demand for industrial park land leases (in 9M25, total IP land absorption in the North and HCMC reached 350 ha and 80 ha, down 17% and 70% YoY, respectively), points to a more cautious sentiment among investors and manufacturing firms amid concerns over global tariff policies. Against this backdrop, we expect demand for industrial construction to soften in the near term, pending clearer signals on tariff-related policies.

Fig 6. Vietnam – Registered FDI in 2025 (USDbn, %YoY)



Source: General Statistics Office of Vietnam

Fig 7. Vietnam – Registered & realized FDI in 2017–2025 (USDmn)



Source: General Statistics Office of Vietnam

Infrastructure contractors stand to benefit from the acceleration of public investment

2026 is expected to be a peak year for public investment, supported by (1) a projected allocation of VND1.08 quadrillion aimed at achieving a 10% GDP growth target, and (2) the recently passed amended Construction Law, which simplifies approval procedures and is anticipated to accelerate project implementation. Disbursement momentum throughout the year is likely to concentrate on key infrastructure projects, including the completion of Long Thanh International Airport Phase 1, the Hanoi–Hai Phong–Lao Cai railway, the Ben Thanh–Can Gio metro line, North–South expressway components, and major urban ring roads. Infrastructure contractors with proven expertise in executing large-scale projects, such as VCG and HHV, are expected to benefit from sustained high backlogs and improved disbursement progress. Nevertheless, the actual outcome will continue to depend on their success in securing new contracts and the pace of on-the-ground project execution.

Looking further ahead to 2026–2030, public investment is expected to remain a key long-term growth driver, with plans to add an additional 2,000 km of expressways and to roll out large-scale infrastructure projects, including the North–South high-speed railway, rail lines connecting seaports and airports, and the Red River landscape boulevard development.

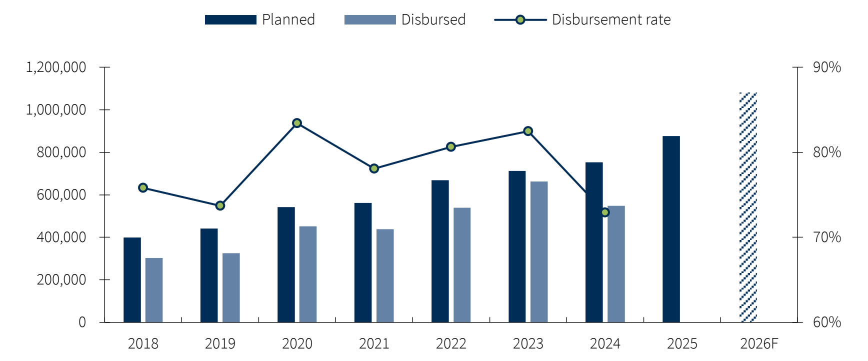
Table 8. Vietnam – Key public investment projects

Project	Total investment (VNDbn)	Commencement	Completion
Long Thanh International Airport – Phase 1	109,000	2021	2026
Ho Chi Minh City Ring Road 3	75,378	2023	2027
Hanoi Ring Road 4 – Component project 3	56,293	2025	2028
Ho Chi Minh City – Long Thanh – Dau Giay Expressway Expansion	16,314	2025	2027
Ho Chi Minh City Ring Road 4 – Phase 1	120,412	2025	2028
North-South High-speed Railway	1,713,548	Dec 2026	2035
Lao Cai – Hanoi – Hai Phong Railway	203,231	Dec 2025	2030

Source: KB Securities Vietnam

As of November 2025, public investment disbursement had reached only 61% of the annual target, leaving approximately VND360 trillion to be allocated in less than two months.

Fig 9. Vietnam – Actual vs. planned public investment disbursement (VNDbn)



Source: General Statistics Office of Vietnam, KB Securities Vietnam

Electrical construction is poised for growth over 2026–2030, underpinned by Power Plan VIII and renewable energy development

The power construction segment is assessed to maintain a positive outlook in 2026 and over the broader 2026–2030 period, supported by two key drivers. First, the government is accelerating the implementation of Power Plan VIII, with total investment in transmission infrastructure over 2026–2030 estimated at approximately USD18.1 billion. This includes plans to construct nearly 13,000 km of 500 kV lines and 15,300 km of 220 kV lines, ensuring a stable medium- to long-term workload for contractors. Second, the strategic push to expand renewable energy capacity, particularly wind power, is anticipated to create opportunities for electrical contractors with proven expertise in executing large-scale, technically complex projects, such as PC1.

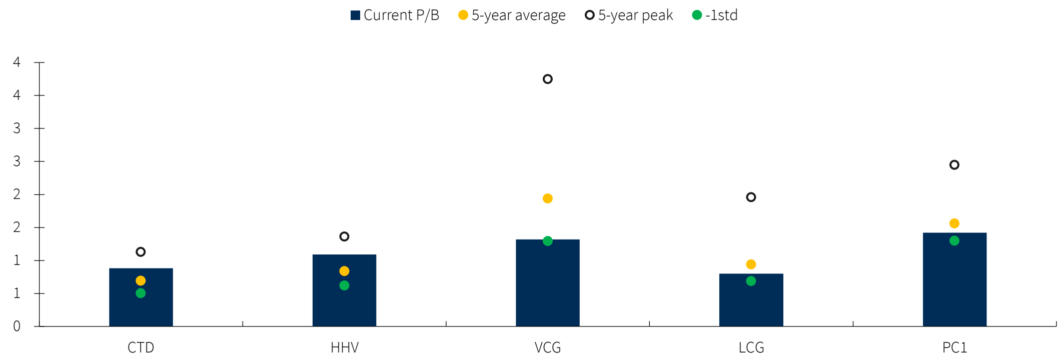
KBSV maintains a positive stance on residential and infrastructure construction sectors

We maintain a positive view on residential and infrastructure construction sectors, supported by the ongoing recovery in the housing market and strong public investment. In contrast, the industrial construction sector is likely to slow amid concerns surrounding US tariff policies.

In terms of share price performance, CTD and HHV are currently trading at P/B multiples above their five-year averages, suggesting that market expectations for a recovery in residential construction (CTD) and public investment-driven BOT projects (HHV) have been partly priced in, thereby limiting near-term upside. We view VCG and PC1 as relatively attractive, as both are trading below their five-year average P/B while retaining solid growth visibility, underpinned by sizeable backlogs (as of end-3Q25, VCG's backlog was close to VND30 trillion, while PC1's exceeded VND8 trillion) and a high probability of securing additional large-scale contracts going forward.

For the remaining names, although valuations have edged above their five-year average P/B, they remain well below historical peaks. Investors are encouraged to monitor key factors including fluctuations in input material costs, industry competition affecting margins, the ability to secure new projects, and developments in tariff policies, to identify optimal entry points.

Fig 10. Vietnam – P/B of selected construction companies



Source: Bloomberg

PC1 Group (PC1)

Underpinned by EPC bounceback

Analyst Nguyen Ngoc Anh
(+84) 24-7303-5333 anhntn@kbsec.com.vn

December 10, 2025

9M25 results met 56%/84% of full-year revenue/NPAT guidance

In 3Q25, PC1 Group (PC1) posted VND3,278 billion (+47% YoY) in revenue, a strong increase thanks to robust growth from power construction with a slew of projects entering the final acceptance phase. 9M25 revenue and NPAT respectively totaled VND7,538 billion (-7% YoY) and VND704 billion (+22% YoY), equal to 56%/84% of the full-year respective targets.

Revenue from EPC strongly recovered thanks to abundant backlog

EPC segment should grow 63%/16% YoY in 2025/2026 and maintain a large backlog until 2030 since (1) PC1's backlog at the end of 3Q25 already exceeded VND8,000 billion; and (2) the revised National Power Development Plan 8 (NPDP8) will ensure workload for PC1 in both the short and long term.

Favorable weather phase for hydropower projects will end in 2026

Hydropower output in 2025 is poised for a 5% YoY growth thanks to favorable water conditions throughout the year. However, the weather will gradually shift to a neutral phase in 2026, and the probability of El Nino increases towards the end of the year, which may lower PC1's output to 563 million kWh (-8.5% YoY).

The Phu Thi Riverside should start handover from the end of 2025

Phu Thi Riverside Residential Area, comprising 182 villas and townhouses, is entering the exterior finishing and topping-out phase, expected to contribute VND102/VND62 billion to PC1's 2025/2026F earnings.

BUY rating - Target price VND27,800

We recommend BUY for PC1, with a target price of VND27,800/share, representing a potential upside of 27% compared to the closing price on December 10, 2025.

Buy maintain

Target price	VND27,800
Upside	27%
Current price (Dec 9, 2025)	VND21,800
Consensus target price	VND26,771
Market cap (VNDtn/USDbn)	9.0/0.3

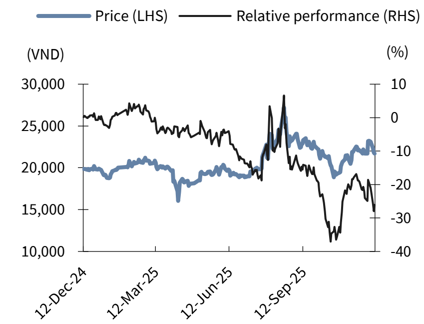
Trading data	
Free float	65.0%
3M avg trading value (VNDbn/USDmn)	71.6/2.7
Foreign ownership	12.0%
Major shareholder	Trinh Van Tuan (12.65%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	6	-5	10	9
Relative	-4	-9	-16	-26

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	7,694	10,089	13,367	13,929
Operating income/loss (VNDbn)	274	828	1,163	1,263
NPAT-MI (VNDbn)	36	468	679	737
EPS (VND)	53	1,177	1,650	1,792
EPS growth (%)	-97%	2121%	40%	9%
P/E (x)	411	19	13	12
P/B (x)	1.1	1.0	1.0	0.9
ROE (%)	2.5%	9.2%	11.2%	10.9%
Dividend yield (%)	1.4%	2.3%	0.0%	0.0%



Source: Bloomberg, KB Securities Vietnam

Coteccons (CTD)

Slow but steady

Senior Analyst Nguyen Duong Nguyen
(+84) 24-7303-5333 nguyennd1@kbsec.com.vn

September 25, 2025

CTD fulfilled FY2025 profit plan

Coteccons Construction (CTD) logged VND24,867 billion/VND454 billion in FY2025 revenue/NPAT (+18%/47% YoY) thanks to the reversal of VND160 billion in bad debt provisions from Saigon Glory in 4QFY25. Full-year GPM touched 3.1%, lower than the target due to (1) higher raw material costs in 1H25, (2) stronger competition in the industry as the real estate market recovered, and (3) Unicons restructuring.

New backlog in FY2026/FY2027 should hit VND35,000/38,000 billion

Management estimated total backlog at the end of 1QFY26 at VND45,000 – 50,000 billion, mainly contributed by the infrastructure segment. The respective proportions of residential, industrial, and infrastructure backlog are 65%/25%/10%, respectively. We expect the backlog of CTD to improve further along with the new growth cycle of the land market in 2026-2027. At the same time, the workload in the public investment sector will increase in line with the Government's growth orientation in the medium term. KBSV estimates FY2026/FY2027 revenue at VND29,760/32,480 billion.

Estimated GPM is 3.4%/3.6% in FY2026/FY2027

CTD has identified the top goal in the coming time as optimizing profit margins when revenue will be consolidated by its leading position and diversification strategy. The business will focus on optimizing the supply chain to undermine fluctuations in raw materials. The restructuring of Unicons is also expected to boost profit margins in the coming time.

Valuation: BUY – Target price VND99,000

We determine the fair value of CTD at VND99,000/share, equal to a potential return of 20% compared to the closing price on September 25, 2025.

Buy maintain

Target price	VND99,000
Upside	20%
Current price (Sep 25, 2025)	VND82,700
Consensus target price	VND93,700
Market cap (VNDtn/USDbn)	0.83/0.31

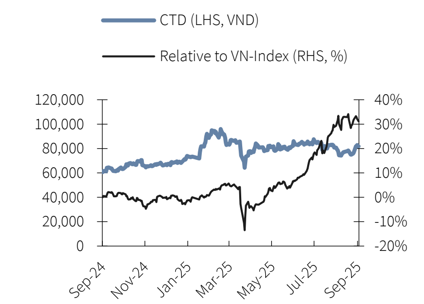
Trading data	
Free float	55.0%
3M avg trading value (VNDbn/USDmn)	91.8/3.5
Foreign ownership	47.7%
Major shareholder	Kustocem (17.9%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	4	-2	-6	33
Relative	4	-25	-31	3

Forecast earnings & valuation

FY-end	FY24	FY25	FY26	FY27
Net revenue (VNDbn)	21,045	24,867	29,760	32,480
Operating income/loss (VNDbn)	306	529	574	993
NPAT-MI (VNDbn)	310	454	459	794
EPS (VND)	2,987	4,379	4,433	7,664
EPS growth (%)	350.9	46.6	1.2	72.9
P/E (x)	23.5	19.5	18.2	10.6
P/B (x)	0.9	1.0	0.9	0.8
ROE (%)	3.7	5.2	5.0	8.1
Dividend yield (%)	0.0	1.2	0.0	0.0



Source: Bloomberg, KB Securities Vietnam

Construction materials

Leveraging recovering domestic demand

Senior Analyst Nguyen Duong Nguyen
(+84) 24-7303-5333 nguyennd1@kbsec.com.vn

December 31, 2025

Neutral maintain

Recommendations	
Hoa Phat Group (HPG)	BUY
Target price	VND35,900
Hoa Sen Group (HSG)	NEUTRAL
Target price	VND18,000
Nam Kim Steel (NKG)	NEUTRAL
Target price	VND16,500
Binh Minh Plastics (BMP)	NEUTRAL
Target price	VND178,200

9M25 earnings growth varied across construction materials companies

Sales volumes were supported by improving domestic demand, driven by the continued recovery of the real estate market alongside accelerated disbursement and implementation of public investment projects. Within the steel sector, earnings performance diverged between beneficiaries and those hit hard by domestic and international anti-dumping and protectionist policies. In the plastic pipe segment, persistently low PVC resin prices helped producers maintain elevated gross margins.

Steel sector profit growth is expected to remain uneven in 2026

We expect domestic consumption to remain the primary driver of steel demand in 2026. Given ongoing challenges in export channels, KBSV believes profit growth will favor producers that (1) benefit from supportive policies, capacity expansion, and/or new products aligned with rising domestic demand, and (2) are able to maintain or expand market share and distribution networks. We also expect a modest 3% YoY recovery in average steel prices, supported by strengthening domestic demand following four consecutive years of price declines.

Plastic pipe sector profit growth is highly sensitive to PVC resin prices

PVC resin prices declined by 8% YoY in 2025 and are expected to remain at low levels in 2026, as consumption in China shows no clear signs of improvement and both the real estate and manufacturing sectors have yet to demonstrate a meaningful recovery. Stable input costs should allow producers to sustain high gross margins in 1H26. However, upside risks may emerge in 2H26 should high-cost inventories be cleared and excess capacity be reduced.

KBSV maintains a NEUTRAL view on the construction materials sector in 2026

Steelmakers are currently trading around their 10-year average P/B, while plastic pipe manufacturers are trading at approximately two standard deviations above their historical average P/B. We expect domestic demand to remain the key driver of construction materials consumption in 2026. Investors may consider selectively targeting companies with sustainable growth trajectories, underpinned by capacity expansion, market share gains, and favorable input and output pricing dynamics. Notable opportunities include HPG, HSG, NKG, and BMP.

Steel sector

1. 9M25 business performance

Total sales volumes were strongly supported by a rebound in domestic demand

Total sales volumes in 2025 were strongly supported by a rebound in domestic demand, driven by the housing market recovery and accelerated public investment projects. In contrast, export volumes were pressured by increasingly protectionist measures, particularly in the US market.

As of November 2025, consumption of construction steel and HRC increased by 29% and 24% YoY, respectively. Domestic HRC consumption surged 70% YoY, supported by (1) anti-dumping duties imposed on imports from China and South Korea effective from mid-2Q25 and (2) the addition of new capacity at HPG's Dung Quat 2 complex.

Table 1. Vietnam – Sales volumes of steel products in 11M24-11M25 (million tons, %YoY)

(mn tons, %)	Nov 2024	Nov 2025	%YoY	11M24	11M25	%YoY	Notes
Construction steel	0.9	1.1	18%	9.2	11.9	29%	Domestic consumption rose 29% YoY, supported by a recovery in the residential real estate market and accelerated public investment projects.
HRC	0.5	0.7	47%	6.1	7.6	24%	Domestic consumption surged 70% YoY due to anti-dumping duties imposed on imports from China and South Korea.
Coated steel	0.4	0.4	-17%	5.1	4.4	-14%	Export volumes fell 48% YoY, negatively impacted by protectionist policies in the US., Mexico, and the EU.
Steel pipe	0.2	0.2	-1%	2.2	2.5	15%	
Total	2.1	2.4	15%	22.5	26.3	17%	

Source:

Earnings performance diverged significantly under the impact of protectionist policies

The contrasting effects of domestic and overseas anti-dumping policies, combined with differences in end-market exposure, were the two key factors driving divergence among steel producers. HPG benefited from the AD20 duties, effective from early 2025 at applied rates of 19.4%-27.8%, while the commencement of commercial operations at the Dung Quat 2 plant in 1Q25 supported a 64% YoY increase in HRC sales volume in 11M25. Meanwhile, HSG and NKG were negatively impacted by (1) a material curtailment of exports to the US due to Section 232 protectionist measures, and (2) restricted access to competitively priced HRC imports from China, which weighed on input costs and margins.

Table 2. Vietnam – NPAT of selected steelmakers in 9M24-9M25 (VNDbn)

(VNDbn)	3Q24	3Q25	%YoY	9M24	9M25	%YoY	Notes
HPG	3,020	4,036	34%	9,208	11,664	27%	HPG benefited from protectionist policies on HRC and the commercial operations of Dung Quat 2 since early 2025.
HSG	-186	85		406	564	39%	Coated steel sheet export volumes fell 40% YoY in 9M25.
NKG	65	50	-24%	435	207	-52%	Coated steel sheet export volumes fell 53% YoY in 9M25.

Source: Vietnam Steel Association, FiinProX, KB Securities Vietnam

2. 2026 outlook

Domestic demand should remain the key driver of sales volumes in 2026

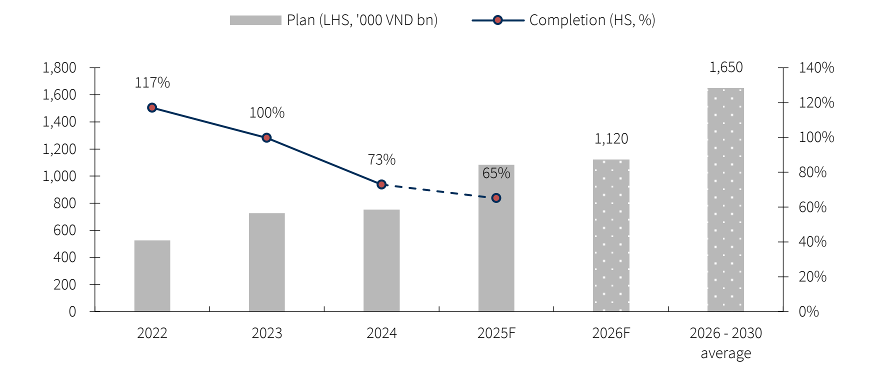
We expect sales volumes to remain supported by improving domestic demand, driven by accelerated public investment and a rebound in the housing market. For 2026, the initial public investment plan (excluding capital carried over from 2025 and subsequent adjustments) is set at VND1,120 trillion, up 36% YoY. On December 19, 2025, 125 major projects nationwide were simultaneously launched with total investment of VND983 trillion (49.5% state capital), underscoring the government's strong commitment to growth through domestic infrastructure development and enhanced medium-term economic resilience.

We maintain a positive view on the public investment sector, expecting the amended Public Investment Law—which decentralizes project authority to ministries, central agencies, and local governments—to streamline procedures, accelerate site clearance, and improve capital disbursement over the medium term. In addition, greater private sector participation in key projects is expected to supplement infrastructure funding and accelerate project execution compared with prior periods.

In the residential real estate segment, CBRE forecasts that condo supply in Hanoi and Ho Chi Minh City will increase by 5% and 17% YoY, respectively, in 2026. Moreover, the number of newly approved residential projects in 9M25 rose 21% YoY, indicating a high upcoming construction workload. We expect construction activity from both the residential and public investment sectors to improve further in 2026, directly supporting domestic steel demand, with total industry consumption projected to increase 10% YoY.

The public investment plan for the 2026-2030 period is set at VND8.5 million billion, implying an average annual disbursement of VND1.7 million billion.

Fig 3. Vietnam – Planned public investment disbursement & execution rate (VNDtn, %)



Source: Ministry of Finance, KB Securities Vietnam

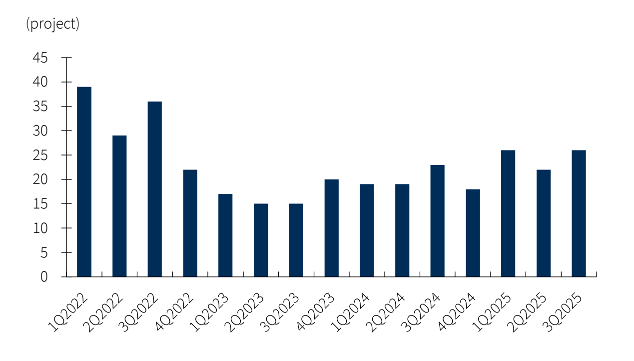
**The 2026 investment plan does not include capital carried over from 2025.*

Table 4. Vietnam – Key public investment projects

	Total investment (VNDbn)	Timeline 2026	2027	2028	2029	2030
Expressways						
Ho Chi Minh City Ring Road 4 (Phase 1)	122,800					
Hanoi Ring Road 5	85,600	Expected completion before 2030				
Ca Mau – Dat Mui	50,000					
Quang Ngai – Kon Tum	45,000	Scheduled to commence in 2026				
Quy Nhon – Pleiku	43,700					
Gia Binh Airport – Hanoi connecting road	33,000					
Gia Nghia – Chon Thanh	20,000					
Dong Dang – Tra Linh (Phase 2)	12,100					
Hoa Binh – Moc Chau	10,000					
Railways						
North-South High-Speed Railway	1,714,000					
Ho Chi Minh City – Can Tho Railway	238,600					
China – Lao Cai – Hanoi – Hai Phong Railway	160,800					
Hanoi – Quang Ninh Railway	139,800	Expected completion before 2028				
Airports						
Long Thanh Airport (Phase 1)	114,500					
Gia Binh Airport (Phase 1)	141,000					
Ports						
Can Gio Port	113,000					
Nam Do Son Port – Hai Phong	373,800	Scheduled to commence in 2027				
Bridges						
Tu Lien Bridge – Hanoi	20,000					
Tran Hung Dao Bridge – Hanoi	16,000					
Ngoc Hoi Bridge – Hanoi	11,800					
Hong Ha Bridge – Hanoi	10,000					
Thuong Cat Bridge – Hanoi	7,300					
Me So Bridge – Hanoi	4,900					

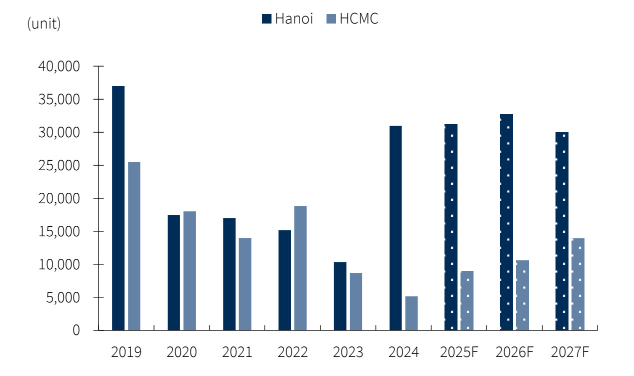
Source: KB Securities Vietnam

Fig 5. Vietnam – Newly licensed residential projects



Source: CBRE, KB Securities Vietnam

Fig 6. Vietnam – New condo supply in Hanoi & HCMC (unit)



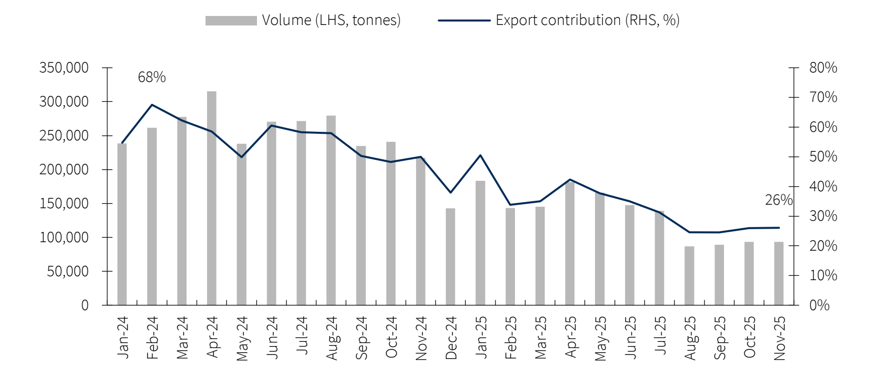
Source: Ministry of Construction

Sales growth will hinge on the expansion into new markets and the development of new products as exports will continue to face headwinds in the medium term

KBSV expects export conditions to remain challenging over the medium term. In practice, producers have already shifted their focus toward the domestic market in 2025. The potential to re-engage export markets will depend on (1) whether imposed anti-dumping duties are competitive relative to peers (for example, HPG benefits from a 0% anti-dumping duty on HRC exports to the EU and India) and (2) the ability to expand into markets not subject to protectionist measures. In the domestic market, growth prospects will hinge on the development of new sales channels and/or products. HSG is focusing on expanding the Hoa Sen Homes chain to maintain its leadership in coated steel, while NKG's growth potential is underpinned by the Phu My plant, which produces high-quality coated steel for industrial and automotive applications.

Both HSG and NKG shifted their focus toward the domestic market in 2025 following protectionist measures and stricter traceability requirements imposed by major export markets such as the US and the EU. In 11M25, domestic sales accounted for 67% and 62% of HSG's and NKG's total sales, respectively, up from 50% and 38% in 11M24.

Fig 7. Vietnam – Export volumes of coated steel in 2024–2025 (ton)



Source: Vietnam Steel Association, KB Securities Vietnam

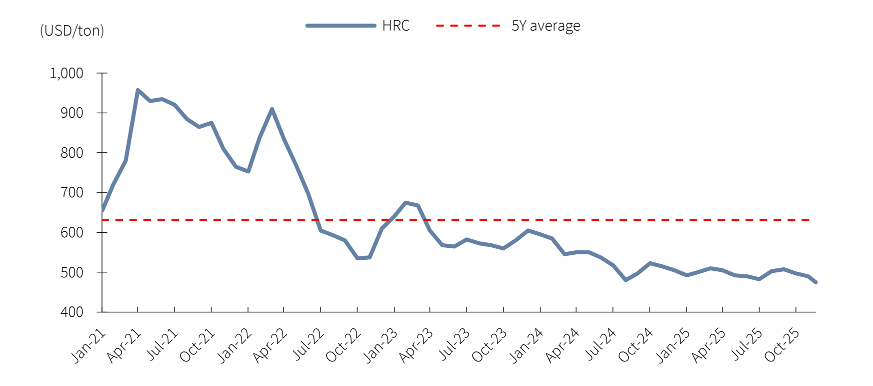
China's anti-unfair competition law is expected to help stabilize steel prices and gradually usher in a new price upcycle

In 2026, KBSV expects steel prices to recover modestly from the low base of 2025, supported by resilient domestic demand driven by public investment and housing projects. Over the medium term, China's anti-unfair competition law is expected to accelerate the phase-out of approximately 50 million tons of excess crude steel capacity (equivalent to 4% of 2024 output) from loss-making mills, which have persistently engaged in price-cutting. This process should gradually contribute to greater price stability. In addition, Chinese authorities will introduce a new steel export licensing system starting January 1, 2026, covering 300 steel products, aimed at easing trade tensions and curbing negative competition and tariff circumvention. We believe these supply-side measures will have a positive long-term impact on the steel industry's outlook, despite elevated inventory levels and the lack of a clear recovery signal from China's real estate sector.

Iron ore prices are projected to remain stable in the USD90-95/ton range in the near term, as consumption is expected to continue declining under China's capacity reduction policies. Accordingly, KBSV expects producers' gross margins to remain broadly stable throughout 2026.

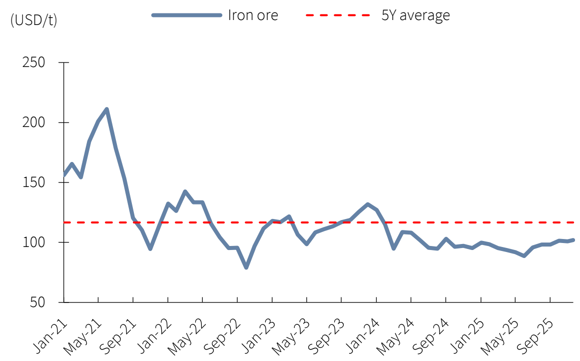
The average HRC price in Vietnam has declined for four consecutive years. With domestic demand expected to remain strong in 2026, KBSV anticipates a modest 3% YoY recovery in steel prices.

Fig 8. Vietnam – HRC price movements (USD/ton)



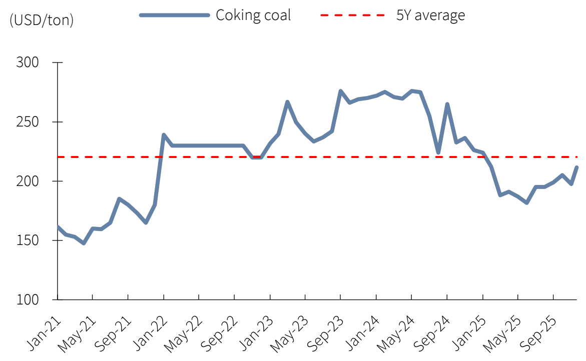
Source: Bloomberg, KB Securities Vietnam

Fig 9. Global – Iron ore price movements (USD/ton)



Source: Bloomberg, KB Securities Vietnam

Fig 10. Global – Coking coal price movements (USD/ton)



Source: Bloomberg, KB Securities Vietnam

Steelmakers appear attractively valued for long-term investment

Steelmakers on KBSV's watchlist are currently trading at their 10-year average P/B of 1.3x, which we view as reasonable given the sector's near-term growth prospects. HPG is our preferred pick, supported by solid growth potential from new capacity at Dung Quat 2, which is expected to reach full commercial output in 2026. For HSG and NKG, we believe 2025 earnings were based on a low base due to the impact of protectionist measures and anti-dumping policies. Looking ahead, their growth potential will depend on their ability to sustain and expand their domestic market presence through the development of new sales channels and/or products aligned with medium-term industrial development trends.

Fig 11. Vietnam – P/B of the steel sector in 2016-2025

Source: Bloomberg, KB Securities Vietnam

Plastic pipe sector

1. 9M25 business performance

Net profit reached a new high, driven by the continued decline in PVC resin prices

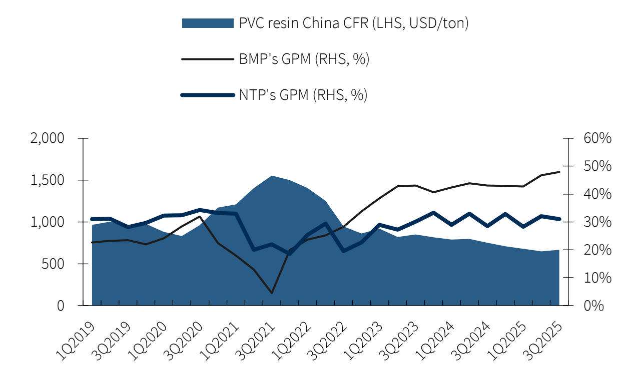
In 2025, PVC resin prices continued their downward trend (-8% YTD), enabling plastic pipe producers to maintain elevated gross margins year-to-date. Meanwhile, consumption has shown signs of recovery, rising 17% YoY in 9M25, supported by a rebound in housing supply that has driven increased construction activity. We also observe a notable shift in industry competition amid the demand recovery. BMP has actively implemented discount programs for distributors since early 3Q25, resulting in a marked improvement in market share, which we estimate at 25% in 9M25, up from 23% in 2024.

Table 12. BMP, NTP – NPAT in 9M24-9M25

(VNDbn)	3Q2024	3Q2025	%YoY	9M2024	9M2025	%YoY	Notes
BMP	290	351	21%	760	967	27%	
NTP	172	258	50%	519	790	52%	

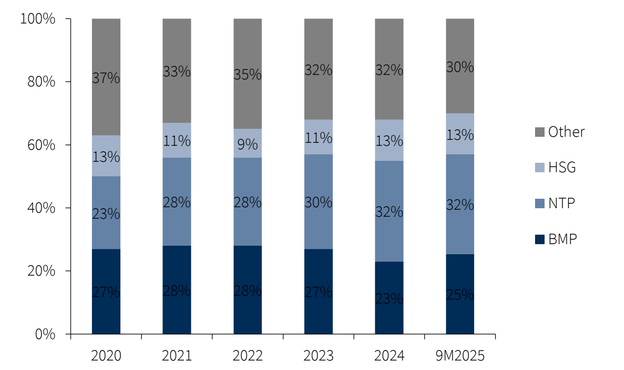
Source: Binh Minh Plastics, Tien Phong Plastics, KB Securities Vietnam

Fig 13. BMP, NTP – GPM vs. Chinese PVC resin prices (%, USD/ton)



Source: Binh Minh Plastics, Tien Phong Plastics, KB Securities Vietnam

Fig 14. Vietnam – Market share of plastic pipe companies (%)



Source: KB Securities Vietnam

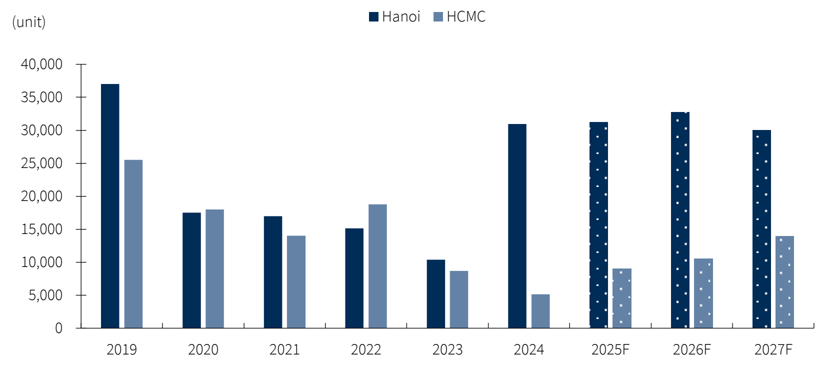
2. 2026 outlook

Residential construction activity is expected to continue improving in 2026, supporting stronger plastic pipe consumption

CBRE forecasts that condo supply in Hanoi and Ho Chi Minh City will increase by 5% and 17% YoY, respectively, in 2026. In addition, the number of housing projects in 9M25 rose 21% YoY. KBSV expects demand for plastic pipes to keep rising, supported by improving residential construction activity alongside the expanding real estate supply. We estimate total industry consumption of plastic pipes to increase 9% YoY in 2026.

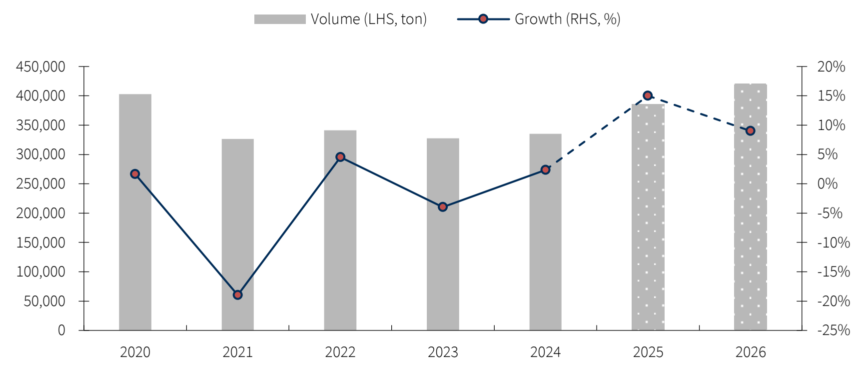
New condo supply in Hanoi and Ho Chi Minh City combined is forecast to increase by 8%/2% in 2026/2027.

Fig 15. Vietnam – New condo supply in Hanoi & Ho Chi Minh City (unit)



Source: CBRE, KB Securities Vietnam

Fig 16. Vietnam – Sales volumes of the plastic pipe sector in 2020A–2026F (ton)

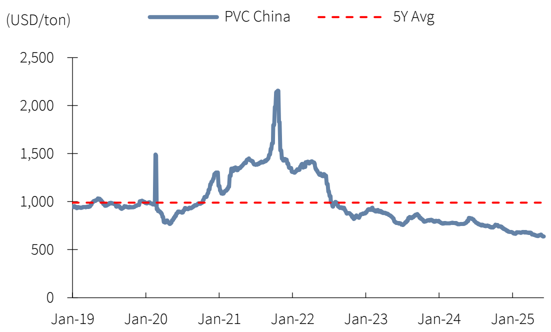


Source: KB Securities Vietnam

PVC resin prices are likely to stay low in early 2026, but a recovery in China's market dynamics could pose margin risks later in the year

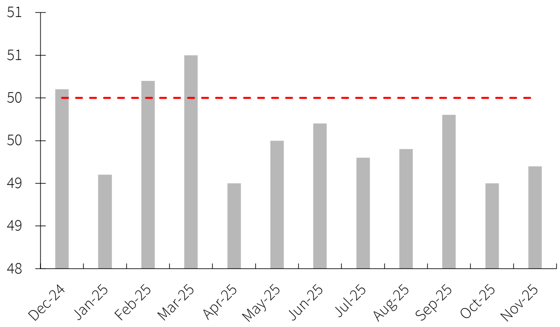
In the absence of a clear recovery in China's industrial production and real estate sector, PVC resin prices are expected to remain at low levels in 1H26. Oil prices are also projected to stay in the USD61-63/ton range, as global consumption is likely to decline further in 2026, helping to contain PVC resin costs. That said, China's real estate market appears to have moved past its trough and is gradually entering a "new normal," albeit with a slower-than-expected recovery. Consequently, an upward reversal in PVC resin prices could pose downside risks to the gross margins of plastic pipe producers. KBSV expects the risk of a PVC resin price rebound to emerge from 2H26, as high-cost inventories are cleared and excess capacity is reduced under China's anti-unfair competition law.

Fig 17. China – PVC resin price movements (USD/ton)



Source: Bloomberg, KB Securities Vietnam

Fig 18. China– Caixin PMI



Source: Bloomberg, KB Securities Vietnam

Table 19. Global – 2026F Brent crude oil prices

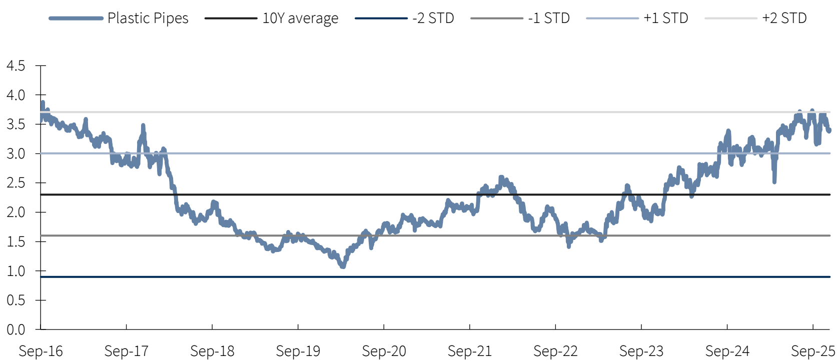
	1Q26	2Q26	3Q2026	4Q26
Median	61	62	63	63
Morgan Stanley	58	58	60	60
JP Morgan Chase	60	59	56	55
Citigroup	60	62	62	62
UBS Group	62	65	65	67
BofA Merrill Lynch	64	68	72	76
Goldman Sachs	58	54	54	57
BNP Paribas	55	57	63	63
Standard Charter	62	63	64	65
MUFG	64	62	63	60
HSBC	65	65	65	65

Source: Bloomberg, KB Securities Vietnam

Valuations appear stretched, partly reflecting expectations of earnings growth in 2026

BMP and NTP are currently trading around +2 standard deviations above their 10-year average P/B, partly reflecting expectations of earnings growth in 2026 under the assumption that PVC resin prices remain low. We view a potential rebound in PVC resin prices as the key medium-term risk for the plastic pipe sector, although sales volumes should be well supported by rising demand as construction activity continues to improve. KBSV maintains a NEUTRAL stance on the sector. Investors may consider accumulating BMP and NTP during market pullbacks, with a preference for companies capable of expanding market share and delivering revenue growth above the industry average.

Fig 20. Vietnam – P/B of the plastic pipe sector



Source: KB Securities Vietnam

Hoa Phat Group (HPG)

Fueled by hopes for steel price rebound in 2026

December 15, 2025

Senior Analyst Nguyen Duong Nguyen
(+84) 24-7303-5333 nguyennd1@kbsec.com.vn

HPG achieved 78% of its profit target after 9M25

Hoa Phat Group (HPG) logged VND109,940/VND11,627 billion in 9M25 revenue/NPAT (+5%/26% YoY) as (1) steel sales volume added 16% YoY thanks to the recovery in local market with higher HRC production after Dung Quat 2 coming into operation; and (2) material costs declined, making GPM gain 292bps YoY.

Steel consumption for 2026/2027 is projected to increase by 23%/5% YoY

We still believe the steel consumption growth in 2026/2027 will be positive, based on (1) continued improvement in the supply of housing products, (2) expectations about the Government's ramping up public investment projects, and (3) the two blast furnaces at Dung Quat 2 coming into operation.

Steel prices are expected to increase by 4%/3% in 2026/2027

HPG's steel average selling price (ASP) has dropped 3% since 2025. We expect steel ASP to rebound in 2026 on better demand, and iron ore and coking coal prices will climb on 2025 lows. In addition, we believe that the campaign against aggressive price war in China will eliminate excess supply and help steel prices to enter a new upturn. KBSV estimates HPG's GPM at 16.4%/16.8% in 2026/2027F.

Short-term risks are limited as VIC has just entered the steel market

We suppose Vingroup (VIC) will need time to upgrade and optimize the costs of Pomina Steel's (POM) construction steel segment to ensure the synergistic value from its 1.5 million tons/year contract output. Meanwhile, HPG continues to maintain its advantage of (1) Top 1 market share and (2) the most competitive production costs in the industry.

BUY rating - Target price VND35,900

We reiterate our BUY recommendation with a target price of VND35,900, equal to an expected return of 37% compared to the closing price on December 15, 2025.

Buy maintain

Target price	VND35,900
Upside	37%
Current price (Dec 15, 2025)	VND 26,250
Consensus target price	VND 35,200
Market cap (VNDtn/USDbn)	201.5/7.7

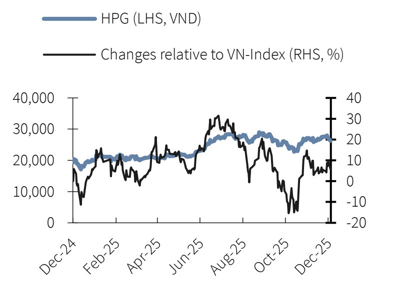
Trading data	
Free float	55.4%
3M avg trading value (VNDbn/USDmn)	739.4/28.1
Foreign ownership	19.7%
Major shareholder	Chairman Tran Dinh Long (34.9%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-2	-13	19	16
Relative	-3	-11	-6	-15

Forecast earnings & valuation

FY-end	2023A	2024A	2025F	2026F
Net revenue (VNDbn)	118,953	138,855	156,167	208,429
Operating income/loss (VNDbn)	7,651	13,267	18,765	26,261
NPAT-MI (VNDbn)	6,835	12,020	16,391	23,110
EPS (VND)	1,175	1,879	2,136	3,011
EPS growth (%)	-19	60	14	41
P/E (x)	23.8	14.2	12.3	8.7
P/B (x)	1.6	1.5	1.6	1.3
ROE (%)	7	11	13	16
Dividend yield (%)	0	0	0	0



Source: Bloomberg, KB Securities Vietnam

Hoa Sen Group (HSG)

3Q FY25 results were beyond expectations

June 18, 2025

Senior Analyst Nguyen Duong Nguyen
(+84) 24-7303-5333 nguyennd1@kbsec.com.vn

8M FY25 profit beat the full-year target by 13%

In 8M FY25, Hoa Sen Group (HSG) posted VND25,099 billion in revenue and VND567 billion in NPAT, equal to 66%/113% of the full-year objectives. The profit grew beyond our expectations thanks to improved profit margin in 3QFY25, partly supported by the group's inventory optimization efforts (finished product and raw material inventories in 2QFY25 decreased 33% YoY).

Export output may create a low base in FY2025 with the main growth driver from domestic demand

HSG said its export orders to the US (accounting for 7% of total revenue) have been suspended since September 2024 due to importers' concerns about tariff uncertainties and tax reimbursement. We believe that the decline in export volume will create a low base in FY2025 and expect a gradual recovery in the future thanks to HSG's efforts to expand and diversify target markets. The main revenue growth force will come from the domestic market with housing construction recovering and the real estate market entering a new growth cycle in 2025-2027. Furthermore, the group also has a competitive advantage in the home market thanks to Hoa Sen Homes (HSH) system. KBSV forecasts HSG's sales volume will increase by 0%/7% in FY2025/FY2026.

Steel prices may remain flat in 2025, resulting in stable GPM

We maintain our forecast for steel average selling price (ASP), which will increase 1%/2% in 2025/2026 in the base case and estimate HSG's GPM at 12%.

Valuation: NEUTRAL rating - Target price VND36,500/share

KBSV expects HSG's NPAT will reach VND789/810 billion in FY2025/FY2026 and determined its fair value at VND18,000/share.

Neutral maintain

Target price	VND18,000
Upside	6.5%
Current price (Jun 18, 2025)	VND16,900
Consensus target price	VND18,000
Market cap (VNDtn/USDbn)	1.1/0.4

Trading data

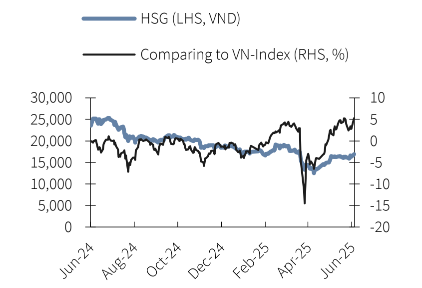
Free float	76.1%
3M avg trading value (VNDbn/USDmn)	114.1/4.4
Foreign ownership	8.4%
Major shareholder	Chairman Le Phuoc Vu (16.9%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	3	-10	-9	-33
Relative	-1	-11	-15	-39

Forecast earnings & valuation

FY-end	FY2023	FY2024	FY2025	FY2026
Net revenue (VNDbn)	31,651	39,270	39,631	42,518
Operating income/loss (VNDbn)	74	499	899	981
NPAT-MI (VNDbn)	25	510	789	810
EPS (VND)	40	828	1,280	1,315
EPS growth (%)	-90	1,976	55	3
P/E (x)	439.0	21.0	13.2	12.9
P/B (x)	1.0	1.0	0.9	0.9
ROE (%)	0.2	4.7	7.1	7.0
Dividend yield (%)	0.0	2.9	3.0	3.0



Source: Bloomberg, KB Securities Vietnam

KB Securities VIETNAM

KBSV RESEARCH

Nam Kim Steel (NKG)

Phu My Steel Plant operating from 1H26

Senior Analyst Nguyen Duong Nguyen
(+84) 24-7303-5333 nguyennd1@kbsec.com.vn

September 22, 2025

NKG completed 44% full-year guidance after 1H25

In 1H25, Nam Kim Steel JSC (NKG) logged a contraction in revenue and net NPAT, reaching VND7,899/VND157 billion respectively (-28%/58% YoY), due to (1) a 23% YoY decrease in sales volume, of which export volume plummeted 48% YoY and (2) an increase in COGS as changes HRC materials led to higher costs.

The company plans to focus on local market in the medium term and take time to expand export markets to replace the US

We expect domestic galvanized steel consumption to be boosted by residential construction activities as the real estate market entering a growth phase in 2025-2027. In 7M25, galvanized steel market share of NKG reached 15% (vs 11% in 2024), with market share in the Southern market touching 22% (vs 14% in 7M24). According to the plan set by Management, Nam Kim Phu My Steel Plant will operate from 1Q26. KBSV estimates that galvanized steel sales volume in 2026 will achieve 21% YoY growth.

Steel ASP should gain 3% YoY in 2026, and estimated GPM improves to 8.4%

HRC and galvanized steel prices in China have climbed 7%/4% since the beginning of 3Q25, reflecting the positive sentiment of manufacturers after the campaign against aggressive price competition started with the expectation of cutting excess steel production capacity. We expect steel prices to gradually enter a new growth cycle, but NKG's galvanized steel average selling price (ASP) will increase more slowly than HRC prices due to increased competition for domestic market share, forcing NKG to balance profit and capacity targets, especially when Nam Kim Phu My starts operating from 1H26.

Valuation: NEUTRAL – Target price VND16,500

KBSV determines the fair value of NKG at VND16,500/share (10% lower than market price) and recommends NEUTRAL.

Neutral maintain

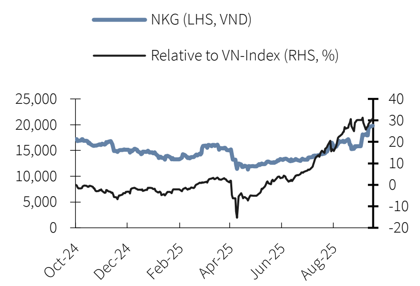
Target price	VND16,500
Downside	10%
Current price (Sep 19, 2025)	VND18,250
Consensus target price	VND14,900
Market cap (VNDtn/USDbn)	0.89/0.34

Trading data

Free float	75%
3M avg trading value (VNDbn/USDmn)	314.4/11.9
Foreign ownership	6.9%
Major shareholder	Chairman Ho Minh Quang (15.9%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	15	51	23	23
Relative	12	24	-4	-13



Source: Bloomberg, KB Securities Vietnam

Forecast earnings & valuation

FY-end	2023A	2024A	2025F	2026F
Net revenue (VNDbn)	18,596	20,609	16,407	21,238
Operating income/loss (VNDbn)	177	557	412	505
NPAT-MI (VNDbn)	117	453	415	404
EPS (VND)	446	1,434	926	903
EPS growth (%)	-194.2	221.5	-35.4	-2.5
P/E (x)	55.3	10.1	19.7	20.2
P/B (x)	1.3	0.8	1.1	1.0
ROE (%)	2.2	8.0	6.0	5.0
Dividend yield (%)	0.0	0.0	0.0	0.0

Binh Minh Plastics (BMP)

PVC resin prices expected to stay low

December 15, 2025

Senior Analyst Nguyen Duong Nguyen
(+84) 24-7303-5333 nguyennd@kbsec.com.vn

BMP completed 92% of its full-year guidance after 9M25

Binh Minh Plastics (BMP) posted VND967 billion in 9M25 NPAT on revenue of VND4,224 billion (+27%/+19% YoY), primarily driven by (1) recovering demand thanks to the property market and (2) an average 15% YoY drop in PVC resin prices.

Revenue for 2026/2027 is projected to increase by 7%/7% YoY

We maintain our expectation that demand for plastic pipes will further improve in 2026-2027 with increased real estate supply, especially in the Southern market (CBRE projects apartment supply in Ho Chi Minh City will grow 17% and 32% YoY in 2026/2027). In addition, we expect BMP to strengthen discount programs for distributors in the medium term to improve market share. KBSV estimates BMP's revenue growth for 2025/2026/2027 at 24%, 7%, and 7% YoY.

PVC resin ASP may stay low until 1H26 as the property market shows no signs of recovery

Chinese PVC resin prices lost 8% YTD by the end of November. KBSV estimates BMP's GPM will reach 45.9%/43.8%/41.5% in 2025/2026/2027, given (1) protracted sluggish construction activity in China and (2) prolonged oversupply creating pressure to reduce inventory, causing PVC resin prices to continue their downward and sideways trend in the near term.

BMP has offered attractive cash dividend yield

We estimate BMP's cash dividend yield at 9.8%/10% for 2026/2027, which is relatively attractive.

NEUTRAL rating - Target price VND178,200

KBSV raises the target price for BMP to VND178,200/share (corresponding to a 2% increase from the closing price on December 15, 2025).

Neutral maintain

Target price	VND178,200
Upside	2%
Current price (Dec 15, 2025)	VND159,000
Consensus target price	VND180,300
Market cap (VNDtn/USDbn)	12.9/0.5

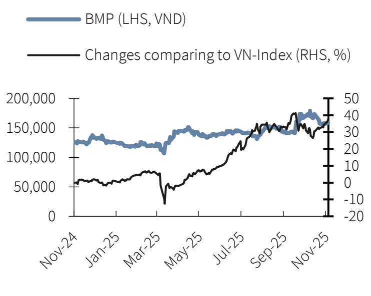
Trading data	
Free float	43.8%
3M avg trading value (VNDbn/USDmn)	20.3/0.8
Foreign ownership	85.7%
Major shareholder	Nawaplastic (54.9%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-7	4	17	27
Relative	-11	2	-11	-10

Forecast earnings & valuation

FY-end	2023A	2024A	2025F	2026F
Net revenue (VNDbn)	5,157	4,616	5,686	6,268
Operating income/loss (VNDbn)	1,304	1,229	1,639	1,687
NPAT-MI (VNDbn)	1,041	991	1,312	1,350
EPS (VND)	12,717	12,103	16,027	16,486
EPS growth (%)	49.9	-4.8	32.4	2.9
P/E (x)	8.2	10.8	9.9	9.6
P/B (x)	3.2	4.0	4.7	4.7
ROE (%)	39.2	36.8	48.2	48.7
Dividend yield (%)	11.3	9.0	9.8	10.0



Source: Bloomberg, KB Securities Vietnam

Industrial real estate

From slowdown to rebound

Analyst Nguyen Thi Trang
(+84) 24-7303-5333 trangnt6@kbsec.com.vn

December 31, 2025

Neutral maintain

Recommendations	
Kinh Bac City Development (KBC)	NEUTRAL
Target price	VND39,000
Vietnam Rubber Group (GVR)	BUY
Target price	VND71,800
Saigon VRG (SIP)	BUY
Target price	VND33,400

Industrial park land absorption weakened amid Trade war 2.0

In 9M25, IP land absorption continued to decline year-on-year, with the slowdown becoming more pronounced following the onset of Trade War 2.0. In the Southern region, newly leased area totaled just 80ha, down 70% YoY. Meanwhile, the Northern region recorded approximately 350 ha of new leases (+6% YoY); however, more than half of this volume was secured in 1Q25, pointing to a meaningful deceleration in leasing momentum in subsequent quarters.

Industrial park land asking rents continued to rise

Despite softer leasing demand, IP land asking rents remained on an upward trend. In 3Q25, asking rents increased by 4-5% YoY across both regions, supported by (1) the adoption of annual land price frameworks, which has raised developers' cost bases, and (2) ongoing investments in transport infrastructure, underpinning industrial land valuations.

A resilient long-term FDI outlook supports expectations of a recovery in IP land leasing from 2H26 onward

We remain constructive on the long-term outlook for FDI inflows into Vietnam, as Trade War 2.0 does not materially undermine the country's structural competitiveness. Key strengths include broadly comparable US tariff levels versus regional peers, cost-efficient labor with a deep workforce pool, political stability, and the continued acceleration of supply chain diversification amid US-China decoupling. We expect registered FDI inflows—a key leading indicator for IP land leasing—to recover more meaningfully from 2H26 onward, further supported by a low base in 2H25. KBSV forecasts IP land handovers of 530 ha in 2025 (-29% YoY), 600 ha in 2026 (+13% YoY), and 750 ha in 2027 (+25% YoY).

Attractive valuations underpin selective long-term opportunities among IP developers

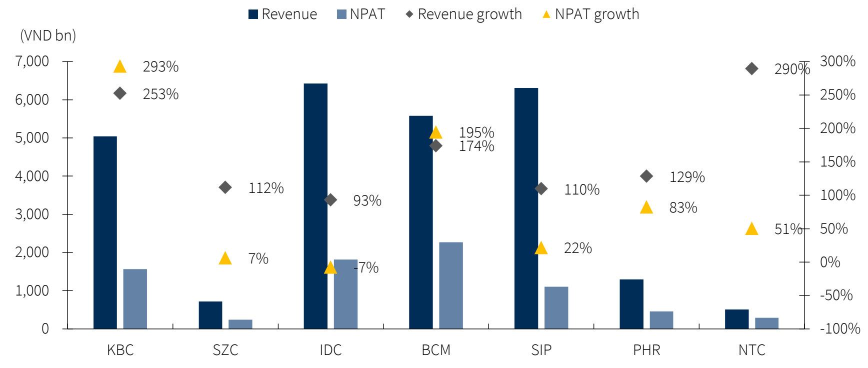
Valuations across the sector remain compelling, with most IP developers trading below their five-year average P/B. Notably, seven of the eight companies under our coverage are valued at or below -1 standard deviation from their historical means. For long-term investors, we see selective opportunities in developers with large land banks, strong balance sheets, and attractive valuations, including SIP, GVR, PHR, and KBC.

9M25 business performance

Industrial park developers exhibited a clear divergence in 9M25 performance

In 9M25, industrial park developers exhibited a clear divergence in performance. Leaders such as KBC, BCM, and NTC delivered strong earnings growth, driven by a rebound in land handover revenue from the 2024 low base. In contrast, PHR and SIP experienced notable declines in land handovers, though earnings remained positive, supported by other segments, including rubber, land compensation, and electricity and water operations. Meanwhile, IDC and SZC recorded modest growth as slower land handovers weighed on their results.

Fig 1. Vietnam – Net revenue, NPAT & growth of IP developers in 9M25 (VNDbn, %)

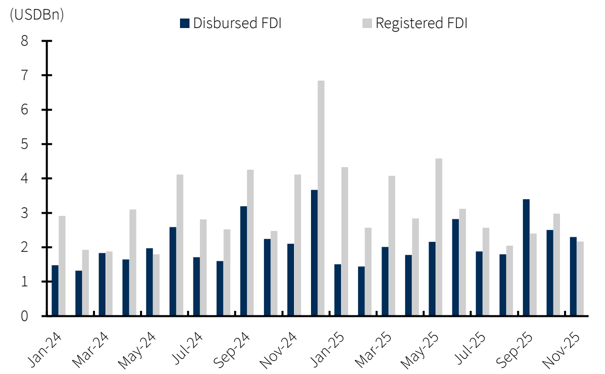


Source: Company reports, KB Securities Vietnam

Disbursed FDI maintained stable growth, whereas registered FDI came under pressure from Trade War 2.0

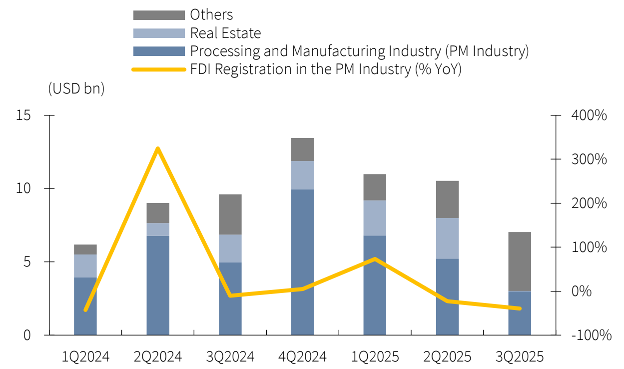
Disbursed FDI into Vietnam continued to post strong growth, supported by projects registered before Trade War 2.0. Cumulative 11M25 disbursements reached USD 23.6 billion (+8.9% YoY), with stable quarterly growth of 7–8% YoY. By contrast, registered FDI fell sharply following the onset of Trade War 2.0, particularly in the manufacturing and processing sector. Cumulative 11M25 registered FDI totaled USD36.69 billion (+5.5% YoY), with the sector exhibiting significant quarterly swings: USD6.79 billion in 1Q25 (+73% YoY), USD5.21 billion in 2Q25 (-23% YoY), and USD3.00 billion in 3Q25 (-39% YoY).

Fig 4. Vietnam – Registered & realized FDI (USDbn)



Source: General Statistics Office of Vietnam, KB Securities Vietnam

Fig 5. Vietnam – Registered FDI in 1Q24-3Q25 (USDbn)



Source: General Statistics Office of Vietnam, KB Securities Vietnam

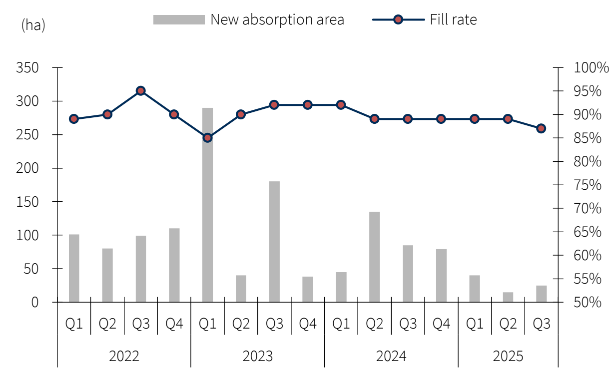
New supplies and absorption rates varied across regions

Southern Vietnam: In 9M25, total new industrial park land supply in Ho Chi Minh City, Binh Duong, and Long An reached over 853ha, while newly leased area totaled just 80ha, down 70% YoY, resulting in an occupancy rate of 78%. **Northern Vietnam:** Supply was limited, with only 150ha recorded at An Phat IP in Hai Phong, down more than 85% YoY. Newly leased area reached 350ha, over half of which was secured in 1Q25, yielding an occupancy rate of 78.1%.

Industrial park land rental rates continued to rise

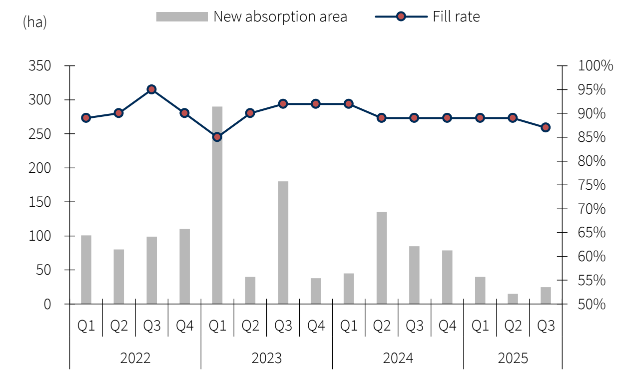
Despite a decline in land absorption, industrial park asking rents continued to trend upward across both Northern and Southern regions, driven primarily by (1) the implementation of annual land price frameworks, which raised developers' investment costs compared with previous periods, and (2) increased investment in transport infrastructure, supporting higher industrial land valuations. According to CRBE, average asking rents in the Northern region reached USD142/m²/lease term (+4.1% YoY), largely supported by newly developed IPs in Hai Phong (formerly Hai Duong) with higher rental rates. In the Southern region, despite a marked slowdown in leasing activity, asking rents remained on a steady upward trajectory, reaching USD183/m²/lease term (+5% YoY).

Fig 6. Northern Vietnam – IP land absorption & occupancy rate in Tier-1 markets (ha, %)



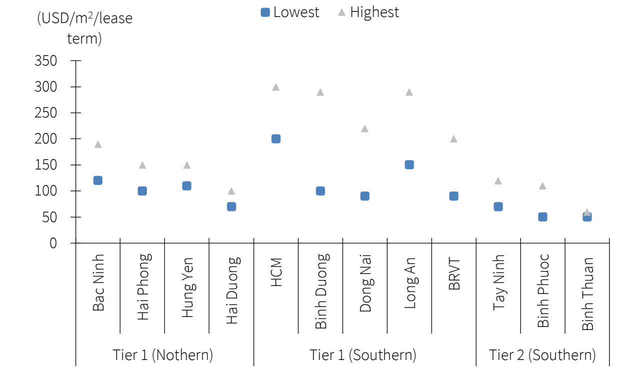
Source: CBRE, KB Securities Vietnam

Fig 7. Southern Vietnam – IP land absorption & occupancy rate in Tier-1 markets (ha, %)



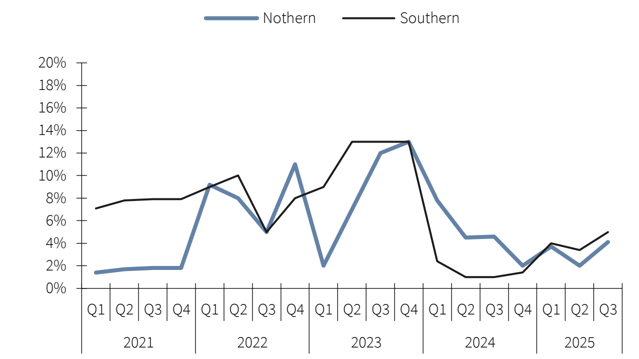
Source: CBRE, KB Securities Vietnam

Fig 8. Vietnam – IP land asking rents (USD/m²/lease term)



Source: CBRE, KB Securities Vietnam

Fig 9. Vietnam – Average asking rent growth in Tier-1 markets (%YoY)



Source: CBRE, Ministry of Construction, KB Securities Vietnam

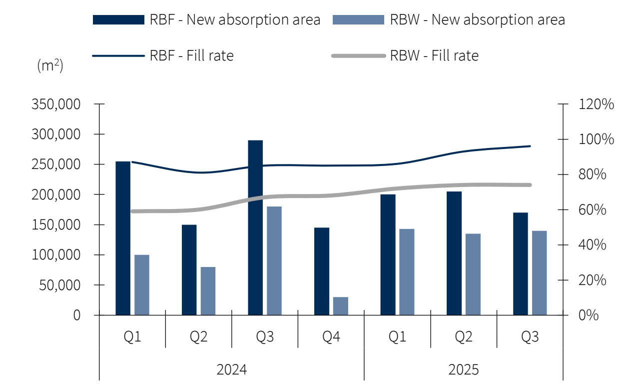
Demand for ready-built factories/warehouses (RBF/RBW) remained strong

Ready-built factory/warehouse (RBF/RBW) supply has grown rapidly, while occupancy rates remain high, underscoring sustained demand across these segments. In 9M25:

- **Northern Vietnam:** The market added around 800,000 m² of new ready-built factory and warehouse supply. Factory absorption reached approximately 420,000 m², with occupancy at 89%. Warehouse absorption totaled 219,000 m², with occupancy stable at 79%.
- **Southern Vietnam:** Ready-built factory absorption amounted to 570,000 m², with occupancy as high as 96% amid no new supply. Ready-built warehouses recorded absorption of 400,000 m², with occupancy holding at 74%, alongside new supply of 161,000 m².

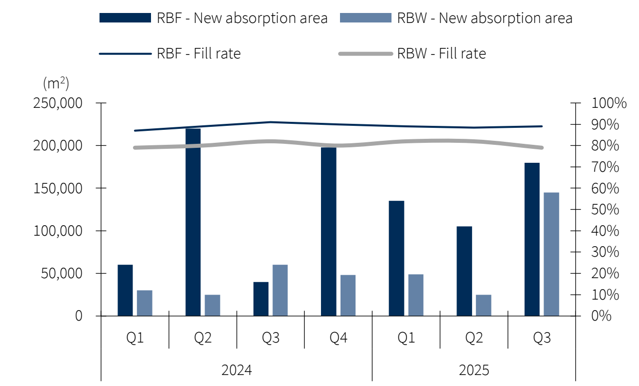
Given stable demand and elevated occupancy, ready-built factory rents continued to rise steadily, posting YoY growth of 3-6% across both Northern and Southern Vietnam.

Fig 10. Southern Vietnam – Ready-built factory & warehouse absorption & occupancy (m², %)



Source: CBRE, KB Securities Vietnam

Fig 11. Northern Vietnam – Ready-built factory & warehouse absorption & occupancy (m², %)



Source: CBRE, KB Securities Vietnam

2026 outlook

Trade War 2.0 is driving supply chain shifts, weighing in the near term but supporting long-term high-quality FDI and industrial land demand in Vietnam

Trade War 2.0 has highlighted the increasing decoupling between the US and China, putting pressure on global corporates to restructure supply chains with a greater focus on political security rather than purely cost optimization. This shift aims to reduce the origin loopholes exploited by FDI firms during Trade War 1.0, which had temporarily dampened FDI inflows into Vietnam. Over the long term, however, it presents an opportunity for Vietnam to attract higher-quality FDI, increase localization, and strengthen its position in global value chains. In this context, we expect registered FDI inflows—a key leading indicator for IP land leasing—to recover more meaningfully from 2H26 onward, further supported by a low base in 2H25. KBSV forecasts IP land handovers of 530 ha in 2025 (-29% YoY), 600 ha in 2026 (+13% YoY), and 750 ha in 2027 (+25% YoY), with lease rates projected to rise 3-6% per year.

Trade War 2.0 presents short-term challenges but opens up long-term opportunities for FDI inflows

We expect FDI inflows into Vietnam to maintain a positive long-term trajectory, as Trade War 2.0 does not materially undermine the country's structural competitive advantages. Key strengths include broadly comparable US tariff treatment relative to regional peers, cost-efficient labor with a deep workforce pool, political stability, and the ongoing acceleration of supply chain diversification amid US-China decoupling. Together, these factors position Vietnam to attract higher-quality FDI, deepen localization, and move up the global value chain.

Regarding the potential impact of the proposed 40% tariff on transshipped goods, in the absence of detailed US implementing regulations, we believe FDI projects with low localization levels may face longer-term pressure. That said, some foreign-invested enterprises are likely to increase domestic content in Vietnam to mitigate tariff risks, which should support sustained long-term growth in FDI inflows. Specifically:

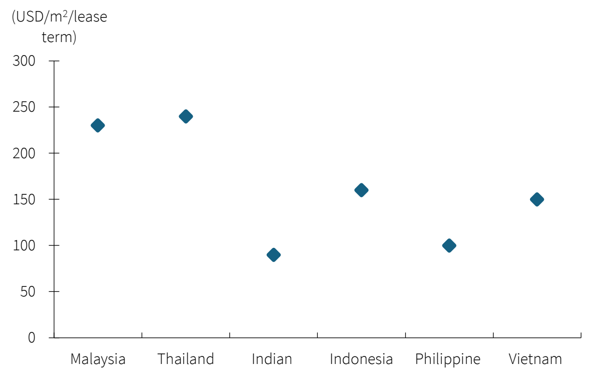
1) **Firms likely to scale back investment over the long term:**
   This group is expected to be most adversely affected and primarily comprises FDI firms using Vietnam for transshipment or origin-related loopholes, with limited domestic value added. High-risk sectors include optical, measurement, and medical equipment, as well as washing machines and refrigerators. Part of this impact was already evident in 2025, reflected in a sharp decline in registered FDI.
2) **Firms likely to expand investment to meet origin requirements:**
   This group includes FDI firms attracted by Vietnam's labor cost advantages and political stability but currently reliant on imported inputs, resulting in low localization. Key sectors include textiles, footwear, and machinery/equipment. Investment is expected to accelerate once the US provides clearer guidance on domestic content requirements.
3) **Firms minimally affected and continuing investment plans:**
   This group comprises (i) producers of high-tech goods for the US market—such as semiconductors, computers, and mobile phones—that are exempt from reciprocal tariffs, and (ii) firms primarily exporting to non-US markets.

Table 12. US – Reciprocal tariff rates applied on trading partners

Tariff coverage	US reciprocal tariff	Other taxes in effect	Notes
All nations	10% – Baseline	40% – Transshipment goods tax	– US Customs and Border Protection (CBP) is responsible for determining which goods/countries are subject to the 40% tariff. At present, the US has issued detailed guidance on how this determination is applied only to Canada.
Other nations			
China	24%	10% – Fentanyl	– The reciprocal tariff has been deferred until 11 October 2026, reducing the average US tariff on imports from China from 42% to 32%. – The US has threatened tariffs ranging from 10% to 200% on other goods. – The 40% tariff on transshipped goods has been announced, with no detailed regulations yet.
India	25%	25% – Russian oil	– The 40% tariff on transshipped goods has been announced, with no detailed regulations yet.
Vietnam	20%	25% – Venezuelan oil	– The 40% tariff on transshipped goods has been announced, with no detailed regulations yet.
Thailand	19%		– The 40% tariff on transshipped goods has been announced, with no detailed regulations yet.
Bangladesh	20%		– The 40% tariff on transshipped goods has been announced, with no detailed regulations yet.
Philippines	19%		– The 40% tariff on transshipped goods has been announced, with no detailed regulations yet.
Indonesia	19%		– The 40% tariff on transshipped goods has been announced, with no detailed regulations yet.
Malaysia	19%	25% – Venezuelan oil	– The 40% tariff on transshipped goods has been announced, with no detailed regulations yet.

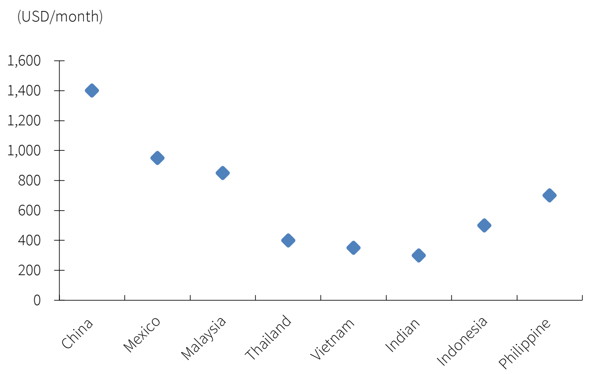
Source: KB Securities Vietnam

Fig 13. Global – IP land rental rates in some countries (USD/m²/lease term)



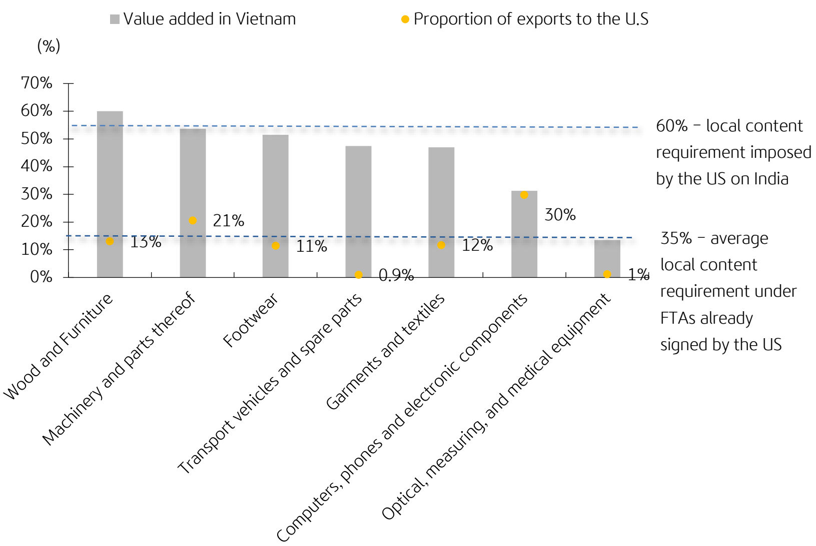
Source: Census and Economic Information Center, KB Securities Vietnam

Fig 14. Global – Per capita income in certain countries (USD/month)



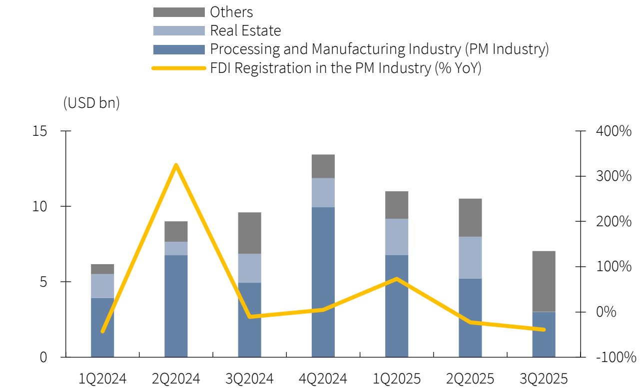
Source: Census and Economic Information Center, KB Securities Vietnam

Fig 15. Vietnam – Domestic value added in total exports in 2024 (%)



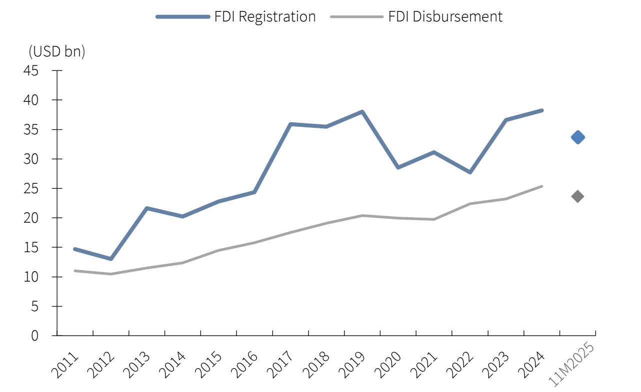
Source: International Trade Centre, General Statistics Office of Vietnam, KB Securities Vietnam

Fig 16. Vietnam – Registered FDI by sector in 1Q24-3Q25 (USDbn, %YoY)



Source: General Statistics Office of Vietnam, KB Securities Vietnam

Fig 17. Vietnam – Registered & disbursed FDI in 2011-11M25 (USDbn)



Source: General Statistics Office of Vietnam, KB Securities Vietnam

Vietnam is strengthening its integration into the global high-tech value chain, underpinning a favorable long-term outlook

Vietnam is strengthening its integration into the global high-tech value chain, underpinning a favorable long-term outlook. From 2008 to 2023, the country largely attracted downstream FDI—such as in assembly and testing—leveraging its low-cost labor advantage but generating limited domestic value added. Since 2024-2025, however, a range of policies promoting AI and high-tech investment has begun to draw higher-value projects (Table 18)

Table 18. Global – AI & High-tech investment projects in 2024-2025

Company	Headquarters	Industry	Investment year	Segment
Yedea Technology	China	EV	2024	R&D Center
Backbase	Netherlands	Fintech	2024	AI Center of Excellence (CoE)
Zeiss	Germany	Industrial measurement & testing solutions	2025	AI Center of Excellence (CoE)
3M Transportation and Business Group	USA	Technology	2024	Science, Technology & Engineering Center
Motorola Solutions	USA	Technology	2024	R&D Center
Darbond Technology	China	Semiconductors, electrical devices	2024	Electronic Materials R&D Center
Qualcomm	USA	Semiconductors	2025	AI R&D Center
Projects involving Vietnamese enterprises				
AIC - KBC - VietinBank Cooperation	Vietnam	High-tech	2025	AI Data Center
Viettel	Vietnam	High-tech	2025	R&D Center

Source: Association of Asian Nations, KB Securities Vietnam

Vietnam is adopting more aggressive and comprehensive policies to strengthen FDI attraction

Building on a set of foundational policies introduced in 2024, Vietnam intensified its FDI attraction efforts in 2025 through enhanced corporate income tax incentives, streamlined investment procedures, and measures encouraging foreign-invested firms to list domestically. In parallel, the government is exploring additional initiatives—such as a Golden Visa program and lower land-use costs—expected to be implemented in 2026.

Table 19. Vietnam – Legal framework to attract FDI

2025 Policies	Content	Details	Effective date
2025 Corporate Income Tax Law	Corporate income tax (CIT) exemptions/reductions	– A 10% CIT rate for up to 30 years, with a maximum four-year tax exemption and a 50% tax reduction for the following nine years, applicable to high-tech, R&D, strategic, and AI projects. – For projects not on the preferential list, a 15% CIT rate applies for 15 years, with a maximum two-year exemption and a 50% tax reduction for the subsequent four years.	Oct 1, 2025
Decree 19/2025	Simplification and shortening of legal and administrative procedures	– Simplification and acceleration of investment licensing procedures. – Shortened project approval timelines.	Jan 15, 2025
Decree 239/2025	Relaxation of regulatory requirements	– Investors experiencing delayed land handover shall not need to submit project adjustment procedures. – Investors can choose the provincial People's Committee as the focal point for investment licensing for projects spanning multiple provinces. – Reduction in the number of required documents and shorter approval timelines.	Sep 3, 2025
Decree 245/2025	Encouragement for FDI firms to participate in the Vietnamese stock market	– IPO registration process on the Vietnam stock market to be completed within 30 days.	Sep 11, 2025
Proposals / Drafts			
Golden Visa program	Attraction of high-quality foreign investment and talent	– Long-term residency or settlement rights for foreign experts and investors.	2026
Draft decree on land-use fees	Industrial park land rent exemptions/reductions	– Proposed land rent exemptions (15-22 years) for AI, data centers, high-tech, and semiconductor projects. – 30% land rent reduction for certain other priority projects.	2026
Draft High-Tech Law	Enhanced incentives to attract high-tech industry investment in Vietnam	– Redesign of policies, eligibility criteria, and incentives to promote high-tech ecosystem development, including provisions for high-tech parks and technology-driven urban areas.	2026

Source: KB Securities Vietnam

We expect lease rates to increase further in 2026-2027

KBSV forecasts industrial park land lease rates to continue rising in 2026-2027. In the Northern region, asking rents are expected to increase 5-6%, while Southern IPs are projected to rise 3-5%, supported by:

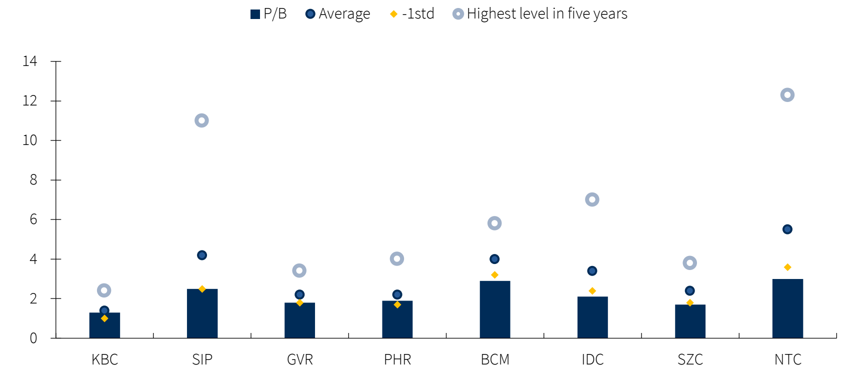
1) **Recovery in FDI flows:** FDI is expected to rebound from late 2026, boosting land leasing demand in both Northern and Southern regions.
2) **Stronger demand in the North:** Northern IPs are anticipated to see relatively higher demand due to lower current asking rents compared with the South, driven by (i) significantly lower rental levels and (ii) proximity to China, attracting FDI shifting from China to Vietnam.
3) **Infrastructure investment:** Enhanced investment in key transport infrastructure improves connectivity between economic zones, supporting higher IP lease rates.
4) **Annual land pricing frameworks:** Implementation of yearly land lease price adjustments since 2024 increases investment costs (compensation and land-use fees), placing upward pressure on IP rental rates.

A resilient long-term FDI outlook supports expectations of a recovery in IP land leasing from 2H26 onward

We remain cautious on FDI inflows into Vietnam in 1H26 but expect a more positive outlook for industrial park developers from 2H26 onward, driven by recovering land leasing demand from FDI firms, with most risks already priced in during 2025.

Valuations across the sector remain compelling, with most IP developers trading below their five-year average P/B. Notably, seven of the eight companies under our coverage are valued at or below -1 standard deviation from their historical means. For long-term investors, we see selective opportunities in developers with large land banks, strong balance sheets, and attractive valuations, including SIP, GVR, PHR, and KBC.

Fig 20. Vietnam – P/B of selected IP developers



Source: Bloomberg, KB Securities Vietnam

Vietnam Rubber Group (GVR)

Driven by rubber land compensation income

Analyst Nguyen Thi Trang
(+84) 24-7303-5333 trangnt6@kbsec.com.vn

December 15, 2025

9M2025 NPAT totaled VND5,122 billion (+89% YoY), meeting 103% of the full-year guidance

In 3Q2025, GVR posted revenue of VND9,294 billion (+20% YoY) and NPAT of VND2,187 billion (+95% YoY). For 9M2025, revenue reached VND20,861 billion (+23% YoY), while NPAT amounted to VND5,122 billion (+89% YoY), fulfilling 103% of the full-year consolidated net profit guidance.

Rubber revenue is projected to hold steady in 2026

For 2026F, KBSV estimates rubber revenue at VND25,393 billion (-0.5% YoY), based on forecast sales volume of 560,374 tons (+4.7% YoY) and an average selling price (ASP) of VND45.3 million/ton (-5% YoY).

Rubber land compensation progress should support faster land clearance and higher net other income in 2026

In November 2025, the Dong Nai People's Committee reported positive progress at three IPs located on GVR's land bank: (1) Long Duc IP (100% of compensation plans approved); (2) Bau Can - Tan Hiep IP (rubber tree compensation disbursed); and (3) Xuan Que - Song Nhan IP (rubber tree compensation plans approved. We expect land clearance and compensation to accelerate during 2026-2028, supporting net other income of VND1,977 billion (+50% YoY) in 2026F.

New IP handovers are expected to drive strong IP revenue growth in 2025-2026, led by Nam Tan Uyen 3 IP

KBSV forecasts IP land handovers of 70 ha in 2025 and 80ha in 2026F, translating into IP revenue of VND1,240 billion (+69% YoY) and VND1,465 billion (+29.7% YoY), respectively. Nam Tan Uyen 3 IP is expected to contribute more than 50% of total IP revenue, driven by one-off revenue recognition.

We reiterate BUY on GVR with a target price of VND33,400/share

GVR is trading at a P/B of 1.72x, below its five-year average, as downside risks associated with Trade War 2.0 are largely priced in. Based on business outlook and valuation results, we reiterate BUY on GVR with a target price of VND33,400/share.

Buy maintain

Target price	VND 33,400
Upside	32%
Current price (Dec 12, 2025)	VND 25,300
Consensus target price	VND 35,700
Market cap (VNDtn/USDbn)	107/4.0

Trading data

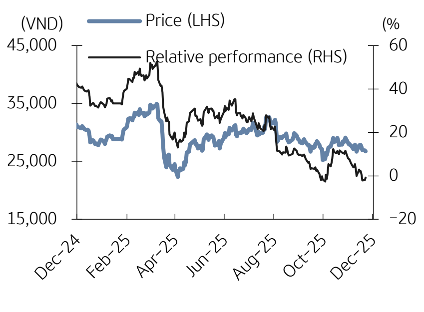
Free float	3.2%
3M avg trading value (VNDbn/USDmn)	164.0/6.3
Foreign ownership	0.5%
Major shareholder	CMSC (96.7%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-2.1	-2.0	-2.0	-10.6
Relative	-3.8	-5.5	-33.2	-45.6

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	22,138	26,242	31,124	31,473
Operating profit/loss (VNDbn)	2,796	5,001	6,500	6,270
NPAT-MI (VNDbn)	2,623	3,988	5,653	5,966
EPS (VND)	656	997	1,413	1,492
EPS growth (%)	-32	52	42	5.5
P/E (x)	32.0	30.4	18.9	17.9
P/B (x)	1.5	2.1	1.6	1.5
ROE (%)	6	8	10	10
Dividend yield (%)	1	1	1	1



Source: Bloomberg, KB Securities Vietnam

Kinh Bac City (KBC)

Trang Cat to lead 2026 growth

December 5, 2025

Analyst Nguyen Thi Trang
(+84) 24-7303-5333 trangnt6@kbsec.com.vn

KBC delivered solid 3Q2025 results on the back of IP land handovers

In 3Q2025, KBC reported revenue of VND1,347 billion (+42% YoY) and NPAT of VND312 billion (+55% YoY), primarily driven by the handover of 17 ha at the Nam Son Hap Linh industrial park (IP). For 9M2025, revenue and NPAT reached VND5,039 billion (+153% YoY) and VND1,563 billion (+293% YoY), respectively, fulfilling 48.8% of the company's consolidated full-year earnings target.

We forecast IP land handovers of 110 ha in 2025F and 80 ha in 2026F for KBC

We forecast KBC's IP land handovers to reach 110 ha in 2025F and 80 ha in 2026F, corresponding to revenue of VND4,223 billion (+253% YoY) and VND3,335 billion (-21% YoY), respectively. Notably, land sales in 4Q2025-2026F will be supported by 65 ha already secured under previously signed MOUs, including 25 ha signed with Luxshare in 2024 and 40 ha with AIC and Invest Group in November 2025.

Trang Cat Urban Area is the main growth catalyst in 2026

At the Trang Cat Urban Area, we expect 20 ha to be handed over next year, equivalent to VND4,620 billion in revenue and serving as the key driver behind the projected 5.1x YoY revenue growth of the urban development segment in 2026.

Trump International Hung Yen is advancing, with commercialization expected over a longer horizon

In 3Q2025, KBC incurred VND425 billion in investment costs, largely for land clearance, for the Trump International Hung Yen project (990 ha). However, given the project's sizable scale, legal preparation and development work are expected to be extended. Based on the current progress, we estimate commercial operations may begin within the 2030-2050 window.

We reiterate NEUTRAL on KBC with a target price of VND39,000/share

We maintain our NEUTRAL rating on KBC with a target price of VND39,000 per share, implying a 10% upside from the December 4, 2025 closing price.

Neutral maintain

Target price	VND39,000
Upside	10%
Current price (Dec 4, 2025)	VND35,550
Consensus target price	VND42,967
Market cap (VNDtn/USDbn)	35.5/1.4

Trading data

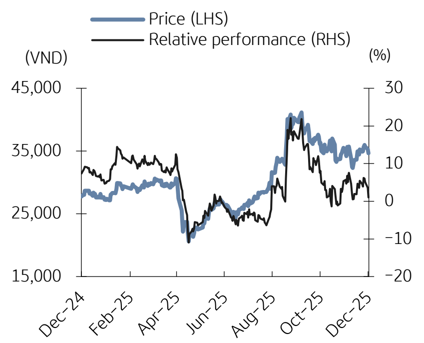
Free float	70.0%
3M avg trading value (VNDbn/USDmn)	296.0/11.3
Foreign ownership	13.8%
Major shareholder	Dang Thanh Tam (18.1%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	0.71	-1.52	34.4	30.7
Relative	-2.03	-6.07	5.45	-6.44

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	5,618	2,776	6,025	9,874
Operating income/loss (VNDbn)	2,874	907	2,118	3,631
NPAT-MI (VNDbn)	2,031	426	1,509	2,587
EPS (VND)	2,646	555	1,603	2,747
EPS growth (%)	33	-76	146	147
P/E (x)	12.0	49.0	22.1	12.9
P/B (x)	1.2	1.0	1.3	1.1
ROE (%)	11.1	2.2	6.0	9.4
Dividend yield (%)	1	0	0	0



Source: Bloomberg, KB Securities Vietnam

KB Securities VIETNAM

KBSV RESEARCH

Sai Gon VRG (SIP)

Solid foundation with attractive valuation

December 16, 2025

Analyst Nguyen Thi Trang
(+84) 24-7303-5333 trangnt6@kbsec.com.vn

9M25 NPAT reached VND1,102 billion (+22% YoY), beating full-year target by 32%

Sai Gon VRG Investment (SIP) reported VND382 billion (+22% YoY)/VND2,233 billion (+13% YoY) in 3Q NPAT/revenue. The respective results totaled VND1,102 billion (+22% YoY)/VND6,304 billion (+10% YoY) in 9M25, beating the full-year earnings target by 32%.

Forecast industrial park land handover in 2025/2026 reaches 50ha/60ha

For 2025, we keep our forecast unchanged from our 2Q25 report, projecting SIP will hand over 50ha industrial park land (-32% YoY) to reflect the slower handover progress at the key Phuoc Dong Industrial Park. However, the estimated land lease presales slightly decrease to VND1,546 billion (-2% YoY) thanks to the handover of land in higher-priced tier 1 industrial parks. In 2026, KBSV expects SIP will make full advantage of Long Thanh International Airport's commercial operation (scheduled in 1H26), thereby boosting land leasing activities at two industrial parks in Dong Nai (Loc An - Binh Son and Long Duc 2). Leased area in 2026F should touch 60ha, bringing in roughly VND1,850 billion in presales (+20% YoY).

Phuoc Dong New City will contribute revenue in 2025/2026F

Phuoc Dong Urban Area has sold about 196 out of 205 condos, equivalent to a 95% occupancy rate. Based on current sales progress, we expect the project to be fully sold by 4Q25 and earn VND159 billion in presales.

BUY rating - Target price VND71,800

SIP deserves high valuation with its large land bank, stable cash flow, and strong financial potential. SIP is currently trading at an attractive price range with a 2025 PBR of 2.4x, equivalent to its five-year average -1Std. Based on business prospects and valuation results, we give SIP a BUY rating with a target price of VND71,800.

Buy maintain

Target price	VND71,800
Upside	38%
Current price (Dec 16, 2025)	VND52,200
Consensus target price	VND81,200
Market cap (VNDtn/USDbn)	12.6/05

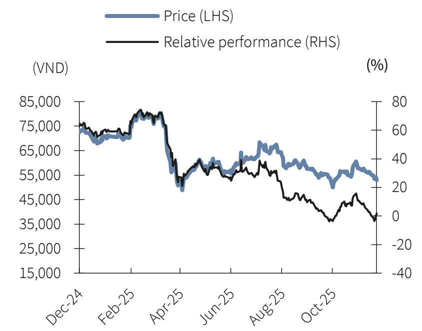
Trading data	
Free float	67.1%
3M avg trading value (VNDbn/USDmn)	47.1/1.8
Foreign ownership	4.0%
Major shareholder	An Loc Urban Development & Investment (19.9%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-1.7	-4.0	-24.2	-5.3
Relative	-3.3	-7.4	-55.3	-40.4

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	6,677	7,800	8,699	9,256
Operating income/loss (VNDbn)	1,263	1,555	1,834	2,121
NPAT-MI (VNDbn)	927	1,164	1,337	1,545
EPS (VND)	4,574	5,530	5,520	6,383
EPS growth (%)	-2.6	20.9	-0.2	15.6
P/E (x)	9.2	12.6	9.4	8.2
P/B (x)	2.1	3.0	2.1	1.7
ROE (%)	23.0	23.9	22.4	21.3
Dividend yield (%)	4	3	3	3



Source: Bloomberg, KB Securities Vietnam

Technology

Emerging strong from short-term headwinds

Analyst Nguyen Viet Anh
(+84) 24-7303-5333 anhnv3@kbsec.com.vn

December 31, 2025

Positive maintain

Recommendations	
FPT Corporation (FPT)	BUY
Target price	VND121,800

Worldwide IT investment remains central to industry expansion

KBSV expects global IT spending to recover in 2026, supported by (1) cost-saving measures and restrained corporate expenditures as companies focus on production recovery and AI and (2) prioritization of technology solutions that improve business efficiency. Gartner forecasts IT spending growth of 9.8% in 2026.

Asia-Pacific emerges as a key driver of market recovery

With economies closely tied to global trade, the Asia-Pacific region is poised for growth following recent trade tensions. The return of manufacturing to the US will further boost digital transformation investments. In Europe, expansion of renewable energy capacity will be the main driver of single-digit IT spending growth in the bloc.

Profit margins should remain stable through cost optimization

Amid slower new contract growth, KBSV highlights FPT's effective cost management and partial workforce autonomy via training as key factors supporting stable profit margins in the coming years.

Vietnam's Digital Technology Law marks a milestone for tech sector expansion

The Law on Digital Technology Industry marks a milestone in Vietnam's ambition to become a global technology hub. KBSV expects new regulatory frameworks to create growth opportunities for leading tech players such as FPT and CMG.

Vietnam is well-positioned to expand data center capacity

Global dynamics favor Vietnam as a strategic location for data centers. In the short term, limited energy supply creates a high-entry barrier, benefiting existing operators. In the long term, competitive development and operating costs should continue to attract investment.

Tech stocks are poised for growth in 2026

KBSV expects tech companies to see business recovery driven by diversified revenue streams and cost efficiency, while current attractive valuations offer compelling investment opportunities.

9M25 business performance

Tech sector showed strong revenue growth and expanding enterprise base in 9M25

In the first nine months of 2025, the technology sector's revenue grew an estimated 27%, reaching 71% of the full-year target. Notably, this double-digit growth came alongside only a 4% increase in the workforce, reflecting significant improvements in labor productivity. The number of tech companies continued to rise steadily; according to the Ministry of Planning and Investment's Department of Business Registration, 77,502 digital technology enterprises were registered and operating by July 2025, representing an impressive 42% increase since the start of the year.

International IT services face short-term tariff challenges

The decline in global IT company revenues has occurred amid an unstable trade environment, prompting many firms to halt expansion or scale back investment budgets. For FPT, with slower new contract growth since 4Q24, overseas IT revenue rose modestly by 10% YoY. However, easing global trade tensions provided a bright spot: new contract value in 3Q25 reached VND9,454 billion, up 47% YoY. Meanwhile, CMG's technology and solutions segment generated VND3,007 billion in revenue between March and September 2025, growing 27% YoY and highlighting the effectiveness of its Go Global strategy.

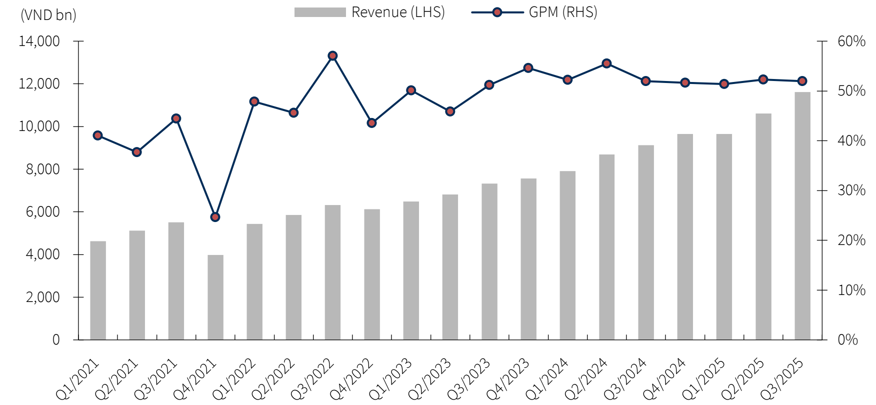
Domestic IT services are supported by national digital transformation

In the domestic IT market, national digital transformation policies have strengthened collaboration between tech businesses and government agencies in areas such as cloud computing and artificial intelligence. FPT's domestic IT business recorded revenue of VND5,376 billion in the first nine months, up 2% YoY. At the same time, investments in telecommunications infrastructure and the rapid rollout of 5G continue apace. Strong demand for 5G tower leasing has been a key driver, lifting CTR's infrastructure leasing revenue by 38% YoY to VND783 billion over the first 11 months of 2025.

Domestic telecom market nears saturation, with growth now driven by overseas markets

In the first half of 2025, Vietnam's telecommunications service revenue is estimated at VND70,422 billion, up 1.2% YoY. Mobile subscriptions exceeded 105 million (+4.4% YoY), reflecting a mature market with limited growth. Differences in service quality—such as connection speed, cost, and reliability—have become minimal, keeping major carriers' market shares largely stable. Against this backdrop, Viettel's operations in underdeveloped countries through its subsidiary VGI have proven successful, sustaining revenue growth above 20% for eight consecutive quarters and gradually generating profits. Its leading market positions allow VGI to leverage scale advantages, earning profits through flexible pricing without incurring additional infrastructure costs.

Fig 1. VGI – Revenue, gross profit margin (VNDbn, %)

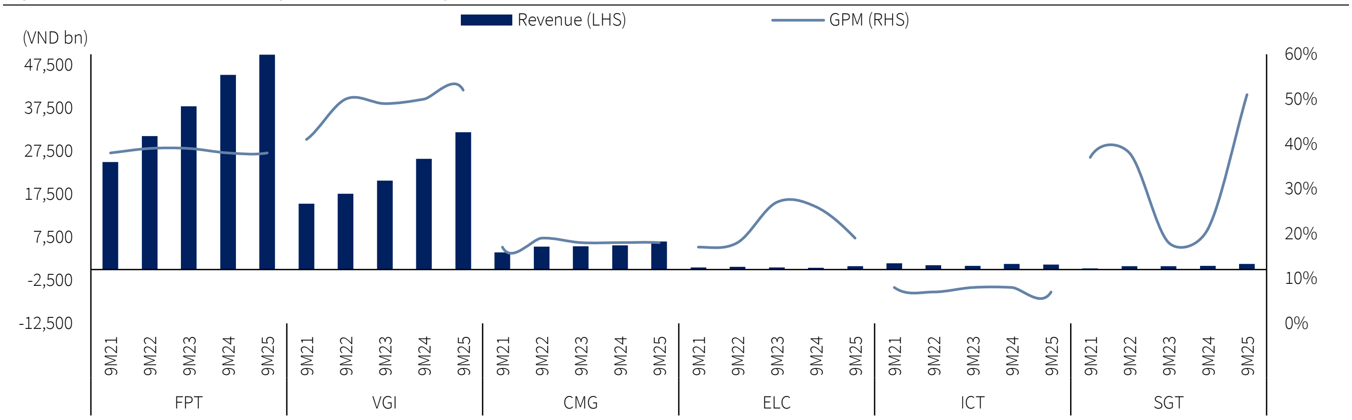


Source: Viettel Global, KB Securities Vietnam

Tech companies deliver strong revenue and earnings growth in 9M25

In the first nine months of 2025, tech companies posted strong growth, with revenues from seven companies (FPT, VGI, CMG, SGT, ICT, ELC, GLT) totaling VND90,943 billion, up 14% YoY. FPT accounted for the largest share, generating VND49,887 billion (+10.3% YoY). While FPT's growth slowed, CMG's Go Global strategy proved effective, delivering revenue and net profit of VND6,548 billion (+16.3% YoY) and VND333 billion (+42.7% YoY). ELC saw a significant revenue jump in 3Q25 after securing major contracts to supply equipment for nationwide traffic camera installations. VGI and ITD continued to grow revenue while improving net margins to 23.8% and 53.4% (+10.3 and +50.1 ppts) through cost optimization. Overall, NPAT-MI reached over VND16,400 billion (+54% YoY), highlighting a positive industry trend despite slower growth among some leading players.

Fig 2. Vietnam – Revenue, gross profit margin of selected tech companies (VNDbn, %)



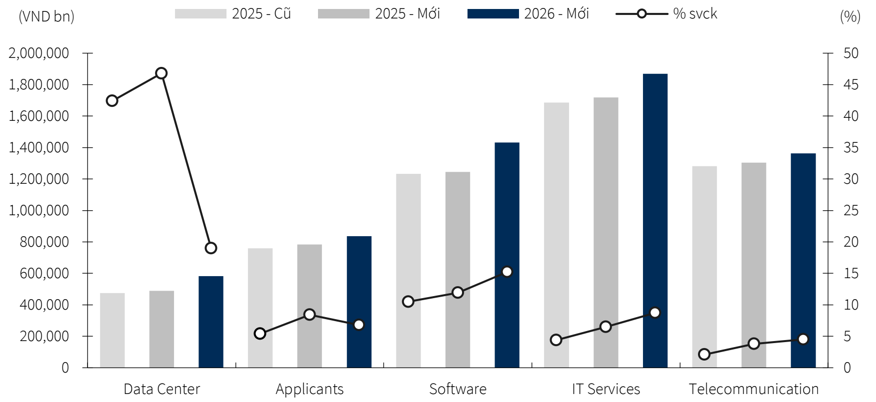
Source: Company reports, KB Securities Vietnam

2026 outlook

Worldwide IT investment remains central to industry expansion

KBSV expects global IT spending to recover in 2026, supported by (1) cost-saving measures and restrained corporate expenditures as companies focus on production recovery and AI, and (2) prioritization of technology solutions that improve business efficiency. In this environment, reputable software exporters with international experience are likely to outperform lesser-known competitors, driving positive business results. Market research firms also maintain a positive outlook for IT spending growth in 2026, with Gartner and Omdia forecasting 9.8% YoY and 8.3% YoY growth, respectively.

Fig 3. Global – IT spending forecast by Gartner (VNDbn)

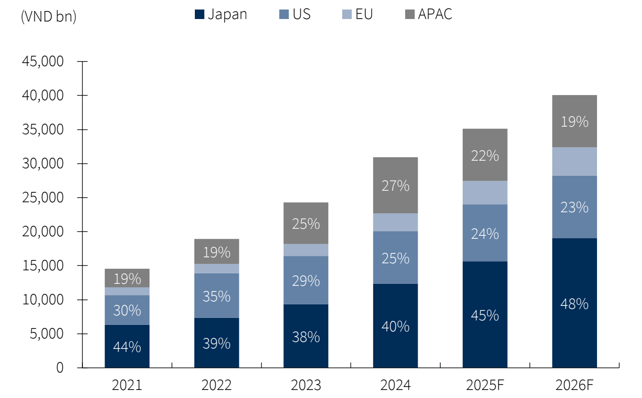


Source: Gartner, KB Securities Vietnam

Asia-Pacific emerges as a key driver of market recovery

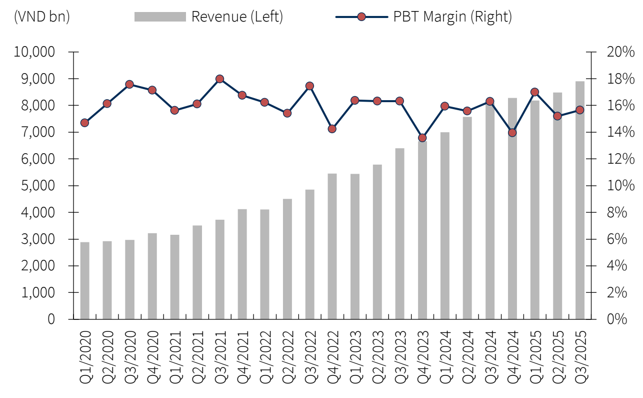
With easing global trade tensions, the Asia-Pacific region is set to emerge as a bright spot for business recovery. IT spending in the region is expected to rebound strongly, supported by favorable conditions including (1) robust economic growth, (2) a young, tech-savvy population, and (3) government policies promoting digital transformation. In North America, which accounts for roughly 40% of global IT budgets, the reshoring of manufacturing to the US under the Trump administration is driving significant demand for digital transformation, despite potential trade barriers. In the EU, IT investment growth is expected to slow due to energy supply uncertainties limiting expansion of energy-intensive IT infrastructure. However, continued expansion of renewable energy capacity will indirectly stimulate IT adoption for cost management, leading KBSV to project single-digit IT spending growth in the bloc in 2026.

Fig 4. FPT – Global IT revenue composition by market in 2021A–2026F (VNDbn, %)



Source: FPT Corporation, KB Securities Vietnam

Fig 5. FPT – Revenue, PBT & growth in 1Q20–3Q25 (VNDbn, %)

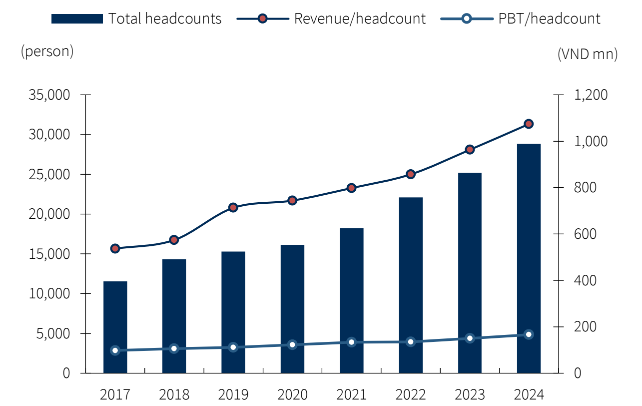


Source: FPT Corporation, KB Securities Vietnam

Cost optimization supports stable profitability for tech companies

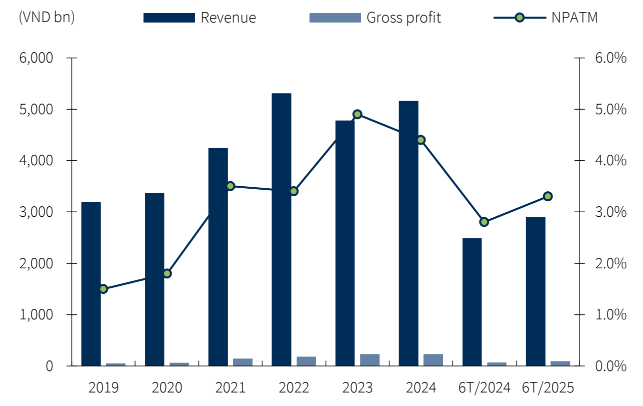
Amid slowing contract growth, FPT has maintained pre-tax margins around 15-16% through cost optimization, including salary restructuring and tighter hiring budgets. Historically, the company has demonstrated disciplined cost management, with personnel cost growth rarely exceeding revenue per employee growth. For CMG, revenue growth has been accompanied by stable profitability, driving a 41% YoY increase in technology segment profits. We therefore view FPT and CMG's strong cost management and competitive advantage in attracting and developing talent as key factors that will support attractive margins in the coming years.

Fig 6. FPT – Workforce, revenue & PBT per employee (person, VNDmn)



Source: FPT Corporation, KB Securities Vietnam

Fig 7. CMG – Revenue, gross profit, gross profit margin (VNDbn, %)



Source: CMC Corp, KB Securities Vietnam

Government initiatives will drive Vietnam to become a semiconductor manufacturing hub

The 2025 Digital Technology Industry Law provides a comprehensive framework for the sector's key pillars, including semiconductors, artificial intelligence, and digital assets. It outlines the industry's development direction, sets critical targets, and serves as a foundation for future policy-making. KBSV expects the new framework to introduce measures such as attracting domestic and international talent, granting autonomy in training programs and workforce development, offering incentives for tech companies, and drawing investment capital—laying a solid foundation for sector growth. As leading players, FPT and CMG are well-positioned to benefit from the more favorable business environment this law creates.

Table 8. Global – Semiconductor value chain

Main stage	Segment	Number of companies	2024 revenue	% value chain
Equipment & enabling tools	Semiconductor equipment manufacturing	85	188	19%
Chip design	Electronic design automation (EDA)	6	13	1%
	Semiconductor IP (Intellectual Property) core licensing & design	4	5	1%
	Fabless chip design	107	339	34%
Wafer fabrication & IDM	Microprocessor fabrication	1	53	5%
	Integrated device manufacturing	72	231	23%
	Wafer foundry services	13	123	12%
Assembly, Packaging & Test (APT)	Assembly, packing, and testing (APT)	30	48	5%
Total		**318**	**1000**	**100%**

Source: McKinsey, KB Securities Vietnam

Vietnam is well-positioned for data center investment and growth, though numerous challenges remain

According to McKinsey, demand for AI-ready data center capacity is projected to grow at a CAGR of 19-22% through 2030. In this context, CBRE identifies strong opportunities for rapid capacity expansion in the Asia-Pacific region. Vietnam, along with other Southeast Asian countries such as Malaysia, Thailand, and Indonesia, is well-positioned to attract investment in the sector, supported by: (1) growing domestic economies driving robust data storage demand, (2) modern submarine cable infrastructure with expanding capacity and processing speeds, (3) attractive investment incentives and relatively low costs due to available land, and (4) proximity to major economic hubs, including Singapore and China, with high data center demand.

However, Vietnam's data center market faces challenges, mainly from limited stable power supply and insufficient transmission infrastructure. While these constraints pose hurdles for new capacity expansion, they also create high entry barriers, giving established operators a competitive advantage and access to potential clients. Listed companies such as FPT and CMG, which already operate data centers, benefit from these short-term entry barriers and the strong growth in future demand.

Table 9. Global – Data center capacity growth potential

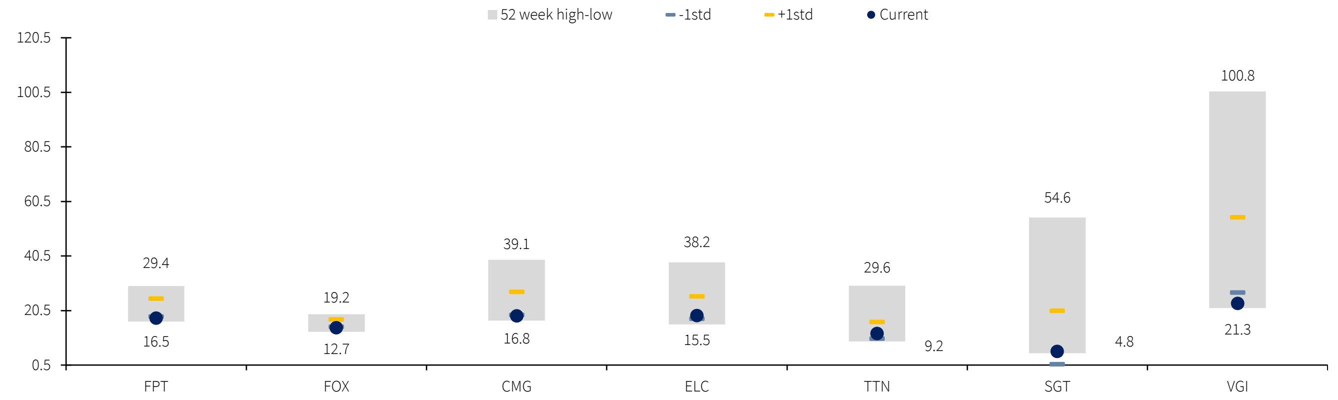
Country	Installed capacity (MW)	Capacity under development (MW)	Vacancy rate (%)	Vacancy rate outlook
Shanghai	1,071	551	11%	Down
Tokyo	949	601	13%	Flat
Mumbai	667	635	17%	Down
Seoul	698	513	9%	Down
Hong Kong	647	406	28%	Down
Sydney	767	230	15%	Flat
Singapore	738	104	2%	Flat
Johor	311	472	15%	Flat
Melbourne	308	227	22%	Down
Jakarta	274	244	32%	Flat

Source: CBRE, KB Securities Vietnam

KBSV maintains a bullish outlook for the tech sector in 2026

We maintain a bullish outlook for the tech sector in 2026. IT spending is expected to rebound in line with global trends, while diversification into new business segments—such as data centers and IT management services—will provide meaningful contributions to revenue growth. Investors may consider companies like FPT, a leading software export and digital transformation player that is also making significant investments in data centers. Meanwhile, negative industry-wide earnings news has largely been priced into stock valuations, creating attractive investment opportunities with compelling expected returns.

Fig 10. Vietnam – P/E of selected tech companies



Source: Bloomberg, KB Securities Vietnam

KB Securities VIETNAM

KBSV RESEARCH

FPT Corporation (FPT)

On recovery trend

December 5, 2025

Analyst Nguyen Viet Anh
(+84) 24-7303-5333 anhnv3@kbsec.com.vn

3Q25 core business slowed down

FPT Corporation (FPT) reported VND17,226 billion in 3Q revenue (+10% YoY/+3.4% QoQ) with corresponding GPM of 38% and NPAT of VND2,740 billion (+20.4% YoY/-9.5% QoQ). 3Q results were equivalent to 66.3% of the year's revenue plan (VND49,949/VND75,400 billion) and 67.7% of the PBT target (VND9,064/VND13,394 billion).

Foreign IT sector: New contract value has shown signs of recovery

The bright spot in the quarter is the bounceback of new contract value, reaching VND9,454 billion (+46.6% YoY). This is mainly boosted by a record-high contract with an energy group in Asia (USD256 million).

Telecommunications sector: Broadband continues to operate effectively, data centers will become new growth force

In 3Q25, the telecommunications segment recorded double-digit growth in revenue and PBT, touching VND5,257 billion (+15% YoY) and VND1,132 billion (+25% YoY), respectively. In the future, the new data center project, when put into operation, is expected to contribute significantly to the segment, maintaining a revenue growth rate of 9-12%.

Education sector: It is facing short-term challenges while new curriculums need time to prove effectiveness

FPT's education and investment revenue is forecast to increase by 7%/14% YoY in 2025/2026, equivalent to VND6,557/7,489 billion due to competitive pressure to expand targets from public competitors. Meanwhile, new curriculums are a long-term strategy and are expected to attract more students.

Valuation: BUY - Target price VND121,800/share

Based on FCFF and P/E valuations, business prospects, and potential risks, we recommend BUY for FPT stock with the target price of VND121,800.

Buy maintain

Target price	VND121,800
Upside	24.9%
Current price (Dec 4, 2025)	VND 97,500
Consensus target price	VND 121,700
Market cap (VNDtn/USDbn)	164.6/6.2

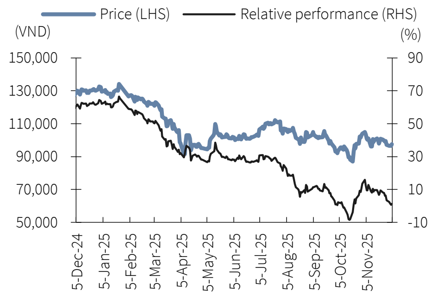
Trading data	
Free float	89.5%
3M avg trading value (VNDbn/USDmn)	772.3/30.9
Foreign ownership	38.9%
Major shareholder	Truong Gia Binh (6.99%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-6.5	-9.5	-10.9	-19.3
Relative	-9.6	-30.3	-37.7	-48.3

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	52,618	62,849	69,561	77,053
Operating income/loss (VNDbn)	7,788	9,420	11,223	13,155
NPAT-MI (VNDbn)	6,465	7,849	9,349	10,958
EPS (VND)	5,091	5,335	6,355	7,449
EPS growth (%)	5.2	5.0	19.0	17.0
P/E (x)	23.9	22.8	19.2	16.4
P/B (x)	5.2	5.0	4.2	3.4
ROE (%)	26.0	26.3	26.0	25.1
Dividend yield (%)	2.3	2.4	2.4	2.4



Source: Bloomberg, KB Securities Vietnam

Power

Driven by strengthening supply-demand dynamics

Analyst Nguyen Viet Anh
(+84) 24-7303-5333 anhnv3@kbsec.com.vn

December 31, 2025

Positive maintain

Recommendations	
PV Power (POW)	NEUTRAL
Target price	VND16,400
REE Corporation (REE)	NEUTRAL
Target price	VND66,500

Power producers delivered mixed results in 9M25

Hydropower emerged as the main contributor to national electricity generation, supporting a favorable operating year for hydropower producers. In contrast, coal-fired power producers saw weaker results due to lower output and a halving of the average full market price (FMP) compared with the same period in 2024. Gas-fired power producers benefited from more favorable dispatch conditions, delivering strong revenue and profit growth.

Electricity sales volume is expected to rebound from a low base in 2025

We anticipate a return to strong electricity consumption growth, driven by: (1) industrial production supported by accelerated public investment and export recovery; (2) higher forecasted temperatures, which are likely to increase electricity demand for cooling appliances; and (3) the completion and commissioning of key power projects, ensuring adequate supply to meet rising demand.

Coal-fired power will likely become the dominant supply source, displacing hydropower

With electricity demand projected to grow strongly and reduced competition from hydropower, KBSV expects 2026 dispatch patterns to broadly mirror those of 2024, with coal-fired generation serving as the primary source of supply. Hydropower output is likely to remain stable in the first half but decline in the second half, while gas-fired plants—particularly Nhon Trach 3&4—are expected to contribute meaningfully to overall sector sales volume growth.

New energy projects are making solid progress

Key factors supporting investment and accelerating power infrastructure development include: (1) strengthened upstream oil and gas supply, underpinned by record investment exceeding VND25,000 billion (+125% YoY) in 2025-2026 to support domestic gas-fired plants; (2) the streamlining of legal and regulatory procedures for key energy projects; (3) improved financial conditions at EVN, facilitating greater investment in grid infrastructure; and (4) the deployment of substantial renewable energy capacity following competitive auctions..

We remain positive on the power sector in 2026 amid demand recovery and supportive policies

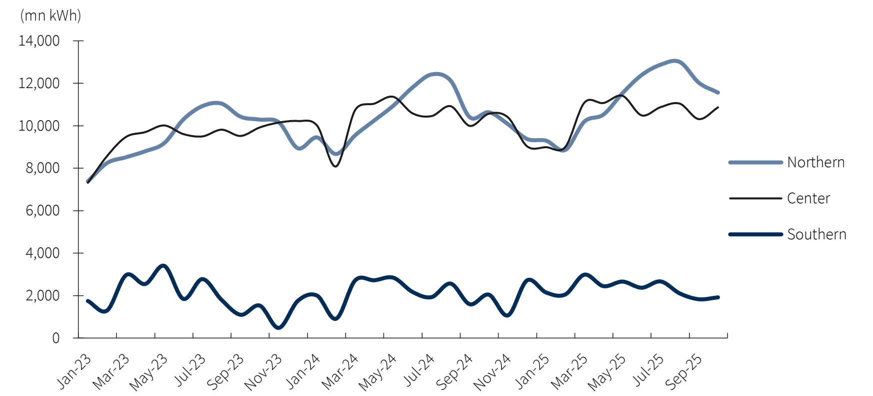
KBSV maintains a positive outlook for the power sector in 2026. Supported by a recovery in electricity demand and policies that encourage investment, sector earnings are expected to rebound, with select companies benefiting from new project opportunities that underpin long-term growth.

9M25 business performance

Electricity consumption rebounded in 2H25, driven by industrial production

In 10M25, household electricity demand for cooling appliances declined due to cooler temperatures, slowing electricity consumption growth to 268.7 billion kWh (+3.8% YoY) and achieving only 71% of the full-year 2025 forecast. Excluding the impact of temperature fluctuations, the recovery of industrial production in 2H25—reflected in the PMI above 50—was the main driver of nationwide electricity consumption growth of 5.8% YoY. Regionally, electricity consumption in the North continued to lead the country, reaching 112.3 billion kWh (+5.7% YoY), while the South, including Ho Chi Minh City, remained almost flat at 105 billion kWh (+1% YoY).

Fig 1. Vietnam – Power consumption by region (mn kWh)



Source: Vietnam Electricity, KB Securities Vietnam

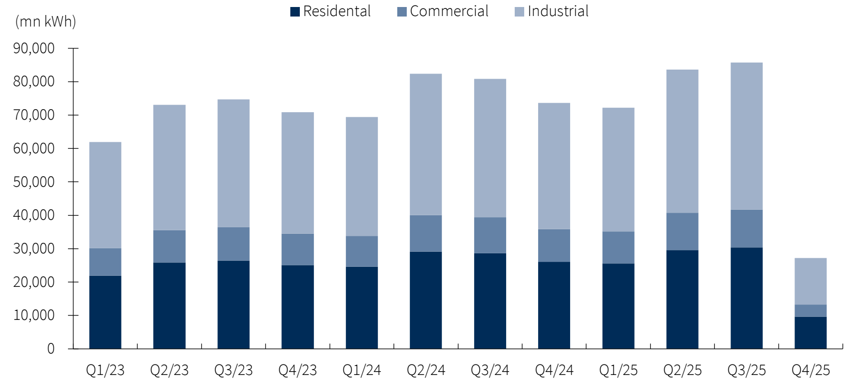
Coal and hydropower alternated as the largest contributors to total electricity sales volume

In 1H25, coal-fired power sales volume declined to 85 billion kWh (-2% YoY), reflecting modest nationwide electricity demand growth of 2.7% YoY. In 2H25, prolonged heavy rainfall created favorable hydrological conditions, lifting hydropower sales volume to 51.1 billion kWh (+7.1% YoY) and accounting for over 45% of total national electricity generation. By end-November 2025, most major reservoirs had reached full storage capacity, providing a solid foundation for power generation in 2026.

Gas-fired power outperformed amid slower demand growth, while coal-fired power remained under pressure

Despite electricity consumption growth in 10M25 slowing to 3.8% from 10% in 2024, the earnings outlook for gas-fired power producers (POW, NT2) improved, supported by a more favorable dispatch environment. Key drivers included higher contracted output (Qc) and the extension of Qc allocation horizons to 3-6 months (from monthly in 2024), enabling greater flexibility in fuel planning. In contrast, coal-fired power producers faced a challenging year as output declined from a high 2024 base. Meanwhile, increased hydropower supply in the competitive market contributed to a roughly 50% decline in average FMP in 3Q25 to around VND500-600/kWh.

Fig 2. Vietnam – Power consumption by end-user in 2023-10M25 (mn Kwh)



Source: Vietnam Electricity, KB Securities Vietnam

2026 outlook

Electricity consumption is set to rebound strongly in 2026 from a low base, supported by balanced supply and demand

For 2026, the Ministry of Industry and Trade has outlined electricity demand scenarios, including a base case of 8.5% growth and two higher-growth cases of 10-12%, aligned with ambitious GDP targets. With GDP growth targeted at above 10%, we view the high-growth electricity demand assumption as conservative and readily achievable, supported by: (1) continued expansion in energy-intensive industries such as steel, cement, and chemicals, underpinned by public investment and recovering exports; (2) higher forecast temperatures in 2026, partly reflecting an increased probability of El Nino, which should lift cooling-related electricity demand; and (3) rising EV charging demand in Hanoi driven by the policy-led transition from internal combustion engine motorbikes to electric vehicles effective July 1, 2026. Under our base case, we forecast electricity consumption growth of 10%, implying an elasticity of 1.

On the supply side, supportive investment policies have translated into tangible capacity additions, with several large-scale power projects scheduled to come online from late 2025 through 2026. Key additions include Unit 1 of BOT Vung Ang 2 (665 MW) in 3Q25, Nhon Trach 3&4 (1,624 MW) from January 1, 2026, and Quang Trach 1 Thermal Power (1,403 MW), expected to commence commercial operations in May 2026.

Table 3. Vietnam – Update on the progress of key projects scheduled to commence operation in 2026-2028

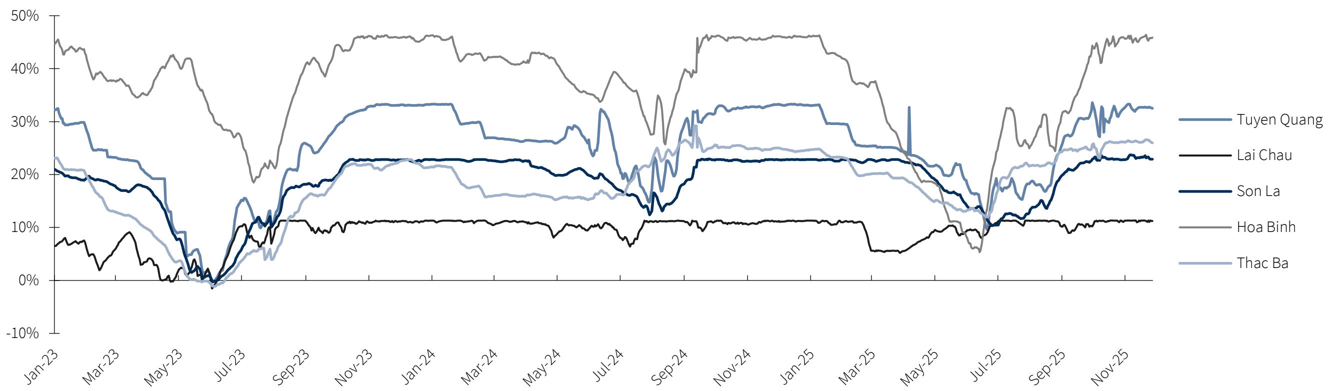
Project	Location	Capacity (MW)	Progress
Coal-fired power			
BOT Vung Ang 2	Ha Tinh	1,330	3Q25: Commissioning of Unit 1
			3Q26: Plant expected to resume operation after coal storage facility repairs
Quang Trach 1 Thermal Power	Quang Binh	1,403	2Q26: Expected to commence operation
Long Phu Thermal Power	Soc Trang	1,200	2Q26: Boiler installation expected to be completed
			3Q26: Expected electricity generation from Unit 1
			4Q26: Expected electricity generation from Unit 2
Domestic gas-fired power			
O Mon 1	Can Tho	660	3Q25: Begin fuel conversion renovation for the plant
			1Q27: Renovation expected to be completed and plant operational
O Mon 4	Can Tho	1,155	3Q25: Project construction started
			2028: Expected commercial operation
LNG-fired power			
Nhon Trach 3&4	Dong Nai	1,624	1Q26: Project enters commercial operation

Source: KB Securities Vietnam

Weather dynamics are expected to drive stronger hydropower output in 1H26 and weaker generation in 2H26

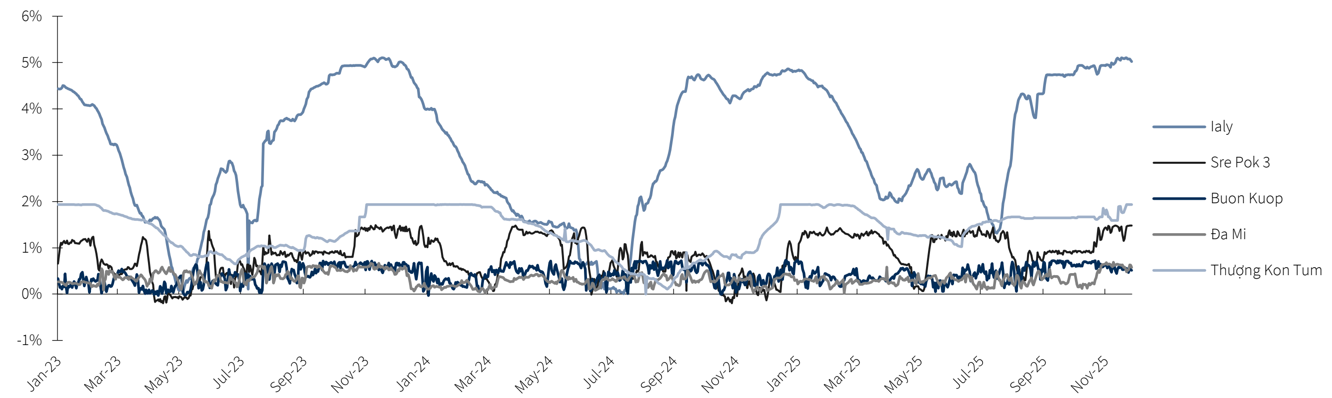
According to the National Center for Hydrometeorological Forecasting (NCHMF), neutral weather conditions are likely to persist in late 2025 and early 2026, with a 60-85% probability, before the likelihood of El Nino rises to 30-40% in 2H26. As a result, total rainfall in 2026 is expected to be lower than the 2025 average. KBSV expects hydropower output to improve in 1H26, supported by high reservoir levels following heavy rainfall in late 2025 and continued rainfall under neutral conditions. However, in 2H26, below-average rainfall during the rainy season is likely to weigh on hydropower generation.

Fig 4. Northern Vietnam – Water level at some reservoirs



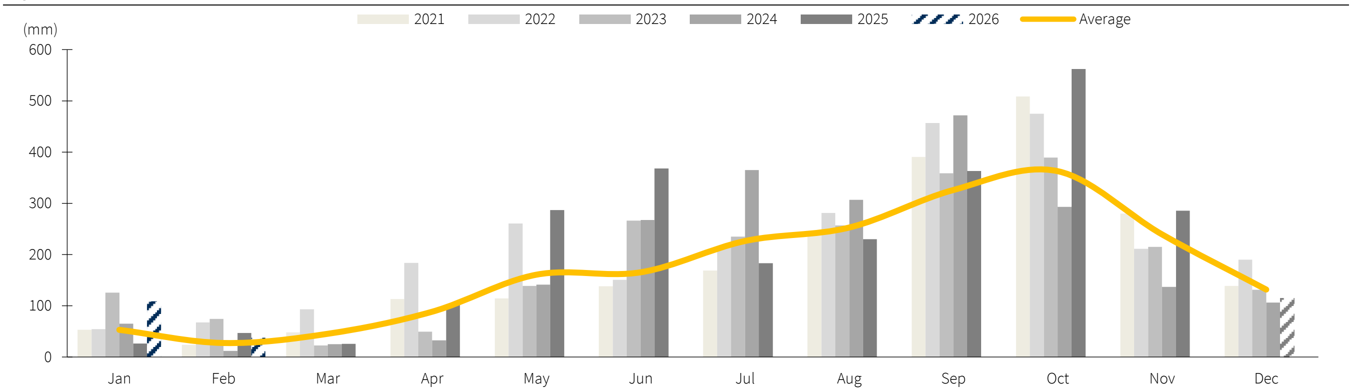
Source: Bloomberg, KB Securities Vietnam

Fig 5. Central Vietnam – Water level at some reservoirs



Source: Bloomberg, KB Securities Vietnam

Fig 6. Vietnam – Forecast of nationwide rainfall for Dec 2025-Feb 2026 (mm)

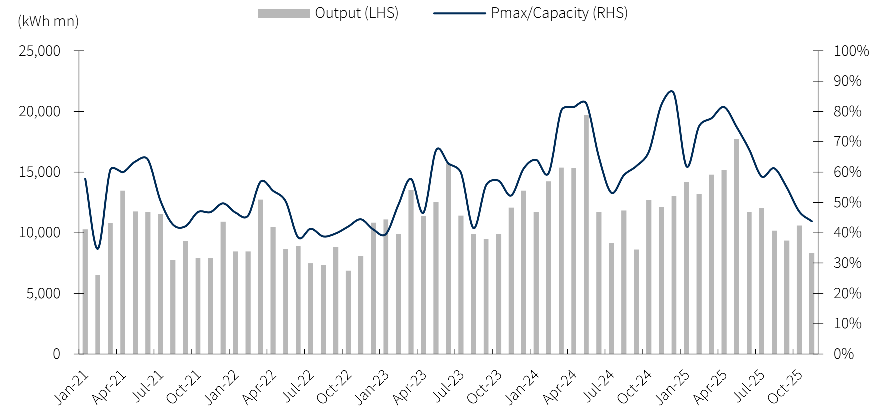


Source: Vietnam Institute of Meteorology, Hydrology and Climate Change, KB Securities Vietnam

Coal-fired power will likely become the dominant supply source, displacing hydropower

With electricity demand expected to rise strongly and hydropower competition easing, KBSV expects power dispatch in 2026 to mirror 2024, with coal-fired plants serving as the primary supply source. Coal generation is likely to be prioritized from early in the year and peak during the hottest months of 2Q26. As the rainy season in 3Q26 is projected to be weaker, coal-fired output should remain above the typical trough seen in the same period, before being adjusted to facilitate hydropower reservoir replenishment.

Fig 7. Vietnam – Coal-fired power generation, maximum-to-design capacity ratio (mn kWh, %)

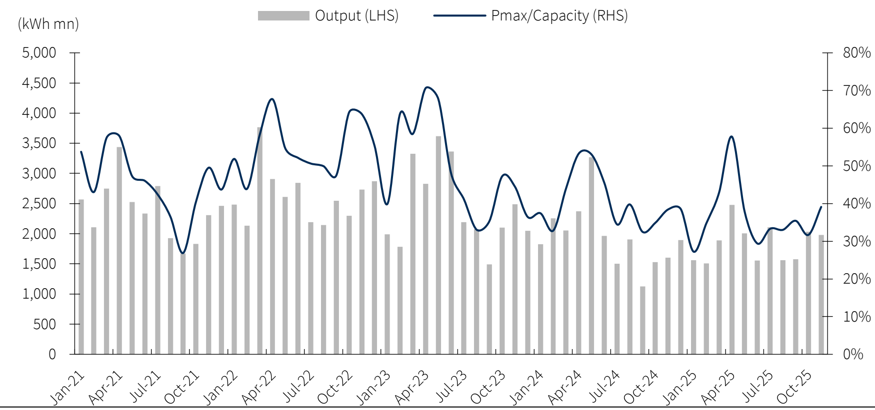


Source: National Electricity System and Market Operation, KB Securities Vietnam

The 1,624 MW Nhon Trach 3&4 LNG plant is set to lead the recovery of gas-fired power output in 2026

In 2026, Nhon Trach 3&4 is expected to commence operations with a minimum operating capacity of 65% under Decree 100/2025, with potential upside to at least 75% based on the Government's proposal, making it the key driver of growth in gas-fired power consumption. For other gas-fired plants in the Southeast, competition from Nhon Trach 3&4 poses a risk amid relatively weak regional demand. However, KBSV expects competitive pressure to ease after the 500kV transmission lines are completed in May 2026, significantly alleviating generation constraints in the region.

Fig 8. Vietnam – Gas-fired power generation, maximum-to-design capacity ratio (mn kWh, %)

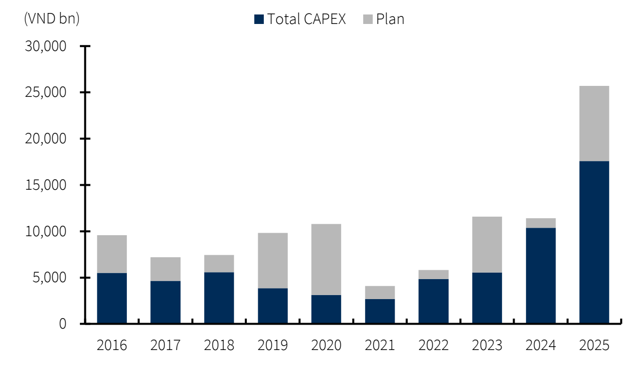


Source: National Electricity System and Market Operation, KB Securities Vietnam

Vietnam aims to boost gas-fired capacity to 2030 amid investment and supply constraints

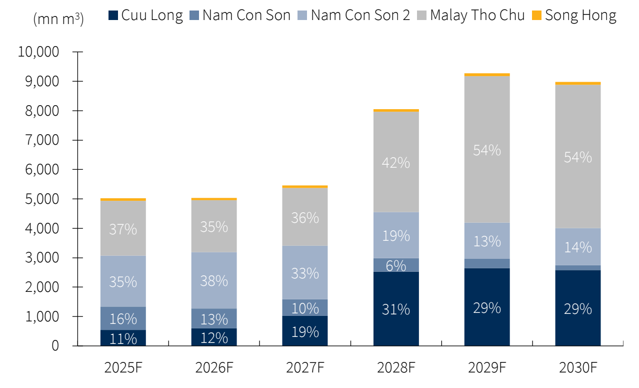
Vietnam aims to expand total gas-fired power capacity to 19,685 MW by 2030, comprising 10,861 MW from domestic gas (5.9% of total installed capacity) and 8,824 MW from LNG (4.8%). However, several challenges could delay these targets, including: (1) unclear and unattractive pricing and offtake mechanisms, discouraging investment in high-capital, long-payback projects; (2) prolonged construction timelines due to contractor selection issues, land clearance, and global supply constraints for critical materials; and (3) volatile global LNG prices and supply, raising operational risks. To address these obstacles, Vietnam has implemented key policies to position gas-fired power as a cornerstone of the energy system, focusing on: (1) boosting domestic fuel self-sufficiency with record upstream oil and gas investment in 2025 exceeding VND25,000 billion (+125% YoY); (2) accelerating downstream project progress by streamlining licensing, approvals, and land clearance; and (3) enabling existing gas-fired plants to switch to LNG through the establishment and early implementation of a pricing framework. KBSV expects 2026 to see the deployment of major projects scheduled to begin operations in 2027, significantly expanding gas-fired capacity within the national energy system.

Fig 9. PVEP – Actual vs. Planned investment (VNDbn)



Source: PetroVietnam Exploration Production Corporation, KB Securities Vietnam

Fig 10. Vietnam – 2025F-2030F domestic gas supply (mn m^3)



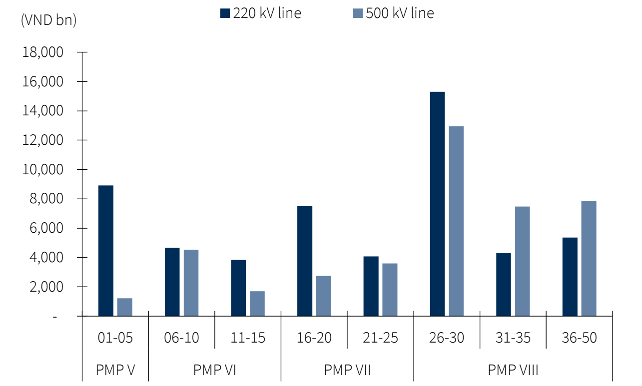
Source: PV Gas, KB Securities Vietnam

Investment plans for new power infrastructure projects

Amid the focus on renewable energy infrastructure under Power Plan VIII, Vietnam needs to build a power grid of sufficient scale to support a fair, stable, and sustainable electricity market. Specifically, PDP VIII sets targets of over 15,000 km of 220 kV transmission lines and nearly 13,000 km of 500 kV lines, aimed at relieving congestion, enhancing interconnection of large power sources, and increasing electricity imports.

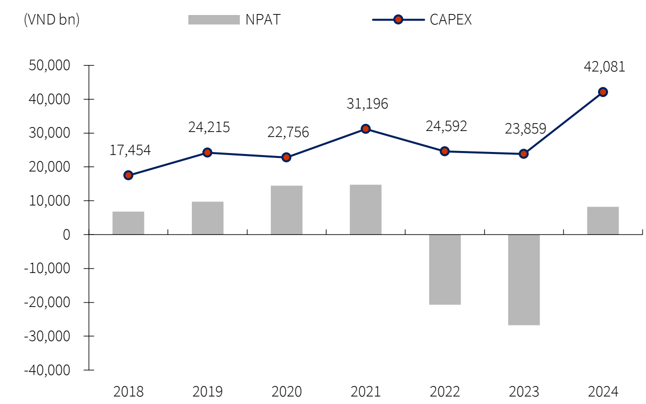
Given the substantial construction and material requirements, KBSV expects companies specializing in consulting, construction, and installation—such as PC1, TV2, and PVS—as well as electrical material suppliers like GEX, to benefit significantly due to their proven expertise and experience on similar large-scale projects.

Fig 11. Vietnam – Estimated total investment under power plans (VNDbn)



Source: Power Plans, KB Securities Vietnam

Fig 12. EVN – NPAT, CAPEX (VNDbn)



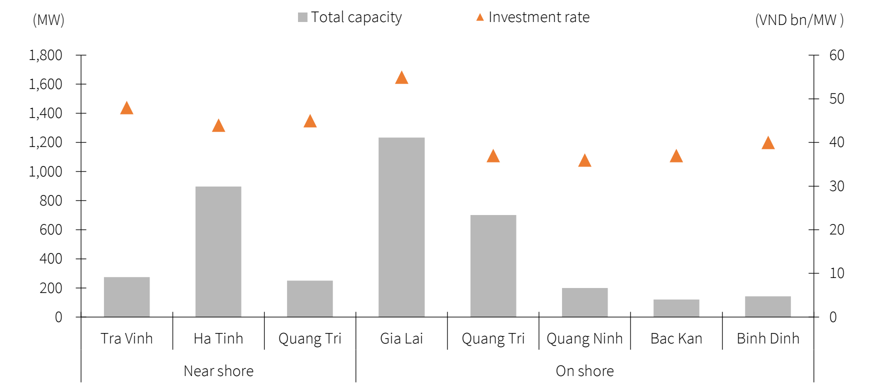
Source: Vietnam Electricity, KB Securities Vietnam

New green energy capacity additions were muted in 2025 but are expected to gradually recover in 2026–2027

In 2025, provincial authorities opened bids for 3,819 MW of wind power, mainly in Gia Lai, Ha Tinh, and Quang Tri, signaling a recovery in sector investment. This planned capacity represents roughly 56% of the country's current operational wind power. Managed by financially strong companies capable of executing multiple large projects, these farms are expected to come online in 2027–2028, supporting Vietnam's clean energy transition.

However, the bidding mechanism has primarily attracted large investors, as actual project costs exceed baseline price parameters, limiting participation by medium and small players. With annual adjustments to the negotiated wind power tariff framework to reflect rising costs, KBSV expects tariffs to increase in the coming years, drawing additional investment.

Fig 13. Vietnam – Latest allocation of capacity and investment costs for wind power by province (MW)



Source: KB Securities Vietnam

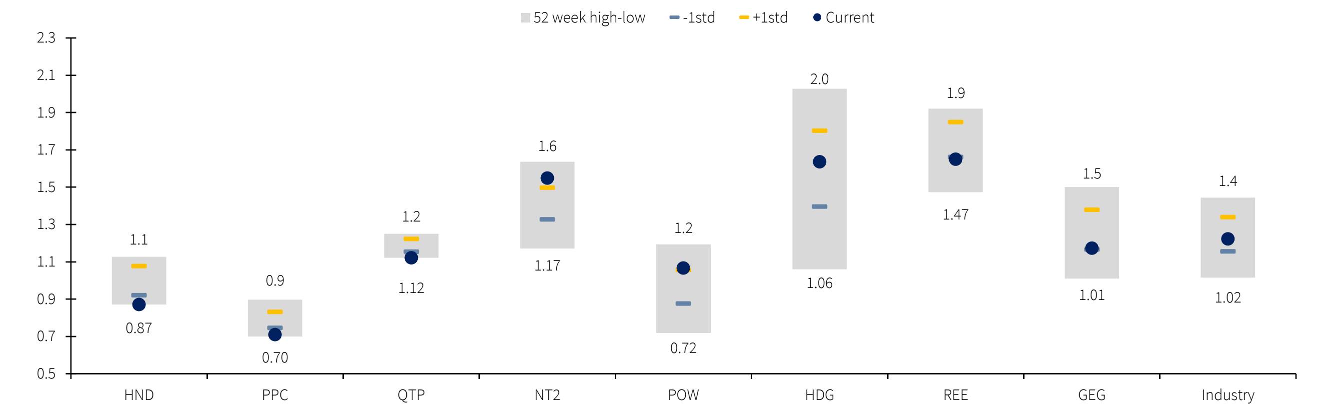
Power producers offer selective upside amid a broadly positive sector outlook

We maintain a positive outlook on the power sector, supported by recovering electricity demand and new legal frameworks enabling the implementation of Power Plan VIII. However, prospects will vary across subsectors, as discussed above.

Much of the sector has already priced in growth expectations. Hydropower stocks (REE, VCP, TTA) are retreating amid potential challenges from unfavorable 2026 weather, while gas-fired power stocks (POW, NT2, PGV) are performing well, reflecting anticipated industry output recovery.
Promising opportunities remain in coal-fired power, renewables, and power construction, where stock prices have either absorbed past negative factors or have yet to fully reflect 2026 earnings potential. Our preferred picks include:

1) Coal-fired power: QTP and PPC, trading below one standard deviation of their 12-month average P/B, with well-positioned generation assets;
2) Renewables: HDG (around 12-month average P/B) and GEG (below one standard deviation of 12-month average P/B), currently undervalued relative to project returns under FIT pricing;
3) Power construction: PC1, benefiting from growth in transmission and renewable energy infrastructure.

Fig 14. Vietnam – P/B of selected power producers



Source: Bloomberg, KB Securities Vietnam

PV Power (POW)

Favorable conditions for power generation

Analyst Nguyen Viet Anh
(+84) 24-7303-5333 anhnv3@kbsec.com.vn

December 5, 2025

Net profit & revenue of the parent company continued to grow in 3Q

In 3Q25, PV Power reported NP-MI of VND809 billion (+104% YoY/34.4% QoQ) on revenue of VND7,855 billion (+30% YoY/-16.4% QoQ). All power generation segments recorded positive growth, with the biggest revenue contributor gas-fired power posting VND5,008 billion (+14% YoY). Coal-fired power revenue achieved an impressive growth, reaching VND2,258 billion (+55% YoY) thanks to Vietnam Electricity's (EVN) increased mobilization.

The favorable operating environment of NT2 is expected to be maintained until 2026, helping power plants raise output

PPA prices are high thanks to the improved Qc ratio of PV Nhon Trach 2 (NT2), which may bring POW's gross profit to VND3,924 billion (+101% YoY) in 2025. In addition, the stable domestic gas source will help ensure high generation output for POW's gas power segment (excluding Nhon Trach 3 & 4 - NT3&4), reaching 10,239 million kWh (+3% YoY).

The mechanism for renegotiating PPA prices for gas-fired power projects using LNG as an alternative fuel will support POW's growth prospects from 2027

The newly issued Circular 54/2025/TT-BCT will accelerate the negotiation of new PPA prices for gas thermal power projects and facilitate the shift towards LNG ahead of declining gas supply nationwide from 2027. In the context of LNG power plants facing risks of slow progress, Nhon Trach power plants of POW will be mobilized with additional LNG gas sources.

Valuation: NEUTRAL - Target price VND16,400/share

Based on SOTP and EV/EBITDA valuation, business outlook, and potential risks, we recommend NEUTRAL on POW stock with a target price of VND16,400.

Neutral maintain

Target price	VND16,400
Upside	9.0%
Current price (Dec 4, 2025)	VND15,050
Consensus target price	VND16,520
Market cap (VNDtn/USDbn)	34.9/1.3

Trading data

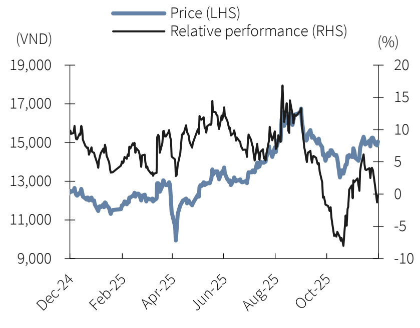
Free float	20.1%
3M avg trading value (VNDbn/USDmn)	166.4/6.7
Foreign ownership	7.4%
Major shareholder	

Share price performance

(%)	1M	3M	6M	12M
Absolute	6.3	10.4	12.1	9.5
Relative	3.17	-10.4	-15.1	-19.5

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	28,329	30,180	33,468	53,001
Operating income/loss (VNDbn)	1,436	1,074	2,953	3,065
NPAT-MI (VNDbn)	1,038	1,252	2,319	2,012
EPS (VND)	443	535	857	656
EPS growth (%)	-49.0	0.0	58.0	-23.0
P/E (x)	37.0	30.7	14.6	19.1
P/B (x)	1.1	1.1	0.9	0.9
ROE (%)	3.8	3.9	6.6	5.5
Dividend yield (%)	0.0	0.0	2.4	0.8



Source: Bloomberg, KB Securities Vietnam

KB Securities VIETNAM

KBSV RESEARCH

REE Corporation (REE)

Advancing capacity expansion ambition

Analyst Nguyen Viet Anh
(+84) 24-7303-5333 anhnv3@kbsec.com.vn

December 5, 2025

In 3Q2025, revenue and NPAT-MI expanded by 26% and 40% YoY

In 3Q2025, REE recorded revenue of VND2,555 billion (+26% YoY / +1.5% QoQ) and NPAT-MI of VND674 billion (+40% YoY / +8.2% QoQ). The energy segment remained the key contributor, generating revenue of VND1,065 billion (+27% YoY / +13.4% QoQ).

Electricity output increased sharply in 3Q2025, driven by hydropower and wind power

During the quarter, electricity output from the parent company, subsidiaries, and associates totaled 3.2 billion kWh (+18% YoY), supported by improved reservoir inflows. In renewable energy, stronger performance at the Thuan Binh wind farm, which delivered 80 million kWh (+19% YoY), drove segment output to 149 million kWh (+9% YoY).

REE marks a major milestone in the Duyen Hai offshore wind project, signaling renewed momentum in capacity expansion

According to the EPC contractor of the 48MW Duyen Hai offshore wind project, REE has completed the installation of 10 offshore wind turbine towers—marking the company's return to capacity expansion after years of limited new development. We expect the project to secure a tariff near the maximum level of VND1,815/kWh, thereby contributing an estimated VND127 billion in revenue and 70 million kWh of electricity output in 2026.

We reiterate NEUTRAL on REE with a target price of VND66,500/share

Based on valuation results, business outlook, and potential risks, we maintain our NEUTRAL rating on REE with a target price of VND66,500 per share, 4.1% higher than the closing price on December 4, 2025.

Neutral maintain

Target price	VND 66,500
Upside	4.1%
Current price (Dec 4, 2025)	VND 63,900
Consensus target price	VND 77,600
Market cap (VNDtn/USDbn)	34.9/1.3

Trading data

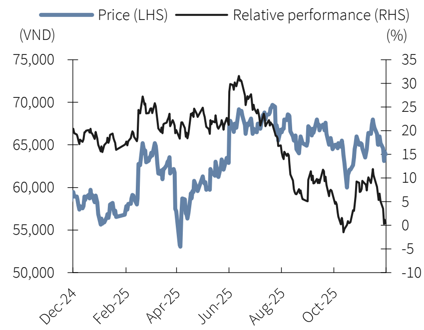
Free float	38.2%
3M avg trading value (VNDbn/USDmn)	50.4/2.0
Foreign ownership	49.0%
Major shareholder	Platinum Victory (41.7%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-1.2	-3.8	5.5	14.7
Relative	-4.3	-24.6	-21.7	-14.3

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	8,570	8,384	9,528	10,262
Operating income/loss (VNDbn)	2,954	2,429	3,121	3,100
NPAT-MI (VNDbn)	2,188	1,994	2,565	2,529
EPS (VND)	5,354	4,234	5,064	4,667
EPS growth (%)	-29.3	-20.9	13.0	-8.0
P/E (x)	12.4	15.7	13.1	14.3
P/B (x)	1.6	1.7	1.7	1.6
ROE (%)	13.4	10.7	12.6	11.3
Dividend yield (%)	1.3	1.3	1.2	1.4



Source: Bloomberg, KB Securities Vietnam

Logistics

Supported by trade recovery & capacity expansion

Analyst Nguyen Thi Ngoc Anh
(+84) 24-7303-5333 anhntn@kbsec.com.vn

December 31, 2025

Positive maintain

Recommendations	
Gemadept Corporation (GMD)	BUY
Target price	VND76,500
Airports Corporation of Vietnam (ACV)	BUY
Target price	VND66,500
Saigon Cargo (SCS)	NEUTRAL
Target price	VND56,800

Most logistics companies delivered solid results in 9M25

Port operators recorded double-digit growth in both revenue and net profit, supported by a 17% YoY increase in Vietnam's import-export turnover and one to two rounds of service fee hikes. In maritime shipping, companies with a high share of time-chartered vessels outperformed, while operators focused on self-operated fleets saw earnings decline amid a prolonged downturn in spot freight rates, despite time charter rates remaining elevated. Airport operators also reported strong performance, driven by YoY growth of 10% in passenger traffic and 17% in air cargo volumes.

The ongoing recovery in international trade and tourism should underpin structural growth across the entire logistics value chain

Vietnam's trade activity in 2026 is expected to sustain strong momentum, driven by PMI readings remaining above 50 since July 2025, a GDP growth target of at least 10%, and the country's participation in multiple free trade agreements (FTAs). Port operators are set to benefit directly from higher cargo throughput supported by steady import-export growth, while airport operators should see broader tailwinds as demand for air travel and air cargo continues to recover.

Logistics infrastructure expansion is creating meaningful medium- to long-term growth potential for the industry

The government is accelerating connectivity infrastructure development, alongside investments in seaports—including logistics centers, international transshipment hubs, and channel expansion and dredging projects—as well as a nationwide pipeline of airport expansion and new airport developments. Together, these initiatives are expected to underpin sustained long-term growth across the logistics sector.

We maintain a positive outlook on ports and aviation and a neutral view on maritime shipping

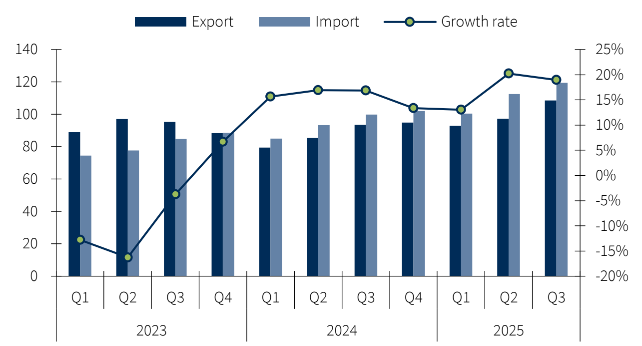
Our positive view on port and airport operators is based on (1) sustainable long-term growth in cargo throughput, (2) significant headroom for port service fee increases, and (3) airport passenger traffic expected to sustain a CAGR of over 8% during 2025-2030. Within maritime shipping, we favor companies with a high share of chartered vessels, while taking a neutral stance on operators primarily reliant on self-operated fleets. That said, the logistics sector continues to face risks from potential changes in tariff policies, as US regulations on transshipment remain unclear.

9M25 business performance

Total nationwide port throughput maintained positive growth in 9M25

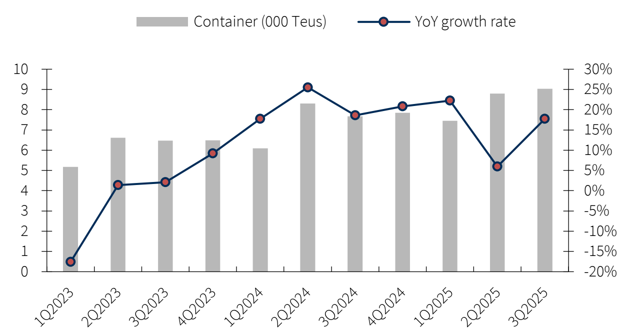
According to the Vietnam Maritime Administration, nationwide port throughput reached 863.8 million tons in 9M25, up 13% YoY, with containerized volumes totaling 25.34 million TEUs (+13% YoY). This strong performance was driven by robust import-export growth, as total trade turnover exceeded VND680 billion (+17% YoY), supported by inventory restocking among US companies amid tariff uncertainty, the stabilizing effect of FTAs on trade with non-US markets, and the government's 2025 GDP growth target of 8.5%, which has spurred production, investment, and raw material trade.
Industry-wide volume growth, combined with one to two rounds of service fee hikes implemented by most ports in 2025, translated into improved earnings across the port sector. Operators with well-located assets and remaining capacity for throughput expansion—such as GMD, VSC, and CDN—reported solid results, with revenue increasing by 27%/16%/12% YoY and net profit after tax rising by 23%/55%/29% YoY, respectively, excluding non-recurring items.

Fig 1. Vietnam – Import-export turnover in 1Q23-3Q25 (USDbn)



Source: General Statistics Office of Vietnam

Fig 2. Vietnam – Container throughput in 1Q23-3Q25 (TEUs, %YoY)



Source: Vietnam Maritime and Inland Waterways Administration

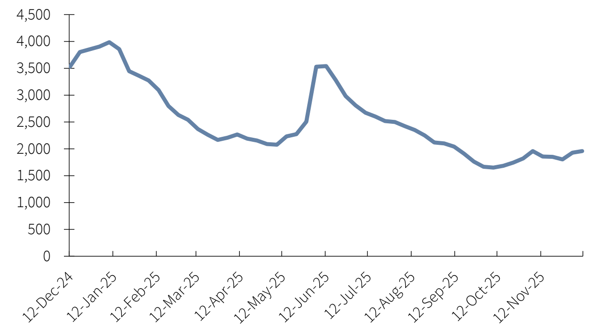
Spot freight rates remained on a downward trend, while time charter rates continued to stay elevated

The global spot container freight rate index was volatile in 9M25 but remained on a prolonged downward trend, hovering around USD1,800-1,900 per 40ft container. The decline was primarily driven by weaker-than-expected import demand from major markets such as the US and EU, alongside persistent oversupply. During 9M25, 385 newly built container vessels were delivered while only 12 were scrapped, expanding global fleet capacity by 6.5% YoY, compared with transport demand growth of just 3.5% YoY.

In contrast, time charter rates remained elevated, supported by shipping lines' preference to charter vessels rather than commit to newbuilds or spot charters in an uncertain market environment, as well as strong demand for small- and mid-sized vessels serving feeder and transshipment networks. This localized supply tightness has helped keep charter rates firm.

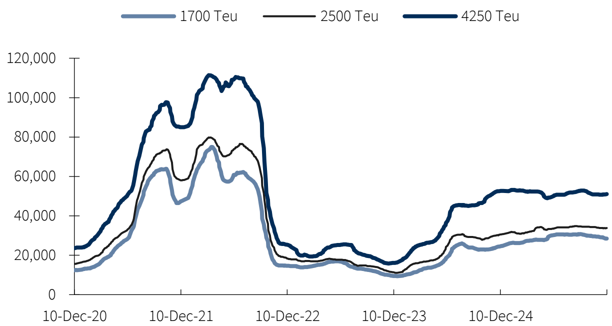
Business performance across the maritime shipping sector has been polarized. Companies with a high share of chartered vessels and exposure to port operations, such as HAH, delivered strong results, with 9M25 revenue and NPAT increasing by 36% and 130% YoY, respectively. Conversely, bulk shipping operators such as VOS recorded declines in both revenue and profitability.

Fig 3. Global – Drewry World Container Index (WCI)



Source: Bloomberg

Fig 4. Global – Harper Petersen Chartering Index (HAPEX) (USD/day)



Source: Bloomberg

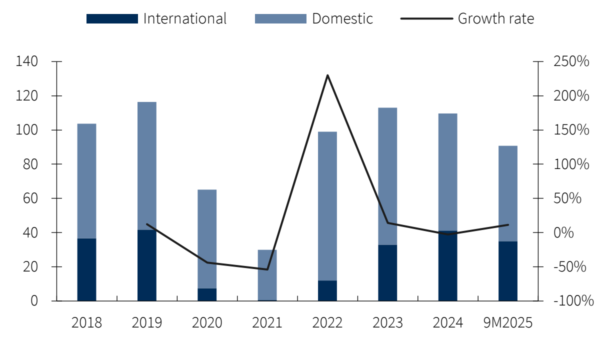
International aviation outperformed the domestic segment, underpinning sector-wide growth in 9M25

In 9M25, international passenger traffic and air cargo throughput at Vietnamese airports recorded strong growth, while the domestic segment expanded at a markedly slower pace. Specifically:

- International passenger traffic reached 35 million, up 13% YoY, supported by government-led tourism stimulus measures and the expansion of fleet capacity and international route networks. In contrast, domestic passenger traffic grew by a more modest 6% YoY, constrained by a high 2024 base and aircraft shortages stemming from engine maintenance issues, which were largely allocated to domestic routes as VJC prioritized international operations, keeping domestic airfares elevated.
- Reflecting similar drivers, international air cargo throughput significantly outperformed domestic cargo, reaching 964 thousand tons (+23% YoY) compared with 169 thousand tons (+0.2% YoY).

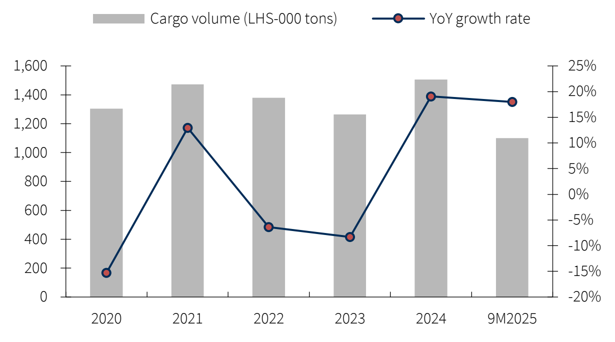
With growth drivers broad-based across the aviation sector, companies delivered solid business performance. In 9M25, ACV and AST posted revenue growth of 14% and 26% YoY, respectively, with NPAT rising by 5% and 69% YoY. Cargo terminal operators SCS and NCT recorded revenue increases of 17% and 30% YoY, while NPAT grew by 8% and 39% YoY. Meanwhile, air carriers VNA and VJC reported revenue growth of 12% and 1% YoY, with NPAT up 13% and 15% YoY, respectively.

Fig 5. Vietnam – Passenger traffic through airports (mn passengers)



Source: Bloomberg

Fig 6. Vietnam – Air cargo throughput (thousand tons, %YoY)



Source: Bloomberg

2026 outlook

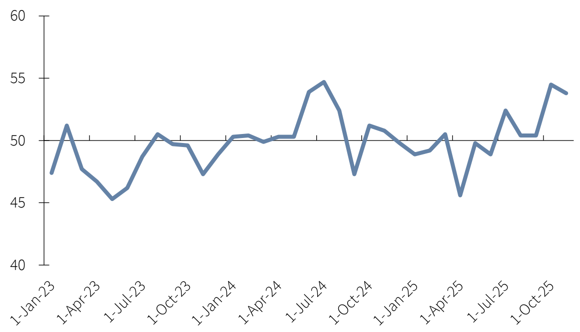
The ongoing recovery in international trade and tourism should underpin structural growth across the entire logistics value chain

The logistics sector outlook is underpinned by the continued recovery of international trade and tourism. Vietnam's trade activity in 2026 is expected to sustain the strong growth seen in recent years, with import-export turnover having grown at a 10% CAGR from 2015 to 2024. Key supporting factors include: (1) robust short-term prospects, reflected in the PMI remaining above 50 since July 2025, signaling a rebound in new orders; (2) the government's 2026 target of double-digit GDP growth, which is likely to further boost trade and travel demand; and (3) Vietnam's network of FTAs and the ongoing relocation of global supply chains from China, reinforcing the country's position in international trade.

In air transportation, IATA forecasts passenger traffic in Southeast Asia to grow at a 5.1% CAGR from 2025 to 2030, with Vietnam expected to outpace the region at 8.1%, providing a strong catalyst for the broader aviation ecosystem.

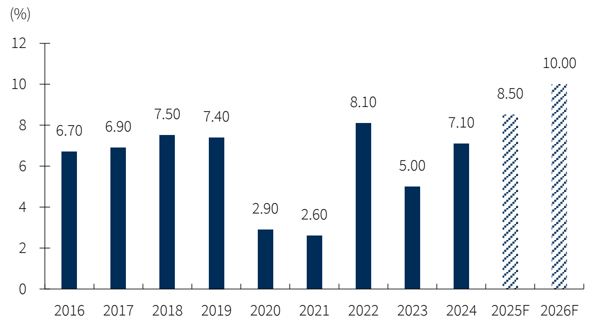
In this context, port operators GMD, SGP, and VSC are set to benefit directly from rising cargo volumes driven by import-export growth, while aviation companies such as ACV, SCS, AST, HVN, and VJC are positioned to gain from the ongoing recovery in passenger travel and air cargo.

Fig 7. Vietnam – PMI in 2023-2025



Source: Bloomberg

Fig 8. Vietnam – GDP growth in 2016A-2026F



Source: Bloomberg

Logistics infrastructure expansion is creating meaningful medium- to long-term growth potential for the industry

The government's accelerated investment in transport connectivity—including upgrades to the North-South Expressway, Ring Roads 3 and 4 in Hanoi and Ho Chi Minh City, urban metro lines, and key corridors linking industrial zones with seaports and airports—is expected to relieve pressure on existing infrastructure and improve operational efficiency across seaports and airports.

In seaport infrastructure, southern projects such as Cai Mep Ha and the Can Gio international transshipment port are set to enhance Vietnam's seaport competitiveness and attract additional cargo volumes. In the north, expansions of the Hai Phong maritime channel, including the Ha Nam Canal and Lach Huyen fairway, will enable larger vessels to access ports along the corridor, including Lach Huyen Terminals 1–6, GMD's Nam Dinh Vu Port, and ports operated by VSC and DVP.

On the aviation side, under the revised 2025 master plan, the government aims to increase the total number of airports from 23 at present to 30 by 2030 and 33 by 2050. To address capacity constraints at major airports, upgrades, expansions, and new developments are expected to enhance service quality for operators such as ACV and AST, while allowing airlines to expand flight frequencies and fleet deployment, benefiting both passenger and cargo throughput. Key priority projects include Phase 1 of Long Thanh International Airport, Gia Binh International Airport, and the expansion of Phu Quoc Airport.

Table 9. Vietnam – Key airport projects planned for implementation through 2030

Project	Total investment (VNDbn)	Current capacity (mn passengers)	Expanded capacity (mn passengers)	Timeline	Progress
Long Thanh Phase 1	109,000	0	25	2023–2026	Construction began in late October 2023. Under the revised master plan, the airport will feature two runways, a passenger terminal with an annual capacity of 25 million passengers, and cargo handling capacity of 1.2 million tons per year. A test flight was successfully completed on 19 December, with commercial operations expected to commence in 1H26.
Long Thanh Phase 2	76,600	0	25	2028–2031	Not yet started.
Tan Son Nhat Terminal T3	10,990	30	20	2023–2025	Completed and officially put into operation in April 2025.
Noi Bai Terminal T2 expansion	4,983	25	5	2023–2025	Inaugurated and operational since 19 December 2025.
Cat Bi – Hai Phong Terminal T2	3,147	2	5	2024–2026	Construction commenced in August 2025, with plans for potential expansion to 10 million passengers per year.
Don Hoi Terminal T2	1,843	0.5	3	2024–2026	The project includes a passenger terminal and auxiliary facilities on a 1.2-ha site. Construction began in April 2025, with operations expected to commence in 4Q26.
Vinh International Airport		2.5	0.5–1	2025	Aircraft apron expansion and T1 terminal capacity upgrade completed. Test flights have been successfully conducted, with operations planned to resume in December 2025.
Ca Mau Airport expansion	2,400	0.3	0.2	2024–2025	The entire site was handed over by the end of July 2025, with capacity expandable to 1 million passengers as demand grows.
Gia Binh International Airport	141,236	0	30	2025–2030 (Phase 1)	Plans call for expanding capacity to 50 million passengers by 2050, with preliminary completion achieved and initial operations scheduled to begin in 2027 in time for APEC 2027.
Phu Quoc Airport expansion	22,000	4	20	2025–2027	The airport is set to be upgraded to a 5-star standard, with completion and operations expected ahead of APEC 2027.

Source: KB Securities Vietnam

Port operators are poised for long-term growth amid cargo and fee upside

Port operators are expected to maintain a positive medium- to long-term outlook, supported not only by sustainable growth in cargo throughput but also by significant room for service fee increases. Vietnam's port service fees remain 30-40% below regional peers (e.g., Cambodia, Thailand), creating favorable conditions for near-term adjustments. Ongoing proposals to revise the port service fee framework, currently under review by the Ministry of Construction, further support expectations for early revenue and margin expansion.

Deep-water ports and operators handling a high share of oversized cargo, such as SGP and GMD, are likely to generate above-average revenue per TEU and enjoy greater pricing flexibility than conventional ports. Investors should, however, monitor short-term risks from potential tariff changes, particularly given lingering uncertainties around transshipment regulations.

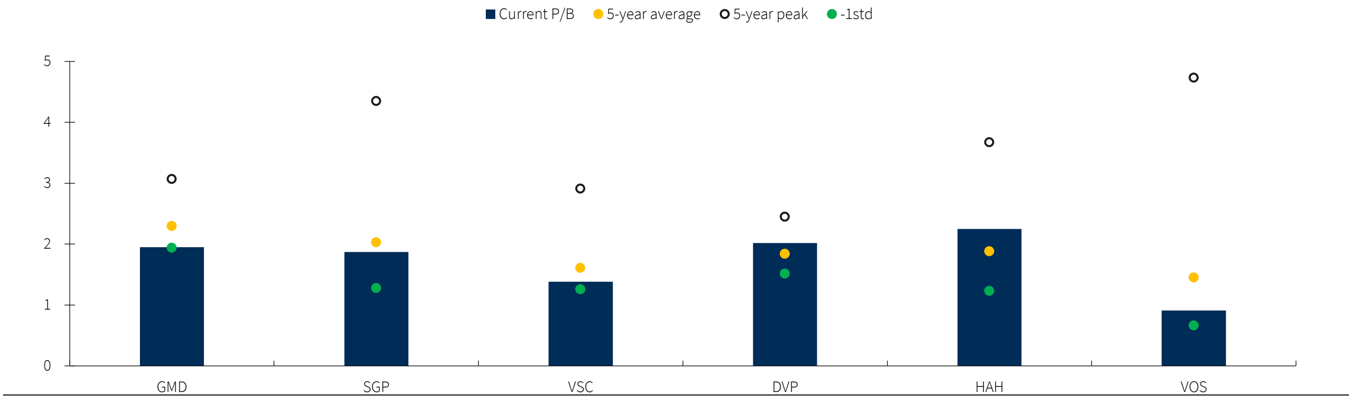
In terms of valuation, most port stocks trade below their five-year average P/B ratios, reflecting cautious market sentiment. Companies with strategic port locations, clear throughput growth potential, or near-term capacity expansion plans—such as GMD, VSC, and SGP—stand out as key investment considerations.

We maintain a neutral view on maritime shipping

The growth outlook for the maritime shipping sector hinges on two key factors: freight rates and time charter rates. Spot rates are expected to decline due to persistent oversupply—fleet expansion continues to outpace demand while ship demolition remains near a decade low—and the resumption of Suez Canal shipping following the Gaza Strip peace agreement in December 2025, which shortens Asia-Europe routes by 10-14 days, further increasing available vessel capacity. In contrast, time charter rates are likely to stay elevated in the short term, as most major carriers have adopted hub-and-spoke networks, boosting demand for medium and small feeder vessels servicing smaller ports.

We favor HAH due to its leading position in the domestic shipping market. With ongoing plans to add new vessels and acquire medium- and small-sized second-hand ships for its chartering business, HAH is expected to be relatively insulated from spot rate volatility while benefiting directly from strong time charter rates, supported by established relationships with major carriers ready to enter new contracts.

Fig 10. Vietnam – P/B of maritime shipping & port operators



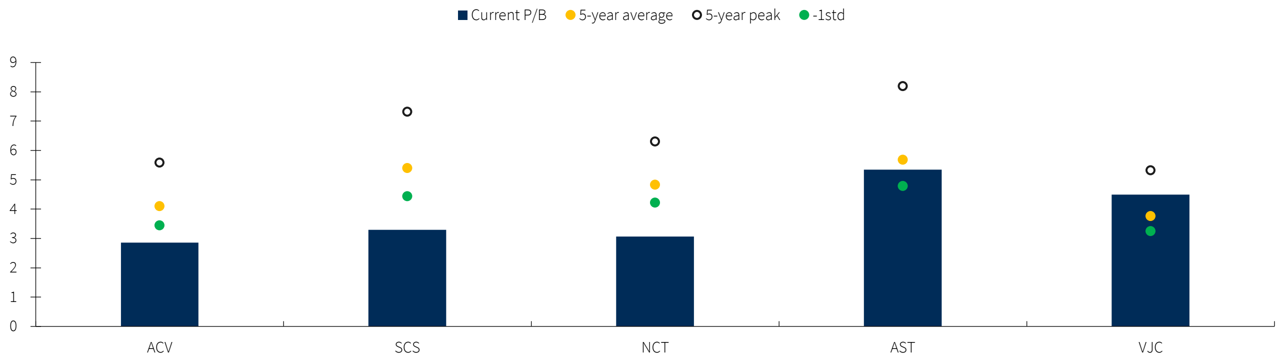
Source: Bloomberg

We take a positive stance toward the aviation sector

Our positive outlook on the aviation sector stems from the sustainable growth potential across international and domestic passenger traffic as well as air cargo throughput in 2026. This outlook is supported by several key factors: (1) government efforts to ease visa policies and implement tourism stimulus programs, (2) the entry of Phu Quoc Airways into the market alongside existing carriers continuously expanding their fleets, increasing flight frequencies, and launching new international routes—particularly to countries offering visa exemptions for Vietnamese travelers, and (3) ongoing, overlapping projects to expand and upgrade aviation infrastructure.

Rising passenger and cargo volumes are expected to drive revenue growth for aviation service providers. Investors may focus on stocks with solid financials and clear growth prospects, such as ACV, AST, HVN, and VJC. Currently, ACV and SCS trade around two standard deviations below their five-year average P/B, reflecting concerns over ACV's upcoming high depreciation costs and SCS's potential loss of premium cargo market share at Long Thanh Airport. We recommend that investors monitor factors such as fuel price volatility—which represents a significant portion of operating costs for airlines like HVN and VJC; the potential for SCS to secure the Long Thanh cargo terminal operating contract; foreign exchange gains and losses; and the impact of Gia Binh Airport on ACV. These considerations, combined with appropriate entry price levels, should guide investment decisions.

Fig 11. Vietnam – P/B of selected aviation companies



Source: Bloomberg

Gemadept (GMD)

Nam Dinh Vu 3 driving medium-term growth

December 5, 2025

Analyst Nguyen Ngoc Anh
(+84) 24-7303-5333 anhntn@kbsec.com.vn

GMD's 3Q NPAT and net revenue in 3Q reached VND604 billion (-4% YoY) and VND1,560 billion (+23% YoY)

In 3Q25, Gemadept (GMD) posted VND1,560 billion in net revenue (+23% YoY), contributed by VND1,373 billion (+25% YoY) from the core business port operation with the cargo throughput of the entire port system (excluding Gemalink) reaching 2.3 million TEUs (+21% YoY). NPAT recorded a contraction (-4% YoY), falling down to VND432 billion due to the performance bonus for employees in the quarter.

GMD recorded a 16% YoY output growth in 2025 and should maintain positive growth until 2030

We adjusted the forecast for GMD's port throughput growth up to 16%/6% YoY for 2025/2026 with CAGR of 8% until 2030, based on (1) continued improvement in macro indicators showed that the impact of reciprocal tariffs was insignificant in the short term; (2) Nam Dinh Vu 3 trial operation from 4Q25 will create more room for growth in 2025-2027; and (3) Gemalink 2A expected to come into operation in late 2027 will underpin GMD's long-term growth momentum.

Port service rates continue to grow steadily

Service rates at Northern ports should grow 4-5% annually in 2025 - 2030 thanks to the increase in the proportion of out of gauge cargo (OOG). In the Southern region, Gemalink should maintain a fee growth rate of 6-10%/year thanks to its outstanding ability to handle large vessels when neighboring ports are all exceeded its maximum capacity.

Valuation: BUY rating - Target price VND76,500/share

Based on valuation results, we recommend BUY for GMD shares with a target price of VND76,500/share, 23% higher than the closing price on December 4, 2025.

Buy maintain

Target price	VND76,500
Upside	23%
Current price (Dec 4, 2025)	VND 62,100
Consensus target price	VND 76,975
Market cap (VNDtn/USDbn)	26.7/1.0

Trading data

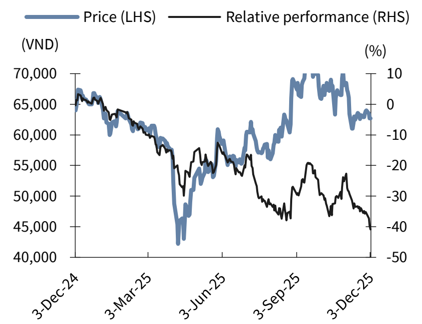
Free float	85%
3M avg trading value (VNDbn/USDmn)	179.5/6.8
Foreign ownership	43.2%
Major shareholder	SSJ Consulting Vietnam (9.96%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-8	-7	7	-3
Relative	-15	-10	-17	-31

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	3,846	4,832	5,928	6,608
Operating income/loss (VNDbn)	3,177	2,419	2,614	2,946
NPAT-MI (VNDbn)	2,251	1,455	1,700	1,912
EPS (VND)	7,207	4,276	4,107	4,548
EPS growth (%)	138%	-41%	-4%	11%
P/E (x)	8.7	14.7	15.3	13.8
P/B (x)	2.7	1.9	1.8	1.8
ROE (%)	26	14	16	18
Dividend yield (%)	3	3	3	3



Source: Bloomberg, KB Securities Vietnam

KB Securities
VIETNAM

KBSV RESEARCH

Airports Corporation (ACV)

Solid growth outlook despite near-term moderation

December 16, 2025

Analyst Nguyen Thi Ngoc Anh
(+84) 24-7303-5333 anhntn@kbsec.com.vn

In 3Q2025, ACV posted revenue of VND6,476 billion (+15% YoY) and NPAT of VND3,210 billion (+37% YoY)

In 3Q2025, ACV posted revenue of VND6,476 billion (+15% YoY), with aeronautical services contributing 83% of the total, reaching VND5,382 billion (+15% YoY). NPAT amounted to VND3,210 billion (+37% YoY), reflecting the absence of the VND771 billion foreign exchange loss recorded in 3Q2024.

Vietnam's passenger traffic is set to grow steadily in 2025-2030

Vietnam's air passenger traffic is expected to sustain long-term growth, backed by: (1) rising travel and tourism spending from the expanding middle class amid personal income tax adjustments effective mid-2026; (2) continued fleet expansion and the launch and resumption of direct international routes by domestic and international airlines; and (3) ongoing airport construction and expansion projects, underpinning long-term sector capacity.

The transfer of Phu Quoc Airport and the commissioning of Gia Binh Airport would moderate passenger growth at ACV airports

The transfer of Phu Quoc Airport to Sun Group in 2026 and the anticipated commissioning of Gia Binh Airport in 2027 may moderate passenger growth at airports operated by ACV. Accordingly, we lower our CAGR assumptions for 2026-2030F international/domestic passenger growth to 8%/4%, respectively.

Long Thanh International Airport should drive long-term growth

Phase 1 of Long Thanh International Airport is preparing for its inaugural test flight, with commercial operations scheduled for mid-2026 and utilization expected to exceed 80% before 2030. Phase 2 is expected to be accelerated, commencing operations from 2032, ensuring ACV's long-term growth potential.

We reiterate BUY on ACV with a target price of VND66,500/share

We reiterate BUY on ACV with a target price of VND66,500 per share, representing a 27% upside from the closing price on December 15, 2025.

Buy maintain

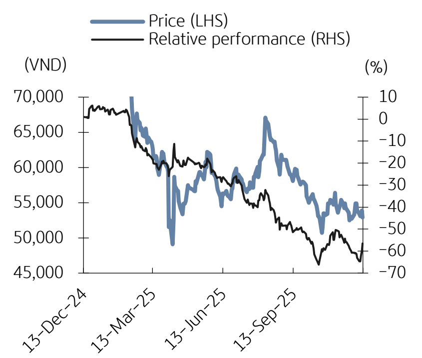
Target price	VND 66,500
Upside	27%
Current price (Dec 15, 2025)	VND 52,300
Consensus target price	VND 63,400
Market cap (VNDtn/USDbn)	198.7/7.6

Trading data

Free float	4.6%
3M avg trading value (VNDbn/USDmn)	47.1/1.8
Foreign ownership	2.5%
Major shareholder	Ministry of Finance (95.4%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-3	-9	-6	-27
Relative	-3	-7	-30	-57



Source: Bloomberg, KB Securities Vietnam

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	19,998	22,597	25,274	27,429
Operating profit/loss (VNDbn)	10,467	14,431	14,572	13,713
NPAT-MI (VNDbn)	7,222	10,421	10,690	10,063
EPS (VND)	3,318	4,787	2,984	2,809
EPS growth (%)	29	44	-38	-6
P/E (x)	17.5	12.1	19.5	20.7
P/B (x)	2.5	2.1	3.0	2.6
ROE (%)	17	19	17	14
Dividend yield (%)	0	0	0	0

KB Securities VIETNAM

KBSV RESEARCH

Sai Gon Cargo (SCS)

Challenges from Long Thanh International Airport

Analyst Nguyen Ngoc Anh
(+84) 24-7303-5333 anhntn@kbsec.com.vn

December 22, 2025

9M25 revenue/NPAT respectively touched VND870 billion (+17% YoY)/VND563 billion (+8% YoY)

After 9M25, SCS Cargo Service (SCS) logged VND 870 billion in revenue (+17% YoY), achieving 74% of its full-year target. NPAT reached VND563 billion (+8% YoY), a much slower growth rate compared to revenue as the corporation has no longer enjoyed tax incentives since the end of 2024 and had to pay 20% tax rate from 2025.

Cargo throughput at SCS should post positive growth until mid-2026 before LTA becomes operational

International cargo throughput at SCS in 2025/1H26 is projected to reach 10.5%/7% YoY, driven by: (1) continued growth in demand for semiconductors and electronic components exported to the US, (2) the government's target of 10% GDP growth in 2026, and (3) airlines continuously expanding their fleets, increasing frequency, and opening new international routes.

SCS may lose some market share in LTA from 2H26

We expect that after the infrastructure connecting to Long Thanh International Airport (LTA) is completed, the allocation of international flights between LTA and Tan Son Nhat International Airport (TSN) will fluctuate around 75%/25%. The proportion of international cargo from Ho Chi Minh City to LTA in 2026/2027/2028F may touch 35%/50%/60%.

The 2025 dividend is expected to be VND5,000 per share

We believe SCS will maintain a high cash dividend yield in the coming years. The dividend for 2025 is expected to be VND5,000 per share.

NEUTRAL rating - Target price VND56,800

Based on valuation results, we changed to NEUTRAL rating on SCS shares with a target price of VND56,800 apiece.

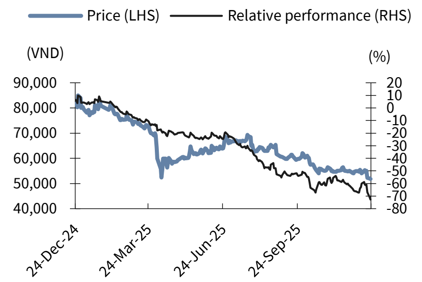
Neutral change

Target price	VND56,800
Upside	9.2%
Current price (Dec 22, 2025)	VND52,000
Consensus target price	-
Market cap (VNDtn/USDbn)	4.9/0.2

Trading data	
Free float	45.0%
3M avg trading value (VNDbn/USDmn)	17.1/0.7
Foreign ownership	9.8%
Major shareholder	Gemadept (GMD, 33.42%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-6	-13	-19	-32
Relative	-13	-21	-49	-73



Source: Bloomberg, KB Securities Vietnam

Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	705	1,037	1,170	1,061
Operating income/loss (VNDbn)	571	785	923	802
NPAT-MI (VNDbn)	498	693	736	640
EPS (VND)	4,638	6,547	7,212	6,206
EPS growth (%)	-29	41	10	-14
P/E (x)	13	9	8	10
P/B (x)	5	4	4	4
ROE (%)	37	49	48	38
Dividend yield (%)	6	8	10	8

KB SECURITIES VIETNAM (KBSV)

Head Office:
Levels 16&17, Tower 2, Capital Place, 29 Lieu Giai Street, Ngoc Ha, Hanoi, Vietnam
Tel: (+84) 24 7303 5333 - Fax: (+84) 24 3776 5928

Hanoi Branch:
Level 1&2, Office Building, 5 Dien Bien Phu Street, Ba Dinh, Hanoi, Vietnam
Tel: (+84) 24 7305 3335 - Fax: (+84) 24 3822 3131

Ho Chi Minh Branch:
Level 21, Vietinbank Tower, 93-95 Ham Nghi Street, Sai Gon, Ho Chi Minh City, Vietnam
Tel: (+84) 28 7303 5333 - Fax: (+84) 28 3914 1969

Saigon Branch:
Level 1, Saigon Trade Center, 37 Ton Duc Thang Street, Sai Gon, Ho Chi Minh City, Vietnam
Tel: (+84) 28 7306 3338 - Fax: (+84) 28 3910 1611

CONTACT INFORMATION
Hotline: 1900 1711
Email: info@kbsec.com.vn
Website: www.kbsec.com.vn

Investment ratings & definitions

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