



## Company Report: Saigon VRG Investment Corporation (HOSE: SIP)

Equity Analyst

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# 1H/2025 Earnings Update – In Line with Forecast

### KEY HIGHLIGHTS

Saigon VRG Investment Corporation (SIP) announced its Q2/2025 business results, with revenue reaching nearly VND 2,130 billion (+10% YoY and +10% QoQ) and net profit after minority interest of VND 309 billion (+3% YoY but -12% QoQ). The profit growth mainly stemmed from improved gross margin and a sharp increase in net financial income (+31x YoY), although significantly higher financial expenses (+2.47x YoY) partially offset net profit.

Cumulatively for H1/2025, SIP recorded net revenue of nearly VND 4,071 billion and net profit after tax of over VND 744 billion, up 8% and 26% YoY respectively. For 2025, the company targets consolidated revenue of VND 5,657 billion and net profit of nearly VND 833 billion, representing decreases of 33% and 35% compared to 2024. By mid-year, SIP had fulfilled approximately 72% of its revenue target and 89% of its profit goal, respectively reaching 47% and 56% of GTJAS RS expectations.

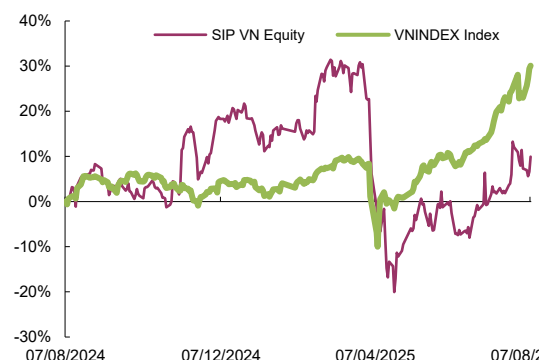
### RECOMMENDATION

We maintain our target price for SIP, adjusted for the new share count, at VND 68,800 per share (3.7% upside from the closing price of VND 66,400 on August 7, 2025).

However, we downgrade our rating from **BUY** to **HOLD** due to the stock's strong performance, up +10.82% since our BUY recommendation on June 26, 2025.

<b>Recommendation:</b>	<b>HOLD</b>
	VND 79,200
	↓
Target price	VND 68,800 (+3.7%)
Current price (07/08/2025)	VND 66,400

Price return (1y return)



Stock price change	1 M	3 M	1Y
Price change %	8.2%	14.6%	9.9%
Comparison with VN-index	21.0%	39.4%	40.0%
Average (VND)	63,957	60,639	65,938

Source: Bloomberg, Guotai Junan (VN)

Outstanding shares (million)	242.11
Market Capitalization. (VND b)	15,592.07
3-Month Average Trading Volume ('000)	775.57
Highest/Lowest Price 52w (VND)	79,380 / 48,300

Source: Bloomberg, Guotai Junan (VN).

Major shareholder	An Loc JSC 19.79%
Free float (%)	45%
ROE 2024	29%



## UPDATES ON SAI GON VRG'S 1H/2025 BUSINESS RESULT

INCOME STATEMENT	Q2/ 2025	Q2/ 2024	YoY	1H/ 2025	1H/ 2024	YoY	GTJAS 2025 forecast	%1H results/ Forecast
<b>Revenue</b>	<b>2,129</b>	<b>1,933</b>	10%	4,071	3,760	8%	<b>8667</b>	47%
Electricity and water supply				3,389	3,109	9%	7057	48%
Industrial land leasing				210	190	11%	442	47%
Residential area (Thuan Loi Phase 2)				34	-	-	135	25%
Other services (RBW/RBF)				92	74	25%	329	28%
<b>Gross profit</b>	<b>291</b>	<b>244</b>	19%	611	516	18%	1255	49%
Gross profit margin	<b>14%</b>	<b>13%</b>		<b>15%</b>	<b>14%</b>	<b>+1ppt</b>	<b>14%</b>	
<b>Financial income</b>	<b>168</b>	<b>191</b>	-12%	401	257	56%	586	68%
Deposit interest, loan interest				231	150	54%		
Profit from sale of investments				135	72	88%		
Financial expenses	<b>(63)</b>	<b>(18)</b>	247%	(107)	(35)	208%	-116	
<b>Income from joint ventures</b>	<b>3</b>	<b>17</b>	-81%	18	34	-46%		
SG&A	<b>(31)</b>	<b>(27)</b>	13%	<b>(56)</b>	<b>(53)</b>	7%	-124	
<b>Net profit from operating activity</b>	<b>367</b>	<b>407</b>	-10%	867	719	21%	1,642	
<b>Other incomes</b>	<b>62</b>	<b>2</b>	+31.x	61	6	+9.6x		
<b>NI</b>	<b>342</b>	<b>331</b>	3%	744	589	26%	1336	56%
<b>NPATMI</b>	<b>309</b>	<b>299</b>	3%	660	545	21%	1,170	56%
<b>Gross profit margin by business sector</b>								
Electricity and water supply				8.2%	7.6%		8.0%	
Industrial land leasing				69%	69%		66%	
Residential area (Thuan Loi Phase 2)				55%	-		50%	
Other services (RBW/RBF)				15%	14%		33%	

## 1. Business results in line with GTJAS forecast

Saigon VRG Investment Corporation (SIP) announced its Q2/2025 business results, with revenue reaching nearly VND 2,130 billion (+10% YoY and +10% QoQ) and net profit after minority interest of VND 309 billion (+3% YoY but -12% QoQ). The profit growth mainly stemmed from improved gross margin and a sharp increase in net financial income (+31x YoY), although significantly higher financial expenses (+2.47x YoY) partially offset net profit.

Cumulatively for H1/2025, SIP recorded net revenue of nearly VND 4,071 billion and net profit after tax of over VND 744 billion, up 8% and 26% YoY respectively. For 2025, the company targets consolidated revenue of VND 5,657 billion and net profit of nearly VND 833 billion, representing decreases of 33% and 35% compared to 2024. By mid-year, SIP had fulfilled approximately 72% of its revenue target and 89% of its profit goal.

During H1/2025, SIP's **revenue from industrial land lease rose by 11% YoY**, thanks to changes in deferred revenue and the application of allocation methods for long-term leases. This segment remains a key growth driver and contributes a major share to the company's gross profit..

**Revenue from utilities (power and water)** in industrial parks also maintained steady growth, up 8% YoY. Gross margin of this segment improved by 0.6 percentage points, benefiting from EVN's electricity price hike in May and higher margins from solar power.

**Ready-built warehouse and factory leasing (reported under "Other service revenue")** grew

25% YoY but only achieved 28% of our forecast. Revenue from residential handovers reached VND 34 billion, also fulfilling only 28% of expectations due to slower-than-expected delivery progress.

In summary, **H1 revenue met 47% of GTJAS's 2025 forecast**, mainly driven by strong growth in core businesses: industrial land leasing and utility services. Strong gains in financial income further supported profit, resulting in a 26% YoY increase in H1 net profit, fulfilling 56% of our projection.

Core revenues and profits from utility services and industrial land leasing are generally in line with expectations, though further detailed review is warranted. We maintain forecasts for the warehouse leasing and residential handover segments and will continue monitoring their progress in H2/2025.

## 2. Asset structure shifts toward prudence

As of the end of Q2, SIP's total assets stood at over VND 27,914 billion, up 11% YTD.

Cash and cash equivalents reached VND 6,795 billion (+15% YTD, +5% QoQ), while short-term loans receivable were nearly VND 2,700 billion (+67% YTD, +17% QoQ). In previous quarters, SIP mainly lent to VCBS and CTS — securities companies under state-owned banks with stable operations. We continue to monitor SIP's disclosures regarding loan structures.

Inventories were nearly VND 337 billion, up 5% YTD. Construction in progress was VND 2,233 billion, down 3% YTD. Key projects include:

- Phuoc Dong Boi Loi Industrial – Urban – Service Park (VND 935 billion, -14% YTD)
- Le Minh Xuan 3 Industrial Park (VND 729 billion, +5% YTD)
- Loc An – Binh Son IP (VND 239 billion, +5% YTD)
- Dong Nam IP (VND 204 billion, -1% YTD)
- Thanh Phuoc Port (VND 93 billion, +78% YTD)

On the funding side, total liabilities at the end of Q2 amounted to over VND 22,575 billion, up 12% YTD. Of this, customer advances and unearned revenue made up VND 13,108 billion, up 8% and accounting for 58% of total liabilities.

Total debt was over VND 4,773 billion, up 33%, making up 21% of total liabilities. The increase mainly came from short-term borrowings (over VND 3,720 billion, +51% YTD) in the form of unsecured loans for working capital. Conversely, long-term debt, used to fund ready-built factory projects at Le Minh Xuan 3 and land clearance at Phuoc Dong – Phase 3, slightly declined by 7% YTD. The rise in debt is not concerning given SIP's strong cash position and healthy core operating cash flow.

## 3. Operating cash flow improves thanks to sales from industrial land leasing

We estimate operating cash inflow for H1/2025 to be around VND 1,215 billion (+1.42x YoY), with roughly 73% coming from increased cash flow from industrial land leasing (~VND 890 billion), and the rest from a return to positive cash flow from sales at the Thuan Loi residential project (~VND 14 billion). This robust cash flow was primarily driven by healthy industrial land sales in H1.

This year, SIP plans to lease out approximately 45 hectares of industrial land, mainly at Phuoc Dong IP (30 ha), with the remainder at Dong Nam, Le Minh Xuan, and Loc An – Binh Son IPs. By Q1/2025, SIP had handed over 15.7 ha at Phuoc Dong to two projects and welcomed two new tenants



relocating from Bien Hoa IP, totaling 12 ha. Cumulatively, over 27 ha had been handed over by the end of Q1. Q2/2025 leasing data has not been disclosed.

However, according to GTJAS RS's estimates, with an average rental price of 90 USD/m<sup>2</sup>/remaining lease term at Phuoc Dong Industrial Park, and ~230 USD/m<sup>2</sup>/remaining lease term at Loc An Binh Son Industrial Park, the 1H/2025 industrial land rental revenue reflects the revenue from the handover of more than 27 hectares in Q1/2025. Thereby, we predict that in Q2/2025, businesses have not recorded any additional handovers of industrial land. We will continue to monitor and provide updates on the company's disclosed land leasing activities in the upcoming periods.

#### 4. Stock dividend issuance completed; charter capital exceeds VND 2,400 billion

As of July 15, 2025, SIP successfully distributed over 31.57 million shares to 4,114 existing shareholders. The issuance was executed at a 100:15 ratio, meaning shareholders received 15 new shares for every 100 shares held.

The issuance was funded from retained earnings as of December 31, 2024, per audited financial statements. Odd shares (470) will be canceled according to regulations. The share transfer date is scheduled for August 18, 2025. Post-issuance, SIP's charter capital increased from VND 2,105.3 billion to VND 2,421.1 billion.

#### GTJAS RS ASESMENT

SIP's business strategy in H1/2025 reflects a proactive and cautious approach, well-aligned with the overall industry volatility. The company boosted its cash position and pursued safe short-term lending to optimize liquidity while reducing construction-in-progress costs to manage project risks.

Short-term borrowings to support working capital were implemented selectively, while long-term capital was directed toward projects with early cash flow potential such as **Thanh Phuoc Port and ready-built factories at Le Minh Xuan 3 IP**. Overall, SIP is pursuing a sustainable growth strategy by maximizing the value of existing land banks, coupled with tight financial management to maintain stable profit margins amid ongoing global tariff and FDI uncertainties.

We maintain our target price for SIP, adjusted for the new share count, at **VND 68,800 per share** (3.7% upside from the closing price of VND 66,400 on August 7, 2025).

However, we **downgrade our rating from BUY to HOLD** due to the stock's strong performance, up **+10.82%** since our BUY recommendation on June 26, 2025.



## BUSINESS RESULT PROJECTION

	2023	2024	2025F	%YoY	2026F	%YoY
<b>Revenue</b>	<b>6,677</b>	<b>7,804</b>	<b>8,667</b>	<b>11%</b>	<b>9,076</b>	<b>5%</b>
Electricity and water supply	5,674	6,548	7,057	8%	7,341	4%
Industrial land leasing	375	389	442	13%	506	15%
Other services in IP	343	427	464	9%	485	5%
Other services (manufacturing facility)	141	276	329	19%	384	17%
Residential area (Thuận Lợi GD2)	0	0	135	-	135	
Others	144	164	240	46%	225	-6%
<b>Gross profit</b>	<b>930</b>	<b>1,098</b>	<b>1,255</b>	<b>14%</b>	<b>1,392</b>	<b>11%</b>
<i>Gross profit margin</i>	<i>14%</i>	<i>14%</i>	<i>14%</i>		<i>15%</i>	
Financial income	439	622	586		533	
Financial expenses	-69	-116	-116		-101	
Selling expenses	-13	-22	-23		-22	
Management expenses	-96	-89	-101		-124	
Net profit from operating activity	1,263	1,559	1,642		1,748	
PBT	1,274	1,572	1,655	5%	1,762	6%
Tax expenses	-271	-293	-319		-337	
<b>Net income</b>	<b>1,004</b>	<b>1,279</b>	<b>1,336</b>	<b>4.5%</b>	<b>1,425</b>	<b>7%</b>
<i>Net profit margin</i>	<i>15%</i>	<i>16%</i>	<i>15%</i>		<i>16%</i>	
<b>EPS (VND/share)</b>	<b>3992</b>	<b>5136</b>	<b>6344.7</b>		<b>6767.6</b>	

Source: SIP, GTJASVN RS



## STOCK RATING

Benchmark index: **VN – Index.**

Investment horizon: **6 to 18 months**

SUGGESION	DEFINITION
<b>Buy</b>	Expected rate of return $\geq 15\%$ Or firm/major with a positive outlook
<b>Accumulation</b>	Expected rate of return from 5% to 15% Or firm/major with a positive outlook
<b>Neutral</b>	Expected rate of return from -5% to 5% Or Company/with a neutral outlook
<b>Underweight</b>	Expected rate of return from -15% to -5% Or firm/major with a negative outlook
<b>Sell</b>	Expected rate of return $< -15\%$ Or firm/major with a negative outlook

## MAJOR RATING

Benchmark index: **VN – Index**

Investment horizon: **6 to 18 months**

Rating	Definition
<b>Outstanding</b>	The industry 's average rate of return exceeds the VN-index by more than 5% Or positive industry outlook
<b>Neutral</b>	The industry's average rate of return relative to the VN-index ranges from -5% to 5% Or neutral industry outlook
<b>Inefficient</b>	The industry's average rate of return smaller than the VN-index by about -5% Or negative industry outlook

## RECOMMENDATION

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