Shinhan Securities

Equity Strategy

September 2025

VnIndex reached all-time-High. Which level are corporate profits in?



Nien Nguyen – Associate Manager

☎ (84-8) 6299-7009

✉ nien.nh@shinhan.com

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VnIndex continuously reached a new high

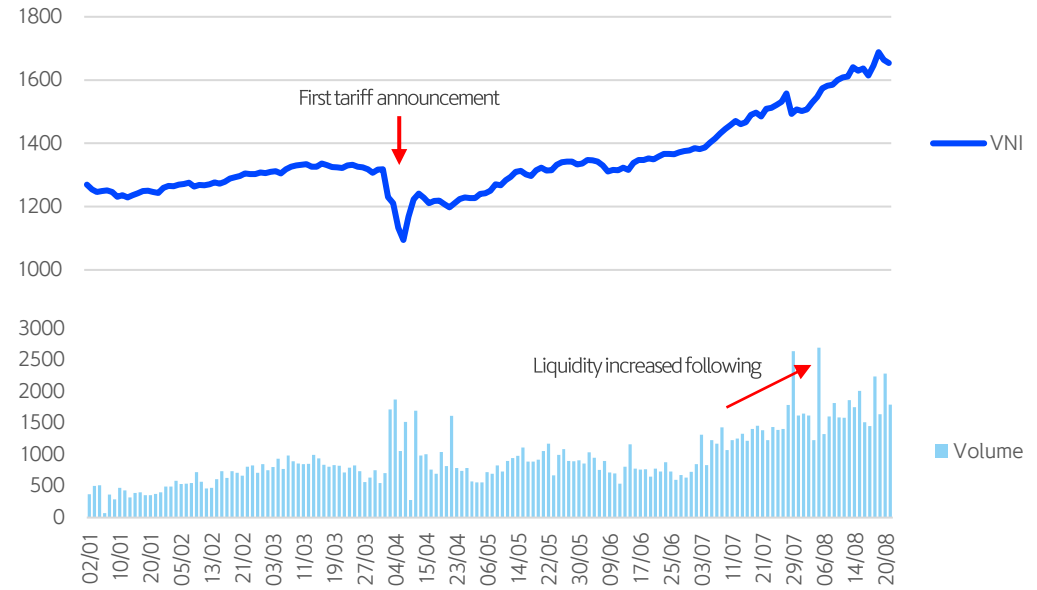
Vietnam stock market in 2025 was volatile. It fluctuated widely in two sides. VnIndex fell sharply in April 2025, reaching the bottom in 2023 before recovering remarkably and established an all-time high in August 2025. On 21 August 2025, VnIndex closed at 1688.0, the highest in history.

VnIndex reached an all-time high

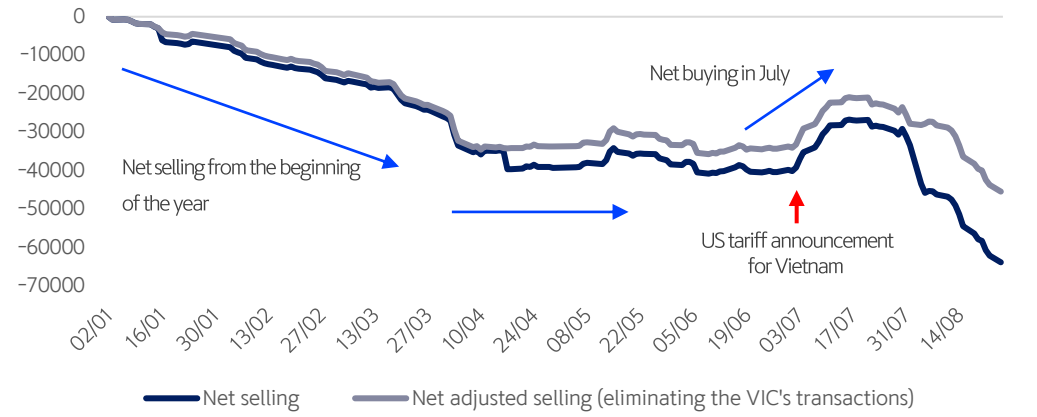
Dramatically up & down Market in 2025

- Vietnam stock market recorded significant ups and downs in 2025. On 21 August 2025, VnIndex closed at an all-time high (ATH) of 1,688 points, equivalent to an increase of 33.3% YTD. However, before that, VnIndex had a sharp decline in April. VnIndex continuously fell from the 1,300 point level to the bottom of 1,073.61 points after the first tariff announcement by US President Donald Trump in April.
- The strong buying force appeared in the 1,070-1,100 range, supporting the market slow down its dramatic decline. The market recovered to the 1,200 level in April. At that time, foreign investors reduced their net selling momentum, helping the market return to the 1,400 level when domestic investors believed in a reasonable US tariff agreement for Vietnam in the future.
- In the beginning of July, the US President Donald Trump announced a 20% tariff on Vietnamese goods exported to the US on his social media – Truth Social. This tariff level was the same to the market's consensus. Concerns about negative impacts on Vietnam's manufacturing and economic activities eased. Foreign investors returned to net buying in July, after a long period of net selling. This pushed the market over the 2022 peak of 1508. The market continuously conquered new heights. From the bottom of 1073.61, the VnIndex has increased by 57.2% to its highest peak.

VnIndex in 2025



Net foreign buying/ selling in 2025



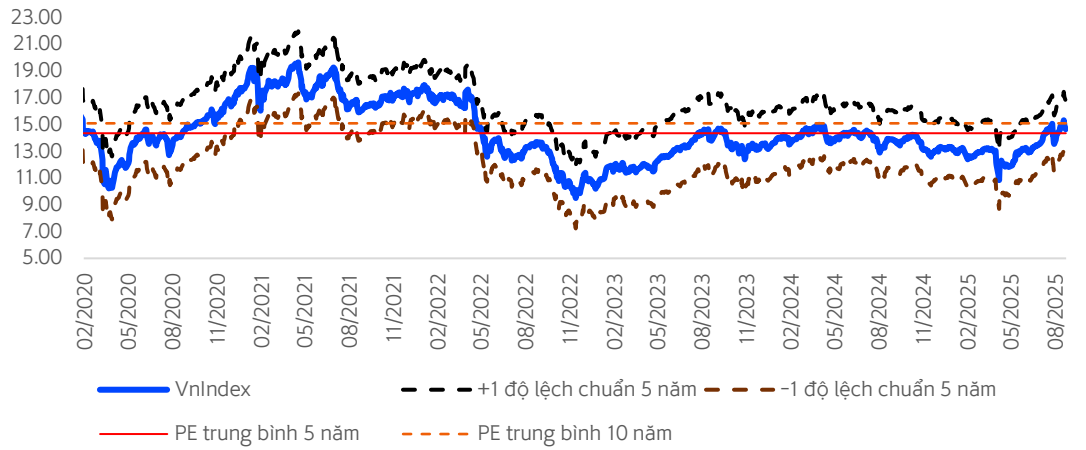
Source: Fiinpro, SSV compilation. Data was updated until 25 August 2025

VnIndex reached an all-time high

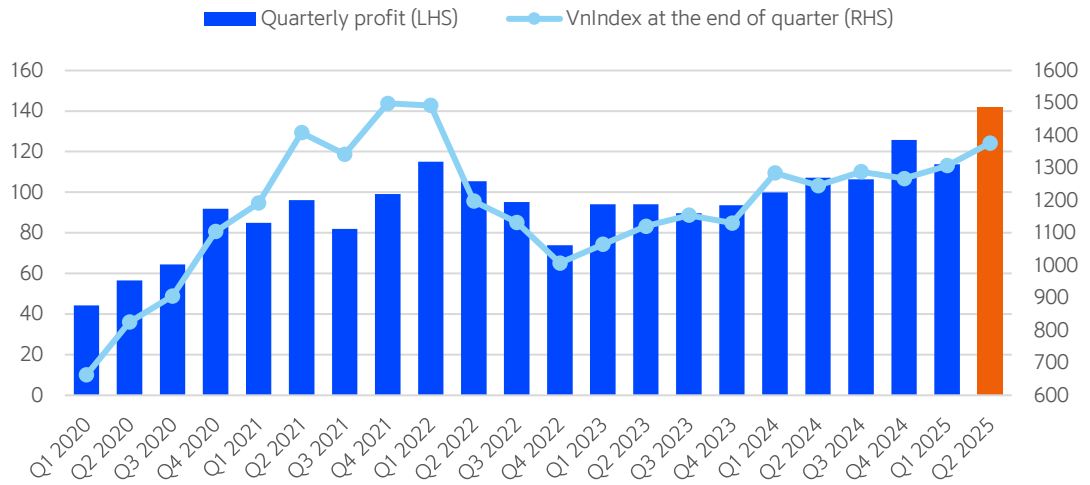
Attractive market PE valuation thanks to profit growth

- Despite reaching a new peak, the market PE valuation showed that valuation was still at a reasonable level. The market PE at 25 August was 14.66. This was lower than the 10-year average PE of 15.1 and slightly higher than the 5-year average of 14.35.
- In Q2 2025, the profit of listed companies on HOSE reached VND 141.7 trillion, increasing by 32.3% YoY and up 12.7% QoQ. Compared to Q1 2022 (the period when the VnIndex reached its previous peak), the profit in Q2 2025 increased by 23.9%. Even when adjusting the technical factors in calculation such as removing 20 companies not listed on HOSE in 2022 such as VPL, BSR, VTP, NAB…, the profit growth of the market remains unchanged. Adjusted VnIndex's profit in Q2 2025 increased by 24% compared to Q1 2022.
- Not only did companies listed on HOSE show profit growth, but also companies on HNX and UpCom. According to Fiinpro's data from 296 companies listed on HNX and 370 companies on UpCom, the total profit reached VND 7.53 trillion (+11.6% YoY, +42.1% QoQ) and VND 21.23 trillion (+22.9% YoY, -27.4% QoQ), respectively.
- In the next section of this report, we will analyze the profit of each sector of listed companies on all 3 exchanges HOSE, HNX and UpCom. Note that the sector data we mentioned in the article is the data of listed companies.

VnIndex P/E from 2020 to 2025



Profit of listed companies on HOSE and VnIndex

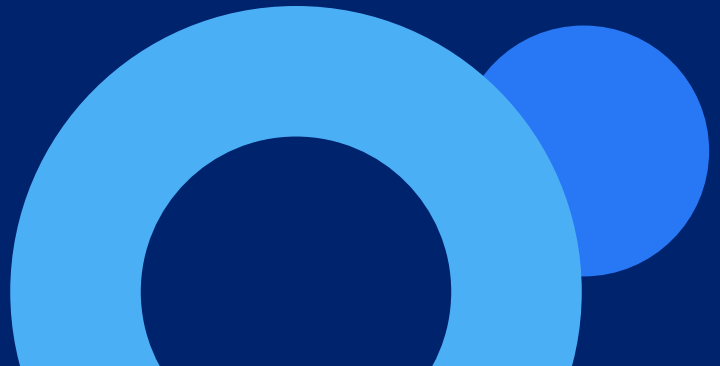


Source: Fiinpro, SSV compilation. Data was updated until 25 August 2025

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Sector profit

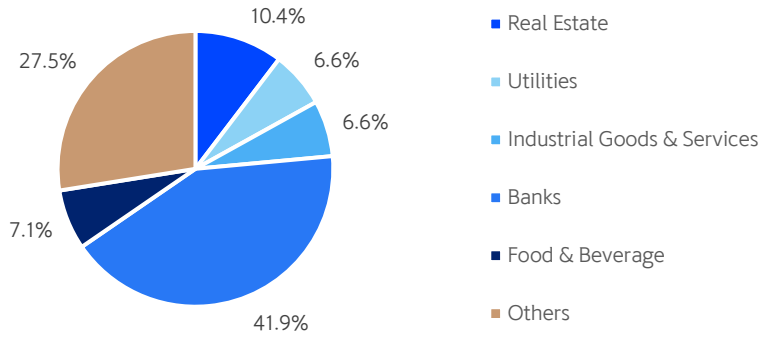
Eight sectors recorded the highest profits in Q2 2025 since 2022. In the sector profit picture, some outstanding companies recorded impressive increases in their business operations. Other sectors have benefits from changes in the macro environment. With the determination of the Vietnamese Government to develop the economy, some sectors have begun to enter a new growth period. Sectors, which are important to the economy such as finance, would maintain growth momentum in the following quarters.



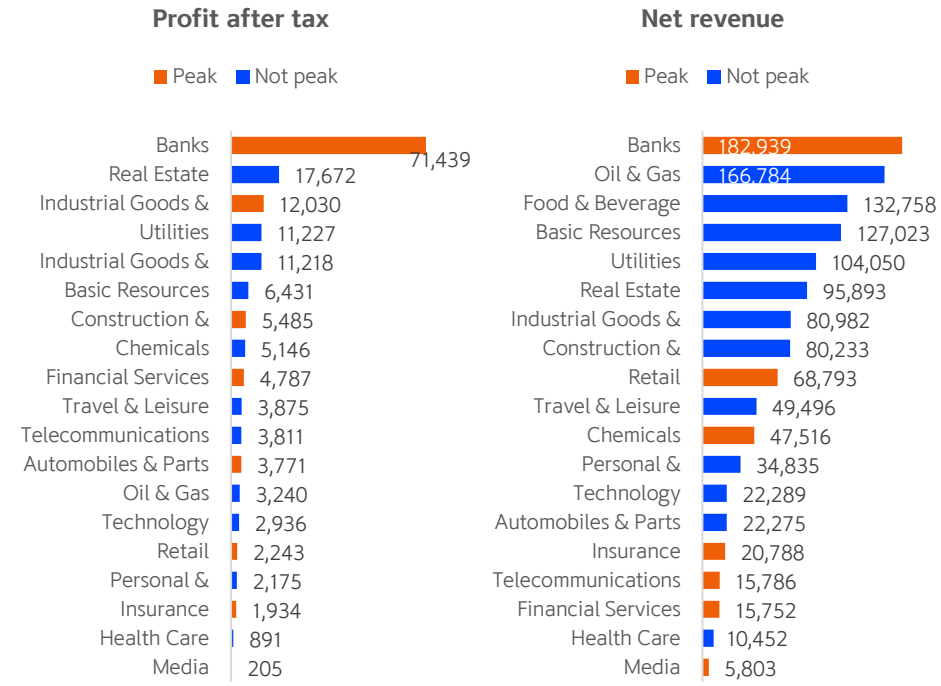
Financial group leads the market in profit

- The profit after tax (PAT) of 1,048 listed companies on the 3 exchanges that we collected from Fiinpro reached 170.5 trillion VND. Banks accounted for the largest proportion, 41.9% of the total profit. The real estate sector ranked 2nd, accounting for 10.4% of the total profit. Companies of Vingroup (VIC, VHM, VRE, VEF) accounted for 63% of the total profit of the real estate group. The top 10 companies with the highest profit in the market included 7 banks in VN30 and 1 real estate company (VHM).
- The next three sectors with the largest total profit were (1) the Food and Beverage sector, (2) the Electricity, Water & Petroleum sector, and (3) the Industrial Goods & Services sector. The total weight of these 3 sectors accounted for 20.2% of the total profit after tax of the market. The top 5 sectors accounted for more than 2/3 of the total profit of the market.
- From 2022 to Q2 2025, in 19 sectors classified by ICB (level 2), there are 8 sectors that recorded the highest profit in Q2 2025. They are: (1) Retail, (2) Insurance, (3) Financial services, (4) Banking, (5) Automobiles and parts, (6) Food and beverages, (7) Media and (8) Construction and materials. These groups have the orange bars in the chart beside.
- However, in terms of revenue, only 7 sectors recorded the highest revenue in Q2 2025. They are (1) Retail, (2) Insurance, (3) Financial services, (4) Chemicals, (5) Banking (the revenue of the banking group is the total operating profit), (6) Media and (7) Telecommunications. Sectors with highest profits but not corresponding revenue are: Automobile and parts, Food and beverage, and Construction & materials.

Profit after tax structure of the market in Q2 2025



Profit after tax structure of the market in Q2 2025



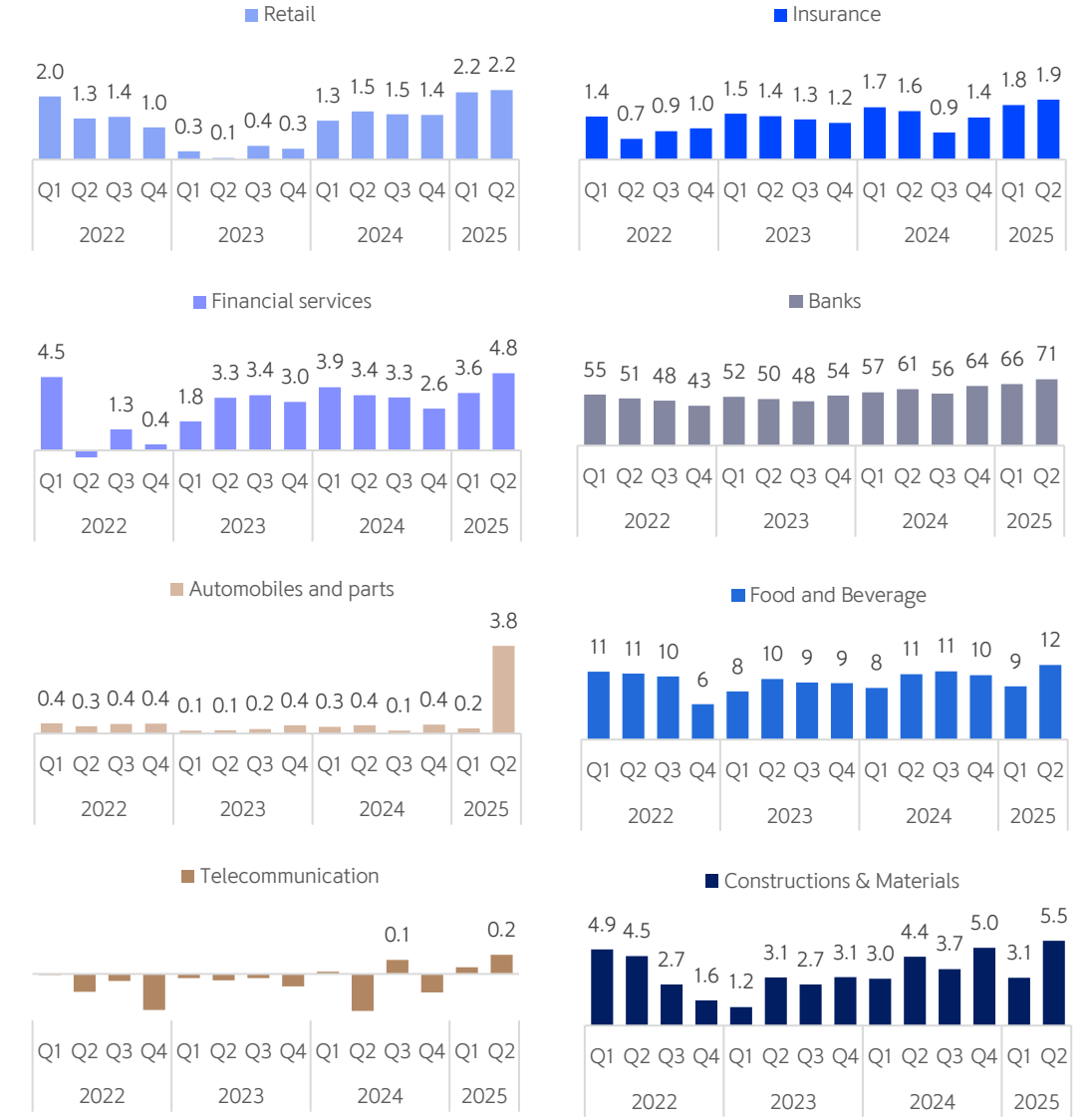
Source: Fiinpro, SSV compilation.

Sector profit

Sectors with the highest quarterly PAT

- In 8 sectors with the highest PAT, the most impressive increase belonged to the automobile and parts sector, increasing 17.x times QoQ and 10.x times YoY. The impressive increase was thanks to the profit growth of a single company. It was Hoang Huy Service Investment Joint Stock Company (ticker: HHS).
- In Q2 2025, HHS recorded VND 3.5 trillion in PAT, accounting for more than 90% of the sector's total profit. HHS's main activity was selling trucks. However, in Q2 2025, HHS increased its ownership of affiliates operating in the real estate sector. This helped HHS record a large financial revenue of nearly VND 3.5 trillion. HHS stock price was double in 2025. Total assets increased from VND 5.5 trillion at the end of 2024 to VND 21.1 trillion at the end of Q2 2025.
- HHS's business activities in the future would largely come from the real estate segment. Therefore, the profit of the automobile and parts group would be anchored at a new high level until ICB reclassifies HHS into another group.
- Except for the automobile and parts sector with extraordinary business results, the remaining profit sectors showed signs of entering a new growth cycle.

Sector with the highest quarterly profit since 2022 (unit: VND trillion)



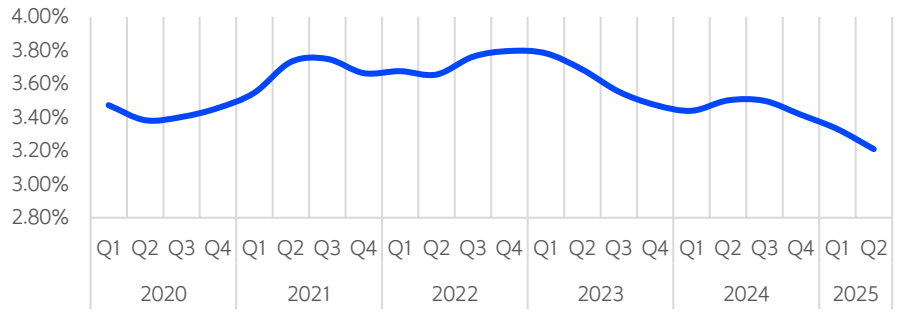
Source: Fiinpro, SSV compilation

Sector profit

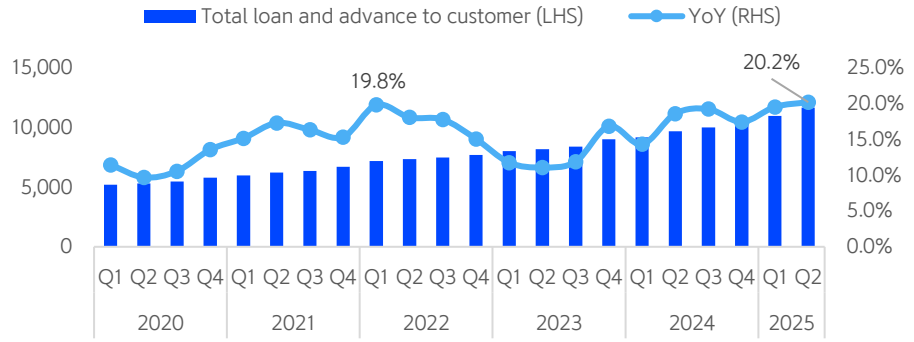
The financial sector (banking, securities) prepared for a new era

- Although NIM of the bank sector narrowed, the sector's profits reached a new peak thanks to credit growth. Total loan and advance to customer of all listed banks increased by 20.2% YoY at the end of Q2 2025, reaching VND 11,677 trillion. Total credit of the entire banking system (including unlisted banks) reached 9.9% YTD, the highest level in 6 months since 2020.
- On 5 August, the Government issued Resolution 226/NQ-CP, replacing Resolution 25/NQ-CP, setting a GDP growth target of 8.3 - 8.5% in 2025. Credit management is identified as one of the important vehicles to support production and business, creating momentum for growth of the entire economy. We forecasted that if GDP growth in 2025F and 2026F reached 8.1% and 8.6% respectively, credit in the entire banking sector would continue to increase accordingly. The sector profits would continue to reach new peaks in the following quarters and in 2026.
- The stock brokerage sector set a new record of profit thanks to the bullish market. The average daily trading value in 2025 increased significantly and exceeded the market peak in 2021-2022. The average daily trading value in July 2025 reached VND 35.1 trillion per session. By August 2025 (until August 25), the average trading value reached VND 51.6 trillion, a new record. The prospect of upgrading the Vietnamese stock market along with economic growth had attracted capital flows into the stock market.

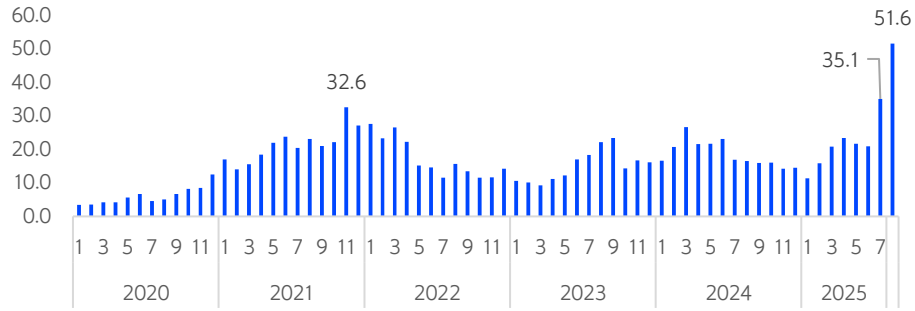
NIM of the bank sector



Total loan and advance to customer of listed banks (unit: VND trillion)



Average daily trading value per month (unit: VND trillion/ day)

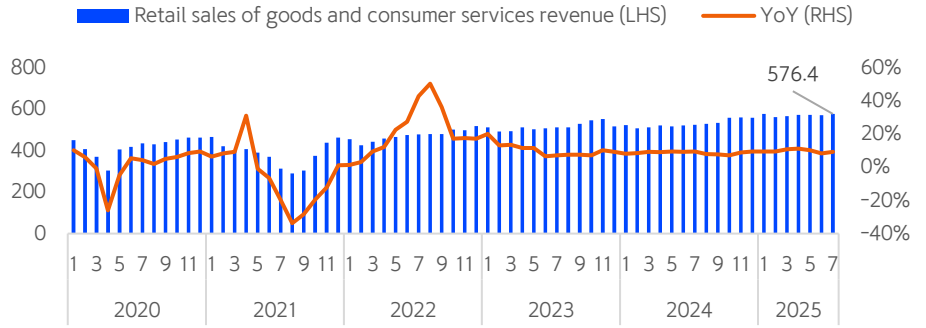


Source: Fiinpro, SSV compilation. Data was updated until 25 August 2025

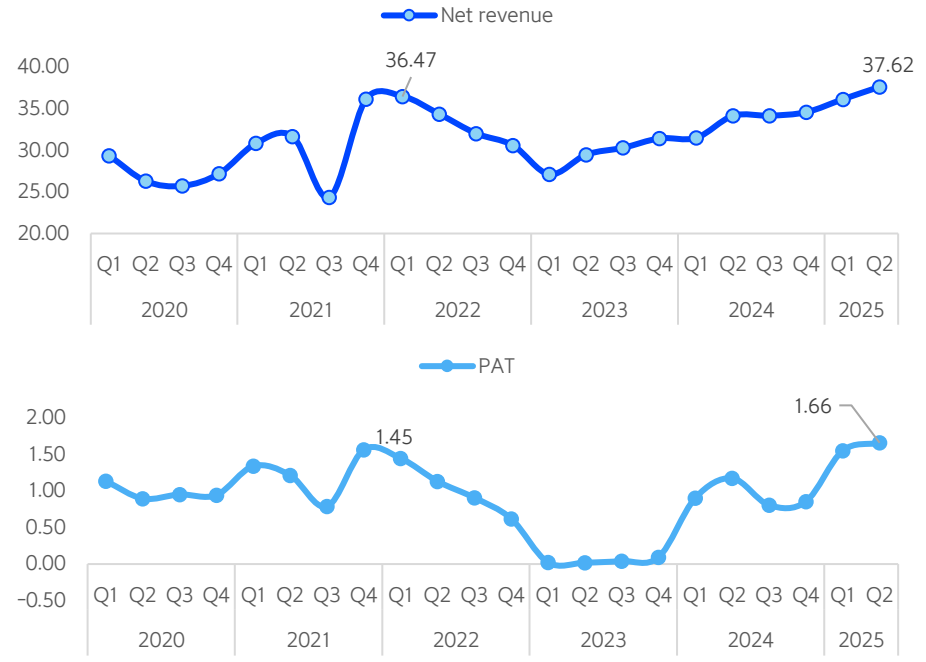
Retail and F&B sector grew with domestic consumption

- In July 2025, total retail sales of goods and consumer service revenue reached VND 576.4 trillion, increasing by 9.2% YoY. Accumulated in 7 months, it reached VND 3,993.3 trillion, increasing by 10.2% YoY. Correspondingly, the listed retail sector revenue grew by 11.6% YoY, 6.2% QoQ and the profit increased by 45.0% YoY, 3.3% QoQ. Food & beverage sector's revenue increased by 1.0% YoY, 17.2% QoQ and profit increased by 13.9% YoY, 40.3% QoQ.
- While companies in the retail group were still on the way to recovering their revenue and profit, MWG had regained its position of the leading company. MWG's after-tax profit accounted for 73.9% of the total profit. MWG recorded a 41.4% YoY and 7.1% QoQ increase in Q2 2025's profit. Thanks to its position in the retail market and financial strength, the revenue of The Gioi Di Dong and Dien May Xanh store chains achieved double-digit growth in H1 2025, which was attributable to customer support policies (promotions, installment policies, etc.). In particular, the EraBlue chain in Indonesia reached the break-even point with a 70% YoY increase in revenue, expanding 28 more stores in 6M2025.
- Big names like MSN, SAB, VNM were gradually improving profit margins and finding ways to effectively control costs in the current economic situation. They helped the food & beverage sector maintain a slight growth momentum in the current situation. However, the most notable name in this sector was not a big name, it was ANV. Nam Viet Joint Stock Company (ticker: ANV) recorded the highest revenue and profit in the history in Q2 2025.

Monthly total retail sales of consumer goods and service revenue from 2020 to July 2025 (unit: VND trillion)



Quarterly MWG's net revenue and profit after tax (VND trillion)

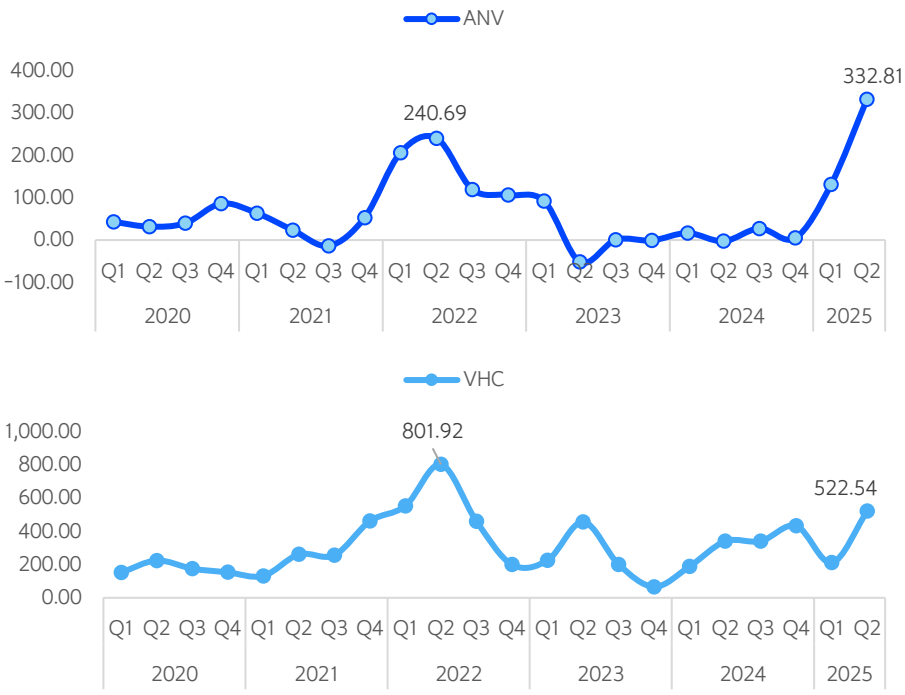


Source: Fiinpro, SSV compilation

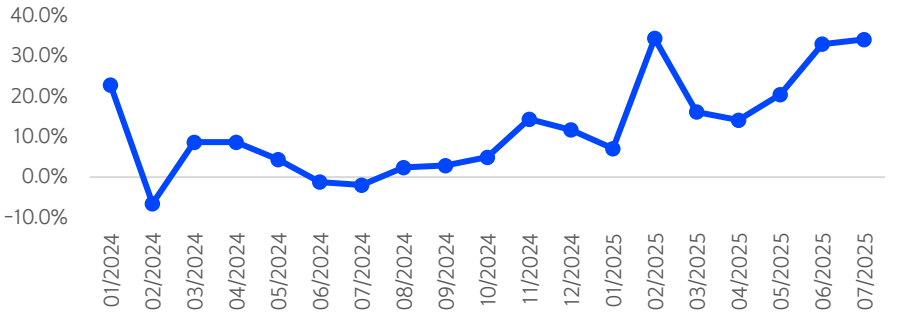
Surprise bright spots from midcap and smallcap businesses

- ANV recorded revenue growth of 44.6% YoY and 56% QoQ in Q2 2025. Profit growth from negative in Q2 2024 turn to positive of VND 332.8 billion in Q2 2025. When the market had concerns over the US imposing tariffs on Vietnamese products, ANV's business performance was a big surprise. A leading company like VHC recorded unimpressive results. VHC's revenue decreased slightly by 0.1% YoY in Q2 2025 and profit grew by 56.8%. There have been fundamental changes in ANV's business operations through product diversification and market expansion strategy. The growth momentum would continue in the following quarters.
- The midcap and smallcap companies in the materials and construction sector also recorded impressive increases in business performance. It is attributable to the high profits of the group in Q2 2025. Construction & material companies related to construction stones and construction plastics such as Nui Nho Stone (NNC), Lam Dong Minerals (LBM), Binh Minh Plastic (BMP), Tien Phong Plastic (NTP) ... all recorded high profits. These stocks reached new all-time high in 2025.
- The construction and material sector recorded good business performance thanks to the recovery of the real estate market and the increasing public investment. According to GSO data, Vietnam's public investment in 7M2025 increased by 23.6% YoY. In July 2025, public investment increased by 34.0% YoY. The speed of public investment was expected to continue to be stronger in the following years as the Vietnamese Government had made significant changes to address the obstacles in public investment.

Quarterly profit of ANV and VHC (VND billion)



Monthly YoY growth of public investment from 2024



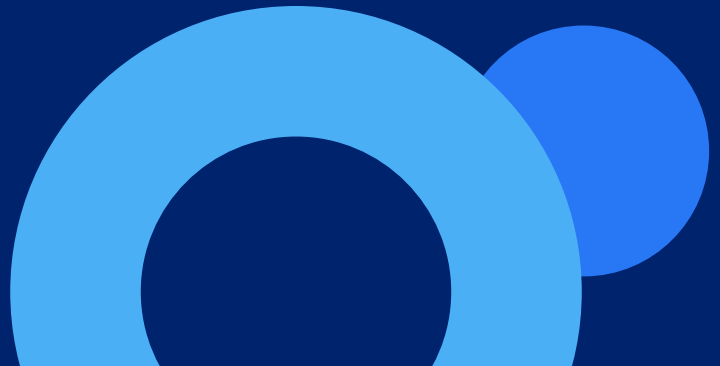
Source: Fiinpro, SSV compilation

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Investment ideas

The bank and construction materials sectors are beneficial from the country's economic development policy. These sectors may be re-rated at a new valuation level. These groups will be updated in upcoming sector reports.

Our investment ideas are based on profit growth and current valuation. Stocks in the retail, food and beverage sectors such as MWG, ANV are our selection.

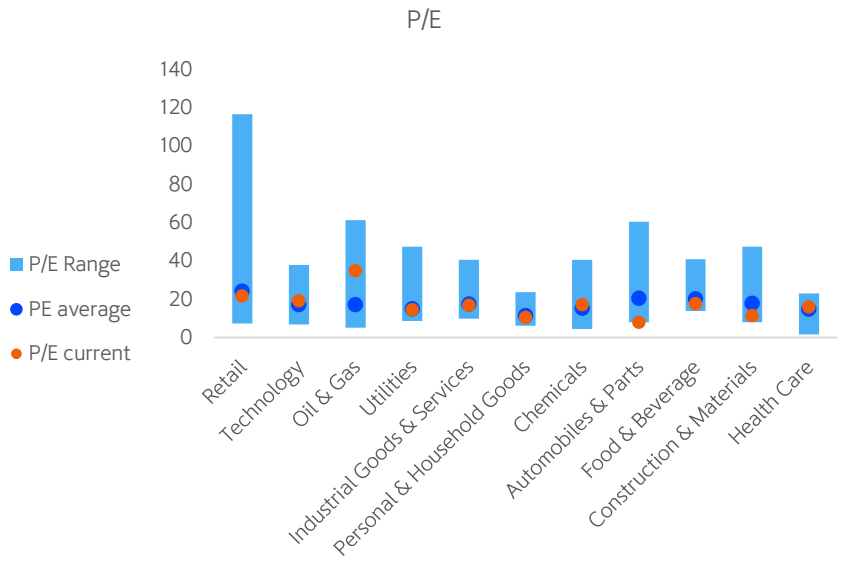


Investment ideas

Potential stocks

- Although the macroeconomics was uncertain, the market had set new peaks continuously. The PE and PB valuations of sector were within historical averages. If profits continued to maintain growth momentum, the market and stock prices would continue to set new peaks.
- Regarding the sector selection for investment, we believe that the banks and the construction & materials sectors are the sectors that can be selected for investment based on current P/B and P/E valuations. These groups will be updated in the Banking Industry Report, Steel Industry Report and Public Investment Report. In each report, potential stocks in the industry will be recommended.
- Regarding the stock selection for investment, we pick MWG and ANV as investment ideas in Q3 2025. Both companies are setting new profit peaks but their stock prices have not returned to historical peaks. The profit growth momentum of both companies will continue in the following months. Stories accompanying with companies when the market is rising will act as catalysts for the stock price.
  - ❑ MWG has planned to IPO its two store chains, The Gioi Di Dong and Bach Hoa Xanh, to realize the company's vision and ambition to expand the area of the store chains.
  - ❑ ANV has been actively expanding its export market and diversifying its products in the current period. On 5 July 2025, ANV signed a cooperation agreement with AV09 Comercio Exporter Ltda – one of the largest food importers in Brazil. ANV would be the first Vietnamese company to officially export pangasius and tilapia products to Brazil.

Sector valuation (2018 – 25/8/2025) of VnIndex at the end of 25/8/2025





Source: Fiinpro, SSV compilation

Important Disclosure

Stock

- **BUY:** Expected 12-month gain of 15% or more
- **HOLD:** Expected 12-month loss of 15% to gain of 15%
- **SELL:** Expected 12-month loss of 15% or more

Sector

- **OVERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated BUY
- **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD
- **UNDERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated SELL



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Shinhan Investment Network

SEOUL
Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK
Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG
Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA
PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI
Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH
Shinhan Securities Vietnam Co., Ltd.
18th Floor, The Mett Tower, 15 Tran Bach Dang, Thu Thiem Ward,
Thu Duc City, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI
Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000

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