



Saigon Beer - Alcohol - Beverage Corporation

[Vietnam / Food and beverages]

Bloomberg Code (SAB VN) | Reuters Code (SAB.HM)

BUY

Update Report

Target price (12 months) 58,500 VND

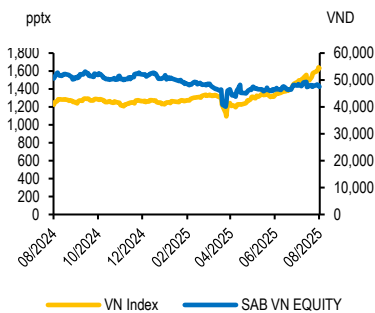
Current price (18/08/2025) 47,150 VND

Return (%) 24%

VNINDEX	1,636
Market P/E (x)	13.2
Market Cap (bn VND)	60,473
Outstanding shares (1mn)	1,283
Free float (1mn)	134
52-week high/low (VND)	58,800/41,500
90-day avg. trading volume (1mn)	1.37
90-day avg. turnover (bn VND)	63
Foreign ownership (%)	60

Major shareholders (%)	Vietnam Beverage Company Limited	54
	Ministry of Industry and Trade	36

Performance	3M	6M	12M
Abs (%)	-6.6	-7.9	-16.3
Rel to VN-Index (%)	-32.4	-35.9	-46.9


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Attractive dividend yield

Update recommendation BUY, target price at VND 58,500

Saigon Beer-Alcohol-Beverage Corporation (HOSE: SAB) is the second largest beer producer in Vietnam with a market share of 35% (Euromonitor, 2024). SAB takes the lead in the number of breweries with a capacity of 3.1 billion liters/year, providing from mid-priced to premium products.

SAB recorded weak business results in the first half with revenue decreased 17.4% YoY and after-tax profit decreased 12.5% due to the impact of excise tax calculation after the consolidation with Sabibeco and reduced output in the context of difficult consumption. However, we still appreciate SAB with its position as an industry leader with good financial ratios, low debt and attractive dividend yield; despite the unfavorable short-term industry context; combined with a valuation index that is low compared to history. Based on the FCF and P/E methods, we recommend buying SAB with a target price of VND 58,500, corresponding to an expected return of 24%, 2025F P/E of 18.6x.

Update SAB's business result in Q2/2025

Sabeco recorded revenue in the second quarter of 2025 of VND 6,804 billion (-15.9% YoY) and after-tax profit of VND 1,250 billion (-5.2% YoY). Of which, beer revenue decreased by nearly 10% YoY, reaching VND 6,314 billion. The reason for the decrease in revenue came from the impact of the merger with Sabibeco (SBB) and reduced output in the context of a difficult consumer market. The raw material segment also decreased by nearly 60% YoY due to the impact of the merger. According to the Board of Directors, if excluding the impact of the merger, Like-for-like revenue in the first 6 months decreased by about 4% YoY. Also thanks to the impact of the merger and the use of high-priced barley inventory, the beer segment's gross profit margin also improved significantly to 38% (same period was 34%), pushing the total gross profit margin to 36% (up 5.8 percentage points YoY).

Thus, in the first 6 months, SAB achieved VND 12,615 billion in net revenue and VND 2,049 billion in profit after tax, completing 40% and 42% of the plan set at the General Meeting of Shareholders, respectively.

Outlook for 2025

Given that Decree 70 on e-invoices and new tax collection methods affecting the traditional distribution channel (GT) when many retailers stop importing goods and to reflect the impact of excise tax accounting after consolidation, we lower SAB's 2025 revenue forecast to VND 27,511 billion (-13.7% YoY), and net profit to VND 4,290 billion (-4.6% YoY). Of which, the beer segment is forecast to contribute VND 25,456 billion in revenue, with a gross profit margin of 35.5%, up 4.3 percentage points.

Risks: (1) Risk of raw material prices; (2) Risk of excise tax; (3) Policy risk; (4) Risk of domestic consumption recovering weaker than expected.

Year to Dec.	2022	2023	2024F	2025F	2026F
Revenue (bn VND)	34,979	30,461	31,872	27,511	28,224
OP (bn VND)	5,498	3,811	4,437	4,461	4,562
NP (bn VND)	5,499	4,255	4,494	4,290	4,384
EPS (VND)	7,980	3,132	3,291	3,138	3,205
BPS (VND)	36,083	18,877	18,152	16,311	16,042
OPM	15.7	12.5	13.9	16.2	16.2
NPM	15.7	14.0	14.1	15.6	15.5
ROE	22.4	17.0	18.0	18.4	19.8
PER (x)	18.8	18.4	16.9	18.6	18.3
PBR (x)	4.0	4.2	3.0	3.1	3.6
EV/EBITDA (x)	12.9	12.3	11.4	12.6	12.3

Source: Company data, Shinhan Securities Vietnam

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Update on Q2/2025 and forecast

Billion VND	Q2/2025	Q2/2024	Change (YoY)	H1/2025	Change (YoY)	2025F	Change (YoY)
Net revenue	6,804	8,086	-15.9%	12,615	-17.4%	27,511	-13.7%
Beer segment	6,314	7,010	-9.9%	11,673	-12.5%	25,456	-8.4%
Raw materials	395	980	-59.7%	753	-56.8%	1,672	-55.0%
Beverages	14	36	-61.1%	70	-19.5%	167	2.5%
Others	80	60	33.3%	118	16.8%	216	6.4%
Gross profit	2,448	2,440	0.3%	4,321	-4.8%	9,220	-1.1%
Gross profit margin	36.0%	30.2%	5.8%	34.3%	4.6%	33.5%	4.3%
Beer segment	38.0%	34.0%	4.0%	36.2%	2.9%	35.5%	2.7%
Raw materials	0.3%	0.5%	-0.2%	0.7%	0.0%	0.4%	0.0%
Beverages	21.4%	25.0%	-3.6%	24.3%	-3.3%	22.8%	-5.4%
Others	57.5%	66.7%	-9.2%	63.6%	-5.7%	63.7%	-4.9%
Net profit	1,250	1,319	-5.2%	2,049	-12.5%	4,290	-4.6%
NPATMI	1,207	1,248	-3.3%	2,000	-10.9%	4,136	-4.5%
Net profit margin	18.4%	16.3%	2.1%	16.2%	0.0%	15.6%	1.5%

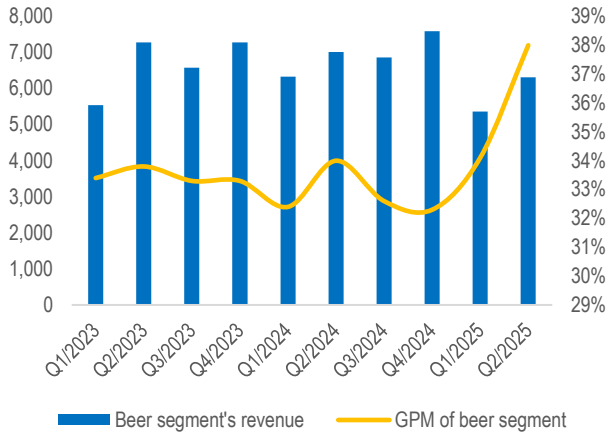
Source: Company data, Shinhan Securities Vietnam

Sabeco recorded revenue in the second quarter of 2025 of VND 6,804 billion (-15.9% YoY) and after-tax profit of VND 1,250 billion (-5.2% YoY). In particular, beer revenue decreased by nearly 10% YoY, reaching VND 6,314 billion. The reason for the decrease in revenue came from the impact of the merger with Sabibeco (SBB) when SBB became a subsidiary instead of an associate (excise tax was excluded from beer sales revenue that SAB purchased from SBB) and lower output when consumption market was still facing difficulties. The raw materials segment also decreased by nearly 60% YoY due to the impact of the merger. According to the Board of Directors, if excluding the impact of the merger, Like-for-like revenue in the first 6 months decreased by about 4% YoY. The average selling price for the mainstream segment was also slightly increased from July 1, 2025.

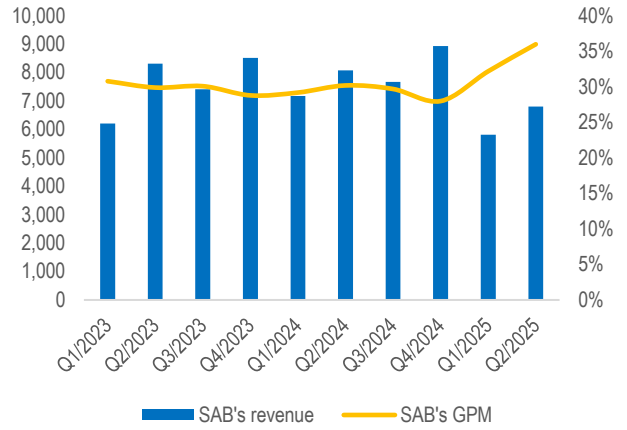
Thanks to the impact of the merger and the use up of high-priced barley inventory, the beer segment's gross profit margin also improved significantly to 38% (34% in the same period), pushing the total gross profit margin to 36% (up 5.8 percentage points YoY).

Thus, in the first 6 months, SAB achieved VND 12,615 billion in net revenue and VND 2,049 billion in after-tax profit, completing 40% and 42% of the plan set at the General Meeting of Shareholders, respectively.

Revenue and Gross profit margin (GPM) of beer segment by quarter



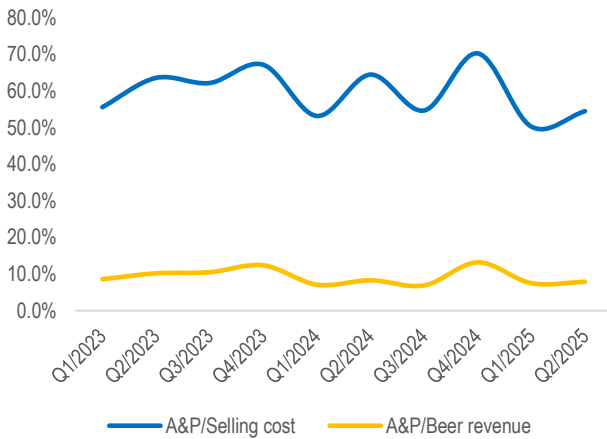
Revenue and GPM of Sabeco by quarter



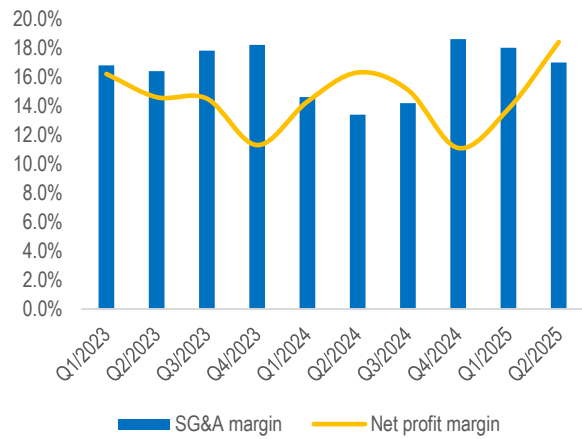
Source: Company data, Shinhan Securities Vietnam

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Advertising and promotion (A&P) expense by quarter



SG&A margin and Net profit margin (NPM) by quarter



Source: Company data, Shinhan Securities Vietnam

Source: Company data, Shinhan Securities Vietnam

(* A&P is a component of selling expense)

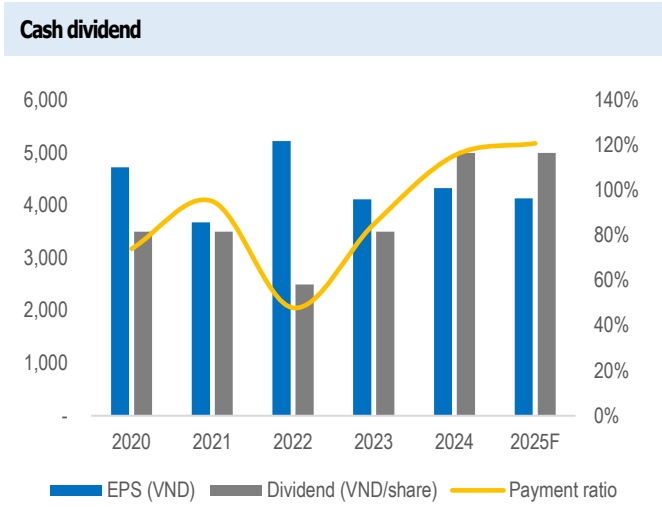
Meanwhile, SG&A margin in Q2 was also better controlled with a slowing growth rate of 17%, decreasing 100 basis points compared to Q1, although still higher than the same period last year. Costs of all raw materials are quite favorable, except that aluminum prices are increasing again along with exchange rates, which are two issues that need to be closely monitored. Inventory in Q2 also decreased compared to previous quarters, reflecting the company's cautious strategy in the face of fluctuations in input costs.

In the context of Decree 70 on electronic invoices and taxes affecting the traditional distribution channel (GT) when many retailers stopped importing goods and to reflect the impact of accounting for special consumption tax after consolidation, we lower SAB's 2025 revenue forecast to VND27,511 billion (-13.7% YoY), and net profit to VND4,290 billion (-4.6% YoY). Of which, the beer segment is forecast to contribute VND 25,456 billion in revenue, with a gross profit margin of 35.5%, up 4.3 percentage points.

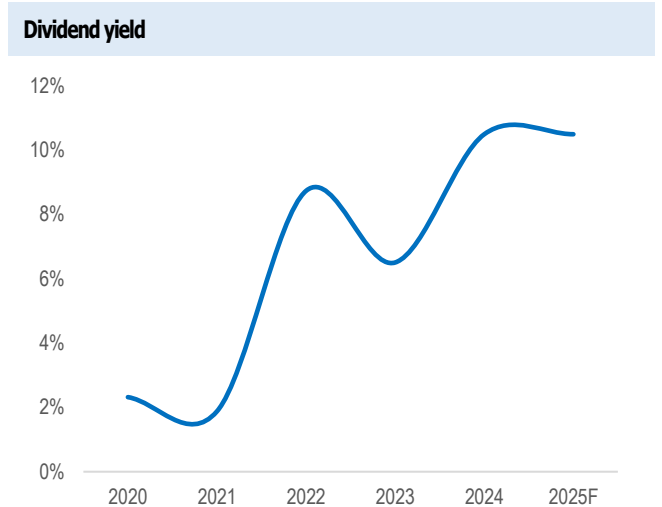
Attractive dividend yield which suits investors who prioritize stability

Despite the gloomier business results outlook, we still appreciate SAB for its high and stable cash dividend yield thanks to its healthy financial structure, low debt and abundant cash balance. Regarding the 2024 profit distribution, Sabeco has paid VND5,000/share to shareholders, equivalent to a payout ratio of 115.5% of profit and is expected to maintain the payout ratio of VND5,000 for 2025 profit. In addition to the advantage of being an industry-leading

company with large capitalization in the VN30 group and being able to benefit from the upgraded cash flow, Sabeco's expected dividend yield compared to the current price of about 10% is an attractive level for investors who prefer stability.



Nguồn: Finpro, Shinhan Securities Vietnam



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Update on Excise tax:

The National Assembly officially approved the roadmap for increasing the Excise tax, according to which the SCT on beer will increase from the current level of 65% to 70% in 2027, then increase by 5% each year until reaching 90% in 2031. Because it is an indirect tax, the tax increase will normally be passed on to consumers through increased selling prices. Therefore, it is highly likely that SAB will adjust its selling prices so as not to affect its profit margin.

Categories	Curent level	2027	2028	2029	2030	2031
Wine from 20 ABV and above	65%	70%	75%	80%	85%	90%
Wine below 20 ABV	35%	40%	45%	50%	55%	60%
Beer	65%	70%	75%	80%	85%	90%
Soft drinks with sugar content above 5g/100ml	0%	8%	10%			

Source: Government, Shinhan Securities Vietnam

Valuation and Recommendation

Recommend BUY with target price VND 58,500

We apply a combination of P/E and Discounted Cash Flow (DCF) valuation methods with the weights of 50% and 50%, respectively to value SAB.

We update our recommendation to BUY for Saigon Beer-Alcohol-Beverage Corporation (SAB) with a target price of VND 58,500 per share, equivalent to a return of 24%. This price is revised down from the previous recommendation due to (1) a reduction in business results forecast and (2) a reduction in the industry P/E in the context of a weaker-than-expected market recovery.

Valuation method

Based on the P/E method, we collect data from businesses in the same industry as SAB operating domestically and in the Asia-Pacific region. The average P/E of businesses in the statistics (excluding SAB) is 17.1x and the average 5-year historical P/E of SAB is 19.2x. Combined with the projected EPS in 2025 at VND 3,138, **we expect SAB's 12-month target price to be VND 57,112, corresponding to a target P/E of 18.2x according to the P/E method.**

Peer valuation						
Ticker	Company name	P/E	Mkt Cap (billion VND)	Revenue Growth (%)	EPS Growth (%)	ROE (%)
600132 CH Equity	CHONGQING BREWERY CO-A	23.7	98,537	-1.15	-8.1	59.32
HEIM MK Equity	HEINEKEN MALAYSIA BHD	15.1	43,297	6.03	20.56	75.15
CAB MK Equity	CARLSBERG BREWERY MALAYSIA	15.3	33,076	5.11	2.57	135.63
MLBI IJ Equity	MULTI BINTANG INDONESIA PT	11.5	20,967	1.86	7.43	112.53
BHN VN Equity	HANOI BEER ALCOHOL & BEVERAGAGE	19.8	7,881	5.98	13.54	5.98
	Mean	17.1				
	SAB's 5-year average historical P/E	19.2				
	Target P/E	18.2				
	EPS 2025F (VND)	3,138				
	Target price (VND)	57,112				

Source: Bloomberg, Shinhan Securities Vietnam

For the Weighted Average Cost of Capital (WACC), we use the 10-year Vietnamese government bond yield at 3.1% as the risk-free rate. Beta is calculated based on the last historical data of SAB and VNINDEX. **Based on those assumptions, SAB's FCF target price is valued at VND 59,900.**

Weighted Average Cost of Capital (WACC)	
WACC (%)	9.2%
Risk-free rate (%)	3.1%
Equity risk premium (%)	8.4%
Beta	0.74
Debt cost (%)	7.0%
The cost of equity(%)	9.3%
Debt-to-equity ratio	0.01
Total debt (Billion VND)	354

Source: Company data, Shinhan Securities Company

FCF valuation					
Unit: billion VND	2025F	2026F	2027F	2028F	2029F
Net profit	4,290	4,384	4,360	4,537	4,640
Plus: After-tax interest expense	22	22	22	23	23
Plus: Depreciation & Amortization	539	548	539	549	554
Minus: Change in working capital	454	135	170	(78)	(145)
Minus: CapEx	514	304	347	348	335
Free Cash Flow (FCF)	3,883	4,515	4,404	4,839	5,027
Discount rate	0.97	0.88	0.81	0.74	0.68
PV of FCF	18,306				
Growth rate	0%				
Present value of long-term value	37,156				
Enterprise value	55,462				
Debt	351				
Cash and cash equivalents	23,068				
Minority interest	1,500				
Number of shares outstanding (billion units)	1.28				
Target price (VND)	59,900				

Source: Company data, Shinhan Securities Company

Risks

1. Risk of raw material prices

SAB imports a number of raw materials for beer production such as barley, hops, and aluminum. The cost of imported raw materials accounts for about 40% of the cost of goods sold (COGS). These raw materials can be affected by many macro factors such as supply chain disruptions and increased logistics costs due to political fluctuations, rising oil prices, and global aluminum supply and demand. To cope with the risk of strong fluctuations in raw material costs, SAB has a policy of purchasing key raw materials 6-9 months in advance.

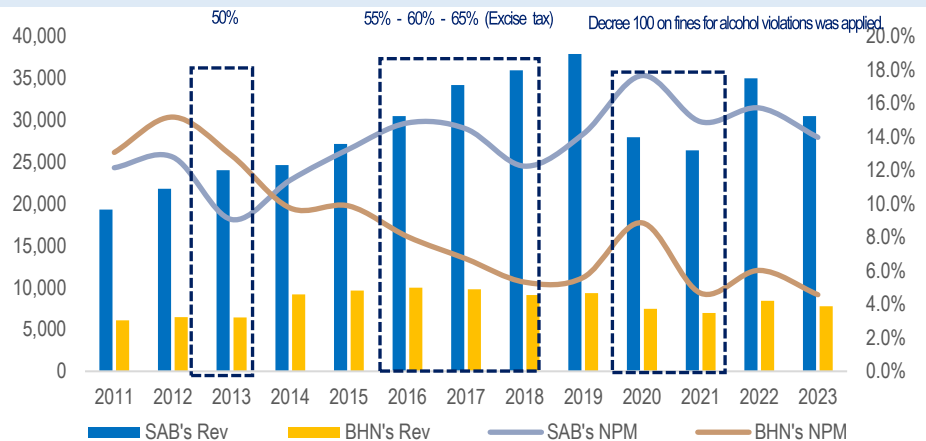
2. Risk of increasing excise task

The excise tax on beer is currently at 65% and on wine at 35-65% depending on the alcohol content. The Ministry of Finance finalized the roadmap for increasing excise tax in July, according to which the tax rate will start to increase from 2027 (instead of 2026 as previously drafted). We believe that SAB will pass on the entire tax increase to consumers through price increases. Therefore, the impact of the price increase may affect consumption demand, but considering that beer is a product with low price elasticity of demand, the impact may not be so significant.

Vietnam has experienced 4 increases in excise tax on beer. The applicable tax rate was 45% in the period 2010-2012, then increased steadily to 50% from 2013, 55% from 2016, 60% from 2017 and 65% from 2018. When looking back at previous excise tax increases, we see that:

- (1) With Sabeco (SAB), revenue was almost unaffected by the tax increase (excluding the impact of the COVID epidemic in 2020-2021), except for the 2014 revenue which did not grow, the 2016-2018 period still increased at a rate of 12%/12%/5% respectively. Net profit margin decreased during the tax increase years and then quickly recovered.
- (2) Hanoi Beer (BHN) seems to be more heavily affected by the increase in excise tax. Revenue and profit margin both decreased during the tax increase period. Part of the reason is that BHN gradually lost ground in the market share race when it could not compete in the mid-range and high-end segments.

Periods of increased excise tax



Source: Company data, Shinhan Securities Vietnam

3. Policy risk

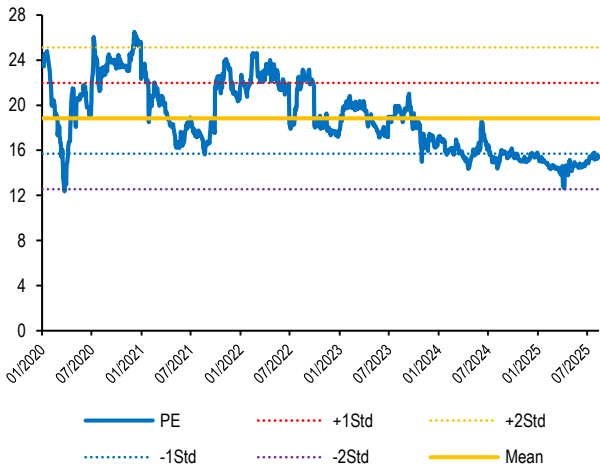
Many policies have been issued by the State to prevent the impact of excessive alcohol consumption, as well as alcohol consumption by minors. Policy and law are important factors that affect companies that produce or distribute specific products such as beer, alcohol, cigarettes, etc.

Decree 100/2019/ND-CP was issued in December 2019 on penalties for alcohol consumption while driving violations. After the decree, along with the impact of the Covid epidemic, SAB's revenue in 2020 decreased by 27% compared to 2019. Beer consumption in on-trade channels such as restaurants, hotels, and eateries decreased; at the same time, consumption through off-trade channels such as e-commerce, etc. increased. Decree 168 amending a number of articles of Decree 100, effective from January 1, 2025, continues to be strictly enforced, which is a factor that greatly affects the consumption of beer and alcohol.

4. Weaker-than-expected consumption risk

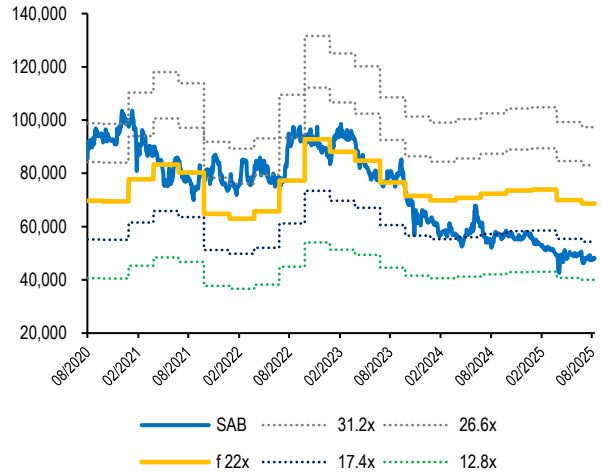
As the entire consumer market is almost domestic, Sabeco's sales depend significantly on domestic consumption, which is affected by income, consumption trends, weather and cultural and social factors. In the context of a slowing economy, consumers tend to tighten spending, especially on non-essential products such as beer.

PER of SAB since 2020



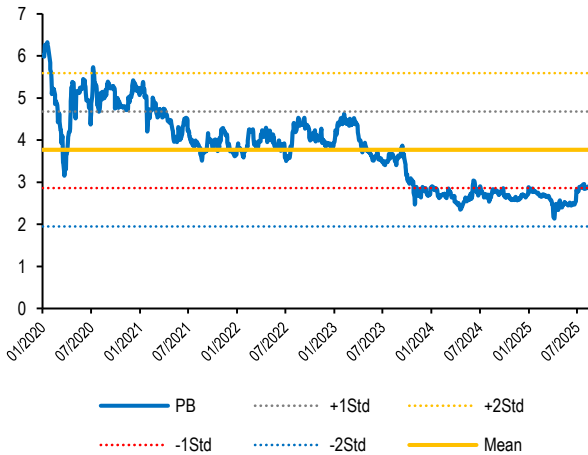
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PER chart of SAB



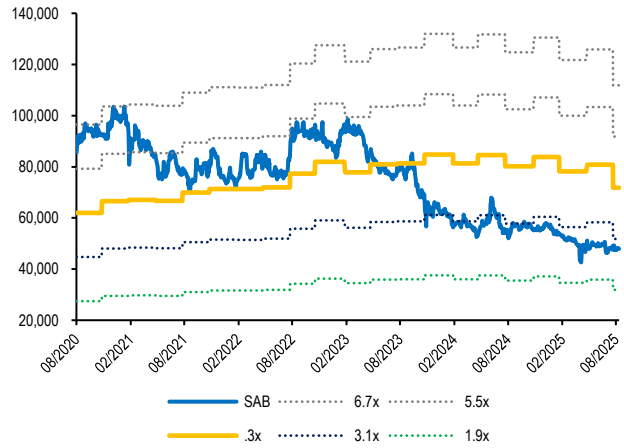
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR of SAB since 2020



Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR chart of SAB



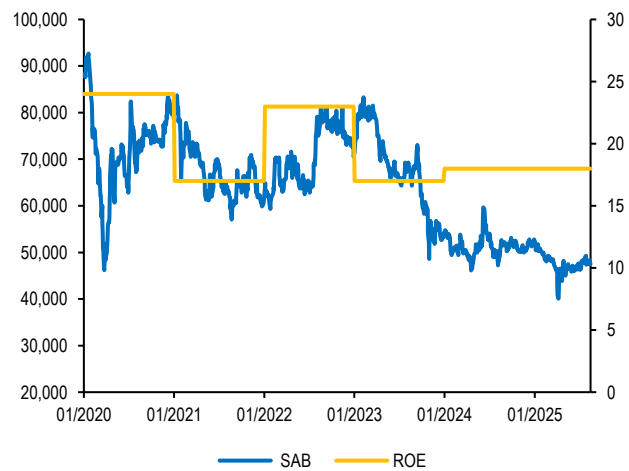
Source: Bloomberg, Company data, Shinhan Securities Vietnam

EV/EBITDA of SAB since 2020



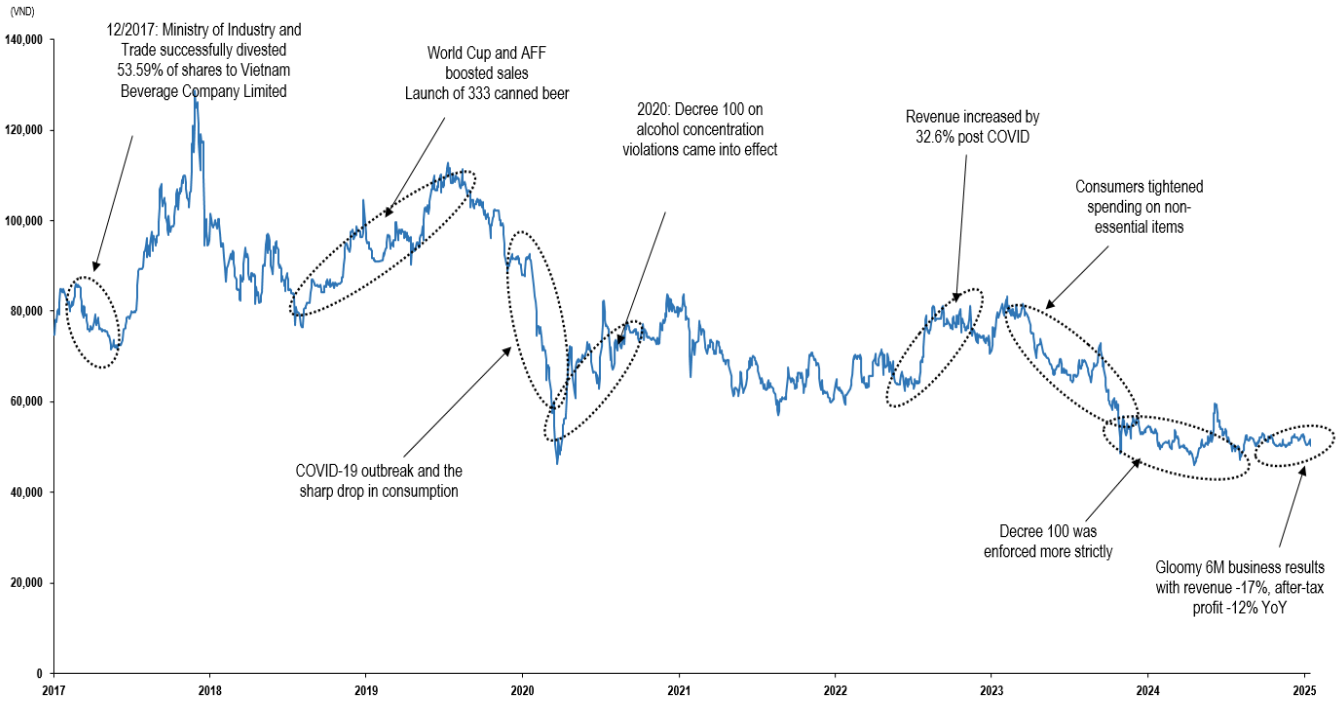
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Price and ROE of SAB



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Key events chart of SAB



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Company background

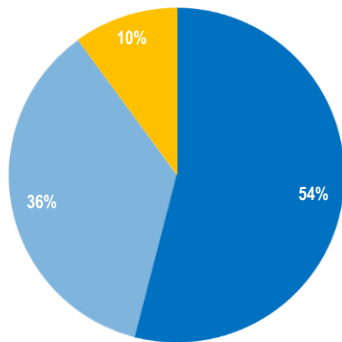
1. History of development

Saigon Beer - Alcohol - Beverage Corporation (HOSE: SAB) was originally a small brewery founded by the French in Saigon in 1875. By 2016, SAB was officially listed on HOSE. Over 145 years of history, Sabeco has brought Vietnamese beer to 38 countries and territories.

2017 marked a historic milestone for SAB when ThaiBev successfully acquired SAB with a value of up to USD 4.8 billion through Vietnam Beverage. This was the record deal of the Asian beer industry made up to that time. After the acquisition, SAB continued to grow and achieved revenue of up to VND 37,999 billion in 2019, before being affected by the Covid-19 pandemic and Decree 100/2019/ND-CP on penalties for alcohol violations while driving.

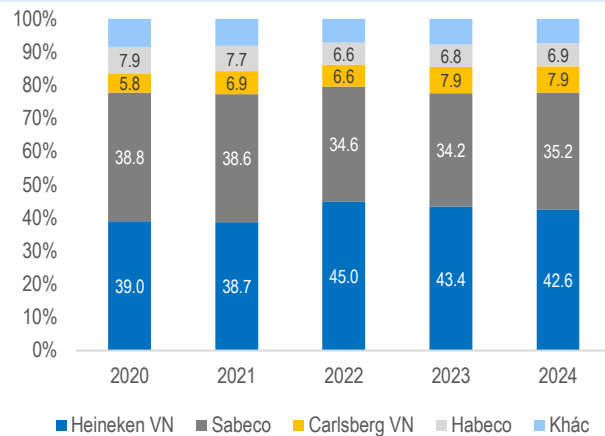
SAB's ownership structure at 15/08/2025

■ Vietnam Beverage Company Limited ■ Ministry of Industry and Trade ■ Others



Source: Company data, Shinhan Securities Vietnam

Market share of beer in Vietnam (%)



Source: Euromonitor, Shinhan Securities Vietnam

SAB is one of the two leading enterprises in the beer industry in Vietnam. SAB's market share began to shrink from 2019 due to the expansion of Heineken Brewery. Heineken continuously launches new products such as Heineken Silver, Heineken zero-alcohol. Compared to competitors dominating the leading market share, SAB has the advantage of Vietnamese brands. Specifically, SAB is widely recognized through its product from mid-priced to premium with Vietnamese flavors such as 333 beer, Saigon Chill beer. Researching and launching high-end product lines helps businesses maintain their position and expand their market share.

2. Segments and products

The beer industry is divided into 4 segments: economy, standard, premium, and super-premium based on taste, quality, and price.

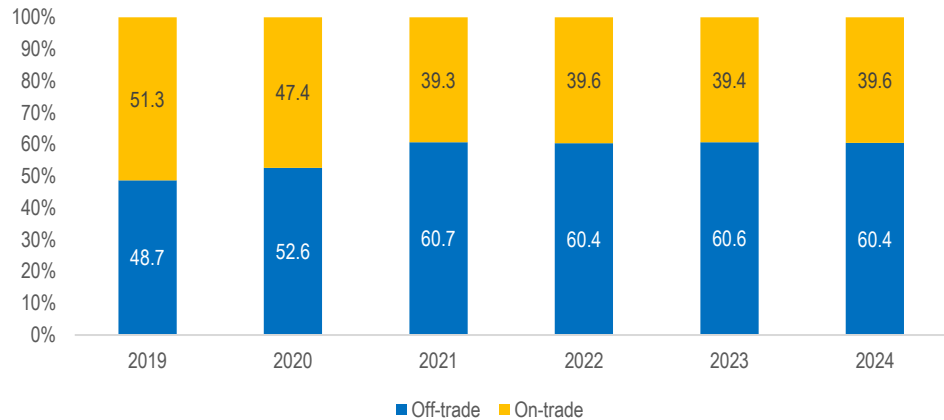
- ❖ Economy segment: Customers are mainly low-middle-class people with prices of less than 40,000 VND/liter (equivalent to 11,000 - 13,000 VND/can). Two prominent brands in this segment include Huda and Larue. There is also "bia hoi", which is produced mainly at home and distributed at restaurants and small eateries in rural and near-urban areas.
- ❖ Standard segment: Mainly middle-income workers with prices from 40,000 VND - 60,000 VND/liter. Major players in this segment include Habeco, Sabeco, Heineken, and Carlsberg. Products in the popular segment are widely distributed from urban to rural areas through on-trade and off-trade channels.
- ❖ Premium and super-premium segments: customers are mainly high-middle-income consumers with the selling price of about 60,000 VND/liter. The number of companies dominating the market share in this segment is not much, of which Heineken with Heineken and Tiger has a market share of about 68% and followed by Sabeco with Saigon Chill and Saigon Gold. Products in this segment are distributed mainly through on-trade channels at restaurants and hotels. However, with effective brand recognition and over a long period, high-end products of Heineken and Sabeco in this segment have reached consumers in both rural areas and in pubs.

No.	Company	Target market	Main segments	Price (VND/can)	Products
1	Sabeco (SAB)	Southern Vietnam	Standard and premium	12,000 - 22,000	Saigon Export, Saigon Chill, Saigon Special Sleek, Saigon Gold, 333 Pilsner
2	Habeco (BHN)	Northern Vietnam	Economy and standard	11,500 - 15,000	Hanoi Bold, Hanoi Light, bia hoi Hanoi, Hanoi Premium...
3	Heniken	Central and Southern Vietnam	Standard and premium	15,000 - 22,000	Heniken Silver, Heniken Zero, Tiger Platinum...
4	Carlsberg	Central Vietnam	Standard and premium	20,000 -21,000	Carlsberg Danish Pilsner, Tuborg...

Source: Company data, Shinhan Securities Vietnam

3. Distribution channels

Volume of beer by sales channels (million liters)



Source: Euromonitor, Shinhan Securities Vietnam

Regarding distribution channels, beer is consumed through two channels: on-trade consumption at pubs, restaurants, and hotels; and off-trade distribution channels at supermarkets, convenience stores and agents. Due to the collective culture, Vietnamese people prefer to consume beer at pubs. Therefore, before 2019, on-site consumption is the main beer distribution channel. However, with the development of e-commerce, the outbreak of the Covid-19 epidemic and Decree 100 on penalties for alcohol content violations, many businesses such as SAB and Heniken have launched online sales from 2021 to compensate partially the decrease in revenue at pubs and restaurants. Since then, the off-trade channel has surpassed the on-trade channel to become the main sales channel.

We expect the on-trade channel to be revived from 2024 thanks to the recovery in consumption, and at the same time, the off-trade channel will continue to grow as the decree on alcohol violations causes some consumers to switch to consume more at home.

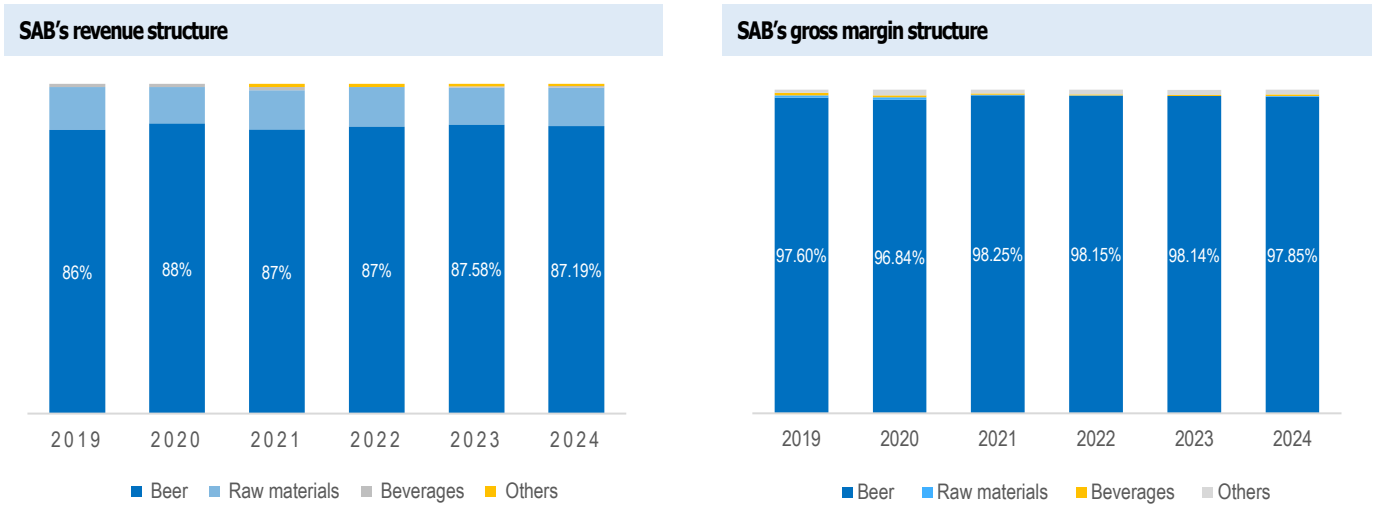
The extensive distribution network from North to South is Sabeco's strength, helping to access pubs and restaurants on the on-trade channel. With the off-trade channel, Sabeco is currently present at convenience stores and many e-commerce sites from Tiki to Bach Hoa Xanh.

4. Structure of revenue, gross profit and operating expenses

Beer is SAB's main product, accounting for nearly 90% of revenue and 98% of gross profit. Sabeco mainly produces beer in two segments: standard and premium. The gross profit margin of the beer segment has improved over the years.

The packaging and materials segment is the packaging and input materials for beer, which are mainly traded with related parties. Therefore, although accounting for more than 10% of revenue, the gross profit margin for this segment is very low, only about 1%.

Beverages include carbonated water products and purified water. Although the average gross profit margin is at 25%, this segment's revenue only contributes a very small proportion (1% of total revenue).

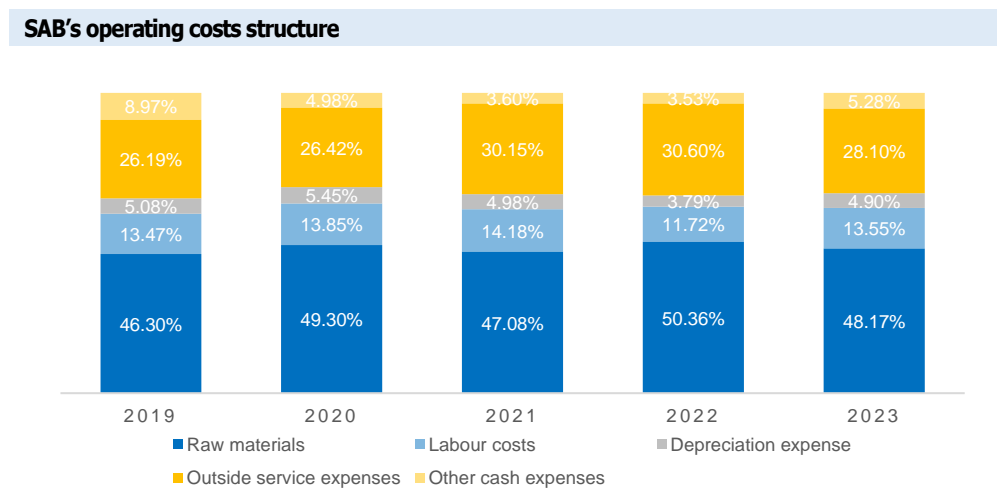


Source: Company data, Shinhan Securities Vietnam

Source: Company data, Shinhan Securities Vietnam

In the operating cost structure, the cost of raw materials has the highest proportion, with about 46-50% of the total operating costs of the enterprise. In which, input materials including barley, hops and aluminum determine about 40% of the cost of good sold and are imported by enterprises. Depending on the type, normally, enterprises make pre-clamation of raw materials from 6-9 months.

External expenses are mainly composed of selling expenses. Selling expenses in food and beverage businesses often account for a high proportion because of the increasingly fierce competition in this field. Therefore, brand recognition is one of the important factors to maintain revenue and market share. At Sabeco, selling expenses at SAB remained around 12-14% of revenue.



Source: Company data, Shinhan Securities Vietnam

Appendix : Financial statements

Statement of financial position

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Total assets	34,465	34,056	33,440	29,805	29,823
Current assets	26,860	26,553	25,067	21,506	21,707
Cash & equivalents	4,069	5,040	4,478	4,044	6,140
Short-term financial asset	19,411	17,741	16,566	14,300	12,136
Accounts receivable	898	1,229	1,818	1,111	1,293
Inventories	1,447	1,668	2,194	2,318	1,979
Others	1,035	875	11	-267	159
Non-current assets	7,605	7,503	8,373	8,299	8,116
Net fixed assets	4,455	3,970	3,593	3,453	3,084
Investment assets	134	144	122	249	385
Other long-term assets	3,150	3,533	4,780	4,846	5,032
Total liabilities	9,874	8,571	9,002	7,576	7,780
Current liabilities	9,214	8,225	8,657	7,235	7,442
Accounts payable	2,766	2,476	2,642	2,231	2,309
Short-term borrowings	659	530	245	230	241
Others	5,789	5,219	5,770	4,774	4,892
Non-current liabilities	660	347	345	341	338
Long-term borrowings	374	171	169	166	163
Other financial liabilities	286	176	176	175	175
Total shareholders' equity	24,591	25,485	24,437	22,229	22,043
Capital stock	6,413	12,826	12,826	12,826	12,826
Capital surplus	0	0	0	0	0
Other capital	2,613	2,442	2,393	2,548	2,706
Retained earnings	15,565	10,217	9,218	6,855	6,511
Non-controlling interest equity	1,275	1,373	1,451	1,273	1,155
*Total debt	1,033	701	414	396	404
*Net debt (cash)	(22,447)	(22,080)	(20,630)	(17,948)	(17,872)

Statement of cash flow

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Cash flow from operations	4,377	1,941	4,245	3,387	3,867
Net profit	6,813	5,370	5,647	5,390	5,507
Depreciation expense	561	570	549	539	548
(Gain) from investing activities	(1,031)	(1,626)	(1,249)	(858)	(850)
Change in working capital	(199)	(1,109)	574	(454)	(135)
Others	(1,767)	(1,264)	(1,276)	(1,230)	(1,203)
Cash flow from investments	(1,867)	2,716	137	2,610	2,710
Change in fixed assets	(529)	(282)	(292)	(514)	(304)
Change in investment assets	(2,352)	1,634	(121)	2,266	2,164
Others	1,014	1,364	550	858	850
Cash flow from financing	(2,048)	(3,684)	(4,944)	(6,431)	(4,481)
Change in equity	-	-	-	-	-
Net borrowing	371	(330)	(285)	(18)	8
Dividends	(2,419)	(3,354)	(4,659)	(6,413)	(4,489)
Change in total cash	462	973	(562)	(434)	2,096
Beginning cash	3,606	4,069	5,040	4,478	4,044
Change in FX rates	1	(2)	-	-	-
Ending cash	4,069	5,040	4,478	4,044	6,140

Source: Company data, Shinhan Securities Vietnam

Statement of comprehensive income

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Revenue	34,979	30,461	31,872	27,511	28,224
Growth (%)	32.6	-12.9	4.6	-13.7	2.6
COGS	(24,208)	(21,370)	(22,554)	(18,291)	(18,779)
Gross profit	10,771	9,091	9,318	9,220	9,445
GPM (%)	30.8	29.8	29.2	33.5	33.5
SG&A	(5,273)	(5,280)	(4,881)	(4,759)	(4,883)
Operating profit	5,498	3,811	4,437	4,461	4,562
Growth (%)	56.6	(30.7)	16.4	0.5	2.3
OPM (%)	15.7	12.5	13.9	16.2	16.2
Non-operating profit	1,316	1,560	1,209	929	945
Financial income	1,091	1,433	1,067	891	877
Financial expense	(82)	(73)	(25)	(117)	(65)
In which: interest expenses	(46)	(50)	(27)	(28)	(28)
Net other non-operating profit	307	200	167	155	133
Pre-tax profit	6,813	5,370	5,647	5,390	5,507
Income tax	(1,314)	(1,115)	(1,153)	(1,100)	(1,123)
Net profit	5,499	4,255	4,494	4,290	4,384
Growth (%)	40.0	(22.6)	5.6	(4.5)	2.2
NPM (%)	15.7	14.0	14.1	15.6	15.5
Controlling interest	5,224	4,118	4,330	4,136	4,226
Non-controlling interest	275	137	164	154	158
EBIT	6,859	5,420	5,674	5,418	5,535
Growth (%)	39.8	(21.0)	4.7	(4.5)	2.2
EBIT Margin (%)	19.6	17.8	17.8	19.7	19.6
EBITDA	7,420	5,990	6,223	5,957	6,083
Growth (%)	35.8	(19.3)	3.9	(4.3)	2.1
EBITDA margin (%)	21.2	19.7	19.5	21.7	21.6

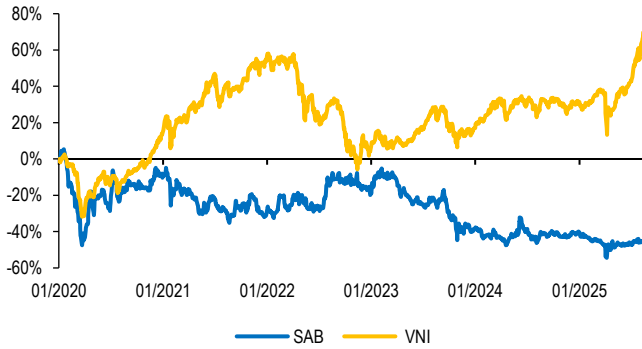
Key ratios

Year	2022	2023	2024	2025F	2026F
EPS (VND)	7,980	3,132	3,291	3,138	3,205
BPS (VND)	36,083	18,877	18,152	16,311	16,042
DPS (VND)	1,890	2,620	3,640	5,010	3,507
PER (x)	18.8	18.4	16.9	18.6	18.3
PBR (x)	4.0	4.2	3.0	3.1	3.6
EV/EBITDA (x)	12.9	12.3	11.4	12.6	12.3
Dividend payout ratio (%)	61.4	70.1	118.5	155.1	106.2
Dividend yield (%)	8.7	6.5	10.5	10.5	7.4
Profitability					
EBITDA margin (%)	21.2	19.7	19.5	21.7	21.6
OPM (%)	15.7	12.5	13.9	16.2	16.2
NPM (%)	15.7	14.0	14.1	15.6	15.5
ROA (%)	16.0	12.4	13.3	13.6	14.7
ROE (%)	22.4	17.0	18.0	18.4	19.8
Stability					
Debt to equity ratio (%)	4.2	2.8	1.7	1.8	1.8
Net debt ratio (%)	(302.5)	(368.6)	(331.5)	(301.3)	(293.8)
Cash ratio (%)	254.8	277.0	243.1	253.5	245.6
Interest coverage ratio (x)	149.1	108.4	210.1	193.5	197.7
Activity (%)					
Working capital turnover (days)	38.1	44.5	42.1	49.0	43.9
Inventory turnover (days)	30.4	39.8	35.9	39.4	37.9
Receivable turnover (days)	2.3	4.8	5.2	5.2	4.8

Source: Company data, Shinhan Securities Vietnam

SAB Corp. (SAB VN)

Share performance



Target price



Date	Rating	Target price (VND)	Target price gap (%)	
			Average	Max/Min
18/08/2023 (Initiation)	BUY	182,700	-0.2	-12.4/13.2
22/02/2024 (Update)	BUY	73,900	1.2	-25.6/25.1
14/05/2025 (Update)	BUY	68,600	-1.2	8.1/39.8
15/08/2025 (Update)	BUY	58,500	19.2	10.1/46.0

Note: Calculation of target price gap based on past 12 months

Shinhan Securities Vietnam

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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