Saigon Beer - Alcohol - Beverage Corporation

[Vietnam / Food and beverages]

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

BUY

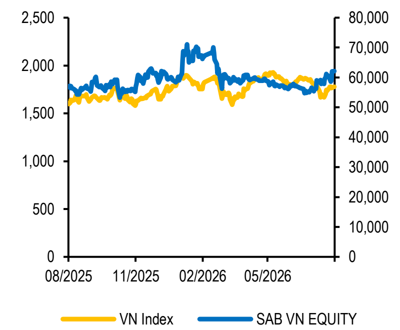
Update Report

Target price (12 months)	**60,400 VND**
Current price (11/08/2026)	46,000 VND
Return (%)	31%

VNINDEX	1,777
Market P/E (x)	12.5
Market Cap (bn VND)	58,934
Outstanding shares (1mn)	1,283
Free float (1mn)	134
52-week high/low (VND)	57,100/42,050
90-day avg. trading volume (1mn)	0.70
90-day avg.turnover (bn VND)	31
Foreign ownership (%)	59

Major shareholders (%)	Vietnam Beverage Company Limited	53.6
	Ministry of Industry and Trade	36

Performance	3M	6M	12M
Abs (%)	-3.5	-5.6	-4.7
Rel to VN-Index (%)	2.8	-4.6	-16.0



Source: Bloomberg

Nhi Nguyễn

☎ (84-28) 6299-8000
✉ nhi.ntt@shinhan.com

Please click or scan

Selling expenses weigh on profits

Update recommendation BUY, target price at VND 60,400

Saigon Beer-Alcohol-Beverage Corporation (HOSE: SAB) is the second largest beer producer in Vietnam. 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. We use a combination of discounted cash flow and P/E methods to value SAB, and recommend BUY with a target price of VND 60,400, equivalent to a potential upside of 31% from the current market price. A consistent cash dividend payout ratio, with an expected dividend yield of 11%, is an attractive factor to consider for investment.

Update SAB's business result in Q2/2026

Sabeco recorded Q2/2026 revenue of VND 6,888 billion (+1.2% YoY), with beer segment revenue rising 2.2% YoY to VND 6,453 billion, driven primarily by price hikes implemented in July 2025, followed by increases in April and May 2026, despite negative volume growth. Gross profit rose 8.8% YoY as the gross margin improved by 2.7 percentage points (pps) due to favorable malt prices; however, net profit remained largely flat due to higher selling, general, and administrative (SG&A) expenses and reduced contributions from joint ventures and associates.

For the first half of 2026, net revenue reached VND 13,345 billion (+5.8% YoY) and net profit hit VND 2,488 billion (+21.4% YoY), achieving 46% and 50% of the full-year targets, respectively. The accumulated gross margin for H1/2026 stood at 38% (+3.7 pps YoY), while the SG&A margin was 19.1% (+1.7 pps YoY) and the net profit margin was 18.6% (+2.4 pps YoY).

Outlook for 2026

We forecast full-year 2026 revenue to reach VND 28,062 billion (+8.4% YoY), with the beer segment growing by 8.6% to VND 26,078 billion. Net profit is projected at VND 4,801 billion (+5.0% YoY), resulting in a net profit margin of 17.1%.

Regarding aluminum costs, the company has locked in prices for the second half of 2026 and is currently coordinating with suppliers to secure positions for the first and second quarters of 2027; for malt, the company will maintain its previously established long-term hedging strategy. We expect the gross profit margin to remain healthy in the second half of the year – albeit lower than in the first half – with a projected full-year gross margin of 36.5% (showing an increase of 0.5 percentage point compared to 2025).

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.	2023	2024	2025*	2026F	2027F
Revenue (bn VND)	**30,461**	**31,872**	**25,888**	**28,062**	**29,174**
OP (bn VND)	3,811	4,437	4,294	4,839	4,845
NP (bn VND)	**4,255**	**4,494**	**4,573**	**4,801**	**4,877**
EPS (VND)	3,132	3,291	3,347	3,537	3,592
BPS (VND)	18,877	18,152	16,492	15,022	13,607
OPM	12.5	13.9	16.6	17.2	16.6
NPM	14.0	14.1	17.7	17.1	16.7
ROE	12.4	13.3	13.9	15.4	16.7
PER (x)	16.3	14..9	14.1	17.1	16.8
PBR (x)	2.7	2.8	2.8	3.7	4.0

Source: Company data, Shinhan Securities Vietnam

**Revenue in 2025 declined due to the impact of consolidating Sabibeco as a subsidiary rather than an associate*

Update on Q2/2026 and forecasts

Billion VND	Q2/2026	Q2/2025	Change (YoY)	H1/2026	Change (YoY)	2026F	Change (YoY)
Net revenue	**6,888**	**6,804**	**1.2%**	**13,345**	**5.8%**	**28,062**	**8.4%**
Beer segment	6,453	6,314	2.2%	12,417	6.4%	26,078	8.6%
Raw materials	328	395	-17.0%	707	-6.1%	1,540	4.9%
Beverages	33	14	135.7%	82	17.1%	142	3.3%
Others	74	81	-8.6%	139	16.8%	302	15.9%
Gross profit	**2,663**	**2,448**	**8.8%**	**5,068**	**17.3%**	10,227	10.0%
Gross profit margin	**38.7%**	**36.0%**	**2.7%**	**38.0%**	**3.7%**	36.5%	0.5%
Beer segment	40.4%	38.0%	2.4%	39.9%	3.7%	38.3%	0.5%
Raw materials	0.6%	0.3%	0.3%	0.1%	-0.6%	0.5%	-0.1%
Beverages	30.3%	21.4%	8.9%	32.9%	8.6%	24.0%	1.0%
Others	63.5%	58.0%	5.5%	64.7%	0.8%	65.3%	1.2%
SG&A	1,410	1,155	22.1%	2,546	15.7%	5,388	7.6%
Net profit	**1,243**	**1,250**	**-0.6%**	**2,488**	**21.4%**	**4,801**	**5.0%**
NPATMI	1,167	1,207	-3.3%	2,352	17.6%	4,643	5.0%
Net profit margin	18.0%	18.4%	-0.4%	18.6%	2.4%	17.1%	-0.6%

Source: Company data, Shinhan Securities Vietnam

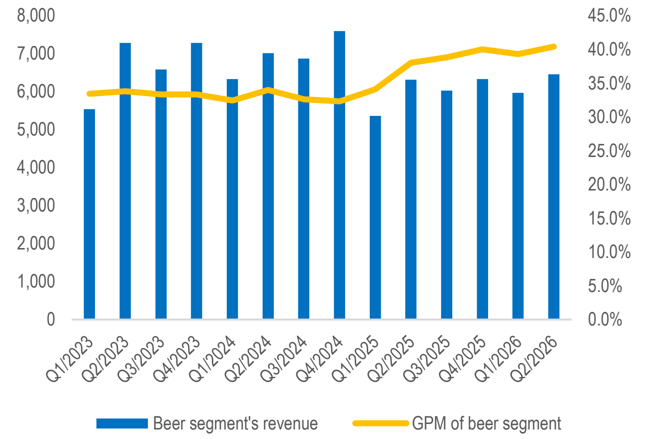
(Revenue deductions are recorded for the beer segment to calculate net revenue)

Sabeco recorded Q2/2026 revenue of VND 6,888 billion (+1.2% YoY). Beer segment revenue improved by 2.2% YoY to VND 6,453 billion, primarily driven by price hikes implemented in July 2025, followed by further increases in April and May 2026. Revenue growth for the quarter was driven by higher selling prices, whereas sales volume contracted as distributors had stocked up inventory ahead of the price increases.

Gross profit grew impressively by 8.8% YoY, supported by a 2.7 pps expansion in gross margin amidst favorable malt prices. However, net profit remained largely flat YoY due to higher Selling, General, and Administrative (SG&A) expenses and reduced contributions from joint ventures and associates. Specifically, advertising and promotion (A&P) expenses for the quarter totaled VND 672 billion (+35% YoY), driven by intensified summer advertising campaigns, national team sponsorships, and promotional activities for the ASEAN Championship and the FIFA World Cup. Nevertheless, these expenses are expected to normalize in Q3 and Q4. Consequently, the Q2 net profit margin contracted by 40 basis points YoY, and net profit attributable to shareholders of the parent company declined by 3.3% YoY to VND 1,167 billion.

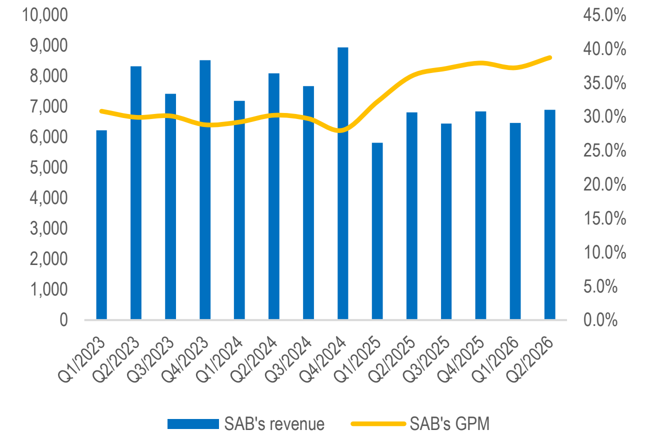
For the first half of 2026, accumulated net revenue reached VND 13,345 billion (+5.8% YoY) and net profit hit VND 2,488 billion (+21.4% YoY), representing 46% and 50% of the full-year 2026 business plan, respectively. These results were primarily driven by growth in Q1/2026 against a low base from the same period in 2025; meanwhile, although Q2 benefited from the World Cup, the matches took place mostly during early morning hours, limiting their contribution to revenue growth. The accumulated SG&A margin for the six-month period stood at 19.1% (+1.7 pps).

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



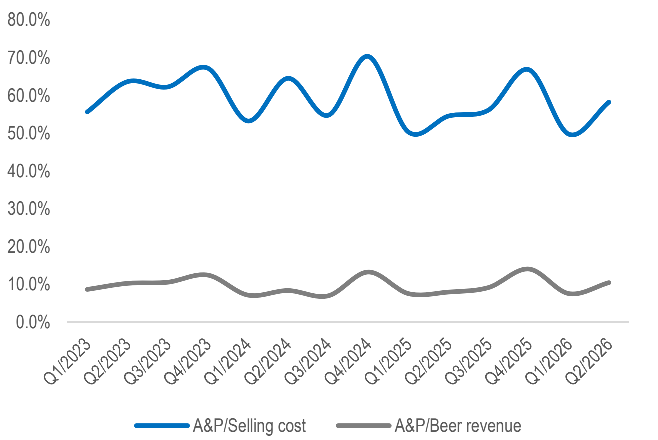
Source: Company data, Shinhan Securities Vietnam

Revenue and GPM of Sabeco by quarter



Source: Company data, Shinhan Securities Vietnam

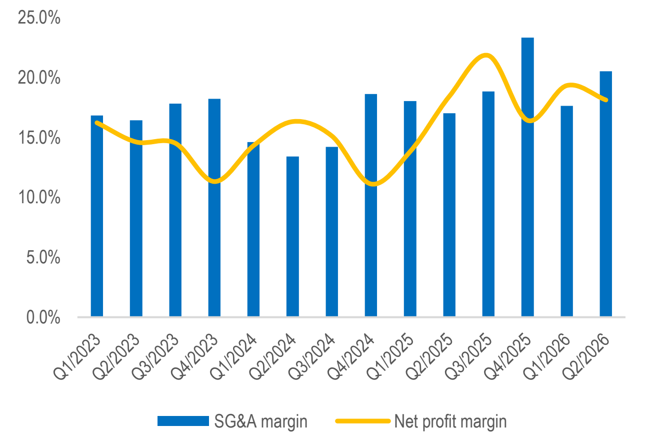
Advertising and promotion (A&P) expense by quarter



Source: Company data, Shinhan Securities Vietnam

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

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



Source: Company data, Shinhan Securities Vietnam

According to management, the new 250ml products (Saigon Chill, 333 Pilsner, and the Saigon Export Premium launched in June) have performed positively since their debut, achieving near-triple-digit growth. Management views this as a new market trend driven by affordability concerns, which are prompting consumers to shift toward smaller pack sizes; consequently, they are considering extending this format to mass product lines. Despite the smaller volume, these products offer superior profit margins per milliliter.

Regarding aluminum costs, the company has locked in prices for the second half of 2026 and is currently coordinating with suppliers to secure positions for the first and second quarters of 2027; for malt, the company will maintain its established long-term hedging strategy. We anticipate that gross profit margins will remain healthy in the second half of the year – albeit lower than in the first half – with a projected full-year gross margin of 36.5% (an increase of 0.5 percentage points YoY).

We forecast full-year 2026 revenue at VND 28,062 billion (+8.4% YoY), with the beer segment growing by 8.6% to reach VND 26,078 billion. Profit after tax is projected at VND 4,801 billion (+5.0% YoY), resulting in a net profit margin of 17.1%.

Valuation and Recommendation

Recommend BUY with target price VND 60,400

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 Buy recommendation with a target price of VND 60,400.

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 15.7x. Combined with the projected EPS in 2026 at VND 3,537, **we expect SAB's 12-month target price to be VND 55,500.**

Peer valuation

Country	Ticker	Company name	P/E (x)	Mkt Cap (billion VND)	Revenue Growth (%)	EPS Growth (%)	ROE (%)
MALAYSIA	HEIM MK Equity	HEINEKEN MALAYSIA BHD	13.16	34,538	0.06	-0.75	110.06
MALAYSIA	CAB MK Equity	CARLSBERG BREWERY MALAYSIA B	12.05	29,385	-4.90	11.63	96.61
CHINA	600132 CH Equity	CHONGQING BREWERY CO-A	17.58	82,937	0.53	0.90	69.96
CHINA	000729 CH Equity	BEIJING YANJING BREWERY CO-A	20.10	138,941	4.54	46.33	11.18
CHINA	600600 CH Equity	TSINGTAO BREWERY CO LTD-A	15.62	245,583	1.04	2.11	14.23
CHINA	002461 CH Equity	GUANGZHOU ZHUJIANG BREWERY-A	21.09	75,893	2.56	7.52	8.36
THAILAND	THBEV SP Equity	THAI BEVERAGE PCL	11.94	236,650	-2.06	-5.80	17.57
VIETNAM	BHN VN Equity	HANOI BEER ALCOHOL & BEVERAGE	14.04	7,186	3.91	24.68	11.21
		Mean	15.7				
		EPS 2026F (VND)	3,537				
		Target price (VND)	**55,500**				

Source: Bloomberg, Shinhan Securities Vietnam

For the Weighted Average Cost of Capital (WACC), we use the 10-year Vietnamese government bond yield at 4.5% as the risk-free rate, equity risk premium at 8.46%. Based on these assumptions, SAB's FCFF target price is determined at VND 65,300.

Weighted Average Cost of Capital (WACC)	
WACC (%)	**10.7**
Risk-free rate (%)	4.5
Equity risk premium (%)	8.46
Beta	0.74
Debt cost (%)	7.9
The cost of equity(%)	10.8
Debt-to-equity ratio	0.01
Total debt (Billion VND)	367

Source: Company data, Shinhan Securities Company

FCF valuation

Unit: billion VND	**2026F**	**2027F**	**2028F**	**2029F**	**2030F**
Net profit	4,801	4,877	5,197	5,369	5,734
Plus: After-tax interest expense	28	29	30	31	32
Plus: Depreciation & Amortization	842	848	835	847	742
Minus: Change in working capital	1,073	198	(268)	(200)	(174)
Minus: CapEx	184	226	244	230	262
Free Cash Flow (FCF)	4,414	5,330	6,086	6,217	6,420
Discount rate	0.96	0.87	0.78	0.71	0.71
PV of FCF	22,593				
Growth rate	0%				
Present value of long-term value	42,600				
Enterprise value	65,193				
Debt	367				
Cash and cash equivalents	20,728				
Minority interest	1,889				
Number of shares outstanding (billion units)	1.28				
Target price (VND)	**65,300**				

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. 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.

At the same time, studies also indicate variations across different product segments. In the alcoholic beverage industry, higher-end segments exhibit greater price elasticity of demand, meaning that consumption declines more significantly when selling prices rise. This creates a competitive advantage for players in the mass-market segment, such as Sabeco.

3. Policy risk

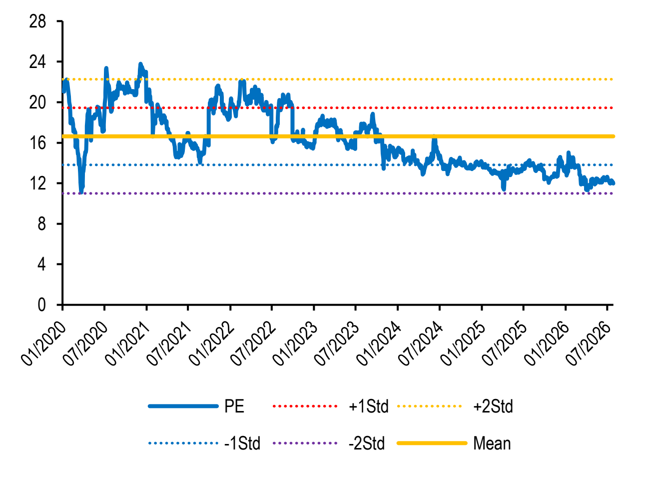
Many policies have been issued by the State to prevent the impact of excessive alcohol consumption, as well as alcohol consumption by minors. Policy and law are important factors that affect companies that produce or distribute specific products such as beer, alcohol, cigarettes, etc.

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

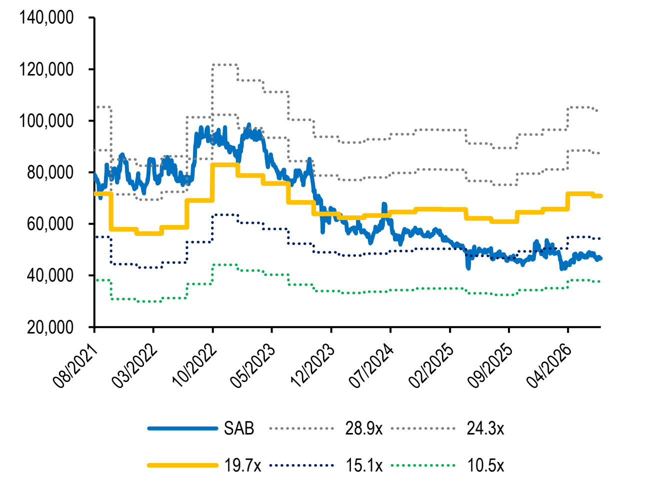
As the entire consumer market is almost domestic, Sabeco's sales depend significantly on domestic consumption, which is affected by income, consumption trends, weather and cultural and social factors. In the context of a slowing economy, consumers tend to tighten spending, especially on non-essential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

PER of SAB since 2020



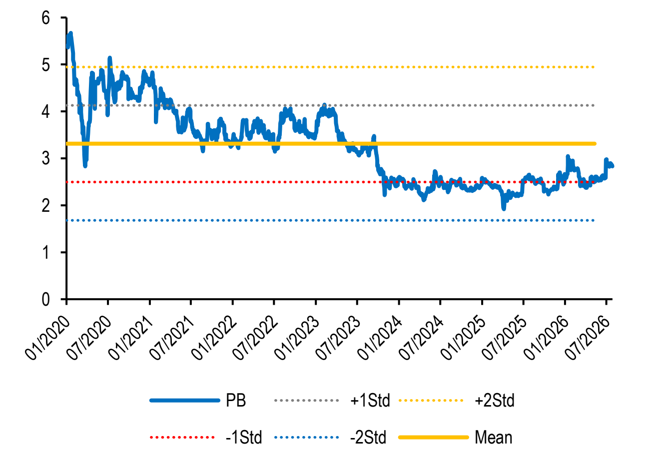
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PER chart of SAB



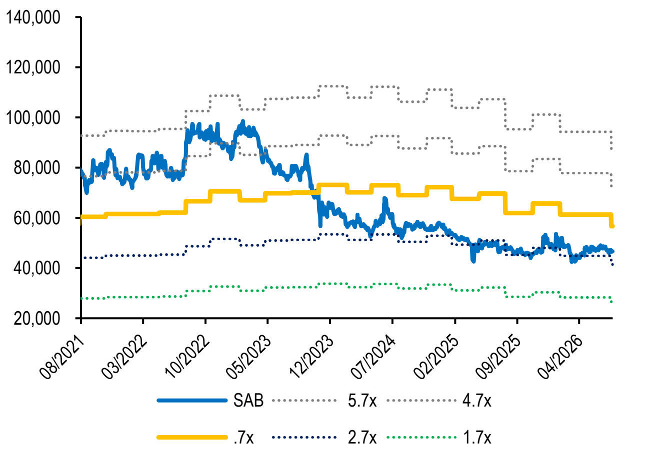
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR of SAB since 2020



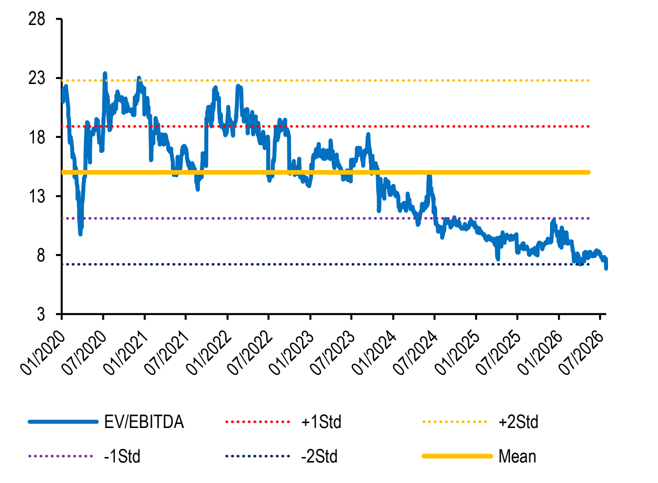
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR chart of SAB



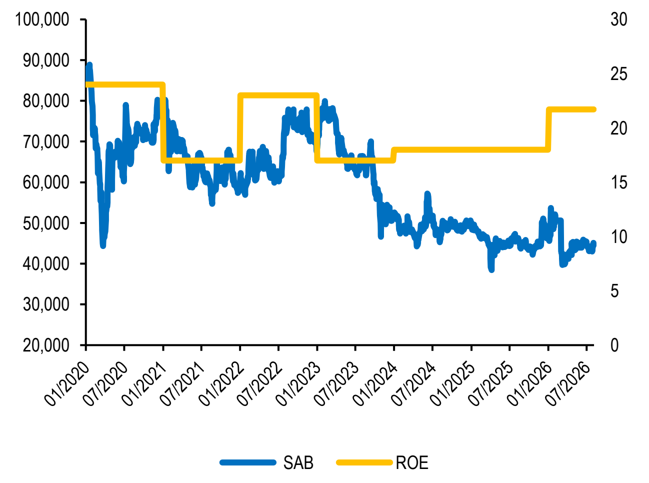
Source: Bloomberg, Company data, Shinhan Securities Vietnam

EV/EBITDA of SAB since 2020



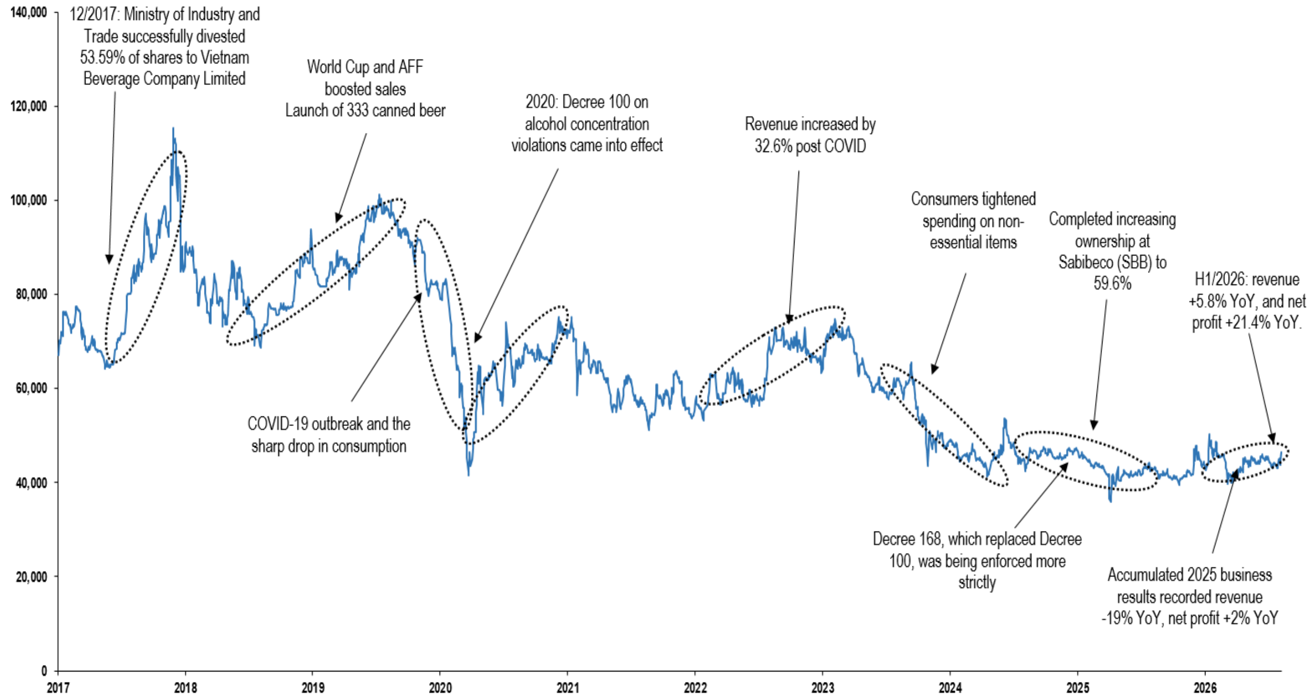
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Price and ROE of SAB



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Key events chart of SAB



Source: Bloomberg, Company data, Shinhan Securities Vietnam

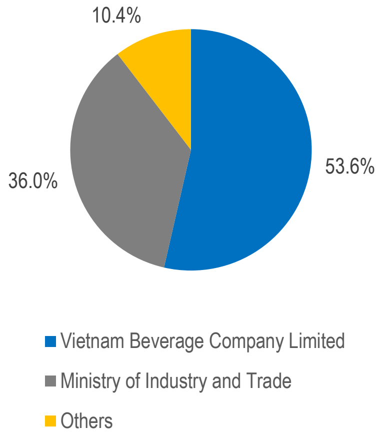
Company background

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 146 years of history, Sabeco has brought Vietnamese beer to 40 countries and territories.

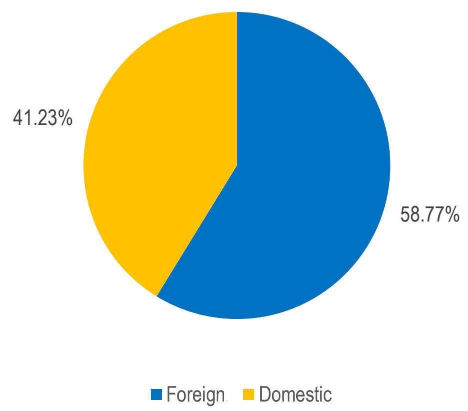
2017 marked a historic milestone for SAB when ThaiBev successfully acquired SAB with a value of up to USD 4.8 billion through Vietnam Beverage. This was the record deal of the Asian beer industry made up to that time. After the acquisition, SAB continued to grow and achieved revenue of up to VND 37,999 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 10/08/2026



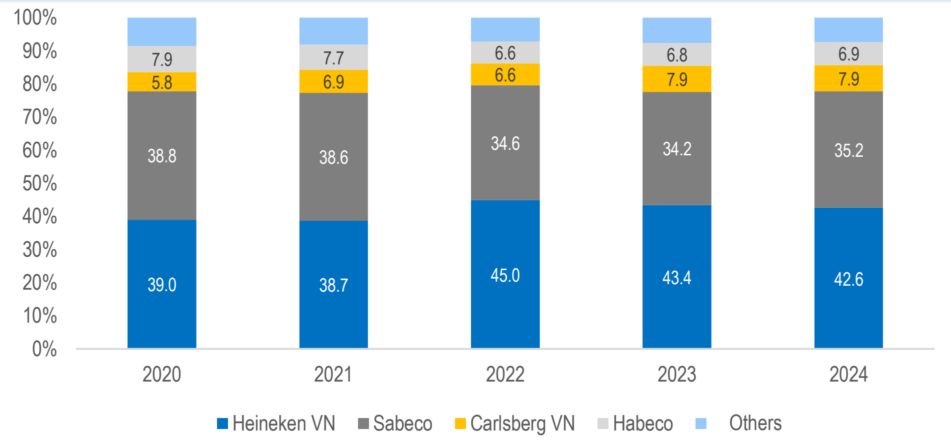
Source: Company data, Shinhan Securities Vietnam

SAB's ownership structure at 10/08/2026



Source: Euromonitor, 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 Heniken Brewery. Heniken continuously launches new products such as Heniken Silver, Heniken 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.

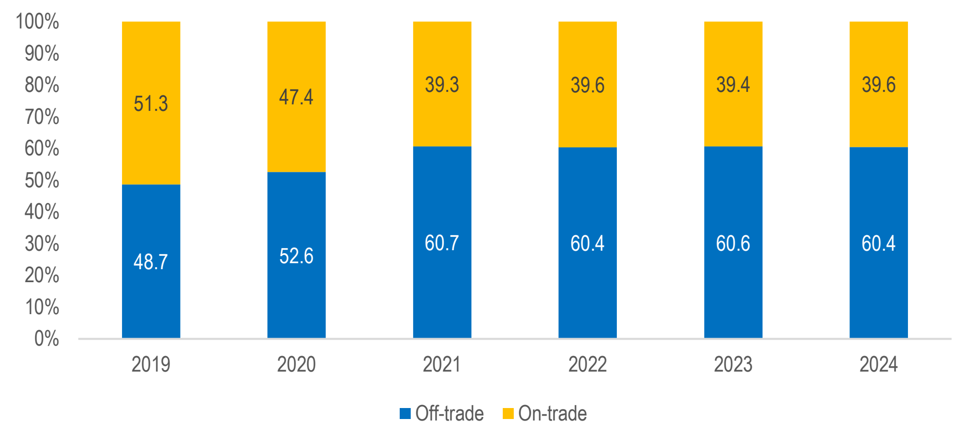
- Economy segment: Customers are mainly low-middle-class people with prices of less than 40,000 VND/liter (equivalent to 11,000 - 13,000 VND/can). Two prominent brands in this segment include Huda and Larue. There is also "bia hơi", which is produced mainly at home and distributed at restaurants and 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 Heniken 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 Heniken and Sabeco in this segment have reached consumers in both rural areas and in pubs.

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.

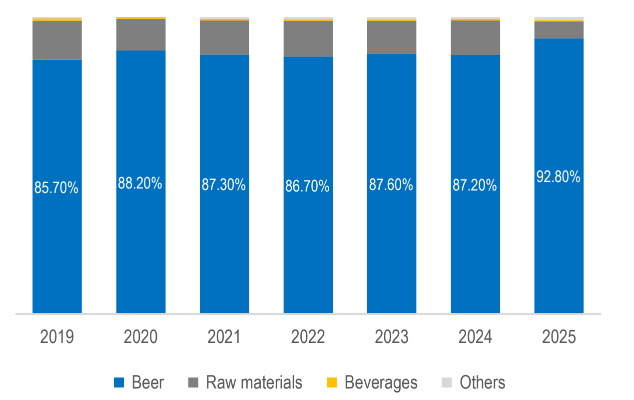
4. Structure of revenue, gross profit and operating expenses

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%.

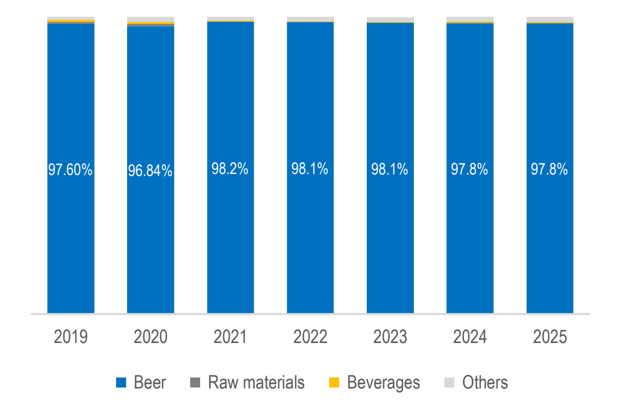
Beverages include carbonated water products and purified water. Although the average gross profit margin is at 23-25%, this segment's revenue only contributes a very small proportion (1% of total revenue).

SAB's revenue structure



Source: Company data, Shinhan Securities Vietnam

SAB's gross margin structure

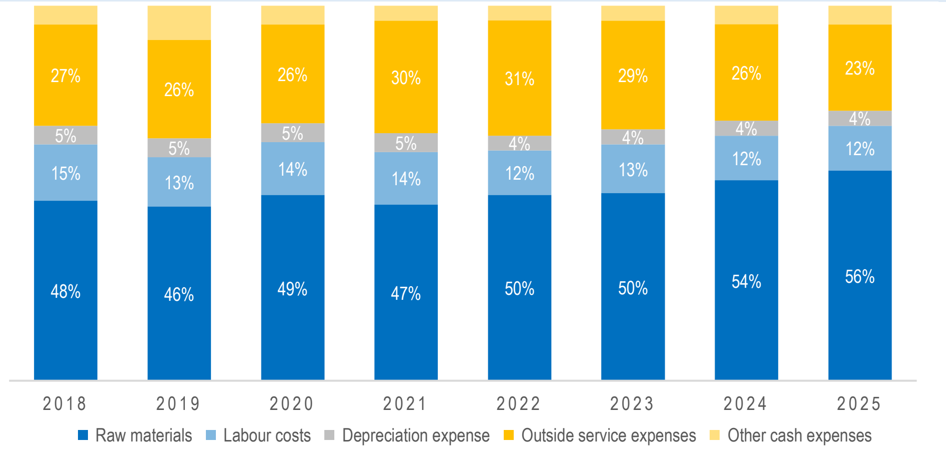


Source: Company data, Shinhan Securities Vietnam

In the operating cost structure, the cost of raw materials has the highest proportion, with about 45-55% 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.

SAB's operating costs structure



Source: Company data, Shinhan Securities Vietnam

Appendix : Financial statements

Statement of financial position

Year to Dec. (bn VND)	2023	2024	2025	2026F	2027F
Total assets	**34,056**	**33,440**	**32,596**	**29,802**	**28,546**
Current assets	26,553	25,067	22,140	20,004	19,370
Cash & equivalents	5,040	4,478	4,017	4,566	3,032
Short-term financial asset	17,741	16,566	14,985	12,067	12,545
Accounts receivable	1,229	1,818	903	1,133	1,502
Inventories	1,668	2,194	2,318	1,979	2,027
Others	875	11	-83	259	264
Non-current assets	7,503	8,373	10,456	9,798	9,176
Net fixed assets	3,970	3,593	5,068	4,516	3,845
Investment assets	144	122	141	92	122
Other long-term assets	3,533	4,780	5,388	5,282	5,331
Total liabilities	**8,571**	**9,002**	**9,598**	**8,530**	**8,928**
Current liabilities	8,225	8,657	8,880	7,815	8,214
Accounts payable	2,476	2,642	2,404	2,405	2,544
Short-term borrowings	530	245	268	281	295
Others	5,219	5,770	6,208	5,129	5,375
Non-current liabilities	347	345	717	715	714
Long-term borrowings	171	169	168	166	165
Other financial liabilities	176	176	549	549	549
Total shareholders' equity	**25,485**	**24,437**	**23,000**	**21,272**	**19,618**
Capital stock	12,826	12,826	12,826	12,826	12,826
Capital surplus	0	0	0	0	0
Other capital	2,442	2,393	3,127	3,285	3,446
Retained earnings	10,217	9,218	7,047	5,161	3,346
Non-controlling interest equity	1,373	1,451	1,273	1,155	1,847
*Total debt	701	414	436	447	460
*Net debt (cash)	(22,080)	(20,630)	(18,566)	(16,186)	(15,117)

Statement of comprehensive income

Year to Dec. (bn VND)	2023	2024	2025	2026F	2027F
Revenue	**30,461**	**31,872**	**25,888**	**28,062**	**29,174**
Growth (%)	-12.9	4.6	-18.8	8.4	4.0
COGS	(21,370)	(22,554)	(16,588)	(17,835)	(18,874)
Gross profit	**9,091**	**9,318**	**9,300**	**10,227**	**10,300**
GPM (%)	29.8	29.2	35.9	36.4	35.3
SG&A	(5,280)	(4,881)	(5,006)	(5,388)	(5,455)
Operating profit	**3,811**	**4,437**	**4,294**	**4,839**	**4,845**
Growth (%)	(30.7)	16.4	(3.2)	12.7	0.1
OPM (%)	12.5	13.9	16.6	17.2	16.6
Non-operating profit	**1,560**	**1,209**	**1,358**	**1,096**	**1,183**
Financial income	1,433	1,067	1,007	862	892
Financial expense	(73)	(25)	(26)	(39)	(34)
In which: interest expenses	(50)	(27)	(34)	(35)	(36)
Net other non-operating profit	200	167	377	273	325
Pre-tax profit	**5,370**	**5,647**	**5,652**	**5,935**	**6,028**
Income tax	(1,115)	(1,153)	(1,079)	(1,134)	(1,151)
Net profit	**4,255**	**4,494**	**4,573**	**4,801**	**4,877**
Growth (%)	(22.6)	5.6	1.8	5.0	1.6
NPM (%)	14.0	14.1	17.7	17.1	16.7
Controlling interest	4,118	4,330	4,424	4,643	4,716
Non-controlling interest	137	164	149	158	161
EBIT	**5,420**	**5,674**	**5,686**	**5,970**	**6,064**
Growth (%)	(21.0)	4.7	0.2	5.0	1.6
EBIT Margin (%)	17.8	17.8	22.0	21.3	20.8
EBITDA	**5,990**	**6,223**	**6,416**	**6,812**	**6,912**
Growth (%)	(19.3)	3.9	3.1	6.2	1.5
EBITDA margin (%)	19.7	19.5	24.8	24.3	23.7

(*) Revenue in 2025 will decrease due to the consolidation of Sabibeco (SBB) as a subsidiary instead of an associate company.

Statement of cash flow

Year to Dec. (bn VND)	2023	2024	2025	2026F	2027F
Cash flow from operations	**1,941**	**4,245**	**3,904**	**3,373**	**4,692**
Net profit	4,494	4,573	4,801	4,877	5,197
Depreciation expense	570	549	730	842	848
(Gain) from investing activities	(1,626)	(1,249)	(1,274)	(845)	(878)
Change in working capital	(1,109)	574	(38)	(1,073)	(198)
Others	(388)	(202)	(315)	(428)	(277)
Cash flow from investments	**2,716**	**137**	**2,422**	**3,579**	**174**
Change in fixed assets	(282)	(292)	(241)	(184)	(226)
Change in investment assets	1,634	(121)	1,075	2,918	(478)
Others	1,364	550	1,588	845	878
Cash flow from financing	**(3,684)**	**(4,944)**	**(6,788)**	**(6,402)**	**(6,400)**
Change in equity	-	-	-	-	-
Net borrowing	(330)	(285)	(275)	11	13
Dividends	(3,354)	(4,659)	(6,513)	(6,413)	(6,413)
Change in total cash	**973**	**(562)**	**(462)**	**550**	**(1,534)**
Beginning cash	4,069	5,040	4,478	4,017	4,566
Change in FX rates	(2)	-	1	(1)	-
Ending cash	5,040	4,478	4,017	4,566	3,032

Source: Company data, Shinhan Securities Vietnam

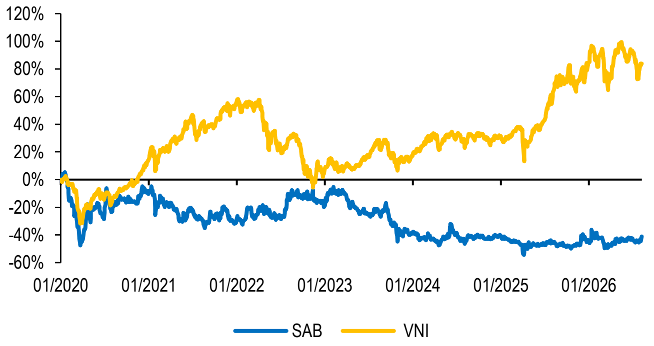
Key ratios

Year	2023	2024	2025	2026F	2027F
EPS (VND)	3,132	3,291	3,347	3,537	3,592
BPS (VND)	18,877	18,152	16,492	15,022	13,607
PER (x)	16.3	14.9	14.1	17.1	16.8
PBR (x)	2.7	2.8	2.8	3.7	4.0
EV/EBITDA (x)	13.7	10.4	9.2	11.4	11.2
Dividend payout ratio (%)	55.2	124.6	145.0	138.1	136.0
Dividend yield (%)	6.5	10.5	10.8	10.8	10.8
Profitability					
EBITDA margin (%)	19.7	19.5	24.8	24.3	23.7
OPM (%)	12.5	13.9	16.6	17.2	16.6
NPM (%)	14.0	14.1	17.7	17.1	16.7
ROA (%)	12.4	13.3	13.9	15.4	16.7
ROE (%)	17.0	18.0	19.3	21.7	23.9
Stability					
Debt to equity ratio (%)	2.8	1.7	1.9	2.1	2.3
Net debt ratio (%)	(368.6)	(331.5)	(289.4)	(237.6)	(218.7)
Cash ratio (%)	277.0	243.1	214.0	212.8	189.6
Interest coverage ratio (x)	108.4	210.1	167.2	170.6	168.4
Activity (%)					
Working capital turnover (days)	44.5	42.1	55.3	49.2	47.7
Inventory turnover (days)	39.8	35.9	45.7	43.0	41.0
Receivable turnover (days)	4.8	5.2	8.0	7.1	5.8

Source: Company data, Shinhan Securities Vietnam

SABECO (SAB VN)

Share performance



Target price

Date	Rating	Target price (VND)	Target price gap (%)	
			Average	Max/Min
18/08/2023 (Initation)	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
10/11/2025 (Update)	BUY	55,100	13.3	4.2/27.3
26/02/2026 (Update)	BUY	59,400	30.1	10.6/54.5
12/05/2026 (Update)	BUY	61,800	34.8	15.1/46.4
11/08/2026 (Update)	BUY	60,400	38.9	20.2/50.9

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

Shinhan Securities Vietnam

Stock	Sector
• **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	• **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

Compliance & Disclosure Notice

Analyst Certification

- The following analysts hereby certify that their views about the companies and securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Nhi Nguyen

Important Disclosures & Disclaimers

- As of the date of publication, Shinhan Securities Vietnam Co., Ltd. does not beneficially own 1% or more of any class of common equity securities of the following companies mentioned in this report: SAB VN
- Shinhan Securities Vietnam Co., Ltd. or one of its affiliates, and/or their respective officers, directors, or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities of the companies mentioned in this report.
- As of the date of publication, research analysts responsible for this report and members of their households do not have any financial interest in the debt or equity securities of the companies mentioned in this report.
- Research analysts responsible for this report receive compensation based upon, among other factors, the overall profitability of Shinhan Securities Vietnam Co., Ltd. including profits derived from investment banking. The analysts responsible for this report may also receive compensation based upon, among other factors, the overall profitability of sales and trading businesses relating to the class of securities or financial instruments for which such analysts are responsible.
- All opinions and estimates regarding the companies and their securities are accurate representations of the research analysts' judgments and may differ from actual results.
- This report is intended to provide information to assist investment decisions only, and should not be used or construed as an offer or a solicitation of an offer to buy or sell any securities. The information herein has been obtained from sources deemed reliable, but such information has not been independently verified and no guarantee, representation, or warranty, expressed or implied, is made as to its accuracy, completeness, or correctness. Shinhan Securities Vietnam Co., Ltd. makes the best effort but does not guarantee the accuracy, completeness, or correctness of information and opinions translated into English from original Vietnamese language materials. Shinhan Securities Vietnam Co., Ltd. accepts no liability whatsoever for any direct, indirect, and/or consequential loss arising from any use of this material or its contents. Stock selection and final investment decisions should be made at the investor's own and sole discretion.
- This report is distributed to our customers only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.
- Investing in any Vietnamese securities or related financial instruments discussed in this research report may present certain risks. The securities of Vietnamese issuers may not be registered with, or be subject to the regulations of, the US Securities and Exchange Commission. Information on Vietnamese securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the US. The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in currencies other than the Vietnamese won is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Distribution

- United States: This report is distributed in the US by Shinhan Investment America, Inc., a member of FINRA/SIPC, and is only intended for major US institutional investors as defined in Rule 15a-6(a)(2) of the US Securities Exchange Act of 1934. All US persons that receive this document by their acceptance thereof represent and warrant that they are major US institutional investors and have not received this report under any express or implied understanding that they will direct commission income to Shinhan Securities Vietnam Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any US recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Shinhan Investment America, Inc., which accepts responsibility for the contents of this report in the US. The securities described herein may not have been registered under the US Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the US or to US persons unless they have been registered or are in compliance with an exemption from registration requirements.
- All Other Jurisdictions: Customers in all other countries who wish to effect a transaction in any securities referenced in this report should contact Shinhan Securities Vietnam Co., Ltd. or its affiliates only if distribution to or use by such customer of this report would not violate applicable laws and regulations and not subject Shinhan Securities Vietnam Co., Ltd. and its affiliates to any registration or licensing requirement within such jurisdiction.

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.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, 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