SAIGON BEER-ALCOHOL-BEVERAGE CORPORATION (HSX: SAB)

Potential for dividend-focused investment strategies

Using DCF method and EV/EBITDA comparison method with a ratio of 50:50, we determine the fair price of SAB stock in the next 12 months is **VND 48,000**, equivalent to the forward P/E & P/B in 2025 of 15.3/2.7 times, respectively. Based on the closing price at 13/10/2025, we recommend **ACCUMULATE** for SAB. SAB stock is suitable for investors pursuing an dividend-focused strategy with cash dividends up to 5,000 VND/share a year, equivalent to a dividend yield of 10%.

Vietnamese beer industry is recording a declining consumption due to the impact of the Government's policies and the trend of shifting consumer demand in general

The beer industry is under great pressure from the Government's policies such as Decree No. 168/2024/ND-CP prescribing penaties for administrative violations related to road traffic and increasing SCT by 5%/year from 2027. We expect beer production in Vietnam to decrease by 0.28%/year in the period of 2025 – 2029, corresponding to a decrease in consumption per person from 42 liters (2024) to 39 liters (2029), approaching the regional level. This happens when macro factors and consumer trends (health protection, craft beer experience) are not supportive. However, 2026 is still a bright spot for the beer industry when it notices a few advantages:

(1) Tet 2026 comes late and 2027 comes early to support demand accumulation for the early and late 2026, the big event taking place in the summer (World Cup) pushes up consumption demand.

(2) The reaction to Decree 168/2024 is less severe than in the initial phase, and this is the last year before suffering a reduced demand shock due to the SCT roadmap taking effect from 2027.

SAB is expected to begin a cycle of benefiting from lower-cost raw materials starting from 2025, and to reduce part of its can raw material costs after raising its ownership in Sabibeco to 65%

We forecast SAB's revenue to reach VND 26,867 bn in 2025 (-15.7% YoY), with a modest CAGR of 0.3% per year through 2029, as beer consumption volume of total market is affected by the factors mentioned above. The largest contribution to revenue come from the beer segment, accounting for 94.8% (+7 pps YoY). NPAT-MI in 2025/2026F is expected to reach VND 3,839.6 bn and VND 4,143.5 bn, respectively, corresponding to net margin improving to 14.3% (+0.7 pps YoY) and 14.7% (+0.3 pps YoY), thanks to:

- Changing in revenue structure: Revenue from raw material sales (with GM <1%) is forecast to decline as SAB leverages Sabibeco's (SBB) facilities for can production and recycling.
- Lower-material prices starting 2025: After using up high-priced raw materials contracted in 2023-24, SAB is expected to benefit from lower input costs, a slight lag compared to the beer industry.
- Operating expenses remain under control amid weak demand: A&P spending is expected to rise to attract consumers, but will be offset by savings in labor-related costs as sales through on-trade channels become less active.

Risks

- *Industry-wide beer consumption volume and SAB's market share may fall short of expectations*
- *Pricing power may be weaker than expcted if consumers react negatively to price increases*

Key financial indicators

(Billion VND)	FY2021	FY2022	FY2023	FY2024	FY2025E	FY2026F
Net Revenue	26,373.8	34,979.1	30,461.4	31,872.4	26,867.0	28,101.7
Growth (%)	*-5.7%*	*32.6%*	*-12.9%*	*4.6%*	*-15.7%*	*4.6%*
EBITDA	4,104.5	6,033.2	4,369.5	5,013.6	4,526.9	5,226.0
NPAT-MI	3,658.0	5,186.6	4,067.9	4,330.1	3,839.6	4,143.9
Growth (%)	*-22.2%*	*41.8%*	*-21.6%*	*6.4%*	*-11.3%*	*7.7%*
Net Margin (%)	13.9%	14.8%	13.4%	13.6%	14.3%	14.7%
ROA (%)	12.0%	15.0%	11.9%	12.9%	13.2%	15.3%
ROE (%)	16.2%	21.1%	16.0%	17.7%	17.4%	20.8%
Basic EPS (VND)	5,704.0	8,088.0	3,172.0	3,376.0	2,993.7	3,223.9
BVPS (VND)	35,234.0	38,346.0	19,871.0	19,053.0	17,159.0	15,510.0
Cash dividend/shs (VND)	3,500	5,000	3,500	5,000	5,000	5,000
P/E (x)	33.3	7.0	16.8	14.8	15.5	14.3
P/BV (x)	5.6	1.6	2.9	2.7	2.7	2.9

Source: SAB, RongViet Securities. Based on the closing price on 13/10/2025

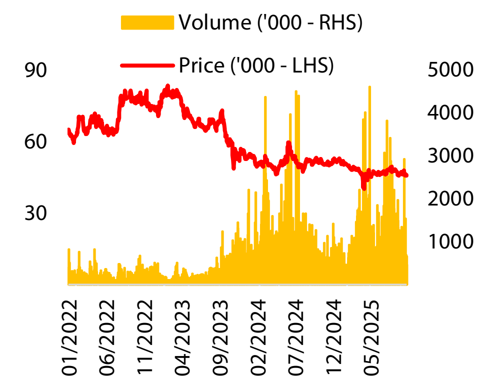
ACCUMULATE

Market Price (VND)	45,950
Target Price (VND)	48,000

**1-year expected cash dividend (VND/share): 5,000*

Stock Information

Sector	Food & Beverage
Market Cap (VND Bn)	58,933
Share O/S (Mn shares)	1,282.6
Beta	1.0
Free Float (%)	10.4
52-week high (VND)	53,116
52-week low (VND)	40,074
Avg. trading volume 20 sessions	996,345



Performance (%)

	3M	1Y	2Y
SAB	-3.9	-13.5	-29.3
VN30 Index	26.6	37.1	60.6
VN-Index	21.6	28.6	45.9

Major shareholder (%)

Vietnam Beverage	53.6
SCIC	36.0
Others	10.4

Tran Ngoc Lan Anh

(084) 028 - 6299 2006

anh.tnl@vdsc.com.vn

VALUATION

LONG-TERM VALUATION BY FCFF METHOD

DCF assumptions	Value	Valuation summary	Unit: Bn VND
WACC 2025	11.9%	DCF forecast duration	5 years
Effective tax rate	20.0%	Discounted Free Cash Flow	44,567.7
Cost of equity	12.0%	+ Cash & Equivalents at valuation date	13,776.3
Risk-free rate	4.0%	+ Investments in Affiliates & JVs and RE	2,318.5
Equity risk premium	8.0%	- Minority Interests & Debt	1,321.9
Beta	1.0	Equity value	59,340.0
Exit EV/EBITDA	10.0x	No. of shares outstanding (million shares)	1,282.6
		Target price (VND/Share)	**46,267**

Source: RongViet Securities

Table 1: Sensitivity scenario for SAB's Equity Value per Share (VND) – DCF

		Exit EV/EBITDA				
		8.0x	9.0x	10.0x	11.0x	12.0x
WACC	12%	41,965	44,116	46,267	48,418	50,569
	13%	41,100	43,172	45,243	47,315	49,386
	14%	39,477	41,400	43,324	45,247	47,171
	15%	37,286	39,011	40,736	42,461	44,186
	16%	34,753	36,251	37,749	39,248	40,746

Source: RongViet Securities

SHORT-TERM VALUATION BY MULTIPLE METHOD - EV/EBITDA

We use the EV/EBITDA multiple based on the weighted average of 2021–2024 of peer companies (Read Comparable Peers) as a reference for SAB's short-term valuation. With **EV/EBITDA of 10.0x** (2 times lower than the 4-year weighted peer average) and 2025E EBITDA of **VND 4,526.9 billion**, we derive a short-term target price for SAB of **VND 49,738** per share.

Table 2: EV/EBITDA index of similar businesses (x)

Company	2021	2022	2023	2024
HEIM MK Equity	15.2x	11.4x	12.3x	10.7x
THBEV SP Equity	18.5x	15.0x	14.9x	14.9x
SMC PM Equity	8.5x	8.3x	9.1x	8.7x
CAB MK Equity	20.1x	14.9x	12.9x	13.0x
2502 JT Equity	11.2x	10.2x	10.5x	9.0x
600600 CH Equity	16.9x	17.5x	9.7x	11.7x
Average	15.1x	12.9x	11.6x	11.3x
Weighting	10%	20%	30%	40%
Average EV/EBITDA/ reference		12.0x / 10.0x		

Source: Bloomberg, RongViet Securities

Table 3: Sensitivity scenario for SAB's equity value per share (VND)

EBITDA (Bn VND)		EV/EBITDA					
			8.0x	9.0x	10.0x	11.0x	12.0x
	2025	4,526.9	42,680	46,209	49,738	53,267	56,796
	2026	5,225.3	45,657	49,731	53,805	57,879	61,954

Source: RongViet Securities

Using a combination of FCFF and EV/EBITDA multiple methods with a ratio of 50:50, we offer a fair value for SAB stock of **VND 48,000/share**. Based on the closing price of 45,950 VND/share on 13/10/2025, we make an **ACCUMULATION** recommendation for SAB stock. Investors can consider investing in SAB if they pursue dividend-focused investment strategies with a high cash dividend of 5,000 VND/share, equivalent to a dividend yield of 10% within the next 1 year.

INVESTMENT RISK

Upside risk – Operating efficiency could improve more than expected if SAB successfully restructures its distribution channels and sales policy, thereby reducing commission expenses paid to distributors and improving profit margins. We observe that SAB's distribution channel primarily operates through intermediaries under a B2B2C model (via distributors), whereas F&B companies within our coverage list (VNM and MCH) have been gradually optimizing this cost by shifting toward direct-to-consumer distribution. Therefore, we believe that restructuring the distribution network is an inevitable step that could potentially enhance the company's overall value.

Downside risk – The beer industry in general, and SAB in particular, has been significantly impacted by traffic safety regulations, most recently by Decree No. 168/2024/ND-CP. Beer consumption volume may underperform our expectations and decline sharply if there is stricter enforcement of alcohol-related traffic violations take place, in line with the government's orientation to reduce per capita beer consumption.

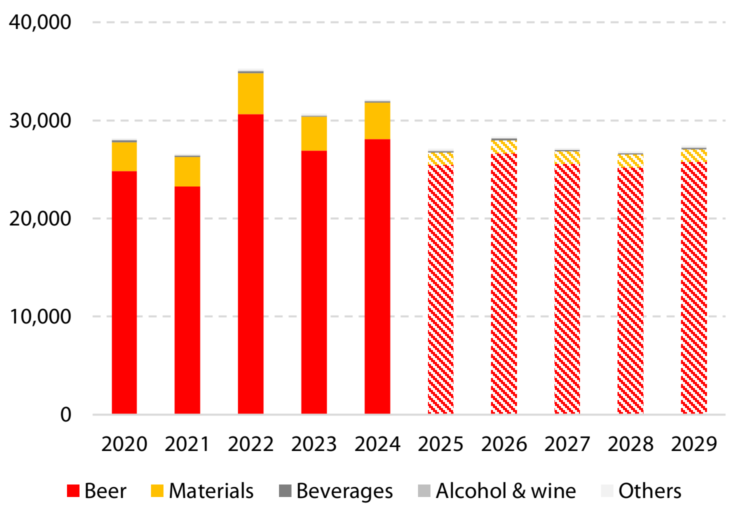
We present the aspects of SAB stock, which support our valuation above in the following sections:

TABLE OF CONTENTS

FINANCIAL ANALYSIS & FORECAST FOR 2025-29

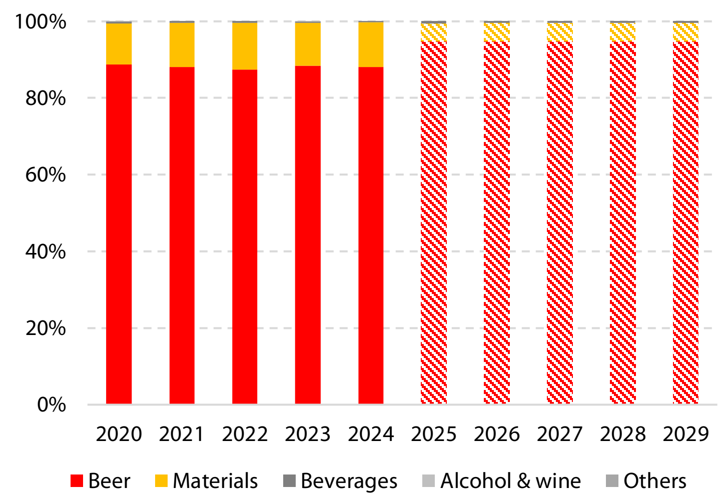
Revenue: *We forecast SAB's net revenue to reach VND 26,867 billion (-15% YoY) in 2025 and increase to VND 27,169 billion in 2029, corresponding to a CAGR of 0.28%/year. A revenue recovery in 2026, thanks to a few seasonal factors, is expected to be the highlight of this period. On the other hand, we believe that the motivation to maintain revenue in the coming period mainly comes from a slight increase in the average selling price of 3%/year, despite beer consumption in Vietnam is almost flat due to policy impacts (See Policies impact on Vietnam's beer industry), along with the difficulty of expanding the beer market share due to fierce competition.*

Figure 1: SAB's net revenue (VND Bn)



Source: SAB, RongViet Securities

Figure 2: SAB's revenue contribution by segments (%)



Source: SAB, RongViet Securities

Beer

Beer is SAB's main product segment, contributing more than 88% of the company's annual total sales revenue. Due to the impact of COVID-19, the beer consumption of the whole market declined by -14.5% in 2020 and -6.8% in 2021, before increasing again by 32.2% in 2022 as economic activities returned to the "new normal" stage *(See Market Size)*. SAB's business operations were not exempt from this trend; therefore, the company's beer segment revenue also experienced considerable volatility:

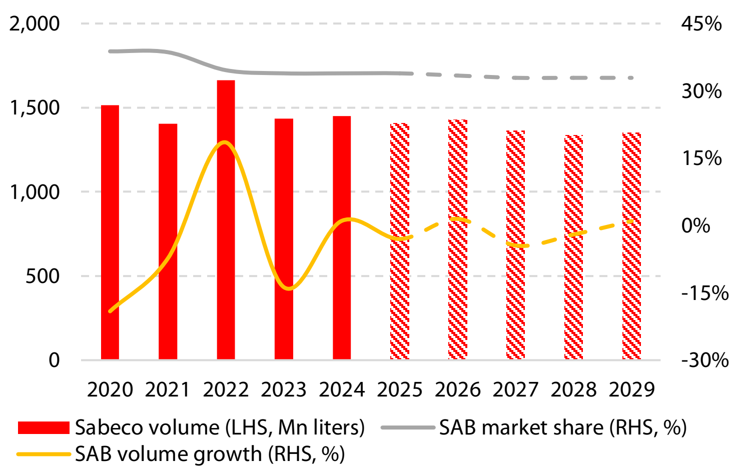
- During 2020 – 2024, SAB's beer sales revenue recorded a CAGR of 3.33%. In 2022, SAB posted strong revenue growth of 31.7% despite a slight decline in market share (34.6%; -4.2 pps yoy) *(See Market share)*. Beer sales volume still increased YoY (1,664 million liters, +18.5% YoY) thanks to a 32.2% industry-wide consumption increase as social gatherings and celebrations rebounded after a prolonged period of social distancing.
- In 2024, revenue of this segment reached VND 28,083 billion (+4.3% YoY), the main driver came from a 3.2% YoY increase in selling prices, while output only increased slightly by 1.1% YoY.

We forecast SAB's beer revenue in 2025 to reach VND 25,458 billion, down 9.3% YoY. The primary driver is the consumption shock following the enforcement of Decree No. 168/2024/ND-CP, effective January 1, 2025, which triples to quadruples administrative fines for traffic violations, particularly those involving alcohol. This increase in penalty levels has directly impacted consumer sentiment, leading to a significant decline in alcoholic beverage consumption. As a result, total beer industry consumption volume in 2025 is estimated to decrease by around 3% YoY. (See Policy)

In the period of 2025 – 2029, we estimate that SAB's beer revenue will increase at a modest rate, with a CAGR of 0.3%/year, corresponding to expected revenue of VND 25,768 billion by 2029:

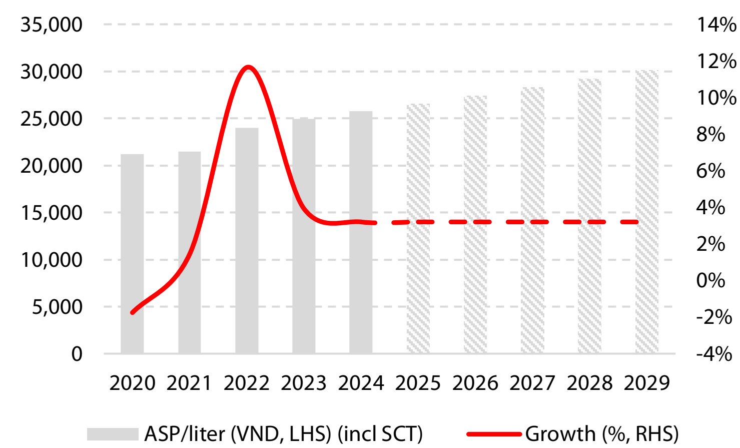
- The consumption of the whole industry is unlikely to grow strongly, due to the constraints of the Government's goal of reducing beer consumption per capita, through the promulgation and implementation of relevant tax policies, decrees and laws.
- SAB's market share in the beer industry tends to be flat, and at the same time is under slight pressure when gradually being shared by foreign beer brands. We expect that SAB can maintain a market share of 33.9% in 2025, before gradually decreasing to ~33% in 2029.
- SAB can increase the selling price by 3%/year to compensate for the decrease in output; at the same time, reflecting impact of the law on the special consumption tax (SCT) increase roadmap from 2027.

Figure 3: SAB's beer sales volume



Source: SAB, RongViet Securities

Figure 4: Average price per liter of SAB beer



Source: SAB, RongViet Securities

Other segments: *Revenue from other product segments including raw materials, beverages, alcohol accounted for nearly 18% of the remaining proportion of total revenue. Since beer is the main product segment and will continue to be promoted, we believe that the other product segments will continue to maintain a small proportion. Especially, the raw materials trading segment is estimated to have a significant decrease in revenue due to the expectation that SAB will optimally recycle raw materials by taking advantage of Sabibeco's factory (after increase the ownership rate to 65% from 21.8% as of the end of December 2024).*

Raw materials: SAB collected from trading materials (reduntdant malt, hops, packaging) and used aluminum cans, carton. Revenue from this segment reached VND 3,715 billion by 2024, accounting for 11.7% of total revenue and this proportion was quite stable. Stemming from the ability to optimize the materials recycling process by taking advantage of Sabibeco's factory, we forecast that SAB's revenue from raw materials trading segment will maintain 5% of beer sales revenue, reaching VND 1,273 billion in 2025 (-65.7% YoY, contributing 4.7%) and VND 1,288 billion by 2029.

Beverages: SAB provides several carbonated beverages (soda, mint, etc.) and non-carbonated beverages (aloe vera, purified water), accounting for a very small proportion of total revenue (0.4 - 0.5%) and reaching VND 163 billion in 2024 (+34% YoY). We estimate that the revenue of this segment will reach VND 150 billion by 2025 and decrease by an average of 3% per year in the period 2025 – 2029, due to:

(1) The product portfolio is not too diverse and different to create a market advantage;

(2) The soft drink products are not included in the list of items eligible for VAT reduction from 10% to 8% during 2025 - 2026 and therefore will not benefit;

(3) Higher health awareness, combined with factor (2), somewhat reduces the demand for soft drinks. Instead , beverages with higher nutritional content and less sweetness are preferred.

Alcohol and wine: Like the beverage business, revenue from alcohol and wine also accounts for a very small proportion, about 0.1 – 0.2% of total revenue. This item is not eligible for a 2% VAT rate reduction if the product contains an alcohol content of more than 20% ABV. Therefore, we expect the revenue of this segment to reach an average of around VND 40 billion/year, corresponding to a proportion of total revenue maintained at 0.1%.

Profit structure

Gross profit margin (GM)

SAB's gross margin improved by 2 pps YoY, rising from 28.8% in 2021 to 30.8% in 2022, driven by a sharp increase in the beer segment margin from 33.0% to 35.4%, as the company benefited from low-cost raw materials purchased in earlier periods.

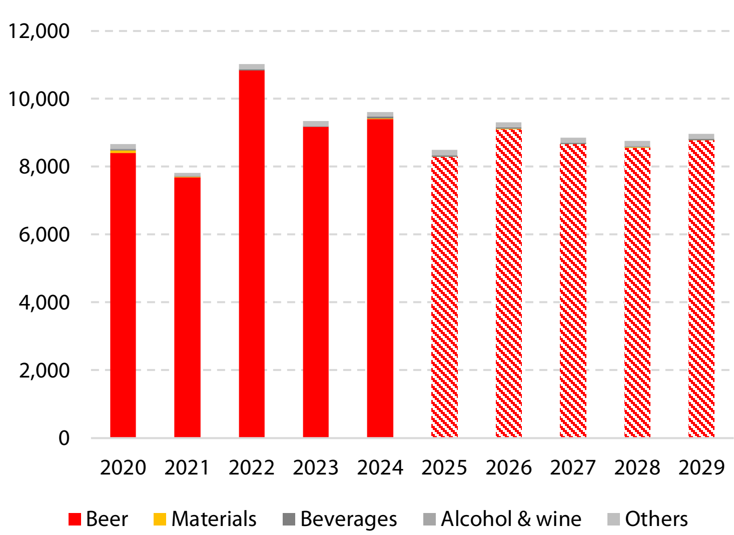
However, due to the soaring consumption in 2022, the prices of raw materials including malt, hops, and aluminum cans all turned upside (Read Raw material price fluctuation). SAB locked in the price of production materials for 2023 – 2024 at ATH prices of materials in 2022, leading to a sharp increase in COGS during this period. The GM of the beer segment decreased from 35.4% in 2022 to 33.5% in 2024 and reduced the overall GM to 29.2% in 2024, although other segments' margin (beverages, alcohol and wine, etc.) had a relatively large improvement of about 7 - 8 pps YoY in 2024.

We expect SAB's GM to improve slightly in the period 2025 - 2029: Reaching 30.7% (+1.5 pps YoY) in 2025, increasing to 32.2% in 2026 thanks to the beer segment benefiting from lower-raw materials and the cost efficiency of raw materials (aluminum cans) after the M&A deal with SBB becomes obvious. Gross margin then decreases slightly and maintains 32% until 2029, corresponding to gross profit of VND 8,242.6 billion (-11.5% YoY) in 2025 and VND 8,724.0 billion in 2029, respectively. In the short term until the end of 2026:

- Raw material costs declined compared to the past two years, as high-priced malt, hops, and cans have been fully consumed. SAB secured new malt contracts for 2025 earlier this year and signed aluminum can contracts for 2025 and 2026 to hedge against the upward trend in can prices.
- Revenue structure changes: The raw material trading (GM <1%) is expected to decrease the proportion from 11.7% (2024) to ~5% (2025) when SAB can take advantage of SBB's can factory in recycling and maintain a low proportion of this segment in the upcoming years. (Back to Revenue)

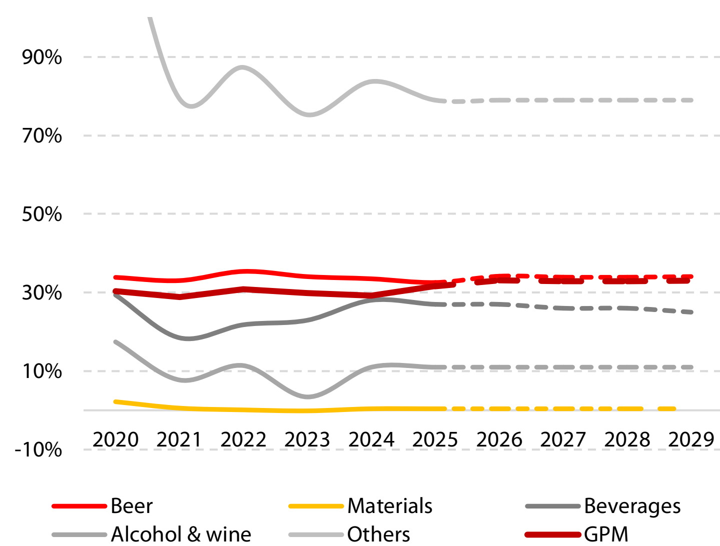
However, SAB's forecast GM of 30 - 32% is generally lower than that of other comparable peers (Figure 7). The key reason is difference in revenue structure: SAB includes raw material trading activities (accounting for 5 - 10% of revenue, GM less than 1%). In contrast, peers such as Tsingtao, Asahi, and Heineken's sales are mostly from the beer segment (gross margin of 33 – 40%).

Figure 5: Gross profit by segment of SAB (VND billion)



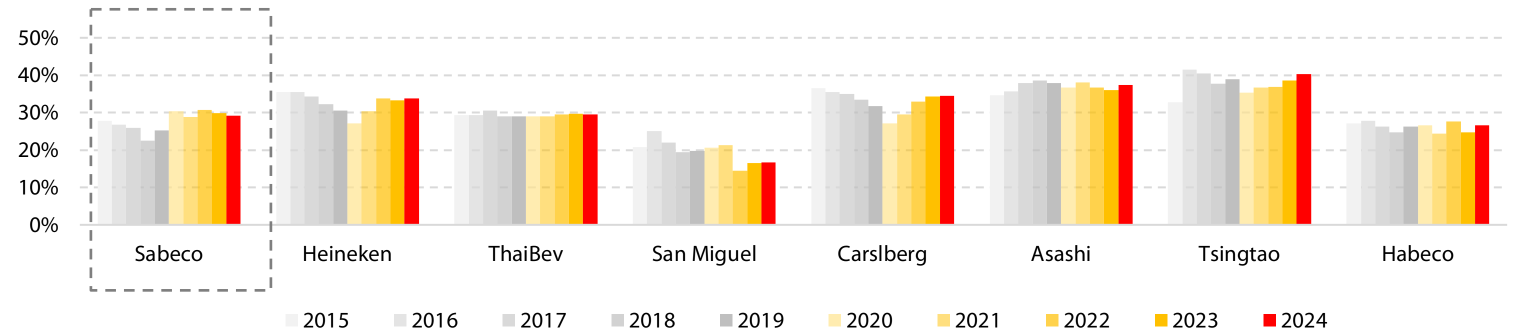
Source: SAB, RongViet Securities

Figure 6: Gross profit margin by segment (%)



Source: SAB, RongViet Securities

Figure 7: Gross profit margin of SAB and peers (%)



Source: SAB, RongViet Securities

Cost structure

SG&A

SAB's total cost of SG&A on revenue tended to increase again after 2020 and increased higher than the previous period, remaining at 13 - 17% of total revenue (Figure 8), reflecting the difficulty in consumption context, especially for some products such as wine and alcoholic beverages, beer due to a number of objective factors and events Impact: COVID-19, the Government's orientation to reduce alcohol consumption per capita, and not benefit from taxes,... this led to SAB having to spend more on sales activities to attract consumers and improve revenue (Figure 9).

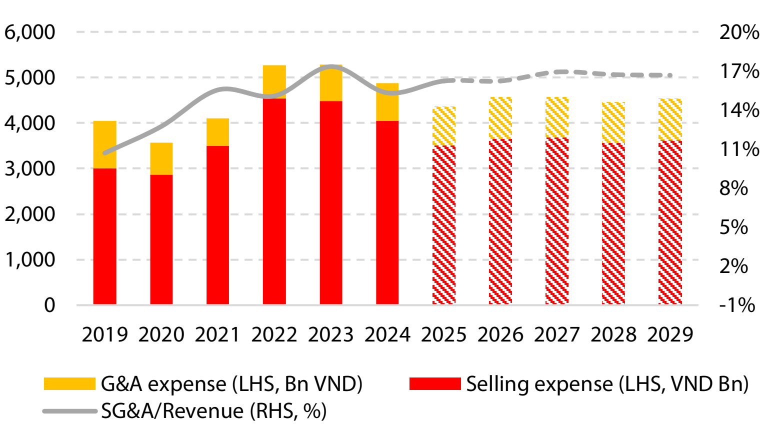
However, compared to peers (Figure 10), SAB still has an advantage thanks to its relatively low ratio of expenses, partly due to the narrow scope of operation - mainly concentrated in the domestic market.

Selling expenses: often higher than G&A expenses, due to the nature of the retail & consumer industries, they need to spend more on A&P. The proportion of selling costs/revenue increased continuously from 2019 to 2023, of which the largest fluctuation in A&P spending (60% of total selling costs).

General & Administration expenses: The proportion of G&A expenses accounted for a small proportion of revenue (about 3%) and fluctuated insignificantly due to stable management structure. SAB mainly supplies to the domestic market; there is no plan to promote export channels. Therefore, the company structure and model are not too complex to spend much on management activities.

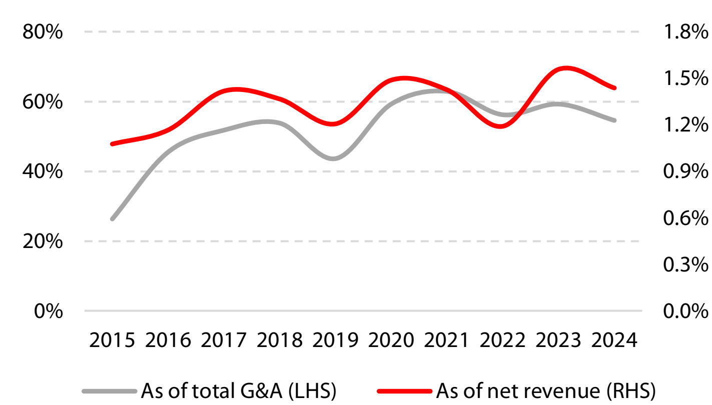
In summary, in 2025, we forecast SAB's SG&A expenses to reach VND 4,360 billion, corresponding to a proportion of 16.2% to revenue (up from 15.3% in 2024) and increase to 16.7% in 2029. The main reason is that businesses increase spending on A&P activities when the industry outlook is less positive and consumption through on-trade channels is negatively affected.

Figure 8: SG&A



Source: SAB, RongViet Securities

Figure 9: G&A staff cost/net revenue (%)



Source: SAB, RongViet Securities

Figure 10: Selling expense/ net revenue (%)

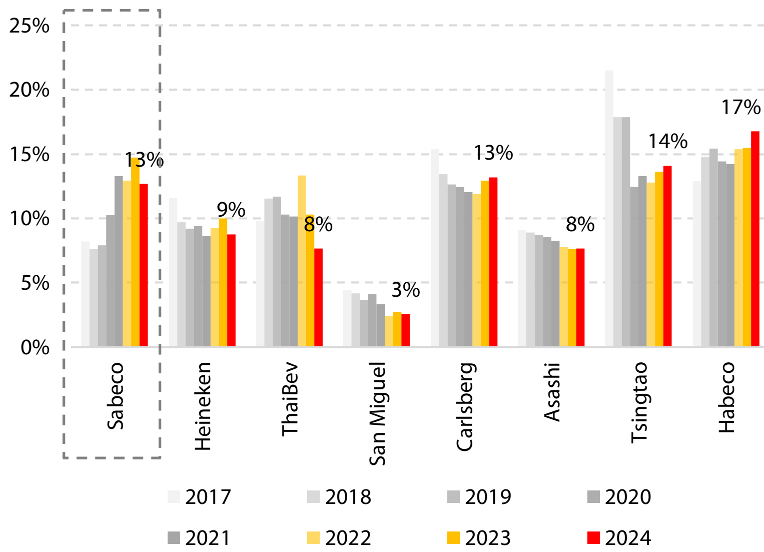
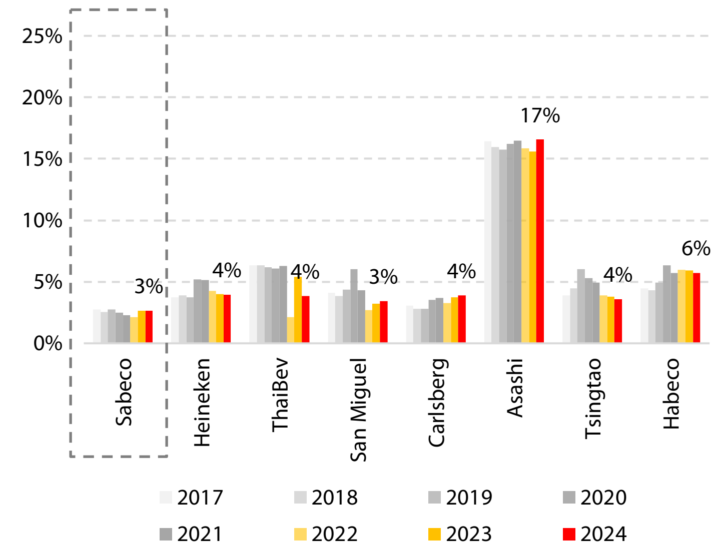


Figure 11: G&A expense/ net revenue (%)



Source: SAB, Bloomberg, RongViet Securities

Net Profit

NPAT-MI in 2025 and 2026 is forecasted to reach VND 3,839 billion (-11.3% YoY) and VND 4,143.9 billion, respectively, with NPAT-MI margin of 14.3% (+0.7 pps YoY) and 14.7% (+0.4 pps YoY):

- We believe that increase in operating expenses is in line with revenue, and it is difficult for SAB to reduce (Back SG&A). On the other hand, by benefiting from lower cost (See Raw material prices) and the revenue structure changes (increasing the proportion of the beer segment, reducing the proportion of the raw material segment), net margin will improve slightly in the next 2 years.
- In addition, our estimation of reducing the short and long-term debts from now to 2029 expect to reduce the company's burden of paying interest expenese (See Debt structure).

In general, SAB's net margin is in the high group compared to peers but is recording a downward trend, going against most foreign beer companies such as Heineken, Carlsberg, Asahi Group, Tsingtao, or the parent company Thai Beverage.

Figure 12: SAB's NPAT-MI

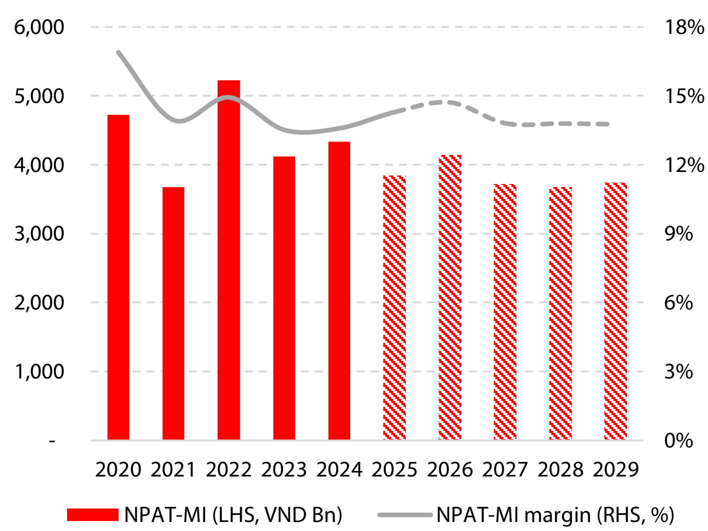
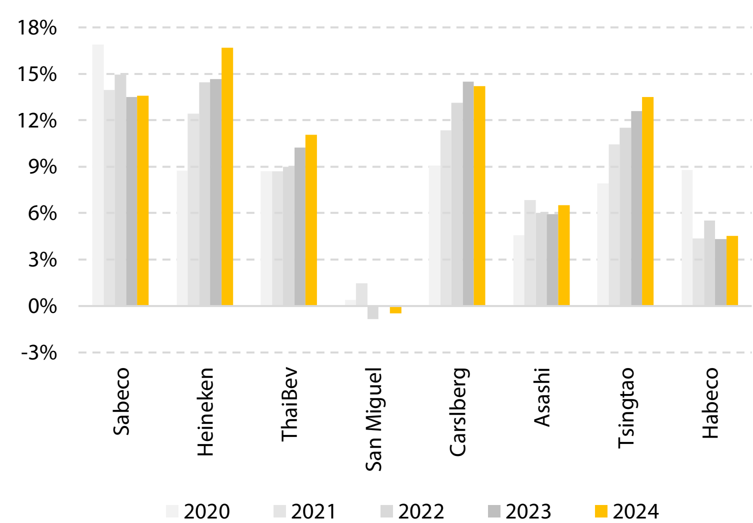


Figure 13: NPAT-MI margin of SAB and peers (%)



Source: SAB, RongViet Securities

Source: Bloomberg, RongViet Securities

Asset highlights

Working capital

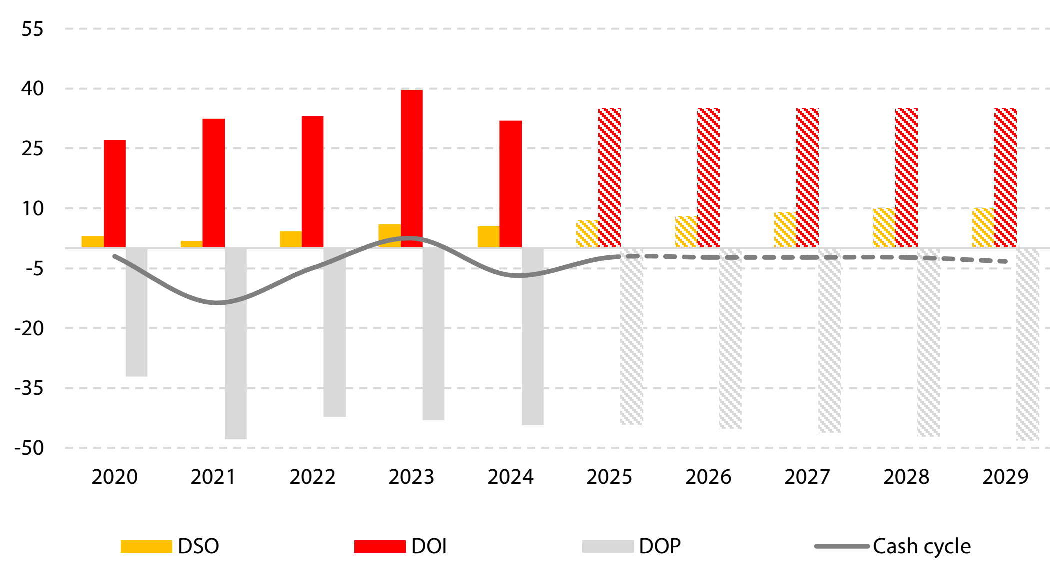
SAB's working capital indicators remained relatively stable during 2020 - 2024, with slight improvements in inventory days and payable days. The cash conversion cycle was low and often negative, reflecting the company's relatively short receivable and inventory periods.

- **Receivable days (DSO):** are low at 2-6 days and showing an upward trend. This reflects the reality of sales channel shifts, which have slightly extended collection periods. Specifically, SAB and the beer industry in general are experiencing a transition in distribution channels from on-trade (consumption on-premises) to off-trade (take-home) (See Distribution channels). This trend increases the likelihood of slower collections from credit sales to consumers and distributors.
- **Payable days (DPO) and inventory days (DOH):** Payable days are trending upward, from 42 days in 2022 to 44 days in 2024. Compared with its peers, SAB does not enjoy strong bargaining power in stretching supplier credit (Figure 14). However, the company still maintains relatively stable cash flow thanks to short collection periods and fast inventory turnover, with average inventory days of 30 – 45 days, supported by its strong brand recognition and product accessibility.

In the period of 2025 – 2029, we expect SAB's cash conversion cycle to increase slightly compared with 2024, but to remain negative at 2 to 3 days, consistent with the company's historical working capital management.

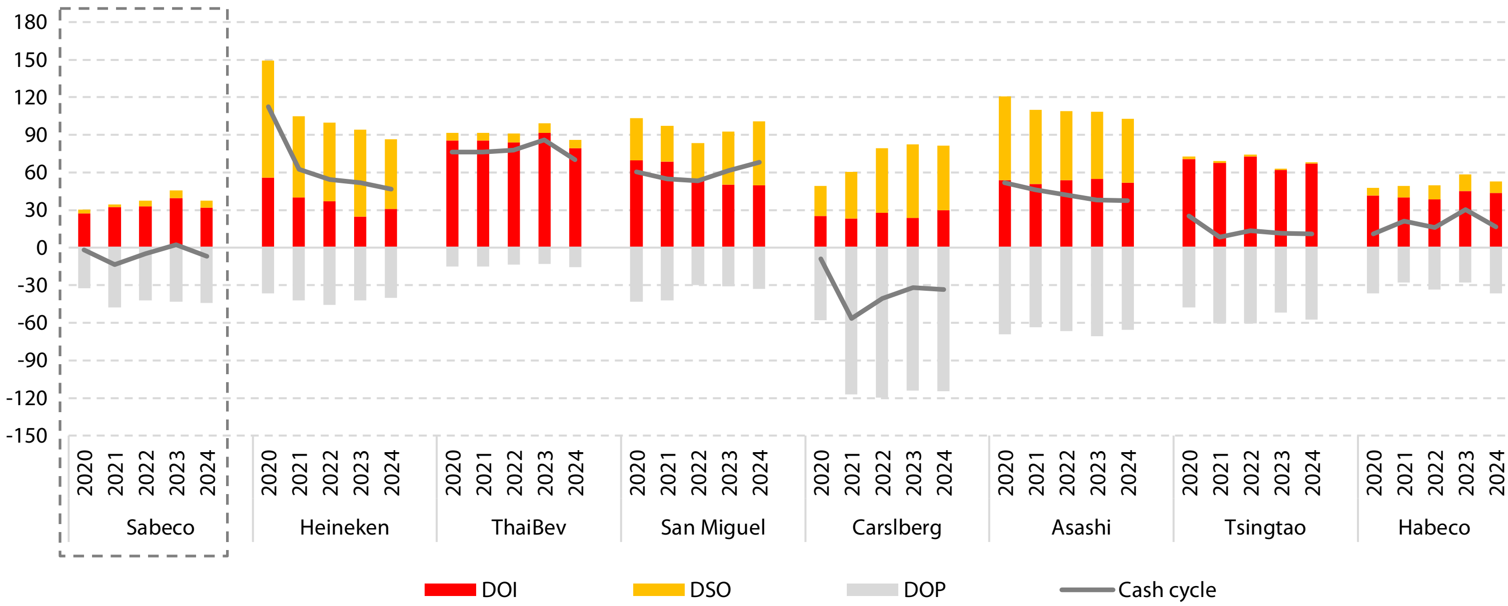
- Receivable days are projected to rise by an average of 1 day per year, driven by the continued shift from on-trade to off-trade distribution channels, which increases the likelihood of credit sales to distributors, retailers, and small-scale consumers. Payable days are expected to rise correspondingly, ranging between 44 - 48 days over the forecast period.
- Inventory days are projected to remain anchored at an average of 35 days, as beer products are typically consumed relatively quickly thanks to strong brand and affordable pricing. In addition, SAB can forecast demand effectively, aligning production and consuming volumes of market needs.

Figure 14: SAB's working capital (Days)



Source: SAB, RongViet Securities

Figure 15: Working capital indicators of SAB and peers (Days)



Source: Bloomberg, RongViet Securities

Capital expenditure (CAPEX)

CAPEX has typically ranged between VND 200 - 350 billion per year, primarily for machinery and equipment supporting production activities. In 2022, CAPEX surged to VND 564 billion, as the company implemented several initiatives including rooftop solar projects for in-house production (as part of its ESG roadmap), and expanded the capacity of the Saigon – Quang Ngai Brewery to 250 million liters/year (2.5x its initial capacity) to meet the sharp post-pandemic recovery in beer consumption and strengthen its footprint in the Vietnamese Central region.

We forecast CAPEX to remain around VND 200- 220 billion annually during 2025 - 2029, with nearly 50% allocated to production machinery and equipment.

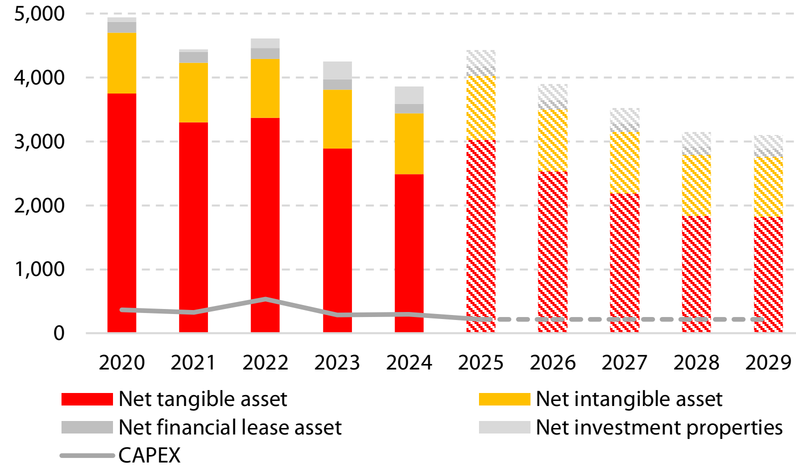
Regarding brewery capacity expansion plans, we provide additional information and feasibility assessment of project, which has not yet been incorporated into our base case forecast, due to the following:

- Sai Gon - Cu Chi Brewery capacity expansion: SAB plans to raise capacity from 264 million liters/year (117.9 million liters bottled beer; 146.1 million liters canned beer) to 350 million liters/year (100 million liters bottled beer; 250 million liters canned beer). However, the plant is currently operating below capacity, while beer consumption demand is not expected to surge in the coming years.
- Regulatory delays: The investment decision was made in 2019 but faced setbacks during the approval process for the Environmental Impact Assessment (EIA). Initial approval in 2020 required revisions; the process was then disrupted by COVID-19, and further submissions were rejected in 2023 and again in May-June 2025.
- Latest update: SAB expects to resubmit the EIA for approval in Q4/2025, with project implementation planned from Q4/2025 to Q1/2027, at a total investment cost of VND 855 billion. Given the repeated hurdles, we remain cautious about whether SAB's fourth submission will be approved and therefore do not factor this project into our forecast.

Figure 16: Saigon – Cu Chi Brewery

Source: SAB, RongViet Securities

Figure 17: CAPEX (Bn VND)



Source: SAB, RongViet Securities

Debt

SAB made limited use of debt and finance leases, maintaining a low ratio of long-term lease liabilities to equity at below 5%, which declined from 4.2% in 2022 to 1.7% in 2024.

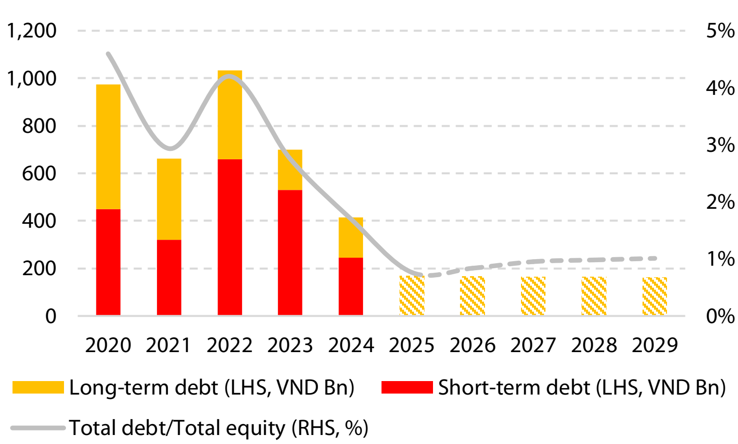
As of end of 2024, long-term lease liabilities stood at VND 169 billion. We project SAB will gradually repay principal at around VND 1.43 billion per year, equivalent to a total of over VND 7.1 billion over the next five years. The company's debt-to-equity ratio is expected to remain below 1%.

Cash dividend policy

SAB approved cash dividend to par value ratio of 50% for FY2024 at 2025 AGM, equivalent to 5,000 VND/share. We assume that SAB will continue to maintain a high dividend payout policy with a dividend to par value ratio of 35 - 50% for the coming years due to: 1) No significant new investment plans; (2) Paying dividends to offset interest of 2.4 - 3% on loans worth USD 4.8 billion financing the M&A deal of parent company ThaiBev acquired SAB in 2017 (*).

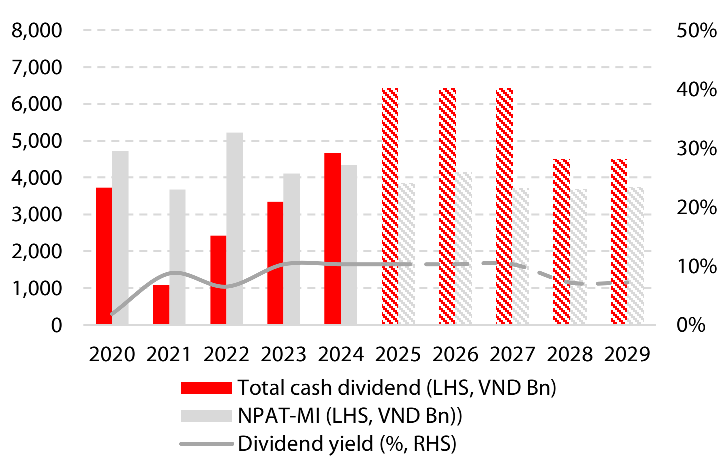
According to our estimations, the total dividend received by ThaiBev from 2018 to now is not enough to compensate for the total interest expense for the M&A financing loan. This implied that ThaiBev's burden of repaying principal and interest within 10 years from 2017 to 2028 of ThaiBev is still the key driver for SAB to maintain a high dividend payment policy in the coming years. (Refer Summary of ThaiBev's loans)

Figure 18: Debt structure and average interest rate



Source: SAB, RongViet Securities

Figure 19: Cash dividend payment



Source: SAB, RongViet Securities

(*) Summary of ThaiBev's loans to finance M&A deal

Figure 20: ThaiBev's ownership structure in SAB and related companies

Source: RongViet Securities

On December 29, 2017, Vietnam Beverage (49% owned by ThaiBev) paid VND 110 trillion (USD 4.84 billion) to the Ministry of Industry and Trade (MOIT) to acquire a 53.6% stake in Sabeco, thereby becoming the controlling parent company.

- To finance this transaction, ThaiBev and its wholly owned subsidiary BeerCo entered different loans totaling nearly USD 5 billion, with an average interest rate of 2.5 – 3% per annum.
- However, given the 2-year maturity of the USD 4.8 billion loan, ThaiBev refinanced the debt in 2018 through bond issuances equivalent to 83% of the M&A transaction value, with tenors ranging from 2 to 10 years and average interest rates between 1.76% and 3.6%.

Table 4: USD 4.8 bn loans for M&A financing (2017)

Domestic loans (5 banks)		Foreign loans (2 banks)	
ThaiBev	USD 3.05 bn	BeerCo	USD 1.95 bn
Maturity	2 years	Maturity	2 years
Interest	2.4 – 3%	Interest	2.4 – 3%

Source: ThaiBev, RongViet Securities

Table 5: Bond loans (2018) – Different maturities from 2 to 10 years

Tranches	2020	2021	2023	2025	2028	Total
Loans (mn THB)	7,452	54,895	14,387	14,933	35,133	126,800
Loans (bn USD)	0.2	1.7	0.5	0.5	1.1	4.0
Fixed interest rate (%)	1.79%	2.10%	2.76%	3.15%	3.60%	2.68%*

Source: ThaiBev, RongViet Securities – (*) Average interest rate

Table 6: Description of estimated bond loan payments and cash dividends received annually by Thaibev

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total**
No. outstanding shares (Mn shares)		641.3	641.3	641.3	641.3	641.3	1,282.6	1,282.6	1,282.6	
Dividend (VND/Share)		7,000	1,500	5,500	1,500	3,500	2,500	5,500	3,000*	
No. of shares hold by ThaiBev (Mn Shares)		343.7	343.7	343.7	343.7	343.7	687.3	687.3	687.3	
Dividends received by Thaibev (Bn VND)		2,405.6	515.5	1,890.1	515.5	1,202.8	1,718.3	3,780.3	2,062.0	14,090.1
Bank loans (Bn VND)	Bank loan debt (Table 4) USD 4.8 billion in 2017, equivalent to VND 109,972 billion *(Assuming that the principal of the loan has been settled in 2018 and 2019, corresponding to a maturity term of 2 years)*									
Total principal	109,972	54,986	0							
Principal settlement		54,986	54,986							
Interest expenses (1)		3,299	1,650							4,949.0
Bond loan value (Bn VND)	Bonds issued with a total value of THB 126,800 million, equivalent to VND 94,895 billion in 2018 (Table 5) with 5 tranches corresponding to maturities of 2, 3, 4, 7 and 10 years (the longest until 2028) *(Assuming that the principal debt of each tranch is settled 1 time on the maturity date)*									
Exch. rate (VND/THB)	*710.8*	*748.4*	*741.6*	*718.1*	*668.9*	*685.5*	*711.2*	*782.2*	*710.8*	
Total principal		94,895.0	94,035.0	85,709.0	43,113.0	44,185.0	35,605.0	39,164.0	27,482.0	
Principal settlement		-	-	8,326.0	42,596.0	-	8,580.0	-	11,681.0	
Interest expense (2)		-	2,558.3	2,535.1	2,359.1	1,426.3	1,461.7	1,234.0	1,357.3	12,931.8
Net-off dividends and interest expense		(893.4)	(3,692.8)	(645.0)	(1,843.6)	(223.5)	256.6	2,546.3	704.7	(3,790.7)

Source: RongViet Securities assumes and estimates

(*) The cash dividend of 3,000 VND/share of 2024 has been paid as of Q2/2025

(**) The total amount of interest expenses paid, and dividends received are estimated as of Q2/2025.

Dupont Analysis

SAB maintained a higher and more stable ROE compared to peers (Asahi, Tsingtao, Habeco, San Miguel), trailed Heineken and Carlsberg despite having a nearly comparable net margin (fluctuating in 14% - 16%). The company has consistently maintained a relatively conservative leverage (1.4 - 1.6x), while asset turnover remains limited, resulting in suboptimal profitability that still has room for improvement.

We expect SAB's ROE to rise from 18% in 2024 to 20 - 23% in 2025–2029, driven by improved asset efficiency (asset turnover of 1–1.2x, like the pre-2020 level), while maintaining low leverage and stable net margin. The company's consistent high-dividend payout is projected to reduce total assets at a CAGR of -7.2% per year, thereby boosting asset turnover.

Table 7: Dupont 3 factors of SAB and peers

DUPONT ANALYSIS	2018	2019	2020	2021	2022	2023	2024	2025E	2026F	2027F	2028F	2029F
Sabeco (Vietnam)	29.4%	29.9%	24.4%	17.9%	23.6%	17.4%	18.2%	17.4%	20.8%	21.5%	22.0%	23.3%
Net profit	11.6%	13.3%	16.9%	13.9%	14.9%	13.5%	13.6%	14.3%	14.7%	13.8%	13.8%	13.8%
Asset turnover	1.6	1.5	1	0.9	1.1	0.9	0.9	0.9	1	1.1	1.1	1.2
Leverage	1.6	1.5	1.4	1.4	1.5	1.4	1.4	1.3	1.4	1.4	1.4	1.4
Heineken (Malaysia)	77.2%	81.8%	41.5%	65.9%	93.4%	81.7%	93.5%	-	-	-	-	-
Net profit	13.9%	13.5%	8.7%	12.4%	14.5%	14.7%	16.7%	-	-	-	-	-
Asset turnover	2.2	2.3	1.6	1.9	2.3	2	2.2	-	-	-	-	-
Leverage	2.5	2.7	2.9	2.9	2.8	2.8	2.5	-	-	-	-	-
ThaiBev (Thailand)	14.4%	17.6%	17.1%	13.4%	13.0%	16.8%	21.5%	-	-	-	-	-
Net profit	7.8%	7.8%	8.7%	8.7%	9.0%	10.2%	11.1%	-	-	-	-	-
Asset turnover	0.8	0.6	0.6	0.5	0.6	0.6	0.6	-	-	-	-	-
Leverage	2.5	3.5	3.3	2.9	2.6	2.8	3.3	-	-	-	-	-
San Miguel (Philippines)	7.5%	6.6%	0.9%	4.2%	-4.4%	0.1%	-2.6%	-	-	-	-	-
Net profit	2.3%	2.1%	0.4%	1.5%	-0.9%	0.0%	-0.5%	-	-	-	-	-
Asset turnover	0.7	0.6	0.4	0.5	0.7	0.6	0.6	-	-	-	-	-
Leverage	4.9	5.4	5.6	6	7.5	8.4	8.9	-	-	-	-	-
Carlsberg (Malaysia)	118.4%	183.3%	102.5%	106.1%	176.7%	173.7%	132.9%	-	-	-	-	-
Net profit	14.0%	12.9%	9.1%	11.3%	13.1%	14.5%	14.2%	-	-	-	-	-
Asset turnover	3	3.3	2.7	2.5	2.6	2.2	2.2	-	-	-	-	-
Leverage	2.8	4.3	4.2	3.8	5.2	5.5	4.2	-	-	-	-	-
Asahi (Japan)	13.2%	11.9%	6.7%	9.4%	7.9%	7.3%	7.5%	-	-	-	-	-
Net profit	7.1%	6.8%	4.6%	6.9%	6.0%	5.9%	6.5%	-	-	-	-	-
Asset turnover	0.7	0.7	0.5	0.5	0.5	0.5	0.6	-	-	-	-	-
Leverage	2.8	2.6	2.7	2.7	2.5	2.2	2.1	-	-	-	-	-
Tsingtao (China)	8.1%	10.0%	11.1%	14.5%	15.3%	16.1%	15.4%	-	-	-	-	-
Net profit	5.4%	6.6%	7.9%	10.5%	11.5%	12.6%	13.5%	-	-	-	-	-
Asset turnover	0.8	0.8	0.7	0.7	0.7	0.7	0.6	-	-	-	-	-
Leverage	1.9	1.9	2	2	2	1.9	1.8	-	-	-	-	-
Habeco (Vietnam)	12.4%	12.3%	13.6%	6.6%	10.5%	7.2%	8.0%	-	-	-	-	-
Net profit	5.5%	5.8%	8.8%	4.4%	5.5%	4.3%	4.5%	-	-	-	-	-
Asset turnover	1	1.1	1	0.9	1.2	1.1	1.1	-	-	-	-	-
Leverage	2.3	1.9	1.6	1.6	1.6	1.6	1.6	-	-	-	-	-

Source: Bloomberg, RongViet Securities

Table 8: SAB's income statement

Income Statement	2021	2022	2023	2024	2025E	2026F	2027F	2028F	2029F
Net revenue	26,373.8	34,979.1	30,461.4	31,872.4	26,867.0	28,101.7	26,954.0	26,620.2	27,169.4
Cost of goods sold	18,765.2	24,208.4	21,370.0	22,554.2	18,624.4	19,054.4	18,337.4	18,111.6	18,445.4
Gross profit	7,608.6	10,770.7	9,091.4	9,318.2	8,242.6	9,047.3	8,616.6	8,508.6	8,724.0
SG&A expense	4,098.1	5,272.7	5,279.9	4,881.0	4,359.8	4,560.2	4,559.7	4,450.0	4,528.2
Other Operating Expenses	-26.0	36.5	23.2	-2.7	93.1	8.5	8.4	8.6	9.0
EBITDA	4,104.5	6,033.2	4,369.5	5,013.6	4,526.2	5,225.3	4,629.8	4,635.6	4,439.4
Financial revenue	1,119.6	1,090.6	1,432.6	1,067.1	1,027.4	932.5	825.1	760.1	710.6
Financial expense	48.7	45.5	50.2	27.4	17.5	10.0	10.0	9.9	9.8
PBT	4,664.7	6,453.1	5,088.7	5,449.9	4,770.0	5,371.5	4,834.0	4,770.7	4,858.0
Tax expenses	927.6	1,313.6	1,115.4	1,152.6	954.0	1,074.3	966.8	954.1	971.6
Bonus and walfare fund	-	-	-	-	-	-	-	-	-
Minority interest	252.1	276.0	137.5	164.7	144.1	162.3	146.1	144.1	146.8
Net profit	3,658.0	5,186.6	4,067.9	4,330.1	3,839.9	4,134.9	3,721.1	3,672.4	3,739.6
EPS (VND/share)	5,704.0	8,088.0	3,172.0	3,376.0	2,994.0	3,224.0	2,901.0	2,863.0	2,916.0

Source: SAB, RongViet Securities

Table 9: SAB's balance sheet

Balance sheet	2021	2022	2023	2024	2025E	2026F	2027F	2028F	2029F
TOTAL ASSETS									
Cash	3,606.5	4,069.5	5,039.9	4,477.5	4,197.8	4,719.2	4,674.3	4,937.2	4,301.2
Short-term investment	16,991.2	19,411.5	17,741.1	16,566.2	14,824.3	12,577.7	10,287.0	9,556.9	9,675.3
Account receivables	468.0	897.7	1,229.4	1,818.5	1,005.7	1,106.4	1,155.1	1,219.8	1,234.8
Inventories	1,668.0	2,193.5	2,317.5	1,978.5	1,785.9	1,827.1	1,758.4	1,736.7	1,768.7
Other current assets	143.4	288.1	225.5	226.0	190.5	199.2	191.1	188.7	192.6
Current assets	22,877.0	26,860.2	26,553.4	25,066.7	22,004.2	20,429.6	18,065.9	17,639.4	17,172.7
Fixed assets	4,061.4	3,817.9	3,469.6	3,026.2	3,430.5	2,916.4	2,555.6	2,188.7	2,158.0
Long-term investment	2,125.2	2,214.1	2,287.4	3,672.6	2,032.0	2,032.0	2,032.0	2,032.0	2,032.0
Intangible assets	933.2	923.7	923.1	957.4	998.1	974.2	962.9	953.4	940.5
Other Long-Term Doctors	477.7	611.4	788.4	682.6	682.6	682.6	682.6	682.6	682.6
Non-current assets	7,610.0	7,604.9	7,503.2	8,372.7	7,177.2	6,639.1	6,267.1	5,890.7	5,847.1
Total assets	30,487.0	34,465.1	34,056.6	33,439.4	29,181.4	27,068.8	24,333.0	23,530.1	23,019.8
Total liabilities									
Short-term debts	321.8	658.6	530.1	245.4	-	-	-	-	-
Accounts payables	2,400.3	2,766.3	2,476.4	2,642.2	2,259.9	2,364.3	2,325.6	2,346.5	2,440.3
Other accounts payable	4,536.0	5,789.0	5,218.1	5,769.5	4,569.5	4,469.5	4,319.5	4,169.5	4,169.5
Current liabilities	7,258.0	9,213.9	8,224.6	8,657.1	6,829.4	6,833.8	6,645.1	6,516.1	6,609.8
Long-term debts	341.2	374.4	170.8	169.4	168.0	166.6	165.2	163.7	162.3
Other non-current liabilities	293.0	285.9	176.0	175.7	175.7	175.7	175.7	175.7	175.7
Non-current liabilities	634.2	660.4	346.9	345.2	343.8	342.3	340.9	339.5	338.0
Total liabilities	7,892.2	9,874.2	8,571.5	9,002.3	7,173.2	7,176.1	6,986.0	6,855.5	6,947.9
MINORITY INTERESTS									
Minority interests	1,373.3	1,450.6	1,272.9	1,155.0	1,299.1	1,461.4	1,607.4	1,751.6	1,898.3
SHAREHOLDER'S EQUITY									
Preferred stocks	-	-	-	-	-	-	-	-	-
Common stocks	6,412.8	6,412.8	12,825.6	12,825.6	12,825.6	12,825.6	12,825.6	12,825.6	12,825.6
Retained earnings	13,655.9	15,564.9	10,217.3	9,217.8	6,644.9	4,366.9	1,675.2	858.7	109.3
Other equity accounts	1,152.8	1,162.6	1,169.4	1,238.7	1,238.7	1,238.7	1,238.7	1,238.7	1,238.7
Shareholder's equity	22,594.8	24,590.9	25,485.2	24,437.1	22,008.3	19,892.6	17,347.0	16,674.6	16,072.0
Total resources	30,487.0	34,465.1	34,056.6	33,439.4	29,181.4	27,068.8	24,333.0	23,530.1	23,019.8

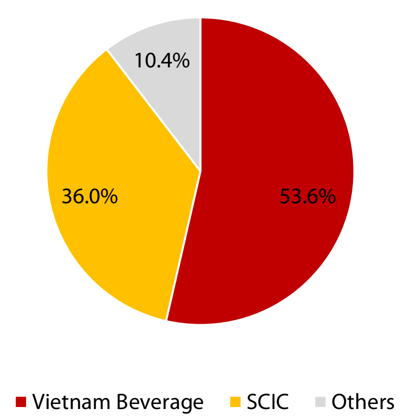
Source: SAB, RongViet Securities

APPENDIX 1 – BUSINESS OVERVIEW

Business overview

- **Saigon Beer – Alcohol – Beverage Corporation** originated from a small brewery established by the French in Saigon in 1875.
- In 1993, Saigon Brewery changed its name to Saigon Beer Company and in 2008**, the Company was transformed into its operating model** and officially established Saigon Beer - Alcohol - Beverage Corporation (SABECO).
- SABECO was officially **listed on the HOSE stock exchange in 2016**, becoming a foreign-invested enterprise since 2018.

Figure 21: Shareholder structure of SAB



SAB's shareholder structure is generally **quite condensed with more than 90% of shares held by 2 major shareholders.** Vietnam Beverage (Thaibev hold 49%) became the parent company and the largest shareholder of SAB since the end of 2017 with an ownership rate of 53.6%. The State Capital Investment Corporation (SCIC) is the second-largest shareholder with an ownership rate of 36%.

The remaining 10.4% circulates freely in the market with more than 9,600 shareholders holding. In which, 91.6% are domestic individuals and organizations.

Source: SAB, RongViet Securities

In terms of business structure, SAB owns 26 subsidiaries, 17 affiliates and 11 investment companies. The company currently owns 26 breweries spread across Vietnam with a total production capacity of 2.4 billion liters/year. All subsidiaries and affiliates operate in the field of production and trading of beer – alcohol – beverages. Some subsidiaries are involved in the business of buying and selling packaging, raw materials and transportation services to support the main chain of production and business activities of the enterprise. Details of the list of subsidiaries and joint ventures & associates are shown in (Table 10) below.

Core business: Production and trading of beer - alcohol – beverages, with beer as the main product group contributing 88.1% of SAB's total revenue in 2024.

- The list of products is classified into 03 groups including: (1) Beer, (2) Alcoholic beverages, and (3) Non-alcoholic beverages
- Focus on market segments: Economy and sub-premium products

Other business activities:

- SAB participates in the purchase and sale of raw materials to produce wine, beer, and beverages for used materials such as aluminum cans, bottles of all kinds when they cannot meet the recycling requirements at the factory, or malt/hops/surplus raw materials. However, this activity has been and will decrease after SAB lifted its ownership in SBB at the end of 2024 and took advantage of SBB's factory in the production and recycling of cans (SBB is the manufacturer and processor of some of SAB's main beer product lines).
- In addition, the business has also expanded into many other business fields such as mechanical engineering and real estate to increase its financial potential but operate insignificantly.

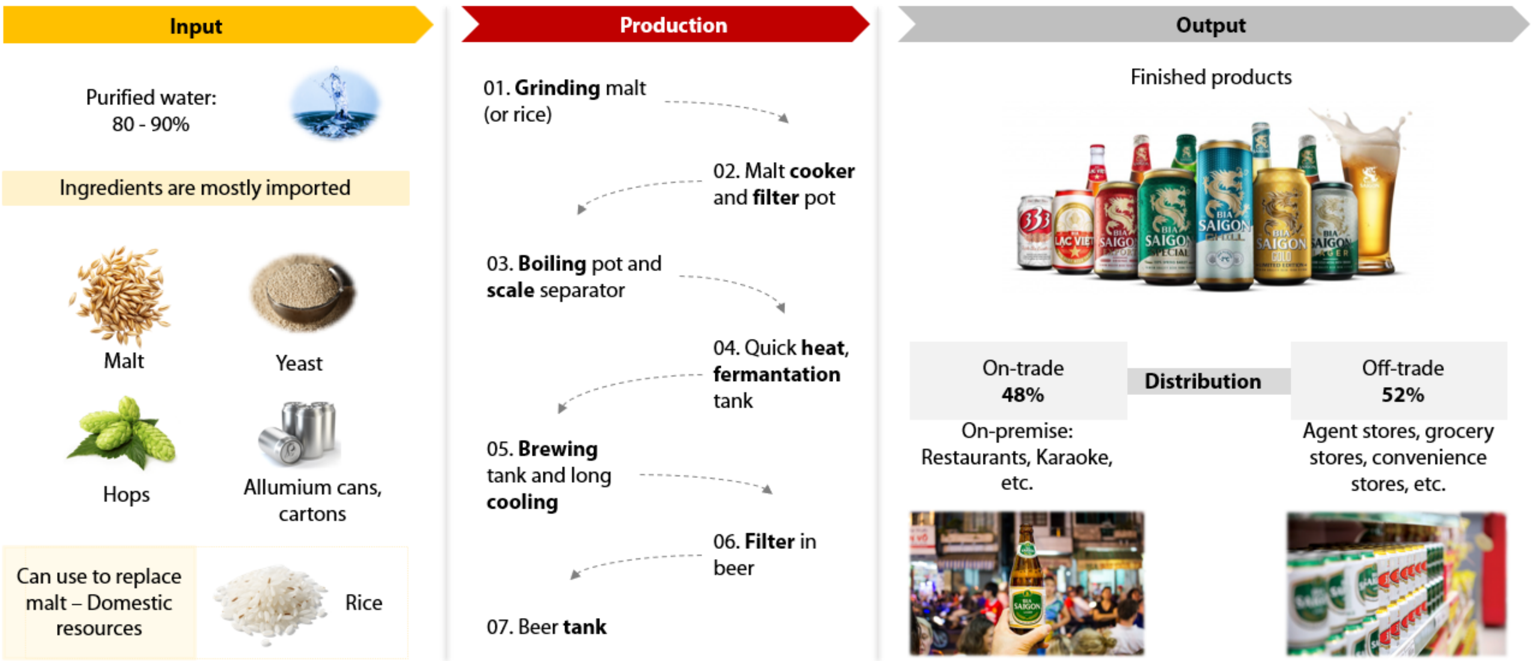
Table 10: List of subsidiaries and affiliates

	Company Name	Voting Rights	Main Activities
	Subsidiaries		
1	SA BE CO Mechanical Co., Ltd	100.0%	Manufacturing equipment used in food, manufacturing, installing and maintaining machinery system and equipment
2	Saigon Beer Trading Company Limited	100.0%	Trading beer, alcohol and beverages
3	Saigon - Ha Tinh Beer One Member Co., Ltd	100.0%	Producing and trading beer, yeasty malt, mineral water, bottled purified water
4	Saigon Beer Company Limited	100.0%	Wholesale of beer, alcohol, beverages
5	Saigon Beer Group Company Limited	100.0%	Wholesale of beer, alcohol, beverages
6	Saigon Beer Bac Trung Bo Trading JSC	95.1%	Trading beer, alcohol and beverages; providing transportation and warehousing services
7	Saigon Beer Center Trading JSC	94.5%	Wholesale of beer, alcoholic/non-alcoholic beverages/other chemicals, alcohol
8	Binh Tay Liquor JSC	91.8%	Production and trading alcohol
9	Saigon Beer Mien Trung Trading JSC	91.2%	Trading beer, alcohol, beverages; warehousing & cargo transportation by car services
10	Saigon Beer Eastern Trading JSC	90.7%	Trading beer, alcohol, beverages; warehousing & cargo transportation by road and waterway services
11	Saigon Beer Northest Trading JSC	90.5%	Trading beer, alcohol, beverages; warehousing & cargo transportation services
12	Saigon Beer Nam Trung Bo Trading JSC	90.1%	Trading beer, alcohol, beverages; warehousing & cargo transportation services
13	Saigon Beer Tay Nguyen Trading JSC	90.0%	Trading beer, alcohol, beverages; warehousing & cargo transportation services
14	Song Tien Saigon Beer Trading JSC	90.0%	Trading beer, alcohol, beverages; warehousing & cargo transportation by road services
15	Saigon Song Hau Beer Trading JSC	90.0%	Trading beer, alcohol, beverages; cargo transportation by road and waterway services
16	Northern Saigon Beer Trading JSC	90.0%	Trading beer, alcohol, beverages; transportation and warehousing services
17	Western - Saigon Beer JSC	86.3%	Producing and trading beer
18	Saigon Beer Packaging JSC	76.8%	Producing and trading tin lid rings and metal packaging, packaging for F&B industry
19	Saigon - Song Lam Beer JSC	68.8%	Producing and trading beer and beverages; importing and exporting related materials
20	Saigon - Quang Ngai Beer JSC	66.6%	Producing and trading beer
21	Chuong Duong Beverage JSC	62.1%	Producing and trading beverages, canned food and accessories
22	Saigon - Nghe Tinh Beer JSC	54.7%	Producing and trading beer, alcohol and beverages
23	Saigon - Lam Dong Beer JSC	52.9%	Producing beer, alcohol and beverage
24	Saigon - Hanoi Beer Corporation	52.1%	Producing and trading beer and beverages; importing and exporting related materials
25	Saigon - Dong Xuan Beer and Alcohol JSC	51.2%	Producing and trading beer, alcohol and soft drinks
	Affiliates		
1	Me Linh Point Limited	25.0%	Providing office building leasing and management services
2	Crown Beverage Cans Saigon Limited	30.0%	Manufacturing aluminum cans
3	Malaya – Vietnam Glass Limited	30.0%	Manufacturing glass products
4	Saigon - Khanh Hoa Beer JSC	26.0%	Producing and trading beer, alcohol, beverage and spare parts
5	Saigon - Ben Tre Beer JSC	20.0%	Producing beer, alcohol and beverages
6	San Miguel Yamamura Phu Tho Packaging Co., Ltd.	35.0%	Manufacturing and trading metal packaging
7	Vietnam Spirits and Wine Ltd.	45.0%	Producing and trading alcohol and alcohol - related products
8	Tan Thanh Investment Trading Co., Ltd.	29.0%	Construction and real estates

Source: SAB, RongViet Securities

APPENDIX 2 - BEER VALUE CHAIN

Figure 22: Value chain of the beer industry in Vietnam



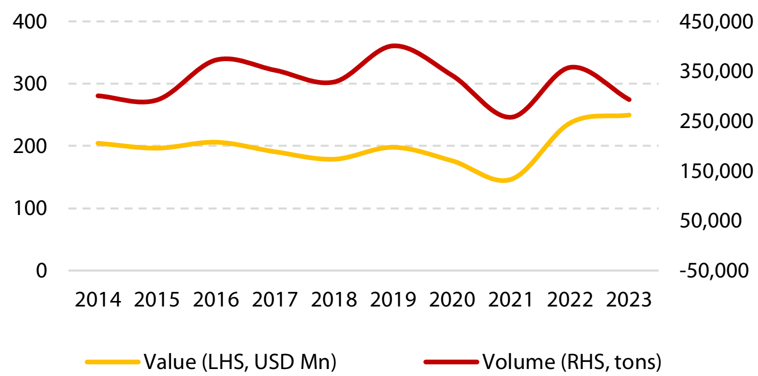
Source: RongViet Securities

The beer industry value chain in Vietnam, including that of Sabeco, shows little difference in terms of raw material inputs, production processes, and outputs, as most raw materials are still largely imported.

1. Input: Beer is produced from various ingredients to create diverse and distinctive flavors across product segments, but they can be broadly grouped into four main categories: water, malt, yeast, and hops. Except for water, most raw materials are imported, meaning costs are exposed to global commodity price fluctuations and exchange rate risks.

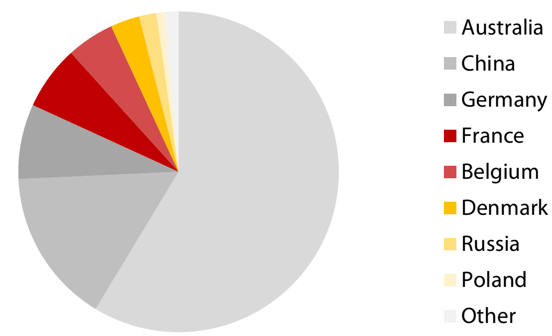
- ***Main ingredient - Water:*** Included in nearly every stage of beer production, water makes up 80 - 90% of the final product and contributes to the unique taste of beer in each region. Brewing water must meet strict quality requirements, such as purity, alkalinity (pH level), and the presence of minerals like magnesium (Mg) and calcium (Ca). Different beer tastes are produced using different hard water, soft water, and varying levels of mineral content.
- ***Other key ingredients (Mostly imported):***
  - **Malt:** Estimated to account for 23 - 27% of COGS, malt provides the entire supply of glucids (mainly in starch form), which are converted into sugars, and subsequently into alcohol and other compounds.
    - Malt is mainly produced from barley, but can also be made from rice, wheat, rye, or corn. Like other cereals, barley malt contains two main components: glucids and proteins. However, barley malt is preferred because it has a higher content and, most importantly, an optimal glucid-to-protein ratio for beer production.
    - To reduce costs, brewers can mix up to 50% of barley malt with other cereals. In Vietnam, rice is the most common substitute due to abundant domestic supply and its good solubility for fermentation.
    - Vietnam's malt is largely imported from Australia and European countries. Australia accounts for the largest share with over 58% of Vietnam's annual malt imports, followed by China (16%), Germany (8%), and France (6%). (Figure 24).

Figure 23: Total value and volume of malt imported into Vietnam, period 2014 – 2023



Source: WITS, RongViet Securities

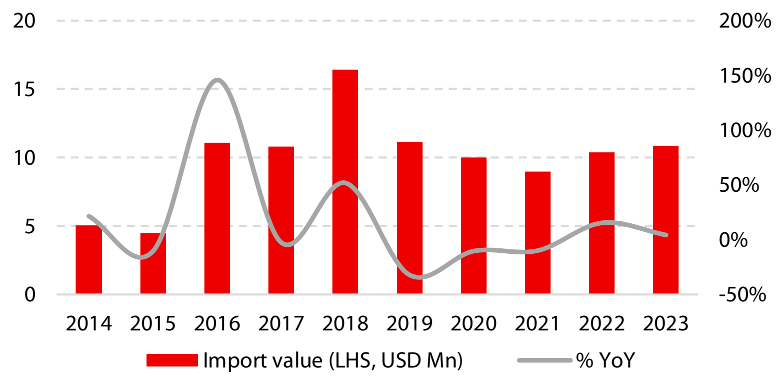
Figure 24: Contribution of malt volume imported to Vietnam by country, 2022 (%)



Source: TrendEconomy, RongViet Securities

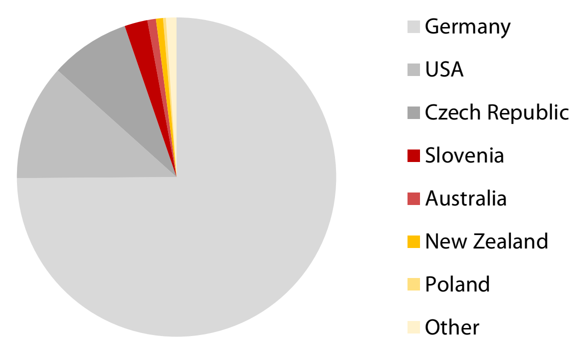
- **Hops:** Accounting for around 2% of COGS and a small proportion of beer, hops are an irreplaceable ingredient. They are exclusively used in beer production and thrive only in temperate climates. Hops are entirely imported as Vietnam cannot cultivate. They help keep foam formation and stability, provide antibacterial properties, and contribute to the strong aroma and bitterness. Different origins of hops create distinct flavors of beer.

Figure 25: Total value of hops imported into Vietnam, period 2014 – 2023



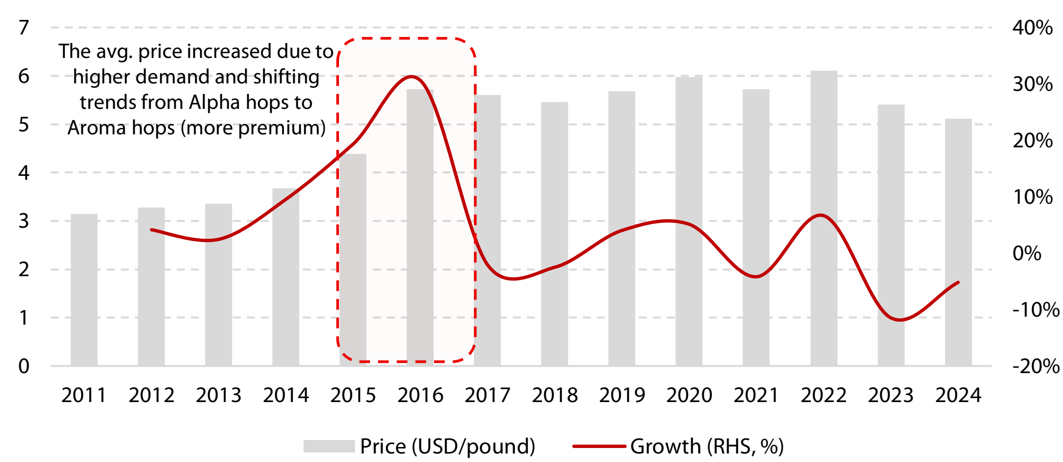
Source: WITS, TrendEconomy, RongViet Securities

Figure 26: Contribution of hops volume imported to Vietnam by country, 2022 (%)



Source: TrendEconomy, RongViet Securities

Figure 27: Average price movement of US hops, period 2011 – 2024

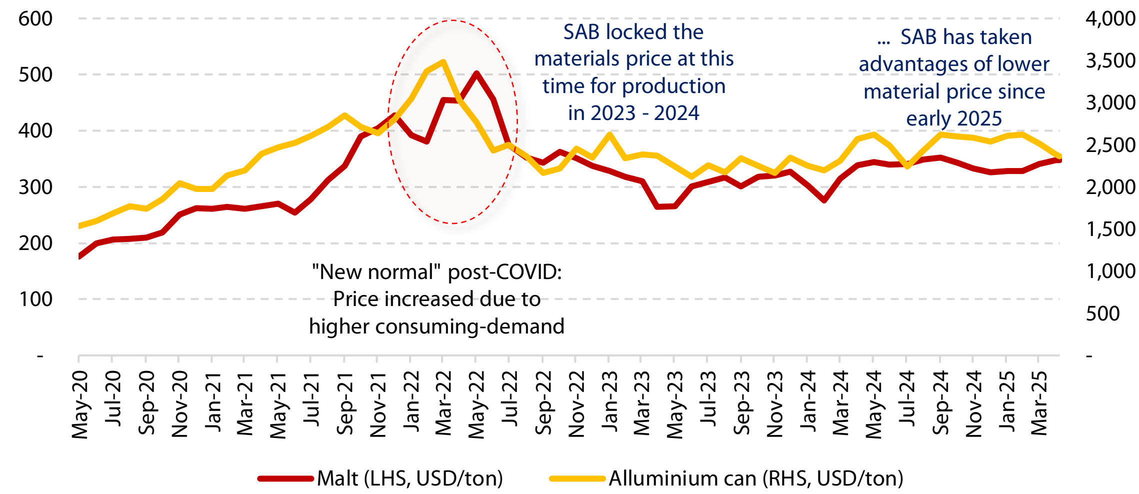


Source: USDA, RongViet Securities

- **Yeast:** The most used strain in beer production is Saccharomyces, which imparts flavor and aroma to the beer. Yeast absorbs nutrients from the wort, converting sugars into alcohol and CO_2 during the fermentation process.

- ***Materials:*** aluminum cans, bottles, and other packaging used for filling finished beer products. Packaging costs account for a significant share of beer production COGS (16 - 20%). Aluminum is more critical packaging material, as canned beer is more popular than bottled beer due to its convenience, light weight. Aluminum supply is relatively stable and not scarce, given its recyclability. Their prices have remained stable in recent years, and the risk of price volatility is not substantial.

Figure 28: Price movements of malt and aluminum cans, period 2020 – 2025



Source: Bloomberg, RongViet Securities

2. Production process: The quality of raw materials, compliance with environmental standards, and strict control of production conditions (temperature, humidity, etc.) are the key factors that determine the quality of the final beer product. Production technology itself is not the decisive differentiator in this industry.

Figure 29: The brewing process

Source: SAB, RongViet Securities

- **Grinding mill:** Grind small the malt into the particles size (or rice grain) to the required size so that the ingredients in the material can be dissolved into water and release the enzyme to catalyze the hydrolysis process.
- **Malt cooker and filter pot:** Hydrolysis of polymeric compounds (starch, protein) into fermentable compounds (maltose, glucose, amino acids, etc). At the end of this process, sweeteners are obtained. Then, ground paddy husk of malt seed is removed from sugar solution
- **Boiling pot and scale separator:** The clear sugar is boiled with hops to produce a characteristic bitterness, while the boiling process also evaporates and precipitates unwanted compounds and sterilizes the solution. Then, ingredients such as petal berry are removed.
- **Quick heat and fermentation tank:** The boiled water (100oC) is brought to the appropriate temperature for the yeast to operate as 10 - 15oC. This temperature depends on the type of yeast and the type of beer. Refrigerated yeast and yeast are put into the fermenting tank for fermentation. Yeast along with sugar is formed during cooking to form alcohol and CO2.

- **Brewing tank and long cooling:** metabolizing or removing unwanted compounds formed during fermentation. The brewing process ends when the beer content is reduced to the desired level and reaches the desired time; Beer pre-filtered will be cooled down to -1 and-2 ° C to form cold residue.
- **Filter in beer and beer tank:** Yeast, cold residue, etc. will be removed to make the beer transparent. The filtered beer is stored in the beer tank pending for the extract brewing and packaging process.

3. Output and distribution channels: Vietnamese beer products are mainly supplied to domestic demand (98 – 99%) through 02 channels:

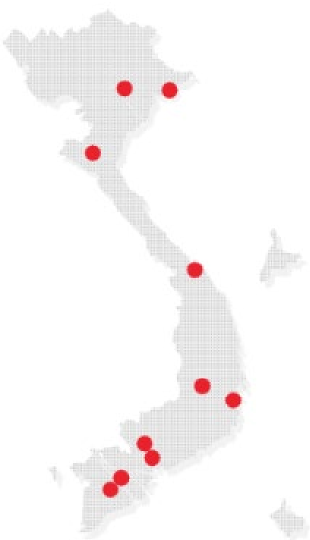
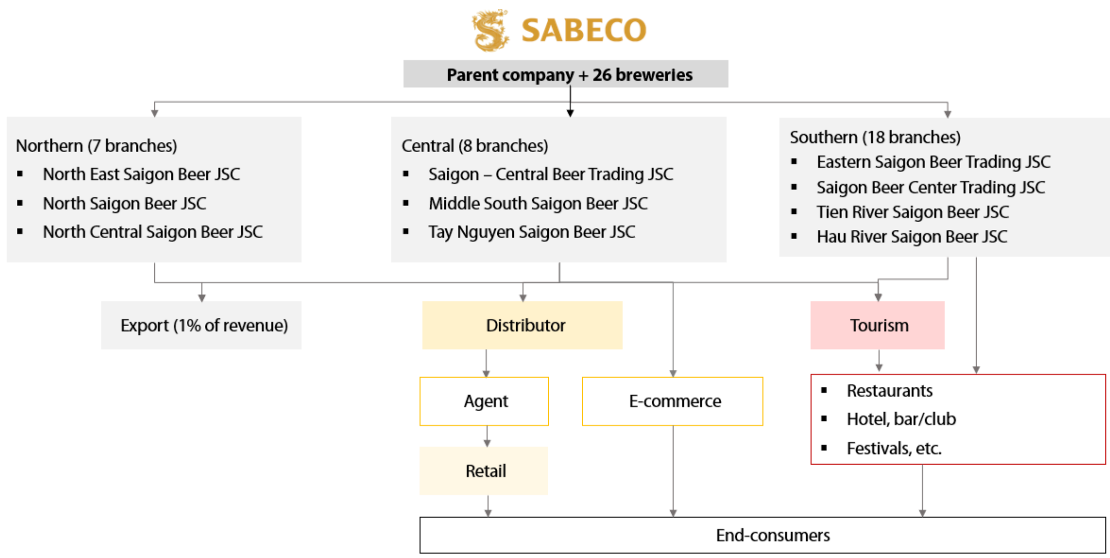


Figure 30: Sabeco's distribution system

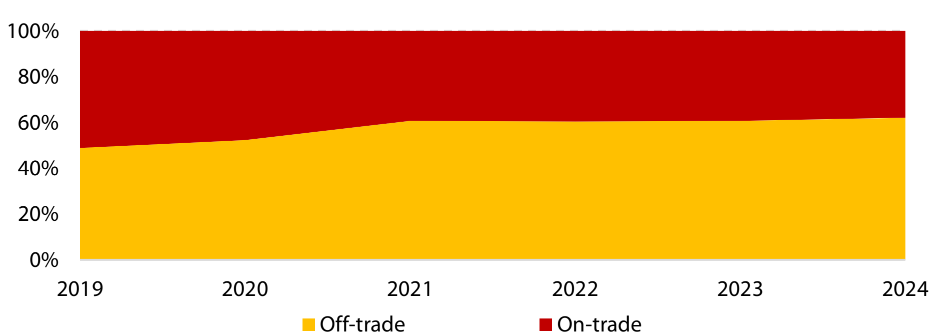


Source: SAB, RongViet Securities

SABECO's distribution system has a large coverage with 11 member companies and a distribution network of more than 200,000 POS spread across the country. The system is in the process of being completed and strongly modernized through the SABECO 4.0 project, focusing on the comprehensive digitization of the supply chain and sales management using advanced technologies.

- ***On-trade channel:*** Beer products are served on-site, mainly in restaurants, karaoke, etc. This is considered the main distribution channel of the Vietnamese beer market. However, the contribution through this channel is on a downward trend (Figure 31) The State has tightened regulations on traffic safety from Decree 100/2019/ND-CP, and most recently Decree 168/2024/ND-CP effective from January 1, 2025 with heavier fines. (See Policy)
- ***Off-trade channel:*** Distribute products through agents and grocery stores, markets, supermarkets, convenience stores, for consumers to shop for takeaway. This channel is tending to increase its proportion in the context of a relatively gloomy on-trade channel.

Figure 31: Distribution channels



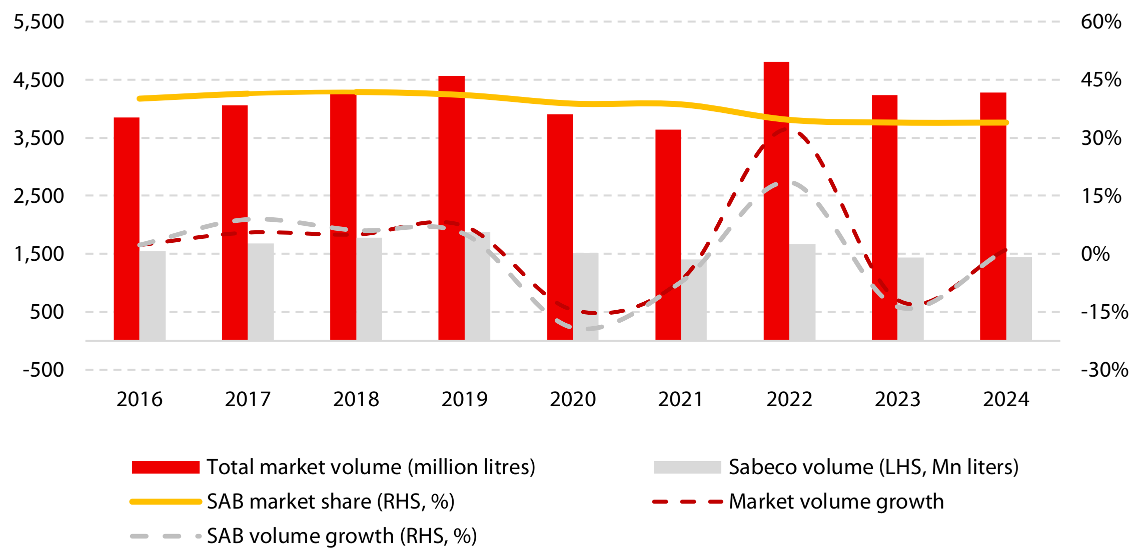
Source: Euromonitor, RongViet Securities

APPENDIX 3 – OVERVIEW OF VIETNAM'S BEER INDUSTRY

Vietnam beer market size & Beer consumption per capita

Beer sales volume in the Vietnamese market in 2024 is estimated at 4,278 million liters (+1.1% YoY), showing slight growth mainly supported by seasonality. This was driven by the timing of the Lunar New Year: in 2024, the holiday fell in February, prompting distributors and retailers to start stocking up as early as January, while in 2025 the Lunar New Year was in January, shifting the stocking period forward to November and December 2024.

Figure 32: Market size of Vietnam's beer industry by volume - SAB's market share



Source: Euromonitor, SAB, RongViet Securities

Notably, in 2022, beer consumption surged to 4,809 million liters (+32.2% YoY) due to "reopening period" after COVID-19 social distancing, consumers became more comfortable with shopping and gatherings.

However, excluding this one-off rebound in 2022, Vietnam's beer consumption trend did not diverged from that of regional peers such as China, South Korea, and the Philippines, or even major markets like the US (Figure 33; Figure 34), all of which experienced a decline. Specifically, the CAGR of total market sales volume and per-capita beer consumption in Vietnam during 2019 - 2024 stood at -1.3% and -2.11%, respectively.

Figure 33: Beer sales volume in Vietnam and some countries in the region (Unit: Million liters)

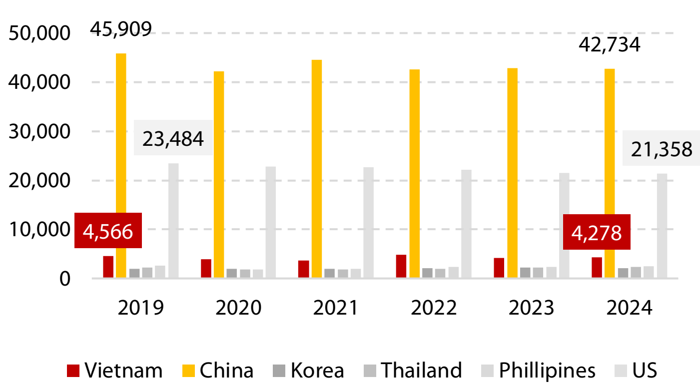
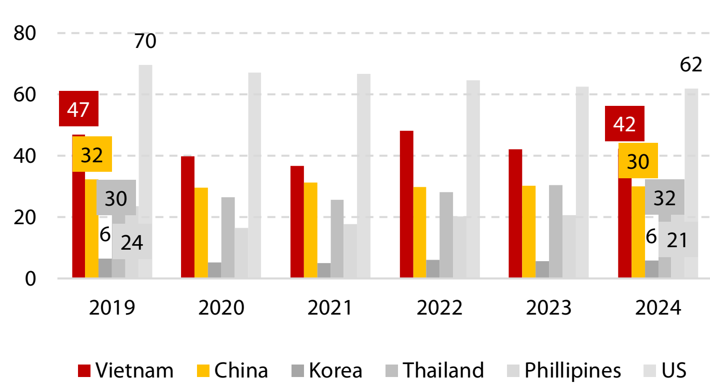


Figure 34: Consumption per capita of Vietnam and some countries in the region (Unit: Liters/person)



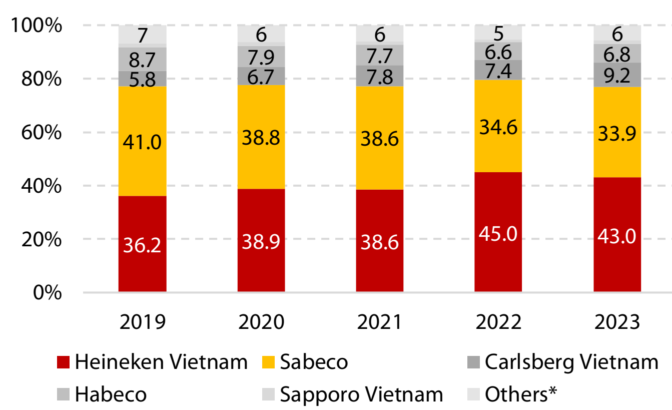
Source: Euromonitor, RongViet Securities

Market share of Vietnam's beer industry

Heineken Vietnam, Sabeco and Carlsberg Vietnam accounted for more than 80% of the Vietnamese beer market share from 2019 and reached 86% by 2023. However, the structure is shifting as Heineken and Sabeco are gradually losing their market share to Carlsberg, which mainly focuses on expansion in the Central areas. This can be explained by:

- Carlsberg may have the advantage of being primarily concentrated in a certain region (the Central) and has a product portfolio that caters to both segments including economy and high-end with some relatively prominent products such as Huda (economy) and 1664 Blanc (premium).
- Moreover, with the trend of more popular high-end products (Figure 35), Carlsberg can meet needs of two customer segments. Meanwhile, SAB focused mainly on the economy and sub-premium group, Heineken was oriented as a high-end brand from the beginning. (Table 11).

Figure 35: Market share of SAB and peers, by volume (%)



(*) In which, the other group (2023) includes:

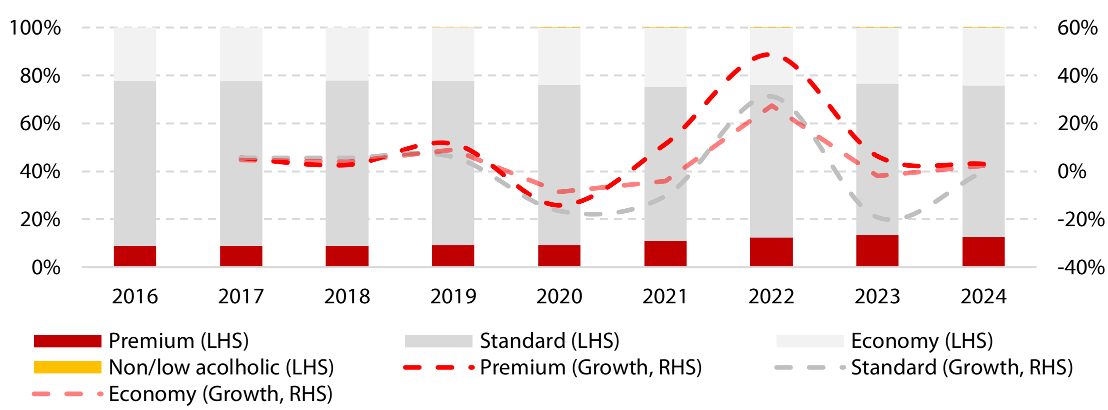
Hanoi – Thanh Hoa Beer:	*0.7%*
Anheuser-Busch InBev Vietnam	*0.5*
San Miguel Vietnam	*0.4%*
Others	*4.0%*

Source: Euromonitor, RongViet Securities

Although the market share of premium products is estimated to decline slightly by 1 pps YoY in 2024, this segment continues to show a clear upward trend, reflecting consumers' "modern needs and lifestyle":

- Demanding for higher experience: Consumers are demanding higher-quality flavor, favoring unique beers with diverse ingredient combinations. The craft & artisan beer trend has been emerging in major cities. Despite its higher price, they still attract strong consumer interest.
- Increases in health awareness: Consumption is becoming more cautious, with a growing preference for low- or non-alcoholic options, as well as products with higher nutritional content.

Figure 36: Structure of the beer industry by product segment



Source: Euromonitor, RongViet Securities - (*) High-end segment (Carlsberg, Corona, Budweiser, Heineken); Standard segment (Sabeco, Habeco, Heineken); Economy segment (Huda, Larue)

Comparison of aspects of Sabeco and other brands

Table 11: Comparison of aspects of SAB and other beer brands in Vietnam

	SABECO	HEINEKEN VIETNAM	Carlsberg	HABECO
No. of factories (2025)*	26	5	1	23
Design capacity (Billion liters/year)	2.4	2.78	0.36	0.8
Brand name	A long-standing, familiar domestic brand with 150 years of history. Rural consumers tend to be highly loyal to the SABECO brand	Luxury brand (Netherlands), with >160 years operating Penetrating Vietnam in 1993 and has become very popular. Currently leading the market share	Luxury brand (Denmark), founded in 1867. Penetrating Vietnam in 1993 through a joint venture	A French-built brewery in 1890, which has undergone 135 years of developments Familiar with the Northern market (50% Northern market share)
Coverage and distribution channels	**More than 200,000 POS** nationwide **Present in rural,** mountainous, and provincial areas, where foreign beer companies such as Heineken or Sapporo are difficult to access effectively	**250 distributors and retailers:** Effectively manage selling prices, retail points, avoiding competition in price. However, it is only concentrated **in urban areas** and modern sales channels	The distribution network **is relatively limited** through 3 channels like SAB (on-trade/ off-trade/export). The company's key region is in **the Central area,** where the Huda brand holds a large market share	The extensive network in **the North.** They has expanded to remaining 2 regions and has been exported to the US from 2024 and **aims to promote the export channel**. Distribution via on-trade/off-trade and e-commerce products
Focused product segment	**Economy to mid-price:** The largest and most stable segment in Vietnam	**High-end** positioning: Densely populated, vibrant big city and moderate-high middle income	**Economy** and **high-end,** but more focused on the high-end	**Economy and mid-price**: Young people and middle-aged in the countryside
Average price** (VND)	Can: 15,700 – 20,000 Carton: 320,480 – 368,000	Can: 18,000 – 21,600 Cartons: 426,920 – 528,000	Can: 16,500 – 19,950 Cartons: 389,400 – 475,200	Can: 13,514 – 15,683 Cartons: 364,000 – 385,286
Production costs are optimized thanks to:	From 2025, they can optimize part of material costs by recycling cans at SBB's factory The price of cans tends to decrease and Sabeco has actively signed long-term contracts to stabilize prices. Start benefiting from lower malt prices since 2025	50% of Heineken Vietnam's material purchase contracts are signed directly by the parent company, helping them get prices thanks to: (1) Large buying volume (2) the strong negotiating ability of the global Heineken Group	Currently using 100% reusable bottles for all product lines Reduce the weight of cans and bottle caps to optimize energy consumption. >90% of the company's carton packaging is made from recycled materials	N/a
Noted points	The trend of **premium beer** consumption is increasing, but Sabeco has only **2%** of this product in portfolio In addition, **low/non-alcoholic beer products have not been promoted**	**The price is higher** than the average due to the "different" positioning: This is a **relatively narrow segment** in Vietnam. Foreign brands but made in Vietnam: Reduce the "luxurious and smooth" factor	Only **1 main fatory** and **low design capacity** The **distribution network is limited** and **difficult to expand** to outside the Central to compete with other brands	Consumption and distribution outside 25 northern provinces are still limited. **The cost of SG&A/revenue remained high (23%)** but did not bring many advantages and efficiency in business

Source: RongViet Securities – (**) Average price of beer products in the supply portfolio (lowest – highest)

(*) Table 12: Factory allocation of Vietnamese beer enterprises

Area	Sabeco	Heineken	Carlsberg	Habeco
North – North Central	4	1	-	na
Central – Central Highlands	9	1	1	na
Southest	13	3	-	na

Source: RongViet Securities

APPENDIX 4 – POLICIES IMPACT ON THE PROSPECTS OF VIETNAM'S BEER INDUSTRY

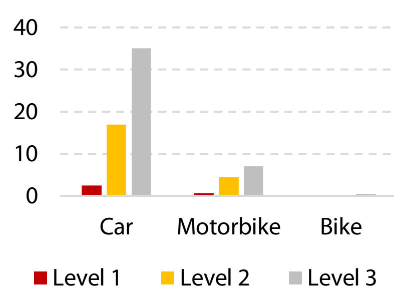
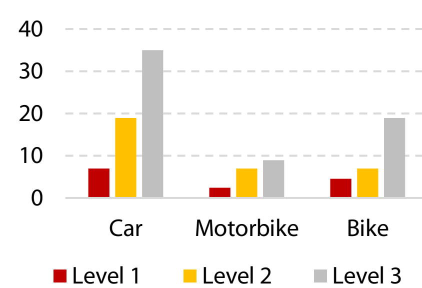
Vietnam ranks among the countries with the highest alcohol consumption globally (2nd in Southeast Asia and 3rd in Asia). And, the proportion of traffic accidents linked to alcohol use remains relatively high, accounting for around 20% of total accidents as of early 2025.

In response, the Vietnamese Government has adopted increasingly stringent measures to regulate traffic safety and curb alcohol consumption for public health reasons. Key actions include: the enactment of Decree 100/2019/ND-CP and Decree 168/2024/ND-CP, the introduction of a roadmap to raise special consumption tax (SCT), and the removal of the temporary 2% VAT reduction (from 10% to 8%) for alcoholic beverages.

(*) We believe these policies have already contributed to a decline in demand for beer and alcoholic beverages, thereby weighing on the outlook of the alcoholic beverage industry. On a more positive side, the SCT roadmap is set to take effect only from 2027 (later than the previous proposal starting from 2026), with the maximum rate capped at 90% by 2031 (instead of 100% as proposed).

Decree No. 100/2019/ND-CP and Decree No. 168/2024/ND-CP on road traffic

Table 13: Summary of Decree 100/2019/ND-CP and Decree 168/2024/ND-CP

Key points	Decree No. 100/2019/ND-CP	Decree No. 168/2024/ND-CP
Date of Issue	30/12/2019	26/12/2024
Effective Date	1/1/2020	1/1/2025
Replacing the Decree	Decree No. 46/2016/ND-CP	Decree No. 100/2019/ND-CP
Fine (VND mn) **Average between high and lowest*		
Highlighted point	The first regulation to impose a "zero-tolerance" policy on blood alcohol concentration when using a vehicle.	Increase the sanction level by 3 - 4 times and add a system of deducting license points

Source: RongViet Securities compiled

The law on special consumption taxes (SCT) takes effect from January 1, 2026

Table 14: Roadmap for increasing SCT on beer products

	2025	2026	2027	2028	2029	2030	2031
Current year	65%						
Approved	65%	65%	70%	75%	80%	85%	90%

Source: RongViet Securities

Decree No. 174/2025/ND-CP stipulating the value-added tax (VAT) reduction policy

Beyond the new decree and SCT: While the Government is implementing a 2% VAT reduction policy to stimulate consumption. However, beer and alcoholic beverages are excluded from this incentive.

The combination of being ineligible for the VAT cut and facing a rising SCT trajectory leaves the beer industry bearing a "double burden" of taxes and costs compared with many other sectors.

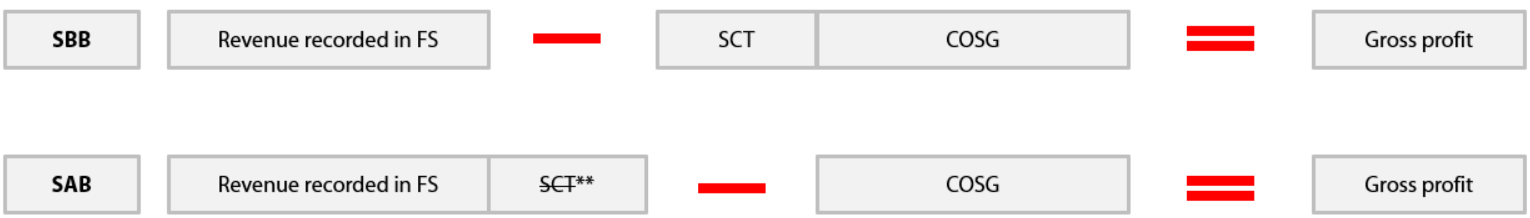
APPENDIX 5 – NOTES ON SCT ACCOUNTING METHOD AND EXPECTED SYNERGY BENEFITS AFTER SAB INCREASES OWNERSHIP IN SABIBECO (SBB)

Note on SCT accounting method of SAB and SBB

At the end of December 2024, Saigon Binh Tay Beer Group JSC (Sabibeco, SBB) officially became a subsidiary of SAB after SAB raised its ownership from 21.8% to 65%.

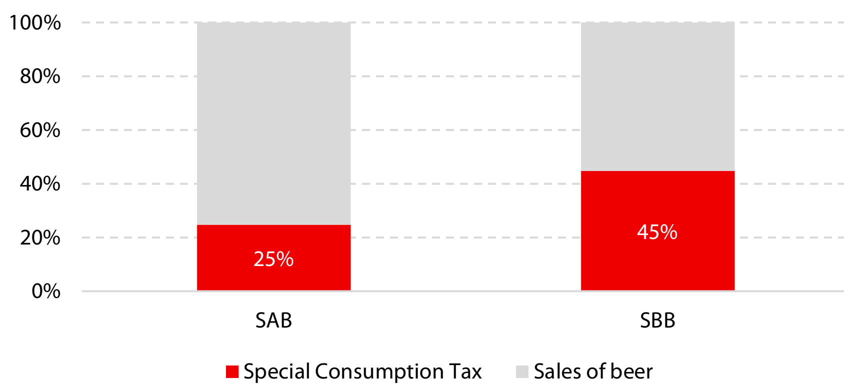
- **Before the acquisition**, SBB recorded SCT as part of revenue and cost of goods sold. By contrast, SAB and its other subsidiaries deducted SCT directly from net revenue. (Figure 37)
- **After the acquisition**, to accurately reflect the business performance and capacity of SAB and SBB in the consolidated income statement, SBB's SCT expenses must be deducted directly from SAB's consolidated net revenue, instead of being booked into cost of goods sold as before. As a result, this change in accounting treatment may cause SAB's consolidated net revenue growth to appear lower YoY, although it does not alter the underlying profitability.

Figure 37: Description of the accounting method of special consumption tax (SCT) of SAB and SBB before consolidation



Source: SAB, SBB, RongViet Securities – (**) SCT expense of SAB is deducted from revenue before preparing financial statement

Figure 38: Ratio of SCT/ total revenue of SAB và SBB in 2024 (according to FS)



Expected synergy benefit of SAB after increasing ownership rate at SBB

Before the deal, more than 80% of SBB's revenue came from transactions with SAB through contract manufacturing of certain SAB product lines, in addition to sales of its own beer brand "Sagota". We expect SAB to benefit primarily from cost synergies rather than scale advantages (though SAB may gain partially from SBB's breweries and distribution network).

(1) **Capacity expansion:** SAB's total brewing capacity is expected to increase to 3.01 billion liters per year from 2.4 billion liters, surpassing Heineken's design capacity of 2.78 billion liters. This enhances production efficiency and provides flexibility to meet potential demand growth without the need to invest in new breweries.

(2) **Cost synergies:** Aluminum cans trading activities are expected to decline, as it can now leverage SBB's can factory for in-house recycling. In addition, having an in-house recycling process allows SAB to save on packaging material costs, as it can benefit from margins on recycled cans that are lower than pre-merger levels. This is also advantageous given that the purchase price of new cans, which follow the global aluminum prices, has been volatile and is trending upward.

APPENDIX 6 – FOCUS ON SUSTAINABILITY (ESG) TO IMPROVE QUALITY AND PERFORMANCE

Sabeco's brand as a foundation of the Vietnamese beer consumption culture

Sabeco holds a solid position in the Vietnamese market, rooted in its pioneering role as the originator of the local beverage industry with more than 150 years of development.

Over time, although the misuse of alcohol has led to various social and health concerns, it cannot be denied that "beer drinking" has become a distinctive cultural practice in Vietnamese life, spanning from rural areas to urban centers.

Currently, SAB offers 08 beer product lines, with a wide variety in both alcohol content and flavor to meet the increasingly diversified consumer demand. Among them, legacy products launched in the 1900s - 2000s, such as Beer 333, remain preferred by mass-market consumers. Meanwhile, newer products with lower alcohol content and smoother, lighter tastes such as Saigon Chill, which was introduced to capture shifting consumption trends and market segmentation.

Figure 15: 08 beer product lines – Diversified by alcohol content, flavor, and price segment

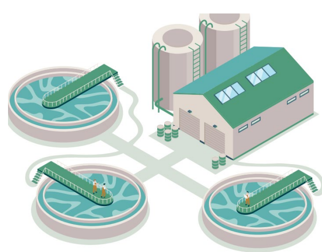
Product	% alcohol	Price/330ml (VND)	Product	% alcohol	Price/330ml (VND)
333 Pilsner	4.3	15,000	Saigon Export	4.8	12,700
Lac Viet	4.3	12,000	Saigon Special	4.9	17,000
Saigon Lager	4.3	12,200	Saigon Gold	5.0	22,300
Saigon Chill	4.6	18,500	333	5.3	12,000

Source: Retail price at BHX store (Oct-2025), RongViet Securities

Focusing on sustainabe development to strengthen quality and enhace trust in quality

SAB is among the pioneering F&B enterprises in Vietnam to standardize its systems and transparently disclose sustainability reports. Through this, the company demonstrates its long-term strategic direction and affirms its market position by committing to values that extend from carefully selected production processes to product quality.

Figure 16: Selected key projects implemented since 2019 to enhance systems and production processes in line with ESG standards - delivering positive results while optimizing and improving operational efficiency

Projects	**Rooftop solar energy project:** installed across 64% of operational facilities, with a total capacity of 8.68 MWp, combined with the use of renewable thermal energy from biomass boilers. 	Water recovery – collection – reuse through rainwater harvesting system: applied at the Saigon - Cu chi brewery to support cooling and cleaning processes. 	Reducing material waste (caps, labels) through reuse, while enhancing product quality by improving raw material control (increasing malt used, reducing rice). 
Operating effect*	Reduce electricity costs: VND 12.5 billion	Water cost savings: estimated at VND 147 million	Reduce raw material usage and cost: bottle caps and labels decreased by 22.6% and 22.61% YoY.
External effect*	Reduce greenhouse gas emissions: 5,170 tons of CO_2	Reduction in water consumption at the brewery during six rainy months: estimated at 4%	Lower environmental emissions: reduced waste generation from raw materials. Enhanced product quality and taste: achieved by reducing rice content by 2.29% and increasing malt content by 3.26%.

Source: SAB, RongViet Securities – (*) Estimated Impact and effectiveness in 2024

APPENDIX 7 - FINANCIAL ANALYSIS & FORECAST FOR THE PERIOD 2025 – 2029

Table 15: Forecast by segment (Billion VND)

NET REVENUE	2021	2022	2023	2024	2025E	2026F	2027F	2028F	2029F
Total revenue	26,374	34,979	30,461	31,872	26,867	28,102	26,954	2,662	27,169
Beer	23,238	306	26,923	28,083	25,458	26,654	25,557	2,524	25,768
Materials	3,045	4,234	3,419	3,715	1,273	1,333	1,278	1,262	1,288
Beverages	137	171	122	163	150	141	135	132	132
Alcohol and wine	47	57	52	42	41	40	40	39	38
Others	110	173	191	162	191	191	191	191	191
% yoy growth	-5.7%	32.6%	-12.9%	4.6%	-15.7%	4.6%	-4.1%	-1.2%	2.1%
Beer	-6.4%	31.7%	-12.0%	4.3%	-9.3%	4.7%	-4.1%	-1.2%	2.1%
Materials	2.9%	39.0%	-19.3%	8.7%	-65.7%	4.7%	-4.1%	-1.2%	2.1%
Beverages	-19.9%	25.0%	-28.9%	33.5%	-8.0%	-6.0%	-4.0%	-2.0%	0.0%
Alcohol and wine	-33.9%	20.6%	-9.7%	-18.4%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Others	3.3%	57.1%	10.5%	-15.2%	17.9%	0.0%	0.0%	0.0%	0.0%
% of total revenue									
Beer	88.1%	87.5%	88.4%	88.1%	94.8%	94.8%	94.8%	94.8%	94.8%
Materials	11.5%	12.1%	11.2%	11.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Beverages	0.5%	0.5%	0.4%	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%
Alcohol and wine	0.2%	0.2%	0.2%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%
Others	0.4%	0.5%	0.6%	0.5%	0.7%	0.7%	0.7%	0.7%	0.7%

Source: SAB, RongViet Securities estimates

Table 16: Forecasted gross profit by segment (Billion VND)

GROSS PROFIT	2021	2022	2023	2024	2025E	2026F	2027F	2028F	2029F
Total	7,609	10,771	9,091	9,318	8,489	9,305	8,863	8,752	8,973
Beer	7,680	10,828	9,168	9,409	8,288	9,106	8,668	8,558	8,780
Materials	17	5	-5	15	5	5	5	5	5
Beverages	25	37	28	46	40	38	35	34	33
Alcohol and wine	4	7	2	5	5	4	4	4	4
Others	87	151	144	136	151	151	151	151	151
GROSS PROFIT MARGIN									
Total	28.8%	30.8%	29.8%	29.2%	31.6%	33.1%	32.9%	32.9%	33.0%
Beer	33.0%	35.4%	34.1%	33.5%	32.6%	34.2%	33.9%	33.9%	34.1%
Materials	0.6%	0.1%	-0.1%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Beverages	18.5%	21.8%	22.9%	28.0%	27.0%	27.0%	26.0%	26.0%	25.0%
Alcohol and wine	7.7%	11.4%	3.4%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Others	79.3%	87.4%	75.3%	83.7%	79.0%	79.0%	79.0%	79.0%	79.0%

Source: SAB, RongViet Securities estimates

APPENDIX 8 – COMPARABLE PEERS

In this report, we use several beer, alcohol, and non-alcoholic beverage companies with business models comparable to SAB as peers for benchmarking in our analysis and forecasts.

Heineken Malaysia Berhad (HEIM MK Equity): Operates as a subsidiary of Heineken International, focusing on brewing, distribution, and marketing in Malaysia. Its business model aligns with Heineken's global strategy, combining local production with a broad distribution network, leveraging international brand strength to penetrate the market. The company invests heavily in marketing and sustainability initiatives, such as renewable energy adoption. Popular beer brands include Heineken, Tiger, Guinness, and Anchor, serving both premium and mainstream segments, with a primary focus on premium positioning and young urban consumers.

Thai Beverage Public Company Limited (THBEV SP Equity): A diversified Thai conglomerate, with beer as a core business, operating through a fully integrated model from production to distribution and retail via convenience store chains. Following its acquisition of Sabeco (Vietnam), ThaiBev expanded its influence across Southeast Asia, pursuing competitive pricing and market share expansion through local brands. Its key beer brands include Chang, Archa, Federbrau, 333, and Saigon (Sabeco). The company's main consumer base is the mass market, though it is also targeting premium segments to compete with international brands.

San Miguel Corporation (SMC PM Equity): A diversified conglomerate in the Philippines, with beer as a major revenue pillar. Its business model emphasizes large-scale production and distribution through both domestic channels and exports to other Southeast Asian markets. San Miguel leverages its extensive distribution network and cost-efficient production to maintain market leadership. Key brands include San Miguel Pale Pilsen, San Miguel Light, Red Horse, and Cerveza Negra. The target market is primarily mass consumers, with a selection of premium offerings to diversify its customer base.

Carlsberg Brewery Malaysia Berhad (CAB MK Equity): A subsidiary of Carlsberg Group (Denmark), focusing on beer production and distribution in Malaysia. Its business model follows a globalization strategy, with investments in creative marketing, portfolio expansion, and partnerships with local distributors to strengthen reach. Popular brands include Carlsberg, 1664 Blanc, and Somersby. Carlsberg serves both premium and mainstream segments, targeting young and middle-aged consumers in Southeast Asia.

Asahi Group Holdings, Ltd. (2502 JT Equity): A Japanese conglomerate with a core focus on beer and beverages, expanding into Asian markets via exports and joint ventures. Its business model emphasizes premium quality, investment in advanced brewing technology, and high-end brand positioning. Popular brands include Asahi Super Dry, Asahi Soukai, and Asahi Black. Its target customers are primarily in the premium segment, distributed through upscale retail and hospitality channels serving high-income consumers.

Tsingtao Brewery Company Limited (600600 CH Equity): The largest beer producer in China, with a business model centered on large-scale production and exports to Asian markets, including Southeast Asia. The company blends Chinese brewing traditions with an internationalization strategy, focusing on retail and supermarket distribution channels. Key brands include Tsingtao and Hans, primarily serving mass-market consumers, with semi-premium products such as Tsingtao Pure Draft positioned for international competition.

Habeco Vietnam (BHN VN Equity): Hanoi Beer – Alcohol – Beverage JSC (HABECO) operates in the production and distribution of beer, liquor, and beverages. Its portfolio includes Hanoi Draft Beer, Hanoi Beer (canned), Truc Bach Beer, Vodka, Hanoi Beer Premium, and Uniaqua. Established in 1890, the company is headquartered in Hanoi, Vietnam.

Table 17: Key financial indicators and valuation of comparable peers in 2024 (Unit: USD Mn)

Company	Market cap.	Net Revenue	EBITDA	GPM	NIM	P/E	EV/EBITDA
Heineken Malaysia Berhad	1,629	613	151	33.8%	16.7%	15.6x	10.7x
Thai Beverage Public Company Ltd.	12,302	795	1,376	29.5%	111%	14.1x	14.9x
San Miguel Corporation	3,541	27,507	3,844	16.7%	-5.0%	36.6x	8.7x
Carlsberg Brewery Malaysia Berhad	1,412	521	106	34.4%	14.2%	18.4x	13.0x
Asahi Group Holdings Ltd.	16,038	1,942	2,821	37.3%	6.5%	13.1x	9.0x
Tsingtao Brewery Company Limited	12,651	4,464	881	40.2%	13.5%	25.4x	11.7x
Habeco Vietnam	346	328	27	26.7%	4.5%	23.1x	7.7x
	5-year average					20.3x	12.9x
	5-year median					16.0x	9.4x

Source: Bloomberg, RongViet Securities

Company Report

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report, we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information, investors may contact the assigned analyst or our client support department.

RATING GUIDANCE

Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

In some cases, we do not provide specific buy/sell recommendations but only offer some reference valuations to give investors additional information, classified under the **OBSERVE** recommendation.

ABOUT US

RongViet Securities Corporation (RongViet) was established in 2006, licensed to perform the complete range of securities services including brokerage, financial investment, underwriting, financial and investment advisory and securities depository. RongViet now has an operating network that spreads across the country. Our major shareholders, also our strategic partners, are reputable institutions, i.eEximbank, Viet Dragon Fund Management, etc... Along with a team of the professional and dynamic staffs, RongViet has the man power as well as the financial capacity to bring our clients the most suitable and efficient products and services. Especially, RongViet was one of the very first securities firms to pay the adequate attention to the development of a team of analysts and the provision of useful research report to investors.

The **Analysis and Investment Advisory Department** of RongVietSecurities provides research reports on the macro-economy, securities market and investment strategy along with industry and company reports and daily and weekly market reviews.

RESEARCH CENTER

Lam Nguyen
Head of Research
lam.ntp@vdsc.com.vn
+ 84 28 6299 2006 (1313)

Tung Do
Deputy Head of Research
tung.dt@vdsc.com.vn
+ 84 28 6299 2006 (1521)
- Banking

Hung Le
Head of Market Strategy
hung.ltq@vdsc.com.vn
+ 84 28 6299 2006 (1530)
- Market Strategy
- Macroeconomics

Lam Do
Manager
lam.dt@vdsc.com.vn
+ 84 28 6299 2006 (1524)
- Real Estate
- Construction Materials
- Industrial RE

Ha My Tran
Senior Consultant
my.tth@vdsc.com.vn
+ 84 28 6299 2006
- Macroeconomics

Luan Pham
Analyst
luan.ph@vdsc.com.vn
+ 84 28 6299 2006 (1526)
- Retail

Toan Vo
Analyst
toan.vnv@vdsc.com.vn
+ 84 28 6299 2006 (1530)
- Macroeconomics

Quan Cao
Analyst
quan.cn@vdsc.com.vn
+ 84 28 6299 2006 (2223)
- Sea ports
- Aviation
- Textiles

Hien Le
Analyst
hien.ln@vdsc.com.vn
+ 84 28 6299 2006 (1524)
- Fishery
- Fertilizer

Hung Nguyen
Analyst
hung.nb@vdsc.com.vn
+ 84 28 6299 2006 (1526)
- Retail
- Automotive & Spare parts
- Consumer

Duong Tran
Analyst
duong.tt@vdsc.com.vn
+ 84 28 6299 2006
- Construction Materials

Giao Nguyen
Analyst
giao.ntq@vdsc.com.vn
+ 84 28 6299 2006 (1530)
- Real Estate
- Industrial RE

Trang To
Analyst
trang.th@vdsc.com.vn
+ 84 28 6299 2006
- Banking

Huong Le
Analyst
huong.lh@vdsc.com.vn
+ 84 28 6299 2006 (1524)
- Oil & Gas

Chinh Nguyen
Analyst
chinh1.nd@vdsc.com.vn
+ 84 28 6299 2006 (1530)
- Utilities

Lan Anh Tran
Analyst
anh.tnl@vdsc.com.vn
+ 84 28 6299 2006
- Retail

Ha Tran
Assistant
ha.ttn@vdsc.com.vn
+ 84 28 6299 2006 (1526)

Thao Phan
Assistant
thao.ptp@vdsc.com.vn
+ 84 28 6299 2006 (1526)

DISCLAIMERS

This report is prepared in order to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.
The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report.
The information herein is compiled by or arrived at Rong Viet Securities from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimatess and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by Viet Dragon Securities Corp. ("VDSC"), a company authorized to engage in securities activities in Vietnam. VDSC is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Additional Disclosures

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither VDSC nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

VDSC may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of VDSC.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. 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 United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars 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.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by VDSC with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior.

RESEARCH DISCLOSURES

Third Party Research

This is third party research. It was prepared by Rong Viet Securities Corporation (Rong Viet), with headquarters in Ho Chi Minh City, Vietnam. Rong Viet is authorized to engage in securities activities according to its domestic legislation. This research is not a product of Tellimer Markets, Inc., a U.S. registered broker-dealer. Rong Viet has sole control over the contents of this research report. Tellimer Markets, Inc. does not exercise any control over the contents of, or the views expressed in, research reports prepared by Rong Viet.

Rong Viet is not registered as a broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" and other "U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Tellimer Markets, Inc., located at 575 Fifth Avenue, 27th Floor, New York, NY 10017. A representative of Tellimer Markets, Inc. is contactable on +1 (212) 551 3480. Under no circumstances should any U.S. recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Rong Viet. Tellimer Markets, Inc. accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

None of the materials provided in this report may be used, reproduced, or transmitted, in any form or by any means, electronic or mechanical, including recording or the use of any information storage and retrieval system, without written permission from.

Rong Viet is the employer of the research analyst(s) responsible for the content of this report and research analysts preparing this report are resident outside the U.S. and are not associated persons of any U.S. regulated broker-dealer. The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of Tellimer Markets, Inc. and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Tellimer Markets, Inc. or its affiliates has not managed or co-managed a public offering of securities for the subject company in the past 12 months, has not received compensation for investment banking services from the subject company in the past 12 months, and does not expect to receive or intend to seek compensation for investment banking services from the subject company in the next three months. Tellimer Markets, Inc. has never owned any class of equity securities of the subject company. There are no other actual, or potential, material conflicts of interest of Tellimer Markets, Inc. at the time of the publication of this report. As of the publication of this report, Tellimer Markets, Inc. does not make a market in the subject securities.

About Tellimer

Tellimer is a registered trade mark of Exotix Partners LLP. Exotix Partners LLP and its subsidiaries ("Tellimer") provide specialist investment banking services to trading professionals in the wholesale markets. Tellimer draws together liquidity and matches buyers and sellers so that deals can be executed by its customers. Tellimer may at any time, hold a trading position in the securities and financial instruments discussed in this report. Tellimer has procedures in place to identify and manage any potential conflicts of interests that arise in connection with its research. A copy of Tellimer's conflict of interest policy is available at www.tellimer.com/regulatory-information.

Distribution

This report is not intended for distribution to the public and may not be reproduced, redistributed or published, in whole or in part, for any purpose without the written permission of Tellimer. Tellimer shall accept no liability whatsoever for the actions of third parties in this respect. This report is for distribution only under such circumstances as may be permitted by applicable law.

This report may not be used to create any financial instruments or products or any indices. Neither Tellimer, nor its members, directors, representatives, or employees accept any liability for any direct or consequential loss or damage arising out of the use of all or any part of the information herein.

United Kingdom: Distributed by Exotix Partners LLP only to Eligible Counterparties or Professional Clients (as defined in the FCA Handbook). The information herein does not apply to, and should not be relied upon by, Retail Clients (as defined in the FCA Handbook); neither the FCA's protection rules nor compensation scheme may be applied.

UAE: Distributed in the Dubai International Financial Centre by Exotix Partners LLP (Dubai) which is regulated by the Dubai Financial Services Authority ("DFSA"). Material is intended only for persons who meet the criteria for Professional Clients under the Rules of the DFSA and no other person should act upon it.

Other distribution: The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restriction.

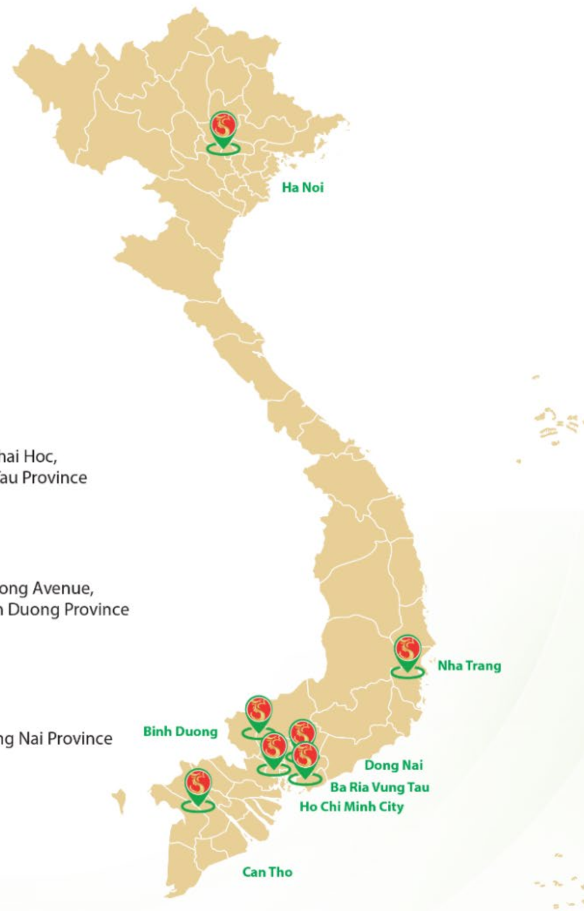
Disclaimers

Tellimer and/or its members, 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 referred to herein. Tellimer may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups of Tellimer.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. 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 United States. The value of any investment or income from any securities or related financial instruments discussed in this report denominated in a currency other than U.S. dollars 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.

Frontier and Emerging Market laws and regulations governing investments in securities markets may not be sufficiently developed or may be subject to inconsistent or arbitrary interpretation or application. Frontier and Emerging Market securities are often not issued in physical form and registration of ownership may not be subject to a centralised system. Registration of ownership of certain types of securities may not be subject to standardised procedures and may even be effected on an ad hoc basis. The value of investments in Frontier and Emerging Market securities may also be affected by fluctuations in available currency rates and exchange control regulations. Not all of these or other risks associated with the relevant company, market or instrument which are the subject matter of the report are necessarily considered.

OPERATING NETWORK



HEADQUARTER IN HO CHI MINH CITY
Floors 1-8, Viet Dragon Tower, 141 Nguyen Du, Ben Thanh Ward, District 1, Ho Chi Minh City
T (+84) 28 6299 2006 E info@vdsc.com.vn
W www.vdsc.com.vn Tax code 0304734965

HANOI BRANCH
10^{th} floor, Eurowindow Tower, 2 Ton That Tung,
Kim Lien Ward, Dong Da District, Hanoi
T (+84) 24 6288 2006
F (+84) 24 6288 2008

NHA TRANG BRANCH
7^{th} floor, 76 Quang Trung, Loc Tho Ward,
Nha Trang City, Khanh Hoa
T (+84) 25 8382 0006
F (+84) 25 8382 0008

CAN THO BRANCH
8^{th} floor, Sacombank Tower, 95-97-99, Vo Van Tan,
Tan An Ward, Ninh Kieu District, Can Tho City
T (+84) 29 2381 7578
F (+84) 29 2381 8387

VUNG TAU BRANCH
2^{nd} floor, VCCI Building, 155 Nguyen Thai Hoc,
Ward 7, Vung Tau City, Ba Ria – Vung Tau Province
T (+84) 25 4777 2006

BINH DUONG BRANCH
3^{rd} floor, Becamex Tower, 230 Binh Duong Avenue,
Phu Hoa Ward, Thu Dau Mot City, Binh Duong Province
T (+84) 27 4777 2006

DONG NAI BRANCH
8^{th} floor, TTC Plaza, 53-55 Vo Thi Sau,
Quyet Thang Ward, Bien Hoa City, Dong Nai Province
T (+84) 25 1777 2006