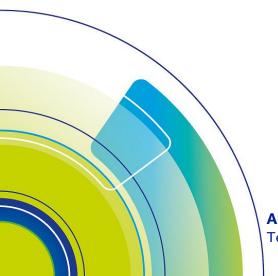


SZC Flash note - NOT RATED

April 14, 2025





SZC Flash note – NOT RATED

14-Apr-25

Mr. Dat Do

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AGM Flash note

HSX: SZC

Property

Target price (VND) N/A Market price (VND) 33,100 Expected share price return N/A Expected dividend yield N/A **Expected total return** N/A

Stock performance (%)

| | YTD | 1M | 3M | 12M |
|----------|-------|-------|-------|-------|
| Absolute | -20.5 | -28.0 | -19.8 | -16.7 |
| Relative | -18.2 | -19.8 | -19.2 | -15.6 |

Source: Bloomberg



Ownership

| Sonadezi Corporation | 46.84% | | |
|-------------------------|--------|--|--|
| Sonadezi Long Thanh JSC | 10.08% | | |

| Stock Statistics | 14-Apr-25 | | |
|--------------------------|-----------------|--|--|
| Bloomberg code | SZC VN | | |
| 52-week range (VND) | 31,200 - 47,200 | | |
| Shares O/S (m) | 180 | | |
| Mkt cap (VND bn) | 6,066 | | |
| Mkt cap (USD m) | 238 | | |
| Est. Foreign room left (| %) 17.3 | | |
| Est. free float (%) | 42.2 | | |
| 3m avg daily vol (shrs) | 2,015,500 | | |
| VND/USD | 26,000 | | |
| Index: VNIndex / HNX | 1236.16/213.85 | | |

SONADEZI CHAU DUC JSC (SZC VN)

Sonadezi Chau Duc JSC (HOSE: SZC) held its 2025 AGM on 04/11/2025 with the following highlights:

- 1. 2025 Business Plan: SZC set total revenue at VND931 bn (+6.7% YoY) and NPATMI at VND302 bn (unchanged YoY). The primary sources of income were industrial land leasing (VND748.4 bn) and residential real estate (VND78 bn).
- 2. 2025 investment plan: In 2025, SZC plans to allocate VND437 bn (+43% YoY) for basic construction and VND1,207bn (+495% YoY) for land clearance and compensation. SZC will prioritize (1) expanding industrial land leasing, (2) completing infrastructure construction for Sonadezi Huu Phuoc residential area, and (3) seeking partners to develop the Northern Urban Area project.
- 3. The Provincial Road 768 BOT project, operated by BOT 768 Co., Ltd. (100% owned by SZC), will resume operations in April 2025, with toll collection for cost recovery spanning 9 years and 3 months. The toll rates will remain unchanged until 2029 and are planned to increase 1.5 times starting from 2030 to ensure financial efficiency.
- 4. Dividend Plan: Dividends are maintained at 10% of par value per year, although the form of payment (cash or stock) has not been specified.
- 5. Business results in 1Q2025: SZC estimates revenue at VND414 bn (+94% YoY) and NPATMI at VND134 bn (+106% YoY). Up to the end of 1Q2025, SZC has leased over 569 hectares out of a total NLA of 1,180 hectares, equivalent to an occupancy rate of 48.2%. From the beginning of 2025, the company signed three MOUs covering approximately 9.6 hectares, while the backlog by the end of 1Q2025 (excluding 1Q2025 MOUs) is around 15.09 hectares.

Quick comment: The newly introduced US tariff policies may significantly impact SZC's land leasing activities, though a comprehensive assessment will require official decisions to be finalized. In the long term, the enhancement of infrastructure such as the Cai Mep port cluster, Long Thanh International Airport (which is expected to be completed at YE2026), and the Bien Hoa-Vung Tau expressway (which is projected to be completed by late 2025) is expected to bolster the attractiveness of SZC's industrial parks to potential tenants. Moreover, SZC's current land rental rate (~USD110/sqm/lease term) remains lower than neighboring industrial parks' in Ba Ria - Vung Tau (~USD125-150/sgm/lease term) which solidifies its competitive edge in the market.

| | 2022 | 2023 | 2024 | 2025P |
|---------------------------|-------|-------|-------|-------|
| Net Sales (VNDbn) | 859 | 818 | 871 | 931 |
| Growth | | -4.8% | 6.4% | 6.7% |
| NPATMI (VNDbn) | 197 | 219 | 302 | 302 |
| Growth | | 10.9% | 38.0% | 0% |
| EPS (bonus-adjusted, VND) | 1,974 | 2,004 | 1,851 | |
| Growth | | 1.5% | -7.6% | |
| ROE | 13.2% | 13.4% | 12.5% | |
| Total debt/Equity (times) | 1.7 | 1.5 | 8.0 | |
| PBR (times) | 2.3 | 2.9 | 1.9 | |
| DPS (VND) | 1,000 | 0 | 1,000 | |
| Dividend yield (%) | 4.6% | 0 | 2.3% | |



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DISCLAIMER

Our Recommendation System

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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