

Aviation

Airlines took spotlight

Domestic rebounds, China fuels inbound growth

Overseas arrivals in 2Q25 rose 11% yoy to 4.65mn, while outbound Vietnamese passengers to some countries fell 8% yoy. ACV's international traffic grew 15%, with the gap in data likely due to untracked travel to China. China's tourism stimulus measures — including subsidies, visa exemptions, cheaper travel packages, and flexible itineraries — have driven strong demand, leading a surge in demand from Vietnam.

Airlines – Lower fuel costs, rising demand boost profit growth

2Q25 air passengers and traffic rose 9% yoy as domestic recovery joined strong international demand. HVN and VJC (77% of seats) posted VND46.5tn revenue (+19% yoy) and VND4.1tn NPAT (+169% yoy). OP reached VND4.6tn (+196% yoy) with core OPM at 9.9%, aided by lower fuel prices and robust demand. Regional seat growth slowed due to declines in Indonesia and Myanmar, but Vietnam led SEA with strong seat and demand growth, boosted by lower fares, holiday events, and Vietnam–China tourism stimulus.

Aviation services – Profits soar on rising passenger volume

Aviation service companies continued to benefit from increased international and the revival of domestic passengers. Total revenue of 5 leading companies (SCS, NCT, SGN, NCS and SAS) posted at VND1.97tn (+14% YoY) margins improved and NPAT jumped to VND463bn (+15% YoY).

Airport – Large fx losses drag profits

In 2Q25, ACV recorded VND6.34tn revenue (+15% yoy) and VND2.6bn NPAT (+19% yoy) on 16% yoy passenger growth to 30.2mn, driven by domestic recovery and steady international demand. GPM reached 61.8% and OPM 56.9%, supported by a 7% yoy drop in SG&A. This contraction was a result of higher domestic share in passenger mix.

3Q25F – Q2 success is expected to recur

Expanded visa exemptions and major events are set to boost tourism for this peak season (Q3), together with rising travel to China. We anticipate that military parade during 2 Sep Holiday will help boost domestic tourism like in Q2. Sun Phu Quoc's entry would not intensify competition in 3Q25. Low fuel prices and peak season would support further OPM improvement.

Non-rated

Company	Rating	TP (VND)
HVN	Non-rated	N/A
VJC	Non-rated	N/A
ACV	Non-rated	N/A
SCS	Non-rated	N/A
NCT	Non-rated	N/A
SGN	Non-rated	N/A

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Table 1. Coverage valuation

Recommendation & TP			Earning & Valuation										
Company				Sales	OP	NP	EPS	BPS	ROE	ROA	PE	PB	EV/EBI TDA
				(VND bn)	(VND bn)	(VND bn)	(VND)	(VND)	(%)	(%)	(x)	(x)	(x)
Vietnam Airlines JSC (HVN)	TP	N/A	2020A	40,538	(10,954)	(10,927)	(6,094)	3,530	(89.3)	(15.7)	-	6.3	-
	Price	31,750	2021A	27,911	(12,937)	(12,908)	(6,960)	681	(329.3)	(20.5)	-	34.0	-
	Market cap	98,882	2022A	70,410	(7,840)	(11,298)	(5,102)	(5,222)	-	(18.3)	-	-	-
	(VND bn)		2023A	91,540	(2,587)	(5,930)	(2,678)	(7,910)	-	(10.0)	-	-	29.9
			2024A	105,942	6,813	7,564	3,416	(4,523)	-	13.1	8.4	-	6.6
Vietjet Air JSC (VJC)	TP	N/A	2020A	18,220	(2,551)	69	130	28,592	0.5	0.1	959.7	4.4	-
	Price	127,400	2021A	12,875	(3,012)	75	147	31,082	0.5	0.2	870.1	4.1	-
	Market cap	73,951	2022A	40,142	(3,464)	(2,262)	(4,178)	27,470	(14.3)	(3.8)	-	4.0	-
	(VND bn)		2023A	58,341	(529)	231	426	28,123	1.5	0.3	234.4	3.6	-
			2024A	72,045	3,161	1,403	2,590	31,566	8.7	1.5	38.6	3.2	23.4
Airport Corp. of Viet Nam (ACV)	TP	N/A	2020A	7,767	577	1,647	577	17,237	3.4	2.9	140.4	4.7	44.3
	Price	64,500	2021A	4,752	(2,102)	480	363	17,277	1.3	0.9	239.8	5.0	397.6
	Market cap	231,060	2022A	13,805	4,645	7,232	2,991	20,147	16.0	12.6	28.3	4.2	23.3
	(VND bn)		2023A	19,998	8,097	8,460	2,953	23,133	18.0	13.3	19.9	2.9	12.0
			2024A	22,597	12,461	11,664	4,787	27,554	21.1	16.1	26.3	4.6	17.4
SCSC Cargo Service Corp. (SCS)	TP	N/A	2020A	693	473	464	4,963	10,054	49.5	42.9	11.0	5.4	12.0
	Price	63,300	2021A	839	574	564	6,003	12,542	53.1	44.9	11.8	5.6	12.2
	Market cap	6,451	2022A	851	641	646	6,505	14,505	48.1	43.5	9.9	4.5	9.1
	(VND bn)		2023A	705	484	498	5,280	13,423	37.9	30.6	12.3	4.8	11.0
			2024A	1,037	730	693	7,302	14,058	53.3	38.5	11.0	5.7	8.3
Noi Bai Cargo Terminal Service JSC (NCT)	TP	N/A	2020A	669	230	207	7,901	15,641	44.8	38.0	6.3	3.2	6.0
	Price	110,500	2021A	742	272	224	8,546	17,479	51.6	42.3	7.5	3.7	6.2
	Market cap	2,891	2022A	736	279	237	8,646	16,523	53.3	45.0	8.6	4.5	6.5
	(VND bn)		2023A	702	251	217	8,286	16,564	50.1	41.1	10.1	5.1	7.1
			2024A	921	302	266	10,183	21,340	53.7	41.1	11.3	5.4	7.8
Saigon Ground Services JSC (SGN)	TP	N/A	2020A	731	95	88	2,554	24,727	10.0	7.7	24.1	2.5	9.7
	Price	69,200	2021A	488	50	54	1,597	23,135	6.7	5.4	40.2	2.8	11.7
	Market cap	2,320	2022A	995	159	138	4,115	23,905	17.5	13.7	14.3	2.5	6.2
	(VND bn)		2023A	1,456	254	227	6,382	27,983	26.1	19.2	10.4	2.5	5.2
			2024A	1,518	327	271	8,079	32,745	26.6	19.5	10.4	2.6	4.6

Source: Company Data, KIS Research

Table 2: 2Q25 business results

(VNDbn, %)

	Revenue			NPAT		
	2Q25	yoy	qoq	2Q25	yoy	qoq
HVN	27,969	13.7	(8.5)	2,923	182.5	(16.2)
VJC	17,885	10.1	(0.4)	653	121.0	1.8
ACV	6,340	14.5	(0.2)	2,604	(19.3)	(16.6)
SCS	292	(7.3)	9.5	189	(0.4)	11.1
NCT	280	28.2	16.3	85	33.4	32.5
SGN	356	(6.4)	(14.8)	63	(8.3)	(19.2)

Source: Company data, KIS Research

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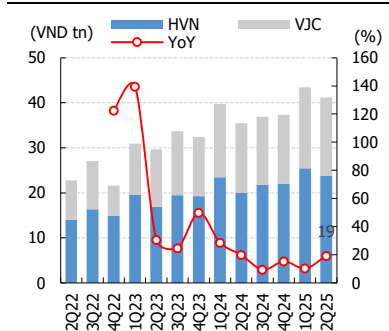
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I. 2Q25 aviation overview

1. Airlines

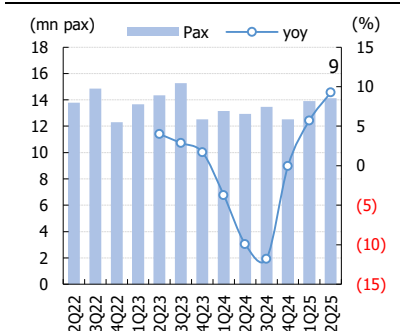
2Q25 air passenger and air traffic up 9% YoY as domestic recovery continues and international was remained strong, a change from previous quarters where growth was solely led by the surge in international travel demand (Figure 2, 3, 4). Total airline revenue (HVN and VJC, representing 77% of total scheduled seats) reached VND46.5tn (+19% YoY, figure 1) driven by the traffic growth and generated VND4.1tn NPAT (+169% YoY).

Figure 1. HVN & VJC's 2Q25 revenue increased 19% YoY



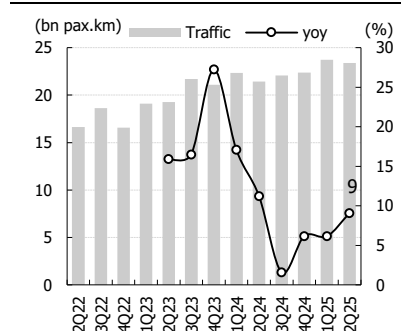
Note: Transportation and ancillary revenue
Source: Company data, KIS Research

Figure 2. Air passengers up 6% YoY in 2Q25



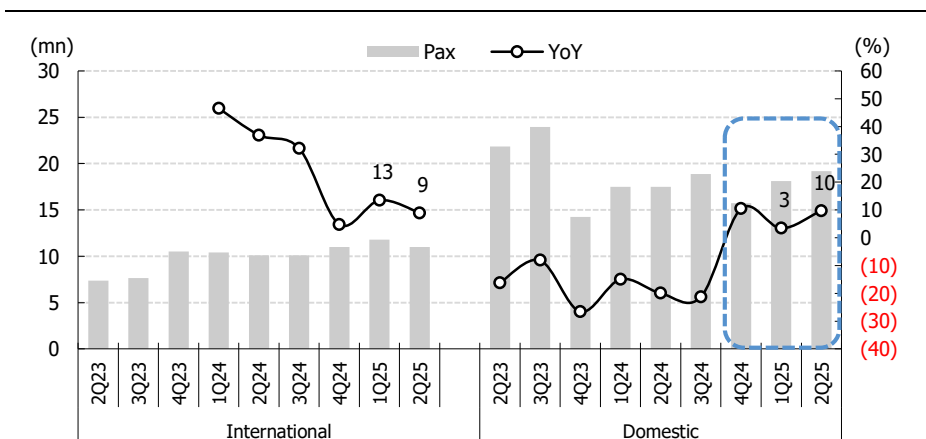
Source: NSO, KIS Research

Figure 3. 2Q25 air traffic up 7% YoY



Source: NSO, KIS Research

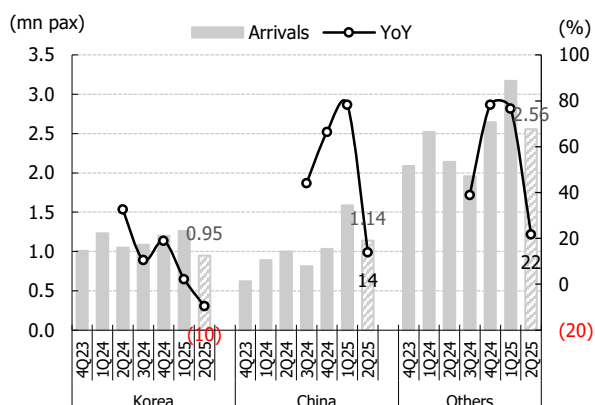
Figure 4. ACV's passenger volume: strong recovery of domestic market



Source: Company data, KIS Research

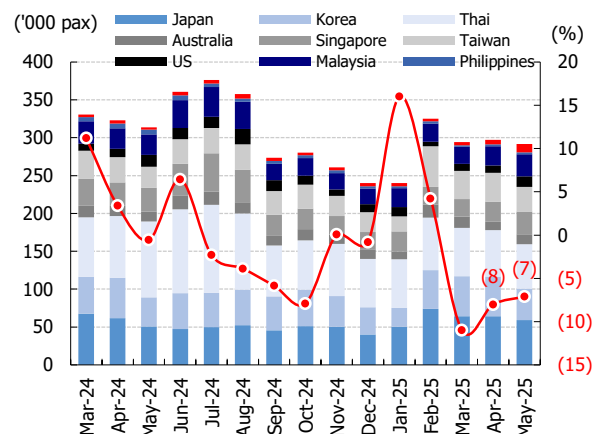
Total overseas arrivals in 2Q25 reached 4.65mn (+11% yoy, figure 5). Outbound Vietnamese passengers to certain countries in April–May fell 8% yoy. Meanwhile, international passenger traffic through ACV's system increased 15%. Per our observation, since the start of the year, China has rolled out various tourism stimulus measures, including subsidies for tour packages and visa exemptions for multiple countries. These policies have attracted large numbers of international visitors, including many from Vietnam. Local media report that travel companies are experiencing sold-out China tours amid surging demand. This demand is supported by highly flexible itineraries and all-inclusive package prices that have dropped by up to 30%.

Figure 5. China market was the main driver of 2Q25 overseas arrivals growth



Source: NSO, KIS Research

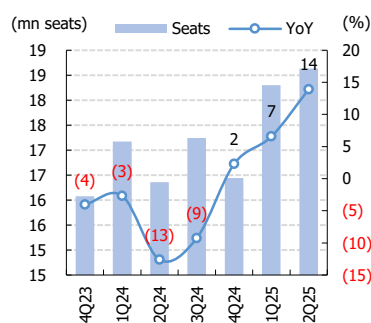
Figure 6. Vietnamese outbound travel rebounded in 2Q25



Source: Countries' Tourism Board, KIS Research

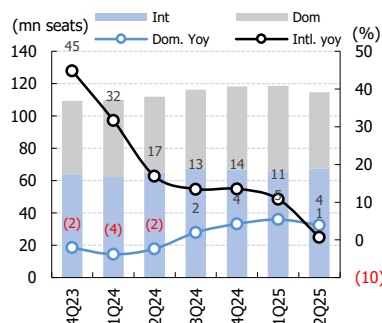
Operating profit: 2Q25 total OP of HVN and VJC posted at VND4.6tn (+196% YoY) and core OPM reached 9.9% (+7.3%p QoQ, -2.0%p YoY, figure 9), a significant improvement from two main carriers. This notable improvement was supported by two key factors: (i) a 17% YoY decline in fuel prices and (ii) high demand from both domestic and international segments.

Figure 7. Vietnam's total seats in 2Q25 up 14% YoY



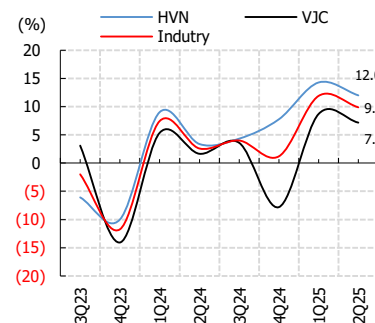
Source: OAG, KIS Research
Note: Seats on flights from/to Vietnam

Figure 8. Weak markets' capacity cuts lowered regional capacity



Source: OAG, KIS Research

Figure 9. OPM rose on stronger-than-usual demand and lower jet fuel costs



Source: Company data, KIS Research
Note: Industry = HVN + VJC

Vietnam leads the region supply growth amid improving domestic market: In 2Q25, regional seat capacity growth slowed, primarily due to significant declines in Indonesia and Myanmar. In Indonesia, BBN Airlines ceased passenger operations at the end of March. In Myanmar, numerous airports were damaged following an earthquake in late March, disrupting air services. In SEA, Vietnam is the market with very high seat growth in 2Q25 and also recorded strong demand in both domestic and international segments. This was driven by lower airfares, national events (military parade) during the 30 April–1 May holidays, and tourism stimulus initiatives between Vietnam and China, which enhanced the operating performance of local airlines.

2. Aviation services and airport

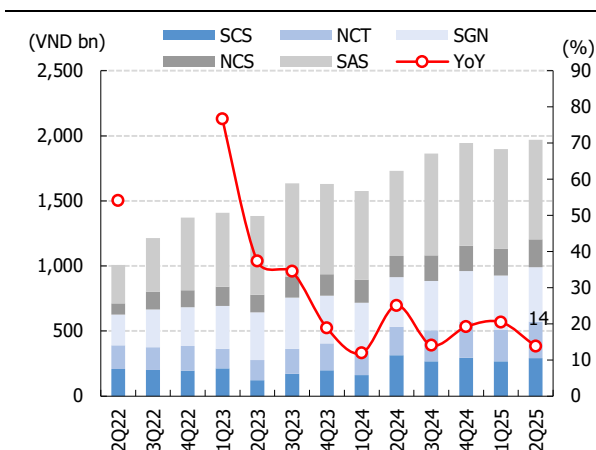
Aviation service companies continued to benefit from increased international and the revival of domestic passengers. Total revenue of five leading companies (SCS, NCT, SGN, NCS and SAS) posted at VND1.97tn (+14% YoY, figure 10, 11) margins improved and NPAT jumped to VND463bn (+15% YoY) (figures 12, 13). This positive performance is also mirrored in ACV's earnings, which reported VND6.35tn revenue (+15% YoY), however, NPAT down 19% to VND3.12tn NPAT due to large fx losses, OP still up 15% YoY.

Figure 10. Monthly growth of biggest source markets

	China	Korea	Taiwan	USA	India	Japan	Malay.
Jun-25	27%	-8%	-4%	14%	53%	10%	18%
May-25	14%	-9%	-16%	7%	76%	16%	18%
Apr-25	3%	-11%	-8%	-6%	45%	-5%	8%
Mar-25	79%	-4%	11%	2%	38%	10%	-27%
Feb-25	29%	10%	11%	9%	32%	61%	40%
Jan-25	137%	0%	9%	22%	5%	19%	-11%
Dec-24	66%	17%	20%	26%	40%	-11%	6%
Nov-24	68%	26%	26%	16%	33%	21%	3%
Oct-24	66%	14%	19%	16%	15%	3%	-7%
Sep-24	49%	15%	35%	7%	33%	4%	6%
Aug-24	45%	9%	42%	-11%	20%	23%	6%
Jul-24	38%	8%	10%	-12%	0%	5%	-10%

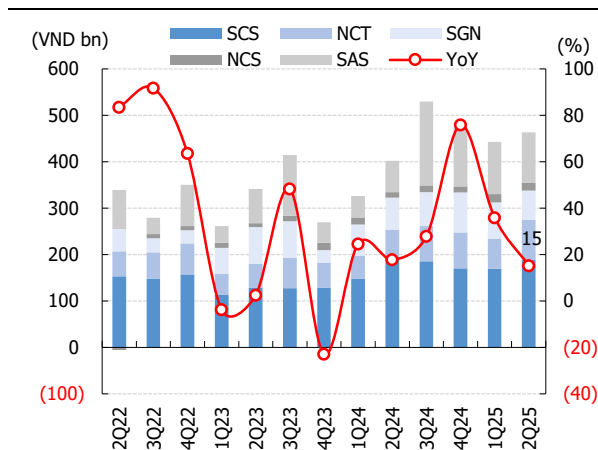
Source: GSO, KIS Research

Figure 11. Total services revenue up 14% YoY



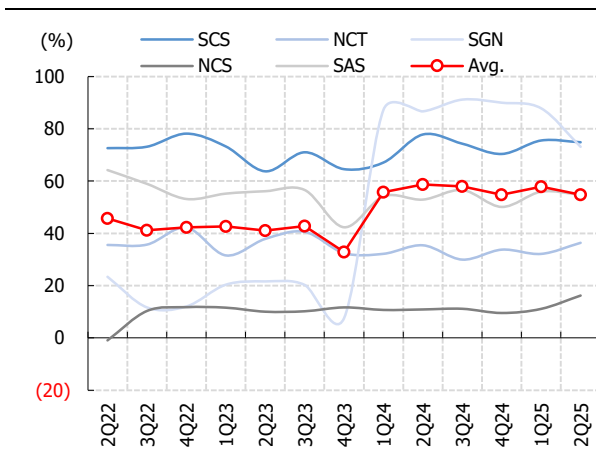
Source: Company data, KIS Research

Figure 12. Total 2Q25 NPAT soared 15% YoY



Source: Company data, KIS Research

Figure 13. Aggregated OPM improved



Source: Company data, KIS Research

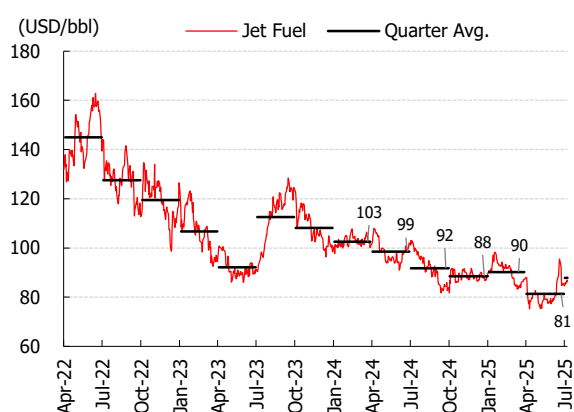
II. Expect for a vibrant 2H25F

Demand – National events and tourism stimulus measures

Following Resolution No. 44/NQ-CP, which extended visa exemptions and lengthened stays for 12 countries, Resolution No. 229/NQ-CP further expanded the program to another 12 countries, building on the earlier policy for the Czech Republic, Switzerland, and Poland. We expect this to boost European visitor arrivals to Vietnam, benefiting airport operators and aviation service providers, though the impact on airlines will be limited as neither VJ nor VNA operates direct flights to these markets. In terms of outbound travel trends, demand to nearby destinations such as Southeast Asia and Australia continues to decline, while trips to East Asia are rising, with strong demand for China expected to persist through 2H25.

Building on the success of the 30 April–1 May military parade in HCMC, the government will host another parade during the 2 September holiday in Hanoi. We believe the previous event's success in stimulating domestic tourism demand is likely to be replicated, particularly as airlines continue to expand seat capacity (figure 19) and low jet fuel prices help keep airfares competitive, thereby supporting travel demand.

Figure 14. Jet fuel on declining trend



Source: NSO, KIS Research

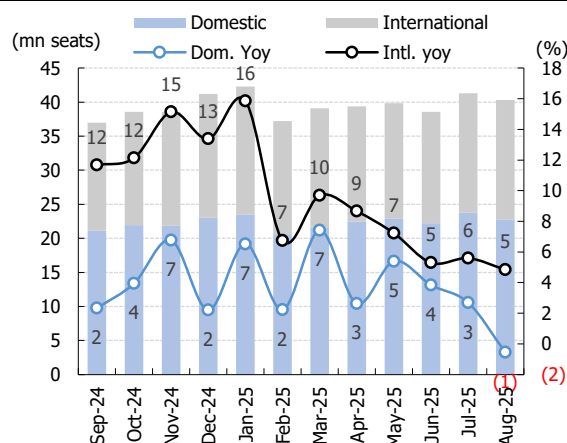
Figure 15. China market is recovering, India is growing quickly

	China	Korea	Taiwan	USA	India	Japan	Malay.
Jul-25	57%	3%	5%	15%	53%	26%	34%
Jun-25	27%	-8%	-4%	14%	53%	10%	18%
May-25	14%	-9%	-16%	7%	76%	16%	18%
Apr-25	3%	-11%	-8%	-6%	45%	-5%	8%
Mar-25	79%	-4%	11%	2%	38%	10%	-27%
Feb-25	29%	10%	11%	9%	32%	61%	40%
Jan-25	137%	0%	9%	22%	5%	19%	-11%
Dec-24	66%	17%	20%	26%	40%	-11%	6%
Nov-24	68%	26%	26%	16%	33%	21%	3%
Oct-24	66%	14%	19%	16%	15%	3%	-7%
Sep-24	49%	15%	35%	7%	33%	4%	6%
Aug-24	45%	9%	42%	-11%	20%	23%	6%

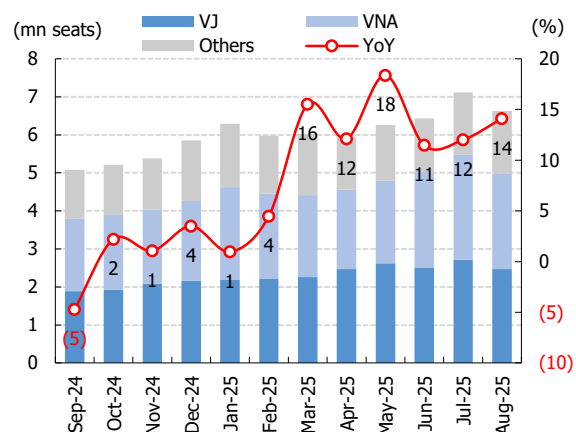
Source: NSO, KIS Research

Supply – More aircraft deliveries and new entrant

According to current fleet plans, VJC has three remaining aircraft scheduled for delivery. Sun Phuquoc Airways (SPA) has taken delivery of one aircraft and is expected to receive an additional seven by year-end. SPA is slated to commence operations in November, focusing primarily on charter services to and from Phu Quoc. As such, we view the risk of direct competition with VJC and HVN in the second half of 2025 as limited.

Figure 16. SEA airlines added more seats in 2Q25

Source: OAG, KIS Research

Figure 17. Vietnamese carriers continue to add more seats in 2Q25

Source: OAG, KIS Research

OPM is expected to improve further in 2H25F

With jet fuel prices remaining low (July's monthly average was 10% lower yoy) and the peak travel season in Q3, we expect profit margins at both VJC and HVN to continue improving. As noted above, we do not expect SPA's entry to significantly intensify competition and therefore anticipate operating profit margin (OPM) in 3Q25 to show further improvement.

III. 2Q25 results of listed enterprises

1. Airlines

HVN – Cost control and lower fuel prices boosted profits

In 2Q25, HVN posted net revenue of VND28tn (+14% YoY, figure 18) and VND3.4tn NPAT (+158% YoY). HVN operated a larger fleet (+4% YoY) transported 6.2mn passengers in (+8% YoY) thanks to stronger market from both domestic and international, led to improved operating leverage. See the earnings breakdown in Table 3:

Table 3. HVN's 1Q25 earnings breakdown (VND bn, %, %p)

	2Q25	2Q24	YoY
Revenue	27,969	24,597	13.7
Transport	22,393	18,972	18.0
Sales of goods	3,775	4,347	(13.2)
Auxiliaries	1,341	1,043	28.6
Others	549	465	18.1
Gross profit	4,948	2,619	89.0
GPM (%)	17.7	10.6	7.1
Operating profit	3,355	242	157.8
OPM (%)	12.0	5.3	6.7
NPAT	2,923	1,035	182.5

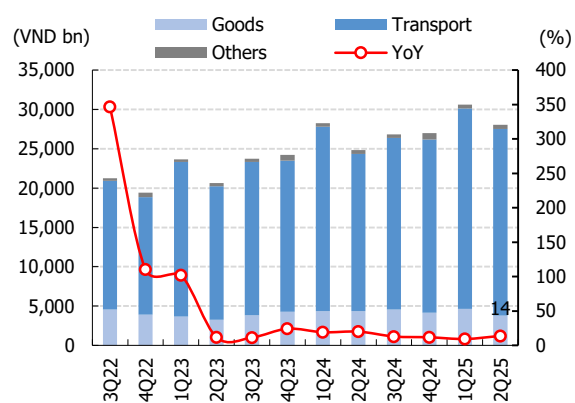
Source: Company Data, KIS Research

GP saw a substantial 89% YoY increase, reaching VND4.9tn. This led to a significant jump in the GPM to 20.5% (-2.8%p QoQ, +7.1%p YoY, figure 19). This notable improvement was primarily driven by enhanced operating leverage and a lower jet fuel prices (-17% YoY) during the quarter.

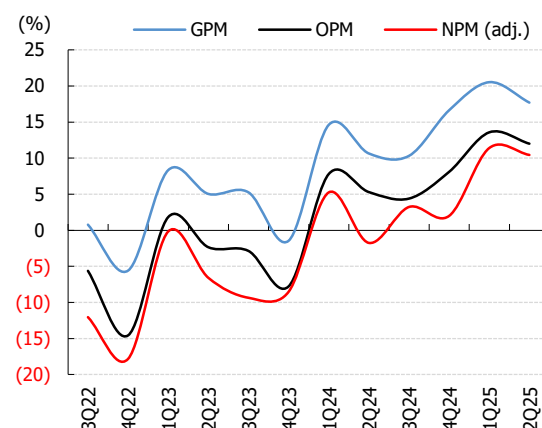
SG&A costs rose 21% YoY to VND1.6tn. Despite this, OP rose 158% YoY. Consequently, OPM expanded to 10.5% (-1.6%p QoQ, +6.7%p YoY).

HVN reported VND105bn FX loss, significantly less than VND578bn loss in 2Q24. Additionally, interests and other financial expenses were 47% lower thanks to decrease in long-term debt.

NPAT increase +182% YoY to VND2.9tn despite VND1.6tn debt write-off gains in 2Q24, which signals strong improvement in core operations and NPM widened to 11.4% (-1.0%p QoQ, +12.2%p YoY).

Figure 18. HVN's 2Q25 net revenue up 14% YoY

Source: Company Data, KIS Research

Figure 19. All margins expandedNote: We excluded debt write-off gains
Source: Company Data, KIS Research

VJC – Increased capacity to capture high demand

In 2Q25, VJC's net revenue inched up to VND17.9tn (+10% YoY, figure 20). NPAT increased 121% YoY to VND653bn. VJC aircraft fleet grew by 16% YoY and transported 7.5mn passengers (+11% YoY). See the earnings breakdown in Table 4:

Table 4. VJC's 2Q25 earnings breakdown

(VND bn, %)

	2Q25	2Q24	YoY
Revenue	17,885	16,238	10.1
Transport	16,319	14,802	10.2
Domestic	4,914	4,224	16.3
International & charter	4,511	4,783	(5.7)
Cargo & Ancillary	6,893	5,795	18.9
Aircraft	429	787	(45.6)
Dry lease	476	478	(0.6)
Others	663	170	290.5
Gross profit	2,337	2,009	16.3
Transport	1,867	1,571	18.9
Aircraft	429	485	(11.6)
Others	121	(47)	-
GPM (%)	13.1	12.4	0.7
Operating profit	1,253	740	73.9
OPM (%)	7.0	4.6	2.4
NPAT	653	295	121.0

Aprx. 87 aircraft were operated during 2Q25 (+16% YoY), transported 7.5 mn pax (+11% YoY)

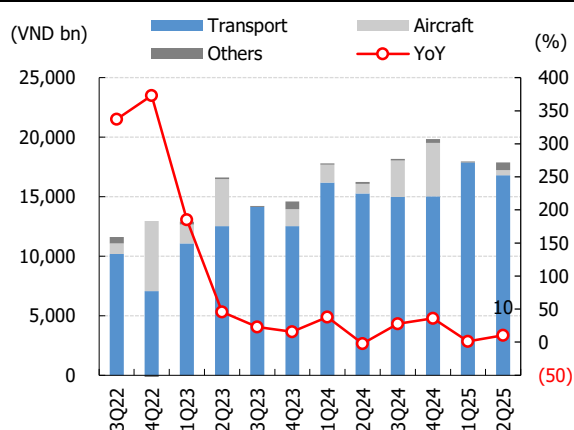
Source: Company Data, KIS Research

VJC's transport GPM expanded to 13.1% (-0.3%p QoQ, +0.7%p YoY, figure 21) thanks lower jet fuel prices. However, the improvement was less pronounced than HVN's, as VJC's larger fleet (+16%) was offset by slower passenger volume growth (+11%). Moreover, HVN's recent large-scale cost controls produced a bigger GPM change, whereas VJC has already been operating under sustained cost-cutting measures inherent to its low-cost business model.

SG&A expenses declined 15% YoY to VND1.1tn. Coupled with strong GPM, OPM expanded to 7.0% (-1.7%p QoQ, +2.4%p YoY).

Financial expenses increase due to increases in interest expenses.

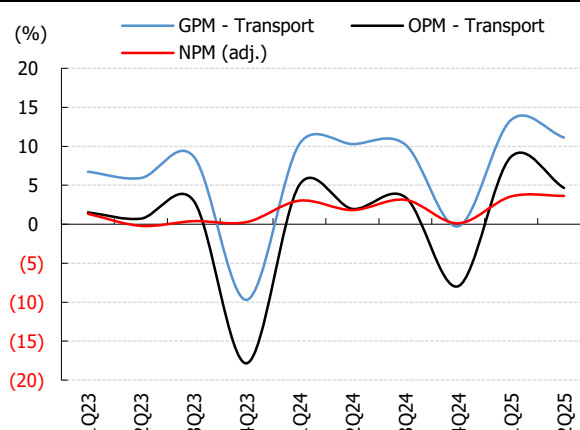
Figure 20. VJC's 2Q25 revenue up 10% YoY



Source: Company Data, KIS Research

Note: Large aircraft sales in 2Q23 led to negative growth in 2Q24

Figure 21. ... margins improved



Source: Company Data, KIS Research

Note: We added back the VND295bn provision reversal in 3Q24

2. Airport

ACV – Large fx losses drag profits

In 2Q25, ACV posted robust performance with VND6.34tn revenue (+15% YoY, figure 22) and VND2.6bn NPAT (+19% YoY). This growth was driven by 16% YoY increase in passengers volume, totaling 30.2mn. This improvement can attributed to the recovery of domestic market and steady growth in international passengers. See earnings breakdown in Table 5:

Table 5. ACV's 2Q25 earnings breakdown (VND bn, %)

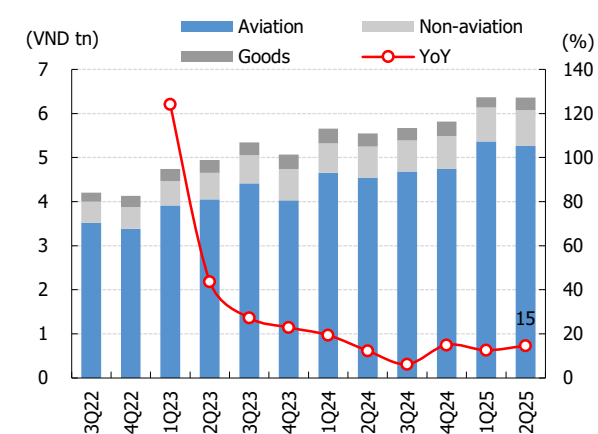
	2Q25	2Q24	YoY
Net Revenue	6,340	5,535	14.5
Aviation Services	5,266	4,543	15.9
Passenger (PSC)	3,077	2,672	15.2
Takeoff/Landing (T/L)	795	682	16.7
Others	1,394	1,190	17.1
Non-aviation services	813	710	14.5
Goods	280	298	(6.1)
Gross profit	3,917	3,460	13.2
Services	3,760	3,328	13.0
Goods	157	132	19.2
GPM (%)	61.8	62.5	(0.7)
Operating profit	3,607	3,128	15.3
OPM (%)	56.9	56.5	(0.4)
NPAT	2,604	3,228	(19.3)
Doubtful receivables provision²	91	5	
Vietjet Air	0	210	
Vietnam Airlines	81	(120)	
Pacific Airlines	15	21	
Bamboo Airways	(30)	(81)	
Vietravel Airlines	26	(26)	
Net FX gains/(losses)	(717)	444	
JPY/VND ³	181	158	14.3
% of OP	(19.9)	14.2	

Source: Company Data, KIS Research

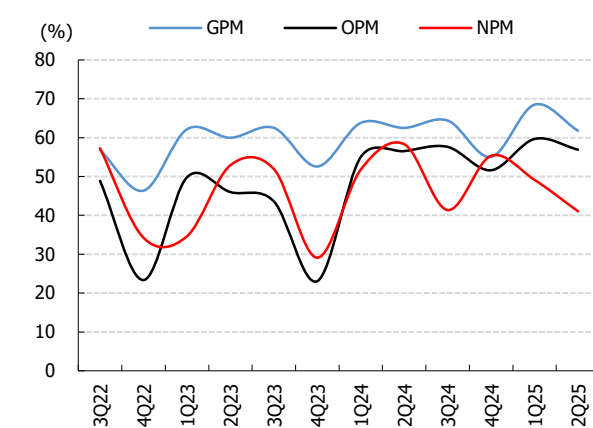
Note: (1) estimates from ACV's announcements; (2) decline/(increase) in provision balance; (3) end of period

ACV's GPM reduced to 61.8% (-6.7%p QoQ, -0.7%p YoY, figure 23) driven by a shift in passenger mix. Although both domestic and international volumes increased, domestic passengers rose to 64% of the total, up from 63% in 2Q24.

SG&A down 7% YoY to VND310bn as ACV recorded VND91bn provision reversal for bad debts and OPM expanded to 56.9% (-2.8%p QoQ, +0.4%p YoY).

Figure 22. ACV's 2Q25 revenue up 15% YoY

Source: Company Data, KIS Research

Figure 23. GPM and OPM slightly narrowed but NPM was hit due to fx losses

Source: Company Data, KIS Research

3. Aviation Services

SCS – Fee increases to offset lower handled volume

In 2Q25, SCS reported revenue of VND292bn (+11% YoY, figure 24) despite lower handled volume thanks to fee increases in late 2024 and early 2025. NPAT slightly decrease to VND189bn. See earnings breakdown in Table 6:

Table 6. SCS's 2Q25 earnings breakdown (VND bn, %)

	2Q25	2Q24	YoY	
Revenue	292	315	10.5	
Cargo terminal	274	295	10.9	Handled 67,114 tons of air cargo (-5% YoY)
Others	18	20	3.6	
Gross profit	233	213	9.7	
Cargo terminal	221	201	10.0	
Others	13	12	5.3	
GPM (%)	80.5	81.2	(0.9)	
Operating profit	218	199	9.5	
OPM (%)	74.8	75.5	(0.9)	
NPAT	189	190	(0.4)	Tax rate increases from 10% to 20%

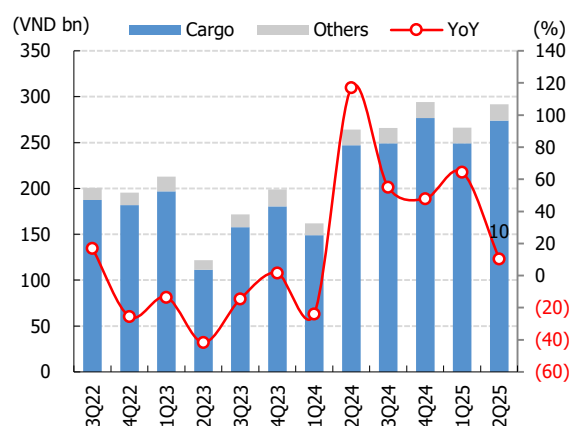
Source: Company Data, KIS Research

GP soared 10% YoY to VND233bn and GPM narrowed to 80.5% (-1.1%p QoQ, -0.6%p YoY, figure 25). SG&A expenses were 12% YoY higher and OPM contracted to 80.5% (-0.7%p QoQ, -0.7%p YoY).

Financial income increased 15% yoy as SCS allocated more cash reserves to longer-term deposits and earned higher interest income.

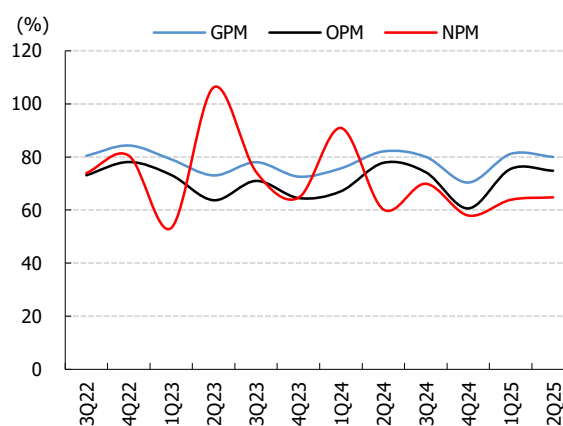
These factors helped partially offset the impact of a higher tax rate and lower handled volume. NPM declined to 64.7% (+0.9%p qoq, -7.0%p yoy).

Figure 24. SCS's 2Q25 revenue down 7% YoY



Source: Company Data, KIS Research

Figure 25. Fee increases helped offset impacts from lower handled volume and higher tax rate



Source: Company Data, KIS Research

NCT – Higher handled cargo volume, profit surges

NCT reported solid 2Q25 results, with revenue and NPAT soaring to VND241bn (+37% YoY) and VND85bn (29% YoY), respectively. This positive outcome was primarily driven by a significant 17.2% YoY rise in handled cargo volume. See earnings breakdown in Table 7:

Table 7. NCT's 2Q25 earnings breakdown (VND bn, %)

	2Q25	2Q24	YoY	
Revenue	241	206	29.8	
Cargo terminal	77	139	36.6	Cargo handled increased 17.2% YoY
Others	61	47	29.9	
Gross profit	135	101	33.1	
GPM (%)	48.0	46.3	1.7	
Operating profit	102	77	31.6	
OPM (%)	36.3	35.4	0.9	
NPAT	85	64	33.4	

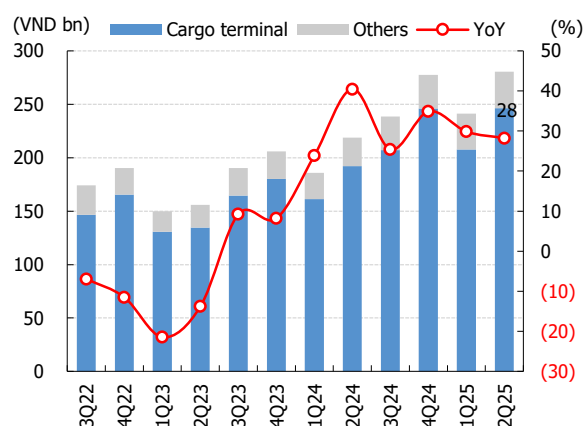
Source: Company Data, KIS Research

GPM improved to 48.0% (+3.0%p QoQ, 1.8%p YoY) on improved operating leverage. SG&A expenses increase 38% to VND33bn, lifting OPM to 30.4% (+4.2%p QoQ, +1.0%p YoY, figure 27).

Financial income up 64% as NCT allocate more cash reserves to longer-term deposits, boosting higher interest income.

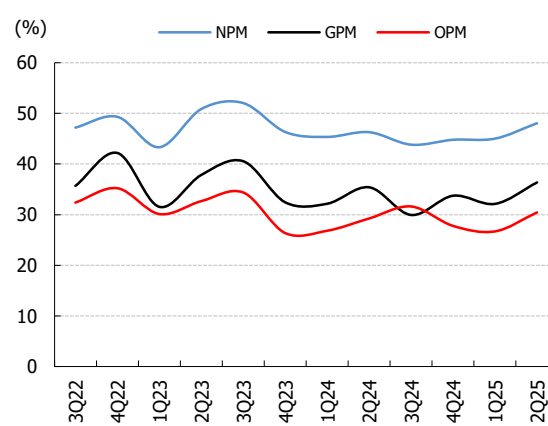
NPM increased to 30.4% (+3.7%p QoQ, +1.2%p YoY).

Figure 26. NCT's revenue up 28% YoY



Source: Company Data, KIS Research

Figure 27. Margins remained stable



Source: Company Data, KIS Research

SGN – Financial gains and provision reversal partially offset revenue decline

Despite a positive industry outlook in 2Q25, SGN's revenue fell 6% to VND346bn. This was due to a sharp 39% YoY drop in revenue from VJC (its contribution falling from 35% to 23%) after VJC stopped using SGN's services at Tan Son Nhat Airport. NPAT decreased 12% YoY to VND56bn. See earnings breakdown in Table 8:

Table 8. SGN's 2Q25 earnings breakdown (VND bn, %)

	2Q25	2Q24	YoY	
Revenue	356	380	(6.4)	Revenue from VJC down 39% YoY
Aviation Services	346	373	(7.4)	
Non-aviation Services	10	7	48.4	
Gross profit	113	125	(4.7)	
GPM (%)	31.6	32.9	(1.2)	
Operating profit	81	86	(16.2)	
OPM (%)	17.5	19.6	(2.1)	
NPAT	63	69	(8.3)	

Source: Company Data, KIS Research

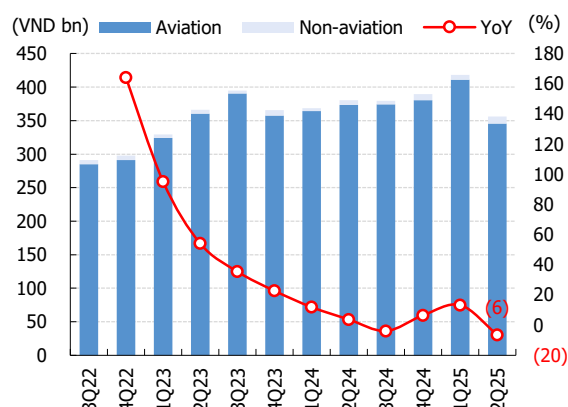
SGN's GPM reduced to 31.6% (-1.5%p QoQ, -1.2%p YoY).

SGN experienced increase in operating expenses, but the company recorded VND7bn provision reversal for receivables from Nordwind, Ikar and Bamboo; as a result, SG&A expenses fell 1% YoY. OPM narrowed to 17.5% (-3.4%p QoQ, -2.1%p YoY).

Fx gains in 2Q25 up 31% YoY to VND11.1bn, together with higher interest income from higher allocation to longer-term deposits, leading to 56% YoY higher net financial gains.

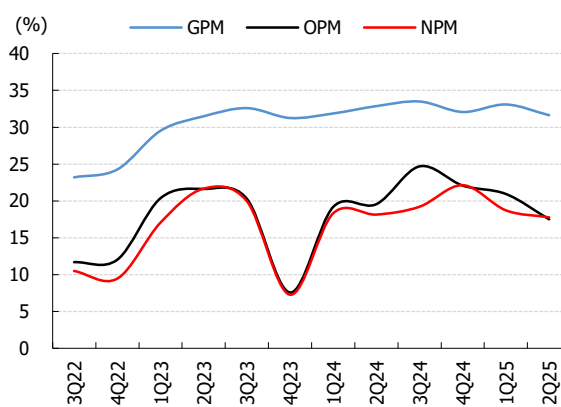
NPM narrowed to 18.7% (-1.0%p QoQ, -0.4%p YoY).

Figure 28. SGN's 2Q25 revenue up 13% YoY



Source: Company Data, KIS Research

Figure 29. Margins declined due to lower revenue



Source: Company Data, KIS Research

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