true friend KIS Viet Nam Securities Corporation

Company Brief

24 Nov 2025

BIWASE (BWE)

3Q25: Awaiting the water tariff hike story

Earnings continue to expand

In 3Q25 revenue posted VND903bn (-4% yoy and -32% qoq, figure 1), mainly due to the downturn in the waste treatment segment and other segments.

Breakdown by business segment:

- ***Clean water production and distribution***: In 3Q25, revenue reached VND689bn (+12% yoy, figure 1). We estimate that the average selling price improved significantly even though production fell to 48mn m^3 (-3% yoy, figure 2). As a result, gross profit (GP) came in at VND435bn (+23% yoy, figure 4).
- ***Waste treatment:*** We assess this segment as consistently stable, with revenue and GP recorded at VND90bn (-38% yoy, figure 1) and VND31bn (+342% yoy, figure 4), respectively.
- ***Wastewater treatment:*** BWE did not record revenue or GP from wastewater treatment in 3Q, whereas previous quarters had recorded contributions.

GP rose 27% yoy to VND502bn, equivalent to a gross margin (GM) of 55.6% (+13.7%p yoy, figure 4), as BWE significantly cut fixed costs by ~VND60bn (-14% yoy).

Consequently, NPAT reached VND281bn (+47% yoy, figure 6), driven by: (i) improved GM as mentioned above (figure 4); (ii) selling expenses decreasing by VND4bn (-4% yoy); (iii) G&A expenses down by VND9bn (-13% yoy); and (iv) financial income surging by VND64bn (+121% yoy), mainly from deposit interest and income recognized from partial divestments at Biwase – Long An Water JSC and Biwelco, generating total net gains of VND39bn (figure 5).

Project progress of BWE

- For Biwase Long An, the Company will launch a project to increase the capacity of Nhi Thanh Water Plant by 60,000 m^3/day, bringing the total capacity to 120,000 m^3/day and put into operation from August 2025 (table 2).

	2020A	2021A	2022A	2023A	2024A
Sales (VND bn)	3,025	3,135	3,484	3,526	3,959
chg. (% YoY)	18.8	3.1	11.7	1.2	12.3
Operating profit (VND bn)	591	884	816	755	732
Net profit (VND bn)	535	755	747	682	661
EPS (VND)	2,434	3,345	3,851	3,496	2,558
chg. (% YoY)	-10.2	37.5	15.1	-9.2	-26.8
EBITDA (VND bn)	1,213	1,329	1,398	1,525	1,686
PE (x)	18.2	14	10.9	13.4	18.6
EV/EBITDA (x)	9.1	9.2	8.5	9.2	9.8
PB (x)	2.46	2.33	1.8	1.89	1.96
ROE (%)	19.2	20.6	17.7	14.5	12.6
Dividend yield (%)	2.71	2.56	3.1	-	2.74

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

12M rating **Non-rated**

12M TP **N/A**

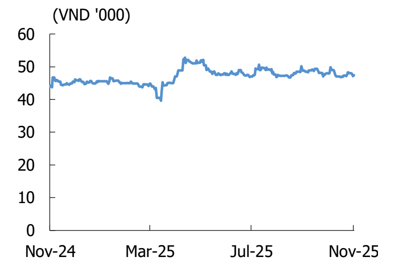
Stock Statistics

VNIndex (26 Nov, pt)	1,680
Stock price (26 Nov, VND)	47,450
Market cap (USD mn)	396
Shares outstanding (mn)	220
52-Week high/low (VND)	52,800/39,600
6M avg. daily turnover (USD mn)	0.31
Free float / Foreign ownership (%)	34.6/7.8
Major shareholders (%)	
Thu Dau Mot Water JSC	37.42
Becamex Industrial Development - JSC	19.44
Nguyen Van Thien	4.65
Nguyen Ngoc Thuy	2.66

Performance

	1M	6M	12M
Absolute (%)		(8.6)	7.7
Relative to VNIndex (%p)		(35.9)	(30.0)

Stock price trend



Source: Bloomberg

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BWE also expanded the capacity of Gia Tan Water Plant after 3 years of receiving and implementing, adding 60,000 m3/day, bringing the total capacity to 100,000 m3/day and is expected to come into operation in 2Q26 (table 2).

At the same time, the scope of water supply services will be expanded to Can Giuoc and Can Duoc districts (Long An province); and is expected to be in the period from 2027-2030 (table 2).

Table 1. Quarterly earnings snapshot (VND bn, %, %p)

	3Q24	4Q24	1Q25	2Q25	3Q25	qoq	yoy
Sales	942	1,191	924	1,325	903	(32)	(4)
OP	211	170	188	329	340	3.2	60.8
OP margin	22.4	14.3	20.4	24.9	37.6	12.7	15.2
EBT	214	167	191	340	342	0.6	60.2
NPAT	191	149	163	305	281	(8)	46

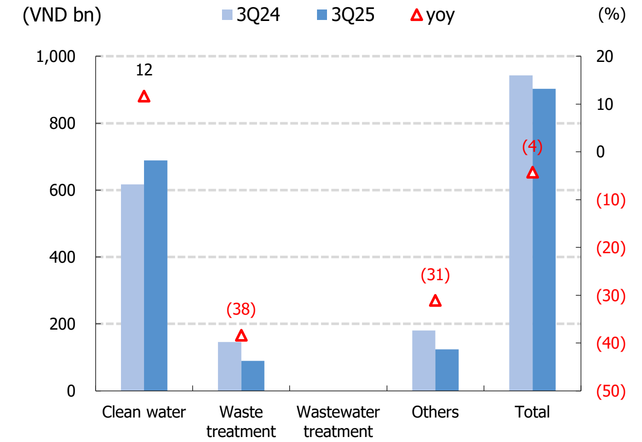
Source: FiinproX, KIS Research

Table 2. Progress of BWE's clean water plant projects in 2025 – 2026F

Projects	Subsidiary	Additional capacity (m3/day)	Total capacity after increase (m3/day)	Operate	Progress
Nhi Thanh water plant	BIWASE Long An	60,000	120,000	3Q25	Completed
Chon Thanh phase 3 water plant	BIWASE	30,000	60,000	2025	Under Acceptance
Gia Tan phase 3 water plant	Gia Tan JSC	60,000	100,000	2Q26-2027	In Progress
Sai Gon - Mekong water plant *	BIWASE Can Tho	25,000	50,000	2025-2026	n/a
Nha Bich water supply*	n/a	n/a	180,000	Proposed	n/a

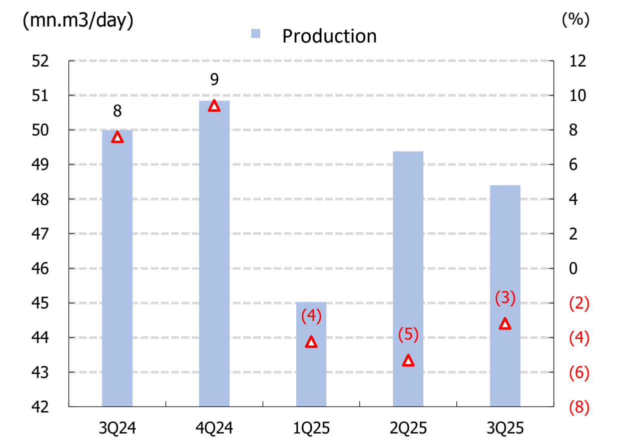
Source: Fiin-ProX, KISVN

Figure 1. Revenue posted VND903bn (-4% yoy and -32% qoq) in 3Q25



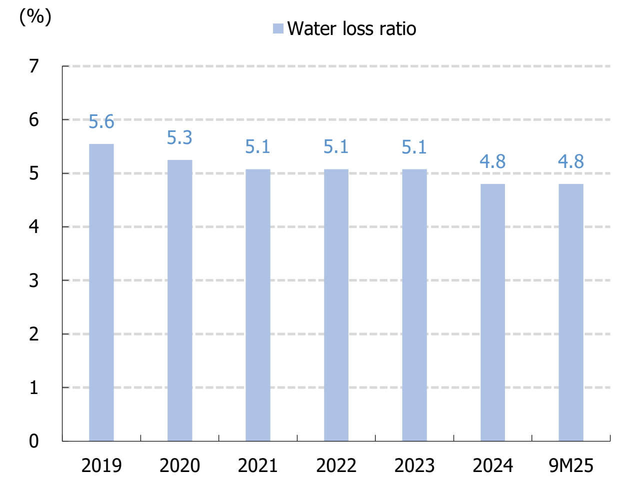
Source: Company data, KIS Research

Figure 2. Production fell to 48mn m³ (-3% yoy) in 3Q25



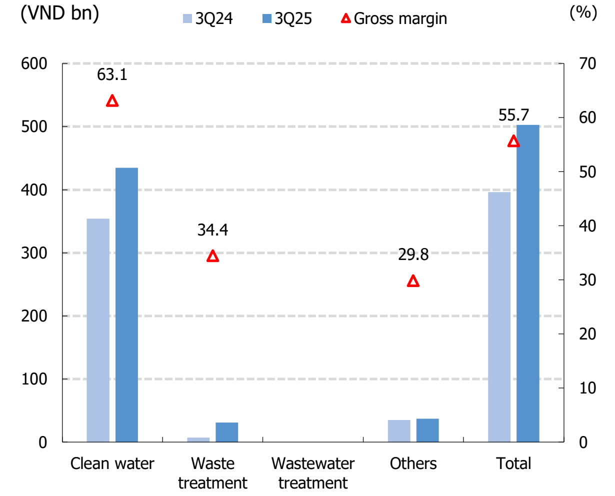
Source: Company data, KIS Research

Figure 3. Water loss rate remains stable, estimated at 4.8% in 3Q25



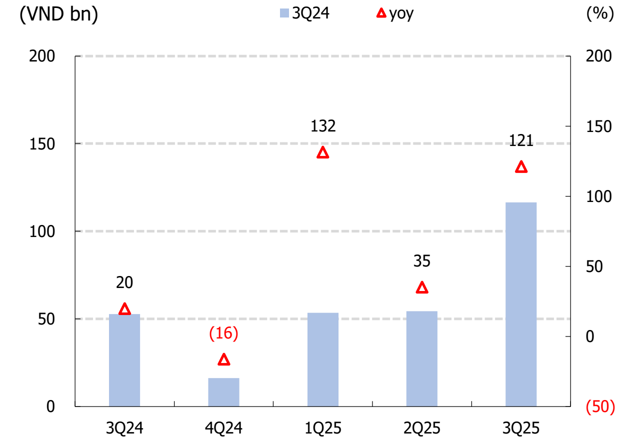
Source: Company data, KIS Research

Figure 4. GP rose 27% yoy to VND502bn, equivalent to a gross margin of 55.7% in 3Q25



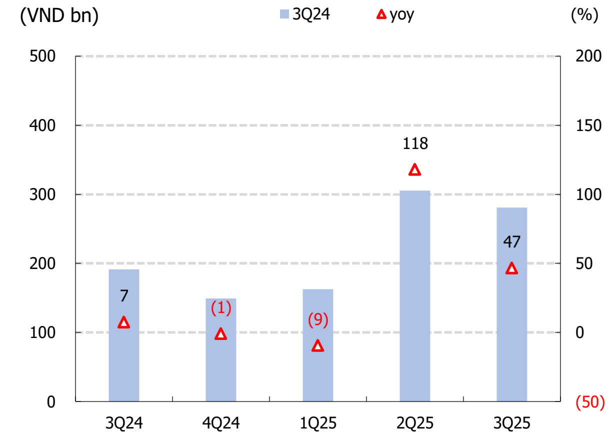
Source: Company data, KIS Research

Figure 5. Financial income surging by VND64bn (+121% yoy)



Source: Company data, KIS Research

Figure 6. NPAT reached VND281bn (+47% yoy), driven by improved GM as mentioned above



Source: Company data, KIS Research

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Prepared by: Research Dept

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