

5 Jun 2026

BIWASE (BWE)

1Q26 – Earnings continued to grow steadily

Profit growth remained stable

In 1Q26, revenue reached VND1,034bn in 1Q26 (+12% yoy, -25% qoq), mainly supported by the waste treatment segment. Besides, gross profit (GP) increased by 12% yoy to VND483bn, with gross margin remaining flat yoy at 46.7%.

Breakdown by business segment:

- **Water production and distribution:** Revenue reached VND702bn (+9% yoy, figure 1). We believe the growth was primarily driven by higher water production, which increased to 49mn m³ (+7% yoy, figure 2), while average water tariffs remained relatively stable during the period. As a result, GP rose 18% yoy to VND432bn (figure 4), supported by operating leverage and stable selling prices.
- **Waste treatment:** This segment continued to deliver stable growth, with revenue and GP reaching VND118bn (+75% yoy, figure 1) and VND17bn (+49% yoy, figure 4), respectively. We attribute the improvement mainly to higher waste treatment volume, supported by rising waste generation from both residential and industrial customers.
- **Wastewater treatment:** In 1Q26, Revenue and GP came in at VND20bn (-74% yoy, figure 1) and VND3bn (-89% yoy, figure 4), respectively.

Besides, financial expenses declined by 14% yoy (a VND17bn loss recorded in 1Q26), mainly due to the absence of foreign exchange losses (a VND35bn loss recorded in 1Q26), following BWE's implementation of risk hedging measures through Cross Currency Swaps (CCS). This was despite interest expenses increasing by 22% yoy to VND105bn. As a result, NPAT rose strongly by 30% yoy to VND212bn (figure 6).

	2021A	2022A	2023A	2024A	2025A
Sales (VND bn)	3,135	3,484	3,526	3,959	4,543
Operating profit (VND bn)	884	816	755	732	1,169
Net profit (VND bn)	755	747	682	661	1,026
EPS (VND)	3,345	3,851	3,496	2,905	3,990
chg. (% yoy)	37.5	15.1	(9.2)	(16.9)	37.3
BPS	20,104	23,293	24,891	24,263	27,181
PE (x)	14.0	10.9	13.4	15.6	10.8
PB (x)	2.33	1.80	1.89	1.87	1.59
ROA (%)	8.6	7.8	6.1	4.9	6.75
ROE (%)	20.6	17.7	14.5	12.6	17.5
Dividend yield (%)	2.56	3.10	-	2.87	3.01

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

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12M rating **Non-rated**

12M TP **N/A**

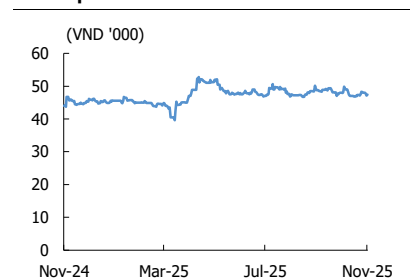
Stock Statistics

VNIndex (05 Jun, pt)	1,839
Stock price (05 Jun, VND)	43,950
Market cap (USD mn)	367
Shares outstanding (mn)	220
52-Week high/low (VND)	49,274/40,819
6M avg. daily turnover (USD mn)	0.33
Free float / Foreign ownership (%)	27.4/2.5
Major shareholders (%)	
Thu Dau Mot Water JSC	37.42
Becamex Industrial Development - JSC	19.44
BIWELCO Investment and Construction	10.3
Nguyen Van Thien	4.65

Performance

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

Stock price trend



Source: Bloomberg

Research Dept

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Project progress of BWE

At BIWASE Long An, the company completed Phase 3 expansion of the Nhi Thanh Water Plant, adding 60,000m³/day and raising total capacity to 120,000m³/day. The project was officially commissioned in 2025 (table 1).

In Dong Nai, BWE continued the expansion of the Gia Tan Water Plant through its subsidiary GIWACO. The project is expected to add 60,000m³/day, increasing total capacity to 100,000m³/day, and is scheduled to commence operations in 2Q26 (table 1).

In the Mekong Delta region, Phase 3 of the Can Tho Water Plant was completed and commissioned in 2025 with a capacity of 50,000m³/day, further expanding BWE's presence in water supply markets outside Binh Duong (table 1).

Meanwhile, BWE has been developing the Ho Cua Can Water Plant in Phu Quoc with a designed capacity of approximately 50,000m³/day. The project is expected to be completed in 2027 to meet rising local water demand and support infrastructure requirements related to APEC 2027 (table 1).

Table 1. Quarterly earnings snapshot

(VND bn, %, %p)

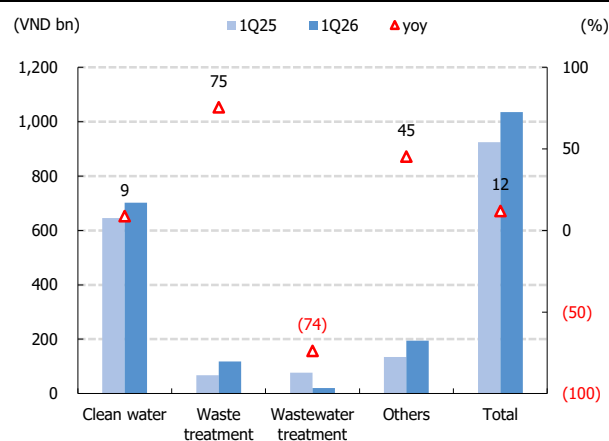
	1Q25	2Q25	3Q25	4Q25	1Q26	qoq	yoy
Sales	924	1,325	903	1,390	1,035	25.6	12.0
OP	188	329	340	311	243	(21.8)	29.4
OP margin	20.4	24.9	37.6	22.4	23.5	1.1	3.1
EBT	191	340	342	308	239	(22.4)	25.4
NPAT	163	305	281	278	212	(23.8)	30.2

Source: FiinproX, KIS Research

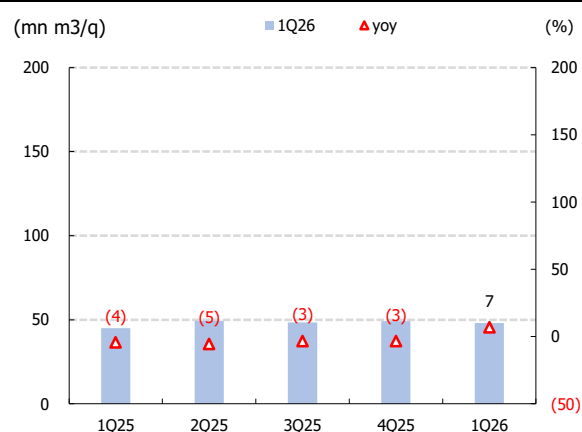
Table 2. Progress of BWE's clean water plant projects in 2025 – 2027F

Projects	Subsidiary	Additional capacity (m3/day)	Total capacity after increase (m3/day)	Operate	Progress
Nhi Thanh phase 3 water plant	BIWASE Long An	60,000	120,000	2025	Completed
Gia Tan phase 3 water plant	GIWACO	11,000	35,000	2026	Completed
Can Tho phase 3 water plant	BIWASE Can Tho	50,000	50,000	2025	Completed
Cua Can Lake Water Treatment Plant	BIWASE Phu Quoc	50,000*	50,000*	2027	Completed

Source: Fiin-ProX, KISVN

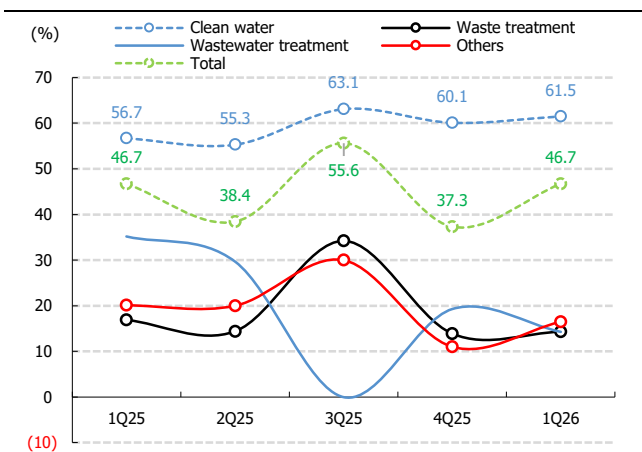
Figure 1. Revenue maintained 12% yoy growth, supported by the waste treatment segment

Source: Company data, KIS Research

Figure 2. Production reached 49mn m³, up 7% yoy

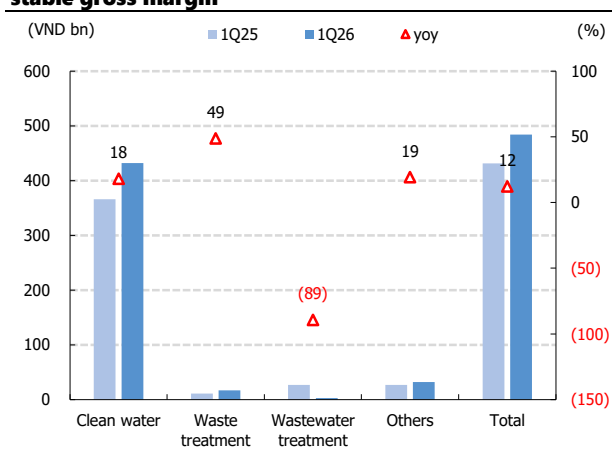
Source: Company data, KIS Research

Figure 3. Gross margin remained stable in 1Q26



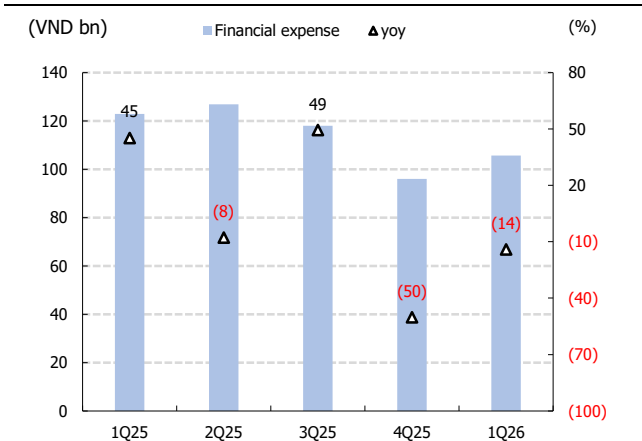
Source: Company data, KIS Research

Figure 4. Gross profit grew by 12% yoy, supported by stable gross margin



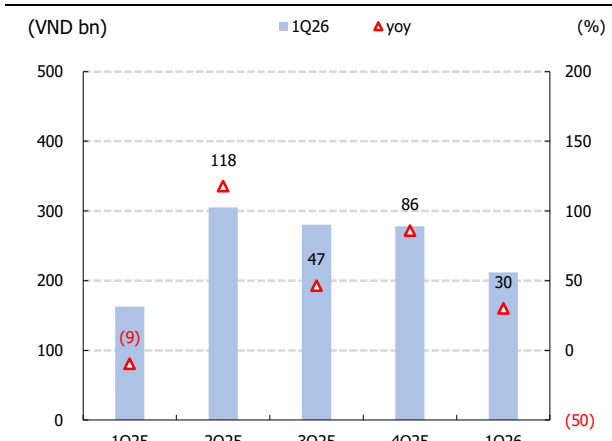
Source: Company data, KIS Research

Figure 5. Financial expenses declined by 14% yoy in 1Q26



Source: Company data, KIS Research

Figure 6. NPAT increased strongly, up 30% yoy



Source: Company data, KIS Research

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Prepared by: Research Dept

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