true friend KIS Viet Nam Securities Corporation

Company Brief

11 Sep 2026

12M rating **Non-rated**

12M TP

BIWASE (BWE)

2Q26 – Earnings continued to grow steadily

Profit growth remained stable

In 2Q26, revenue reached VND1,222bn (-8% n/n, figure 1), mainly due to declines in the wastewater treatment and waste treatment segments, while the water supply segment remained stable. Meanwhile, GP reached VND564bn (+11% n/n, figure 4), with gross margin expanding to 46.2% (+7.8%p n/n, figure 3).

Breakdown by business segment:

- **Water production and distribution:** Revenue reached VND785bn (+12% yoy, figure 1). We believe the growth was primarily driven by higher water production, which increased to 53mn m³ (+8% yoy, figure 2), while average water tariffs remained relatively stable during the period. As a result, GP rose 11% yoy to VND465bn (figure 4), supported by operating leverage and stable selling prices.
- **Waste treatment:** Revenue and GP reached VND202bn (-28% n/n, figure 1) and VND31bn (-23% n/n, figure 4), respectively. We assess that the decline was mainly attributable to lower waste treatment volumes.

NPAT reached VND337bn (+10% yoy, figure 6), mainly driven by (1) gross margin improvement and (2) lower financial expenses, which declined to VND111bn (-12% yoy, down VND15bn, figure 5), as the company implemented FX risk hedging measures through CCS contracts.

	2021A	2022A	2023A	2024A	2025A
Sales (VND bn)	3,135	3,484	3,526	3,959	4,543
chg. (% yoy)	3.1	11.7	1.2	12.3	14.7
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
EBITDA (VND bn)	1,329	1,398	1,525	1,686	1,902
PE (x)	14.0	10.9	13.4	15.6	10.5
EV/EBITDA (x)	9.2	8.5	9.2	9.5	8.2
PB (x)	2.33	1.80	1.89	1.87	1.54
ROE (%)	20.6	17.7	14.5	12.6	17.5
Dividend yield (%)	2.56	3.10	-	2.87	3.11

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

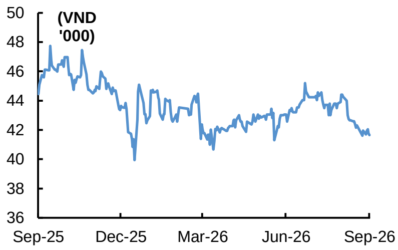
Stock Statistics

VNIndex (11 Sep, pt)	1,795
Stock price (11 Sep, VND)	41,650
Market cap (USD mn)	401
Shares outstanding (mn)	251
52-Week high/low (VND)	47,740/39,942
6M avg. daily turnover (USD mn)	0.53
Free float / Foreign ownership (%)	25.0/2.2
Major shareholders (%)	
Thu Dau Mot Water JSC	37.42
Becamex Industrial Development - JSC	19.44
BIWELCO Investment and Construction	10.3
Nguyen Van Thien	4.06

Performance

	1M	6M	12M
Absolute (%)	(5.3)	(0.1)	(6.3)
Relative to VNIndex (%p)	(9.3)	(5.0)	(45.1)

Stock price trend



Source: Bloomberg

Research Dept

Researchdept@kisvn.vn

Project progress of BWE

In Dong Nai, BWE continues to expand the Gia Tan Water Plant through its subsidiary, GIWACO. The project is expected to add 60,000m³/day of capacity, bringing the plant's total capacity to 100,000m³/day, and is scheduled to commence operations in 2026 (table 1).

Meanwhile, BWE is 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 the growing local water demand and support infrastructure development requirements for APEC 2027 (table 1).

In Dong Nai, GIWACO is developing a water supply pipeline to Bau Can – Tan Hiep Industrial Park, with an estimated designed capacity of approximately 60,000m³/day. The project is currently under construction and installation and is expected to commence operations in 2027 (table 1).

In Long An, BWE continues to complete and operate Nhi Thanh Water Plant – Phase 3 through its subsidiary, Biwase Long An. The project has a capacity of 120,000m³/day and includes the development of a D1200mm water pipeline from Ben Luc Town to Cho Tram intersection to expand the water supply coverage and serve both residential and industrial customers (table 1).

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

	2Q25	3Q25	4Q25	1Q26	2Q26	qoq	yoy
Sales	1,325	903	1,390	1,035	1,222	18.1	(7.8)
OP	329	340	311	243	371	52.7	12.8
OP margin	24.9	37.6	22.4	23.5	30.3	6.8	5.4
EBT	340	342	308	239	374	56.5	10.0
NPAT	305	281	278	212	337	59.0	10.5

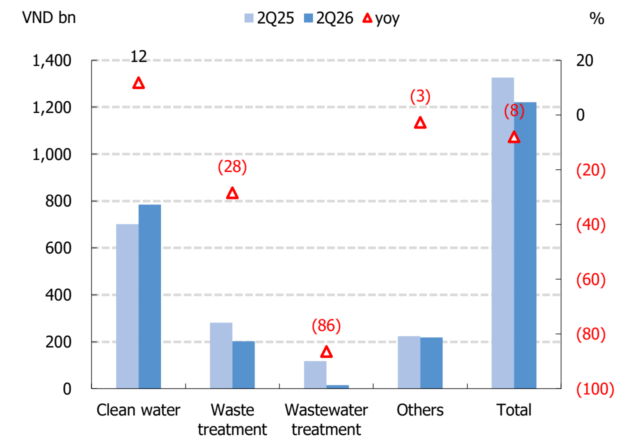
Source: FiinproX, KIS Research

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
Gia Tan Water Treatment Plant Phase 3	GIWACO	60,000*	100,000*	2026	Under construction
Ho Cua Can Water Treatment Plant	BIWASE Phu Quoc	50,000*	50,000*	2027	Under construction
Bau Can – Tan Hiep Industrial Park Water Supply Pipeline	GIWACO	60,000	N/A	2026-2027	Under construction
Nhi Thanh Phase 3 Water Plant	BIWASE Long An	120,000	180,000	2026	Under construction

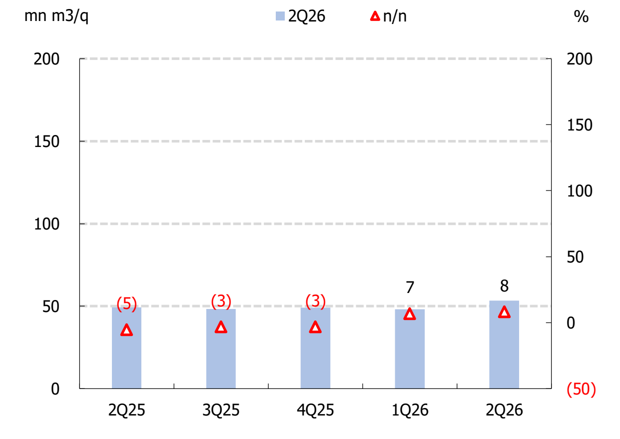
Source: Fiin-ProX, KISVN

Figure 1. Revenue declined 8% yoy, mainly due to a sharp decline in the waste treatment segment



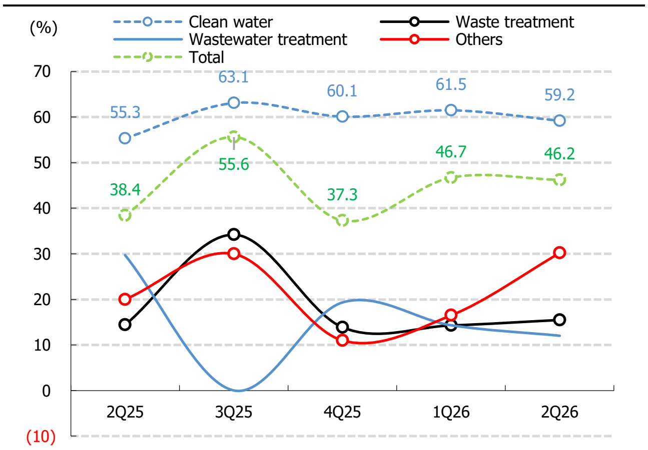
Source: Company data, KIS Research

Figure 2. Production reached 53mn m³, up 8% yoy



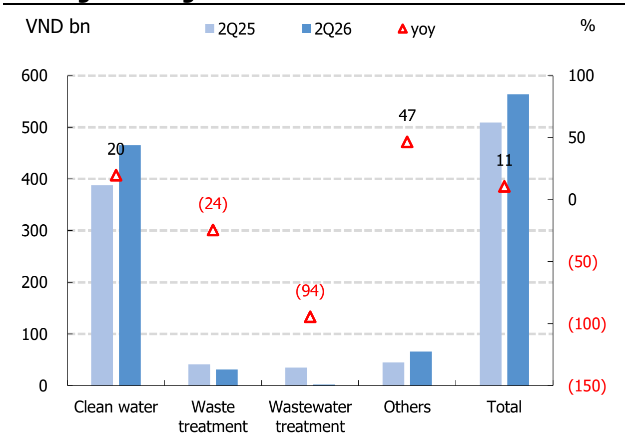
Source: Company data, KIS Research

Figure 3. Gross margin remained stable in 2Q26



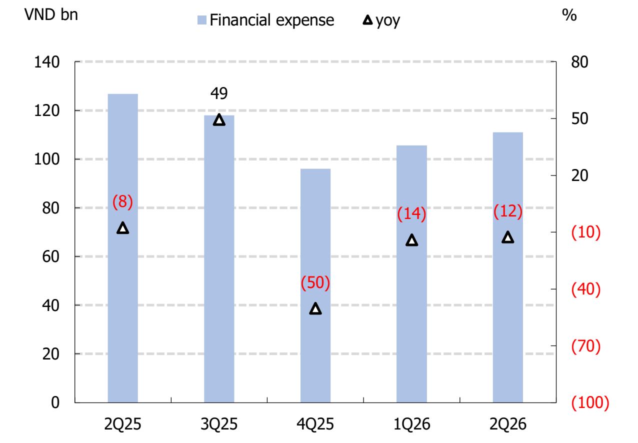
Source: Company data, KIS Research

Figure 4. Gross profit grew by 11% yoy, supported by stable gross margin



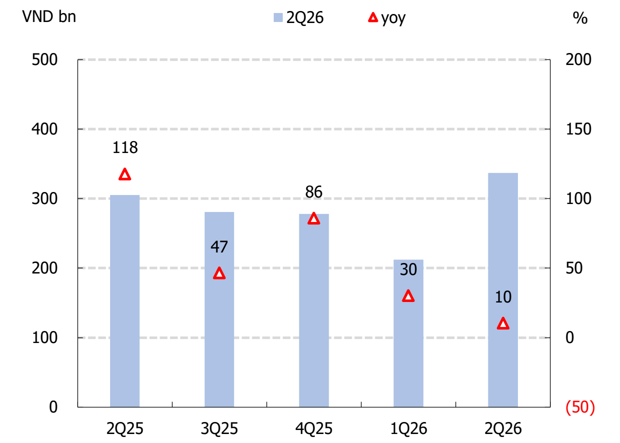
Source: Company data, KIS Research

Figure 5. Financial expenses declined by 12% yoy in 2Q26



Source: Company data, KIS Research

Figure 6. NPAT increased stable, up 10% yoy



Source: Company data, KIS Research

- **Guide to KIS Vietnam Securities Corp. stock ratings based on 12-month forward performance**
  - BUY: Expected total return will be 15% or more
  - Hold: Expected total return will be between -5% and 15%
  - Sell: Expected total return will be -5% or less
  - KIS Vietnam Securities Corp. does not offer target prices for stocks with Hold or Sell ratings.

- **Guide to KIS Vietnam Securities Corp. sector ratings for the next 12 months**
  - Overweight: Recommend increasing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.
  - Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
  - Underweight: Recommend reducing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.

- **Analyst Certification**

  I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

- **Important compliance notice**

  As of the end of the month immediately preceding the date of publication of the research report or the public appearance (or the end of the second most recent month if the publication date is less than 10 calendar days after the end of the most recent month), KIS Vietnam Securities Corp. or its affiliates does not own 1% or more of any class of common equity securities of the companies mentioned in this report.

  There is no actual, material conflict of interest of the research analyst or KIS Vietnam Securities Corp. or its affiliates known at the time of publication of the research report or at the time of the public appearance.

  KIS Vietnam Securities Corp. or its affiliates has not managed or co-managed a public offering of securities for the companies mentioned in this report in the past 12 months;

  KIS Vietnam Securities Corp. or its affiliates has not received compensation for investment banking services from the companies mentioned in this report in the past 12 months; KIS Vietnam Securities Corp. or its affiliates does not expect to receive or intend to seek compensation for investment banking services from the companies mentioned in this report in the next 3 months.

  KIS Vietnam Securities Corp. or its affiliates was not making a market in securities of the companies mentioned in this report at the time that the research report was published.

  KIS Vietnam Securities Corp. does not own over 1% of shares of the companies mentioned in this report as of 11 Sep 2026.
  KIS Vietnam Securities Corp. has not provided this report to various third parties.
  Neither the analyst/analysts who prepared this report nor their associates own any shares of the company/companies mentioned in this report as of 11 Sep 2026.
  KIS Vietnam Securities Corp. has not issued CW with underlying stocks of BIWASE (BWE) and is not the liquidity provider.

  Prepared by: Research Dept

Global Disclaimer

■ **General**

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client’s judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

■ **Country-specific disclaimer**

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong’s SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).