trueFriend KIS Viet Nam Securities Corporation

2H26F INDUSTRIAL PARKS OUTLOOK

ATMOSPHERE OF CAUTION

NEUTRAL

2H26F Industrial Parks Outlook
Atmosphere of caution

Sector Rating

NEGATIVE — NEUTRAL — POSITIVE

2H26F Outlook	• **Industry Outlook:** • **Supply:** Near-term leasable IP land supply growth remains restricted, projected to expand by just 3% yoy in 2026F. However, a massive supply influx is anticipated from 2027F onwards. This is driven by a heavy concentration of investment policy approvals granted between late-2024 and mid-2025F (primarily clustered in northern hubs like Hai Phong and Bac Ninh) transitioning through the standard 2–3 years gestation period. • **Demand:** Tenant acquisition exhibits sharp regional and sector divergence. The Northern region maintains a clear comparative advantage, successfully capturing high-tech manufacturing inflows and expanding mega industrial complexes (e.g., Samsung Thai Nguyen, LG Hai Phong). Conversely, absorption in the Southern region remains relatively soft, dragged down by cooling demand in traditional manufacturing segments. • **Rental Prices & Margins:** Driven by restricted near-term supply, escalating construction costs, and stricter environmental/technical development standards for new industrial zones, average IP asking rents will maintain their upward trajectory. For 2026F, average rental rates are projected to expand by 5% yoy in the Northern region and 4% yoy in the Southern region, supporting stable gross margins for well-positioned developers.
Recommendation	• Based on our analysis, we issue a selective NEUTRAL **recommendation for the Industrial Park Sector**. We favor northern-focused IP developers with large immediate leasable capacity to capture high-tech inflows, while maintaining a cautious stance on southern developers facing prolonged tenant handover delays in traditional manufacturing segments.

Table 1. Sector coverage list

Ticker	Recommendation	Target price	Upside	3Q26F NPAT		4Q26F NPAT		2026F NPAT		2026F ROE	Fw 26F PE	Fw 26F PB	DY
		VND/share	%	VND bn	yoy, %	VND bn	yoy, %	VND bn	yoy, %	%	x	x	%
IDC	NONRATED	N/A	-	696	(29)	973	80	2,440	4	30.1	7.4	2.1	8.1
PHR	NONRATED	N/A	-	706	267	643	916	2,744	416	51	3.2	1.7	4.0
SZC	NONRATED	N/A	-	51	95	69	(47)	138	(60)	4	27.4	1.2	4.8

Source: Bloomberg, KIS Research estimates

IP 2H26F – Atmosphere of caution

I. Industry analysis

1. 2H26F – Demand is concentrated
2. 2H26F – Low pressure from new supply & higher rental prices

1. 2H26F Demand

1H26 – Global FDI inflows are sector-selective; FDI inflows to Vietnam remain strong

Figure 1. India's FDI

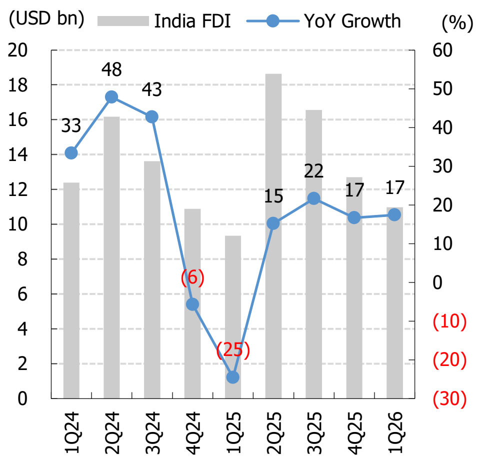


Figure 2. Indonesia's FDI

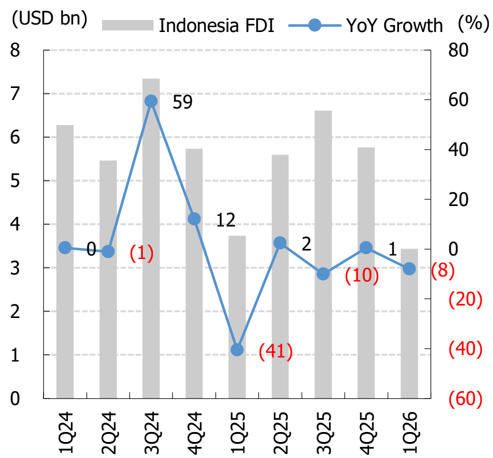


Figure 3. Thailand's FDI

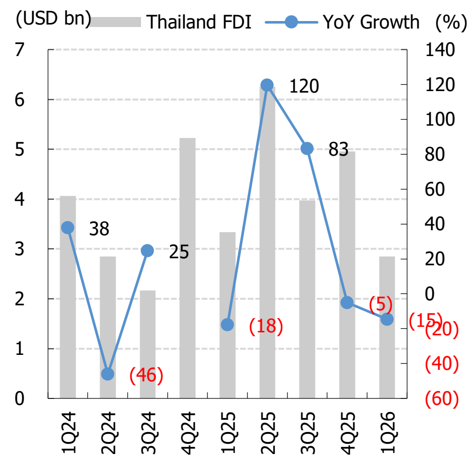


Figure 4. Malaysia's FDI

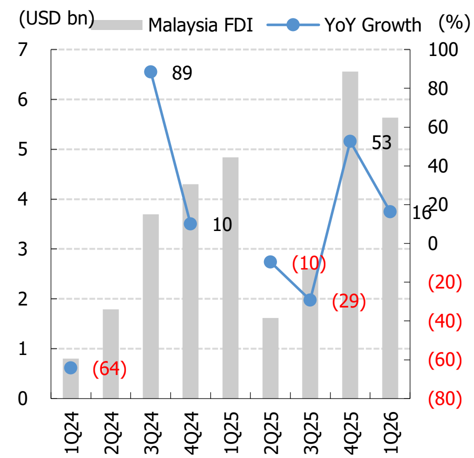
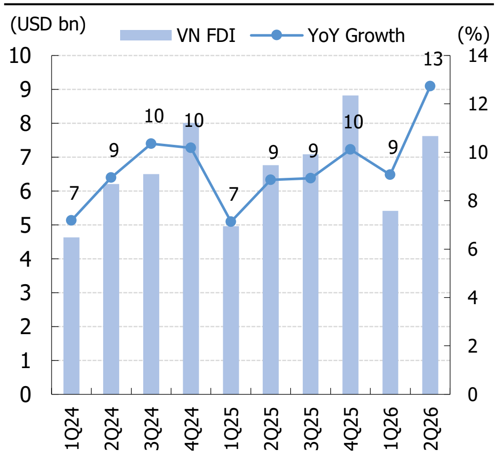


Figure 5. Vietnam's FDI



- India benefited from US capital inflows targeting tech-focused Global Capability Centers (GCCs) alongside structural tailwinds from the semiconductor Production Linked Incentive (PLI) scheme. Meanwhile, Indonesia's core growth was driven by China-backed mineral downstreaming strategies, specifically within the nickel and EV value chains.
- In Thailand, substantial data center investments from Singapore were recorded; despite a temporary capital inflow deceleration through 1Q26, investment from China persists. Concurrently, Malaysia emerged as a primary regional beneficiary, capitalizing on the migration of AI data centers by US Big Tech from Singapore to the Johor special economic zone—triggered by Singapore's tightening of data center sustainability standards.
- Vietnam's disbursed FDI maintains upward momentum, closely correlating with the expanding deposit balances of selected listed developers

Source: Bloomberg, DPIIT, BOT, DOSM, KIS Research
Note: Data is not comparable across countries due to different methodologies

1. 2H26F Demand

1H26 – Leasing activity persists as disbursed FDI continues to rise

Figure 6. IP rental contract deposits from selected companies

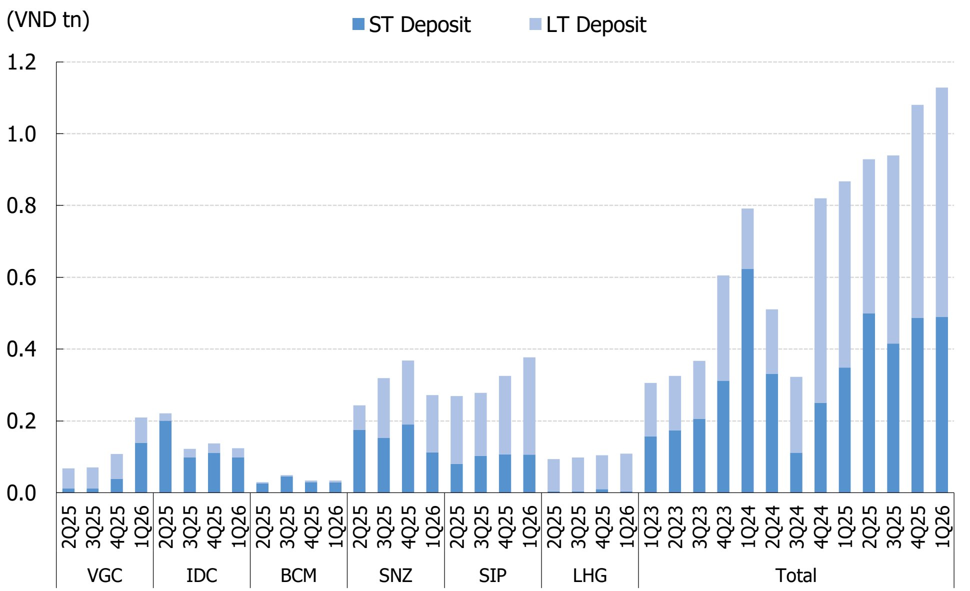
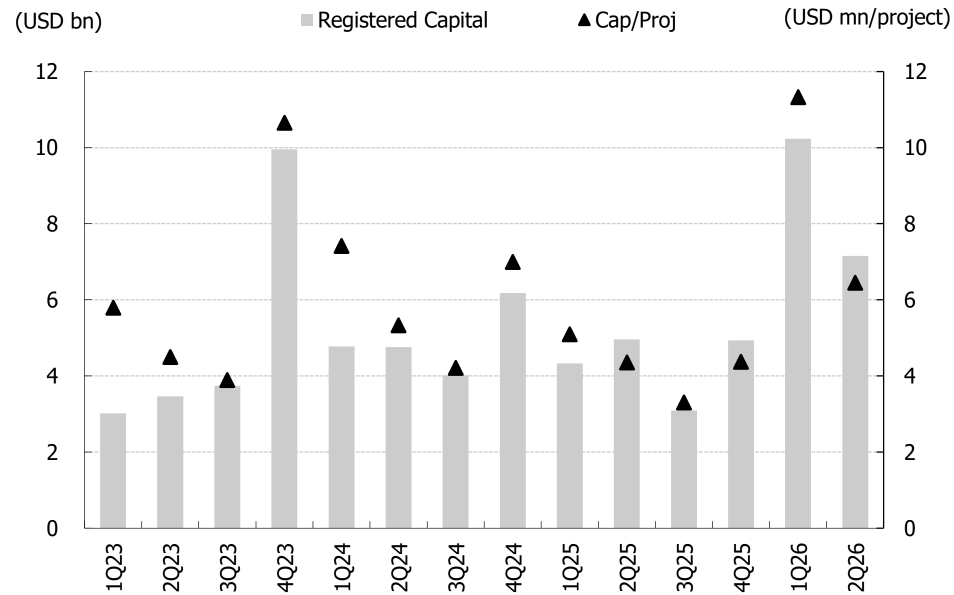


Figure 7. Disbursed FDI capital 6M26 +11% yoy



- Short-term land lease deposits remained flat, indicating sustained immediate demand, whereas long-term deposits rose continuously, signaling that tenants are deferring land handovers—a clear sign of caution. This trend is heavily driven by southern developers (SNZ, SIP). Conversely, northern-focused IP developers like VGC recorded continuous growth in short-term balances, underscoring stronger immediate demand in the North (Fig. 6).

- This divergence stems from the different sectors attracted by each region, with the North capturing high-tech manufacturing while the South draws traditional manufacturing segments. Concurrently, a sharp increase in average capital per project underscores capital concentration within a few mega-projects (Fig. 7).

Source: Company data, Vietnam Customs, KIS Research
Note: Total rental contract deposits consist of VGC, IDC, BCM, SNZ, SIP, LHG, PHR, TIP; KBC does not disclose quarterly details on rental deposits

1. 2H26F Demand

2H26F – Upcoming IP land demand is concentrated a few mega projects

Figure 8. Total registered FDI by sector 5M26

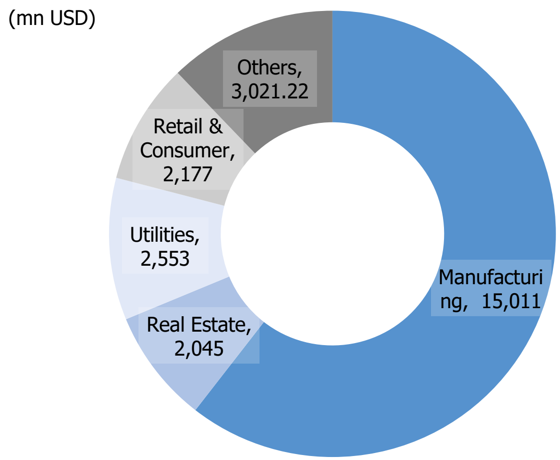


Figure 9. Total FDI register by province 5M26

Province	Region	Total registered FDI (USD mn)	YoY Growth
Thái Nguyên[1]	North	7,634	29.0x
Bắc Ninh	North	1,791	+42%
Hà Nội	North	1,728	+47%
Ninh Bình	North	1,073	+4%
Hải Phòng	North	809	+27%
Phú Thọ	North	642	3.2x
Nghệ An[2]	Central	2,282	18.6x
HCMC[3,4]	South	4,105	+2%
Tây Ninh	South	1,909	+94%
Đồng Nai	South	815	+56%
Others		2,002	
Total		**24,807**	**+35%**

Figure 10. Large FDI projects announced in 6M26

Project	Sector	Provine	Registered Capital (USD bn)
Samsung OSAT Plants[1]	Semiconductor	Thái Nguyên	4.0 + 1.5
LG Innotek OSAT Plant	Semiconductor	Hải Phòng	1.0
Seojin	Materials	Bắc Ninh	0.45
Posco Battery Materials	Materials	Thái Nguyên	0.4
LNG Quỳnh Lập[2]	Utilities	Nghệ An	2.2
Can Gio Transhipment Port	Logistics	HCMC	4.9
Tan Phu AI Data Center[3]	Tech	HCMC	2.1
Nha Be Metrocity[4]	Real estate	HCMC	2.2
Thu Thiem Eco Smart City	Real estate	HCMC	1.2
Evolution Data Center	Tech	HCMC	0.5

- Total registered FDI in 1H26 reached USD34.65bn (+61% yoy), primarily driven by the manufacturing sector, alongside a sharp increase in the utility segment stemming from LNG power projects.
- Registered FDI surged in 1H26, with average project size expanding significantly across 1Q26 and 2Q26 due to several mega-projects. Key notable projects include: (1) Samsung's semiconductor packaging and testing plant, (2) Quynh Lap LNG Power Plant,(3) Tan Phu Trung AI Data Centers, and (4) Nha Be Metro City (Jun-26). **Note that mega-projects like these don't have large IP land demand**.

Source: NSO, MOF, KIS Research
Note: Data as end of May 2026; Some mega projects were later announced and not reflected in 5M26 registered FDI

Exports accelerate in 2H26F, FDI inflows remain selective ahead tariff risks

Figure 11. We forecast 23%/30% YoY growth for exports/imports

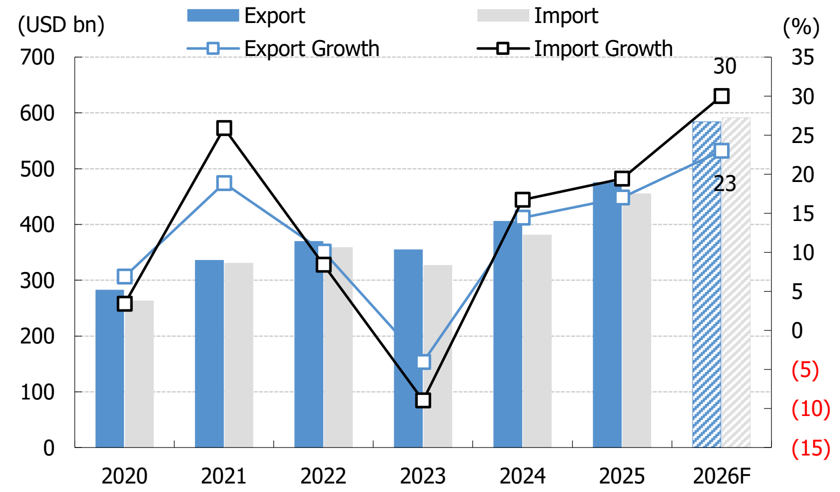


Figure 12. Section 301 tariff scenarios

10-20% — **Best Case:** The US imposes a baseline 10% tariff alongside a cautionary tariff, following positive progress made by Vietnam on issues raised by the US.

20-25% — **Base Case:** The US can levy a cautionary tariff because progress falls short of US expectations; this rate aligns with previously negotiated terms.

35-45% — **Worst Case:** The US takes a heavy-handed approach, enforcing maximum tariff rates across all of Vietnam's identified violations.

Section 301 investigations

- We believe that investigations into forced labor, overcapacity, and intellectual property are tactical stepping stones for the US to align tariffs back to negotiated levels with target countries, starting from the baseline 10% (Section 122). Given the Government's aggressive and proactive interventions to build a persuasive case for the USTR, we anticipate the USTR will accept these terms alongside an intellectual property warning; this remains our base-case scenario (20-25% tariff) with 50% chance of happening.

Trade and FDI outlook

- Export growth should accelerate in 2H26F on rising new orders, while cooling oil prices and freight rates ease pressures on imports. Full-year 2026F exports/imports are projected to expand 23%/30%, narrowing the trade deficit.
- We expect FDI inflows to persist following the conclusion of the investigations. **Concurrently, Resolution 10-NQ/TW marks a strategic pivot in FDI attraction toward high-tech industries, which typically feature substantial capital expenditures but limited land requirements**.

Source: NSO, KIS Research

Potential supply would be concentrated in Northern provinces

Figure 13. Number of IPs approved during 2024-1H26

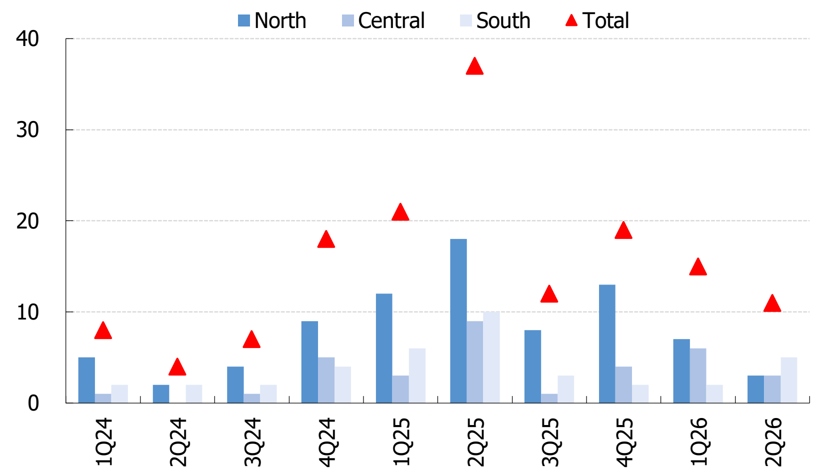


Figure 14. The total area of approved IP during 2024-1H26

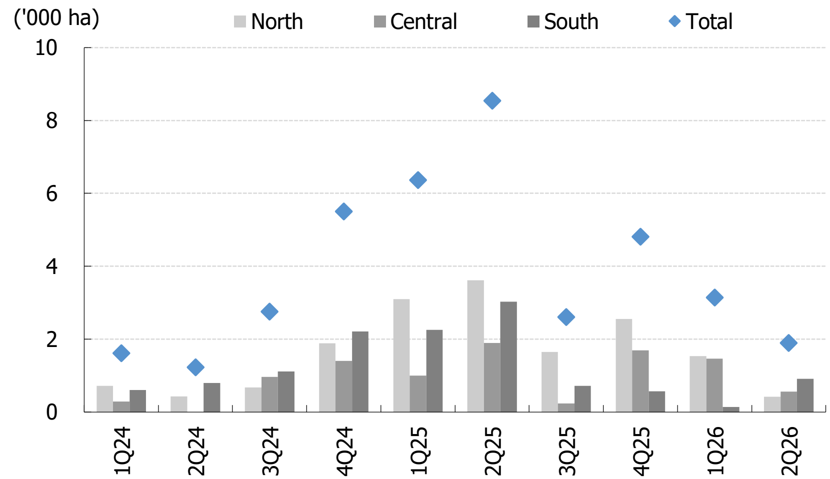


Figure 15. Top 10 highest IP area approved from 2024-1H26

Province	2024	2025	1H26	2024-1H26
Đồng Nai	2,287	3,286	134	**5,708**
Hải Phòng	230	3,118	-	**3,348**
Bắc Ninh	709	1,972	356	**3,037**
Ninh Bình	914	1,604	-	**2,518**
Thái Nguyên	296	1,678	499	**2,473**
Tây Ninh	937	708	511	**2,156**
HCMC	470	1,623	-	**2,093**
Hưng Yên	465	1,204	200	**1,868**
Gia Lai	-	1,029	668	**1,697**
Phú Thọ	-	1,145	409	**1,554**
Others	4,784	4,947	2,257	**11,988**
Total	**11,092**	**22,313**	**5,034**	**38,440**

Source: Local media, Province Master Plan, KIS Research
Note: Data as end of June-2026; Provinces post-merger

- Our data indicates that investment policy approvals were heavily concentrated between late-2024 and mid-2025F, with allocations primarily clustered in northern provinces such as Hai Phong and Bac Ninh.
- Given that the gestation period from receiving investment policy approval to actively attracting investors typically spans 2–3 years, **a substantial surge in IP land supply is anticipated from 2027F onwards**.

2. 2H26F – Supply

Subdued supply growth and higher expenses elevate IP rental prices

Figure 16. We expect 4%/9% yoy growth in Southern/Northern leasable IP land

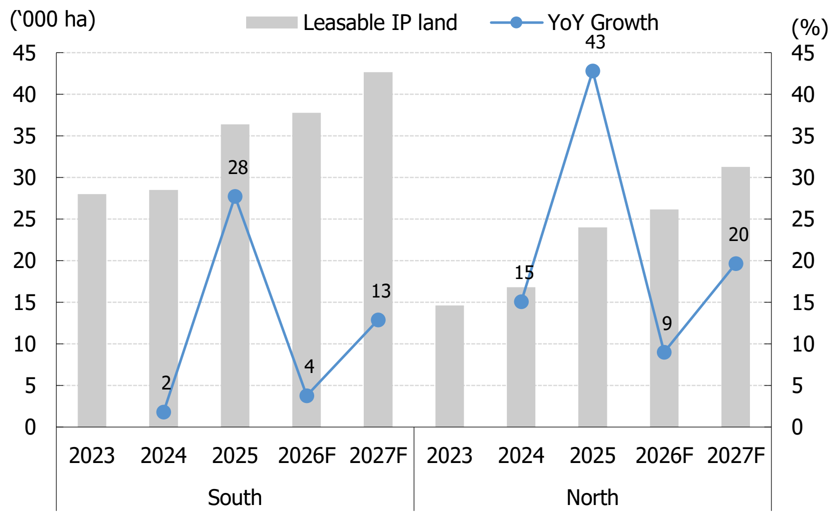
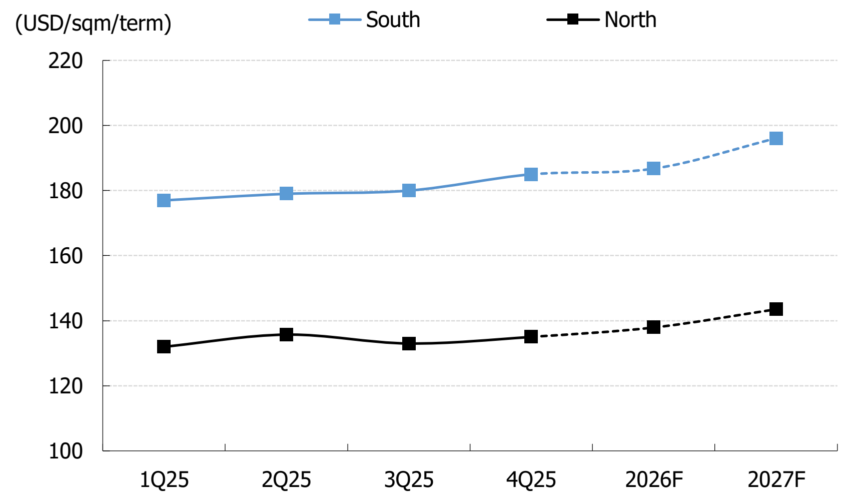


Figure 17. We expect 4%/5% yoy increase in Southern/ Northern rental prices, driven by restricted new supply



- We expect ***IP land supply in the South/North to grow 4%/9% yoy in 2026F***, and accelerate in 2027F as approved IPs in late 2024 launch sales.
- Tenant acquisition is set to diverge due to rising caution among traditional manufacturers, favoring Northern IP developers. This divergence will also manifest intra-regionally, as 2026F capital inflows are projected to remain heavily concentrated in high-tech manufacturing and industrial complexes, such as Thai Nguyen (Samsung) and Hai Phong (LG).
- Regarding pricing, average IP rental rates will continue their upward trajectory due to the aforementioned drivers. Notably, average rents in the ***Northern region are projected to increase by 5% in 2026F, while the Southern region grows by 4%.***

Source: Cushman & Wakefield, Province Masterplan, KIS Research
Note: Rental price forecast is based on Cushman & Wakefield data and our analysis;
Projected leasable IP land supply based on 24-to-26-month IP development cycle, sharp changes in 2025 and 3Q25 were due to provincial merger

IP 2H26F – Atmosphere of caution

II. Company analysis

1. IDC – Sales stay flat
2. PHR – Massive land compensation
3. SZC – New accounting policy distorts improved land handovers

1. IDC – (NONRATED)

Sales stay flat

Investment Theme

- **IP Segment:** Full-year revenue will stay flat due to flat projected handovers, leaving 2H26F heavily reliant on backlog contract execution. Potential sales launches at Tan Phuoc 1 and Vinh Quang Phase 1 remain excluded from our current 2026F model.
- **Energy & RE:** Energy will maintain modest growth, while residential real estate remains flat due to a small number of handovers at Huu Thanh Residential project.

Risks to be considered

- Slower-than-expected IP land sales.
- Negative developments in US tariffs on Vietnam.

Table 2. KIS Research forecast on IDC

	1Q26	2Q26F	3Q26F	4Q26F	2024A	2025A	2026F
Net Revenue	**1,486**	**1,760**	**2,270**	**3,013**	**8,846**	**8,588**	**8,528**
Energy	884	931	1,059	1,086	3,373	3,862	3,960
IP	406	547	928	1,640	3,988	3,444	3,521
Others	196	281	283	287	1,486	1,282	1,047
Growth (%)	**-17.2**	**-0.2**	**-20.9**	**39.5**	**22.2**	**-2.9**	**-0.7**
Energy	8.3	1.0	1.0	1.0	15.4	14.5	2.6
IP	-31.1	10.8	-39.6	99.0	20.9	-13.6	2.2
Gross Profit	**389**	**535**	**857**	**1,278**	**3,337**	**3,060**	**3,059**
% yoy	-29.5	-1.7	-31.9	80.8	37.7	-8.3	-0.4
% gross margin	26.2	30.4	37.7	42.4	37.7	35.6	35.9
Operating Profit	**316**	**464**	**799**	**1,149**	**2,939**	**2,664**	
% yoy	-29.6	1.2	-31.2	92.7	42.6	-9.4	2.4
% OP margin	21.3	26.4	35.2	38.1	33.2	31.0	31.9
Net Profit	**338**	**433**	**696**	**973**	**2,392**	**2,354**	**2,440**
% yoy	-19.0	4.0	-29.0	80.1	44.5	-1.6	3.6
% net margin	22.7	24.6	30.7	32.3	27.0	27.4	28.6
% ROE					37.7	32.0	30.1
Multiple ratio							
PE					9.2	6.5	7.4
PB					2.6	1.7	2.1
DY					9.6	7.6	8.1

1. IDC – (NONRATED)

Sales stay flat

Figure 18. IP revenue is expected to surge towards year-end from backlog contracts, but full-year revenue is still flat

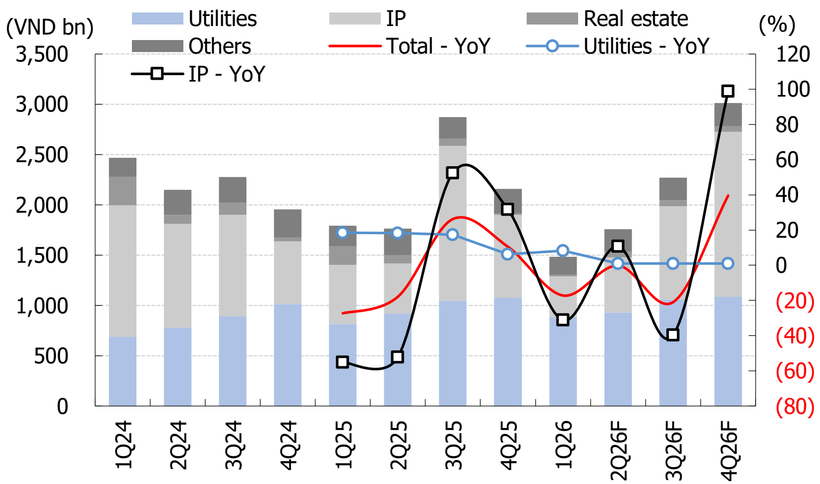


Figure 19. IP GPM could improve in the remaining quarters thanks to higher ASP

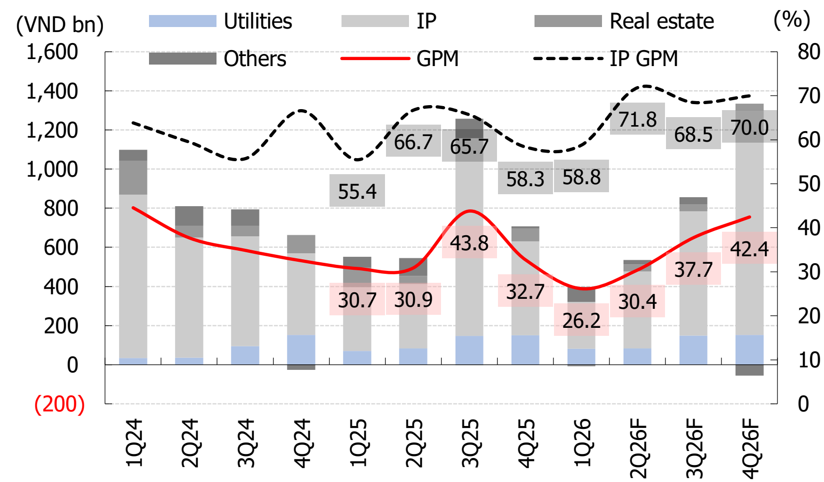


Figure 20. IDC's rental contract deposits remain low amid soft demand; however, it could recover as new IPs ready for sales

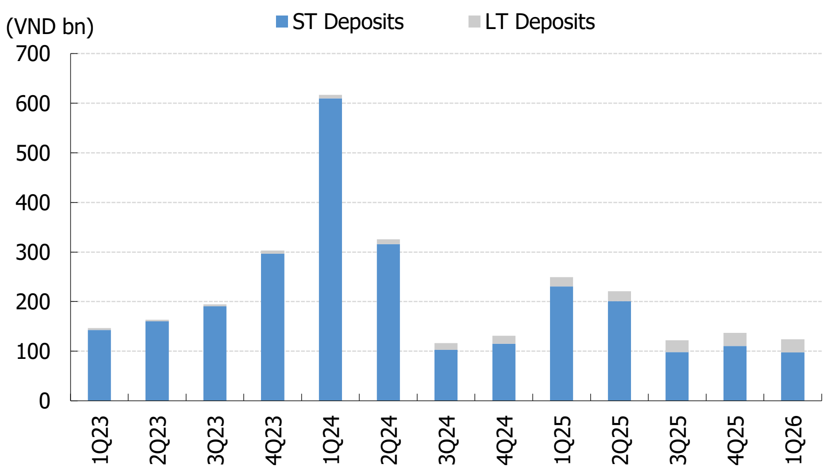
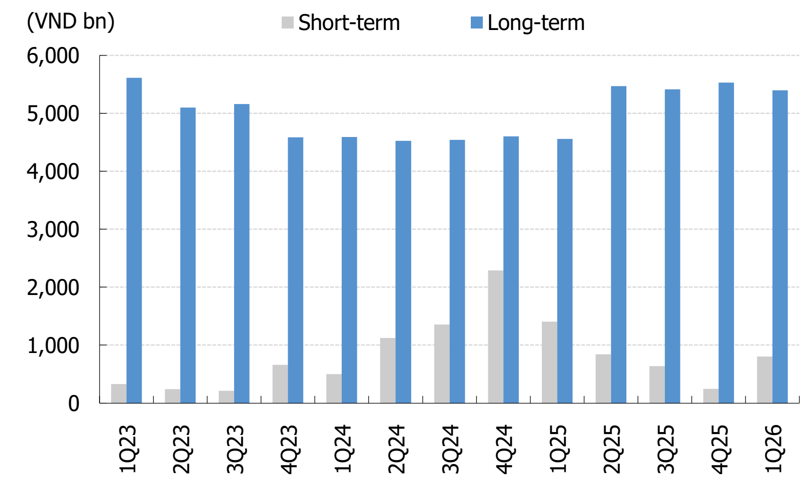


Figure 21. Recognized revenue surged following land handovers, then stayed flat due to soft demand



Source: Company data, KIS Research

2. PHR – (NONRATED)

Massive land compensation

Investment Theme

- **Rubber & IP:** Revenue will soften in remaining quarters due to front-loaded 1Q26 volumes and flat ASPs, keeping full-year rubber and IP revenues flat.
- **Land Compensation:** Earnings remain heavily anchored by land compensation. We model a 2026F recognition of VND832bn from THACO and VND2,100bn from VSIP 3.

Risks to be considered

- Delayed or lower-than-expected land compensation.
- Rubber price falls short of our expectations.

Table 3. KIS Research forecast on PHR

	1Q26	2Q26F	3Q26F	4Q26F	2024A	2025A	2026F
Net Revenue	**468**	**369**	**551**	**401**	**1,635**	**1,795**	**1,788**
Rubber	447	348	530	380	1,522	1,687	1,704
IP	20	21	21	21	106	97	83
Growth (%)	**50.1**	**0.2**	**-10.7**	**-19.6**	**20.8**	**9.8**	**-0.4**
Rubber	62.1	1.6	-11.8	-18.9	35.1	10.8	1.0
IP	-41.7	-40.1	-1.6	1.7	-52.9	-8.1	-14.4
Gross Profit	**116**	**136**	**117**	**86**	**424**	**504**	**456**
% yoy	13.5	37.7	-19.5	-45.2	28.7	18.9	-9.5
% gross margin	24.9	37.0	31.3	21.4	26.0	28.1	25.5
Operating Profit	**74**	**96**	**65**	**1**	**254**	**271**	**236**
% yoy	13.0	70.8	-41.8	-98.9	29.8	6.4	-18.3
% OP margin	15.9	26.0	11.8	0.2	15.6	15.1	13.2
Net Profit	**285**	**1,110**	**706**	**643**	**483**	**497**	**2,744**
% yoy	277.4	1,172.6	266.9	916.3	-27.0	2.9	415.7
% net margin	61.0	301.1	128.2	160.3	29.5	27.7	153.5
% ROE					12.5	12.3	51.0
Multiple ratio							
PE					18.8	19.5	3.2
PB					2.1	2.1	1.7
DY					5.8	2.3	4.0

Massive land compensation

Figure 22. Rubber revenue decelerates in latter quarters of 2026, other segments remain flat

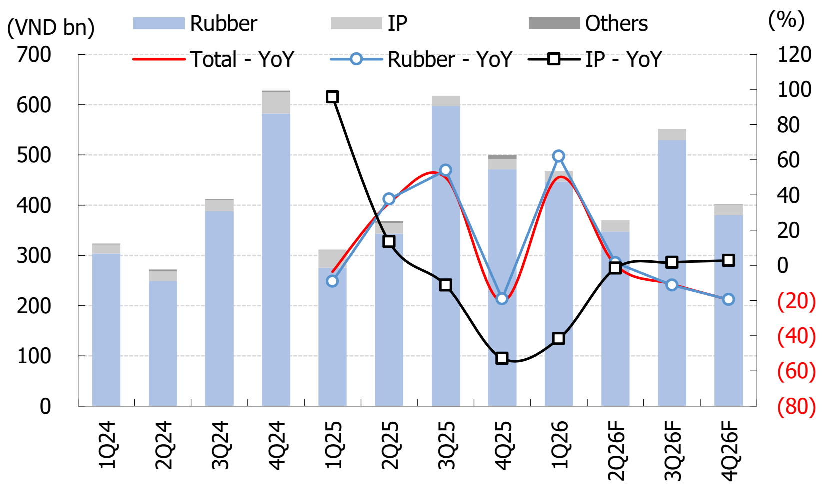


Figure 23. Rubber GPM is expected to weaken in latter quarters due to lower volume and flat ASPs…

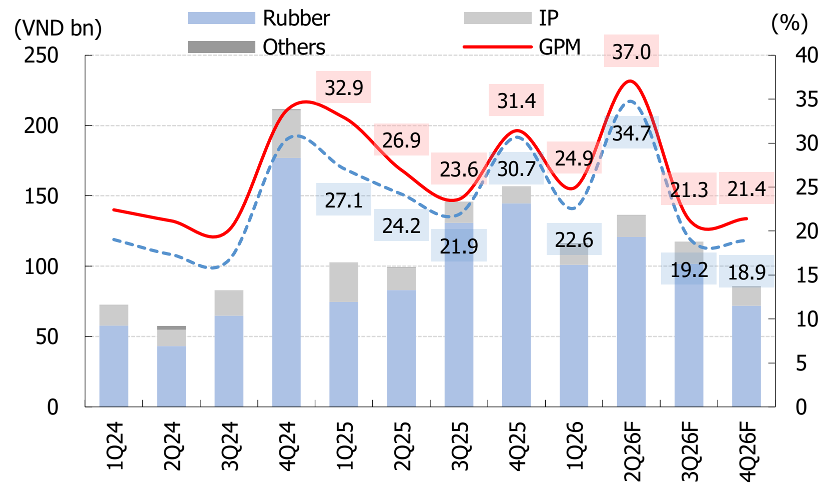
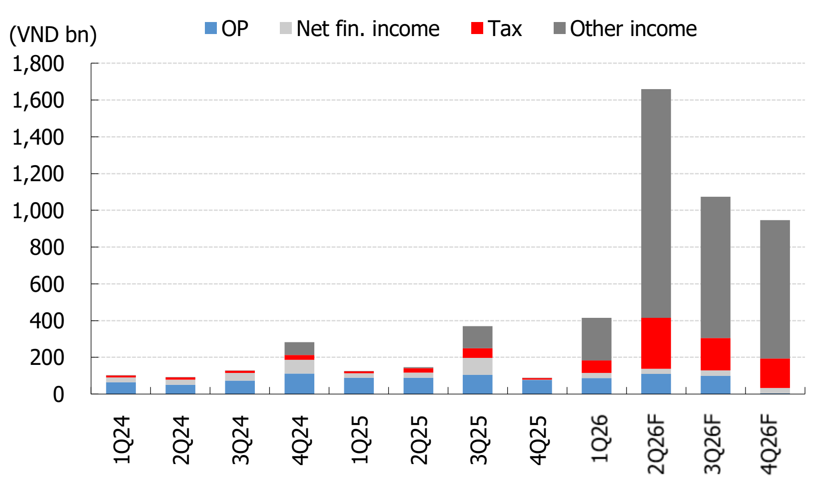


Figure 24. …, but land compensation is the main driver of PHR's EBT in 2026



- We forecast rubber revenue for the remaining quarters to decline, as PHR front-loaded its tapping volume in 1Q26, leading to lower production in the subsequent periods while ASP also remains flat. Consequently, full-year 2026F revenue for both the rubber and industrial park segments is expected to stay flat.
- PHR's net profit remains heavily reliant on land compensation income from VSIP and THACO. For full-year 2026F, we project the company to recognize VND832bn from THACO and VND2,100bn from VSIP.

Source: Company data, KIS Research

3. SZC – (NONRATED)

New accounting policy distorts improved land handovers

Investment Theme

- **IP Segment:** Despite a targeted 20-hectare land handover across 3Q26F and 4Q26F, the mandatory shift to an amortized revenue policy will cause full-year segment revenue and net profit to decline sharply.
- **Non-IP:** Residential real estate revenue will surge +98% on Huu Phuoc urban area handovers, while BOT toll revenue expands ~11% in remaining quarters (47% full-year growth).

Risks to be considered

- Slower-than-expected IP land sales.
- Negative developments in US tariffs on Vietnam.
- Sales and net profit decline due to new accounting policy.

Table 4. KIS Research forecast on SZC

	1Q26	2Q26F	3Q26F	4Q26F	2024A	2025A	2026F
Net Revenue	**102**	**99**	**127**	**162**	**873**	**1,098**	**490**
Toll fee	36	36	37	38	0	101	148
IP	42	42	67	92	796	915	244
Real estate	1	0	2	11	55	51	14
Growth (%)	**-75.4**	**-54.5**	**47.1**	**-57.3**	**6.7**	**25.8**	**-55.3**
Toll fee	-	13.9	8.1	9.8	-	-	46.5
IP	-89.3	-73.7	103.2	-71.2	5.3	14.9	-73.1
Gross Profit	**35**	**35**	**54**	**72**	**433**	**561**	**195**
% yoy	-81.5-	-74.7	41.2	-63.7	23.6	29.5	-65.2
% gross margin	34.1	34.9	42.3	44.3	49.6	51.1	39.8
Operating Profit	**24**	**19**	**38**	**56**	**372**	**474**	**138**
% yoy	-84.4	-83.9	21.2	-66.5	25.8	27.5	-70.9
% OP margin	23.8	19.2	30.1	34.7	42.6	43.2	28.1
Net Profit	**21**	**31**	**51**	**69**	**299**	**345**	**138**
% yoy	-86.4	-73.5	94.5	-46.5	36.4	15.5	-60.1
% net margin	16.8	25.4	31.8	33.9	34.2	31.4	28.1
% ROE					12.3	10.9	4.3
Multiple ratio							
PE					18.1	11.6	27.4
PB					1.7	1.2	1.2
DY					2.9	3.4	4.8

3. SZC – (NONRATED)

New accounting policy distorts improved land handovers

Figure 25. SZC revenue decline on the numbers basis due to new accounting policy

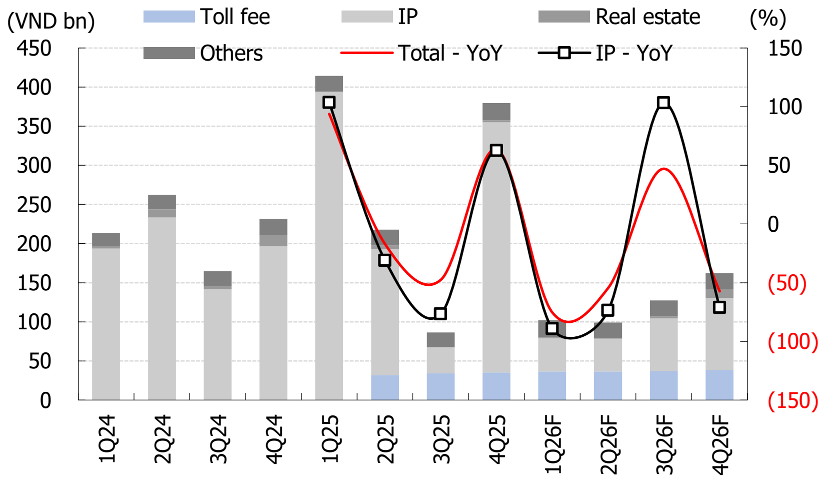


Figure 26. IP GPM is expected to narrow due as some fixed costs still running

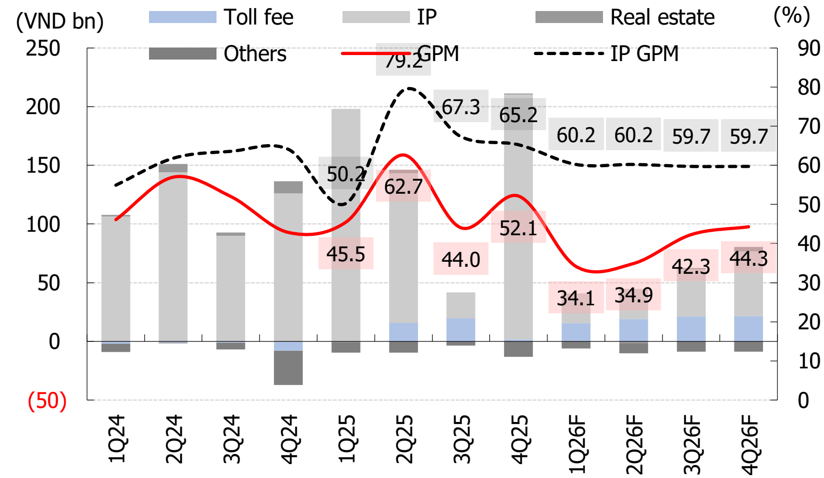


Figure 227. SZC's rental contract deposits have surged since 4Q25, driven by new lease commitments.

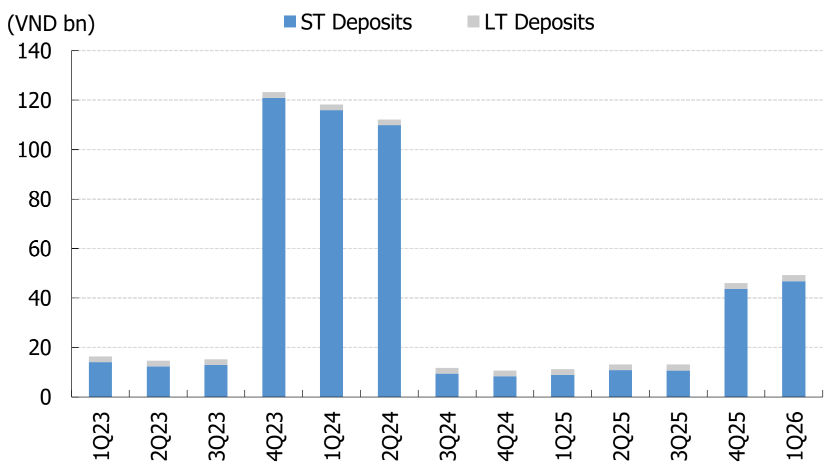
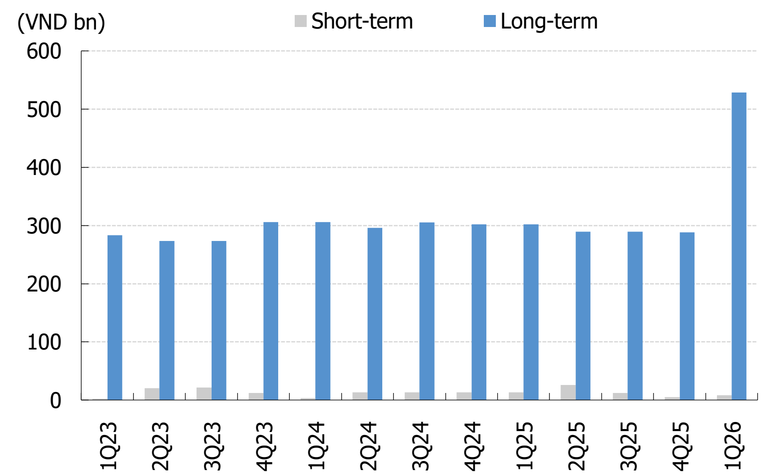


Figure 28. SZC shifts to amortized IP revenue recognition from 1Q26, driving a surge in unearned revenue



Source: Company data, KIS Research
Note: Our forecasts are based on the amortization basis