

**AIRPORT CORPORATION OF VIETNAM (ACV)**
**ADD (from HOLD)**
**INDUSTRIALS**

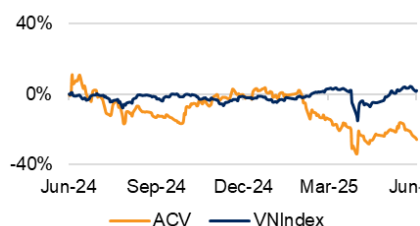
Current Price	VND92,400
52Wk High/Low	VND135,862/82,500
Target Price	VND120,600
Previous TP	VND133,500
TP vs Consensus	-3.6%
Upside	30.5%
Dividend Yield	0%
Total stock return	30.5%

Growth rating	Positive
Value rating	Neutral
ST Technical Analysis	<a href="#">Negative</a>

Market Cap	USD7,642.3mn
3m Avg daily value	USD1.6mn
Avail Foreign Room	USD3,478.9mn
Outstanding Shares	2,177.0mn
Fully diluted O/S	2,177.0mn

	ACV	Peers	VNI
P/E TTM	18.9x	30.9x	13.0x
P/B Current	3.3x	2.0x	1.6x
ROA	14.5	3.3	2.1
ROE	18.3	7.8	12.5

\*as of 6/10/2025

**Share Price performance**


Share price (%)	1M	3M	12M
Ordinary share	-4.5	-12.9	-24.1
Relative to index	3.9	-1.1	5.9

**Ownership**

CMSC	95.4%
Other	4.6%

**Business Description**

ACV was established in 2012, focusing on aeronautical services, including take-off and landing services, ground services, passenger services - and non-aeronautical services - including surface rental, billboard rental, parking, utilities, VIP sections and commercial services.

**Analyst(s):**

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**Core growth trajectory to continue**

- We change our rating from HOLD to ADD with 30.5% upside. We decrease our TP by 9.6% while the share price has declined 32% since our last report.
- The main driver of the lower TP is adjustments of FY24-26F EPS forecasts and WACC revision.
- ACV trades at a trailing P/E of 18.9x, below its three-year average (28.8x) and regional peers (30.9x). Our TP implies a FY25F P/E of 24.5x, which remains attractive given strong long-term growth potential.

**Financial Highlights**

- We expect FY25/26 revenue to increase by 12.4%/18.8% YoY thanks to growth of international passengers and the rebound of domestic passengers
- We expect ACV to reverse around VND500bn (USD19.2mn) in provisions per year in FY25-26

**Investment Thesis**
**Revenue maintained growth driven by strong passenger traffic**

We forecast international passenger volume to increase by 14% and 20% YoY in 2025–2026, driven by the recovery of key markets such as China and Russia, along with stable demand from other major regions. Meanwhile, domestic passenger traffic is expected to gradually recover from 2025 thanks to Vietnam's continued focus on stimulating domestic consumption and tourism to offset the decline in exports and drive sustainable economic growth supported by affordable airfare, and airline fleet expansion. We project ACV's net revenue to grow by 12.4% and 18.8% YoY in FY25 and FY26, respectively, reaching VND25.4tn and VND30.2tn (USD976mn and USD1.2bn), primarily driven by increased passenger traffic.

**G&A expense decreases due to potential reversal of bad debt provisions**

Smaller carriers like Bamboo Airways, Pacific Airlines, and Vietravel Airlines are showing early signs of successful restructuring. We expect ACV to reverse ~VND500bn (USD19.2mn) in provisions annually during 2025–2026, which should reduce general administrative expenses and support profitability.

**Positive developments from stock dividend plan and HoSE listing prospects**

ACV shareholders approved to issue a 64.58% stock dividend from retained earnings, marking its first distribution since listing. The company resolved its equitization-related audit issue in February 2025, and the remaining task—the valuation of State-invested airfield assets under its management—is expected to conclude by end-2025 in line with Decision No. 2007/QĐ-TTg. Upon completion, ACV will be eligible for a HoSE listing, which could serve as a catalyst for its share price.

**Revise to ADD rating with lower DCF-based TP of VND120,600**

We revise our rating to ADD on ACV with a lower DCF-based TP of VND120,600, based on FY25-26 EPS forecast adjustments and an increase of the WACC assumption to 10.04%. ACV's share price has declined 32% since December 2024 and is trading at a current P/E of 18.9x, lower than the three-year average (28.8x) and the industry P/E of 30.9x. We believe this valuation is attractive amid a solid long-term growth outlook.

	2023	2024	2025F	2026F
Revenue growth	44.8%	13.0%	12.4%	18.8%
EPS growth	1.2%	44.5%	(37.4%)	3.4%
Gross margin	59.3%	61.4%	62.4%	54.3%
Net profit margin	35.8%	45.8%	42.0%	36.6%
P/E (x)	27.2	18.9	18.3	17.7
P/B (x)	3.9	3.3	2.8	2.4

Source: VNDIRECT RESEARCH

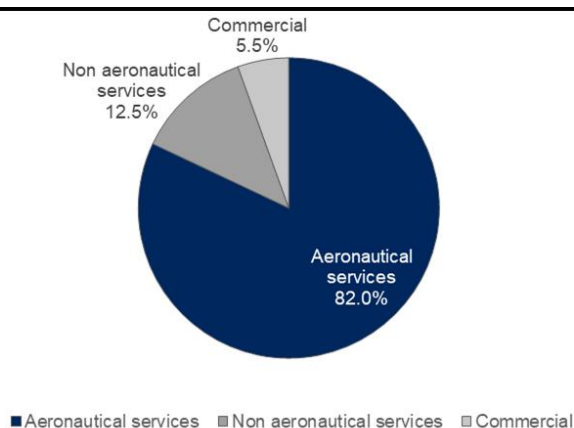
## Company Profile

Founded in 2012, Airports Corporation of Vietnam (ACV) is a Vietnamese joint-stock company that is 95.4% state-owned. The company manages and operates 21 civil airports in Vietnam, including nine international and 12 domestic airports. With the objective of enhancing Vietnam's air transportation infrastructure, ACV plays a vital role in facilitating domestic and international travel, cargo transportation, and supporting economic development.

On October 6, 2015, the Prime Minister issued Decision No. 1710/QĐ-TTg approving the equitization plan of ACV. In the same year, the company held an initial public offering of 77.8 million shares (equivalent to 3.47% of its charter capital) on the Ho Chi Minh Stock Exchange. In 2016, ACV shares began trading on the UPCoM board of the Hanoi Stock Exchange.

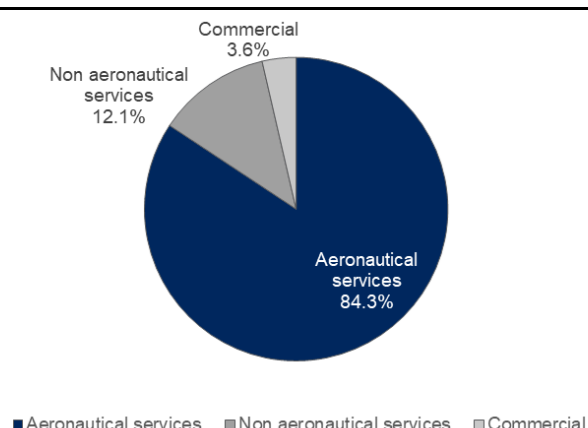
ACV's operations encompass a wide range of activities such as: 1) aeronautical services including take-off and landing services, ground services, and passenger services; 2) non-aeronautical services, including surface rental, billboard rental, parking, utilities, VIP sections; and 3) commercial services. Net profit from take-off and landing services is allocated to the State.

**Figure 1: Revenue proportion FY24**



Source: COMPANY REPORT

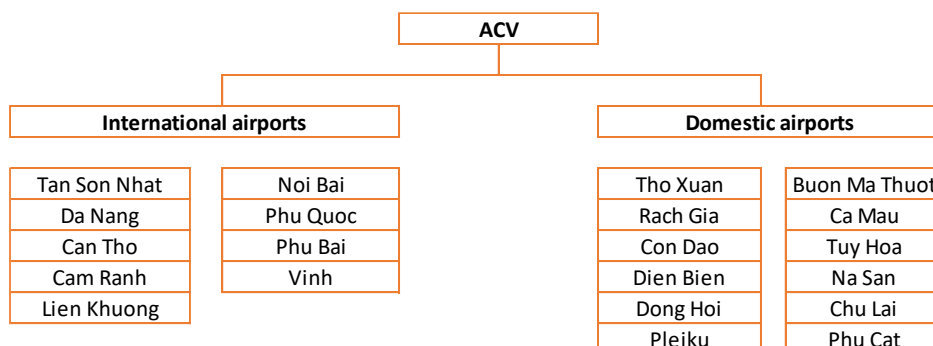
**Figure 2: Revenue proportion 1Q25**



Source: COMPANY REPORT

ACV has two subsidiaries and 10 affiliated companies, owning nine international airports and 12 domestic airports, as below:

**Figure 3: ACV's airports**



Source: COMPANY REPORT

**Figure 4: ACV's subsidiaries and affiliates**

Company name	Abbreviation	Main business	ACV's capital contribution (VNDbn)	ACV's ownership ratio
<b>Subsidiaries</b>				
Noi Bai Aviation Fuel Service JSC	NAFSC	Fuel Service: Refueler, Hydrant Dispenser	60	60%
Southern Airport Aircraft Maintenance Services Co.Ltd	SAAM	Aircrafts maintenance and repair services	15	51%
<b>Affiliates and other long-term investments</b>				
Southern Airport Services JSC	SASCO	Duty free products, non-aeronautical services	655	49%
Southern Airports Trading JSC	SATCO	Production of bottled water brand WAMI	5	30%
Southern Airport Transportation JSC	SATSCO	Ground transportation services passengers	13	30%
Hanoi Ground Service JSC	HGS	Ground handling services	30	20%
Air Cargo Service of Vietnam JSC	ACSV	Cargo Handling Services	50	19%
Saigon Ground Services JSC	SAGS	Ground handling services	161	48%
Saigon Cargo Service Corporation	SCSC	Cargo Handling Services	75	14%
TCP Investment JSC	TCP	Car parking services at Tan Son Nhat International Airport	20	18%
Da Nang International Airport Terminal Investment and Operation JSC	AHT	Terminal operations at Terminal 2 Da Nang International Airport	30	10%
Cam Ranh International Terminal Joint Stock Company	CRTC	Terminal operations at Terminal 2 Cam Ranh International Airport	60	10%

Source: COMPANY REPORT

## 1Q25 Recap: Forex loss, reversed provision drag on profit growth

Figure 5: 1Q25 results review

VNDbn	1Q25	1Q24	%YoY	vs full year forecast
<b>Net revenue</b>	<b>6,350</b>	<b>5,644</b>	<b>12.5%</b>	<b>24.8%</b>
Aeronautical services	5,368	4,655	15.3%	25.4%
Non aeronautical services	771	666	15.8%	25.4%
<b>COGS</b>	<b>2,002</b>	<b>2,044</b>	<b>-2.1%</b>	<b>18.8%</b>
<b>Gross profit</b>	<b>4,349</b>	<b>3,600</b>	<b>20.8%</b>	<b>29.2%</b>
SG&A	561	498	12.7%	34.5%
Net financial income	-28	460	-106.1%	-1.3%
<b>PBT</b>	<b>3,866</b>	<b>3,629</b>	<b>6.5%</b>	<b>24.4%</b>
Profit return to the State	404	324	24.8%	28.7%
<b>NPAT-MI</b>	<b>2,713</b>	<b>2,594</b>	<b>4.6%</b>	<b>24.2%</b>
<b>GPM</b>	<b>68.5%</b>	<b>63.8%</b>	<b>4.7% pts</b>	
<b>NPM</b>	<b>42.7%</b>	<b>46.0%</b>	<b>-3.2% pts</b>	

Source: VNDIRECT RESEARCH, COMPANY REPORT

### Revenue maintained growth

In 1Q25, ACV's revenue rose by 12.5% YoY to VND6.3tn (USD244.2mn), driven by a 12.3% YoY increase in international passenger traffic to 11.7 million, while domestic passenger numbers increased slightly by 5.4% YoY to 18.1 million. The strong growth in international pax was fueled by a significant recovery of Chinese tourist arrivals. In 1Q25, Vietnam welcomed 1.6 million Chinese visitors (+178.3% YoY), representing a 123.8% recovery compared to 2019. This surge restored China as the largest source of international visitors to Vietnam, surpassing South Korea.

### Gross profit margin expanded to a high level

In 1Q25, ACV delivered a gross profit of VND4.3tn (USD167.3mn, +20.8% YoY), resulting in a strong GPM expansion to 68.5% (+4.7% pts YoY, +14.1% pts QoQ), driven by a shift in passenger mix with a higher contribution from international passengers, whose service fees per passenger are higher than those of domestic customers.

### SG&A expenses increased due to expense of provision

SG&A expenses rose by 12.7% YoY to VND561bn (USD21.6mn), with ACV recognizing a provision expense of VND189bn (USD7.3mn, +8% YoY), vs a provision reversal of VND160bn (USD6.2mn) in 4Q24. This quarter's provisions mainly came from Bamboo Airways (VND97bn/USD3.7mn), Vietravel Airlines (VND48bn/USD1.8mn), and Vietnam Airlines (VND47bn/USD1.8mn).

### Net financial loss weighed on profit growth

Financial income decreased by 47.6% to VND250bn (USD9.6mn), primarily due to a 44% drop in deposit income. Meanwhile, financial expenses surged more than fifteenfold to VND278bn (USD10.7mn), mainly because ACV recognized forex losses of VND248bn (USD9.5mn), driven by a 5.2% appreciation of the JPY against the VND during 1Q25, compared to a forex gain of VND101bn (USD3.9mn) in 1Q24. As a result, ACV recorded a net financial loss of VND28bn (USD1.1mn), vs a gain of VND460bn (USD17.7mn) in 1Q24.

### 1Q25 result was in line with our expectation

As a result, 1Q25 net profit (excluding profit returned to the State) increased by 4.6% YoY to VND2.7tn (USD104.3mn), in line with our expectation at 24.2% of our full-year projection.

## FY25-26 Outlook: Core earnings to regain growth trajectory

Figure 6: FY25-26F earnings forecast

(VNDbn)	Old			New						Comments
	FY24	FY25F	FY26F	FY25F	%Δ	%YoY	FY26F	%Δ	%YoY	
Total pax throughput (m)	95	122	134	121	-0.9%	27.0%	136	1.3%	12.7%	
- Int'l (m)	41.4	45.1	51.5	47.2	4.5%	14.0%	56.6	9.9%	20.0%	
- Domestic (m)	68.1	76.7	82.9	72.2	-5.9%	6.0%	78.0	-5.9%	8.0%	
Net revenue	22,597	25,556	29,834	25,389	-0.7%	12.4%	30,153	1.1%	18.8%	We expect FY25/FY26 net revenue increase by 12.4%/18.8% YoY thanks to growth of international passengers and the rebound of domestic passengers
- Aeronautical services	18,622	21,121	24,635	20,562	-2.6%	10.4%	24,207	-1.7%	17.7%	
- Non aeronautical services	2,830	3,039	3,584	3,406	12.1%	20.3%	4,268	19.1%	25.3%	
- Commercial	1,248	1,396	1,615	1,421	1.8%	13.8%	1,678	3.9%	18.1%	
COGS	8,723	10,668	14,279	9,551	-10.5%	9.5%	13,781	-3.5%	44.3%	
Gross profit	13,873	14,888	15,555	15,837	6.4%	14.2%	16,372	5.2%	3.4%	
Gross margin	61.4%	58.3%	52.1%	62.4%	4.1% pts	1.0% pts	54.3%	2.2% pts	-8.1% pts	We forecast a narrowing in ACV's GPM in FY26 due to higher depreciation expenses, as the T3 in TIA and T2 expansion in NIA came into operation.
Financial income	1,739	2,687	681	1,101	-59.0%	-36.7%	962	41.3%	-12.6%	We forecast financial income dropped 36.7% YoY in FY25 as ACV no longer recorded FX gain from the revaluation of ACV's JPY-denominated debt and interest income from deposits decline due to reduced short-term investments, with ACV focusing its financial resources on the LTIA project.
Financial expense	105	604	1,099	1,106	83.3%	956.9%	248	-77.4%	-77.6%	We forecast a 956.9% increase in financial expenses in FY25F due to a projected FX loss of VND989bn, driven by an expected 10% appreciation of the JPY/VND exchange rate based on BB's consensus
Selling expense	369	454	561	468	3.1%	26.5%	615	9.6%	31.5%	
General & administrative expense	1,043	1,170	1,055	893	-23.6%	-14.4%	1,294	22.7%	44.9%	We expect G&A expenses to decline by 23.6% YoY in FY25 as ACV reverses its bad debt provisions, with VND500bn projected in 2025.
Gain/(loss) from joint ventures	336	461	506	382	-17.1%	13.5%	419	-17.2%	9.7%	
Profit return to the state	1,256	1,543	1,757	1,259	-18.4%	0.3%	1,487	-15.3%	18.1%	
Net profit	10,353	11,230	9,582	10,662	-5.1%	3.0%	11,026	15.1%	3.4%	

Source: VNDIRECT RESEARCH

### Traffic demand is expected to sustain growth in FY25-26

In 1Q25, domestic pax rose 5.4% YoY to 18.1 million. With this positive trend, we expect domestic pax to return to growth, increasing by 6% and 8% YoY in FY25 and FY26, respectively. This recovery is anticipated due to: 1) Vietnam's continued focus on stimulating domestic consumption and tourism to offset the decline in exports and drive sustainable economic growth; 2) reasonable airfare prices as airlines adjusting their strategies to better align with market demand; and 3) the airlines expanding their fleets, leading to an increase in domestic seat capacity.

For international demand, as of 1Q25, international pax increased by 12.3%, reaching 11.7 million arrivals. Due to challenges from tariff policies, we expect international pax to grow at a slower pace than in FY24 but still maintain double-digit growth, rising by 14% and 20% YoY in FY25 and FY26, respectively. This growth will be driven by:

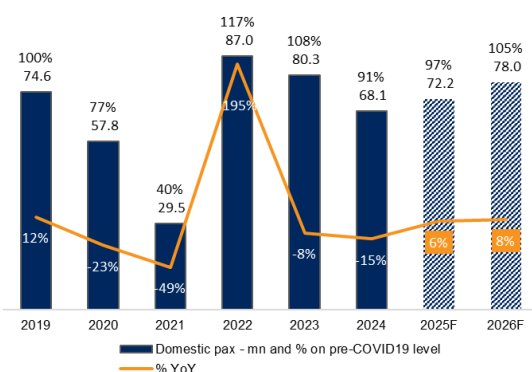
1) China will be the main driver of international passenger growth in 2025. In 3M25, Chinese tourist arrivals reached 1.5 million (+178.3% YoY). We expect the number of Chinese passengers to fully recover by the end of 2025.

2) The return of the Russian market: In March 2025, HVN resumed direct flights between Russia and Vietnam after a long suspension due to the COVID-19 pandemic and the Russia-Ukraine conflict. In June 2025, VJC also plans to launch three new routes to Russia. We expect Russia to return to being one of the top 10 key source markets for Vietnam, as before the pandemic.

3) The solid demand growth of other key markets aligned with Vietnam's ambitious tourism goals.

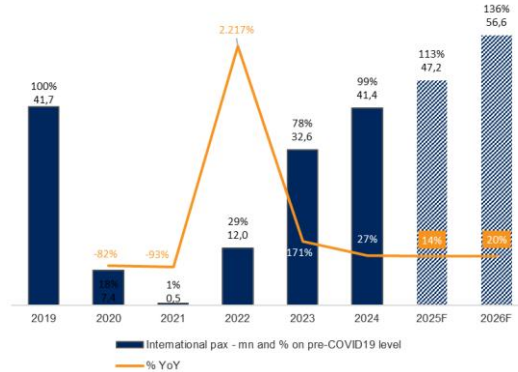
4) New airport developments support higher arrivals. Major airport projects, including Tan Son Nhat Terminal 3 (20 million passengers), became operational in April 2025, while the Noi Bai Terminal 2 expansion (5 million passengers) is scheduled to be completed by the end of 2025, increasing total capacity by 18%. LTIA phase 1 is projected to be completed in 2026, boosting capacity by 19% from that year onward. These projects will provide strong long-term support for the growth of Vietnam's aviation industry

**Figure 7: Domestic passenger throughput to slightly recover starting in 2025**



Source: CAAV, VNDIRECT RESEARCH

**Figure 8: International passenger throughput to enjoy solid growth in 2025-2026**

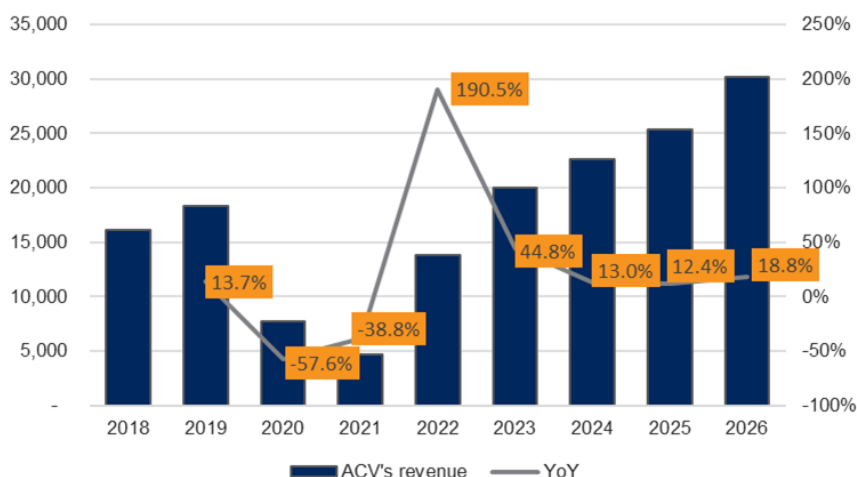


Source: CAAV, VNDIRECT RESEARCH

### Net revenue to grow 12.4%/18.8% in FY25-26

On March 1, 2025, the responsibility for aviation security services was officially transferred to the Ministry of Public Security. The transition is expected to be completed by the end of June 2025. In FY24, aviation security services revenue reached VND1.6tn (USD61.4mn), accounting for 6.9% of total revenue. However, the segment operated at a marginal loss due to its labor-intensive nature. Excluding the revenue from this transferred segment, we project ACV's net revenue to increase by 12.4% and 18.8% YoY in FY25 and FY26, respectively, reaching VND25.4tn and VND30.2tn (USD976mn and USD1.2bn), primarily driven by the increase in passenger traffic, especially the rising proportion of international passengers.

**Figure 9: Our forecast for ACV's revenue in FY25-26 (VNDbn)**



Source: Company reports, VNDIRECT RESEARCH

### Reversal of provision for doubtful debts from airlines

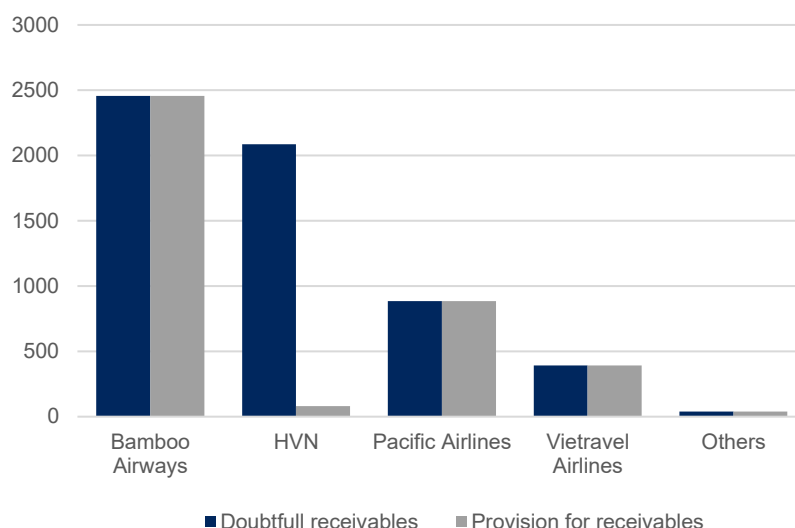
As of the end of 1Q25, excluding HVN, ACV has fully provisioned for bad debts from Bamboo Airways, Pacific Airlines, and Vietravel Airlines. These smaller airlines appear to be in the early stages of successful restructuring. Details are as follows:

- **Bamboo Airways:** The company has largely completed its fleet restructuring phase. Starting in 2025, the airline aims to break even and become profitable, laying the groundwork for a planned IPO.
- **Pacific Airlines:** A member of the Vietnam Airlines Group, the carrier successfully restructured its fleet through aircraft leasebacks from its parent company, resumed key domestic routes, and is expected to achieve more stable business results in 2025.
- **Vietravel Airlines:** Backed by new strategic investor T&T Group since December 2024, the airline received approval to increase its charter capital to VND1.3tn (USD50mn), expand its fleet and international network, and set a 2025 revenue target of nearly VND9.5tn (+42% YoY) (USD365.4mn), with an expected gross profit of over VND800bn (USD30.8mn).

Overall, these three airlines are on a recovery trajectory, focusing on efficient operations, cost optimization, and business expansion.

In 2024, ACV also reversed provisions of VND360bn (USD13.8mn) and VND107bn (USD4.1mn) for VJC and HVN, respectively. As airlines' financial positions improve, we expect ACV to reverse around VND500bn (USD19.2mn) in provisions per year during the 2025–2026 period, mainly from Bamboo Airways, Pacific Airlines, and Vietravel Airlines, leading to a decline in general administrative expenses, and support profitability.

**Figure 10: Doubtful provision for receivables from the airlines in 1Q25 (unit: VNDbn).**



Source: Company reports, VNDIRECT RESEARCH

## Update on investment projects

### *LTIA construction is on schedule*

According to ACV, the components under the four sub-projects of the LTIA are being accelerated:

- **Sub-project 1**, which includes the headquarters of state management agencies, is largely on schedule, with many components expected to be completed in 4Q25
- **Sub-project 2**, comprised of air traffic management infrastructure, has also recorded positive progress. The air traffic control tower has reached a height of 107.9 meters out of the planned 115 meters and is expected to be completed before September 30, 2025. Supporting facilities such as a technical building, VIP area, and power station will begin equipment installation from June 2025, with most remaining components expected to be completed by year-end.
- **Sub-project 4** (including catering facilities and aircraft maintenance hangars) currently has five components under implementation. Catering Facility No. 2 broke ground on April 17, 2025; Ground Handling Facilities No. 1 and No. 2, along with Hangar No. 1, commenced in May 2025; and Catering Facility No. 1 is scheduled to begin in June 2025. Investors have committed to substantially completing these works by December 31, 2025, in accordance with the Prime Minister's directive.
- **Sub-project 3** (essential airport infrastructure)—the most critical package—is being accelerated. The passenger terminal construction package targets substantial completion by December 31, 2025. Runway No. 1 was completed on April 26, 2025, three months ahead of schedule; its lighting system has been successfully tested and is ready for calibration flights. Runway No. 2 is currently being urgently deployed by ACV, with groundbreaking scheduled for May 30, 2025, and completion expected within 12 months as planned.

### Other Projects

- Terminal 3 of Tan Son Nhat International Airport (TIA) was completed by April 2025, increasing TIA's total capacity to 48 million pax, up 71% vs the current capacity of 28 million pax. In FY24, TIA operated at 120% of its utilization rate.
- Terminal 2 of Noi Bai airport started construction on May 19. The project is expected to be completed by the end of 2025. This project adds an additional capacity of 5 million passengers, bringing NIA's total international capacity to 15 million pax. In FY24, NIA also ran at a 120% utilization rate.

In addition to the major airport projects currently underway, ACV is working on the expansion plan of several other airports, including Phu Quoc, Cat Bi International Airport and Phu Cat, Dong Hoi Airport. These investments in the aviation infrastructure will support solid long-term growth of the Vietnamese aviation industry.

**Figure 11: Main aviation infrastructure projects in coming years**

Projects	Total investment (VNDbn)	Pre-construction capacity (mn pax)	Additional capacity (mn pax)	Investor	2025	2026	2027	2028	2029	2030
LTIA phase 1	109,000	0.0	25.0	ACV						
LTIA phase 2	76,600	25.0	25.0	ACV						
T3 in TIA	10,990	30.0	20.0	ACV						
T2 expansion in NIA	4,983	25.0	5.0	ACV						
T2 in Cat Bi - Hai Phong	2,405	2.0	5.0	ACV						
T2 in Dong Hoi - Quang Binh	1,844	0.5	3.0	ACV						
Quang Tri domestic airport	5,800	0.0	1.0	T&T						
Sapa domestic airport	3,651	0.0	1.5	BOT						
Expansion in Ca Mau airport	2,400	0.0	1.0	ACV						
Phan Thiet domestic airport	13,833	0.0	2.0	BOT						
<b>Total</b>	<b>231,506</b>									

Note: ■ Under construction ■ Plan

Source: CAAV, VNDIRECT RESEARCH

### Approval of stock dividend payment

ACV has announced the results of its shareholder consultation by written ballot regarding its plan to issue shares for dividend payment from accumulated undistributed profits as of December 31, 2023 (with a balance of VND21.2tn (USD815.4mn)). Accordingly, ACV will allocate VND7.13tn (USD274.2mn) to the development investment fund, while the remaining ~VND14.1tn (USD542.3mn) will be used for stock dividend distribution.

ACV plans to issue ~1.4 billion new shares at a ratio of 64.58% (shareholders holding 100 shares will receive 64.58 additional shares). We expect the dividend payment to be carried out in 2H25

This will be the first time ACV distributes dividends in the form of shares since its equitization and listing on the stock exchange in 2016. We believe this is a positive signal for ACV shareholders, as it will significantly enhance the stock's liquidity.

**Update on ACV's potential listing on HoSE**

As a reminder, ACV's financial statements include two issues emphasized by auditors: 1) ACV has not yet obtained a decision about the finalization of ACV's equitization from competent authorities; and 2) ACV has not yet obtained approval of the value of airfield assets from the Ministry of Transportation. To transfer its listing from UPCOM to HoSE, ACV must resolve both of these issues.

On February 7, 2025, the State Capital Management Committee officially approved ACV's financial settlement related to its equitization, and the updated audit opinion has been reflected in the 2024 audited financial statements. This removes a major obstacle to ACV's listing on HoSE.

The remaining issue involves airfield assets invested by the State, which may be resolved by the end of 2025. Details are as follows:

- According to Decision No. 2007/QĐ-TTg, issued on December 7, 2020, ACV was assigned the management and operation of aviation infrastructure assets invested by the State. However, these assets are not included in the State capital assigned to the enterprise.
- Currently, ACV reports revenue and expenses from the operation of these assets in its income statement, and remits the full remaining profit (after deducting operating costs) to the State.
- As of now, the valuation of the airfield assets has not been approved. However, 2025 is the final year for determining the value of these assets. If not completed in time, Decision No. 2007/QĐ-TTg will need to be extended, as its current expiration date is December 31, 2025.

If the asset valuation is completed, ACV will be positioned to move to the HoSE. This is expected to have a positive impact on ACV's share price.

## Valuation

### Revise to ADD rating with lower TP of VND120,600/share

We revise down our DCF-based TP by 9.6% to VND120,600/share due to the mixed impact of: 1) FY25-26 EPS forecast adjustments; and 2) an increase of the WACC assumption to 10.04%, as we use a risk-free rate of 3.0% (based on a 10-year bond yield as of December 31, 2024) and market risk premium of 8.35% (based on [Damodaran's](#) update report on market risk premium on January 1, 2025). Since the share price has declined 32% since our last report, we revise our rating to ADD, with a projected 30.5% upside.

ACV is trading at trailing P/E of 18.9x, which is lower than its three-year average of 28.8x and the regional peer average of 30.9x. Our TP implies a forward FY25F P/E of 24.5x, which we believe is attractive given the solid long-term growth outlook.

Figure 12: Discounted cash flow model (Unit: VNDbn)

Company	Ticker	Country	Mkt Cap	TTM net revenue	YoY	TTM net profit	YoY Debt/equity	ROE	TTM P/E	Adj.P/e	LQ P/B	
			USDmn	USDmn	%	USDmn	%	%	x	x	x	
Airports of Thailand PCL	AOT TB	TH	14,155	61	10.4	566.6	13.6	39.3	16.1	23.5	21.6	3.7
Shanghai International Airport	600009 CH	CN	11,251	1,733	4.9	325.5	69.0	41.6	5.0	38.9	41.5	1.9
Beijing Capital International	694 HK	CN	1,669	763	20.5	(193.0)	18.1	86.8	(9.8)	55.4	59.1	0.9
Japan Airport Terminal Co Ltd	9706 JP	JP	2,872	1,772	24.1	266.8	42.7	104.1	15.5	15.0	11.9	2.2
Shenzhen Airport Co Ltd	000089 CH	CN	2,022	674	10.0	71.0	(30.0)	86.4	n/a	28.7	30.6	1.3
Malaysia Airports Holdings Bhd	MAHB MK	MY	4,125	1,213	23.9	192.4	50.1	59.2	12.1	21.7	20.6	n/a
Median			3,499	988	15.5	229.6	30.4	72.8	12.1	26.1	26.1	1.9
Average			6,016	1,036	15.6	204.9	27.2	69.6	7.8	30.6	30.9	2.0
Airports Corp of Vietnam JSC ACV VN		VN	7,868	902	13.0	466.2	52.1	16.2	18.3	18.9	18.9	3.3

Source: VNDIRECT RESEARCH

Figure 13: Cost of equity

DCF key input	
Cost of equity	11.35%
Cost of debt	6.0%
Target D/(D+E)	20%
Effective tax rate	20.0%
WACC	10.0%
Long term growth	2.0%

Source: VNDIRECT RESEARCH

Figure 14: DCF valuation model

Unit	VNDbn
Cumulative Present value of FCFF	56,788
Terminal Value	535,542
Present value of terminal value	195,024
Enterprise Value	251,813
Less: Market value of Debt	(9,827)
Less: Preferred securities	-
Less: Noncontrolling interest	
Plus: Cash and Cash Equivalents	20,524
Implied equity value	262,510
Outstanding shares	2,177,173,236
Equity value per share	120,574
<b>Rounded TP</b>	<b>120,600</b>

Source: VNDIRECT RESEARCH

Figure 15: Sensitivity analysis for DCF valuation

		WACC						
Long term growth	10.0%	9.4%	9.6%	9.8%	10.04%	10.2%	10.4%	10.6%
	1.0%	122,500	118,100	113,900	109,900	106,100	102,400	98,900
	1.5%	128,600	123,800	119,300	114,900	110,800	106,900	103,100
	2.0%	135,600	130,300	125,300	120,600	116,100	111,800	107,800
	2.5%	143,500	137,700	132,200	127,000	122,100	117,400	113,000
	3.0%	152,600	146,100	140,000	134,300	128,900	123,800	119,000

Source: VNDIRECT RESEARCH

**Figure 16: Peer Comparison Table (as of 6/10/2025)**

Company	Ticker	Country	Mkt Cap	TTM net revenue	YoY	TTM net profit	YoY Debt/equity	ROE	TTM P/E	Adj.P/e	LQ P/B	
			USDmn	USDmn	%	USDmn	%	%	x	x	x	
Airports of Thailand PCL	AOT TB	TH	14,155	61	10.4	566.6	13.6	39.3	16.1	23.5	21.6	3.7
Shanghai International Airport	600009 CH	CN	11,251	1,733	4.9	325.5	69.0	41.6	5.0	38.9	41.5	1.9
Beijing Capital International	694 HK	CN	1,669	763	20.5	(193.0)	18.1	86.8	(9.8)	55.4	59.1	0.9
Japan Airport Terminal Co Ltd	9706 JP	JP	2,872	1,772	24.1	266.8	42.7	104.1	15.5	15.0	11.9	2.2
Shenzhen Airport Co Ltd	000089 CH	CN	2,022	674	10.0	71.0	(30.0)	86.4	n/a	28.7	30.6	1.3
Malaysia Airports Holdings Bhd	MAHB MK	MY	4,125	1,213	23.9	192.4	50.1	59.2	12.1	21.7	20.6	n/a
Median			3,499	988	15.5	229.6	30.4	72.8	12.1	26.1	26.1	1.9
Average			6,016	1,036	15.6	204.9	27.2	69.6	7.8	30.6	30.9	2.0
Airports Corp of Vietnam JSC ACV VN		VN	7,868	902	13.0	466.2	52.1	16.2	18.3	18.9	18.9	3.3

Source: VNDIRECT RESEARCH

## Re-rating catalysts and downside risks

### Re-rating catalysts

- The number of passengers is higher than expected

### Upside catalysts

- Listing on HoSE is approved.

### Downside risks

- A stronger-than-expected JPY vs VND
- Construction takes longer than expected

## Income statement

(VNDbn)	2020A	2021A	2022A	2023A	2024A	2025F	2026F
Net revenue	7,767	4,752	13,807	19,998	22,597	25,398	30,153
Cost of sales	6,378	5,537	7,308	8,137	8,723	9,551	13,781
<b>Gross Profit</b>	<b>1,389</b>	<b>(785)</b>	<b>6,499</b>	<b>11,861</b>	<b>13,873</b>	<b>15,846</b>	<b>16,372</b>
Gen & admin expenses	666	1,232	1,705	3,427	1,043	893	1,294
Selling expenses	146	85	220	338	369	468	615
Operating profit	577	(2,102)	4,574	8,097	12,461	14,486	14,462
Operating EBITDA	4,979	3,511	11,111	12,830	16,721	17,512	21,061
Depreciation and amortisation	2,992	2,530	2,338	2,364	2,289	2,650	5,466
<b>Operating EBIT</b>	<b>2,096</b>	<b>1,079</b>	<b>8,862</b>	<b>10,588</b>	<b>14,571</b>	<b>15,015</b>	<b>15,886</b>
Interest income	2,231	3,254	4,114	2,215	1,739	1,101	962
Financial expense	968	204	94	105	105	1,106	248
Net other income	13	9	16	54	79	36	42
Income from associates & JVs	147	33	179	260	336	382	419
<b>Pre-tax profit</b>	<b>2,000</b>	<b>990</b>	<b>8,789</b>	<b>10,521</b>	<b>14,510</b>	<b>14,898</b>	<b>15,637</b>
Tax expense	359	201	1,699	2,107	2,899	2,976	3,124
<b>Net profit</b>	<b>1,647</b>	<b>480</b>	<b>7,084</b>	<b>7,167</b>	<b>10,356</b>	<b>10,662</b>	<b>11,026</b>
Adj. net profit to ordinary	1,647	480	7,084	7,167	10,356	10,662	11,026

## Balance sheet

(VNDbn)	2020A	2021A	2022A	2023A	2024A	2025F	2026F
Cash and equivalents	499	573	2,497	2,844	6,307	5,992	8,998
Short term investments	33,185	32,717	30,498	25,896	20,249	17,139	13,462
Accounts receivables	3,811	3,660	6,473	12,672	12,309	13,222	18,257
Inventories	357	290	451	468	294	332	394
Other current assets	123	328	382	800	1,537	1,721	2,049
<b>Total current assets</b>	<b>37,974</b>	<b>37,568</b>	<b>40,301</b>	<b>42,680</b>	<b>40,695</b>	<b>38,405</b>	<b>43,160</b>
Fixed assets	14,336	12,510	11,744	13,140	12,039	25,378	120,912
Long-term incomplete assets	1,065	1,686	4,682	7,888	20,893	56,873	833
Other long-term assets	3,527	3,216	3,375	3,640	3,655	18,250	16,646
<b>Total assets</b>	<b>56,902</b>	<b>54,979</b>	<b>60,102</b>	<b>67,348</b>	<b>77,282</b>	<b>138,905</b>	<b>181,551</b>
Short-term debt	248	362	382	410	396	1,813	5,648
Accounts payable	823	607	917	1,188	1,685	1,895	2,735
Other current liabilities	2,821	2,719	4,115	5,123	5,553	5,988	9,616
<b>Total current liabilities</b>	<b>3,893</b>	<b>3,688</b>	<b>5,413</b>	<b>6,722</b>	<b>7,634</b>	<b>9,695</b>	<b>17,999</b>
Total long-term debt	15,345	13,566	10,834	10,046	9,346	58,755	82,496
Other liabilities	78	63	68	157	261	285	412
Share capital	21,772	21,772	21,772	21,772	21,772	35,832	35,832
Retained earnings reserve	9,705	9,793	15,911	22,542	32,166	21,103	29,373
<b>Shareholders' equity</b>	<b>37,565</b>	<b>37,653</b>	<b>43,776</b>	<b>50,414</b>	<b>60,041</b>	<b>70,170</b>	<b>80,644</b>
Minority interest	42	42	48	53	56	56	56
<b>Total liabilities &amp; equity</b>	<b>56,902</b>	<b>54,979</b>	<b>60,102</b>	<b>67,348</b>	<b>77,282</b>	<b>138,905</b>	<b>181,551</b>

## Cash flow statement

(VNDbn)	2020A	2021A	2022A	2023A	2024A	2025F	2026F
<b>Pretax profit</b>	<b>2,000</b>	<b>990</b>	<b>8,789</b>	<b>10,492</b>	<b>14,465</b>	<b>14,898</b>	<b>15,637</b>
Depreciation & amortisation	2,992	2,530	2,338	2,364	2,289	2,650	5,466
Tax paid	(902)	(410)	(200)	(2,001)	(2,418)	(2,976)	(3,124)
Other adjustments	(1,759)	(3,322)	(3,741)	(655)	(2,635)	(2,931)	1,149
Change in working capital	332	(487)	(3,923)	(3,231)	(2,127)	(307)	(638)
<b>Cash flow from operations</b>	<b>2,662</b>	<b>(699)</b>	<b>3,263</b>	<b>6,969</b>	<b>9,574</b>	<b>11,333</b>	<b>18,490</b>
Capex	(2,414)	(1,651)	(4,982)	(12,894)	(13,263)	(51,825)	(45,960)
Proceeds from assets sales	0	1	1	1	3	85	75
Others	153	2,676	4,011	6,620	7,460	4,211	4,639
Other non-current assets changes	0	0	0	0	0	0	0
<b>Cash flow from investing activities</b>	<b>(2,261)</b>	<b>1,025</b>	<b>(970)</b>	<b>(6,273)</b>	<b>(5,800)</b>	<b>(47,529)</b>	<b>(41,247)</b>
New share issuance	0	0	0	0	0	0	0
Shares buyback	0	0	0	0	0	0	0
Net borrowings	(246)	(248)	(362)	(366)	(406)	35,881	25,763
Other financing cash flow	(1)	0	0	0	0	0	0
Dividends paid	(3)	(0)	(0)	(2)	(7)	0	0
<b>Cash flow from financing activities</b>	<b>(249)</b>	<b>(248)</b>	<b>(362)</b>	<b>(368)</b>	<b>(414)</b>	<b>35,881</b>	<b>25,763</b>
Beginning cash and equivalents	350	499	573	2,497	2,844	6,307	5,992
<b>Total cash generated</b>	<b>(3)</b>	<b>(4)</b>	<b>(7)</b>	<b>20</b>	<b>102</b>	<b>0</b>	<b>0</b>
<b>Ending cash and equivalents</b>	<b>499</b>	<b>573</b>	<b>2,497</b>	<b>2,844</b>	<b>6,307</b>	<b>5,992</b>	<b>8,998</b>

## Key ratios

Valuation Ratios	2020A	2021A	2022A	2023A	2024A	2025F	2026F
EPS (VND)	757	220	3,254	3,292	4,756	2,976	3,077
Price Earnings	124.2	426.6	28.9	28.6	19.8	31.6	30.5
1-yr PEG	(1.6)	(6.0)	0.0	24.5	0.4	10.7	9.0
EV to EBIT	91.0	176.8	21.5	18.0	13.1	12.7	12.0
EV to EBITDA	38.3	54.4	17.2	14.9	11.4	10.9	9.1
Price to Sales	25.9	42.4	14.6	10.1	8.9	7.9	6.7
Price to Book	0.5	0.5	0.5	0.4	0.3	0.5	0.4
Growth Rates	2020A	2021A	2022A	2023A	2024A	2025F	2026F
Net Revenue YoY	-57.6%	-38.8%	190.5%	44.8%	13.0%	12.4%	18.7%
Gross Profit YoY	-85.1%	-156.5%	-927.5%	82.5%	17.0%	14.2%	3.3%
Net Profit YoY	-79.9%	-70.9%	1376.6%	1.2%	44.5%	3.0%	3.4%
EPS YoY	-79.9%	-70.9%	1376.6%	1.2%	44.5%	-37.4%	3.4%
Profitability Ratios	2020A	2021A	2022A	2023A	2024A	2025F	2026F
Gross Margin	17.9%	-16.5%	47.1%	59.3%	61.4%	62.4%	54.3%
EBITDA Margin	64.1%	73.9%	80.5%	64.2%	74.0%	69.0%	69.8%
Operating Margin	25.6%	20.6%	63.5%	52.3%	63.9%	58.5%	51.7%
Net Profit Margin	21.2%	10.1%	51.3%	35.8%	45.8%	42.0%	36.6%
Return on Avg Assets	2.9%	0.9%	12.3%	11.2%	14.3%	9.9%	6.9%
Return on Avg Equity	4.4%	1.3%	17.4%	15.2%	18.8%	16.4%	14.6%
Leverage Ratios	2020A	2021A	2022A	2023A	2024A	2025F	2026F
Interest Coverage Ratio (EBIT/I)	21.8	12.2	121.3	158.2	240.7	127.9	64.0
EBITDA / (I + Cap Ex)	2.0	2.0	2.2	1.0	1.3	0.3	0.5
Tot Debt/Capital	0.3	0.3	0.2	0.2	0.1	0.5	0.5
Tot Debt/Equity	0.4	0.4	0.3	0.2	0.2	0.9	1.1
Net Debt/Equity	(0.5)	(0.6)	(0.5)	(0.4)	0.5	0.9	0.8
Liquidity Ratios	2020A	2021A	2022A	2023A	2024A	2025F	2026F
Asset Turnover	0.1	0.1	0.2	0.3	0.3	0.2	0.2
Accounts Receivable Turnover	5.4	1.9	2.5	2.6	2.9	2.8	2.7
A/R DOH	67.1	188.8	146.1	140.2	125.4	129.4	133.3
Accounts Payable Turnover	11.9	14.7	18.2	15.2	12.1	10.6	11.9
A/P DOH	30.6	24.8	20.1	24.0	30.2	34.3	30.8
Inventory Turnover	15.0	17.1	19.7	17.7	22.9	30.5	38.0
Inv DOH	24.3	21.3	18.5	20.6	15.9	12.0	9.6
Current Ratio	9.8	10.2	7.4	6.3	5.3	4.0	2.4
Quick Ratio	9.6	10.0	7.3	6.2	5.1	3.7	2.3

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## RECOMMENDATION FRAMEWORK

### Stock Ratings

Definition:

Add	The stock's total return is expected to reach 15% or higher over the next 12 months.
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

### Sector Ratings

Definition:

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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