

AIRPORT SERVICES INDUSTRY
December, 31 2025
SAI GON CARGO SERVICE CORPORATION (HSX: SCS)

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Current price: 51,400 **Recommendation**
Target price: 68,800 **BUY**
Increase/(decrease): 33.9%

Report approver:
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 Investment Consulting Manager
Translator: Do Chu Hoang Linh, Vu Duc
 Nguyen
 Original Vietnamese date: 31/12/2025

EXPECTATIONS TO MAINTAIN STABLE GROWTH

The projected results in this report are based on the assumption that SCS wins the bid to operate cargo terminal 1 at Long Thanh International Airport.

We recommend **BUY** for share SCS, the target price is **68,800 VND/share**, **33.9%** higher than the closing price on December 30, 2025 (using the discounted cash flow method FCFE and FCFF). The investment arguments are as follows:

INVESTMENT THESIS:

- **Business operations continue to grow thanks to expectations of securing the operating concession for Cargo Terminal No. 1 at Long Thanh International Airport ([details](#))**

We believe that SCS has a high likelihood of securing the operating concession for Cargo Terminal No. 1 based on the following factors: (1) SCS is currently the only entity invited by ACV to participate in the project design consultancy; and (2) SCS has a solid financial capacity, proven experience in operating new international airport facilities, and the capability to ensure efficient operations of the new cargo terminal at Long Thanh International Airport.

We estimate SCS's cargo volume in 2025 to reach 286.6 thousand tons (+7.18% YoY), and maintain growth with a CAGR of +4.13%/year in the period 2026–2030F, driven by the increasing demand for international air cargo transportation in Vietnam.

- **Healthy financial structure and high cash dividend payout ratio ([details](#))**

SCS has a healthy financial structure with a D/E ratio of 0.19 and no interest-bearing debt incurred at all. At the same time, stable growth in cash flow from business operations over the years has enabled SCS to maintain a high cash dividend payout ratio on net profit after tax (82–95% in the period 2020–2024). We expect SCS to continue maintaining a payout ratio above 50% in the forecast period, thanks to low investment capital pressure when starting operations at the new terminal in Long Thanh.

Transaction information (December 30, 2025)

Current price (VND/share)	51,400
52-week highest price(VND/share)	76,400
52-week lowest price (VND/share)	47,700
Number of listed shares (million)	94.9
Number of outstanding shares (million)	94.9
Average 30-day trading volume (shares)	265,719
% foreign ownership	10.69%
Market capitalization (billion VND)	4,858
Trailing 12-month P/E (times)	6.63
Trailing 12-month EPS (VND/share)	7,725

Company Overview

Name	Sai Gon Cargo Service Corporation
Address	30 Phan Thuc Duyet Street, Tan Son Nhat, Ho Chi Minh City
Main revenue	Operating a cargo terminal, leasing office space and parking.
Main costs	Labor costs, outsourced services, depreciation.

INVESTMENT RISKS/FACTORS TO MONITOR:

- **Risk of failing to secure the operating concession for cargo terminal No. 1 at Long Thanh International Airport. ([detail](#))**

If SCS fails to secure the operating concession for the cargo terminal at Long Thanh International Airport, its cargo exploitation volume is estimated to decrease sharply from 2027–2030F (CAGR = -16.1%/year) due to the State's plan to transfer 80% of

Competitive advantage	Modern and integrated infrastructure helps optimize customer service efficiency.	international flights and 10% of domestic flights from Tan Son Nhat International Airport to Long Thanh International Airport.
Main risks	The operating concession at Long Thanh International Airport was not secured by SCS as anticipated.	➤ The implementation progress of the SCSC-2 office building leasing is expected to contribute an additional c.8–10% to revenue upon commencement of operations (details).

A. COMPANY OVERVIEW

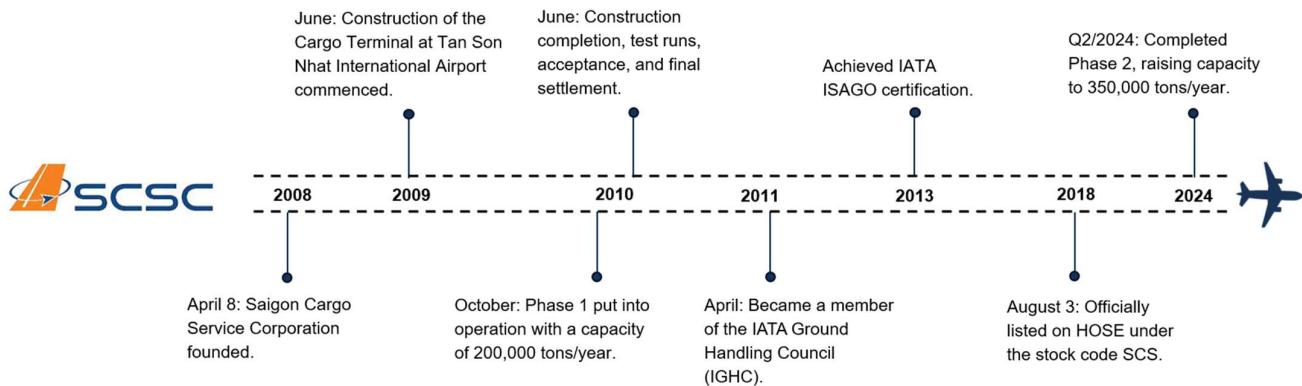


Saigon Cargo Service Corporation (SCS) is a company specializing in the operation of cargo terminals, serving airlines and logistics companies/forwarding agents.

SCS's cargo terminal is located to the southwest of passenger terminals T1 and T2 at Tan Son Nhat International Airport, with a total area of 143,000 m², including 03 main areas:

- **Aircraft parking area:** 52,421 m², with capacity for 3 B747-400F aircraft or 5 A321 aircraft simultaneously.
- **Cargo terminal area:** 26,670 m², with a processing capacity of 350,000 tons of cargo/year.
- **Warehouse area, parking lot and office building:** 64,000 m².

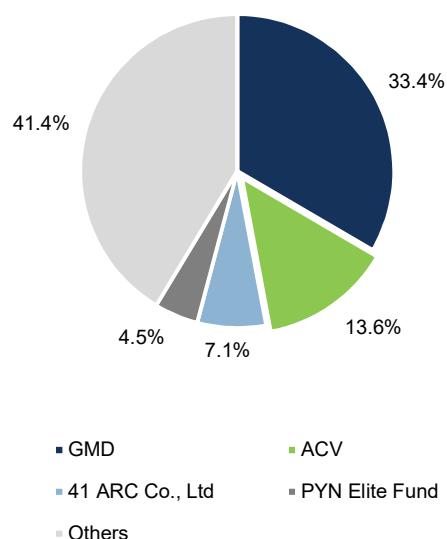
I. History of formation and some important development milestones



Source: SCS and FPTS research

II. Shareholder structure

Chart 1. SCS's Shareholder Structure as of December 30, 2025



Source: SCS and FPTS Research

The shareholder structure of SCS is quite concentrated, with 03 major shareholder groups that are also founding shareholders holding 54.1% of the shares. Specifically:

- Gemadept Corporation (HSX: GMD) – owning 33.4%: With more than 35 years of experience in the seaport and logistics sector, Gemadept has supported SCS in building and operating an international-standard cargo terminal model, optimizing exploitation processes, thereby strengthening reputation and trust with airlines.
- Vietnam Airports Corporation (UpCOM: ACV), the manager and operator of 21 airports in Vietnam – owning 13.6%: ACV plays a key role in coordinating infrastructure and supporting legal procedures, creating favorable conditions for SCS to operate smoothly at Tan Son Nhat International Airport. At the same time, as the investor of Long Thanh International Airport, ACV can create initial favorable conditions, thereby opening opportunities for SCS to participate in operating the cargo terminal there.
- 41 Aircraft Repairing One Member Limited Liability Company (affiliated with the Ministry of National Defense) – owning 7.1% in the form of preferred dividend shares (non-convertible): Contributed capital in the form of land exploitation rights for 14.3 ha at Tan Son Nhat International Airport for 50 years (2008–2057). According to the cooperation contract, SCS must pay a fixed dividend in installments throughout the project lifecycle. For the period 2019–2028, the payment level is set at 1.504 million USD/year (equivalent to ~4.9% of profit before tax in 2024).

III. Main business activities

SCS mainly operates in the field of cargo terminal operation at Tan Son Nhat International Airport (accounting for ~93.9% of total revenue in 2024). In addition, SCS also operates in the office leasing and car parking services segment (accounting for ~5.6% of revenue), the aircraft apron leasing and other activities segment (accounting for ~0.5% of revenue).

Cargo terminal operation activities include three main services: serving cargo for airlines, handling cargo, and storing cargo ([details](#)). SCS mainly serves international cargo, accounting for 77% of total volume in 2024.

Chart 1: The Air Cargo Handling Service segment accounted for 93.9% of SCS's total revenue in 2024

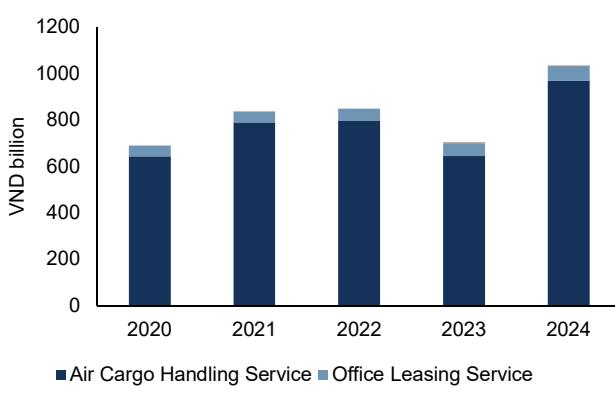
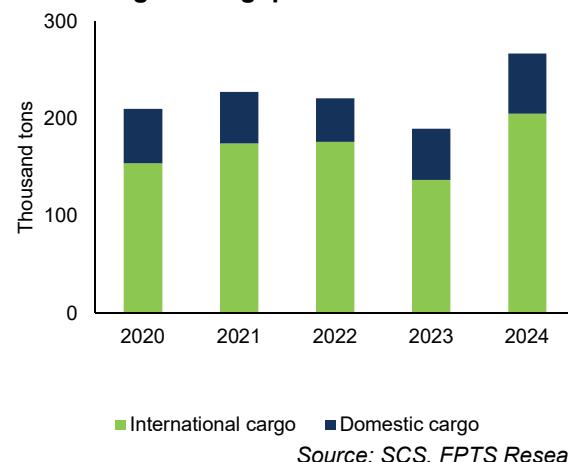


Chart 2: International cargo accounted for 77% of total cargo throughput in 2024



Source: SCS, FPTS Research

IV. SCS's cargo terminal operation: High industry entry barriers, low competition but subject to risks of flight network reallocation at Tan Son Nhat

The air cargo terminal operation industry has high entry barriers, a limited number of participating enterprises, and a low level of competition: The construction of cargo terminals must comply with airport planning, in which the number and location of terminals are determined from the initial stage. On that basis, the selection of operating units in practice often prioritizes enterprises with experience in the aviation sector and State involvement, to ensure stability in infrastructure management and operation, thereby forming significant entry barriers for new enterprises. In addition, to be granted an operation license, enterprises must meet strict conditions from the Civil Aviation Authority of Vietnam (CAAV) regarding capital, operational management capacity, equipment... in accordance with the Vietnam Civil Aviation Law and Decree 05/2021/NĐ-CP.

Currently in Vietnam, there are only 05 enterprises operating in the field of air cargo terminal operation, concentrated at Tan Son Nhat International Airport and Noi Bai International Airport.

Table 1: Businesses licensed to operate cargo terminals in Vietnam

No.	Company	Area of operation	Status
1	Sai Gon Cargo Services Corporation (SCS)	Tan Son Nhat	Listed on HOSE
2	Tan Son Nhat Cargo Services Co. Ltd (TCS)	Tan Son Nhat	Not yet listed
3	Noi Bai Cargo Terminal Services Joint Stock Company (NCT)	Noi Bai	Listed on HOSE
4	Aviation Logistics Corporation (ALS)	Noi Bai	Not yet listed
5	Air Cargo Services of Vietnam Joint Stock Company (ACSV)	Noi Bai	Not yet listed

Source: FPTS research

Risks from the reallocation of flight networks at Tan Son Nhat when Long Thanh International Airport becomes operational: According to the International Air Transport Association (IATA), approximately 60%–65% of air cargo volume is transported in the belly cargo of passenger aircraft. This creates a close correlation between cargo volume and the scale and frequency of passenger flight operations at the airport. Therefore, the revenue of cargo terminal operating enterprises is greatly affected by airlines' flight allocation decisions, an exogenous factor beyond control that creates specific risks for enterprises in the industry. For TCS and SCS, this risk is even more pronounced as the operation of Long Thanh International Airport will lead to the reallocation of flight routes at Tan Son Nhat. The shift of international routes to Long Thanh could directly narrow the long-term growth potential of these existing enterprises.

B. BUSINESS ACTIVITY ANALYSIS

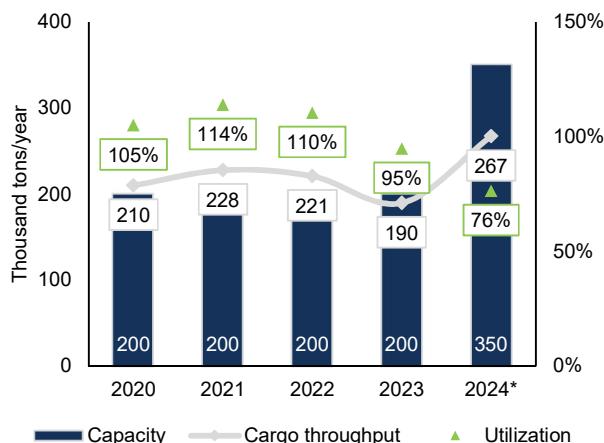
Figure 1: Value chain of SCS



I. Cargo terminal operation segment

1. Cargo terminal expands capacity in Phase 2 with low investment costs

Chart 1: SCS increases cargo terminal capacity by 75% in 2024



SCS's cargo terminal has a designed capacity in Phase 1 of 200,000 tons/year, which has operated at maximum capacity with operational efficiency reaching 95%–114% during the period 2020–2023. In 2024, SCS implemented Phase 2 to increase the terminal's capacity to 350,000 tons/year (+75% compared to Phase 1), due to increased volume and the company attracting more new airlines. Thanks to owning existing unused infrastructure in Phase 1, SCS only invested approximately 53.4 billion VND to increase the terminal's capacity (investing in an additional cargo transfer forklift, installing additional storage floors in the remaining two levels in the warehouse), equivalent to ~5.7% of fixed assets.

With a capacity of 350,000 tons/year, SCS is the second-largest cargo terminal at Tan Son Nhat International Airport, after TCS's terminal with a capacity of 450,000 tons/year.

Source SCS and FPTS Research

2. Revenue growth driven by increased international cargo volume and higher service fees

Net revenue from cargo terminal operations during the period 2020–2024 increased from 644.6 billion VND to 969.8 billion VND (CAGR = +10.8%/year), thanks to: (1) exploited cargo volume increasing from 210.1 thousand tons to 267.4 thousand tons (CAGR +6.2%/year), mainly from international cargo growth (CAGR +7.3%/year); and (2) average service fee per unit of volume increasing from 3,068 VND/kg to 3,627 VND/kg (CAGR +4.3%/year).

Chart 3: SCS's air cargo handling service revenue grew at a CAGR = 10,8%

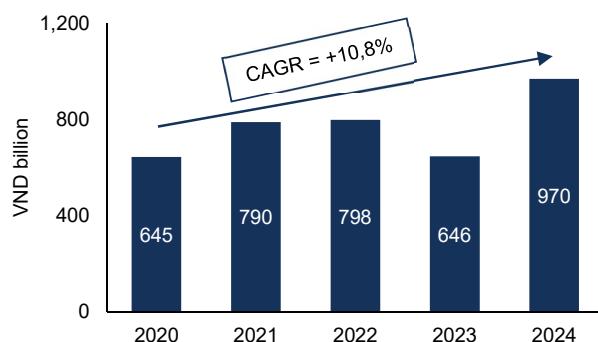
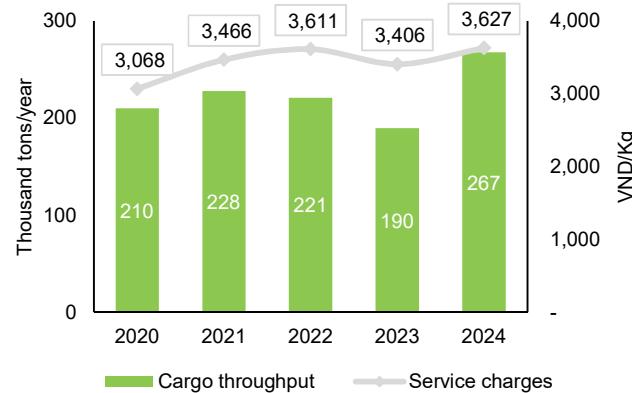


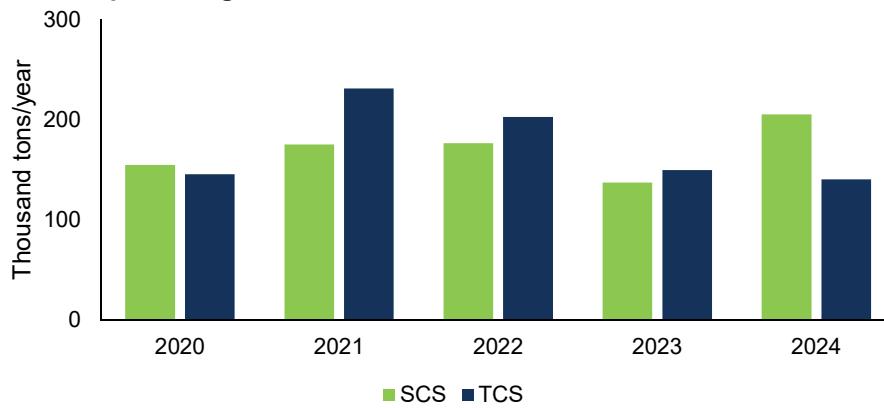
Chart 4: SCS's cargo throughput and service charges



Source: SCS, FPTS Research

2.1. International cargo volume grows rapidly thanks to recovered transportation demand and SCS's proactive expansion of customer base.

Chart 2: SCS's international cargo volume growth was 8.3 percentage points higher than TCS's.



Source: ACV, SCS, TCS, FPTS Research.

During the period 2020–2024, SCS's international cargo volume grew from 154.5 thousand tons to 205.1 thousand tons, with a CAGR of +7.3%/year. The main growth drivers come from two key factors:

- (i) **Growth in air transportation demand for the main product categories served by SCS:** SCS primarily serves import-export goods (accounting for 71-78% of total volume), including raw materials and products such as textiles, footwear, wooden furniture, rubber, seafood, and fresh fruits and vegetables for import and export. During the period 2020–2024, the air import-export turnover of these product groups increased from 6.6 billion USD to 9.0 billion USD, with a compound annual growth rate CAGR of +8.1%/year.
- (ii) **Increasing market share in cargo exploitation thanks to expanding the customer base with more international airlines:** At Tan Son Nhat, the cargo operation market currently has two competing enterprises: TCS and SCS. During the period 2020–2024, SCS continuously expanded its customer base, increasing the number of airlines using its services from 36 to 47. The most notable is Qatar Airways (the third-largest cargo-carrying airline in the world – according to IATA), which switched its service partner from TCS to SCS starting from Q2/2024, strongly boosting SCS's volume. In 2024, SCS's exploited international cargo volume reached 205.1 thousand tons (+49.6% YoY). This helped SCS's market share at Tan Son Nhat increase to approximately 58%, propelling it to the leading position in the market.

Chart 5: Southern Vietnam's air import – export turnover of key commodities grew at a CAGR = +8.1%

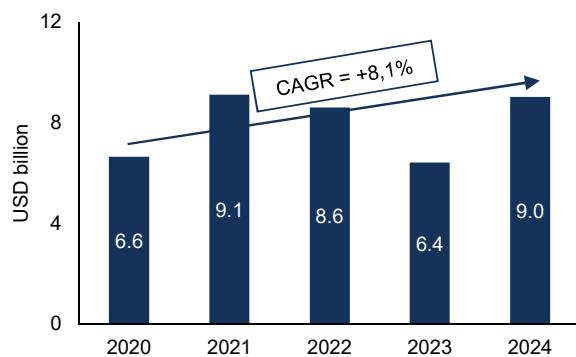
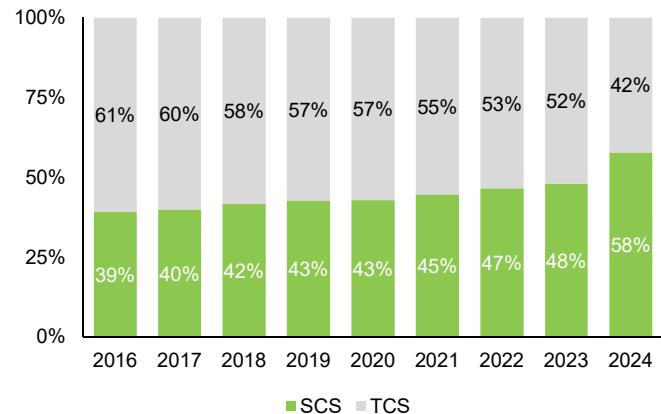


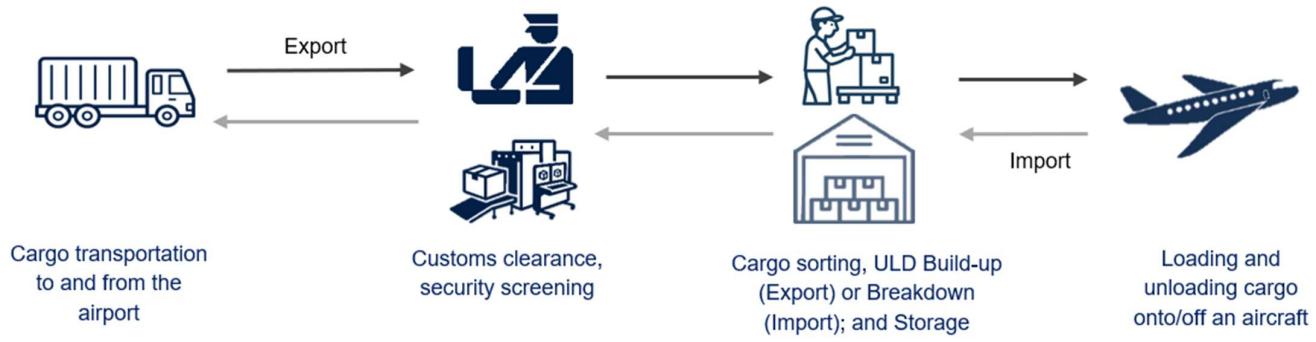
Chart 6: An expanding customer base enables SCS to consistently dominate and lead the market share at Tan Son Nhat International Airport



Source: Vietnam Customs, VNA, SCS, FPTS Research

► **Competitive advantage: Modern and integrated infrastructure optimizes customer service efficiency.**

Figure 2: Flowchart of SCS's cargo handling process.



Source: SCS, FPTS Research

On the aspect of service quality, airlines evaluate cargo service providers based on 04 main criteria: (1) security - safety; (2) staff training for operations and capacity to handle special cargo; (3) service fees; (4) infrastructure and cargo handling efficiency. Among these, criteria (1) and (2) are essentially mandatory conditions for a cargo terminal to be permitted to operate, and both are under strict supervision by the Southern Airports Authority. Additionally, service fees between TCS and SCS are basically not significantly different for most activities.

Therefore, the factor creating **differentiation in competitive capacity between the two units lies in the quality of infrastructure and cargo handling efficiency**. SCS's cargo terminal became operational about 13 years after TCS, allowing the application of new technologies and equipment in the terminal's design and construction. Specifically, SCS has invested in an automated cargo handling system (Material Handling System – MHS) that shortens handling time and reduces damage risks, demonstrated by the following factors: ([SCS's equipment](#))

- Truck dock area: designed synchronously with 54 receiving/returning points, equipped with automatic dock levelers. The equipment allows flexible height adjustment, enabling staff, loading/unloading personnel, and forklifts to directly access inside the truck compartment for picking up/returning cargo. As a result, the process minimizes manual operations, shortens delivery/receipt time, and limits risks of impact or scratching cargo. In contrast, TCS currently only has a truck dock area at the export cargo terminal (AFT2), while the import cargo receiving area (AFT1) does not have a truck dock.
- Automated conveyor system directly connected to the apron area, allowing cargo transportation in about 15 minutes. TCS currently does not have an automated conveyor system, with transportation mainly performed by forklifts, which increases service time and dependency on manpower.

- Cargo handling stations equipped with lifting and fixing systems for pallets/containers, supporting safe and quick handling and packaging processes, even for large-sized shipments, which is both faster and reduces damage risks. In contrast, TCS currently does not have a handling system with equivalent automation level.

In addition, the apron design in front of the terminal allows aircraft to conveniently access SCS's cargo terminal directly for receiving/returning cargo. Meanwhile, TCS does not have a dedicated apron and must rent parking positions from ACV, incurring costs for airlines (estimated from 488–2,695 USD per instance, depending on aircraft weight and parking time). At the same time, it poses risks of operational disruptions during peak seasons when Tan Son Nhat International Airport is frequently overloaded.

Figure 3: SCS's cargo terminal features an aircraft apron located directly in front of the terminal (indicated in red)



Table 2: Summary comparison of SCS and TCS infrastructure

Content	SCS	TCS
Cargo handling equipment system	<ul style="list-style-type: none"> • Truck dock system • Cargo handling station • Automated conveyor system 	<ul style="list-style-type: none"> • AFT2 has a truck dock area, AFT1 does not. • Primarily uses forklifts and manual labor.
Aircraft Apron	There is a dedicated apron in front of the terminal.	There is no dedicated apron ; parking spaces must be rented from ACV.

Source: SCS, TCS, and FPTS research

2.2. Domestic cargo grows slowly due to limitations in customers' cargo transportation capacity.

Domestic cargo is only transported by domestic airlines. During the period 2020–2024, SCS's domestic cargo volume grew slowly with a CAGR of +2.8%/year, 1.6 percentage points lower than TCS. The main reason stems from the limited cargo transportation capacity of the customer group (Vietjet, Bamboo, Vietravel). Specifically: (1) These airlines have not yet formed an air logistics linkage chain (logistics company – airline – cargo terminal), which reduces the ability to attract cargo sources to expand transportation scale. Meanwhile, Vietnam Airlines – the parent company and a major customer of TCS, helps TCS proactively maintain stable domestic cargo sources and support growth; (2) The fleet owned by SCS's customers mainly consists of narrow-body aircraft, limiting cargo carrying capacity compared to Vietnam Airlines' wide-body aircraft. Accordingly, SCS's customer airlines only account for about 39% of the domestic cargo transportation market share in 2024, while the majority of the remaining market share belongs to the Vietnam Airlines group.

Chart 7: SCS's domestic cargo growth lagged 1.6 percentage points behind TCS

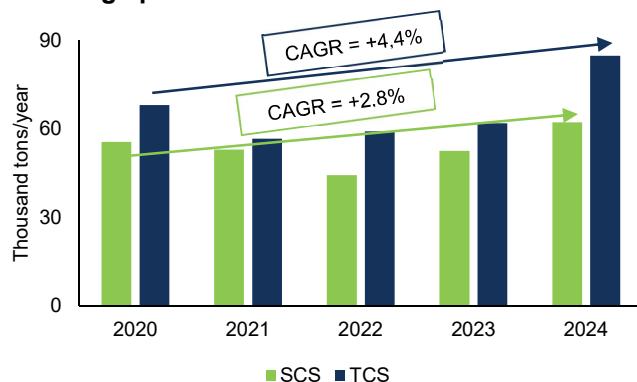
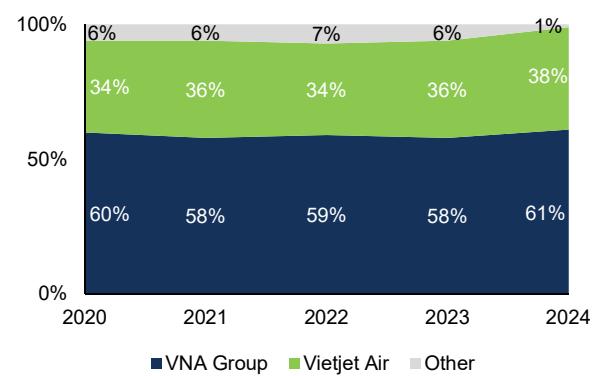


Chart 8: Market share of SCS's client airlines is gradually narrowing



*VNA Group consists of Vietnam Airlines, Pacific Airlines, VASCO

Source: Company reports, FPTS Research

3. Gross profit margin remained stable at a high level compared to peers in the industry.

During the period 2020–2024, SCS maintained a high and stable gross profit margin (71%–78%). This result comes from effective cost management capabilities, especially the flexibility in adjusting labor costs according to actual exploitation volume, helping to optimize cost of goods sold when volume fluctuates. When compared to NCT – a peer enterprise operating at Noi Bai International Airport, SCS's gross profit margin is 23–29 percentage points higher than NCT. This difference comes from three main reasons: (1) infrastructure ownership model: while SCS self-invests in the terminal and only has to pay land use fees, NCT's entire terminal system is leased from other parties (from ACSV and ALS) at high costs, accounting for 33.4% of operating costs; (2) advantage in material costs: due to the regional cargo product specifics, SCS's material costs are 3.86 times lower; and (3) SCS provides additional value-added services alongside cargo serving services, helping SCS's average service fee to be 41–59% higher.

Chart 9: SCS's gross profit margin remained stable between 71–78%, outperforming NCT by 23 – 29 percentage points

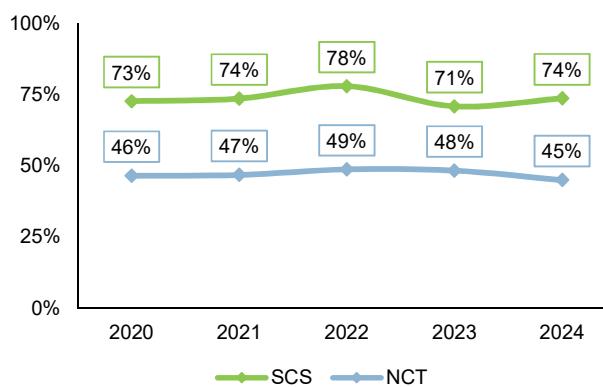
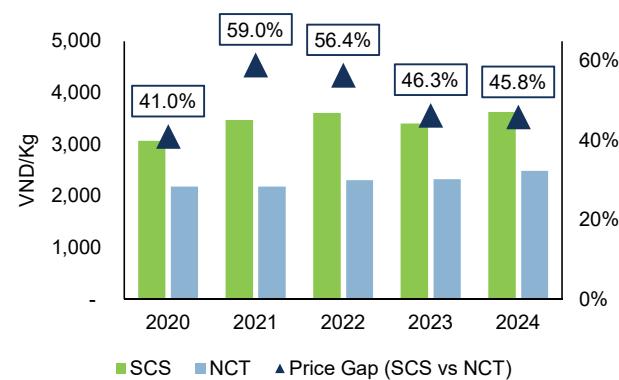


Chart 10: SCS's average service price is 41.0% – 59.0% higher than NCT's

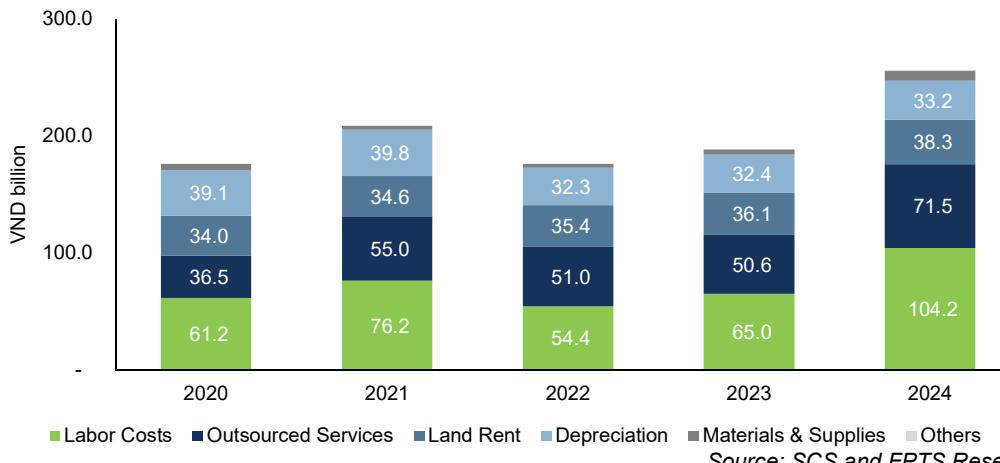


Source: SCS, NCT, FPTS Research

3.1. SCS's workforce is flexibly adjusted according to exploitation volume, and material costs are at a low level.

The air cargo terminal operation industry is a labor-intensive service sector: In 2024, labor costs (salaries and bonuses for the direct workforce involved in loading and packaging cargo onto aircraft) accounted for 63.8% of total production and business costs. This includes salaries and bonuses for formal labor and temporary labor costs (accounting for ~82% of outsourced service costs). Land lease expenses accounted for 15.0%, paid in the form of preferred dividends to the Ministry of National Defense. Depreciation costs accounted for 13.0% of total costs, mainly from depreciation of terminal infrastructure and equipment. SCS's depreciation cost ratio decreased from 22.2% in 2020 to 13.0% in 2024, as approximately 60% of SCS's asset value has been fully depreciated.

Chart 3: Labor costs and outsourced services (mainly hiring seasonal workers) are the main costs of SCS.



Source: SCS and FPTS Research

SCS's labor costs are highly flexible due to a significant proportion of salary policies linked to volume and labor efficiency, allowing SCS to proactively adjust costs according to demand fluctuations, specifically:

- **The scale of formal labor expanded in line with the growth in volume**, from 365 to 510 people (CAGR = +8.7%/year). Average income also recorded a compound growth rate of +5.9%/year, reaching 15.8 million VND/month in 2024. The income structure includes a basic salary of about 7 million VND/month (accounting for 44.3% of salary costs), with the remainder being performance-based pay. This policy helps SCS flexibly control personnel costs according to actual revenue, minimizing fixed cost risks and stabilizing gross profit margin when volume fluctuates.
- **The temporary workforce is hired flexibly according to exploitation needs.** Wages for temporary workers are paid daily, with the hiring rate increasing from 284,000 VND/day to 311,000 VND/day during the period 2020–2024 (CAGR = +3%/year), equivalent to 8.5–9.3 million VND/month, which is on average 35.4% lower

than the income for formal employees. By hiring temporary workers, SCS can quickly adjust the workforce scale according to volume fluctuations at significantly lower costs compared to permanent employees.

Chart 11: Chart 15: Income structure of SCS's permanent staff

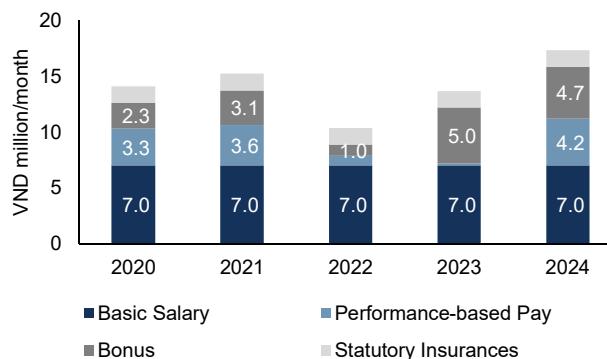
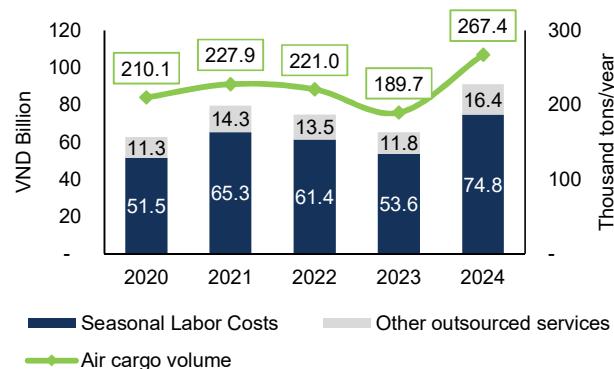


Chart 12: Leveraging seasonal labor allows SCS to flexibly manage costs amid cargo volume fluctuations



Source: SCS, FPTS Research

The difference in the structure of served cargo is the key factor affecting the material costs of SCS and NCT (accounting for 10% of total costs): SCS primarily serves ordinary cargo groups (textiles, footwear, agriculture – aquaculture products, paper and plastic products...), which are mainly concentrated in the Southern economic region, accounting for 82% of the total cargo structure. This group has standard packaging processes with common consumable materials (sheet nylon, flexible nylon, wrapping mesh...) at low unit prices. Meanwhile, NCT operates in the Northern region, where electronic and high-tech production centers are concentrated. The proportion of electronics, machinery equipment, and components accounts for 43% of NCT's cargo structure. Due to technical specifics, this group must comply with strict preservation standards (shockproof, anti-static, moisture-proof). This requires the use of specialized packaging materials to ensure cargo safety (wooden spacers, specialized pallets, cushioning materials...). Therefore, SCS's average material costs are approximately 3.86 times lower than NCT's.

Chart 13: General cargo accounts for 82% of SCS's cargo mix

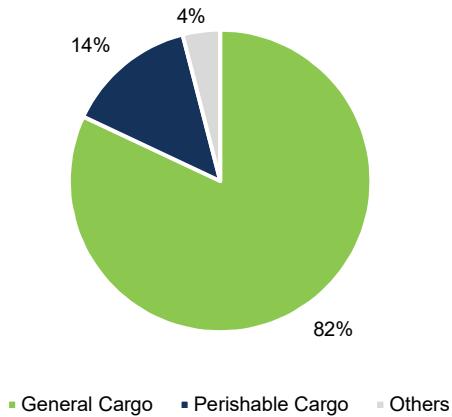
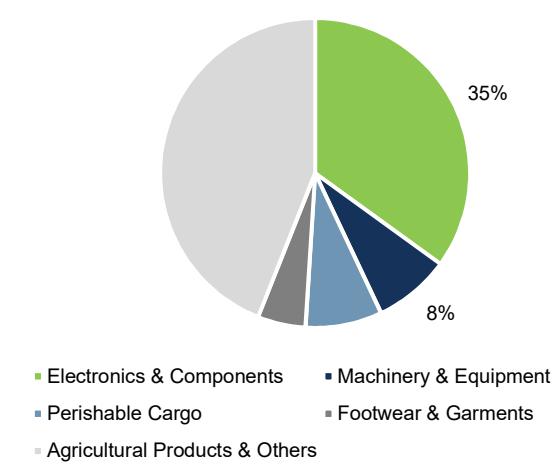


Chart 14: Electronics and Machinery & Equipment account for 43% of NCT's cargo mix



Source: SCS, NCT, FPTS Research

3.2. SCS provides additional value-added services alongside cargo serving operations to expand revenue sources.

SCS expands revenue sources through on-demand express cargo delivery services: SCS develops express cargo delivery services as a value-added service alongside standard cargo serving services, applied to shipments that require shortened handling time to meet flight schedules. The unit price is significantly higher than the standard price level by 36–309%, depending on the type of cargo and service time frame. The fee structure segmented by

handling time requirements allows SCS to record higher average revenue per unit of cargo compared to standard cargo serving services.

Table 3: On-demand express cargo delivery service unit price is higher than the standard serving price.

Price of goods service	Standard price (VND/kg)	Delivery from 1.5 – 3 hours	Delivery from 3-6 hours	Delivery from 6-9 hours	Delivery from 9-12 hours
Regular goods	1,320	309%	186%	105%	47%
Perishable goods, refrigerated goods	1,500	278%	165%	89%	36%
Express Goods	2,700	200%	140%		
Live animals	2,700	200%	140%		

Source: SCS and FPTS Research

II. The office leasing and car parking service segment has stable revenue and maintains a high gross profit margin.

SCS currently owns the SCSC-1 office building, which is used as the company's operational management office. The remaining space is rented to airlines and logistics companies. Office rental prices are stable in the range of 6.4–6.6 million VND/m². The occupancy rate in 2024 reached 99% due to its prime location right on the main road leading to Terminal T3, convenient for logistics companies and airlines. SCS is planning to build an additional SCSC-2 building to meet demand. ([See SCSC-2 building for more information](#))

Stable revenue growth, high gross profit margin: Revenue from the office leasing and car parking service segment grew steadily from 45.8 billion VND in 2020 to 60.1 billion VND in 2024, with a compound annual growth rate CAGR of +7%/year during the period 2020–2024. The gross profit margin was maintained above 83% in the period before 2022. From 2023, the gross profit margin decreased to 77% due to SCS incurring additional costs for upgrading and expanding the office building parking system, and increases in prices of some other outsourced service costs (electricity prices increased by 9.3% during the period 2023–2024).

Chart 15: SCSC-1 office building has reached full occupancy

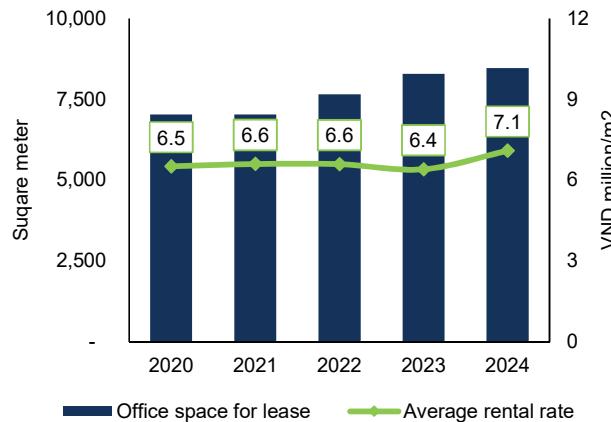
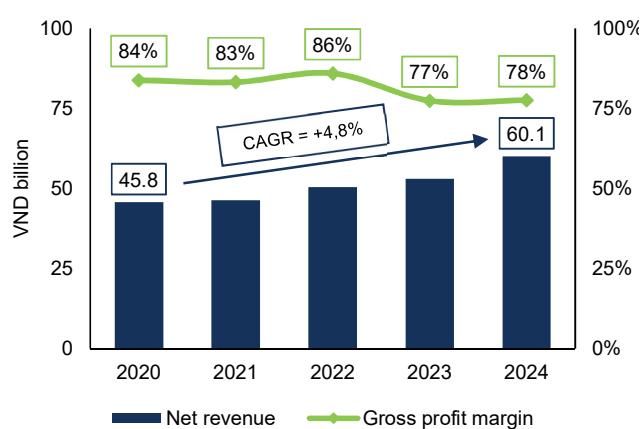


Chart 16: Revenue from office leasing service shows steady growth and high profit margins



Source: SCS, FPTS Research

C. FINANCIAL SITUATION ANALYSIS

I. Business performance driven by the recovery of air cargo operations; net profit margin declines from 2025 due to the expiry of CIT incentives.

SCS's net revenue recorded solid growth from 639 billion VND in 2020 to 1,037 billion VND in 2024, equivalent to a CAGR of +10.6% per year (p.a.). The key growth driver came from the cargo terminal operations segment, supported by two main factors: (1) cargo throughput grew at a CAGR of +7.3% p.a. thanks to the recovery of international air cargo trade and the attraction of additional airlines using SCS's services; and (2) service fees increased at an average CAGR of +4.3% p.a., in line with inflation and rising input costs.

In 9M2025, SCS continued to deliver strong performance, with net revenue up +17.1% YoY and gross profit up +17.9% YoY. Gross margin improved slightly compared to the same period last year and remained at a high level.

Net profit margin declined by 5.3 ppts, from 67.8% in 9M2024 to 62.5% in 9M2025, due to the expiry of corporate income tax (CIT) incentives. Prior to 2025, SCS benefited from a 50% CIT exemption (equivalent to an effective CIT rate of ~10%) for its cargo terminal operations. From 2025 onward, SCS is subject to the full 20% CIT rate, effectively doubling its tax expense compared to the previous period.

Chart 17: SCS's steady revenue growth and sustained high gross profit margins

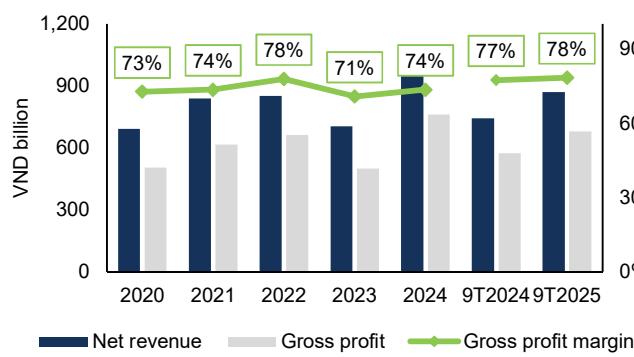
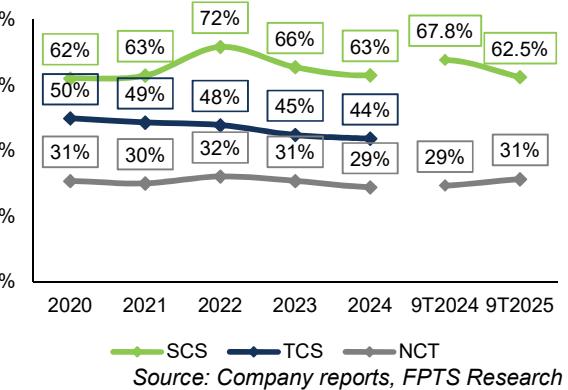


Chart 18: SCS has the highest net profit margin in the industry



Source: Company reports, FPTS Research

II. Healthy financial structure with no debt, cash and cash equivalents account for 60% of total assets. (Back)

SCS maintains a healthy financial structure, with the ratio of financial debt to equity remaining close to zero throughout the period 2020 – Q3/2025. Current liabilities as of Q3/2025 mainly comprised dividends payable to shareholders (~325.4 billion VND). This amount was settled in Q4/2025 and therefore did not create pressure on cash flows.

In terms of asset structure, SCS holds a substantial cash and deposit balance, accounting for up to 60% of total assets (equivalent to 1,339 billion VND). This characteristic is similar to NCT and reflects the nature of the cargo terminal operation industry, which features relatively stable business activities, strong operating cash flows, and limited demand for large capital expenditures as infrastructure is already largely completed.

Chart 19: SCS's healthy financial structure with no interest-bearing liabilities

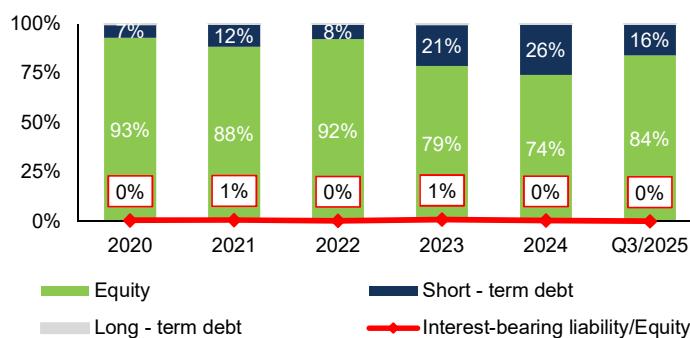
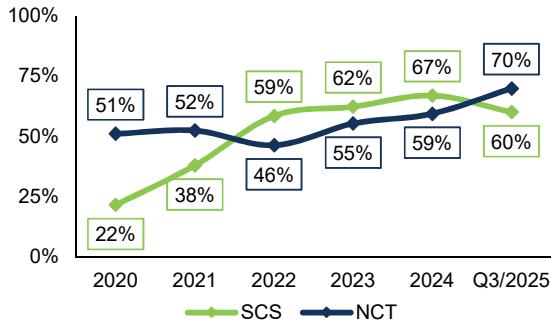


Chart 20: Figure 24: Cash and bank deposits account for a high proportion of SCS and NCT's asset structure



Source: SCS, NCT, FPTS Research

III. Consistently positive operating cash flow enables SCS to maintain a high dividend payout.

SCS's operating cash flow has remained positive and grown steadily over the years. Thanks to low reinvestment requirements, SCS allocates the majority of its cash flow to dividend payments, maintaining a high payout ratio of around 82–95% of net profit after tax during the 2020–2024 period. In 2021, the payout ratio was lower as SCS proactively accumulated capital for plans to expand terminal capacity and construct a new office building. However, due to slower-than-expected implementation progress, SCS subsequently restored its dividend payout ratio to levels similar to the earlier period.

We expect SCS to pay a cash dividend for FY2025 of 5,000 VND per share, corresponding to a payout ratio of 65.7% of net profit. At the current share price, the dividend yield is approximately 10%, significantly higher than the prevailing 1-year savings deposit interest rate at VCB.

Chart 21: SCS's cash flow from operating activities (CFO) is steadily maintained in positive territory

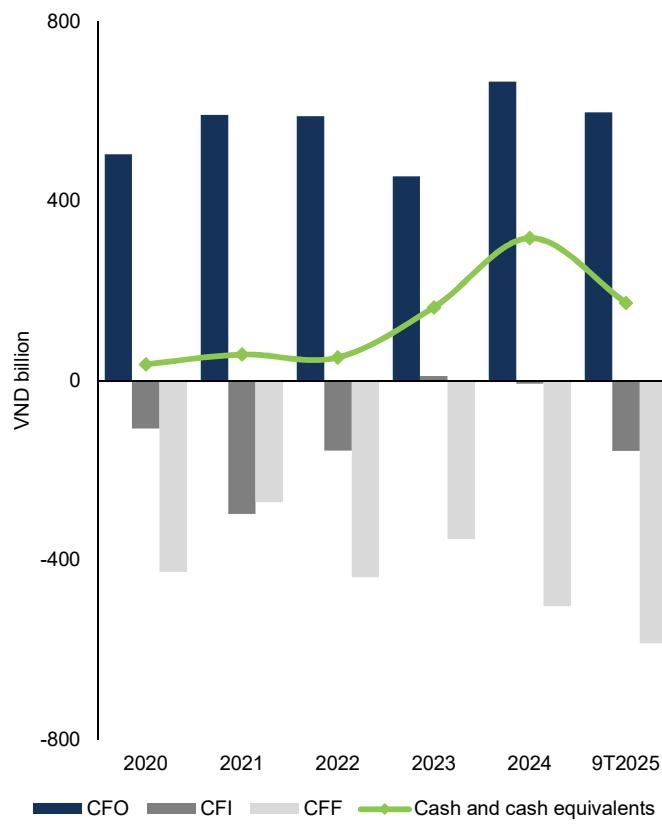
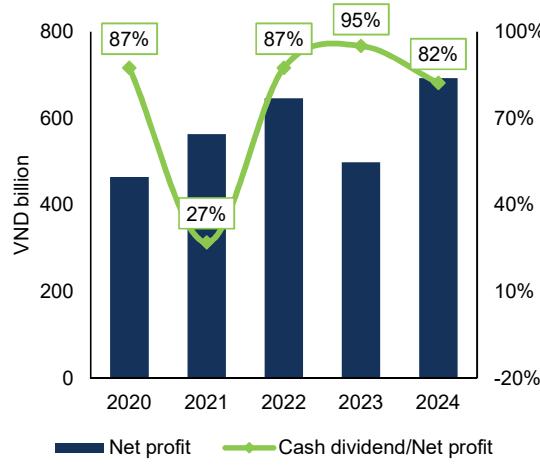


Chart 22: SCS maintains a high cash dividend/net profit ratio



Source: SCS, FPTS Research

D. BUSINESS OUTLOOK AND KEY FACTORS TO MONITOR

I. Business activities are expected to continue growing, supported by the potential award of the cargo terminal No.1 operating concession at Long Thanh International Airport (back).

We estimate net revenue from the cargo terminal operations segment in 2025 to reach 1,123 billion VND (+15.8% YoY), with gross profit of 720 billion VND (+3.9% YoY), driven by: (1) cargo volume growth of +7.2% YoY; and (2) an +8% YoY increase in average service fees per unit of volume.

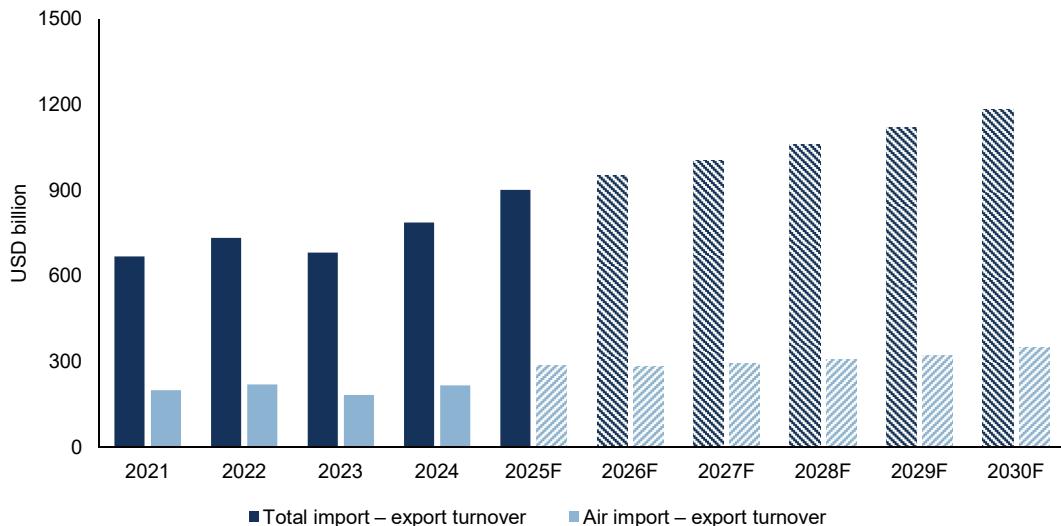
For the 2026–2030F period, we project that SCS's net revenue will continue to maintain its growth momentum, based on the assumption that SCS wins the operating concession for cargo terminal No.1 at Long Thanh International Airport (terminal location layout), as ACV – a major shareholder of SCS – is the project investor, supported by the following advantages:

- **SCS has an advantage in understanding the design and operating procedures of Cargo Terminal No.1:** As ACV invited SCS to participate as a consultant from the design stage, SCS had the opportunity to proactively study and contribute to key aspects such as infrastructure layout, technology selection, and operating process development. As a result, the terminal configuration is closely aligned with SCS's intended operating model, enabling efficient operation of ACV's terminal in line with the original design and reducing the need for infrastructure adjustments during the initial operating phase.
- **Ensuring operational stability for airlines relocating to Long Thanh International Airport:** With experience in operating modern cargo terminal systems under international standards, SCS has developed optimized handling processes for cargo categories typical of the Southern region (textiles, footwear, seafood, etc.). Thanks to its deep understanding of cargo characteristics and close coordination with partners, SCS provides a solid foundation for airlines to maintain stable operations during the transition to Long Thanh International Airport.
- **Strong financial capacity:** SCS maintains a healthy balance sheet and robust operating cash flows. This solid financial foundation enables SCS to meet stringent capital requirements during the project bidding process, thereby ensuring its capability to operate the new cargo terminal.

We forecast SCS's cargo throughput to grow at a CAGR of +4.1% per year over the 2026–2030F period, thereby driving revenue growth at a CAGR of +6.0% per year. The main growth driver is demand for international air cargo transportation, with an expected CAGR of +5.7% per year.

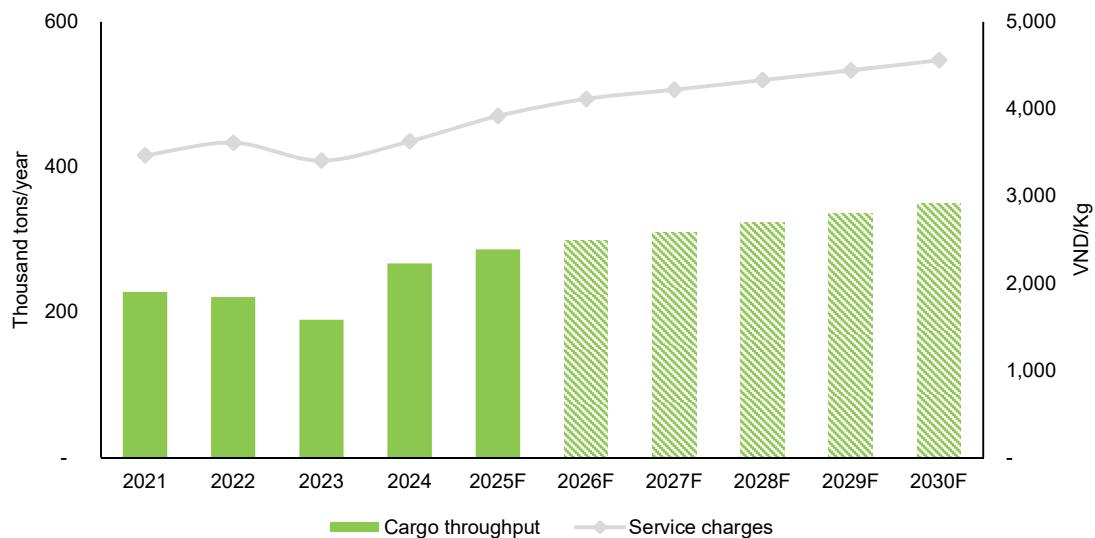
Our forecast is based on references to Government Decision No. 493/QD-TTg on the national import–export development orientation. Under this plan, the targeted import–export turnover growth of +7.6% per year for the 2021–2025 period has largely been achieved, while the orientation for the 2026–2030F period is approximately +5.6% per year. We consider this a reliable basis for forecasting growth in air cargo demand, particularly as the share of value-added processed goods continues to increase, thereby supporting the growth in cargo volume handled by SCS.

Chart 4: Air cargo import–export turnover is forecasted to grow at a CAGR of +5.7% per year in accordance with Decision No. 493/QD-TTg over the 2026–2030F period



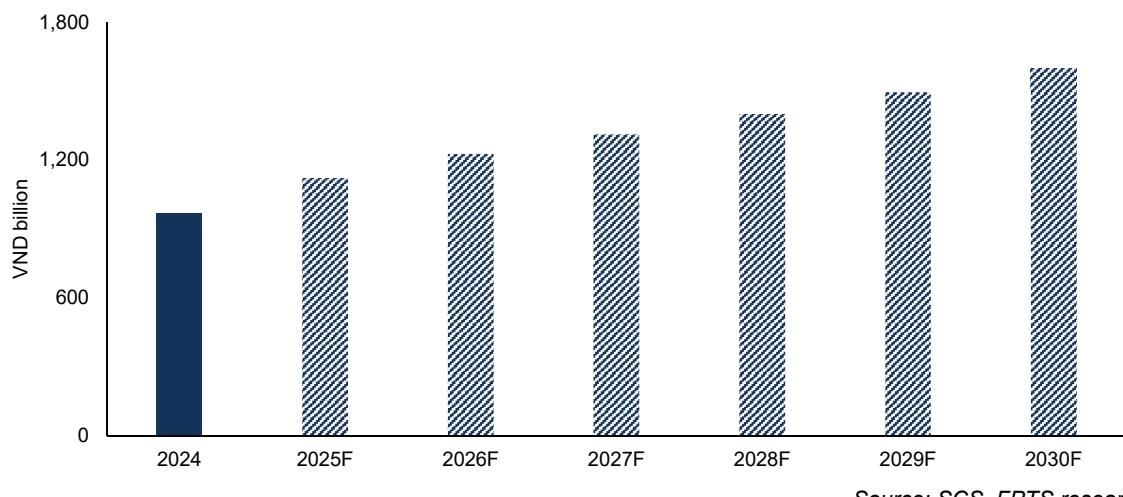
Source: Vietnam Customs, FPTS Research

Chart 5: SCS's cargo volume is forecasted to grow at a CAGR of +4.1% per year over the projection period.



Source: Vietnam Customs, FPTS Research

Chart 6: SCS's cargo terminal operating revenue is forecasted to grow at a CAGR of +6.0%



Source: SCS, FPTS research.

II. Key factors to monitor
1. Risk of an unsuccessful bid for the operating concession at Long Thanh International Airport, resulting in a decline in cargo volumes ([back](#))

In the event that SCS fails to secure the operating concession for the cargo terminal at Long Thanh International Airport as expected, SCS's business operations would face significant risk, as most international flights are expected to be relocated from Tan Son Nhat Airport to Long Thanh. Accordingly, we forecast that SCS's cargo volume would decline at a CAGR of -19.7% per year over the 2026–2030F period.

The main basis for this forecast is the Feasibility Study Report of the Long Thanh International Airport Construction Investment Project (Phase 1), approved by the Prime Minister under Decision No. 1777/QD-TTg dated 11/11/2020. Specifically, the operating plan for the two airports is determined as follows:

- ✓ At Long Thanh International Airport, 80% of international flights (applicable to all international routes over 1,000 km) and 10% of domestic flights will be operated.
- ✓ At Tan Son Nhat International Airport, 20% of international flights (applicable to international routes under 1,000 km) and 90% of domestic flights will be operated.

2. Progress of leasing the SCSC-2 office building, expected to contribute approximately 8–10% of revenue once operational ([back](#)).

SCS is in the process of completing procedures to obtain a construction permit from the Ministry of National Defense for the SCSC-2 office building project, which will be located adjacent to the existing office building. The project comprises 12 floors with an area of approximately 1,600 m² per floor. Total gross floor area is 19,200 m², of which around 14,000 m² is expected to be leased to airlines and freight forwarding agents for representative offices.

We estimate that the SCSC-2 building could generate 112 billion VND in net revenue and 56 billion VND in gross profit when reaching full capacity, equivalent to an estimated contribution of around 8–10% to SCS's annual revenue. However, we have not included the SCSC-2 office building project in our valuation, as SCS has not yet finalized the project implementation timeline.

Table 4: Scale and potential revenue of the SCSC-2 office building project compared with the first building.

Criteria	SCSC-1 Building	SCSC-2 building
Leasable area (m ²)	8,650	14,000
Construction period	10 months	12 months
Construction cost	63 billion VND	312 billion VND
Occupancy period	13 years	6 years
Annual revenue (at full occupancy)	60 billion VND	112 billion VND

Source: SCS and FPTS Research.

E. EVALUATION AND RECOMMENDATION

I. Summary of forecast results

Based on our analysis of the company's business operations and outlook, we forecast SCS's operating results for the 2025F–2030F period. The forecasts are based on the assumption that SCS will participate in operating the cargo terminal at Long Thanh International Airport.

Indicators	2025 %YoY	CAGR (2026F-2030F)	Assumptions
Net revenue	+14.9%	+6.60%	<p>We forecast SCS's net revenue in 2025 to reach 1,191.2 billion VND (+14.9% YoY), and to grow at a CAGR of +6.6% per year over the 2026–2030F period. Specifically:</p> <p>Handled cargo volume: We forecast handled cargo volume to grow at a CAGR of +4.13% per year, driven by growth in demand for air cargo transportation.</p> <p>Service fees: We forecast service fees to grow at a CAGR of +2.6% per year in line with cost-push inflation.</p>
Cost of goods sold	+13.1%	+9.04%	<p>We forecast COGS to reach 262 billion VND in 2025 and to grow at a CAGR of +9.04% per year during the 2026–2030F period. Specifically:</p> <p>Increase in personnel expenses (CAGR +7.26% per year), as SCS needs to recruit additional labor to operate the new terminal.</p> <p>SCS will have to pay operating fees to ACV for the new terminal at Long Thanh, including: (1) a concession fee of approximately 3% of net revenue; (2) infrastructure fees (depreciation of the terminal invested directly by ACV); and (3) revenue-sharing operating fees based on actual revenue (assumed ACV receives 10%, approximately twice the savings deposit interest rate).</p>
Gross profit margin	78%	62 – 66%	During the 2026–2030 period, we forecast SCS's gross profit margin to fluctuate in the range of 62–66%, lower than the previous period as SCS incurs higher costs when operating at Long Thanh.
General and administrative expenses	+14.9%	+6.60%	Our forecast assumes that the ratio of general and administrative expenses to net revenue remains stable at around 6.60% during the 2026–2030 period.
Profit before tax	+15.4%	+6.28%	We forecast SCS's profit before tax to reach 903 billion VND in 2025 (+14.9% YoY), and 1,087.1 billion VND in 2030F.
Net profit after tax (NPAT)	+4.3%	+6.28%	We forecast NPAT to grow at a slower pace than profit before tax as SCS's tax incentives expire from 2025 and the company is required to pay the full 20% corporate income tax rate (double the level in 2024). In 2025, NPAT is estimated at 722.4 billion VND and is expected to reach 869.7 billion VND in 2030F.

II. Summary of valuation results and recommendations

We recommend **BUY** SCS with a target price of **68,800 VND/share, 33.9%** higher than the closing price on December 30, 2025. We derive the target price using the free cash flow to equity (FCFE) discounting method and the free cash flow to firm (FCFF) discounting method.

Valuation results:

Summary of discounted cash flow valuation methods	Value	Weight
Free cash flow to equity (FCFE)	68,834	50%
Free cash flow to the firm (FCFF)	68,839	50%
Target price	68,800	

FCFF valuation summary	Value
Total present value of free cash flow to the firm (billion VND)	5,504
(+) Cash (billion VND)	1,271
(-) Short-term and long-term debts (billion VND)	6
Equity (billion VND)	6,532
Number of outstanding shares (million shares)	0.09
Target price (VND/share)	68,839
Summary of FCFE valuation	Value
Present value of free cash flow to equity (billion VND)	6,531
Target price (VND/share)	68,834

SUMMARY OF PROJECTED FINANCIAL REPORT

Income statement	2024 A	2025 A	2026 F	2027 F	Balance sheet	2024A	2025A	2026F	2027F
Net revenue	1,037	1,191	1,297	1,383	ASSETS				
Cost of goods sold	(236)	(262)	(422)	(453)	Current assets	1,388	1,643	2,058	2,339
Gross profit	801	929	875	929	Cash, cash equivalents, short-term financial investments	1,271	1,508	1,908	2,179
Selling expenses	-	-	-	-	Short-term receivables	111	128	139	149
General and administrative expenses	(71)	(82)	(89)	(95)	Inventory	-	-	-	-
Net operating profit	730	848	786	835	Other current assets	6	6	10	11
Financial revenue	55	58	69	87	Long-term assets	509	473	437	405
Financial costs	(2)	(3)	(3)	(3)	Long-term receivables	-	-	-	-
<i>Interest expense</i>	783	903	852	919	Fixed assets	375	335	299	267
Other gains/losses and gains/losses of associates	-	0	-	-	Tangible fixed assets	374	335	298	267
Profit before tax	783	903	852	919	Intangible fixed assets	0	-	-	-
Corporate Income Tax	(90)	(181)	(170)	(184)	Construction in progress	0	0	0	0
Net profit after tax (NPAT)	693	722	682	735	Investment properties	71	65	60	54
<i>Minority shareholder interests</i>	-	-	-	-	Long-term investments	-	-	-	-
NPAT of parent company	693	722	682	735	Other long-term assets	63	73	79	84
EPS (VND)	6,547	6,921	5,936	5,818	TOTAL ASSETS	1,898	2,116	2,495	2,744
Profitability ratios	2024 A	2025 A	2026 F	2027 F	CAPITAL				
Gross profit margin	77.2%	78.0%	67.5%	67.2%	LIABILITIES	492	543	819	879
Net profit margin	66.8%	60.6%	52.5%	53.1%	Current liabilities	487	538	811	870
ROE DuPont	50.5%	48.5%	41.9%	41.5%	Short-term loans and debts	6	-	-	-
ROA DuPont	38.5%	36.0%	29.6%	28.1%	Short-term payables	389	432	695	747
EBIT / Revenue	75.5%	75.8%	65.7%	66.4%	Reward and welfare fund	92	106	116	123
NPAT / EBIT	100.0%	100.0%	100.0%	100.0%	Long-term debts	4	5	6	6
NPAT / PBT	88.5%	80.0%	80.0%	80.0%	Long-term loans	-	-	-	-
Total asset turnover	0.6x	0.6x	0.6x	0.5x	Long-term payables	4	5	6	6
Financial leverage	1.3x	1.3x	1.4x	1.5x	EQUITY	1,406	1,573	1,676	1,865
Efficiency ratios	2024 A	2025 A	2026 F	2027 F	Contributed capital	949	1,044	1,148	1,263
Cash conversion cycle	-	-	-	-	Surplus	15	15	15	15
Days Sales Outstanding	36.55	36.69	37.63	38.02	Retained earnings	370	443	442	516
Days Inventory	-	-	-	-	Development Investment Fund				
Days Payables	505.28	571.92	487.51	580.84	Other equity items	72	72	72	72
COGS / Inventory	-	-	-	-	Minority shareholder interests	-	-	-	-
Solvency ratios	2024 A	2025 A	2026 F	2027 F	TOTAL CAPITAL	1,898	2,116	2,495	2,744
Current ratio	2.8x	3.1x	2.5x	2.7x	Cash flow statement	2024 A	2025 A	2026 F	2027 F
Quick ratio	2.8x	3.1x	2.5x	2.7x	Beginning cash	1,062	1,271	1,508	1,908
Cash ratio	2.6x	2.8x	2.4x	2.5x	Profit before tax	692	722	682	735
Liabilities / Assets	0.3x	0.3x	0.3x	0.3x	Depreciation	45	51	49	43
Debts / Equity	0.3x	0.3x	0.5x	0.5x	Provisions	-	-	-	-
Short-term debts / Equity	0.3x	0.3x	0.5x	0.5x	Changes in working capital and other adjustments	(71)	(39)	182	(24)
Long-term debts / Equity	0.0x	0.0x	0.0x	0.0x	Cash flow from operating activities	666	734	913	755
					Proceeds from disposals of fixed assets	-	-	-	-
					Purchase of fixed assets	(19)	(6)	(6)	(6)
					Other investing activities	11	-	-	-
					Cash flow from investing activities	(8)	(6)	(6)	(6)
					Changes in debt	-	(6)	-	-
					Increase (decrease) in capital	12	-	-	-

Dividends paid	(515)	(486)	(506)	(478)
Other financing activities	-	-	-	-
Cash flow from financing activities	(503)	(491)	(506)	(478)
Net cash increase	155	237	400	271
Exchange rate difference	(1)	-	-	-
Ending cash	1,271	1,508	1,908	2,179

F. APPENDIX

1. Services provided by SCS (Back)

Content	Goods handling services	Cargo handling services	Warehouse services
Main activities	SCS acts as the cargo terminal of airlines. Shippers (usually forwarders), after signing a transport contract with an airline, deliver cargo to SCS's cargo terminal for outbound transport. The same applies in reverse for incoming cargo.	Provides materials for packing, reinforcing, and securing cargo, including pallets, nylon, packaging materials, etc. At the same time, it offers administrative handling services. This is a supporting service segment, closely linked to cargo handling operations for airlines.	Goods are stored at SCS warehouses while awaiting handover. Storage is organized according to the type of cargo (general cargo, chilled cargo, high-value cargo, hazardous cargo, etc.) and strictly complies with aviation security and safety standards.
Clients	Airlines and logistics companies with their own fleets (Cargolux, UPS, etc.).	Shippers, usually forwarders.	Shippers, usually forwarders.

2. Infrastructure and equipment for cargo handling (Back)

Truck dock area



Automated conveyor system



¹ ULD (Unit Load Device) is equipment used to package and secure cargo, luggage, and parcels during air transport. A ULD can be a container or a pallet with a net, designed to fit the structure and loading system of the aircraft, helping to optimize cargo space

Cargo storage warehouse

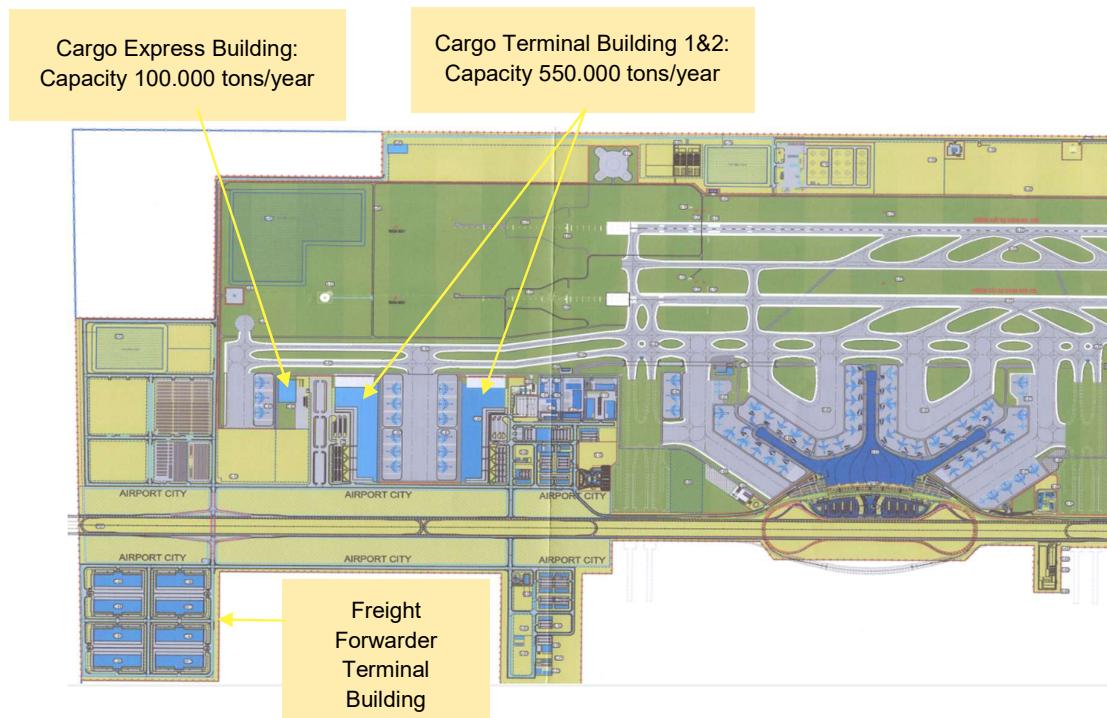


Aircraft parking apron



3. Layout of the cargo terminals at Long Thanh International Airport (back)

The cargo terminal at Long Thanh International Airport (Phase 1) has a total capacity of 1.2 million tons (1.5 times that of Tan Son Nhat International Airport). The project is designed with 3 independent terminals: Cargo Terminal 1 and 2 each have a design capacity of 550,000 tons; the express cargo terminal has a capacity of 100,000 tons. The project has been assigned by the Ministry of Construction with ACV as the investor for Cargo Terminal 1, while Cargo Terminal 2 and the express cargo terminal are designated to Vietnam Airlines as the investor, with expected completion in 2026.



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