FPT Securities

INITIATING COVERAGE REPORT

SUGAR INDUSTRY MAY 30, 2025

THANH THANH CONG – BIEN HOA JOINT STOCK COMPANY (HSX: SBT)

Bui Thi Thu Diem
Investment Advisory Specialist
Email: DiemBTT@fpts.com.vn
Tel.: 1900 6446 (Ext: 8585)
Report approver:
Le Thi Kieu Oanh
Head of Investment Advisory

Current price:	**18,200**	**Recommendation:**
Target price:	**19,600**	**MONITOR**
Upside/(Downside):	**+ 7.7%**	

SBT Share Price Performance vs. VN-Index

Trading Information	30/05/2025
Closing price (VND/share)	18,200
52-week highest price (VND/share)	18,200
52-week lowest price (VND/share)	9,800
Listed share (million/share)	814
Outstanding shares (million share)	814
30-day aver trading vol (shares/day)	2.715
Foreign ownership (%)	12,61
Market capitalization (VND billion)	12,055
Trailing 12-month EPS (VND/share)	1,067
Trailing 12-month P/E	14.81

Company Overview	
Name	Thanh Thanh Cong – Bien Hoa JSC
Address	Tan Hung Commune, Chau Thanh Town, Tay Ninh Province
Core business	Production and trading of refined sugar
Key input costs	Raw materials: sugarcane, raw sugar
Key risks	Volatility in sugarcane and imported raw sugar prices

POSITIVE GROWTH OUTLOOK REFLECTED IN THE PRICE

We initiate coverage of Thanh Thanh Cong – Bien Hoa JSC (HSX: SBT). Using the discounted cash flow (DCF) method, we determine a target price of VND **19,600/share**, representing **7.7%** upside from the closing price on May 30, 2025. Therefore, we recommend MONITOR and consider accumulating the stock at prices below VND 16,000/share, with an expected return of approximately 22.5%.

INVESTMENT OUTLOOK

Net revenue in FY2024/25 is forecast to reach VND 32,539 billion (+12.1% YoY), with earnings growth at a CAGR of 9.3% during FY2024/25 - FY2028/29.

- **Sugar consumption volume is forecast to grow at a CAGR of 7.6%** per year, driven by (1) the continuous expansion of the sugarcane raw material area, with SBT expected to increase its total sugarcane cultivation area to 90,000 ha (+26.7% YoY); and (2) export volume growing at a CAGR of 9.8% per year by leveraging preferential tariffs under CPTPP, EVFTA, and RCEP, while domestic consumption is expected to grow at a CAGR of 5.9% per year, continuing to benefit from the sugar industry protection policies.
- **SBT's sugar selling price in FY2024/25F is forecast to reach VND 19,500/kg, approximately in line with the high base of the previous fiscal year, and is expected to grow at a CAGR of 1.3% per year during FY2025/26–FY2028/29F.** This is driven by declining production volumes in major sugar-producing countries, including Brazil (-5% YoY) due to dry weather conditions and India (-12% YoY) due to policies encouraging ethanol production from sugarcane.

Net profit for FY2024/25F and FY2025/26F is forecast at VND 1,312 billion (+62.9% YoY) and VND 1,470 billion (+12.1% YoY), corresponding to a net profit margin of 4.0% (+1.2 ppt YoY), supported by an improvement in gross profit margin as raw sugar prices cool down and extraordinary financial gains from divestments of VND 240 billion (18.3% of net profit) and VND 360 billion (24.5% of net profit), respectively. **Net profit for FY2026/27F is forecast at VND 1,160 billion (-21.1% YoY)** due to the absence of extraordinary gains, and is expected to grow at a CAGR of 7.3% per year during FY2026/27- FY2028/29F, driven by growth in sales volume and a 0.2 ppt annual increase in gross profit margin as selling prices increase by an average of 1.3% per year and the level of raw material self-sufficiency increases.

FACTORS TO MONITOR

- The proposed 10% special consumption tax on sugary beverages, if approved, could reduce sugar demand from SBT's B2B customers.
- China's temporary ban on sugar imports from Thailand starting in December 2024 opens up an opportunity for SBT to increase sugar exports to China, with SBT's sugar export volume to China estimated to increase by 12% YoY in FY2024/25F.

DISCLAIMER

The information and opinions in this report are provided by FPTS based on sources of information that FPTS considers reliable, available, and lawful. However, we do not guarantee the accuracy or completeness of such information.
Investors using this report should note that the opinions expressed in this report are the subjective views of FPTS analysts. Investors using this report shall be solely responsible for their investment decisions.
FPTS may use the information contained in this report and other information to make its own investment decisions without being subject to any legal obligations with respect to the information provided.
At the time this analytical report was prepared, FPTS did not hold SBT shares, and the analyst and report approver did not hold shares of this company.

Partial translation prepared by AgriS based on the report by FPT Securities. For further details, please refer to the original report: here

Other securities-related information or detailed information related to this stock is available at http://ezsearch.fpts.com.vn or upon request

FPT Securities Joint Stock Company
Head Office

52 Lac Long Quan Street, Buoi Ward, Tay Ho District, Hanoi, Vietnam

Tel: 1900 6446
Fax: (84.24) 3773 9058

FPT Securities Joint Stock Company
Ho Chi Minh City Branch

3rd Floor, Building 136–138 Le Thi Hong Gam Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam.

Tel: 1900 6446
Fax: (84.28) 6291 0607

FPT Securities Joint Stock Company
Da Nang Branch

100 Quang Trung Street, Thach Thang Ward, Hai Chau District, Da Nang City, Vietnam.

Tel: 1900 6446
Fax: (84.23) 6355 3888