

Vietnam: Sugar
15 October 2026
SBT VN
BUY
TP upside +17.3%
Close 14 Oct 2026

Price VND 22,600
12M Target VND 26,500

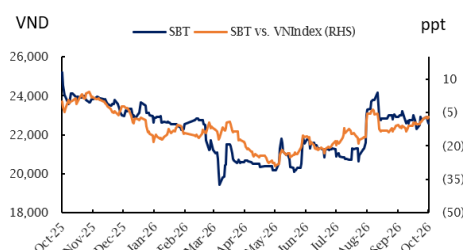
What's new?

- ▶ **We initiate with BUY** and target price of VND 26,500, implying +17.3% 12-month TSR.
- ▶ **We forecast FY27 revenue to grow 7.0%.**
- ▶ **Non-sugar products are key to growth.** We expect non-sugar sales to grow +47% YoY in FY27, reaching ~25% of SBT's total revenue.
- ▶ **By contrast, we expect sugar sales to decline by 2% YoY** in FY27 (c.75% of total revenue).
- ▶ **Earnings growth to outpace sales.** We forecast PATMI growth of 9.5% YoY in FY27.
- ▶ **SBT targets revenue CAGR of 22% through FY30**, with ~40% attributable to non-sugar products.

Our view

- ▶ **Non-sugar is emerging as the key long-term growth driver**, with sugar to remain SBT's slow-growth core.
- ▶ **Blended margin to be supported** by strong non-sugar expansion, higher ASPs, and improved revenue mix.
- ▶ **Rice and F&B to account for 73% of non-sugar revenue**, on our assumptions.
- ▶ **FY27E sugar revenue to decline overall**, on an -8.0% YoY volume drop that should be partly offset by a +6.0% YoY ASP increase.
- ▶ **Key risks:** Sugar price, illicit sugar imports, rice export competition, a potential slowdown in non-sugar expansion, high leverage, and share dilution.

Company profile: Thanh Thanh Cong – Bien Hoa JSC (SBT VN) is Vietnam's largest listed sugar company by market cap, accounting for 46% of domestic sugar consumption in FY26 (the company's fiscal year ends in June). SBT operates an integrated sugar value chain and has the industry's largest sugarcane growing area, production capacity, and warehousing network. Sugar is its core business at 82% of FY26 revenue, but SBT also offers a diverse range of agricultural products including bananas, coconuts, rice, and agricultural services. Differentiation into non-sugar businesses -- particularly rice and F&B -- is SBT's key growth driver going forward, in our view. See SBT's website [here](#).

Share price performance relative to VN


Market cap	US\$809mn
6M avg. Daily turnover	US\$2.7mn
Outstanding shares	935mn
Free float	60%
FINI ownership	23.8%
Major shareholders	49.0%
FY27E Asset/Equity (x)	3.1
FY27E PER (x)	25.2
FY27E P/B (x)	1.7
Trading platform	HOSE
FOL Room	76.3%

Financial outlook (VND bn)

Year to Jun	FY26	FY27E	FY28E	FY29E
Sales	26,733	28,602	34,201	41,122
Op. Profit	701	774	963	1,149
PATMI	842	922	1,133	1,351
EPS (VND)	864	897	1,135	1,354
EPS chg		3.8%	26.6%	19.3%
P/E (x)	26.1	25.2	19.9	16.7
ROE (%)	7.2	7.3	8.7	10.0
Div. Yield	--	--	--	--
DPS (VND)	--	--	--	--

Sources: SBT, Fiinpro-X, Bloomberg, Yuanta Vietnam

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Thanh Thanh Cong - Bien Hoa (SBT VN) Beyond Sweet Horizons

VND60tn ambition: SBT looks outside sugar. SBT targets VND60tn in revenue by FY30, implying 22.4% CAGR in FY26–30. Management's strategy to achieve this lofty target is to reduce the company's reliance on sugar while accelerating non-sugar businesses. Management expects sugar's dominance in the revenue mix to decline from 82% of sales in FY26 to ~60% by FY30, with growth of non-sugar businesses outperforms to reach ~40% of revenue by FY30.

Non-sugar is the key long-term growth driver. We expect non-sugar businesses, particularly rice and F&B, to drive SBT's medium- to long-term growth, and we forecast segment revenue to grow at 43.1% CAGR through FY30. Non-sugar revenue has already risen from 8% of total sales in FY25 to 18% in FY26, a vindication of SBT's strategy to reduce its P&L exposure to sugar prices and volumes in favour of a more diversified, higher-value product portfolio.

Sugar to maintain steady growth too, supported by rising domestic demand and ample room for supply expansion given that domestic production still covers less than half of demand. We forecast sugar revenue to grow at 8.1% CAGR in FY26–30, with sugar to remain a key contributor to SBT's revenue and earnings despite its ongoing business diversification.

FY27 growth to be driven by diversification. We forecast SBT's FY27 revenue to grow +7% YoY to reach VND28.6tn, supported by +47% growth in non-sugar revenue (VND7.2tn) but partly offset by a -2% decline in sugar revenue (VND21.4tn). We expect GM to expand +70bps YoY to 10.7%, supported by higher ASPs and a shifting revenue mix, resulting in FY27E PATMI growth of +9.5% YoY to reach VND922bn.

We initiate coverage with a BUY rating and a DCF-based target price of VND26,500 per share, implying 12-month TSR of 17.3%, assuming no cash dividend. Our target price reflects what we consider a reasonable valuation of 25.2x FY27E P/E, in line with the regional peer median.

ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES ARE LOCATED IN APPENDIX A.

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Executive Summary

We initiate coverage on SBT with a BUY rating and a target price of VND26,500 per share, implying 12-month TSR of 17.3%, assuming no cash dividend.

We view SBT as an attractive long-term investment opportunity in Vietnam's sugar industry, supported by its leading market position, steady growth in the core sugar business, and diversification into higher-growth non-sugar businesses, as outlined below:

1. **Leading position in Vietnam's sugar industry.** SBT is Vietnam's largest listed sugar producer by market capitalization as of Oct 14, 2026, with a 46% share of domestic sugar consumption in FY26. It also has the industry's largest sugarcane growing area (78k ha), production capacity (~4.7k tons/day), and warehousing network (35 warehouses, 130k sqm), providing a hard-to-replicate scale advantage over domestic peers and a strong foundation for its long-term growth ambitions.
2. **Sugar segment to maintain steady growth.** Building on its leading market position, we expect SBT's core sugar business to deliver steady long-term growth, supported by resilient domestic demand and ample room for domestic suppliers to accrue market share.

On the demand side, sugar consumption in Vietnam should continue to grow steadily, supported by long-term drivers including population growth, urbanization, and expansion of the food and beverage industry.

On the supply side, domestic sugar production currently meets less than half of consumption, leaving a significant supply-demand gap. Coupled with supportive sugar import policies (including anti-smuggling efforts), this environment should allow SBT and other large-scale domestic producers with extensive production capacity and sugarcane areas to gain market share.

We therefore expect sugar to remain a critical contributor to SBT's long-term revenue and earnings growth despite the company's accelerating diversification into non-sugar businesses. We forecast sugar revenue to grow at an 8.1% CAGR from FY26 to FY30.

3. **Non-sugar businesses to drive medium- to long-term growth.** With sugar revenue growth likely to ease going forward, we believe non-sugar businesses -- particularly rice and F&B -- are set to be the company's key growth drivers over the medium to long term.

We forecast SBT's non-sugar businesses to grow at a strong 43.1% CAGR from FY26 to FY30, lifting their revenue contribution to ~41% by FY30. Our assumption here is slightly above management's ~40% FY30 target.

This shift is already well underway, with non-sugar revenue contribution increasing from 8% in FY25 to 18% in FY26. This reflects SBT's progress in transitioning from a business reliant on sugar prices and volumes toward a more diversified, higher-value product portfolio.

4. **VND60tn revenue target with improving earnings quality.** Overall, we believe the combination of steady growth in the core sugar business and faster

expansion of non-sugar businesses should support the achievement of management's VND60tn revenue target by FY30 (implying 22.4% 5-year CAGR).

More importantly, the shift in the revenue mix toward higher-value products such as rice and F&B should drive production scale and meaningfully improve SBT's earnings quality over the long term, in our view.

We forecast SBT's revenue to grow at 17.1% FY26–30E CAGR, and we expect its PATMI to expand by 18.6% CAGR in the same period.

In addition, SBT has several potential events catalysts related to its restructuring and ecosystem expansion plans, which could support future business growth and the share price. These include:

1. **Expanding the sugarcane growing area** to 90k ha by FY30, up 15.8% from the current 78k ha.
2. **Divesting non-core investments**, including Gia Lai Electricity and TTC Dang Huynh.
3. **IPO of Bien Hoa Consumer Products JSC (BHC).**
4. **Increasing its stake in Ben Tre Import–Export JSC (Betrimex)** from 30.2% to ~40%.

We have not incorporated these restructuring and expansion plans into our valuation model, given the uncertainties around their execution and potential outcomes. However, we believe that these catalysts provide upside optionality for the business and the share price.

Company Overview

Thanh Thanh Cong – Bien Hoa JSC (HOSE: SBT) is Vietnam's largest listed sugar producer and trader by market capitalization (as of Oct 14). SBT is also a diversified agricultural company, offering a wide range of products and services, including bananas, coconuts, rice, and agricultural services, among others.

Management states that the company also leads the domestic sugar market, with a 46% share of domestic sugar consumption in FY26. In addition, SBT has established a broad export network spanning more than 76 countries, including high-standard markets such as the US, Europe, and Japan.

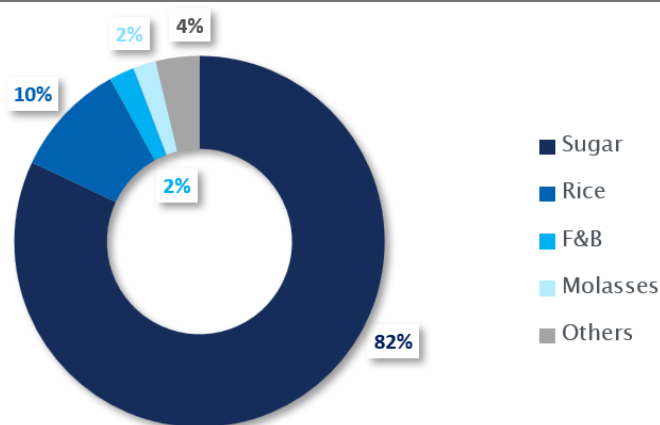
Table.1: Vietnam Sugar Sector – Top 5 by Market Cap

Ticker	Name	Exchange	Market Cap (USD mn)*
SBT	Thanh Thanh Cong – Bien Hoa	HOSE	809
QNS	Quang Ngai Sugar	UPCoM	673
SLS	Son La Sugar	HNX	60
LSS	Lam Son Sugar	HOSE	30
CBS	Cao Bang Sugar	UPCoM	5

*Source: SBT, FiinPro-X, Yuanta Vietnam (*Market cap as of Oct 14, 2026)*

Sugar is SBT's core product, contributing 82% of FY26 revenue. The company has also expanded into non-sugar products, including rice (10% of revenue) and F&B (2%), among others, helping diversify its product portfolio and expand its customer base.

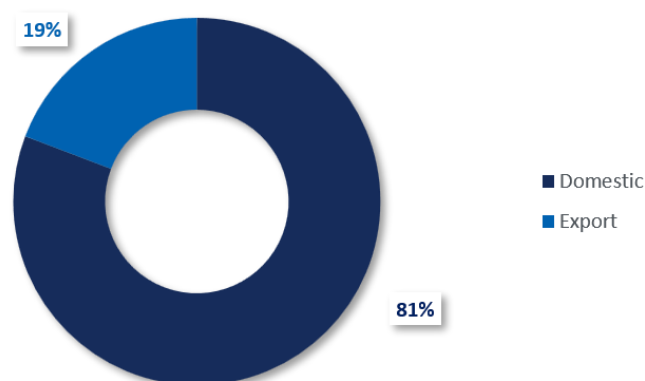
Fig.1: SBT's Revenue Mix By Product in FY26



Source: SBT, Yuanta Vietnam

SBT's revenue is primarily generated from the domestic market, which accounted for ~81% of SBT's FY26 revenue. Exports contributed the remaining 19%, and SBT's key export markets include Cambodia, Singapore, Laos, Switzerland, and the UK. Beyond these key markets, SBT has expanded its export footprint to ~71 other countries worldwide, including highly regulated markets such as Australia, Europe, and Japan.

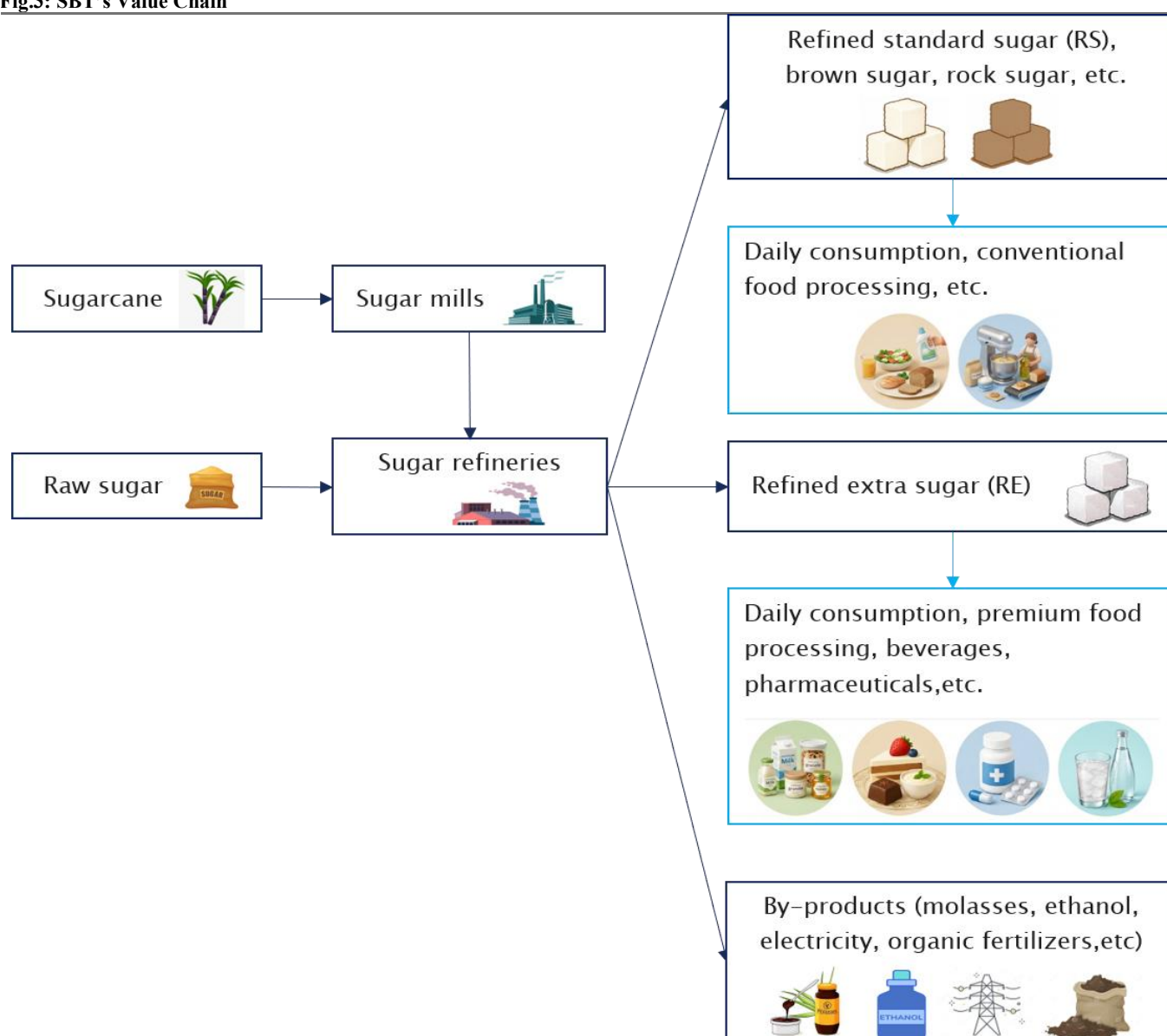
Fig.2: SBT's Revenue Mix By Market in FY26



Source: SBT, Yuanta Vietnam

SBT is highly integrated across the sugar value chain. Its sugar production operations span sugarcane cultivation, raw sugar sourcing, and refined sugar production. The company also leverages by-products to develop co-products and downstream products, including molasses, ethanol, biomass power, and organic fertilizers.

Fig.3: SBT's Value Chain



Source: SBT, Yuanta Vietnam

Flexible year-round sourcing strategy. Given the relatively short sugarcane crushing season, which lasts only about 4–6 months (from ~October to ~March), SBT proactively combines production from sugarcane and raw sugar. Refining raw sugar during the off-season (July–November) is a strategic approach that allows the company to optimize plant utilization and ensure stable sugar supply year-round.

Key differences between the two processing methods. While both methods ultimately serve the same purpose of supplying products to the market, SBT's two production approaches differ substantially in terms of value-added potential:

- **Sugarcane-based production (higher value-added):** This process produces a broader range of products, including raw sugar, Refined Standard (RS), Refined Extra (RE), brown sugar, and rock sugar. Sugarcane crushing also generates valuable by-products such as molasses, which can be sold directly or used as feedstock for ethanol and caramel production, and bagasse, which can be used for power generation or fertilizer production. Please refer to Fig.3 for an illustration of the production process.

Table.2: RS vs. RE Sugar Key Differences

Criteria	Refined Standard Sugar (RS)	Refined Extra Sugar (RE)
Purity	High (≥ 99.8% sucrose)	Very high (≥ 99.9% sucrose)
Color	Off-white or slightly yellowish	Pure white
Raw Materials	Sugarcane	Raw sugar or sugarcane
Production Process	Directly produced from extracted sugarcane juice	Refined from raw sugar
Key Applications	Daily consumption and conventional food processing	Premium food processing, pharmaceuticals, and beverages
By-products	Yes (molasses, bagasse, syrup, etc.)	No significant by-products
Production Cost	Lower than RE sugar	Higher
Supply Stability	Dependent on sugarcane harvest seasons	More flexible

Source: SBT, Yuanta Vietnam

- **Raw sugar refining (lower value-added):** This process mainly produces premium RE sugar. SBT flexibly sources raw sugar from overseas markets such as Thailand, Australia, and Brazil, or from domestic raw sugar producers. However, this approach is lower value-added because it does not allow SBT to capture the value of the agricultural by-products generated during the initial sugarcane processing stage.

Expanding revenue through trading activities. In addition to its two core production activities, SBT actively sources finished sugar products from domestic and international partners for trading purposes. This strategy allows the company to quickly capture market arbitrage opportunities, optimize its product portfolio, and expand its nationwide market share.

Sugar segment COGS and profitability breakdown. We estimate that the cost of finished sugar purchased for trading currently accounts for ~45–50% of SBT's sugar segment COGS. We estimate that raw sugar costs for production purposes account for ~20–25% of COGS, while sugarcane costs account for ~18–22%.

Sugarcane-based production is the most profitable. We estimate that sugarcane-based production generates this segment's highest gross margin at ~15-35%, followed by raw sugar refining at ~8-15%. By contrast, trading activities generate a relatively low gross margin of ~1-5%, as profitability mainly derives from the buying-selling price spread.

Fig.4: Sugar COGS Breakdown by Source

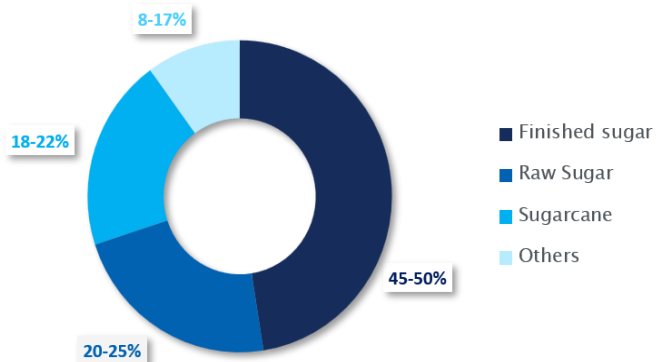
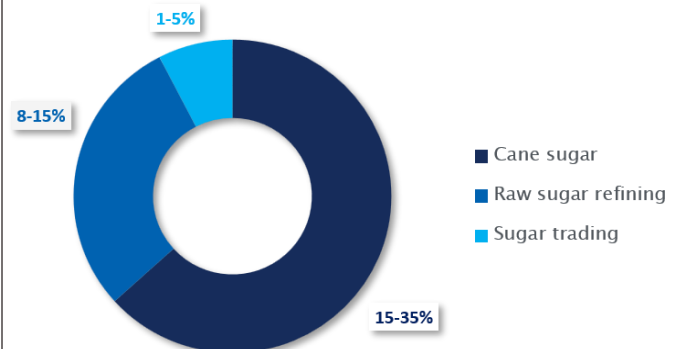


Fig.5: Gross Margin by Business Activity



Source: SBT, Yuanta Vietnam

Diversified product portfolio. SBT currently offers 88 sugar product lines, eight co- and downstream sugar products, and four nutritional beverages made from sugarcane and purified water. In addition, the company has more than 134 other products derived from ingredients such as banana, coconut and rice. This diversified product portfolio allows SBT to serve a broad range of customer needs.

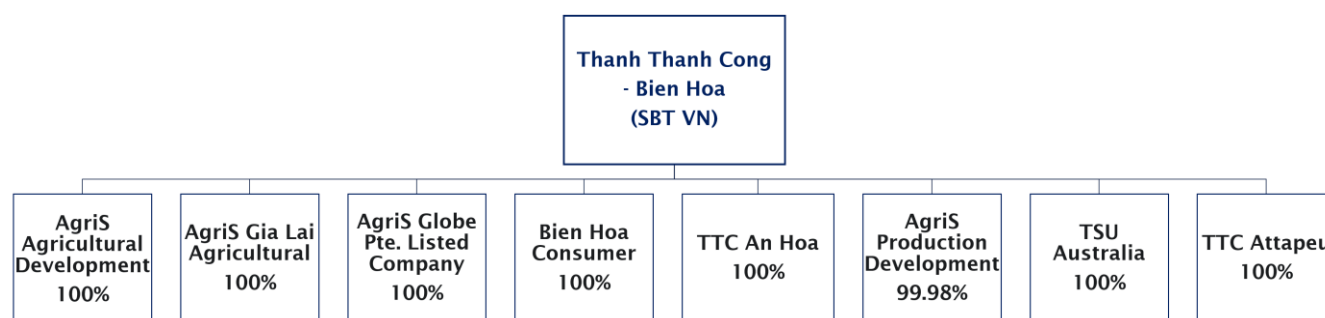
Fig.6: SBT Product Portfolio Breakdown



Source: SBT, Yuanta Vietnam

SBT's ecosystem comprises 8 direct subsidiaries, 21 indirect subsidiaries, and 5 associates.

Fig. 7: SBT's Subsidiaries

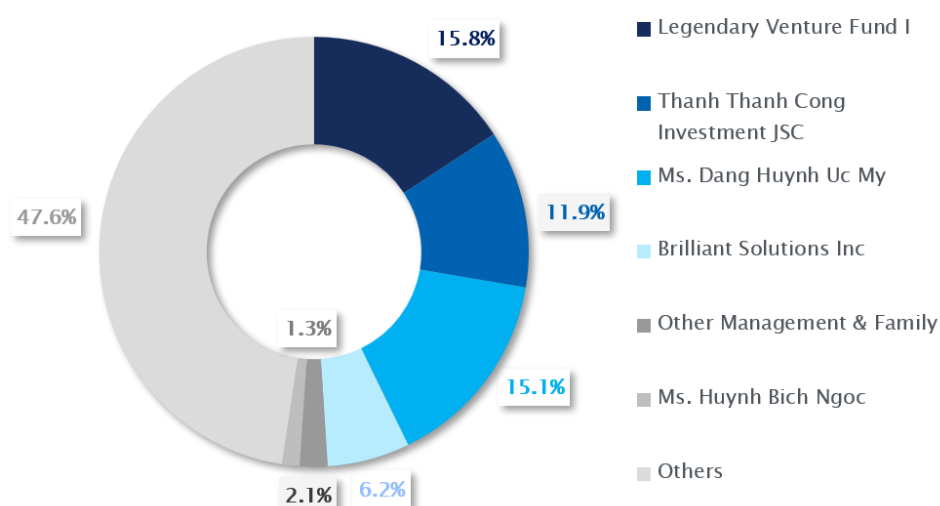


Source: SBT, Yuanta Vietnam (Data as of Oct 14)

Shareholding structure. SBT has a relatively concentrated shareholder base, with insiders and related parties collectively holding 30.4% of its charter capital as of Oct 14, 2026. Specifically, Ms. Dang Huynh Uc My, SBT's Chairwoman, holds a 15.1% stake, while Ms. Huynh Bich Ngoc, a Board member and Ms. My's mother, holds 1.3%. In addition, Thanh Thanh Cong Investment JSC, where Ms. Ngoc serves as Standing Vice Chairwoman and CEO and Ms. My serves as a Board member, holds a 11.9% stake. Other members of management and their family members collectively hold a further 2.1%.

Beyond insiders and related parties, SBT's shareholder base also includes foreign investors, notably Legendary Venture Fund 1 and Brilliant Solutions Inc, which hold 15.8% and 6.2% of charter capital, respectively.

Fig.8: SBT's Shareholding Structure



Source: SBT, Yuanta Vietnam (Data as of Oct 14, 2026)

Dividend policy. In FY26, SBT issued two convertible bonds to shareholders, with conversion ratios of 85.5113 shares per bond and 162.91 shares per bond, respectively, at an issuance price of VND100,000 per bond. In addition, the company has paid stock dividends (not cash) since FY21. We expect SBT to maintain a 100:6 stock dividend in FY27.

Table.3: SBT's Dividend Track Record

Year	Cash dividend	Stock dividend	Convertible bond subscription rights	Payout ratio	Dividend yield (Based on close price as at Oct 14)
FY19	VND500/share (5%)		--	109.0%	2.2%
FY21	--	100:7 (7%)	--	--	--
FY20 & FY22	--	100:10 (10% in total)	--	--	--
FY23 & FY24	--	100:10 (10% in total)	--	--	--
FY25	--	100:6 (6%)	--	--	--
FY26	--	--	162.91:1 (0.61%); VND100,000/bond 85.5113:1 (1.17%); VND100,000/bond	--	--
FY27E	--	100:6 (6%)	--	--	--

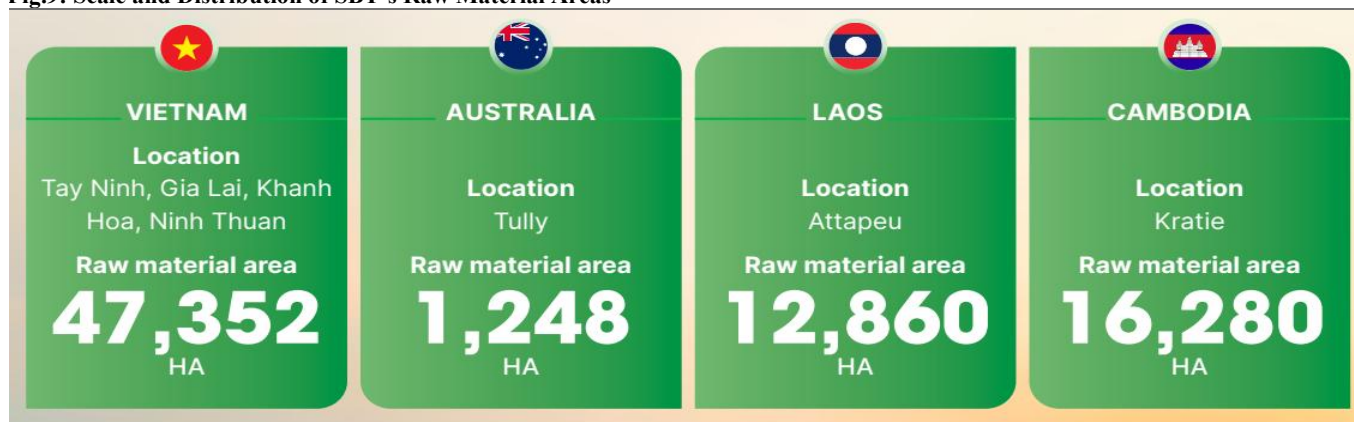
Source: SBT, Yuanta Vietnam (Data as of Oct 14)

Competitive advantages:

1. **Enormous raw material growing area.** SBT currently boasts the largest sugarcane growing area among domestic producers, totalling more than 78k ha. This substantially exceeds the land area of industry peers such as QNS (31.6k ha), LSS (15.0k ha), and SLS (9.7k ha).

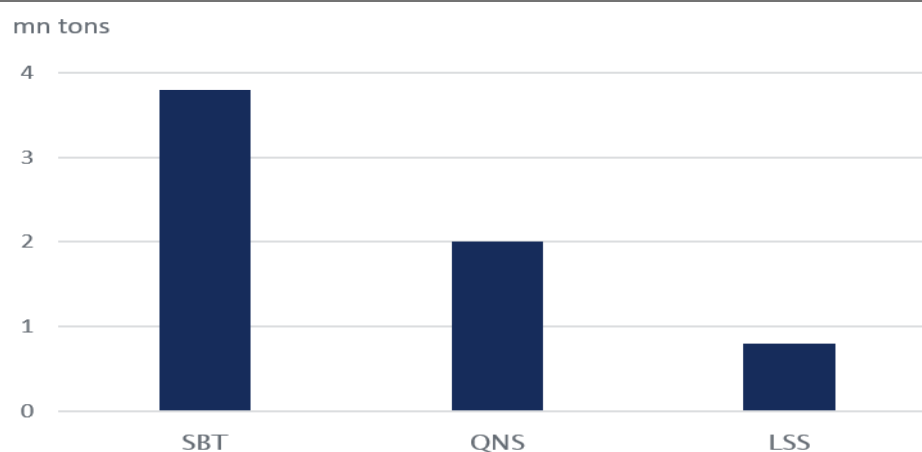
Domestic sugar cane landbank accounts for 60% of SBT's total, as ~47k ha is strategically located in Tay Ninh, Gia Lai, Khanh Hoa, and Ninh Thuan. These areas offer favorable climate and soil conditions for sugarcane cultivation and their proximity to SBT's production facilities, helping optimize logistics costs and improve efficiency across the value chain.

Multi-country sugarcane sources -- a unique industry advantage. Beyond its leading domestic cultivation area, SBT is the only Vietnamese sugar producer with foreign sugarcane plantations. Its external sugarcane growing areas total more than 30k ha in Cambodia (16.3k ha), Laos (12.9k ha), and Australia (1.2k ha),

Fig.9: Scale and Distribution of SBT's Raw Material Areas


Source: SBT, Yuanta Vietnam

Accordingly, SBT's annual sugarcane production volume is the largest among domestic peers, averaging ~3.8mn tons per year. This is ~90% higher than annual production at QNS (2.0mn tons per year) and 4.8x that of LSS (0.8mn tons per year).

Fig.10: Sugarcane Harvest by Producer

Source: SBT, QNS, LSS, Yuanta Vietnam

Continued expansion of sugarcane growing area to maintain market leadership. SBT targets expanding its sugarcane growing area to 90k ha by FY30, up ~15.8% from the current level. This should further strengthen its supply self-sufficiency and leading industry position.

- Largest sugar production capacity in Vietnam.** SBT operates 10 sugar plants with total capacity of ~4,740 tons of sugar per day, including eight plants in Vietnam, one in Laos, and one in Cambodia. This is significantly higher than the second-largest player, QNS, which operates one plant with capacity of ~2,000 tons per day. SBT's plants in Vietnam are located close to its sugarcane growing areas, shortening transportation distances and improving operating efficiency across the value chain, as discussed above.

Table.4: Sugar Production Capacity Comparison

	SBT	QNS	LSS	SLS	KTS
Number of plants	10	1	2	1	1
Capacity (tons/day)	4,740	2,000	1,000	500	250

Source: SBT, Company data, Yuanta Vietnam (Data as of Oct 14, 2026)

- Largest warehousing network in Vietnam's sugar industry.** SBT operates the largest warehousing network among sugar producers in Vietnam, with 35 warehouses in total, including 33 in Vietnam, one in Laos, and one in Cambodia. Its warehouses cover a total area of 130,385 sqm. Its warehouse footprint is substantially larger than the second-largest player, QNS, which has 15 warehouses with 50,000 sqm of storage capacity. In addition, SBT is also the only sugar company in Vietnam with overseas warehouses.

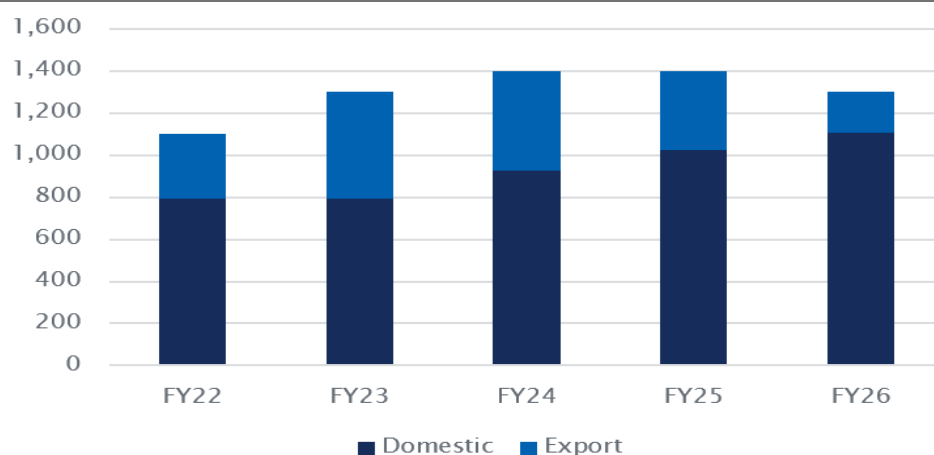
Table.5: Warehousing Footprint Comparison

Company	Number of Warehouses			Warehouse Area (sqm)		
	Domestic	Overseas	Total	Domestic	Overseas	Total
SBT	33	2	35	105,365	25,020	130,385
QNS	15	0	15	59,926	0	59,926
SLS	9	0	9	30,000	0	30,000
LSS	6	0	6	20,000	0	20,000

Source: SBT, Company data, Yuanta Vietnam

SBT's sugar distribution channels. SBT distributes sugar through both domestic and export channels. In FY26, the domestic market accounted for 85% of total sugar sales volume, while exports made up the remaining 15%.

Fig.11: SBT's Historical Distribution Channel Mix (k tons)

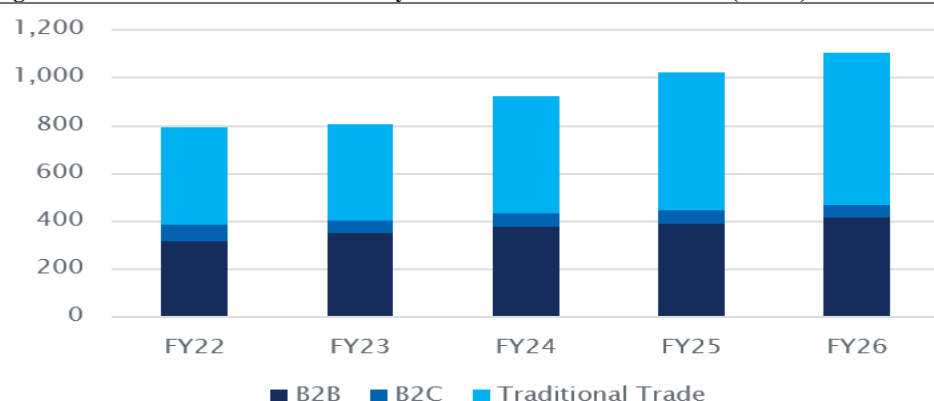


Source: SBT, Yuanta Vietnam (Data as of Oct 14, 2026)

Domestic channels. SBT's domestic sales volume grew steadily at a CAGR of 8.7% in FY22–FY26, driven by the following channels:

- **Industrial customers – B2B:** Accounted for ~38% of domestic sales volume in FY26. Sales volume through this channel is generally stable, as SBT's major F&B customers such as Pepsi, Coca-Cola, Unilever, Yakult, and Ajinomoto typically sign 3–5 year long-term contracts at fixed prices, thus limiting SBT's near-term exposure to sugar price volatility.
- **Direct consumers – B2C:** Accounted for ~5% of domestic sales in FY26. Channel sales volume is relatively stable, as products are distributed through supermarkets and convenience stores that require clear product origins and established brands. As such, this channel is somewhat insulated against competition from illicit sugar imports (*see page 36 for details*).
- **Traditional trade:** Accounted for ~58% of domestic sales volume. This channel distributes sugar through wholesale markets and distributors for resale to end consumers. Customers in this channel are generally price-sensitive and place less emphasis on product quality. As such, the trading channel is more exposed than the B2B and B2C channels to competition from low-priced illicitly imported sugar and short-term market fluctuations.

Fig.12: SBT's Domestic Sales Volume by Channel over the Past 5 Years (k tons)



Source: SBT, Yuanta Vietnam (Data as of Oct 14, 2026)

Export channel: Accounted for 15% of total sugar sales volume in FY26. Preferential tariff treatment under CPTPP, EVFTA, and RCEP has facilitated SBT's exports to markets such as China, South Korea, Japan, Canada, and ASEAN.

Table.6: Preferential Trade Accords Supporting SBT's Export Outlets

Agreement	Effective Date	Preferential Tariff Policy	Export Markets Supported by FTAs
CPTPP	January 1, 2019	Tariffs reduced from 15%–20% to 0% over a 5–10-year period	Japan, Canada, Australia, New Zealand
EVFTA	August 1, 2020	0% tariff	EU
RCEP	January 1, 2022	Tariffs gradually reduced from 10%–15% to near 0% over a 15-year implementation schedule	China, Singapore, Australia, Japan, South Korea, ASEAN, New Zealand

Source: Vietnam Trade Repository, Yuanta Vietnam

VND60tn ambition: SBT redraws its growth roadmap, not relying solely on sugarcane. SBT targets VND60tn in revenue by FY30, implying 22.4% FY26–FY30 CAGR. SBT's strategy to achieve this target is to gradually reduce its historically high reliance on sugar sales while accelerating its non-sugar businesses. Accordingly, management targets sugar to account for ~60% of revenue by FY30, with non-sugar businesses to contribute ~40%.

SBT plans to focus on three key growth drivers to achieve this target in the coming years:

1. **Expanding strategic non-sugar businesses.** SBT will continue to expand businesses with strong growth potential and higher value-added, including rice, coconut, fruit, and its F&B ecosystem, thereby broadening its product portfolio and gradually increasing the revenue contribution from non-sugar businesses to 40%.
2. **Expanding the ecosystem.** The company aims to expand its raw material area, invest in technology, pursue selective M&A, and gradually unlock value from its subsidiaries, thereby increasing the scale and capabilities of its broader ecosystem.
3. **Improving operational efficiency** through digital transformation and high-tech agricultural solutions. Management also plans to leverage sustainable food consumption trends and the benefits of Vietnam's free trade agreements to improve productivity, optimize costs, and expand its markets.

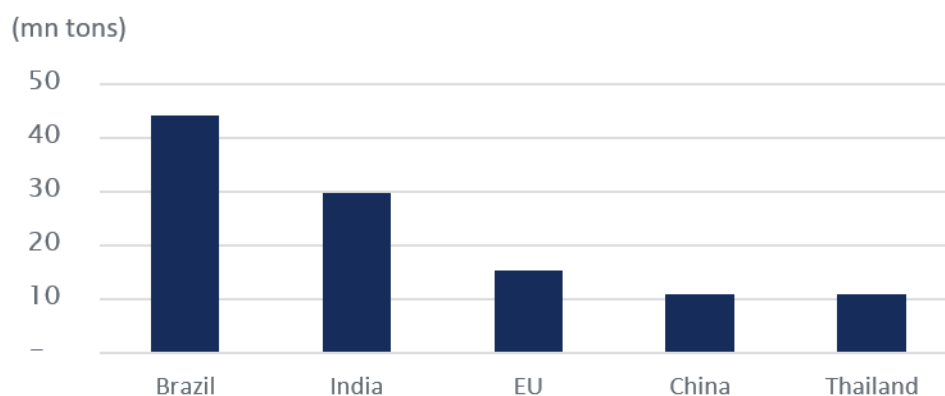
Industry Outlook: Tightening supply supports sugar price recovery

Brazil shapes the global sugar market

Global sugar supply and prices are heavily dependent on Brazil and India. According to the OECD-FAO, global sugar production totaled ~183mn tons in FY26 (note that OECD-FAO bases its annual forecasts on the year ending September, rather than the calendar year. To reduce confusion, we apply “FY26” here to the year ending in September 2026 and adopt this approach throughout the report).

Brazil was the world’s largest sugar producer at 44mn tons (or ~24% of global production in FY26), followed by India with 30mn tons (16%). As the world’s two largest sugar producers, Brazil and India play a critical role in shaping global sugar supply and price movements.

Fig.13: Top Global Sugar Producers (FY26)

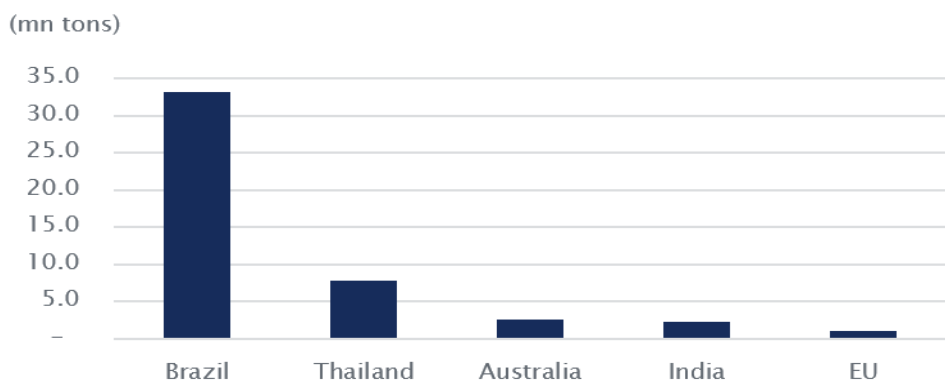


Source: OECD-FAO, Yunta Vietnam

Brazil is also the world’s largest sugar exporter, with 33mn tons shipped in FY26, accounting for 53% of global sugar exports (source: OECD-FAO). Given this dominant scale, changes in Brazil’s sugarcane yields, allocation between sugar and ethanol production, and export progress typically have a meaningful impact on the global supply price of sugar.

Thailand and Australia follow Brazil, with sugar exports of 7.8mn tons and 2.7mn tons, respectively. The export policies of these countries are also important factors affecting global sugar supply, although less so than Brazil’s.

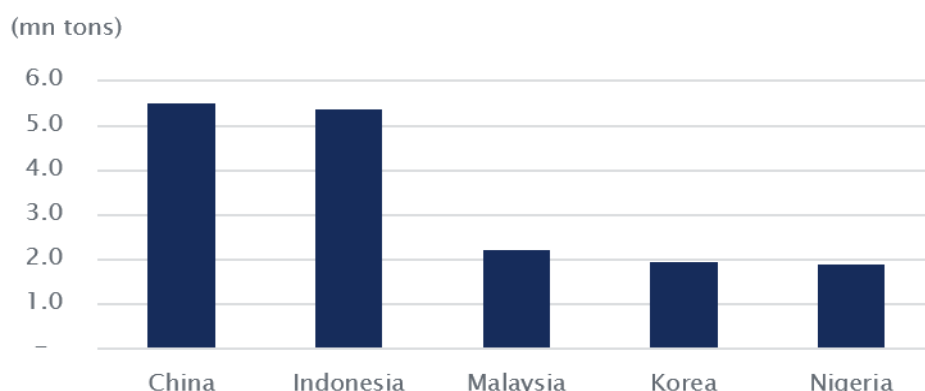
Fig.14: Top Global Sugar Exporters (FY26)



Source: OECD-FAO, Yunta Vietnam

Key sugar importing countries. China was the world's largest sugar importer in FY26, followed by Indonesia and Malaysia (source: OECD-FAO). Therefore, import policies and consumption demand in these markets also have a significant impact on global sugar trade flows.

Fig.15: Top Global Sugar Importers (FY26)



Source: OECD-FAO, Yuanta Vietnam

Rising Asian demand supports Vietnam's sugar industry outlook

Asia is the key growth driver of the global sugar market. Based on OECD-FAO forecasts, global sugar production is likely to grow at 1.1% CAGR in FY26-35, reaching 203mn tons by FY35.

OECD-FAO expects Brazil to remain the world's largest producer. However, Asia is set to remain the key driver of global sugar supply growth, maintaining its position as the world's largest sugar-producing region.

Asian sugar production is forecast to grow at 1.6% CAGR over the same period, reaching 83mn tons by FY35 and contributing ~59% of the increase in global sugar production over the next decade. This trend is likely to be supported by improved production efficiency across the region. Major producers such as India, China, and Thailand are likely to contribute most of the increase through higher sugarcane yields, improved sugar recovery rates, expanded processing capacity, and supportive industry policies.

Fig.16: Brazil Wears the Individual Crown...

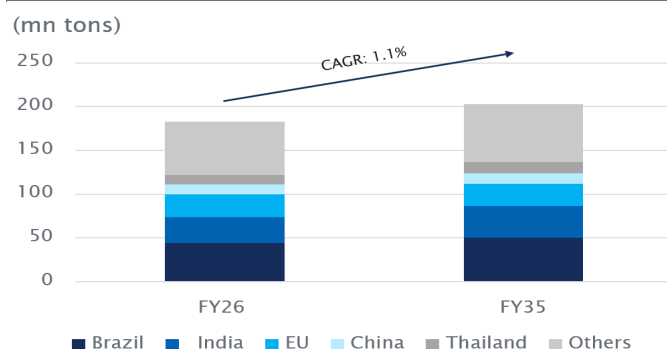
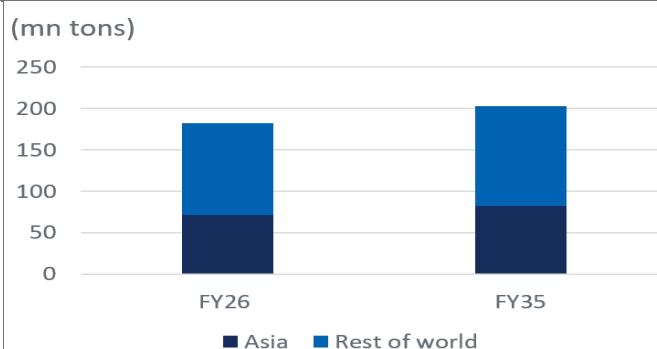


Fig.17: ...But Asia Takes the Regional Lead through FY35

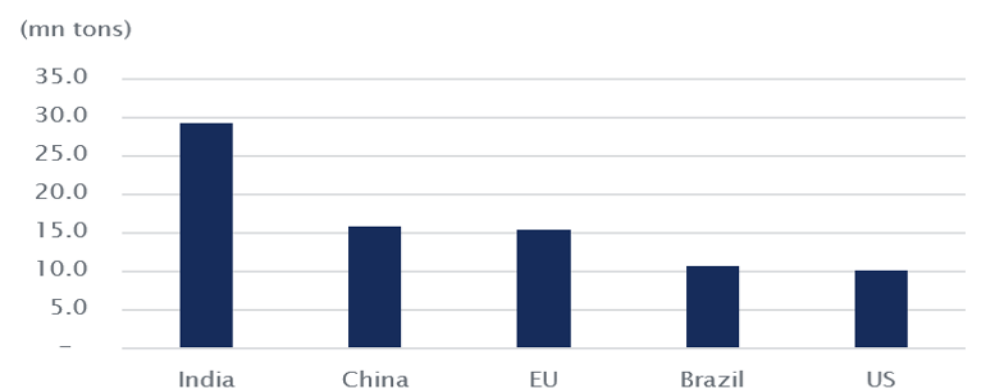


Source: OECD-FAO, Yuanta Vietnam

Asia also drives global demand growth. The OECD-FAO forecasts global sugar consumption to grow at 1.0% CAGR in FY26-35, reaching 199mn tons by FY35, primarily driven by population growth. Asia is likely to remain the world's largest sugar-consuming region, with consumption forecast to grow at 1.4% CAGR over the same period, reaching 107mn tons by FY35 and contributing ~74% of the increase in

global sugar consumption. Growth in Asia should be supported by population growth, urbanization, and rising incomes, all of which drive demand for processed foods and beverages.

Fig.18: Top Global Sugar Consumers (FY26)

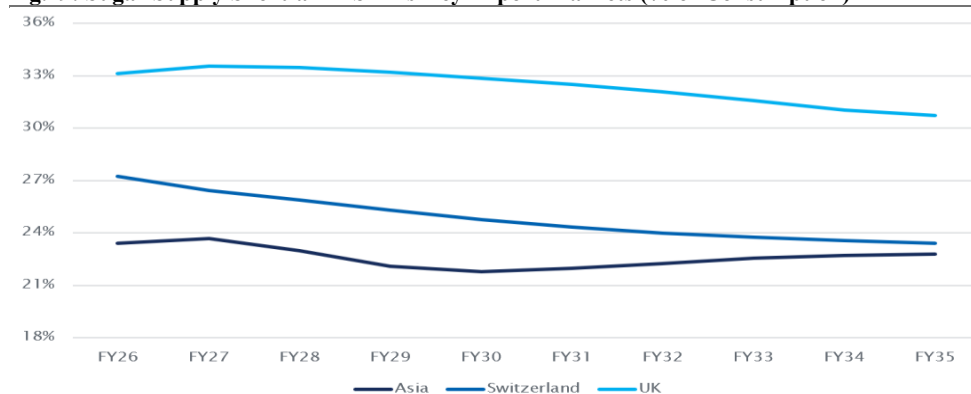


Source: OECD-FAO, Yuanta Vietnam

We expect persistent demand from SBT's key export markets going forward. Notably, the OECD-FAO data indicates that several key markets for SBT (e.g., Asia, Switzerland, and the UK), are likely to remain substantially reliant on imported sugar over the next 10 years, as domestic production is insufficient to meet demand.

We believe this environment suggests ample room for SBT to expand its export business, particularly as the company continues to broaden its distribution network and diversify its markets outside Vietnam.

Fig.19: Sugar Supply Shortfall in SBT's Key Export Markets (% of Consumption)



Source: OECD-FAO, Yuanta Vietnam

FY27 global sugar: Supply-demand balance shifts, prices recover

From surplus to tightening: the foundation for a rebound. Following a global sugar surplus of ~2.2mn tons (source: ISO), global raw and RS sugar prices declined by ~21% and 18% YoY, respectively, to average 323/418 USD per ton in FY26.

We expect the global supply-demand balance to tighten again in FY27 due to (1) rising weather risks in key sugar-producing regions in Asia and (2) increasing competition for sugarcane between sugar and ethanol production. Meanwhile, consumption should continue to grow, supported by population and income growth, providing a foundation for sugar prices to recover.

Weather risks threaten global sugar supply. The Climate Prediction Center forecasts a more than 90% probability of a very strong El Niño event in late 2026-early 2027, while the World Meteorological Organization (WMO) and India Meteorological

Department (IMD) have both warned that the 2026 Southwest Monsoon in India is likely to be below the long-term average. These weather conditions increase the risk of lower global sugarcane production, particularly in Asia.

India: Sugar exports to tighten. Reuters expects India, the world's fourth-largest sugar exporter, to meaningfully reduce its sugar exports for at least the next three crop years, as adverse weather conditions weigh on sugarcane supply while domestic ethanol demand continues to increase.

Thailand also presents global supply pressure. Similarly, StoneX forecasts Thailand's sugar production, the world's second-largest sugar exporter, to decline 14.6% YoY to 10.2mn tons in FY27. This is due to a contraction in sugarcane acreage as lower sugarcane profitability relative to that of competing crops such as cassava reduces the incentive to plant, while El Niño increases the risk of lower yields.

Ethanol competes with sugar production in Brazil. In addition, global sugar supply is facing further pressure from Brazil, the world's largest sugar exporter. Sugarcane allocated to ethanol production continues to compete with sugar production.

Brazil's National Council for Energy Policy (CNPE) raised the nation's mandatory ethanol blending rate in gasoline from 30% to 32%, effective August 1, 2026. This policy could encourage mills to allocate more sugarcane to ethanol rather than sugar production, particularly as global energy prices remain elevated amid the conflict in the Middle East.

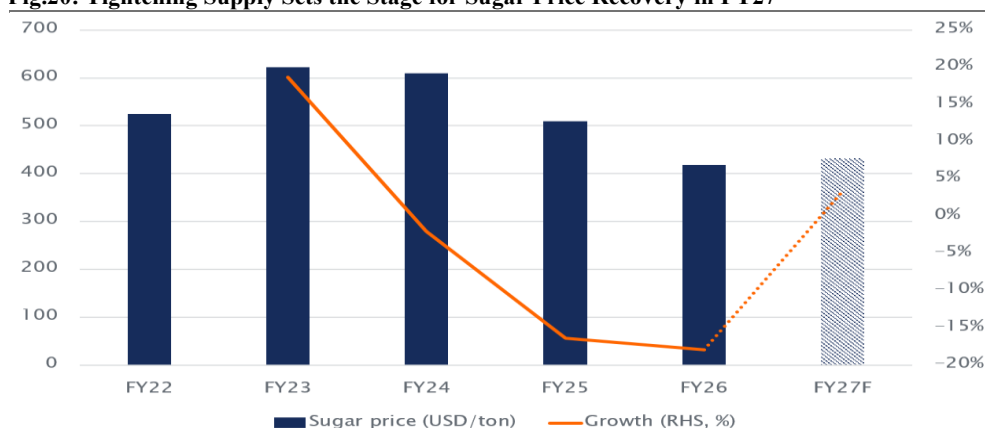
The USDA forecasts the share of Brazil's sugarcane allocated to sugar production to decline by 1.5 percentage points YoY to 48% in FY27, while the share allocated to ethanol production is expected to increase to 52%.

Taken together, all three of the world's largest sugar exporters present the risk of lower production in FY27, weighing on the outlook for global sugar supply, particularly in Asia.

Thus, we expect global sugar prices to increase in FY27. Based on the above factors, we expect global sugar prices to recover as the market shifts from surplus to tighter supply-demand conditions in FY27, while consumption demand remains positive.

In line with our view, the OECD-FAO forecasts global sugar prices to increase by ~3.3% YoY to USD432/ton in FY27, as global production is expected to decline slightly by 0.1% YoY, reflecting the factors discussed above, while consumption continues to grow by 1.1% YoY to ~182mn tons.

Fig.20: Tightening Supply Sets the Stage for Sugar Price Recovery in FY27



Source: OECD-FAO, Yuanta Vietnam

Vietnam sugar industry has ample room to grow

Vietnam's sugar industry remains relatively small on the global stage. The Vietnam Sugarcane and Sugar Association (VSSA) estimates that Vietnam processed ~13.3mn tons of sugarcane in FY26 (i.e, the year that ended in June 2026), equivalent to ~8% of ASEAN's processed sugarcane volume and only ~1% of the global total.

On the output side, VSSA estimates Vietnam's sugar production at 1.3mn tons in FY26, accounting for only ~7% of total ASEAN sugar production and 0.6% of global sugar production (source: USDA FAS).

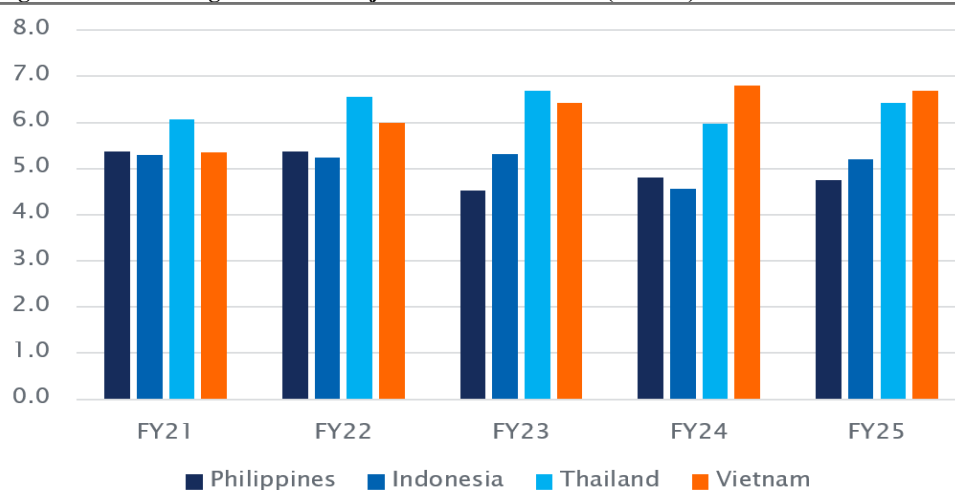
These figures highlight the relatively small scale of Vietnam's sugar industry in the global market.

However, Vietnam leads ASEAN in production efficiency. Despite its relatively small production scale, Vietnam maintains a notable advantage in production efficiency. In FY26, Vietnam's average sugarcane yield reached 67.3 tons/ha, ~7.0% below the global average but ~20% above the ASEAN average (sources: VSSA, FAOSTAT), reflecting the country's leading cultivation efficiency in the region.

Based on VSSA's estimates of sugarcane processed and sugar production, as discussed above, together with its forecast that Vietnam's sugarcane area will remain at around 190k ha in FY26, we expect Vietnam's sugar yield to reach ~6.8 tons/ha in FY26, maintaining its leading position in ASEAN for the third consecutive year.

These figures highlight the high level of cultivation and processing efficiency maintained by Vietnam's sugar industry within the region, which supports the industry's competitiveness despite its relatively small production scale.

Fig.21: Historical Sugar Yield of Major ASEAN Producers (tons/ha)

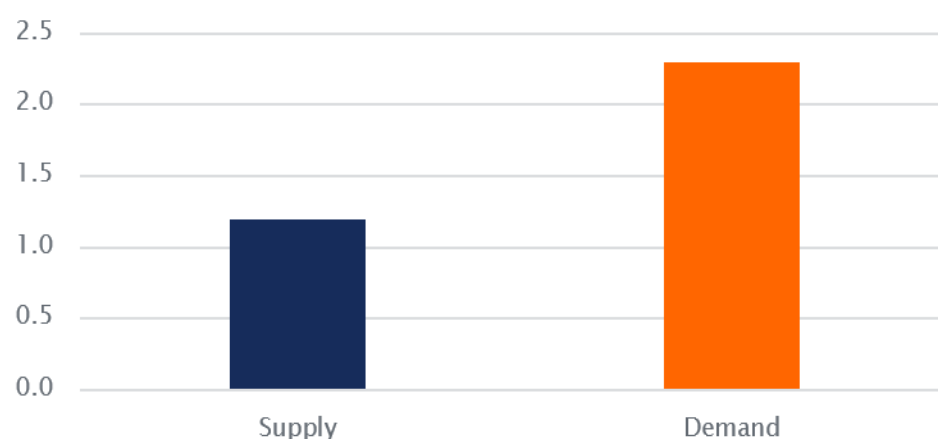


Source: VSSA, Yuanta Vietnam

The supply-demand gap leaves substantial room for domestic supply growth. Despite its high production efficiency, Vietnam's domestic sugar supply remains well below actual market demand. According to Vietnam's Ministry of Agriculture and Environment, domestic sugar demand is currently ~2.2-2.4mn tons per year, while actual production capacity is only ~1.1-1.3mn tons per year.

As a result, domestic sugar production currently meets less than half of consumption demand. This significant supply-demand gap indicates that Vietnam's sugar industry still has substantial room to expand production in the coming years.

Fig.22: Vietnam Sugar Supply-Demand Snapshot (mn tons)



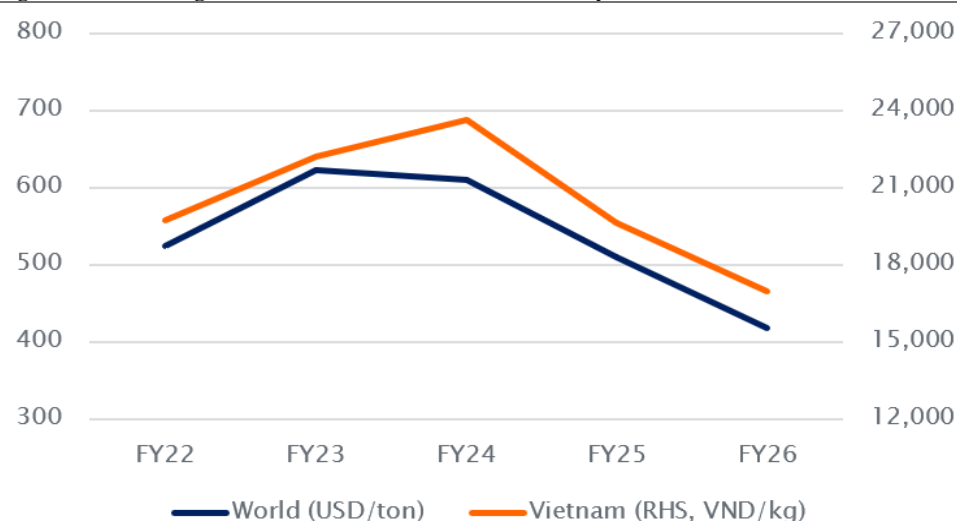
Source: World Bank, Yuanta Vietnam

Long-term demand growth supports Vietnam's sugar industry outlook. Over the long term, the OECD-FAO forecasts sugar consumption in Vietnam to continue growing, supported by fundamental drivers such as population growth, urbanization, and the expansion of the food and beverage industry.

Specifically, the OECD-FAO forecasts Vietnam's sugar consumption to grow at a CAGR of 1.4% from FY26 to FY35, reaching 2.7mn tons by FY35. We believe steady growth in sugar consumption, combined with further room for domestic supply expansion, will support the long-term development of Vietnam's sugar industry.

Vietnamese sugar prices generally move in line with global prices, but with a substantial premium. The correlation of price changes in Vietnam and globally has been 97% over the past five years. However, Vietnamese sugar prices have typically been ~46% higher than global prices, partly supported by domestic market protection measures, including anti-dumping (AD), countervailing duty (CVD), and anti-circumvention measures.

Fig.23: Vietnam Sugar Prices Follow Global Trends Closely, But With A Premium



Source: AgroMonitor, OECD-FAO, Yuanta Vietnam

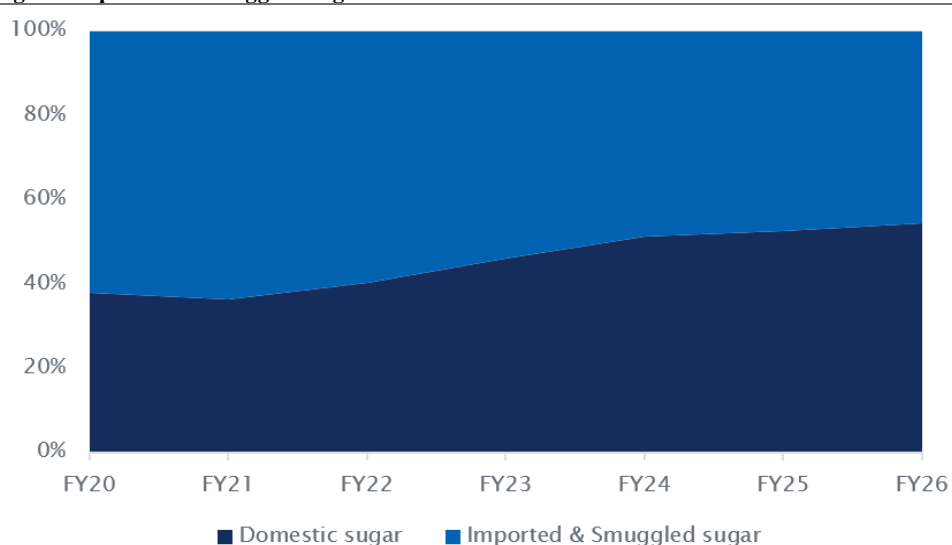
Protectionist policies strengthen the domestic sugar industry. These policies have narrowed the price gap between imported and domestically produced sugar, thereby reducing competitive pressure from imports. In addition, the authorities have acted aggressively to strengthen controls on smuggled sugar in recent years.

Table.7: Trade Policies Bolster Domestic Sugar

Period	Trade Policy / Tax Policy	Impact on Domestic Production
Jan-20	Tariff quota abolished for ASEAN sugar	Domestic sugar prices declined, putting pressure on domestic producers
Jun-21	Imposed 47.64% AD & CVD on Thai sugar	Supported domestic sugar prices and improved the competitiveness of local producers
Aug-22	Imposed 47.64% anti-circumvention duty on sugar from 5 ASEAN countries	Further supported domestic sugar prices and reduced competitive pressure from imported sugar
FY23-FY24	Tightened border controls to curb sugar smuggling	Improved the competitive environment for domestic producers
Mar-25	Strengthened measures against sugar smuggling and trade fraud	Further improved the competitive environment for domestic producers
Jun-26	Extended AD & CVD on Thai sugar and anti-circumvention duties on sugar from 5 ASEAN countries	Extended trade protection for domestic sugar producers through 2031
FY26 onward	Continued efforts to curb sugar smuggling	Continued to support a more level playing field for domestic producers

Source: Vietnam Ministry of Industry and Trade (MoIT), Yuanta Vietnam

As a result, the share of imported sugar (including smuggled sugar) in total domestic supply has gradually declined since 2021, as illustrated in the figure below.

Fig.24: Imported & Smuggled Sugar Share Trends Lower

Source: AgroMonitor, ISO, OECD-FAO, Yuanta Vietnam

El Niño: a risk both for the global and domestic sugar markets. In line with the global trend, the National Center for Hydro-Meteorological Forecasting has also warned that El Niño could develop and strengthen in Vietnam toward late 2026 and persist into early 2027. We believe this could weigh on domestic sugarcane production over the next year.

Combined with the tightening supply outlook in major sugar-producing regions globally and in Asia, as discussed above, we believe these factors will add upward pressure on Vietnamese sugar prices.

The domestic supply–demand gap is set to widen further. The OECD–FAO forecasts Vietnam’s sugar production to decline 2.6% YoY in FY27, whereas it expects consumption to increase 1.1% YoY.

This divergence is likely to widen the domestic supply–demand gap, which is already substantial given that domestic production meets less than half of consumption demand: annual production is ~1.1–1.3mn tons while demand is 2.2–2.4mn tons. This environment should add further upward pressure on domestic sugar prices.

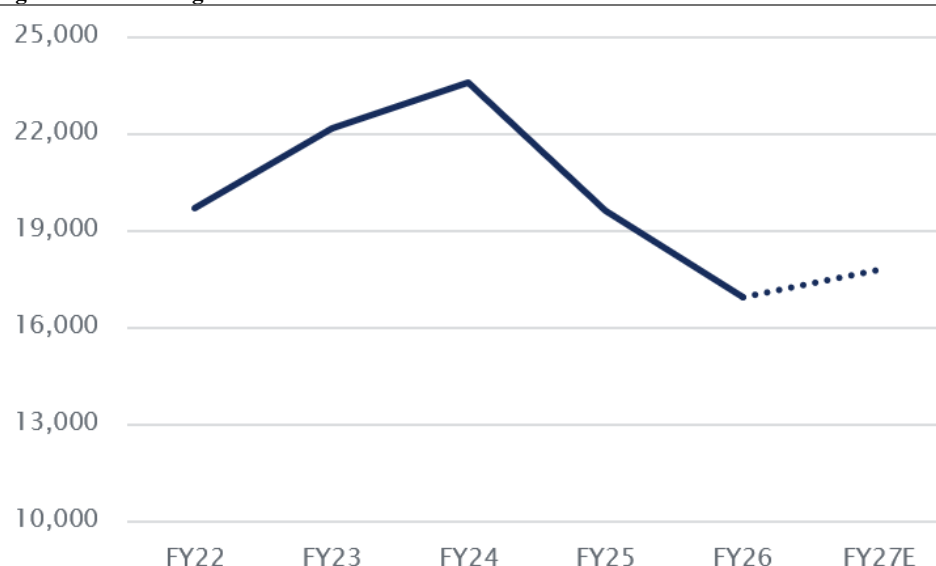
Lower smuggled sugar supply to support domestic prices. In addition to supply–demand dynamics, the Government’s efforts to curb sugar smuggling are another important supporting factor for domestic sugar prices.

Smuggled sugar currently accounts for ~23% of consumption in FY26 (i.e., the year ending in June 2026) and is priced ~5–10% below domestically produced sugar (source: AgroMonitor), creating substantial downward pressure on domestic prices. Tighter controls on smuggled sugar should reduce price competition, support the market share of domestic sugar producers, and strengthen the domestic price environment.

We expect Vietnamese sugar prices to rebound in FY27. Taking the above factors together, we expect Vietnamese sugar prices to increase ~5% YoY in FY27 to ~VND17,806/kg, following a sharp 13.7% YoY decline in FY26 to an average of VND16,958/kg.

We anticipate this recovery to be supported by three key factors: (1) a recovery in global sugar prices as the global supply–demand balance tightens; (2) lower domestic sugar supply due to the impact of El Niño, while consumption continues to grow; and (3) continued Government efforts to curb sugar smuggling, thus reducing price competition in the domestic market.

Fig.25: Vietnam Sugar Price Set to Recover in FY27



Source: AgroMonitor, Yuanta Vietnam

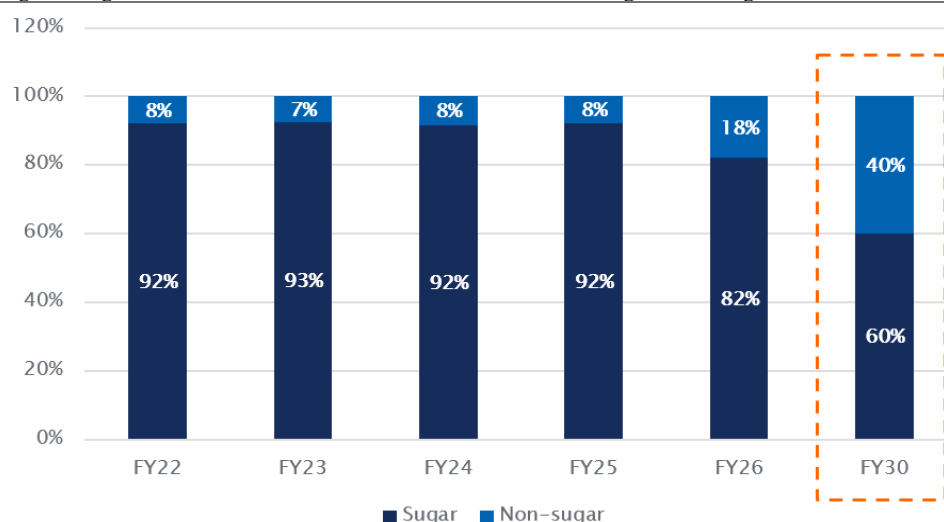
Outlook for Key Business Segments

Sugar: Price recovery offsets lower volumes

Sugar remains SBT's core business, contributing 82% of total revenue in FY26, with ~89% of sugar sales generated from the domestic market and 11% from exports.

However, the segment's revenue contribution has gradually declined as part of SBT's diversification strategy and efforts to reduce its reliance on sugar, falling from 92% in FY25 to 82% in FY26. SBT targets reducing sugar's revenue contribution to ~60% by FY30, based on its VND60tn revenue target.

Fig.26: Sugar Revenue Share: 5-Year Trend and FY30 Management Target



Source: SBT, Yuanta Vietnam

Balanced development across domestic and export markets. Over the medium to long term, SBT plans to expand both sales channels in parallel.

Management notes that it expects the domestic market to remain an important foundation for the company, supported by relatively stable consumption demand, SBT's leading market position, and the potential expansion of its customer base across the food, beverage, and industrial sectors.

In export markets, SBT will continue to diversify its customer base and geographic footprint, while leveraging opportunities from trade integration to increase sales volumes when market conditions are favorable.

Management also states that the balance between domestic and export markets will be adjusted flexibly depending on supply-demand conditions, sugar prices, and business performance at each stage. The company aims to develop both channels in a balanced manner to optimize operating efficiency and enhance its ability to adapt to market fluctuations.

We forecast sugar segment revenue to decline 2% YoY to VND21.4tn in FY27, mainly based on our assumption of an ~8% YoY decline in sales volume to 1.2mn tons. This expectation reflects the impact of adverse weather on sugarcane supply and management's strategy to gradually reduce its reliance on the sugar segment.

By contrast, we expect average selling price (ASP) to increase 6% YoY to reach VND17,800/kg, partially offsetting the decline in volume. This increase should be

supported by a tighter global and domestic sugar supply outlook, together with domestic sugar protection policies and stronger controls on smuggled sugar, as discussed above.

Fig.27: Sugar ASP Gains Offset Lower Sales Volume...

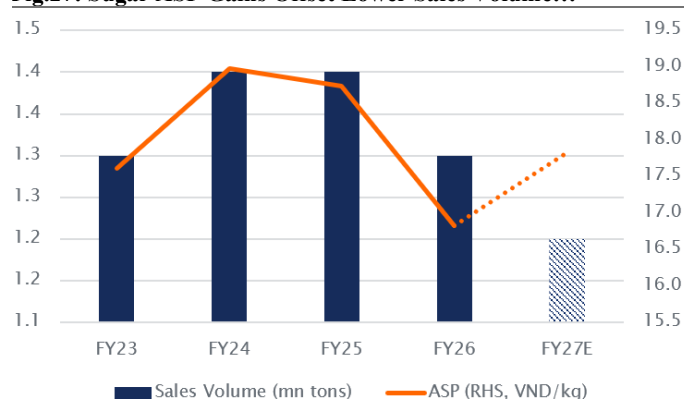
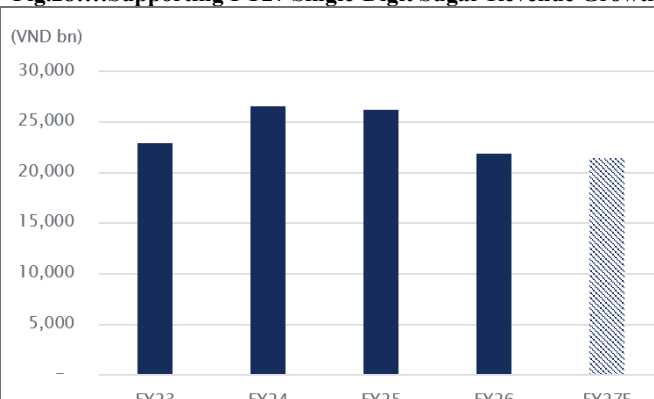


Fig.28:...Supporting FY27 Single-Digit Sugar Revenue Growth



Source: SBT, Yuanta Vietnam

Proactive measures to mitigate weather risks. SBT has implemented a range of measures to mitigate the impact of adverse weather on its sugarcane growing areas. These include closely monitoring weather conditions, proactively managing water resources through irrigation, clearing irrigation channels, investing in water-saving irrigation systems, developing drought-tolerant sugarcane varieties, and applying the high-tech Demofarm agricultural model.

SBT states that trial results from Demofarm have been positive, with sugar yield increasing by 1.9 tons/ha, or ~27%, compared with traditional farming methods, while labor productivity increased by 110%. In addition, the model extends the sugarcane cultivation cycle to at least four years, compared with a typical cycle of around three years under conventional farming, helping reduce investment costs by more than one-third. SBT is gradually expanding the model across its sugarcane growing areas in the coming crop years.

We expect the wider adoption of advanced farming solutions to improve SBT's sugarcane yields and resilience, thereby partially mitigating the impact of expected adverse weather conditions, including El Niño, on sugarcane production and improving production efficiency over the long term.

Rice: Expanding scale to drive revenue growth

Rice is emerging as a new growth driver for SBT, with its revenue contribution increasing from sub-1% in FY25 to 10% in FY26.

Currently, SBT mainly focuses on rice trading, with exports accounting for ~60% of sales volume. However, the trading model generates a relatively low margin of ~5%, while rice milling and processing from paddy offer a higher margin of ~10%, as they create additional value along the value chain.

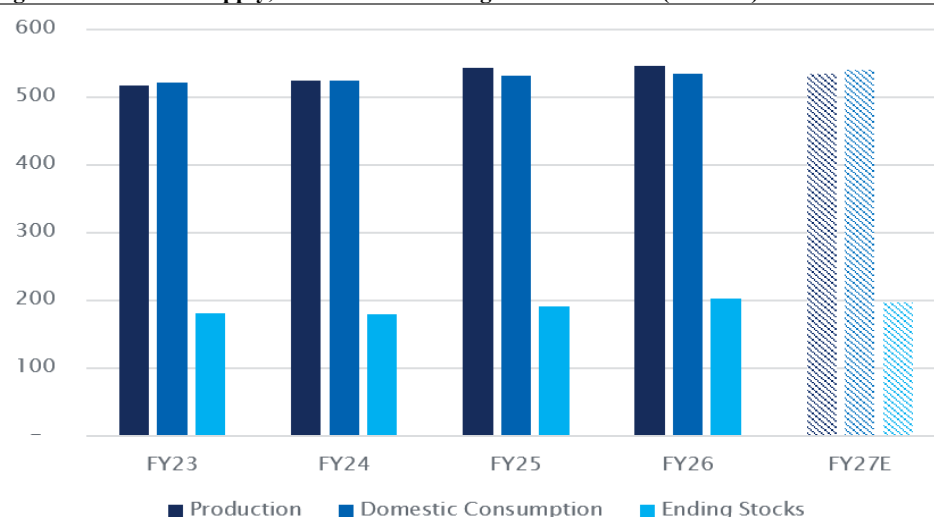
Accordingly, SBT aims to build an integrated rice value chain spanning raw material development, procurement, processing, and distribution, with the goal of making rice one of its key long-term growth pillars.

Global supply is set to tighten in FY27. SBT's strategy to expand its rice business comes against a backdrop of a tighter global supply-demand balance in FY27.

The USDA forecasts global rice production to decline 2.2% YoY to ~534mn tons in FY27 (i.e., the year ending in July 2027), marking the first decline after six consecutive years of growth, mainly due to adverse weather conditions and a reduction in India's cultivated area.

Meanwhile, the USDA forecasts global consumption to reach a new record of 540mn tons (+1.0% YoY), driving ending inventories down ~2.8% YoY in FY27. We expect this supply-demand outlook to continue supporting the upward trend in rice prices in FY27, following an increase of ~21% YoY in FY26.

Fig.29: Global Rice Supply, Demand and Ending Stocks Outlook (mn tons)



Source: USDA, Yuanta Vietnam

Weather risks remain supportive of rice prices too. According to forecasts from international meteorological organizations, the El Niño event that is expected to develop in late 2026 and early 2027 could affect rice production as well as the output of other agricultural commodities.

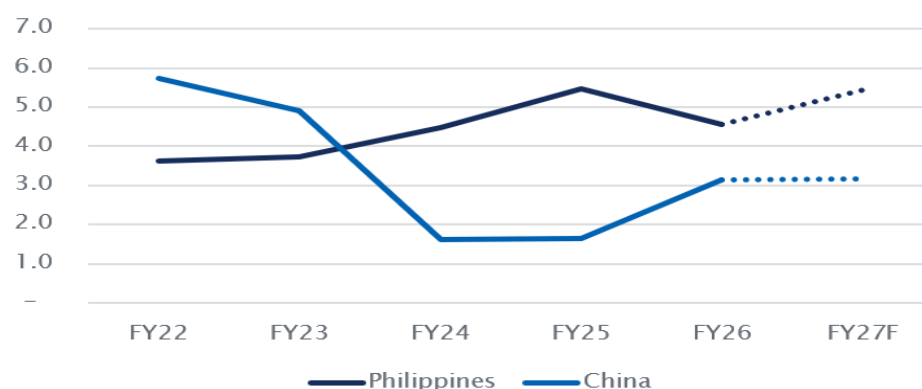
This trend has already started to be reflected in international reference prices. The FAO Rice Price Index increased by an average of 6.1% YoY in July–August 2026. Meanwhile, Vietnam's export rice prices also increased amid tighter supply, averaging USD425/ton (+9.3% YoY) in July 2026 and further increasing to USD441/ton (+13.5% YoY) in August 2026 (source: FAO).

Demand from Vietnam's key export markets remains positive. On the demand side, the OECD forecasts that Vietnam's key export markets will continue to support the industry outlook, specifically:

- **The Philippines, Vietnam's largest rice export market**, accounting for ~38% of export volume in FY26, is forecast to import ~5.4mn tons of rice in FY27, up 19.3% YoY, maintaining its position as the world's largest rice importer.
- **China, Vietnam's second-largest rice export market**, accounting for ~9% of export volume, is also expected to maintain import demand, with imports forecast to increase slightly by ~1% YoY in FY27.

Fig.30: Positive Import Demand from Vietnam's Two Largest Rice Export Markets in FY27

(mn tons)



Source: OECD-FAO, Yuanta Vietnam

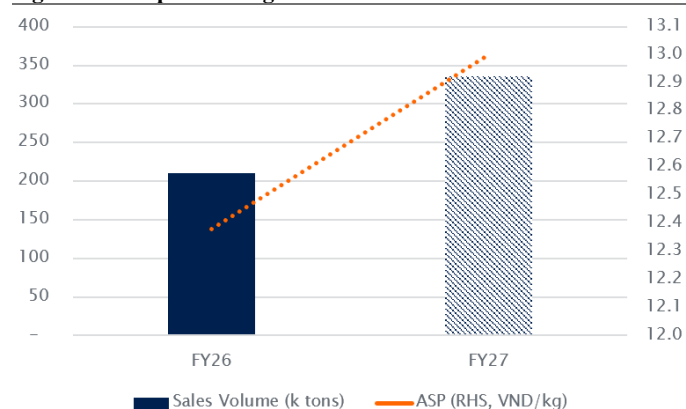
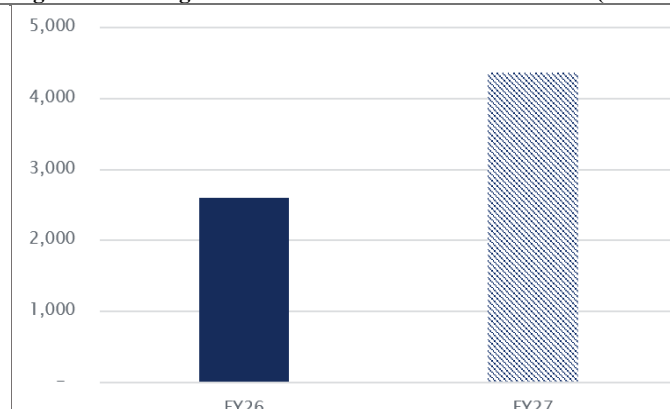
Acute competition in the rice market. Despite the positive demand outlook, Vietnamese rice continues to face competitive pressure from low-priced supplies from India and Pakistan, with their export offer prices ~18% and 9% lower than Vietnamese rice, respectively (source: FAO).

Meanwhile, Thailand continues to strengthen its position in China through government-to-government (G2G) agreements, while Cambodia is stepping up exports of fragrant rice (source: Cambodia Rice Federation).

Accordingly, we expect Vietnamese rice prices to remain supported but we expect only moderate room for further ASP increases.

FY27 rice segment revenue forecast. Against this backdrop, we forecast SBT's rice segment revenue to increase by 68% YoY in FY27 to VND4.4tn, driven by a ~60% YoY increase in sales volume to 336k tons and a 5% YoY increase in ASP to ~VND13,000/kg.

The expected ASP increase is broadly in line with the recovery in international and domestic rice reference prices discussed above, while the sharp increase in sales volume reflects SBT's strategy to scale up its rice business to capitalize on opportunities arising from a tightening supply environment, while gradually advancing its broader strategy to diversify revenue beyond sugar.

Fig.31: We Expect Strong Rice Volume Growth...**Fig.32:...Fuelling Robust Rice Revenue Growth in FY27 (VND bn)**

Source: SBT, Yuanta Vietnam

F&B: A springboard for growth beyond sugar

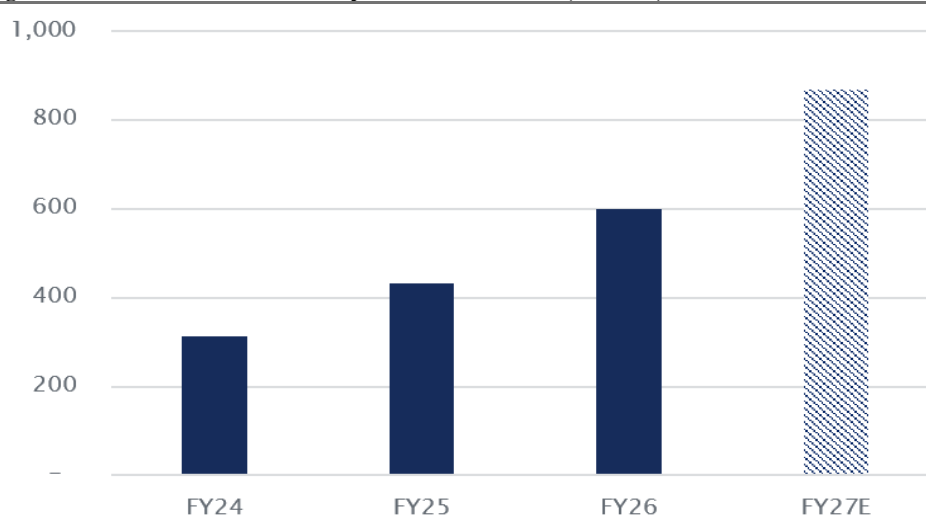
Significant growth potential for F&B. F&B accounted for only ~2% of total revenue in FY26, but this was a notable increase from ~1% in FY25. SBT targets increasing F&B's contribution to ~40% of total revenue by FY30, highlighting its importance in SBT's strategy to diversify its product portfolio beyond sugar.

Expanding raw material areas to support F&B growth. SBT also plans to expand its banana and pineapple cultivation areas to at least five times the current scale of 600 ha. Management intends to develop this business under a high-tech agricultural model with an integrated value chain spanning seedlings, cultivation, processing, and distribution, while meeting stringent export standards.

We forecast F&B segment revenue to increase 45% YoY to VND870bn in FY27, mainly driven by SBT's active efforts to expand its product portfolio, increase sales volume, and broaden its distribution network.

Although the segment remains relatively small, we expect its high growth rate to partially offset the decline in the sugar segment and increase the revenue contribution from non-sugar businesses in FY27.

Fig.33: F&B Revenue Poised for Rapid Growth in FY27 (VND bn)

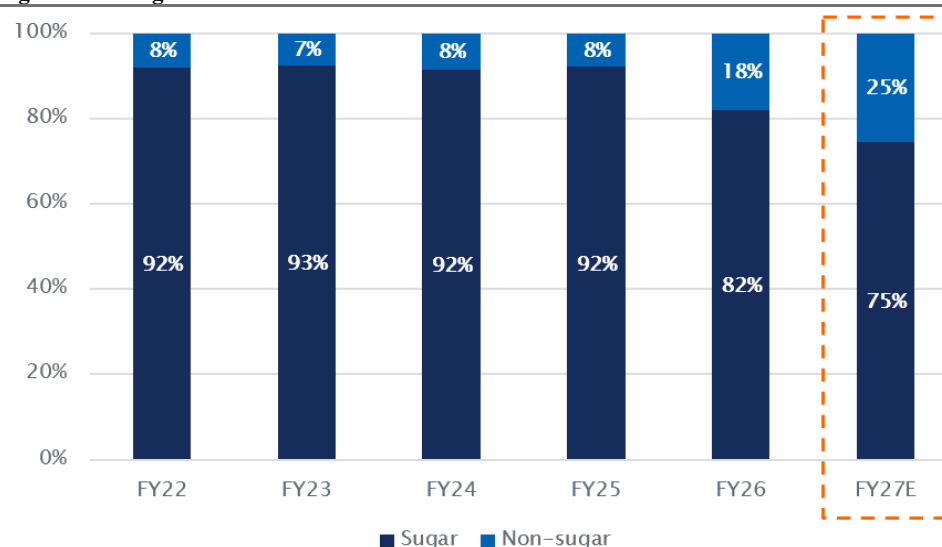


Source: SBT, Yuanta Vietnam

F&B revenue growth to support blended margins in the long term. According to management, the current gross margin (GM) of the F&B segment is ~25-30%, substantially higher than the ~10% GM of the sugar segment. Therefore, we believe that expanding the F&B business will provide both an additional revenue growth driver and improved profitability over the medium to long term.

Non-sugar businesses are the key growth driver. We forecast non-sugar revenue to increase 47% YoY to VND7.2tn, accounting for 25% of SBT's total revenue in FY27, mainly driven by the rice and F&B segments, as discussed above.

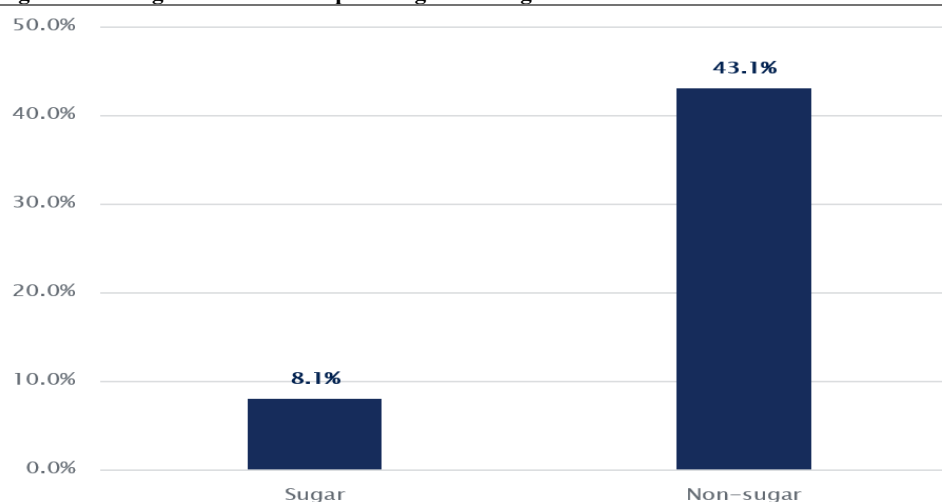
The revenue contribution from non-sugar businesses increased from 8% in FY25 to 18% in FY26. This trend indicates that SBT is making steady progress toward its goal of transitioning from its historical reliance on sugar prices and volumes to a more diversified product portfolio with higher value-added products.

Fig.34: Non-Sugar Revenue Share to Rise to 25% of Total Sales in FY27

Source: SBT, Yuanta Vietnam

Accordingly, we believe sugar will remain the main source of revenue and cash flow in the near term, and we expect it to continue playing an important role in SBT's long-term business performance. However, our view is that non-sugar businesses, particularly rice and F&B, will be the key growth drivers over the medium to long term.

We forecast sugar segment revenue to grow at 8.1% CAGR in FY26–30, which is outpaced by our expectation for non-sugar revenue to grow at 43.1% CAGR over the same period.

Fig.35: Non-Sugar CAGR to Outpace Sugar Through FY30

Source: SBT, Yuanta Vietnam

Restructuring and expansion plans

SBT's FY30 targets are for VND60tn in revenue, ~40% revenue contribution from non-sugar businesses, and expansion of its raw material areas to 90,000 ha (+15.8% from the current level).

In addition, SBT is gradually restructuring its investment portfolio to focus resources on core businesses and areas with long-term growth potential. According to management, the company will prioritize reallocating capital toward M&A strategies, raw material expansion, and extending the value chain.

As such, SBT plans the divestment of two of its invested companies, which are:

- **Gia Lai Electricity JSC (GEG VN, Not Rated):** SBT currently holds an 6.85% stake in GEG.
- **TTC Dang Huynh:** SBT's FY26 financial statements indicate that it holds a 2.29% stake in this company, which operates in leasing and industrial zone management. The carrying amount is VND80.3bn.

Divestment of these assets appears sensible, as it should allow SBT to recover capital from non-core assets and reallocate resources toward businesses with higher growth potential.

Further capital markets events include a potential subsidiary IPO and acquisition. The timing and implementation progress of these plans have not yet been disclosed, but these capital markets events could be positive operational and share price catalysts.

SBT plans to IPO Bien Hoa Consumer Products JSC (BHC), which could provide an additional capital-raising mechanism and unlock value from one of the companies within its ecosystem. In addition, SBT plans to increase its stake in Ben Tre Import-Export JSC (Betrimex) from 30.2% to ~40%, further strengthening its position in the F&B segment (please refer to page 31 for details).

Potential catalysts over the medium to long term. We have not incorporated the potential impact of the divestments, the BHC IPO, the planned increase in SBT's stake in Betrimex, or the expansion of its raw material areas into our base-case forecasts.

Accordingly, the execution of these plans could provide additional upside potential through: (1) recovering and reallocating capital from non-core investments; (2) potential gains or cash proceeds from divestments and the IPO; (3) increasing contributions from strategic assets such as Betrimex; and (4) expanding raw material areas, thereby improving supply self-sufficiency and laying the foundation for long-term sugar volume growth.

However, the impact on shareholder value will depend on the scale, timing, and execution of each plan. Given these uncertainties, we have not attempted to model these events into our forecasts or valuation.

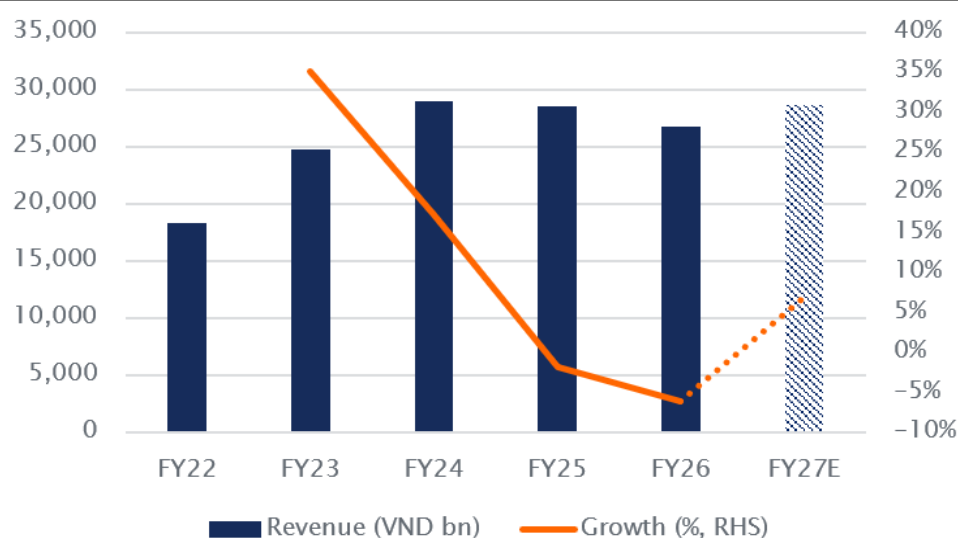
Financial Analysis: Growth momentum to remain strong in FY27

Positive outlook for FY27

We forecast SBT's net revenue to increase 7.0% YoY to VND28.6tn in FY27, supported by strong growth in the non-sugar businesses, which should partially offset the decline in the sugar segment.

Specifically, we forecast sugar segment revenue to decline 2% YoY to VND21.4tn. We expect non-sugar revenue to increase 47% YoY to VND7.2tn, mainly driven by growth in the rice and F&B segments, as discussed above.

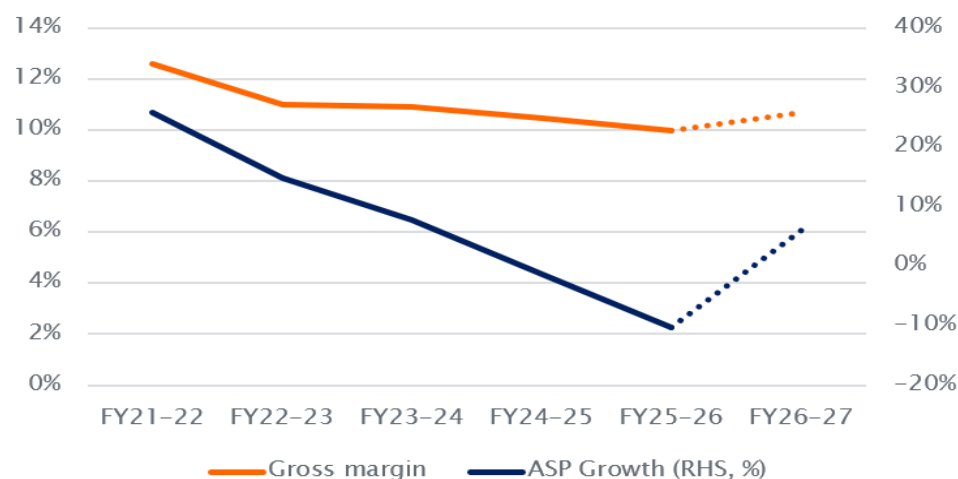
Fig.36: Consolidated Revenue Set to Climb in FY27



Source: SBT, Yuanta Vietnam

We expect gross margin to increase by 70bps YoY to 10.7% in FY27, mainly supported by a 5.5% YoY increase in SBT's average selling prices (ASPs) amid more favorable market conditions. SBT's historical performance exhibits a clear relationship between GM and ASPs: gross margin has tended to improve in tandem with higher ASP, with a correlation of as high as 94% over the past five years. This relationship further supports our FY27 forecast.

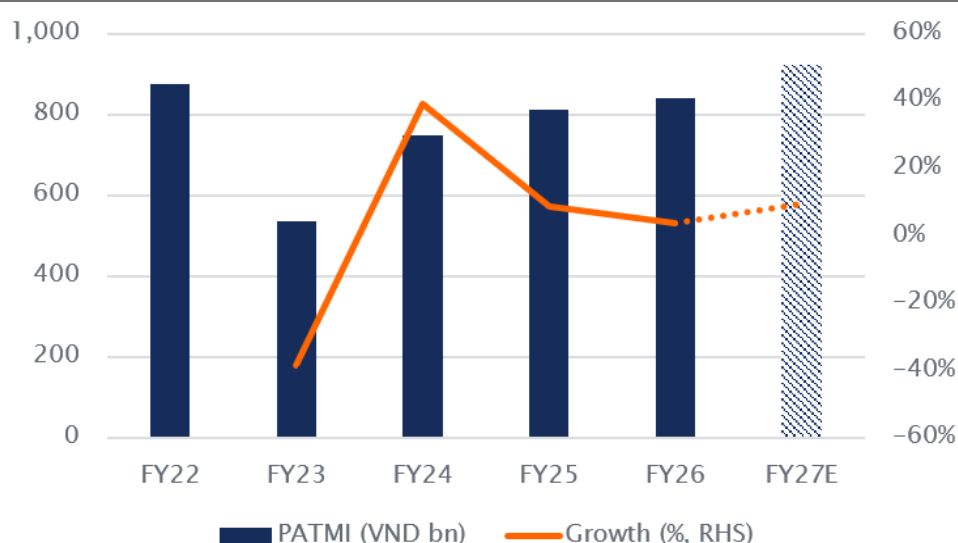
Fig.37: ASP and SBT's GM Show a Strong Positive Correlation



Source: SBT, Yuanta Vietnam

We forecast PATMI to increase 9.5% YoY to VND922bn in FY27, mainly driven by the growth in revenue and gross margin discussed above.

Fig.38: A Bright PATMI Outlook for FY27



Source: SBT, Yuanta Vietnam

Yuanta vs the Street. A sell-side “consensus” expectation for SBT is elusive given that only one other analyst currently provides revenue and PATMI forecasts for SBT for FY27, according to Bloomberg.

Compared with this single-analyst’s estimates, our forecasts are 13% and 20% lower for revenue and PATMI, respectively. We believe this difference is mainly attributable to our more conservative assumptions for ASP and gross margin.

Our understanding is that our competitor forecasts SBT’s ASP to increase 9.9% YoY in FY27, 4.4ppt higher than our estimate; and the analyst expects GM to increase by 3.5ppt YoY, which is 2.8ppt higher than our estimate. For the reasons discussed above, we remain confident in our assumptions.

Fig.39: Lower ASP and GM...

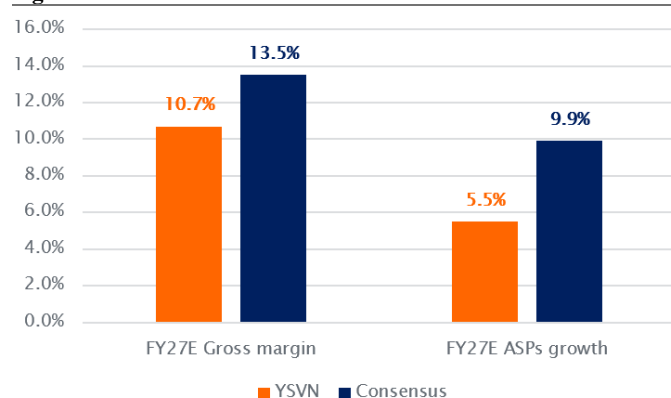
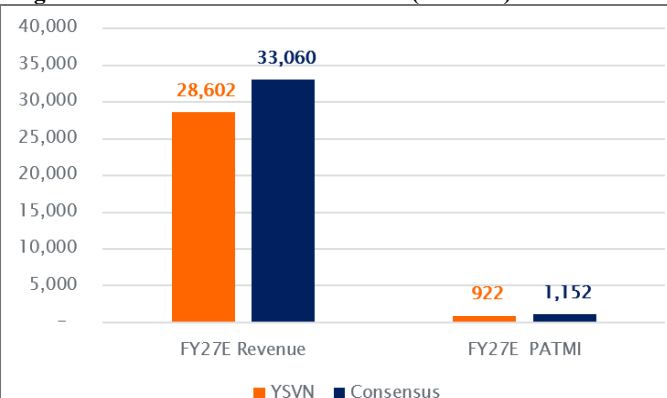


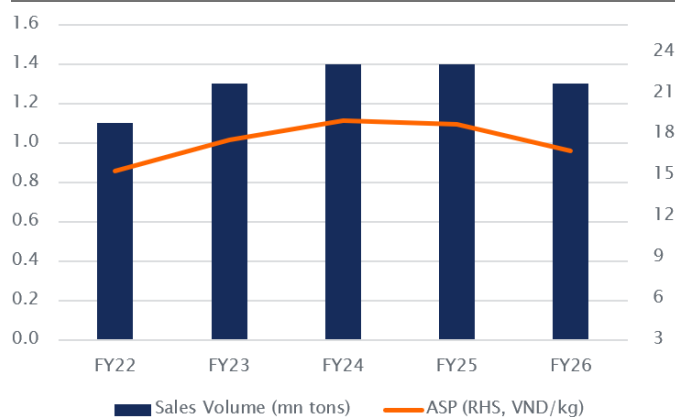
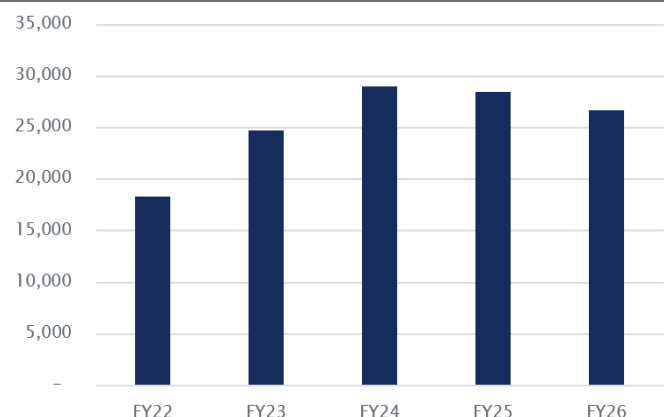
Fig.40:... Lower Revenue and PATMI (VND bn)



Source: Bloomberg, Yuanta Vietnam (Data as of Oct 14, 2026)

FY26 Review: PATMI growth despite lower gross margin

FY26 revenue reached VND26.8tn (–6.1% YoY), 1% above the company’s full-year target, mainly due to declines of ~7% and 10% YoY in sales volume and ASP, respectively.

Fig.41: Lower Sales Volume and ASP...

Fig.42:...Drove a Revenue Decline in FY26 (VND bn)


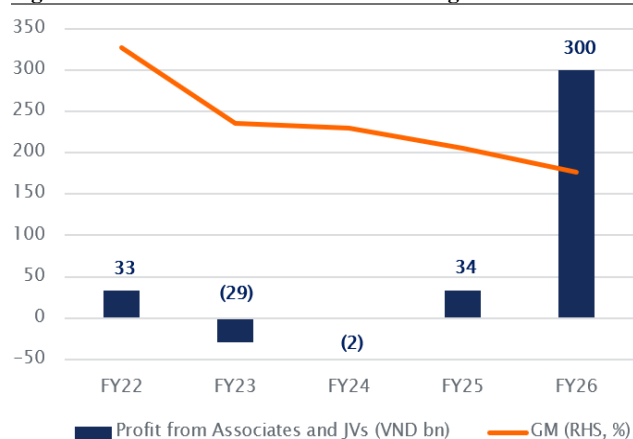
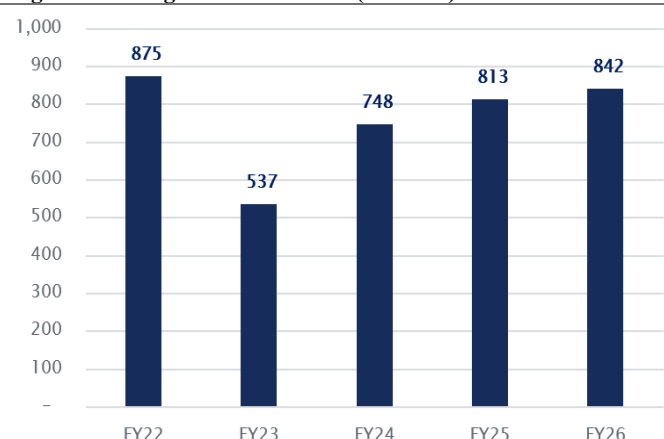
Source: SBT, Yuanta Vietnam

FY26 PATMI was supported by contributions from associates and JVs. Despite a 50bps YoY decline in GM to 10%, PATMI increased 3.6% YoY to VND842bn. This was mainly driven by the 7.9x YoY increase in profit from associates and JVs to VND300bn.

SBT has not disclosed a breakdown of this profit contribution by investee. However, we believe that Betrimex, in which SBT currently holds a 30.2% stake and plans to increase its ownership to 40% in the near term, could be one of the key drivers behind this increase.

Management states that Betrimex is an important pillar of SBT's strategy to develop its non-sugar ecosystem, particularly in the F&B segment. Notably, Dang Huynh Uc My serves as Chairwoman of both SBT and Betrimex, resulting in a close alignment of the two companies. Betrimex is one of Vietnam's leading coconut suppliers, with ~27% market share of the coconut water market.

Overall, the continued growth in PATMI despite the decline in GM indicates that contributions from SBT's non-sugar investments are becoming increasingly meaningful to its earnings. This is in line with the company's laudable strategy to diversify its ecosystem and gradually reduce its reliance on the sugar business.

Fig.43: Profit from Associates and JVs Surged...

Fig.44:...Lifting PATMI in FY26 (VND bn)


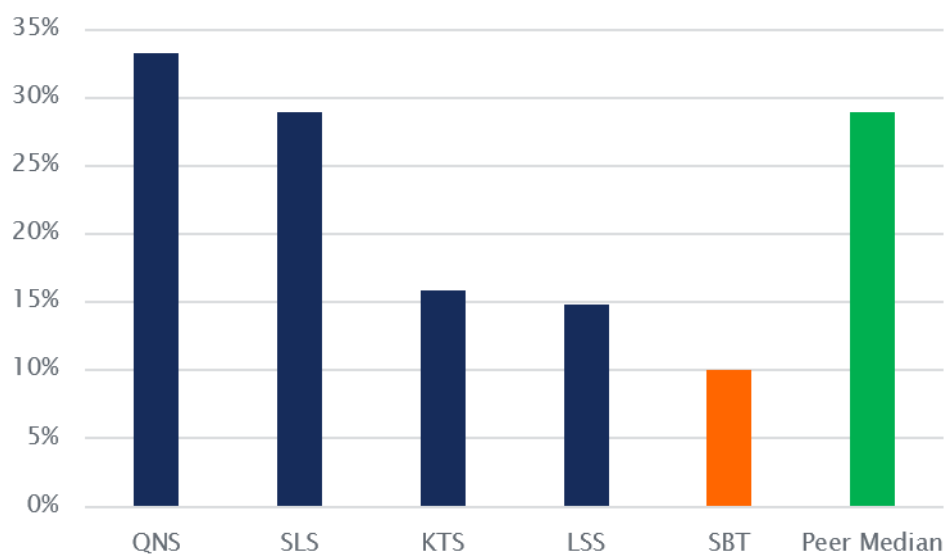
Source: SBT, Yuanta Vietnam

Why is SBT's gross margin lower than its Vietnamese peers? As discussed above, SBT's sugar segment GM was 10% in FY26, substantially lower than those of its Vietnamese peers QNS (33%) and SLS (29%).

We believe this is mainly attributable to two factors:

1. **SBT has a much more diversified product portfolio than its peers.** SBT offered 88 sugar products in FY26, compared with fewer than 50 products supplied by its competitors. The broader product portfolio allows SBT to serve a wider range of customer segments, but it also includes a larger proportion of lower value-added products.
2. **Trading activities account for a large share of sugar segment revenue.** Based on our estimates, trading accounted for ~50% of SBT's sugar segment revenue in FY26; and the margins of these activities are relatively thin at ~1–5%, as discussed above. By contrast, other companies such as QNS and SLS focus more on sugar produced from domestically sourced sugarcane, which typically generates higher margins of around 15–35%.

Fig.45: Revenue Mix Means That SBT's Gross Margin Is Below Vietnamese Peers



Source: SBT, Company data, Yuanta Vietnam

Valuation and Risks

We initiate coverage with a BUY recommendation and a target price of VND26,500. Our target price is based on a weighted approach, comprising FCFF (70%) and P/E multiple-based comps (30%). This implies a 12-month total shareholder return (TSR) of 17.3%, assuming no cash dividend.

Valuation

Our target price of VND 26,500 is based on a weighted approach comprising our FCFF model (70%), and comparable PER multiples (30%).

Table.8: Valuation

Valuation methods	Target Price	Weight	Upside
FCFF	28,172	70%	24.7%
PER Multiple	22,600	30%	0.0%
Overall	26,500	100%	17.3%

Source: Yuanta Vietnam

Our valuation assumptions include WACC of 8.2%, which is conservatively based on 8.3% cost of debt and 9.4% cost of equity. We apply a modest terminal growth assumption of 3.0%.

Table.9: FCFF Valuation

FCFF	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E
EBIT	969	1,038	1,073	1,063	1,109	2,896	5,039
Less: Tax	(93)	(114)	(137)	(169)	(214)	(426)	(681)
add: Depreciation	592	660	722	780	836	890	943
less: FCInvestment (Capex)	(897)	(941)	(988)	(1,038)	(1,090)	(1,144)	(1,201)
less: WCInvestment	435	(136)	(173)	(205)	(292)	(223)	(277)
Free cash flow	1,007	507	497	432	349	1,991	3,823
Present value	990	461	418	336	251	1,322	2,345
Present value FCF FY27E – FY33E	6,122						
Terminal value	46,649						
PV of terminal value	28,622						
Total present value	34,744						
less: debt	(18,508)						
Add: cash	10,703						
Equity value	26,939						
Outstanding shares (mn)	956						
Intrinsic value /share	28,172						

Source: Yuanta Vietnam

We believe SBT offers investors exposure to a sustainable long-term growth story, supported by steady growth in its sugar business, diversification into non-sugar businesses, ecosystem expansion, and increased contribution of higher value-added products.

We have incorporated these positive prospects into our valuation model, including cash flow forecasts through FY33. The table below provides sensitivities of our FCFF-based valuation to various WACC and terminal growth assumptions.

Table.10: Sensitivity Analysis – Fair value (VND per share)

Terminal growth						
	28,172	2.0%	2.5%	3.0%	3.5%	4.0%
	6.2%	45,082	51,635	60,251	72,082	89,345
	7.2%	31,759	35,495	40,124	46,012	53,753
WACC	8.2%	23,084	25,404	28,172	31,531	35,695
	9.2%	17,075	18,604	20,379	22,468	24,959
	10.2%	12,726	13,778	14,975	16,352	17,952

Source: Yuanta Vietnam

The following table presents the percentage upside from the current price (22,600 VND as of Oct 14) to the fair value estimates using the same variables.

Table.11: Sensitivity Analysis – Potential Upside vs Current Price

Terminal growth						
	24.7%	2.0%	2.5%	3.0%	3.5%	4.0%
	6.2%	99%	128%	167%	219%	295%
	7.2%	41%	57%	78%	104%	138%
WACC	8.2%	2%	12%	25%	40%	58%
	9.2%	-24%	-18%	-10%	-1%	10%
	10.2%	-44%	-39%	-34%	-28%	-21%

Source: Yuanta Vietnam

In addition, we apply a target P/E multiple of 25.2x for FY27, in line with the median valuation of SBT's regional peers.

We forecast SBT's FY27 ROA and ROE to reach 2.4% and 7.3%, respectively, compared with the industry median of 4.7% and 7.5%, respectively. While our forecast ROA is meaningfully lower than the industry's, we expect its ROE to be broadly in line with the peer median. This implies higher-than-sector balance sheet leverage, and its latest net debt to equity of 119% is at the high end of the industry range and peer median of 79%.

However, we believe applying the peer median P/E multiple is reasonable based on three key factors:

1. **Expected improvement in operating efficiency** over the medium to long term;
2. **SBT's leading position in Vietnam's sugar industry**, providing a relatively stable revenue and earnings base; and
3. **Substantial growth potential from its non-sugar diversification strategy**, particularly in the rice and F&B segments.

These factors, together with SBT's expected ROE being broadly in line with its peers, support the application of the peer median P/E multiple to SBT.

Table.12: Regional Peers' PER Multiples

Ticker	Country	Name	Market Cap (USD mn)	Gross margin (%)	Operating margin (%)	TTM PE	Est FY27E P/E (x)	5 Year AVR P/E	Est FY27E ROA (%)	Est FY27E ROE (%)	Current Net debt/Equity (%)
BRCM	INDIA	Balrampur Chini Mills Ltd	1,560	24.7	9.0	37.4	29.5	23.1	5.8	11.6	76.5
QNS	VIETNAM	Quang Ngai Sugar JSC	664	33.3	18.2	7.7	8.4	8.2	12.9	17.6	Net cash
BNRI	INDIA	Bannari Amman Sugars Ltd	482	28.4	7.1	38.4	31.0	31.7	--	--	Net cash
DCB	INDIA	Dalmia Bharat Sugar & Industri	407	26.9	8.0	16.4	17.7	11.1	4.7	7.5	42.3
TSML	PAKISTAN	Tandlianwala Sugar Mills	213	14.9	11.6	70.6	84.2	19.4	1.7	5.0	124.9
JDWS	PAKISTAN	JDW Sugar Mills Ltd	187	14.5	12.0	--	--	4.7	--	--	98.4
AVADHSUG	INDIA	Avadh Sugar & Energy Ltd	173	18.9	6.2	24.5	28.7	11.1	--	--	124.8
UTSM	INDIA	Uttam Sugar Mills Ltd	125	22.5	8.2	--	--	8.6	4.9	12.0	79.3
KBS	THAILAND	Khonburi Sugar PCL	116	15.9	8.0	14.0	13.6	--	2.0	5.3	109.1
MVKAGRO	INDIA	MVK Agro Food Product Ltd	93	26.7	15.3	19.4	22.4	--	8.1	17.3	52.7
DSIL	INDIA	Dwarikesh Sugar Industries Ltd	91	21.0	9.3	66.4	28.2	20.6	--	--	38.7
MGDH	INDIA	Magadh Sugar & Energy Ltd	85	24.6	9.5	12.7	12.8	8.7	3.8	7.4	78.4
SLS	VIETNAM	Son La Sugar JSC	53	32.8	29.8	--	--	5.2	--	--	15.7
Median			180	23.5	9.2	24.5	25.2	11.1	4.7	7.5	78.8
SBT	VIETNAM	Thanh Thanh Cong – Bien Hoa JSC	809	10.0	2.6	24.6	25.2	27.1	2.4	7.3	119.1

Source: Bloomberg, Yuanta Vietnam (Data as of Oct 14, 2026)

Our target price vs. the Street's

As mentioned above, Bloomberg data indicate that only one other analyst currently covers SBT. Our fair value-based target price is 36.6% higher than this analyst's target price of VND19,400 (as of Oct 14).

We can't be certain, but leaving aside potential differences in discount rates and other modelling factors, our higher fair value estimate may reflect our emphasis on the FCFF model to derive a fair value estimate. By its nature, the DCF approach tends to apply a higher weighting to longer-term cashflows, whereas price multiples are typically applied to near-term expectations that may not reflect underlying value in a business that is undergoing a substantial transition.

If so, the 36.6% premium of our target price over the other analyst's target price may reflect our more optimistic long-term assumptions regarding SBT's business performance over the medium to long term.

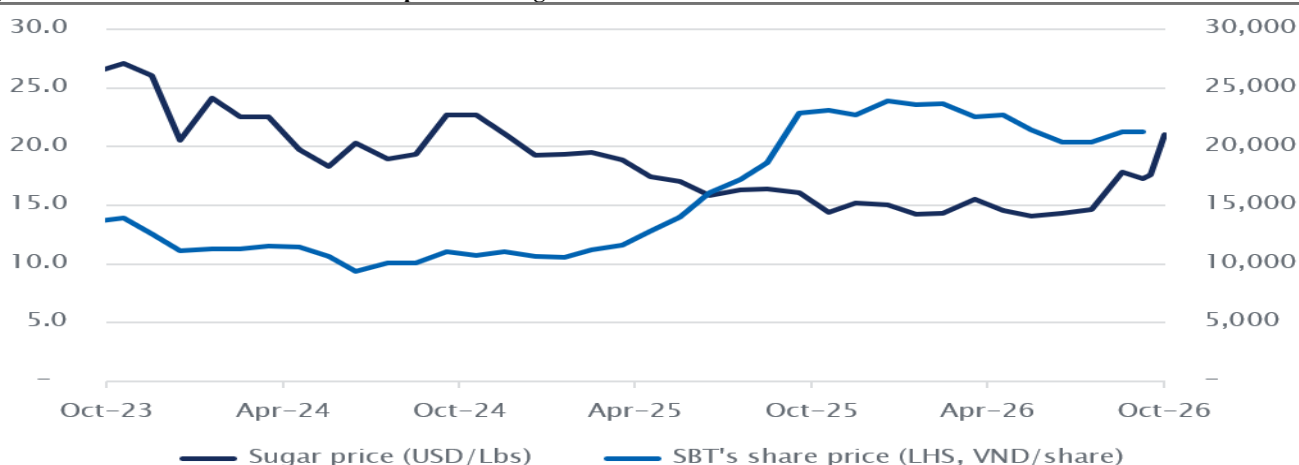
Conversely, we don't think our fair value estimate is overly optimistic. For example, our valuation does not reflect the potential value from (1) the planned divestments; (2) the BHC IPO plan; (3) the potential increase in SBT's stake in Betrimex; and (4) the planned expansion of SBT's raw material areas.

We view these as potential upside catalysts, but we have not incorporated any of them into our financial forecasts or fair value estimate for SBT.

SBT's share price is driven by more than sugar prices

SBT share price and sugar price correlation. SBT's share price has shown a relatively weak correlation with sugar prices over the past three years. We believe this is mainly due to (1) the lag between movements in sugar prices and their transmission to SBT's ASP and earnings; and (2) company-specific factors, including portfolio restructuring, capital raising, and expansion into non-sugar businesses, which influence investor expectations for the stock.

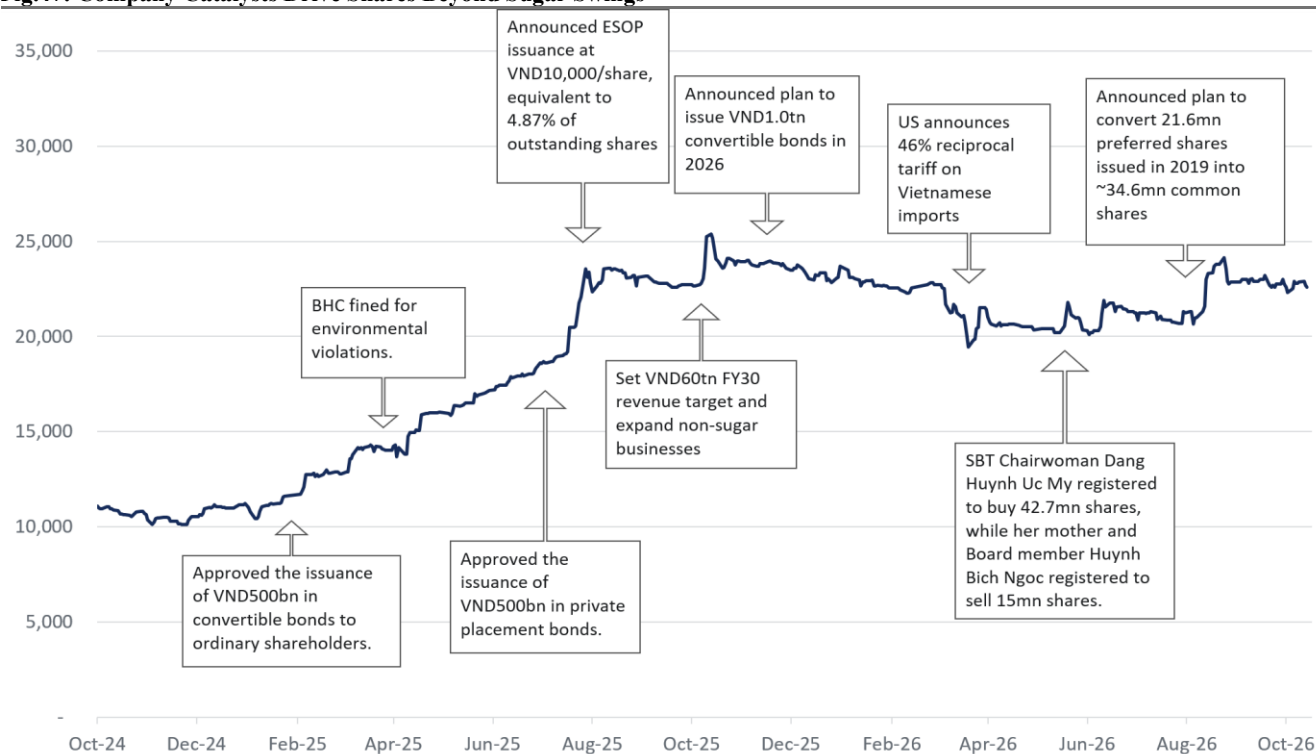
Fig.46: 3-Year Correlation of SBT's share price and Sugar Price



Source: Bloomberg, Yuanta Vietnam (Data as of Oct 14, 2026)

Company-specific factors have a significant impact on the share price. Historical performance shows that SBT's share price has often moved sharply around company-specific events, such as bond issuances, transactions by shareholders and insiders, and announcements related to its business strategy. The chart below summarizes notable events during each upcycle and downcycle of the stock. We believe that it illustrates the thesis that company-specific catalysts can outweigh the impact of sugar price movements in the short term.

Fig.47: Company Catalysts Drive Shares Beyond Sugar Swings



Source: Bloomberg, Fiiipro-X, Yuanta Vietnam (Data as of Oct 14, 2026)

Nevertheless, sugar prices are fundamental to SBT's earnings. Despite the relatively weak correlation between SBT's share price and sugar prices, sugar remains the company's core business, accounting for ~82% of SBT's revenue in FY26. Therefore, we believe movements in sugar prices will continue to have a significant impact on SBT's ASP, margins, and earnings.

However, as SBT accelerates its diversification into non-sugar businesses, particularly rice and F&B, the outlook for these segments is expected to play an increasingly important role in driving operating earnings and the share price.

Accordingly, we believe investors should monitor sugar prices, the outlook for non-sugar businesses, and company-specific catalysts simultaneously when assessing the outlook for SBT's share price.

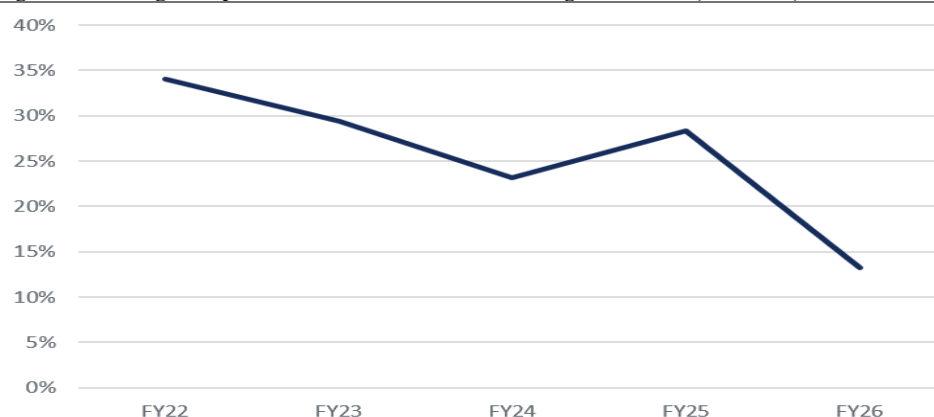
Risks to our call

Sugar price could come in below our expectations. We forecast sugar prices to recover by 6% YoY in FY27, supported by tighter supply while demand remains positive. Therefore, a slower-than-expected recovery in sugar prices could put pressure on SBT's operating performance and exert downside risk for our forecasts.

Competition from illicit sugar imports remains a key industry risk. Illicit imports can undercut domestic producers on price, particularly in traditional trade channels, potentially weighing on sales volumes and margins.

That said, Vietnam's enforcement measures against sugar smuggling appear to have been effective. The market share of illicit imports has generally trended downward over the past five years, only rebounding in only one year, FY25. We expect continued government enforcement to further constrain smuggled imports in FY27. However, if illicit imports rise materially (instead of declining as we expect), the resulting price pressure would pose downside risks to our FY27 forecasts for SBT's sugar ASP and sales volume.

Fig.48: Illicit sugar imports' share of Vietnam's total sugar demand (FY22–26)



Source: Agromonitor, VSSA, Yuanta Vietnam

Intensifying competition in the rice export market. Vietnamese rice faces strong price competition from India and Pakistan, where export offer prices are ~18% and 9% lower, respectively. In addition, Thailand is strengthening its position in China through G2G agreements, and Cambodia is expanding its presence in the fragrant rice segment.

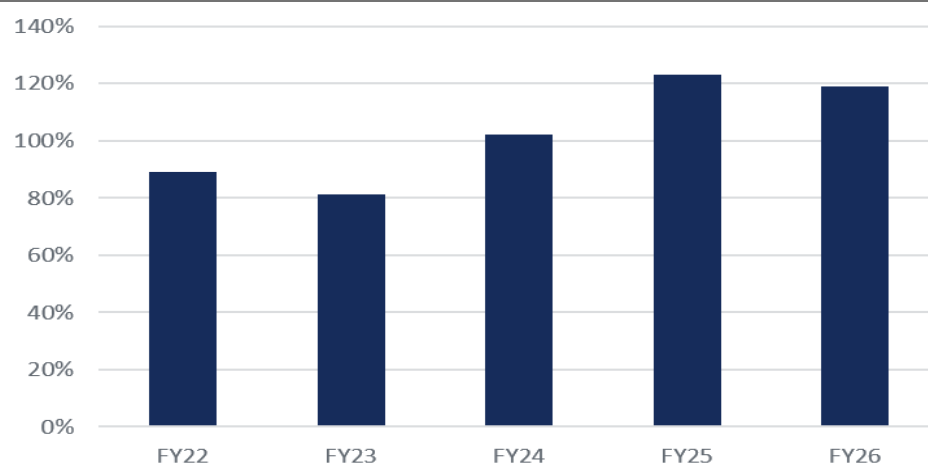
If competition intensifies more than expected, there could be limited room for SBT's rice segment ASP to increase, affecting our revenue and earnings forecasts for the segment in FY27.

Slower-than-expected expansion of non-sugar businesses. A substantial portion of our FY27 growth forecast comes from non-sugar businesses. Specifically, we assume rice and F&B revenue contributions to increase from 12% in FY26 to 18% in FY27. If the scaling up of these businesses is slower than we expect, non-sugar revenue could fall below our forecast and SBT's efforts to reduce its reliance on sugar could take longer than expected.

High financial leverage: A key constraint. SBT's net debt-to-equity ratio has remained above 100% over the past three years, mainly to finance working capital requirements for its operations and restructure its financial debt. As such, the business is highly sensitive to interest rate movements.

We forecast this ratio to remain above 100% in FY27. If interest rates rise more than expected or the debt restructuring process takes longer than planned, interest expenses could exceed our estimates, putting pressure on PATMI and resulting in earnings falling below our forecast -- even if revenue and GM meet our expectations.

Fig.49: SBT Net Debt/Equity Ratio: 5-Year Trend



Source: SBT, Yuanta Vietnam

Share dilution risk. If SBT continues to issue convertible bonds in the coming fiscal years, the number of shares outstanding could increase. This raises the potential for EPS dilution if PATMI growth fails to keep pace with the increase in shares outstanding. This implies downside risk to our EPS forecast and estimated fair value per share.

PROFIT AND LOSS (VND bn)					
FY Jun 30 (VND'bn)	FY23	FY24	FY25	FY26	FY27E
Revenue	24,743	29,021	28,482	26,733	28,602
<i>Sugar</i>	<i>22,891</i>	<i>26,571</i>	<i>26,231</i>	<i>21,868</i>	<i>21,442</i>
<i>Non-sugar</i>	<i>1,852</i>	<i>2,450</i>	<i>2,251</i>	<i>4,865</i>	<i>7,160</i>
Cost of goods sold	(22,022)	(25,857)	(25,498)	(24,059)	(25,543)
Gross profits	2,721	3,165	2,984	2,674	3,059
Operating expenses	(1,276)	(1,519)	(1,460)	(1,686)	(2,089)
Operating profits	735	913	1,010	701	774
Net interest expenses	(680)	(731)	(549)	(588)	(495)
Net investments income/(loss)	(29)	(2)	34	300	300
Net other incomes	(17)	(5)	(59)	210	225
Pretax profits	9	908	950	911	999
Income taxes	(114)	(102)	(116)	(65)	(73)
Minority interests	67	58	22	4	4
Net profits	(173)	748	813	842	922
EBITDA	2,035	2,216	2,059	1,503	1,484
EPS (VND)	621	838	928	864	897

KEY RATIOS					
	FY23	FY24	FY25	FY26	FY27E
Growth (% YoY)					
Sales	35.1	17.3%	-1.9%	-6.1%	7.0%
<i>Sugar</i>	<i>35.8%</i>	<i>16.1%</i>	<i>-1.3%</i>	<i>-16.6%</i>	<i>-2.0%</i>
<i>Non-sugar</i>	<i>27.1%</i>	<i>32.3%</i>	<i>-8.1%</i>	<i>116.1%</i>	<i>47.2%</i>
Operating profit	(27.0)	24.1%	10.6%	-30.6%	10.5%
EBITDA	34.1	8.9%	-7.1%	-27.0%	-1.3%
Net profit	(119.7)	-533.1%	8.6%	3.6%	9.5%
EPS (VND)	(40.4)	34.9%	10.8%	-6.8%	3.8%
Profitability ratio (%)					
Gross margin	11.0	10.9	10.5	10.0	10.7
Operating margin	3.0	3.1	3.5	2.6	2.7
EBITDA margin	8.2	7.6	7.2	5.6	5.2
Net margin	2.2	2.6	2.9	3.1	3.2
ROA	1.9	2.3	2.4	2.4	2.4
ROE	5.3	6.9	7.4	7.2	7.3
Stability					
Net debt/equity (%)	81.3	102.0	123.1	119.3	121.4
Int. coverage (x)	1.0	1.0	1.0	0.6	0.6
Int. & ST debt coverage (x)	0.2	0.2	0.1	0.1	0.1
Cash conversion days	84.3	69.4	61.9	71.7	74.0
Current ratio (X)	1.2	1.2	1.3	1.2	1.2
Quick ratio (X)	0.9	1.0	1.1	1.0	1.0
Net cash/(debt) (VND bn)	(6,012)	(7,568)	(9,810)	(7,793)	(7,804)
Efficiency					
Days receivable outstanding	31	26	28	32	32
Days inventory outstanding	76	60	54	59	59
Days payable outstanding	22	16	20	19	17

Source: Company data, YSVN

BALANCE SHEET (VND bn)					
FY Jun 30 (VND'bn)	FY23	FY24	FY25	FY26	FY27E
Total assets	29,934	34,078	32,679	37,799	40,190
Cash & cash equivalents	3,146	4,630	3,555	2,003	3,007
ST Investment	2,528	3,803	3,548	7,066	7,696
Accounts receivable	9,734	11,240	9,197	10,203	10,294
Inventories	4,504	3,953	3,583	4,179	4,092
Other current assets	134	125	171	234	234
Net fixed assets	4,155	4,181	3,720	3,493	3,574
Others	5,733	6,146	8,905	10,619	11,293
Total liabilities	19,431	22,934	21,828	25,338	27,421
Current liabilities	17,197	19,400	15,550	19,236	20,825
Accounts payable	850	1,435	1,376	1,164	1,236
ST debts	11,107	12,778	10,875	11,925	13,077
Long-term liabilities	2,234	3,535	6,279	6,102	6,596
Long-term debts	580	3,223	6,038	4,938	5,431
Others	1,654	311	241	1,165	1,165
Shareholder's equity	10,504	11,144	10,851	12,460	12,769
Share capital	7,621	7,621	8,362	9,280	9,562
Treasury stocks	-	-	-	-	-
Others	(5,621)	(5,326)	(5,491)	(5,378)	(5,405)
Retained earnings	655	1,133	1,047	1,134	1,311
Minority interest	1,079	946	163	655	786

CASH FLOW (VND bn)					
FY Jun 30 (VND'bn)	FY23	FY24	FY25	FY26	FY27E
Operating cash flow	533	(278)	(977)	7,162	1,278
Net income	537	748	813	842	922
Dep. & amortisation	589	570	535	515	592
Change in working capital	(1,433)	(414)	420	971	435
Others	840	(1,183)	(2,744)	4,834	(670)
Investment cash flow	(1,570)	(2,552)	(1,750)	(9,582)	(2,202)
Net capex	(114)	(160)	155	(172)	(355)
Change in LT investment	(551)	(413)	(2,759)	(1,714)	(674)
Change in other assets	(905)	(1,980)	854	(7,696)	(1,173)
Cash flow after invt.	(1,037)	(2,830)	(2,727)	(2,421)	(923)
Financing cash flow	1,619	4,314	1,652	868	1,927
Change in share capital	1,114	-	740	919	282
Net change in debt	506	4,314	912	(50)	1,645
Change in other LT liab.	-	-	-	-	-
Net change in cash flow	583	1,484	(1,075)	(1,552)	1,004
Beginning cash flow	2,563	3,146	4,630	3,555	2,003
Ending Cash Balance	3,146	4,630	3,555	2,003	3,007

KEY METRICS					
	FY23	FY24	FY25	FY26	FY27E
PE (x)	36.4	27.0	24.4	26.1	25.2
Diluted PE (x)	36.4	27.0	24.4	26.1	25.2
PB (x)	1.6	1.5	1.7	1.6	1.7
EBITDA/share	2,670	2,993	2,528	1,658	1,552
DPS	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-
EV/EBITDA (x)	11.4	11.0	13.7	18.8	19.8
EV/EBIT (x)	16.1	14.8	18.5	28.6	30.4

Appendix A: Important Disclosures

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