

Airports Corporation (ACV)

Multiple expansion & upgrade projects underway

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ACV recorded NPAT of VND3,120 billion (+7% YoY) on revenue of VND6,350 billion (+13% YoY) in 1Q2025

ACV started 2025 strong, reporting revenue of VND6,350 billion (+13% YoY) for the first quarter, with aeronautical revenue accounting for 85% of the total, reaching VND5,368 billion (+15% YoY). However, a foreign exchange loss of VND227 billion impacted the bottom line, resulting in NPAT of VND3,120 billion, which grew at a slower 7% YoY.

International arrivals remain the key growth driver, while domestic passenger traffic has rebounded following a two-year decline

We anticipate robust growth in international arrivals, projecting a 12% increase in 2025 and a compound annual growth rate (CAGR) of 8–9% from 2026 to 2030, fueled by (i) positive changes in visa policies, (ii) the introduction of new international routes, and (ii) the ongoing expansion of airline fleets. On the domestic front, passenger traffic has rebounded after two years of decline. However, we expect more modest growth, with a 3–4% CAGR due to higher airfares and a noticeable shift in consumer preference toward alternative transportation methods.

Expansion and upgrade projects support sustainable growth for ACV

The Tan Son Nhat Terminal 3 (T3) project was completed and began operations in April 2025. Furthermore, ACV is accelerating the construction at Long Thanh International Airport, which is expected to commence operations in 2026. ACV also initiated several expansion and upgrade projects at Cat Bi, Dong Hoi, and Ca Mau airports in 2Q2025, ensuring continuous capacity enhancement.

We reiterate BUY for ACV with a target price of VND109,500/share

We reiterate BUY for ACV, with a target price of VND109,500 per share, implying an 18.1% upside potential from the closing price on June 12, 2025.

Buy maintain

Target price	VND109,500
Upside	18.1%
Current price (Jun 12, 2025)	VND92,700
Consensus target price	VND125,600
Market cap (VNDtn/USDbn)	201.8/7.7

Forecast earnings & valuation

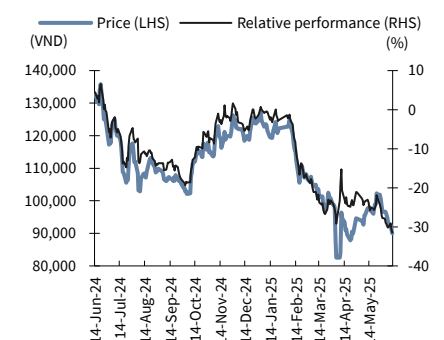
FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	19,998	22,597	24,632	26,523
Operating income/loss (VNDbn)	10,467	14,431	14,946	15,683
NPAT-MI (VNDbn)	7,222	10,421	10,817	11,351
EPS (VND)	3,318	4,787	3,019	3,168
EPS growth (%)	28.6	44.2	-36.9	4.9
P/E (x)	27.9	19.4	30.7	29.3
P/B (x)	4.0	3.4	4.7	4.0
ROE (%)	16.8	19.5	17.4	15.4
Dividend yield (%)	0	0	0	0

Trading data

Free float	4.6%
3M avg trading value (VNDbn/USDmn)	51.6/1.98
Foreign ownership	3.24%
Major shareholder	Ministry of Finance (95.4%)

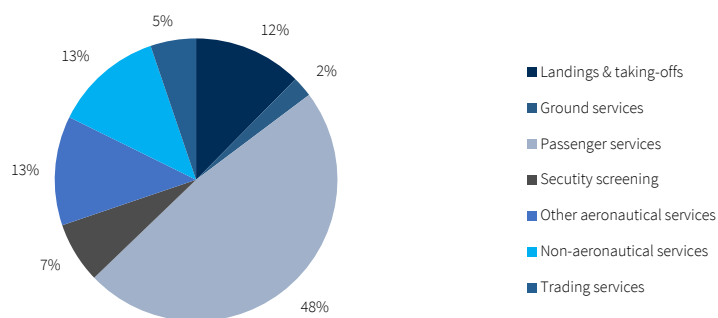
Share price performance

(%)	1M	3M	6M	12M
Absolute	-4	-11	-24	-29
Relative	-5	-10	-28	-30



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2024)



Source: Airports Corporation of Vietnam, KB Securities Vietnam

Business operation

Airports Corporation of Vietnam (ACV) oversees a network of 22 airports nationwide, comprising 11 international and 11 domestic facilities. ACV's primary operations focus on direct air transport support, encompassing aeronautical services, non-aeronautical services, and sales.

Investment Catalysts

Domestic and international passenger traffic is expected to grow at a CAGR of 4% and 9%, respectively, during 2025–2030, ensuring sustainable growth.

Progress toward ACV's listing on HOSE remains on track, supported by the segregation of state-owned assets, which facilitates the conversion of airfield assets under state management into ACV's equity structure.

Terminal T3 at Tan Son Nhat and Long Thanh International Airport serve as key long-term growth drivers for ACV, expected to boost total capacity by 17% and 18% YoY upon their respective commissioning in 2025 and 2026.

Notes

Please find more details below

Please find more details [here](#)

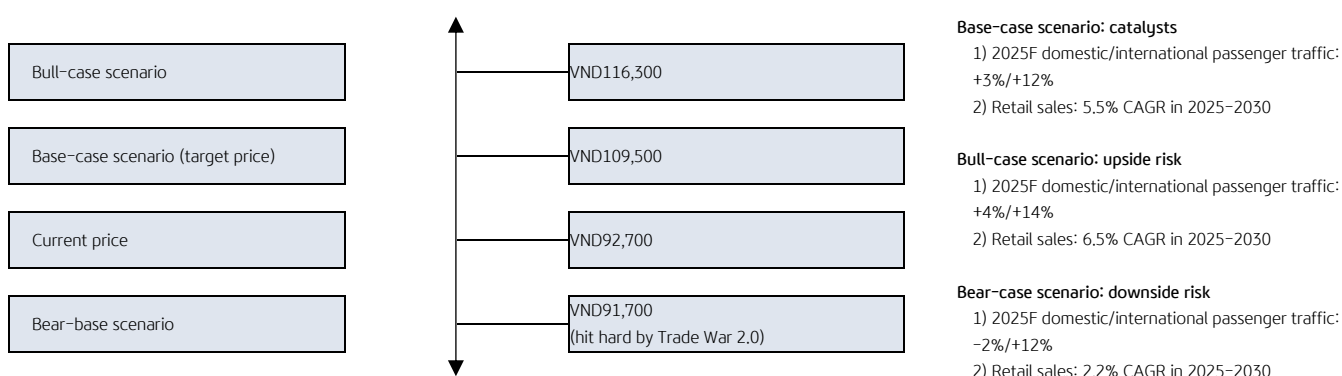
Please find more details below

Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	24,632	26,523	-1%	-3%	24,876	27,155	-1%	-2%
EBIT	15,321	15,833	+11%	+19%	14,419	16,298	+6%	-3%
NP after MI	10,817	11,351	+10%	+20%	11,860	13,131	-9%	-14%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



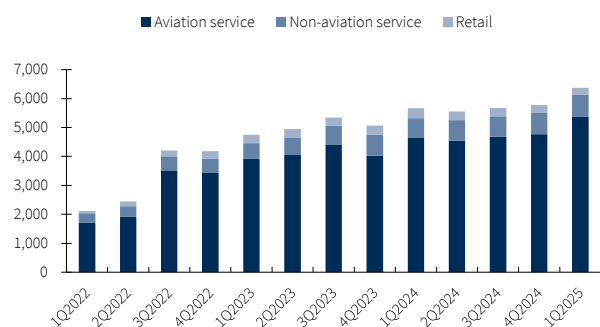
Business performance

Table 1. ACV – 1Q2025 financial results

(VNDbn)	1Q2024	1Q2025	+/-%YoY	Notes
Revenue	5,644	6,350	13%	Met 26% of 2025 revenue target (VND 24,518 billion)
Aeronautical	4,655	5,368	15%	In 1Q2025, international and domestic passenger volumes reached 11.8 million and 18.1 million, respectively, representing 13% and 3% YoY growth.
Non-aeronautical	666	771	16%	
Retail	340	230	-32%	
Gross profit	3,600	4,349	21%	
Gross profit margin (GPM)	64%	68%	4 ppts	Gross margin improved as the proportion of international passengers increased from 29% to 39% of total passenger traffic through Vietnam's airports in 1Q2025.
Financial income	479	250	-48%	Interest income declined from VND346 billion to VND194 billion in 1Q2025, and the VND83 billion foreign exchange gain seen in 1Q2024 was absent.
Financial expenses	-19	-279	1384%	Financial expenses increased due to a foreign exchange loss of VND 227 billion at the end of 1Q2025, driven by a 5.5% appreciation of the Japanese yen (JPY) since the start of the year.
Shared profits from associates	61	98	62%	
SG&A	498	561	13%	
Operating income/loss	3,623	3,857	6%	
Other income	6	8	45%	
Profit before tax (PBT)	3,629	3,865	7%	
Net profit after tax (NPAT)	2,921	3,120	7%	Met 25% of 2025 net profit target (VND12,623 billion)
NPAT-MI	2,594	2,713	5%	
NPAT margin	46%	43%	-3 ppts	

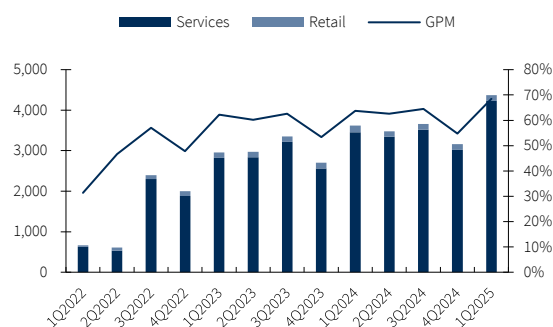
Source: Airports Corporation of Vietnam, KB Securities Vietnam

Fig 2. ACV – Revenue composition (VNDbn)



Source: Airports Corporation of Vietnam, KB Securities Vietnam

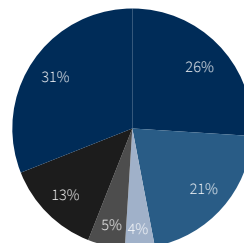
Fig 3. ACV – Earnings composition, GPM (VNDbn, %)



Source: Airports Corporation of Vietnam, KB Securities Vietnam

Fig 4. Vietnam – International air passenger arrivals by source market

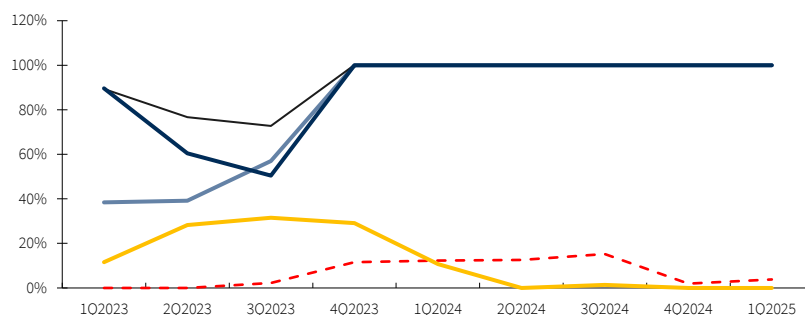
■ China ■ Korea ■ Japan ■ America ■ Europe ■ Others



Source: General Statistics Office of Vietnam

Fig 5. ACV – Provision/Bad debts by airline (%)

— Bamboo — Pacific Airline — Vietravel Airlines
- - - Vietnam Airlines — Vietjet



Source: Airports Corporation of Vietnam

As of the end of 1Q2025, bad debts remain a major concern for ACV, collectively amounting to VND5,863 billion.

ACV has fully provisioned for loans extended to Bamboo Airways, Pacific Airlines, and Vietravel Airlines, with their respective bad debts totaling VND2,475 billion, VND886 billion, and VND393 billion as of the end of 1Q2025.

Encouragingly, provisions for the two major carriers, Vietnam Airlines and Vietjet, have substantially decreased. Notably, Vietjet's bad debts were reduced to zero by 4Q2024.

Looking ahead, we anticipate further decline in provisions for airline-related bad debts as the aviation sector continues its recovery.

However, it is important that ACV effectively address these bad debts, as failure to do so could impact the company's cash flow and overall asset quality in the future.

International arrivals remain the key growth driver, while domestic passenger traffic has rebounded following a two-year decline

In the first five months of 2025, Vietnam saw a significant surge in international arrivals, reaching 19 million passengers, up 13% YoY. A robust recovery from the Chinese market was particularly notable, contributing 2.36 million passengers (25.7% of total international arrivals) and marking a 47.2% YoY increase, surpassing pre-COVID levels. We anticipate international passenger volume to grow by 12% in 2025 and maintain a CAGR of 8–9% from 2026 to 2030, driven by: (i) favorable changes in visa policies, (ii) increased flight frequencies and the launch of new international routes, and (iii) expansion plans from Vietnam Airlines and Vietjet Air, which have collectively added seven new aircraft since late 2024 and plan further acquisitions in the coming years.

While domestic tourism demand is expected to recover from 2025 due to the resumption and addition of multiple domestic routes, growth is likely to remain modest at a 3–4% CAGR. This slower pace is attributed to rising airfares and a growing preference for alternative transportation, such as rail travel.

The retaliatory tariffs are expected to have a limited direct effect on ACV

The retaliatory tariffs set to take effect in 2H2025 will directly impact Vietnam's import-export turnover, leading to a decline in air cargo volume. However, as cargo service revenue constitutes less than 10% of ACV's total revenue structure, and even with an estimated 20-25% drop in cargo volume due to the tariffs, we believe the overall effect on the company's profit will be limited.

Fig 6. Vietnam – 2018A–2029F airport passenger traffic (million passengers)



Source: Airports Corporation of Vietnam, KB Securities Vietnam

Expansion and upgrade projects support sustainable growth for ACV

The four component sub-projects of Long Thanh International Airport are experiencing accelerated construction, with significant improvements in progress compared to earlier this year. Among these, Component Project 3 — the most critical part — is being fast-tracked with a target completion date of December 31, 2025. As of now, three out of 14 work packages have been completed, nine are under construction, and the remaining two are in the contractor selection stage. The total construction value completed has reached VND34,365 billion out of VND77,357 billion, equivalent to 44.42%. Runway No. 1 was completed at the end of April 2025, while Runway No. 2 commenced construction in late May 2025 and is scheduled for completion within 12 months.

Component Project 3 still faces challenges related to material supply, but if resolved in a timely manner, the project is expected to begin operations and contribute to ACV's business results starting in 2026.

In addition to the recently operational Terminal T3 at Tan Son Nhat (20 million passengers/year capacity) and the ongoing development of Phase 1 of Long Thanh International Airport (25 million passengers/year capacity), ACV also commenced several expansion and upgrade projects in 2Q2025. These include the aircraft apron at Cat Bi International Airport, Passenger Terminal T2 at Dong Hoi Airport, and the expansion and upgrade of Ca Mau Airport. The continuous launch and operation of new infrastructure projects will help secure capacity growth for ACV over the medium and long term.

Table 7. ACV – Key projects in 2025–2030

Project	Total investment (VNDbn)	Current Capacity (million passengers)	Expanded capacity (million passengers)	Construction period	Progress
Long Thanh Phase 1	109,000	0	25	2023–2026	Construction began in late October 2023, with the revised master plan including two runways, one passenger terminal with a capacity of 25 million passengers and 1.2 million tons of cargo per year. Not yet commenced.
Long Thanh Phase 2	76,600	25	25	2027–2030	Completed and officially put into operation in April 2025.
Tan Son Nhat Terminal 3	10,990	30	20	2023–2025	Groundbreaking took place in May 2024.
Noi Bai Terminal 2 expansion	4,983	25	5	2023–2025	Expected to commence in 3Q2025, with an estimated construction period of 18 months.
Cat Bi Terminal 2 – Hai Phong	3,147	2	5	2024–2026	Includes a passenger terminal and auxiliary facilities on a 1.2-ha site, construction started in April 2025, with operations scheduled to begin in 4Q2026.
Dong Hoi Terminal 2	1,843	0.5	3	2024–2026	Construction started in April 2025. Its capacity can be scaled up to 1 million passengers per year on demand.
Ca Mau Airport expansion	2,400	0.3	0.2	2024–2025	

Source: Airports Corporation of Vietnam, KB Securities Vietnam

Fig 8. ACV – Long Thanh International Airport by end-May 2025



Source: Airports Corporation of Vietnam

Fig 9. ACV – Long Thanh International Airport by end-May 2025



Source: Airports Corporation of Vietnam

ACV plans to distribute stock dividends at a ratio of up to 64.58%

In the upcoming AGM resolution, ACV plans to issue stock dividends at a ratio of up to 64.58%, equivalent to 1,405,943,954 shares, using retained earnings. The issuance is expected to take place in 2025. Upon successful completion, ACV's charter capital will increase significantly from VND21,771 billion to VND35,830 billion, with the additional capital intended for reinvestment in major projects such as Long Thanh International Airport.

Forecast & Valuation

Table 10. ACV – 2024A–2026F financial results

(VNDbn)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Notes
Revenue	22,597	24,632	9%	26,523	8%	Expected to fulfill 100% of the 2025 target by year-end
Aeronautical	18,647	20,351	9%	21,709	7%	Total passenger traffic through Vietnam's airports is expected to reach 117 million in 2025 and 123 million in 2026, representing YoY growth of 6.4% and 5.3%, respectively. – In 2025, international and domestic passengers are projected to grow by 12% and 3% YoY, reaching 46 million and 71 million, respectively. – In 2026, international and domestic passenger growth is forecast at 8% and 4% YoY, maintaining the respective volumes of 46 million and 71 million.
Non-aeronautical	2,831	3,065	8%	3,286	7%	
Retail	1,181	1,339	13%	1,659	24%	Terminal T3 at Tan Son Nhat and Long Thanh Phase 1 are expected to commence operations in mid-2025 and early 2026, respectively.
Gross profit	13,873	15,740	13%	16,662	6%	
Gross profit margin (GPM)	61%	64%	+3 pts	63%	-1 ppt	Gross margin is expected to improve in 2025 thanks to rising international passengers.
Financial income	1,739	953	-45%	859	-10%	Financial income declines due to reduced deposit interest income, as more capital is allocated to ongoing expansion projects.
Financial expenses	-105	-452	332%	-357	-21%	Financial expenses may surge due to an FX loss of VND340 billion in 2025, based on the assumption that the JPY appreciates by 7.5%.
Shared profits from associates	336	340	1%	279	-18%	
SG&A	-1,413	-1,634	16%	-1,760	8%	
Operating income/loss	14,431	14,946	4%	15,683	5%	
Other income	33	34	2%	37	8%	
Profit before tax (PBT)	14,465	14,980	4%	15,720	5%	
Net profit after tax (NPAT)	11,677	12,222	5%	12,826	5%	Expected to fulfill 97% of the 2025 target by year-end
NPAT-MI	10,421	10,817	4%	11,351	5%	
NPAT margin	46%	44%	-2 pts	43%	-1 ppt	

Source: Airports Corporation of Vietnam, KB Securities Vietnam

We recommend BUY for ACV with a target price of VND109,500 per share

We utilized the discounted cash flow (DCF) method to arrive at a fair price of VND109,500/share for ACV. Considering the recent correction in the share price coupled with ongoing expansion and upgrade projects advancing as planned, which will continuously add capacity and support short- and long-term growth, we recommend BUY for ACV. Our assumptions are as follows:

- We have lowered passenger traffic growth assumptions due to slower-than-expected growth in the first five months of the year and concerns over the potential impact of tariffs on economic activity and travel demand. Specifically, international passenger traffic is projected to grow by 12% YoY in 2025—driven by a strong recovery from the Chinese market—and an 8–9% CAGR through 2030. Domestic passenger traffic is expected to recover from 2025 onward, with a CAGR of 3–4%.

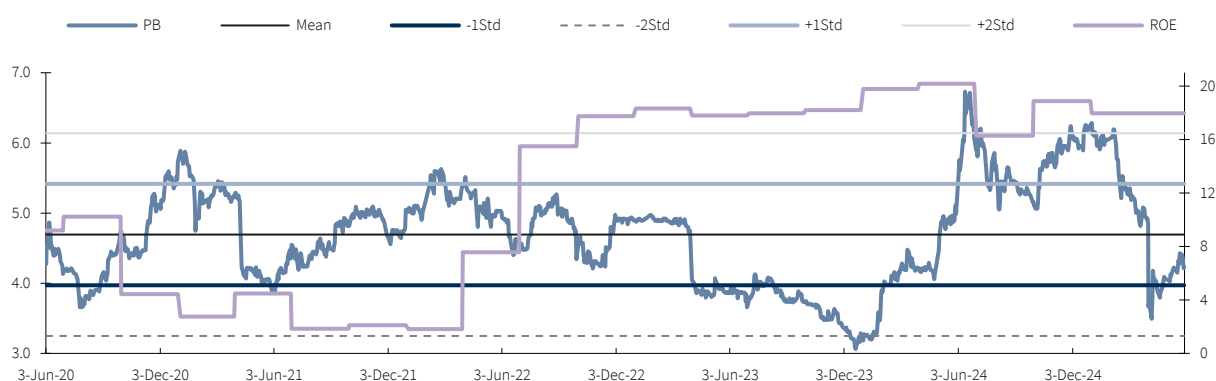
- Terminal T2 at Noi Bai is expected to be completed in 2026, while Long Thanh Phase 1 and Phase 2 are projected to begin operations in early 2026 and early 2032, respectively.
- Aeronautical service fees are assumed to be adjusted every 2–3 years, with each round of increase averaging 2–3%.

Table 11. ACV – Valuation results

(VNDbn)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
EBIT	13,489	14,198	13,818	15,863	18,983	19,384	20,432	22,596	26,384	30,492	34,988	39,861	45,200	51,075	57,561
Depreciation	2,580	3,070	5,628	8,752	9,495	9,985	11,204	12,150	13,613	14,956	9,981	9,981	9,981	9,981	9,981
Capital Expenditures (CapEx)	-38,602	-44,139	-1,870	-2,070	-2,275	-24,700	-47,148	-11,020	-3,320	-3,650	-4,214	-4,635	-5,098	-5,608	-6,171
Increase in Working Capital	48	686	-11	-76	-2,081	1,570	-2,118	202	-2,580	280	-2,534	90	-2,782	-184	-3,085
Present Value of FCFF	-24,373	-25,315	12,620	14,691	13,994	2,064	-10,786	9,822	12,923	14,441	11,436	12,248	11,354	11,981	11,239
Terminal value															149,371
Enterprise value (EV)															227,710
Cash & equivalents															20,525
Debt															9,827
Equity value															238,407
Number of shares outstanding (million shares)															2,177
Value per share (VND/share)															109,500

Source: KB Securities Vietnam

Fig 12. ACV – P/B, ROE in 2020–2025



Source: Bloomberg, KB Securities Vietnam

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Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(Based on the assessment of sector prospects over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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