Initiation Report

VJC · Vietjet Aviation Joint Stock Company *(Vietjet Aviation JSC)*

HOSE · Listed 28/02/2017

INVESTMENT SUMMARY

Vietjet is the LCC leading Vietnam's international segment (**~56% international market share**, **105 aircraft**, **28.2 million pax in 2025**), with region-best operating quality at an EBITDAR margin of ~27% and recovery momentum strengthening in Q1/2026. However, per TCBS Research, the thin net margin (2.6%) plus high leverage (D/E 2.8x, interest coverage of only 2.1x) leaves earnings exposed to fuel and FX volatility. Most notably, the stock trades at a very high level (**P/E 50.4x · P/B 4.1x · EV/EBITDA 30.7x**) — growth expectations already largely priced in.

INVESTMENT THESIS

01 Leading LCC competitive position in the international segment

~56% international market share (vs HVN's ~42%), 43.3% domestic. Fleet of **105 aircraft**, 52 domestic + 202 international routes, 28.2 million pax in 2025. International network nearly 4x domestic, opening room beyond the slot bottleneck.

02 Industry-leading core operating quality & profitability

EBITDAR margin **~27%** (on par with Cebu Pacific), load factor ~84-87%. Ancillary & cargo revenue 25,280 VND bn (2025), ~28% of transport revenue — a high-margin, fuel-resilient component.

03 Young, uniform A320/A321 fleet — a cost advantage

105 aircraft uniformly A320/A321, young with a rising NEO share — saving **~20% fuel**/seat vs older generation. Shared pilots, training & spare parts lower maintenance costs.

04 Recovery momentum & international network breakout

202 international routes, nearly 4x domestic (52); international pax near **10 million** in 2025. Rising FX revenue offers a natural hedge for USD costs; recovery momentum strengthened in Q1/2026.

KEY RISKS

01 Leverage & liquidity

D/E 2.8x, interest coverage only 2.1x, cash ~1.6 months of costs. Net Debt/EBITDAR ~2.6x (borrowings only); adding 65,075 VND bn off-balance-sheet leases pushes adjusted leverage to ~5.6–8.0x, above the 6x alarm threshold.

02 Compounded USD/VND exchange-rate exposure

Most aircraft lease, fuel and debt costs are denominated in USD while domestic revenue is collected in VND; amplified by a net margin of only 2.6%.

03 Jet fuel price

Accounts for 25–35% of costs; each 10% rise in the jet fuel price could erode 2–4 percentage points of the EBITDAR margin — very high sensitivity on a thin profit base.

VALUATION

Share price	**139,000** VND
Market cap	**106,905** VND bn
P/E (FY2025)	**50.4x**
P/B (FY2025)	**4.1x**
EPS (FY2025)	**2,759** VND
EPS / P/E (2026F)	**3,255 VND · 32.2x**

KEY FINANCIALS

Revenue FY2025	**82,093** VND bn
Net profit FY2025	**2,123** VND bn
Net margin	**2.6%**
EBITDAR margin	**~27%**
ROE FY2025	**10.1%**
Net Debt/EBITDAR	**~2.6x**

COMPANY SNAPSHOT

Exchange	**HOSE**
Sector (ICB)	**Airlines (LCC)**
Shares outstanding	**769.1** mn shares
Charter capital	**7,691** VND bn
Foreign ownership	**6.3%**
Beta (1Y)	**0.71**

1. Company Profile

Formation history · Ownership structure · Management · Business model · Fleet & route network · Subsidiaries & affiliates

1.1. History & Development

In nearly two decades since receiving its license in 2007, Vietjet has grown from a "blank" air transport business license into Vietnam's largest carrier by passengers — 28.2 million passengers in 2025. This journey has not been a story of linear growth, but rather three successive strategic leaps: choosing the right low-cost carrier (LCC) model while the market was still a monopoly, using large-scale aircraft ordering leverage to drive unit costs down, then shifting the growth focus from domestic to the international route network as domestic room ran thin.

PHASE 1 (2007–2013) — BREAKING THE MONOPOLY & LAYING THE LCC FOUNDATION

Vietjet received Air Transport Business Registration Certificate No. 01/0103018458 in 2007, becoming Vietnam's first private airline licensed to fly both domestic and international routes, with an initial charter capital of VND 600 bn. Its first commercial flight, HCMC – Hanoi, took off on 24/12/2011; just a year later the airline covered 7 domestic destinations (Vinh, Da Nang, Nha Trang, Da Lat, Phu Quoc, Hai Phong), and in 2013 operated its first international flight, HCMC – Bangkok. A private carrier breaking into a market dominated by the national airline established the distinctive bipolar (duopoly) structure of Vietnamese aviation that persists to this day.

PHASE 2 (2014–2019) — LARGE-SCALE AIRCRAFT ORDER LEVERAGE & LISTING

The turning point that defined scale was the contract to order 200 Airbus aircraft signed in 2014 — an order far exceeding operations at the time, allowing Vietjet to negotiate favorable aircraft prices and delivery schedules while providing the "fuel" for sale-and-leaseback operations that became a major profit source in subsequent years. The airline listed on HOSE in 2017 and steadily raised charter capital to VND 5,416 bn in 2018 (541.6 million shares). By the end of the phase (2019), Vietjet had reached 100 million cumulative passengers and operated a young fleet — an average age of just 2.82 years. Charter capital subsequently rose further to VND 5,916 bn (August 2025) and to ~VND 7,691 bn (769.1 million shares) after the 30% stock dividend paid in mid-2026.

PHASE 3 (2020–2022) — WEATHERING THE CRISIS & PRESERVING LIQUIDITY

The COVID-19 pandemic pushed consolidated revenue from its peak to a trough: VND 18,220 bn (2020) then VND 12,875 bn (2021), before profit after tax turned negative at VND 2,262 bn in 2022 as operations recovered but fuel costs and the exchange rate surged. Vietjet still maintained jobs for over 5,000 employees and kept the parent company profitable through aircraft trading. This phase exposed the structural weakness of the lease-intensive LCC model: fixed costs (aircraft leases, personnel) are not elastic to revenue — a lesson that governs the airline's liquidity appetite to this day.

PHASE 4 (2023–PRESENT) — INTERNATIONAL BREAKOUT & FLEET RENEWAL

Post-COVID, the growth driver shifted decisively to international: the airline opened a series of routes to Australia (5 major cities), India, China, Kazakhstan and is preparing to serve Europe (Hanoi – Prague expected 07/2026). Consolidated revenue peaked at VND 82,093 bn in 2025 with profit after tax of VND 2,123 bn. In parallel, Vietjet laid the foundation for a new fleet cycle: a contract to purchase 20 A330neo widebody aircraft worth USD 7.4 bn and a commitment for over 400 LEAP-1B engines (USD 8 bn) signed in 2024, alongside plans to receive the first Boeing 737 MAX aircraft within a 200-unit order.

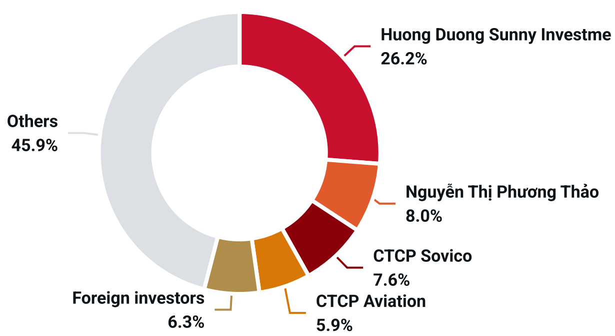
Q1/2026 recorded revenue of VND 21,021 bn (+17.1% YoY) and profit after tax of VND 1,023 bn (+59.6%), reinforcing the recovery momentum.

1.2. Ownership Structure

Vietjet's charter capital currently stands at ~VND 7,691 bn, corresponding to 769.1 million common shares outstanding (after the 30% stock dividend in mid-2026), with no treasury or preferred shares. Ownership is concentrated around the founding ecosystem: Huong Duong Sunny Investment Co., Ltd holds 26.2%, Ms. Nguyen Thi Phuong Thao (Chairwoman) 8.0%, Sovico JSC 7.6% and Aviation JSC 5.9%. Together, these four core entities/individuals account for about 47.7% of capital — the founder-related group effectively holds controlling power. Foreign ownership stands at 6.3%, leaving ample room relative to the industry's typical ownership cap.

VJC Ownership Structure

% of capital owned (as of 07/2026)



This structure carries two opposing implications. On the positive side: the founding group is committed for the long term and strategically consistent — billion-dollar aircraft orders and international expansion decisions all originate from a stable center of power, reducing the risk of an abrupt change of direction. On the cautionary side: with the related group's overwhelming controlling stake, minority shareholders' interests depend on governance discipline; related-party transactions within the Sovico – HDBank ecosystem warrant close monitoring. Low foreign ownership (6.3%) both leaves room to attract foreign capital and reflects foreign investors' cautious appetite toward the airline's high-leverage profile.

Vietjet maintains a tradition of paying stock dividends to preserve cash for the fleet investment cycle: the most recent was a 30.0% stock dividend with an ex-rights date of 16/06/2026, following a long period without cash distributions since 2018–2019. This choice is consistent with a company in a high-capex phase, prioritizing financial capacity for new aircraft deliveries over cash distributions.

1.3. Management & Governance

Board of Directors · Executive Board · Audit Committee

Vietjet's leadership is closely tied to the founding group and marked by deep financial expertise. The Chairwoman is Ms. Nguyen Thi Phuong Thao — a co-founder since 2007 with extensive finance-banking experience from the Sovico – HDBank ecosystem. Day-to-day operations are led by CEO Dinh Viet Phuong (with the company since 2012, CEO since 04/2023); the finance function — critical amid high leverage (D/E of 2.8x) — is overseen by Ms. Ho Ngoc Yen Phuong, Deputy CEO for Finance with over 30 years of experience. Financial statements are audited by UHY and PwC Vietnam.

BOARD OF DIRECTORS

7 members · including 2 independent members

CHAIRWOMAN	Nguyễn Thị Phương Thảo
VICE CHAIRMAN	Nguyễn Thanh Hà
VICE CHAIRMAN · INDEPENDENT MEMBER	Nguyễn Anh Tuấn
BOD MEMBER	Nguyễn Thanh Hùng
BOD MEMBER · CEO	Đinh Việt Phương
BOD MEMBER · DEPUTY CEO FINANCE	Hồ Ngọc Yến Phương
INDEPENDENT BOD MEMBER	Donal Joseph Boylan
BOD MEMBER · AUDIT COMMITTEE MEMBER	Lưu Đức Khánh
BOD MEMBER · AUDIT COMMITTEE MEMBER	Chu Việt Cường

EXECUTIVE BOARD

1 CEO · specialized Deputy CEOs

CEO	Đinh Việt Phương
DEPUTY CEO FINANCE	Hồ Ngọc Yến Phương
DEPUTY CEO OPERATIONS	Michael Hickey
DEPUTY CEO OPERATIONS & SAFETY-QUALITY-SECURITY	Tô Việt Thắng
DEPUTY CEO COMMERCIAL	Nguyễn Thanh Sơn
DEPUTY CEO	Nguyễn Đức Thịnh
DEPUTY CEO	Nguyễn Thị Thúy Bình
DEPUTY CEO	Đỗ Xuân Quang

AUDIT COMMITTEE

Under the BOD · Chaired by an independent member

AUDIT COMMITTEE CHAIRMAN	Nguyễn Anh Tuấn
MEMBER	Lưu Đức Khánh
MEMBER	Chu Việt Cường

A striking governance feature is the "hybrid" blend of pure aviation experience and a finance-banking foundation. The operations-safety function is led by international experts (Mr. Michael Hickey, over 40 years in the industry, largely at Ryanair — Europe's largest LCC; Mr. To Viet Thang — who brought the airline to IOSA safety certification and IATA membership), while capital strategy and large-scale aircraft ordering bear the strong financial imprint of the founding group. This combination suits the nature of the industry — where profitability depends simultaneously on operational discipline (unit costs) and aircraft financing capability.

1.4. Business Model

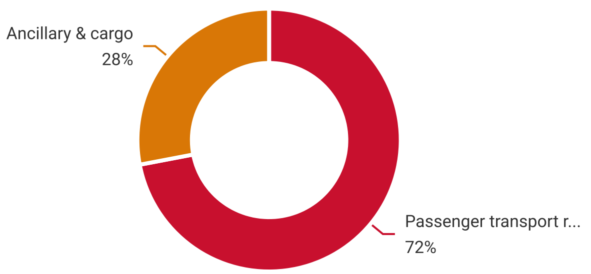
Vietjet operates a pure low-cost carrier (LCC) model: base fares are kept low to stimulate demand while maximizing high-margin ancillary revenue per passenger. Core operations revolve around five groups: air operations (domestic/international passenger and cargo transport), ancillary services (seat selection, checked baggage, meals, onboard sales, duty-free, advertising), aircraft trading (buying – selling – leasing – transferring aircraft, including sale-and-leaseback), aviation manpower training, and direct transport support services (ground handling, technical maintenance).

Cargo transport is a strongly pushed ancillary spearhead: in 2024 the airline carried over 120,651 tonnes of cargo (up 50.2% versus 2023), expanding to the Americas and Europe through interline agreements; in 2025 volume reached 113,923 tonnes — a slight ~5.6% decline versus 2024 as the airline restructured its route network and prioritized passenger loads on new international routes. This segment is backed by a system of logistics subsidiaries (Swift247, VietjetAir Cargo), leveraging the belly cargo of the passenger fleet without needing to invest in a dedicated freighter fleet — a way of exploiting existing assets characteristic of LCCs.

A point to note on revenue quality: Vietjet's revenue structure also includes aircraft/engine sales and aircraft financial trading (sale-and-leaseback), which are large but non-recurring. When assessing core profitability trends, this extraordinary revenue must be separated from operating flight revenue to avoid overstating sustainable growth momentum — especially in years of thin consolidated gross margin (10.3% in 2025).

■ **VJC Air Transport Revenue Structure**

Share by revenue source, 2025 (%)



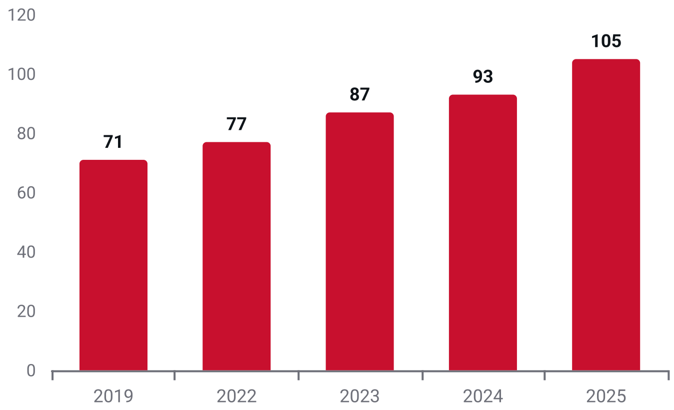
In 2025, passenger transport revenue reached **VND 64,294 bn** (~72% of air transport revenue), of which international VND 22,631 bn exceeded domestic VND 16,383 bn. Ancillary & cargo revenue reached **VND 25,280 bn** (~28%), up from VND 24,205 bn in 2024.

This is the component that shapes the LCC advantage: base fares are pulled to the low end by competition, while ancillary revenue carries far higher margins and is less sensitive to price wars. The airline targets ancillary revenue of at least 40%, growing 15% per year, and RASK 5% above the industry through 2026.

1.5. Fleet & Route Network

■ **VJC Fleet Size**

Aircraft at period-end (units)



***Source:** TCBS Research; VJC Annual Report*

As of 2025, Vietjet operated **105 aircraft**, serving 52 domestic + 202 international routes, carrying 28.2 million passengers (nearly 10 million international passengers).

Composition at end-2025 (Annual Report): 19 A320, 36 A321CEO, 42 A321NEO and 8 A330 widebody — standardized around the A320/A321 narrowbody family (the standard platform of global LCCs), with A330s added for long-haul routes to Australia and India.

Two fleet characteristics create structural cost advantages. First, standardization around the A320/A321 family: shared flight control systems, pilot training programs and spare parts inventory, thereby lowering type-conversion training costs and maintenance costs. Second, a young fleet — an average age of about 3.5 years in 2025, far below the regional average of ~7.7 years, with a rising share of fuel-efficient neo variants — helps keep fuel burn per seat about 20% lower than the older generation, directly easing pressure from the industry's largest cost component.

Operating performance remains high: the average load factor reached about 86.0% in 2025 (versus 84.0% in 2024), alongside a technical dispatch reliability of 99.72% — among the highest in the region. A load factor above 85% reflects an LCC's effective ticketing and route-network coordination capabilities, even as the airline continuously adds new international capacity. Operating scale rose from 137,539 safe flights in 2024 to nearly 153,000 flights in 2025.

The growth focus has shifted decisively international: the number of international routes (202) is now nearly four times the number of domestic routes (52) in 2025, reversing the early-phase structure when domestic dominated. This both opens growth room beyond the domestic airport slot bottleneck and raises the share of foreign-currency revenue — a partial natural hedge for fuel and aircraft lease costs, which are denominated in USD. A new fleet cycle (A330neo, Boeing 737 MAX, LEAP-1B/GTF engines) is being set up to serve this expansion phase.

1.6. Subsidiaries & Affiliates

Vietjet's subsidiary system is organized around two axes: (1) foreign entities specializing in aircraft trading and leasing (Ireland, Singapore, British Virgin Islands, Cayman Islands) — legal-financial vehicles serving aircraft purchase and sale-and-leaseback operations; and (2) domestic service companies supporting the aviation value chain (logistics/cargo, payments, ground handling). This structure shows the airline focusing on the core air transport business rather than diversifying outside the industry, while internalizing cost links (ground handling, cargo) to control quality and margins.

VietjetAir Cargo JSC (64%) · Swift247 JSC (67%)

Cargo transport and supporting logistics services — the foundation for the cargo segment's 50.2% growth in 2024, leveraging belly cargo of the passenger fleet.

Galaxy Pay Co., Ltd (100%)

Provides payment intermediary services — supporting the digital ticketing ecosystem and online ancillary revenue.

Vietjet Ground Services Co. (100%)

Performs ground handling in-house (at Noi Bai since 2020) rather than outsourcing — internalizing airport costs.

International aircraft leasing entities (100%)

Vietjet Air Ireland No.1, Singapore Pte, IVB No.I & II (BVI), Skymate (Cayman) — aircraft trading & leasing vehicles serving sale-and-leaseback.

Thai Vietjet Air (affiliate, 9%)

An airline in Thailand — a springboard for regional route expansion; operates its own 18 aircraft outside VJC's consolidated fleet.

Cam Ranh International Terminal JSC (affiliate, 10%)

Airport terminal infrastructure services — aligning interests with end-point aviation infrastructure.

Overall, the subsidiary portfolio affirms a "pure aviation with selective vertical integration" positioning: Vietjet controls the links that directly govern costs and customer experience (ground handling, cargo, payments, aircraft financing), but does not disperse resources into non-core sectors. This is a structure suited to an LCC in a high-capex phase, where all resources should be prioritized for fleet expansion and financing.

2. Aviation Industry Analysis

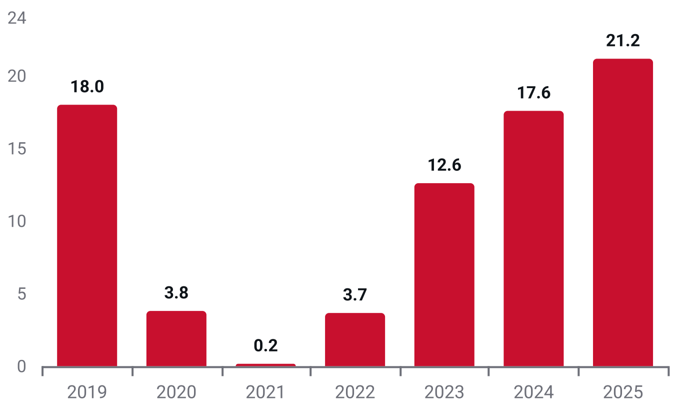
2.1. Macro & Tourism

Vietnamese aviation entered 2025 with the strongest supporting macro and tourism foundation since the pandemic. International arrivals to Vietnam reached 21.17 million, up 20.4% versus 2024 and setting a new record. Importantly for the aviation industry, up to 17.8 million of these — equivalent to 84.3% — entered by air, confirming that air transport is the main gateway for international visitor flows and a channel that benefits directly as tourism recovers.

The source-market structure tilts clearly toward Asia: the region contributed 16.6 million visitors, accounting for 78.6% of total international arrivals, with China alone leading at over 5.28 million (+41.3% versus 2024); Europe reached about 2.8 million. The strong recovery of nearby markets — mostly 2–5 hour flights — is especially favorable for the low-cost carrier (LCC) model like Vietjet, which operates most efficiently on short- and medium-haul ranges.

International Arrivals to Vietnam

Million arrivals



Source: *General Statistics Office; TCBS compiled*

The steep growth path in 2022–2023 reflects a near-zero COVID comparison base; notably, growth remained double-digit (+20.4%) in 2025 despite an already-high 2024 base, indicating real demand rather than just a technical recovery.

The 21.17 million mark in 2025 already surpassed the pre-pandemic peak (18 million in 2019), opening passenger-growth room for domestic carriers from 2026 onward.

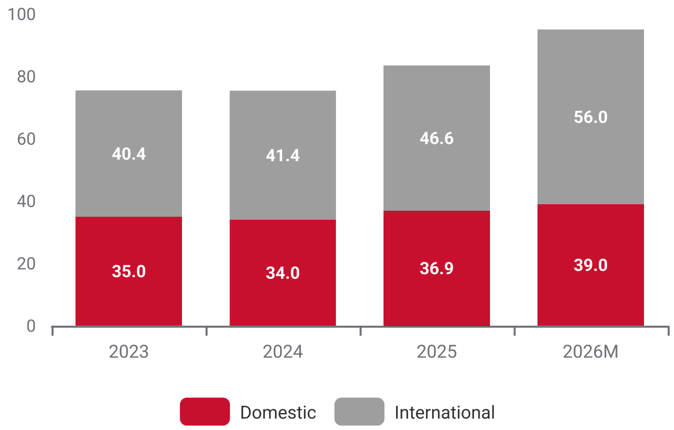
Long-term drivers come from the middle class and visa policy. Aviation is a "proxy" for disposable income: as GDP per capita rises, the frequency of air travel increases exponentially, especially in the budget segment — exactly the segment Vietjet serves. The relaxed e-visa policy and expanded visa exemptions in 2025 are catalysts for Chinese, Indian and European visitor flows, helping fill international routes in both directions rather than the one-way load imbalance of the past. The macro foundation reinforces this trend: GDP per capita in 2025 reached USD 5,026 (up USD 326 from USD 4,700 in 2024), on GDP growth of 8.02% — the income threshold above USD 5,000 per capita is typically associated with an acceleration of air-travel demand in the budget segment. Domestic tourism also set a record with about 130 million visitors (+8%) and total tourism revenue exceeding VND 1 quadrillion for the first time (+22.1%), broadening the demand pool for both domestic and international routes.

2.2. Vietnamese Aviation Market

The entire Vietnamese air transport market in 2025 reached about 83.5 million passengers, up 10.7% versus 2024, along with 1.5 million tonnes of cargo (+18.5%). Growth components diverged clearly: the domestic market reached 36.9 million (+8.4%) while international surged to 46.6 million (+12.6%). For the first time, international passenger scale far exceeded domestic, reversing the traditional structure and reflecting airlines' trend of concentrating resources on higher-margin international routes.

Industry-Wide Passenger Volume, Vietnamese Aviation

Million passengers — domestic vs international



Source: *CAAV; TCBS compiled*

The whole industry in 2025 reached **83.5 million passengers** (+10.7%): domestic 36.9 million (+8.4%), international surging to **46.6 million** (+12.6%) (CAAV). International exceeded domestic for the first time — reversing the traditional structure.

Route network: 55 domestic + 113 international routes operated by Vietnamese carriers, competing with 142 routes of 71 foreign airlines — the international segment is the most fiercely contested.

Air cargo is an under-noticed bright spot: total volume of 1.5 million tonnes (+18.5%), of which international cargo reached about 1.3 million tonnes (+22.6%). Cargo growing faster than passengers reflects cross-border e-commerce flows and electronics supply chains shifting to Vietnam — an ancillary revenue segment of increasing importance for carriers with large belly cargo capacity.

CAAV targets about 95 million passengers in 2026 (+13.6%) and over 1.6 million tonnes of cargo (+9.3%), while noting the arrival of new carrier Sun PhuQuoc Airways. The double-digit growth target confirms the industry is in the expansion phase of the cycle, but also poses an infrastructure challenge: the pace of aircraft and airport slot supply growth must keep up with demand, otherwise the industry load factor (already high at ~80–85% for the LCC group) will hit a ceiling and shift competition toward fares. 2025 operating data show the industry-wide load factor is already high: domestic routes typically 82–89% (Vietnam Airlines ~84%, Vietjet ~83%, Bamboo up to ~89%), while international routes are lower and highly varied (Vietjet ~73–78%, Vietnam Airlines ~81%) due to continuously opening new routes that need time to "fill up" — the room for efficiency gains lies mainly in the international segment.

2.3. Competition & Market Share

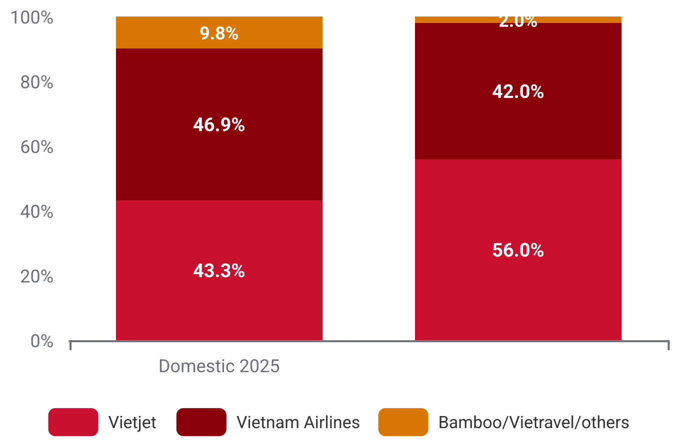
The domestic market retains a "duopoly" structure: Vietnam Airlines leads with about 46.9% market share, Vietjet close behind at 43.3%, the two together holding about 90% of the market; the remainder splits between Bamboo Airways (~6.8%) and Vietravel Airlines (~3.0%). On international routes, the position reverses: Vietjet rises to lead the Vietnamese carrier group with about 56% market share, ahead of Vietnam Airlines (~42%) thanks to a strategy of aggressive expansion into India, China, South Korea, Japan and, more recently, long-haul routes (Almaty–Prague, HCMC–Cebu).

ASEAN Regional LCC	Country	Model	Fleet size (approx.)
Vietjet Air (VJC)	**Vietnam**	**LCC**	**105 aircraft**
AirAsia Group	Malaysia	LCC	~220 aircraft
Cebu Pacific	Philippines	LCC	~90 aircraft
Thai Lion Air	Thailand	LCC	~30 aircraft

Source: TCBS compiled.

Passenger Market Share by Carrier

% — domestic vs international (Vietnamese carriers)



Source: CAAV; TCBS compiled

Domestic "duopoly": VNA **46.9%** leads, VJC close behind **43.3%** — the two hold ~90% market share. On international, the position reverses: VJC rises to **~56%**, ahead of VNA ~42% (CAAV/industry compiled).

Core segment difference: VNA is a high-cost FSC; VJC is an LCC with a single-type A320/A321 fleet — its low ex-fuel CASK advantage helps capture international market share.

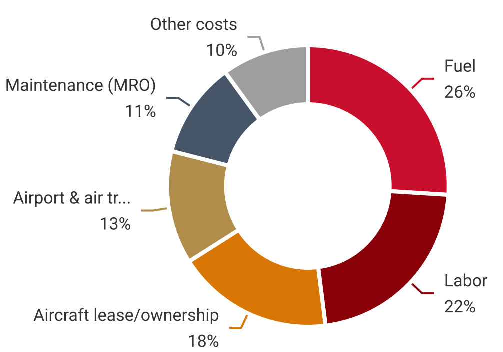
Among regional peers, Vietjet ranks in the top group of ASEAN LCCs by fleet size, behind AirAsia but ahead of Cebu Pacific and Thai Lion Air. Its edge is a fast-growing 100-million-population domestic market plus record international arrivals; its weakness is reliance on sale-leaseback and USD aircraft lease costs, making margins more FX-sensitive than carriers with mostly owned aircraft.

2.4. Industry Cost Structure

The aviation cost structure is dominated by two large components beyond the airline's control: fuel and aircraft ownership/lease costs. According to IATA, global fuel costs in 2025 were estimated at USD 236 bn, accounting for about 25.8% of total operating costs, with an average jet fuel price of ~USD 86/barrel. Labor costs have risen to become the largest component (~28% per the 2026 projection) due to rapidly rising wages amid an industry labor shortage, while aircraft lease rates have risen 20–30% versus 2019 and peaked due to a shortage of new aircraft supply.

Aviation Industry Operating Cost Structure

Reference share (%)



Source: IATA; TCBS compiled

Fuel (~26%) plus aircraft lease/ownership costs (~15–20%) account for over 40% of the cost structure — both anchored to USD and Brent crude prices, two variables the airline has almost no control over.

For an LCC like Vietjet, the main lever lies in controlling non-fuel cost per seat-km: optimizing aircraft utilization, shortening turnaround time and increasing ancillary revenue.

The USD–VND dynamic creates a double risk for domestic LCCs: most costs (fuel, leases, spare parts, debt) are USD-denominated, while domestic revenue is collected in VND. When the VND depreciates, costs rise but domestic revenue does not adjust — hence Vietjet is expanding international routes (earning USD) as a natural FX hedge that balances foreign-currency cash flows.

A high fuel share means industry margins are highly sensitive to oil prices. Based on industry experience, each 10% move in jet fuel prices can shift the EBITDAR margin by 2–4 percentage points. Therefore, fuel hedging policy and fleet youth (new aircraft save 15–20% on fuel) are the two factors that determine an airline's resilience during high-oil-price cycles.

2.5. Regulatory Framework & Airport Infrastructure

Industry growth is constrained more by infrastructure than by demand. The two gateway airports Tan Son Nhat (HCMC) and Noi Bai (Hanoi) already operate above or near their design capacity, making peak-hour takeoff/landing slots a scarce resource. This slot bottleneck inadvertently creates a natural barrier to entry, protecting the position of carriers with existing grandfathered slots such as Vietjet and Vietnam Airlines, while limiting the pace of domestic frequency expansion for the whole industry.

KEY INFRASTRUCTURE ROADMAP

Project / Milestone	Timing	Content & significance for the industry
Long Thanh Airport — phase 1	**Q4/2026**	**Commercial operation, capacity of 25 million passengers/year; relieves Tan Son Nhat congestion, opens growth room in the southern region (Ministry of Transport/Government).**
Long Thanh — construction completion	**Q3/2026**	Component projects 1, 2, 4 broadly on schedule as of Q1/2026 (Ministry of Transport).
Tan Son Nhat / Noi Bai slots	**Existing**	Peak-hour congestion; a natural barrier to entry, limiting domestic frequency growth.
Industry 2026 volume target	**2026**	~95 million passengers (+13.6%) per CAAV guidance.

Source: Ministry of Transport, Government, CAAV (2026).

Long Thanh phase 1 is the largest infrastructure catalyst of the decade. With a capacity of 25 million passengers/year expected to enter commercial operation from Q4/2026, the airport will relieve the slot bottleneck in the HCMC area — where Vietjet has its main base — opening room for higher frequencies and new routes after 2026. This is why Vietjet announced it is "concentrating resources on Long Thanh" in its medium-term strategy.

On the regulatory framework, flight operations are governed by the Civil Aviation Law, the takeoff/landing and ground handling service fee framework issued by CAAV, and bilateral air services agreements (ASAs) that define international traffic rights. Opening new long-haul routes (e.g., Hanoi–Prague via Almaty under Kazakhstan's "open skies" policy) depends on ASA negotiations — both an opportunity for route expansion and a legal risk if traffic rights are curtailed.

Overall, the regulatory-infrastructure framework both protects the leaders' position (through the slot bottleneck) and unlocks a new growth phase (through Long Thanh). The risk lies in schedule delays: if Long Thanh slips beyond the Q4/2026 milestone, the seat-capacity growth room for the whole industry — and for Vietjet — will be compressed for another cycle.

2.6. Industry Risks

Five systemic risks shape the margins and volatility of Vietnamese aviation.

The first four are cyclical and can be monitored and managed; disruption risk (pandemic/geopolitics) is a rare but extremely high-impact risk — low probability, hard to quantify, and a lesson from COVID-19 when industry-wide revenue fell to near zero while aircraft lease and personnel costs remained fixed.

1 · Jet fuel price

Accounts for ~26% of operating costs, fluctuating with Brent crude + crack spread. Each 10% rise in jet fuel prices can erode the EBITDAR margin by 2–4 pp. Carriers not fully hedged bear the direct impact.

2 · USD/VND exchange rate

Most costs (aircraft leases, fuel, spare parts, debt) are in USD; domestic revenue is in VND. When the VND depreciates, costs rise accordingly. Domestic LCCs face greater pressure than carriers with high international revenue.

3 · Competition & price wars

Vietnamese LCC fares are among the lowest in the region; direct VJC–HVN competition domestically and foreign carriers (71 airlines) internationally. Supply growing faster than demand will drag down yield and compress RASK.

4 · Operational disruption

Pandemics, geopolitics, natural disasters. COVID-19 is the lesson: revenue collapsed for 6–12 months but aircraft lease/personnel costs stayed fixed. A cash buffer of > 3 months of fixed costs is needed to withstand it.

5 · Regulatory & infrastructure

The Tan Son Nhat/Noi Bai slot bottleneck limits domestic growth; changes to takeoff/landing – service fees; international traffic-right risk (bilateral ASAs). Long Thanh's progress is a key variable.

Double-risk characteristic

Fuel (USD) + aircraft leases (USD) layered over domestic revenue (VND) create a double risk of oil price × exchange rate. Expanding international routes to earn foreign currency is a partial natural hedge.

The crux when assessing industry-wide risk is correlation: rising oil prices usually accompany a stronger USD, causing fuel risk and exchange-rate risk to resonate rather than offset — hitting every carrier with USD-anchored costs simultaneously. Conversely, a demand-recovery cycle (such as 2024–2025) allows carriers to pass part of the cost increase into fares when load factors are high. Therefore the profitability of the entire Vietnamese aviation industry depends on whether passenger growth is fast enough to absorb input-cost pressure; carriers with young fleets, a high share of foreign-currency revenue and a thick liquidity buffer will withstand a cycle reversal better.

3. Business Performance

3.1. Revenue & Passengers

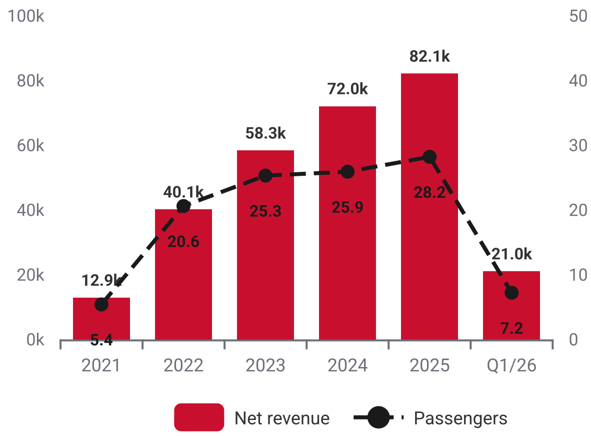
Vietjet's consolidated net revenue staged a V-shaped recovery from the COVID trough: from VND 12,875 bn in 2021 to VND 40,142 bn (2022), VND 58,341 bn (2023), VND 72,045 bn (2024) and reaching VND 82,093 bn in 2025 — surpassing its pre-pandemic peak. Traffic volume grew in step, from 25.3 million passengers in 2023 to 25.9 million in 2024 (excluding Vietjet Thailand) and 28.2 million passengers in 2025, of which nearly 10 million were international passengers. Notably, 2025 revenue rose 13.9% while passenger count grew only 9.0% and RPK rose 9.1%; the gap shows that the revenue driver came from improvements in fares and ancillary revenue per passenger, rather than purely from volume expansion. This trend continued into Q1/2026: revenue reached VND 21,021 bn (up 17.1% YoY) on 7.2 million passengers (up 5.1%) — the gap between revenue growth and volume growth continued to widen, reinforcing the view that yield and ancillary revenue are the main drivers, rather than merely adding seats.

A VJC-specific analytical trap: consolidated revenue includes *aircraft & engine sales*, transfer of aircraft commercial rights (sale-and-leaseback — SLB) and sales of technical materials — large, non-recurring items. In 2025 these three items reached VND 15,176 bn (18.5% of total revenue), up sharply from VND 9,853 bn (13.7%) in 2024 (audited FS 2025). Stripping this out, core transport revenue (domestic and international passengers, cargo, ancillary) in 2025 was around VND 66,917 bn (81.5% of total revenue) — this is the true gauge of the underlying flight business trend. The rising share of the non-recurring item in 2025 further underscores that consolidated revenue growth should not be extrapolated linearly, and core profit must be examined separately from the aircraft trading component.

Ancillary revenue and cargo are high-quality drivers of the low-cost carrier (LCC) model: in 2025 they reached VND 25,280 bn (up from VND 24,205 bn in 2024), contributing around 28.2% of air transport revenue (2024: 28.8%). On a per-passenger basis, ancillary revenue in 2024 was around VND 935 thousand/passenger — far exceeding the "top-tier" benchmark of VND 600 thousand/passenger for regional LCCs, reflecting the capability to monetize checked baggage, seat selection, onboard sales, duty-free goods and advertising. This is a high-margin revenue component, less sensitive to fuel prices, reinforcing the quality of VJC's core earnings. In Q1/2026, the airline carried 23,344 tonnes of cargo and continued to ramp up belly-hold utilization, keeping ancillary as a high-margin pillar.

Revenue & passengers

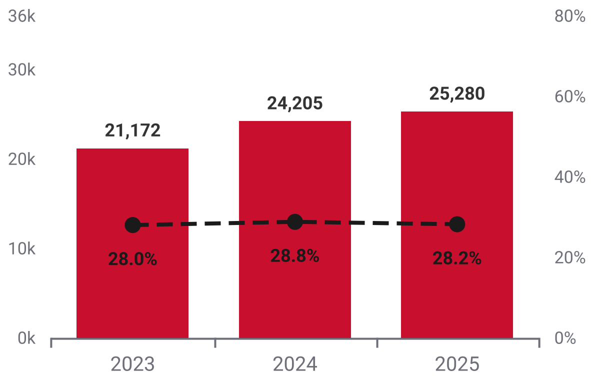
Bars: VND bn · Line: million passengers



Source: TCBS Research

Ancillary revenue & cargo

VND bn · % of air transport revenue



Source: VJC audited FS 2025

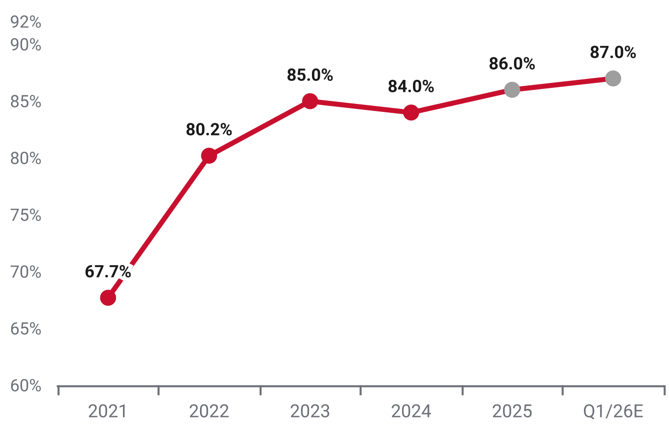
3.2. Load Factor & Productivity

Vietjet's load factor improved steadily through the recovery cycle: from a trough of 67.7% (2021) to 80.2% (2022), 85.0% (2023), then edging down slightly to 84.0% in 2024 as new international capacity was added — still markedly above the FSC average (~78–82%). In 2025, load factor recovered to around 86% — below the 88% plan but still among the highest in the region, alongside 99.72% technical reliability. The rapidly expanding fleet (up to 105 aircraft) brought additional seat capacity to market, especially on newly launched medium-haul international routes, yet the airline still maintained a high load factor. In Q1/2026 — the peak Tet quarter — utilization recovered clearly (estimated ~87%) as passenger count rose 5.1% on flights up only 3.3%, showing load per flight edging higher.

A load factor above 85% carries a dual meaning for an LCC: it reflects both strong operating efficiency (the fuller each flight, the lower the fixed cost per passenger) and an effective low-fare strategy to stimulate demand. Operating scale in 2025 reached 397,262 safe block hours (+10.2% vs 2024) across 152,974 flights (+11.2%), with 50,862 million revenue passenger-kilometres (RPK, +9.1%) — block hours and RPK grew faster than flight count, implying a longer average sector length driven by the push into medium/long-haul international networks (Australia, India, Central Asia) using the A330 widebody fleet. Based on passenger transport revenue of VND 64,294 bn, the 2025 average yield is estimated at around VND 1,264/RPK. In Q1/2026 the airline operated 39,903 flights (+3.3% YoY), sustaining growth momentum alongside a high share of international sectors.

Load factor

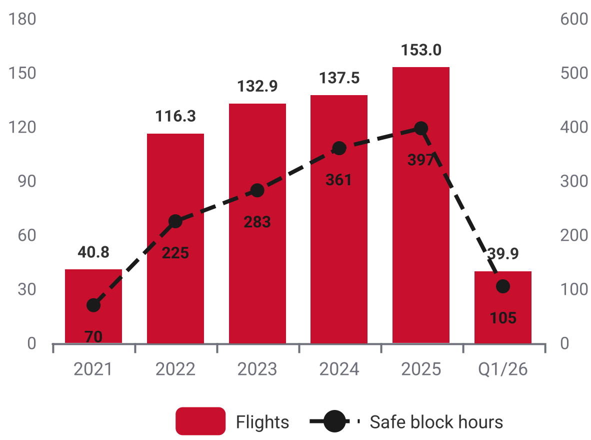
% — LCC top-tier benchmark ~88%



Source: TCBS Research; VJC Annual Report (Q1/26E estimated)

Flights & safe block hours

Bars: thousand flights · Line: thousand hours



Source: TCBS Research; VJC Annual Report

3.3. Cost Structure

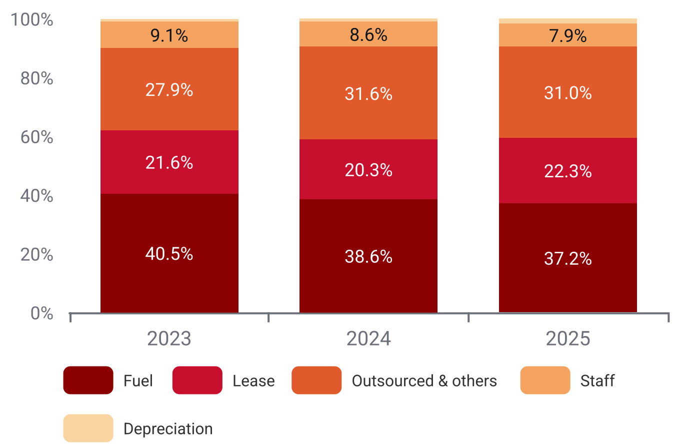
Under the 2025 cost-by-nature classification, jet fuel was the largest component at VND 24,704 bn (37.2% of total cost by nature), followed by lease expense of VND 14,836 bn (22.3%), outsourced services & other costs (including provisions) of VND 20,615 bn (31.0%), staff of VND 5,234 bn (7.9%) and fixed-asset depreciation of VND 1,077 bn (1.6%). The two components outside the airline's direct control — fuel and aircraft lease — together accounted for 59.5% of total cost, framing VJC's core risks as jet fuel prices and the USD/VND exchange rate (most of these two items are denominated in USD).

Fuel intensity warrants close monitoring: fuel cost in 2025 reached VND 24,704 bn, up 3.5% vs 2024 (VND 23,859 bn) while passenger count rose ~8.9% — indicating that fuel cost per passenger in 2025 edged down thanks to a more fuel-efficient new-generation fleet and fuel prices cooling from their peak. Vietjet itself confirms that jet fuel accounts for 30–40% of operating cost and is subject to global crude oil price volatility. The airline offsets this through fleet optimization, fuel-saving programs and the introduction of more efficient new-generation aircraft.

Consolidated COGS in 2025 reached VND 73,624 bn (up 13.4% vs 2024). The consolidated gross margin improved steadily through the cycle: from negative in 2021–2022, to 4.3% (2023), 9.9% (2024) and 10.3% in 2025 — this trajectory reflects positive operating leverage as core revenue grew faster than fixed costs. Into Q1/2026, gross margin jumped to 13.4% (COGS of VND 18,207 bn on revenue of VND 21,021 bn) — the highest in many quarters, though partly thanks to the peak-Tet seasonal factor. The CASK and CASK ex-fuel metrics (cost per seat-km) require absolute ASK data to compute, which is not yet available in disclosed sources.

Cost by nature

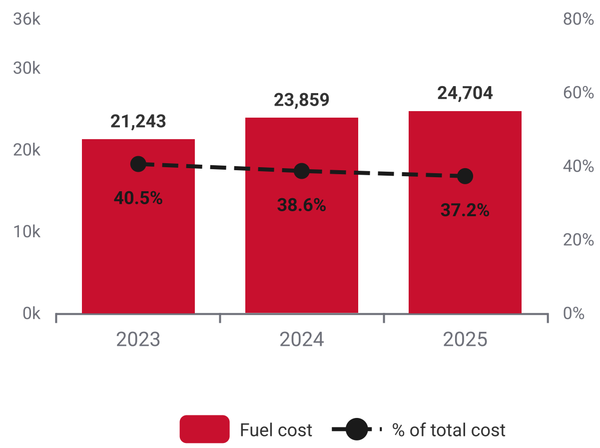
% of total cost — 2023–2025



Source: VJC audited FS

Fuel cost & share

Bars: VND bn · Line: % of total cost



Source: VJC audited FS

3.4. EBITDAR & Depreciation

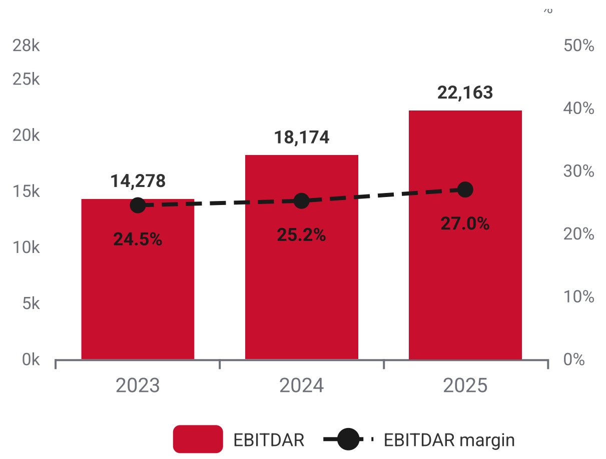
EBITDAR — earnings before interest, tax, depreciation, amortization and aircraft lease expense — is the airline industry's most standardized measure of operating profitability, being neutral to whether a carrier buys or leases aircraft. Under EBITDAR = PBT + D&A + Interest + Lease expense, Vietjet's consolidated EBITDAR in 2025 reached around VND 22,163 bn (27.0% margin), up from VND 18,174 bn in 2024 (25.2% margin) and VND 14,278 bn in 2023 (24.5% margin) — the 2025 figure comprising PBT of VND 2,630 bn, depreciation of VND 1,077 bn, interest expense of VND 3,620 bn and lease expense of VND 14,836 bn. Fixed-asset depreciation in 2025 alone was nearly double the 2024 level (VND 613 bn), reflecting a rising share of owned/finance-leased aircraft. The ~27% EBITDAR margin places VJC at the "top-tier" level for regional LCCs and explains why the market values it on EV/EBITDAR rather than P/E.

The wide gap between the EBITDAR margin (~27%) and the thin net margin (1.9% in 2024; 2.6% in 2025) shows that most of Vietjet's operating profit is "eroded" by aircraft lease expense (VND 14,836 bn in 2025) and interest expense (VND 3,620 bn). This is characteristic of a fleet-expansion model built on operating leases: the airline trades high fixed lease obligations for avoiding the large capital outlay of buying aircraft. As a result, net profit is highly sensitive to fuel price and exchange-rate movements, while EBITDAR is far more stable — reinforcing the principle of using EBITDAR to assess the quality of core operations.

Vietjet's aircraft financing structure is shifting clearly in 2025: fixed-asset depreciation surged to VND 1,077 bn (nearly double the VND 613 bn of 2024 and VND 413 bn of 2023), reflecting a rising share of owned/finance-leased aircraft in the fleet in line with the new-delivery cycle. At the same time, operating lease expense still rose to VND 14,836 bn (from VND 12,526 bn in 2024) as the fleet expanded to 105 aircraft. Adding owned/finance-leased aircraft alongside operating leases gradually shifts part of the burden from the "lease expense" line to "depreciation + interest" — a trend that does not change EBITDAR but warrants monitoring because it directly affects net profit.

EBITDAR & EBITDAR margin

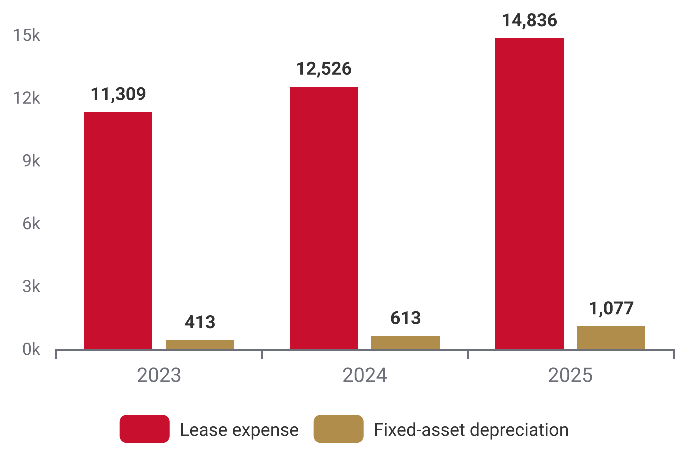
Bars: VND bn · Line: %



Source: *TCBS Research; VJC audited FS*

Lease expense & fixed-asset depreciation

VND bn



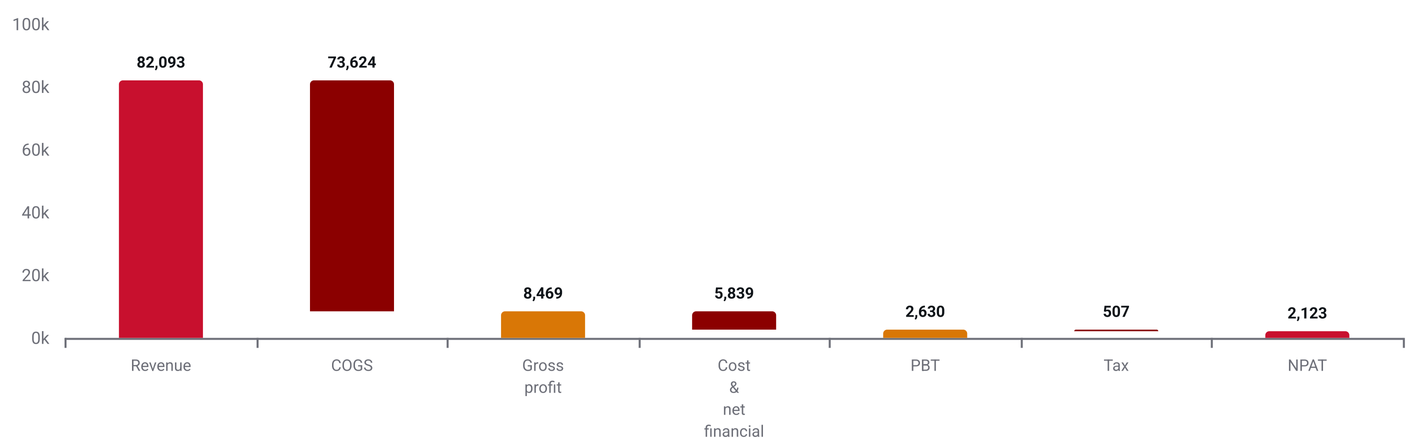
Source: *VJC audited FS (lease expense & depreciation per notes)*

3.5. Earnings

The 2025 waterfall chart shows Vietjet's profit-generation chain: from net revenue of VND 82,093 bn, after deducting COGS of VND 73,624 bn leaves gross profit of VND 8,469 bn (10.3% gross margin); further deducting selling & administrative expenses and netting other financial items yields pre-tax profit (PBT) of VND 2,630 bn; after tax leaves net profit (NPAT) of VND 2,123 bn (2.6% margin). The material item shaping the gap between gross profit and PBT is interest expense of VND 3,620 bn in 2025 — this item alone is nearly 1.4x net profit, showing that the financial burden is the decisive factor in bottom-line quality.

Profit bridge 2025

VND bn



Source: *TCBS Research*

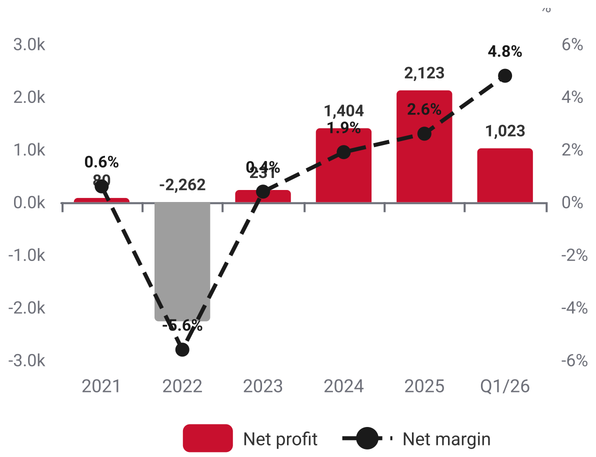
Over time, consolidated net profit recovered impressively: from a loss of VND 2,262 bn (2022) to VND 231 bn (2023), VND 1,404 bn (2024) and VND 2,123 bn in 2025 (+51.2%). However, each year's profit is heavily influenced by non-recurring items: revenue from aircraft sales, transfer of aircraft commercial rights and materials sales in 2025 alone was VND 15,176 bn (18.5% of revenue, higher than the 13.7% of 2024). Excluding these, core profit from flight operations remains thin and heavily dependent on fuel price movements — a point requiring close scrutiny when assessing the quality of the profit-growth momentum.

Q1/2026 was the highest-quality earnings quarter in years and reinforces the improving trend: net profit reached VND 1,023 bn (+58.2% YoY, double Q4/2025) on revenue of VND 21,021 bn (+17.1%). Gross margin jumped to 13.4% (clearly above the 10.3% of full-year 2025) and quarterly interest expense fell to VND 829 bn, lifting the net margin to 4.8% — nearly double the 2.6% average of 2025. Revenue growth (+17.1%) far outpaced passenger growth (+5.1% to 7.2 million passengers), confirming the improvement came from fares and ancillary rather than volume alone.

That said, Q1/2026 must be placed in seasonal context: Q1 is the peak Tet quarter with the year's best yield and load factor, so the 4.8% margin is not necessarily a sustainable full-year level. Nonetheless, the easing interest burden suggests that if the airline maintains cost discipline and international yield, the full-year 2026 net margin has room to improve versus the 2.6% of 2025.

Net profit & net margin by year

Bars: VND bn · Line: %



Source: TCBS Research

Consolidated net profit recovered strongly: from a loss of **VND 2,262 bn** (2022) to VND 231 bn (2023), VND 1,404 bn (2024) and **VND 2,123 bn in 2025** (+51.2%). The net margin line shows improving earnings quality but still thin — only **2.6%** in 2025.

Momentum continued into Q1/2026: net profit of **VND 1,023 bn** (+59.6% YoY), margin jumping to 4.8%.

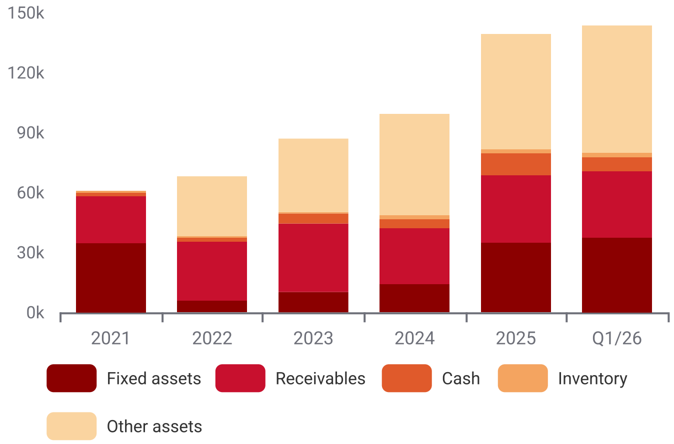
4. Financial Analysis

4.1. Balance Sheet Structure

VJC's total assets at end-FY2025 reached VND 139,391 bn, up 40.4% YoY and 3.1x the 2020 size — the fastest balance-sheet expansion in the company's history, reflecting the accelerating fleet-expansion phase. On the asset side, two large items stand out: fixed assets of VND 34,938 bn (25.1%) and receivables of VND 33,547 bn (24.1%) — an unusually high receivables share for a transport company, largely tied to purchase-sale transactions, aircraft deposits and intercompany receivables within the fleet-financing structure. More notably, pre-delivery payment (PDP) commitments — an off-balance-sheet item — surged to VND 174,483 bn at end-2025 (from VND 113,607 bn at end-2024, +54%), more than 2x full-year revenue: the clearest signal of the scale of capex and cash-flow pressure ahead (audited FS 2025).

Asset Mix

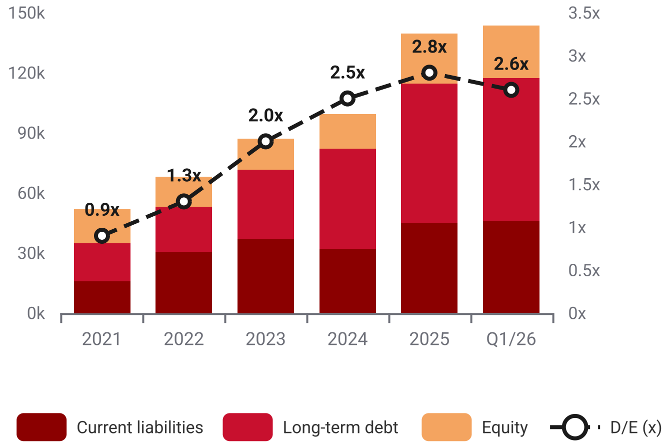
VND bn



Source: TCBS Research

Capital Structure & D/E

Bars: VND bn · Line: x



Source: TCBS Research

Characteristic of a lease-intensive LCC: owned fixed assets are thin (2025 depreciation of only ~VND 1,077 bn) because most of the fleet is operated under operating leases. Because it reports under VAS (IFRS 16 not applied), these lease obligations are not capitalized onto the balance sheet but sit in the notes: total future lease commitments of VND 65,075 bn at end-2025 — a hidden debt block that must be added when assessing true leverage.

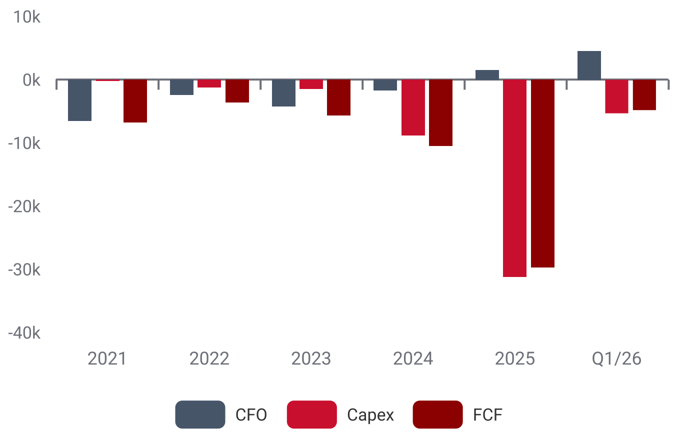
On the funding side, total liabilities of VND 114,582 bn make up 82.2% of total capital, while shareholders' equity is only VND 24,809 bn (17.8%); of which financial borrowings total VND 69,000 bn (VND 26,056 bn short-term + VND 42,944 bn long-term). As a result, D/E climbed steadily — from 0.8x (2020) to 2.8x (2025), while equity grew only 65.6% and total liabilities grew 3.8x. Q1/2026 shows the first easing signal (D/E back to 2.6x thanks to quarterly profit and a capital increase), but the thin equity cushion leaves VJC heavily dependent on debt financing — consistent with TCBS's "Financial health" score of just 2.2/5.

4.2. Cash Flow & Capex

FY2025 cash flow reflects the peak of the fleet-investment cycle. CFO reached VND 1,509 bn, turning positive again after negative VND 1,682 bn in 2024 — core operations generated cash. But capex surged to VND 31,207 bn (3.6x the 2024 level), dragging FCF down to negative VND 29,698 bn — the deepest negative on record, nearly 3x the 2024 level.

CFO · Capex · FCF

VND bn



FY2025 CFO turned positive again to **VND 1,509 bn** (from −VND 1,682 bn in 2024), but capex surged to **VND 31,207 bn** (×3.6), dragging FCF down to **−VND 29,698 bn** — the deepest negative on record (TCBS Research).

Negative FCF is characteristic of the fleet-expansion phase; it is covered by financing inflows of +VND 31,381 bn. Note: do not add sale-and-leaseback (SLB) inflows to true FCF.

Negative FCF was fully financed by positive financing cash flow of VND 31,381 bn (new borrowings of VND 71,313 bn, debt repayments of VND 44,606 bn in 2025). Negative FCF during the aircraft purchase/deposit phase is normal by the nature of the cycle, but the negative VND 29,698 bn scale places heavy pressure on capital-raising capacity. Two caveats when reading VJC's cash flow: (i) **do not add sale-and-leaseback (SLB) inflows to FCF** because these are divestitures accompanied by future lease obligations (already included in the VND 65,075 bn lease commitments); (ii) PDP commitments of VND 174,483 bn at end-2025 are future capex not yet disbursed — signaling that negative FCF will persist.

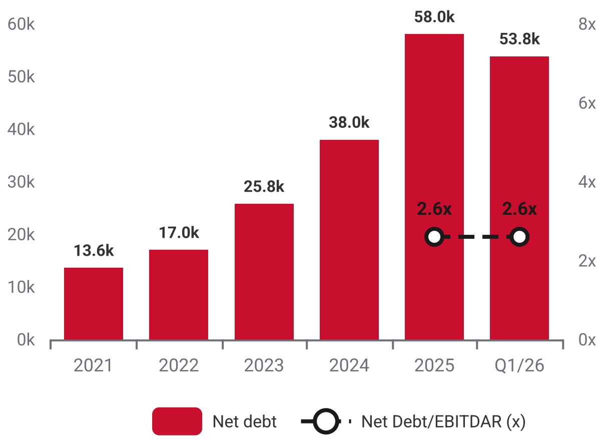
Cash-flow quality is "tolerable during the expansion phase" but fragile: CFO of VND 1,509 bn is too small relative to assets of VND 139,391 bn (CFO/assets of only ~1.1%), insufficient to cover depreciation and interest if debt financing is excluded. Q1/2026 improved clearly — CFO jumped to VND 4,569 bn (3x all of 2025 in just one quarter) — but quarterly capex of VND 5,308 bn still left FCF negative at VND 4,805 bn. For FCF to turn sustainably positive requires the new fleet to become profitable and the pace of purchases/deposits to slow — unlikely before 2027 given the current PDP block.

4.3. Leverage & Liquidity

Net debt (borrowings of VND 69,000 bn minus cash of VND 10,987 bn) reached VND 58,013 bn at end-FY2025, up 52.9%; into Q1/2026 it eased slightly to ~VND 53,814 bn — the first quarter of deleveraging after a continuous run-up. The industry-standard measure is EBITDAR (before interest, tax, depreciation and aircraft lease expense): in 2025 it reached ~VND 22,163 bn, a 27.0% margin (actual figure per audited FS).

Net debt & Net Debt/EBITDAR

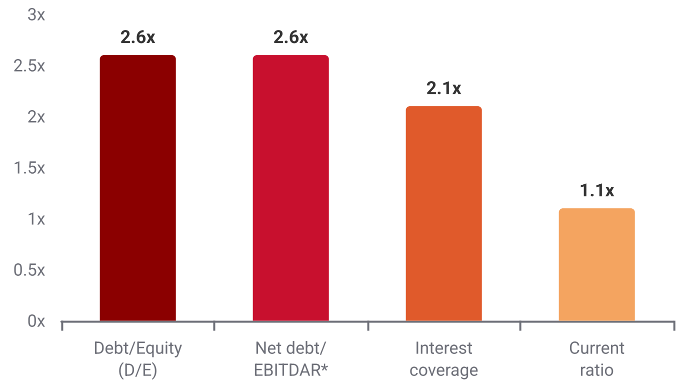
Bars: VND bn · Line: x (estimated)



Source: TCBS Research; VJC Annual Report

Leverage & liquidity ratios Q1/2026

x (bars) — reference thresholds in commentary



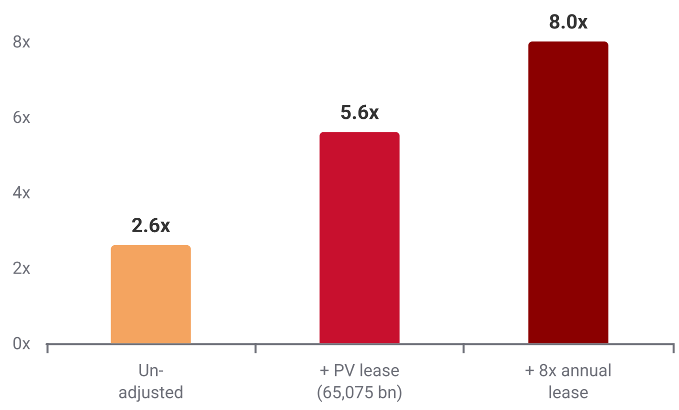
Source: TCBS Research

On the basis of financial borrowings only, **Net Debt/EBITDAR ≈ 2.6x** — within the "acceptable" zone. But this figure omits most of the true leverage, because operating lease obligations are **off** the balance sheet (VAS, IFRS 16 not applied). Adding this lease block, the leverage picture changes fundamentally (table below).

LEASE-ADJUSTED LEVERAGE (IFRS 16)

Net Debt/EBITDAR before & after lease capitalization

x — EBITDAR ~VND 22,163 bn



Source: *TCBS Research; VJC audited FS*

Capitalizing lease obligations pushes adjusted net debt from VND 58,013 bn to **VND 123,088–176,701 bn**, lifting Net Debt/EBITDAR to **5.6–8.0x** — i.e. **above the 6x alarm threshold** in the most conservative scenario.

This is the leverage level that truly reflects the nature of a lease-intensive LCC. The 2.6x "on paper" figure can create a false sense of safety; investors should anchor to the adjusted range.

Net Debt/EBITDAR calculation	Net debt (VND bn)	Net Debt/EBITDAR	Threshold assessment
Unadjusted (financial borrowings only)	**58,013**	**~2.6x**	Acceptable
+ PV of lease obligations (VND 65,075 bn commitment)	**123,088**	**~5.6x**	Near alarm threshold
+ 8x annual lease expense capitalization (14,836 × 8)	**176,701**	**~8.0x**	**Above alarm threshold (>6x)**

Source: TCBS Research; VJC audited FS. Lease capitalization is an adjustment estimate approximating the IFRS 16 standard, as VJC reports under VAS.

The gap between 2.6x and 5.6–8.0x determines how the risk is read: for an LCC expanding its fleet via operating leases, off-balance-sheet lease obligations are the true fixed burden — so leverage should be assessed on an adjusted basis, rather than a pure accounting ratio that can create a false sense of safety. Interest-servicing capacity is also thin: the interest coverage ratio (EBIT/interest expense) in 2025 was only **2.1x** (EBIT of VND 3,931 bn ÷ interest expense of VND 3,620 bn) — near the lower bound of the "acceptable" zone; an EBIT decline of just ~25% would push it into the alarm zone. Q1/2026 improved as quarterly interest expense fell to VND 829 bn, a signal that the financial burden may have passed its peak.

On liquidity, the current ratio of 1.1x (above the 1.0x threshold) but the cash cushion is thin: cash of VND 10,987 bn equals only ~1.6 months of revenue, low relative to the recommended 3+ months of fixed costs. With short-term borrowings of VND 26,056 bn and large aircraft-purchase commitments, sensitivity to funding-disruption risk is high — especially as cash at end-Q1/2026 had fallen to VND 6,951 bn after capex outlays.

In sum, VJC is in a capital-intensive fleet-expansion phase with three features: (i) D/E of 2.8x alongside off-balance-sheet lease obligations of VND 65,075 bn; (ii) deeply negative FCF of VND 29,698 bn that must be covered by new debt; (iii) Net Debt/EBITDAR of ~2.6x on paper but rising to 5.6–8.0x when lease obligations are included, together with interest coverage of 2.1x and thin cash — a narrow safety margin. Q1/2026 shows a few easing signals (D/E back to 2.6x, positive CFO of VND 4,569 bn), but with capex and aircraft-purchase commitments still large, financial health depends on whether the new fleet becomes profitable quickly enough for cash flow to cover interest and lease obligations.

5. Key Risks

5.1. Risk matrix

VJC is entering a fleet and international network expansion phase with the tightest capital structure in its listed history. The five risks below are ranked by materiality: the first three — leverage & liquidity, twin FX risk, and fuel price — tie directly to a thin financial structure and are the current focal points. VJC follows a "prudent governance" strategy with a 6-step risk process, under independent internal-control oversight reporting to the audit subcommittee and the Board.

HIGH R1 — Leverage & liquidity

Leverage keeps rising: D/E reached 2.8x at end-FY2025 (from 0.8x in 2020), net debt of VND 58,013 bn against equity of VND 24,809 bn, interest coverage of just 2.3x — near the lower warning threshold. More critically, because VAS has not yet adopted IFRS 16, off-balance-sheet aircraft lease obligations of VND 65,075 bn push Net Debt/EBITDAR from ~2.6x to **5.6–8.0x** when capitalized (exceeding the 6x alarm threshold in the prudent scenario — see section 4.3). Liquidity is tight: cash of VND 10,987 bn equals only ~1.6 months of cost of goods sold, current ratio of 1.1x — with almost no buffer to withstand a prolonged demand shock.

HIGH R2 — USD/VND FX rate (twin FX risk)

VJC bears "twin" FX risk: domestic revenue is collected in VND, while its largest costs (aircraft leasing, fuel, spare parts) and most of the debt funding the fleet are denominated in USD. A VND depreciation simultaneously raises operating costs and USD debt-service obligations while VND revenue stays flat — an impact amplified by a net profit margin of just 2.6%, enough for a small move to wipe out most of the profit. VJC partly mitigates this through "natural hedging" (foreign-currency revenue rising gradually thanks to international expansion) and CCS/IRS/SWAP derivatives, but the coverage level is not disclosed, so the residual risk remains large.

MEDIUM–HIGH R3 — Jet fuel price

Jet fuel is the largest cost component of an LCC (VND 24,704 bn, 37.2% of costs by nature in 2025), moving with Brent crude plus the crack spread and outside the airline's control. Sensitivity is especially high given a net profit margin of just 2.6%: each 10% price increase raises costs by ~VND 2,470 bn — exceeding full-year net profit (VND 2,123 bn), enough to push results close to breakeven. VJC uses derivatives to partly hedge, but its specific fuel hedging policy is not disclosed, so this report sets the sensitivity scenario at a "low hedge" state — the most prudent downside.

MEDIUM–HIGH **R4 — Operational disruption (pandemic · geopolitics · natural disaster)**

Aviation carries a rare but extremely high-impact risk: a broad demand shock can drive revenue near 0 for months while lease, interest and staff costs stay fixed. The COVID-19 lesson remains fully relevant — VJC posted a net loss of VND 2,262 bn in 2022. Vulnerability is now higher than pre-pandemic because leverage has more than tripled (D/E from 0.8x to 2.8x) while the cash buffer is only ~1.6 months of COGS — a COVID-like shock would directly test current liquidity.

MEDIUM **R5 — Competition, regulatory & infrastructure**

The domestic market is dominated by VJC and HVN with fierce fare competition; Vietnam's LCC fares are among the lowest in the region, limiting the ability to improve yield and compressing RASK. On infrastructure, slot bottlenecks at Tan Son Nhat and Noi Bai cap domestic growth (while also serving as an entry barrier that benefits the two large carriers); changes to takeoff/landing fees or international flight licensing risk (ASA agreements) could affect the expansion plan. Long Thanh airport coming into operation after 2026 is expected to partly ease this bottleneck.

5.2. Risk monitoring dashboard & early-warning indicators

The table below standardizes the five risks into quantitative monitoring indicators with warning thresholds, calibrated to VJC's current financial structure (high leverage, thin margins, low cash buffer). Warning thresholds should be reviewed at the frequency noted in the corresponding column.

Risk	Monitoring indicator	Frequency	Warning threshold	Estimated impact
Leverage & liquidity	**Net debt/EBITDAR (incl. leases); cash/revenue; interest coverage**	**Quarterly**	**Net debt/EBITDAR > 6x; cash < 10% of revenue; coverage < 1.5x**	**Liquidity risk; difficult/expensive to raise new capital; debt-rescheduling pressure**
USD/VND FX rate	**SBV central rate; US dollar index (DXY); share of foreign-currency revenue**	**Monthly**	**VND depreciation > 5% year-to-date**	**Higher aircraft-lease/fuel costs & USD debt obligations; FX losses eating into the 2.6% net profit margin**
Jet fuel price	Singapore jet fuel price (Platts); Brent crude; crack spread	Weekly	Jet fuel > 120 USD/barrel or up > 25% vs prior quarter	EBITDAR margin down several percentage points per 10% rise in fuel price
Operational disruption	Monthly CAAV passengers; industry-wide load factor; aircraft utilization	Monthly	Load factor < 75% for 2 consecutive quarters; utilization < 10 hours/day	Sharp revenue drop while lease/staff costs stay fixed; risk of a loss like 2022 (-VND 2,262 bn)
Competition, regulatory & infrastructure	Quarterly yield & RASK; Tan Son Nhat/Noi Bai slots; CAAV fees; ASA progress	Quarterly	Yield down > 2 consecutive quarters; slot cuts/freeze; takeoff-landing fee hikes	Revenue/unit of capacity compresses; domestic growth ceiling; delays to international expansion plans

Source: TCBS Research; VJC annual report; industry thresholds per IATA/Platts/CAAV.

6. Outlook & Valuation

6.1. Outlook

VJC's outlook over 2026–2028 is driven by three clear catalysts. First is the recovery and growth of international passengers: in 2025 the airline carried nearly 28.2 million passengers, of which international passengers reached nearly 10 million (35% of total) — a segment with higher yield and less slot saturation than domestic. Successively launching long-haul routes (HCMC – Cebu, Hanoi – Prague via Almaty from 7/2026) shows the airline is shifting its growth focus to the medium- and long-haul international network.

Second is the largest fleet expansion cycle in the company's history. In 2024, VJC signed a contract to purchase 20 A330neo (A330-900) widebody aircraft worth USD 7.4 billion and committed to more than 400 LEAP-1B engines for the narrowbody fleet worth USD 8 billion; the operating fleet expanded to 107 aircraft at end-2025. The A330neo widebody fleet is a prerequisite for expanding long-haul routes to Europe/the US — a segment VJC has never operated at scale, opening substantial ASK growth headroom from 2026 onward.

Third is growth in ancillary revenue per passenger — the characteristic profit pillar of the low-cost carrier (LCC) model. VJC targets 15%/year growth in ancillary revenue and lifting RASK 5% above the industry average by 2026. Early signals appeared in Q1/2026 results: consolidated revenue of VND 21,021 bn (+17.1% YoY) and net profit of VND 1,023 bn (+59.6% YoY) — profit growth far outpacing revenue growth, reflecting operating leverage and cost optimization as the fleet expands.

PLAN TARGETS & CORPORATE DIRECTION

International network expansion
+20% /5 years
Focus on Europe & the US

A330neo widebody order
20 aircraft
USD 7.4 bn · fleet of 107 aircraft in operation at end-2025

Ancillary revenue growth
+15% /year
RASK 5% above the industry by 2026

Beyond the three targets above, the direction to 2028 also includes building a multi-sector aviation group (at least 3 complementary business lines), fully automating operating processes by 2026 and cutting operating costs 10% versus 2024. Notably, the company targets keeping its debt-to-equity ratio no higher than 2:1 and plans to issue USD 200–300 million of equity capital — implying a need to strengthen the capital base to carry the aircraft capex cycle, given current D/E is already at 2.8x. The 2026 dividend was paid in stock at a 30% ratio (ex-date 16/06/2026), raising shares outstanding from 591.6 million to 769.1 million shares (charter capital ~VND 7,691 bn) and diluting EPS accordingly — consistent with a preference to retain cash for fleet investment rather than pay a cash dividend.

6.2. Assumptions & Earnings Forecast

The assumption framework sets jet fuel at 100 USD/barrel in 2026 — reflecting the elevated price level anchored in the first half of the year — then eases to 97 (2027) and 95 USD/barrel (2028) on a reversion-to-cycle-mean assumption. This is the most sensitive variable for EBITDAR margin: per the industry risk-monitoring table, each 10% rise in jet fuel price can erode 2–4 percentage points of EBITDAR margin. The USD/VND rate is assumed to depreciate slightly ~1.5%/year — unfavorable because most of VJC's aircraft-lease, fuel and debt costs are denominated in USD while domestic revenue is collected in VND.

MACRO & OPERATING ASSUMPTIONS

Assumption	2026F	2027F	2028F
Passenger growth (%)	+12.0	+10.0	+10.0
Jet fuel price (USD/barrel)	100	97	95
USD/VND rate (average)	26,300	26,700	27,000
Target load factor (%)	~87	~87	~88
CASK ex-fuel (trend)	Down ~10% vs 2024	Stable	Stable

Source: analyst team's macro assumptions; operating metrics anchored to company guidance (VJC annual report).

Operationally, an assumed load factor of ~87–88% places VJC among the regional leaders, above Cebu Pacific (84% in 2025) and close to IndiGo (86% in FY2025). The direction to cut CASK ex-fuel ~10% versus 2024 is a key factor: if achieved, the RASK – CASK spread will widen and offset yield pressure as domestic seat supply rises. Average 2025 yield is estimated at ~VND 1,264/RPK (from RPK of 50,862 million km per the annual report); the annual report does not disclose a detailed year-by-year delivery schedule, so the line for additional aircraft received is left as [TO BE CONFIRMED] rather than speculated.

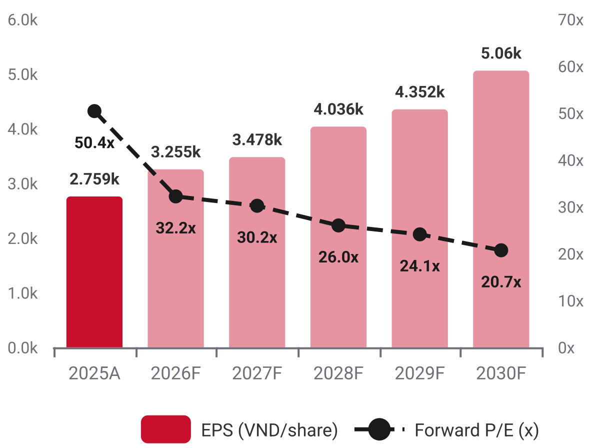
EARNINGS FORECAST 2026–2028

Metric	2025A	2026F	2027F	2028F
Net revenue (VND bn)	82,093	91,900	101,100	111,200
YoY	+13.9%	+11.9%	+10.0%	+10.0%
Passengers (mn)	28.2	31.6	34.8	38.2
EBITDAR (VND bn)	~22,163	~24,300	~27,000	~30,000
EBITDAR margin (%)	~27.0	~26.6	~26.8	~27.0
Net profit (NPAT) (VND bn)	**2,123**	**~2,504**	**~2,675**	**~3,104**
Diluted EPS (VND/share)	2,759	3,255	3,478	4,036
EPS YoY	–	+18.0%	+6.9%	+16.1%
Net Debt/EBITDAR (x)	~2.6	~2.8	~2.8	~2.7

Source: forecast EPS per TCBS Research (diluted on the new charter capital); the remaining metrics are the analyst team's forecasts. Net Debt/EBITDAR counts financial debt only, excluding off-balance-sheet operating lease obligations of VND 65,075 bn (VJC reports under VAS).

EPS & forward P/E

EPS: VND/share · P/E: x



Forecast diluted EPS on the new charter capital: **3,255** (2026) → 3,478 (2027) → 4,036 (2028) VND/share. Forward P/E (on the adjusted price) eases as profit grows: **32.2x → 30.2x → 26.0x**.

2025 EBITDAR reached ~VND 22,200 bn (~27% margin), Net Debt/EBITDAR ~2.6x (debt only). The forward P/E only materializes if the EBITDAR series is fully achieved (TCBS Research).

A point to emphasize: EBITDAR growth (~13% per year) outpaces nominal net profit growth in some years because interest and depreciation costs rise with the new-aircraft delivery cycle — this is precisely why EBITDAR (not net profit) is the industry's standard operating measure. The forecast Net Debt/EBITDAR ratio moving sideways around 2.7–2.8x shows EBITDAR is growing enough to absorb new debt funding the fleet, keeping leverage in the "acceptable" range (2–4x on the debt-only measure). However, adding the full off-balance-sheet operating lease obligations of VND 65,075 bn, the adjusted ratio would be much higher and exceed the alarm threshold — this is a hidden leverage risk to monitor.

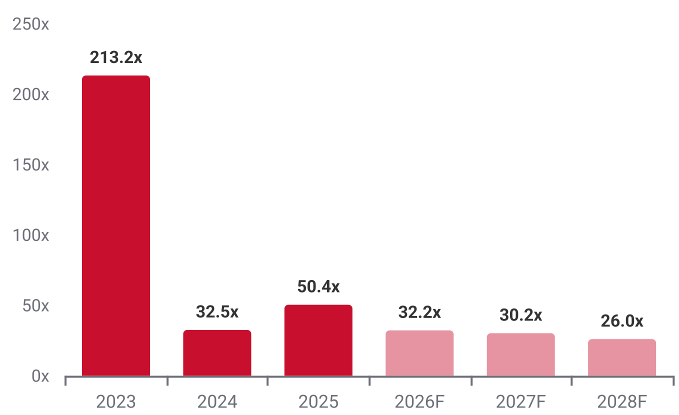
Free cash flow (FCF) is expected to stay negative throughout the forecast period due to high capex for A330neo deliveries and pre-delivery payments (PDP) — in 2025 capex was already VND 31,207 bn and FCF was negative VND 29,698 bn. The shortfall is funded by new debt and sale-leaseback mechanisms; note that positive cash flow from sale-leaseback is not genuine FCF. This is characteristic of an airline at the peak of its fleet expansion cycle — a trade-off between future capacity growth and current liquidity pressure.

6.3. Reference Valuation

For the aviation industry, EV/EBITDAR is the most standard multiple because it is neutral to the buy-versus-lease choice and not distorted by swings in interest/depreciation. On the current capitalization basis, net debt of VND 58,013 bn plus the present value of lease obligations (the 8× annual rent rule), VJC's EV/EBITDAR is estimated in the **high range relative to the regional reference framework** — consistent with the trailing EV/EBITDA of 30.7x published by TCBS Research (~3–6x higher than LCC peers such as Cebu at 4.6x, IndiGo at 9.9x). The band chart below shows VJC's historical P/E multiple swinging extremely sharply with the profit cycle — the reason EV/EBITDAR is preferred over P/E.

VJC historical P/E

x (loss/low-profit years excluded from the axis for readability)



VJC's P/E once spiked to ~213x (2023, adjusted for current shares) and >1,000x (2020–2021) in the near-zero-profit years post-COVID — proof that P/E is useless at the cycle trough.

When profit normalizes, P/E returns to **32–50x** (2024 ~32.5x · 2025 ~50.4x, on current shares) — still very high in absolute terms. This is why the aviation industry prefers EV/EBITDAR over P/E (TCBS Research).

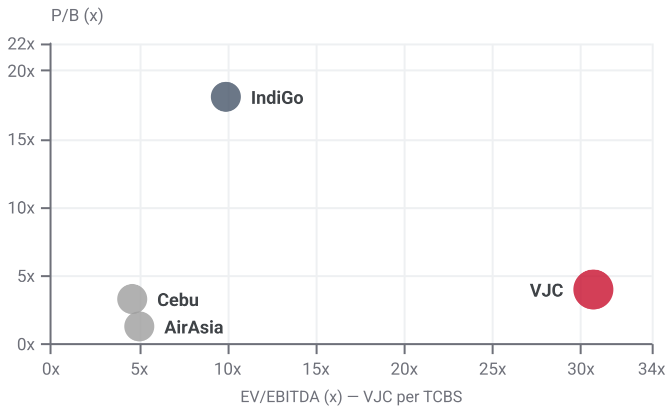
REGIONAL PEER COMPARISON

Company (ticker)	Country	P/E (x)	P/B (x)	EV/EBITDA(R) (x)	EBITDA(R) margin	Load factor
VJC (HOSE)	**Vietnam**	**50.4**	**4.1**	**30.7***	**~27%**	**~87%**
HVN (HOSE)	Vietnam	8.0	6.4	5.1	~10–15%	~80%
Cebu Pacific (CEB)	Philippines	2.7	3.3	4.6	26%	84%
IndiGo (INDIGO)	India	51.9	18.1	9.9	~24%	86%
Capital A / AirAsia (5099)	Malaysia	~22–47	1.3	n/a*	~18%	~85%

Source: TCBS Research, Finbox, companiesmarketcap, Yahoo Finance.

VJC valuation vs regional peers

X-axis: EV/EBITDA(R) (x) · Y-axis: P/B (x)



VJC sits in the high-valuation corner of the peer map: P/B 4.1x and P/E 50.4x (FY2025; TTM ~43x), EV/EBITDA 30.7x — well above Cebu Pacific (P/E 2.7x, EV/EBITDA 4.6x), a carrier with a comparable 26% EBITDA margin and 84% load factor.

Versus IndiGo — the region's most premium-traded LCC (P/E 51.9x, EV/EBITDA 9.9x) — VJC is still more expensive on P/E, but IndiGo has superior profit scale and ROE, partly justifying its premium.

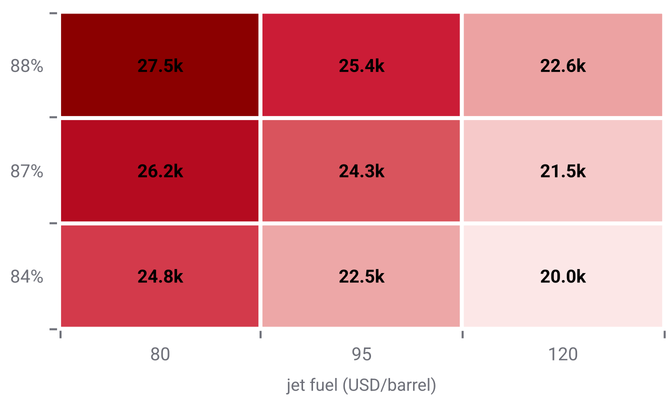
The valuation gap between VJC and Cebu Pacific is the crux: the two carriers have almost identical EBITDAR margins (~26%) and comparable load factors, yet VJC trades at P/E 50.4x versus Cebu's 2.7x. This premium can only be justified by VJC's superior passenger and fleet growth expectations in a large domestic market growing faster than the Philippines. However, such a large gap places VJC in a "priced-for-perfection" state — with no margin of safety if expectations fall short.

Domestically, VJC (LCC) and HVN (FSC) are two distinct segments: HVN trades at P/E 8.0x but P/B as high as 6.4x due to thin equity after a string of losses and dominant state ownership of ~86%; HVN's EBITDAR margin (~10–15%) is far below VJC's. Thus HVN's low P/E does not reflect being "cheaper" but a very different profit and ownership structure. On the EV/EBITDAR measure — the standard for like-for-like comparison — VJC sits in the high range of the region, reflecting growth expectations but also the largest re-rating risk.

SCENARIOS & SENSITIVITY

2026 EBITDAR sensitivity to load factor & jet fuel price

VND bn — X-axis: jet fuel price (USD/barrel) × load factor



The sensitivity heatmap shows 2026 EBITDAR swinging sharply with the two most sensitive variables. In the base scenario (jet fuel 95 USD/barrel, load factor 87%), EBITDAR is ~VND 24,300 bn. The bull scenario (80 USD/barrel, load factor 88%) lifts EBITDAR to ~VND 27,500 bn; the bear scenario (120 USD/barrel, load factor 84%) pulls it down to ~VND 20,000 bn — a swing of ±15% around the base. Note the heatmap is built on a "no/low fuel hedging" assumption — reflecting the most prudent state since VJC does not disclose its price-hedging ratio; if the airline hedges partial coverage, the EBITDAR swing band would narrow accordingly. This confirms: enterprise value is more sensitive to EBITDAR (via fuel price and load factor) than to the valuation multiple itself.

SCENARIO-BASED REFERENCE VALUATION (2026 EBITDAR)

2026 scenario	EBITDAR (VND bn)	Implied EV/EBITDAR*	Forward P/E**	Key assumptions
Bear	~20,000	~11.6x	~37–40x	Jet fuel 120 USD/barrel; load factor 84%; yield under pressure
Base	**~24,300**	**~9.5x**	**~32.2x**	**Jet fuel 95 USD/barrel; load factor 87%; EPS VND 3,255 (diluted)**
Bull	~27,500	~8.4x	~28–29x	Jet fuel 80 USD/barrel; load factor 88%; yield improves

Source: TCBS Research; analyst team estimates. EV/EBITDAR & forward P/E are computed per scenario on the adjusted price of 09/07/2026. This is a scenario-based reference valuation range, NOT a target price or recommendation.

Reading across the scenario range: even in the Bull scenario, implied EV/EBITDAR of ~8.4x is still above Cebu Pacific (4.6x) and near IndiGo (9.9x) — a carrier with superior ROE and profit scale. In the Bear scenario, the multiple is "inflated" to ~11.6x as EBITDAR shrinks, illustrating a twin risk: falling profit both drags absolute valuation down and makes the multiple more expensive. The distance between scenarios shows a very thin margin of safety — most of the growth expectations are already priced in.

In summary, downward re-rating is VJC's largest valuation risk. On EV/EBITDAR — the industry-standard multiple — VJC trades in the high range of the region, a significant premium over LCC peers with comparable margins and load factors; this premium is supported by the outlook for passenger/fleet growth and large domestic market headroom, but leaves no margin of safety. If EBITDAR falls short of expectations (fuel price shock, VND depreciation, delayed deliveries, competition squeezing yield), the valuation gap versus the regional level creates large downside — especially with the stock already up +64.4% over 1 year. TCBS's forward P/E easing toward 20.7x by 2030 only materializes if the forecast EBITDAR series is fully delivered.

7. Summary & Conclusion

Core investment thesis · points requiring careful review · quantitative monitoring indicator set

7.1. Investment Thesis

Vietjet holds the robust investment thesis of a leading regional low-cost carrier (LCC): leading competitive positioning in the international segment, operating quality and core profitability among the highest tier, a young fleet creating a structural cost advantage, together with a profit recovery momentum clearly reinforced in Q1/2026.

1 · Leading LCC competitive positioning in the international segment

Leader among Vietnamese carriers on international routes with ~56% market share (ahead of HVN ~42%) and close to the domestic top spot at 43.3% — the two carriers hold ~90% of the domestic market. A fleet of 105 aircraft, 52 domestic routes + 202 international, 28.2 million passengers in 2025 (nearly 10 million international). An international network nearly 4x the domestic one creates growth headroom beyond slot bottlenecks and provides a natural currency hedge.

2 · Industry-leading operating quality & core profitability

An EBITDAR margin of ~27% places VJC at the top tier of regional LCCs (on par with Cebu Pacific ~26%), with a load factor of ~84-87% — higher than the full-service carrier average. Ancillary & cargo revenue of VND 25,280 bn in 2025 (~28% of air transport revenue) is a high-margin component with low fuel-price sensitivity. Q1/2026 reinforced the momentum: revenue of VND 21,021 bn (+17.1%), net profit of VND 1,023 bn (+59.6%).

3 · Young, standardized A320/A321 fleet — cost advantage

A fleet of 105 aircraft standardized around the A320/A321 narrow-body family — the global LCC benchmark platform — sharing pilots, type-conversion training and spare-parts inventory to drive down maintenance costs. A young average age with a rising NEO share cuts fuel burn per seat by ~20% versus the older generation — directly easing pressure from the industry's largest cost component. The new-aircraft cycle (A330neo, Boeing 737 MAX, LEAP/GTF engines) reinforces this advantage for the international expansion phase.

4 · Q1/2026 recovery momentum & margin upside

Q1/2026 was the highest-quality profit quarter in years: net profit of VND 1,023 bn (+59.6% YoY, double Q4/2025), gross margin jumping to 13.4% (versus 10.3% for full-year 2025) and quarterly interest expense falling to VND 829 bn — lifting the net margin to 4.8%. Revenue growth (+17.1%) far outpaced passenger growth (+5.1%), confirming that the improvement came from fares and ancillaries rather than volume alone. The easing interest-expense burden opens headroom to lift the full-year 2026 net margin above the 2.6% level of 2025.

Together, the four theses sketch a strong business model and an improving profit cycle: leading LCC positioning and industry-leading EBITDAR margin create a durable competitive foundation, while the young fleet and Q1/2026 recovery momentum reinforce the ability to realize the projected EBITDAR trajectory. These are the main pillars of Vietjet's growth story in the international expansion phase.

7.2. Key Risks & Monitoring Points

Counterbalancing the positive theses are the two most material risks — valuation and financial structure — where the investment case is most vulnerable to being wrong. Both hinge on the same condition: the current valuation scenario only holds if the projected EBITDAR trajectory is fully realized; any adverse development in load factor, fuel prices or aircraft delivery schedule directly affects both the valuation multiple and debt-servicing capacity.

A · Very high valuation — no margin of safety

For airlines, EV/EBITDAR is the standard metric (neutral to owning vs. leasing aircraft); on this metric VJC sits in the **highest range in the region** — a significant premium to LCCs with comparable margins and load factors such as Cebu Pacific. P/E is of limited use given the extreme swings across the profit cycle, but a P/E of 50.4x (TTM ~43x) · P/B 4.1x · EV/EBITDA 30.7x (FY2025, after the 30% stock dividend dilution) also confirms an expensive valuation. The forward P/E declining along the projection (from 32.2x in 2026 to 20.7x in 2030) only materializes if the projected EBITDAR trajectory is fully achieved — a "priced-for-perfection" valuation, with large re-rating risk if expectations fall short.

B · High leverage & thin liquidity amid the peak capex phase

D/E has climbed to 2.8x (from 0.8x in 2020), net debt of VND 58,013 bn, interest coverage of just 2.1x — near the lower bound of the acceptable range. Net Debt/EBITDAR of ~2.6x counts only borrowings; adding off-balance-sheet operating lease obligations of VND 65,075 bn (VAS, IFRS 16 not applied), adjusted leverage jumps to **5.6–8.0x** — exceeding the 6x alert threshold in the conservative scenario. For reference, TCBS's Debt/EBITDA reaches as high as 10.2x. Cash of ~1.6 months of costs, negative FCF of VND 29,698 bn funded by new debt.

The table below standardizes the two risks above along with the other drivers into six quantitative monitoring points with specific alert thresholds. The first three rows are the most material risk group (leverage & liquidity, twin currency exposure, fuel prices); the last three track operating demand, competition – regulatory, and positive catalysts.

Monitoring point	Indicator	Threshold
Leverage & liquidity (High risk)	**Net debt/EBITDAR (incl. leases); cash/revenue; interest coverage**	**Net debt/EBITDAR > 6x; cash < 10% of revenue; coverage < 1.5x**
Twin USD/VND currency exposure (High risk)	**SBV central rate; USD index (DXY); share of foreign-currency revenue**	**VND depreciation > 5% cumulative year-to-date**
Jet fuel price **(Medium-High risk)**	Singapore jet fuel price (Platts); Brent crude; crack spread	jet fuel > USD 120/barrel or up > 25% versus the prior quarter
Travel demand & operating efficiency	Monthly CAAV passengers; load factor; aircraft utilization	Load factor < 75% for 2 consecutive quarters; utilization < 10 hours/day
Competition, yield & regulatory	Quarterly yield & RASK; Tan Son Nhat/Noi Bai slots; CAAV fees; ASA progress	Yield declining > 2 consecutive quarters; slot cuts/freeze; higher landing-takeoff fees
Positive catalyst: infrastructure & international recovery	Long Thanh Phase 1 operational progress; international passenger growth; CASK ex-fuel; A330neo delivery pace	Long Thanh Phase 1 operational in Q4/2026 (on schedule = positive); CASK ex-fuel down ~10% vs 2024; international passengers sustaining double-digit growth

Source: TCBS Research; VJC annual report; industry thresholds per IATA/Platts/CAAV; Long Thanh per Ministry of Transport.

The key point on risk correlation: rising oil prices typically come with a stronger USD, so fuel and currency risk reinforce rather than offset each other — precisely VJC's twin-risk structure. On a net margin of just 2.6% and a ~1.6-month cash buffer, the room to absorb a shock is very thin. Conversely, the three catalysts — Long Thanh Phase 1 (Q4/2026) easing the southern slot bottleneck, the recovery of high-yield international passengers, and a ~10% CASK ex-fuel reduction versus 2024 — are the necessary conditions for the projected EBITDAR trajectory (and thus the forward P/E declining to 20.7x in 2030) to materialize.

© **Techcom Securities** | Floors 27, 28 and 29, C5 D'Capitale Building, 119 Tran Duy Hung, Yen Hoa Ward, Hanoi | Hotline: 1800 5888 26 | www.tcbs.com.vn

For feedback on this report, please contact research.feedback@tcbs.com.vn. Thank you.

Disclaimer: