

## VIS Rating assigns first-time A issuer rating to Becamex IDC, stable outlook

Hanoi, 01 August 2025 - VIS Rating has assigned a long-term issuer rating of A to Investment And Industrial Development Joint Stock Corporation (short name: Becamex IDC, ticker: BCM). The outlook for BCM's A issuer rating is stable. This is the first time VIS Rating has assigned a rating to BCM.

### RATING RATIONALE

BCM's A long-term issuer rating reflects its 'Above-Average' standalone assessment, underpinned by its 'Above-Average' scale, 'Strong' business profile, 'Very Strong' profitability and efficiency, and 'Average' leverage and coverage profile.

Established in 1976, BCM is a state-owned corporation in Vietnam specializing in investing, developing, and managing industrial parks integrated with residential and urban services. Over the past three decades, the company has built one of the country's largest industrial real estate portfolios through direct investments, strategic tie-ups, and joint ventures with both local and foreign partners. Beyond the development of traditional industrial parks, BCM has expanded into other business segments that are strategic and complementary to its industrial parks, such as residential development, healthcare and education services, technical and service infrastructure, construction, power, port operations, and social infrastructure.

BCM's 'Above-Average' Scale rating reflects its position among Vietnam's top five industrial park developers, with an average annual revenue of VND 6.5 trillion between 2019 and 2024, as well as the relatively moderate standing of the industrial park sector within the broader universe of Vietnamese corporations.

BCM's 'Strong' Business Profile incorporates our view of its 'Above-Average' Industry Profile and 'Very Strong' Competitive Position and Diversification, underpinned by its core focus on integrated industrial park development. The 'Above-Average' score for Vietnam's industrial real estate sector reflects high entry barriers and moderate competition due to limited land bank supply, low volatility, and robust growth prospects driven by rising foreign investment and government-led infrastructure development.

BCM's 'Very Strong' Competitive Position and Diversification score incorporates our view of its very strong market position, competitive advantage and diversification, strong operational efficiency, and corporate execution.

BCM has a very strong competitive advantage over peers in developing fully integrated industrial parks that combine industrial, urban, and infrastructure. This strength is enabled by its close coordination with local government, allowing for long-term planning and execution. Unlike most competitors, BCM delivers a complete value chain rather than just leasing industrial land.

BCM demonstrates very strong diversification not only in geographic coverage but also through strategic global partnerships aiming for long-term and sustainable development. The company partnered with Sembcorp Group to establish Vietnam-Singapore Industrial Park (VSIP) to develop industrial zones, and with Tokyu Corporation (Japan) and S P Setia (Malaysia) to establish Becamex Tokyu to develop residential projects. In addition, BCM and VSIP have established entities such as the Vietnam-Singapore Smart Energy Solutions Joint Stock Company (VSSSES) and the Becamex-VSIP Power Investment and Development Joint Stock Company (BVP) to develop renewable energy and smart infrastructure. BCM also formed a joint venture with Warburg Pincus, BW Industrial Development JSC (BWID), to strengthen its vertical presence by pioneering Vietnam's leading platform for ready-built industrial and logistics real estate. These strategic partnerships played a vital role in developing and shaping the industrial park infrastructure in Binh Duong.

BCM's strong execution capability is reflected by a robust track record of successfully delivered projects. The corporation played a key role in shaping development planning and attracting investment in Binh Duong – formerly one of Vietnam's most dynamic industrial provinces, now part of the Northwestern Region Ho Chi Minh City, serving as a hub for high-tech



industry. To date, BCM has invested in the construction of over 1,400 kilometers of internal and inter-regional roads, enhancing connectivity and adding value to its projects.

BCM's 'Very Strong' Profitability and Efficiency score is underpinned by its consolidated EBITDA margin (EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization) has consistently exceeded 40% since 2018, among the highest of Vietnam's corporate universe, and outperforms industry peers. This outperformance underscores BCM's strategic edge: its ability to acquire land at low cost and its proven success in attracting foreign direct investment, anchored by its prominence and long operating history in Vietnam's thriving industrial park sector.

Despite limited revenue growth over the past decade, we expect BCM's revenue growth to accelerate over the next 12 to 18 months, driven by its plan to lease/sell its land assets across both its industrial parks and residential real estate projects. According to the management, BCM plans to transfer approximately 40 hectares of residential land through bulk sales during 2025–2026 and initiate leasing of Cay Truong Industrial Park starting in 2026.

BCM's overall credit assessment is constrained by its 'Average' Leverage and Coverage profile, driven by 'Above-Average' Leverage and 'Weak' Coverage score.

BCM's leverage is currently the highest among peers, though it remains moderate compared to the broader Vietnamese corporate landscape. Over the past 5 years, BCM has increased its total debt by VND 9 trillion, primarily through long-term bond issuances. These funds were used to finance development for major projects such as Binh Duong New City, Cay Truong Industrial Park, and Bau Bang Industrial Park expansion.

This debt expansion has led to weak interest coverage and cash flow coverage. The 'Weak' Debt Coverage assessment reflects BCM's limited ability to generate operating cash flow, primarily due to elevated inventory levels that have constrained cash flow from operations (CFO). Interest coverage is also weak, driven by high annual interest payments on corporate bonds. BCM's EBIT (Earnings before interest and taxes)/Interest Expense ratio has been the lowest among peers over the past three years.

To improve its leverage and coverage metrics, BCM's management aims to stabilize its debt levels starting in 2025, targeting a significant reduction in long-term debt by the end of 2026 from 2024 level. To support this deleveraging effort and fund upcoming investments, BCM plans to issue new equity in the second half of 2025. Proceeds are planned to be allocated to industrial real estate investments (VND 2.5 trillion), capital contributions to affiliates (VND 3.3 trillion), and debt restructuring (VND 1.7 trillion). If successfully executed, we expect BCM's coverage and leverage profile to improve moderately within the next 12 – 18 months.

According to the management, BCM will rely primarily on cash flow from sales and the proceeds of planned bond and equity issuances to fulfill its liquidity needs over the next 12 to 18 months. And if its equity raising falls short of its target, BCM may defer certain investment activities and turn to additional bond issuance to meet its financial obligations. As part of this strategy, management intends to raise up to VND 2.5 trillion through bond issuances by the end of 2025. The management also mentioned BCM's long-standing relationships with both state-owned and major private banks, as safeguards to secure credit facilities when necessary.

Despite BCM's current majority state ownership, we do not factor in any potential support from affiliates or the government in meeting its debt obligations. The Prime Minister has approved a plan to reduce the state's ownership in BCM from 95.44% to above 65% level by the end of 2025. Based on our observations, there are no formal mechanisms in place for local governments to provide financial support to state-owned enterprises like BCM.

The outlook on BCM's long-term issuer rating is stable, reflecting our view that its credit fundamentals will remain stable over the next 12-18 months.

## Factors that could lead to an upgrade

BCM's A issuer rating could be upgraded if the corporation:

- Reduces its financial leverage significantly and demonstrates a track record of improving operating cash flow from its core business and debt servicing metrics. For example, a Debt/EBITDA ratio of below 4x, a CFO/ Debt ratio of above 10%, and an EBIT/Interest expense ratio of above 3x.

## Factors that could lead to a downgrade

BCM's A issuer rating could be downgraded if the corporation:

- Continues to increase its debt levels, resulting in worsening of coverage and leverage metrics. For example, Debt/EBITDA ratio exceeds 6x and EBIT/Interest Expense falls below 0.7x;
- Experiences a significant decline in revenue and profits - below management targets – and shows weakness in corporate execution and operating cash flow;
- Becomes more vulnerable to liquidity and refinancing risks.



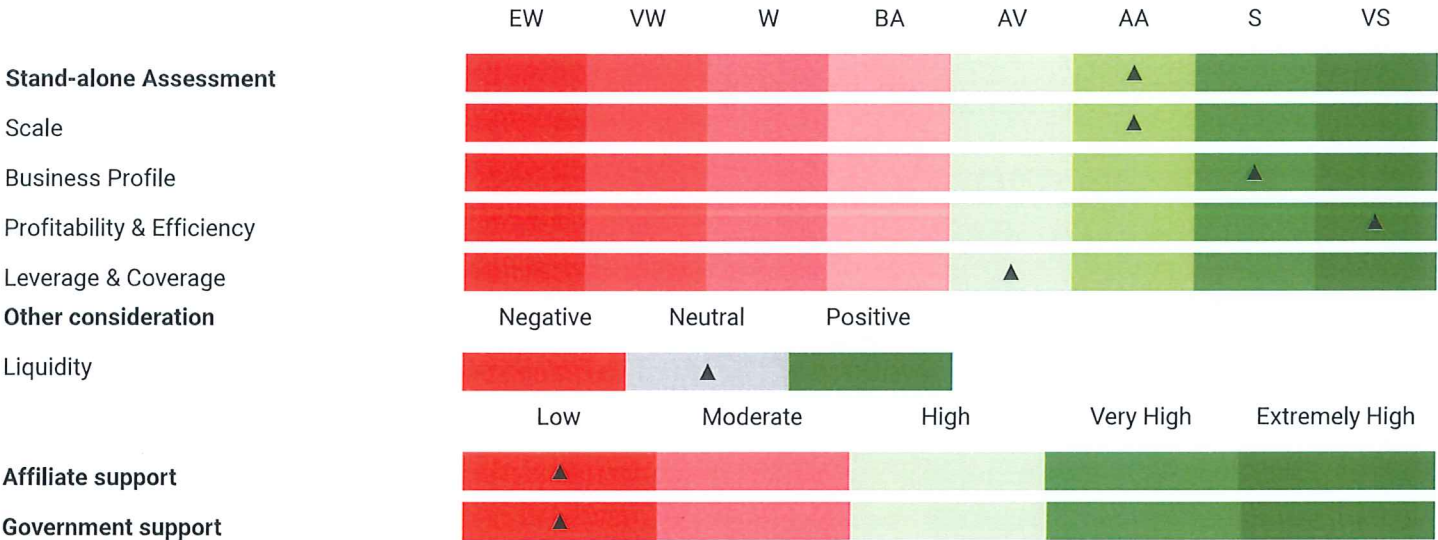
RATING METHODOLOGY

Rating Methodology: Non-Financial Corporates.

For detailed information, please see our full methodologies at:

<https://visrating.com/how-to-get-rated/view/non-financial-corporates-rating-methodology.1>

SUMMARY OF KEY FACTORS



Source: VIS Rating  
Note: EW- Extremely Weak, VW- Very Weak, W- Weak, BA Below-Average, AV- Average, AA Above-Average, S- Strong, VS- Very Strong

CREDIT RATING HISTORY

Date	Rating type	Rating	Outlook	Action
01 August 2025	Long-term Issuer	A	Stable	First-time assignment



## RATING SCALE

### Long-Term Rating

AAA	Issuers or debt instruments demonstrate the <b>strongest</b> creditworthiness relative to other domestic entities and transactions.
AA	Issuers or debt instruments demonstrate <b>very strong</b> creditworthiness relative to other domestic entities and transactions.
A	Issuers or debt instruments demonstrate <b>above-average</b> creditworthiness relative to other domestic entities and transactions.
BBB	Issuers or debt instruments demonstrate <b>average</b> creditworthiness relative to other domestic entities and transactions.
BB	Issuers or debt instruments demonstrate <b>below-average</b> creditworthiness relative to other domestic entities and transactions.
B	Issuers or debt instruments demonstrate <b>weak</b> creditworthiness relative to other domestic entities and transactions and may be approaching default, with strong recovery prospects.
CCC	Issuers or debt instruments demonstrate <b>very weak</b> creditworthiness relative to other domestic entities and transactions and are likely in or near default, typically with moderate recovery prospects.
CC	Issuers or debt instruments demonstrate <b>extremely weak</b> creditworthiness relative to other domestic entities and transactions and are typically in default, typically with poor recovery prospects.
C	Issuers or debt instruments demonstrate the <b>weakest</b> creditworthiness relative to other domestic entities and transactions and are typically in default, with very poor recovery prospects.

*Note: VIS Rating appends the modifiers + and – to each generic rating classification from AA through CCC. The modifier + indicates that the obligation ranks in the higher end of its generic rating category; no modifier indicates a mid-range ranking; and the modifier – indicates a ranking in the lower end of that generic rating category*

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## Vietnam Investors Service and Credit Rating Agency Joint Stock Company

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