

Vietnam Construction and Import-Export Joint Stock Corporation (HSX: VCG)

Strong business outlook

- Q1/25: Net profit (NP) dropped 72% YoY due to lower real estate earnings and no contribution from Vimeco. 1Q25 NP fulfilled 12% of our full-year forecast; we expect VCG's business results to improve in coming quarters.
- We revise up 2025 net profit by 19% from previous forecast, driven by a more positive construction outlook. Adjusted 2025–26 net profit is expected to grow 36%/32% YoY, mainly contributed by construction and real estate.
- We maintain our ADD recommendation with target price VND 26,400/share.

Q1/25: Net profit dropped sharply due to declines in real estate and construction materials

In Q1/25, revenue decreased slightly by 2% as growth of construction (+46% yoy) offset the decline of the real estate (-71% yoy). However, due to no longer contribution from Vimeco (cons. materials) business and lower real estate revenue, gross profit margin decreased 6% pts yoy to 12%. In addition, financial costs decreased by 51% yoy thanks to cooling interest pressure. Due to a sharp decrease in gross margin, net profit decreased by 72% yoy to 128 billion VND.

We revise up 2025 net profit by 19%. Post-revision, net profit is expected to grow 36%/32% YoY in 2025–26

For 2025, we revise up revenue forecasts for construction, real estate, and hydropower by 41%/17%/13% from previous estimates, reflecting a stronger construction backlog, better-than-expected absorption at the Cho Mo project, and favorable weather boosting power output.

Thanks to improved performance in construction, real estate, and hydropower, we revise up 2025 revenue by 28%. VCG's revenue is expected to reach VND 14,264/15,434 billion (+11%/+8% YoY) in 2025–26. Despite a 1.8% pts downward adjustment, gross margin is still expected to rise 0.5% pts/2% pts YoY in 2025–26. With stronger revenue and GPM, net profit is projected to grow 36% YoY in 2025 (up 19% vs. previous forecast) and 32% YoY in 2026.

We recommend ADD with target price of VND 26,400/share

We revise up our target price by 8%, driven by 3%/4% increase in the construction and real estate valuation. We believe VCG stands to benefit directly from the 2025–30 public investment cycle, supported by its strong financial position and solid track record in executing large-scale project. We maintain an ADD rating on VCG with a target price of VND 26,400/share based on the SOTP method (WACC: 11.6%)

Financial metrics	2023	2024	2025	2026
Revenue	12,704	12,870	14,264	15,318
Net profit	403	927	1,260	1,658
Growth of revenue	50.3%	1.3%	10.8%	7.4%
Growth of net profit	-36.4%	130.0%	36.0%	31.4%
Gross margin	9.3%	15.4%	15.9%	18.1%
EBITDA margin	14.5%	17.0%	17.4%	19.2%
ROAE	6.9%	17.8%	17.0%	18.6%
ROAA	1.6%	4.6%	5.3%	6.5%
EPS (VND/share)	961	2,427	2,510	2,940
BVPS (VND/share)	13,569	13,633	15,785	15,854

Source: VCG, MBS Research estimate

ADD

Target price

VND 26,400

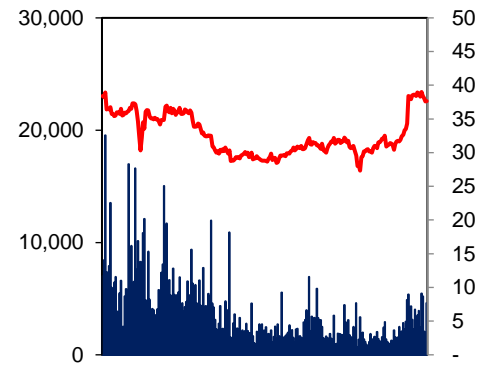
Upside

15%

Key changes in the report

Revise up 19% EPS in 2025

Information



Nguồn: FiinPro, MBS Research

Current price (VND)	22,950
Highest 52 weeks (VND)	23,700
Lowest 52 weeks (VND)	17,000
Capitalization (tỷ VND)	13,770
P/E (TTM)	21.9
P/B	1.3
Divident (%)	5%
Foreign ownership (%)	6.2%

Source: <https://s24.mbs.com.vn/>

Ownership

CTCP Pacific Holding	45.1%
Foreign	6.2%
Others	49.7%

Source: <https://s24.mbs.com.vn/>

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Investment thesis and Valuation

Investment thesis

- VCG is set to benefit from key public investment projects prioritized for 2025–2027, such as the North–South Expressway and Long Thanh Airport, with its backlog expected to grow 8% and 7% YoY in 2025–26
- VCG's net profit is expected to grow 36%/32% YoY in 2025–26, driven mainly by improved construction and real estate performance. Additionally, the company may divest the Cat Ba Amatina project, which could result in a one-off profit.
- VCG's financial health has significantly improved in recent years thanks to divestments from underperforming assets such as Van Ninh Port and Vimeco. Its debt-to-asset ratio stands at 30%, lower than the construction sector average of 37%.

Valuation

We maintain an ADD rating on VCG. Using the SOTP valuation method (WACC: 11.6%), we estimate a fair value target price of VND 26,400/share, implying 15% upside. The new target price is 8% higher than our previous forecast, driven by a 3% increase in the construction segment and a 4% increase in real estate valuation.

Figure 1: Valuation of business segments

Segment	Method	Factor	Value	Ownership	Equity value	Comment
Real Estate	RNAV					
Include:						
						Maintain project valuation on expectations of potential selling price growth driven by accelerated infrastructure development in Cat
Cat Ba Amatina	DCF	WACC: 11.6%	15,260	51%	7,783	Ba
Hoa Binh Residence	DCF	WACC: 11.6%	981	100%	981	
Phu Yen Residence	BV		826	100%	826	For projects with pending site clearance, we value by book value
	DCG					Apply DCF valuation for the Cho Mo project, as it has already been launched and revenue is expected to be recognized in 2025
Mo Market Mall			601	100%	601	
Thien An - Dien Ngoc	BV		200	100%	200	
Cash and equivalents					551	Cash of real estate because cash of other segments included in Financial income
Debt					3,981	Debt of real estate because other calculated in equity value
Equity Value of Real estate					6,960	
Construction	P/E	8.x	2,096	100%	2,096	
Energy					1,469	
Include:						
						Revised upward from the previous valuation due to more profitability in the power sector projected for 2025
Ngoi Phat	P/E	12.x	1,747	51%	944	
Dak Ba	P/E	12.x	530	99%	525	
Water Manufacturing	P/E	15.x	1,774	100%	1,774	The water segment remains stable compared to the previous forecast
Education	P/E	11.x	1,008	100%	1,008	
Lease	P/E	8.x	360	100%	360	Revise down thanks to divestment from Vimeco
Equity Value of all segments					13,668	
Investment in JVs and associates					424	
No. of shares					534,465,514	
Target price (VND/share)					26,400	

Firm 2: Peer comparison

Company	Ticker	Current price	Target price	Recommendation	Capitalization	P/E (x)		P/B (x)		ROA (%)		ROE (%)	
	Bloomberg	Local currency			Million USD	TTM	2025	TTM	2025	TTM	2025	TTM	2025
Construction													
Fecon Joint Stock Company	FCN VN Equity	14,050	NA	KKN	2,212	40.1	38.2	0.7	0.6	0.2%	1.6%	0.9%	2.2%
Deo Ca Transport Infrastructure Investment Joint Stock Company	HHV VN Equity	12,150	NA	KKN	5,756	12.3	11.2	0.8	0.7	1.3%	1.8%	3.9%	4.3%
Ho Chi Minh Infrastructure Investment Joint Stock Company	CII VN Equity	15,150	NA	KKN	8,495	36.8	19.3	0.8	0.6	0.9%	1.3%	2.9%	3.2%
Cienco4 Group Joint Stock Company	C4G VN Equity	7,300	NA	KKN	2,650	16.8	14.5	0.7	0.6	2.2%	2.5%	5.6%	6.1%
Coteccons Construction Joint Stock Company	CTD VN Equity	78,000	NA	KKN	7,950	25.1	21.5	0.9	0.8	1.5%	1.7%	3.7%	4.1%
Average					5,413	26.2	20.9	0.8	0.7	1.2%	1.8%	3.4%	4.0%
Real Estate													
Phat Dat Real Estate Development Joint Stock Company	PDR VN Equity	16,100	18,300	ADD	14,950	27.5	26.2	1.3	1.2	2.6%	2.8%	4.8%	5.8%
Dat Xanh Group Joint Stock Company	DXG VN Equity	16,800	23,500	ADD	15,150	52.5	21.8	0.8	0.6	1.0%	1.2%	1.6%	1.8%
Khang Dien Housing Investment and BusKDH VN Equity		28,000	39,100	ADD	29,300	33.3	25.6	1.5	1.3	2.8%	3.4%	4.2%	4.6%
Construction Development Investment Joint Stock Company	DIG VN Equity	16,150	NA	KKN	9,860	55.2	45.5	1.3	1.2	0.7%	0.9%	1.4%	1.6%
Average					17,315	42.1	29.8	1.2	1.1	1.8%	2.1%	3.0%	3.5%
Diversified Company													
Electrical Engineering Joint Stock Company	REE VN Equity	71,900	76,800	ADD	33,850	16.2	14.5	1.5	1.3	6.2%	7.3%	9.2%	10.6%
Ha Do Group Joint Stock Company	HDG VN Equity	26,200	32,700	ADD	8,830	17.2	16.3	1.7	1.5	2.7%	3.5%	4.9%	5.3%
Dat Phuong Group Joint Stock Company	DPG VN Equity	65,000	NA	NA	4,130	19.2	17.5	1.6	1.4	3.6%	4.2%	8.5%	9.2%
Average					15,603	17.5	16.1	1.6	1.4	4.2%	5.0%	7.5%	8.4%
Vietnam Investment and Import-Export Joint Stock Company	VCG VN Equity	22,950	26,400	ADD	13,750	21.9	18.6	1.3	1.2	3.3%	3.6%	8.2%	9.1%

Risk

- (1) Public investment disbursement lower than expectations due to material shortages and land clearance delays.
- (2) The downturn in the resort real estate market has negatively impacted the launch of the strategic Cát Bà Amatina project.

1Q25 business results

Q1/2025: Net profit dropped sharply, reflecting the divestment from construction materials despite stronger construction segment

Firgure 3: VCG's Q1/2025 business results

Business metrics	2024	% yoy	Q1/25	% yoy	% Forecast 2025	Comment
Revenue	12,870	1%	2,596	-2%	23%	
Include:						
- Construction	9,274	12%	1,991	47%	29%	The construction segment grew in 2024 and Q1/2025, driven primarily by major projects such as the North–South Expressway and Long Thành Airport
- Real Estate	1071	-53%	77	-71%	4%	The real estate segment declined sharply, with only 11 units handed over at the Green Diamond project compared to 100 units in the same period of 2024
- Industrial production (power, BOT material)	961	13%	179	-5%	31%	
- Water manufacturing	1,056	29%	253	7%	21%	The water segment grew thanks to higher consumption volume
- Education	277	3%	76	0%	26%	
- Others	232	4%	19	-65%	12%	Other business segments declined due to Vimeco's divestment
Gross profit	1,981	67.9%	318	-57.8%	17%	
Gross profit margin	15%	+ 6% pts	12.2%	- 16% pts	- 3.7% pts	Gross margin was below our full-year forecast due to lack of real estate revenue
- Construction	3%	+4% pts	4.4%	+ 0.4% pts		Construction gross margin improved, driven by higher bid prices in projects like the North–South Expressway and easing steel input costs.
- Real Estate	66%	+ 32% pts	48%	+ 4% pts		Real estate gross margin increased due to lower compensation and resettlement at the Green Diamond project
- Industrial production (power, BOT material)	46%	+ 3% pts	38%	+ 8% pts		Increased due to higher hydropower generation YoY, supported by favorable weather conditions
- Water manufacturing	32%	+ 12% pts	35%	+ 4% pts		
- Education	33%	- 1% pts	41%	- 5% pts		
- Others	37%	- 5% pts	34%	-30% pts		
Financial income	333	-5%	47	-33%	13%	Q1/2025: Financial income declined due to lower interest income amid a low interest rate environment
Financial expense	446	-48%	66	-51%	10%	
Include: Interest expense	434	-48%	65	-51%	11%	Interest expense pressure eased significantly due to lower interest rates and debt reduction
Income from associates & JVs	-79	NA	-21	NA	23%	
Selling expenses	58	-38%	20	-17%	19%	
% Selling expenses/revenue	0.5%	-0.5% pts	0.8%	- 0.1% pts		
Gen & admin expenses	380	NA	80	0%	91%	
% Gen & admin expenses/revenue	3%	-4% pts	3%	- 0.1% pts		
Pre-tax profit	1372	147%	182	-68%	13%	
Net profit	927	130%	128	-72%	12%	Net profit dropped 72% YoY due to a sharp decline in real estate and no longer recognizing revenue from Vimeco (construction materials segment). Q1/2025 net profit reached 12% of our full-year forecast, reflecting the seasonal low

Revise up 2025F NP by 19% driven by stronger construction, NP is forecast to grow 36% and 32% yoy in 2025–2026

Figure 4: Business performance forecast for 2025–2026 (Unit: billion VND)

Business metrics	2024	2025F	% yoy	% previous forecast	2026F	% yoy	Comment
Revenue	12,870	14,264	11%	28%	15,318	7%	Revise up revenue 2025 due to an 8% YoY increase in backlog. Revenue is expected to remain high in 2026
Include:	9,274	9,596	3%	41%	9,537	-1%	Revise up due to higher handovers at the Chợ Mơ project. In 2026, revenue is expected to rise with the sale of around 70 units at the Cát Bà project
- Construction	1,071	2,274	112%	17%	3,281	44%	Revision upward driven by higher power segment revenue amid increased hydropower generation
- Real Estate	551	575	3%	13%	585	1%	Revenue rose sharply thanks to higher volume and selling prices
- Industrial (power, BOT material)	1056	1,100	+5%	0%	1,190	8%	
- Water manufacturing	277	278	0%	-11%	280	0%	
- Office leasing	50	220	340%	50%	225	1%	Office leasing surged in 2025, driven by the lease of four commercial floors at the Chợ Mơ project
- Others	592	221	-62%	-60%	220	0%	Declined due to Vimeco's divestment from the construction materials segment
Gross profit	1,981	2,262	14%	21%	2,771	22%	
Gross profit margin	15.4%	15.9%	+ 0.5% pts	- 1.8% pts	18.1%	+ 2% pts	Revise down due to lower construction segment. In 2026, margin is expected to improve with contributions from real estate
- Construction	3%	4%	+ 1% pts	- 1% pts	4%	+0.2% pts	Lowered due to sustained high prices of sand and stone materials
- Real Estate	66%	43%	- 23% pts	+ 15% pts	46%	+ 3% pts	Revise up 2025 due to high margins from the Chợ Mơ project. In 2026, improved selling prices from Cat Ba Amatina are expected to support margin
- Industrial (power, BOT material)	46%	47%	1% pts	+ 5% pts	42%	- 5% pts	Revise up thanks to higher hydropower.
- Water manufacturing	32%	32%	+ 0% pts	+ 6% pts	32%	+ 0% pts	Water segment grew as water prices remained high while input costs stayed stable
- Office leasing	35%	36%	+ 1% pts	- 4% pts	35%	- 0.5% pts	
- Others	40%	41%	+1% pts	-1% pts	41%	+ 0% pts	
Financial income	333	342	3%	-4%	338	-1%	
Financial expense	446	429	-4%	-32%	473	10%	Revise down due to the company's debt reduction and low interest rates
Include: Interest expense	434	415	-4%	-32%	457	10%	Revise down thanks to the company's debt reduction and low interest rates. In 2026, the company may increase borrowing to support project implementation
Income from associates & JVs	(78)	-96	-23%	-5đ %	-87	-10%	
Selling expenses	58	61	6%	-41%	65	6%	
Gen & admin expenses	380	402	6%	15%	425	6%	
Profit after tax	1,108	1,399	26%	22%	1,778	25%	
Net profit	927	1,260	36%	19%	1,658	32%	Net profit for 2025 was revised upward due to (1) increased revenue from the construction segment and (2) lower financial expenses thanks to eased interest expense.

Construction segment: revenue revised upward due to positive industry outlook

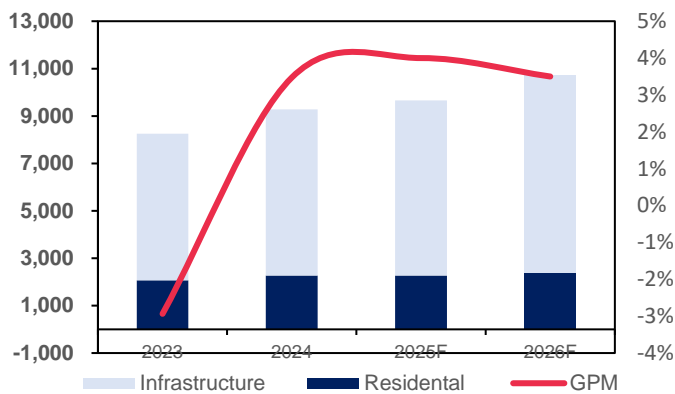
Due to strong growth in infrastructure and residential construction, we have revised 2025 revenue upward by 41% compared to previous forecasts. Construction revenue is expected to reach VND 9,596 billion and VND 9,653 billion (+3% and +1% YoY) in 2025–2026:

- We project that public investment disbursement has significant growth potential in 2025, as it marks the final year of the 2021–2025 mid-term public investment cycle this year. Consequently, disbursement may reach VND 790 trillion (+18% YoY) with a high completion rate of 90–95%. Funding is projected to be allocated to strategic projects during 2025–2026, such as the North–South Expressway and Long Thành Airport (Phase 1).
- VCG's backlog is forecast to grow 6% YoY to VND 20,200 billion (8% upward revision from previous forecasts), supported by successful bids on projects such as the Nam Định–Thái Bình Expressway and contracts at Long Thanh Airport. Furthermore, with prior experience in segments of the North–South Expressway, VCG is expected to have a competitive advantage in securing public investment projects aimed at the government's long-term target of completing 5,000 km of expressways by 2030. In 2026, backlog is projected to increase 5% YoY to VND 21,600 billion, driven by projects like Ring Road 4 (Hanoi).
- Gross margin is expected to improve starting in 2025 due to higher bid prices, as companies are no longer required to reduce 5% of contract value under the direct appointment method as in previous years. However, since bid prices did not meet expectations, we have revised down the 2025 gross margin by 1 percentage point, resulting in margins of 4% and 4.2% (+1 pp and +0.2 pp YoY) in 2025 and 2026, respectively.

Figure 5: Key projects of VCG in 2025 - 27

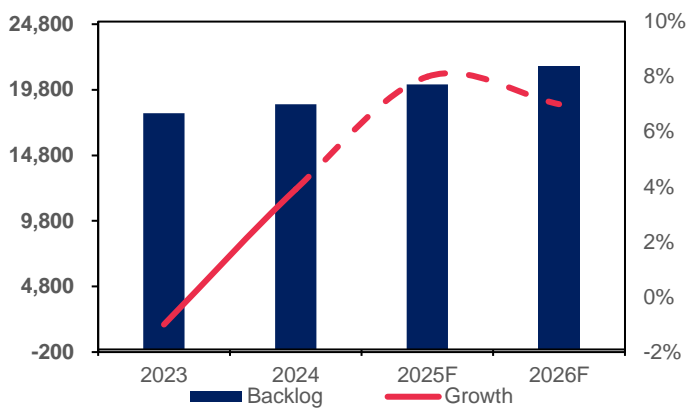
No.	Project	Project	Total Investment	Time of construction			
				2024	2025	2026	2027
1	Package No. 11-XL: Construction Works	Bai Vot - Ham Nghi	3,035				
2	Bid Packages No. 4.6, 5.10, 4.7, and Package No. 12 include: Construction and installation of equipment for the aircraft apron, Terminal T2, and the runway	Long Thanh Airport	9,600				
3	Package XL01: Construction of the section from Km568+200 to Km600+700 (including survey and detailed engineering)	Vung Ang - Bung	1,440				
	Package XL02: Construction of the section from Km337+500 to Km368+350 (including survey and detailed engineering design)	Van Phong - Nha Trang	1,035				
4	Package No. 09/TP2-XL: Construction of the route section from Km13+17.92 to Km36+166.74	Ring road 4	1,820				

Figure 6: Revenue and GPM of construction (Unit: Billion VND)



Source: VCG, MBS Research

Figure 7: Construction backlog of VCG (Unit: Billion VND)



Source: VCG, MBS Research

Property segment with growth engine from Cat Ba and Cho Mo project

Real estate revenue in 2025 is forecasted to reach VND 2,274 billion (+118% YoY, up 17% from previous forecast) driven by handovers at the Cho Mo project and a limited number of units at Green Diamond. In 2026, with contributions from the Cát Bà Amatina project, real estate revenue is expected to reach VND 3,281 billion (+44% YoY):

- In 2025, real estate pre-sale revenue is expected to come from the Chợ Mơ and Cát Bà Amatina projects. We have revised the 2025 pre-sale forecast downward by approximately 8% from previous estimates due to slower-than-expected sales at Cát Bà, with total pre-sales expected to reach VND 1,000 billion (+11% YoY), mainly from Chợ Mơ. In 2026, with anticipated infrastructure improvements benefiting Cát Bà Amatina, pre-sales are projected to reach VND 1,400 billion (+40% YoY).
- Gross profit margin was revised up by 15% pts to 43% (-23% pts yoy) in 2025, driven by the Cho Mo project's improved margin. In 2026, the margin is expected to reach 46% (+3% pts yoy) thanks to the launch of the Cat Ba project.

Figure 8: Information of VCG's project



Project: Cat Ba Amatina

- Ownership: 50%
- Location: Cat Ba Island, Hai Phong City
- Scale: 172 hectares with approximately 2,000 villas and shophouses
- Main Product Lines: Shophouses and villas priced around VND 10 billion per unit
- Sales Progress: The Tung Thu villa subdivision (160 villas and adjacent houses) was launched in 2010 and handed over since 2022. Sun Group's Xanh Island project achieved a 70% absorption rate within 3 months. We cautiously forecast an absorption rate of 40-50% this year, equivalent to 40-60 units in 2025–2026, with selling prices of VND 50–60 million/m² (+7% YoY in 2026). Moreover, the company is seeking partners to transfer part of the Cát Bà Amatina project; if successful, this could

result in a one-off profit boost for the company1 phần dự án tại dự án Cát Bà Amatina.



Project: Vinaconex Diamond Tower (Cho Mo Mall)

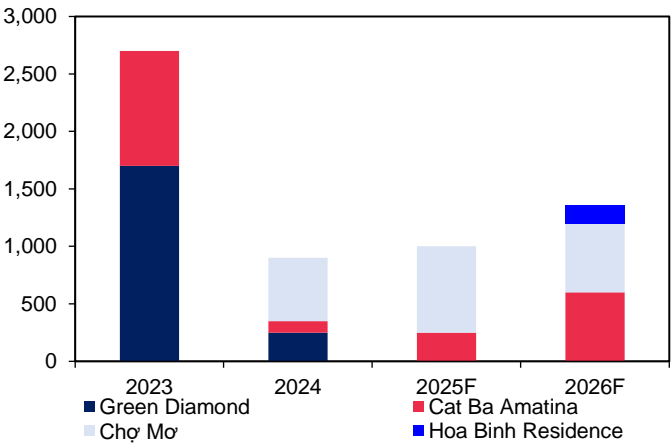
- Ownership: 100%
- Location: Hai Ba Trung District, Hanoi
- Project scale: 1.4 hectares including 21 commercial floors (48,000 m²) and 5 retail mall levels
- Development progress: Construction completed; 9 out of 21 floors sold in the first launch, with further sales and handovers expected in 2025
- Sales progress: Office leasing demand is forecasted by CBRE to grow 2% YoY due to corporate office expansions. Therefore, benefiting from a central location and clear legal status, the absorption rate is projected to exceed 80% (approximately 9 floors) in 2025, with full sales completion expected in 2026



Project: Hoa Binh Residence

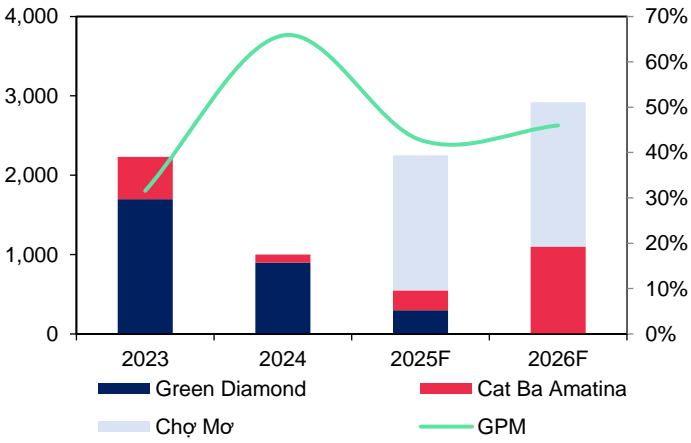
- Ownership: 100%
- Location: Mong Cai City, Quang Ninh Province
- Scale: 48 hectares with main products including adjacent houses, villas, and Ehomes
- Development progress: Currently conducting site clearance in some areas; 1/2000 zoning plan completed
- Construction progress: Expected to commence from 2025.

Firgure 9: Pre -sale in 2025 - 26 (Unit:Billion VND)



Source: VCG, MBS Research

Firgure 10: Revenue of gross margin of real estate (Unit:Billion VND)



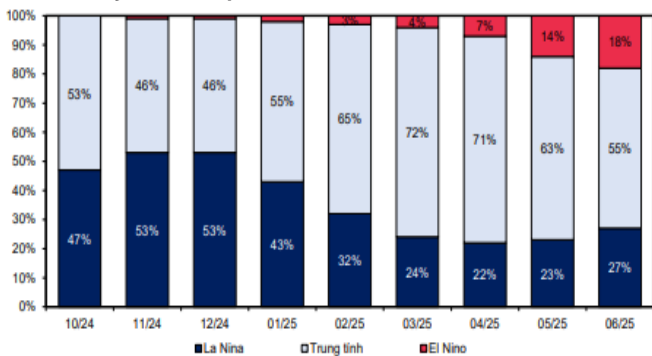
Source: VCG, MBS Research

Hydropower segment: Positive outlook driven by favorable weather conditions

In 2025, we forecast energy revenue to grow 3% yoy, reaching VND 575 billion (a 2% upward revision from the previous forecast), supported by favorable hydropower output. In 2026, with the expected return of the La Niña phase, hydropower revenue is projected to increase by 1% yoy:

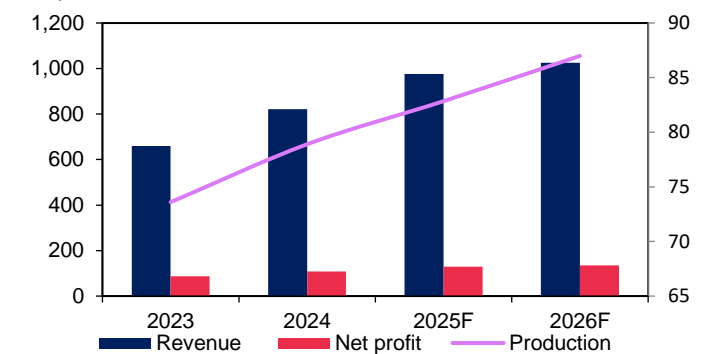
- VCG's power output is forecasted to grow by 3% in 2025 and 2% in 2026, reaching 550 million and 560 million kWh respectively (a 4% upward revision). This growth is driven by favorable weather conditions and strong electricity consumption demand. According to EVN's forecast, electricity consumption may reach 342 billion kWh (+10.5% YoY) to support economic development needs
- Electricity prices at major hydropower plants are expected to remain stable around VND 900–1,000/KWh and benefit from EVN's increased utilization of hydropower due to its lower cost. Therefore, we forecast the selling price to be approximately VND 970/KWh (+1% YoY) and remain stable through 2026.

Figure 11: IRI forecast La Niña phase will persist until Q1/25, followed by a neutral phase



Source: VCG, MBS Research

Figure 12: Revenue and net profit of energy segment (Unit: Billion VND)



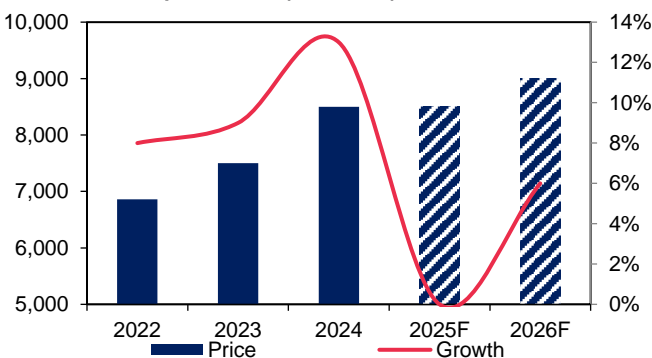
Source: VCG, MBS Research

Water segment remains stable thanks to water price increasing

Thanks to volume growth, water segment revenue is expected to reach VND 1,100 billion in 2025 (+5% yoy and stable with previous forecast). In 2026, with rise in both price and volume, revenue is projected to increase by 8% yoy:

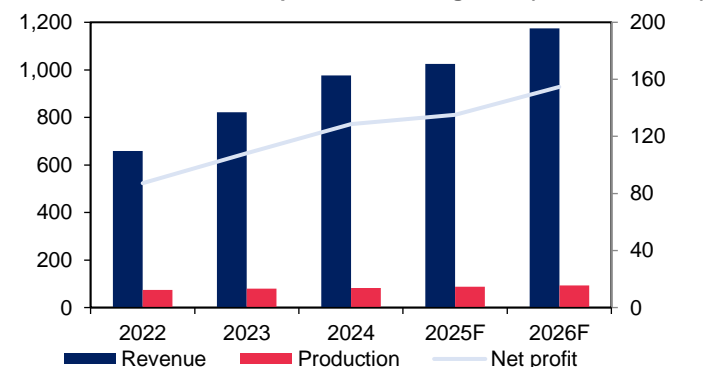
- In 2025, we forecast water volume to increase by 5% YoY, reaching 87 million m³, supported by strong consumption demand aligned with a targeted GRDP growth of approximately 8% YoY. In 2026, volume is expected to grow slightly by 2% YoY.
- In 2025, Viwaco's retail water price is expected to remain stable at VND 8,500/m³. In 2026, the price is forecasted to climb by 6% YoY (consistent with the 2021-2023 period), with volume reaching 13 million m³ (+3% YoY).

Hình 13: Water price of HN (Unit: VND)



Source: VCG, MBS Research

Hình 14: Revenue and net profit of water segment (Unit: Billion VND)



Source: VCG, MBS Research

FINANCIAL STATEMENTS

Income statement	2023	2024	2025	2026	Cash flow statement	2023	2024	2025	2026
Net revenue	12,704	12,870	14,264	15,434	Pretax profit	556	1,373	1,750	2,203
Cost of sales	(11,523)	(10,889)	(12,001)	(12,659)	Depreciation & amortisation	338	359	323	315
Gross profit	1,181	1,981	2,262	2,775	Other non cash gains/(losses)	843	435	415	432
Gen & admin expenses	79	(380)	(402)	(425)	Other non operating gains/(losses)	345	1,476	(399)	(2,746)
Selling expenses	(93)	(58)	(61)	(65)	Change in working capital	2,607	(174)	202	(3)
Total operating costs	1,167	1,543	1,799	2,285	Cash flow from operations	3,648	1,647	1,247	98
Operating profit	1,505	1,850	2,122	2,600	Capex	(784)	(564)	(674)	(619)
Operating EBIT	1,167	1,543	1,799	2,285	Proceeds from assets sales	616	566	(187)	-
Interest expense	351	333	342	338	Cash flow from investing activities	(168)	2	(861)	(619)
Financial expense	(833)	(434)	(415)	(432)	New share issuance	39	-	-	-
Net other income	4	21	36	27	Net borrowings	(2,428)	(1,737)	(101)	217
Income from associates & JVs	(0)	(0)	(0)	(0)	Other financing cash flow	(36)	(39)	-	645
Pre-tax profit	556	1,373	1,750	2,203	Dividends paid	(96)	(71)	-	(0)
Tax expense	(171)	(258)	(350)	(425)	Cash flow from financing activities	(2,521)	(1,847)	(101)	862
Profit after tax	385	1,193	1,400	1,778	Cash and equivalents at beginning of period	1,710	2,670	2,471	2,757
Minority interest	(7)	182	140	120	Total cash generated	960	(199)	285	342
Net profit	403	927	1,260	1,658	Cash and equivalents at the end of period	2,670	2,471	2,757	3,098
Dividends paid	-	-	-	-					
Retained earnings	403	927	1,260	1,658					
Consolidated balance sheet	2023	2024	2025	2026	Key Ratios	2023	2024	2025	2026
Cash and equivalents	2,670	2,471	2,757	3,098	Revenue growth	50.3%	1.3%	10.8%	8.2%
Short term investments	1,488	1,781	1,634	1,708	Operating EBITDA growth	63.9%	22.9%	14.7%	22.5%
Accounts receivable	2,483	2,599	2,859	3,015	Operating profit growth	181.6%	132.2%	116.6%	127.0%
Inventories	6,888	7,090	7,054	7,034	Pretax profit growth	-34.4%	117.1%	20.6%	25.9%
Total current assets	18,681	17,689	18,939	19,150	Net profit growth	-36.4%	180.4%	12.0%	23.3%
Net PPE	3,693	3,363	4,246	5,029	EPS growth	-40.9%	153.7%	2.2%	15.7%
Construction in progress	6,652	6,746	6,699	6,723	Gross margin	9.3%	15.4%	15.9%	18.0%
Property Investment	240	484	535	590	EBIT margin	14.5%	17.0%	17.4%	19.1%
Others long term asset	312	308	210	210	EBITDA margin	3.9%	10.7%	10.8%	12.3%
Investment in JVs and associat	940	675	675	675	ROAE	6.9%	17.8%	17.1%	18.8%
Accounts receivables	6	59	57	57	ROAA	1.6%	4.6%	5.1%	5.9%
Total non-current assets	12,013	11,752	12,431	13,294	ROIC	2.3%	6.9%	7.1%	8.5%
Total assets	30,694	29,441	31,370	32,443	Asset turnover	0.4	0.4	0.5	0.5
Short-term debt	6,136	4,452	4,407	4,539	Dividend payout ratio	0.0%	0.0%	0.0%	0.0%
Accounts payable	3,956	3,770	4,114	4,467	Liabilities to equity ratio	108%	79%	67%	65%
Other current liabilities	2,090	2,440	2,445	2,446	Total debt to equity	82%	57%	46%	43%
Total current liabilities	14,422	12,912	13,666	14,018	Net debt to assets	27.5%	21.4%	18.8%	17.8%
Total long-term debt	4,962	4,307	4,251	4,336	Interest coverage ratio (x)	1.4	3.6	4.3	5.3
Other liabilities	1,069	1,105	511	513	Days account receivable	71.3	73.7	73.2	71.3
Total non-current liabilities	6,031	5,413	4,762	4,849	Days inventory	218.2	237.6	214.5	202.8
Total liabilities	20,453	18,324	18,428	18,867	Days creditor	70.9	75.4	82.1	74.0
Share capital	5,345	5,986	6,285	6,599	Current ratio	1.3	1.4	1.4	1.4
Additional paid-in capital	16	16	16	16	Quick ratio	0.8	0.8	0.9	0.9
Treasury shares	-	-	-	-	Cash ratio	0.3	0.3	0.3	0.3
Retained earnings reserve	1,583	1,869	3,301	3,501					
Other reserves	309	289	244	244	Valuations				
Shareholders' equity	7,252	8,161	9,846	10,361	EPS	961	2,427	2,510	2,947
Minority interest	2,989	2,956	3,096	3,216	BVPS	13,569	13,633	15,666	15,699
Total equity	10,241	11,116	12,942	13,577	P/E	18.7	7.4	7.2	6.1
Total liabilities & equity	30,694	29,440	31,370	32,443	P/B	1.3	1.3	1.1	1.0

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MBS RECOMMENDATION FRAMEWORK

Stock Ratings

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Add	The stock's total return is expected to reach 15% or higher over the next 12 months
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

Segment Ratings

Positive	Stocks in the segment have, on a market cap-weighted basis, a positive absolute recommendation
Neutral	Stocks in the segment have, on a market cap-weighted basis, a neutral absolute recommendation.
Negative	Stocks in the segment have, on a market cap-weighted basis, a negative absolute recommendation.

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Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges.

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