

IDICO Corporation (HNX: IDC)

Positive signals from trade negotiations

- In case the result of tariff negotiations remains unchanged from the current announcements, Vietnamese exports to the U.S. will gain a competitive edge over other countries, which would revive the industrial real estate market;
- We forecast 2025 net profit (NP) to decline by 19% yoy, due to a temporary slowdown in industrial land demand. However, we expect 2026 NP to recover, driven by the tariff advantages secured through Vietnam's negotiations;
- We upgrade our recommendation to ADD for IDC, as its price has dropped to an attractive level. We maintain our target price at VND 55,500/share.

Reduced pressure from new U.S. tariff policy

The U.S. President announced that a 20% tariff will be applied to goods 100% originating from Vietnam, and a 40% tariff for transshipped goods. Although this is not the final tariff rate, it represents a positive signal for the industrial market. In 1H25, the market faced headwinds as investors adopted a "wait-and-see" approach regarding the outcome of trade negotiations. In 2H25, we expect the market to regain momentum, supported by more favorable tariff rates achieved through Vietnam's negotiation efforts. We forecast handover area to reach 80/110 ha, with industrial park (IP) revenue growth of -11%/+26%yoy (down 13%/15% vs. previous forecasts) in 2025-26, respectively.

NP forecast to rebound in 2026

In 2025–26, we revise down revenue forecast by 6% and 7%, due to lower IP revenue (-13%/-15% vs. previous forecasts) respectively. After adjustments, we forecast revenue growth of -5%/+11% yoy. NP forecasts are also revised down by 11%/10% vs. previous forecasts. 2025 adjusted NP is now in line with the company's business plan, down 19% yoy, followed by a 7% yoy increase in 2026. Newly approved industrial land bank (1,200 ha) will serve as a key driver when the industrial market re-enters a growth phase.

We recommend ADD with a target price of VND 55,500/share

We upgrade our recommendation to ADD for IDC, as the stock price has declined significantly below the company's asset value. We maintain our target price of VND 55,500/share, as the reduction in valuation of existing IPs is offset by the addition of newly approved IPs. Investment thesis: (1) We expect Vietnam to secure more favorable tariffs than regional competitors, supporting a positive outlook for the industrial market (2) An additional 1,200 ha of approved industrial land ensures mid-term growth potential (3) Attractive cash dividend policy of 30–40%, implying a dividend yield of 6.5–8.5% per year.

VNDbn	2023	2024	2025F	2026F
Revenue	7,237	8,846	8,434	9,322
NP	1,394	1,996	1,618	1,724
Revenue growth	-3.3%	22.2%	-4.7%	10.5%
NP growth	-21.2%	43.2%	-18.9%	6.6%
Gross margin	33.5%	37.7%	34.7%	33.1%
EBITDA margin	42.8%	50.6%	42.4%	39.4%
ROAE	28.1%	37.7%	27.3%	26.9%
ROAA	8.0%	10.9%	8.4%	8.6%
EPS (VND/share)	4,223	6,049	4,903	5,225
BVPS (VND/share)	15,069	17,018	18,865	20,031

(Source: IDC, MBS Research)

ADD

Target price

VND 55,500

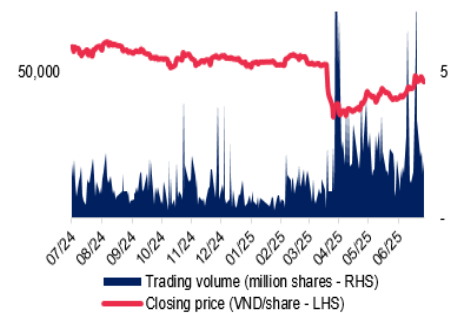
Upside

+20.2%

Key changes in the report

- Decreasing FY25-26F NP by 11%/10% vs. previous report

Information



Source: MBS Research

Current price (VND)	46,200
52W High (VND)	59,700
52W Low (VND)	34,300
Market Cap (VNDbn)	15,246
P/E (TTM)	9.3
P/B	2.8
Dividend yield (%)	8.7%
Foreign ownership (%)	19.6%

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

Ownership

SSG Group	22.5%
Bach Viet	11.9%

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



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IDICO Corporation

Investment thesis and Valuation

Investment thesis

- (1) The U.S. President recently announced a 20% tariff on goods 100% originating from Vietnam and a 40% tariff on transshipped goods. While other countries are still in the negotiation process, if these rates remain unchanged, Vietnamese exports to the U.S. will gain a significant competitive advantage. We expect the outlook for the industrial market to turn positive again by the end of 2025.
- (2) Since 2024, IDC has received approvals for four new IPs, including Tan Phuoc 1, Vinh Quang phase 1, Phu Long, and My Xuan B1 ext. These additions have increased the company's land bank by 1,200ha, providing a solid foundation for medium-term growth.
- (3) IDC maintains a high cash dividend policy of 30–40%, equivalent to a dividend yield of 6.5–8.5% per year.

Downside risks

- (1) Risks from the U.S.'s unstable tariff policy have led to a decline in industrial land demand;
- (2) Rising site clearance costs are a concern following the implementation of the amended Land Law in 2025, as compensation will be based on market prices, potentially driving up expenses;
- (3) Prolonged legal bottlenecks continue to delay timelines, increase costs, and reduce the overall efficiency of IP developments.

Valuation

We maintain our target price at VND 55,500/share, implying an upside potential of 26.7% (including a dividend yield of 6.5%).

Figure 1: Valuation for IDC

Project	Ownership	Valuation (VNDbn)	Valuation for IDC	Method	Notes
IP			13,777	DCF	We apply the DCF valuation method with a WACC of 14.1% and revise the price growth rate down from 5% to 0% to reflect the risk of weaker industrial demand caused by the new U.S. tariff policy.
Phu My 2 and Phu My 2 ext	100%	5,820	5,820		
Cau Nghin	100%	663	663		
Huu Thanh	100%	3,930	3,930		
Que Vo 2	55%	1,040	571		
Tan Phuoc 1	65%	1,606	1,044		We also incorporate the valuation of two newly approved IPs, Vinh Quang and Phu Long, which received approval in 1H25.
My Xuan B1 ext	51%	656	334		
Vinh Quang	100%	774	774		
Phu Long	75%	855	641		
Residential property			1,829	BV	

Project	Ownership	Valuation (VNDbn)	Valuation for IDC	Method	Notes
Energy			2,179	DCF	
Srok Phu Mieng	51%	836	426		
Drak Mi 3	100%	1,299	1,299		
Substations	67%	677	453		
BOT			219	DCF	
Total assets			18,004		
(+) Cash and cash equivalents			2,293		
(+) Short and long-term investments			3,108		
(-) Debts			3,413		
(-) Minority interests			1,666		
Equity value			18,326		
Share outstanding			329,999,929		
Value per share (VND)			55,500		

(Source: MBS Research)

Figure 2: Peer comparison

Company name	Tic ker	Market price	Target price	Recommen dation	Market Cap (VNDbn)	P/E		P/B		ROE (%)		ROA (%)	
						2024	2025	2024	2025	2024	2025	2024	2025
Becamex IDC	BCM	68,000	72,400	Hold	70,380	32.2	41.9	3.6	3.4	11.5	8.3	3.9	2.8
Kinh Bac City	KBC	27,500	35,100	Add	21,109	55.3	30.4	1.2	1.7	2.1	5.2	1.0	2.3
IDICO	IDC	46,200	55,500	Add	15,246	7.6	9.4	2.7	2.4	38	27	11	8
Sonadezi Chau Duc	SZC	36,600	39,300	Hold	6,587	21.8	22.3	2.1	2.0	12.5	9.3	4.0	3.5
Average						29.2	26.0	2.4	2.4	16.0	12.5	5.0	4.2

(Source: Fiinpro, MBS Research)

1Q25 business results

1Q25 revenue and NP decreased 27% and 51% yoy respectively

Figure 3: 1Q25 business results

VNDbn	1Q25	yoy (%)	% MBS forecast	Comments
Revenue	1,793	-27%	20%	
- IP	467	-61%	13%	In 1Q25, IDC handovered 11 ha, mainly from Que Vo 2, Cau Nghin, and Huu Thanh, down 67% yoy. IP revenue declined 61% yoy, with one-time recording revenue dropping 67% yoy and straight-line allocation revenue increasing 7% yoy.
- Energy	816	19%	22%	
Hydropower	94	44%	14%	Power output reached 87 million kWh (+38% yoy), with Srok Phu Mieng and Drak Mi 3 contributing 23 million kWh and 63 million kWh, respectively. The significant increase in hydropower output was driven by favorable hydrological conditions during the La Niña phase.
Electricity distribution	722	16%	23%	Distributed electricity output reached 379 million kWh (+10% yoy), supported by the operation of the Huu Thanh substation phase 1 (63 MVA).
- Residential property	182	-35%	35%	Residential property revenue was mainly derived from handovers at the Bac Chau Giang project. 1Q25 revenue declined 35% yoy, as a significant one-off revenue in 1Q24 was recorded from a land transfer deal with Aeon.
Gross profit	551	-50%	17%	
Gross margin	31%	-14 pts	-5 pts	
- IP	57%	-9 pts	-2 pts	Gross margin declined as Huu Thanh, which accounted for 60% of total gross profit, recorded a gross margin of 55%, lower than that of Phu My 2 and Phu My 2 ext.
- Energy	9%	4 pts	-1 pts	
Hydropower	49%	21 pts	8 pts	Gross margin improved due to favorable hydrological conditions.
Electricity distribution	3%	1 pts	1 pts	Gross margin remained stable at 3%.
- Residential property	54%	-7 pts	-16 pts	
SG&A	102	10%	21%	
% SG&A/revenue	6%	2 pts	0%	
Interest income	65	110%	25%	Interest income increased, driven by a 111% yoy rise in income from deposits and loans.
Financial expenses	39	12%	20%	
Pre-tax profit	521	-48%	19%	
NP	343	-51%	19%	In 1Q25, NP declined 51% yoy, reaching 19% of our forecast.

(Source: IDC, MBS Research)

We revise down FY25-26F NP by 11% and 10%, respectively, to reflect the impact of the new U.S. tariff policy

Figure 4: FY25-26F business results

VNDbn	2024	2025	yoy (%)	%change	2026	yoy (%)	%change	Comments
Revenue	8,846	8,434	-5%	-6%	9,322	11%	-7%	
- IP	3,516	3,118	-11%	-13%	3,941	26%	-15%	We revise FY25-26F handover area down from 91/111 ha to 80/101 ha and lower the growth rate of leasable prices to 0%, reflecting the impact of the new U.S. tariff policy, which has caused a slowdown in industrial land demand.
- Energy	3,373	3,757	11%	-1%	4,055	8%	-1%	
Hydropower	445	619	39%	-4%	556	-10%	-5%	We slightly revise down FY25-26F energy revenue due to a shorter-than-usual La Niña phase.
Electricity distribution	2,928	3,138	7%	0%	3,500	12%	0%	We maintain our forecast unchanged
- Residential property	532	520	-2%	0%	278	-47%	-6%	In 2025, residential property revenue will primarily come from handovers at the Bac Chau Giang phase 2 project. In 2026, we expect the company to launch the social housing projects in its IPs.
Gross profit	3,337	2,930	-12%	-9%	3,088	5%	-12%	
- IP	2,237	1,801	-20%	-16%	2,282	27%	-13%	
- Energy	319	416	30%	19%	394	-5%	18%	
Hydropower	229	320	40%	21%	287	-10%	20%	
Electricity distribution	90	96	7%	12%	107	12%	12%	
- Residential property	380	364	-4%	0%	111	-69%	-48%	
Gross margin	38%	35%	-3 pts	-1 pts	33%	-2 pts	-2 pts	
- IP	64%	58%	-6 pts	-2 pts	58%	0 pts	1 pts	
- Energy	9%	11%	2 pts	2 pts	10%	-1 pts	2 pts	
Hydropower	52%	52%	0 pts	11 pts	52%	0 pts	11 pts	We revise up gross margin forecast as the Dak Mi 3 hydropower plant is operating better than our previous forecast.
Electricity distribution	3%	3%	0 pts	0 pts	3%	0 pts	0 pts	The gross margin of the electricity distribution segment remains stable at 3%.
- Residential property	71%	70%	-1 pts	0 pts	40%	-30 pts	-32 pts	The gross margin is expected to decline significantly in 2026, as the social housing project has a much lower gross margin compared to other residential business types.
SG&A	398	458	15%	-7%	502	10%	-10%	
% SG&A /revenue	4%	5%	1 pts	0 pts	5%	0 pts	0 pts	The rate remains stable at 5%.
Interest income	168	262	56%	1%	258	-1%	7%	
Financial expenses	136	180	32%	-7%	169	-6%	-8%	
Pre-tax profit	2,993	2,547	-15%	-9%	2,651	4%	-11%	
NP	1,996	1,618	-19%	-11%	1,724	7%	-10%	We revise down our FY25-26F NP by 11%/10% vs. previous forecasts, respectively, due to lower land demand.

(Source: IDC, MBS Research)

IP segment: Reduced pressure from new U.S. tariff policy

The U.S. President recently announced a 20% tariff on goods 100% originating from Vietnam and a 40% tariff on transshipped goods. In return, Vietnam will remove import tariffs on U.S. goods, particularly SUVs. This represents a significant reduction from the previous tax rate of 46% and is lower than that of some regional competitors such as Thailand, Indonesia, and Malaysia (according to tariff information announced on July 7, 2025). However, this is not the final tariff schedule, as many countries are still negotiating for lower tariff rates, with trade negotiations extended until August 1, 2025. We believe it is still early to assess the full impact of the new U.S. tariff policy, as FDI enterprises are adopting a “wait-and-see” approach, not only regarding the outcome of Vietnam–U.S. trade negotiations but also U.S. tariff policies for Vietnam’s regional competitors.

Ahead of the new U.S. tariff announcement, the company conducted discussions with its customers and assessed the potential impact across four customer groups: Existing investors – 100% will continue operations; Investors currently under construction – confirmed they will proceed with their contracts; Investors who have signed MOUs – 10–15% are delaying implementation pending the outcome of trade negotiations; Investors in contract negotiations – 70–80% are committed to continuing negotiations, while the remainder face obstacles or are temporarily postponing. The company expects leasable prices in 2025 to remain stable compared to 2024.

Figure 5: IP portfolio

IP	Location	Ownership	Total land area (ha)	IP land area (ha)	Occupancy rate	Leasable price	2025F Handover area	Revenue	2026F Leasable price	2026F Handover area	Revenue
Phu My 2	BRVT	100%	621	443	90%	137	10	363	137	15	556
Phu My 2 ext	BRVT	100%	398	273	65%	139	15	553	139	18	677
Cau Nghin	Thai Binh	100%	184	103	53%	93	10	247	93	13	327
Huu Thanh	Long An	100%	524	395	43%	168	25	1,114	168	30	1,363
Que Vo 2	Bac Ninh	55%	269	177	82%	150	20	796	150	10	406
Tan Phuoc 1	Tien Giang	65%	470	363	0%		-	-	130	10	352
My Xuan B1 ext	BRVT	51%	110	83	0%		-	-	150	5	203
Vinh Quang	Hai Phong	100%	226	163	0%		-	-		-	-
Phu Long	Ninh Binh	75%	415	301	0%		-	-		-	-

(Source: IDC, MBS Research)

According to IDC’s 2025 business plan, the company targets leasing 124 ha of land in existing IPs, up 23% compared to 2024 (101 ha). However, given the risks from the new U.S. tariff policy, investors are adopting a “wait-and-see” stance, delaying new constructions or production expansions. We believe this leasing target is quite challenging. Accordingly, we revise down our 2025 land leasing forecast by 11 ha to 80 ha. In 2026, two new IPs - Tan Phuoc 1 and My Xuan B1 ext (both approved for investment in 2024) - are expected to deliver 10 ha and 5 ha of land, respectively, bringing the total leased land area to 101 ha, down 10 ha from our previous forecast. Leasable prices for 2025–2026 are expected to remain stable at 2024 levels, reflecting muted land demand. Overall, we forecast IP revenue at VND 3,118 billion in 2025 (-11% yoy) and VND 3,941 billion in 2026 (+26% yoy), revised down by 13% and 15% vs. previous forecasts.

In 1H25, the company obtained investment approvals for two new IPs: Vinh Quang (226 ha) and Phu Long (415 ha). The company is currently completing legal procedures and site clearance, and we expect these projects to start generating cash flow from 2027 onwards.

Figure 6: Leasing progress as of 1Q25

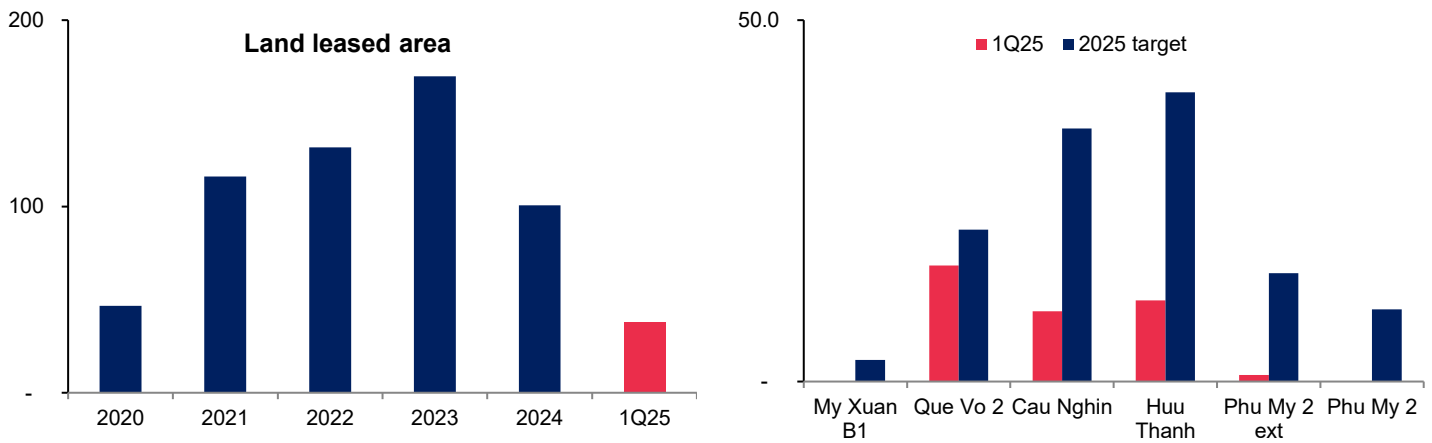


Figure 7: Land bank by the end of 1Q25

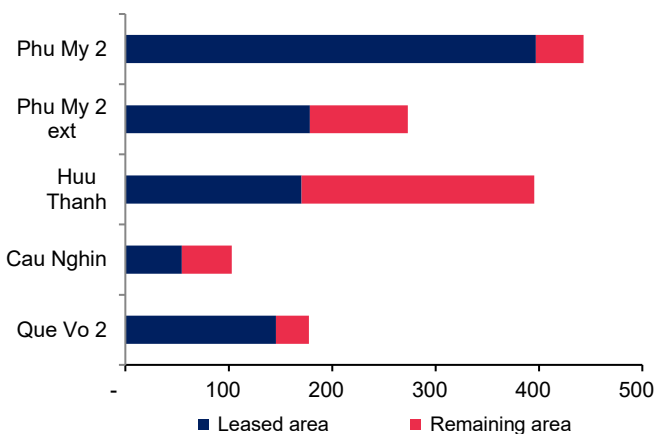
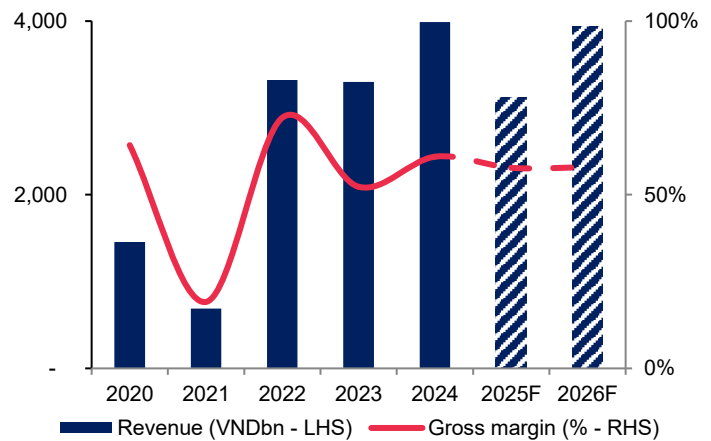


Figure 8: FY25-26F IP revenue



(Source: IDC, MBS Research)

Energy Segment: Transition to neutral weather phase

IDC operates two hydropower plants: Srok Phu Mieng (51 MW) and Dak Mi 3 (63 MW). Thanks to a strong La Niña effect in early 2025, electricity output increased 38% yoy, with Dak Mi 3's output surging 58% yoy. However, this phenomenon was relatively short-lived, and weather conditions have now shifted to a neutral phase, which may persist until early 2026. We slightly revise down FY25-26F hydropower revenue by 4%/5% vs. previous report, to VND 619 billion (+39% yoy) and VND 556 billion (-10% yoy), respectively.

The company currently operates three substations (Tuy Ha, Nhon Trach 5, and Huu Thanh phase 1) with a total capacity of 481 MVA. According to the plan, IDC will commence Huu Thanh phase 2 substation this year, increasing total capacity to 544 MVA. We maintain FY25-26F electricity distribution revenue at VND 3,138 billion (+7% yoy) and VND 3,500 billion (+12% yoy), respectively.

Figure 9: Hydro power

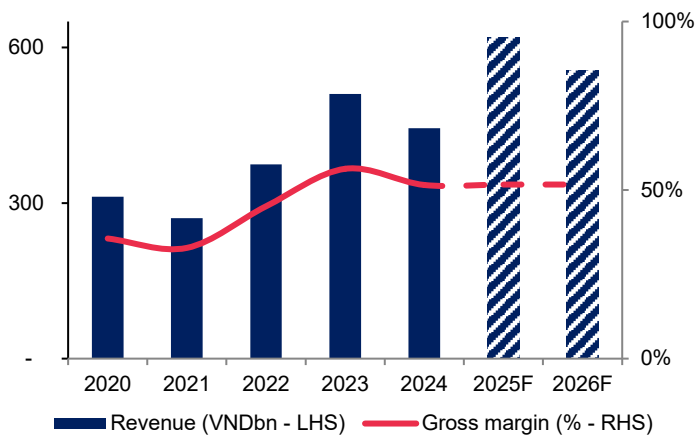
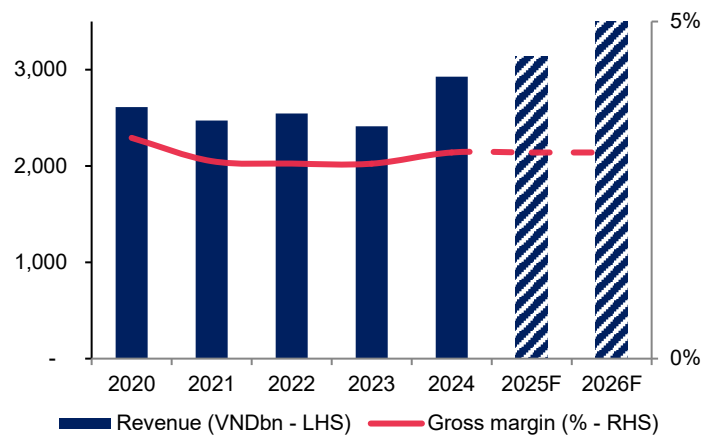


Figure 10: Electricity distribution



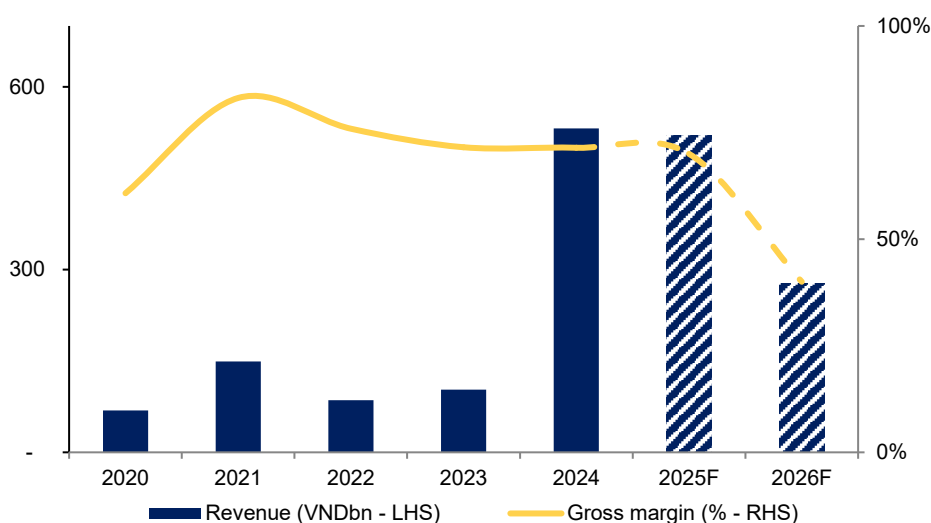
(Source: IDC, MBS Research)

Residential property segment: Developing social housing around IPs

We maintain our 2025 residential property revenue forecast, supported by shophouse handovers at Bac Chau Giang phase 2 and the handover of the remaining 7,000 m² of land at the expanded Ward 6 central residential area project. In 2026, we expect the company to begin handovers at the social housing project in Nhon Trach IP, which is scheduled to commence construction in 3Q25. Accordingly, we forecast FY25-26F residential property revenue at VND 520 billion (-2% yoy) and VND 278 billion (-47% yoy), representing a 0%/6% downward revision from previous forecast, respectively.

In addition, the company is studying investment in other social housing projects near IPs, including 60 ha in the Tan Phuoc IP area (30,000 units), 10 ha in the Vinh Quang IP area (5,000 units), 14 ha in the Phu Long IP area (7,000 units).

Figure 11: FY25-26F residential property revenue



(Source: IDC, MBS Research)

Figure 12: Residential property projects updated by the end of 1Q25

Current pipeline	Location	Owner	IDICO's own	Land area (hectare)	Status
Nhon Trach IP workers' housing project (1)	Dong Nai	IDICO - URBIZ	100%	10	Completed adjustment and was approved by Department of Construction for the construction planning for two 9-level building blocks. Submitting documents to adjust 1/500 plan.
Nhon Trach IP workers' housing project (2)	Dong Nai	IDICO - URBIZ	100%	10	
Huu Thanh residential area and workers' housing project	Long An	IDICO - LINCO	51%	47.1	Received the land-handover Decision & Periodic Investment Disbursement. Completed land price for phase 1 (33.4 ha)
Nhon Trach 1 Resettlement project and Hiep Phuoc apartment building	Dong Nai	IDICO - UDICO	66.9%	4.9	Submit application for adjustment of Investment Certificate
Vinh Cuu social housing project	Dong Nai	IDICO - URBIZ	100%	60.1	Research and propose investment projects according to "Eco-residential Area" scheme
Apartment complex on National Route 1K Hoa An + In Home Bien Hoa	Dong Nai	IDICO - UDICO	66.9%	7.0	Adjusting Investment Certificate
An Hoa project	Dong Nai	IDICO - URBIZ	100%	3.9	Adjusting the construction planning
IDICO – INCO10 head office	Can Tho	IDICO – INCO10	98%	0.5	Under construction
Bac Chau Giang Project	Ha Nam	IDICO - CONAC	51%	5.7	Sold out phase 1&2
Central residential area expansion	Long An	IDICO - LINCO	51%	3.1	Handed-over 1.7 hectares to Aeon. The remaining 7,000 sqm is being converted to commercial land. Residential area: Sold 12.7 ha, remaining 1 ha.

(Source: IDC)

2025 business plan faces significant challenges

In 2025, IDC targets total revenue of VND 8,918 billion (99% of 2024) and pre-tax profit of VND 2,596 billion (87% of 2024), with a leasing plan of 123.5 ha of industrial land and 33,291 m² of factory space. The company will focus on completing legal procedures and site clearance compensation for four new IPs. In addition, IDC is exploring and preparing to develop new IPs in Ninh Binh and Can Tho. Our forecasts are in line with the company's guidance, with NP expected to decline 19% yoy. Given the risks from the new U.S. tariff policy, the company is closely monitoring trade negotiations and leasing progress to adjust its business plan accordingly.

Financial Statements

Income statement	2023	2024	2025F	2026F	Cash flow statement	2023	2024	2025F	2026F
Revenue	7,237	8,846	8,434	9,322	Pre-tax profit	2,057	2,993	2,547	2,651
Cost of goods	(4,814)	(5,509)	(5,504)	(6,234)	Depreciation & amortization	857	1,353	852	852
Gross profit	2,423	3,337	2,930	3,088	Tax paid	(401)	(601)	(705)	(693)
Gen & admin expenses	(247)	(275)	(297)	(356)	Other adjustments	(45)	(43)	(632)	203
Selling expenses	(115)	(123)	(161)	(146)	Changes in working capital	193	283	550	58
Operating profit	2,061	2,939	2,472	2,586	CF from operations	2,735	4,085	2,699	3,062
Operating EBITDA	2,917	4,292	3,324	3,437	Capex	(1,110)	(794)	(1,432)	(1,559)
EBIT	2,061	2,939	2,472	2,586	Proceeds from assests sales	148	4	-	-
Interest income	221	168	262	258	CF from investing activities	(1,111)	(1,476)	(655)	(1,604)
Financial expense	(189)	(136)	(180)	(169)	New share issuance	0	188	0	-
Net other income	(38)	20	26	21	Net borrowings	155	(386)	(423)	(165)
Income from associates&JV	1	2	(34)	(45)	Other financial cash flow	-	-	-	-
Pre-tax profit	2,057	2,993	2,547	2,651	Dividend paid	(1,532)	(1,556)	(990)	(1,320)
Tax expense	(401)	(601)	(705)	(693)	CF from financing activities	(1,378)	(1,755)	(1,413)	(1,485)
NPAT	1,656	2,392	1,842	1,958	Beginning cash & equivalents	1,087	1,334	2,188	2,820
Minority interests	(262)	(396)	(224)	(234)	Total cash generated	246	854	632	(27)
NP	1,394	1,996	1,618	1,724	Ending cash and equivalents	1,333	2,188	2,820	2,793
Ordinary dividends	(1,320)	(1,320)	(990)	(1,320)					
Retained earnings	74	676	628	404					
					Key ratios	2023	2024	2025F	2026F
Balance sheet	2023	2024	2025F	2026F	Revenue growth	-3%	22%	-5%	11%
Cash and cash-equivalents	1,334	2,188	2,820	2,793	EBITDA growth	-23%	47%	-23%	3%
Short term investments	910	2,264	1,455	1,543	EBIT growth	-24%	43%	-16%	5%
Account receivables	844	760	614	650	Pre-tax profit growth	-21%	46%	-15%	4%
Inventories	1,299	1,401	1,543	1,697	NP growth	-21%	43%	-19%	7%
Total current assets	6,018	7,422	7,225	7,520	EPS growth	-25%	40%	-19%	7%
Fixed assests	3,107	2,957	2,929	2,917					
Construction in progress	-	-	-	-	Gross margin	33%	38%	35%	33%
Investment property	6,151	2,539	2,688	2,901	EBITDA margin	43%	51%	42%	39%
Investments in subsidiaries	-	-	-	-	NP margin	19%	23%	19%	18%
Investments in associates	25	26	169	65	ROAE	28%	38%	27%	27%
Other long-term investments	2,305	5,744	6,412	6,930	ROAA	8%	11%	8%	9%
Total non-current assets	11,703	11,378	12,309	12,922	ROIC	14%	19%	15%	15%
Total assets	17,720	18,800	19,534	20,442					
					Asset turnover	42%	48%	44%	47%
Short-term borrowings	938	1,144	989	1,053	Dividend payout ratio	95%	66%	61%	77%
Accounts payable	314	302	312	314	D/E	57%	44%	34%	29%
Other short-term payables	2,735	3,088	2,963	3,432	Net debt to total equity	35%	13%	-1%	-3%
Total current liabilities	3,986	4,533	4,264	4,799	Net debt to asset	12%	5%	-1%	-1%
Long-term borrowings	2,585	1,992	1,725	1,495	Interest coverage ratio	11	23	14	15
Other long-term payables	4,944	5,067	5,504	5,488					
Total long-term liabilities	7,529	7,059	7,229	6,982	Days account receivable	43	31	27	25
Total liabilities	11,516	11,593	11,492	11,782	Days inventory	99	93	102	99
					Days account payable	24	20	21	18
Common share	3,300	3,300	3,300	3,300					
Share premium	44	44	44	44	Current ratio	1.5	1.6	1.7	1.6
Treasury shares	-	-	-	-	Quick ratio	1.2	1.3	1.3	1.2
Undistributed earnings	874	1,478	2,087	2,472	Cash ratio	0.6	1.0	1.0	0.9
Investment and development funds	755	794	794	794					
Shareholders' equity	4,973	5,616	6,226	6,610	Valuation				
Minority interests	1,232	1,592	1,816	2,050	EPS (VND/share)	4,223	6,049	4,903	5,225
Total shareholders' equity	6,205	7,208	8,042	8,660	BVPS (VND/share)	15,069	17,018	18,865	20,031
Total liabilities & equity	17,720	18,800	19,534	20,442	P/E	10.9	7.6	9.4	8.8
					P/B	3.1	2.7	2.4	2.3

(Source: IDC's financial statements, MBS Research)

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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

Sector Ratings

POSITIVE	Stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
NEUTRAL	Stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
NEGATIVE	Stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

ABOUT MBS

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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Industrials – Energy

Tung Nguyen Ha Duc
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