Ha Do Group JSC (HSX: HDG)
Strong pipeline lay foundation for future growth

- Charm Villa remains the key growth driver, alongside positive solution for Hong Phong 4 and the development of several new plants in medium term.
- 2025/26/27 Net profit is projected to grow 129%/ 98%/-10% yoy, respectively.
- Reiterate ADD with higher TP of 40,200VND/share

ADD

Target price	**VND40,200**
Upside	*20.0%*

Key changes in the report

Revised EPS 2025/26/27 by -10%/+27%/+28% versus previous report

Strong earnings rebound in 2H25 from a low base

MBS forecasts HDG's 3Q25 NP to grow ~7% yoy, driven by strong hydropower generation. Meanwhile, provisioning pressure and foreign exchange losses are expected to persist but will be less severe than in 2Q25. It is likely that HDG will not record revenue from the Charm Villa project in 3Q25, but we expect earnings growth to accelerate significantly in 4Q25, supported by property handovers — especially given the very low base in 4Q24 due to substantial provisioning.

Outlook 2025–2027: Entering a new project development cycle

2025 NP surge 129% yoy. In addition to robust hydropower output, Charm Villa handovers will be the key earnings driver in 2H25. Furthermore, positive resolution for Hong Phong 4, which will not retroactively apply the FIT price, signals the government's determination to resolve regulatory bottlenecks. The company expects to complete the CCA in 1Q26, after which it will reassess the potential for provisioning reversals.

Looking into 2026-27, growth will mainly come from the remaining deliveries of Charm Villa. In medium term, HDG is expanding its power portfolio with three new small hydropower projects La Trong (22MW), Son Linh – Son Nham (24MW) and the Phuoc Huu wind farm (50MW). On the real estate side, the company is also seeing positive developments, with three projects included in the pilot list for legal resolution under Resolution 171. Notably, 62 Phan Dinh Giot was officially approved in April 2025, while Minh Long and Green Lane are expected to receive approval by the end of the year. 2026 NP will grow 98% yoy before declining by 10% yoy in 2027, with forecasts revised upward by 27%/28% compared to previous estimates. The revision reflects: 1) A portion of Charm Villa handovers shifting from 2025 to 2026-27; 2) The addition of 96MW of new power capacity into the valuation model.

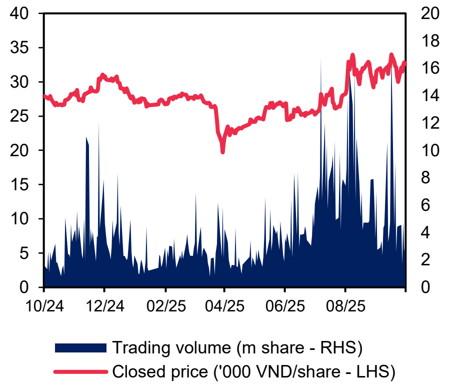
Reiterate ADD with higher TP of 40,200VND/share

We maintain ADD recommendation with a TP of VND40,200/share (+15% compared to the previous forecast) due to: 1) The removal of risks related to Hong Phong 4; 2) The inclusion of new power projects in the valuation model. Revised up 2025/26/27 EPS forecasts by -10%/+27%/+28%, reflecting cautious assumption on Charm Villa handover amid concerns over lower demand of high-end product. The company also offers significant re-rating potential from real estate projects awaiting inclusion in the pilot list and the possibility of provision reversals for Hong Phong 4 in 2026.

VNDbn	2024	2025F	2026F	2027F
Revenue	2,718	3,289	4,228	4,227
Net profit	348	798	1,583	1,425
Revenue growth	-5.7%	21.0%	28.5%	0.0%
Net profit growth	-51.0%	129.1%	98.4%	-10.0%
Gross margin	58.5%	60.4%	62.0%	62.2%
EBITDA margin	59.2%	65.5%	68.6%	71.3%
ROAE (%)	5.7%	12.0%	19.7%	15.6%
ROAA (%)	2.5%	5.2%	9.0%	7.7%
EPS (VND/share)	792	1,894	3,737	3,310
BVPS (VND/share)	16,483	17,987	21,779	24,722

Sources: HDG, MBS Research

Price performance



Sources: FiinPro, MBS Research

Current price (VND)	32,600
52W High (VND)	34,000
52W Low (VND)	22,560
Market Cap (VNDbn)	12,061
P/E (TTM)	60.4
P/B	1.9
Dividend yield (%)	1.3%
Foreign ownership (%)	17.5%

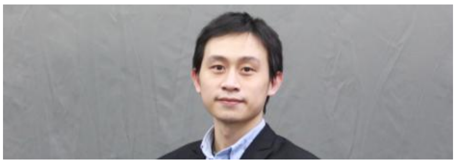
Sources: https://s24.mbs.com.vn/

Ownership

Nguyen Trong Thong	31.8%
PYN ELITE FUND	8.3%
Nguyen Van To	8.1%
Other	51.8%

Sources: https://s24.mbs.com.vn/

Analyst(s)



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Ha Do Group JSC (HSX: HDG)

Investment thesis and Recommendation

Investment thesis

- The company is pursuing an aggressive capacity expansion strategy with approximately 100MW under development, expected to come online during 2025-27. This includes the La Trong (22MW), Son Linh (15MW), Son Nham (9MW) hydropower, and the Phuoc Huu wind farm (50MW). In the longer term, HDG aims to double its current capacity, with several projects underway such as Binh Gia (80MW), 7A Expansion (21MW), and Le Thuy (30MW). We believe the renewable segment has entered a new investment cycle following a series of regulatory breakthroughs, including the implementation of the Revised PDP8, competitive bidding mechanisms for energy projects, and the issuance of new pricing frameworks for renewables in 9M25.

- Net profit is expected to achieve a 2025-27 CAGR of 33%, driven by the handover of Charm Villa Phase 3 (~108 units). The project officially launched in June, with an estimated selling price of around VND200m/m². With a low investment cost structure, Charm Villa is expected to deliver optimal profitability. Additionally, Resolution 171 has significantly eased legal bottlenecks for several of HDG's pipeline projects. While the 62 Phan Dinh Giot project in Hanoi has already been approved for the pilot list, other notable projects such as Minh Long and Green Lane are expected to receive approval in 2H25. These projects will serve as the next wave of property drivers, with revenue contribution expected from 2028 onward.

- The 2023-25 period was particularly challenging due to heavy provisioning linked to non-compliant solar projects. To date, the company has proactively provisioned VND500bn for Hong Phong 4 to reflect potential risks. However, the latest policy developments point to a more constructive resolution path. Specifically, EVN has proposed not to adjust or retroactively revoke FIT tariffs, opting instead for administrative penalties while allowing the company to submit missing legal documents (CCA) to continue operations under the original preferential pricing. This reflects strong government support and significantly reduces the regulatory uncertainty that HDG has faced.

Reiterate ADD with higher TP of 40,200VND/share

We recommend ADD with a target price of VND40,200/share (+15% vs. previous forecast), primarily due to the re-rating of Hong Phong 4 following the removal of FIT adjustment risks and the inclusion of ~96MW of new capacity in our valuation model. 2025/26/27 EPS forecasts are revised to -10%/ +27%/+28%, reflecting potential FX losses in 2025 and a more cautious timeline for Charm Villa handovers amid slower absorption in the high-end villa segment.

Our SOTP valuation applies a DCF approach (WACC: 11%) for the power segment and office/hospitality leasing segments (cap rate: 8.0%). For residential property, we use the RNAV method (discount rate: 12%). After emerging from a challenging 2024, HDG enters 2025 with multiple growth catalysts from both the property and renewable power segments. The company offers significant long-term re-rating potential thanks to: 1) A large land bank gradually clearing legal hurdles; 2) Potential provision reversals following more favorable policy treatment of renewable projects; 3) Active participation in renewable auctions and a strong push to expand wind power capacity through 2030.

Upside catalysts:

- A stronger-than-expected recovery in the real estate market could create favorable conditions for the sale of Charm Villa Phase 3.
- Official inclusion of the Minh Long and Green Lane projects in the pilot list under Resolution 171.
- Potential reversal of provisions (~VND500bn as of 2Q25) if new proposals - including maintaining FIT prices and removing retroactive penalties for non-compliant projects are implemented.

Downside risks

- Lower-than-expected hydropower generation could weigh on earnings.
- Legal approvals for residential projects take longer than anticipated.

Figure 1: SOTP valuation

SOTP-based valuation

	Metric	**Method**	**Weight**
	VNDbn		*%*
Power	15,731	DCF (WACC: 11%)	
Property + Construction	3,565	RNAV (Discount rate: 12%)	
Office leasing & Hotel services	1,477	DCF (Cap rate: 8%)	
(+) Cash & cash equivalent	1,298		
(-) Debt	5,488		
(-) Minority interest	1,688		
Equity value	**14,895**		
No of shares (million share)	370		
Implied share price (VND/share)			**40,231**
Rounded share price (VND/share)			**40,200**

Sources: MBS Research

Figure 2: Peer comparision

Company name	**Ticker**	**Mkt Cap**	**P/E(x)**		**P/BV(x)**		**ROA (%)**		**ROE (%)**	
	Bloomberg	US$m	TTM	2025	Current	2025	2025	2026	2025	2026
Power sector										
PC1 Group JSC	PC1	333	23.1	12.7	1.5	1.4	2.3	3.2	11.5	13.9
REE Corp	REE	1,341	14.7	13.5	1.8	1.6	7.1	6.9	11.9	11.2
Gia Lai Electricity JSC	GEG	217	11.4	8.3	1.3	1.2	5.4	5.1	13.5	12.9
Central Hydropower JSC	CHP	179	10.1	na	2.3	na	17.2	na	23.1	na
Vinh Son - Song Hinh JSC	VSH	417	13.4	na	2.2	na	9.2	na	16.8	na
Average			*14.5*	*11.5*	*1.8*	*1.4*	*8.2*	*5.1*	*15.4*	*12.7*
Property sector										
Vinhomes JSC	VHM	19,184	15.3	12.1	1.9	1.9	5.5	5.0	14.5	13.4
Khang Dien House Trading and Investment JSC	KDH	1,383	49.2	33.5	2.0	1.8	4.3	4.8	6.4	6.3
Dat Xanh Group JSC	DXG	800	58.7	55.0	1.7	1.4	1.1	0.8	2.7	2.9
Nam Long Investment Corporation	NLG	590	24.9	21.6	1.6	1.5	3.7	3.1	7.8	8.4
Trung binh										
Ha Do Group JSC	**HDG VN**	**330**	**60.3**	**17.1**	**1.9**	**1.7**	**5.2**	**9.0**	**12.0**	**19.7**

Sources: Bloomberg, MBS Research

1H25 Results: FX losses and provisioning remain key earnings headwinds

Figure 3: 1H25 business results & 3Q25 forecast

VNDbn	1H25	%yoy	% vs forecast	3Q25F	% yoy	Comment
Revenue	**1,188**	**-15%**	**38%**	**613**	**8%**	**1H25 revenue declined by 15% yoy, mainly because the company recognized the remaining unit from older property projects in 1H24. Looking ahead to 3Q25, revenue is expected to post a slight increase, primarily supported by favorable hydropower generation conditions.**
Power	969	27%	47%	489	10%	1H25 power revenue grew 27% yoy from a low base last year, driven by favorable hydrological conditions. We expect weather patterns to continue supporting optimal output in the second half of the year. However, growth will likely be less robust compared to the first half since mobilization was already strong in 2H24.
Residential property	4	-99%	1%	-	na	In 3Q25, HDG is unlikely to record revenue from the Charm Villa project, and we expect the company to start recognizing property revenue from 4Q25 onward.
Office leasing & hotel	240	5%	53%	124	1%	
Gross profit	**651**	**-7%**	**32%**	**368**	**9%**	**Gross profit in 1H25 fell 7% yoy, a smaller decline than revenue thanks to the strong performance of the power segment. Higher generation volume helped improve margins, offsetting humble results in the property.**
%GPM	*55%*	*5 đ%*		*60%*	*1 đ%*	
Power	666	49%	51%	337	9%	Optimal hydropower output supported improvements in both revenue and margins in the Power segment. During the period, the 7A wind farm also reported positive output growth, benefiting from the removal of capacity curtailment terms starting in 2025. These factors are expected to remain key growth drivers in 3Q25.
Residential property	(55)	-137%	na	-	na	In 1H25, although no property revenue was recorded, the company reported VND55bn in expenses, mainly related to land-use payments for ongoing projects. In 3Q25, the property segment is expected to post no profit, compared to a gross loss of about VND30bn in 3Q24.
Office leasing & hotel	61	-42%	30%	31	-57%	
SG&A	133	52%	33%	61	42%	The company continued to make provisions of around VND100bn for the Hong Phong 4 project in 1H25, reflecting risks of regulatory violations. We expect additional provisions of roughly VND30–40bn per quarter in 2H25, reflecting the price differential between transitional and FIT tariffs until the CCA is finalized, expected in 1Q26. Moreover, SG&A expenses in 3Q25 are likely to increase, driven by higher selling expenses associated with the launch of Charm Villa.
EBIT	**518**	**-16%**	**33%**	**307**	**5%**	
Financial income	39	86%	39%	20	19%	Financial income rose 86% yoy in 1H25, mainly due to bond investments and interest income, a trend expected to continue in 3Q25 and subsequent quarters.
Financial expenses	263	31.0%	78%	110	7.8%	Financial expenses increased 31% yoy in 1H25, despite a 15% yoy decline in interest expenses, mainly due to a foreign exchange loss of about VND100bn on EUR-denominated loans. While FX pressure will persist in 3Q25, we believe losses will not be as significant as in early 2025.
PBT	**269**	**-39%**	**21%**	**217**	**7%**	
%PBT margin	*23%*	*-9 đ%*		*35%*	*0 đ%*	
Tax expenses	36	-53%	18%	22	7%	
NPAT	**234**	**-35%**	**21%**	**195**	**7%**	
Minority interest	97	26%	42%	47	7%	
Net profit	**137**	**-52%**	**16%**	**147**	**7%**	1H25 NP plunged 52% yoy, reaching only 16% of MBS's full-year forecast, primarily due to: (1) a larger-than-expected FX loss, and (2) the concentration of profit recognition in 2H25 from property project deliveries. We expect net profit growth of around 7–10% yoy in 3Q25, with a potential surge in 4Q25 driven by a very low base in 4Q24.

Sources: HDG, MBS Research

2025–2027 Outlook: Entering a new project development cycle

Figure 4: Earnings forecast summary (2025–2027)

VNDbn	2024	% yoy	2025	% yoy	Δ%	2026	% yoy	Δ%	2027	% yoy	Δ%	Comment
Revenue	**2,718**	***-6%***	**3,289**	***21%***	***1%***	**4,228**	***29%***	***16%***	**4,227**	***0.0%***	***33%***	
Power	1,891	*-2%*	2,159	*14%*	*6%*	2,173	*1%*	*11%*	2,457	*13%*	*25%*	Revenue in 2025 is revised upward, reflecting better-than-expected hydrological conditions and the removal of the capacity curtailment clause for the 7A Ninh Thuan wind farm starting from 1Q25. Revenue forecasts for 2026-27 are also raised following the inclusion of new power plants in the valuation model, notably La Trong (from 2025) and Son Linh, Son Nham, and Phuoc Huu (from 2027).
Residential property	414	*47%*	639	*55%*	*-17%*	1,555	*143%*	*25%*	1,261	*-19%*	*69%*	The handover schedule for Charm Villa has been shifted from 2025 to mainly 2026-27, reflecting a more conservative view of demand for high-end low-rise residential products. As a result, revenue has been revised downward by 17% for 2025, and revised upward by 25% and 69% in 2026-27.
Office leasing & Hotel	459	*9%*	478	*4%*	*11%*	487	*2%*	*11%*	496	*2%*	*11%*	Revised upward due to higher-than-expected occupancy rates in both hotels and office leasing operations.
Other	13	*-95%*	13	*0%*	*0%*	13	*0%*	*0%*	13	*0%*	*0%*	
Gross profit	**1,591**	***-7%***	**1,988**	***25%***	***-5%***	**2,623**	***32%***	***14%***	**2,630**	***0.3%***	***30%***	
%GPM	*59%*	*-1%*	*60%*	*2đ%*	*-4đ%*	*62%*	*2đ%*	*-1đ%*	*62%*	*0.2đ%*	*-1đ%*	
Power	1,284	*-4%*	1,490	*16%*	*6%*	1,477	*-1%*	*12%*	1,647	*12%*	*23%*	
Residential property	159	*-3%*	337	*112%*	*-30%*	966	*187%*	*26%*	783	*-19%*	*70%*	
Office leasing & Hotel	202	*4%*	160	*-20%*	*-11%*	179	*12%*	*-6%*	199	*11%*	*-5%*	Gross margin forecast for this segment has been revised downward for 2025, reflecting higher operating expenses and less favorable business performance during the year.
Other	1	*-96%*	1	*0%*	*0%*	1	*0%*	*0%*	1	*0%*	*0%*	
SG&A	450	*151%*	380	*-16%*	*16%*	292	*-23%*	*12%*	284	*-3%*	*28%*	Administrative expenses in 2025 have been revised upward to reflect higher-than-expected provisioning pressure. In 2026-27, selling expenses are expected to increase in line with the shifted Charm Villa delivery schedule.
EBIT	**1,113**	***-23%***	**1,588**	***43%***	***-9%***	**2,305**	***45%***	***14%***	**2,320**	***1%***	***31%***	
Financial income	60	*50%*	89	*47%*	*43%*	135	*52%*	*17%*	152	*13%*	*-7%*	Financial income is revised upward as the company expands its bond investment portfolio and increases term deposits, reflected in 1H25 results.
Financial expenses	343	*-30%*	481	*40%*	*18%*	439	*-9%*	*26%*	458	*4%*	*46%*	Financial expenses have been revised significantly upward due to foreign exchange losses in 2025, while forecasts for 2026-27 reflect additional debt financing for new power projects.
Pretax profit	**573**	***-43%***	**1,200**	***110%***	***-10%***	**2,013**	***68%***	***14%***	**2,024**	***1%***	***26%***	
%pretax margin	21%	*-14%*	36%	*15%*	*-11%*	48%	*11%*	*-2%*	48%	*0%*	*-5%*	
Tax expenses	126	*24%*	202	*61%*	*-12%*	220	*9%*	*-28%*	390	*78%*	*40%*	
NPAT	**447**	***-51%***	**999**	***123%***	***-10%***	**1,794**	***80%***	***22%***	**1,634**	***-9%***	***23%***	
Minority interest	99	*-49%*	201	*103%*	*-11%*	210	*5%*	*-5%*	208	*-1%*	*-4%*	
Net profit	**348**	***-51%***	**798**	***129%***	***-10%***	**1,583**	***98%***	***27%***	**1,425**	***-10%***	***28%***	**Overall, 2025/26/27 NP adjusted by -10%/+27%/+28% vs previous forecast.**
EPS (VND/share)	792	*-51%*	1,894	*129%*	*-10%*	3,737	*98%*	*27%*	3,310	*-10%*	*28%*	

Sources: HDG, MBS Research

Power Segment: Expanding capacity from 2025 onward

Figure 5: Power segment performance (2025–2027)

	Capacity (MW)	Designed output (m kWh)	2024	2025	% yoy	2026	% yoy	2027	% yoy	Comment
Output	**557**	**1,676**	**1,387**	**1,664**	**20%**	**1,607**	**-3%**	**1,794**	**12%**	
Hydropower	359	1,195	1,104	1,359	23%	1,303	-4%	1,381	6%	Hydropower moblization is expected to improve in 2025 from low base in 2024. Output is forecast to grow 23% yoy, supported by favorable weather conditions, particularly in the Central region, from now until year-end. From 2026 onward, we project output based on the three-year average per our conservative view.
Solar power	98	184	176	172	-2%	173	1%	173	0%	Solar power output to remain stable at around 172–173 million kWh per year in 2025-27, both plants operating efficiently and achieving approximately 90–95% of their designed capacity.
Wind power	100	297	107	132	24%	131	-1%	240	84%	The 7A wind farm benefit from the removal of the capacity curtailment clause in 2025, driving a significant 23% yoy increase in output. Notably, following the issuance of the new wind tariff framework in 2Q25, HDG began developing a new wind project Phuoc Huu (50MW), expected to commence operations in early 2027, boosting total output by an estimated 84% yoy.
ASP	*VND/kWh*		**1,849**	**1,851**	**0%**	**1,868**	**1%**	**1,804**	**-3%**	
Hydropower			1,159	1,081	-7%	1,130	5%	1,126	0%	ASP is expected to decline by around 7% yoy, but the impact is minimal as it is largely offset by higher output, supporting a 15% yoy increase in revenue.
Solar power			2,343	2,343	0%	2,343	0%	2,343	0%	
Wind power			2,047	2,130	4%	2,130	0%	1,943	-9%	2027 ASP decline slightly due to the addition of Phuoc Huu, which will operate under a lower tariff. The expected selling price is approximately 95% of the ceiling price, equivalent to VND1,717/kWh, contributing an additional ~VND220bn in revenue once fully operational.
Revenue	*VNDbn*		**1,896**	**2,159**	**14%**	**2,173**	**1%**	**2,457**	**13%**	
Hydropower			1,279	1,473	15%	1,488	1%	1,584	6%	Starting from 4Q25, additional capacity from the newly acquired La Trong hydropower plant (22MW) will be recognized. Other ongoing projects such as Son Nham (6MW) and Son Linh (7MW) are expected to begin contributing to output from late 2026, supporting revenue growth of approximately 1% and 7% yoy in 2026 and 2027, respectively.
Solar power			398	404	1%	406	1%	406	0%	
Wind power			219	282	29%	279	-1%	467	68%	
			-	0%	0%	0%	0%	0%	0%	
Gross profit	*VNDbn*		**1,255**	**1,490**	**19%**	**1,477**	**-1%**	**1,647**	**12%**	
Hydropower			821	991	21%	978	-1%	1,038	6%	Gross margin during this period is expected to remain at an optimal level of around 67% yoy, in line with our previous forecast.
%GPM	*%*		64%	67%	5%	66%	-2%	66%	0%	
Solar power			301	307	2%	309	1%	309	0%	
%GPM	*%*		*76%*	*76%*	*0%*	*76%*	*0%*	*76%*	*0%*	
Wind power			133	192	45%	189	-2%	299	58%	
%GPM	*%*		*61%*	*68%*	*13%*	*68%*	*0%*	*64%*	*-6%*	

Sources: HDG, MBS Research

Multiple positive signals for the sector in the first nine months of the year

In 2Q25, with the government taking a more decisive stance on removing obstacles for private enterprises, EVN proposed solutions to address non-compliant renewable projects. The key principles are to avoid retroactive adjustments and FIT price changes, instead implementing administrative penalties and establishing a roadmap that allows these projects to submit missing legal documents such as the CCA so they can resume stable operations. This is a highly positive signal given that HDG has already made substantial provisions of approximately VND500bn as of 2Q25 to reflect these potential risks. Under this plan, Hong Phong 4 is expected to continue operating under a temporary tariff, with provisioning for the difference between the FIT tariff and the transitional tariff about VND 800/kWh (~VND30bn per quarter) until the CCA is officially signed. The company expects to complete the documentation process by 1Q26, after which HP4 will resume operations under the original FIT1 tariff of 9.35 US cents/kWh as agreed. Importantly, once the CCA is finalized and normal operations resume, it is anticipated that auditors will reassess the possibility of reversing the VND500bn provision that has been in place since 2024. If approved, this would represent a significant positive earnings catalyst for the company.

On capacity expansion, HDG aims to double capacity by 2030. Beyond the 96MW already modeled, it is advancing Binh Gia (80MW), 7A MR (21MW), and Le Thuy (30MW), while studying additional projects such as Ea H'leo (57MW), Huong Phung (30MW), Soc Trang (40MW), and An Phong (300MW). With new pricing and competitive bidding frameworks in place, the renewable sector is entering a new investment cycle, creating favorable conditions for HDG to pursue its expansion ambitions.

Figure 6: HDG pipeline of power projects

Project	Location	Ownership (%)	Capacity (MW)	Implementation process			
Under construction				**2025**	**2026**	**2027**	**2028 >>>>**
La Trong Hydro	Quang Tri	26%	22	COD Q4/25			
Son Linh Hydro	Quang Ngai	51%	7-15		COD Q4/26		
Son Nham Hydro	Quang Ngai	51%	6-9		COD Q4/26		
Phuoc Huu wind farm	Ninh Thuan	100%	50			COD	
Prepare for investment							
Binh Gia wind farm	Lang Song	na	80				COD
7A Expand wind farm	Ninh Thuan	na	21				COD
Le Thuy wind farm	Quang Tri	na	30				

Sources: HDG, MBS Research

Residential property: Legal bottlenecks are being addressed

Figure 7: Pipeline Project Portfolio

Project	Location	Land area (ha)	Total investment (VNDbn)	Ownership (%)	Product	Legal process
CharmVilla	Hanoi	30.0	1,700	100%	Phase 3: 108 low-rise units + villas	Selling price ~VND 200mn/m²; Estimated revenue: VND 3,456 bn; Estimated net profit: VND 1,481 bn (net margin ~43%). Handover schedule: 20/49/39 units in 2025/2026/2027
Hado Green Lane	District 8, HCMC	2.3	1,707	99%	3 residential towers – 1,231 apartments	Pending pilot approval under Resolution 171
Hado Minh Long	Thu Duc, HCMC	2.7	2,200	100%	31 low-rise units + 1,409 apartments/shophouses	Pending pilot approval under Resolution 171
62 Phan Dinh Giot	Thanh Xuan, Hanoi	2.2	2,400	100%	Apartments + office leasing	Approved by Hanoi People's Committee to join pilot list in June 2025; investment approval application in process
Noongtha, Laos	Vientiane, Laos	70.4	1,934	100%	585 villas + 241 townhouses	Master plan (1/500) approved; site clearance completed
30 Ta Quang Buu	Thanh Xuan, Hanoi	0.1	160	100%	Office building	na
CC3	Cau Giay, Hanoi	0.5	547	100%	Office building/apartments	na
Dich Vong Tower	Cau Giay, Hanoi	1.0	3,500	100%	Office / hotel / apartments – 2 high-rise towers	na
Bao Dai Resort	Nha Trang, Khanh Hoa	8.9	1,027	70%	40 villas + 5-star hotel (108 rooms)	na

Sources: HDG, MBS Research

In June 2025, HDG launched Phase 3 of the Charm Villa project, offering around 25–30 units (out of a total of 108 units) at an estimated price of ~VND200m/m². Although the initial launch volume was modest, reflecting limited funding pressure, we believe the absorption rate for high-end properties remains relatively subdued in the current market. As a result, we expect the majority of sales activity to shift into 2026-27. The total estimated revenue for the project is approximately VND3,456bn, with net profit of ~VND1,481bn, implying net margin of ~43%. For the upcoming pipeline, the 62 Phan Dinh Giot residential project in Hanoi was approved under the pilot scheme in April 2025 and is now in the process of obtaining its investment approval. Meanwhile, Green Lane and Minh Long - two projects located in Ho Chi Minh City are currently under review by the City People's Committee and are expected to receive approval later this year. Among them, Minh Long is likely to break ground earlier thanks to its more complete legal status and alignment with Thu Duc City's planning.

We expect all three projects to complete legal procedures by late 2026, allowing for presales to begin in early 2027. At this stage, these projects have not yet been included in our valuation model due to the lack of detailed execution timelines. However, we believe that the new regulatory framework will significantly unlock HDG's land bank potential and become a key growth driver for the company's residential real estate business in the medium to long term.

Financial statements

Income statement	2024	2025F	2026F	2027F
Net revenue	2,718	3,289	4,228	4,227
Cost of sales	(1,127)	(1,301)	(1,605)	(1,597)
Gross profit	1,591	1,988	2,623	2,630
Gen & admin expenses	(446)	(319)	(185)	(190)
Selling expenses	(4)	(61)	(108)	(94)
Operating profit	1,113	1,588	2,305	2,320
Operating EBITDA	1,609	2,155	2,900	3,014
EBIT	**916**	**1,681**	**2,452**	**2,481**
Interest income	60	89	135	152
Financial expense	(343)	(481)	(439)	(458)
Net other income	(258)	4	12	9
Income from associates	-	-	-	-
Pre-tax profit	**573**	**1,200**	**2,013**	**2,024**
Tax expense	(126)	(202)	(220)	(390)
NPAT	447	999	1,794	1,634
Minority interest	(99)	(201)	(210)	(208)
Net profit	**348**	**798**	**1,583**	**1,425**
Ordinary dividends	(341)	(434)	(537)	(537)
Retained earnings	62	462	1,247	1,089

Cash flow statement	2024	2025F	2026F	2027F
Pre-tax profit	573	1,200	2,013	2,024
Depreciation & amortization	525	566	594	693
Tax paid	(202)	(220)	(390)	(296)
Other adjustments	472	1,825	1,010	(788)
Change in working capital	(402)	(594)	(411)	286
Cash flow from operations	**1,050**	**2,786**	**2,983**	**1,819**
Capex	(18)	(2,245)	(1,387)	(765)
Proceeds from assets sales	-	30	38	38
Cash flow from investing activities	**(116)**	**(2,436)**	**(1,636)**	**(1,100)**
New share issuance	(0)	-	-	-
Net borrowings	(547)	604	39	(614)
Other financing cash flow	-	-	-	-
Dividends paid	(286)	(336)	(336)	(336)
Cash flow from financing activities	**(833)**	**267**	**(298)**	**(950)**
Cash and equivalents at beginning of period	246	332	950	1,999
Total cash generated	87	617	1,050	(231)
Cash and equivalents at the end of period	**332**	**950**	**1,999**	**1,768**

Balance sheet	2024	2025F	2026F	2027F
Cash and equivalents	332	950	1,999	1,768
Short term investments	736	957	1,244	1,617
Accounts receivables	1,267	1,773	2,366	2,205
Inventories	857	1,158	1,365	1,332
Other current assets	35	43	55	55
Total current assets	3,228	4,880	7,029	6,977
Tangible fixed assets	9,986	9,862	9,799	10,608
Intangible fixed assets	193	192	191	191
Construction in progress	902	374	935	-
Investments in subsidiaries	3	4	5	6
Investments in associates	59	59	59	59
Other long-term investments	729	698	668	637
Other long-term assets	384	465	598	598
Total non-current assets	10,622	10,578	10,646	11,455
Total assets	**13,849**	**15,458**	**17,676**	**18,431**
Short-term borrowings	631	775	865	936
Trade accounts payable	59	234	283	290
Other payables	1,450	1,504	1,993	2,058
Total current liabilities	2,140	2,514	3,142	3,285
Long-term borrowings	4,253	4,712	4,661	3,976
Other long-term payables	80	99	126	127
Total long-term liabilities	4,333	4,811	4,788	4,103
Total liabilities	**6,473**	**7,325**	**7,929**	**7,388**
Common shares	3,363	3,363	3,363	3,363
Share premium	-	-	-	-
Treasury shares	-	-	-	-
Undistributed earnings	2,284	2,746	3,993	5,082
Investment and development funds	451	546	702	702
Foreign exchange differences	-	-	-	-
Shareholders' equity	5,647	6,109	7,356	8,445
Minority interest	1,277	1,478	1,688	1,897
Total shareholders' equity	6,099	6,655	8,058	9,147
Total liabilities & equity	**13,849**	**15,458**	**17,676**	**18,431**

Key ratios	2024	2025F	2026F	2027F
Net revenue growth	-5.7%	21.0%	28.5%	0.0%
EBITDA growth	-16.2%	33.9%	34.6%	3.9%
EBIT growth	-23.4%	42.7%	45.1%	0.7%
Pre-tax profit growth	-43.1%	109.5%	67.7%	0.5%
Net profit growth	-51.0%	129.1%	98.4%	-10.0%
EPS growth	-55.3%	139.2%	97.3%	-11.4%
Gross profit margin	58.5%	60.4%	62.0%	62.2%
EBITDA margin	59.2%	65.5%	68.6%	71.3%
Net profit margin	12.8%	24.3%	37.5%	33.7%
ROAE	5.7%	12.0%	19.7%	15.6%
ROAA	2.5%	5.2%	9.0%	7.7%
ROIC	2.8%	5.9%	10.4%	8.9%
Asset turnover ratio	23.1%	27.9%	35.9%	35.9%
Dividend payout ratio	82.1%	42.1%	21.2%	23.6%
D/E	66.2%	67.5%	56.7%	44.5%
Net debt to total equity	86.3%	74.6%	77.3%	62.7%
Net debt to asset	35.5%	32.9%	33.3%	28.6%
Interest coverage ratio	3.3	3.3	5.3	5.1
Days account receivable	170	197	204	190
Days inventory	278	325	310	304
Days account payable	13	20	16	18
Current ratio	1.5	1.9	2.2	2.1
Quick ratio	1.1	1.5	1.8	1.7
Cash ratio	0.2	0.4	0.6	0.5
Valuation				
EPS (VND/share)	792	1,894	3,737	3,310
BVPS (VND/share)	16,483	17,987	21,779	24,722
P/E (x)	40.9	17.1	8.7	9.8
P/B (x)	2.0	1.8	1.5	1.3

Sources: Company report, MBS Research

DISCLAIMER

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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