

## Poised for the next phase of investment PC1 Group JSC (HSX: PC1)

- 4Q24 NP surged 85% yoy, supported by improvements in core business segments such as power, ore sales, and construction, despite significant forex losses. Thus, 2024 NP increased 11 times, reaching VND460bn, inline with our forecast.
- 2025-26 NP is expected to grow at 67% and 25% yoy, respectively, driven primarily by industrial real estate, residential projects, and power construction.
- Reiterate ADD with unchanged TP of VND29,200/share.

### 4Q24 financial performance: Strong rebound in core businesses

4Q24 revenue remained flat yoy, with key businesses such as power, construction, and ore sales recording positive growth, offsetting the decline in real estate and industrial production. Gross profit rose 51% yoy, driven by positive results from high-margin segments, leading to an 8%pts improvement in GPM. Financial income increased by 36% yoy, supported by FX gains from export activities, whereas financial expenses surged by 45% yoy, due to a FX loss of VND103bn from USD debt. Despite these financial headwinds, 4Q24 NP still posted an 85% yoy increase from low base, full-year NP up 11 times to VND460bn, meeting 100% MBS forecast.

### 2025-26 outlook: Earnings driven by real estate and power construction

For 2025-26, while core segments such as power and mining expected to generate stable profits, the main growth drivers coming from real estate, IPs, and power construction. For real estate, key projects Thap Vang, are set to be the growth driver from 2025 and PC1's affiliated company Western Pacific with a series of IP projects will greatly contributing to PC1's associates profit over 2025-28. Besides, power construction is poised for recovery, driven by strong backlog and value EPC contracts, including the Con Dao underground cable and the 58MW wind power in the Philippines. Furthermore, the segment's medium-term outlook remains robust, fueled by the resurgence of wind power EPC projects and high construction workload outlined in PDP8. Thus, 2025-26 NP to rise 67% yoy and 25% yoy, respectively.

### Reiterate ADD with unchanged TP of VND29,200/share.

We maintain our TP of VND29,200/share, applying the SOTP valuation. At the current trading level, PC1's P/E ratio stands at 18.0x, significantly lower than its three-year average of 30.9x, reflecting a solid recovery in core businesses' performance. With a projected EPS CAGR of 44% for 2025-26, forward P/E is expected to decline to an attractive 13.5x in 2025 and 10.8x in 2026. As FX pressures ease and PC1 enters a new growth phase, led by industrial park and residential real estate projects, we believe this is an opportune time to accumulate PC1 shares, given the company's ability to navigate past challenges in 2023 and its strong earnings prospects in the medium term.

VNDbn	2023	2024	2025F	2026F
Revenue	7,775	10,078	11,889	13,167
Net profit	140	460	771	961
Revenue growth	-7.0%	29.6%	18.0%	10.8%
Net profit growth	-69.6%	228.9%	67.4%	24.7%
Gross margin	20.3%	20.7%	20.2%	19.8%
EBITDA margin	25.7%	24.2%	23.6%	23.6%
ROAE (%)	2.7%	8.6%	13.0%	14.5%
ROAA (%)	0.7%	2.2%	3.4%	3.8%
EPS (VND/share)	481	1,377	2,155	2,688
BVPS (VND/share)	16,668	15,416	17,723	19,387

Sources: PC1, MBS Research

ADD

Target price

VND29,200

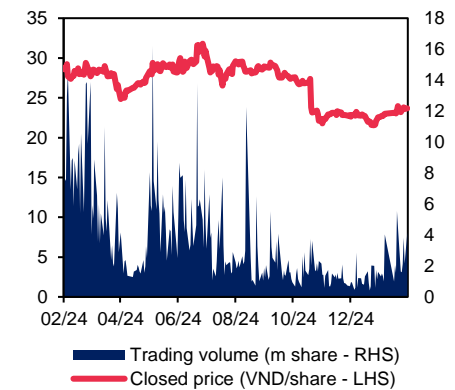
Upside

22%

### Key changes in the report

2025/26F EPS change +6%/-8% vs previous forecast

### Price performance



Sources: FinPro, MBS Research

Current price (VND)	23,700
52W High (VND)	27,650
52W Low (VND)	21,550
Market Cap (VNDbn)	8,440
P/E (TTM)	18.3
P/B	1.5
Dividend yield (%)	0%
Foreign ownership (%)	13.8%

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

### Ownership

Trinh Van Tuan	18.6%
VIX	5.6%
Other	75.8%

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

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## PC1 Group JSC (HSX: PC1)

### Investment thesis & Recommendation

PC1 is a top-tier power construction contractor with a proven track record in delivering nationally significant projects. We maintain a positive outlook for this segment from 2025 onwards, supported by: 1) Pending renewable energy policies such as DPPA mechanisms and pricing frameworks, which will foster further investment in power plants.; 2) Consistent transmission grid expansion workload, with an average investment of USD1.6bn per year under PDP8; 3) International market expansion, exemplified by the successful EPC contract for a 58MW wind power plant in the Philippines (~VND1,200bn), reinforcing PC1's capabilities in securing high-value contracts.

PC1 aims to increase its total power generation capacity, focusing on hydropower and wind energy. The company plans to commission two new small hydropower plants—Bảo Lạc A (30MW) and Thượng Hà (13MW)—between 2026-2027. For wind power PC1 is actively considering new wind power projects in Quang Tri, the company has proven its strong capability in term of project implementation as one of a few to secure financing from ADB at preferential interest rates (5-6% per annum), providing a competitive advantage in future project execution.

2025-26 PC1's EPS robust growth of 44% CAGR will be driven by real estate segment. Particularly, the recent successful auction of Thap Vang and the ongoing legal processes for PC1 Gia Lam and Dinh Cong indicate a solid foundation for revenue generation in the residential sector over 2025-27. Moreover, PC1 is making gradual strides into the IPs market through its investment in joint venture with ongoing projects like Western Pacific, as well as independently developing NHIZ IP Phase 2. We believe this to position them well for sustained profit growth through 2028.

#### Reiterate ADD with unchanged TP of VND29,200/share.

We maintain our unchanged target price of VND29,200, applying SOTP valuation methodology, as our EPS revisions for 2025-26 remain minimal, given the intact growth outlook. At its current trading level, PC1's P/E ratio stands at 18.0x, significantly lower than its three-year average of 30.9x, reflecting a clear earnings recovery. With a forecasted EPS CAGR of 44% for 2025-26, the forward P/E is expected to decline further to 13.5x in 2025 and 10.8x in 2026. As exchange rate volatility subsides, alleviating financial cost pressures, and with PC1 entering a new growth phase, led by industrial and residential real estate projects, this presents a compelling opportunity to accumulate PC1 shares. The company is gradually overcoming the challenges of 2023 and demonstrating strong earnings growth prospects in the medium term.

#### Upside catalysts:

- Faster-than-expected renewable energy pricing framework approvals, providing a boost to EPC services and power project investments.
- Accelerated legal clearance for real estate projects, supporting construction progress and sales activities.

#### Downside risks:

- Further declines in nickel prices, negatively impacting segment margins.

- Significant exchange rate volatility to hinder bottom line.
- Delays in legal approvals for residential real estate projects, which could disrupt development and sales timelines.

Figure 1: SOTP-based valuation

Valuation Table			
Methods	Metrics VNDbn	Valuation method	Weight Value VND per share
<b>SOTP:</b>			
M/E & Industrial production	1,319	EV/EBITDA - 7.0x	
Real Estate	458	NPV	
Industrial park (IP)	1,445	NPV	
Power	14,285	FCFF - 10yrs	
Nickel mining	1,918	FCFF - 20yrs	
Investment in affiliates (excluding IP)	456	Book value	
(+) cash & ST Investment	5,598		
(-) debt	(12,565)		
(-) minority interest	(2,445)		
<b>Equity value</b>	<b>10,469</b>		
No of share (mn)	358		
<b>Implied share price (VND/share)</b>			<b>29,237</b>
<b>Rounded share price (VND/share)</b>			<b>29,200</b>

Sources: MBS Research

Figure 2: Peer comparison

Company name	Ticker	Price LC\$	Target price LC\$	Recom.	Mkt Cap US\$m	P/E(x)		P/BV(x)		EV/EBITDA (x)		ROE (%)	
						TTM	2025	Current	2025	TTM	2025	TTM	2025
<b>Conglomerate</b>													
Ha Do Group JSC	HDG VN	27,700	33,600	ADD	365	16.1	13.7	1.5	1.3	8.2	7.4	9.4	15.5
Bamboo Capital Group	BCG VN	6,170	NA	NR	213	11.8	NA	0.6	NA	23.6	NA	4.8	NA
REE Corp	REE VN	66,700	75,300	ADD	1,233	15.7	12.8	1.7	1.4	10.4	8.5	11.0	9.3
<i>Average</i>						14.5	13.3	1.3	1.4	14.1	8.0	8.4	12.4
<b>Power construction</b>													
Power Engineering Consulting JSC 2	TV2 VN	32,150	NA	NR	85	37.2	NA	1.7	NA	15.1	NA	4.5	NA
FECON Corp	FCN VN	15,050	NA	NR	93	252.7	NA	0.9	NA	17.7	NA	0.4	NA
Vietnam Electricity Construction JSC	VNE VN	3,290	NA	NR	11	NA	NA	0.3	NA	19.6	NA	-13.6	NA
<i>Average</i>						145.0	NA	1.0	NA	17.5	NA	-2.9	NA
<b>Power generation</b>													
Gia Lai Electricity JSC	GEG VN	13,100	NA	NR	184	46.5	17.2	1.2	1.0	8.8	8.8	2.7	5.3
Central Hydropower JSC	CHP VN	35,800	NA	NR	206	17.0	NA	2.9	NA	16.8	NA	17.0	NA
Vinh Son - Song Hinh Hydropower	VSH VN	51,000	NA	NR	476	32.0	17.5	2.5	NA	11.5	NA	7.7	15.7
<i>Average</i>						31.8	17.4	2.2	1.0	12.4	8.8	9.1	10.5
<b>PC1 Group JSC</b>	<b>PC1 VN</b>	<b>23,900</b>	<b>29,200</b>	<b>ADD</b>	<b>333</b>	<b>20.4</b>	<b>13.7</b>	<b>1.5</b>	<b>1.2</b>	<b>7.6</b>	<b>7.4</b>	<b>8.0</b>	<b>10.1</b>

Sources: Bloomberg, MBS Research

## 4Q24 Earnings summary: Strong recovery in core business profit

Figure 3: 2024 business recap

VNDbn	4Q24	%yoy	%qoq	2024	%yoy	% vs previous report	Comment
<b>Revenue</b>	<b>2,540</b>	<b>-1%</b>	<b>14%</b>	<b>10,078</b>	<b>31%</b>	<b>100%</b>	<b>4Q24 revenue remained flat yoy, as strong performances in key business segments—power, construction, and ore mining—helped offset declines in steel pole manufacturing and real estate.</b>
Power	510	23%	14%	1,706	17%	102%	4Q24 power revenue increased by 23% yoy, supported by favorable hydrology, leading to a solid recovery in output from last year's low base. Additionally, wind power output also improved slightly yoy.
Power construction	1,230	9%	74%	3,686	41%	96%	4Q24 construction revenue grew by 9% yoy and 41% yoy for 2024, primarily driven by the 500kV Circuit 3 transmission project.
Steel pole manufacturing	227	-46%	41%	1,456	25%	96%	Industrial production saw strong growth in 9M24 due to equipment supply contracts for the 500kV transmission line, but 4Q24 revenue declined 46% yoy. On a full-year basis, this segment recorded a 25% yoy increase.
IP operation	156	12%	-8%	599	-2%	95%	
Real estate	13	-90%	242%	39	-79%	145%	4Q24 real estate revenue declined 90% yoy, mainly because 4Q23 included revenue recognition from sales of commercial floors.
Nickel	270	223%	-52%	1,701	173%	117%	Ore sales surged by 223% yoy, as export volumes in 4Q23 were relatively low, whereas 4Q24 saw sales volume of approximately 10,000 tons. Additionally, the company record 4Q23 revenue write down to align with actual selling prices of prior shipments.
Other	134	-43%	-25%	890	-14%	91%	
<b>Gross profit</b>	<b>593</b>	<b>51%</b>	<b>23%</b>	<b>2,083</b>	<b>44%</b>	<b>108%</b>	
%GPM	23%	8%pts	2%pts	21%	2%pts		Gross profit surged 43% yoy despite flat revenue, with an 8%pts GPM expansion driven by high-margin segments
Power	317	42%	36%	948	29%	110%	
Power construction	87	36%	176%	258	9%	86%	4Q24 construction gross profit rose 36% yoy, significantly improved from 3Q24, following the completion of the 500kV Circuit 3 project. In 9M24, focus on executing Circuit 3 led to higher COGS, suppressing GPM to 7% in 2024, a 2%pts decline from the previous year.
Steel pole manufacturing	32	-29%	84%	144	23%	104%	
IP operation	31	43%	-15%	149	7%	93%	
Real estate	7	-88%	123%	21	-74%	130%	
Nickel	118	NA	-27%	553	415%	120%	4Q24 gross profit reached VND118bn, from a loss of VND18bn in 4Q23, due to a VND40bn upward adjustment in audited COGS after a reassessment of tax-related expenses, including natural resource tax and VAT.
Other	3	-59%	NA	11	-68%	138%	
SG&A	211	56%	96%	578	48%	102%	
<b>EBIT</b>	<b>382</b>	<b>49%</b>	<b>2%</b>	<b>1,505</b>	<b>42%</b>	<b>99%</b>	
Associates profit	(5)	-235%	-62%	45	2927%	45%	No additional revenue was recorded from leasing activities at Yen Phong IIA Industrial Park in 4Q24.
Financial income	63	36%	117%	186	2%	160%	4Q24 financial income increased 36% yoy, mainly due to FX gains from export activities, as well as higher earnings from financial operations, while interest income from deposits remained stable.
Financial expenses	294	45%	200%	929	-4%	101%	Financial expenses surged by 45% yoy in 4Q24, primarily due to a VND102bn FX loss resulting from the revaluation of outstanding USD-denominated debt.
<b>PBT</b>	<b>161</b>	<b>61%</b>	<b>-44%</b>	<b>829</b>	<b>224%</b>	<b>107%</b>	
%PBT margin	6%	2%pts	-7%pts	8%	5%pts		
Income tax	24	123%	-10%	116	39%	119%	
<b>NPAT</b>	<b>126</b>	<b>42%</b>	<b>-51%</b>	<b>704</b>	<b>287%</b>	<b>103%</b>	
Minority interest	65	16%	-35%	243	67%	106%	
<b>Net profit</b>	<b>61</b>	<b>85%</b>	<b>-62%</b>	<b>460</b>	<b>1175%</b>	<b>100%</b>	<b>4Q24 NP surged 85% yoy, reaching VND61bn. Full-year NP reached VND460bn, fully meeting MBS's forecast.</b>

Sources: PC1, MBS Research

## 2025-26 Outlook: Power construction, IPs, and real estate as key Growth Drivers

### Power segment: Maintaining stable outlook in 2025-26

Hydropower output is expected to witness a robust recovery in 2024, rebounding from the low base of 2023 as the El Niño phase officially ends from 2Q24. Furthermore, according to the Vietnam National Center for Hydro-Meteorological Forecasting, hydrological conditions in the northern hydropower reservoir areas improved significantly in 2024, benefiting PC1's hydropower plants. Looking ahead to 2025-26, with weather patterns projected to remain neutral, combined with an already elevated baseline in 2024, we do not anticipate substantial upside for existing plants. Therefore, we forecast hydropower output to reach 569m kWh in 2025 (-10% yoy) and 629m kWh in 2026 (+10% yoy). Correspondingly, revenue is expected to reach VND730bn in 2025 (-6.5% yoy) and VND848bn in 2026 (+15% yoy), assuming a stable 2% annual increase in selling prices. For the Bao Lac A (30MW) and Thuong Ha (13MW) hydropower projects, which officially commenced construction in November 2024, we anticipate commercial operation from 2027, based on an estimated 2.5 to 3-year construction timeline, in line with the company's previous projects of similar scale.

Wind power: We forecast steady wind power generation for PC1's portfolio, averaging 440-450m kWh in 2025-26, maintaining 89-91% of designed capacity. Projected revenue for 2025 and 2026 is VND904bn (-2.1% yoy) and VND918bn (+1.6% yoy), respectively.

Figure 4: 2025-26 Power segment's forecast

	Capacity (MW)	Designed output (million kWh)	2020	2021	2022	2023	2024	2025F	2026F
<b>Output</b>	<b>313</b>	<b>1,115</b>	<b>593</b>	<b>623</b>	<b>1,087</b>	<b>852</b>	<b>1,084</b>	<b>1,008</b>	<b>1,075</b>
%yoy			-	5%	74%	-22%	27%	-7%	7%
Hydropower	169	620	593	513	669	402	636	569	629
Wind power	144	495	-	110	418	450	448	439	446
<b>Average selling price</b>	<b>VND/kWh</b>		<b>1,214</b>	<b>1,662</b>	<b>1,652</b>	<b>1,685</b>	<b>1,639</b>	<b>1,672</b>	<b>1,704</b>
Hydropower			1,214	1,357	1,320	1,346	1,222	1,283	1,347
Wind power			-	1,968	1,983	2,024	2,056	2,061	2,061
<b>Revenue</b>	<b>VNDbn</b>		<b>720</b>	<b>912</b>	<b>1,712</b>	<b>1,452</b>	<b>1,700</b>	<b>1,634</b>	<b>1,766</b>
%yoy	%		-	27%	88%	-15%	17%	-4%	8%
Hydropower			720	696	883	541	777	730	848
Wind power			-	216	829	911	923	904	918
<b>Gross profit</b>	<b>VNDbn</b>		<b>382</b>	<b>475</b>	<b>954</b>	<b>706</b>	<b>938</b>	<b>877</b>	<b>914</b>
%yoy	%		-	24%	101%	-26%	33%	-6%	4%
Hydropower			382	312	487	165	386	342	367
%GPM	%		53%	45%	55%	31%	50%	47%	43%
Wind power			-	163	466	541	552	534	547
%GPM	%		0%	76%	56%	59%	60%	59%	60%

Sources: PC1, MBS Research

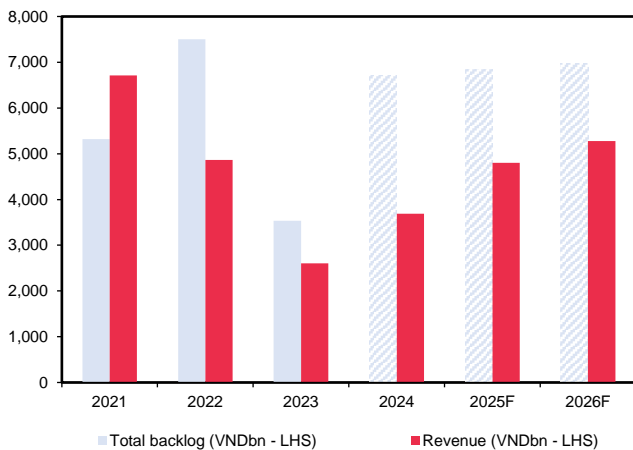
### Power Construction: Secured backlog with large contract wins

For 2025-26, we expect revenue growth of 30% and 10% yoy, reaching VND4,801bn and VND5,208bn, respectively. This is supported by a strong backlog of VND6,982bn at the end of 2024, consisting of several large-scale contracts with short execution timelines, including: 1) EPC contract for the Camarines Sur wind power plant in the Philippines – contract value: VND1,200bn; 2) EPC contract for the underground power transmission line to Con Dao – contract value: VND1,800bn. Additionally, we observe signs of revival in the renewable energy construction market, driven by several key policies expected to be introduced in 2025, including DPPA framework, new RE price band as well as the auction mechanisms for RE projects. Regarding gross margin, we anticipate a modest recovery in 2025 from the low base of 2024, as the majority of the 2025 backlog consists of contracts inside EVN, which typically have lower margins. Accordingly, we forecast gross profit to reach VND402bn (+56% yoy) in 2025 and VND428bn (+8% yoy) in 2026, with gross margins improving to 8.4% and 8.1%, respectively, from 7.0% in 2024.

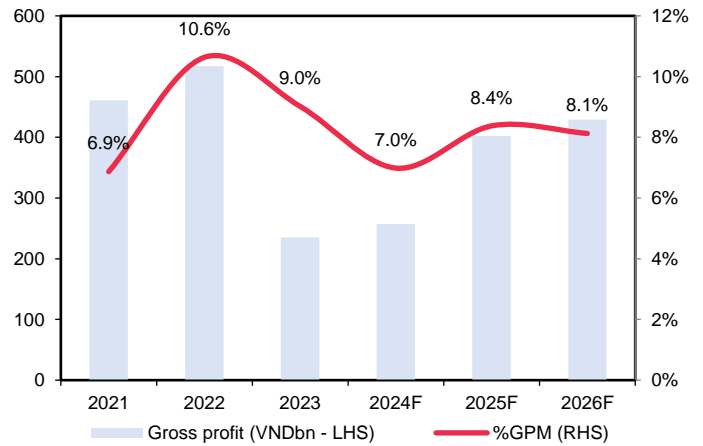
With a stable project pipeline through 2030, supported by mandated national grid expansion workload under PDP8, PC1, as a leading power construction contractor, is well-positioned to benefit the most from this trend. Moreover, the resurgence of the renewable energy market will create lucrative EPC opportunities, particularly in wind power, a sector where PC1 demonstrated strong execution capabilities in 2020-21. Additionally, PC1 has made notable progress in enhancing its contractor standards to expand into international markets, paving the way for greater participation in large-scale global projects.

Figure 5: Construction revenue is expected to continue recovering in 2025-26, driven by a high backlog and large-value contracts.

Figure 6: Gross margin contraction in 2024, due to a large contract volume from EVN, with slight recovery anticipated in 2025.



Sources: PC1, MBS Research



Sources: PC1, MBS Research

### Nickel mining: Limited price growth catalysts in the medium term

In 2024, nickel revenue saw impressive growth, partly due to order spillovers from late 3Q23 into 1Q24 and downward revenue adjustments in 2023 ore sales, aligning with actual selling prices. Looking ahead to 2025-26, we forecast stable revenue streams for the nickel mining segment, assuming the plant continues operating at full capacity, producing an average of 52,000 tons of Nickel ore

annually, with nickel prices projected at approximately US\$15,000/ton. Currently, the company faces no inventory risks, as sales are secured through a partnership with Trafigura. Revenue is expected to remain steady at ~VND 1,430bn per year in 2025-26, while gross profit is projected at VND421bn, maintaining a stable gross margin of 31%.

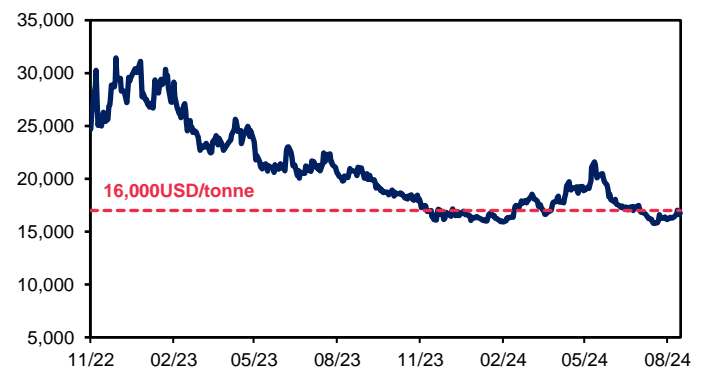
At present, nickel prices lack strong upward momentum, hovering at historical lows of USD15,000-16,000/ton. While Indonesia has attempted to influence pricing by considering a reduction in mining quotas to 150m tons this year, down from 270m tons in 2024, potentially curbing global supply by 35%, the market remains oversupplied. Moreover, China's advancements in EV battery technologies are reducing dependence on nickel, further limiting price growth prospects. We maintain our cautious view, assuming an average nickel price of USD15,000 per ton for 2025-30. At this price level, PC1 continues to maintain a healthy gross margin of ~31%, with an IRR of 15% for Phase 1.

Figure 7: Summary of ore mining profitability for 2025-27.

	2023	2024	2025	2026	2027
<b>Refined ore volume</b>	<b>29,000</b>	<b>65,100</b>	<b>52,500</b>	<b>52,500</b>	<b>52,500</b>
Nickel (tonne)	1,827	4,101	3,308	3,308	3,308
Copper (tonne)	297	667	538	538	538
Cobalt (tonne)	31	69	56	56	56
Nickel price (US\$/tonne)	17,000	15,000	15,000	15,000	15,000
Copper price (US\$/tonne)	8,400	8,400	8,800	9,000	9,000
Cobalt price (US\$/tonne)	33,420	33,420	33,420	33,420	33,420
Revenue (VNDbn)	722	1,693	1,370	1,373	1,373
Gross profit (VNDbn)	198	554	421	422	422
%GPM	27%	33%	31%	31%	31%
<b>Net profit (VNDbn)</b>	<b>35</b>	<b>270</b>	<b>194</b>	<b>202</b>	<b>210</b>
% NP margin	5%	16%	14%	15%	15%

Sources: PC1, MBS Research

Figure 8: Nickel prices are hovering near their bottom, with no significant upward catalysts in the medium term. (Unit: USD/ton)



Sources: Bloomberg, MBS Research

### Industrial Parks: Growth momentum from newly approved projects

In 2025, Western Pacific (WP)—PC1's associated company—is expected to continue recognizing revenue from the Yen Phong IIA IP (150ha) in Bac Ninh, which will serve as the main revenue driver for the year. At the moment, the project has commenced leasing, with rental rates at USD150-160/sqm/lease term. We estimate that 25% of the leasable area was delivered in 2024, with an additional 50% expected to be handed over in 2025. Additionally, alongside the Yen Lenh LIC (69ha), which broke ground in 3Q24, two new WP projects—Dong Van 5 Phase 1 (237ha) in Ha Nam and Yen Lu MR Phase 1 (119ha) in Bac Giang—are set to commence construction in 2H25, contributing to profit growth in 2026-27. We estimate that WP's projects will contribute VND195bn and VND306bn to PC1's income in 2025 and 2026, respectively. For NHIZ Phase 2 (150ha), in which PC1 holds a 100% stake, the company received investment approval in December 2024. Currently, land clearance is in progress, and construction is expected to begin from 2H25, we expect revenue recognition to anticipate from 2027 onward.

Figure 9: List of industrial parks under development by PC1 and Western Pacific.

Project	Developer	ownership - PC1 (%)	Location	Total area (ha)	Estimated leasing area (ha)	Estimated leasing price (US\$/m2)	Total investment (VNDbn)	Current status
Yen Phong IIA	Western Pacific	19%	Bac Ninh	158	86	150	1,830	Ready for lease
Yen Lenh LIC	Western Pacific	30%	Ha Nam	69	45	85	624	Commenced in 3Q24
Dong Van V	Western Pacific	30%	Ha Nam	237	171	105	2,911	Investment approval at 3Q24
Yen Lu Expansion	Western Pacific	30%	Bac Giang	120	64	130	1,543	Investment approval at 3Q24
NHIZ Phase 2	PC1	100%	Hai Phong	150	105	120	2,400	Commenced in end-25

Sources: PC1, Western Pacific, MBS Research

Figure 10: Projected profit contributions to PC1 from ongoing projects.

VNDbn	2024E	2025F	2026F	2027F	2028F	Total
<b>Project revenue</b>	<b>1,410</b>	<b>2,394</b>	<b>3,480</b>	<b>6,076</b>	<b>3,878</b>	<b>17,239</b>
Yen Phong IIA	814	1,628	855	-	-	3,297
Yen Lenh	-	170	715	190	-	1,076
Yen Lu	-	-	747	1,568	-	2,315
Dong Van 5	-	-	567	2,383	1,876	4,827
NHIZ Phase 2	-	-	-	1,339	1,406	2,745
NHIZ Phase 1	596	596	596	596	596	2,981
<b>Contributed profit for PC1</b>	<b>115</b>	<b>172</b>	<b>272</b>	<b>629</b>	<b>524</b>	<b>1,712</b>
Yen Phong IIA	48	97	54	-	-	199
Yen Lenh	-	8	64	20	-	92
Yen Lu	-	-	47	110	-	157
Dong Van 5	-	-	41	190	163	393
NHIZ Phase 2	-	-	-	243	294	538
NHIZ Phase 1	67	67	67	67	67	334

Sources: PC1, MBS Research

### Residential Property: Thap Vang to be the key growth driver in 2025

In 2024, PC1 successfully acquired the Thap Vang project in Gia Lam through auction, a low-rise residential development with 185 townhouses and villas, total land area around 5ha. According to PC1, the construction commenced in 3Q24, with full handover expected in 2025. Given the project's location and current demand for low-rise housing, we take a conservative stance, estimating that only ~65% of units will be handover in 2025. Total project revenue estimated at VND1,871bn, with net profit contribution of around VND468bn, recognition timeline over 2025-26.

For long-standing projects such as PC1 Gia Lam and Dinh Cong, ongoing legal uncertainties and land-use conversion challenges make immediate development and sales in 2025 unlikely, pushing the expected handover timeline to 2026-28. As for projects like Vinh Hung and Bac Tu Liem, due to limited publicly available details and unclear legal status, we have not yet included them in our valuation model.

Figure 11: Revenue allocation from real estate projects during 2024-27. (Unit: VND billion)

Revenue	2024F	2025F	2026F	2027F	Total
Thap Vang	-	1,114	757	-	<b>1,871</b>
PC1 Gia Lam	-	-	162	110	<b>272</b>
PC1 Dinh Cong	-	-	655	446	<b>1,101</b>
<b>Total</b>	<b>-</b>	<b>1,114</b>	<b>1,575</b>	<b>556</b>	<b>3,245</b>

Sources: PC1, MBS Research

Figure 12: Net profit contribution to PC1 during 2024-27. (Unit: VND billion)

Net profit	2024F	2025F	2026F	2027F	Total
Thap Vang	-	279	190	-	<b>468</b>
PC1 Gia Lam	-	-	39	27	<b>66</b>
PC1 Dinh Cong	-	-	120	83	<b>204</b>
<b>Total</b>	<b>-</b>	<b>279</b>	<b>349</b>	<b>110</b>	<b>738</b>

Sources: PC1, MBS Research



Figure 13: Summary of profit by segment for 2025-26. (Unit: VND billion)

VNDbn	2024F	%yoy	%weight	2025F	%yoy	%weight	2026F	%yoy	%weight
<b>Revenue</b>	<b>10,078</b>	<b>31.0%</b>		<b>11,889</b>	<b>18.0%</b>		<b>13,167</b>	<b>10.8%</b>	
Power	1,706	16.8%	16.9%	1,634	-4.3%	13.7%	1,766	8.1%	13.4%
Power construction	3,686	41.4%	36.6%	4,801	30.2%	40.4%	5,278	9.9%	40.1%
Steel pole manufacturing	1,456	25.0%	14.4%	1,427	-2.0%	12.0%	1,588	11.3%	12.1%
IP development	599	-2.4%	5.9%	596	-0.5%	5.0%	596	0.0%	4.5%
Residential property	39	-79.1%	0.4%	1,130	2787.5%	9.5%	1,591	40.8%	12.1%
Nickel mining	1,701	172.6%	16.9%	1,370	-19.4%	11.5%	1,373	0.2%	10.4%
Other	890	-14.0%	8.8%	931	4.7%	7.8%	975	4.7%	7.4%
<b>Gross profit</b>	<b>2,082</b>	<b>44.7%</b>		<b>2,396</b>	<b>15.1%</b>		<b>2,608</b>	<b>8.9%</b>	
%GPM	21%	2.0%pts		20%	-0.5%pts		20%	-0.3%pts	
Power	948	28.8%	45.5%	877	-7.5%	36.6%	914	4.2%	35.0%
Power construction	258	9.5%	12.4%	402	56.2%	16.8%	429	6.7%	16.4%
Steel pole manufacturing	144	23.8%	6.9%	134	-6.8%	5.6%	155	15.4%	5.9%
IP development	149	7.4%	7.1%	149	0.1%	6.2%	149	0.0%	5.7%
Residential property	21	-73.7%	1.0%	390	1779.7%	16.3%	518	32.8%	19.9%
Nickel mining	553	415.2%	26.6%	421	-23.8%	17.6%	422	0.3%	16.2%
Other	10	-71.2%	0.5%	22	125.0%	0.9%	21	-7.0%	0.8%
<b>Associates' profit</b>	<b>45</b>	<b>2783.5%</b>	<b>0.0%</b>	<b>105</b>	<b>130.5%</b>	<b>0.0%</b>	<b>205</b>	<b>95.7%</b>	

Sources: PC1, MBS Research

## 2025-26 Forecast revision

Figure 14: 2025-26 Forecast revision

Unit: VNDbn	2024	%yoy	2025	%yoy	Δ%	2026	%yoy	Δ%	Comment
<b>Revenue</b>	<b>10,078</b>	<b>31%</b>	<b>11,889</b>	<b>18%</b>	<b>8.1%</b>	<b>13,167</b>	<b>11%</b>	<b>2%</b>	
Power	1,706	17%	1,634	-4%	-1.2%	1,766	8%	0.8%	
Power construction	3,686	41%	4,801	30%	2.4%	5,278	10%	1.5%	
Steel pole manufacturing	1,456	25%	1,427	-2%	14.2%	1,588	11%	14.3%	Upward revision of industrial production revenue for 2025, aligning with the company's target of VND1,500bn, reflects the introduction of a new product line (busbar trunking system) and continued expansion into international markets.
Industrial park	599	-2%	596	-1%	-2.9%	596	0%	-9.7%	
Residential property	39	-79%	1,130	2787%	41.2%	1,591	41%	4%	Upward revision of 2025 revenue by 41%, primarily driven by an accelerated handover schedule for the Thap Vang project, in line with the company's latest plans.
Nickel mining	1,701	NA	1,370	-19%	-4.2%	1,373	0%	2.6%	
Other	890	-14%	931	5%	-8.9%	975	5%	-9.1%	
<b>Gross profit</b>	<b>2,082</b>	<b>45%</b>	<b>2,396</b>	<b>15%</b>	<b>6.7%</b>	<b>2,608</b>	<b>9%</b>	<b>2%</b>	
%GPM	21%	-2.0%pts	20%	-0.5%pts		20%	-0.3%pts		
Power	948	29%	877	-8%	1.0%	914	4%	2.7%	
Power construction	258	10%	402	56%	-8.6%	429	7%	-6.8%	
Steel pole manufacturing	144	24%	134	-7%	3.2%	155	15%	19.2%	
Industrial park	149	7%	149	0%	-9.1%	149	0%	-6.9%	
Residential property	21	-74%	390	1780%	56.1%	518	33%	6%	
Nickel mining	553	NA	421	-24%	1.1%	422	0%	-3.5%	
Other	10	-71%	22	125%	-7.9%	21	-7%	-14.4%	
SG&A	567	45%	634	12%	5.6%	721	14%	4.5%	
<b>EBIT</b>	<b>1,516</b>	<b>27%</b>	<b>1,762</b>	<b>16%</b>	<b>2.1%</b>	<b>1,887</b>	<b>7%</b>	<b>-2%</b>	
Associates profit	45	na	105	131%	-6%	205	96%	-7%	
Financial income	186	2%	126	-32%	-16%	164	31%	-8.7%	Downward revision of financial income for 2025-26, mainly due to a lower-than-expected cash balance at the end of 4Q24.
Financial expenses	929	-4%	777	-16%	-1.8%	773	0%	-3.3%	
<b>PBT</b>	<b>829</b>	<b>113%</b>	<b>1,208</b>	<b>46%</b>	<b>5.1%</b>	<b>1,486</b>	<b>23%</b>	<b>-7%</b>	
Income tax	125	46%	179	43%	-6%	254	42%	-17%	
<b>NPAT</b>	<b>704</b>	<b>132%</b>	<b>1,030</b>	<b>46%</b>	<b>7%</b>	<b>1,231</b>	<b>20%</b>	<b>-5%</b>	
Minority interest	243	49%	259	6%	5.7%	270	4%	2.0%	
<b>Net profit</b>	<b>460</b>	<b>229%</b>	<b>771</b>	<b>67%</b>	<b>6%</b>	<b>961</b>	<b>25%</b>	<b>-8%</b>	As a result, 2025 NP is revised up by 6%, while 2026 NP is revised down by 8% compared to previous projections.
EPS (VND/share)	1,287	186%	2,155	67%	6%	2,688	25%	-8%	

Sources: PC1, MBS Research

## Financial statements

Income statement					Cash flow statement				
	2023	2024	2025F	2026F		2023	2024	2025F	2026F
Net revenue	7,775	10,078	11,889	13,167	Pre-tax profit	389	829	1,208	1,486
Cost of sales	(6,194)	(7,995)	(9,493)	(10,559)	Depreciation & amortization	763	864	819	853
Gross profit	1,581	2,083	2,396	2,608	Tax paid	(103)	(75)	(179)	(254)
Gen & admin expenses	(335)	(488)	(498)	(586)	Other adjustments	(104)	81	(598)	(470)
Selling expenses	(56)	(79)	(135)	(135)	Change in working capital	87	(628)	(28)	32
Operating profit	1,190	1,516	1,762	1,887	<b>Cash flow from operations</b>	<b>1,032</b>	<b>1,072</b>	<b>1,223</b>	<b>1,647</b>
Operating EBITDA	1,953	2,380	2,582	2,740	Capex	(475)	(434)	(885)	(488)
<b>EBIT</b>	<b>1,190</b>	<b>1,516</b>	<b>1,762</b>	<b>1,887</b>	Proceeds from assets sales	168	32	-	-
Interest income	183	186	126	164	<b>Cash flow from investing activities</b>	<b>(55)</b>	<b>(728)</b>	<b>(1,032)</b>	<b>(826)</b>
Financial expense	(967)	(929)	(777)	(773)	New share issuance	3	44	-	-
Net other income	(18)	11	(7)	3	Net borrowings	(1,369)	(109)	1,784	(603)
Income from associates	2	45	105	205	Other financing cash flow	15	20	393	57
<b>Pre-tax profit</b>	<b>389</b>	<b>829</b>	<b>1,208</b>	<b>1,486</b>	Dividends paid	(124)	(203)	(339)	(423)
Tax expense	(86)	(125)	(179)	(254)	<b>Cash flow from financing activities</b>	<b>(1,475)</b>	<b>(247)</b>	<b>1,838</b>	<b>(969)</b>
NPAT	303	704	1,030	1,231	Cash and equivalents at beginning of period	2,581	2,082	2,177	4,207
Minority interest	(163)	(243)	(259)	(270)	Total cash generated	(498)	97	2,029	(149)
<b>Net profit</b>	<b>140</b>	<b>460</b>	<b>771</b>	<b>961</b>	<b>Cash and equivalents at the end of period</b>	<b>2,084</b>	<b>2,179</b>	<b>4,207</b>	<b>4,058</b>
Ordinary dividends	(124)	(203)	(339)	(423)					
Retained earnings	16	258	432	538					
Balance sheet					Key ratios				
	2023	2024	2025F	2026F		2023	2024	2025F	2026F
Cash and equivalents	2,082	2,177	4,207	4,058	Net revenue growth	-136.2%	21.9%	8.5%	6.1%
Short term investments	781	1,119	1,391	1,894	EBITDA growth	90.3%	127.4%	116.2%	107.1%
Accounts receivables	2,836	3,123	4,231	4,553	EBIT growth	-35.8%	113.1%	45.8%	23.0%
Inventories	944	1,588	1,384	1,434	Pre-tax profit growth	-69.6%	228.9%	67.4%	24.7%
<b>Total current assets</b>	<b>6,883</b>	<b>8,099</b>	<b>11,451</b>	<b>12,131</b>	Net profit growth	-72.7%	186.0%	51.2%	20.6%
Tangible fixed assets	9,524	8,959	8,689	8,642	EPS growth	-72.7%	186.0%	51.2%	20.6%
Construction in progress	108	373	708	390	Gross profit margin	20.3%	20.7%	20.2%	19.8%
Investments in subsidiaries	146	112	112	112	EBITDA margin	25.7%	24.2%	23.6%	23.6%
Investments in associates	-	-	-	-	Net profit margin	1.8%	4.6%	6.5%	7.3%
Other long-term investments	1,607	1,709	1,813	2,019	ROAE	2.7%	8.6%	13.0%	14.5%
Other long-term assets	732	528	881	1,000	ROAA	0.7%	2.2%	3.4%	3.8%
<b>Total non-current assets</b>	<b>13,352</b>	<b>12,856</b>	<b>13,380</b>	<b>13,339</b>	ROIC	0.8%	2.5%	3.6%	4.4%
<b>Total assets</b>	<b>20,235</b>	<b>20,955</b>	<b>24,831</b>	<b>25,470</b>	Asset turnover ratio	0.4	0.5	0.5	0.5
Short-term borrowings	2,838	2,950	3,672	4,672	Dividend payout ratio	88.8%	44.0%	44.0%	44.0%
Trade accounts payable	1,049	1,110	1,684	1,880	D/E	147.7%	140.0%	143.1%	124.0%
Other payables	828	1,002	1,405	1,470	Net debt to total equity	119.1%	111.7%	95.2%	81.9%
<b>Total current liabilities</b>	<b>4,715</b>	<b>5,062</b>	<b>6,761</b>	<b>8,023</b>	Net debt to asset	42.8%	41.1%	33.7%	31.0%
Long-term borrowings	7,902	7,831	8,893	7,290	Interest coverage ratio	1.4	2.0	2.3	2.4
Other long-term payables	348	363	393	508	Days account receivable	133.1	113.1	129.9	126.2
<b>Total long-term liabilities</b>	<b>8,250</b>	<b>8,193</b>	<b>9,286</b>	<b>7,798</b>	Days inventory	55.6	72.5	53.2	49.6
<b>Total liabilities</b>	<b>12,964</b>	<b>13,255</b>	<b>16,048</b>	<b>15,821</b>	Days account payable	61.8	50.7	64.8	65.0
Common shares	3,110	3,576	3,576	3,576	Current ratio	1.5	1.6	1.7	1.5
Share premium	-	-	-	-	Quick ratio	1.3	1.3	1.5	1.3
Treasury shares	-	-	-	-	Cash ratio	0.6	0.7	0.8	0.7
Undistributed earnings	957	814	1,245	1,784					
Investment and development funds	1,117	1,123	1,517	1,574	<b>Valuation</b>				
Shareholders' equity	5,184	5,514	6,338	6,934	EPS (VND/share)	481	1,377	2,155	2,688
Minority interest	2,087	2,186	2,445	2,715	BVPS (VND/share)	16,668	15,416	17,723	19,387
Total shareholders' equity	7,270	7,700	8,783	9,649	P/E (x)	60.2	21.1	13.5	10.8
<b>Total liabilities &amp; equity</b>	<b>20,235</b>	<b>20,955</b>	<b>24,831</b>	<b>25,470</b>	P/B (x)	1.7	1.9	1.6	1.5

Sources: Company reports, 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.

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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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