

18/08/2025

RECOMMENDATION **Not rating**

Target price	N/A
IPO price	46,800
Upside/Downside	N/A

STOCK INFORMATION

Expected outstanding shares (mil)	2,311
Expected market capitalization (VNDbn)	108,169

SHAREHOLDER STRUCTURE

Techcombank	80%
Nguyen Xuan Minh	3%
Vietnam Asset Management	1%
Company	
Other	16%

KEY ATTRIBUTES

EPS (VND)	1,230
BVPS (VND)	14,452
Debt/Equity	1.17
ROA (%)	7.2%
ROE (%)	14.8%

SENIOR ANALYST

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INVESTMENT TREND OF THE FUTURE

- TCBS is Vietnam's leading securities company within the Techcombank ecosystem, distinguished by its breakthrough Wealthtech strategy. The company demonstrates superiority across multiple top-tier industry metrics.
- We evaluate the IPO price of 46,800 VND per share (P/B 2.65x) as quite attractive for a top-quality company, especially when compared to industry peers and global Wealthtech companies. With an expected market capitalization of 4.1 billion USD post-listing, TCBS has positive prospects for inclusion in important index baskets such as VN30 and VNFIND from 2026, creating momentum to support long-term share price performance.

COMPANY OVERVIEW

Techcom Securities Joint Stock Company (TCBS) is a securities company within the Techcombank ecosystem. Through this, TCBS has rapidly increased capital and become the securities company with the top 1 charter capital in the market, while effectively leveraging TCB's ecosystem. TCBS's sustainable development is clearly demonstrated through impressive business results in recent years. The brokerage market share reached top 3, while the bond issuance advisory market share remains solidly at top 1. The "No-brokerage" model and "Zero Fee" policy have helped TCBS achieve success in capturing market share.

TCBS focuses on developing securities products and services by integrating technology solutions. Its Wealth Tech ecosystem enables TCBS to lead the launch of new products, effectively catering to diverse customer needs. Some notable Wealth Tech application products currently offered by TCBS include Fundmart – a fund certificate trading platform, and iConnect – a bond trading platform.

In the future, TCBS plans to launch many new products for investors such as Tokenized Assets, Asset Securitization, Structured Products, and Digital Gold. The company also expects to deploy peer-to-peer (P2P) lending activities and Crowdfunding. Among these, the TCBS IPO activity is seen as the starting point for implementing the Crowdfunding model.

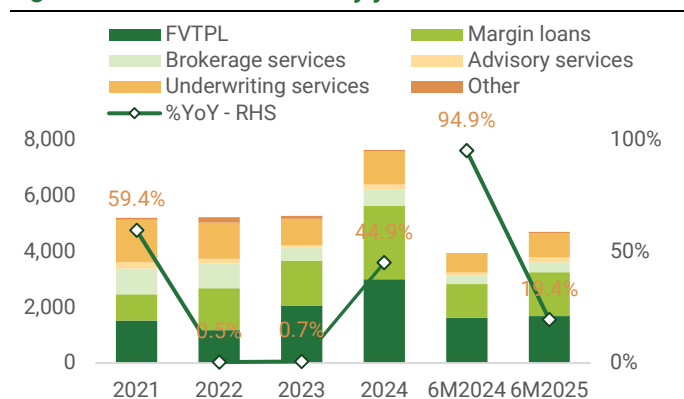
BUSINESS RESULT

During the 2020-2024 period, TCBS recorded favorable profit growth results with a CAGR of 15% per year. In the first 6 months of 2025, TCBS achieved pre-tax profit of 3,043 billion VND, up 10% YoY and completing 53% of the full-year plan.

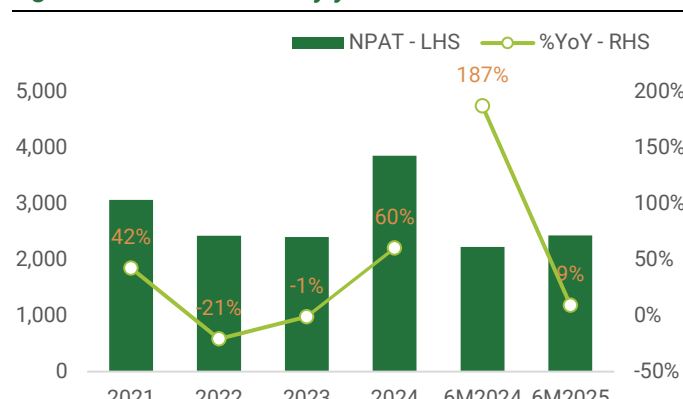
In the profit structure, revenue from proprietary trading and margin lending accounts for the largest proportion at nearly 90%. However, unlike other securities companies, TCBS's proprietary trading profit largely comes from bond trading activities. TCBS's market share in corporate bond issuance advisory reaches top 1 among securities companies with 44% (excluding banking credit institutions). Company leadership indicated that TCBS is oriented not to develop the proprietary stock trading segment.

This strategy helps TCBS ensure that income sources are not heavily affected by stock market volatility. For margin lending activities, TCBS also has a similar orientation by focusing on promoting lending to business

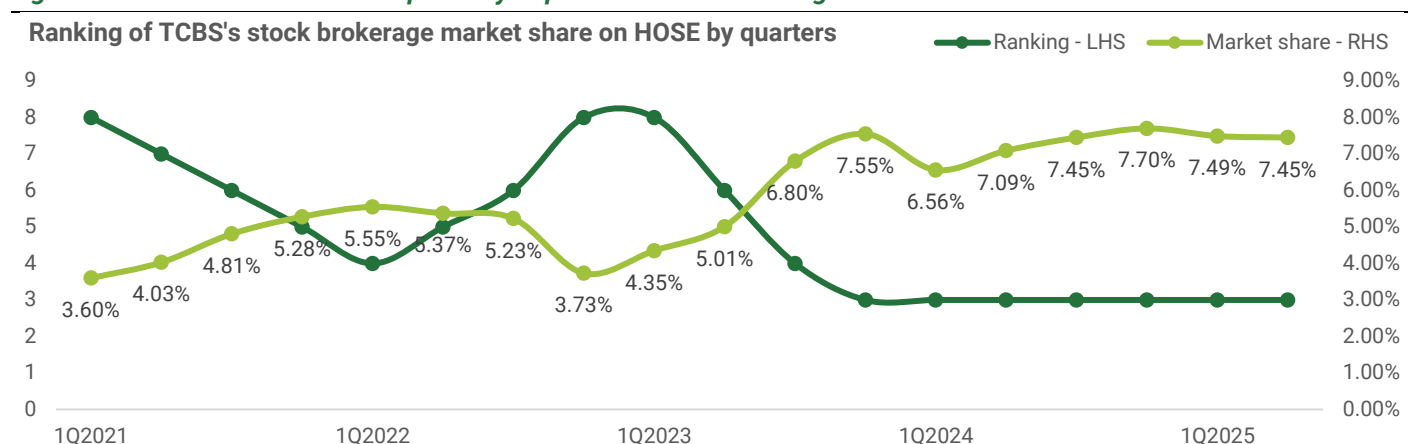
owners and institutional clients. This customer group typically has large and stable borrowing needs for longer periods than individual customers. According to company representatives, the institutional customer group accounts for up to 60% of TCBS's margin lending outstanding balance.

Figure 1: Net sales of TCBS by years


Source: PHS compilation

Figure 2: NPAT of TCBS by years


Source: PHS compilation

Figure 3: TCBS has recorded exceptionally impressive market share growth results


Source: HOSE, PHS compilation

Table 1: Comparison of TCBS's financial indicators with industry peers

Ticker	Margin lending/Equity	Debt/Equity Q2/2025	Equity Q2/2025 – VNDbn	ROE TTM Q2/2025	ROA TTM Q2/2205	YoY NPAT growth 6M2025
TCBS	1.10	1.17	30,063	15%	7%	9%
SSI	1.15	2.22	28,606	11%	4%	12%
VIX	0.52	0.38	17,719	12%	10%	486%
VND	0.53	1.44	19,632	8%	3%	-22%
VCI	0.89	0.76	12,439	8%	4%	0%
HCM	1.95	2.43	10,184	8%	3%	-29%
MBS	1.72	2.47	7,354	12%	4%	23%
SHS	0.54	0.55	11,185	8%	6%	2%

FTS	1.54	1.66	4,237	11%	4%	-35%
BSI	1.21	1.85	5,216	7%	3%	-27%
CTS	1.64	3.20	2,510	17%	4%	134%

Source: PHS compilation

TCBS IPO AND VALUATION

According to the plan, TCBS will offer more than 231 million shares in its initial public offering. Time for investors to register to purchase is from August 19 to September 8, 2025. This share amount corresponds to 10% of the total shares after issuance. With an IPO price of 46,800 VND, TCBS's expected market capitalization when listing on HOSE will reach over 108 trillion VND (approximately 4.1 billion USD), becoming the largest capitalized securities company and entering the top 20 largest capitalized companies on HOSE. TCBS's corresponding trailing P/E and P/B ratios at listing time are 26.7x and 2.65x respectively. With projected full-year 2025 net profit of 4,940 billion VND, TCBS's target P/E and P/B are 21.9x and 2.49x.

According to our assessment, these P/E and P/B valuation levels are quite attractive when compared to industry peers. Specifically, TCBS is currently a securities company ranking at the top in many metrics, particularly leading with an ROE of nearly 15%. TCBS's leading position in Vietnam's securities industry is also reinforced by recognition from both investment funds and independent rating organizations. TCBS is rated AA- (Very Good) by FiiRatings with a "Stable" rating outlook. This is the highest result among securities companies that have been credit rated by FiiRatings. Additionally, Dragon Capital's VEIL fund has recently officially participated as an investor and became TCBS's first foreign shareholder just before the IPO.

Therefore, we believe TCBS deserves to be valued at reasonably higher P/E and P/B levels compared to the industry median. Moreover, when compared to global Wealthtech companies such as Interactive Brokers, and iFast Corporation, TCBS's valuation is also considered quite competitive.

Table 2: Valuation correlation between TCBS and industry companies

MCK	P/B TTM	P/E TTM	ROE %
TCBS	2.7	26.7	15%
Top 10 largest-cap securities companies currently listed on the exchange			
SSI	2.5	23.2	11%
VIX	3.0	25.0	12%
VND	1.9	24.8	8%
VCI	2.6	33.1	8%
HCM	3.1	25.4	8%
MBS	3.4	28.4	12%
SHS	2.0	22.0	8%
FTS	3.4	30.6	11%
BSI	2.4	36.7	7%
CTS	3.7	23.4	17%
Median	2.8	25.2	10%

Top Wealth Tech companies in the world			
Interactive Brokers	5.8	33.6	19%
iFast Corporation	8.5	37.8	25%
Charles Schwab	4.1	25.7	18%
Robinhood	12.6	59.0	24%
Median	7.2	35.7	21%

Source: PHS compilation

PROSPECTS FOR MARKET INDEX INCLUSION

After completing the IPO, TCBS plans to list on HOSE in 4Q2025. If TCBS maintains the high market capitalization level at the time of listing, we predict there is a possibility that TCBS will meet the conditions to be added to market indices including VN30, VNFIND, and VNFIND Select. The addition is expected to occur from July 2026. Meanwhile, for indices such as VN Diamond or market indices like FTSE or MVIS, additional conditions regarding foreign ownership room will be needed to assess the possibility of selection.

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