

THE HARVEST TIME

07/10/2025

RECOMMENDATION	HOLD
Fair price	92,400
Current price	86,000
Upside/downside (*)	7.4%

STOCK INFORMATION

Outstanding shares (mil)	101.4
Free float (%)	56%
Market cap. (billion VND)	8,368
3m avg. volume (shares)	1,068,554
Foreign ownership (%)	47.66%
First listing date	20/01/2010

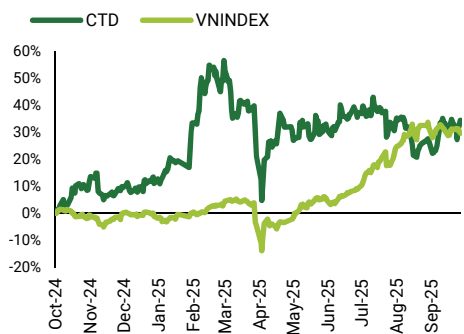
SHAREHOLDER STRUCTURE

Kustoshem Pte Ltd.	17.90%
Thanh Cong Ltd.	14.40%
The 8th Pte., Ltd.	10.62%
Others	50.27%

KEY ATTRIBUTES

TTM EPS (VND)	4,560
BVPS (VND)	88,382
D/E (%)	33.32%
ROA (%)	1.74%
ROE (%)	5.20%
P/E	18.3
P/B	0.9
Dividend yield (%)	1.21%

PRICE PERFORMANCE



COMPANY PROFILE

Coteccons Construction Joint Stock Company (HSX: CTD) stands as one of Vietnam's premier construction contractors, excelling in a wide range of projects spanning residential, industrial, commercial, resort, and educational sectors.

RESEARCH DIVISION

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- Possesses a competitive edge in green-building execution, aligned with today's ESG-driven manufacturing capex trend.
- Gross margin has likely bottomed alongside the property market recovery; however, construction remains highly competitive, making further margin expansion challenging.
- Against this backdrop, CTD must demonstrate disciplined cash-flow management and tight cost control.
- Potential one-off earnings from real estate in 2026–2027 via the Emerald 68 project (49% stake).
- We raise our target price (TP) for CTD from VND 87,500 in our initiation to VND 92,400 to reflect these positives.

Investment Thesis:

- Revenue Growth Underpinned by Backlog:** Per CTD, the current backlog is ~VND 35tn and is expected to surge to VND 45tn by FY2026 Q1 (covering the last two quarters of 2025)—potentially the highest in Coteccons' history. Backlog is driven by a "repeat sales" strategy with top-tier strategic developers in Vietnam (Sun Group, Vingroup, Ecopark, CapitaLand).
- Lower Credit Risk:** The company is confident about recovering the VND 484bn delinquent receivable from Ngôi Sao Việt as the property market improves. Management also expects no further provisioning on remaining problem receivables and no new NPL formation in 2026.
- Macro Tailwinds & Market Leadership:** Benefiting from ongoing urbanization (~40%) and sustained FDI inflows. CTD's capability in complex, technically demanding projects is a competitive edge for securing higher-value bids. A well-diversified project mix reduces concentration risk, with expected contributions from Residential (>60%), Industrial (~20%), and Infrastructure & Overseas (~20%).
- Attractive Dividend Policy:** Consistent cash dividends of 10% annually over the past two years.

Valuation & Recommendation: Using a DCF approach, we revise our intrinsic value estimate for CTD to VND 92,400 per share, implying 7.4% upside from the current price. In our model, we exclude the directly owned property development segment due to its immaterial contribution to consolidated revenue and the uncertainty around project timing and returns.

	2023	2024	2025	2026F	2027F
Net revenue (VND bn)	16,528	21,045	24,885	29,298	29,446
NPAT (VND bn)	188	310	456	689	779
Gross profit margin (%)	2.58%	3.39%	3.28%	3.07%	3.12%
Net profit margin (%)	1.14%	1.47%	1.83%	2.35%	2.65%
ROA (%)	0.93%	1.67%	1.74%	2.33%	2.64%
ROE (%)	2.26%	4.37%	5.20%	7.40%	7.76%
Cash dividend (%)	10%	10%	-	-	-