BEYOND THE TURNAROUND

13/08/2026

RECOMMENDATION	BUY
Fair value (VND/share)	79,600
Current price (VND/share)	63,500
Upside	**25.4%**

STOCK INFORMATION

Shares outstanding (mn)	112
Free float (%)	55%
Market cap (VND bn)	7,101
3M ADTV (shares)	601,215
Foreign ownership (%)	47%
First listing date	1/20/2010

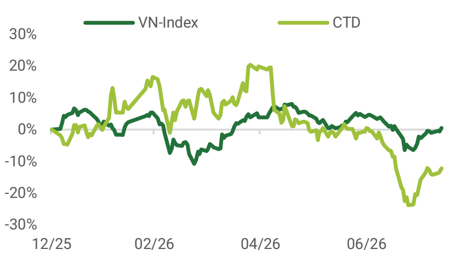
SHAREHOLDER STRUCTURE

Kustocem Pte Ltd	18%
The 8th Pte., Ltd.	11%
Success Investment And Business O.M. Co., ltd.	14%
Preston Pacific Limited	4%
Talgat Turumbayev	2%
Others	52%

KEY METRICS

TTM EPS (VND)	7,046
BVPS (VND)	86,308
Debt/Equity (%)	62%
ROA (%)	2%
ROE (%)	8%
P/E	9.0
P/B	0.7
Dividend yield (%)	0%

SHARE PRICE PERFORMANCE



COMPANY OVERVIEW

Coteccons Construction Joint Stock Company (CTD), formerly known as Cotec Construction Joint Stock Company, was established in 2004. The Company has its business in construction and installation of civil, industrial and infrastructure works.

ANALYST

Nguyen Nam Son – Deputy Manager
songuyennam@phs.vn

- **Earnings inflection firmly established:** FY2026 revenue rose 38% to VND34.34tn, gross margin expanded 93bps to 4.21, and NPAT surged 73% to VND788bn
- **Record backlog unlocks multi-year growth visibility**: New wins reached VND60.3tn and backlog nearly doubled to VND70tn—equivalent to 2.0x FY2026 revenue—while infrastructure's rising contribution supports a higher-value project mix.
- **Improving financial position with multiple re-rating catalysts:** Operating cash flow swung to positive VND816bn, CTD maintained a VND1.88tn net cash surplus, while receivable recovery, the Ricons stake disposal and a potential 100% foreign-ownership limit provide additional upside.
- **Compelling valuation, subject to execution:** At 9.2x trailing P/E and 0.75x P/B, CTD appears inexpensive, but we believe the stock's re-rating will follow a clear backlog-to-cash conversion, the abilitity to maintain high margins above 3%, given rising inventory, receivables and interest expense.

Investment Thesis:

(1) **Earnings inflection firmly established**: CTD offers an execution-dependent re-rating story as it shifts from earnings recovery to backlog-led growth, supported by a cost-sharing model for material-price volatility that lifted construction gross margin by 108bps to 4.11%.

(2) **Record backlog unlocks multi-year growth visibility**: CTD's VND70tn backlog supports a higher-value project mix, with infrastructure contributing 33% of new wins and 16% of backlog versus only 7% of FY2026 revenue, while 72% repeat sales underscore strong client retention.

(3) **Improving financial position with multiple re-rating catalysts**: Potential catalysts include recoveries from the fully provisioned VND526bn Ngôi Sao Việt receivable, disposal of the 14.43% Ricons stake and the proposed increase in foreign ownership room to 100%.

Valuation & Recommendation: Using a DCF approach, we revise our intrinsic value estimate for CTD to VND79,600 per share, implying 25.4% 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.

	FY2025	FY2026	2027F	2028F	2029F
Net revenue (VND bn)	24,885	34,340	36,530	36,731	32,114
NPAT (VND bn)	412	788	728	668	581
Gross profit margin (%)	3.28%	4.21%	3.19%	3.38%	3.58%
Net profit margin (%)	1.66%	2.29%	1.99%	1.82%	1.81%
ROA (%)	1.78%	2.30%	1.88%	1.69%	1.49%
ROE (%)	5.25%	8.46%	7.27%	6.24%	5.12%
Book value (VND)	86,503	84,641	91,025	96,885	101,980