

Khang Dien House (KDH)

4Q profit surged with the handover of the Privia

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4Q24 net profit of the parent company hit VND398 billion (+539%YoY)

In 4Q24, Khang Dien House Trading & Investment (KDH) posted VND398 billion (+539%YoY) in NPAT on revenue of VND2,048 billion (+336%YoY) as it began to hand over The Privia project. Full-year respective results are VND810 billion (+13%YoY) and VND3,279 billion (+57%YoY), equal to 102% and 84% of the objectives.

Clarita, Emeria and The Solina projects should be launched in 2025–2026

KDH plans to launch some projects in cooperation with Keppel Land, including the Clarita and Emeria in 2Q25. The construction of the low-rise subdivision started in October 2023 and is now nearly completed. For 2026, KBSV expects the real estate developer to offer The Solina Phase 1 for sale (13ha with 500 low-rise products). We expect 2025 presales to grow strongly from the low VND4,860 billion (+9xYoY) in 2024 and 2026 presales to reach VND5,860bn (+21%YoY).

2025/2026F NPAT reaches VND907/1,024 billion (+12%/+13%YoY)

KBSV estimates KDH's 2025/2026F revenue to reach VND4,975/5,811 billion (+52%/+17%YoY) with the parent company's NPAT at VND907/1,024 billion (+12%/+13%YoY), mostly coming from the handover of the Clarita and Emeria projects.

Valuation: BUY rating – Target price VND40,000

KDH shares are currently trading at a 2025 forward P/B of 1.87x, lower than the five-year average. Therefore, based on the business outlook and valuation results, we recommend BUY with a target price of VND40,000/share, 19% higher than the closing price on March 3, 2025.

Buy maintain

Target price	VND40,000
Upside	19%
Current price (Mar 3, 2025)	VND33,600
Consensus target price	VND42,600
Market cap (VNDtn/USDbn)	34.1/1.3

Forecast earnings & valuation

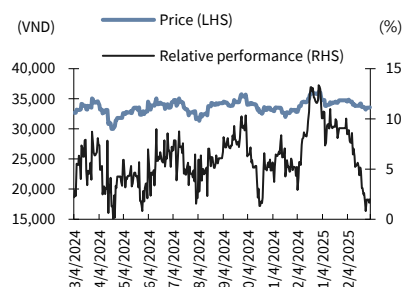
FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	2,088	3,279	4,975	5,811
Operating income/loss (VNDbn)	1,122	1,131	2,234	2,618
NPAT-MI (VNDbn)	716	810	899	1,018
EPS (VND)	895	801	889	1,007
EPS growth (%)	-42	-11	11	13
P/E (x)	38.59	42.02	37.79	33.38
P/B (x)	2.05	1.96	1.87	1.77
ROE (%)	4.6	4.2	4.3	4.4
Dividend yield (%)	0	0	0	0

Trading data

Free float	63.1%
3M avg trading value (VNDbn/USDmn)	69.2/2.7
Foreign ownership	36.8%
Major shareholder	Dragon Capital (9%)

Share price performance

(%)	1M	3M	6M	12M
Absolute	-3.3	2.3	-2.7	2.8
Relative	-6.8	-3.3	-5.4	-1.0



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2024)



Business operation

Khang Dien House Trading and Investment JSC (KDH) is one of the reputable investors with 20 years of experience in the field of investment and development of mid- and high-end real estate in HCMC. It owns a large land bank of more than 600 ha, all located in HCMC.

Source: Khang Dien House, KB Securities Vietnam

Investment Catalysts

Notes

KDH has an advantage when owning a land bank of more than 600ha in HCMC, especially when the inner-city land fund is becoming scarce. Major projects in KDH's medium and long-term plans have recently recorded significant progress in terms of legal procedures.

Please find more details [here](#)

Clarita & Emeria and The Solina projects should be launched in 2025–2026. KBSV estimates 2025F–2026F presales to reach VND4,860 billion (+9xYoY) and VND5,860 billion (+21%YoY).

Please see more details below

Handing over the Clarita and Emeria project cluster ensures profit growth in 2025–2026. KBSV estimates that 2025/2026 net profit will reach VND907/1,024 billion (+12%/13%YoY), respectively.

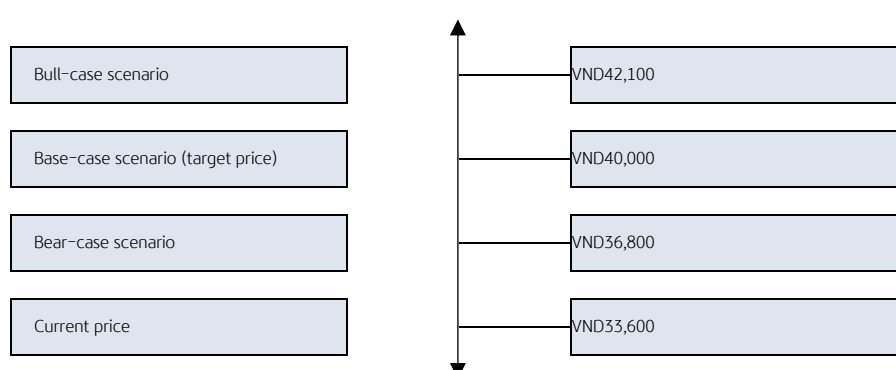
Please see more details below

Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	4,975	5,811	-16%	-	5,856	8,300	-15%	-30%
EBIT	2,410	2,865	-17%	-	2,460	3,961	-2%	-28%
NP after MI	907	1,024	-21%	-	1,058	2,091	-14%	-51%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Base-case scenario: catalysts

- 1) 2025 presales reach VND4,990 billion
- 2) Solina is launched in 2026

Bull-case scenario: upside risk

- 1) 2025 presales reach VND5,420 billion
- 2) Selling price increases by 5% YoY

Bear-case scenario: downside risk

- 1) 2025 presales reach VND2,950 billion
- 2) Solina is launched in 2027

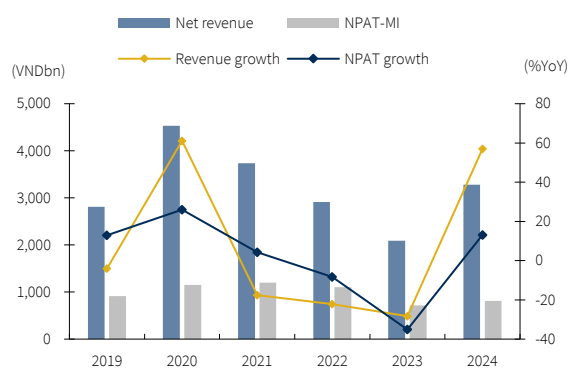
4Q24 performance updates

Table 1. #KBChart&TableTitle

(VNDbn, %)	4Q23	4Q24	+/-%YoY	2023	2024	+/-%YoY	Notes
Revenue	469	2,048	336%	2,088	3,279	57%	KDH completed 84% of the full-year plan and 86% of KBSV's forecast.
<i>Sales of real estate properties</i>	453	2,032	349%	2,040	3,222	58%	The sales of inventory came from (1) the handover of 60% of The Privia project in 4Q24, (2) The Classia project and (3) the transfer of some land lots.
Gross profit	292	908	211%	1,587	1,740	10%	
<i>Gross profit margin</i>	62%	44%	-18pp	76%	53%	-23pp	GPM dropped due to the higher contribution of The Privia apartments with lower GPM compared to villas at The Classia project handed over in 2023.
Financial income	16	7	-54%	50	37	-25%	
Financial expenses	-56	-171	205%	-148	-216	46%	Financial costs mainly came from payment discounts (customer incentives), while most of the interest expenses have been capitalized. Capitalized interest expenses in 2024 are VND774 billion (+2%YoY).
SG&A	-112	-230	106%	-367	-431	17%	
Operating income/loss	140	515	267%	1,122	1,131	1%	
Other losses	-57	-17	-70%	-53	-80	51%	
PBT	116	505	336%	1,069	1,051	-2%	
NPAT	63	393	519%	730	803	10%	This is equal to 102% of the 2024 objective and 84% of KBSV's forecast.
NPAT-MI	62	398	539%	716	810	13%	
<i>NPAT margin</i>	13%	19%	6pp	34%	25%	-10pp	

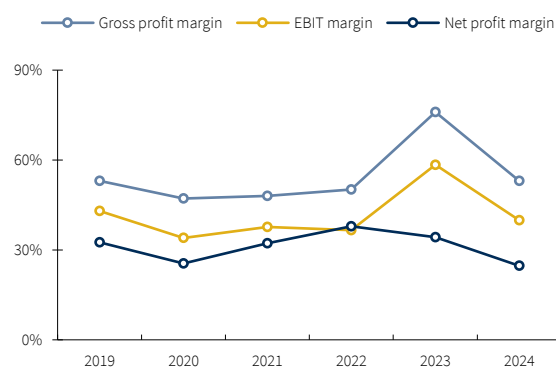
Source: Khang Dien House, KB Securities Vietnam

Fig 2. KDH – Revenue & NPAT in 2019–2024 (VNDbn)



Source: Khang Dien House, KB Securities Vietnam

Fig 3. KDH – Profit margin in 2019–2024 (%)



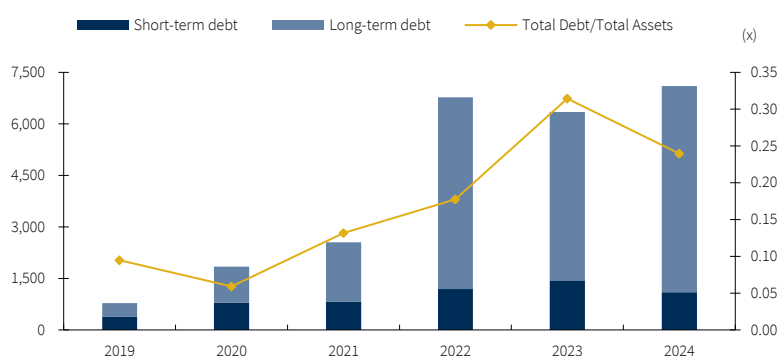
Source: Khang Dien House, KB Securities Vietnam

– At the end of 4Q, KDH's debt rose 12% QoQ to VND7,098 billion, of which short-term loans accounted for VND1,100 billion and will mature in August 2025.

– From 2022, KDH will increase borrowing (mainly long-term bank loans) to contribute capital to invest in the Doan Nguyen Housing Project (Emeria) and finance the implementation of projects The Privia, Clarita, The Solina, Le Minh Xuan Industrial Park, Tan Tao and Phong Phu residential areas.

– Debt/total assets ratio is at 0.24x, among the highest in the real estate industry.

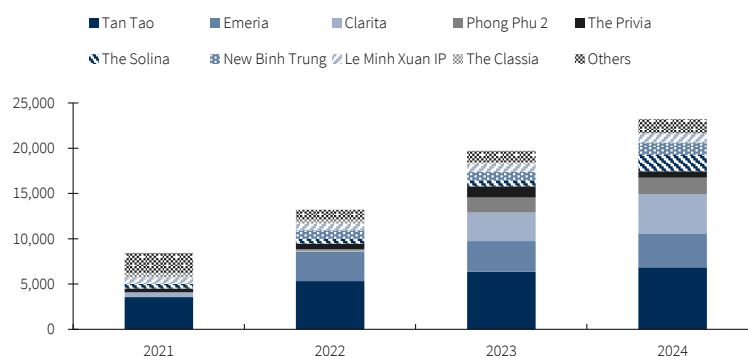
Fig 4. KDH – Debt structure in 2019–2024 (VNDbn)



Source: Khang Dien House, KB Securities Vietnam

By the end of 4Q24, KDH's inventory construction in progress was valued at VND23,203 billion, increasing 14% YTD. The inventory value of (1) the Solina project spiked VND1,206 billion YTD after the business paid land use fee for this project, and that of (2) Clarita surged VND1,265 billion as KDH is focusing on project construction.

Fig 5. KDH – Value of inventory and construction in progress in 2021–2024 (VNDbn)



Source: Khang Dien House, KB Securities Vietnam

The Clarita and Emeria projects will make most of KDH's presales and profits in 2025–2026F

2025: KDH plans to launch some projects in cooperation with Keppel Land, including the Clarita and Emeria in 2Q25. The construction of the low-rise subdivision started in October 2023 and is now nearly completed. KBSV expects the project to launch as planned and record a good absorption rate thanks to (1) the reputation and position of KDH & Keppel Land; (2) convenient location, good connectivity, completed and clear legal status; and (3) lower supply of townhouses/villas in Ho Chi Minh City compared to the 2018–2022 period. This project will contribute significantly to Khang Dien's sales and profits in 2025–2026.

2026: KBSV expects the real estate developer to offer The Solina Phase 1 for sale (13ha with 500 low-rise products). The project has been granted construction permission and may start construction from 2025.

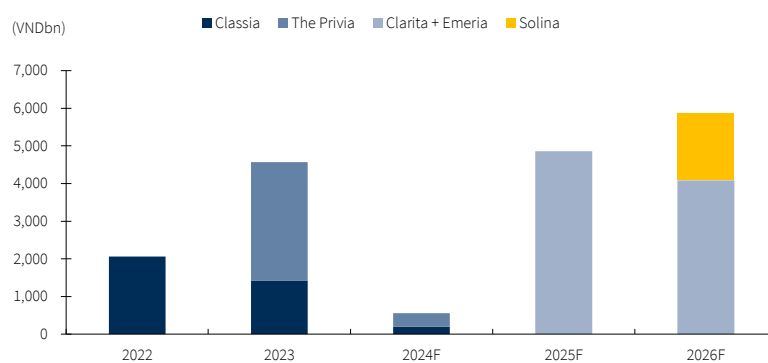
Accordingly, we expect 2025 presales to grow strongly from the low VND4,860 billion (+9xYoY) in 2024 and 2026 presales to reach VND5,860bn (+21%YoY).

Fig 6. KDH – Clarita and Emerica



Source: KB Securities Vietnam

Fig 7. KDH – 2022A-2026F contract sales (VNDbn)



Source: KB Securities Vietnam

Table 8. KDH – Project portfolio (by the end of 4Q24)

Projects	Location	Area (ha)	Product	Progress
Developing		18.0		
The Classia	Thu Duc	4.3	176 townhouses	<ul style="list-style-type: none"> - Started construction in April 2021 and launched in 3Q22, average price at VND180–200 million/m² - Sold out and handed over 100% of the units - Stated construction from the end of 2Q22, topped out three buildings
The Privia	Binh Tan, HCMC	1.8	1,043 apartments	<ul style="list-style-type: none"> - Launched in 4Q23 and sold out by the end of 1Q24, started handover from October 2024 - By the end of 4Q24, handed over 60% of the units, expected to complete the handover in 1Q25
Clarita		5.8		<ul style="list-style-type: none"> - Transferred 49% to Kepple Land - Under construction, expected to be opened for sale in 2024
Emeria	Thu Duc	6.1	200 low-rise apartments & 600 apartments	<ul style="list-style-type: none"> - Transferred 49% to Kepple Land - Started construction of the low-rise subdivision from October 2023, currently applying for a sales license, and expected to be available for sale by 2Q25 after completing landscaping and amenities - Would implement high-rise subdivision later
To be developed		606.4		
The Solina	Binh Chanh, HCMC	16.4	Phase 1: 500 low-rise apartments	<ul style="list-style-type: none"> - Completed land clearance and got 1/500 scale planning for phase 1 - Paid land use fees for phase 1 (13ha) - Getting approval for a construction permit, expecting to start construction from 2025
Tan Tao Residential Area	Binh Tan, HCMC	330.0		<ul style="list-style-type: none"> - Completed land clearance and compensated 85%
Le Minh Xuan Industrial Park expansion	Binh Chanh, HCMC	110.0		<ul style="list-style-type: none"> - Approved 1/500 planning - Compensation completed and land allocated Phase 1 ~89ha - Granted construction permit in 1Q25, determining land rent so it can be available for lease from 2026
Phong Phu 2	Binh Chanh, HCMC	130.0		<ul style="list-style-type: none"> - Compensation almost done, completing the legal work
New Binh Trung		20		<ul style="list-style-type: none"> - Compensation almost done, completing the legal work

Source: Khang Dien House, KB Securities Vietnam

Forecast & valuation

Table 10. KDH – 2024–2026F results

(VNDbn, %)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Assumptions
Revenue	3,279	4,975	52%	5,811	17%	
<i>Sales of real estate properties</i>	2,040	4,878	139%	5,709	17%	2025F real estate transfer revenue mainly comes from handing over (1) the rest 40% of Privia project and (2) low-rise products at the Classia and Emeria projects.
Gross profit	1,740	3,006	73%	3,639	21%	
<i>Gross profit margin</i>	53%	60%	7pp	63%	2pp	Gross profit margin in 2025 will increase thanks to higher contribution from low-rise products at the Classia and Emeria projects.
Financial income	37	37	-1%	27	-28%	
Financial expenses	-216	-203	-6%	-265	30%	
SG&A	-431	-596	38%	-774	30%	
Operating income/loss	1,131	2,244	98%	2,626	17%	
PBT	1,051	2,244	114%	2,626	17%	
NPAT	803	1,742	117%	1,975	13%	
NPAT-MI	810	907	12%	1,024	13%	
<i>NPAT margin</i>	25%	18%	-6pp	18%	-1pp	

Source: KB Securities Vietnam

Valuation: BUY rating – Target price VND40,000/share

Using an RNAV model, we found the price target for KDH shares at VND40,000, 19% higher than the closing price on March 3, 2025. In addition, we used the DCF method for projects that are under implementation or have a clear implementation plan and comparables for the remaining land banks.

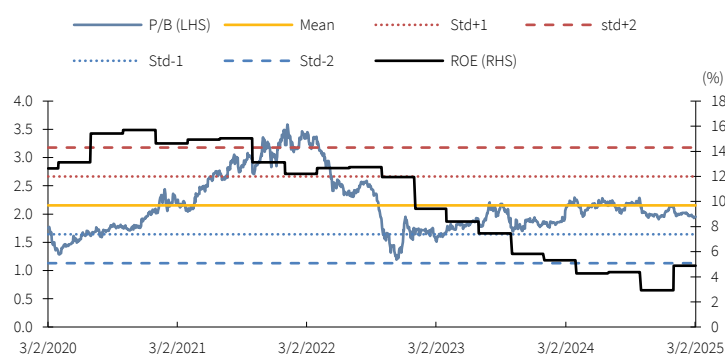
KDH shares are currently trading at a 2025 forward P/B of 1.87x, lower than the five-year average. Therefore, based on the business outlook and valuation results, we recommend BUY with a target price of VND40,000/share.

Table 10. KDH – Final valuation

Project	Valuation method	Value (VNDmn)
Clarita	DCF	2,246,300
Solina	DCF	2,007,256
Emeria Doan Nguyen	DCF	3,109,835
Le Minh Xuan	DCF	2,292,083
Phong Phu 2	Comparables	4,950,000
Tan Tao	Comparables	17,490,000
Binh Trung Dong	Comparables	10,067,452
Others	Book value	2,386,216
NAV of projects		44,549,142
+ Cash		3,095,620
- Debts		7,098,100
RNAV		40,546,662
Outstanding shares		1,011,142,565
Share price (VND)		40,000

Source: KB Securities Vietnam

Fig 11. KDH – P/B & ROE in 2019–2025 (x, %)



Source: KB Securities Vietnam

KDH – 2023A–2026F summarized financials & forecasts

Income Statement (VND billion)					Balance Sheet (VND billion)				
	2023	2024	2025F	2026F		2023	2024	2025F	2026F
Net sales	2,088	3,279	4,975	5,811	CURRENT ASSETS	24,737	28,840	29,842	32,166
Cost of sales	-501	-1,538	-1,969	-2,172	Cash and cash equivalents	3,730	3,096	2,077	2,377
Gross Profit	1,587	1,740	3,006	3,639	Short-term investments	9	277	277	277
Financial income	50	37	37	27	Accounts receivable	1,831	3,013	4,467	5,279
Financial expenses	-148	-216	-203	-265	Inventories	18,787	22,180	22,657	23,804
of which: interest expenses	0	0	0	0	LONG-TERM ASSETS	1,744	1,913	1,975	2,163
Gain/(loss) from joint ventures (from 2015)	0	0	0	0	Long-term trade receivables	76	69	69	69
Selling expenses	-162	-222	-274	-367	Fixed assets	81	73	232	414
General and admin expenses	-205	-209	-321	-407	Investment properties	131	233	137	143
Operating profit/(loss)	1,122	1,131	2,244	2,626	Long-term incomplete assets	933	1,027	1,027	1,027
Other incomes	-53	-80	0	0	Long-term investments	12	0	0	0
Other expenses	69	42	0	0	TOTAL ASSETS	26,481	30,753	31,817	34,330
Net other income/(expenses)	-121	-121	0	0	LIABILITIES	10,958	11,302	10,708	11,245
Income from investments in other entities	0	0	0	0	Current liabilities	5,346	4,179	5,089	5,491
Net accounting profit/(loss) before tax	1,069	1,051	2,244	2,626	Trade accounts payable	92	288	143	194
Corporate income tax expenses	477	26	-502	-651	Advances from customers	2,388	1,903	1,703	1,503
Net profit/(loss) after tax	730	803	1,742	1,975	Short-term unrealized revenue	0	0	0	0
Minority interests	14	-7	835	951	Short-term borrowings	1,444	1,100	1,155	1,213
Attributable to parent company	716	810	907	1,024	Long-term liabilities	5,612	7,123	5,619	5,754
					Long-term trade payables	0	0	0	0
					Long-term advances from customers	0	0	0	0
					Unrealized revenue	14	35	35	35
					Long-term borrowings	4,902	5,998	4,499	4,634
					OWNER'S EQUITY	15,523	10,594	14,039	15,315
					Paid-in capital	7,993	10,111	10,111	10,111
					Share premium	1,339	3,314	3,314	3,314
					Undistributed earnings	3,767	3,617	4,523	5,548
					Minority interests	0	0	0	0
Margin ratio					Key ratios				
	2023	2024	2025F	2026F		2023	2024	2025F	2026F
Gross profit margin	50.1%	76.0%	53.1%	60.4%	Multiple				
EBITDA margin	27.8%	58.2%	40.2%	49.0%	P/E	38.6	42.0	37.5	33.2
EBIT margin	36.6%	58.4%	39.9%	48.4%	P/E diluted	38.6	42.0	37.5	33.2
Pre-tax profit margin	48.4%	51.2%	32.1%	45.1%	P/B	2.1	2.0	1.9	1.8
Operating profit margin	34.1%	53.7%	34.5%	45.1%	P/S	13.2	10.4	6.8	5.8
Net profit margin	37.2%	34.9%	24.5%	35.0%	P/Tangible Book	1.8	1.7	1.6	1.5
					P/Cash Flow	-17.9	-8.0	56.3	99.6
					EV/EBITDA	26.6	30.4	16.6	14.2
					EV/EBIT	26.5	30.6	16.8	14.4
					Operating performance				
					ROE	4.61	4.16	4.30	4.44
					ROA	6.23	5.49	9.04	10.31
					ROIC	2.70	2.63	2.85	2.98
					Financial structure				
					Cash Ratio	0.7	0.7	0.4	0.4
					Quick Ratio	1.0	1.5	1.3	1.4
					Current Ratio	4.6	6.9	5.9	5.9
					LT Debt/Equity	0.3	0.3	0.2	0.2
					LT Debt/Total Assets	0.2	0.2	0.1	0.1
					Debt/Equity	0.3	0.2	0.2	0.2
					Debt/Total Assets	0.2	0.1	0.2	0.2
					ST Liabilities/Equity	0.3	0.2	0.2	0.2
					ST Liabilities/Total Assets	0.2	0.1	0.2	0.2
					Total Liabilities/Equity	0.7	0.6	0.5	0.5
					Total Liabilities/Total Assets	0.4	0.4	0.3	0.3
					Activity ratios				
					Account Receivable Turnover	0.6	1.4	1.3	1.2
					Inventory Turnover	0.0	0.1	0.1	0.1
					Account Payable Turnover	5.0	8.1	9.1	12.9

Source: Company report, KB Securities Vietnam

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Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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