

PC1 Group (PC1)

Solid backlog fuels growth

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Ending 1Q2025, PC1 met 17% and 14% of its full-year net profit and revenue targets

In 1Q2025, PC1 posted NPAT of VND145 billion (+12% YoY) on revenue of VND1,860 billion (-14% YoY), delivering 17% and 14% of the full-year targets. The revenue decline was attributed to significantly lower nickel sales (down to VND228 billion from VND478 billion in 1Q2024). In contrast, power construction and power generation grew by 29% and 21% YoY, contributing VND730 billion and VND431 billion to overall revenue, respectively.

Power construction revenue is expected to strongly rebound thanks to a robust backlog

Power construction is expected to strongly recover this year, with projected revenue reaching VND4,899 billion (+33% YoY), underpinned by a solid EPC contract backlog VND6,892 billion as of end-2024. Key ongoing projects for the 2025-2026 period include the EPC wind power plant in the Philippines, the Con Dao submarine cable project, and the 500kV Lao Cai – Vinh Yen transmission line, with PC1's contract values for these projects amounting to VND1,200 / 1,800 / 1,675 billion, respectively.

IP land leasing activity is expected to decelerate, with rental rates projected to decline by 2-4%

Vietnam is among the countries subject to the highest US countervailing duties, which may dampen FDI inflows and weaken demand for industrial park (IP) land leasing. As a result, leasing activity is expected to slow, and rental prices may decline by 2-4% compared to previous projections.

We reiterate BUY for PC1 with a target price of VND26,700/share

We maintain our BUY recommendation for PC1 with a target price of VND26,700 per share, representing an upside potential of 17.5% compared to the closing price on June 10, 2025.

Buy maintain

Target price	VND26,700
Upside	17.5%
Current price (Jun 10, 2025)	VND22,750
Consensus target price	VND27,500
Market cap (VNDtn/USDbn)	8.1/0.31

Forecast earnings & valuation

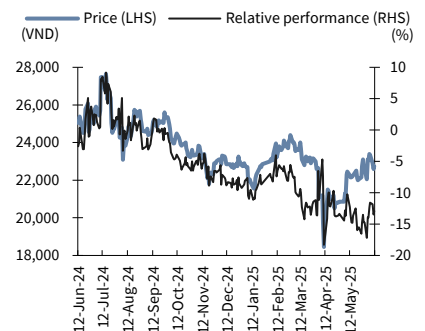
FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	7,694	10,089	11,272	12,883
Operating income/loss (VNDbn)	274	828	1,067	1,222
NPAT-MI (VNDbn)	36	468	552	642
EPS (VND)	53	1,177	1,308	1,522
EPS growth (%)	-97	2,121	11	16
P/E (x)	429.2	19.3	17.4	14.9
P/B (x)	1.1	1.1	1.1	1.0
ROE (%)	2.5	9.2	10.3	10.9
Dividend yield (%)	1.5	2.5	2.2	2.5

Trading data

Free float	71.1%
3M avg trading value (VNDbn/USDmn)	44.4/1.7
Foreign ownership	16.7%
Major shareholder	Trinh Van Tuan (21.38%)

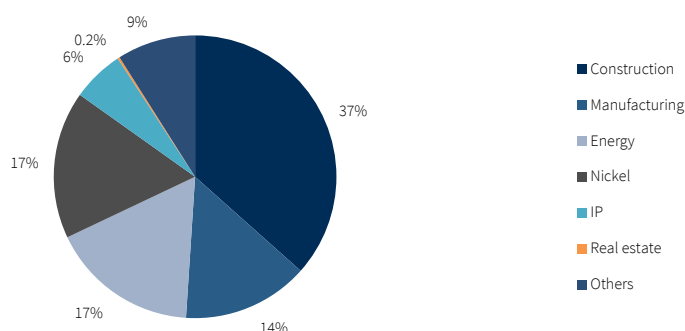
Share price performance

(%)	1M	3M	6M	12M
Absolute	6.1	-17.4	-19.9	-2.5
Relative	-2.8	-19.4	-26.8	-6.9



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2024)



Source: PC1 Group, KB Securities Vietnam

Business operation

PC1 Group (PC1) is a diversified enterprise operating across multiple business segments, including: (i) power construction; (ii) renewable energy; (iii) nickel mining and processing; (iv) industrial real estate; and (v) residential real estate

Investment Catalysts

Power construction revenue is projected to grow by 32% in 2025 and 16% YoY in 2026 driven by the EPC wind power plant in the Philippines, the Con Dao submarine cable, and the 500kV Lao Cai – Vinh Yen transmission line, with respective contract values of VND 1,200 / 1,800 / 1,675 billion.

The Thap Vang – Gia Lam project is scheduled to begin handovers in late 2025 and is expected to contribute over VND300 billion in profit for PC1 during the 2025–2026 period.

The industrial park segment remains PC1's long-term growth driver, though it will face tariff-related headwinds which are likely to delay leasing progress and reduce rental rates.

Notes

Please find more details below

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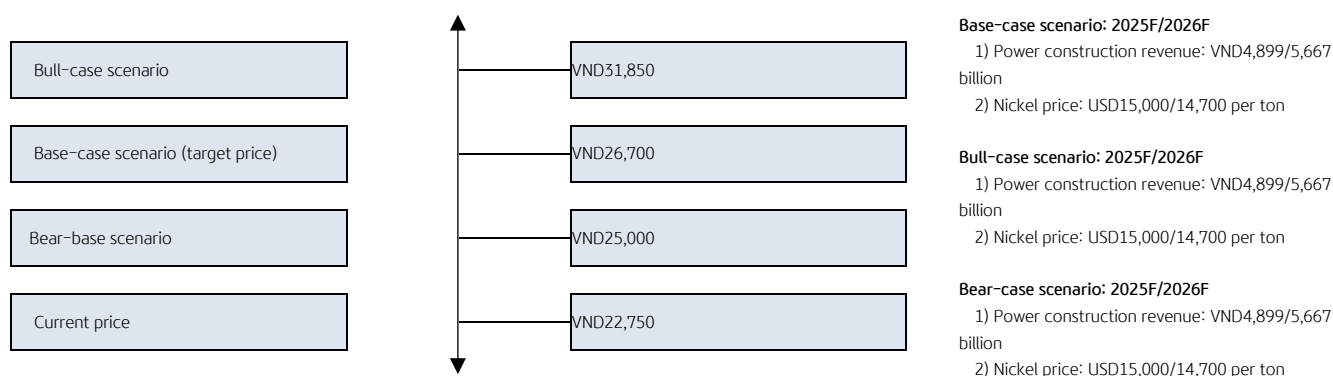
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Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	11,272	12,883	+4%	+4%	11,622	13,079	-3%	-1%
EBIT	1,999	2,238	+9%	-6%	1,641	1,685	22%	33%
NP after MI	552	643	+12%	-18%	622	827	-11%	-22%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



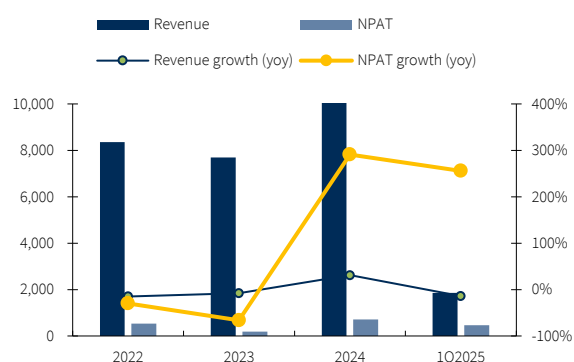
Business performance

Table 1. PC1 – 1Q2025 financial results

(VNDbn)	1Q2024	1Q2025	+/- %YoY	Notes
Revenue	2,165	1,860	-14%	Met 14% of the full-year target of VND13,395 billion.
Power construction	564	730	29%	
Electric steel pole manufacturing	287	180	-37%	
Power generation	355	431	21%	
Nickel	478	228	-52%	Nickel prices dropped 13% YoY while exports also declined.
Industrial real estate	120	133	11%	
Residential real estate	18	4.2	-77%	
Gross profit	439	459	5%	
Gross profit margin (GPM)	20.3%	24.7%	442 bps	Gross margin expansion was primarily driven by: (i) power generation, with margin rising from 51% in 1Q2024 to 63%, supported by favorable weather conditions that boosted wind power output; and (ii) electric steel pole manufacturing, with margin improving from 10.1% to 13%, thanks to lower input steel costs and increased exports of higher-margin product lines.
Financial income	44	37	-15%	
Financial expenses	-270	-208	-23%	
Shared profits from associates	49	-15	-131%	Leasing activity at Yen Phong Industrial Park remained inactive in 1Q2025.
SG&A	105	108	3%	
Operating income/loss	157	165	5%	
Other income	0	-1		
Profit before tax (PBT)	157	163	4%	
Net profit after tax (NPAT)	129	145	12%	Met 17% of the full-year target of VND835 billion.
NPAT-MI	81	55	-31%	
NPAT margin	3.7%	3.0%	-75 bps	

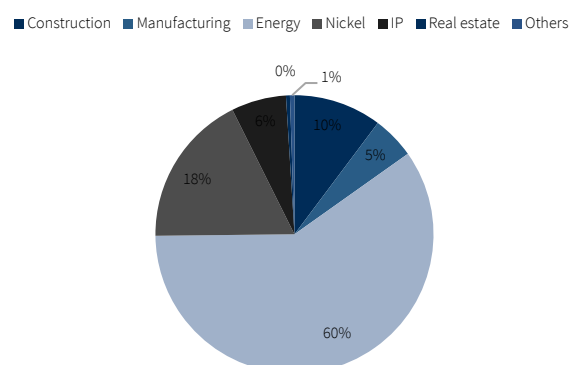
Source: PC1 Group, KB Securities Vietnam

Fig 2. PC1 – Revenue, NPAT & growth (VNDbn, %YoY)



Source: PC1 Group, KB Securities Vietnam

Fig 3. PC1 – 1Q2025 gross profit breakdown (%)



Source: PC1 Group, KB Securities Vietnam

Power construction revenue is expected to strongly rebound thanks to a robust backlog

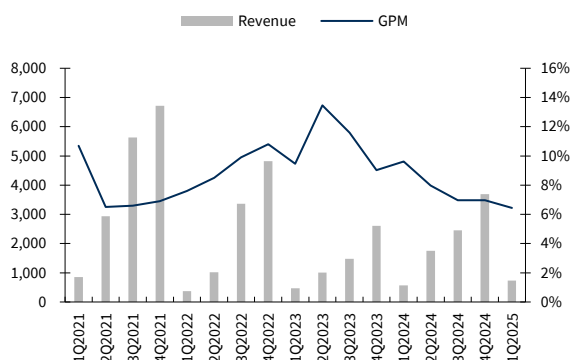
Power construction revenue is expected to deliver revenue growth of 32% in 2025 and 16% YoY in 2026, supported by a healthy backlog that ensures a stable workload through 2030. Key growth drivers include:

- Increased public investment, intended to offsetting slower growth in other sectors caused by tariff-related headwinds, is expected to generate substantial construction opportunities for leading contractors like PC1. The government plans to fully disburse VND830 trillion in state capital in 2025.
- The official release of the amended Power Development Plan VIII (PDP8), alongside the implementation of a transitional electricity pricing mechanism and the Direct Power Purchase Agreement (DPPA) policy, is expected to create significant opportunities for transmission infrastructure contractors.
- As of end-2024, PC1's EPC backlog stood at VND6,892 billion, anchored by key projects including the EPC wind power plant in the Philippines, the Con Dao submarine cable, and the 500kV Lao Cai – Vinh Yen transmission line, with respective contract values of VND1,200 / 1,800 / 1,675 billion. These projects will secure construction revenue for PC1 during 2025–2026.

Power construction margin is forecast to slightly increase to 8–9% this year

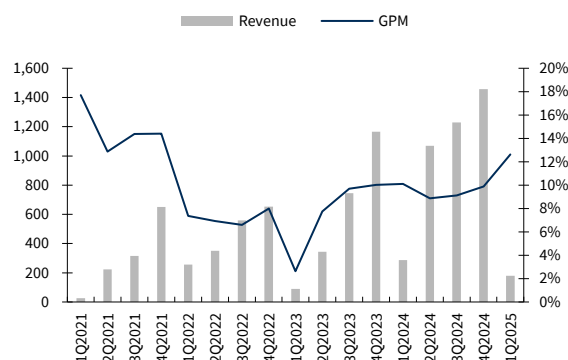
Power construction gross margin is expected to improve slightly from the low base in 2024, which was affected by elevated subcontracting costs incurred to expedite the completion of the Quang Trach – Pho Noi 500kV transmission line. However, margins are projected to remain in the 8–9% range over the next two years, significantly lower than pre-2021 levels. This is primarily due to the low-margin nature of most current and upcoming projects, particularly EVN-funded initiatives such as submarine cable installations and newly awarded overseas contracts.

Fig 4. PC1 – Power construction revenue & GPM (VNDbn, %)



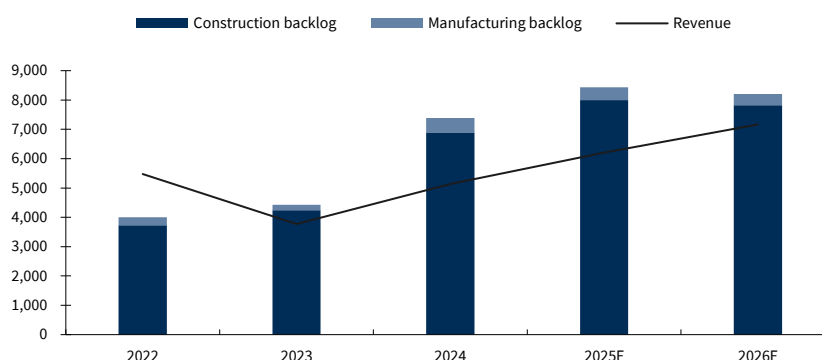
Source: PC1 Group, KB Securities Vietnam

Fig 5. PC1 – Electric steel pole manufacturing revenue & GPM (VNDbn, %)



Source: PC1 Group, KB Securities Vietnam

Fig 6. PC1 – Power construction & electric steel pole manufacturing backlog & revenue (VNDbn)



Source: PC1 Group, KB Securities Vietnam

IP land leasing activity is expected to decelerate, with rental rates projected to decline by 2–4%

A significantly higher tariff rate imposed by the U.S. on Vietnam, relative to other countries, is expected to negatively affect FDI inflows and, in turn, industrial park (IP) land leasing demand. In response, we have revised down our average rental rate assumptions by 2–4%, delayed the leasing timeline for new IP projects by one to two quarters, and adjusted the leasing pace for existing IPs downward through 2028. Nevertheless, the adverse impact of these tariffs is expected to be partially mitigated by stable demand from long-standing Japanese and Korean tenants, as well as the broader trend of intra-Asia trade expansion.

Table 7. PC1 – Ongoing IP projects

IP project	PC1's ownership	Leasable area	Lease rate (USD/m ² /lease term)	Progress
Nomura Hai Phong 1	70%	123	130	Leasing in progress, with occupancy rate nearing 100%
Nomura Hai Phong 2	100%	120	125	Investment policy approved in late December 2024; land clearance expected to be completed in 2025, with construction scheduled to begin by end-2025
Yen Phong 2A	18.6%	83	145	As of 1Q2025, 14% of the commercial land area was handed over
Yen Lenh – Ha Nam	30%	45	85	Under construction
Yen Lu – Bac Giang	30%	66	110	Investment policy granted in July 2024; land clearance currently underway
Dong Van 5 – Ha Nam	30%	166	88	Investment policy granted in July 2024; land clearance currently underway

Source: PC1 Group, KB Securities Vietnam

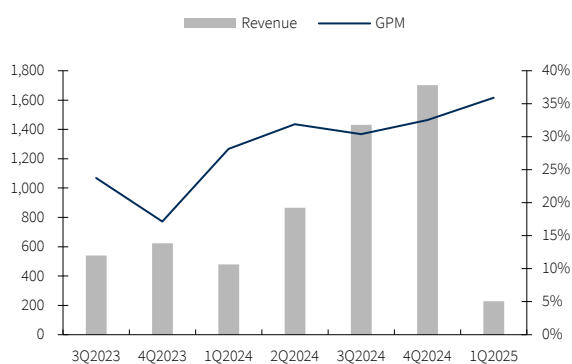
Thap Vang – Gia Lam is scheduled to commence handovers by late 2025

The Thap Vang – Gia Lam residential real estate project, spanning 1.5 ha and comprising 183 villas and townhouses, has completed land use fee payments and commenced construction in October 2024. The project is progressing on schedule, with handovers expected to start in late 2025. It is projected to contribute over VND300 billion in profit to PC1 during the 2025–2026 period.

Nickel sales are expected to decline significantly in the short to medium term

Nickel futures prices are currently hovering around USD15,000/ton, a four-year low, after briefly rebounding to USD16,000/ton in early 2Q2025. Prices are expected to remain subdued throughout 2025 due to a pronounced supply-demand imbalance. Specifically: (i) LME nickel inventories, while slightly lower than earlier this year, reached nearly 200,000 tons as of June 12, 2025, up 60% from early 2024, and are projected to stay elevated as multiple projects in Indonesia come online over the next 2–3 years; and (ii) nickel demand has weakened amid advancements in EV battery technology that rely less on the metal. In light of these factors, we have revised down our nickel price forecasts to USD14,800/ton by end-2025 and USD14,400/ton by end-2026,

Fig 8. PC1 – Nickel revenue & GPM (VNDbn, %)



Source: PC1 Group, KB Securities Vietnam

Fig 9. Global – Nickel prices in 2020–2025 (USD/ton)



Source: Bloomberg, KB Securities Vietnam

PC1 approved a plan to raise its charter capital through a 15% stock dividend and to issue ESOP shares in 2025

At the Annual General Meeting held in April 2025, PC1 approved a plan to increase its charter capital through a 15% bonus share issuance from retained earnings, equivalent to over VND536.46 billion at par value. The company also approved an Employee Stock Ownership Plan (ESOP) to issue up to 10,729,263 shares, equivalent to 3% of current charter capital, at an offering price of VND10,000 per share, with implementation expected in 2025.

Forecast & Valuation

Table 10. PC1 – 2024A–2026F financial results

(VNDbn)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Notes
Revenue	10,078	11,272	12%	12,883	14%	PC1 is projected to achieve 84% of its 2025 revenue target of VND13,395 billion by year-end.
Power construction	3,686	4,899	33%	5,667	16%	The Con Dao submarine cable and the 500kV Vinh Yen – Lao Cai transmission line projects are expected to be completed within 2025, contributing fully to this year's revenue, while revenue from the Philippines wind power plant project will be recognized across 2025 and 2026.
Electric steel pole manufacturing	1,456	1,307	-10%	1,499	15%	
Power generation	1,706	1,604	-6%	1,551	-3%	
Nickel	1,701	1,068	-37%	1,090	2%	Hydropower sales volume is projected to decline by 6% in 2025 and 5% YoY in 2026.
Industrial real estate	599	649	8%	1,001	54%	Nickel export volume is forecast to drop from 65 thousand tons in 2024 to 48 thousand tons in 2025. Meanwhile, nickel prices are expected to fall to USD14,800/ton by end-2025 and USD14,400/ton by end-2026 due to continued oversupply.
Residential real estate	24	840	3401%	1,126	34%	Nomura 2 is expected to begin land handovers in 2H2026, contributing leasing revenue for 10 ha. Revenue from handovers of the Thap Vang – Gia Lam residential project will be recognized across 2025 and 2026.
Gross profit	2,083	2,409	16%	2,740	14%	
Gross profit margin (GPM)	20.7%	21.4%	70 bps	21.3%	-10 bps	
Financial income	186	177	-4%	151	-15%	
Financial expenses	-929	-943	2%	-1,028	9%	
Shared profits from associates	45	26	-42%	64	144%	Leasing activity at Yen Phong 2A industrial park is slowing. Meanwhile, Yen Lenh and Dong Van 5 industrial parks are scheduled to begin leasing from late 2026, with revenue recognition from 11 ha.
SG&A	-567	-603	6%	-704	17%	
Operating income/loss	818	1,067	30%	1,222	15%	
Other income	11	-11	-207%	-13	14%	
Profit before tax (PBT)	829	1,055	27%	1,210	15%	
Net profit after tax (NPAT)	704	876	24%	1,020	16%	PC1 is projected to exceed its 2025 net profit target of VND835 billion, reaching 104% completion.
NPAT-MI	460	566	23%	643	13%	
NPAT margin	4.6%	5.0%	46 bps	5.0%	-3 bps	

Source: Bloomberg, KB Securities Vietnam

We reiterate BUY for PC1 with a target price of VND26,700/share

We believe power construction will remain a key driver for PC1's long-term growth, underpinned by the government's strong commitment to public investment. However, several risks should be noted: (i) potential delays in power-related projects could weigh on construction revenue growth and (ii) retaliatory tariffs may impact FDI inflows more severely than expected, thereby dampening industrial electricity demand and slowing IP development.

The Thap Vang – Gia Lam residential real estate project is expected to contribute to PC1's bottom line through the end of next year. Meanwhile, despite offering long-term growth potential, IP operations are likely to decelerate in the short to medium term due to the adverse effects of tariff policies. Nickel sales are also projected to decline significantly over the next 2–3 years amid persistent oversupply and falling prices. A potential recovery may begin in 2028, when global supply reduction efforts start yielding results.

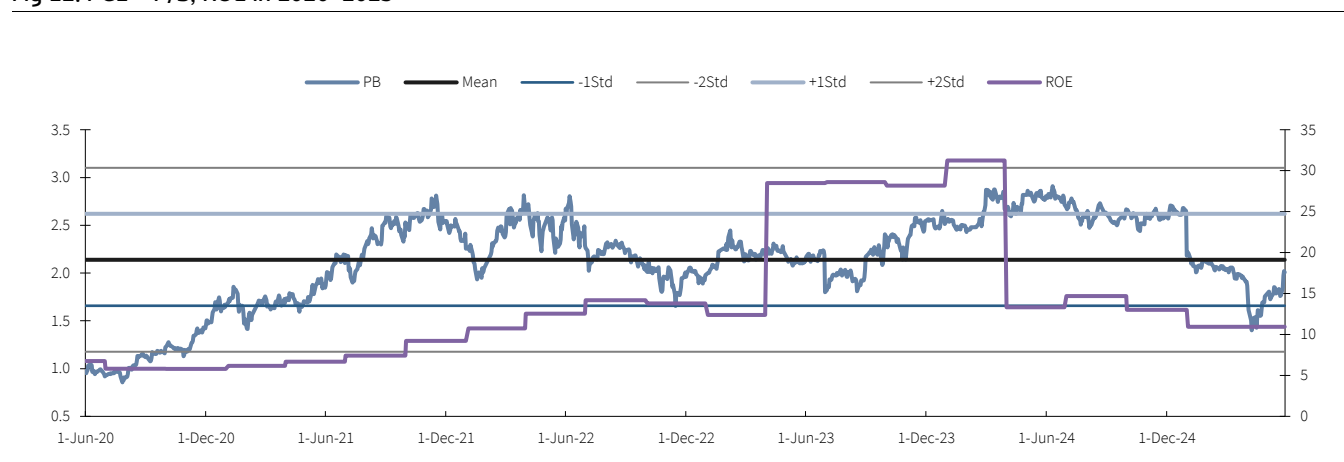
Using the sum-of-the-parts valuation approach for PC1, covering (i) power construction and electric steel pole manufacturing, (ii) power generation, (iii) mining profits, (iv) residential real estate, and (iv) ongoing IP projects, we reiterate BUY for PC1 with a target price of VND26,700 per share, implying an upside of 17.5% from the closing price on June 10, 2025.

Table 11. PC1 – Valuation results

	Valuation method	Value (VNDbn)	PC1's ownership	Contribution to PC1 (VNDbn)
Power construction + Electric steel pole manufacturing	FCFF	2,645	100%	2,645
Power generation	DCF	5,782	100%	5,782
Nickel	DCF	1,148	57.27%	657
Residential real estate	RNAV	478	49%	234
Industrial real estate	RNAV	2,615	50%	1,307
Equity value				10,627
Number of shares outstanding (million shares)				357.64
Fair value (VND)				29700
Conglomerate discount				10%
Target price (VND)				26,700

Source: KB Securities Vietnam

Fig 12. PC1 – P/B, ROE in 2020–2025



Source: Bloomberg, KB Securities Vietnam

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Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of 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 the assessment of sector prospects over the next 6 months)

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

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