

# PC1 Group (PC1)

## Secured by a large backlog

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Analyst Nguyen Ngoc Anh

(+84) 24-7303-5333 anhntn@kbsec.com.vn

**PC1 reached 37% and 36% of full-year profit and revenue targets after 1H25**

In 2Q25, PC1 Group (PC1) posted VND2,935 billion in revenue, 7% lower than that of 2Q24 mainly due to the prolonged downtrend in nickel revenue (VND231 billion vs VND388 billion in 2Q24) and a 7% YoY decrease in energy revenue from lower water reserves. Meanwhile, revenue from the EPC segment increased 32% YoY to VND1,566 billion. In the first six months of the year, the group recorded VND306 billion in NPAT on revenue of VND4,795 billion, equal to 37% and 36% of the full-year respective targets.

**Revenue from EPC bounced back with abundant backlog**

It is expected that EPC segment of PC1 will reach 43%/13% growth YoY in 2025/2026F and maintain stable backlog until 2030 thanks to (1) the government's orientation to promote public investment to achieve the GDP target of over 8%, (2) the revised National Power Development Plan 8 (NPDP8), and (3) the improvement in the financial situation of Vietnam Electricity (EVN).

**The handover of Golden Tower should start from the end of 2025**

The Golden Tower – Gia Lam residential project started construction in October 2024. The project has been on schedule and should start handover from the end of 2025, which may contribute VND100/106 billion in profit to PC1 in 2025/2026F.

**Valuation: BUY rating – Target price VND32,000**

We reiterate our BUY recommendation on PC1 shares with a price target of VND32,000, equivalent to an expected return of 19.6% compared to the closing price on August 29, 2025.

**Buy** maintain

**Target price VND32,000**

Upside	19.6%
Current price (Aug 29, 2025)	VND26,750
Consensus target price	VND29,100
Market cap (VNDtn/USDbn)	9.8/0.4

### Forecast earnings & valuation

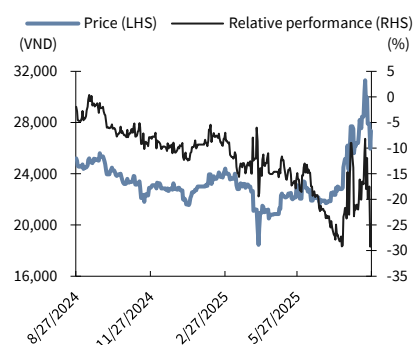
FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	7,694	10,089	11,518	13,320
Operating income/loss (VNDbn)	274	828	956	1,130
NPAT-MI (VNDbn)	36	468	514	608
EPS (VND)	53	1,177	1,219	1,440
EPS growth (%)	-97	2,121	4	18
P/E (x)	516	23	22	19
P/B (x)	1.4	1.3	1.4	1.3
ROE (%)	2.5	9.2	9.5	10.3
Dividend yield (%)	1.3	2.1	1.6	1.9

### Trading data

Free float	59.5%
3M avg trading value (VNDbn/USDmn)	147.6/5.6
Foreign ownership	15.0%
Major shareholder	Chairman Trinh Van Tuan (12.65%)

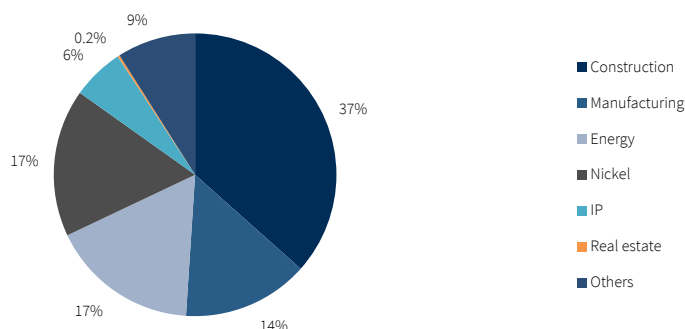
### Share price performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	8.7	18.4	12.1	8.5
<b>Relative</b>	-0.2	-6.1	-15.4	-21.8



Source: Bloomberg, KB Securities Vietnam

## Revenue composition (2024)



Source: PC1 Group, KB Securities Vietnam

## Business operation

PC1 Group (PC1) is a conglomerate operating (i) power construction; (ii) renewable energy; (iii) nickel mining and processing; (iv) industrial real estate; and (v) residential real estate.

## Investment Catalysts

**EPC revenue should gain 43%/16% YoY in 2025/2026**, underpinned by over VND8,000 billion in backlog (as of the end of 1H25).

**The handover of Gia Lam Golden Tower project is poised to start from late 2025**, contributing VND100/106 billion in profit to PC1 in 2025/2026.

**The industrial park segment is still a long-term growth driver with a large land bank** although its valuation may decrease as tariffs delay progress and lower rents.

## Notes

Please see more details below

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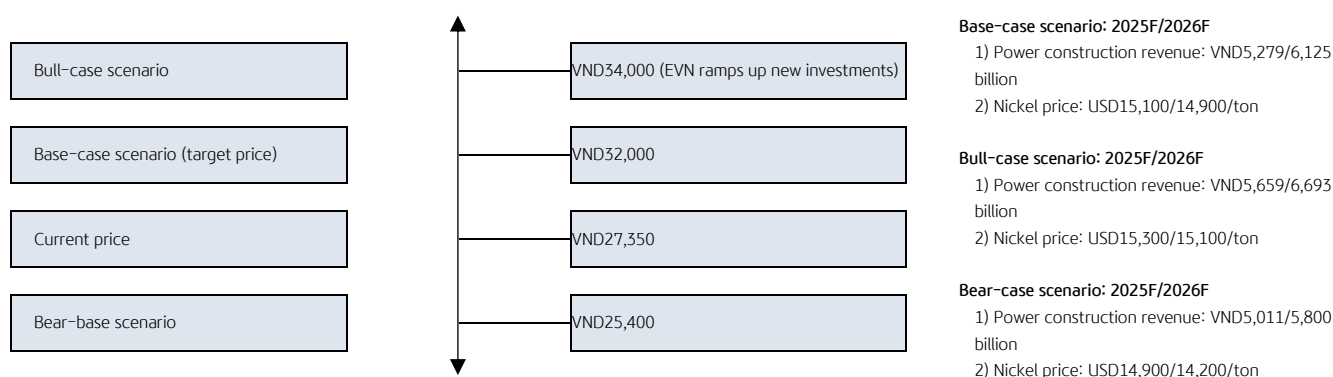
Please find more details [here](#)

## Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	11,518	13,320	+2%	+3%	11,628	13,224	-1%	+1%
EBIT	1,842	2,084	-8%	-7%	1,590	1,915	+16%	+9%
NP after MI	514	608	-7%	-6%	601	804	-14%	-24%

Source: Bloomberg, KB Securities Vietnam

## Investment opinion &amp; risks



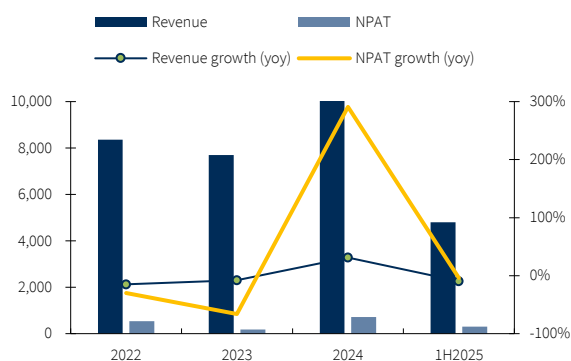
## Business performance

Table 1. PC1 – 1H25 performance updates

(VNDbn, %)	2Q24	2Q25	+/-%YoY	1H24	1H25	+/-%YoY	Notes
<b>Revenue</b>	<b>3,141</b>	<b>2,935</b>	<b>-7%</b>	<b>5,306</b>	<b>4,795</b>	<b>-10%</b>	1H25 revenue reached 36% of 2025 revenue plan (VND13,395 billion).
Power construction	1,188	1,566	32%	1,752	2,296	31%	PC1 started implementing large packages 1H25, including the Con Dao Underground Cable project (VND1,800 billion) and the Lao Cai – Vinh Yen 500kV transmission line project (VND1,675 billion).
Electric steel pole manufacturing	781	534	-32%	1,068	713	-33%	EPC packages including electric pole distribution decreased.
Power generation	393	356	-9%	749	787	5%	
Nickel	388	231	-41%	866	459	-47%	Revenue from nickel showed a steep fall since (1) the average world nickel price in 1H25 dropped 14% YoY to USD15,340/ton, and (2) output decreased due to global oversupply and a shipment that could not complete export procedures in 2Q25 (which will be recorded in 3Q25).
Industrial real estate	154	167	8%	274	300	9%	
Residential real estate	4	4.5	9%	22	9	-61%	There was no new handover revenue recorded.
<b>Gross profit</b>	<b>570</b>	<b>510</b>	<b>-11%</b>	<b>1,008</b>	<b>969</b>	<b>-4%</b>	
<i>Gross profit margin (GPM)</i>	<i>18.1%</i>	<i>17.4%</i>	<i>-77 bps</i>	<i>19.0%</i>	<i>20.2%</i>	<i>120 bps</i>	
Financial income	50	43	-14%	94	81	-14%	
Financial expenses	-267	-227	-15%	-537	-435	-19%	
Shared profits from associates	14	12	-16%	64	-3	-105%	
SG&A	-144	-141	-2%	-248	-249	0%	
Operating income/loss	<b>223</b>	<b>197</b>	<b>-12%</b>	<b>381</b>	<b>362</b>	<b>-5%</b>	
Other income	-2	-4		-2	-5		
Profit before taxes (PBT)	221	193	-13%	378	356	-6%	
<b>Net profit after taxes (NPAT)</b>	<b>190</b>	<b>161</b>	<b>-15%</b>	<b>319</b>	<b>306</b>	<b>-4%</b>	1H25 NPAT was equal to 37% of 2025 profit objective (VND835 billion).
<b>NPAT-MI</b>	<b>159</b>	<b>138</b>	<b>-13%</b>	<b>240</b>	<b>194</b>	<b>-19%</b>	
<i>NPAT margin</i>	<i>5.1%</i>	<i>4.7%</i>	<i>-35 bps</i>	<i>4.5%</i>	<i>4.0%</i>	<i>-48 bps</i>	

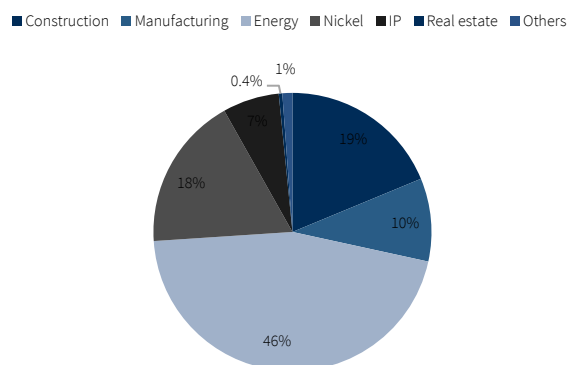
Source: PC1 Group, KB Securities Vietnam

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



Source: PC1 Group, KB Securities Vietnam

Fig 3. PC1 – 2Q25 gross profit breakdown (%)



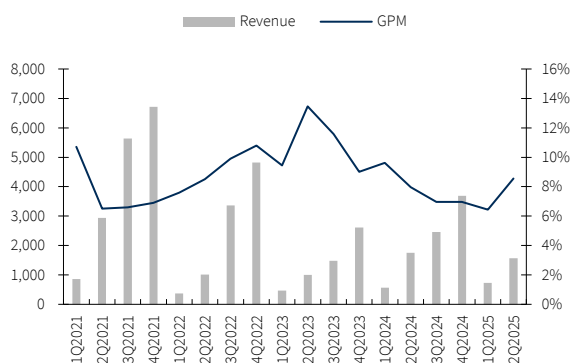
Source: PC1 Group, KB Securities Vietnam

### EPC revenue strongly rebounded on abundant backlog

The EPC segment of PC1 is slated to post revenue growth of 43%/16% YoY in 2025/2026 and maintain a large and stable backlog until 2030, based on:

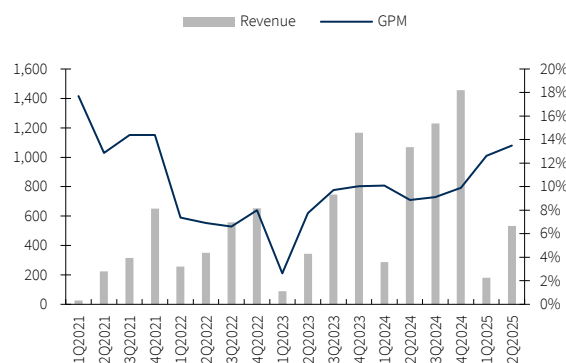
- PC1's backlog at the end of 1H25 was valued at VND8,000 billion. The Government has ramped up the progress of projects as 2025 is the final year of the five-year growth program to reach the GDP growth target of 8.3–8.5%, which will ensure a large backlog for PC1 in the coming time.
- The revised NPDP8 was officially announced with a strong increase in the total capacity of onshore and offshore wind power until 2030, along with the transitional electricity price mechanism and DPPA policy expected to boost the demand for construction and create a huge workload for transmission lines and submarine cables in the long term for PC1.
- The financial situation of EVN, the main customer of PC1, has shown positive signs (reported profit in 2024 reaching VND5,000 billion after more than two consecutive years of losses surpassing VND20 trillion), increasing expectations about the possibility of new investment in power projects.

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



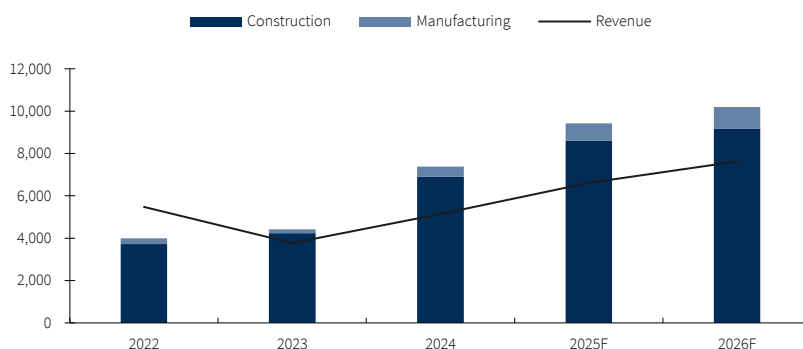
Source: PC1 Group, KB Securities Vietnam

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



Source: PC1 Group, KB Securities Vietnam

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



Source: PC1 Group, KB Securities Vietnam

## The handover of Golden Tower should start from the end of 2025

The Golden Tower – Gia Lam residential real estate project with a scale of 1.5ha in commercial land, including 183 villas and townhouses, has paid land use fees and started construction from October last year. The construction is on schedule, which should help the project be available for handover from the end of 2025. We have changed the forecast for the sales speed of the project as the group lowered its revenue target for the real estate segment. It is expected that Golden Tower – Gia Lam will pump VND100/106 billion into PC1's earnings from 2025/2026F.

In addition to Golden Tower, PC1 has two projects, Gia Lam and Vinh Hung, on the list of pilot projects of Resolution 171. The legal procedures should be completed soon with investment policy approval, so the two may become profitable in the next two or three years.

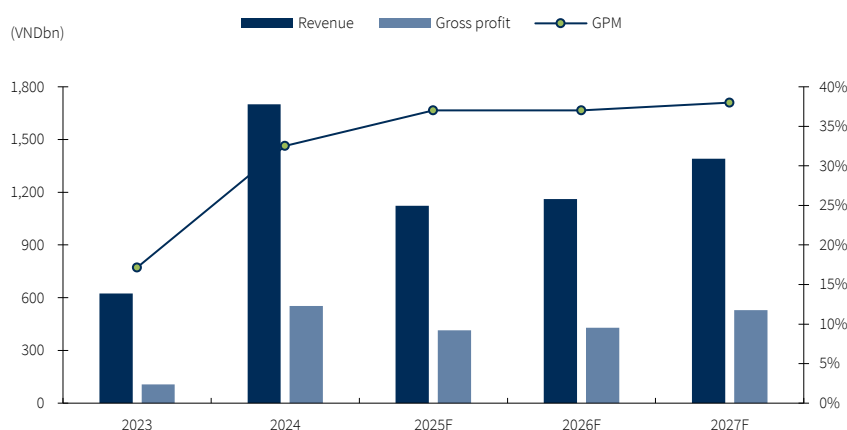
Table 7. PC1 – Ongoing projects

Industrial park project	Investment capital	PC1's ownership	Leasable area	Lease rate (USD/m <sup>2</sup> /lease term)	Leasing from	Progress
Nomura Hai Phong 1		70%	123	120		Leasing in progress, with occupancy rate nearing 100%
	2,783	100%	120	120	2026	– Investment policy approved in late December 2024 – Land clearance on schedule, with construction scheduled to begin from 4Q25 – There is a customer asking to lease 24ha, expected to start leasing from 2026
Nomura Hai Phong 2						
Yen Phong 2A	1,830	18.6%	83	153	2024	Construction being implemented in parallel with sale
Yen Lenh – Ninh Binh	624	30%	45	87	2026	Under construction from 2H24
Yen Lu – Bac Ninh (expansion)	1,543	30%	66	115	2027	– Investment policy granted in July 2024; land clearance currently underway – Construction expected to begin from late 2025
Dong Van 5 – Ninh Binh	2,911	30%	166	90	2026	– Investment policy granted in July 2024; land clearance currently underway – Construction expected to begin from late 2025
Dong Van 6 – Ninh Binh	2,975	30%	172	90	2028	– Investment policy granted in November 2024 – Construction scheduled from late 2025

Source: PC1 Group, KB Securities Vietnam

Fig 8. PC1 – Revenue & profit from nickel in 2025–2027F (VNDbn)

The downtrend in nickel prices has been lasting since the end of 2022, with futures prices on August 26 recording USD15,109/ton (~12% YoY). The trend is forecast to continue (despite at a slower speed compared to the previous forecast thanks to efforts to cut mining quotas from Jakarta) because: (1) oversupply will continue in the next two or three years as processors in Indonesia maintain high output, nickel inventories at LME in August 2025 have increased again to more than 210 thousand tons, touching four-year highs; and (2) demand keeps shrinking on weak industrial activities from China. PC1's average nickel price and production in 2025 are expected to decline in line with the global market, reaching USD15,100/ton and 48 thousand tons, partly offset by improved mining efficiency and a stronger USD.



Source: PC1 Group, KB Securities Vietnam

**PC1 expects to pay 2024 stock dividends at a rate of 15% and issue ESOP shares in 2025**

At the AGM held last April, PC1 approved the plan to increase charter capital by paying stock dividends for 2024 from equity capital. The issuance rate is 15%, equivalent to the par value of over VND536.46 billion. The plan to issue ESOP shares to employees in 2025 has also been passed with up to 10,729,263 shares (or 3% of current charter capital) and a price of VND10,000 apiece.

## Forecast & valuation

Table 9. PC1 – 2024A–2026F financial results

(VNDbn, %)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Assumptions
<b>Revenue</b>	<b>10,078</b>	<b>11,518</b>	<b>14%</b>	<b>13,320</b>	<b>16%</b>	Actual revenue may reach 86% of full-year revenue target (VND13,395 billion). Con Dao underground cable and Vinh Yen – Lao Cai 500kV line projects are expected to be completed and record all revenue in 2025. The Philippines wind mill project should bring revenue from 2025 to 2026.
Power construction	3,686	5,279	43%	6,125	16%	
Electric steel pole manufacturing	1,456	1,329	-9%	1,498	13%	
Power generation	1,706	1,512	-11%	1,518	0%	Hydropower output in 2025/2026 may drop 14%/3% due to the weather gradually moving to neutral phase. Wind power output is stable.
Nickel	1,701	1,122	-34%	1,161	3%	Nickel exports in 2025 may decline to 48 thousand tons from 65 thousand tons in 2024. Average nickel prices in 2025/2026 are expected to reach USD15,100/14,900/ton.
Industrial real estate	599	649	8%	1,001	54%	Nomura 2 begins land lease handover at the end of next year, recording rental revenue for 10ha of industrial park land in 2026.
Residential real estate	24	722	2907%	1,066	48%	Revenue from the handover of Golden Tower – Gia Lam project should be recorded in 2025 – 2026.
<b>Gross profit</b>	<b>2,083</b>	<b>2,254</b>	<b>8%</b>	<b>2,627</b>	<b>17%</b>	
<i>GPM</i>	<i>20.7%</i>	<i>19.6%</i>	<i>-110 bps</i>	<i>19.7%</i>	<i>15 bps</i>	From 2024 to 2025: – GPM of power construction rose from 7% to 8.5% due to increased outsourcing-caused low base in 2024. – GPM of nickel improved significantly from 33% to 37% thanks to PC1's improved mining process to undermine ore loss and the appreciation of the USD. – GPM of the EPC segment decreased slightly from 56% to 55%.
Financial income	186	174	-6%	113	-35%	
Financial expenses	-929	-874	-6%	-941	8%	
Shared profits from associates	45	18	-60%	59	226%	The leasing of Yen Phong 2A Industrial Park slowed down. Yen Lenh and Dong Van 5 Industrial Parks started leasing from the end of 2026, recording revenue for 11ha.
SG&A	-567	-616	9%	-728	18%	
<b>Operating income/loss</b>	<b>818</b>	<b>956</b>	<b>17%</b>	<b>1,130</b>	<b>18%</b>	
Other income	11	12	14%	14	16%	
PBT	829	968	17%	1,144	18%	
<b>NPAT</b>	<b>710</b>	<b>804</b>	<b>13%</b>	<b>949</b>	<b>18%</b>	Actual NPAT may reach 97% of the full-year objective (VND835 billion).
<b>NPAT-MI</b>	<b>468</b>	<b>514</b>	<b>10%</b>	<b>608</b>	<b>18%</b>	
<i>NPAT margin</i>	<i>4.6%</i>	<i>4.5%</i>	<i>-10 bps</i>	<i>4.6%</i>	<i>10 bps</i>	

Source: Bloomberg, KB Securities Vietnam

**We reiterate BUY for PC1 with a target price of VND32,000/share**

We have increased our target price for PC1 compared to our previous report for the following reasons: (i) an increase in the valuation of the EPC segment due to the expectation that PC1 will benefit from EVN's improved financial situation as well as the possibility that PC1 can participate in more offshore wind power projects after becoming the first domestic contractor to construct submarine cables, (ii) an increase in the valuation of nickel due to a significant improvement in GPM after PC1 focused on increasing mining efficiency, and (iii) an increase in the USD exchange rate positively affecting revenue from nickel and industrial parks. 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 industrial park 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, industrial park operations are likely to decelerate in the short to medium term due to the adverse effects of tariff policies.

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 (v) ongoing industrial park projects, we reiterate BUY for PC1 with a target price of VND32,000 per share, implying an upside of 19.6% from the closing price on August 29, 2025.

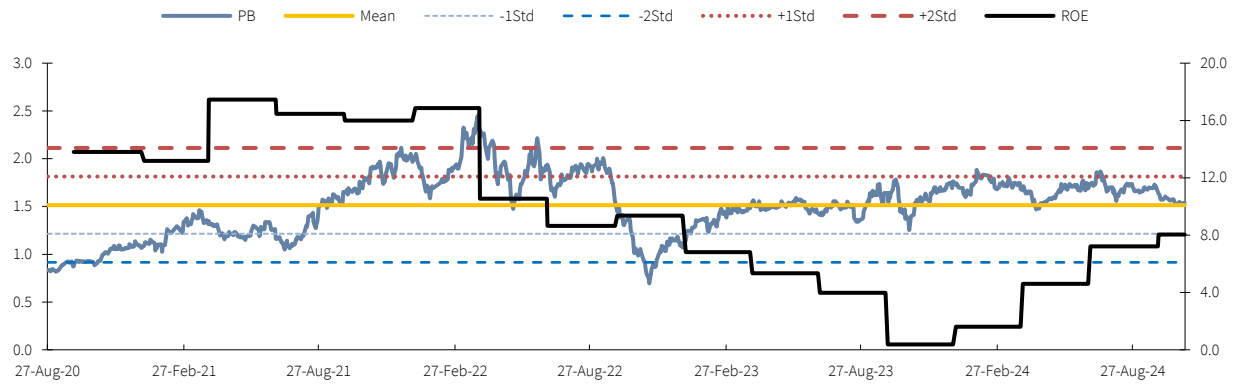
**Table 10. PC1 – Valuation results**

	Valuation method	Value (VNDbn)	PC1's ownership	Contribution to PC1 (VNDbn)
Power construction + Electric steel pole manufacturing	FCFF	3,160	100%	3,160
Power generation	DCF	6,024	100%	6,024
Nickel	DCF	1,066	57.27%	611
Residential real estate	RNAV	511	49%	250
Industrial real estate	RNAV	2,808	50%	1,404
<b>Equity value</b>				<b>11,449</b>
Number of shares outstanding (million shares)				357.64
<b>Target price (VND)</b>				<b>32,000</b>

Source: KB Securities Vietnam



Fig 11. PC1 – P/B & ROE in 2020 – 2025 (x, %)



Source: Bloomberg, KB Securities Vietnam



**KB SECURITIES VIETNAM (KBSV)**

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**Head Office:**

Levels 16&17, Tower 2, Capital Place, 29 Lieu Giai Street, Ba Dinh District, Hanoi, Vietnam

Tel: (+84) 24 7303 5333 – Fax: (+84) 24 3776 5928

**Hanoi Branch:**

Level 1, Office Building, 5 Dien Bien Phu Street, Ba Dinh District, Hanoi, Vietnam

Tel: (+84) 24 7305 3335 – Fax: (+84) 24 3822 3131

**Ho Chi Minh Branch:**

Level 21, Vietinbank Tower, 93-95 Ham Nghi Street, District 1, HCMC, Vietnam

Tel: (+84) 28 7303 5333 – Fax: (+84) 28 3914 1969

**Saigon Branch:**

Level 1, Saigon Trade Center, 37 Ton Duc Thang Street, District 1, HCMC, Vietnam

Tel: (+84) 28 7306 3338 – Fax: (+84) 28 3910 1611

**CONTACT INFORMATION**

Hotline: 1900 1711

Email: [info@kbsec.com.vn](mailto:info@kbsec.com.vn)

Website: [www.kbsec.com.vn](http://www.kbsec.com.vn)

**Investment ratings & definitions**

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**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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