

STOCK PITCH REPORT

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Vinaconex (VCG)

Fueled by real estate projects & public investment

Analyst Nguyen Duong Nguyen
(+84) 24-7303-5333 nguyenn1@kbsec.com.vn

Rating

Target price	VND25,000
Support/Entry 1	VND18,500 – 19,500
Upside 1	28%+
Support/Entry 2	VND17,000 – 18,000
Upside 2	39%+

Note:

Investors need to combine the assessment of market trend, the attractiveness of investment catalysts and risk appetite to manage the stock exposure at each entry level accordingly.

Since the determination of each support/entry level is based on different time frames, we do not provide a fixed Stop Loss. In general, Stop Loss levels should be set tighter for near supports/entries (5–7%) and wider for far supports/entries (10–15%).

Business operation

Vietnam Construction And Import-Export JSC (VCG) is one of the leading enterprises in the construction sector. Its business operations focus on three main areas: (1) Construction, (2) Real Estate (Residential, Industrial Parks, Office Leasing), and (3) Financial Investment (Water Supply, Hydropower, Education, Industrial Production).

INVESTMENT CATALYSTS

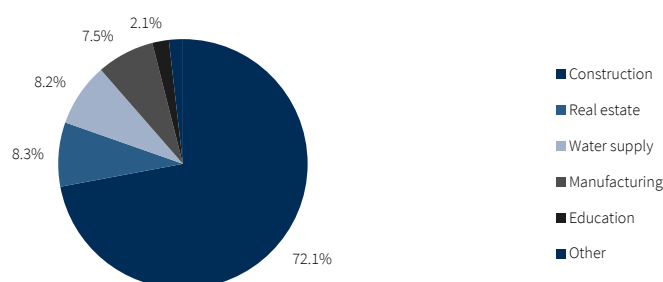
Capitalizing on the record-high public investment disbursement plan

VCG stands as a leading enterprise in the public investment sector, distinguished by its proven construction expertise and a substantially higher bid-winning rate compared to industry peers.

Promising indicators from real estate projects

VCG is poised to realize significant one-off gains from the bulk sale of a portion of the Cat Ba Amatina project in 2025. Furthermore, management anticipates that the Vinaconex Diamond Tower and the Hoa Binh Avenue Urban Area projects will jointly contribute VND200 billion out of the projected VND500 billion in profits for VCG this year.

Revenue composition (2024)

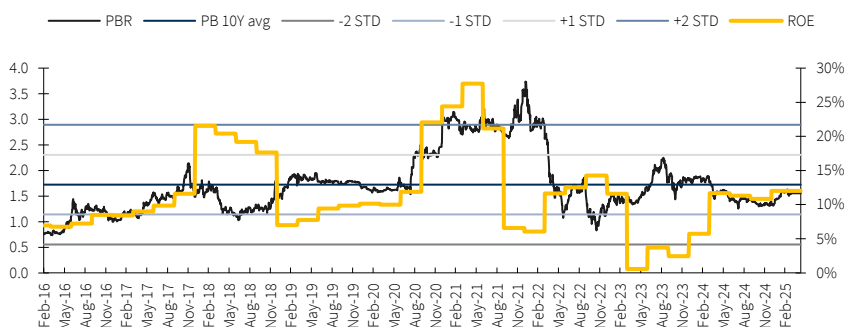


Source: Vinaconex, KB Securities Vietnam

Stock price relative comparison

VCG's current PBR stands at 1.6x, approximately 0.8 standard deviations below its 5-year average. In the 2025–2026 period, assuming the successful transfer of the Cat Ba Amatina project, we expect VCG's ROE to improve to around 15% from the current trailing twelve months (TTM) ROE of 12%.

P/B and ROE



Source: Bloomberg, KB Securities Vietnam

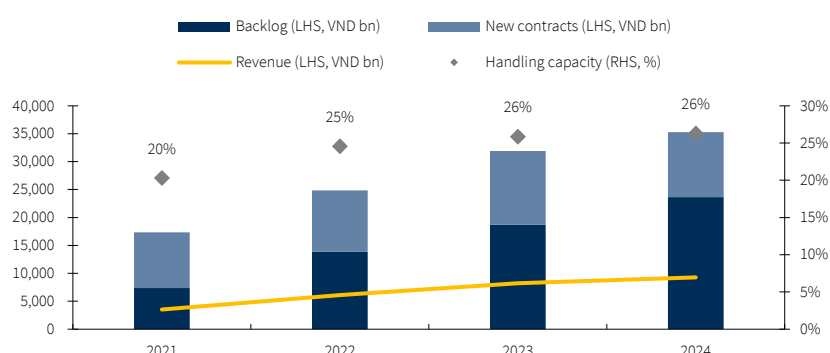
Investment catalysts

1. Capitalizing on the record-high public investment disbursement plan

VCG's construction backlog from contracts at the close of 2024 stood at over VND26,000 billion

The construction backlog of VCG is predominantly composed of public investment contracts, constituting 97% of the total. This backlog represents 2.8 times VCG's 2024 construction revenue, underscoring substantial growth potential in construction revenue for 2025–2026. KBSV forecasts VCG's construction revenue to reach VND10,220 billion in 2025 (+10% YoY), with 45% of its construction contracts anticipated for completion and handover within the year.

Fig 1. VCG – Construction backlog, revenue, new contracts, handling capacity (VNDbn, %)



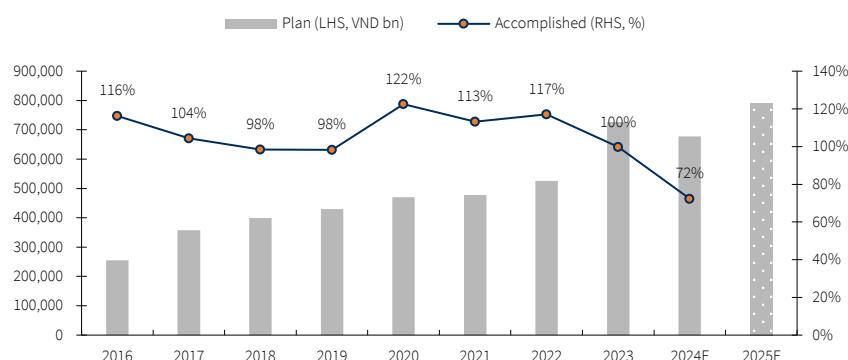
Source: Vinaconex, KB Securities Vietnam

Public investment is projected to be a major impetus for economic growth in the immediate future

Since the start of 2025, the Vietnamese Government has set an ambitious public investment disbursement target of over VND790.7 trillion (+17% YoY), with the aim of supporting the targeted 8% GDP growth for the year. However, data from the Ministry of Finance indicates that public investment disbursement in the first four months of 2025 reached VND129 trillion, achieving only 14% of the annual target (compared to over 15% during the corresponding period in 2024). Notably, disbursement progress has demonstrated month-over-month improvement. We anticipate an acceleration in public investment disbursement from 2Q2025 onward, as over 93% of the allocated capital had been detailed and assigned by the end of March 2025. In addition, the amended Public Investment Law is expected to streamline the documentation process and expedite site clearance and capital arrangement in the near term (Please refer to Table 09 in our [2025 Construction Sector Outlook Report](#) for further details).

Considering the detrimental effects of US retaliatory tariffs on economic growth, we view the acceleration of public investment disbursement as a highly feasible and effective economic stimulus measure for the 2025–2026 period.

Fig 2. Vietnam – Public investment disbursement rate & plan



Source: Ministry of Finance, KB Securities Vietnam

VCG's strong track record in securing major project bids sets it apart from industry peers

Looking back at its track record, we note that VCG has consistently participated in key bidding packages, most notably in the Long Thanh Airport megaproject, where VCG's consortium won the largest contract (Package 5.10). The company demonstrates strong bidding capabilities in the public investment sector, supported by an impressive portfolio in large-scale projects and a sound financial structure.

Table 3. VCG – Participation in key projects

Project	Bid package	Type of construction	Investment cost (VNDbn)	Backlog (VNDbn)	Participation	Execution time
Long Thanh Airport – Phase 1	3.4	Airport	4,412	1,235	28%	Jan 27, 2022 – Mar 31, 2025
Long Thanh Airport – Phase 1	4.6	Airport	7,244	1,415	20%	Aug 28, 2023 – Jul 31, 2025
Noi Bai Airport – Terminal 2 expansion	12	Airport	4,601	2,687	58%	Apr 24, 2024 – Mar 10, 2026
Long Thanh Airport – Phase 1	4.7	Airport	6,268	1,166	19%	Sep 15, 2024 – Aug 11, 2026
Long Thanh Airport – Phase 1	5.10	Airport	27,800	3,924	14%	Aug 28, 2023 – Nov 30, 2026
Van Phong – Nha Trang	XL02	Expressway	3,314	1,036	31%	Dec 26, 2022 – Oct 11, 2025
Bai Vot – Ham Nghi	11-XL	Expressway	6,044	3,035	50%	Dec 26, 2022 – Oct 11, 2025
Vung Ang – Bung	XL01	Expressway	4,766	1,439	30%	Feb 12, 2023 – Nov 28, 2025
Ring Road 4 – Hanoi	09/TP2-XL	Expressway	1,816	1,816	100%	Jun 16, 2023 – Jun 9, 2026
Ring Road 3,5 – Thang Long Boulevard	28	Expressway	1,620	1,364	84%	Dec 24, 2024 – Sep 20, 2027

Source: KB Securities Vietnam

2. Promising indicators from real estate projects

VCG disclosed its plan to sell a portion of the Cat Ba Amatina project

At the General Shareholders' Meeting, management disclosed that Vinaconex – ITC (UPCOM: VCR, 51% owned by VCG) is currently in negotiations with a partner to bulk-sell a portion of the Cat Ba Amatina resort project (total investment of VND10.9 trillion) to secure cash flow and funding for future developments. We consider this a prudent decision given the absence of a clear recovery in the resort real estate market. However, VCG will require additional time to finalize a sale price and select a suitable partner. The transaction is expected to close in 2025 and is anticipated to generate a substantial one-off profit for the year. As of 1Q2025, the book value of the Cat Ba Amatina project stood at VND5,587 billion, representing 19% of VCG's total assets.

Fig 4. VCG – Cat Ba Amatina project



Source: Vinaconex, KB Securities Vietnam

Active real estate projects offer potential for sustained earnings growth over the medium term

In 2025, VCG's management estimates that 70% of the company's profit will come from the real estate segment. Notably, the Green Diamond project recognized 80% of its revenue in 2024, with the remaining 20% scheduled for recognition in 2025. This year, profits are expected to be driven mainly by Vinaconex Diamond Tower and Hoa Binh Avenue Urban Area, contributing ~VND200 billion and VND500 billion, respectively (Table 5).

Table 5. VCG – Real estate projects

Project	Area (ha)	Investment cost (VNDbn)	Products	Note
Residential real estate				
Green Diamond	0.5	1,861	- Commercial leasing and office for lease: 11 ha	The remaining 20% of revenue recognized in 2025
			- Condos for sale: 224 units	
Hoa Binh Avenue Urban Area	48.8	2,256	- Villas: 84 units	Infrastructure construction completed, not yet on sale
			- Townhouses: 69 units	
			- Shophouses: 105 units	
Hai Yen Urban Area	43.8	1,154	- Villas: 35 units	Infrastructure construction completed, not yet on sale
			- Townhouses: 375 units	
			- Shophouses: 372 units	
Thien An Urban Area	35.5	589	- 792 land lots	Investment permit horizon extended to April 2026
Ngan Cau Urban Area	32.7	594	- N/A	N/A
Resorts				
Cat Ba Amatina	172.4	10,942	- N/A	Infrastructure completed, VCG plans to bulk sell a portion in 2025
Tam Ky – Quang Nam	9.4	2,000	- N/A	Legal procedures being finalized
Tuy Hoa – Phu Yen	2.0	N/A	- N/A	Legal procedures being finalized
Office for lease				
Vinaconex Diamond Tower	1.1	1,507	- Office for lease: 36 ha	Currently selling 13 out of 20 floors, with 9 floors sold
			- Commercial leasing: 31 ha	
Capital One	1.3	3,900	- Office for lease: 52.5 ha	Under construction
			- Hotel: 400 rooms	
Industrial parks				
Hoa Lac 2 IP	277	1,317	- Leasing area: 188 ha	40% leased, construction ongoing for the remaining area
Dong Anh IP	299.5	6,338	- N/A	Waiting for approval of the 1:2000 zoning plan
Son Dong IP	72.5	1,268	- Leasing area: 40 ha	Under construction

Source: Vinaconex, KB Securities Vietnam

Risks

Potential construction delays that may impact revenue recognition

Given its frequent involvement in large-scale bidding packages, VCG may encounter implementation delays, which could postpone project acceptance, handover, and revenue recognition—particularly as public investment projects face pressure to accelerate timelines while resources are dispersed across multiple sites.

Possible delay in the transfer of the Cat Ba Amatina project

As the Cat Ba Amatina project accounts for 19% of VCG's total assets, the bulk sale of a portion of it would unlock capital and provide momentum to fuel growth in other Vinaconex projects. However, if the transfer does not proceed as initially planned, the stock price could come under pressure, as we believe the market has already partially priced in the transaction based on recent trading activity.

KB SECURITIES VIETNAM RESEARCH

Research Division

research@kbsec.com.vn

Nguyen Xuan Binh – Head of research

binhnx@kbsec.com.vn

Financials**Nguyen Anh Tung – Manager**

tungna@kbsec.com.vn

Pham Phuong Linh – Analyst

linhpp@kbsec.com.vn

Consumer**Nguyen Duc Quan – Analyst**

quannd@kbsec.com.vn

Nguyen Hoang Duy Anh – Analyst

anhnhd@kbsec.com.vn

Real Estate**Pham Hoang Bao Nga – Manager**

ngaphb@kbsec.com.vn

Nguyen Thi Trang – Analyst

trangnt6@kbsec.com.vn

Industrials & Materials**Nguyen Duong Nguyen – Senior analyst**

nguyennd1@kbsec.com.vn

Nguyen Thi Ngoc Anh – Analyst

anhntn@kbsec.com.vn

Macro & Strategy**Tran Duc Anh – Head of macro & strategy**

anhtd@kbsec.com.vn

Nghiem Sy Tien – Analyst

tienss@kbsec.com.vn

Nguyen Dinh Thuan – Analyst

thuannd@kbsec.com.vn

Energy, Utilities & IT**Nguyen Viet Anh – Analyst**

anhnv3@kbsec.com.vn

Support Team**Nguyen Cam Tho – Assistant**

thonc@kbsec.com.vn

Nguyen Thi Huong – Assistant

huongnt3@kbsec.com.vn

KB SECURITIES VIETNAM (KBSV)

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

Website: www.kbsec.com.vn

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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