STRATEGY REPORT

October 10th, 2024

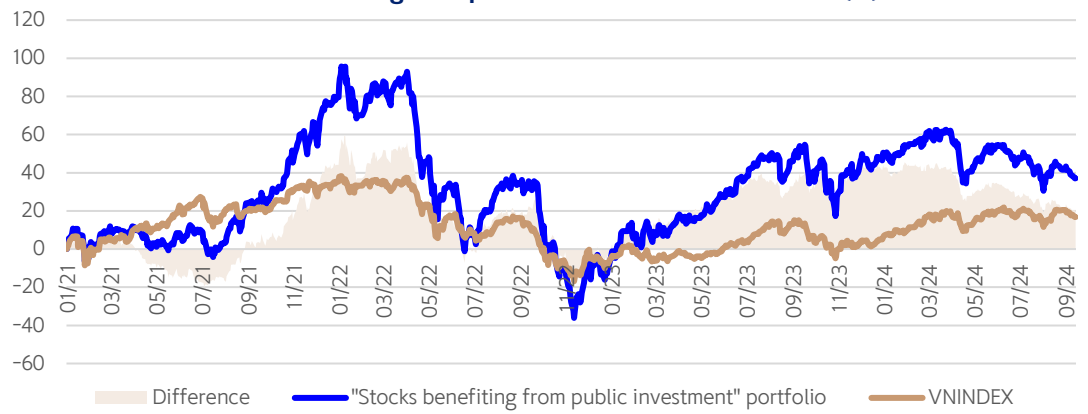
Stocks benefiting from public investment

Return of portfolio	Return of VN-Index
↑ +0.3% MoM	↑ +0.79% MoM
↓ -4.63% YTD	↑ +14.33% YTD

"Promoting public investment disbursement by the end of 2024"

- In the first 9M2024, GDP grew 6.82%, with the industrial and construction sector demonstrating the most significant expansion at 8.19%. This sector accounted for 46.22% of the total GDP. Public investment is recognized as a key catalyst for driving economic growth.
- Accumulated 9M2024, public investment disbursement reached VND 320,566 billion, accomplishing 47.29% of the plan assigned by the Prime Minister. The disbursement rate and value of public investment disbursement in the first 8 months of the year were lower than last year's period. In response, the government issued Official Dispatch No. 104/CD-TTg dated October 8, 2024, to urge the promotion of public investment capital in the last months of 2024.
- We expect public investment disbursement to be strongly implemented by the end of 2024, in which the construction sector and industrial park will benefit from increased infrastructure investment spending.
- With the strong infrastructure investment in the Southern regions, we added some stocks in the industrial park sector, such as IDC, SZC, and BCM, and eliminated some stocks with negative business results (PLC, FCN).

Returns of the portfolio "Stocks benefiting from public investment" and VN-Index (%)



Portfolio analysis

	Portfolio	VN-Index
P/E(x)	16.25	14.22
P/B (x)	1.16	1.72
Dividend yield (%)	1.92	1.93
EPS growth (5Y) (%)	17.34	9.25
ROE (%)	7.47	12.64
ROA (%)	2.36	1.99
Beta	1.39	1.00
Return (annualized) (%)	0.77	14.82
Std (%)	25.31	15.78
Sharpe ratio	0.04	0.84

Data as of October 10th, 2024 Sources: SSV, Bloomberg

Strategy overview

The portfolio "Stocks benefiting from public investment" is created with stocks that directly join the government's infrastructure development. We select stocks in the portfolio with the following criteria:

- Operating in sectors that have benefited strongly from public investment.
- Having strong experience and expertise in the industry.
- Long-term growth potential.

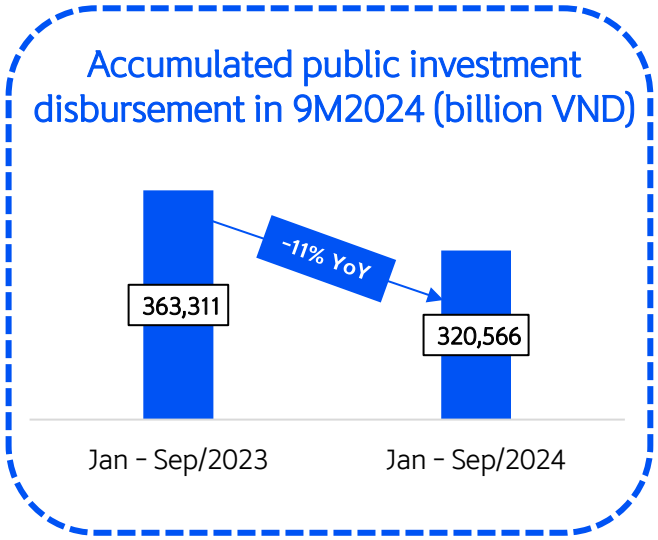
Tien Le
☎ (84-28) 6299-4233
✉ tien.ld@shinhan.com

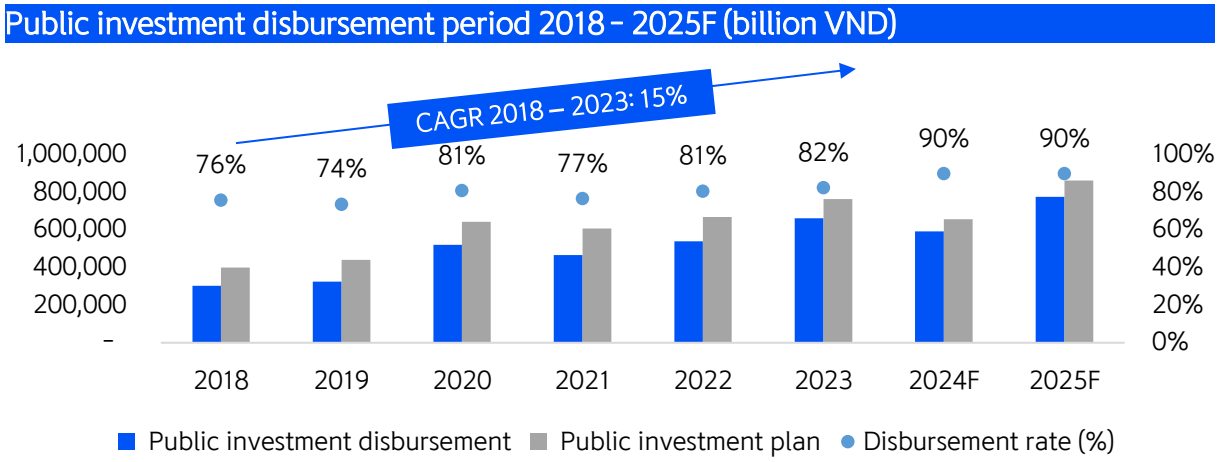
Following SSV's Zalo, Catching the latest report

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Performance disclosures:
The Portfolio's return and characteristics are calculated based on individual securities in the Portfolio as of the date of report. Securities in the Portfolio are subject to change, then past performance is not indicative of future return.
For Analyst Certification and Disclaimers, please refer to the Important Disclosures at the end of this report.

Public investment promotes infrastructure development





Source: Ministry of Finance, Shinhan Securities Vietnam

- The Ministry of Finance's report showed that the estimated disbursement of public investment 9M2024 was about VND 320,566 billion (-11% YoY), reaching 47.29% of the plan assigned by the Prime Minister. The disbursement rate in 9M2024 decreased compared to 9M2023, falling from 51.38% to 47.29%. To promote the disbursement of public investment, the Government issued Official Dispatch No. 104/CD-TTg dated October 8, 2024, to urge the promotion of public investment capital in the last months of 2024.
- According to Decision No. 1603/QD-TTg, the public investment plan for 2024 is VND 657,349 billion, (-14% YoY), and the disbursement rate in 2024 according to the plan is expected to reach 95%. Based on Resolution No. 29/2021/QH15, with a total plan for the 2021-2025 period of VND 2,870 trillion, we estimate that the disbursement plan for 2025 will be at the same level as in 2024.
- The year 2024 is considered the year to promote the construction of infrastructure projects when important infrastructure projects such as the North-South Expressway Phase 2, Ring Road 3, Ring Road 4, and Long Thanh Airport Phase 1 have completed bidding and started construction in 2H2023.

Key public investment projects

Name of project	Time	Total investment (billion VND)	Investment situation of projects
North-South Expressway Phase 1	2017 – 2024	118,716	Completed the construction
North-South Expressway Phase 2	2023 – 2025	146,990	All 12 component projects of phase 2 have completed bidding and started construction in 2023
Ring Road 3 (Ho Chi Minh City)	2022 – 2026	75,378	The project has started construction since June 2023 and is expected to be completed in June 2026. However, due to issues related to site clearance in Binh Duong, the progress is still behind schedule.
Ring Road 4 (Hanoi)	2022 – 2026	85,813	The project has started construction since June 2023 and is expected to be completed in June 2026. As of April 2024, the total investment capital for the project is about VND 12,600 billion, the construction progress has reached 8.9%.
Long Thanh Airport Phase 1	2020 – 2025	114,451	According to a representative of Vietnam Airports Corporation (ACV), the progress of the Long Thanh International Airport construction project is following the plan

Source: Ministry of Transport, Shinhan Securities Vietnam

Disbursement status of public investment projects

Name of project	Disbursement plan in 2024 (billion VND)	Accumulated disbursement to July 31, 2024 (billion VND)	Disbursement rate (%)
North-South Expressway Phase 1	6,534	2,560	39.2%
North-South Expressway Phase 2	30,099	16,837	55.9%
Khanh Hoa – Buon Ma Thuot Expressway Phase 1	4,697	1,680	35.8%
Bien Hoa – Vung Tau Expressway Phase 1	6,489	1,286	19.8%
Chau Doc – Can Tho – Soc Trang Expressway Phase 1	10,734	4,636	43.2%
Ring Road 4 – Hanoi	9,805	1,642	16.7%
Ring Road 3 – Ho Chi Minh City	21,540	2,234	10.4%
Ho Chi Minh Road	4,575	1,868	40.8%
Total	**94,474**	**32,744**	**34.7%**

Infrastructure projects connect industrial parks



Infrastructure projects contribute to industrial park development

Strong investment for infrastructure projects in the period 2020 – 2030

- A total of VND1,874 trillion will be invested in infrastructure projects nationwide in the 2021-2030 period. Of which, road infrastructure accounts for 48% of the state budget.
- According to statistics, in the 2000-2021 period, the country invested in and put into operation 1,163 km of highways. The government has set a target that by 2025, the country will have about 3,000 km of highways, more than double the current figure, and plans to reach 5,000 km of highways by 2030.

Infrastructure projects help connect the country effectively and attract FDI capital

- Infrastructure projects are critical in attracting foreign companies to invest in Vietnam. Increased investment in infrastructure enhances connectivity within the country, thereby improving the efficiency of domestic transportation of goods and raw materials. This, in turn, boosts production efficiency and reduces costs. Moreover, well-developed infrastructure facilitates better links to key seaports and airports, further supporting export growth.

Source: Ministry of Transport, Shinhan Securities Vietnam

"Stocks benefiting from public investment" portfolio

Shinhan Securities

Top picks

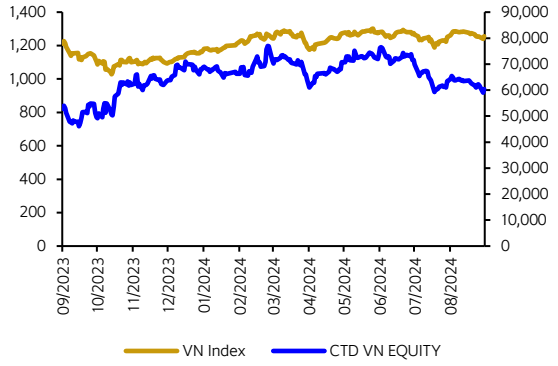
General info					Share price					Key financials(**)				Valuation 25F	
No.	Ticker	Company name	Sector	Mkt Cap (VND bn)	CP (VND)	TP* (VND)	Upside (%)	1M (%)	YTD (%)	NPM (%)	D/E (x)	ROA (%)	ROE (%)	P/B (x)	P/E (x)
1	CTD	Coteccons Construction JSC	Construction	6,186	61,900	77,300	25%	-5%	-14%	1%	0.18	1%	4%	0.7	18.8
2	HPG	Hoa Phat Group JSC	Steel	174,298	27,250	34,000	25%	-1%	-2%	8%	0.67	6%	11%	1.3	9.1
3	VCG	Vietnam Construction and Import-Export Joint Stock Corporation	Construction	11,014	18,400	23,800	29%	-1%	-17%	7%	0.83	3%	11%	1.2	13.1
4	HHV	Deo Ca Transport Infrastructure Investment JSC	Construction	5,165	11,950	15,300	28%	1%	-21%	14%	2.01	1%	4%	0.7	13.8
5	LCG	Lizen JSC	Construction	2,085	10,800	14,000	30%	0%	-8%	6%	0.35	3%	6%	0.8	13.5
6	C4G	CIENCO4 Group Corporation	Construction	3,144	8,800	11,300	28%	-4%	-24%	6%	0.76	2%	5%	0.8	11.3
7	IDC	IDICO Corporation	Industrial Parks	18,612	56,400	64,800	15%	-4%	19%	26%	0.50	11%	38%	2.3	10.0
8	SZC	Sonadezi Chau Duc JSC	Industrial Parks	6,713	37,300	43,500	17%	-5%	-1%	30%	0.86	4%	12%	2.4	15.6
9	BCM	Industrial Development and Investment Corporation	Industrial Parks	70,691	68,300	80,900	18%	-1%	12%	33%	1.08	5%	15%	3.3	35.5

* Target price (fair value) for the next 12 months
** Data for 12 months up to Q2/2024

Source: SSV Research, Bloomberg
Data as of October 10th, 2024

Coteccons Construction Joint Stock Company (CTD VN)

Target price (12 months)	77,300 VND
Current price (10/10/2024)	61,900 VND
Return (%)	25%
VN-INDEX	1,286
Market P/E (x)	11.3
Market Cap (bn VND)	6,186
Outstanding shares (mn)	100
Free-Floating (mn)	66
52-Wk High (VND)	75,700
52-Wk Low (VND)	27,000
90-day avg. Trading Vol (mn)	1.86
90-day avg turnover	122
Beta (12M)	1.6
Major shareholders (%)	Kustocem Pte. Ltd 18.56%
	Thanh Cong Investment and Business Company Limited 14.93%



Investment points:

Coteccons Construction Joint Stock Company (HoSE: CTD) was formerly the Construction and Installation Division of the Construction Engineering and Construction Materials Company - Construction Materials Corporation No. 1 - under the Ministry of Construction. The company was officially established on August 24, 2004. With experience and capacity to execute large projects, CTD is considered the leading construction contractor according to the 2023 report of Viet Nam Report.

By the end of the 2024 fiscal year (July 1, 2023 - June 30, 2024), Coteccons Construction Joint Stock Company (CTD) reported net revenue of VND 21,045 billion (+31% YoY). The company's profit after tax surged to VND 299 billion, representing a 4.4 times rise compared to the same period in the previous year. This significant profit growth was driven by an improvement in the gross profit margin (from 2.2% in 2023 to 3.3% in 2024). In 2024, CTD provisioned 100% for bad debts related to Saigon Glory Company Limited, further enhancing its bad debt provision ratio throughout the year.

By the end of Q2/2024 (corresponding to Q4/2024), the total backlog value of Coteccons Construction Joint Stock Company reached VND 24,000 billion, contributing to future revenue for Coteccons.

With the prospect of public investment projects being accelerated in 2024 and the real estate market recovering thanks to the Land Law, Housing Law, and Real Estate Business Law taking effect from August 1, 2024, we estimate CTD's revenue in 2025 to reach VND 22,518 billion (+7% YoY), profit after tax to reach VND 331 billion (+11% YoY).

Risks:

(1) Risk of slow implementation of public investment projects;

(2) Fluctuations in construction material prices;

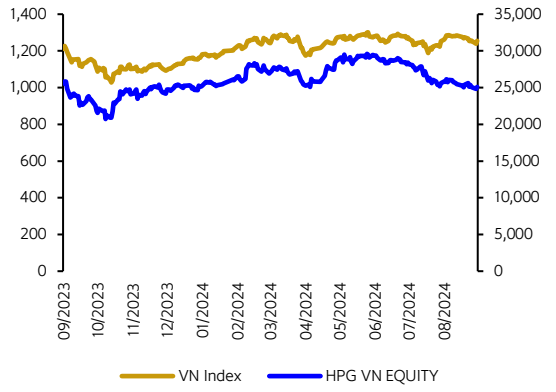
(3) Economic downturn affecting civil construction.

Year to Dec	2020	2021	2023	2024	2025F
Revenue (VND bn)	14,558	9,078	16,528	21,045	22,518
OP (VND bn)	201	-241	28	132	180
OP margin (%)	1.4	-2.7	0.2	0.6	0.8
NPATMi (VND bn)	334	24	188	299	331
NP margin (%)	2.3	0.3	1.1	1.4	1.5
EPS (VND)	3,123	242	686	3,216	3,310
ROE (%)	3.8	0.3	2.3	3.5	3.8
P/E (x)	18.7	339	75.3	21.8	18.8
P/B (x)	0.7	1.0	0.6	0.8	0.7

Source: Bloomberg, Shinhan Securities, Date as of 10/10/2024

Hoa Phat Group JSC
(HPG VN)

Target price (12 months)	34,000 VND
Current price (10/10/2024)	27,250 VND
Return (%)	25%
VN-INDEX	1,286
Market P/E (x)	11.3
Market Cap (bn VND)	174,298
Outstanding shares (mn)	5,815
Free-Floating (mn)	2,680
52-Wk High (VND)	31,400
52-Wk Low (VND)	19,850
90-day avg. Trading Vol (mn)	26.00
90-day avg turnover	740
Beta (12M)	1.4
Major shareholders (%) Tran Dinh Long	25.80%
Dragon Capital	7.65%



Investment points:

Hoa Phat Group Joint Stock Company (HoSE: HPG) was established in August 1992, starting as a construction machinery trading company and then gradually expanding to other fields such as interior, steel pipes, construction steel, refrigeration, real estate, and agriculture.

Hoa Phat's core business is Steel, contributing over 90% of the group's revenue and profit. Hoa Phat's main steel products include construction steel, hot rolled coil - HRC, steel billets, steel pipes, and galvanized steel, of which construction steel currently contributes 59% of the total steel consumption output of all types. Hoa Phat holds presently the largest market share in the construction steel segment (35%) and steel pipes (29%).

Hoa Phat Group recorded net revenue in 6M/2024 of VND 70,408 billion (+26% YoY), with profit after tax achieved VND 6,188 billion, 3.38 times higher than the same period. Total steel consumption output in 6 months reached 4.31 million tons (+48% YoY), of which construction steel output amounted to about 2.2 million tons, and HRC steel reached 1.52 million tons. Hoa Phat's gross profit margin increased from 10.83% in Q2/2023 to 13.27% in Q2/2024. HPG's business results have had positive results due to: (1) Consumption output continuously improved, (2) Hoa Phat has liquidated all old inventories at high prices, (3) The average coking coal price in 2023 has decreased by about 37%, thereby reducing production costs.

Looking ahead to 2024, we project revenue to reach VND 137,922 billion (+16% YoY), with profit after tax expected to rise to VND 9,796 billion (+43% YoY). This growth is supported by the expected rise in public investment and the recovery of the real estate market. The sales volume of construction steel and hot-rolled coil (HRC) steel is anticipated to reach 6.9 million tons, reflecting a 6% YoY increase. Additionally, the gross profit margin is forecasted to improve from 10.88% in 2023 to 14.81% in 2024.

Risks:

(1) Risk of economic recession affecting steel consumption demand;

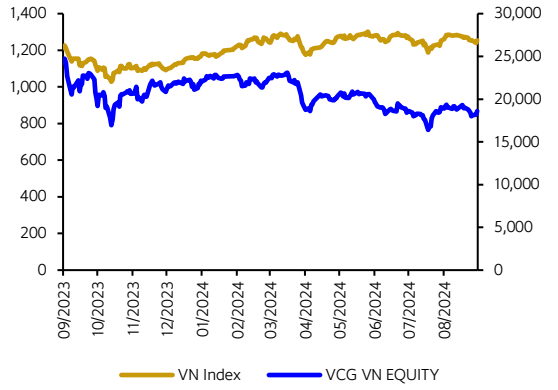
(2) Risk of falling steel prices.

Year to Dec	2021	2022	2023	2024F	2025F
Revenue (VND bn)	149,680	141,409	118,953	138,266	180,182
OP (VND bn)	37,664	13,078	9,669	12,707	18,339
OP margin (%)	25.2	9.2	8.1	9.2	10.2
NPATMi (VND bn)	34,478	8,484	6,835	11,365	16,540
NP margin (%)	23.0	6.0	5.7	8.3	9.2
EPS (VND)	5,512	1,452	1,175	1,954	2,844
ROE (%)	42.8	9.0	6.9	9.5	11.4
P/E (x)	6.5	12.4	23.8	13.2	9.1
P/B (x)	2.3	1.1	1.7	1.4	1.3

Source: Bloomberg, Shinhan Securities, Date as of 10/10/2024

Vietnam Construction and Import-Export JSC (VCG VN)

Target price (12 months)		23,800 VND
Current price (10/10/2024)		18,400 VND
Return (%)		29%
VN-INDEX		1,286
Market P/E (x)		11.3
Market Cap (bn VND)		11,014
Outstanding shares (mn)		534
Free-Floating (mn)		284
52-Wk High (VND)		29,650
52-Wk Low (VND)		17,045
90-day avg. Trading Vol (mn)		7.49
90-day avg turnover		168
Beta (12M)		1.5
Major shareholders (%)	Pacific Holdings Investment JSC	45.14%
	Amersham Industries Limited	2.73%



Investment points:

Vietnam Construction and Import-Export Joint Stock Corporation (HoSE: VCG), formerly Foreign Construction and Services Company, was established on September 27, 1988. Vinaconex's main business areas include construction (accounting for about 72% of total revenue) and real estate (accounting for about 14% of total revenue). According to Vietnam Report, Vinaconex was voted one of the top 4 prestigious construction contractors in 2023.

In 6M2024, VCG reported net revenue of VND 5,455 billion (-16.5% YoY), while its profit after tax surged to VND 645 billion, 3.64 times higher compared to the same period last year. The gross profit margin also increased significantly, from 12.4% in 6M2023 to 20% in 6M2024. Additionally, VCG made substantial progress in reducing its total debt, which decreased from VND 13,351 billion in Q2/2023 to VND 8,920 billion in Q2/2024. This led to a 40% reduction in interest expenses compared to the previous year.

We estimate VCG's revenue in 2024 to reach VND 13,228 billion (+4% YoY), and profit after tax to reach VND 446 billion (+18% YoY), mainly thanks to projects that VCG signed in 2023 with a total value of VND 13,200 billion such as some component projects of the North-South Expressway Phase 2 (Bai Vot - Ham Nghi (VND 6,044 billion), Vung Ang - Bung (VND 5,300 billion), Quy Nhon - Chi Thanh (VND 3,055 billion)) and component projects of Long Thanh Airport (package 4.6 (VND 7,038 billion), package 5.10 (VND 35,000 billion)). In addition, in 2024, through a consortium, VCG has just won the bid to expand Terminal T2, Noi Bai International Airport, with a total investment of nearly VND 4,600 billion.

Risks:

(1) Risk of slow implementation of public investment projects;

(2) Fluctuations in construction material prices;

(3) High-interest expenses;

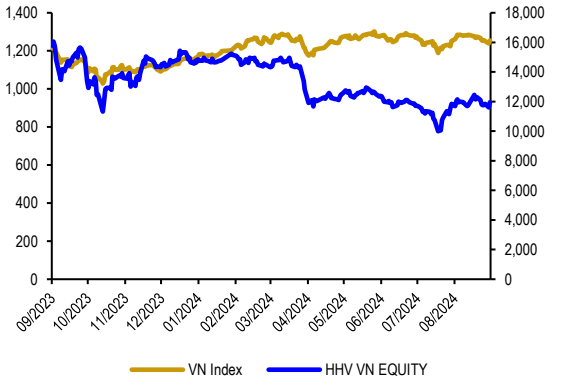
(4) Economic downturn affects the real estate sector.

Year to Dec	2021	2022	2023	2024F	2025F
Revenue (VND bn)	5,749	8,453	12,705	11,657	12,240
OP (VND bn)	655	637	1,084	1,483	1,588
OP margin (%)	11.4	7.5	8.5	12.7	13.0
NPATMi (VND bn)	394	782	378	966	1,056
NP margin (%)	6.9	9.3	3.0	8.3	8.6
EPS (VND)	721	1,461	645	1,807	1,976
ROE (%)	5.9	11.6	5.4	10.4	10.8
P/E (x)	59.3	10.7	38.3	14.3	13.1
P/B (x)	3.4	1.2	1.8	1.3	1.2

Source: Bloomberg, Shinhan Securities, Date as of 10/10/2024

Deo Ca Transport Infrastructure Investment JSC (HHV VN)

Target price (12 months)		15,.300 VND
Current price (10/10/2024)		11,950 VND
Return (%)		28%
VN-INDEX		1,286
Market P/E (x)		11.6
Market Cap (bn VND)		5,165
Outstanding shares (mn)		432
Free-Floating (mn)		324
52-Wk High (VND)		16,545
52-Wk Low (VND)		9,810
90-day avg. Trading Vol (mn)		4.39
90-day avg turnover		46
Beta (12M)		1.4
Major shareholders (%)	CTCP Đầu tư Hải Thạch B.O.T	16.09%
	CTCP Đầu tư Hạ tầng Miền Bắc	8.60%



Investment points:

Deo Ca Transport Infrastructure Investment Joint Stock Company (HoSE: HHV) was established in 1974. HHV is the leading investor and operator of transport infrastructure projects in Vietnam. HHV operates mainly through investment projects in BOT road infrastructure projects (accounting for about 70% of revenue) and construction and installation activities of road works (accounting for about 25% of revenue). HHV currently owns 7 BOT toll collection projects (6 stations in the Central region and 1 in the North), with an average traffic volume of 5,000-7,000 vehicles/day. At the same time, the company is also participating in important infrastructure projects such as the North-South Expressway project phases 1 and 2

In 6M2024, HHV reported business results with revenue totaling VND 1,503 billion (+31% YoY), and a profit after tax of VND 234 billion (+24% YoY). Revenue from BOT projects grew by 23% YoY, while revenue from construction and installation activities rose by 43% YoY. As of October 2023, Giao Thong Deo Ca executed nine construction packages with a total remaining backlog estimated at VND 3,300 billion.

Looking ahead to 2024, we project HHV's revenue to reach VND 3,052 billion, (+14% YoY), with profit after tax expected to rise to VND 425 billion (+18% YoY). This anticipated growth is supported by the company securing a VND 14,700 billion contract for the Quang Ngai - Hoai Nhon expressway, part of the North-South expressway phase 2 in 2023. Furthermore, Giao Thong Deo Ca is expected to collaborate with Deo Ca Group on various expressway projects, including the Dong Dang - Tra Linh expressway and the Huu Nghi - Chi Lang expressway, with an estimated construction value of VND 5,700 billion.

Risks:

(1) Risk of slow implementation of public investment projects;

(2) Fluctuations in construction material prices.

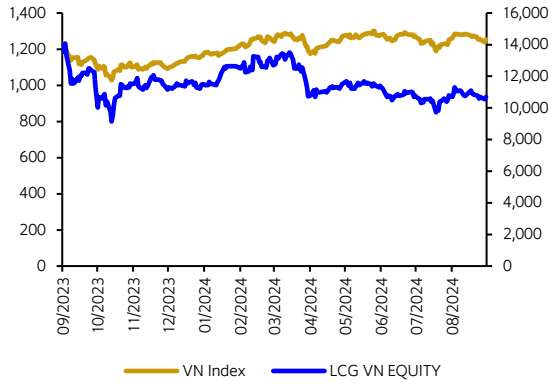
(3) High-interest expenses.

Year to Dec	2021	2022	2023	2024F	2025F
Revenue (VND bn)	1,861	2,095	2,687	3,052	3,357
OP (VND bn)	830	944	1,018	1,125	1,245
OP margin (%)	44.6	45.1	37.9	36.8	37.1
NPATMi (VND bn)	269	264	320	377	461
NP margin (%)	14.4	12.6	11.9	12.3	13.7
EPS (VND)	881	859	909	915	1,119
ROE (%)	4.2	3.9	4.4	4.9	5.9
P/E (x)	26.7	9.6	17.0	16.9	13.8
P/B (x)	1.1	0.4	0.7	0.7	0.7

Source: Bloomberg, Shinhan Securities, Date as of 10/10/2024

Lizen Joint Stock Company
(LCG VN)

Target price (12 months)		14,000 VND
Current price (10/10/2024)		10,800 VND
Return (%)		30%
VN-INDEX		1,286
Market P/E (x)		11.6
Market Cap (bn VND)		2,085
Outstanding shares (mn)		193
Free-Floating (mn)		162
52-Wk High (VND)		15,450
52-Wk Low (VND)		9,010
90-day avg. Trading Vol (mn)		2.38
90-day avg turnover		24
Beta (12M)		1.6
Major shareholders (%)	Dai Dung Mechanical Trading Joint Stock Company	6.39%
	Nguyen Van Nghia	5.07%



Investment points:

Lizen JSC (HoSE: LCG), formerly Licogi 16 JSC, was established in 2001. Up to now, the company has more than 20 years of experience in the construction sector in Vietnam. In April 2022, LICOGI 16 officially changed its brand identity to Lizen JSC. Lizen is one of the leading companies in the construction industry in Vietnam with strengths and experience in 3 fields: Transport infrastructure construction, Real estate, and Renewable energy. The construction sector accounted for more than 92% of the revenue structure in 2023.

By the end of 6M/2024, LCG reported net revenue of VND 1,081 billion (+50% YoY) and a profit after tax of VND 59 billion (+91% YoY). The construction segment contributed significantly, accounting for 89% of the growth and representing 98% of the revenue structure.

We estimate that LCG's revenue in 2024 will reach VND 2,380 billion (+19% YoY), with profit after tax projected to rise to VND 137 billion (+32% YoY). In terms of long-term prospects, the company has secured two bid packages for phase 2 of the North-South expressway project (Van Phong - Nha Trang expressway project and Vung Ang - Bung expressway project), with a total value exceeding VND 4,000 billion for the period 2023 - 2025. Additionally, the company has won bids for other projects, including the Hung Yen section of the Ring Road 4 project (VND 1,253 billion) and the Tan Phuc - Vong Phan road project (VND 2,986 billion). These infrastructure projects are expected to accelerate in 2024, further driving LCG's growth.

Risks:

(1) Risk of slow implementation of public investment projects;

(2) Fluctuations in construction material prices.

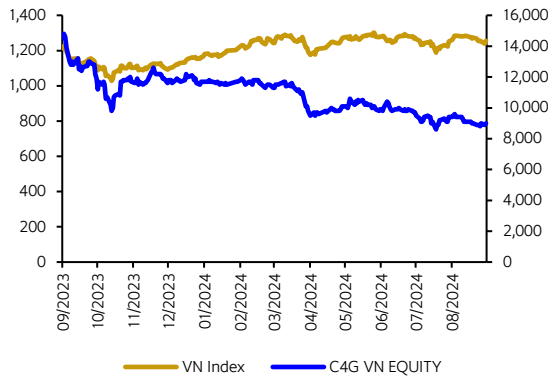
(3) High-interest costs.

Year to Dec	2021	2022	2023	2024F	2025F
Revenue (VND bn)	1,803	1,006	2,008	2,380	2,578
OP (VND bn)	328	50	178	206	223
OP margin (%)	18.2	5	8.9	8.7	8.7
NPATMi (VND bn)	182	192	104	137	157
NP margin (%)	10.1	19.1	5.2	5.7	6.1
EPS (VND)	993	911	519	708	811
ROE (%)	8.0	7.1	3.9	5.4	6.0
P/E (x)	19.9	8.2	23.1	15.5	13.5
P/B (x)	1.6	0.6	0.9	0.8	0.8

Source: Bloomberg, Shinhan Securities, Date as of 10/10/2024

CIENCO4 Group JSC
(C4G VN)

Target price (12 months)		11,300 VND
Current price (10/10/2024)		8,800 VND
Return (%)		28%
VN-INDEX		1,286
Market P/E (x)		11.6
Market Cap (bn VND)		3,144
Outstanding shares (mn)		357
Free-Floating (mn)		307
52-Wk High (VND)		15,600
52-Wk Low (VND)		8,600
90-day avg. Trading Vol (mn)		0.8
90-day avg turnover		7
Beta (12M)		1.5
Major shareholders (%)	New Link Joint Stock Company	9.79%
	VNDIRECT Securities Joint Stock Company	7.29%



Investment points:

CIENCO4 Group Joint Stock Company (UPCOM: C4G) was established in 1962, formerly known as the Department of Construction under the Ministry of Transport. With over 50 years of experience, C4G is a leading company in Vietnam's infrastructure construction sector, participating in numerous national key projects that are large in scale and require high technical standards. The company primarily operates in the construction of traffic infrastructure both domestically and internationally, as well as industrial, civil, and irrigation projects, along with the trading of construction products. Traffic infrastructure construction remains the main business of CIENCO4, accounting for 84% of revenue, while investments in BOT projects contribute around 13% of the total revenue.

In 6M2024, C4G achieved revenue of VND 1,426 billion (+32% YoY) and a profit after tax of VND 99 billion (+33% YoY). The gross profit margin declined from 18% in 6M2023 to 14% in 6M2024, mainly due to higher construction material costs in 2024. On the positive side, interest expenses decreased by 20% YoY, owing to lower lending rates.

We project that C4G's revenue in 2024 will reach VND 3,170 billion (+20% YoY), with profit after tax expected to rise to VND 215 billion (+65% YoY). This growth is primarily driven by revenue expansion and a reduction in interest expense and management costs. CIENCO4 has secured several substantial construction contracts, providing a strong project backlog for 2024. These contracts include major projects such as the North-South Expressway Hau Giang - Ca Mau section (VND 6,466 billion), the North-South Expressway Khanh Hoa - Buon Me Thuot section (VND 2,974 billion), the Hanoi Ring Road 4 (VND 889 billion), the Ho Chi Minh City Ring Road 3 (VND 3,055 billion), Long Thanh Airport - Package 4.6 (VND 7,244 billion), and National Highway 14B in Da Nang City (VND 481 billion).

Risks:

(1) Risk of slow implementation of public investment projects;

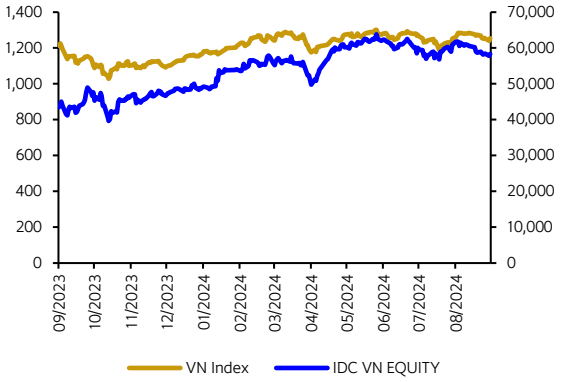
(2) Fluctuations in construction material prices.

Year to Dec	2021	2022	2023	2024F	2025F
Revenue (VND bn)	1,885	2,726	2,629	3,170	3,963
OP (VND bn)	305	301	282	346	422
OP margin (%)	16.2	11.1	10.7	10.9	10.6
NPATMi (VND bn)	63	152	130	215	283
NP margin (%)	3.3	5.6	5.0	6.8	7.1
EPS (VND)	373	746	410	602	791
ROE (%)	5.3	8.2	4.2	5.9	7.3
P/E (x)	42.2	11.9	28.5	14.8	11.3
P/B (x)	2.2	0.9	1.1	0.8	0.8

Source: Bloomberg, Shinhan Securities, Date as of 10/10/2024

IDICO Corporation
(IDC VN)

Target price (12 months)		64,800 VND
Current price (10/10/2024)		56,400 VND
Return (%)		15%
VN-INDEX		1,286
Market P/E (x)		11.6
Market Cap (bn VND)		18,612
Outstanding shares (mn)		330
Free-Floating (mn)		210
52-Wk High (VND)		66,000
52-Wk Low (VND)		39,000
90-day avg. Trading Vol (mn)		1.73
90-day avg turnover		78
Beta (12M)		1.3
Major shareholders (%)	SSG Group Joint Stock Company	22.50%
	Bach Viet Production and Trading Company Limited	11.93%



Investment points:

IDICO Corporation (HoSE: IDC) was established in 2000, formerly known as Vietnam Urban and Industrial Zone Development Investment Corporation. IDC operates mainly in the industrial park sector (accounting for 44%), the electricity business sector (accounting for 38%), and the BOT toll collection sector (accounting for 5%). IDC is investing and managing 10 industrial parks in Vietnam with a total area of nearly 3,267 hectares. IDC owns 7 industrial parks in the South, and 3 industrial parks in the North spanning the provinces of Dong Nai, Ba Ria-Vung Tau, Long An, Vinh Phuc, Bac Ninh, and Thai Binh. Regarding the electricity sector, IDC owns 2 hydropower plants with a total capacity of up to 114 MW, and a system of 2 transformer stations contributing over 80% of the total electricity revenue at IDC, creating a stable source of revenue for IDC.

By the end of 6M/2024, IDC reported net revenue of VND 4,615 billion (+30% YoY), with industrial revenue contributing VND 1,308 billion (+39% YoY). The company's profit after tax amounted to VND 1,381 billion (+65% YoY).

We estimate that IDC will lease approximately 150 hectares of industrial park land in 2024, while the power segment is expected to grow modestly by around 10%, supported by the shift toward La Niña weather conditions, which are favorable for hydropower. For 2024, we project revenue to reach VND 8,803 billion (+21.6% YoY), and profit after tax is anticipated to rise to VND 2,210 billion (+58.6% YoY). With the prospect of boosting public investment, Vietnam is expected to continue to attract FDI capital and enterprises investing in Vietnam. IDC currently owns 677 hectares of land available for lease, mainly concentrated in Ba Ria - Vung Tau province (236 hectares in Phu My II Industrial Park and expanded Industrial Park) and Long An province (294 hectares in Huu Thanh Industrial Park). In addition, IDC also plans to invest in Tan Phuoc 1 Industrial Park (470 hectares) and is expected to lease in 2024.

Risks:

(1) Declining demand for industrial park real estate;

(2) Weakening FDI inflows;

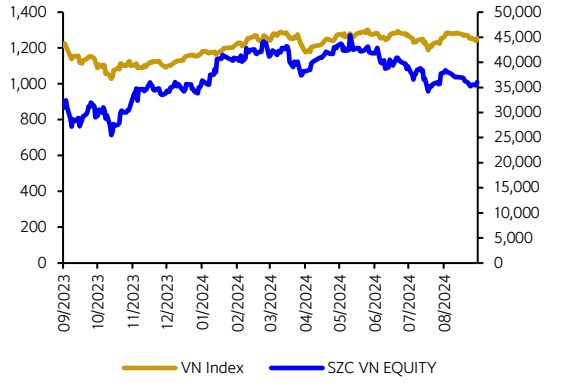
(3) Slow progress in implementing industrial park projects.

Year to Dec	2021	2022	2023	2024F	2025F
Revenue (VND bn)	4,301	7,485	7,237	8,803	8,363
OP (VND bn)	477	2,726	2,060	3,016	2,782
OP margin (%)	11.1	36.4	28.5	34.3	33.3
NPATMi (VND bn)	454	1,768	1,393	2,067	1,899
NP margin (%)	10.6	23.6	19.2	23.5	22.7
EPS (VND)	1,376	5,356	4,221	6,263	5,756
ROE (%)	11.2	40	28.1	36.3	28.9
P/E (x)	48	5.9	12.3	9.2	10.0
P/B (x)	5.6	2.1	3.5	2.6	2.3

Source: Bloomberg, Shinhan Securities, Date as of 10/10/2024

Sonadezi Chau Duc Joint Stock Company
(SZC VN)

Target price (12 months)		43,500 VND
Current price (10/10/2024)		37,300 VND
Return (%)		17%
VN-INDEX		1,286
Market P/E (x)		11.6
Market Cap (bn VND)		6,713
Outstanding shares (mn)		180
Free-Floating (mn)		109
52-Wk High (VND)		46,500
52-Wk Low (VND)		25,040
90-day avg. Trading Vol (mn)		1.47
90-day avg turnover		48
Beta (12M)		1.4
Major shareholders (%)	Industrial Park Development Corporation	46.84%
	Sonadezi Long Thanh Joint Stock Company	10.08%



Investment points:

Sonadezi Chau Duc Joint Stock Company (HoSE: SZC) was established on June 26, 2007, SZC operates mainly in the field of industrial park land leasing, real estate business, and investment in BOT projects. SZC's industrial park real estate segment accounts for more than 80% of the total revenue structure. SZC owns a large land area of up to 2,287 hectares in Chau Duc district, Ba Ria Vung Tau province, of which industrial park land accounts for 1,556 hectares, the rest is mainly for urban areas and golf courses.

SZC's 6M/2024 revenue results reached VND 476 billion (+36% YoY), with after-tax profit amounting to VND 167 billion (+55% YoY). Of this, revenue from the industrial park segment accounted for 90% (+47% YoY). Gross profit margin increased from 49% in 6M2023 to 52% in 6M2024.

SZC has a land reserve of up to 300 hectares available for lease, out of the remaining 560 hectares of industrial park land in Chau Duc Industrial Park, providing a strong foundation for sustained growth. Chau Duc Industrial Park is strategically located near Cai Mep International Port, enhancing its appeal to potential investors. Additionally, the rental price in Chau Duc Industrial Park is expected to increase by approximately +10% YoY, driven by the investments in the Bien Hoa - Vung Tau Expressway.

We expect SZC's 2024 revenue to reach VND 904 billion (+10.5% YoY), and after-tax profit is expected to reach VND 233 billion (+6.3% YoY). SZC is expected to hand over 125 hectares in 2024 (of which 100 hectares of industrial park land is contributed by Chau Duc Industrial Park and 25 hectares of urban land is contributed by Huu Phuoc Residential Area).

Risks:

(1) Declining demand for industrial park real estate;

(2) Weakening FDI inflows;

(3) Legal issues and compensation costs for Chau Duc Industrial Park;

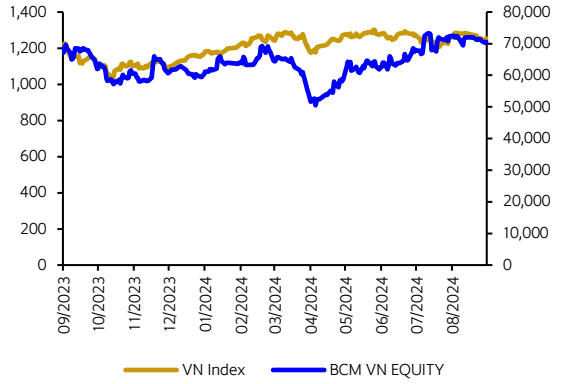
(3) Slow progress in implementing industrial park projects.

Year to Dec	2021	2022	2023	2024F	2025F
Revenue (VND bn)	713	859	818	1,063	1,276
OP (VND bn)	386	260	295	369	440
OP margin (%)	54.2	30.2	36.1	34.7	34.5
NPATMi (VND bn)	324	197	219	277	332
NP margin (%)	45.4	23.0	26.8	26.1	26.0
EPS (VND)	2,395	1,458	1,331	2,312	2,765
ROE (%)	21.1	11.7	11.9	15.3	16.6
P/E (x)	23.7	15.0	27.5	18.6	15.6
P/B (x)	4.6	1.7	3.1	2.7	2.4

Source: Bloomberg, Shinhan Securities, Date as of 10/10/2024

Industrial Investment and Development Corporation (BCM VN)

Target price (12 months)		80,900 VND
Current price (10/10/2024)		68,300 VND
Return (%)		18%
VN-INDEX		1,286
Market P/E (x)		11.6
Market Cap (bn VND)		70,691
Outstanding shares (mn)		1,035
Free-Floating (mn)		34
52-Wk High (VND)		74,500
52-Wk Low (VND)		50,400
90-day avg. Trading Vol (mn)		0.92
90-day avg turnover		60
Beta (12M)		0.8
Major shareholders (%)	Binh Duong Provincial People's Committee	95.44%
	Nguyen Van Hung	0.60%



Investment points:

Became IDC Investment and Industrial Development Corporation (HoSE: BCM) was established in 1976 and is one of the leading industrial park developers in Vietnam. Becamex is a prestigious brand with experience in developing industrial parks in Binh Duong province. During its operation, Becamex has attracted more than 500 enterprises from 30 different countries. Becamex currently owns 6 industrial parks with an area of over 4,000 hectares. In addition, BCM also participates in a joint venture with a Singaporean enterprise to develop the VSIP industrial park (BCM owns 49%). VSIP is the leading developer of industrial parks and integrated urban areas in Vietnam, including 12 projects nationwide with a total area of over 10,000 hectares. A

At the end of 6M/2024, BCM recorded revenue of VND 1,970 billion (+4.2% YoY) and profit after tax of VND 406 billion, 8.3 times higher than the same period. The gross profit margin significantly increased, increasing from 52.7% in 6M/2023 to 61.4% in 6M/2024.

We estimate that BCM's 2024 revenue will reach VND 8,119 billion (+3% YoY), with profit after tax reaching VND 2,464 billion (+2% YoY), primarily driven by the industrial park real estate segment. With the expectation that FDI capital inflows will continue to grow positively and the real estate market will recover in 2024, we anticipate the situation to remain stable. BCM currently has 942 hectares of land available for lease. The Cay Truong Industrial Park project (with a total commercial land area of 490 hectares) has been approved by Binh Duong province for a ½,000-scale construction zoning plan. This project is expected to begin generating revenue in 2024.

Risks:

(1) Declining demand for industrial park real estate;

(2) High debt/equity ratio;

(3) Slow progress in implementing industrial park projects.

Year to Dec	2021	2022	2023	2024F	2025F
Revenue (VND bn)	6,982	6,506	7,883	6,540	7,848
OP (VND bn)	2,002	1,437	2,783	2,293	2,752
OP margin (%)	28.7	22.1	35.3	35.1	35.1
NPATMi (VND bn)	1,451	1,685	2,423	1,693	2,034
NP margin (%)	20.8	25.9	30.7	25.9	25.9
EPS (VND)	1,232	1,482	2,341	1,636	1,965
ROE (%)	8.1	9.3	12.2	9.0	10.3
P/E (x)	51.9	54.4	29.5	42.6	35.5
P/B (x)	4.1	4.9	3.6	3.5	3.3

Source: Bloomberg, Shinhan Securities, Date as of 10/10/2024

Shinhan Investment Network

SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
18th Floor, The Mett Tower, 15 Tran Bach Dang Street,
Thu Thiem Ward, Thu Duc City, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000

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