31 March 2025

Shinhan Securities



Dat Xanh Group JSC

[Vietnam /Real Estate]

Bloomberg Ticker (DXG VN) | Reuters Ticker (DXG.HM)

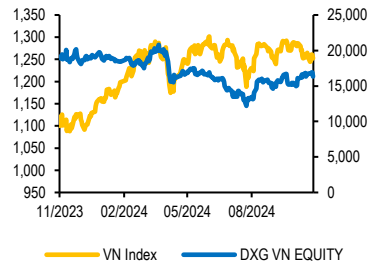
BUY

Initiation Coverage

Target price (12 months)	**VND 19,400**
Current price (31/03/25)	VND 15,800
Upside/downside	22.8%

VNINDEX	1,306
P/E market (22F, x)	10.5
Market Cap (bn VND)	14,369
Outstanding shares (mn)	871
Free-Floating (mn)	723
52-Wk High/Low (VND)	20,000/11,560
90-day avg. trading volume (mn)	13.13
90-day avg. turnover (bn VND)	179
Foreign ownership (%)	20.4
Major shareholders (%) BOD & RP	17.7
NAV Investment JSC	4.5

Performance	3T	6T	12T
Absolute (%)	7.5	5.5	-13.4
Relative to VN-Index (%)	3.3	2.8	-16.8



Source: Bloomberg

Trang Vo

☎ (84-28) 6299-7751

✉ trang.vo@shinhan.com

Ly Bui – Head of Research

☎ (84-28) 6299-8029

✉ ly.btt@shinhan.com



Please click or scan

Rediscovering the glory

Initiate coverage with BUY call and target price at VND 19,400

Dat Xanh Group Corporation (HOSE: DXG) is a major listed real estate enterprise in the mid-range segment. Additionally, DXG also owns a real estate brokerage segment with the leading market share nationwide (33%). Based on the RNAV method, we recommend buying DXG with a target price of VND 19,400, with the following investment thesis: (1) DXG is one of the major investors in the mid-range segment, owning a land bank of over 100ha; (2) the relaunch of Privé (Datxanhhome Riverside) and Gem Sky World (GSW) is expected to create growth momentum for DXG's presales in the 2025-2026 period; and (3) expectation of a thriving brokerage segment along with the recovery of the real estate market.

DXG is one of the large developers in the mid-range segment, owning a land bank of over 100 hectares

DXG has over 15 years of experience in developing mid-range projects. Among them, many projects sold out 100% in the first year of launching. Currently, DXG still owns a large land bank with over 100ha for medium-term development. At the same time, the company is still looking for new land to add to its long-term land bank. We expect that the effective exploitation of the current land bank and the continued increase of the long-term land bank can contribute to maintaining sustainable revenue for DXG.

The reactivation of Privé and GSW is expected to drive presales growth for DXG in the 2025-2026 period

We estimate the total sales value in 2025 to reach VND 8,768 billion (no projects opened for sale in 2024) from two projects, Privé and GSW. Of which, Privé received a construction permit in Q3/2024 after 6 years of legal obstacles. We expect the foundation construction to be completed by mid-2025, and sales to begin from early Q3/2025. In addition, the next phase of the GSW project (1,600 products) has completed social infrastructure and is ready for sale from 2025.

Expectations of a thriving brokerage sector alongside the recovery of the real estate market

CBRE forecasts that the real estate market will continue to recover in 2025. The market's recovery is expected to lead to an increase in the number of transactions, thereby boosting the improvement of brokerage. We expect DXG's brokerage segment to lead the industry's recovery when (1) it owns a professional and large brokerage team (about 5,000 people), ready for the new phase, (2) The shift to smaller customers and the provision of comprehensive service support gross margins for businesses.

Risks: (1) Absorption rate at the Privé project is lower than expected due to concerns surrounding the cancellation of principal contracts signed with customers (from 2018); (2) Risk of delayed re-implementation of the Gem Sky World project; (3) Risk of delays in administrative procedures and the application of new Laws; (4) Risk of difficulties in capital mobilization due to the misuse of funds.

Year to Dec.	2021	2022	2023	2024	2025F
Revenue (bn VND)	**10,089**	**5,512**	**3,725**	**4,733**	**4,642**
OP (bn VND)	2,712	830	734	1,152	1,204
NP (bn VND)	**1,594**	**534**	**151**	**455**	**469**
EPS (VND)	1,942	355	273	359	409
BPS (VND)	14,548	15,000	15,263	14,435	14,255
OPM	26.9	15.1	19.7	24.3	25.9
NPM	15.8	9.7	4.1	9.6	10.1
ROE	**11.9**	**3.8**	**1.1**	**3.0**	**2.7**
PER (x)	6.9	53.4	54.3	47.3	47.4
PBR (x)	0.9	1.2	1.0	1.1	1.4

Source: Company data, Shinhan Securities Company

Shinhan Securities Vietnam Co., Ltd. does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Analysts employed by Shinhan Securities Vietnam Co., Ltd. , or a non-US affiliate thereof, are not registered/qualified as research analysts with FINRA, may not be associated persons of the member and may not be subject to FINRA restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account. For analyst certification and important disclosures, refer to the Compliance & Disclosure Notice at the end of this report.

Contents

3 **Company background**

7 **Investment Theses & Catalysts**

10 **Earnings estimates**

11 **Valuation and Recommendation**

14 **Risks**

15 **Appendix: Financial statements**

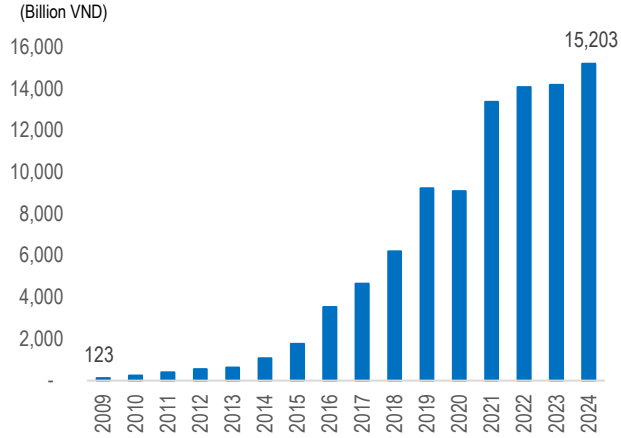
Company background

1. History of development

Dat Xanh Group JSC (HOSE: DXG) was established in 2003. Initially, DXG operated as a real estate project distributor in Ho Chi Minh City, Binh Duong, and Dong Nai. In 2007, DXG equitized and expanded its operations into real estate development. After 2 years of equitization, DXG officially listed on the stock exchange.

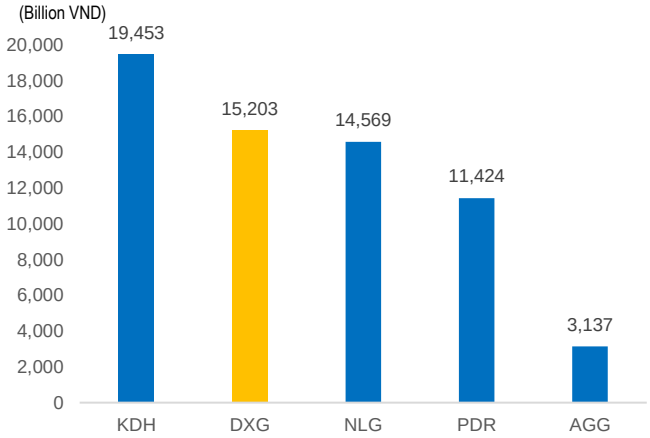
To date, the equity has increased nearly 124 times compared to the listing date and is one of the leading listed real estate enterprises in HCMC. Large equity capital allows businesses to carry out larger and more methodical projects when the Real Estate Business Law 2024 stipulates a minimum equity capital ratio(1) from 15-20% of the total investment (depending on the project size).

Equity has expanded nearly 124 times compared to the initial listing date



Source: Company data, Shinhan Securities Vietnam

Equity of several listed enterprises involved in projects in HCMC

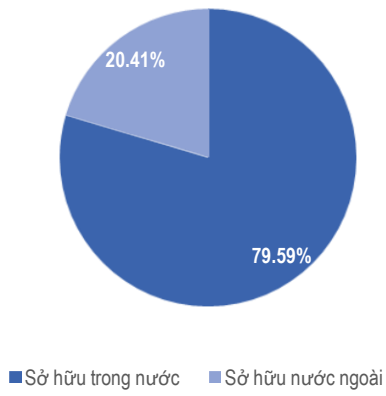


Source: Company data, Shinhan Securities Vietnam

2. Ownership structure

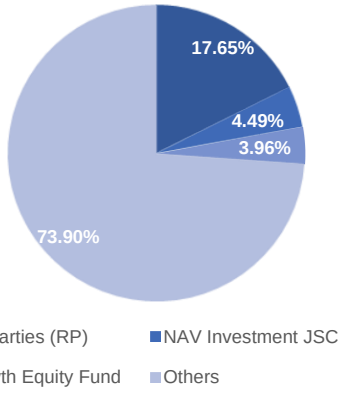
From an organizational perspective, the foreign shareholder ownership ratio at DXG is only 20.4%, lower than that of companies in the same industry such as NLG and KDH, and has decreased compared to the level of 48.2% in January 2019. Currently, Mr. Luong Tri Thin - founding shareholder and chairman of the strategic council - is the shareholder holding the highest proportion of shares (16.98%), followed by domestic and foreign investment funds.

Domestic and foreign shareholder structure on March 25, 2025



Source: Company data, Shinhan Securities Vietnam

The ownership percentage as of March 25, 2025



Source: Company data, Shinhan Securities Vietnam

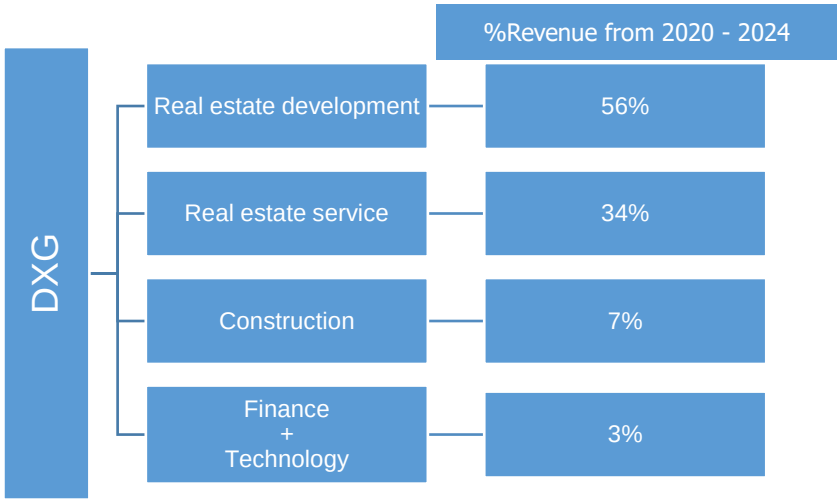
(1) The Law on Real Estate Trading in 2014 stipulated a minimum charter capital of VND 20 billion. Consequently, many companies adopted a high debt structure to undertake large-scale projects. In 2022, Decree 02/2022/ND-CP mandated that projects on land under 20 hectares must maintain a minimum equity ratio of 20% of the total investment; however, this requirement is only outlined at the decree level.

3. Core activities

In 2021, DXG outlined a 10-year development strategy focusing on five main areas: urban real estate development, real estate services, construction, financial investment, and technology. The company's core businesses center on real estate development and the provision of real estate services (brokerage, etc.).

Overall, DXG is one of the few real estate companies with a closed value chain. As a result, the company's business performance is significantly influenced by the real estate industry's cycles. We expect that the real estate industry's recovery in the 2024-2026 period could support DXG's recovery.

DXG is a rare real estate enterprise with a closed-loop value chain



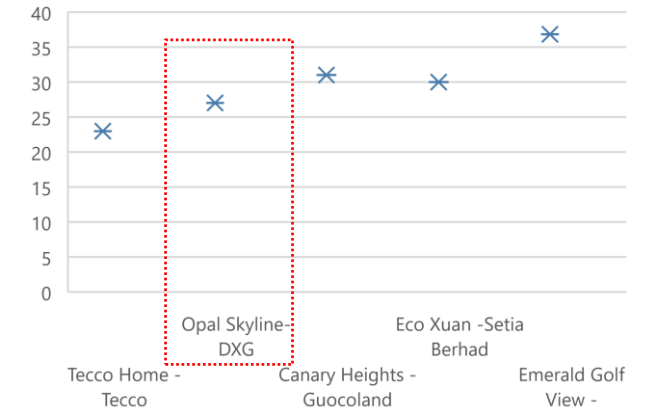
Source: Company data, Shinhan Securities Vietnam

3.1 DXG is one of the major investors in the mid-range segment.

DXG has over 15 years of experience in real estate development with nearly 20 projects. Notable among these is the series of mid-range projects under the Opal brand, such as Opal Riverside, Opal Garden, Opal Skyline, etc. Additionally, DXG has also successfully implemented high-end projects like St. Moritz. **The absorption rate of these projects has consistently been high** due to:

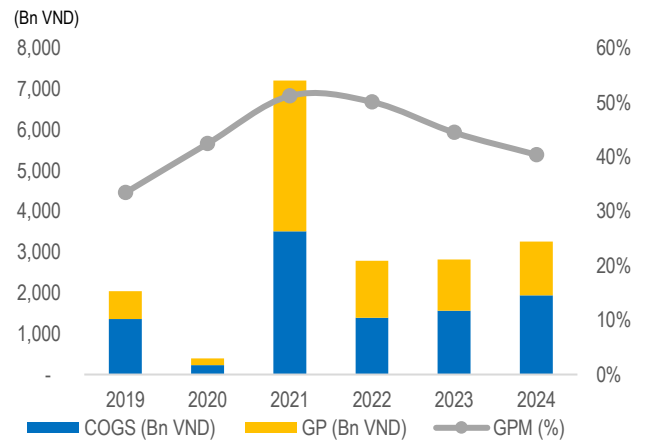
- Attractive selling prices compared to other mid-range projects in the same area.
- Favorable project locations. Many projects are situated along major roads such as Pham Van Dong and National Highway 13 (Binh Duong), facilitating convenient travel to Ho Chi Minh City while offering more attractive selling prices than condos in the inner city of Ho Chi Minh City.

Selling price of DXG condo is attractive compared to projects in the same area



Source: angialand.com (primary price from 2022-2023), batdongsan.com, Shinhan Securities Vietnam

Revenue from real estate development fluctuates strongly



Source: Company data, Shinhan Securities Vietnam

However, DXG's real estate development revenue has fluctuated significantly over the past 5 years. Among them, revenue peaked in 2021 thanks to the successful handover of the Opal Boulevard project (Binh Duong) and a portion of the Gem Sky World (GSW - Dong Nai) project. We expect that with the recovery of the real estate market, along with the resumption of deployment and sales of the Privé and GSW projects, DXG can recover revenue from real estate development from 2026-2027.

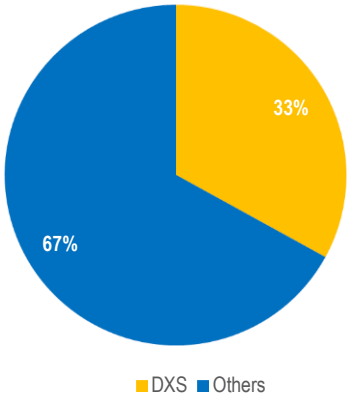
3.2 DXG also owns one of the leading brokerage businesses in Vietnam

Alongside project development, the service segment contributes an average of 34% to DXG's revenue. **DXS – a subsidiary of DXG – also leads the country in primary brokerage with a market share of approximately 33%.** Among these, the market share in the Northern region reaches 45-50%. DXS provides two main brokerage products: traditional brokerage and comprehensive brokerage (offering services from project construction consulting, financial consulting, design, marketing, after-sales services, etc.).

We believe that **the comprehensive brokerage segment creates a competitive advantage for Dat Xanh compared to its industry peers by deeply engaging in the customer's project implementation process.** This is supported by a professional and extensive staff. As of Q3/2024, the number of brokerage staff, including affiliates, reaches approximately 5,000 people, spread across the North, Central, and South regions. This allows the company to promptly catch up with market recovery.

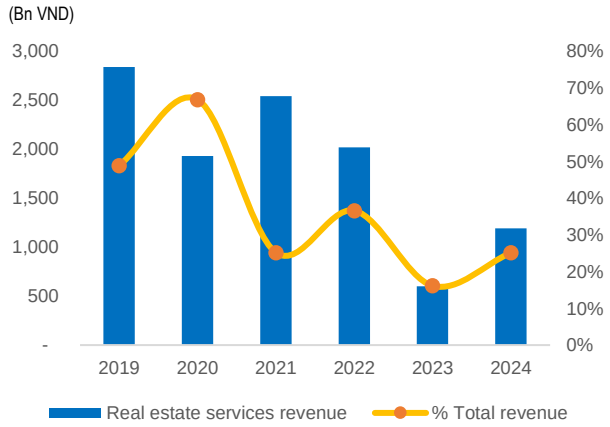
Additionally, **the position of the brokerage segment is further strengthened by the development and application of Proptech in business.** Among these, the iHouzz platform (developed by DXS's subsidiary) has the ability to process transactions of up to thousands of products in a single opening sale. This is also a pioneering platform in online sales. We believe this is a stepping stone for DXG to accelerate the development of the secondary market, thereby driving revenue growth from the brokerage segment in the future.

DXS holds the leading primary brokerage market share nationwide



Source: Company data, Shinhan Securities Vietnam

Contribution of the brokerage segment to DXG's revenue has decreased



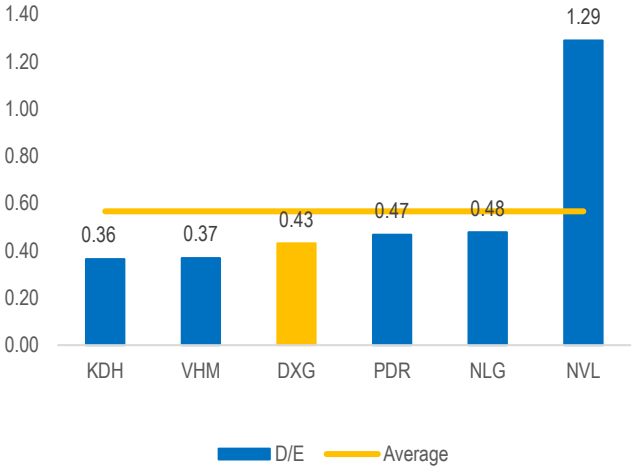
Source: Company data, Shinhan Securities Vietnam

Along with the difficulties of the real estate market in the 2019-2023 period, brokerage revenue has significantly declined. However, we expect the recovery of the real estate market in the 2024-2025 period to support the growth of DXS's brokerage segment in particular and DXG's in general through the recovery of the full-service brokerage segment with higher fees.

3.3 The financial picture is unfavorable, but improvements are expected in the coming period

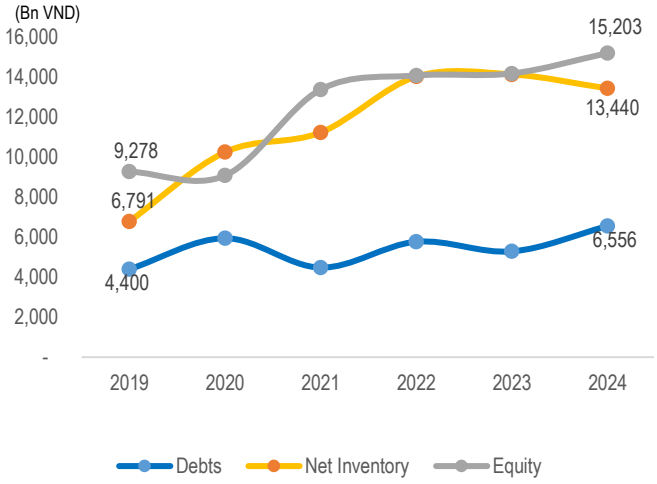
Compared to other large companies in the industry, DXG still maintains a lower net debt/equity ratio than the industry average. Specifically, DXG's ratio is 0.43x, which is lower than the average of major real estate companies (~0.57x).

The debt-to-equity ratio of DXG is lower than the industry average



Source: Company data, Shinhan Securities Vietnam

The debt of DXG has not fluctuated much over the years

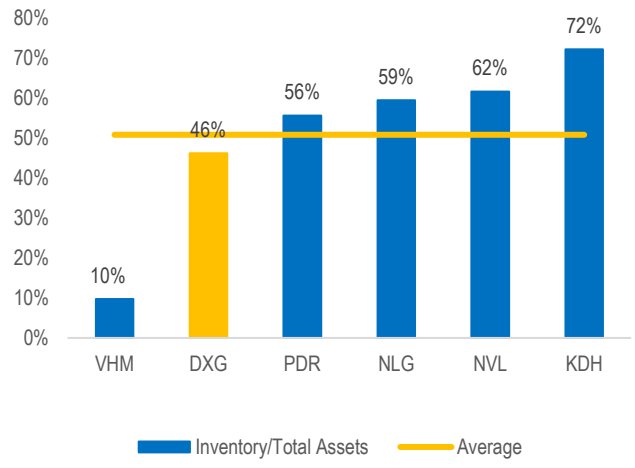


Source: Company data, Shinhan Securities Vietnam

In general, the company's total debt has not fluctuated much over the years. This partly indicates that DXG is facing difficulties in raising capital from external sources such as bank loans and bonds to finance projects. To alleviate financial pressure, in the past two years, the company has conducted stock issuances to restructure debt and supplement working capital. In the first two months of 2025, DXG successfully issued 150 million shares to contribute capital to a subsidiary (to pay off debt) and pay suppliers, with total proceeds from the issuance of approximately VND 1,802 billion.

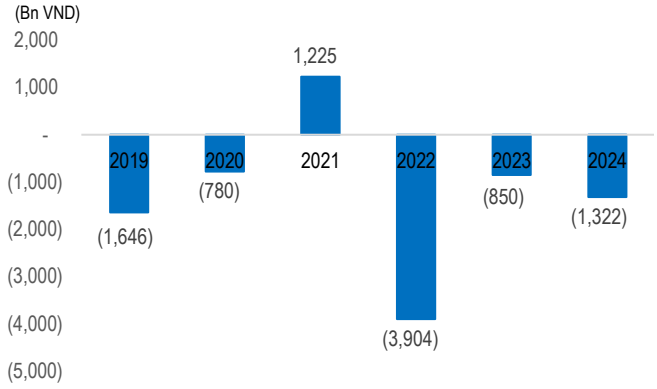
We assess that raising capital through stock issuance is necessary to maintain operations for DXG when (1) the company faces difficulties in raising funds from external sources and (2) cash flow from operations has been negative for many years. This stems from delays in project implementation and sales due to legal bottlenecks and a challenging real estate market. Among these, excluding the GSW project, DXG's remaining projects all require time for legal completion, construction deployment, and sales to generate revenue.

DXG's Inventory/Total Asset Ratio is lower than the industry average



Source: Company data, Shinhan Securities Vietnam

Net negative CFO activities for several years.



Source: Company data, Shinhan Securities Vietnam

However, we expect that the resumption of the Privé project (from late 2024) as well as the presale of the project at Gem Sky World will contribute to the accumulation and completion of inventory for the business. This will lay the groundwork for sales and improved cash flow from 2025 onwards.

Investment theses & Catalyts

1. DXG is one of the major investors in the mid-range segment, owning a land bank of over 100 hectares for medium-term development

With over 15 years of project development experience, DXG has completed a series of mid-range projects such as Sunview 1&2, Gold Hill, Lux Garden, the Opal brand project group (Opal Riverside, Opal Garden), etc. Many of these projects sold out 100% within the first year of launch.

The large existing land bank is expected to maintain a stable revenue source for DXG if effectively put into operation. In addition to two key projects, Gem Sky World (GSW - Dong Nai) and Privé (Ho Chi Minh City), DXG is currently carrying out legal procedures to deploy additional projects in Binh Duong. The total land bank that can be exploited in the medium term exceeds 100 hectares. According to the management, DXG is also actively seeking new land plots to supplement the existing land bank.

DXG's project development plan

	Projects	Products	Location	Land-bank (ha)	Owner-ship	Projected project development plan (2)					
						2024	2025	2026	2027	From 2028	Legal Status
1	Opal Skyline	High-rise	Binh Duong	10.2	100%						The project is 100% sold out and began handover in September 2023. By Q4/2024, the project had reached 99% handover completion.
2	Gem Skyworld	Township	Dong Nai	92.2	100%						Sales began in July 2020. By Q4/2024, DXG had sold 2,300 units in phase 1 and had completed cumulative handover of 80%. Phase 2 has basically completed the infrastructure. DXG plans to launch the next phase in mid to late 2025, with approximately 500 land plots and 200-300 landed houses.
4	Privé (DatxanhHomes Riverside)	High-rise	HCMC	6.7	100%						Construction permits were received in Q3/2024, and the groundbreaking ceremony will be held in October 2024. DXG has been in negotiations with 300 customers who signed preliminary home purchase agreements since 2018 to either (1) adjust the selling price or (2) have DXG refund the payments made with 15% annual interest. DXG plans to complete the negotiations and the foundation construction in Q1/2025. Subsequently, sales are expected to commence in the same year.
3	DatxanhHomes Parkview	High-rise	Binh Duong	5.1	100%						In the legal finalization phase.
6	Opal City View	High-rise	Binh Duong	0.9	100%						In the legal finalization phase.
8	Opal Luxury	High-rise	Binh Duong	8.6	100%						In the legal finalization phase.
9	DatxanhHomes ParkCity	High-rise	Binh Duong	10.5	100%						In the legal finalization phase.
Total				**134.2**							

Source: Company data, Shinhan Securities Vietnam

(1) Estimate the time from construction to handover

2. Privé and Gem Sky World (GSW) is expected to drive presales growth for DXG in the 2025-2026

The Privé project is one of DXG's two key projects in the short to medium term. Launched in 2018 with selling prices ranging from 38 - 40 million VND/m2, Privé only recently had its legal hurdles cleared and construction permits granted in Q3/2024. The groundbreaking ceremony took place in October 2024.

We estimate that foundation construction will be completed by mid-2025, allowing sales to commence from Q3/2025. We anticipate favorable absorption rates upon launch due to:

- Ho Chi Minh City's ongoing supply shortage: In 2024, apartment supply in Ho Chi Minh City reached only 5,050 units (-40% YoY). The forecast for 2025 is 9,000 units, nearly double the 2024 figure, but still only half of the new supply in 2022.
- Favorable location enabling DXG to develop a high-end project: Privé is situated in the eastern part of Ho Chi Minh City, adjacent to two major roads, Song Hanh and Mai Chi Tho, providing convenient access to central districts and the eastern region. Current selling prices in the area average around 100 - 150 million VND/m2. This allows the company to launch sales at a higher price than in 2018 (expected to exceed 100 million VND/m2).

The project's location enables DXG to develop the high-end segment



Source: Company data, Shinhan Securities Vietnam

The prices of mid- and high-end projects in the area are high

Projects	Transaction price (Million VND/m2)
Eaton Park	~145
Lumiere Riverside	95 - 140
Gateway	100 - 120
Diamond Island	77 - 150
Zeit Thu Thiem	156 - 262
Masteri Grand View (The Global City)	100 -140
The River Thu Thiem	>120

Source: Batdongsan.com, Company data, Shinhan Securities Vietnam

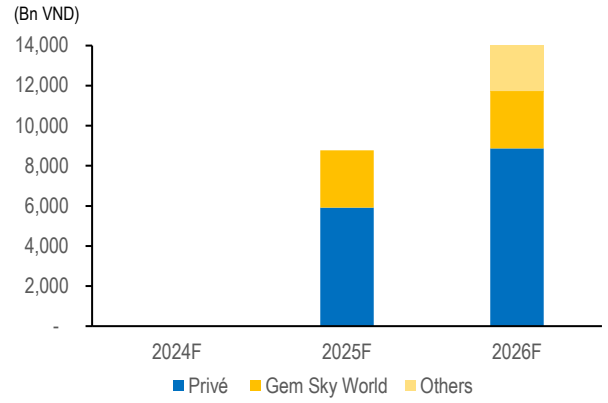
We expect that DXG's remaining key project in its short- to medium-term plan, GSW, will also be relaunched for sale in 2025. The project was first launched in 2020. To date, 2,300 products (out of a total of 3,900 products) have been successfully sold, and around 1,800 products have been handed over and recognized as revenue. According to updates from DXG, the company expects to focus on handing over the remaining products and launching the next phase in 2025.

We assess that the plan to relaunch sales in 2025 is feasible given:

- The real estate market has passed its most difficult period.
- DXG has completed the social infrastructure at GSW to be ready for the next phase of sales.
- DXG needs to recover resources to reallocate to ongoing projects.

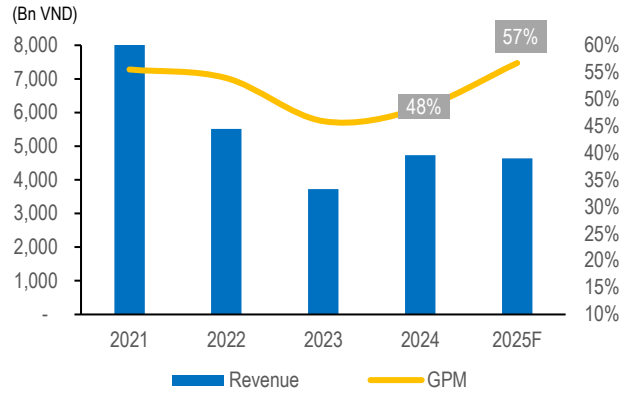
We believe that the implementation of a project that has been delayed for many years will unlock cash flow for the company from 2025 onwards. We estimate the total sales value in 2025 to reach VND 8,768 billion, compared to 2024, when no projects were launched. Of which, Privé will reach VND 5,914 billion, and GSW will reach VND 2,854 billion.

DXG's forecasted presales value



Source: Company data, Shinhan Securities Vietnam

DXG's revenue and GPM forecast



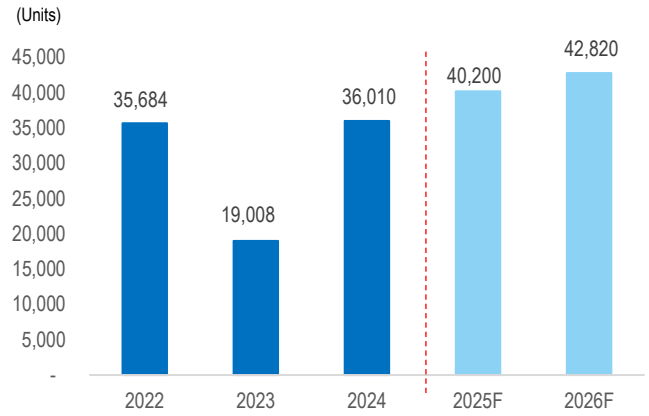
Source: Company data, Shinhan Securities Vietnam

3. Expectations of a thriving real estate brokerage sector alongside the recovery of the real estate market

In 2024, brokerage revenue saw a recovery compared to the same period in 2023. Specifically, total real estate brokerage revenue reached VND 1,191 billion (+98.0% YoY). Of this, more than 50% of brokerage revenue (DXS) came from the Hanoi market thanks to providing traditional brokerage services to large clients. However, DXG plans to change its strategy to seek and serve smaller clients. This strategic shift aims to optimize brokerage fees (approximately 2.5% higher than for large clients) by providing more comprehensive services. We expect this strategy to be feasible as the market recovers more strongly.

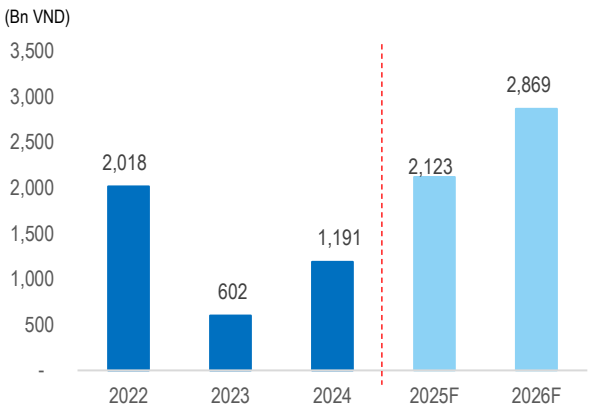
In 2025, CBRE forecasts that the supply of primary apartments will continue to recover in the two major markets, Ho Chi Minh City and Hanoi. Accordingly, the primary supply of both markets is expected to reach 40,200 units (+11.6% YoY). We expect the increase in supply to lead to an increase in the number of transactions, thereby creating conditions for brokerage businesses with prepared resources to continue growing.

Total condos supply in Hanoi and HCMC is expected to recover from 2024



Source: CBRE, Shinhan Securities Vietnam

DXG's brokerage service revenue is expected to continue its recovery.



Source: Ministry of Construction, Shinhan Securities Vietnam

We expect Dat Xanh's brokerage segment to continue to benefit as the real estate market picks up, thanks to the synergy of the following factors:

- DXS is a leading brokerage company in Vietnam, with a professional staff of up to 5,000 employees. The 2024 Real Estate Business Law tightens regulations in the brokerage sector to enhance the professionalism and transparency of the market. Accordingly, real estate brokers must have a practicing certificate and operate in a trading floor (or brokerage service business). This reduces the activity of unprofessional brokers (accounting for about 60% of the market - VARS) and creates opportunities for

professional floors to increase their market share.

- Dat Xanh is shifting its strategy to seek smaller customers and provide more comprehensive solutions to increase brokerage fees per customer. We believe this strategy can be well implemented when the market recovers strongly with (1) projects gradually having their legal obstacles removed and (2) small to medium developers ready to return to the market.

We forecast that revenue from brokerage services contributing to DXG in 2025 and 2026 will reach VND 2,123 billion (+78.3% YoY) and VND 2,869 billion (+35.1% YoY), respectively.

Earning updates and estimates

Items	2024 (Billion VND)	%YoY	2025F (Billion VND)	%YoY	Note
Revenue	4,733	27.1%	4,642	-1.9%	
Gross profit	2,285	33.5%	2,630	15.1%	We expect the gross profit and gross margin in 2025 to improve compared to 2024, as the 2025 handover focus is on land plots at the GSW project (while the 2024 handover was for Opal Skyline apartments with a lower expected gross margin). At the same time, the recovery of the real estate brokerage segment is also expected to support the company's gross profit margin.
GPM (%)	48.3		56.7		
SG&A	-1,133	16.0%	-1,426	25.9%	
Operating profit	1,152	56.9%	1,204	4.5%	
Financial income	48	-88.3%	231	381.3%	Financial revenue in 2024 decreased by 88.3% YoY due to the liquidation of an investment in REIC Company Limited in 2023.
Other profit (losses)	36	125.0%	26	-27.8%	
Gain (losses) from JV	-38	-66.1%	-75	97.4%	
Financial expenses	-470	-20.7%	-689	46.6%	
EBT	728	60.4%	697	-4.3%	
Net profit after tax	454	202.7%	469	3.3%	
NPATAMI	253	47.1%	356	40.7%	

For the entire year of 2024, net revenue reached VND 4,733 billion (+27.1% YoY) and surpass the set plan by 21.4% due to (1) the continued handover of the two projects GSW and the remaining part of Opal Skyline, and (2) the brokerage segment benefiting from the strong recovery of the northern market. By the end of 2024, NPAT-PreMi reached VND 454 billion (+202.7% YoY).

In 2025F, we expect the presales value to reach VND 8,768 billion, primarily driven by (1) the re-launch of the Gem Sky World project in Long Thanh (with completed social infrastructure and ready for launch from Q3/2024) and (2) the re-launch of the Privé project, expected from the beginning of Q3/2025. For the entire year, the projected revenue is expected to reach VND 4,642 billion (-1.9% YoY) due to the offset between (1) revenue from brokerage services increasing by 78.3%, with expectations of continued recovery in the real estate market, and (2) DXG experiencing a decrease in revenue from project handovers (only the GSW project with approximately 500 unhanded-over products remaining). NPAT-PreMi is expected to reach VND 469 billion (+3.3% YoY).

Valuation and Recommendation

Recommended BUY with target price VND 19,400

We offer an initial valuation for Dat Xanh Group JSC with a buy recommendation and a target price of VND 19,400 equivalent to a 22.8% upside compared to the current market price. From a long-term view, KDH is an investment that can be considered for the following reasons:

1) DXG is one of the major developers in the mid-range segment, owning a land bank of over 100 hectares for medium-term development;
2) Privé and Gem Sky World (GSW) is expected to drive sales growth for DXG in the 2025-2026;
3) Expectations of a thriving real estate brokerage sector alongside the recovery of the real estate market.

Valuation method

We apply a RNAV valuation methods to value DXG. In which, for projects having development plans, we use the DCF method; for undeveloped projects that are legally completed, we use the market value method; for projects without having master plans, we use book value.

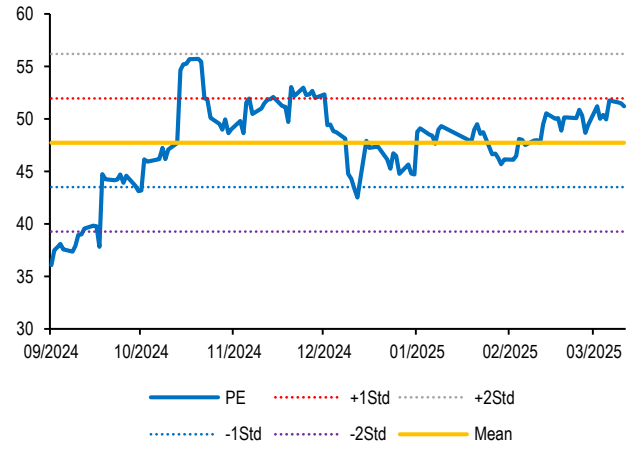
We are using a Weighted Average Cost of Capital (WACC) of 18%, DXG's RNAV target price is valued at VND 19,400.

RNAV valuation

Projects	Project NPV (Bn VND)	% Owner-ship	DXG's (Bn VND)	Method
Gem Sky World	3,039	100%	3,039	DCF
Privé	8,235	100%	8,235	DCF
Other projects	2,450	100%	2,450	BV & DCF
Real estate brokerage service	4,788	56%	2,681	DCF
Total			**16,405**	
(+) Cash & equivalents			1,895	
(-) Debts			1,556	
Net asset value			**16,858**	
Number of shares outstanding (billion units)			0.871	
Target price (VND)			**19,400**	

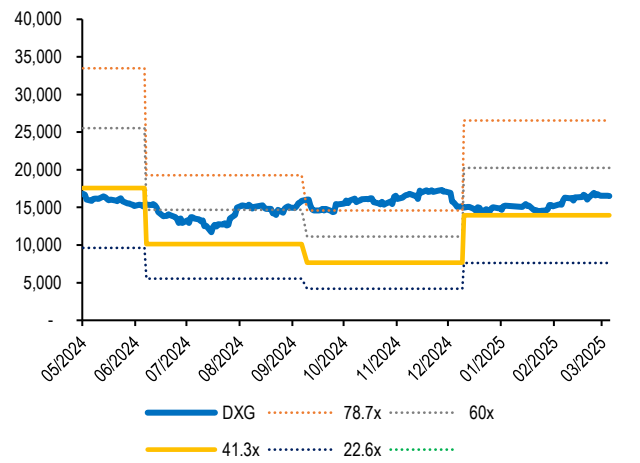
Source: Company data, Shinhan Securities Company

PER of DXG



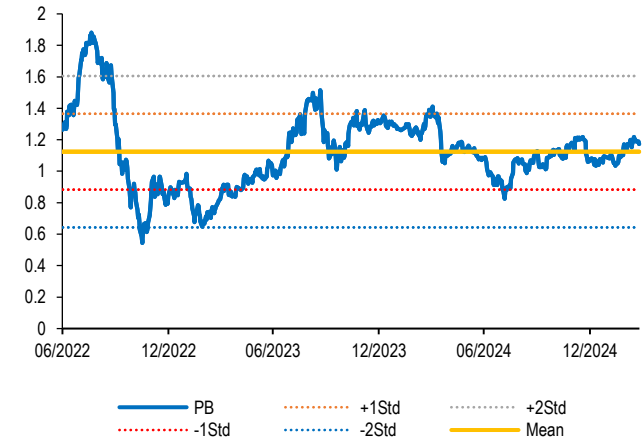
Source: Bloomberg, company data, Shinhan Securities Vietnam

DXG's PER band



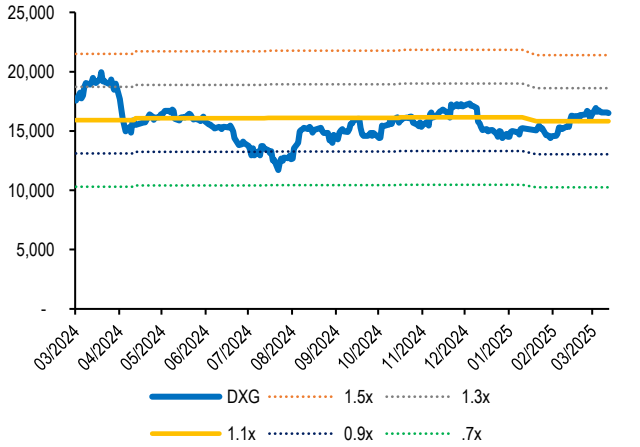
Source: Bloomberg, company data, Shinhan Securities Vietnam

PBR of DXG



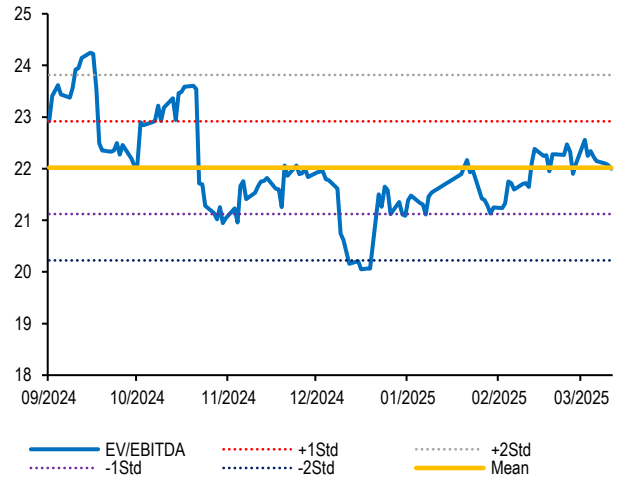
Source: Bloomberg, company data, Shinhan Securities Vietnam

DXG's PBR band



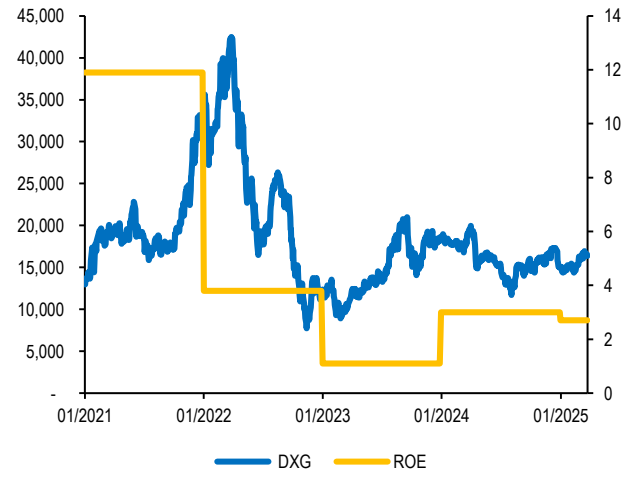
Source: Bloomberg, company data, Shinhan Securities Vietnam

EV/EBITDA of DXG



Source: Bloomberg, company data, Shinhan Securities Vietnam

PBR and forcasted ROE of DXG



Source: Bloomberg, company data, Shinhan Securities Vietnam

Key events chart of DXG



Source: Bloomberg, company data, Shinhan Securities Vietnam

Risks

The absorption rate at the Privé project is lower than expected due to concerns surrounding the cancellation of principal contracts signed with customers (from 2018)

In 2017, DXG received the transfer of the Privé Project from Nam Rach Chiec Co., Ltd. Initially, the project was named Gem Riverside and was planned for mid-range apartment construction. According to the initial plan, this area comprised two sub-zones, CC1 and CC5, with a total of 2,302 apartments (8 towers), accommodating approximately 9,209 people.

From the fourth quarter of 2018 to 2019, DXG opened for deposits and signed preliminary contracts with customers to secure future apartment purchase rights (with a deposit amount of 250 million VND). The project's selling price at this time was around 38-40 million VND/m2. Concurrently, in September 2018, District 2 People's Committee approved adjustments, increasing the number of apartments to 3,175 units (12 towers). Following these changes, DXG began reclaiming the sold project slots. Simultaneously, the project faced continuous legal obstacles, leading to implementation delays until 2024.

By the third quarter of 2024, legal issues were resolved, and DXG obtained construction permits. The expected selling price is around 100 million VND/m2. Additionally, DXG announced the termination of previously signed preliminary contracts. Simultaneously, two options were offered to customers:

(1) Receive the deposit back with a 15% annual interest rate; or

(2) Continue purchasing at the new price with a discount on the new price.

By mid-to-late October, DXG had negotiated with 200 out of 300 customers to opt for contract termination. DXG plans to complete negotiations in the first quarter of 2025.

We are concerned that these issues may impact homebuyers' sentiment and could affect the project's absorption rate when it is (expected) relaunched from mid-2025.

Risk of delayed re-implementation of the Gem Sky World project

The GSW project (totaling 3,900 units) has been open for sale since 2020 and has sold 2,300 units. However, around 1,800 units have been handed over so far. DXG is currently focusing on completing and handing over units to customers who purchased them earlier, and expects to open sales for the next phase in 2025.

However, we note that there is still a risk that DXG may delay the opening of the next phase until the real estate situation in the Long Thanh area stabilizes.

Risk of delays in administrative procedures and the application of new laws and policy changes

From August 1, 2024, three real estate-related laws will take effect simultaneously. The basic guiding documents have been completed. However, local authorities and businesses also need time to understand and apply the laws. Therefore, projects may face delays in the initial phase of implementing the new laws.

Additionally, project approvals may still be slow due to the streamlining and restructuring of administrative agencies.

Risk of difficulties in raising capital due to the misuse of funds

At the end of 2024, DXG was fined by the State Securities Commission for using capital for improper purposes. Specifically, DXG used 36.5 billion VND (out of 1,220 billion VND) of funds raised from a public securities offering to repay loans to its subsidiary, Ha An Real Estate, without approval from the General Meeting of Shareholders.

We are concerned that this may affect the company's ability to raise capital in the future.

Appendix: Financial Statements

Statement of financial position

Year to Dec. (bn VND)	2021	2022	2023	2024	2025F
Total assets	**28,254**	**30,321**	**28,787**	**29,137**	**35,857**
Current assets	25,255	27,371	26,230	26,087	32,657
Cash & equivalents	2,738	919	276	1,249	2,582
Short-term financial asset	286	181	97	78	136
Accounts receivable	10,796	11,948	11,423	11,006	13,035
Inventories	11,238	14,031	14,139	13,440	16,622
Other short-term assets	197	292	295	314	282
Non-current assets	2,999	2,950	2,557	3,050	3,200
Net fixed assets	427	394	372	370	308
Investment assets	663	711	723	727	748
Other long-term assets	2,572	2,556	2,185	1,953	2,144
Total liabilities	**14,873**	**16,236**	**14,600**	**13,934**	**18,603**
Current liabilities	13,257	12,255	11,618	10,348	14,290
Accounts payable	849	1,149	767	626	898
Advances by customers	2,187	2,383	1,751	1,134	3,351
Short-term borrowings	2,963	2,023	2,591	3,159	2,924
Others	7,258	6,700	6,509	5,429	7,117
Non-current liabilities	1,616	3,981	2,983	3,586	4,313
Long-term borrowings	1,517	3,748	2,699	3,396	4,123
Other financial liabilities	99	233	284	190	190
Total shareholders' equity	**13,381**	**14,085**	**14,186**	**15,203**	**17,254**
Capital stock	5,978	6,118	6,118	7,225	9,027
Capital surplus	11	80	80	283	283
Other capital	111	739	1,469	1,472	1,481
Retained earnings	2,669	2,308	1,736	1,484	1,611
Non-controlling interest equity	4,612	4,840	4,783	4,739	4,852
*Total debt	4,480	5,771	5,290	6,555	7,047
*Net debt (cash)	1,456	4,671	4,917	5,228	4,329

Lưu chuyển tiền tệ

Year to Dec. (bn VND)	2021	2022	2023	2024	2025F
Cash flow from operations	**1,224**	**(3,904)**	**(851)**	**(1,322)**	**(978)**
Net profit	2,516	768	453	728	697
D&A expense	69	86	82	58	(22)
(Gain) from investing activities	(332)	(418)	(295)	(9)	-
Change in working capital	(857)	(4,065)	(921)	(1,705)	(639)
Others	(172)	(275)	(170)	(394)	(1,014)
Cash flow from investments	**10**	**238**	**269**	**(181)**	**17**
Change in fixed assets	(35)	(142)	(109)	(54)	75
Change in investment assets	(200)	(170)	(414)	527	(58)
Others	245	550	792	(654)	-
Cash flow from financing	**(277)**	**1,848**	**(61)**	**2,476**	**2,294**
Change in equity	1,482	417	29	1,226	1,802
Net borrowing	(1,459)	1,769	(14)	1,260	492
Dividends	(300)	(338)	(76)	(10)	-
Change in total cash	**957**	**(1,818)**	**(643)**	**973**	**1,333**
Beginning cash	1,780	2,738	919	276	1,249
Change in FX rates	1	(1)	-	-	-
Ending cash	2,738	919	276	1,249	2,582

Source: Company data, Shinhan Securities Vietnam

Statement of comprehensive income

Year to Dec. (bn VND)	2021	2022	2023	2024	2025F
Revenue	**10,089**	**5,512**	**3,725**	**4,733**	**4,642**
Growth (%)	249.0	-45.4	-32.4	27.1	-1.9
COGS	**(4,492)**	**(2,542)**	**(2,014)**	**(2,448)**	**(2,012)**
Gross profit	**5,597**	**2,970**	**1,711**	**2,285**	**2,630**
GPM (%)	55.5	53.9	45.9	48.3	56.7
SG&A	**(2,885)**	**(2,140)**	**(977)**	**(1,133)**	**(1,426)**
Operating profit	**2,712**	**830**	**734**	**1,152**	**1,204**
Growth (%)	242.6	-69.4	-11.7	57.2	4.5
OPM (%)	26.9	15.1	19.7	24.3	25.9
Non-operating profit	**(197)**	**(62)**	**(280)**	**(424)**	**(507)**
Financial income	353	464	409	48	231
Financial expense	(544)	(521)	(593)	(470)	(689)
In which: interest expenses	(468)	(462)	(537)	(420)	(634)
Net other non-operating profit	(6)	(5)	(96)	(2)	(49)
Pre-tax profit	**2,515**	**768**	**454**	**728**	**697**
Income tax	(921)	(234)	(303)	(273)	(228)
Net profit	**1,594**	**534**	**151**	**454**	**469**
Growth (%)	N/A	(66.5)	(71.9)	202.7	3.3
NPM (%)	15.8	9.7	4.1	9.6	10.1
Controlling interest	1,157	215	172	253	356
Non-controlling interest	437	319	(21)	202	113
EBIT	**2,984**	**1,230**	**990**	**1,148**	**1,331**
Growth (%)	788.1	(58.8)	(19.5)	16.0	15.9
EBIT Margin (%)	29.6	22.3	26.6	24.3	28.7
EBITDA	**3,053**	**1,316**	**1,072**	**1,206**	**1,309**
Growth (%)	676.8	(56.9)	(18.5)	12.5	8.5
EBITDA margin (%)	30.3	23.9	28.8	25.5	28.2

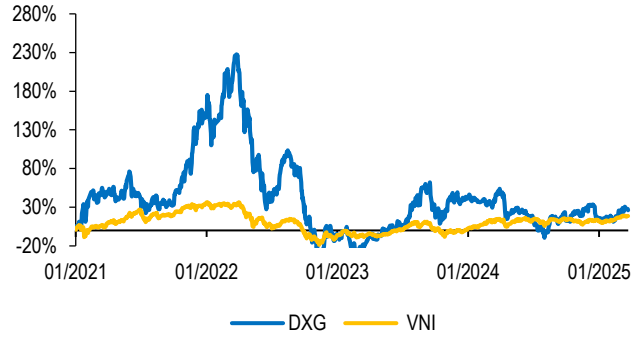
Chỉ số tài chính

Year to Dec.	2021	2022	2023	2024	2025F
EPS (VND)	1,942	355	273	359	409
BPS (VND)	14,548	15,000	15,263	14,435	14,255
PER (x)	6.9	53.4	54.3	47.3	47.4
PBR (x)	0.9	1.2	1.0	1.1	1.4
Profitability					
EBITDA margin (%)	30.3	23.9	28.8	25.5	28.2
OPM (%)	26.9	15.1	19.7	24.3	25.9
NPM (%)	15.8	9.7	4.1	9.6	10.1
ROA (%)	5.6	1.8	0.5	1.6	1.3
ROE (%)	11.9	3.8	1.1	3.0	2.7
Stability					
Debt to equity ratio (%)	33.5	41.0	37.3	43.1	40.8
Net debt ratio (%)	47.7	354.9	458.7	433.5	330.7
Cash ratio (%)	22.8	9.0	3.2	12.8	19.0
Interest coverage ratio (x)	6.4	2.7	1.8	2.7	2.1
Activity (%)					
Payable turnover (days)	785	873	2,053	2,292	866
Inventory turnover (days)	873	1,814	2,553	2,056	2,727
Receivable turnover (days)	326	753	1,145	865	945

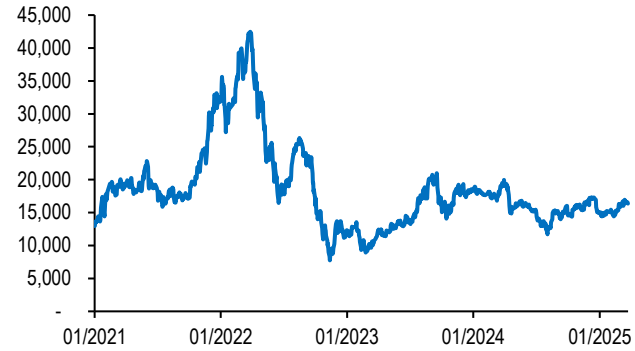
Source: Company data, Shinhan Securities Vietnam

Dat Xanh Group JSC (DXG VN)

Stock price



Target price



Date	Rating	TP (VND)	TP gap (%)	
			TB	High/Low
31/3/2025 (Initiation)	BUY	19,400	19.8	-2.9/39.7

Note: Calculation of target price gap based on past 12 months

Shinhan Securities Vietnam

Stock	Sector
◆ **BUY:** Expected 12-month gain of 15% or more ◆ **HOLD:** Expected 12-month loss of 15% to gain of 15% ◆ **SELL:** Expected 12-month loss of 15% or more	◆ **OVERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated BUY ◆ **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD ◆ **UNDERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated SELL

Compliance & Disclosure Notice

Analyst Certification

- The following analysts hereby certify that their views about the companies and securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Trang Vo

Important Disclosures & Disclaimers

- As of the date of publication, Shinhan Securities Vietnam Co., Ltd. does not beneficially own 1% or more of any class of common equity securities of the following companies mentioned in this report: DXG VN
- Shinhan Securities Vietnam Co., Ltd. or one of its affiliates, and/or their respective officers, directors, or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities of the companies mentioned in this report.
- As of the date of publication, research analysts responsible for this report and members of their households do not have any financial interest in the debt or equity securities of the companies mentioned in this report.
- Research analysts responsible for this report receive compensation based upon, among other factors, the overall profitability of Shinhan Securities Vietnam Co., Ltd. including profits derived from investment banking. The analysts responsible for this report may also receive compensation based upon, among other factors, the overall profitability of sales and trading businesses relating to the class of securities or financial instruments for which such analysts are responsible.
- All opinions and estimates regarding the companies and their securities are accurate representations of the research analysts' judgments and may differ from actual results.
- This report is intended to provide information to assist investment decisions only, and should not be used or construed as an offer or a solicitation of an offer to buy or sell any securities. The information herein has been obtained from sources deemed reliable, but such information has not been independently verified and no guarantee, representation, or warranty, expressed or implied, is made as to its accuracy, completeness, or correctness. Shinhan Securities Vietnam Co., Ltd. makes the best effort but does not guarantee the accuracy, completeness, or correctness of information and opinions translated into English from original Vietnamese language materials. Shinhan Securities Vietnam Co., Ltd. accepts no liability whatsoever for any direct, indirect, and/or consequential loss arising from any use of this material or its contents. Stock selection and final investment decisions should be made at the investor's own and sole discretion.
- This report is distributed to our customers only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.
- Investing in any Vietnamese securities or related financial instruments discussed in this research report may present certain risks. The securities of Vietnamese issuers may not be registered with, or be subject to the regulations of, the US Securities and Exchange Commission. Information on Vietnamese securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the US. The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in currencies other than the Vietnamese won is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Distribution

- United States: This report is distributed in the US by Shinhan Investment America, Inc., a member of FINRA/SIPC, and is only intended for major US institutional investors as defined in Rule 15a-6(a)(2) of the US Securities Exchange Act of 1934. All US persons that receive this document by their acceptance thereof represent and warrant that they are major US institutional investors and have not received this report under any express or implied understanding that they will direct commission income to Shinhan Securities Vietnam Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any US recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Shinhan Investment America, Inc., which accepts responsibility for the contents of this report in the US. The securities described herein may not have been registered under the US Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the US or to US persons unless they have been registered or are in compliance with an exemption from registration requirements.
- All Other Jurisdictions: Customers in all other countries who wish to effect a transaction in any securities referenced in this report should contact Shinhan Securities Vietnam Co., Ltd. or its affiliates only if distribution to or use by such customer of this report would not violate applicable laws and regulations and not subject Shinhan Securities Vietnam Co., Ltd. and its affiliates to any registration or licensing requirement within such jurisdiction.



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, 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