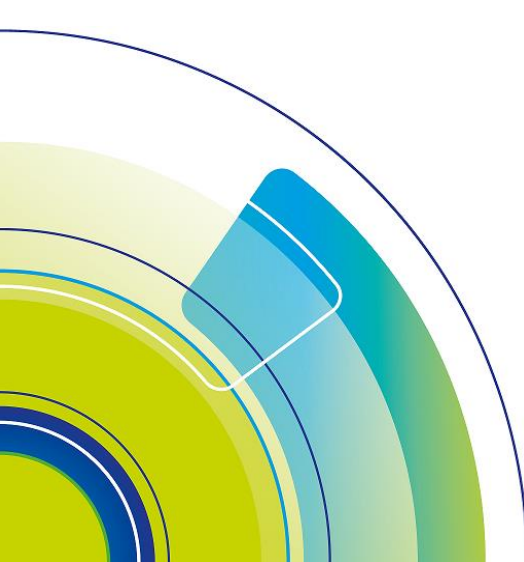




HBC Flash note – NOT RATED

April 29, 2025



Mr. Dat Do

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AGM Flash note

Recommendation

NOT RATED

Upcom: **HBC**

Construction

Target price (VND)

N/A

Market price (VND)

6,300

Expected share price return

N/A

Expected dividend yield

N/A

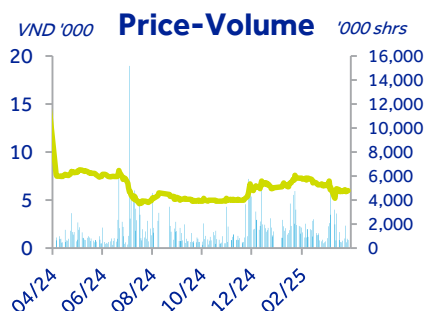
Expected total return

N/A

Stock performance (%)

	YTD	1M	3M	12M
Absolute	1.6	-7.7	-4.8	-17.8
Relative	4.4	0.0	-2.0	-21.7

Source: Bloomberg



Ownership

Mr. Le Viet Hai	13.5%
Hyundai Elevator	6.6%

Stock Statistics

28-Apr-25

Bloomberg code

HBC VN

52-week range (VND)

4,550 - 8,300

Shares O/S (m)

347

Mkt cap (VND bn)

2,222

Mkt cap (USD m)

87

Est. Foreign room left (%)

39.5

Est. free float (%)

76.9

3m avg daily vol (shrs)

1,596,988

VND/USD

25,502

Index: VNIIndex / HNX

1229.12/211.98

HOA BINH CONSTRUCTION GROUP JSC (HBC VN)

Hoa Binh Construction Group JSC (Upcom: HBC) held its 2025 AGM on 04/25/2025 with the following highlights:

- **2025 Business Plan:** HBC set revenue target of VND9,000 bn (+41% YoY) and NPAT target of VND360 bn (-63% YoY). Gross profit margin is projected at 5% compared with 5.5% in 2024 and gross profit is expected at VND450 bn (+26% YoY). Revenue from project transfers is expected to contribute VND270-300 bn.

- **Key Projects:** Between 10/2024 and 04/2025, HBC secured 14 project bids with a total value exceeding VND8,000 bn, including major projects such as: Eaton Park Thu Duc (VND1,900 bn), H2 Hoang Huy Commerce Apartment in Hai Phong (VND1,500 bn) and NewTown Diamond Da Nang (VND900 bn).

- **Capital Increase Plan:** HBC plans to offer up to 347 million shares via a private placement to a maximum of 10 professional investors at a ratio of 1:1 to double its charter capital. With an offering price of VND10,000 per share — representing a 60% premium over the current market price (VND6,300 per share), the company aims to raise up to VND3,470 bn. The proceeds will be utilized for bank loan repayments and contract payments to subcontractors and suppliers.

- **Accounts receivable Collection Plan:** HBC plans to collect overdue receivables totaling nearly VND1,900 bn within 3 to 5 years. In 2024, the company collected over VND600 bn, of which VND190 bn of assets is currently being opened for resale to improve cash flow. For 2025, HBC targets to collect VND400 bn while makes a provision for an additional VND200 bn, resulting in net collection of VND200 bn.

Quick Comment: As of late 2024, HBC's financial condition showed significant improvement, though certain risks remain. We anticipate that HBC's financial position will continue to strengthen, supported by the company's strategic initiatives to collect overdue accounts receivable. Regarding its international market expansion strategy, further assessment is required to determine its long-term viability and impact. However, given HBC's dual role as both an investor and a construction contractor, we expected that there are opportunities for the company to secure new projects in the global markets. Additionally, the domestic real estate market's recovery is boosting construction demand, driving momentum for HBC's growth.

	2022	2023	2024	2025P
Net Sales (VNDbn)	14,149	7,537	6,421	9,000
Growth	24.6%	-46.7%	-14.8%	40.6%
NPAT (VNDbn)	-2,610	-1,115	963	360
Growth	N/A	N/A	N/A	-63%
EPS (bonus-adjusted, VND)	N/A	N/A	3,089	
Growth	N/A	N/A	N/A	
ROE	N/A	N/A	107.5%	
Total debt/Equity (times)	5.1	50.5	2.4	
PBR (times)	2.1	29.9	1.2	
DPS (VND)	0	0	0	
Dividend yield (%)	0	0	0	

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DISCLAIMER

Our Recommendation System

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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