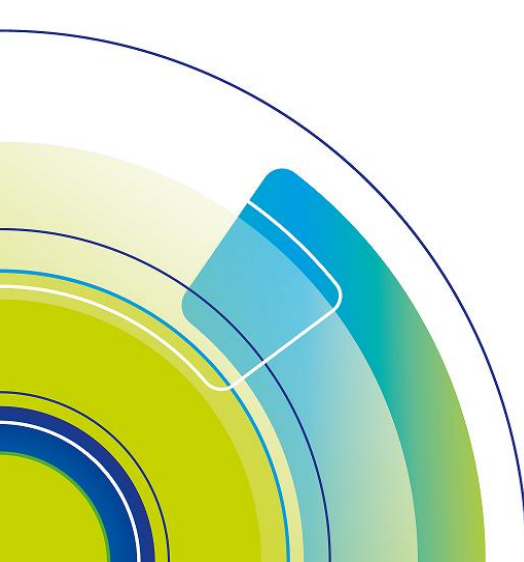




CTD Update - BUY

December 9, 2025



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Company Update

Recommendation **OUTPERFORM**

HSX: CTD

Construction

Target price (VND) **110,000**

Market price (VND) **86,600**

Expected share price return 27.0%

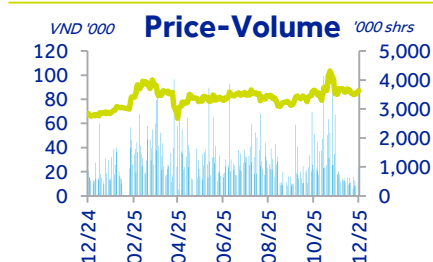
Expected dividend yield 1.1%

Expected total return **28.1%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	28.4	3.5	16.8	32.4
Relative	-13.3	-6.3	8.3	-8.1

Source: Bloomberg



Ownership

Kustocem Pte. Ltd	17.9%
Thanh Cong Business and Investment Ltd.	14.4%
The8th Pte. Ltd.	10.6%
KIMC	5.8%

Stock Statistics

08-Dec-25

Bloomberg code

CTD VN

52-week range (VND)	64,300 - 103,500
Shares O/S (m)	101
Mkt cap (VND bn)	8,845
Mkt cap (USD m)	335
Est. Foreign room left (%)	0.0
Est. free float (%)	55.7
3m avg daily vol (shrs)	1,074,124
VND/USD	26,410
Index: VNIIndex / HNX	1767.03/258.26

COTECCONS CONSTRUCTION JSC (CTD VN)

CTD delivered a solid Q3/2025 earnings performance, primarily driven by the divestment of the Emerald 68 project. For FY2026, we forecast revenue of VND 31,308 bn (+26% YoY) and parent-company net profit of VND728 bn (+60% YoY). We assess that the ongoing recovery in the real estate cycle, supported by end-user demand and rising urbanization, will be a key catalyst for construction activity in the coming period. With a healthy balance sheet, a consistently high backlog, and a well-diversified revenue mix across civil, industrial, and infrastructure segments, CTD is well-positioned to benefit from the acceleration of public investment and the broader sector recovery. We raise our target price for CTD by 14.5% compared to our previous report, setting a mid-2026 valuation of VND110,000 per share, and revise our recommendation from Outperform to Buy.

CTD (fiscal year: 01/07/2025–30/06/2026) posted a strong Q3/2025 performance with revenue of VND7,451 bn (+57% YoY) and net profit of VND294 bn (+216% YoY). Results were supported by a stable gross margin of 4.3% and a VND193 bn gain from contract termination at the Emerald 68 project. This outcome represents 42% of the company's full-year guidance and 40% of our FY forecast. During the quarter, CTD secured VND19,300 bn in new contracts (+87% YoY), lifting its backlog to VND 51.6 tn (+47% YoY), thereby providing strong visibility for FY2026 and ensuring workload stability for subsequent years.

A robust asset structure enhances CTD's competitiveness in bidding, particularly due to its solid liquidity position. CTD remains one of the few contractors maintaining a high level of cash and short-term deposits, reaching VND4,493 bn (+23% YTD), equivalent to over 15% of total assets as of Q3/2025. Notably, its debt-to-equity ratio stands at only 40%, significantly lower than the industry average of 110%.

Cost discipline and provisioning: As of Q3/2025, CTD's receivables increased to VND 15,837 bn (+17.9% YTD), accounting for 51% of total assets, with the majority being short-term receivables. The company booked VND1,282 bn in provisions, while doubtful receivables declined to VND1.5 tn (-30% YoY), supported by provision reversals related to two major clients: Saigon Glory (VND143 bn) and Minh Viet (VND122 bn). We expect the receivables recovery trajectory to continue improving as the property market gradually rebounds.

	2022	2023	FY2024	FY2025	FY2026
Net Sales (VNDbn)	14,539	16,530	21,045	24,885	31,308
Growth	60.0%	14.0%	30.8%	18.2%	25.8%
EBITDA (VNDbn)	-142	126	268	537	860
Growth	-4.0%	N/A	84.1%	100.5%	60.0%
PATMI (VNDbn)	21	188	309	456	728
Growth	-14.0%	804.0%	63.0%	47.6%	59.6%
EPS (bonus-adjusted, VND)	263	1,814	3,320	4,402	7,024
Growth	-13.0%	590.0%	83.2%	32.6%	59.6%
ROE	0.3%	2.3%	3.3%	5.1%	7.5%
ROA	-1.3%	0.1%	1.3%	1.5%	2.1%
Net debt/EBITDA (times)	12.7	-31.9	-10.5	-2.4	2.2
EV/EBITDA (times)	-37.0	40.7	20.9	15.4	9.6
PER (times)	252.3	36.8	36.2	19.5	12.2
PBR (times)	0.3	0.6	1.1	1.0	0.9
DPS (VND)	0	0	0	1,000	1,000
Dividend yield	0%	0%	0%	1.0%	1.0%

Strong Q3/2025 performance. CTD delivered robust Q3/2025 results with revenue of VND7,451 bn (+57% YoY) and net profit of VND294 bn (+216% YoY). The strong earnings momentum was driven by a stable gross margin of 4.3% and a one-off gain of VND193 bn from the termination of the business cooperation contract at the Emerald 68 project. With this performance, CTD has achieved 42% of its full-year target and 40% of our forecast. During the quarter, CTD secured VND19.3 tn in new contracts (+87% YoY), lifting its outstanding backlog to VND51.6 tn (+47% YoY). The sizable backlog provides strong visibility for the FY2026 business plan and ensures a healthy project pipeline for the subsequent years.

Effective business strategy. CTD continues to execute a consistent and efficient growth strategy anchored on a “repeat-sales” model. More than 75% of newly awarded contract value originated from existing clients, with a win rate of up to 95% among long-standing developers—highlighting CTD’s brand reputation, construction capabilities, and delivery quality. The company’s project portfolio also expanded with large-scale assignments from Sun Group, Masterise Homes, Vinhomes, Ecopark and TTC Land, reinforcing its position in the high-end construction segment.

Revenue diversification through public-sector expansion. CTD is accelerating its entry into the public investment segment, which offers substantial growth potential during 2025–2027. Two flagship projects—Phu Quoc International Airport Terminal T2 and the APEC Convention Center (S2, S3, S4)—with a combined contract value exceeding VND 5,000 bn, are currently under execution. These projects strengthen CTD’s credentials in large-scale infrastructure construction, enabling deeper participation in future public-investment tenders and reducing reliance on the cyclical residential construction market.

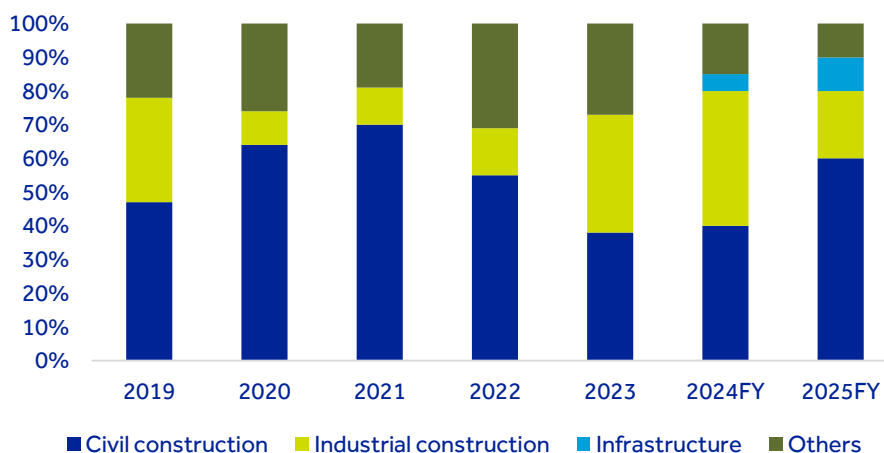
Gross margin outlook improving. Over the next 2–3 years, CTD aims to enhance its gross margin through two strategic levers: (1) Material cost optimization, leveraging the scale of its large backlog to negotiate more favorable input prices and applying price-fluctuation sharing mechanisms to mitigate cost pressures.(2) Vertical integration via M&A: Following the acquisition of an MEP contractor and an aluminum–glass company in 2024, CTD is continuing to evaluate opportunities in higher value-added segments to expand its value chain and improve profitability.

Unit: VND bn	Q3/2024	Q3/2025	Growth YoY	Plan	Complete
Net revenue	4.759	7.452	56.6%	30,000	25%
Gross profit	205	322	56.6%		
Financial income	71	77	9.1%		
Financial expenses	-39	-50	27.1%		
SG&A expenses	-118	-156	31.8%		
Other income	-3	193	N/A		
NPAT	105	295	181.8%	700	42%
NPATMI	105	295	181.8%		

Source: CTD, ACBS

As of the latest reporting period, CTD maintains a backlog of approximately VND51,000 bn, strategically diversified across key segments: residential construction (60%), industrial projects (20%), and infrastructure (10%). This balanced portfolio provides a solid foundation for sustaining medium-term growth.

Revenue proportion of construction segments (%)



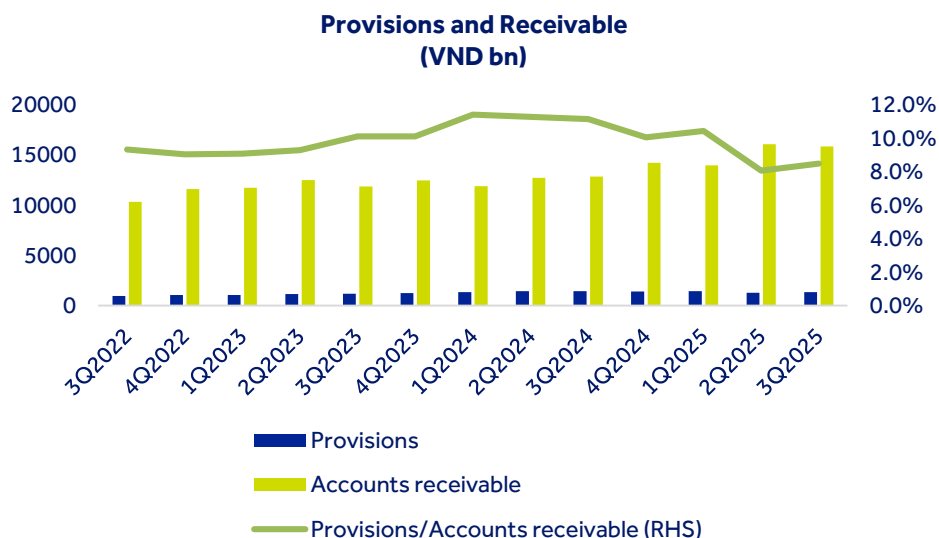
Source: CTD, ACBS.

During 2021–2024, CTD’s industrial construction segment expanded sharply, with its revenue contribution rising from 10% to 40%, thereby materially enhancing the company’s gross margin profile. However, the subsequent introduction of countervailing tax policies led to a slowdown in factory-investment activity, causing the segment’s revenue share to contract to around 20%.

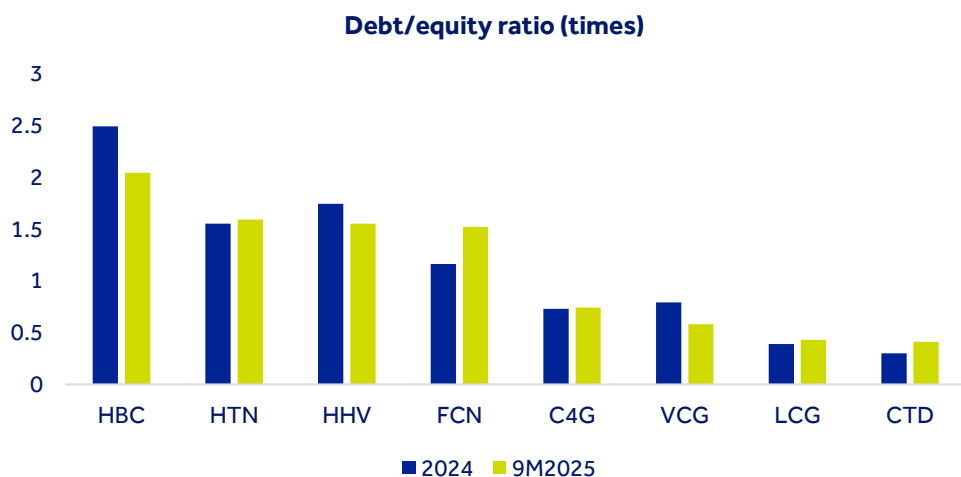
Looking toward 2026, we expect the industrial segment to enter a gradual recovery phase, supported by Vietnam’s increasingly visible competitive advantages—including a stable political environment, cost-efficient manufacturing ecosystem, and an extensive network of free trade agreements. These structural factors are likely to sustain Vietnam’s long-term attractiveness to FDI inflows, which in turn will underpin new factory development despite persistent short-term headwinds. As a result, CTD is well-positioned to restore margin expansion and improve asset efficiency over the next few years

Cost control and provisioning. In Q3/2025, CTD’s receivables increased to VND 15,837 bn (+17.9% YTD), accounting for 51% of total assets, reflecting the company’s expanding construction scale. CTD booked VND 1,282 bn in provisions, while doubtful receivables declined sharply to VND 1.5 tn (–30% YoY) following provision reversals related to two major clients—Saigon Glory (VND 143 bn) and Minh Việt (VND 122 bn). These developments indicate more effective management of high-risk asset items, and we expect receivables recovery to continue improving as the property market regains momentum.

Since FY2022, receivables have increased in line with the expansion of CTD’s backlog; however, a key positive development is the decline in the provision-to-receivables ratio from 11.4% at end-FY2024 to 8.1% at end-FY2025. This indicates a meaningful improvement in receivables quality and a gradual reduction in credit risk. Notably, a significant portion of receivables is attributable to financially resilient developers such as Vinhomes and Lego Manufacturing, enabling CTD to maintain a high degree of safety in working-capital management and reinforce its cost-control discipline across ongoing projects.



Healthy financial structure. CTD has maintained a strong liquidity position, with cash and short-term deposits consistently accounting for over 15% of total assets during 2020–2025. In parallel, the company's low debt-to-equity ratio provides a clear financial advantage relative to peers. As of 9M2025, this ratio stood at only 0.4x—significantly below the industry average of 1.1x and well under key competitors such as HBC (2.0x) in the civil-industrial segment and VCG (0.6x) in the industrial-infrastructure segment. This underscores CTD's prudent capital structure and its strong resilience amid market volatility.



Divestment from the Emerald 68 project supports strong earnings performance.

The Emerald 68 is a strategic joint development between Le Phong Group and Coteccons, launched in November 2023 following preparation work initiated in 2022. The project marked CTD's first step into property development, expanding its business scope beyond its core construction operations.

With total investment exceeding VND2,000 bn, the project is located on a land plot of nearly 9,000 m² along National Highway 13 in Thuan An, Binh Duong—an advantageous location just over 10 km from Ho Chi Minh City's central districts. The

development comprises two 39-storey towers, offering roughly 800 mid- to high-end condominium units along with integrated medical, educational, commercial, and recreational amenities.

In Q3/2025, CTD fully divested its stake in the project, realizing a profit of VND188 bn on an initial investment of VND461 bn—equivalent to an attractive return of approximately 40% from this non-core asset. The divestment materially enhanced Q3/2025 earnings and underpins a positive outlook for CTD's FY2026 results.

Forecast and Valuation

We expect the residential real estate market to maintain resilient end-user demand, while the industrial real estate segment shows signs of recovery and public investment continues to accelerate. These three factors are likely to serve as key growth drivers supporting construction activity in the upcoming period.

Backed by a robust financial position, a consistently strong backlog, and a well-diversified revenue structure across its three core business segments—civil construction, industrial construction, and infrastructure—CTD is well-positioned to benefit from the improving market landscape.

Our projections indicate that CTD could achieve revenue of VND31,308 bn (+25.8% YoY) and net profit of VND728 bn (+59.6% YoY) in FY2026. In addition, new contract awards are estimated to reach at least VND 31,000 bn per year, while the company's gross margin is expected to remain within the 3.6–3.8% range, supported by CTD's strong negotiation leverage with material suppliers and its strategic relationships with major developers.

Using a discounted cash flow (DCF) valuation approach, we estimate a mid-2026 target price of VND 110,000 per share, representing an upside of 27% compared to the closing price on December 8, 2025. We initiate a BUY recommendation on CTD.

	2025FY	2026FY	2027FY
Net sales	31,308	36,926	32,345
<i>Sales growth</i>	25.8%	17.9%	-12.4%
Gross profit	1,149	1,396	1,224
<i>GMP</i>	3.7%	3.8%	3.8%
EBIT	741	916	803
EBITDA	860	1039	931
Operating Profit	895	979	887
<i>growth</i>	62.1%	9.5%	-9.4%
EAT	728	783	710
<i>Growth</i>	59.6%	7.6%	-9.4%
Net profit margin	2.3%	2.1%	2.2%

	2025F	2026F	2027F
Net profit	728	783	710
Increase: Depreciation	119	124	129
Decrease: Capex	-50	-50	-50
(Increase) / Decrease WC	-3,633	-3,297	1,175
Increase: I*(1-tax)	187	204	195
FCFF	-2,649	-2,236	2,158
PV FCFF	-2,453	-1,813	1,533

Risk free	4.5%
Risk premium	9.3%
Beta	1.38
Cost of equity	16.4%
Equity weight	75%
Debt weight	25%
Terminal growth rate	2%
WACC	14.16%

Terminal Value	18,094
PV of terminal Value	12,855
Enterprise Value	10,122
Plus: Excess cash and ST investments	4,302
Minor: Net debt	2,987
Minor: Minorities interest	1
Equity Value	11,436
Number of share outstanding (mil shares)	103.6
Reasonable price (VND/sharse)	110,350

CTD FINANCIAL MODEL	Current price: VND	86,600	Target price: VND	110,000	Market cap: VND bn	8,986
(VND bn except where stated)		2022	2023	2024FY	2025FY	2026FY
Net sales (VND bn)		14,537	16,528	21,045	24,885	31,308
<i>Growth (%)</i>		-38.0%	60.0%	27.3%	18.2%	25.8%
COGS		-14,050	-16,102	-24,069	-30,160	-35,530
Gross profit		487	426	712	815	1,149
<i>Gross profit margin</i>		3.3%	2.6%	3.4%	3.3%	3.7%
SG&A		(735)	(398)	-581	-333	-408
SG&A margin		-5.1%	-2.4%	-2.8%	-1.3%	-1.3%
Profit/(loss) in associates, joint venture		(24)	0	0	0	0
EBITDA		-141	90	186	537	860
<i>EBITDA margin</i>		-1.0%	0.5%	0.9%	2.2%	2.7%
Net operating profit		(54)	238	132	483	741
<i>Operating profit margin</i>		-0.4%	1.4%	0.6%	1.9%	2.4%
Financial income		381	348	280	256	233
Financial expenses		(163)	(130)	-105	-205	-230
Other income		88	10	80	19	150
Profit before tax		35	244	387	552	895
Profit after tax		21	188	310	456	728
Non-controlling interest		0	0	0	0	0
NPAT-MI		21	188	310	456	728
<i>Net profit margin</i>		0.1%	1.1%	1.5%	1.8%	2.3%
Cash, cash equivalents & short-term investments		1,064	1,883	2,210	2,712	1,737
Share outstanding (mn)		78.8	103.6	103,6	103,6	103,6
EPS (VND)		280	662	3,729	4,402	7,024
Adjusted EPS (VND)		49	662	3,729	4,402	7,024

KEY CASHFLOW AND BS ITEMS	2022	2023	2024FY	2025FY	2026FY
Increase in working capital	-1,612	1,353	-353	930	-3,633
Capex	-143	-415	-337	-50	-50
Other cashflow items	-402	-121	2,084	586	-704
Free cash flows	180	1,778	-1304	-2456	-975
Dividends paid	0	0	0	100	100
Increase in net debt	1,473	-1,103	2,198	945	3,205
Net debt, end of year	-1,766	-2,868	-670	275	3,479
Shareholder's equity	8,214	8,272	8,591	8,965	9,693
BVPS (VND)	104,197	104,930	82,901	86,509	93,533
Net debt / Equity	-21.5%	-34.7%	-7.8%	3.1%	35.9%
Net debt / EBITDA	12.7	-31.9	-3.6	0.5	4.0
Total assets	18,967	21,375	22,869	29,701	33,869

KEY RETURN AND VALUATION RATIOS	2022	2023	2024FY	2025FY	2026FY
ROE	0.3%	2.3%	3.6%	5.1%	7.5%
ROA	0.1%	0.9%	1.4%	1.5%	2.1%
ROIC	-1.3%	0.1%	2.9%	2.9%	3.2%
WACC	15.9%	15.9%	14.2%	14.2%	14.2%
EVA	-17.2%	-15.8%	-11.3%	-13.0%	-12.7%
P/E (x)	252.3	40.3	36.4	20.4	12.8
EV/EBITDA (x)	-37.0	40.7	20.9	16.5	14.3
EV/FCF (x)	30.4	3.1	-13.2	-3.8	-11.5
P/B (x)	0.6	0.9	1.1	1.0	0.9
P/S (x)	0.4	0.5	5.0	4.5	3.7
EV/sales (x)	0.4	0.4	6.1	3.7	3.5
Dividend yield	0%	0%	0%	1.1%	1.1%

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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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