



HDG Update - OUTPERFORM

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Pham Duc Toan

(+84 28) 7300 7000 (x1051)
toanpd@acbs.com.vn

Update

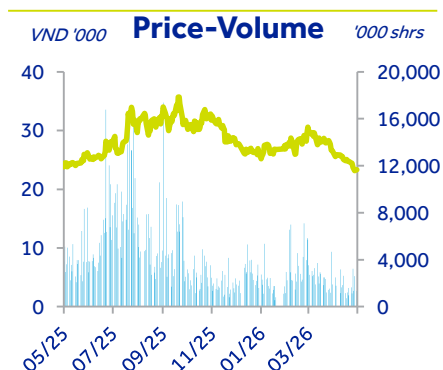
Recommendation **OUTPERFORM**
HOSE: HDG
Conglomerate

Target price (VND)	26,100
Current price (VND)	23,150
Expected share price return	12.8%
Expected dividend yield	0.0%
Expected total return	12.8%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-13.0	-16.4	-11.9	0.1
Relative	-19.2	-17.8	-15.2	-45.2

Source: Bloomberg



Ownership

Chairman Ng. T. Thong	38%
PYN Elite Fund	10%
Nguyen Van To	8%

Stock Statistics 25-May-2026

Bloomberg code	HDG
52-week range (VND)	22,700 – 36,400
Shares O/S (m)	370
Mkt cap (VND bn)	8,639
Mkt cap (USD m)	345
Foreign room left (%)	32
Est. free float (m)	59
3m avg daily vol (shrs)	2,644,294
VND/USD	25,030
Index: VNIndex / HNX	1,886/272

Ha Do Corporation JSC (HOSE: HDG)

HDG announced Q1/2026 results, reporting VND684 bn in revenue, +14% YoY, and VND103 bn in NPAT, -50% YoY, fulfilling only 9% of the company's plan and 10% of ACBS's previous 2026 forecast. The weaker YoY performance was primarily attributable to the unexpected additional provision of VND193 bn related to the Infra 1 solar project, reflecting the difference between the transitioning RE price and the FIT1 during the period from the Commercial Operation Date (COD) in Sep 2020 to the issuance of the Completion Commissioning Acceptance (CCA) in Feb 2023. Consequently, we revise down our target price for HDG in 2026 from VND32,800 to VND26,100/share, implying an expected total return of 12.8%, rating OUTPERFORM.

By Q1/2026, HDG recorded revenue of VND684 bn, +14% YoY, supported by the recognition of VND49 bn in real estate revenue from Phase 3 of the Charm Villas project, whereas no revenue from this segment was recognized YoY. In addition, office leasing and hotel operations generated revenue of VND87 bn and VND45 bn, respectively, +10% and 22% YoY. Revenue and output from the energy segment remained relatively stable compared YoY. Specifically, electricity output declined by 1% YoY to 318 mil kWh, while energy revenue increased by 1% YoY to VND508 bn, mainly driven by higher solar output and improved average selling prices, which offset lower hydropower generation and weaker hydropower selling prices. As a result, gross profit reached VND442 bn, +10% YoY. However, NPAT fell sharply to VND103 bn, -50% YoY, due to the additional VND193 bn provision for the Infra 1 solar project, representing the tariff differential between the transitioning RE mechanism and FIT1 during the period between COD in Sep 2020 and CCA approval in Feb 2023. Management expects this provision to be the one-time off provision for the project, with no further provisioning required.

Based on the latest updates from Q1/2026 results, we revise down our 2026 NPAT forecast for HDG to VND890 bn, -12% from our previous projection. Accordingly, our new target price for HDG is VND26,100/share, implying an expected total return of 12.8%, rating OUTPERFORM.

	2023	2024	2025	2026F	2027F
Net Sales (VNDbn)	2,889	2,718	2,787	2,876	2,969
Growth	-19.3%	-5.9%	2.5%	3.2%	3.3%
EBITDA (VNDbn)	2,009	1,667	1,986	1,830	2,112
EBITDA margin	-22.0%	-17.0%	19.1%	-7.8%	15.4%
NPAT (VNDbn)	865	447	993	890	1,018
Growth	-36.5%	-48.3%	122.1%	-10.4%	14.4%
EPS (bonus-adjusted, VND)	6,471	6,174	7,344	9,183	11,286
Growth	2.3%	-4.6%	19.0%	25.0%	22.9%
ROE	12.0%	6.1%	11.8%	9.8%	10.3%
ROA	6.0%	3.2%	6.8%	5.5%	6.4%
Net debt/EBITDA (x)	2.7	2.9	2.4	3.0	2.2
EV/EBITDA (x)	6.6	7.4	6.0	7.3	5.7
P/E (x)	3.6	3.7	3.2	2.5	1.9
P/B (x)	1.2	1.2	1.0	0.9	0.8
Dividend (VND)	500	-	500	-	-
Dividend yield	2.2%	-	2.2%	-	-

HDG's PERFORMANCE: Q1/2026

Unit: bn VND	Q1/2025	Q1/2026	YoY
Output: mil kWh	320	318	-1%
<i>Hydro</i>	235	228	-3%
<i>Wind</i>	43	43	0%
<i>Solar</i>	42	47	12%
Revenue	598	684	14%
<i>Real Estate</i>	-	49	
<i>Office for rent</i>	79	87	10%
<i>Energy</i>	503	508	1%
<i>Hotel</i>	37	45	22%
Gross profit	401	442	10%
<i>Gross margin</i>	67%	65%	
Financial expenses	108	76	-30%
<i>Interest expenses</i>	75	74	-1%
Administrative expenses	55	258	369%
NPAT	207	103	-50%
<i>NPAT's margin</i>	35%	15%	

Sources: HDG, ACBS

FORECAST

For 2026, we forecast consolidated revenue of VND2,876 bn, +3% YoY. Key highlights include:

In the real estate segment, due to the challenging market environment, we project this segment to contribute VND288 bn in revenue, + 6 times YoY, based on the assumption that HDG will hand over 10 Charm Villas units at an average selling price of VND160 mil/m².

Other real estate projects remain in the legal completion stage and therefore have not yet been incorporated into our valuation model. Specifically, the **Phan Dinh Giot** project is currently awaiting investment policy approval, while the **Minh Long** project has received pilot approval. Management expects both projects to commence construction in 2027. In addition, HDG continues to develop the **Green Lane** and **F367** projects (a new development in Ho Chi Minh City), both of which are also awaiting pilot approval.

We forecast the **energy segment** to contribute VND2,081 bn in revenue in 2026, -8% YoY, primarily due to:

- Electricity **output** declining by 7% YoY to 1.6 bn kWh, mainly attributable to hydropower plants, amid increasing probability that the El Niño cycle will return during the latter months of 2026; and
- **The Hong Phong 4 solar power project** continuing to operate under the transitioning RE mechanism at 4.6 US cents/kWh. Management indicated that approximately VND600 bn has already been provisioned for this project. This amount is not expected to be reversed, while the project is anticipated to obtain CCA approval in Q3/2026. Subsequently, the project may be eligible for the FIT1 of 9.35 US cents/kWh under the latest proposal. Nevertheless, adopting a conservative approach, we continue to assume that the project will only be able to sell electricity at 4.6 US cents/kWh in our valuation model for HDG.

The **Infra 1 solar project** has already recognized a VND193 bn provision for the tariff differential between COD and CCA, as discussed above. Management expects no further provisions to be required for this project, while the project is expected to retain the original FIT1 tariff, similar to Hong Phong 4.

Accordingly, we forecast 2026 NPAT at VND890 bn, -10% YoY.

For **2027**, under assumptions broadly similar to those applied in 2026, particularly regarding the real estate and energy segments, we forecast revenue of VND2,969 bn, +3% YoY, and VND1,018 bn in NPAT, +14% YoY, mainly due to the absence of additional provisioning expenses.

Unit: bn VND	2025	2026F Old Forecast	YoY	2026F New Forecast	YoY	2027F	YoY
Revenue	2,787	3,321	18%	2,876	3%	2,969	3%
<i>Real Estate</i>	47	765	1,528%	288	513%	297	3%
<i>Office for rent</i>	335	348	4%	342	2%	349	3%
<i>Energy</i>	2,274	2,058	-9%	2,081	-8%	2,154	3%
<i>Hotel</i>	152	136	-11%	157	3%	161	3%
Gross profit	1,746	2,218	27%	1,590	-28%	1,774	12%
<i>Gross margin</i>	63%	67%		55%		60%	
NPAT	993	1,167	18%	890	-10%	1,018	14%
<i>NPAT's margin</i>	36%	35%		31%		34%	

Sources: HDG, ACBS

VALUATION

Based on FCFF method, we assign a target price for HDG at VND26,100/share, representing an expected total return of 12,8%, rating OUTPERFORM.

FINANCIALS MODEL	Price: VND	23,150	Target: VND	26,100	Mkt cap VND bn	8,565
(VND bn except where stated)	2023	2024	2025	2026F	2027F	
Total Net Sales	2,889	2,718	2,787	2,876	2,969	
<i>Growth</i>	-19.3%	-5.9%	2.5%	3.2%	3.3%	
CoGS	1,167	1,127	1,041	1,286	1,195	
EBITDA	2,009	1,667	1,986	1,830	2,112	
<i>EBITDA margin</i>	69.5%	61.3%	71.3%	63.6%	71.1%	
Depreciation	520	525	525	525	632	
Operating profit	960	832	1,103	1,033	1,182	
<i>Operating profit margin</i>	33.2%	30.6%	39.6%	35.9%	39.8%	
Net interest expense	476	298	298	272	298	
<i>as % of avg net debt</i>	8.8%	6.1%	6.3%	4.9%	6.4%	
Interest cover (x)	3.1	3.8	4.9	4.8	5.0	
Tax	91	122	79	145	166	
<i>Tax rate</i>	9.5%	21.3%	7.4%	14.0%	14.0%	
NPATMI	664	348	770	694	794	
<i>NPATMI's margin</i>	23.0%	12.8%	27.6%	24.1%	26.7%	
Cash earning	1,184	873	1,295	1,219	1,426	
Number of share: mil	306	336	370	370	370	
EPS: VND	7,830	6,791	7,344	9,183	11,286	
<i>Bonus factor (x)</i>	0.8	0.9	1.0	1.0	1.0	
Adjusted EPS: VND	6,471	6,174	7,344	9,183	11,286	
<i>EPS growth</i>	2.3%	-4.6%	19.0%	25.0%	22.9%	

KEY CASHFLOW AND BS ITEMS	2023	2024	2025	2026F	2027F
Increase in working capital	1,298	887	783	831	941
Capex	147	18	139	1,282	-
Change in investment in affiliates	(301)	(345)	(272)	(804)	(1,117)
Other cashflow items	729	945	14	(1,339)	(429)
Free cash flow	769	1,258	659	(1,429)	1,173
Share issues	-	-	-	-	-
Dividends paid	134	286	127	-	-
Increase in net debt	(635)	(972)	(532)	1,429	(1,173)
Net debt, end of year	5,426	4,884	4,699	5,517	4,657
Shareholders' equity	7,230	7,376	8,400	9,080	9,858
BVPS (VND)	23,645	21,932	22,704	24,543	26,646
<i>Net debt / equity (%)</i>	<i>75.1%</i>	<i>66.2%</i>	<i>55.9%</i>	<i>60.8%</i>	<i>47.2%</i>
<i>Net debt / EBITDA (x)</i>	<i>2.7</i>	<i>2.9</i>	<i>2.4</i>	<i>3.0</i>	<i>2.2</i>
Total assets	14,440	13,848	14,686	16,108	15,957

KEY RETURN AND VALUATION RATIOS	2023	2024	2025	2026F	2027F
ROE	12.0%	6.1%	11.8%	9.8%	10.3%
ROA	6.0%	3.2%	6.8%	5.5%	6.4%
ROIC	11.8%	9.3%	11.2%	8.9%	10.2%
WACC	13.7%	13.7%	13.7%	13.7%	13.7%
EVA	-1.9%	-4.4%	-2.6%	-4.8%	-3.5%
PER (x)	3.6	3.7	3.2	2.5	2.1
EV/EBITDA (x)	6.6	7.4	6.0	7.3	5.7
EV/FCF (x)	17.4	9.8	18.0	(9.3)	10.3
PBR (x)	1.2	1.2	1.0	0.9	0.9
PSR (x)	3.2	3.4	3.3	3.2	3.1
EV/sales (x)	4.6	4.6	4.3	4.6	4.1
Dividend yield	2.2%	-	2.2%	-	-

CONTACTS

Ho Chi Minh City Head Office

3rd Floor, 117 Nguyen Dinh Chieu, Xuan Hoa Ward, Ho Chi Minh City
Tel: (+84 28) 7300 7000
Fax: (+84 28) 7300 3751

Hanoi Office

10 Phan Chu Trinh, Cua Nam Ward, Ha Noi
Tel: (+84 24) 3942 9396

RESEARCH & MARKET STRATEGY DEPARTMENT

Email: acbs_phantich@acbs.com.vn
trangdm@acbs.com.vn

INSTITUTIONAL CLIENT DIVISION

Director

Huong Chu

(+84 28) 7300 7000 (x1083)
huongctk@acbs.com.vn
groupis@acbs.com.vn

Manager

Huynh Nguyen

(+84 28) 7300 6879 (x1088)
huynhntn@acbs.com.vn

DISCLAIMER

Our Recommendation System

BUY: prospective 12 month VND total return (including dividends) will be more than 20%.

OUTPERFORM: prospective 12 month VND total return (including dividends) will be 10% to 20%.

NEUTRAL: prospective 12 month VND total return (including dividends) will be -10% to 10%.

UNDERPERFORM: prospective 12 month VND total return (including dividends) will be will be -20% to -10%.

SELL: prospective 12 month VND total return (including dividends) will be lower than -20%.

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