KBC Update – OUTPERFORM

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Company Update

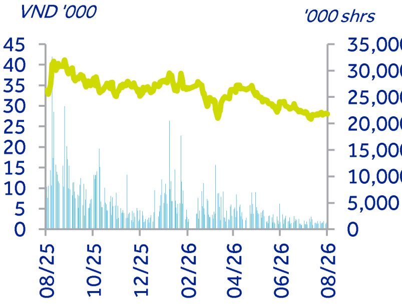
Recommendation	**OUTPERFORM**
	HSX: KBC
	Property
Target price (VND)	**32,300**
Market price (VND)	**28,000**
Expected share price return	15.4%
Expected dividend yield	0.0%
Expected total return	**15.4%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-20.8	-2.1	-15.8	-16.5
Relative	-22.7	-0.5	-11.2	-30.4

Source: Bloomberg

Price-Volume



Ownership

Asia Pacific Sustainable Green Development JSC	9.19%
Kinh Bac Development Investment & Consulting JSC	7.05%
Dang Thanh Tam	5.53%

Stock Statistics

Stock Statistics	**12-Aug-26**
Bloomberg code	**KBC VN**
52-week range (VND)	26,200 - 43,100
Shares O/S (m)	942
Mkt cap (VND bn)	26,369
Mkt cap (USD m)	1,005
Est. Foreign room left (%)	41.7
Est. free float (%)	72.6
3m avg daily vol (shrs)	1,799,257
VND/USD	26,250
Index: VNIndex / HNX	1793.18/288.45

KINH BAC CITY DEVELOPMENT HOLDING CORPORATION JSC (KBC VN)

2Q2026 and 1H2026 business results were unfavorable, primarily due to lower delivered industrial park (IP) land area compared to the same period last year. We revised down 2026 revenue and NPAT forecasts by 23% and 17% respectively due to the postponement of the bulk sale recognition for 15 ha at the Trang Cat urban area from 2026 to 2027. Target price by end-2026 was also adjusted down 12% to VND 32,300/share due to the delayed launch and handover timeline of the Trang Cat urban area project. Reiterate Outperform rating.

KBC reported weak 2Q2026 business results with flat revenue at VND589 bn (+2% YoY) and a sharp 91% YoY decline in NPAT to VND34 bn. The 1H2026 results also dropped, with revenue of VND1,925 bn (-48% YoY) and NPAT of VND269 bn (-78% YoY), completing only 9% of the full-year profit plan, mainly due to:

1) IP revenue decreased by 71% YoY, to VND828 bn due to lower handed-over land area (20.9 ha delivered in 1H2026—mainly at Nam Son Hap Linh IP with 9.8 ha, Que Vo expandsion IP 2 with 5 ha, and 3 industrial clusters in Hung Yen with 5.3 ha—compared to 85.8 ha in 1H2025).
2) Financial expenses rose 152% YoY, to VND567 bn due to higher outstanding debts and elevated interest rates.
3) Effective tax rate reached 52% in 1H2026 (vs. 25% in 1H2025), primarily because non-deductible interest expenses exceeding the 30% EBITDA cap under Decree 132/2020/ND-CP.

Accumulated to June 2026, KBC signed MOUs for 170 ha of IP land, of which over 20 ha were delivered in 1H2026. In 2H2026, KBC plans to sign new contracts for ~100 ha and deliver ~150 ha, targeting revenue of around VND 6,000 bn.

Benefiting from active government policy support and favorable interest rates, ongoing social housing projects at Nenh town and Trang Due urban area achieved strong absorption and delivery rates. In 1H2026, the company sold 856 social housing units at Trang Due and delivered 899 units across Nenh town (461 units) and Trang Due Urban Area (438 units), recording real estate transfer revenue of VND717 bn (+74% YoY).

Amid market headwinds such as high interest rates and tighter credit controls, **we expect the bulk sale of 15 ha at Trang Cat urban area (estimated revenue over VND1,400 bn) to shift from 2026 to 2027. Consequently, 2026 revenue and NPAT forecasts were revised down by 23% and 17% to VND8,149 bn (+22% YoY) and VND2,206 bn (flat YoY), respectively. The target price for end-2026 was reduced by 12% to VND 32,300/share.**

Leverage ratios continued to increase. Total debt increased by over VND4,000 bn in 1H2026 to VND32,677 bn, of which bank borrowings accounting for 96% and corporate bonds for 3%. The Net Debt/Equity ratio rose from 48% to 74.6%, much higher than the industry media of -30.4% while Net Debt/EBITDA increased from 4.9x to 12.4x, much higher than the industry media of -2.4x. Supported by accelerated IP land deliveries and cash collections in 2H2026, we project Net Debt/Equity and Net Debt/EBITDA to decline to 49.1% and 4.5x, respectively, by end-2026.

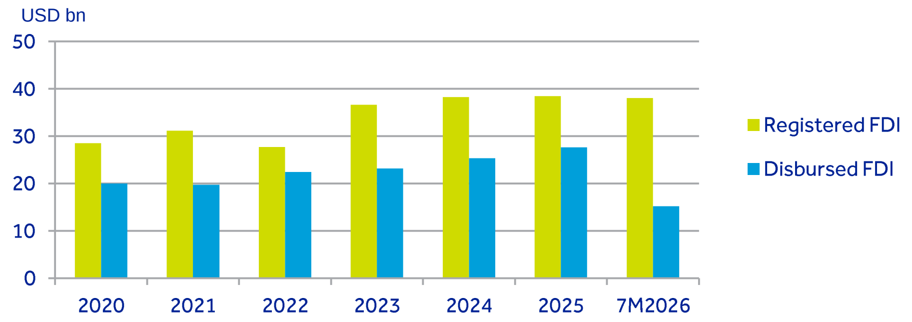
	2023	2024	2025	2026F	2027F
Net Sales (VNDbn)	5,618	2,776	6,687	8,149	10,468
Growth	*491.3%*	*-50.6%*	*140.9%*	*21.9%*	*28.5%*
NPAT (VNDbn)	2,245	423	2,208	2,206	2,856
Growth	*42.4%*	*-81.2%*	*422.0%*	*-0.1%*	*29.5%*
EPS (bonus-adjusted, VND)	2,646	498	2,495	2,231	2,889
Growth	*32.8%*	*-81.2%*	*401.0%*	*-10.6%*	*29.5%*
ROE	11.9%	2.1%	9.7%	8.2%	9.7%
Net debt/Equity	6.1%	0.6%	3.9%	3.7%	4.1%
PER (times)	4.7%	8.2%	48.0%	49.0%	48.6%
PBR (times)	10.6	56.2	11.2	12.5	9.7
DPS (VND)	1.2	1.2	1.1	1.0	0.9
Dividend yield	0	0	0	0	0

Table 1: Business results

Unit: VNDbn	2Q2025	2Q2026	YoY Change	1H2025	1H2026	YoY Change	2026 Plan	% Plan	% previous forecast
Total revenue	**575**	**589**	**2%**	**3.696**	**1.925**	**-48%**	**10.000**	**19%**	**12%**
IP	346	96	-72%	2.830	828	-71%			
Residential property	(0)	288	-136591%	412	717	74%			
Warehouse, factory leasing	55	54	-1%	111	114	3%			
Water, Power supply	113	150	33%	211	266	26%			
Others	61	0	-100%	133	0	-100%			
Gross profit	596	200	-66%	1.797	849	-53%			
Financial income	163	431	164%	299	521	74%			
Financial expenses	111	304	173%	225	567	152%			
SG&A expense	121	133	9%	291	293	1%			
NPAT	**402**	**34**	**-91%**	**1.248**	**269**	**-78%**	**3.000**	**9%**	**9%**

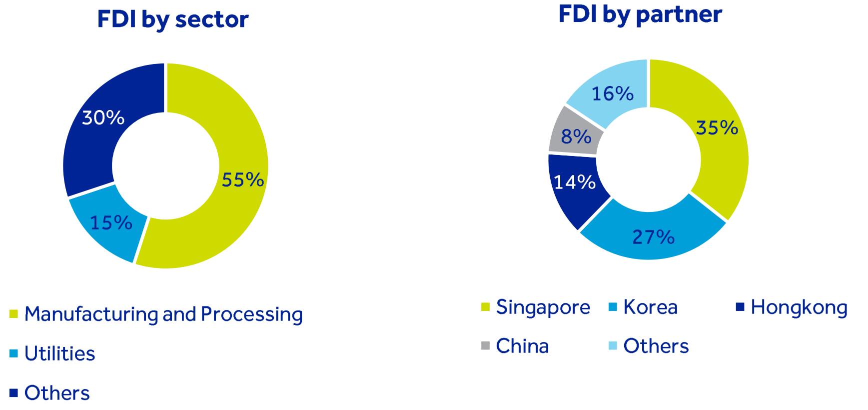
Sources: KBC, ACBS.

Figure 1: FDI inflows to Vietnam



Sources: KBC, ACBS.

Figure 2: FDI in 4M2026



Source: FIA

Table 2: Projects update

No.	Project	Location	KBC's stake	Total area (ha)	NLA (ha)	Remaining NLA	Occupancy rate	Avg. leasing rate (USD/sqm/ remaining term)	Progress
Fully occupied IPs									
1	Que Vo 1 IP	Bac Ninh	100.0%	311	192		100.0%		
2	Que Vo 2 IP	Bac Ninh	100.0%	300	173		100.0%		
3	Quang Chau IP	Bac Ninh	89.0%	426	307		100.0%		
4	Trang Due 1 IP	Hai Phong	89.3%	188	129		100.0%		
5	Trang Due 2 IP	Hai Phong	89.3%	214	133		100.0%		
Operating IPs									
6	Nam Son Hap Linh IP	Bac Ninh	100.0%	300	204	42	79.6%	170	
7	Quang Chau exp. IP	Bac Ninh	96.5%	90	67	5	93.3%	125	
8	Tan Phu Trung IP	HCMC	72.8%	543	346	98	72.0%	280	
9	Hung Yen ICs	Hung Yen	96.3%	225	160	65	62.0%	91	
Upcoming IPs									
10	Trang Due 3 IP	Hai Phong	89.3%	653	470	470	n/a	n/a	
11	Trang Due IC	Hai Phong	89.3%	59	39	39	n/a	n/a	Had 1/500 Plan in February 2024. Expect to complete clearance in 2026.
12	Phuoc Vinh Dong 1 IC	Tay Ninh	100.0%	50	35	35	n/a	n/a	Under land clearance.
13	Phuoc Vinh Dong 2 IC	Tay Ninh	89.0%	49	31	31	n/a	n/a	
14	Phuoc Vinh Dong 4 IC	Tay Ninh	72.8%	50	36	36	n/a	n/a	
15	Tan Tap IC	Tay Ninh	89.3%	71	42	42	n/a	n/a	
16	Tan Tap IP	Tay Ninh	66.0%	654	461	461	n/a	n/a	
17	Loc Giang IP	Tay Ninh	72.8%	466	327	327	n/a	n/a	
18	Kim Thanh 2 – Phase 1	Hai Phong	96.3%	235	158	158	n/a	n/a	Had AIP in January 2025. Under land clearance.
19	Que Vo expansion 2	Bac Ninh	100.0%	140	96	96	5.2%	170	Start to handover from 1Q2026.
20	Song Hau 2	Can Tho	100.0%	380	258*	258*	n/a	n/a	Had AIP in 6/2025. Under land clearance.
21	Binh Giang	Hai Phong	100.0%	148	101*	101*	n/a	n/a	Had AIP in 6/2025. Under land clearance. Start construction in June 2026.
22	Phu Binh	Thai Nguyen	100.0%	675	465	465	n/a	n/a	Had AIP in 6/2025. Under land clearance. Start construction of Phase 1 of 190 ha in December 2025.
23	Tan Dan	Hung Yen	96.3%	199	130	130	n/a	n/a	Had AIP in February 2026.

Sources: KBC, ACBS.

Table 3: KBC's residential projects

No.	Project	Location	KBC's stake	Total area (ha)	Progress
1	Diplomatic Area	Hanoi	100.0%	2.0	Looking for partners to co-develop
2	Phuc Ninh urban area	Bac Ninh	100.0%	136.5	Compensated 94.11 ha. 86.94 ha have been allocated. 12 ha are sold, of which 2.51 ha have been handed over and recorded revenue. Currently, the project has completed 119 villas and townhouses out of a total of 150, and land use right certificates have been issued for 121 plots. However, because the remaining land lease fees to be paid has not yet approved, the project is paused.
3	Tan Phu Trung residential area	HCMC	72.8%	47.7	Fully compensated. Completing legal procedures.
4	Trang Cat urban area	Hai Phong	100.0%	584.9	Land use fees have been fully paid. The revised investment plan was approved in January 2025. It is expected to launch from 2026.
5	Trang Due urban area	Hai Phong	89.3%	42.1	By the end of 2025, 704 land plots and townhouses had been handed over, equivalent to 98%. The project still has 10 plots expected to be handed over in 2Q2026 and 4.55 ha of commercial and service land not yet put into business. Social Housing (3.1 ha, 10 buildings and 2,538 apartments): Phase 1: 3 buildings were fully handed over. Phase 2: 4 buildings were fully handed over. Phase 3: 3 buildings will be constructed from 3Q2025 and handed over in 2026.
6	Social houses in Nenh town	Bac Giang	75.9%	12.6	16 buildings with 5,287 apartments. Phase 1: Handover 10 buildings from 4Q2021. Phase 2: Start to construct 6 buildings from 1Q2025 and expected handover from 2026.
7	Loc Giang resettlement area	Long An	72.8%	31	Completing 1/500 Plan, under compensation and infrastructure construction
8	Tan Lap resettlement area	Long An	89.3%	11.9	Completing legal procedures
9	Phuoc Vinh Dong 2 IC resettlement area	Long An	89.3%	10.5	Completing legal procedures
10	Phuoc Vinh Dong 4 IC resettlement area	Long An	72.8%	10.5	Completing legal procedures
11	Hung Yen Provincial Convention Center	Hung Yen	96.3%	45	n/a
12	Trump International Hung Yen	Hung Yen	96.3%	889	Start construction from 5/2025
13	Hai Phong Central Point	Hai Phong	100.0%	4.7	8 buildings with 1,500 condos and 1 office –hotel building Start construction from 7/2025
14	Lang Ha	Hanoi	99.0%	0.4	Acquired in December, 2025
15	Tien Duong 2 social housing	Hanoi	n/a	39.5	Approved in principle in December 2024. 3,344 social housing units and 114 low-rise commercial housing units
16	Phuong Mao 2 social housing	Bac Ninh	100.0%	1.7	Approved in principle in February 2026. 3 buildings with 1,062 apartments.
17	Tam Linh Bao Lac park	Bac Ninh	58.0%	117.0	Under compensation. This includes a 25-hectare crematorium and a 92-hectare park area.

Sources: KBC, ACBS.

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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

DISCLAIMER