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Company Update

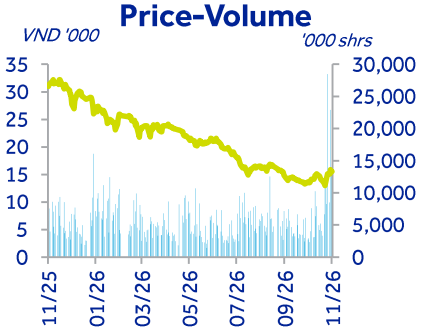
Recommendation	**BUY**
	HSX: KDH
	Property
Target price (VND)	**19,000**
Market price (VND)	**15,550**
Expected share price return	22.1%
Expected dividend yield	0.0%
Expected total return	**22.1%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-45.7	15.7	-6.3	-48.3
Relative	-44.7	14.9	-5.2	-60.1

Source: Bloomberg

Price-Volume



Ownership

Tien Loc Investment JSC	11.23%
VinaCapital	8.09%

Stock Statistics	**12-Nov-26**
Bloomberg code	**KDH VN**
52-week range (VND)	12,750 - 32,909
Shares O/S (m)	1,245
Mkt cap (VND bn)	19,364
Mkt cap (USD m)	748
Est. Foreign room left (%)	26.1
Est. free float (%)	57.7
3m avg daily vol (shrs)	6,157,141
VND/USD	25,870
Index: VNIndex / HNX	1,734.75/256.62

KHANG DIEN INVESTMENT AND HOUSE DEVELOPMENT JSC (KDH VN)

The 9M2026 profit was in line with our forecast and was mainly driven by gains on the divestment of Binh Trung Moi and the acquisition of the An Lap project. We cut our 2027 revenue forecast by 13% to VND4,010 bn and our NPATMI forecast by 21% to VND1,429 bn as we reschedule the delivery of the Binh Trung expansion project from 2027 to 2028 and remove the leasing revenue of the Le Minh Xuan expansion industrial park (IP) because this project is being converted into a social housing project. Our end-2027 target price is adjusted down by 17% to VND19,000/share due to the 10% stock dividend, changes in the planning of some projects, and the addition of the BT and Tan Tao B projects. Reiterate our BUY rating.

The 9M2026 profit mainly came from non-core business. KDH reported revenue of VND483 bn, down 83.1% YoY as only a few low-rise units were delivered at the Gladia project. However, NPATMI doubled YoY to VND1,209 bn, mainly from one-off gains:

1) VND896 bn of financial income from the stake transfer in Binh Trung Moi, of which ~VND22 bn is a gain on the 2% sale, which cut KDH's stake to 48.95%, while the remaining ~VND875 bn represents earlier gains on the 49% stake sale, reclassified from retained earnings to the P&L.
2) VND285 bn bargain-purchase gain on buying 99% of An Lap for VND2,553 bn.
3) VND129 bn contract-termination compensation.

Adjusting the planning of some projects to adapt to unfavorable market conditions. KDH owns a land bank of over 660 ha in inner HCMC and used to focus on developing mid-end apartments and high-end landed properties. Recently, the company has been adjusting the planning of some projects (An Lap, 11A and Tan Tao A) to increase high-rise products, decrease low-rise products, and expand into the social housing segment (converting the Le Minh Xuan expansion IP into the Le Minh Xuan social housing project with 30,000 units). We believe this strategic shift is appropriate for current real estate market conditions, given the high-interest-rate environment and the government's support for affordable and social housing, which are in high demand. It will help the company accelerate sales and cash collection. Please see Table 2 for details.

Leverage ratios may increase in the coming months given the BT project. In 3Q2026, net debt decreased by over VND1.9 trn to VND9,642 bn, leading to a decline in the Net debt/Equity ratio from 57.8% to 47.9%. However, the Net debt/EBITDA ratio increased from 6.7x to 9.6x due to negative EBITDA in 3Q2026. These ratios were higher than the industry medians of 30% and 1.4x, respectively. The Ma Lang – Ga Gao Market BT project, with a total investment of nearly VND15.7 trn, is expected to start compensation from the end of 2026 at an estimated cost of ~VND9 trn for over 1,300 households, which may increase KDH's bank loans in the coming months. We forecast KDH's net debt to reach over VND12.1 trn and the Net debt/Equity ratio to climb to 53.6% by the end of 2026.

	2023	2024	2025	2026F	2027F
Net revenue (VNDbn)	2,088	3,279	4,651	776	4,010
Growth	*-28.3%*	*57.0%*	*41.9%*	*-83.3%*	*416.6%*
NPATMI (VNDbn)	716	810	1,045	1,540	1,429
Growth	*-35.1%*	*13.2%*	*29.0%*	*47.3%*	*-7.2%*
EPS (bonus-adjusted, VND)	646	678	805	1,175	1,090
Growth	*-35.8%*	*5.0%*	*18.7%*	*46.0%*	*-7.2%*
ROE	5.7%	5.3%	5.8%	8.0%	7.0%
Net debt/Equity	16.8%	19.2%	34.9%	53.6%	69.9%
PER (times)	24.1	22.9	19.3	13.2	14.3
PBR (times)	0.9	0.9	0.9	1.0	0.9
DPS (VND)	-	-	-	-	-
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%

KDH will be granted the Tan Tao B project (133 ha, adjacent to the Tan Tao A project) **in exchange for this BT project from 2027**, according to the construction timeline of the BT project (Phase 1: 49 ha in 2027; Phase 2: 46 ha in 2028; and Phase 3: 38 ha in 2029). KDH plans to develop 30,000 condos with an ASP of VND50-60 mn/sqm (equivalent to VND2.5-4.5 bn/unit) in Tan Tao B. Given the high demand for mid-end condominiums in the former HCMC, the project's location and KDH's brand name, we expect a good absorption rate for this project.

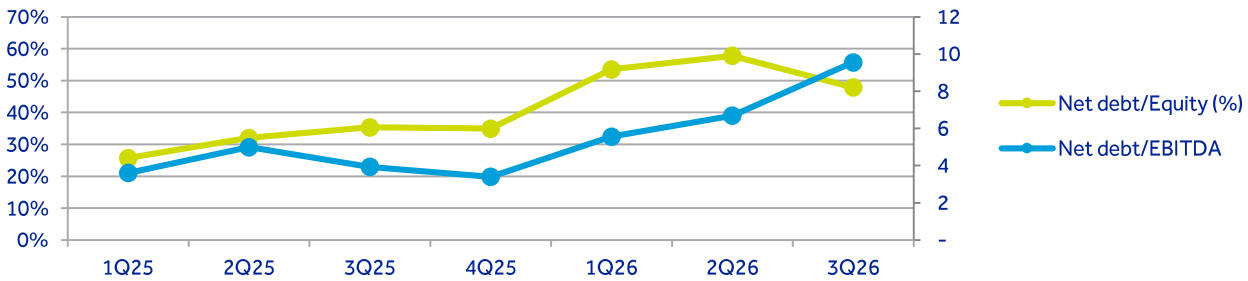
Outlook: We forecast 2027 revenue at VND4,010 bn (+417% YoY), mainly from the delivery of the high-rise component of the Gladia project in 4Q2027. NPATMI is forecast to decline slightly to VND1,429 bn (-7% YoY) mainly due to a lower gross margin of the high-rise component of the Gladia project compared with that of the low-rise component delivered in 2026. We set a target price of VND19,000/share for the end of 2027 (-17% compared to the previous target price) due to the 10% stock dividend, changes in the planning of some projects, and the addition of the BT and Tan Tao B projects.

Table 1: Business results

Unit: VNDbn	3Q2025	3Q2026	YoY Change	9M2025	9M2026	YoY Change	2026 Plan	% Completion
Net revenue	**1,098**	**41**	**-96%**	**2,857**	**483**	**-83%**	**4,200**	**12%**
Gross profit	776	6	-99%	1,486	270	-82%		
Financial income	5	3	-38%	29	916	3,087%		
Financial expenses	3	13	366%	104	60	-43%		
SG&A expenses	119	67	-44%	348	296	-15%		
Other income	9	141	1,524%	35	444	1,171%		
NPAT	526	169	-68%	841	1,268	51%		
NPATMI	**236**	**176**	**-25%**	**557**	**1,209**	**117%**	**1,500**	**81%**

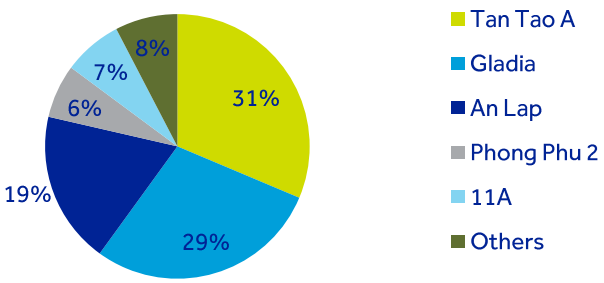
Sources: KDH, ACBS.

Figure 1: Leverage ratios



Sources: KDH, ACBS.

Figure 2: Inventories



Source: KDH's financial statements.

Table 2: Projects update

Project	KDH's stake	Location	Total area (ha)	Total investment (VND bn)	Expected revenue (VND bn)	Expected PBT (VND bn)	Total units	Progress
Gladia	49-51%	Binh Trung Ward, HCMC	11.8	Low-rise: 6,600	Low-rise: 9,500	Low-rise: 2,900	639 high-rise units and 226 low-rise units	Transferred 49% of the whole project to Keppel in 2023 and 2% of a portion of the low-rise component in 2026. Low-rise: completed construction, launched in 3Q2025, delivered from 4Q2025. Cumulatively sold 60%. High-rise: started construction in Jan 2026, **launched in 3Q2026 and sold 80%. Expected to deliver from 4Q2027.**
Binh Trung expansion	100%	Binh Trung Ward, HCMC	18.2	19,000	24,000	5,000	3,300 high-rise units and 200 low-rise units	Had Approval in Principle (AIP), 1/500 Plan and land allocation decision. Constructing infrastructure. **Expected to launch 2,000 high-rise units in 1Q2027 with an ASP of VND5-7 bn/unit and deliver in 2028.**
An Lap	99%	Cat Lai Ward, HCMC	8.2	n/a	n/a	n/a	3,000 high-rise units	**Changed from 202 low-rise units to 3,000 high-rise units.** Completed land compensation. Had land use right certificate, AIP and 1/500 Plan. **Expected to start construction in 2027, launch in 2028 and deliver from 2029.**
11A	100%	Binh Hung Ward, HCMC	16.4	14,800	22,500	7,700	3,800 high-rise units and 31 low-rise units	**Changed from 1,000 high-rise units and 500 low-rise units to 3,800 high-rise units and 31 low-rise units. Expected to launch 1,400 high-rise units with an ASP of VND4-5 bn/unit and deliver from 2029.**
Ma Lang – Ga Gao Market	n/a	Cau Ong Lanh and Ben Thanh Wards, HCMC	4.2	15,700	Not for sale	Not for sale	1,160 high-rise units and 93 low-rise units	**BT project. Expected to start construction in 2027 and be completed by the end of 2028.**
Tan Tao B	100%	Tan Tao Ward, HCMC	133	n/a	n/a	n/a	30,000 high-rise units	**Land bank in exchange for the BT project. Expected to start construction in 2027, launch in 2028 and deliver from 2030.**
Le Minh Xuan social housing	100%	Binh Loi and Tan Nhut Communes, HCMC	109.9	n/a	n/a	n/a	30,000 social housing units	**Converted from an industrial park to a social housing project. Expected to start construction in 2027, launch in 2028 and deliver from 2029.**
Phong Phu 2	100%	Binh Hung Ward, HCMC	36	n/a	n/a	n/a	High-rise and low-rise	Completed land compensation and had AIP.
Tan Tao urban area	100%	Tan Tao Ward, HCMC	329	n/a	n/a	n/a	61,000 units	Completed over 80% of land compensation. Had AIP and 1/500 Plan. The government is expected to accelerate compensation for the remaining area in 2027.
Total			**662.5***					

Sources: KDH, ACBS.
*Note: * excl. BT project Ma Lang – Ga Gao Market*

Figure 3: Historical P/E (LHS) and P/B (RHS)



Source: Finpro.

Table 3: Comparison among property developers

Ticker	Market cap (VND trn)	Current ratio	Quick ratio	Net debt/ Equity	Net debt/ EBITDA	Gross margin 3Q26	ROE	P/E	P/B
VHM	513.4	1.3	0.1	60.2%	1.3	60.3%	38.4%	5.4	1.8
NVL	33.3	2.1	0.3	74.1%	8.8	34.4%	14.2%	3.8	0.5
VPI	22.1	1.9	0.2	122.2%	10.8	37.1%	5.8%	72.1	4.1
KDH	**19.3**	**7.2**	**1.3**	**47.9%**	**9.6**	**14.9%**	**8.6%**	**12.4**	**1.0**
SJS	16.1	2.4	0.1	28.3%	0.7	72.1%	39.9%	10.0	3.3
DXG	14.1	2.2	0.4	2.2%	0.9	48.1%	0.9%	122.7	1.0
PDR	11.9	1.6	0.3	29.9%	1.5	31.4%	19.4%	13.1	2.1
TAL	11.8	1.6	0.3	95.0%	4.5	11.0%	4.4%	21.9	0.9
NLG	11.7	2.6	1.0	-7.0%	-1.6	46.1%	4.0%	26.5	0.9
DIG	8.7	2.0	0.7	-40.1%	-4.2	21.0%	6.8%	14.1	0.9
CEO	7.3	2.5	0.5	33.6%	5.5	33.3%	3.0%	39.6	1.2
IJC	4.5	2.8	0.8	9.8%	1.2	43.0%	7.3%	9.4	0.6
HDC	3.0	1.6	0.4	67.2%	21.8	17.3%	6.6%	15.5	1.0
AGG	1.6	4.4	1.6	-30.1%	-1.0	13.7%	-3.5%	3.3	1.0
NTL	1.6	1.3	0.5	-14.6%	-2.4	30.9%	16.1%	2.8	0.4
Median	**11.8**	**2.1**	**0.4**	**30.0%**	**1.4**	**33.3%**	**6.8%**	**13.7**	**1.0**

Source: Bloomberg as of 12/11/2026.

FINANCIAL MODEL	Market price (VND):	15,550	Target (VND):	19,000	Mkt cap (VND bn):	19,364
(VND bn except where stated)		**2023**	**2024**	**2025**	**2026F**	**2027F**
Net Sales		**2,088**	**3,279**	**4,651**	**776**	**4,010**
Sales growth		*-28.3%*	*57.0%*	*41.9%*	*-83.3%*	*416.6%*
CoGS ex-dep'n		506	1,525	1,884	189	1,738
Gross margin		*76.0%*	*53.1%*	*59.2%*	*73.9%*	*56.3%*
SG&A		367	432	594	99	512
SG&A as % of sales		*17.6%*	*13.2%*	*12.8%*	*12.8%*	*12.8%*
EBITDA		**1,215**	**1,321**	**2,173**	**489**	**1,760**
EBITDA margin		*58.2%*	*40.3%*	*46.7%*	*62.9%*	*43.9%*
Depreciation		-5	14	13	14	15
Operating profit		**1,220**	**1,308**	**2,160**	**475**	**1,746**
Operating profit margin		*58.4%*	*39.9%*	*46.4%*	*61.2%*	*43.5%*
Profit/loss from associates and JVs		0	0	0	260	397
Financial income (excl. saving interest)		2	-	-	896	1,793
Financial expenses (excl. interest expense)		148	216	180	32	580
Net interest expense		-48	-38	-40	10	29
as % of avg. net debt		*22.4%*	*23.4%*	*14.2%*	*13.0%*	*13.5%*
Other profit/loss		-53	-79	18	421	0
Tax		340	247	412	406	673
Effective tax rate (%)		*31.8%*	*23.5%*	*20.2%*	*20.2%*	*20.2%*
Minority interest		14	(7)	581	63	1,226
NPATMI		**716**	**810**	**1,045**	**1,540**	**1,429**
Net profit margin (%)		*34.3%*	*24.7%*	*22.5%*	*198.4%*	*35.6%*
Cash earnings		725	817	1,640	1,617	2,669
Number of shares (m)		799	1,011	1,122	1,245	1,245
EPS (VND)		**860**	**820**	**885**	**1,175**	**1,090**
Bonus factor (x)		0.8	0.8	0.9	1.0	1.0
Adjusted EPS (VND)		**646**	**678**	**805**	**1,175**	**1,090**
EPS growth (%)		*-35.8%*	*5.0%*	*18.7%*	*46.0%*	*-7.2%*

KEY CASHFLOW AND BS ITEMS	2023	2024	2025	2026F	2027F
Increase in working capital	1,363	5,398	4,914	6,899	6,710
Capex	216	100	683	333	333
Other cash flow items	2,086	379	145	903	903
Free cash flow	**1,233**	**-4,302**	**-3,813**	**-4,776**	**-4,698**
Share issues (m)	135	3,184	144	0	0
Dividends paid	0	0	0	0	0
Increase in net debt	-1,368	1,118	3,668	4,776	4,698
Net debt, end of year	**2,608**	**3,726**	**7,394**	**12,170**	**16,867**
Shareholders' equity	**15,523**	**19,453**	**21,164**	**22,704**	**24,133**
Minority interest	2,072	2,059	2,641	2,834	3,012
BVPS (VND)	16,828	17,203	16,506	15,957	16,961
Net debt / equity (%)	*16.8%*	*19.2%*	*34.9%*	*53.6%*	*69.9%*
Net debt / EBITDA (x)	*2.1*	*2.8*	*3.4*	*24.9*	*9.6*
Total assets	**26,481**	**30,758**	**34,074**	**40,453**	**47,804**

KEY RETURN AND VALUATION RATIOS	2023	2024	2025	2026F	2027F
ROE	*5.7%*	*5.3%*	*5.8%*	*8.0%*	*7.0%*
ROA	*3.0%*	*2.8%*	*3.2%*	*4.1%*	*3.2%*
ROIC	*2.9%*	*2.7%*	*4.9%*	*4.3%*	*6.1%*
WACC	*12.9%*	*12.9%*	*12.1%*	*11.8%*	*11.6%*
EVA	*-10.0%*	*-10.2%*	*-7.2%*	*-7.4%*	*-5.5%*
PER (x)	*24.1*	*22.9*	*19.3*	*13.2*	*14.3*
EV/EBITDA (x)	*18.1*	*17.5*	*12.3*	*64.5*	*20.6*
EV/FCF (x)	*17.8*	*-5.4*	*-7.0*	*-6.6*	*-7.7*
PBR (x)	*0.9*	*0.9*	*0.9*	*1.0*	*0.9*
PSR (x)	*9.3*	*5.9*	*4.2*	*24.9*	*4.8*
EV/sales (x)	*10.5*	*7.0*	*5.8*	*40.6*	*9.0*
Dividend yield	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

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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

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