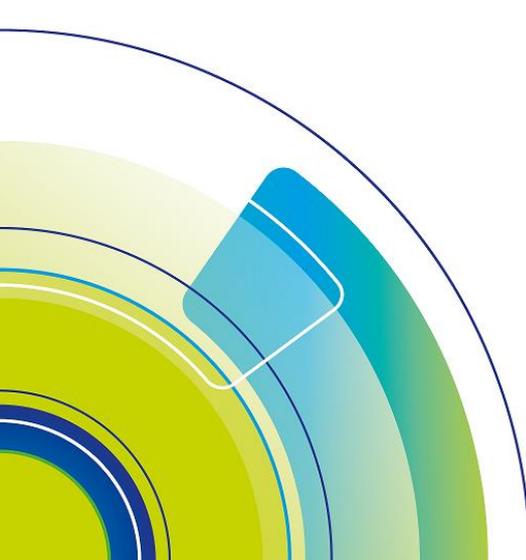




HDG Flash News – BUY

April 26, 2025



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Flash News

Recommendation

BUY

HoSE: HDG

Conglomerate

Target price (VND) **31,000**

Current price (VND) **23,250**

Expected share price return 33.4%

Expected dividend yield 0.0%

Expected total return **33.4%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-18.4	-13.6	-12.4	-1.9
Relative	-15.6	-5.9	-9.7	-5.7

Source: Bloomberg



Ownership

Nguyen Trong Thong	31.8%
Nguyen Van To	8.1%
CTBC Vietnam Equity Fund	4.9%
PYN Elite Fund	4.9%
Nguyen Phuong Dong	4.8%

Stock Statistics

25-Apr-25

Bloomberg code

HDG

52-week range (VND) 19,700 – 33,000

Shares O/S (m) 336

Mkt cap (VND bn) 7,820

Mkt cap (USD bn) 312

Foreign room left (%) 30.5

Est. free float (%) 53.6

3m avg daily vol (shrs) 2,555,529

VND/USD 25,030

Index: VNIndex / HNX 1,229.2/211.7

HA DO GROUP JSC (HoSE: HDG)

On Apr 26th, 2025 HDG held the Annual General Meeting (AGM), key takeaways are below:

Currently, in the Real Estate (RE) segment, HDG does not possess substantial pipeline projects that would generate significant growth impetus in the future. Consequently, the company is primarily focused on sales to capitalize on existing projects. HDG is actively exploring opportunities to develop additional commercial residential projects in various localities during the 2025-2027 period, as well as Renewable Energy (RE) projects, and may potentially expand into other sectors such as logistics and industrial parks. However, specific plans and details for 2025 are currently unavailable.

1/ 2025 Plan: 2025's target revenue is VND2,936 bn, +8.0% YoY; and NPAT target for 2025 is VND1,057 bn, +136.5% YoY.

Unit: bn VND	2024	2025P	YoY	2025F ACBS Forecast	YoY
Revenue	2,718	2,936	8.0%	3,173	16.7%
Real Estate	415	755	81.9%	743	78.9%
Construction	13			13	3.0%
Office Leasing	328			338	3.0%
Energy	1,891	1,869	-1.2%	1,947	3.0%
Hotel	128			132	3.0%
NPAT	447	1,057	136.5%	1,072	139.8%

2/ The dividend for 2024 is a stock dividend at a rate of 10%, with a proposed dividend rate of 15% for 2025. We anticipate a high probability of this also being a stock dividend, given HDG's need for substantial resources to prepare for the upcoming project development phase. Similarly, HDG does not have immediate plans for treasury share buybacks despite the current low stock price, for the same reason.

3/ Q1/2025 Business Result: Estimated Q1/2025 electricity production is 320 mil kWh, +29.6% YoY, with hydropower contributing 235 mil kWh, +39.1% YoY. Estimated Q1/2025 revenue is VND540 bn, -36.3% YoY, primarily driven by the energy segment (VND514 bn, +24.1% YoY). Estimated NPAT is VND136 bn, -48.5% YoY. The primary reason for this decline is the absence of revenue recognition from the real estate segment during this quarter.

	2022	2023	2024	2025F	2026F
Net Sales (VNDbn)	3,581	2,889	2,718	3,173	3,321
Growth	-5.2%	-19.3%	-5.9%	16.7%	4.7%
EBITDA (VNDbn)	2,576	2,009	1,667	2,191	2,273
Growth	12.2%	-22.0%	-17.0%	31.4%	3.7%
NPAT (VNDbn)	1,362	865	447	1,072	1,158
Growth	1.3%	-36.5%	-48.3%	139.8%	8.1%
EPS (bonus-adjusted, VND)	3,327	1,974	1,035	2,535	2,740
Growth	0.1%	-40.7%	-47.6%	145.0%	8.1%
ROE	20.8%	12.0%	6.1%	13.3%	13.2%
ROA	9.0%	6.0%	3.2%	7.8%	8.4%
Net debt/EBITDA (x)	2.4	2.7	2.9	1.9	1.6
EV/EBITDA (x)	5.0	6.3	7.2	5.0	4.2
P/E (x)	7.0	11.8	22.5	9.2	8.4
P/B (x)	0.9	1.1	1.1	0.9	0.9
Dividend (VND)	-	500	-	-	-
Dividend yield	-	2.2%	-	-	-

4/ Real Estate: 2025's revenue is projected at VND755 bn, +81.5% YoY. This figure is contingent upon the progress of selling the remaining units at the Hado Charm Villas project, with an estimated selling price of VND120 mil/m². This project is expected to contribute approximately VND3,000 bn in revenue during the 2025-2027 period. HDG anticipates commencing sales from May 2025, with an additional land use fee payment of VND500 bn for this project. Furthermore, HDG is currently conducting research on a residential housing project in Vu Thu district and is collaborating with Tien Hai district to explore investment in an industrial park project in Dong Long commune; detailed information remains undisclosed.

- HH Project, Dich Vong: HDG and NTL previously established an agreement in 1999 regarding product allocation on this project. HDG has not yet settled the advance payment for project development costs owed to NTL.

- Linh Trung Project, District 8: This project has been included in a pilot list for submission and approval, but no updated information is available.

5/ Energy: 2025's revenue is projected at VND1,869 bn, -1.2% YoY.

- The Hong Phong 4 project has been fully provisioned for the price difference between the FIT and transitioning RE price scheme. Consequently, no further provisioning is anticipated for the following year. The company plans to resolve the outstanding issues by Jun of this year, although potential delays exist. For the Infra 1 project, the conclusion and guidance from relevant state authorities regarding the Commercial Operation Date (COD) are still pending. However, HDG is currently receiving payments from EVN at the FIT rate for this project.

- A pricing policy for RE sources is currently absent. However, based on recent price proposals, management believes they are insufficiently attractive to incentivize private sector investment in the power sector and anticipate positive adjustments to pricing policies for businesses in the future. HDG has secured land reserves over the past 5-7 years for wind and solar power projects, which have also been incorporated into the Power Development Plan VIII. The company will proceed with development upon the establishment of a suitable pricing mechanism.

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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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