



BSC RESEARCH Feb, 2023

# PUBLIC INVESTMENT REPORT 2023 (The 4th)

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## 03 Reference: Public Investment Report 2020-2022

1. Public Investment Report 2020: [Link](#)
2. Public Investment Report 2021: [Link](#)
3. Public Investment Report 2022: [Link](#)

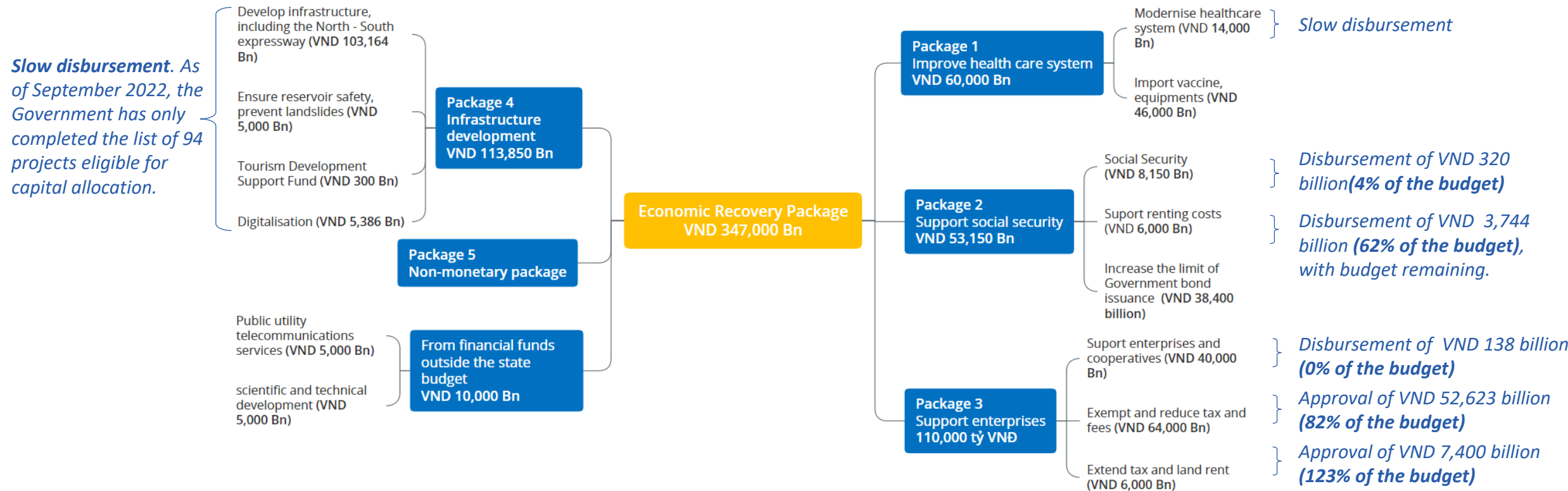




## Public investment results in 2022 & prospects in 2023

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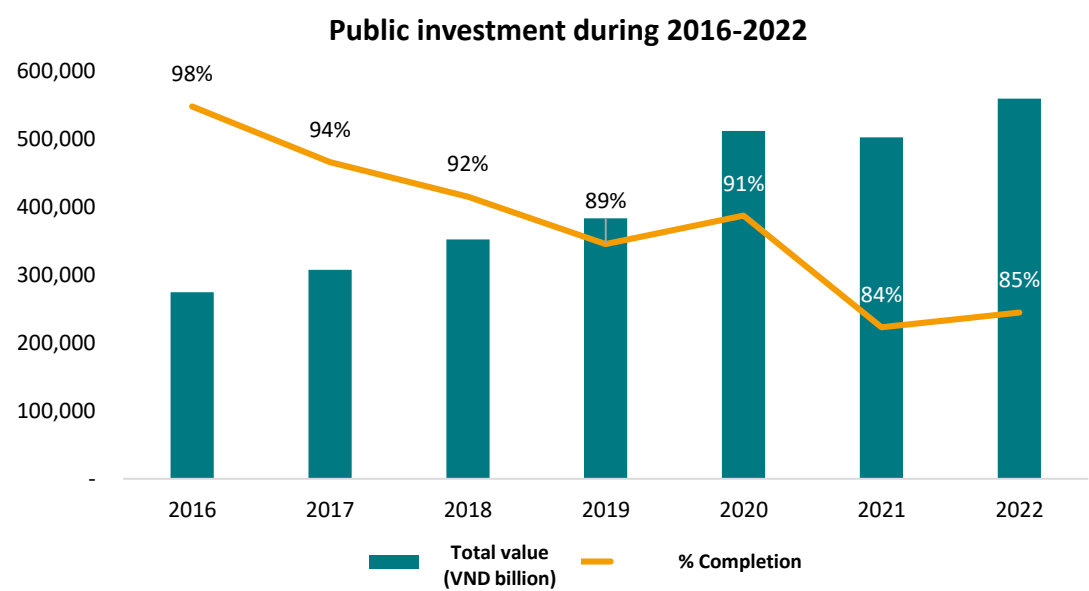
- In January 2022, the National Assembly approved the **"Socio-economic recovery and development program"** with total value of VND 347,000 billion. Including **package 4: "Infrastructure development"**, with value of VND 113,850 billion, accounting for 33% of total package size.
- **The disbursement on development investment projects under the "Recovery Program" was progressed slowly.** As of September 2022, the list of 94 projects eligible for capital plan arrangement had been completed, with total investment of VND 147,138 billion. By the end of 2022, infrastructure projects (Phase 2 of North-South Expressway ) were still in the contractor appointment stage.





DISBURSEMENT OF ANNUAL STATE BUDGET CAPITAL REACHED 85% - **ALMOST THE LOWEST RATE** DURING 2016 - 2022

- According to GSO, the total expenditure from state budget capital in 2022 was high - reaching VND 595,423 billion (+11% yoy). However, the planned disbursement rate was almost the lowest during 2016-2022, reaching 85% mainly because the value of 2022 plan is VND 93,160 billion higher than (+18%YoY) the value of 2021 plan.
- There were 7 ministries and central agencies planning to disburse over VND 5,000 billion. In which, 2/7 ministries and central agencies had a disbursement rate of >80%.
- The Ministry of Defense had the highest disbursement rate (94%);
- The State Bank of Vietnam had the lowest disbursement rate (0.11%) due to the interest rate support program and the difficulty in determining the supporting objects of this program.



No	Ministries, central agencies	Total plan	Last year's capital plan extended to	Capital allocation plan for the year	Accumulated payment until December 31, 2022					
					Total		Last year's capital extended		Capital allocation plan for the year	
					Value	% completion	Value	% completion	Value	% completion
Statistics of some Ministries and Central agencies		Source: MOF								
1	Ministry of Transport	55,050	-	55,050	48,310	88%	-	-	48,310	88%
2	State Bank of Vietnam	16,034	-	16,034	17	0.11%	-	-	17	0.11%
3	Ministry of National Defense	13,672	1,572	12,100	11,416	83%	45	3%	11,370	94%
4	Development Banks	8,561	-	8,561	5,868	69%			5,868	69%
5	Ministry of Public Security	8,057	1,100	6,957	6,234	77%	1,039	94%	5,195	75%
6	MARD	7,534	1,096	6,438	4,750	63%	758	69%	3,992	62%
7	Social Policies Banks	6,702	-	6,702	3,363	50%	-	-	3,363	50%

**There were 13 provinces planning to disburse over VND 10,000 billion:** In which, 11/13 provinces had a disbursement rate of >70%. Bac Giang had the highest disbursement rate (89%), Ho Chi Minh City had the lowest disbursement rate (43%)

No	Provinces	Total plan	Last year's capital plan extended to	Capital allocation plan for the year	Accumulated payment until December 31, 2022					
					Total		Last year's capital extended		Capital allocation plan for the year	
					Value	% completion	Value	% completion	Value	% completion
Statistics of some provinces										
1	TP. HCM	60,017	5,748	54,268	25,641	43%	2,533	44%	23,108	43%
2	Hà Nội	54,634	3,051	51,582	41,442	76%	2,286	75%	39,154	76%
3	Quảng Ninh	18,603	1,114	17,489	13,940	75%	849	76%	13,091	75%
4	Hải Phòng	18,276	172	18,103	15,420	84%	121	70%	15,299	85%
5	Bà Rịa Vũng Tàu	14,436	946	13,490	10,798	75%	647	68%	10,152	75%
6	Đồng Nai	13,650	4,132	9,518	9,965	73%	2,360	57%	7,604	79%
7	Bình Dương	12,867	3,633	9,234	7,524	58%	1,828	50%	5,697	62%
8	Bắc Giang	12,795	1,724	11,070	11,437	89%	1,534	89%	9,902	89%
9	Thanh Hóa	12,309	390	11,919	8,867	72%	282	72%	8,586	72%
10	Vĩnh Phúc	12,214	2,276	9,937	9,401	76%	1,686	74%	7,716	77%
11	Nghệ An	11,575	569	11,005	8,405	73%	514	90%	7,891	72%
12	Bình Định	11,428	79	11,348	9,349	82%	66	82%	9,284	82%
13	Hưng Yên	11,147	377	10,770	8,426	76%	227	60%	8,199	76%
14	Long An	10,830	709	10,121	8,658	80%	486	68%	5,172	81%

# AT 13 PROVINCES, WHERE NORTH-SOUTH EXPRESSWAY PHASE 1 PASSING THROUGH – AVERAGE DISBURSEMENT RATE REACHED 79%

With 13 provinces having the North-South expressway project phase 1 passing through, the average disbursement rate reached 79%. In particular, Ninh Binh had the highest disbursement rate (97%), Quang Tri had the lowest disbursement rate (52%).

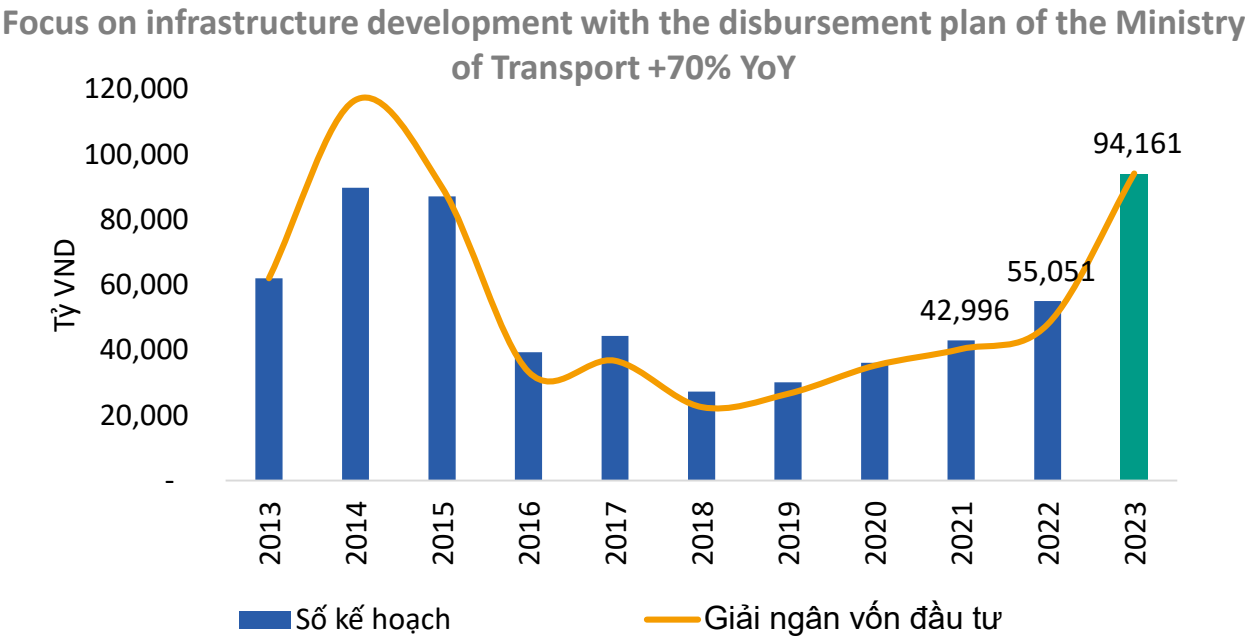
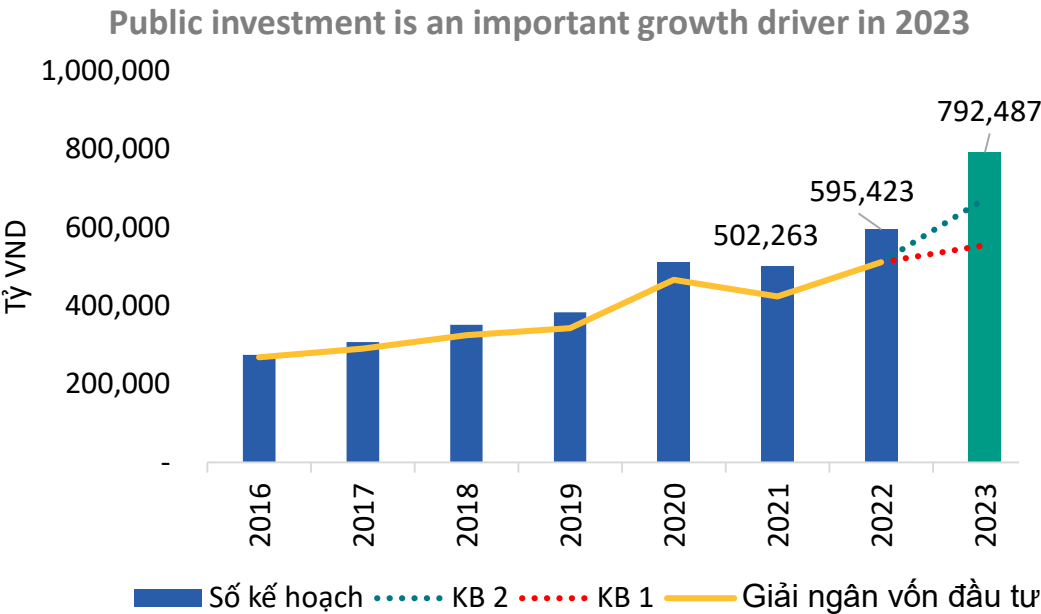
No	Region	Total plan	Last year's capital plan extended to	Capital allocation plan for the year	Accumulated payment until December 31, 2022					
					Total		Last year's capital extended		Capital allocation plan for the year	
					Value	% completion	Value	% completion	Value	% completion
1	Đồng Nai	13,650	4,132	9,518	10,414	76%	2,583	63%	7,831	82%
2	Thanh Hóa	12,309	390	11,919	9,572	78%	256	66%	9,316	78%
3	Nghệ An	11,575	569	11,005	8,828	76%	516	91%	8,312	76%
4	Hà Tĩnh	9,044	352	8,692	7,122	79%	321	91%	6,800	78%
5	Ninh Bình	7,123	706	6,417	6,877	97%	670	95%	6,206	97%
6	Thừa Thiên Huế	6,301	1,587	4,713	4,749	75%	813	51%	3,936	84%
7	Nam Định	5,919	363	5,566	5,040	85%	296	81%	4,744	85%
8	Bình Thuận	5,574	247	5,327	4,658	84%	193	78%	4,465	84%
9	Vĩnh Long	4,839	198	4,641	3,781	78%	70	35%	3,711	80%
10	Tiền Giang	4,651	5	4,646	4,071	88%	4	77%	4,067	88%
11	Quảng Trị	4,441	319	4,122	2,259	51%	124	39%	2,135	52%
12	Khánh Hòa	4,397	449	3,947	3,330	76%	449	100%	2,881	73%
13	Ninh Thuận	3,272	182	3,089	2,453	75%	110	60%	2,343	76%
AVERAGE						78%		71%		79%

The construction output of most of the North-South Expressway component projects in Phase 1 were >70%, and they are expected to be completed in 2023, including: Mai Son - Highway 45, Cam Lo La Son, Vinh Hao - Phan Thiet, Phan Thiet - Dau Giay, My Thuan 2 Bridge, Cao Bo - Mai Son

No	Project	Distance (km)	TMĐT (Billion VNĐ)	Source from state budget	Capital		Total infrastructure development spending	% Completion of construction contract value until M12.2022	Comment
					Public Investment plan 2021-2025	Recovery Package 2022-2023			
<b>A</b>	<b>North - South Expressway Phase 1</b>	<b>659</b>	<b>97,288</b>	<b>83,635</b>	<b>60,668</b>		<b>60,668</b>		
1	Mai Sơn - QL45	63	12,111	12,111	9,415			83.48%	Basically <b>close to the progress</b> . Expected to be launched before April 30, 2023
2	QL45- Nghi Sơn	43	5,534	5,534	4,397			54.90%	<b>On schedule</b> . Expected to be completed in 3Q2023.
3	Nghi Sơn - Diễn Châu	50	7,293	7,293	6,032			63.40%	<b>Slow progress</b> of XL2 package due to transportation problems
4	Diễn Châu - Bãi Vọt	50	13,338	6,618	5,379			24.02%	<b>Extremely slow</b> compared to progress due to transportation problems, lack of capital
5	Cam Lộ - La Sơn	98	7,669	7,669	4,677			100%	<b>Launched in 2022</b>
6	Nha Trang - Cam Lâm	50	7,615	5,058	2,232			64.10%	<b>On schedule</b> . Expected to be completed in mid 2023.
7	Cam Lâm - Vĩnh Hảo	79	13,687	9,311	5,625			36.16%	3 months <b>ahead of schedule</b>
8	Vĩnh Hảo - Phan Thiết	106	10,854	10,854	8,830			70.94%	Basically <b>close to the progress</b> . Expected to be launched before April 30, 2023
9	Phan Thiết - Dầu giây	98	12,577	12,577	9,602			78.80%	Basically <b>close to the progress</b> . Expected to be launched before April 30, 2023
10	Cầu Mỹ Thuận 2	7	5,003	5,003	3,837			70.73%	<b>On schedule</b> . Expected to be completed by the end of 2023
11	Cao Bồ - Mai Sơn	15	1,607	1,607	642			83.48%	<b>Slow progress</b> . Expected to open before April 30, 2023
	<b>Compensation and resettlement SB</b>								
<b>B</b>	<b>Long Thanh</b>				<b>4,660</b>		<b>4,660</b>		



DISBURSEMENT OF PUBLIC INVESTMENT IS FORECASTED TO INCREASE BY +24%YoY IN 2023



	2017	2018	2019	2020	2021	2022	2023FC
Planned Public Investment (Bil VND)	307,661	352,017	383,336	512,037	502,263	595,423	792,487
12M % plan							Scenario 1    Scenario2
Total	94.41	92.3	89.46	91.13	84.3	85.2	70    80
Central	91.13	89.94	85.29	91.42	81.2	78.9	70    80
Local	95.38	92.84	90.25	91.06	85.0	86.7	70    80
12M %YoY							
Total	7.23	12.52	5.81	34.45	-8.60	18.8	8.4    23.9
Central	3.91	-6.14	-12.03	59.69	-8.25	23.4	14.5    30.9
Local	8.21	17.75	9.78	29.95	-8.68	17.9	7.1    22.4

## SHORTEN PREPARATION TIME, SPEED UP PROGRESS: 12 component projects simultaneously started constructing

Lack of supply of construction materials

Licensing and guiding the **implementation of mineral mining and construction material mining** in localities

Price fluctuations of building materials

The **price of construction materials** cooled down.  
The Ministry of Construction **inspects, controls and strictly manages** the price of construction materials, directs localities to announce prices in a timely manner.

The Ministry of Natural Resources and Environment, the Ministry of Transport and local authorities **coordinate to implement site clearance compensation**.  
Localities have handed over 76% of the premises by the end of 2022, aiming to hand over 100% of premises by 2Q/2023.

Entanglements in compensation and site clearance

Conducting **contractor appointment** for 12/12 component projects of phase 2.  
**Dividing** the package into 25 component packages to **match the contractors' financial and operational** capacity.

Progress of contractor selection

# 16/23 COMPONENT PROJECTS (PHASE 2) UNDER THE ECONOMIC RECOVERY PACKAGE HAVE CONTRACTORS, OR HAVE A GUIDANCE TO APPOINT CONTRACTORS

No.	Projects	Distance (km)	Investment value (Bn VND)	In which: State budget	Source of fund		Total infrastructure development expenditure	Updated progress to Jan.2023
					Annual public investment plan 2021-2025	Recovery package 2022-2023		
<b>A</b>	<b>Highway projects</b>		<b>273,973</b>	<b>262,969</b>	<b>74,251</b>	<b>92,634</b>	<b>166,885</b>	
1	North – South expressway phase 2	729	146,990	146,990	47,169	72,476	119,645	25/25 package of selected projects, 12 component projects have been started en masse in January .2023
	<i>Bai Vot Ham Nghi</i>	36	7,403	7,403				
	<i>Ham Nghi - Vung Ang</i>	54	10,185	10,185				
	<i>Vung Ang – Bung</i>	58	11,785	11,785				
	<i>Bung - Van Ninh</i>	51	10,526	10,526				
	<i>Van Ninh - Cam Lo</i>	68	10,591	10,591				
	<i>Quang Ngai - Hoai Nhon</i>	88	20,898	20,898				
	<i>Hoai Nhon - Quy Nhon</i>	69	12,544	12,544				
	<i>Quy Nhon - Chi Thanh</i>	62	12,298	12,298				
	<i>Chi Thanh - Van Phong</i>	51	10,601	10,601				
	<i>Van Phong - Nha Trang</i>	83	12,906	12,906				
	<i>Con Tho - Hau Giang</i>	37	9,768	9,768				
	<i>Hau Giang - Ca Mau</i>	72	17,485	17,485				
2	Bien Hoa – Vung Tau expressway		18,635	18,635	5,740	3,500	9,240	Contractor designation, commencement plan 28/4/2023
3	An Huu - Cao Lanh expressway		6,054	6,054	1,864	1,204	3,068	No contractor, plan to start construction on 30/4/2023
4	Chau Doc - Can Tho - Soc Trang - Tran De		49,745	49,745	14,247	3,800	18,047	Consider appointing bidders, customers start construction on 30/6/2023
5	Khanh Hoa - Buon Ma Thuot expressway		17,435	17,435	5,231	2,320	7,551	Appointing contractors, customers starting construction on 1/6/2023
6	Tuyen Quang - Ha Giang expressway		6,264	4,800	-	3,584	3,584	Appoint 10 packages, plan to start construction in the first quarter 2023
7	Hoa Binh - Moc Chau expressway project		9,770	9,770	-	4,650	4,650	No contractor, plan to start construction on 28/4/2023
8	Ninh Binh – Nam Dinh – Thai Binh - Hai Phong expressway		19,080	9,540	-	1,100	1,100	No specific information yet
<b>B</b>	<b>Projects connecting regions, industrial zones and seaports</b>		<b>18,554</b>	<b>15,786</b>	<b>2,412</b>	<b>10,530</b>	<b>12,942</b>	
1	Dai Ngai bridge – No. 60 national highway		8,040	8,040	2,412	4,130	6,542	Expected to start construction in the first quarter 2023
2	No. 1A national highway - Cau Gie – No. 21A national highway - No. 21B national highway, Ha Noi – Hai Phong		4,950	3,000	-	2,500	2,500	n.a
3	Provincial road DT.295C, DT.285B, DT.277B connecting Bac Ninh, Ha Bac, Ring Road 4		1,495	1,000	-	900	900	n.a
4	National Highway 12C connects Fomosa Ha Tinh complex		669	500		500	500	n.a
5	Highway 4B upgrade		3,400	3,246	-	2,500	2,500	n.a



# SUMMARY OF THE BIDDING PACKAGES OF THE NORTH-SOUTH EXPRESSWAY PHASE 2

No	Expressway	Value (Bn VND)	Updated progress to February 2023
1	Bai Vot Ham Nghi		
	XL-11	5,232	VCG -TCT 319
2	Ham Nghi - Vung Ang		
	XL-11	3,776	Xuan Truong Construction JSC- 471 JSC - Tu Lap Construction Limited Liability Company
	XL-12	3,304	Xuan Truong Construction JSC – 368 JSC
3	Vung Ang – Bung		
	XL-1	5,300	Son Hai – VCG - 368-484-479 Construction JSC
	XL-2	5,400	Phuong Thanh Transport Construction and Investment JSC – LCG
4	Bung - Van Ninh		
	XL-1	3,939	C4G - 36 Corporations -Truong Son Investment Construction JSC - 471 Construction JSC Truong Son Construction Corporation - Trung Chinh Trading and Construction Company Limited - Truong Son Construction Investment JSC
	XL-2	3,501	
5	Van Ninh - Cam Lo		
	XL-1	3,361	Truong Thinh Group JSC - Truong Son Construction JSC - 368 Build and Consultant JSC
	XL-2	3,480	Truong Thinh Group JSC- Construction Transport JSC 1 - Railway Construction Corporation JSC
6	Quang Ngai - Hoai Nhon		
	XL-1	3,862	Deo Ca Group JSC - HHV - Dacinco Construction Investment Co., Ltd.
	XL-2	4,500	Deo Ca Group JSC - HHV
	XL-3	6,400	Deo Ca Group JSC – HHV - Deo Ca Construction JSC
7	Hoai Nhon - Quy Nhon		
	XL-11	3,028	Truong Son Construction Corporation
	XL-12	6,141	Son Hai - Phuc Loc - Cienco 8 - Truong Thanh – 471 JSC
8	Quy Nhon - Chi Thanh		
	XL-11	3,690	CC1 - Railway Construction Corporation - SDT - Tan Hoang Long - Thuan An
	XL-12	3,055	VCG - Trung Nam 18 E&C - Thuan An - 68 JSC - Hai Dang JSC
	XL-13	6,241	TTL - Trung Nam 18 E&C - 168 Viet Nam Construction & Import-Export JSC - Cuong Thinh Thi - Khang Nguyen
9	Chi Thanh - Van Phong		
	XL-1	4,393	Deo Ca Group JSC -TTL Phúc Lộc - Lung Lo - Construction Services and Trading Joint Stock Company 68
	XL-2	4,440	Trung Nam 18 E&C - CC1 - Tu Lap Construction Limited Company - Hai Dang
10	Van Phong - Nha Trang		
	XL-1	5,365	LCG - Phuong Thanh - VNCN E&C - Hai Dang JSC
	XL-2	3,549	Son Hai Group - Tan Nam Construction JSC - Hai Dang JSC
11	Can Tho - Hau Giang		
	XL-1	7,966	Truong Son Construction Corporation - G36 - CC1 - VINACONEX E&C., JSC - Tan Nam Construction JSC VINACONEX E&C., JSC - 620 Infrastructure Development and investment Corporation - Hai Dang JSC - Thi Son Limited Company
	XL-2	3,835	
12	Hau Giang - Ca Mau		
	XL-1	7,256	Trung Nam E&C - Trung Nam 18 E&C - C4G - Hai Dang JSC - Thi Son Limited Company
	XL-3	3,354	CC1 - Hai Dang - Van Cuong - Construction and Investment Joint Stock Company 492

construction and installation contractors of 25/25 Bidding packages of North South Expressway Project Phase 2 are selected  
Some listed enterprises: VCG, LCG, C4G, HHV, CC1, G63

# SUMMARY OF LISTED CONSTRUCTION COMPANIES APPOINTED TO NORTH-SOUTH EXPRESSWAY PROJECT PHASE 2

No	Company	Component expressway projects	Bidding package	Total value of the joint venture package (billion VND) (*)
<b>Listed companies</b>				
<b>1</b>	<b>VCG</b>			<b>18,987</b>
		Bai Vot Ham Nghi	XL-11	5,232
		Vung Ang - Bung	XL-1	5,300
		Vung Ang - Bung	XL-2	5,400
		Quy Nhon - Chi Thanh	XL-12	3,055
<b>2</b>	<b>CC1</b>			<b>15,010</b>
		Quy Nhon - Chi Thanh	XL-11	3,690
		Can Tho - Hau Giang	XL-1	7,966
		Hau Giang - Ca Mau	XL-3	3,354
<b>3</b>	<b>HHV</b>			<b>14,762</b>
		Quang Ngai - Hoai Nhon	XL-1	3,862
		Quang Ngai - Hoai Nhon	XL-2	4,500
		Quang Ngai - Hoai Nhon	XL-3	6,400
<b>4</b>	<b>C4G</b>			<b>11,195</b>
		Bung - Van Ninh	XL-1	3,939
		Hau Giang Ca Mau	XL-1	7,256
<b>5</b>	<b>LCG</b>			<b>10,765</b>
		Vung Ang - Bung	XL-2	5,400
		Van Phong – Nha Trang	XL-1	5,365
<b>6</b>	<b>G36</b>			<b>7,966</b>
		Can Tho - Hau Giang	XL-1	7,966
<b>Unlisted companies</b>				
<b>7</b>	<b>Deo Ca Group (HHV's Parent company)</b>			<b>19,155</b>
		Quang Ngai - Hoai Nhon	XL-1	3,862
		Quang Ngai - Hoai Nhon	XL-2	4,500
		Quang Ngai - Hoai Nhon	XL-3	6,400
		Chi Thanh - Van Phong	XL-1	4,393

(\*) Note: total value of the bidding package (excluding the participation rate of the enterprise's bidding package)

Industry groups  
& stocks benefited  
from public investment  
**AND**  
Progress of North-  
South expressway  
projects





## A. MATERIALS

- **Steel** (HPG, HSG, NKG, SMC)
- **Cement** (HT1, BCC)
- **Construction Stones** (KSB, CTI, DHA, C32)
- **Plastics** (BMP, NTP)
- **Asphalt** (PLC)



## B. CONSTRUCTION

- **Infrastructure Construction** (C4G, VCG, FCN, CTI, LCG, HUT, DPG)
- **Commercial Construction** (CTD, HBC)
- **ETC, Intelligent Transportation** (ELC, ITD)
- **Electricity** (PC1, HDG)

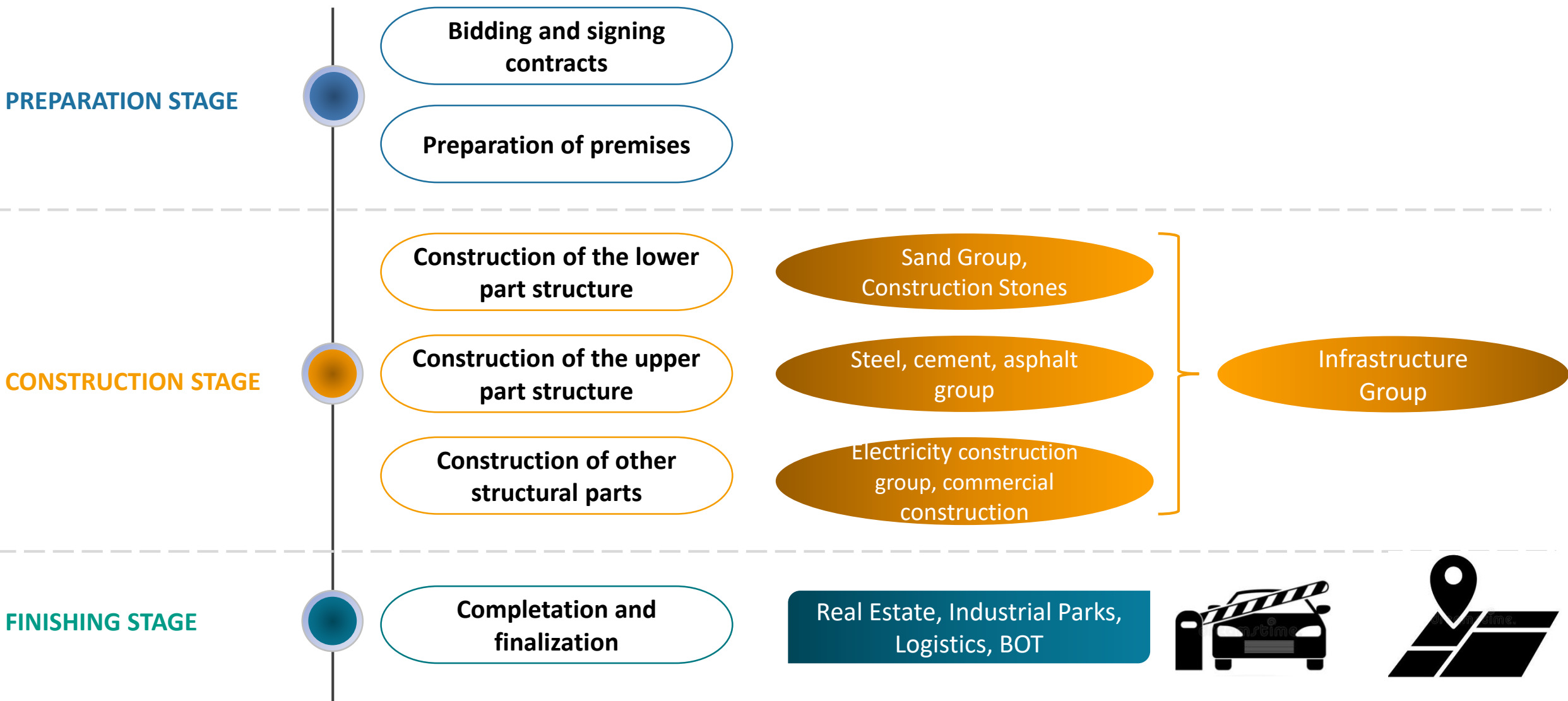


## C. REAL ESTATE

- **Residential Real Estate** (NLG, VHM, NVL, PDR, . . .)
- **Industrial Park Real Estate** (KBC, GVR, SZC, IDC, PHR, BCM, . . .)



# INDUSTRY GROUPS BENEFITING FROM PUBLIC INVESTMENT





**North-South Expressway Project Phase 1 (2017-2020)** is 652 km long, including 11 component projects, including 3 PPP projects, 8 public investment projects. Of the 4 projects requested by the Prime Minister to be completed in 2022, **Cam Lo - La Son** has been completed, while the other 3 projects including Mai Son - National Highway 45, Vinh Hao - Phan Thiet, Dau Giay - Phan Thiet only went through technical traffic, expected to be completed by 30/4.

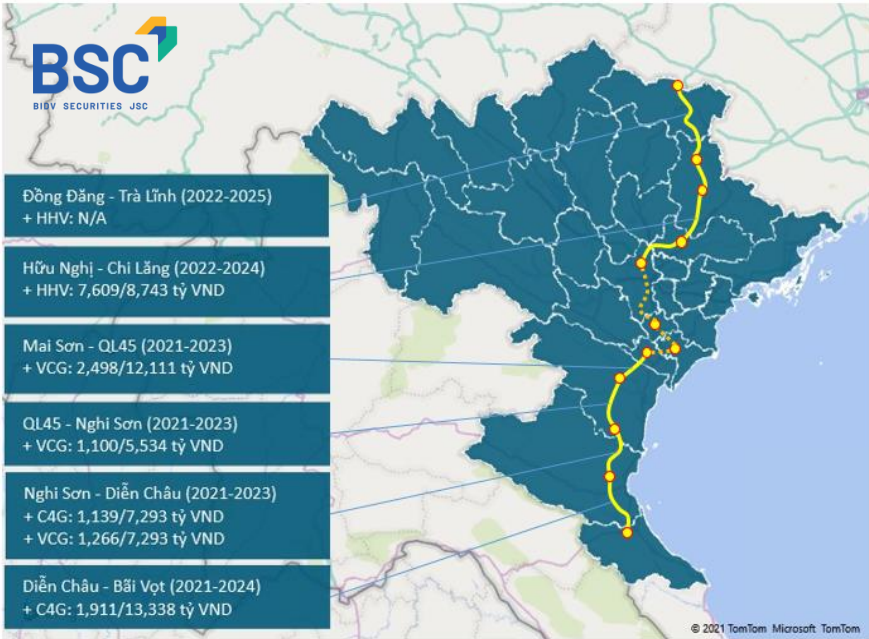
**The East North-South Expressway Project Phase 2 (2021 – 2025)** was approved by the XV National Assembly at the first extraordinary meeting (Resolution No. 44/2022/QH15) with a total length of 729 km, divided into 12 independent operating component projects.

Specifically, including the sections Ha Tinh - Quang Tri (267 km), Quang Ngai - Nha Trang (353 km) and Can Tho - Ca Mau (109 km), passing through 12 provinces and cities (Ha Tinh, Quang Binh, Quang Tri, Quang Ngai, Binh Dinh, Phu Yen, Khanh Hoa, Can Tho, Hau Giang, Bac Lieu, Kien Giang, Ca Mau).

**Preliminary total investment of VND 146,990 billion, basically completed in 2025 and put into operation in 2026.**



# INFRASTRUCTURE INVESTMENT: NORTH-SOUTH EXPRESSWAY PHASE 1 (2017-2020)



# INFRASTRUCTURE INVESTMENT: NORTH-SOUTH EXPRESSWAY PROGRESS

## PHASE 1

### No.45 National highway – Nghi Son(43km)

Expected to be completed in September 2023

### Nghi Son – Dien Chau (43km)

Expected to be completed in August 2023

### Dien Chau – Bai Vot (49.3km)

Expected to be completed in May 2024

### Phan Thiet – Dau Giay (99km)

Completed 2022

### My Thuan bridge 2(7km)

Expected completion by the end of 2023

### Mai Son – National highway 45(63.4km)

Expected to open Fourth quarter 2023

### Cam Lo - La Son (98.4km)

Completed 2022

### Nha Trang – Cam Lam (49km)

Expected to be completed in Third quarter 2022

### Cam Lam – Vinh Hao (79km)

Expected to be completed in 2023

### Vinh Hao – Phan Thiet (99km)

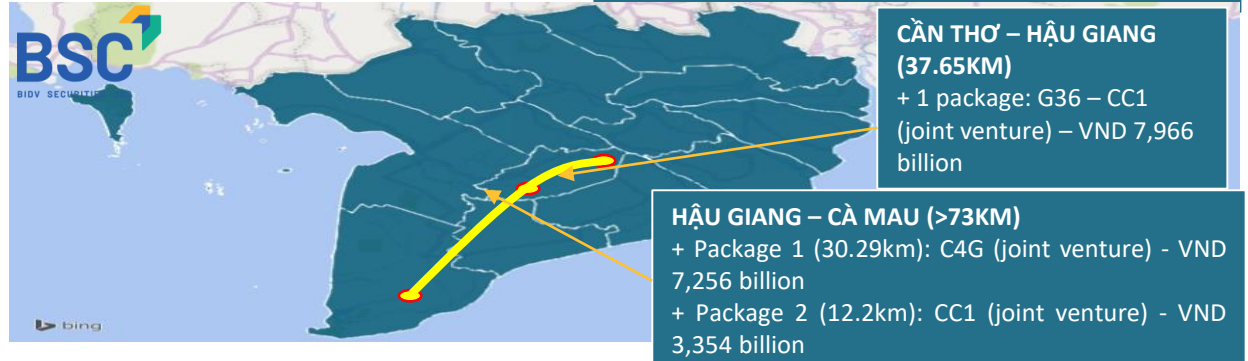
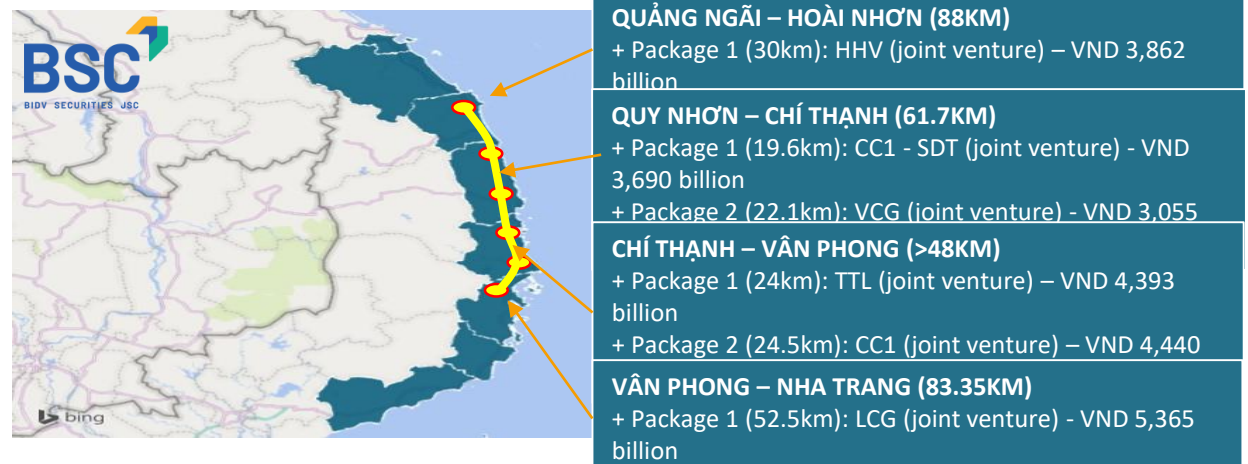
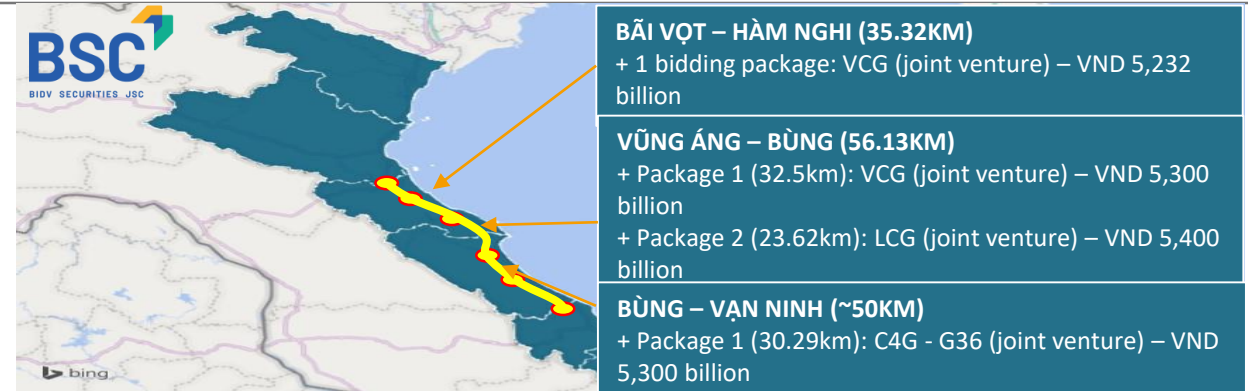
Expected to be completed in Fourth quarter 2023



(\*) Click to see the latest progress of each project updated to 08/02/2022.



# INFRASTRUCTURE INVESTMENT: NORTH-SOUTH EXPRESSWAY PHASE 2 (2021-2025)





# INFRASTRUCTURE INVESTMENT: BUILDING MATERIALS ENTERPRISES BENEFIT

**HSG:** 60,000 tons of steel pipes

**HSG:** 200,000 tons of steel pipes  
800,000 tons of galvanized steel

**HPG:** 2,400,000 tons of construction steel  
3,500,000 tons of HRC  
**HSG:** 580,000 tons of steel pipes 180,000 tons of galvanized steel

**NKG:** 180,000 tons of steel pipes

**KSB:** Thiện Tân 7 (4,349 m3)  
**DHA:** Tân Cang 3 (4,147 m3), Thạch Phú 2 (6,114 m3)  
**VLB:** Thạch Phú 1, Thiện Tân 2, Soklu 2, Tân Cang 1, Soklu 5  
**CTI:** Thiện Tân 10 (26,600 m3), Xuân Hòa (18,000 m3)



**HPG:** 350,000 tons

**HPG:** 1,700,000 tons  
**HSG:** 280,000 tons of steel pipes

**DHA:** Núi Gió (4,225 m3)  
**NNC:** Mũi Tàu (22,509 m3)

**HSG:** 90,000 tons of steel pipes  
1,100,000 tons of galvanized steel

**HSG:** 150,000 tons of galvanized steel  
**NKG:** 1,000,000 tons of galvanized steel (expected 1,300,000 tons in 2022)  
**KSB:** Tân Mỹ (1,771 m3), Phước Vĩnh (2,892 m3), Tam Lập...  
**C32:** Tân Mỹ

# INFRASTRUCTURE INVESTMENT: INDUSTRIAL & RESIDENTIAL

## REAL ESTATE BENEFITS

**VHM:** Vinhomes Hưng Yên, Cổ Loa, Ocean Park, Vinhomes Hạ Long Xanh

**VHM:** Vinhomes Star City (Thanh Hóa), Vinhomes Hà Tĩnh

**PDR:** Đà Nẵng Project

**NVL:** NovaBeach Cam Ranh – Nova Hill Mũi né, NovaWorld Phan Thiết

**VHM:** Vinhomes Cần Giờ,  
**NVL:** Aqua City River park 112, Aqua City 81.

**DXG:** Opal Park View, Park City, City View, Gem Sky world

**NLG:** Izumi

**AGG** and **KDH** are additional.



**KBC:** KCN Trảng Duệ 3, KDT Trảng Cát

**PDR:** Nhơn Hội (Lô 2,4,9)

**KBC:** KCN Sài Gòn- Nhơn Hội, Hưng Yên, Long An

**GVR:** KCN Dầu Giây, Long Khánh,...  
**IDC:** KCN Nhơn Trạch I, Nhơn Trạch V  
**SZL:** Sonadezi Long Thành



**Stocks benefited  
from public  
investment**

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# RECOMMENDED LIST: PUBLIC INVESTMENT THEME STOCKS

Sector	Ticker	Market cap (bil VND)	Net Rev 2023F	% yoy	NPAT 2023F	% yoy	EPS 2023F	P/E FWD	P/B FWD	ROA 2023F	ROE 2023F	Closing price 08/02/2023	Target price	Upside
<b>Construction materials</b>	DHA	538	453	17%	90	71%	5,722	5.4	0.9	18%	20%	36,300	49,000	34%
	PLC	2,068	9,527	11%	210	58%	2,149	12.19	1.46	3%	12%	26,200	32,500	24%
	HSG	8,641	38,764	-22%	1,304	419%	2,181	6.6	0.7	8%	11%	14,450	16,500	14%
	HPG	121,238	118,630	-16%	11,142	31%	1,916	11	1.1	6%	10%	20,850	21,500	3%
	BMP	4,939	5,211	-10%	542	-22%	6,624	9.2	1.8	17%	20%	61,000	63,000	3%
	HT1	5,037	8,642	-3%	421	61%	1,102	12	1	5%	13%	13,200	13,300	1%
<b>Construction</b>	ELC	723	1,176	36%	45	22%	1,000	12.40	1.60	3%	7%	12,300	14,000	13%
	HHV*	3,832	2,095	13%	275	1%	893	14.5	0.56	1%	4%	12,450	N/A	N/A
	VCG*	9,596	8,629	50%	886	125%	1,818	11.3	1.44	3%	11%	19,750	N/A	N/A
<b>Industrial Parks</b>	IDC	12,342	9,750	18%	2,926	27%	8,439	4.7	1.4	19%	34%	37,400	52,000	39%
	KBC	17,962	4,735	395%	1,823	18%	3,166	7.6	0.6	6%	10%	22,100	29,800	27%

(\*) Noted: Financial information in 2022



# PUBLIC INVESTMENT THEME STOCKS (NOT RECOMMENDED LIST)

Sector	Ticker	Market cap (bil VND)	Net Rev 2023F	% yoy	NPAT 2023F	% yoy	EPS 2023F	P/E FWD	P/B FWD	ROA 2023F	ROE 2023F	Closing price 08/02/2023	Target price
Construction materials	NTP	4,224	5,685	17.9%	480	2.5%	3,701	8.8	1.5	0.7	9.6%	17.3%	32,600
	NKG	3,686	23,071	-18.1%	-67	-103.0%	N/A	N/A	0.7	0.2	N/A	N/A	14,000
	KSB	1,686	859	-2.8%	152	-39.7%	1,988	11.0	0.9	2.0	3.7%	8.2%	22,100
	BCC	1,281	4,218	-2.6%	69	-18.0%	561	18.5	0.6	0.3	1.7%	3.3%	10,400
	SMC	715	23,147	8.6%	-578	-166.1%	N/A	N/A	0.4	0.0	N/A	N/A	9,710
	C32	279	572	10.8%	26	-65.0%	1,751	10.6	0.5	0.5	2.6%	4.5%	18,550
Industrial parks	GVR	59,000	25,315	-3.3%	3,819	-8.2%	955	15.4	1.2	2.3	4.9%	7.3%	14,750
	PHR	5,630	1,709	-12.2%	887	85.7%	6,546	6.4	1.7	3.3	14.4%	27.1%	41,550
	SZC	2,820	859	20.4%	197	-39.0%	1,974	14.3	1.8	3.3	3.3%	13.2%	28,200
	LHG	1,105	629	-19.5%	202	-31.7%	4,047	5.5	0.7	1.8	6.9%	13.5%	22,100
Construction	HUT	4,916	1,080	24.0%	139	125.8%	399	35.4	1.3	4.6	1.2%	3.6%	14,100
	CII	3,493	5,756	101.3%	731	319.9%	2,573	4.7	0.6	0.6	2.5%	8.8%	13,850
	CTD	2,655	14,537	60.1%	21	-13.7%	263	128.2	0.3	0.2	0.1%	0.2%	35,950
	C4G	2,441	2,976	57.9%	168	166.6%	748	14.2	1.0	0.8	2.1%	8.9%	11,000
	LCG	2,039	1,009	-44.0%	193	6.3%	1,008	10.6	0.8	2.0	3.6%	7.8%	10,750
	DPG	1,953	3,319	30.4%	393	15.0%	6,240	5.0	1.2	0.6	6.5%	19.7%	31,000
	FCN	1,779	3,044	-100.0%	39	-100.0%		32.7	0.7	0.5	0.0%	0.0%	11,300
	CTI	691	919	21.2%	88	2159.0%	1,391	7.9	0.6	0.8	1.9%	6.7%	12,600
Commerical real estate	VHM	202,914	62,392	-26.6%	28,628	-26.3%	6,575	7.1	1.4	3.2	9.7%	20.5%	46,600
	KDH	19,354	2,912	-22.1%	1,102	-8.3%	1,538	17.4	1.7	6.6	6.1%	10.0%	27,000
	NLG	10,370	4,339	-16.7%	556	-48.1%	1,448	18.6	1.1	2.4	2.2%	4.1%	27,000
	PDR	8,295	1,505	-58.4%	1,146	-38.6%	1,706	7.2	1.0	5.5	5.3%	13.2%	12,350
	DXG	7,625	5,581	-44.7%	149	-87.1%	243	50.9	0.8	1.4	0.5%	1.1%	12,500

# DHA – OWNING STONE MINES IN FAVORABLE PLACES IN DONG NAI

**TP: 49,000 VND Upside 34% + Expected dividend payout ratio +7%**

## INVESTMENT THESIS

### Investment thesis:

**(1) The 2023 outlook is expected to be positive** thanks to

**i) Output +17% yoy.** BSC believes that DHA will directly benefit from promoting public investment projects in Dong Nai thanks to owning stone mines with favorable geographical locations, large mine reserves (over 12,000 m3) and long exploitation time (2028 – 2038).

**ii) DHA no longer makes provision for short-term investments.** BSC forecasts that DHA will record a provision reversal of VND 9 billion from HPG's short-term investment in 2023.

**(2) Dividend payment rate of 7%-8%/year regularly.**

**Risks:** **(1)** Barriers to increasing selling price; **(2)** The implementation progress of public investment projects is slow.

### Transaction Information

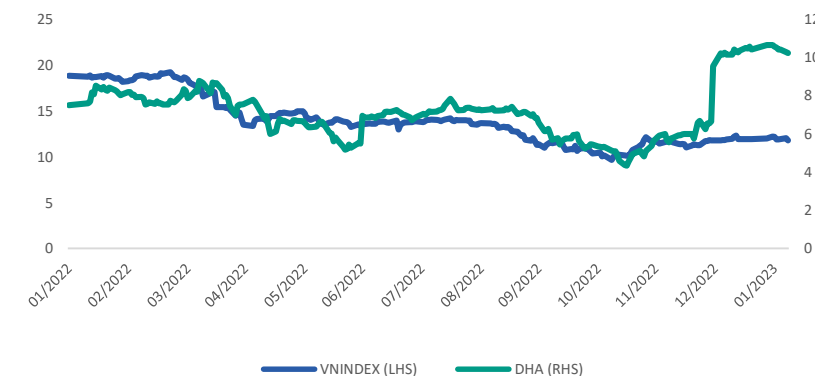
Current price	36,300
Market cap( VND billion)	538
30-day average transaction value (VND billion)	2.8
Remaining foreign room	30.8%

Quarry list	Remaining reserves (million tons)	Location	Exploitation term
<i>Núi Gió</i>	300,000	Bình Phước	8/2038
<i>Tân Cảng 3</i>	490,000	Đồng Nai	3/2037
<i>Thạnh Phú 2</i>	818,000	Đồng Nai	9/2026

	2021	2022E	2023F	Peer
PE	7.8	7.8	5.4	10.2
PB	1.5	1.5	0.9	0.7
PS	2.1	2.1	1.1	0.9
ROE (%)	19%	19%	20%	9.4%
ROA (%)	18%	18%	18%	4.2%

	2020	2021	2022E	2023F
Revenue	382	337	388	453
Gross Profit	122	95	103	120
NPATMI	98	90	52	90
EPS	6,273	5,761	3,341	5,722
EPS growth	48%	-8%	-42%	71%

Diễn biến P/E VNINDEX vs DHA



# PLC – BENEFIT FROM INFRASTRUCTURE PUBLIC INVESTMENT TREND

**TP: VND 32,500 - Upside +24%**

## INVESTMENT THESIS

- **Accounting for 30% of Vietnam asphalt market share** with a total capacity of nearly 400,000 tons/year and 7 factories covering the whole country.
- **The trend of public investment in roads and bridges will create a growth engine for PLC's asphalt segment:**
  - Projects that was behind schedule in 2022 will create a great growth engine for 2023 (only 67% of the year plan was disbursed in 2022).
  - In 2023, the National Assembly approved a public investment plan with a total investment of more than VND 700,000 billion (+25% YoY), with the disbursement speed being accelerated at the beginning of the year.

**CATALYST:** The North-South Expressway project phase 2 with a total investment of nearly VND 150,000 billion creates a growth engine for materials industry, including asphalt sector in the period 2023-2025.

**Risks:** (1) Bad debts from public investment projects (2) Lubricant oil demand decreases due to the impact of the economy.

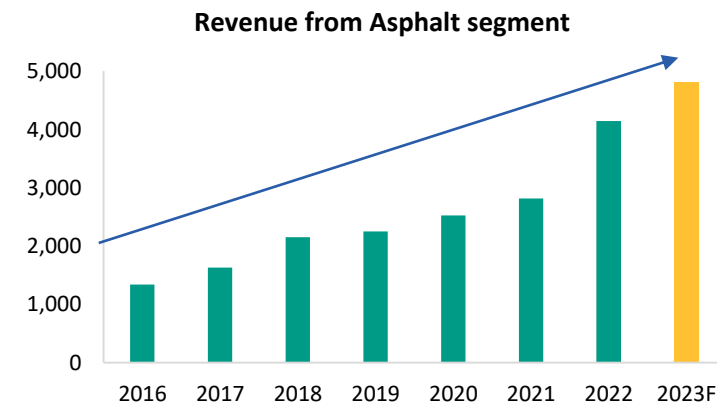
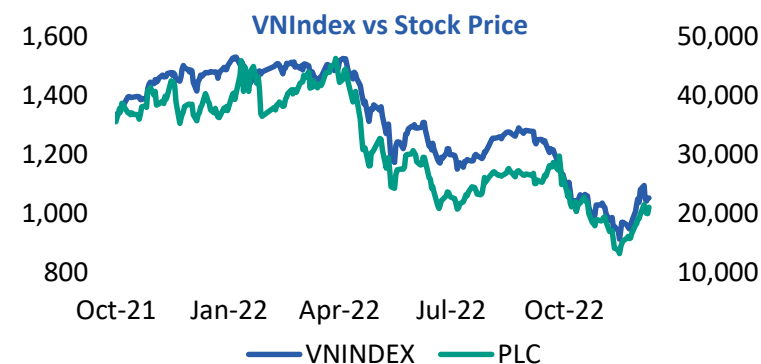
	2021	2022	2023F	Peer
PE	19.7	13.6	10.1	11.9
PB	2.4	1.5	1.6	1.5
PS	0.5	0.2	0.2	2.8
ROE (%)	13.3%	10.7%	15.7%	17.7%
ROA (%)	3.7%	2.9%	3.9%	6.5%

	2020	2021	2022	2023F
Revenue	5,608	6,868	8,601	9,527
Gross profit	952	935	1,089	1,209
NPATMI	149	174	133	210
EPS	1,715	1,960	1,649	2,595
EPS growth	7%	14%	-16%	57%

Source: BSC Research

## Transaction Information

Current price	VND 26,200
Market cap (VND billion)	2,117
30-day average transaction value (VND billion)	13
Remaining foreign room	47.9%



# HSG – EXPECTATION THAT HIGH-PRICED INVENTORIES WERE PUSHED OUT

**TP: VND 16,500 Upside +14%**

## INVESTMENT THESIS

**Update business results:** Consumption of galvanized steel was less positive in Q1.2023 (FY 2022-2023) for those reasons (1) the domestic real estate market slowed down, (2) exports faced difficulties as demand from major economies declined, and the sharp drop in HRC prices in the EU and the US, leading to the lost of Vietnamese enterprises' competitive advantages in price. Specifically, the output of galvanized sheet/steel pipe of HSG -43% yoy in 1Q2023.

**Investment thesis:** BSC expects HSG gross profit margin to improve in Q2.2023 (FY 2022-2023) thanks to:

- High-priced inventories were mostly pushed out in Q4.2022 & Q1.2023.** As (i) HSG often maintains raw material inventories for 2-3 months of sales, (ii) HSG has reduced capacity early from April 2022, and has drastically made provisioning/increased retail discounts to push goods away, BSC believes that the majority of high-priced inventories has already been moved out.
- HRC price was less volatile in Q1.2023 (FY 2022-2023), which helped HSG reduce the cost of inventory.** Specifically, in Q1.2023 (FY 2022-2023), HRC price was stable, fluctuating on average at USD 559/ton. BSC believes that the steel market has reached equilibrium in the short term thanks to a decrease in steel supply as many factories closed their furnaces. BSC expects the HRC price trend to continue to be balanced in the next quarter thanks to the limited supply. .

**Catalyst:** (1) Steel price recovers **Risks:** (1) Steel demand recovers weakly, (2) HRC price fluctuates strongly

	2021	2022	2023F	Peer
PE	6.1	30.3	6.6	12
PB	1.9	0.7	0.7	1.2
PS	0.1	1.5	1.6	1.4
ROE (%)	40%	2%	11%	11%
ROA (%)	16%	1%	8%	6%

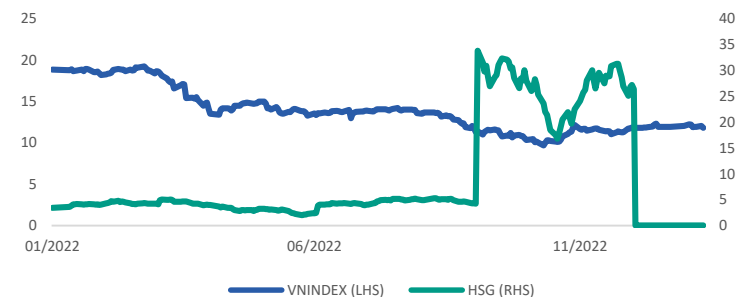
	2020	2021	2022	2023F
Revenue	27,531	48,727	49,711	38,764
Gross profit	4,627	8,881	4,917	5,357
NPATMI	1,153	4,313	251	1,304
EPS	2,593	8,740	420	2,181
EPS growth	204%	237%	-95%	419%

Source: BSC Research

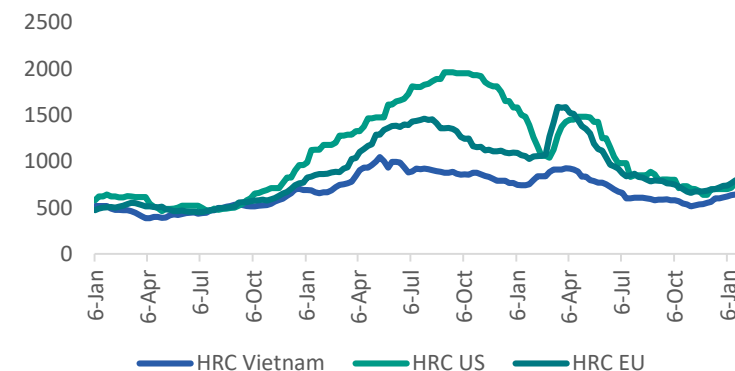
## Transaction Information

Current price	14,450
Market cap (VND billion)	8,641
30-day average transaction value (VND billion)	207
Remaining foreign room	40.25%

## P/E VNINDEX vs HSG



## HRC Price





# HPG – THE WORST TIME IS OVER, LONG-TERM CHEAP VALUATION

**TP: VND 21,500 Upside +3%**

## INVESTMENT THESIS

**Update business results:** Steel consumption in 2022 was less positive due to (1) the real estate market slowed down, (2) the demand for consumption in major economies decreased.

**Investment thesis:** The worst time of HPG has passed:

- Gross profit margin will gradually increase back to the average 14.3% in 2023 thanks to** (1) high-priced inventory was already reflected in COGS 2H.2022 and (2) gradual return of material costs stability level. Gross profit margin is 14.3% based on assumptions: bar steel price = 14,800 VND/kg (-10% YoY), HRC price = 560 USD/ton (-20% YoY), iron ore price = 100 USD/ton (-14% YoY), coking coal price = 290 USD/ton (-21% YoY), scrap steel price = 384 USD/ton (-15% YoY).
- Consumption volume is expected to recover from Q2.2023 thanks to** (1) loosening of the real estate market and promoting public investment, (2) recovery of China's steel demand. BSC expects total rebar volume = 3.87 million (-7.8% YoY), HRC volume = 2.77 million (+5.4% YoY) in 2023.

**Cheap valuation for long-term accumulation:** Currently trading at **P/B 2023F = 1.1x**, undervaluing HPG's position as the largest player in Vietnam's steel industry with 35% current market share.

**Catalyst:** (1) Re-open blast furnace, (2) Steel price recovers in Q1.2023, (3) Dung Quat 2 Complex comes into operation.

**Risks:** (1) Steel demand recovers weakly, (2) NVL price fluctuation, (3) USD/VND exchange rate fluctuation

	2021	2022	2023F	Peer		2020	2021	2022	2023F
PE	4.5	13.3	11	12	Revenue	90,119	149,680	141,409	118,630
PB	1.7	1.2	1.1	1.2	Gross profit	18,904	41,108	16,763	17,017
PS	1.7	0.8	1.0	1.4	NPATMI	13,450	34,478	8,484	11,142
ROE (%)	38%	9%	10%	11%	EPS	4,060	7,708	1,459	1,916
ROA (%)	19%	5%	6%	6%	EPS growth	49%	90%	-81%	31%

Source: BSC Research

### Transaction Information

Current price	VND 20,850
Market cap (VND billion)	121,238
30-day average transaction value (VND billion)	590
Remaining foreign room	25.0%

### Iron ores Fe 26% CFR Qingdao USD



### Hard Coking Coal in Asia Pacific USD



# BMP – PVC PRICE COOL DOWN, CREATE PRESSURE ON PRICE REDUCTION

**TP: 63,000 VND Upside +3%**

## INVESTMENT THESIS

**Update business results:** At the end of 2022, BMP recorded a revenue of VND 5,808 billion (+28% yoy), NPATMI reached VND 696 billion (+224% yoy) mainly thanks to the selling price of finished plastic products estimated at +20% yoy. BMP's business results were positive due to the fact that the company's selling price reduction was slower than the decrease in raw material price.

### Investment thesis:

**BMP's 2023 outlook is less positive due to:**

- (1) Plastic consumption -1% yoy.** The reason is that BMP has maintained a higher price policy than its competitors since 2022; therefore, BSC believes that BMP may lose their market share in 2023.
- (2) The selling price of finished plastic products decreased due to the cooling of raw material prices.** In 2023, BSC forecasts the selling price of finished plastic products -10% yoy, with the scenario of input plastic resin price = 30,760 VND/kg of finished product (-15% yoy) equivalent to Q4,2022.

**Risks:** (1) Weak recovery of plastic demand, (2) Fluctuation of input plastic resin prices.

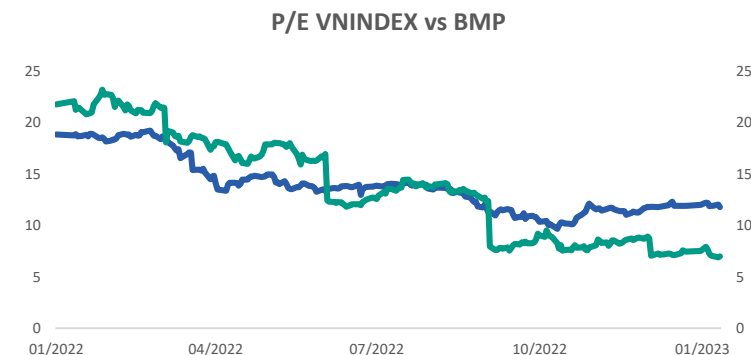
	2021	2022	2023F	Peer
PE	21	7.2	9.2	14.8
PB	2	1.9	1.8	1.5
PS	1	0.9	1.0	0.7
ROE (%)	9.3%	26.5%	20%	2.1%
ROA (%)	7.5%	22.9%	17%	0.6%

	2020	2021	2022	2023F
Revenue	4,686	4,553	5,808	5,211
Gross profit	1,247	704	1,608	1,450
NPATMI	523	214	696	542
EPS	6,384	2,619	8,505	6,624
EPS growth	24%	-59%	225%	-22%

Source: BSC Research

### Transaction Information

Current price	61,000
Market cap(VND billion)	4,939
30-day average transaction value (VND billion)	10.6
Remaining foreign room	-



# HT1- BUSINESS RESULTS RECOVERED BUT VALUATIONS REFLECTED

TP: 13,000 VNĐ Upside +1%

## INVESTMENT THESIS

**HT1 benefits from the trend of infrastructure investment** by owning **(1)** the largest market share in the South, **(2)** good quality of limestone quarries, **(3)** location near key transport projects such as North-South Expressway, Long Thanh International Airport, . . . therefore, saving shipping costs.

### Update business results:

. **By the end of 2022, HT1's cement consumption +9% yoy**, mainly due to the low background in 2021. If the low background factor is removed, the HT1 output is almost flat.

. **Gross profit margin decreased by 2 percentage points over the same period** due to coal prices of +80% yoy.

### Investment thesis:

**HT1's 2023 outlook is better thanks to:**

• **Cement consumption is expected to recover (+2% yoy)** thanks to (i) easing of real estate policies, (ii) boosting public investment. help cement demand return from 2H.2023,

• **Coal prices fell, which is expected to help improve profit margins to 12%.** The forecast profit margin is based on the assumption of (1) coal prices -25% yoy in 2023 due to (i) cooling Russia-Ukraine tensions, (ii) China lifting bans on coal imports from Australia, (2) electricity prices +8% yoy, (3) cement selling prices -5% yoy.

**Valuation P/E Fwd 2023 = 12x**, which is relatively high compared to the valuation history of HT1 (P/E 2019 = 8-10x)

**Catalyst:** (1) Expanding capacity from Kien Luong plant. **Risks:** (1) Coal price fluctuations

	2021	2022	2023F	Peer
PE	26	15	12	19
PB	1.2	0.8	1	1.2
PS	0.9	0.5	0.6	1.6
ROE (%)	7%	5.1%	13%	11.6%
ROA (%)	4%	2.8%	5%	6.4%

	2020	2021	2022	2023F
Doanh thu	7,963	7,064	8,918	8,642
Lợi nhuận gộp	1,356	869	892	1,026
NPATMI	608	370	261	421
EPS	1,593	969	685	1,102
Tăng trưởng EPS	-18%	-39%	-29%	61%

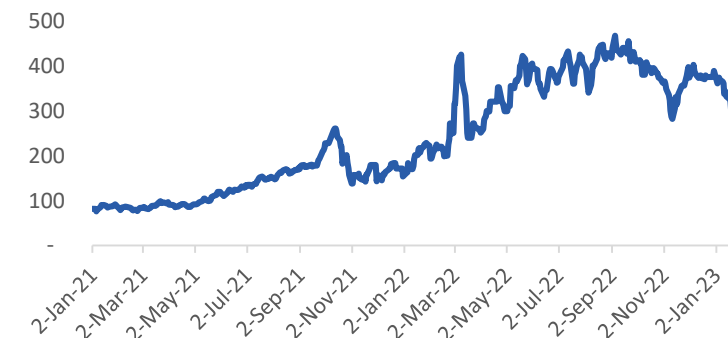
Source: BSC Research

### Transaction Information

Current Price	13,200
Market Cap (VND billion)	5,037
30-day average transaction value (VND billion)	13
Remaining foreign room	46%

Factories	Capacity (million tons)	Location
Binh Phuoc Factory	1.2	Binh Phuoc
Kien Luong Factory	1.1	Kien Giang
Phu Huu Crushing Station	2.4	Ho Chi Minh
Long An Crushing Station	0.5	Long An
Cam Ranh Crushing Station	0.5	Khanh Hoa

### Australia Thermal Coal



# ELC – THE NEED TO INVEST IN LARGE ITS SYSTEMS

TP: VND 14,000 - Upside +13%

## INVESTMENT THESIS

**. Update business results:** Revenue and profit after tax in 2022 reached 863 billion (+31% YoY) and 37 billion (-26% YoY). Profit decline due to (i) In 2021 the company recorded 20 billion profits from affiliates (ii) Gross profit margin decreased to 16.3%. In 2022, the slow progress of implementing public investment packages (North-South expressway) affects the work progress of ELC (Dien Chau - Bai Vot Package), in addition, the North-South Expressway phase 1 has not agreed on the general design plan of the ITS system, which also affects the bidding progress.

### . Investment thesis:

**(1)** The demand for investment in ITS system on the North-South expressway system in phases 1 and 2 (VND 4,000 billion) and on inner-city roads (VND 2,000 billion) is huge.

**(2)** ELC with a long-standing position in the ITS market along with new Smart Camera products creates advantages in bidding.

**. Risks:** (1) Delayed implementation of ITS system (2) Fierce competition in bidding

	2021	2022	2023F	Peer
PE	32.9	22.2	16.7	18.8
PB	1.7	0.8	0.7	1.7
PS	1.7	0.8	0.6	0.8
ROE (%)	5%	6%	6%	11%
ROA (%)	3%	4%	4%	6%

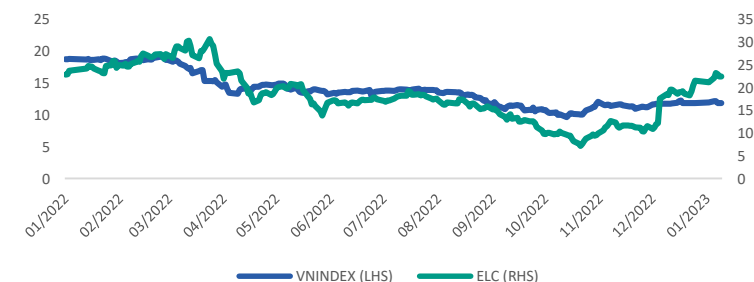
	2020	2021	2022	2023F
Revenue	802	659	863	1,076
Gross Profit	135	129	141	4171
NPATMI	31	50	37	45
EPS	2631	48	606	740
EPS's Growth	7%	50%	-36%	22%

Source: BSC Research

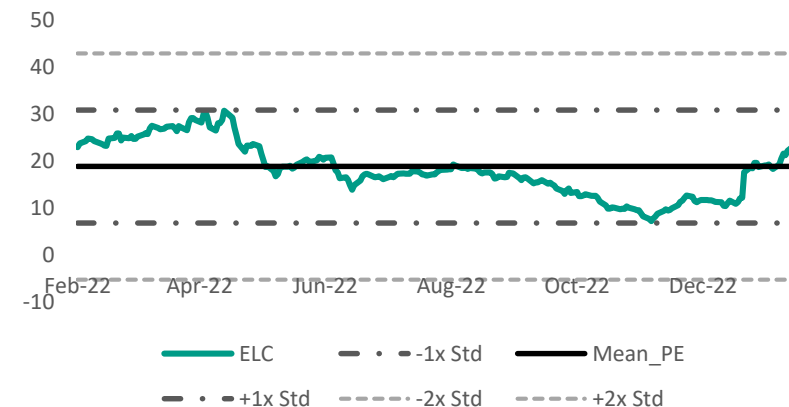
### Transaction Information

Current Price	VND 12,300
Market Cap (VND billion)	728
30-day average transaction value (VND billion)	3.0
Remaining foreign room	44.8%

### Diễn biến giá ELC



### PE ELC





TP: N/A

## INVESTMENT THESIS

**Update business results 2022:** Net revenue and profit after tax reached VND 2,095 billion (+13% YoY) and VND 275 billion (+1% YoY), respectively. Revenue growth from BOT toll collection (accounting for 71% of total revenue) increased by 18% YoY when vehicle traffic through the station was no longer affected by the epidemic. Profit after tax grew slowly because (1) profit margin decreased to 9.7% from 18.6% due to increased costs for construction materials and outsourced services, (2) interest expense increased by 21% YoY.

**Investment thesis:** BSC expects HHV's revenue and profit size in 2023-2025 to grow positively, thanks to:

- **Benefit from the ecosystem of Deo Ca Group:** (1) the opportunity to receive a number of component packages when Deo Ca Group participates in the implementation, (2) HHV has the role of implementing BOT fee collection, BOT fee collection segment is expected to make a breakthrough in the coming years when Deo Ca Group completes the construction work and (3) inherits the exam capacity outstanding public.
- **Expect to receive more bidding packages in 3 projects HHV and Deo Ca Group implemented together** including Huu Nghi - Chi Lang Expressway (VND 8,743 billion), Dong Dang - Tra Linh Expressway (VND 22,690 billion) and Tan Phu - Bao Loc Expressway (VND 16,408 billion).
- **The BOT fee collection segment is expected to grow dramatically** (through joint ventures and associates) when it comes into operation with BOT Deo Ca Khanh Hoa and BOT Bac Giang – Lang Son.

**Risks:** (1) Risk of dilution of shares, (2) Rising financial costs affecting working capital and profitability of the business

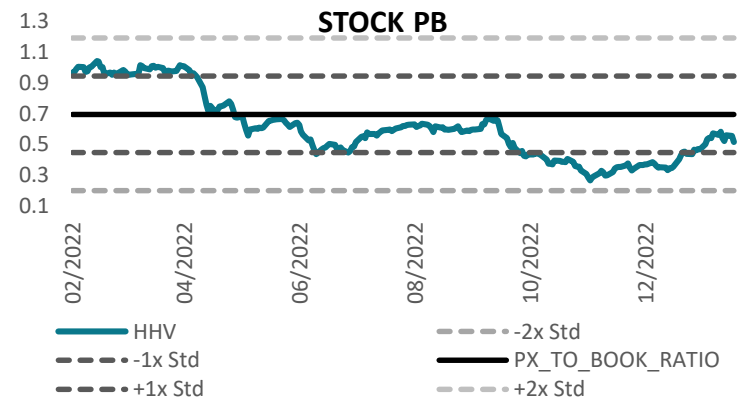
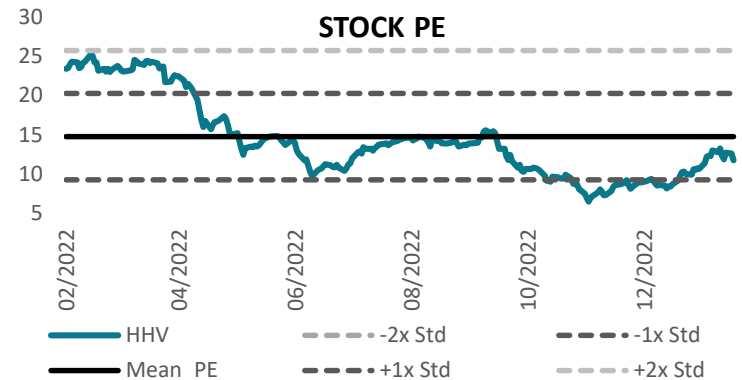
	2020	2021	2022	Peer
PE	25.3	12.8	14.5	13.9
PB	0.64	0.61	0.56	2.0
PS	3.3	2.2	1.9	3.0
ROE (%)	2.4%	3.8%	3.8%	14.4%
ROA (%)	0.5%	0.9%	0.9%	5.1%

	2019	2020	2021	2022
Revenue	477	1,201	1,859	2,095
Gross Profit	214	702	913	1,023
NPATMI	201	137	273	275
EPS	886	513	1,019	893
EPS's Growth	-47%	-42%	99%	-12%

Source: BSC Research

### Transaction Information

Current Price	VND 12,450
Market Cap (VND billion)	3,862
30-day average transaction value (VND billion)	108
Remaining foreign room	45.13%



## INVESTMENT THESIS

**Update business results 2022:** Net revenue and Profit after tax reached VND 8,629 billion (+50% YoY) and VND 886 billion (+126% YoY) respectively, thanks to (1) construction and installation revenue of VND 5,992 billion (+70% YoY) when completing the ongoing bidding packages, (2) real estate revenue recovered from a low background, reached VND 609 billion (12.4 times higher than 2021) and (3) financial revenue increased +106% YoY mainly from revaluation of investment in Vinaconex subsidiary – ITC.

### Investment thesis:

- **Proven construction capacity:** VCG is an enterprise with 35 years of good implementation experience in all 3 fields of transport, industrial, civil infrastructure and self-reliance in the supply of input construction materials.
- **Large backlog value from the bidding packages ensures stable business results in the next 3 years:** The total value of signed contracts of VCG and its consortium at the North-South expressway phase 2 is up to VND 13,587 billion.
- **The large land fund of ~2,000 hectares in good locations is the factor leading VCG to maintain growth in the future** when infrastructure projects are completed and the real estate industry enters a new cycle.

**Risks:** (1) high background level in 2022 by sudden profits affecting growth in 2023, (2) the real estate segment is less positive due to the industry cycle, (3) financial costs will erode VCG's profit when Debt/Equity = 190%.

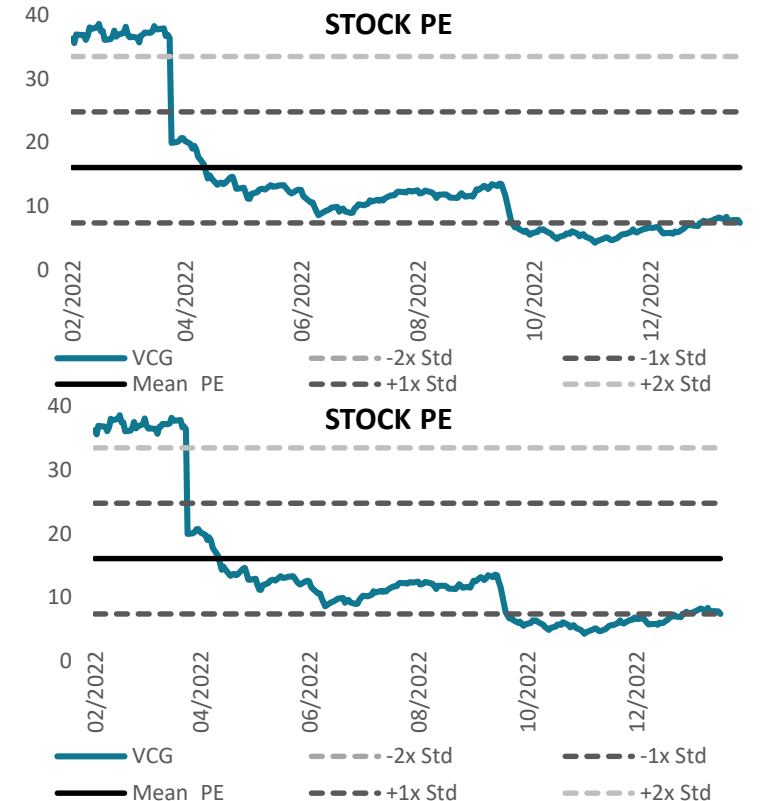
	2020	2021	2022	Peer
PE	5.7	23.1	11.3	13.9
PB	1.58	1.52	1.44	2.0
PS	1.8	1.7	1.2	3.0
ROE (%)	23.6%	6.8%	10.5%	14.4%
ROA (%)	8.6%	1.7%	3.2%	5.1%

	2019	2020	2021	2022
Revenue	9,502	5,551	5,749	8,629
Gross Profit	1,311	836	829	1,127
NPATMI	684	1,605	394	886
EPS	1,548	3,633	893	1,818
EPS's Growth	39%	135%	-75%	104%

Source: BSC Research

### Transaction Information

Current Price	VND 19,750
Market Cap (VND billion)	9,548
30-day average transaction value (VND billion)	176
Remaining foreign room	44.11%



# IDC – IDICO CORPORATION - JSC

TP: VND 52,000 - Upside +39%

## INVESTMENT THESIS

- **The ready commercial areas of ~616ha place in good locations in industrial centers** (Vung Tau, Bac Ninh, Long An), **brand and good relations with FDI enterprises** are long-term growth drivers.
- **Long-term development plan:** IDC aims to expand by 2,200 hectares of industrial park land in the period of 2023-2025, including Que Vo II Industrial Park phase 2 (300 hectares), Tan Phuoc 1 Industrial Park (470 hectares).
- **Attractive Valuation:** IDC is trading at an attractive valuation with PE fw = 5.0 and P/B fw = 1.4.
- **We expect IDC to maintain positive growth in 2023 from a high base in 2022** mainly thanks to (1) profit from wholesale transfer of 21,870m2 of residential projects in Ward 6, Long An, (2) the industrial park segment still maintains good results with more than 30ha signed with MOU and new lease expectations ~100ha in 2023, (3) contribute to more positive residential projects with the advantages of the mid-end segment, good demand from human resources in the industrial zones that IDC is operating, (4) the profit margin from the electricity segment is improved.

**Risks:** (1) No longer changing the accounting method from 50 years to once in filled industrial zones, (2) The progress of receiving investment policies and expanding new projects is slower than expected.

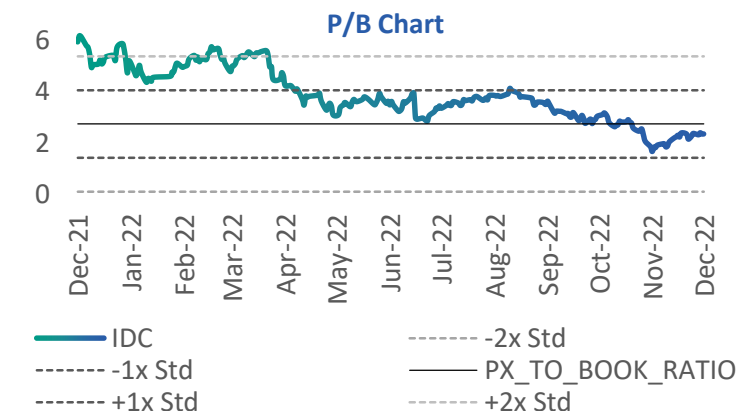
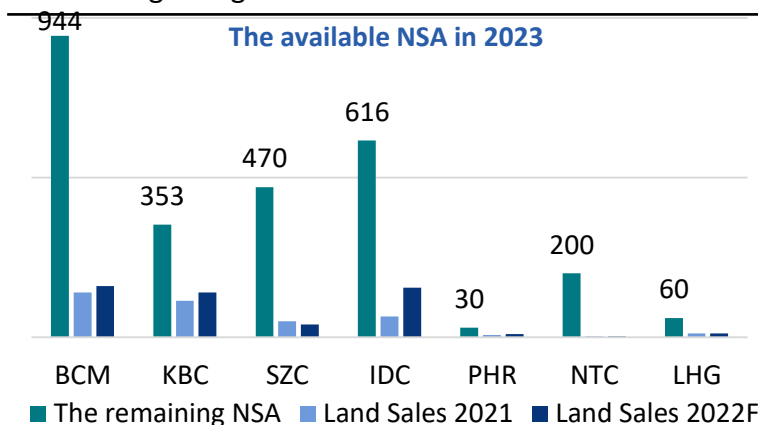
	2021	2022	2023F	Peer
PE	24.6	5.6	5.0	14.3
PB	2.41	2.0	1.4	2.51
PS	2.8	1.6	1.5	3.6
ROE (%)	11.4%	40%	32%	20.7%
ROA (%)	3.5%	16%	15%	5.46%

	2020	2021	2022	2023F
Revenue	5,356	4,325	8,242	8,849
Gross Profit	1,486	737	3,580	3,886
NPATMI	873	453	2,310	2,631
EPS	2,911	1,493	7,001	7,894
EPS's Growth	153%	-49%	369%	18%

Source: BSC Research

## Transaction Information

Current Price	VND 37,400
Market Cap (VND billion)	13,200
30-day average transaction value (VND billion)	126.9
Remaining foreign room	42.8%



### INVESTMENT THESIS

- **Growth in 2023 is ensured by the core business.** According to the Board of Directors, KBC has signed a lease agreement for 77.4 hectares in Quang Chau Industrial Park and 30 hectares in Nam Son Hap Linh Industrial Park but investors have not been granted investment licenses in 2022. We expect these contracts to be completed and can be implemented in 2023.
- **Large land bank is the main leading factor to help KBC maintain growth in the long term:** including subsidiaries – affiliated companies, KBC currently owns 6,704 hectares of industrial park land in industrial centers and 917 hectares of commercial land in big cities (Hai Phong, Bac Ninh, HCMC).
- **Attractive Valuation:** KBC is trading at an attractive valuation with PE fw = 7.4 and P/B fw = 0.97.
- **The prospect of sudden growth from valuable assets.** Besides Trang Cat urban area, we expect potential industrial zones such as Trang Due 3 Industrial Park, Industrial Park in Long An, Hung Yen will soon complete legal procedures and come into operation in 2024.
- **Risks:** (1) Project implementation is slower than expected, (2) Maturity bond pressure in 2023 is relatively large (VND 2,900 billion)

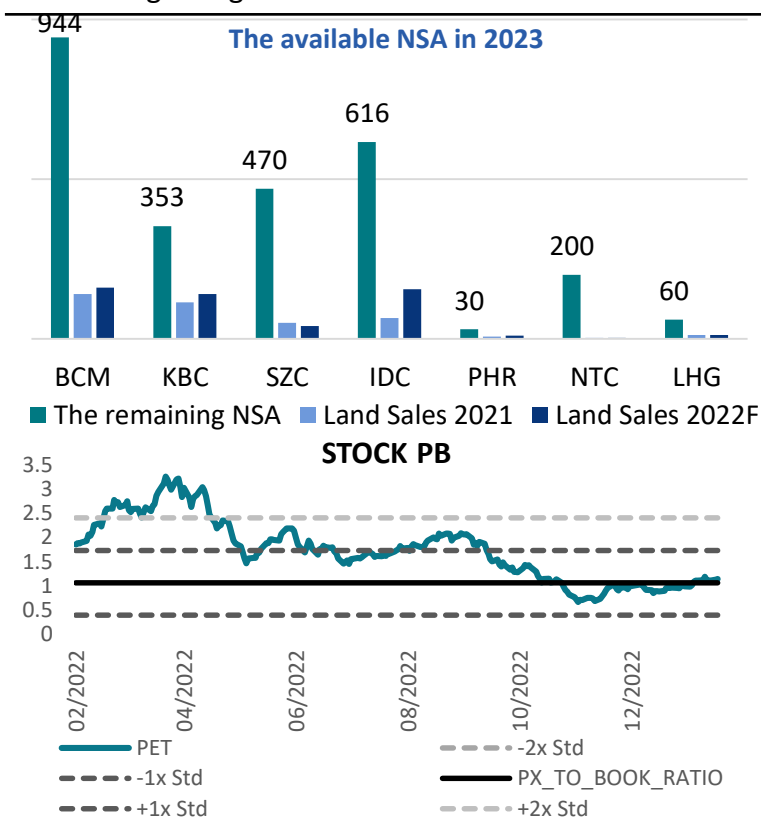
	2021	2022	2023F	Peer
PE	17.2	11.6	7.4	14.3
PB	1.29	1.12	0.97	2.51
PS	4.2	18.8	3.8	3.6
ROE (%)	5.9%	8.9%	9.7%	20.7%
ROA (%)	3.1%	4.6%	5.8%	5.46%

	2020	2021	2022	2023F
Revenue	2,151	4,309	957	4,735
Gross Profit	689	2,466	268	2,705
NPATMI	224	784	1,547	1,823
EPS	477	1,361	2,016	3,166
EPS's Growth	-75%	185%	48%	-34%

Source: BSC Research

### Transaction Information

Current Price	VND 22,100
Market Cap (VND billion)	18,115
30-day average transaction value (VND billion)	142
Remaining foreign room	29.37%





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