DAT PHUONG GROUP JSC – HSX: DPG

An impressive comeback of the infrastructure construction segment

Real Estate Sector | BSC Research

RECOMMENDATION: BUY

Target price: 35,000

BSC Research Center
Lâm Việt
(Senior Analyst)
vietl@bsc.com.vn

Company information

Current price (VND):	27,200
Outstanding shares (mn):	118.6
Market cap (VND bn):	3,291
30-day avg. volume (mn):	1.4
Foreign ownership:	18.4%

VALUATION VIEW

As of 21/09/2026, DPG has declined -26.4% YTD, versus a +2.5% YTD gain for the VNIndex. We believe this underperformance stems from two main factors: (1) sales at Casamia Balanca have faced considerable challenges due to objective market difficulties, while the real estate segment is expected to be the main driver of profit growth in 2026-2027, and (2) negative news affecting market sentiment related to trading activities in DPG shares by certain external individuals and organizations.

BSC believes the most negative news has been priced in and that DPG will remain one of the key beneficiaries of the high-tech infrastructure investment trend, given its proven capabilities, large investment scale and new contracts secured through the MOU with Vinspeed for the Hanoi - Hai Phong high-speed railway. We maintain our **BUY** recommendation with a target price of **35,000 VND/share (upside +29%)** – down 26% from our previous target price after revising for the delayed timeline of real estate projects and the company's borrowing needs.

BUSINESS RESULTS FORECAST

Compared with our previous forecast, BSC has lowered the projected contribution from the real estate segment due to the slower sales schedule at Casamia Balanca, while raising our forecast for the construction segment on the back of new contracts signed and a continued ample backlog. The construction segment's outlook is better than expected, with new contract value reaching VND 5,087 bn as of end-August 2026 (+16.8% higher than the whole of 2025), plus an additional ~20km/120km of the Hanoi – Quang Ninh high-speed railway secured. Specifically, as handover volume from the construction segment offsets the real estate segment:

2026: Net revenue of VND 7,479 bn (+67% YoY) in line with our previous forecast, but **NPATMI was cut by -16% to VND 415 bn (+27% YoY).** Projected sales at Casamia Balanca were cut by -66% to VND 1,031 bn.

2027: Net revenue of VND 8,594 bn (+15% YoY) and NPATMI of VND 478 bn (+9% YoY). We maintain our expectation that the patterned glass segment will start commercial operation from 4Q2026, with an insignificant impact on FY2026-2027.

VALUATION

DPG is currently trading at a 2026F P/B of 1.01x and a 2027F PE of 0.91x – below the -1 standard deviation level of 1.11x and approaching its 5-year valuation trough of 0.89x in 2022. We believe this valuation offers an attractive entry point for value investors, as the company continues to sustain growth at record-high profit levels and the "headwinds" from the real estate and hydropower segments have been priced in.

Business results	2024	2025	2026F	2027F
Net revenue	3,577	4,484	7,479	8,594
Gross profit	545	677	1,060	1,198
NPATMI	223	327	415	452
EPS	3,529	3,231	3,479	3,785

I. 2Q2026 BUSINESS RESULTS UPDATE – Infrastructure construction is the bright spot

Table 1: Summary of 1H2026 business results

(VND bn)	2Q2025	2Q2026	%YoY	1H2025	1H2026	%YoY
Net revenue	**1,142**	**1,859**	63%	**1,669**	**2,355**	41%
Construction	*988*	*1,709*	73%	*1,339*	*2,023*	51%
Electricity sales	*149*	*121*	-19%	*316*	*278*	-12%
Services	*3*	*29*	850%	*7*	*54*	689%
Real estate	*2*	*-*	-100%	*2*	*-*	-100%
Gross profit	**160**	**186**	16%	**313**	**331**	6%
%GPM	*14%*	*10%*		*19%*	*14%*	
Selling expenses	(2)	(0)	-77%	(2)	(1)	-78%
G&A expenses	(22)	(18)	-22%	(44)	(33)	-25%
%SG&A/Revenue	*2%*	*1%*		*6%*	*4%*	
EBIT	136	168	23%	267	297	11%
Financial income	4	6	57%	7	15	118%
Financial expenses	(28)	(38)	34%	(57)	(71)	26%
Profit/(loss) from associates & JVs	-	13		-	15	
Other income	(0)	1	-288%	(1)	0	-118%
PBT	**111**	**150**	35%	**216**	**256**	19%
NPAT	**104**	**131**	25%	**205**	**232**	13%
NPATMI	**72**	**111**	54%	**137**	**181**	31%

Source: DPG, BSC Research

In 2Q2026, DPG recorded strong growth in both revenue and net profit, reaching VND 1,859 bn (+63% YoY) and VND 111 bn (+54% YoY), respectively. The large backlog handed over in the construction segment offset the hydropower segment, which was affected by El Nino, while the real estate segment has yet to contribute. Specifically:

- Construction segment: Net revenue grew +73% YoY to VND 1,709 bn, with gross profit of VND 104 bn (+33.7% YoY, gross margin of 6.11%)
- Hydropower segment: Net revenue fell -18.8% YoY to VND 121 bn.

In 2Q2026, DPG spent VND 809 bn in CAPEX on the glass plant, financed by debt. The company remains confident in demand for ultra-clear patterned glass; however, commissioning may be pushed to 4Q2026 from the planned 3Q2026, as machinery arrived later than expected due to the Middle East conflict.

Year-to-date, DPG has won 7 packages (6 of which relate to tunnel and bridge works) with a total value of VND 5,087 bn, exceeding our full-year 2026 forecast of VND 4,500 bn. As mentioned in our latest report, DPG is one of the major beneficiaries of the high-tech infrastructure investment trend, such as high-speed railways and irrigation works. Notably, DPG recorded several customer advances from Vinspeed, Song Hong Infrastructure and Urban Development Investment Co., Ltd. and Hanoi Expressway JSC.

II. COMPANY OUTLOOK UPDATE FOR 2026 - 2027

1. Construction segment: 2026-2027 contract wins better than expected

As of end-August 2026, DPG has won 7 new infrastructure packages with a total value of VND 5,087 bn, +16.8% higher than the whole of 2025 and 13% above our previous forecast of VND 4,500 bn. Of these, 6/7 packages are again projects requiring high technical expertise.

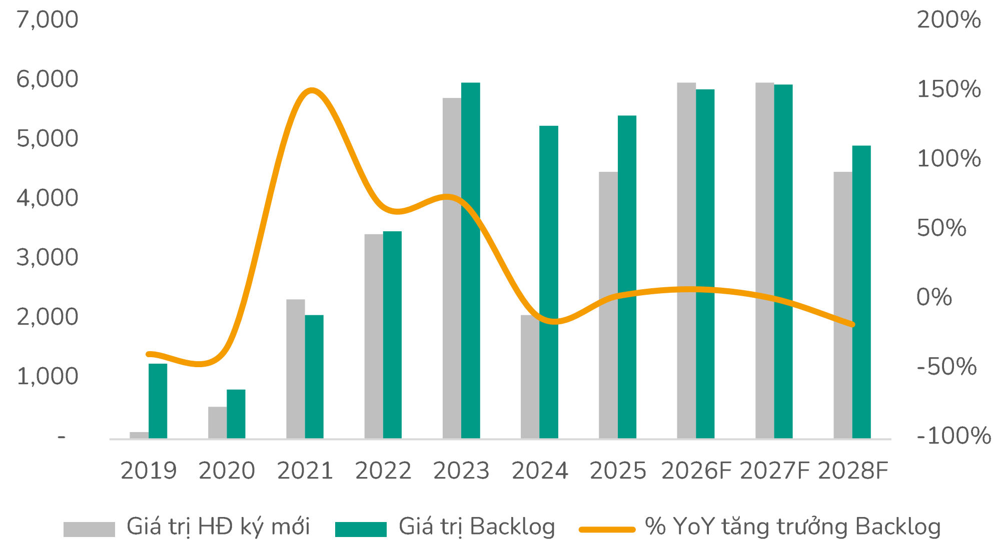
Figure 1: New contracts signed in 8M2026

Project	Type	Package value (VND bn)	Announcement date
Tran Hung Dao Bridge	Bridge	2,896	16/01/2026
Hanoi - Quang Ninh high-speed railway	Overpass	175	17/03/2026
Urban railway line, phase 1	Tunnel	216	14/04/2026
Song Chanh Bridge	Bridge	302	31/03/2026
Urban railway line, section 1	Bridge	86	15/06/2026
Ring Road 2	Underpass	97	30/07/2026
Quy Nhon - Pleiku Expressway	Road	1,315	03/08/2026

Source: DPG, BSC Research

BSC raises its forecast for total new contract value by +33%, from VND 4,500 bn to VND 6,000 bn for 2026-2027. The current period marks a strategic "mega-infrastructure" wave that is comprehensively reshaping the national development map. Unlike the 2021–2025 period, which focused on completing the North–South expressway network, the current trend is shifting strongly toward high-tech multimodal mega-projects such as high-speed railways, deep-water mega-ports and urban landscape axes. Therefore, we believe DPG will continue to benefit from the infrastructure investment wave in the new era.

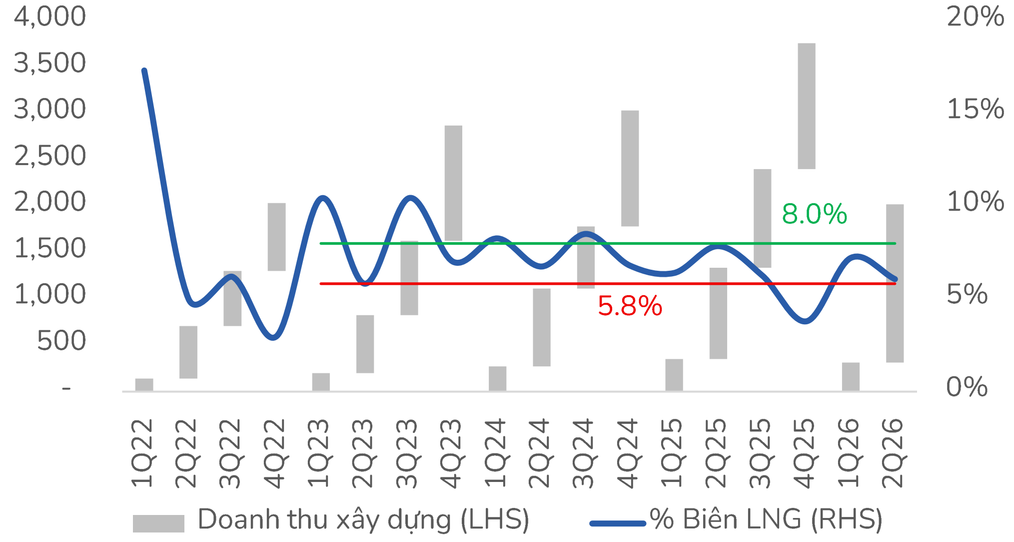
Figure 2: New contract value recovers to a high level



Source: DPG, BSC Research

Construction gross margin returned to a stable range of 5.8%-8.0% in the last 2 quarters. Previously, 4Q2025 saw an unusually sharp drop in gross margin to 3.8%. According to management, this was due to objective factors: (1) construction conditions in 4Q2025 such as storms and delayed site handover, which drove up costs, and (2) contract reductions on some projects as general contractors procured/supplied materials themselves. Construction gross margin over the last 2 quarters has recovered to 7.2% in 1Q2026 and 6.1% in 2Q2026. We believe the company has recognized these factors and put specific mitigation measures in place. High-tech packages are a supporting factor for DPG to keep its gross margin stable. Accordingly, BSC raises its construction gross margin forecast to 6.0% from 5.5% in our previous report.

Figure 3: Gross margin remains stable



Source: DPG, BSC Research

2. Real estate segment: Lower forecasts for new launch sales and 2026-2027 profit contribution due to the delayed rollout of Casamia Balanca

In 3Q2025, DPG launched its first batch of 50 units (priced at VND 8.8-23.8 bn/unit) with a 100% absorption rate. However, amid the real estate sector's challenges, the project's absorption in 2026 has remained slow. The company is currently offering 2 sales-and-leaseback policies to stimulate homebuyer demand, including:

- Co-operation with M-Village: homebuyers receive a 45% share of net revenue, with a minimum of VND 50 mn/month for Parkhome units (phase 2), for 5 years from the start of operation.
- Direct lease by the developer: a fixed commitment of VND 50-60 mn/month depending on the unit, for 3 years from the date of handover to the customer.

We cut our new launch sales forecasts for 2026/2027 by -73%/-59% to VND 825 bn (+22% YoY) and VND 1,354 bn (+64% YoY) due to the slower sales schedule at Casamia Balanca, while the Nam Phu Hai urban area launch will be delayed by one year to 2028.

Figure 4: DPG's real estate project portfolio

Project	Location	Area (m2)	Products	Status
Casamia Balanca	Hoi An, Quang Nam	311,073	363 low-rise units, 1 resettlement area	Under construction & on sale
Southern Phu Hai Ward Urban Area	Dong Hoi, Quang Binh	296,698	364 low-rise units 1 commercial & service complex	1/500 master plan completed, Expected to be launched in 2028
Binh Duong Resort Complex	Thang Binh, Quang Nam	1,781,118	Golf course 68.4ha Hotel, commercial & services 21.4ha Villas 10.4ha	Completing procedures to adjust the project investment policy following the merger of Da Nang and Quang Nam provinces

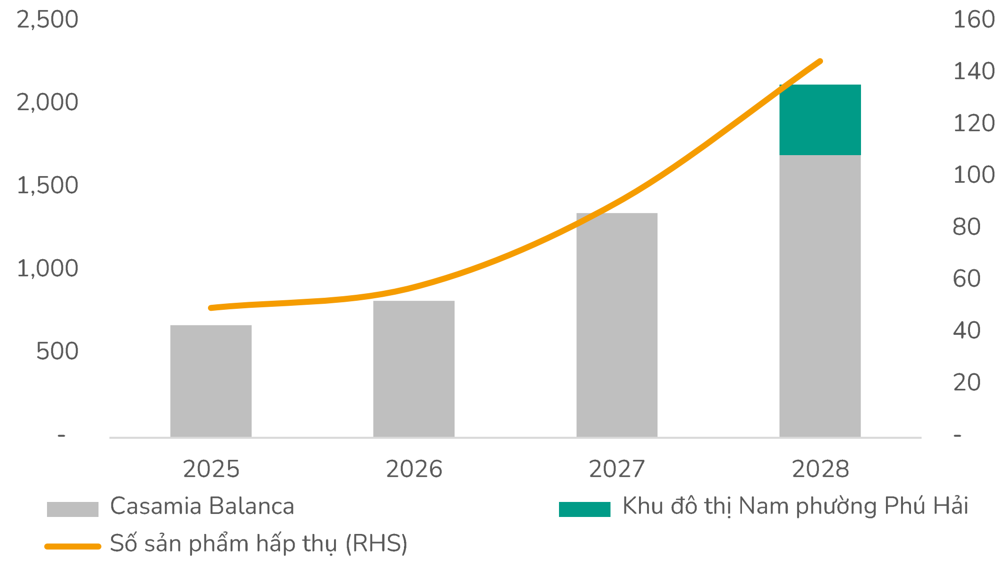
Source: DPG, BSC Research

Figure 5: Construction progress at Casamia Balanca as of Sep 2026

Source: DPG, BSC Research

Despite the lower sales forecast, we still believe real estate will be the driver of profit growth in 2026-2027 thanks to the handover of Casamia Balanca in 2H2026. **We forecast Casamia Balanca to contribute VND 1,105 bn (equivalent to 73 units) in 2026 and VND 1,413 bn (94 units) in 2027.**

Figure 6: New launch sales forecast



Source: BSC Research

3. Ultra-clear patterned glass & Hydropower segments: Maintaining business forecasts as El Nino continues to weigh on electricity output, while the glass segment has no significant impact on 2026-2027 business results

We maintain our assumptions for these 2 segments versus our latest report, as the glass segment's implementation progress and hydropower business results remain in line with expectations. Accordingly:

- **Ultra-clear patterned glass segment**: Given the "headwinds" facing the ultra-clear patterned glass segment, we cautiously expect the plant to start operating in 4Q2026 but only turn an EBIT profit from 2028 – when the plant begins running at over 50% capacity.

Figure 7: Glass segment business results forecast

	2025	2026	2027	2028	2029
Revenue	**-**	**230**	**698**	**1,175**	**1,306**
Gross profit		6	52	183	220
SG&A expenses	-	21	56	71	78
EBIT	-	(15)	(4)	112	141
% Gross margin	-	2.5%	7.5%	15.6%	16.8%
% EBIT margin	-	-6.5%	-0.5%	9.6%	10.8%
Cash inflow	-	230	698	1,175	1,306
Cash outflow	(200)	(1,217)	(1,496)	(1,018)	(1,122)
Net cash flow	**(200)**	**(987)**	**(798)**	**157**	**183**

Source: BSC Research

- **Hydropower segment:** Due to El Nino, we forecast revenue to fall -9.1% YoY to VND 539 bn, with gross profit of VND 382 bn.

III. 2026-2027 BUSINESS RESULTS FORECAST

Table 8: Summary of 2026-2027 business results

Unit: VND bn	2025	2026F	% YoY	2027F	% YoY
Revenue	**4,484**	**7,479**	67%	**8,594**	15%
- Construction	*3,762*	*5,556*	48%	*5,922*	7%
- Electricity sales	*593*	*539*	-9%	*512*	-5%
- Real estate	*73*	*1,105*	1405%	*1,413*	28%
- Glass	-	*230*		*698*	203%
COGS	(3,807)	(6,419)	69%	(7,396)	15%
Gross profit	**677**	**1,060**	57%	**1,198**	13%
Selling expenses	(10)	(184)	1664%	(253)	38%
G&A expenses	(87)	(132)	50%	(148)	13%
EBIT	**580**	**745**	28%	**797**	7%
Financial income	17	13	-25%	11	-19%
Financial expenses	(119)	(172)	44%	(174)	1%
PBT	**485**	**614**	27%	**664**	8%
Corporate income tax	(41)	(96)	136%	(111)	16%
NPAT	**445**	**518**	16%	**552**	7%
NPATMI	**327**	**415**	27%	**452**	9%
Basic EPS (VND)	**3,231**	**3,424**	6%	**4,009**	17%
Gross margin	*15%*	*14%*		*14%*	
- Construction	*5.8%*	*6.0%*		*6.0%*	
- Electricity sales	*71.3%*	*70.9%*		*69.9%*	
- Real estate	*5.8%*	*30.3%*		*30.3%*	
- Glass		*2.5%*		*7.5%*	
Net margin	*10%*	*7%*		*6%*	
ROE	*15%*	*13%*		*13%*	

Source: DPG, BSC Research

Compared with our previous forecast, the company's 1H2026 results were in line for the hydropower segment and the glass segment's investment progress, while (1) new contract wins in the construction segment were better than expected and (2) absorption at Casamia Balanca was slower than expected at the beginning of 2026. Therefore, BSC revises its annual forecasts as follows:

Unit: VND bn	2026	2026 new	% Change	2027 new	% Change
Total revenue	**7,456**	**7,479**	0%	**9,233**	**8,594**
Construction	4,712	5,556	18%	5,013	5,922
Electricity sales	548	539	-2%	548	512
Services	56	49	-13%	56	49
Real estate	1,910	1,105	-42%	2,917	1,413
Glass	230	230	0%	698	698
Total gross profit	**1,297**	**1,060**	-18%	**1,764**	**1,198**
Construction	297	333	12%	316	355
Electricity sales	391	382	-2%	394	358
Services	6	5	-13%	6	5
Real estate	598	335	-44%	996	428
Glass	6	6	0%	52	52

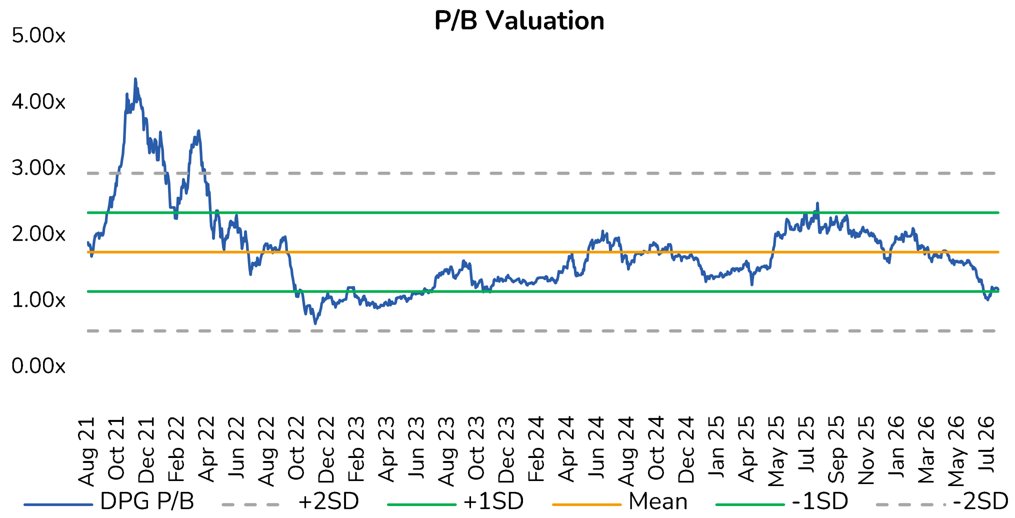
IV. VALUATION

BSC believes the most negative news has been priced in and that DPG will remain one of the beneficiaries of the high-tech infrastructure investment trend. **We maintain our BUY recommendation with a target price of 35,000 VND/share (upside +29%), down -26%** from our previous target price after revising for (1) the delayed timeline of real estate projects, (2) the company's borrowing needs and (3) applying a 15% valuation discount to reflect objective risks that may affect the glass segment's operating timeline and delays in completing the legal procedures for the Binh Duong Resort Complex.

DPG is currently trading at a 2026F P/B of 1.01x and a 2027F PE of 0.92x – below the -1 standard deviation level of 1.11x and approaching its 5-year valuation trough of 0.89x in 2022. We believe this valuation offers an attractive entry point for value investors, as the company continues to sustain growth at record-high profit levels and the "headwinds" from the real estate and hydropower segments have been priced in.

Table 9: DPG valuation

VND bn	Method	Valuation	% Stake	DPG share
Son Tra Hydropower	DCF	1,927	68%	1,316
Song Bung Hydropower	DCF	1,172	61%	719
Construction	PE	1,720	100%	1,720
Con Tien Urban Area	RNAV	1,484	89%	1,319
Phu Hai Urban Area	RNAV	536	89%	476
Other real estate assets	Book Value	777	89%	690
Glass segment	DCF	377	81%	305
Total revalued value				**6,546**
(-) 15% valuation discount				(982)
(+) Cash & ST investments				1,142
(-) Borrowings				(2,556)
Total enterprise value				**4,150**
Number of shares (mn)				119
Current price				27,100
Target price				**35,000**
Upside				**29%**



Source: BSC Research

APPENDIX

Income statement (VND bn)	2024	2025	2026F	2027F
Revenue	**3,577**	**4,484**	**7,479**	**8,594**
COGS	(3,032)	(3,807)	(6,419)	(7,396)
Gross profit	**545**	**677**	**1,060**	**1,198**
Selling expenses	(2)	(10)	(184)	(253)
G&A expenses	(95)	(87)	(132)	(148)
Operating profit/(loss)	**449**	**580**	**745**	**797**
Financial income	18	17	13	11
Financial expenses	(1)	(1)	(1)	(2)
Interest expenses	(113)	(118)	(171)	(172)
Profit from associates/JVs	-	13	33	36
Other profit/(loss)	(10)	(5)	(5)	(5)
Profit before tax	**343**	**485**	**614**	**664**
Corporate income tax	(40)	(41)	(96)	(111)
Profit after tax	**303**	**445**	**518**	**552**
Minority interests	80	118	103	101
NPATMI	**223**	**327**	**415**	**452**
EBITDA	595	726	1,044	1,140
EPS	3,529	3,231	3,479	3,785

Cash flow (VND bn)	2024	2025	2026F	2027F
(Loss)/NPAT	343	485	614	664
Depreciation & amortization	146	147	299	344
Change in working capital	(756)	(1,240)	(471)	451
Other adjustments	(54)	(80)	(139)	(154)
CF from operating activities	**(322)**	**(688)**	**303**	**1,304**
Purchase of fixed assets	(146)	(755)	(856)	(1,000)
Other investments	141	(37)	(650)	-
CF from investing activities	**(5)**	**(791)**	**(1,506)**	**(1,000)**
Dividends paid	(99)	(99)	(119)	(119)
Net borrowings	(71)	1,320	969	(847)
Other proceeds	81	38	634	-
CF from financing activities	**(89)**	**1,259**	**1,484**	**(966)**
Cash at beginning of period	1,432	1,017	796	1,078
Net cash flow in period	(416)	(220)	282	(661)
Cash at end of period	**1,017**	**796**	**1,078**	**417**

Balance sheet (VND bn)	2024	2025	2026F	2027F
Current assets	**3,451**	**4,656**	**6,418**	**5,929**
Cash & cash equivalents	1,017	796	1,078	417
Short-term investments	69	64	64	64
Short-term receivables	1,097	1,419	1,565	1,394
Inventories	1,155	2,211	3,545	3,889
Other current assets	113	166	166	166
Long-term assets	**2,957**	**3,470**	**4,697**	**5,398**
Tangible fixed assets	2,197	2,102	1,937	1,743
Long-term construction in progress	562	1,168	1,933	2,783
Long-term investments	-	-	-	-
Other long-term assets	198	200	826	872
Total assets	**6,408**	**8,126**	**11,115**	**11,327**
Total current liabilities	**2,472**	**2,477**	**3,695**	**4,521**
Payables	415	514	663	1,063
Short-term borrowings	1,144	1,065	1,300	1,500
Other current liabilities	913	899	1,732	1,957
Total long-term liabilities	**1,325**	**2,725**	**3,456**	**2,409**
Long-term borrowings	1,324	2,723	3,456	2,409
Unearned revenue	0	-	-	-
Other long-term liabilities	1	1	-	-
Total liabilities	**3,796**	**5,202**	**7,151**	**6,930**
Charter capital	630	1,008	1,186	1,186
Share premium	18	18	480	480

Ratios (%)	2024	2025	2026F	2027F
Liquidity				
Current ratio	1.4	1.9	1.7	1.3
Quick ratio	0.9	1.0	0.8	0.5
Capital structure				
Debt/Total assets	39%	47%	43%	35%
Debt/Equity	126%	170%	150%	112%
Operating efficiency				
Inventory days	139	212	340	221
Receivable days	112	115	127	68
Payable days	53	62	76	68
CCC	198	266	391	221
Profitability				
Gross profit margin	15%	15%	14%	14%
Net profit margin	8%	10%	7%	6%
ROE	11.6%	15.2%	13.1%	12.6%
ROA	4.7%	5.5%	4.7%	4.9%
Valuation				
PE	7.6	8.4	7.8	7.1
PB	1.63	1.44	1.01	0.92

Retained earnings	1,271	1,153	1,450	1,783
Other equity	47	47	47	47
Minority interests	646	698	801	902
Total equity	**2,612**	**2,924**	**3,964**	**4,398**
Total liabilities & equity	**6,408**	**8,126**	**11,115**	**11,327**
Shares outstanding (mn)	63	101	119	119

Growth				
Net revenue growth	4%	25%	67%	15%
EBIT growth	-9%	29%	28%	7%
PBT growth	7%	47%	16%	7%
EPS growth	10%	-8%	8%	9%

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BSC Head Office

8th & 9th Floor, Thai Holdings Building

210 Tran Quang Khai, Hoan Kiem, Hanoi

Tel: +84439352722

Fax: +84422200669

BSC Ho Chi Minh City Branch

4th & 9th Floor, President Place Building

93 Nguyen Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City

Tel: +84838218885

Fax: +84838218510

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Recommendation system

Buy, Sell or Hold recommendations are determined based on the expected total return, which is the sum of the difference between the target price and the closing price on the recommendation date plus the expected dividend yield. Specific recommendation definitions are as follows:

Recommendation rating	Definition
STRONG BUY	Expected 1-year total return of 35% or more
BUY	Expected 1-year total return from 15% to 34%
HOLD	Expected 1-year total return from -10% to 15%
SELL	Expected 1-year total return below -10%

Contact information - Research Center

Phan Quốc Bửu
Acting Head of Research Center
Buupq@bsc.com.vn

Bùi Nguyên Khoa
Deputy Director of Research Center
Macro - Market
Khoabn@bsc.com.vn

Nguyễn Thị Cẩm Tú
Acting Head of Sector & Company Researc
Sector – Company
Tuntc@bsc.com.vn

Banking, Finance
Nguyễn Dân Trưởng
Analyst
Truongnd@bsc.com.vn

Real Estate, Construction Materials
Phạm Quang Minh
Team Leader, Senior Analyst
Minhpq@bsc.com.vn
Lâm Việt
Senior Analyst
Vietl@bsc.com.vn
Vũ Công Hoàng Duy
Analyst
Duyvch@bsc.com.vn

Oil & Gas, Power, Fertilizer – Chemicals
Lưu Thuỳ Linh
Analyst
Linhlt2@bsc.com.vn

Retail, Export, Logistics
Phạm Thị Minh Châu
Team Leader, Senior Analyst
Chauptm@bsc.com.vn
Trần Lâm Tùng
Analyst
Tungtl@bsc.com.vn
Trần Nguyên Tường Huy
Analyst
Huytnt@bsc.com.vn