Company
Brief

24 Aug 2026

Kinh Bac City (KBC)

Sluggish IP Segment Drag 2Q26 Earnings

12M rating **NON-RATED**

High Financial and Tax Expenses Drag 2Q26 Earnings

- In 2Q26, KBC reported net revenue of VND589bn (+2% yoy, -56% qoq, Figure 1) with GP landing at VND200bn (-66% yoy, -69% qoq, Figure 2). In particular:
  - *IP:* Revenue plunged to VND96bn (16% of total revenue, -87% qoq, 80% yoy), reflecting continued slow land handover progress. Segment GP tracked at VND48bn (-92% yoy), yielding a GPM of 50.4%.
  - *Real estate*: Revenue reached VND288bn (49% of total revenue, -33% qoq, vs negligible levels in 2Q25), becoming the main revenue driver as handovers continued for social housi9ng units at Evergreen Bac Giang and Evergreen Trang Due. Segment GP stood at VND42bn, with a modest GPM of 14.6%.
  - *Utilities:* Revenue increased to VND150bn (+35% yoy, +30% qoq, 25% of total revenue) with GP landing at VND88bn (+44% yoy, +47% qoq), yielding a GPM of 58.4%.
- Blended GPM compressed sharply to 34.0% (-69.7%p yoy vs 103.7% in 2Q25, -14.7%p qoq vs 48.6% in 1Q26; Figure 3) due to a contraction in high-margin IP land handovers.
- Financial income surged 164% yoy to VND431bn (vs. VND163bn in 2Q25), primarily driven by the partial divestment in Saigon – Da Nang Investment JSC (SDN) valued at VND642bn
- Interest expenses jumped 193% yoy to VND289bn, while corporate income tax expenses surged sharply as interest expenses exceeding 30% of EBITDA were non-tax-deductible under Decree 132/2020.
- NPAT plunged 91% yoy (-85% qoq) to VND34bn. NPAT-MI landed at VND16bn (-96% yoy, -93% qoq).

	2021A	2022A	2023A	2024A	2025A
Sales (VND bn)	4,246	1,397	5,859	2,776	6,687
chg. (% YoY)	97.4	(77.6)	491.3	(50.6)	140.9
Operating profit (VND bn)	1,888	1,686	2,874	934	2,601
Net profit (VND bn)	1,352	1,577	2,245	423	2,208
EPS (VND)	1,359	1,988	2,646	498	2,234
chg. (% YoY)	188.5	46.3	33.0	(81.2)	348.9
EBITDA (VND bn)	1,924	(168)	3,015	891	2,618
PE (x)	18.4	15.6	11.0	70.1	13.5
EV/EBITDA (x)	11.0	(186.9)	9.0	36.4	19.3
PB (x)	1.04	1.48	1.22	1.44	1.14
ROE (%)	9.2	10.1	11.9	2.1	9.7
Dividend yield (%)	-	-	-	-	-

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest
Source: FiinproX, KIS Research

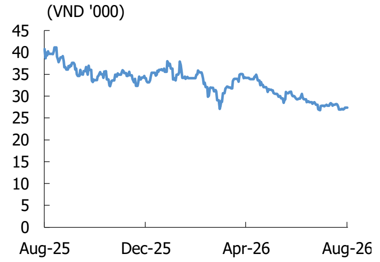
Stock Data

VNIndex (24 Aug, pt)	1,789
Stock price (24 Aug, VND)	27,400
Market cap (USD mn)	987
Shares outstanding (mn)	942
52-Week high/low (VND)	41,150/26,800
6M avg. daily turnover (USD mn)	3.21
Free float / Foreign ownership (%)	72.6/7.1
Major shareholders (%)	
APSG Corp.	10.3
Kinh Bac Investment and Consultant	7.1
Dang Thanh Tam	5.5

Performance

	1M	6M	12M
Absolute (%)	(1.6)	(21.7)	(32.8)
Relative to VNIndex (%p)	(8.0)	(18.8)	(43.9)

Stock price trend



Source: Bloomberg

Research Dept
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2026 Profit Target Out of Reach

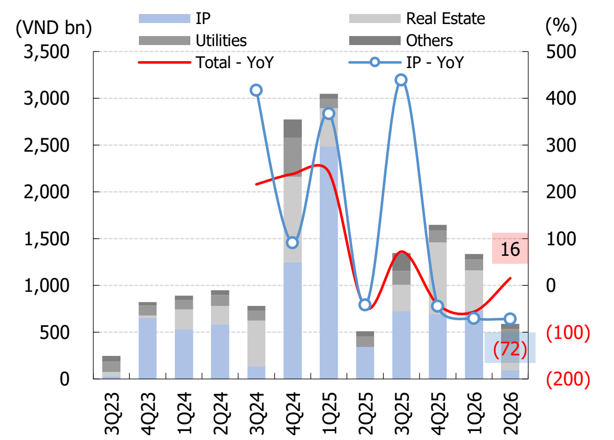
- Although real estate handovers and partial divestment gains provided positive top-line and non-operating contributions, heavy interest expenses and non-deductible tax burdens severely eroded bottom-line profitability. Looking ahead to 2H26F, despite the BOD's expectation of 150 ha in land handovers, we expect KBC is expected to complete land handovers ~49 ha at Nam Son Hap Linh IP (for Luxshare ICT) and a few others, along with deliveries for the remaining 3 blocks at Evergreen Trang Due. As a result, earnings recovery in 2H26F is expected to remain constrained, making it unlikely for KBC to achieve its 2026 NPAT target of VND3.0tn.

Table 1. Quarterly earnings snapshot in 2Q26 (VND bn, %, %p)

	2Q25	3Q25	4Q25	1Q26	2Q26	QoQ	YoY
Sales	575	1,347	1,648	1,336	589	(56)	2
OP	474	576	352	489	67	(86)	(86)
OP margin	82.6	42.8	21.4	36.6	11.4	(25.2)	(71.2)
EBT	532	428	845	319	237	(26)	(55)
NP	402	312	646	234	34	(85)	(91)

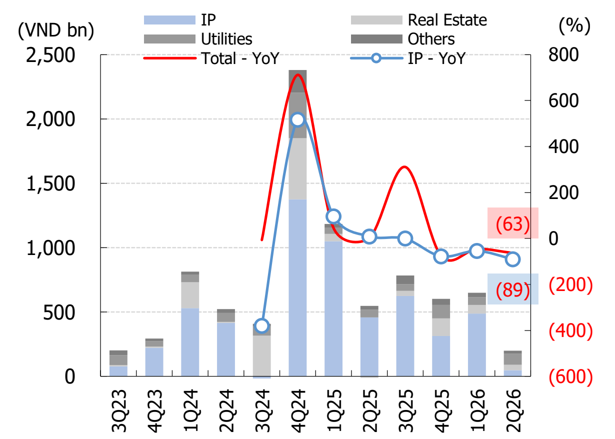
Source: Company data, FiinproX, KIS Research

Figure 1. Total revenue -57% YoY



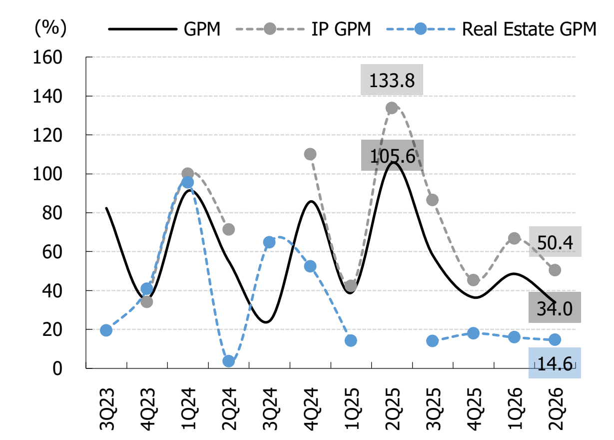
Source: Company data, KIS Research

Figure 2. Gross Profit -46% YoY



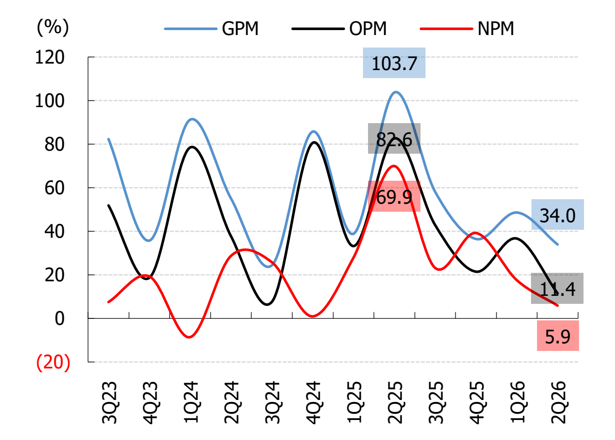
Source: Company data, KIS Research

Figure 3. Blended GPM narrowed due to sluggish IP segment



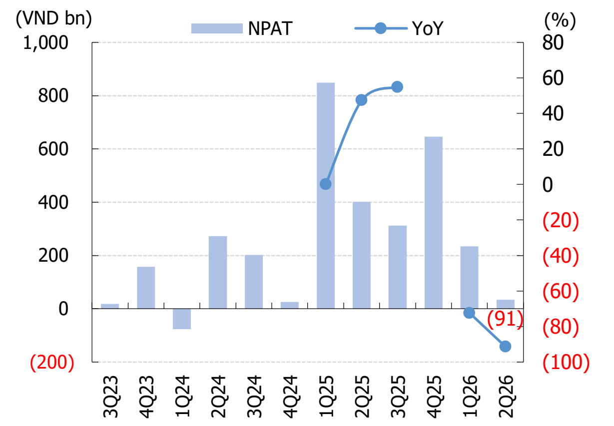
Source: Company data, KIS Research

Figure 4. Surging financial expenses dragged NPM



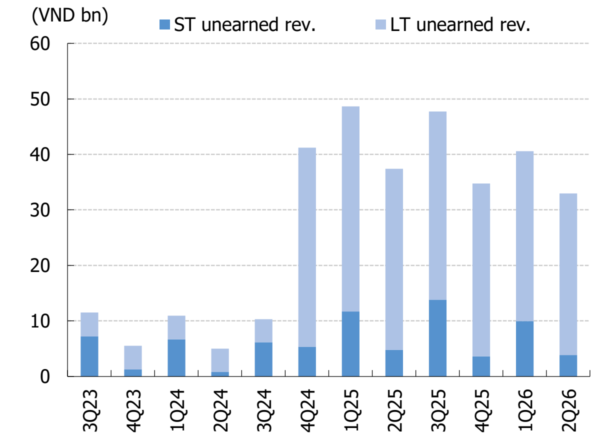
Source: Company data, KIS Research

Figure 5. Net profit -91% YoY



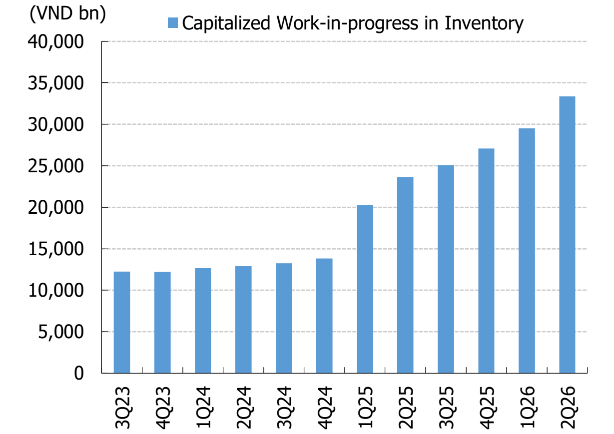
Source: Company data, KIS Research

Figure 6. Unearned revenue is insignificant



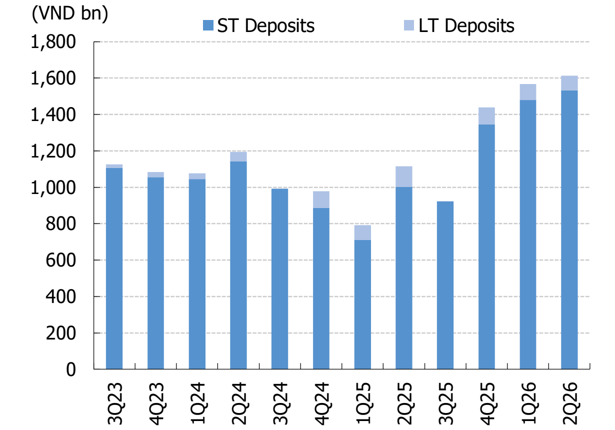
Source: Company data, KIS Research

Figure 7. Inventory driven mainly by Trang Cat UA construction and additional land use obligations



Source: Company data, KIS Research

Figure 8. VND736bn from IP lease contract deposits at end-2025 (vs VND282bn at end-2024)



Source: Company data, KIS Research
Note: Deposits for both commercial real estate and IP lease contracts

■ Company overview

Kinh Bac City (KBC) is one of the leading industrial park developers in Vietnam, currently operating and developing 9,230 ha of industrial land bank and 2,280 ha of urban area land bank.

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