true friend KIS Viet Nam Securities Corporation

Company Brief

8 Sep 2026

PC1 GROUP JSC (PC1)

Earnings growth came from non-core operations

12M rating **Non-rated**

2Q26 - Earnings growth was not driven by core operations

In 2Q26, revenue reached VND2,038bn (-31% yoy, ~60% of KIS's forecast, figure 1), mainly supported by the real estate and nickel segments. Gross profit reached VND468bn (-8% yoy, ~87% of KIS's forecast, figure 2), with the gross margin improving to 23.0% (+5.6%p yoy). Segment performance was as follows:

- **Power segment:** Revenue remained broadly flat yoy at VND357bn (figure 1). We estimate the hydropower capacity factor (CF) declined by approximately 4%p yoy due to the El Niño (figure 8), which is expected to persist through early 2027. However, the average FMP is estimated to have increased 30% yoy (figure 6), supporting gross profit of VND125bn (+2% yoy, figure 2).
- **Nickel segment:** Revenue and gross profit reached VND319bn (+38% yoy, figure 1) and VND160bn (+75% yoy, figure 2), respectively, supported by improvements in both selling prices and production volume. We estimate that selling prices increased 19% yoy (figure 7), while production volume grew 13% yoy, in line with annual consumption demand of approximately 50,000 tonnes.
- **Real estate segment:** Revenue and gross profit increased strongly to VND262bn (+53% yoy, figure 1) and VND61bn (+67% yoy, figure 2), respectively, mainly driven by the continued recognition of revenue and profit from the Thap Vang project.
- **Construction segment:** Revenue and gross profit declined to VND772bn (-51% yoy, figure 1) and VND36bn (-74% yoy, figure 2), respectively, mainly due to slower revenue recognition as newly secured projects remained under construction. Nevertheless, we estimate cumulative newly signed contracts reached VND4,780bn in 1H26 (table 1), providing a solid backlog for the coming periods. Revenue and earnings were mainly supported by the VND1,800bn Con Dao subsea cable project and the 500kV Lao Cai-Vinh Yen transmission line, which was completed and commissioned in 4Q25.

	2021A	2022A	2023A	2024A	2025A
Sales (VND bn)	9,828	8,358	7,694	10,089	13,085
Operating profit (VND bn)	905	647	274	828	1,545
Net profit (VND bn)	764	537	182	710	1,356
EPS (VND)	2,631	1,700	450	1,307	2,532
chg. (% yoy)	2.9	(35.4)	(73.5)	190.5	93.7
BPS	19,992	18,918	16,668	15,452	15,828
PE (x)	9.2	18.1	51.1	18.5	7.7
PB (x)	1.21	1.63	1.38	1.57	1.24
ROA (%)	4.7	2.3	0.2	2.3	4.57
ROE (%)	16.0	9.4	0.7	8.8	17.3
Dividend yield (%)	-	-	-	-	-

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

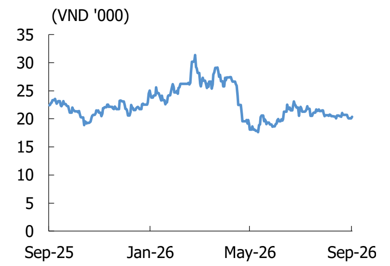
Stock Data

VNIndex (08 Sep, pt)	1,827
Stock price (08 Sep, VND)	20,350
Market cap (USD mn)	322
Shares outstanding (mn)	411
52-Week high/low (VND)	31,350/17,650
6M avg. daily turnover (USD mn)	4.85
Free float / Foreign ownership (%)	70.9/8.3
Major shareholders (%)	
Trinh Van Tuan	21.38
Vietnam JSC Bank for Industry and Trade Fund Management Company Limited	7.54
CII Trading and Investment One Member Limited Liability Company	7.20

Performance

	1M	6M	12M
Absolute (%)	(1.5)	(27.7)	(9.1)
Relative to VNIndex (%p)	(5.0)	(32.5)	(24.0)

Stock price trend



Source: Bloomberg

Research Department
researchdept@kisvn.vn

As a result, NPAT reached VND235bn (+43% yoy, ~114% of KIS's forecast, figure 4), mainly driven by (i) selling expenses declining to VND1bn (-95% yoy, down VND23bn yoy, figure 5); (ii) administrative expenses falling to VND86bn (-26% yoy, down VND31bn yoy), reflecting workforce restructuring and provision reversals; and (iii) financial income increasing to VND85bn (+35% yoy, up VND22bn yoy, figure 3), supported by higher interest income from deposits and loans.

3Q26F – Earnings outlook remains positive

In 3Q26F, we expect PC1 to deliver a favorable performance, mainly driven by the real estate and power segments.

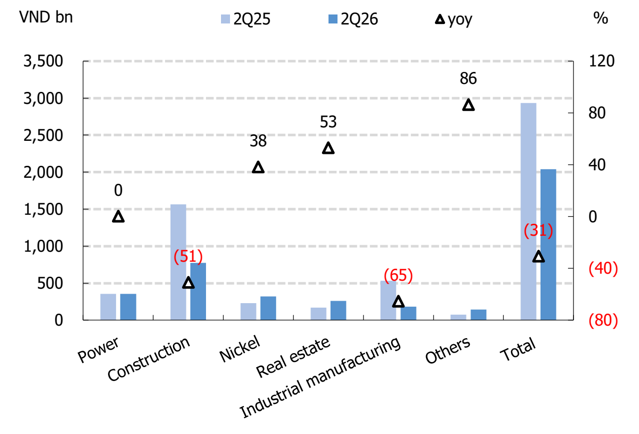
- **Power segment:** We estimate that PC1's power segment may deliver a relatively solid performance in 3Q26F, supported by an expected 60–80% yoy improvement in the average FMP (accounting for ~2% of revenue), despite potential production weakness in the hydropower segment due to the strong impact of El Niño conditions, which are expected to persist through early 2027.
- **Nickel segment:** We anticipate this segment to deliver a positive performance, supported by nickel prices expected to remain elevated, increasing by ~11% yoy. Meanwhile, PC1's nickel exports are fully contracted with Trafigura, supporting stable sales volumes.
- **Real estate segment:** We anticipate that this segment will continue to deliver positive results, driven by the expected revenue and profit recognition from the Thap Vang real estate project.
- **Construction segment:** We anticipate that this segment's performance could decline yoy, despite a new backlog of VND4,780bn at the end of 1H26, mainly from power projects under construction, providing visibility for revenue and earnings growth in the coming quarters.

Table 1. EPC backlog progress from 2023 to 2Q26

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
+ Beginning balance	7,379	5,580	4,011	3,552	6,892	8,000	8,000	8,000	8,250	4,780
+ New contracts	1,919	763	393	3,635	1,838	1,566	1,738	2,914	3,194	772
+ Revenue recognized	563	1,188	705	1,230	730	1,566	1,738	2,664	957	772
+ Ending balance	**5,580**	**4,011**	**3,552**	**6,892**	**8,000**	**8,000**	**8,000**	**8,250**	**4,780**	**4,780**

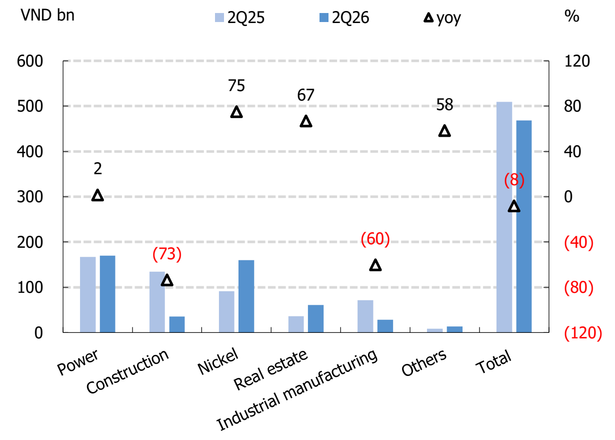
Source: PC1, KISVN

Figure 1. The real estate and Nikel segments led growth in 2Q26



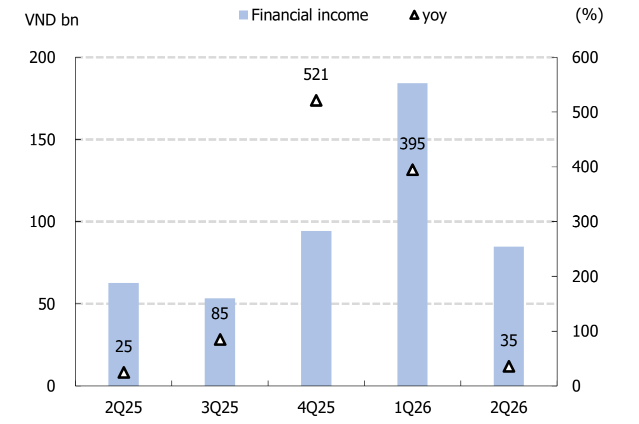
Source: Company data, KIS Research

Figure 2. ... leading total gross profit to decrease slightly yoy



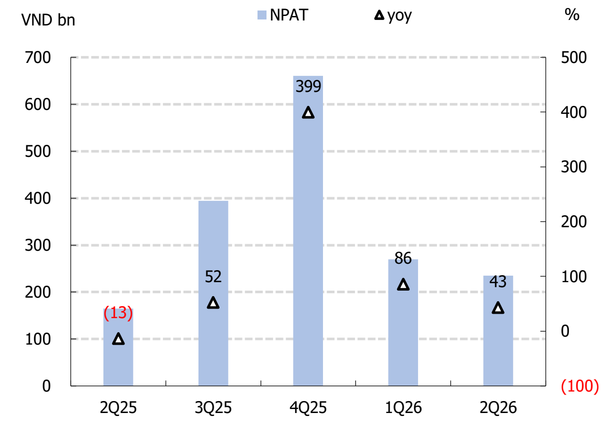
Source: Company data, KIS Research

Figure 3. Financial income rose to VND85bn, supported by the restructuring of loan facilities



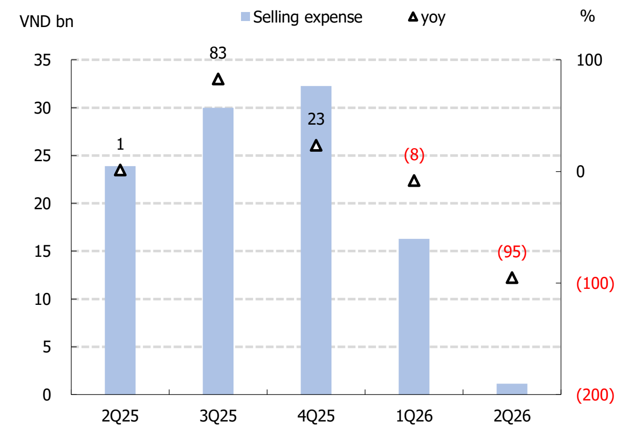
Source: Company data, KIS Research

Figure 4. NPAT surged by 43% yoy in 2Q26



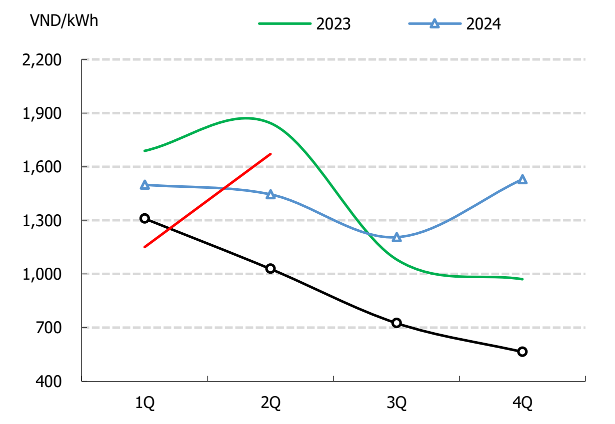
Source: Company data, KIS Research

Figure 5. Selling expenses declined to VND1bn, down 95% yoy



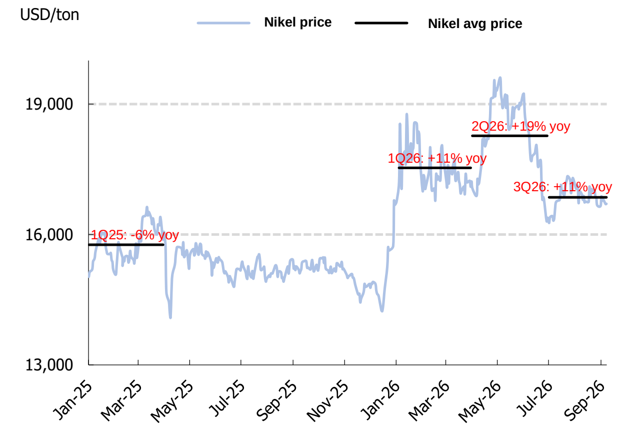
Source: Company data, KIS Research

Figure 6. FMP is expected to recover in 2026, supported by a improvement in the CAN price



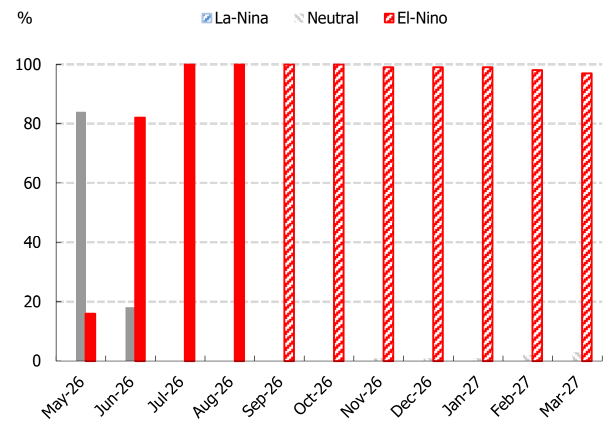
Source: Company data, KIS Research

Figure 7. Nickel prices remain at a high level compared with the same period last year



Source: Company data, KIS Research

Figure 8. ... strong El Niño conditions are expected to persist through early 2027



Source: Company data, KIS Research

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Prepared by: Research Department

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