Q2/2026 Earnings Update – KDH

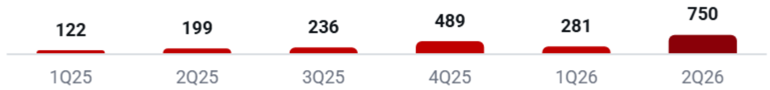
HOSE · KDH · Khang Dien House Investment and Trading JSC *(Khang Dien House)*

NET REVENUE · Q2	NPAT TO PARENT · Q2	CORE OPERATING PROFIT · Q2	VALUATION · P/B
161	**750**	**−53**	**1.1** x
VND bn · **−84.7% YoY**	VND bn · **+277% YoY**	VND bn · almost no hand-overs	low price zone · below 5-yr avg P/B (~2.4x)

Q2 ASSESSMENT

Q2 NPAT to parent surged to **VND 750 bn (+277% YoY)** but is **low quality**: nearly all of it came from a **one-off financial gain of VND 906 bn** (reducing KDH's stake in the Binh Trung project), while core operations **lost VND 53 bn** on almost no hand-overs — revenue was just **VND 161 bn (−84.7%)**. KDH is **aggressively building land bank** (inventory VND 29,488 bn) but funding it mostly with **debt (VND 16,659 bn, up over VND 6,500 bn since year-start)**. The stock trades at **P/B ~1.1x** — a **low price zone**, well below its ~2.4x average P/B of the past five years, an attractive entry for long-term investors to accumulate.

NPAT attributable to parent by quarter · *VND bn*



% OF FULL-YEAR PLAN ACHIEVED

Revenue · **442 / 4,200 bn** — 11%

NPAT · **1,031 / 1,500 bn** — **69%**

QUALITY CAVEAT · H1 2026
69% vs 11% profit runs ahead of revenue on the Q2 one-off

INVENTORY (LAND BANK)
29,488 bn · funded mostly by VND 16,659 bn debt

HIGHLIGHTS

+277% YOY · Q2 — **Profit surged, but from a one-off**
NPAT to parent VND 750 bn · all from VND 906 bn financial gain (stake sale in Binh Trung)

29,488 BN · INVENTORY — **Heavy land-bank build for the new cycle**
160ha land bank · Gladia launch 3Q2026 · 6,000 products in 2026–2028

1.1 X P/B — **Low price zone for long-term accumulation**
price VND 18,200 · P/B ~1.1x · below 5-yr avg ~2.4x

WATCH ITEMS

−53 BN · CORE — **Core operations at a loss**
revenue VND 161 bn (−85%) · almost no hand-overs · negative core profit

16,659 BN · DEBT — **Leverage rising fast**
borrowings up over VND 6,500 bn since year-start · net debt ~VND 13,800 bn · debt/equity 0.8x

Gladia 3Q2026 — **Hinges on the new launch cycle**
coming quarters' revenue tied to the launch & hand-over pace of Gladia and the 2026–2028 pipeline

OUTLOOK FOR COMING QUARTERS

H1 results were driven by a **one-off financial gain**; core operations only re-start as new projects hand over. The 2026–2028 driver is the **160ha land bank** with **Gladia** (3Q2026, 600+ apartments) and a plan to launch **6,000 products**. TCBS projects 2026 NPAT to parent **~VND 1,470 bn** (EPS 1,310, ROE ~7.6%). Watch launch/hand-over pace and **fast-rising leverage**.

REVENUE 2026F · TCBS	NPAT TO PARENT 2026F · TCBS	EPS FORECAST 2026F	REAL-ESTATE INVENTORY
3,722	**~1,470**	**1,310**	**29,488**
bn · **−20%** vs 2025	bn · EPS 1,310	VND · **P/B 1.0x** · ROE 7.6%	bn · land bank funded by debt

STOCK INFORMATION & VALUATION · as of 25 Aug 2026

PRICE · VND	MARKET CAP · VND BN	BOOK VALUE · VND	P/B · X	DEBT / EQUITY	SHARES · MN
18,200	20,424	16,545	1.1	0.8	1,122

1. TCBS Assessment

Scale and quality of Q2 profit, balance-sheet strength, the backlog signal and the recovery forecast

KDH's Q2/2026 results must be read **very carefully on quality**. NPAT to parent surged to **VND 750 bn (+277% YoY)**, but almost all of it came from a **one-off financial gain of VND 906 bn** — booked when the company reduced its stake in a project (Binh Trung). Meanwhile, **net revenue was just VND 161 bn (−84.7% YoY)** and **core operating profit was negative at VND 53 bn** as almost no products reached hand-over. In other words, this was not a real growth quarter but a **trough for core operations**, masked by a one-off gain.

Behind the profit figure is a phase of **heavy but debt-funded investment**. KDH is accelerating land banking: inventory rose to **VND 29,488 bn** (75% of assets), up more than VND 6,000 bn in six months. The funding, however, is mostly **borrowing**: total debt has doubled in 18 months to **VND 16,659 bn** (net debt ~VND 13,800 bn, debt/equity 0.8x) — the opposite of the "pre-sale funded" model, since **customer advances are only VND 399 bn**, i.e. near-term revenue visibility is thin. On valuation, the stock is around **VND 18,200**, **P/B ~1.1x** and a **2026 forward P/E ~14x** — boosted by a one-off gain, so on a core basis it is not cheap and already prices much of the new launch cycle. **TCBS projects 2026 NPAT to parent ~VND 1,470 bn** (EPS 1,310, ROE ~7.6%); the real driver is Gladia (3Q2026) and the plan for 6,000 products in 2026–2028.

Q2/2026 RESULTS & FULL-YEAR FORECAST

NET REVENUE Q2	NPAT TO PARENT Q2	CORE OPERATING Q2	ONE-OFF FIN. INCOME Q2	NPAT TO PARENT 2026F	FORWARD P/E 2026F
161	**750**	**−53**	**906**	**~1,470**	**14.0**
bn · −84.7% YoY	bn · +277% YoY	bn · almost no hand-overs	bn · project stake sale	bn · EPS 1,310	x · P/B 1.0 · ROE 7.6%

KEY POINTS

01 **Profit surged, but "low quality"** — NPAT to parent VND 750 bn (+277%) came almost entirely from a **one-off VND 906 bn financial gain** (stake sale in the Binh Trung project). Net revenue was only VND 161 bn (−84.7%) and core operations lost VND 53 bn — a hand-over trough, not real growth.

02 **Heavy land-bank build, but debt-funded** — inventory rose to VND 29,488 bn (160ha land bank), yet total debt doubled in 18 months to VND 16,659 bn (net debt ~VND 13,800 bn, debt/equity 0.8x). Customer advances are just VND 399 bn — KDH funds projects mainly with borrowing, not pre-sale cash flow.

03 **Valuation prices expectations, not results** — at P/B ~1.1x and a 2026 forward P/E ~14x (boosted by a one-off gain). The real story is the new launch cycle: Gladia (3Q2026, 600+ apartments) and 6,000 products in 2026–2028. TCBS stays neutral, watching launch/hand-over execution and leverage.

2. Business Results & Financial Analysis

Q2 overview, profit quality & composition, the sales–backlog signal, balance sheet & financial position, and valuation

2.1. Q2/2026 overview

Q2/2026 was a quarter of **divergence between profit and operations**: net revenue was only **VND 161 bn (−84.7% YoY, −42.9% QoQ)** — a multi-year low with almost no projects reaching hand-over — so **core operating profit was −VND 53 bn**. Conversely, NPAT to parent reached **VND 750 bn (+277%)** thanks to **VND 906 bn of financial income** booked once on reducing the Binh Trung stake, lifting pre-tax profit to VND 800 bn. The 50.2% gross margin (from 38.5% a year ago) is only technical on a very small revenue base.

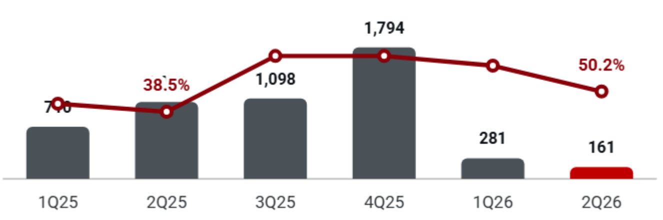
NET REVENUE	GROSS PROFIT	FINANCIAL INCOME (ONE-OFF)
161	**81**	**906**
VND bn · −84.7% YoY	VND bn · −79.9% YoY	bn · Binh Trung stake sale

PRE-TAX PROFIT	NPAT TO PARENT	CORE OPERATING PROFIT
800	**750**	**−53**
VND bn · +226% YoY	VND bn · +277% YoY	bn · negative, no hand-overs

Item (VND bn)	Q2/2026	Q2/2025	%YoY	Q1/2026	%QoQ
Net revenue	**161**	**1,049**	**−84.7**	**281**	**−42.9**
Gross profit	81	404	−79.9	183	−55.9
Gross margin (%)	50.2	38.5	+11.7 ppt	65.0	−14.8 ppt
Core operating profit	−53	292	neg.	87	neg.
Financial income	906	4	n.m.	7	n.m.
Pre-tax profit	**800**	**245**	**+226**	**356**	**+125**
Profit after tax	770	196	+292	327	+135
NPAT to parent	**750**	**199**	**+277**	**281**	**+167**

Net revenue & gross margin by quarter

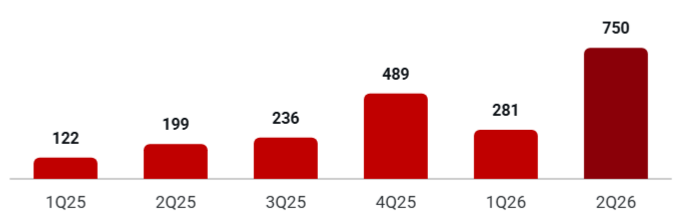
Bars = revenue (VND bn) · line = gross margin (%, right axis)



Source: *TCBS Research · KDH consolidated financials*

NPAT attributable to parent by quarter

VND bn · Q2/2026 spike driven by a one-off



Source: *TCBS Research · KDH consolidated financials*

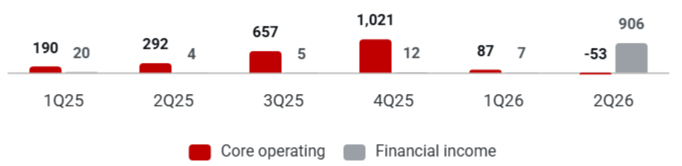
2.2. Profit quality & composition

Decomposing Q2 profit highlights the quality issue: pre-tax profit of VND 800 bn, yet **core operations lost VND 53 bn** (gross profit VND 81 bn did not cover SG&A of VND 134 bn), with the entire positive coming from **VND 906 bn of one-off financial income** — booked on reducing a project stake, and **non-recurring**. So the Q2 profit figure does not reflect recurring earnings power; the real gauge is hand-over revenue and core profit, both at a trough.

- **Core operations at a trough** — revenue of VND 161 bn (−85%) drove core profit to −VND 53 bn, versus a peak of VND 1,021 bn in 4Q2025. KDH sits in a **gap between hand-over cycles**: older projects (The Privia, The Solina...) are largely booked, while new ones (Gladia) are not yet due.
- **Profit comes from a one-off** — VND 906 bn of financial income from reducing the Binh Trung stake was the sole driver lifting pre-tax profit to VND 800 bn. It does not recur, so KDH's recurring earnings base is well below the reported figure.
- **Interest is largely capitalised** — though total debt reached VND 16,659 bn, interest expense in the income statement was only ~VND 19 bn/quarter as most is capitalised into work-in-progress. This flatters reported profit, but the real interest burden will surface as projects hand over.

Core operating profit vs. financial income

VND bn · by quarter · Q2/2026 divergence



Source: TCBS Research · KDH consolidated financials

Pre-tax profit bridge — Q2/2026

VND bn · profit comes from financial income

Source: TCBS Research · KDH consolidated financials

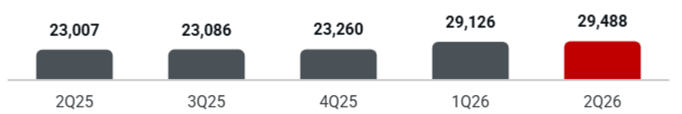
2.3. Land bank & funding

The key thing to watch at KDH now is **how it funds the land bank**. Inventory (mainly work-in-progress and land) rose to **VND 29,488 bn**, reflecting preparation for a new launch cycle on a 160ha land bank. But unlike a pre-sale-funded model, **customer advances are only VND 399 bn** while **total debt doubled to VND 16,659 bn** — i.e. the land bank is funded mostly by borrowing, taking debt/equity to 0.8x and net debt to ~VND 13,800 bn.

- **Thin backlog limits near-term visibility** — customer advances are only VND 399 bn, small against nearly VND 29,500 bn of inventory. Coming revenue depends on the launch and hand-over of Gladia (3Q2026, 600+ apartments), not on a "locked-in" backlog as at peers with a thick order book.
- **Fast-rising leverage is the watch item** — total debt rose from ~VND 7,100 bn (end-2024) to VND 16,659 bn (mid-2026), up more than VND 6,500 bn in H1 2026 alone. Interest is mostly capitalised so it has not yet hit reported profit, but it raises financial risk if sales run slower than expected.
- **A large HCMC land bank is the underlying asset** — KDH holds clean, legally-cleared land in HCMC's East and West (inherited from BCCI), and plans to launch 6,000 products (1,000 low-rise + 5,000 apartments) in 2026–2028 — a long-term value that offsets the current profit trough.

Inventory (land bank) by quarter

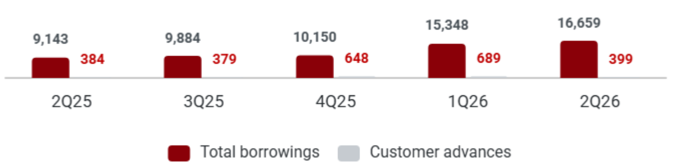
VND bn · quarter-end · building land bank



Source: KDH financials · compiled

Total borrowings vs. customer advances

VND bn · quarter-end · funded by debt



Source: KDH financials

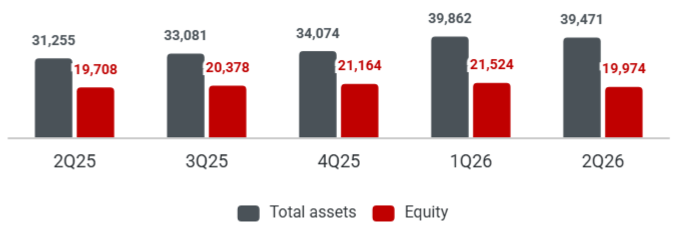
2.4. Balance sheet & financial position

This is the area to watch at KDH. At end-Q2/2026, total assets reached **VND 39,471 bn**, of which inventory is **VND 29,488 bn** (75%). On the funding side, **total debt reached VND 16,659 bn** (short-term 2,223 + long-term 14,436), doubled in 18 months; with cash of only VND 2,890 bn, **net debt is ~VND 13,800 bn** and debt/equity 0.8x. On the plus side, KDH **fully repaid its bonds** from mid-2025 (bond balance to zero); current debt is mainly bank loans funding projects. Still, this leverage is well above the 2021–2022 period and is a risk to monitor.

- **Leverage stepped up for the investment phase** — total debt VND 16,659 bn, debt/equity 0.8x (from ~0.3x in 2024). This is a deliberate choice to acquire land and accelerate projects, but it makes KDH more sensitive to rates and dependent on sales pace to deleverage.
- **Bond-free, no new equity issuance** — KDH repaid all bonds from mid-2025 and, at its AGM, ruled out issuing bonds or private placements. Current debt is bank credit funding projects, reducing the legal/maturity risk versus bond-reliant peers.
- **Large equity, solid book value** — equity of VND 19,974 bn (book value ~VND 16,580/share); the core HCMC land bank is carried at accumulated cost, below market. Trailing ROE ~9.7% is distorted by the one-off; true core ROE is lower given weak hand-over activity.

Total assets & equity

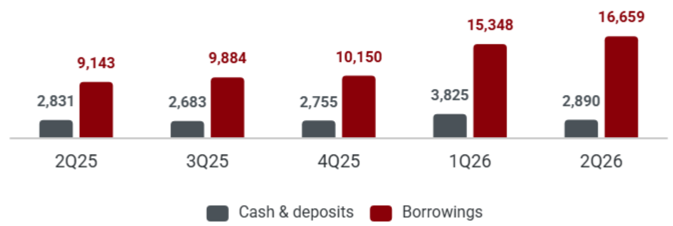
VND bn · quarter-end · assets swelling with inventory



Source: TCBS Research · KDH consolidated financials

Cash & deposits vs. total borrowings

VND bn · quarter-end · debt far exceeds cash



Source: TCBS Research · KDH consolidated financials

2.5. Valuation & outlook

KDH trades around **VND 18,200**, at **P/B ~1.1x** (book value VND 16,580/share) and a **2026 forward P/E ~14x**. This is **not cheap** versus residential developer peers and already prices much of the new launch cycle. The trailing P/E of 11.6x is distorted by the Q2 one-off — stripping it out, valuation on core earnings is even higher. Offsetting this, the core HCMC land bank carried at low cost holds hidden value below book; it is long-term "stored value" but needs time and capital to realise.

- **The driver is the new launch cycle** — TCBS projects 2026 NPAT to parent ~VND 1,470 bn (EPS 1,310), forward P/E ~14x, ROE ~7.6%; core profit improves in later years, bringing the P/E to ~10x by 2029 as Gladia and a slate of new projects hand over. The forecast is highly sensitive to legal and launch progress.
- **Key considerations** — (1) reported profit is inflated by a one-off, with a weak core base; (2) leverage is rising fast (debt VND 16,659 bn); (3) thin backlog makes near-term revenue less certain. Offsetting: a large land bank, bond-free status, and land value hidden below book.
- **Assessment:** KDH is a **company with a good land bank but in a hand-over gap and stepping up leverage**; Q2 profit does not reflect true earnings power. TCBS stays **neutral**, awaiting clear signals from the Gladia launch/hand-over. Risks to watch: leverage & interest, project legal progress and apartment absorption.

Appendix — Quarterly financials

Condensed consolidated income statement and balance sheet by quarter

Income statement (VND bn)

Item	Q2/2025	Q3/2025	Q4/2025	Q1/2026	Q2/2026
Net revenue	**1,049**	**1,098**	**1,794**	**281**	**161**
Gross profit	404	776	1,267	183	81
Gross margin (%)	38.5	70.6	70.6	65.0	50.2
Core operating profit	292	657	1,021	87	−53
Financial income	4	5	12	7	906
Pre-tax profit	**245**	**654**	**983**	**356**	**800**
Profit after tax	196	526	786	327	770
NPAT to parent	**199**	**236**	**489**	**281**	**750**

Balance sheet (VND bn) · period-end

Item	Q2/2025	Q3/2025	Q4/2025	Q1/2026	Q2/2026
Total assets	**31,255**	**33,081**	**34,074**	**39,862**	**39,471**
Inventory	23,007	23,086	23,260	29,126	29,488
Cash & short-term deposits	2,831	2,683	2,755	3,825	2,890
Borrowings & finance leases	9,143	9,884	10,150	15,348	16,659
Total liabilities	11,546	12,703	12,910	18,338	19,497
Equity	**19,708**	**20,378**	**21,164**	**21,524**	**19,974**

Source: KDH consolidated financials & TCBS Research; TCBS compiled. Calendar-quarter basis. "Core operating profit" = gross profit less selling & admin expenses (before financial items). Q2/2026 pre-tax profit of VND 800 bn came mainly from a one-off VND 906 bn financial gain (reducing the Binh Trung project stake) — non-recurring.

Financial model & yearly forecast · 2021–2030

Unit: VND bn (except ratios, x, %, VND/share, days) · Columns 2026–2030 are forecast · forecast balance-sheet lines are being updated for the new investment phase, hence left blank · Source: TCBS Research

	ACTUAL					FORECAST · TCBS				
Item	**2021**	**2022**	**2023**	**2024**	**2025**	**2026F**	**2027F**	**2028F**	**2029F**	**2030F**
Shares outstanding (mn)	1122.2	1122.2	1122.2	1122.2	1122.2	1122.2	1122.2	1122.2	1122.2	1122.2
P/E (x)	**32.5**	**20.3**	**40.7**	**45.4**	**33.8**	**14.0**	**17.8**	**13.5**	**10.2**	**7.3**
EPS (VND)	1,071	982	637	722	931	1,310	1,032	1,365	1,811	2,510
P/B (x)	**3.8**	**1.9**	**2.2**	**2.1**	**1.9**	**1.0**	**1.0**	**0.9**	**0.8**	**0.7**
BVPS (VND)	9,076	10,298	11,985	15,500	16,505	17,816	18,849	20,214	22,026	24,536
EV/EBITDA (x)	21.7	31.3	26.6	25.1	17.6	21.3	21.8	18.0	12.9	9.2
ROE	**13.1%**	**10.1%**	**5.7%**	**5.3%**	**5.8%**	**7.6%**	**5.6%**	**7.0%**	**8.6%**	**10.8%**
Gross margin	48%	50%	76%	53%	59%	55%	50%	45%	45%	45%
Net margin	**32.2%**	**37.9%**	**34.3%**	**24.7%**	**22.5%**	**39.5%**	**24.9%**	**23.5%**	**22.3%**	**22.1%**
Debt / EBITDA (x)	1.8	8.4	5.2	5.4	4.7	–	–	–	–	–
Net revenue	**3,738**	**2,912**	**2,088**	**3,279**	**4,651**	**3,722**	**4,651**	**6,519**	**9,112**	**12,742**
Revenue growth		*-22%*	*-28%*	*+57%*	*+42%*	*-20%*	*+25%*	*+40%*	*+40%*	*+40%*
EBITDA	1,418	810	1,215	1,321	2,173	1,693	1,657	2,001	2,806	3,933
NPAT to parent	**1,202**	**1,103**	**716**	**810**	**1,045**	**1,470**	**1,158**	**1,532**	**2,032**	**2,816**
NPAT growth		*-8%*	*-35%*	*+13%*	*+29%*	*+41%*	*-21%*	*+32%*	*+33%*	*+39%*
Cash & ST investments	1,434	2,796	3,739	3,373	2,755	–	–	–	–	–
Inventory	7,733	12,453	18,787	22,178	23,260	–	–	–	–	–
Total assets	**14,373**	**21,539**	**26,481**	**30,758**	**34,074**	**–**	**–**	**–**	**–**	**–**
Total borrowings	2,553	6,771	6,345	7,098	10,150	–	–	–	–	–
Equity	**10,221**	**11,795**	**15,523**	**19,453**	**21,164**	**22,636**	**23,795**	**25,326**	**27,359**	**30,175**

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