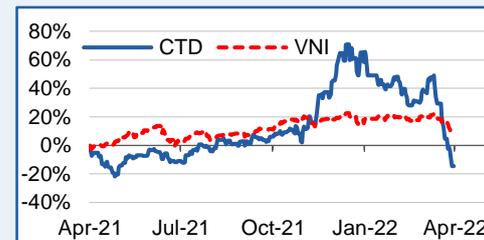


Industry	Construction		2021A	2022F	2023F	2024F
Report Date	April 25, 2022	Rev y/y	-37.6%	80.3%	33.0%	27.5%
Current Price	VND55,000	EPS y/y	-92.7%	12.6x	40.9%	27.1%
Target Price*	VND75,700	NPAT-MI y/y	-92.8%	12.6x	40.9%	27.1%
Upside to TP	+37.6%	GPM	3.0%	4.5%	4.7%	4.9%
Dividend Yield	1.8%	NPM	0.3%	2.0%	2.1%	2.1%
TSR	+37.6%	P/B	0.5x	0.5x	0.5x	0.4x
Rating*	UNDERPERFORM	P/E	167.9x	12.4x	8.8x	6.9x



			CTD	Peers	VNI
Market Cap	USD176.6mn	P/E (ttm)	167.9x	34.1x	14.7x
Foreign Room	USD28.3mn	P/B (curr)	0.5x	1.1x	2.3x
ADTV30D	USD4.2mn	Net D/E	-0.4x	0.7x	N/A
State Ownership	0.0%	ROE	0.3%	2.8%	15.7%
Outstanding Shares	73.9 mn	ROA	0.2%	1.0%	2.6%
Fully Diluted Shares	73.9 mn				

Company Overview

CTD is a well-known private construction contractor in Vietnam. The company has completed projects for both foreign and local developers, carrying out EPC and/or design and build.

Note: \* TP and rating last updated February 16, 2022.

Vy Nguyen  
Manager  
[vy.nguyen@vcsc.com.vn](mailto:vy.nguyen@vcsc.com.vn)  
+848 3914 3588 ext.147

## Modest 2022 guidance; robust Q1 2022 newly signed value

- We attended CTD's annual general meeting (AGM) in HCMC on April 25.
- Shareholders approved NPAT-MI 2022 guidance of VND20bn (USD870,000; -17% YoY), which is significantly lower than our current forecast of VND329bn (USD14.3mn).
- For Q1 2022 performance, management announced 1) modest preliminary Q1 2022 revenue of VND2.0tn (USD87.0mn; -22% YoY) vs our current full-year 2022 forecast of VND16.4tn (USD712.3mn; +80% YoY), and 2) robust newly signed contract value of VND10.0tn (USD434.8mn; 4x compared to Q1 2021).
- Shareholders approved 1) not to have a dividend for FY2021 and 2) a FY2022 ESOP distributed from the company's current treasury shares (total 1.3 million ESOP shares).
- Shareholders also approved CTD's plan to change its financial year from ending December 31 to ending June 30, effective from January 1, 2023.
- In addition, shareholders voted for new board of directors (BOD) and supervisory board members for the 2022-2027 term.

**Modest 2022 earnings guidance amid high material costs and provision expenses.** CTD set 2022 guidance for revenue of VND15.0tn (USD652.6mn; +65% YoY) and NPAT of VND20bn (USD870,000-17% YoY). CTD's 2022 NPAT-MI guidance is significantly lower than our current forecast of VND329bn (USD14.3mn), while its revenue guidance is 8% lower than our forecast. CTD's weak 2022 earnings guidance is driven by 1) high construction material prices (including steel and cement) that put pressure on margins of ongoing projects and new projects that were signed in 2021, and 2) CTD's internal restructuring related provision expenses. Per management, the expected provision expenses in 2022 are estimated at VND95bn (USD4.1mn). If adding back this amount, CTD's 2022 NPAT-MI guidance would be VND115bn (USD5.0mn). More details regarding our current forecast for CTD can be found in our latest [Update Report](#), dated February 16, 2022.

**Robust newly signed contract value in Q1 2022; however, modest revenue was booked.** Management shared Q1 2022 newly signed contract value was VND10.0tn (USD434.8mn; 4x compared to Q1 2021), fulfilling 50% of our full-year forecast of VND20tn (USD869.6m). However, due to the low amount of backlog transferred from 2020-2021 as well as delayed construction progress for signed projects, CTD expects preliminary revenue booked in Q1 2022 to reach VND2.0tn (USD87.0mn; -22% YoY) vs our current full-year 2022 forecast of VND16.4tn (USD712.3mn; +80% YoY). We note that Q1 is a low season for domestic construction activities.

**Shareholders elected new BOD and supervisory board members.** Following the resignation of Ms. Trinh Quynh Giao from CTD's BOD, the company conducted an election for the BOD for the 2022-2027 term. The newly elected BOD includes seven out of the eight members from CTD's

previous BOD (excluding Ms. Trinh Quynh Giao). CTD also elected new supervisory board for the 2022-2027 term.

**Shareholders approved FY2022 and FY2023 ESOP.** The FY2022 and FY2023 ESOP will be distributed from the company's current treasury shares with the following details:

- Total current treasury shares: 5.4 million
- For FY2022: Proposal for 554,785 ESOP shares (equivalent to 0.75% outstanding shares and 10.0% of current treasury shares).
- For FY2023: Proposal for 792,550 ESOP shares (equivalent to 1.07% outstanding shares and 14.7% of current treasury shares).
- ESOP issuance price of VND10,000/share and a one-year lock-up period.

## VCSC Rating System

**Stock ratings** are set based on projected total shareholder return (TSR), defined as (target price – current price)/current price + dividend yield, and are not related to market performance.

Equity rating key	Definition
BUY	If the projected TSR is 20% or higher
OUTPERFORM	If the projected TSR is between 10% and 20%
MARKET PERFORM	If the projected TSR is between -10% and 10%
UNDERPERFORM	If the projected TSR is between -10% and -20%
SELL	If the projected TSR is -20% or lower
NOT RATED	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulation and/or firm policies in certain circumstances, including when VCSC is acting in an advisory capacity in a merger or strategic transaction involving the company.
RATING SUSPENDED, COVERAGE TERMINATED	A rating may be suspended, or coverage terminated, if fundamental information is deemed insufficient to determine a target price or investment rating or due to a reallocation of research resources. Any previous investment rating and target price are no longer in effect.

Unless otherwise specified, these performance parameters are set with a 12-month horizon. Movement in share prices may cause a temporary mismatch between the latest published rating and projected TSR for a stock based on its market price and the latest published target price.

**Target prices** are generally based on the analyst's assessment of the stock's fair value over a 12-month horizon. However, the target price may differ from the analyst's fair value if the analyst believes that the market will not price the stock in line with assessed fair value over the specified time horizon.

**Risks:** Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative.

## Disclaimer

### Analyst Certification of Independence

I, Vy Nguyen, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The equity research analysts responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues, which include revenues from, among other business units, Institutional Equities and Investment Banking.

VCSC and its officers, directors and employees may have positions in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment). VCSC may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment.

Copyright 2013 Viet Capital Securities Company "VCSC". All rights reserved. This report has been prepared on the basis of information believed to be reliable at the time of publication. VCSC makes no representation or warranty regarding the completeness and accuracy of such information. Opinions, estimates and projection expressed in this report represent the current views of the author at the date of publication only. They do not necessarily reflect the opinions of VCSC and are subject to change without notice. This report is provided, for information purposes only, to institutional investors and retail clients of VCSC in Vietnam and overseas in accordance to relevant laws and regulations explicit to the country where this report is distributed, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction. Investors must make their investment decisions based upon independent advice subject to their particular financial situation and investment objectives. This report may not be copied, reproduced, published or redistributed by any person for any purpose without the written permission of an authorized representative of VCSC. Please cite sources when quoting.

**U.K. and European Economic Area (EEA):** Unless specified to the contrary, issued and approved for distribution in the U.K. and the EEA by VCSC issued by VCSC has been prepared in accordance with VCSC's policies for managing conflicts of interest arising as a result of publication and distribution of investment research. Many European regulators require a firm to establish, implement and maintain such a policy. This report has been issued in the U.K. only to persons of a kind described in Article 19 (5), 38, 47 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons being referred to as "relevant persons"). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is only available to relevant persons and will be engaged in only with relevant persons. In other EEA countries, the report has been issued to persons regarded as professional investors (or equivalent) in their home jurisdiction. **Australia:** This material is issued and distributed by VCSC in Australia to "wholesale clients" only. VCSC does not issue or distribute this material to "retail clients". The recipient of this material must not distribute it to any third party or outside Australia without the prior written consent of VCSC. For the purposes of this paragraph the terms "wholesale client" and "retail client" have the meanings given to them in section 761G of the Corporations Act 2001. **Hong Kong:** The 1% ownership disclosure as of the previous month end satisfies the requirements under Paragraph 16.5(a) of the Hong Kong Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission. (For research published within the first ten days of the month, the disclosure may be based on the month end data from two months prior.) **Japan:** There is a risk that a loss may occur due to a change in the price of the shares in the case of share trading, and that a loss may occur due to the exchange rate in the case of foreign share trading. In the case of share trading, VCSC will be receiving a brokerage fee and consumption tax (shouhizei) calculated by multiplying the executed price by the commission rate which was individually agreed between VCSC and the customer in advance. **Korea:** This report may have been edited or contributed to from time to time by affiliates of VCSC. **Singapore:** VCSC and/or its affiliates may have a holding in any of the securities discussed in this report; for securities where the holding is 1% or greater, the specific holding is disclosed in the Important Disclosures section above. **India:** For private circulation only, not for sale. **Pakistan:** For private circulation only, not for sale. **New Zealand:** This material is issued and distributed by VCSC in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money. VCSC does not issue or distribute this material to members of "the public" as determined in accordance with section 3 of the Securities Act 1978. The recipient of this material must not distribute it to any third party or outside New Zealand without the prior written consent of VCSC. **Canada:** The information contained herein is not, and under no circumstances is to be construed as, a prospectus, an advertisement, a public offering, an offer to sell securities described herein, or solicitation of an offer to buy securities described herein, in Canada or any province or territory thereof. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. The information contained herein is under no circumstances to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities must be conducted through a dealer registered in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed judgment upon these materials, the information contained herein or the merits of the securities described herein, and any representation to the contrary is an offence. **Dubai:** This report has been issued to persons regarded as professional clients as defined under the DFSA rules. **United States:** This research report prepared by VCSC is distributed in the United States to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Decker&Co, LLC, a broker-dealer registered in the US (registered under Section 15 of Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Decker&Co, LLC in the US shall be borne by Decker&Co, LLC. All resulting transactions by a US person or entity should be effected through a registered broker-dealer in the US. This report is not directed at you if VCSC Broker or Decker&Co, LLC is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Decker&Co, LLC and VCSC is permitted to provide research material concerning investment to you under relevant legislation and regulations.

## Contacts

### Corporate

[www.vcsc.com.vn](http://www.vcsc.com.vn)

#### Head Office

Bitexco Financial Tower, 15th Floor  
2 Hai Trieu Street, District 1, HCMC  
+84 28 3914 3588

#### Hanoi Branch

109 Tran Hung Dao  
Hoan Kiem District, Hanoi  
+84 24 6262 6999

#### Transaction Office Nguyen Hue

Vinatex Building, 1st & 3rd Floor  
10 Nguyen Hue Street, District 1, HCMC  
+84 28 3914 3588 (417)

#### Transaction Office Nguyen Cong Tru

Floor 6B, 236-238 Nguyen Cong Tru Street  
District 1, HCMC  
+84 28 3914 3588 (400)

#### Transaction Office Dong Da

9 Nguyen Ngoc Doan,  
Dong Da District, Hanoi  
+84 24 6262 6999

#### Transaction Office ABS

Sailing Tower, 8th Floor,  
111A Pasteur Street, District 1, HCMC  
+84 28 3914 3588 (403)

### Research

**Research Team:** +84 28 3914 3588  
[research@vcsc.com.vn](mailto:research@vcsc.com.vn)

#### Alastair Macdonald, Head of Research, ext 105

[alastair.macdonald@vcsc.com.vn](mailto:alastair.macdonald@vcsc.com.vn)

#### Banks, Securities and Insurance

##### Long Ngo, Associate Director, ext 123

- Truc Ngo, Analyst, ext 116
- Ngoc Huynh, Analyst, ext 138
- Nhan Nguyen, Analyst, ext 139

#### Macro

##### Luong Hoang, Manager, ext 364

- Nguyen Truong, Senior Analyst, ext 132

#### Consumer

##### Nam Hoang, Manager, ext 124

- Ha Dao, Senior Analyst, ext 194
- Ha Huynh, Analyst, ext 185
- Huy Phan, Analyst, ext 173

#### Oil & Gas and Power

##### Duong Dinh, Senior Manager, ext 140

- Tram Ngo, Manager, ext 135
- Duc Le, Analyst, ext 196

#### Real Estate and Infrastructure

##### Hong Luu, Senior Manager, ext 120

- Dang Thai, Senior Analyst, ext 149
- Duc Pham, Analyst, ext 174

#### Materials and Industrials

##### Vy Nguyen, Manager, ext 147

- Vinh Bui, Analyst, ext 149

#### Retail Client Research

##### Duc Vu, Senior Manager, ext 363

- Trung Nguyen, Senior Analyst, ext 129
- Anh Tong, Analyst, ext 363
- Ha Bui, Analyst, ext 364

### Brokerage and Institutional Sales & Trading

#### Tuan Nhan

##### Managing Director, Brokerage & Institutional Sales & Trading

+84 28 3914 3588, ext 107  
[tuan.nhan@vcsc.com.vn](mailto:tuan.nhan@vcsc.com.vn)

#### Quynh Chau

##### Managing Director Brokerage

+84 28 3914 3588, ext 222  
[quynh.chau@vcsc.com.vn](mailto:quynh.chau@vcsc.com.vn)

#### Dung Nguyen

##### Director Institutional Sales & Trading

+84 28 3914 3588, ext 136  
[dung.nguyen@vcsc.com.vn](mailto:dung.nguyen@vcsc.com.vn)