

Buy (unchanged)

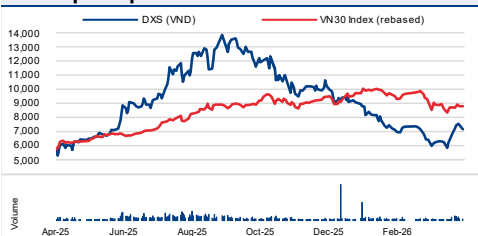
Target price: VND10,200 (from VND14,000)

Up/downside: 44.7%

Share price (VND) (as of 7 Apr 2026) 7,050

Bloomberg code	DXS VN
52-week range (VND)	5,320-13,850
Trading value (5D) (VNDmn)	16,950
Market cap. (VNDbn)	4,047
Market cap. (USDmn)	154
Shares outstanding (mn)	574
Total FOL share room (mn)	287
Current FOL share room (mn)	172
Foreign ownership limit	50.0%
Foreign owned ratio	20.0%
Free float	34.6%
Major shareholder	Dat Xanh Group (60.3%)

Source: Company, HSC Research estimates

Share price performance


Share price (%)	-1 mth	-3 mth	-12 mth
Ordinary shares	9.81	(20.0)	15.0
Relative to index	13.9	(8.62)	(19.8)
Relative to sector	-	-	-

Source: Company, FactSet

HSC vs. consensus

EPS adj. (VND)	HSC	Cons	% diff
2026F	444	825	(46.2)
2027F	579	1,015	(42.9)
2028F	759	1,112	(31.7)

Source: Bloomberg, HSC Research estimates

Company description

Dat Xanh Services, founded in 2011 as a subsidiary of Dat Xanh Group, is the leading real estate broker in Vietnam.

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Very undervalued despite short-term challenges

- We cut our TP by 27.1% to VND10,200 on the mixed effects of lower FY26-27 earnings forecasts and new valuation assumptions. This is more than fully priced in; we therefore retain our Buy rating, with 45% upside seen.
- We cut our FY26-27 net earnings forecasts by 42.5% and 34.4%, respectively, reflecting pressure on transactions from higher rates and tighter credit on brokerage activity. We also lower our property sales assumptions due to slower absorption at tier-2, low-rise projects.
- Up 10% in the past 1M, DXS is now trading on a 1Y rolling fwd P/E of 15.3x, 0.3 SD below its 2Y average of 17.7x, and on a 1Y rolling fwd P/B of 0.6x, 0.6 SD below its 3Y avg. of 0.7x.

Event: In-depth outlook review

We review our estimates and valuation for DXS following the recent shift in market conditions, including rising interest rates, and tighter credit conditions, which are likely to significantly impact DXS' core brokerage activities.

Impact: Cutting FY26-27 earnings, introducing FY28F

We cut our FY26-27 net earnings forecasts by 42.5% to VND257bn (down 26.9% y/y) and by 34.4% to VND335bn (up 30.6% y/y), respectively, reflecting pressure on sales transactions from higher rates and tighter credit on brokerage activity. We also lower our property sales assumptions due to slower absorption at tier-2, low-rise projects. We also introduce our maiden FY28F, calling for net profit of VND440bn (up 31.1% y/y) on revenue of VND3,627bn (up 13.8% y/y). Our new forecasts are considerably below a small and quite inactive street.

Valuation and recommendation

While up 10% in the past 1M, DXS shares have dropped 20% in the past 3M, on negative sentiment around rising interest rates. The shares are now trading on a 1-year rolling forward P/E of 15.3x, 0.3 SD below its 2Y average of 17.7x, and on a 1-yr rolling fwd P/B of 0.6x, 0.6 SD below its 3Y avg. of 0.7x. We believe the pullback over the past 3M has made valuations more attractive, with the stock now trading at discount to historical averages.

We cut our TP by 27.1% to VND10,200 (upside 44.7%) on the mixed effect of our lower FY26-27 earnings forecasts and changes in valuation assumptions. However, with 45% upside to our TP, we maintain our Buy rating.

DXS, with a nationwide brokerage network, is positioned to navigate short-term headwinds and benefit long-term from new government approaches to the RE sector that signal increased supply after legal approvals becoming smoother. Looking ahead, any improvement in market conditions – particularly in liquidity, credit availability, or interest rate stabilization – could support a recovery in transaction activity and provide upside potential through a valuation re-rating.

Year end: December	12-24A	12-25A	12-26F	12-27F	12-28F
EBITDA adj. (VNDbn)	497	718	550 ▼	600 ▼	704
Reported net profit (VNDbn)	141	343	257 ▼	335 ▼	440
EPS adj. (VND)	260	521	444 ▼	579 ▼	759
DPS (VND)	0	0	0	0	0
BVPS (VND)	10,472	10,929	11,478	12,039 ▼	12,776
EV/EBITDA adj. (x)	11.8	8.70	11.1	9.70	7.78
P/E adj. (x)	27.2	13.5	15.9	12.2	9.28
Dividend yield (%)	0	0	0	0	0
P/B (x)	0.67	0.65	0.61	0.59	0.55
EPS adj. growth (%)	185	101	(14.9)	30.6	31.1
Ret. on avg. equity (%)	2.37	5.57	3.96	4.92	6.12

Note: Use of ▲ ▼ indicates that the item has changed by at least 5%.
 Source: Bloomberg, HSC Research estimates

Near-term negatives more than priced in; Buy

We cut our TP by 27.1% to VND10,200 on the mix effects of our lower FY26-27 earnings forecasts and changes in valuation assumptions. We cut our FY26-27 earnings forecasts by 42.5% and 34.4%, respectively, reflecting pressure from higher rates and tighter credit on brokerage activity. Property sales assumptions are also lowered due to slower absorption at tier-2, low-rise projects exposed to investor demand. We believe that DXS is positioned to navigate market headwinds, and benefit from long-term increase supply following easing regulatory environment. With 45% upside to our new TP, we maintain our Buy rating.

Cutting FY26-27 earnings forecasts

We cut our FY26-27 earnings forecasts by 42.5% to VND257bn (down 26.9% y/y) and by 34.4% to VND335bn (up 30.6% y/y), respectively, reflecting the impact of rising interest rates and tighter credit conditions on the company's core brokerage segment. Also, we lower our estimates for the property sales segment, driven by reduced assumed deliveries at Regal Complex (Da Nang), Regal Legend (Quang Tri, currently under sales), Regal Victoria (Da Nang), and Regal Maison (Dak Lak). These projects are primarily located in tier-2 cities and focused on low-rise products, which are more exposed to speculative demand and are therefore likely to see slower absorption and delayed sell-through amid weaker market conditions.

We also introduce our FY28F, calling for net profit of VND440bn (up 31.1% y/y) on revenue of VND3,627bn (up 13.8% y/y).

Overall, our new net earnings forecasts suggest a strong 3Y CAGR of 7.7%.

Figure 1: Earnings forecasts, DXS

VNDbn	FY25A	Revision	Growth y/y	FY26F	Revision	Growth y/y	FY27F	Revision	Growth y/y	FY28F	Growth y/y
Total revenue	3,966	12.7%	67.0%	2,847	-34.3%	-28.2%	3,187	-28.8%	12.0%	3,627	13.8%
Gross profit	1,714	-6.2%	48.1%	1,262	-38.9%	-26.4%	1,423	-37.9%	12.8%	1,632	14.7%
Profit after tax	523	-27.5%	107.3%	257	-65.4%	-50.9%	335	-60.5%	30.6%	440	31.1%
Net profit	352	-19.0%	150.0%	257	-42.5%	-26.9%	335	-34.4%	30.6%	440	31.1%

Source: HSC Research estimates

Valuation and recommendation

Conclusions and methodology

We cut our DXS TP by 27.1% to VND10,200 on the mixed effects of our lower FY26-27 earnings forecasts and changes in valuation assumptions. With 45% upside to our new TP, we maintain our Buy rating.

We believe real estate brokers with a well-diversified product mix and strong positioning in key markets such as Hanoi and HCMC, and exposure to real demand, are better positioned to demonstrate resilience. In this context, we believe DXS, with its nationwide brokerage network – particularly its strong presence in the South – is well positioned to navigate market headwinds and capture the recovery in transaction activity, supporting earnings resilience and medium-term growth.

Details of our valuation are shown below:

- We continue to use the DCF method to value DXS.
- Our calculated WACC for DXS is now 16.1% (17.4%). We continue to use our 'house' assumption for risk-free rate (4.0%) and our 'adjusted ERP' of 10.25%, which is based on a 1.5ppt premium to our 'house' ERP of 8.75% (unchanged). Our beta assumption is now 1.4 (from 1.5, based on Bloomberg).
- We retain our terminal growth rate assumption at 3.0%.

Figure 2: DCF assumptions, DXS

VNDbn	2025	2026F	2027F	2028F
Revenue	3,966	2,847	3,187	3,627
COGS	(2,253)	(1,584)	(1,764)	(1,995)
Gross profit	1,714	1,262	1,423	1,632
EBIT*(1-t)	539	407	451	530
Add: Depreciation	44	41	36	42
Less: Net WC	(933)	(108)	(75)	(67)
Less: CAPEX	(67)	(12)	(35)	(48)
FCFF	(417)	328	377	456

Source: HSC Research estimates

Figure 3: Valuation, DXS

VNDbn	Value (at end-FY26)
Total firm value (FCFF)	9,979
PV of CFs	1,673
PV of TV	8,305
Net debt, adjustments	4,150
Total equity value	5,828
No of share OS (mn)	574.1
Target price (VND/share)	10,200

Source: HSC Research estimates

Figure 4: TP sensitivity analysis (VND), DXS

	Risk-free rate				
	3.0%	3.5%	4.0%	5.0%	5.5%
2.0%	9,200	8,600	8,100	7,600	7,100
2.5%	11,000	10,300	9,600	9,000	8,500
3.0%	11,700	10,900	10,200	9,600	9,000
3.5%	12,400	11,600	10,900	10,200	9,500
4.0%	13,200	12,400	11,600	10,800	10,100

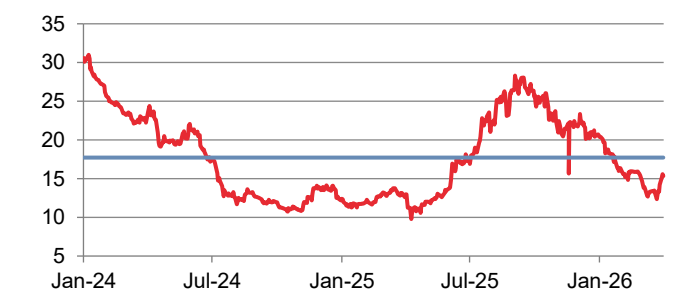
Source: HSC Research estimates

Valuation context

While up 10% in the past 1M, DXS shares have dropped 20% in the past 3M, on negative sentiment around rising interest rates. The shares are now trading on a 1-year rolling forward P/E of 15.3x, 0.3 SD below its 2Y average of 17.7x, and on a 1-yr rolling fwd P/B of 0.6x, 0.6 SD below its 3Y avg. of 0.7x. We believe the pullback in the past 3M has made valuations more attractive, with the stock now trading at a discount to historical averages.

Figure 5: Historical 1Y rolling forward P/E, DXS

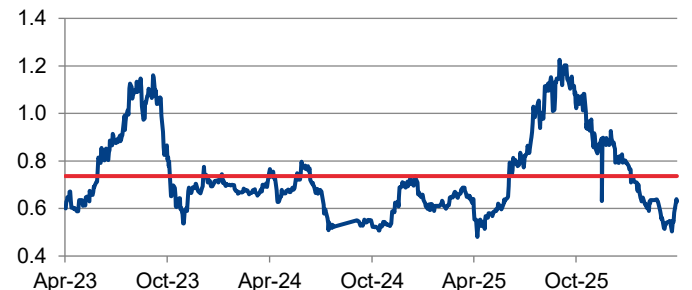
DXS is trading at 15.3x, 0.3 SD below its 2Y average of 17.7x



Source: HSC Research estimates

Figure 6: Historical 1-year rolling forward P/B, DXS

DXS is trading at 0.6x, 0.6 SD below its 3Y avg. of 0.7x



Source: HSC Research estimates

Financial statements and key data

Income statements (VNDbn)	12-24A	12-25A	12-26F	12-27F	12-28F
Sales	2,376	3,966	2,847	3,187	3,627
Gross profit	1,157	1,714	1,262	1,423	1,632
SG&A	(709)	(1,040)	(753)	(859)	(970)
Other income	-	-	-	-	-
Other expenses	-	-	-	-	-
EBIT	449	674	509	564	662
Net interest	(62.1)	(64.9)	(191)	(150)	(118)
Associates/affiliates	(38.6)	0.96	0	0	0
Other non-operational	-	-	-	-	-
Exceptional items	(8.42)	52.2	0	0	0
Pre-tax profit	339	662	318	415	544
Taxation	(86.9)	(147)	(60.8)	(79.3)	(104)
Minority interests	(112)	(172)	0	0	0
Exceptional items after tax	-	-	-	-	-
Net profit	141	343	257	335	440
Net profit adj'd	149	302	257	335	440
EBITDA adj.	497	718	550	600	704
EPS (VND)	245	593	444	579	759
EPS adj. (VND)	260	521	444	579	759
DPS (VND)	0	0	0	0	0
Basic shares, average (mn)	574	579	579	579	579
Basic shares, period end (mn)	574	579	579	579	579
Fully diluted shares, period end (mn)	574	579	579	579	579

Balance sheets (VNDbn)	12-24A	12-25A	12-26F	12-27F	12-28F
Cash	416	829	846	525	573
Short-term investments	77.6	322	322	322	322
Accounts receivable	9,278	9,832	9,213	9,265	9,074
Inventory	4,425	5,113	5,298	5,278	5,178
Other current assets	174	155	155	155	155
Total current assets	14,371	16,251	15,834	15,546	15,302
PP&E	138	157	141	142	152
Intangible assets	65.1	60.6	64.6	62.7	59.2
Investment properties	63.0	80.4	62.7	62.6	62.5
Long-term investments	0.50	-	0	0	0
Associates/JVs	117	27.2	27.2	27.2	27.2
Other long-term assets	410	630	462	462	462
Total long-term assets	793	955	758	757	763
Total assets	15,164	17,206	16,592	16,303	16,066
Short-term debt	1,763	2,047	1,834	1,478	1,705
Accounts payable	195	487	251	243	200
Other current liabilities	3,595	3,660	3,151	3,129	2,699
Total current liabilities	6,333	7,386	6,394	5,995	5,864
Long-term debt	449	946	1,007	792	259
Deferred tax	60.9	66.2	66.2	66.2	66.2
Other long-term liabilities	0.21	0	0	0	0
Long-term liabilities	510	1,013	1,073	858	325
Total liabilities	6,843	8,398	7,467	6,852	6,189
Shareholders' funds	6,012	6,329	6,647	6,972	7,399
Minority interests	2,309	2,478	2,478	2,478	2,478
Total equity	8,321	8,807	9,125	9,450	9,877
Total liabilities and equity	15,164	17,206	16,592	16,303	16,066
BVPS (VND)	10,472	10,929	11,478	12,039	12,776
Net debt/(cash)*	1,796	2,165	1,994	1,744	1,391

Cash flow statements (VNDbn)	12-24A	12-25A	12-26F	12-27F	12-28F
EBIT	449	674	509	564	662
Depreciation & amortisation	(48.6)	(43.6)	(40.9)	(36.2)	(41.6)
Net interest	(62.1)	(64.9)	(191)	(150)	(118)
Tax paid	(105)	(67.0)	(60.8)	(79.3)	(104)
Changes in working capital	(109)	(933)	(108)	(75.3)	(67.3)
Others	33.8	146	(7.71)	(10.1)	(13.2)
Cash flow from operations	218	(258)	140	230	355
Capex	(39.5)	(67.0)	(11.7)	(35.5)	(47.9)
Acquisitions & investments	(121)	0	0	0	0
Disposals	9.27	0	0	0	0
Others	82.7	55.7	42.4	56.3	45.7
Cash flow from investing	(68.8)	(11.3)	30.8	20.8	(2.23)
Dividends	(3.70)	(99.6)	0	0	0
Issue of shares	6.45	0	0	0	0
Change in debt	57.4	781	(153)	(571)	(305)
Other financing cash flow	-	-	-	-	-
Cash flow from financing	60.2	682	(153)	(571)	(305)
Cash, beginning of period	207	416	829	846	525
Change in cash	210	413	17.4	(321)	47.5
Exchange rate effects	0	0	0	0	0
Cash, end of period	416	829	846	525	573
Free cash flow	179	(325)	128	194	307

Financial ratios and other	12-24A	12-25A	12-26F	12-27F	12-28F
Operating ratios					
Gross margin (%)	48.7	43.2	44.3	44.7	45.0
EBITDA adj. margin (%)	20.9	18.1	19.3	18.8	19.4
Net profit margin (%)	5.92	8.66	9.02	10.5	12.1
Effective tax rate (%)	25.6	22.2	19.1	19.1	19.1
Sales growth (%)	20.1	67.0	(28.2)	12.0	13.8
EBITDA adj. growth (%)	214	44.4	(23.4)	9.24	17.2
Net profit adj. growth (%)	185	102	(14.9)	30.6	31.1
EPS growth (%)	184	142	(25.2)	30.6	31.1
EPS adj. growth (%)	185	101	(14.9)	30.6	31.1
DPS growth (%)	nm	nm	nm	nm	nm
Dividend payout ratio (%)	0	0	0	0	0
Efficiency ratios					
Return on avg. equity (%)	2.37	5.57	3.96	4.92	6.12
Return on avg. CE (%)	5.12	7.23	5.08	5.50	6.46
Asset turnover (x)	0.16	0.25	0.17	0.19	0.22
Operating cash/EBIT (x)	0.49	(0.38)	0.27	0.41	0.54
Inventory days	1,325	829	1,220	1,092	947
Accounts receivable days	2,779	1,593	2,122	1,918	1,660
Accounts payable days	58.5	79.0	57.9	50.3	36.6
Leverage ratios					
Net debt*/equity (%)	40.0	48.3	42.4	36.2	30.4
Debt/capital (%)	18.6	22.6	22.1	18.7	17.6
Interest coverage (x)	7.22	10.4	2.66	3.77	5.60
Debt/EBITDA (x)	5.67	5.41	6.67	5.08	4.01
Current ratio (x)	2.27	2.20	2.48	2.59	2.61
Valuation					
EV/sales (x)	2.46	1.58	2.13	1.83	1.51
EV/EBITDA adj. (x)	11.8	8.70	11.1	9.70	7.78
P/E (x)	28.8	11.9	15.9	12.2	9.28
P/E adj. (x)	27.2	13.5	15.9	12.2	9.28
P/B (x)	0.67	0.65	0.61	0.59	0.55
Dividend yield (%)	0	0	0	0	0

Note: *Excluding short-term investments.
Source: Company, HSC Research estimates

Add (from Buy)

Target price: VND18,400 (from VND25,100)

Up/downside: 15.4%

Share price (VND) (as of 15 Jan 2026) 15,950

Bloomberg code	DXG VN
52-week range (VND)	10,513-24,200
Trading value (5D) (VNDmn)	337,981
Market cap. (VNDbn)	16,279
Market cap. (USDmn)	620
Shares outstanding (mn)	1,021
Total FOL share room (mn)	510
Current FOL share room (mn)	268
Foreign ownership limit	50.0%
Foreign owned ratio	23.7%
Free float	72.6%
Major shareholder	Chairman (17.0%)

Source: Company, HSC Research estimates

Share price performance



Share price (%)	-1 mth	-3 mth	-12 mth
Ordinary shares	(2.15)	(24.0)	28.7
Relative to index	(10.6)	(25.5)	(18.4)
Relative to sector	-	-	-

Source: Company, FactSet

HSC vs. consensus

EPS adj. (VND)	HSC	Cons	% diff
2025F	297	284	4.5
2026F	253	1,110	(77.2)
2027F	2,134	2,680	(20.4)

Source: Bloomberg, HSC Research estimates

Company description

DXG is the leading property broker in Vietnam. The company has successfully branched out into development projects and is mostly focused on the affordable and mid-end segments.

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Gem Sky World pushed back; d/g to Add

- We downgrade DXG to Add from Buy and cut our TP by 27% to VND18,400 on the mixed effect of lower FY27F earnings and changes in our valuation assumptions. Our new TP suggests 15% upside.
- We keep our FY25-26 earnings largely unchanged at VND312bn (up 23.7% y/y) and VND266bn (down 14.9% y/y), respectively, but cut our FY27F net profit by 13.0% to VND2,246bn (up 7.4x y/y) on slower revenue recognition at Gem Sky World and The Privé project.
- Off 24% in the past 3M and strongly underperforming the VNI, DXG now trades at a 48.0% discount, slightly wide vs its 3Y average of 44.9%, and on a 1Y rolling fwd P/E of 53.2x, below its mean of 54.5x (based 3Y of data).

Event: In-depth sector outlook review

We review our forecasts and valuation for DXG following an updated assessment of the property sector outlook and DXG's project pipeline. Rising interest rates and concerns over potential credit tightening in the real estate sector have weighed on investor sentiment, which we expect to negatively affect absorption rates for launches of The Privé upcoming phases.

Impact: Maintaining FY25-26, cutting FY27 estimates

We keep our FY25-26 earnings largely unchanged at VND312bn (up 23.7% y/y) and VND266bn (down 14.9% y/y) on respective revenue of VND5,409bn (up 14.3% y/y) and VND5,052bn (down 6.6% y/y), contributed by the recognition of Gem Sky World project. We cut our FY27 net profit by 13.0% to VND2,246bn (still up 744.7% y/y) on slower revenue recognition at The Privé project.

We don't forecast any material one-off items over FY25-27. Our new net profit forecasts suggest an FY24A-27F CAGR of 107.2% (from 117.1% previously).

Valuation and recommendation

Off 24% in the past 3M and strongly underperforming the VNI, DXG now trades at a 48.0% discount, slightly wide vs its 3Y average of 44.9%, and on a 1Y rolling fwd P/E of 53.2x, below its mean of 54.5x (3Y data).

We cut our TP by 27% to VND18,400 on the mixed effects of our lower FY27F earnings and a wider discount to RNAV assumption (to 40%, from 30%) to better align with its 3Y average of 44.9%, while also reflecting the negative impact of current sector headwinds on DXG's presales and earnings. We downgrade DXG to Add from Buy, with 15% upside to our new TP.

The Privé project and Gem Sky World remain the key drivers of DXG's earnings outlook in FY25-27. However, rising interest rates and concerns over potential credit tightening in the real estate sector have dampened investor sentiment, heightening our concerns over the absorption of DXG's launches.

Year end: December	12-23A	12-24A	12-25F	12-26F	12-27F
EBITDA adj. (VNDbn)	768	1,150	1,483	1,301	4,142 ▼
Reported net profit (VNDbn)	167	213	312	266	2,246 ▼
EPS adj. (VND)	(66.8)	14.9	297	253	2,134 ▼
DPS (VND)	-	-	-	-	-
BVPS (VND)	15,377	14,484	12,320	12,572	14,707
EV/EBITDA adj. (x)	19.2	14.6	15.3	16.8	5.01
P/E adj. (x)	N/a	1,067	53.7	63.1	7.47
Dividend yield (%)	-	-	-	-	-
P/B (x)	1.04	1.10	1.29	1.27	1.08
EPS adj. growth (%)	(322)	122	1,886	(14.9)	745
Ret. on avg. equity (%)	1.79	2.14	2.71	2.09	16.1

Note: Use of ▲ ▼ indicates that the item has changed by at least 5%.
Source: Bloomberg, HSC Research estimates

Cutting TP 27%; downgrading to Add

We downgrade DXG to Add (from Buy) and cut our TP by 27% to VND18,400 (upside 15%) on the mixed effects of our lower FY27F earnings and changes in our valuation assumptions. We keep our FY25-26 earnings forecasts largely unchanged, but cut that for FY27 by 13.0% to VND2,246bn (still up 7.5x y/y) on slower revenue recognition at The Privé project. We believe that rising interest rates and tighter credit policies will likely weigh on absorption rates and lengthen cash collections, thereby slowing DXG's revenue recognition and earnings.

Project pipeline updates

We maintain our FY25 presales forecast at VND14.4tn. We expect ~1,300 units from The Privé project at the average selling price (ASP) of VND135mn/sqm to contribute to presales this year. Meanwhile, we conservatively cut our FY26-27 presales estimates by 35.0% to VND8.5tn (down 40.7% y/y) and by 29.8% to VND10.1tn (up 18.9% y/y) on lower presales at The Privé project and the push back of Gem Sky World project launches to FY27.

We believe that negative news flows surrounding rising interest rates and tighter credit conditions for the sector should weigh on buyer sentiment, particularly among leveraged investors, resulting in lower absorption rate and more extended sales timelines of the project, especially for land plot in provincial market. Accordingly, we lower our FY26-27 take-up rate assumption of The Privé project by 5% to 25% in FY26 and 22% in FY27. Also, we expect the relaunch of Gem Sky World project to be in FY27 from FY26.

Further project details include:

The Privé (HCMC): DXG launched ~1,500 units at The Privé project, all of which were sold at an ASP of VND135mn/sqm. We expect 43% (~1,400) of the total project to be sold in FY25, totaling VND14.3tn of presales value.

Gem Sky World (Dong Nai): We expect the project to be relaunched in FY26 with around 1,700 remaining units. The project was designed for about 4,000 units, of which 60% have been sold. 50% of the total project (~1,800 units) has been handed over.

Other projects in pipeline including Opal Parkview, Opal Park City, Opal City View and Opal Luxury (details in Figure 1) are under legal procedures. We expect launches to take place from FY28 onwards.

Figure 1: Key project pipeline, DXG

No.	Project	Ownership	Location	Site area (sqm)	Total units	Remaining unsold units	Product	Status
1	Gem Sky World	100%	Dong Nai	922,000	4,000	1,700	Low-rise	50% handed over, ~1,700 units are expected to be relaunched in FY27
2	The Privé	100%	HCMC	67,143	3,175	3,175	High-rise	~1,500 units launched, absorption rate ~90%
3	Opal Parkview	100%	Binh Duong	51,000	6,800	6,800	High-rise	1/500 obtained, LUR fee calculation decision finalized
4	Opal Park City	100%	Binh Duong	100,000	7,400	7,400	High-rise	Under legal paperwork
5	Opal City View	100%	Binh Duong	9,700	1,500	1,500	High-rise	Applying for 1/500
6	Opal Luxury	100%	Binh Duong	86,834	3,400	3,400	High-rise	1/500 obtained. Waiting for LUR fee calculation, expected in Jun-26

Source: DXG, HSC Research

Maintaining FY25-26 earnings forecasts, but cutting FY27

We keep our FY25-26 earnings largely unchanged at VND312bn (up 23.7% y/y) and VND266bn (down 14.9% y/y) on respective revenue of VND5,409bn (up 14.3% y/y) and VND5,052bn (down 6.6% y/y). For the core property sales segment, we expect DXG to recognize the whole remaining ~600 units (of the total ~2,400 units sold) from Gem Sky World (Dong Nai) project in FY25.

We cut our FY27F net profit by 13.0% to VND2,246bn (still up 744.7% y/y) on 10.7% revised down revenue of VND11,825bn (up 134.1% y/y) driven by slower revenue recognition at The Privé project.

We don't forecast any material one-off items over FY25-27. Our new net profit forecasts suggest an FY24A-27F CAGR of 107.2% (from 117.1% previously).

Details of our forecast changes are presented in Figure 2.

Figure 2: Earnings forecasts, DXG

VNDbn	FY24A	Growth y/y	FY25F	Growth y/y	FY26F	Growth y/y	New FY27F	Revision	Growth y/y
Total revenue	4,733	27.7%	5,409	14.3%	5,052	-6.6%	11,825	-10.7%	134.1%
Dev't for sale	3,257	16.3%	3,414	4.8%	2,521	-26.1%	9,009	-13.6%	257.3%
DXS	1,191	98.1%	1,597	34.2%	2,143	34.1%	2,407	0.0%	12.3%
Others	250	-17.9%	398	58.8%	387	-2.6%	409	0.0%	5.5%
Gross profit	2,285	35.0%	2,742	20.0%	2,383	-13.1%	6,391	-18.3%	168.2%
Profit after tax	454	193.9%	784	72.7%	630	-19.7%	2,937	-10.3%	366.3%
Net profit	253	43.2%	312	23.7%	266	-14.9%	2,246	-13.0%	744.7%

Source: HSC Research estimates

Figure 3: SOTP valuation, DXG

VNDbn	RNAV (at end-FY26)	Methodology
Project development segment	28,309	
Brokerage service segment (DXS, @60.3%)	8,055	At VND14,000 Nov FY25 TP
Gross NAV	36,365	
Net debt/cash	(5,454)	
Adjusted for DXS	668	
Net debt/cash, adjusted	(5,007)	
RNAV	31,358	
No. of outstanding shares (mn)	1,020.6	
RNAV/share (VND/share)	30,700	
Discount	40%	
Target price (VND/share)	18,400	

Source: HSC Research estimates

Valuation and recommendation

Conclusions and methodology

We downgrade DXG to Add (from Buy) and cut our TP by 27% to VND18,400 (upside 15%) on the mixed effects of our lower FY27F earnings and changes in our valuation assumptions. The Privé and Gem Sky World project are the key drivers for DXG earnings prospects in FY25-27. That said, rising interest rates and concerns over potential credit controls in the real estate sector have weakened investor sentiment and raised our concern over the absorption of DXG's launches.

Re. valuation methodology, we continue to use a sum-of-the-parts method to establish our intrinsic value (RNAV) per share of VND30,700 (down from VND35,800 previously). Details of our RNAV calculation are as follows:

- We raise our discount to our calculated RNAV to 40% (from 30%) to better align with its 3Y avg. of 44.9% and reflect the negative impact of current headwinds in the sector on DXG presales and earnings.
- We include DXS at its new TP; DXS accounts for 22.2% of our estimated gross RNAV for DXG.
- Our assumed risk-free rate is 4.0% (unchanged), and we use an 'adjusted ERP' of 10.25% (unchanged), which remains based on a 1.5ppt premium to our 'house' ERP of 8.75% (unchanged). Our beta is 1.5x (unchanged) (based on Bloomberg data). Our WACC thus comes to 16.5% (unchanged).

Figure 4: Target price sensitivity to key valuation inputs (VND), DXG

Our base case uses a 4.0% risk-free rate and a 10.25% adjusted equity risk premium

		Adjusted equity risk premium				
		9.25%	9.75%	10.25%	10.75%	11.25%
Risk-free-rate	3.0%	19,900	19,500	19,000	18,500	18,100
	3.5%	19,700	19,100	18,700	18,300	17,900
	4.0%	19,300	18,900	18,400	17,900	17,600
	4.5%	19,100	18,600	18,100	17,800	17,300
	5.0%	18,800	18,300	17,900	17,500	17,100

Source: HSC Research

Figure 5: Target price sensitivity to discount to RNAV assumption, DXG

Discount to RNAV assumption	20%	30%	40%	50%	60%
Target price (VND/share)	24,600	21,500	18,400	15,400	12,300
Upside from current price	54.2%	34.8%	15.4%	-3.4%	-22.9%

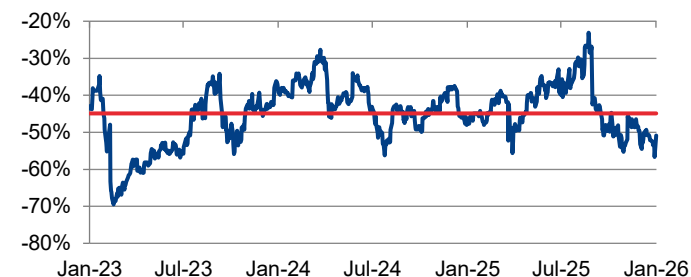
Source: HSC Research estimates

Valuation context

Down 24% in the past 3M and strongly underperforming the VNI, likely due to negative sentiment around the sector outlook and concerns over flooding issues at The Privé project, DXG now trades at a 48.0% discount to our calculated RNAV, mildly wide vs its 3Y average of 44.9%, and on a 1Y rolling fwd P/E of 53.2x, below its mean of 54.5x (3Y data). We believe that the start revenue bookings of The Privé project would enhance DXG’s earnings outlook, particularly from FY27 onward; these should help further drive the upward re-rating.

Figure 6: Discount to RNAV, DXG

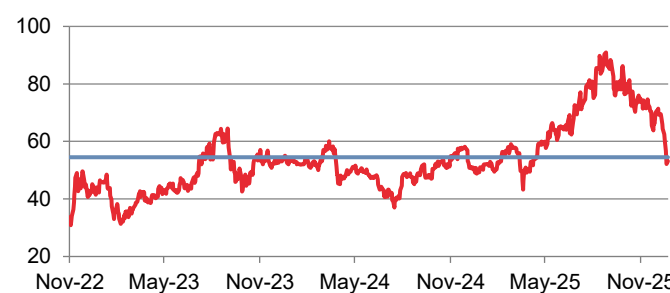
Trading on a 48.0% discount, vs its 3Y average of 44.9%



Source: HSC Research estimates

Figure 7: 1Y rolling fwd. P/E, DXG

Trading at 53.2x, below its mean of 54.5x (3Y data)



Source: HSC Research estimates

Financial statements and key data

Income statements (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F
Sales	3,706	4,733	5,409	5,052	11,825
Gross profit	1,693	2,285	2,742	2,383	6,391
SG&A	(955)	(1,132)	(1,283)	(1,117)	(2,296)
Other income	0	0	0	0	0
Other expenses	(51.8)	(61.3)	(56.5)	(56.5)	(58.1)
EBIT	686	1,091	1,403	1,209	4,037
Net interest	(457)	(401)	(423)	(422)	(310)
Associates/affiliates	(112)	(38.4)	0	0	0
Other non-operational	-	-	-	-	-
Exceptional items	332	35.9	0	0	0
Pre-tax profit	448	688	980	787	3,727
Taxation	(303)	(273)	(196)	(157)	(790)
Minority interests	21.8	(202)	(472)	(364)	(692)
Exceptional items after tax	-	-	-	-	-
Net profit	167	213	312	266	2,246
Net profit adj'd	(40.9)	9.21	303	258	2,179
EBITDA adj.	768	1,150	1,483	1,301	4,142
EPS (VND)	273	345	306	260	2,200
EPS adj. (VND)	(66.8)	14.9	297	253	2,134
DPS (VND)	-	-	-	-	-
Basic shares, average (mn)	612	616	1,021	1,021	1,021
Basic shares, period end (mn)	612	722	1,021	1,021	1,021
Fully diluted shares, period end (mn)	617	727	1,026	1,026	1,026

Balance sheets (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F
Cash	276	1,249	888	1,193	453
Short-term investments	97.2	77.9	77.9	77.9	77.9
Accounts receivable	11,428	11,006	11,725	11,596	10,822
Inventory	14,139	13,440	16,451	23,699	28,296
Other current assets	294	315	315	315	315
Total current assets	26,234	26,087	29,457	36,880	39,964
PP&E	310	299	305	311	318
Intangible assets	61.9	71.0	68.6	65.6	62.0
Investment properties	110	153	204	267	342
Long-term investments	25.4	25.9	25.9	25.9	25.9
Associates/JVs	369	417	417	417	417
Other long-term assets	1,684	2,084	2,195	2,316	2,372
Total long-term assets	2,561	3,050	3,216	3,402	3,538
Total assets	28,795	29,137	32,672	40,283	43,501
Short-term debt	2,591	3,159	3,951	3,763	3,719
Accounts payable	767	626	659	519	492
Other current liabilities	5,718	4,910	4,005	3,625	3,768
Total current liabilities	11,628	10,348	11,346	18,724	20,847
Long-term debt	2,699	3,396	3,352	2,962	1,187
Deferred tax	150	187	187	187	187
Other long-term liabilities	128	2.83	2.83	2.83	2.83
Long-term liabilities	2,976	3,586	3,541	3,151	1,377
Total liabilities	14,604	13,934	14,887	21,876	22,224
Shareholders' funds	9,408	10,464	12,574	12,832	15,010
Minority interests	4,783	4,739	5,211	5,575	6,267
Total equity	14,191	15,203	17,785	18,407	21,277
Total liabilities and equity	28,795	29,137	32,672	40,283	43,501
BVPS (VND)	15,377	14,484	12,320	12,572	14,707
Net debt/(cash)*	5,013	5,307	6,415	5,532	4,454

Cash flow statements (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F
EBIT	686	1,091	1,403	1,209	4,037
Depreciation & amortisation	(81.8)	(58.3)	(79.5)	(91.3)	(105)
Net interest	(457)	(401)	(423)	(422)	(310)
Tax paid	(184)	(458)	(196)	(157)	(790)
Changes in working capital	(1,206)	(1,704)	(3,560)	445	(1,696)
Others	46.8	84.4	114	57.4	31.5
Cash flow from operations	(1,131)	(1,322)	(2,775)	1,040	1,262
Capex	(129)	(62.5)	(135)	(157)	(184)
Acquisitions & investments	(17.4)	(732)	0	0	0
Disposals	800	1.50	0	0	0
Others	(104)	612	0	0	0
Cash flow from investing	550	(181)	(135)	(157)	(184)
Dividends	(76.0)	(10.4)	0	0	0
Issue of shares	29.0	1,226	1,802	0	0
Change in debt	(14.3)	1,260	747	(578)	(1,818)
Other financing cash flow	0	0	0	0	0
Cash flow from financing	(61.4)	2,476	2,549	(578)	(1,818)
Cash, beginning of period	919	276	1,249	888	1,193
Change in cash	(643)	973	(361)	306	(741)
Exchange rate effects	0	0	0	0	0
Cash, end of period	276	1,249	888	1,193	453
Free cash flow	(1,261)	(1,384)	(2,910)	883	1,078

Financial ratios and other	12-23A	12-24A	12-25F	12-26F	12-27F
Operating ratios					
Gross margin (%)	45.7	48.3	50.7	47.2	54.0
EBITDA adj. margin (%)	20.7	24.3	27.4	25.7	35.0
Net profit margin (%)	4.51	4.49	5.77	5.26	19.0
Effective tax rate (%)	67.6	39.8	20.0	20.0	21.2
Sales growth (%)	(32.8)	27.7	14.3	(6.60)	134
EBITDA adj. growth (%)	(12.1)	49.7	29.0	(12.3)	218
Net profit adj. growth (%)	(327)	123	3,190	(14.9)	745
EPS growth (%)	(25.0)	26.5	(11.3)	(14.9)	745
EPS adj. growth (%)	(322)	122	1,886	(14.9)	745
DPS growth (%)	-	-	-	-	-
Dividend payout ratio (%)	-	-	-	-	-
Efficiency ratios					
Return on avg. equity (%)	1.79	2.14	2.71	2.09	16.1
Return on avg. CE (%)	3.89	6.07	7.00	5.64	18.3
Asset turnover (x)	0.13	0.16	0.18	0.14	0.28
Operating cash/EBIT (x)	(1.65)	(1.21)	(1.98)	0.86	0.31
Inventory days	2,564	2,004	2,252	3,241	1,901
Accounts receivable days	2,072	1,641	1,605	1,586	727
Accounts payable days	139	93.3	90.2	71.0	33.0
Leverage ratios					
Net debt*/equity (%)	71.9	61.6	68.2	123	111
Debt/capital (%)	24.5	26.4	29.0	42.1	39.4
Interest coverage (x)	1.50	2.72	3.32	2.87	13.0
Debt/EBITDA (x)	9.17	6.69	6.38	13.0	4.14
Current ratio (x)	2.26	2.52	2.60	1.97	1.92
Valuation					
EV/sales (x)	3.99	3.56	4.20	4.32	1.75
EV/EBITDA adj. (x)	19.2	14.6	15.3	16.8	5.01
P/E (x)	58.4	46.2	52.1	61.2	7.25
P/E adj. (x)	N/a	1,067	53.7	63.1	7.47
P/B (x)	1.04	1.10	1.29	1.27	1.08
Dividend yield (%)	-	-	-	-	-

Note: *Excluding short-term investments.
Source: Company, HSC Research estimates