

# KinhBac City Development Holding Company



## Equity Research Report

Real Estate Services  
Ticker: KBC.VN  
Recommendation: BUY

Bac Ninh, Vietnam  
Current Price: 28,450 VND  
Fair Value: 38,620 VND

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### COMPANY STATISTICS

Market Cap	22.03T
Enterprise Value	30.97T
Beta	1.11
PE Ratio	17.61
Potential Upside	34%
Industrial Land	7,014 ha
Urban Land	1,262 ha

Update Sep 19, 2025:

*KBC price: 36,500 – a 26.7%  
upside in merely a month.*

### LEADERSHIP

Chairman: Mr. Dang Thanh Tam

### MEMBER COMPANIES

Northwest Saigon City  
Development Corporation

Sài Gòn – Hải Phòng Industrial  
Park Corporation

Sài Gòn – Bắc Giang Industrial  
Park Corp

Trang Cat Urban Development  
One Member Company Limited

Tan Phu Trung – Long An  
Industrial Park Company Limited

Date: 2025 Aug 25

### EXECUTIVE SUMMARY:

KinhBac City Development Holding Company is a major player in Viet Nam's industrial real estate market, attracting significant FDI and foreign manufacturers, particularly in the technology sector. The company is renowned for its high-quality and diverse product portfolio, providing manufacturing, storage facilities, and social housing. Amid global geopolitical tensions, tariff uncertainties and rising competition, KBC has been diversifying its client base, improving infrastructures, and forming strategic partnerships to strengthen its position in the market. Moreover, the firm demonstrates impressive profitability than its peers, regardless of the asset-heavy business nature and reliance on debt financing

Based on both comparable and fundamental analysis model, this article recommends holding KBC for a 3 – 6 month period, capitalizing on KBC's significant market position in the rise of Viet Nam's industrial real estate, and investors' expectations for the upgrading of the VNIndex by FTSE later this year.

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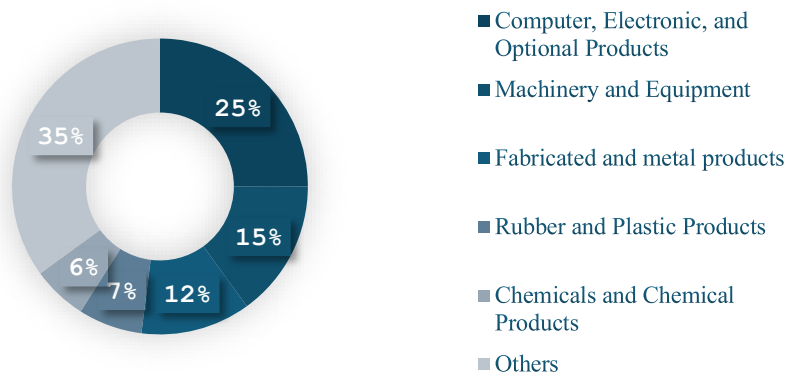
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## INDUSTRY ANALYSIS

The real estate industry is a major segment in Viet Nam due to the ever-growing demand from the increased population, and the influx of foreign companies and investment. By 2025, it is estimated that the market value will have reached **\$4.94 trillions**, mostly driven by the residential segment with a predicted market volume of \$4.44 trillions. From 2025 onward to 2029, projections appear positive with the market's **3.87% annual CAGR** (Mordor Intelligence, 2025), surpassing the Southeast Asian's average rate by one percentage point. While this growth is more obvious with the residential segment, particularly in the luxury and mid range options, industrial real estate is becoming more significant due to the economy's shift to a tech-intensive direction.

In 2025, Viet Nam has over **560 IPs in operation**, covering an area over **263,000 hectares**. FDI from key partners including Japan, Singapore, South Korea, and China are fueling infrastructure projects across Viet Nam, much thanks to the country's strategic location, competitive costs, e-commerce growth, and the government's openness to foreign investors. Moreover, Viet Nam's more significant role in the global supply chain and its high-skill workforce also attract major tech companies such as NVIDIA opening its R&D center in early 2025, or Quanta's plan for an industrial park in Nam Dinh, etc. Along with overseas giants, local players also help expand industrial real estate with greater demand for warehouses and manufacturing facilities.

### Key Occupiers by Sector

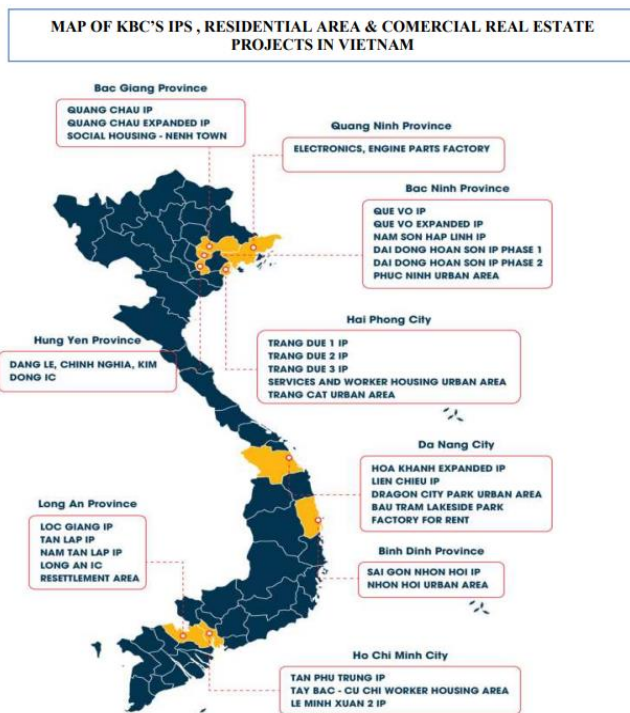


Traditionally the industrial powerhouse of Viet Nam, the southern region reports a higher occupancy rate 89% and rental price \$175/sqm over one lease term compared to the North's 80% and \$147 respectively (Le, 2025). However, the gap is narrowing gradually mainly because of changing investors' preferences, and ongoing infrastructure development in the latter. This is also an indicator of the growing level of competitiveness and infrastructure parity in Viet Nam's major economic zones.

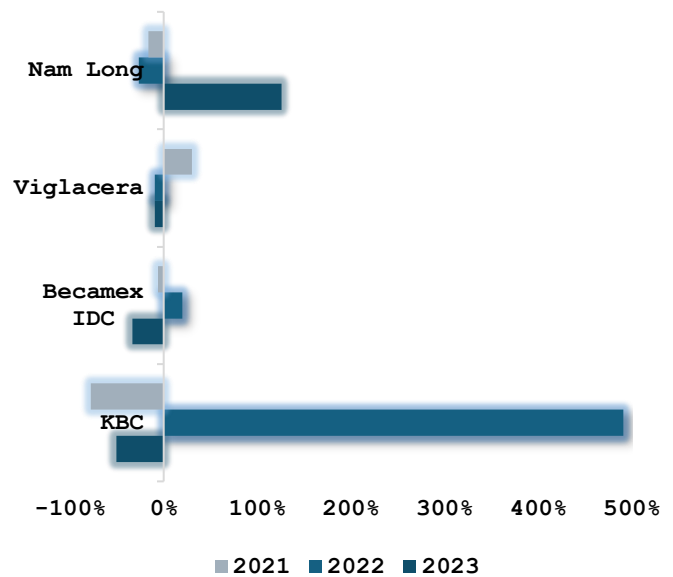
## COMPANY OVERVIEW

KinhBac City Development Holding Corporation engages in investing, constructing, and trading in real estate, industrial park infrastructure, and provide related support services in Vietnam. The company develops industrial parks, urban areas, hotels, and commercial centers, as well as finance, banking, mineral exploitation, energy, and education facilities. It also leases land with infrastructure; and buys and leases factory and office facilities, business industrial park services, and urban areas. The company is considered a major FDI attraction for Vietnam especially in the North due to its significant role in developing and operating industrial zones that accommodate foreign businesses in the region.

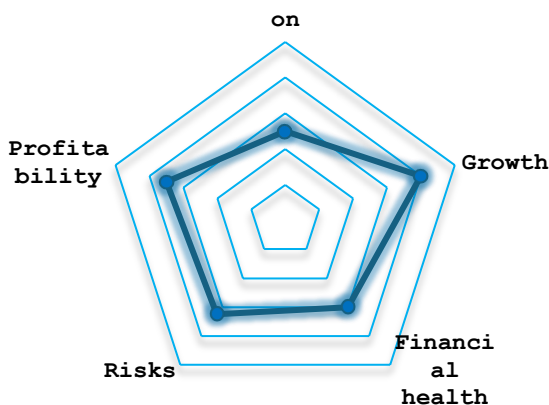
Currently, KBC and its subsidiaries and associates are managing **approx. 7,014 ha industrial land**, and **1,262.8 ha urban land**, making it a pioneer in Viet Nam's industrial real estate industry. KBC aims to enter Top 10 real estate companies in Viet Nam, while maintaining its leading position in the industrial real estate sector during the period 2025 – 2030.



### Revenue Growth of Major IPs Businesses



Sources: Vietcap Securities, Yahoo Finance



### KEY PROJECTS & PLANS

**Trang Due Industrial Park:** one of the most successful and prominent industrial parks. Tenants include global giant LG and its satellite companies.

**Que Vo Industrial:** KBC's first and a cornerstone project. Attracted major companies like Foxconn, Canon, and currently in expansion.

**Trump International Hung Yen:** a mega golf, eco-tourism & urban complex signed as a joint venture in December 2024, the first Trump-branded project in Viet Nam.

## GROWTH CATALYSTS

### Land Bank & Strategic Location

KBC manages a vast and diverse land portfolio across, primarily in North Viet Nam— the second largest and also fastest growing economic zone, with places like Hai Phong and Quang Ninh reporting annual growth rates over 11%. KBC's IPs are strategically located near these major transport and consumer hubs, significantly reducing logistical expenses. In addition, the "China Plus One" strategy is driving global manufacturers to relocate to northern Viet Nam given its proximity to major Chinese economic hubs like Hong Kong, Guangzhou, and Shenzhen.

North Viet Nam is also welcoming a greater inflows of FDI due to foreign investors' aim to capitalize on the region's skilled workforce, and government efforts to reduce the on southern industrial zones.

### Active industrial zones in North Viet Nam



Source: Delco Construction, 2025

As of 2024, there were 248 industrial parks, and 68 more under planning in the region, according to Vietnam Briefing, most of which are focused on attracting high-tech industries.

### Comprehensive Infrastructure Systems

Within their IPs, KBC operates and maintains high-quality transportation and telecom systems, ensures sufficient clean water and electricity supply, and aligns well with rigorous waste

treatment guidelines.

Moreover, KBC is involved in other construction projects including social housing, urban development, and service centers. These projects form a comprehensive ecosystem for foreign and local companies to provide accommodation for their employees and stabilize the workforce. This provides an edge for KBC over other competitors whose focus are purely restricted to industrial real estate.



*An apartment complex for workers near Trang Due industrial park is under planning by SHP, a subsidiary of KBC. Image for illustration only.*

### Experience & Reputation

KBC has earned recognition with numerous awards from the government like the Labor Medal, the Emulation Flag, and ranked among Viet Nam's top listed companies with its 20-year long high operational quality. KBC also built its reputation through successful partnerships with global businesses LG, Foxconn, NVIDIA, and the latest \$1.5 billion joint venture with the Trump Organization. One internal report showed that KBC has attracted \$17 billion FDI capital for over 1,000 projects, and 60% of its tenants are world-famous brands and suppliers.

### E-commerce Growth

The increased prevalence of e-commerce activities benefits KBC through the greater demand for warehouses and logistical facilities. KBC is swiftly expanding its storage systems besides the manufacturing infrastructures, putting the company in a competitive position to corner this market niche.

## RISKS AND MITIGANTS

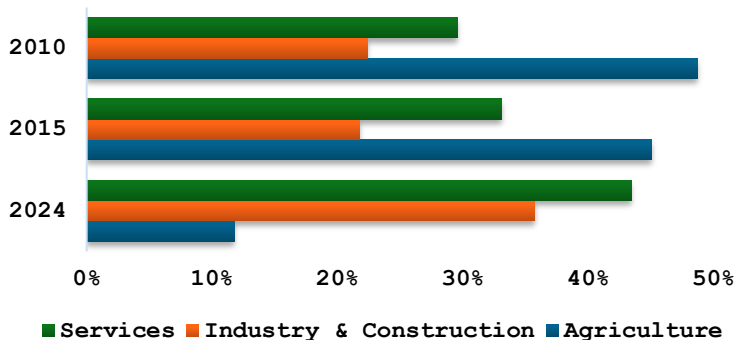
### Foreign market competition

Although the “China Plus One” strategy has been shifting foreign investors’ attention from mainland China to Viet Nam, other countries like India and the ASEAN are posing fierce competition with their young, growing and low-cost workforce. This could reduce the demand for industrial land in northern Viet Nam, driving down occupancy rate and rental prices. Regulatory issues can also tie up KBC’s capital and revenue recognition.

### Workforce disruptions

A shortage in skilled workforce or rising labor costs can become major deterrents for foreign investors into Viet Nam. Moreover, a significant shift in the country’s labor demand can pose a short-term threat to the industrial real estate market if people are drawn from the manufacturing sectors, especially in the context of the transformation from an export-oriented to a service economy.

#### Viet Nam's Workforce



### Macroeconomic risks

Although Viet Nam is becoming an attractive destination for foreign investors, the rising competition from other countries South East Asia and global tariffs present significant hurdles for Vietnamese IPs businesses including KBC. Government policies and political reforms like the current merging of provinces in the country affecting the provincial subsidies for industrial projects can also cause major concerns for local and foreign businesses. FDI inflows to Viet Nam,

which are usually concentrated in several industries like electronics also make KBC more vulnerable to industry-specific volatility.

### *How can KBC navigate these challenges?*

#### Portfolio and Product Diversification

KBC must diversify target markets to reduce its independence on Chinese investors, catering to companies from South Korea, Japan, the US, or Europe. They must maintain their current high level of product quality, and offer tailored facilities to investors from different industries (logistics, automobile, consumer manufacturing...), and extend beyond facilities leasing such as including ready-built factories and storage solutions.

This diversification process is expected to **increase expenses by 50%** because most of KBC’s portfolios are built for electronics manufacturers. However, annual revenue growths will quickly reach **15% - 18%**, influenced by the national growth rate of these industries.

#### Strategic partnerships and acquisitions

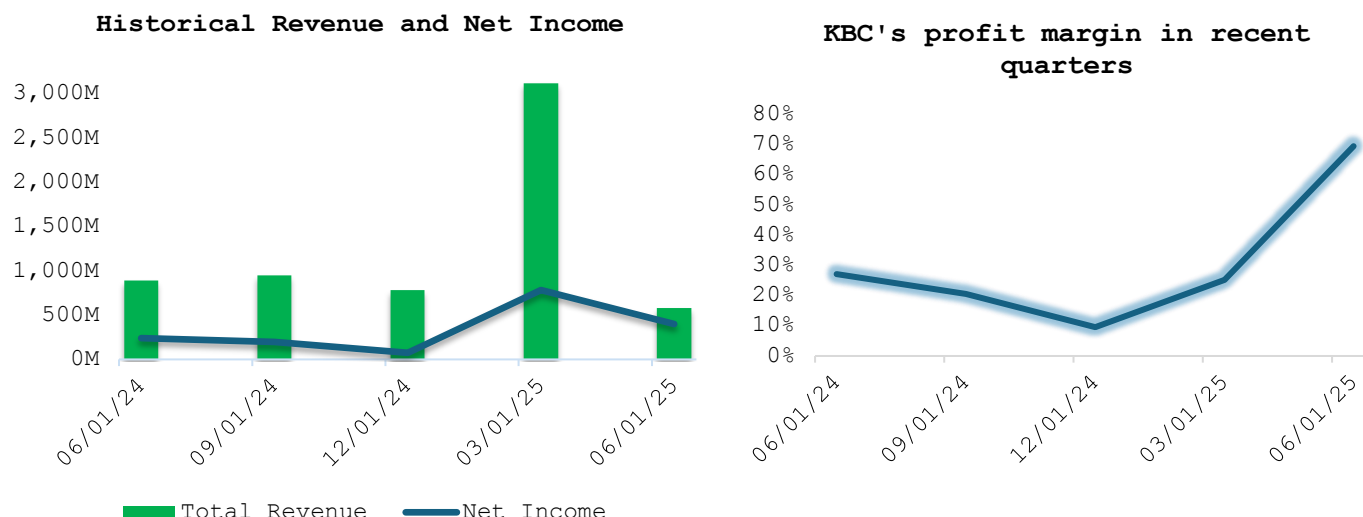
KBC can expand the portfolio of subsidiaries through mergers and acquisitions, thus allowing for a larger land bank, greater customer base and facilities. Moreover, KBC should partner with vocational schools and universities to provide training to the local workforce and ensure a stable supply of labor for tenants.

Maintaining harmonious relationships with local authorities is a major advantage for KBC to minimize approval procedures and minimize regulatory risks.



## FINANCIAL ANALYSIS

Industrial real estate companies operate on a much higher margin than residential and commercial counterparts due to their longer lease time, higher occupancy rate, and Triple Net Lease policy that require tenants to cover property taxes, insurance, and maintenance costs. In 2025 Q2, KBC recorded a **69.48% profit margin**, compared to the main competitors Viglacera's 35%, Sonadezi's 53%, and Becamex's 71.8% (Chau Anh & My Ha, 2025).



The high profitability suggests strong financial health and efficient business operations of KBC, further validating investors' confidence in the company's performance.

However, suggested by several key performance ratios, investors should also be aware of KBC's disadvantages against other competitors.

Return on Equity	6.40%	8.59%
Return on Assets	2.32%	1.69%
Return on Investment	3.50%	2.86%
Quick Ratio	1.95	0.46
Debt to Equity	101.47%	48.81%

Source: Investing.com

Despite a massive land bank, KBC still boasts a ROA and ROI higher the industry average, proving the company's effective business strategies against its competitors. Notwithstanding the profitability, KBC relies substantially on external financing, evidenced in the overly high D/E and ROE ratios. This signals precaution for risk-averse investors, which is not easily undermined by the firm's greater ability to meet short-term obligations than peers.

One final differentiating point of KBC is its lower rental price in the range 120 – 150 USD/m<sup>2</sup> compared to \$137/m<sup>2</sup> in the North and \$175/m<sup>2</sup> in the South (Pocket Option, n.d.). This makes KBC an attractive option for foreign and local businesses alike.

# KINHBAC CITY DEVELOPMENT HOLDING COMPANY

## VALUATION

Comparable and fundamental analysis both indicate KBC is undervalued, with significant growth potential.

Price to Earning	19.72%	38.88%
Price to Book	1.42	2.09

KBC's P/E and P/B ratios are tremendously undervalued compared to the industry average, making it a perfect choice for a growth company.

Using the Discounted Cash Flow method, the target price for KBC is 38,620 VND.

All numbers in thousands	9/30/2025	12/30/25	03/30/26	06/30/26	09/30/26	12/30/2026
Free Cash Flow	6,819M	2,046M	921M	1,151M	1,669M	2,586M
Present value	6,819M	1,817M	726M	806M	1,038M	1,428M
Forecast period	0	1	2	3	4	5
Terminal Value						38,611M
Implied Enterprise Value						44,274M
Implied Equity Value						36,339M
Implied Share price						38.62

### Sensitivities

#### Implied Enterprise

#### Perpetual growth rate

Enterprise Val	44,274M	6.5%	7.5%	8.5%	9.5%	10.5%
	13.63%	44,274M	50,990M	74,173M	262,338M	-99,445M
	14.63%	-155,900M	-100,489M	-57,984M	-34,751M	-22,048M
WACC	15.63%	-27,902M	-25,089M	-20,774M	-16,341M	-12,514M
	16.63%	-16,035M	-15,008M	-13,265M	-11,222M	-9,207M
	17.63%	-12,094M	-11,508M	-10,472M	-9,187M	-7,839M
Share price	38.62	6.5%	7.5%	8.5%	9.5%	10.5%
	13.63%	38.62	45.75	70.39	270.35	0.00
	14.63%	0.00	0.00	0.00	0.00	0.00
WACC	15.63%	0.00	0.00	0.00	0.00	0.00
	16.63%	0.00	0.00	0.00	0.00	0.00
	17.63%	0.00	0.00	0.00	0.00	0.00

Assumption	Value
Cost of equity	16%
Market value	125M
Beta	1.11
Risk free rate	3.70%
Tax rate	20%
Total debt value	26,074M
Total capital	150,858M
Expected market return	15%
Pretax cost of debt	1.43%
Total expense	373M
Aftertax cost of debt	1.15%
WACC	13.63%
Perpetual growth rate	6.50%
Net debt	7,935M
Outstanding Shares	945M

**Cost of Equity:** the expected return for the risk of owning shares in KBC, calculated using the Capital Asset Pricing Model). The risk-free rate 3.7% is derived from Viet Nam 10-year government bond yield, and a  $\beta = 1.11$  suggests KBC's higher volatility than the VNIndex.

**Cost of Debt:** the interest rate a company pays on its borrowed funds.

**WACC:** Weighted Average Cost of Capital - the average return KBC pays to capital providers, weighted by their proportion in the company's capital structure. Assuming KBC's capital structure will maintain in the near-future, WACC is used as a discount rate.

**Perpetual growth rate:** based on Viet Nam's long term GDP growth rate, standing at 6.5%

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