# LONG HAU JOINT STOCK COMPANY (HSX: LHG)

## The beginning of a new investment cycle

| (VND bn) | 2Q-FY26 | 1Q-FY26 | +/- (qoq) | 2Q-FY25 | +/- (yoy) |
|---|---|---|---|---|---|
| Net revenue | 189 | 176 | 7% | 223 | -15% |
| NPAT-MI | 75 | 112 | -33% | 90 | -16% |
| EBIT | 80 | 81 | -1% | 109 | -27% |
| EBIT margin | 42% | 46% | -4 pps | 49% | -7 pps |

*Source: LHG, RongViet Securities*

**1H-FY26: Stable revenue from land and factory leasing, plus revenue from land compensation**

- LHG recorded stable business results in line with expectations in 1H 2026, with net revenue and NPAT reaching VND 365 billion (-20% YoY) and VND 187 billion (-6% YoY), respectively. In 1H2026, LHG reported extraordinary revenue of VND 60 billion from land compensation.
- Leasing Ready-built factory (RBF) recorded growth compared to the same period in 2025, as LHG launched phase 2 of the high-rise RBF at Long Hau 1 Industrial Park in 2026, reaching an occupancy rate of ~50% in 1H 2026.

**2026-2027 Outlook: Key business operations remain stable, the beginning of a new investment cycle**

- For 3Q 2026, we expect business results will not see any breakthroughs, as no new lease contracts at LH3 IP, and the high-rise factory area primarily contributes revenue. In 3Q 2026, revenue and NPAT-MI are expected to reach VND 123 billion (+10% YoY, -35% QoQ) and VND 40 billion (-12% YoY, -46% QoQ), respectively.
- For 2026–2027, revenue is projected to maintain an average growth of 10%/year, driven by: 1/ Revenue from LH3 IP phase 1 only, excluding phase 2 contributions; and 2/ RBF leasing is achieving a 20% CAGR due to the expansion of leasable areas from new projects.
- LHG will invest in the factory system at current IPs, with: 1/ High-rise factories at LH3 IP (currently under construction, expected to be completed and record revenue in early 2027), 2/ Expansion of the RBF chain at lot 3A (30,000 m$^2$) is underway, with basic infrastructure is under construction and construction is set to begin in 2027.
- The Long Hau 3 Residential – Resettlement Area project has completed site clearance and received the land allocation decision for 13.1 ha. Completing the Residential – Resettlement Area (using resettlement land to compensate residents) will be a suitable strategy to accelerate the site clearance process for LHG's other potential projects.

**View and recommendation**

*LHG is distinguished by the strategic location of the Long Hau 3 IP and its expansion strategy for the factory system to optimise asset utilisation. For 2026-2027, the company is expected to sustain positive business performance, supported by a healthy balance sheet and the ongoing expansion of ready-built factory (RBF) projects at Long Hau 3.*

*Using the Sum-of-the-parts (SOTP) valuation method, we have established a target price for LHG of VND **42,500/share**. This represents **an expected return of 63%** based on the closing price on 20/08/2026. The company is well-suited for a conservative investment portfolio, given its robust financial position and consistent dividend policy.*

**BUY +63%**

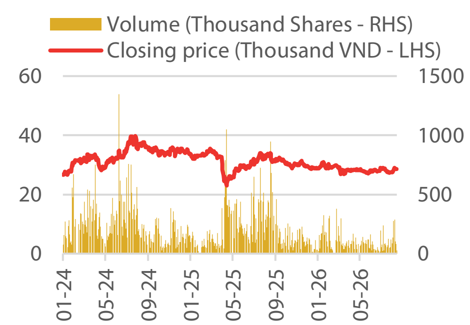
| | |
|---|---|
| Market price (VND) | 26,000 |
| Target price (VND) | 42,500 |
| ** Cash dividend* | *2,100* |

**Stock information**

| | |
|---|---|
| Sector | Real Estates |
| Market Cap (VND bn) | 1,440 |
| Shares Outstanding (mn) | 50 |
| Free Float | 50.0% |
| 3M Avg Volume (K) | 75 |
| 3M Avg Value (VND bn) | 2.1 |
| Remaining Foreign Ownership | 7.3% |
| 52-week Range | 26800 - 33900 |

| | FY2025 | Current |
|---|---|---|
| Basic EPS (VND) | 5,848 | 13,336 |
| P/E | 4.9 | 5.1 |
| P/B | 0.77 | 0.76 |
| EV/EBITDA | 4.2 | 5.1 |
| P/S | 2.06 | 2.38 |

**Price performance**




**Major shareholders (%)**

| | |
|---|---|
| IPC | 49 |
| *Remaining foreign ownership limit (%)* | *38* |

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## 1H-FY2026: Stable revenue from land and factory leasing, plus revenue from land compensation

LHG recorded stable business results in line with expectations in 1H 2026, with net revenue and NPAT reaching VND 365 billion (-20% YoY) and VND 187 billion (-6% YoY), respectively. In which:

- Ready-built factory (RBF) leasing: This segment continues to provide stable cash flow, with revenue and gross profit reaching VND 122 billion (+10% YoY) and VND 82 billion (+14% YoY), respectively. Business results recorded growth compared to the same period in 2025, as LHG launched phase 2 of 25,000 m2 High-rise RBF (Long Hau 1 IP), reaching an occupancy rate of ~50% in 1H 2026. The gross profit margin reached a high level of 67%, bolstered by new contracts with an average rental rate of USD 5.5/m2/month (~5% higher than existing contracts).
- IP Land and infrastructure leasing: The company recorded revenue by leasing approximately 1.7 ha of land at lot 3G-1 in Long Hau 3 IP to PI Logistics Long Hau and A-Fruit Global, with an MOU signed in 4Q 2025. As a result, revenue and gross profit from land leasing reached VND 110 billion (-55% YoY) and VND 76 billion (-54% YoY), respectively.
- Other services: Revenue from utilities and construction services reached VND 134 billion (+34% YoY), and gross profit reached VND 35 billion (+14% YoY).
- In 1H2026, LHG's gross profit reached VND 192 billion (-28% YoY), primarily sourced from land and RBF leasing activities. With SG&A expenses at VND 32 billion (-3% YoY), net profit from business operations reached VND 161 billion (-31% YoY).
- LHG earned VND 48 billion in extraordinary revenue from land compensation for plots acquired earlier that are part of other projects in which LHG is not the developer. This also contributed significantly to LHG's PBT.

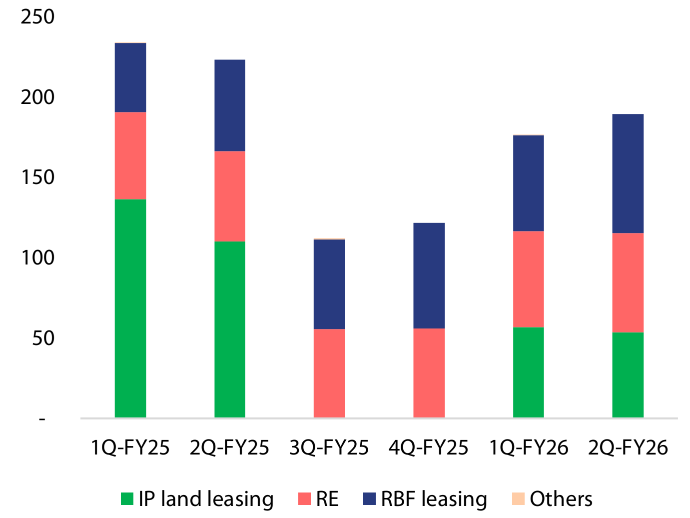
Regarding assets, inventory remains stable at VND 824 billion, with a focus on investment costs for Long Hau 03 Industrial Park, while the Long Hau 3 residential – resettlement area has not paid land use fees (for 13 ha of land allocated in June). The balance of advances from customers decreased to VND 8.4 billion, as no significant new land lease customers were recorded as of the end of June 2026.

**Table 1: LHG's 1H2026 Business results**

| Unit: bn VND | 1H 2026 | +/- YoY | % of 2026 Plan | % of 2026 Forecast |
|---|---|---|---|---|
| **IP land leasing** | | | | |
| IP land leasing area (m2) | 16,954 | -55% | | |
| Rental price (USD/m2) | 250 | 0% | | |
| **Net revenue** | **365** | **-20%** | **50%** | **49%** |
| *IP land leasing* | *110* | *-55%* | | |
| *RBFs for lease* | *122* | *10%* | | |
| *Others* | *134* | *34%* | | |
| **Gross profit** | **192** | **-28%** | | **52%** |
| *IP land leasing* | *76* | *-54%* | | |
| *RBFs for lease* | *82* | *14%* | | |
| *Others* | *35* | *14%* | | |
| SG&A expenses | (32) | -3% | | |
| **EBIT** | **161** | **-31%** | | **53%** |
| Financial income | 26 | 12% | | |
| Financial expenses | (11) | 9% | | |
| Other income | 60 | 3743% | | |
| **PBT** | **235** | **-6%** | | **57%** |
| **NPAT - MI** | **187** | **-6%** | **113%** | **57%** |

*Source: LHG, RongViet Securities.*

**Figure 1: LHG's revenue structure for 2025-2026 (VND billion)**




*Source: LHG, RongViet Securities*

**Figure 2: The high-rise RBF (phase 2) was completed in December 2025 and is expected to be occupied by the end of 2026**

*Source: GGmap, RongViet Securities*

For 3Q 2026, we believe business results will not see any breakthroughs, as no new tenants have been recorded at LH3 IP, and the factory segment primarily contributes revenue. In Q3 2026, we estimate revenue and NPAT-MI to reach VND 123 billion (+10% YoY, -35% QoQ) and VND 40 billion (-12% YoY, -46% QoQ), respectively, with business results estimated according to the following table:

**Table 2: Forecast 3Q - FY2026 Result**

| Unit: VND billion | 3Q 2026F | +/- QoQ | +/- YoY | Assumptions |
|---|---|---|---|---|
| **IP land leasing** | | | | |
| *IP land Leasing area (m2)* | - | -100% | N/A | *No new land tenants during the period* |
| *Rental price (USD/m2)* | - | -100% | N/A | |
| **Net revenue** | **123** | **-35%** | **10%** | |
| *IP land leasing* | - | -100% | N/A | |
| *RBFs for lease* | 68 | 10% | 23% | *Positive revenue, expected new high-rise factory project to reach ~80% occupancy* |
| *Others* | 55 | -25% | -2% | |
| **Gross profit** | **59** | **-39%** | **13%** | |
| *IP land leasing* | - | -100% | N/A | |
| *RBFs for lease* | 46 | 10% | 22% | *GPM remains stable at 67%, in line with 2025 levels* |
| *Others* | 14 | -23% | -4% | |
| SG&A expenses | (14) | -12% | 7% | SG&A/revenue ratio reaches 10% |
| **EBIT** | **45** | **-44%** | **14%** | |
| Financial income | 11 | 12% | -39% | Revenue decreased YoY, due to expected decrease in deposit balance (investment in new projects) |
| Financial expenses | (6) | 0% | 557% | |
| Other profit | 1 | -92% | 81% | |
| **PBT** | **51** | **-47%** | **-11%** | |
| **NPAT - MI** | **40** | **-46%** | **-12%** | |

*Source: RongViet Securities*

**Corporate assets - Maintaining a strong balance sheet, gradually investing in new projects.**

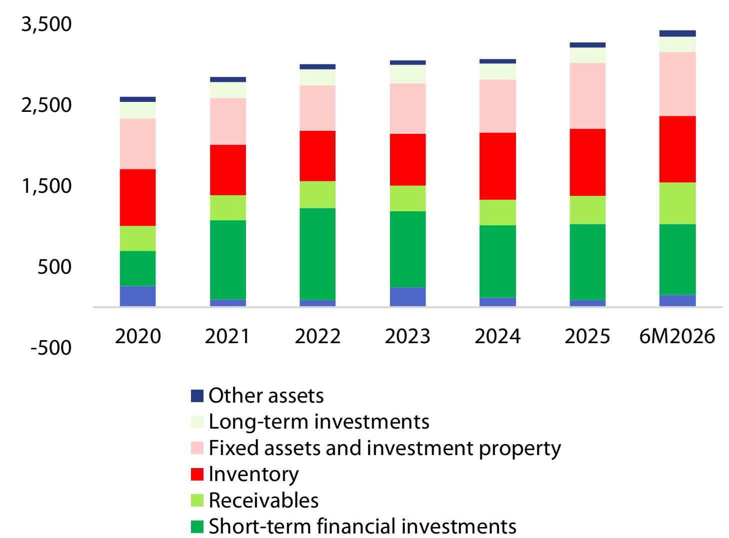
*Current assets:* LHG has a strong balance sheet, with ~50% of its current assets in the form of deposits (both short-term and long-term), providing a favourable condition for the company to develop projects without the need for significant financial leverage. By the end of

June 2026, LHG's deposit balance was VND 1,000 billion (relatively stable in recent quarters), which is a stable source of revenue. Other current assets are mainly inventory, concentrated in 2 projects that the company is implementing, including LH03 IP (phase 1) and Long Hau 03 residential – resettlement area. The inventory balance has fluctuated little, showing that there has been no significant progress in investment in these projects (as of the end of June 2026).

*Fixed asset investment:* LHG's long-term assets are mainly RBFs (the company's assets, subject to annual depreciation). In 4Q 2025, LHG put the high-rise factory (phase 2) into operation, which is the basis for recognising an increase in the cost of investment properties to VND 1,182 billion. In addition, the balance of construction in progress increased slightly to VND 57 billion (in 2Q 2026) – mainly in the next high-rise factory project at Long Hau 3 IP (lot 3F) – and is expected to continue increasing in the coming quarters as construction of the project is being accelerated toward completion, with leasing expected to commence from late 2026.

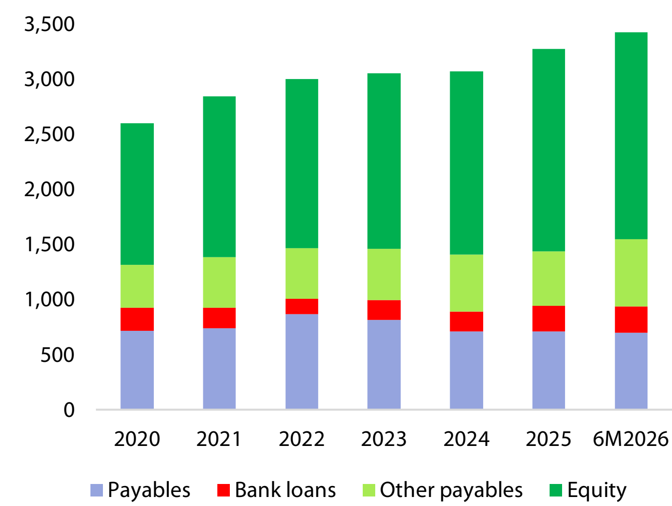
*Capital structure:* The company mainly uses equity to finance investment activities, so the company's capital structure remains quite healthy. In addition, LHG increased its loans to VND 238 billion, mainly to finance RBF investment projects, thanks to the cash flow advantage of these projects, corresponding to a low debt-to-equity ratio of ~13%.

**Figure 3: LHG's asset structure (VND billion)**




*Source: LHG, Bloomberg, RongViet Securities*

**Figure 4: LHG's capital structure (VND billion)**




*Source: LHG, RongViet Securities.*

**Project implementation progress:**

At the 2026 AGM, LHG presented its development plan for 2026-27, which centres on RBF projects at LH1 and LH3 Industrial Parks, backed by stable cash flow and strong customer interest. Industrial Park projects either lack available land for lease (LH3 Industrial Park phase 1) or are still in early development stages (LH3 phase 2):

- Long Hau 03 IP (phase 1): The project is in the final stage of site clearance, reaching 98% completion, but is still encountering challenges with the remaining "leopard-skin" site clearance area (therefore, LHG has extended the phase 3 development timeline to Q4 2028).
- Long Hau IP expansion phase 2 (90 ha) received investment approval in March 2026, with a total investment of VND 3,158 billion. The company's development plan includes: Site clearance from Q2 2026 to Q1 2029, Infrastructure construction and completion from Q4 2026 to Q4 2029, and Leasing of industrial land starting in Q4 2027.
- High-rise RBF: The Long Hau 1 IP factory has operated since December 2025 and currently has a 70% occupancy rate for leased areas (as of April); and it is expected to be 100% occupied by 2026. The high-rise RBF project at Long Hau 03 Industrial Park (Lot 3F) comprises 4 floors and offers a leasable area of 56,000 m$^2$, designed to meet LEED Certification. Construction has begun, and the project is set to be completed and operational by 2027.
- Long Hau 03 Residential - Resettlement Area (19 ha): The project has completed site clearance and received the land allocation decision for 13.1 ha (including 11.7 ha of land without land use fee collection, primarily for the construction of terraced houses for resettlement purposes). According to the plan, the volume of site clearance work will be completed in 2026, after which the project

will move to the technical infrastructure construction investment phase; LHG will prioritise the development of the resettlement land area first. This is a reasonable strategy to promote compensation for residents at the IP projects in which the company is investing.

**Table 3: List of IPs being invested in by LHG, as of June 2026.**

| IP | Area (ha) | % site clearance | Occupancy rate (%) | Current rental price (USD/m2/lease term) | Other information |
|---|---|---|---|---|---|
| Long Hau 03 (phase 1) | 124 | 98 | 76 (*) | 250 | LHG is facing difficulties with site clearance for the remaining "leopard skin" area. |
| Long Hau 03 (phase 2) | 90 | n/a | | | Investment policy is finished, and site clearance is in progress. |
| Long Hau – Tan Tap | 150 | n/a | | | Currently in the stage of preparing the 1/2000 zoning plan, expected to submit the application for investment policy approval in 3Q 2026. |

*Source: LHG, RongViet Securities*.

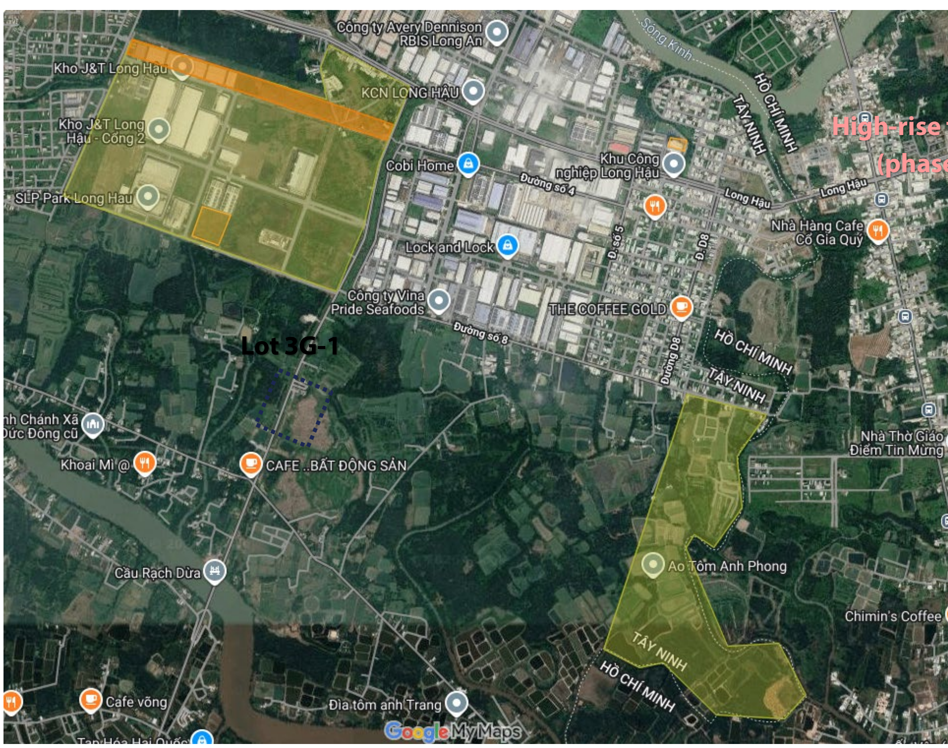
*(*) Includes 7.6 ha reserved for the development of subsequent RBF projects*

**Table 4: Current status of RBF investment projects at LHG's IPs, as of June 2026.**

| Project | Year of operation | Area (m2) | Average rental price (USD/m2/month) | Other information |
|---|---|---|---|---|
| High-rise factory (phase 02) | 2025 | 26,000 | 5.5 | Expected to be filled by the end of 2026 |
| High-rise factory (lot 3F) | 2026 | 50,000 | 5.5 | Construction completed in 4Q 2026 |
| Factory lot 3A at Long Hau 03 IP (phase 2) | 2027 | 30,000 | 5.5 | Expected to invest in construction from 2027 |

*Source: LHG, RongViet Securities estimates*

**Figure 5: Current status of Long Hau 03 IP (phase 01&2) and RBF development areas (orange)**




*Source: GGmap, RongViet Securities*

**Efficiency of corporate asset utilisation – No breakthroughs yet**

LHG's ROE has generally remained stable (above 10%) since 2023, as LHG's business operations and asset scale have not had many breakthroughs. In 2025, LHG's ROE improved to 16% as asset turnover improved (LHG recorded revenue from land leasing at LH3 IP again). For 2026-2027, we believe the company's ROE will be relatively stable at 13-15%, mainly coming from IP land leasing and RBF revenue (analysed in detail later).

**Table 5: DUPONT analysis for LHG's profitability**

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|---|---|
| **ROE** | **20%** | **13%** | **10%** | **11%** | **16%** | **15%** | **13%** |
| ***In which:*** | | | | | | | |
| *Net profit margin* | *38%* | *32%* | *42%* | *43%* | *42%* | *43%* | *37%* |
| *Asset turnover* | *27%* | *21%* | *13%* | *14%* | *22%* | *21%* | *21%* |
| *Financial leverage* | *1.9* | *2.0* | *1.9* | *1.8* | *1.7* | *1.6* | *1.6* |

*Source: LHG, RongViet Securities*

**2026-2027 outlook: Key business operations remain stable, the beginning of a new investment cycle.**

We maintain the view stated in the company report in August 2025, which assesses that revenue will maintain an average growth of 10%/year, driven by: 1/ Revenue from LH3 IP Phase 1 only, excluding Phase 2 contributions; and 2/ RBF leasing has achieved a 20% CAGR driven by the increased leasable area from new projects. Accordingly, LHG's business result estimates for this period are as follows:

- IP land leasing: Due to the limited leasing area of LH3 Industrial Park (phase 01) (~25ha of commercial land can be leased), and LHG does not have a new industrial park. We expect revenue to reach VND 250 billion/year, in line with an average annual leasing area of 4 hectares (suitable for LHG's small and medium-sized enterprises).
- RBF leasing: LHG is increasing its operating area from 147,000 $m^2$ in 2025 to 223,000 $m^2$ by 2027, a 70% increase, due to high demand for factories. This includes investments in high-rise factory projects at LH01 IP (currently operational) and LH3 (expected to open by the end of 2026). Based on the following expectations: 1/ The demand for rental of RBFs (especially in the vicinity of Tier-I cities) is still relatively great, and 2/ LHG's competitive advantage (experience in exploiting RBFs, favourable location of LH3 Industrial Park). For 2026-2027, we believe that LHG's new leasing area will remain at 21,000m2 and 39,000m2, respectively (project at LH3 IP with ~80% occupancy rate); revenue from this segment will reach VND 258 billion (+16% YoY) and VND 325 billion (+26% YoY), respectively.
- Other revenue mainly comes from electricity and water supply at LH3 Industrial Park, along with other customer services (construction,...), bringing stable revenue at ~VND 240 billion/year.
- For 2026-2027, we project LHG's revenue to reach VND 760 billion (+10% YoY) and VND 838 billion (+10% YoY), respectively. Gross profit will reach VND 374 billion (+2% YoY) and VND 429 billion (+15% YoY), respectively, driven by growth in RBF leasing activities (accounting for 41% and 48% of gross profit in this period).
- Other revenue and expenses: SG&A expenses are expected to reach VND 69 billion (+11% YoY) and VND 77 billion (+12% YoY), respectively, with the SG&A/revenue ratio reaching 10% (equivalent to the 2023-2025 period). Financial income will reach VND 58 billion (equivalent to 2025) and VND 39 billion (-34% YoY, when the deposit balance decreases to ~VND 830 billion – returns to the new project investment cycle).
- In 2026, LHG recorded an additional ~VND 60 billion of other revenue from land compensation (recorded in 1H2026, from land funds accumulated from previous stages). In 2027, we believe that LHG will find it difficult to record additional revenue from land compensation. For 2026-2027, NPAT-MI is projected to reach VND 324 billion (+11% YoY) and VND 307 billion (-5% YoY), respectively, with relatively stable business results.

**Table 6: LHG's 2026-2027 business result forecast**

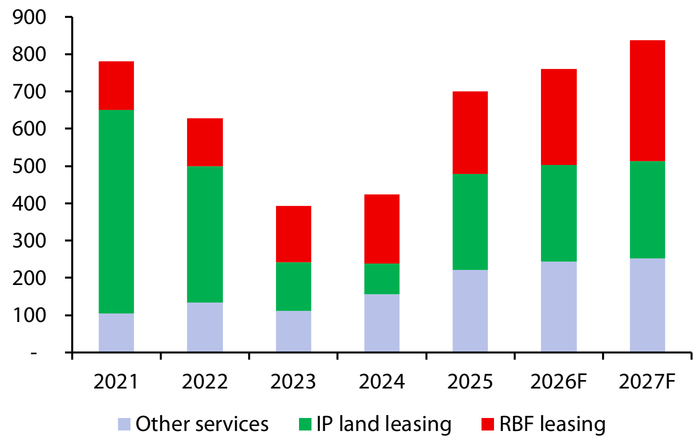
| Unit: VND billion | 2026F | +/- YoY | 2027F | +/- YoY | Assumptions |
|---|---|---|---|---|---|
| **IP land leasing** | | | | | |
| Leased land area (m2) | 40,000 | 0% | 40,000 | 0% | *Leasable area stable at 4 ha/year at LH3 IP (phase 1)* |
| Rental price (USD/m2) | 250 | 0% | 250 | 0% | *Rental price is stable in this area* |
| **Net revenue** | **760** | **10%** | **838** | **10%** | |
| *Land leasing* | 259 | 1% | 261 | 1% | |
| *RBF leasing* | 258 | 16% | 325 | 26% | *Revenue growth from new leasable area at high-rise factory projects at LH1 IP (operating from 2026) and LH3 IP (operating from 2027).* |
| *Other* | 244 | 10% | 252 | 3% | |
| **Gross profit** | **374** | **2%** | **429** | **15%** | |
| *Land leasing* | 159 | 2% | 162 | 2% | |
| *RBF leasing* | 155 | 5% | 205 | 33% | |
| *Other* | 61 | 10% | 62 | 3% | |
| Selling and administrative expenses | (69) | 11% | (77) | 12% | SG&A/revenue ratio reaches 10% |
| **EBIT** | **306** | **0%** | **353** | **15%** | |
| Financial income | 58 | 0% | 37 | -36% | Deposit balance decreases due to investment demand for new projects |
| Financial expenses | (19) | 54% | (16) | -13% | |
| Other profit | 60 | 449% | 10 | -83% | Mainly from compensation proceeds for the land recovered (at other projects) |
| **PBT** | **405** | **12%** | **384** | **-5%** | |
| **NPAT - MI** | **324** | **11%** | **307** | **-5%** | |

*Source: RongViet Securities*

*The beginning of a new investment cycle:* At AGM, LHG will invest in the factory system at current IPs from 2026 to 2027, with: 1/ High-rise factory at LH3 IP (currently under construction, expected to be completed and record revenue in early 2027), 2/ Expansion of the RBF chain at lot 3A (30,000 m2) - basic infrastructure is in development, with construction expected to begin in 2027. According to our estimates, the total construction investment of the two projects reaches ~VND 640 billion, and the deposit balance at the end of June 2026 (~VND 800 billion), along with cash flow from core business activities (land and RBF leasing), will help ensure the company's future investment.

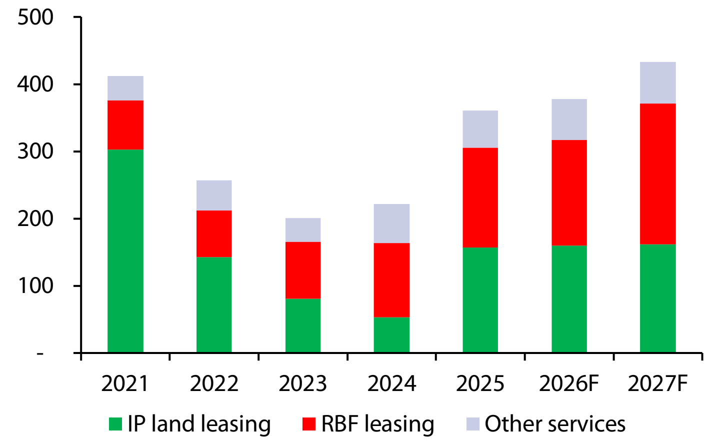
With other projects, we are paying attention to the Long Hau 3 Residential – Resettlement Area project, as the project has completed site clearance and received the land allocation decision for 13.1 ha (including 11.7 ha of land without land use fee collection, mainly for building resettlement townhouses). In the coming time, the company will start building and completing infrastructure (total demand ~VND 270 billion according to the company's plan) to serve the goal of arranging resettlement for households subject to clearance and compensation when building the company's Industrial Park (LH3 IP with 2 phases, Long Hau – Tan Tap IP). Given the difficulties in site clearance that the company has faced in previous projects (due to the area's characteristics often encountering "leopard skin" situations, residential land interspersed), completing the Residential – Resettlement Area (using resettlement land to compensate residents) will be a suitable strategy to accelerate the site clearance process. Regarding business results, the resettlement area will contribute minimally, as the transfer price will be limited according to the compensation price framework (approved by the Provincial People's Committee). Potential IP projects (LH3 phase 2, Long Hau – Tan Tap) will depend on the site clearance process, and therefore will not contribute to the company's revenue and assets in the 2026-27 period.

**Figure 6: LHG's net revenue 2021-2027 (VND billion)**



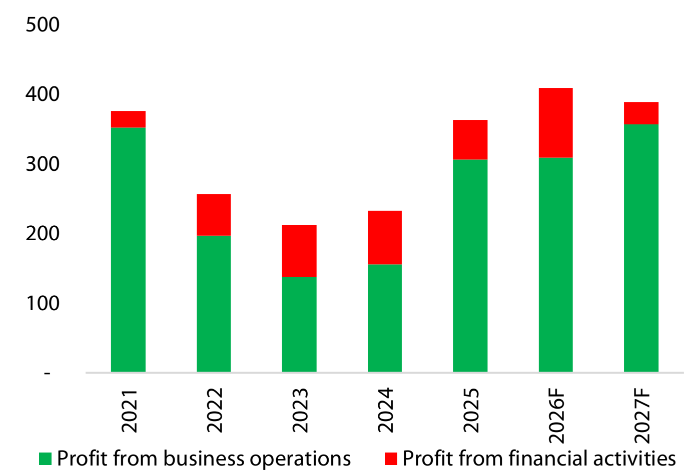

*Source: LHG, RongViet Securities*

**Figure 7: LHG's gross profit 2021-2027 (VND billion)**



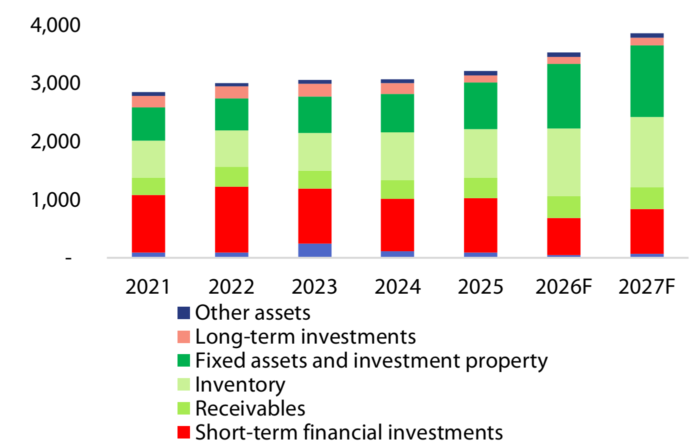

*Source: LHG, RongViet Securities*

**Figure 8: LHG's profit before tax, 2021-2027 (VND billion)**




*Source: LHG, RongViet Securities*

**Figure 9: LHG's asset structure, 2021-2027 (VND billion)**



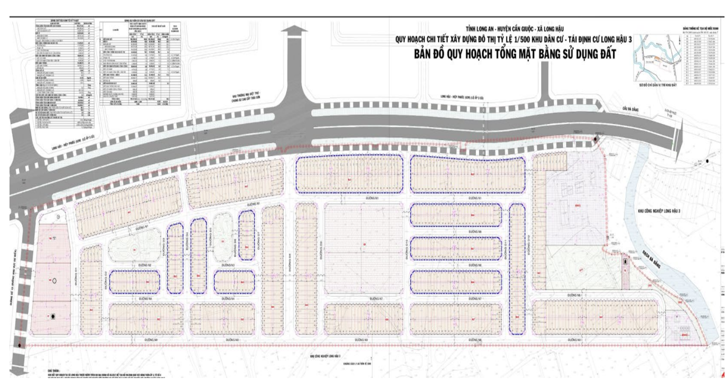

*Source: LHG, RongViet Securities*

**Table 7: Land use plan - Long Hau 03 residential – resettlement area project**

| Land type | Area (ha) |
|---|---|
| **Residential land** | **8.7** |
| *Commercial housing* | *4.6* |
| *Resettlement housing* | *4.1* |
| **Urban service land** | **1.7** |
| **Public green land** | **1.0** |
| **Traffic - parking land** | **5.2** |
| **Land outside residential unit** | **2.5** |

*Source: RongViet Securities*

**Figure 10: 1/500 planning of Long Hau 03 residential – resettlement area**



*Source: GGmap, RongViet Securities*

## LONG-TERM VALUATION USING SOTP METHOD

We use the SOTP (Sum-of-the-parts) method to value LHG's stock. The Company's net assets are aggregated from its industrial park projects, cash flow from factory leasing, cash, financial investments, and debt. LHG's total assets reached VND 2.16 trillion, contributed by:

- We include cash flow from land lease in Long Hau 03 Industrial Park (LH3, phase 01) into the valuation model, with an estimated value of VND 309 billion. We also estimate the cash flow of factory investment and leasing activities, with the main assumptions including: 1/ Rental prices are stable throughout the rental cycle; 2/ LHG invests an additional 80,000 m2 factory for the 2026-2027 period, which will take 1-2 years to fill these factories.

- Business activities generate stable cash flow (Supply of electricity, water and other customer services), valued using the net income method (Capitalization value = Income/discount rate)
- Other net assets (including cash, investments and loans, minus debts) reached ~VND 700 billion, comprising: i/ Cash, cash equivalents and short-term investments reached VND 1.1 trillion, ii/ Other obligations (mainly potential obligations to IPC) reached VND 337 billion.
- The weighted average cost of capital (WACC) has been adjusted upwards to 17.1% (due to adjusting the risk-free rate to 4% - reflecting the upward trend of interest rates in recent times).

**Table 8: LHG's valuation using SOTP method**

| Asset | Method | Value (VND bn) |
|---|---|---|
| **IP segment** | **DCF** | 309 |
| **RBF segment** | **DCF** | 943 |
| **Real Estate** | **BV** | 146 |
| **IP utility services and other** | **Net income** | 164 |
| **Total** | | **1,562** |
| (+) Cash and cash equivalents | | 148 |
| (+) Short-term investments | | 884 |
| (+) Long-term investments | | 103 |
| (-) Debt | | (238) |
| (-) Other obligations | | (334) |
| **Net asset value** | | **2,125** |
| Outstanding shares (million shares) | | 50.0 |
| **Target price (VND/share)** | | **42,500** |

*Source: LHG, RongViet Securities estimates*

Accordingly, the fair value of the stock is determined at **VND 42,500/share**, equivalent to **a return of 63%** compared to the closing price on 20/08/2026 (including cash dividend, with VND 2,000/share). We prefer LHG mainly for the cash flow from factory leasing activities and the plan to invest in expanding the factory area in the coming years to increase the efficiency of the company's IP land utilisation. Therefore, we recommend BUY for LHG for long-term investment goals.

**Table 9: Sensitivity Analysis for Cost of Capital and Cost of Debt per share (VND)**

| Cost of capital \ Cost of debt | | | | | |
|---|---|---|---|---|---|
| **44,912** | **8%** | **9%** | **10%** | **11%** | **12%** |
| **15%** | 46,592 | 46,406 | 46,223 | 46,041 | 45,860 |
| **16%** | 44,567 | 44,399 | 44,232 | 44,066 | 43,902 |
| **17%** | 42,712 | 42,558 | **42,500** | 42,256 | 42,106 |
| **18%** | 41,007 | 40,867 | 40,729 | 40,591 | 40,455 |
| **19%** | 39,438 | 39,310 | 39,183 | 39,057 | 38,932 |

*Source: RongViet Securities estimates*

## Appendix

### Table 1: 2Q 2026 business results

| (VND billion) | 2Q-FY26 | 1Q-FY26 | +/- (qoq) | 2Q-FY25 | +/- (yoy) |
|---|---|---|---|---|---|
| Revenue | 189 | 176 | 7% | 223 | -15% |
| Gross profit | 96 | 96 | -1% | 127 | -25% |
| SG&A expenses | (16) | (16) | 2% | (18) | -12% |
| Operating income | 84 | 92 | -9% | 112 | -25% |
| EBITDA | 80 | 81 | -1% | 124 | -36% |
| EBIT | 80 | 81 | -1% | 109 | -27% |
| Financial expenses | (6) | (4) | 44% | (5) | 35% |
| *- Interest expense* | (5) | (4) | 3% | (3) | 43% |
| Depreciation | 15 | 15 | 0% | 15 | 0% |
| Non-recurring items (*) | | | | | |
| Extraordinary items (*) | | | | | |
| PBT | 95 | 140 | -32% | 112 | -15% |
| NPAT-MI | 75 | 112 | -33% | 90 | -16% |
| Adjusted NPAT-MI (*) | 75 | 112 | -33% | 90 | -16% |

*Source: LHG, RongViet Securities*

### Table 1: 2Q 2026 Performance analysis

| Results | 2Q-FY26 | 1Q-FY26 | +/- (qoq) | 2Q-FY25 | +/- (yoy) |
|---|---|---|---|---|---|
| **Profitability Ratio (%)** | | | | | |
| Gross margin | 51% | 55% | -4 pps | 57% | -6 pps |
| EBITDA margin | 42% | 46% | -4 pps | 56% | -13 pps |
| EBIT margin | 42% | 46% | -4 pps | 49% | -7 pps |
| Net margin | 40% | 64% | -24 pps | 40% | 0 pps |
| Adjusted net margin | 40% | 64% | -24 pps | 40% | 0 pps |
| **Turnover (x)*** | | | | | |
| - Inventories | 0.11 | 0.10 | 0.02 | 0.12 | -0.01 |
| - Receivables | 0.39 | 0.43 | (0.04) | 0.57 | -0.18 |
| - Payables | 0.15 | 0.13 | 0.03 | 0.13 | 0.02 |
| **Leverage (%)** | | | | | |
| Total debt/Total Equity | 42% | 36% | 7 pps | 48% | -6 pps |

*Source: RongViet Securities | (*) annualized*

*VND billion*

| Business results | FY2024 | FY2025 | FY2026F | FY2027F |
|---|---|---|---|---|
| **Net revenue** | **423** | **691** | **760** | **838** |
| Cost of goods sold | (205) | (322) | (386) | (408) |
| **Gross profit** | **219** | **368** | **374** | **429** |
| Selling expenses | (5) | (7) | (8) | (10) |
| Administrative expenses | (58) | (55) | (60) | (67) |
| Income from financial activities | 58 | 58 | 58 | 37 |
| Financial expenses | (24) | (12) | (19) | (16) |
| Other profit | 44 | 11 | 60 | 10 |
| Profit from associates | - | - | - | - |
| **Profit before tax** | **233** | **363** | **405** | **384** |
| Corporate income tax | (49) | (71) | (81) | (77) |
| Minority interest | - | - | - | - |
| **Profit after tax** | **184** | **292** | **324** | **307** |
| EBIT | 155 | 306 | 306 | 353 |
| EBITDA | 218 | 369 | 405 | 466 |

| FINANCIAL RATIOS | FY2024 | FY2025 | FY2026F | FY2027F |
|---|---|---|---|---|
| **Growth** | | | | |
| Revenue | 7.2% | 63.1% | 10.1% | 10.2% |
| Operating profit | 13.5% | 69.3% | 9.8% | 15.1% |
| EBIT | 13.1% | 97.3% | -0.2% | 15.4% |
| Profit after tax | 10.6% | 59.1% | 10.9% | -5.3% |
| Total assets | 0.5% | 4.4% | 10.0% | 9.2% |
| Equity | 4.3% | 10.4% | 17.6% | 14.1% |
| **Profitability** | | | | |
| Gross profit / Revenue | 51.7% | 53.3% | 49.2% | 51.3% |
| EBITDA / Revenue | 51.5% | 53.4% | 53.2% | 55.6% |
| EBIT / Revenue | 36.7% | 44.3% | 40.2% | 42.1% |
| NPAT / Revenue | 43.4% | 42.3% | 42.6% | 36.7% |
| ROA | 6.0% | 9.1% | 9.2% | 8.0% |
| ROCE | 7.0% | 12.6% | 11.2% | 11.6% |
| ROE | 11.3% | 16.7% | 16.2% | 13.3% |
| **Operating efficiency** | | | | |
| Receivables turnover | 1.3 | 2.0 | 2.0 | 2.2 |
| Inventory turnover | 0.2 | 0.4 | 0.3 | 0.3 |
| Payables turnover | 0.3 | 0.4 | 0.5 | 0.5 |
| **Solvency** | | | | |
| Current | 2.6 | 3.0 | 3.0 | 3.1 |
| Quick | 1.6 | 1.9 | 1.4 | 1.6 |
| **Financial structure** | | | | |
| Total debt / Equity | 10.9% | 12.6% | 10.7% | 9.4% |
| Short-term debt / Equity | 3.3% | 2.0% | 1.7% | 1.5% |
| Long-term debt / Equity | 7.6% | 10.7% | 9.1% | 8.0% |

*VND billion*

| BALANCE SHEET | FY2024 | FY2025 | FY2026F | FY2027F |
|---|---|---|---|---|
| Cash | 116 | 90 | 47 | 65 |
| Short-term financial investments | 900 | 934 | 618 | 734 |
| Receivables | 316 | 353 | 371 | 376 |
| Inventory | 828 | 831 | 1,164 | 1,209 |
| Other current assets | 14 | 13 | 22 | 24 |
| Tangible fixed assets | 652 | 807 | 1,127 | 1,266 |
| Intangible fixed assets | 3 | 2 | 2 | 2 |
| Long-term financial investments | 192 | 123 | 123 | 123 |
| Other long-term assets | 50 | 52 | 52 | 52 |
| **TOTAL ASSETS** | **3,070** | **3,205** | **3,526** | **3,849** |
| | | | | |
| Payables & advances | 786 | 742 | 752 | 768 |
| Short-term debt | 55 | 36 | 36 | 36 |
| Long-term debt | 126 | 196 | 196 | 196 |
| Other short-term payables | 0 | 0 | 0 | 0 |
| Reward and welfare fund | 48 | 52 | 53 | 55 |
| Science and technology fund | 0 | 0 | 0 | 0 |
| **TOTAL DEBT** | **1,407** | **1,439** | **1,438** | **1,458** |
| Owner's investment capital | 572 | 572 | 572 | 572 |
| *Treasury shares* | 0 | 0 | 0 | 0 |
| Retained earnings | 947 | 1,120 | 1,443 | 1,749 |
| Other income | 0 | 0 | 0 | 0 |
| Development investment fund | 144 | 144 | 144 | 144 |
| **TOTAL CAPITAL** | **1,663** | **1,837** | **2,160** | **2,465** |

| VALUATION RATIOS | FY2024 | FY2025 | FY2026F | FY2027F |
|---|---|---|---|---|
| EPS (VND/share) | 3,308 | 5,263 | 5,835 | 5,526 |
| P/E (x) | 9.1 | 5.7 | 5.1 | 5.4 |
| BV (VND/share) | 33,251 | 36,724 | 43,180 | 49,287 |
| P/B (x) | 0.9 | 0.8 | 0.7 | 0.6 |
| DPS (VND/share) | 1,900 | 1,900 | 2,000 | 2,000 |
| Dividend yield (%) | 6% | 6% | 7% | 7% |

| Valuation model | Price | Weight | Average |
|---|---|---|---|
| SOTP | 42,500 | 100 | 42,500 |
| | | | |
| **Target price (VND/share)** | | | **42,500** |

| Valuation history | Target price | Recommendation | Time |
|---|---|---|---|
| March 2026 | 45,000 | BUY | Long-term |
| June 2026 | 45,000 | BUY | Long-term |
| August 2026 | 42,500 | BUY | Long-term |

## VALUATION UPDATE

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report. we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information. investors may contact the assigned analyst or our client support department.

### RATING GUIDANCE

| Ratings | BUY | ACCUMULATE | HOLD | REDUCE | SELL |
|---|---|---|---|---|---|
| Total Return including Dividends in 12-month horizon | >20% | 5% to 20% | -5% to 5% | -20% to -5% | <-20% |

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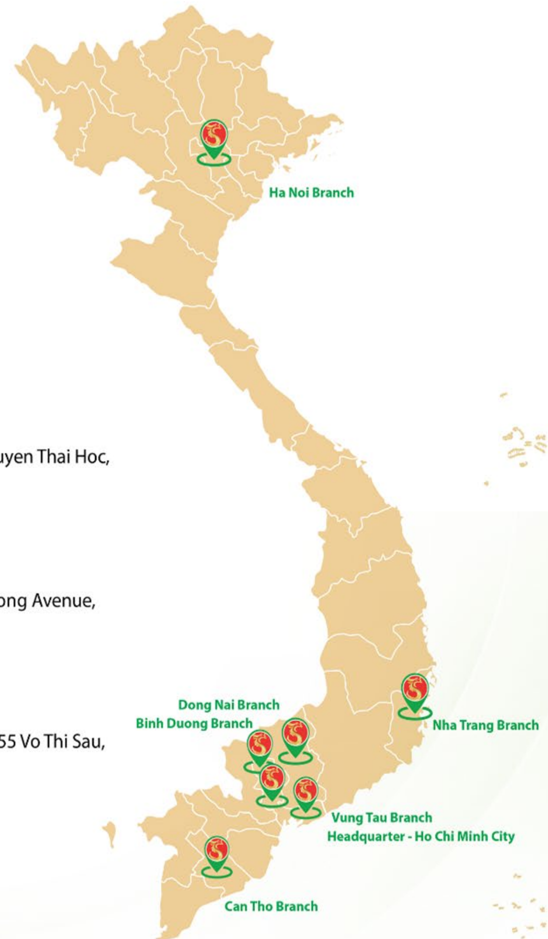


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