

INITIATION REPORT

DAMSAN JSC

HOSE: ADS · TEXTILES & INDUSTRIAL PARK REAL ESTATE

From yarn mill to industrial cluster developer:
Low valuation, new growth cycle



RECOMMENDATIONS

BUY

12-month duration

CURRENT PRICE

7.780

VND · 04/10/2026

TARGET PRICE

11.700

VND/share

POTENTIAL FOR PRICE INCREASE

+50,4%

Compared to current price

INDUSTRY

- Textiles - towels
- Industrial clusters real estate

MARKET CAPITALIZATION

VND 594 billion
~\$22.6 million

VALUATION

SoTP · P/E · P/B
P/E 2026F: 5.8x

ISSUER

Research & Analysis Vietnam Holdings Inc

HOSE: ADS · BLOOMBERG: ADS VN · SMALL-CAP

Damsan Joint Stock Company (HOSE: ADS)

From yarn mill to industrial cluster developer: Low pricing, new growth cycle

RECOMMENDATIONS

BUY

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7.780

12-MONTH TARGET PRICE

11.700

POTENTIAL FOR PRICE INCREASE

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STOCK INFORMATION

Code/Floor	ADS / HOSE
Capitalization (billion VND)	594
Shares Outstanding (million)	76,39
Charter capital (billion VND)	763,95
52 Week High/Low (VND)	8.560 / 6.980
Average Trading Volume (Aug 2026, shares)	109.670
Free float	55%
Foreign Ownership / Remaining Foreign Limit	0.13% / 38.1 million shares
Beta	0,49
Current BVPS / P/B	13.112 / 0,59x
TTM EPS / Trailing P/E	1.240 / 6,3x

SHAREHOLDER STRUCTURE

Vu Huy Dong (Chairman of BoD)	13,36%
Duc Tuan Joint Stock Company	5,33%
Do Duc Khang	5,31%
Do Van Khoi	5,20%
Other Shareholders	70,80%

PRICE

	1M	3M	12M
ADS	-5,0%	0,0%	+2,0%
VN-Index	+1,4%	+2,6%	+14,9%

12-MONTH PRICE MOVEMENT

INVESTMENT THESIS

Deeply discounted pricing.

ADS trades at a P/E 2026F of 5.8x and a P/B of 0.56x – lower ~55% compared to the median P/B of Vietnam's textile and garment (1.3x) and ~70% compared to the industrial real estate group (2.0x), although the ROE has recovered to

Shifting the model to industrial real estate.

The proportion of real estate revenue (industrial park + residential) is expected to increase from ~17% (2025) to ~29% (2028F), contributing >50% of gross profit thanks to a margin of 40–45% of the industrial industry segment.

Land fund of industrial park 130.9 hectares with competitive prices.

Rental price 85–90 USD/m², cheaper ~40% compared to the average in the North (143 USD/m²). An Ninh Industrial Park Phase 1 (49.9 hectares) is 100% full; Ninh An (52 hectares of commercial products) will be exploited from 2027.

Stable yarn weaving platform, export cash flow.

3 factories (12,000 tons of yarn + 2,000 tons of towels/year), 62% of export revenue (China, Japan). Consolidated gross margin in 2025 will reach 13.5% – the highest in history.

EPS CAGR 2025–2028F ~21%.

We forecast parent company's EBIT of VND 102 / 137 / 170 billion (2026F–2028F). Key risks: short-term leverage (debt of VND 1,145 billion, ~90% short-term) and site clearance progress.

SUMMARY OF FINANCIAL PROJECTIONS

Billion VND	2024A	2025A	2026F	2027F	2028F
Net Revenue	1.629	1.870	2.050	2.420	2.640
Revenue growth	-0,8%	14,8%	9,6%	18,0%	9,1%
Gross profit	133,6	252,2	270	340	390
Aggregation	8,2%	13,5%	13,2%	14,0%	14,8%
Parent company's shareholders' profit	51,0	96,7	102	137	170
Profit and Profit Growth	–	89,6%	5,5%	34,3%	24,1%
EPS (VND)	667	1.266	1.335	1.790	2.225
BVPS (VND)	12.250	13.112	13.900	15.100	16.700
P/E (x)	11,7	6,1	5,8	4,3	3,5
P/B (x)	0,64	0,59	0,56	0,52	0,47
EV/EBITDA (x)	8,7	5,6	5,3	4,4	3,9
ROE	5,5%	9,8%	10,0%	12,3%	14,0%
Dividends (% of par value)	n.a.	n.a.	15%*	10%	10%

*Plan for the 2026 General Meeting of Shareholders, the form of payment (cash/shares) has not been determined. P/E, P/B are calculated at 7,780 VND. Source: ADS, estimated by the analysis team.

Equity Analysis Team – Research Division

Initial Analysis Report · Recommended Duration: 12 months
Methodology: SoTP (60%) · P/E (20%) · P/B (20%)

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Summary of investment thesis & key risks

We start tracking ADS with a **BUY recommendation** and a target price of **11,700 VND/share** (+50.4%). The market is pricing ADS as a pure thin margin producer (P/B 0.59x), while about 40% of our SoTP value comes from the real estate segment – where peers trade at a P/B of 1.5–2.3x. H1/2026 results are flat (parent company profit is 38.7 billion, -0.6% YoY) due to the pressure of textile gross margin and the increase in selling costs increased by 171% when opening social housing, but we consider this to be a "invest first – record later" period.

Table 1: Growth Dynamics and Risk Matrix

Motivation (Upside)	Risk (Downside)
Phase 2 (25 hectares) & Ninh An (52 hectares): absorb 15–19 hectares/year, gross margin 40–45%	Short-term leverage: Loan debt of VND 1,145 billion (6/2026), ~90% short-term, interest expense in 2025 ~62 billion VND (+21%)
Phu Xuan social housing 582 units (546 social housing + 36 commercial and service): handed over 2027–2028, revenue ~646	Thin yarn textile margin: sensitive to ICE cotton prices, Chinese demand; 1Q26 gross margin only 8.5%
Effect of FDI shifting to Hung Yen – Thai Binh: highway, Thai Binh port, cheap rental price	Progress of land clearance (Security Phase 2, Vu Ninh expands 37.5 hectares) may be delayed by 1-2 years
Restoring the border of cotton towels exported to Japan thanks to the new ADP high-end towel weaving factory	Low stock liquidity (~0.9 billion VND/session), owning only 0.13%
Growth option (option): Pho Hien urban area through legal entity 36% of capital	Recorded uneven real estate revenue , causing large fluctuations in business results quarterly

Table 2: 12–24-month calendar of catalysts

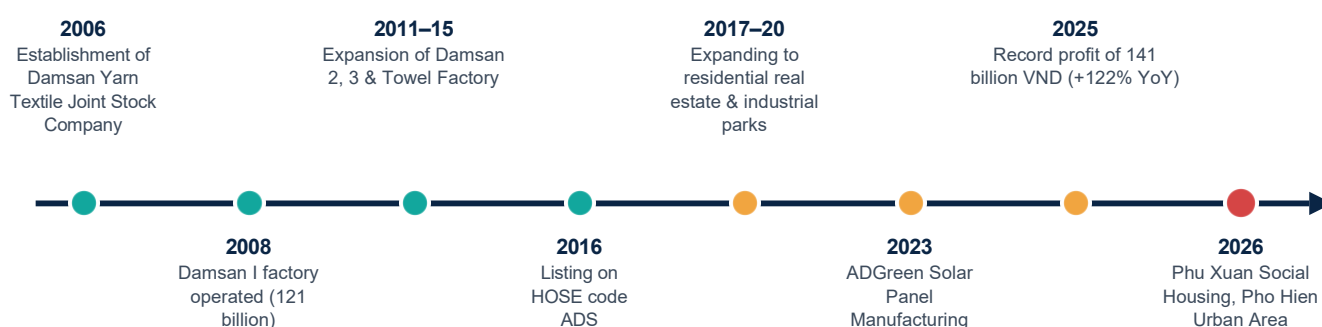
Time	Events	Expected impact
Q4/2026	Handover of Duc Dung, Hung Lung factories; handover of apartments adjacent to Phu Xuan/Quang Trung	Q4 real estate revenue ~200–250 billion VND
Q4/2026–2027	Recorded a lease contract for 15 hectares of An Ninh Industrial Park (estimated at ~80 billion)	+0.8–1.0 thousand VND of accumulated EPS
2027	Ninh An Industrial Park completes concentrated wastewater, officially exploiting 52 hectares of commercial products	Expansion of the land fund for lease
2026–2027	Completion of Phase 2 (25 hectares) and Vu Ninh expansion (37.5 hectares)	Industrial Cluster array RNAV validation
2027–2028	Topping out & handing over Phu Xuan social housing (2 buildings 15 floors)	Residential revenue 260-290 billion/year
2026–2027	Bidding results for Pho Hien urban area (Hung Yen) through Hung Yen Real Estate Investment Joint Stock Company	Options are not included in the target

1. Company Overview

Damsan Joint Stock Company (formerly Damsan Textile Joint Stock Company) was established in 05/2006 by Thai Binh Investment Trading Joint Stock Company and members of Handicraft Import-Export Company. Damsan I factory started construction on 06/2006 with an investment of 121 billion VND, with a capacity of 2,880 tons of OE yarn and 2,220 tons of carded yarn (CD)/year. After nearly 20 years, ADS owns 3 yarn factories with a total capacity **of 12,000 tons of yarn/year** and **2,850 tons of towels/year**, and expands to three new segments: industrial cluster infrastructure, residential/social housing real estate and solar panel production (ADGreen). Headquartered at Lot A4, Bui Vien Street, Nguyen Duc Canh Industrial Park, Tran Hung Dao Ward, Hung Yen Province (former Thai Binh, merged in 2025).

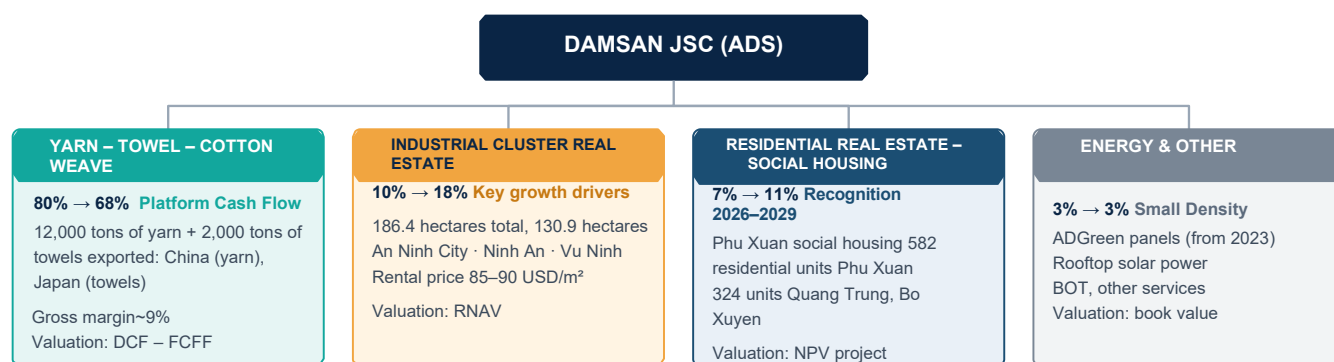
ADS's strategic differentiator is the **"integrated industry – infrastructure" model**: the enterprise is both a manufacturer and an investor of the industrial park and often an "anchor" tenant in its own industrial park (for example, ADP high-end towel weaving factory in An Ninh Industrial Park). This approach helps to reduce the risk of initial occupancy and take advantage of local government relations, similar to the model of Vinatex/TCM (exploitation of factory land fund) or of Texhong in Quang Ninh (Hai Ha Industrial Park).

Figure 1: Key development milestones of ADS (2006 – 2026)



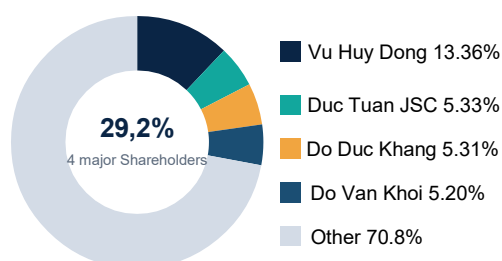
Source: ADS, VDSC, compilation of the analysis team. Some timelines are relative.

Figure 2: 4-pillar business model – revenue share 2025A → 2028F



Source: ADS, estimates by the analysis team. Proportion = segment revenue / consolidated net revenue.

Figure 3: Shareholder structure (%)



Source: ADS, VDSC (6/2026).

Table 3: Leadership & management characteristics

Category	Contents
Chairman of BoD	Mr. Vu Huy Dong – holding 13.36%, capital representative in legal entity Pho Hien; the Chairman's wife registered to buy more shares (01/2026)
Centralized	4 major shareholders 29.2%; free float 55% – the average of the small-cap group
Information Transparency	Monthly IR newsletter (revenue, output, projected progress – rare in enterprises of the same size)
Audit	UHY (2024); Audited financial statements 2025 adjusted profit before tax from 122.6 to 141 billion VND
Plan 2026	
2026 plan	Revenue 2,157.6 billion, profit before tax 145 billion, dividend 15% – approved General Meeting of Shareholders (AGM) 18/04/2026

In terms of governance, we positively evaluate the leadership's proactive provision of monthly data, but note that the large difference between the independent and audited financial statements in 2025 (+18.4 billion profit before tax) shows that real estate revenue recording has a delay and depends on the time of handover – a factor to monitor in valuation.

2. Industry analysis & comparison of each sector

2.1 Weaving yarn – cotton towel: the bottom cycle has passed, the margin recovers slowly

Global context. Vietnam is the world's third-largest yarn exporter (after China and India), with a textile and garment turnover of about US\$44–46 billion/year, of which yarn accounts for ~US\$4.0–4.5 billion. About 55–60% of yarn exports go to China – a market where import demand fluctuates sharply due to cotton stockpiling policies and inventories of weavers. ICE cotton prices are flat at around 65–70 US cents/lb in 2025–2026, significantly lower than the 2022 peak (>150 cents/lb), helping to stabilize raw material costs (accounting for ~70–75% of yarn cost prices) but also dragging yarn selling prices down. Yarn price spread – cotton price spread is a variable that determines profit margins and remains lower than the 10-year average.

The Japanese towel market – where ~90% of ADS's towels are consumed – has strict technical requirements (absorbency, color fastness, JIS standards), creating barriers to entry and helping long-standing suppliers like ADS maintain stable orders, despite pressure from the weak JPY. The US counterpart tariff policy has an indirect impact: ADS does not sell directly to the US, but Chinese/Vietnamese customers exporting garments to the US can reduce yarn orders.

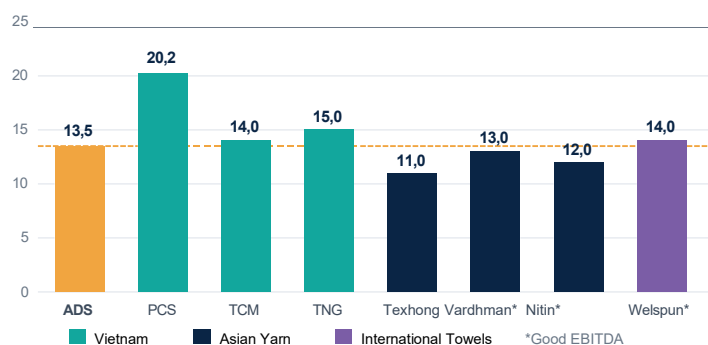
ADS position. With a scale of 12,000 tons/year, ADS is a small – medium-sized yarn manufacturer (STK ~65,000 tons, Texhong >700,000 tons globally). The advantage lies in the product portfolio of mixed yarn – towel – cotton business to help optimize capacity, and the location in Hung Yen near Hai Phong port. Limitations: there is no high margin of recycled yarn/technical yarn like STK (combined margin of recycled yarn ~32.9%).

Table 4: Comparison of activities – domestic, Asian and international textile and towel enterprises

Company	Country	Main Products	2025 revenue (million USD)	Gross Margin / EBITDA*	Competitive Characteristics
ADS	Vietnam	OE/CD yarns, towels, cotton	54	13,5%	Industrial cluster integration; Export China, Japan
STK – Century Yarn	Vietnam	Polyester yarn, recycled yarn	52	20,2%	Recycled yarn ~50% revenue; 2Q26 margin decreased to 11.3%
TCM – Success	Vietnam	Yarn – weaving – dyeing – sewing	~150	~14%	Closed Chain, Korean/American customers
VGT – Vinatex	Vietnam	Yarn – Garment Group	~740	~11%	Largest scale in Vietnam; profit 2025 ~1,355 billion
Texhong Textile	Hong Kong/China	Spandex core yarn, fabric	~3,200	~11%	of large factories in Quang Ninh, Nhon Trach
Vardhman Textiles	India	Cotton yarn, fabric	~1,150	~13%*	Domestic cotton autonomy, PLI subsidy
Nitin Spinners	India	Cotton/blended yarn	~390	~12%*	Exports >50 countries
Welspun Living	India	Towels, textiles	~1,170	~14%*	The world's largest towel manufacturer
Trident	India	Towels, yarn, paper	~820	~13%*	Yarn – Towel Integration, Private Brand
Uchino (private)	Japan	Imabari Premium	n.a.	n.a.	Reference quality standards for the Japanese market

*EBITDA margin. Reference estimates, updated ~9–10/2026, may differ from the official financial statements of each business.

Figure 4: Gross margin/EBITDA 2025 – ADS vs. peers (%)



Source: ADS, financial statements of enterprises, estimates of the analysis team.

EVALUATION OF ADS POSITION – YARN WEAVING

Strengths

- Diversified yarn, towel & cotton portfolio
- Japanese towel customers long-term, barrier substance High Volume
- Consolidated Margin 2025 is on par with Vardhman, higher than Texhong
- Labor & Land Costs low in Hung Yen

Weaknesses

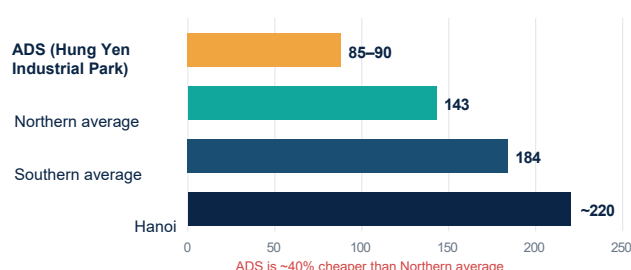
- Small scale, difficult to negotiate cotton prices
- Dependence on China in fiber array
- No recycled/technical fibers high margin technique
- Separate textile segment only ~9%

2.2 Real estate in industrial zones/clusters: benefit from "China + 1" with price advantage

FDI registered in Vietnam remains 35–40 billion USD/year; production capital flows shift away from China to prioritize the North thanks to its proximity to the South China supply chain. According to H1/2026 aggregate data, the average land rental price of industrial parks in **the North will reach 143 USD/m²/cycle (+2.9% YoY), the South will be 184 USD/m² (+1.7%), and Hanoi will be ~220 USD/m²**. When tier-1 industrial parks (Bac Ninh, Hai Phong) are almost filled and the rental price exceeds 150–200 USD/m², medium-sized secondary investors (textiles, toys, aluminum, components) move to tier-2 provinces such as Hung Yen – Thai Binh, supported by Thai Binh – Ha Nam expressway, coastal roads and Thai Binh port planning.

ADS is positioned in the industrial **cluster segment**– less than 75 hectares, the procedures approved by the provincial level are faster than industrial zones – with a rental price of 85–90 USD/m², ~40% lower than the average in the North. Tenants recorded include ADP high-end towel weaving factory, Duc Dung factory, Hung Lung toy factory and Vietnam Tengrong Aluminum (inaugurated 07/2026). An Ninh Industrial Park has approached secondary investors for 80% of the area; the 15-hectare lease contract is estimated by the company to bring in ~80 billion VND in profit.

Figure 5: Industrial land rental price (USD/m²/cycle, H1/2026)



Source: CBRE/Savills, VnEconomy (10/2026), VDSC, ADS.

Table 5: Comparison of activities – Domestic & Asian industrial real estate

Enterprise	Region	Land fund	Rental price (USD/m ²)
ADS	Hung Yen (former Thai Binh)	130.9 ha TP	85–90
KBC	Bac Ninh, Hai Phong, Long An	Very large (>1,000 ha)	130–250
IDC	BR-VT, Long An, Thai Binh	Large	120–190
SZC	BR-VT	Large	~120–140
VGC	Bac Ninh, Thai Binh, Quang Ninh		110–180
WHA Corp	Thailand (EEC), Nghe An	Very	~140–170*
Anony	Thailand, Dong Nai, large Quang Ninh	Very	~120–160*
Puradelta (DMAS)	Indonesia (Bekasi)		~180–220*

*Equivalent conversions. Reference estimates ~9–10/2026, subject to variations.

ASSESSMENT OF THE POSITION OF ADS – INDUSTRIAL CLUSTER REAL ESTATE

Strengths

- The lowest rental price in the group, suitable for small and medium-sized FDI enterprises
- Phase 1 Security is 100% filled – proving sales capacity
- Flexible provincial industrial park legality; being an "anchor" tenant

Weaknesses

- Small scale (130.9 hectares) compared to peer >1,000 hectares
- Logistics infrastructure is inferior to Bac Ninh/Hai Phong
- Depends on the progress of land clearance; small capitalization limits mobilization

2.3 Social & Urban Housing Real Estate

Social housing is promoted by the Project of 1 million social housing units by 2030, Resolution 201/2025/QH15 on specific mechanisms and preferential credit packages. The normative profit of 10–13% limits the margin, but in return the real demand is very large in industrial provinces and the inventory risk is low. ADS deploys Phu Xuan social housing (582 units, ~500 billion investment capital) associated with the workforce of the industrial parks themselves – the model of "housing for workers" similar to Kinh Bac (KBC) and Viglacera (VGC). **Renewable energy**: the global panel industry is severely oversupplied; the Chinese giants (LONGi, JA Solar, Trina) have losses or gross margins of nearly 0% in 2024–2026, while First Solar (US) benefits IRAs with a margin of ~40%. ADS's ADGreen is a small-scale manufacturer, serving domestic rooftop solar power (~2–3% of revenue) – we value it at book value.

2.4 Renewable energy – panels

Table 6: Positioning ADS in social/urban housing and solar energy

Enterprise	Field	Strategy/Scale	Characteristic profit margin	Compared to ADS
ADS	Social housing + adjacent to the province	Phu Xuan 582 social housing units; Residential area 324 units; Quang Trung 37 units	10–25%	–
VHM (Vinhomes)	Large urban area, Happy Home social housing	The target of tens of thousands of social housing units	35–45% (commercial)	Outstanding scale
NLG (Male Long)	Affordable housing	EHome, Flora – South	~35%	Similar segments
HDC (Hodeco)	Social housing – provincial urban area	BR-VT, SOCIAL HOUSING workers	~30%	Nearest Province Model
Solar energy – panels				
LONGi/JA / Trina	Panels (China)	>70 GW/year per enterprise	~0–3% (net loss)	Global price pressures
First Solar	Thin Film Panels (USA)	IRA benefits, tariffs	~40%	No direct competition

Reference estimates, updated ~9–10/2026, may vary.

ADS POSITION ASSESSMENT – RESIDENTIAL & ENERGY REAL ESTATE**Strengths**

- The demand for worker housing originates from ADS's own industrial cluster
- Clean land fund in the center of the province, moderate investment capital
- Green energy supports ESG for industrial cluster tenants

Weaknesses

- Social housing margin is controlled by 10–13%
- Revenue recorded by handover, fluctuating quarterly
- Small-scale panels, no cost advantage vs China

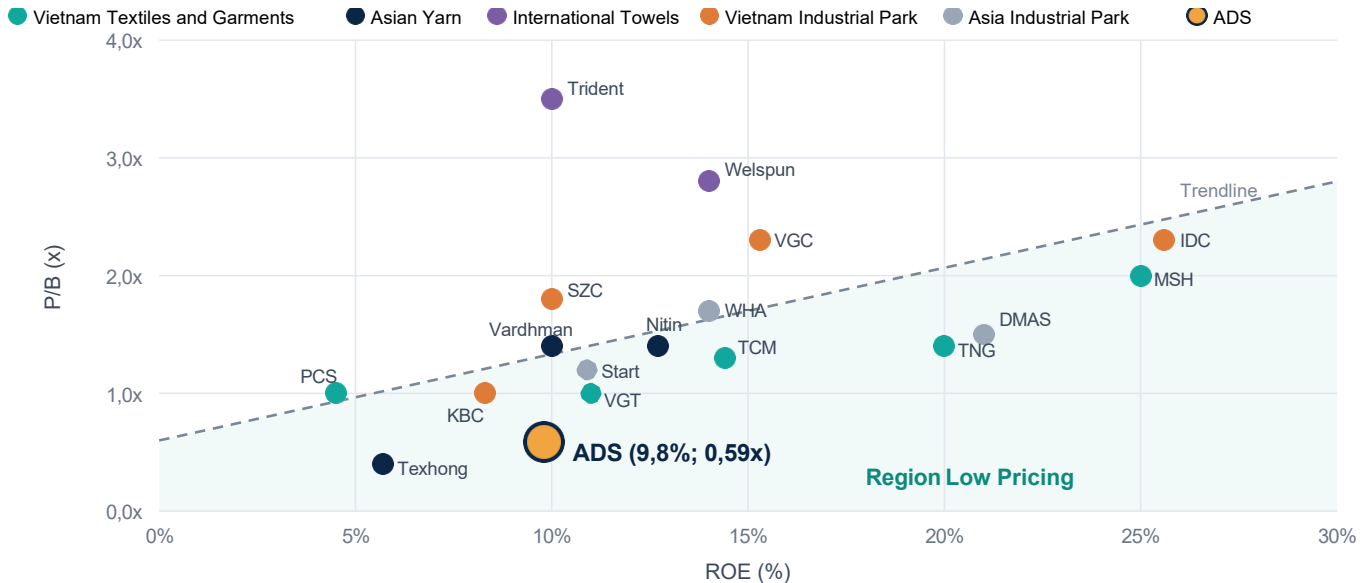
2.5 Peer-to-Peer Pricing Comparison: The Cheapest ADS of the Group in Every Measure

Table 7: Peer-to-peer valuation comparison table (trailing, ~9–10/2026)

Code	Company	Country	Capitalization (million USD)	P/E (x)	P/B (x)	ROE (%)	Gross margin/EBITDA (%)
ADS	Damsan JSC	Vietnam	23	6,3	0,59	9,8	13,5
Textiles – Vietnam							
STK	Century Synthetic Fiber Corporation	Vietnam	~70	22,0	1,00	4,5	20,2
TCM	Thanh Cong Textile Garment Investment Trading JSC	Vietnam	~60	9,0	1,30	14,4	14,0
VGT	Vinatex	Vietnam	~265	9,0	1,00	11,1	11,0
TNG	TNG Investment and Trading JSC	Vietnam	~90	7,0	1,40	20,0	15,0
MSH	Song Hong Garment JSC	Vietnam	~130	8,0	2,00	25,0	19,0
Median				9,0	1,30	14,4	15,0
Yarn & Towels – Asia/International							
2678 HK	Texhong Textile	Hong Kong	~600	7,0	0,40	5,7	11,0
VTL IN	Vardhman Textiles	India	~1.400	14,0	1,40	10,0	13,0*
NITINSPI	Nitin Spinners	India	~230	11,0	1,40	12,7	12,0*
WELSPUNLI	Welspun Living	India	~1.600	20,0	2,80	14,0	14,0*
TRID IN	Trident	India	~1.700	35,0	3,50	10,0	13,0*
Median				14,0	1,40	10,0	13,0
Industrial Park Real Estate – Vietnam & Asia							
KBC	Kinh Bac City	Vietnam	~1.030	12,0	1,00	8,3	~45
IDC	IDICO	Vietnam	~570	9,0	2,30	25,6	~40
SZC	Sonadezi Chau Duc	Vietnam	~240	18,0	1,80	10,0	~50
VGC	Viglacera	Vietnam	~770	15,0	2,30	15,3	~30
WHA TB	WHA Corporation	Thailand	~1.800	12,0	1,70	14,0	~45
AMATA TB	Amata Corp	Thailand	~750	11,0	1,20	10,9	~40
DMAS IJ	Puradelta Lestari	Indonesia	~430	7,0	1,50	21,0	~60
Median				12,0	1,70	14,0	~45
Solar Energy – International							
601012 CH	LONGi Green Energy	China	~20.000	n.m.	1,80	Negative	~1
002459 CH	YES Solar	China	~6.000	n.m.	1,30	Negative	~0
FSLR US	First Solar	USA	~20.000	14,0	2,30	17,0	~40

*EBITDA margin. n.m.: no significance (loss). Reference estimates, updated ~9–10/2026, may vary. Source: Bloomberg, Investing, corporate financial statements, estimates of the analyst team.

Figure 6: P/B vs. ROE – ADS is deep in the low valuation zone



Source: Bloomberg, Investing, ADS, analyst team estimates. Reference data ~9–10/2026.

ADS has an ROE equivalent to the Asian fiber median (10%) but the P/B is only ~42% of the median (1.4x). At an ROE of 9.8%, the trend line implies a reasonable P/B of ~1.3x. We only apply a target P/B of 0.85x to reflect scale discounts, liquidity, and leverage – still leaving a significant margin of safety.

3. Business Analysis

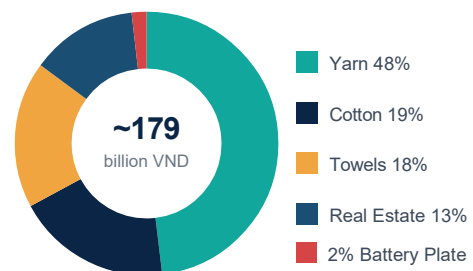
ADS's revenue structure is shifting markedly: the yarn – towel – cotton segment decreased from ~88% (2023) to ~80% (2025) and is expected to ~68% (2028F), giving way to industrial and residential real estate. Particularly in Q4/2025, real estate revenue reached VND 242 billion (2.5 times higher than the same period last year), accounting for 39% of quarterly revenue, while revenue from goods – finished products decreased slightly by 3% to VND 374 billion.

Figure 7: Revenue structure by segment 2023A – 2028F (billion VND)



Source: ADS, estimate by the analysis team.

Figure 8: Revenue structure in August 2026



Market Structure (8/2026)

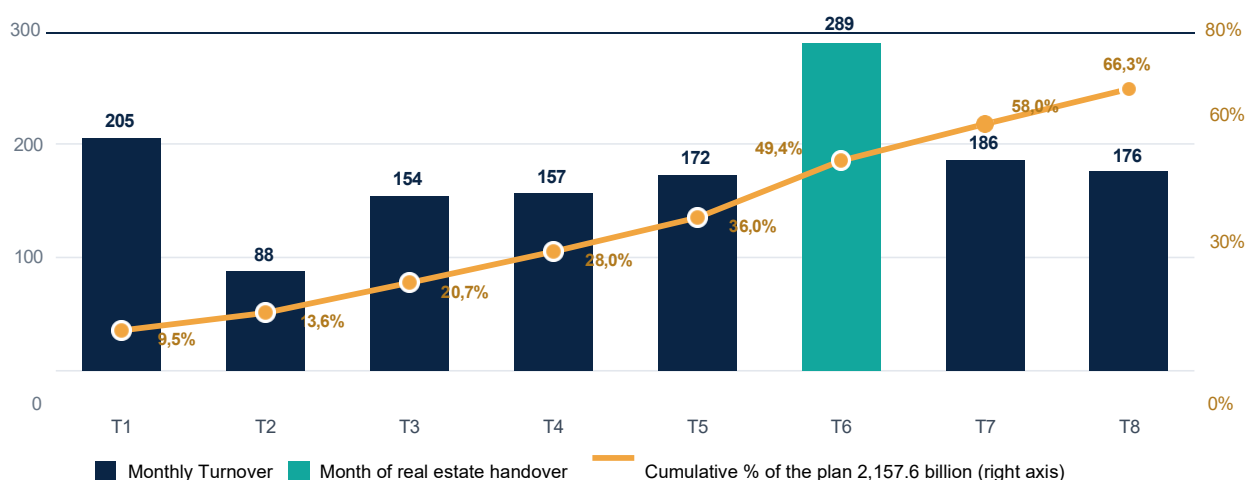
Exports 62%

Domestic 38%

August Production: ~1,071 tonnes of yarn · ~817 tonnes of cotton · ~265 tonnes of towels

Source: ADS Investor Newsletter August 2026.

Figure 9: Consolidated revenue by month 2026 (billion VND) and progress of completing the year plan (%)



Source: ADS Investor Newsletter in August 2026; monthly revenue is deduced from the accumulated number. Accumulated 8M/2026: 1,426.7 billion (66.3% of the budget), equivalent to 66.7% of the time schedule.

Table 8: List of real estate projects – scale, progress and value contribution

Projects	Type	Total revenue (ha)	Remaining commercial products (ha)	Progress (08/2026)	Recognition	NPV (billion)
Industrial Real Estate – Industrial Cluster						
An Ninh Industrial Cluster	Industrial Park – Land and Workshop for Lease	75,0	~18	Phase 1 49.9 hectares are 100% filled; investors have been approached for 80% of the area; Phase 2 25 hectares are in clearance	2026–2028	130
Ninh An Industrial Cluster	Industrial Cluster – Land Lease	74,0 (+25 MR)	52	Construction of concentrated wastewater treatment plants, intersections Clearance, drainage	2027–2031	290
Vu Ninh Industrial Park (expanded)	Industrial Cluster – Land Lease	37,5	25	Land recovery, tallying and posting of the compensation - support - resettlement plan in Vu Quy commune	2028–2032	140
Residential Real Estate & Social Housing						
Phu Social Housing Spring	546 social housing units + 36 Commercial-Service Apartments	–	58,000 m ² floor area	Building 2 is constructed on the 8th floor, building 1 is on the 5th floor; open selling; investment capital ~650 billion	Q4/2027–2028	60
Phu Xuan residential area	324 townhouses, villas	10,5	–	Completing the remaining units, building rough land lots	2025–2028	95
Quang Trung / Bo Xuyen	37 + 41 Townhouses	0,51 / 0,37	–	Bo Xuyen has been handed over; Quang Trung roughly built the remaining lots	2025–2027	25
Pho Hien Urban Area (36%)	Urban – via Hung Yen Real Estate JSC	n.a.	–	Establishment of legal entities 04/2026, preparation for bidding	After 2028	40*
Total value of real estate segment (Industrial Cluster 560 + residential 180 + links 40)						780

*Recorded according to the value of contributed capital of 36 billion + small compensation; project potential has not yet been valued. Source: ADS, VDSC, estimate of the analysis team.

Table 9: Textile production capacity

Category	Main Market Capacity	
Yarn (OE, CD, CM) – 3 Factories	12,000 tons/year	China, domestic
Cotton	2,000 tons/year	Japan (~90%), Korea, Radio
Cotton business	~800–1,000 tons/month	Domestic (textile)
ADP High-end Towel Weaving Workshop	Perfecting Japan	
Solar Panels (ADGreen)	Small Scale	Domestic Attic
Fiber utilization efficiency for the first 8 months of 2026	~105%*	Average ~1,050 tons/month

*Calculated on a design capacity of 1,000 tons/month; higher actual output thanks to low thread.

BUSINESS STATEMENT

(1) The textile segment maintained a stable output of 1.8–2.3 thousand tons/month (including cotton), but the gross margin in Q1–Q2/2026 decreased to 8.5–10.2% due to the narrowing of the yarn-cotton spread and price competition of Chinese orders.

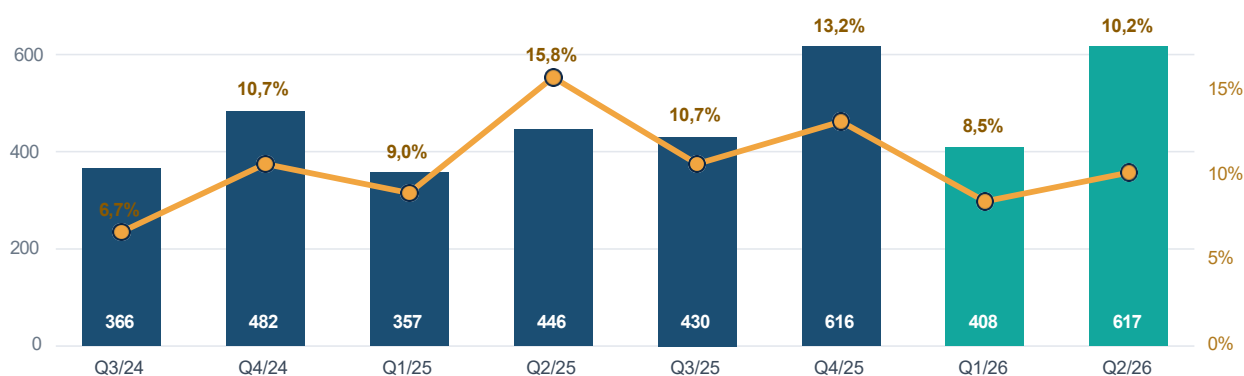
(2) Real estate is the variable that determines profit: only accounting for 13% of revenue in August 2026 but contributing an estimated ~45% of gross profit. June 2026 (289 billion) reflects a large handover.

(3) The model of "anchor factory + industrial park + worker housing" creates a closed circle, helping An Ninh industrial park fill Phase 1 faster than the average of provincial industrial parks (usually 5-7 years).

4. Financial Analysis

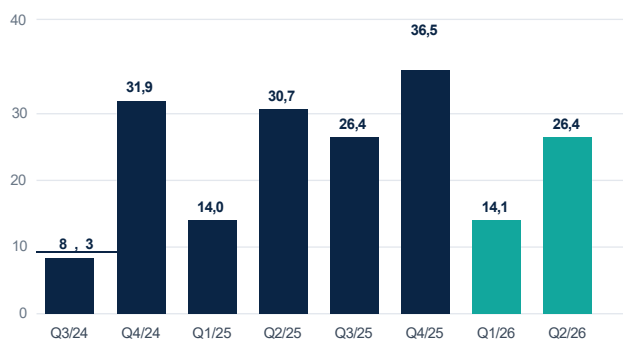
2025 – the hinge year. According to the audited financial statements, net revenue reached VND 1,870 billion (+14.8%), gross profit nearly doubled to VND 252.2 billion (margin 13.5%, the highest in history), profit before tax was 141 billion VND (+122%) and profit after tax attributable to parent company shareholders was 96.7 billion VND. (EPS VND 1,266). Interest expense increased by 21% to ~VND 62 billion due to outstanding loans for project investment. **H1/2026:** revenue of VND 1,028 billion (+28% YoY) but parent company's profit after tax was flat (VND 38.7 billion, -0.6%) – cost of goods in Q2/2026 increased by 48.8% faster than revenue (+39.2%), selling expenses increased by 171% (commissions, marketing to open Phu Xuan social housing), management increased by 27%. The quality of profits therefore depends a lot on the time of recording real estate.

Figure 10: Net revenue by quarter (billion VND) and gross profit margin (%)



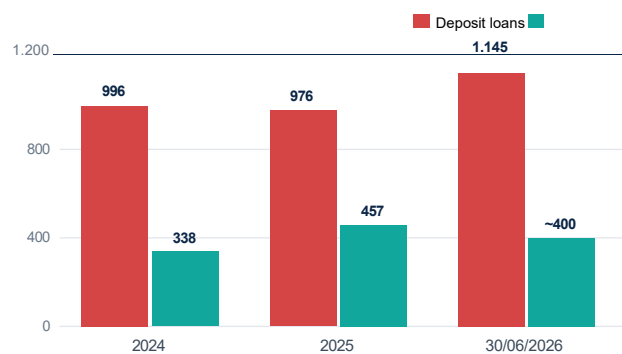
Source: ADS quarterly financial statements (24HMoney, Vietstock). Q1–Q2/2026 teal coloring.

Figure 11: Quarterly profit (billion VND)



Source: ADS quarterly financial statements (self-established, pre-audited data).

Figure 12: Loans compared to bank deposits (billion VND)



Source: ADS Financial Statements; cash balance 6/2026 is estimated.

Table 10: DuPont analysis

Criteria	2024A	2025A	2026F	2027F	2028F
Net profit margin (parent company)	3,1%	5,2%	5,0%	5,7%	6,4%
Asset Turnover (x)	0,70	0,77	0,78	0,85	0,86
Assets-to-Equity Ratio (x)	2,51	2,48	2,55	2,57	2,52
ROE	5,5%	9,8%	10,0%	12,3%	14,0%
LENGTH	2,2%	4,0%	3,9%	4,8%	5,6%

ROE improved mainly due to profit margin (real estate) and asset turnover, not relying on increased leverage.

Table 11: Liquidity & capital structure

Criteria	2024A	2025A	6/2026
Debt/ Equity (x)	1,01	0,92	1,10
Net debt/ Equity (x)	0,67	0,49	0,71
Proportion of short-	~88%	~90%	~90%
Current ratio	1,08	1,12	1,05
EBIT/Interest (x)	1,5	2,9	2,6*
Days in stock	~110	~98	~105

*Estimates for the last 12 months. Source: ADS Financial Statements, estimates of the analysis team.

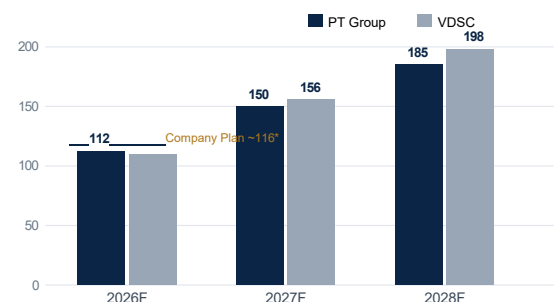
Assessment: The capital structure of "short loans – long investment" is the biggest weakness. Nearly 90% of outstanding loans are short-term loans (Agribank Tay Do 300 billion, BIDV Thai Binh 283.5 billion, VietinBank Thai Binh 175 billion) while inventory is mainly unfinished project costs (76%). However, liquidity risk is minimized by large deposits (~18% of total assets) and long-term credit relationships with state-owned banks. Compared to STK (loan debt 1,970 billion, D/E ~1.0x) or TCM (~0.8x), ADS leverage is at the same level as the industry; compared to listed industrial parks (IDC, SZC using prepaid rent), ADS is less flexible.

5. Assumptions & Projections

Table 12: Main Forecast Assumptions

Assumptions	2025A	2026F	2027F	2028F
Yarn Output (tons)	~12.100	12.600	12.800	13.000
Avg. Yarn Selling Price (USD/kg)	2,45	2,40	2,48	2,52
ICE cotton price (US cents/lb)	~67	66	70	72
Textile segment margin	~9,5%	8,8%	9,5%	10,0%
Avg. USD/VND Exchange Rate	25.900	26.300	26.700	27.000
Rental price of industrial park (USD/m ²)	~85	88	90	93
Industrial Cluster Land Handover (ha)	~8	9	16	20
Industrial Cluster Gross Margin	~45%	42%	43%	43%
Social housing handover	0	0	200	300
Avg. Loan Interest Rate	6,8%	7,2%	7,3%	7,0%

Figure 13: Projected EBIT – analyst group vs VDSC (billion)



*Planned profit after tax is 145 billion × (1 – 20%). Source: ADS, VDSC (6/2026).

VS. PLAN & CONSENSUS

2026F revenue of VND 2,050 billion = 95% of the plan (VND 2,157.6 billion), higher than VDSC (VND 1,959 billion) due to the accumulation of the first 8 months reached VND 1,427 billion. Pre-tax profit for 2026F: 140 billion VND = 97% of the plan: H1 margin is lower than expected, but Q4 is usually the real estate handover season. We are more conservative than VDSC for 2027–2028F, assuming a 6–12-month delay in site clearance for Phase 2 of Vu Ninh/An Ninh.

Table 13: Projected business results by segment (billion VND)

Criteria	2024A	2025A	2026F	2027F	2028F	CAGR 25–28F
Yarn, towel & cotton revenue	1.400	1.495	1.640	1.720	1.800	6,4%
Industrial real estate revenue	80	160	210	380	480	44,2%
Residential real estate revenue	105	150	150	260	290	24,6%
Solar panel & other revenue	44	65	50	60	70	2,5%
Net Revenue	1.629	1.870	2.050	2.420	2.640	12,2%
Gross profit	133,6	252,2	270	340	390	15,6%
<i>in which: Real estate (% gross profit)</i>	~35%	~42%	45%	55%	58%	–
Profit before tax	63,5	141,0	140	188	232	18,1%
Net profit after tax attributable to parent company shareholders	51,0	96,7	102	137	170	20,7%

Source: ADS, estimate by the analysis team.

6. Pricing & Recommendations

We set a **12-month target price of 11,700 VND/share** (+50.4%), recommending **BUY**. The main methodology is **Total Components (SoTP – 60%)**: DCF-FCFF for textiles, RNAV for industrial and residential real estate, book value for energy & links; combining **a target P/E of 8.5x (20%)** and **a target P/B of 0.85x (20%)** to reflect the market perspective. Our target price is lower than VDSC's (VND 14,800) due to discounts for site clearance delays and short-term leverage risks.

Table 14: Total Components Valuation (SoTP)

Compone	Method	Values (billion) VND/share %		
Weaving yarn - towel - cotton	DCF-FCFF, WACC 11.4%, g 2%	820	10.734	48,5%
An Ninh Industrial Park, Ninh An, Vu Ninh	RNAV, 95 ha, 88 USD/m ² , r 13%	560	7.330	33,1%
Residential real estate (Phu Xuan, Quang Trung)	Project Cash Flow NPV	180	2.356	10,7%
Renewable Energy & Other	Book value	90	1.178	5,3%
Link – Hung Real Estate Yen (36%)	Book value	40	524	2,4%
Gross Enterprise Value (EV)		1.690	22.122	100%
(–) Net debt (loan 1,145 – money 420, 30/06/2026)		-725	-9.490	
(–) Non-controlling shareholder interests		-60	-785	
Equity Value		905	11.846	

Shares outstanding: 76.39 million. Source: analysis team estimates.

Table 15: Cost of Capital (WACC)

Paramete	Value
Risk-free interest rate (10-year bonds)	4,2%
Market Risk Compensation (ERP)	8,5%
Modified Beta (Blume, industry)	0,90
Scale & liquidity compensation	2,0%
Cost of equity (Ke)	13,9%
Pre-tax/after-tax debt expenses	8,0% / 6,4%
Target debt ratio D/(D+E)	34%
WACC	11,4%

Table 16: Methodology summary

Method	Values	Weights
SoTP	11.846	60%
P/E 8,5x × EPS 26F 1.335	11.348	20%
P/B 0,85x × BVPS 26F 13.900	11.815	20%
Weighted Average	11.743	100%
Target price (rounded)	11.700	+50,4%

Table 17: DCF-FCFF yarn – towel – cotton segment (billion VND)

Criteria	2026F	2027F	2028F	2029F	2030F	Closing value
EBIT Textile Segment	95,0	105,0	112,0	118,0	122,0	
(–) Corporate income tax 20%	-19,0	-21,0	-22,4	-23,6	-24,4	
(+) Depreciation	40,0	42,0	44,0	45,0	46,0	
(–) Capex	-55,0	-50,0	-48,0	-46,0	-46,0	
(–) Changes in working capital	-15,0	-10,0	-10,0	-8,0	-8,0	
FCFF	46,0	66,0	75,6	85,4	89,6	972 (g = 2%)
Discount coefficient (11.4%)	0,898	0,806	0,723	0,649	0,583	0,583
PV	41,3	53,2	54,7	55,4	52,2	566,7
EV textile segment = PV FCFF 256.8 + PV value at end of the period 566.7 (TV accounted for 69%)						≈ 820

Table 18: SoTP/share value sensitivity – WACC × g

WACC \ g	1,0%	1,5%	2,0%	2,5%	3,0%
10,4%	12.300	12.790	13.290	13.840	14.420
10,9%	11.620	12.080	12.570	13.070	13.590
11,4%	10.990	11.410	11.850	12.300	12.760
11,9%	10.400	10.780	11.130	11.560	11.980
12,4%	9.840	10.180	10.410	10.880	11.250

Table 19: Sensitivity - industrial cluster leasing price × absorption rate

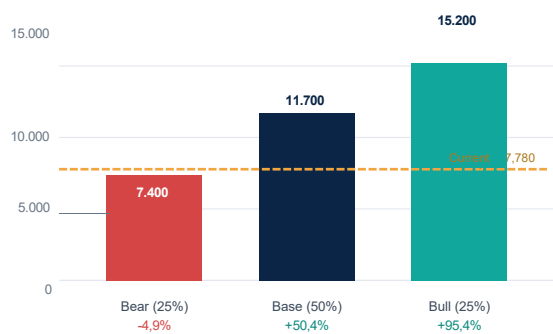
USD/m ² \ ha/year	10	15	20	25
75	8.120	8.760	9.100	9.310
80	9.150	9.950	10.420	10.710
88	10.750	11.850	12.440	12.800
95	12.230	13.510	14.200	14.620
105	14.360	15.890	16.760	17.300

Figure 14: "Football field" chart – value range by method (VND/share)



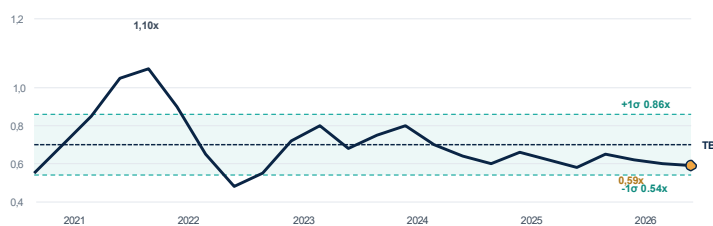
Source: estimates of the analysis team, VDSC, HOSE.

Figure 15: Pricing scenario (VND/share)



Expected value according to probability: ~11,500 VND/share.

Figure 16: ADS P/B history 2021 – 2026 (x)



Source: HOSE, ADS financial statements, calculations of the analysis team (quarterly data, estimates).

Table 20: Assumptions of pricing scenarios

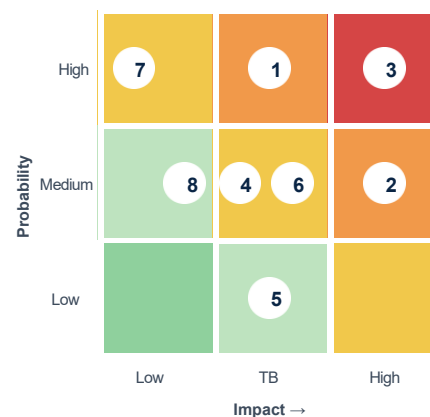
Scenario	Textile Segment	Industrial real estate	Residential & Financial Real Estate	Value (VND/share)
Bull	Gross margin 13%, Chinese demand recovers	Rental price 100 USD/m ² , land clearance on time, 20-25 hectares/year	Social housing is sold out in 2027, Pho Hien wins the bid	15.200
Base	Gross margin 8.8–10%	88–93 USD/m ² , 9–20 hectares/year	Social housing handover 2027–2028	11.700
Bear	Gross margin 7%, loss of Chinese orders	Ninh An & Vu Ninh is 2 years late, the price is 80 USD/m ²	Interest rate +200 bps, social housing inventory	7.400

7. Investment Risks

Table 21: Risk Matrix

#	Risks	Probability	Impact	Description & mitigation measures
1	Thin yarn margin, cotton price	High	TB	Yarn-cotton spreads narrowed (1Q26 margin 8.5%). ADS combined with cotton and towel business was higher.
2	Short-term loans, interest rates	TB	High	~90% short-term debt; +100 bps interest rate reduces ~9% of profit before tax. Deposits account for 18% of total assets, providing a liquidity buffer.
3	Industrial cluster site clearance progress	High	High	An Ninh Phase 2, Vu Ninh is counting; 1 year late, decreased ~600 VND/share in value.
4	China/Japan Dependency	TB	TB	Yarn depends on China; towels ~90% Japan (weak JPY affects price).
5	Exchange rates	Low	TB	62% of export revenue is natural hedge; debt is mainly VND.
6	Real estate legality, uneven recording	TB	TB	Real estate revenue by handover causes quarterly fluctuations; Social housing has a profit ceiling of 10–13%.
7	Stock Liquidity	High	Low	Trading volume ~0.1 million shares/day, Foreign ownership: 0.13% – limiting institutional capital flows.
8	Working Capital Management	TB	TB	Difference in independent financial statements – audit 2025; large unfinished inventory.

Figure 17: Risk Heat Map



The number in the corresponding cell # in Table 21.

8. ESG & Corporate Governance

Table 22: ESG scoring (scales 1–5) and comparison

Pillars	ADS Review	ADS	PCS	TCM	Welspun
Environment (E)	Producing panels, green energy programs; Industrial parks have concentrated wastewater. There is no recycled fiber, no emissions have been declared.	3,0	4,0	3,5	4,5
Society(s)	Thousands of local workers; social housing for workers; production safety is reported monthly.	3,5	3,5	3,5	4,0
Administration (G)	Plus: monthly IR newsletter, clear plan. Minuses: pre/post-audit data difference, centralized internal shareholder ownership.	3,0	4,0	3,5	4,0
Summing up	Medium – there is room for improvement through the GRI sustainability report	3,2	3,8	3,5	4,2

The qualitative assessment of the analysis team is based on published information; not the official ESG rating.

Appendix: Summary Financial Statements

Business results (billion VND)

Criteria	2024A	2025A	2026F	2027F	2028F
Net Revenue	1.629	1.870	2.050	2.420	2.640
Cost	-1.495	-1.618	-1.780	-2.080	-2.250
Gross profit	133,6	252,2	270	340	390
Cost of Selling	-12	-14	-25	-32	-35
Business management costs	-45	-61	-55	-63	-70
EBIT	76,6	177,2	190	245	285
Net financial profit/loss	-15,0	-36,2	-55	-60	-55
Other Profits	1,9	0,0	5	3	2
Profit before tax	63,5	141,0	140	188	232
Corporate income tax	-8,4	-34,7	-28	-38	-47
Net profit after tax	55,1	106,3	112	150	185
Non-controlling interests	4,1	9,6	10	13	15
Net profit after tax attributable to parent company shareholders	51,0	96,7	102	137	170
EBITDA	158	245	260	315	355

Summary Cash Flow (billion VND)

Criteria	2024A	2025A	2026F	2027F	2028F
CF Operating activities	85	210	60	260	300
CF investment (capex, project)	-90	-110	-160	-150	-120
CF Finance	20	-10	50	-80	-110
Net Money Change	15	90	-50	30	70
FCF (CFO – capex)	-5	100	-100	110	180

Summary Balance Sheet (billion VND)

Criteria	2024A	2025A	2026F	2027F	2028F
Money & Deposits	380	470	420	450	520
Receivables	300	330	380	420	450
Inventory	457	398	520	480	450
Net Fixed Assets	520	500	560	580	590
Industrial cluster infrastructure, construction in progress & other assets	693	802	870	1.020	1.140
Total Assets	2.350	2.500	2.750	2.950	3.150
Short-term & long-term loans	996	976	1.150	1.150	1.100
Other liabilities	368	462	468	564	676
Equity attributable to owners of the parent	936	1.002	1.062	1.153	1.276
Non-controlling interests	50	60	70	83	98
Total Capital	2.350	2.500	2.750	2.950	3.150

Key Financial Indicators

Indices	2024A	2025A	2026F	2027F	2028F
Revenue growth	-0,8%	14,8%	9,6%	18,0%	9,1%
EPS Growth	–	89,6%	5,5%	34,3%	24,1%
Aggregation	8,2%	13,5%	13,2%	14,0%	14,8%
Good EBITDA	9,7%	13,1%	12,7%	13,0%	13,4%
Net profit margin attributable to parent	3,1%	5,2%	5,0%	5,7%	6,4%
ROE / ROA	5,5% / 2,2%	9,8% / 4,0%	10,0% / 3,9%	12,3% / 4,8%	14,0% / 5,6%
Debt-to-equity ratio (x)	1,01	0,92	1,02	0,93	0,80
EPS (VND)	667	1.266	1.335	1.790	2.225
BVPS (VND)	12.250	13.112	13.900	15.100	16.700
P/E (x)	11,7	6,1	5,8	4,3	3,5
P/B (x)	0,64	0,59	0,56	0,52	0,47
EV/EBITDA (x)	8,7	5,6	5,3	4,4	3,9

Valued at 7,780 VND. Figures 2024A–2025A According to the audited financial statements, some items are reclassified/rounded by the analysis team.

Recommendation System & Disclaimer

Recommendations	Total Expected Yield 12M
BUY	> +15%
POSITIVE	+5% to +15%
NEUTRAL	-5% to +5%
LESS POSITIVE	-15% to -5%
SELL	< -15%

Data Sources: Audited Consolidated Financial Statements 2025 and Financial Statements Q2/2026 of Damsan Joint Stock Company; Investor Newsletter for August 2026; Resolution of the Annual General Meeting of Shareholders 18/04/2026; ADS Initial Analysis Report of VDSC (06/2026); 24HMoney, Vietstock, CafeF; CBRE/Savills; Bloomberg/Investing for international corporate data.

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