



Company Report: Techcom Securities Joint Stock Company (TCBS)

Research Department

15/07/2025

Keep the entrepreneurial spirit alive

KEY HIGHLIGHTS

The upcoming TCBS IPO, slated for late 2025 to early 2026, has attracted strong investor interest as the securities subsidiary within the Techcombank ecosystem prepares for its public debut. On July 9, TCBS's Board of Directors approved a plan to increase charter capital by offering 231.15 million shares (11.11% of total shares outstanding), with the sale scheduled between Q3/2025 and Q1/2026. The offering price will be no lower than the book value per share, based on the latest quarterly financial statements.

Industry Leader: Operating a traditional securities model, TCBS is recognized for its superior customer experience and comprehensive financial product ecosystem. Since first entering the top 10 brokerage firms by market share in 2022, TCBS now ranks third in stock brokerage on HOSE and leads the market in bond brokerage.

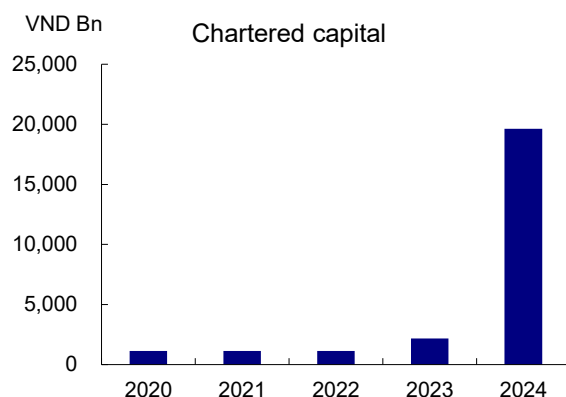
Pioneering Digital Transformation: Backed by a strong IT team and the largest financial database in the market, TCBS is a frontrunner in digital finance, well positioned to benefit from the government's push toward digital financial products.

Recommendation:

WATCHLIST

Target price

Major shareholder

Techcombank
(100%)

Source: FiinproX, Guotai Junan (VN).

Another key value driver for TCBS lies in its highly loyal customer base, who are deeply integrated within the TCBS and Techcombank ecosystem. Given the company's superior profitability and the premium associated with its digital asset trading segment, the most optimistic valuation scenario for TCBS corresponds to a P/B multiple of 3.0, translating to a target price of VND 39,360 per share (with a base case scenario of VND 28,400 per share, equivalent to a P/B of 2.17). On the other hand, it is important to note the risks associated with the bond segment, which accounts for a significant portion of TCBS's asset structure and contributes substantially to its overall profitability.

	2020	2021	2022	2023	2024
Margin Lending Growth (%YoY)	126.69%	264.54%	-43.03%	94.49%	57.45%
Net Revenue Growth YoY	50.07%	59.37%	0.45%	0.75%	44.86%
Gross Profit Growth	47.96%	48.02%	-7.78%	8.65%	50.66%
EBITDA Growth YoY	48.68%	51.85%	-10.80%	9.18%	54.93%
Pre-tax Profit Growth	47.95%	41.53%	-19.74%	-0.96%	58.57%

The expected valuation for TCBS is based on a combination of:

- ✓ Valuation for the traditional brokerage business model
- ✓ A premium reflecting expectations for the transition to digital asset trading

For the traditional segment, we determine a fair value for TCBS using the average P/B ratio of leading industry peers, which incorporates a premium for TCBS's ecosystem and growth potential.

Valuation Scenarios for TCBS

Owners' equity Q1.2025 (bnVND)	27,295							
Total Shares Outstanding	2.08							
BVPS (VND)	13,121							
	Avg PB Of broker age firms	Avg PB top 5 market share	HCM	SSI	VCI	MBS	DSE	Highest (FTS)
P/B	1.48	2.17	2.62	2.13	2.39	2.35	2.05	3.39
TCBS target price (VND)	19,416	28,447	34,378	27,949	31,360	30,835	26,899	44,482

As of July 14, 2025, the Top 5 market shares refer to the five listed securities companies with the largest market shares in descending order. Source: FiinproX, GTJASVN RS

Comparison with Industry Peers

Ticker	Gross profit margin	EBITDA Margin	Pre-tax Profit Margin	Net Profit Margin	ROA	ROE	ROIC
SSI	61.94%	60.01%	41.85%	33.56%	3.95%	11.33%	5.76%
VCI	55.58%	52.23%	32.54%	26.95%	4.30%	9.37%	8.49%
VND	56.45%	49.86%	34.62%	28.55%	3.25%	7.75%	5.02%
HCM	37.58%	28.52%	27.94%	22.42%	3.24%	9.54%	3.54%
VIX	49.84%	48.20%	43.90%	35.56%	5.06%	6.08%	6.18%
MBS	59.73%	53.03%	33.38%	26.64%	4.06%	12.93%	7.04%
FTS	62.39%	56.28%	55.57%	47.70%	5.79%	13.65%	6.48%
SHS	67.90%	62.00%	57.81%	47.55%	6.77%	8.22%	8.08%
BSI	57.61%	45.64%	31.77%	25.52%	3.27%	7.11%	5.35%
DSE	41.82%	27.92%	23.72%	18.95%	1.60%	4.02%	1.80%
Average	55.08%	48.37%	38.31%	31.34%	4.13%	9.00%	5.77%
TCBS	90.87%	83.73%	63.06%	50.55%	7.93%	15.42%	11.76%

Ticker	Mkt cap (VND Bn)	EV (VND Bn)	EV/EBITDA (TTM)	EPS (TTM)	P/E	BVPS	P/B
SSI	58,663.21	113,944	21.78	1,544.74	19.26	13,972.88	2.13
VCI	30,096.29	38,105	19.51	1,601.82	26.00	17,409.52	2.39
VND	27,173.05	54,334	20.96	1,020.39	17.49	13,202.13	1.35
HCM	26,998.92	44,943	35.71	1,354.02	18.46	9,547.31	2.62
VIX	24,196.59	27,680	23.38	666.07	23.72	10,720.06	1.47
MBS	16,897.10	28,411	17.20	1,649.76	17.88	12,533.82	2.35
FTS	14,483.62	19,761	30.26	1,647.59	25.37	12,326.00	3.39
SHS	13,148.59	15,523	12.91	1,030.86	14.26	13,010.26	1.13
BSI	11,335.91	17,285	27.07	1,455.20	31.75	20,936.96	2.21
DSE	8,361.54	14,510	59.77	497.80	49.42	12,012.05	2.05
Average	23,135.48	37,450	26.86	1,246.82	24.36	13,567.10	2.11



(*) Note: The current P/B valuation is also higher than the 5-year industry average for the securities sector.

For the digital asset trading segment, Vietnam's market offers significant potential, with an annual trading volume exceeding USD 120 billion and 22 million digital asset accounts—providing ample growth opportunities for TCBS. However, it is important to temper expectations, as the regulatory framework is still being finalized and will require time for testing and full implementation.

Currently, only two leading securities companies, including TCBS, have ventured into this segment. TCBS employs 491 staff, with around 60% specializing in IT, and stands out as the industry leader in terms of app interface innovations and integrated data processing.

Another key value driver for TCBS is its highly loyal customer base, closely linked to both the TCBS and Techcombank ecosystems. As a result, given TCBS's superior profitability and the premium attributed to its digital asset trading business, the most optimistic valuation scenario corresponds to a P/B of 3.0, or VND 39,360 per share. In the base case, a fair value is derived using a P/B of 2.17 (the average for the top five brokerage firms), equivalent to VND 28,400 per share.

On the other hand, it is important to consider the risks associated with the bond segment, which accounts for a significant portion of the company's assets and profit contribution.



TRADITIONAL SECURITIES BROKERAGE BUSINESS MODEL – NO.1 IN BOND BROKERAGE AND RISING TO THE TOP IN EQUITY BROKERAGE

- ✓ TCBS's ecosystem is highly complementary, with attractive equity trading products, user-friendly trading applications, and a zero-commission policy that helps attract new clients (in addition to a large customer base from its parent bank's ecosystem). These factors support the company's other business segments, including bonds and margin lending.
- ✓ The company's asset portfolio, particularly AFS bonds, and its underwriting revenue, are closely linked to its bond business segment.
- ✓ TCBS's success is also attributed to its technological strengths, offering superior features compared to other trading platforms in the market.

TCBS's Position Across Key Business Segments

Segment	Market Position	Ecosystem	Growth Q2/2025	Update
Stock	7.45% market share, Top 3 on HOSE; 8.8% market share, Top 2 on HNX	Zero-fee trading, iCopy platform	Brokerage and custody income reached VND 88 billion in Q2, up 21% QoQ and 90% YoY.	
Bond	No.1 in bond distribution	iConnect – secondary bond trading platform	Income reached VND 897 billion in Q2, up 29% YoY and 47% vs. Q4/2024. Distributed VND 36 trillion in bonds in 1H. iConnect trading value reached VND 6 trillion in Q2, up 114% QoQ.	
Fund Certificate Distribution		Fundmart – fund trading platform launched Q1/2025 (22 funds, representing 50% of total domestic fund NAV). Weekly trading volume of VND 1,020 billion.	Sales reached VND 6,500 billion, up 10% QoQ and 55% YoY.	
IB-Investment banking			Net income reached VND 627 billion, up 52% QoQ and 16% YoY. Total value of issuances in 6M reached VND 25.5 trillion.	
Margin lending	Top 2 margin lending		Outstanding margin loans reached VND 33,806 billion, up 11% QoQ and 30% YTD.	

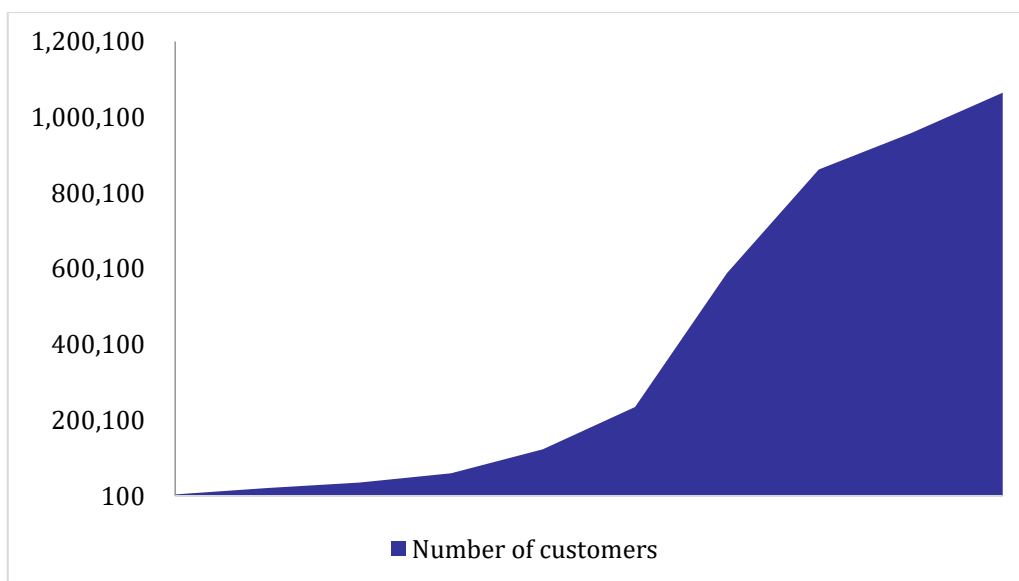


A Complementary Product Ecosystem

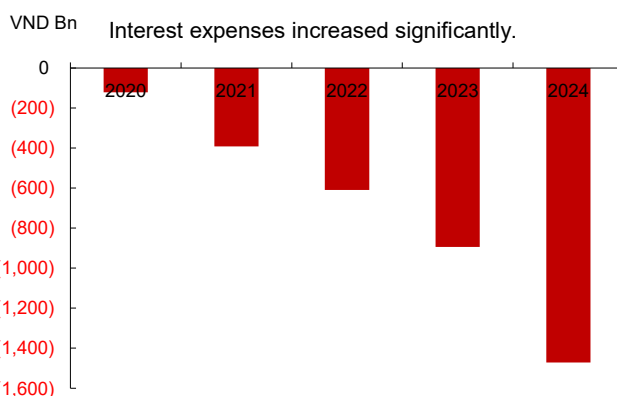
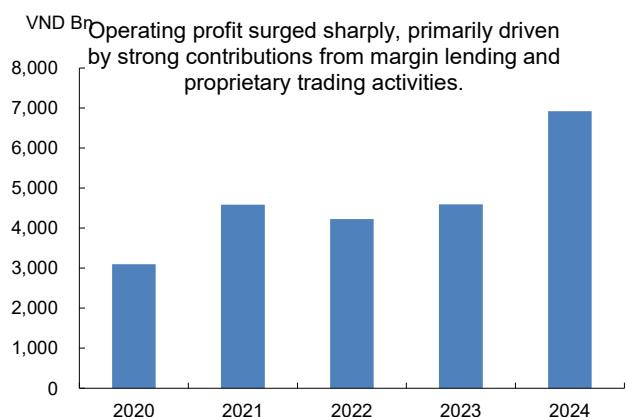
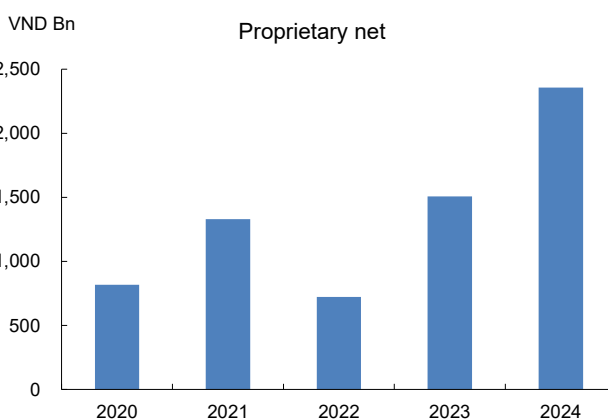
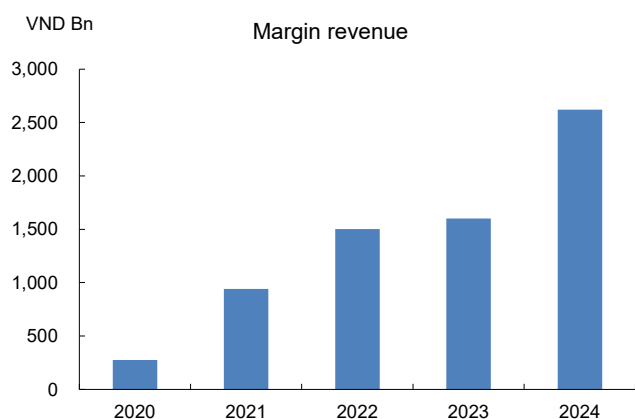
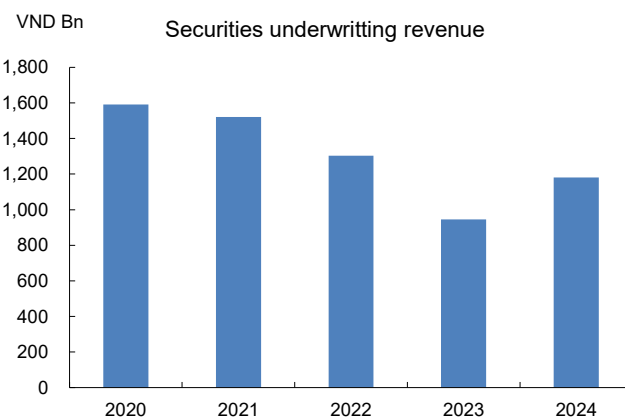
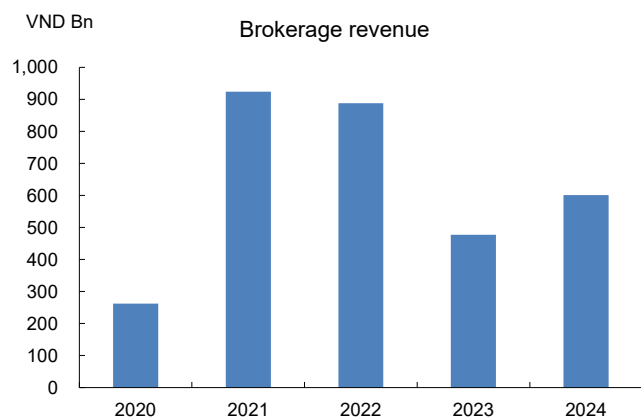
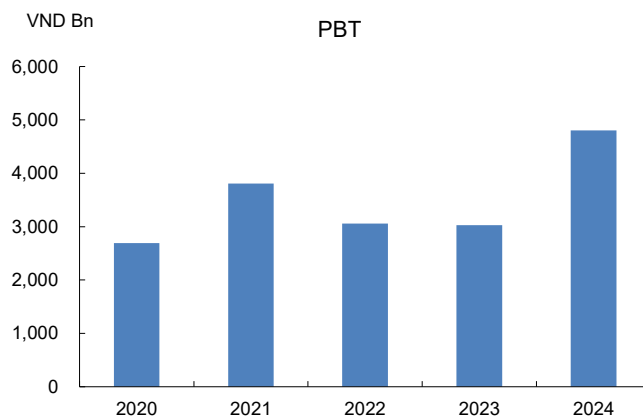
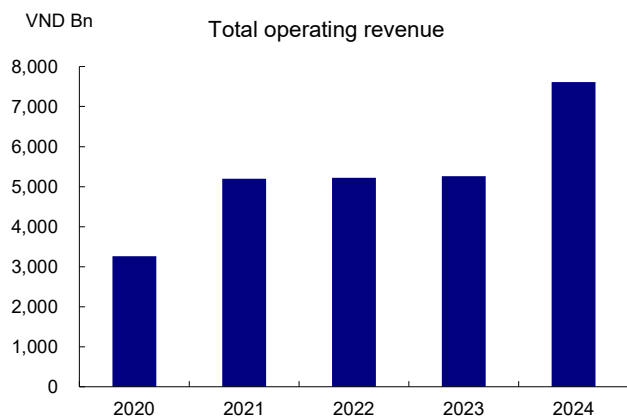
Equities, Mutual Funds	Margin Lending	Investment Banking, Bond
Zero-fee trading, user-friendly and attractive trading app Fundmart – mutual fund trading platform	Market interest rates not excessively low, supplemented by periodic rate-cut campaigns	iConnect app – secondary bond trading
Effectively attracts and retains a large customer base	Significant growth in margin loan balances	TCBS leads the market in bond trading and underwriting
Operating Loss	Strong contribution to profit	Profits primarily from AFS securities and underwriting advisory

Investor Transactions at TCBS in 2024

	Quantity (share)	Value (VND)
- Stock	31,535,170,348	724,632,700,873,630
- Bond	1,535,802,398	540,027,995,525,136
- Other securities	2,860,256,535	687,715,199,447,002
Total	35,931,229,281	1,952,375,895,845,768

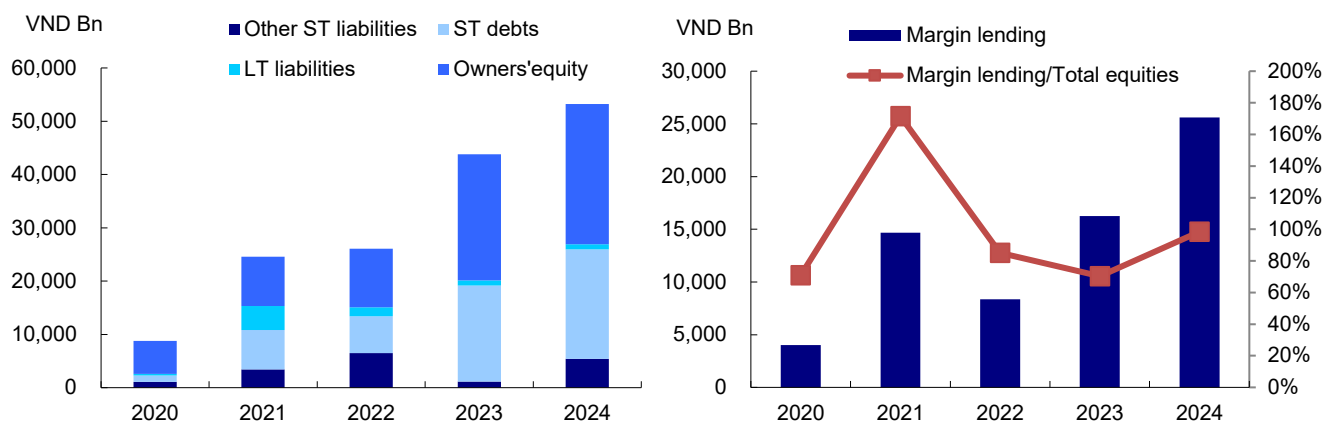


Source: TCBS, GTJASVN RS

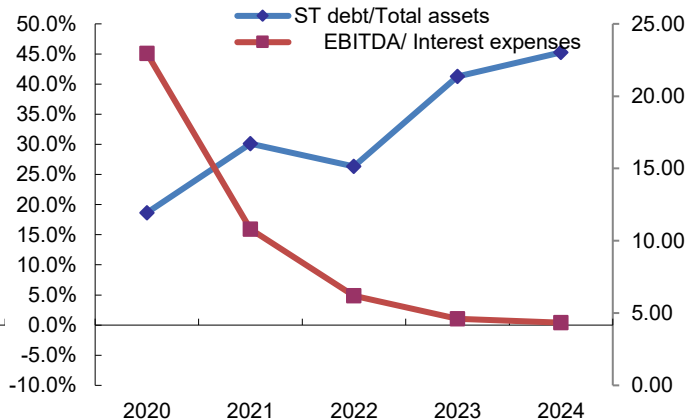
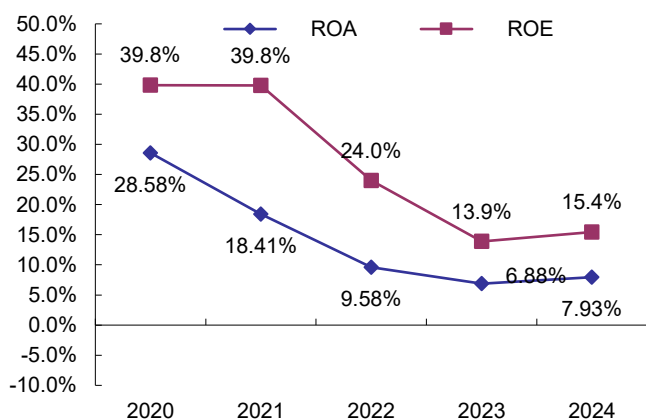
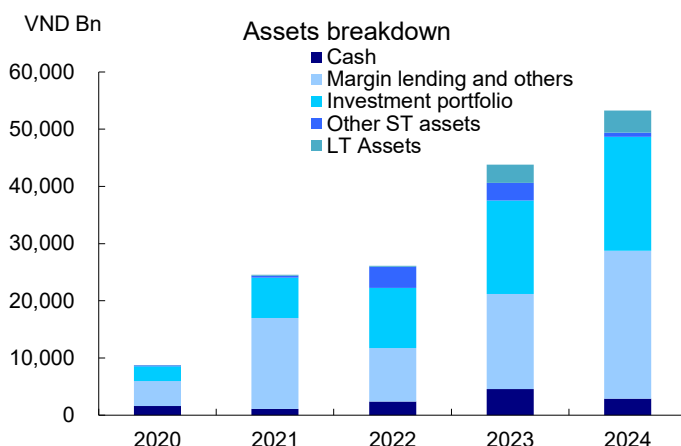
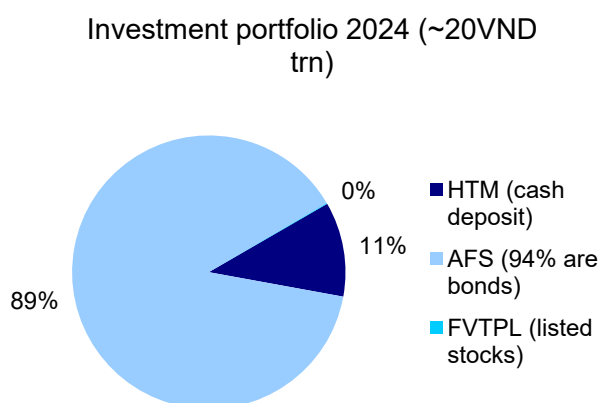




Short-term borrowings increased sharply, in line with the rising margin loan balance.



The asset structure reflects TCBS's bond-centric business model, with AFS (Available-for-Sale) assets predominantly consisting of bonds.



Source: FS TCBS, FiiiproX, GTJASVN RS



COMPANY RATING DEFINITION

Benchmark: VN – Index.

Time Horizon: 6 to 18 months

Rating	Definition
Buy	Relative Performance is greater than 15% Or the Fundamental outlook of the company or sector is favorable
Accumulate	Relative Performance is 5% to 15% Or the Fundamental outlook of the company or sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the company or sector is neutral
Reduce	Relative Performance is -15% to -5% Or the Fundamental outlook of the company or sector is unfavorable
Sell	Relative Performance is lower than - 15% Or the Fundamental outlook of the company or sector is unfavorable

SECTOR RATING DEFINITION

Benchmark: VN – Index

Time Horizon: 6 to 18 months

Rating	Definition
Outperform	Relative Performance is greater than 5% Or the Fundamental outlook of the sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the sector is neutral
Underperform	Relative Performance is lower than -5% OrThe Fundamental outlook of the sector is unfavorable

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GUOTAI JUNAN VIETNAM RESEARCH DEPARTMENT

Trịnh Khánh Linh

Research Analyst

linhtk@gtjas.com.vn

(024) 35.730.073 – ext:706

Trần Thị Hồng Nhung

Deputy Director

nhungtth@gtjas.com.vn

(024) 35.730.073 – ext:703



CHỨNG KHOÁN GUOTAI JUNAN (VIỆT NAM)
GUOTAI JUNAN SECURITIES (VIETNAM)

LIÊN HỆ	TRỤ SỞ CHÍNH HÀ NỘI	CHI NHÁNH TP.HCM
Điện thoại tư vấn: (024) 35.730.073	R9-10, 1 st Floor, Charmvit Tower, 117 Trần Duy Hưng, Hà Nội	3 rd Floor, No. 2 BIS, Công Trường Quốc Tế, P. 6, Q.3, Tp.HCM
Điện thoại đặt lệnh: (024) 35.779.999	Tel: (024) 35.730.073	Tel: (028) 38.239.966
Email: info@gtjas.com.vn Website: www.gtjai.com.vn	Fax: (024) 35.730.088	Fax: (028) 38.239.696