

COTEC CONSTRUCTION JOINT STOCK COMPANY (CTD)

Current price VND209,000 **Target price** VND255,000 **Dividend yield** 1.35% **Rating** ADD **Sector** Industry

Outlook – Short term



Outlook – Long term



Valuation



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We are positive about the growth outlook of CTD in the next two years. Backlogs ensure revenue growth of over 20% per annum during 2017-2018. CTD retains the advantage of a construction industry leader with healthy financial status and effective receivable control.

Price performance



Source: VNDIRECT

Leading firm in construction sector. CTD's revenue now accounts for 8.1% of the construction sector's value in GDP in 2016, and it is the largest enterprise among listed firms in terms of industry value contribution.

Revenue from new contracts will ensure growth for the next two years. The value of new contracts and the favorable real estate market conditions helped CTD maintain its average revenue growth of over 20% per annum during 2017-2018. Of which, the total value of contracts signed in 2017 as of the end of July reached about 20,000 billion. Projected revenue in 2017 reached 29,910 billion and in 2018 reached 35,474 billion.

Key statistics

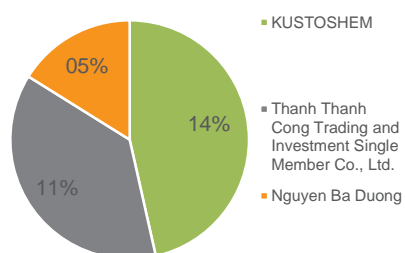
52w high (VND)	218,800
52w low (VND)	165,004
Average daily turnover (3m)	106,860
Market cap (VND billion)	16,828
Outstanding shares (m)	77.4
Free float (%)	45
Beta	0.99

Increase the revenue of design and build (D & B) projects to 50% total revenue. The proportion of revenue from D & B projects increased from 36% in 2015 to 40% in 2016 and 50% in 2017. D & B projects have gross profit margin of about 10%, which is higher than general construction projects, and they shortens construction time compared to general construction projects.

Vingroup is making up a large proportion of CTD's work. Two projects expected to bring about stable revenue in the coming years for CTD is Vincity District 9 and Vincity Tay Mo with a floor area of 3.5 million m2 and 7.7 million m2, respectively.

Sound financial status. Continuously improving profit margins, effective receivable controls helping to reduce the number of receivable days and no short-term and long-term loans are CTD's huge advantages over other peers.

Ownership



Source: VNDIRECT

Risks: (1) Over-dependence on real estate market since 71% of the firm's revenue come from residence projects; (2) Dillution risk.

Financial summary (VND)	12-14A	12-15A	12-16A	12-17E
Revenue (bn)	7,634	13,669	20,783	29,910
Revenue growth		79.1%	52.0%	43.9%
Gross margin	7.3%	8.1%	8.7%	8.9%
Operating EBITDA (bn)	376	785	1,535	2,292
Net profit (bn)	327	666	1,422	1,987
Net profit growth		103.5%	113.5%	39.8%
Adjusted EPS	7,390	14,828	22,221	24,505
BVPS	59,886	74,105	80,900	102,405
ROAE		23.1%	30.0%	28.1%

Source: VNDIRECT

HISTORY

As the leading construction company in Vietnam, CTD was transformed into a joint stock company in 2004 according to the decision of the Ministry of Construction, with a capital of VND15.2 billion. In 2006, with a strategy of focusing on large projects, while maintaining and expanding its market share in the midrange segment through midrange projects, CTD contributed capital to establish Unicons - the company that develops projects of medium size (CTD holds 27% of Unicons’s original charter capital).

In 2007, CTD undertook an IPO. At the same time, CTD is the pioneer in successfully applying the top-down method – an underground construction method of civil works which is different from traditional down-top method and helps speed up the construction progress.

In 2009, CTD was listed on HOSE with the charter capital of VND120 billion.

In 2011, CTD signed the first contract for the project of Casio - The Grand Ho Tram.

In 2012, CTD issues shares to strategic shareholder Kustocem Pte. Ltd. (Singapore) with a total value of \$ 25 million.

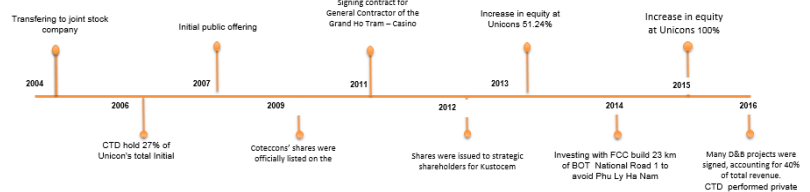
In 2013, CTD signed the international contract in SC VivoCity project with total value of VND1,200 billion. At the same time, CTD raised its stake in Unicons to 51.24%.

In 2014, CTD implemented many large D & B projects such as Masteri Thao Dien worth VND3,316 billion, Regina plant (including phase 1,2 and 3) worth about VND1,250 billion.

By 2015, CTD raised its stake in Unicons to 100%. At the same time, CTD has strong growth in revenue and profit, with big contracts valued at more than VND1 trillion such as TimesCity Park Hill, Vinhomes Central Park, Worldon ...

In 2016, a series of D & B projects were signed to contribute 40% of the company's total revenue such as Thang Long Vinhomes, Regina factory phase 5 and Panorama Nha Trang ...

Development history of CTD



Source: CTD’s prospectus

The management has extensive experience in the construction field. CTD's management team have experience in the construction industry. Particularly, Chairman of the Board, Mr. Nguyen Ba Duong, has 32 year experience in the field of construction and is the founder who built CTD to become the leading company in the industry.

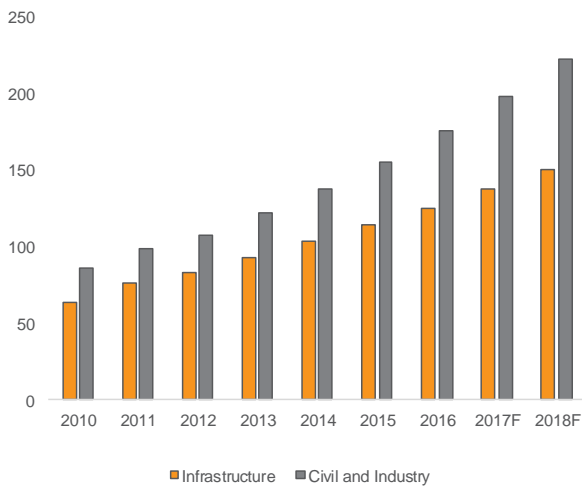
In addition, the participation of new individuals from Kutoscem in the current member Board of Management will help CTD increase its capability of executing high-tech projects.

BUSINESS ACTIVITIES

Civil and industrial construction sector is expected to grow 13% per year.

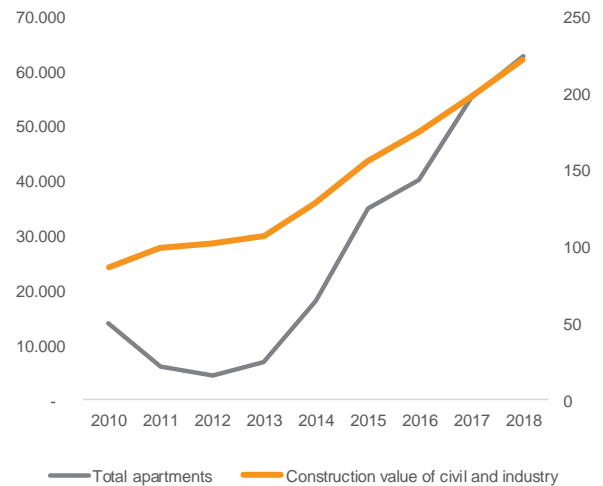
According to BMI's construction industry report, the growth rate of civil and industrial construction sector is forecast to grow at 13% per year for the period 2017-2018. CBRE forecasts that the total supply of apartments will grow 13.5% per annum during 2017-2018. At the same time, we ran the regression model between the total supply of new apartments and the value of civil and industrial construction, resulting in a regression coefficient of 0.95, indicating a high correlation. Therefore, we believe that the construction market will continue to grow during 2017-2018.

Total construction value 2010 – 2018F (trillion dong)



Source: BMI

Correlation between total supply of new apartments and total construction value (billion dong)

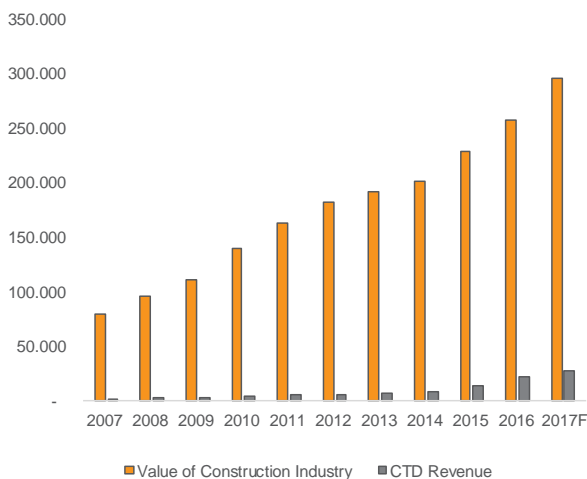


Source: VNDIRECT's forecast

CTD: The leading firm in construction sector

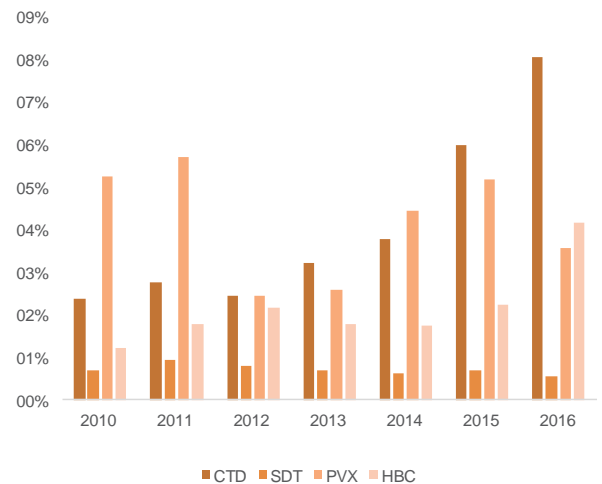
CTD's revenue now accounts for 8.1% of the construction sector's GDP in 2016, and CTD is the largest enterprise among listed peers in terms of industry value contribution. We positively evaluate the leading position of CTD compared to its peers, especially in its construction work of high-tech projects in Vietnam such as Landmark 81, Masteri Thao Dien, D'Capital, and Vinhomes...

Total construction value and CTD's revenue (billion dong)



Source: BMI, BCTC CTD

Companies' revenue contribution to total construction value



Source: VNDIRECT

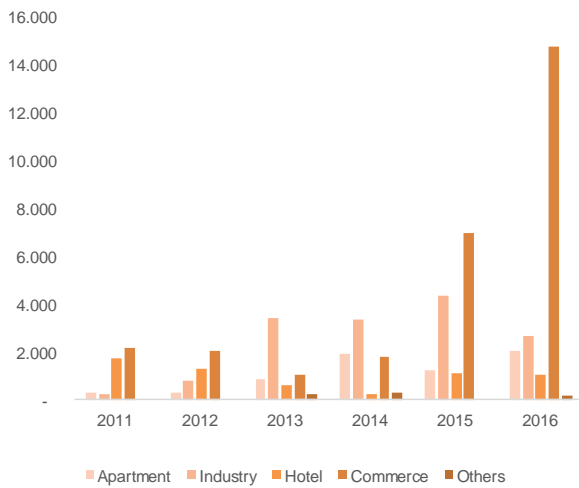
Utilizing the advantage of the industry leader, (1) CTD have been expanding D & B projects – in which CTD plays a role of a general contractor undertaking both design and construction, forming a complete value chain from consulting, management, design and construction. This helps CTD control sources of construction materials and shorten project completion time; (2) CTD is able to select a well-financed developers, so CTD has the lowest receivable risk relative to its peers and no debt financing.

Expand the proportion of residential segment

Along with the recovery of the real estate market in the late 2015 and 2016, CTD also covered its structure from the industrial segment to the residential segment with a large range of residential projects including Vinhomes, Masteri, D ' Capitale, Landmark 81 Revenue from residential projects account for 71% total revenue in 2016 compared to 51% in 2015, which helps to boost CTD's growth prospect.

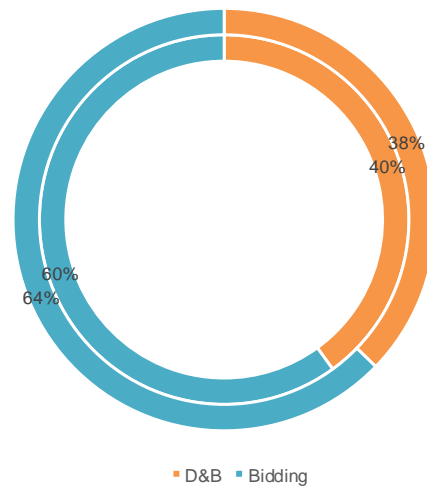
At the same time, the proportion of revenue from D & B to total revenue has increased from 36% in 2015 to 40% in 2016. D & B projects help CTD reduce construction time by 30% and cost by 10% compared to traditional construction projects. We are positive about the recent increase of D & B in contribution to the total revenue for 2 reasons: (1) Margins of D&B projects are about 10%, higher than margins of traditional construction projects of about 6%-7%; (2) The firm decrease time in D & B projects since there is no bidding process prior to construction.

Revenue breakdown by contract backlog (million dong)



Source: CTD's annual report

Revenue breakdown by contract types (%)



*Inner circle: 2015, outer circle 2016

Source: CTD's annual report

Industrial construction segment brings about stable revenue

Revenue of Industrial segment currently accounts for 13% of CTD's total sales. We are positive about CTD's industrial construction in the following aspects:

(1) **FDI investment is expected to grow steadily.** Realized FDI reached a 10 year record high in 2016. We estimate that with positively growth of FDI inflows, CTD's industrial construction will be able to maintain a 13% annual growth rate during 2017-2018.

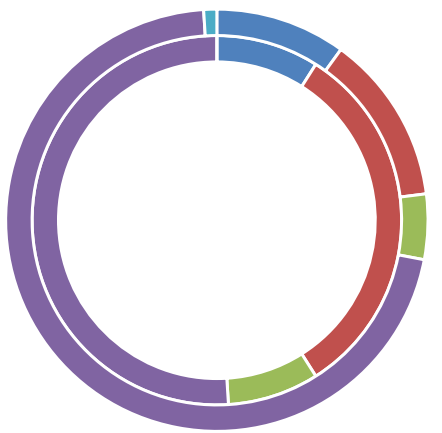
(2) **Construction period of industrial construction projects is short, leading to faster cash inflows.** Most industrial construction

projects are implemented in phases with each phase of less than one year.

(3) The profit margin of industrial construction is about 10% - higher than the average of the residential segment.

We forecast revenue from industrial construction will reach VND4,423 billion in 2017, including huge projects such as Hoa Phat Steel Integrated Complex, spinning mills such as Paihong - Phase 1 (value Contract worth of VND500 billion), S-power (contract value worth of VND1200 billion) ...

Revenue breakdown by backlog types (billion dong)

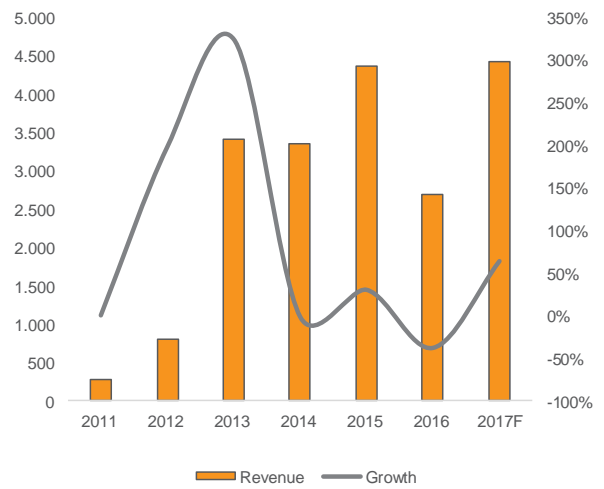


■ Apartment ■ Industry ■ Hotel ■ Commerce ■ Others

*Inner circle indicates 2015, Outer circle indicates 2016

Source: CTD's Financial Statements

Forecasted revenue from industrial construction 2011-2017F (billion dong)



Source: CTD's Financial Statements

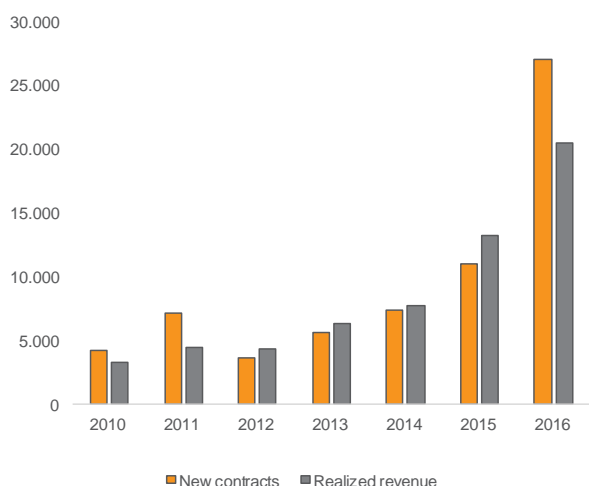
The backlog will ensure growth prospects in the next 2 years.

The value of contracts signed in the period 2012-2016 has a compound annual growth rate (CAGR) of 67.6%, in which 2016 witnessed a record high of VND 29,000 billion worth of contracts signed. According to CTD report, based on backlog, an estimated VND16,200 billion is about to be recognized in 2017, VND10,800 billion will be recognized in 2018 and 2019. In 2017, the total value of newly signed contracts has reached about VND20,000 billion, not including the value of contracts from Vincy projects.

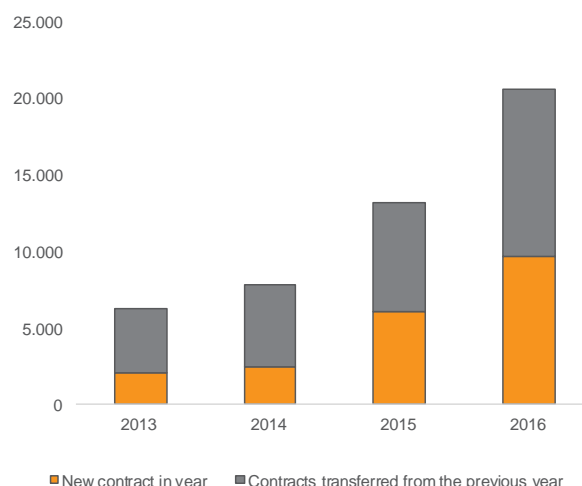
Therefore, there is likelihood that CTD can maintain an average revenue growth rate of over 20% per annum during 2017-2018 period.

Value of newly signed contracts and realized revenue during 2010-2016 (billion dong)

Revenue Breakdown by types of contracts (%)



Source: CTD's annual report



Source: CTD's annual report

Contracts with Vingroup makes up a large proportion in CTD's total contract value

Vingroup is CTD's largest developer, accounting for more than 50% of the total value of CTD's projects. The strengthened cooperation with Vingroup is evaluated by CTD based on two factors: (1) Vingroup has strong financial capability and their large number of projects at present are contributing significantly to CTD's growth; (2) Vingroup's projects have short construction time schedule, which helps speed up the project rotation. For instance, Landmark 81 has expected schedule of 28 months; Vinhomes Gardenia has expected schedule of 16 months, Vinhomes Thang Long has expected schedule of 16 months; (3) The payment schedule of the investor is assessed as quite good.

During the period 2018 - 2019, there are two major projects of Vingroup being implemented by CTD, namely Vincy District 9 and Vincy Tay Mo.

Vincy project in District 9 is expected to start construction in March 2019 with Gross Floor Area of 3.5 million m2. According to estimates of VNDIRECT, this project can bring about total revenue of about VND26,250 billion and should be completed within 5 years.

Tay Mo Vincy Project has Gross Floor Area of 7.7 million square meters. We estimate total revenue from this project can reach VND 72,750 billion. It is expected that the project will be completed within 5 years.

List of Vingroup's projects in which CTD has been a general contractor

No	Project	Position	Type	Value (million VND)	Start time	Completion	Construction time (month)
1	Vinhomes Sky Lake	Ha Noi	Residential	1.260.000	Jan-16	Nov-16	10
2	Vinhomes Green Bay	Ha Noi	Residential	272.727	Feb-16	Sep-16	6
3	Vinhomes Imperia	Hai Phong	Residential	700.000	Apr-16	Aug-16	4
4	Vinhomes Gardenia	Ha Noi	Residential	830.546	May-16	Aug-17	16
5	Landmark 81	HCMC	Residential	2.810.000	Jul-16	Dec-18	29
6	Vinmec Da nang	Da Nang	Commercial	272.727	Jul-16	Mar-17	8
7	Condotel Da Nang	Da Nang	Hotel & resort	681.818	Jul-16	Mar-17	8
8	Vinschool (Vinhomes Central Park)	HCMC		136.364	Jul-16		
9	Vinhomes Golden River (Aqua 1, 2,3,4)	HCMC	Residential	913.636	Jul-16	Jan-18	19
10	Vinhomes Thang Long	Ha Noi	Residential	2.800.000	Jan-16	Apr-17	16

* Vincy project is excluded

Source: VNDIRECT

Increasing investment in infrastructure, office leasing, and M&A activities in order to diversify operations.

CTD’s strategy in the coming years is set to diversify their investments in order to lessen the impact of the real estate market through the following areas:

(1) Investment in infrastructure. The first project that CTD involved in is the BOT project of Phu Ly Ha Nam, with a total length of 23 kilometers. Project developer is FCC Infrastructure Investment Joint Stock Company, which is owned by FECON Foundation Engineering and Underground Construction Joint Stock Company (40%), Cotec Construction Joint Stock Company (35%), and Civil Engineering Construction Corporation No 1 – JSC (25%). Total investment value is VND2,047 billion. The project was completed and began to generate revenue from toll collection as from November 2016. The IRR of the project is about 11%. Time period is 15 years and 8 months. We estimate that toll collection will generate VND24 billion in profits for CTD from the associated company each year.

In addition, CTD is considering investing in a BOT project in Thanh Hoa Province, two BT projects and one BOT project in the South. We believe that although CTD is a relatively new player in the sector, its investment into infrastructure will help CTD: (1) expand its client base in infrastructure; and (2) cooperate in the exploitation of land from BT projects, including the Provincial Road No 9 project in cooperation with Refico.

(2) Office for lease. CTD plans to buy an office worth of VND 700 billion for lease. So the company will have additional revenue from office leasing activity.

The raising of VND1,766 billion from private placement in 2016 will enable CTD to source diversified activities in line with the strategy of reducing the proportion of construction activities to 50% -60% by 2020.

Toll fee at Phu Ly Ha Nam BOT project

STT	Phương tiện chịu phí đường bộ	Fee (VND/ticker)		
		Turn ticket	Monthly ticket	Quarterly ticket
1	Car less than 12 seats, Truck less than 2 tons, Bus	25.000	750.000	2.025.000
2	Car 12-30 seats, Truck 2-4 tons	40.000	1.200.000	3.240.000
3	Car more than 31 seats, Truck 4-10 tons	60.000	1.800.000	4.860.000
4	Truck 10-18 tons, Container 20F	75.000	2.250.000	6.075.000
5	Truck more than 18 tons, Container 40F	120.000	3.600.000	9.720.000

CTD’s investments into new sectors



Source: Circular 44/2016/TT-BTC

Source: CTD’s annual report

Co-operation with Viglacera in providing construction material chain into projects that CTD is General Contractor

CTD has signed a cooperation contract with Viglacera for the supply of interior construction materials including tiles and sanitary wares for CTD projects in the mid-end segment, especially for two new projects of Vincity Tay Mo and District 9. In our opinion, the cooperation with

Viglacera will help CTD: (1) Control sources of interior material interior in the mid-end segment and (2) Maintain investment efficiency especially for large scale projects.

FINANCIAL ANALYSIS

Improved margins

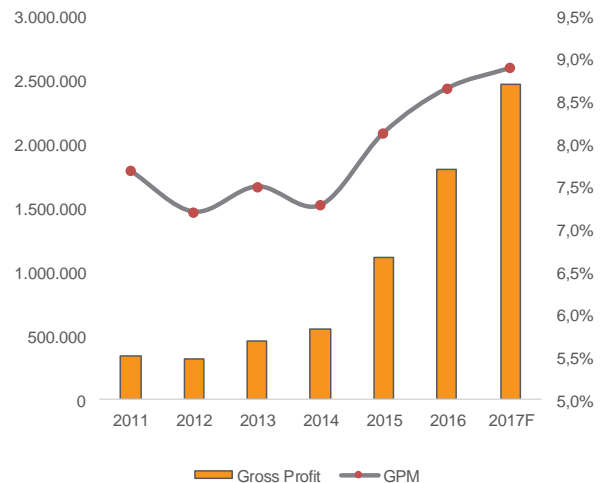
CTD gross profit margin was on a gradual increase during 2012-2016 from 7.2% to 8.7%. In comparison with its peers such as HBC, PVX, SDT, and TDC, CTD's net profit margin was the highest. The main reason is: (1) D & B projects contribution in total revenue increased encouragingly from 31% to 40% in the period 2014-2016; (2) Better cost management. Under the operation of the CCM division, when the material price fluctuation exceeds 5%, the developer will bear the increase, and when the material price fluctuation is under 5%, CTD and the developer will negotiate the price adjustments. Therefore, the impact of material fluctuations on CTD is relatively small.

Gross margin of construction firms (%)



Source: VNDIRECT

Gross profit (million dong) and gross margin (%) 2011-2017



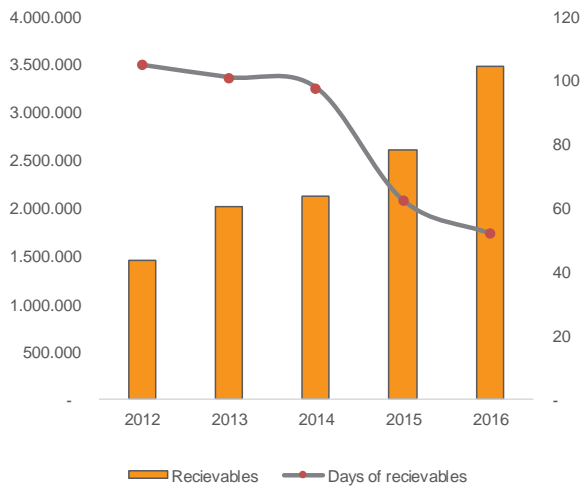
Source: CTD's financial statement

Improved account receivables turnover

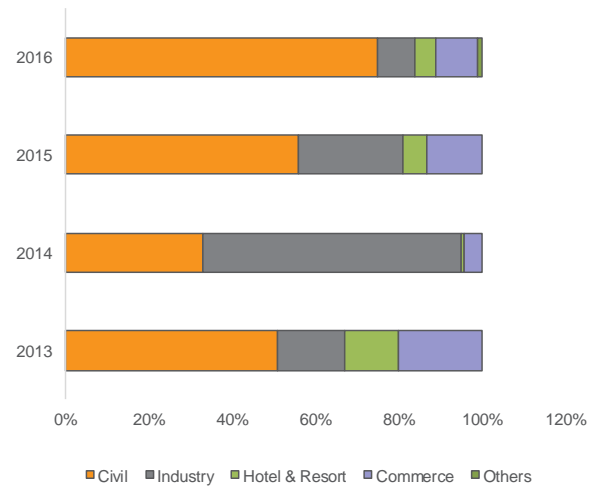
The receivable days were reduced continuously from 105 days in 2012 to 58.8 days in 2016. In particular, the receivables are mainly contracts of ongoing construction projects and projects awaiting settlement (10% value of total contract value is retained for warranty). The main reason for this is: (1) CTD can select developers with good financial capability; (2) Developers pay a deposit of 10% -15% of the contract value when signing contracts with CTD and then make payment according to schedule. This policy helps to reduce CTD's account receivables.

Account receivables (million dong) and receivable days (days)

Receivables breakdown by types of projects



Source: CTD's financial statements



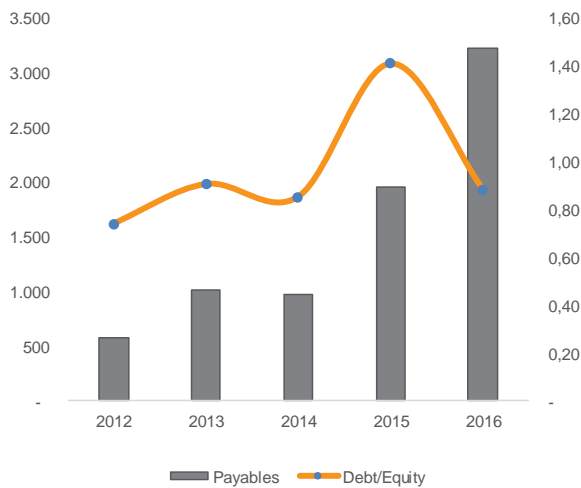
Source: CTD's annual report

Healthy financial status with no debt financing

CTD has no short-term or long-term loans. Debts are mainly payables to suppliers and subcontractors. Compared to peers such as HBC, SDT or TDC which also have debt/equity ratio more than 1, CTD appears to well manage receivables and working capital.

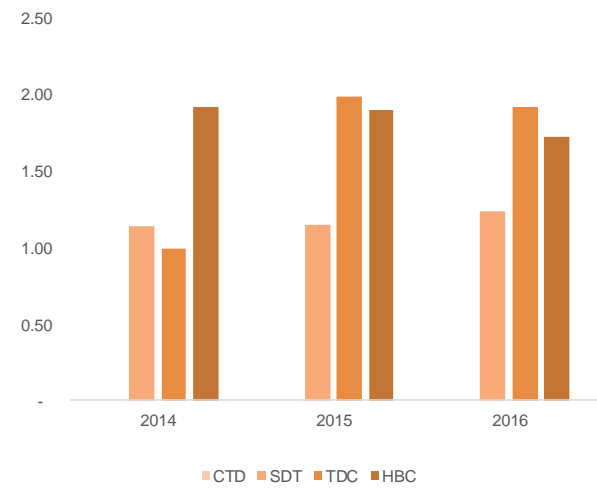
In addition, cash flow from operating activities for the five years from 2012 to 2016 is positive. Cash abundance suggests that the financial situation of CTD is very healthy.

CTD's Total debt/Total equity 2012-2016



Source: CTD's financial statements

Debt/Equity Ratios of Construction Firms



Source: VNDIRECT

BUSINESS RESULTS

We forecast CTD's FY2017 sales to come in at VND29,910 billion (+43.9% yoy). After-tax profit is estimated at VND1,987 billion (+39.7% yoy), equivalent to EPS of VND24,505. 2017 P/E ratio is 8.5x at current price.

Revenue is forecast to remain growth rate of more than 20% in the period 2017-2018

Based on the value of new projects signed in 2017 including civil projects such as Landmark 81, D 'Capitale, Metropolis, Vincy City District

9 and Vincom Tay Mo ... and industrial projects such as S-Power, First term in the second phase, and Hoa Phat Steel Integrated Complex, based on the remaining contract value of VND10,800 billion from the previous years that will be recognized in 2017 and 2018, we estimate revenue for 2017 will reach VND29,910 billion and revenue for 2018 will reach VND 35,474 billion.

Gross margin is to rise slightly by 0.2%. We estimate that revenue from D & B projects will account for 50% of total revenue in 2017 compared to 40% in 2016, helping to improve margins by 0.3%. However, the cost of goods sold will increase slightly since CTD will share the cost burden with developers as price of sand - the key material in construction - has increased quite sharply recently. In summary, gross margin is expected to increase marginally.

General administrative expense/sales ratio maintained at 1.4%. General administrative expenses have improved significantly over the years from 2.7% in 2015 to 1.4%. We think that effective control over administrative expense will help CTD maintain the ratio at 1.4%.

Net profit 2017 is estimated at VND1,987 billion, up 39.7% yoy.

CTD's projected financial statement 2017-2018 (billion dong)

	2014	2015	2016	2017F	2018F
Signed contract	7.463	11.000	29.000	28.195	35.243
Realized Revenue	7.816	13.228	20.549	29.679	35.243
Closing backlogs	4.762	2.534	10.985	9.501	9.501
Net Revenue	7.634	13.669	20.783	29.910	35.474
Cost of Sales	(7.078)	(12.557)	(18.983)	(27.260)	(32.332)
Gross Profit	556	1.112	1.799	2.649	3.142
GPM (%)	7,3%	8,1%	8,7%	8,9%	8,9%
Financial revenue	119	126	170	276	327
Financial Expenditures	(0)	(2)	(0)	-	-
Selling Expenditures	-	-	(2)	(2)	-
G&A expenditures	(215)	(363)	(297)	(428)	(507)
Operating Income	460	887	1.703	2.495	2.962
Income from joint venture, i	5	53	93	86	102
Earning before tax	464	927	1.763	2.581	3.064
Earning after tax	357	733	1.422	1.987	2.359
Parrent's income	327	666	1.422	1.987	2.359

Soucre: CTD's financial statements and VND's forecast

VALUATION

Our FCFF model with WACC of 14% indicates CTD's fair value at VND255,000 per share, equivalent to 2017 P/E of 10.4x.

CTD's Valuation

unit: million dong

	2017	2018F	2019F	2020F	2021F
EBIT	2.581.398	3.063.909	3.672.701	4.220.614	4.850.713
EBIT(1-T)	2.581.398	3.063.909	3.672.701	4.220.614	4.850.713
Plus: Depreciation	72.626	90.382	90.382	90.382	90.382
Minus: CAPEX	(1.178.214)	(91.668)	(316.287)	(372.422)	(439.427)
Minus: WC change	193.072	(5.635)	(7.138)	(6.424)	(7.388)
FCFF	1.017.895	2.002.791	1.933.561	2.864.420	3.266.990
Value of the Firm	17.659.821		<u>ST Debt</u>	<u>LT Debt</u>	<u>Cash</u>
Net debt, end 2017F	1.996.627		-	-	1.996.627
Value of the Equity	19.656.448				
Shares outstanding	76.983.344				
Fair Price (VND/share)	255.000				

Source: VND forecast

RISKS

In our opinion, CTD's risks include the firm's dependence on local real estate market and stock dilution.

Dependence on the fluctuations in the local real estate market

With the proportion of sales from civil construction accounting for 71% of total sales and most of the on-going projects are in high end segment, we are concerned that the real estate market movement may affect the growth of CTD.

Stock dilution

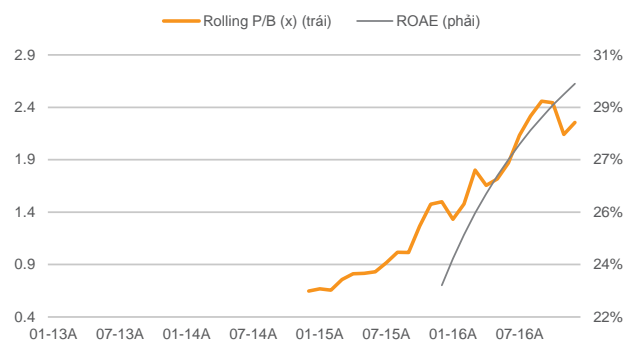
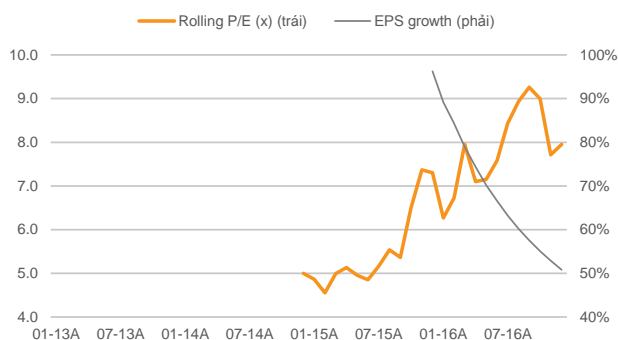
According to the resolution on the issuance of ESOP shares in 2017, CTD will issue 1.69% of the outstanding shares, equivalent to 1.305 million shares at the price of 40,000 VND per share. At the same time, according to the incentive policy in the period 2016-2020, the company will continue to issue 4% ESOP shares outstanding in the next 5 years.

APPENDIX: LIST OF CTD'S PROJECTS

No	Projects	Location	Developer	Types of project	2016 Start	End	Completion	
1	Vinhomes Sky Lake	Ha Noi	Vingroup	Residential	1.260.000	Jan-16	Nov-16	10
2	Diamond City	HCMC	Hoan Cau	Residential	670.455	Jan-16	Mar-18	26
3	Vinhomes Green Bay	Ha Noi	Vingroup	Residential	272.727	Feb-16	Sep-16	6
4	Mapple Tree	HCMC	Mapple Tree	Residential	1.244.000	Jun-16		
5	Masteri Villas (Vinhomes Thang Long)	Ha Noi	Techcombank	Residential	2.557.273	May-16	Apr-17	11
6	City Garden phase 2	HCMC		Residential	1.110.000	Apr-16		
7	Diamond Lotus	HCMC	Phuc Khang	Residential	860.000	Apr-16	Dec-17	19
8	Diamond Island (phase 2)	HCMC	Binh Thien An	Residential	818.000	Apr-16	Oct-18	30
9	Gain Lucky (phase 3)	Tay Ninh		Industrial	109.091	Apr-16	Aug-16	5
9	Gain Lucky (phase 4)	Tay Ninh		Industrial	150.000	Apr-16	Aug-16	5
10	First term phase 2	Tay Ninh		Industrial	233.389	Apr-16		
11	Vinhomes Imperia	Hai Phong	Vingroup	Residential	700.000	Apr-16	Aug-16	4
12	Vinhomes Gardenia	Ha Noi	Vingroup	Residential	830.546	May-16	Aug-17	16
13	HH01	Ha Noi	Nam Cuong	Residential	348.182	May-16	Apr-18	24
14	Everich 8	HCMC	Phat Dat	Residential	1.023.830	May-16	May-18	24
15	Goldmark City (finish)	Ha Noi	Viet Han group	Residential	2.287.200	May-16	Jul-17	14
16	Landmark 81	HCMC	Vingroup	Residential	2.810.000	Jul-16	Dec-18	29
17	Vinmec Da nang	Da Nang	Vingroup	Commercial	272.727	Jul-16	Mar-17	8
18	Condotel Da Nang	Da Nang	Vingroup	Hotel & resort	681.818	Jul-16	Mar-17	8
19	Vinschool (Vinhomes Central Park)	HCMC	Vingroup		136.364	Jul-16		
20	Vinhomes Golden River (Aqua 1, 2,3,4)	HCMC	Vingroup	Residential	913.636	Jul-16	Jan-18	19
21	Tòa nhà Chính phủ	Ha Noi	Vingroup	Residential	190.909			
22	Regina Miracle International (Phase 5)	Hai Phong	Regina	Industrial	590.909	Jul-16	Apr-17	10
23	Panorama Nha Trang	Nha Trang		Hotel & resort	548.000	Aug-16	Jul-18	24
24	D' Capitale Tran Duy Hung	Ha Noi	Tan Hoang Minh	Residential	3.938.000	Oct-16	Nov-18	
25	Paihong	Binh Duong	Paihong Vietnam	Industrial	500.000			
26	Ho tram Strip phase 2	Vung Tau	DA Ho Tram	Hotel & resort	1.754.000			
27	Vinhomes Thang Long	Ha Noi	Vingroup	Residential	2.800.000	Jan-16	Apr-17	16
28	Dragon Bay	Quang Ninh	Doji	Residential	1.000.000			36
29	Landmark 3 - Structural & Finishing							6
31	NEWTATCO COMPLEX	Ha Noi	Newtaco	Residential				
32	Metropolis Lieu Giai - Structural & body finishing							
33	S-Power	Tay Ninh		Industrial				
34	SIMCO	Ha Noi		Residential				

Source: VNDIRECT

Valuation



Income statements

(VNDbn)	12-15A	12-16A	12-17E
Revenue	13,668	20,782	29,909
Cost of sales	(12,557)	(18,983)	(27,260)
Gen & admin expenses	(363)	(297)	(428)
Selling expenses	-	(2)	(2)
Operating Profit	749	1,500	2,220
Operating EBITDA	785	1,535	2,292
Depreciation and amortisation	(36)	(35)	(73)
Operating EBITDA	749	1,500	2,220
Interest income	126	170	276
Financial expense	(2)	(0)	0
Net other income	39	60	86
Income from associates & JVs	14	33	0.1
Pre-tax profit	927	1,763	2,581
Taxation	(194)	(341)	(594)
Minority interests	(67)	0	0
Net profit	666	1,422	1,987
Adj. net profit to ordinary	666	1,422	1,987
Ordinary dividends	(84)	(219)	(310)
Retained earnings	582	1,203	1,678

Cash flow statement

(VNDbn)	12-15A	12-16A	12-17E
Pretax profit	927	1,763	2,581
Depreciation & amortisation	45	54	73
Other non cash gains/(losses)	(53)	(241)	(276)
Other non operating gains/(losses)			
Tax paid			
Other operating cash flow			
Change in working capital	309	(674)	(824)
Cash flow from operations	1,229	901	1,554
Capex	(242)	(189)	(132)
Proceeds from assets sales	2	6	0
Others	126	(1,801)	863
Other non-current assets changes			
Cash flow from investing activities	(114)	(1,984)	731
New share issuance	46	1,875	0
Shares buyback	0	50	0
Net borrowings	0	(50)	(0)
Other financing cash flow	0	0	
Dividends paid	(167)	(257)	(231)
Cash flow from financing activities	(121)	1,618	(231)
Cash and equivalents at beginning of period	469	1,462	1,997
Total cash generated	993	535	2,054
Cash and equivalents at the end of period	1,462	1,997	4,050

Balance sheets

(VNDbn)	12-15A	12-16A	12-17E
Cash and equivalents	1,462	1,997	4,050
Short term investments	928	2,675	779
Accounts receivables	2,609	3,484	4,816
Inventories	1,051	1,241	1,782
Other current assets	436	547	788
Total current assets	6,486	9,943	12,214
Fixed assets	488	604	666
Total investments	493	715	2,025
Other long-term assets	348	479	495
Total assets	7,815	11,741	15,400
Short-term debt	0	0	0
Accounts payable	1,962	3,228	4,449
Other current liabilities	2,597	2,267	3,049
Total current liabilities	4,559	5,495	7,498
Total long-term debt	0	0	0
Other liabilities	13	12	12
Shareholders' equity	3,242	6,233	7,890
Minority interests	0	0	0
Total liabilities & equity	7,815	11,741	15,400

Key ratios

	12-15A	12-16A	12-17E
Dupont			
Net profit margin	4.9%	6.8%	6.6%
Asset turnover	2.16	2.13	2.2
ROAA	10.5%	14.5%	14.6%
Avg assets/avg equity	2.2	2.06	1.92
ROAE	23.1%	30.0%	28.1%
Efficiency			
Days account receivable	69.7	61.4	58.8
Days inventory	30.6	23.9	23.9
Days creditor	57.0	62.2	59.6
Fixed asset turnover	39.2	38.1	47.1
ROIC	20.5%	22.8%	25.2%
Liquidity			
Current ratio	1.42	1.81	1.63
Quick ratio	1.19	1.58	1.39
Cash ratio	0.52	0.85	0.64
Cash cycle	43.2	23.0	23.1
Growth rate (yoy)			
Revenue growth	79.1%	52.0%	43.9%
Operating profit growth	119.5%	100.3%	47.9%
Net profit growth	103.5%	113.5%	39.8%
EPS growth	96.3%	50.8%	12.4%
Share value			
EPS (VND)	15,224	22,955	25,795
BVPS (VND)	74,105	80,900	102,405
DPS (VND)	1,929	2,839	4,020

Nguồn: VNDIRECT

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