

## Vietnam

**ADD** (no change)

Consensus ratings\*: Buy 8 Hold 0 Sell 0

Current price:	VND29,700
Target price:	VND35,500
Previous target:	VND35,500
Up/downside:	19.5%
CGS-CIMB / Consensus:	-2.6%
Reuters:	NLG.HM
Bloomberg:	NLG.VN
Market cap:	US\$305.4m
	VND7,102,367m
Average daily turnover:	US\$0.63m
	VND14,715m
Current shares o/s:	209.9m
Free float:	46.3%

\*Source: Bloomberg

**Key changes in this note**

- FY19F Revenue increased by 17.8%.
- FY19F Net profit increased by 14.2%.
- FY20-21F core EPS decreased by 27.1-27.6%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	8.8	12.5	-4.2
Relative (%)	9.9	5.3	0.9

Major shareholders	% held
Nguyễn Xuân Quang	13.05
Ibeworthy Pte. Ltd.	10.0
PYN Elite Fund	5.3

**Analyst(s)**

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# Nam Long Investment Corporation

## Robust outlook despite lukewarm 1Q19

- 1Q19 net profit increased nearly six-fold, forming 16.3% of our FY19F. This was mainly due to financial gain from land acquisition at below book value.
- All the company's new projects have been granted land use rights (LUR) and are almost ready for sale, which supports our confidence in 2HFY19 outlook.
- We keep our Add call with TP of VND35,500 based on 11% RNAV discount.

**1Q19 results highlights**

NLG reported a sharp 38.4% yoy decrease in 1Q19 revenue amid weaker handovers (-42% yoy). GPM came in at 28.8%, -4.8% pts yoy, due to large contribution from low-margin Ehomes project. However, net profit jumped 569% yoy to VND145bn thanks to one-off gain from Dai Phuoc project which was acquired in the quarter at a purchase price lower than book value. 1Q19 net profit formed c.15.5% of NLG's FY19 net profit guidance, which was in line at c.16.3% of our FY19 forecast as deliveries would fall in 2H19F upon NLG's construction schedule of the existing projects.

**Rosier 2H19F outlook thanks to presale boom**

As a result of licence approval delay, NLG will not offer any new projects for sale until 2H19. New presales in FY19 will come mainly from Waterpoint, Akari (delayed since 2018), and Mizuki Phase 2, based on the company's pipeline. These projects are at the final stage of approval as all LURs are obtained. Planned presales should reach VND6.74tr including the BCC project, raising 53% yoy. This excludes newly-acquired projects due to the lack of details. Total units sold in FY19 could reach 3,703 units.

**Delivery will be back-loaded in late FY19F**

We expect the company to have VND4.4tr handover value (including BCC projects) in FY19, an increase of 228.6% yoy. Most of this will be booked in 2H19 given scheduled completions of Mizuki (Apartment & Villa), Novia (Block A), and newly-sold villas in Waterpoint then. FY19 net profit may touch VND842bn (+16.8% yoy) with contributions from the abnormal income and land transfer profit from Akari. Core net profit should surge 19.1% yoy in FY19F driven by stronger deliveries.

**Valuation**

We cut FY20-21F EPS mainly due to a faster delivery schedule of Waterpoint low-rise units in FY19. We retain our Add rating with a TP of VND35,500 based on an 11% discount to RNAV. Presales at Akari and Waterpoint are now critical for the share price performance because of their significant RNAV contributions to our valuation. Key catalysts are successful launches and presales at Waterpoint, Akari and the next phase of Mizuki. Risks to our call: 1) a potential increase in mortgage rates curbing buyer purchasing power for its mid-range condos, and 2) sudden regulatory changes causing

**Financial Summary**

	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Total Net Revenues (VNDb)	3,161	3,480	2,807	1,719	1,110
Operating EBITDA (VNDb)	895	1,026	358	98	(108)
Net Profit (VNDb)	512.2	720.7	841.8	932.0	893.7
Core EPS (VND)	832	1,984	2,363	3,579	3,737
Core EPS Growth	(57%)	139%	19%	51%	4%
FD Core P/E (x)	35.72	14.97	12.57	8.30	7.95
DPS (VND)	496.8	452.0	500.0	500.0	500.0
Dividend Yield	1.67%	1.52%	1.68%	1.68%	1.68%
EV/EBITDA (x)	4.19	4.17	12.54	42.74	NA
P/FCFE (x)	4.39	NA	NA	71.32	11.01
Net Gearing	(44.0%)	(20.4%)	(16.5%)	(16.1%)	(22.5%)
P/BV (x)	1.92	1.54	1.30	1.13	1.01
ROE	5.5%	11.3%	11.2%	14.6%	13.4%
% Change In Core EPS Estimates			(0.0%)	(27.1%)	(27.6%)
CIMB/consensus EPS (x)			1.00	0.84	0.66

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Project licences look good for FY19 launches

### 1Q19 performance review

**Figure 1: 1QFY19 results comparison**

VNDbn	1Q19	1Q18	YoY%	QoQ%	vs FY19F	Comments
<b>Net sales</b>	<b>332</b>	<b>539</b>	<b>-38.4%</b>	<b>-90.6%</b>	<b>11.8%</b>	
<i>Property deliveries</i>	286	494	-42.1%	-88.1%	22.7%	Delivery mostly from Ehomes and Villa Nguyen Son. The majority of FY19 targeted handovers would fall in 2H19F based on the company's construction schedule
<i>Project management</i>	31	39	-21.5%	-90.7%	4.9%	
<i>Others</i>	16	6	154.8%	-98.1%	1.7%	
<b>Gross profit</b>	<b>96</b>	<b>181</b>	<b>-47.2%</b>	<b>-70.0%</b>	<b>14.2%</b>	
Gross margin	28.8%	33.6%	-4.8% pts	19.8% pts	9.6% pts	Margin shrank due to the bookings of thin-margin Ehomes apartments
Selling expenses	(22)	(59)	-62.9%	-74.8%	49.2%	Fall due to fewer properties delivered during period
G&A expenses	(65)	(47)	40.3%	-28.1%	22.9%	Expense increased as more projects are being executed under company's pipeline. Dai Phuoc was acquired at a price below the project's net asset value which forces the company to record around VND130bn of earnings to compensate for its bargaining power.
Net other incomes	137	2	7516.7%	-68650.0%	100.1%	
Pre-tax profit	155	93	67.7%	-10.9%	13.8%	
<b>Net profit</b>	<b>145</b>	<b>22</b>	<b>568.9%</b>	<b>15.5%</b>	<b>16.3%</b>	

SOURCES: VND RESEARCH, COMPANY REPORTS

## Stocked-up land bank surrounding HCMC

In 1Q19, NLG announced its remarkable land bank expansion with total land site of 234ha including Dai Phuoc-Dong Nai (45ha), Hai Phong (22ha), Waterfront-Dong Nai (170ha). NLG's total untapped land bank has now been built up to 492ha mostly located around HCMC's fringe which obviously reflects management's intention to supply more affordable housing units surrounding the core area. The company aims to obtain construction licences in order to launch the projects in 2020. These are expected to add VND30.8tr of GDV to its pipeline and help cement NLG's presales and earnings growth in the next five years. In FY19, NLG will launch two new projects from Waterpoint (Phase 1) and Akari, which have LURs which are fully paid for and are in the process of completing landfill and foundation works prior to presales. We also expect the following phase of Mizuki Flora to kick-off in 3Q19F, offering 1,000 apartments.

**Figure 2: Update project development pipeline**

Project	Location	Product	NLG Ownership	Land site (ha)	GFA (sq m)	GDV (VNDbn)	Execution timeframe*						
							2018	2019	2020	2021	2022	2023	2024
Mizuki	Binh Chanh, HCMC	Valora Flora	50%	26.4	446,927	8,383							
Nguyen Son	Binh Chanh, HCMC	Ehomes Villa island	87%	11.0	108,881	1,456							
Akari	Binh Tan, HCMC	Flora	50%	8.8	397,345	8,624							
Novia	Thu Duc, HCMC	Flora	100%	1.1	57,012	970							
Waterpoint	Long An	Land lot	50%	165.0	283,725	9,302							
		Townhouse			116,928								
		Villa			132,300								
		Phase 2	100%	190.0	N/A	N/A							
Nam Long 2	Can Tho	Land lot	100%	43.0	N/A	N/A							
Hai Phong	Hai Phong	Ehomes	100%	22.0	N/A	N/A							
		Valora			N/A	N/A							
Waterfront	Long Hung, Dong Nai	Township	70%	192.0	N/A	N/A							
Dai Phuoc	Dong Nai	Valora/Land lot	100%	45.0	N/A	N/A							

(\*) Each project execution timeframe (from first launch to delivery completion) is in grey highlight. Otherwise, no detail project timeframe has been announced by the company.

SOURCES: VND RESEARCH, NLG

## Forecast revisions

**Figure 3: Forecast revision**

VNDbn	New		Old		Change		Comments
	FY19F	FY20F	FY19F	FY20F	FY19F	FY20F	
Presale volume (units)	3,703	5,411	3,722	3,335	-0.5%	62.2%	
Presale value (VNDbn)	6,741	9,491	8,392	7,352	-19.7%	29.1%	Reduce FY19 landed property presales due to delay of Waterpoint launch
Handover volume (units)	2,711	2,657	2,461	2,996	10.2%	-11.3%	
Handover value (VNDbn)	4,525	5,999	3,209	7,717	41.0%	-22.3%	Shorter than expected construction time of landed property in Waterpoint to boost its handover in FY19
<b>Net sales</b>	<b>2,807</b>	<b>1,719</b>	<b>2,382</b>	<b>2,715</b>	<b>17.8%</b>	<b>-36.7%</b>	
<i>Property delivery</i>	1,261	502	2,301	2,626	-45.2%	-80.9%	Deconsolidate Waterpoint Phase 1 as accounting practice for BCC project
<i>Project transfer</i>	629	209	-	-			Delay land transfers of Akari and Waterpoint phase 1 (35ha) from FY18 to FY19-20F.
<i>Other</i>	917	1,009	80	88	154.2%	154.2%	More contributions from commercial properties and BCC project management service.
<b>Gross profit</b>	<b>672</b>	<b>342</b>	<b>826</b>	<b>1,016</b>	<b>-18.7%</b>	<b>-66.4%</b>	
<i>Gross margin</i>	23.9%	19.9%	34.7%	37.4%	-10.7% pts	-17.6% pts	
SG&A expenses	(331)	(261)	(412)	(451)	-19.8%	-42.1%	
Operating profit	341	81	414	565	-17.5%	-85.7%	
Financial income	713	1,202	507	229	40.6%	425.6%	Increase due to profit sharing from Waterpointnt
Financial expense	(70)	(70)	(70)	(70)	0.0%	0.0%	
Net other income	137	-	-	-			Due to the abnormal gain from Dai Phuoc acquisition in 1Q19
<b>Net profit</b>	<b>889</b>	<b>971</b>	<b>737</b>	<b>1,069</b>	<b>8.3%</b>	<b>-37.8%</b>	
<b>FD EPS (VND)</b>	<b>3,520</b>	<b>3,897</b>	<b>3,082</b>	<b>4,471</b>	<b>14.2%</b>	<b>-12.8%</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Valuation

We retain our Add rating for NLG with a TP of VND35,500 which is based on 11% discount to RNAV. Waterpoint remains the leading driver of the share price performance as the project contributes 51.7% from its revaluated inventory. This project is highlighted by its location which directly links to key transportation networks to HCMC and is close to the existing community. The landed products will follow the successful format based on the collaboration with Japanese partners. The management is now targeting buyers from HCMC and nearby towns whose economy is fast developing with expanding industrial operations in the area. Therefore, we project positive take-up of properties in its first launch in 3Q19 which could re-rate the share price. We also withhold our RNAV update regarding the three newly-acquired projects Hai Phong, Dai Phuoc, and Waterfront to gather more development details when released by the developer. This will then allow us to reasonably provide a full assessment of project value.

**Figure 4: Equity valuation (VND bn)**

Project Name	BV as at 31 Dec 2018 (VNDbn)	Premium (VNDbn)	Fair value (VNDbn)	Method	Note
Water Point	885	2,876	3,761	DCF	Phase 2 land value is based on the Phase 1 transfer price of VND1.2m/sq m announced by the management
Fuji	5	-	5	DCF	
Nguyen Son & Mizuki	556	66	622	DCF	
Novia	262	136	398	DCF	
Kikyo	350	137	487	DCF	
Dalia	2	-	2	DCF	
Akari (Hoang Nam)	833	816	1,649	DCF	A 50% stake of the 8.8ha will be transferred to the other partner in 2H19, based on the announced price of VND14.7m/sq m
Other	369		369	Book value	
<b>Total inventory</b>	<b>3,261</b>	<b>4,031</b>	<b>7,292</b>		
<b>Add:</b>					
Cash and cash equivalent			2,084		
Short-term investments			16		
Short-term receivables			1,833		
Other short-term assets			126		
Long-term assets			2,254		
<b>Less:</b>					
Net debt (exclude CB)			1,007		
Other liabilities			3,282		
Minority interest			684		
<b>RNAV</b>			<b>9,523</b>		
Shares outstanding (m)			239		
Discount to RNAV			11%		Compensates for execution and pre-sale risks at projects Waterpoint, Mizuki and Akari
<b>Target price (VND/share)</b>			<b>35,500</b>		

SOURCES: VND RESEARCH, COMPANY REPORTS

## Peer valuation

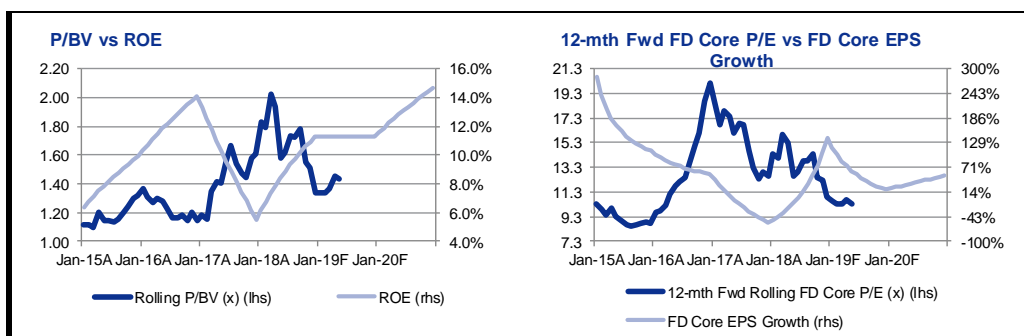
**Figure 5: Peer comparison**

Company Name	Ticker	Share price (VND)	TP (VND)	Upside	Recom.	Market Cap (US\$m)	P/E (x)			P/B (x)			ROE (%)		Dividend yield (%)		Net gearing (%)	
							TTM	2018F	2019F	3Q18	2018F	2019F	TTM	2018F	2019F	2018F		2019F
Vinhomes Jsc	VHM VN	76,600	NR	N/A	NR	11,059	23.6	15.0	13.3	2.8	5.7	4.3	23.5	50.8	38.0	1.1	1.1	136.0
Novaland	NVL VN	59,300	NR	N/A	NR	2,378	25.0	18.0	15.9	3.1	3.3	2.7	14.2	20.1	18.2	N/A	N/A	81.4
Khang Dien House	KDH VN	30,500	34,400	13%	HOLD	544	21.7	17.0	15.6	2.0	1.9	1.8	10.5	12.6	12.2	1.6	2.5	-15.1
Dat Xanh Group	DXG VN	23,250	NR	N/A	NR	351	7.6	7.0	6.0	1.8	1.6	1.2	25.9	20.3	24.0	2.2	N/A	13.2
Phat Dat Real Es	PDR VN	25,900	NR	N/A	NR	297	13.4	N/A	N/A	2.2	N/A	N/A	18.3	N/A	N/A	N/A	N/A	-3.4
Van Phu - Invest	VPI VN	41,200	NR	N/A	NR	284	9.6	N/A	N/A	3.6	N/A	N/A	38.8	N/A	N/A	N/A	N/A	13.0
Nam Long Investm	NLG VN	25,450	37,700	48%	ADD	262	6.1	7.0	6.6	1.3	1.4	1.3	22.4	21.8	20.0	1.8	2.0	-33.0
Hai Phat Investm	HPX VN	24,300	NR	N/A	NR	209	8.1	N/A	N/A	2.3	N/A	N/A	20.0	N/A	N/A	N/A	N/A	62.4
Development Inve	DIG VN	15,550	NR	N/A	NR	169	14.3	14.6	11.7	1.3	1.4	1.4	9.7	6.8	14.3	N/A	N/A	52.4
Ldg Investment	LDG VN	14,300	NR	N/A	NR	117	7.6	N/A	N/A	1.2	N/A	N/A	17.4	N/A	N/A	N/A	N/A	0.6
Sai Gon Thuong	SCR VN	7,200	NR	N/A	NR	105	6.0	N/A	N/A	0.6	N/A	N/A	9.6	N/A	N/A	N/A	N/A	47.6
NBB Investment	NBB VN	20,500	NR	N/A	NR	86	23.0	N/A	N/A	1.1	N/A	N/A	4.8	N/A	N/A	N/A	N/A	26.3
QCGL	QCG VN	4,790	NR	N/A	NR	57	25.8	N/A	N/A	0.3	N/A	N/A	1.3	N/A	N/A	N/A	N/A	9.0
Thu Duc Housing	TDH VN	9,880	NR	N/A	NR	35	9.4	N/A	N/A	0.5	N/A	N/A	5.1	N/A	N/A	N/A	N/A	26.7
First Real Jsc	FIR VN	36,800	NR	N/A	NR	21	6.2	N/A	N/A	2.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.8
Netland Real Est	NRC VN	38,400	NR	N/A	NR	20	7	N/A	N/A	3.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-3.2
<b>Simple average</b>							<b>13.4</b>	<b>13.1</b>	<b>11.5</b>	<b>1.8</b>	<b>2.5</b>	<b>2.1</b>	<b>15.8</b>	<b>22.1</b>	<b>21.1</b>	<b>1.7</b>	<b>1.8</b>	<b>26.4</b>
<b>Simple average (excluding VHM)</b>							<b>12.7</b>	<b>12.7</b>	<b>11.2</b>	<b>1.8</b>	<b>1.9</b>	<b>1.7</b>	<b>15.2</b>	<b>16.3</b>	<b>17.7</b>	<b>1.9</b>	<b>2.2</b>	<b>19.1</b>
<b>Median</b>							<b>9.5</b>	<b>14.8</b>	<b>12.5</b>	<b>1.9</b>	<b>1.8</b>	<b>1.6</b>	<b>15.8</b>	<b>20.2</b>	<b>19.1</b>	<b>1.7</b>	<b>2.0</b>	<b>13.1</b>

Note: all prices are based on the closing prices on 11 Jan 2019. All estimates for Non-rated (NR) stocks are based on Bloomberg consensus estimates.

SOURCES: VND RESEARCH, BLOOMBERG, COMPANY REPORT

## BY THE NUMBERS



### Profit & Loss

(VNDb)	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
<b>Total Net Revenues</b>	<b>3,161</b>	<b>3,480</b>	<b>2,807</b>	<b>1,719</b>	<b>1,110</b>
<b>Gross Profit</b>	<b>1,309</b>	<b>1,517</b>	<b>688</b>	<b>358</b>	<b>135</b>
<b>Operating EBITDA</b>	<b>895</b>	<b>1,026</b>	<b>358</b>	<b>98</b>	<b>(108)</b>
Depreciation And Amortisation	(14)	(13)	(16)	(17)	(17)
<b>Operating EBIT</b>	<b>881</b>	<b>1,013</b>	<b>341</b>	<b>81</b>	<b>(126)</b>
Financial Income/(Expense)	65	92	643	1,133	1,289
Pretax Income/(Loss) from Assoc.	(3)	14	0	0	0
Non-Operating Income/(Expense)	6	9	137	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>950</b>	<b>1,128</b>	<b>1,122</b>	<b>1,213</b>	<b>1,164</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>950</b>	<b>1,128</b>	<b>1,122</b>	<b>1,213</b>	<b>1,164</b>
<b>Taxation</b>	<b>(194)</b>	<b>(241)</b>	<b>(224)</b>	<b>(243)</b>	<b>(233)</b>
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>756</b>	<b>887</b>	<b>897</b>	<b>971</b>	<b>931</b>
Minority Interests	(221)	(124)	(9)	0	0
Prof. & Special Div	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	(23)	(43)	(47)	(39)	(37)
<b>Net Profit</b>	<b>512</b>	<b>721</b>	<b>842</b>	<b>932</b>	<b>894</b>
Recurring Net Profit	149	424	565	856	894
<b>Fully Diluted Recurring Net Profit</b>	<b>149</b>	<b>424</b>	<b>565</b>	<b>856</b>	<b>894</b>

### Cash Flow

(VNDb)	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
<b>EBITDA</b>	<b>895</b>	<b>1,026</b>	<b>358</b>	<b>98</b>	<b>(108)</b>
Cash Flow from Inv. & Assoc.	0	0	0	0	0
Change In Working Capital	1,681	384	(314)	(510)	(170)
Straight Line Adjustment	0	0	0	0	0
(Incr)/Decr in Total Provisions	12	12	16	17	17
Other Non-Cash (Income)/Expense	(92)	(143)	(713)	(1,202)	(1,359)
Other Operating Cashflow	31	96	777	1,147	1,304
Net Interest (Paid)/Received	(28)	(36)	(70)	(70)	(70)
Tax Paid	(238)	(346)	(224)	(243)	(233)
<b>Cashflow From Operations</b>	<b>2,261</b>	<b>991</b>	<b>(169)</b>	<b>(764)</b>	<b>(618)</b>
Capex	0	0	0	0	0
Disposals Of FAs/subsidiaries	1	0	0	0	0
Disposals of Investment Properties	22	2	0	0	0
Acq. Of Subsidiaries/investments	(751)	(1,719)	(615)	(209)	0
Other Investing Cashflow	(59)	(112)	709	1,199	1,352
<b>Cash Flow From Investing</b>	<b>(786)</b>	<b>(1,830)</b>	<b>94</b>	<b>990</b>	<b>1,352</b>
Debt Raised/(repaid)	(259)	600	(34)	(127)	(89)
Proceeds From Issue Of Shares	58	447	132	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	(123)	(207)	(120)	(120)	(120)
Preferred Dividends					
Other Financing Cashflow	0	0	0	0	0
<b>Cash Flow From Financing</b>	<b>(324)</b>	<b>840</b>	<b>(22)</b>	<b>(247)</b>	<b>(209)</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(VNDb)	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Total Cash And Equivalents	2,082	2,084	1,987	1,969	2,496
Properties Under Development	3,873	3,261	3,909	3,321	3,322
Total Debtors	579	1,833	1,805	1,603	1,496
Inventories	11	12	13	14	16
Total Other Current Assets	234	142	136	136	136
<b>Total Current Assets</b>	<b>6,779</b>	<b>7,332</b>	<b>7,849</b>	<b>7,043</b>	<b>7,465</b>
Fixed Assets	44	40	35	30	25
<b>Total Investments</b>	<b>788</b>	<b>1,722</b>	<b>2,331</b>	<b>2,534</b>	<b>2,529</b>
Intangible Assets	22	16	14	13	11
Total Other Non-Current Assets	274	476	526	221	221
<b>Total Non-current Assets</b>	<b>1,127</b>	<b>2,254</b>	<b>2,907</b>	<b>2,798</b>	<b>2,785</b>
Short-term Debt	216	201	218	140	101
Current Portion of Long-Term Debt	0	0	0	0	0
Total Creditors	291	270	292	188	136
Other Current Liabilities	2,553	2,222	2,475	989	890
<b>Total Current Liabilities</b>	<b>3,061</b>	<b>2,694</b>	<b>2,984</b>	<b>1,317</b>	<b>1,127</b>
Total Long-term Debt	229	806	756	706	656
Hybrid Debt - Debt Component	0	0	0	0	0
Total Other Non-Current Liabilities	894	790	866	850	726
<b>Total Non-current Liabilities</b>	<b>1,123</b>	<b>1,596</b>	<b>1,622</b>	<b>1,556</b>	<b>1,382</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>4,183</b>	<b>4,290</b>	<b>4,606</b>	<b>2,874</b>	<b>2,509</b>
<b>Shareholders' Equity</b>	<b>2,920</b>	<b>4,600</b>	<b>5,445</b>	<b>6,260</b>	<b>7,033</b>
Minority Interests	803	684	693	693	693
<b>Total Equity</b>	<b>3,723</b>	<b>5,285</b>	<b>6,138</b>	<b>6,953</b>	<b>7,726</b>

### Key Ratios

	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Revenue Growth	24.8%	10.1%	(19.3%)	(38.8%)	(35.4%)
Operating EBITDA Growth	81%	15%	(65%)	(73%)	(211%)
Operating EBITDA Margin	28.3%	29.5%	12.7%	5.7%	(9.8%)
Net Cash Per Share (VND)	8,679	4,503	4,237	4,695	7,270
BVPS (VND)	15,477	19,237	22,768	26,179	29,410
Gross Interest Cover	31.67	27.82	4.90	1.16	(1.81)
Effective Tax Rate	20.4%	21.3%	20.0%	20.0%	20.0%
Net Dividend Payout Ratio	13.8%	9.9%	14.2%	12.8%	13.4%
Accounts Receivables Days	96.6	126.5	236.5	362.9	509.7
Inventory Days	2.32	2.11	2.12	3.63	5.56
Accounts Payables Days	48.36	52.20	48.37	64.52	60.59
ROIC (%)	20.8%	37.0%	8.3%	1.8%	(2.4%)
ROCE (%)	24.3%	21.8%	15.7%	17.2%	15.1%
Return On Average Assets	9.65%	8.81%	3.30%	0.25%	(1.37%)

### Key Drivers

	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Unbooked Presales (m) (VND)	3,362,362.4	4,201,651.2	6,445,691.4	7,922,952.8	10,395,150.7
Unbooked Presales (area: m sm)	N/A	N/A	N/A	N/A	N/A
Unbooked Presales (units)	2,127.0	2,489.0	3,525.4	4,323.7	5,513.1
Unsold attrib. landbank (area: m sm)	N/A	N/A	N/A	N/A	N/A
Gross Margins (%)	46.7%	38.5%	36.8%	38.9%	40.5%
Contracted Sales ASP (per Sm) (VND)	N/A	N/A	N/A	N/A	N/A
Residential EBIT Margin (%)	18.8%	26.1%	10.4%	-2.8%	-935.1%
Investment rev / total rev (%)	N/A	N/A	N/A	N/A	N/A
Residential rev / total rev (%)	71.0%	69.0%	44.9%	29.2%	0.0%
Inv. properties rental margin (%)	N/A	N/A	N/A	N/A	N/A
SG&A / Sales Ratio (%)	5.0%	5.0%	5.0%	5.0%	5.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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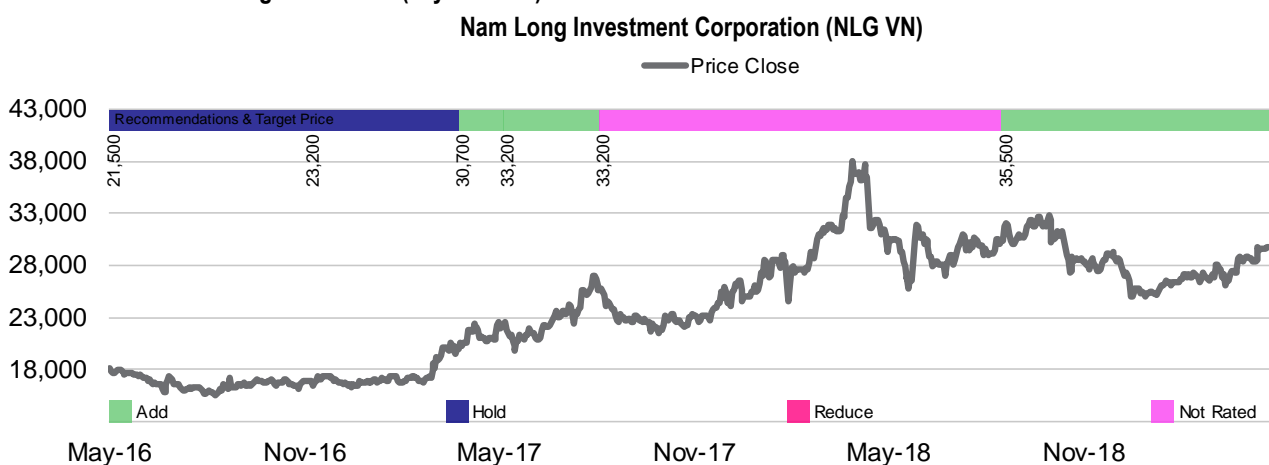
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Distribution of stock ratings and investment banking clients for quarter ended on 08 April 2019		
771 companies under coverage for quarter ended on 08 April 2019		
	Rating Distribution (%)	Investment Banking clients (%)
Add	57.8%	4.0%
Hold	27.0%	2.1%
Reduce	15.2%	0.4%

**Spitzer Chart for stock being researched ( 2 year data )**



**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2018, Anti-Corruption 2018**

**ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, Declared, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** – Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** – Good, Declared, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENTEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Very Good, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **DELTA** – Excellent, n/a, **DEMCO** – Excellent, Certified, **DDD** – Very Good, Declared, **DIF** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** – Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HREIT** – Excellent, Certified, **ICHI** – Excellent, Declared, **HUMAN** – not available, n/a, **III** – Good, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD\*** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – not available, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Declared, **MALEE** – Very Good, Certified, **MC** – Very Good, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Declared, **NETBAY** – Good, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PSH** – Excellent, Certified, **PSTC** – Good, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **RSP** – not available, n/a, **SAMART** – Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Very Good, Certified, **SF** – Good, n/a, **SIRI** – Very Good, Certified, **SPA** – Good, n/a, **SPALI** – Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Declared, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, Declared, **TMB** – Excellent, Certified, **TNR** – Very Good, Declared, **TOP** – Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Very Good, Declared, **UNIQ** – Good, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WORK** – Good, n/a.

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 31, 2018) are categorized into:

- Companies that have declared their intention to join CAC, and
- Companies certified by CAC

\* The company, its director or management had been reportedly accused for breaching proper corporate governance such as violation of the SEC's regulations or charged with corruption.

**RECOMMENDATION FRAMEWORK**
**Stock Ratings**
**Definition:**

Add	The stock's total return is expected to reach 15% or higher over the next 12 months.
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

**Sector Ratings**
**Definition:**

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

**Country Ratings**
**Definition:**

Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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