

Nam Long Group (HOSE: NLG)

Step back to leap forward

- 2Q25 net profit reached VND 99 bn, -31% yoy as the same period last year recorded a large one-off gain. For 6M25, although net profit rose 206% yoy from a low base, the result fell short of our expectations due to slower-than-expected handover progress.
- We expect the company's profit to grow by 45%/ 5% in 2025/2026, respectively, driven by gains from the transfer of shares in the Izumi project and handovers at new projects or sub-phases.
- We raise our target price to VND 45,600/share but downgrade our recommendation to **HOLD** as the current share price has partially reflected the company's outlook.

6M25 Results: Slower-than-expected handover progress

In 2Q25, NLG's revenue improved significantly by 201% yoy from a low base, but net profit fell 31% yoy due to the absence of financial gains from the transfer of shares in the Paragon Đại Phước project, as recorded in the same period last year. For 6M/2025, NLG posted net revenue of VND 2,064 bn (+352% yoy) and net profit of VND 208 bn (+38.2% yoy), showing a strong recovery from last year's low base, mainly driven by the handover of products at Akari Phase 2 and Nam Long Cần Thơ. Despite the improvement, NLG has only achieved 30% of its full-year 2025 profit target as no new projects were handed over.

FY25-26F Outlook: Solid potential thanks to positive sales launching

We continue to expect NLG's profit to maintain solid growth in the coming period, supported by positive legal developments at its projects. We have revised our 2025-2026 net profit forecasts upward by 39% and 20%, respectively, from our previous estimates, based on the following factors: (1) Inclusion of estimated financial gains from the divestment in the Izumi City project to Tokyu in 2025; (2) Accelerated assumptions for the launch and handover schedules of the Izumi City and Paragon Đại Phước projects, in line with the actual progress of legal procedures; (3) An 8% upward adjustment to the assumed selling price of the Izumi City project compared with our previous forecast. Following these revisions, NLG's net profit attributable to parent company shareholders is projected to grow by 45% in 2025 and 5% in 2026.

Downgrade to HOLD with target price of 45,600 VND/share

We set a new target price for NLG at VND 45,600/share (up 7.3% from previous target price) based on the following changes: (1) Increasing the selling price of Izumi products by 8% compared with the previous forecast to align with the company's estimates; (2) Reducing NLG's ownership stake in the Izumi project; (3) Adding other projects into the valuation. However, we downgrade our recommendation to Hold as the share price has risen sharply in recent times, leaving limited upside potential. Investors may consider initiating new positions when the stock price corrects to a more attractive level.

Financial indicators	31/12/23	31/12/24	31/12/25	31/12/26
Net revenue	3,181	7,196	5,020	6,049
Net profit after tax & minority interest	484	518	753	790
Net revenue growth	-27%	126%	-30%	20%
NPATMI growth	-13%	7%	45%	5%
Gross profit margin	49%	42%	43%	50%
EBITDA margin	41%	29%	34%	33%
ROAE	4%	4%	5%	5%
ROAA	2%	2%	2%	2%
EPS (VND/share)	1,257	1,346	1,956	2,051
BVPS (VND/share)	24,386	25,145	26,468	27,898

Source: NLG, MBS Research's projection

HOLD

Target price

VND 45,600

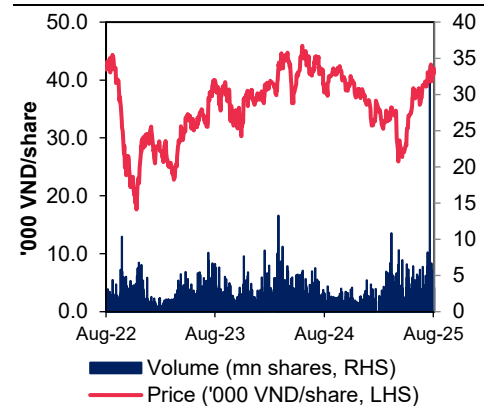
Upside

7.5%

Key changes:

Adjust NLG's ownership stake in the Izumi project from 65.1% to 50%

Information



Source: FiinPro, MBS Research

Market price (VND)	42,400
High 52w (VND)	45,381
Low 52w (VND)	31,600
Market cap (VND bn)	16,327
P/E (TTM)	24.7
P/B	1.7
Dividend yield (%)	1.5%
Foreign ownership ratio (%)	41.2%

Source: <https://s24.mbs.com.vn/>

Ownership structure

Nguyễn Xuân Quang	10.0%
Ibworth Pte.Ltd	7.6%
PYN Elite Fund	4.5%
Others	77.9%

Source: <https://s24.mbs.com.vn/>

Analyst

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Nam Long Group (HOSE: NLG)

6M25 Results: No new project was handed-over

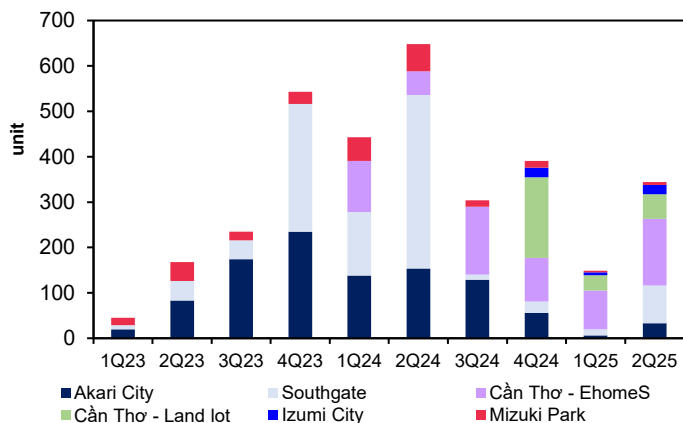
NLG's 2Q25 and 6M25 business results

Figure 1: NLG's 2Q25 and 6M25 business results (unit: VND bn)

Indicator	2Q25	% yoy	% qoq	6M25	% yoy	% pre. full year forecast	Comment
Presale (VND bn)	2,789	85%	412%	3,334	24%		NLG's presales in 2Q25 were significantly higher yoy and qoq, mainly driven by sales at Southgate (accounting for 71% of total 2Q25 sales), which we believe were primarily contributed by Park Village subdivision. In 6M25, presales were also positively supported by land lot and EhomeS products at Nam Long Cần Thơ project.
Revenue	773	206%	-40%	2,064	352%	52.5%	2Q and 6M revenue improved strongly from the low base of the same period last year, mainly driven by the handover of products at Nam Long II Central Lake (Cần Thơ) and the remaining units of Akari City Phase 2.
Gross profit	332	158%	-20%	745	246%	42.7%	
Gross profit margin	42.9%	-8% pts	11% pts	36.1%	-11% pts	-8.3% pts	Gross margin improved qoq as the proportion of handovers from the EhomeS segment, which has a low gross margin, was lower (14% versus 23% in last quarter).
SG&A expenses	206	12%	-13%	444	35%	56.5%	
% SG&A expenses/Revenue	26.7%	0% pts	8.3% pts	21.5%	-50.3% pts	1.5% pts	Revenue surged yoy while expense only increased modestly.
Financial income	43	-83%	-10%	91	-67%	38.3%	Financial income dropped sharply yoy as there was no gain from investment disposal (VND 231 bn) as recorded in the same period last year from the transfer of a 25% stake in Paragon Đại Phước company.
Financial expense	48	-28%	-51%	147	25%	-44.6%	Interest expenses in 1Q25 rose sharply yoy, driving a 25% yoy increase in 6M25 financial expenses.
Other income	8	30%	-19%	19	2%	63.7%	
Income from associates & JVs	20	-53%	154%	28	-58%	22.7%	
Profit before tax	149	-16%	5%	291	123%	28.5%	
Profit after tax	98	-39%	-11%	207	119%	25.4%	
Net profit after tax and minority interest (NPATMI)	99	-31%	-8%	208	206%	38.2%	In 6M25, NLG achieved 30% of its full-year 2025 NPATMI target. This result was below our expectations due to slower-than-expected handover progress.

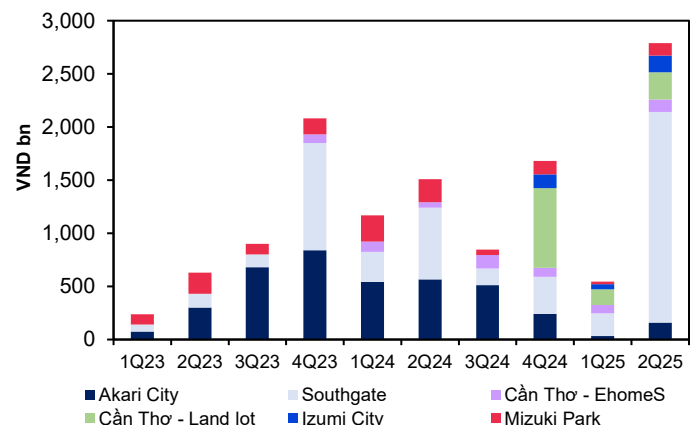
Source: NLG, MBS Research

Figure 2: NLG's presale volume (unit)



Source: NLG, MBS Research

Figure 3: NLG's presale value (VND bn)



Source: NLG, MBS Research

Revise 2025-2026 profit forecasts upward by 39%/20% due to accelerated handover schedule assumptions and inclusion of financial gains

Figure 4: MBS's forecast of NLG's business results in 2025-2026 period

Financial indicator	2024	2025F	% yoy	% pre. forecast	2026F	% yoy	% pre. forecast	Comment
Presale	5,204	10,986	111%	93%	12,352	12%	125%	Significant upward revision due to accelerated launch schedule assumptions for Izumi and Paragon Đại Phước, along with higher assumed selling prices for Izumi.
Revenue	7,196	5,020	-30%	28%	6,049	20%	10%	Presales at Southgate in 1H25 is better than expected, and sales launching progress at Izumi City and Paragon Đại Phước are more positive than previously expected.
Gross profit	3,057	2,173	-29%	25%	3,008	38%	18%	
Gross profit margin	42.5%	43.3%	0.8% pts	-1.1% pts	49.7%	6.4% pts	3.5% pts	Accelerating the handover assumption of low-rise products at the Izumi project in 2026, resulting in a higher gross margin compared with the previous forecast.
SG&A expenses	1,394	1,006	-28%	28%	1,266	26%	10%	
% SG&A expenses/ Revenue	19.4%	20.0%	0.7% pts	0% pts	20.9%	0.9% pts	0% pts	
Financial income	337	395	17%	65%	176	-55%	-40%	Inclusion of an estimated profit of VND 250 bn from the divestment in the Izumi City project, compared to previous forecast.
Financial expenses	(331)	(314)	-5%	-5%	(291)	-7%	-16%	
Other profit	56	38	-32%	28%	48	26%	10%	
Income from associates & JVs	100	124	25%	0%	53	-57%	-1%	
Profit before tax	1,825	1,411	-23%	38%	1,728	22%	20%	
Profit after tax	1,387	1,128	-19%	38%	1,382	22%	20%	
Net profit after tax and minority interest (NPATMI)	518	753	45%	39%	790	5%	20%	

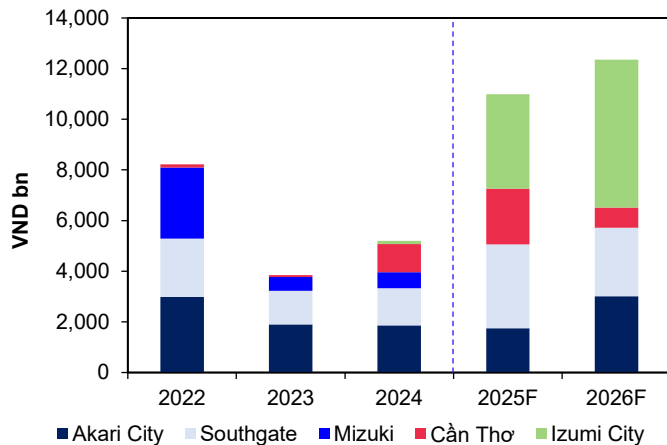
Source: MBS Research's projection

Figure 5: Legal progress of NLG's current projects

No	Project	Location	Investment licenses	1/500 master plan	Land handover	Land use fee payment	Note
1	Akari City	HCM City	x	x	x	x	Unsolved legal issues related to social housing in Phase 3.
2	Waterpoint Phase 1	Long An	x	x	x	x	
3	Nam Long II Central Lake	Cần Thơ	x	x	x	x	
4	Izumi City	Đồng Nai	x	x (*)	x	x	Adjusted 1/500 master plan was approved following the revision of the 1/5000 master plan for the C4 subdivision in Dong Nai.
5	Mizuki Park	HCM City	x	x	x	x	Obtained construction permit for CC5 high-rise subdivision, and sales permit for L11 low-rise subdivision.
6	Paragon Đại Phước	Đồng Nai	x	x	x	x	Obtained infrastructure construction permit.
7	Waterpoint Phase 2	Long An	x	x	x	x	
8	VSIP Hải Phòng	Hải Phòng	x	x	x	x	

Source: MBS Research's compilation

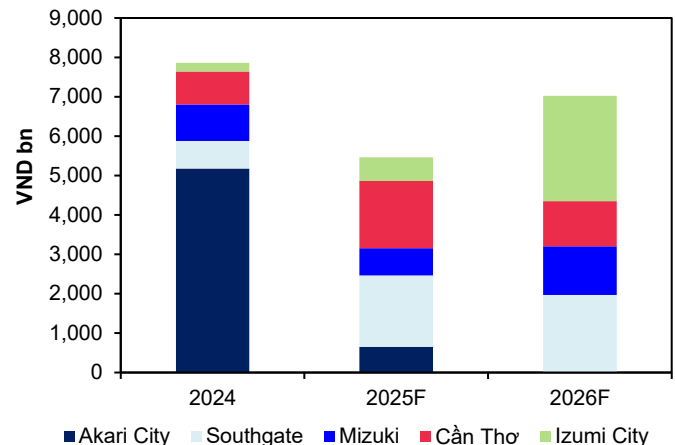
Figure 6: Forecast of NLG's presale by project



Note: Mizuki is executed by a joint venture and recognized as one-line item on NLG's consolidated balance sheet

Source: MBS Research's projection

Figure 7: Forecast of NLG's handover value by project



Note: Mizuki is executed by a joint venture and recognized as one-line item on NLG's consolidated balance sheet

Source: MBS Research's projection

Figure 8: Summary of our assumption for progress of NLG's projects

No	Project	Ownership	2021	2022	2023	2024	2025	2026	2027	After 2027
1	Akari City Phase 3	50%								
2	Waterpoint Phase 1	50%								
3	Nam Long II Central Lake	100%								
4	Izumi City	65%								
5	Mizuki Park	50%								
6	Paragon Đại Phước	50%								

Note: Sale:  Handover: 

Source: MBS Research's projection

Include the expected financial gains from the transfer of shares in the Izumi City project into the profit forecast

In July 2025, NLG signed an agreement to transfer a 15.1% stake in the Izumi City project to its Japanese partner, Tokyu Corporation, thereby reducing its ownership in Izumi City from 65.1% to 50%. We expect the profit from this transaction to be recorded in NLG's financial income in 3Q25. Previously, in 4Q20, NLG had transferred a 34.9% stake in this project to its partner Hankyu Hanshin, recognizing a gain of VND 589.4 bn from this divestment. Details of the profit from the 15.1% stake transfer to Tokyu have not yet been officially disclosed by the company. Currently, we estimate that this transaction will contribute VND 250 bn to NLG's financial income in 2025. We have incorporated this estimated profit into our 2025 earnings forecast, compared with our previous projection.

Accelerate assumed launch and handover schedules for certain projects and subdivisions during 2025–2026

In 1H25, NLG's projects saw significant progress in both legal procedures and construction, notably at Izumi City, Mizuki, and Paragon Đại Phước. These are key prerequisites for the company to launch sales in these subdivisions during late 2025 to early 2026, supporting its profit outlook. In the second half of 2025, NLG plans to focus its sales efforts on The Pearl (a subdivision in Southgate), Paragon Đại Phước, Izumi Canaria, and the CC5 subdivision of Mizuki, which are expected to contribute positively to the company's presales. Accordingly, we have made the following adjustments:

- Accelerate the assumed sales launch and product handover schedules for the Izumi City and Paragon Đại Phước projects from late 2026 to late 2025, as legal progress at these projects has been more favorable than in our previous forecast.
- Increase the assumed selling price at Izumi City project by 8% from previous projection, in line with the company's guidance. The new estimated selling price for this project is about VND 58–60 mn/m².

In 2025, NLG also launched the An Zen Residence project in Hai Phong in July, covering an area of 1.5 hectares, with expected selling prices ranging from VND 1.5 to 2.5 bn per unit. Given the characteristic of the Ehome product line, which is low profit margin, we do not expect this project to make a significant contribution to NLG's profit during 2025-2026.

Tailwinds expected from legal reforms

In 2025, alongside the provincial mergers that are expected to bring substantial infrastructure benefits, the real estate market has also seen a number of positive legal developments. These include the approval of a pilot project list for expanding land-use purposes; proposals to reduce administrative procedure processing times and compliance costs by 30%; and a proposal to remove the construction permit requirement for projects with an approved 1/500 master plan. More recently, the withdrawal of proposals to impose personal income tax on gains from real estate transfers—maintaining the current tax rate of 2% of the transaction value—has helped alleviate concerns over a potential new price baseline, thereby improving market sentiment.

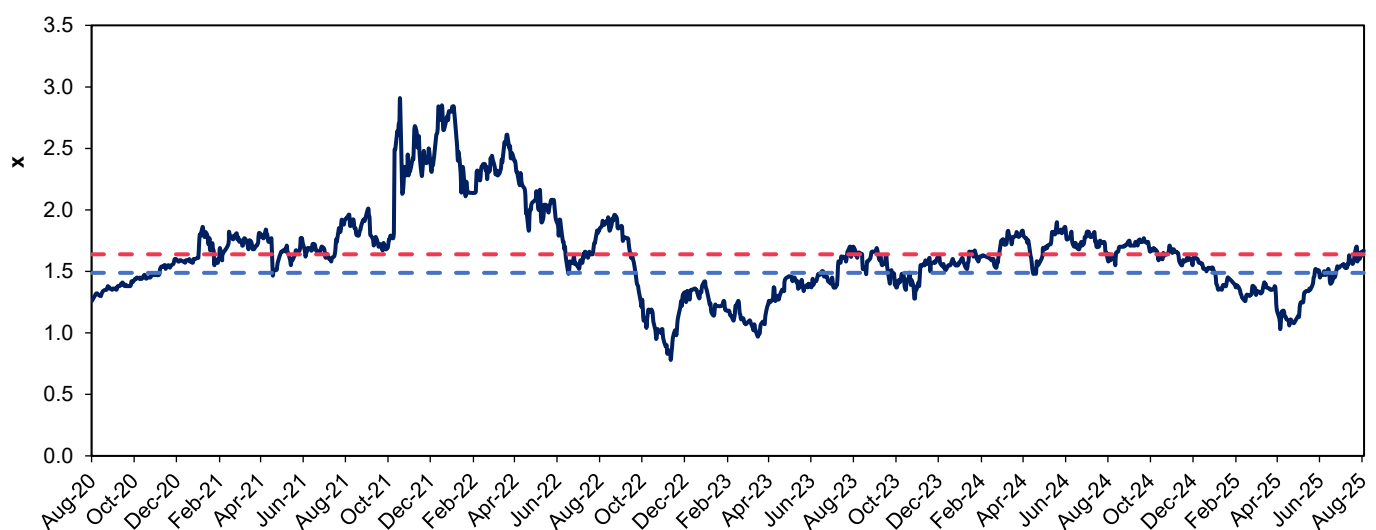
We believe NLG's projects scheduled for implementation during 2025–2026 will benefit from the following factors: (1) Most have already completed land-use fee payments and will not be affected by changes in the land price framework or related legal regulations; (2) Selling prices at certain projects are expected to remain positive as they are located in areas anticipated to benefit from provincial mergers; (3) Healthy absorption rates, driven by real demand.

Investment thesis & Recommendation

Investment thesis

- NLG recorded strong presales growth in 1H25, driven primarily by the Southgate project, where the launch of the Park Village subdivision achieved positive results, and the Nam Long Cần Thơ project, which showed a healthy absorption rate. We believe that the handover of these projects will serve as a solid driver for the company's profit in 2025, in addition to the divestment of its stake in Izumi project to Tokyu.
- In 2H25, NLG plans to launch multiple new projects or subdivisions, as these projects have made positive progress in legal procedures. Notable examples include the CC5 subdivision of the Mizuki project, The Pearl subdivision of the Southgate project (Waterpoint Phase 1), the Izumi Canaria subdivision of the Izumi project, and the Paragon Đại Phước project. These will provide a solid buffer for the company's profit in 2026, even in the absence of financial income as recorded in 2025. NLG's profit is expected to grow by 45%/ 5% in 2025/ 2026, respectively.
- We believe that NLG's projects scheduled for implementation during 2025-2026 will benefit from the following factors: (1) most have already completed land use fee payments and are therefore unaffected by changes in the land price framework or related legal regulations; (2) selling prices at certain projects are expected to remain favorable as they are located in areas anticipated to benefit from provincial mergers; and (3) absorption rates are likely to remain strong as the projects cater to genuine end-user demand.
- Although company outlook remains positive, we downgrade our recommendation on NLG to **Hold**, as the stock price has already largely priced in the company's potential and is currently trading above its 3-year average P/B multiple. We will continue to monitor and update our valuation should further positive developments from the company arise.

Figure 9: Current P/B valuation of NLG is higher than its 3-year average and equivalent to its 5-year average



Source: FiinProX, MBS Research

Valuation & Recommendation

We apply the RNAV method to set a new target price for NLG at VND 45,600/share (up 7.3% from previous target price) based on the following changes: (1) Increasing Izumi's selling price by 8% compared with our previous forecast to align with the company's estimates; (2) Reducing NLG's ownership stake in the Izumi project; (3) Accelerating assumed progress for certain projects and adding other projects into the valuation. Accordingly, while we raise our target price, we downgrade our recommendation to **Hold** as current share price has already partially reflected the company's potential. Investors may consider new positions when the stock price corrects to a more attractive level.

Figure 10: Valuation summary

Project	Method	Forecasted NPV (VND bn)	Ownership	Actual NPV (VND bn)
Waterpoint Phase 1	DCF	5,682	50%	2,841
Akari Phase 3	DCF	1,929	50%	965
Central Lake Cần Thơ	DCF	2,269	100%	2,269
Izumi	DCF	12,003	50%	6,002
Mizuki	DCF	3,292	50%	1,646
Paragon Đại Phước	DCF	2,373	50%	1,186
VSIP Hải Phòng	DCF	1,282	100%	1,282
Waterpoint Phase 2	P/B	4,301	100%	4,301
Others	P/B	1,263	100%	1,263
Total value				21,756
(+) Cash & Equivalents				6,654
(-) Debt				5,774
(-) Minority interest				5,076
Revalued net asset value - RNAV				17,559
Number of shares outstanding (millions)				385
Target price (VND/share)				45,600
Current price (VND/share, August 8, 2025)				42,400
Upside				8.7%

Cost of equity

Risk-free rate	3.0%
Beta	1.5
Risk premium	9.0%
Cost of equity	16.4%

WACC

Cost of debt	10.5%
Tax rate	20.0%
WACC	14.0%

Downside risk:

- Project absorption rates lower than expected.
- Slower-than-expected product handover progress at projects.
- Profit from the transfer of shares in Izumi City to Tokyu lower than expected.

Figure 11: Peers comparison

Company	Ticker	Market cap VND bn	P/E (x) TTM	P/B (x) Current	ROA%		ROE (%)	
					2025F	2026F	2025F	2026F
Vinhomes JSC	VHM	389,383	13.6	1.8	7.3	5.6	16.6	14.8
Khang Điền House Trading and Investment JSC	KDH	32,053	44.2	2.0	3.8	5.4	6.3	6.5
Phát Đạt Real Estate Development JSC	PDR	19,324	120.6	1.8	2.7	2.7	5.4	5.4
Đất Xanh Group JSC	DXG	21,804	60.6	1.8	1.0	1.6	2.3	3.3
Average				1.8	3.7	3.8	7.7	7.5
Nam Long Group	NLG	16,327	24.6	1.7	2.4	2.3	4.9	4.9

Source: Bloomberg, MBS Research

Appendix

Figure 12: Update on project information



Project: Akari City

- Ownership: 50%
- Location: Võ Văn Kiệt Street, HCM City
- Size: 8.8ha, (~5100 apartments for 3 phases)
- Main product: Mid-end apartment

Progress:

- Phase 1 (~1800 units): Absorption rate reached 100%, all units were handed over in the 2021-2023 period.
- Phase 2 (~1700 units): 1448 units were handed-over in 2024, equivalent to 86% total units of this phase.
- Phase 3 (~1500 units): Expected to be launched and handed-over in 2027.



Project: Waterpoint Phase 1 (Southgate)

- Ownership: 50%
- Location: Bến Lức, Long An
- Size: 170 ha
- Main product: Villas and shophouses

Progress:

- Rivera 1,2 & Aquaria 2b: Complete the handover process
- The Aqua: Launched in Jun 2022, 80% of total units were sold.
- Park Village (~96 units): Currently in sales launching process.
- The Pearl: Launched in July 2025.
- Solaria Rise (ST5): Expected to launch sales in September 2025.



Project: Nam Long II Central Lake

- Ownership: 100%
- Location: Cái Răng, Cần Thơ
- Size: 80ha
- Main products: Land lot, shophouse, EhomeS

Progress:

- Obtained the 1/500 master plan and paid the land use fee in 2024.
- Launched sales of the land lot and EhomeS products, selling almost all of Phase 1 and half of Phase 2.



Project: Izumi City

- Ownership: 50% (sau khi bán 15.1% cổ phần cho đối tác)
- Location: Biên Hòa, Đồng Nai
- Size: 160 ha, with 5 subdivisions.
- Main products: Shophouses & Villas

Progress: Obtained approval for the adjusted 1/500 master plan.

- Phase 1A: 447 units (mostly low-rise units, the Izumi Flora high-rise will be implemented later)
- Phase 1B: 797 units (shophouses, villas, Flora high-rise)
- Phase 2: 424 units (low-rises)



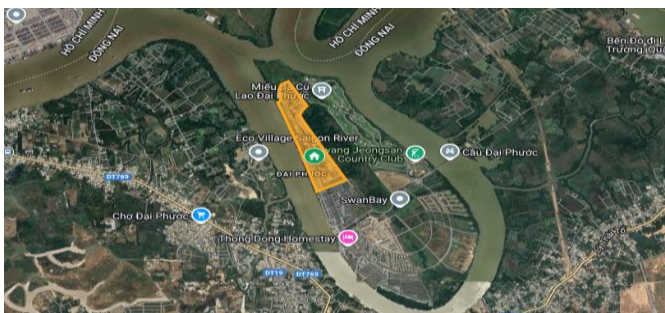
- Phase 3 (Izumi Canaria): Expected sales launching in September 2025.

Project: Mizuki Park

- Ownership: 50% (NLG participated through a joint venture)
- Location: Bình Chánh, HCM City
- Size: 26.4 ha
- Main product: Apartment

Progress:

- Phase 1: Handed-over in 2020.
- Phase 2: Launched in 2021, continuing hand-over process.
- Phase 3: The CC5 high-rise division obtained construction permit in June 2025, while the LK11 low-rise obtained sales permit in June 2025.



Project: Paragon Đại Phước

- Ownership: 50%
- Location: Nhơn Trạch, Đồng Nai
- Size: 45ha, ~1000 units
- Main product: Villas, shophouse

Progress:

- Obtained infrastructure construction permit and started constructing infrastructure for Phase 1.
- Expected to launch Phase 1 in 3Q25.



Project: Nam Long Hải Phòng 2 (An Zen Residence)

- Ownership: 100%
- Location: Hải Phòng
- Size: 1.5ha, 887 units
- Main product: Ehome

Progress: Launched in July 2025.

Source: NLG, MBS Research's compilation

FINANCIAL STATEMENTS

Income Statement					Cash Flow Statement				
	2023	2024	2025F	2026F		2023	2024	2025F	2026F
Net revenue	3,181	7,196	5,020	6,049	Profit before tax	968	1,825	1,411	1,728
Cost of goods sold	(1,619)	(4,139)	(2,847)	(3,041)	Depreciation & amortization	49	50	53	57
Gross profit	1,562	3,057	2,173	3,008	Interest expense	296	331	229	188
Administrative expenses	(562)	(651)	(463)	(569)	Other adjustment	(625)	(402)	(306)	24
Selling expenses	(418)	(742)	(543)	(696)	Changes in working capital	(3,031)	(579)	462	(747)
Profit from operation	582	1,664	1,168	1,742	Cash flow from operations	(2,343)	1,225	1,848	1,249
Net EBITDA	630	1,714	1,220	1,799	Investment in PPE	(23)	(31)	(45)	(50)
Pre-tax & interest income	582	1,664	1,168	1,742	Proceeds from sales of PPE	-	8	-	-
Interest income	238	337	395	176	Other items	428	1,074	(177)	(396)
Financial expenses	(296)	(331)	(314)	(291)	Cash flow from investing	405	1,051	(222)	(447)
Other net income	27	56	38	48	Share issuance & contributions from shareholders	-	-	3	-
Income from associates & JVs	418	100	124	53	Net cash from borrowings	893	822	(1,187)	(354)
Pre-tax profit	968	1,825	1,411	1,728	Other cash flow from financing activities	-	-	155	194
Corporate income tax	(168)	(437)	(282)	(346)	Dividends, profit paid to shareholders	(187)	(194)	(193)	(193)
Net profit after tax	800	1,387	1,128	1,382	Cash flow from financing	705	627	(1,222)	(353)
Minority interests	(317)	(869)	(375)	(592)	Beginning cash & equivalents	3,773	2,540	5,443	5,847
Net profit	484	518	753	790	Net cash flow over the year	(1,233)	2,903	404	450
Dividend payment	(187)	(194)	(193)	(193)	Ending cash & equivalents	2,540	5,443	5,847	6,298
Retained earnings	297	323	561	597					
Balance Sheets					Financial ratios				
	2023	2024	2025F	2026F		2023	2024	2025F	2026F
Cash & cash equivalents	2,540	5,443	5,847	6,298	Net revenue growth	-27%	126%	-30%	20%
Short-term investment	1,050	623	806	972	EBITDA growth	-27%	172%	-29%	47%
Accounts receivable	3,637	2,797	3,230	3,628	Operating profit growth	70%	286%	70%	149%
Inventories	17,353	17,993	18,533	19,182	Pre-tax profit growth	-10%	88%	-23%	22%
Total current assets	25,313	27,549	29,046	30,898	Net profit growth	-13%	7%	45%	5%
Fixed assets	58	72	87	105	EPS growth	-13%	7%	45%	5%
Construction in progress	44	5	5	5					
Investment in real estate	305	316	307	299	Gross profit margin	49%	42%	43%	50%
Investment in subsidiaries	-	-	-	-	EBITDA margin	41%	29%	34%	33%
Investment in associates & JVs	2,220	1,794	1,705	1,619	Net profit margin	15%	7%	15%	13%
Other long-term investment	575	500	638	744	ROAE	3.6%	3.6%	4.9%	4.9%
Total long-term assets	3,298	2,769	2,813	2,846	ROAA	1.7%	1.7%	2.4%	2.3%
Total assets	28,611	30,318	31,859	33,744	ROIC	2.5%	2.4%	3.6%	3.6%
Short-term debt	2,402	2,958	2,271	1,821	Asset turnover	11%	24%	16%	18%
Account payables	1,175	1,027	1,026	964	Debt to Equity	45%	48%	38%	33%
Other short-term liabilities	6,309	6,241	8,069	9,179	Net Debt to Equity	26%	10%	0%	-5%
Total short-term liabilities	9,886	10,227	11,365	11,964	Net Debt to Total Assets	12%	5%	0%	-3%
Long-term debt	3,705	4,003	3,503	3,600	Interest coverage	2.1	7.2	5.1	9.2
Other long-term liabilities	1,487	1,520	1,721	1,961					
Total long-term liabilities	5,192	5,523	5,225	5,561	Days of sales outstanding	417	142	235	219
Total liabilities	7,594	8,481	7,495	7,382	Days of inventory	3,911	1,587	2,376	2,302
					Days of payables outstanding	265	91	132	116
Charter capital	3,848	3,848	3,851	3,851					
Additional paid-in capital	2,643	2,643	2,643	2,643	Liquidity ratio	2.6	2.7	2.6	2.6
Treasury stock	-	-	-	-	Quick ratio	0.8	0.9	0.9	1.0
Retained earnings	2,879	3,171	3,686	4,236	Cash ratio	0.4	0.6	0.6	0.6
Reserve funds	13	13	13	13					
Shareholders' equity	9,383	9,675	10,192	10,743	Valuation				
Minority interests	4,150	4,894	5,076	5,476	EPS (VND/share)	1,257	1,346	1,956	2,051
Total shareholders' equity	13,533	14,569	15,269	16,219	BVPS (VND/share)	24,386	25,145	26,468	27,898
Total shareholders' equity	28,611	30,318	31,859	33,744	P/E (x)	33.4	31.2	21.4	20.5
					P/B (x)	1.7	1.7	1.6	1.5

Source: NLG, MBS Research's projection

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MBS INVESTMENT RECOMMENDATION

Stock rating

Our investment recommendations are based on the expected profitability of the stock, calculated as the sum of (i) the percentage difference between target price and market price at the time of publication, and (ii) expected dividend yield. Unless otherwise stated in the report, investment recommendations have an investment horizon of 12 months.

ADD	The stock can generate a profitability of 15% or more
HOLD	The stock can generate a profitability of between -15% and 15%
REDUCE	The stock can generate a loss of 15% or more

Sector rating

POSITIVE	Industry stocks have Add recommendations on a weighted market capitalization basis
NEUTRAL	Industry stocks have Hold recommendations on a weighted market capitalization basis
NEGATIVE	Industry stocks have Reduce recommendations on a weighted market capitalization basis

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Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS led the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges.

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