

## Nam Long Group (HOSE: NLG)

### Attractive valuation for new recovery cycle

- In 4Q24, NLG completed the handover of Akari City Phase 2, driving a 126% yoy increase in revenue for 2024 and a 6% Yoy growth in net profit.
- We expect NLG's net profit to grow by 6%/21% in 2025-2026, primarily driven by the handover of projects such as Southgate (Waterpoint Phase 1), Nam Long Cần Thơ, and Akari City Phase 3.
- Recommend **ADD** with a target price of VND 42,500 per share.

#### 2024 Recap: Handover of Akari phase 2 boosted 4Q24 performance

In 4Q24, NLG's revenue surged by 289% yoy, reaching VND 6,369 bn, driven by the handover of more than 1,400 units at the Akari City Phase 2 project in October 2024. Despite strong revenue growth, NLG's 4Q24 net profit increased by only 71% yoy to VND 497 bn. For the full year 2024, NLG's total revenue reached VND 7,196 bn (+126% yoy), with a gross profit margin of 42.6%, down 6.5% pts yoy. This decline was due to the lower-margin products handed over in 2024 compared to the higher-margin low-rise products delivered in 2023. Additionally, the significant minority interests in the projects handed over during the year limited NLG's net profit growth to only 6% yoy, whereas post-tax profit increased by 73% yoy.

#### Affordable segment handover helps ensure profitability in 2025-26

As the recovery of the real estate market in southern Vietnam still remains slow, we believe NLG will focus on accelerating sales and handing over mid-range segment products during 2025-2026. In 2025, NLG's net profit is projected to grow by 6% yoy, driven by the continued handover of remaining units in Akari City Phase 2 and the accelerated delivery of available units in Waterpoint Phase 1 and Nam Long 2 Cần Thơ. By 2026, with the expected handover of approximately 1,500 units in Akari City Phase 3, NLG's net profit is forecasted to increase by 21% yoy.

#### Recommend ADD with a target price of VND 42,500/share

This target price implies a 29.2% upside potential compared to the closing price on February 25, 2025. Currently, NLG is trading at a trailing P/B of 1.3x, lower than its 3-year average (1.58x) and 5-year average (1.62x), while its business outlook remains stable. NLG maintains its position as one of the leading real estate companies in the industry, and its 2025-2026 business outlook remains positive despite potential challenges in the real estate market. Therefore, we believe this is a favorable time to accumulate NLG stock for long-term investment.

Financial indicators	2023	2024	2025F	2026F
Net revenue	3,181	7,196	3,933	5,494
Net profit after tax & minority interest	484	512	543	657
Net revenue growth	-27%	126%	-45%	40%
NPATMI growth	-13%	6%	6%	21%
Gross profit margin	49%	43%	44%	46%
EBITDA margin	41%	29%	34%	32%
ROAE	4%	4%	4%	4%
ROAA	3%	5%	3%	3%
EPS (VND/share)	1,257	1,330	1,411	1,705
BVPS (VND/share)	24,386	25,118	25,937	27,041

Source: NLG, MBS Research's projection

**ADD**

**Target price**

**VND 42,500**

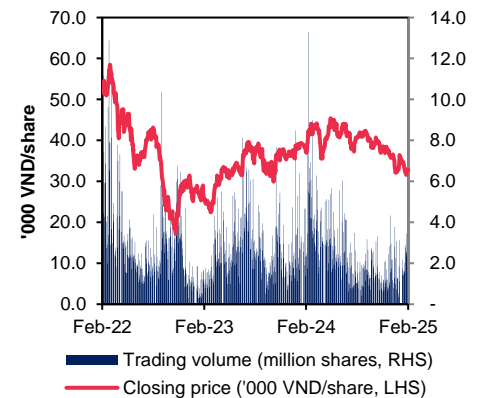
Upside

29.2%

**Major changes:**

n/a

#### Stock information



Source: FiinPro, MBS Research

Market price (VND)	32,900
High 52w (VND)	45,381
Low 52w (VND)	31,600
Market cap (VND bn)	12,707
P/E (TTM)	24.7
P/B	1.3
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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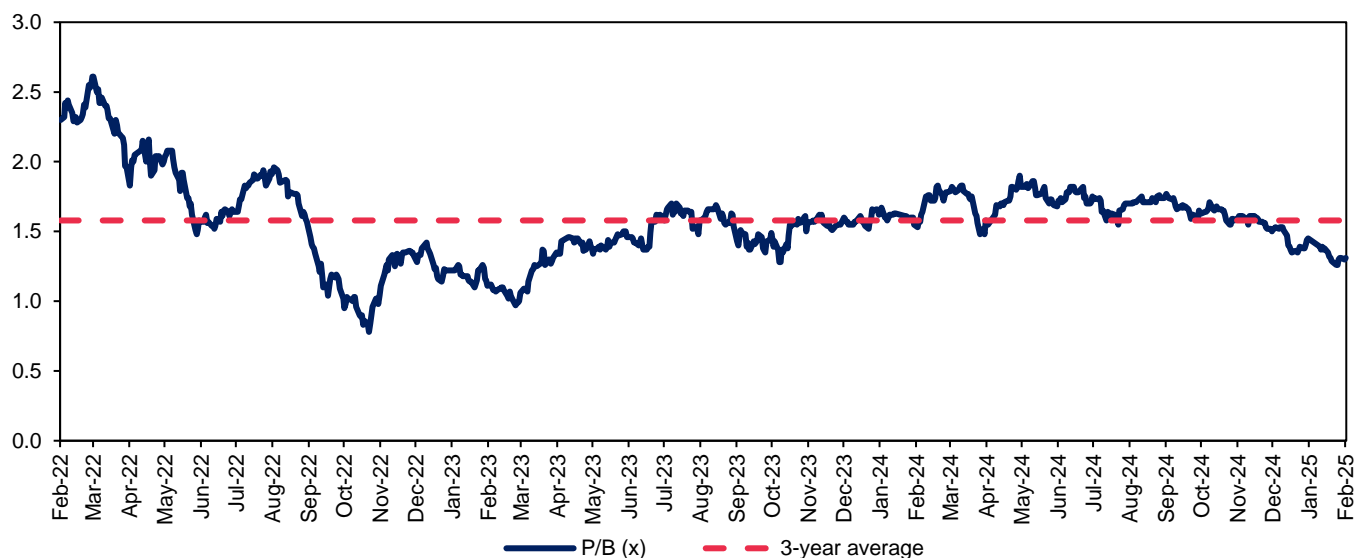
## Nam Long Group (HOSE: NLG)

### Investment thesis & Recommendation

#### Investment thesis

- NLG's projects have mostly completed their legal frameworks and land use fees already paid, positioning them to benefit when the new land price framework is issued due to: (1) no impact from rising land use fee costs in Ho Chi Minh City and neighboring provinces, and (2) potential increases in selling prices.
- The company has projects in the affordable segments as the real estate market is still in the early stages of recovery while continuing to launch high-end projects. We believe that townhouses and apartments will serve as the profit foundation for NLG during 2025-2026, while high-end projects with villas will be the growth driver in the mid-term.
- We expect NLG's net profit in 2025-2026 to grow by 6% and 21% yoy, respectively, driven by: (1) The handover of Nam Long Cần Thơ project and continued handovers at Waterpoint Phase 1 in 2025, (2) The expected handover of Akari City Phase 3 in 2026, and (3) The development of Izumi City and Paragon Đại Phước after receiving the approval of adjusted masterplan.
- NLG is currently trading at a trailing P/B of 1.3x, with its market price having adjusted to the lowest level in the past year. As one of the leading real estate companies with a relatively positive business outlook for 2025-2026 despite challenges in the real estate market, we believe this is a favorable time to accumulate the stock for long-term investment.

Figure 1: P/B of NLG over the last 3 years



Source: FiinProX, MBS Research

## Valuation & Recommendation

NLG's target price for 2025 is VND 42,500/share, implying a 29.2% upside compared to the closing price on February 26, 2025. This valuation is determined based on the Revalued Net Asset Value (RNAV) method.

Figure 2: Valuation summary

Project	Method	Forecasted NPV (VND bn)	Ownership	Actual NPV (VND bn)
Waterpoint Phase 1	DCF	5,461	50%	2,730
Akari	DCF	1,159	50%	579
Central Lake Cần Thơ	DCF	1,971	100%	1,971
Izumi	DCF	7,726	65%	5,029
Mizuki	DCF	3,103	50%	1,552
Paragon Đại Phước	DCF	3,179	50%	1,589
VSIP Hải Phòng	DCF	1,294	100%	1,294
Waterpoint Phase 2	P/B	2,595	100%	2,595
Others	P/B	741	100%	741
<b>Total value</b>				<b>18,081</b>
(+) Cash & equivalents				5,525
(-) Debt				7,270
<b>Revalued Net Asset Value - RNAV</b>				<b>16,336</b>
Number of shares outstanding (millions)				385
Target price (VND/share)				42,500
Current price (VND/share, February 26, 2025)				32,900
Upside				29.2%

### Cost of equity

Risk-free rate	3.0%
Beta	1.54
Risk premium	9.0%
Cost of equity	16.9%

### WACC

Cost of debt	10.5%
Tax rate	20.0%
WACC	13.8%

## Downside risk:

- The legal progress for projects requiring adjusted planning approval is slower than expected.
- The absorption rate of high-end segment projects is lower than expected due to overall market conditions.
- The handover progress of key projects in the 2025-2026 period, such as Nam Long Cần Thơ, Akari City Phase 3, and Waterpoint Phase 1, is slower than expected.

Figure 3: Peer comparison

Company	Ticker	Market cap VND bn	Current price VND	P/E (x)		P/B (x)		ROA%		ROE (%)	
				TTM	2025F	Current	2025F	2025F	2026F	2025F	2026F
Vinhomes JSC	VHM	167,582	41,050	5.7	5.2	0.8	0.7	7.3	5.6	16.6	14.8
Khang Dien House Trading and Investment JSC	KDH	33,620	33,500	42.1	34.0	1.9	1.8	3.8	5.4	6.3	6.5
Phat Dat Real Estate Development JSC	PDR	16,764	19,800	31.8	27.9	1.5	1.4	2.7	2.7	5.4	5.4
Dat Xanh Group JSC	DXG	10,955	15,950	45.5	52.6	1.1	1.6	1.0	1.6	2.3	3.3
Average				31.3	29.9	1.3	1.4	3.7	3.8	7.7	7.5
Nam Long Group	NLG	12,707	32,900	22.2	20.9	1.2	1.1	2.8	3.5	3.6	4.2

Source: Bloomberg, MBS Research

## 2024 Recap: Handover of Akari 2 boosted 4Q24 results

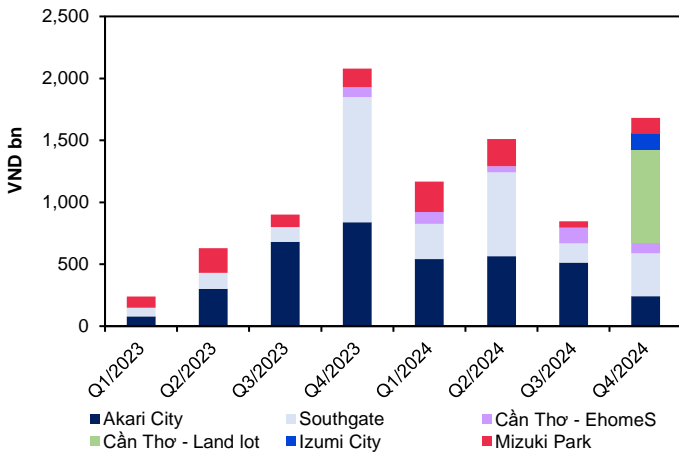
### Summary of NLG's 4Q24 and FY24 financial results

Figure 4: NLG's 4Q24 and FY24 financial results (Unit: VND bn)

Financial indicators	4Q24	% yoy	% qoq	2024	% yoy	Comments
Presale (VND bn)	1,680	-19%	99%	5,204	35%	Presales surged qoq thanks to: (1) the launch of land lot sales at Can Tho project and the opening of sales for Izumi City, and (2) improved presales performance at Waterpoint phase 1 project (Southgate).
Revenue	6,369	289%	1619%	7,196	126%	Revenue surged in Q4, primarily driven by the handover of Akari City Phase 2 starting from October 2024. In Q4, NLG also delivered social housing units at Nam Long 2 Can Tho project.
Gross profit	2,724	294%	2024%	3,068	96%	
Gross profit margin	42.8%	0.5% pts	8.2% pts	42.6%	-6.5% pts	The active handover of Akari City Phase 2 supported both revenue and gross profit margin in Q4 compared to the same period last year and the previous quarter (Q3/24: the majority of handover value came from Ehomes Southgate, which had a lower gross profit margin).
SG&A expenses	898	153%	447%	1,390	42%	
% SG&A expenses/Revenue	14.1%	-0.6% pts	-30.2% pts	19.3%	-11.5% pts	Selling expenses increased in line with net revenue growth; however, administrative expenses rose due to provision.
Financial revenue	40	-69%	85%	337	42%	In 4Q24, NLG did not record any financial revenue from divestments as it did in the same period last year, leading to a sharp decline.
Financial expenses	153	76%	155%	331	12%	Financial expenses increased sharply yoy and qoq due to bond issuance costs and other financial expenses, while interest expenses declined. For FY24, interest expenses decreased by 23.5% yoy, whereas bond issuance costs and other financial expenses surged by 532% yoy to VND 118.9 billion, accounting for 35.9% of total financial expenses.
Net other profit	18	-4%	-3%	56	111%	
Income from associates & JVs	16	-93%	-5%	100	-76%	
Profit before tax	1,747	186%	n/a	1,839	90%	
Profit after tax	1,327	175%	n/a	1,382	73%	
Net profit after tax and minority interest (NPATMI)	497	71%	n/a	512	6%	The accelerated handover of the Akari project—where NLG holds a 50% ownership stake—resulted in a significant portion of profits being attributed to non-controlling interests.

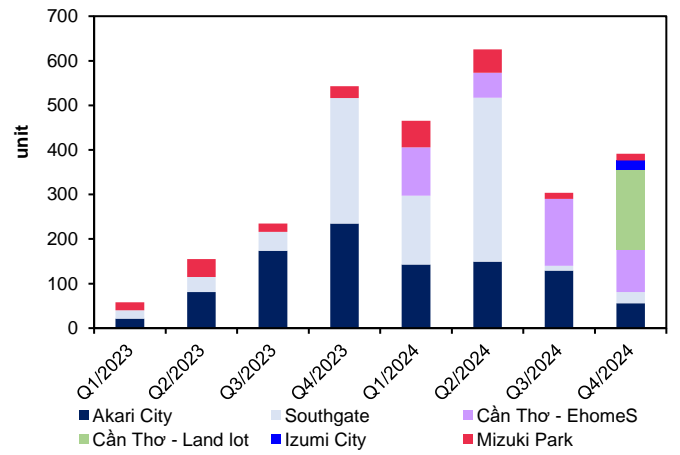
Source: NLG, MBS Research

Figure 5: NLG's presale value (VND bn)



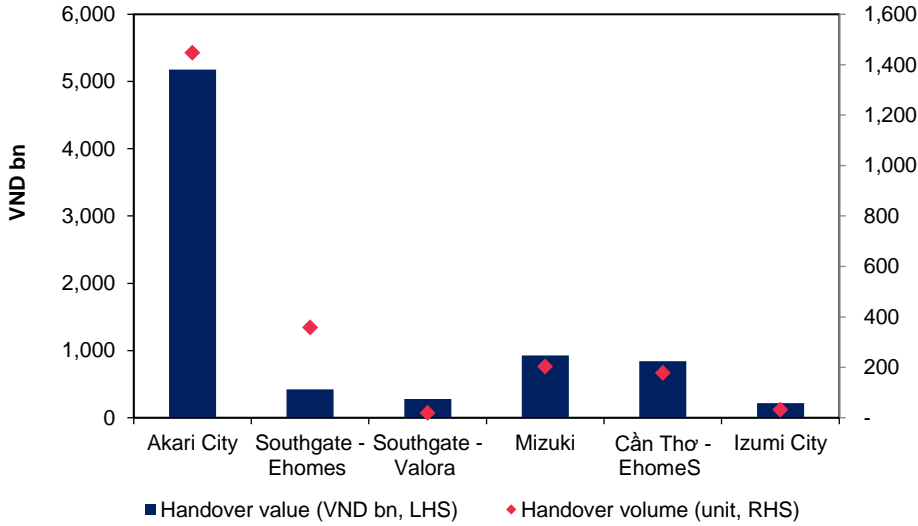
Source: NLG, MBS Research

Figure 6: NLG's presale volume (unit)



Source: NLG, MBS Research

Figure 7: NLG's handover volume and value in 2024 by project



Source: NLG, MBS Research

## 2025-2026 outlook mainly driven by projects with the right segment

### Regulatory changes are not a major obstacle for NLG ...

In 2024, all three key legal documents impacting the real estate market - the Land Law, the Housing Law, and the Real Estate Business Law - came into effect. Under the new Land Law (effective from August 1, 2024), the old land price list has been abolished, with new land price lists been issued in several provinces and cities, including Ho Chi Minh City. With the implementation of these new land price lists, real estate projects may face challenges as investment and development costs are expected to rise, making it more difficult for real estate companies to access new projects and expansion of land banks.

However, for NLG, the overall increase in land use fees of real estate projects in the market does not have a significant impact. The company's current projects have already finished their land use fee payments and secured approvals for key legal documents, while there is no detail plan of land bank expansion. This could be an advantage for NLG, as it allows the company to maintain reasonable land use costs despite market conditions.

Figure 8: Legal progress of NLG's current projects

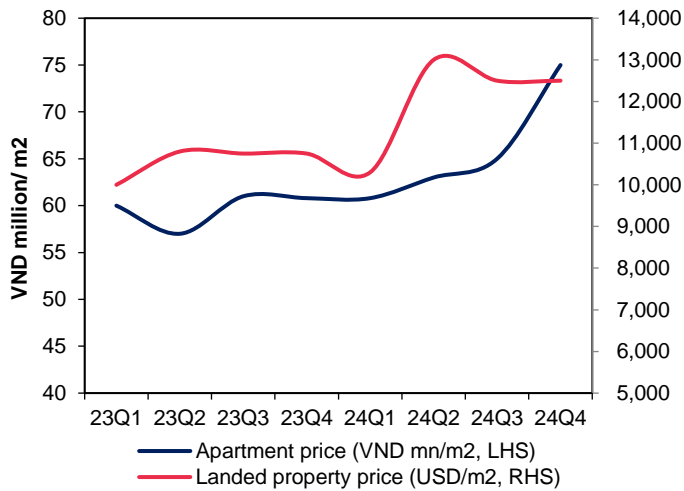
No	Project	Location	Investment licenses	1/500 master plan	Land handover	Land use fee payment	Note
1	Akari City	HCM City	x	x	x	x	
2	Waterpoint phase 1	Long An	x	x	x	x	
3	Nam Long II Central Lake	Cần Thơ	x	x	x	x	
4	Izumi City	Đồng Nai	x	x (*)	x	x	(*) Legal procedures for sub-zone 1A1 completed
5	Mizuki Park	HCM City	x	x	x	x	
6	Paragon Đại Phước	Đồng Nai	x	x	x	x	1/500 master plan adjustment not yet been approved.
7	Waterpoint phase 2	Long An	x	x	x	x	1/500 master plan adjustment not yet been approved.
8	VSIP Hải Phòng	Hải Phòng	x	x	x	x	1/500 master plan adjustment not yet been approved.

Source: MBS Research

### ... but challenges remain as the Southern real estate market is still in the early stages of recovery

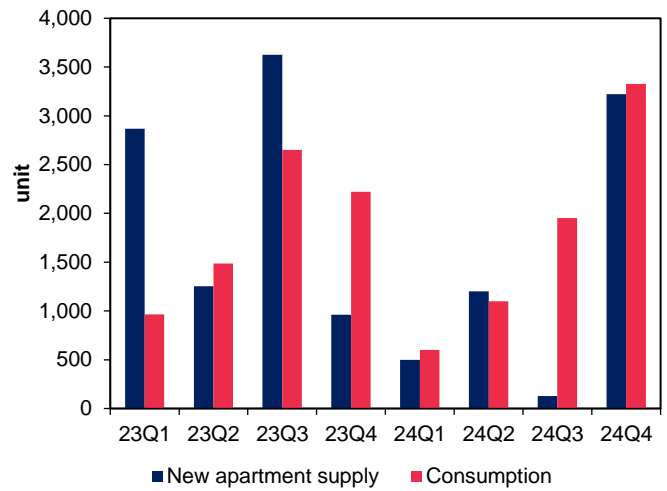
In 2024, the Southern real estate market, particularly in Ho Chi Minh City, has not shown clear signs of improvement, as limited supply keeps property prices at high levels and potentially affecting market absorption rates. However, key indicators suggest that the market recovery has recently begun: (1) supply in Ho Chi Minh City rebounded in 4Q24, and (2) absorption rates improved despite high prices, indicating sustained demand.

Figure 9: Apartment and landed property prices in Ho Chi Minh City have surged significantly.



Source: CBRE, MBS Research

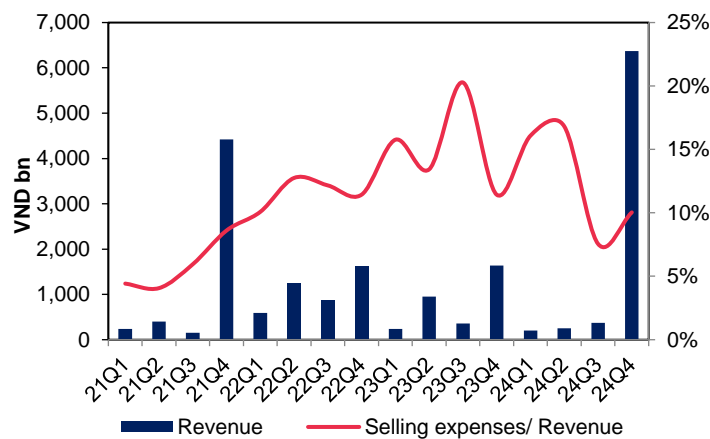
Figure 10: Supply in Ho Chi Minh City rebounded from 4Q24, while absorption rates remained strong



Source: CBRE, MBS Research

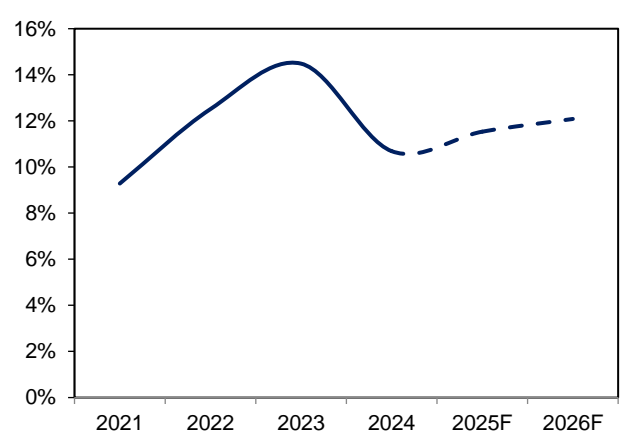
We believe that the market recovery is currently at the early stage, and it will take more time for this to be reflected in the absorption rates of high-end projects. Some of NLG’s key projects, such as Waterpoint Phase 1 (include luxury and high-value products), are based in provincial areas, meaning their handover progress will largely depend on the recovery of the real estate market. According to NLG’s estimated Gross Development Value (GDV), projects in provinces surrounding Ho Chi Minh City account for over 80% of total GDV, with notable developments including Waterpoint Phase 1, Waterpoint Phase 2, and Izumi City. Given the current market conditions, which have yet to show a strong recovery, we anticipate that NLG will continue to face challenges in delivering high-end products in the 2025–2026 period. Additionally, selling expenses may increase, negatively impacting NLG’s profit margins, if the company intensifies sales promotion programs for its ongoing projects.

Figure 11: NLG’s Selling expenses to Total revenue



Source: NLG, MBS Research’s projection

Figure 12: Forecast of NLG’s selling expenses to total revenue



Source: NLG, MBS Research’s projection



## The handover of projects in affordable segments will be the key growth driver for NLG during the 2025–2026 period

As the recovery of the Southern real estate market remains uncertain, we believe NLG will prioritize accelerating sales and handovers of more affordable products during the 2025–2026 period, such as Akari City Phase 3. Due to administrative hurdles, particularly unresolved social housing obligations, Akari Phase 3 is expected to be launched from late 2025 to early 2026. We estimate that presales from Akari City Phase 3 will account for 34% of NLG's total presales during this period.

In 2025, as Akari City Phase 3 has yet to be handed over, NLG's profits may come from the continued handover of remaining units in Akari Phase 2, along with accelerating the delivery of available products at Waterpoint Phase 1 and Nam Long 2 Cần Thơ. Notably, in 4Q24, Nam Long 2 Cần Thơ recorded the highest sales among NLG's projects, with VND 748 bn in sales from 178 land lot units, indicating positive prospects for the project. Also in 2025, NLG's sales performance is expected to be supported by new projects such as Izumi City, once it completes its legal procedures (approval of the adjusted master plan). Izumi City and Paragon Dai Phuoc are anticipated to strengthen NLG's long-term outlook, especially as market demand recovers and higher-value product segments gain more attention.

Figure 13: NLG's project information



### Project: Akari City

- Ownership: 50%
- Location: Võ Văn Kiệt St., Bình Tân Dist., HCM City
- Size: 8.8ha; ~ 5,100 apartments in 3 phases
- Main product(s): Mid-range apartment

#### Progress:

- Phase 1 (~1800 unit): The absorption rate reached 100%, with handovers completed during the 2021–2023 period.
- Phase 2 (~1700 unit): A total of 1,448 units were handed over in 2024, accounting for 86% of the total units.
- Phase 3 (~1500 unit): Expected to be launched and open for sale in late 2025 – early 2026.



### Project: Waterpoint phase 1 (Southgate)

- Ownership: 50%
- Location: Bến Lức Dist., Long An province
- Size: 170 ha
- Main product(s): Villas and townhouses.

#### Progress:

- Rivera 1,2 & Aquaria 2b: Completed the handover of villas and townhouses.
- The Aqua: Over 80% of total products sold since June 2022.
- Park Village (~96 căn): Currently continuing sales.
- The Pearl: Expectation of sales in second half of 2025.
- Marina: Not yet planned for detail execution.





**Project: Nam Long II Central Lake**

- Ownership: 100%
- Location: Cái Răng Dist., Cần Thơ City
- Size: 80ha
- Main products: Ehomes, townhouses, land lot

**Progress:**

- The 1/500 Master Plan has been approved, and land use fees were fully paid in 2024.
- The land lot segment was launched for sale in 4Q24.



**Project: Izumi City**

- Ownership: 65%
- Location: Biên Hòa City, Đồng Nai province
- Size: 160 ha, including 5 sub-zones.
- Main products: Townhouses & villas

**Progress:**

- Sub-zone 1A1 (275 sp): Sale and handover completed
- Sub-zone 1A2 (169 sp): 1/500 master plan not yet accepted.
- Other sub-zones: Execution not yet planned.

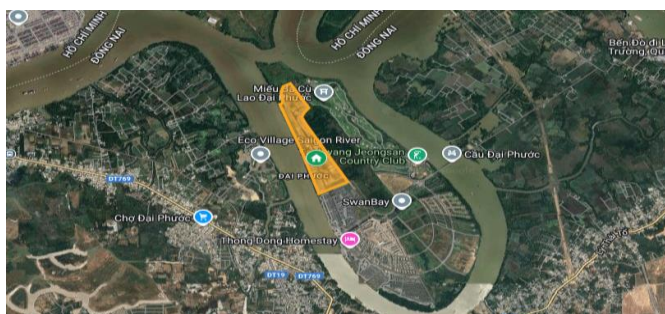


**Project: Mizuki Park**

- Ownership: 50% (lưu ý: NLG liên doanh với đối tác Nhật)
- Location: Bình Chánh Dist., HCM City.
- Size: 26.4 ha
- Main product: Apartment

**Progress:**

- Phase 1: Handover completed in 2020.
- Phase 2: Sale starts in 2021 & currently continue handing over.
- Phase 3: Expectation of sale start in 2025.



**Project: Paragon Đại Phước**

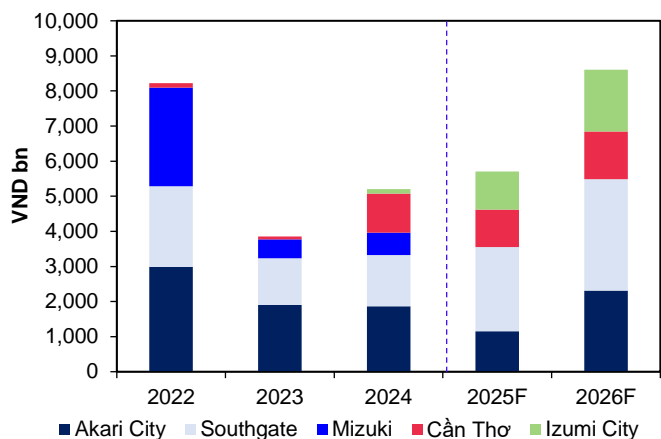
- Ownership: 50%
- Location: Nhơn Trạch Dist., Đồng Nai province
- Size: 45ha, ~1000 unit
- Main products: Villas & townhouses

**Progress:** Expectation of accepted 1/500 master plan in the 2<sup>nd</sup> half of 2025.

Source: MBS Research's compilation & projection

It is evident that NLG's mid-range projects have achieved higher absorption rates and faster handover times compared to its high-end segment. We believe that starting from 2026, as the Southern real estate market fully recovers in terms of demand, NLG's high-end projects will see accelerated handovers, contributing positively to the company's profitability.

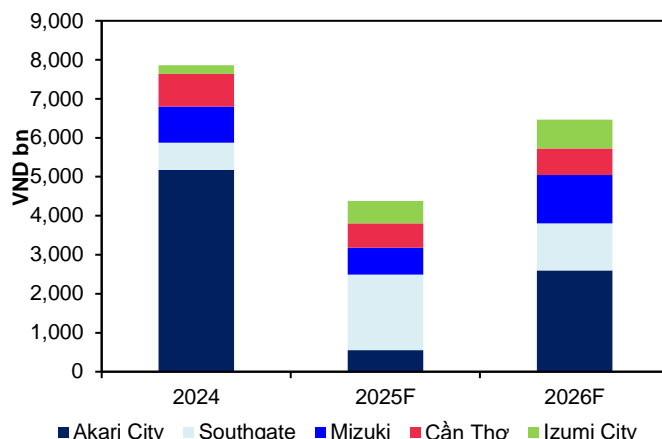
Figure 14: Forecast of NLG's presale by project



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 15: 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 16: 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

### Update on NLG's share offering plan

In 2025, NLG plans to issue more than 100 million shares to existing shareholders at a 26% ratio to raise capital. The offering price is set at VND 25,000/share, approximately 24% lower than NLG's current market price. The funds raised from this issuance will primarily be used to continue investments in NLG's ongoing projects, as well as for debt repayment and investments in its subsidiaries. If this offering plan is approved, NLG's charter capital will increase from VND 3,850 bn to VND 4,850 bn.

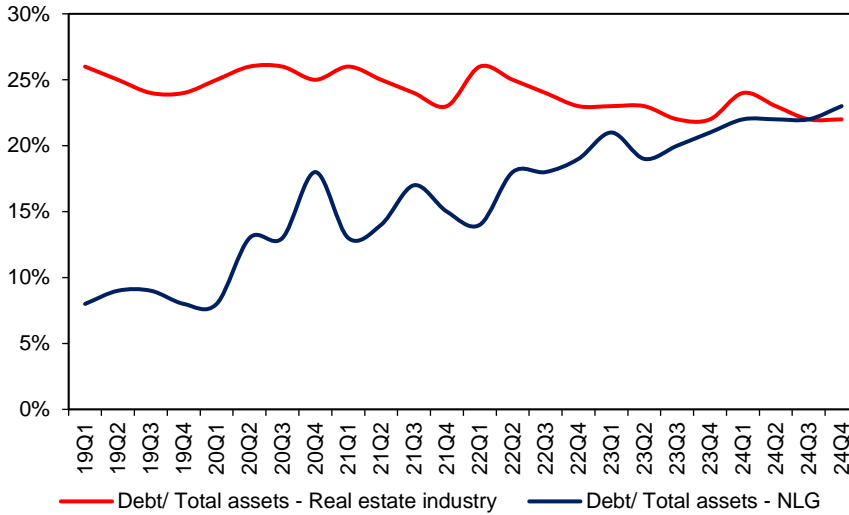
Figure 17: NLG's plan of capital allocation from the share offering

No.	Use of Proceeds	Estimated disbursement timeline	Estimated value (VND bn)	Capital Allocation Ratio
1	Investment in subsidiaries	25Q4	266	11%
2	Investment in ongoing projects	25Q3 – 25Q4	1,597	64%
3	Debt repayment	25Q4	640	26%
Total			2,503	100%

Source: NLG

Although NLG's debt-to-total-assets ratio remains at a safe level, it has been gradually increasing since 2019 and is approaching the industry average. Through this share issuance, NLG can secure additional capital for key upcoming projects, such as Izumi City, at a more favorable financial cost instead of relying on debt financing. Additionally, the capital increase will help repay existing loans, especially as cash flow remains uncertain due to the unclear recovery in demand for high-end segment products.

Figure 18: Debt-to-Total Assets ratio of NLG and the real estate industry



Source: FiinProX, MBS Research

## 2025-2026 business results forecast

Figure 19: MBS's projection on NLG's results in 2025-2026

Indicator	2024	2025F	% yoy	2026F	% yoy	Comment
Presale (VND bn)	5,204	5,701	9.6%	8,604	50.9%	Expectations of positive presale at Izumi and Waterpoint Phase 1 as legal procedures are completed and demand recovers in the high-end segments.
Revenue	7,196	3,933	-45%	5,494	40%	In 2025, revenue will continue to come from Waterpoint Phase 1, Nam Long 2 Can Tho, and the remaining handover of Akari Phase 2 units. The handover of Akari Phase 3 units is expected to begin in 2026, supporting revenue growth.
Gross profit	3,068	1,745	-43%	2,541	46%	
Gross profit margin	42.6%	44.4%	1.7% pts	46.2%	1.9% pts	In the 2025-2026 period, gross profit margin is expected to improve as 2024 saw the handover of mid-range segment products with lower gross margins. The products expected to be handed over in 2025-2026 will include both mid-range and high-end segments, with a projected higher gross profit margin. This is based on expectations of a strong increase in selling prices for Akari City Phase 3 compared to previous phases.
SG&A expenses	1,390	786	-43%	1,147	46%	
% SG&A expenses/ Revenue	19.3%	20.0%	0.7% pts	20.9%	0.9% pts	<i>The estimated increase in selling expenses as a percentage of revenue reflects our projection of NLG's potential efforts to enhance sales promotion policies for high-end projects such as Waterpoint Phase 1.</i>
Financial income	337	239	-29%	296	24%	Financial income in 2025 is expected to decline as there are no anticipated divestment gains like in 2024.
Financial expenses	331	330	0%	348	6%	
Other income	56	30	-47%	43	46%	
Income from associates & JVs	100	124	25%	54	-57%	Profit from joint ventures and associates is primarily projected based on the business performance of the Mizuki project.
Profit before tax	1,839	1,021	-44%	1,438	41%	
Profit after tax	1,382	817	-41%	1,151	41%	
Net profit after tax & minority interest	512	543	6%	657	21%	Profit attributable to non-controlling shareholders remains high due to the recognition of handovers from projects in which NLG holds a low ownership percentage.

Source: MBS Research's projection

## FINANCIAL STATEMENTS

Income Statement	2023	2024	2025F	2026F	Cash Flow Statement	2023	2024	2025F	2026F
Net revenue	3,181	7,196	3,933	5,494	Profit before tax	968	1,839	1,021	1,438
Cost of goods sold	(1,619)	(4,128)	(2,188)	(2,953)	Depreciation & amortization	49	50	53	57
Gross profit	1,562	3,068	1,745	2,541	Interest expense	296	331	263	255
Administrative expenses	(562)	(648)	(361)	(515)	Other adjustment	(625)	(402)	(187)	(149)
Selling expenses	(418)	(742)	(425)	(632)	Changes in working capital	(3,031)	(616)	(2,108)	143
Profit from operation	582	1,678	959	1,394	<b>Cash flow from operations</b>	<b>(2,343)</b>	<b>1,203</b>	<b>(958)</b>	<b>1,744</b>
Net EBITDA	630	1,728	1,012	1,451	Investment in PPE	(23)	(35)	(45)	(50)
<b>Pre-tax &amp; interest income</b>	<b>582</b>	<b>1,678</b>	<b>959</b>	<b>1,394</b>	Proceeds from sales of PPE	-	8	-	-
Interest income	238	337	239	296	Other items	428	1,055	153	(382)
Financial expenses	(296)	(331)	(330)	(348)	<b>Cash flow from investing</b>	<b>405</b>	<b>1,028</b>	<b>108</b>	<b>(433)</b>
Other net income	27	56	30	43	Share issuance & contributions from shareholders	-	-	-	-
Income from associates & JVs	418	100	124	54	Net cash from borrowings	893	867	308	(9)
<b>Pre-tax profit</b>	<b>968</b>	<b>1,839</b>	<b>1,021</b>	<b>1,438</b>	Other cash flow from financing activities	-	-	168	201
Corporate incomem tax	(168)	(457)	(204)	(288)	Dividends, profit paid to shareholders	(187)	(194)	(194)	(193)
Net profit after tax	800	1,382	817	1,151	<b>Cash flow from financing</b>	<b>705</b>	<b>672</b>	<b>282</b>	<b>(1)</b>
Minority interests	(317)	(869)	(274)	(494)	Beginning cash & equivalents	3,773	2,540	5,443	4,875
<b>Net profit</b>	<b>484</b>	<b>512</b>	<b>543</b>	<b>657</b>	Net cash flow over the year	(1,233)	2,903	(568)	1,311
Dividend payment	(187)	(194)	(194)	(193)	<b>Ending cash &amp; equivalents</b>	<b>2,540</b>	<b>5,443</b>	<b>4,875</b>	<b>6,186</b>
Retained earnings	297	318	349	464					
Balance Sheets	2023	2024	2025F	2026F	Financial ratios	2023	2024	2025F	2026F
Cash & cash equivalents	2,540	5,443	4,875	6,186	Net revenue growth	-27%	126%	-45%	40%
Short-term investment	1,050	792	650	908	EBITDA growth	-27%	174%	-41%	43%
Accounts receivable	3,637	2,629	2,444	3,157	Operating profit growth	70%	288%	57%	145%
Inventories	17,353	17,993	18,533	19,182	Pre-tax profit growth	-10%	90%	-44%	41%
Total current assets	25,313	27,549	26,997	30,179	Net profit growth	-13%	6%	6%	21%
Fixed assets	58	72	87	105	EPS growth	-13%	6%	6%	21%
Construction in progress	44	5	5	5					
Investment in real estate	305	316	307	299	Gross profit margin	49%	43%	44%	46%
Investment in subsidiaries	-	-	-	-	EBITDA margin	41%	29%	34%	32%
Investment in associates & JVs	2,220	1,794	1,705	1,619	Net profit margin	15%	7%	14%	12%
Other long-term investment	575	490	499	674	ROAE	4%	4%	4%	4%
Total long-term assets	3,298	2,759	2,671	2,773	ROAA	3%	5%	3%	3%
<b>Total assets</b>	<b>28,611</b>	<b>30,308</b>	<b>29,668</b>	<b>32,951</b>	ROIC	2%	2%	2%	3%
Short-term debt	2,402	2,887	3,766	3,660	Asset turnover	11%	24%	13%	17%
Account payables	1,175	1,027	827	943	Debt to Equity	45%	48%	49%	46%
Other short-term liabilities	6,309	6,233	4,889	7,100	Net Debt to Equity	26%	10%	16%	7%
Total short-term liabilities	9,886	10,148	9,483	11,703	Net Debt to Total Assets	12%	5%	8%	3%
Long-term debt	3,705	4,074	3,503	3,600	Interest coverage	2.1	7.9	3.6	5.5
Other long-term liabilities	1,487	1,520	1,721	1,961					
Total long-term liabilities	5,192	5,594	5,225	5,561	Days of sales outstanding	417	133	227	210
<b>Total liabilities</b>	<b>7,594</b>	<b>8,481</b>	<b>8,991</b>	<b>9,222</b>	Days of inventory	3,911	1,591	3,091	2,371
Charter capital	3,848	3,851	3,851	3,851	Days of payables outstanding	265	91	138	116
Additional paid-in capital	2,643	2,643	2,643	2,643					
Treasury stock	-	-	-	-	Liquidity ratio	2.6	2.7	2.8	2.6
Retained earnings	2,879	3,166	3,481	3,906	Quick ratio	0.8	0.9	0.9	0.9
Reserve funds	13	13	13	13	Cash ratio	0.4	0.6	0.6	0.6
Shareholders' equity	9,383	9,672	9,988	10,413	<b>Valuation</b>				
Minority interests	4,150	4,894	4,973	5,275	EPS (VND/share)	1,257	1,330	1,411	1,705
Total shareholders' equity	13,533	14,566	14,961	15,687	BVPS (VND/share)	24,386	25,118	25,937	27,041
<b>Total shareholders' equity</b>	<b>28,611</b>	<b>30,308</b>	<b>29,668</b>	<b>32,951</b>	P/E (x)	23.5	22.2	20.9	17.3
					P/B (x)	1.2	1.2	1.1	1.1

Source: NLG, MBS Research's projection



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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
HOLD	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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