

BAMBOO CAPITAL JSC (BCG) – UPDATE

Market Price	Target Price	Dividend Yield	Rating	Sector
VND25,000	VND29,600	3.20%	Add	CONGLOMERATE

7 March 2022

Outlook – Short term: **Positive**
Outlook – Long term: **Positive**
Valuation: **Positive**

Consensus*: Add:0 Hold:0 Reduce:0

Target price / Consensus: N/A

Key changes in the report

- Revise FY22, 23, 24F NP by -27.7%, -1.5%, +6.1%, respectively vs. previous forecast.
- Revise TP up by 6.5% from old TP.

Price performance



Source: VND RESEARCH

Key statistics

52w high (VND)	27,600
52w low (VND)	8,590
3m Avg daily value (VNDmn)	89,909
Market cap (VND bn)	11,292
Free float (%)	73
TTM P/E (x)	18.4
Current P/B (x)	3.1

Ownership

Nguyen Ho Nam	17.6%
Helios Service & Investment JSC.	6.9%
Nguyen The Tai	3.2%
Others	72.3%

Source: VND RESEARCH

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Awaiting another year of robust earnings

- In FY21, BCG's net profit (NP) grew by 186.9% yoy, fulfilling 75.7% of our full year forecast as higher-than-expected minority interest.
- We revise our forecast for FY22/23/24F NP by -27.7%/-1.5%/+6.1% vs. previous projection due to the adjustment of property handover revenue.
- Upgrade form Hold to Add with higher target price of VND29,600/share.

Robust FY21 net profit growth thanks to strong financial income

In FY21, BCG's net revenue increased by 39.6% yoy to VND2,589bn, fulfilling only 48.2% of BCG's FY21 revenue guidance and 84.6% of our FY21 forecast given the handover delay at Malibu Hoi An project during the nationwide social distancing. Profit from M&A helped financial income increased sharply by 169.1% yoy. Thereby, FY21 NP jumped by 186.9% yoy to VND606bn, exceeding 20.5% of the FY21 NP guidance but fulfilling only 75.7% of our full year forecast as higher-than-expected minority interest.

Property is the key earnings growth engine in FY22-23F

The Malibu Hoi An project handover will be delayed to FY22F due to the impact of the pandemic. In addition, we expect BCG will also hand over all 202 shophouses at Hoi An D'Or project in FY22F, bringing revenue of VND4,897bn (55.4% of total revenue) to BCG this year. In FY23F, we expect BCG will hand over Amor Residence Binh Chanh, 35 villas in Casa Marina Mui Ne, the rest of Hoi An D'or and a part of King Crown Infinity and Casa Premium projects. According to our forecast, BCG can record a revenue of VND5,233bn (+6.9% yoy), contributing 45.2% of total revenue from property deliveries in FY23F.

Renewable energy to widen its revenue contribution during FY22-23F

In FY22F, BCG will focus on building 550MW of wind power projects with the goal of energising 50MW of Dong Thanh wind power phase 1 (the remaining 30MW will be energised by 2023) and 100MW of Khai Long wind power phase 1. We forecast that BCG's power revenue will reach VND1,786bn (accounting for 20.2% of total revenue) in FY22F and VND3,791bn (accounting for 32.7%) in FY23F.

We recommend Add with a higher target price (TP) of VND29,600/share

We upgrade Hold to Add with a higher SOTP-based TP of VND29,600 with higher RNAV of property segment. Re-rating catalysts are (1) higher-than-expected prices in hospitality property projects, (2) more favorable new FIT prices than expected after national PDP8. Downside risks including (1) the slow growth of the hospitality property market due to the pandemic, (2) the failure to complete the schedule to enjoy incentives for renewable energy projects, and (3) the risk of dilution due to huge capital needs.

Financial summary (VND)	12-20A	12-21A	12-22E	12-23E
Net revenue (bn)	1,855	2,589	8,847	11,585
Revenue growth	17.7%	39.6%	241.6%	31.0%
Gross margin	22.7%	36.2%	31.1%	28.1%
EBITDA margin	38.7%	102.6%	50.4%	57.4%
Net profit (bn)	211	606	1,530	2,103
Net profit growth	84.7%	186.9%	152.3%	37.5%
Recurring profit growth	84.7%	186.9%	152.3%	37.5%
Basic EPS	1,554	2,038	3,427	4,713
Adjusted EPS	1,554	2,038	3,427	4,713
BVPS	11,587	12,007	13,965	17,878
ROAE	15.1%	23.6%	31.2%	29.6%

Source: VND RESEARCH

AWAITING ANOTHER YEAR OF ROBUST EARNINGS

Upgrade from Hold to Add rating with a higher target price of VND29,600

Investment thesis

We have positive view on BCG's outlook for FY22-23F thanks to the following factors:

- Due to difficulties caused by social distancing during the 4th wave of Covid-19, the Malibu Hoi An project will be delayed to hand over to 1H22F. Therefore, the revenue growth room from this project will be carried over to FY22F. We forecast this project will bring c.VND3,561bn in revenue for BCG in FY22F. We believe a recovery for hospitality property market in FY22F on the back of vaccine penetration accelerates. We expect the take-up rate of BCG's projects to reach 70-80% after launching in 2022 thanks to its favorable location and competitive selling price compared to other real estate projects in the same area. The property developing segment is expected to contribute 55.4% and 45.2% to total revenue in FY22F and FY23F, respectively.
- The renewable energy (RE) sector still has a lot of potential in the general development trend of the electricity industry in the context of a more significant shortfall of electricity in 2022-23F when the economy is supported by the loosening monetary policies, positive macroeconomic factors, and the recovery of exporting demand post pandemic. In FY21, BCG has completed the installation of 114MW of the remaining capacity of Phu My project. The project has been completed trial power generation and ready to be energised as soon as a new price policy is available. After that, BCG will consider the situation and new price policy for solar power to develop other projects in the approved implementation plan.

For wind power, in FY22F, BCG will focus on building 550MW of wind power projects with the goal of energising 50MW of Dong Thanh wind power phase 1 (the remaining 30MW will be energised by 2023) and 100MW of Khai Long wind power phase 1. We forecast that BCG's power revenue will reach VND1,786bn (accounting for 20.2% of total revenue) in FY22F and VND3,791bn (accounting for 32.7%) in FY23F.

- BCG's construction segment – which operating in its subsidiary Tracodi (HOSE: TCD) – will also make a great contribution in 2022. TCD has won the bid for one project item of Phan Thiet airport taxiway with a total value of VND400bn (start construction at the end of 1Q22) and proposed construction of the North-South axis route with a length of more than 30km in Soc Trang. Besides, TCD owns Antraco quarries, which exploits 1.5 million tonnes/year (until end-2024). Currently, TCD has been approved to extend the exploitation period and increase the exploitation output to 2 million tonnes/year. Excluding internal revenue, we believe that TCD can contribute c.VND770bn (+50% yoy) in revenue to BCG in FY22F.

Upgrade from Hold to Add rating with a higher TP of VND29,600/share

Our valuation is based on the sum-of-the-parts (SOTP) methodology for BCG's three main businesses including property, renewable energy, and others. For real estate and other businesses, we apply a cash flow projection with a WACC of 9% to calculate the NPV of the projects. For the RE segment, we apply DCF valuation for the entire plant's life (20 years) with an average WACC of 7.3%, based on estimates of the company's progress in putting the plant into operation.

We update our RNAV-based valuation for King Crown Infinity and Hoi An D'or shophouses project by increasing average selling price assumption by 7% and 20% vs. previous projection to factor housing price acceleration in Thu Duc city, HCMC and Hoi An, Quang Nam. We also reflect the new book value of inventory

of 33ha land for the Phoenix Mountain project. For other assets, liabilities and minority interest, we use the book value as at 31 Dec 2021. Thereby, our new TP is VND29,600/share, which corresponds to upgrade our Hold to Add rating for BCG.

Figure 1: SOTP-based valuation

SOTP valuation (VNDbn)	Method	
Renewable energy	DCF 20 years	10,907
Property	NPV	7,242
Others		3,394
Investment in affiliates	Book value at the end of 4Q21	1,634
(+) Cash and cash equivalents		2,636
(+) Other assets		3,673
(+) Cash from share issuance to existing shareholders		1,785
(-) Total debt		13,171
(-) Minority interests	Book value at the end of 4Q21	4,895
Equity value		13,205
Number of outstanding share (million shares)		446
Equity value per share (VND/share)		29,587
Target price (rounded) (VND/share)		29,600

Sources: VND RESEARCH

Figure 2: Peer comparison

Company Name	Ticker	Share price (local cur)	TP (local cur)	Recom.	Market Cap (US\$m)	3-year Fwd EPS CAGR (%)	P/E (x)		P/B (x)		ROE (%)		Dividend yield (%)	Net D/E (%)
							2022F	2023F	2022F	2023F	2022F	2023F	2022F	
Property														
Vinhomes	VHM VN	77,900	115,000	ADD	14,851	19.6	9.7	6.9	2.6	2.0	23.4	25.4	0.0	7.8
Novaland	NVL VN	77,000	107,700	HOLD	6,508	51.4	18.6	11.4	2.5	2.1	14.7	20.1	0.0	103.1
Khang Dien	KDH VN	54,600	54,800	HOLD	1,537	29.2	22.1	16.6	3.1	2.6	25.6	35.6	1.4	10.9
Dat Xanh	DXG VN	44,000	25,000	HOLD	1,148	46.3	18.2	12.4	3.0	2.4	18.2	21.7	N/A	10.9
Nam Long	NLG VN	56,200	54,800	HOLD	942	40.0	12.1	10.1	1.9	1.7	17.6	18.6	3.6	-1.8
Average						37.3	16.1	11.5	2.6	2.2	19.9	24.3	1.2	26.2
Power														
PetroVietnam Power Corp	POW VN	17,300	NR	NR	1,774	22.8	23.7	15.6	1.4	1.3	5.7	8.1	1.7	-0.9
PetroVietnam Nhon Trach 2 Power JSC	NT2 VN	22,900	NR	NR	289	12.9	12.3	9.9	1.5	1.4	14.3	15.8	7.6	4.9
Gia Lai Electricity JSC	GEG VN	26,550	NR	NR	353	29.0	20.1	18.8	2.3	2.2	12.1	12.1	2.3	183.2
Pha Lai Thermal Power JSC	PPC VN	22,400	NR	NR	314	25.0	14.0	8.8	1.4	1.4	10.3	16.7	7.0	-23.2
Refrigeration Electrical Engineering Corp	REE VN	74,900	NR	NR	1,013	12.5	11.3	9.5	1.6	1.4	14.4	14.8	2.1	56.7
Vinh Son - Song Tinh Hydropower JSC	VSH VN	28,500	NR	NR	295	17.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	124.1
Average						19.9	16.3	12.5	1.6	1.5	11.4	13.5	4.2	57.5
Construction														
Coteccons Construction JSC	CTD VN	93,000	NR	NR	301	299.5	25.5	22.2	0.8	0.8	3.2	3.7	1.1	-39.8
Hoa Binh Construction Group JSC	HBC VN	27,900	NR	NR	300	68.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	101.6
Average						184.1	25.5	22.2	0.8	0.8	3.2	3.7	1.1	30.9
Conglomerate														
Dat Phuong JSC	DPG VN	69,300	NR	NR	191	12.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	71.7
Power Construction JSC No.1	PC1 VN	38,500	NR	NR	396	12.8	13.9	10.5	1.5	1.3	12.1	18.2	N/A	105.1
Average						12.5	13.9	10.5	1.5	1.3	12.1	18.2	N/A	88.4
Bamboo Capital JSC	BCG VN	25,000	29,600	ADD	488	45.7	7.3	5.3	1.8	1.4	31.2	29.6	3.2	128.7

Note: all prices are based on the closing prices on Mar 04 2022. All estimates for Non-rated (NR) stocks are based on Bloomberg consensus estimates.

Sources: VND RESEARCH, BLOOMBERG

Potential risks and catalysts

Potential catalysts include 1) higher-than-expected presales in property projects, 2) more favorable new FIT prices than expected after power development plan 8 (PDP8) and (3) Successful IPO of the RE business line (BCG Energy) in the

international market and Nguyen Hoang Development JSC. – a subsidiary company of BCG in Vietnam market.

Risks:

- Slow growth in hospitality real estate market: BCG's property projects are mainly tourism, resort and high-end projects, which are sensitive to the economic cycle. Currently, the hospitality property market is being negatively affected by the Covid-19 pandemic. In addition, the incomplete legal issue (for condotels) is also a factor that makes this type of properties less attractive to investors.
- Incentive policies for RE projects are currently attractive, however, the incentive period is quite short and creates risks for projects that cannot be completed in time.
- Dilution risk: Property and RE projects both require large investment capital, especially for solar power projects, where investors have to disburse a large amount of capital in a short time, while the payback period is long (up to 7-8 years), thus creating pressure on raising capital for enterprise. The company plans to privately offer 60 million shares, equivalent to 13.4% of the total number of outstanding shares. The asking price is VND20,000/share. The implementation time is expected in 1H22F and these shares will be restricted from being transferred for one year from the end of the offering.

FY21 business results: The delay in handover in Malibu Hoi An project was offset by income from M&A activities

Figure 3: 4Q21 and FY21 results comparison

(VNDbn)	4Q21	4Q20	Change yoy (%)	FY21	FY20	Change yoy (%)	% FY21 forecast	Comments
Net revenue	685	214	220.5%	2,589	1,855	39.6%	84.6%	Lower than our forecast as FY21 witnessed the negative impact of social distancing measures due to Covid-19 pandemic, resulting in the handover delay at Malibu Hoi An project. Reaching only 48.2% of the company's FY21 guidance.
Merchandise & finished goods	86	101	-15.4%	1,420	753	88.6%		
Services	201	100	101.0%	336	267	25.8%		
Construction	409	13	3119.6%	845	883	-4.3%		
Insurance	18	0		18	0			
Revenue deduction	(29)	0		(29)	(47)			
Gross profit	215	119	81.6%	938	420	123.3%	94.3%	
Gross profit margin	31.4%	55.5%	+24.1 pts	36.2%	22.7%	+13.6 pts	+3.3 pts	
Financial income	681	445	53.0%	2,299	854	169.1%	134.5%	Income from M&A activities of property and renewable energy projects increased strongly. Notably, profits come from the Amor Garden Hoi An resort project, the Dragon Bridge residential project, the conversion of shares of renewable energy projects and the transaction of developing rooftop solar projects.
Financial expense	(406)	(224)	81.3%	(1,486)	(555)	168.0%	118.3%	Interest expense jumped by 168.0% yoy due to the sharp increase in total debt during the period (+187.6% ytd).
Selling expense	(26)	(25)	4.1%	(98)	(110)	-10.8%	160.8%	
General & administrative expense	(105)	(78)	34.7%	(384)	(223)	72.5%	179.2%	
SG&A expenses/ Revenue	19.1%	48.1%	-29.0 pts	18.6%	17.9%	+0.7 pts		
Operating profit	342	230	48.6%	1,214	335	262.8%		
Other profit	0	(3)		(4)	(1)			
EBT	342	227	50.8%	1,210	333	263.2%	109.1%	
Profit after tax	271	177	53.7%	973	266	265.1%	109.7%	
Net profit	98	165	-40.9%	606	211	186.9%	75.7%	Lower than our forecast due to higher-than-expected minority interest.

Sources: VNDIRECT RESEARCH, COMPANY REPORT

FY22-23F outlook: Property remains the key driver for earnings growth

Property - the main driver for strong growth in FY22-23F

The company successfully launched the Malibu Hoi An project and will hand over the condotels in 1Q22 and the villas in 2Q22. In addition, we expect BCG will also hand over all 202 shophouses at Hoi An D'Or project in FY22F, bringing revenue of VND4,897bn (55.4% of total revenue) to BCG this year.

In FY23F, we expect BCG will hand over Amor Residence Binh Chanh, 35 villas in Casa Marina Mui Ne, the rest of Hoi An D'or and a part of King Crown Infinity and Casa Premium projects. According to our forecast, BCG can record a revenue of VND5,233bn (+6.9% yoy), contributing 45.2% of total revenue from property deliveries in FY23F.

Figure 4: BCG's property portfolio

Project	Land area (ha)	Location	Type of property	Total investment (VNDbn)	2020	2021	2022	2023	2024	2025
Completed projects										
Casa Marina (Phase 1)	1.50	Ghenh Rang, Quy Nhon, Binh Dinh	56 rooms/bungalow	198						
King Crown Village (Phase 1)	0.56	Thu Duc, HCMC	17 villas	616						
Under development projects										
Malibu Hoi An	10.30	Hoi An, Quang Nam	96 villas, 675 condotels	2,760						
Casa Marina Premium	12.00	Ghenh Rang, Quy Nhon, Binh Dinh	160 villas on the mountain facing the sea	1,853						
Hoi An D'or (Con Bap)	24.40	Hoi An, Quang Nam	Resort complex combined with cultural preservation	3,860						
King Crown Infinity	1.26	Thu Duc, HCMC	724 apartments, offices, shophouses and commercial floors	4,632						
Casa Marina Mui Ne	1.21	Mui Ne, Phan Thiet, Binh Thuan	35 villas, condotel blocks and commercial areas	1,611						
Amor Residence Villa	0.75	Binh Chanh, HCMC	33 villas	355						
Land bank for future projects										
King Crown City	4.00	Thu Duc, HCMC	Complex of 8 blocks of high-class apartments, offices, commerce and services	N/A						
King Crown Park	5.60	Binh Tan, HCMC	Complex of 7 blocks of high-class apartments, offices, commerce and services	N/A						
Cat Trinh Industrial Park	368.10	Cat Trinh, Binh Dinh	Following the model of VSIP Industrial Park, factories for multinational companies, residential areas in the industrial park	4,163						
Helios Village	19.00	Gia Nghia, Dak Nong	160 townhouses, 274 villas	1,450						
Phoenix Mountain	33.50	Ghenh Rang, Quy Nhon, Binh Dinh	Luxury hill side (seaview) villas, bungalow, hotel.	3,000						

Sources: VND RESEARCH, BCG

Renewable energy (RE) segment: implementing closely the plan and waiting for Power Development Plan 8 (PDP8)

In terms of energy, Vietnam is forecasted to be in short of electricity in the long term, so we believe that solar and wind power will still be important energy sources in the future. BCG has a pipeline of about 2 GW currently proposing to supplement the power plan 8 and still has a project to deploy in FY22-23F.

BCG shares that the Phu My project has been completed and is waiting for a new price policy. This project will be energised and waiting for the PDP8 of the Ministry of Industry and Trade soon. The company has put into operation a total

of 457MWp, including 4 projects namely BCG-CME Long An 1, BCG-CME Long An 2, Phu My (Phase 1) and BCG Vinh Long.

BCG has completed the installation of 114MW of the remaining capacity of Phu My project in FY21. The project has been completed trial power generation and ready to be energised as soon as a new price policy is available. The Krong Pa 2 project (49MW) is also under construction and is expected to COD in 2022. After that, BCG will consider the situation and new price policy for solar power to develop other projects in the approved implementation plan.

For wind power, in FY22F, BCG will focus on building 550MW of wind power projects with the goal of energising 80MW of Dong Thanh wind power phase 1 and 100MW of Khai Long wind power phase 1. We forecast that BCG's power revenue will reach VND1,786bn (accounting for 20.2% of total revenue) in FY22F and VND3,791bn (accounting for 32.7%) in FY23F. However, profit margin of this segment is still low, so the contribution to BCG's profit is not significant, in our view.

In the longer term, BCG Energy will continue to expand cooperation with international partners to develop more solar field projects and rooftop solar power systems in industrial parks, which have a lot of growth room. The company is rapidly implementing wind power projects in Soc Trang, Tra Vinh and is expected to COD in 2022. BCG Energy is still firmly on track to reach 2 GW capacity and international IPO around 2025.

Figure 5: BCG's renewable energy project portfolio

	Location	BCG's ownership	Capacity (MWp/MW)	Volume (million kWh)	Selling price (c/kWh)	Total investment (VNDbn)	Commercial operation date
Solar power			MWp				
BCG-CME Long An 1	Thanh Hoa, Long An	100%	41	60	9.35	1,088	06/2019
BCG-CME Long An 2	Thanh Hoa, Long An	100%	100	151	7.09	2,200	08/2020
BCG Vinh Long	Vung Liem, Vinh Long	51%	49	70	7.09	1,156	12/2020
Phu My	Phu My, Binh Dinh	51%	330	520	7.09	6,214	Phase 1: 216MWp in Dec 2020, Phase 2: 6M21
Sunflower	Thanh Hoa, Long An		50	NA	NA	862	2022
Redsun	Thanh Hoa, Long An		50	NA	NA	846	2022
4 BCG Duc Hoa projects	Duc Hue, Long An		200	NA	NA	3,495	2022
Krong Pa 2	Krong Pa, Gia Lai		49	NA	NA	1,181	2021-2022
Wind power			MW				
Tra Vinh	Dong Thanh, Tra Vinh	NA	200	582	8.47*	8,040	Phase 1: 80MW in Dec 2022
Ca Mau	Khai Long, Ca Mau	NA	300	920	8.47*	13,000	Phase 1: 100MW in Dec 2022
Soc Trang	Vinh Chau, Soc Trang		50	153	NA	1,864	2022-2023

* Proposed selling price of the Ministry of Industry and Trade for projects operating after Nov 2021

Sources: VND RESEARCH, BCG

Aggressively to expand in other business lines

In FY21, BCG established BCG Financial and M&A c.71% shares of AAA Insurance Joint Stock Company, officially completing the group's multi-industry ecosystem. The financial services - insurance segment contributes to support BCG in mobilizing capital to continue implementing large projects in the coming time. Currently, BCG is aggressively restructuring and expanding AAA Insurance's activities with an ambitious plan of 10 times revenue growth and listing in the next three years. We expect AAA Insurance will bring about VND300bn in revenue for BCG in FY22F.

Nguyen Hoang Development Joint Stock Company – a member of BCG specializing in the field of furniture manufacturing – will transform its operating model into a manufacturing corporation. Nguyen Hoang is expected to list on UPCOM exchange and achieve VND650bn in revenue and VND60bn in profit in FY22F.

In the segment of construction & infrastructure, Tracodi (HOSE: TCD) has had a strong development in FY21 with revenue of VND3,111bn (+9.1% yoy) and profit after tax of VND342bn (+156.1% yoy). In FY22F, TCD will actively participate in transport infrastructure projects and large-scale projects to maintain double digit growth in revenue and profit. TCD has won the bid for one project item of Phan Thiet airport taxiway with a total value of VND400bn (start construction at the end of 1Q22) and proposed construction of the North-South axis route with a length of more than 30km in Soc Trang. Besides, TCD owns Antraco quarries, which exploits 1.5 million tons/year (until end-2024). Currently, TCD has been approved to extend the exploitation period and increase the exploitation output to 2 million tonnes/year. Excluding internal revenue, we believe that TCD can contribute c.VND770bn (+50% yoy) in revenue to BCG in FY22F.

Earnings forecast revision in FY22-24F

We revise our forecast for FY22/23/24F NP by -27.7%/-1.5%/+6.1% vs. previous projection due to the adjustment of property handover revenue and add earnings from financial services segment.

Figure 6: FY22-24F earnings forecast revision

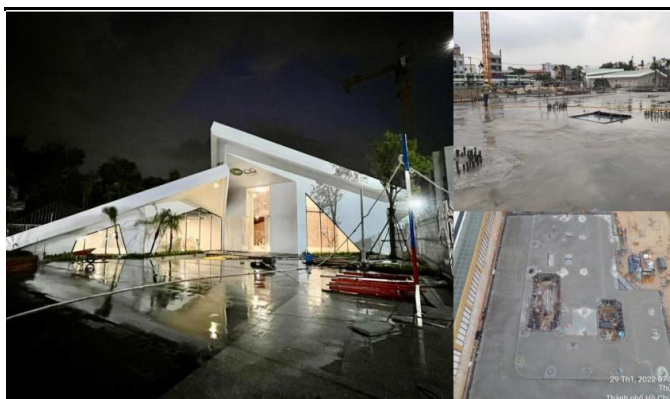
	New forecast			Old forecast			Change		Comments
	FY22F	FY23F	FY24F	FY22F	FY23F	FY24F	FY22F	FY23F	FY24F
Net revenue	8,847	11,585	10,905	8,606	8,494	11,089	2.8%	36.4%	-1.7%
Gross profit	2,752	3,259	3,656	2,816	2,445	4,211	-2.3%	33.3%	-13.2%
GPM	31.1%	28.1%	33.5%	32.7%	28.8%	38.0%	-1.6% pts	-0.7% pts	-4.4% pts
SG&A expenses	708	927	872	602	595	776	17.5%	55.9%	12.4%
Operating profit	2,044	2,332	2,783	2,214	1,851	3,434	-7.7%	26.0%	-19.0%
Financial income	1,379	1,310	1,245	1,367	1,299	1,234	0.9%	0.9%	0.9%
Financial expense	1,262	1,123	869	1,057	999	822	19.4%	12.5%	5.6%
Net profit	1,530	2,103	2,731	2,116	2,136	2,575	-27.7%	-1.5%	6.1%

Sources: VND RESEARCH

Update the progress of BCG's under development projects

Property projects

Figure 7: King Crown Infinity project



- Completed construction of surrounding wall and pile foundation.
- In construction of the 1st floor and the model house.
- It is expected to complete the model house in 1Q22 and prepare to launch the next sale.

Sources: VND RESEARCH, BCG

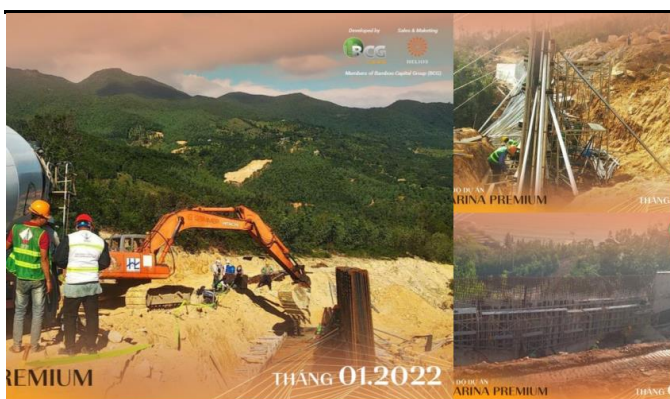
Figure 8: Malibu Hoi An project



- Condotel: Completing the MEP, condotel interior for handover from 1Q22 and completing the utility landscape at the end of 1Q22.
- Villa: Continue to complete the items of the villa area.

Sources: VND RESEARCH, BCG

Figure 9: Casa Marina Premium project



- The model house has been completed and the infrastructure construction continues to be finished.
- Deploying the construction of the foundation of the villa block.

Sources: VND RESEARCH, BCG

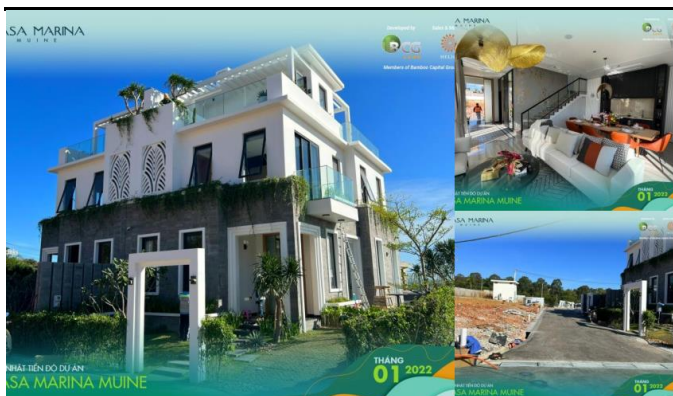
Figure 10: Hoi An D'or project



- Shophouse: Topped out on 31 Dec 2021, finishing rough and exterior walls.
- Continuing to dredging canal around the project.
- Construction plan in 1Q22: Completion of detailed infrastructure of Shophouse area. Construction of infrastructure phase 1 of Botanical Garden. It is expected that the contractor will carry out the construction of the Boutique area and start the construction of the second phase of the project during this time.
- The shophouse area is expected to be completed and handed over in Feb 2022.

Sources: VND RESEARCH, BCG

Figure 11: Casa Marina Mui Ne project



- Completed the construction of the infrastructure, preparing to construct the villa subdivisions according to the mass construction plan.
- Completed the model house to prepare for sales in 2022.

Sources: VND RESEARCH, BCG

Figure 12: Amor Riverside Villas project



- It is expected that the rough part of the model house will be completed and the interior finishing will be completed in 1Q22.
- Preparing to carry out the mass construction of piles, infrastructure plastic carpet, construction of the landscape of items: internal park, canal park, street landscape.

Sources: VND RESEARCH, BCG

Renewable energy projects

Figure 13: Solar power projects in the development pipeline



REDSUN

Plant capacity:	50 MW
Location:	Thanh Hoa, Long An
Type of project:	Ground-mounted solar
Total investment:	USD37.5m
Schedule:	2022
Land area:	60 ha



SUNFLOWER

Plant capacity:	50 MW
Location:	Thanh Hoa, Long An
Type of project:	Ground-mounted & Floating solar
Total investment:	USD37.5m
Schedule:	2022
Land area:	25 ha water surface & 35 ha land



VNT

Plant capacity:	200 MW
Location:	Duc Hue, Long An
Type of project:	Ground-mounted solar
Total investment:	USD159.8m
Schedule:	2022
Land area:	240 ha

Sources: BCG

Figure 14: Wind power projects in the development pipeline



CA MAU (PHASE 2 & 3)

Plant capacity:	200 MW
Location:	Khai Long, Ca Mau
Type of project:	Near-shore Windpark
Total investment:	USD428.5m
Schedule:	2023
Land area:	10,527.6 ha



TRA VINH (PHASE 2)

Plant capacity:	150 MW
Location:	Dong Hai, Tra Vinh
Type of project:	Near-shore Windpark
Total investment:	USD264.4m
Schedule:	2023
Land area:	2,095 ha

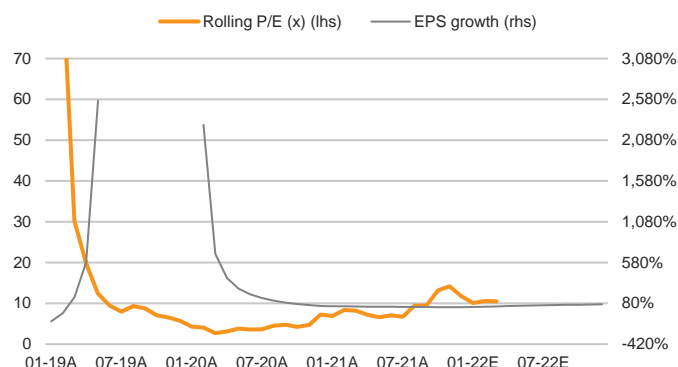


SOC TRANG

Plant capacity:	50 MW
Location:	Vinh Chau, Soc Trang
Type of project:	On-shore Windpark
Total investment:	USD82.9m
Schedule:	2023
Land area:	766 ha

Sources: BCG

Valuation

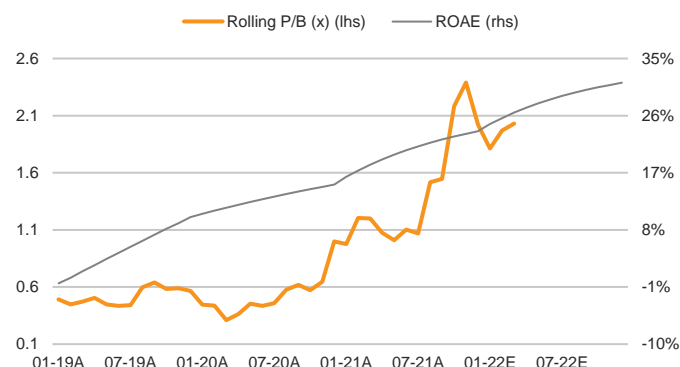


Income statement

(VNDbn)	12-21A	12-22E	12-23E
Net revenue	2,589	8,847	11,585
Cost of sales	(1,651)	(6,095)	(8,326)
Gen & admin expenses	(384)	(442)	(579)
Selling expenses	(98)	(265)	(348)
Operating profit	456	2,044	2,332
Operating EBITDA	869	3,608	5,458
Depreciation and amortisation	(413)	(1,564)	(3,126)
Operating EBIT	456	2,044	2,332
Interest income	0	712	877
Financial expense	(1,486)	(1,262)	(1,123)
Net other income	2,295	657	419
Income from associates & JVs	(54)	(61)	350
Pre-tax profit	1,210	2,089	2,854
Tax expense	(238)	(410)	(560)
Minority interest	(366)	(149)	(190)
Net profit	606	1,530	2,103
Adj. net profit to ordinary	606	1,530	2,103
Ordinary dividends	(417)	(357)	(357)
Retained earnings	189	1,173	1,746

Balance sheet

(VNDbn)	12-21A	12-22E	12-23E
Cash and equivalents	1,053	9,483	11,046
Short term investments	1,583	2,375	3,563
Accounts receivables	10,424	16,482	23,170
Inventories	2,867	4,175	6,843
Other current assets	460	2,551	460
Total current assets	16,388	35,065	45,081
Fixed assets	9,209	13,111	19,668
Total investments	1,523	1,523	1,523
Other long-term assets	10,692	11,582	11,971
Total assets	37,812	61,281	78,243
Short-term debt	942	2,172	3,368
Accounts payable	1,300	477	589
Other current liabilities	6,727	18,008	24,074
Total current liabilities	8,969	20,657	28,031
Total long-term debt	12,229	21,202	28,854
Other liabilities	8,146	8,145	8,145
Share capital	2,975	4,463	4,463
Retained earnings reserve	575	1,748	3,494
Shareholders' equity	3,573	6,233	7,979
Minority interest	4,895	5,044	5,235
Total liabilities & equity	37,812	61,281	78,243



Cash flow statement

(VNDbn)	12-21A	12-22E	12-23E
Pretax profit	1,210	2,089	2,854
Depreciation & amortisation	413	1,564	3,126
Tax paid	(95)	(410)	(560)
Other adjustments	(6,142)	(13,462)	(13,095)
Change in working capital	(4,701)	15,764	6,237
Cash flow from operations	(9,314)	5,546	(1,439)
Capex	(2,121)	(7,558)	(5,099)
Proceeds from assets sales	(13)	0	0
Others	1,276	(890)	(389)
Other non-current assets changes	922	0	0
Cash flow from investing activities	63	(8,448)	(5,489)
New share issuance	1,993	1,488	0
Shares buyback	0	0	0
Net borrowings	7,828	10,203	8,847
Other financing cash flow	(3)	(1)	0
Dividends paid	(417)	(357)	(357)
Cash flow from financing activities	9,400	11,332	8,490
Cash and equivalents at beginning of period	903	1,053	9,483
Total cash generated	150	8,430	1,563
Cash and equivalents at the end of period	1,053	9,483	11,046

Key ratios

	12-21A	12-22E	12-23E
Dupont			
Net profit margin	23.4%	17.3%	18.2%
Asset turnover	0.08	0.18	0.17
ROAA	2.0%	3.1%	3.0%
Avg assets/avg equity	12.03	10.11	9.82
ROAE	23.6%	31.2%	29.6%
Efficiency			
Days account receivable	73.2	80.0	80.0
Days inventory	633.9	250.0	300.0
Days creditor	287.3	28.6	25.8
Fixed asset turnover	0.38	0.79	0.71
ROIC	2.8%	4.4%	4.6%
Liquidity			
Current ratio	1.8	1.7	1.6
Quick ratio	1.5	1.5	1.4
Cash ratio	0.3	0.6	0.5
Cash cycle	419.8	301.4	354.2
Growth rate (yoy)			
Revenue growth	39.6%	241.6%	31.0%
Operating profit growth	422.3%	347.9%	14.1%
Net profit growth	186.9%	152.3%	37.5%
EPS growth	31.2%	68.2%	37.5%

Source: VND RESEARCH

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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.

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