

SEIZE THE WAVE - READY TO BREAK THROUGH

BUY [+21.9%]

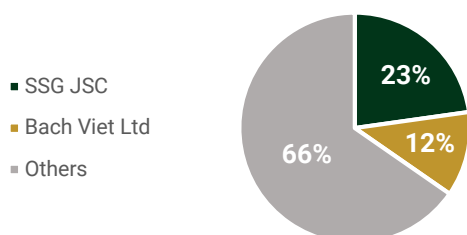
Updated: 24/04/23

Fair price **46,623**
Current price **38,200**

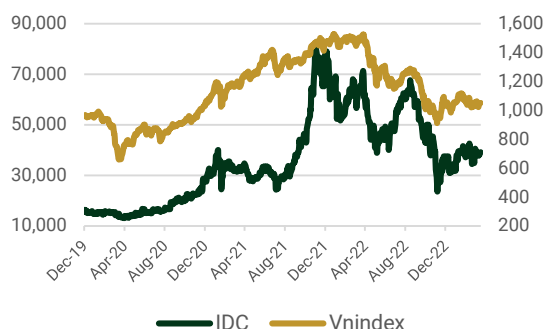
STOCK INFORMATION

Outstanding shares (mil) 330.0
Free float (mil) 214.5
Market cap. (billion VND) 12,804.0
3m avg.volume (shares) 3,173,446
Foreign ownership (%) 10.72%
First listing date 12/10/2019

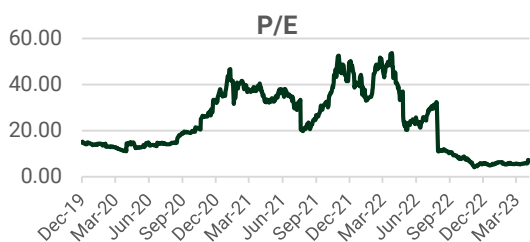
MAJOR SHAREHOLDERS



PRICE MOVEMENT COMPARED TO THE INDEX



VALUATION HISTORY



Investment highlights: An efficient business model with healthy financial status

(1) Highly potential development in industrial parks sector: Located in ideal and prime economic positions, having a large remaining ready to lease land bank, supported by aggressive infrastructure development from government, IDC's industrial parks (IPs) can potentially take lots of advantages:

- Demand side: current rental demand is stable and have a tendency to rise in near future when Vietnam is a promising destination in "China +1" strategy, additionally Vietnam recently has actively participated in many free trade agreements (FTAs) to create the competitive conditions to develop economy as well as attract investors.

- Supply side: The land bank in strategic areas now can't meet the market demand. Thus, pushing up an average rental price by 5%-10%/ year.

- Having a healthy financial strength, IDC plans to expand its industrial land bank to more than 2,000 ha.

(2) The energy sector: a new growth momentum is building up with the increasing occupancy rate at the Huu Thanh IP, as IDC has been granted an electronic distribution license in this IP since 2022. In addition, the operating efficiency of the electricity trading business will be improved by a new electricity retail selling price this year.

(3) Real estate sector: Residential and social properties of IDC can get benefit from the government's social housing development support package. The gross profit margin of this segment is expected to remain high due to low CAPEX in the early investment stage.

Valuation & Recommendation: Using the DCF method, we estimate the fair value at VND 46,623 per share. Therefore, we recommend a BUY rating with a potential price increase of 21.9%. Our valuation reflects the estimated figure based on the base scenario in the next 5 years and does not take into account the business results of new industrial parks projects due to insufficient information.

Investment risks:

(1) Legal risks may slow down the progress of expansion plans and affect the recognition of revenue from real estate projects; (2) The increasing cost of land clearance affecting investment costs of new projects (3) Volatility in the global economy can weaken the investment process and reduce rental demand in short-term; (4) Weather fluctuations affect the capacity electricity of hydropower plants when El Nino now is gradually replacing La Lina weather.

Financial indicators	2019A	2020A	2021A	2022A	2023F
Net revenue (billion VND)	4,931	5,356	4,318	7,485	7,298
Net Profit (billion VND)	477	998	578	2,055	1,960
EPS (VND)	1,075	2,900	1,498	5,356	5,110
EPS Growth (%)	-1%	170%	-48%	258%	-5%
Book Value (VND)	14,109	16,527	16,760	18,569	21,729
P/E	35.4	13.1	25.4	7.1	6.1
P/B	3.3	2.7	2.9	2.5	2.0
Cash dividend (%)	8%	30%	20%	40%	40%