

A BETTER SECOND HALF

HOLD [+7.1%]

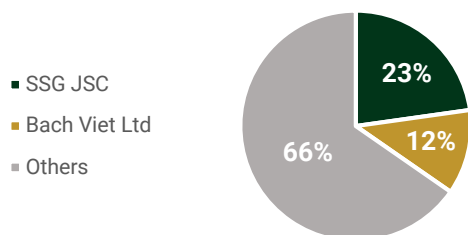
Updated: 31/07/23

Fair price **48,527**
Current price 45,300

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

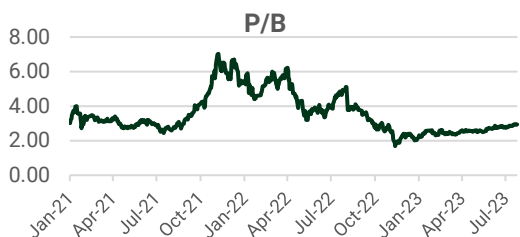
MAJOR SHAREHOLDERS



PRICE MOVEMENT COMPARED TO THE INDEX



VALUATION HISTORY



Business Result: In 2Q23, IDC recorded net revenue of 2,407 bil VND (-27% YoY), and NPAT of 662 bil VND (-54% YoY).

Accumulated 1H23, IDC's net revenue reached 3,553 bil VND (-29% YoY), and NPAT gained 837 bil VND (-52% YoY). This significant decline is due to (i) IDC recognized one-off revenue of Nhon Trach V IP (1,395 bil VND) in 1H22 and (ii) high base rental land when IDC signed leases land and MOUs contract for 91.4 ha in 1H22.

In 2023F, we project that IDC's net revenue will slightly increase to 7,633 bil VND (+2% YoY), and NPAT could be maintained at 2,058 bil VND (+0.2% YoY). This is based on the expectation that IDC is able to lease 100 ha of IPs, benefit from higher rental rates of more than 5% compared to last year, and recognize the transfer of 2,1ha of land to AEON in Long An Province.

Investment highlights:

(1) Potential development in Industrial Parks (IPs) sector:

Situated in key economic locations with large remaining commercial land and supported by profound infrastructure development, IDC's IPs have the capability to meet market criteria and attract large corporations such as Pepsico, Heineken, Hyosung, etc. In a basic scenario, PHS forecasts that IDC may record 100 ha of land in 2023 out of the planned 130 ha.

Benefiting from the increasing rental price trend in the southern region: With supply in key areas not adequately meeting demand, the average rental price has been increasing at a rate of 5% - 10% per year.

Land bank expansion plans are in legal procedures: Tan Phuoc 1 IP - 470 ha (Tien Giang); IP My Xuan B1 Ext. - 110 ha (Ba Ria - Vung Tau).

(2) Growth momentum in the energy sector is building up with the increasing occupancy rate at the Huu Thanh IP, a place where IDC has been granted an electricity distribution license since 2022. Additionally, the potential for retail electricity prices to continue rising by 3-5% in the future will contribute to improving business performance in this segment.

(3) Attractive Dividend Yield: With a stable cash flow in BOT, energy sector, and IP sector, we believe IDC can achieve its dividend payout plan of 4,000 - 5,000 VND per share annually in the next 2 years. The dividend yield will be from 10-15% per year.

Valuation & Recommendation: Using the DCF method, we estimate the fair value at VND 48,527 per share. Therefore, we recommend a HOLD rating with a potential price increase of 7.1%. 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 park projects due to insufficient information.

Investment risks:

(1) Legal risks slow down the progress of expansion plans and affect the recognition of revenue; (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

Financial indicators	2019A	2020A	2021A	2022A	2023F
Net revenue (billion VND)	4,931	5,356	4,318	7,485	7,633
Net Profit (billion VND)	477	998	578	2,055	2,058
EPS (VND)	1,075	2,900	1,498	5,356	5,364
EPS Growth (%)	-1%	170%	-48%	258%	0%
Book Value (VND)	11,500	13,927	12,999	14,988	17,573
P/E	35.4	13.1	25.4	7.1	6.1
P/B	3.3	2.7	2.9	2.5	2.8
Cash dividend (%)	8%	30%	20%	40%	40%