

05 December 2023

RECOMMENDATION	HOLD
Fair price	40,600 VND
Current price	37,600 VND
Upside/downside	8%

STOCK INFORMATION

Outstanding shares (mil)	384
Free float (mil)	249
Market cap. (billion VND)	13,174
3m avg. volume (shares)	3.43 million
Foreign ownership (%)	41.5%
First listing date	08/04/2013

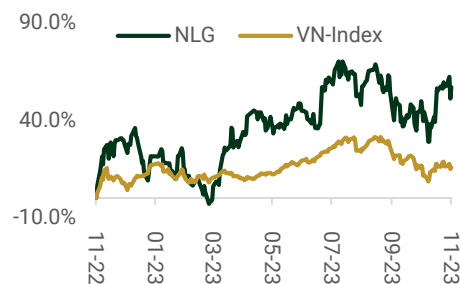
SHAREHOLDER STRUCTURE

NGUYEN XUAN QUANG	11.57%
Ibeworthy Pte. Ltd.	8.19%
Thai Binh Investment JSC	5.90%
Ctbc Vietnam Equity Fund	4.35%
Others	65.50%

KEY ATTRIBUTES

TTM EPS (VND)	1,643
BVPS (VND)	23,658
Debt/Equity (%)	43%
ROA (%)	2.32%
ROE (%)	7.00%
P/E	21.60
P/B	1.50
Dividend yield (%)	1.35%

PRICE PERFORMANCE



COMPANY PROFILE

Nam Long Investment Joint Stock Company (NLG), established in 1992. The company operates in the field of investment, development and business of residential real estate projects. NLG is one of the listed real estate companies owning the largest land bank, more than 680 hectares, in Ho Chi Minh City, Dong Nai, Long an, and Hai Phong.

ANALYST(S)

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LAUNCHPAD FOR 2024.

- In the third quarter of 2023, both revenue and pre-tax profit saw a significant decline compared to the same period of 2022. However, due to a deferred corporate income tax of VND 81 billion, the net profit surged over eightfold, reaching VND 66 billion.
- The months of October and November witnessed a further surge in sales, with the total reaching over 3,038 billion VND by the end of November.
- The business performance in 2024 is anticipated to bounce back, owing to the growth from the low base of 2023 and the 25% record of Paragon Dai Phuoc.
- Our recommendation is HOLD with potential upside of 8%

Forecast: In 2023, we have revised our projections for NLG's business performance due to the gloomy situation of the real estate market and the delay of the 25% capital divestment from the Paragon project until 2024. We forecast that NLG's revenue in 2023 will be VND 4,370 billion (+ 0.7% YoY), and the company's profit will reach VND 526 billion (-5.4% YoY).

In 2024, we expected NLG will be accelerated at some key projects, namely Akari (8.4 ha, HCMC), Southgate (165 ha, Long an), and Mizuki (22 ha, HCMC). In addition, NLG will recognize the financial income from Paragon divestment (25%). We forecast that NLG's revenue in 2024 will be VND 5,484 billion (+ 25.5% YoY), and the company's profit will reach VND 631 billion (+20% YoY).

Investment highlights: (1) Product segment suitable to market demand: Currently, NLG focuses on developing affordable housing projects to meet residential demands in the real estate market. **(2) Good access to capital, less dependence on bank loans:** with profound financial support from Japanese partners and a solid capital structure, NLG can continue to launch new investment projects to maintain its future growth momentum. **(3) Safe capital structure:** in 9M2023, the debt/equity ratio of NLG was 43%, one of the businesses with the lowest leverage in the real estate industry. **(4) Next twelve-month catalysts:** the Mizuki Park project (26.4 ha) in Binh Chanh district (HCMC), the Akari project (8.4 ha) in Binh Tan district (HCMC), and the Waterpoint project (355ha) in Long An province will be the driving force for growth from 2024.

Valuation & recommendation: We use the RNAV method to determine the fair value of NLG. We estimate the number of shares is 384 million shares, so the fair value for each share is VND 40,600 upside of 8% compared to closing price on December 05, 2023. **We recommend to HOLD this stock.**

Investment risks: (1) Real estate industry cycle risk; (2) Regulation risk; (3) Inventory risk.

Financial Results	2020	2021	2022	2023F	2024F
Net revenue (billion VND)	2,217	5,205	4,339	4,370	5,484
Net Profit (billion VND)	835	1,070	556	526	631
Book Value (VND)	24,414	23,318	23,740	23,715	26,898
P/B	1.21	1.46	1.29	1.71	1.51
Cash dividend (VND)	500	619	558	500	500