

25 January 2024

RECOMMENDATION

BUY

Fair price	63,300 VND
Current price	42,100 VND
Upside/downside	50.0%

STOCK INFORMATION

Outstanding shares (mil)	4,354
Free float (mil)	1,306
Market cap. (billion VND)	13,174
3m avg. volume (shares)	7.10 million
Foreign ownership (%)	22.4%
First listing date	17/05/2018

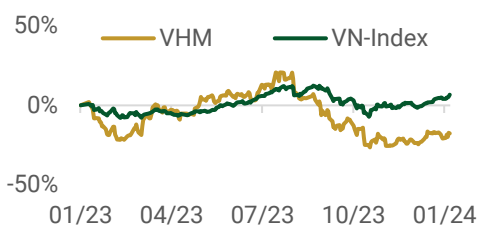
SHAREHOLDER STRUCTURE

Vingroup	72.0%
Government of Singapore	5.0%
Viking Asia Holdings II Pte.Ltd	4.6%
P&S JSC	2.7%
Others	15.7%

KEY ATTRIBUTES

Debt/Equity (%)	24%
ROA (%)	10.6%
ROE (%)	25.5%
P/E	4.5
P/B	1.1
Dividend yield (%)	0%

PRICE PERFORMANCE



COMPANY PROFILE

Vinhomes projects are located at prime locations in Vietnam's top tier cities and provinces with high rates of urbanization and potential for tourism development. The largest developer real estate in Vietnam.

ANALYST(S)

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QUICK ASSESSMENT OF VHM PROSPECTS

- We estimates that VHM will record a profit after tax of VND 35,793 billion, growing 24% in 2023. This growth is expected to be driven by the increased handover of low-rise units at the Vinhomes Ocean Park 2 & 3 mega projects.
- Looking ahead to 2024, we remains optimistic about VHM's potential, particularly once the law comes into effect. As per Article 190 of the amended Land Law 2024, guidelines on sea reclamation activities will be effective from April 1, 2024 (Law becomes effective January 1, 2025). These guidelines, including a Decree on early sea reclamation, apply specifically to sea reclamation projects. We anticipate that this will expedite the implementation of the Vinhomes Long Beach Can Gio project, which covers 2,870 hectares.
- Our recommendation is BUY with potential upside of 50%

VHM is considered to be among the stocks that are likely to reap substantial benefits from the adoption of the amended Land Law, due to its capability to carry out extensive projects and its solid financial backing. Currently, VHM's land bank has more than 16,000 hectares.

On January 6, 2024, VHM initiated the construction of the Happy Home Trang Cat social housing project, which spans 28.14 hectares and is the largest of its kind in terms of scale and utility infrastructure in Hai Phong, offering 4,300 units. It is our evaluation that the development of social housing by VHM will cater to the actual housing requirements and align with the government's plan of constructing a minimum of 1 million social housing apartments from 2021 to 2030.

We projects that VHM will register an after-tax profit of VND 35,793 (+24% YoY) billion in 2023. This growth is attributed to the accelerated handover of low-rise units at the Vinhomes Ocean Park 2 & 3 mage projects.

For 2024, we forecast the revenue of 108,774 bn VND (-9% YoY) and a net profit after tax of 27,904 bn VND (-22% YoY). Because VHM has prioritized handovers in 2023-1H2024 and the absorption rate of newly launched projects is low due to buyer sentiment being impacted by real estate scandals.

PHS estimate the fair value of VHM at 63,300 VND/share, which is 50% more than the closing price on January 25, 2024. We recommend to BUY this stock. VHM is trading at the lowest price since listing, corresponding to an attractive valuation with PE forward of 6.6x and P/B forward of 0.82x.

Financial ratios	2020A	2021A	2022A	2023F	2024F
Net sales (VND bn)	71,546	84,985	62,393	119,033	108,774
NPAT (VND bn)	27,351	38,824	28,831	35,793	27,904
EPS (VND)	8,461	8,916	6,626	8,226	6,413
EPS growth (%)	30%	5%	-26%	24%	-31%
BVPS (VND)	25,586	28,647	33,349	42,385	51,786
P/E	12.6	7.29	7.67	7.70	9.87
P/B	3.4	2.27	1.51	1.49	1.22
Cash dividend (VND)	N/A	1,500	2,000	N/A	N/A