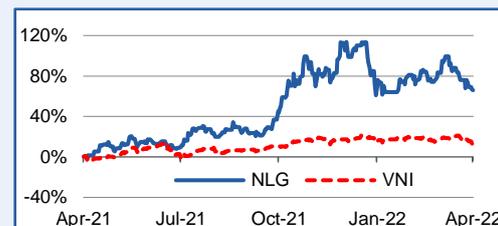


Industry	Real Estate		2021	2022F	2023F	2024F
Report Date	April 25, 2022	Rev y/y	134.8%	1.5%	38.0%	51.7%
Current Price	VND42,150	EPS y/y	10.9%	6.3%	15.0%	13.3%
Target Price*	VND60,000	NPAT-MI y/y	28.3%	20.6%	15.0%	13.3%
Upside to TP	+42.3%	GPM	34.2%	47.8%	43.1%	43.0%
Dividend Yield	2.1%	NPM	20.6%	24.4%	20.4%	15.2%
TSR	+44.4%	P/B	1.8x	1.6x	1.5x	1.3x
Rating*	MARKET PERFORM	P/E	14.1x	13.3x	11.6x	10.2x



			NLG	Peers	VNI
Market Cap	USD701.8mn				
Foreign Room	USD120.7mn	P/E (ttm)	24.3x	24.1x	14.7x
ADTV30D	USD11.5mn	P/B (curr)	1.8x	3.3x	2.3x
State Ownership	0.0%	Net D/E	1.4%	13.1%	N/A
Outstanding Shares	382.9 mn	ROE	9.2%	15.8%	15.7%
Fully Diluted Shares	382.9 mn	ROA	5.3%	7.7%	2.6%

Note: \* TP and rating last updated March 3, 2022

Company Overview

NLG is a property developer with 30 years of experience. After becoming a proven low-end housing developer, NLG expanded into the mid-range and landed properties segments across its land bank in HCMC, Long An, Dong Nai and Hai Phong.

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**Upbeat 2022 pre-sales growth guidance**

- We attended NLG's annual general meeting (AGM) on April 23.
- Shareholders approved management's 2022 guidance for revenue of VND7.15tn (USD311mn; +37% YoY — 35% higher than our forecast) and NPAT-MI of VND1.21tn (USD52mn; +13% YoY). The earnings guidance is 7% lower than our forecast for 2022F NPAT-MI of VND1.29tn (USD56mn; +21% YoY).
- Shareholders approved a FY2021 dividend plan that includes a total cash dividend of VND428bn (USD18.6mn). VND214bn (USD9.3mn) was paid in December 2021, while the remaining (equivalent to VND560/share) is expected to be paid in Q2 2022.
- Shareholders also approved a FY2022 dividend payment plan of VND383bn (USD16.6mn) — equivalent to VND1,000/share (2.2% yield). VND500/share is expected to be paid in December 2022, while the remaining is expected to be paid after the company's AGM in 2023.
- Shareholders approved an ESOP to issue up to 1.49 million shares (equivalent to 0.4% of current outstanding shares) in 2022 with a trading restriction for one year.

**Management plans for strong 2022 pre-sales.** Management aims for 2022 total pre-sales of VND23.4tn (USD1.0bn) with contributions from the Izumi City, Southgate, Mizuki Park Phase 2, Akari City Phase 2, Can Tho, Hai Phong and Paragon Dai Phuoc projects. This guidance is 140% higher than our forecast for 2022F pre-sales of VND9.7tn (USD422mn; +9% vs VND8.8tn/USD384mn in restated 2021 data). We note the 2022 pre-sales guidance for Izumi City and Mizuki Park is higher than our projection; in addition, we do not project Paragon Dai Phuoc to start pre-sales this year. NLG recorded total pre-sales of VND2.8tn (USD120mn; fulfilling 29% of our full-year forecast) in Q1 2022 with contributions from the Southgate, Mizuki Park Phase 2, Akari City Phase 2 and Can Tho projects.

**Management guides for 13% and 66% earnings growth for 2022 and 2023, respectively.** Shareholders approved management's 2022 guidance for NPAT-MI of VND1.21tn (USD52mn; +13% YoY), which is 7% lower than our forecast. Moreover, management is confident NLG can achieve strong earnings growth in 2023 thanks to its strong pre-sales in 2021 and high expectations for pre-sales in 2022. Management guides for 2023 revenue of VND13.8tn (USD600mn; +93% vs 2022 guidance) and NPAT-MI of VND2.0tn (USD87mn; +66% vs 2022 guidance), which is mainly driven by scheduled handovers of all key projects. The 2023 earnings guidance is 34% higher than our forecast for 2023F NPAT-MI of VND1.5tn (USD65mn).

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**Stock ratings** are set based on projected total shareholder return (TSR), defined as (target price – current price)/current price + dividend yield, and are not related to market performance.

Equity rating key	Definition
BUY	If the projected TSR is 20% or higher
OUTPERFORM	If the projected TSR is between 10% and 20%
MARKET PERFORM	If the projected TSR is between -10% and 10%
UNDERPERFORM	If the projected TSR is between -10% and -20%
SELL	If the projected TSR is -20% or lower
NOT RATED	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulation and/or firm policies in certain circumstances, including when VCSC is acting in an advisory capacity in a merger or strategic transaction involving the company.
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Unless otherwise specified, these performance parameters are set with a 12-month horizon. Movement in share prices may cause a temporary mismatch between the latest published rating and projected TSR for a stock based on its market price and the latest published target price.

**Target prices** are generally based on the analyst's assessment of the stock's fair value over a 12-month horizon. However, the target price may differ from the analyst's fair value if the analyst believes that the market will not price the stock in line with assessed fair value over the specified time horizon.

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