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# Vingroup (VIC)

## 1Q22 NPAT up 17% YoY

Vingroup (VIC) announced 1Q22 business results with NPAT of the parent company of VND2,454 billion (+17%YoY) on revenue of VND18,229 billion (-22% YoY).

### Inventory property sales and leasing activity should recover strongly

- In 1Q22, Vinhomes (VHM) sold 9,400 units, mostly from three launched projects and the Star City project. During the quarter, VHM recorded NPAT of the parent company of VND4,540 billion (-16% YoY) and revenue (including bulk sale transactions and BCC projects) of VND14,278 billion (-9% YoY). Unbilled bookings by the end-1Q22 reached VND57,000 billion (+9% YoY). VHM targets VND30,000 billion (-23% YoY) in NPAT on revenue of VND75,000 billion (-12% YoY) in 2022F.
- VHM opened for sale about 5,800 low-rise apartments at Vinhomes The Empire (Hung Yen) on April 30, 2022 at USD1,300-2,200/m<sup>2</sup>, planning to launch two megaprojects Vinhomes Co Loa and Vinhomes Wonder Park in 2H22.
- Vincom Retail (VRE) posted 1Q22 NPAT of the parent company of VND377 billion (+210% QoQ, -52% YoY) on revenue of VND1,369 billion (+0.2% QoQ, -38% YoY). Business results decreased significantly YoY because the company disbursed a support package worth VND464 billion for tenants hit by the pandemic (In 1Q21, the strong recovery of the retail market reduced the requirement for support packages and allowed VRE to offer shopping vouchers to help tenants improve sales). By the end of the first quarter of 2022, VRE leased out 1,654 thousand m<sup>2</sup> of floor space (flat YoY). The occupancy rate over the quarter was 82.7% (-1.7 ppts YoY). On April 28, 2022, VRE opened Vincom Mega Mall at Vinhomes Smart City, sprawling over 68,000 m<sup>2</sup> with an occupancy rate of 98%. VRE plans to launch two Vincom Plaza shopping malls in My Tho and Bac Lieu in June 2022, with their occupancy rates reaching 96% and 95%, respectively.

### VIC will promote the manufacturing electric cars

- The manufacturing segment in the first quarter of 2022 brought in VND10 billion in PBT and VND3,334 billion (-31% YoY) in revenue.
- Over the last quarter, VinFast sold 6,700 cars (-3% YoY) and 15,100 electric motorcycles (+148% YoY), maintaining its leading position in all segments. As of April 4, 2022, VinFast has received more than 60,000 pre-orders for two electric car models, VF8 and VF9. Besides, the company officially handed over about 420 VF e34 electric cars and will accelerate handover to its customers in 2Q22. The company plans to deliver about 20,000 VF e34 electric cars throughout the year.
- During the quarter, VinFast and the government of North Carolina signed a memorandum of understanding (MOU) on constructing an electric vehicle manufacturing factory in the US. Work on the first phase, with a total investment of USD2 billion and a capacity of 150,000 vehicles, will start this year right after VinFast receives its construction permit.



### **Other business activities**

- The tourism and accommodation services saw a loss of -VND1,308 in profit due to the adverse impact of the pandemic on revenue of VND1,349 billion (+45% YoY). However, we expect this segment to recover strongly in 2022 thanks to the well-controlled pandemic and Vietnam's fully reopening tourism to international tourists.

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## Investment ratings & definitions

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### Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Hold:	Sell:
+15% or more	+15% to -15%	-15% or more

### Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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