

NLG – Analyst Meeting note

Nam Long (HSX: NLG) held its Analyst Meeting on 7/7/2022 with the following highlights:

- Presales in 1H2022 reached over VND8.4trn (+87% YoY), equivalent to 36% of NLG's whole-year target, of which Mizuki Park was the main contributor with over VND2.8trn, followed by Akari City and Izumi City with presales of nearly VND2trn each. In 2H2022, NLG will launch 3,340 units equivalent to pre-sales value of nearly VND16trn to complete the target.

Project	Presales in 1H2022 (VNDbn)	Planned units launched in 2H2022	Planned pre-sales in 2H2022 (VNDbn)
Mizuki Park	2,813	186	863
Izumi City	1,929	517	3,514
Akari City	1,999	806	2,500
Southgate	1,553	545	2,644
Can Tho	116	1,076	2,009
Paragon	-	210	4,326
Total	8,410	3,340	15,856

Source: NLG.

- The company had healthy financial status despite tightening credit to the real estate sector and corporate bonds inspection. As of 31/3/2022, NLG had Net debt/Equity of 4% and debt balance of VND3.2trn, down by 11% compared to that at YE2021, of which bank loan was VND1.193bn and corporate bond was VND2,560bn. Bonds were held by TCBS (37%), GuarantCo-backed (26%), IFC (20%), and insurance companies (18%). NLG may have no trouble in debt payment in 2022 given good presales of over VND8.4trn in 1H2022, cash & cash equivalent balance of over VND3trn and expected proceed of VND1.3trn from transferring 50% stake in Paragon project with estimated net profit of VND350bn.
- NLG's capital raising activities was relatively normal during challenging period. In 4/2022, the company successfully issued VND1trn bond to International Finance Corporation (IFC) with a fixed interest rate of 9.35%/year for 7 years to be used for the second phase of Waterpoint project in Long An.

Comment: We maintain our 2022 forecast for NLG with net revenue of VND6,266bn (+21% YoY) and PATMI of VND1,237bn (+16% YoY) as we think project delivery will speed up and profit from transferring Paragon will be recorded in the coming quarters. We maintain our BUY rating with a target price of VND56,597. Please see our report [HERE](#) from May 6th, 2022 for further details on our recommendation.

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