

## IDC – AGM note

IDICO (HNX: IDC) held its AGM on 21/4/2023 with the following highlights:

- **2023 targets:** IDC set 2023 revenue target at VND8,277bn (+11% YoY) and PBT at VND2,525bn (-4% YoY).
- **2023 capex** is set at VND3,068bn, of which nearly VND1,800bn for industrial parks (IPs), VND850bn for residential projects and VND284bn for power projects.
- **Land leasing plan:** IDC plans to have 127.9ha of industrial land and 8,000 sqm of ready-built warehouse/factories for lease in 2023.
- **Phu My 2 and Phu My 2 expansion IPs** completed land filling for 90% of the total area and are expected to benefit from potential infrastructure projects such as Bien Hoa-Vung Tau Expressway and Long Thanh international airport.
- **Huu Thanh IP:** Land clearance reached 97% of the total area and some big corporations are interested in this IP. Huu Thanh IP attracts many logistics and FMCG corporations given its location in Long An which is next to the biggest city Ho Chi Minh and being a bridge between this city and the Mekong delta – the largest agriculture and fishery field of Vietnam.
- **Cau Nghin IP:** Last year, the government approved to change 105ha of this IP from rice cultivation area to industrial land area, of which IDC already cleared 40ha. Land leasing rate is increasing and many northern investors are interested in this IP given its competitive leasing rate and location, according to IDC's management.
- **Tan Phuoc 1 IP** is expected to receive its investment certification in 3Q23 or 4Q23.
- **Power:** IDC is currently manage and distribute power for a total area of ~1,500ha which includes Nhon Trach 1, Nhon Trach 2, Nhon Trach 3, Nhon Trach 5 IPs and this area will increase given the adding of Huu Thanh IP near the end of 2023. Moreover, the company will use water surface of Shrok Phu Mieng hydropower plant and rooftops of IDC and tenants' warehouses and factories to develop renewable energy. Last year, the company established IDERGY with a charter capital of VND100bn to implement this plan.
- **Ready-built warehouse and factory:** IDC expects to develop ~1mn sqm of ready-built warehouses and factories in the next 5 years.
- **Dividends:** IDC paid 40% cash dividend, of which 20% was paid in 2022 and 20% would be paid in 2023. The company tries to maintain cash dividend of 30-40% in the coming years.
- **Increase charter capital:** Compared to other industrial real estate developer, IDC's current charter capital of VND3,300 is relatively low, thus it plans to raise capital via private placement or cooperation with partners to develop projects.
- **Proposal to switch listing from HNX to HSX** has not been approved by the State Securities Commission of Vietnam.
- **BOD:** Five members are approved in the BOD, of which Mrs. Nguyen Thi Nhu Mai – representative of the biggest shareholder - SSG Group which owns 22.5% of IDC is the Chairman of the company.

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