



NLG Flash note - OUTPERFORM

February 2, 2024



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Earnings Flash note

Recommendation **OUTPERFORM**

HSX: BCM

Property

Target price (VND) **76,300**

Market price (VND) **66,000**

Expected share price return 15.6%

Expected dividend yield 1.4%

Expected total return **17.0%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	4.0	4.9	15.3	-20.4
Relative	-0.2	1.0	1.9	-31.4

Source: Bloomberg



Ownership

The People's Committee of Binh Duong province 95.4%

Stock Statistics 1-Feb-24

Bloomberg code **BCM VN**

52-week range (VND) 56,500 - 86,000

Shares O/S (m) 1,035

Mkt cap (VND bn) 67,689

Mkt cap (USD m) 2,755

Est. Foreign room left (%) 46.9

Est. free float (%) 3.2

3m avg daily vol (m) 473,735

VND/USD 24,570

Index: VNIIndex / HNX 1175.52/231.17

INVESTMENT AND INDUSTRIAL DEVELOPMENT CORPORATION (HSX: BCM)

BCM announced 2023 business results with net revenue of more than VND8 trn (+24.1% YoY) and PAT of over VND2.3 trn (+34.9% YoY) which was in line with our forecast. Reiterate **OUTPERFORM** recommendation with target price at YE2024 slightly reducing by 3% to VND76,300/share.

BCM announced positive 4Q2023 results with revenue of VND5,170 bn (up by 5.8x YoY) and PAT of VND2,050 bn (compared to VND7 bn in 4Q2022). Growth during the period mainly came from a transfer transaction of 18.9 ha in Binh Duong New City (BDNC) to CapitalLand with a contracted value of USD242 mn to develop Sycamore project. At YE2023, Becamex has received over VND2.3 trn and the remainder of nearly VND2.8 trn will be collected later.

In 2023, BCM recorded revenue of more than VND8 trn (+24.1% YoY) and PAT of over VND2.3 trn (+34.9% YoY), equivalent to 110% of ACBS's forecast and 102% of the company's target. We estimate that BCM leased around 50ha (-37.7% YoY) at My Phuoc, Bau Bang and Bau Bang expansion industrial parks last year. It is expected that the rental area can recover to around 90ha (+80.7% YoY) in 2024 when Cay Truong Industrial Park with NLA of 490ha begins to operate from this year.

BCM's financial status did not improve in 2023. Net debt increased by nearly VND4 trn, leading to Net Debt/Equity ratio increasing from 80.1% to 96.0%, higher than the industry median of -11.8%. Net Debt/EBITDA ratio declined from 8.8x to 5.8x, but still much higher than the industry median of -1.8x.

Quick comment: We virtually maintain our forecast for 2024 with estimated revenue of VND7.8 trn (-3.1% YoY) and PAT of nearly VND2.5 trn (+6.5% YoY), of which revenue from Industrial parks is expected to grow by 74% YoY thanks to Cay Truong Industrial Park coming into operation while revenue from residential real estate projects is expected to decrease by half due to 2023 recording extraordinary revenue from the transfer transaction of 18.9ha at BDNC. Profits from joint ventures and affiliates are expected to grow nearly 30% YoY mainly thanks to VSIP's new industrial parks (VSIP Bac Ninh 2, VSIP Nghe An 2, VSIP Can Tho - Phase 1 and VSIP Quang Tri with a total area of nearly 1,500ha) will start leasing from 2024. The target price at YE2024 is adjusted down slightly by 3% compared to that of the initiation report released in October 2023 to VND76,300/share given updating net debt and investments in in joint ventures and affiliates according to unaudited financial statements of 4Q2023. Reiterate our **OUTPERFORM** recommendation.

	2021	2022	2023U	2024F	2025F
Net Sales (VNDbn)	6,982	6,506	8,072	7,821	8,792
Growth	7.3%	-6.8%	24.1%	-3.1%	12.4%
EBITDA (VNDbn)	2,188	1,626	3,136	2,813	3,307
Growth	2.0%	-25.7%	92.8%	-10.3%	17.6%
NPATMI (VNDbn)	1,451	1,686	2,441	2,436	2,679
Growth	-26.9%	16.2%	44.8%	-0.2%	10.0%
EPS (bonus-adjusted, VND)	1,270	1,502	2,232	2,227	2,461
Growth	-31.5%	18.2%	48.6%	-0.2%	10.5%
ROE	9.0%	10.2%	14.0%	13.1%	13.4%
ROIC	8.3%	7.4%	8.9%	8.4%	8.3%
Net debt/EBITDA (times)	6.1	8.8	5.8	7.4	7.2
EV/EBITDA (times)	39.6	53.3	27.6	30.8	26.2
PER (times)	52.0	43.9	29.6	29.6	26.8
PBR (times)	4.0	3.8	3.6	3.3	3.1
DPS (VND)	700	800	900	900	900
Dividend yield	1.1%	1.2%	1.4%	1.4%	1.4%

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Our Recommendation System

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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