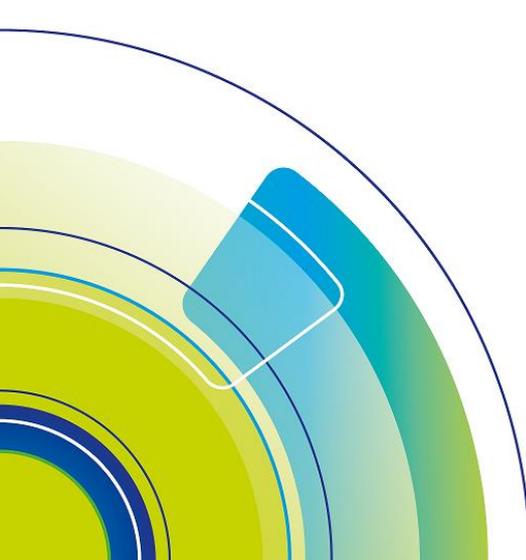




# NLG Flash note - BUY

April 22, 2024

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## AGM Flash note

### Recommendation

**BUY**

**HSX: NLG**

**Property**

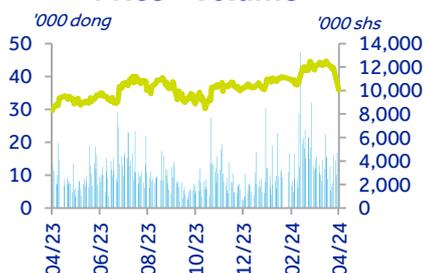
Target price (VND)	42,882
Market price (VND)	36,000
Expected share price return	19.1%
Expected dividend yield	1.4%
Expected total return	20.5%

### Stock performance (%)

	YTD	1M	3M	12M
Absolute	0.0	-14.3	-7.7	22.2
Relative	-5.1	-8.9	-7.2	8.3

Source: Bloomberg

### Price - Volume



### Ownership

Nguyen Xuan Quang (Chairman)	11.6%
Ibworth Pte Ltd	8.2%
Dragon Capital and related parties	8.1%

### Stock Statistics 19-Apr-24

<b>Bloomberg code</b>	<b>NLG VN</b>
52-week range (VND)	29,200 – 46,150
Shares O/S (m)	385
Mkt cap (VND bn)	14,102
Mkt cap (USD m)	554
Est. Foreign room left (%)	1.8
Est. free float (%)	56.2
3m avg daily vol (m)	3,866,210
VND/USD	25,473
Index: VNIIndex / HNX	1185.08/223.43

## NAM LONG INVESTMENT JSC (NLG VN)

**NLG held its 2024 AGM on April 20, 2024 with the following main highlights:**

- **2024 targets:** Revenue of VND6,657 bn (+107% YoY) and PATMI of VND506 bn (+5% YoY) mainly coming from the deliveries of nearly 2,700 units at Southgate, Akari, Can Tho and Izumi projects. This target does not include profit from 25% divestment of the Paragon Dai Phuoc project.

- **2024 Sales target:** NLG plans to sell over 3,100 units with a total value of nearly VND9.6 trn mainly from Akari, Can Tho, Southgate and Izumi projects.

- **1Q2024 business results:** Sales value of 1Q2024 was around VND900 bn (6 times higher than 1Q2023 of VND150 bn). The company did not announce expected business results for 1Q2024, however, it mentioned that the main reason affecting the handover progress in 1Q2024 was the Can Tho project. NLG paid VND300 bn of land use fees for this project at the beginning of 1Q2024 and in the next few weeks there will be an official approval decision to pay the remaining amount and the project will be recorded from 2Q2024.

- **2024 Profit distribution plan:** Bonus fund of VND12.65 bn (2.5%), Welfare fund VND10 bn, Bonus fund for the BOD of VND5.06 bn (1%). Pay cash dividends of 5% on par value. If the actual 2024 PATMI is 30% higher than target, the cash dividend rate will increase but up to a maximum of 10% on par value.

- **Comment on the real estate market from NLG's BOD:** 2024 is recovering more slowly than expected despite many supporting factors such as interest rate levels and real estate laws. In 2024, the company will still focus on affordable projects and investment in the mid and high-end segments will increase in 2025-2026 period. In 2024, NLG will continue to look for opportunities to expand its land bank.

**Quick comment:** We maintain our 2024 forecast with estimated revenue of nearly VND6.1 trn (+91% YoY) and NPATMI of over VND600 bn (+24% YoY). Strong growth in 2024 will come from the handover of Southgate, Akari, Mizuki, Izumi and Can Tho projects and 25% divestment of Paragon Dai Phuoc with estimated revenue and PBT of VND663 bn and VND232 bn, respectively. Using the RNAV method, we suggest a target price of VND42,900/share by YE2024, a slight decrease of 1% compared to the updated report in Jan 2024 given updating data according to the 2023 audited financial statements. Upgrade our recommendation from Outperform to BUY as market price adjusted by 8% since our updated report in Jan 2024.

	2021	2022	2023U	2024F	2025F
Net Sales (VNDbn)	5,206	4,339	3,181	6,084	8,304
Growth	134.8%	-16.6%	-26.7%	91.2%	36.5%
EBITDA (VNDbn)	811	865	630	1,397	1,722
Growth	213.0%	6.6%	-27.1%	121.6%	23.3%
NPATMI (VNDbn)	1,071	556	484	601	611
Growth	28.3%	-48.1%	-13.0%	24.3%	1.5%
EPS (bonus-adjusted, VND)	3,188	1,426	1,190	1,477	1,500
Growth	14.8%	-55.3%	-16.5%	24.1%	1.6%
ROE	12.0%	6.1%	5.1%	12.4%	12.3%
ROIC	6.0%	2.2%	2.1%	2.6%	2.6%
Net debt/EBITDA (times)	-0.3	0.5	4.0	3.3	3.1
EV/EBITDA (times)	20.1	18.9	25.9	11.7	9.5
PER (times)	11.3	25.3	30.3	24.4	24.0
PBR (times)	1.5	1.5	1.5	1.4	1.4
DPS (VND)	1,178	500	500	500	500
Dividend yield	3.3%	1.4%	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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