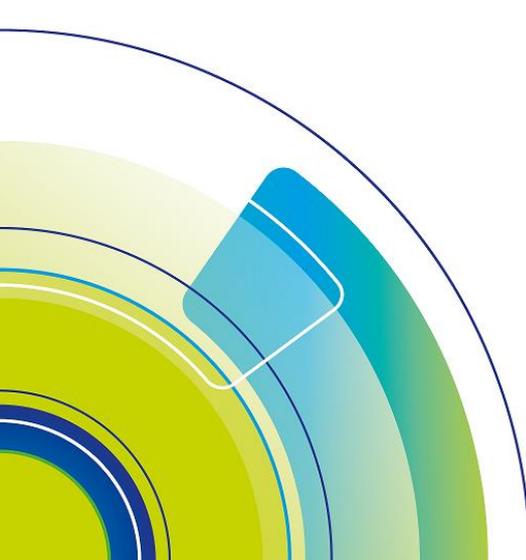




NLG Flash note - BUY

February 6, 2025



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Earnings Flash note

Recommendation

BUY

HSX: **NLG**

Property

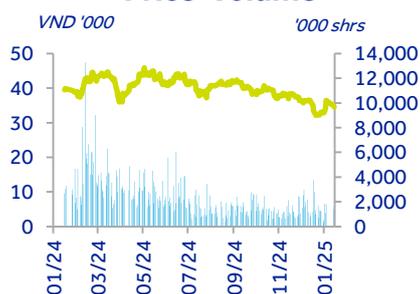
Target price (VND)	46,400
Market price (VND)	34,900
Expected share price return	32.8%
Expected dividend yield	1.4%
Expected total return	34.2%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-3.7	-4.3	-12.7	-11.7
Relative	-3.8	-5.1	-14.6	-21.5

Source: Bloomberg

Price-Volume



Ownership

Nguyen Xuan Quang (Chairman)	9.99%
Ibeworthy Pte Ltd	7.64%

Stock Statistics

4-Feb-25

Bloomberg code	NLG VN
52-week range (VND)	32,050 - 46,150
Shares O/S (m)	385
Mkt cap (VND bn)	13,555
Mkt cap (USD m)	536
Est. Foreign room left (%)	6.4
Est. free float (%)	56.7
3m avg daily vol (shrs)	1,334,308
VND/USD	25,310
Index: VNIIndex / HNX	1268.43/227.91

NAM LONG INVESTMENT CORPORATION (NLG VN)

NLG recorded impressive growth in 4Q2024 mainly driven by delivery at Akari project. We maintain our 2025 forecast and FY2025 target price at VND46,400/share. Reiterate our Buy rating for this stock given our expectation of gradual market recovery in 2025, NLG's strong financial status and affordable and legally transparent products.

Nam Long posted an impressive growth in 4Q2024 with net revenue of VND6,369 bn (+289% YoY) and NPATMI of VND497 bn (+71% YoY) mainly thanks to deliveries of:

- (1) over 1,400 condos at Akari project with revenue of nearly VND5.2 trn and;
- (2) nearly 180 units at Can Tho project with revenue of VND839 bn.

For 2024, NLG posted net revenue of VND7,196 bn (+126% YoY) and NPATMI of VND512 bn (+6% YoY), completing 101% of profit target and 96% of our forecast.

The strong growth in the top line was mainly thanks to delivery of Akari and Can Tho projects in 4Q2024 while the slight growth in the bottom line was mainly due to:

- (1) Lower number of landed properties delivered which normally have higher margins (20 units # VND279 bn in 2024 vs 113 units # VND1,261 bn in 2023) at Valora Southgate project led to a lower gross margin (42.6% vs 49.1%),
- (2) Profit shared from associates and JVs, mainly from Mizuki project, declined by 76% YoY, to VND100 bn, and
- (3) Higher minority interest (VND869 bn in 2024 vs VND317 bn in 2023) mainly recorded from Akari project.

Sales performance in 4Q2024 improved significantly compared to 3Q2024 but lower than 4Q2023 with nearly 400 units sold (+29% QoQ and -33% YoY) and presales of VND1,680 bn (+99% QoQ and -24% YoY). Can Tho project was the best seller in 4Q2024 with 178 land lots sold and presales of VND748 bn. Sales performance showed clear sign of recovery in 2024 with nearly 1,800 sold units (+73% YoY) and total presales of VND5.2 trn (+31% YoY).

NLG maintained a healthy financial position in 2024. Net debt decreased by nearly VND1.8 trn, to VND726 bn and Net debt/Equity ratio declined from 18.6% to 5.0%.

Quick comment: We keep our 2025 forecast nearly unchanged with NPATMI of VND580 bn (+13% YoY) which are mainly generated from Can Tho, Southgate and Izumi projects. Our YE2025 target price was maintained at VND46,400/share. Reiterate our Buy recommendation for this stock.

	2022	2023	2024U	2025F	2026F
Net Sales (VNDbn)	4,339	3,181	7,196	4,512	6,105
Growth	-16.6%	-26.7%	126.2%	-37.3%	35.3%
EBITDA (VNDbn)	865	630	1,728	1,195	1,740
Growth	6.6%	-27.1%	174.0%	-30.8%	45.6%
PATMI (VNDbn)	556	484	512	580	816
Growth	-48.1%	-13.0%	5.8%	13.3%	40.6%
EPS (bonus-adjusted, VND)	1,426	1,171	1,258	1,425	2,005
Growth	-55.3%	-17.9%	7.4%	13.3%	40.6%
ROE	6.1%	5.1%	10.6%	11.7%	15.8%
ROIC	2.2%	2.1%	2.0%	2.5%	3.2%
Net debt/EBITDA (times)	0.5	4.0	0.4	1.5	1.5
EV/EBITDA (times)	16.2	22.2	8.1	11.7	8.0
PER (times)	24.2	29.5	27.4	24.2	17.2
PBR (times)	1.5	1.4	1.4	1.3	1.3
DPS (VND)	500	500	500	500	500
Dividend yield	1.4%	1.4%	1.4%	1.4%	1.4%

Table: 4Q2024 and 2024 business results

Unit: VNDbn	4Q2023	4Q2024	YoY growth	2023	2024	YoY growth	2024 Target	% Completion
Presales	2,209	1,680	-24%	3,977	5,204	+73%	9,554	54%
Net revenue	1,636	6,369	+289%	3,181	7,196	+126%	6,657	108%
Gross profit	692	2,724	+294%	1,562	3,068	+96%		
Financial income	128	40	-69%	238	337	+42%		
Financial expenses	87	153	+76%	296	331	+12%		
SG&A expenses	354	898	+153%	980	1,390	+42%		
Profit from associates and JVs	213	16	-93%	418	100	-76%		
NPAT	482	1,327	+175%	800	1,382	+73%		
NPATMI	290	497	+71%	484	512	+6%	506	101%

Source: NLG, ACBS.

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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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