true friend KIS Viet Nam Securities Corporation

Company Brief

1 Jun 2020

Dat Xanh Real Estate Services and Construction (DXG)

FY20F AGM note: Nothing to lose

FY20F AGM key takeaways

- We attended DXG's AGM meeting on 30 May with some following key takeaways of the story.

Net profit eases by 15% yoy in FY20F

- In FY20F, DXG expects to reach net profit of VND1,034bn, - 15% yoy amid a weak revenue growth of -15.7% yoy.
- However, our FY20F net profit forecast is 19.3% below DXG's guidance as we are conservatively skeptical about homebuyer's income decrease arising from COVID-19 impact which could damage DXG's new property sales.
- No dividend is made in FY20F but a 20% dividend at par is expected in FY2021F, per management.

A 92ha mega land lot project aims to rock the market

- The mega land lot project in Long Thanh, Dong Nai province could launch in Jun at the average selling price of VND20m psm, helping to secure a presale value of around VND8tn in FY20-21F, in the company view. The company has received tens of billions deposit for booking from the brokerage agents.

Gem Riverside plans to get license at end-FY20F

- The idle Gem Riverside condo project due to regulatory bottlenecks is expected to get license at end-FY20F based on the company's plan.
- We are concerned on the company's plan as the licensing process has not progressed since 2018.

	2017A	2018A	2019A	2020F	2021F
Sales (VND bn)	2,879	4,645	5,814	4,706	9,098
chg. (% YoY)	14.9	61.3	25.1	(19.0)	93.3
Operating profit (VND bn)	1,186	1,835	2,099	1,680	2,138
Net profit (VND bn)	728	1,178	1,217	834	1,056
EPS (VND)	2,127	3,427	2,645	1,604	2,031
chg. (% YoY)	(34.4)	61.1	(22.8)	(39.3)	26.6
EBITDA (VND bn)	1,202	1,859	2,138	1,733	2,194
PE (x)	5.3	3.3	4.3	7.0	5.6
EV/EBITDA (x)	2.6	2.6	2.6	2.6	2.6
PB (x)	0.6	0.8	0.8	0.7	0.7
ROE (%)	20.6	26.7	20.3	11.2	12.5
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

12M rating	**BUY (Maintain)**
12M TP	**12,800**
Up/Downside	**+13.3%**

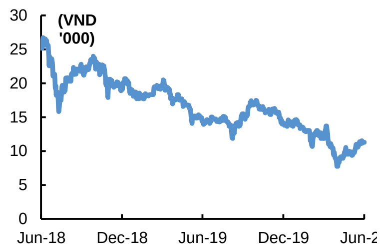
Stock Data

VNIndex (01 Jun, pt)	864
Stock price (01 Jun, VND)	11,300
Market cap (USD mn)	252
Shares outstanding (mn)	519
52-Week high/low (VND)	17,450/7,750
6M avg. daily turnover (USD mn)	1.17
Free float / Foreign ownership (%)	84.5/40.
Major shareholders (%)	
Chairman	12.2
NAV Investment JSC	4.5
Dragons Funds	17
Vietnam Holdings	2.1

Performance

	1M	6M	12M
Absolute (%)	14.3	(20.1)	(21.5)
Relative to VNIndex (%p)	1.8	(9.8)	(13.1)

Stock price trend



Source: Bloomberg

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