

19 Jun 2020

Khang Dien House Trading and Investment JSC (KDH)

FY2020 AGM: A rebound post COVID-19

FY20F AGM key takeaways

- At its AGM on Jun 19, KDH reaffirmed its contracted sales growth was tracking in line with the group's FY20F net profit guidance.

1H20 Strong sales momentum in line

- KDH announced its 1H20 sold units in Lovera Vista condo project and Verosa landed-property project at 250 and 80 respectively, implying accumulated sold units at 230 and 1,051 as end-1H20.
- The management admitted short-term impact of COVID-19 in sales activities but remained positive in 2H20F thanks to its reasonable average selling price and strong promotional incentives.
- Two new projects launched in FY20F includes a 5.7ha landed-property project in Dist 2 (total 160 units) and 4.3ha landed property (total 180 units) in Dist 9.

FY20F Net profit growth to be stellar

- In FY20F, management guided for VND3.5tn revenue (+24.4% yoy), and VND1.1tn net profit +20% yoy backed by faster delivery of Safira and Verosa project in 2H20F.
- A 5% cash dividend at par and a 5% share dividend are expected in 2H20F.

Landbanking expanded by more 50ha in the East

- The company succeeded to acquire more than 50ha land bank in the East of HCMC but did not disclose the total cost.
- The land compensation process in BCI land bank reserves is reported to be in line with the company plan.

Industrial park soon to be monetized in FY22F

- Le Minh Xuan industrial park phase 2 is under land compensation process and is expected to launch in FY22F.

	2017A	2018A	2019A	2020F	2021F
Sales (VND bn)	3,055	2,917	2,813	3,498	4,519
chg. (% YoY)	(22.3)	(4.5)	(3.5)	24.3	29.2
Operating profit (VND bn)	792	982	1,223	1,438	1,468
Net profit (VND bn)	502	808	915	1,067	1,181
EPS (VND)	1,179	1,592	1,691	1,998	2,242
chg. (% YoY)	10.4	35.0	6.2	18.2	12.2
EBITDA (VND bn)	799	990	1,232	1,460	1,490
PE (x)	20.6	15.3	14.4	12.2	10.8
EV/EBITDA (x)	13.0	11.6	10.4	8.4	6.7
PB (x)	2.2	1.9	1.7	1.6	1.5
ROE (%)	11.6	13.4	12.6	13.7	14.1
Dividend yield (%)	4.1	2.1	2.1	2.1	2.1

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

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12M rating **BUY (Maintain)**

12M TP **25,000**

Up/Downside 4.9% (include 2% cash dividend)

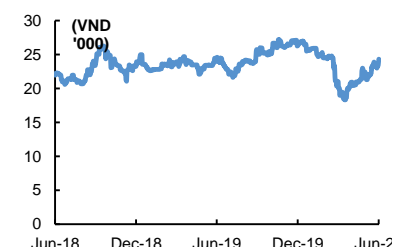
Stock Data

VNIndex (19 Jun, pt)	869
Stock price (19 Jun, VND)	24,300
Market cap (USD mn)	549
Shares outstanding (mn)	525
52-Week high/low (VND)	27,200/18,300
6M avg. daily turnover (USD mn)	0.43
Free float / Foreign ownership (%)	79.8/43.8
Major shareholders (%)	
Vietnam Enterprise Investments	16.2
VinaCapital Vietnam Opportunity	13.3

Performance

	1M	6M	12M
Absolute (%)	8.5	(7.6)	(0.8)
Relative to VNIndex (%p)	5.8	0.6	6.3

Stock price trend



Source: Bloomberg

Nhan Lai

Nhan.It@kisvn.vn

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Prepared by: Nhan Lai

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