

12 Apr 2021

Kinh Bac City Corp (KBC)

FY21F AGM: Back to glory

- We tuned in to broadcast KBC's AGM on April 12 which briefs its stunning business plan to back to the golden times.

Bouncing back to the unprecedented growth

- In FY21F, KBC targets the highest record of profit after tax guidance to VND2tn, 573% yoy driven by the handover of industrial land bank and residential units mounting to VND6.6tn (3 times higher yoy).
- The industrial estate growth is propelled by a 100ha area of land bank in Nam Son Hap Linh industrial park while the residential segment growth is buoyed by a 2.3ha land bank in Trang Due townhouse project.
- A 10% dividend at par or no dividend payment in FY21F, per management.

Unlock the iceberg Trang Cat townhouse project

- The company aims to monetize the 581ha land parcel Trang Cat townhouse project which has been idle since 2012 on the dream of reaping VND60tn gross development value.

Aggressive fund demand

- To fund for the expansion of at least 6 projects, pending further information, the company is in the need of at least VND5tn investment fund this year either in the form of equity or bond issuances.

Potential diluted EPS

- In the presentation, at least 100mn shares could be issued this year, pending further information review

	2017A	2018A	2019A	2020A	2021F
Sales (VND bn)	1,260	2,491	3,210	2,154	4,940
chg. (% YoY)	(36.1)	97.7	28.9	(32.9)	129.3
Operating profit (VND bn)	473	1,162	1,533	345	1,802
Net profit (VND bn)	585	746	918	206	1,195
EPS (VND)	1,244	1,588	1,955	890	2,544
chg. (% YoY)	4.9	27.7	23.1	(54.5)	185.9
EBITDA (VND bn)	513	1,201	1,586	433	1,802
PE (x)	26.8	21.0	17.1	75.9	15.5
EV/EBITDA (x)	41.1	17.6	12.7	54.6	10.1
PB (x)	2.3	2.1	2.0	2.0	1.6
ROE (%)	6.6	7.9	9.1	2.0	7.4
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

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12M rating **HOLD (Maintain)**

12M TP

Up/Downside

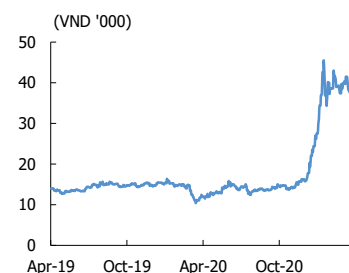
Stock Data

VNIndex (09 Apr, pt)	1,232
Stock price (09 Apr, VND)	39,600
Market cap (USD mn)	807
Shares outstanding (mn)	470
52-Week high/low (VND)	45,500/11,500
6M avg. daily turnover (USD mn)	7.30
Free float / Foreign ownership (%)	64.8/21.8
Major shareholders (%)	
Kinh Bac Consulting and Investment	9.4
VEIL	3.9
VanEck Vectors ETF Trust-VanEck Vectors-Vietnam-ETF	3.6

Performance

	1M	6M	12M
Absolute (%)	1.3	176.0	231.4
Relative to VNIndex (%p)	(4.7)	142.0	166.0

Stock price trend



Source: Bloomberg

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