

28 Apr 2021

Khang Dien House JSC (KDH)

AGM Briefing: Highly visible organic growth

AGM Briefing

- On April 28, KDH held the 2021 AGM presentation. The key conference takeaways largely focused on the FY21F guidance and the monetization plan of Binh Chanh land bank.

A sustainable momentum growth in FY21F

- The company sets moderate guidance of a VND1.2tn net profit, 4% yoy and VND4.8tn revenue, 6% yoy. The commence of delivery of Lovera Vista condo project (1,145 units) in tandem with the delivery of remaining Safira condo units drives the FY21F revenue growth.
- 1Q21 net profit is slated to post VND200bn, +30% yoy, making up 16.7% of the company full-year guidance.
- Per management, three projects could be launched to the housing market including 1) a 4.3ha townhouse project (158 units) in Dist 9, 2) a 5.7ha townhouse project in Dist 2 and 3) a 1.8ha condo project (1,100 units) in Binh Tan Dist.
- No cash dividend payment is made in FY21F, but a 10% share dividend could be paid.

Still hoping for Binh Chanh land bank

- As of end-20, around a VND2.7tn compensation cost was made to pay for 190ha out of total 300ha in Tan Tao mega township project. The company did not announce a clear pipeline to monetize this iceberg but will soon “unlock” it when completing the compensation process.
- However, the 109ha Le Minh Xuan industrial park could get some milestone in the regulatory process and be ready to launch this year.

	2017A	2018A	2019A	2020A	2021F
Sales (VND bn)	3,055	2,917	2,813	4,532	4,538
chg. (% YoY)	-22.3	-4.5	-3.5	61.1	0.1
Operating profit (VND bn)	792	982	1,223	1,547	1,784
Net profit (VND bn)	502	808	915	1,152	1,374
EPS (VND)	1,111	1,514	1,613	2,041	2,441
chg. (% YoY)	11.8	36.3	6.5	26.5	19.6
EBITDA (VND bn)	799	990	1,232	1,558	1,803
PE (x)	31.4	23.0	21.6	17.1	14.3
EV/EBITDA (x)	19.8	18.0	15.7	12.7	10.9
PB (x)	3.4	2.9	2.6	2.4	2.2
ROE (%)	11.6	13.4	12.6	14.6	16.0
Dividend yield (%)	2.9	1.4	1.4	1.4	0.0

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

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12M rating **BUY (Maintain)**

12M TP **37,500**

Up/Downside **7.6% include 0% div**

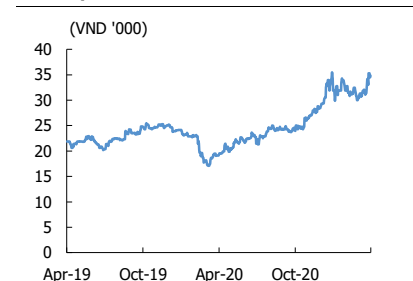
Stock Data

VNIndex (28 Apr, pt)	1,230
Stock price (28 Apr, VND)	34,850
Market cap (USD mn)	845
Shares outstanding (mn)	559
52-Week high/low (VND)	35,500/19,500
6M avg. daily turnover (USD mn)	2.58
Free float / Foreign ownership (%)	83.5/32.2
Major shareholders (%)	
Vina Capital	18.83
Dragon	17.65
Tien Loc Investment Limited	11.38

Performance

	1M	6M	12M
Absolute (%)	16.2	45.2	81.7
Relative to VNIndex (%p)	10.4	10.9	18.6

Stock price trend



Source: Bloomberg

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