

27 Oct 2023

# Viglacera Corporation (VGC)

## 3Q23 Regaining growth momentum

In October 26, 2023 VGC released 3Q23 Financial Report, which shed some light on the company performance in 9M23

### NPAT grew compare to 2022 low base

In 3Q23, VGC recorded revenue of VND3.5tn (-11.7% qoq, +22.4% yoy) and a NPAT of VND433.6.6bn (-47.3% qoq, +168.2% yoy). The company process a blended gross margin of 30.8%, a noticeable improvement compares to 3Q22 25.5%. The company interest expense increased by 39.1% yoy, to VND92.5bn, constricting the company profit before tax. As of 9M23, the company earned an accumulated VND10.2tn in revenue and VND1.2tn in NPAT, fulfilling 64%/100% of their annual guidance.

### IP rent remained the company top earner:

Industrial Park Rent: This segment's revenue saw declined 29.2%qoq but still growth 181%yoy, to VND1.1tn. IP rent remain the company largest earner, accounted for 33% of revenue and 58% of gross profit, taking the top spot from the ceramic tiles segment. It also the VGC most profitable segment with a 54% gross margin.

Glass: The Glass segment's revenue have fell by 27% yoy, with only VND541.5bn in revenue. This segment has generated gross profit again instead of previous quarter loss, it brought in VND1.6bn in profit, a 99.1%yoy plummet.

Ceramic: The company second largest business brought in VND955bn (-8.4%yoy) in revenue and VND179bn in gross profit, -11.9% yoy. It was able to maintain a stable 17% gross margin, a much brighter picture compare to Porcelain segment's -30%p margin shrinkage.

12M rating **Non-Rated**

12M TP **NA**

Up/Downside **NA**

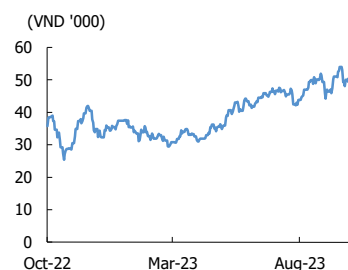
### Stock Data

VNIndex (26 Oct, pt)	1,055
Stock price (26 Oct, VND)	47,200
Market cap (USD mn)	868
Shares outstanding (mn)	448
52-Week high/low (VND)	54,000/25,362
6M avg. daily turnover (USD mn)	2.74
Free float / Foreign ownership (%)	18.9/5.4
Major shareholders (%)	
GELEX Infrastructure JSC	50.2
Ministry of Construction	38.6

### Performance

	1M	6M	12M
Absolute (%)	6.7	50.8	24.5
Relative to VNIndex (%p)	13.9	49.1	20.9

### Stock price trend



Source: Bloomberg

	2018A	2019A	2020A	2021A	2022A
Sales (VND bn)	8,812	10,146	9,433	11,194	14,592
chg. (% YoY)	(4.2)	15.1	(7.0)	19.0	30.0
Operating profit (VND bn)	910	1,100	966	1,452	2,390
Net profit (VND bn)	667	759	667	1,279	1,913
EPS (VND)	1,257	1,235	1,015	2,408	2,976
chg. (% YoY)	22.2	(1.8)	(17.8)	137.0	24.0
EBITDA (VND bn)	1,804	1,895	1,661	1,154	1,043
PE (x)	37.8	38.5	46.8	20.0	16.0
EV/EBITDA (x)	1.6	2.6	2.6	2.6	2.6
PB (x)	3.1	3.0	3.0	2.5	2.3
ROE (%)	9.8	10.9	9.5	16.6	21.9
Dividend yield (%)	2.5	2.5	2.7	2.7	5.6

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

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**Table 1. 3Q23 earnings**

(VNDbn, %, %p)

	3Q22	4Q22	1Q23	2Q23	3Q23	QoQ	YoY
Sales	3,211.7	3,281.2	2,774.7	3,927.8	3471.1	(11.7)	22.4
Gross Profit	819.4	714.1	665.9	1,218.9	1,069.2	(12.3)	48.8
Gross Margin	25.5	21.8	24.0	31.0	30.8	(0.2)	5.3
PBT	308.0	272.0	220.9	804.0	563.6	(29.9)	161.0
NPAT	264.6	221.9	151.5	625.6	433.6	(47.3)	168.2

Source: Company data, KISVN

**Table 2. Revenue by segment: IP rent dominated 3Q23 earning**

(VNDbn,%p)

	3Q22		2Q23		3Q23		Revenue YoY	Gross Profit YoY
	Revenue	Gross Profit	Revenue	Gross Profit	Revenue	Gross Profit		
RE Sale	113.2	15.5	-	-	-	-	NA	NA
Glass	742.2	178.5	521.8	(1.4)	541.5	1.6	(27.0)	(99.1)
Porcelain	272.6	100.4	235.2	79.9	254.2	76.6	(6.7)	(23.7)
Ceramic	1,043.4	204.0	942.6	156.4	955.5	179.8	(8.4)	(11.9)
Clay Tiles	373.0	29.6	330.4	38.8	310.0	34.6	(16.9)	17.1
IP Rent	406.7	181.5	1,614.5	818.4	1,143.0	621.8	181.1	242.5
IP Utilities	121.0	42.2	133.0	42.8	158.0	42.4	30.6	0.5

Source: Company data, KIS

### ■ Company overview

Viglacera (VGC) is one of Vietnam leading producer of construction material including: glass, ceramic and porcelain tiles. Viglacera is also one of the largest developer of industrial park, with 11 park across Northern and Central region as of 2023. It is 50.2% owned by GELEX Infrastructure and 38.6% owned by Ministry of Construction).

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