

24 Oct 2023

Vinhomes (VHM)

AM Briefing: 9M23 beat the full-year target

AM Briefing:

- On Oct 24, we attended VHM's 3Q23, and the presentation covered how the "King" fared better.

YoY slum is foreseen but qoq resilience is fantastic

- VHM announced the 3Q23 results with a VND32.5tn revenue (82.6% yoy) and a VND10.7tn NPATMI (-26.2% yoy) in light of the absence of bulk sale transaction in financial income of VND10.9tn in 3Q22.
- Per management, revenue is largely benefiting from a VND25.7tn revenue in Ocean Park 3 project (delivered 3,300 units) and a VND2,300bn revenue in Ocean Part 2 project and VND700bn revenue in Smart City project
- The 3Q23 earnings exceeded our quarterly forecast as we expected the company could deliver a -30% qoq/-60% yoy slump in our 4Q23 strategy report.
- VHM rock the market with its 9M23 revenue of VND94.tn, and NPAT of VND32.4tn, completion of 94/106% of their full-year estimate.
- The company was vocal on its stance about the adjusting the full year guidance thanks to the accelerating handover in last meeting on July 28 but stayed silent in this meeting

Bulk sales gained sensational in 3Q23 contract sales

- Only the VND16.1tn contract value is recorded in 3Q23, of which a bulksale transaction of VND11tn was counted (1,500 units from Hai Phong project, 75% of cash revenue was collection). The 3Q23 retail sale comprised VND5tn, from SkyPark project (VND580bn) and VND857bn from Golden Avenue project.
- Total contract sales summed up to VND56.7tn of which VND31.3tn is the retail sales in 9M23. The accumulated booking sales was VND76.9tn as of end-3Q23 of which 47% was sold in the form of bulk sale transactions from Ocean 2,3 and Hai Phong projects.

	2018A	2019A	2020A	2021A	2022A
Sales (VND bn)	38,664.3	51,626.9	71,546.7	84,985.6	62,392.6
chg. (% YoY)	152.8	33.5	38.6	18.8	(26.6)
Operating profit (VND bn)	7,617.1	23,218.5	21,061.8	42,402.0	25,620.6
Net profit (VND bn)	14,284.5	21,747.4	27,351.3	38,824.6	28,830.9
EPS (VND)	4,503.0	6,502.0	8,315.0	9,015.0	6,621.0
chg. (% YoY)	91.7	44.4	27.9	8.4	(26.6)
EBITDA (VND bn)	7,878.7	23,570.4	21,603.7	43,489.7	26,837.2
PE (x)	20.24	15.34	9.43	5.83	6.74
EV/EBITDA (x)	40.29	14.71	12.46	5.71	8.31
PB (x)	6.69	5.95	3.01	1.82	1.34
ROE (%)	49.0	38.5	35.6	35.2	20.6
Dividend yield (%)	1.16	0.00	1.95	3.85	0.00

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

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12M rating **BUY (Maintain)**

12M TP **93,615**

Up/Downside **+109%** (includes 1.0% dividend)

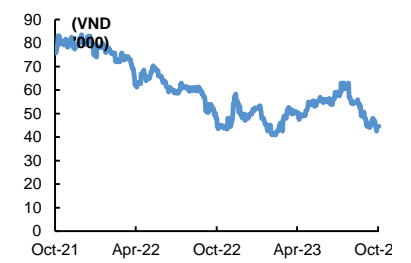
Stock Data

VNIndex (Oct 24, pt)	1,106
Stock price (Oct 24, VND)	44,600
Market cap (USD mn)	7,907
Shares outstanding (mn)	4,354
52-Week high/low (VND)	63,000/40,900
6M avg. daily turnover (USD mn)	8.09
Free float / Foreign ownership (%)	23.8/24.4
Major shareholders (%)	
Vingroup	69.3
Government of Singapore	4.99
Viking Asia Holdings II Pte.Ltd	4.6

Performance

	1M	6M	12M
Absolute (%)	(7.1)	(11.7)	0.0
Relative to VNIndex (%p)	0.2	(19.0)	(14.0)

Stock price trend



Source: Bloomberg

Research Dep

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Table 1. 3Q23 earnings

(VND bn, %, %p)

	3Q22	4Q22	1Q23	2Q23	3Q23	QoQ	YoY
Sales	17,804.9	31,193.3	29,298.6	32,833.0	32,504.4	(1.0)	82.6
Gross profit	9,295.9	15,084.7	6,643.1	13,215.1	14,849.8	12.4	59.7
Gross margin	52.2	48.4	22.7	40.2	45.7	5.4	(6.5)
OP	8,006.6	13,365.0	5,084.9	11,365.1	13,531.3	19.1	69.0
OP margin	45.0	42.8	17.4	34.6	41.6	7.0	(3.3)
EBT	18,948.7	12,467.5	15,074.1	12,533.3	14,206.2	13.3	(25.0)
NPATMI	14,493.8	8,927.8	11,917.3	9,652.5	10,730.2	11.2	(26.0)

Source: Company data, KIS

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