

March 11, 2020

Power & Construction Material Analyst  
Le Thanh Cong  
congl@kbsec.com.vn

# Company Visit Note: Becamex IDC (BCM)

## High occupancy for Becamex Investment & Industrial Development Corp (BCM: Upcom)

- Becamex IDC is one of Vietnam's largest industrial property developers in terms of land bank. The industrial land bank totals 15,000 hectares including the Vietnam Singapore Industrial Park (VSIP) – the 49%-owned project in cooperation with Singapore's Sembcorp Development – and are primarily located in the Binh Duong Province near Ho Chi Minh City
- BCM's industrial parks have not only seen rapid growth in FDI but also boast high occupancy rates, with its new newest projects – the Bau Bang and Bau Bang Expansion – seeing a strong rise in occupancy rates. Occupancy rates as at December 31, 2019 are:
  - Hiep Phuoc IP 1: 88%
  - Hiep Phuoc IP 2: 96%
  - Hiep Phuoc IP 3: 94%
  - Bau Bang IP: 94%
  - Bau Bang IP Expansion: 49%

- BCM also has a large residential project (Binh Duong New City) that began in April 2010 on 1,000 hectares of land and VND32,000 billion investments but has been plagued by low occupancy rates until stabilizing in 2019.

## 2020 parent earnings guidance at VND1,759 billion on revenue of VND6,000 billion

- BCM expects to achieve parent earnings of VND1,759 billion (up 3% YoY) on revenue of VND6,000 billion. The sale of real estate properties – especially the Bang Bau Expansion, Thoi Hoa, and Cay Truong industrial parks – should represent the largest contribution to revenue in this guidance.

## Rights issue & private placement in 2020 to reduce government stake to below 50%

- BCM plans to announce the expansion of charter capital to over VND20,000 billion at its 2019 Annual Shareholders' Meeting scheduled for April 24<sup>th</sup>. Specifically, management will propose a rights issues of 207 million shares (20% of outstanding) and private placement of 758 million shares (73% of outstanding) to a strategic partner at a price no lower than VND15,000 per share. As state owners will likely not participate in the rights issue, management expects the government stake to fall below 50%. Moreover, management expects to complete procedures to re-list on the Ho Chi Minh Stock Exchange in 2020.



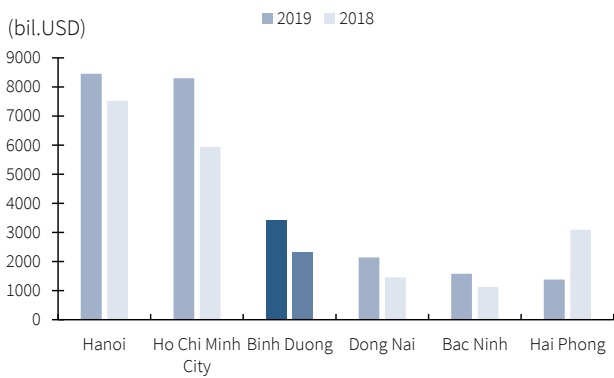
Fig 1. BCM – Industrial park locations

Most BCM’s industrial parks are located in the Binh Duong Province and ranked third in FDI between 2018 and 2019



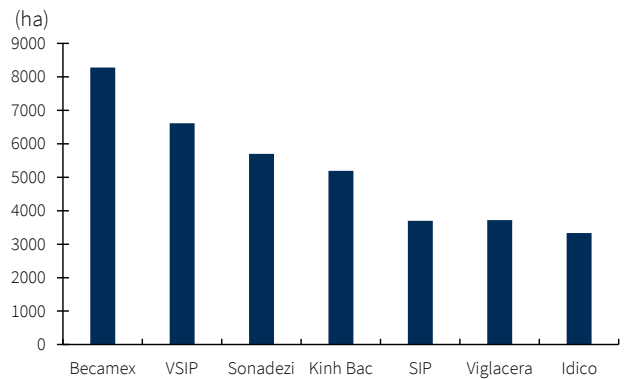
Source: Becamex, KB Securities Vietnam

Fig 2. Vietnam – Registered FDI rankings for cities and provinces, 2018–2019 (USDbn)



Source: Becamex, KB Securities Vietnam

Fig 3. Vietnam – Industrial park land bank by real estate company, 2019 (hectares)



Source: Becamex, KB Securities Vietnam

## KB SECURITIES VIETNAM RESEARCH

---

**Head of Research – Nguyen Xuan Binh**

binhnx@kbsec.com.vn

### **Macro/Strategy**

**Head of Macro & Strategy – Tran Duc Anh**

anhhd@kbsec.com.vn

**Macro Analyst – Thai Thi Viet Trinh**

trinhhtt@kbsec.com.vn

**Market Strategist – Le Anh Tung**

tungla@kbsec.com.vn

### **Equity (Hanoi)**

**Head of Equity Research (Hanoi) – Duong Duc Hieu**

hieudd@kbsec.com.vn

**Information Technology & Logistics Analyst – Nguyen Anh Tung**

tungna@kbsec.com.vn

**Property Analyst – Pham Hoang Bao Nga**

ngaphb@kbsec.com.vn

**Power & Construction Material Analyst – Le Thanh Cong**

conglt@kbsec.com.vn

**Financials Analyst – Nguyen Thi Thu Huyen**

huyenntt@kbsec.com.vn

### **Equity (Ho Chi Minh)**

**Head of Equity Research (Ho Chi Minh) – Harrison Kim**

harrison.kim@kbf.com

**Consumer & Retailing Analyst – Dao Phuc Phuong Dung**

dungdpp@kbsec.com.vn

**Fisheries & Pharmaceuticals Analyst – Nguyen Thanh Danh**

danhnt@kbsec.com.vn

**Oil & Gas & Chemicals Analyst – Nguyen Vinh**

vinhn@kbsec.com.vn

### **Research Marketing**

**Korea Marketing Analyst – Seon Yeong Shin**

shin.sy@kbsec.com.vn

## KB SECURITIES VIETNAM (KBSV)

---

### Head Office:

Levels G, 2 & 7, Sky City Tower, 88 Lang Ha Street, Dong Da District, Hanoi, Vietnam  
Tel: (+84) 24 7303 5333 – Fax: (+84) 24 3776 5928

### Hanoi Branch:

Level 1, VP Building, 5 Dien Bien Phu, Ba Dinh District, Hanoi, Vietnam  
Tel: (+84) 24 7305 3335 – Fax: (+84) 24 3822 3131

### Ho Chi Minh Branch:

Level 2, TNR Tower Nguyen Cong Tru, 180-192 Nguyen Cong Tru Street, District 1, HCMC, Vietnam  
Tel: (+84) 28 7303 5333 – Fax: (+84) 28 3914 1969

### Saigon Branch:

Level 1, Saigon Trade Center, 37 Ton Duc Thang, Ben Nghe Ward, District 1, HCMC, Vietnam  
Tel: (+84) 28 7306 3338 – Fax: (+84) 28 3910 1611

### CONTACT INFORMATION

Institutional Client Center: (+84) 28 7303 5333 – Ext: 2656  
Private Customer Care Center: (+84) 24 7303 5333 – Ext: 2276  
Email: [ccc@kbsec.com.vn](mailto:ccc@kbsec.com.vn)  
Website: [www.kbsec.com.vn](http://www.kbsec.com.vn)

## Investment ratings & definitions

---

### Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Hold:	Sell:
+15% or more	+15% to -15%	-15% or more

### Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

Opinions in this report reflect the professional judgment of the research analyst(s) as of the date hereof and are based on information and data obtained from sources that KBSV considers reliable. KBSV makes no representation that the information and data are accurate or complete and the views presented in this report are subject to change without prior notification. Clients should independently consider their own particular circumstances and objectives and are solely responsible for their investment decisions and we shall not have liability for investments or results thereof. These materials are the copyright of KBSV and may not be reproduced, redistributed or modified without the prior written consent of KBSV. Comments and views in this report are of a general nature and intended for reference only and not authorized for use for any other purpose.