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Novaland Investment (NVL)

2020E earnings guidance up by 8%

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— Management's 2020E guidance released in the proposal for the annual general shareholders' meeting was set at VND3,650 billion or up 8% for earnings and VND14,877 billion or up 36% for revenue. Based on the new guidance, Novaland completed 8% of its earnings goal and 6% of its revenue target. Shareholders will meet to approve these business targets on June 5.

Focusing on quick handovers at its residential and resort projects

— The total project portfolio numbers 40 with a total land bank of 4,894 hectares including projects under feasibility studies. Of these, 22 projects are currently underway and made up of 17 residential and 5 resort sites. Management has set an optimistic goal to complete 10 of these projects for handover this year, including eight residential projects and two hospitality projects. The only large-scale project is *Aqua City* covering 1,000 hectares and located 15 km outside of Ho Chi Minh City in Dong Nai and 10 km from the Long Thanh Airport. NVL will focus on completing the low-rise units this year to allow a quick handover from the *Aqua City* project. Resorts that are scheduled for completion are located in Binh Thuan, Khanh Hoa and Ba Ria-Vung Tau. The company is also hoping to break ground on two additional residential projects this year located in the eastern part of Ho Chi Minh City and at least one hospitality project in Binh Thuan or Ba Ria-Vung Tau.

Skiping cash dividends for 2019 results & more dilution from reset of convertible bond

— The Board of Directors also submitted a plan to suspend cash dividends for 2019 performance after paying a cash dividend of VND500 per share last year. The company also has no plans to declare cash dividends in 2020. Retained earnings were VND8,723 billion in 2019. Management will also propose increasing the number of shares related to the overseas convertible bond (USD240 million 5.5% senior unsecured) to 96 million shares or about 9.9% outstanding after the strike price was reset to VND60,000 (conversion ratio 75,910 shares per bond). This would be the third reset for this bond.

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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

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