

Novaland (NVL)

4Q21 earnings expanded 42% YoY

4Q21 earnings considerably grew as compared to 4Q20

- In the fourth quarter, Novaland (NVL) recorded PAT of the parent company at VND800 billion (+42% YoY) on revenue of VND4.6 trillion (275% YoY). Sales of inventory property during the quarter contributed VND4.2 trillion (+368% YoY) to the total revenue, mainly thanks to the handover of apartments at Saigon Royal, Aqua City, and Ho Tram.
- For the whole year of 2021, NVL's PAT was VND3.2 trillion (-18% YoY) on revenue of VND14.9 trillion (+197% YoY) with VND13.5 trillion (+264% YoY) of inventory property sales. The profit was lower than that of the previous year since NVL achieved VND5.7 trillion in 2020 earnings from the stake transfer in some projects and the revaluation of previous investments at subsidiaries after the mergers. Thus, NVL delivered 84% and 54% of the year plan for profit and revenue, respectively.
- Gross profit margin increased to 45% from 37% in 4Q20 thanks to the handover of low-rise products (primarily at Aqua City, Novaworld Ho Tram, and Novaworld Phan Thiet) with a higher profit margin than that of high-rise apartments.

Sales activity in the fourth quarter recovered compared to the previous quarter

- In 4Q, NVL sold 1,592 products (-17%YoY), equivalent to a total contract value of VND28.4 trillion (+97% YoY).
- For 2021, NVL sold 6,613 products (+30% YoY, delivering 94% of the sales plan after adjustments), most of which were from Aqua City (3,673 units) and Novaworld Phan Thiet (2,349 units). The total value of sales contracts hit VND83.7 trillion (+116%YoY), of which the contract value at Aqua City and Novaworld Phan Thiet was VND50.8 trillion & VND19.2 trillion. These transactions brought in VND28-29 trillion for NVL. The total value of signed contracts and unbilled bookings by the end of the fourth quarter last year was VND177.5 trillion.

The company set targets for 2022 with positive numbers

- The company expects PAT at VND6.5-6.8 trillion (up 86-94% YoY) on VND35-38 trillion (up 135-155% YoY) in revenue this year. The total value of sales contracts should be VND140 trillion (+67% YoY).

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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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