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Novaland (NVL)

1Q22 NPAT up 101% YoY

1Q22 NPAT was up 101% YoY thanks to investment revaluation

- In 1Q22, Novaland (NVL) posted revenue of VND1,956 billion (-57% YoY), with the main contribution from inventory property sales at VND1,542 billion (-63 YoY) thanks to the handover of apartments at *Novaworld Phan Thiet, Ho Tram, NovaHills Mui Ne, Soho Residence, Victoria Village, and Aqua City*.
- NPAT of the parent company reached VND1,079 billion (+101% YoY). The gains were thanks to VND1,269 billion in profit from re-evaluating the investment in Da Lat Valley Real Estate Co., Ltd.
- Gross profit margin reached 37% against 38% in the same period in 2021.
- NVL recorded positive sales in the first quarter with 1,732 products sold (-5%YoY), equivalent to a total contract value of about VND28 trillion (+62% YoY).

NLG set an ambitious business plan in 2022

- At the FY22 AGM, management approved the 2022F business plan with NPAT of VND6.5 trillion (+88% YoY) on revenue of VND36 trillion (+141% YoY), supported by sales of projects *Novawold Ho Tram, Novaworld Phan Thiet, Aqua City*, and a few apartment projects in the inner city of Ho Chi Minh City.
- In the third quarter of 2022, NVL will launch the *Grand Sentosa* project in Nha Be, Ho Chi Minh City (formerly the Kenton Node project) and Long Island (30ha) at the *Novaworld Ho Tram* project. In the second half of 2022, the company plans to introduce new projects in the Central Highlands and Binh Thuan.
- In 2022, the total contract value is expected at VND140 trillion (+67% YoY) from 15,000 products, which is, in our view, an ambitious plan given limited real estate credit and various legal problems in Ho Chi Minh City.

NVL's DE ratio is relatively high compared to other peers

- The debt-to-equity (DE) ratio was 1.2x as of the end of the first quarter of 2022, which is relatively high compared to other peers. NVL's debt breakdown includes 54% of bonds, 10% of convertible bonds, and 36% of loans. The ratio of debt that matures within two years is 68.8%. As shared by the BOD, NVL will ensure its solvency thanks to: (1) the amount of money realized from delivering apartments to customers in 2022 at about VND35 trillion, with VND19 trillion from projects launched earlier and VND16 trillion from new ones. In the first quarter of 2022, NVL has realized VND9 trillion; and (2) the issuance of USD250 million convertible bonds.

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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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