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Vinhomes JSC

1Q earnings saved by project sale

1Q earnings up 169% YoY on proceeds from project sale

— 1Q earnings surged by 169% YoY to VND6,844 billion due to: 1) additional VND8,180 billion in financial income from a stake sale in a project subsidiary; 2) 18% YoY boost in revenue to VND5,717 billion from core property sales (mainly from three projects: *Ocean Park*, *Smart City* and *Marina*); and 3) higher proportion of bulk sales transactions that led to a sharp rise in the GPM to 45% from 23% during the same period last year.

Little impact to the overall schedule from COVID-19

- All construction work and showrooms have returned to normal operations after social distancing protocols halted most activities.
- Vinhomes continues to focus on the launchings at its three megaprojects for 2020E: *Smart City*, *Ocean Park* and *Grand Park*. Official launches went on as scheduled in 1Q for the *Sapphire Parkville* zone at the *Smart City* project and *Sapphire by the Sea* zone (*Sapphire 1*) at the *Ocean Park* project. Importantly, the first units of the *Ocean Park* project were successfully delivered without any delays despite COVID-19 weighing on sentiment during the handover process.
- The company is also proceeding as scheduled with official launchings at the *Symphony* and *Marina* projects.

Only Wonder Park may launch in 2020E and two other projects pushed back to 2021E

— The company announced that it will only move ahead with the *Wonder Park* project in 2020E and will delay the launch of *Dream City* and *Galaxy* to 2021E. This may require management to lower its launch target to 43,300 units in 2020E from the original target of 46,300 units.

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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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