

July 28, 2020

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Vinhomes (VHM)

2Q earnings down by 55% yoy

2Q earnings down 55% YoY due to the decrease of profit from sales of inventory properties and income from business and investment co-operation contracts.

- 2Q earnings down by 55% YoY to VND3,800 billion due to: 1) 22% yoy decrease in revenue from core property sales; 2) 88% YoY down to VND205 billion in income from business and investment co-operation contracts and 3) higher proportion of retail sales transactions that led to a decrease in the GPM to 39% from 44% during the same period last year.
- After the first 6 months, VHM has completed 24% of the revenue plan and 37% profit plan of the whole year.

Little impact to the handover schedule from COVID-19

- In 2Q2020, Vinhomes successfully launched a number of residential towers in two mega projects *Ocean Park*, *Smart City* and officially launched the two low-rise compounds The Manhattan and The Manhattan Glory at *Grand Park*. In 2Q2020, Vinhomes sold 17,219 units, up 26% yoy with the total presold value of VND31 trillion, up 47% yoy. Two bulksale transactions were closed in 2Q2020 including a transaction of VND2.9 trillion at *Ocean Park* with a local developer and a transaction of VND12.1 trillion at *Grand Park* with an existing Japanese partner.
- Total unbilled bookings by the end of 2Q2020 reached VND93 trillion, up 17% qoq and 50% yoy.
- Covid 10 has little impact to construction progress, so the handover schedule at three mega projects will still follow the plan. In 2Q2020, Vinhomes delivered 7,600 units at 3 mega projects. 21,000 units are expected to deliver in the 2H2020.

Plan of launching new projects in 2021.

- In 2021, Vinhomes may launch two mega projects *Dream City* (Ocean Park 2 - Hung Yen) with the total area of 460ha and *Vu Yen* (Hai Phong) with the total area of 873 ha. Two other mega projects *Green Ha Long* (4,109.64ha) and *Long Beach Can Gio* (2,870ha) achieved important milestones in the project approval and development process. This is a positive signal for Vinhomes's outlook as these large-scale projects have significant impact on Vinhomes' business results in the coming years.
- Additionally, Vinhomes will focus on the development of industrial parks in Hai Phong, Quang Ninh and Hai Duong. Vinhomes' industrial land bank has total area of 29 million sqm, including 22 million sqm for sale and 7 million sqm for lease.

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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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