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Vincom Retail (VRE)

3Q net profit decreased 96% YoY

Third quarter's profit declined considerably due to long social distancing

- Net profit of 3Q21 reached at VND24 billion (-96% YoY) due to (1) disbursement of VND925 billion package in order to support tenants affected by Covid-19 (2) the number of hand-over shophouse during the quarter was at 5 units, decreasing by 17 units compared to the same period in 2020.
- 9M21 revenue and profit after tax of VRE reached VND4,524 billion (-11% YoY) and VND1,193 billion (-15% YoY). In details, revenue from leasing properties was at VND3,810 billion (-13% YoY) and revenue from selling properties reached VND568 billion (-6% YoY). As a result, VRE completed 50% and 48% of management's target for revenue and profit for 2021.

Shopping malls are re-opening after long social distancing

- Occupancy rate in 3Q21 reached 84%. Gross floor area at the end of 3Q21 was at 1,654 thousand of m², increasing 3.5% YoY due to commercial leasing at VNM Ocean Park; however, the figure is similar to that of the last quarter since there was no new malls in 3Q.
- As of 3Q21, VRE owns 80 malls in 43 provinces nationwide, with total leasing area of 1.7 million m². From mid-July, 47 out of 80 malls are closed and have not been opened yet due to the pandemic. As of 15/10/2021, 78 out of 80 malls have been operating again, with all of the malls at Hanoi and HCM operating.
- During the first nine months of the year, VRE has been disbursing the supporting package of VND1,349 billion for tenants that were affected by Covid-19. In Q4/2021, VRE is expected to continue to implement the VND500 billion supporting package for tenants as well as disbursing VND200 billion which was due in 3Q.

Plans of opening new shopping malls and hand-over shop house

- VRE is going to reveal Vincom Mega Mall Smart City in Q4 as planned. In the meantime, opening time for 2 other malls - Vincom Plaza My Tho and Bac Lieu - will be delayed to next year.
- VRE is going to hand-over 90 shop houses in Q4/2021, expecting revenue of VND350-400 billion. As a result, revenue from shop houses in 2021 shall range from VND920 to VND970 billion, decreasing by 55-57% 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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