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# Vincom Retail JSC (VRE)

## 2020E earnings guidance down by 12%

### 2020E earnings guidance down 12% on COVID-19

— Management released an earnings target down 12% to VND2,500 billion for the upcoming year or 14% below the current Bloomberg consensus in the proposal for the annual general shareholders' meeting. Expectations for revenue were slower but remained positive at 7% to VND9,900 billion and 11% above consensus. Shareholders will meet to approve these business targets on May 26. Despite the more cautious outlook for the operating environment, management expects to maintain positive growth in GFA in 2020 with the opening of three new malls. The company will also move ahead with plans to launch its new retail-tourism format at *Grand World Phu Quoc* this year.

### Suspending dividend for 2019 results

— The Board of Directors also submitted a plan to suspend cash dividends for 2019 performance and will retain cash resources for operations and business activities. The company paid a cash dividend of VND1,050 last year and retained earnings were VND5,592 billion in 2019.

### Support package for tenants reached VND300 billion in 1Q & some spillover to 2Q

— The total size of the company's support package for tenants was VND300 billion in 1Q and was primarily for reduced or suspended rent. Management warned that there will be some spillover to 2Q results, with all 79 malls closed from April 1 to April 15 due to social distancing measures from the government. The company's 1Q revenue fell by 26% YoY and earnings dropped by 19% YoY due to the coronavirus.

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## Investment ratings & definitions

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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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