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# Vinhomes JSC (VHM)

## 2020E earnings guidance up by 27%

### **Bullish 2020E earnings guidance up 27%**

— Management released bullish guidance in its proposal for the annual general shareholders' meeting and set a goal to boost 2020E earnings by 27% to VND31,000 billion by increasing revenue by 88% to VND97,000 bn. Earnings guidance is 22% ahead of our forecast and 15% higher than the current Bloomberg consensus. The outlook for revenue is 44% above our estimate and 15% ahead of consensus. Shareholders will meet to approve these business targets on May 29.

### **Big focus on three mega projects and diversification into industrial parks/office leasing**

— Management's main strategies to deliver bullish earnings include: 1) continuing to focus on the three mega projects – *Ocean Park*, *Smart City* and *Grand Park* – as well as launching the new *Wonder Park* project located on 133 hectares of land located in Dan Phuong in Hanoi; 2) launching an online real estate trading platform to complement traditional sales channels and increase the portion of direct sales *vis a vis* agency distribution; 3) developing industrial parks in Hai Phong, Hai Duong and Quang Ninh to benefit from FDI flows into Vietnam; and 4) expanding its office portfolio in Vinhomes projects to capture growth in this promising segment given the high occupancy rates for offices in Hanoi and Ho Chi Minh City.

### **Suspending cash dividends for 2019 results**

— The Board of Directors also submitted a plan to suspend cash dividends for 2019 performance after paying a cash dividend of VND1,000 per share last year. The company will focus cash flow on operations and business activities. Retained earnings were VND11,860 billion in 2019 and management also plans to transfer VND5 billion to the reserve fund.

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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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