

# Residential real estate

## Poised for a strong resurgence

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### Revenue and net profit diverged significantly among property developers in 9M2024

In 9M2024, listed real estate companies (excluding VHM and NVL) reported revenue of VND31,810 billion (+8% YoY) and net profit (NPAT) of VND4,980 billion (+13% YoY). However, only 12 out of 50 monitored enterprises recorded positive earnings growth during the period, highlighting significant disparities in financial performance across the sector.

### The real estate market exhibited contrasting performance, with a boom in Hanoi and sluggishness in HCMC

In Hanoi, new condominium launches in 9M2024 exceeded 19,000 units (+174% YoY), marking the highest level in five years, with over 20,200 units sold (+155% YoY). The average primary selling price in 3Q2024 surged by 21% YoY to USD2,567/m<sup>2</sup>, driven by robust absorption of high-end properties.

In contrast, in Ho Chi Minh City (HCMC), new condominium supply in 9M2024 reached only 1,803 units (-77% YoY), largely from subsequent phases of existing projects, with 3,694 units sold (-27% YoY). The primary selling price in 3Q2024 rose by 8% YoY to over USD2,640/m<sup>2</sup>.

### 2025 is poised to witness a strong recovery

We anticipate a robust recovery in the real estate market in 2025, backed by: (i) increased focus on social housing development, which is expected to contribute significantly to supply and improve market balance, and (ii) an anticipated recovery in the southern region, particularly HCMC and neighboring provinces (Binh Duong, Dong Nai, Long An), following a period of stagnation. We expect companies under our coverage, including DXG, NLG, and KDH, to achieve impressive contracted sales value growth of 193% YoY in 2025F and 33% YoY in 2026F.

### Real estate stocks offer attractive valuations for long-term investors

15 property developers under our coverage are currently trading at an average P/B ratio of 1.42x, below their 10-year historical average. KBSV expects a marked recovery in their performance in 2025, supported by the resolution of legal issues and low mortgage rates. Investors are encouraged to focus on companies with strong prospects, sizeable clean land banks, powerful project execution capabilities, and healthy financial structures. Notable investment opportunities are KDH, NLG, and DXG.

## Positive maintain

Recommendations	
Vinhomes (VHM)	BUY
Target price	VND54,200
Khang Dien House Trading & Investment (KDH)	BUY
Target price	VND38,300
Nam Long Group (NLG)	BUY
Target price	VND46,700
Dat Xanh Group (DXG)	BUY
Target price	VND20,600

## Contents

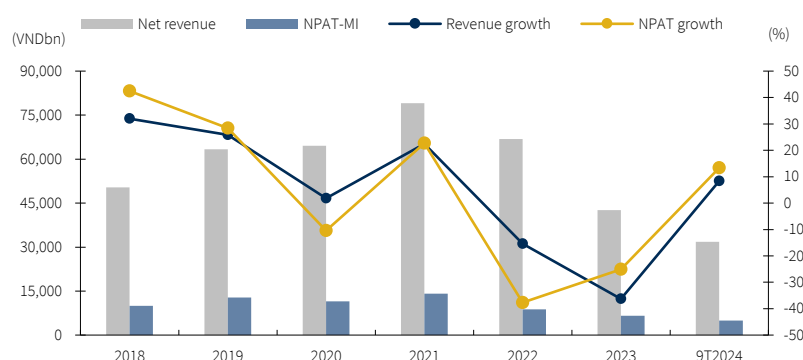
I. Business performance in 9M24	3
II. Business outlook for 2025	7
III. Companies	12
Vinhomes (VHM, BUY)	13
Khang Dien House Trading & Investment (KDH, BUY)	14
Nam Long Group (NLG, BUY)	15
Dat Xanh Group (DXG, BUY)	16

## Business performance in 9M24

### Revenue and net profit diverged significantly among property developers in 9M2024

In 9M2024, listed property companies reported revenue of VND106,015 billion (~16% YoY) and NPAT of VND21,203 billion (~41% YoY). Excluding Vinhomes (VHM) and Novaland (NVL), the figures would be VND31,810 billion (+8% YoY) and VND4,980 billion (+13% YoY), respectively. However, only 12 out of 50 monitored enterprises recorded positive earnings growth during the period, underscoring significant disparities in financial performance across the sector.

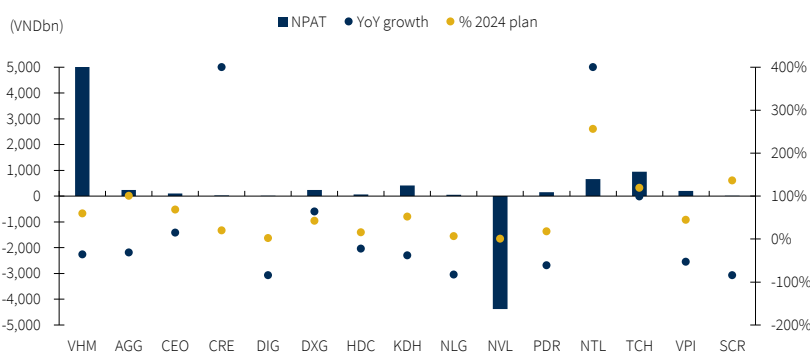
Fig 1. Vietnam – Revenue, NPAT of listed real estate companies (VNDbn, %YoY)



Source: Fiinpro, KB Securities Vietnam

\*The data excludes (1) VHM due to its significantly larger scale compared to the rest of the sector and (2) NVL as the company reported a loss of VND4,000 billion from provisioning for land lease payments and land use fees associated with the Lakeview City project.

Fig 2. Vietnam – 9M2024 NPAT (VNDbn, %YoY, % 2024 plan)

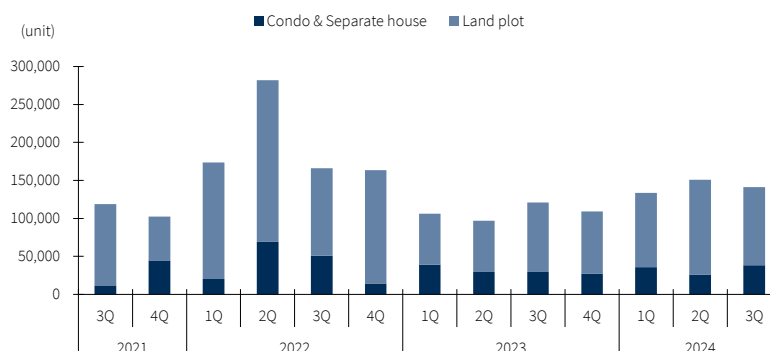


Source: Fiinpro, KB Securities Vietnam

\*CRE reported NPAT growth of 400% YoY, while NTL saw a remarkable increase of 173 times YoY in 9M2024. VHM's 9M2024 NPAT reached VND20.6 trillion.

Among the 15 monitored real estate enterprises, only five (CEO, CRE, DXG, NTL, TCH) reported positive YoY NPAT growth in 9M2024. The remainder experienced significant YoY declines in profitability, with NVL reporting a loss of VND4,000 billion. By the end of 3Q2024, only AGG, NTL, and TCH had surpassed their full-year earnings objectives. In contrast, many others, including CRE, DIG, DXG, HDC, NLG, PDR, and NVL, had achieved less than 50% of their whole-year NPAT targets. This can be attributed to (i) the overall challenging real estate market conditions, hindering project launches and handovers, and (ii) the seasonality of revenue recognition, typically concentrated during the year-end period.

Fig 3. Vietnam – Condo & separate house, land plot transactions in 2021–2024 (units)



Source: Ministry of Construction, KB Securities Vietnam

### The property market showed signs of recovery

The real estate market showed signs of recovery in 9M2024, with 23 projects broke ground, 45 projects initiated, and 45 launch events (according to DXS-Feri data). The total number of transactions, encompassing condos, separate houses, and land plots, witnessed a significant 31% YoY increase, reaching 425,000 units. This recovery was primarily driven by: (i) improved market confidence; (ii) increased developer activity with numerous projects launched, introduced, and marketed with flexible sales policies and attractive incentives; and (iii) low mortgage rates.

### The Hanoi property market demonstrated strong activity in 9M2024

The Hanoi real estate market demonstrated robust activity in 9M2024, particularly within the condominium segment:

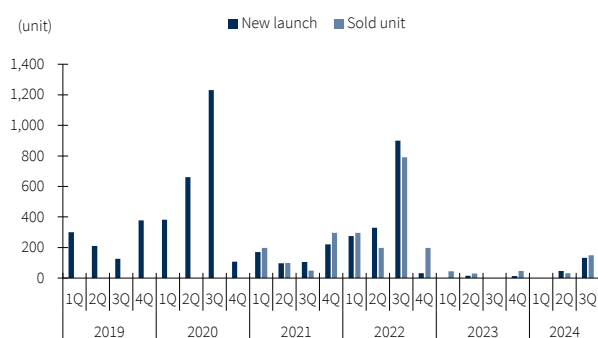
- **Condos:** Over 19,000 units were launched for sale in 9M2024 (+174% YoY), marking the highest level in five years, with more than 20,200 units sold (+155% YoY). The average primary selling price in 3Q2024 rose by 11% QoQ and 21% YoY to USD2,567/m<sup>2</sup>, given the high proportion of high-end products. Notably, the average selling price in Hanoi has now nearly caught up with that of HCMC, with only a 3% difference.

From our observations, a significant portion of the supply in 9M2024 originated from VHM's projects and key developers within VHM's mega-urban areas, such as MIK, Masterise, Mitsubishi, and CapitalLand. Approximately 75% of the units launched belonged to the high-end segment, which drove up average selling prices and further exacerbated supply-demand imbalances.

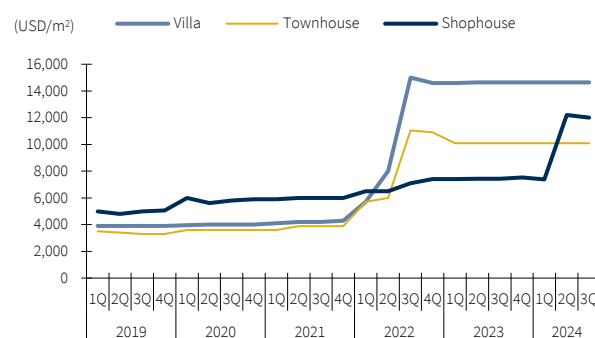
- **Townhouses & Villas:** Over 3,500 units were launched for sale in 9M2024 (+65% YoY), with the Vinhomes Global Gate project in Dong Anh accounting for ~80% of this new supply. Around 3,170 units were sold (+23% YoY). The average primary selling price in 4Q2024 neared USD9,470/m<sup>2</sup> (+21% YoY), while the average secondary selling price saw a slight increase to USD6,668/m<sup>2</sup> (+2% YoY).



Fig 9. HCMC – Supply &amp; sales of low-rise real estate (units)



Source: CBRE, KB Securities Vietnam

Fig 10. HCMC – Starting prices of low-rise real estate (USD/m<sup>2</sup>)

Source: CBRE, KB Securities Vietnam

### Updates on presales of monitored companies

Among the four companies under our coverage, VHM and NLG recorded strong presales growth in 2024, while KDH and DXG experienced limited activity.

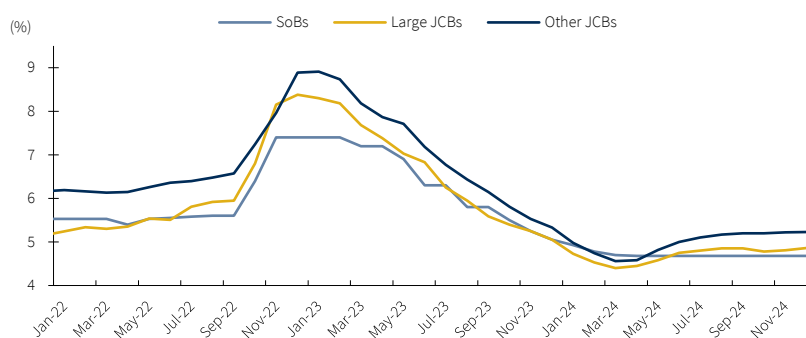
- **VHM:** Total contracted sales reached VND89.6 trillion (+58% YoY), largely driven by the Royal Island and Ocean Park 2, 3 projects.
- **NLG:** Total contracted sales amounted to VND3,523 billion (+99% YoY), primarily contributed by the Akari City and Southgate projects.
- **KDH:** Total contracted sales are estimated at over VND550 billion (-88% YoY) due to the absence of new project launches.
- **DXG:** DXG experienced limited transaction activity in 2024, with sales primarily concentrated within the Gem Sky World project, given the absence of new project launches.

## Business outlook for 2025

**Low mortgage rates are expected to continue to stimulate home purchasing demand**

Since April 2024, deposit interest rates have gradually increased, returning to levels seen at the end of 2023. This trend is expected to continue throughout 2025, with anticipated increases ranging from 30–50bps for State-owned banks (SoBs). Joint stock commercial banks (JCBs) may face greater pressure to increase deposit rates to attract and retain customers, with potential increases ranging from 50–100 bps. Mortgage rates are expected to remain stable in 1H2025, followed by a slight recovery in 2H2025. However, this increase may not significantly impact home loan demand, as (1) current loan rates are still relatively low compared to the 2021–2022 period, and (2) the SBV continues to pursue a policy of maintaining loan interest rates to foster economic growth.

**Fig 11. Vietnam – 12M deposit interest rates across banks (%)**



Source: Wchart, KB Securities Vietnam

**A well-defined legal framework will be instrumental in driving sustainable growth in the housing market over the medium to long term**

The amended Real Estate Business Law, Housing Law, and Land Law, effective from August 1, 2024, five months ahead of the original schedule, demonstrate the government's commitment to addressing the challenges and obstacles facing the housing market. These legislative amendments incorporate numerous provisions aimed at improving market sentiment and shortening the time required for developers to complete legal procedures, facilitating the timely delivery of projects. They also create a more conducive environment for long-term, sustainable development of the housing market.

**Further sub-law documents should be issued to facilitate the resolution of legal bottlenecks facing many projects**

Further sub-law documents should be issued to address the legal bottlenecks hindering many real estate projects. Some recent positive legal developments include: (i) HCMC's collaboration with the Government's Task Force 1435 to resolve issues for 34 projects, resulting in the restart of many projects; (ii) the approval of the Resolution on piloting commercial housing projects through agreements on land use rights or existing land use rights, effective on April 1, 2025, for a five-year period; and (3) the approval of construction for DXG's DXH Riverside project after five years of suspension, along with NLG and NVL's projects within the C4 subdivision, which are expected to be accelerate following the approval of the 1/10,000 master plan for Bien Hoa City.

Table 12. Vietnam – Amendments to the Land Law, Housing Law, and Real Estate Business Law

	Some changes	Comments
Land Law (amended)	<ul style="list-style-type: none"> <li>– Abolishing the current land price bracket</li> <li>– The Provincial People's Committee shall submit to the Provincial People's Council to decide on the initial Land Price List for public announcement and implementation starting from January 01, 2026. Annually, the Provincial People's Committee is responsible for submitting to the Provincial People's Council to decide on adjusting, amending, and supplementing the Land Price List for application from January 01 of the following year.</li> <li>– There are four land valuation methods: (i) Direct comparison method, (ii) Income method, (iii) Land price adjustment coefficient method, and (iv) Residual method. The extraction method is excluded.</li> </ul>	Updating land prices to align more closely with market prices facilitates site clearance, although it increases costs for real estate businesses.
	Land allocation and leasing are primarily conducted through the auction of land use rights, competitive bidding for projects involving land use.	Enhancing transparency & openness, avoiding land wastage caused by underperforming developers unable to execute projects.
Housing Law (amended)	<b>Conditions for Subdivision for Sale of Land Lots</b> For areas not classified as special-class, class I, class II, class III urban areas, the Provincial People's Committee, based on local conditions, determines the areas within real estate development projects where residential construction must be undertaken for sale, lease, lease-purchase, or transfer of land use rights through lot subdivision.	Aligning with the Real Estate Business Law, tightening the property subdivision for sale of land lots, and curbing speculation
	<b>Land for Social Housing Development</b> <ul style="list-style-type: none"> <li>– The Provincial People's Committee must allocate sufficient land for social housing development per the housing development program, either through (1) a dedicated social housing land fund or (2) a land allocation within commercial projects.</li> <li>– In special-class, class I, class II, and class III urban areas as defined by the Prime Minister, the Provincial People's Committee may allocate residential land for social housing, provide land at a different location, or accept payment equivalent to the land's value.</li> </ul>	Developers have more flexibility in allocating land for social housing instead of adhering to a fixed ratio of 20% as specified in Decree No. 100/2015/ND-CP, thereby promoting the development of social housing.
	<b>Incentives for investors of social housing projects</b> <ul style="list-style-type: none"> <li>– Exempted from land use fees and land rent for the entire project land area; the investor is not required to undergo procedures for determining land prices, calculating land use fees, and land rent for the exempted portion.</li> <li>– Allocated a maximum of 20% of the total land area for the construction of commercial services projects and commercial residential properties (this portion is accounted for separately, not included in the construction cost of social housing units, not affecting the price of social housing, and enjoying the entire profit with land use fees paid for the construction of social housing units).</li> <li>– Entitled to a maximum predetermined profit of 10% of the total investment cost for the construction of social housing units.</li> </ul>	Shortening the project implementation time, increasing profits for developers to encourage them to invest in social housing projects
Real Estate Business Law (amended)	<b>Project Transfer</b> <ul style="list-style-type: none"> <li>– Stricter regulations on real estate project transfers: (1) clarify the principles for project transfers; (2) specify the conditions for project transfers; and (3) provide more detailed guidance on the authority for project transfers.</li> <li>– In the case of the transferee being a foreign economic organization, after obtaining the transfer permission and signing the transfer contract, the land procedures are carried out in accordance with the land law.</li> <li>– The Prime Minister delegates to the Provincial People's Committee the authority to decide on the partial transfer of the project.</li> </ul>	Shortening the time for project transfers
	<b>Conditions for organizations and individuals engaged in real estate business:</b> <ul style="list-style-type: none"> <li>– Real estate businesses undertaking projects must have equity capital of no less than 20% of the total investment capital for projects with a land area under 20 ha, and no less than 15% of the total investment capital for projects with a land area of 20 ha or more. They must also ensure the ability to mobilize capital to implement the project. In cases where a real estate business undertakes multiple projects simultaneously, the company must have sufficient equity capital to meet the above-stated ratios for each project to ensure the implementation of all projects.</li> </ul>	Minimizing the risk of a single enterprise undertaking multiple projects without sufficient financial capacity and ensuring its financial obligations to the State in real estate business activities.
	<b>Deposit and Guarantee</b> <ul style="list-style-type: none"> <li>– The project developer is only permitted to collect a deposit of no more than 5% of the sale or lease-purchase price for residential properties, construction works, or the floor area within the construction project from the party placing the deposit when the residential property or construction project meets all the conditions for commercial operation.</li> <li>– Prior to selling or lease-purchasing future residential properties, the real estate project developer must obtain approval from a domestic commercial bank or a legally operating foreign bank branch in Vietnam to provide financial guarantees for the developer's obligations to the buyer or lease-purchaser when the developer fails to deliver the residential properties as committed in the sales or lease-purchase contract for the future-formed residential properties.</li> <li>– Upon signing the sales or lease-purchase contract for future residential properties, the buyer or lease-purchaser may choose whether or not to have a financial guarantee for the developer's obligations towards them.</li> </ul>	Protecting homebuyers' rights
	<b>Conditions for Subdivision for Sale of Land Lots</b> <ul style="list-style-type: none"> <li>– Land must not be located within the administrative boundaries of special-class, class I, class II, and class III urban areas and must not be subject to land use rights auction for residential construction projects. For other areas, the Provincial People's Committee, based on local conditions, determines where project developers are permitted to subdivide and sell land lots.</li> </ul>	Aligning with the amended Housing Law, tightening the property subdivision for sale of land lots, and curbing speculation

Source: KB Securities Vietnam



### The housing market continues its recovery, with a focus on social housing development

KBSV believes that improved market confidence, low lending rates, and the resolution of legal issues will further drive the recovery of the real estate market. According to CBRE forecasts, condo supply in Hanoi and HCMC is expected to increase by 14% and 4%, respectively, in 2025F while the number of units sold is projected to see significant growth, with increases of 29% and 12% in 2025F/2026F. Primary and secondary prices are anticipated to maintain a steady increase of 5–6% in Hanoi and 6–7% in HCMC due to limited supply.

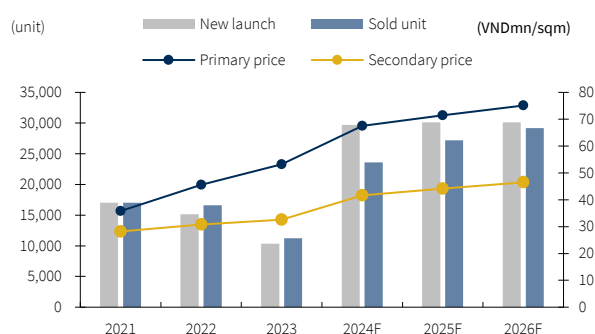
### The Southern region is emerging from a period of stagnation and undergoing a recovery

KBSV expects the social housing segment to receive significant focus in 2025, contributing substantially to supply, meeting genuine housing demand, and balancing supply-demand dynamics. Several listed developers have been actively involved in social housing projects, including: (1) **DIG**: Developing 6,600 social housing units in Vinh Phu, Ha Nam, and Hau Giang; (2) **BCM**: Aiming to begin construction of ~10,000 social housing units; (3) **NLG**: Continuing social housing development with the EhomeS project in Can Tho and (4) **VHM**: Advancing social housing projects in Quang Tri, Thanh Hoa, Hai Phong, and Khanh Hoa.

We anticipate the real estate market in the southern region, including HCMC and neighboring provinces such as Binh Duong, Dong Nai, and Long An, to rebound in 2025 after a period of stagnation, supported by: (i) high urbanization rates and growing housing demand; (ii) key infrastructure projects, such as Long Thanh International Airport, Metro Line 1, and major expressways, which enhance regional connectivity and spur the development of satellite urban areas; (iii) the resolution of legal issues; and (iv) relatively high price increases in the northern market in 2024.

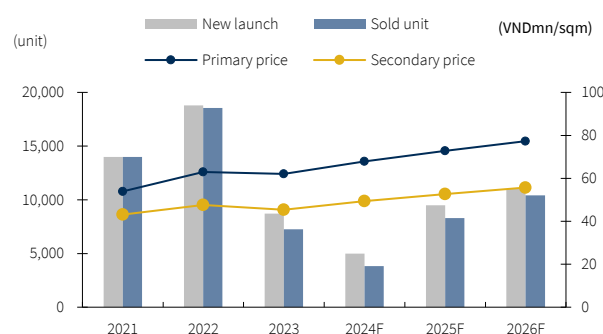
Accordingly, we expect companies under our coverage, including DXG, NLG, and KDH, to benefit from this recovery. We forecast total contracted sales for these three companies to grow significantly by 193% YoY in 2025F and 33% YoY in 2026F. Meanwhile, VHM's contracted sales are projected to decline by 19% YoY in 2025 due to a high base in 2024 and the absence of the Co Loa project, but will rebound with a 14% YoY increase in 2026.

Fig 13. Hanoi – 2021A–2026F condo supply, sales, secondary condo prices (units, USD/m<sup>2</sup>)



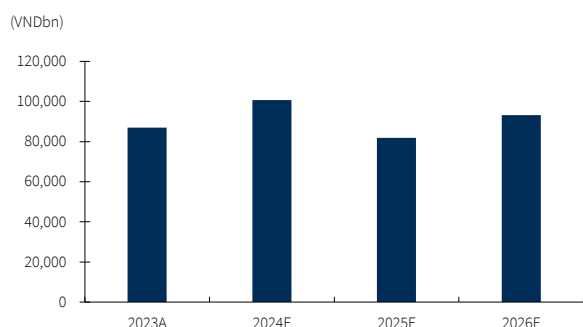
Source: CBRE, KB Securities Vietnam

Fig 14. HCMC – 2021A–2026F condo supply, sales, secondary condo prices (units, USD/m<sup>2</sup>)



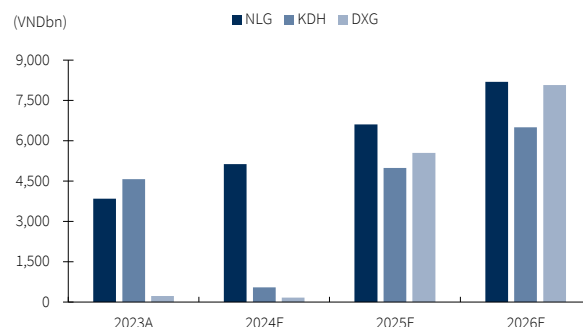
Source: CBRE, KB Securities Vietnam

Fig 15. VHM – 2023A–2026F presales (VNDbn)



Source: Fiinpro, KB Securities Vietnam

Fig 16. NLG, KDH, DXG – 2023A–2026F presales (VNDbn)

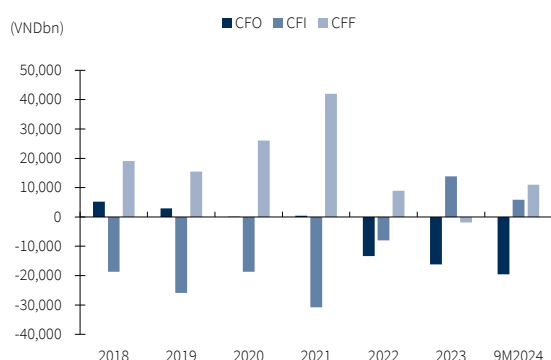


Source: Fiinpro, KB Securities Vietnam

### The trend of raising funds through equity issuance and project transfers is expected to persist

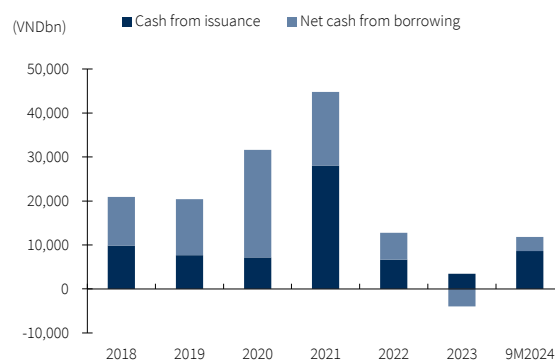
From our observations, local lenders remain cautious in extending loans to the real estate sector, imposing stringent requirements on borrowers, including rigorous assessments of financial health and collateral assets. This has resulted in undervaluation of collateral and elevated lending rates. We believe that access to credit and bond capital will continue to pose challenges for real estate companies in 2025. Therefore, the trend of raising funds through equity issuance, along with M&A activities and partnerships with foreign investors, is likely to persist.

Fig 17. Vietnam – Cash flow of real estate companies (VNDbn)



Source: Fiinpro, KB Securities Vietnam

Fig 18. Vietnam – Cash flow from financing activities of real estate companies (VNDbn)



Source: Fiinpro, KB Securities Vietnam

### Real estate stocks offer attractive valuations for long-term investors

15 real estate companies under our coverage are trading at an average P/B ratio of 1.42x, which is below their 10-year historical average. KBSV anticipates a strong rebound in the business performance of real estate firms in 2025, driven by: (1) the resolution of legal obstacles and (2) sustained low mortgage rates. Investors may consider selecting companies with strong prospects, large clean land banks, powerful project execution capabilities, and sound financial structures. Notable investment opportunities are KDH, NLG, and DXG.

Fig 19. Vietnam – P/B of 15 listed real estate companies



Source: Fiinpro, KB Securities Vietnam

\*15 enterprises referenced in Figure 2



# Companies

Vinhomes (VHM)

Khang Dien House (KDH)

Nam Long Group (NLG)

Dat Xanh Group (DXG)

# Vinhomes (VHM)

## Presales continue to jump

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December 13, 2024

**3Q24 profit decreased 26%YoY to VND7.9 trillion mainly due to handover timing**

Vinhomes's (VHM) 3Q24 revenue alone reached VND33.3 trillion (+2%YoY), and NP-MI hit VND7.9 trillion (-26%YoY) after delivering products at Ocean Park 1, 2 & 3, Golden Avenue, and Royal Island. 9M24 revenue (including bulksales and BCCs) was VND90.9 trillion (-16%YoY) with VND19.6 trillion (-39%YoY) in NP-MI.

**3Q presales prospered thanks to retail activities**

3Q24 strongly grew to VND37.9 trillion (+135%YoY), of which the majority came from retail transactions (accounting for 91%). Accumulated 9M24 contracted sales reached VND89.6 trillion (+58%YoY), of which Royal Island project accounted for 67%. Presales and unrecorded revenue by the end of 3Q24 was valued at VND123 trillion (+60%YoY).

**KBSV expects 2024/2025F profit to reach VND28.8/30.7 trillion (-14%YoY/+6%YoY)**

KBSV forecasts VHM's NP-MI should be VND28.8/30.7 trillion (-14%YoY/+6%YoY) on total contract value of sales of VND100.7/81.9 trillion (+16%YoY/-19%YoY) in 2024/2025F.

**Valuation: BUY rating – Target price VND54,200/share**

Vinhomes maintains its leading position thanks to its large land bank and strong project implementation capabilities. It has an attractive valuation with 2025fw P/B of 0.7x, below -1std line of the five-year P/B average. Based on the business outlook and valuation results, we maintain our BUY recommendation for VHM stock with a target price of VND54,200/share.

**Buy** maintain

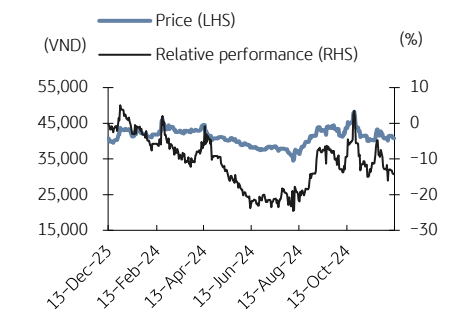
<b>Target price</b>	<b>VND54,200</b>
Upside	33%
Current price (Dec 12, 2024)	VND40,750
Consensus target price	VND53,700
Market cap (VNDtn/USDbn)	167.2/6.6

<b>Trading data</b>	
Free float	21.2%
3M avg trading value (VNDbn/USDmn)	574.7/22.9
Foreign ownership	12.4%
Major shareholder	Vingroup (VIC, 66.66%)

<b>Share price performance</b>				
(%)	<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>12M</b>
<b>Absolute</b>	1.1	-5.2	6.5	0.0
<b>Relative</b>	-0.6	-6.5	9.2	-13.7

### Forecast earnings & valuation

FY-end	2022	2023	2024F	2025F
Net revenue (VNDbn)	62,393	103,557	88,055	90,936
Operating income/loss (VNDbn)	37,973	44,045	39,300	41,904
NPAT-MI (VNDbn)	28,831	33,371	28,797	30,659
EPS (VND)	6,621	7,664	7,705	8,203
EPS growth (%)	-26	16	1	6
P/E (x)	6.34	4.99	5.29	4.97
P/B (x)	1.26	0.93	0.77	0.66
ROE (%)	19	18	14	13
Dividend yield (%)	0%	0%	0%	0%



Source: Bloomberg, KB Securities Vietnam

# Khang Dien House (KDH)

## The handover of The Privia going on schedule

November 22, 2024

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**9M24 NP-MI hit VND412 billion (-37%YoY), completing 52% of the full-year plan**

3Q revenue of KDH hit VND253 billion (-59%YoY), coming from the Classia project and some land lots. NPAT-MI was VND70 billion (-66% YoY). 9M24 revenue reached VND1,231 billion (-24% YoY), and NPAT was VND412 billion (-37% YoY), meeting 32% and 52% of full-year revenue and NPAT targets, respectively.

**The Privia project has started handover since October 2024**

The Privia project (Binh Tan, Ho Chi Minh City-HCMC) with a scale of 1,043 apartments has started to be handed over since October 2024. This project will be the main contributor to KDH's revenue and profit growth in 2024. KBSV estimates KDH's revenue and NPAT in 2024 to reach VND3,670 billion (+76% YoY) and VND934 billion (+30% YoY), respectively.

**KDH should launch two projects Clarita and Emeria in 2025**

The two projects, Clarita and Emeria, which KDH developed with Keppel Land, started construction of the low-rise subdivision from October 2023 and are now nearly completed. The company is applying for a sales license, which is expected to be available in late 2024 or early 2025. KBSV expects the project to open for sale in the first half of 2025, contributing the majority to Khang Dien's presales and profit in 2025-2026. We estimate 2025 and 2026 contract sales to reach VND4,990 billion (+9xYoY) and VND6,500 billion (+30%YoY), respectively.

**Valuation: BUY rating – Target price VND38,300/share**

KDH shares are currently trading at a 2025fw P/B of 1.8x, lower than its five-year average P/B. Therefore, based on the business outlook and valuation results, we recommend BUY with a target price of VND38,300 (expected return of 17%).

**Buy** change

<b>Target price</b>	<b>VND38,300</b>
Upside	17%
Current price (Nov 21, 2024)	VND32,800
Consensus target price	VND40,700
Market cap (VNDtn/USDbn)	32.7/1.3

### Forecast earnings & valuation

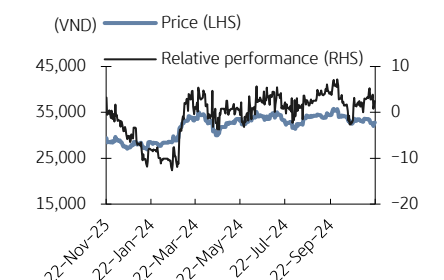
FY-end	2022	2023	2024F	2025F
Net presales (VNDbn)	2,912	2,088	3,670	5,700
Operating income/loss (VNDbn)	992	1,122	1,232	2,554
NPAT-MI (VNDbn)	1,103	716	934	1,055
EPS (VND)	1,539	895	923	1,043
EPS growth (%)	-18	-42	3	13
P/E (x)	20.24	38.63	35.52	31.44
P/B (x)	1.93	2.06	1.91	1.80
ROE (%)	9.4	4.6	4.8	4.9
Dividend yield (%)	0	0	0	0

### Trading data

Free float	62.2%
3M avg trading value (VNDbn/USDmn)	98.3/3.9
Foreign ownership	36.7%
Major shareholder	Dragon Capital Fund (9.2%)

### Share price performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	0.3	-4.0	-1.4	11.7
<b>Relative</b>	3.6	0.2	1.6	1.4



Source: Bloomberg, KB Securities Vietnam

# Nam Long Group (NLG)

## Anticipating a dramatic turnaround from 4Q2024

November 15, 2024

Equity Manager Pham Hoang Bao Nga  
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**9M 2024 presales doubled from the same period last year**

NLG reported presales of VND845 billion for 3Q 2024 (-44% QoQ, -6% YoY), backed by projects including Southgate, Akari City, Nam Long Can Tho (NL Can Tho), and Mizuki Park. For 9M 2024, cumulative presales amounted to VND3,523 billion, doubling YoY and achieving 37% of the company's full-year target.

**KBSV estimates 2024F presales to hit VND5,128 billion (+28% YoY)**

We maintain our 2024 presales forecast at VND5,128 billion (+28% YoY), primarily driven by the Akari City, Mizuki Park, Southgate, and NL Can Tho projects. For 2025, we expect presales to grow by 29% YoY to VND6,600 billion, fueled by the next phase of Mizuki Park, NL Can Tho, and the relaunch of the Izumi City project.

**NPAT is expected to touch VND522 billion (+8% YoY)/VND610 billion (+17% YoY) for 2024F/2025F**

We project NLG's NPAT for 2024 to hit VND522 billion (+8% YoY), supported by the Akari City and NL Can Tho projects, with handovers starting in 4Q 2024. For 2025, NPAT is expected to increase by 17% YoY to VND610 billion, with contributions from Akari City, Southgate, and NL Can Tho.

**We recommend BUY for NLG with a target price of VND46,700/share**

Our positive outlook on NLG is based on two key factors: (1) its solid fundamentals & strong financial position and (2) its continued success with mid-range & affordable housing projects that appeal to end-user buyers. Currently, NLG stock is trading at a 2025 forward P/B ratio of 1.45x, below its 5-year average. Considering business prospects and valuation results, we reaffirm our BUY recommendation for NLG stock, with a target price of VND46,700 per share, representing a 21% upside from the closing price on November 14, 2024.

**Buy** maintain

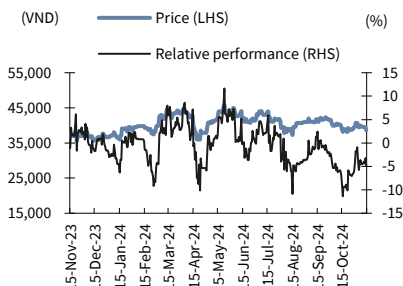
<b>Target price</b>	<b>VND46,700</b>
Upside	21%
Current price (, 2024)	VND38,600
Consensus target price	VND46,300
Market cap (VNDtn/USDbn)	14.5/0.6

<b>Trading data</b>	
Free float	55.8%
3M avg trading value (VNDbn/USDmn)	57.1/2.3
Foreign ownership	48.1%
Major shareholder	Chairman Nguyen Xuan Quang (10%)

<b>Share price performance</b>				
(%)	<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>12M</b>
<b>Absolute</b>	-1.0	3.6	-9.0	5.2
<b>Relative</b>	2.8	2.9	-7.2	-4.6

### Forecast earnings & valuation

FY-end	2022	2023	2024F	2025F
Net revenue (VNDbn)	4,339	3,181	5,117	7,099
Operating income/loss (VNDbn)	1,041	942	1,119	1,464
NPAT-MI (VNDbn)	556	484	522	610
EPS (VND)	1,448	1,257	1,355	1,586
EPS growth (%)	-48	-13	8	17
P/E (x)	27.31	36.72	28.48	24.33
P/B (x)	1.69	1.80	1.52	1.45
ROE (%)	4.2	3.6	3.6	4.0
Dividend yield (%)	0	1	1	1



Source: Bloomberg, KB Securities Vietnam

# Dat Xanh Group (DXG)

## Expecting stronger improvement for 2025

November 27, 2024

Manager Pham Hoang Bao Nga  
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**9M24 net profit dropped 27% YoY to VND95 billion**

3Q revenue of Dat Xanh Group hit VND1,013 billion (-17%YoY), and NP after MI recorded VND31 billion (-55%YoY). Accordingly, 9M24 revenue & net profit were VND3,204 billion (+39%YoY) and VND95 billion (-27%YoY) respectively.

**Business performance should improve in the coming time**

DXG's performance should improve: (1) Brokerage activities maintain recovery momentum, contributing VND1,228 billion (+104%YoY) and VND1,372 billion (+12%YoY) to revenue in 2024-2025. (2) DXG should launch DXH Riverside project from 2H25, bringing in VND24 trillion to 2025-2028F presales.

**2024-2025F NPAT should be VND162 billion (-6% YoY) and VND330 billion (+103% YoY)**

KBSV estimates DXG's revenue in 2024 and 2025 at VND4,744 billion (+27%YoY) and VND4,573 billion (-4%YoY). 2024-2025F NP after MI may hit VND162 billion (-6%YoY) and VND330 billion (+103%YoY), respectively. Results from the handover of Opal Skyline, Gem Sky World projects and brokerage activities should rebound from the low comparative levels of 2023.

**Valuation: BUY rating – Target price VND20,600**

DXG shares are currently trading at a 2025fw P/B of 1.1x, lower than its five-year average P/B of 1.3x. Based on the valuation results, we give DXG a BUY rating with a price target of VND20,600, 20% higher than the closing price on November 26, 2024. However, we note the risk that (1) the market recovers more slowly than expected; and (2) the progress of launching new projects continues to be delayed, which will strongly affect the cash flow of the company.

**Buy** maintain

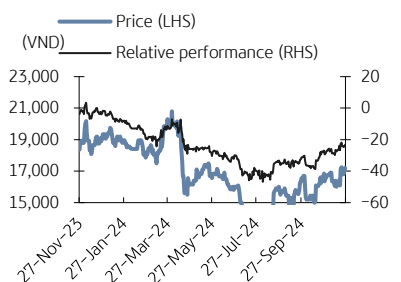
<b>Target price</b>	<b>VND20,600</b>
Upside	20%
Current price (Nov 26, 2024)	VND17,300
Consensus target price	VND19,000
Market cap (VNDtn/USDtn)	12.4/0.5

<b>Trading data</b>	
Free float	79.3%
3M avg trading value (VNDbn/USDmn)	250.3/10
Foreign ownership	18.1%
Major shareholder	Chairman Luong Tri Thin (17%)

<b>Share price performance</b>				
(%)	<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>12M</b>
<b>Absolute</b>	3.6	7.5	3.9	-6.4
<b>Relative</b>	4.5	10.5	5.9	-20.5

### Forecast earnings & valuation

FY-end	2022	2023	2024F	2025F
Net presales (VNDbn)	5,512	3,725	4,744	4,573
Operating income/loss (VNDbn)	775	437	565	962
NPAT-MI (VNDbn)	215	172	162	330
EPS (VND)	351	281	227	462
EPS growth (%)	-82	-20	-19	103
P/E (x)	53.39	61.61	75.74	37.22
P/B (x)	1.14	1.12	1.14	1.10
ROE (%)	1.5	1.2	1.0	2.0
Dividend yield (%)	0	0	0	0



Source: Bloomberg, KB Securities Vietnam



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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:	Neutral:	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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