

Nam Long Investment (NLG)

Benefits from sustainable product strategies

May 16, 2023	Senior Analyst Pham Hoang Bao Nga ngapbh@kbsec.com.vn
Sales fell sharply in 1Q but started to rebound from the first half of April	Nam Long Investment's (NLG) 1Q sales dropped sharply compared to the same period last year with 45 units sold (total contract value of VND238 billion, down 91%YoY), reflecting the difficulties of the real estate market. However, sales has improved since the first half of April with 44 apartments sold for VND196 billion.
Target sales in 2023 is VND9,430 billion (+15% YoY)	NLG aims to get VND9,430 billion (+15% YoY) in 2023 revenue from the sales of Southgate, Can Tho, Hai Phong, Akari City and Mizuki Park projects. However, our estimate is more conservative with 2023 sales of around VND4,466 billion (– 46%YoY), coming from Akari City, Mizuki Park and Southgate projects.
2023F NPAT reaches VND583 billion (+5% YoY)	We forecast NLG's 2023 NPAT would reach VND583 billion (+5% YoY), which come from the handover of Southgate and Izumi City projects. The company should also accelerate the delivery of Mizuki Park project (phase 2) and the transfer of 25% remaining stake in Paragon Dai Phuoc project.
HOLD recommendation – Target price VND35,200 apiece	We maintain a positive rating on NLG stock thanks to (1) its strong fundamentals with safe financial structure and (2) the attractiveness of mid-end apartment projects in HCMC such as Mizuki and Akari City or affordable apartments Ehome Southgate to buyers with owner-occupation needs. NLG share price has increased by 44% in the past two months. All things considered, we recommend HOLD for NLG stock with a target price of VND35,200/share, 7% higher than the closing price on May 15, 2023.

Hold change

Forecast earnings & valuation

VND35,200
7%
VND32,800
VND35,500
12.6/0.5

Trading data	
Free float	57.2%
3M avg trading value	56.5/2.4
Foreign ownership	4.5%
Major shareholder	Chairman Nguyen Xuan Quang
	(12%)

Share price perfo	ormance			
(%)	1M	3M	6M	12M
Absolute	10	23	51	-30
Relative	10	23	44	-17

(%)	Relative to VNIndex (LHS)	(VND)
230 + 190 m 150 + 110 - 70 +	NLG's share price (RHS)	60,000 50,000 40,000 30,000 20,000
30 -10 -50	ILANGER ILANDER ILESORS	10,000 0

Source: Bloomberg, KB Securities Vietnam

FY-end	2021A	2022A	2023F	2024F
Net revenue (VNDbn)	5,206	4,339	3,864	4,995
Earnings (VNDbn)	1,205	1,041	725	1,200
NPAT of parent company (VNDbn)	1,071	556	583	889
EPS (VND)	2,686	1,448	1,519	2,316
EPS growth (%)	-3	-46	5	52
P/E (x)	9.31	17.26	21.60	14.16
Р/В (х)	1.07	1.07	0.89	0.82
ROE (%)	11	4	6	8
Dividend yield (%)	5	1	2	2

Table 1. NLG - 1Q23 business results

	1Q22	1Q23	+/-%YoY	KBSV's notes
Net sales	587	235	-60%	
Sales of real estate properties	543	175	-68%	This revenue segment mainly comes from (1) 12 Flora apartments at Akari City project with VND30 billion and (2) 17 Valora villas and 24 Ehome apartments at Southgate project with respective revenue of VND107 billion and VND27 billion.
Gross profit	250	160	-36%	
Financial income	23	46	95%	
Financial expenses	39	77	98%	Interest expense increased due to rising interest rates and the issuance of an additional VND1,000 billion of bonds in 4Q22 and 1Q23.
Profit from joint ventures and associates	0	78	12163x	Profit from handing over 413 units at Mizuki Park project is equivalent to revenue of VND1,317 billion.
SG&A expenses	194	178		
Operating income	41	29	-30%	
Other incomes	3	6	84%	
Profit before taxes	44	34	-22%	
Profit after taxes	33	16	-50%	
NPAT of the parent company	1	7	980%	

Source: Nam Long Investment, KB Securities Vietnam

Sales fell sharply in 1Q but started to rebound from the first half of April	NLG's 1Q sales dropped sharply compared to the same period last year with 45 units sold (total contract value of VND238 billion, down 91%YoY), reflecting the difficulties of the real estate market. However, sales has improved since the first half of April with 44 apartments sold for VND196 billion.
NLG has right product orientation	The positive point is that despite the general difficult situation, two mid-end housing projects in the inner city Mizuki and Akari City have good absorption rates thanks to meeting the needs of customers who want to buy houses for their own occupation. This is one of NLG's strengths when it comes to developing affordable housing products with a variety of product lines like Ehome/EhomeS, Flora, and Valora with prices and progress in line with the income of each customer segment.
Sales in 2023 is forecast to reach VND4,466 billion (−46%YoY)	NLG aims to get VND9,430 billion (+15% YoY) in 2023 revenue from the launch of the Ehome product line (Nguyen Son, Southgate, EhomeS Can Tho, and Hai Phong projects) and the Flora product line (Akari project. City and Mizuki Park and 256 Valora products of The Pearl subdivision Waterpoint project). However, our estimate is more conservative with 2023 sales of around VND4,466 billion (-46%YoY), coming from Akari City, Mizuki Park and Southgate projects.

Table 2. NLG - 2023 sales of real estate projects

	1Q2023		First half of	April 2023
Projects	Units	Value (VNDbn)	Units	Value (VNDbn)
Mizuki Park	16	96	12	44
Akari City	20	76	30	111
Southgate	9	66	2	41
Total	45	238	44	196

Source: Nam Long Investment, KB Securities Vietnam

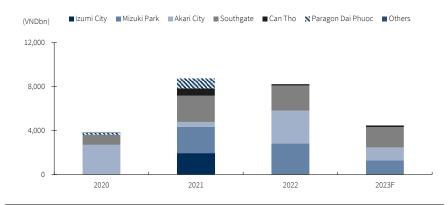


Fig 3. NLG – 2021A–2023F sales (VNDbn)

Source: Nam Long Investment, KB Securities Vietnam

Fig 4. NLG – Waterpoint project

The project has an area of 165ha located in Ben Luc, Long An.

• Phase 1: NLG launched Rivera 1 and The Aqua low-rise subdivisions from 4Q19 (completed the deliveries).

• Phase 2:

- In 2021, NLG launched Rivera 2, Aquaria 2 and Ehome Southgate (phase 1)

- In August 2022, phase 1 of Ehome Southgate was opened for sale (phase 2), 100% of apartments for sale have been absorbed and completed.

- Ehome Southgate is under construction (phase 3).

 NLG continue to sell the subdivisions that had been opened for sale in the previous period –
 The Aqua 1, 2 and Park Village subdivisions (newly introduced in December 2022)



Source: Nam Long Investment, KB Securities Vietnam

Fig 5. NLG - Waterpoint project



Source: Nam Long Investment, KB Securities Vietnam





Source: Nam Long Investment, KB Securities Vietnam

Fig 7. NLG – Mizuki Park project

The project has an area of 26ha located in Binh Chanh, Ho Chi Minh City, consisting of more than 4,000 products.

• Phase 1: NLG handed over 1,400 Flora MP 1– 5 apartments.

• Phase 2:

MP 6, 7, and 8 were launched in April 2021,
 topped out in August 2022, and delivered three
 months ahead of schedule at the end of 2022.
 NLG accelerated the handover, so it was
 completed in 4Q22 instead of 1Q23 as
 previously planned.

- In 4Q22 and 1Q23, NLG recorded VND1,760 billion in revenue from handing over 560 apartments.

- MP 9 and 10 were launched in 4Q21 and topped out in early 2023.

NLG opened Mizuki Panorama for sale in April
 2022 and topped out in early 2023.

The project has an area of 8.5 ha located in Binh Tan, Ho Chi Minh City

• Phase 1: NLG sold out and handed over 1,800 products.

• Phase 2: NLG launched block AK 7 and 8 on March 19, 2022 with an absorption rate of more than 70%.

The project is currently under construction. By the end of the 1Q23, NLG has sold more than 900 out of 1690 units.

The project has an area of 170ha located in Dong Nai.

- It was introduced for the first time in 4Q21 with 270 products booked with a total contract value of VND1,929 billion.

- Subdivision 1A should be handed over by the end of 2023.

- NLG is temporarily suspending the sale plan to adjust the design and provide more suitable products.



Source: Nam Long Investment, KB Securities Vietnam

Fig 8. NLG – Akari City project



Source: Nam Long Investment, KB Securities Vietnam

Fig 9. NLG - Izumi project



Source: Nam Long Investment, KB Securities Vietnam

Table 10. NLG - Other projects

Source: Nam Long Investment, KB Securities Vietnam

Table 11. NLG - 2023F business results

	2022	2023	+/-%YoY	KBSV's notes
Net sales	4,339	3,864	-11%	Forecasted revenue is equal to 80% of NLG's plan.
Sales of real estate properties	4,083	3,582	-12%	The majority of revenue from real estate transfer comes from the handover of Southgate, Izumi City, and the land plots at Kykyo Residence project.
Gross profit	1,984	1,581	-20%	
Financial income	386	252	-35%	Profit recognized from transferring 25% of shares in Paragon DP project to foreign partners
Financial expenses	199	181	-9%	
Profit from joint ventures and associates	25	330	1220%	Profit from handover at Mizuki Park project
SG&A expenses	1,155	927	-20%	
Operating income	1,041	725	-30%	
Other incomes	1,070	1,055	-1%	
Profit before taxes	866	854	-1%	
Profit after taxes	556	583	5%	Forecasted profit equal is to 99% of NLG's plan

Source: Nam Long Investment, KB Securities Vietnam

HOLD recommendation with the target price of VND35,200

Using the RNAV method, we set a target price for NLG stock at VND35,200/share, 7% higher than the closing price on May 15, 2023.

We maintain a positive rating on NLG stock thanks to (1) its strong fundamentals with safe financial structure and (2) the attractiveness of midend apartment projects in HCMC such as Mizuki and Akari City or affordable apartments Ehome Southgate to buyers with owner-occupation needs. However, we also note that the lengthy legal process approval and the absorption capacity at the two projects Izumi City and Can Tho may significantly affect NLG's sales.

NLG stock price has gained by 44% over the past two months and is currently trading at a 2023F P/E of 21.6x. Based on the business outlook and valuation results, we give a HOLD recommendation to NLG stock with a target price of VND35,200.

Projects	Valuation method	Value (VNDmn)
Waterpoint 1	DCF	2,048,031
Waterpoint 2	DCF	2,449,905
Mizuki	DCF	2,449,357
Akari City	DCF	1,720,826
NL Dai Phuoc	DCF	1,250,428
Waterfront	DCF	2,879,363
NL Hai Phong	DCF	1,305,051
NL Can Tho	DCF	1,596,083
		15,699,045
+ Money		3,425,939
- Debts		5,605,000
RNAV		13,519,984
Number of outstanding shares		384,080,300
Share price (VND)		35,200

Table 13. NLG – Final valuation

Source: KB Securities Vietnam

2023F

24,876

2021

21,784

2022

23,489

2024F

25,317

NLG - 2021A-2023F financials

(VND billion)	2021	2022	2023F	2024F
Net sales	5,206	4,339	3,864	4,995
Cost of sales	-3,427	-2,355	-2,283	-2,31
Gross Profit	1,778	1,984	1,581	2,67
Financial income	445	386	252	5
Financial expenses	-112	- 199	-181	-17
of which: interest expenses	-102	-148	-181	-17
Gain/(loss) from joint ventures (from 2015)	91	25	0	
Selling expenses	-416	-511	-425	-59
General and admin expenses	-581	-644	-502	-74
Operating profit/(loss)	1,205	1,041	725	1,20
Other incomes	441	42	0	
Other expenses	-6	-14	0	
Net other income/(expenses)	435	29	0	
Income from investments in other entities	0	25	330	33
Net accounting profit/(loss) before tax	1,640	1,070	1,055	1,53
Corporate income tax expenses	-162	-204	-201	-24
Net profit/(loss) after tax	1,478	866	854	1,28
M ino rity interests	407	309	270	40
Attributable to parent company	1,071	556	583	88
Margin ratio				
	2021	2022	2023F	2024F
Gross profit margin	30.3%	34.2%	45.7%	40.99
EBITDA margin	11.7%	15.6%	19.9%	17.3%
EBIT margin	10.7%	15.0%	19.1%	16.9
Pre-tax profit margin	45.8%	31.5%	24.7%	27.3%
Operating profit margin Net profit margin	45.2% 38.4%	23.2% 28.4%	24.0% 20.0%	18.8° 22.1
Cash Flow Statement				
Cash Flow Statement (VND billion)	2021	2022	2023F	
(VND billion) Net profit/(loss) before tax	1,640	2022 1,070	1,055	1,53
(VND billion) Net profil/(loss) before tax Depreciation and amortisation	1,640 30	2022 1,070 36	1,055 15	1,53 2
(VND billion) Net profil/(loss) before tax Depreciation and amortisation Profit/loss from investing activities	1,640	2022 1,070 36 -410	1,055 15 -330	1,53 2: -33
(VND billion) Net profil/(loss) before tax Depreciation and amortisation Profil/loss from investing activities Interest expense	1,640 30 -958 102	2022 1,070 36 -410 148	1,055 15 -330 -181	1,53 2 -33 -17
(VND billion) Net profit/(loss) before tax Depreciation and amortisation Profit/loss from investing activities Interest expense Operating profit/(loss) before changes in Working Capital	1,640 30 -958 102 890	2022 1,070 36 -410 148 843	1,055 15 -330 -181 453	1,53) 2 -33) -17) 1,04
(VND billion) Net profit/(loss) before tax Depreciation and amortisation Profit/loss from investing activities Interest expense Operating profit/(loss) before changes in Working Capital (Increase)/decrease in receivables	1,640 30 -958 102 890 212	2022 1,070 36 -410 148 843 -1,481	1,055 15 -330 -181 453 666	1,53 2: -33 -17 1,04 -20
(VND billion) Net profit/(loss) before tax Depreciation and amortisation Profit/loss from investing activities Interest expense Operating profit/(loss) before changes in Working Capital (Increase)/decrease in receivables (Increase)/decrease in inventories	1,640 30 -958 102 890 212 1,215	2022 1,070 36 -410 148 843 -1,481 -491	1,055 15 -330 -181 453 666 -1,000	1,53 2: -33) -17 1,04 -20 -1,18
(VND billion) Net profit/(loss) before tax Depreciation and amoritisation Profit/loss from investing activities Interest expense Operating profit/(loss) before changes in Working Capital (Increase)/decrease in incentories Increase/(decrease) in payables	1,640 30 -958 102 890 212 1,215 -582	2022 1,070 36 -410 148 843 -1,481 -491 1,425	1,055 15 -330 -181 453 666 -1,000 0	1,53 2 -33 -17 1,04 -20 -1,18 -56
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(VHD billion) Net profit/(loss) before tax Depreciation and amortisation Profit/loss from investing activities Interest expense Operating profit/(loss) before changes in Working Capital (Increase)/decrease in receivables (Increase)/decrease in receivables (Increase)/decrease in prepaid expenses Net cash inflows/(outflows) from operating activities Purchases of fixed assets and other long term assets Collection of loans, proceeds from sales of debt instruments Collection of loans, proceeds from sales of debt instruments Dividends and interest received Net cash inflows/(outflows) from investing activities Proceeds from divestment in other entities Proceeds from divestment in other entities Proceeds from bisue of shares Payments for share returns and repurchases Proceeds from bisue of shares Payment of borrowings Repayment of borrowings Repayment of borrowings	1640 30 -958 102 890 212 125 -582 -19 1226 -19 0 -755 0 -1260 0 2.8 -2,006 2.606 2.600 2.443 -1999 0	2022 1070 36 -410 148 843 -1481 1425 -154 -225 -112 0 0 -3,419 3,443 -534 175 200 -547 187 200 -547 197 0 3,595 -2,021 0	1055 15 -330 -811 453 666 -1000 0 -105 -369 -777 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	153 2 -33 -17 104 -20 -118 -56 -22 -22 -111 -10 -10 -60
(VND billion) Net profit/(loss) before tax Depreciation and amoritisation Profit/loss from investing activities Interest expense Operating profit/(loss) before changes in Working Capital (Increase/)decrease in receivables (Increase/)decrease in receivables (Increase/)decrease in repaid expenses Net cash inflows/(outflows) from operating activities Purchases of fixed assets and other long term assets Proceeds from disposal of fixed assets Loans granted, purchases of debt instruments Collection of Loans, proceeds from sales of debts instruments Collection of Loans, proceeds from divestment in other entities Proceeds from divestment in other entities Proceeds from divestment in other entities Proceeds from saues of shares Payments for share returns and repurchases Proceeds from borrowings Repayment of borrowings Repayment of borrowings Finance lease principal payments Dividends paid	1640 30 -958 102 8990 212 125 -592 -19 0 -755 0 -1260 0 28 -2,006 2,637 0 2,443 -1999 0 -333	2022 1070 36 -410 148 843 -441 1425 -154 -225 -112 0 -3,419 3,143 -534 175 200 -547 187 0 3,555 -2,021 0 -327	1055 15 -330 -81 453 666 -1000 0 -105 -369 -777 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1533 2 -33 -17 -10 -10 -18 -56 -22 -22 -111 -10 -10 -10 -10 -10 -10 -10 -10 -1
(VND billion) Net profit/(loss) before tax Depreciation and amoritisation Profit/loss from investing activities Interest expense Operating profit/(loss) before changes in Working Capital (Increase)/decrease in receivables (Increase)/decrease in receivables (Increase)/decrease in repeal expenses Net cash inflows/(outflows) from operating activities Purchases of fixed assets and other long term assets Proceeds from disposal of fixed assets Loans granted, purchases of debt instruments Collection of loans, proceeds from sales of debts instruments Dividends and interest received Net cash inflows/(outflows) from investing activities Proceeds from divestment in other entities Proceeds from divestment in other entities Proceeds from barrowings Proceeds from insue of shares Payments for share returns and repurchases Proceeds from borrowings Repayment of borrowings Repayment of borrowings Repayment of borrowings Repayment of borrowings Prinance lease principal payments Dividends paid Interests, dividends, prof	1640 30 -958 102 8990 212 125 -592 -19 0 -755 200 -1280 0 -1280 0 2.637 0 2.637 0 2.443 -1999 0 3.2637 0 2.443 -1999 0 3.333 0 0	2022 1070 36 -410 148 843 -441 1425 -154 -225 -112 0 -3,449 3,143 -534 175 200 -547 187 0 3,595 -2,021 0 -327 0 0	1055 5 -330 -81 453 666 -1000 0 -105 -369 -77 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1533 2 -33 -17 -10 -10 -18 -56 -56 -22 -21 -11 -10 -10 -10 -10 -10 -10 -10 -10 -1
(VND billion) Net profil/(loss) before tax Depreciation and amortisation Profit/loss from investing activities Interest expense Operating profit/loss) before changes in Working Capital (Increase)/decrease in receivables (Increase)/decrease in receivables (Increase)/decrease in receivables (Increase)/decrease in receivables (Increase)/decrease in prepaid expenses Net cash inflows/(outflows) from operating activities Purchases of fixed assets and other long term assets Proceeds from disposal of fixed assets Collection of loans, proceeds from sales of debts instruments Obvidends and interest received Net cash inflows/(outflows) from investing activities Proceeds from disposal of fixed assets Dividends and interest received Net cash inflows/(outflows) from investing activities Proceeds from borrowings Repayment for rerwings Prance lease principal payments Dividends paid Interest, dividends, profits received	1640 30 -958 102 890 212 -552 -552 -559 1296 -19 0 -755 0 0 -755 0 0 -755 0 0 -2637 0 2,643 -199 0 0 -333 0 0 2,749	2022 1,070 36 -410 148 843 -1,481 1,425 -154 -225 -112 0 -3,49 3,143 -534 175 200 -547 187 0 3,595 -2,021 0 -3,277 0 1,434	1055 5 -330 -81 453 666 -1000 0 -105 -369 -77 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	15335 2: -3333-779 1043- -2007 -1883 -5665 -5665 -6605 -600 -100 -100 -100 -100 -100 -100 -100
(VND billion) Net profit/(loss) before tax Depreciation and amoritisation Profit/loss from investing activities Interest expense Operating profit/(loss) before changes in Working Capital (Increase)/decrease in receivables (Increase)/decrease in receivables (Increase)/decrease in repeal expenses Net cash inflows/(outflows) from operating activities Purchases of fixed assets and other long term assets Proceeds from disposal of fixed assets Loans granted, purchases of debt instruments Collection of loans, proceeds from sales of debts instruments Dividends and interest received Net cash inflows/(outflows) from investing activities Proceeds from divestment in other entities Proceeds from divestment in other entities Proceeds from barrowings Proceeds from insue of shares Payments for share returns and repurchases Proceeds from borrowings Repayment of borrowings Repayment of borrowings Repayment of borrowings Repayment of borrowings Prinance lease principal payments Dividends paid Interests, dividends, prof	1640 30 -958 102 8990 212 125 -592 -19 0 -755 200 -1280 0 -1280 0 2.637 0 2.637 0 2.443 -1999 0 3.2637 0 2.443 -1999 0 3.333 0 0	2022 1070 36 -410 148 843 -441 1425 -154 -225 -112 0 -3,449 3,143 -534 175 200 -547 187 0 3,595 -2,021 0 -327 0 0	1055 5 -330 -81 453 666 -1000 0 -105 -369 -77 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2024F7 15335 2'2' -3335 -4556 -4566 -4566 -467 -467 -467 -467 -467 -467 -467 -467 -467 -467 -467 -476

Cash and cash equivalents 3,112 3,773 3,558 1,739 Short-term investments 744 987 987 987 Accounts receivable 1,934 3,570 5,679 6,722 15,490 15,470 Inventories 14,828 14,288 LONG-TERM ASSETS 1,833 3,599 3,747 3,960 Long-term trade receivables 82 9 193 281 Fixed assets 78 154 88 171 Investment properties 359 236 267 274 Long-term incomplete assets 20 128 128 128 Long-term investments 873 2,136 2,136 2,136 TOTALASSETS 23,618 27,088 28,623 29,277 LIABILITIES 10,090 13,773 14,488 13,849 Current liabilities 6,318 8,851 9,291 9,076 Trade accounts payable 585 981 981 413 Advances from customers 2,463 3,271 3,064 3,746 Short-term unrealized revenue 7 0 0 7 Short-term borrowings 1293 1.804 1932 1748 Long-term liabilities 3.772 4.922 5.197 4,773 Long-term trade payables 0 0 0 0 Long-term advances from customers 0 0 0 0 Unrealized revenue 285 354 354 354 Long-term borrowings 2,315 3,375 3,671 3,247 OWNER'S EQUITY 13,528 10,594 14,039 15,315 Paid-in capital 3,829 3,841 3,841 3,841 Share premium 2,643 2,643 2,643 2,643 Undistributed earnings 2,444 2,493 3,077 3,966 M ino rity interests 0 0 0 0 Key ratios 2021 2022 2023F 2024F M ultiple P/E 9.3 17.3 14.2 21.6 P/E diluted 8.8 17.0 0.0 0.0 P/B 11 1.1 0.9 0.8 P/S 1.8 2.2 65.2 126.1 P/Tangible Book 0.7 0.7 0.9 0.8 P/Cash Flow 7.4 -42.7 -34.1 - 11.3 EV/EBITDA 12.4 6.1 12.7 28.7 EV/EBIT 12.9 13.3 29.4 6.2 Operating performance ROE 10.58 4.14 6.04 8.36 ROA 4.67 5.90 3.48 6.73 ROIC 5.75 2.19 2.98 4.40 Financial structure Cash Ratio 0.5 0.4 0.4 0.2 Quick Ratio 0.8 0.8 0.6 0.4 Current Ratio 3.5 2.7 2.7 2.8 LT Debt/Equity 0.2 0.3 0.3 0.2 LT Debt/Total Assets 0.1 0.1 0.1 0.1 Debt/Equity 0.5 0.7 0.1 0.1 Debt/Total Assets 0.3 0.3 0.1 0.1 ST Liabilities/Equity 0.5 0.7 0.7 0.6 ST Liabilities/Total Assets 0.3 0.3 0.3 0.3 Total Liabilities/Equity 0.8 1.0 10 0.9 Total Liabilities/Total Assets 0.4 0.5 0.5 0.5 Activity ratios Account Receivable Turnover 7.8 4.3 4.0 6.7 Inventory Turnover 0.3 0.2 0.2 0.2

Balance Sheet (VND billion)

CURRENT ASSETS

Account Payable Turnover

Source: Nam Long Investment, KB Securities Vietnam

7.0

3.0

2.3

3.3

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Investment ratings & definitions

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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