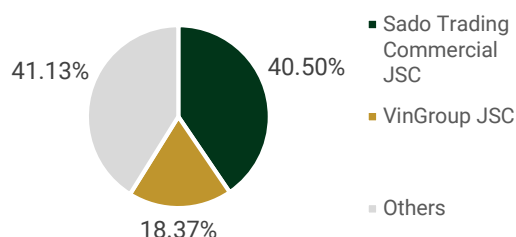
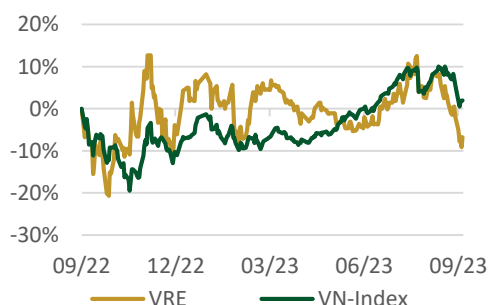


BACK ON TRACK.
BUY [+45%]

Fair price 39,400 VND
Current price 27,200 VND

STOCK INFORMATION

Outstanding shares (mil) 2,272
Free float (mil) 908
Market cap. (billion VND) 61,352
3m avg. volume (shares) 6.2
Foreign ownership (%) 32.6
First listing date 06/11/2017

MAJOR SHAREHOLDERS

PRICE MOVEMENT COMPARED TO THE INDEX

HISTORICAL VALUATION


Updated: 12/10/2023

Performance overview:

VRE has a positive business results in 2Q2023 because the leasing business recovered after the pandemic and the projects handover accelerated. The net revenue was VND 2,173 bn (+17% YoY). In more detail, (1) revenue from leasing activities and rendering of related services was VND 1,943 billion (+7% YoY) with the occupancy rate improving from 82.5% to 85.5%. (2) The Sale of inventory properties jumped to 197 billion VND (+22.6x YoY) from the delivery of 23 products at Vincom Dien Bien project. This help VRE's net profit after tax (NPAT) achieved VND 1,001 bn (+29% YoY).

By the first half of 2023, VRE owns 83 shopping malls, equating to nearly 1.75 million m2 of Gross Floor Area (GFA), showing no year-on-year change. These malls are spread across 44 provinces and cities nationwide. Notably, VCC and VMM remain the key contributors to VRE's growth, with their shopping mall occupancy rates reaching 95.3% (+2.3% YoY, +0% QoQ) and 90.3% (+4.0% YoY, +0.8% QoQ) respectively. Furthermore, the limited supply in the central area has led to a rise in rents, which also supports VRE's business operations.

As a result, the net revenue in 1H2023 was VND 4,116 bn (+28% YoY), and NPAT was VND 2,025 bn (76% YoY). VRE has achieved 40% of its annual revenue target and more than 43% of the profit target.

Forecast:

In 2023, we project VRE's revenue and profit after tax to reach 9,651 billion (+31% YoY) and 4,036 billion (+45% YoY), respectively. The driven by the ongoing recovery of tenant businesses, VRE not offering a COVID-19 support package, contributions from new malls, improving occupancy rates, and higher YoY property sales.

Investment highlights:

VRE benefits from the strong growth potential of the retail market, along with increasingly improved infrastructure that boosts the demand for retail floor tenants as well as customers visiting and shopping at VRE's shopping malls. The synergy from Vingroup's ecosystem, which has a massive land bank sufficient for the company's long-term development, is also a significant advantage for VRE.

Valuation & recommendation:

By using DCF, the fair price for VRE is estimated at VND 39,400/share, +45% higher than the current price on 12/10/2023. We recommend BUY for this stock.

Investment risks: (1) Real estate industry cycle risk; (2) Increasing competition due to the emergence of competitors.

Financial Indicators	2019A	2020A	2021A	2022A	2023F
Net revenue (billion VND)	9,259	8,329	5,891	7,361	9,651
Net Profit (billion VND)	2,848	2,383	1,315	2,770	4,036
EPS (VND)	1,293	1,082	578	1,222	1,780
EPS Growth (%)	5%	-16%	-47%	111%	46%
Book Value (VND)	11,860	11,914	13,473	14,695	15,301
P/E	27.13	25.62	52.1	22.8	22.7
P/B	2.87	2.39	2.2	1.9	2.6
Cash dividend (VND)	1050	N/A	N/A	N/A	N/A