



# ANALYST MEETING

## 2Q2019 RESULTS PRESENTATION

August 01<sup>ST</sup> 2019



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# OUTLINE



01. KEY HIGHLIGHTS

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02. FINANCIAL PERFORMANCE

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03. BUSINESS UPDATES

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04. RECENT MARKET UPDATES

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05. Q&A SESSION



# 1. KEY HIGHLIGHTS



- ✓ Solid results for the first half of 2019 with **88% increase in revenue**, and **6% increase in profit yoy**
- ✓ Resilient balance sheet and efficient capital management with **improved debt/ equity at 1.25x**, **cash and cash equivalent of VND 7,326bn**, unbilled contracted sales accumulated of **VND 49,747bn**
- ✓ On track and focused on meeting the VND18 trillion revenue target of 2019



- ✓ Updated diversified landbanks in core markets, including target projects under study
- ✓ Strong demand recorded launched/ newly introduced projects: **Palace Residence, NovaWorld Phan Thiet, Aqua City**
- ✓ **Stable presales outlook** for 2019 which is believed to outperform 2018



- ✓ Initiate important international partnership: signing a **hallmark construction agreement with Lotte E&C**
- ✓ Novaland EXPO 2019 received huge crowds and secured hundreds of transactions
- ✓ **Multi award winning developer**: naming among VN's 50 best companies, listed in VNSI...
- ✓ Launched "**NOVALOYALTY**" with over 22k members



## 2. FINANCIAL PERFORMANCE

# FINANCIAL PERFORMANCE FOR 1H2019



FIGURES	1H2019 (VND BN)	1H2018 (VND BN)	CHANGE
NET REVENUE	8,045	4,290	↑ 88%
GROSS PROFIT	2,163	1,410	↑ 53%
GROSS PROFIT MARGIN	26.9%	32.9%	↓ -6.0pp
PROFIT BEFORE TAX	1,325	1,167	↑ 14%
PROFIT AFTER TAX	792	745	↑ 6%
NET PROFIT MARGIN	9.8%	17.4%	↓ -7.6pp
SELLING EXPENSES/ NET SALES	1.9%	3.2%	↓ -1.3pp
G&A EXPENSES/ NET SALES	7.2%	7.6%	↓ -0.4pp

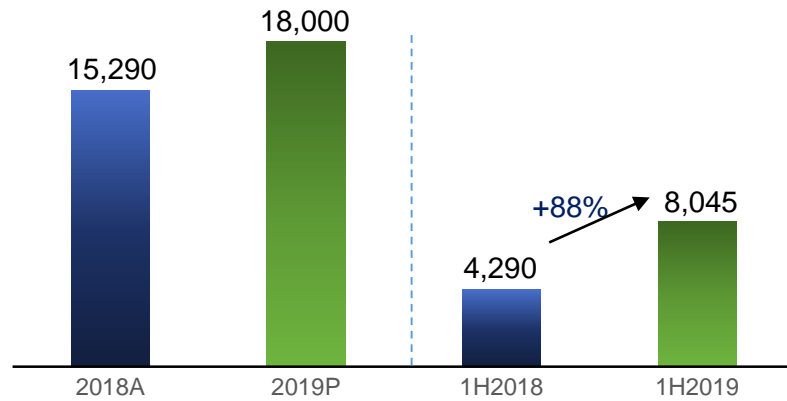
- Lower profit margin contribution from handed over projects
- Mainly contributed by The Sun Avenue, Sunrise Riverside, Richstar, Saigon Royal, and Newton Residence

# GROWTH OF REVENUE AND PROFIT



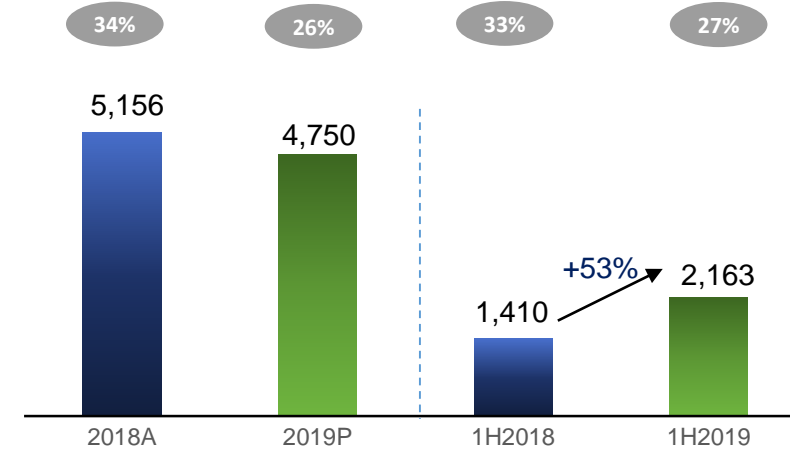
## Net Revenue

(VND bn)



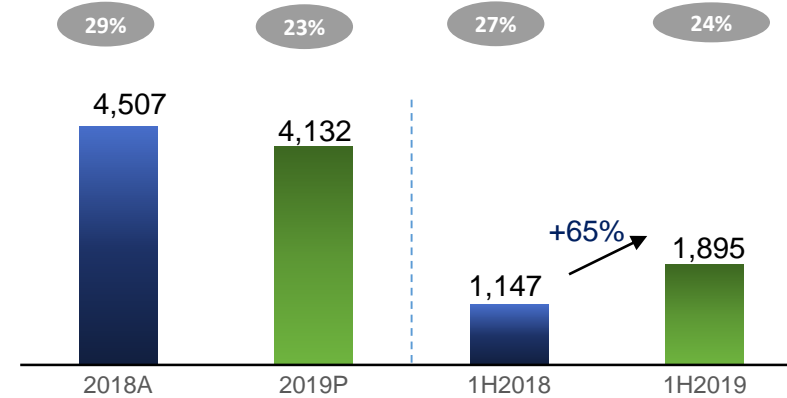
## Gross Profit

(VND bn)



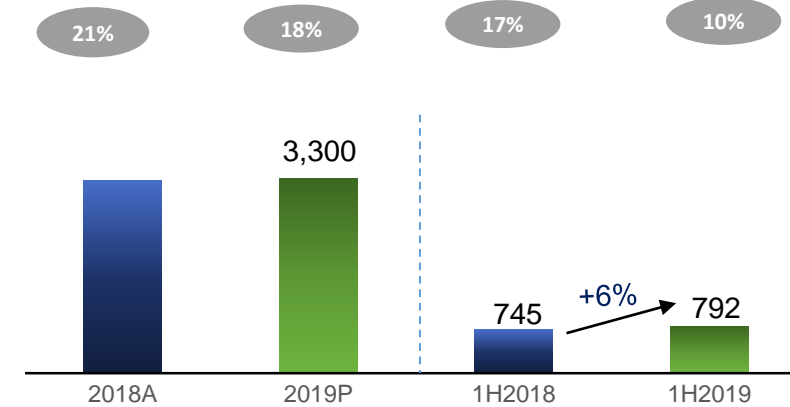
## EBITDA

(VND bn)



## NPAT

(VND bn)



Source: Financial Statements as of June 30<sup>th</sup> 2019

● Margin ratio

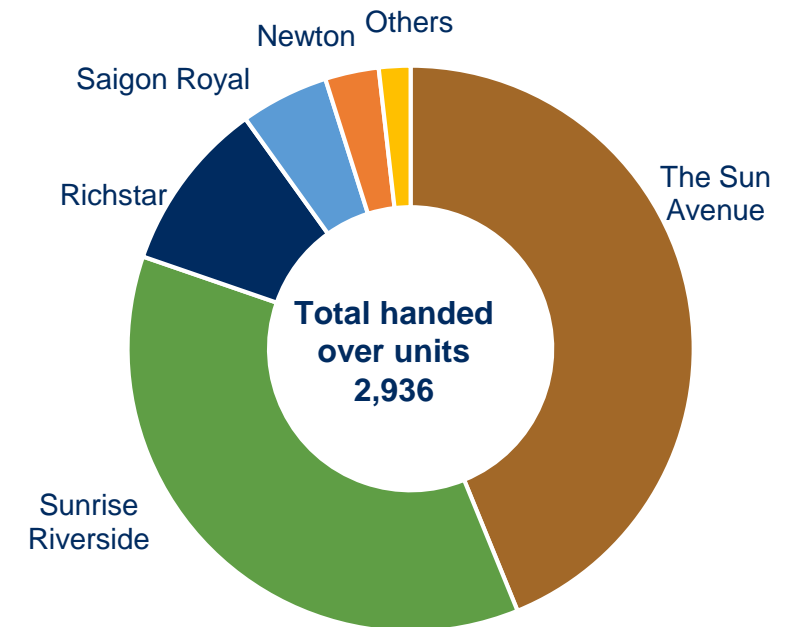
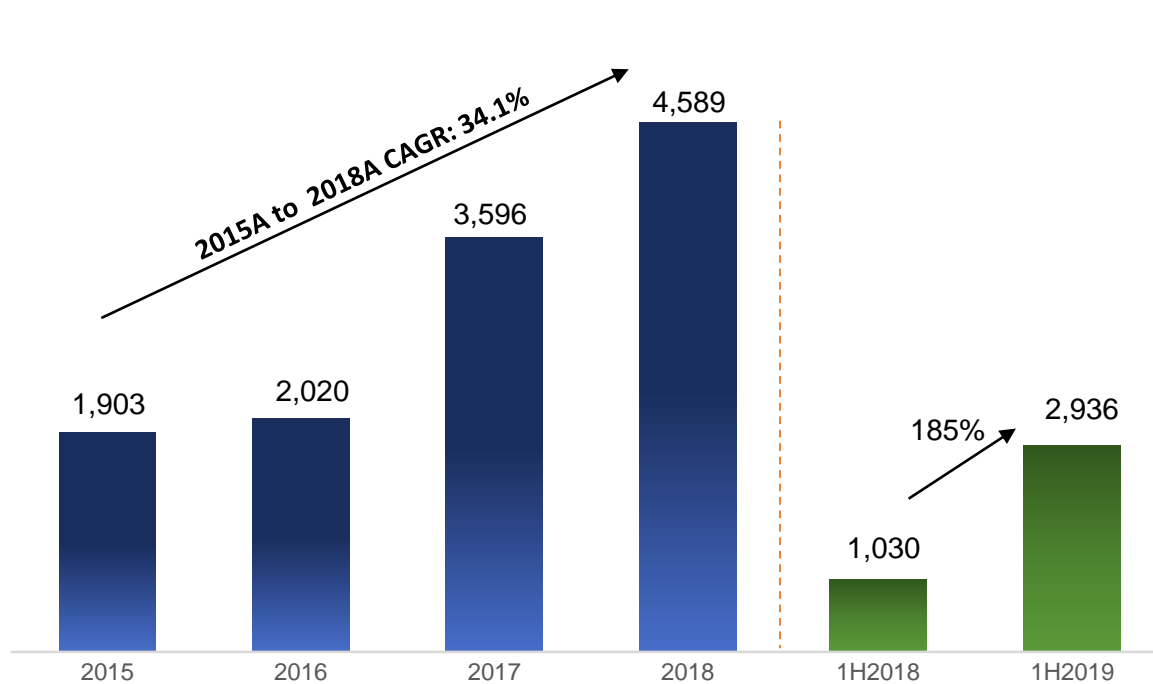
# HANDED OVER UNITS



2,936 Handed Over Units In 1H2019 Corresponding To 50% Of Target Plan

## Handed Over Units

(Units)





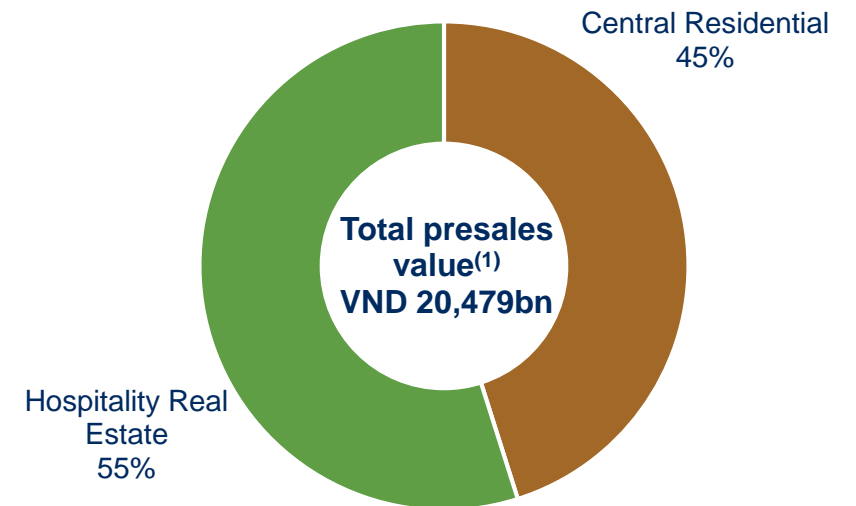
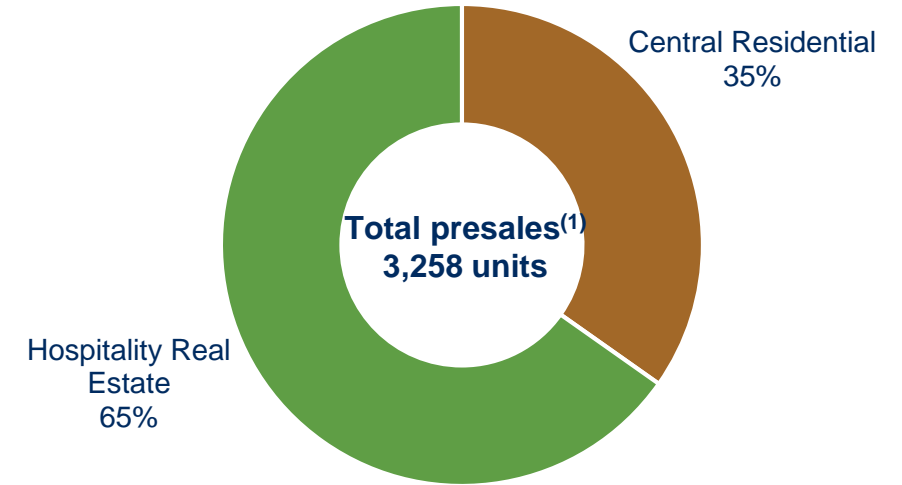
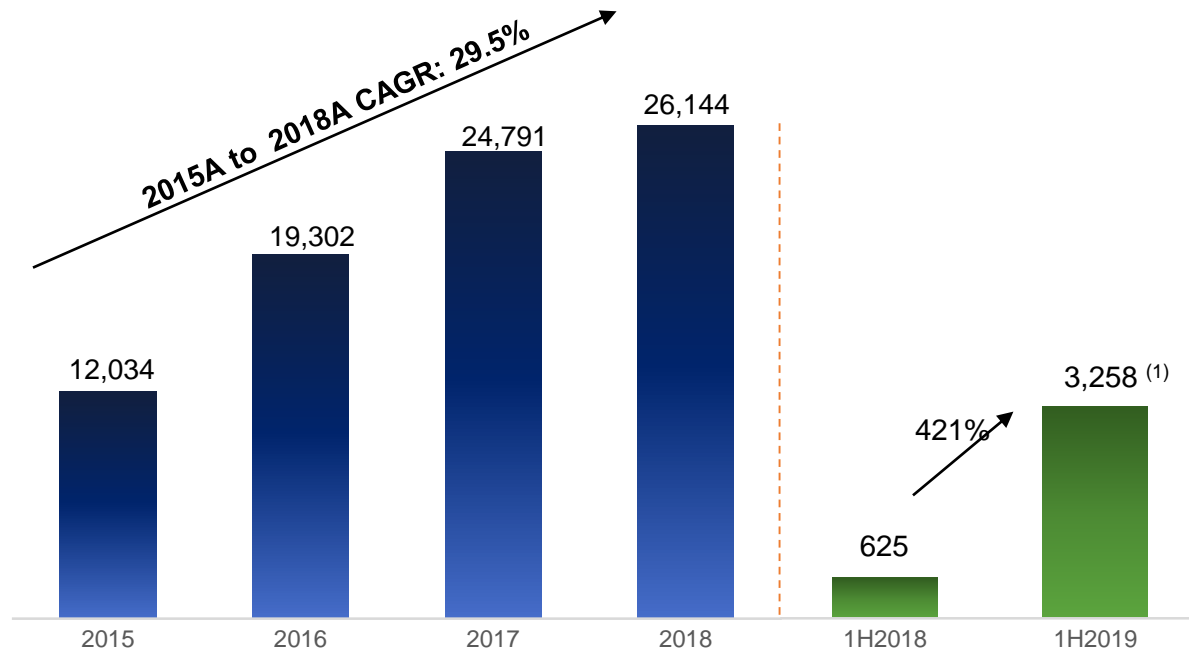
# SALES PERFORMANCE 1H2019



Strong results are on track to complete 2019 Business plan

## Presales Performance

(Units)



**Solid sales for the first half of 2019 made up ~ 50% of Group's 2019 plan**

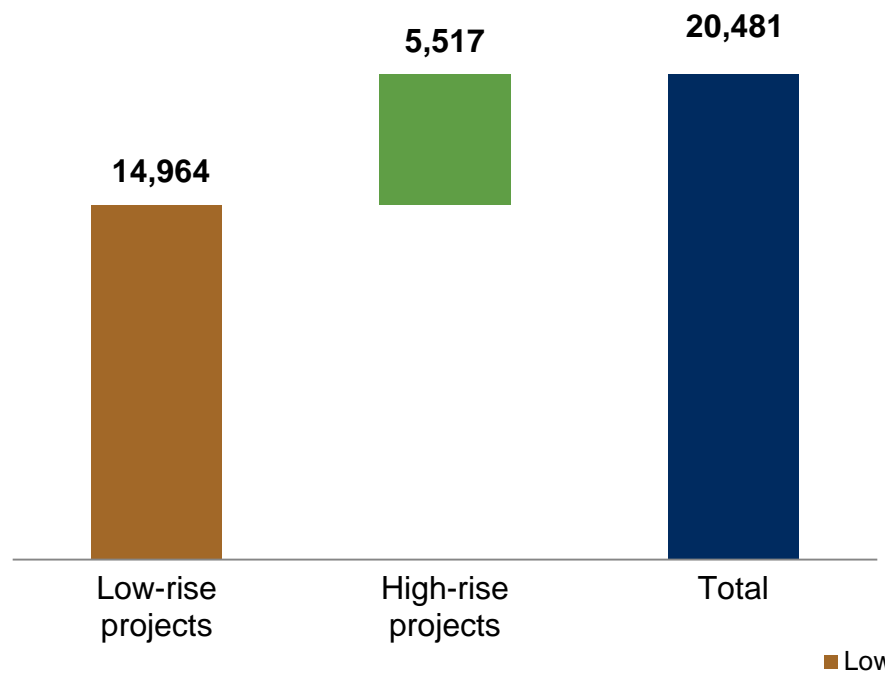
Source: Company information, June 30<sup>th</sup> 2019  
(1) Including projects under BCCs

# UNBILLED SALES UNDERPINS HIGH REVENUE VISIBILITY IN 2019-2021



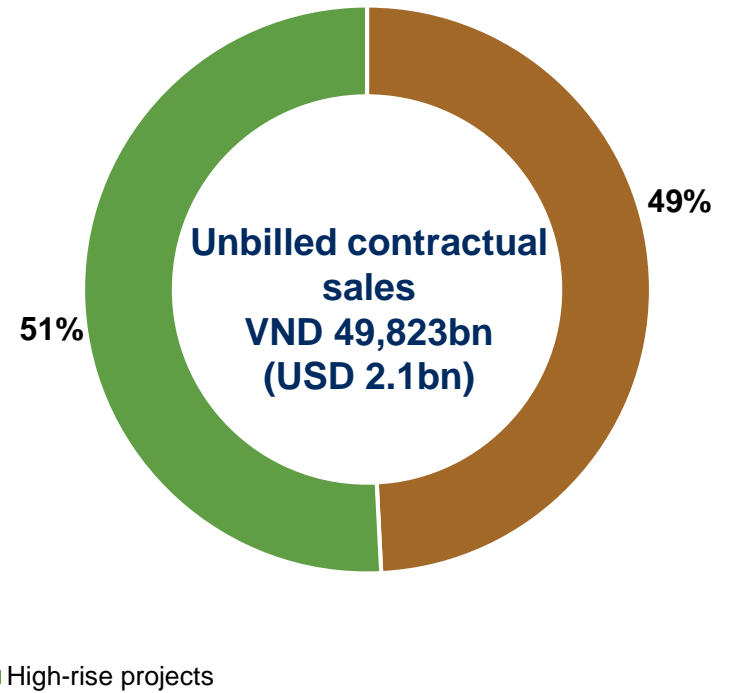
## CONTRACTED SALES<sup>(1)</sup> (1H2019)

(VND bn)



## LOCKED-IN REVENUE TO BE RECOGNIZED<sup>(1)</sup>

(USDmn)



Source: Company information as of June 30<sup>th</sup> 2019

(1) Including projects under BCCs

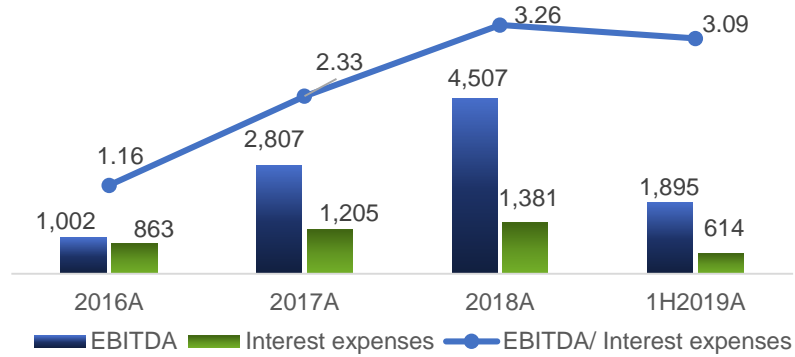
(2) Lakeview City, Victoria Village, Golf Park, Aqua City, NovaHills Mui Ne, NovaBeach Cam Ranh, Palm Marina, NovaWorld Phan Thiet, NovaWorld Ho Tram

# FINANCIAL HIGHLIGHTS



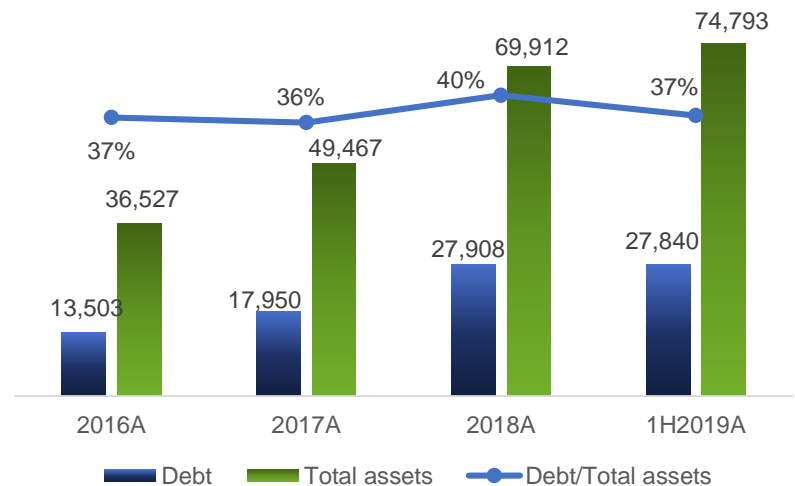
## EBITDA/ Interest expenses

(VND bn)



## Debt/ Total assets

(VND bn)



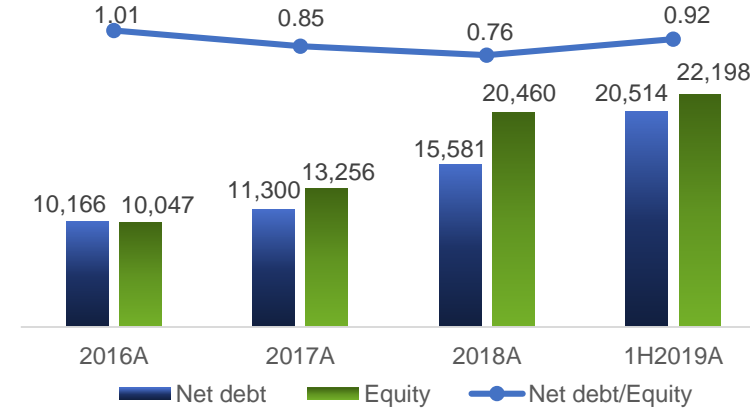
Source: Company Financial Statements as of June 30<sup>th</sup> 2019

(\*) Debt = long-term borrowings + short-term borrowings

(\*\*) Net debt = long-term borrowings + short-term borrowings – cash and cash equivalent

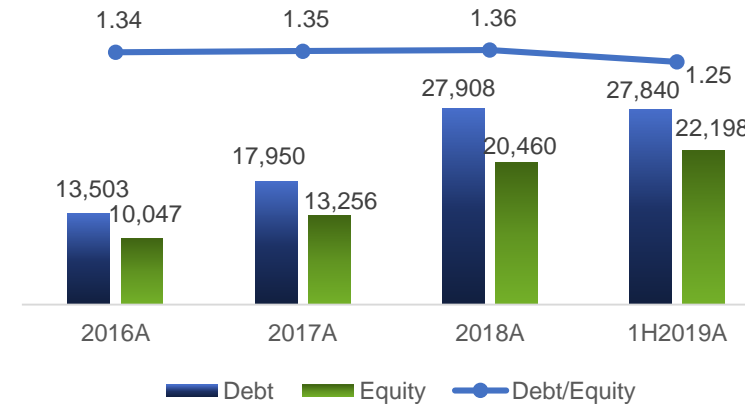
## Net debt/ Equity

(VND bn)



## Debt/ Equity

(VND bn)

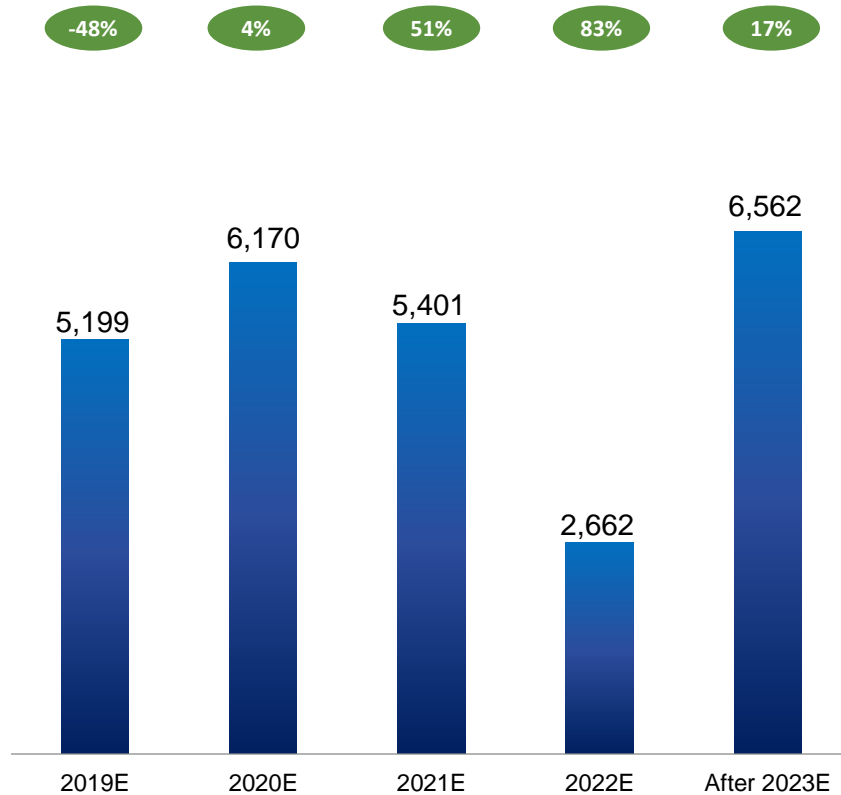


# DEBT PROFILE

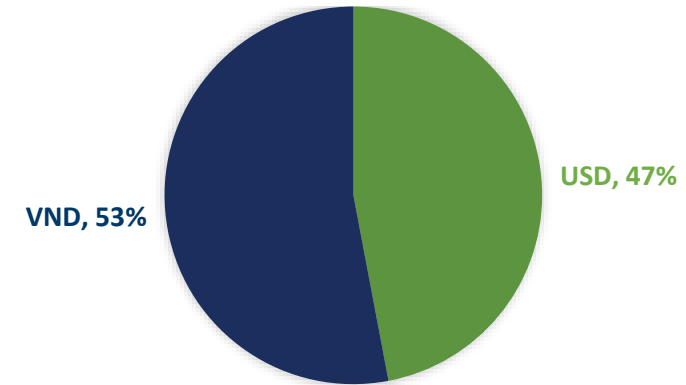


## Debt Maturity Schedule<sup>(\*)</sup> as at June 30<sup>th</sup> 2019

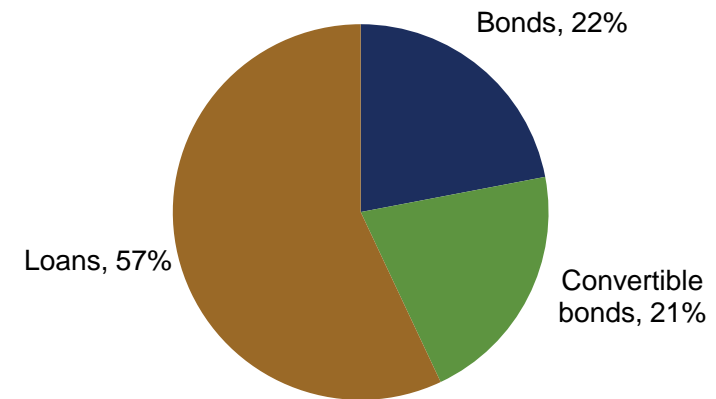
(VND bn)



## Debt Breakdown By Currency



## Type of Debt



Source: Company information, June 30<sup>th</sup> 2019

(\*) Excluding VND 1,846 bn of borrowings from third party and bond issuance cost

# % change as at December 31<sup>st</sup> 2018



# 3. BUSINESS UPDATES



# NOVALAND GROUP

LEADING PROPERTY DEVELOPER  
IN VIETNAM

TOTAL ASSETS

VND **74,793 bn**

MULTI-AWARD  
WINNING  
DEVELOPER

SCARCE LANDBANK  
INVENTORY IN PRIME  
LOCATIONS ACROSS  
VIETNAM

**4,270 ha**

STRONG COOPERATION  
WITH ESTABLISHED  
NATIONAL AND  
INTERNATIONAL  
PARTNERS



# THREE ESSENTIAL REAL ESTATE PRODUCTS



RESIDENTIAL PROJECTS IN HCMC



SATELLITE URBAN AREAS



RESIDENTIAL IN TOURISM DESTINATIONS



## LANDBANK & UNDER RESEARCH

# 4,270 HECTARES

## 16%

HCM RESIDENTIAL



## 37%

SATELLITE URBAN AREAS



## 47%

RESIDENTIAL IN TOURISM DESTINATIONS



TOTAL LANDBANK **INCREASES 61% FROM 2,650HA TO 4,270HA**, MAJORITY BY ADDITIONAL CONTRIBUTION OF LANDBANK NEARBY HCMC FOR **SATELLITE URBAN AREAS**





**NEWLY INTRODUCED:  
PARKVIEW TOWER**  
GRAND MANHATTAN

**Location: Co Giang – Co Bac, District 1,  
Ho Chi Minh City**  
**Parkview Tower – a new part of The Grand  
Manhattan has been introduced to the  
market in March 2019.**

**With its location in HCMC prime location,  
The Grand Manhattan connects the city's  
main streets and possesses a full set of  
world-class amenities.**



# THE FIRST URBAN AREA PROJECT – AQUA CITY



## Application of green technology solutions



## AQUA CITY

■ Location	Bien Hoa – Dong Nai
■ Site area (hectares)	112.6
■ Product type and units	Shophouse: 51, townhouse: 390, semidetached: 82, villa: 833
■ Introducing date	2Q2019
■ Expected hand over date	2023
■ Total introduced units/total supply	985/1,356
■ Takeup rate of total introduced units	58%

Source: Company information, as of June 30<sup>th</sup> 2019

## Modern out-of-town utilities



Shing Mark Hospital



Son Tien Tourst Area



Suoi Tien Theme Park



Long Thanh Golf Club

# THE FIRST URBAN AREA PROJECT – AQUA CITY (CONT'D)



AquaCity



# UPDATING ON HOSPITALITY PROJECTS



## NOVAHILLS MUI NE RESORT & VILLAS

■ Location	Mui Ne, Binh Thuan
■ Site area (hectares)	40
■ Product type	603 villas
■ Introducing date	4Q2018
■ Expected completed date	2020
■ Date of consolidation into Novaland	Q2/2019



## NOVABEACH CAM RANH RESORT & VILLAS

■ Location	Cam Ranh – Khanh Hoa
■ Site area (hectares)	22.6
■ Product type and units	Bungalow 26, Villas 182 Condotel 1,780
■ Total introduced units/total supply	208/1,988
■ Introducing date	4Q2018
■ Expected completed date	3Q2020
■ Date of consolidation into Novaland	Q2/2019

# NEW HOSPITALITY PROJECTS



## NovaWorld — PHAN THIẾT —

Phan Thiet, Binh Thuan

■ Location	Phan Thiet, Binh Thuan
■ Site area (hectares)	986
■ Product type	villa, shophouse, retail
■ Introducing date	2Q2019
■ Expected hand over date	3Q2020

## NovaWorld — HỒ TRÀM —

Ba Ria – Vung Tau

■ Location	Ba Ria – Vung Tau
■ Site area (hectares)	99
■ Product type	villa, townhouse, shophouse
■ Introducing date	2Q2019
■ Expected hand over date	1Q2022

# UPDATING NEW PIPELINE LAUNCHES



**PALACE RESIDENCE**



**SAIGON BROADWAY**



**PALM MARINA**



**AQUA CITY**



**NOVAWORLD PHAN THIET**



**NOVAWORLD HO TRAM**

# NOVALAND EXPO JUNE 2019



- 1 With **10** new outstanding projects introduced, Novaland Expo 2019 successfully attracted **12.000+** investors.
- 2 Aqua City was officially announced, an ideal satellite urban area for **green living standards**
- 3 **NovaWorld Phan Thiet** and **NovaWorld Ho Tram** residential projects attracted **the most attention** from participants
- 4 **Novaloyalty – Customer Loyalty Program of Novaland** – is officially introduced, offering thousands of Membership cards and a series of great incentives to the Group’s customers.  
With the key message - “Sustainable Connection – Grateful Privileges”, the program not only offers many attractive benefits and valuable gifts, but also gives an opportunity for Novaland to create sustainable added value to over 250,000 customers.





## STRATEGIC PARTNERSHIP WITH NATIONAL AND INTERNATIONAL ORGANIZATIONS

Over 150 business partners in the fields of financial banking, construction, material, and design and manpower, such as:

- ❑ Hoa Binh Group - the main contractor of NovaBeach Cam Ranh Resort and Villas project in Khanh Hoa Province's Cam Ranh City,
- ❑ Ricons - the contractor of NovaHills Mui Ne Resort and Villas project in Phan Thiet, Binh Thuan Province,
- ❑ Minor Hotel Group – manager in seven hotel and resort complexes

Novaland Group has signed a strategic partnership agreement with Lotte Engineering and Construction Co., Ltd, (Lotte E&C), becoming the main contractor of **two coming projects located in District 2 and The Grand Manhattan.**





# MULTI AWARDS WINNING DEVELOPER



## BEST DEVELOPER VIETNAM

## BEST COMPANIES TO WORK FOR

## BEST PERFORMING BUSINESS

## BEST VIETNAM EQUITY-LINKED DEAL



At the fourth **Dot Property Vietnam Awards 2019**, Novaland Group has been chosen to be the **Best Developer Vietnam 2019**.



Novaland has been named **the Best Companies to Work for in Asia** by the leading human resources publication, **HR Asia**.



At the awards held by **Nhip Cau Dau Tu magazine** and Thien Viet Securities JSC, Novaland has been named among **Vietnam's 50 best-performing businesses for the third consecutive year**.



Novaland has been awarded the **"Best Vietnam equity-linked deal"** at the **The Asset Triple A Country Awards 2018**, holding by The Asset Magazine.



# 4. RECENT MARKET UPDATES



# VIETNAM ECONOMY AT A GLANCE 1H2019



**GDP  
GROWTH RATE** 

**6.8** % ↓ 0.3 PPT

**TRADE  
DEFICIT** 

**34** MILLION \$ N/A

**FDI** 

(Registered FDI) (FDI Disbursement)  
**18.4 / 9.1**  
↓ 10% ↑ 8% BILLION \$

**CREDIT  
GROWTH** 

**6.2** % ↑ 0.1 PPT

**MORTGAGE  
RATE** 

**11** % Stable

**INTERNATIONAL  
VISITORS** 

**8.4** MILLION ↑ 8%

Source: Savills – Market Brief Vietnam 1H2019

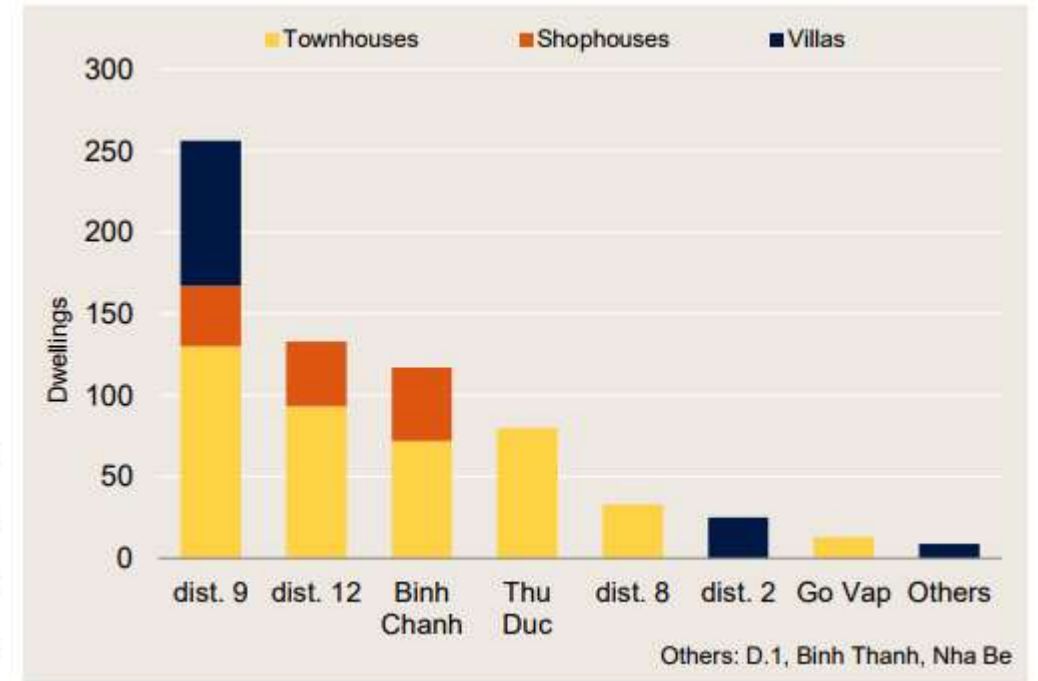
# THE HCMC RESIDENTIAL MARKET



## LIMITED SUPPLY – ESCALATING PRICE

Due to the continued prolonged construction approval process experienced recently, buyers were in high competition for the purchase of landed property as well as apartment products.

Given the strong sentiment, most existing projects are expected to improve their prices.



## VILLA & TOWNHOUSE

- **New launch:** 1,290 units ▼38% y.o.y
- **Quarterly absorption:** 71%
- **Outlook:** The number of launches during the year varies widely due to the unpredictable timeline relating to legal procedures. It is expected from 2H2019 – 2021, over 26,900 dwellings/plots will be released.

Source: Savills Market Brief - Vietnam 1H2019, JLL - HCMC Market Outlook 1H2019

# THE CONDOMINIUM MARKET



The government's tight control of new developments has forced the supply trend towards a more sustainable mode. Amid the limited new supply, demand remains high. Price growth is mostly positive, especially Affordable and Mid-end projects.

**NEW LAUNCH**

8,547 units ▼ 42% y.o.y

**SOLD UNITS**

10,500 units ▼ 38% y.o.y

**REMAINING CHALLENGES**

Slow moving infrastructure  
Funding sources  
Legal procedures

**SOLD RATE**

88% sold out in newly launched projects

**SELLING PRICE**

1,873 USD psm ▲ 20% y.o.y  
Selling price 7% y.o.y, compared with the same basket last year  
Selling price: USD psm (exclude VAT and quote on NSA)



Source: Savills Market Brief - Vietnam 1H2019  
JLL - HCMC Market Outlook 1H2019  
CBRE - Market Outlook HCMC 1H2019

# NOVALAND (NVL) MARKET CAP AND TRADING STATISTICS



## Broker Recommendations

Company	Recommendation	Target (VND)	Date
Ho Chi Minh City Securities Corporation (HSC)	Hold	65.200	13/05/2019
Viet Capital Securities (VCSC)	Hold	62.400	28/05/2019

Source: from VCSC and HSC report

## Key Trading Statistics

Growth Rate	1 month	3 months	6 months	12 months
NVL	(1.0%)	6.8%	(7.2%)	16.9%
VN-Index	-3.03%	-1.61%	2.53%	-2.19%
VNAllshare Real Estate	-0.71%	-4.03%	9.66%	0.10%

Source: Bloomberg, HSX archives

## Novaland Share Price and VN-Index 1H2019 Performance



## Novaland Shares

Date: June 28, 2019

<b>Close price</b>	59,600	<b>Trading Volume</b>	587,910
<b>Change</b>	100	<b>10 days average vol</b>	591,077
<b>Day range</b>	59,800-60,500	<b>Share Outstanding</b>	930,446,677
<b>52 Week range</b>	51,800-74,500	<b>Free-float</b>	32%
<b>1 year return</b>	16.6%	<b>Market Cap (VND bn)</b>	55,454.62
<b>YTD return</b>	-5.9%	<b>Market Cap (USD bn)</b>	2.38



# 5. Q&A SESSION



# THANK YOU

## Contact information

### Investor Relations

Phone: +84 906 35 38 38 Ext. 3126

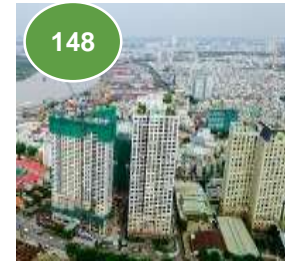
Email: [ir@novaland.com.vn](mailto:ir@novaland.com.vn)



# HANDED OVER PROJECTS IN 1H2019(\*)



Sun Avenue	
■ Location	Dist.2
■ Land area (sqm)	38,073
■ Launch date	1Q15
■ Handover date	3Q18
■ Takeup rate	98.9%
■ ASP (USD)	1,832



Saigon Royal	
■ Location	Dist.4
■ Land area (sqm)	6,669
■ Launch date	2Q16
■ Handover date	4Q18
■ Takeup rate	99.7%
■ ASP (USD)	2,924



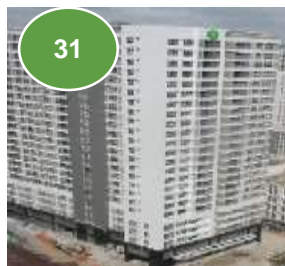
Sunrise Riverside	
■ Location	Nha Be
■ Land area (sqm)	39,305
■ Launch date	3Q15
■ Handover date	3Q18
■ Takeup rate	85.7%
■ ASP (USD)	1,497



Newton Residence	
■ Location	Phu Nhuan Dist.
■ Land area (sqm)	2,807
■ Launch date	2Q16
■ Handover date	4Q18
■ Takeup rate	96.8%
■ ASP (USD)	2,313



Richstar	
■ Location	Tan Phu Dist.
■ Land area (sqm)	27,802
■ Launch date	4Q15
■ Handover date	4Q18
■ Takeup rate	99.8%
■ ASP (USD)	1,319



Orchard Parkview	
■ Location	Phu Nhuan Dist.
■ Land area (sqm)	9,184
■ Launch date	3Q15
■ Handover date	4Q18
■ Takeup rate	99.8%
■ ASP (USD)	1,493

Source: Company information as of June 30<sup>th</sup>, 2019

(\*) refers to the handover for revenue recognition, other projects being handed over in 1H2019: The Tresor, Rivergate Residence, Lakeview City, Wilton,

Golden Mansion, Lucky Palace and Icon 56

# handed over units