

# 4Q 2022 Feb 2023

# EARNINGS PRESENTATION

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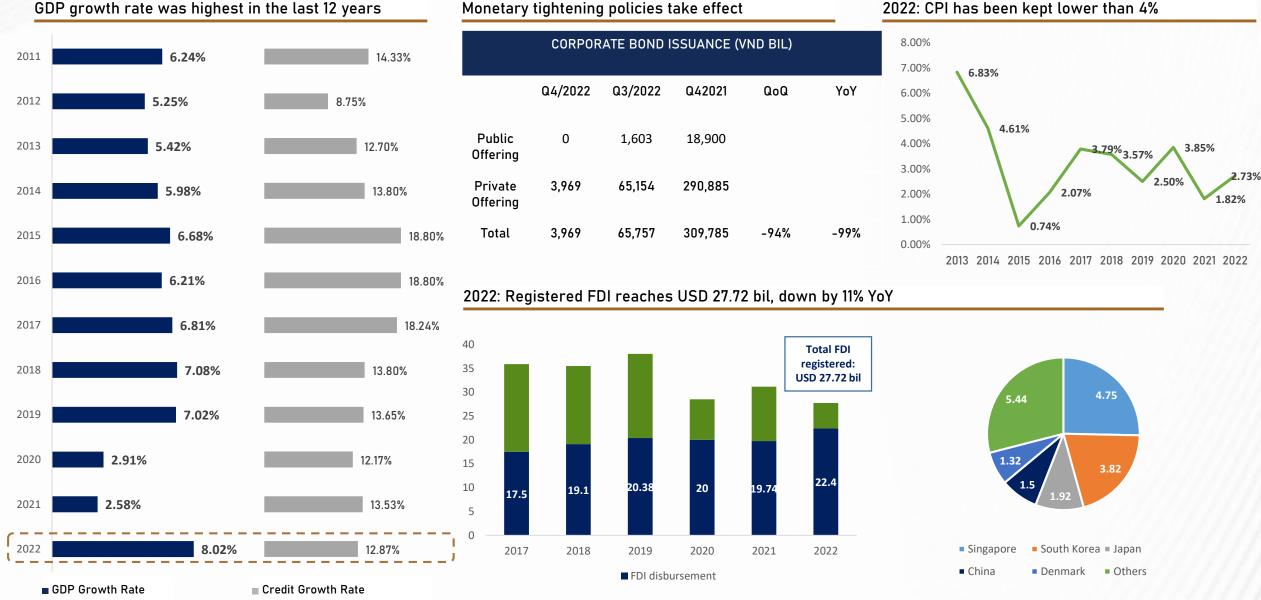
# I. MARKET HIGHLIGHTS II. PROJECT UPDATES III.OPERATIONS IV.FINANCIAL HIGHLIGHTS



## I. MARKET HIGHLIGHTS

### **2022 THE YEAR OF INSTABILITY**

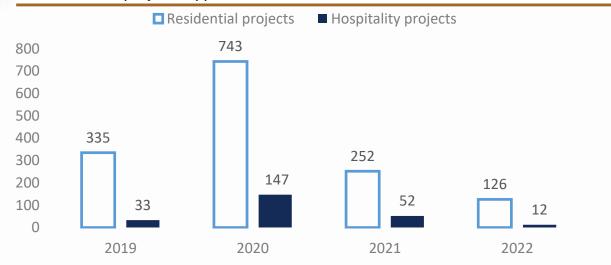




### REAL ESTATE MARKET TRAPPED IN THE POLICIES



The number of projects approved was at historic low nationwide in 2021 and 2022



Public spending lagged behind 2022 plan after historical high disbursement in 2020-2021

Disbursement rate of public investment to budget



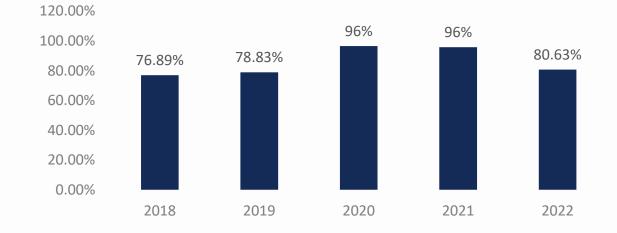
The number of new projects approved in HCMC and nationwide was at historic low in 2022. The legal bottleneck was not fully resolved; yet the Prime Minister (PM) Pham Minh Chinh has established a task force aimed at helping businesses and localities resolve issues troubling real estate projects in Nov 2022. On Feb 3, 2022, on the regular meeting of the Government, the PM urged all ministries to continue finding solutions for real estate issues.



In 2022, the public capital disbursed from the State budget was not in the same level with 2021's and 2020's as the rate of disbursement to plan was only 81%.

Several infrastructure projects were behind schedule despite strong pressure from Central Government.

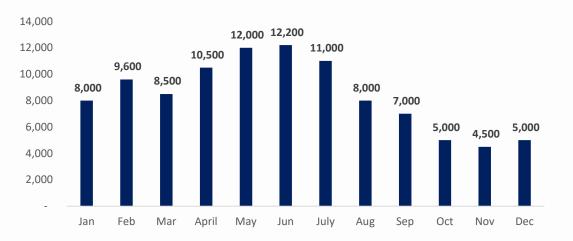
Recently, 3 contractors constructing North-South Expressway System were replaced due to failing to meet construction schedule.



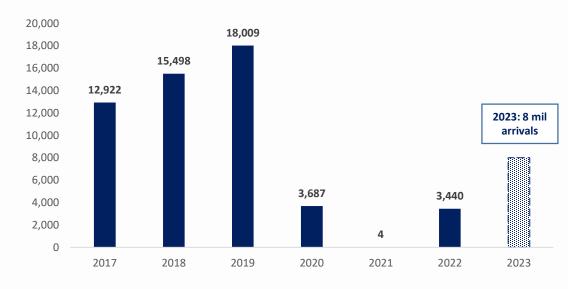
### VIETNAM WELCOMED BOTH DOMESTIC AND INTERNATIONAL ARRIVALS SINCE EARLY 2022



#### Number of domestic passengers in 2022 (thousand)



#### Number of international arrivals y.o.y (thousand)



*Domestic market explodes due to strict requirements regarding COVID-19 in other countries toward international tourists* 



- In 2022, revenue from domestic passengers significantly increases to VND 500 trillion, higher than what it was before the pandemic.
- The international tourist market in 2022 has not been able to recover as expected at the beginning of the year.
- China officially opened its border in January 2023. The tourism market is expected to recover more strongly in 2023.

### HCMC CONDOMINIUM: HIGH-END LED NEW SUPPLY SINCE 2020

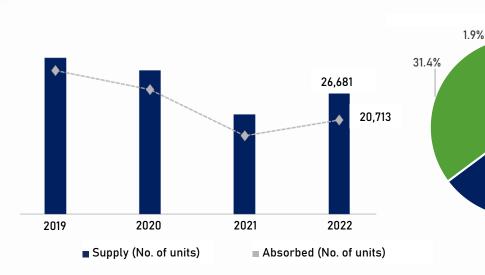
1.2%

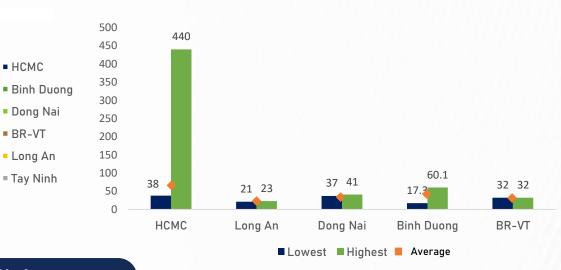
0.7%



74.8% of new supply comes from high-end segment in HCMC

Average price up by 2%-4% compared to last year







### 2022: Highlights

64.8%

#### 26,681 condos opened for sale

- Up 22% compared to 2021, but still low compared to 2019.
- High-end segment dominates the market with 74.8% of total supply in HCMC; most of the projects are from the East.

#### 20,713 sold units

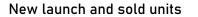
- Low demand in the 2H 2022 due to credit tightening, only 60-65% of new launches are recorded.
- Several developers have proposed flexible payment schemes such as discounts by fast payment to maintain businesses and cash flows.

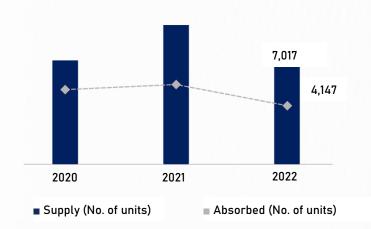
### LOW ABSORPTION RATE IN LANDED PROPERTY

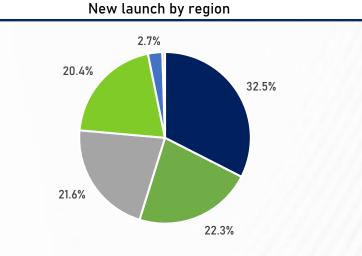


**FROJECTS** • 31 new projects • 24 new phases ABSORPTION RATE 59% SOLD NEW LAUNCH 7,017 UNITS  $( \mathfrak{S} )$ 29% compared to 2021

> NEW SALES 4,147 UNITS 22% compared to 2021







Dong Nai HCMC Long An Binh Duong BR - VT Tay Ninh

### **HOSPITALITY MARKET: SUBTLE VOLUME OF TRANSACTIONS**

32%

29%

20%

37%

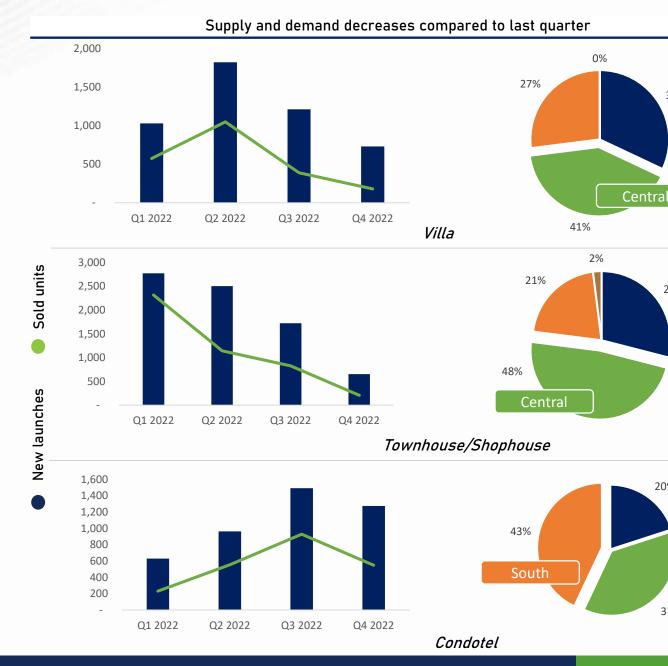
North

Central

South

Highland







### Q4 2022: NOTABLE NEWS AND LEGAL UPDATES





In the last few months of 2022, The PM has directed Ministries and Local Governments to revise and amend several laws and regulations in order to support the real estate corporations in overcoming obstacles and maintaining businesses.

#### Proposal of Amendment of Decree 65

- Allow enterprises to extend the terms and swap issued bonds for 2 more years compared the to previous plan.
- Allow enterprises and bondholders to negotiate on principal and interest payment to a loan and other assets.

#### Adjustment of credit allowance

The State Bank of Vietnam (SBV) has increased the credit allowance by 1.5 - 2%, adding up to VND 200,000 billion to the economy.

#### Decision No. 1435/QD-TTg

Establishing a task force to work with local authorities and real estate companies to remove obstacles for the market.

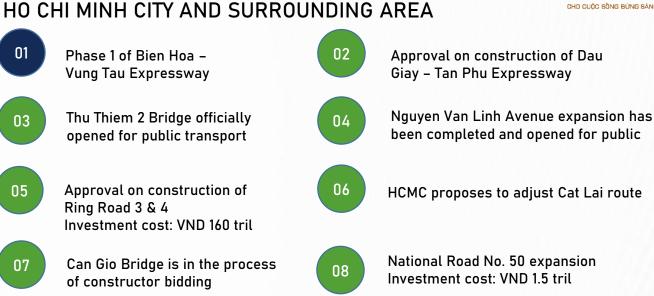
#### New land law 2023

Renewing and improve the quality of master plans and plans on land use; stipulating higher tax rates for users of large land areas; implementation of compulsory registration of LURCs, etc. are new policies of the draft amended Land Law in 2023

### 2022-2023: INFRASTRUCTURE DEVELOPMENTS HIGHLIGHTS







#### **CENTRAL – SOUTH OF VIETNAM: MORE PUBLIC EXPENDITURES**



The Central Government pays strong attention in all on-going infrastructure projects with the aim of finishing 544km of expressway in Mekong Delta Area by 2026.

10 key infrastructure projects to be finished in the short term: (Name | Length | Investment cost | Time of completion)

- Mai Son National Road No. 45: 63km | VND 12,100 bil | 30/06/2023
- Vĩnh Hảo Phan Thiết Express Way: 101km | VND 11,000 bil | 04/2023
- Dầu Giây Phan Thiết Express Way: 99km | 30/04/2023
- National Road No. 45 Nghi Sơn: 43km | VND 5,500 bil | 08/2023
- Diễn Châu Nghi Sơn Express Way: 50km | VND 7,300 bil | 07/2023
- Nha Trang Cam Lâm Express Way: 49km | VND 4,300 bil | 09/2023
- Mỹ Thuận Cần Thơ Express Way: 23km | 12/2023
- My Thuan No. 2 Bridge: 7km | VND 5,000 bil | 12/2023
- Metro Line No. 2 (Hanoi) : 13km | VND 33,000 bil | 2023-2027
- Metro Line No. 1 (HCMC): 20km | VND 43,000 bil | 12/2023

Source: DKRA.



# II. PROJECT UPDATES





	Aqua City	Aqua Riverside City	Aqua Waterfront City
Source: Company information			
Key Metrics	Total NSA: 493,681 sqm Total planned units: 2,113 Launched @74% Take-up @97%	Total NSA: 340,533 sqm Total planned units: 1,856 Launched @83% Take-up @100%	Total NSA: 383,776 sqm Total planned units: 2,701 Launched @78% Take-up @96%
Construction Permits	Done	Done	Done
Infrastructure	1st phase: 100% 2nd phase: A4 (100%), A1a (98%) Road 33, 45, HL2 (100%) Landscape, hardscape of A3, A4 (100%)	1st phase: 100% 2nd phase: Sun Habor 3 (B1a) (98%)	Expected 2Q2023
Completed	Substructure: A1a, A3, A4 (100%), A1b (100%), A2 (70%); Low-rise houses: - River Mansion: 94%, furniture: 42% - Sun Harbor 2 (A1a): 100%; Evergreen 1 (A4): 100% Shopping mall 100%	452 low-rise houses; 01 branch of Marina; Outdoor Sport Area; Security Center; Clubhouse Kayak; Aqua Sport Center	Backfilling; Low-rise houses: - Substructure: 1680/2701 houses - 1-floor: 1545/2701 houses - 2-floor: 1405/2701 houses - 3-floor: 1194/2701 houses - roof: 933/2701 houses
Under Construction	Road Ds1, Ds2; low-rise houses	Low-rise houses (B1b, B2); landscape (B1); wastewater treatment station	Embankment; Arena entertainment complex; Novotel; Clubhouse
Expected handover	From 4Q2020	From 4Q2021	2023





Source: Company information	Aque Marine	Phoenix Island	
Key Metrics	Total NSA: 142,532 sqm Total planned units: 763 Launched @100% Take-up @91%	Total NSA: 1,338,646 sqm Total planned units: 6,351 Launched @71% Take-up @96%	
Construction Permits	Done	1Q2023	
Infrastructure	Expected 4Q2022		
Completed	21 shophouses; PhinDeli; Aqua Marina Square; wastewater treatment station	Land clearance, backfilling	
Under Construction	533 low-rise houses	Background processing; nursery; temp electricity; Bridge No.2 99%	
Expected handover	2023	2023 - 2024	

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### AQUA CITY – THE 2022 BEST PUBLIC INFRASTRUCTURE PROJECT IN VIETNAM





Nov			
	Villas and Clubhouse	Townhouses	Amenities
Source: Company Information			
Key Metrics	Total NSA: 3,286,255 sqm Total planned units: 18,907 Launched @53% Take-up @77%		
Construction Permits	Done	Done	Done
Infrastructure	100%	100%	1 <sup>st</sup> phase: 100% 2 <sup>nd</sup> phase: 70%
Completed	228 villas (149 units handed over), 1.106 units (semidetached, townhouses - 491 units handed over), 5 clubhouses, 22 sample model houses	115 units (109 units handed over)	Restaurants: Saigon Casa, Dynasty House, Au Lac Do, Seorae; Beach Coffee; Circus Land; Ocean golf, Garden golf, CitiGym, NovaWorld Sport Complex (football, tennis, basketball, etc); Admin Center, Iconic, Statues Movenpick Hotel (100%)
Under Construction	2 clubhouses 30%, 981 units 80%, 740 units 35%, 617 units 25%		Novotel Hotel 60%
Expected handover	From 2Q2021	From 1Q2021	From 1Q2021

### NOVAWORLD PHAN THIET - THE NEXT ICONIC TOURIST ATTRACTION





		Ĩ	
	Tropicana	Habana Island	Wonderland
Source: Company information			
Key Metrics	Total NSA: 389,805 sqm Total planned units: 1,943 Launched @100% Take-up @77%	Total NSA: 89,268 sqm Total planned units: 394 Launched @50% Take-up @84%	Total NSA: 36,839 sqm Total planned units: 271 Launched @100% Take-up @73%
Construction Permits	Done	Partially	Done
Infrastructure	100%	100% for sample model houses	100% for all area
Completed	142 seaside villas; 57 seaside shophouses; 59 hillside shophouses; 24 sample model lagoon villas; Welcome Center; Kid & Gym; seaside road; The Shark restaurant; Lake coffee; Tropicana Park; BOH	13 sample model houses (12 villas + 1 mansion), 46	64 shophouses, 36 villas, Welcome Center, Square, Castle Hotel Pool
Under Construction	M-Gallery Babylon Hotel (80%), 1 Clubhouse (75%); Kid and Organic farm (75%)	99 villas - medium mansions - boutique hotels - Clubhouse (40%), Marina Square, Grand Mecure Hotel (14 <sup>th</sup> floor)	106 villas (93%), 34 shophouses (93%), 14 boutique hotels (93%), Movenpick Hotel (12 <sup>th</sup> floor), Clubhouse
Expected handover	From 2Q2021	From 1Q2024	From 3Q2022

No			
	Happy Beach	Morito	Binh Chau Onsen
Source: Company information			
Key Metrics	Total NSA: 48,830 sqm Total planned units: 332 Launched @100% Take-up @88%	Total NSA: 34,813 sqm Total planned units: 227 Launched @66% Take-up @73%	Total NSA: 1,105,720 sqm Total planned units: 2,218 Launched @23% Take-up @77%
Construction Permits	Partially	Done	2Q2023
Infrastructure	100% for sample houses and seaside area	100% for sample houses and seaside area Backfilling (85%)	Under construction
Completed	Embankment, seaside road, Entrance Gate, park, sample model houses (9 townhouses and 18 shophouses), 70 units and hardscope (99%), wastewater treatment station (97%)	Sample model houses (6 townhouses, 17 shophouses) and landscape, embankment, seaside road, Center park	Backfilling for mock area
Under Construction	233 units (80%); Clubhouse (85%)	Sample model houses (50%), clubhouse (80%)	27 sample shophouses, FEC, infrastructure for safari
Expected handover	From 3Q2023	From 3Q2023	From 1Q2024

### PROPERTY HANDOVER AT NOVAWORLD HO TRAM













Source: Company Information, NovaWorld Ho Tram

# **III. OPERATIONS**



### Q4 2022: HIGHLIGHTS



#### RESTRUCTURE FOR SUSTAINABLE DEVELOPMENT

At the end of 2022, with all efforts and determination to overcome obstacles. Novaland has been restructuring to ensure the stability in business performances. The Board of Directors of the Group have drastically come up with strong solutions: reducing nonactivities. working with core professionals and reputable advisors to assess the overall organization and deploy comprehensive restructure solutions with the hope of recovery in the next 2-3 years.



#### MR. BUI THANH NHON RETURNS TO NOVALAND AS CHAIRMAN

On February 3rd, 2023, Novaland announced its BOD Resolution No. 05/2023-NQ.HĐQT-NVLG regarding to the election of Mr. Bui Thanh Nhon as Chairman. The Company at present maintains its focus on the comprehensive restructure and reinforcement of its human capital with extensive experience and expertise.

The return of Mr. Bui Thanh Nhon as Chairman of Novaland is considered as one of the major steps in the restructuring frameworks to help the Company overcome difficult time.



### SUPPORTED THE COMMUNITY WITH SERIES OF CSR ACTIVITIES





#### SEVERAL HOUSES HAS BEEN GIVEN TO HOUSEHOLDS WITH DIFFICULTIES

*On 30 December, Novaland's representatives visited and presented 06 houses of affection to disadvantaged households in Cai Lay and Cai Be District, Tien Giang province through the Fund for the Poor. Previously, on 21 December, Novaland along with other corporations also donated 11 houses of affection to disadvantaged households with meritorious services to the revolution in Xuan Loc District, Dong Nai province.* 



#### And many other meaningful CSR activities



15/10: CONSTRUCTION SPONSORSHIP FOR 114 COMPASSION HOUSES



8/10: DONATION TO PEOPLE WITH DIFFICULTIES



2/10: MULTI-FUNCTIONAL LIFE JACKET GIVEAWAY TO FISHERMEN

### HONORABLE AWARDS



#### NVLG: BEST PUBLIC INFRASTRUCTURE FOR AQUA CITY

On November 2, Aqua City was honored to receive the award "Best public Infrastructure – Vietnam Outstanding Property Awards 2022" organized by Nhip Cau Dau Tu Magazine.







NVLG: TOP 10 EXCELLENT GROWTH BRANDS 2022 On October 12, Novaland was listed in the "Top 10 Excellent Growth Brands 2022" at the Honoring ceremony of program "Vietnamese Excellent Brand Awards 2022". This is an annual event officially held by VnEconomy and Vietnam Economic Times.



#### NVLG RECOGNIZED AS NATIONAL BRAND

In Q4 2022, Novaland Group was honored to be recognized as Vietnam's National Brand in Value Program organized by the Ministry of Industry and Trade. Only 172 business with their 325 products were honored in the ceremony,

# IV. FINANCIAL HIGHLIGHTS



### **KEY HIGHLIGHTS**



### **Business Performance**

(USD m)	FY2022	FY2021	Y-o-Y Change
Net Revenue	536	672	-20%
Gross Profit	249	301	-17%
Gross Profit Margin	46%	45%	+2%
NPAT	97	146	-34%

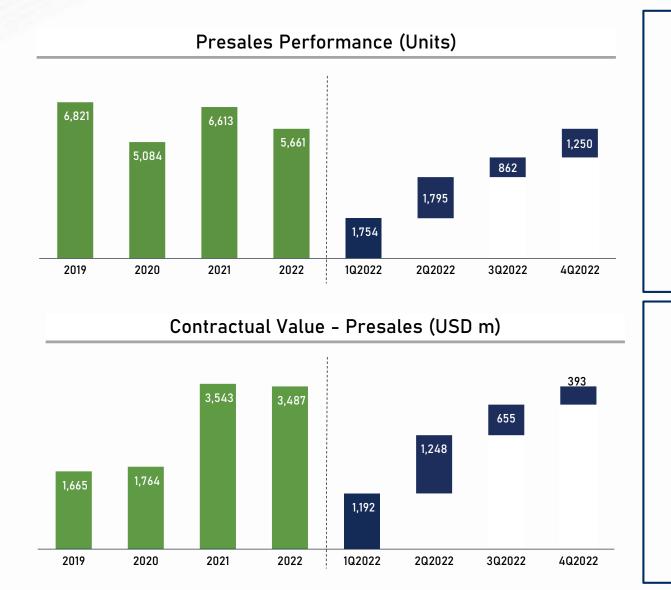
### **Presales Performance**

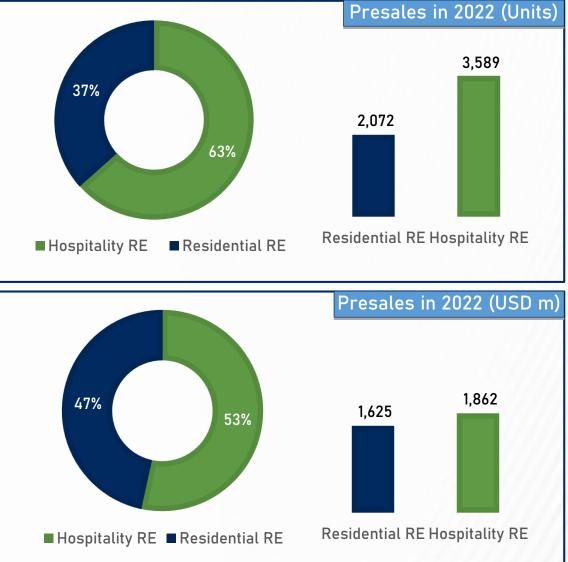


Source: Company Information, as at 31 Dec 2022. USD/VND: 23,620. Net revenue, Gross profit, EBITDA from sales of goods, rendering of services, and project transfer.

### **SLOW DOWN IN SELLING ACTIVITIES IN 2H2022**



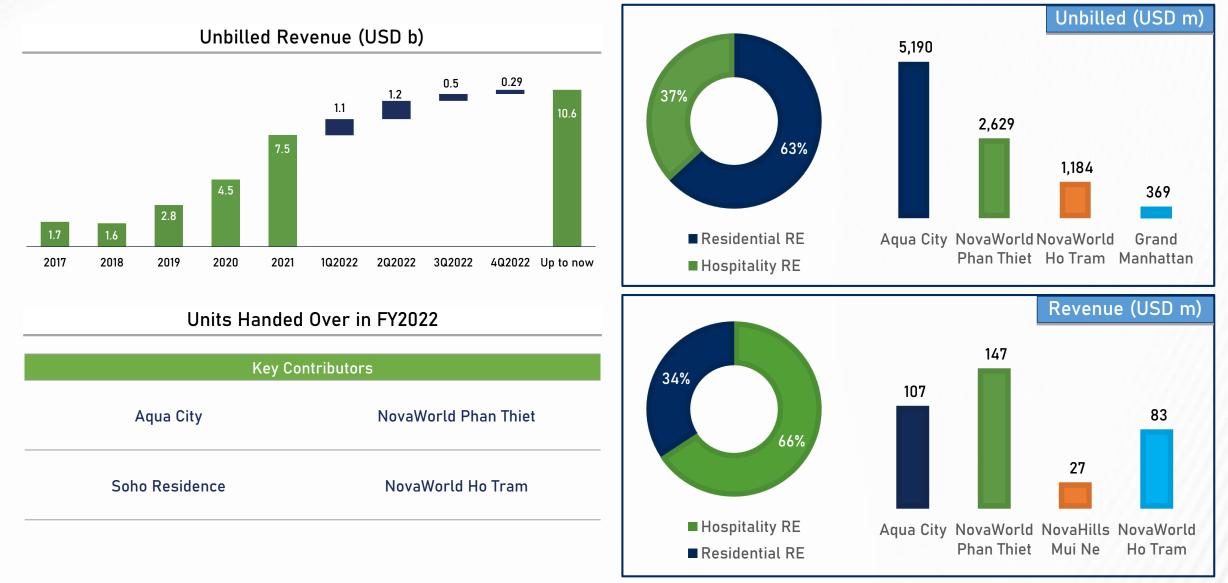




Source: Company Information, as at 31 Dec 2022. USD/VND: 23,620.

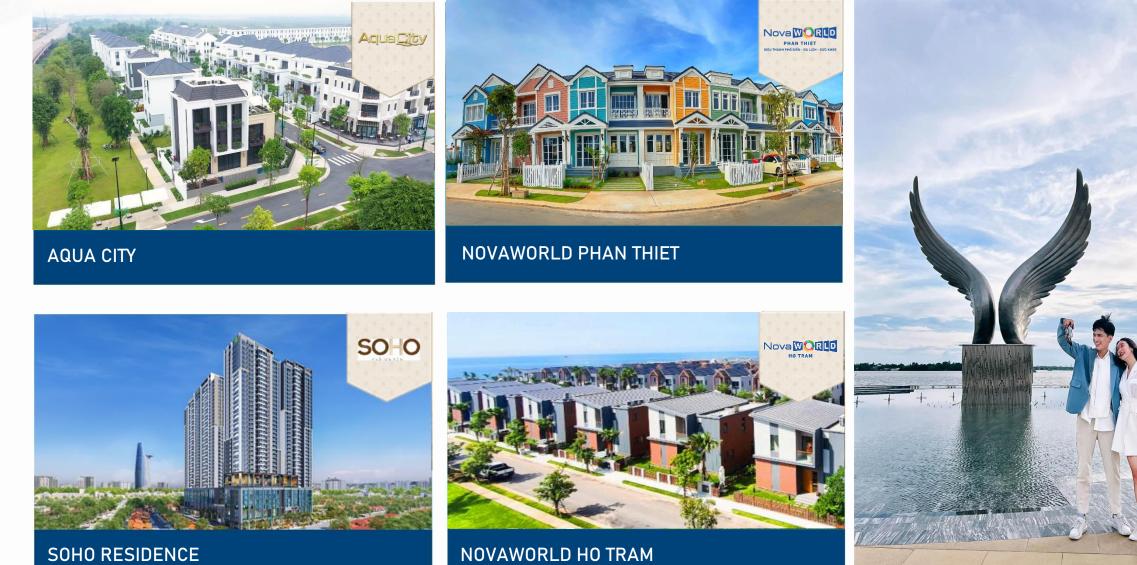
### **UNBILLED REVENUE REACHED USD 10.6 BILLION**





### HANDED-OVER PROJECTS IN FY2022





#### SOHO RESIDENCE

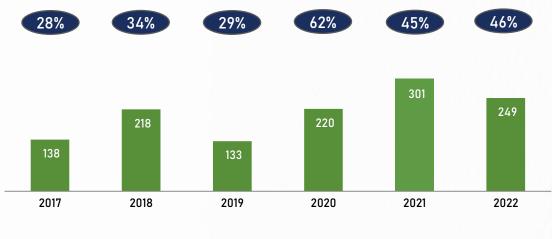
### FINANCIAL HIGHLIGHTS





Net Revenue (USD m); CAGR 2018 – 2022: -5%

Gross Profit (USD m); CAGR 2018 - 2022: 3%



EBITDA (USD m); CAGR 2018 - 2022: 12%

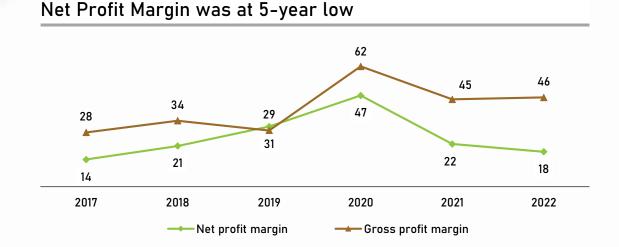


Margin ratio

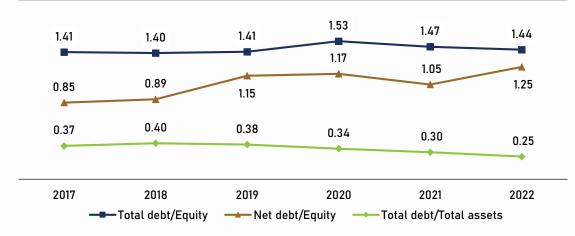
Source: Company Information, as at 31 Dec 2022. USD/VND: 23,620. Net revenue, Gross profit, EBITDA from sales of goods, rendering of services, and project transfer.

### **KEY CREDIT METRICS**

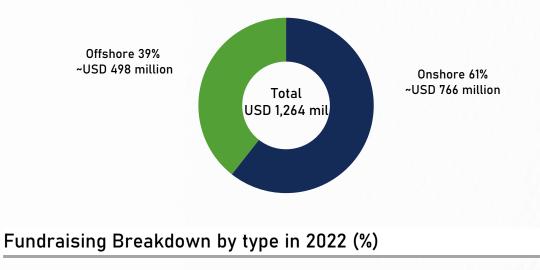


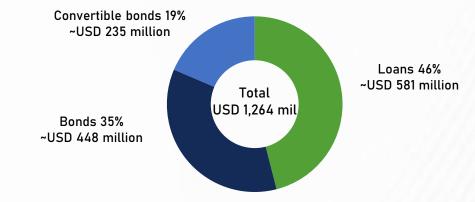


#### Net debt/Equity increased due to cash disbursement to lenders



Fundraising Breakdown by source in 2022 (%)

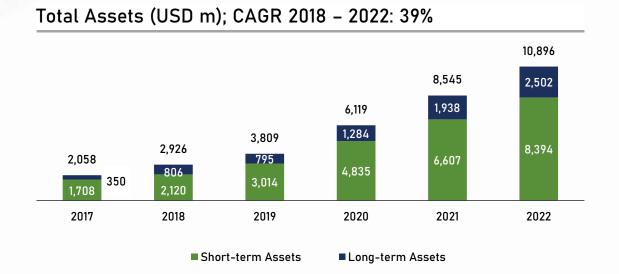




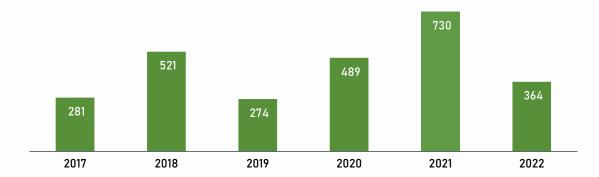
Source: Company Information, as at 31 Dec 2022. USD/VND: 23,620. Net revenue, Gross profit, EBIT from sales of goods, rendering of services, and project transfer. Note: Adjusted EBIT = EBIT + Financial Income

### **BALANCE SHEET SNAPSHOT**

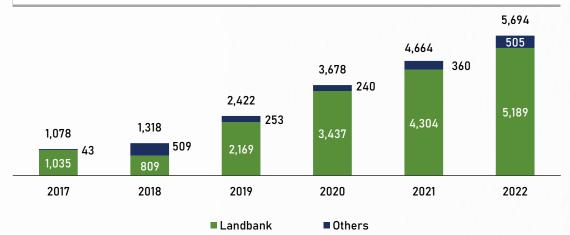




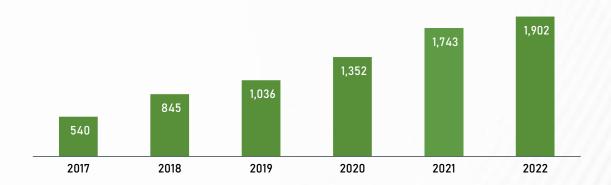
#### Cash & Cash Equivalents (USD m); CAGR 2018 – 2022: -9%



Inventories (USD m); CAGR 2018 - 2022: 44%



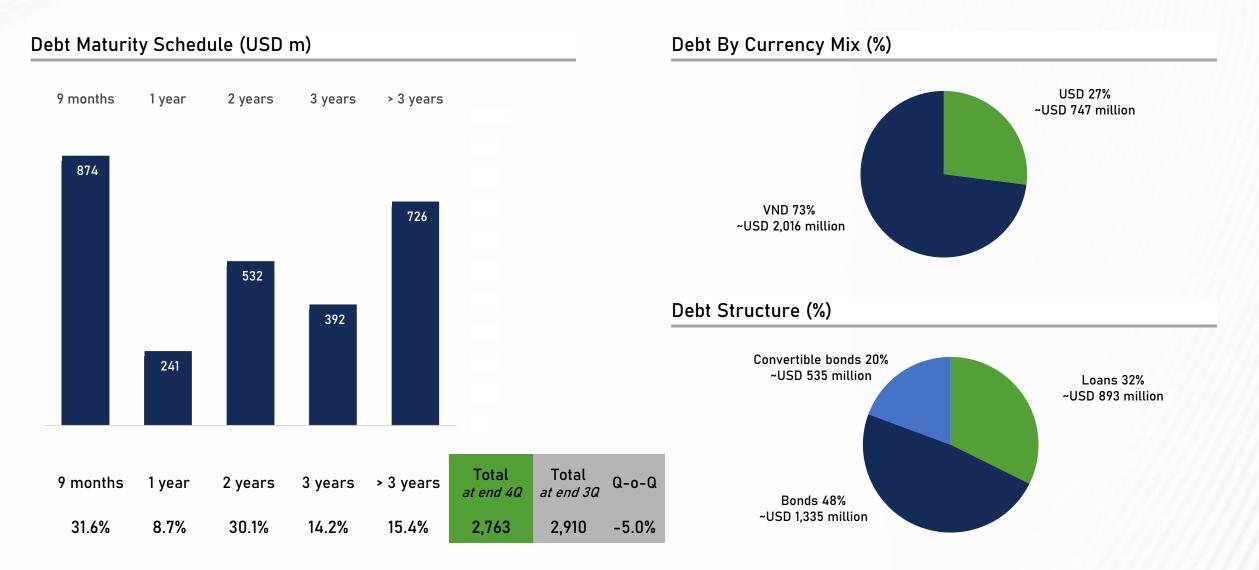
#### Owner's Equity (USD m); CAGR 2018 – 2022: 22%



Source: Company Information, as at 31 Dec 2022. USD/VND: 23,620.

### **DEBT PROFILE**







# THANK YOU!