

Novaland Investment Group Corporation Reports Second Quarter 2019 Financial Results

Ho Chi Minh City, July 30th, 2019 – Novaland Investment Group Corporation (HSX: **NVL**) (“Novaland” or the “Company”) announced today its consolidated financial results for the second quarter of 2019 (“Q2/2019”). As at June 30th, 2019, the Company recognized positive accumulated net revenues compared to 1H2018. The net revenue in Q2/2019 reached VND 3,135 billion, increased by 32% compared to Q2/2018, accumulated net revenue in 1H2019 achieved VND 8,045 billion, significantly increased by 88% compared to 1H2018. Accumulated net profit after tax (NPAT) in 1H2019 increased by 6% compared to 1H2018, reached VND 792 billion. Total asset as at June 30th, 2019 amounted to VND 74,793 billion, increased by 7% compared to December 31st, 2018.

Highlights

- **Revenues:** As at June 30th, 2019, accumulated net revenue from sales of goods and rendering of services reached VND 8,045 billion, increased by 88% compared to 1H2018, achieved 45% of 2019 revenue target. In the first 6 months of 2019, the Company handed over a total of 2,936 units from existing projects, increased by 1,906 units (approximately 185%) compared to 1H2018, of which the majority was attributed to the projects of The Sun Avenue, Sunrise Riverside, Richstar, Saigon Royal, Newton Residence and Orchard Parkview. In particular, the Sun Avenue and Sunrise Riverside accounted for 44% and 36% in total handover units, respectively. The Company is on track to complete revenues plan in the remaining quarters of 2019 timely.
- **Gross Profit:** compared to 1H2018, accumulated gross profit as at June 30th, 2019, drastically increased by 53% to VND 2,163 billion. Percentage increase in gross profit is not as prominent as percentage increase in accumulated net revenues mainly because of the gross profit in Q2/2019 came from projects that have lower gross profit rates compared to the ones we recognized revenues in the same timeframe of 2018.
- **Expenses for financial activities:** in Q2/2019, increased by 65%, to VND 745 billion, compared to Q2/2018. In specific, interest expense dropped by 28%, to VND 91 billion.
- **General and administration expenses:** increased to VND 316 billion, by 18% and 70% higher compared to Q1/2019 and Q2/2018, respectively, mainly due to increase in goodwill.
- **Net profit after tax (NPAT):** as at June 30th, 2019, the Company’s NPAT reached VND 792 billion, increased by VND 47 billion (approximately 6%) in comparison to 1H2018. In Q2/2019, NPAT achieved VND 510 billion, increased by 1.8 times Q.o.Q.
- **Total assets:** The Company’s total assets as of June 30th, 2019 amounted to VND 74,793 billion, increased by 7% compared to December 31st, 2018. In specific, current assets increased by 12%, reached VND 56,907 billion while non-current assets decreased by 6%, to VND 17,885 billion. Current assets and non-current assets accounted for 76% and 24% of total assets, respectively.
- **Cash and cash equivalent:** as at June 30th, 2019, cash and cash equivalent were recorded at VND 7,326 billion, decreased approximately by VND 5,001 billion in comparison to December 31st, 2018, mainly because investments in the Company’s subsidiary companies.
- **Short-term financial investment:** reached VND 397 billion, increased by VND 302 billion, approximately 4.2 times higher than as at December 31st, 2018, mainly due to the increase of deposits maturity at banks from 6 months to 1 year.
- **Short-term receivables:** achieved VND 6,557 billion, increased by 41% compared to December 31st, 2018, of which short-term trade receivable was VND 1,020 billion, increased by 34%, mainly because the remaining short-term receivables of other projects were already collected; other short-term receivables recorded at VND 4,022 billion, increased by VND 2,037 billion (approximately 103%), mainly because the increase in the Company’s deposits and advanced payments for M&A transactions.

- **Inventories:** compared to December 31st, 2018, inventories increased by 27% to VND 41,646 billion, which was due to the consolidation of Grand Manhattan, Aqua City, and other hospitality projects. Other than that, significant handovers from the Sun Avenue and Sunrise Riverside decreased a portion of inventories.
- **Long-term investments:** compared to December 31st, 2018, decreased by 25% to VND 5,688 billion, mainly because the Group increased its ownership in associates and changed the investments in associates to subsidiaries.
- **Liabilities:** recorded at VND 52,595 VND, increased by 6% compared to December 31st, 2018, of which, short-term liabilities dropped 19% to VND 22,772 billion and long-term liabilities increased by 39% to VND 29,823 billion. Short-term liabilities decreased thanks to short-term advances from customers, of which achieved VND 2,682 billion, which was 66% lower in comparison to December 31st, 2018, mainly because the transfer of revenue of projects, tax and payable to the state also decreased by 57% to VND 239 billion.
- **Other short-term and long-term payables:** short-term payables recorded at VND 6,180 billion and long-term payables recorded at VND 6,953 billion, increased by 2.3 and 2.8, respectively, compared to December 31st, 2018, majority contributed by the capital contribution for project development and investment cooperation from third parties. The Group is obliged to refund this amount in full to counter parties at the end of the projects.
- **Long-term and short-term borrowings and finance leases liabilities:** total debt amount remained at a relatively similar level compared to December 31, 2018, recorded at VND 27,840 billion. In particular, short-term loans decreased by VND 2,442 billion to VND 9,204 billion, accounting for 33% of the debt structure. On the other hand, long-term debt increased by VND 2,374 billion to VND 18,636 billion mainly due to new loans and a part of short-term loans were converted to long-term loans.

Recent developments

- **Novaland EXPO 2019:** attracted more than 12,000 investors within 3 days from the 13th to the 16th of June, 2019, to present thousands of residential and hospitality projects, of which represent Novaland's focus on HCMC Residential; Satellite Urban Areas; and Residential in Tourism Destinations for the company's second phase development state.
- **New projects:** successfully launched Novaworld Phan Thiet, Novaworld Ho Tram, of which designs' following an integrated resort complex model, offering townhouses, villas, golf courses, theme park and other high-end tourism facilities. Other than that, Novaland introduced the first satellite urban area project, Aqua City, which attracted the attention of both investors and buyers thanks to its outstanding ecological features.
- **Top 50 best performing companies:** Novaland Group has been 3 times continuously honored in the Top 50 best performing companies in Vietnam by Thien Viet Securities Company and jointly voted by the Investment Bridge Magazine. At the reward ceremony event, Novaland was one of the two real estate developers recognized as 17 companies with market capitalization of over US \$ 1 billion.

Novaland Group – Corporate Information

Novaland Group is the leading and reputable real estate developer in the property investment and development industry in Vietnam. Over a quarter century of establishment and development, Novaland currently has been developing more than 40 real estates, with a diverse range of products both being implemented and in operation, including: apartments, villas, shop house, office-tel, urban areas...; scalable land banks at prime locations in Ho Chi Minh City and surrounding provinces; and more than 5 tourism real estate projects in major provinces.

According to the Group's development strategy for the period of 2019 - 2023, Novaland continues to implement Phase 2 – focusing on the core business of real estate in mid to high segment,



including real estates in central of Ho Chi Minh City, satellite urban areas and hospitality real estates.

With the focused and clear business strategy, stable land bank, solid financial structure, sophisticated risk management framework, the attitude of respecting the law, Novaland will always strive to contribute to the society. At the same time, the Novaland workforce is committed to the company's core value: **Integrity – Efficiency – Professionalism**, thus, in the next 5 years, Novaland will develop outstandingly and stably. Novaland firmly believes that the mission of **“Creating Community – Building Destinations – Cultivating Happiness”** will surely bring valuable products to the society. Therefore, the society will recognize Novaland as a national and reputable brand in accordance with international standards, always actively contributing to the overall national development.

Novaland Group was first listed on Ho Chi Minh Stock Exchange (HOSE: NVL) in December 2016. As at 30 June, 2019, Novaland's total market capitalization is approx. USD2.6 billion.

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