



VHM Update - OUTPERFORM

May 21, 2025



Ms. Truc Pham

(+84 28) 7300 7000 (x1043)
trucptt@acbs.com.vn

Company Update

Recommendation **OUTPERFORM**
 HSX: VHM

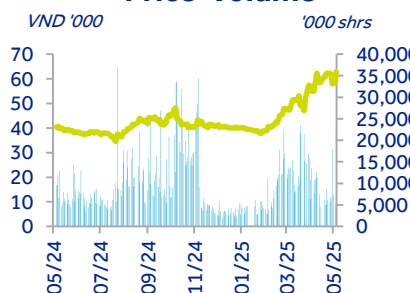
Target price (VND)	69,700
Market price (VND)	62,900
Expected share price return	10.8%
Expected dividend yield	0.0%
Expected total return	10.8%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	67.3	14.4	55.1	55.5
Relative	61.6	6.0	52.9	50.4

Source: Bloomberg

Price-Volume



Ownership

Vingroup 73.50%

Stock Statistics 20-May-25

Bloomberg code VHM VN

52-week range (VND)	34,000 - 67,300
Shares O/S (m)	4,107
Mkt cap (VND bn)	274,786
Mkt cap (USD m)	10,512
Est. Foreign room left (%)	38.3
Est. free float (%)	26.5
3m avg daily vol (shrs)	11,046,760
VND/USD	26,140
Index: VNIndex / HNX	1331.04/217.89

VINHOMES JSC (VHM VN)

Strong growth in 1Q2025 thanks to deliveries at Ocean Park 2, Ocean Park 3, Royal Island and fee income from sales consulting services provided for Global Gate. Revise up 2025 NPAT forecast by 15% given the adding of Green City project, higher estimated revenue from sales consulting and other services and higher profit shared from BCC projects. Adjust YE2025 target price up by 50% to VND69,700/share as we add new projects such as Green City, Golden City and accelerate development of Green Paradise, Apollo City, etc. Reiterate our Outperform rating for this stock.

VHM posted a strong 1Q2025 result with revenue of VND15,698 bn (+91% YoY) and PAT of VND2,652 bn (+193% YoY), completing 6% of its profit target. Growth in the top line mainly came from deliveries at Ocean Park 2 (VND4.4 trn) and Ocean Park 3 (VND1.8 trn) and fee income from sales consulting services provided for Vinhomes Global Gate and other activities (VND4.9 trn). Profit shared from BCC projects (mainly from Royal Island project) also jumped by over 7 times YoY, to VND1,408 bn. Adjusted revenue (added bulk sales and BCC projects) was VND19,300 bn (+124% YoY), completing 11% of target. Gross margin in 1Q2025 was recorded at 32.9%, much higher than 21.6% in 1Q2024 mainly thanks to an increase in gross margin of sales consulting and other services from 35.9% to 57.2%.

VHM set a very ambitious 2025 sales value target of VND150-200 trn which is 44-92% higher than 2024 result as it expects to **launch 8 new projects** across the nation (please see Table 2). **Sales value in 1Q2025 grew by 116% YoY, to VND35 trn mainly thanks to the launch of Wonder City** in March which accounted for about 80% of total sales value. This project is in Dan Phuong, Hanoi which includes 2,250 low-rise units and 600 high-rise units, of which around 540 low-rise units (retail sales) and 600 high-rise units (bulk sales) were sold. We forecast 2025 sales value at VND150 bn (+44% YoY) mainly from Wonder City, Green City, Golden City, Green Paradise and Apollo City. Unbilled sales at the end of 1Q2025 were VND120 trn (+7% YoY), of which Wonder City accounted for 28% and Royal Island for 26%.

Leverage ratios and interest expenses increased in 1Q2025. Total debts increased by VND6,658 bn, to VND87,950 bn and Net debt/Equity ratio increased from 21.3% to 28.3% during the quarter. Financial expense rose by 182% YoY, to VND3,860 bn in 1Q2025 because of higher debt balance and higher average cost of debt (10.8% in 1Q2025 vs 10.5% in 2024).

	2022	2023	2024	2025F	2026F
Net Sales (VNDbn)	62,393	103,557	102,323	89,923	108,845
Growth	-26.6%	66.0%	-1.2%	-12.1%	21.0%
EBITDA (VNDbn)	26,837	29,387	26,383	29,023	38,291
Growth	-38.3%	9.5%	-10.2%	10.0%	31.9%
PATMI (VNDbn)	28,831	33,371	31,801	35,213	44,905
Growth	-25.7%	15.7%	-4.7%	10.7%	27.5%
EPS (bonus-adjusted, VND)	6,621	7,664	7,348	8,573	10,933
Growth	-26.6%	15.8%	-4.1%	16.7%	27.5%
ROE	21.4%	20.6%	16.7%	16.1%	17.7%
ROIC	9.5%	7.6%	6.5%	6.8%	7.9%
Net debt/EBITDA (times)	0.7	1.3	1.8	1.7	1.7
EV/EBITDA (times)	12.0	10.9	12.2	11.1	8.4
PER (times)	9.5	8.2	8.6	7.3	5.8
PBR (times)	1.9	1.5	1.3	1.1	0.9
DPS (VND)	-	-	-	-	-
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%

We adjusted 2025 revenue forecast up by 22% to VND89,923 bn (-12% YoY) and NPAT by 15% to VND38,835 bn (+11% YoY) given the adding of Green City project, higher estimated revenue from sales consulting and other services and higher profit shared from BCC projects. **We also adjusted YE2025 target price up by 50% to VND69,700/share as we add new projects such as Green City, Golden City and accelerate the development of Green Paradise, Apollo City, etc. Reiterate our Outperform rating for this stock.**

Table 1: 1Q2025 business results

Unit: VND bn	1Q2024	1Q2025	YoY Change	2025 Plan	% Completion
Contracted sales	16,200	35,000	116%	150,000-200,000	18-23%
Total revenue	8,211	15,698	91%		
Of which: Property sales	4,085	7,200	76%		
Construction revenue	2,402	2,287	-5%		
Other revenue	1,725	6,211	260%		
Adjusted revenue	8,600	19,300	124%	180,000	11%
Gross profit	1,774	5,158	191%		
Profit shared from BCC projects	195	1,408	623%		
Financial income	1,956	4,640	137%		
Financial expenses	1,369	3,860	182%		
NPAT	904	2,652	193%	42,000	6%

Note: Adjusted revenue adds bulk sales transaction and BCC projects

Sources: VHM and ACBS

Table 2: New projects to be launched from 2025 onward

No.	Project	Location	Area (ha)	Registered developer	VHM's effective economic benefit	Progress
Projects expected to be launched in 2025						
1	Vinhomes Wonder City	Hanoi	134.0	VIC	100%	Launched in March 2025
2	Vinhomes Quang Hanh	Quang Ninh	167.1	VIC	99%	Under legal procedures
3	Vinhomes Green City	Long An	197.2	VHM*	67%	Received 1/500 Plan. Groundbreaking in March 2025.
4	Vinhomes Golden City	Hai Phong	240.6	VHM	100%	Had land use fee decision.
5	Vinhomes My Lam	Tuyen Quang	455.4	VHM*	66%	Approval of the project developer
6	Vinhomes Lang Van	Da Nang	512.2	VPL	100%	AIP and 1/500 plan approval.
7	Vinhomes Green Paradise	HCMC	2870.0	VHM*	100%	Received 1/500 Plan. Groundbreaking in April 2025.
8	Vinhomes Apollo City	Quang Ninh	5,540.3	VHM-VIC	70%	Had AIP, investment license and 1/500 Plan for Ha Long subdivision. Complete land clearance for the Ha Long subdivision.
Projects expected to be launched from 2026 onward						
9	Bac Giang 70 ha	Bac Giang	66.1	VIC	99%	Under legal procedures
10	HCMC project	HCMC	200.0	VHM*	100%	Under legal procedures
11	Intl. University Township	HCMC	863.6	VHM*	97%	Under land clearance
12	Tan My	Long An	930.9	VHM*	76%	Finalizing land clearance. Had AIP and investment license
13	Phuoc Vinh Tay	Long An	1,089.6	VHM-VIG	100%	AIP and approval of the project developer. Under compensation process
14	Cam Ranh	Khanh Hoa	1,301.8	VHM* - VinES	100%	1/500 plan approval, AIP and approval of the project developer.

Sources: VHM and ACBS

AIP: Approval of investment in principle.

VHM*: indirect ownership via subsidiaries

Table 3: Valuation

	Previous valuation (VND bn)	New valuation (VND bn)	Comment
Vinhomes Royal Island	7,236	7,575	Accelerate development
Vinhomes Wonder City	27,660	45,692	Accelerate development
Vinhomes Green Paradise	30,194	55,442	Accelerate development
Vinhomes Apollo City	39,078	55,430	Accelerate development
Vinhomes Lang Van	11,036	12,335	Accelerate development
Vinhomes Green City	-	11,726	Add new project
Vinhomes Golden City	-	14,621	Add new project
Vinhomes My Lam	-	4,413	Add new project
Vinhomes Long Phuoc social houses	-	7,005	Add new project
Other projects	91,807	92,009	
Total projects	207,012	306,248	
Other assets	62,996	61,160	Book value
Total assets	270,008	367,409	
Net debt	49,031	63,110	Book value
Minority interest	18,362	18,071	Book value
NAV	202,615	286,227	
NAV per share (VND)	46,531	69,685	

VHM FINANCIALS MODEL	Market price (VND):	62,900	Target (VND):	69,700	Mkt cap (VNDbn):	258,356
(VNDbn except where stated)	2022	2023	2024	2025F	2026F	
Total Net Sales	62,393	103,557	102,323	89,923	108,845	
<i>Sales growth</i>	-26.6%	66.0%	-1.2%	-12.1%	21.0%	
CoGS ex-dep'n	30,480	66,414	67,555	53,532	61,635	
Gross profit	30,696	35,707	32,967	34,411	45,031	
<i>Gross margin</i>	49.2%	34.5%	32.2%	38.3%	41.4%	
SG&A	5,076	7,756	8,384	7,368	8,919	
<i>SG&A as % of sales</i>	8.1%	7.5%	8.2%	8.2%	8.2%	
EBITDA	26,837	29,387	26,383	29,023	38,291	
<i>EBITDA margin</i>	43.0%	28.4%	25.8%	32.3%	35.2%	
Depreciation	1217	1436	1800	1981	2179	
Operating profit	25,621	27,951	24,583	27,042	36,112	
<i>Operating profit margin</i>	41.1%	27.0%	24.0%	30.1%	33.2%	
Profit/loss from associates and JVs	56	11	3	3	3	
Financial income (excl. saving interest)	13,870	13,545	20,186	29,725	34,298	
Financial expenses (excl. interest expense)	2,319	817	2,898	2,363	2,363	
Net interest expense	-745	-3,356	931	5,863	6,144	
Other profit	670	-735	-95	0	0	
Tax	9,481	9,777	5,775	9,709	12,381	
<i>Effective tax rate (%)</i>	24.5%	22.6%	14.1%	20.0%	20.0%	
PAT	29,162	33,533	35,073	38,835	49,525	
Minority interest	331	161	3,271	3,622	4,619	
PATMI	28,831	33,371	31,801	35,213	44,905	
<i>Net profit margin (%)</i>	46.2%	32.2%	31.1%	39.2%	41.3%	
Cash earnings	30,047	34,808	33,602	37,193	47,084	
Number of shares (m)	4,354	4,354	4,107	4,107	4,107	
EPS (VND)	6,621	7,664	7,348	8,573	10,933	
Bonus factor (x)	1.0	1.0	1.0	1.0	1.0	
Adjusted EPS (VND)	6,621	7,664	7,348	8,573	10,933	
<i>EPS growth (%)</i>	-26.6%	15.8%	-4.1%	16.7%	27.5%	

KEY CASHFLOW AND BS ITEMS	2022	2023	2024	2025F	2026F
Increase in working capital	-3,040	7,266	-16,559	5,668	28,332
Capex	18,251	7,213	8,175	7,694	7,694
Other cash flow items	-14,232	-39,987	-39,291	-26,495	-26,495
Free cash flow	604	-19,659	2,695	-2,665	-15,438
Share issues (m)	0	6	-10,463	0	0
Dividends paid	9,384	0	605	0	0
Increase in net debt	8,779	19,654	8,374	2,665	15,438
Net debt, end of year	19,093	38,746	47,120	49,785	65,223
Shareholders' equity	148,522	182,636	220,744	255,957	300,862
BVPS (VND)	33,349	41,177	49,334	56,979	66,727
Net debt / equity (%)	12.9%	21.2%	21.3%	19.5%	21.7%
Net debt / EBITDA (x)	0.7	1.3	1.8	1.7	1.7
Total assets	361,813	444,631	564,209	602,087	662,430

KEY RETURN AND VALUATION RATIOS	2022	2023	2024	2025F	2026F
ROE	21.4%	20.6%	16.7%	16.1%	17.7%
ROA	9.9%	8.3%	6.4%	6.3%	7.4%
ROIC	9.5%	7.6%	6.5%	6.8%	7.9%
WACC	13.8%	12.1%	13.7%	14.8%	14.8%
EVA	-4.2%	-4.5%	-7.2%	-8.0%	-6.9%
PER (x)	9.5	8.2	8.6	7.3	5.8
EV/EBITDA (x)	12.0	10.9	12.2	11.1	8.4
EV/FCF (x)	531.8	-16.4	119.3	-120.6	-20.8
PBR (x)	1.9	1.5	1.3	1.1	0.9
PSR (x)	4.1	2.5	2.5	2.9	2.4
EV/sales (x)	5.2	3.1	3.1	3.6	3.0
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%

CONTACTS

Ho Chi Minh City Head Office

117 Nguyen Dinh Chieu, Dist. 3, Ho Chi Minh City
Tel: (+84 28) 7300 7000
Fax: (+84 28) 7300 3751

Hanoi Office

10 Phan Chu Trinh, Hoan Kiem Dist., Ha Noi
Tel: (+84 4) 3942 9395
Fax: (+84 4)3942 9407

RESEARCH DEPARTMENT

Head of Research

Trang Do

(+84 28) 7300 7000 (x1041)
trangdm@acbs.com.vn

Manager – Properties

Truc Pham

(+84 28) 7300 7000 (x1043)
trucptt@acbs.com.vn

Manager – Financials

Hung Cao

(+84 28) 7300 7000 (x1049)
hungcv@acbs.com.vn

Manager – Consumer-related, Technology

Chi Luong

(+84 28) 7300 7000 (x1042)
chiltk@acbs.com.vn

Associate – Oil & Gas

Hung Phan

(+84 28) 7300 7000 (x1044)
hungpv@acbs.com.vn

Associate – Industrials

Trung Tran

(+84 28) 7300 7000 (x1045)
trungtn@acbs.com.vn

Associate – Utilities

Toan Pham

(+84 28) 7300 7000 (x1051)
toanpd@acbs.com.vn

Associate – Macro & Money Market

Minh Trinh Viet

(+84 28) 7300 7000 (x1046)
minhtvh@acbs.com.vn

Associate - Logistics

Hung Nguyen

(+84 28) 7300 7000 (x1047)
hungnt@acbs.com.vn

Associate – Construction

Dat Do

(+84 28) 7300 7000 (x1048)
datdt@acbs.com.vn

Analyst – Technical

Huu Vo

(+84 28) 7300 7000 (x1052)
huvvp@acbs.com.vn

INSTITUTIONAL CLIENT DIVISION

Director

Huong Chu

(+84 28) 7300 7000 (x1083)
huongctk@acbs.com.vn
groupis@acbs.com.vn

Associate

Huynh Nguyen

(+84 28) 7300 6879 (x1088)
huynhntn@acbs.com.vn

DISCLAIMER

Our Recommendation System

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

Analyst Certification(s)

We, the author(s) of this report, hereby certify (1) that the views expressed in this research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

ACBS and/or an affiliate thereof (hereby collectively called ACBS) did or may seek to do business with companies covered in this report as its routine business. ACBS's proprietary trading accounts may have a position in such companies' securities. As a result, the investor should be aware that ACBS may have a conflict of interest from time to time.

ACBS produces a variety of research products including, but not limited to, fundamental analysis, equity-linked analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of research product may differ from recommendations contained in other types of research products, whether as a result of differing time horizons, methodologies, or otherwise.

Disclaimer

This report is provided for information purposes only. ACBS makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this report. ACBS will not treat unauthorized recipients of this report as its clients. Prices shown (if any) are indicative and ACBS is not offering to buy or sell or soliciting offers to buy or sell any financial instrument. **Without limiting any of the foregoing and to the extent permitted by law, in no event shall ACBS, nor any affiliate, nor any of their respective officers, directors, partners, or employees have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this report or its contents.** Other than disclosures relating to ACBS, the information contained in this report has been obtained from sources that ACBS believes to be reliable, but ACBS does not represent or warrant that it is accurate or complete. The views in this report are subject to change, and ACBS has no obligation to update its opinions or the information in this report.

Some parts of this report reflect the assumptions, views and analytical methods of the analysts who prepared them, and ACBS is not responsible for any error of their works and assumptions. ACBS may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report.

The analyst recommendations in this report reflect solely and exclusively those of the author(s), and such opinions were prepared independently of any other interests, including those of ACBS. This report does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the investors who receive it. The securities discussed herein may not be suitable for all investors. ACBS recommends that investors independently evaluate each issuer, securities or instrument discussed herein and consult any independent advisors they believe necessary. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

This report may not be distributed to the public media or used by the public media without prior written consent of ACBS. Otherwise it will be considered as illegal. The breacher shall compensate fully to ACBS any loss or damage which arises from such breach (if any).

In the event that the distribution and/or receipt of this report is prohibited by the investor's jurisdiction, the investor shall dismiss this report immediately otherwise it will be at his/her own risks.

ACBS does not provide tax advice and nothing contained herein should be construed to be tax advice. Accordingly, the investors should seek advice based on their particular circumstances from an independent tax advisor. This report may contain links to third-party websites. ACBS is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this report and is not incorporated by reference into this report. The inclusion of a link in this report does not imply any endorsement by ACBS. Access to any third-party website is at the investor's own risks, and the investor should always review the terms and privacy policies at third-party websites before submitting any personal information to them. ACBS is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

© Copyright ACBS (2025). All rights reserved. No part of this report may be reproduced in any manner without the prior written permission of ACBS.