Nam Tan Uyen Industrial Park JSC (NTC – Upcom)

Steady growth business model with strong cash flow

- Ample rubber plantation to develop industrial park from major shareholder
- Competitive leasing rate and adjacent location to HCMC at the advantages
- Cash rich business model leading to strong financial position
- Major growth catalyst from new industrial park (NTU3) in late 2017

Outlook and Valuation

Nam Tan Uyen Industrial park JSC (NTC- Upcom) *is the developer and manager of Nam Tam Uyen industrial park. Competitive land leasing rate, located right at timber source and close to HCMC are NTC's competitiveness in attracting investors, especially furniture makers. NTC could potentially access the rubber plantation bank of PHR for long-term expansion. With occupancy rate of 97% at NTU1 and 82% at NTU2, the firm still has 43ha of industrial land to lease in 2017. Therefore, FY2017 Revenue and Gross profit expect to grow 21%YoY and 9%. Excluding the one-off expense reversal last year, FY2017 Gross profit should grow 26%YoY. Regarding 2017 LUR payment, the actual LUR payment could be 30-40% lower than initial plan as majority of land to be paid LUR this time is located in NTU1 (started leasing in 2005) having lower LUR rate than at NTU2.*

Short-term slowdown in 2017 profit growth would definitely be a good opportunity to invest in the stock with regard to growth catalyst from NTU3 expansion in late 2017. Located side by side with NTU2, NTU3 expects to carry on the fast occupancy rate of NTU2 (5-6 years) since Binh Duong continued to receive massive USD1.5 bn of registered FDI in 5M2017. Cash-rich business model allows NTC to develop new industrial park with little need to access bank loan or raise additional capital. Therefore, shareholder interest is protected and maximizing. By using the Revalued Net Asset Value (RNAV) valuation method, we initiate a ***"BUY"*** *recommendation on the stock at the* ***"2- year target price"*** *of* ***VND 73,8000.***

Key Financials

Y/E Dec (VND B)	FY2015	FY2016E	FY2017F	FY2018F
Net Revenue	125	147	179	204
% change	96%	18%	21%	14%
PAT	59	131	108	121
% change	101%	121%	-18%	12%
PAT margin (%)	47	89	60	60
ROA (%)	4	7	4	4
ROE (%)	27	49	33	32
EPS (VND)	3,591	7,949	5,930	6,664
Adjusted EPS (VND)	3,591	7,949	5,930	6,664
Book value (VND)	14,283	18,888	21,986	25,934
Cash dividend (VND)	2,600	4,500	3,500	3,500
P/E forward (x)		6.3	8.4	7.5
P/B forward (x)		2.6	2.3	1.9

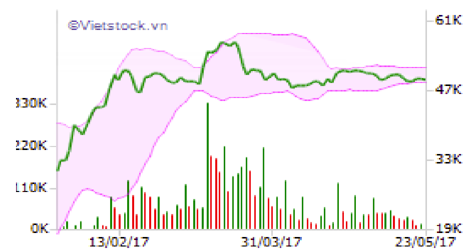
Sources: NTC, RongViet Research estimated, stock price is taken on 24 May 2017

BUY

CMP (VND)	45,500
Target Price (VND)	73,800
Investment Period	**Long-term**

Stock Info

Sector	Real estate
Market Cap (VND B)	814
Current Shares O/S	16,000,000
Beta	0.5
Free float (%)	35
52 Week High	56,900
52 Week Low	20,000
Avg. Daily Volume (20 sessions)	47,000



Source: Vietstock

Performance (%)

	3M	1Y	3Y
NTC	20		
Real estate	8	13	
HNX Index	5	12	14
VN Index	3	20	27

Major Shareholders (%)

Vietnam Rubber Group	20.4
Phuoc Hoa Rubber JSC	32.8
Foreigner Investor Room (%)	48.9

Hoang Nguyen

(084) 08- 6299 2006 – Ext 1319

hoang.nh@vdsc.com.vn

Ample land bank for new industrial park development from major shareholders

Nam Tan Uyen Industrial Park JSC, formed in November 2004, specializes in industrial park development. The firm has Vietnam Rubber Group (VRG) and Phuoc Hoa Rubber JSC (PHR-HSX) as their largest and founding shareholders. Currently, NTC is operating and leasing industrial land at Phase 1 and Phase 2 of Nam Tan Uyen industrial park (NTU) located in Binh Duong province. To prepare for future lank bank, the firm is waiting for the Prime minister approval on the expansion of 345ha of NTU Phase 3 project that could start infrastructure construction and become leasable in late 2017. The Phase 3, when come into operation, would bring NTC's total IP area to 970ha and makes the firm one of the largest industrial park developers in Binh Duong. NTC has 80% of revenue coming from industrial land leasing and the rest from ready-for-lease warehousing and annual management fees. Advantaged by the close location to HCMC, preferential investment policy and low set up cost, Binh Duong province has been a favorable destination for FDI in Southern Vietnam over the years.

On the backdrop of volatile rubber prices, a move to convert part of rubber plantation to develop industrial park has been a win-win strategy for both shareholders of PHR and NTC. For NTC, the firm has the advantage of PHR's 15,000ha of rubber plantation whose 2/3 is aging to expand industrial land bank in the long-term. In addition, due to the solid soil base of rubber plant and located outside residential area, NTC's cost to build industrial infrastructure is minimized at large extent. For road accessibility, NTC's industrial park is only 35-45Km far from HCMC and takes less than 1 hour by road to HCMC through DT743 provincial road connecting at Go Dua junction or via DT746 via Highway 13. Also, waterways transport in Dong Nai river is another viable cost effective option for producers.

Table 1: NTC's portfolio of industrial parks

INDUSTRIAL PARK					
Industrial park	**Total area (ha)**	**Industrial land (ha)**	**Occupancy**	**Starting from**	**Average lease rate**
NTU1	332	229	97%	2004	USD40-50/m²/50 years (one-time payment) 2USD.61/m²/year (yearly payment) Management fees USD0.45-0.5/m²/year
NTU2	289	201	82%	2010	USD50-60/m²/50 years (one-time payment) USD3.20/m²/year (yearly payment) Management fees USD0.45-0.5/m²/year
NTU3	345	255		4Q2017 (plan)	USD50-60/m²/50 years
TOTAL	966				
OTHER ACTIVITIES					
NTU residential area	50			N/A	
Ready for lease warehouse	46,000 m²		>90%		USD2.2 -2.5/m²/month

Source: RongViet Research compiled

Map 1: Roads system connecting NTC's industrial parks

Source: RongViet Research compiled

Situated close to Vietnam's largest trading hub HCMC, competitive land leasing rate attract strong FDI inflow to Binh Duong

Continuous preferential policy together with improving investment climate. Located in the active industrial activity of Southeastern Vietnam, Binh Duong has a comparative advantage to attract foreign investors especially in the area of manufacturing. Unlike other provinces, FDI to Binh Duong is structured by various large projects in different business areas from varied country of origins such as Japan, Singapore, Korea, Taiwan. This therefore reduces the risk of reliance on particular massive investors concentrating on a single area of business such as electronics manufacturing of Samsung and LG in other provinces. Actually, the investment community in Vietnam has shown their credit to what Binh Duong province has tried to improve through the remarkable jump to the 4th position in the ranking of PCI survey (provincial competitiveness index) from the 25th in 2015.

Table 2: 2016 PCI Ranking

City	Points	Ranking
Da Nang	70.0	1
Quang Ninh	65.6	2
Đong Thap	65.0	3
Binh Duong	**63.6**	**4**
Lao Cai	63.5	5
Vinh Long	62.8	6
Thai Nguyen	61.8	7
TPHCM	61.7	8
Vinh Phuc	61.5	9
Quang Nam	61.2	10

Source: RongViet Research compiled

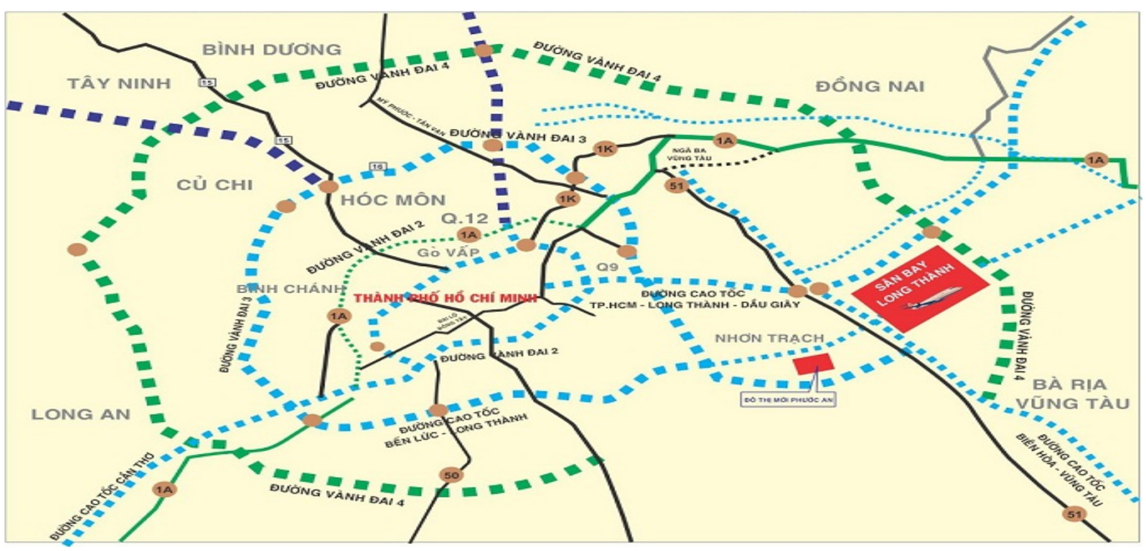
Table 3: PCI ranking of Binh Duong

Province	Year	Ranking
Binh Duong	2016	4
	2015	25
	2014	27
	2013	30
	2012	19

Source: RongViet Research compiled

Fast developed public infrastructure is another advantage of Binh Duong province. Foreseeing the fast pace of industrial activity growth in the province, provincial leaders and State-owned Becamex IDC invested and put into operation My Phuoc-Tan Van highway running parallel to the main route Highway 13. The new road would facilitate the development of Industrial parks and economic activities in Northern Binh Duong area. According to Becamex IDC, My Phuoc – Tan Van Highway would reduce 30% travel time for manufacturers in Northern Binh Duong going to ports in Dong Nai and Cat Lai. Also, user of this new road is toll free since the project is under Built transfer (BT) contract. Northeast economic zone of Binh Duong, where NTC is located, is paid attention at the similar degree. The main road DT743 connecting this area to HCMC completed recent expansion to 6 lanes road in a project worth VND1,300 bn lately. In the long-run, My Phuoc –Tan Van would access to Ring road 03 linking Dong Nai (via Bien Hoa – Long Thanh Highway), Long An (via Nhon Trach- Ben Luc Highway) and HCMC (via Ben Luc – Trung Luong) creating a real push to economic growth of areas passing by.

Map 2: Ring road No.03 and 04

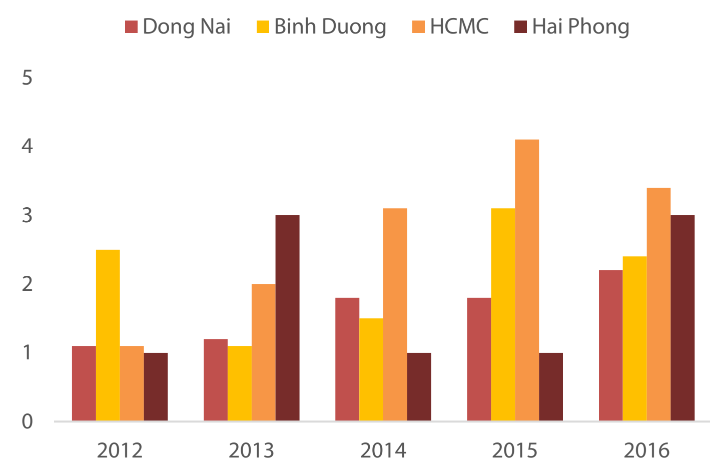


Source: RongViet Research compiled

Statistics from Foreign investment Agency showed FDI to Binh Duong is on the increasing trend with average FDI inflow per year of USD2.1 bn. Accumulated to the end of 2016, total registered FDI project in effect amounts to USD26.7 bn constituting 9.1% of Vietnam total FDI. Despite the impact of inconclusive TPP negotiation, FDI inflow to Vietnam remains strong that could be explained by rising production cost in China and foreign investors' concern on unfavorable tariff slapped on export goods from China. In 1Q2017, Binh Duong recorded USD1.39 bn of registered FDI accounting for 18% of the country. There are many large projects of encouraged auxiliary industry such as car fiber maker Kolon (Korea), Taiwanese Polytex fiber producer or Vina Kraft and industrial park developer (VSIP 3 project).

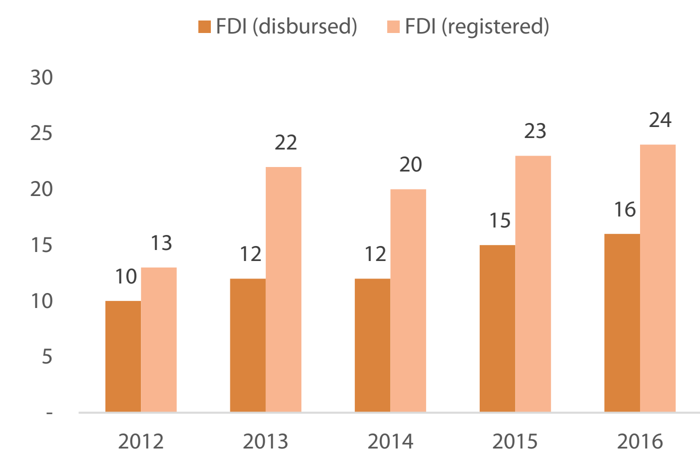
Competitive industrial land price is key. Currently, the province has 28 Industrial parks (IPs) on the area of 10,560ha. Under the master plan approved by Prime minister in 2016, there would be 33 IPs with the area expanded to 14,790ha. According to Binh Duong Industrial Zone Authority (BDIZA), average occupancy of IPs in the province is 65% and average 50-year industrial land leasing rate range from USD40-45/m2 (My Phuoc, Bau Bang, Dat Cuoc IP) to USD50-60/m2 (VSIP project). According to Savills latest survey, IPs in Binh Duong have more competitive land leasing rate compared to IP in HCMC ~USD125/m2, Dong Nai USD74/m2 or Long An USD76/m2.

Chart 1: Cities attracting largest FDI inflow (bn USD)



Source: RongViet Research compiled

Chart 2: FDI inflow to Vietnam (bn USD)



Source: RongViet Research compiled

Cash rich and low leverage business model

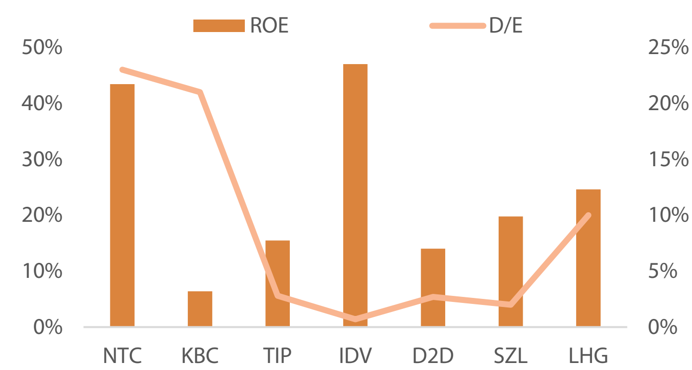
NTC recorded strong growth in business result during 2013-2016. After a quiet period, demand for industrial land returned positively and the firm leased 50ha of industrial land in 2016. For the 2014-2016 period, NTC managed to lease totally 180ha industrial land (account for 43% of leasable land of two phases). The rising demand could be explained by the investment wave earmarked the Free trade agreements Vietnam is negotiating (such as TPP, FTA Vietnam –Korea, FTA Vietnam-EU, FTA VN-EAEU). With the location right at the source of rubber timber, NTC is even more attractive in the eyes of Chinese and Taiwanese wood processors looking to minimize trucking cost and mass production.

As a result, NTC achieved strong performance with revenue and PAT having CAGR of 32% and 64% during 2014-2016. Noticeably, in the first year of listing 2016, NTC posted the all-time high PAT of VND131 bn (EPS: VND7,900). Apart from 50ha of industrial land on new lease, the strong FY2016 result was contributed by VND17 bn LUR cost reversal (allocated before July 2013) as of Decision 5252/QD-CT dated 26/08/2016 and 5383/QD-CT 01/09/2016 after NTC paid the VND432 bn for 149ha of LUR payment to local authority. Investors shall be noted that NTC has 14 year LUR exemption for their projects (including incoming NTU3). Other factors causing profit to increase came from rising interest income and decreased financial investment provision. Excluding these elements, NTC actually recorded VND24 bn increase in Gross profit equal the increase in Revenue (COGS is made up largely by infrastructure expense allocation).

Strong cash flow generated business model plus improving financial health from higher return of financial investments. At the moment, NTC has 90% of clients on the one time 50-year land lease contract (actual payment duration is 2 years) and 10% on annual lease basis. Therefore, NTC is financially strong to meet the LUR payment liability according to Land Law 2013. In addition, the firm could take advantage of the prepaid lease payment (for the 50 years) to finance expansion projects without immediate need to raise on debt or equity. Industry wise, NTC's financial position fares relatively better with leverage ratio (D/E) only 0.23x as of 1Q2017 and net cash position after LUR and loan payment of nearly VND200 bn.

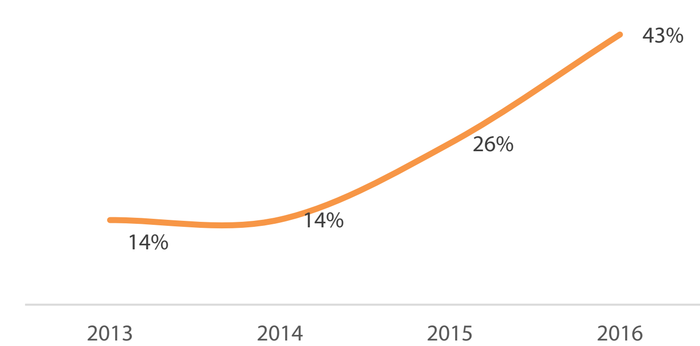
Besides, Vietnam attractiveness to FDI is a positive sign for NTC regarding its financial investment performance. As at 31/12/2016, NTC recorded VND294 bn worth of investment in 09 affiliate / associate companies whose business are natural rubber or similar to NTC. These investments posted average return on chartered capital of 12.1% last year. In 2016, NTC received VND18.7 bn in dividend from these investment equivalent to a dividend yield of 6.3%. Therefore, the continuous rise of FDI inflow is actually bringing double positive effect to NTC both from its own business and its investment return.

Chart 3: Peer comparison



Source: RongViet Research compiled

Chart 4: ROE of NTC



Source: RongViet Research compiled

Growth catalyst from NTU IP expansion (phase 3)

A new phase of growth from NTU3 in 2018. NTC is awaiting Prime minister approval on the 346ha NTU3 project at estimated cost of VND875 bn. When put into exploitation, the new project would supply NTC ~ 255ha leasable industrial land. At current pace of demand, we believe the new project is sufficient for NTC to go until 2022. Similar to previous two projects, NTU3 is granted 14 years of LUR exemption. If the average lease rate stays in the region of USD55-60/m2, the projected NAV of NTU3 is VND437 bn which comes to an IRR of 40%.

Situated side-by-side with NTU2 and NTU1, NTU3 has almost all favorable conditions of the first two including solid soil base and residence free area. However, we expect the compensation cost of NTU3 to be VND180-200 mil/ha higher than NTU2. The firm would finance this project 20% by equity and the rest by bank loans. Nevertheless, given the sound financial position of NTC, we believe the firm could finance the NTU3 project without raising further equity.

LUR payment could be as 1/3 lower than initial plan. With business nature of operating industrial park, NTC's COGS structure includes depreciation expense of industrial infrastructure and LUR expense allocation (annually). After Land Law 2013 taking effect from 1 July 2014, many industrial park developers faced difficulties mobilizing large resources to make one-time LUR payment to the authority instead paying on yearly basis. For NTC, thanks to selecting to allocate land lease revenue across 50 years similar to SZL and D2D, together with a strategy of sticking with core-business, NTC is well prepared financially to fulfill its LUR payment obligation.

Regarding LUR payment, NTC made 02 payments (in 2015 and 2016) totally VND432 bn for the leased industrial land area of 149ha at NTU2. In 2017, the firm plans to pay VND720 bn for (1) remaining industrial land area of NTU2 (50ha) at VND156 bn and (2) entire leased industrial land at NTU1 (finalizing LUR payment). **In the first scenario (used in the valuation model)**, based on the LUR fees framework issued by Binh Duong People committee at the establishment of NTU1 (2005-2010), NTC is estimated to pay 445 bn VND for 100% industrial land at NTU1 (~VND2.7 bn/ha on 228.9ha). So, the total amount to pay is VND601 bn, VND119 bn lower than projected. **In the second scenario**, NTC believes NTU1's LUR lease rate is half that of NTU2 (~VND2.12 bn/ha) and the resulting LUR payment of NTU1 is estimated only VND350 bn. So, the firm only shall pay totally VND506 bn in this case hence save VND214 bn as a result.

According to Land Law 2013 (effective from 1 July 2014), Section XIV, Point 210 – Transfer condition. If investors enter into a land lease contract with the State, where investors make lease payment on a yearly basis to construct and develop industrial park or processing zone for export, and sub-lease these built infrastructure to other investors on a one-time payment for the entire lease contract duration before Land Law 2013 took effect are required to make full lease payment to the State. Investors, who are on sub-lease contracts, would have all rights and duties as like entering a lease contract on one-time payment as in the first place after initial investors have made full lease payment to the State.

Earnings forecast

Land lease revenue continues to grow. In 2017, we expect the firm could lease up to 50ha of industrial land if NTU3 is able to receive the approval early in 4Q2017 (37ha from the current IPs and 12-13ha from NTU3). At the end of 1Q2017, NTC has already leased 20ha of industrial land and looks confident to complete the year guidance. If NTC was able to find clients for 50ha industrial land at average price 55USD/m2 this year, the firm could generate sales (not revenue) up to VND620 bn in 2017. The firm also targets to lease 3,000-6,000m2 of warehouse whose contract expires.

So, 2017 revenue is estimated to grow 21% YoY thanks to incremental land leased. Gross profit margin (GPM) would contract slightly to 77% (2016: 86%) as LUR allocation reversal in 2016 won't recur. Given the higher deposit rate offer, NTC is likely to borrow VND500 bn bank loan to meet the incoming LUR payment in 2Q2017 instead using cash in deposit. The resulting interest cost in 2017 is VND24 bn and VND34 bn in 2018. By doing so, the firm could actually have a gain of 0.6-0.8%/year in interest rate difference which results to 3-4 bn VND gain in interest income per year in 2017 and 2018.

Regarding accounting revenue recognition, NTC is allocating its land lease revenue (across 50 years) instead of recognizing the revenue one-time. This employed practice, instead of creating extraordinary growth factor, guarantees a stable growth in earnings result over the duration of project life. That means the extent of growth depends on the incremental land area being leased. More importantly, this accounting treatment of revenue minimizes the risk of "short of revenue" for recognition in the period of finding new land bank for lease.

On operating cost, the firm would allocate infrastructure asset in 20 years' period. For the LUR cost, the firm would start allocating this prepaid expense from the 15th year of the project (NTC is exempted 14 years of LUR). So, NTC would allocate prepaid LUR in 2019 for NTU1 and in 2024 for NTU2. This would therefore lead to inevitably mismatch in the timing of cash inflow and revenue recognition. Basically, NTC would receive all one-time payment of 50-year lease within 24 months (40% paid in the first year and the rest paid in the second year). The cash received would go under unrecognized revenue awaiting allocation in funding section and the reciprocally an increase in cash account in the Balance sheet.

Table 5: Forecasted operating cash flow (VND million)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Land lease sales	343,623	234,912	974,943	613,645	621,796	639,715	668,007	697,429	729,951	581,781	44,608
▪ *New leased land (m2)*	420,614	260,012	999,054	533,758	489,218	511,458	511,458	511,458	511,458	383,593	-
▪ *Average lease rate (USD/m2)*	38,7	42,2	43,4	50,4	54,7	52,8	54,0	55,3	56,7	59,1	-
Total cash inflow	183,277	366,755	555,188	767,514	851,152	713,774	743,059	779,989	820,282	786,122	483,151
▪ *Capex*	60,339	82,768	513,537	163,893	806,847	359,593	359,593	384,526	384,526	226,627	-
▪ *Maintenance*	27,349	27,349	27,349	27,349	52,282	52,282	52,282	52,282	52,282	52,282	52,282
▪ *CIT*	1,043	865	2,330	4,253	4,181	9,607	10,857	12,096	13,563	14,945	15,166
▪ *Admin fees*	19,316	19,116	37,155	44,388	53,610	61,074	68,554	76,415	85,254	92,034	92,977
▪ *Commission fees*	16,700	11,222	47,909	29,691	29,947	30,615	31,851	33,138	34,477	26,902	-
Net cash flow of firm	58,529	225,435	(73,092)	497,940	(95,715)	200,604	219,921	221,532	250,179	373,331	322,726

Source: RongViet Research forecast

Table 6: Forecasted earnings performance (VND million)

KQKD	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
(1) Revenue	36,457	42,539	70,508	87,645	104,184	121,511	138,620	156,715	177,784	193,334	194,208
▪ *Revenue from leased land having one-time payment (Details in Appendices)*	26,840	32,063	53,736	67,821	81,331	94,087	107,641	122,049	137,372	149,600	149,600
▪ *Revenue from leased land having yearly payment*	9,617	10,476	16,772	19,823	22,853	27,424	30,979	34,666	40,412	43,733	44,608
(2) Warehousing for lease	8,305	1,295	19,729	20,757	23,995	24,475	24,965	25,464	25,973	26,493	27,022
(3) Management fees	19,626	19,886	33,614	39,559	50,520	57,593	64,930	72,537	80,423	86,953	88,693
Total Revenue (1)+(2)+(3)	64,388	63,720	123,851	147,961	178,699	203,579	228,515	254,716	284,180	306,780	309,923
COGS	24,210	27,314	40,102	18,522	41,475	46,432	51,388	57,342	63,296	65,291	65,291
Gross profit	40,178	36,406	83,749	129,439	137,223	157,147	177,126	197,373	220,883	241,489	244,632

Source: RongViet Research forecast

Stock valuation

We find the revalue net asset value the most appropriate to value NTC's industrial park projects and the firm's total value.

Table 7: NPV of NTC's industrial parks (from 2017 onwards)

Industrial park	Revalued amount (VND billion)	Valuation method
NTU1	-150	DCF
NTU2	282	DCF
NTU3	437	DCF
Total	**569**	

Source: RongViet Research estimated

Table 8: Estimated NTC enterprise value (VND billion)

Content	01/01/2017 (bn VND)	Revalued asset value (VND billion)
Unrealized revenue	**1,665**	**1,665**
Minus :	**1,004**	**1,216**
Investment properties	*446*	*446*
Long-term construction in progress	*80*	*80*
Other long-term assets (Prepaid LUR payment)	*478*	*478*
Management fees for leased land before FY 2017		*212*
PBT for leased land waiting revenue recognition		**449**
PAT for leased land waiting revenue recognition (1)		**359**
Plus :		
NAV of land for lease in NTU1,NTU2 và NTU3 (2)		**569**
Book value of equity 1/1/2017 (minus 30% cash dividend of FY2016 exercised on 24 May 2017)(3)		**254**
Total: (1) + (2) + (3)		**1,182**
Share outstanding		16,000,000
Value per share		**73,800**

Source: RongViet Research estimated

Outlook and Valuation:

Nam Tan Uyen Industrial park JSC (NTC- Upcom) is the developer and manager of Nam Tam Uyen industrial park. Competitive land leasing rate, located right at timber source and close to HCMC are NTC's competitiveness in attracting investors, especially furniture makers. NTC could potentially access the rubber plantation bank of PHR for long-term expansion. With occupancy rate of 97% at NTU1 and 82% at NTU2, the firm still has 43ha of industrial land to lease in 2017. Therefore, FY2017 Revenue and Gross profit expect to grow 21%YoY and 9%. Excluding the one-off expense reversal last year, FY2017 Gross profit should grow 26%YoY. Regarding 2017 LUR payment, the actual LUR payment could be 30-40% lower than initial plan as majority of land to be paid LUR this time is located in NTU1 (started leasing in 2005) having lower LUR rate than at NTU2.

Expected short-term slow-down in 2017 profit growth would actually be a good timing to invest in the stock with regard to growth catalyst from NTU3 expansion in late 2017. Located side by side with NTU2, NTU3 expects to carry on the fast occupancy rate of NTU2 (5-6 years) since Binh Duong continued to receive massive 1.4 bn USD of registered FDI in 4 months of 2017. Cash rich business model allows the NTC to develop new industrial park with little need to access bank loan or raise further capital. Therefore, shareholder interest is protected and maximizing. By using the Revalued net asset value (RNAV) valuation method, we initiate a **"BUY"** recommendation on the stock at the **"2- year target price"** of **VND73,8000.**

Appendices

Table 1: 50 Year Revenue allocation of NTU1 (VND million)

NTU1	2011	2012	2013	2014	2015	2016	2017	2018 - 2055
2006	2,017	2,017	2,017	2,017	2,017	2,017	2,017	2,017
2007	3,239	3,239	3,239	3,239	3,239	3,239	3,239	3,239
2008	3,788	3,788	3,788	3,788	3,788	3,788	3,788	3,788
2009	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233
2010	2,497	2,497	2,497	2,497	2,497	2,497	2,497	2,497
2011	1,898	1,898	1,898	1,898	1,898	1,898	1,898	1,898
2012		1,322	1,322	1,322	1,322	1,322	1,322	1,322
2013			2,743	2,743	2,743	2,743	2,743	2,743
2014				3,163	3,163	3,163	3,163	3,163
2015					3,418	3,418	3,418	3,418
2016						5,188	5,188	5,188
Total	**16,672**	**17,994**	**20,737**	**23,900**	**27,318**	**32,506**	**32,506**	**32,506**

Source: RongViet Research estimated

Table 2: 50 Year Revenue allocation of NTU2 (VND million)

NTU2	2011	2012	2013	2014	2015	2016	2017	2018	2019 - 2060
2011	652	652	652	652	652	652	652	652	652
2012		796	796	796	796	796	796	796	796
2013			4,656	4,656	4,656	4,656	4,656	4,656	4,656
2014				2,060	2,060	2,060	2,060	2,060	2,060
2015					18,254	18,254	18,254	18,254	18,254
2016						8,898	8,898	8,898	8,898
2017							10,507	10,507	10,507
Total	**652**	**1,448**	**6,103**	**8,163**	**26,417**	**35,315**	**45,823**	**45,823**	**45,823**

Source: RongViet Research estimated

Table 3: 50 Year Revenue allocation of NTU3 (VND million)

NTU3	2017	2018	2019	2020	2021	2022	2023	2024 - 2067
2017	3,003	3,003	3,003	3,003	3,003	3,003	3,003	3,003
2018		12,756	12,756	12,756	12,756	12,756	12,756	12,756
2019			13,554	13,554	13,554	13,554	13,554	13,554
2020				14,408	14,408	14,408	14,408	14,408
2021					15,323	15,323	15,323	15,323
2022						12,228	12,228	12,228
Total	**3,003**	**15,759**	**29,312**	**43,720**	**59,043**	**71,272**	**71,272**	**71,272**

Source: RongViet Research estimated

VND Billion

INCOME STATEMENT	2015	2016E	2017F	2018F
Revenue	125	147	179	204
COGS	-40	-21	-41	-46
Gross profit	**85**	**127**	**137**	**157**
Selling Expense	-2	-2	-4	-4
G&A Expense	-50	-43	-52	-59
Finance Income	44	66	65	66
Finance Expense	-14	-5	-29	-34
Other profits	-1	-1	-1	6
PBT	**62**	**142**	**117**	**132**
Prov. of Tax	-2	-11	-9	-11
Minority's Interest	0	0	0	0
PAT to Equity Shareholder	**59**	**131**	**108**	**121**
EBIT	**69**	**148**	**89**	**98**
EBITDA	96	179	125	141

Unit: %

FINANCIAL RATIO	2015	2016E	2017F	2018F
Growth				
Revenue	96	18	21	14
EBITDA	112	115	-30	13
EBIT	112	115	-40	10
PAT	101	121	-18	12
Total Assets	47	23	51	4
Equity	6	32	16	18
Profitability				
Gross profit/Revenue	68	86	77	77
EBITDA/ Revenue	55	101	70	69
EBIT/ Revenue	55	101	50	48
Net margin	47	89	60	60
ROA	4	7	4	4
ROIC	6	9	3	3
ROE	27	49	33	32
Efficiency				
Receivable Turnover	2.6	3.5	3.9	3.8
Inventory Turnover	-185.5	-60.1	-81.1	-70.4
Payable Turnover	-0.71	-0.31	-0.8	-0.9
Liquidity				
Current	1.2	1.5	23.8	16.6
Quick	1.2	1.5	23.7	16.5
Solvency				
Total Debt/Equity	656	600	807	699
Current Debt/Equity	96	23	0	0
Long-term Debt/ Equity	4	3	198	83

VND Billion

BALANCE SHEET	2015	2016E	2017F	2018F
Cash and equivalents	2	19	874	644
Short-term investment	305	131	131	131
Receivables	42	41	50	57
Inventories	0	0	1	1
Other current assets	4	8	6	7
Tangible Fixed Assets	525	547	680	792
Intangible Fixed Assets	0	0	0	0
Long-term Investment	379	876	295	295
Other long-term assets	470	495	1,153	1,388
Total Asset	**1.728**	**2.117**	**3,189**	**3,316**
Payables	73	59	45	51
Other current liabilities	219	71	0	0
Current Debt	9	8	697	344
Long-term Debt	1.198	1.676	2,096	2,506
Other long-term liabilities				
Total Liability	**1.499**	**1.814**	**2,837**	**2,901**
Owner's Equity	**229**	**302**	**352**	**415**
Capital	160	160	160	160
Retained Earnings	45	112	148	195
Funds & Reverses	18	24	44	60
Total Equity	**229**	**302**	**352**	**415**
Minority's Interest	0	0		
TOTAL RESOURCES	**1.728**	**2.117**	**3,189**	**3,316**

CASH FLOW STATEMENT	2015	2016E	2017F	2018F
Profit before tax			117	132
-Depreciation			36	44
-Adjustments			*-50*	*-50*
+/- Working capital			407	418
Net Operating CFs			**510**	**543**
+/- Fixed Asset			-164	-151
+/- Deposit, equity investment			-127	-286
Interest, dividend, cash profit received			45	45
Net Investing CFs			**-246**	**-392**
+/- Capital			-6	0
+/- Debt			668	-302
Dividend paid & other			-71	-79
Net Financing CFs			**591**	**-381**
+/- cash & equivalents			855	-230
Beginning cash & equivalents			**19**	**874**
Ending cash & equivalents			**874**	**644**

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Intermediate- term (up to 6 months)	>20%	10% to 20%	-5% to10%	-15% to- 5%	<-15%
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Network

Headquarter

Address: Floor 1-2-3-4, Viet Dragon Tower, 141 Nguyen Du, Ben Thanh Ward, Dist.1, Tp.HCM

Phone: 84.8 6299 2006   Fax: 84.8 6291 7986

Website: www.vdsc.com.vn

Ha Noi Branch

2C Thai Phien – Hai Ba Trung District – Ha Noi

NhaTrang Branch

50Bis Yersin - NhaTrang

Can Tho Branch

08 Phan Dinh Phung –CầnThơ

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