HOA PHAT GROUP JSC (HSX: HPG)

Brighter prospect in the flat steel segment

(VND bn)	2Q-FY21	1Q-FY21	+/- qoq	2Q-FY20	+/- yoy
Net revenue	35,118	31,177	13%	20,422	72%
PAT	9,721	6,978	39%	2,743	254%
EBIT	10,692	7,562	41%	3,291	225%
EBIT margin	30.4%	24.3%	619bps	16.1%	1,433bps

Source: HPG, Rong Viet Securities

2Q2021: NPAT reached a new record level due to both internal and external factors

- Revenue and NPAT increased by 72% YoY and 254% YoY respectively owing to increasing selling prices and additional HRC capacity from Dung Quat.
- Finished construction steel and HRC prices increased by 57% and 132% YoY respectively. Meanwhile, material prices rose at a slower pace, thus, GPM expanded from 18.1% in 2Q2020 to 32.7%.
- Finished construction steel, HRC and steel pipe volumes came at 983,000 tons (+1% YoY), 667,000 tons, and 191,000 tons (-14% YoY) respectively.

2H2021 outlook: Difficulties are short-term, brighter prospects ahead

- HRC segment's gross profit can increase by 45% in the 2H compared to 1H due to increasing selling price and opportunities in foreign markets. This would translate into a gross margin of 45-50%. Demand for HRC from downstream segments is robust as exporting activities to the EU and North America are likely to be positive until 2022.
- The demand for construction steel is forecasted to recover in 4Q. Thus, the selling volume can increase from 0.96 million tons in 3Q to 1.1 million tons in 4Q. In the long run, public investments will be a significant supportive factor to the demand.
- Finished construction steel, HRC, and steel pipe volumes in 2H came at 2.1 million tons (+12.3% YoY), 1.4 million tons (+98% YoY), and 330,000 tons (-30% YoY) respectively.
- We revise down 3Q NPAT from VND 8,400 bn (USD 365 mn) to VND 8,250 (USD 359 mn) to reflect the rising production costs. Besides, we adjust the 4Q NPAT forecast from VND 7,600 bn (USD 330 mn) to VND 9,700 bn (USD 422 mn). Hence, revenue and NPAT in 2H can reach VND 76,800 bn (USD 3.34 bn) and VND 17,900 bn (USD 778 mn), increasing by 49% and 112% YoY, respectively. 2021 revenue and NPAT can reach VND 143,100 bn (USD 6.22 bn) and VND 34,650 bn (USD 1.51 bn), respectively.

Valuation and recommendation

We revise up our forecasts for NPAT in 2H2021 and 2022 as the steel segment's prospects are becoming better. Decarbonization in the EU and China is changing the steel industry significantly and boosting steel production costs. With less strict environmental requirements, we believe HPG can benefit from this trend until 1H2023. The large differences between HRC prices in Vietnam and other areas, such as the US and Europe, are creating chances for exporting flat steel with higher profit margins. We expect the company to seize these chances from 4Q2021, leading to a higher NPAT forecast. In the construction steel segment, HPG faces short-term difficulties caused by increasing production costs and weak domestic demand in 3Q2021. However, the company can enjoy high growth due to the steel demand recovery after the pandemic and the large investments in infrastructure projects.

*Using FCFF, and PER methods, we come up with a fair value of VND **65,700** per share (+11% from our TP in the Steel industry report). Together with a cash dividend in the next 12 months of VND 1,000/share, **the total return is 31%**, based on the closing price as of September 24th, 2021. Hence, we reiterate our **BUY** recommendation.*

BUY	+31%
Target price (VND)	65,700
Current market price (VND)	50,800
Cash Dividend (VND)*	1,000

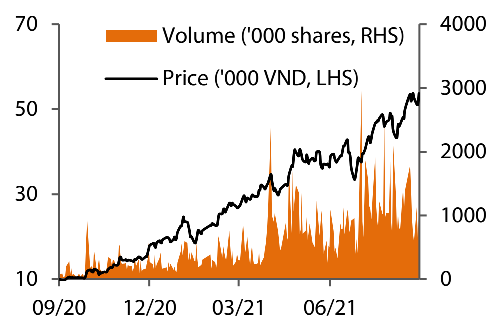
** Expected in the next 12 months*

Stock Info

Sector	Basic Materials
Market Cap (VND billion)	229,460.9
Current Shares O/S (million)	4,472.9
Avg. Daily Volume (in 20 sessions)	1,921,995
Free float (%)	52
52-week High	53,800
52-week Low	9,770
Beta	1.2

	FY2020	TTM
EPS	3,813	5,614
EPS Growth (%)	49.2	188.6
Diluted EPS	2,824	5,614
P/E	6.6	9.1
P/B	2.3	2.3
EV/EBITDA	7.7	7.4
Cash dividend yield (%)	1.2	1.0
ROE (%)	22.8	39.6

Price performance



Major Shareholders (%)

Tran Dinh Long	26.1
Vu Thi Hien	7.3
Remaining ownership room (%)	22.6

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Exhibit 1: 2Q/2021 Results

(VND Bn)	2Q-FY21	1Q-FY21	+/- (qoq)	2Q-FY20	+/- (yoy)
Net revenue	35,118	31,177	12.6%	20,422	72.0%
Gross profit	11,477	8,183	40.3%	3,706	209.7%
SG&A	785	621	26.5%	415	89.3%
Operating income	10,692	7,562	41.4%	3,291	224.9%
EBITDA	12,203	9,017	35.3%	4,430	175.5%
EBIT	10,692	7,562	41.4%	3,291	224.9%
Financial expenses	821	768	7.0%	621	32.2%
- Interest expenses	*600*	*622*	*-3.5%*	*523*	*14.6%*
Dep. and amortization	1,510	1,455	3.8%	1,139	32.6%
Non-recurring items (*)					
Extraordinary items (*)					
PBT	10,349	7,690	34.6%	3,096	234.3%
PAT	9,721	6,978	39.3%	2,743	254.4%
(*) Adjusted PAT	9,721	6,978	39.3%	2,743	254.4%

Source: HPG, Rong Viet Securities

Exhibit 2: 2Q/2021 Performance Analysis

	2Q-FY21	1Q-FY21	+/- (qoq)	2Q-FY20	+/- (yoy)
Profitability Ratios (%)					
Gross Margin	32.7%	26.2%	643bps	18.1%	1,454bps
EBITDA Margin	34.7%	28.9%	582bps	21.7%	1,306bps
EBIT Margin	30.4%	24.3%	619bps	16.1%	1,433bps
Net Margin	27.7%	22.4%	530bps	13.4%	1,425bps
Adjusted Net Margin	27.7%	22.4%	530bps	13.4%	1,425bps
Turnover *(x)					
-Inventories	2.8	3.4	-0.6)	3.3	-0.5
-Receivables	16.9	16.8	0.1	17.7	-0.8
-Payables	4.6	6.7	-2.1	7.1	-2.6
Leverage (%)					
Total Debt/ Equity	116.0%	109.9%	613bps	114.2%	177bps

Source: HPG, Rong Viet Securities. (*) annualized

Exhibit 3: 3Q/2021 Forecast

(VND Bn)	3Q-FY21	+/-qoq	+/-yoy
Revenue	34,784	-1%	41%
Gross profit	9,368	-18%	81%
EBIT	8,960	-16%	90%
NPAT	8,248	-15%	119%

Source: Rong Viet Securities

- We expect revenue to increase by 40% YoY due to both higher selling volume and surging steel prices.

- HRC's selling volume is likely to increase significantly YoY as the 3rd blast furnace will run fully in 3Q2021 compared to only one month last year. Meanwhile, finished construction volume can decrease by 12% YoY in 3Q 2021.

- Steel production costs will increase by 10% QoQ in 3Q due to higher iron ore and coking coal prices. We forecast that gross margin of the HRC segment can be stable at 39% in 3Q owing to the higher selling price. Meanwhile, finished construction steel's GPM could decrease due to stable selling prices.

Update

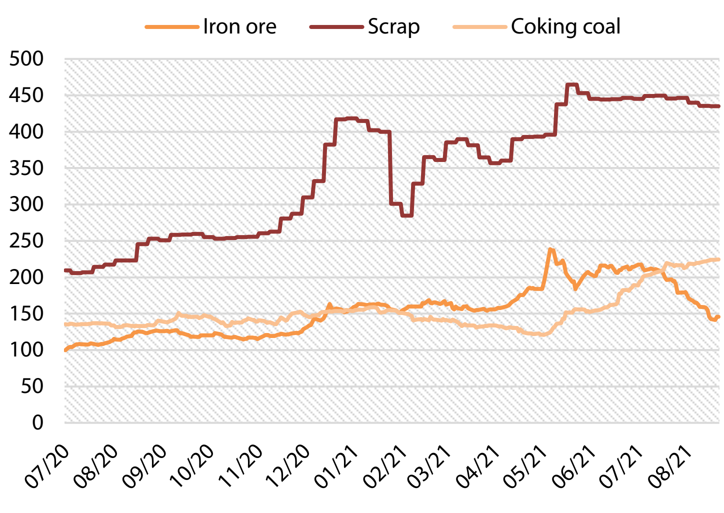
Business results were impressive as new factories met favorable market conditions. Revenue and NPAT in 2Q 2021 surged by 72% and 254% YoY to reach VND 35,118 bn (USD 1,527 mn) and VND 9,721 bn (USD 423 mn), respectively. In 1H, the company has fulfilled 55% of the revenue target and 95% of the NPAT target. The third and fourth mills in the Dung Quat plant came into operation in 3Q2020 and 1Q2021 respectively and enjoyed high HRC prices and strong downstream demand, especially from the coated steel segment. HPG's gross margin improved from 18.1% in 2Q2020 to 32.7% in 2Q2021 mainly due to increasing steel prices and increasing HRC volume:

- In Q2 2021, quarterly HRC and finished construction steel prices rose by 26% and 10% QoQ to reach USD 870/ton and USD 700/ton respectively. Meanwhile, iron ore and coking coal prices increased by 13.6% and 2.0% QoQ respectively, boosting billet production cost to rise by roughly 10% QoQ, which was a slower pace compared to HRC prices. Hence, HRC's gross margin reached 39% and construction steel's gross margin was 24% in 2Q.
- The selling volume of HRC, which has high profitability, increased significantly from zero to 667,000 tons. Besides, HPG sold 983,000 tons of finished construction steel, growing by 26% YoY.

Steel production costs are rising in 3Q but could decrease in the following quarters due to the lower iron ore price. We estimate billet production costs to increase from roughly USD 500/ton in 2Q to USD 556/ton in 3Q before decreasing to USD 525/ton in 4Q, given that:

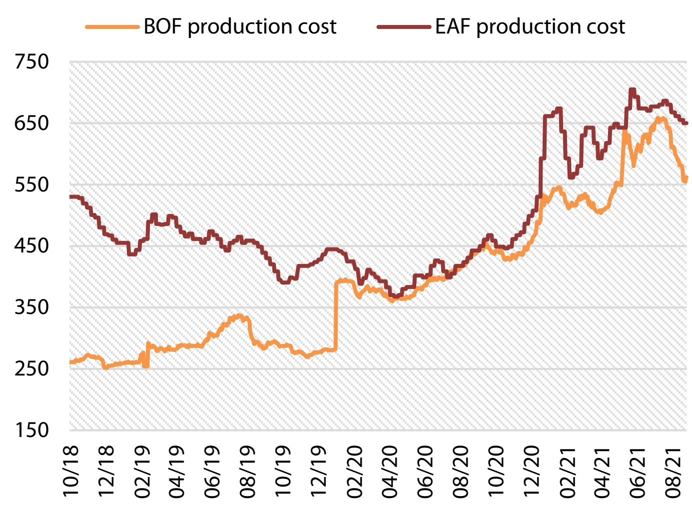
- The price of iron ore, accounting for roughly 48% of billet production costs in last twelve months, increased from USD 155/ton in April to USD 215 USD in June, before decreasing to USD 145/ton in August. We expect this price to still decrease to USD 110/ton in 1Q2022 because of the weak demand in China, caused by tightening supply measures and slow construction activities in the cold season. China plans to hold its crude steel output in 2021 flat to the 2020 levels, which means production volume must be cut in 2H after increasing by 13% YoY in 1H. Iron ore's future prices for delivery in January 2022 are only USD 110/ton.
- The price of coking coal, accounting for roughly 22% of billet production cost in last twelve months, has risen sharply from the bottom of USD 120/ton in May to USD 225/ton in August and above USD 300 in September 2021. We believe Australia's coking coal surged due to short-term disruption in the supply-side caused by bad weather and a spreading Covid-19 outbreak in Australia. For the long-term, we expect the supply will recover and coking coal can decrease from USD 300/ton to USD 220/ton in late-2022.

Figure 1: Material prices (USD/ton)



Source: Bloomberg, Rong Viet Securities

Figure 2: Liquid steel production cost (USD/ton)



Source: Rong Viet Securities

Flat steel segment: HPG is one of the most profitable company due to worldwide trends.

Decarbonization in the EU and China is changing the steel industry and leading to higher production costs. Manufacturers in Europe are having difficulties to compete as carbon emissions trading came into operation. With a carbon price of USD 60/ton, production costs in the EU will be 110 USD/ton higher than that in Vietnam and India due to the cost of purchasing emission rights as every ton of steel produced by BOF emits 1.85 tons of CO2 (WSA). Steel producers in the EU have built several alternative "green" production routes to replace BOFs, which will result in higher production costs. China is also forcing BOF to use more scrap and replace old-fashioned blast furnaces with eco-friendly mills. Using more scrap will lead to higher production costs as scrap price is roughly 90% higher than iron ore price for the same amount of iron content.

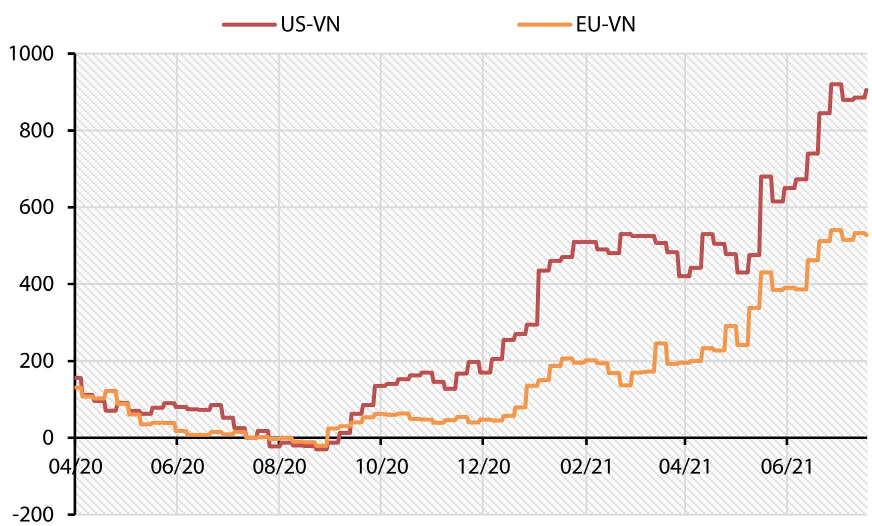
The ban on Australia's coking coal has been leading to higher prices in China, harming Chinese steel producers' competitiveness. In 8M2021, coking coal CFR China prices were USD 100-140/ton higher than FOB Australia prices. Assuming a ton of steel uses roughly 0.75 tons of coking coal and freight of USD 15/ton, steel production cost in China can be USD 65-95/ton higher than in Vietnam due to coking coal price.

These trends can boost steel prices in next years and manufacturers who have less-strict environmental requirements will benefit, including HPG. However, the differences in environmental requirements between countries can be removed partially if mechanisms such as carbon border are applied in late-2023.

The company can seize opportunities from foreign HRC markets in 4Q and 2022. HRC prices have been diverging between areas. The price in the US reached USD 2,100/ton ex-work, while the price in Vietnam is only USD 900/ton. With US's imported tax of 25% and transportation cost of USD 200/ton, HPG's selling price of USD 900/ton in the domestic market is equivalent to a price of USD 1,350/ton DDP US. Several HRC producers in Vietnam have offered products with competitive prices of USD 1,550-1,650/ton DDP to the US market. We expect that HPG can sell roughly 20% of HRC production volume to the US in 4Q with an average DDP price of USD 1,565 /ton (equivalent FOB price of 1,035/ton) higher compared to HPG's price of USD 880-890/ton in the domestic market.

For 2022, owing to high export prices, we revise up HRC prices and the gross margin forecast in our Steel industry report. Accordingly, we adjust HRC selling price forecast from USD 764/ton to USD 790/ton, and the gross margin forecast from 31% to 35%.

Figure 3: HRC price differences between US, EU, and Vietnam (USD/ton)



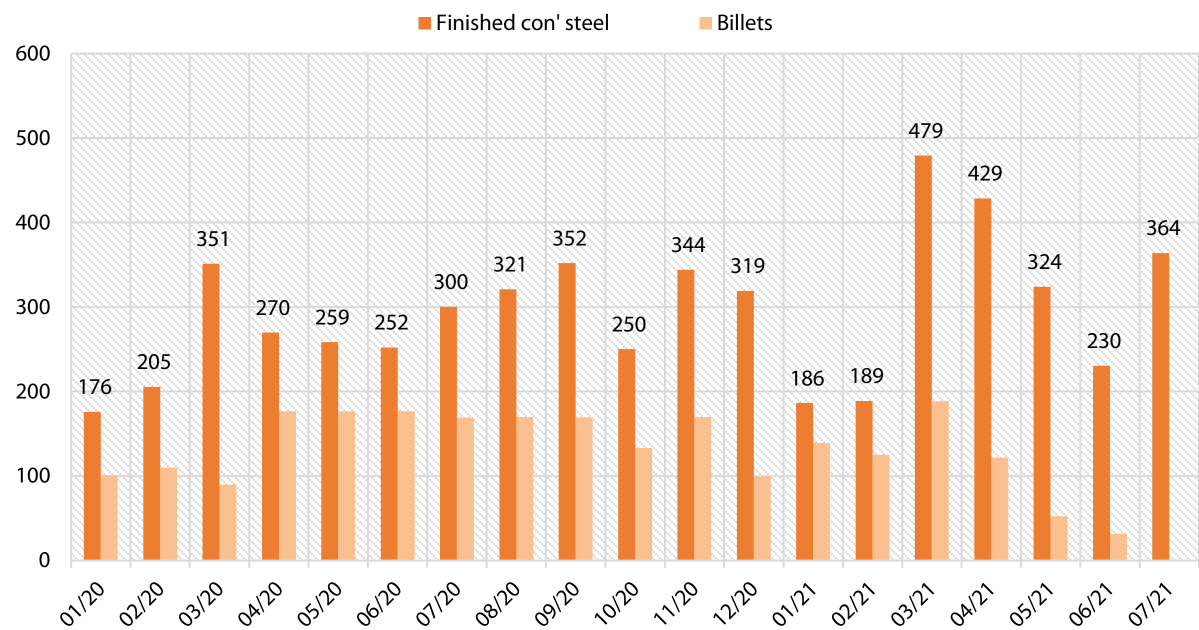
Source: Bloomberg, Rong Viet Securities

Because of high demand from the EU, HPG can maintain its high coated steel export volume and HRC selling volume. We believe that coated steel export volume to Europe will be robust until 2022 owing to favorable trade policies and increasing demand. Firstly, Vietnam has advantages against Turkey, South Korea, and India because of the EU's trade policies. South Korea and India, which are Vietnam's main competitors, are imposed specific quotas of only 170,000 tons/year and 210,000 tons/year respectively. Meanwhile, Turkey's HRC was imposed an anti-dumping tax of 4.7%-7.3% by the EU since April 2021, thus, weakening its competitiveness. Regarding Vietnam, the EU's metallic coated sheet (4A) import quota for its group will be roughly two million tons/year in the next three years. In 1H2021, Vietnam exported roughly 300,000 tons of metallic coated sheets, mainly hot-dipped galvanized sheets. Hence, there is room for Vietnam's coated steel producers to export more. Regarding demand, EU's steel consumption is forecasted by WSA to grow by 10.2% YoY in 2021 and 4.8% in 2022 owing to recovering demand after the pandemic.

Construction steel segment: Facing short-term difficulties but bright prospects in the long run.

Weak construction steel demand and increasing production costs could harm both selling volume and gross margin in 3Q. Although finished construction steel selling volume recovered to 364,000 tons in July, we expect that the demand is still weak in August and September. Directive-16 has been applied to control the pandemic in most of the Southern provinces, Da Nang City and Ha Noi City. Hence, many construction projects have been postponed, leading to weak demand for construction steel. Coupled with increasing production cost, we expect that the construction steel segment will be hit in 3Q. In details, selling volume is forecasted to decrease by 14% QoQ to roughly one million tons in 3Q while the gross margin is likely to decrease from roughly 24% in 2Q to 16% in 3Q.

Figure 4: Construction steel selling volume (thousand tons)



Source: HPG, Rong Viet Securities

The demand for construction steel can recover after the reopening in 4Q and grow at a higher pace in the next few years owing to public infrastructure investments.

Ho Chi Minh City and several key Southern provinces such as Dong Nai, Binh Duong, could ease social distancing from 15 September. Accordingly, construction activities would recover and support the steel demand. We forecast that HPG can sell 960,000 tons of construction steel, including finished products and billets, in 3Q, and 1.1 million tons in 4Q.

In the longer term, public infrastructure can be the supportive factor for steel demand. According to the medium-term public investment plan for the 2021-2025 period approved by National Assembly, transport projects are the top priority. Total spending for transport projects reached VND 570.4 trillion (USD 24.8 bn), accounting for 42.3% of the central budget. The central budget expenditure plan for highway projects and key projects (such as the North-South expressway) will reach VND 183.25 trillion (USD 7.9 bn). Besides, after the pandemic, public investment can be boosted to support the economy's growth. We expect that HPG's finished construction steel selling volume can grow by 17% YoY from 3.7 million tons in 2021 to 4.3 million tons in 2022.

Finished construction steel's gross margin can recover from 16% in 3Q to 19% in 4Q and roughly 22% in 2022. The main reason is that while iron prices can fall sharply YoY, we expect steel prices can decrease at a slower pace. We forecast that steel demand can grow in Vietnam, supported by recovering construction and manufacturing activities. Besides, steel oversupply in China tends to decrease, supporting steel prices.

Forecast

We revise up our 2021 NPAT forecast from VND 32,700 bn (USD mn) to VND 34,650 bn (USD 1.51 bn). This is mainly because we increase the HRC segment's expected gross margin in 4Q to 37.7% (from 35.2% in the Steel industry report published in August 2021), caused by higher selling price and lower iron ore price.

Table 1: 2H2021 and 2022 forecast

	Unit	1H2021E	2H2021F	2021F	2022F	YoY
Revenue	**VND bn**	**66,295**	**76,796**	**143,091**	**150,839**	**5.4%**
Selling volume						
HRC	Tons	1,332,139	1,386,017	2,718,156	3,100,190	14.1%
Finished construction steel	Tons	1,837,584	1,859,938	3,697,522	4,315,000	16.7%
Billets	Tons	658,515	257,609	916,124	500,000	-45.4%
Steel pipes	Tons	374,881	317,180	692,061	837,039	20.9%
Coated steel	Tons	159,955	190,375	350,330	400,000	14.2%
Gross profit	**VND bn**	**19,660**	**20,766**	**40,427**	**41,948**	**3.8%**
HRC	VND bn	8,184	11,849	20,033	19,879	-0.8%
Finished construction steel	VND bn	7,454	5,820	13,274	16,182	21.9%
Billets	VND bn	1,497	340	1,837	729	-60.3%
Steel pipes	VND bn	1,023	856	1,879	1,554	-17.3%
Coated steel	VND bn	591	665	1,256	1,511	20.3%
Others	VND bn	911	1,237	2,148	2,092	-2.6%
NPAT	**VND bn**	**16,751**	**17,895**	**34,646**	**35,670**	3.0%

Source: Rong Viet Securities

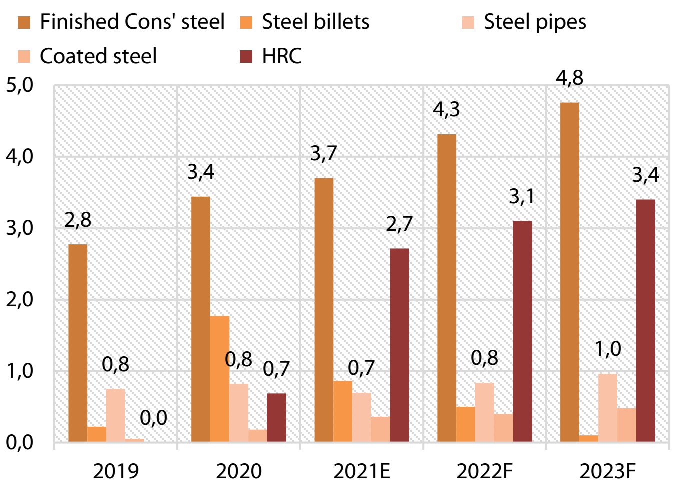
Table 2: HPG's material and steel price assumptions (USD/ton)

	1Q2021	2Q2021	3Q2021F	4Q2021F	2022	Comments
Iron ore	141	161	182	135	122	We expect iron ore price will decrease to roughly USD 110/ton in late-2021 due to China's attempts to cut steel production volume in 2H2021.
Coking coal	150	151	177	245	268	We believe Australia's coking coal surged due to short-term disruption in the supply-side caused by bad weather and a spreading Covid-19 outbreak. For the long-term, we expect the supply will recover fast and coking coal can decrease from USD 300/ton to USD 220/ton in late-2022.
HRC	670	870	957	920	790	We expect HRC price will decreasing steadily in the Vietnam market to roughly USD 880/ton on 4Q, but the export price can reach USD 1,050/ton (FOB term). For 2022, as iron prices can fall strongly YoY, we expect HRC prices can decrease, but at a slower pace. This is because we forecast that steel demand can grow in Vietnam, supported by recovering construction and manufacturing activities. Besides, steel oversupply in China tends to decrease, supporting steel prices.
Finished construction steel	638	704	700	700	658	Construction steel prices are expected to be stable in 4Q due to demand recovery and high production costs. For 2022, the price can decrease slightly by 5% YoY due to lower production costs.

Source: Rong Viet Securities

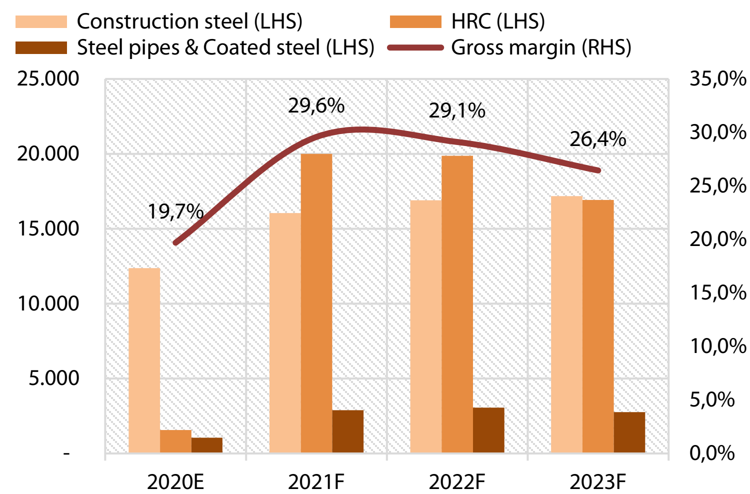
For 2022, we forecast that HPG's NPAT can reach VND 35,670 bn (USD 1.55 bn), increasing by roughly 3.0% YoY. The steel segment will contribute roughly 96% to total gross profit, while other segments will play minor roles. The real estate segment can earn revenue of VND 2,500 bn (USD 109 mn) in 2022 mainly from projects in the North, such as Yen My II Industrial Park – Expansion phase, Hoa Mac Industrial Park. Real estate projects in Can Tho are still in the planning stage and they may take two-three years to be completed. The container factory can run commercially in 3Q2022, but we estimate the contribution to NPAT will be insignificant.

Figure 5: Sales volume forecast (thousand tons)



Source: HPG, Rong Viet Securities

Figure 6: Steel segment's GPM and gross profit, by product (VND bn (USD mn))



Source: Rong Viet Securities

Dung Quat plant – Phase II will take time to contribute a significant portion to NPAT. The company plans to build new factories in early 2022 and take roughly 1.5 years to complete. We forecast new factories can provide roughly one million of steel in 2023. For 2025, we expect Dung Quat plant – Phase II can produce 2.8 million tons of steel in 2025 and contribute roughly 26% to the steel segment's gross profit.

Valuation

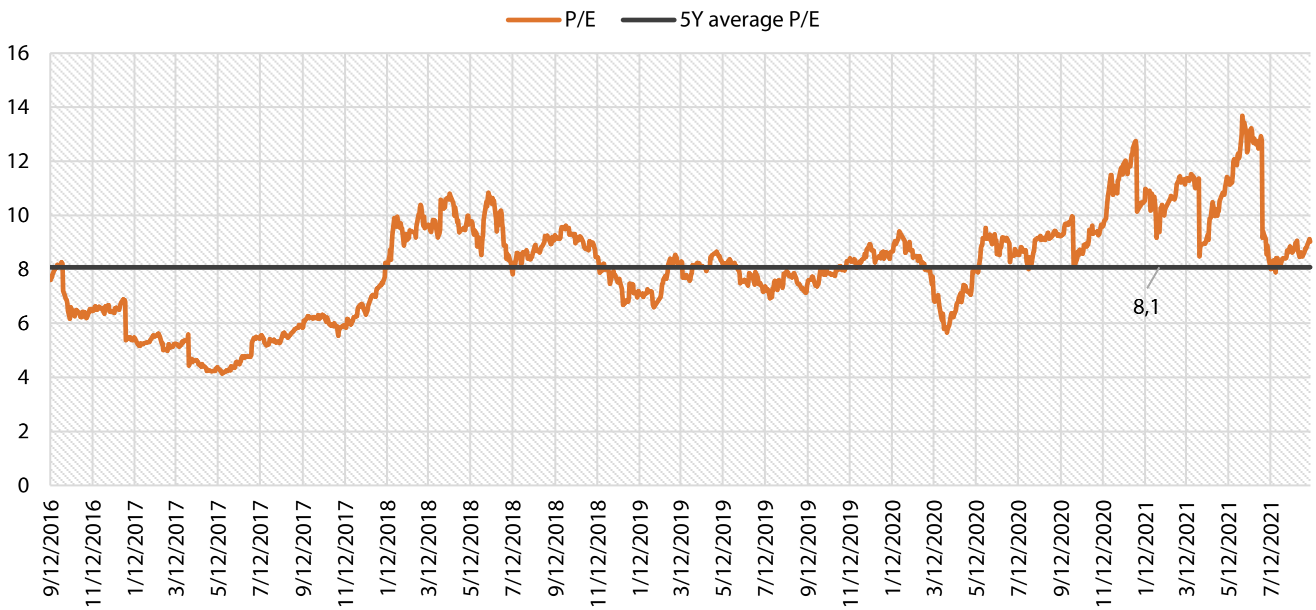
We use two methods to evaluate the stock: FCFF and PE. In the FCFF method, we apply a WACC of 10.9% and exit EV/EBITDA of 6.7x and come up with a target price of VND 65,400/share. We apply a P/E ratio of 9.0x, which is 12% higher than the 5-year average level, because the growth prospect for next years is positive, especially when the Dung Quat plant – Expansion phase can run commercially in late-2023. The target price based on the P/E method is VND 65,900/share. Hence, our fair value comes at **VND 65,700 value per share**, implying **a total return of 31%** as of the closing price on **September 24th, 2021.**

Table 3: HPG valuation

Method	Weight	Price	Contribution
FCFF	50%	65,400	32,700
P/E (9.0x)	50%	65,900	32,950
Target price			**65,700**
Current market price			50,800
Cash Dividend			1,000
Total stock return			**31%**

Source: Rong Viet Securities

Figure 7: Historical P/E ratio



Source: Bloomberg, Rong Viet Securities

VND Billion

INCOME STATEMENT	2019	2020	2021E	2022F
Revenue	63,658	90,119	143,092	150,839
COGS	52,473	71,214	102,665	108,891
Gross profit	**11,185**	**18,905**	**40,427**	**41,948**
Selling expenses	873	1,094	1,709	1,928
G&A expenses	569	690	1,356	1,443
Financial income	471	991	2,311	1,929
Financial expenses	1,182	2,824	2,851	2,756
Other income/loss	66	66	66	66
Gain/(loss) from JVs	*-1*	*2*	*2*	*2*
PBT	**9,097**	**15,355**	**36,889**	**37,817**
Tax expense	1,518	1,849	2,172	2,072
Minority interests	71	67	71	74
PAT	**7,508**	**13,439**	**34,646**	**35,670**
EBIT	9,743	17,120	37,361	38,577

%

FINANCIAL RATIO	2019	2020	2021E	2022F
Growth (%)				
Revenue	14.0	41.6	58.8	5.4
Operating Income	-3.5	77.0	99.6	2.6
EBITDA	-7.6	75.7	118.2	3.3
PAT	-12.4	79.0	157.8	3.0
Total Assets	29.5	29.2	11.1	26.0
Equity	17.6	24.1	72.0	24.2
Profitability (%)				
Gross margin	17.6	21.0	28.3	27.8
EBITDA margin	19.4	24.3	30.6	29.8
EBIT margin	15.3	19.0	26.1	25.6
Net margin	11.8	14.9	24.2	23.6
ROA	7.4	10.3	23.9	19.5
ROE	15.8	22.8	34.1	28.3
Efficiency				(times)
Receivable Turnover	17.8	14.7	15.9	13.3
Inventory Turnover	2.7	2.7	3.1	3.1
Payable Turnover	5.6	5.1	6.1	6.1
Liquidity				(times)
Current	1.2	1.1	2.8	3.6
Quick	0.4	0.6	1.6	2.0
Finance Structure (%)				
Total Debt/Equity	77.1	91.7	20.7	27.3
Current Debt/Equity	35.4	62.3	10.5	3.3
Long-term Debt/Equity	41.7	29.4	10.2	23.9

VND Billion

BALANCE SHEET	2019	2020	2021E	2022F
Cash and cash equivalents	4,565	13,001	21,568	17,942
Short-term investments	1,374	8,822	10,587	11,645
Accounts receivable	3,575	6,125	8,971	11,344
Inventories	19,412	26,287	32,725	34,819
Other current assets	1,546	2,566	3,079	3,694
Property, plant & equipment	68,242	71,201	65,219	100,027
Acquired intangible assets	331	297	282	269
Long-term investments	26	171	173	175
Other non-current assets	1,971	2,124	2,464	2,858
Total assets	**101,041**	**130,593**	**145,068**	**182,773**
Accounts payable	9,340	14,043	16,957	17,986
Short-term borrowings	16,838	36,798	10,617	4,205
Long-term borrowings	19,842	17,343	10,406	30,177
Other non-current liabilities	7,163	2,973	2,379	951
Bonus and Welfare fund	820	1,133	2,922	3,008
Technology-science, dev. fund	0	0	0	0
Total liabilities	**54,003**	**72,292**	**43,281**	**56,327**
Common stock and APIC	30,822	36,344	47,932	47,932
Treasury stock (enter as -)	0	0	0	0
Retained earnings	15,858	21,783	52,693	77,277
Other comprehensive income	1	6	6	6
Inv. and Dev. Fund	924	929	929	929
Total equity	**47,605**	**59,062**	**101,559**	**126,143**
Minority Interest	**183**	**158**	**229**	**303**

VALUATION RATIO	2019	2020	2021E	2022F
EPS (dong)	2,556	3,813	7,281	7,496
P/E (x)	8.6	6.6	7.1	6.9
BV (dong)	10,643	13,204	22,705	28,201
P/B (x)	1.4	2.3	2.3	1.8
DPS (dong/cp)	0	500	1000	2000
Dividend yield (%)	0.0	1.2	1.9	3.9

VALUATION MODEL	*Price*	*Weight*	*Average*
FCFF	65,400	50%	32,700
PE	65,900	50%	32,950
Target price			**65,700**

VALUATION HISTORY	*Price*	*Recommendation*	*Period*
27/11/2020	33,600	NEUTRAL	Short-term
27/12/2020	46,200	BUY	Intermediate
31/03/2021	55,200	BUY	Intermediate

RESULT UPDATE

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report, we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information, investors may contact the assigned analyst or our client support department.

RATING GUIDANCE

Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

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