Petrovietnam Southern Gas JSC (PGS – HNX)

Favorable time to grow

Particulars (VND bn)	Q1-FY15	Q4-FY14	+/- qoq	Q1-FY14	+/- yoy
Net Revenues	1,431.0	1,883.2	-24%	1,702.8	-16%
PAT	33.4	3.3	918%	27.9	20%
EBIT	60.4	44.8	35%	54.5	11%
EBIT margin (%)	4.2%	2.4%	184bps	3.2%	102bps

Sources: RongViet Research, PGS

- **2014: Volumes growth did not come along with profit growth.**
- **Q1/2015: The company's performance is gradually getting more stable**
- **LPG segment: Stabilized with global oil price**
- **CNG segment: Positivity comes from new input price formula.**

Outlook and valuation

Petrovietnam Southern Gas JSC (PGS) is the leading LPG and CNG distributor in the South of Vietnam. At the end of 2014, the company managed to achieve the year's business target despite adverse plunge in world's oil prices. Since 1Q2015, PGS's business performance has been benefited by changes in CNG input price formula and stable LPG profit margin. We expect these two factors would continue to sustain the company's positive performance in 2015. In addition, CNG business prospect looks brighter this year with increase in demand from existing customers and newly signed contracts. However, the fluctuation in revenue and profit (usually in Q4) along with unpredictable movements of global oil price could lead to the insecure perspective from us. As a result, we still use cautious discount factor for valuation ratios.

We believe PGS's business result could achieve a 10% in annual growth during 2016-2020 based on the new price level of crude oil. Therefore, we have determined the reasonable price for PGS stock at VND **27,000 per share** (or 22.17% higher than closing price on 10/7/2015 of VND 22,100 per share) and rate the stock as **BUY** in **INTERMEDIATE** term.

Key financials

Y/E Dec (VND bn)	FY2013	FY2014	Q1-FY2015	FY2015E	FY2016F
Net Revenues	6,902.0	7,484.3	1,431.0	6,572.6	7,614.5
% chg	8.3%	8.4%	-16.0%	-12.2%	15.9%
PAT	179.0	140.3	33.4	166.7	245.5
% chg	18.3%	-21.7%	19.9%	18.9%	47.3%
EBIT margin (%)	2.6%	1.9%	2.3%	2.5%	3.2%
ROA (%)	6.0%	4.5%		5.3%	7.8%
ROE (%)	20.8%	15.1%		16.9%	22.2%
EPS (VND)	4,711	3,691		3,624	4,910
Adjusted EPS (VND)	4,711	3,691		3,334	4,910
Book value (VND)	24,040	24,779		20,634	23,624
Cash dividend (VND)	1,200	1,500		1,400	1,500
P/E (x)	5.9	7.2		6.1*	4.5*
P/BV (x)	1.2	1.1		1.1*	0.9*

Sources: RongViet Research, PGS, (*) Stock price as of 07/10/2015

BUY

Current Price (VND)	22,100
Target Price (VND)	27,000
Investment Period	Intermediate

Stock Info

Sector	Oil & Gas
Market Cap (VND bn)	1,099.97
Current Shares O/S	49,998,794
Beta	1.24
Free float (%)	38.52
52 weeks High	31,000
52 weeks Low	16,000
Avg. Daily Volume (in 20 sessions)	435,160

Performance (%)

	3M	1Y	3Y
PGS	10.50	-28.25	11.06
Oil & Gas	17.92	8.45	151.91
HNX30 Index	8.91	7.01	34.98
HSX Index	6.34	12.25	29.97

Major Shareholders (%)

PetroVietnam Gas Corporation	35.26
Halley Sicav - Halley Asian Prosperity	9.46
DaiA bank	4.56
Acadian Frontier Markets Equity Funds	4.38
Dong A Capital	3.99
Foreigner Investor Room (%)	24.67

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2014: Volumes growth did not come along with profit growth

At the end of 2014, PGS successfully achieved the whole year's business target amid the backdrop of sharp decline of world oil's prices, especially in 4Q-2014 (down over 50%). In terms of output, the CNG and LPG businesses exceeded the year's target by 14.7% (159 mil m3) and 36.8% (236,893 tons) respectively.

For the LPG business, we saw an opposite trend from increase in LPG tank output (+3.96% compared to 2013) and decline in LPG bulk (-28.22% compared to 2013). The major reason could be a declining demand for LPG bulk from enterprise customers. However, it did not significantly affect PGS's overall business result due to its low profit margin compared with LPG tank sales for household customers, which remains PGS's core business focus in 2015 due to its stable demand. In fact, the Company has been leading household LPG market in the South of Vietnam with its market share of 34.5% (up 1% compared to 2013 figure).

Table 1: Output and business result in 2014

No.	Particulars	Unit	Plan14	Actual14	Actual13	A/P14	A14/A13
I	**Consolidated LPG**	Ton	213,000	236,893	264,543	111.22%	89.55%
	LPG tank	Ton	150,832	151,848	146,070	100.67%	103.96%
	LPG bulk	Ton	62,168	85,045	118,473	136.80%	71.78%
II	**Consolidated CNG**	Mil.M^3	138.96	159.34	141.9	114.67%	112.29%
	CNG Vietnam	Mil.M^3	68.96	84.71	79.52	122.84%	106.53%
	CNG Parent	Mil.M^3	70	74.63	62.38	106.61%	119.64%
III	**Finance**						
	Consolidated revenue	Bil d	6,784.9	7,657.77	6,901.99	112.86%	110.95%
	Consolidated profit after tax	Bil d	163.70	140.26	237.68	85.68%	40.99%

Sources: RongViet Research, PGS

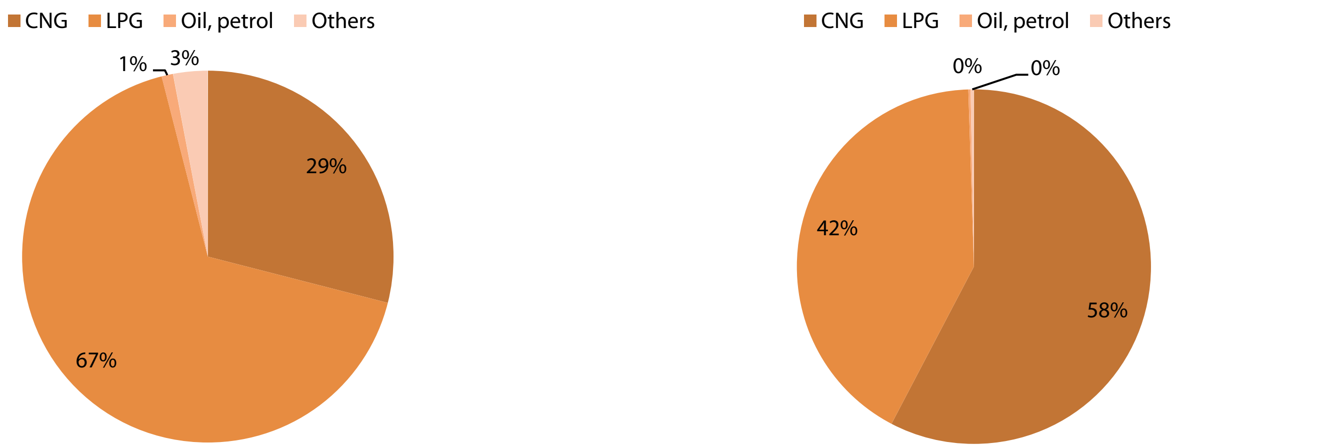
However, in 2014, the growth in volumes did not create an equivalent growth in the bottom-line. Revenue and recorded as VND 7,657.77 billion (up 10.95% y.o.y) and VND140.26 billion (down 40.99% y.o.y) respectively. The negative growth in PAT could be due to following causes:

(1) The decline in world's oil prices eliminated the seasonal effect of global CP price resulting in retail price to fall by 26.04% in 2014 (yoy). Hence, unpredictable changes in LPG prices have created difficulty for PGS's LPG business operation in dealing with import and sales prices.

(2) In 1Q2014, CNG input price increased by 5% from 8.53 USD/MMBTU to 8.96 USD/MMBTU. Though the input price declined in the subsequent quarters, the adverse decline in global oil prices caused CNG sales price to fall simultaneously for certain customers (~2-5%).

(3) PGS has made an additional VND27 billion in corporate tax payment in the second half of 2014, which negatively impacted the Company's profit.

Figure 1: Revenue (left) and gross profit (right) structure based on products 2014



Source: PGS annual report

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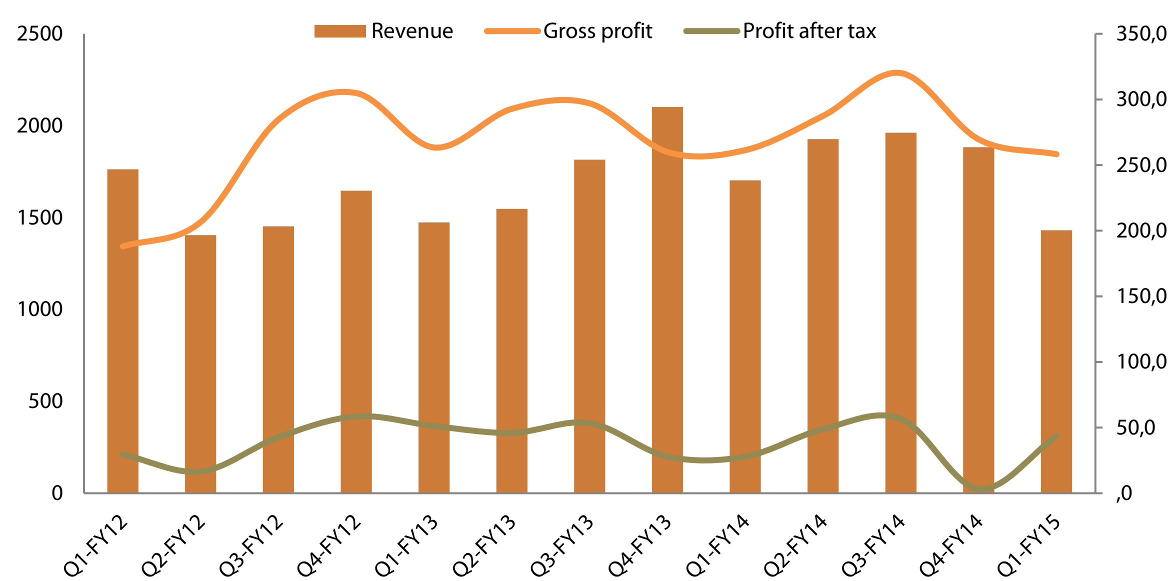
Figure 2: Business result (Unit: VND Billion)



Source: PGS

The company's performance is gradually getting more stable in 1Q2015

In the company's 1Q2015, business effectiveness has started to improve after adverse business conditions in 2014. In fact, PGS's sales profit margin reached to 18% in 1Q2015 despite recording a fall in revenue to VND 1,431.05 billion (down 15.96% y.o.y and 24.01% q.o.q) caused by unfavorable movements of world's oil prices. In particular LPG segment only achieved VND968.78 billion (-13.26% y.o.y) and CNG segment recorded VND402.36 billion (-22.19 y.o.y). However, we have seen a positive growth in LPG demand in the first months of 2015 which could have been attributed to increasing demand from both enterprises and household consumers given the relatively low LPG price. In the first 4 months of 2015, total LPG demand expectedly increased by 20% compared to the same period of last year to 485,000 tons. In addition, new CNG input price formula not only improved this segment's profit margin relatively to previous quarter and last year's same quarter but also reduced the price risk of this segment.

Therefore, in Q1/2015, profit after tax still had the positive growth of +9.18% y.o.y, equivalent to VND 33.4 billion. Furthermore, the significant decrease in depreciation cost could also be a notable aspect from PGS this moment that contributed to the positive business result in Q1/2015.

Table 2: Q1FY2015 and YTD Results

Particulars (VND bn)	Q1-FY15	Q4-FY14	+/- (qoq)	Q1-FY14	+/- (yoy)	+/-(yoy)
Net Revenues	1,431.0	1,883.2	-24.0%	1,702.8	-16.0%	1,431.0
Gross profits	258.3	269.6	-4.2%	261.4	-1.2%	258.3
SG&AC	205.6	226.2	-9.1%	212.5	-3.2%	205.6
Operating Income	52.6	43.4	21.2%	48.9	7.6%	52.6
EBITDA	0.0	115.5	-100.0%	125.9	-100.0%	0.0
EBIT	0.0	44.8	-100.0%	54.5	-100.0%	0.0
Financial expenses	7.3	6.8	7.6%	9.8	-25.0%	7.3
- Interest Expenses	7.2	6.8	7.1%	9.8	-26.1%	7.2
Dep. and amortization	-64.4	-70.6	-8.7%	-71.4	-9.7%	-64.4
Non-recurring Items (*)	1,431.0	1,883.2	-24.0%	1,702.8	-16.0%	1,431.0
Extraordinary Items (*)	258.3	269.6	-4.2%	261.4	-1.2%	258.3
PBT	205.6	226.2	-9.1%	212.5	-3.2%	205.6
PAT	52.6	43.4	21.2%	48.9	7.6%	52.6
(*) Adjusted PAT	0.0	115.5	-100.0%	125.9	-100.0%	0.0

Sources: RongViet Research, PGS

Table 3: Q1FY2015 performance analysis

Particulars	Q1-FY15	Q4-FY14	+/- (qoq)	Q1-FY14	+/- (yoy)
Profitability Ratios (%)					
Gross Margin	18.0%	14.3%	373bps	15.4%	270bps
EBITDA Margin	0.0%	6.1%	-613bps	7.4%	-739bps
EBIT Margin	0.0%	2.4%	-238bps	3.2%	-320bps
Net Margin	2.3%	0.2%	216bps	1.6%	70bps
Adjusted Net Margin	2.3%	0.2%	216bps	1.6%	70bps
Turnover *(x)					
-Inventories	25.8	39.8	-14.0	27.9	-2.1
-Receivables	6.6	8.5	-2.0	8.6	-2.1
-Payables	3.5	4.4	-0.9	4.6	-1.1
Leverage (%)					
Total Debt/ Equity	1.8	2.2	-0.4	2.1	-0.3

Sources: RongViet Research, PGS (*) Annualized turnover

Quick update: In the first half of 2015, LPG output was approximately 105,885 tons, surpassed the plan by +2.50%. CNG maintained the optimistic sign with 80.48 million m3, +16.64% increase compared to the plan. However, revenue still experienced significant decline with only VND 2,803.20 billion, achieved 39.60% of 2015 plan. Profit after tax increased by 17.61% y.o.y, reached VND 90.22 billion. With the positive signs from output and profit, PGS could maintain the sustainability in terms of financial position and its core business.

Table 4: Business result in the first 6 months and plan for the last 6 months of 2015

No.	Particulars	Unit	Plan14	Actual14	Actual13	A/P14
I	**Consolidated LPG**	Ton	103,300	105,885	115,700	102.50%
	LPG tank	Ton	32,000	33,248	32,000	103.90%
	LPG bulk	Ton	71,300	72,637	83,700	101.88%
II	**Consolidated CNG**	Mil.M^3	69.00	80.48	93.00	116.64%
	CNG Vietnam	Mil.M^3	34.50	40.12	45.00	122.84%
	CNG Parent	Mil.M^3	34.50	40.36	48.00	106.61%
III	**Finance**					
	Consolidated revenue	Bil d	3,539.25	2,803.20	3,539.25	79.20%
	Consolidated profit after tax	Bil d	51.72	55.10	51.72	106.54%

Source: PGS report

LPG segment - Stabilized with global oil price

At this moment, Vietnam LPG market has been supplied by 3 main sources: Dinh Co gas processing plant, Dung Quat refinery and imports. In 2014, supply from two factories was 612,000 tons (45.67% of demand) while imports figure was 728,000 tons (54.33% of demand). Even though domestic production could provide half national demand, LPG price volatility significantly depends on the global price movements. The sudden drop of crude oil price in the second half of 2014 led to the slip from the peak of 1,162.6 USD/tons in 12/2013 to the trout of 447.5 USD/tons in 1/2015.

Under this trend, companies in the industries also faced difficulties such as MTG with approximately 25 billion dong loss while ASP's revenue declining by about 80% to 1.8 billion dong. In contrast, we expected PGS to be a company with ability to deal with the volatility in the input prices when compared with peers. Stability in PGS business activities was proven during the low global price period and high volatility in CP price. Particularly, PGS profit margin only slightly reduced to 14.32% compared to previous quarter. Therefore, if we eliminated the tax payment at the end of 2014, profit after tax from PGS would have still achieved positive growth of approximately +8.58% y.o.y.

Regarding the stable period in global oil price and CP price (2013 and beginning of 2014), we could observe the outstanding profit margin from PGS with approximately 10.5 -11%. Meanwhile, ASP could only reach an average of 7 – 8% and MTG with 1 – 3%. According to the information from the Company, LPG profit margin at the end of 2014 fluctuated around 8 to 10% with the lowest month was over 7%.

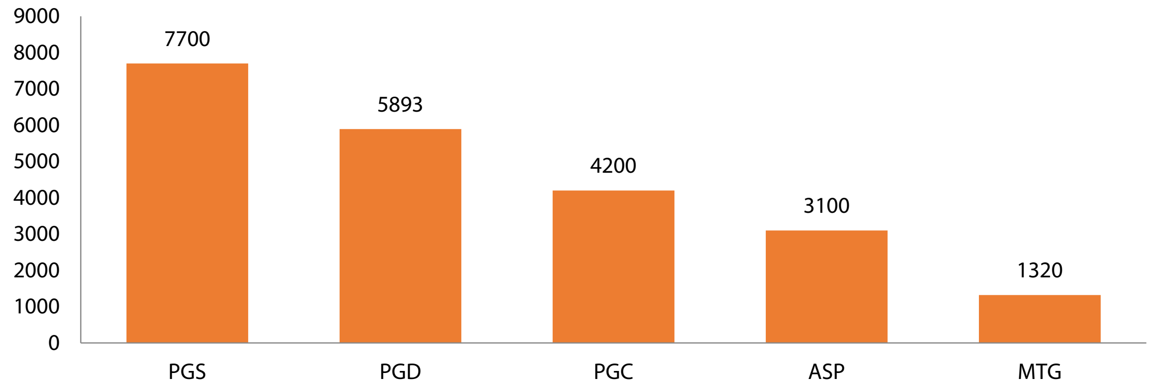
Reasons for such positive margin and stability in LPG segment could come from (1) advantage of high storage capacity with 7,700 tons, (2) continued increase market share which has been relatively high, (3) the only company (excluding MTGas) could manufacture gas tanks, (4) strong financial ability and has the most stable inventory turnover rates in the area (~30 days).

Table 5: Comparison of business results from several companies in LPG segment (Unit: bil dong)

LPG	Revenue		COGS		Profit margin	
	2013	2014	2013	2014	2013	2014
PGS	4,865	5,149	4,337	4,597	10.86%	10.72%
ASP	1,941	1,785	1,803	1,645	7.10%	7.83%
MTG	693	453	666	452	3.92%	0.24%
PGC	3,095	2,979	2,687	2,567	12.97%	14.58%
PCG	766	803	743	783	3.03%	2.54%

Sources: RongViet Research

Figure 3: Storage capacity of LPG companies (Unit: tons)

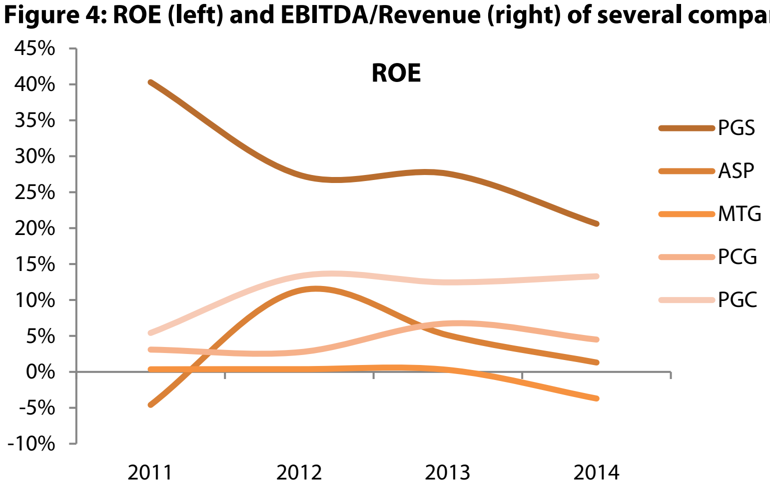


Sources: RongViet Research

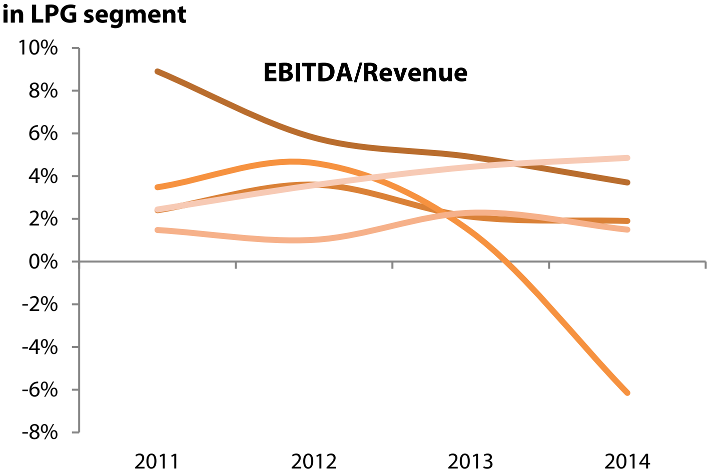
We believe that revenue growth in short-term could be supported by low global oil price. In long-run, we expected the revenue growth from PGS could be achieved thanks to (1) 5 – 7% annual growth rate in total LPG demand from BMI's forecast; (2) PGS could attract new customers through price positioning and tank replacements; (3) possible M&A between PGS and small gas companies/stores. Targeted market share until 2020 would be 45% in South and 27% nationwide in LPG segment with potential 2 – 3% annual growth.

Under the situation that the market is saturated with small-medium gas distributors, M&A could help PGS to capture more market share faster, increase competitiveness and widen distribution system because new gas stores has been stopped licensing for 10 years in Ho Chi Minh City. Furthermore, the draft about gas segment which could be issued this year can reduce the risk from branch/retail distributors to leading gas companies and support LPG activities from PGS. With the prospect of global oil price to be stable during the remaining of 2015 (~56USD/barrel according to EIA), we believe CP price could maintain the seasonal characteristics (decline early this year and recover at the end of 2015). Under this assumption, LPG output is estimated to be 246,368 tons in 2015 (+2.22 y.o.y and surpass the plan by 12.50%).

Figure 4: ROE (left) and EBITDA/Revenue (right) of several companies in LPG segment



Source: Rongviet Research



Source: Rongviet Research

CNG segment – Positivity comes from new input price formula.

The most remarkable aspect in PGS business activities recently has been the new CNG input price formula since 1/2015. Instead of fixed price as before from PVGas, input price for companies such as PGS and PGD is now floated based on FO 3%S area 1. Particularly, the discount factor based on FO 3%S's price will be from 50 to 65% for CNG customers. We believe new formula could help PGS reduce risk, on the other hand, get more advantages in term of CNG distribution because:

(1) Reduce the risk from increase in input price: replacing the old mechanism of annual increase in input price, gas from PVGas would now be floating based on oil prices. Such decision brought the positive business result in CNG segment in Q1/2015. To be more specific, CNG Vietnam gross profit margin achieved 22.12%, higher than 18.9% in Q4/2014.

(2) Stabilize the profit margin: when both input and output prices have been floating based on FO price, profit margin is expected to be stable in the future. According to PGS, input and output price will be immediately adjusted when FO price changes, therefore; we believe the change in input formula positively supports PGS' business activities. However, because there are several customers who accepted the fixed price, PGS still exposed to the gross profit risk when oil and gas price recover.

Aside from the formula adjustment, the decline in global crude oil price also brought the benefit in terms of price competitiveness. CNG selling price is approximately at 12USD/MMBTU at this moment. 2015 prospect in CNG segment is the growth in output from CNG Vietnam's new customers along with competitive selling price compared to other alternative resources such as coal or biomass, leading to the CNG consumption stimulation. Furthermore, economic recovery also stimulates consumption in steel and construction industries. In 1H2015, CNG output was estimated to be about 38 million m3. We expect CNG consumption from PGS to reach 172.60 million m3 (+8.32% y.o.y)

In long-term, CNG Vietnam (PGS's subsidiary with 55% holding ratio) is under several opportunities to grow such as (1) expand to North with Thai Binh gas mine – CNG accounts for 30% of production, from 40 to 60 million m3 per annum, (2) Viglacera project is expected to provide 20 million m3 in demand per annum. However, it should be noted that both projects will start to record revenue in the end of 2015 and early 2016, therefore; surge in revenue and profit is unlikely to occur this year. In addition, PGS parent company signed a contract with Samsung CE to provide 15 to 25 million m3 /year starting in late 2015. With the selling price to be fixed higher than current price, under situation of stable global oil price, such contract could be a positive factor for PGS's business results in the future.

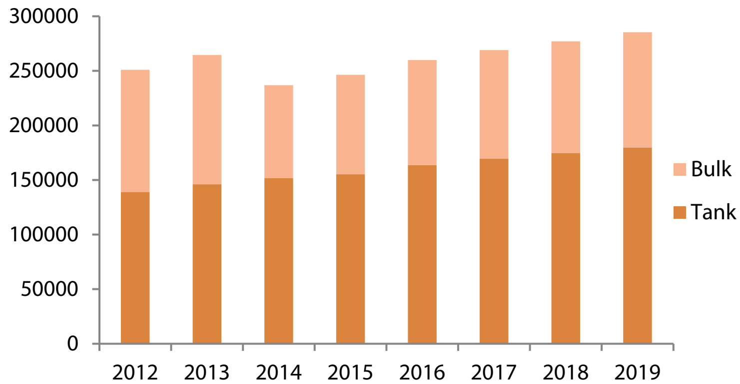
Table 6: Forecasted PGS's business result in 2015

	2012	2013	2014	2015F	2015KH
LPG (Sm3)					
LPG tank	139,116	146,070	151,848	**165,067**	155,000
LPG bulk	111,805	118,473	85,045	**81,302**	64,000
CNG (mil tons)					
CNG parent	64	82	85	**88.27**	62
CNG Vietnam	53	60	75	**84.33**	88
Revenue (bil)	6,375.00	6,901.99	7,657.77	**6,686.23**	7,078.50
Profit before tax	255.07	278.11	246.61	**284.64**	224.10
Profit after tax	151.28	179.03	140.26	**166.70**	158.90

Source: Rongviet Research

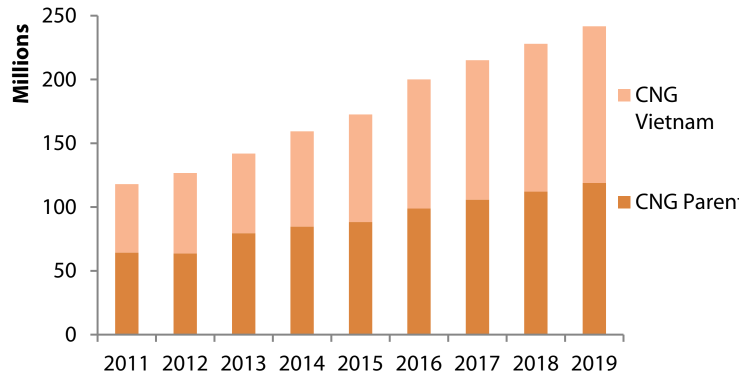
Under conservative assumption, average LPG production in 2015 is expected to slightly grow by 4.00%. Moreover, CNG could have better improvement with 7.50% growth; partial output will come from Thai Binh gas mine with the plan to operate in the end of July 2015. CNG Vietnam will provide 8 million m3 of CNG from new gas field in Northern area this year. Earning after tax is estimated to be 166.70 billion dong, surpassing the plan by +4.91%. Forecasted EPS could be approximately VND 3,334/share.

Figure 5: Forecasted LPG production structure



Source: Rongviet Research

Figure 6: Forecasted CNG production structure



Source: Rongviet Research

Outlook and valuation

We assessed the prospect for PGS could be relatively positive which compensates for the negative impact from oil and gas markets. Stable financial position and input/output elements which were changed in positive direction are the short-term plus for PGS's performance. We expect these factors would continue to sustain the company's positive performance in 2015. In long-run, we are concern more about the strategic development for new markets under available resources with additional customers and potential projects. However, the fluctuation in revenue and profit (usually in Q4) along with unpredictable movements of global oil price could lead to the insecure perspective from us. As a result, we still use cautious discount factor for valuation ratios.

We believe PGS's business result could achieve a 10% in annual growth during 2016-2020 based on the new price level of crude oil. Therefore, we have determined the reasonable price for PGS stock at VND **27,000 per share** (or 22.17% higher than closing price on 10/7/2015 of VND 22,100 per share) and rate the stock as **BUY** in **INTERMEDIATE** term.

Table 7: Key Assumptions

Particular s	Estimates	
	FY2014	FY2015F
Revenue growth (%)	8.44	-12.18
LPG growth (%)	-10.45	4.00
CNG growth	12.29	8.32
Gross margin (%)	15.34	16.29
EBIT margin (%)	3.73	4.76

Sources: Rongviet Research

VND Billion

INCOME STATEMENT	FY2013	FY2014	FY2015F	FY2016F
Revenue	6,902.0	7,484.3	6,572.6	7,614.5
COGS	5,806.0	6,336.2	5,502.0	6,359.4
Gross profit	1,096.0	1,148.1	1,070.5	1,255.0
Selling Expense	623.2	672.5	597.8	662.5
G&A Expense	169.1	207.4	177.5	190.4
Finance Income	34.8	17.4	13.9	18.4
Finance Expense	81.0	33.4	29.4	33.9
Other profits	20.5	-5.5	4.9	5.0
PBT	278.1	246.6	284.6	391.7
Prov. of Tax	40.4	55.2	62.6	86.2
Minority's Interest	58.6	51.2	55.3	60.0
PAT to Equity Shareholder	179.0	140.3	166.7	245.5
EBIT	339.0	279.3	313.2	422.2
EBITDA	655.5	561.8	606.2	735.2

%

FINANCIAL RATIO	FY2013	FY2014	FY2015F	FY2016F
Growth				
Revenue	8.3%	8.4%	-12.2%	15.9%
Operating Income	-11.1%	-11.7%	10.1%	36.2%
EBITDA	3.1%	-14.3%	7.9%	21.3%
EBIT	-9.0%	-17.6%	12.1%	34.8%
PAT	18.3%	-21.7%	18.9%	47.3%
Total Assets	5.1%	4.3%	-4.1%	5.9%
Equity	12.7%	3.1%	9.6%	14.5%
Internal growth rate	15.5%	9.0%	9.8%	15.4%
Profitability				
Gross profit/Revenue	15.9%	15.3%	16.3%	16.5%
Operating profit/ Revenue	4.4%	3.6%	4.5%	5.3%
EBITDA/ Revenue	9.5%	7.5%	9.2%	9.7%
EBITDA/ Revenue	4.9%	3.7%	4.8%	5.5%
Net margin	2.6%	1.9%	2.5%	3.2%
ROAA	6.0%	4.5%	5.3%	7.8%
ROIC or RONA	22.7%	19.7%	22.1%	27.9%
ROAE	20.8%	15.1%	16.9%	22.2%
Efficiency				
Receivable Turnover	10.2	8.6	7.5	8.4
Inventory Turnover	35.4	32.6	30.6	34.7
Payable Turnover	5.4	4.6	3.8	4.7
Liquidity				
Current	1.1	1.0	1.0	1.1
Quick	0.9	0.9	0.8	1.0
Solvency				
Total Debt/Equity	208.2%	218.9%	177.3%	155.3%
Current Debt/Equity	42.6%	33.5%	25.5%	25.8%
Long-term Debt/ Equity	16.2%	13.2%	10.9%	7.1%

VND Billion

BALANCE SHEET	FY2013	FY2014	FY2015F	FY2016F
Cash and equivalents	594	620	425	573
Short-term investment	68	40	40	40
Receivables	819	918	828	990
Inventories	204	184	176	191
Other current assets	55	84	80	90
Total Current Asset	1,739	1,846	1,550	1,884
Tangible Fixed Assets	658	668	695	617
Intangible Fixed Assets	33	33	33	32
Construction in Progress	40	47	150	100
Investment Property	0	0	0	0
Long-term Investment	0	0	0	0
Other long-term assets	587	579	644	618
Long-term Asset	12	30	30	30
Total Asset	1,330	1,357	1,522	1,367
Payables	3,070	3,203	3,071	3,251
Other current liabilities	1,135	1,426	1,265	1,272
Current Debt	97	80	89	99
Long-term Debt	389	315	263	305
Other long-term liabilities	148	125	112	84
Total Liability	134	115	100	75
Owner's Equity	1,902	2,062	1,829	1,835
Capital	914	942	1,032	1,181
Retained Earnings	380	380	500	500
Funds & Reverses	166	115	170	279
Others	321	401	316	356
Total Equity	0	0	0	0
Minority's Interest	914	942	1,032	1,181
TOTAL RESOURCES	248	193	210	235

CASH FLOW STATEMENT	FY2013	FY2014	FY2015F	FY2016F
Profit before tax	278.1	246.6	284.6	391.7
-Depreciation	316.6	282.4	250.0	250.0
-Adjustments	57.4	14.2	65.4	62.1
+/- Working capital	-125.8	-28.2	-275.9	-433.0
Net Operating CFs	526.3	515.1	324.2	270.8
+/- Fixed Asset	-105.7	-261.0	-426.5	-93.3
+/- Deposit, equity investment	16.1	-52.9	-22.3	-7.0
Interest, dividend, cash profit received	28.1	18.7	22.5	22.5
Net Investing CFs	-61.5	-295.2	-426.3	-77.8
+/- Capital	10.7	0.0	120.0	0.0
+/- Debt	-238.8	-95.0	-64.9	13.6
Dividend paid & other	-86.0	-98.9	-147.4	-59.0
Net Financing CFs	-314.1	-193.9	-92.3	-45.5
+/- cash & equivalents	150.8	26.0	-194.4	147.5
Beginning cash & equivalents	443.0	593.8	619.8	425.4
Impact of exchange rate	0.0	0.0	0.0	0.0
Ending cash & equivalents	593.8	619.8	425.4	572.9

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 which 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 / Return Potential	BUY	ACCUMULATE	NEUTRAL	REDUCE	SELL
Intermediate- term (up to 6 months)	>20%	10% to 20%	-5% to10%	-15% to- 5%	<-15%
Long-term (over 6 months)	>30%	15% to 30%	-10% to 15%	-15% to -10%	<-15%

ABOUT US

RongViet Securities Corporation (RongViet) was established in 2007, licensed to perform the complete range of securities services including: brokerage, financial investment, underwriting, financial and investment advisory and securities depository. RongViet now has an operating network that spreads across the country. Our major shareholders, also our strategic partners, are reputable institutions, i.e Eximbank, Viet Dragon Fund Management, etc... Along with a team of the professional and dynamic staffs, RongViet has the man power as well as the financial capacity to bring our clients the most suitable and efficient products and services. Especially, RongViet was one of the very first securities firms to pay the adequate attention to the development of a team of analysts and the provision of useful research report to investors.

The **Analysis and Investment Advisory Department** of RongViet Securities provides research reports on the macro-economy, securities market and investment strategy along with industry and company reports and daily and weekly market reviews

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