MOBILE WORLD INVESTMENT CORPORATION (HSX: MWG)

Finding Opportunities in New Businesses

(VND bn)	Q3-FY21	Q2-FY21	*+/-qoq*	Q3-FY20
Net revenue	24,333	31,658	-23.1%	25,714
PAT	785	1,213	-35.3%	951
EBIT	843	1,498	-43.7%	1,156
EBIT margin	3.5%	4.7%	-1.3pps	4.5%

Source: MWG, Rong Viet Securities

Q3 2021 – Social distancing took its toll on MWG's CE chains while largely profiting BHX stores

- TGDD & DMX stores posted a SSSG of -36% given that many stores were temporary closed in the quarter.
- BHX chain thrived with a SSSG of +33% in Q3-2021 as the modern trade was the only option for consumer goods in many Southern provinces. Revenue surged to VND 9.2 tn (USD 402 mn; +62% YoY). BHX posted a first quarter of net profit, estimated at VND 62 bn (USD 3 mn; -5% YoY).
- Higher contribution of DMX Super mini (DMS) lifted blended GPM of TGDD & DMX to 23% (+1.5 pps YoY), whereas efforts to increase fresh food supply in the time of social distancing propped BHX's GPM after wastage up to more than 28%.

2021F-22F Outlook – Initiatives to enhance sales per TGDD & DMX stores and streamlining OPEX for BHX are the main growth drivers

- Projected 2021F/ 22F revenue to come at VND119 trillion (+10% YoY; USD5.2 bn)/ VND150 trillion (+26% YoY; USD6.6 bn). For TGDD & DMX, we expect a positive SSSG of 10% for 2022F from the low base in 2021F on the back of a gradual recovery in purchasing power and initiatives to increase sales per store including rollouts of the new Topzone format while piloting fashion accessories shop-in-shop format named BlueJi, and sporting goods chain named BlueSport will offer potential upside. While other chains that are rumored to be piloted are fashion and mom-and-kid format, we believe DMS will be the main format to be opened in 2022F. Meanwhile, we expect BHX to post a SSSG of 5% in 2022F from the high base in 2021F.
- We forecast that 2021F/22F net profit will grow by 20% YoY/45% YoY to VND4.7 trillion (+20% YoY; USD206 mn)/VND6.8 trillion (+45% YoY; USD298 mn) with BHX's improved profitability will contribute the most to 2022F profit growth. Accordingly, we expect BHX to post a net profit of VND50 bn (USD2.2 mn) in 2022F, after a projected loss of VND1.4 trillion (USD60 mn) in 2021F, mainly on the back of better optimized staff expenses and DC utilization. For TGDD & DMX, we project NPAT to advance 11% YoY to VND6.7tn (USD296 mn) in 2022F.

Valuation and recommendation

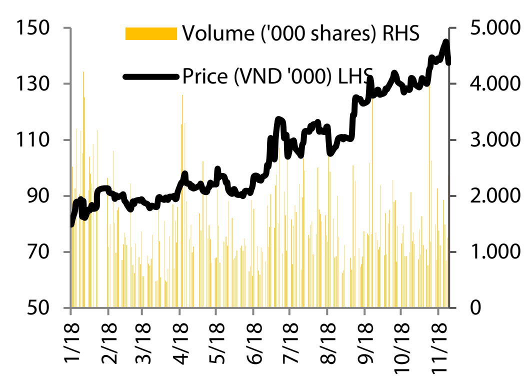
*We believe MWG's flexible business execution to deal with softer consumer electronics demand, and BHX's profitability will bolster system-wide operating efficiency and drive earnings growth post-2021. Our projected NPAT's 3Y CAGR of 35% during 2021F-24F makes the current 2022F P/E of 14.8x appealing. We lift our TP by 10% to **VND163,500** per share, which is based on the sum-of-the-parts approach, due to our upward revision of 2021F-24F NPAT, and a rollover of our valuation to 2022F. We reiterate our **BUY** recommendation on MWG with **a total return of 24%**, as of the closing price on December 07th , 2021.*

BUY	+24%
Target price (VND)	163,500
Current market price (VND)	133,500
Cash dividend (VND)	*1,500*

Stock Info	
Sector	Retail
Market Cap (VND billion)	98,025
Current Shares O/S	712.9
Avg. Daily Volume (in 20 sessions)	1,546,305
Free float (%)	35
52 weeks High	145,000
52 weeks Low	75,437
Beta	0.90

	FY2020	Current
EPS	8,654	8,601.3
EPS Growth (%)	0	1
Diluted EPS	8,644	6,000
P/E	13.8	22.9
P/B	3.5	5.2
EV/EBITDA	7.4	13.3
Cash dividend yield (%)	1.3	1.1
ROE (%)	25.3	22.7

Price performance



Major Shareholders (%)	
Retail World Inv Consultant Co Ltd.	11.3
DC	10.0
Arisaig Asia Consumer Fund Limited	5.1
Foreign ownership remaining room (%)	0

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Exhibit 1: Q3-2021 Results

(VND Bn)	Q3-FY21	Q2-FY21	+/-(qoq)	Q3-FY20	+/-(yoy)
Net revenue	24,333	31,658	-23.1%	25,714	-5.4%
Gross profit	6,089	7,144	-14.8%	5,750	5.9%
SG&A	5,246	5,646	-7.1%	4,594	14.2%
Operating income	843	1,498	-43.7%	1,156	-27.1%
EBITDA	1,591	2,217	-28.2%	1,758	-9.5%
EBIT	843	1,498	-43.7%	1,156	-27.1%
Financial expenses	165	171	-3.6%	132	24.6%
- Interest Expenses	164	170	-3.5%	132	24.0%
Dep. and amortization	748	719	4.1%	602	24.2%
Non-recurring items (*)					
Extraordinary items (*)					
PBT	968	1,626	-40.5%	1,278	-24.3%
PAT	785	1,213	-35.3%	951	-17.4%
(*) Adjusted PAT	785	1,213	-35.3%	951	-17.4%

Source: MWG, Rong Viet Securities

Exhibit 2: Q3-2021 Performance Analysis

Particulars	Q3-FY21	Q2-FY21	+/- (qoq)	Q3-FY20	+/- (yoy)
Profitability Ratios (%)					
Gross Margin	25.0%	22.6%	2.5 pps	22.4%	2.7 pps
EBITDA Margin	6.5%	7.0%	-0.5 pps	6.8%	-0.3 pps
EBIT Margin	3.5%	4.7%	-1.3 pps	4.5%	-1.0 pps
Net Margin	3.2%	3.8%	-0.6 pps	3.7%	-0.5 pps
Adjusted Net Margin	3.2%	3.8%	-0.6 pps	3.7%	-0.5 pps
Turnover *(x)					
-Inventories	3.3	4.3	-1.0	4.5	-1.2
-Receivables	33.8	53.7	-19.9	74.7	-41.0
-Payables	5.2	6.8	-1.5	6.5	-1.2
Leverage (%)					
Total liabilities/ Equity	145.8%	190.3%	-44.5 pps	160.2%	-14.4 pps

Source: Rong Viet Securities

Exhibit 3: Q4-2021 Performance Forecast

Particulars (VND Bn)	Q4-FY21	+/- qoq	+/- yoy
Revenue	32,094	32%	18%
Gross profit	7,448	22%	19%
EBIT	1,484	76%	21%
NPAT	1,363	74%	45%

Source: Rong Viet Securities

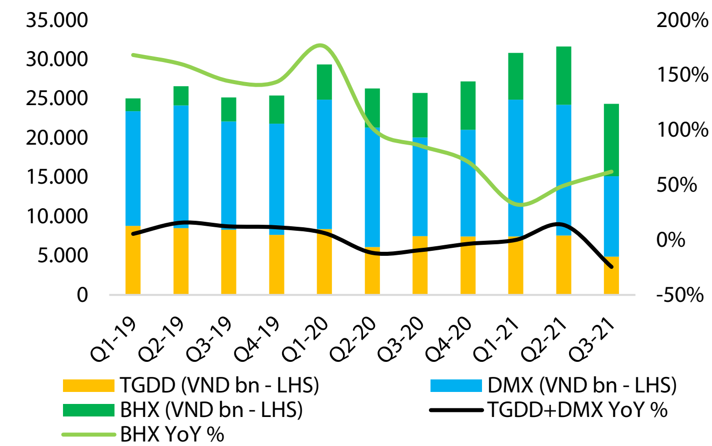
Update

Social distancing caused a divergence in sales performance of key chains, but GPM still improved

MWG's Q3-2021 net sales declined by -5% YoY to VND 24.3 trillion (USD 1.1 bn) amid mixed results of key chains. In which, consumer electronics chain TGDD & DMX's sales came at VND15.1 trillion (-24% YoY; USD 0.7 bn) as SSSG dropped by -36% YoY after 60-70% of total store-count were put under temporary closure or restricted operation. On the contrary, BHX' sales jumped by 62% to VND9.2 trillion with a SSSG of +36% YoY in Q3-2021 on the back of abnormal demand induced by the social distancing. As a result, contribution from BHX has significantly increased to 38% by Q3-2021. For 9M-2021, TGDD & DMX experienced a drop of -10% YoY in SSSG, in oppose to a +12% of BHX stores.

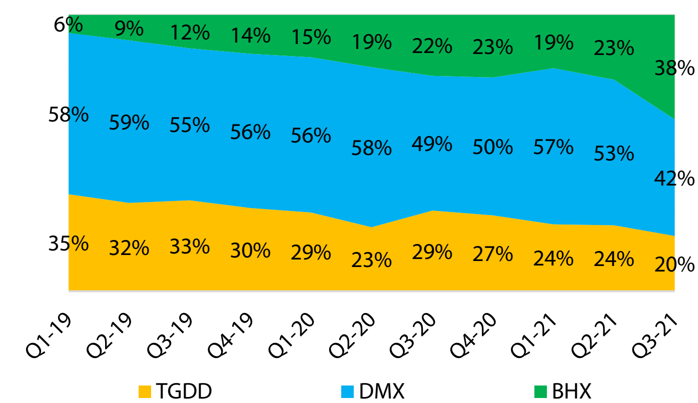
While the social distancing led to mixed results in these chains, it has accelerated the online sales for all of them despite some restrictions on delivery of discretionary products. We estimate that online sales of TGDD & DMX thrived the most in Q3-2021, amounting to more than VND 3.7 trillion (+66% YoY; USD 0.2 Bn) and accumulating to a 9M-2021 revenue of VND 8.6 trillion (+21% YoY; USD 0.6 Bn). Meanwhile, a low base in 2020 helped BHX increase its online sales by more than fivefold in 9M-2021.

Figure 1: MWG sales by chain



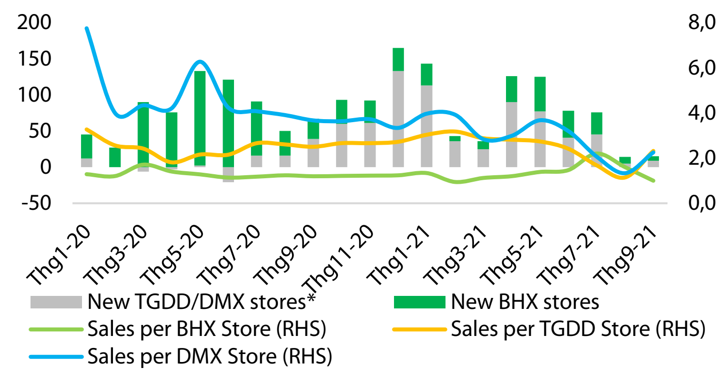
Source: MWG, Rong Viet Securities

Figure 2: MWG sales contribution by chain



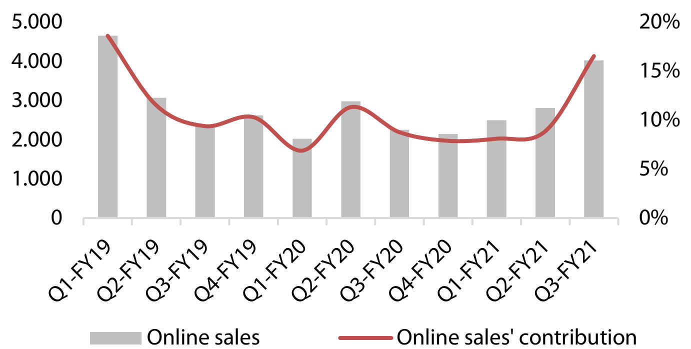
Source: MWG, Rong Viet Securities

Figure 3: Monthly sales per store by chain (VND bn)



*Source: MWG, Rong Viet Securities, * including Bluetronics*

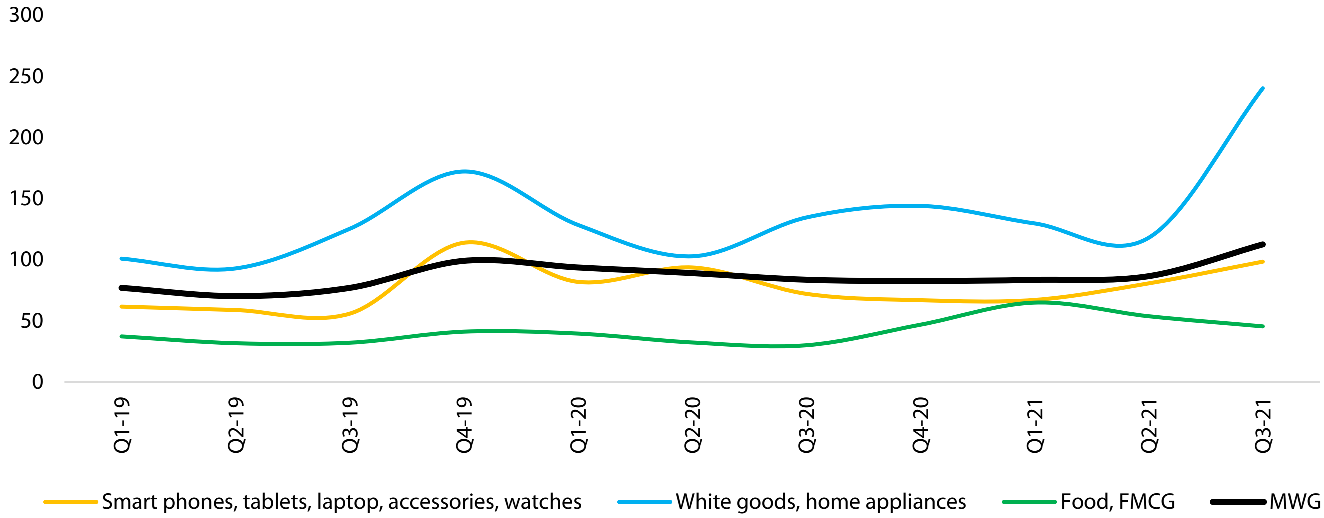
Figure 4: Online sales (VND bn)



Source: MWG, Rong Viet Securities

The disrupted operation of TGDD & DMX largely deteriorated the number of inventories days on hand, especially for the white goods given the effort to secure sufficient stocks for sales amid disrupted supply chain of consumer electronics due to the global chip shortage. Meanwhile, days of inventory of food and FMCG returned to a normal level after a robust Q3-2021.

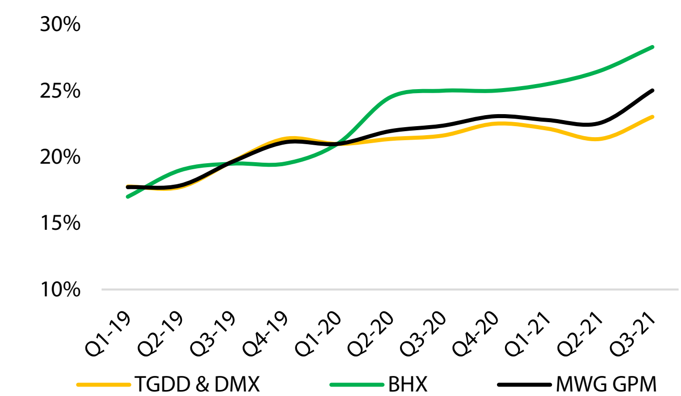
Figure 5: Estimated days of inventory by product categories



Source: MWG, Rong Viet Securities

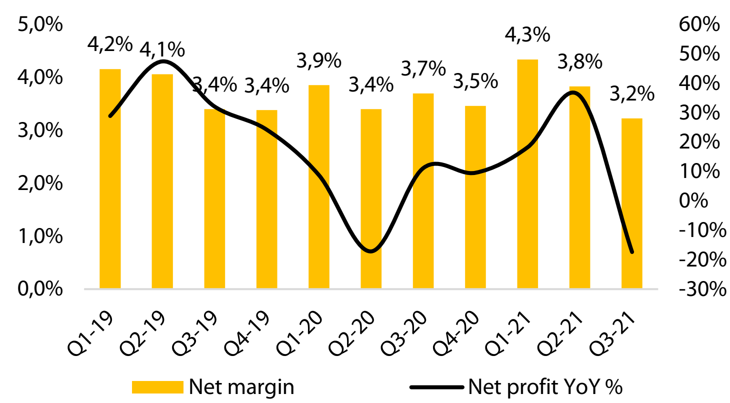
Despite weak sales, the TGDD & DMX chain was able to improve its margin in Q3-2021 thanks to **(1)** higher revenue contribution of DMS in DMX of 14% over 10% in 1H-2021 as the operation of these stores, which were mostly located in remote and rural areas, were less affected by social distancing and **(2)** positive sales growth of highly profitable small home appliances products. Meanwhile, BHX's effort to supply fresh food as much as possible to meet the demand in the time of wet market closure has helped boost fresh food contribution to 51% in Q3-2021, thereby bolstering GPM of this chain to 28%. **System-wide's improved GPM (Figure 5) along with (1) streamlining staff expenses and (2) reduced rental expenses of 20% YoY for a majority of TGDD & DMX owing to re-negotiating with landlords have lessened the negative impact of sales drop on net profit**. As a result, NPAT-MI dropped by -17% YoY to VND 785 bn, which was better-than-expected. For 9M-2021, NPAT still increased by 12% to VND 3.3 trillion (USD 144 mn), implying a net margin of 3.8%.

Figure 6: Estimated GPM by chain



Source: MWG, Rong Viet Securities

Figure 7: MWG net margin and net profit growth



Source: MWG, Rong Viet Securities

TGDD & DMX's posted positive signals after lockdown eased: upgrading current points of sales is the main strategy to maintain high growth going forward.

Most stores have resumed their operation by September-end. Many promotional programs have captured pent-up demand after the relaxation of lockdowns. As a result, **October sales rebounded by 60% MoM, posting the highest revenue of the year** (Figure 6). We believe that the surging revenue in October was primarily driven by:

(1) Laptops on the back of increased demand of working/studying from home. In fact, estimated sales volume of laptops were even higher than September by 10-15% contributing more than VND1 trillion to monthly sales. With that result, we estimate that MWG's

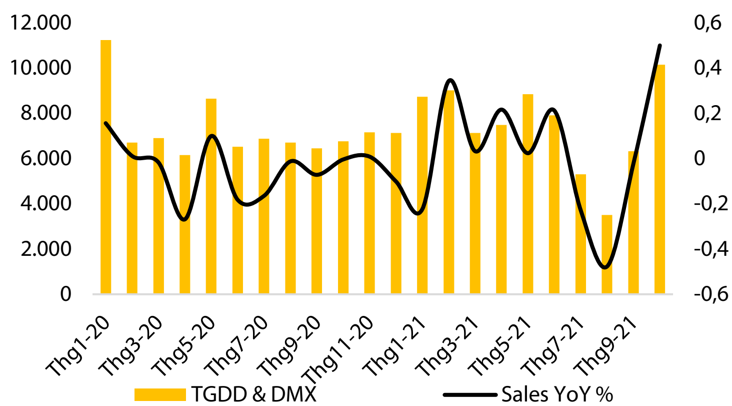
value of laptop sales amounted to VND 4.4 trillion in 10M-2021, up 40% YoY. MWG boasts a 40% share of the Vietnam laptop retailing market, roughly equal to FRT's share.

(2) The new iPhone 13. Realizing the potential headroom in consolidating market share of Apple products, in which MWG accounts for roughly 25% of this USD1.5bn market, MWG launched Topzone – a new chain that specializes in selling Apple products – the same time the new iPhone was introduced in Vietnam. Early sales result of the first four Apple Authorized Reseller – AAR formated stores (100-120 sqm and integrated next to TGDD/DMX stores) were encouraging: VND40 bn (USD1.8 mn) in just ten days equivalent to roughly VND30 bn of revenue/store/month. Having said that, we believe these results were positively skewed at the launch, and sales per store should normalize after several months afterward to around VND4-5 bn/store/month, which is still better than the management's original expectation of VND2-3 bn/store/month.

Figure 8: Topzone AAR formated store

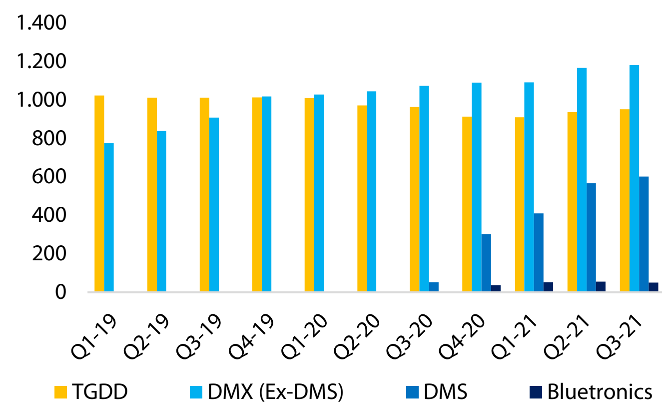
Source: MWG, Rong Viet Securities

Figure 9: TGDD & DMX monthly revenue (VND bn)



Source: MWG, Rong Viet Securities

Figure 10: TGDD & DMX store-count



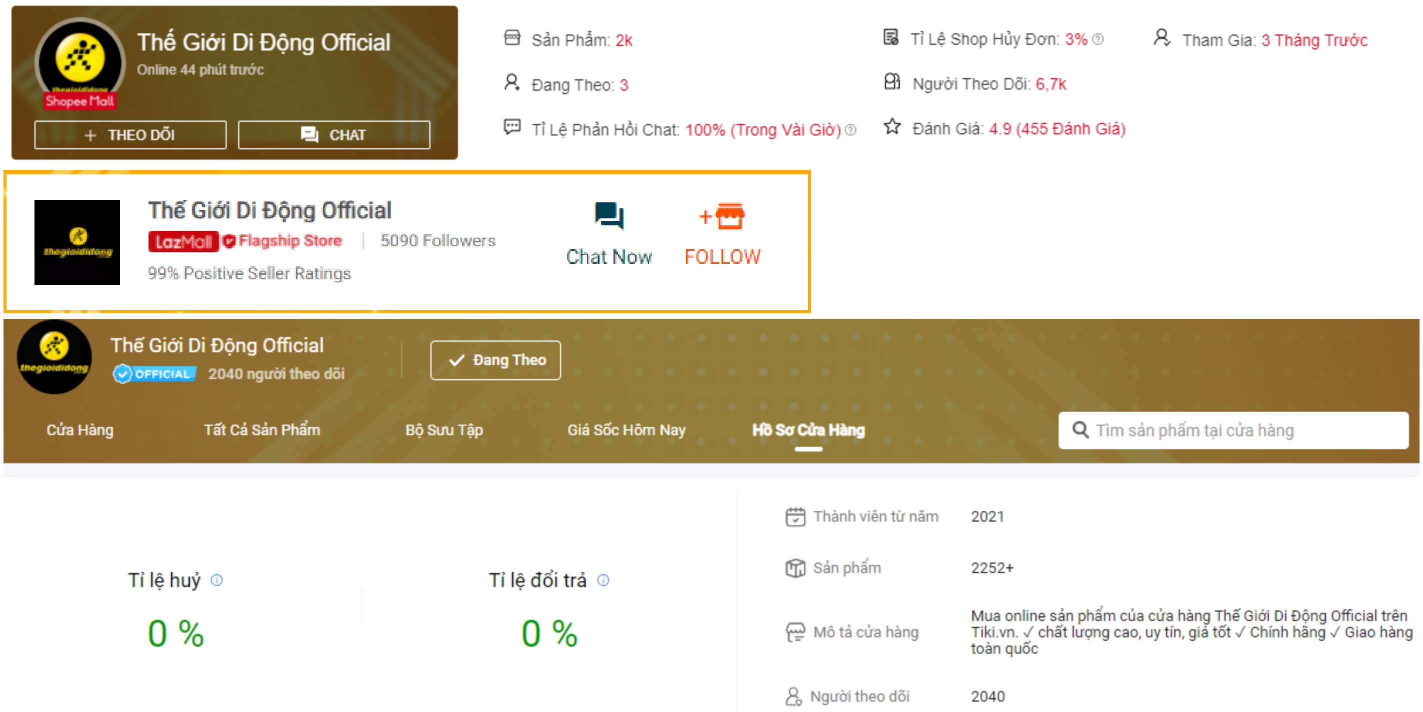
Source: MWG, Rong Viet Securities

Regarding store expansion plan, the management shared that the headroom will likely be limited due to the current density of TGDD/DMX store network. Having said that, the company will be ramping up DMS expansion in Q4-2021 (800 store-count target by the end of 2021 from 601 stores September-end) and 2022F to further consolidate market share from other local retailers, of which some of them have not withstood the pressure of Covid-19. Besides, we see several operation enhancing initiatives that will be implemented/piloted over the coming times such as:

(1) Opening up to 60 Top zone stores by Q1-2021 (50 AAR stores and 10 standalone APR stores which double AAR stores in terms of size and revenue).
(2) Eyeing upgrading the size of current high performing stores.
(3) Looking out for new locations with attractive rental rates.
(4) Ramping up bikes' points of sales and piloting new product categories sales (i.e.: sportswear). Besides, MWG is believed to pilot a jewelry retail chain in Dec 2021.
(5) Optimizing online sales channel to capture ballooning demand by redesigning websites interface which further accommodate online shopping behavior, and boosting its official channel on ecommerce marketplaces (Tiki, Shopee, Lazada) to acquire new customers (after three months since launch, 70% of buyers on these platforms are new customers). For now, accessories are the

main product category that MWG pushes on these ecommerce marketplaces as well as its websites. In fact, over 70% of more than two thousand on-sale products on Tiki.vn are watches, computer peripheral devices, per our estimate, which mostly cost around VND1 mn. Smartphones are sold there as well but many of them are low-priced entry-level smartphones. While these product categories' pricing range are a sweet spot for digital buyers, we believe this product strategy is unlikely to affect offline sales.

Figure 11: MWG's profile on main Vietnam ecommerce marketplaces

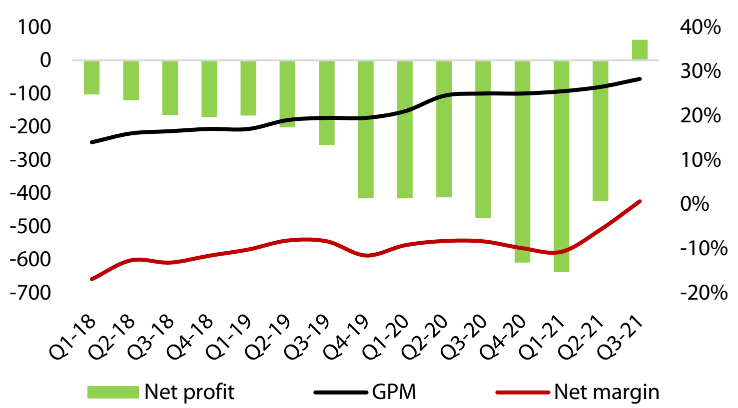


Source: Shopee.vn, Lazada.vn, tiki.vn

Declined sales per store poses risk to BHX net profit in the upcoming quarters

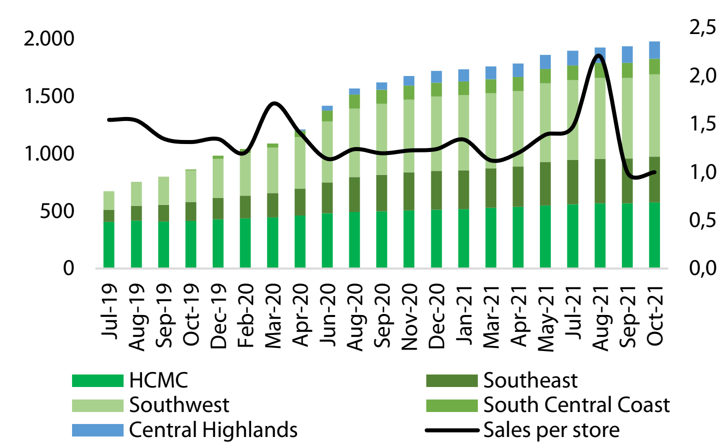
Sales per BHX store peaked at VND2.2 bn in July which largely helped the chain to be profitable in Q3-2021 (est. net profit of VND62 bn), but it started to decline to around VND1 bn in September and October due to (1) stricter social distancing in late August to early September that hindered in-store sales, (2) impacted purchasing power after thousands of citizens left industrial cities, which contribute nearly 50% of revenue in normal condition, and wet markets reopened. Nevertheless, it's noteworthy that this chain still managed to maintain positive EBITDA at the company-wide level in September which we attribute to streamlined staff expenses.

Figure 12: Estimated net profit of BHX



Source: MWG, Rong Viet Securities

Figure 13: Store distribution and sales per store



Source: MWG, Rong Viet Securities

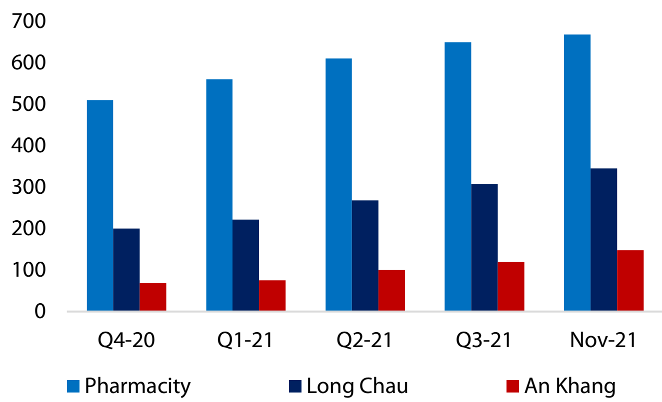
Per Ministry of Labor, War Invalids and Social Affairs, the Covid-19 epidemic has caused a large repatriation of around 1.3 million workers from Ho Chi Minh City and key Southern provinces to their hometowns. Although labor market in these industrial hubs is gradually improving, there are currently about 70-75% of businesses, 50-60% of the workforce returning to normal operations. We expect that the labor force will be returning to key Southern urban areas in early 2022 to prepare for the peak season of manufacturing prior to Tet and will gradually improve afterward on the back of recovering industrial activities. While near-term purchasing power should recover accordingly then, we believe that, in the longer-term, the success of this model will depend on how well BHX can (1) streamline operating expenses (i.e.: optimize staff, DC expenses, reduce expansion pace to around 30 stores per month), (2) enhance sales per store through size upgrading, and (3) improve GPM.

MWG to push An Khang Pharmacy expansion

MWG has started to accelerate the An Khang (AK) pharmaceutical chain expansion as it started to make profit in recent mont. We assume that robust traffic of BHX in Q3-2021 helped AK's operating efficiency, which saw the bottom line improve accordingly.

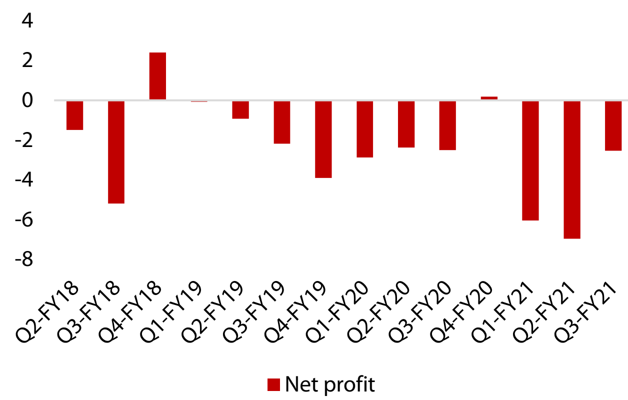
This chain has opened 30 new stores since the end of Q3-2021, reaching 148 stores to date, and total store-count is expected to amount to 160-170 by the end of 2021. Since AK new stores' location been tagged along with BHX 500 sqm stores to benefit from high traffic, we estimate there should be 300-400 locations available to open new AK stores in the next year. While this estimated figure may bring AK to overcome Long Chau pharmacy in terms of store-count, AK's coverage will likely be limited to Southern provinces vs its rival's nationwide coverage.

Figure 14: Number of stores by pharmaceutical retailer



Source: MWG, Rong Viet Securities

Figure 15: An Khang's net profit (VND bn) improved in Q3-2021



Source: MWG, Rong Viet Securities

2021F-22F Outlook

Table 1: Revised 2021 Forecast

Unit: VND Bn	2021F Old	2021F New	Change	YoY %	Assumptions
Revenue	**120,332**	**118,913**	**-1%**	**10%**	
TGDD/ DMX's in-store revenue	77,440	76,362	-1%	-2%	Our revised forecast stays relatively unchanged due to: (1) Upward revision of blended SSSG to -5% from -10% in our previous report as we expect that same-store sales will strongly recover in Q4-2021 at 15% YoY on the back of solid laptop, iPhone, and small appliances sales. Projected TGDD's store count will advance to 958 by the end of 2021 from 913 as of 2020-end. (2) Lower DMS store-count of 802 compared to 1,002 outlets previously due to disruption caused by the social distancing. ATotal projected DMX's points-of-sales will advance to 2,049 by the end of 2021F (including 50 Bluetronics stores in Cambodia) from 1,464 as of 2020-end.
BHX's in-store revenue	31,565	28,818	-9%	37%	Despite a robust 9M-2021 SSSG of 12%, we expect that same-store sales will face negative growth of around 8% in Q4-2021 due to impacted demand mentioned above. We slightly tone down expansion pace of BHX, adding 320 new stores in 2021F vs 350 previously, bringing the total store count to 2,039 by the end-2021F.
Online revenue	11,326	13,733	21%	46%	We revise upward online sales in accordance with MWG's plan to push online channel especially for accessories products. 10M-2021 online sales amounted to more than VND11 trillion (+40% YoY; USD484 mn).
Gross profit	120,332	27,706	1%	16%	
Selling expenses	77,440	17,935	-5%	17%	
G&A expenses	31,565	4,254	22%	25%	
EBIT	11,326	5,517	11%	6%	
PBT	27,342	6,217	10%	15%	
NPAT-MI	**4,190**	**4,699**	**12%**	**20%**	
TGDD & DMX	5,817	6,062	4%	4%	We raise our forecast for TGDD and DMX's aggregate NPAT mainly on the back of improved GPM (21.9% vs 21% previously) following higher contribution from DMS of around 12% of DMX's 2021F revenue.
BHX	-1,626	-1,363	-16%	-29%	We revise down BHX's net loss to reflect highly profitable Q3-2021 and higher projected full-year GPM of 27.5%.
EPS (VND)	**5,880**	**6,594**	**12%**	**14%**	
GPM	*22.7%*	*23.3%*	0.6 pps	1.2 pps	
SG&A expenses /Sales	*18.7%*	*18.3%*	0.0 pps	1.4 pps	
EBIT margin	*4.1%*	*4.6%*	0.5 pps	-0.2 pps	
PBT margin	*4.7%*	*5.2%*	0.5 pps	0.2 pps	
Net profit margin	*3.5%*	*24.4%*	0.5 pps	0.3 pps	

Source: MWG, Rong Viet Securities

Table 2: 2022 Forecast

Unit: VND Bn	2022F	YoY %	Assumptions
Revenue	**150,082**	**26%**	
TGDD & DMX's in-store revenue	91,162	19%	Recovering from a low base in 2021F, we expect blended SSSG of TGDD & DMX to reach 10% in 2022F, mainly driven by ICT products and small appliances respectively due to ramping up Topzone stores and higher contribution from DMS. We estimate that DMS new opening of 700 outlets in 2022F will push DMS sales/total DMX sales to around 17%. We assume that TGDD & DMX's store count will climb to 3,785 by the end of 2022F from 3,007 as of 2021F-end. We have not included sales from newly rolled-out chains namely Blue Sport (selling sportwear) and BlueJi (selling affordable jewelry) points-of-sales (shop-in-shop format) into our model due to the piloting phase.
BHX's in-store revenue	41,581	44%	We assume that the expansion pace will stay at around 300 net opening in 2022F, which decelerated in accordance with MWG's plan to focus on improving BHX's profitability before rapidly opening new stores. As a result, total store count will reach 2,339 by the end of 2022F. The new stores will have a size from 300 sqm to over 500 sqm. We also believe MWG will carry on converting high-performing standard stores and 300 sqm stores to bigger ones in order to enhance sales per store. We expect that abnormal surge of sales in Q3-2021 and impacted demand will decelerate SSSG to 5% in 2022F.
Online revenue	17,339	26%	Mainly underpinned by TGDD & DMX. Online sales are expected to account for 15% of total revenue of these chains in 2022F.
Gross profit	34,732	25%	
Selling expenses	22,373	25%	
G&A expenses	5,041	19%	
EBIT	7,318	33%	
PBT	8,491	37%	
NPAT-MI	**6,800**	**45%**	
TGDD & DMX	6,754	11%	
BHX	50	-104%	Underpinned by GPM expansion, and optimized PEX per store.
EPS (VND)	**9,355**	**42%**	Since we estimate that 2021F NPAT will grow by 20% YoY, we expect 2022F EPS to be diluted by a 2% ESOP issuance.
GPM	*23.1%*	-0.2 pps	We project BHX's GPM to improve by 1.0 ppts in 2022F to 28.5% mainly on the back of larger contribution from private labels products.
SG&A expenses /Sales	*18.3%*	-0.4 pps	
EBIT margin	*4.9%*	0.2 pps	
PBT margin	*5.7%*	0.4 pps	
Net profit margin	*4.5%*	0.6 pps	

Source: MWG, Rong Viet Securities

Valuation

We use the sum-of-the-parts method to evaluate the stock. We deploy the DCF methodology (10Y FCFE with Ke of 15%, terminal growth of 1%) and P/S multiple (target ratio of 1.0x) to evaluate BHX and arrive at the valuation of VND46 trillion (USD2.0 bn) for the chain. For TGDD/DMX, we combine DCF (5Y FCFE with Ke of 13%, terminal growth of 0.5%) plus forward P/E multiple (target ratio of 10x) with equal weight and come up with a valuation of VND71 trillion (USD3.1 bn). Our fair value estimate for MWG arrives at **VND163,500 per share**, implying FY2021/22F P/E of 24.8x/17.5x and a total stock return of **24%** as of the closing price on December 07th, 2021.

Table 2: Sum-of-the-parts valuation summary

Unit: VND Bn	Valuation approach	% Contribution	Value per share
BHX	10Y FCFE (Ke: 15%, g: 1%)	25%	69,200
	P/S @ 1.0x 2022F Sales	25%	59,000
TGDD/DMX	5Y FCFE (Ke: 13%, g: 0.5%)	25%	105,900
	P/E @ 10x 2022F EPS	25%	92,900
Target price (VND)			**163,500**
Cash dividend			**1,500**
Current market price (VND) @ Dec 7 2021			133,500
Total stock return			**24%**
TP / 2021F EPS			24.8
TP / 2022F EPS			17.5

Source: Rong Viet Securities

VND Billion

INCOME STATEMENT	FY2019	FY2020	FY2021F	FY2022F
Revenue	102,174	108,546	118,913	150,082
COGS	82,686	84,592	91,208	115,350
Gross profit	**19,488**	**23,954**	**27,706**	**34,732**
Selling Expense	12,437	15,334	17,935	22,373
G&A Expense	2,074	3,404	4,254	5,041
Finance Income	631	794	1,267	1,743
Finance Expenses	570	594	564	568
Other profits	19	-3	0	0
PBT	**5,053**	**5,410**	**6,217**	**8,491**
Prov. of Tax	1,217	1,490	1,516	1,689
Minority's Interest	2	2	2	2
PAT to Equity S/H	**3,834**	**3,918**	**4,699**	**6,800**
EBIT	4,977	5,216	5,517	7,318
EBITDA	6,420	7,412	8,455	11,086

%

FINANCIAL RATIO	FY2019	FY2020	FY2021F	FY2022F
Growth (%)				
Revenue	18.1	6.2	9.6	26.2
Operating Income	26.0	15.5	14.1	31.1
EBITDA	28.6	4.8	5.8	32.7
PAT	33.2	2.2	19.9	44.7
Total Assets	48.2	10.4	6.1	13.3
Equity	35.2	27.5	39.8	26.9
Profitability (%)				
Gross margin	19.1	22.1	23.3	23.1
EBITDA margin	6.3	6.8	7.1	7.4
EBIT margin	4.9	4.8	4.6	4.9
Net margin	3.8	3.6	4.0	4.5
ROA	9.2	8.5	9.6	12.3
ROE	37.5	31.4	26.7	27.2
Efficiency				(times)
Receivable Turnover	56.3	68.0	45.6	65.5
Inventory Turnover	3.2	4.4	4.5	4.6
Payable Turnover	5.4	6.1	5.9	6.0
Liquidity				(times)
Current	1.2	1.3	1.4	1.5
Quick	0.3	0.6	0.7	0.6
Finance Structure (%)				
Total Debt/Equity	116.6	108.3	64.0	37.9
Current Debt/Equity	107.4	101.0	58.8	33.8
Long-term Debt/Equity	9.2	7.3	5.2	4.1

VND Billion

BALANCE SHEET	FY2019	FY2020	FY2021F	FY2022F
Cash and cash equivalents	3,177	7,348	2,005	1,591
Short-term investments	3,075	8,057	12,892	13,536
Accounts receivable	1,815	1,595	2,607	2,291
Inventories	25,745	19,422	20,129	25,083
Other current assets	1,199	895	939	986
Property, plant & equipment	5,463	7,400	9,001	10,597
Acquired intangible assets	520	457	370	310
Long-term investments	56	53	51	53
Other non-current assets	657	804	844	886
Total assets	**41,708**	**46,031**	**48,837**	**55,334**
Accounts payable	15,411	13,797	15,427	19,183
Short-term borrowings	13,031	15,625	12,715	9,278
Long-term borrowings	1,122	1,127	1,127	1,127
Other non-current liabilities	0	0	0	0
Bonus and Welfare fund	0	0	0	0
Technology-science, dev. fund	0	0	0	0
Total liabilities	**29,565**	**30,549**	**29,268**	**29,587**
Common stock and APIC	4,991	5,090	7,690	7,832
Treasury stock (enter as -)	-6	-6	-6	-6
Retained earnings	7,150	10,390	13,944	19,616
Other comprehensive income	1	-1	-1	-1
Inv. and Dev. Fund	0	0	0	0
Total equity	**12,136**	**15,472**	**21,626**	**27,440**
Minority Interest	**8**	**9**	**9**	**9**

VALUATION RATIO (*)	FY2019	FY2020	FY2021F	FY2022F
EPS (dong)	8,656	8,654	6,594	9,355
P/E (x)	8.6	9.1	21.0	14.8
BV (dong)	27,361	34,177	30,346	37,749
P/B (x)	2.7	2.3	4.6	3.7
DPS (dong/cp)	1,500	1,500	1,500	1,500
Dividend yield (%)	2.0%	1.9%	1.1%	1.1%

VALUATION MODEL	*Price*	*Weight*	*Average*
Sum-of-the-parts	163,500	100%	163,500
Target price (VND)			**163,500**

VALUATION HISTORY	*Price*	*Recommendation*	*Period*
2021/8/12	148,400	Buy	Long term
2021/03/26	122,700	Buy	Long term
2020/12/28	103,300	Buy	Long term

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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