June, 2017

Phu Tai Corporation (PTB - HSX)

A Growing Demand For Natural Stone

- A Growing Demand for Natural Stone
- Continuous Expanding to Build a Leading Position
- The Automotive Segment: Temporary Idle
- New Strategy in The Wood Production Segment

Outlook and Valuation:

The positive demand of natural stone brought a rapid growth for PTB in the past and we think this growth will continue in the next two years. At the moment, the market size for natural stone products is quite small. Meanwhile, many projects are being completed in the construction industry, which will be the driving force for the company's sales volume. Regarding Phu Cat wood processing factory, we have an optimistic view on the demand given the recovery of the wooden products exports in Vietnam. However, the company will face challenges in finding a stable raw materials supply for its wood production business. There will be a slowdown in cars consumption in 2017 because of the ASEAN tariff reductions, so we think PTB's automotive retail segment will follow the industry's trend.

*After a 20% bonus share in early June 2017, PTB will continue to issue additional shares to raise capital for its expansion on stone and wood business in Khanh Hoa and Binh Dinh. This is the third consecutive year that PTB raised capital through additional issuance. However, we see that PTB's EPS has steadily grown annually with an average of 14% in 2014-2016. In this report, we revised down our revenue forecast due to a slower growth in the automotive retail segment. Conversely, there is a slight increase in PAT due to preferential tariffs for Dong Nai and Hung Yen stone processing factories. Revenue and PAT in 2017 are estimated at VND4,386 billion and VND343 billion, respectively, equivalent to EPS of VND11,897. Based on the three valuation methods of FCFF, PE and SOTP, we recommend an **ACCUMULATE** rating on PTB with a target price of **128,800 VND/share**, unchanged from the recommendations in the Strategic Report 2017 that RongViet Research released earlier this year *.*

Key Financials

Y/E Dec (VND B)	FY2015	FY2016	1Q-FY17	FY2017E	FY2018F
Net Revenue	3,046	3,662	923	4,386	5,093
% change	24	20	14	20	16
PAT	173	265	57	343	377
% change	51	53	6	30	10
PAT margin (%)	5.7	7.2	6.2	7.8	7.4
ROA (%)	14.0	14.6		16.1	14.6
ROE (%)	34.5	34.6		32.6	28.7
EPS (VND)	9,392	10,931		11,897	13,071
Adjusted EPS (VND)	5,225	9,109		11,897	13,071
Book value (VND)	34,809	35,348		40,520	50,591
Cash dividend (VND)	0	1,000		1,000	3,000
P/E (x)	8.4	11.3		9.2**	8.3**
P/B (x)	2.2	3.4		2.7**	2.2**

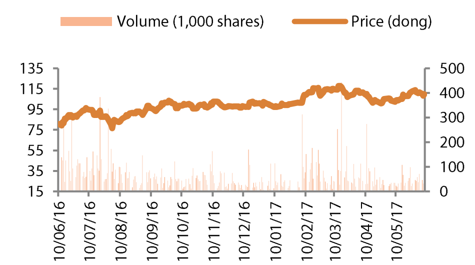
*Source: PTB, RongViet Research estimated, **stock price as of 08 June 2017 * Target price for PTB as of 15/03/2017 was 153,600 dong/share, after a 20% stock dividend, previous target price was 128,000 dong/share.*

ACCUMULATE

CMP (VND)	109,000
Target Price (VND)	128,800
Investment Period	**Long-term**

Stock Info

Sector	Building Materials
Market Cap (VND B)	719
Current Shares O/S	24
Beta	0.8
Free float (%)	58
52 Week High	117,870
52 Week Low	76,512
Avg. Daily Volume (20 sessions)	59,546



Performance (%)

	3M	1Y	3Y
PTB	-4.5	37.5	442.5
VN30 Index	12.0	18.6	19.2
VN Index	4.7	20.3	31.6

Major Shareholders (%)

Le Vy	10.25
Le Van Thao	7.44
Le Van Loc	5.48
Foreign Ownership	11.76

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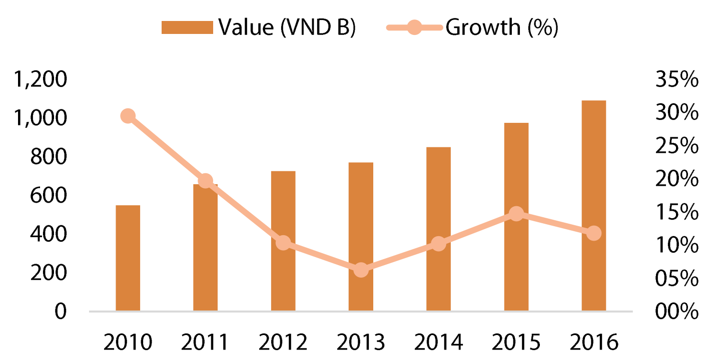
A Growing Demand For Natural Stone

The construction industry has recovered since 2014, experiencing a three-year business cycle with CAGR of 12.2% in 2013-2016. Most of building materials witnessed strong growth during that period. Notably, natural stone demand achieved the highest growth even its scale is quite small. According to RongViet Research's estimates, natural stone consumption had CAGR of 26.6% during 2013-2016.

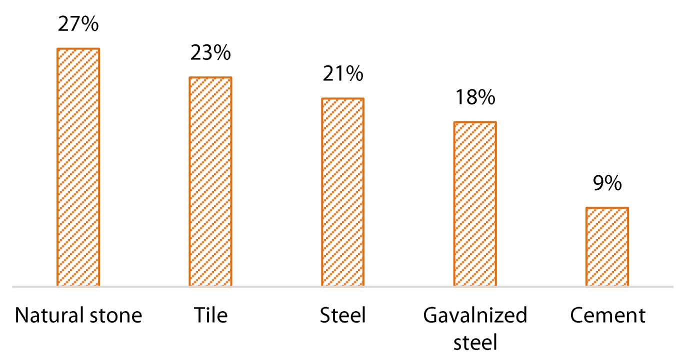
The demand for natural stone is quite varied. In the past, consumers favored imported products with high prices. However, stone demand has become more diversified with different segments and pricing levels in the recent years. This opened an opportunity for domestic companies to exploit and provide natural stone products to the market. The South Central region has the largest granite stone reserves in Vietnam (~50% of the total reserves). In this region, Binh Dinh province has 90 quarries with reserves of 5,220 million m^3 (~14% of the total reserves). Binh Dinh granite stones have widely accepted by the market thanks to its colorful and durable features.

Figure 1: Construction Industry in 2010-2016



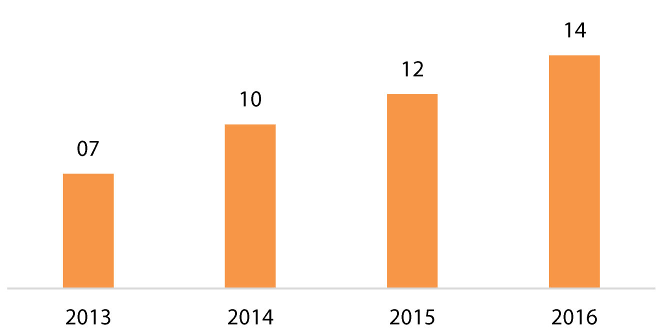
Source: GSO, RongViet Research

Figure 2: Building Materials Demand's Growth 2013-2016



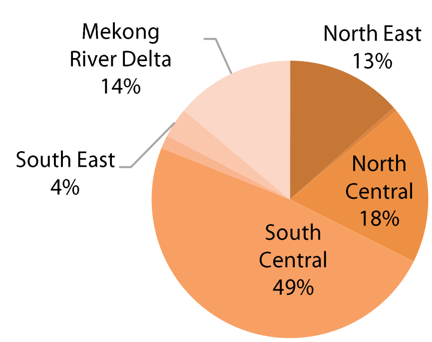
Source: Association Reports, RongViet Research

Figure 3: Natural Stone Demand (Unit: million m²)



Source: Ministry of Construction, RongViet Research estimates

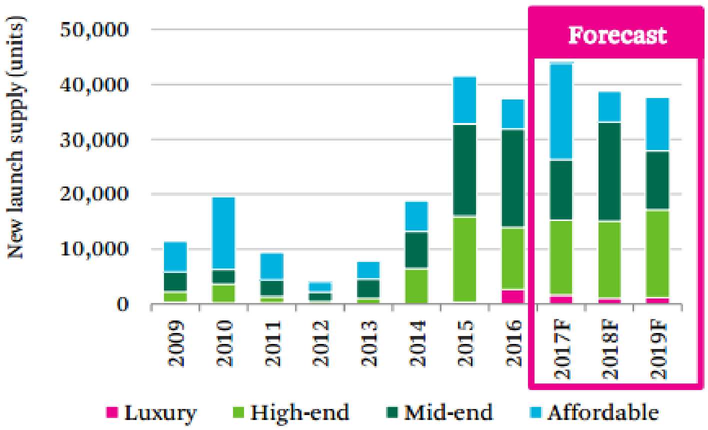
Figure 4: Natural Stone Reserve by Area



Source: MoPI, RongViet Research

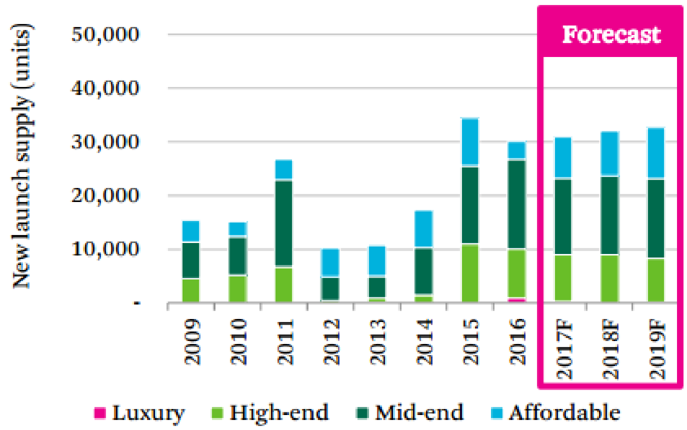
Currently, we expect the business cycle of the construction sector to continue in at least another 2 years before slowing down. We particularly pay attention to the supply of apartments because this has a direct impact on the demand for natural stone. In HCMC, CBRE estimates that total new units opened in 2017 are 43,861 units, up 17.2% from the previous year. Meanwhile, in Hanoi, the number of apartments entering the market is estimated at 31,000 units, up 4% over the previous year. Based on the above arguments, we expect a 20% annual growth rate for the demand of natural stone during the booming period of construction activities. In which, with the advantage of high reserves and quality, we are quite optimistic about the prospect of the demand of granite stone in Binh Dinh province.

Figure 5: New Launch Supply in HCMC



Source: CBRE, RongViet Research

Figure 6: New Launch Supply in Hanoi



Source: CBRE, RongViet Research

Continuous Expanding to Build a Leading Position

According to RongViet Research's estimates, PTB is the leader in natural stone production in Vietnam with a market share of ~20%. This resulted from the continuous expansion of the company in the recent years. Up to now, PTB owns 10 quarries and 10 factories in 7 provinces nationwide (including quarries of subsidiaries, excluding expired quarries). In 2017, we see the growth of the stone production segment came from past investments, including Cat Nhon Factory (completed in 08/2016), Hung Yen factory (in operation in March 2017) and Stage 2 of Dong Nai factory. PTB expects sales volume in 2017 to increase by 500,000 m^2, up 13% over the same period. However, we expect the positive demand along with supply contracts for large projects such as Vinhome and Sala Urban Area will help the company achieve a 35% growth in revenue for stone production segment in 2017.

Currently, PTB is implementing expansion strategy in Khanh Hoa and Dak Nong provinces. Specifically, the company will raise Khanh Hoa factory's capacity from 200,000 m^2 to 400,000 m^2 (completes by the end of Q22017). At the same time, after being licensed to exploit the two quarries named Dak Song (Dak Nong) and Dien Tan (Khanh Hoa), the company has invested in production lines at these places. Dien Tan quarry has a reserve of 4.4 million m^3 of white granite stone, there is another local company named Bach Viet Granite is exploiting here. Dak Song quarry has the same kind of stone and PTB is under the exploration phase. Previously, PTB also owned a bazal stone quarry and one stone processing factory in Dak Nong province. However, this quarry was not exploited effectively. Based on this fact, we expect 2018's growth will stem from the upgrade in Khanh Hoa factory rather than the expansion in Dak Nong province.

At the onset of May, PTB announced an acquisition of Granida Limited Company. Granida is a private company owns two quarries in Phu Yen and Yen Bai provinces. In Phu Yen province, Granida also has a stone processing factory but the operation is ineffective. With this acquisition strategy, PTB aims to: (1)

expand the exploration and processing activities in Phu Yen based on the experiences of the company in this province; (2) The white stone quarry in Yen Bai province is a big quarry. PTB expect to use this raw material sources for its factory in Hung Yen, which was completed in the beginning of 2017. In our opinion, this M&A will not bring growth for PTB in the short-term as the company has to restructure and rearrange Granida operations in Phu Yen. At the same time, the quarry in Yen Bai is difficult to achieve fully effectiveness because it is far from the processing plant and the terrain is much more difficult than other localities to exploit stone.

Table 1: Stone Production Expansion Timeline

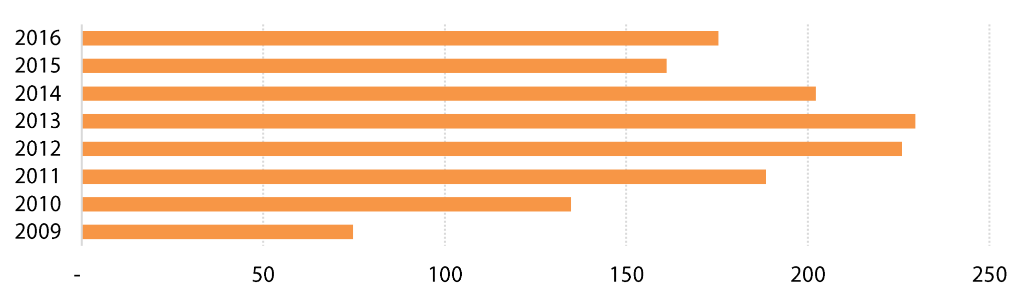
Time	Investment	Quarry – Type of stone	Capacity	Location	Investment Value (VND B)
08/2013	Tuan Dat Ltd.	Brown and black	na	Phu Yen	2.00
08/2013*	Basal granite stone processing factory	Bazal Pon Pinao	na	Dak Nong	34.50
07/2014	An Phu stone processing factory	Brown and black	na	Phu Yen	14.00
10/2015	Dong Nai stone processing factory – Phase 1	Imported stone	200,000 m^2/year	Dong Nai	44.00
08/2016	Cat Nho stone processing factory	Phu Cat (purple)	800,000 m^2/year	Binh Dinh	62.40
10/2016	Dong Nai stone processing factory – Phase 1	Imported stone	200,000 m^2/year	Dong Nai	38.60
03/2017	Hung Yen stone processing factory	Imported stone	450,000 m^2/year	Hung Yen	58.14
05/2017	Granida Ltd.	White and blue black	na	Yen Bai & Phu Yen	34.65
06/2017	Khanh Hoa factory – Upgrade capacity	Dien Tan	400,000 m^2/year	Khanh Hoa	23.15
Q2/2017	Dak Nong – Reorganize production	Dak Song	na	Dak Nong	na

Source: RongViet Research, * Time of approval

New Strategy in The Wood Production Segment

In the wood business, the acquisition of Vina G7 by the end of 2015 has shown the good result after restructuring. Vina G7 cut losses and reached break-even point after the participation of PTB for only 6 months. In 2016, Vina G7 brought to PTB an amount of VND175 billion in sales (up ~9% over the same period). The company has a gross margin for interior furniture exports of 14.5% in prior year and its profitability is expected to continue improving this year.

Figure 7: Vina G7's Revenue (Unit: VND B)



Source: RongViet Research

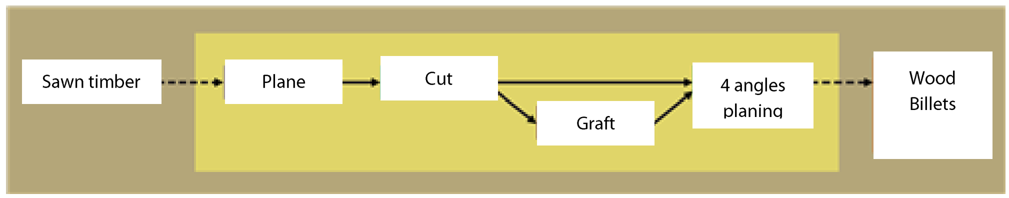
After the Vina G7 deal, PTB continues to take advantage of the upward trend in wood exports by investing in a new wood processing factory (Phu Cat). The leadership orientation for this factory is to process wood billets (which are inputs for other wood mills) on a large scale. With a capacity of 35,000 m^3/year and an investment value of VND120-140 billion, Phu Cat wood processing factory will complete phase 1 of investment by the end of Q2/2017. This is a new strategy for PTB in the wood processing industry, aiming to compete directly with small businesses and provide raw materials for the production of three other factories in the Corporation. The expected revenue for the Phu Cat wood processing factory in the first two years is VND250-400 billion, equivalent to 25-40% of PTB's wooden products sales in 2016. In our opinion, PTB has ability to gain market share in wood billets segment from small businesses thanks to economies of scale. In addition, the company could improve the profitability of existing factories when the new factory goes into operation. Conversely, the biggest challenge for PTB is the risk of lacking raw materials for wood processing (see Appendix 3 – Page 11: The Wooden Products Exports Outlook). After the failed auction in Quang Nam Forest Products Export JSC at the end of March 2017, the company will face more difficulties to execute its new strategy.

Figure 8: PTB's Wood Production

Phu Cat wood processing factory

Capacity: 35,000 m³/year

Stage 1: Wood Billet Production

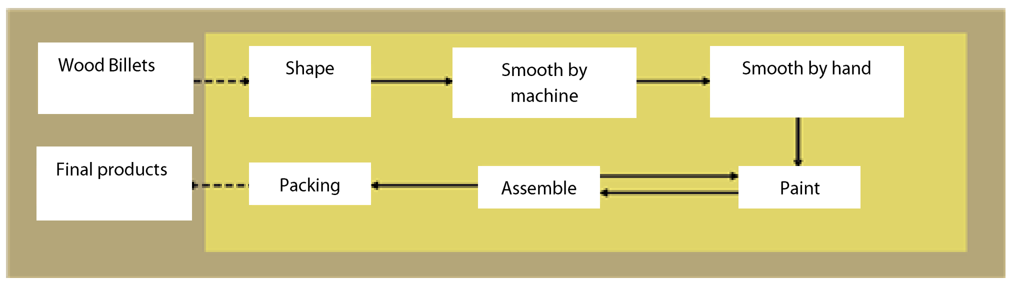


Thang Loi wood processing factory

Dong Nai wood processing factory

Vina G7 factory

Stage 2: Final Products



Source: RongViet Research

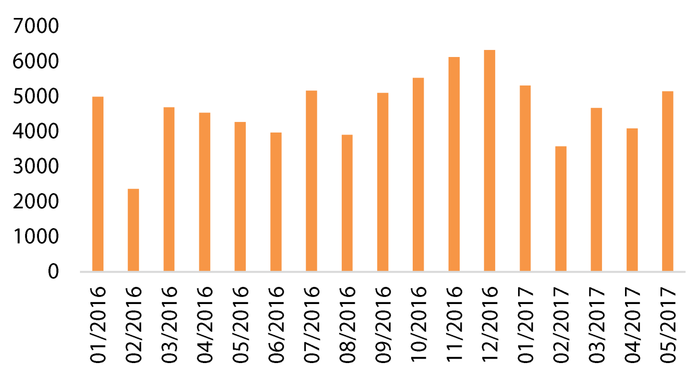
Regarding the outlook of the wood production segment in 2017, we expect PTB to achieve a higher growth (~34% YoY in revenue) thanks to (1) a recovery in the growth of wooden products exports; (2) an improved productivity at Vina G7 and (3) additional capacity at Thang Loi and Dong Nai factories. Gross margin of this segment is expected to improve to 16.5%.

The Automotive Segment: Temporary Idle

In the five months of 2017, total auto sales slightly decreased by 1% over the same period last year but passenger cars sales recorded a positive gain of 6% YoY, reached 65,220 units. In which, Toyota brands achieved a better gain at more than 9%, reached 22,823 units. However, we only see a strong gain in the South market while car sales in the Central and the North witnessed a negative growth. It can be seen that the waiting psychology for cheaper cars of car buyers has negatively impacted on the car demand in 2017. That is the reason why we think there would be an idle status in the automotive retail industry this year and there will be a recovery in 2018 when the import taxes reduce to 0%.

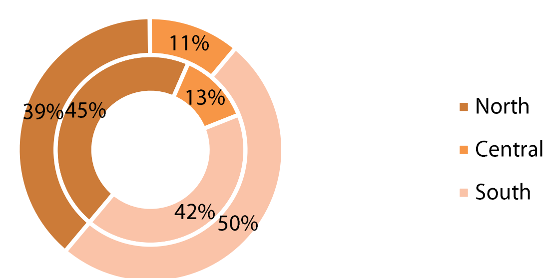
Preparing for the slowdown of this industry in 2017, PTB transferred its two auto branches into independent subsidiaries at the end of 2016. Through this action, the company expect an independent management scheme for the automotive segment could improve the operational efficiency. In the first quarter of 2017, the company's car sales reached VND307 billion, down 4.7% over the same period. Conversely, sales from repair services recorded an impressive growth of 15% though this contributes a small proportion to 1Q2017 revenue (~VND26.3 billion). We concern that the company cannot fulfill its revenue's plan in the automotive retail segment. RongViet Research projected a revenue of VND1,536 billion and a stable gross margin of 2.5% for this segment in 2017.

Figure 9: Toyota Brands Sales (monthly)



Source: VAMA, RongViet Research

Figure 10: Toyota Sales Breakdown by Region

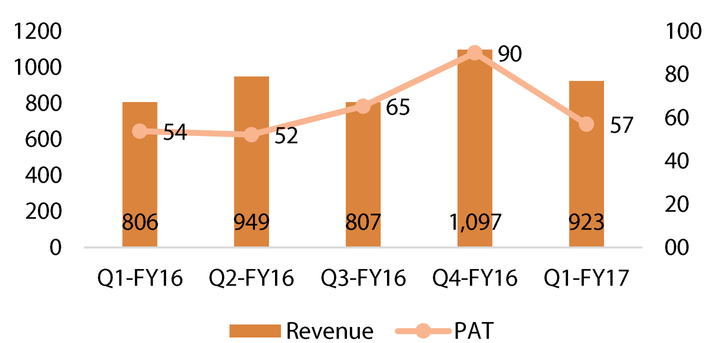


Source: VAMA, inner circle: 2016, outer circle: 2017

Q12017 Result Update

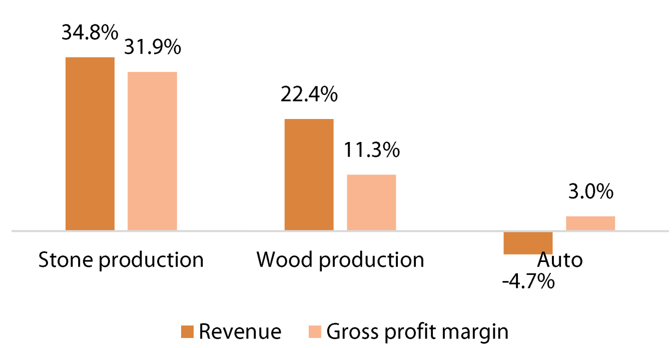
In Q12017, PTB's revenue increased by 14.5%YoY to VND923 billion, or 20% of the full-year target. Stone and wood production recorded positive growth compared to the same period, with a growth rate of 34.8% and 22.4%, respectively. In contrast, the automotive business experienced a slowdown due to declining prices, which led to negative growth of 4.7%. Its stone production segment continues to grow strongly each quarter (+7% QoQ), indicating the efficiency of the company's expansion strategy.

Figure 11: Quarterly Result (Unit: VND B)



Source: PTB, RongViet Research

Figure 12: Growth and Gross Margin by Segment



Source: PTB, RongViet Research

Although the company's revenue was in line with our expectations, the gross margin of the stone and wood production segments in this quarter was not as encouraging. It fell over the same period and was the lowest since the first quarter of 2015. Based on our observations, the company's gross margin is often low during the first quarter of every year. Besides, the high depreciation costs from new factories also negatively affected its gross margin. PTB's gross margin in Q12017 was 15.3%, and fell down 40 basis points over the same period. As a result, PTB only fulfilled 17% of its 2017 guidance for profit, equivalent to VND57 billion in PAT.

2017 Outlook

Regarding PTB's 2017 prospects, we expect PTB's gross margin of stone production segment will recover in the second half of the year. In addition, the wood production segment could enjoy better growth after the operation of Phu Cat factory. Our projection for revenue and PAT are ~VND4,459 billion (+21.8% YoY) and VND336 billion (+27% YoY), respectively, slightly changed compared to the latest update on this company (2017 Strategy Report – 15/03/2017).

Table 2: Q2-FY2017 Forecasts

Particulars (Unit: VND B)	Q2-FY17	+/- qoq	+/- yoy
Revenue	1,176.7	27.5%	24.0%
Gross profit	188.3	33.3%	41.9%
EBIT	109.4	46.5%	51.3%
PAT	83.1	45.7%	59.3%

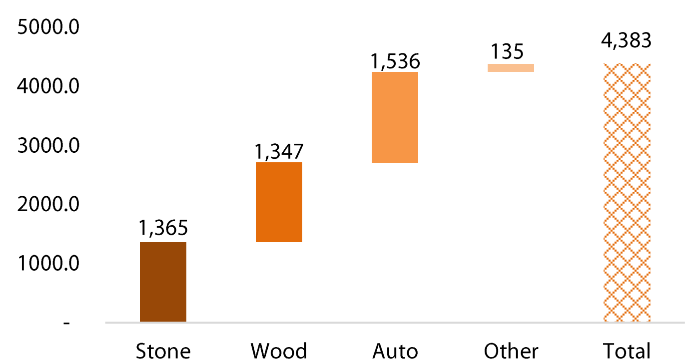
Source: RongViet Research

Table 3: Growth by Segment Forecasts

	2016A	2017E	2018E
Stone production	21.9%	34.7%	16.1%
Wood production	26.4%	33.9%	18.5%
Auto retail	15.5%	0.8%	13.2%
Total	**21.9%**	**34.7%**	**16.1%**

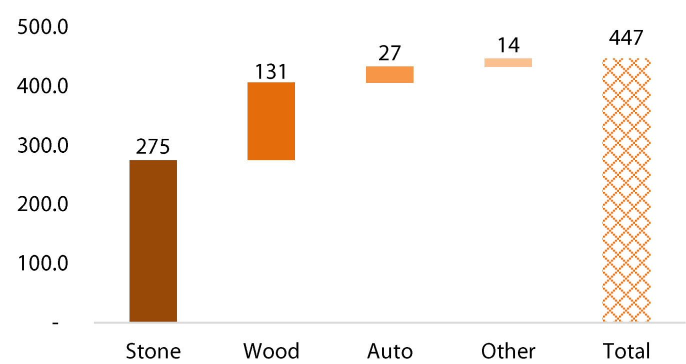
Source: RongViet Research

Figure 13: Revenue's Projection in 2017



Source: RongViet Research

Figure 14: EBIT's Projection in 2017



Source: RongViet Research

After the operation of Hung Yen factory at the onset of March 2017, PTB continues to expand its stone production in Khanh Hoa and Dak Nong in combination with the restructuring process of Granida. Besides, the wood processing factory (Phu Cat) is going to operation at the end of Q22017. Total investment value for these projects is estimated at VND253.1 billion.

According to the resolution of the shareholders' meeting in 2017, after paying a cash dividend of 10% and a bonus share of 20% in early June, PTB will issue an additional 20% shares for existing shareholders and a 5% ESOP at the price of VND35,000/share. In case of successful issuance, the total capital from this issuance is VND189.3 billion. This capital combined with retained earnings will help PTB to have enough funding for the investment projects. Diluted EPS for 2017 and 2018 is VND9,764 and VND10,709. As such, after stock dividend and additional shares issuance, we estimate the company's EPS could achieve a growth rate of around 10% in the next fiscal year.

Outlook & Valuation

The positive demand of natural stone brought a rapid growth for PTB in the past and we think this growth will continue in the next two years. At the moment, the market size for natural stone products is quite small. Meanwhile, many projects are being completed in the construction industry, which will be the driving force for the company's sales volume. Regarding Phu Cat wood processing factory, we have an optimistic view on the demand given the recovery of the wooden products exports in Vietnam. However, the company will face challenges in finding a stable raw materials supply for its wood production business. There will be a slowdown in cars consumption in 2017 because of the ASEAN tariff reductions, so we think PTB's automotive retail segment will follow the industry's trend.

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** Target price for PTB as of 15/03/2017 was 153,600 dong/share, after a 20% stock dividend, previous target price was 128,000 dong/share.*

Table 4: Forecasts' Revision

Forecasts	@15/03/17	Current	Change (%)
Revenue (VND B)	4,597.2	4,385.8	-4.6%
Gross margin (%)	16.5	17.2	4.2%
PAT (VND B)	332.3	343.1	3.3%
EPS (dong)	13,824	11,897	-13.9%

Source: RongViet Research

Table 5: Valuation

Method	Price (dong)	Weight (%)	Weighted Price
FCFF	127,394	33.3	42,465
PE	125,208	33.3	41,736
SOTP	133,818	33.3	44,606
Target price		**100**	**128,807**

Source: RongViet Research

APPENDIX 1: PTB's Quarry And Factory

Yen Bai

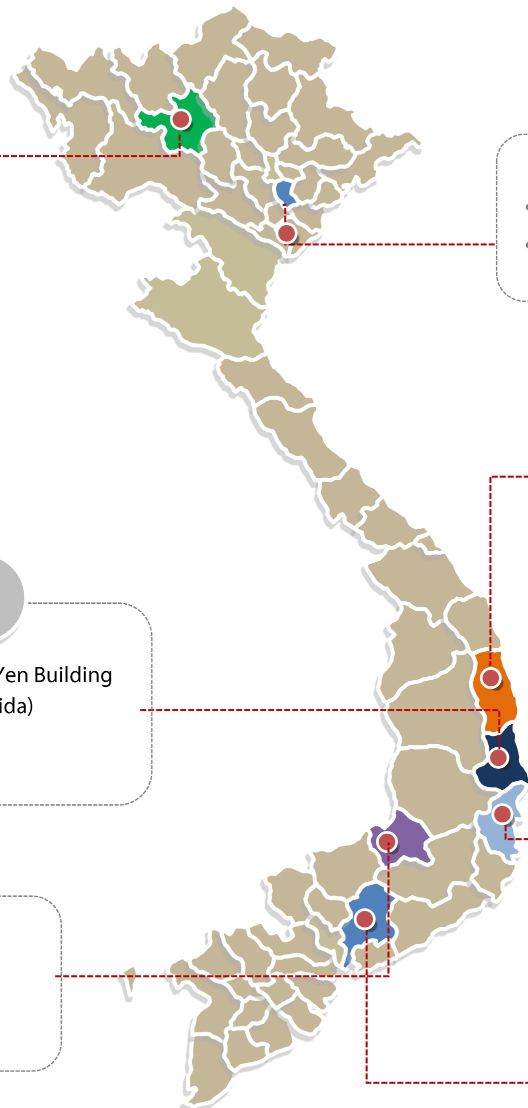
- 05/2017 (Granida)
- White stone quarry

Hung Yen

- Marble stone processing factory
- Capacity: 450,000 m^2/year

Binh DInh

- 4 quarries, Son Trieu is the largest
- 3 stone processing factories
- Capacity: 3 million m^2/year



Phu Yen

- 3 quarries: black & brown stone (Phu Yen Building Materials Ltd.), blue black stone (Granida)
- 2 granite stone processing factories
- Capacity: 180,000 m^2/year

Khanh Hoa

- 2 quarries: Tan Dan & Dien Tan
- Granite stone processing factory
- Capacity: 400,000 m^2/year

Dak Nong

- 2 quarries: Bazal Bon Pinao & Dak Song
- Granite stone processing factories
- Capacity: 250,000 m^2/year

Dong Nai

- Marble stone processing factory
- Capacity: 450,000 m^2/year

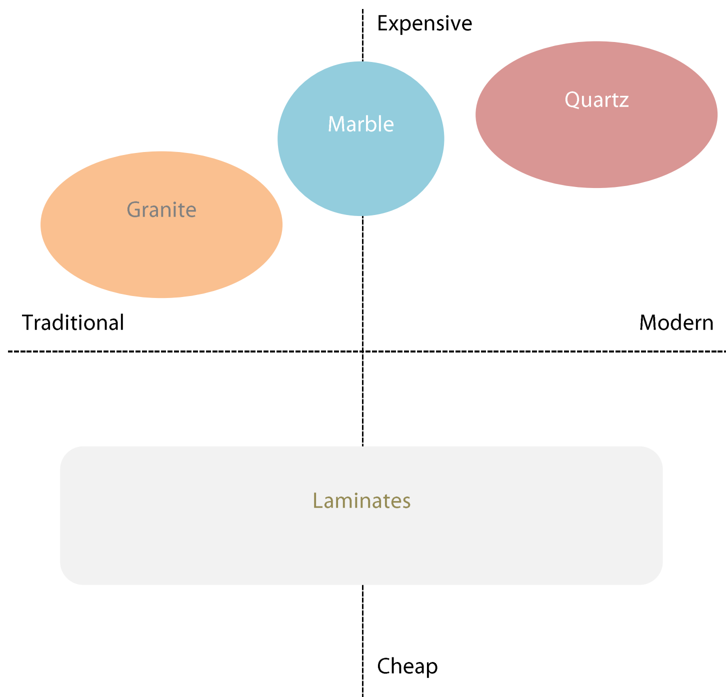
Source: RongViet Research

APPENDIX 2: Natural Stone Industry Outlook

Rising demand thanks to the positive growth of the construcion industry and modern architecture. The construction industry has recovered since 2014, experiencing a three-year business cycle with CAGR of 12.2% in 2013-2016. This led to a strong growth of most building materials demand. Remarkably, the consumption of natural stone had the highest growth thanks to its small market size. In addition, there is an increasing demand of using natural stone to decorate in high-end condominiums, resorts, hotels, ect. According to Ministry of Construction, CAGR for natural stone products is expected to be ~20% in 2015-2020. By 2020, natural stone consumption is forecasted at about 970,000 m^3¸ equivalent to 15.5 million m^2. However, according to our estimates, the natural stone industry could achieve 2020's target by the end of this year.

Premium imported stones (such as Italia, India, ect.) are popular with domestic consumers. Meanwhile, foreign markets (ASEAN and the Middle East) tend to favor natural granite stones. According to PTB, its two factories in the North and South use natural marble stones and sell 100% domestically. Meanwhile, about 50% of natural granite stones' volume in the Central are exported.

Figure 15: Comparison of natural and artificial stone



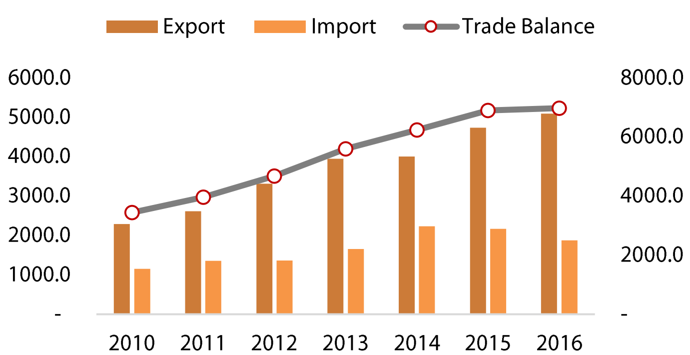
Source: RongViet Research

In the supply front, small businesses without exploitation permission will be eliminated. Vietnam has 400 granite stone quarries, of which, 283 quarries have been surveyed. The total reserves is estimated at 37.6 billion m^3. The largest reserves are in the South Central (accounting for 49% of the country's reserve). According to the Ministry of Construction, the total capacity was 15 million m^2/year in 2015, will be double in the 5 years to 30 million m^2/year. According to MoIP, granite stone miners must use modern technology to raise the efficiency of exploiting stones. PTB is one of the biggest companies that meet this requirement.

APPENDIX 3: The Wooden Products Exports Outlook

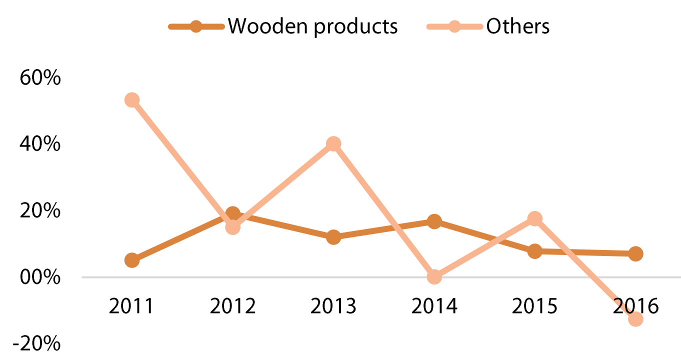
Increasing value-added. Export turnover of wood and wooden products in Vietnam is the highest in ASEAN and ranks 5th in the global. However, wood and wooden products export growth has been steadily decreased in recent years, from a growth of over 15% in 2011-2013 to 11% in 2014-2015. Notably, export turnover in 2016 reached 7.2%, only up 1.1% over the same period. The reason for this disappointed number is that there was significant change in wood exports in Vietnam. Specifically, wood producers in Vietnam has reduced raw materials exports and focused more on processing wooden products (exterior and interior wood furniture). According to Customs, export value of furniture products has maintained a positive growth of 7-8% in 2015-2016. Meanwhile, export value of other wood products (including wood chips and raw materials) was unstable and recorded a negative growth for the first time in 2016 (-13% YoY). At the onset of 2016, the Government imposed a 2% export tariff on wood chips and this products' demand from China dropped significantly in the previous year.

Figure 16: Wood Industry Trade (Unit: USD million)



Source: Customs

Figure 17: Export Growth



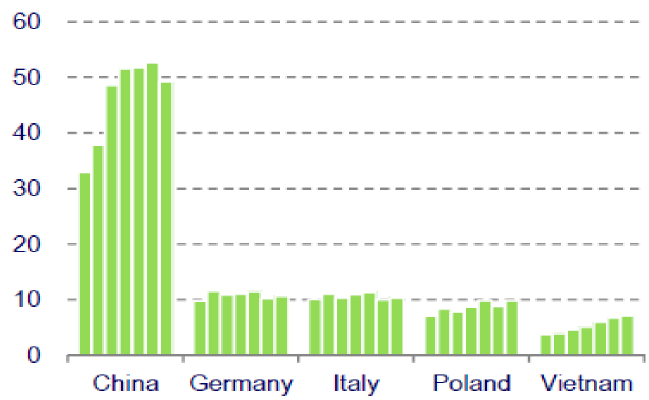
Source: Customs, Others: raw materials (wood chips for example)

Wood exports prospects in 2017: positive recovery. According to Customs, export growth in the first four months of 2017 was very positive (+14.3% over the same period), reaching USD2.4 billion. Of which, wooded products export turnover reached USD1.76 billion, up 13.9% and accounted for 73% of the total export turnover of the whole industry. This recovery started at the end of Q42016 when wooden products from China was subject to US anti-dumping duty. According to the Vietnam Timber Association, the US furniture market is worth about USD30 billion/year. In particular, China is holding 37% market share and Vietnam is China's biggest rival in this market. Vietnam's wood exports to the US in the first four months rose 16.23%, nearly double the growth rate of 8.28% in the same period last year. According to Vietnam Timber Association's forecasts, Vietnam's wood export turnover in 2017 is estimated at over USD8 billion, an increase of 11% over the same period last year. Many furniture manufacturers are receiving new orders, raising their production capacity and expecting double in revenue growth this year.

Risks for wood material supply. The domestic supply of wood materials is mainly from planted forest with an annual harvest of about 24 million m^3. However, the large size of timber used for processing wooden products accounts for only 20-30% of the total volume of timber. In addition, Vietnam also imports about 7-8 million m^3 of wood materials each year to meet the production needs for export. Meanwhile, according to Wood Association, the total demand for wood materials for export and domestic consumption is 31 million m^3 per year. Thus, the shortage of raw materials for furniture production is a challenge for PTB's new strategy. In addition, the change in the export policy of raw materials in two neighboring countries, Laos and Cambodia, together with the policy of closing natural forests in China is leading to high competitiveness in the wood raw materials market. The lack of stability in the raw materials supply for wooden products production is the biggest risk that wood enterprises will encounter in the near future.

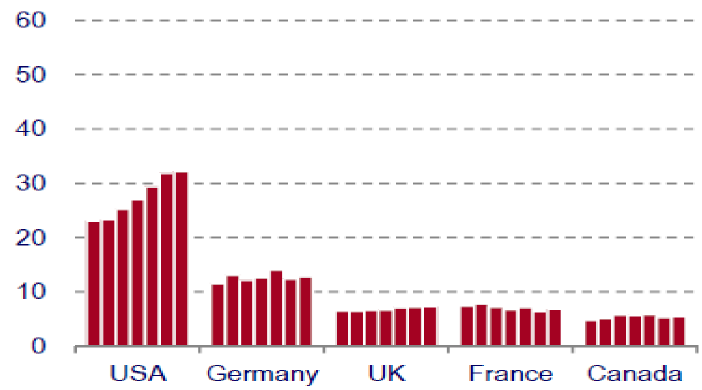
Another challenge is timber origin certification (FSC, PEFC). At present, only about 8% of planted forest areas has FSC certification. On May 11, 2017, Vietnam concluded a voluntary partnership agreement (VPA) under the Forest Law Enforcement Governance and Trade Program with the EU (VPA/FLEGT). The focus of this agreement is on improving forest governance regulations and securing legal timber production. If wood enterprises meet the criteria of this agreement, they will gain a lot of advantages when exporting wood to the EU market. However, with the current situation, having 100% legal timber origin certification is very difficult.

Figure 18: Top Wood Exporters (2010-2016) (Unit: USD B)



Source: GWMI

Figure 19: Top Wood Importers (2010-2016) (Unit: USD B)



Source: GWMI

VND Billion

INCOME STATEMENT	2015	2016	2017E	2018F
Revenue	**3,046**	**3,662**	**4,386**	**5,093**
COGS	2,594	3,076	3,630	4,242
Gross profit	**451**	**586**	**755**	**851**
Selling Expense	109	134	178	206
G&A Expense	88	99	131	152
Finance Income	10	10	9	12
Finance Expense	37	36	41	43
Other profits	7	11	10	11
PBT	**236**	**338**	**424**	**472**
Prov. of Tax	52	59	68	78
Minority's Interest	10	13	13	17
PAT to Equity Shareholder	**173**	**265**	**343**	**377**
EBIT	255	353	446	492
EBITDA	351	477	615	687

Unit: %

FINANCIAL RATIO	2015	2016	2017E	2018F
Growth				
Revenue	24.2	20.2	19.8	16.1
EBITDA	48.1	36.1	28.9	11.7
EBIT	51.5	38.4	26.3	10.3
PAT	55.5	52.8	29.6	9.9
Total Assets	13.8	45.8	17.9	20.5
Equity	47.4	52.1	37.6	24.9
Profitability				
Gross profit/Revenue	14.8	16.0	17.2	16.7
EBITDA/ Revenue	11.5	13.0	14.0	13.5
EBIT/ Revenue	8.4	9.6	10.2	9.7
Net margin	5.7	7.2	7.8	7.4
ROA	14.0	14.6	16.1	14.6
ROIC	47.4	41.8	40.0	35.8
ROE	34.5	34.6	32.6	28.7
Efficiency				
Receivable Turnover	12.8	8.2	8.3	7.7
Inventory Turnover	7.1	5.8	5.9	5.3
Payable Turnover	11.1	10.3	10.5	10.0
Liquidity				
Current	1.2	1.1	1.4	1.6
Quick	0.6	0.6	0.7	0.9
Solvency				
Total Debt/Equity	95.1	89.5	64.3	58.9
Current Debt/Equity	93.4	87.4	64.3	58.9
Long-term Debt/ Equity	1.6	2.1	0.0	0.0

VND Billion

BALANCE SHEET	2015	2016	2017E	2018F
Cash and equivalents	152	34	134	319
Short-term investment	25	44	44	44
Receivables	237	449	526	662
Inventories	367	531	617	806
Other current assets	34	53	59	65
Tangible Fixed Assets	401	605	657	574
Intangible Fixed Assets	13	27	25	22
Long-term Investment	0	0	0	0
Other long-term assets	13	68	75	82
TOTAL ASSETS	**1,241**	**1,811**	**2,135**	**2,574**
Payables	234	298	345	424
Current Debt	470	668	676	774
Long-term Debt	8	16	0	0
Other long-term liabilities	2	3	3	3
Bonus Fund	10	29	29	29
TOTAL LIABILITIES	**724**	**1,014**	**1,054**	**1,231**
Owner's Equity	144	216	260	260
Capital	0	0	0	0
Retained Earnings	170	261	504	766
OCI	186	285	285	285
Investment Fund	2	3	3	3
TOTAL RESOURCES	**503**	**765**	**1,052**	**1,313**
Minority's Interest	**15**	**32**	**30**	**30**

CASH FLOW STATEMENT	2015	2016	2017E	2018F
Profit before tax	236	338	424	472
-Depreciation	81	174	169	195
-Adjustments	38	(31)	-	-
+/- Working capital	(53)	(416)	(190)	(329)
Net Operating CFs	**302**	**64**	**403**	**338**
+/- Fixed Asset	(199)	(348)	(258)	(107)
+/- Deposit, equity investment	(7)	34	-	-
Interest, dividend, cash profit received	-	0	-	-
Net Investing CFs	**(206)**	**(314)**	**(258)**	**(107)**
+/- Capital	24	72	43	-
+/- Debt	(64)	206	24	98
Dividend paid & other	(31)	(147)	(113)	(143)
Net Financing CFs	**(72)**	**131**	**(45)**	**(45)**
Beginning cash & equivalents	**127**	**152**	**34**	**134**
+/- cash & equivalents	24	(118)	100	186
Ending cash & equivalents	**152**	**34**	**134**	**319**

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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%

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