VIETNAM CONTAINER JSC. (HSX: VSC)

Operational efficiency decreases when im-export context is not favorable

Indicator (VND billion)	Q4-FY22	Q3-FY22	+/- (qoq)	Q4-FY21	+/- (yoy)
Net revenue	520	507	2.5%	507	2.6%
NPATMI	53	80	-33.6%	92	-41.6%
EBIT	99	111	-10.1%	135	-26.3%
EBIT margin	19.1%	21.8%	-2.7 pps	26.6%	-7.5 pps

Source: VSC, RongViet Securities

Q4/2022 results – Underperforming due to weakening trade flows

- Total container throughput decreased by 6% YoY to 237,000 TEUs. In which, Green and VIP Green ports recorded 70,000 TEUs (-3% YoY) and 167,000 TEUs (-7% YoY), respectively. Output growth is negative due to weakening trade flows of the whole world.
- Despite the drop in container volume, VSC recorded revenue of VND 520 billion (+3% YoY) thanks to other services (logistics agency, repair service, container cleaning) estimated to grow 20% YoY .
- Gross profit margin and NPAT-MI margin shrank by 4 pps and 6 pps QoQ to 29% and 10%, respectively, due to the ineffective operation of QBS ICD subsidiary and a loss of VND 11 billion from the joint venture VIMC Dinh Vu (Q3-FY22 which recorded a profit of VND 4 billion).

2023 outlook – Facing many challenges as import & export demand is still weak

- We forecast the total throughput of Green and VIP Green ports to be flat compared to 2022, reaching 947,000 TEUs (+0% YoY). Total container handling volume of VSC will reach 1,070,000 TEUs (+10% YoY) with the company's plan to transfer all cargoes from PTSC Dinh Vu to the target port for exploitation.
- Despite the growth in container handling, we forecast net revenue to drop 1.6% YoY to VND1,974 billion. We believe that the two sectors of automobile transport and logistics agents, which were the main drivers of growth in 2022, have passed the peak period when input fuel prices have cooled down and the demand for import and export of container goods has not yet become positive.
- **NPATMI reach VND 135 billion (-80% YoY)** due to (1) the consolidated subsidiary which was inefficient (ICD QBS), (2) a sharp increase in financial expenses and (3) it is expected that the joint venture company, VIMC Dinh Vu will continue to lose money. EPS for 2023 is VND 1,129 (-56% YoY).

Valuations and recommendations

In the context of relatively gloomy world trade activities, along with new investment projects that have not yet produced results, VSC has to face huge challenges in order to grow. In 2023, VSC will continue to invest in expanding the size of the seaport to wait for the recovery period of import and export. However, competition in Hai Phong may become more intense as the addition of two more deep-water ports at Lach Huyen by 2025 could result in slower capacity occupancy rates than expected.

Combining FCFF (50%) and P/B (50%) method, the target price is ***29,200 VND/share****. Along with an expected cash dividend of VND 1,000, the 12-month total expected return is 7% based on the closing price of April 12, 2023. We recommend* ***ACCUMULATE*** *for VSC.*

ACCUMULATE +7%

Market price (VND)	28.900
Target price (VND)	29.200
Cash dividend (VND)*	1.000

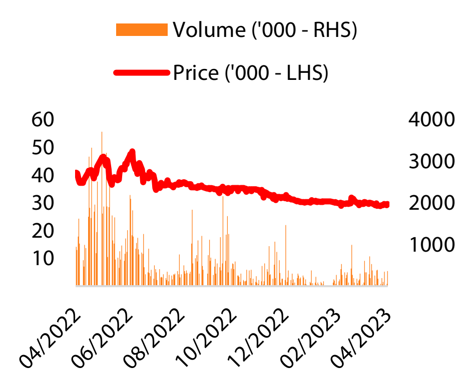
(*) – Forecast for the next 12 months

Stock Info

Sector	Seaport
Market Cap (VND billion)	3.432
Current Shares O/S	121,269,397
Avg. trading Volume (in 20 sessions)	174,715
Free float (%)	91.66
52 weeks High	50,000
52 weeks Low	28,150
Beta	0.67

	FY2021	FY2022
EPS	3,181	2,592
EPS Growth (%)	46	-10
Diluted EPS	1,284	1,153
P/E	29.9	25.2
P/B	1.6	1.3
EV/EBITDA	5.2	6.5
Cash dividend yield (%)	1.3	3.3
ROE (%)	13.34	11.3

Performance



Major Shareholders (%)

SAFI	2.05
Doan Quang Huy	3.25
Other	94.69
Foreign ownership room (%)	45.97

Quan Cao

(084) 028- 6299 2006 – Ext 2223

quan.cn@vdsc.com.vn

Table 1: Business results in Q4/2022

(VND Bn)	Q4-FY22	Q3-FY22	+/- (qoq)	Q4-FY21	+/- (yoy)
Net revenue	520	507	2.5%	507	2.6%
Gross profit	152	165	-7.9%	164	-7.2%
SG&A	53	55	-3.4%	29	80.0%
Operating income	99	111	-10.1%	135	-26.3%
EBITDA	91	217	-58.2%	168	-45.9%
EBIT	99	111	-10.1%	135	-26.3%
Financial expenses	4	0	24267.6%	1	333.1%
- Interest Expenses	*1*	-	*n/a*	-	*n/a*
Dep. and amortization	9	107	-108.0%	33	-125.8%
Non-recurring items (*)					
Extraordinary items (*)					
PBT	92	120	-23.4%	125	-26.6%
NPAT-MI	53	80	-33.6%	92	-41.6%
Adjusted NPAT-MI for (*)	53	80	-33.6%	92	-41.6%

Source: VSC, RongViet Securities

Table 2: Analysis of business activities in Q4/2022

Particulars	Q4-FY22	Q3-FY22	+/- (qoq)	Q4-FY21	+/- (yoy)
Profitability Ratios (%)					
Gross Margin	29.3%	32.6%	-3.3 pps	32.4%	-3.1 pps
EBITDA Margin	17.5%	42.8%	-25.4 pps	33.1%	-15.7 pps
EBIT Margin	19.1%	21.8%	-2.7 pps	26.6%	-7.5 pps
Net Margin	10.3%	15.9%	-5.6 pps	18.1%	-7.8 pps
Adjusted Net Margin	17.6%	23.6%	-6.0 pps	24.7%	-7.0 pps
Turnover*(x)					
-Inventories	52	51	1.2	65	-12.4
-Receivables	3.7	4.4	-0.7	8.7	-5.0
-Payables	1.5	1.2	0.3	1.3	0.2
Leverage (%)					
Total Liabilities/Equity	13.5%	8.4%	5.1 pps	9.0%	4.6 pps

Source: RongViet Securities (*) annualized

Table 3: Forecast for Q1/2023 results

Indicator (VND Bn)	Q1-FY23	+/- qoq	+/- yoy
Revenue	444	-15%	-5%
Gross profit	124	-18%	-23%
EBIT	83	-16%	-31%
NPAT-MI	31	-43%	-66%

Source: RongViet Securities

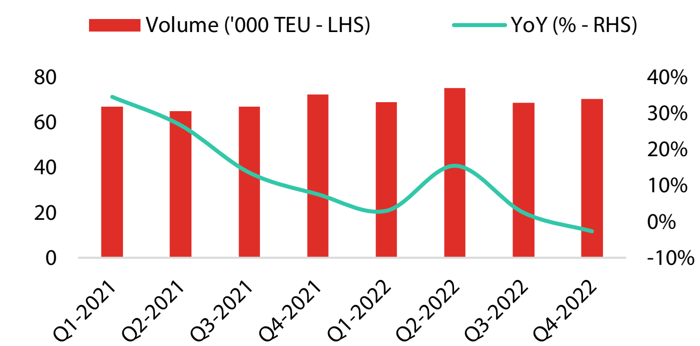
Thesis for Q1/2023:

- Q1-FY23 container volume is forecast to reach 224,000 TEUs (-16% YoY) due to the weakening demand for import and export of goods. The non-core service segments are the foundation to prevent revenue from falling too quickly.
- Consolidation of ICD QBS has not been effective, causing gross profit to drop sharply compared to same period last year (ICD QBS has been consolidated since Q3-FY22).
- NPAT-MI dropped sharply as interest expenses were prepaid for this year.

Updated Q4-FY2022 results

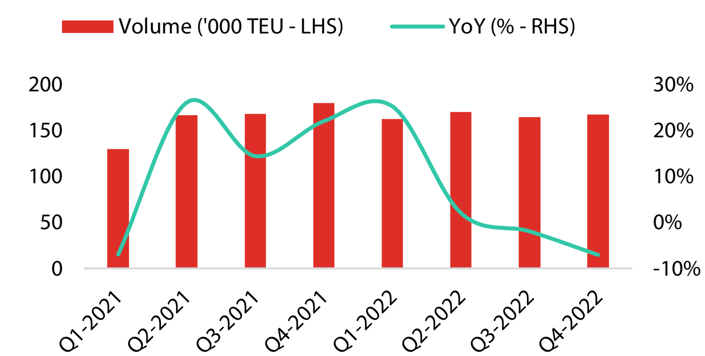
Container volume declined at both Green and VIP Green ports. In Q4-FY22, total container volume was 237,000 TEUs (-6% YoY), of which the volume at Green and VIP Green ports were 70,000 TEUs (-3% YoY) and 167,000 TEUs (-7% YoY) respectively. The estimated total number of weekly arrivals in Q4-FY22 at Green and VIP Green ports was stable between 12-13 times/week, of which the number of ships from China, Korea, Hong Kong, and Taiwan accounted for of up to 74%. We estimate the value of import and export of sea container goods in Q4/2022 of Vietnam with the above countries at only USD 21.6 billion (-9% YoY) (figure 6). Affected by the weakening world demand, the PMI index of the main trading partners remained below 50 points in 2H2022, showing that foreign companies did not expand production (figure 7). This led to negative growth in container throughput through two ports of VSC in Q4-FY22 compared to the same period last year.

Figure 1: Green port throughput



Source: VPA, RongViet Securities

Figure 2: VIP Green port throughput

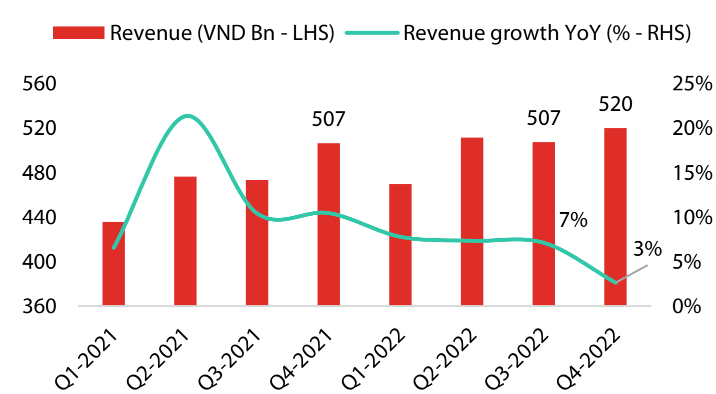


Source: VPA, RongViet Securities

Although container handling volume declined, revenue still grew over the same period thanks to services other than container handling. In Q4-FY22, net revenue and NPATMI were VND 520 billion (+3% YoY, +2% QoQ) and VND 53.4 billion (-42% YoY, -34% QoQ) respectively.

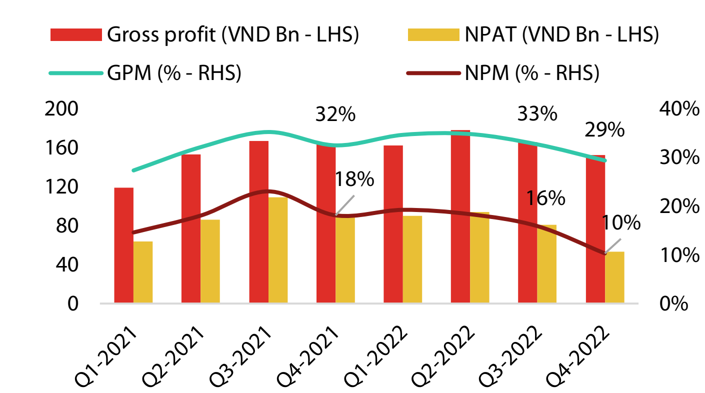
- In Q4/2022, we estimate revenue from activities other that container loading and unloading (cargo management services, customs declaration, tax payment on behalf of goods owners, repair and cleaning services, container production) grew at 20% YoY, which is the main factor supporting VSC's revenue growth.
- GPM was 29% (-4 pps QoQ and -3 pps YoY) due to the underperformance of ICD QBS's consolidated results.
- Although SG&A expenses decreased slightly by 3% compared to the previous quarter, the company recorded a loss of VND 11 billion from a joint venture company, VIMC Dinh Vu (while Q3/2022 recorded a profit of VND 4 billion) causing NPM to plummet to 10%, down 6 pps QoQ and 8 pps YoY.

Figure 3: Revenue decelerated in Q4-2022



Source: VSC, RongViet Securities

Figure 4: Profits and profit margins shrunk significantly



Source: VSC, RongViet Securities

The company invested in the hotel sector. In Q4-FY22, through two subsidiaries, Green Logistics and Green Port, VSC incurred a long-term loan of up to VND 700 billion within 20 years, to work with T&D Group Joint Stock Company (a company specializing in real estate, owned by Doan Thi To - representative of a large group of controlling shareholders at VSC) contributing capital to the Hyatt Place hotel project. This is a hotel located in the center of Hai Phong city. The total investment is expected to be VND 1,424 billion, of which VSC and T&D Group contribute VND 824 billion and VND 600 billion, respectively. T&D Group will act as the owner and be responsible for paying VSC according to the following schedule:

- Payment of investment capital contribution:
  - From 2024 to 2027: paying at least VND 5 billion/year.
  - From 2028 to 2034: paying at least VND 15 billion/year.
  - After 2035: paying at least VND 34.25 billion/year.
- Payment of profits from the investment:
  - In the first eight years, each subsidiary will enjoy 45% of the cash flow from the project's profit after tax and depreciation.
  - In the following years, profits will be distributed according to the proportion of initial capital contribution until VSC pays back its investment.

We have not yet reflected the outlook from the hotel investment in our valuation results until more detailed information is available.

Update 2023 AGM

The planned profit in 2023 dropped sharply due to the impact of loan interest and ineffective operations at subsidiaries and joint venture companies.

Despite the relatively difficult industry outlook, VSC still targets a 12% YoY increase in revenue and a 15% YoY increase in port volume thanks to the new contribution from the target port.

However, the PBT plan is only VND 260 billion (-45% compared to 2022) due to:

- Inefficient consolidated subsidiary (ICD QBS),
- It is forecast that the impact of bank loan interest to implement the investment program is VND 200 billion. In Q4/2022, VSC incurred a long-term loan of VND 700 billion with a term of 20 years for the purpose of serving the company's hotel investment activities. Although this loan has a grace period of 15 months and interest for 12 months, the company has made a prepayment for interest expenses and does not exclude the possibility that VSC will continue to borrow more, increasing interest expenses in 2023.
- Investment loss in the joint venture company (VIMC Dinh Vu) is VND 40 billion.

Table 1: 2023 guidance

Segment	Unit	2022	+/- YoY %	% complete 2022 plan	2023 plan	+/- YoY %
Volume						
Port handling	TEU	1,002,327	-7%	100%	1,150,000	15%
Deport handling	TEU	763,897	-25%	73%	800,000	5%
Warehouse handling	m^3	1,240,447	12%	103%	1,200,000	-3%
Car transport	TEU	1,113,166	-10%	86%	1,300,000	17%
Container agent	TEU	42,461	-30%	68%	5,500	-87%
Logs	TEU	8,859	25%	128%	18,500	109%
Finance						
Revenue	VND Bn	2,007	6%	106%	2,250	12%
PBT	VND Bn	474	-1%	95%	260	-45%

Source: VSC, RongViet Securities

The M&A deal with the target port is expected to be completed in Q2/2023. We believe that VSC's target company is Nam Hai Dinh Vu Port Joint Stock Company, which owns Nam Hai Dinh Vu Port (NHDV) when GMD announced the decision to transfer all shares in NHDV and recorded an amount deposit of VND 1,000 billion in Q4/2022. Also in Q4/2022, VSC together with Doan Huy Investment and Trading Co., Ltd (a company related to Doan Thi To's major shareholder group at VSC) made a deposit of VND 1,000 billion to buy back the target port. VSC contributed 300 billion VND.

VSC has also approved the plan to issue more shares to existing shareholders at the ratio of 1:1, the offering price is 10,000 VND/share It is expected that the issuance will be carried out in Q4/2023. VSC will collect **VND 1,200 billion** from the issuance to serve the investment in controlling the target company. After completing the issuance of capital increase, VSC will stand to dominate the target company.

NHDV port located in Hai Phong area is capable of receiving ships with tonnage of up to 48,000 DWT and designed capacity of 550,000 TEU/year. VSC is in the process of carrying out the M&A deal and is expected to complete it in Q2/2023. According to the draft of the plan to use capital from the issuance, the value of this deal is expected to be about VND 2,250 billion.

After completing the M&A deal, VSC is expected to transfer container cargoes exploited at PTSC Dinh Vu port to NHDV port. According to our estimate, the container volume of VSC still in operation at PTSC Dinh Vu is about 100,000 TEUs.

Figure 5: If the M&A deal is successful, the extended seaport chain will support VSC to operate and arrange vessel schedules

Source: Google Maps, RongViet Securities

Profit distribution plan in 2022 and capital increase in 2023. VSC approved the profit distribution plan in 2022 at the rate of 20%. In which, VSC has paid **the first cash dividend at the rate of 10%** in 2022 and expects to pay **the second dividend in shares at the rate of 10%** in 2023.

2023 Outlook

Facing common challenges in the industry because import and export demand is still weak

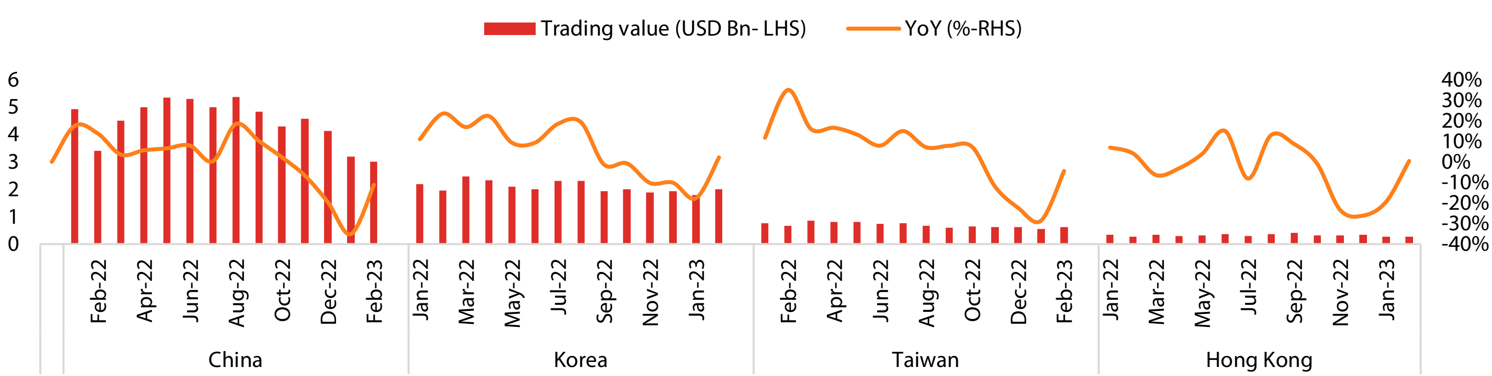
Accumulated in the first two months of the year, the estimated value of import and export of containerized goods by sea between Vietnam and China, Korea, Taiwan and Hong Kong is relatively gloomy, the estimated value is 11.7 billion USD (-19% YoY) (Figure 6). The PMI index - showing the managers' plan to expand production to match the demand for goods consumption - in the above countries remained below 50 points in 2H2022, showing relatively weak demand in the first months of 2023. Although, the PMI of March 2023 of the above countries has fallen back below 50 points after showing signs of recovery in the previous month (except for China), but we expect this is a temporary setback and commodity demand may recover, helping trade flows may be more positive in 2H2023 (Figure 7).

Expecting that the sea container import and export market can recover in the second half of the year, we forecast that the total throughput of Green and VIP Green ports will be flat compared to 2022, reaching 947,000 TEUs (+0% YoY). Total container handling capacity of VSC will reach 1,070,000 TEUs (+10% YoY) with the company's plan to transfer all cargoes from PTSC Dinh Vu to NHDV port for exploitation.

In general, VSC's results in 2023 are relatively dismal because (1) the import-export trend does not support the growth of the core business, (2) the GPM has narrowed due to new investment projects such as: ICD QBS, NHDV port has not been effective, and (3) Interest expenses have increased.

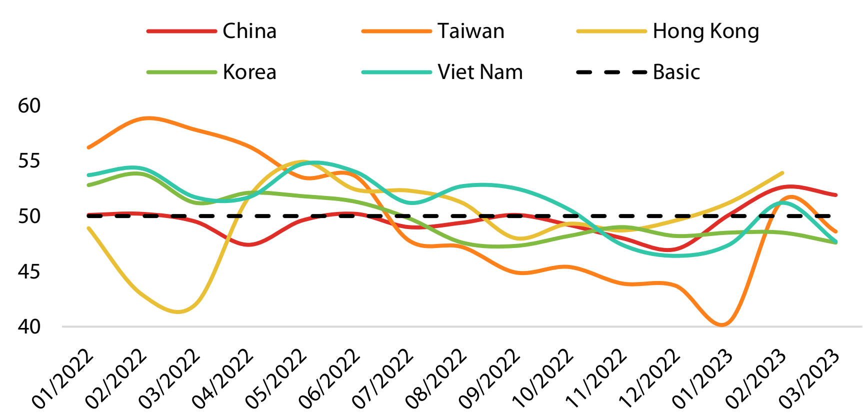
In the long term, we realize that VSC's plan to expand seaport capacity is to wait for the recovery of the import-export market, but the ability to fill NHDV's port capacity will face many challenges due to the competition in Hai Phong. It will be more intense when there is (1) Nam Dinh Vu port phase 2 coming into operation from the beginning of 2023 and (2) two deep-water ports, Lach Huyen berth 3 & 4 and berth 5 & 6 is expected to come into operation in 2025.

Figure 6: Estimated import and export value of container goods by sea with trading partners China, Korea, Taiwan, Hong Kong



Source: General Department of Customs, RongViet Securities Company

Figure 7: PMI of Vietnam and its trading partners



Source: Bloomberg, RongViet Securities

Forecast 2023F-24F

Table 2: Forecast 2023-24F

Unit: VND Billion	2023F	YoY %	Assumption
Revenue	***1,974***	***-1.6%***	
Container handling	*996*	*2%*	*The throughput of Green and VIP Green ports is expected to be flat at 947,000 TEUs (+0% YoY) and new contributions from NHDV port will help to slightly increase revenue.*
Warehousing and storage services	*154*	*7%*	*Container volume at warehouses and depots is forecast to reach 2,050,000 TEUs (+2% YoY) thanks to more container shipments from PTSC and new contributions from QBS ICD port.*
Transportation	*439*	*-5%*	*Auto transport volume is forecast to reach 1,177,000 TEUs (+6% YoY) benefiting when VSC transports goods from foreign ports to exploit. However, revenue growth was negative because car freight rates tend to decrease when fuel prices have cooled down.*
Other services	*385*	*-10%*	*We assume that the logistics agency service will grow negatively because the demand for import and export of container goods has not been positive.*
Gross profit	**554**	**-16%**	Gross profit declined due to inefficient operations of newly consolidated subsidiaries (ICD QBS and NHDV).
SG&A expenses	183	-1%	
EBIT	**370**	**-22%**	
Financial income	23	-33%	Financial income comes from interest on deposits and short-term investments. We do not reflect dividends received from the hotel investment projects in 2023.
Financial expense	83	1550%	We reflect the expenses according to the company's interest amortization plan, even though the long-term loan of VND700 billion has a grace period of 15 months and 12 months, respectively.
Gain (loss) from joint ventures	-22	12%	According to VSC's plan, VIMC Dinh Vu will depreciate all assets this year. However, in our opinion, VIMC Dinh Vu will not lose as much as VSC expected because this year VIMC Dinh Vu already has inter-Asia trains.
PBT	**288**	**-40%**	
Minority interests	78	0%	Minority shareholder interests come from Green Port VIP company with the proportion of 90%. The forecast of VIP Green Port's business results remains stable, leading to a flat rate of minority interests compared to the same period last year.
NPATMI	**135**	**-80%**	
EPS (VND)	**1,110**	**-80%**	

Source: RongViet Securities

Valuation

We use a combination of FCFF (50%) and P/B (50%) methods to determine a one-year target price for VSC. For the FCFF method, we apply a WACC of 11.62% and a growth factor (g) of 1% to determine the value of perpetual cash flows.

For the P/B method, we apply a P/B ratio of 1.2x with a forecasted book value for 2023 of VND 21,056/share. Based on the average P/B valuation in the period of 2013 - 2017 is 1.3x (the period when VSC has a new port, VIP Green comes into operation) and the period of 2019 - 2020 is 1.1x (when two ports were operating at maximum capacity and the US-China trade war occurred, the outbreak of COVID).

We offer a fair price for the stock of 29,200 VND/share, plus an expected 10% cash dividend in 2023, equivalent to an total expected return of 4%, based on the price closed on April 12, 2023.

Table 3: Valuation Summary

Method	Valuation	Proportion	Average target price
FCFF (WACC: 11.6%; g: 1%)	33,043	50%	16,522
P/B (1.2x)	25,267	50%	12,633
Total		**100%**	**29,155**

Source: RongViet Securities

Figure 4: FCFF forecast

FCFF cash flow (VND Bn)	2023F	2024F	2025F	2026F	2027F
Net income	137	209	269	331	563
+ Depreciation	271	278	286	294	131
+ Interest expense after tax	70	55	52	49	46
- Financial income	23	27	33	41	49
- Change in working capital	-326	10	2	2	41
- Capex	972	100	100	100	100
FCFF	**-191**	**405**	**471**	**531**	**549**

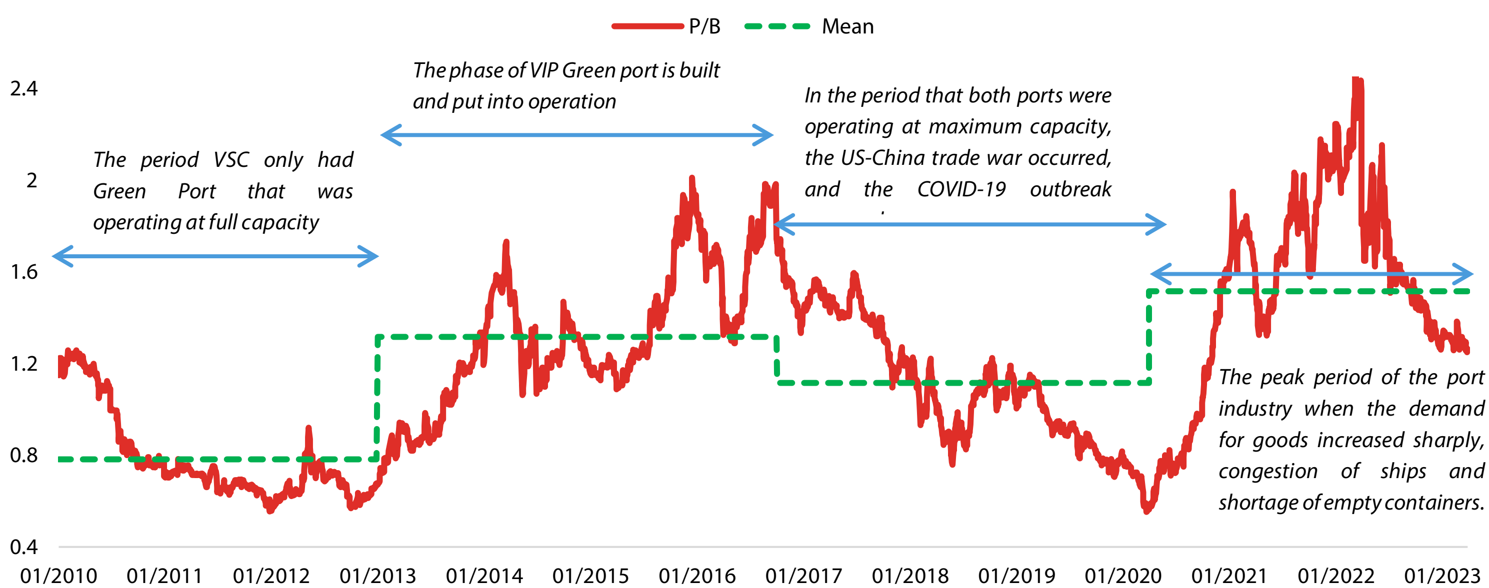
Source: RongViet Securities

Table 5: Assumptions about the weighted average cost of capital

WACC		FCFF	VND Bn
Beta	0.67	Cummulative present value of FCFF	1,190
Risk-free rate	3.8%	Present value of terminal value	5,265
Equity risk premium	12%	(+) Cash and cash equivalent	600
Cost of equity	11.8%	(-) Debt	908
Cost of debt	12%	**Implied Equity value**	**4,007**
Tax rate	15.8%	Number of shares (million)	121
Weight of Debt	13%	**Target price (VND/share)**	**33,043**
Weight of Equity	87%		
WACC	**11.62%**		

Source: RongViet Securities

Figure 8: VSC's P/B Valuation History



Source: Bloomberg, RongViet Securities

Table 6: Valuation index of companies in the same industry.

Company	Capitalization (VND Bn)	2022 Revenue (VND Bn)	PBT 2022 (VND Bn)	ROA (%)	ROE (%)	Div. yield (%)	P/B trailing (x)	P/E trailing (x)	EV/EBITDA trailing (x)
GMD	15,973	3,915	1,308	8.32	13.82	2.28	2.31	17.47	12.17
PHP	5,722	611	273	9.31	13.2	2.27	1.31	10.1	5.13
DVP	2,156	584	345	18.91	20.57	9	1.56	7.61	3.59
DXP	289	107	53	7.51	7.78	N.A	0.51	8.34	5.59
SGP	2,682	1,112	241	3.65	7.92	5.04	1.06	13.46	8.31
Median	**2,682**	**611**	**273**	**8.32**	**13.2**	**3.66**	**1.31**	**10.10**	**5.59**
Mean	**5,364**	**1,266**	**444**	**9.54**	**12.66**	**4.65**	**1.35**	**11.40**	**6.96**
VSC	**3,432**	**2,007**	**477**	**8.23**	**11.77**	**3.44**	**1.23**	**10.92**	**6.20**

Source: Bloomberg, RongViet Securities, based on closing price on April 12, 2023

VND Billion

INCOME STATEMENT	FY2021	FY2022	FY2023F	FY2024F
Revenue	1,892	2,007	1,974	2,064
COGS	1,290	1,349	1,421	1,447
Gross profit	602	659	553	617
Selling Expense	48	79	75	79
G&A Expense	81	105	108	111
Finance Income	13	35	23	27
Finance Expense	2	5	83	65
Other profits	-6	-7	0	0
PBT	**483**	**477**	**288**	**373**
Prov. of Tax	69	84	74	84
Minority's Interest	64	79	78	81
PAT to Equity S/H	**350**	**314**	**137**	**209**
EBIT	473	474	370	427
EBITDA	666	676	641	705

%

FINANCIAL RATIO	FY2021	FY2022	FY2023F	FY2024F
Growth (%)				
Revenue	12.0	6.1	-1.6	4.5
Operating Income	20.4	1.4	-5.2	10.1
EBITDA	47.8	0.3	-22.0	15.3
PAT	45.7	-10.2	-56.4	52.5
Total Assets	32.9	33.7	23.4	0.2
Equity	46.0	6.5	44.0	-1.1
Profitability (%)				
Gross margin	31.8	32.8	28.0	29.9
EBITDA margin	35.2	33.7	32.4	34.2
EBIT margin	25.0	23.6	18.7	20.7
Net margin	18.5	15.7	6.9	10.1
ROA	10.7	7.2	3.0	4.8
ROE	15.7	12.0	9.5	10.6
Efficiency				(times)
Receivable Turnover	8.1	3.6	7.0	6.9
Inventory Turnover	61.1	48.1	50.0	50.0
Payable Turnover	4.9	6.1	5.3	5.3
Liquidity				(times)
Current	5.5	3.0	0.9	2.3
Quick	5.4	3.0	0.9	2.2
Finance Structure (%)				
Total Debt/Equity	0.0	32.5	35.3	21.9
Short-term Debt/Equity	0.0	7.5	11.7	0.0

VND Billion

BALANCE SHEET	FY2021	FY2022	FY2023F	FY2024F
Cash and cash equivalents	1,014	360	53	108
Short-term investments	99	239	100	100
Accounts receivable	232	560	283	298
Inventories	21	28	28	29
Other current assets	77	118	90	94
Property, plant & equipment	807	820	1,510	1,332
Acquired intangible assets	6	6	7	7
Long-term investments	506	487	464	448
Other non-current assets	504	1,748	1,968	1,895
Total assets	**3,266**	**4,367**	**4,503**	**4,310**
Accounts payable	263	221	270	275
Short-term borrowings	0	208	328	1
Long-term borrowings	0	700	665	630
Other non-current liabilities	1	32	0	0
Bonus and Welfare fund	6	5	15	23
Technology-science, dev. fund	0	0	0	0
Total liabilities	**270**	**1,166**	**1,278**	**929**
Common stock and APIC	1,136	1,252	1,373	1,373
Treasury stock (enter as -)	0	0	0	0
Retained earnings	660	664	558	634
Other comprehensive income	0	1	1	1
Inv. and Dev. Fund	826	876	876	876
Total equity	**2,622**	**2,793**	**2,809**	**2,884**
Minority Interest	**374**	**408**	**417**	**498**

VALUATION RATIO (*)	FY2021	FY2022	FY2023F	FY2024F
EPS (VND)	1,284	1,153	914	1,394
P/E (x)	29.9	25.2	31.8	20.8
BV (dong)	11,917	23,032	21,056	21,621
P/B (x)	1.6	1.3	1.4	1.3
DPS (dong/cp)	500	1,000	1,000	1,000
Dividend yield (%)	1.3%	3.3%	3.3%	3.3%

VALUATION MODEL	Price	Weight	Average
FCFF	33,043	50%	16,522
P/B	25,267	50%	12,633
Target price (VND/share)		**100%**	**29,155**

VALUATION HISTORY	Price	Recommendation	Period
12/04/2023	29,200	Accumulate	1 year

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%

ABOUT US

RongViet Securities Corporation (RongViet) was established in 2006. 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 manpower 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.

ANALYSIS & INVESTMENT ADVISORY DEPARTMENT

Lam Nguyen
Head of Research
lam.ntp@vdsc.com.vn
+ 84 28 6299 2006 (1313)
- Market Strategy
- Industrial Park

Vu Tran
Senior Manager
vu.thx@vdsc.com.vn
+ 84 28 6299 2006 (1512)
- O&G
- Fertilizer

Tam Pham
Manager
tam.ptt@vdsc.com.vn
+ 84 28 6299 2006 (1530)
- Bank
- Insurance
- Construction materials

Tung Do
Manager
tung.dt@vdsc.com.vn
+ 84 28 6299 2006 (1521)
- Aviation
- Logistics
- Market Strategy

An Nguyen
Senior Analyst
an.ntn@vdsc.com.vn
+ 84 28 6299 2006 (1541)
- Food & Beverage
- Automotive & Spare parts

Hung Le
Analyst
hung.ltq@vdsc.com.vn
+ 84 28 6299 2006 (1546)
- Industrial RE
- Market Strategy

Loan Nguyen
Analyst
loan.nh@vdsc.com.vn
+ 84 28 6299 2006 (1531)
- Retails
- Fishery
- F&B

Thao Nguyen
Analyst
thao.nn@vdsc.com.vn
+ 84 28 6299 2006 (1524)
- Utilities
- Bank

Quan Cao
Analyst
quan.cn@vdsc.com.vn
+ 84 28 6299 2006 (2223)
- Sea ports
- Pharmaceuticals

Hoai Trinh
Analyst
hoai.ttt@vdsc.com.vn
+ 84 28 6299 2006 (1545)
- Utilities
- Textiles

Bernard Lapointe
Senior Consultant
bernard.lapointe@vdsc.com.vn
+ 84 28 6299 2006

Ha My Tran
Senior Consultant
my.tth@vdsc.com.vn
+ 84 28 6299 2006
- Macroeconomics

Trinh Nguyen
Senior Consultant
trinh.nh@vdsc.com.vn
+ 84 28 6299 2006

Ha Tran
Assistant
ha.ttn@vdsc.com.vn
+ 84 28 6299 2006 (1526)

Khanh Bui
Assistant
khanh.bdc@vdsc.com.vn
+ 84 28 6299 2006

DISCLAIMERS

This report is prepared in order to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.

The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report.

The information herein is compiled by or arrived at Rong Viet Securities from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimations and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by Viet Dragon Securities Corp. ("VDSC"), a company authorized to engage in securities activities in Vietnam. VDSC is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Additional Disclosures

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither VDSC nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

VDSC may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of VDSC.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by VDSC with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior.

RESEARCH DISCLOSURES

Third Party Research

This is third party research. It was prepared by Rong Viet Securities Corporation (Rong Viet), with headquarters in Ho Chi Minh City, Vietnam. Rong Viet is authorized to engage in securities activities according to its domestic legislation. This research is not a product of Tellimer Markets, Inc., a U.S. registered broker-dealer. Rong Viet has sole control over the contents of this research report. Tellimer Markets, Inc. does not exercise any control over the contents of, or the views expressed in, research reports prepared by Rong Viet.

Rong Viet is not registered as a broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" and other "U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Tellimer Markets, Inc., located at 575 Fifth Avenue, 27th Floor, New York, NY 10017. A representative of Tellimer Markets, Inc. is contactable on +1 (212) 551 3480. Under no circumstances should any U.S. recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Rong Viet. Tellimer Markets, Inc. accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

Rong Viet is the employer of the research analyst(s) responsible for the content of this report and research analysts preparing this report are resident outside the U.S. and are not associated persons of any U.S. regulated broker-dealer. The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of Tellimer Markets, Inc. and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Tellimer Markets, Inc. or its affiliates has not managed or co-managed a public offering of securities for the subject company in the past 12 months, has not received compensation for investment banking services from the subject company in the past 12 months, and does not expect to receive or intend to seek compensation for investment banking services from the subject company in the next three months. Tellimer Markets, Inc. has never owned any class of equity securities of the subject company. There are no other actual, or potential, material conflicts of interest of Tellimer Markets, Inc. at the time of the publication of this report. As of the publication of this report, Tellimer Markets, Inc. does not make a market in the subject securities.

About Tellimer

Tellimer is a registered trade mark of Exotix Partners LLP. Exotix Partners LLP and its subsidiaries ("Tellimer") provide specialist investment banking services to trading professionals in the wholesale markets. Tellimer draws together liquidity and matches buyers and sellers so that deals can be executed by its customers. Tellimer may at any time, hold a trading position in the securities and financial instruments discussed in this report. Tellimer has procedures in place to identify and manage any potential conflicts of interests that arise in connection with its research. A copy of Tellimer's conflict of interest policy is available at www.tellimer.com/regulatory-information.

Distribution

This report is not intended for distribution to the public and may not be reproduced, redistributed or published, in whole or in part, for any purpose without the written permission of Tellimer. Tellimer shall accept no liability whatsoever for the actions of third parties in this respect. This report is for distribution only under such circumstances as may be permitted by applicable law.

This report may not be used to create any financial instruments or products or any indices. Neither Tellimer, nor its members, directors, representatives, or employees accept any liability for any direct or consequential loss or damage arising out of the use of all or any part of the information herein.

United Kingdom: Distributed by Exotix Partners LLP only to Eligible Counterparties or Professional Clients (as defined in the FCA Handbook). The information herein does not apply to, and should not be relied upon by, Retail Clients (as defined in the FCA Handbook); neither the FCA's protection rules nor compensation scheme may be applied.

UAE: Distributed in the Dubai International Financial Centre by Exotix Partners LLP (Dubai) which is regulated by the Dubai Financial Services Authority ("DFSA"). Material is intended only for persons who meet the criteria for Professional Clients under the Rules of the DFSA and no other person should act upon it.

Other distribution: The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restriction.

Disclaimers

Tellimer and/or its members, directors or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities referred to herein. Tellimer may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups of Tellimer.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States. The value of any investment or income from any securities or related financial instruments discussed in this report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Frontier and Emerging Market laws and regulations governing investments in securities markets may not be sufficiently developed or may be subject to inconsistent or arbitrary interpretation or application. Frontier and Emerging Market securities are often not issued in physical form and registration of ownership may not be subject to a centralised system. Registration of ownership of certain types of securities may not be subject to standardised procedures and may even be effected on an ad hoc basis. The value of investments in Frontier and Emerging Market securities may also be affected by fluctuations in available currency rates and exchange control regulations. Not all of these or other risks associated with the relevant company, market or instrument which are the subject matter of the report are necessarily considered.

OPERATING NETWORK

HEADQUARTER IN HO CHI MINH CITY
Floor 1-2-3-4, Viet Dragon Tower, 141 Nguyen Du,
Ben Thanh Ward, District 1, Ho Chi Minh City
T (+84) 28 6299 2006 E info@vdsc.com.vn
F (+84) 28 6291 7986 W www.vdsc.com.vn
Tax code 0304734965

HANOI BRANCH
10th floor, Eurowindow Tower, 2 Ton That Tung,
Trung Tu Ward, Dong Da District, Hanoi
T (+84) 24 6288 2006
F (+84) 24 6288 2008

NHA TRANG BRANCH
7th floor, 76 Quang Trung, Loc Tho Ward,
Nha Trang City, Khanh Hoa
T (+84) 25 8382 0006
F (+84) 25 8382 0008

CAN THO BRANCH
8th floor, Sacombank Tower, 95-97-99, Vo Van Tan,
Tan An Ward, Ninh Kieu District, Can Tho City
T (+84) 29 2381 7578
F (+84) 29 2381 8387

VUNG TAU BRANCH
2nd floor, VCCI Building, 155 Nguyen Thai Hoc,
Ward 7, Vung Tau City, Ba Ria – Vung Tau Province
T (+84) 25 4777 2006

BINH DUONG BRANCH
3rd floor, Becamex Tower, 230 Binh Duong Avenue,
Phu Hoa Ward, Thu Dau Mot City, Binh Duong Province
T (+84) 27 4777 2006

DONG NAI BRANCH
8th floor, TTC Plaza, 53-55 Vo Thi Sau,
Quyet Thang Ward, Bien Hoa City, Dong Nai Province
T (+84) 25 1777 2006