HAI AN TRANSPORT & STEVEDORING., JSC (HSX: HAH)

The challenges ahead

Indicator (VND billion)	Q1-FY23	Q4-FY22	+/- (qoq)	Q1-FY22	+/- (yoy)
Net revenue	655	845	-22.5%	652	0.4%
NPATMI	119	171	-30.6%	200	-40.5%
EBIT	162	239	-32.1%	316	-48.7%
EBIT margin	24.8%	28.3%	-3.5 pps	48.5%	-23.7 pps

Source: HAH, RongViet Securities

Q1-FY23 results – Going through a difficult period as the entire maritime industry

- In the context of general difficulties of the whole industry, the volume of container handling and shipping of HAH grew negatively, reached 86 thousand TEU (-7% YoY) and 82 thousand TEU (-4% YoY), respectively, completing 21% and 25% of the plan in 2023.
- Revenue and NPATMI were VND 655 billion (+ 0% YoY and -23% QoQ) and VND 119 billion (-41% YoY and -31% QoQ), respectively, completing 22% and 24% of the plan set for 2023, respectively. Although, freight rates and charter rates have fallen sharply, thanks to contributions from new transport routes and more leased ships have helped the revenue of HAH to be flat compared to the SPLY. Meanwhile, the signing of two short-term charter contracts and the stability of the seaport sector, have helped to reduce NPATMI less than our previous forecast.

2023 outlook – Difficulties have not really passed

- Shipping container volume is expected to reach 377 thousand TEU (-4% YoY) due to the gloomy domestic and international freight demand asbusinesses lack export orders. Container handling volume also decreased slightly compared to 2022, reaching 402 thousand TEU (-4% YoY) with the guaranteed volume thanks to HAIAN and SM Lines. For chartering activities, we assume that HAH will retain the same fleet structure and re-sign tariff after the end of short-term lease contracts of 14,000 USD/day and 17,000 USD/day for 1,100 TEU and 1,700 TEU vessels, respectively.
- Revenue and NPATMI are forecasted at VND 2,770 billion (-14% YoY) and VND 526 billion (-36% YoY) for 2023, respectively. EPS for 2023 will reach VND 7,472.

Valuation and recommendation

Entering Q2-FY23, sea freight rates can remain stable after a long period of decline, while charter rates have slightly improved when creating a bottom in Q1-FY23. This is considered as a psychological fulcrum that HAH's result will no longer experience too much impact from the reduction of freight and charter rates.

Combining the two methods of P/B and EV/EBITDA, our target price for HAH is 45,200 VND/share, equivalent to an expected return of 5% based on the closing price on June 08th, 2023. We maintain the mid-term ***ACCUMULATION*** *recommendation demonstrating our positive view of the possibility of improving profitability in the next two quarters of 2023, thanks to the contribution of new leased vessels.*

In the long-term, the ability to maintain the current high rental rates and the recovery prospects of the shipping segment are variables that investors need to follow up.

ACCUMULATE +5%

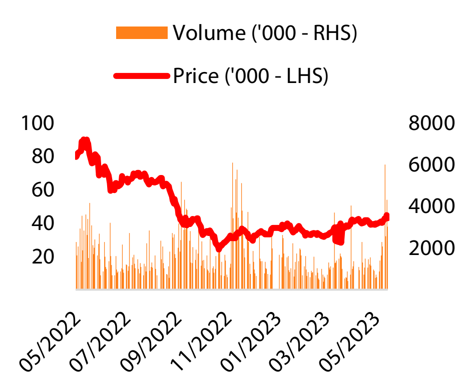
Market price (VND)	42,850
Target price (VND)	45,200

Stock Info

Sector	Marine Ports
Market Cap (VND billion)	3,014.3
Current Shares O/S	70.3
Avg. trading Volume (in 20 sessions)	1,791.6
Free float (%)	100
52 weeks High	81,600
52 weeks Low	24,050
Beta	1.15

	FY2022	TTM
EPS	11,684	10,638
EPS Growth (%)	28	29
Diluted EPS	5,744	5,218
P/E	5.6	4.7
P/B	0.8	1.3
EV/EBITDA	2.3	2.6
Cash dividend yield (%)	3.1	2.3
ROE (%)	35.6	24.8

Performance



Major Shareholders (%)	
Hai Ha IT., JSC	14.53
Sao A D.C investment Corp.	10.67
TM Holding fund company., Lmd	4.41
Other	70.39
Foreign ownership room (%)	43.96

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Table 1: Results in Q1/2023

(VND Bn)	Q1-FY23	Q4-FY22	+/- (qoq)	Q1-FY22	+/- (yoy)
Net revenue	655	845	-22.5%	652	0.4%
Gross profit	192	271	-29.0%	340	-43.4%
SG&A	30	32	-4.9%	24	27.2%
Operating income	162	239	-32.1%	316	-48.7%
EBITDA	245	318	-22.9%	368	-33.4%
EBIT	162	239	-32.1%	316	-48.7%
Financial expenses	21	52	-60.3%	10	118.9%
- Interest Expenses	*19*	*21*	*-6.5%*	*9*	*110.4%*
Dep. and amortization	83	78	5.4%	52	60.0%
Non-recurring items (*)					
Extraordinary items (*)					
PBT	153	232	-34.0%	320	-52.2%
NPAT-MI	119	171	-30.6%	200	-40.5%
Adjusted NPAT-MI for (*)	119	171	-30.6%	200	-40.5%

Source: HAH, RongViet Securities

Table 2: Q1/2023 performance analysis

Particulars	Q1-FY23	Q4-FY22	+/- (qoq)	Q1-FY22	+/- (yoy)
Profitability Ratios (%)					
Gross Margin	29.4%	32.0%	-2.7 pps	52.1%	-22.7 pps
EBITDA Margin	37.4%	37.6%	-0.2 pps	56.4%	-19.0 pps
EBIT Margin	24.8%	28.3%	-3.5 pps	48.5%	-23.7 pps
Net Margin	18.2%	20.3%	-2.1 pps	30.6%	-12.5 pps
Adjusted Net Margin	23.4%	27.4%	-4.1 pps	51.2%	-27.9 pps
Turnover*(x)					
-Inventories	26	29	-3.0	21	5.5
-Receivables	2.6	3.4	-0.8	2.2	0.5
-Payables	1.0	1.1	-0.1	0.8	0.3
Leverage (%)					
Total Liabilities/Equity	25.2%	31.2%	-5.9 pps	34.7%	-9.5 pps

Source: RongViet Securities (*) annualized

Table 3: Forecast Q2/2023

Indicator (VND Bn)	Q2-FY23	+/- qoq	+/- yoy
Revenue	720	9.9%	-22.5%
Gross profit	248	28.9%	-42.9%
EBIT	214	31.8%	-47.3%
NPAT-MI	130	9.2%	-45.8%

Thesis for Q1/2023:

- The container volume forecast of Hai An port/shipping Q2-FY23 is 103 thousand TEU (-8% YoY and +20% QoQ) and 98 thousand TEU (-8% YoY and +20% QoQ), respectively. The growth rate shows that trade demand cannot be improved soon.
- Revenue growth began to decline faster than in the same period due to both reduced output and low freight rates.
- Gross profit fell sharply as revenue declined while the cost of capital remained high.
- Q2-FY23 begins to pay interest on the VND 280 billion debt to buy HAIAN ROSE.

Source: RongViet Securities

Updated Q1-FY2023 results

In February 2023, HAH chartered two ships HAIAN BELL and HAIAN ROSE with a relatively short contract term of 3-5 months, with rental rates of USD 11,750/day and USD 13,750/day, respectively. During this time, the transport capacity of the fleet was still guaranteed as HAH received the HAIAN CITY vessel for self-operation after the end of the time charter contract and leased TC SYMPHONY ship of Tan Cang.

In Q1/2023, HAH opened two new transport routes:

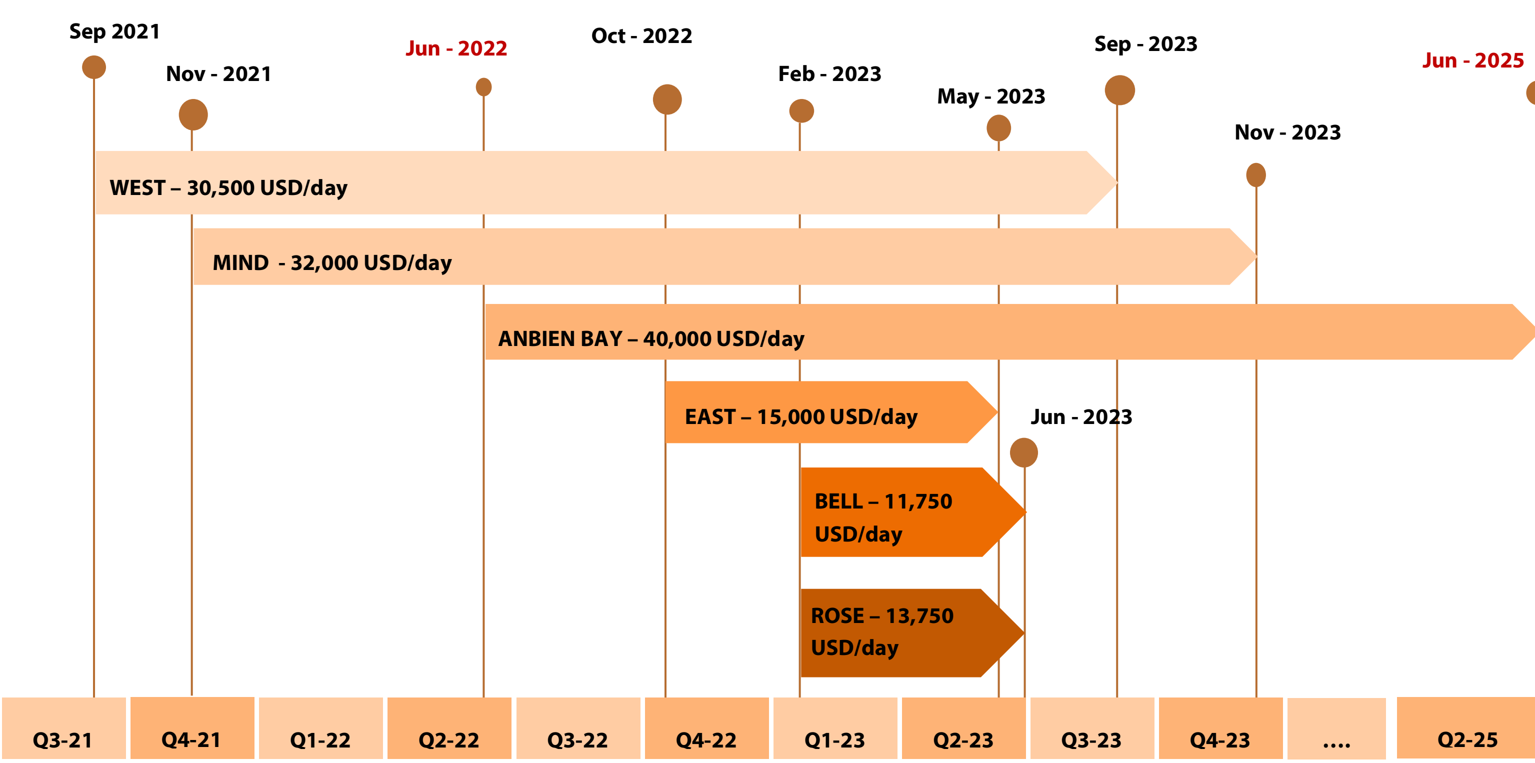
- Domestic transport route with schedule from Hai Phong - Chan May - HCM.
- International transport route with the schedule from Hai Phong - HCM - Port Kelang (Malaysia) and vice versa, through its subsidiary, ZIM - HAIAN Joint Venture Co. by the Lotus Link brand. This is the first transport route of ZIM – HAIAN to be served by two ships of 1,100 TEU capacity, HAIAN LINK and TC SYMPHONY.

Table 1: List of fleet in Q1-FY23

No	Ship name	Capacity	Operation form
1	HAIAN PARK	787	Self-operated
2	HAIAN TIME	1,032	Self-operated
3	HAIAN BELL	1,200	Term rental
4	HAIAN LINK	1,060	Self-operated
5	HAIAN MIND	1,794	Term rental
6	HAIAN VIEW	1,577	Self-operated
7	HAIAN WEST	1,740	Term rental
8	HAIAN EAST	1,702	Term rental
9	HAIAN CITY	1,577	Self-operated
10	HAIAN ROSE	1,708	Term rental
11	ANBIEN BAY	1,700	Term rental
12	TC SYMPHONY	1,147	Self-operating (operation lease)

Source: HAH, Viet Rong Securities

Figure 1: Two ships HAIAN BELL and HAIAN ROSE are leased for a short term from 3 to 5 months at low rates

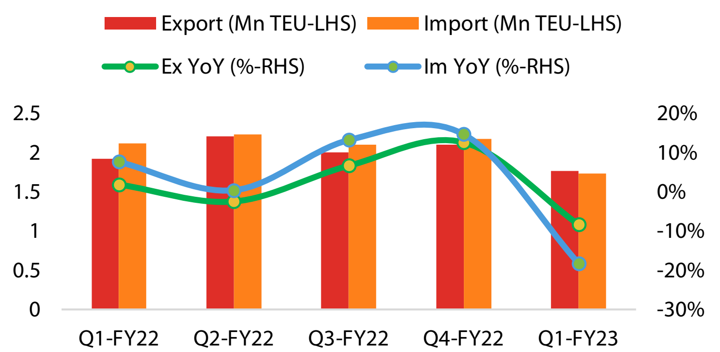


Source: HAH, Viet Rong Securities

HAH is going through a difficult period as the entire maritime industry's demand for cargo trade is gloomy

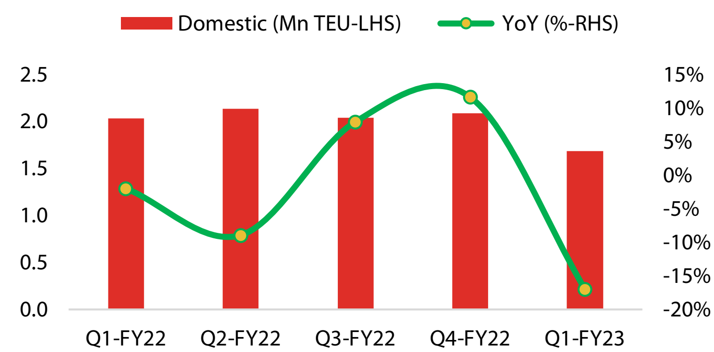
In Q1-FY23, Vietnam's total im-ex volume of sea containerized goods was 3.49 million TEU (-14% YoY), of which export and import output were 1.76 TEU (-8% YoY) and 1.73 million TEU (-18% YoY), respectively. This is a trend that has been forecasted since before consumer purchasing power declined amid the weakening global economy in 2H2022. Because Vietnam's trade still depends quite heavily on the processing activities of FDI enterprises, the decrease in value/export orders also causes the need to import raw materials and domestic production to drop. The domestic container volume Q1-FY23 was only 1.69 million TEU (-17% YoY) (Figure 3).

Figure 2: Strong drop in container volume via sea import and export shows weak demand…



Source: Vinamarine, RongViet Securities

Figure 3: … Pulling back the demand for domestic container cargo shipping

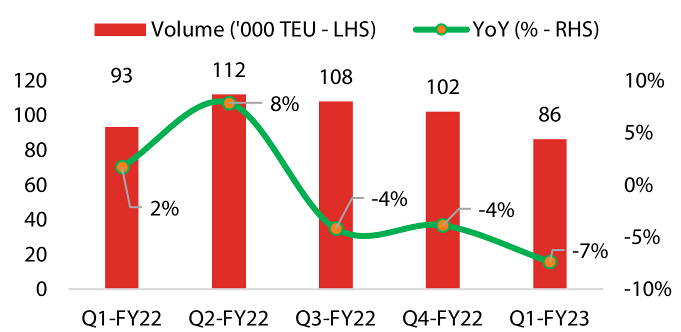


Source: Vinamarine, RongViet Securities

In the context of the entire industry's difficult situation, HAH Q1-FY23's container handling and transport volume both grew negatively, reaching 86 thousand TEU (-7% YoY) and 82 thousand TEU (-4% YoY) respectively, completing 21% and 25% of the 2023 plan. The growth rate of container handling volume continued to decrease while the container transport volume showed recovery signs due to:

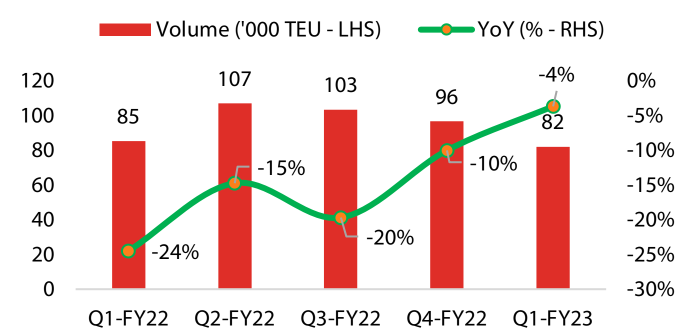
- Hai An port is in a repair period starting from Q4 – FY22. At the same time, the company arranges the same scheduled trains to operate at MPC port to increase off-dock CY throughput for Panhaian. It is expected that HAH will complete the entire project in Q2 – FY23, thereby increasing the loading capacity from 7,000 TEUs to 10,000 TEUs.
- Vessel shipping volume is supported by two more ports of call on the Hai Phong - Hong Kong route compared to the same period last year. The time to deploy these two ports of call is Nansha (from March 2022) and Qinzhou (from June 2022), and Q1-FY23 launched two new transport routes.

Figure 4: Volume through Hai An port continues to fall



Source: HAH, RongViet Securities

Figure 5: Vessel shipping volume gradually recovers



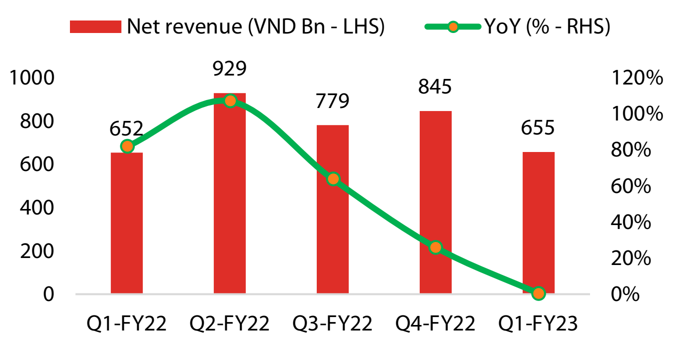
Source: HAH, RongViet Securities

Revenue and NPATMI in Q1-FY23 were VND 655 billion (+ 0% YoY and -23% QoQ) and VND 119 billion (-41% YoY and -31% QoQ), respectively, completing 22% and 24% of the 2023 plan. Although freight rates and charter rates have fallen deeply, HAH's revenue can be flat compared to the same period last year due to the contribution from new transport routes. Meanwhile, the signing of two short-term rental contracts and the stability of the seaport sector have helped keep HAH's NPATMI drop less than our previous forecast.

Compared to the same period, the revenue of the freight segment decreased by negative container output and international/domestic freight rates have decreased sharply. However, the total revenue of HAH has remained flat (Figure 6) thanks to two factors (1) the contributions from the two subsidiaries, Hai An Agency and Logistics Co. and Zim – HAIAN, which were consolidated from Q3-FY22 and Q1-FY23 respectively; and (2) the chartering activity is a pedestal when there are more than three leased ships, HAIAN ROSE, HAIAN BELL and ANBIEN BAY, and the previous long-term leased ships, HAIAN WEST and HAIAN MIND, are still maintained at high prices (Figure 1).

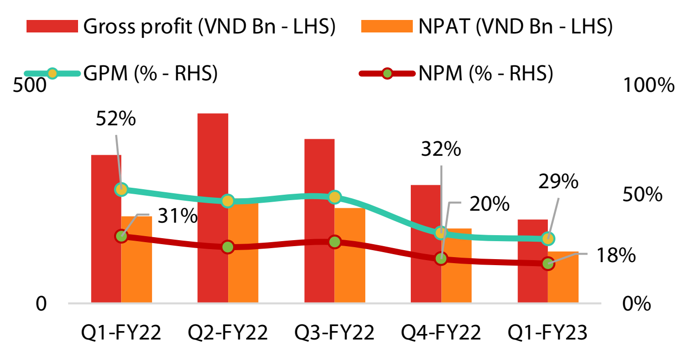
- Q1-FY23 gross profit margin reached 29% (-23 pps YoY and -3 pps QoQ) (Figure 7) of which:
  - GPM of port operations at 46% (+2 pps QoQ and +4 pps YoY) remained high as Hai An port has finished depreciating.
  - The main factor narrowing HAH's GPM came from fleet operations as its profit margin was only 19% (-25 pps YoY and -5 pps QoQ) due to (1) ocean freight rates falling faster than the decreasing rate of fuel input (Figure 8) (2) depreciation expense increased by 77% YoY when two new ships were received from 2H2022- HAIAN CITY and HAIAN ROSE, came into operation (3) outsourcing costs increased up for chartering TC SYMPHONY of Tan Cang. The leasing of two ships, HAIAN ROSE and HAIAN BELL, in Q1-FY23 supported reducing the burden of variable costs helping the gross profit margin of fleet operations to not be "suffocated".
- HAIAN EAST was re-signed at 50% YoY, leading to a reduction in the profit contribution of its subsidiary, Hai An Container Shipping Company (HAH owns 51%) – having a 60% interest rate from HAIAN EAST. This can be considered the main reason for the minority interest to decrease to only VND 7 billion (-88% YoY), helping the NPATMI margin to narrow from 31% of Q1-FY22 to 18% (-13 pps YoY and -2 pps QoQ), a decrease less than the GPM.

Figure 6: The contribution of the chartering segment helped total revenue to remain flat over the same period



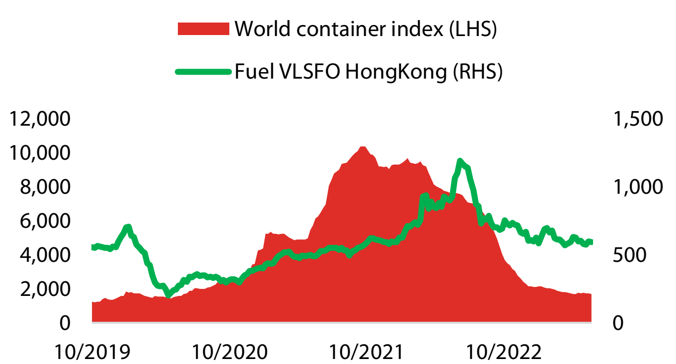
Source: HAH, RongViet Securities

Figure 7: Profit margin fell sharply due to the impact of freight rates



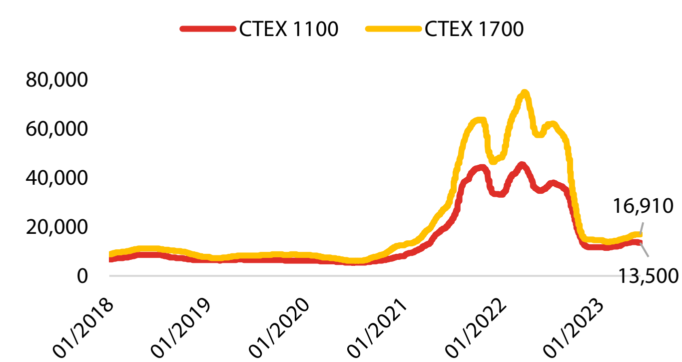
Source: HAH, RongViet Securities

Figure 8: International freight rates have fallen faster than fuel costs



Source: Bloomberg, RongViet Securities

Figure 9: Chartering rates had a slight recovery in Q1-FY23 after bottoming out



Source: Bloomberg, RongViet Securities

Update to the 2023 AGM documents

Despite the decline in cargo trading demand in the first months of 2023, HAH targets that exploiting volume can remain flat over the same period.

- Vessel operation is planned to achieve 396 thousand TEUs (+1% YoY) of container volume due to HAH's expectation of increasing domestic container shipping market share and ZIM - HAIAN's additional contribution from inter-Asia routes.
- Container handling and depot volume are planned to be 418,000 TEUs (+0% YoY) and 192 thousand TEUs (+0% YoY) respectively, due to the fleet of HAIAN and SM Lines that still ensure the amount of cargo handled at the port.

The target revenue and NPATMI are VND 2,958 billion and VND 492 billion, respectively, down 8% and 40% compared to 2022.

- HAH's revenue is expected to decrease slightly due to new contribution from ZIM – HAIAN and the stability of port operations.
- The NPATMI plan shows the company's view of the decline in freight rates and charter rates. In addition, the increased outsourcing costs and higher interest expenses when the loan of VND 280 billion for buying the HAIAN ROSE vessel will start to be paid from Q2-FY23 also properly reflect the negative double-digit growth rate of NPAT.

At the end of 2023, HAH is expected to receive two new-built ships with a capacity of 1,800 TEUs, invested since August 2021. By the end of Q1/2023, HAH has deposited VND 365 billion for Huanghai Shipping of China. Thereby, HAH's fleet will be increased to 13 ships with a total capacity of nearly 20,000 TEUs.

In order to supplement capital for ship investment, **HAH plans to issue convertible bonds** as follows:

- Total issuance value: up to VND 500 billion.
- Bond term: 4-5 years.
- Nominal interest rate: maximum fixed interest rate of 6%/year.

Profit distribution plan in 2022: paying a stock dividend at the rate of 50% because the company is in need of cash to implement a new shipbuilding project.

Table 2: Business plan in 2023

Indicator	Unit	2022 implement	+/- YoY (%)	2023 guidance	Compare to 2022 (%)
Exploiting volume		**1,001,317**		**1,006,000**	
Port operation	TEU	417,278	0%	418,000	0%
Fleet operation	TEU	391,761	-17%	396,000	1%
Depot volume	TEU	192,278	58%	192,000	0%
Business					
Revenue	VND Bn	3,250	64%	2,959	-8%
NPATMI	VND Bn	822	84%	492	-40%

Source: HAH, RongViet Securities

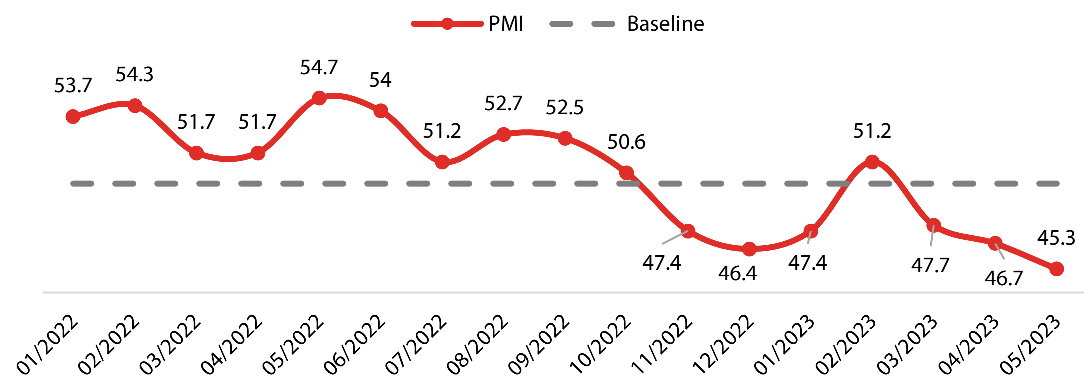
2023 outlook

Vietnam's PMI has been below 50 points (Figure 10) for most of the last six months, which implies that export orders are still quite weak, making import-export businesses still not ready for expand production. In that context, we believe that maritime activities have not yet shown signs of recovery because Vietnam's trade flows have not really prospered.

Based on the fact that the demand for container freight is unlikely to recover soon because Vietnam's trade flow has not shown many signs of improvement, combined with the assumption that there will be no unusual events as happened in the past that pushed freight rates to an unprecedented increase (vessel congestion in the Suez Canal, shortage of empty containers worldwide), we believe that sea freight rates have returned to "normal" levels and will remain stable as in the pre COVID-19 pandemic period.

We also expect that the short-term rental contract of two ships, HAIAN BELL and HAIAN ROSE, can be renewed with higher rates of 14,000 USD/day and 17,000 USD/day respectively after the charter rate (Figure 9) is showing a slight recovery.

Figure 10: Vietnam's PMI continues to stay below 50 points



Source: Bloomberg, RongViet Securities

Forecast 2023F

Table 2: Forecast 2023

Unit: VND Bn	2023F	YoY %	Assumption
Revenue	***2.770***	***-14%***	
Container handling	*206*	*-4%*	*Forecast Hai An port output will decrease slightly due to the lack of demand for goods , reaching 402 thousand TEU (-4% YoY), but thanks to HAIAN and SM Lines, it is still possible to ensure the quantity of goods for the port.*
Fleet operation	*2.337*	*-15%*	*We assume that HAH will remain in the fleet structure until the end of 2023.* • *Estimated revenue from the chartering segment reached VND 751 billion (+6% YoY) thanks to the additional leasing of two ships HAIAN BELL and HAIAN ROSE, in addition, the ships HAIAN WEST, HAIAN MIND, HAIAN EAST and ANBIEN BAY signed long-term contracts with high rates also ensure rental revenue. We assume that contracts after expiration will be renewed at a rate of 14,000 USD per day for vessels of 1,100 TEU and 17,000 USD per day for vessels of 1,700 TEU.* • *We expect HAH's shipping volume container to reach 377 thousand TEU (-4% YoY) due to weak freight demand. The average freight rates for domestic and international routes will continue to fall by 20% YoY and 25% YoY, respectively. As a result, transport activity revenue is estimated at 1,242 (-26% YoY).* • *Load activity is estimated at VND 344 billion (-4% YoY), a growth rate equivalent to a decline in volume thoughput.*
Other	*227*	*-10%*	*Assume that sales of other services fall by 10% in the context of gloomy trade demand..*
Gross profit	**927**	**-35%**	Gross profit decrease at a faster rate than the revenue reduction rate because this year depreciation costs will be more fully deducted for two ships HAIAN CITY (purchased ship in Q2/2022) and HAIAN ROSE (purchased ship in Q4/2022). At the same time, the operating lease cost for TC SYMPHONY also reduces the gross profit.
G&A expenses	132	16%	Management costs increased due to the consolidation of Hai An Agents and Logistics Co. from associates to subsidiaries and the establishment of the new subsidiary Zim – HAIAN.
EBIT	**795**	**-39%**	
Financial income	26	-34%	
Financial expense	90	17%	Financial cost increased due to the VND 280 billion loan for the purchase of HAIAN ROSE will reach the first principal/interest payment period in Q2/2023 after the expiration of the grace period.
Gain (loss) from JV	10	-65%	
PBT	**741**	**-42%**	
Minority interest	69	-68%	Minority interests plummeted due to a downturn in fleet operational efficiency.
NPATMI	**526**	**-36%**	
EPS (VND)	**7.472**	**-36%**	

Source: RongViet Securities

Valuation

We use a combination of the P/B (50%) and EV/EBITDA (50%) method to determine a one-year target price. The target valuation coefficients of the two methods are sharply reduced compared to the median level in the period 2021 – 2022 (the period of booming freight/charter rates due to increased demand, ship congestion and shortage of empty containers), reflecting our view that freight prices have decreased to the "normalized" level and trade demand is still weak in 2023. But it will still be higher than in the period of 2019-2020 due to:

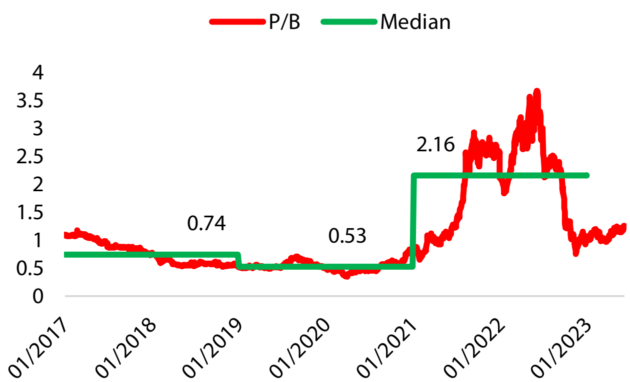
- The P/B method: the fleet size has doubled and the capital efficiency (ROE) of HAH has improved.
- For the EV/EBITDA method: according to table 5, seaport companies always have a preferential valuation compared to shipping companies. The valuation is based on (1) Hai An port maintaining stable operations, (2) the rental fleet structure has increased and the rental rates are high, so it still ensures the ability to generate cash flow.

Table 3: Valuation summary

Approach	Valuation	Weight	Target price
P/B (@ 1.1x)	43,200	50%	21,600
EV/EBITDA (@ 3.7x)	47,200	50%	23,600
Total		**100%**	**45,200**

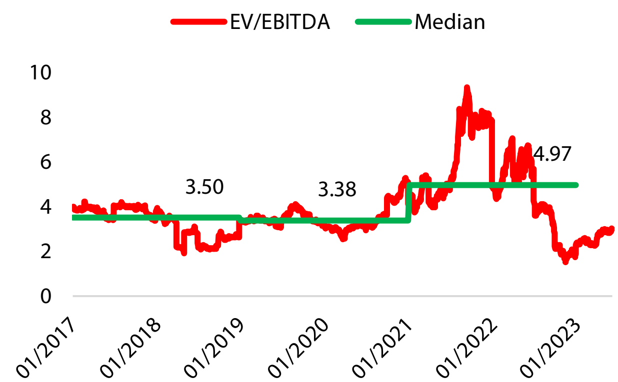
Source: RongViet Secutities

Figure 11: Historical P/B



Source: Bloomberg, RongViet Securities

Figure 12: Historical EV/EBITDA



Source: Bloomberg, RongViet Securities

Table 4: The valuation of HAH in each period

Period	Average time charter rate (USD/day)	Number of chartered vessels	Number of self-operated vessels	P/E median (x)	P/B median (x)	EV/EBITDA median (x)	ROE mean (%)	ROA mean (%)
2017 – 2018	8.100 – Vessel 1.100 TEU	1	4 – 5	3,5	0,7	3,5	16%	12%
2019 – 2020	8.500 – Vessel 1.100 TEU	2	5 - 6	4,1	0,5	3,4	11%	8%
2021 – 2022	11.000 – Vessel 1.100 TEU 35.000 – Vessel 1.700 TEU	4 – 5	5	8,0	2,2	5,0	33%	23%
2023 Forecast	14.000 – Vessel 1.100 TEU 17.000 – Vessel 1.700 TEU	6	6	5,8	1,1	3,7	19%	10%

Source: HAH, Bloomberg, RongViet Securities

Table 5: Industry peers

Company	Country	Marketcap (USD Mn)	Revenue 2022 (USD Mn)	PBT 2022 (USD Mn)	Div yield (%)	2022 ROE (%)	2022 ROA (%)	Trailling (x)		
								P/E	P/B	EV/EBITDA
Port peers										
GEMADEPT CORP	VN	647	167	55	2.4	12.1	7.4	17.9	2.1	11.5
PORT OF HAI PHON	VN	312	100	38	1.8	13.1	9.2	12.9	1.7	5.3
DINH VU PORT	VN	93	25	15	1.8	20.0	18.4	6.5	1.5	3.0
DOAN XA PORT JOI	VN	17	5	2	N/A	6.2	6.0	11.5	0.7	4.6
SAI GON PORT JSC	VN	145	48	10	3.8	7.9	3.6	17.0	1.3	8.6
VIETNAM CONTAINER	VN	147	86	20	3.5	9.4	6.5	13.7	1.3	5.9
Median		**146**	**67**	**18**	**2.4**	**10.8**	**7.0**	**13.3**	**1.4**	**5.6**
Average		**227**	**72**	**23**	**2.7**	**11.5**	**8.5**	**13.3**	**1.4**	**6.5**
Shipping companies peers										
DANAOS CORP	GR	1.329	993	716	4.6	22.7	15.7	2.3	0.5	1.5
COSTAMARE INC	MQ	1.112	1.114	426	5.1	16.6	7.7	3.2	0.5	4.5
GLOBAL SHIP-CL A	GB	683	646	286	7.8	32.2	14.5	2.4	0.7	3.2
SAMUDERA SHIP	SI	353	991	326	36.4	73.3	44.1	1.1	0.6	0.4
Median		**898**	**992**	**376**	**6.5**	**27.5**	**15.1**	**2.4**	**0.6**	**2.4**
Average		**869**	**936**	**439**	**13.5**	**36.2**	**20.5**	**2.3**	**0.6**	**2.4**
HAH VN Equity	**VN**	**129**	**137**	**54**	**2.3**	**34.1**	**16.7**	**4.7**	**1.3**	**2.6**

Source: Bloomberg, RongViet Securities, based on the closing price on June 08th, 2023.

VND Billion

INCOME STATEMENT	FY2021	FY2022	FY2023F	FY2024F
Revenue	1,955	3,206	2,770	2,832
COGS	1,241	1,784	1,843	2,092
Gross profit	714	1,422	927	740
Selling Expense	0	0	0	0
G&A Expense	85	114	132	144
Finance Income	26	39	26	32
Finance Expense	33	76	90	58
Other profits	20	-27	0	0
PBT	**662**	**1,272**	**741**	**576**
Prov. of Tax	112	232	146	114
Minority's Interest	105	219	69	50
PAT to Equity S/H	**446**	**822**	**526**	**412**
EBIT	629	1,308	795	596
EBITDA	793	1,586	1,157	1,025

%

FINANCIAL RATIO	FY2021	FY2022	FY2023F	FY2024F
Growth (%)				
Revenue	64.1	63.9	-13.6	2.2
Operating Income	156.8	100.1	-27.0	-11.4
EBITDA	266.9	107.9	-39.2	-25.0
PAT	222.1	84.5	-36.0	-21.5
Total Assets	54.3	56.2	9.0	5.6
Equity	45.2	48.9	19.7	14.9
Profitability (%)				
Gross margin	36.5	44.4	33.5	26.1
EBITDA margin	40.5	49.5	41.8	36.2
EBIT margin	32.2	40.8	28.7	21.0
Net margin	22.8	25.6	19.0	14.6
ROA	13.8	16.3	9.5	7.1
ROE	28.7	35.6	19.0	13.0
Efficiency				(times)
Receivable Turnover	3.1	3.3	3.8	3.6
Inventory Turnover	25.6	22.7	27.2	27.7
Payable Turnover	3.5	3.4	4.3	4.2
Liquidity				(times)
Current	2.2	2.1	2.9	2.8
Quick	2.1	2.0	2.8	2.7
Finance Structure (%)				
Total Debt/Equity	51.1	57.2	60.8	46.0
Short-term Debt/Equity	15.1	13.7	8.9	9.2
Long-term Debt/Equity	36.0	43.5	51.9	36.8

VND Billion

BALANCE SHEET	FY2021	FY2022	FY2023F	FY2024F
Cash and cash equivalents	485	415	952	1,092
Short-term investments	87	140	100	130
Accounts receivable	633	979	730	797
Inventories	48	78	68	76
Other current assets	34	132	114	116
Property, plant & equipment	1,539	2,786	2,974	2,944
Acquired intangible assets	4	3	4	5
Long-term investments	148	140	151	159
Other non-current assets	255	375	412	495
Total assets	**3,232**	**5,049**	**5,505**	**5,815**
Accounts payable	351	525	425	498
Short-term borrowings	234	318	246	293
Long-term borrowings	559	1,004	1,436	1,171
Other non-current liabilities	151	248	268	268
Bonus and Welfare fund	36	68	37	29
Technology-science, dev. fund	0	0	0	0
Total liabilities	**1,330**	**2,162**	**2,411**	**2,258**
Common stock and APIC	679	895	895	895
Treasury stock (enter as -)	0	0	0	0
Retained earnings	592	1,025	1,376	1,705
Other comprehensive income	0	0	0	0
Inv. and Dev. Fund	280	391	496	578
Total equity	**1,552**	**2,311**	**2,766**	**3,179**
Minority Interest	350	576	328	378

VALUATION RATIO (*)	FY2021	FY2022	FY2023F	FY2024F
EPS (VND)	9,133	11,684	7,472	5,862
P/E (x)	15.9	5.6	5.6	7.2
BV (dong)	31,809	32,853	39,325	45,187
P/B (x)	1.7	0.8	1.0	0.9
DPS (dong/cp)	1,000	1,000	0	0
Dividend yield (%)	1.5%	3.1%	0%	0%

VALUATION MODEL	Price	Weight	Average
P/B	43,200	50%	21,600
EV/EBITDA	47,200	50%	23,600
Target price (VND/share)		**100%**	**45,200**

VALUATION HISTORY	Price	Recommendation	Period
05/2023	45,200	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%

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