MOBILE WORLD INVESTMENT CORPORATION (MWG – HSX)

Endeavor to sustain the long-term growth

- Robust growth at both thegioididong and DienmayXanh chain
- An easy start in 2016 as expectations of MWG's managers
- 2016's growth drivers should be from (1) quantity and quality of DienmayXanh's new stores and (2) Thegioididong's ability to maintain its old stores' growth as well as exploit new store locations
- 2016's business result estimation
- Sustainable long term growth (2017-2020) should be tested in next years

Outlook:

We highly appreciate leaders and business culture of MWG. Besides, current core businesses (mobile and consumer electronics retailing) are boldly developed at leading positions of technical consumer goods retailing sector. 2016's PAT was estimated to grow 33% (yoy). 2016's EPS was forecasted at VND9,300, equivalent to forward PE ratio of 8.4. This is an attractive evaluation since (1) MWG's ROE ratio is estimated to stay above 35% in next two years and (2) current PER is 30% and 20% lower than its peers in this sector and other companies that have the same market cap respectively.

While seeing a boosting growth, MWG's managers have actively launched some new business plans in order to keep their growth pace. In late 2015, MWG opened BachhoaXanh stores for exploiting grocery-retailing market. Besides, MWG has planned to expand its TCGs's retailing businesses to some other regional countries. Currently, it is still too early to evaluate these plans but we credit the activeness of MWG's managers in these business plans.

*We have yet accounted for these business plans into our valuation. Therefore, given suitable PER of 10x and 2016's EPS of **VND9,300**, we maintain **BUY** recommendation in **long-term** for MWG with the target price of **VND93,000***

Key financials

EoY (VND bn)	FY2014	FY2015	Accumulated to current	FY2016E	FY2017F
Net Revenue	15,756.7	25,252.7	6,842	38,072.4	49,201.0
% chg	65.9%	60.3%	78%	50.8%	29.2%
NAT	668.1	1,071.9	296	1,410.4	1,627.9
% chg	161.4%	60.4%	79%	31.6%	15.4%
Net profit margin (%)	4.2%	4.2%		3.7%	3.3%
ROA (%)	23.2%	19.9%		15.0%	12.3%
ROE (%)	58.7%	54.2%		44.3%	35.8%
EPS (VND)	5,975	7,305		9,100	10,800
Adjusted EPS (VND)	4,553	7,305		9,300	10,800
Book value (VND)	13,174	16,897		25,237	33,791
Cash dividend (VND)	0	0		1,500	2,000
P/E (x)	0.0	14.9		8.5	7.4
P/BV (x)	0.0	6.5		3.1	2.3

*Source: MWG's financial statements and Rongviet Research's accumulation, * as price at 22/3/2016*

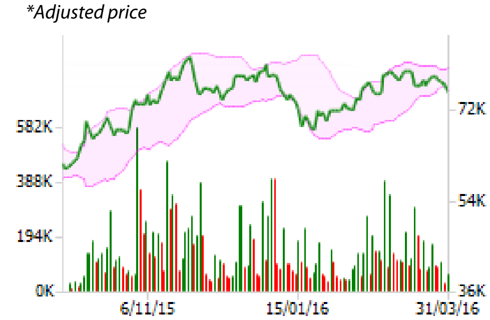
BUY

Market price (VND)	74,000
Target price (VND)	93,000
Investment period	LONG - TERM

Stock Info

Sector	Retail
Market Cap (VND bn)	11,293
Current Shares O/S	146,670,000
Beta	0.73
Free float (%)	36.5
52 weeks High*	91,000
52 weeks Low*	59,000
Avg. Daily Volume (20 sessions)	85,200

**Adjusted price*



Price performance (%)

	3M	1Y	3Y
MWG	4	-12	N/A
Retail	2	-7	19
VNIndex	7	3	21
VN30 Index	5	-1	8

Major Shareholders (%)*

Retail World Investment Consultant Ltd., Co.	13.17
Mekong Enterprise Fund II	10.94
Tri Tam Ltd., Co.	9.88
CDH Electric Bee Limited	8.27
Mutual Fund Elite	6.74
Ntasian Discovery Master Fund	5.44

** As of 22/03/2016*

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Accelerating growths of both Thegioididong and DienmayXanh

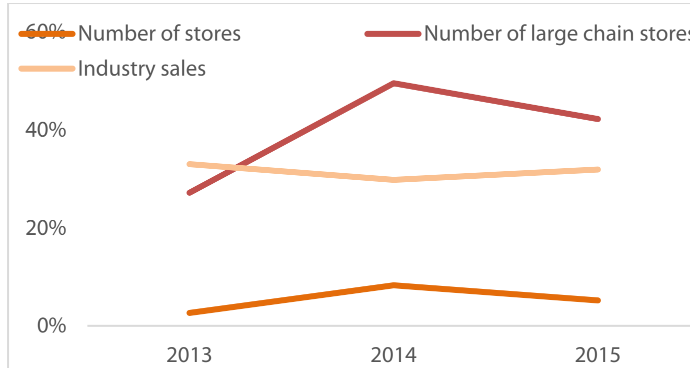
Value of telecommunication products continued to increase over 30% in 2015 as a figure in Gfk's report. Simultaneously, large retailers also accelerated their expansion to reach new recorded number of stores.

Table 1: Updates on popular chains

	Thegioididong	FPTShop	Vinpro	VienthongA
Number of stores in 2015	506	250	40	153
New stores in 2015	154	90	40	27

Source: Euromonitor, RongvietResearch

Figures 2: Updates on the telecommunication retail market



Source: Euromonitor, Gfk, RongvietResearch

Similarly, Thegioididong, a leader of this market, also boosted their number of stores, lifting their market share to nearly 30% in 2015. Specifically, Thegioididong opened over 220 new stores and got a total sales of VND 20,769 billion, appropriately USD 1 billion, an increase of 56% compared to total sales of 2014. As our estimation, 2015's thegioidiong's sales included 43% from the same stores' sales and 57% from new stores, which opened in both 2014 and 2015. Besides, under the estimated same-store-growth of 5%, the average same-store sales was about VND4 billion per month, higher 20% than the same figure of FPTShop.

Besides, DienmayXanh also doubled their sales and PAT. Total sales of this chain was VND 4,482 billion. Therefore, the contribution of this chain to total sales of MWG increased to 17.8%. DienmayXanh's market share was about 8%, a lower 400bps than Nguyen Kim's chain, the leader of consumer electrics retailing market. In 2015, DienmayXanh launched 49 new stores to cover over 52 provinces, with 30 out of 49 new stores opening in the last three months of last year. Besides, current same store growth still stayed at high rate, about 10%. These would drive DienmayXanh to the largest player in this retailing market in 2016.

Figures 3: Locations of thegioididong stores

Source: MWG, Rongviet Research

Figure 4: Locations of DienmayXanh stores

Source: MWG, Rongviet Research

MWG is benefitting from economies of scale. Thanks to a compounding growth of Thegioididong and DienmayXanh in 2015, MWG recorded its revenue at over VND25,251 billion, rising 62% comparing to 2014's figure and kept its 5-year CAGR of 47% per year. Therefore, MWG gained an improved power in dealing with their vendors so their gross margins gradually improved from 14.8% in 2013 to 15.5% in 2015. Besides, the Company's interest expense was relatively low, with interest rate below 5%. In 2015, the Company borrowed over VND8,000 billion and the outstanding loan per quarter was about VND1,000 billion but the total interest expense was just VND 38.8 billion. Otherwise, operating cost of MWG remained stable, with administration expense in 2015 nearly equal to 2014's

However, a sudden surge in an outstanding inventory value raised a concern. Thanks to internally-built ERP system, their managers owned a huge flexibility in inventing as well as improving functions of this system, especially optimizing their working capital management module. Therefore, in past years, this system made MWG's working capital management more efficiently, especially the number days of outstanding inventory at only 45-50 days. However, according to the 2015's financial statements, this figure increased by 10 days to around 60 days. As explained by the managers, this surge in their inventory was to store for a Tet holiday demand as well as to supply inventory for a large number of new stores opening the first quarter. However, according to our estimate on the year-end inventory to total number of stores at the end of March, the average inventory per store increased by 20% and 17% for thegioididong and DienmayXanh, respectively. Therefore, investors should watch MWG's inventory circumstance closely in next quarters to recognize a red flag on this company's operation.

Thanks to fast growing pace and larger economies of scale, MWG has maintained net margin at relatively high level, about 4.2%, doubling FPTShop's figure. Therefore, in 2015, MWG recorded an attractive PAT at VND1,071 billion, increasing 60% (yoy). This bottom line was higher than our previous estimate in the report published at 25/5/2015 as MWG's number of new stores was accelerating more quickly than our expected. Also, economies of scale and the rights to import directly Apple's products were not fully accounted in our previous valuation.

An easy start in the first two months going in line with BODs' 2016 guidance

In 2016, MWG sets their revenue and PAT guidance at VND34,166 billion and 1,388 billion, which was respectively 35% and 29% higher than 2015's actual figures. To implement this plan, the Company intended to open additional 150 new stores, including 100 new stores of Thegioididong and 50 stores of DienmayXanh

In the first two months, MWG launched over 51 stores, including 33 stores of Thegiodidong and 18 stores of DienmayXanh. Besides, revenue and PAT arrived at VND6,842 billion and VND296 billion, respectively reaching 20% and 21% out of their targets in this year.

2016's growth driver:

Quantity and quality of DienmayXanh's new stores

DienmayXanh sales grew attractively in 2015. The same store growth remained at 10% and average sales per store was above VND11 billion per month. Besides, their coverage was widened to various provinces, especially in the North of Vietnam. An expanding scale has improved this chain's gross margin significantly so their net margin was also lifted to 1.54% in 2015 from just 0.81% in 2014. Therefore, we supposed that DienmayXanh has gained a suitable business model and turned into growth phase after a restructuring phase (in 2012-2013).

DienmayXanh opened 49 stores in 2015 and planned to launch additional 50 stores in 2016. Especially, most of them are the first stores at their locations. This is much different from new stores of Thegioididong (most of Thegioididong's new stores have to open in locations where there are their outstanding stores)

Table 5: Retail networks of some famous store chains (NguyenKim, DienmayCholon, Trananh)

	DienmayXanh	NguyenKim	Dienmaycholon	Trananh
Number of stores in 2015	69	24	35	21
Number of new stores in 2015	49	2	2	8
2016's plan on new stores	50	N/A	N/A	12

Source: Euromonitor; websites of Nguyenkim, Dienmaycholon, Trananh; Rongviet Research

Besides, competitors of DienmayXanh have yet owned capacity as well as sufficient ambition to cover all of Vietnamese provinces in just short period as DienmayXanh. As their plan, DienmayXanh would become the largest retailer of this market in either 2016 or just mid of 2016. Therefore, with current huge market shares (about 55%) belonging to mom&pop stores, DienmayXanh would be more favorable than mom&pop stores in brand awareness as well as quality of customer services. This would support DienmayXanh to gain market shares of these small stores, which is quite similar to what has happened in the cellphone retail market.

As our estimation, 2016's revenue of this chain would be VND11,500 billion, up 160% (yoy). In which, 74% out of total revenue should come from new stores, which opened in 2015 and 2016. Besides, we estimated that this chain's same store growth would decrease to 5% in the end of 2016. Thanks to economies of scales, gross margin of DienmayXanh expected to improve by 150-250 bps.

Ability of Thegiodidong managers to maintain revenue of same stores and to exploit new locations for new stores

At the end of February, Thegioididong owned nearly 600 stores which located in HCMC (98 stores), HN city (64 stores), other three large cities (Hai Phong, Da Nang, Can Tho: 40 stores) and in other provinces (397 stores). As our estimate, there are over 4 stores in each district in HCMC and 7 stores in each of other provinces. Therefore, new stores opening in this year would be much harder to operate at the same efficiency as the old stores. Additionally, smaller chains have tried to open new stores around Thegiodidong stores' locations. This would partly affect thegiodidong stores' sales. Therefore, we do expect same store growth rate would downgrade to 0% in 2016. Then, Thegiodidong's growth would absolutely focus on new stores' contribution. We estimated Thegioididong's revenue would be VND26,500 billion, increasing 27% yoy, with about 40% out of them coming from new stores.

2016's business results forecast

Table 6: Main assumptions

Indicator	Value	Notes
Number of new stores		
+ Thegioididong	100 stores	Based on MWG's guidance
+ DienmayXanh	50 stores	
Same-stores growth		
+ Thegioididong	0%	Based on the analyst's projection
+ DienmayXanh	5%	
Gross margin	16.1%	Better than 2015's figure thanks to an improvement in DienmayXanh's gross margin
Administration expense/total revenue	1.3%	Higher due to benefit and compensation fees for managers who are not rewarded ESOP in 2016.
Tax rate	20%	

Source: Rongviet Research

In 2016, we estimated total revenue of MWG would be VND38,072 billion, including 70% from Thegioididong and the remainder from DienmayXanh. Also, we supposed MWG's gross margin would improve slightly by 50 bps thanks to better margin at DienmayXanh. Besides, cash bonus for store managers would cause administration expense to increase by VND200-300 billion so administration expense to total revenue could be up to 1.3% from 0.99% in last year.

PAT in 2016 is projected around VND1,434 billion, up 33.9% yoy. In mid of 2016, MWG would implement their ESOP policy so the diluted EPS for 2016 should be nearly VND9,300.

Long-term growth (2017-2020) needs more time to be tested

Main drivers of MWG's long-term growth would be from (1) grocery retailing chain named BachhoaXanh and (2) plan to expand TCGs businesses to other regional countries.

BachhoaXanh is in demo so we need more time to evaluate it as well as skillfulness and flexibility of MWG's managers

Currently, we believe MWG's managers have been successful in expanding their business by penetrating a consumer electronics retailing market via DienmayXanh. However, grocery retailing business is just in phase of research and development. We have yet given our final conclusions on BachhoaXanh business plan. Therefore, MWG's evaluation model has yet included BachhoaXanh chain's sales and profit but we do focus on visiting these stores as well as analyzing BODs' orientations in this business plan.

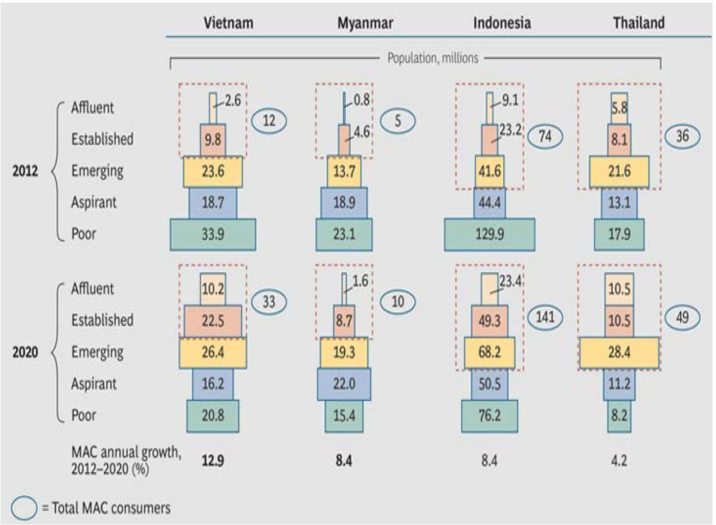
According to MWG's BODs, BachhoaXanh has followed business model of Alfamart, one of leading grocery retailers in Indonesia (**Details of Alfamart are shown in the Appendix 1**). As our research, this chain is quite similar to CircleK chain in Indonesia but offer goods at lower prices (Currently, CircleK is also operating in Vietnam). Moreover, Alfamart chain does not sell fresh food, such as meat, fish, vegetables, etc. while MWG's managers are trying to find good solution to integrate fresh goods in their BachhoaXanh chain.

Therefore, if following this model, BachhoaXanh would directly compete with CoopFood, SatraFood, some other chains (Vissan, C-Express) and traditional markets. indirectly challenge against some convenience store chains as 24/7 chains (CircleK, Familymart), VinMart+, mom&pop grocery stores.

Fresh food goods segment faces less competitiveness than grocery as many famous convenience store chains are penetrating into this market. *From a report of Euromonitor, number of convenience stores increased from 500 in 2013 to over 900 in 2015. Besides, sales per convenience store also doubled within just 2 years (2013-2015) but total market shares of these stores were still low (only accounting for about 0.16% out of total market share). Otherwise, total sales of traditional markets and modern large chains grew at lower pace with a CAGR of 25% (2010-2012) down to 12% (2013-2015). Especially, in 2015, this sales only increased 8.6%. This showed that this market faced fiercer competitiveness.*

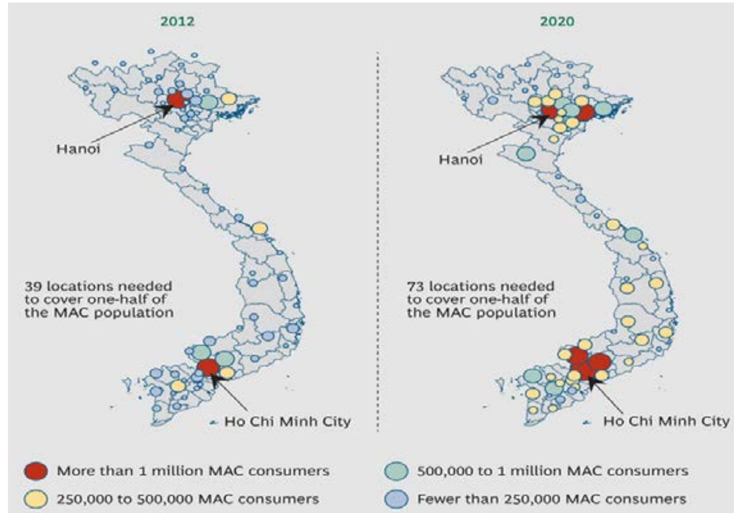
However, in 2016-2020, we believe that grocery retail market would significantly change from traditional markets to modern chains. In 2010-2015, we realized that traditional channel was growing at lower pace while modern chains accelerated their growth. Besides, according to market research of Boston Consulting Group (BCG), Vietnam would see the fasted growth of the Middle and Affluent Class (MAC) in Asia Pacific countries, at the growth of about 12.9% per year in 2012-2020. Therefore, compounding the appearances of larger store chains in this market and higher income per capita, we supposed that consumers would face more favor to go shopping at modern store chains, especially in rural areas. Also, this research showed that number of MAC would be larger in not only HCM and HN but also in others big cities.

Figures 7: MAC poppulations in regional countries



Source: BCG

Figures 8: MAC consumers in Vietnam



Source: BCG

Table 9: Summary of grocery retailing channels in 2010-2015 *(unit: 'ooo)*

Channel	2012	2013	2014	2015
Modern chain				
- Convenience stores	0.8	1.0	1.1	1.4
- Hypermarket	0.0	0.0	0.0	0.0
- Supermarket	0.4	0.4	0.4	0.4
Traditional stores	629.3	635.3	641.7	647.5

Notes:
Hypermarket: Lotte, Aeon, BigC, CoopExtra,…
Supermarket: Coopmart, Vinmart,…
Source: Euromonitor, Rongviet Research

Expanding TCGs retailing business to other regional countries

Besides BachhoaXanh project, managers of MWG are also planning to convey market research in other countries like: Myanmar, Laos and Cambodia in 2016 to expand their TCGs retailing business in these markets. If the results of this research is favorable, the first MWG's store will be launched in 2017 in one of these countries, especially **Myanmar.**

Valuation

We highly appreciate a manager teamleaders and business culture of MWG. Besides, current core businesses (mobile and consumer electronics retailing) are boldly developed at leading positions of technical consumer goods retailing sector. 2016's PAT was estimated to grow 33% (yoy). 2016's EPS was forcastedforecasted at VND9,300, equivalent to forward PE ratio of 8.4. This is an attractive evaluation since (1) MWG's ROE ratio is estimated to stay above 35% in next two years and (2) current PER is 30% and 20% lower than its peers in this sector and other companies that have the same market cap respectively.

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We have yet accounted for these business plans into our valuation. TherforeTherefore, given suitable PER of 10x and 2016's EPS of VND9,300, we maintain BUY recommendation in long-term for MWG with the target price of VND93,000

Table 10: Main adjustments in our valuation

Indicator	Previous forecast	Current forecast
	FY2016F	FY2016F
Revenue change (%)	37%	51%
Gross margin (%)	14.5%	16.1%
EBIT margin (%)	5.0%	5.0%
Number of thegioididong stores at the end of 2016	427	640
Number of DienmayXanh stores at the end of 2016	40	139

Source: Rongviet Research

Table 11: Financial ratios of MWG's comparable companies

Company name	Market cap (VND million)	Country	P/E	ROE (%)	Days of inventory	5-year average net margin
MOBILE WORLD INVESTMENT CORP	11,220,278	VIETNAM	10.0	54.2	61.0	4.2
SUNING COMMERCE GROUP CO -A	291,461,877	CHINA	93.0	6.9	64.3	1.7
SHENZHEN SUNWAY COMMUNICAT-A	60,840,175	CHINA	133.9	15.6	41.0	(1.9)
GOME ELECTRICAL APPLIANCES	54,122,976	CHINA	12.2	7.4	64.7	2.2
NINGBO BIRD CO LTD-A	22,957,320	CHINA	114.7	6.5	25.8	3.7
TIPHONE MOBILE INDONESIA TBK	9,104,117	INDONESIA	14.6	13.9	24.9	1.7
JAYMART PCL	3,503,586	THAILAND	14.2	19.0	56.8	3.7
ERAJAYA SWASEMBADA TBK PT	3,365,092	INDONESIA	10.3	6.5	42.7	1.3
SAMART I-MOBILE PCL	2,811,443	THAILAND	15.8	8.6	87.2	(0.2)
METRODATA ELECTRONIC PT	2,738,942	INDONESIA	8.4	22.0	38.1	2.3
SINGER SRI LANKA PLC	2,206,734	SRI LANKA	12.7	19.6	83.5	2.9
ELECTRONIC CITY INDONESIA TB	1,503,450	INDONESIA	19.8	2.6	82.0	2.4
Median			**14.4**	**11.3**	**58.9**	**2.2**

Source: Bloomberg, Rongviet Research

Table 12: Financial ratios of large capital companies

Ticker	Market cap (VND million)	P/E	ROA (%)	ROE (%)	D/E
VNM VN Equity	163,218,958	23.5	29.2	34.7	8.1
VCB VN Equity	112,197,355	21.0	0.8	12.0	72.0
VIC VN Equity	91,173,180	71.8	1.0	5.4	48.0
GAS VN Equity	81,508,631	9.3	15.4	22.1	12.4
CTG VN Equity	62,180,855	10.9	0.8	10.3	77.0
BID VN Equity	57,776,290	8.6	0.8	17.0	84.2
MSN VN Equity	53,763,688	36.4	2.4	9.3	56.8
BVH VN Equity	35,384,516	31.5	2.1	9.1	0.2
MBB VN Equity	23,097,600	7.2	1.2	12.7	33.5
HPG VN Equity	21,619,966	6.3	14.6	26.6	32.2
FPT VN Equity	18,878,839	9.8	7.9	23.4	46.4
STB VN Equity	18,577,629	12.8	0.5	5.6	17.4
ACB VN Equity	15,864,048	17.0	0.5	7.7	37.7
EIB VN Equity	12,663,158	204.7	0.0	0.4	44.8
MWG VN Equity	11,366,949	10.0	20.1	54.2	45.3
DPM VN Equity	11,348,694	7.4	14.2	17.4	2.6
Median		**12.8**	**1.2**	**12.0**	**37.7**

Source: Bloomberg, Rongviet Research

Apendix: Some information on Sumber Alfaria Trijaya Tbk PT (Alfamart)

History

- 1999: The first store was launched with the name as **Alfa Minimart** and located in Tangerang, Greater Jakatar. This store was belonging to Alfa Minimart Utama PT
- 2002-2003: This chain was transferred to Summer Alfaria Trijiya. 70% owner shares of this company was owned by HM Sampoerna Tbk PT, the leading tobacco manufacturer in Indonesia. Besides, the chain's name was also changed to Alfamart
- 2003: Adopting **a franchise system** in order to widen their retail network, with the number of stores increasing to 11,000 in 2015
- 2004: Besides, franchise agreements, **another partnership scheme named Operator Mandiri** was applied. This only required potential shop owners to have a location and the initial capital as well as franchising fee would be finance by the Company. The loan was then repaid within an approved period.
- 2008: Establishing **"Store selling points"** where small traditional retailers can purchase products from the Company to be sold in their stores.
- 2013: Launching its online selling website named Alfaonline. Customers can order online in this website and then their goods would be delivered to their houses or customers can arrange to collect goods at the nearest stores of the Company.

Besides: the warehouse was also launched to meet the demand of expand their business to areas out of Java.

- 2014: expanding their business to **other countries** with the first abroad store opening in Philippines

Table 13: Sumber Alfaria Trijaya Tbk PT: Competitive position 2015

Channel	Retail market shares	Rank
Retail	2.1%	2
Store-based retailing	2.2%	2
Grocery retailers	3.2%	2
Mordern grocery retailers	19.0%	2
Convenience stores	38.9%	2
Chained forecourts	12.5%	3

Source: Euromonitor

Unit: billion VND

INCOME STATEMENT	FY2014	FY2015	FY2016F	FY2017F
Revenue	15,756.7	25,252.7	38,072.4	49,201.0
COGS	13,360.6	21,330.3	31,927.9	41,328.8
Gross profit	**2,396.1**	**3,922.4**	**6,144.6**	**7,872.2**
Selling Expense	1,349.3	2,351.1	3,883.4	5,166.1
G&A Expense	240.5	249.3	494.9	738.0
Finance Income	71.3	81.0	95.2	196.8
Finance Expense	21.3	40.7	121.8	132.8
Other profits	11.9	23.4	23.4	23.4
PBT	**868.2**	**1,385.8**	**1,763.0**	**2,055.4**
Prov. of Tax	194.5	310.0	352.6	411.1
Minority's Interest	5.6	3.9	0.0	16.4
NPAT	**668.1**	**1,071.9**	**1,410.4**	**1,627.9**
EBIT	**889.5**	**1,424.7**	**1,884.9**	**2,188.3**
EBITDA	1,005.8	1,621.7	2,201.5	2,592.4

Unit:%

FINANCIAL RATIO	FY2014	FY2015	FY2016F	FY2017F
Growth				
Revenue	65.9%	60.3%	50.8%	29.2%
Operating Income	133.1%	64.0%	33.6%	11.4%
EBITDA	144.4%	61.2%	35.7%	17.8%
EBIT	135.7%	60.2%	32.3%	16.1%
PAT	161.4%	60.4%	31.6%	15.4%
Total Assets	53.4%	109.1%	58.5%	28.9%
Equity	84.3%	68.3%	56.8%	33.9%
Internal growth rate	58.7%	54.2%	37.0%	29.0%
Profitability				
Gross profit/Revenue	15.2%	15.5%	16.1%	16.0%
Operating profit/ Revenue	5.1%	5.2%	4.6%	4.0%
EBITDA/ Revenue	6.4%	6.4%	5.8%	5.3%
EBITDA/ Revenue	5.6%	5.6%	5.0%	4.4%
Net margin	4.2%	4.2%	3.7%	3.3%
ROAA	23.2%	19.9%	15.0%	12.3%
ROIC or RONA	73.5%	70.3%	59.0%	48.1%
ROAE	58.7%	54.2%	44.3%	35.8%
Efficiency (x)				
Receivable Turnover	57.9	54.1	42.8	34.4
Inventory Turnover	7.7	6.0	4.8	4.3
Payable Turnover	12.2	10.6	8.7	7.3
Liquidity (x)				
Current	1.5	1.3	1.3	1.4
Quick	0.3	0.3	0.2	0.3
Solvency				
Total Debt/Equity	130.4%	192.7%	196.5%	185.4%
Current Debt/Equity	41.9%	82.7%	78.3%	56.6%
Long-term Debt/ Equity	0.0%	0.0%	0.0%	0.0%

Unit: billion VND

BALANCE SHEET	FY2014	FY2015	FY2016F	FY2017F
Cash and equivalents	213	344	272	600
Short-term investment	0	0	0	0
Receivables	297	636	1,142	1,722
Inventories	2,195	4,933	8,301	10,745
Other current assets	133	264	316	380
Total Current Asset	**2,838**	**6,176**	**10,032**	**13,447**
Tangible Fixed Assets	388	827	1,264	1,214
Intangible Fixed Assets	23	22	24	21
Construction in Progress	23	43	60	50
Investment Property	0	0	0	0
Long-term Investment	0	0	0	0
Other long-term assets	187	197	157	143
Goodwill	23	13	3	0
Long-term Asset	**644**	**1,102**	**1,508**	**1,428**
Total Asset	**3,481**	**7,278**	**11,540**	**14,875**
Payables	990	1,991	3,193	4,546
Other current liabilities	314	739	1,409	2,165
Current Debt	619	2,053	3,046	2,952
Long-term Debt	0	0	0	0
Other long-term liabilities	0	0	0	0
Total Liability	**1,923**	**4,782**	**7,647**	**9,663**
Owner's Equity	**1,475**	**2,482**	**3,892**	**5,212**
Capital	1,120	1,469	1,542	1,542
Retained Earnings	318	978	2,315	3,634
Funds & Reverses	1	1	1	1
Others	**0**	**0**	**0**	**0**
Total Equity	**1,475**	**2,482**	**3,892**	**5,212**
Minority's Interest	9	0	0	0
TOTAL RESOURCES	**3,407**	**7,264**	**11,540**	**14,875**

CASHFLOWSTATEMENT	FY2014	FY2015	FY2016F	FY2017F
Pretax Income	868.2	1,385.8	1,763.0	2,055.4
-Depreciation	116.4	197.1	316.6	404.1
-Adjustments	*66.7*	*70.1*	*201.9*	*249.9*
+/- Working capital	-951.6	-2,294.4	-2,367.4	-1,374.6
Net Operating CF	**99.7**	**-641.5**	**-85.9**	**1,334.8**
+/- Fixed Asset	-264.9	-586.5	-771.4	-338.4
+/- Deposit, equity investment	-50.0	0.0	0.0	0.0
Interest, cash dividend, shared profits received	6.7	-71.3	1.9	4.2
Net Investing CF	**-308.2**	**-657.8**	**-769.5**	**-334.2**
+/- Capital	11.6	-2.2	73.4	0.0
+/- Debt	105.5	1,434.3	341.4	358.5
Dividend paid + Other exp. from retained profits	-2.6	-1.8	369.0	-1.031.7
Net Financing CF	**114.5**	**1,430.3**	**783.8**	**-100.0**
+/- cash & equivalents	-94.1	131.0	-71.6	900.6
Beginning cash & equivalents	**304.7**	**212.9**	**343.9**	**272.3**
Impact of exchange rate	0.0	0.0	0.0	0.0
Ending cash & equivalents	**212.9**	**343.9**	**272.3**	**599.8**

COMPANY REPORT

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective which is to determine the reasonable value of the stock at the time such analyses are performed. Through this report, we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information, investors may contact the assigned analyst or our client support department.

RATING GUIDANCE

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

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

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

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