March 2023

HANG XANH MOTORS SERVICE JSC (HSX: HAX)

On the way to strengthen its market share

(VND bn)	Q4-FY22	Q3-FY22	+/- (qoq)	Q4-FY21	+/- (yoy)
Net revenue	1,598	1,971	-18.9%	2,156	-25.9%
NPAT	47	57	-18.1%	126	-62.6%
EBIT	60	61	+2.9%	151	-58.9%
EBIT margin	3.8%	3.1%	+69 bps	7.0%	-322 bps

Source: HAX, RongViet Securities

4Q 2022– Below-year ago level sales because of high-base effect and lack of inventory

- Q4 2021 sales reached the peak producing a negative growth rate for Q4 2022 sales.
- We suppose that a lack of inventory is another main reason for lower sales in Q4 2022. HAX's inventories went down continuously during the quarters since Q3 2021 and remained at the low level during the first three quarters of 2022. HAX 's days of inventory on hands (DOH) also presented a downward trend between Q3 2021 and Q3 2022 before moved up in Q4 2022.
- In Q4 2022, HAX posted the lowest net profit in the most recent five quarters which is the result of 1) higher selling expense/sales ratio due to the opening of the new showroom, and 2) higher financial expenses.

2023 outlook – Growth driver depends on commission from Mercedes Group

- The modest increase of both selling volume (+1.9% YoY) and average selling prices (+2.6% YoY) will produce a slight growth in sales and profit in 2023. Particularly, we expect net sales and NPAT will be at VND7,025 Bn (or USD 239 Mn, +3.7% YoY) and VND250 Bn (or USD 11 Mn, +4.6% YoY), respectively. 2023 EPS will be at VND3,498.
- Without the support of registration fees reduction, the company's gross margin will not be as strong as in 2022. We, however, expect that the impact will be lower owing to (1) Rising ASP and (2) Inventory at low cost.
- The ratio of selling-expenses-to-sales will be stable given its economies of scale advantages.
- We expect the company to book commission from Mercedes-Benz in 2023. The amount is normally equivalent to c. 1-3% of revenue, and hence, contribute to the company's NPAT.

***Valuation and Recommendation**:*

By making its plan to strengthen and expand its market share, we believe that HAX will stay firm at the market leader and maintain growth in the long-term. In addition, HAX 's trailing PER has been dragged to the lowest level since the first listing day (Figure 17). Therefore, we suppose that HAX 's negative outlook has been fully reflected on its stock price.

The downside risk, however, is the company's unpredictable commission from Mercedes-Benz, making our forecast on the company's quarterly business results be different from the actual figures.

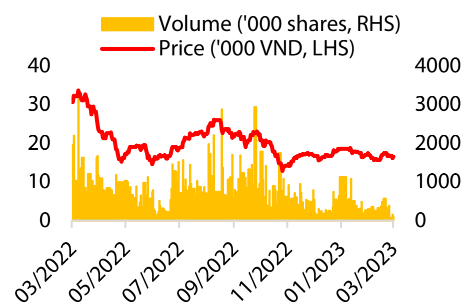
*We combine FCFF (50%) and multiples comparison (50%) to get a **target price of VND20,700**, which is lower by 1% compared to the latest target price (VND20,900) on Jan-2023. Adding an expected cash dividend of VND500, the **12-months expected return is 30%** compared to the closing price on Mar 27th 2023. Backed by this, we recommend to BUY this stock in long-term.*

BUY	+30%
Current market price (VND)	16,300
Target price (VND)	20,700
Cash dividend (VND)	500

Stock Info	
Sector	Consumer Discretionary
Market Cap (VND billion)	1,183
Current Shares O/S (mn shares)	71.9
Avg. Daily Volume (in 20 sessions) (mn shares)	0.425
Free float (%)	55.7
52 weeks High	35,040
52 weeks Low	11,950
Beta	1.5

	FY2022	Current
EPS	4,204	4,202
EPS Growth (%)	18.5%	53.3%
Diluted EPS	3,327	3,843
P/E	3.9	3.9
P/B	1.0	1.0
EV/EBITDA	5.2	7.2
Cash dividend yield (%)	2.7%	2.6%
ROE (%)	25.6%	29.4%

Price performance



Major Shareholders (%)	
Do Tien Dung	17.2
Vu Ngoc Diep Linh	15.0
Foreign ownership room (%)	36.3

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Exhibit 1: Q4-2022 Results

(VND Bn)	Q4-FY22	Q3-FY22	+/- (qoq)	Q4-FY21	+/- (yoy)
Net revenue	1,598	1,970	-18.9%	2,156	-25.9%
Gross profit	117	117	0.1%	203	-42.3%
SG&A	56	56	1.0%	52	9.2%
Operating income	60	61	-0.7%	151	-57.1%
EBITDA	72	70	2.9%	167	-60.0%
EBIT	60	61	-0.7%	151	-52.4%
Financial expenses	18	6	209%	5	302%
- Interest Expenses	18	6	210%	5	301%
Dep. and amortization	11	9	27.6%	16	-30.3%
Non-recurring items (*)					
Extraordinary items (*)					
PBT	59	72	-18.5%	158	-62.7%
NPAT-MI	47	57	-18.1%	126	-62.6%
Adjusted NPAT-MI for (*)	47	57	-18.1%	126	-62.6%

Source: HAX, RongViet Securities

Exhibit 2: Q4-2022 Performance Analysis

Particulars	Q4-FY22	Q3-FY22	+/- (qoq)	Q4-FY21	+/- (yoy)
Profitability Ratios (%)					
Gross Margin	7.3%	5.9%	139 bps	9.4%	-209 bps
EBITDA Margin	4.5%	3.5%	95 bps	7.7%	-326 bps
EBIT Margin	3.8%	3.1%	69 bps	7.0%	-322 bps
Net Margin	2.9%	2.9%	3 bps	5.8%	-289 bps
Adjusted Net Margin	2.9%	2.9%	3 bps	5.8%	-289 bps
Turnover*(x)					
-Inventories	9	28	-19	12	-3
-Receivables	17	23	-6	49	-32
-Payables	24	33	-9	24	-0
Leverage (%)					
Total Liabilities/Equity	147%	106%	4,114 bps	79%	6,772 bps

*Source: RongViet Securities, * Annualized*

Exhibit 3: Q1/2023 Performance Forecast

Particulars (VND Bn)	Q1-FY23	+/- qoq	+/- yoy
Revenue	1,535	-3.3%	-7.6%
Gross profit	107	-6.2%	1.1%
EBIT	61	-1.6%	1.7%
NPAT (*)	69	48.3%	27.7%

Source: RongViet Securities
(*) In the worst case that HAX does not book the commission from Mercedes Group in Q1 2023, the NPAT will be at VND49 Bn (+4.8 % QoQ; -9.7% YoY).

Q1/2023 assumptions:

- The company 's revenue will experience two consecutive quarters of decrease QoQ and YoY yet at a slower pace given weak demand (due to high lending rate) will be partly compensated by (1) sales from ordered-yet-to-delivered contracts signed in previous quarters and (2) higher average selling price (ASP).
- SG&A/revenue to be 3.0%, higher than Q1 2022 by 24 bps as higher staff expenses to enhance market share via new showrooms. We assume that the company will book a portion of unrealized commission from Mercedes in Q1 2023.

4Q 2022– Below-year ago level sales because of high-base effect and lack of inventory

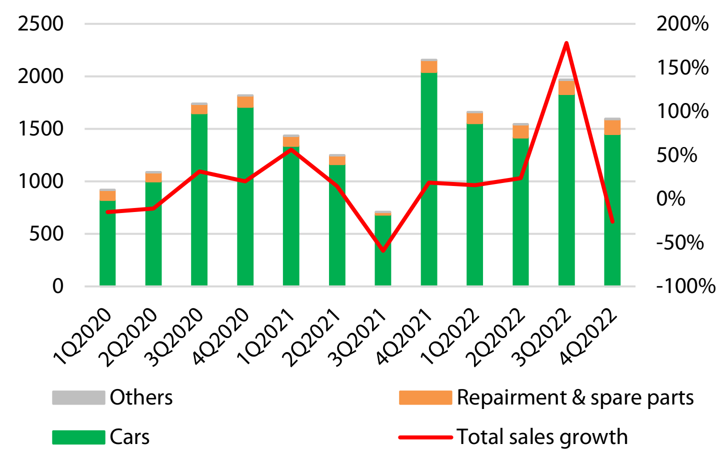
Q4 2021 sales of HAX reached the peak producing a negative growth for Q4 2022 sales

As can be seen from Figure 1, Q4 2021 was the highest sales of HAX ever thanks to pent-up demand after the lockdown period but resulting in a high-base effect for Q4 2022 business performance. Although Q4 2022 sales presented a negative growth in both yearly and quarterly, the results are nearly equal to that of Q1 & Q2 2022. Hence, we believe that Mercedes car demand is quite stable as its key customers are less affected by rising inflation.

Lack of inventory is another reason for the decrease in Q4 2022 sales compared to Q3 2022

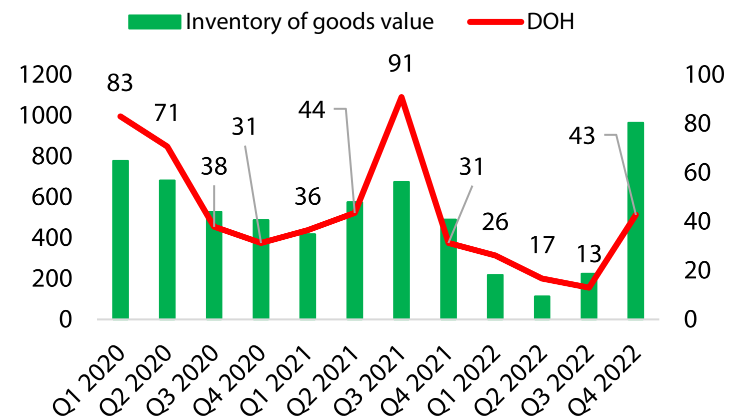
Although rising interest rates generally decreases car demand, we suppose that a lack of inventory is another main reason for the lower sales in Q4 2022. HAX 's inventories (Figure 2) went down continuously since Q3 2021 and remained at the low level in the first three quarters of 2022. In addition, HAX 's days of inventory on hands (DOH) presented a downward trend between Q3 2021 and Q3 2022 before moved up in Q4 2022. We think that was not only because of strong sales but also because of the supply shortage in the early quarters of 2022. The shortage was partly released in the Q4 2022 by (1) Higher inventory of finished goods of Mercedes Group in Q3 2022 (Figure 3) and (2) Imported cars in Q4 2022 were 58,944 units, which is 15.7% higher than that in Q3 2022 (Figure 4).

Figure 1: HAX's net sales (VND bn, LHS) and growth (% YoY, RHS)



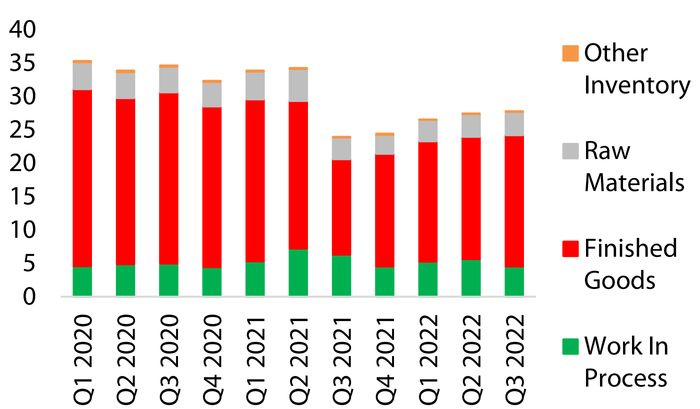
Source: HAX, RongViet Securities

Figure 2: HAX 's inventories (VND bn, LHS) and days of inventory on hands (DOH) (days, RHS)



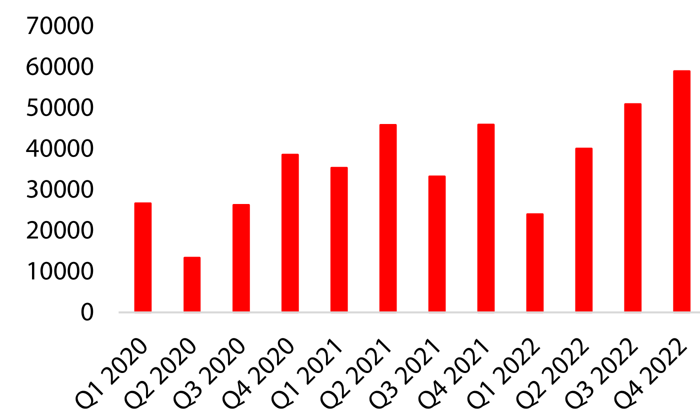
Source: HAX, RongViet Securities

Figure 3: Mercedes-Benz Group 's inventory (USD bn)



Source: Bloomberg, RongViet Securities

Figure 4: Imported cars in Vietnam (units)



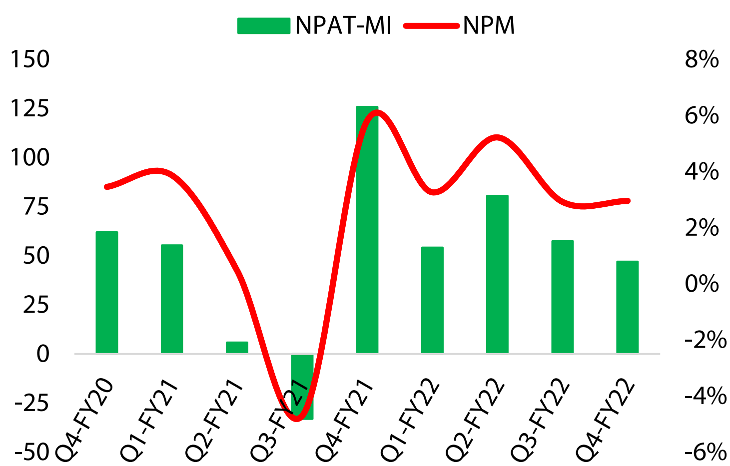
Source: Fiinpro, RongViet Securities

Increasing financial expenses led to lower net profit margin in Q4 2022

In Q4 2022, HAX posted the lowest net profit in the last five quarters (Figure 5) despite of the improving of gross margin. It was because of the increasing of selling-expense-to-sales ratio and financial expenses.

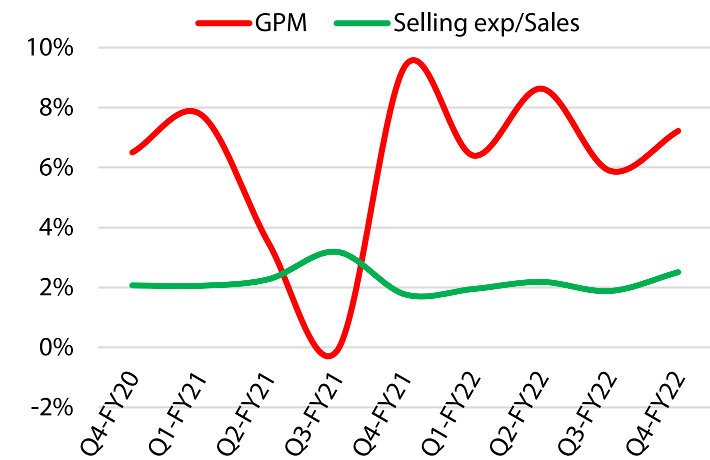
- Improving gross margin: the positive signal from Q4 2022 results is that the gross margin recovered on a quarterly basis, fluctuating in the high-level despite losing the advantage of lower registration fee (Figure 6). We believe that higher average selling price (ASP) with low-cost inventory is the main reason for the positive gross margin and this margin is expected to be stable in 2023.
- Financial expenses increased: In Q4 2022, HAX recorded the highest interest expenses ever, at VND18 bn (+210% QoQ, +301% YoY) because of significant rising short-term debts (Figure 7 & 16) to finance for working cap and other projects. Particularly, financial expenses accounted for c. 30% of operating profit, thus significantly affecting the company's net profit margin.

Figure 5: HAX's NPAT-MI (VND bn) and NPM (%, RHS)



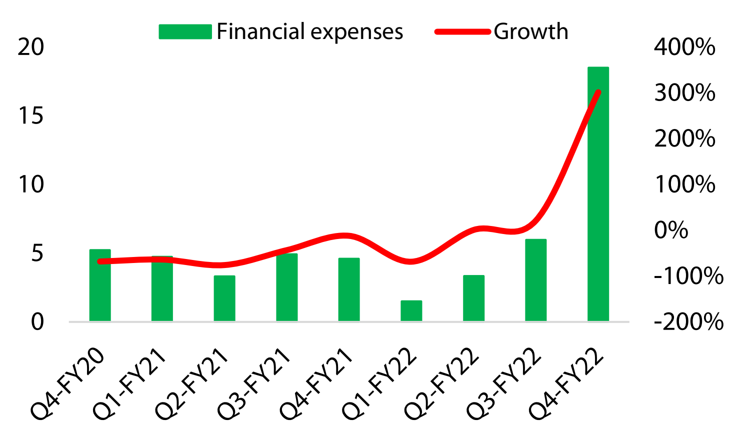
Source: HAX, RongViet Securities

Figure 6: HAX 's gross margin and selling expense/sales ratio (%)



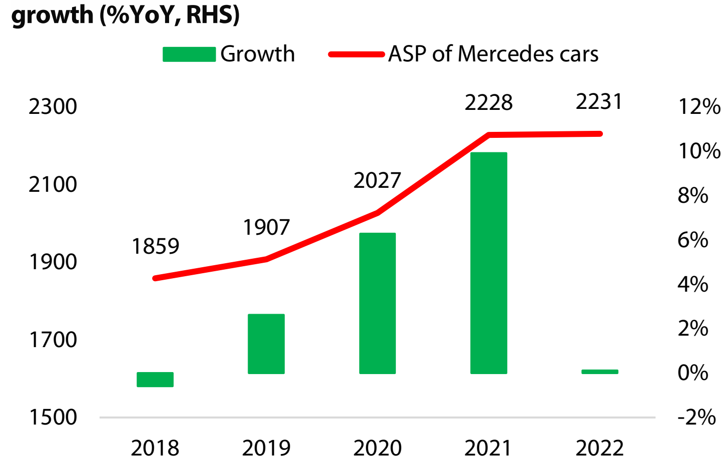
Source: HAX, RongViet Securities

Figure 7: HAX 's financial expenses (VND bn, LHS) and growth (%YoY, RHS)



Source: HAX, RongViet Securities

Figure 8: HAX 'average selling prices (VND mn/per car, LHS) and growth (%YoY, RHS)



Source: HAX, RongViet Securities

To sum up, FY2022 revenue and net profit were VND6,775 bn (or USD288 mn, +22% YoY) and VND239 bn (or USD10 mn, +50% YoY), respectively. Notably, HAX has not completely booked commission from Mercedes-Benz Group during the 2020 – 2022 period yet (Figure 12). The high double-digits profit growth in 2022 came from the benefit of lower registration fees and the strong demand after Covid-19 pandemic.

2023 outlook – Profit growth will depend on the commissions from Mercedes-Benz Group

2023 net sales and NPAT are expected to be VND7,025 Bn (or USD 239 Mn, +3.7% YoY) and VND252 Bn (or USD 11 Mn, +5.1% YoY) respectively, explained by:

- The modest increase of both selling volume (+1.9% YoY) and average selling prices (+2.6% YoY).
- Stable operating expenses owing to the advantages of economies of scale.

- The commissions from Mercedes-Benz Group which is believed to fully compensate the strong rising in interest expenses.

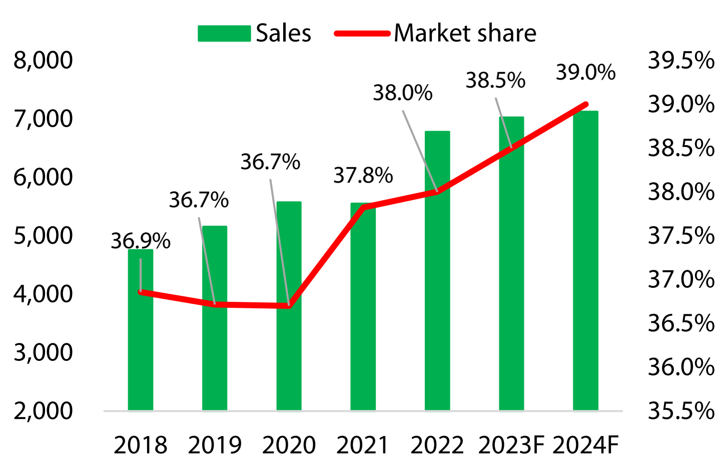
The modest increase of both selling volume and average selling prices on the back of rising interest rate pressure.

Selling volume: There is concern that demand for Mercedes car will be weak in a high lending rate environment in 2023. We, however, believe that HAX with its large-scale advantage and a clear strategy on market share will post sales growth. In detail, given its high-end car segment, we assume Mercedes' target customers will be less affected by rising inflation. We believe that this group of customers will easily change to new car if there is a new model be launched. With its 2022 market share of c. 38%, HAX can reach out this customer group.

Besides, we expect that HAX can increase its market share in 2023 owing to the contribution of the new showroom "Mercedes-Benz Haxaco Cần Thơ" which was launched in Jul-2022. Furthermore, as mentioned in Q4 2022 sales analysis above, we believe that there will be some pending car orders which is not delivered to the end-users yet, thus the sales will be booked in 2023.

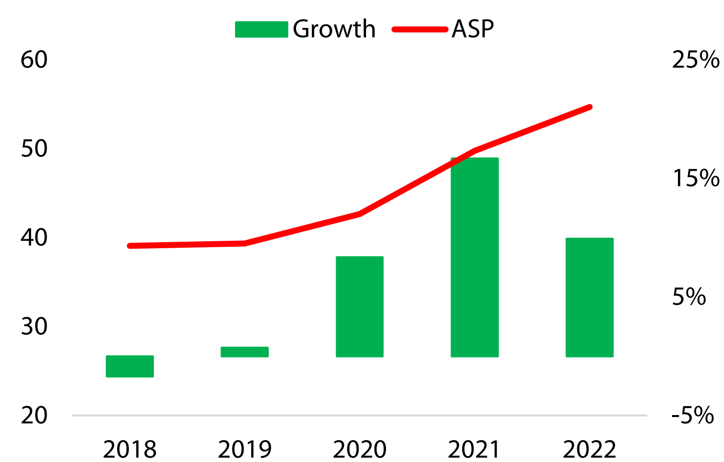
Average selling price (ASP): In 2022, Mercedes-Benz Group announced its luxury strategy in the period of 2022-2026. Particularly, it aims to enlarge the proportion of high-end priced vehicles by tapping full potential of top-end customers and exit low margin products. We believe that this strategy will drive ASP of Mercedes cars to increase in the next three years. Besides, from 2022 business results of HAX, we calculated that HAX has not fully enjoyed the effect of rising ASP yet, explained by the low price of old car models in 1H2022 (Figure 8). Therefore, we believe that the company will continue to record higher ASP in 2023. Equipped by its low-cost inventory in Q4 2022, we expect that this positive catalyst will drive a stable gross margin for HAX without the support of registration fees reduction.

Figure 9: HAX's net sales (VND bn, LHS) and market share (%, RHS)



Source: HAX, RongViet Securities

Figure 10: Mercedes cars 's average selling price (USD '000, LHS) and growth (% YoY, RHS)



Source: Mercedes-Benz Group, RongViet Securities

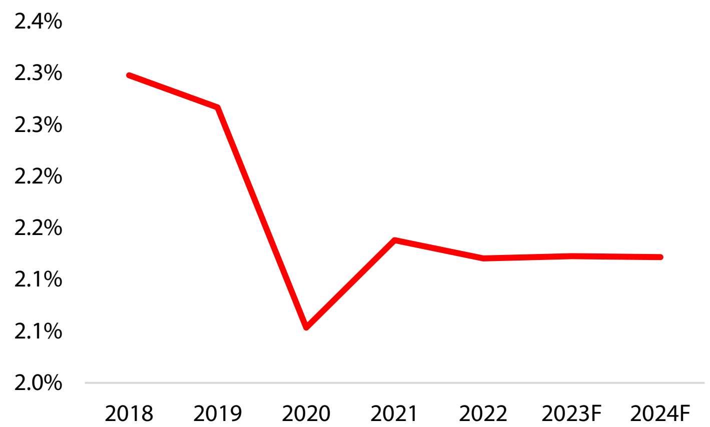
The commissions from Mercedes-Benz Group is believed to fully compensate strong rising interest expenses

By the end of 2022, HAX reported significant total debt of VND1,336 bn (or USD57 mn, +568% YTD). Although the company has converted the convertible bond (VND180 bn or USD8 mn) of the total debt to shares in Feb-2023, the remaining short-term debts with total value of VND1,156 bn (or USD49 mn) are going to put high interest expenses pressure on the bottom-line in 2023.

However, as mentioned above, we predict that HAX will book commissions from Mercedes-Benz Group in 2023. These commissions normally take c. 1-3% of revenue (Figure 12) while HAX's net margin is thin as the nature of the industry (Figure 13). In the view of the modest sales growth and stable profit margins, we believe that net profit growth will strongly depend on these commissions.

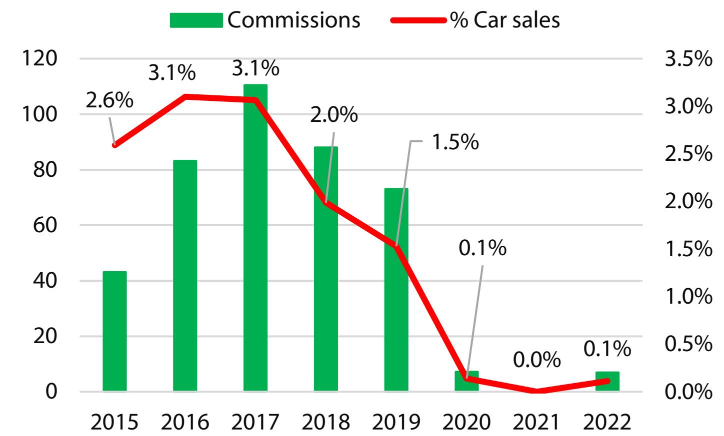
On the other hand, the downside risk to our forecast is the unpredicting commissions from Mercedes-Benz group. Because we have found no rule on how the company will book these commissions, our forecast, therefore, will be far different from the company's announced number, especially on a quarterly basis.

Figure 11: HAX' selling expenses/sales ratio (%)



Source: HAX, RongViet Securities

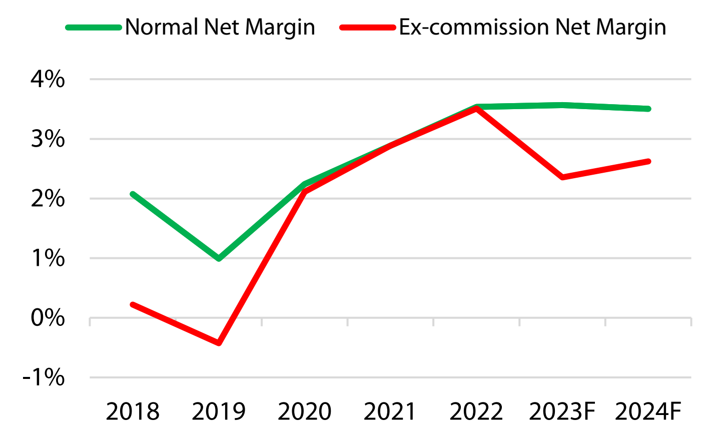
Figure 12: Commissions from Mercedes-Benz Group (VND bn, LHS) and % of car sales (%, RHS)



**HAX did not receive a full commission from Mercedes-Benz Group during 2020-2022 period.*

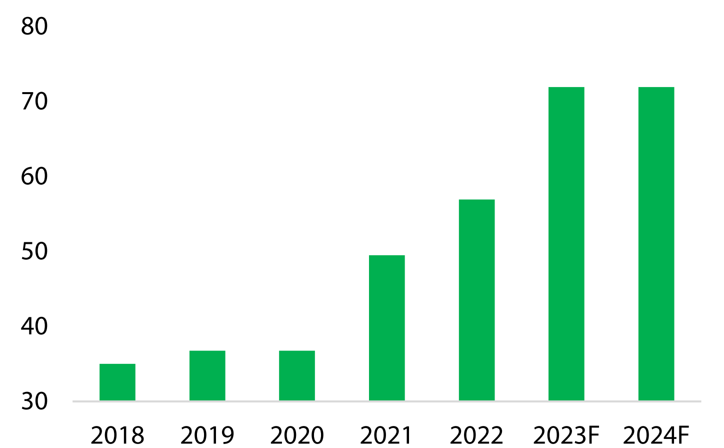
Source: HAX, RongViet Securities

Figure 13: HAX's normal net margin (%) and ex-commission net margin (%)



Source: HAX, RongViet Securities

Figure 14: HAX 's common shares (mn share)

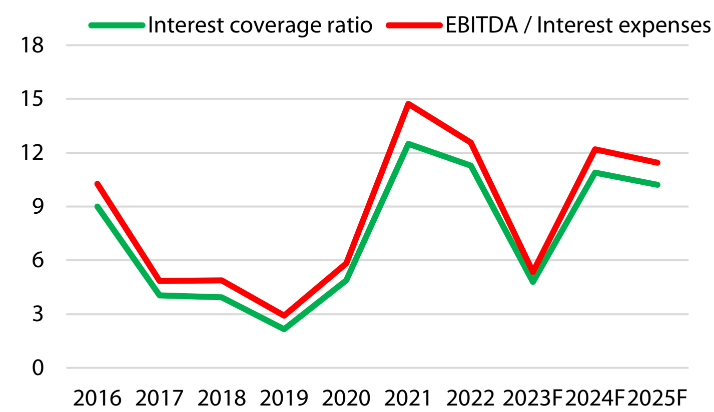


Source: HAX, RongViet Securities

HAX has capacity to service its debt

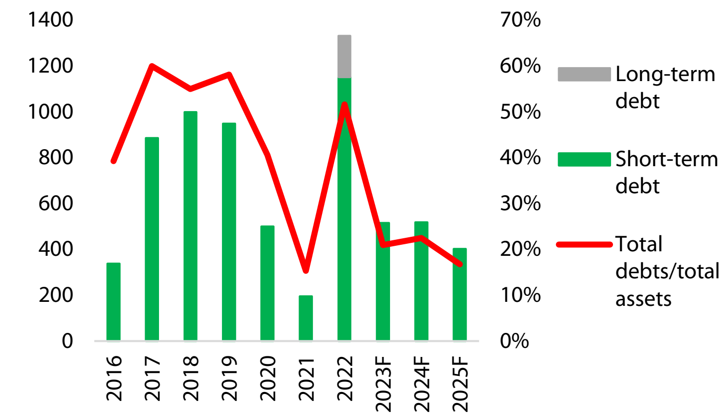
Although HAX has significant borrowings during 2022-2023 period, we believe that the company has a lower level of financial risk and a greater ability to meet its debt obligations. The evidence is its strong interest coverage and expected healthy leverage ratios. Despite the downtrend between 2021-2023F, HAX's interest coverage ratios remained at a higher-than-the-pre-pandemic level (Figure 15). Because HAX owned high short-term debt in 2022, it will lead the interest coverage ratios to continue to decline in 2023 only, then recovering since 2024 when the debt ratio is expected to decrease. HAX increasingly borrowed debts to finance their working cap, mainly purchasing cars to stock low-cost inventory in 2H2022. Together with its new land acquired in Q3 2022, its 2022 leverage ratio reached 51.6% which is still below the pre-pandemic level (Figure 16). In the case of decreasing debts, we calculate that HAX's leverage ratio will go down to the 10%-20% level in the next three years, which is considered a healthy leverage ratio.

Figure 15: HAX's interest coverage ratio (x) and EBITDA/interest expense ratio (x)



Source: HAX, RongViet Securities

Figure 16: HAX's total debt breakdown (VND bn, LHS) and total debt/total asset (%, RHS)



Source: HAX, RongViet Securities

2022-23F Forecast

Table 1: 2023 IS Forecast

Unit: VND Bn	2022A	2023F	% YoY change	Comments
Net revenue	**6,775**	**7,025**	**+3.7%**	
+ Mercedes-Benz sales/ total sales	*92.3%*	*93.1%*	*+380 bps*	*We forecast the contribution of selling cars revenue will be higher in 2023 following the market share expansion strategy.*
Gross profit	**473**	**483**	**+2.2%**	
SG&A expenses	(208)	(215)	+3.4%	
EBIT	**265**	**268**	**1.1%**	
Net non-operating income	35	48	+37.1%	We forecast: + Financial expenses will strongly increase by +93% YoY on the back of heavy debt by the end of 2022. + Other income will rise by +158% YoY thanks to expected huge commissions from Mercedes-Benz group.
NPAT-MI	**239**	**252**	**+5.1%**	
GPM	7.0%	6.9%	-10 bps	Gross margin is expected to slightly decrease as a result of higher ASP and higher discounts to boost sales.
SG&A/Revenue	3.0%	3.0%	0 bps	
EBIT margin	3.9%	3.8%	-10 bps	
NPAT-MI margin	3.5%	3.6%	+10 bps	

Source: RongViet Securities

Although HAX's 2022 revenue was in-line with our forecast and net profit was lower than expected, we revise down the 2023 number of selling cars by -2% but revise up the other income by +8%. The lower expected sales is because we conservatively forecast that HAX's market share will slightly increase to 38.5% instead of 39.0% in previous forecast under high lending rate conditions. The reason for higher expected profit is that we assume HAX will book commissions from Mercedes-Benz group in 2023. These adjustments lead 2023 net sales and NPAT-MI to 2.0% lower and 6.7% higher than our latest forecast in Jan-2023, respectively. Correspondingly, the 2023 EPS is revised down to VND3,498 per share from VND4,063 per share in previous forecast.

Table 2: Changes in 2023 IS Forecast

Unit: VND Bn	Old	New	% Change	Comments
Net revenue	**7,172**	**7,025**	**-2.0%**	We adjusted the expected rising rate of HAX 's market share to 50 bps from 100 bps.
Gross profit	**481**	**483**	**+0.4%**	
Gross margin	*6.7%*	*6.9%*	*+20 bps*	We lowered the expected decreasing rate of gross margin to 10 bps from 30 bps because Q4 2022 gross margin was higher-than-expected.
SG&A expense	**224**	**215**	***-4.0%***	

SG&A/Sales	*3.2%*	*3.1%*	*-20 bps*	Q4 2022 selling expenses/sales ratio was slightly lower than our forecast as HAX optimized salary expenses.
EBIT	**256**	**268**	**+4.6%**	
Financial expenses	*65*	*56*	*-13.9%*	We lowered the expected interest expenses because HAX has converted the convertible bonds in Feb 2023, resulting in lower total debt.
Other incomes/expenses	*95*	*103*	*+9.1%*	We raised the expected commission from Mercedes-Benz Group in 2023 because HAX has not booked it in 2022 yet.
NPAT-MI	**236**	**252**	**+6.7%**	
EPS (VND)	**4,063**	**3,498**	**-13.9%**	In Feb-2022, HAX issued 15 mn shares to convert VND180 bn convertible bond. After the issuance, HAX 's total number of outstanding shares increased to 71,943,434 shares from 56,943,434 shares.

Source: RongViet Securities

Valuation & Recommendation

By making its plan to strengthen and expand its market share, we believe that HAX will keep its market leading position and maintain growth in the long-term. In addition, HAX 's trailing PER has been dragged to the lowest level since the first listing day (Figure 17). Therefore, we suppose that HAX 's negative outlook has been fully reflected and the stock is trading at an attractive valuation.

The downside risk, however, is the company's unpredictable commissions from Mercedes-Benz Group, as discussed above, making our forecast on the company's quarterly business results be different from the actual figures.

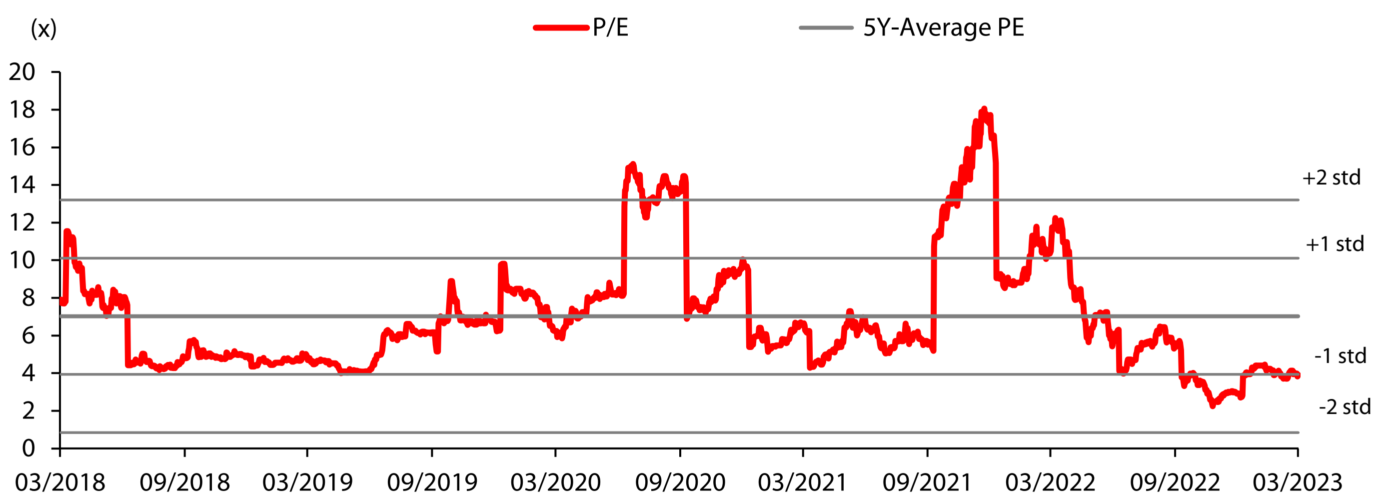
We combine FCFF (50%) and multiples comparison (50%) to get a **target price at VND20,700**, which is lower by 1% compared to the latest target price (VND20,900) on Jan-2023. The lower target price is due to the lower 2023 forecast mentioned above. Adding a cash dividend of VND500, the **12-months expected return is 30%** compared to the closing price on Mar 27th 2023. Backed by this, we recommend to **BUY** this stock in long-term.

Table 3: HAX's valuation summary

Method	Weight	Valuation (VND/share)
FCFF (WACC: 19.5%, g: 4.7%, EV/EBITDA: 5.6x)	50%	22,000
P/E Multiples (5.5x)	50%	19,300
Total	**100%**	**20,700**

Source: RongViet Securities

Figure 17: HAX 's historical P/E band



Source: Bloomberg, RongViet Securities

Table 4: Industry peers

Company	Country	Market cap (USD mn)	ROE (%)	Trailing Sales Growth (% YoY)	EPS Growth (% YoY)	Gross margin (%)	Net profit margin (%)	Trailing PB Ratio (x)	Trailing PE Ratio (x)	Trailing EV/ EBITDA	5-year average P/E
HAX	**VN**	51	29.4	22.0	53.3	7.0	3.5	1.0	3.9	7.1	7.1
Domestic peers											
HTL	VN	9.4	18.1	15.7	46.3	8.4	3.8	0.9	5.4	5.4	13.3
CTF	VN	111	13.0	39.7	109.3	8.6	1.7	2.9	24.7	24.2	239.0
Global peers											
KRUNGTHAI CAR RENT & LEASE	TB	60.3	9.0	-18.1	17.4	19.3	8.3	0.9	10.9	3.7	10.8
SONIC AUTOM0TIVE INC-CLASS A	US	2,059	9.0	15.2	-77.8	16.5	0.6	2.1	5.3	6.4	8.7
COMPETENT AUTO	IN	16.7	7.0	6.6	12.3	N/A	1.6	0.4	6.3	3.9	4.1
INTL CONGLOMERAT	JP	40.7	13.5	9.8	24.1	20.1	3.4	0.7	5.5	3.0	5.9
CENTENARY UNITED HOLDINGS LT	HK	24.1	1.3	-15.4	-39.9	5.8	0.1	0.4	34.4	10.5	N/A
Mean		**297**	**12.5**	**9.4**	**18.1**	**12.3**	**2.8**	**1.2**	**12.1**	**8.0**	**41.3**
Median		**46**	**11.0**	**12.5**	**20.8**	**8.6**	**2.6**	**0.9**	**5.9**	**5.9**	**8.7**

Source: Bloomberg, as of Mar 21st, 2023

VND Billion

INCOME STATEMENT	FY2021	FY2022	FY2023E	FY2024F
Revenue	5,551	6,775	7,025	7,125
COGS	5,195	6,302	6,542	6,651
Gross profit	**357**	**473**	**483**	**474**
Selling Expense	119	144	149	151
G&A Expense	48	64	66	64
Finance Income	1	24	0	0
Finance Expense	18	29	56	24
Other profits	29	40	103	81
PBT	**202**	**300**	**315**	**316**
Prov. of Tax	42	60	63	64
Minority's Interest	0	0	0	0
PAT to Equity S/H	**160**	**239**	**252**	**252**
EBIT	190	265	268	258
EBITDA	259	366	299	289

%

FINANCIAL RATIO	FY2021	FY2022	FY2023E	FY2024F
Growth (%)				
Revenue	-0.3%	22.0%	3.7%	1.4%
Operating Income	9.3%	41.7%	-18.5%	-3.2%
EBITDA	23.9%	39.3%	1.1%	-3.5%
PAT	28.2%	49.5%	5.1%	0.1%
Total Assets	3.6%	101.9%	-4.8%	-6.2%
Equity	33.3%	30.3%	72.1%	-5.3%
Profitability (%)				
Gross margin	6.4%	7.0%	6.9%	6.6%
EBITDA margin	4.7%	5.4%	4.2%	4.1%
EBIT margin	3.4%	3.9%	3.8%	3.6%
Net margin	2.9%	3.5%	3.6%	3.5%
ROA	12.5%	9.3%	10.2%	10.9%
ROE	22.6%	26.0%	15.9%	16.8%
Efficiency				
Receivable Turnover	22.3	26.1	18.9	22.0
Inventory Turnover	8.9	5.9	8.1	9.3
Payable Turnover	14.1	23.1	18.7	23.9
Liquidity				
Current	1.7	1.1	1.6	1.6
Quick	0.6	0.4	0.7	0.7
Finance Structure (%)				
Total Debt/Equity	27.6%	124.8%	32.4%	34.5%
Current Debt/Equity	27.6%	124.8%	32.4%	34.5%
Long-term Debt/Equity	0.0%	0.0%	0.0%	0.0%

VND Billion

BALANCE SHEET	FY2021	FY2022	FY2023E	FY2024F
Cash and cash equivalents	88	160	138	103
Short-term investments	0	0	0	0
Accounts receivable	249	260	372	324
Inventories	581	1,065	810	717
Other current assets	18	101	96	91
Property, plant & equipment	282	881	934	963
Acquired intangible assets	42	82	76	76
Long-term investments	0	0	0	0
Other non-current assets	17	29	29	29
Total assets	**1,277**	**2,579**	**2,456**	**2,304**
Accounts payable	368	273	349	278
Short-term borrowings	196	1,152	515	518
Long-term borrowings	0	0	0	0
Other non-current liabilities	4	185	5	5
Bonus and Welfare fund	0	0	0	0
Technology-science, dev. fund	0	0	0	0
Total liabilities	**567**	**1,609**	**869**	**801**
Common stock and APIC	496	570	1.019	719
Treasury stock (enter as -)	0	0	0	0
Retained earnings	212	352	568	784
Other comprehensive income	0	0	0	0
Inv. and Dev. Fund	0	0	0	0
Total equity	**708**	**922**	**1,588**	**1,504**
Minority Interest	**2**	**0**	**0**	**0**

VALUATION RATIO (*)	FY2021	FY2022	FY2023E	FY2024F
EPS (VND)	3,233	4,204	3,498	3,503
P/E (x)	10.4	3.9	5.0	5.0
BV (dong)	14,294	16,199	22,067	20,899
P/B (x)	2.0	1.0	0.8	0.8
DPS (dong/cp)	0	435	500	500
Dividend yield (%)	0	2.5	2.9	2.9

VALUATION MODEL	Price	Weight	Average
FCFF	22,000	50%	11,000
P/E	19,300	50%	9,700
Target price (VND)			**20,700**

VALUATION HISTORY	Price	Recommendation	Period
Aug 2022	26,500	ACCUMULATE	Long-term
Dec 2022	20,900	BUY	Long-term
Mar 2023	20,700	BUY	Long-term

RESULT UPDATE

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

RATING GUIDANCE

Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

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