GEMADEPT CORPORATION (HSX: GMD)

Need more time for the recovery as the macro context does not support

Indicator (VND billion)	Q1-FY23	Q4-FY22	+/- (qoq)	Q1-FY22	+/- (yoy)
Net revenue	902	1,066	-15.4%	880	2.5%
NPATMI	202	189	7.1%	274	-26.1%
EBIT	300	264	13.6%	242	24.1%
EBIT margin	33.3%	24.8%	8.5 pps	27.5%	5.8 pps

Source: GMD, RongViet Securities

Results Q1-FY23 – Less positive by weakened trade flows

- Container handling volume was 585 thousand TEU (-25% YoY and -18%QoQ). In which, volume in Hai Phong and the Southern region were 243 thousand TEUs (-11% YoY) and 342 thousand TEUs (-32% YoY), respectively.
- Net revenue and PBT were VND 902 billion VND (+3% YoY and -15% QoQ) and VND 308 billion (-12% YoY and +23% QoQ), respectively, corresponding to 23% and 27% of the plan for 2023, completing 21% and 26% of our forecast.
- The main reason for the container throughput of GMD's ports in the South (including Gemalink port) were more affected than the Northern port is due to weakening of trade activities with the US and Europe.

Outlook of 2023 – Difficulties will persist.

- Inflation in the US and Europe is still putting pressure on purchasing power for consumer discretionary which are the main export goods of Vietnam. At the GMD's Southern ports, which concentrate on routes to Europe and the US, will continue to face difficulties for the rest of the year. Container clearance forecast for the Southern ports will reach 683 thousand TEUs (-18% YoY).
- The container throughput of Hai Phong port is expected to grow +5% YoY this year as shipping lines focus on exploiting the Chinese market. The primary motivator is exporting essential items such as vegetables, fruits, and seafood as this economy reopens.
- For 2023F, net revenue and NPATMI are respectively VND 3,781 billion (-3% YoY) and VND 2,396 billion (+148% YoY), in which, core operating profit is VND 796 billion (-27% YoY) and VND 1,600 billion from divestment of Nam Hai Dinh Vu port (NHDV).
- For 2024F, revenue and NPATMI are forecasted at VND 4,268 billion (+9% YoY) and VND 934 billion (+17% YoY), respectively. The revenue growth reflects expectations of a recovery in import and export demand next year, and interest expenses of Gemalink will not create much pressure on GMD's results.

Valuation and recommendations

We used Sum-of-the-parts valuation method (SOTP) to provide a target price of ***63,400 VND****, combined with* ***a cash dividend of 2,000 VND.*** *This is equivalent* ***to an expected rate of return of 11%****, based on the closing price on 24/07/2023. We recommend to* ***ACCUMULATE****.*

ACCUMULATE +11%

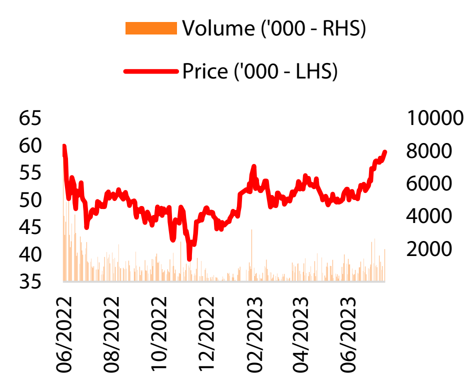
Market price (VND)	58,800
Target price (VND)	63,400
Cash dividend (VND)	2,000

Stock Info

Sector	Marine Ports
Market Cap (VND billion)	17,721
Current Shares O/S	301.4
Avg. trading Volume (in 20 sessions)	896
Free float (%)	98
52 weeks High	58,800
52 weeks Low	44,600
Beta	0.83

	FY2022	TTM
EPS	3,298	3,061
EPS Growth (%)	26	29
Diluted EPS	3,298	3,061
P/E	5.6	4.7
P/B	0.8	1.3
EV/EBITDA	10.7	11.5
Cash dividend yield (%)	4.4	2.3
ROE (%)	14.4	11.5

Performance



Major Shareholders (%)	
VietFund Management Ltd	7.34
Korea Investment Management Ltd	5.11
Others	87.55
Foreign ownership room (%)	1.23

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Table 1: Results in Q1/2023

(VND Bn)	Q1-FY23	Q4-FY22	+/- (qoq)	Q1-FY22	+/- (yoy)
Net revenue	902	1,066	-15.4%	880	2.5%
Gross profit	427	454	-6.1%	352	21.1%
SG&A	127	190	-33.5%	110	14.6%
Operating income	300	264	13.6%	242	24.1%
EBITDA	408	357	14.1%	336	21.5%
EBIT	300	264	13.6%	242	24.1%
Financial expenses	40	27	49.4%	32	23.1%
- Interest Expenses	36	36	2.7%	30	22.4%
Dep. and amortization	108	93	15.5%	94	14.7%
Non-recurring items (*)					
Extraordinary items (*)					
PBT	308	251	22.7%	350	-12.0%
NPAT-MI	202	189	7.1%	274	-26.1%
Adjusted NPAT-MI for (*)	202	189	7.1%	274	-26.1%

Source: GMD, RongViet Securities

Table 2: Q1/2023 performance analysis

Particulars	Q1-FY23	Q4-FY22	+/- (qoq)	Q1-FY22	+/- (yoy)
Profitability Ratios (%)					
Gross Margin	47.3%	42.6%	4.7 pps	40.0%	7.3 pps
EBITDA Margin	45.2%	33.5%	11.7 pps	38.1%	7.1 pps
EBIT Margin	33.3%	24.8%	8.5 pps	27.5%	5.8 pps
Net Margin	22.4%	17.7%	4.7 pps	31.1%	-8.7 pps
Adjusted Net Margin	22.4%	17.7%	4.7 pps	31.1%	-8.7 pps
Turnover*(x)					
-Inventories	23.93	29.77	-5.84	25.39	-1.46
-Receivables	3.97	4.37	-0.40	3.63	0.34
-Payables	0.17	0.30	-0.13	0.40	-0.22
Leverage (%)					
Total Liabilities/Equity	38.7%	42.5%	-3.8 pps	30.8%	8.0 pps

Source: RongViet Securities (*) annualized

Table 3: Forecast Q2/2023

Indicator (VND Bn)	Q2-FY23	+/- qoq	+/- yoy
Revenue	965	7.0%	-1.3%
Gross profit	425	-0.4%	-2.5%
EBIT	286	-4.7%	-9.6%
NPAT-MI	215	6.2%	-25.3%

Source: RongViet Securities

Q1-FY23 results were underwhelming due to weak trade flows

In Q1-FY23, revenue and PBT were VND 902 billion (+3% YoY and -15% QoQ) and VND 308 billon (-12% YoY and +23% QoQ), respectively, correspond to 23% and 27% of the plan of 2023, completing 24% and 26% of our forecast respectively. In which:

- Container handling volume was 585 thousand TEUs (-25% YoY and -18%QoQ). Volume in Hai Phong was 243 thousand TEU (-11% YoY), this decrease is lower than at the Southern ports (container volume was 342 thousand TEU, -32% YoY) (figure 1). Container throughput is heavily affected in the South with the GML port as the most important, because the port serves routes to Europe and the US.
- Container handling revenue was VND 655 billion (-11% YoY and -17% QoQ) (figure 2). In 2023, GMD increased handling fees at Nam Dinh Vu port by about 20% compared to 2022, which will help reduce the rate of revenue decline at a lower rate than the decline in container volume. At the same time GPM of handling is expanded to 43% (+3pps YoY and +9pps QoQ) (figure 3).
- Logistics revenue was VND 247 billion (+71% YoY and -11% QoQ) and continues its tremendous growth as GMD got a long-term barge lease contract at a high rate. GPM of logistics was 59% (+19pps YoY and -7pps QoQ). It suggets that, this GPM decreased compared to the previous quarter, partly due to the reduction in logistics services fee to balance with the appreciation in **handling fee** services (figure 3).
- GML continued to lose VND 40 billion (Q1-FY22 was a profit of VND 38 billion and Q4-FY22 was a loss of VND 22 billion) due to a sharp decrease in container volume. Profit from JVs continued to have a sharp drop and led to the NPATMI margin being significantly narrowed, reaching 22% (-9 pps YoY).

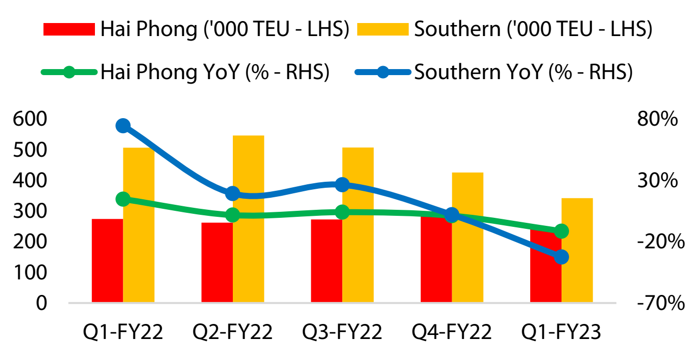
Table 1: Results in Q1-FY23

Unit: VND Bn	Q1-FY23	+/- QoQ	+/- YoY	% Completion of the plan for 2023	% Completion of our forecast for 2023
Container volume ('000 Teu)	**585**	**-18%**	**-25%**		**21%**
Hai Phong	*243*	*-16%*	*-11%*		21%
Southern ports	*342*	*-20%*	*-32%*		21%
Revenue	**902**	**-15%**	**3%**	**23%**	**24%**
Container handling	*655*	*-17%*	*-11%*		22%
Logistics	*247*	*-11%*	*71%*		32%
COGS	**475**	**-22%**	**-10%**		**22%**
Gross profit	**427**	**-6%**	**21%**		**27%**
SG&A expenses	127	-33%	15%		24%
Gain/loss from JVs	21	-70%	-83%		9%
PBT	**308**	**23%**	**-12%**	**27%**	**25% (*)**
NPATMI	**202**	**-7%**	**-26%**		**25% (*)**

(*) Forecast does not include abnormal profit from divestment at NHDV

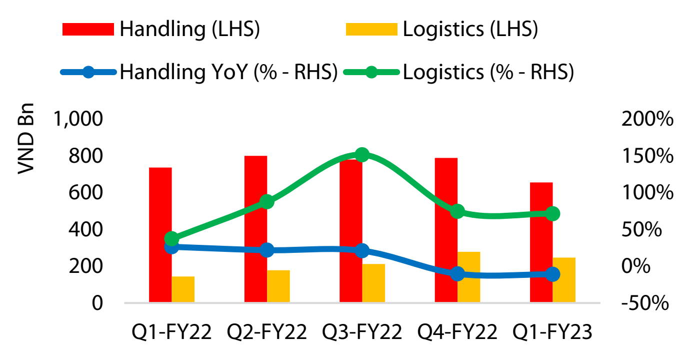
Source: GMD, RongViet Securities

Figure 1: Container handling volume at the Southern ports is more severely affected than in Hai Phong



Source: GMD, RongViet Securities

Figure 2: Consolidated revenue increased positively thanks to the contribution of logistics services



Source: GMD, RongViet Securities

Figure 3: GPM of two main operation segments to expand significantly over the SPLY

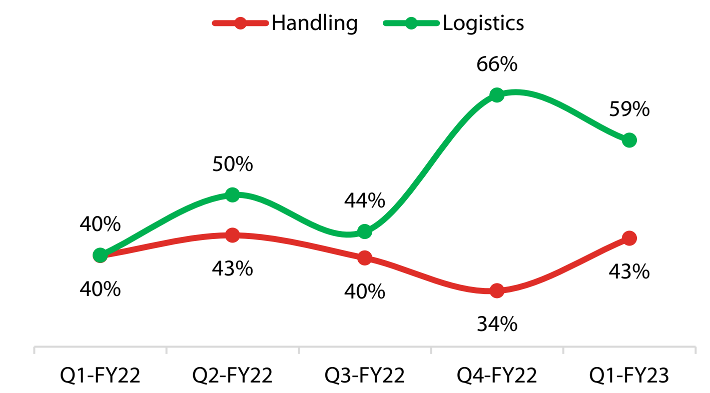
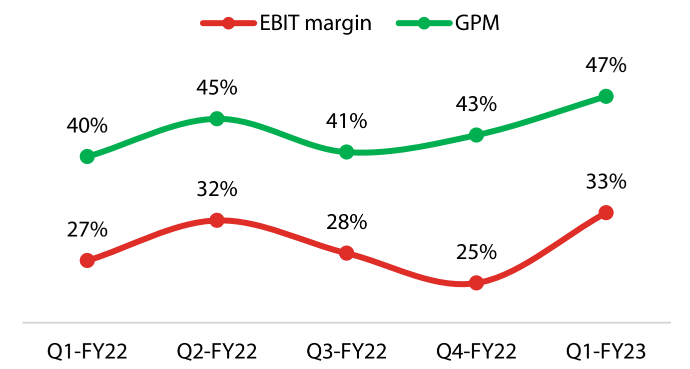
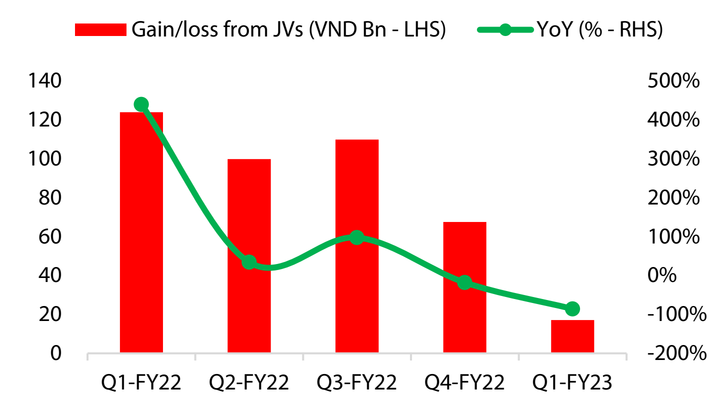


Figure 4: Although the EBIT margin has expended…



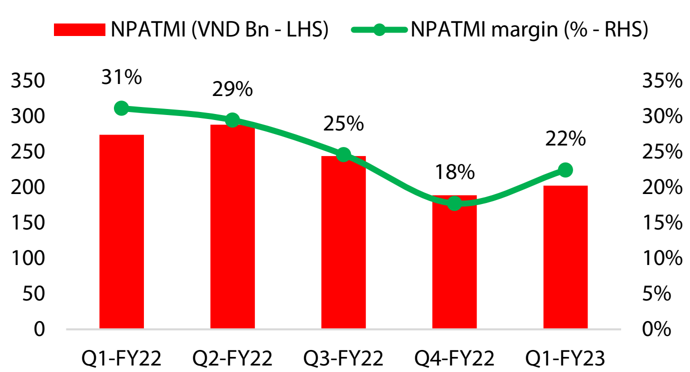
Source: GMD, RongViet Securities

Figure 5: … but profits of JVs plummeted…



Source: GMD, RongViet Securities

Figure 6: …causing NPATMI margin to shrink significantly compared to the SPLY



Source: GMD, RongViet Securities

Completed the divestment of Nam Hai Dinh Vu port

On 31/5/2023, GMD officially completed the transfer and handed over the NHDV port to its counterparty – Vietnam Container Shipping JVS. (HOSE: VSC). Thetotal transfer value of the deal was about VND 3,000 billion, which brings about VND 2,000 billion to the parent company. We believe that the divestment of the NHDV port is the right move in line with the long-term strategy of GMD:

- To concentrate resources in Nam Dinh Vu (NDV) port:
  - The NDV phase 2 officially came into operation to double the scale of it compared to before. The total length of the berth is 880m, and this port has a design capacity of 1.2 million TEUs per year. In this context, the container handling volume just reached 63% of the phase 1 design capacity, transferring container throughput from NHDV to NDV will improve the efficiency of exploitation. In addition, with the advantages of geography - located at the mouth of the Cam River, which has a depth in front of the berth up to -8.5m (the other inner ports have a depth of 7m), and the extended berth will be a suitable choice for the trend of growing vessels in terms of size and load capacity.
  - When staff employees, machinery and equipment are centralized in one area, OPEX could be optimized.
  - NDV industrial zone has the advantage of infrastructure connected to highways and factories. FDI firms tend to move to the industrial which will bring a number of potential customers for GDM.
- GMD plans to use the cash which it collected to invest in some projects in the 2023-2025 period, M&A projects to develop the port-logistics and payment on its high-interest debt.

According to the BOD, the possibility for GDM to record abnormal profit in Q2-FY23 is comparatively low as the time of transfer is in the end of the quarter and the company needs more time to complete administrative procedures for divestment of the NHDV port.

Forecast for Q2-2023

At the end of Q2-FY23, a number of calls at the GMD's ports in Hai Phong/GML areas was respectively 243/61 calls, and change accordingly -30/+4 calls compared to the SPLY and +14/+17 calls against the previous quarter (table 2).

Hai Phong:

- The cause leading to a decrease in the number of calls in Hai Phong is ASL reduced amount of calls to Nam Hai, because it cost more to enter the port located further inland, which leads to inefficient exploitation when the container is low.
- Container throughput of Hai Phong is estimated to be 274 million Teus (+5% YoY) positive growth due to the receipt of an additional service route of HAS/SJJ that exploits China, instead of the service route of COSCO in Japan in 2022.

Gemalink port (GML):

- Maersk shipping (MSK) cut the ASIA-US service route but added the SEA2 route of COSCO (COS) in the ASIA-US. In addition, other shipping companies still kept the number of routes as in Q1-FY23 but CMA-CMG increased the number of calls at the port.
- The container volume in the Southern area and GML continued to drop because of a high base and the need for trade to the US and Europe have weakened.

Forecast for Q2-FY2023, revenues and NPATMI are respectively VND 965 million (+7% QoQ and -1% YoY) and VND 235 million (+16% QoQ and -18% YoY). Compared to the previous quarter, revenues improved based on the recovery in volume, which was mentioned above. The GPM will slightly decrease because of the depreciation of NDV phase 2, but NPATMI will grow by double digits as GML is expected to be profitable again.

Table 2: Number of calls at GMD in 1H2023

Carriers	2023						Total	Weighted	+/- YoY (Call)					
Month	*01*	*02*	*03*	*04*	*05*	*06*			*01*	*02*	*03*	*04*	*05*	*06*
Hai Phong														
ASL	13	18	22	17	15	15	**100**	21%	-7	1	5	-6	-6	-10
Others	12	21	16	13	16	8	**86**	18%	-1	9	-4	-1	-6	-10
YML	10	11	12	14	13	13	**73**	15%	-3	0	-1	2	0	2
HAS/SJJ	9	8	12	12	12	11	**64**	14%	0	2	4	3	5	1
GMD	4	5	8	9	10	5	**41**	9%	-3	-1	3	5	3	-2
RCL	3	4	5	4	5	7	**28**	6%	-3	-3	1	-2	0	3
PIL	3	3	5	4	5	4	**24**	5%	-2	0	0	0	0	-3
COS	2	7	4	5	3	3	**24**	5%	-8	-4	-1	-1	0	-3
CMA	2	3	3	2	5	7	**22**	5%	-2	0	0	-2	2	0
MSC	3	1	0	2	1	3	**10**	2%	0	-1	0	-2	-1	-1
Total	**61**	**81**	**87**	**82**	**85**	**76**	**472**	**100%**	**-29**	**3**	**7**	**-4**	**-3**	**-23**
Gemalink port														
CMA	9	13	11	18	17	18	**86**	82%	1	6	-5	9	8	6
COS	3	1	3	2	3	2	**14**	13%	3	1	2	1	2	1
MSK	2	0	0	0	0	0	**2**	2%	-4	-4	0	-2	-4	-6
OOL	0	0	1	0	0	1	**2**	2%	0	0	1	0	0	1
ELM	0	1	0	0	0	0	**1**	1%	0	1	-1	-1	-2	-2
CNC	0	0	0	0	0	0	**0**	0%	0	0	0	-3	-1	-1
Total	**14**	**15**	**15**	**20**	**20**	**21**	**105**	**100%**	**0**	**4**	**-4**	**3**	**3**	**-2**

Source: Maritime Administration of Hai Phong, Maritime Administration of Vung Tau, RongViet Securities

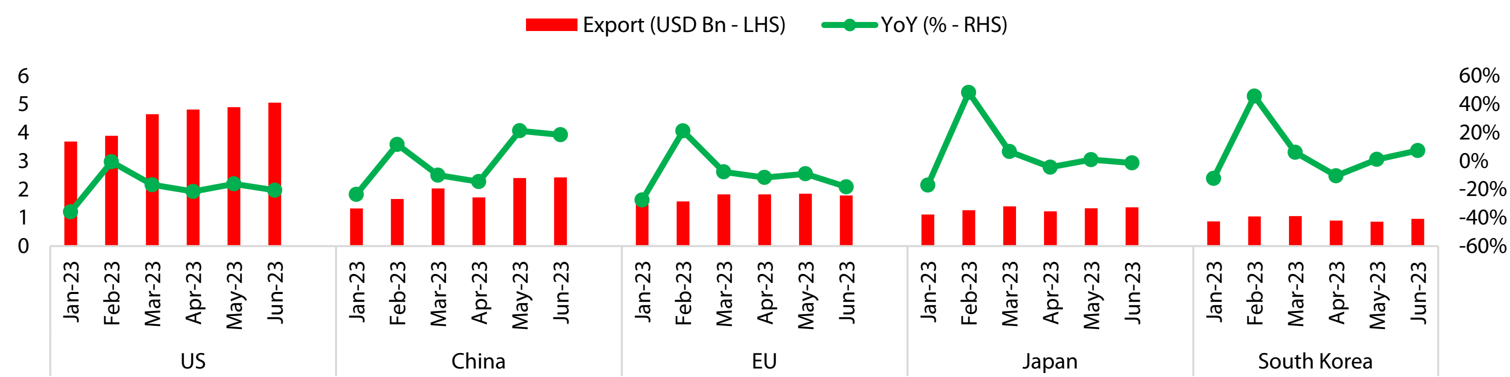
Import – Export activities will still face difficulties in the beginning of 2H2023

In Q2-FY23, Vietnam's export and import value of container goods via sea is estimated to be respectively USD 17.1 billion (-10% YoY) and USD 10.6 billion (-25% YoY).

- Trade flows with Europe – US markets are weak as consumer purchasing power is affected by high inflation. The demand for consumer discretionary was severely affected for textiles, footwear, and wooden handicrafts (items accounting for a total proportion of over 40% of export value in these two markets-figure 7).
- A positive signal in the intra – Asia trade, in which the reopening of the Chinese market is a major driving force of the whole area. It is estimated that China's export and import value of container goods in Q2-FY23 was USD 6.5 billion USD (+8% YoY), mainly contributed by the strong growth in the group of computers, component products, electronics (about 45% of the value was transported via sea). In addition, fruits and vegetables, and footwear with proportions of 11% and 7% respectively also made significant contributions with growth of 150% and 16% compared to the SPLY, respectively.

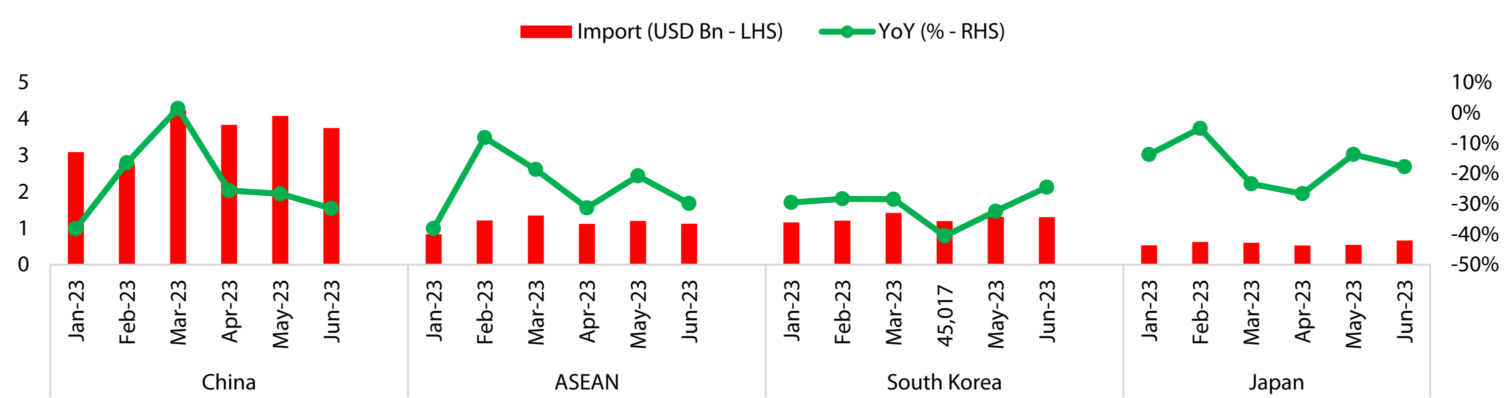
Characteristics of manufacturing companies in Vietnam is to import production materials for processing and then export. The decline in export value/order also caused the value of imported goods to fall deeply. Accumulated in 6M2023, Vietnam's three main import markets, China, South Korea and ASEAN (import market share of 35%, 12%, and 11%, respectively) continue to grow negatively, and there have been no signs of recovery in recent months (figure 8).

Figure 7: Estimation of Vietnam's export value of container goods through sea with trading partners



Source: Customs, RongViet Securities

Figure 8: Estimation of Vietnam's import value of container goods through sea with trading partners

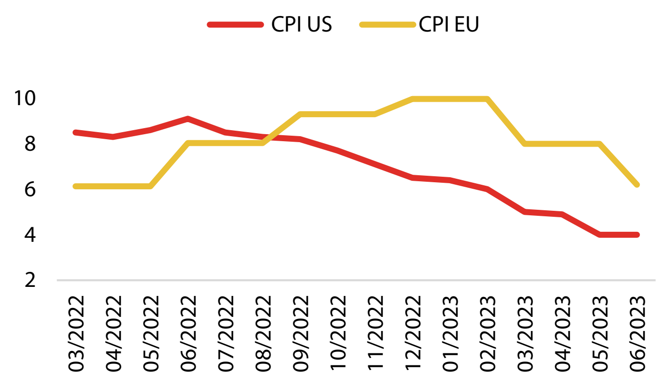


Source: Customs, RongViet Securities

Vietnam's PMI in June 2023 was 46.2, below 50 the point level for the fourth consecutive month, which show the health of the manufacturing industry continues to drop. In particular, new orders remain weak.

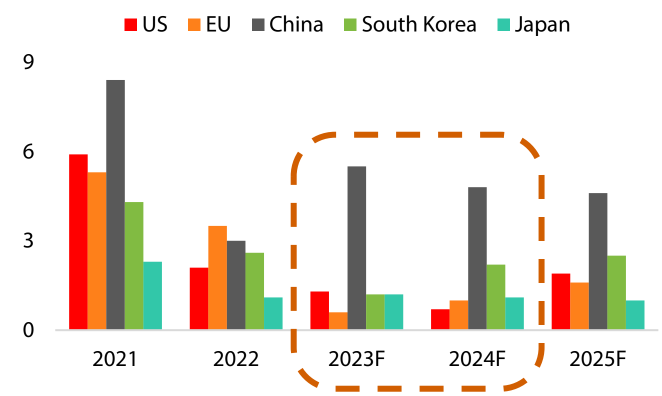
- The CPI of the US and Europe sharply decreased, mainly due to lower fuel prices, but other costs such as rent and food were quite high and accounted for the majority of consumers'spending (accounting for 35%/13% in the US's CPI basket and 7%/14% in the EU's CPI basket respectively). Therefore, consumers in these markets will still prioritize essential spending over spending on durable consumer goods such as textiles, handbags, wooden furniture - Vietnam's main exports to Europe and the US. Trade demand remains weak in the US and Europe, meaning container volume at the Southern ports will see double-digit negative growth this year.
- On the other hand, it is believed that China is the main factor to support container volume growth for the Northern ports. We expect container volume growth in Hai Phong to remain positive this year while another firm restructures the number of routes and demand for essential goods in China (vegetables and seafood account for 11% and 5% respectively of total export value to this market) increased in Q4-FY23 due to the strong growth of service after the reopening period and inventory preparation for the Lunar New Year in Q1-FY24.

Figure 9: Consumer price index has not really cooled down



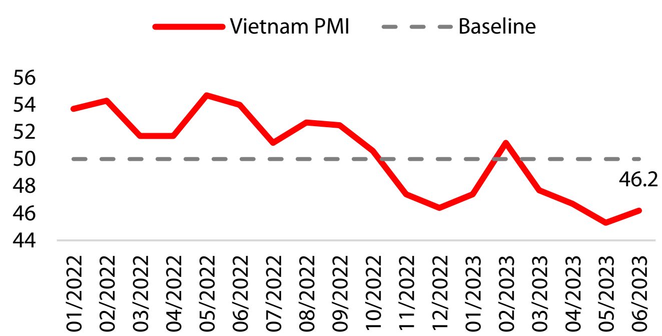
Source: Bloomberg, RongViet Securities

Figure 10: Except for China, main export markets are forecasted to grow slowly in 2023 (YoY %)



Source: Bloomberg, RongViet Securities

Figure 11: The manufacturing industry is still quite weak as new orders fell for the fourth month in a row



Source: Bloomberg, RongViet Securities

Forecast for 2023 - 2024

Table 3: Forecast

Unit: VND Bn	2023F	+/- YoY %	2024F	+/- YoY %	Assumption
Revenue	**3,781**	**-3%**	**4,268**	**13%**	
Container handling	3,011	-2%	3,417	13%	***For 2023F*** • *Forecast container throughput in Hai Phong to reach 1,145 thousand TEUs (+5% YoY) with the main contribution from NDV port. Remaining at a flat level as the shipping line changes route and the port maintains 18 calls per week.* • *Forecast container throughput in Southern region reach 683 thousand TEU (-18% YoY- not including GML) which was heavily affected by the southern area where feeder ships for GML port gather.* • *Increasing the container handling fee in the NDV port to help revenue not to decrease too quickly.* ***For 2024F*** • *Forecast container throughput in Hai Phong to reach 1,285 thousand TEUs (+12% YoY) due to the recovery of the global economy and assuming that there will be one more service route from the shipping line when there is ample room for growth, thereby increasing the number of call to 19 calls per week.* • *Forecast container throughput in the Southern region to reach 738 thousand TEUs (+8% YoY) due to recovery of GML.*
Logistics	768	-5%	850	11%	***For 2023F*** • *Slight decline in revenue based on a hypothetical decrease in logistics fee.* ***For 2024F*** • *Logistics revenue growing thanks to the recovery in volume following the demand for goods.* • *The long-term rental barges with high rates will last until 2024.*
Gross profit	**1,621**	**-6%**	**1,871**	**15%**	
SG&A expenses	537	-19%	580	8%	
EBIT	**1,084**	**3%**	**1,291**	**19%**	
Financial income	2,030	25%	20	-33%	Abnormal profit from divestment of NHDV port.
Financial expenses	131	-21%	103	-21%	
Gain/(loss) from JVs	270	-35%	309	14%	**For 2023F** • Forecast container throughput in GML reach 920 thousand TEU (-20% YoY) due to weakdemand in the US and Europe. • It is assumed that it will pay off VND 1,000 billion of high-interest loans with the proceeds from the divestment at NHDV port, reducing the pressure from financial expenses. • Gain from JVs dropped sharply because GML expects a loss of VND 9 billion in 2023 (a profit of VND 82 billion in 2022) due to a relatively large loss in Q1-FY23. **For 2024F** • Forecast container throughput in GML reach 966 thousand TEUs (+5% YoY), the growth coming from the recovery in consumer demand in the US and Europe. • Financial expense pressure returned when GML borrowed about VND 4,500 billion more for the GML phase 2. • Forecast GML will lose VND 75 billion, but profit from JVs still growing well thanks to the recovery of other JVs.
PBT	**3,215**	**146%**	**1,470**	**-54%**	
Minority interest	238	42%	318	34%	
NPATMI	**2,396**	**141%**	**934**	**-61%**	
NPATMI exclude abnormal profit from divestment	**796**	**-20%**	**934**	**17%**	
EPS (VND)	**7,313**	**122%**	**2,853**	**-61%**	

Source: RongViet Securities

Valuation

We used Sum-of-the-parts method (SOTP) to provide a one-year **target price of 63,400 VND**. Combined with **a cash dividend of 2,000 VND**, equivalent to a **total expected return of 11%**. The relatively large upside that represents our optimistic view for GMD based on the outlook for two major ports:

- The ports in Hai Phong is forecasted to improve operational efficiency through (1) positive revenue growth due to increased operating capacity and (2) cost optimization as mentioned above.
- Although container throughput in GML port is forecasted to register negative growth by double digits this year, the source of money from the divestment of NHDV port can be used to pay off high-interest debts at GML. After that, pressures from financial expenses which affected GML's results will decrease.The profit of GML was not affected very much compared to the aerlier forecast in the GML phase 2 (the project has a total investment of USD 300 million and borrowed capital can be up to 70%, expected to be implemented from 2024).

Table 4: Summary of valuation

Segments	Method	Equity value (VND Bn)	Ownership	Discount	Contribution
1. Port and logistics	FCFF (WACC: 10,8%, g: 1%)	**9,747**		**0%**	**9,747**
2. Logistics & Shipping JVs		**16,166**			**8,287**
SCSC	P/E & FCFE	7.187	36,6%	0%	2.630
CJ GMD Logistics	P/E (@10x 2023F EPS)	845	49,1%	0%	415
CJ GMD Shipping	Book value	393	51,0%	0%	200
Gemalink	FCFF (WACC: 10,1%, g: 1%)	7.741	65,1%	0%	5.042
3. Non-operating assets		**1,735**			**1,084**
Other investments	Book value	432		0%	432
Rubbers	Book value	1.302	100%	50%	651
Total					**19,118**
Number of shares outstanding					301,4
Target price					**63,400**
Implied forward P/E 2023F					8.6x
Implied forward P/E 2024F					21.3x

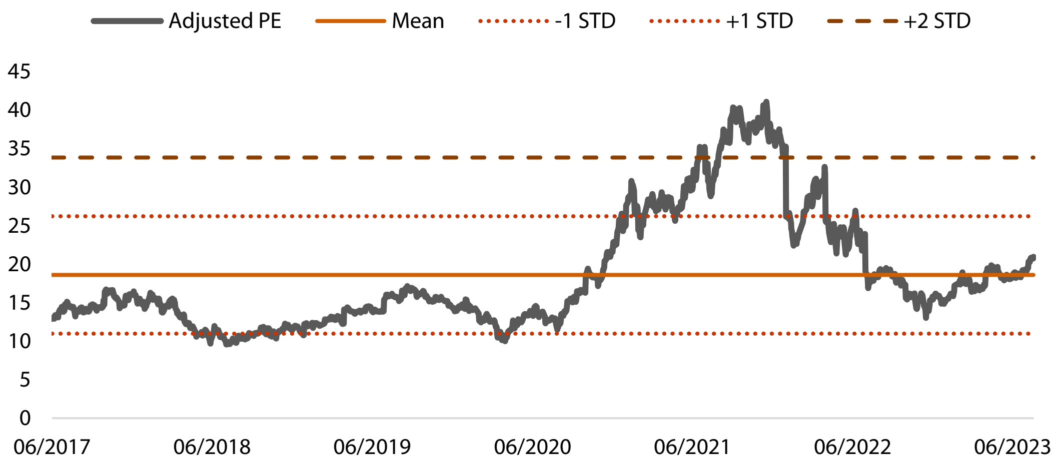
Source: RongViet Securities

Table 5: Industry peer

Company	Country	Market Cap. (USD Mn)	Revenue 2022 (USD Mn)	PBT 2022 (USD Mn)	Div. yield (%)	2022 ROE (%)	2022 ROA (%)	Trailing (x)		
								P/E	P/B	EV/EBITDA
PHP	VN	344	46	12	1.7	26.3	19.5	13.8	1.6	5.3
PDN	VN	204	100	38	1.9	13.1	9.2	22.5	5.5	7.5
VSC	VN	183	25	15	2.8	20	18.4	17.1	1.6	N/A
SGP	VN	155	51	14	N/A	17.1	13.9	18.3	1.4	8.6
CDN	VN	110	11	5	5.7	13.6	12.7	9.5	1.6	5.6
DVP	VN	101	86	20	10.9	9.4	6.5	6.4	1.6	3.0
CLL	VN	54	5	2	6.6	6.2	6	13.9	1.9	5.6
DXP	VN	29	48	10	0	7.9	3.6	13.2	0.8	6.8
Median		**133**	**47**	**13**	**2.4**	**13.4**	**11.0**	**13.9**	**1.6**	**5.6**
Mean		**148**	**47**	**15**	**3.7**	**14.2**	**11.2**	**14.3**	**2.0**	**5.3**
GMD	**VN**	**730**	**167**	**55**	**2.1**	**12.1**	**7.4**	**20.4**	**2.4**	**11.5**

Source: Bloomberg, RongViet Securities, based on the closing price on 24/07/2023

Figure 12: Historical adjusted P/E



Source: Bloomberg, RongViet Securities

VND Billion

INCOME STATEMENT	FY2021	FY2022	FY2023F	FY2024F
Revenue	3,206	3,898	3,781	4,268
COGS	2,061	2,180	2,160	2,398
Gross profit	**1.145**	**1.718**	**1.621**	**1.871**
Selling Expense	163	142	165	171
G&A Expense	295	524	372	409
Finance Income	40	24	2,030	20
Finance Expenses	108	166	131	103
Other profits	-55	0	0	0
PBT	**806**	**1.308**	**3.215**	**1.470**
Prov. of Tax	85	147	581	218
Minority's Interest	117	167	238	318
PAT to Equity S/H	**605**	**994**	**2.396**	**934**
EBIT	687	1,051	1,084	1,291
EBITDA	1,066	1,445	1,497	1,729

%

FINANCIAL RATIO	FY2021	FY2022	FY2023F	FY2024F
Growth (%)				
Revenue	23.0	21.6	-3.0	12.9
Operating Income	21.4	35.5	3.6	15.5
EBITDA	45.9	53.0	3.1	19.1
PAT	63.0	64.3	141.0	-61.0
Total Assets	9.2	21.4	1.2	7.8
Equity	6.9	9.7	25.9	6.6
Profitability (%)				
Gross margin	35.7	44.1	42.9	43.8
EBITDA margin	33.3	37.1	39.6	40.5
EBIT margin	21.4	27.0	28.7	30.2
Net margin	18.9	25.5	63.4	21.9
ROA	5.6	7.6	18.2	6.6
ROE	8.1	10.6	9.6	10.8
Efficiency				(times)
Receivable Turnover	3.8	4.5	4.1	4.3
Inventory Turnover	29.9	26.4	28.9	28.9
Payable Turnover	1.5	0.8	1.5	1.5
Liquidity				(times)
Current	0.8	0.8	1.2	0.8
Quick	0.7	0.8	1.2	0.7
Finance Structure (%)				
Total Debt/Equity	30.4	29.3	17.1	17.2
Short-term Debt/Equity	13.6	7.8	5.3	6.5
Long-term Debt/Equity	16.8	21.5	11.9	10.7

VND Billion

BALANCE SHEET	FY2021	FY2022	FY2023F	FY2024F
Cash and cash equivalents	637	1,364	1,105	320
Short-term investments	52	82	93	93
Accounts receivable	842	868	917	993
Inventories	69	83	75	83
Other current assets	91	222	215	243
Property, plant & equipment	4,631	5,791	5,445	5,857
Acquired intangible assets	476	448	416	384
Long-term investments	2,836	3,065	4,128	5,485
Other non-current assets	1,105	1,108	792	762
Total assets	**10.738**	**13.031**	**13.186**	**14.220**
Accounts payable	1,351	2,604	1,467	1,620
Short-term borrowings	860	543	458	603
Long-term borrowings	1,061	1,486	1,035	997
Other non-current liabilities	363	386	386	386
Bonus and Welfare fund	57	63	192	75
Technology-science, dev. fund	0	0	0	0
Total liabilities	**3.692**	**5.083**	**3.538**	**3.681**
Common stock and APIC	4,956	4,956	4,956	4,956
Treasury stock (enter as -)	0	0	0	0
Retained earnings	654	1,227	3,020	3,593
Other comprehensive income	549	590	590	590
Inv. and Dev. Fund	153	153	153	153
Total equity	**6.312**	**6.926**	**8.719**	**9.292**
Minority Interest	734	1,022	929	1,248

VALUATION RATIO (*)	FY2021	FY2022	FY2023F	FY2024F
EPS (VND)	2,007	3,298	7,313	2,853
P/E (x)	24.7	13.8	7.3	18.8
BV (dong)	20,942	22,981	28,930	30,831
P/B (x)	2.1	1.7	1.8	1.7
DPS (dong/cp)	1,200	2,000	1,200	1,200
Dividend yield (%)	2.4%	4.4%	2.2%	2.2%

VALUATION MODEL	Price	Weight	Average
SOTP	63,400	100%	63,400
Target price (VND/share)		**100%**	**63,400**

VALUATION HISTORY	Price	Recommendation	Period
02/2023	63.000	BUY	1-year
07/2023	63.400	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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