Phu Tai JSC (PTB – HSX)

As right as a trivet

- Stone production segment occupies outstanding advantages in the industry and is expected to achieve positive growth due to strong demand
- Wooden product segment – Expected higher gross margin
- Automobile trading and services segments – A slight increase in demand

Outlook and Valuation:

Phu Tai JSC operates in three main segments including (1) Stone production, (2) Furniture production and (3) Auto trading. Vast reservoir, favorable location for exploited activities, good market orientation, expanding production capacity are factors which would greatly support stone production segment, the main profit driver of PTB. Apart from stone production segment, earnings result is expected to improve thanks to (1) Stable growth rate of auto trading segment and (2) higher margin of furniture segment.

Healthy financial situation in which leverage ratio is prudent and financial ratios such as profitability, operational, efficiency... have improved over the years are PTB's advantages. According to our assessment, the biggest risk for PTB is none other than export market, which is difficult to control. PTB might not achieve growth as expectation due to technical barriers such as the origin of wood raw materials and anti-dumping duty. Furthermore, in terms of stone production segment, PTB is facing fierce competition from both domestic and foreign products, especially Chinese products.

*In 2016, PTB expects revenue to achieve about VND 3,531 bn (+16% yoy) and NPAT at about VND 196 bn (+13% yoy). Given the fact that outlook for all three segments are bright, we forecast that revenue and NPAT of PTB in 2016 at about VND 3,656.8 bn (+20.06 % yoy) and VND 233.1 bn (+34.8% yoy) respectively, equivalent to EPS of 11,600 dong. Using FCFF, PE and SOTP valuation method, we end up with an appropriate price for PTB of **VND 130,000 dong** per share, higher 18% than closing price on 27th April 2016. Thus, we recommend **ACCUMULATE** this stock in **LONG –TERM.***

Key financials

Y/E Dec (VND bn)	FY2013	FY2014	FY2015	FY2016F
Net Revenue	2,144.2	2,451.9	3,045.9	3,656.9
% chg	20.2%	14.4%	24.2%	20.1%
PAT	92.2	111.5	172.9	233.1
% chg	63.7%	20.9%	55.0%	34.9%
EBIT margin (%)	4.3%	4.5%	5.7%	6.4%
ROA (%)	11.1%	11.1%	14.8%	16.8%
ROE (%)	39.8%	37.5%	41.6%	38.6%
EPS (VND)	7,685	7,552	10,101	11,572
Adjusted EPS (VND)	6,274	6,384	3,045.9	3,656.9
Book value (VND)	22,282	27,312	24.2%	20.1%
Dividend/charter capital	25%	20%	20%	20%
P/E (x)	1.7	5.1	5.3	9.5*
P/BV (x)	0.6	1.4	1.5	2.8*

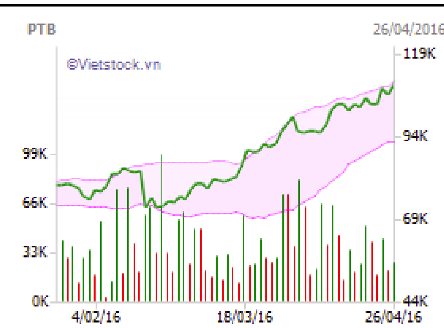
*Sources: PTB, RongViet Research estimated * as price of 27/04/2016*

ACCUMULATE

CMP (VND)	110,000
Target Price (VND)	130,000
Investment Period	**Long-term**

Stock Info

Sector	Personal and household
Market Cap (VND bn)	1,635
Current Shares O/S	18,000,790
Beta	0.8
Free float (%)	59.4
52 weeks High	110,000
52 weeks Low	40,400
Avg. Daily Volume (in 20 sessions)	795,210



Source: Vietstock

Performance (%)

	3M	1Y	3Y
PTB	62%	156%	501%
Household	13%	86%	323%
VN30 Index	11%	6%	26%
VN Index	8%	1%	12%

Major Shareholders (%)

Le Vy	9.07
Le Van Thao	7.69
Le Van Loc	5.65
Nguyen Sy Hoe	5.47
Room for foreign investors	42.12

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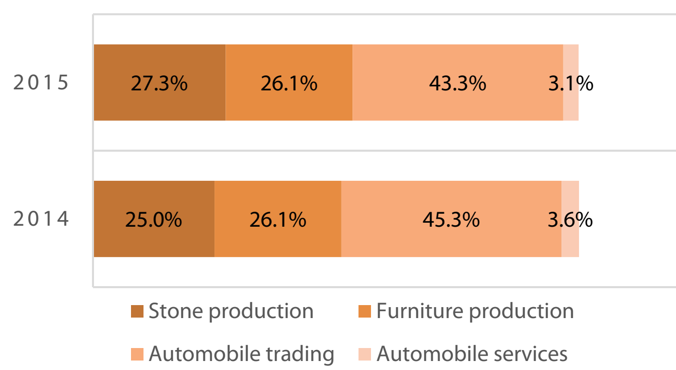
Company overview

Transformed into a JSC since 2004 and officially listed since 2011, Phu Tai JSC operates in 3 main segments including (1) Automobile Trading, (2) Natural stone production and (3) Furniture production. For domestic market, PTB mainly concentrates on Central and South Vietnam, which account for 90% of total revenue; in which, auto trading contributes 43% of total revenue. On the export side, stone products have been selling to European and Asian markets while indoor and outdoor furniture have been shipping to European and American markets, contributing largely to total export revenue.

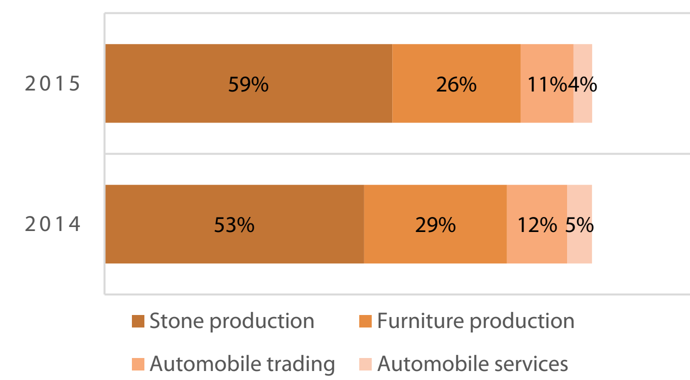
In 2015, auto trading hold biggest proportion in total revenue (43.3%) but only contributed 11% of total gross profit. Meanwhile, stone production and furniture production segments contributed about 59% and 26% respectively to total gross profit. Thus, we believe that PTB's prospect depends on stone production and furniture production rather than auto trading.

Exhibit: Revenue structure of PTB



Source: PTB

Exhibit: Gross profit structure of PTB



Source: PTB

Stone production segment – occupies outstanding advantages in the industry and is expected to achieve positive growth due to strong demand

Being the leading company in stone production in Binh Dinh and continues to invest in expanding

*Vast reservoirs stone mines with lengthy license period***.** Looking at the statistics of Natural Resources and Environment Binh Dinh, Phu Tai JSC is currently the leading firms by owning the largest exploited area, which is about 81.2 hectares. This area includes (1) Hon Cha, (2) Nui Ngang, (3) Son Trieu and (4) Phu My mines with estimated reservoir greater than 10 million m3 per year. Apart from mines at Binh Dinh, PTB also owns various mines such as Phu Yen, Dak Nong, Van Canh, Khanh Hoa, …. which are located mainly in South and Central Vietnam. Natural stone products are considered the main source for revenue and profit of PTB stone production segment. Currently, the remaining reservoir and license period of PTB mines vary between 15 to 35 years. Hence, we do believe that Phu Tai mines can sufficiently guarantee stable material inputs for stone production.

Enhancing production capacity. At Binh Dinh, there are about 35 firms operating in stone production with total capacity of approximately 4.5 million m2/year. As owning large exploited area, PTB is also the leading firm with total production capacity at about 2 million m2/year. Currently, PTB owns 5 factories including (1) Factory 380 and (2) Nhon Hoa Factory in Binh Dinh, (3) Dak Nong Factory, (4) Khanh Hoa Factory and (5) Dong Nai Factory with total production capacity of Phase 1 at about 375,000 m2/year. Currently, two factories in Binh Dinh are running at full capacity. Thus, in 2016, PTB plans to raise its production capacity through expanding capacity in Dong Nai factory. Particularly, based on our estimation, phase 2 with total production capacity at about 350,000 m2 per year would fully complete in 2Q2016. Total investment capital is estimated at about VND 50-60 bn.

Table: Reserves and length of license period of PTB mines

No	Mines	Reservoir (m3)	Location	License period (years)
1	Van Canh*	41,000	Binh Dinh	>12
2	Son Trieu	6,183,936	Binh Dinh	>35
3	Phu Yen*	49,700	Phu Yen	>15
4	Nui Ngang	1,878,186	Binh Dinh	>20
5	Hon Cha	230,191	Binh Dinh	>20
6	Phu My	2,862,810	Binh Dinh	>22
7	Bon Pinao	2,396,955	Dak Nong	>25

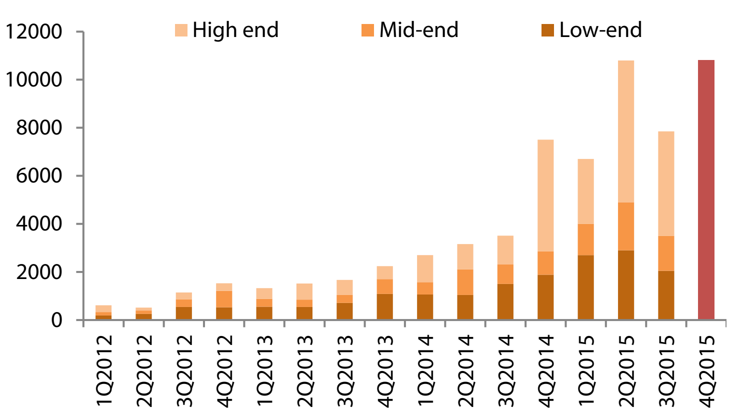
**Operation of Van Canh mines is ceasing*
** Phu Yen mines belongs to subsidiary – Phu Yen JSC*
Source: Phu Tai JSC

Raising condos supply would boost domestic demand of stone production

Since mid-2014, revising law on housing and law on real estate business has stimulated real estate industry, subsequent to a brisk fall in the total unsold inventory level, a surge in transaction volumes and secular price recovery across all segments of the residential market. In fact, according to CBRE, total annual sales in Hanoi and HCMC in Q4/2015 is about 6,306 units (+51% yoy) and 10,108 units (+44% yoy), respectively. According to the statistical results of Ministry of Construction in Q12016, nationwide unsold inventory has been about VND 44,875 bn, down by 6% mom and by 36% yoy.

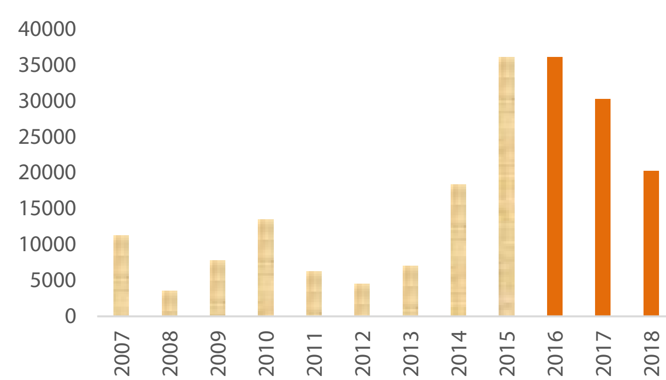
In 2016, Vietnam real estate market outlook, CBRE believes that supply would reach its peak during 2015 -1H2017, especially in affordable and mid-end segment. Since 2018, due to lack of supply, growth rate might slow down. Hence, we believe that this factor would have a positive impact on construction material segment as a whole and granite stone product in particular over the short – term.

Exhibit: Condos sale volume in HCM city



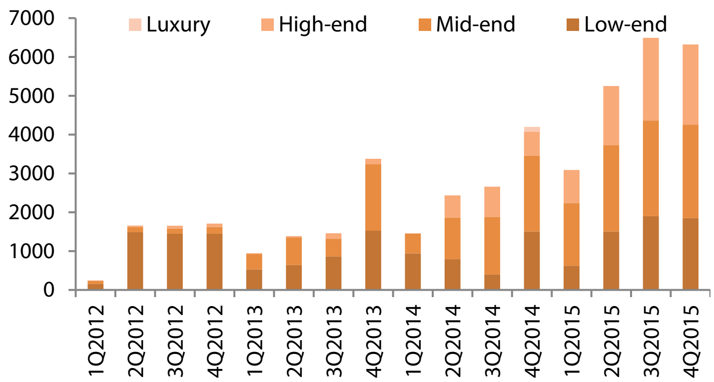
Source: CBRE

Exhibit: Expected annual sale volume in HCM city



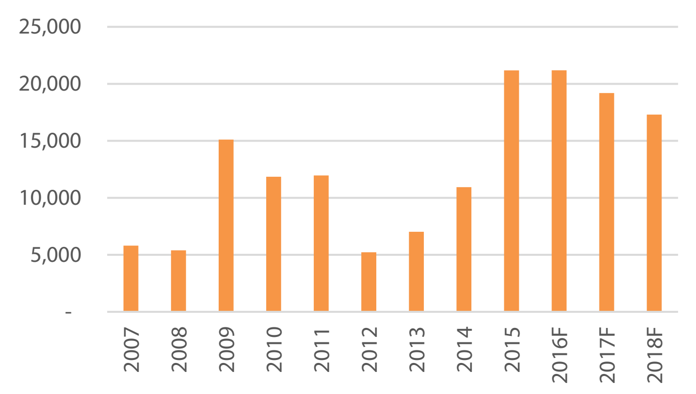
Source: CBRE

Exhibit: Condos sale volume in HN



Source: CBRE

Exhibit: Expected annual sale volume in HN city



Source: CBRE

Fierce competition in granite markets

Looking at granite market, domestic products are mainly competing with Chinese products. According to the ACFTA free trade agreement, import tariff for stone products such as granite, pocfia, bazalt…. was completely abolished since 01/01/2016. Even before lifting tariff, selling prices of Chinese products tends to be lower than domestic products by thousands dong per square. Thus, as low selling prices offset low quality product including strength and veins, Chinese products could compete with domestic products. Apart from competing with foreign products, PTB has to face fierce competition with domestic products, especially with Hoan Cau Granite in South region (See comparison between PTB and Hoan Cau Granite in appendix 1).

PTB main export market of granite product is Turkey. In Feb 2016, Ministry of Industry and Trade confirmed that Turkey made its final decision regarding of imposing an anti-dumping duty of US$174 per metric ton on granite imported from Vietnam. In its final report, 2/5 of the companies under investigation were able to provide satisfactory proof of the Vietnamese origin of their products and hence will not face anti-dumping tax; in which, one of them is PTB. Upon on the above advantage, company sets a plan to push sale volume in Turkey, expecting 2016 export sale volume to increase by 50% yoy.

Even facing a fierce competition in stone production industry, we believe that PTB products have achieved strong brand awareness in the market and could cope with competitive pressures from both domestic and foreign competitors. However, quality of stone products is subjected to the depth of exploitation; which means lesser quality with deeper exploitation subsequent to smaller gross margin. With the current level of exploitation, quality of stone products of PTB is hard to identify and hence it should be a long term risk that could directly affect gross margin.

Increasing environmental tax rate would have a slight impact on PTB earnings results

At the end 2015, with the consensus of National Assembly, environmental tax rate of mineral and non-mineral metal and mineral water were required to adjust. Notably, on 01/01/2016, tax rate for granite stone production was up from 10% to 15%; celling tax rate is 20%. The table below demonstrates the adjustment tax rate of granite stone products relating to PTB. According to our calculation, the adjustment impacts slightly on profit. In 2015, environmental expenses/ revenue equaled to about 0.3%. For the new tax rate, this expense would go up by 0.2%. Particularly, with the assumption that (1) Tax rate would increase by 5% (excluding celling tax rate), (2) Sale volume could go up by 7%, environmental expense is forecasted to increase from VND 10 bn in 2015 to

VND 20 bn in 2016.

Table: Environmental tax rate

No	Goods		Units	Tax rate (old)	Tax rate (New)
	Granite products	Exploited location			
01	Purple	Phu Cat	Dong/m3	2,100,000	01
02	White	Phu My	Dong/m3	2,500,000	02
03	Grey white	Phu Cat, Phu My, Tuy Phuoc, Tay Son	Dong/m3	2,500,000	03
04	Yellow	Hon Cha	Dong/m3	4,000,000	04

Source: thuvienphapluat

Under the base case that (1) Phase 2 of Dong Nai factory would fully operate, (2) increasing demand thanks to the recovery of real estate industry, (3) Increasing export turnover and (4) Steady selling prices, we forecasted that revenue and gross profit of stone production segment could record about VND 1,007.4 bn (+27.6% y-o-y) and VND 357.5 bn (+34% y-o-y) respectively.

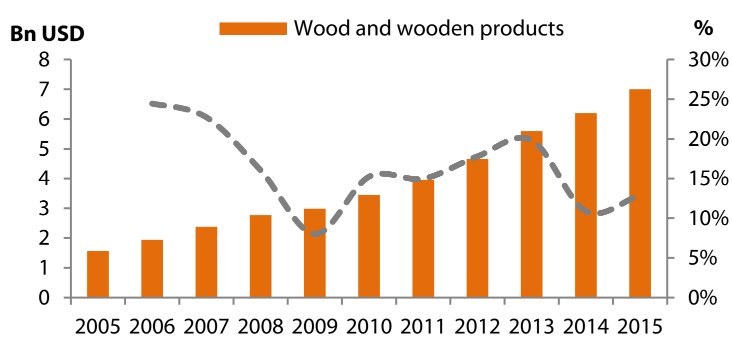
Wooden product segment – Expected higher gross margin

Operating in industry that have optimisc outlook and being one of the top growth rate in the industry

Expecting an increase in exports as free trade agreement taking effect. Currently, Vietnam ranks seventh largest wood exporters after China, Germany, Italy, Netherlands, US and Mexico. Specifically, 2015 wooden export value of Vietnam was more than $7 billion, equivalent to nearly 3% of total global exports. Vietnam has experienced positive growth rate for over 10 years; in which, wooden exports recorded two-digit growth rates. For the long – term, a brighter prospect for Vietnam timber industry is expected given that various free trade agreement such as TPP, Vietnam –EU and VPA/FLEGT will take effect.

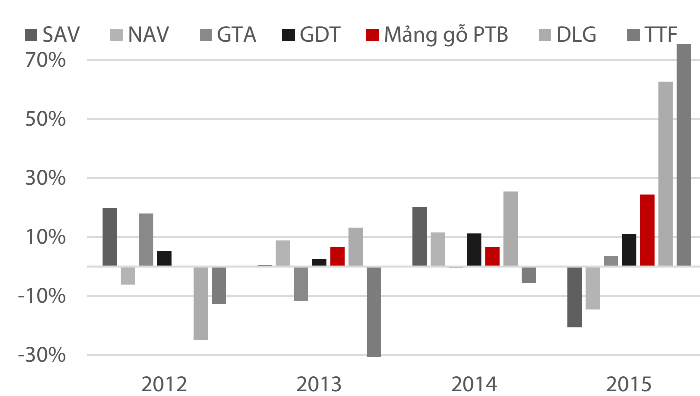
PTB's performance is better than peers. In contrast to stone production segment, wooden prospect greatly depends on export market. In fact, ratio of export revenue over total revenue of wooden production was up by 6%, reached 71% in 2015. Currently, PTB has been exporting to both European and American markets. In 2015, firm succeeded in exporting into two new markets, including Russia and US. Hence, total revenue was up by 24.4% and gross margin was equal to 14.9%. Looking at the wooden industry, revenue growth rate and gross margin of PTB ranked at third position among 7 listed companies.

Exhibit: Furniture export value of Vietnam during 2005 -2015



Source: Customs of Vietnam

Exhibit: Revenue growth rate of timber industry



Source: Rong Viet Research

Increasing interior furniture production resulting in better gross margin

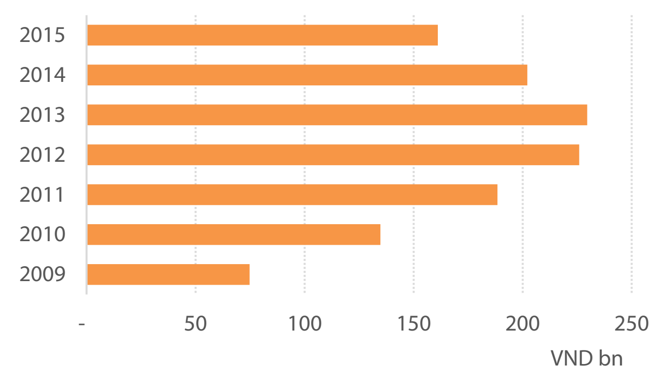
Currently, the ratio for interior and exterior furnitures of PTB is estimated at about 75:25. In 2016, PTB expects to improve its wooden profit margin supported by increasing proportion of interior furniture, which has higher margin than exterior furniture. With the above plan, PTB bought Vina G7, which specializes in producing and trading exterior furniture. Thus, the ratio of interior: exterior may shift to 60:40 given that the production capacity of Vina G7 plant is about 300 containers per year.

Table: Overview about Vina G7 JSC

Facilities	4 factories and 1 warehouse (30.000m2)
Production capacity	300 containers/ year
Products	Indoor Furniture
PTB ownership (%)	75%
Customers	35% Japan
	65% Europe

Source: Vina G7

Exhibit: Revenue of Vina G7 (VND bn)



Source: Vina G7

Combining assumption about revenue and profit along with discount rate for risk, we forecasted that revenue and profit of PTB could achieve VND 976.9 bn (+22.8% yoy) and VND 156.3 bn (+32% yoy). Vina G7 is expected to contribute about 12% to total wooden revenue. Gross margin would slightly improve from 14.9% to 15.0% in 2016.

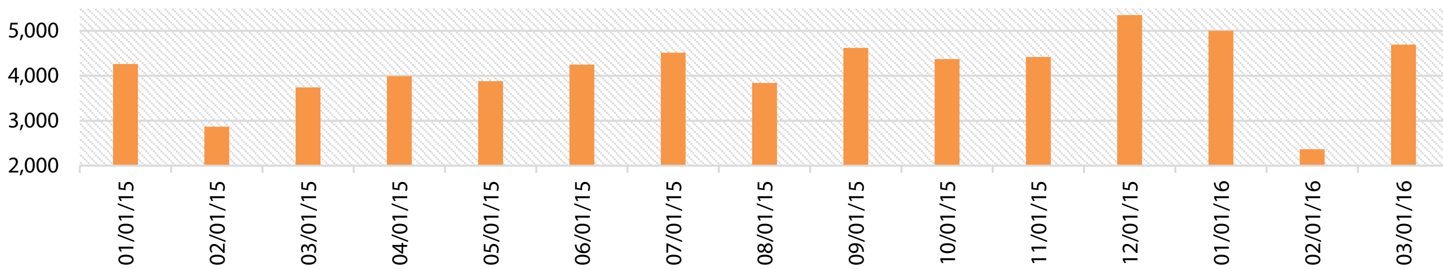
Automobile trading and services segments – expected a slight increase in demand

Automobile trading market has been slowing down after an explosive period. Particularly, in 3M2016, total sale volume reached 59,685 cars (+5% yoy) for the whole market; in which, total sale of passenger cars and commercial vehicles were 33,782 cars (+5% yoy) and 22,005 cars (-3% yoy) respectively. Major brands including Toyota, Kia, Thaco, …. recorded positive growth rates, but lower than the same period last year. Notably, Toyota, the leader in Vietnam automobile market, recorded 10% growth rate for 3M2016 while the number for the same period last year was 46%.

Despite having impressive growth rate (24%) in 2015, Toyota sets 2016 annual target at about 55,000 cars (+10% yoy). 2016 growth rate is expected to be stable driven by (1) adjustment of import tariff calculation method and (2) adjustment of special tax rate. As the official 3S dealer of Toyota in Binh Dinh and Da Nang, PTB owns geographical advantage of not directly competing with other dealers in the same brand. Currently, based on our estimation, PTB accounts for 3.4% market share of Toyota cars. For total sale volume, with the current showroom, 2016 would not be a remarkable year for PTB as last year. However, whether total sale volume could surge depends on the possibility of opening new showroom, which have not yet been decided by PTB. Based on our study, PTB could record revenue and gross profit of automobile trading at VND 1,479 bn (+ 12.1% yoy) and VND 52.7 bn (+8% yoy) given that (1) PTB could sell about 2.100 cars and (2) Selling prices remain unchanged.

In term of auto services segment, we believe that short – term prospect of this segment is bright thanks to impressive sale volume of automobile market during 2014-2015. We forecasted that this segment could record revenue and gross profit at about VND 119.4 bn and VND 22.9 bn.

Exhibit: Expected sale volume of Toyota from 1/2015- 03/2016



Source: VAMA

Valuation methods

(1) SOTP

No	Mines	Reservoir (m3)	Reservoir (m2)	Location	License period*	Types	Selling prices (dong)	NPV (million dong)
1	Son Trieu	6,183,936	206,131,200	Binh Dinh	35	Construction stone	100,000	148,395
2	Nui Ngang	1,878,186	62,606,200	Binh Dinh	20	Granite	490,000	205,416
3	Hon Cha	230,191	7,673,033	Binh Dinh	20	Granite	570,000	29,286
4	Phu My	2,862,810	95,427,000	Binh Dinh	22	Granite	570,000	371,383
5	Bazal Bon Pinao	2,396,955	79,898,500	Dak Nong	25	Basal	150,000	83,564

*Source: PTB, RongViet Research, * the remaining years of license*

Applying (1) WACC at about 13.36%, (2) Timeline inherent to the remaining license period, (3) OCF/Revenue ratio is about 20%, we estimated that NPV for PTB mines is about VND 838 bn. The above calculation did not include Van Canh mine as it ceased the operation and Khanh Hoa mine as PTB has not have an official exploited license yet. We use EV/EBITDA valuation method for the remaining business segments including (1) Imported stone, (2) Auto trading and (3) Furniture production.

By using SOTP valuation method, the appropriate value of PTB stock is about 132,000 dong per share.

Segments	*2016 EBITDA*	*Relative valuation method*	*EV/EBITDA trailing 12T*	*Value (VND bn)*
Imported stone	21	Multiple	6.3	131
Furniture product	134	Multiple	8.7	1,164
Automobile trading and services	77	Multiple	7.4	569
Mines value				**838**
Enterprise value				**2,703**
Equity value				**2,382**
Share price				**132,335**

(2) P/E valuation method

We determine the appropriate PE for PTB through measuring PE of each industry and the proportion was defined according to the contribution of each segment in total gross profit. In our opinion, by owning (1) vast reservoir, lengthy license period in stone production segment and (2) geographical advantage for auto trading segment and (3) bright prospect for furniture production, PTB outlook is at the top of its industry therefore the appropriate PE for PTB should be higher than industry average by at least 10%. Thus, we determine that PTB's PE should be about 10.7x.

	Gross margin structure	*P/E*
Stone production	59%	9.3
Furniture production	27%	11.2
Auto trading	9%	5.9
Average PE		**9.5**

(3) FCFF valuation method

PV of FCFF (million dong)	3,537,250
- Debt (million dong)	494,999
+ Cash and cash equivalent (million dong)	152,102
Equity value (million dong)	**342,897**
No of shares	18,000,791
Value of shares (dong)	**165,156**

By using FCFF valuation method with the assumption that (1) WACC at 13.4%, (2) g for FCFF at about 3.9%, we estimate that the fair value for PTB is about 165,000 dong.

From the above three methods SOTP, PE, FCFF with proportion at about 30%, 60% and 10% respectively, we determine that the fair value for PTB is about 130,200 dong per share.

Valuation method	Stock price	Proportion	Average
FCFF	165,156	10%	16,516
P/E	124,090	60%	74,454
SOTP	132,335	30%	39,701
Target price (dong)		100%	**130,670**

Outlook and valuation

Phu Tai JSC operates in three main segments including (1) Stone production, (2) Furniture production (3) Auto trading. Vast reservoir, favorable location for exploited activities, good market orientation, expanding production capacity are factors which would greatly support stone production segment, the main profit driver of PTB. Apart from stone production segment, earnings result is expected to improve thanks to (1) Stable growth rate of auto trading segment and (2) higher margin of furniture segment.

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Appendix 1

Table 1: Production capacity of PTB and Hoan Cau Granite

Products	PTB		Hoan Cau Granite	
	Factories	*Production capacity*	*Factories*	*Production capacity*
Marble stone	Dong Nai	>80,000 m2/year	IBS Bình Dương	200,000 /year
			Hoan Cau Granite	200,000 m2/year
			IBS Long An	400,000 m2 /year
Granite stone	380	200,000 m2/year	Hoan Cau Granite	1,000,000 m2 /year
	Khanh Hoa	1,000,000 m2/year	IBS Long An	1,000,000 m2/year
	Bazal			
	Dong Nai	350,000 m2/year(P1) 375,000 m2/year(P2)		
Non-natural stone			IBS Long An	1,000,000 m2 /year
Construction stone	Nhon Hoa	200,000 m2/ year		

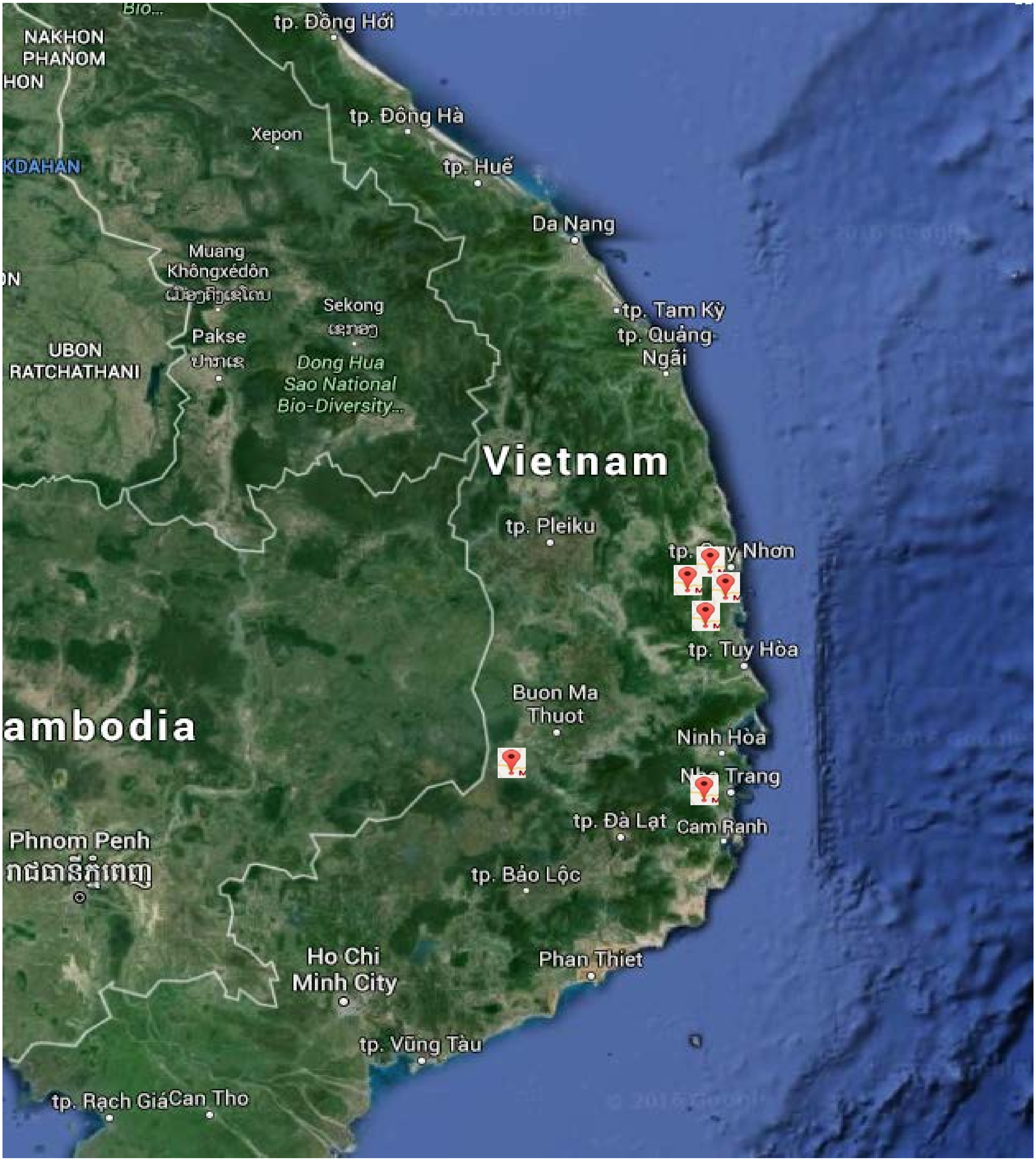
Source: ISB, PTB, RongViet Research

Table 2: Reservoir of PTB and Hoan Cau mines

	PTB		Hoan Cau Granite		
Mines	*Location*	*Exploited area*	*Mines*	*Location*	*Exploited area*
Son Trieu	An Nhon, Binh Dinh	10 hectares	Red Ruby	An Trường, Binh Dinh	10.8 hectares
Nui Ngang	Phu Cat, Binh Dinh	9.5 hectares	Purple stone	Phu Cat, Binh Dinh	5.25 hectares
Phu My	Phu My, Binh Dinh	21.7 hectares	White stone	Phu My, Binh Dinh	10 hectares
Hon Cha	Tuy Phuoc, Binh Dinh	40 hectares	Yellow stone	Tuy Phuoc, Binh Dinh	68 hectares
Bazal Bon Pinao	Dak Nong	3 hectares			

Source: ISB, PTB, Binh Dinh Natural Resource Ministry, RongViet Research

Appendix 2
Exhibit: Location of PTB mines

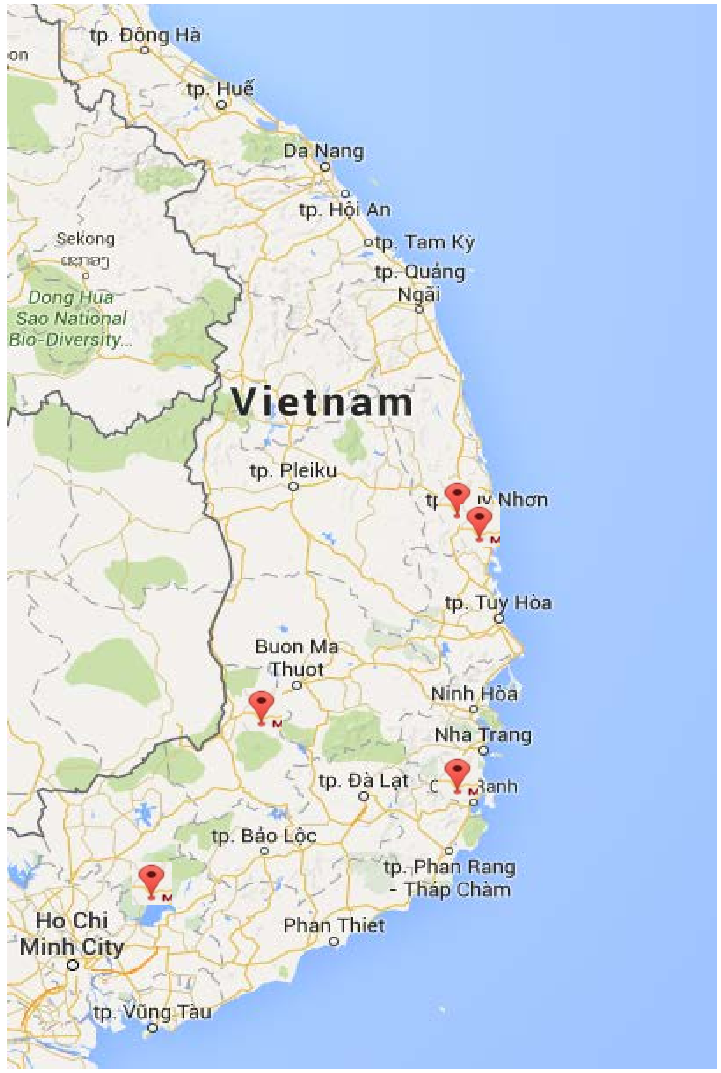


Source: RongViet Research

Exhibit: Location of PTB showrooms

Source: RongViet Research

Exhibit: Location of PTB factories



Source: RongViet Research

VND Billion

INCOME STATEMENT	2014	2015	2016F	2017F
Revenue	2,451.9	3,045.9	3,656.9	3,892.8
COGS	2,098.0	2,594.6	3,095.6	3,278.8
Gross profit	**353.9**	**451.3**	**561.3**	**614.0**
Selling Expense	83.3	108.8	132.9	134.4
G&A Expense	71.4	87.8	106.3	112.9
Finance Income	4.3	9.9	12.1	17.5
Finance Expense	30.3	36.6	33.5	37.7
Other profits	4.8	7.2	9.3	10.0
PBT	**150.1**	**235.2**	**310.0**	**356.4**
Prov. of Tax	29.0	52.3	62.0	71.3
Minority's Interest	9.6	10.0	14.9	17.1
PAT to Equity Shareholder	**111.5**	**172.9**	**233.1**	**268.0**
EBIT	**175.6**	**257.4**	**333.8**	**382.2**
EBITDA	175.6	353.2	456.4	512.9

%

FINANCIAL RATIO	2014	2015	2016F	2017F
Growth				
Revenue	14.4%	24.2%	20.1%	6.5%
Operating Income	38.6%	27.8%	26.5%	13.9%
EBITDA	-18.7%	101.1%	29.2%	12.4%
EBIT	18.6%	46.5%	29.7%	14.5%
PAT	20.9%	55.0%	34.9%	15.0%
Total Assets	18.5%	13.8%	24.0%	14.6%
Equity	22.6%	53.3%	40.1%	26.7%
Internal growth rate	17.3%	41.6%	32.7%	29.3%
Profitability				
Gross profit/Revenue	14.4%	14.8%	15.3%	15.8%
Operating profit/ Revenue	8.1%	8.4%	8.8%	9.4%
EBITDA/ Revenue	7.2%	11.6%	12.5%	13.2%
EBITDA/ Revenue	7.2%	8.4%	9.1%	9.8%
Net margin	4.5%	5.7%	6.4%	6.9%
ROAA	11.1%	14.8%	16.8%	16.2%
ROIC or RONA	47.3%	54.9%	52.7%	46.0%
ROAE	37.5%	41.6%	38.6%	33.6%
Efficiency				
Receivable Turnover	10.5	11.9	12.4	10.9
Inventory Turnover	6.5	7.5	7.7	7.4
Payable Turnover	12.7	12.3	11.5	11.2
Liquidity				
Current	1.1	1.1	1.3	1.6
Quick	0.6	0.6	0.8	1.1
Solvency				
Total Debt/Equity	220.2%	144.1%	116.7%	96.0%
Current Debt/Equity	154.6%	92.7%	72.7%	61.1%
Long-term Debt/ Equity	10.9%	2.4%	1.9%	1.6%

VND Billion

BALANCE SHEET	2014	2015	2016F	2017F
Cash and equivalents	127	152	205	437
Short-term investment	1	25	35	70
Receivables	275	237	355	358
Inventories	325	367	433	456
Other current assets	28	33	30	33
Total Current Asset	**756**	**815**	**1,057**	**1,354**
Tangible Fixed Assets	283	397	451	381
Intangible Fixed Assets	9	12	11	9
Construction in Progress	30	4	5	5
Investment Property	0	0	0	0
Long-term Investment	0	0	0	0
Other long-term assets	12	14	16	17
Long-term Asset	**335**	**427**	**483**	**412**
Total Asset	**1,091**	**1,242**	**1,540**	**1,765**
Payables	100	116	155	154
Other current liabilities	79	128	139	140
Current Debt	507	466	512	545
Long-term Debt	36	12	13	15
Other long-term liabilities	1	2	2	2
Total Liability	**722**	**724**	**821**	**856**
Owner's Equity	**328**	**502**	**704**	**892**
Capital	120	144	180	173
Retained Earnings	108	170	246	340
Funds & Reverses	100	188	278	379
Others	**0**	**0**	**0**	**0**
Total Equity	**328**	**502**	**704**	**892**
Minority's Interest	13	15	15	17
TOTAL RESOURCES	**1,063**	**1,241**	**1,540**	**1,765**

CASH FLOW STATEMENT	2014	2015	2016F	2017F
Profit before tax	150.1	235.2	310.0	356.4
-Depreciation	68.0	95.9	132.0	148.8
-Adjustments	*17.2*	*17.7*	*20.0*	*35.5*
+/- Working capital	-133.2	-45.1	-234.5	-251.9
Net Operating CFs	**102.1**	**303.6**	**227.4**	**288.9**
+/- Fixed Asset	-119.9	-185.5	-185.2	-76.6
+/- Deposit, equity investment	0.0	-25.0	-2.3	-1.2
Interest, dividend, cash profit received	1.1	3.7	0.0	0.0
Net Investing CFs	**-118.8**	**-206.8**	**-187.6**	**-77.7**
+/- Capital	0.0	1.5	35.7	-7.2
+/- Debt	73.6	-64.3	47.3	34.3
Dividend paid & other	-60.0	-18.0	-70.0	-6.0
Net Financing CFs	**13.6**	**-80.7**	**13.0**	**21.1**
+/- cash & equivalents	-3.1	16.1	52.9	232.3
Beginning cash & equivalents	**100.6**	**127.5**	**152.1**	**204.7**
Impact of exchange rate	0.0	-0.5	0.0	0.0
Ending cash & equivalents	**127.5**	**152.1**	**204.7**	**437.0**

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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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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