SHINHAN SECURITIES



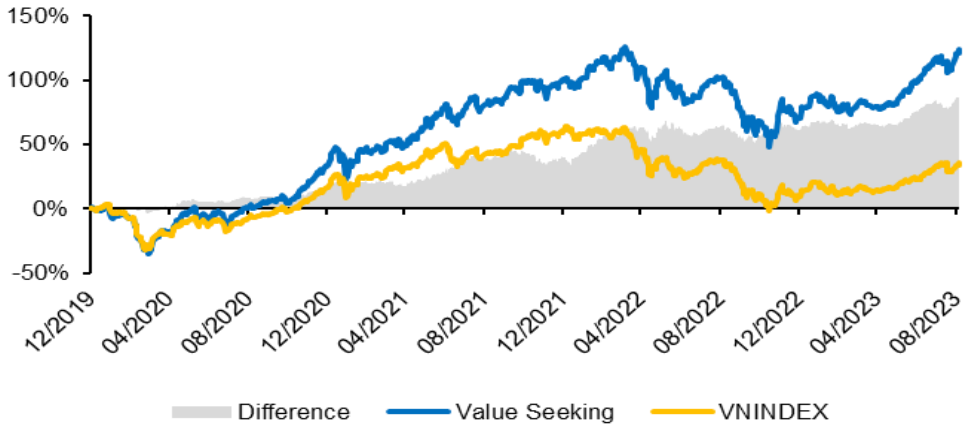
September 08th, 2023

VALUE SEEKING

Portfolio Return	VN-Index Return
⬆ +3.7% MoM	⬆ +0.4% MoM
⬆ +33.0% YTD	⬆ +24.9% YTD

- The Vietnam stock market has gone upward since Q2.2023 and officially surpassed 1200. The FED continued to raise interest rates by 0.25% but the inflation indicators in Q2 showed signs of cooling down, reinforcing the belief that the FED is at the end of the tightening policy period. In Vietnam, GDP in Q2.2023 increased by 4.14% and the inflation in 8M.2023 increased by 3.1% YoY. The SBV continues to cut interest rates for the fourth time and enact many support policies to promote economic growth in the last few months of 2023.
- In terms of investment efficiency, the portfolio's return continuously outperformed the VN-Index's return. HPG's return (+55.8% YTD) made the strongest contribution to the portfolio because of the high expectation towards the steel price recovery. Besides, the return of FPT (+48.6% YTD), FRT (+42.6% YTD), GMD (+39.4% YTD) and the banking stocks (+32.9% YTD) in the portfolio skyrocketed when getting many expectations upon the business results of these enterprises to grow positively in 2H2023 and 2024.
- Updating Q2.2023 business results of Value Seeking portfolio, the total revenue increased by 14.7% YoY (Q1.2023: 1.4% YoY). NPAT Q2 strongly increased by 20.5% YoY (Q1: -1.6% YoY) thanks to the extraordinary income of VHM and GMD. Cumulative 6M2023 business results, total revenue and net profit growth of the portfolio are moderate, recorded +7.4% YoY and 8.1% YoY, respectively.
- In this update, we add Vincom Retail (HSX: VRE) to the "Value Seeking" portfolio. VRE has the position of being the largest retailing real estate developer in Vietnam, with the modern retail shopping center segment showing signs of recovery after the COVID-19 pandemic. Currently, VRE is at an attractive price, corresponding to a high return. VRE is expected to contribute positively to the performance of the "Value Seeking" portfolio.
- In 2023, we assert the Vietnam economic growth rate will cool down to 5%. This is a favorable time for enterprises having strong core business to break out and take the lead in the coming time.

Performance of Value Seeking portfolio and VN-Index



Portfolio Analysis

	Portfolio	VN-Index
P/E Forward	16.5x	12.6x
P/B	3.0x	1.8x
Dividend yield	1.8%	1.5%
EPS growth (3Y)	29.9%	13.7%
ROE	18.8%	12.3%
ROA	7.6%	2.0%
Beta	1.09	1.00
Annualized Return	27.4%	5.6%
Standard deviation	22.9%	21.0%
Sharpe ratio	0.62	-0.03

Sources: SSV, Bloomberg
Data as of September 08th, 2023

Strategy overview

SSV Value portfolio is designed for the purpose of long-term capital growth and focus on Vietnam large cap value stocks. We look for companies:

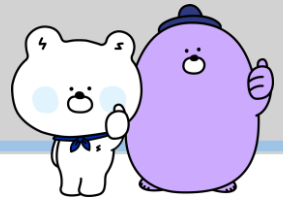
- Leading position sectors
- Attractive valuation
- Having strong fundamentals and management
- Competitive advantages, durable growth

Open account

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Performance disclosures:
The Portfolio's return and characteristics are calculated based on individual securities in the Portfolio as of the date of report. Securities in the Portfolio are subject to change, then past performance is not indicative of future return. For Analyst Certification and Disclaimers, please refer to the Important Disclosures at the end of this report.

Top Large Cap Value Stocks



Shinhan Securities

General information					Share price					Key financials (**)					Valuation (23F)	
No.	Ticker	Company Name	Sector	Mkt. Cap. (VND bn)	CP (VND)	TP* (VND)	Upside (%)	1M (%)	YTD (%)	NPAT margin (%)	Dividend yield (%)	Debt to Equity	ROA (%)	ROE (%)	P/B (x)	P/E (x)
1	HPG	Hoa Phat Group	Steel	167,175	28,750	29,400	2.3	5.7	59.7	6.0	0.0	0.6	(1.0)	(1.9)	1.7	23.0
2	TCB	Techcombank	Banking	124,334	35,350	43,400	22.8	4.0	36.8	46.6	0.0	1.8	2.6	15.8	1.1	7.6
3	MBB	MB Bank	Banking	99,589	19,100	29,900	56.5	-0.5	31.7	31.4	2.3	1.2	2.5	24.3	1.6	7.7
4	VCB	Vietcombank	Banking	500,224	89,500	99,800	11.5	-1.3	32.1	40.6	0.0	2.4	2.0	23.6	3.5	16.3
5	GAS	Petro Vietnam Gas	Power	195,606	102,200	113,000	10.6	4.6	4.3	14.7	3.5	0.1	14.5	20.4	3.1	16.3
6	FPT	FPT Corp.	Technology	123,949	97,600	98,700	1.1	17.3	49.4	12.1	2.0	0.5	10.0	26.6	5.1	20.6
7	FRT	FPT Retail	Retail	11,717	86,000	91,400	6.3	8.7	44.4	1.3	0.5	2.6	(0.5)	(2.5)	5.4	39.8
8	VNM	Vinamilk	F&B	167,196	80,000	83,000	3.8	7.4	8.6	14.2	4.9	0.2	15.7	21.7	4.0	19.8
9	GMD	Gemadept	Logistic	19,822	64,800	62,400	-3.7	10.8	42.7	25.5	1.9	0.3	18.0	28.5	1.7	7.8
10	VHM	Vinhomes	Real estate	235,136	54,000	79,500	47.2	-14.0	12.5	46.2	0.0	0.2	12.7	31.4	1.5	6.6
11	VRE	Vincom Retail	Real estate	67,261	29,600	37,700	27.4	-4.5	12.5	37.7	0.0	0.6	8.8	10.9	1.9	16.1

* Target price (fair value) for the next 12 months

** Data for 12 months up to Q2/2023

Source: SSV Research, Bloomberg

Data as of September 08th, 2023

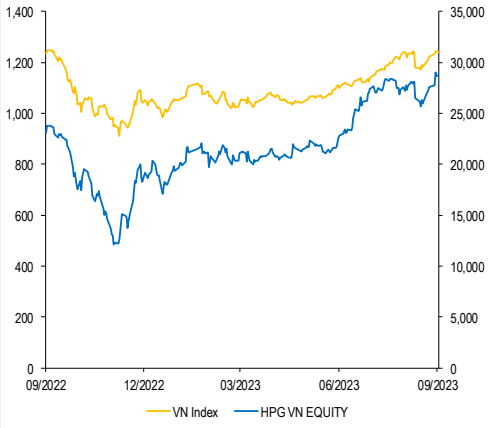
SSV Research

Hoa Phat Group JSC.
(HPG VN)



TARGET PRICE (VND)	
29,400	
CURRENT PRICE (VND)	UP/DOWNSIDE
28,750	**2.3%**
VNINDEX	**1,241**
P/E 1Y Forward (x)	**12.5**
Market Cap. (bn VND)	**167,175**
Outstanding Shares (mn)	**5,815**
Free Floating Shares (mn)	**3,156**
Free Floating (%)	**54.3**
52-Wk High (VND)	**29,300**
52-Wk Low (VND)	**11,800**
3M Avg. Trading Vol. (mn)	**23.70**
3M Avg. T/O (bn VND)	**699**
Beta (12M)	**1.4**

	3M	6M	12M
Absolute	**26.1**	**35.6**	**24.5**
Rel. to VNINDEX	**14.0**	**17.7**	**25.0**



Source: Bloomberg

Investment points

- Hoa Phat Group (HoSE: HPG) is the No. 1 steel production enterprise in Vietnam as well as Southeast Asia; Top 50 world largest steel companies; Operating in 4 main fields: cast iron, steel products, agriculture, and real estate. HPG holds the leading position in the domestic market in construction steel (32%) and steel pipe (27%); the only Vietnamese enterprise that can produce HRC (Hot Rolled Coil).

Update business result: In Q2.23, HPG recorded revenue of VND 29,496 bn (-21.2% YoY) and NPAT of VND 1,447.8 bn (-64% YoY). Although domestic demand for construction steel and HRC is still weak, HPG's NPAT margin reached 4.9%, improving from 1.4% in Q1.23. The main growth driver comes from HRC exports, accounting for 47% of total HRC consumption in Q2.23 (Q2.22 only accounted for 3%); HRC consumption increased by 52% QoQ and 11% YoY (reaching 734 thousand tons). HPG's operating capacity also enhanced, reaching 72% in Q2.23 (compared to the bottom of 65% in Q1.23). Currently, HPG is still focusing on investing in the Dung Quat 2 project (period 2023-2024) and has completed 30% of the project plan; expected to be completed in 2025, with a capacity of 5.6 mn tons of HRC/year.

Besides, HPG restarted the last blast furnace at Dung Quat in July (capacity 1.4 million tons/year). However, the blast furnace No. 3 in Hai Duong (capacity 1.2 million tons/year) will be temporarily shut down from September and be under maintenance for 3 months. Therefore, the improvement of production output in Q3 will store finished products for Q4. According to HPG, the company has export orders for HRC until September, helping to maintain HRC consumption in Q3 at 250 thousand tons/month. Although HPG's average selling price decreased by 28% YoY compared to the high base in 2022, the pre-signed orders have helped HPG increase the HRC selling price (Q2 increased by 7% QoQ).

Construction steel: Q2 consumption decreased by 25% YoY and 10% QoQ (reaching 784 thousand tons) due to weak domestic demand and weak exports. In addition, the domestic construction steel price decreased by 12% from its peak in March 2023 (VND 15.9 mn VND/ton), to the lowest level since 2021, due to weak demand and adjusted input material costs (coal, scrap).

Steel price is expected to improve thanks to China's supporting policies in 2H23 for its domestic economy and real estate market. However, China has not announced any specific solution and it may take more time for the policies to impact significantly on actual demand.

Accumulated in 6M2023, HPG's revenue and NPAT reached VND 56,085 bn (-31.2% YoY) and VND 2,234 bn (-83.2% YoY), respectively, completing 37.4% and 23% of the 2023 target plan. Steel still accounts for the largest proportion, contributing 93% of HPG's revenue and NPAT in 1H23.

Risks: (1) Steel prices decrease; (2) Input raw materials prices increase; (3) Risk from competing with other steel producers in China; (4) World economic risk; (4) Real estate market risk.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	63,658	90,119	149,680	141,409	115,249
OP (bn VND)	9,743	17,123	37,664	13,078	10,636
OP margin (%)	15.3	19.0	25.2	9.2	9.2
NP (bn VND)	7,527	13,450	34,478	8,484	7,431
NP margin (%)	11.8	14.9	23.0	6.0	6.4
EPS (VND)	1,294	2,191	5,512	1,452	1,250
ROE (%)	17.1	23.9	42.8	9.0	7.4
P/E (x)	8.6	10.8	6.5	12.4	23.0
P/B (x)	1.4	2.3	2.3	1.1	1.7

Source: Bloomberg, Shinhan Securities, Data as of 08/09/23

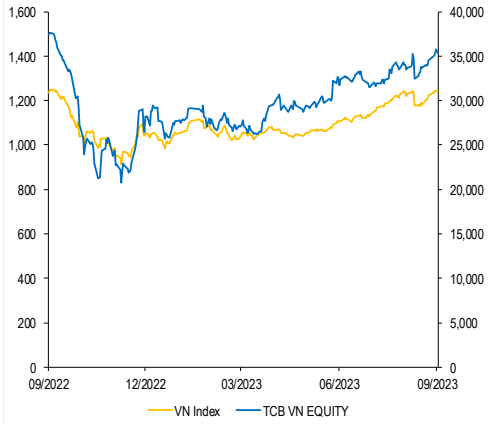
Vietnam Tech. & Com. JS Bank - Techcombank (TCB VN)



Shinhan Securities

TARGET PRICE (VND)	
43,400	
CURRENT PRICE (VND)	UP/DOWNSIDE
35,350	**22.8%**
VNINDEX	**1,241**
P/E 1Y Forward (x)	**12.5**
Market Cap. (bn VND)	**124,334**
Outstanding Shares (mn)	**3,517**
Free Floating Shares (mn)	**2,714**
Free Floating (%)	**77.2**
52-Wk High (VND)	**37,900**
52-Wk Low (VND)	**19,300**
3M Avg. Trading Vol. (mn)	**5.08**
3M Avg. T/O (bn VND)	**182**
Beta (12M)	**1.3**

	3M	6M	12M
Absolute	**11.3**	**29.5**	**-5.5**
Rel. to VNINDEX	**-0.8**	**11.6**	**-4.9**



Source: Bloomberg

Investment points

- Vietnam Technological and Commercial Joint Stock Bank (HoSE: TCB) is one of the largest retail banks in Vietnam. TCB focuses on investing in technology, building digital - data system with talented personnel program. The bank is leading in many critical indicators such as ROA, NPL. Techcombank aims to be in the top 10 best banks in ASEAN region, with a market capitalization of USD 20 bn, CASA at 55% by 2025.

Update business result: At the end of 6M2023, net interest income (NII) decreased by 19.4% YoY, recording VND 12,821.7 bn. Conversely, non-interest income grew well (+15% YoY) thanks to the growth in card fees, payments, and other income from selling investment real estate. Total operating income (TOI) of TCB reached VND 18,625 bn (-11% YoY). The CIR ratio has a positive enhancement, reducing to 30.8% from 41.9% at YE2022. Shrinking NIM and increasing cost of funds caused the accumulated EBT to decrease by 20.1% YoY, reaching VND 11,272 bn and completing 51% 2023 plan.

At the end of Q2, TCB was still in the top 2 leading banks in CASA. This ratio shows signs of bottoming out after falling sharply from 50.4% at the end of Q1.2022 to 32% in Q1.2023, and slightly recovering to 34.9% in Q2.2023 thanks to the cooling down of deposit interest rates. In addition, weak credit demand caused TCB to lower loan interest rates, correspondingly squeezing NIM from more than 5.5% in Q1.2022 to 4.33% in Q2.2023. Thereby, TCB's 6M23 accumulated NII decreased by about 19.4% YoY, reaching VND 12,822 bn.

TCB's 6M23 credit balance increased by 9.7% YTD, higher than the industry average (4.03%). This growth is concentrated mainly in the group of large corporate customers. Outstanding customer deposits increased by 6.6%. TCB's NPL tends to increase (mainly from individuals and SMEs) but is still at a low level compared to the whole industry, reaching 1.07% at the end of Q2.

2H2023 Outlook: Based on the declining trend of deposit interest rates from YE2022, plus the recovery of TCB's CASA, we expect its cost of funds will be mitigated in 2H23, helping to improve the bank's NIM. NPLs may be flat in 2H23 thanks to the bank's positive regulation impact. Some businesses started issuing bonds again; the bond exchanges market began operating in July 2023, showing positive signs of the corporate bond market in Q2.2023, promoting non-interest income growth of TCB in 2H23.

Risks: (1) The real estate market recovered slower than expected; (2) Lending interest rates declined faster than the cost of funds decrease, causing NIM to continue to shrink. (3) Bad debt increased rapidly.

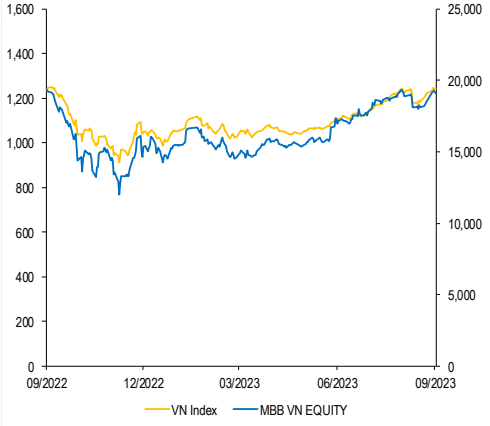
FY	2019	2020	2021	2022	2023F
Net interest income (bn VND)	14,262	18,751	26,699	30,290	30,024
Net non-interest income (bn VND)	6,807	8,627	10,377	10,612	12,421
TOI (bn VND)	21,069	27,379	37,076	40,902	42,445
TOI before provision (bn VND)	13,756	18,411	25,903	27,504	27,825
NPAT (bn VND)	10,226	12,582	18,415	20,150	19,970
EPS (VND)	2,871	3,515	5,137	5,725	5,678
ROE (%)	17.7	18.1	21.7	19.7	16.0
P/E (x)	8.2	9.0	9.7	4.5	7.6
P/B (x)	1.3	1.5	1.9	0.8	1.1

Source: Bloomberg, Shinhan Securities, Data as of 08/09/23

Military Com. JS Bank – MB Bank (MBB VN)

TARGET PRICE (VND)	
29,900	
CURRENT PRICE (VND)	UP/DOWNSIDE
19,100	56.5%
VNINDEX	1,241
P/E 1Y Forward (x)	12.5
Market Cap. (bn VND)	99,589
Outstanding Shares (mn)	5,214
Free Floating Shares (mn)	3,056
Free Floating (%)	58.6
52-Wk High (VND)	20,217
52-Wk Low (VND)	11,478
3M Avg. Trading Vol. (mn)	11.27
3M Avg. T/O (bn VND)	213
Beta (12M)	1.3

	3M	6M	12M
Absolute	9.8	24.8	-3.7
Rel. to VNINDEX	-2.3	6.9	-3.1



Source: Bloomberg

Investment points

- Military Commercial Joint Stock Bank (HoSE: MBB) has had many outstanding achievements recently, reflected in its asset quality, superior profitability, and high credit rating by international rating agencies; Top 4 commercial banks in terms of scale and profit in Vietnam.

- MBB is among the top 3 banks having the highest LLR ratio in the industry. In addition to the advantage of low cost of funds, MBB has high profitability thanks to its diversification of loan portfolio, focusing on developing the retail lending segment to enhance interest income as well as NIM.

Update business result: In Q2.2023, net interest income (NII) reached VND 9,481.4 bn (+5.7% YoY). However, non-interest income decreased by 7.7% YoY (mainly caused by insurance business, down 22.5% YoY), leading to only a slight increase of TOI by +3% YoY, reported at VND 11,560.8 bn.

MBB maintains its leading position in terms of CASA ratio in the banking system. This helps the bank improve NIM and create a competitive advantage over competitors in the market in terms of lending rates. The CASA ratio is the highest in the commercial banking group, reaching 37.06% (+1.6% compared to Q1); Expected to continue to improve in 2H2023 thanks to the decreasing tendency of term deposit interest rates.

NIM is expected to bottom out, reaching 4.94% in Q2 and tending to expand in 2H23. The bank's raising fund sources are concentrated in short terms (under 6 months); long-term deposits at the end of Q2 accounted for 8% of total deposits. Therefore, MBB has a flexible turnover rate and changes in the cost of funds. When interest rates go down, the cost of funds quickly falls. Besides, nearly 50% of MBB's lending balances are medium and long-term, with interest rates being re-evaluated every 3-6 months. This leads to a slower change in lending rates than the cost of funds, helping to widen the NIM in 2H2023.

At the end of Q2, thanks to MBB's positive 6M23 credit growth (+10.6% YTD, NII and TOI increased by 13.5% and 2.8%YoY, respectively, reported at VND 19,708.5 bn and VND 23,490.5 bn. MBB's credit growth was also led by a strong increase in customer lending, recording VND 518,071 bn at the end of Q2.23 (+12.5% YTD; 24.7% YoY). MBB's total assets at the end of Q2 reached VND 806,237.6 bn (+10.6% YTD; +22.5 YoY). In addition to the optimistic credit growth, MBB's 1H2023 profit was supported by a 12.8% YoY reduction in provision expenses (equivalent to a decrease of VND 448 bn). MBB's 6M2023 accumulated EBT recorded VND 12,735 bn (+7% YoY), completing 49% of the 2023 target.

In July 2023, the bank was granted a new credit limit by SBV, with a new limit of 24.5%. Expecting an economic recovery in 2H23 as well as the continuation of decreases in interest rates, MBB is likely to achieve a credit growth rate of 24.5% in 2023.

Risks: (1) Economic slowdown/recession; (2) Increase in bad debt; (3) Real estate credit risk; (4) Income from the insurance segment continues to decline.

FY	2019	2020	2021	2022	2023F
Net interest income (bn VND)	18,000	20,278	26,200	36,023	40,964
Net non-interest income (bn VND)	6,650	7,084	10,734	9,570	7,586
TOI (bn VND)	24,650	27,362	36,934	45,593	48,550
OP before provision (bn VND)	14,927	16,807	24,557	30,777	32,526
NPAT (bn VND)	8,069	8,606	13,221	18,155	20,273
EPS (VND)	2,758	2,776	3,133	3,856	3,888
ROE (%)	22.1	19.2	23.6	25.8	11.5
P/E (x)	5.8	7.7	8.6	4.4	7.7
P/B (x)	1.3	1.3	1.8	1.0	1.6

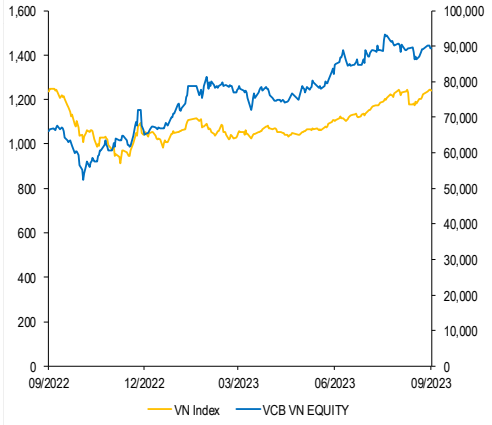
Source: Bloomberg, Shinhan Securities, Data as of 08/09/23

Bank for Foreign Trade of Vietnam - Vietcombank (VCB VN)



Shinhan Securities

TARGET PRICE (VND)			
99,800			
CURRENT PRICE (VND)			UP/DOWNSIDE
89,500			11.5%
VNINDEX			1,241
P/E 1Y Forward (x)			12.5
Market Cap. (bn VND)			500,224
Outstanding Shares (mn)			5,589
Free Floating Shares (mn)			1,408
Free Floating (%)			25.2
52-Wk High (VND)			93,700
52-Wk Low (VND)			52,498
3M Avg. Trading Vol. (mn)			1.08
3M Avg. T/O (bn VND)			106
Beta (12M)			0.9
	3M	6M	12M
Absolute	5.7	14.6	35.5
Rel. to VNINDEX	-6.4	-3.3	36.1



Source: Bloomberg

Investment points

- Vietcombank (HoSE: VCB) is a state-owned bank having the largest market capitalization in the banking industry. VCB has maintained the advantage of being the most efficient bank in business, improved asset quality over the years, and constantly made efforts in the digital transformation. Furthermore, VCB has always oriented towards international standards during its operation, continuously being trusted by prestigious organizations in the world.

- The brand prestige gives state-owned banks like VCB many advantages in mobilizing. VCB has diversification funding sources, a relatively low cost of funds, creating many potentials to improve NIM. Therefore, VCB is not under much pressure to mobilize capital in the context of deposit interest rates increase due to the influence of macro factors. VCB also has a very low proportion of investment in corporate bonds, only 0.6% of total assets at YE2022. Therefore, the direct impact of the corporate bond market on VCB's asset quality is not significant.

Update business result: NII in Q2.2023 was flat compared to Q1, recording VND 14,020.6 bn (+9.6% YoY). Non-interest income remained stable over the same period. However, EBT increased strongly by 25% YoY thanks to opex and provision costs in Q2 decreasing by 2.7% and 7.2% YoY, respectively. At the end of Q2, VCB was still among the top 3 leading banks in terms of CASA, recording at 29%.

Ending 6M2023, VCB's NII and TOI grew positively, reaching VND 28,223.5 bn (+14% YoY) and VND 35,987.4 bn (+10% YoY), respectively. With the advantage of brand and reputation, customer deposits at the end of Q2.23 increased by 6.7% YTD (+3.5% QoQ), along with low funding cost helping VCB have a stable NIM ratio. Vietcombank is among the few banks with improved NIM in Q2; increased slightly by 2 basis points compared to Q1, recording 3.20%, while other banks had an average NIM decrease of 32 basis points.

VCB's accumulated 6M2023 EBT leads the industry, reaching a high record that the bank has ever achieved, recording VND 20,499 bn (+18% YoY), completing 48% of the 2023 target plan.

Regarding asset quality, compared to the picture in 2022, VCB's non-performing loan increased by 25.1%, concentrated mainly in group 3 (+668%) and group 4 (+176%), and decreased in group 5 (-33%), pushing the NPL to 0.83% compared to 0.68% of EY2022. However, NPL remains below 1% and is among the lowest in the industry; the LLR ratio continues to lead the industry, reaching 385.8%. With an excess credit reserve buffer, VCB will be more flexible to any changes happening to asset quality.

Risks: (1) Economic slowdown/recession; (2) Increase in non-performing loan; (3) Exchange rate risk.

FY	2019	2020	2021	2022	2023F
Net interest income (bn VND)	34,538	36,285	42,273	53,246	59,768
Net non-interest income (bn VND)	11,156	12,777	14,357	14,836	16,649
TOI (bn VND)	45,693	49,063	56,630	68,083	76,417
OP before provision (bn VND)	29,819	33,024	38,964	46,832	52,615
NPAT (bn VND)	18,597	18,473	22,017	29,919	34,162
EPS (VND)	4,406	3,387	4,162	5,821	6,111
ROE (%)	22.8	19.0	19.4	22.5	22.9
P/E (x)	20.5	21.9	18.9	13.7	16.3
P/B (x)	4.1	3.9	3.4	2.8	3.5

Source: Bloomberg, Shinhan Securities, Data as of 08/09/23

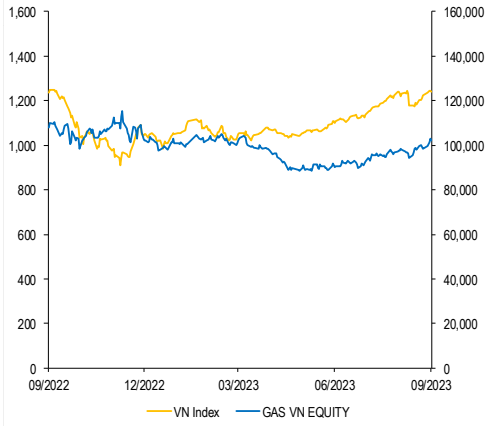
PetroVietnam Gas JS. Corporation
(GAS VN)



TARGET PRICE (VND)	
113,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
102,200	10.6%

VNINDEX	1,241
P/E 1Y Forward (x)	12.5
Market Cap. (bn VND)	195,606
Outstanding Shares (mn)	1,914
Free Floating Shares (mn)	81
Free Floating (%)	4.2
52-Wk High (VND)	120,000
52-Wk Low (VND)	91,600
3M Avg. Trading Vol. (mn)	0.56
3M Avg. T/O (bn VND)	61
Beta (12M)	0.8

	3M	6M	12M
Absolute	9.2	-3.5	-8.6
Rel. to VNINDEX	-2.9	-21.4	-8.0



Source: Bloomberg

Investment points

- Gas Corporation of Vietnam (HoSE: GAS) is the leading enterprise in the gas field in Vietnam, dominating 100% market share of dry gas, and more than 70% market share of liquefied petroleum gas (LPG). Besides, GAS also owns 1,500 km of gas pipelines, 3 gas treatment plants, and 14 LPG storages. Currently, dry gas, LPG, and condensate are the three key business segments of GAS.

- GAS has great growth potential with LNG (Liquefied Natural Gas) power which plays a critical role in the national power system according to power plan VIII. Currently, GAS is the first unit being approved to import and export LNG gas; be the LNG supplier having the largest market share in Vietnam (targeting to acquire 50% the LNG market share in Vietnam).

Update business result: In Q2.2023, the revenue and gross profit decreased by 13% YoY and 37% YoY, in that given order, reporting at VND 24,043 bn and VND 4,343 bn. In 2023, GAS targets input gas to reach 7.9 billion m^3; producing and supplying 7.7 billion m^3 of dry gas, 1.76 million tons of LPG, and 84 thousand tons of Condensate.

In 6M2023, GAS produced and supplied 3.99 billion m^3 of dry gas (+1% YoY), 4% exceeding its plan thanks to the improved consumption of power plant customers (accounting for 75% of total output); 46.4 thousand tons of condensate; 1.1 million tons of LPG (exported nearly 0.3 million tons). Despite the stable consumption volume, GAS's GPM still decreased from 22.8% in Q1 to 18.1% in Q2 due to the influence of the oil price volatility.

Specifically, the average oil price in Q1 was recorded at 80 USD/barrel, decreasing to 78.39 USD/barrel in Q2 (-31% YoY). This decrease affects the selling price of dry gas for power plants and fertilizers from the Cuu Long and Nam Con Son I & II basins (as the peculiarity of the selling price is based on the oil price), while the input materials price in each pool is fixed (only being adjusted for inflation at a fixed rate of 2% per annum).

After 6M2023, GAS's consolidated revenue reached VND 45,257 bn (-16.7% YoY), completing 59% of the 2023 target plan. The accumulated EBT recorded VND 8,266 bn (-23.3% YoY), completing 101% of GAS's conservative plan for 2023 (based on the scenario of yearly average oil price to be 70 USD/barrel).

LNG Thi Vai: GAS completed the first phase of LNG Thi Vai terminal infrastructure and successfully imported the first LNG ship to Vietnam with a volume of 70 thousand tons; undergoing a test run, and ready to be launched into the market. This event opens a new field for Vietnam's energy industry, in line with world trends; diversifying energy sources in the context that domestic natural gas resources are declining, and new large gas fields have not been put into operation on schedule; contributing to realizing the country's goal of reducing CO2 emissions.

Risks: (1) Reduced dry gas output; (2) Average selling price of gas decreased; (3) Block B O Mon came into operation later than expected.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	75,005	64,135	78,992	100,724	88,723
OP (bn VND)	13,649	8,694	10,374	17,799	14,038
OP margin (%)	18.2	13.6	13.1	17.7	15.8
NP (bn VND)	11,902	7,855	8,673	14,798	12,602
NP margin (%)	15.9	12.2	11.0	14.7	14.2
EPS (VND)	6,142	4,028	4,356	7,649	6,283
ROE (%)	25.1	15.9	16.8	26.4	18.5
P/E (x)	15.3	21.5	22.1	13.3	16.3
P/B (x)	3.7	3.4	3.6	3.2	3.1

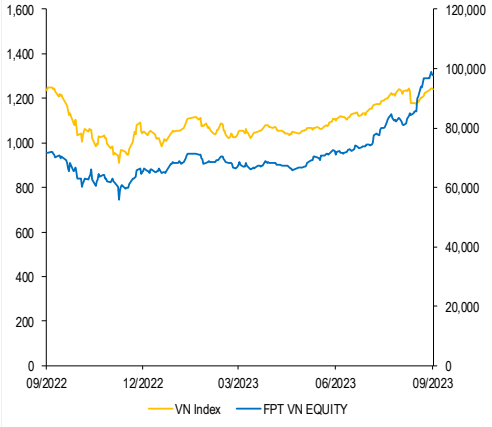
Source: Bloomberg, Shinhan Securities, Data as of 08/09/23

FPT Corporation
(FPT VN)



TARGET PRICE (VND)	
98,700	
CURRENT PRICE (VND)	UP/DOWNSIDE
97,600	1.1%
VNINDEX	1,241
P/E 1Y Forward (x)	12.5
Market Cap. (bn VND)	123,949
Outstanding Shares (mn)	1,270
Free Floating Shares (mn)	1,079
Free Floating (%)	85.0
52-Wk High (VND)	100,800
52-Wk Low (VND)	53,304
3M Avg. Trading Vol. (mn)	1.36
3M Avg. T/O (bn VND)	126
Beta (12M)	0.8

	3M	6M	12M
Absolute	34.3	41.2	33.1
Rel. to VNINDEX	22.2	23.3	33.7



Source: Bloomberg

Investment points

- FPT Corporation (HoSE: FPT) is the leader in the technology sector, with core business fields having huge growth potential and strong financial health. FPT has been rapidly transforming into a global DX pioneer through self-developed B2B products applying the latest technologies such as Artificial Intelligence (AI), Robotic Process Automation (RPA), Blockchain, Cloud computing, and Internet of Things (IoT). FPT's outsourcing rate for clients is only about 20%.

- Revenue generating from three main segments: Technology; Telecommunications; Education & Investment. With an almost complete value chain, FPT can participate extensively in product development, thereby creating a great advantage in bidding and winning large deals with value of over USD 5 million.

Update business plan: In Q2.2023, the consolidated revenue and EBT grew flourishingly, reaching VND 12,484 bn (+23.7% YoY) and VND 2,218 bn (+19.4% YoY), respectively. Accumulated 7M2023 result, FPT's consolidated revenue and EBT recorded VND 28,429 bn (+22.4% YoY) and VND 5,069 bn (+19.5% YoY), in that given order, completing 54% and 56% of the 2023 target plan.

IT segment: Revenue and EBT both increased by ~26.3% YoY, reaching VND 16,918 bn and VND 2,371 bn, respectively, contributing nearly 60% and 47% of the Group's total revenue and EBT. Specifically, revenue from foreign IT services providing grew impressively, reaching VND 13,243 bn (+30% YoY); driven by the Japanese market (+40% YoY) and APAC (+37.4% YoY). Domestic IT services providing revenue recorded VND 3,676 bn (+14% YoY).

Noticeably, the value of newly signed contracts (unearned revenue) from foreign IT services reached VND 16,695 bn (+21.3 YoY) in 7M23, showing the bright growth potential of the revenue stream in the upcoming quarters. FPT sets a target of USD 1 bn in revenue from the foreign IT segment in 2023. We expect business results from the technology segment to grow steadily in 2023 and 2024.

Telecommunication segment: Growth from this segment cooled down due to the declining demand for direct advertising services. Revenue and EBT recorded VND 8,997 bn (+8.5% YoY) and VND 1,787 bn (+6.2% YoY), respectively.

Education & investment segment: Business results continue to maintain impressive growth in 2023. Revenue and EBT respectively reached VND 2,514 bn (+62.9% YoY) and VND 912 bn (+34.1% YoY).

Risks: (1) Lower-than-expected IT services demand due to the prolongation of the economic difficulty scenario; (2) Exchange rate risk; (3) Fierce competition from rivals.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	27,717	29,830	35,657	44,010	52,344
OP (bn VND)	4,147	4,605	5,415	6,795	8,264
OP margin (%)	15.0	15.4	15.2	15.4	15.8
NP (bn VND)	3,135	3,538	4,337	5,310	6,195
NP margin (%)	11.3	11.9	12.2	12.1	11.8
EPS (VND)	2,312	2,593	3,151	3,851	4,736
ROE (%)	21.6	21.7	23.4	24.9	27.2
P/E (x)	13.8	14.4	21.4	17.4	20.6
P/B (x)	2.8	2.9	4.7	4.0	5.1

Source: Bloomberg, Shinhan Securities, Data as of 08/09/23

FPT Digital Retail JSC.

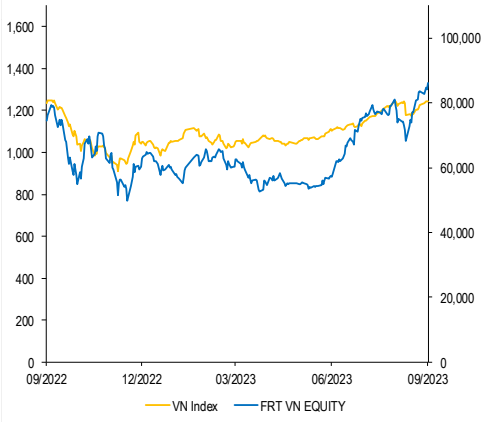
(FRT VN)



Shinhan Securities

TARGET PRICE (VND)	
91,400	
CURRENT PRICE (VND)	UP/DOWNSIDE
86,000	6.3%
VNINDEX	1,241
P/E 1Y Forward (x)	12.5
Market Cap. (bn VND)	11,717
Outstanding Shares (mn)	136
Free Floating Shares (mn)	69
Free Floating (%)	50.5
52-Wk High (VND)	86,000
52-Wk Low (VND)	48,435
3M Avg. Trading Vol. (mn)	1.10
3M Avg. T/O (bn VND)	93
Beta (12M)	1.4

	3M	6M	12M
Absolute	50.3	36.6	14.7
Rel. to VNINDEX	38.3	18.7	15.3



Source: Bloomberg

Investment points

- FPT Digital Retail JSC (FRT Retail, HoSE: FRT) is one of the leading mobile digital products retailers in Vietnam; recording revenue of over USD 1.2 bn in 2022. FRT owns two F. Shop retail chains, equivalent to over 800 stores retailing consumer electronics (ICT).

- At YE2018, FRT was exposed to the pharmaceutical retail field with the Long Chau pharmacy chain, quickly becoming a familiar brand, leading the market with more than 1,200 drugstores spread across the country. The strategy of expanding into the pharma segment is the growth driver of FRT when the consumption demand for non-essential goods like ICT products falls

Update business result: In Q2.2023, the consolidated revenue reached VND 7,170 bn (+15.4% YoY). Notably, Long Chau contributed more than half of FRT's Q2 revenue for the first time, recording VND 3,615 bn (+95.5% YoY). On the contrary, ICT chain revenue kept decreasing due to weak retail demand, reaching VND 3,605 bn (-17.4% YoY).

Pharmaceutical retail segment: Long Chau's competitors slowed down their expansion (Pharmacity: closing inefficient stores and being under internal restructuring; An Khang: MWG has ceased the pharma chain expansion and been only paying attention to the growth of Bach Hoa Xanh chain). In Q2, FRT opened 187 new Long Chau pharmacies (Q1: +119 new pharmacies); recording a total of 1,243 pharmacies, continuing to gain market share. FRT targets to reach 1,400-1,500 Long Chau pharmacies by the end of 2023.

In 6M2023, FRT's consolidated revenue reached VND 14,924 bn (+6.6% YoY), completing 44% of the entire year plan. However, its promotional campaigns to stimulate the consumption of ICT demand caused SG&A costs to be upward by 23.1% YoY, which was the primary reason critically affecting FRT's profit. After 6M2023, FRT recorded a net loss of VND 213 bn.

Asset structure: at the end of Q2.2023, the total short-term bank deposits decreased sharply (-75.6% YTD) to invest in the capex of new pharmacies and general warehouse systems in the North and South. In addition, the company proactively reduced its short-term debt balance (-21.4% YTD), corresponding to a D/E ratio of 2.37x at the end of Q2.23 (early 2023: 2.62x).

Noticeably, in Q2, FRT was licensed to provide telecommunications services nationwide, implementing a virtual mobile network business model. To be more specific, FRT focuses on developing subscribers using 3G/4G/5G. With the advantage of owning a nationwide retail network, selling over 1.5 million smartphones each year, and getting support from a diverse digital service ecosystem of FPT - a Technology Group. The company expects this segment to be its next growth driver in the future.

In 2024, we forecast that NPAT will be revived (+164% YoY) thanks to the recovery of FPT Shop, along with the consistently improving profits of Long Chau pharmacy chain (VND 197 bn; + 55% YoY).

Risks: (1) High leverage exposure; (2) Competitive risk; (3) Risk from weak retail consumption; (4) Risk from impairment of inventory.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	16,634	14,661	22,495	30,166	34,689
OP (bn VND)	343	77	495	557	566
OP margin (%)	2.1	0.5	2.2	1.8	1.6
NP (bn VND)	213	25	444	390	326
NP margin (%)	1.3	0.2	2.0	1.3	0.9
EPS (VND)	1,514	154	3,257	2,865	2,300
ROE (%)	17.1	1.7	30.9	21.3	0.1
P/E (x)	8.1	120.3	17.8	20.9	39.8
P/B (x)	1.3	2.1	4.8	4.1	5.4

Source: Bloomberg, Shinhan Securities, Data as of 08/09/23

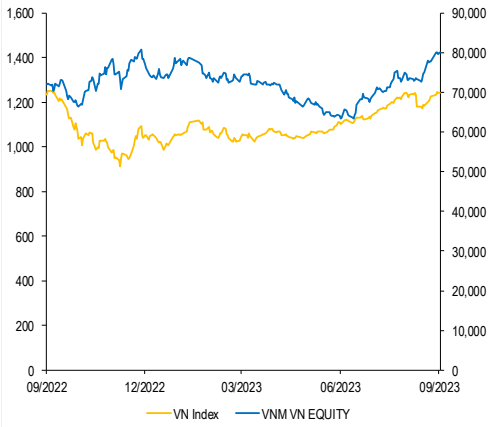
Vietnam Dairy Products JSC.
(VNM VN)



Shinhan Securities

TARGET PRICE (VND)	
83,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
80,000	3.8%
VNINDEX	1,241
P/E 1Y Forward (x)	12.5
Market Cap. (bn VND)	167,196
Outstanding Shares (mn)	2,090
Free Floating Shares (mn)	735
Free Floating (%)	35.2
52-Wk High (VND)	85,600
52-Wk Low (VND)	65,500
3M Avg. Trading Vol. (mn)	3.64
3M Avg. T/O (bn VND)	316
Beta (12M)	0.6

	3M	6M	12M
Absolute	22.1	4.6	5.7
Rel. to VNINDEX	10.0	-13.3	6.3



Source: Bloomberg

Investment points

- Vietnam Dairy Products JSC (Vinamilk – HoSE: VNM) is the No. 1 dairy company with the largest market share in the dairy industry in Vietnam. VNM has a diversified product portfolio with more than 250 SKUs in all dairy categories, meeting most of the needs of a variety of customers.

VNM owns the largest dairy herd in Vietnam (about 140,000 cows), with 15 farms and 16 production factories; has the largest Omni channel distribution of dairy products in Vietnam. Vinamilk is the 36th-ranked dairy company globally by revenue size, with more than 80% of sales coming from the domestic market since 2007.

Update business result: In Q2.2023, the consolidated net revenue maintained stable growth, reaching VND 15,194.8 bn (1.8% YoY), of which condensed milk and yogurt were the driving factors in Q2. Domestic sales reached VND 12,788.9 bn (+2.55% YoY), contributing 84.1% of VNM's total revenue in Q2, with a GPM of 41.3%.

Export revenue decreased by 10% YoY due to the weak purchasing power in the traditional export markets; expected to recover in 2H2023 thanks to the calming down of inflation and exchange rate. In addition, the new export markets, including the Philippines (Del Monte-Vinamilk joint venture) and China, may have promising growth in 2H23 thanks to the strategy of increasing distribution channel coverage and brand recognition. In contrast, the total revenue from overseas subsidiaries recorded a-9%-YoY growth, reaching VND 1,136 bn.

NPAT was optimistic, reaching VND 2,229.1 bn (+6% YoY); ending the negative growth streak since Q1.2021. The consolidated GPM improved from 38.8% in Q1.23 to 40.5% in Q2.23. The cost of VNM's input materials (primarily WMP - whole milk powder; SMP - skimmed milk powder) tends to decrease (-11% and -15% YTD) due to the supply increase, while experiencing a decrease in import demand, especially at China market. Cumulatively in 6M2023, VNM's consolidated revenue and NPAT reached VND 29,113.2 bn (+1.1% YoY) and VND 4,135.4 bn (-5.7% YoY), completing 46% and 48% of the year target plan.

The cattle and frozen beef production project called Vinabeef, jointly cooperated between Vilico (VNM owns 68% of Vilico) and Sojitz Group (JVL), is still in progress. The project is conducted on Vilico's land bank (75.6 ha in Tam Dao, Vinh Phuc), having high-quality cows from Vinamilk farm and Sojitz's beef husbandry and handling expertise; Expected commercialization in 2024.

New Brand Repositioning Event: In July 2023, Vinamilk decided to renew its brand identity to meet the new phase of development after nearly 5 decades of operation. This move promises to help VNM stand out from its peers, increase market share and enhance business performance; brand identity suitable for new customers; affirm the Vietnamese dairy brand and reach out to the world.

Risks: (1) Risk of losing key customers and downward purchase power in oversea markets; (2) Increase of competitive risk in the F&B industry; (3) Increase of input raw dairy materials price.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	56,318	59,636	60,919	59,956	62,239
OP (bn VND)	12,182	12,263	11,760	9,753	10,626
OP margin (%)	21.6	20.6	19.3	16.3	17.1
NP (bn VND)	10,581	11,099	10,532	8,516	8,990
NP margin (%)	18.8	18.6	17.3	14.2	14.4
EPS (VND)	4,565	4,770	4,517	3,632	4,037
ROE (%)	35.8	33.9	29.3	24.1	29.5
P/E (x)	21.3	22.8	19.1	21.0	19.8
P/B (x)	7.4	7.3	5.5	5.3	4.0

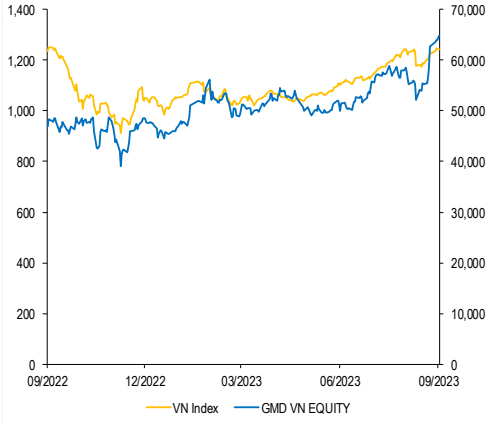
Source: Bloomberg, Shinhan Securities, Data as of 08/09/23

Gemadept JS. Corporation
(GMD VN)



Shinhan Securities

TARGET PRICE (VND)			
62,400			
CURRENT PRICE (VND)			UP/DOWNSIDE
64,800			-3.7%
VNINDEX			1,241
P/E 1Y Forward (x)			12.5
Market Cap. (bn VND)			19,822
Outstanding Shares (mn)			306
Free Floating Shares (mn)			294
Free Floating (%)			96.1
52-Wk High (VND)			67,000
52-Wk Low (VND)			36,400
3M Avg. Trading Vol. (mn)			1.10
3M Avg. T/O (bn VND)			70
Beta (12M)			0.8
	3M	6M	12M
Absolute	29.6	26.3	35.0
Rel. to VNINDEX	17.5	8.4	35.6



Source: Bloomberg

Investment points

- Gemadept JSC (HoSE: GMD) is one of the leading logistic companies in Vietnam, having modern and large-scale ports system, located at critical economic positions. Main operating business: Port operation; Logistic activities. Gemadept owns a total of 8 seaports, with an annual capacity of up to 5 million TEUs and 5 million tons of bulk cargo.

- Gemadept has the advantage of possessing many ports at favorable geographical locations, with years of experience. GMD continues affirming its position by strongly investing in potential projects: Phase 2 of Gemalink port; Phase 3 of Nam Dinh Vu port. These two projects are promised to double GMD's current capacity once finished. GMD also started to promote and focus on improving ESG factors in 2022.

Update busniess result: In Q2.2023, revenue reached VND 912 bn (-6.7% YoY); Gross profit only decreased by 1.2% YoY. GPM was enhanced sharply from 44.6% in Q2.22 to 47.2% in Q2.23. In Q2, GMD completed the transfer and handover of Nam Hai Dinh Vu port, earning a profit of VND 1,844 bn, helping GMD accelerate the progress of the final phase of the Gemalink and Nam Dinh Vu port project (NDV) and reduce the use of debt financing. After the completion, NDV port cluster will be the largest river port in the North, being able to welcome the feeder ships and the largest intra-Asian vessel in the river port area.

In 6M2023, GMD's consolidated revenue and NPAT reached VND 1,814.1 bn (-2.4% YoY) and VND 1,966.3 bn (+200.7% YoY) respectively. Excluding the sudden profit in Q2, GMD completed 46.3% and over 50% of the revenue and NPAT of the whole year of 2023, respectively. Gemadept expects its business performance to improve from Q3 as this is the peak season for exports.

Port operation segment: Q2 revenue reached VND 682.9 bn (-14.6% YoY; -7.2% QoQ). Total container output in 6M2023 through GMD's port reached 1.3 million TEUs (-17.4% YoY), a sharper decrease than the industry average (-8% YoY) because GMD has many activities in the European and US markets through Gemalink port. Demand in these markets decreased clearly due to the difficult economy, affecting export orders of many industry groups.

However, in 2023, GMD will increase container handling price at NDV port by 20% YoY, helping the decline rate in revenue to be lower than that in terms of the quantity of container output. Q2 gross profit reached VND 324.8 bn (-6.4% YoY; +15.7% QoQ). GPM in Q2.23 of this segment improved, reaching 47.6% (Q2.22: 43.4%).

Logistics segment: GMD's Q2 revenue and gross profit maintained positive growth, recording VND 229.3 bn (+28.7% YoY) and VND 105.9 bn (+24.6% YoY), respectively, thanks to the long-term leasing contract of the barge at high freight price.

Outlook for 2023-2024: In July 2023, the total export and import values improved from the bottom in June 2023, increasing by 2.1% and 2.4% MoM, respectively. In 7M23, the total import-export goods turnover in Vietnam is estimated to reach USD 374.36 bn (-13.8% YoY; 6M23: -15.2% YoY). Specifically, export turnover reached USD 195.4 bn (-10.3% YoY; 6M23: -12.1% YoY). Import turnover reached USD 178.9 bn (-17.4% YoY; 6M23: -18.2% YoY). It is expected that overseas consumption activities will recover in 2H2023 thanks to the shopping and home repair activities. Shopping holidays and discounts aim to stimulate demand from retailers to release year-end inventory, helping to boost container throughput, especially at Gemalink port.

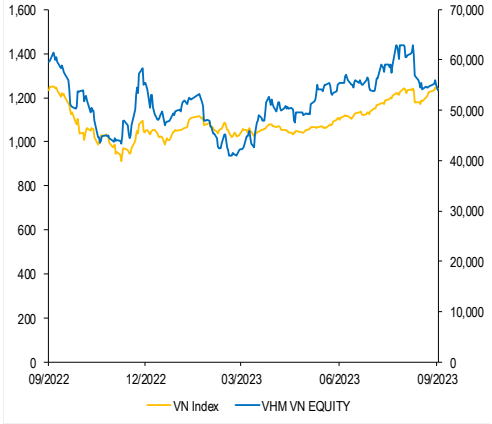
Risks: (1) World economic risk; (2) Risks of rising oil prices; (3) Risks of world shipping situation.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	2,643	2,606	3,206	3,898	3,358
OP (bn VND)	544	471	693	1,051	881
OP margin (%)	20.6	18.1	21.6	27.0	26.2
NP (bn VND)	517	371	612	994	2,525
NP margin (%)	19.6	14.2	19.1	25.5	75.2
EPS (VND)	1,602	1,149	1,869	3,034	6,433
ROE (%)	8.1	5.8	9.2	13.8	26.9
P/E (x)	14.5	28.4	25.3	15.0	7.8
P/B (x)	1.2	1.7	2.3	2.0	1.7

Source: Bloomberg, Shinhan Securities, Data as of 08/09/23

Vinhomes JSC.
(VHM VN)

TARGET PRICE (VND)			
79,500			
CURRENT PRICE (VND)		UP/DOWNSIDE	
54,000		47.2%	
VNINDEX			1,241
P/E 1Y Forward (x)			12.5
Market Cap. (bn VND)			235,136
Outstanding Shares (mn)			4,354
Free Floating Shares (mn)			1,034
Free Floating (%)			23.8
52-Wk High (VND)			66,200
52-Wk Low (VND)			39,400
3M Avg. Trading Vol. (mn)			3.04
3M Avg. T/O (bn VND)			211
Beta (12M)			0.9
	3M	6M	12M
Absolute	-2.5	27.5	-9.4
Rel. to VNINDEX	-14.6	9.6	-8.8



Source: Bloomberg

Investment points

- Vinhomes JSC (HoSE: VHM) is the largest real estate investment, trading and management company in Vietnam. Main business fields: Investing, developing and trading housing, offices, and related items. Possessing a total land bank of more than 16,800 hectares, Vinhomes affirms its growth potential in the upcoming years.

- Vinhomes's projects have top-class service quality, being located in prime locations, high urbanization rates and great potential for tourism development. Vinhomes is currently leading the market with a 27% market share of the residential real estate segment.

Update business result: In Q2.2023, revenue and NPAT recorded an all-high level, reaching VND 32,833 bn and VND 9,714 bn, respectively (7.3x times and 11.98x times higher than that of the same period). Cumulatively in 6M2023, VHM recorded revenue of VND 62,132 bn (+363.9% YoY), of which the main contribution came from the handover of many apartments of Ocean Park 2 (5,400 low-rise apartments) and Ocean Park 3 projects. The total adjusted consolidated revenue, including adjusted revenue of bulk sales transactions and business co-operation contracts (BCCs), reached VND 75,578 bn (+300% YoY), completing 76% of the 2023 target plan.

GPM was at 32% in 1H2023, a sharp decrease compared to the 44% margin in 1H.2022 as the majority of wholesale revenue is BCC business cooperation contracts. VHM shares profits with partners upon handover. VHM expects GPM 2H.2023 will return to its high level thanks to promoting sales & home delivery of the two projects Ocean Park 2 and 3, and opening sales of new urban areas (Glory Heights subdivision of the Vinhomes Grand Park project; Vinhomes Smart City, Vinhomes Sky Park). VHM's 6M2023 NPAT reported the highest 6M cumulative level ever, reaching VND 21,637 bn (+395.3% YoY), completing 72% of the 2023 target.

Recently, Vinhomes has just been approved to issue a maximum of USD 500 million of international bonds (5-year term; non-convertible; no warrants included; with collateral; issuance time no later than April of 2024). VHM is one of the players having the lowest leverage ratios in the real estate market, with a D/E ratio at the end of Q2 reaching 0.25x (YE2022: 0.24x). Total debt recorded VND 43,368.8 bn (~USD 1,815 million) at the end of Q2.2023 (+21.5% YTD), of which long-term debt accounted for 60% of the total debt structure.

Risks: (1) Risk of real estate industry cycle; (2) Risk of interest rate hike; (3) Risk of government tightening credit for real estate industry.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	51,627	71,547	84,986	62,393	102,453
OP (bn VND)	23,219	21,062	42,402	25,621	41,288
OP margin (%)	45.0	29.4	49.9	41.1	40.3
NP (bn VND)	21,747	27,351	38,825	28,831	35,505
NP margin (%)	42.1	38.2	45.7	46.2	34.7
EPS (VND)	5,002	6,396	9,015	6,621	8,182
ROE (%)	43.8	38.6	36.9	21.4	21.3
P/E (x)	13.0	10.8	9.1	7.2	6.6
P/B (x)	5.0	3.4	2.9	1.4	1.5

Source: Bloomberg, Shinhan Securities, Data as of 08/09/23

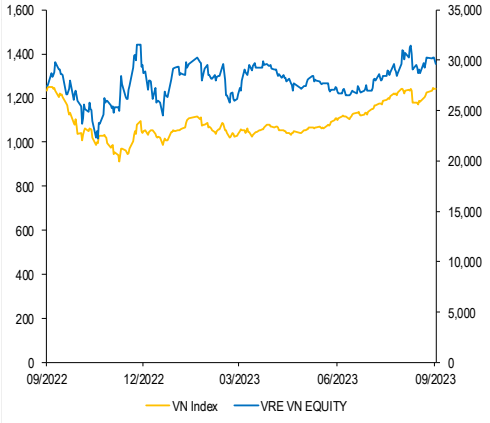
Vincom Retail JSC.

(VRE VN)



TARGET PRICE (VND)	
37,700	
CURRENT PRICE (VND)	UP/DOWNSIDE
29,600	27.4%
VNINDEX	1,241
P/E 1Y Forward (x)	12.5
Market Cap. (bn VND)	67,261
Outstanding Shares (mn)	2,272
Free Floating Shares (mn)	599
Free Floating (%)	26.4
52-Wk High (VND)	32,000
52-Wk Low (VND)	21,400
3M Avg. Trading Vol. (mn)	5.16
3M Avg. T/O (bn VND)	173
Beta (12M)	1.1

	3M	6M	12M
Absolute	10.0	8.6	8.0
Rel. to VNINDEX	-2.1	-9.3	8.6



Source: Bloomberg

Investment points

- Vincom Retail Joint Stock Company (HoSE: VRE) is the largest retailing real estate developer in Vietnam. Main business activities: Developing & operating shopping centers and transferring real estate. Vincom Retail has a prime location to help maintain a stable number of tenants. VRE is the priority partner of the most popular international and domestic brands when penetrating and doing business in Vietnam.

- Currently, VRE has expanded and covered 44 provinces and cities with 83 shopping centers, with a total floor area of 1.75 million m^2; classified into 4 models: Vincom Center, Vincom Mega Mall, Vincom+, and Vincom Plaza. VRE is expected to continue to benefit from the rise of middle class, the development of new urbanized areas, and the continued expansion of international brands in Vietnam.

Update business result: In Q2.2023, the consolidated revenue and NPAT of VRE, respectively, reached VND 2,172.8 bn (+17.5% YoY) and VND 1,000.6 bn (29.4% YoY). Specifically, the commercial center leasing segment contributed 89.4% to VRE's total revenue, recording VND 1,943.5 bn (+6.6% YoY). In Q2, the company also completed the handover of 23 shophouses in Dien Bien, boosting revenue from real estate transfer to VND 197.2 bn, 23.6 times higher than that YoY.

Cumulatively in 6M2023, the consolidated revenue and NPAT reached VND 4,116.1 bn (+27.9% YoY) and VND 2,024.6 bn (+75.9% YoY) in that given order, completing 39.8% and 43.3% of the 2023 target plan.

The 1H23 GPM improved to 57.8% (1H2022: 52%) thanks to: (i) The outstanding rental income of VND 2,305 bn (+41.7% YoY); (ii) The average occupancy rate improved, reaching 85.4% at the end of Q2.23 (Q2.22: 82.5%); (iii) Rental price increased by 7-10% compared to that over the same period in 2019; (iv) Opex optimized (reduce energy consumption; apply technology and limit outsourcing to reduce personnel costs).

After paying off the VND 1,000 bn bond due in April 2023, VRE still ensures its healthy financial status at the end of Q2, with a high cash balance (VND 7,600 bn), accounting for 17.2% of total assets. VRE expects the rental prices and occupancy rates to be improved in the 2023-2024 period because of the limited market supply and the strategy of upgrading tenant structure.

Risks: (1) The delay of Vinhomes's development and sale plan regarding mega-projects affects the expanding shopping center plan of VRE; (2) The consumption is weaker than expected, slowing down the expansion plans of tenants; (3) Lower occupancy rate and rent price than expected.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	9,259	8,329	5,891	7,361	9,976
OP (bn VND)	3,583	3,093	1,757	3,273	4,924
OP margin (%)	38.7	37.1	29.8	44.5	49.4
NP (bn VND)	2,851	2,382	1,315	2,776	4,193
NP margin (%)	30.8	28.6	22.3	37.7	42.0
EPS (VND)	1,226	1,048	578	1,222	1,837
ROE (%)	10.3	8.5	4.4	8.7	11.8
P/E (x)	27.7	30.0	52.1	21.5	16.1
P/B (x)	2.9	2.4	2.2	1.8	1.9

Source: Bloomberg, Shinhan Securities, Data as of 08/09/23

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