STRATEGY REPORT

March 4th, 2024

Growth portfolio

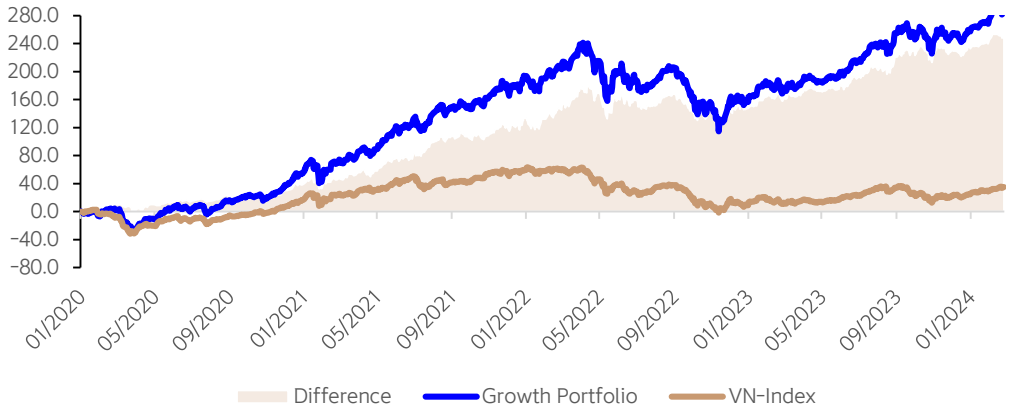
Return of portfolio	Return of VN-Index
+9.1% MoM	+8.1% MoM
+11.7% YTD	+11.5% YTD

"Add PVT, CTR and HPG. Remove QNS"

- After the last trading session of 2023, the VN-Index closed at 1,129, up 14.5% compared to the beginning of 2023. In the meantime, the growth portfolio had a good return rate of 40.2% YTD, thanks to the positive business results in 2023.
- Positive contributions to the portfolio's investment performance in 2023 were GMD (+41% YTD) and FPT (+38% YTD). The 2023 business results update of the growth portfolio showed a slight increase in total revenue of 4.1% YoY, and net profit remained flat. Excluding VPB, net profit of the growth portfolio increased by about 37.6%, compared to a decrease of 4.5% in the total net profit of listed companies.
- In 2024, we expect the bank stocks in our portfolio to accelerate thanks to: (1) the reduction cost of capital and resources from partner SMBC (VPB), (2) the savings on provisioning expenses and improvement NIM (STB), (3) the improvement NIM and high credit limit (HDB).
- In addition, we add PVT, CTR and HPG to the growth portfolio. In which PVT and CTR are two leading enterprises in the industry with sustainable growth, with forecast profit growth of 23.6% and 15.4%, respectively; HPG returns to growth trajectory and can record breakthrough profit in 2024 with an increase of 135%.
- We remove QNS from our coverage because we believe that (1) sugar prices will cool down from their high base in 2023 and (2) soy milk demand is showing signs of slowing.

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.

Performance of Growth porfolio and VN Index (%)



Portfolio analysis

	Portfolio	VN-Index
P/E(x)	11.8	11.2
P/B (x)	2.3	1.6
Dividend yield (%)	4.0	1.6
EPS growth (5Y) (%)	24.0	9.0
ROE (%)	22.4	12.1
ROA (%)	8.7	1.8
Beta	1.2	1
Return (annualized) (%)	70.8	35.6
Std (%)	16.7	15.3
Sharpe ratio	2.4	1.2

Data as of March 04th, 2024 Sources: SSV, Bloomberg

Strategy overview

The growth portfolio is designed to achieve an average return higher than the annual average return of VN-Index and may experience high levels of volatility. The selected tickers in the portfolio satisfy the following criteria:

- The company has consistently increased its profit each year.
- The company can earn an abnormal income.
- Strong fundamentals, businesses are managed effectively.
- Having long term growth potential.

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Following SSV's Zalo,
Catching the latest report
Please click or scan

Growth portfolio

Top picks

General info				Share price					Key financials(**)				Valuation 23F	
No.	Ticker	Company name	Mkt Cap (VND bn)	CP (VND)	TP* (VND)	Upside (%)	1M (%)	YTD (%)	NPM (%)	D/E (x)	ROA (%)	ROE (%)	P/B (x)	P/E (x)
1	VPB	Vietnam Prosperity JSC Bank	155,504	19,600	22,863	16.6	2.5	3.6	17.3	1.2	1.3	8.6	1.2	12.0
2	STB	Sai Gon Thuong Tin JSC Bank	59,855	31,750	37,928	19.4	5.0	12.3	29.4	1.4	1.2	18.3	1.2	6.0
3	HDB	Ho Chi Minh City Development JSC Bank	37,396	23,300	25,271	8.3	6.4	14.3	39.1	3.1	1.9	24.7	1.3	5.9
4	FPT	FPT Corporation	141,474	111,400	125,500	10.0	13.3	12.9	14.8	0.4	11.5	33.8	4.7	18.1
5	GMD	Gemadept Corporation	24,594	80,400	83,400	3.7	10.1	6.3	65.0	0.2	16.7	33.3	2.0	24.2
6	PVT	Petrovietnam Transportation Corporation	8,754	27,050	31,700	17.1	4.0	2.2	13.0	0.6	6.1	18.4	1.2	8.0
7	CTR	Viettel Construction Joint Stock Corporation	11,907	104,100	120,000	15.2	12.2	14.0	4.6	0.8	7.9	28.5	5.0	21.6
8	HPG	Hoa Phat Group JSC	179,095	30,800	32,000	3.8	10.2	9.4	5.7	0.6	3.8	6.8	1.4	10.3

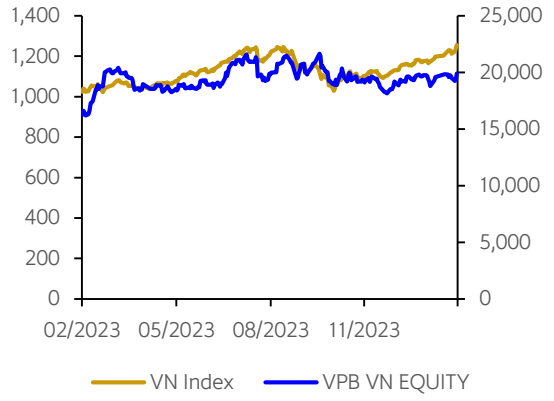
* Target price (fair value) for the next 12 months
** Data for 12 months up to Q4/2023

Source: SSV Research, Bloomberg
Data as of March 04th, 2024

Vietnam Prosperity JSC Bank
(VPB VN)

Target price (12 months)	22,863 VND
Current price (04/03/24)	19,600 VND
Return (%)	16.6%

VN-INDEX		1,261
Market P/E (x)		11.4
Market Cap (bn VND)		155,504
Outstanding shares (mn)		7,934
Free-Floating (mn)		6,757
52-Wk High (VND)		23,150
52-Wk Low (VND)		17,050
90-day avg. Trading Vol (mn)		11.6
90-day avg turnover		243
Beta (12M)		1.1
Major shareholders (%)	Sumitomo Mitsui Banking Corporation	15.0
	Ngo Chi Dung	4.1



Investment points:

- VPB is currently one of the biggest private banks in Vietnam. After the latest SMBC's strategic investment, VPB has become Vietnam's second-largest bank in terms of owner equity, following VCB. This allows it to serve a wide range of customers in various segments, including retail customers, small and medium-sized enterprises (SMEs) and FDI enterprises.

- In 2023, total operating income was VND 49,743 bn (-13.8% YoY). Consolidated PBT reached VND 10,987 bn (-48.2% YoY), completing only 45.7% of VPB's plan.

- Credit growth of over 29.2% compared to the beginning of 2023. Specifically, outstanding loans to individual customers - a strategic segment of VPBank, reached over VND 24 tn, an increase of over 25% compared to the end of 2022. Total customer deposits increased by 45.9% YoY. Notably, VPBank's non-term deposits (CASA) in 2023 increased by 33% compared to the beginning of the year, helping to raise the CASA ratio in the mobilization structure to 17.6%.

- Consolidated NIM was revised down by 188 bps to 5.62%. Consolidated NIM decreased mainly due to increased capital costs due to increased interest rates at the end of 2022, but VPBank kept lending interest rates at a reasonable level to support customers.

- FE Credit also showed some positive signs after the restructuring process. In 2023, FE Credit did not contribute profit to the bank. However, in the last 6 months of the year, there was a positive change as there was no loss recorded (in the first 6 months of 2023, FE Credit recorded a loss after tax of up to 2,996 billion VND).

- In 2024, we expect VPB's profit to increase by 80%, thanks to (1) deposit growth of 25%, of which priority will be given to mobilizing from individual customers, especially CASA, (2) credit growth of about 24% and (3) cost of capital is expected to decrease by 1-1.5% compared to 2023.

Downside risks: (1) Inflation risk and (2) Higher-than-expected spike in NPL.

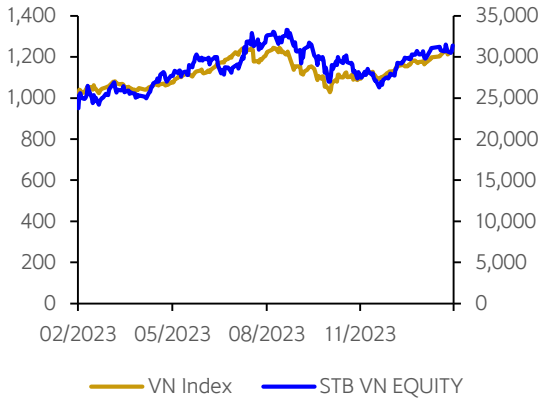
Year to Dec	2020	2021	2022	2023	2024F
Net interest income (VND bn)	32,346	34,349	41,021	38,175	55,477
Net non-interest income (VND bn)	3,356	4,059	6,348	7,096	9,556
TOI (VND bn)	35,702	38,408	47,459	45,271	65,033
TOI before provision (VND bn)	27,641	33,583	43,681	35,832	52,834
NPAT (VND bn)	10,414	11,808	18,175	10,058	14,691
EPS (VND)	1,582	1,777	2,719	1,455	1,949
ROE (%)	21.9	16.5	17.8	7.1	10.7
P/E (x)	7.6	13.5	7.3	13	12
P/B (x)	1.5	2.0	1.2	1.1	1.2

Source: Bloomberg, Shinhan Securities, Date as of 29/02/2024

Sai Gon Thuong Tin JSC Bank
(STB VN)

Target price (12 months)	37,928 VND
Current price (04/03/24)	31,750 VND
Return (%)	19.4%

VN-INDEX		1,261
Market P/E (x)		11.4
Market Cap (bn VND)		59,855
Outstanding shares (mn)		1,885
Free-Floating (mn)		1,774
52-Wk High (VND)		33,700
52-Wk Low (VND)		24,100
90-day avg. Trading Vol (mn)		18.15
90-day avg turnover		544
Beta (12M)		1.1
Major shareholders (%)	Dragon Capital	6.0
	Duong Cong Minh	3.3



Investment points:

- STB is Vietnam's 7th largest listed bank in terms of assets, focusing mainly on retail and SME segments. In terms of network size, STB is ranked only after state-owned banks including: VCB, CTG and BID. STB is a special case in the banking sector as it is among the last banks that are still dealing with remaining bad debt from the previous credit cycle. Over the years, STB has impressively enhanced asset quality: no exposure to corporate bonds and limiting exposure to the real estate segment.

- In 2023, total operating income was VND 26,173 bn (+0.1% YoY). Consolidated PBT reached VND 9,595 bn (+51.4% YoY). Credit growth increased by 10% compared to the beginning of the year. Deposits increased by 12.3% compared to the beginning of the year, in which CASA deposits increased by 8.8%.

- Strong earnings growth thanks to strong increase in net interest income. Consolidated NIM 2023 was increased by 40 bps to 3.91%.

- In contrast, weaker NOII due to (1) a 49% y.oy decrease in net fee income, (2) a 88% YoY decrease in net other income. We note that STB booked the upfront fee from the bancassurance contract with Dai-ichi and gains from the sale of fixed assets.

- In 2023, STB booked VND 5.1 tn of provision expenses for VAMC. As such, STB has fully provisioned for VAMC bonds and is thereby nearing completion of the restructuring plan. This will help STB improve its asset quality and profitability in the coming period.

- We expect STB's profit to increase by about 50% in 2024, thanks to (1) savings from provisioning expenses and (2) the improvement of NIM, maintained at around 4%.

Downside risks: (1) Inflation risk and (2) Higher-than-expected spike in NPL.

Year to Dec	2020	2021	2022	2023	2024F
Net interest income (VND bn)	9,181	11,527	17,147	22,072	27,353
Net non-interest income (VND bn)	3,744	4,343	5,194	8,755	5,117
TOI (VND bn)	12,925	15,870	17,704	26,141	32,470
TOI before provision (VND bn)	4,030	7,516	7,954	15,221	21,249
NPAT (VND bn)	2,682	3,411	5,041	7,718	13,627
EPS (VND)	1,423	1,810	2,674	5,164	7,228
ROE (%)	9.6	10.8	13.8	23.0	25.8
P/E (x)	13.5	13.5	19.3	8.4	6.0
P/B (x)	1.1	1.7	1.1	1.2	1.2

Source: Bloomberg, Shinhan Securities, Date as of 04/03/2024

Ho Chi Minh City Development JSC Bank (HDB VN)

Target price (12 months)	25,271 VND
Current price (04/03/24)	23,300 VND
Return (%)	8.3%

VN-INDEX	1,261
Market P/E (x)	11.4
Market Cap (bn VND)	37,396
Outstanding shares (mn)	2,893
Free-Floating (mn)	2,030
52-Wk High (VND)	23,800
52-Wk Low (VND)	15,087
90-day avg. Trading Vol (mn)	7.4
90-day avg turnover	143
Beta (12M)	0.9

Major shareholders (%)	Sovico	12.5
	Nguyen Thi Phuong Thao	3.2

Investment points:

- HDB is one of the largest private banks in Vietnam. HDB aims to be a market leader, focusing on retail, consumer finance & SMEs. HDB will promote access to agriculture and rural customers through digital transformation to develop this market further. Not only that, HDB will also focus on developing the middle and high-end segments - priority banking in the upcoming time.

- In 2023, total operating income was VND 26,414 bn (+35.7% YoY), consolidated PBT was VND 13,701 bn (+26.8% YoY), the highest level ever for this bank. The consolidated bank's loan balance is at 353 tn VND, up 34.2% YTD. In which, retail loan grew by 10.8% YTD, the corporate loan (CMB/SME) grew by 54.5% YTD. Deposits reached VND 537 tn, up 46.5% YTD.

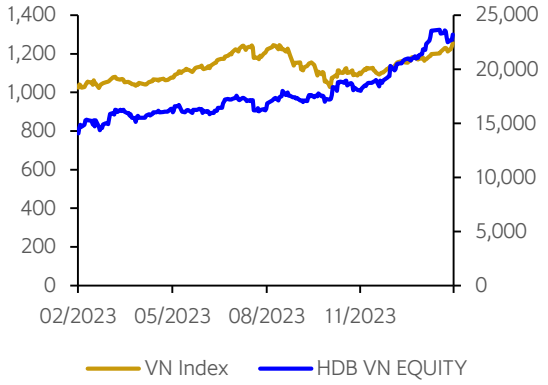
- Consolidated NIM reached 4.39% (-46 bps) due to a stronger-than-expected increase in customer deposits.

- Consolidated NPL reached 1.79%. According to HDB, bad debt mainly comes from the retail segment, but has tended to decrease sharply in the last 2 quarters.

- In addition, NOI grew strongly, helping to boost profits: (1) a 320% YoY increase in gains from foreign exchange trading (2) a 146% YoY increase in gains from trading of investment securities.

- In 2024, we estimate HDB's profit to increase by 20.1% YoY, thanks to (1) NIM is expected to improve in 2024, remaining in the range of 4.8 - 5% for the whole bank and (2) credit growth limits granted by the SBV to HDB in 2024 is 20%.

Downside risks: (1) Inflation risk and (2) Higher-than-expected spike in NPL.



Year to Dec	2020	2021	2022	2023	2024F
Net interest income (VND bn)	11,898	13,891	18,012	22,184	27,889
Net non-interest income (VND bn)	1,882	2,862	3,956	2,188	3,022
TOI (VND bn)	13,780	16,758	21,968	24,372	30,911
TOI before provision (VND bn)	7,607	10,375	13,336	17,284	21,669
NPAT (VND bn)	4,249	6,054	7,750	10,071	11,800
EPS (VND)	1,484	2,114	2,679	3,554	4,271
ROE (%)	20.2	23.3	23.5	24.1	24.3
P/E (x)	8.9	10.2	5.2	7.1	5.9
P/B (x)	1.6	2.1	1.1	1.4	1.3

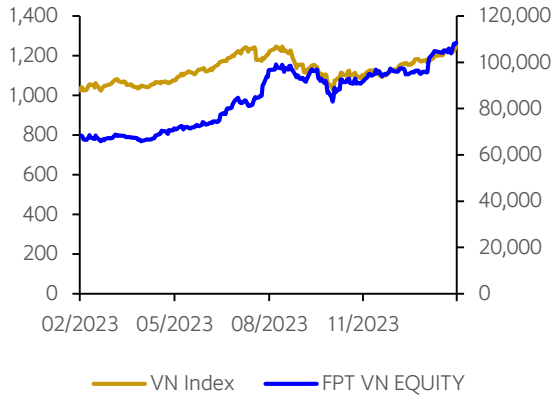
Source: Bloomberg, Shinhan Securities, Date as of 04/03/2024

FPT Corporation
(FPT VN)

Target price (12 months)	125,500 VND
Current price (04/03/24)	111,400 VND
Return (%)	10%

VN-INDEX	1,261
Market P/E (x)	11.4
Market Cap (bn VND)	141,474
Outstanding shares (mn)	1,270
Free-Floating (mn)	1,091
52-Wk High (VND)	111,400
52-Wk Low (VND)	67,043
90-day avg. Trading Vol (mn)	2.2
90-day avg turnover	213
Beta (12M)	0.8

Major shareholders (%)	Trương Gia Bình	6.0
	Dragon Capital	5.0



Investment points:

- 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).

- In 2023, FPT recorded revenue of VND 52,618 billion, profit before tax of VND 9,203 billion, up by 19.6% and 20.1% YoY.

1. Technology sector: Revenue reached VND 31,449 bn (+22.1% YoY), PBT reached VND 4,100 bn (+23.6% YoY).

In which, Global IT Service revenue reached VND 24,288 bn, up by 28.4%, profit before tax reached VND 3,782 bn, up by 27.1% YoY. Revenue continued to increase in all markets, especially in Japan (+43.4% YoY), fueled by high demand for IT spending in these markets, especially spending for Digital Transformation services.

2. Education & Investment: The strong demand for education in the IT industry has contributed to boosting FPT's Education revenue by 31% compared to the same period last year, reaching VND 5,363 bn.

We expect FPT to maintain a CAGR growth rate of 22% in the 2024-25 period thanks to strong investment in foreign IT services and education segments.

1. Global IT Service: FPT benefits from low cost advantages as well as the ability to provide many products. In addition, the Japanese market will promote growth in IT service revenue thanks to the need for digital transformation.

2. Education segment: We believe that the education segment will attract many students as the demand for IT training increases.

Downside risks: (1) unexpected lower IT demand; (2) Exchange rate risk; (3) Direct competition from peers

Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	29,830	35,667	44,010	52,618	62,492
OP (VND bn)	4,605	5,415	6,795	8,418	10,202
OP margin (%)	15.4	15.2	15.4	16.0	16.3
NPATMi (VND bn)	3,538	4,337	5,310	6,471	7,870
NP margin (%)	11.9	12.2	12.1	12.3	12.6
EPS (VND)	2,593	3,151	3,851	4,666	5,923
ROE (%)	21.7	23.4	24.9	25.7	29.2
P/E (x)	14.4	21.4	17.4	20.6	18.1
P/B (x)	2.9	4.7	4.0	4.9	4.7

Source: Bloomberg, Shinhan Securities, Date as of 04/03/2024

Gemadept Corporation
(GMD VN)

Target price (12 months)		83,400 VND
Current price (04/03/24)		80,400 VND
Return (%)		3.7%
VN-INDEX		1,261
Market P/E (x)		11.4
Market Cap (bn VND)		24,594
Outstanding shares (mn)		306
Free-Floating (mn)		294
52-Wk High (VND)		81,600
52-Wk Low (VND)		48,800
90-day avg. Trading Vol (mn)		1.08
90-day avg turnover		74
Beta (12M)		0.8
Major shareholders (%)	SSJ Consulting	9.7
	KITMC	8.0

Investment points:

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

- GMD continues affirming its position by strongly investing in potential projects: Gemalink international port phase 2; Nam Dinh Vu port phase 2 and 3. These two projects are promised to double GMD's current capacity once finished.

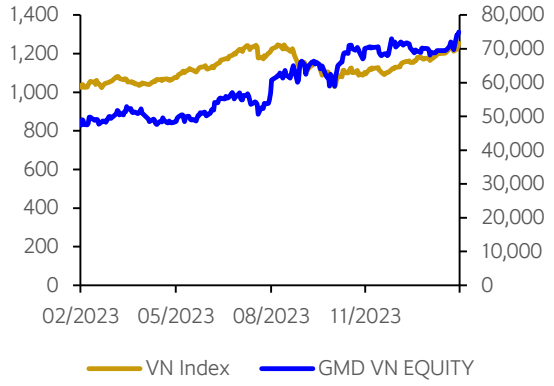
- In 2023, GMD posted VND 3,845 bn (-1.3% YoY) in revenue and VND 2,502 bn (+145% YoY) in net profit. The upbeat performances has been attributable to the abnormal profit from Nam Hai Dinh Vu port divestment (VND 1,900 bn). Excluding this divestment, GMD's PBT reached about VND 1,203 billion, down 9% YoY.

- In 2023, Gemalink records an estimated profit of 27 bn VND. In Q4/2023 alone, Gemalink had a breakthrough with an estimated profit of about 111 billion VND. The business situation has improved because it is supported by 2 new shipping routes and the recovery of existing routes.

- Excluding the divestment in 2023, we estimate GMD's profit after tax in 2024 will reach VND 1,351 bn (+17% YoY), thanks to (1) service fees increasing from 5% - 8%, (2) The throughput of goods will increase by 8% because phase 2 of Nam Dinh Vu port will run at maximum capacity and (3) Gemalink opening new service routes.

- In addition, in the first half of 2024, GMD plans to divest Nam Hai Port, focusing on competitiveness for the downstream area in Hai Phong - Nam Dinh Vu port. We estimate GMD's divestment profit to be about VND 203 billion and include it in our forecast for 2024.

Downside risks: (1) World economic risk; (2) Risks related to rising oil prices; (3) Risks related to world shipping situation.



Year to Dec	2020	2021	2022	2023 (*)	2024F
Revenue (VND bn)	2,606	3,206	3,898	3,846	4,198
OP (VND bn)	471	693	1,051	1,116	1,429
OP margin (%)	18.1	21.6	27.0	29.0	34.0
NPATMi (VND bn)	371	612	994	785	1,121
NP margin (%)	14.2	19.1	25.5	20.3	27.0
EPS (VND)	1,119	1,847	3,014	2,366	3,442
ROE (%)	5.8	9.2	13.8	10.1	12.5
P/E (x)	28.4	25.3	20.9	26.6	24.2
P/B (x)	1.7	2.3	2.0	2.5	2.0

Source: Bloomberg, Shinhan Securities, Date as of 04/03/2024
(*) We exclude the extraordinary profit from the divestment of Nam Hai Dinh Vu port.

Petrovietnam Transportation Corporation (PVT VN)

Target price (12 months)	31,700 VND
Current price (04/03/24)	27,050 VND
Return (%)	17.1%

VN-INDEX	1,261
Market P/E (x)	11.4
Market Cap (bn VND)	8,754
Outstanding shares (mn)	324
Free-Floating (mn)	158
52-Wk High (VND)	30,850
52-Wk Low (VND)	19,700
90-day avg. Trading Vol (mn)	4.01
90-day avg turnover	95
Beta (12M)	1.1

Major shareholders (%)	Vietnam Oil and Gas Group	44.3

Investment points:

- Petroleum Transportation Joint Stock Company is one of the enterprises operating the largest liquid fleet in Vietnam. Currently, PVT owns and operates a fleet of 51 crude oil tankers, fuel/chemical tankers, bulk cargo ships and LPG tankers with a total capacity of over 1.4 million DWT. PVTrans operates in both domestic and foreign markets, of which 85% of PVTrans's fleet is currently operated in international markets.

- In 2023, PVT's net revenue reached nearly 3,845 bn VND (-1.3% YoY) and profit after tax reached about 980 bn VND (+14% YoY). This is the 12th year that PVT has grown profits steadily compared to the previous year. In 2023, gross profit of the transportation segment increased (+12% YoY) thanks to the stability of freight rates and increased efficiency of fleet operations. Meanwhile, gross profit of the FSO/FPSO segment decreased by 30% YoY because PVT stopped providing O&M services for FPSO Chim Sao (Lewek Emas).

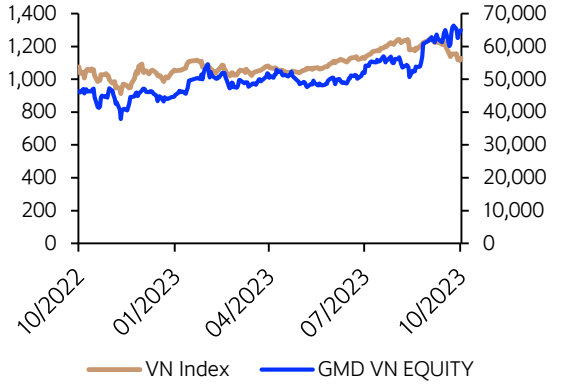
- In 2023, PVT purchased and leased a total of 12 ships, bringing the total number of ships in the fleet to 51 with a total tonnage of nearly 1.4 million DWT (+150% capacity).

- We forecast that PVT will maintain a 20% profit growth momentum in 2024, thanks to high freight rates and the contribution of newly purchased vessels.

1. PVT plans to continue to expand its fleet in 2024 with an estimated increase of 40% compared to 2023.

2. Oil freight rates are expected to remain high due to (1) instability in the Middle East that could disrupt important maritime routes, (2) improving oil demand and (3) shipping distances is prolonged but the supply of ships is limited.

Downside risks: (1) Political risks; (2) Freight price fluctuations and (3) Weak oil demand



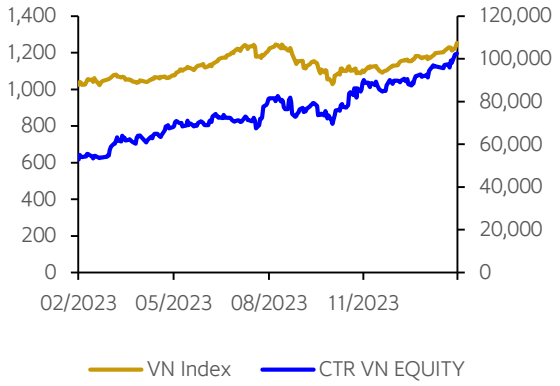
Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	7,383	7,460	9,047	9,487	11,236
OP (VND bn)	865	950	1,235	1,428	1,818
OP margin (%)	11.7	12.7	13.6	15.0	16.2
NPATMi (VND bn)	676	660	857	980	1,212
NP margin (%)	9.2	8.8	9.5	13.0	10.8
EPS (VND)	1,981	1,933	2,500	3,029	3,417
ROE (%)	13.8	12.4	14.5	14.6	14.7
P/E (x)	7.1	12.5	8.8	8.7	8.0
P/B (x)	0.9	1.5	1.2	1.2	1.2

Source: Bloomberg, Shinhan Securities, Date as of 04/03/2024

Viettel Construction Joint Stock Corporation (CTR VN)

Target price (12 months)	120,000 VND
Current price (04/03/24)	104,100 VND
Return (%)	15.2%

VN-INDEX		1,261
Market P/E (x)		11.4
Market Cap (bn VND)		11,907
Outstanding shares (mn)		114
Free-Floating (mn)		36
52-Wk High (VND)		106,000
52-Wk Low (VND)		55,200
90-day avg. Trading Vol (mn)		0.3
90-day avg turnover		26
Beta (12M)		1.3
Major shareholders (%)	Military Telecom Group	65.6
	Doan Hong Viet	5.0



Investment points:

- Viettel Construction Joint Stock Corporation is a leading technical service provider in Vietnam through 6 main strategic business pillars: Infrastructure investment, Construction (including construction of telecommunications infrastructure, construction civil B2B and B2C), Information Technology, Integrated Solutions, Technical Services and Operations. After 27 years of operation, CTR has built a domestic telecommunications network infrastructure system with more than 50,000 broadcasting stations, 320,000 km of fiber optic cables (equivalent to 8 circles of the earth), covering 100% of Vietnam's territory.

- In 2023, CTR records a revenue of 11,299 bn (+20% YoY), the NPAT reaches VND 517 bn (+16% YoY).

1. The construction sector contributed 31% with 3,552 bn VND, an increase of 47% over the same period in 2022 with growth motivation mainly from the B2B and SME civil construction segment. In which, jobs include B2B (VND 2,080 bn); SME (VND 624 bn); B2C (VND 905.2 bn). In addition, CTR participated in public investment projects, with a winning rate of 37%.

2. The operations sector contributed the largest contribution (49%) with VND 5,519 billion in revenue, an increase of 13% compared to 2022, of which foreign markets increase by 35%, domestic markets increase by 7%.

3. The infrastructure leasing grew by 39% compared to 2022, reaching 435.5 bn VND, accounting for 4% of total revenue. Growth motivation comes from BTS station leasing growth of 68%. CTR maintains its position as the No. 1 TowerCo in Vietnam with 6,436 BTS stations.

- In 2024, we forecast CTR's profit to grow by 20% thanks to the commercialization of 5G.

1. The leasing infrastructure segment will benefit from the government's goal of commercializing 5G and completely shutting down 2G waves in 2024. Therefore, the trend of sharing towers will gradually become more popular.

2. The construction sector is still considered to have a lot of potential, especially the B2C segment, while the B2B segment is facing difficulties due to the gloomy real estate market.

Downside risks: (1) Delay in the commercialization of 5G, (2) The B2B construction segment could be affected by the gloomy real estate market.

Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	6,359	7,447	9,370	11,299	12,728
OP (VND bn)	327	467	552	637	752
OP margin (%)	5.1	6.3	5.9	5.6	5.9
NPATMi (VND bn)	274	375	443	517	597
NP margin (%)	4.3	5.0	4.7	4.6	4.7
EPS (VND)	2,442	3,280	3,872	4,515	4,670
ROE (%)	28.4	31.6	30.2	28.6	27.9
P/E (x)	17.9	21.7	13.0	20.3	21.6
P/B (x)	4.7	6.2	3.5	5.3	5.0

Source: Bloomberg, Shinhan Securities, Date as of 04/03/2024

Hoa Phat Group JSC
(HPG VN)

Target price (12 months)		32,000 VND
Current price (04/03/24)		30,800 VND
Return (%)		3.8%
VN-INDEX		1,261
Market P/E (x)		11.4
Market Cap (bn VND)		179,095
Outstanding shares (mn)		5,815
Free-Floating (mn)		2,680
52-Wk High (VND)		31,400
52-Wk Low (VND)		19,850
90-day avg. Trading Vol (mn)		24.73
90-day avg turnover		725
Beta (12M)		1.4
Major shareholders (%)	Tran Dinh Long	25.8
	Vu Thi Hien	6.8

Investment points:

- Hoa Phat Group (HoSE: HPG) is the leading steel producer in Vietnam and Southeast Asia; Top 50 largest steel companies in the world; Operating in 4 main fields: steel, steel products, agriculture, real estate. HPG leads the domestic market in construction steel (32%) and steel pipes (27%); Top 5 galvanized steel producers; is the only Vietnamese company that can produce hot rolled coil (HRC).

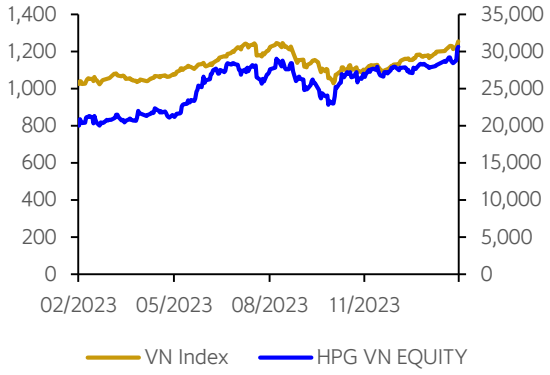
- In 2023, Hoa Phat Group recorded a revenue of VND 120,355 bn (-16% YoY), and after-tax profit of VND 6,800 bn (-19% YoY). Sales volume of construction steel and HRC steel reached 6.72 million tons (-7% YoY). Although Hoa Phat's business results decreased in 2023, the situation has gradually improved over the quarters with both revenue and gross profit margin increasing. This was mainly due to: (1) The continuous improvement in monthly consumption, (2) Hoa Phat has liquidated all its old inventory at high prices, (3) The average coking coal price in 2023 decreased by about 37%, thereby reducing production costs.

- We estimate 2024 revenue to reach VND 148,111 bn (+23% YoY), profit after tax to reach VND 15,977 bn (+135% YoY), and sales volume of construction steel and HRC steel to reach 7.1 million tons (+6% YoY). Gross profit margin in 2024 is expected to improve from 9% to 14%.

1. Consumption output is expected to improve, thanks to: (1) exports will be a growth driver in the coming year and (2)the legal reforms of the domestic real estate market, which will contribute to promoting the real estate market and increasing domestic steel consumption demand.

2. Steel prices are expected to recover due to slightly reduced global supply pressure caused by a significant decline in steel production in China recently.

Downside risks: (1) Inflation risk and (2) Higher-than-expected spike in NPL.



Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	90,119	149,680	141,409	118,953	148,111
OP (VND bn)	17,123	37,664	13,078	9,669	18,341
OP margin (%)	19.0	25.2	9.2	8.1	12.0
NPATMi (VND bn)	13,450	34,478	8,484	6,835	15,977
NP margin (%)	14.9	23.0	6.0	5.7	11.01
EPS (VND)	2,191	5,512	1,452	1,175	2,735
ROE (%)	23.9	42.8	9.0	6.9	14.0
P/E (x)	10.8	6.5	12.4	23.8	10.3
P/B (x)	3.1	2.3	1.1	1.6	1.4

Source: Bloomberg, Shinhan Securities, Date as of 04/03/2024

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