STRATEGY REPORT

March 27th, 2024

High-dividend yield portfolio

Return of portfolio	Return of VN-Index
⬆ +4.2% MoM	⬆ +10.9% MoM
⬆ +11.2% YTD	⬆ +13.6% YTD

"Add BMP, QTP, VCS, VNM. Remove PVS, NT2, TLG, PHR"

- In 2023, Vietnam loosened its fiscal policy to support economic growth. The 12-month mobilization interest rate fell "freely" from 7.6% at the beginning of 2023 to 5% at the end of 2023. In the context of bank deposit interest rates currently at a very low level, the portfolio has achieved a good return of 38.5%, with a dividend yield of 10.5% and a return (price difference) of 28%.
- We remove PVS, NT2, TLG and PHR because the dividend yield is no longer attractive in 2024.
- We add BMP, QTP, VCS and VNM thanks to meeting the criteria of high-dividend yield portfolio and positive business prospects for 2024. In which:

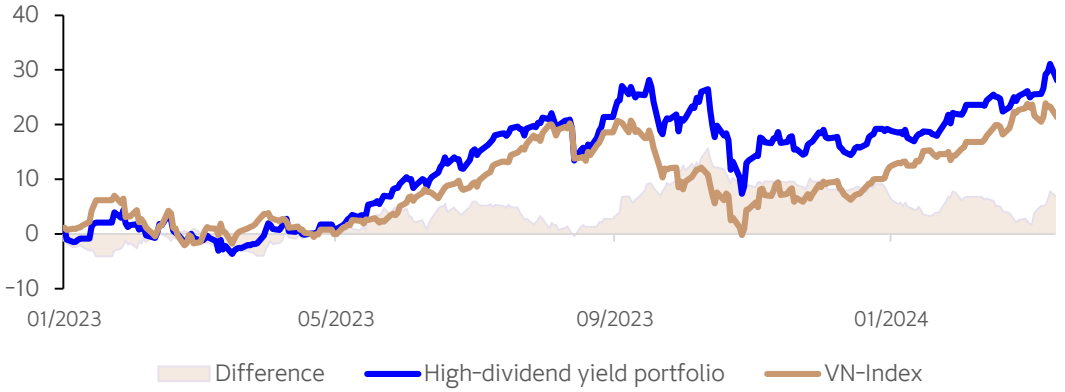
◈ BMP, VCS: We expect the recovery of the real estate market to help the company achieve good business results, which will allow it to continue to pay attractive dividends. BMP's dividend payout ratio is almost 100% of after-tax profit..

◈ QTP: Improved cash flow from paying off loans in 2024 allows the company to afford higher dividend payments.

◈ VNM: We added VNM to the portfolio because the stock price has fallen sharply, making the dividend yield more attractive. In addition, this is a company with a tradition of paying high dividends, with an average dividend payout ratio of 70% of after-tax profit.

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 High-dividend yield porfolio and VN Index (%)



Portfolio analysis

	Portfolio	VN-Index
P/E(x)	15.2	11.4
P/B (x)	1.4	1.6
Dividend yield (%)	10.5	1.6
EPS growth (5Y) (%)	19	9
ROE (%)	14.2	12.0
ROA (%)	10.2	1.9
Beta	0.7	1.0
Return (annualized) (%)	28.0	21.3
Std (%)	17.2	15.3
Sharpe ratio	1.6	1.1

Data as of March 26th, 2024 Sources: SSV, Bloomberg

Strategy overview

High-dividend yield portfolio can be a great selection for long-term investors looking for a safe haven. The selected tickers in the portfolio satisfy the following criteria:

- Stable dividend yield and above 5%.
- A financially healthy (current ratio > 1.5, debt/equity < 1), strong cash flow and stable business that is committed to paying dividends in the upcoming time.
- Market cap is higher than 2,000 VND bn and average daily trading volume is above 100,000 shares.
- Competitive advantage and solid growth outlook.

Thao Nguyen
☎ (84-28) 6299-8004
✉ thao.np@shinhan.com

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SSV Research

High-dividend yield portfolio

Top picks

	General Information			Key financials			Valuation				Dividend yield			
	Ticker	Industry	Mkt Cap (VND bn)	GPM	ROA	ROE	P/E trailing (x)	P/B trailing (x)	Annualized return (**)	Standard deviation (**)	Dividend yield 2021	Dividend yield 2022	Dividend yield 2023	Dividend yield 2024F
1	VEA	Automobile	49,962	11.7%	22.8%	24.9%	7.7	1.9	3.9%	25.2%	17.3%	13.0%	11.9%	11.2%
2	DPM	Chemical	18,581	16.1%	7.5%	10.8%	11.4	1.8	34.2%	50.0%	6.9%	5.6%	12.0%	7.0%
3	DCM	Chemical	14,008	12.1%	3.3%	4.2%	16.3	1.2	34.7%	50.0%	10.5%	13.1%	19.1%	10.1%
4	QNS	F&B	17,131	33.4%	19.5%	27.2%	7.6	1.6	11.0%	25.9%	6.6%	6.2%	9.0%	7.7%
5	DPR	Industrial Real Estate	3,436	26.9%	4.8%	10.8%	19.1	2.1	21.0%	35.3%	21.7%	12.1%	9.1%	8.3%
6	VCS	Material	11,088	28.0%	12.9%	17.1%	10.1	2.5	-2.9%	29.1%	4.6%	5.1%	6.9%	7.2%
7	QTP	Utility	6,960	6.7%	7.8%	10.8%	8.6	1.1	12.3%	32.9%	11.8%	10.7%	20.4%	12.4%
8	BMP	Material	8,922	41.0%	33.0%	39.2%	8.9	3.4	33.0%	22.8%	7.2%	12.1%	21.8%	12.0%
9	VNM	F&B	140,654	40.6%	17.5%	29.3%	16.1	4.5	-8.0%	19.8%	3.8%	5.0%	5.1%	5.1%

* Data for 12 months up to Q4/2023
** 3-year average

Source: SSV Research, Bloomberg
Data as of March 26th, 2024

High-dividend yield portfolio

General info			Share price					
	Ticker	Industry	CP (VND)	TP* (VND)	Upside (%)	YTD (%)	Outlook 2023	Investment thesis
1	VEA	Agricultural machinery	36,300	41,270	13.7	5.7	Neutral	– High and regular dividend payout policy (most will use 100% from the parent company's after-tax profit). – Economic recovery and improving demand will support car and motorbike sales in Vietnam.
2	DCM	Chemical	35,100	35,242	1.0	6.0	Positive	- The factory's depreciation has been completed since Q4/2023, which will contribute to a good profit growth in 2024. - We expect DCM to increase its NPK production capacity by acquiring Han Viet Fertilizer Company Limited.
3	DPM	Chemical	36,000	33,350	-7.3	5.5	Positive	- DPM's operations biggest highlight was the company's repayment of all short-term and long-term debt, which reduced financial costs. - In 2024, urea fertilizer prices are forecast to recover slightly. According to the IFA, total fertilizer demand is expected to increase slightly by 1.2% in 2024, mainly due to stable fertilizer demand growth of 5-7% from South Asia and Latin America.
4	QNS	F&B	48,100	64,200	33.7	7.9	Positive	- Global sugar prices are forecast to remain high due to the impact of El Nino. - QNS's sugar segment will also benefit significantly from the imposition of anti-dumping and anti-subsidy duties on imported sugar from Thailand.

* Target price (fair value) for the next 12 months
** Data as of March 26th, 2024

High-dividend yield portfolio

General info			Share price					
	Ticker	Industry	CP (VND)	TP* (VND)	Upside (%)	YTD (%)	Outlook 2024	Investment thesis
5	DPR	Industrial Real Estate	42,300	36,650	-13.3	25.6	Positive	- DPR benefits from the recovery of rubber prices, thanks to the recovery of demand for tires and rubber wood in export markets. - Revenue increase from transferring rubber land to industrial park land - Healthy financial situation. Net cash accounts for 40% of total assets, the company has no short-term and long-term debt.
6	VCS	Material	69,500	70,000	1.0	26	Positive	- We believe that VCS's business operations will start to recover in 2024. The FED's early rate cuts in the second half of 2024 will create favorable conditions for the construction market. - VCS has a healthy financial position and pays regular dividends with an average yield of 40%/share.
7	QTP	Utility	15,500	17,133	12.0	5.4	Positive	- Cash flow is improved due to the repayment of all loans in 2024. - Decreasing depreciation and amortization will improve profits and increase dividend payments
8	BMP	Material	108,500	111,325	0.7	6.0	Positive	- The balance sheet is healthy and the dividend payout ratio is almost 100% of net profit. - In 2024, operating profit will grow, thanks to no depreciation and improved gross profit margin.
9	VNM	F&B	67,700	84,108	23.7	1.9	Positive	- We expect gross profit margin to expand in 2024 due to lower raw milk powder costs. - VNM maintains a regular dividend payout, with an average payout ratio of around 70% of net profit.

* Target price (fair value) for the next 12 months
** Data as of March 26th, 2024

Shinhan Investment Network

SEOUL
Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK
Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG
Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA
PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI
Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH
Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI
Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000

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