STRATEGY REPORT

April 05th, 2024

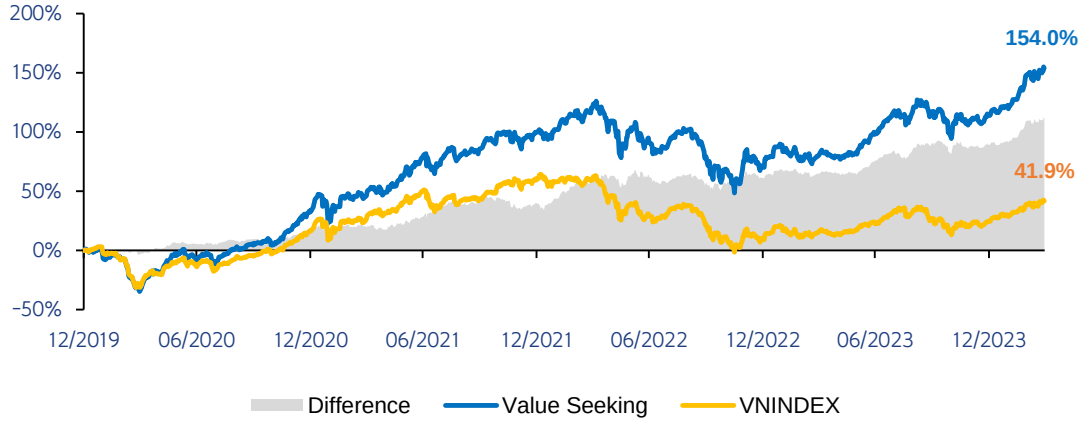
VALUE SEEKING

	Portfolio Return	VN-Index Return
FY2023	+25.7%	+14.1%
FY2024 (as of April 1st, 2024)	+18.7% YTD	+13.8% YTD

"FRT outperformed. Adding POW"

- The Vietnam stock market has returned to an upward trend and conquered the old peak in 2023 (1,250 range). VN-Index is forecast to keep its growing momentum thanks to the expectation that FED will cut the policy 3 times in 2024, which benefits the expansionary monetary policy and economic recovery of Vietnam.
- **Investment evaluation:** The portfolio's return continuously outperformed the VN-Index's return. FRT (+78% in 2023; +46% YTD) made the strongest contribution to the portfolio return thanks to the growth potential of Long Chau chain. Besides, FPT (+47% in 2023; +21% YTD), GMD (+60% in 2023; +13% YTD) and the banking stocks (+25% in 2023; +34% YTD) in the portfolio skyrocketed. Although the performance of companies in the portfolio were at modest level in 2023, with total revenue, NPAT growth reaching +3.3% and 4.0% YoY, respectively, the market expects positive conditions from the economy will boost the growth momentum of these firms in 2024.
- **Portfolio review:** In this update, we add POW (PetroVietnam Power Corporation) to the investment portfolio. POW is the second largest power generation company in Vietnam; having the growth potential with the LNG gas power segment when best suited to the VIII power plan of the Government. Currently, POW is at an attractive valuation, meeting the criteria of the value investing strategy.
- **Outlook:** Vietnam's Q1/2024 GDP growth reached 5.66% - the highest increase since 2020. We assert the Vietnam's economic growth rate will reach 6-6.5% in 2024. Firms with strong core business will continue taking the lead in the coming time.

Performance of Value Seeking portfolio and VN-Index



Portfolio analysis

	Portfolio	VN-Index
P/E (x)	14.8x	12.1x
P/B (x)	2.6x	1.7x
Dividend yield (%)	2.0	1.6
EPS growth (3Y) (%)	4.4	14.2
ROE (%)	16.6	11.9
ROA (%)	7.7	1.9
Beta	1.1	1.0
Annualized return (%)	64.6	36.4
Std (%)	15.7	15.4
Sharpe ratio	2.4	1.3

Data as of April 01st, 2024 Source: SSV, Bloomberg

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

[Analyst]
Phuc Nguyen
☎ (028) 6299-8025
✉ phuc.nlh@shinhan.com

Theo dõi Zalo của SSV, Cập nhật báo cáo mới nhất
Bấm vào hình hoặc quét QR

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.

Value Investment Portfolio

Shinhan Securities

Top picks

General information					Share price						Key financials (**)				Valuation 24F	
No.	Ticker	Company Name	Sector	Mkt. Cap. (VND bn)	CP (VND)	TP* (VND)	Upside (%)	1M (%)	YTD (%)	Return since added date (%) Dec. 6th, 2022	NPAT margin (%)	Dividend yield (%)	ROA (%)	ROE (%)	P/B (x)	P/E (x)
1	HPG	Hoa Phat Group	Steel	175,025	30,100	32,000	6.3	(2.4)	7.7	61.8	5.7	0.0	3.8	6.9	1.4	10.3
2	TCB	Techcombank	Banking	167,143	47,450	50,300	6.0	13.4	49.2	75.4	42.1	0.0	2.3	14.8	0.9	5.2
3	MBB	MB Bank	Banking	131,648	24,900	29,300	17.7	3.8	33.5	65.9	36.7	1.7	2.5	24.5	1.0	4.4
4	VCB	Vietcombank	Banking	532,081	95,200	107,750	13.2	(2.2)	18.6	40.5	44.4	0.0	1.8	22.0	2.5	14.7
5	GAS	Petro Vietnam Gas	Power	185,117	80,600	87,300	8.3	3.9	6.8	-8.5	12.9	3.7	13.6	18.7	2.4	16.1
6	FPT	FPT Corp.	Technology	148,332	116,800	125,500	7.4	5.4	21.5	80.9	12.3	1.7	11.6	28.1	4.7	18.1
7	FRT	FPT Retail	Retail	20,913	153,500	140,100	-8.7	8.9	43.5	158.5	(1.1)	0.3	(2.9)	(19.2)	8.5	26.9
8	VNM	Vinamilk	F&B	140,027	67,000	84,100	25.5	(5.1)	0.4	(12.8)	14.7	5.7	17.5	25.8	4.4	15.8
9	GMD	Gemadept	Logistic	24,319	79,500	83,400	4.9	(1.2)	12.8	69.0	57.8	2.5	16.7	27.9	2.0	24.2
10	VHM	Vinhomes	Real estate	186,802	42,900	77,000	79.5	(2.4)	(0.7)	(22.0)	32.2	0.0	8.3	20.6	0.8	4.7
11	VRE	Vincom Retail	Real estate	58,399	25,700	37,700	46.7	(3.6)	10.3	(13.2)***	45.0	0.0	9.8	12.4	1.4	14.1
12	POW	PetroVietnam Power Corp.	Utility	26,580	11,350	14,800	30.4	(3.4)	0.9	0.0***	3.7	0.0	1.6	3.4	0.8	22.3

* Target price (fair value) for the next 12 months
** Data for 12 months up to Q4/2023
*** VRE was added on Nov. 9th, 2023. POW was added on April 1st, 2024

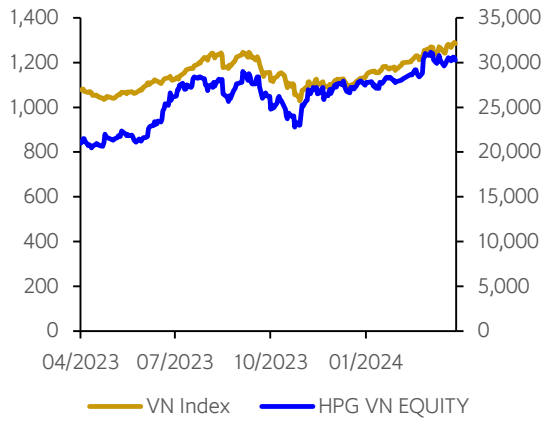
Source: SSV Research, Bloomberg
Data as of April 01st, 2024

Hoa Phat Group JSC
(HPG VN)

Target price (12 months)	32,000 VND
Current price (01/04/24)	30,100 VND
Return (%)	+6.3 %

VN-INDEX	1,282
Market P/E (24F, x)	12.1
Market Cap (bn VND)	175,025
Outstanding shares (mn)	5,815
Free-Floating (mn)	3,252
52-Wk High (VND)	31,400
52-Wk Low (VND)	20,350
90-day avg. Trading Vol (mn)	25.94
90-day avg turnover	762
Beta (12M)	1.4

Major shareholders (%)	Tran Dinh Long	25.8
	Vu Thi Hien	6.9



Investment points :

Hoa Phat Group (HSX: HPG) is the leading steel producer in Vietnam & Southeast Asia; Top 50 world largest steel companies; Operating in 4 main fields: cast iron, steel products, agriculture, real estate. HPG leads the domestic market in construction steel (32.5%) & steel pipes (27%); Top 5 galvanized steel producers; the only Vietnamese firm can produce hot rolled coil (HRC).

Q4/2023 results enhanced: Revenue and NPAT reached VND 34,925 billion (+33% YoY) and VND 2,969 billion (+249% YoY), respectively. Construction steel consumption volome in Q4 recorded the 2nd highest level in HPG's history - reaching 1.21 million tons (+48% YoY, +32% QoQ). HRC steel also reported a record high consumption volume of 804,000 tons (+36% YoY, +5% QoQ).

Update FY2023 business results: Revenue reached VND 120,355 billion (-27% YoY); NPAT reached VND 6,800 billion (-63% YoY), completing 85% of the year's plan. In 2023, HPG produced 6.7 million tons of crude steel (-10% YoY); Sales output of construction steel products & high quality steel reached 3.8 million tons (-11% YoY); HRC steel recorded ~2.8 million tons (+6% YoY).

Although business results declined, revenue and GPM improved over the quarters thanks to: (1) Consumption output continuously recovered over the months; (2) Hoa Phat liquidated all old inventory having high COGS; (3) Average coking coal price in 2023 decreases by 37% YoY, reducing the production costs; (4) The proportion of construction steel and HRC exports has increased sharply, reaching 30% in 2023 (2022: 16%).

Outlook 2024: We estimate revenue of HPG in 2024 be VND 148,111 billion (+23% YoY); NPAT of VND 15,977 billion (+135% YoY). Steel prices are expected to recover because of a significant drop in steel output in China, leading to a decrease in global supply.

Consumption of construction steel and HRC steel will improve, expected to reach 7.1 million tons (+6% YoY) thanks to: (1) Export channels will be the driving force for next year growth; (2) Domestic real estate legal reform will promote the real estate market and increase domestic demand for construction steel.

Dung Quat 2 project: Completed 45% of progress. Once it is done, HPG's steel production capacity will reach more than 14 million tons of crude steel/year; increasing HRC consumption to 7.5 million tons in 2027 (2023: 2.8 million tons), bringing Hoa Phat into the Top 30 largest steel producers in the world. The shortage of domestic supply and the promotion of exports will help HPG boost its HRC business after Dung Quat 2 comes into operation.

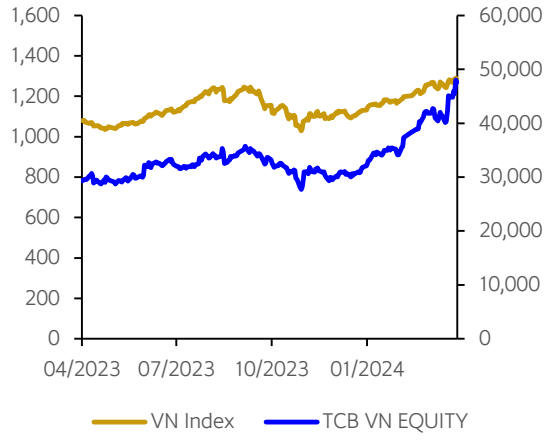
Downside risks: (1) Risk of steel and coking coal price fluctuations; (2) The instability of domestic real estate market; (3) Risk of decline in the world economic condition.

Year to Dec	2021	2022	2023	2024F	2025F
Gross revenue (bn VND)	**150,865**	**142,771**	**120,355**	**148,111**	**171,151**
OP (bn VND)	37,008	9,794	7,798	18,341	26,886
NPAT (bn VND)	**34,521**	**8,444**	**6,800**	**15,977**	**23,414**
EPS (VND)	7,166	1,452	1,164	2,735	4,008
OPM (%)	24.7	6.9	6.4	12	16
NPM (%)	23.1	6.0	5.7	11	14
ROE (%)	**42.8**	**9.0**	**6.9**	**14.0**	**17.0**
P/E (x)	6.5	12.4	23.8	10.3	7.1
P/B (x)	2.3	1.1	1.6	1.4	1.2
EV/EBITDA (x)	5.2	7.8	11.1	11.1	6.6

Source: Bloomberg, Shinhan Securities Vietnam

Techcombank
(TCB VN)

Target price (12 months)	50,300 VND
Current price (01/04/24)	47,450 VND
Return (%)	6.0%
VN-INDEX	1,282
Market P/E (24F, x)	12.1
Market Cap (bn VND)	167,143
Outstanding shares (mn)	3,523
Free-Floating (mn)	2,402
52-Wk High (VND)	48,700
52-Wk Low (VND)	27,200
90-day avg. Trading Vol (mn)	6.49
90-day avg turnover	327
Beta (12M)	1.3
Major shareholders (%)	Masan Group Corporation 14.88



Investment points:

Techcombank is one of the largest joint stock commercial banks in Vietnam with remarkable successes. TCB focuses on developing technology to lead the digitalization journey of the financial industry. TCB focuses on developing the real estate development and home loan segments. We assess that in the future this is a segment with a lot of development potential. 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 FY2023 business results: TCB's net interest income in Q4 increased nearly 4.5% QoQ, reaching VND 27,791 billion (-9% YoY) for the whole year. Non-interest income having strong increases from LC, payment, cash and card segments helps TCB maintain double digit growth in 2023.

TCB's credit balance in 2023 increased by 21.58% YTD, customer deposit balance increased by 26.9% YTD. CASA in Q4 increased sharply by 32% QoQ (accounting for 39.9% of total customer deposits), mostly from the corporate client segment. NIM continued to maintain stability and stayed at ~4.02% in YE2023.

TCB's non-performing loan (NPL) at the end of Q4 decreased nearly 15% QoQ, after increasing in 3 consecutive quarters of 2023. The NPL ratio dropped from 1.4% of Q3/2023 to ~1.19% at the end of Q4/2023. TCB has increased provision expenses significantly, recording VND 1,634 billion in Q4/2023 (+136% YoY). EBT reached VND 22,888 billion (-10.5% yoy), exceeding the 2023 profit target plan. TCB expects to set aside 20% of NPAT for executing cash dividend policy for the upcoming years.

Outlook 2024: With the recovery of CASA, we expect the bank's NIM to improve in 2024. High propotion of home loans in total outstanding loans to retail customers are expected to grow again in 2024 (Previously shrunk at rate 2% in 2023). We expect TCB's 2024 credit growth to reach over 20%; bad debt ratio still maintains around 1-1.5%. TCB proposes to pay 15% cash dividend and 100% stock dividend for FY2023 to shareholders in 2024.

Furthermore, according to Techcombank, the bank has set aside 100% provision expense for restructured debts according to Circular 02/2023/TT-NHNN (instead of 50% in 2023 as the circular allows). In case Circular 02 is not extended, TCB would not be affected in 2024. We forecast that TCB's EBT in 2024 reaches 29,641 billion VND (+29.5% YoY).

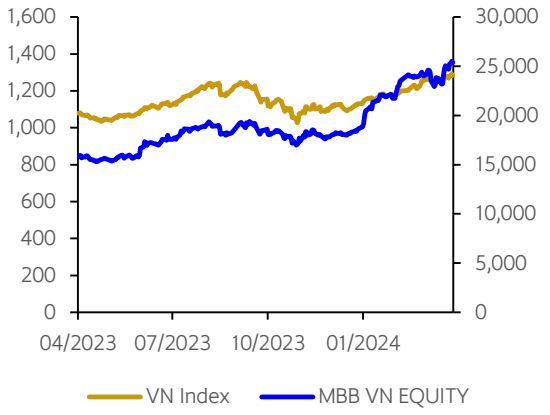
Downside risks: (1) Real estate market recovers more slowly than expected; (2) Interest rates are under pressure to increase again in 2H2024.

Year to Dec	2020	2021	2022	2023	2024F
Net interest income (VND bn)	18,751	26,699	30,290	27,691	38,076
Net non-interest income (VND bn)	8,627	10,378	10,612	12,370	14,598
TOI (VND bn)	**27,379**	**37,076**	**40,902**	**40,061**	**52,674**
Provision and other expenses (VND bn)	(11,578)	(13,838)	(15,334)	(17,173)	(23,033)
Profit before tax (VND bn)	**15,800**	**23,238**	**25,568**	**22,888**	**29,641**
Credit growth (%)	24.04	26,49	12.53	21.58	22.02
NIM (%)	4.89	5.71	5.29	4.02	4.59
ROE (%)	**18.03**	**21.53**	**19.52**	**14.85**	**16.80**
NPL ratio (%)	0.47	0.66	0.91	1.19	1.30
LLR ratio (%)	171.0	162.9	125.0	102.5	128.46

Source: Bloomberg, Shinhan Securities Vietnam

Military Commercial Joint Stock Bank
(MBB VN)

Target price (12 months)	29,300 VND
Current price (01/04/24)	24,900 VND
Return (%)	+17.7%
VN-INDEX	1,282
Market P/E (24F, x)	12.1
Market Cap (bn VND)	131,648
Outstanding shares (mn)	5,287
Free-Floating (mn)	3,570
52-Wk High (VND)	25,700
52-Wk Low (VND)	15,652
90-day avg. Trading Vol (mn)	17.55
90-day avg turnover	521
Beta (12M)	1.3
Major shareholders (%) Viettel Group	14.1
Major shareholders (%) SCIC	9.4



Investment points:

Military Commercial Joint Stock Bank (HSX: MBB) has had many outstanding achievements in recent years, reflected in its asset quality, superior profits and high credit ratings by international rating agencies. MBB has close relationships with military enterprises such as Viettel, Vinacomin, Vietnam Helicopter, etc., leading to its infinite deposit ratio to be the highest among banks, thereby controlling its cost of fund more effectively.

Update FY2023 business results: MBB's credit balance at YE2023 reached VND 649 trillion (+28.8% YoY), of which more than VND 72 trillion was disbursed in Q4/2023. Customer deposits also had an impressive increase, reaching about 27.9% YTD. Net interest income in 2023 reached VND 38,684 billion (+7.4% YoY). MBB has reduced lending rates to stimulate credit growth, causing NIM (TTM) to decrease sharply to 4.8% at YE2023 (YE2022: 5.67%).

Q4/2023, group 2 outstanding loans and bad debts decreased; bad debt ratio was 1.6% (Q3/2023: 1.89%). According to MBB, Novaland and Sungroup's outstanding loans are still classified as group 1 loans. MBB said that the projects of these two clients are recovering well. In 2023, despite the strong increase of bad debts aligning with the banking industry, MBB took advantage of the large buffer of provisions in 2022 and only recognized more than VND 6,087 billion for risk provision costs (-24.4% YoY). Non-interest income in 2023 decreased by 9.9%, reaching VND 8,622 billion.

EBT reached VND 26,306 billion (+15.7% YoY), completing the year target. MBB's profit growth in 2023 did not come much from total operating income but thanks to the reduction of risk provision costs and control of opex. MBB may pay cash dividends this year but has not declared the its payment plan.

Outlook 2024: We expect (1) NPL will still be under control after Circular 02/2023/TT-NHNN continues to be extended in 2024; (2) MBB leads the market in digital transformation, the number of customers has increased 39 times over the past 5 years; (3) Top 1 CASA among banks helps cost of fund be less volatile and the bank's NIM at the top of the banking industry (only behind VPB). We project MBB's credit growth in 2024 to reach over 15%. In 2024, NPL ratio might be around 1.5-2%; NIM at ~5.4%.

Plan in 2024: M&A plan with Oceanbank could be approved; issuing 73 million shares to SCIC and Viettel.

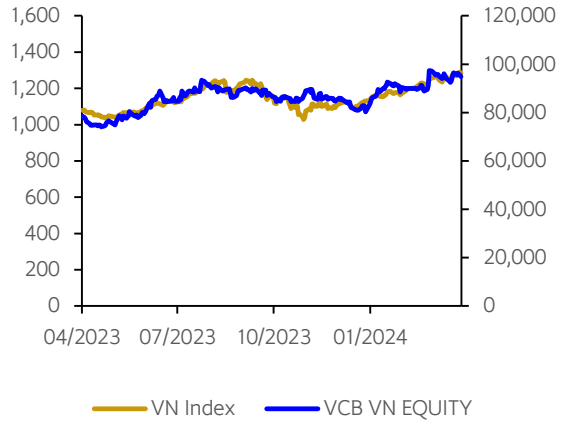
Downside risks: (1) Credit growth is slower than expected; (2) NPL risks continue to increase; (3) The real estate market is slower to recover than expected.

Year to Dec	2020	2021	2022	2023	2024F
Net interest income (VND bn)	20,278	26,200	36,023	38,684	52,827
Net non-interest income (VND bn)	7,084	10,734	10,734	8,622	11,323
TOI (VND bn)	**27,362**	**36,934**	**45,493**	**47,306**	**64,150**
Provision and other expenses (VND bn)	(16,674)	(20,407)	(22,863)	(21,000)	(33,390)
Profit before tax (VND bn)	**10,688**	**16,527**	**22,729**	**26,306**	**30,760**
Credit growth (%)	22.95	24.63	25.01	27.99	20.31
NIM (%)	4.73	5.04	5.67	4.80	5.36
ROE (%)	**19.13**	**23.49**	**25.55**	**23.88**	**23.10**
NPL ratio (%)	1.09	0.90	1.09	1.60	1.80
LLR ratio (%)	134.07	267.98	238.03	116.98	150.41

Source: Bloomberg, Shinhan Securities Vietnam

Vietcombank
(VCB VN)

Target price (12 months)	107,750 VND
Current price (01/04/24)	95,200 VND
Return (%)	+13.2%
VN-INDEX	1,282
Market P/E (24F, x)	12.1
Market Cap (bn VND)	532,081
Outstanding shares (mn)	5,589
Free-Floating (mn)	1,408
52-Wk High (VND)	100,500
52-Wk Low (VND)	73,666
90-day avg. Trading Vol (mn)	1.39
90-day avg turnover	138
Beta (12M)	0.9
Major shareholders (%) SBV	74.8
Mizuho	15.0



Investment points:

Vietcombank (HSX: VCB) is a state-owned bank having the largest market cap in the banking sector. VCB has maintained to be the most efficient bank in business, improved asset quality over the years, and constantly made efforts in digital transformation. Furthermore, VCB always focuses on international standards during its operation, being trusted by prestigious organizations in the world.

Update FY2023 business results: VCB's credit growth accelerated sharply in Q4, helping to achieve a growth rate of 10.9% YTD. Customer deposits at YE2023 reached VND 1,395 billion (+12.2% YoY). Net interest income in 2023 reached VND 53,621 billion (+0.7% YoY). NIM (TTM) at the end of 2023 narrowed to 3.01%. The positive point is that the annualized NIM in Q4 ended the 3-quarter consecutive decline, slightly increased to 2.91% (Q3/2023: 2.89%).

Non-interest income reached VND 14,103 billion for the whole year (-5% YoY). However, VCB's total operating income showed the bank's strength when it maintained a growth rate higher than the industry average, reaching 16.2% YoY. Opex was well controlled in 2023 when it only increased slightly by 3.1%. Non-performing loans at the end of Q4/2023 decreased sharply by 18.95% QoQ, plus the positive credit growth, helps VCB's NPL ratio to decrease to 0.98%. In 2023, EBT of VCB reached VND 41,244 billion (+10.5% YoY), completing the year profit plan.

Outlook 2024: VCB still maintain good asset quality, with NPL ratio of below 1.5%, having the highest loan loss coverage ratio in the industry. Diversified capital sources and low cost of fund help the bank's NIM be less volatile. In 2024, when the cost of fund has returned to a low level as expected, we forecast that NIM may increase slightly to 3.1%. VCB is still in the process of searching investors for a private placement. This deal will help improve its CAR by about 150-200bps.

We expect credit growth to reach about 13%, recovering but not increasing strongly as the absorption capacity of the economy in 1H2024 may not high as expected (especially retail customer groups). With the expectation that NPL in 2024 will be below 1.5% and LLR will improve slightly compared to 2023, VCB's EBT could reach ~VND 45,888 billion (+11%YoY).

Downside risks: (1) Lending interest rates continue to decrease and low credit growth, causing NIM to continue to shrink. (2) Rapidly increasing NPL puts pressure on risk provision costs.

Year to Dec	2020	2021	2022	2023	2024F
Net interest income (VND bn)	36,285	42,273	53,246	53,621	60,424
Net non-interest income (VND bn)	12,777	14,357	14,836	14,103	18,263
TOI (VND bn)	**49,063**	**56,630**	**68,083**	**67,723**	**78,686**
Provision and other expenses (VND bn)	(26,013)	(29,335)	(30,715)	(26,480)	(32,798)
Profit before tax (VND bn)	**23,050**	**27,389**	**37,368**	**41,244**	**45,888**
Credit growth (%)	13.99	15.09	18.86	10.76	12.90
NIM (%)	2.92	3.16	3.40	3.01	3.12
ROE (%)	**21.11**	**21.59**	**24.22**	**21.57**	**19.59**
NPL ratio (%)	0.62	0.64	0.68	0.98	1.0
LLR ratio (%)	367.96	424.36	316.86	230.30	234.11

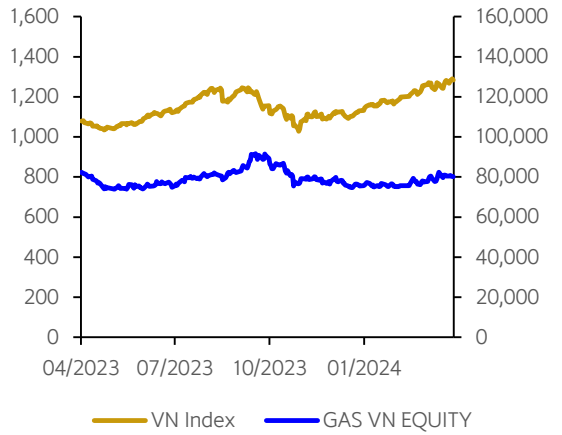
Source: Bloomberg, Shinhan Securities Vietnam

PetroVietnam Gas
(GAS VN)

Target price (12 months)	87,300 VND
Current price (01/04/24)	80,600 VND
Return (%)	+8.3%

VN-INDEX	1,282
Market P/E (24F, x)	12.1
Market Cap (bn VND)	185,117
Outstanding shares (mn)	2,297
Free-Floating (mn)	97
52-Wk High (VND)	93,250
52-Wk Low (VND)	74,200
90-day avg. Trading Vol (mn)	0.95
90-day avg turnover	85
Beta (12M)	0.7

Major shareholders (%)	PetroVietnam	96.18



Investment points :

PetroVietnam Gas (HSX: 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, playing a critical role in the national power system according to Power Plan VIII. GAS is the first unit being approved to import & export LNG gas; be the LNG supplier having the largest market share in Vietnam. Demand for natural gas/LNG in 2024 as aligned with the Power Plan VIII, GAS will greatly benefit and experience strong growth from 2024.

Q4/2023 results: Low gas electricity mobilization and the overhaul of Nhon Trach 2 power plant in Oct. causes dry gas consumption to only reach 1.7 bn m3 in Q4 (-13% YoY). Q4 net revenue reached VND 22,571 bn (+2.4% YoY). Due to the lower contribution of the dry gas segment (having higher GPM than that of LPG segment), GAS's Q4/2023 GPM only reached 18% (Q4.2022: 22.1%).

FY2023 results: Net revenue and NPATMI both decreased, reaching VND 89,954 billion (-11% YoY) and VND 11,606 billion (-22% YoY), respectively. In 2023, gas consumption decreased by 6% YoY; average FO oil price decreased by 11% YoY, output from cheap gas fields gradually depleted and SG&A costs increased (+14.3% YoY) causing profit margin to be squeezed. In 2023, compared to the conservative revenue and profit plan, GAS completed 117% and 181% of the target plan, respectively.

Update project progress: (1) Su Tu Trang field gas collection, transportation pipeline is expected to be approved for FS within 30 months before the Firstgas milestone (first commercial gas flow) and is expected to be completed in 2025/2026. Total mining output is 8 billion m3 and annual supply is about 1.2 million m3.

(2) Thi Vai LNG warehouse phase 1 with capacity of 1 million tons/year was inaugurated on Oct. 29, 2023, expected to record revenue in 2024. Then the capacity will be increased to 3 million tons/year in Phase 2; FS has now been approved.

(3) Son My - Binh Thuan LNG import warehouse project with phase 1 capacity of 3.6 million tons/year is under construction.

(4) Block B mega project: GAS will be the main investor and transporter of about 5-7 billion m3 of gas. It is expected to exploit the first gas stream at the end of 2026.

Downside risks: (1) Dry gas output decline; (2) Average gas selling price decline; (3) Block B O Mon delayed; (4) High LNG gas prices leading to low demand.

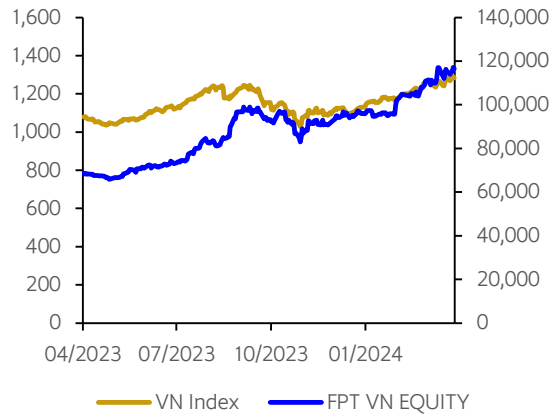
Year to Dec	2021	2022	2023	2024F	2025F
Revenue (bn VND)	**78,992**	**100,724**	**89,954**	**94,274**	**101,777**
OP (bn VND)	10,374	17,799	12,906	14,171	15,448
NPATMI (bn VND)	**8,673**	**14,798**	**11,606**	**11,911**	**12,608**
EPS (VND)	3,630	6,374	4,972	4,795	5,464
OPM (%)	13.1	17.7	14.3	15.0	15.2
NPM (%)	11.0	14.7	12.9	12.6	12.4
ROE (%)	**16.8**	**26.4**	**18.7**	**17.2**	**16.4**
P/E (x)	22.1	13.3	15.2	16.1	14.2
P/B (x)	3.6	3.2	2.7	2.4	2.2
EV/EBITDA (x)	12.1	8.0	8.8	8.2	7.6

Source: Bloomberg, Shinhan Securities Vietnam

FPT Corporation
(FPT VN)

Target price (12 months)	125,500 VND
Current price (01/04/24)	116,800 VND
Return (%)	+7.4%

VN-INDEX		1,282
Market P/E (24F, x)		12.1
Market Cap (bn VND)		148,332
Outstanding shares (mn)		1,270
Free-Floating (mn)		1,091
52-Wk High (VND)		118,500
52-Wk Low (VND)		67,391
90-day avg. Trading Vol (mn)		2.37
90-day avg turnover		269
Beta (12M)		0.8
Major shareholders (%)	Truong Gia Binh	6.99
	SCIC	5.75



Investment points :

FPT Corporation (HSX: 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).

Revenue generating from 3 segments: IT; 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.

FY2023 results: Revenue and PBT grew positively, reaching VND 52,618 billion (+19.6% YoY) and VND 9,203 billion (+20.1% YoY), respectively, completing 101% and 102% of the 2023 plan. In 2023, FPT expanded scale of operations abroad, opening 5 new offices in Japan, Korea, China, Indonesia, and Mexico. At the same time, carrying out 04 M&A deals in the US, Japan, and France.

IT segment: Revenue and EBT reached VND 31,449 billion (+22.1% YoY) and VND 4,161 billion (+23.6% YoY), respectively, contributing 60% and 45% of the Group's revenue and PBT. Specifically, revenue from foreign IT services officially surpassed the 1 billion USD mark, reaching 24,288 billion VND (+28.4% YoY); driven by the Japanese market (+43.4% YoY). Domestic IT revenue recorded VND 7,161 billion (-2.6% YoY). Noticeably, the value of new contracts signed in 2023 (revenue not yet recorded) from foreign markets reached VND 29,717 billion (+37.6% YoY) where 37 projects are of over USD 5 million in value.

Telecommunication segment: Growth from this segment cooled due to a decline in demand for direct advertising. Revenue and PBT recorded 15,186 billion VND (+8.8% YoY) and 2,895 billion VND (+15.4% YoY), respectively.

Education & investment segment: Business results maintain a positive growth rate in 2023. Revenue reaches 6,159 billion VND (+31% YoY).

2024 plan: FPT targets revenue of USD 2.5 billion (~VND 61,850 billion; +17.5% YoY); EBT reached VND 10,875 billion (+18.2% YoY). Revenue in all segments is expected to grow by double digits. In the period 2024-2026, FPT aims to accelerate digital transformation, promote green transformation and initiate smart transformation.

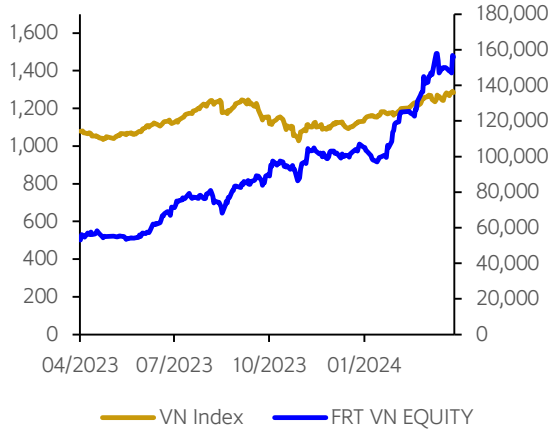
Downside risks: (1) Lower-than-expected IT services demand; (2) Exchange rate risk; (3) Fierce competition from rivals.

Year to Dec	2020	2021	2022	2023	2024F
Revenue (bn VND)	**29,830**	**35,667**	**44,010**	**52,618**	**62,492**
OP (bn VND)	4,605	5,415	6,795	8,418	10,202
NPAT (bn VND)	**3,538**	**4,337**	**5,310**	**6,471**	**7,870**
EPS (VND)	2,593	3,151	3,851	4,666	5,923
OPM (%)	15.4	15.2	15.4	16.0	16.3
NPM (%)	11.9	12.2	12.1	12.3	12.6
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 Vietnam

FPT Digital Retail JSC
(FRT VN)

Target price (12 months)	140,100 VND
Current price (01/04/24)	153,500 VND
Return (%)	-8.7%
VN-INDEX	1,282
Market P/E (24F, x)	12.1
Market Cap (bn VND)	20,913
Outstanding shares (mn)	136
Free-Floating (mn)	66
52-Wk High (VND)	162,100
52-Wk Low (VND)	53,000
90-day avg. Trading Vol (mn)	0.59
90-day avg turnover	91
Beta (12M)	1.3
Major shareholders (%) FPT Corporation	46.54
Major shareholders (%) Group of Dragon Capital Fund	7.07



Investment points:

FPT Digital Retail JSC (FPT Retail, HSX: FRT) is one of the leading mobile digital products retailers in Vietnam. At EY2023, FRT owns 722 FPT Shop stores and 33 F. Studio stores. In pharma retail segment, Long Chau pharmacy chain has become a familiar pharmaceutical retailer, leading the market with nearly 1,500 pharmacies across the country.

FY2023 results: Net sales reached VND 31,850 billion (+5.6% YoY), meeting 94% of company target. GPM was enhanced, reaching 16.2% (FY2022: 15.6%). The pharma retail segment (average GPM of 22-24%) has accelerated the overall performance of FPT Retail (average GPM of ICT retail segment normally ranges from 12-14%). Highly SG&A costs (+26.5% YoY, accounting for 16.5% net revenue) plus some one-off expenses incurred in 2023 caused FPT Retail to experience net loss of VND 329 billion in FY2023.

FPT Shop chain: Revenue in Q4 slightly decreased by 0.6% QoQ due to the drop in demand towards Iphone 15 series after its Q3 opening sales. In 2023, FPT Shop reported revenue of VND 16,185 billion (-21.8% YoY) and GPM of only 10% owing to the weak ICT demand and the price war consequences; recorded net loss of VND 475 billion. In 2023, FRT closed 37 FPT Shop stores having inefficient operation.

Long Chau chain: Having impressive revenue of VND 4,794 billion (+58% YoY; +14.4% QoQ), however, Long Chau had net loss of ~VND 12 billion in Q4 due to several one-off expenses incurred. In 2023, revenue and NPAT strongly went up, reporting VND 15,882 billion (+66% YoY) and VND 146 billion (+188% YoY), respectively. Its gross profit contributed 69% to FRT's total gross profit, growing 63% YoY in 2023. GPM still maintains at stable level of 23%. In 2023, Long Chau had 560 newly open stores, exceeding initial plan of opening 400-500 new stores.

Outlook 2024: Although the consumer demand towards ICT retail segment is only slowly recovering, we forecast FRT's business results will still improve positively thanks to the pharma retail segment. Long Chau continues to be the growth driver of FRT, contributing over 50% in terms of revenue and profit for FPT Retail in 2023.

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

Year to Dec	2022	2023	2024F	2025F	2026F
Revenue (bn VND)	**30,166**	**31,850**	**43,264**	**49,745**	**56,094**
OP (bn VND)	474	(297)	978	1,372	1,955
NPAT (bn VND)	**398**	**(329)**	**804**	**1,114**	**1,600**
EPS (VND)	3,295	(2,537)	5,202	6,283	8,616
OPM (%)	1.6	(0.9)	2.3	2.8	3.5
NPM (%)	1.6	(1.0)	1.9	2.2	2.9
ROE (%)	**19.4**	**(19.1)**	**31.8**	**31.2**	**32.0**
P/E (x)	18.1	(23.5)	26.9	18.9	14.5
P/B (x)	5.6	7.3	8.5	5.8	4.5
EV/EBITDA (x)	12.7	66.5	15.7	14.4	11.5

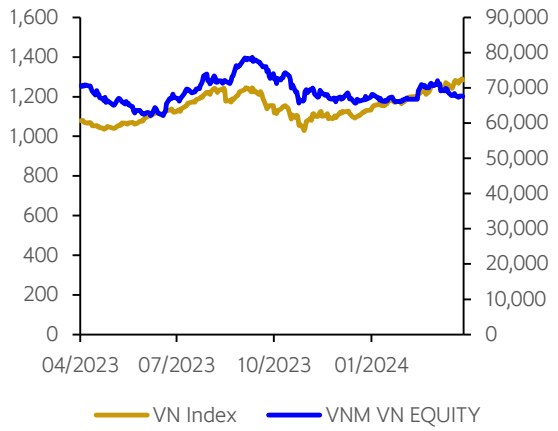
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Dairy Products JSC
(VNM VN)

Target price (12 months)	84,100 VND
Current price (01/04/24)	67,000 VND
Return (%)	+25.5%

VN-INDEX	1,282
Market P/E (24F, x)	12.1
Market Cap (bn VND)	140,027
Outstanding shares (mn)	2,090
Free-Floating (mn)	736
52-Wk High (VND)	81,200
52-Wk Low (VND)	65,500
90-day avg. Trading Vol (mn)	3.33
90-day avg turnover	259
Beta (12M)	0.7

Major shareholders (%)	SCIC	36.0
	F&N Dairy Investment	17.7



Investment points :

Vietnam Dairy Products JSC (Vinamilk – HSX: 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; having 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 2023 business results: Q4 revenue was VND 15,619 billion (+3.7% YoY). Gross profit in Q4 strongly rise by 25.8% YoY, reaching VND 2,351 billion. In 2023, the consolidated revenue and EBT of Vinamilk, respectively, recorded at VND 60,369 billion (+0.7% YoY) and VND 10,968 billion (+4.5% YoY), completing 95.2% and 104.5% of the year target.

Oversea markets: Total 2023 revenue was VND 9,751 billion. Net export revenue and net revenue from overseas subsidiaries, respectively, contributed VND 5,039 billion (+4.4% YoY) and VND 4,713 billion (+6.5% YoY). Specifically, Driftwood maintained slightly growing revenue and recorded a profit of over USD 2 million for the first time in 2023 thanks to the successful bidding of school milk. AngkorMilk recorded impressive revenue and profit growth in 2023 (+6% and +27% YoY) thanks to promoting campaigns at schools, markets, and supermarkets with Tetrapak to research the milk consumption trend of Cambodian consumers.

Domestic market: Revenue maintained stable across all sectors in Q4 compared to Q3, reaching VND 13,085 billion (+2.2% YoY). Gross profit reached VND 6,441.6 billion (+10.2% YoY). Positive revenue growth and the decrease in raw milk costs led to a continued improvement in Q4 GPM, reaching 41.2% (Q1: 38.8%; Q2: 40.5%; Q3: 41.9%).

Moc Chau Milk (MCM): Revenue Q4 reached VND 795 billion (+1% YoY, ending the decline of the previous 2 quarters). In 2023, MCM's total revenue reached VND 3,135 billion (flat compared to 2022), completing 91% of the target plan. At EY2023, MCM had 69 stores (+12 stores YTD), recording an impressive revenue growth of +35% YoY.

Outlook 2024: Since raw milk prices continued to decrease at the end of 2023 (fluctuating around the 5-year lowest price area), Vinamilk has locked in raw material prices until the end of 1H2024. In Dec. 2023, Vinamilk launched a new look for headquarter stores, changing the name from "Giấc Mơ Sữa Việt" to "Vinamilk" for easier consumer recognition. Vinamilk will continue to upgrade the remaining 653 stores soon. In 2023, the store channel achieved a revenue growth of 13% YoY.

With expectations of economic recovery, Vinamilk plans to set positive growth targets for both revenue and profit in 2024.

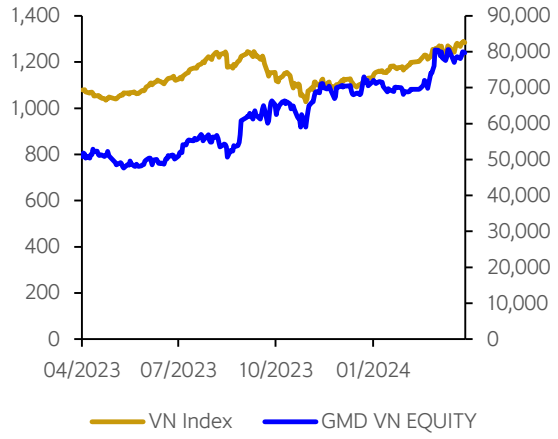
Risks: (1) Risk of losing key customers and decreasing purchasing power in foreign markets; (2) Increased competitive risks in the F&B industry; (3) Raw milk prices increased.

Year to Dec	2020	2021	2022	2023	2024F
Revenue (bn VND)	**59,636**	**60,919**	**59,956**	**60,369**	**63,368**
OP (bn VND)	12,263	11,760	9,753	9,771	11,377
NPAT (bn VND)	**11,099**	**10,532**	**8,516**	**8,874**	**9,781**
EPS (VND)	4,770	4,517	3,632	3,796	4,271
OPM (%)	20.6	19.3	16.3	16.2	18.0
NPM (%)	18.6	17.3	14.2	14.7	15.4
ROE (%)	**33.9**	**29.3**	**24.1**	**25.8**	**28.9**
P/E (x)	22.8	19.1	21.0	17.8	15.8
P/B (x)	7.3	5.5	5.3	4.5	4.4

Source: Bloomberg, Shinhan Securities Vietnam

Gemadept JSC
(GMD VN)

Target price (12 months)	**83,400 VND**
Current price (01/04/24)	79,500 VND
Return (%)	+4.9%
VN-INDEX	1,282
Market P/E (24F, x)	12.1
Market Cap (bn VND)	24,319
Outstanding shares (mn)	306
Free-Floating (mn)	298
52-Wk High (VND)	82,300
52-Wk Low (VND)	49,050
90-day avg. Trading Vol (mn)	1.18
90-day avg turnover	101
Beta (12M)	0.8
Major shareholders (%) SSJ Consulting Vietnam	9.7
KIM Vietnam Growth Equity Fund	8.0



Investment points :

Gemadept JSC (HSX: GMD) is one of the largest container port operators and logistics service providers in Vietnam. Gemadept owns a total of 8 seaports with an annual capacity of up to 5 million TEUs and 5 million tons of bulk cargo. Revenue streams from 2 main segments: Port exploitation; Logistics.

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

FY2023 results: GMD's net revenue reached nearly VND 3,845 billion (-1.3% YoY); NPATMI reached VND 2,502 billion (+115% YoY). Business results grew strongly thanks to the gain from divestment of Nam Hai Dinh Vu port to Viconship (~VND 1,900 billion). If this divestment is excluded, GMD's EBT reached about VND 1,203 billion (-9% YoY). After 4 consecutive quarters of losses, Gemalink recorded Q4/2023 net profit of VND 111 billion, resulting in Gemalink's 2023 net profit of VND 26 billion (-78% YoY).

Outlook 2024: Excluding divestment in 2023, we estimate GMD's NPAT in 2024 to reach VND 1,351 billion (+17% YoY), thanks to: (1) Service fees increasing from 5% - 8%; (2) The throughput of goods will increase by 8% because phase 2 of NDV port will run at maximum capacity; (3) Gemalink exploits new service routes.

The Ministry of Transport has approved the Ha Nam canal dredging project, with a total investment of VND 300 billion. The project connects the Hai Phong port system and Nam Dinh Vu port, dredging the channel from -7.0m to -8.5m, allowing larger ships to dock, thereby improving transportation activities. The project was started in Jan. 2024, expecting to be completed in Jun. 2024. This will benefit NDV port and improve competitiveness because it can welcome larger ships. Phase 3 of NDV Port is expected to be put into operation in Q4/2024.

In 1H2024, GMD plans to transfer Nam Hai Port, focusing competitiveness on 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 2024 forecast.

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 (bn VND)	**2,606**	**3,206**	**3,898**	**3,846**	**4,198**
OP (bn VND)	471	693	1,051	1,116	1,429
NPAT (bn VND)	**371**	**612**	**994**	**785**	**1,121**
EPS (VND)	1,119	1,847	3,014	2,366	3,442
OPM (%)	18.1	21.6	27.0	29.0	34.0
NPM (%)	14.2	19.1	25.5	20.3	27.0
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

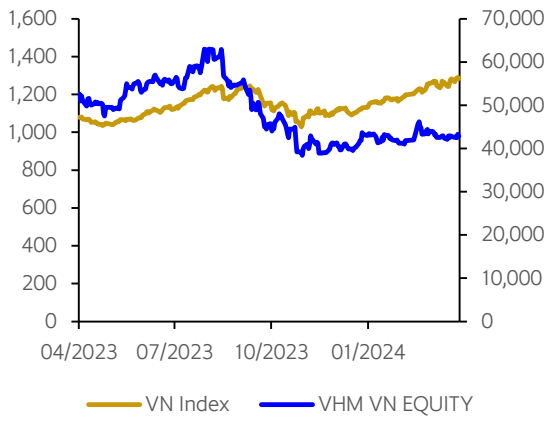
Source: Bloomberg, Shinhan Securities Vietnam

(*) We exclude the extraordinary profit from the divestment of Nam Hai Dinh Vu port.

Vinhomes JSC
(VHM VN)

Target price (12 months)	77,000 VND
Current price (01/04/24)	42,900 VND
Return (%)	+79.5%

VN-INDEX	1,282
Market P/E (24F, x)	12.1
Market Cap (bn VND)	186,802
Outstanding shares (mn)	4,354
Free-Floating (mn)	918
52-Wk High (VND)	66,200
52-Wk Low (VND)	36,750
90-day avg. Trading Vol (mn)	7.34
90-day avg turnover	319
Beta (12M)	0.9
Major shareholders (%) Vingroup	72.02
GIC	4.99



Investment points :

Vinhomes JSC (HSX: VHM) is the largest real estate investment, trading and management company in Vietnam. Main business fields: Investing, developing and trading housing, offices. With a land fund of up to 18,152 ha (much larger than other real estate firms), Vinhomes has sufficient projects to develop for more than 30 years, affirming growth potential for many years to come.

Vinhomes's projects are in top-class service quality, located in prime locations, having high urbanization speed and tourism development potential. Vinhomes is currently leading the market with 27% market share of residential real estate.

FY2023 results: Revenue and NPAT reported positive growth, reaching VND 103,334 billion (+65.6% YoY) and VND 33,287 billion (+14.1%), respectively, completing 103% and 111% of the 2023 plan. Specifically, the total adjusted consolidated revenue (including retail revenue, BCC cooperation and real estate transfer revenue) reached VND 121,400 billion (+49% YoY), largely thanks to the on-schedule handover of 9,800 low-rise apartments of 2 projects Vinhomes Ocean Park 2 and 3.

By the end of 2023, Vinhomes' total assets increased by 23.6% YTD, reaching VND 447,361 billion. The total debt as of Dec. 31, 2023 also increased sharply by 58.8% YTD, balancing at VND 56,684 billion, which short-term debt accounts for 32%. This caused the D/E ratio to increase to 0.32x (YE22: 0.24x). However, VHM is still a real estate company with one of the lowest leverage ratios in the real estate market.

Outlook 2024: The real estate market is expected to recover from 2H2024 thanks to: (1) Economic growth returns with 2024 GDP growth expected to reach 6%, creating a foundation for the real estate market; (2) Relaxed credit policies are applied into the economy in general and the real estate industry in particular; (3) The situation of overlapping, complicated, and unclear legal procedures has been improved thanks to the Draft Law on Real Estate Business and Housing Law, and Land Law have been passed.

Vinhomes' profit in 2024 is expected to continue the growth momentum, forecasting to be VND 38,622 billion (+16.6% YoY) thanks to the continued handover of two major projects, The Empire and The Crown.

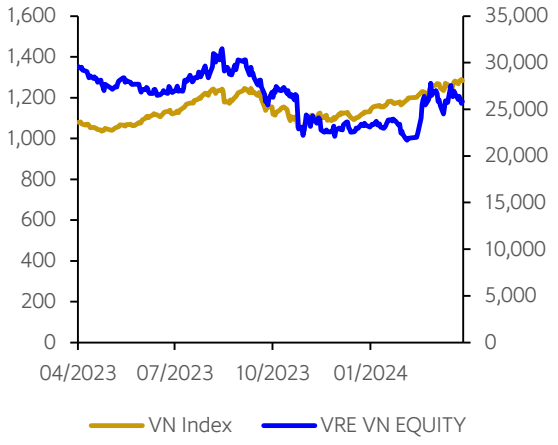
Downside risks: (1) Risk of real estate industry cycle; (2) Risk of interest rate hike; (3) Risk of government tightening credit for real estate industry.

Year to Dec	2020	2021	2022	2023	2024F
Revenue (bn VND)	**71,547**	**84,986**	**62,393**	**103,334**	**139,090**
OP (bn VND)	21,062	42,402	25,621	27,933	52,031
NPAT (bn VND)	**27,351**	**38,825**	**28,831**	**33,125**	**38,622**
EPS (VND)	8,153	8,904	6,611	7,597	8,781
BPS (VND)	25,586	28,647	33,349	41,116	49,717
OPM (%)	29.4	49.9	41.1	27.0	37.4
NPM (%)	39.6	45.8	46.7	32.2	27.8
ROE (%)	**31.6**	**29.6**	**19.6**	**18.3**	**17.6**
P/E (x)	5.1	4.6	6.2	5.4	4.7
P/B (x)	2.9	1.4	1.3	1.0	0.8

Source: Bloomberg, Shinhan Securities Vietnam

Vincom Retail JSC
(VRE VN)

Target price (12 months)	37,700 VND
Current price (01/04/24)	25,700 VND
Return (%)	+46.7%
VN-INDEX	1,282
Market P/E (24F, x)	12.1
Market Cap (bn VND)	58,399
Outstanding shares (mn)	2,272
Free-Floating (mn)	599
52-Wk High (VND)	32,000
52-Wk Low (VND)	21,600
90-day avg. Trading Vol (mn)	8.0
90-day avg turnover	255
Beta (12M)	1.1
Major shareholders (%) SADO Trading Business JSC	41.5
Vingroup	18.8



Investment points :

Vincom Retail JSC (HSX: VRE) is the largest retail real estate developer in Vietnam. Its main business activities include: Developing and operating shopping malls and transferring real estate projects. Vincom Retail's prime locations help it maintain a stable occupancy rate. VRE is the top partner for the most popular international and domestic brands when expanding their business in Vietnam.

Currently, VRE has expanded and covered 44 provinces and cities with 83 shopping malls, with a total floor area of 1.75 million m2; classified into 4 models: Vincom Mega Mall, Vincom Center, Vincom Plaza and Vincom+. VRE is expected to continue to benefit from the growing middle class, the development of new urban areas and the continuous expansion of international brands in Vietnam.

Update 2023 business results: Consolidated revenue reached VND 9,791 billion (+33.0% YoY), completing 94.6% of the target. GPM improved to 54.6% (2022: 51.9%) thanks to the optimization of shopping mall operations. NPAT was at VND 4,409 billion (+58.8% YoY), details of each business segment:

+ Real estate leasing: Net revenue increased by 13.6% YoY, reaching VND 7,796 billion thanks to (1) Occupancy rate increased to 84.8% at YE2023 (YE2022: 83.5%), (2) Recovery in demand helped improve rental prices.

+ Real estate business: Net revenue increased by 365.2% YoY, reaching VND 1,772 billion thanks to the handover of 346 shophouses in FY2023 (FY2022: 52 units), mainly at the Dong Ha - Quang Tri project.

In March 2024, Vingroup decided to divest capital in VRE (through the 100% equity divestment in SADO), officially no longer being the parent company of VRE. The total deal value is ~USD 1.6 billion (equivalent to the valuation of VND 32,000/share), to be paid in cash and according to the divestment schedule (in March 2024 and within the next following 6 months). After completing the divestment, Vingroup still directly owns 18.8% of Vincom Retail.

Outlook 2024: Business results are expected to record negative growth, mainly due to the Real Estate Business segment with a limited number of remaining real estate products for handover. However, the core business segment - Real Estate Leasing will continue to grow positively with (1) Retail GFA expected to increase by 94,600 m2 because of the opening of 1 Vincom Mega Mall and 4 Vincom Plaza, reaching 1.84 million m2 by the end of 2024 and (2) Occupancy rate maintaining an improving trend along with demand.

Downside risks: (1) Real estate projects are delayed, affecting the opening of new shopping malls and retail floor area; (2) Weak consumer spending affects demand for real estate leasing and occupancy rates.

Year to Dec	2020	2021	2022	2023	2024F
Revenue (bn VND)	**8,329**	**5,891**	**7,361**	**9,791**	**8,672**
OP (bn VND)	3,093	1,757	3,273	4,566	4,687
NPAT (bn VND)	**2,382**	**1,315**	**2,776**	**4,409**	**4,155**
EPS (VND)	1,048	578	1,222	1,940	1,808
OPM (%)	37.1	29.8	44.5	46.6	54.0
NPM (%)	28.6	22.3	37.7	45.0	47.9
ROE (%)	**8.5**	**4.4**	**8.7**	**12.4**	**10.9**
P/E (x)	30.0	52.1	21.5	12.0	14.3
P/B (x)	2.4	2.2	1.8	1.4	1.5

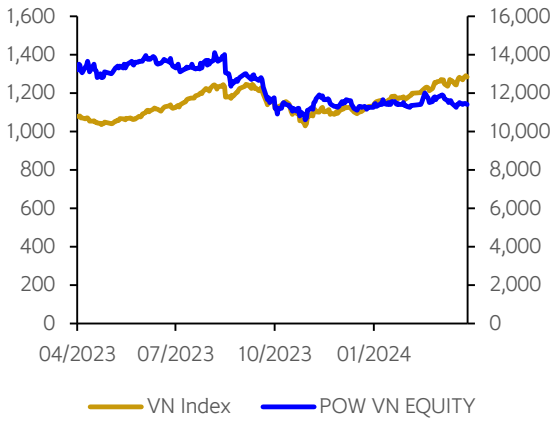
Source: Bloomberg, Shinhan Securities Vietnam

PetroVietnam Power Corporation
(POW VN)

Target price (12 months)	14,800 VND
Current price (01/04/24)	11,350 VND
Return (%)	+30.4%

VN-INDEX	1,282
Market P/E (24F, x)	12.1
Market Cap (bn VND)	26,580
Outstanding shares (mn)	2,342
Free-Floating (mn)	470
52-Wk High (VND)	14,200
52-Wk Low (VND)	10,550
90-day avg. Trading Vol (mn)	5.34
90-day avg turnover	69
Beta (12M)	1.0

Major shareholders (%)	PVN	79.94
	Norges Bank	1.27



Investment points :

POW is a power generation company with a total designed capacity of 4,208 MW, the second largest in Vietnam (after EVN). Ca Mau & Nhon Trach 1&2 gas-fired power plants (combined capacity of 2,700 MW) are POW's most prominent power plants. Additionally, hydroelectric plants like Hua Na and DakDrinh contribute ~8% to POW's electricity output. In the energy industry, POW is one of the enterprises best aligned with the Power development plan VIII during the 2022-2030 timeframe, especially in the field of LNG gas-fired power.

Q4/2023 business results: Revenue and NPATMI wend down, reporting VND 6,412 billion (-16% YoY) and VND 332 billion (-51.4% YoY), respectively, because: (1) The output of the remaining plants decreased more than the output increase of the Vung Ang plant (+36% YoY); (2) The competitive electricity price in Q4 decreased over 40%; (3) Financial expenses doubled due to FX losses.

FY2023 results: Revenue reached VND 27,945 billion (-1% YoY); NPATMI was at VND 1,075 billion (-48% YoY). Profit declined more sharply compared to revenue owing to: (1) High operation & maintenance costs when running on DO oil in Q2 due to gas shortage; (2) Average CGM price decreased by 9% YoY; (3) NT2 overhauled in Sep. and Oct.; (4) POW did not record FX compensation (2022 recorded VND 1.1 trillion). In 2023, POW completed 92% and 120% of the company's revenue and NPATMI plan, respectively.

2024 plan: Output target of 16.7 billion kWh; revenue of VND 31,736 billion (+3.7% YoY); NPATMI of VND 929 billion (-13% YoY). The long-term growth drivers will come from NT3 and NT4 plants using LNG with a capacity of 1,500 MW, expected to start commercial operation in Nov. 2024 and May 2025, respectively. Progress update: Completed ~75%. The current issues are related to the PPA contracts signing and connection work.

Gas power: Output is expected to decrease by 3% due to NT2 low output. Ca Mau 2 & NT2 plants are scheduled for minor repairs in the Q3/2024. The NT3 plant is expected to contribute an additional 500 million kWh in the Q4/2024.

Coal-fired power: Unit 1 of Vung Ang 1 (600MW) was back to work from Aug. 2023 after 2 years of repair. Unit 2 is planned for overhaul in Sep.-Oct. 2024. Output is only expected to reach ~6 billion kWh (+38% YoY) due to the ongoing power shortage in the North.

Downside risks: (1) Shortage of input gas and high input gas and coal prices; (2) EVN's difficulties, affecting POW's inability to collect electricity sales revenue; (3) NT3&4 are slow to deploy due to the inability to negotiate PPA* and GSA contracts**.

**PPA: electricity purchase contract signed with EVN; **GSA: gas sales contract signed with GAS*

Year to Dec	2021	2022	2023	2024F	2025F
Revenue (bn VND)	24,561	28,224	27,945	33,056	47,837
OP (bn VND)	2,400	2,859	1,404	1,510	2,584
NPAT (bn VND)	1,799	2,061	1,075	1,466	2,458
EPS (VND)	757	871	459	523	884
OPM (%)	9.8	10.1	5.0	4.6	5.4
NPM (%)	7.3	7.3	3.8	4.4	5.1
ROE (%)	6.2	6.9	3.5	6.3	10.5
P/E (x)	23.1	12.2	24.5	22.3	13.2
P/B (x)	1.4	0.8	0.8	0.8	0.8
EV/EBITDA (x)	8.3	4.7	7.3	6.3	4.5

Source: Bloomberg, Shinhan Securities Vietnam

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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