STRATEGY REPORT

April 17th, 2024

Portfolio "Leading export companies"

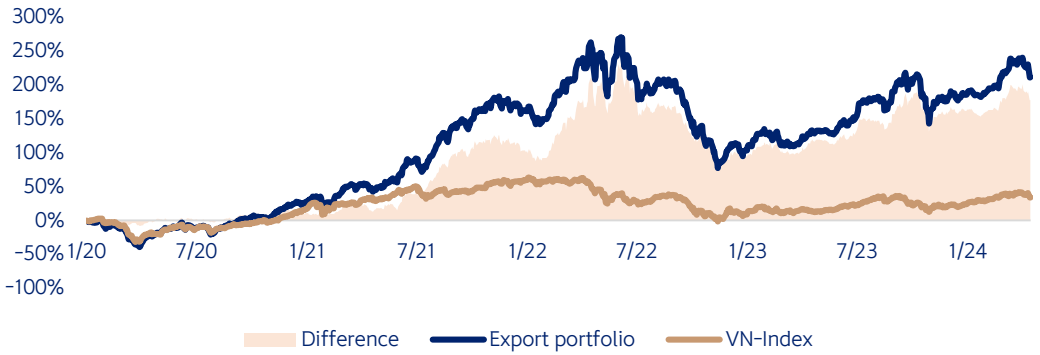
Return of portfolio	Return of VN-Index
-8.1% MoM	-3.8% MoM
+9.0% YTD	+7.8% YTD

"Exports regain growth momentum thanks to a recovery in purchasing power"

- The economy in 2023 witnessed global inflation, along with geopolitical tensions and the Russia-Ukraine war, which made import and export activities difficult and pushed up commodity prices continuously.
- The import and export situation was constantly tense as high import material prices increased the cost of goods sold, eroding gross profit margins for businesses. Along with that, there was a decrease in revenue due to high inflation and a backlog of inventory after the COVID-19 pandemic, which reduced demand for goods. In the first 6 months of the year, the total import and export turnover reached 316.5 billion USD (-14.8% YoY), by the 9th month, the decrease was only 11%, and by the end of 2023, the total import and export turnover for the year reached 681 billion USD (-6.7% YoY), of which the export of agricultural and forestry products increased sharply, and the group of electronic goods, computers and components continued to recover.
- Imports and exports are expected to recover more strongly in 2024, driven by (1) central banks cutting interest rates to stimulate global consumer demand and (2) export enterprises improving gross profit margins thanks to input prices cooling down and handling the remaining inventory from 2022.

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 Portfolio "Leading export companies" and VN-Index (%)



Portfolio analysis

	Portfolio	VN-Index
P/E(x)	14.2x	11.2x
P/B (x)	1.8x	1.6x
Dividend yield (%)	3.94	1.65
EPS growth (5Y) (%)	38.40	15.00
ROE (%)	7.22	11.83
ROA (%)	7.22	1.88
Beta	1.0	1.0
Return (annualized) (%)	60.15	27.16
Std (%)	22.26	16.17
Sharpe ratio	1.56	0.83

Data as of April 05th, 2024 Sources: SSV, Bloomberg

Strategy overview

The list of "Top export companies" selected by us includes companies that benefit from export activities such as textiles, wood, seafood, and shipping, with the following criteria:

- The company belongs to the export industry group, where Vietnam has a competitive advantage with export revenue of over 50% of total revenue.
- Industry-leading enterprise with healthy finances and good governance.

Portfolio risks: (1) with the majority of revenue by foreign currencies, the business may be affected by the cyclicality of the world economy, (2) export market risks, (3) exchange rate risk.

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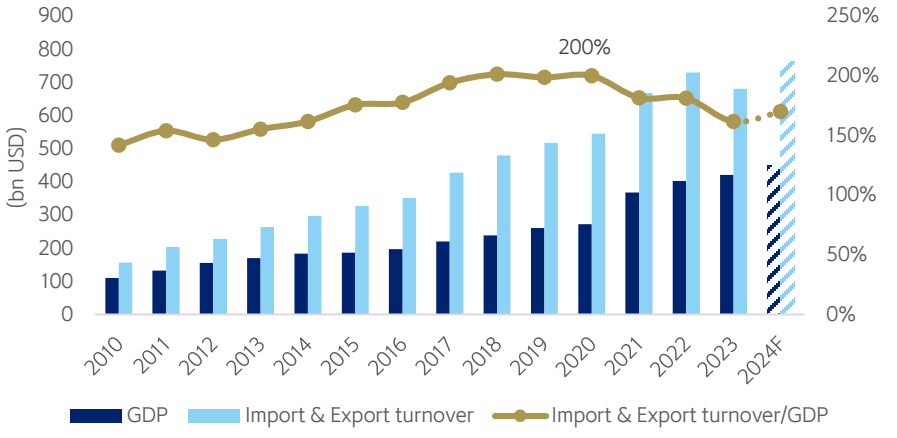
Following SSV's Zalo, Catching the latest report

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Overview of Vietnam Import-Export

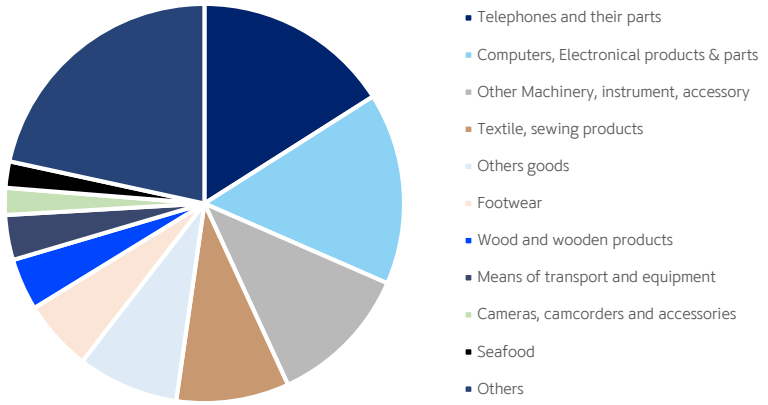
Import-Export is one of the main pillars of the Vietnam's economy

Import-Export turnover/GDP remains high (150%-200%)



Source: GSO, Shinhan Securities Vietnam

Top 10 groups of main export products of Vietnam



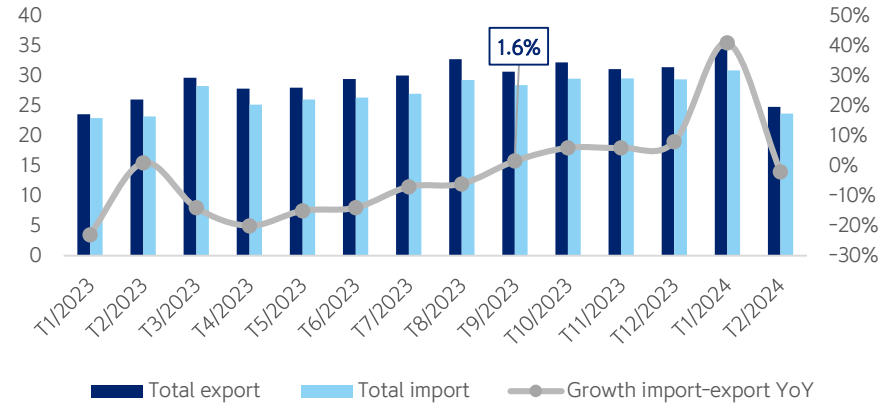
Source: GSO, Shinhan Securities Vietnam

- Vietnam is one of the countries with a large economic openness in the world, with the total import-export turnover/GDP ratio reaching 200% (in 2020). Export has become one of the driving forces of economic growth, along with investment consumption, and continues to be promoted thanks to free trade agreements such as EVFTA, CPTPP, etc.
- The total import-export turnover has always increased annually with a CAGR (2010-2023) of 11.9%. Under the negative impact of the COVID-19 pandemic, although import and export decreased, it still recorded a positive growth rate. However, in 2023, inflation remained high, many major economies maintained a tight monetary policy and the world's demand for goods decreased, causing the import-export turnover to decrease by 6.7% YoY. According to the Ministry of Industry and Trade, the import-export turnover of goods is forecast to reach 760 - 780 billion USD (+11.6% - 14.3% YoY) in 2024.

Import-Export situation in 2023-M2/2024

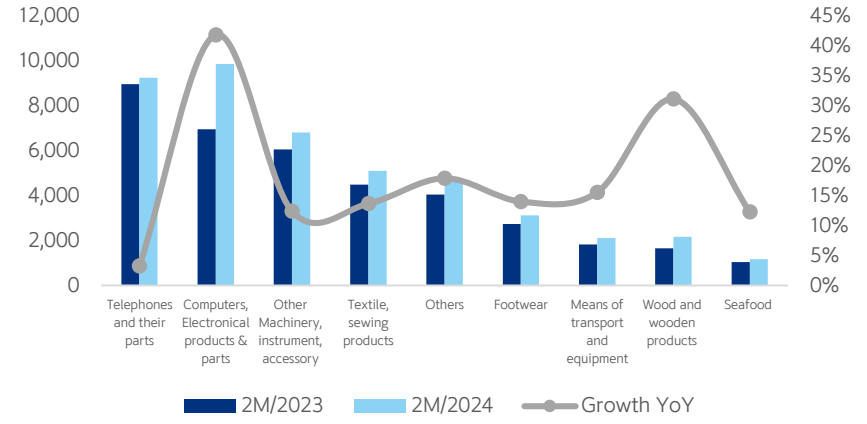
Signs of recovery of import and export from M9/2023

Import-Export turnover 2020-Feb 2024 (VND billion)



Source: GSO, Shinhan Securities Vietnam

Major export items all had growth YoY



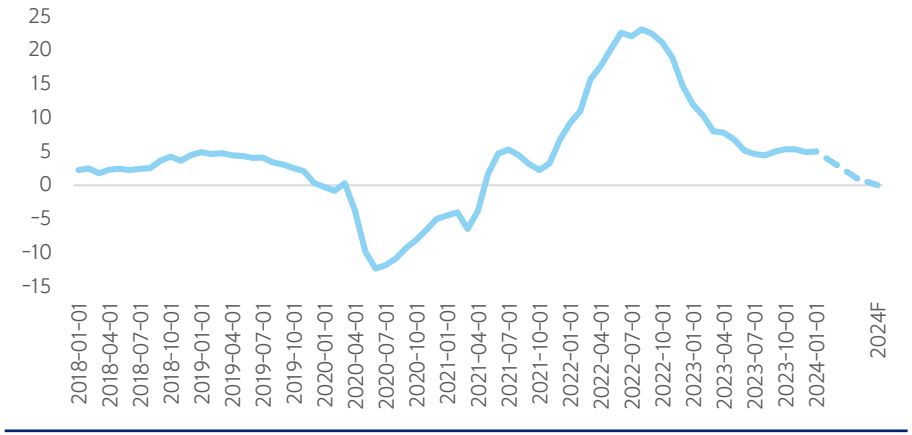
Source: GSO, Shinhan Securities Vietnam

- In 2023, the total import-export turnover of the whole country reached over 683 billion USD (-6.7% YoY), of which exports decreased by 4.4% and imports decreased by 8.9%. From Jan to Aug/2023, the total import-export turnover continuously decreased compared to the same period of the previous year. However, the decline has narrowed and since September, the total import-export turnover has increased positively.
- In the first two months of 2024, the export situation showed signs of improvement when the total import-export turnover in the first two months of 2024 increased by 18.9% YoY, signaling a recovery as importing countries are increasing orders after finishing processing the large inventory from previous years. The main export drivers still come from groups of goods belonging to the FDI sector (accounting for 75%) and items that Vietnam has export advantages such as: textiles, wood, seafood, etc

Import-Export outlook in 2024

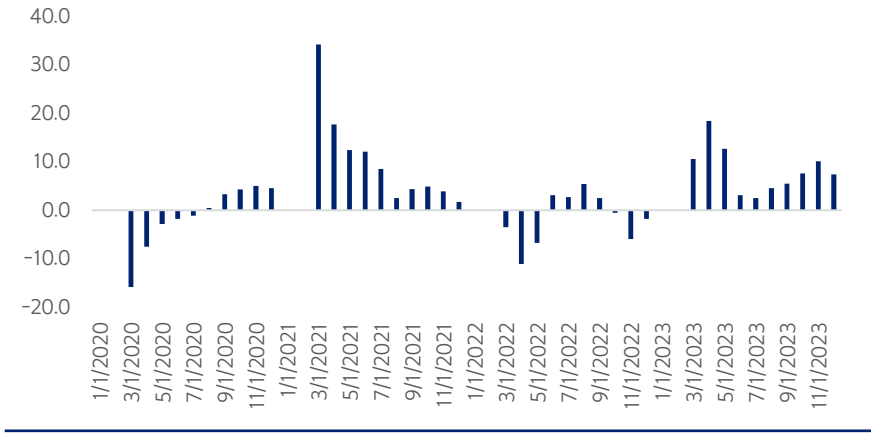
Vietnam's main export markets are forecast to recover

US retail inventory growth % YoY



Source: FRED, Shinhan Securities Vietnam

Retail sales growth in China % YoY



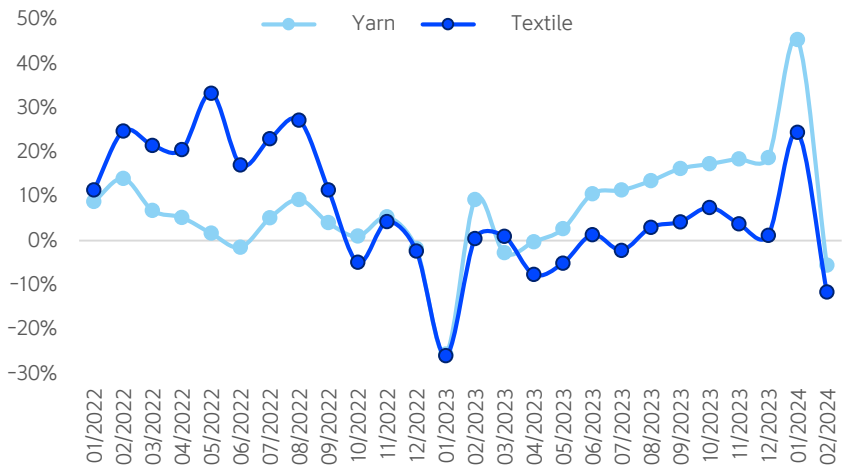
Source: Bloomberg, Shinhan Securities Vietnam

- Import-Export activities are forecast to continue to prosper thanks to the following factors: (1) demand for goods returns when inflation is controlled, (2) inventory in markets where Vietnam have export strength is gradually decreasing.
- US: Since peaking at 23% in mid-2022, inventory growth has been decreasing. From mid-2023 until now, growth has remained flat at 5%. We expect this number to continue to decrease to zero to create opportunities for Vietnam's export goods, as the United States is our country's largest export market.
- China: After reopening the country after 3 years of COVID-19, China continuously increased imports of goods to help revive domestic consumption and production demand. According to data from Bloomberg, in the first 2 months of 2024, retail sales in China grew by 5.5%, higher than the 5.2% forecast by Reuters experts.

Textile industry outlook in 2024

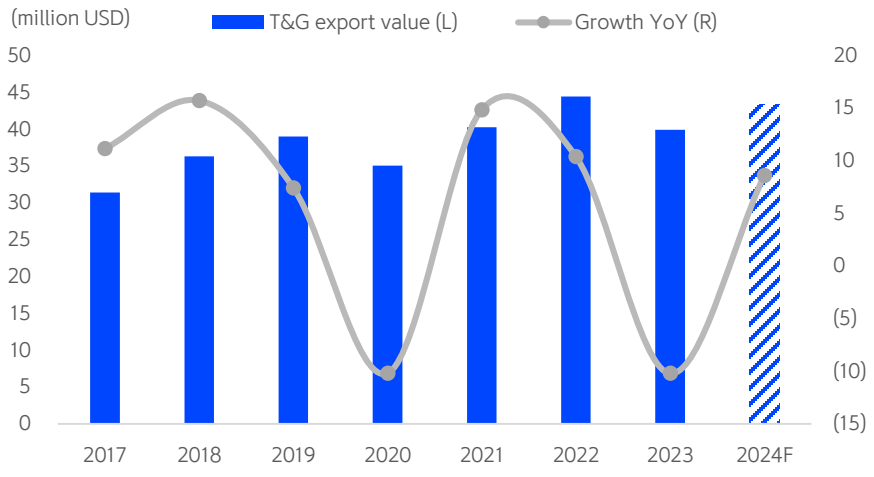
The textile export industry is expected to be positive with a growth rate of 8.6% YoY in 2024

IIP textile industry improves YoY from Q2/2023



Source: FRED, Shinhan Securities Vietnam

Expect the textile industry to grow 8.6% YoY in 2024



Source: GSO, Shinhan Securities Vietnam

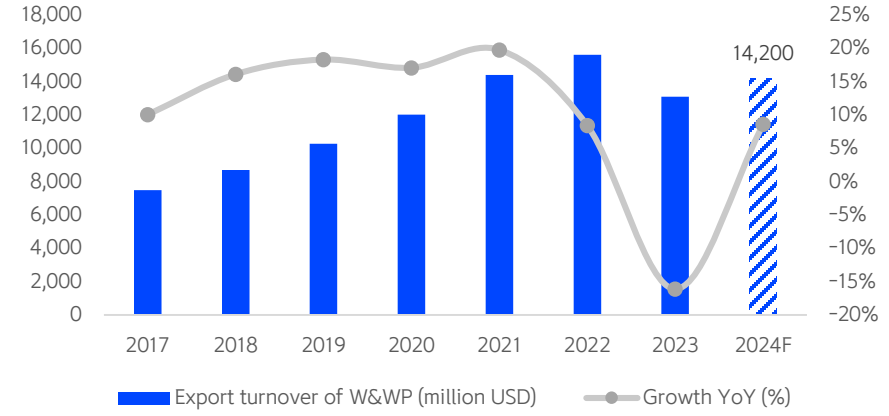
Vietnam's textile and garment export market is expected to recover from its low base in 2023. We project textile and garment export value (including textiles, fabrics and raw materials, and all kinds of textile fibers) to grow by 8.6% in 2024 when:

- Retail inventory declines while consumption recovers in major consumer markets, which will boost Vietnam's textile and garment production and exports.
- The IIP industrial production index of the textile and garment industry has grown continuously since the end of Q2/2023 YoY, indicating that the textile and garment industry's production activities are showing positive signs.

Wood industry outlook in 2024

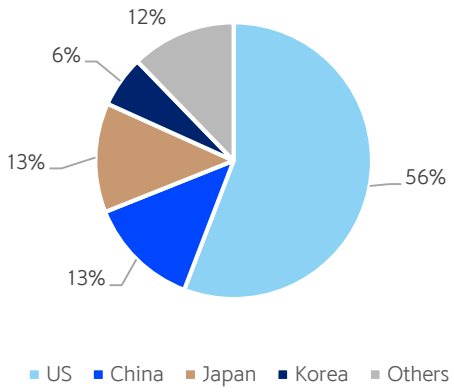
Promote large timber forest planting projects

Export turnover of W&WP 2017-2024F



Source: GSO, Shinhan Securities Vietnam

Proportion of Vietnam's W&WP export market



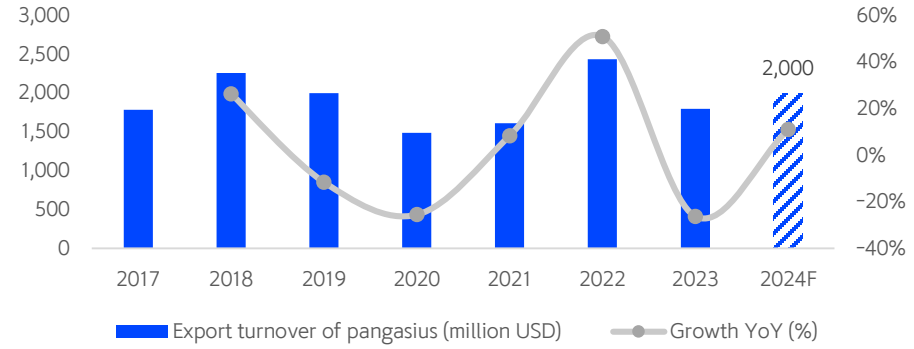
Source: GSO, Shinhan Securities Vietnam

- From 2017 to now, the wood industry has always had good growth with a CAGR (2017-2022) at 15.8%. However, by 2023, inflation increaseed in main exporting countries such as the US (accounting for 56%),... causing consumers to tighten spending and reduce purchases, especially for non-essential items. Along with that, geopolitical tensions cause transportation costs and imported raw materials costs to increase, eroding business profits.
- Regarding development prospects, currently 80% of supply is from domestically grown timber forests and the remaining 20% is imported. However, the large planted wood area only accounts for 13% of the total planted wood area, showing that Vietnam still has a lot of potential in developing this raw material source. The Ministry of Construction has issued a separate project on planting large timber forests from 2023 to 2030, striving to have 1 million hectares of large timber forests by the end of 2030. In 2024, the industry aims to export W&WP to reach 14.2 billion USD, with plenty of room in the furniture segment and the expansion of niche markets.

Fisheries industry outlook in 2024

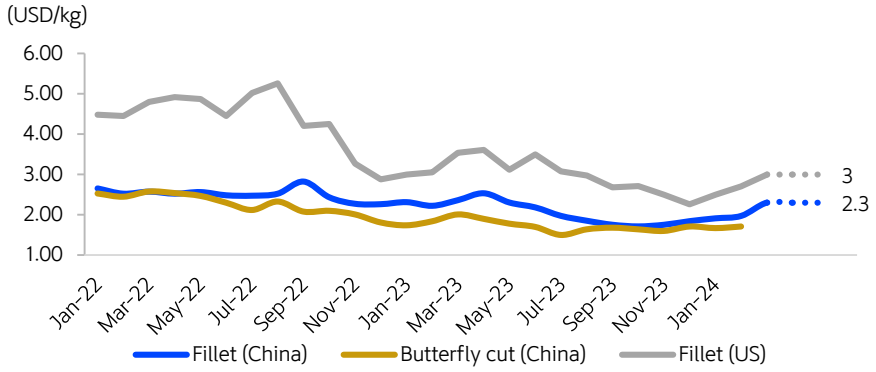
Pangasius exports will grow again

Export turnover of pangasius 2017-2024F



Source: Agromonitor, VASEP, Shinhan Securities Vietnam

Price of pangasius exported to US & China 2022-2024F



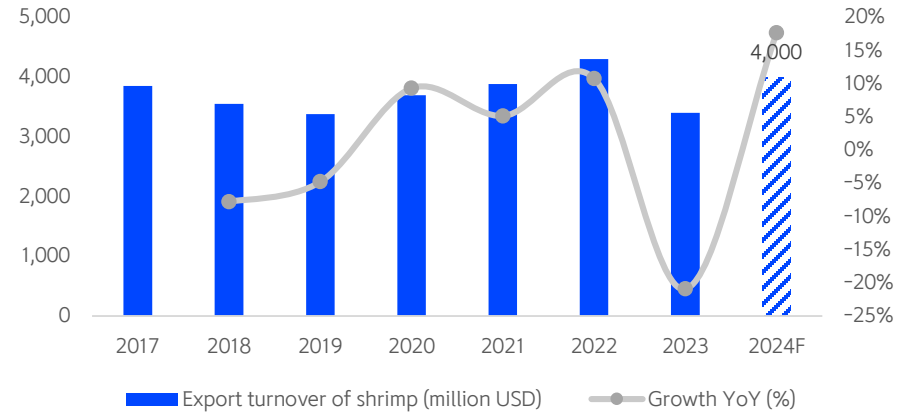
Source: Agromonitor, Shinhan Securities Vietnam

- Pangasius exports increased by more than 50% in 2022 after the COVID-19 pandemic. However, in 2023, the purchasing power slowed down after high inflation and large inventory backlog after 2022 caused pangasius exports to decrease sharply. By 2024, the situation has been more positive when fish prices have continuously increased in the first two months of the year. The whole industry sets the target of pangasius export in 2024 to reach 2 billion USD (+11% YoY).
- Pangasius export prices to the US have been deeply discounted since Q3/2022 and have continuously bottomed out in 2023 due to the tense inflation situation and the large amount of inventory that the US imported from 2022 has not yet been consumed. We project the average pangasius export price to the US for the whole of 2024 to be at USD 3/kg after positive signals in the first two months of the year.
- The Chinese market is the second largest pangasius import market for Vietnam and mainly imports pangasius fillets. In 2023, this market became an alternative market for many businesses after the US market slowed down. Export prices to China have continuously increased positively since the second quarter of 2023. We project the fillet price to the Chinese market in 2024 to be at USD 2.3/kg.

Fisheries industry outlook in 2024

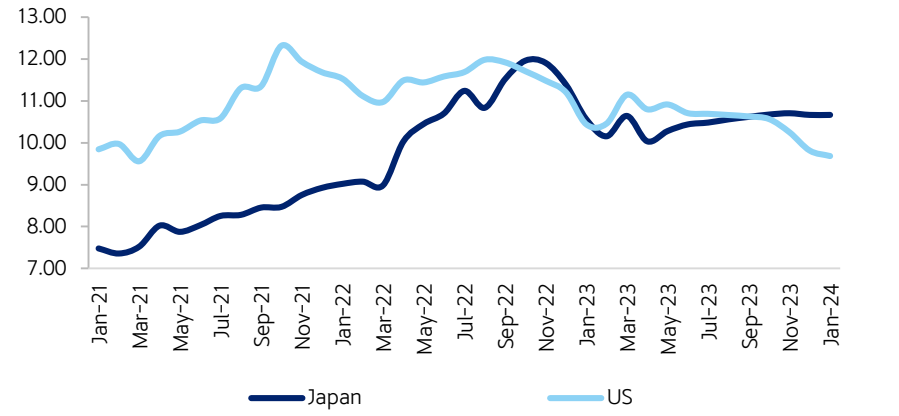
Maintain shrimp market share in the US market and promote exports to Japan

Export turnover of shrimp 2017-2024F



Source: NOAA, Shinhan Securities Vietnam

Selling price of shrimp to Japan and US 2021-2023 (USD/kg)



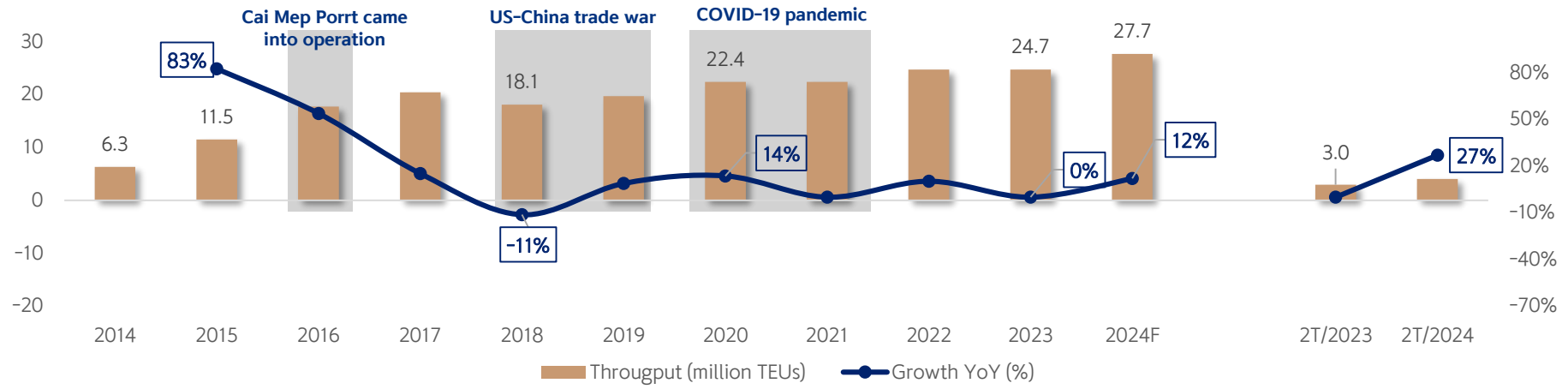
Source: Trade Statistics of Japan, Shinhan Securities Vietnam

- Shrimp exports in the first half of the year decreased in value compared to previous years, due to deep price drops despite increasing export volume each month. Vietnam's main shrimp import markets are the US, China & Hong Kong, Japan, ... all decreased due to inflation, so people switched to consuming cheaper products. According to VASEP, the shrimp industry is expected to export USD 4 billion in 2024 (+18% YoY).
- Vietnam's main market, the US, still faced many difficulties in 2023, however, we expect this main export market to recover slightly in 2024. The Japanese market is the 3rd largest importer of shrimp from Vietnam, however, Vietnam is the leading supplier of shrimp to Japan. In our opinion, the Japanese market will bring in large revenue for Vietnam due to maintaining the advantage of deep-processed shrimp to expand market share and thereby obtain better selling prices than competitors in the industry.

Logistic industry outlook in 2024

The logistics industry tends to warm up in 2024

Vietnam's container port throughput



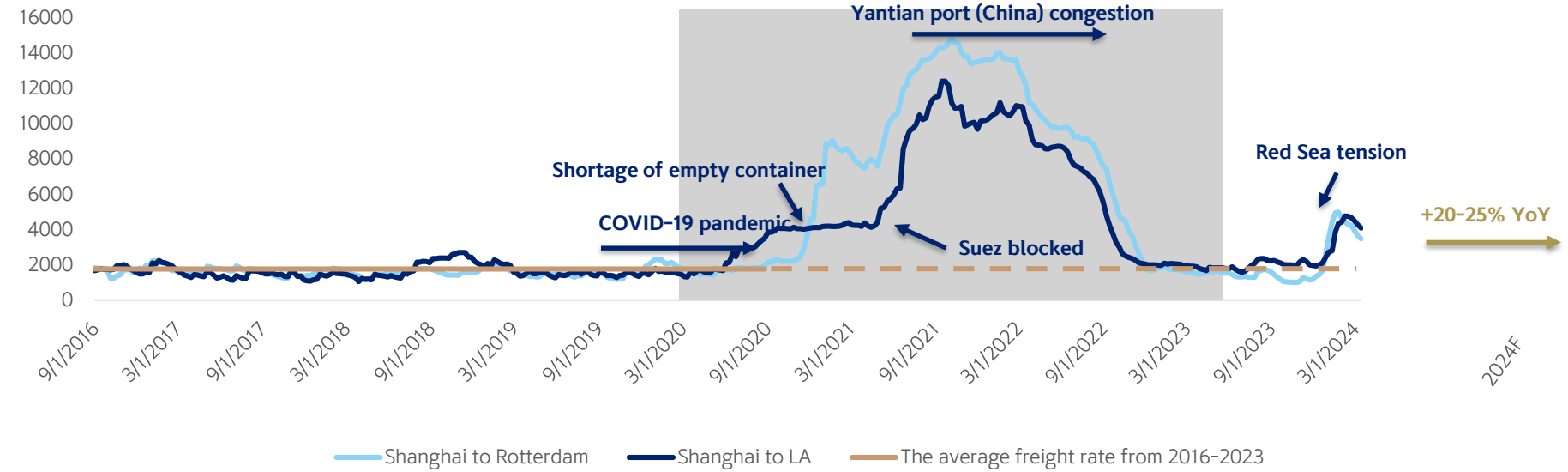
Source: GSO, Shinhan Securities Vietnam

- According to statistics from the Vietnam Maritime Administration, the volume of container cargo through Vietnam's seaports has grown strongly in the period 2015–2022. The output of goods through the seaport has nearly doubled, with an average growth rate of 11.9%. However, the growth rate has been slowing down in the last 2 years.
- In 2023, container cargo output was estimated to reach 24.7 million TEUs, equal to the same period last year. The main reason is that the production, import and export activities of domestic enterprises have not fully recovered in recent times. However, in 2M/2024, it recorded a growth of 27%. Seaport areas with a high volume of goods, such as Ho Chi Minh City, Vung Tau, and Hai Phong, all had growth rates of 43-53% over the same period. In 2024, we forecast that container output will grow by 12% YoY, based on the recovery of imports and exports, causing an increase in the amount of goods in circulation. In 2024, we project container throughput to grow 12% YoY, driven by recovering imports and exports that will increase the flow of goods.

Logistic industry outlook in 2024

Freight prices will grow by 20-25% over the same period last year

Container freight rate (USD/container)



Source: Bloomberg, Shinhan Securities Vietnam

- The container market has gone through ups and downs over the past three years. Freight rates reached an all-time high before falling 70–80%, while ship orders continued to increase. Freight prices returning to the low level of the 2011–2019 period have affected the profits of logistics businesses.
- Since the beginning of July 2023, the global market has witnessed a recovery in shipping freight prices. Then, in December 2023, escalating Red Sea tensions caused freight rates to increase sharply. Specifically, freight rates from Shanghai to Los Angeles in the first half of March 2024 increased by nearly 82% over the same period last year, and from Shanghai to Rotterdam, they increased by 124% YoY. We forecast that freight rates in 2024 will increase by 20-25% YoY as demand returns and Red Sea tensions cause freight rates to increase.

Portfolio "Leading export companies"

Top picks

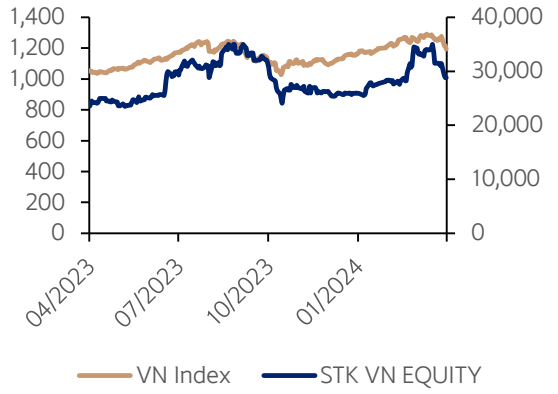
General info				Share price					Key financials(**)				Valuation 24F	
No.	Ticker	Company name	Mkt Cap (VND bn)	CP (VND)	TP* (VND)	Upside (%)	1M (%)	YTD (%)	NPM (%)	D/E (x)	ROA (%)	ROE (%)	P/B (x)	P/E (x)
1	STK	Century Synthetic Fiber Corporation	2,740	28,800	39,700	37.8%	2.49%	10.98%	6.1	0.6	3.4	5.5	1.5	19.0
2	MSH	Song Hong Garment JSC	3,158	42,100	42,382	0.7%	5.91%	15.98%	5.4	0.5	7.2	15.0	2.8	15.0
3	PTB	Phu Tai Joint Stock Company	4,097	61,200	66,565	8.8%	11.48%	6.45%	5.2	0.6	5.5	10.7	1.4	10.2
4	VHC	Vinh Hoan Corporation	15,712	70,000	71,700	2.4%	9.89%	16.39%	9.2	0.3	7.8	11.6	1.6	13.3
5	ANV	Nam Viet Corporation	3,934	29,550	38,600	30.6%	-3.75%	-4.98%	0.9	0.7	0.7	1.4	1.3	25.2
6	FMC	Sao Ta Foods Joint Stock Company	3,204	49,000	52,500	7.1%	5.38%	8.89%	5.4	0.4	8.7	13.6	1.3	10.1
7	GMD	Gemadept Corporation	24,625	80,500	83,400	3.6%	12.27%	14.18%	58.5	0.2	16.9	28.2	2.6	23.7
8	HAH	Hai An Transport & Stevedoring JSC	4,047	38,350	51,000	33.0%	-7.03%	1.99%	14.7	0.4	7.4	14.1	1.6	7.4

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

Source: SSV Research, Bloomberg
Data as of 17/04/2024

Century Synthetic Fiber Corporation (STK VN)

Target price (12 months)	**39,700 VND**
Current price (17/04/24)	28,800 VND
Return (%)	37.8%
VN-INDEX	1,193
Market P/E (x)	16.1
Market Cap (bn VND)	2,740
Outstanding shares (mn)	95
Free-Floating (mn)	53
52-Wk High (VND)	35,650
52-Wk Low (VND)	23,130
90-day avg. Trading Vol (mn)	0.05
90-day avg turnover	2
Beta (12M)	1.0
Major shareholders (%)	Huong Viet Investment Consulting JSC 20.19
	Dang My Linh 14.47



Investment points:

- STK is a company that produces polyester fibers including recycled fibers and virgin fibers with export revenue to markets such as China, Thailand, Vietnam (on-site export),... In 2024, STK put into operation Unitex 1 factory, increasing total capacity by 50% to 99,000 tons/year, becoming the 2nd largest fiber manufacturing company in Vietnam.

- The company focuses on increasing the proportion of recycled polyester fiber production from 45% to 80% in 2026. To stay ahead of the trend of committing to increase the proportion of recycled polyester fiber consumption of the world's largest brands, STK has a plan to increase total capacity with 3 factories, including Unitex 1 (+36,000 tons), Unitex 2 (+24,000 tons), and the Fiber-Weaving-Dyeing Alliance project (+15,000 tons), in the next 5 years.

- We forecast a low base and improved fiber consumption volume of STK, promoting revenue growth of 32.7% YoY in 2024. Output growth of 24% YoY due to (1) recovery of garment industry consumption. In 2024, demand will increase, increasing fiber industry production orders in 1H2024; (2) new orders will shift from China to STK starting in 2024 according to the expected schedule; (3) factory capacity will increase by 18,000 tons in 2H2024, helping to increase STK's total average capacity to 81,000 tons/year to anticipate the growing demand for recycled and virgin fibers.

- We expect STK to increase recycled fiber output with higher profit margins in 2024, increasing gross profit margin from 14% in 2023 to 19% in 2024. However, because the Unitex 1 factory is funded with $57 million starting to repay debt from 2H2023, we estimate interest expenses to increase by 115% YoY. Accordingly, the profit margin reaches 11.6%, and the 2024 PAT reaches 219 billion VND (+151% YoY).

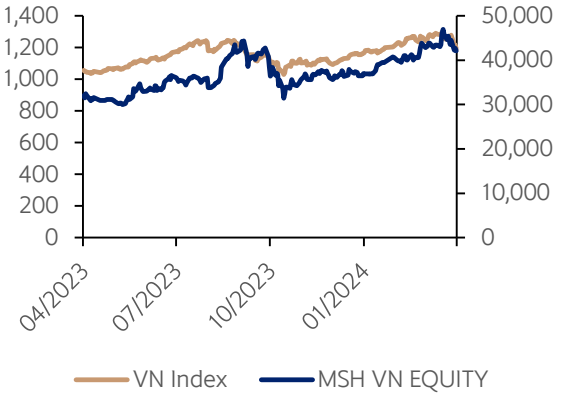
Risks: (1) Consumer demand lessening than expectation, making lower yarn orders; (2) Input cost which is PET chips price increased as the impact of oil prices, reducing gross profit margin.

Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	1,766	2,042	2,115	1,425	1,891
OP (VND bn)	174	276	290	112	278
OP margin (%)	9.9	13.5	13.7	7.8	14.7
NPATMi (VND bn)	144	278	242	87	219
NP margin (%)	8.2	13.6	11.5	6.1	11.6
EPS (VND)	1,571	3,067	2,634	928	1,513
ROE (%)	13.3	23.8	17.3	5.5	12.4
P/E (x)	10.0	13.9	9.1	28.0	19.0
P/B (x)	1.3	3.1	1.5	1.5	1.5

Source: Bloomberg, Shinhan Securities, Date as of 17/04/2024

Song Hong Garment JSC
(MSH VN)

Target price (12 months)		42,382 VND
Current price (17/04/24)		42,100 VND
Return (%)		0.7%
VN-INDEX		1,193
Market P/E (x)		16.1
Market Cap (bn VND)		3,158
Outstanding shares (mn)		75
Free-Floating (mn)		35
52-Wk High (VND)		48,000
52-Wk Low (VND)		31,800
90-day avg. Trading Vol (mn)		0.13
90-day avg turnover		6
Beta (12M)		1.0
Major shareholders (%)	Bui Duc Thinh	23.91
	FPT Securities JSC	12.79



Investment points:

- May Song Hong (HOSE: MSH) is a garment manufacturer specializing in exports for major global fashion brands. They operate under two primary models: CMT (Cut, Make, Trim) accounting for 15% of revenue (customer provides fabric and design) and FOB 1 (Free on Board) accounting for 85% of revenue (customer specifies fabric source and provides design). Their products include bed sheets, pillowcases, mattresses, and exported garments, particularly sportswear.

- May Song Hong (MSH) experienced a 17.8% YoY revenue decline in 2023 to 4,542 billion VND due to industry-wide export slowdown caused by high inflation and inventory reduction efforts. However, 2024 shows promise for the textile and garment industry with improving order data in the first two months. VITAS (Vietnam Textile and Apparel Association) projects a 9.2% growth and a return to 2022 levels. FOB orders remain MSH's core growth driver, with the company increasing its focus on this segment due to its higher gross profit margin (15% vs. 5% for CMT). MSH has retained major FOB clients like Columbia Sportwear, Walmart, Target, G-III Apparel Group (Calvin Klein, Tommy Hilfiger, DKNY), and Haddad Brands (Nike, Converse, Levi's).

The newly operational Xuan Truong II Factory (total investment exceeding 700 billion VND) is expected to boost MSH's revenue to 6,500-7,000 billion VND and further drive FOB production, fueling future order growth.

- Financially, MSH stands out with a best-in-industry debt-to-equity ratio of 0.5x and a consistently high annual dividend payout with a yield of approximately 6%.

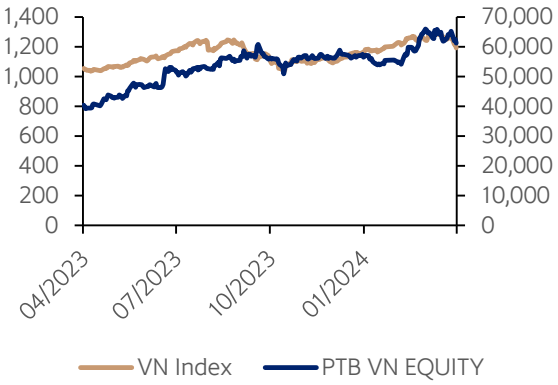
Risks: (1) Risk of raw material sources; (2) Exchange rate risk.

Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	3,813	4,748	5,521	4,542	5,201
OP (VND bn)	238	487	359	187	419
OP margin (%)	6.2	10.3	6.5	4.1	8.1
NPATMi (VND bn)	232	442	375	245	337
NP margin (%)	6.1	9.3	6.8	5.4	6.5
EPS (VND)	3,090	5,897	4,998	3,260	2,801
ROE (%)	18.3	31.7	24.7	15.0	16.8
P/E (x)	8.6	8.9	6.6	11.1	15.0
P/B (x)	1.5	2.8	1.5	1.7	2.8

Source: Bloomberg, Shinhan Securities, Date as of 17/04/2024

Phu Tai Joint Stock Company
(PTB VN)

Target price (12 months)	**66,565 VND**
Current price (17/04/24)	61,200 VND
Return (%)	8.8%
VN-INDEX	1,193
Market P/E (x)	16.1
Market Cap (bn VND)	4,097
Outstanding shares (mn)	67
Free-Floating (mn)	39
52-Wk High (VND)	67,000
52-Wk Low (VND)	41,800
90-day avg. Trading Vol (mn)	0.33
90-day avg turnover	24
Beta (12M)	1.0
Major shareholders (%) Le Vy	13.47
Le Van Thao	8.69



Investment points:

- Phu Tai Joint Stock Company is one of the leading wood export companies in Vietnam, with PTB's wood product export value accounting for more than 90% of total wood segment revenue. In 2023, wood exports will decrease sharply due to inflation, causing the purchasing power of non-essential goods to decrease and the US real estate market to "freeze".The situation of the company's business segments in 2023 and prospects for 2024 are as follows:

- The wood products segment reached VND 2,785 billion (-17.7% YoY) because the main business market, the US, reduced purchases. By 2024, we expect wood exports, especially furniture, to recover when the US real estate market improves.

- The stone segment had good business results, reaching VND 1,778 billion (+3.9% YoY) and accounting for a high proportion of total revenue (31.6%, 24.9% in 2022). The company currently has 12 quarries stretching from north to south. In the 2023 financial report, it is noted that the company has completed exploiting the Da Du stone quarry and is currently exploiting another quarry. Therefore, the potential for expanding stone revenue is huge (especially quartz stone).

- Toyota car sales and repair segment in 2023 will record a decrease of 31.4% YoY due to a decline in general market demand. 2024 is forecast to grow slightly because there is still fierce competition to gain market share from smaller businesses (Ford, Kia, etc.) as well as businesses from China also starting to enter the Vietnamese market. South with cheap auto products.

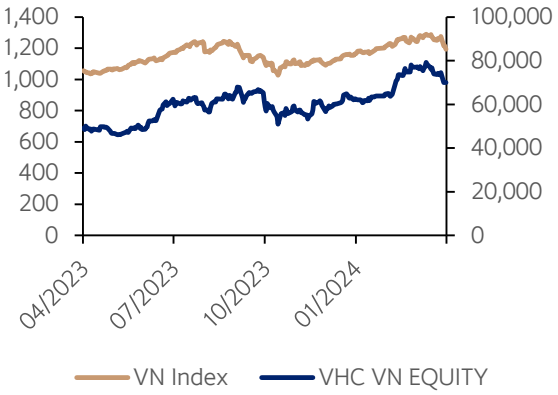
Risks: (1) the main market, the US, recovers slowly; (2) transportation costs have increased due to geopolitical tensions

Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	5,601	6,492	6,887	5,619	6,705
OP (VND bn)	522	697	745	507	662
OP margin (%)	9.3	10.7	10.8	9.0	9.9
NPATMi (VND bn)	359	512	487	292	413
NP margin (%)	6.4	7.9	7.1	5.2	6.2
EPS (VND)	5,219	7,523	7,162	4,368	6,010
ROE (%)	19.3	24.1	19.5	10.7	12.8
P/E (x)	8.0	9.4	5.9	13.5	10.2
P/B (x)	1.5	2.1	1.1	1.4	1.4

Source: Bloomberg, Shinhan Securities, Date as of 17/04/2024

Vinh Hoan Corporation
(VHC VN)

Target price (12 months)	**71,700 VND**
Current price (17/04/24)	70,000 VND
Return (%)	2.4%
VN-INDEX	1,193
Market P/E (x)	16.1
Market Cap (bn VND)	15,712
Outstanding shares (mn)	224
Free-Floating (mn)	112
52-Wk High (VND)	80,000
52-Wk Low (VND)	47,083
90-day avg. Trading Vol (mn)	0.91
90-day avg turnover	63
Beta (1.2M)	1.1
Major shareholders (%)	Truong Thi Le Khanh 42.32
	Mitsubishi Corporation 6.42



Investment points:

- Vinh Hoan Corporation (VHC) is the leading pangasius company in Vietnam, accounting for over 15% of the country's total pangasius export turnover and enjoying a 0% anti-dumping tax advantage when exporting to the US. 2023 was a difficult year for the pangasius industry in general and VHC in particular, as revenue declined sharply due to reduced purchasing power in the main export market of the US.

- Pangasius segment: Pangasius segment revenue in 2023 will reach VND 5,537 billion (-55.2% YoY), mainly affected by low selling prices and reduced output. However, in December 2023, pangasius exports to the US grew positively for the first time compared to the same period in 2022. Next in January 2024, seafood exports showed positive signs when increasing by 60.8% YoY, in which pangasius exports are forecast to recover strongly. Therefore, in 2024 we expect the company's business situation to become more positive when macroeconomic stability helps the purchasing power of the markets recover.

- Collagen & Gelatin and Sa Giang: Revenue from collagen & gelatin, by-products and Sa Giang recorded 720 billion VND (-21% YoY), 1,669 billion VND (-29% YoY) and 304 billion VND (-9% YoY), respectively, accounting for 7%, 17%, and 5% of revenue. In these two areas, the company will focus on developing more markets. The gelatin factory will be invested to expand its capacity, and the company will focus on developing new products with foreign partners by participating in seafood trade fairs.

- Processing dried fruit: Thanh Ngoc Company is expected to officially go into operation in June 2023 after a trial period. The company's management expects the gross margin of this segment to be 15% and contribute revenue of VND 350 billion.

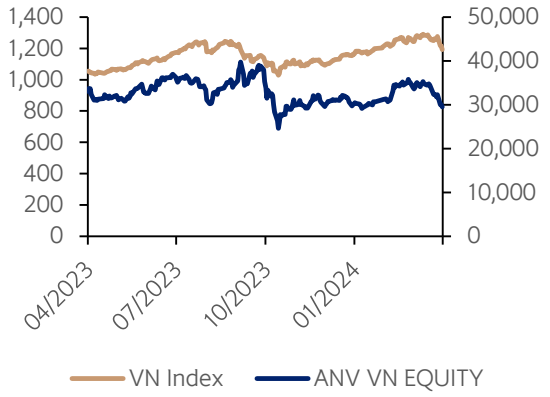
Risk: (1) Risk of export; (2) Shortage of supply

Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	7,037	9,054	13,231	10,039	11,381
OP (VND bn)	695	1,199	2,254	928	1,377
OP margin (%)	9.9	13.2	17.0	9.2	12.1
NPATMi (VND bn)	719	1,099	1,975	897	1,247
NP margin (%)	10.2	12.1	14.9	9.2	11.0
EPS (VND)	3,294	5,033	8,555	4,067	5,245
ROE (%)	14.3	20.1	28.2	11.6	13.6
P/E (x)	10.5	10.4	6.8	15.2	13.3
P/B (x)	1.5	2.0	1.7	1.7	1.6

Source: Bloomberg, Shinhan Securities, Date as of 17/04/2024

Nam Viet Corporation
(ANV VN)

Target price (12 months)	**38,600 VND**
Current price (17/04/24)	29,550 VND
Return (%)	30.6%
VN-INDEX	1,193
Market P/E (x)	16.1
Market Cap (bn VND)	3,934
Outstanding shares (mn)	133
Free-Floating (mn)	41
52-Wk High (VND)	41,950
52-Wk Low (VND)	24,550
90-day avg. Trading Vol (mn)	1.76
90-day avg turnover	64
Beta (1.2M)	1.4
Major shareholders (%) Doan Toi	53.77
Doan Chi Thanh	12.85



Investment points:

- Nam Viet Corporation (HoSE: ANV) is one of the leading enterprises in Vietnam's pangasius export industry, with 100% autonomy from farming areas and fingerlings to feed.

- In 2023, the company recorded revenue of VND 4,439 billion (-9.3% YoY), and profit after tax reached 41.85 billion VND (-93.8% YoY). The business situation is difficult when gross profit margin is significantly narrowed by the cost of goods (especially high food costs). Along with that, exporting to many countries also causes transportation costs to increase, narrowing the company's net profit margin.

- The company's new potential lies in the US market when it exports to this market again after nearly 10 years. In 2023, the US market brought in USD 8 million, equivalent to 7% of the company's export revenue structure. In 2024, we expect ANV to increase export revenue to the US market when the economic situation is stable and the company enjoys a 0% anti-dumping tax.

- Last year, Nam Viet built Binh Phu farming area with an area of up to 600 hectares and put it into operation, helping to increase the capacity of the farming area by 150% to speed up exports to many markets.

- In 2024, we forecast company revenue to reach VND 5,116 billion (+15% YoY) and NPAT to reach VND 156 billion (+271.4%) thanks to these factors: (1) reduced US inventory, (2) EU taxing pollock and cod from Russia at 13.7% (not continuing to enjoy 0% tax incentives), and (3) cooling inflation spurs consumer demand to return.

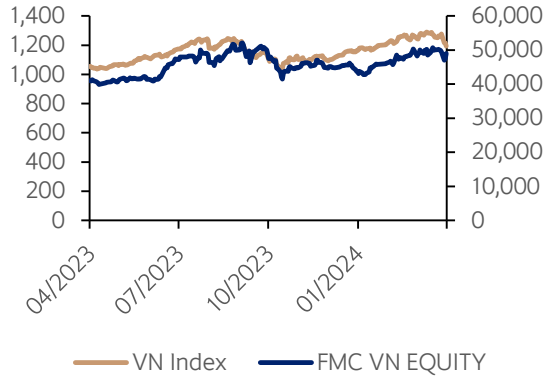
Risk: (1) Risk of investigating in new market; (2) Risk of slow recovery of export

Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	3,439	3,494	4,897	4,439	5,116
OP (VND bn)	243	216	863	186	371
OP margin (%)	7.1	6.2	17.6	4.2	7.3
NPATMi (VND bn)	202	129	674	42	156
NP margin (%)	5.9	3.7	13.8	0.9	3.1
EPS (VND)	1,590	1,013	5,300	317	1,718
ROE (%)	8.6	5.5	25.8	1.4	5.4
P/E (x)	15.7	32.9	4.3	98.1	25.2
P/B (x)	1.4	1.8	1.0	1.5	1.3

Source: Bloomberg, Shinhan Securities, Date as of 17/04/2024

Sao Ta Foods Joint Stock Company
(FMC VN)

Target price (12 months)	**52,500 VND**
Current price (17/04/24)	49,000 VND
Return (%)	7.1%
VN-INDEX	1,193
Market P/E (x)	16.1
Market Cap (bn VND)	3,204
Outstanding shares (mn)	65
Free-Floating (mn)	15
52-Wk High (VND)	53,500
52-Wk Low (VND)	40,000
90-day avg. Trading Vol (mn)	0.08
90-day avg turnover	4
Beta (12M)	1.0
Major shareholders (%) PAN Group JSC	37.75
C.P Vietnam Livestock JSC	24.90



Investment points:

- Sao Ta Foods Corporation (HoSE: FMC) is one of the leading shrimp exporters in Vietnam, always maintaining its position in the top 5 largest shrimp exporters in the country. FMC currently owns 30% of raw shrimp and a farming area of 505ha. 2023 was a difficult year for the shrimp industry, however, FMC's business results only decreased by 10% (lower than the industry average of 20%). In 2024, the situation in the first half of the year may still be gloomy because the consumer market is still unstable, however we expect the situation to be better in the second half of the year, helping exports recover

- Shrimp product: In 2023, the company produced 21,198 tons of shrimp (+3.0% YoY) and sold 17,407 tons (-3.7% YoY). The bright spot came from the company's quick shift to the Japanese market to improve selling prices and reduce selling costs (-46% YoY), mainly due to lower shipping costs.

- Agricultural product: The company produced 1,569 tons of finished products in 2023 and sold 1,366 tons (-24.2% YoY). This business segment contributes a steady 3-4% to total revenue and 10% to gross profit each year.

- We forecast FMC's revenue in 2024 to reach VND 5,670 billion (+11.4% YoY) and profit after tax to reach VND 346 billion (+14.5% YoY) due to the expectation that the market will be better in the second half of the year when (1) inventory levels of importing countries decrease, (2) the US seafood trade embargo with Russia and China with Japan will indirectly create good opportunities for the Vietnamese seafood industry, and (3) inflation subsides, stimulating consumption demand to return.

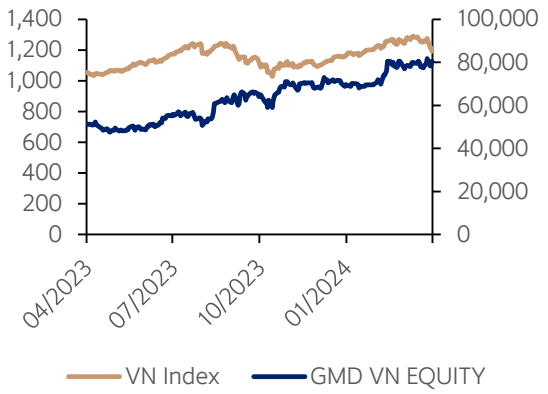
Risk: (1) Risk of unfavorable weather and macroeconomic conditions

Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	4,415	5,199	5,702	5,087	5,670
OP (VND bn)	225	265	307	292	339
OP margin (%)	5.1	5.1	5.4	5.7	6.0
NPATMi (VND bn)	226	267	309	276	316
NP margin (%)	5.1	5.1	5.4	5.4	5.6
EPS (VND)	4,351	4,677	4,605	4,221	4,834
ROE (%)	22.4	18.7	16.3	13.6	14.8
P/E (x)	7.8	11.1	7.0	10.7	10.1
P/B (x)	1.6	1.9	1.1	1.5	1.3

Source: Bloomberg, Shinhan Securities, Date as of 17/04/2024

Gemadept Corporation
(GMD VN)

Target price (12 months)		**83,400 VND**
Current price (17/04/24)		80,500 VND
Return (%)		3.6%
VN-INDEX		1,193
Market P/E (x)		16.1
Market Cap (bn VND)		24,625
Outstanding shares (mn)		306
Free-Floating (mn)		298
52-Wk High (VND)		83,300
52-Wk Low (VND)		49,050
90-day avg. Trading Vol (mn)		1.25
90-day avg turnover		108
Beta (12M)		0.8
Major shareholders (%)	SSJ Consulting VN Company Ltd	9.85
	Le Thuy Huong	4.88



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.

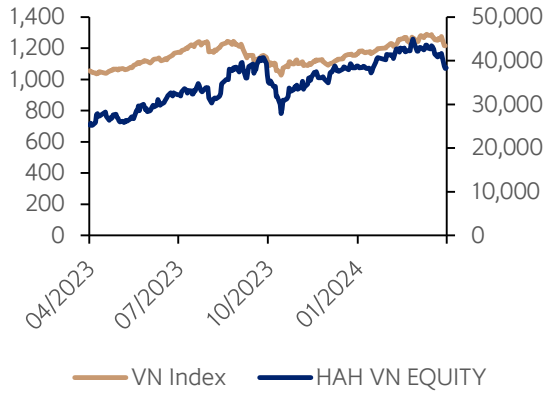
Risks: (1) World economic risk; (2) Risks related to rising oil prices; (3) Risks related to world shipping situation.

Year to Dec	2020	2021	2022	2023 (*)	2024F
Revenue (VND bn)	2,606	3,206	3,898	3,846	4,159
OP (VND bn)	471	693	1,051	1,116	1,395
OP margin (%)	18.1	21.6	27.0	29.0	33.5
NPATMi (VND bn)	371	612	994	785	1,351
NP margin (%)	14.2	19.1	25.5	20.3	32.5
EPS (VND)	1,149	1,869	3,034	2,366	3,401
ROE (%)	5.8	9.2	13.8	10.1	12.5
P/E (x)	28.4	25.3	15.0	26.6	23.7
P/B (x)	1.7	2.3	2.0	2.5	2.6

Source: Bloomberg, Shinhan Securities, Date as of 17/04/2024
(*) We exclude the extraordinary profit from the divestment of Nam Hai Dinh Vu port.

Hai An Transport & Stevedoring JSC
(HAH VN)

Target price (12 months)	**51,000 VND**
Current price (17/04/24)	38,350 VND
Return (%)	33.0%
VN-INDEX	1,193
Market P/E (x)	16.1
Market Cap (bn VND)	4,047
Outstanding shares (mn)	106
Free-Floating (mn)	30
52-Wk High (VND)	45,950
52-Wk Low (VND)	24,600
90-day avg. Trading Vol (mn)	2.7
90-day avg turnover	110
Beta (1.2M)	1.2
Major shareholders (%)	Hai Ha Investment and Transport JSC 14.53
	Sao A D.C Investment JSC 10.38



Investment points:

- Hai An Transport & Stevedoring Company (HAH) is a pioneer in shipping sector in Viet Nam. In 2023, HAH's NPAT decreased sharply to 371 bn VND (-64% YoY). This was a difficult year for the shipping industry due to low demand for goods and a container oversupply.

- Stevedoring revenue is estimated to reach at VND 230 bn, which is flat compared to the same period. We don't see any significant change in this segment revenue as Hai An port runs overcapacity.

- Shipping revenue is estimated to reach VND 2,000 bn (-27% YoY), due to a sharp decrease in both sea freight rates and ship charter rates. We estimate domestic transportation revenue to decrease by 21% YoY and ship charter revenue to decrease by 37% YoY. The reason is weak consumer demand, which has led to a surplus of containers and shipping lines competing to lower prices to attract customers.

- It is predicted that in 2024, the global economy will grow better, the logistics industry will enter a recovery phase, and freight rates are expected to increase from 10-15% YoY. However, we note the risk of disruption in the Red Sea, which if prolonged, will significantly affect freight rate.

- HAH maintains a fleet expansion strategy to improve transportation capacity over the next 2 years. At the end of 2023, HAH received the first of 4 newly ordered vessels, increasing capacity by 10%. The company expects to receive 2 more new vessels in the second half of 2024, bringing the company's total sea transportation capacity to an expected increase of 20% by the end of 2024. In addition, we expect the cooling down of fuel costs to help improve HAH's profit margin compared to 2023. We forecast NPAT in 2024 to reach 609 billion VND (+62.7% y.o.y.).

Risk: (1) a sharp decrease of world sea freight rates, (2) a global recession and (3) sharply rising fleet growth

Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	1,192	1,955	3,206	2,613	3,027
OP (VND bn)	171	629	1,308	486	766
OP margin (%)	14.4	32.2	40.8	18.6	25.3
NPATMi (VND bn)	138	446	822	385	609
NP margin (%)	11.6	22.8	25.6	14.7	20.1
EPS (VND)	1,302	4,167	7,537	3,315	5,194
ROE (%)	12.6	31.8	40.1	14.1	20.5
P/E (x)	6.5	7.7	2.9	11.3	7.4
P/B (x)	0.8	2.1	1.0	1.5	1.6

Source: Bloomberg, Shinhan Securities, Date as of 17/04/2024

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