STRATEGY REPORT

November 8th, 2024

Growth portfolio

Return of portfolio	Return of VN-Index
↑ +0.7% MoM	↓ -1.7% MoM
↑ +27.9% YTD	↑ +13.4% YTD

"FPT and CTR outperformed"

- At the close of the trading session on October 10, 2024, the VN-Index closed at 1,264, up 11.9% compared to the beginning of 2024. In the meantime, the growth portfolio had a good return rate of 26.2%, thanks to the positive business results in 9M/2024.
- Positive contributions to the portfolio's investment performance in 2024 were FPT (+60.1% YTD) and CTR (+40.9% YTD). In which, FPT's stock price has reached a new all-time high since its listing. The 9M/2024 business results of the growth investment portfolio were impressive, with total revenue increasing by 21.8% YoY and net profit rising by 45.5% YoY.
- In Q4/2024, we expect the portfolio's performance to continue showing impressive growth

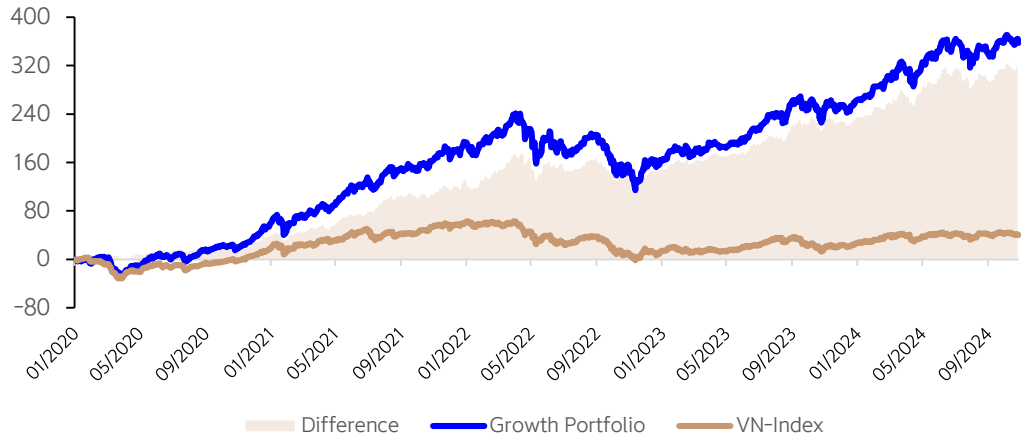
For the banking group: we expect this group's profit will continue to grow in the peak business season at the end of the year when credit acceleration to complete the plan. In favorable economic conditions, when the demand for production and business activities improves, it will boost credit demand

For the technology sector: we assess that the group's profit continues to grow strongly driven by (1) the booming demand for AI, (2) automation, and (3) cloud platforms.

For the telecommunications sector: The discontinuation of 2G networks from mid-October 2024 and the anticipated accelerated commercialization of 5G networks are expected to boost profits for businesses in this sector.

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

Performance of Growth porfolio and VN Index (%)



Portfolio analysis

	Portfolio	VN-Index
P/E(x)	11.3	13.2
P/B (x)	1.8	1.6
Dividend yield (%)	2.0	1.8
EPS growth (5Y) (%)	23.8	9.2
ROE (%)	17.2	13.0
ROA (%)	2.5	2.0
Beta	1.1	1.0
Return (annualized) (%)	32.1	17.9
Std (%)	17.1	14.2
Sharpe ratio	1.8	1.1

Data as of November 08th, 2024 Sources: SSV, Bloomberg

Strategy overview

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

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

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Following SSV's Zalo,
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Growth portfolio

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	VPB	Vietnam Prosperity JSC Bank	156,298	19,700	25,000	26.9	-1.5	8.0	18.2	12.4	1.6	10.8	0.9	7.8
2	STB	Sai Gon Thuong Tin JSC Bank	67,114	35,600	37,000	3.9	5.4	24.8	26.0	14.7	1.2	18.4	1.1	6.8
3	HDB	Ho Chi Minh City Development JSC Bank	76,454	26,250	30,000	14.3	-4.5	33.6	37.2	3.1	2.2	28.0	1.4	6.3
4	FPT	FPT Corporation	198,741	135,100	157,300	16.4	-0.9	60.1	12.3	0.4	11.5	28.0	8.1	29.6
5	GMD	Gemadept Corporation	26,909	65,000	69,300	7.1	-1.7	9.9	58.5	0.2	9.9	14.6	2.5	20.1
6	PVT	Petrovietnam Transportation Corporation	9,951	27,950	32,600	16.6	-0.9	15.8	10.2	0.6	6.2	15.1	1.2	8.0
7	CTR	Viettel Construction Joint Stock Corporation	14,653	1281,100	135,000	5.4	-3.1	40.9	4.6	0.7	7.7	3.0	5.0	21.6
8	HPG	Hoa Phat Group JSC	172,379	26,950	34,000	26.2	0.4	3.5	5.7	0.6	6.3	11.5	1.4	13.2

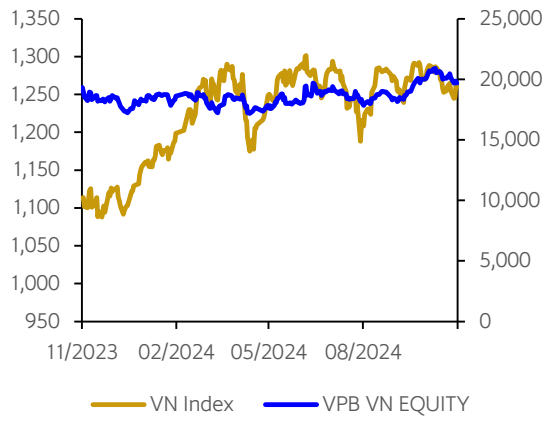
* Target price (fair value) for the next 12 months
** Data for 12 months up to Q3/2024

Source: SSV Research, Bloomberg
Data as of November 07th, 2024

Vietnam Prosperity JSC Bank
(VPB VN)

Target price (12 months)	25,000 VND
Current price (07/11/24)	19,700 VND
Return (%)	26.9%

VN-INDEX		1,259
Market P/E (x)		11.9
Market Cap (bn VND)		156,298
Outstanding shares (mn)		7,934
Free-Floating (mn)		7,086
52-Wk High (VND)		21,350
52-Wk Low (VND)		17,500
90-day avg. Trading Vol (mn)		21.95
90-day avg turnover		453
Beta (12M)		1.0
Major shareholders (%)	Sumitomo Mitsui Banking Corporation	15.0
	Ngo Chi Dung	4.1



Investment points:

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

Update on business results in the first 9M2024:

- Total operating income was VND 44.6 tn (+23% YoY). Consolidated PBT reached VND 13.9 tn (+67% YoY), completing 66% of annual plan.

- The parent bank's CIR was optimized to 24% thanks to comprehensive digitalization and process automation. Credit grew by more than 12.3% compared to the beginning of 2024. Consolidated customer deposits increased by 7.6% YoY. Consolidated NIM reached 5.93% (+44 bps YoY)

- Liquidity coverage ratios such as the LDR at 82.3% and the ratio of short-term funds to medium and long-term loans at 24.6% were both well above the State Bank's regulations. The bank's consolidated CAR stands at a strong 15.7%, continuing to lead the industry and providing a solid foundation for robust growth in the future.

- In addition, VPBank's impressive 9-month business performance was significantly boosted by FE Credit, which reported a profit of nearly VND 300 bn in the third quarter. FE Credit's loan in the first nine months grew by 42% compared to the same period last year, reaching the level of the entire year 2023, driven by credit cards and durable consumer loans. Outstanding loans in the third quarter reached over VND 56 tn, with core loans increasing by more than 2% compared to the end of 2023. With the prospect of a positive recovery in consumer finance and the supportive policy of Circular 12/2024/TT-NHNN, which allows credit institutions to lend small amounts not exceeding VND 100 million without the need for a feasible use of funds plan, we expect FE Credit to recover significantly in 2025-2026.

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

Year to Dec	2020	2021	2022	2023	2024F
Net interest income (VND bn)	32,346	34,349	41,021	38,175	53,001
Net non-interest income (VND bn)	3,356	4,059	6,348	7,096	11,623
TOI (VND bn)	35,702	38,408	47,459	45,271	64,624
TOI before provision (VND bn)	27,641	33,583	43,681	35,832	49,321
NPAT (VND bn)	10,414	11,808	18,175	10,058	13,402
EPS (VND)	1,582	1,777	2,719	1,455	1,724
ROE (%)	21.9	16.5	17.8	7.1	9.4
P/E (x)	7.6	13.5	7.3	13	7.8
P/B (x)	1.5	2.0	1.2	1.1	0.9

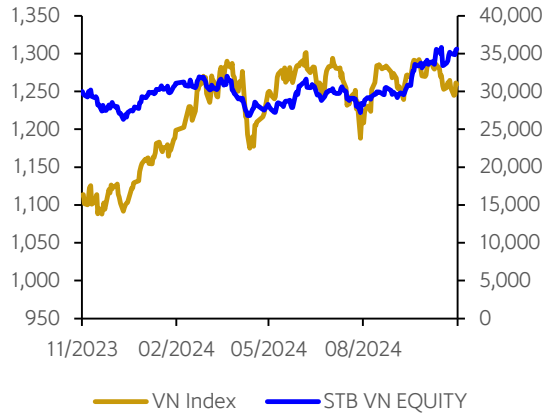
Source: Bloomberg, Shinhan Securities, Date as of 07/11/2024

Sai Gon Thuong Tin JSC Bank
(STB VN)

Target price (12 months)	37,000 VND
Current price (07/11/24)	35,600 VND
Return (%)	3.9 %

VN-INDEX	1,259
Market P/E (x)	11.9
Market Cap (bn VND)	67,114
Outstanding shares (mn)	1,885
Free-Floating (mn)	1,781
52-Wk High (VND)	36,450
52-Wk Low (VND)	25,850
90-day avg. Trading Vol (mn)	11.54
90-day avg turnover	404
Beta (12M)	1.0

Major shareholders (%)	Dragon Capital	6.0
	PYN	5.2



Investment points:

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

Update on business results in the first 9M2024:

- Total operating income was VND 23.1 tn (+9.2% YoY). Consolidated PBT reached VND 8 tn (+18.3% YoY), completing 76.4% of annual plan. Sacombank has yet to reflect the revenue from the sale of Phong Phu Industrial Park in its Q3/2024 financial report

- Outstanding loans increased by 8.9% compared to the beginning of the year. Customer deposits increased by 11% compared to the beginning of the year. The consolidated NIM reached 3.86% (-10 bps YoY) due to a significant increase in customer deposits, which impacted the cost of funds

- As of September 30, 2024, the bank's total NPLreached VND 12 tn, an increase of 18% compared to the beginning of the year. The ratio of NPL increased from 2.28% at the beginning of the year to 2.47%.

- In the near future, STB is expected to auction off 32.5% of its shares previously owned by Mr. Tram Be's group. According to STB's leadership, this is the final step in its restructuring process after successfully resolving bad debts with VAMC. We anticipate that the progress of asset disposal will be completed soon. Upon the completion of restructuring, STB has announced plans to pay dividends to shareholders, increase its charter capital, and seek strategic partners in the near future

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

Year to Dec	2020	2021	2022	2023	2024F
Net interest income (VND bn)	9,181	11,527	17,147	22,072	24,573
Net non-interest income (VND bn)	3,744	4,343	5,194	8,755	5,373
TOI (VND bn)	12,925	15,870	17,704	26,141	29,946
TOI before provision (VND bn)	4,030	7,516	7,954	15,221	15,947
NPAT (VND bn)	2,682	3,411	5,041	7,718	8,491
EPS (VND)	1,423	1,810	2,674	5,164	4,504
ROE (%)	9.6	10.8	13.8	23.0	17.0
P/E (x)	13.5	13.5	19.3	8.4	6.8
P/B (x)	1.1	1.7	1.1	1.2	1.1

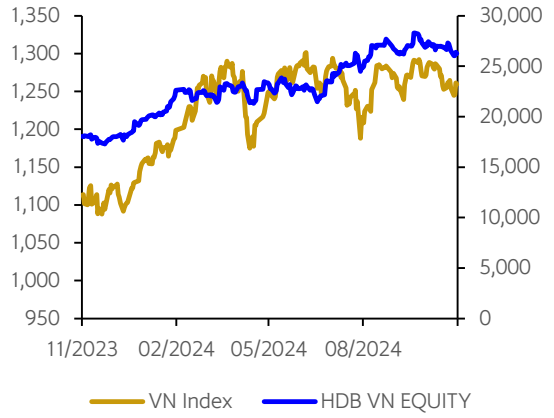
Source: Bloomberg, Shinhan Securities, Date as of 07/11/2024

Ho Chi Minh City Development JSC Bank (HDB VN)

Target price (12 months)	30,000 VND
Current price (07/11/24)	26,250 VND
Return (%)	14.3%

VN-INDEX	1,259
Market P/E (x)	11.9
Market Cap (bn VND)	76,454
Outstanding shares (mn)	2,913
Free-Floating (mn)	2,049
52-Wk High (VND)	28,600
52-Wk Low (VND)	17,800
90-day avg. Trading Vol (mn)	7.7
90-day avg turnover	19.3
Beta (12M)	0.9

Major shareholders (%)	Sovico	12.5
	Nguyen Thi Phuong Thao	3.7



Investment points:

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

Update on business results in the first 9M2024:

- Total operating income was VND 24.5 tn (+35.3% YoY). Consolidated PBT reached VND 12.6 tn (+46.6% YoY), completing 80% of annual plan. The ROE was 26.7% and the ROA was 2.2%.

- Consolidated outstanding loans stood at VND 412 tn, up 16.6% YTD. Mobilized capital reached VND 559 tn, up 24.8% YTD. The consolidated NIM reached 5.3% (+91 bps YoY). Thanks to its low LDR ratio, HDB was able to expand its NIM in the first half of 2024, contrary to the declining NIM trend of the entire industry. The NPL ratio was 1.46% and the Basel II CAR was 14.8%

- In addition, digital business continued to grow rapidly. As of September 30, 2024, 95% of individual customer transactions were digital. Digital channels accounted for 77% of new customers.

- HD SAISON's consumer finance segment continued to recover strongly with outstanding loans increasing by 15% YoY. PBT reached VND 906 bn, up 126% YoY, with an ROE of 22.9%, making it the leading and most efficient consumer finance company in the industry. The company currently has nearly 26,000 transaction points in 63 provinces and cities, serving over 13 million customers. We expect personal consumption growth to recover more significantly in 2025

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

Year to Dec	2020	2021	2022	2023	2024F
Net interest income (VND bn)	11,898	13,891	18,012	22,184	29,193
Net non-interest income (VND bn)	1,882	2,862	3,956	2,188	3,601
TOI (VND bn)	13,780	16,758	21,968	24,372	32,794
TOI before provision (VND bn)	7,607	10,375	13,336	17,284	21,839
NPAT (VND bn)	4,249	6,054	7,750	10,071	11,727
EPS (VND)	1,484	2,114	2,679	3,554	4,245
ROE (%)	20.2	23.3	23.5	24.1	25.2
P/E (x)	8.9	10.2	5.2	7.1	6.3
P/B (x)	1.6	2.1	1.1	1.4	1.4

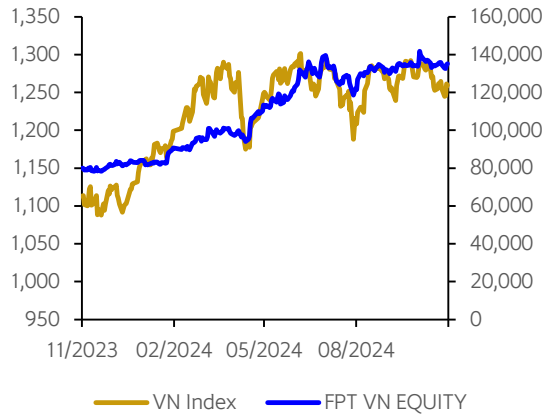
Source: Bloomberg, Shinhan Securities, Date as of 07/11/2024

FPT Corporation
(FPT VN)

Target price (12 months)	157,300 VND
Current price (07/11/24)	135,100 VND
Return (%)	16.4%

VN-INDEX	1,259
Market P/E (x)	11.9
Market Cap (bn VND)	198,741
Outstanding shares (mn)	1,471
Free-Floating (mn)	1,265
52-Wk High (VND)	142,800
52-Wk Low (VND)	76,435
90-day avg. Trading Vol (mn)	4.1
90-day avg turnover	447
Beta (12M)	0.9

Major shareholders (%)	Trương Gia Bình	6.7
	SCIC	5.7



Investment points:

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

Update on business results in the first 9M2024:

FPT recorded a revenue of 45,241 billion VND (+19.3% YoY) and PBT of 8,111 billion VND (+19.8% YoY).

1. Technology sector: Revenue reached VND 27,964 bn (+24.2% YoY), PBT reached VND 3,812 bn (+21.9% YoY).

- In which, Global IT Service revenue reached VND 22,628 bn, up by 28.6%, PBT reached VND 3,614 bn, up by 25.6% YoY. Revenue continued to increase in all markets, especially in Japan (+30.4% YoY), APAC (+36.6% YoY), fueled by high demand for IT spending in these markets, especially spending for Digital Transformation services.

- Thanks to the efforts to strengthen cooperation with the government, ministries, and agencies, and to promote cloud computing and artificial intelligence business for domestic enterprises, the domestic IT services segment recorded revenue of 5,296 billion VND (+8.3% YoY) and pre-tax profit of 197 billion VND (-21.2% YoY).

2. The Telecommunications Services segment maintained a steady growth rate, with revenue reaching VND 12,320 bn (+9.2% YoY) and net profit after tax reaching VND 2,547 bn (+14.9% YoY)

3. Education & Investment: The strong demand for education in the IT industry has contributed to boosting FPT's Education revenue by 16% compared to the same period last year, reaching VND 5,155 bn

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

Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	29,830	35,667	44,010	52,618	63,703
OP (VND bn)	4,605	5,415	6,795	8,418	11,656
OP margin (%)	15.4	15.2	15.4	16.0	18.3
NPATMi (VND bn)	3,538	4,337	5,310	6,471	7,770
NP margin (%)	11.9	12.2	12.1	12.3	14.9
EPS (VND)	2,593	3,151	3,851	4,666	5,320
ROE (%)	21.7	23.4	24.9	25.7	26.4
P/E (x)	14.4	21.4	17.4	20.6	29.6
P/B (x)	2.9	4.7	4.0	4.9	7.8

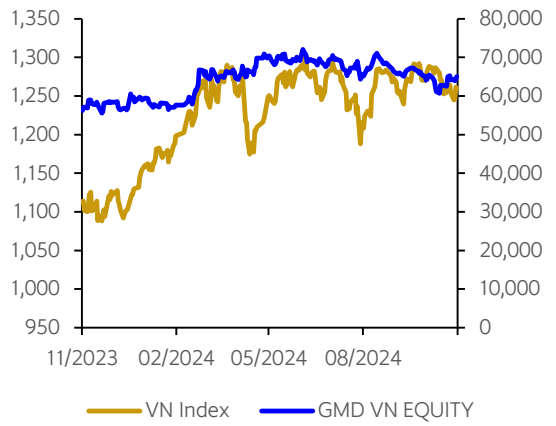
Source: Bloomberg, Shinhan Securities, Date as of 07/11/2024

Gemadept Corporation
(GMD VN)

Target price (12 months)	**69,300 VND**
Current price (07/11/24)	65,000 VND
Return (%)	7.1%

VN-INDEX	1,254
Market P/E (x)	11.9
Market Cap (bn VND)	26,909
Outstanding shares (mn)	414
Free-Floating (mn)	406
52-Wk High (VND)	74,778
52-Wk Low (VND)	55,445
90-day avg. Trading Vol (mn)	1.09
90-day avg turnover	65
Beta (12M)	0.8

Major shareholders (%)	VI Fund II, L.P	13.81
	SSJ Consulting	9.56



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.

Update on business results in the first 9M2024:

- GMD's net revenue reached nearly VND 3,420 billion (+22% YoY), and NPAT was approximately VND 1,549 bn (-33% YoY). The significant difference is due to the recognition of profits from the divestment. In Q2/2023, GMD recorded over VND 1,844 bn in financial revenue from the divestment of Nam Hai Dinh Vu Port, while this year, a profit of VND 336 bn was recorded from the divestment of Nam Hai Port JSC in the Q1. Excluding the divestment, we estimate that the pre-tax profit of core operations grew by 38% YoY. Core profit grew well thanks to improved port operations and logistics, and increased profits from joint ventures and associates, mainly from Gemalink

- In the first 9M/2024, Gemalink's profit is estimated to reach approximately VND 473 bn (compared to a loss of VND 85 bn in the same period last year). Business performance was supported by a 165% YoY increase in 9M/2024 volume and a 3-10% increase in service fees thanks to Circular 39/2023/TT-BGTVT, which increased the ceiling price of port services, taking effect on February 15, 2024.

- Given the strong performance in import and export, we're optimistic that GMD will keep up its 15% growth rate through 2025.

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

Year to Dec	2020	2021	2022	2023 (*)	2024F
Revenue (VND bn)	2,606	3,206	3,898	3,846	3,960
OP (VND bn)	471	693	1,051	1,116	1,429
OP margin (%)	18.1	21.6	27.0	29.0	32.8
NPATMi (VND bn)	371	612	994	785	1,274
NP margin (%)	14.2	19.1	25.5	20.3	32.2
EPS (VND)	1,119	1,847	3,014	2,366	3,863
ROE (%)	5.8	9.2	13.8	10.1	14.1
P/E (x)	28.4	25.3	20.9	26.6	20.1
P/B (x)	1.7	2.3	2.0	2.5	2.5

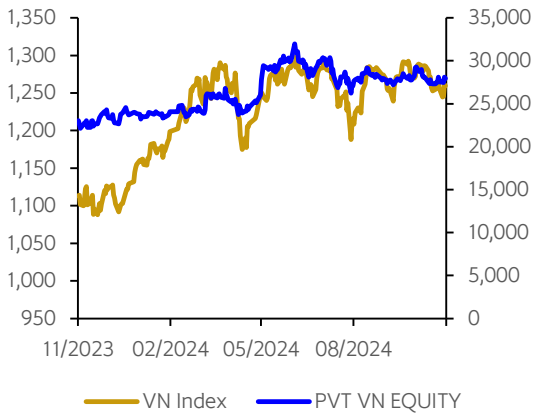
Source: Bloomberg, Shinhan Securities, Date as of 07/11/2024
(*) We exclude the extraordinary profit from the divestment of Nam Hai Dinh Vu port.

Petrovietnam Transportation Corporation (PVT VN)

Target price (12 months)	32,600 VND
Current price (07/11/24)	27,950 VND
Return (%)	16.6%

VN-INDEX	1,259
Market P/E (x)	11.9
Market Cap (bn VND)	9,951
Outstanding shares (mn)	356
Free-Floating (mn)	174
52-Wk High (VND)	32,700
52-Wk Low (VND)	21,545
90-day avg. Trading Vol (mn)	2.02
90-day avg turnover	46
Beta (12M)	0.9

Major shareholders (%)	Vietnam Oil and Gas Group	44.3



Investment points:

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

Update on business results in the first 9M2024:

- PVT's net revenue reached nearly VND 8,645 bn (+26% YoY), and after-tax profit was approximately VND 1,200 bn (+25.3% YoY). In which, the transportation services segment continued to play a significant role for PVT. Revenue from transportation services reached VND 2,320 bn (+18% YoY), and gross profit margin reached VND 552 bn (+22% YoY). The business results recorded good growth thanks to (1) the high freight rates, (2) the contribution from 7 newly purchased vessels since 2023, and (3) the recovery of the bulk cargo transportation market. The bulk cargo transportation market has rebounded strongly, driven by iron ore and bauxite exports in the Atlantic region. In addition, in Q3/2024, PVT sold the vessel PVT Synergy, recording approximately 153 billion VND.

- Since the beginning of 2024, PVT has successfully added 6 new vessels to its fleet, including product tankers, chemical tankers, LPG carriers, and bulk carriers. This expansion brings the total number of vessels to 58, with a total deadweight tonnage of 1.7 million DWT.

- The market freight rates for crude oil and refined petroleum products are forecast to remain strong in late 2024 due to (1) the instability in the Middle East that could disrupt important maritime routes and (2) length shipping distances but limited vessel supply. Additionally, freight rates for chemical transportation are also expected to remain stable due to (1) improved chemical production capacity in China, (2) strong demand for clean petroleum products such as aviation fuel and gasoline, and (3) limited vessel supply. However, freight rates are forecast to soften somewhat in 2025 due to an improvement in vessel supply.

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

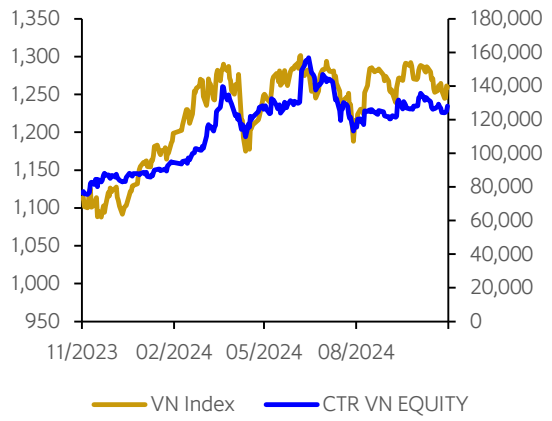
Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	7,383	7,460	9,047	9,487	11,236
OP (VND bn)	865	950	1,235	1,428	1,818
OP margin (%)	11.7	12.7	13.6	15.0	16.2
NPATMi (VND bn)	676	660	857	980	1,212
NP margin (%)	9.2	8.8	9.5	13.0	10.8
EPS (VND)	1,981	1,933	2,500	3,029	3,417
ROE (%)	13.8	12.4	14.5	14.6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

Source: Bloomberg, Shinhan Securities, Date as of 07/11/2024

Viettel Construction Joint Stock Corporation (CTR VN)

Target price (12 months)	135,000 VND
Current price (07/11/24)	128,100 VND
Return (%)	5.4%

VN-INDEX		1,259
Market P/E (x)		11.9
Market Cap (bn VND)		14,653
Outstanding shares (mn)		114
Free-Floating (mn)		36
52-Wk High (VND)		162,000
52-Wk Low (VND)		76,900
90-day avg. Trading Vol (mn)		0.3
90-day avg turnover		40
Beta (12M)		1.2
Major shareholders (%)	Military Telecom Group	65.6
	Doan Hong Viet	5.0



Investment points:

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

Update on business results in the first 9M2024:

- Accumulated for first 9M/2024, CTR recorded revenue of VND 9,108 bn (+12% YoY), and PBT reached VND 483 bn (+4% YoY). CTR achieved 72% of its annual revenue target (VND 12,653 bn) and 72% of its annual profit target (VND 671 bn) for 2024. In August 2024, CTR commenced the implementation of a plan to install 5G station equipment, serving Viettel Group's commercial 5G coverage strategy. Accordingly, CTR will deploy approximately 70% of the total station construction volume in 55 provinces.

- The construction sector contributed VND 2,705 bn, up 13% YoY, driven by growth in the B2B and SME civil construction segments. Specifically, the backlog for the B2B segment accumulated to VND 1,836 bn (+115% YoY) and the B2C & SME segment reached VND 1,500 bn (+22% YoY).

- The Operation and Exploitation sector still contributed the largest portion (49%) to total revenue, reaching VND 4,781 bn, an increase of 13% compared to 2023.

- The leasing infrastructure revenue grew by 43% YoY to reach VND 449 bn. The growth momentum is driven by CTR's efforts in expanding its network with new stations in preparation for the commercialization of 5G. In Q3/2024 alone, CTR added 1,003 new BTS stations, a slower pace compared to Q2/2024 due to the impact of typhoon Yagi. Currently, CTR maintains its position as Vietnam's leading TowerCo with the most BTS stations, holding the top spot nationwide with 8,812 stations, an increase of 2,376 new stations in 9 months 2024.

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

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

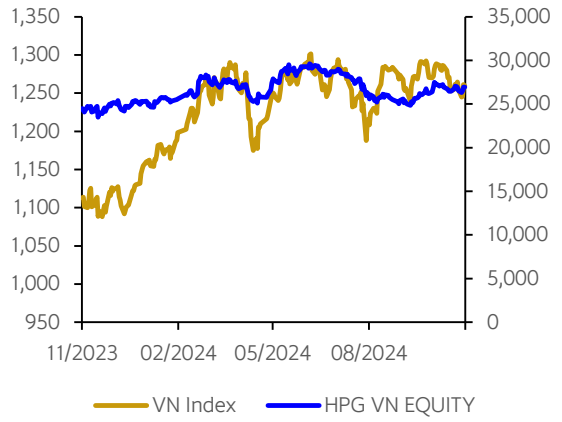
Source: Bloomberg, Shinhan Securities, Date as of 07/11/2024

Hoa Phat Group JSC
(HPG VN)

Target price (12 months)	34,000 VND
Current price (07/11/24)	26,950 VND
Return (%)	26.2%

VN-INDEX	1,259
Market P/E (x)	11.9
Market Cap (bn VND)	172,379
Outstanding shares (mn)	6,936
Free-Floating (mn)	3,578
52-Wk High (VND)	29,950
52-Wk Low (VND)	23,136
90-day avg. Trading Vol (mn)	19.5
90-day avg turnover	518
Beta (12M)	1.4

Major shareholders (%)	Tran Dinh Long	25.8
	Vu Thi Hien	6.8



Investment points:

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

Update on business results in the first 9M2024:

- HPG reported a revenue of VND 84,569 bn (+24% YoY) and NPAT of VND 9,210 bn (+140% YoY). In which, the steel and related products group contributed up to 85% of the profit, followed by the agriculture sector (about 9%). Profit from the steel group recorded a growth of 42% YoY, while the agriculture group increased by 80% YoY. In the first nine months of 2024, HPG produced 6.4 mn tons of crude steel (up 34% YoY), 2.27 mn tons of hot-rolled coil (HRC), and 505,000 tons of billets.

- Profit grew positively due to: 1) a recovery in steel consumption across most product lines; 2) the input material prices remainded low while output prices rebounded, improving profit margins; and 3) the agricultural segment has benefited from significant profits, growing 80% YoY.

- In addition, the Group is focusing its efforts on the construction of the Hoa Phat Dung Quat 2 Steel Complex project, with a capacity of 5.6 mn tons of hot-rolled steel coils per year. According to the current schedule, the first phase is expected to have its first hot rolling mill trial products in early 2025, raising Hoa Phat's crude steel capacity to 14.5 mn tons per year.

- Anti-dumping duties on HRC and coated steel products from China, India, and South Korea are expected to be issued soon in November 2024. This will be a driving force to increase HPG's sales volume, especially for HRC products. After increasing its capacity with the operation of Dung Quat 2 in early 2025, the domestic market will be HPG's main consumption market, and the imposition of anti-dumping duties will reduce competitive pressure from foreign steel when up to 60-70% of industry consumption comes from imports.

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

Year to Dec	2020	2021	2022	2023	2024F
Revenue (VND bn)	90,119	149,680	141,409	118,953	138,266
OP (VND bn)	17,123	37,664	13,078	9,669	12,707
OP margin (%)	19.0	25.2	9.2	8.1	9.2
NPATMi (VND bn)	13,450	34,478	8,484	6,835	11,365
NP margin (%)	14.9	23.0	6.0	5.7	8.3
EPS (VND)	2,191	5,512	1,452	1,175	1,954
ROE (%)	23.9	42.8	9.0	6.9	9.5
P/E (x)	10.8	6.5	12.4	23.8	13.2
P/B (x)	3.1	2.3	1.1	1.6	1.4

Source: Bloomberg, Shinhan Securities, Date as of 07/11/2024

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