Shinhan Securities

Equity Strategy
March 2025

A look at 2024 financial results

Recover but not All

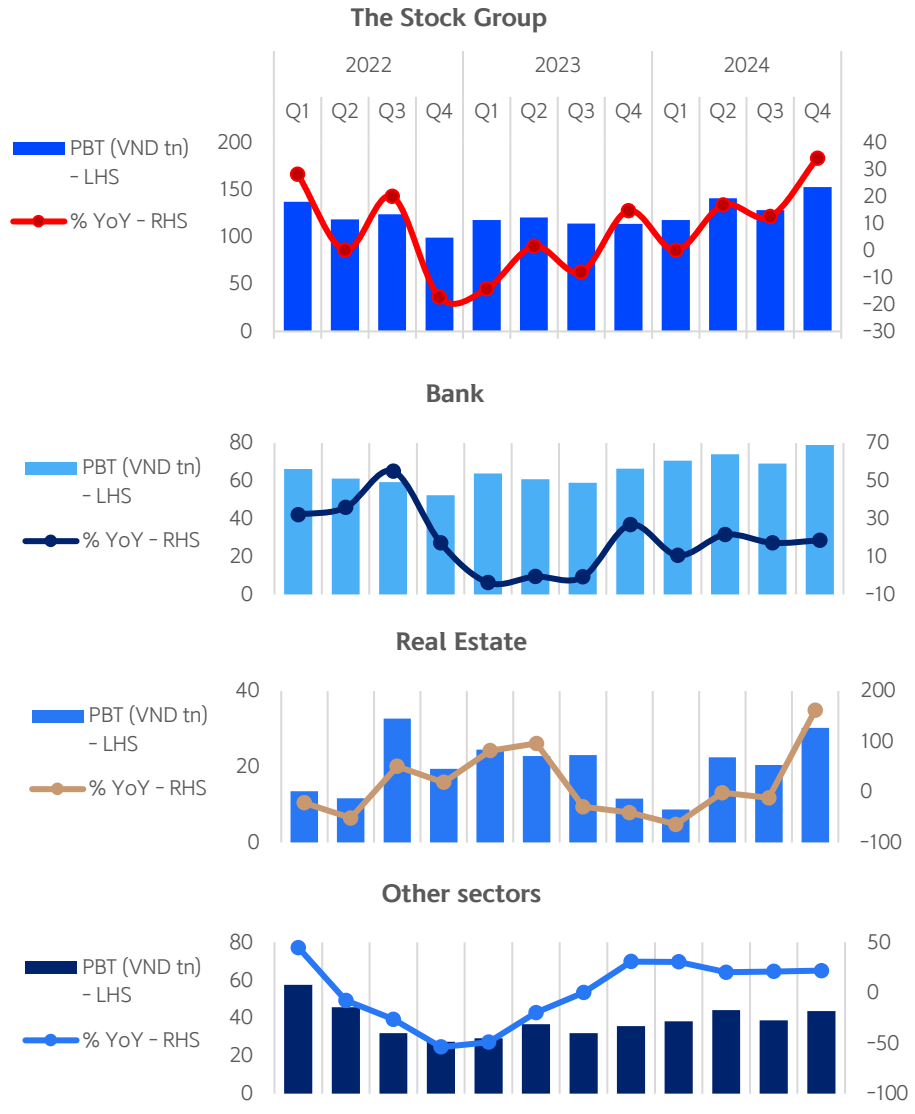


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Profit has recovered

- Based on data from Fiinpro, we collected the financial result of companies in VN30, VNMid, VNSmall and HNX30 (which will be called "the Stock Group"). The data will be used to be a representative to analyze the financial picture of the whole market in 2024 and Q4 2024. Companies are categorized in sectors by ICB industry level 2 classification.
- Profit before tax (PBT) is used to compare between sectors. PBT of the Stock Group has gradually recovered in Q4 2024, reaching VND 152.9 trillion (tn), which increased by 19% QoQ and 34% YoY. PBT of the two largest sectors (Bank and Real Estates) accounted for nearly 2/3 of the total PBT of the Stock Group. The banking sector accounted for 51.6% of the total and the real estate sector accounted for 15.2% of the total. The remaining sectors only accounted for 33.2%.
- The bank sector was the leader of the Group stock (and the whole market) by maintaining YoY Growth over the quarters in 2024. In Q4 2024, the bank sector's PBT increased by 18.6% YoY and 19% QoQ.
- The real estate group had its first YoY growth in Q4 after the consecutive declines in the first 3 quarters of 2024. Notable, the profit level also returned to the high level in 2022. In Q4 2024, the real estate sector's PBT increased by 162% YoY, reaching VND 30tn, nearly equivalent to the high level of VND 32tn in Q3 2022. The remaining sectors in total increased by 21.9% YoY and 12.5% QoQ in Q4 2024. However, when going into details of each sector, there were still differences between the remaining sectors.

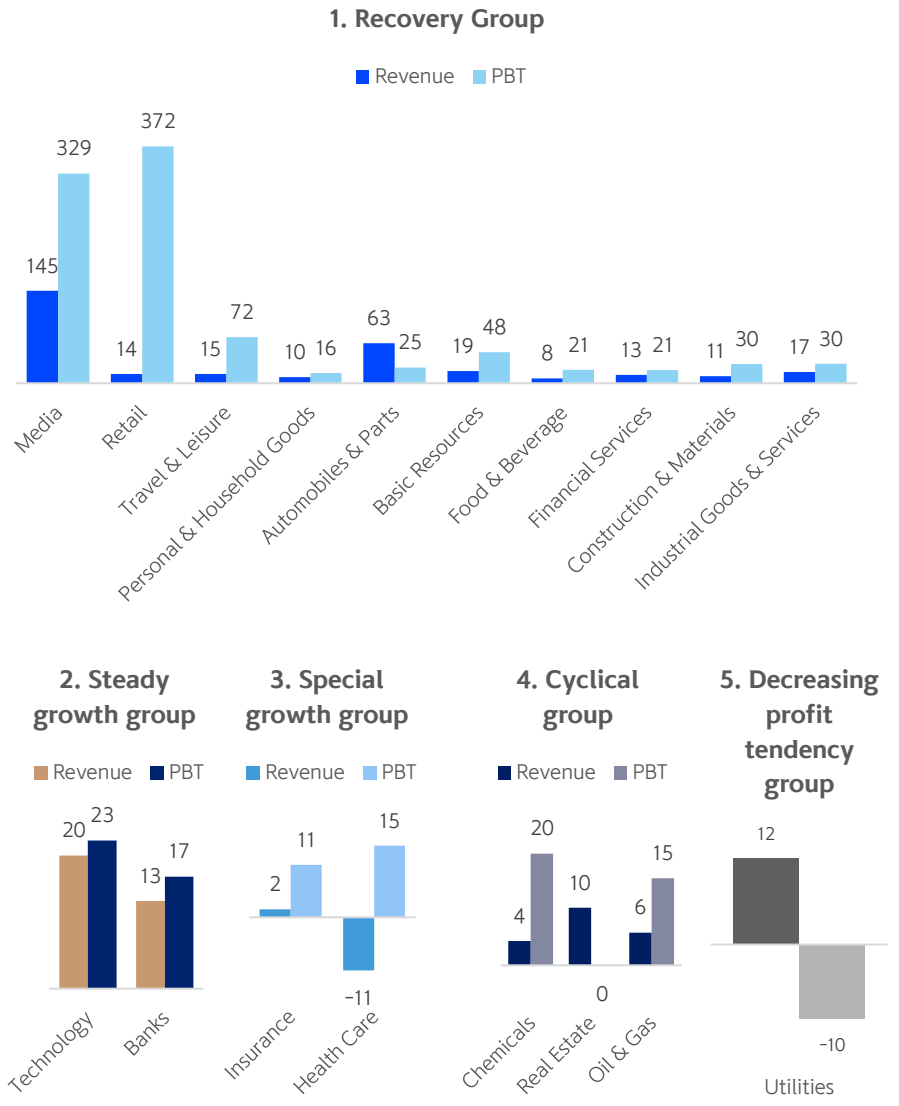
Profit after tax of all companies in VN30, VNMid, VNSmall and HNX30



Differentiation between sectors

- Sectors are classified into 5 main groups: Recovery group, Steady growth group, Special growth, Cyclical group and Decreasing profit tendency group. The sectors in each group are shown in the charts on the side.
- Based on the forecast of SSV research department and the business results trend by the end of 2024, we believed that the sectors could achieve an impressive growth in 2025 are (1) bank, (2) IT, (3) automobiles & spare parts, and (4) industrial goods & services. The potential of the bank and IT sector has been mentioned in our annual strategy report – Unlock growth.
- The automobile & spare parts and the industrial goods & services sector had outstanding business performances in 2024. While other sectors (except banks) were still on the way back to their old peaks (from 2022 onwards), these two groups are having revenue and profit continuously surpassing their peaks.
- The automobile & spare parts sector had revenue surpassing its peak thanks to capacity expansion. In the industrial goods & services group, growth is mainly in the infrastructure and logistics group. In addition to the capacity expansion and M&A activities, the infrastructure and logistics group had increased profits thanks to the adjustment of the port handling fees in recent years. Outstanding stocks in these groups are HAX, HUT, DRC, CSM, GMD, HAH and PVT.

YoY growth (%) of revenue and profit before tax in 2024



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Trend Overview

This section includes heatmaps showing YoY increases and decreases in revenue and profit before tax for trailing twelve months (TTM) over the quarters from 2022 to 2024. Using TTM will help investors see trends more easily and be less affected by seasonal factors.

In addition, by using both revenue and profit growth, we will see whether the growth of business activities and profitability are really in sync with each other.

Recovery group

Recover from the low base

- After a period of negative growth in consecutive quarters, sector performances gradually recovered in 2024. The strongest growth were the media sector (YEG) and the retail sector (MWG). The retail sector created a low comparison base by recording a low profit in 2023 and also created a growth momentum in 2024. In the recovery group, there were 2 sectors having prominent signals that investors can put in the watchlist. They are (1) the automobile and spare parts sector and (2) the industrial goods & services sector. We will discuss about these 2 sectors in the later part of the report.

Table: Heatmap of YoY revenue (TTM) and profit before tax (TTM)

		1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Media	Revenue	-27.6%	-52.3%	-63.1%	-71.7%	-65.5%	-50.5%	-18.9%	29.0%	35.9%	69.5%	114.3%	145.0%
	Profit before tax	-240.6%	-217.5%	-215.3%	-58.5%	-70.7%	-87.5%	-95.1%	-28.2%	-14.3%	35.3%	350.2%	329.0%
Retail	Revenue	23.9%	20.4%	28.9%	10.3%	-2.3%	-6.3%	-13.3%	-8.4%	0.8%	5.9%	11.7%	14.4%
	Profit before tax	38.0%	28.8%	42.0%	-5.5%	-35.8%	-57.6%	-75.6%	-82.2%	-55.1%	12.3%	131.0%	371.7%
Travel & Leisure	Revenue	-7.5%	40.0%	98.4%	175.6%	221.1%	134.5%	76.0%	55.2%	38.7%	25.1%	26.5%	14.6%
	Profit before tax	-45.8%	51.8%	-25.3%	-219.6%	-181.9%	-171.7%	-152.9%	-356.3%	100.0%	100.0%	100.0%	72.5%
Personal & Household Goods	Revenue	15.1%	17.8%	41.5%	34.1%	19.0%	5.6%	-7.4%	-5.9%	2.1%	10.7%	14.1%	9.7%
	Profit before tax	13.6%	7.6%	46.7%	32.6%	12.5%	-3.3%	-25.8%	-19.1%	-11.9%	0.5%	16.1%	15.9%
Automobiles & Parts	Revenue	2.6%	-1.1%	25.6%	19.7%	12.3%	7.1%	-1.3%	25.2%	44.2%	73.6%	87.1%	62.7%
	Profit before tax	62.5%	88.6%	240.8%	39.6%	-2.4%	-28.5%	-48.7%	-34.6%	-3.6%	23.0%	32.6%	24.8%
Basic Resources	Revenue	55.9%	38.0%	19.5%	-3.7%	-17.0%	-20.8%	-19.0%	-8.3%	3.8%	13.7%	19.2%	19.2%
	Profit before tax	84.0%	8.1%	-46.5%	-76.9%	-96.4%	-103.7%	-84.1%	-3.1%	688.9%	100.0%	324.1%	48.4%
Food & Beverage	Revenue	12.2%	9.3%	10.0%	6.7%	3.8%	1.3%	-2.2%	-3.3%	-1.3%	1.9%	5.0%	7.6%
	Profit before tax	42.5%	45.3%	47.6%	-9.6%	-26.2%	-34.0%	-38.6%	-20.1%	-6.1%	3.7%	15.7%	20.9%
Financial Services	Revenue	64.3%	40.7%	20.5%	-1.5%	-15.9%	-14.9%	-7.6%	-0.8%	14.4%	17.2%	11.3%	13.2%
	Profit before tax	76.5%	24.8%	-9.1%	-51.6%	-73.0%	-54.4%	-30.5%	42.5%	179.2%	101.1%	56.8%	20.7%
Construction & Materials	Revenue	-1.7%	-2.4%	13.3%	19.6%	18.5%	16.4%	2.5%	-0.7%	1.5%	3.6%	7.8%	11.0%
	Profit before tax	-1.9%	-4.7%	12.2%	13.5%	-24.1%	-26.0%	-25.5%	-22.9%	11.2%	14.1%	16.0%	30.2%
Industrial Goods & Services	Revenue	34.3%	23.3%	22.7%	12.3%	1.1%	-5.1%	-8.3%	-5.0%	-0.8%	7.1%	11.8%	17.3%
	Profit before tax	40.2%	25.4%	32.8%	17.1%	-3.6%	10.7%	-2.4%	-1.7%	16.7%	-5.4%	5.3%	30.4%

* The light yellow box is negative growth compared to the previous year and blue box is the positive growth. If the profit increases from negative to positive, the growth is recorded as 100%.

Steady growth & Special growth group

Steady growth

- IT and bank are two sectors that always maintained growth in the uncertain economic environment. Both sector's' growth slowed down in 2023 but regained momentum in 2024 in both revenue and profit.
- We believe that the growth of these two sectirs will continue the momentum in 2025. The technology sector, led by FPT, helped the sector grow continuously. The forecast of FPT's revenue and profit growth in 2025 are 19% YoY and 20% YoY respectively. Meanwhile, the bank sector's profit before tax is forecasted to increase by 22% YoY in 2025 according to our SSV research team.

Table: Heatmap of YoY revenue (TTM) and profit before tax (TTM)

		1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Information Technology	Revenue	18.6%	19.7%	23.8%	23.2%	18.5%	16.3%	13.8%	12.5%	15.1%	18.0%	19.1%	20.2%
	Profit before tax	25.7%	29.3%	29.2%	20.7%	11.7%	6.4%	6.4%	13.8%	19.1%	22.3%	22.4%	22.5%
Bank	Revenue (Total operating income)	22.5%	16.6%	19.4%	20.7%	15.7%	12.0%	5.6%	4.2%	5.1%	8.3%	11.2%	13.3%
	Profit before tax	24.1%	24.5%	32.2%	34.4%	21.9%	12.4%	2.0%	4.6%	8.5%	14.2%	18.8%	17.0%

* The light yellow box is negative growth compared to the previous year and blue box is the positive growth. If the profit increases from negative to positive, the growth is recorded as 100%.

- Insurance and Healthcare are two sectors with special growth in 2024. Revenue and profit of these two groups did not increase in sync with each other. While the profit had the 2-digit growth, the revenue only increased slightly or even decreased. The insurance sector had a growth in profit thanks to the declining interest rate in 2024. Meanwhile, the Healthcare sector had a profit growth thanks to the improvement in the profit margin. The selling price increased in 2024 thanks to the price adjustment in medical examination and services.
- We believe that the growth momentum of these groups is unlikely to continue in 2025 when the supporting factors are only temporary, occurring in 1 year.

Table: Heatmap of YoY revenue (TTM) and profit before tax (TTM)

		1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Insurance	Revenue	9.1%	7.7%	11.5%	12.4%	10.4%	7.6%	3.0%	0.7%	-0.5%	0.3%	1.4%	1.7%
	Profit before tax	8.7%	1.9%	-3.1%	-15.3%	-15.6%	-2.2%	4.4%	18.4%	21.6%	14.7%	10.3%	11.3%
Healthcare	Revenue	-27.8%	-32.7%	-25.4%	-13.0%	-7.6%	-5.8%	-12.2%	-16.2%	-16.7%	-16.8%	-15.1%	-11.4%
	Profit before tax	43.3%	6.8%	13.7%	12.2%	31.0%	27.7%	1.9%	-6.0%	-35.9%	-14.7%	12.4%	15.4%

* The light yellow box is negative growth compared to the previous year and blue box is the positive growth. If the profit increases from negative to positive, the growth is recorded as 100%.

Cyclical group

Different comparison base

- The financial performances of companies in the real estate, oil & gas and chemical sectors depend on the economic or commodity cycles. The characteristic of these groups is that the business results fluctuate from year to year and create different comparison bases.
- The real estate sector, after a difficult period in business results in 2022, created a low base to easily record growth in 2023. Real estate companies could use the bulk transactions or project transfers to recognize the increase in revenue and profit in 2023. In 2024, real estate businesses put a large effort to solve their issues and prepared to operate in a new business environment in 2025. We forecast that the growth of the large real estate companies such as VHM would maintain small growth in 2025, respectively 0.7% YoY in revenue and 6.6% YoY in profit after tax. Midcap real estate companies such as NLG, DXG, or KDH are expected to have strong growth in 2025. NLG's revenue in 2025 is expected to increase by 29.9% YoY and profit will increase by 24.6% YoY. DXG will increased by 7.9% YoY and 52.8% respectively. KDH will increase by 33.5% YoY and 79.3% YoY respectively.
- The oil & gas sector had a difference in revenue and profit growth due to the nature of the business of each company. PLX, PVD and PVS are 3 companies accounting for a large proportion of the total sector number. While PLX has a business operation similar to a retail business (gasoline), PVD and PVS's profits depend on having new projects. This explained why the sector's revenue increased sharply in 2022 when oil price surged but the profit did not increase accordingly. In 2023 and 2024, companies in the industry have their own catalysts to support the profit growth. PVS and PVD had new projects, while PLX was supported by the new decree about allowing petroleum distributors to determine their selling prices on 2024.
- The chemical sector was beneficial the most from the increasing commodity price in 2022. The revenue and profit of the sector increased significantly in 2022, creating the high comparison base. Therefore, the chemical sector had consecutive quarters of negative growth in 2023. However, we noticed that the sector returned to normal operations by the end of 2024.

Table: Heatmap of YoY revenue (TTM) and profit before tax (TTM)

		1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Real estate	Revenue	1.7%	-22.1%	-15.9%	-14.8%	0.2%	39.8%	47.6%	30.2%	3.0%	-16.3%	-18.0%	10.2%
	Profit before tax	3.0%	-26.6%	-18.5%	-2.3%	17.1%	57.6%	21.3%	6.1%	-25.0%	-33.8%	-29.7%	-0.1%
Oil & Gas	Revenue	47.5%	55.8%	73.7%	72.9%	49.1%	19.4%	3.9%	-7.9%	-5.6%	3.1%	1.1%	5.8%
	Profit before tax	-16.8%	-65.7%	-56.8%	-26.9%	-14.0%	172.1%	205.1%	67.4%	75.1%	25.5%	-6.6%	15.4%
Chemicals	Revenue	46.8%	41.3%	40.1%	22.5%	2.7%	-10.2%	-14.8%	-17.9%	-13.1%	-5.4%	-4.5%	4.3%
	Profit before tax	82.8%	92.8%	84.4%	45.2%	-10.5%	-36.6%	-50.2%	-52.6%	-42.0%	-22.3%	-1.5%	19.8%

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Decreasing profit tendency group

Seasonal factors caused the fluctuation

- The revenue and profit of the utilities sector are influenced by the performance of GAS. PVGAS pushed the revenue and profit of the sector sharply in 2022, contributing up to 2/3 of the total results when the oil price surged in that year. And the result gradually declined in 2023 and 2024 along with the oil price.
- Besides GAS, the thermal power group also impacted significantly the business results of the entire industry. POW, NT2, and PPC all encountered certain difficulties in 2023 and 2024, influencing negatively the profit of the whole sector. In 2025F, we believe that the group's profit may going flat or increase slightly based on the analysis of our SSV's research team.
- Small-cap stocks (hydropower and gas supply) had a growth in revenue and profit in 2024. The fact that business results depend on weather factors every year makes the growth in revenue and profit of this group seasonal.

Table: Heatmap of YoY revenue (TTM) and profit before tax (TTM)

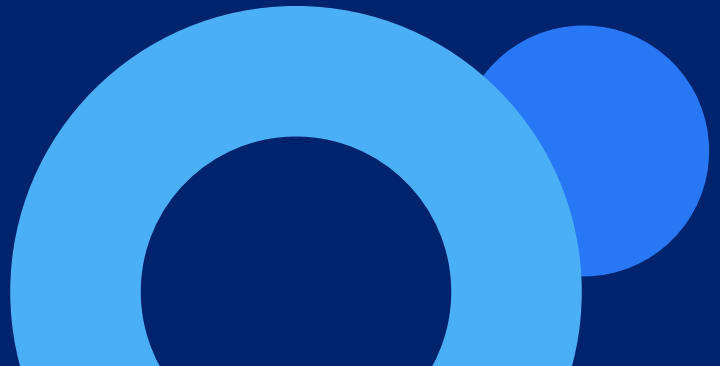
		1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Utilities	Revenue	15.2%	13.6%	20.2%	25.6%	13.7%	6.5%	-2.4%	-8.0%	-5.5%	1.4%	7.1%	11.7%
	Profit before tax	17.4%	35.1%	32.3%	52.8%	34.2%	1.3%	-11.1%	-23.7%	-31.3%	-22.9%	-11.2%	-10.0%

* The light yellow box is negative growth compared to the previous year and blue box is the positive growth. If the profit increases from negative to positive, the growth is recorded as 100%.

02

Outstanding sector

The automobile & spare parts sector and the industrial goods & services sector had outstanding performance in their 2024 business results. While other sectors (except bank) were still on the way back to their old peaks in the past (from 2022 onwards), these two groups are having revenue and profit continuously passing their peaks.

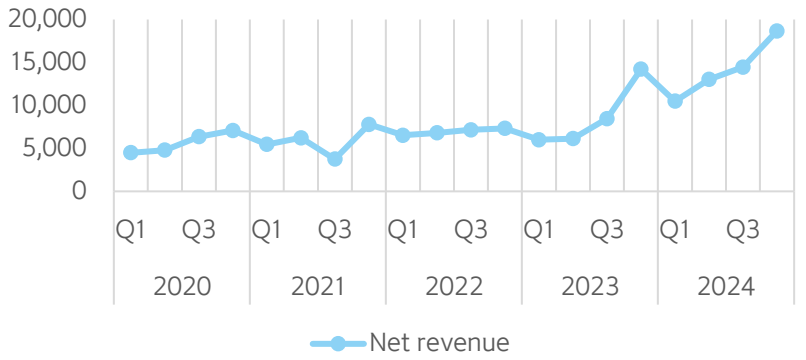


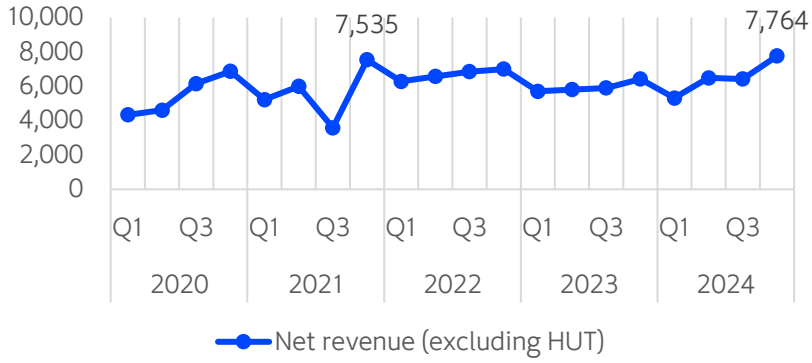
Outstanding sector

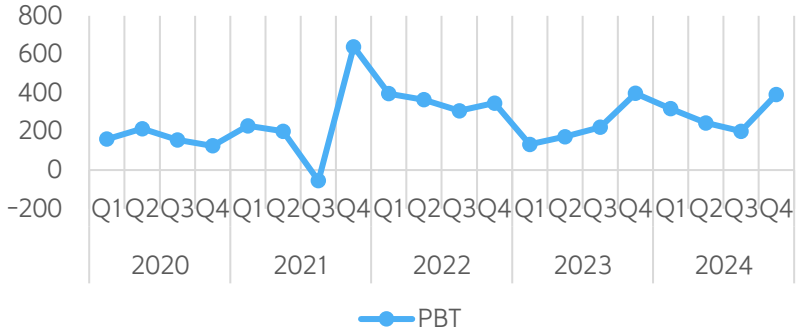
Automobiles & spare parts

- The automobile and spare parts sector includes companies having revenue from selling cars like HUT, HAX, CTF, TMT and selling spare parts like DRC, CSM. Tasco Joint Stock Company (ticker: HUT) had its main revenue from selling cars since acquiring SVC Holdings from September 2023. Excluding HUT (because of having a sudden increase in revenue from 2023), other companies in the automobile and spare parts sector still set new records in revenue.
- The automobile and spare parts sector had continuous revenue growth over the quarters as the companies in the group have expanded their capacity and business operation. Specifically, Da Nang Rubber (DRC) expanded its tire production capacity in October 2024, or HAXACO (HAX) boosted its MG car sales through its subsidiary PTM, supporting the company's Q4 revenue increase by 69% YoY and the whole FY2024 to increase by 38% YoY. HAX also planned to list its subsidiary PTM on the stock exchange in 2025.
- The increase in car sales of listed companies was partly due to the registration tax policy. The policy reduced 50% of the registration fee for domestically assembled cars from September 2024 to November 2024. In addition, the policy also exempts registration tax for electric vehicles from March 2025 to February 2027.
- Because the increase in revenue came from the capacity expansion, depreciation expenses deteriorated the profit, which made the bottom line not in line with the top line (revenue). However, we see the growth potential of this small group when electric vehicles have become popular with the supportive policies from the Government. Notable stocks in this group are HAX, HUT, DRC and CSM.

Quarterly net revenue and PBT from 2020 to 2024





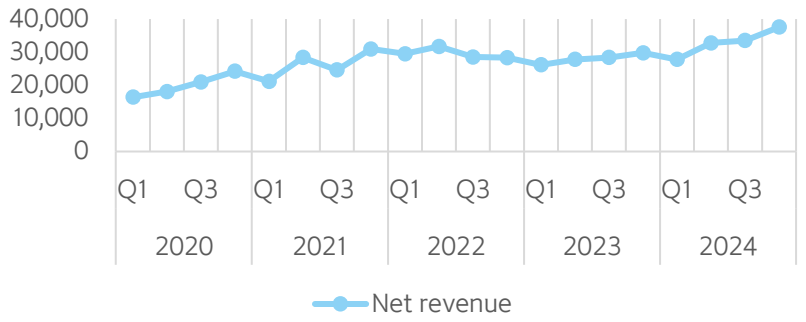


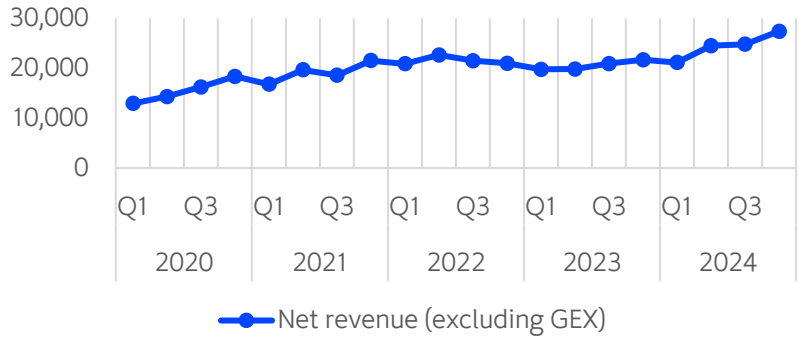
Outstanding sector

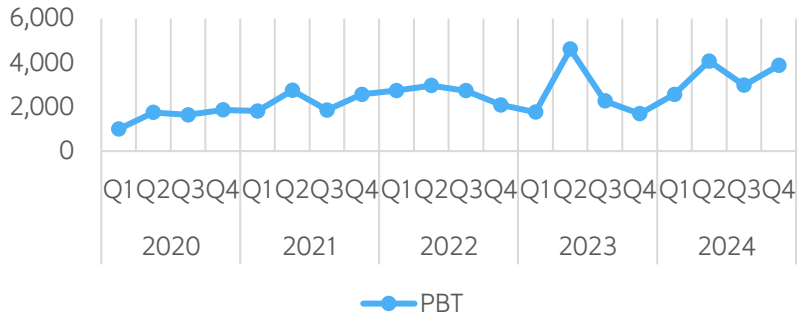
Industrial goods & services

- The industrial goods & services sector includes companies with revenue from infrastructure services such as seaports, logistics or industrial goods related to the infrastructure (like GEX). Similar to the automobile and spare parts sector, in the sector, GEX grew revenue and profit continuously through M&A activities and accounted for a large proportion of the total sector data. However, excluding GEX, the sector revenue still continuously set new peaks.
- The sector revenue increased thanks to the expansion of the production capacity and business operations, like shipping companies – they expanded their fleets (PVT, HAH) or seaport companies expanded the capacity to receive more vessels.
- From 15 February 2024, port service fees increased to a new level, which supported the sector's profit.
- Despite the uncertainties from the US policies would affect the economic environment, the seaport and transportation sector continued to be expected to have a bright outlook thanks to the Vietnam's import and export activities. In addition, Vietnam Government put a large effort on accelerating the infrastructure spending in 2025 to create the momentum for long-term economic development. Seaport, domestic and foreign trade routes would be upgraded significantly. This would have a positive impact on the industrial goods and services sector in the long run. Notable stocks in the sector are GMD, HAH and PVT.

Quarterly net revenue and PBT from 2020 to 2024







Important Disclosure

Stock

- **BUY:** Expected 12-month gain of 15% or more
- **HOLD:** Expected 12-month loss of 15% to gain of 15%
- **SELL:** Expected 12-month loss of 15% or more

Sector

- **OVERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated BUY
- **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD
- **UNDERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated SELL



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