SHINHAN SECURITIES

October 3rd, 2022

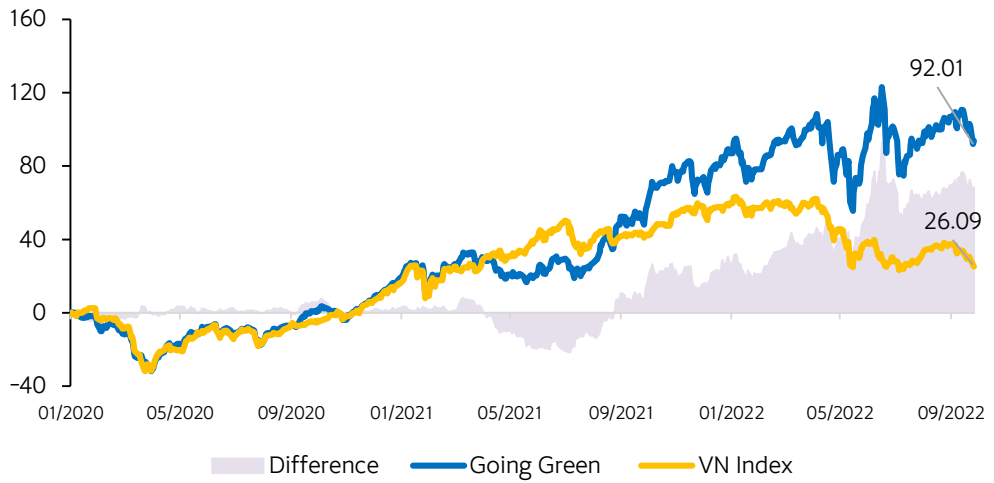
Going Green



- According to the EIA, global energy demand will increase by 50% by 2050. Meanwhile, electricity demand of Vietnam will triple by 2050 according to electricity draft VIII. To fight climate change, countries around the world have limited energy sources from fossil fuels and Vietnam is no exception to that trend. At COP26, Vietnam has committed to set a goal of zero carbon neutrality before 2050. Based on that orientation, "green" energy sources will be prioritized to promote to meet the rapidly increasing energy demand. of Vietnam.
- According to research by Bloomberg New Energy Finance, investment cash flow in transition energy sources has reached 755 billion USD in 2021. To achieve the goal of being carbon neutral, this investment trend is expected to over USD 2 trillion in the period 2022-2025 and over USD 4.1 trillion in the period 2026-2030.
- In front of the above wave, SSV launched the "Going Green" portfolio with tickers that match the "green" energy criteria. The names selected in the Going Green portfolio will satisfy the standard of being environmentally friendly. This includes businesses operating in the field of renewable energy (hydroelectricity, solar power, wind power ...), transitionable forms of energy (electroelectricity) and businesses that supply as materials and services for the green energy industry. In addition, the businesses in the category have a fundamental value, an effective and transparent management board.
- Simulation of the investment performance of the Going Green portfolio from January 2020 up to now shows:
  - Going Green: +92%
  - VN-Index: +25%

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 Going Green porfolio and VN Index (%)



Portfolio analysis

	Portfolio	VN-Index
P/E forward (x)	11.88	10.77
P/B (x)	1.80	1.80
Dividend yield	2.69	1.62
EPS growth (5Y) (%)	16.37	15.70
ROE (%)	18.02	15.43
ROA (%)	7.68	2.52
Beta	0.97	1.00
Return (annualized) (%)	57.96	-12.85
Std (%)	34.00	19.78
Sharpe ratio	1.11	-0.52

Sources: SSV, Bloomberg

Strategy overview

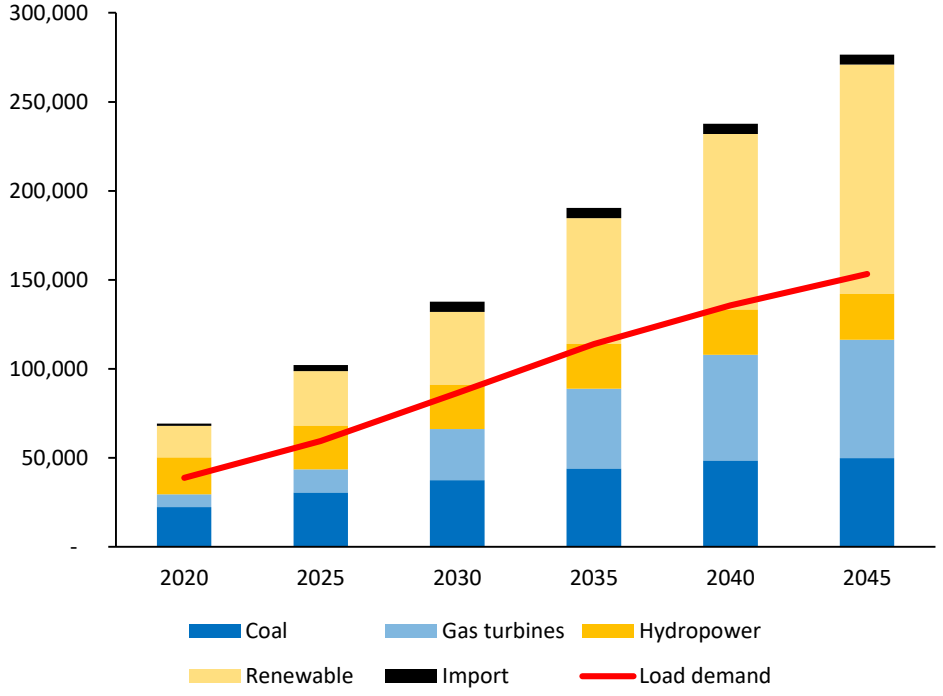
Going Green portfolio is designed with companies operating in/related the green energy sector in Vietnam. We select tickers in the portfolio with the following criteria:

- Revenue from the ancillary industry, green energy production makes the main contribution to the revenue of the business.
- The fundamentals are strong, enthusiastic, transparent and effective management.
- Long term growth potential.

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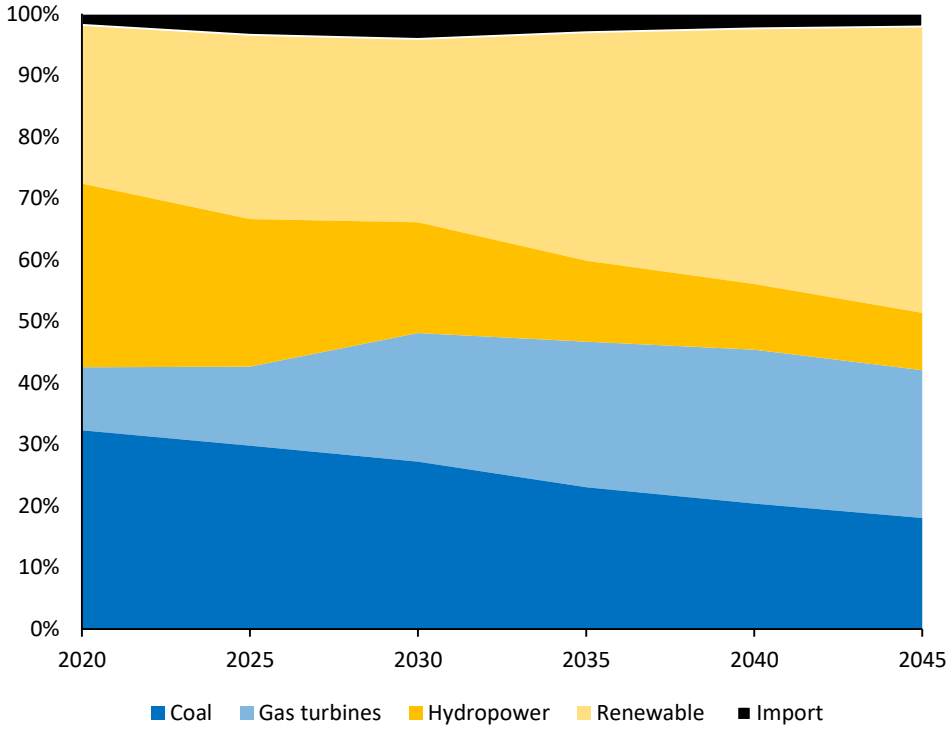
Future of energy sector in Vietnam

Capacity of power sources according to draft power VIII (MW)



Source:Draft power VIII , Shinhan Securities Vietnam

Capacity of power sources according to draft power VIII (%)

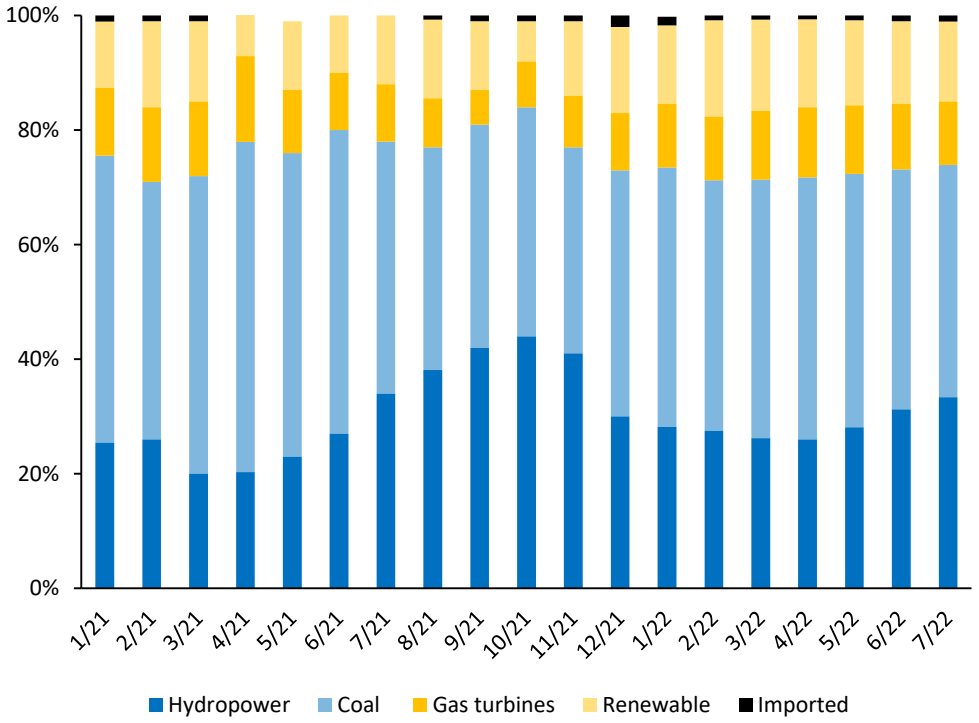


Source: Draft power VIII , Shinhan Securities Vietnam

- At COP26, Vietnam committed to net zero emissions by 2050. To gain that achievement, Draft power VIII promotes the capacity of more environmentally friendly power sources such as gas turbines and renewable energy. Specifically, in the period of 2020-2030, electricity from onshore and near-shore wind power and gas power using LNG will be promoted. After 2030, electricity from solar power will be prioritized for development.
- For hydropower and coal power, these two sources will not be prioritized for further development because 90% of the hydropower potential (over 30MW) has been exploited and coal power has large carbon footprint, which is not in line with the orientation of government.

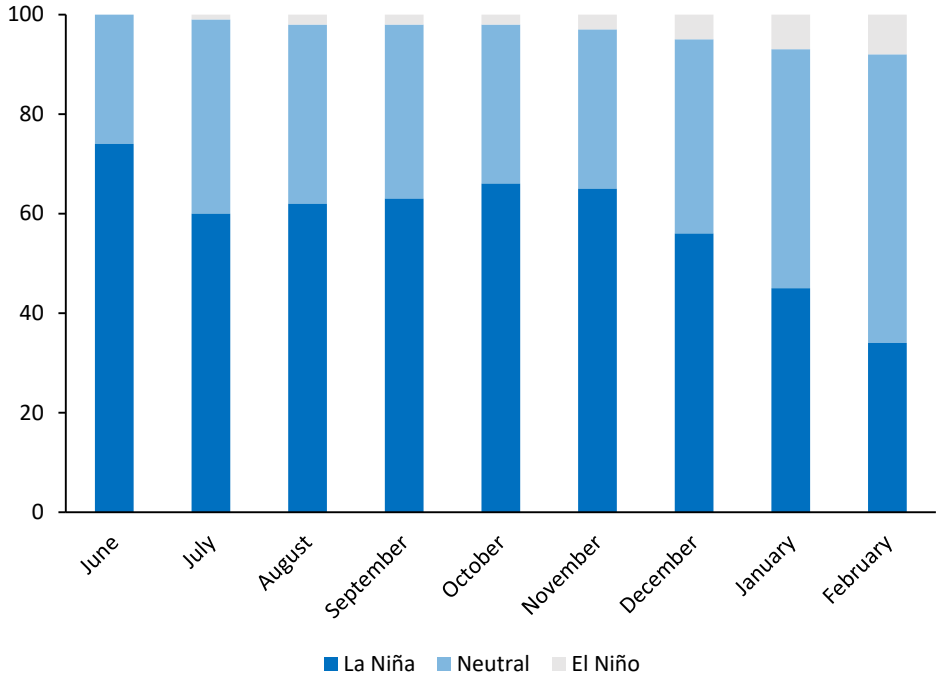
Future of energy sector in Vietnam

Proportion of electricity mobilization from sources in 2021 by month (%)



Source: EVN, Shinhan Securities Vietnam

Probability of La Nina, Neutral and El Nino phenomenon from June 2022 to February 2023 (%)



Source: IRI Shinhan Securities Vietnam

- The proportion of mobilization from power sources from January 2021 shows that hydropower is mobilized by EVN thanks to the priority of low COGS and favorable hydrology. Hydropower is cyclical based on the rainy season, the third and early fourth quarters are usually the time when hydropower is prioritized to mobilize the highest when the amount of water in the reservoirs is abundant.
- In Vietnam, the La Nina phenomenon has lasted from 2020 to 2022, however, according to the IRI forecast, La Nina will soon end in early 2023 and the neutral state will take the dominant role, and the water volume of hydropower reservoirs decreased compared to 2022.

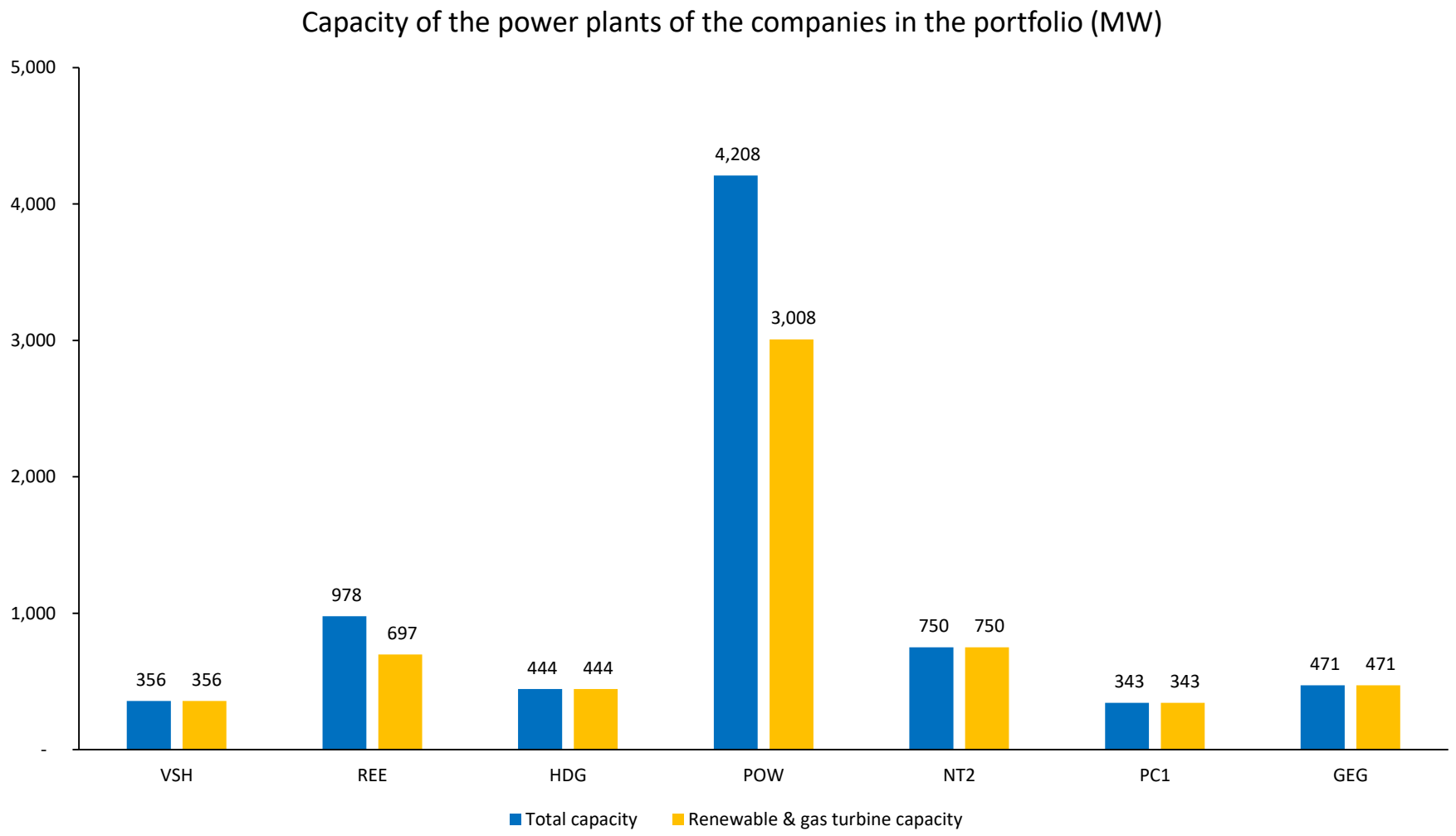
Top Picks Universe

General info				Share price			Key financials				Valuation (22F)			
No.	Ticker	Company name	Mkt Cap. (VND bn)	CP (VND)	TP* (VND)	Upside (%)	GPM (%)	D/E (x)	ROA (%)	ROE (%)	P/B (x)	P/E (x)	Revenue Growth (% YoY)	EPS Growth (% YoY)
1	VSH	Vinh Son - Song Hinh Hydropower JSC	8,646	36,600	47,500	29.8	50.6	1.3	8.1	19.6	1.9	8.9	373.1	93.3
2	REE	Refrigeration Electrical Engineering Corp.	27,366	77,000	89,467	16.2	39.8	0.7	7.5	17.7	1.6	11.3	3.0	14.3
3	HDG	Ha Do Group JSC	9,955	40,700	59,915	47.2	61.4	1.4	9.0	34.0	1.8	7.7	(24.4)	11.8
4	POW	PetroVietnam Power CorP.	28,922	12,350	17,660	43.0	10.3	0.3	2.8	5.3	0.9	17.7	(17.4)	(24.2)
5	NT2	PetroVietnam Power Nhon Trach 2 JSC	8,190	28,450	30,450	7.0	11.0	0.0	12.4	20.9	1.8	11.1	1.1	(15.1)
6	GAS	PetroVietnam Gas JSC	210,535	110,000	138,813	26.2	17.7	0.2	15.5	24.3	3.6	14.9	23.2	8.1
7	CNG	CNG Viet Nam JSC	956	35,400	53,300	50.6	6.8	0.0	9.4	22.8	1.4	6.3	30.8	100.3
8	PC1	PC1 Group JSC	7,643	32,500	47,325	45.6	11.8	1.4	2.7	10.5	1.5	14.8	47.2	27.9
9	TV2	Power Engineering Consulting 2 JSC	1,927	42,800	56,000	30.8	9.1	0.1	6.4	16.0	1.6	11.2	8.4	3.7
10	GEG	Gia Lai Electricity JSC	5,859	18,200	25,200	38.5	55.5	1.9	2.9	9.1	1.6	18.6	(7.5)	(6.0)

*TP: target price (fair value) for the next 12 months

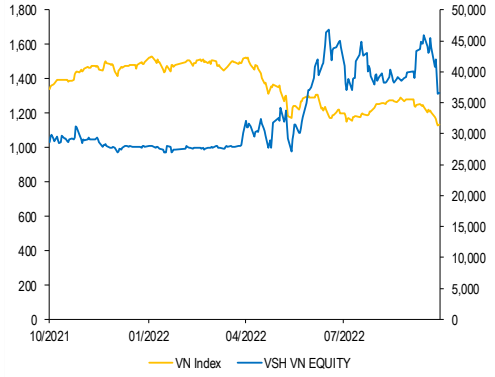
Source: SSV Research, Bloomberg

Capacity of the power plants of the companies in the portfolio



Vinh Son – Song Hinh Hydropower JSC (VSH VN)

TARGET PRICE (VND)			
47,500			
CURRENT PRICE (VND)			UP/DOWNSIDE
36,600			29.8%
VNINDEX			1,132
Market P/E (x)			10.7
Market Cap. (bn VND)			8,646
Outstanding Shares (mn)			236
Free Floating Shares (mn)			54
Free Floating (%)			22.9
52-Wk High (VND)			48,000
52-Wk Low (VND)			26,550
3M Avg. Trading Vol. (mn)			0.32
3M Avg. T/O (bn VND)			12
Beta (12M)			0.7
	3M	6M	12M
Absolute	-16.8	18.1	32.6
Rel. to VNINDEX	-11.2	43.4	47.8



Source: Bloomberg

Investment points

-Vinh Son – Song Hinh Hydropower JSC (HoSE: VSH) is one of the enterprises owning hydroelectric power plants with the largest capacity (356MW) listed on HoSE. VSH is trading at an attractive valuation and its core business has growth potential

– The electricity output of VSH is expected to grow solidly in 2022. The impetus comes from the Thuong Kon Tum Hydropower Plant (TKT Power Plant) connected to the national grid in April 2021 after 11 years. In 2022, we expect VSH's power output to beat the historical record of 1,771 million Kwh.

– In the context of the world's commodity prices continuously climbing, the hydropower sector has benefit when it operates stable and this sector has low COGS. At the same time, the La Nina phenomenon is expected to continue until 2023, La Nina will bring enormous amounts of water to the power plants. While solar power and wind power are highly dependent on weather conditions. Gas turbine electricity and coal power plants are often encountered when costs soar sharply. Therefore, the power coming from hydropower plants is prioritized by EVN.

Risks:

(1) The amount of water will decrease due to the impact of El Nino;

(2) The earthquake near the TKT Hydropower Plant;

(3) The price of input materials of competitors cools down.

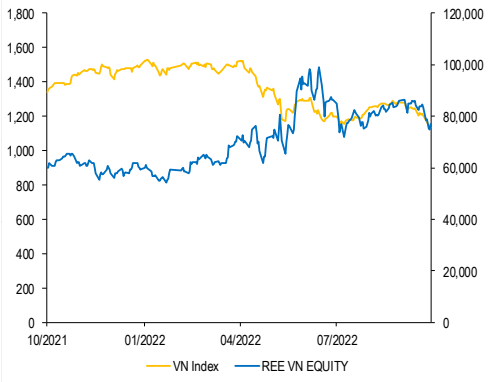
FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	564	400	341	1,611	3,058
OP (bn VND)	324	174	114	770	1,362
OP margin (%)	57.4	43.6	33.4	47.8	52
NP (bn VND)	306	159	188	387	1,054
NP margin (%)	54.3	39.7	55.3	24.0	34
EPS (VND)	1,359	701	859	1,660	4,881
ROE (%)	10.1	5.0	5.8	10.6	22
P/E (x)	11.6	29.5	20.6	17.3	8.9
P/B (x)	1.2	1.4	1.2	1.7	1.9

Source: Bloomberg, Shinhan Securities, Data as of 03/10/22

Refrigeration Electrical Engineering Corp. (REE VN)

TARGET PRICE (VND)	
89,467	
CURRENT PRICE (VND)	UP/DOWNSIDE
77,000	16.2%
VNINDEX	1,132
Market P/E (x)	10.7
Market Cap. (bn VND)	27,366
Outstanding Shares (mn)	355
Free Floating Shares (mn)	144
Free Floating (%)	40.4
52-Wk High (VND)	100,000
52-Wk Low (VND)	54,435
3M Avg. Trading Vol. (mn)	1.18
3M Avg. T/O (bn VND)	81
Beta (12M)	0.8

	3M	6M	12M
Absolute	-10.5	5.3	34.4
Rel. to VNINDEX	-4.9	30.6	49.6



Source: Bloomberg

Investment points

- REE is a company operating in three main segments: M&E (mechanical & electrical), Energy and office leasing. In addition, REE also operates in the water sector and real estate industry.
- In the energy segment, REE owns factories with installed capacity of 978 MW. Of which, renewable energy including: wind power, solar power and hydroelectricity contributed 697MW. This is the segment that contributes the largest revenue with 46%. The hydropower has grown significantly in the past year thanks to the consolidation financial statement of VSH. In addition, wind power projects of REE have been put into operation stably, contributing 70% to the net profit of REE. According to the current orientation, REE is expected to continue to expand renewable power projects.
- In the real estate leasing segment, REE owns more than 150,000 m2 of space for lease. The Etown6 project with 40,000 m2 floor space, expected to come into commercial operation by the end of 2023. It promises to boost office rental revenue when the occupancy rate of Etown projects is always above 90%.

Risks:
(1) Risk of earthquake near the TKT hydropower plant;
(2) El Nino risk causes the output of hydropower to decline;
(3) Revenue from M&E segment recovered slower than expected;
(4) Real estate project progress is slower than expected.

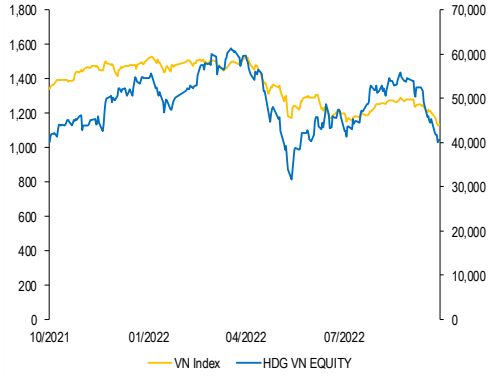
FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	5,101	4,890	5,640	5,810	8,698
OP (bn VND)	915	946	1,239	1,854	3,280
OP margin (%)	17.9	19.4	22.0	31.9	37.7
NP (bn VND)	1,784	1,639	1,628	1,855	2,384
NP margin (%)	35.0	33.5	28.9	31.9	27.4
EPS (VND)	5,003	4,597	4,566	5,220	6,822
ROE (%)	20.6	16.6	14.9	15.0	16.0
P/E (x)	5.4	6.9	9.3	11.5	11.3
P/B (x)	1.0	1.1	1.3	1.6	1.7

Source: Bloomberg, Shinhan Securities, Data as of 03/10/22

Ha Do Group JSC (HDG VN)

TARGET PRICE (VND)	
59,915	
CURRENT PRICE (VND)	UP/DOWNSIDE
40,700	47.2%
VNINDEX	1,132
Market P/E (x)	10.7
Market Cap. (bn VND)	9,955
Outstanding Shares (mn)	245
Free Floating Shares (mn)	94
Free Floating (%)	38.5
52-Wk High (VND)	62,333
52-Wk Low (VND)	30,250
3M Avg. Trading Vol. (mn)	2.10
3M Avg. T/O (bn VND)	95
Beta (12M)	1.2

	3M	6M	12M
Absolute	-11.0	-31.8	3.7
Rel. to VNINDEX	-5.5	-6.4	18.9



Source: Bloomberg

Investment points

- HDG was formerly an enterprise under the Ministry of Defense which had a reputation in the real estate sector with a potential land bank. In recent years, HDG has expanded its business through renewable energy with a total installed capacity of 444 MW of plants. HDG is known as one of the highly efficient investors in the energy sector.
- In 2021, two new hydropower plants, Song Tranh 4 (50MW) and Dak Mi2 (147MW) are put into operation, nearly doubling the installed capacity of HDG. Meanwhile, the renewable energy group got a new boost from the 7A wind power plant (50MW) put into operation by the end of 2021. HDG's energy revenue contributed for 33% of revenue and 40% of net profit, respectively in 2021. In 1H2022, HDG's revenue fell by 10% but net profit of HDG jumped by 51% thanks to the main contribution from energy segment (67% net profit margin) with 58% of net profit.
- With a long-term vision, HDG said that renewable energy will play a main role in the development orientation of enterprises in the energy sector. Shortly, HDG is planning to deploy 4 wind power projects with a total capacity of up to 140 MW.

Risks:
(1) Risk of the earthquake in Tranh river area;
(2) El Nino risk causes the output of hydropower to decrease;
(3) Handover and sale of real estate projects are slower than expected;
(4) Home loan interest rates soar.

FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	3,221	4,307	4,999	3,777	3,886
OP (bn VND)	978	1,542	1,870	1,980	2,327
OP margin (%)	30.3	35.8	37.4	52.4	59.9
NP (bn VND)	633	924	979	1,096	1,479
NP margin (%)	19.7	21.5	19.6	29.0	38.1
EPS (VND)	2,852	3,122	4,276	4,779	5,295
ROE (%)	40.8	42.3	34.9	29.8	26.7
P/E (x)	5.2	5.1	6.3	11.6	7.7
P/B (x)	1.8	1.5	2.0	3.0	1.7

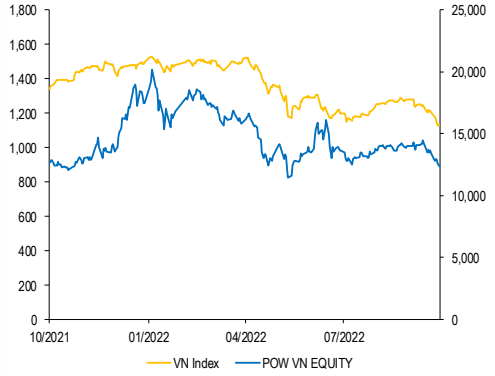
Source: Bloomberg, Shinhan Securities, Data as of 03/10/22

PetroVietnam Power Corp. (POW VN)

TARGET PRICE (VND)	
17,660	
CURRENT PRICE (VND)	UP/DOWNSIDE
12,350	43.0%

VNINDEX	1,132
Market P/E (x)	10.7
Market Cap. (bn VND)	28,922
Outstanding Shares (mn)	2,342
Free Floating Shares (mn)	470
Free Floating (%)	20.0
52-Wk High (VND)	20,800
52-Wk Low (VND)	11,450
3M Avg. Trading Vol. (mn)	15.95
3M Avg. T/O (bn VND)	184
Beta (12M)	1.2

	3M	6M	12M
Absolute	-9.2	-22.8	1.2
Rel. to VNINDEX	-3.6	2.5	16.4



Source: Bloomberg

Investment points

- POW is the second largest power generation company with a total designed capacity of 4,208 MW in Vietnam after EVN. The most prominent POWs are the Ca Mau & Nhon Trach 1 & 2 gas power plants (total 2,700 MW). Hydroelectric plants like Hua Na and DakDrinh also contribute significantly to POW's electricity output.
- Vung Ang 1 coal power plant (1,200 MW) is expected to run at 100% capacity again in December 2022 after repaired (currently at 50%) contributing to boosting POW's output.
- In addition, in 2022, we believe that POW will receive about VND 300 billion in accident insurance at Vung Ang 1 Thermal Power Plant. In addition, POW will also divest two companies EIC and Viet Lao Power Joint Stock Company, bringing in over VND 300 billion, contributing to funding capital for the Nhon Trach 3 & 4 gas power plant project.
- In the future, the long-term growth driver of POW will come from two plants NT3 and NT4 with a total designed capacity of 1,500 MW, which is expected to come into commercial operation between 2024 and 2025. In the energy industry, POW is one of the enterprises with the most suitable development orientation in accordance with the power plan VIII in the period of 2022-2030 with turbine gas energy.

Risks:
(1) The risk of the price of input materials such as coal and gas continues to be high;
(2) Risks from repairing Vung Ang 1 factory;
(3) NT3 & NT4 rollout slower than expected.

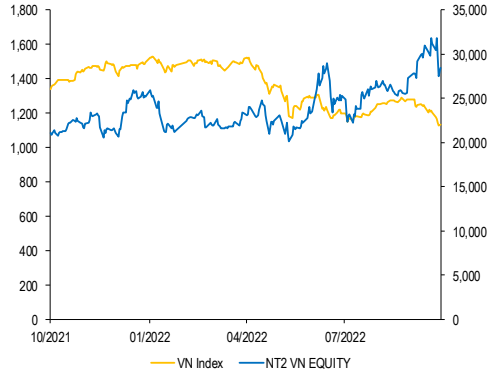
FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	32,662	35,376	29,732	24,561	30,299
OP (bn VND)	3,683	3,946	3,371	2,400	2,255
OP margin (%)	11.3	11.2	11.3	9.8	7.4
NP (bn VND)	1,921	2,532	2,365	1,799	1,687
NP margin (%)	5.9	7.2	8.0	7.3	5.6
EPS (VND)	820	1,027	999	757	697
ROE (%)	7.8	9.4	8.4	6.2	6.0
P/E (x)	19.5	11.1	13.6	23.1	17.7
P/B (x)	1.5	1.0	1.1	1.4	1.0

Source: Bloomberg, Shinhan Securities, Data as of 03/10/22

PetroVietnam Power Nhon Trach 2 JSC (NT2 VN)

TARGET PRICE (VND)	
30,450	
CURRENT PRICE (VND)	UP/DOWNSIDE
28,450	7.0%
VNINDEX	1,132
Market P/E (x)	10.7
Market Cap. (bn VND)	8,190
Outstanding Shares (mn)	288
Free Floating Shares (mn)	93
Free Floating (%)	32.3
52-Wk High (VND)	32,600
52-Wk Low (VND)	20,000
3M Avg. Trading Vol. (mn)	2.02
3M Avg. T/O (bn VND)	46
Beta (12M)	0.7

	3M	6M	12M
Absolute	12.7	16.8	38.1
Rel. to VNINDEX	18.2	42.2	53.3



Source: Bloomberg

Investment points

- NT2 is one of the companies operating in the field of electricity and gas with a large scale and applying the best efficient technologies in Vietnam at present. The power plant of NT2 is located in Nhon Trach, Dong Nai directly supplies energy to the southern key economic region with stable demand.
- One of the most outstanding features of NT2 is its healthy financial health with an attractive dividend payout that the company maintains for many years in a row. Beside, in 2021, NT2 has fulfilled its obligations for long-term loans from the second quarter. As a result, NT2's business results are improved solidly when interest expenses are reduced. In the coming years, when the pressure of long-term debt is no longer, NT2 will actively pay cash dividends to support parent company POW to finance two big projects NT3 & NT4.
- In addition, NT2 is likely to be compensated by EVN for an exchange rate of about 236 billion VND shortly. It is expected that NT2 will account for this compensation in two years.

Risks:
(1) Risk of high anchor natural gas price;
(2) Risk of prolonged La Nina phenomenon;
(3) Output is fiercely competed by other forms of energy.

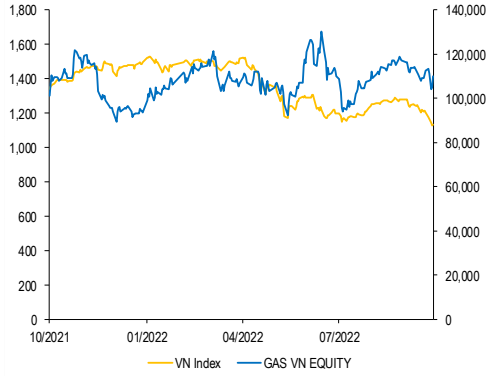
FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	7,670	7,654	6,082	6,150	8,667
OP (bn VND)	914	888	810	593	850
OP margin (%)	11.9	11.6	13.3	9.6	9.8
NP (bn VND)	782	754	625	534	759
NP margin (%)	10.2	9.9	10.3	8.7	8.8
EPS (VND)	2,618	2,540	2,095	1,778	2,566
ROE (%)	17.4	18.7	14.3	12.0	18.2
P/E (x)	9.4	8.5	11.7	14.8	11.1
P/B (x)	1.9	1.5	1.6	1.8	1.6

Source: Bloomberg, Shinhan Securities, Data as of 03/10/22

PetroVietnam Gas JSC (GAS VN)

TARGET PRICE (VND)	
138,813	
CURRENT PRICE (VND)	UP/DOWNSIDE
110,000	26.2%
VNINDEX	1,132
Market P/E (x)	10.7
Market Cap. (bn VND)	210,535
Outstanding Shares (mn)	1,914
Free Floating Shares (mn)	81
Free Floating (%)	4.2
52-Wk High (VND)	134,000
52-Wk Low (VND)	91,000
3M Avg. Trading Vol. (mn)	0.87
3M Avg. T/O (bn VND)	63
Beta (12M)	1.0

	3M	6M	12M
Absolute	-2.7	0.3	6.3
Rel. to VNINDEX	2.9	25.6	21.5



Source: Bloomberg

Investment points

- Gas Corporation of Vietnam (HoSE: GAS) is the leading group in the gas field in Vietnam with 100% market share of dry gas, more than 70% market share of LPG (Liquefied Petrolium Gas). In addition, GAS owns 1,500km of gas pipelines, 3 gas treatment plants, 14 LPG storages. Currently, dry gas, LPG and condensate are the three key business segments of GAS.
- GAS has great growth potential with LNG power playing a pivotal role in the national power system according to power plan VIII. In the period from 2022 to 2035, GAS will invest in 7 out of 9 LNG (Liquefied Natural Gas) ports in Vietnam. According to Wood Mackenzie, Vietnam's dry demand could increase by 100% by 2035 when large-scale gas-fired power plants such as NT3 & NT4 come into operation.
- Block B O Mon is started at the end of 2022, GAS is the main investor of the gas pipeline. Abundant gas resources from this project will come in from 2026. With reserves up to 107 billion m3, this gas source will ensure the growth potential of GAS
- The average gas selling price of GAS improved thanks to the positive movement of Brent oil price.
- La Nina phenomenon may end by the end of this year, gas enterprises have a higher opportunity to mobilize, thereby creating a boost to gas demand.

Risks:
(1) Reduced dry gas output;
(2) Average selling price of gas decreased;
(3) Block B O Mon came into operation later than expected.

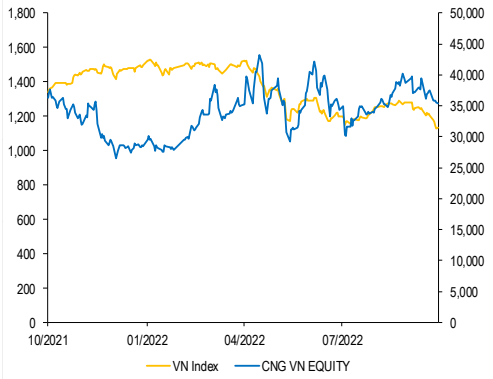
FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	75,612	75,005	64,135	78,992	103,252
OP (bn VND)	13,725	13,649	8,694	10,374	17,208
OP margin (%)	18.2	18.2	13.6	13.1	16.7
NP (bn VND)	11,454	11,902	7,855	8,673	14,321
NP margin (%)	15.1	15.9	12.2	11.0	13.9
EPS (VND)	5,911	6,142	4,028	4,356	7,392
ROE (%)	26.1	25.1	15.9	16.8	24.7
P/E (x)	14.7	15.3	21.5	22.1	14.9
P/B (x)	3.7	3.7	3.4	3.6	3.2

Source: Bloomberg, Shinhan Securities, Data as of 03/10/22

CNG Viet Nam JSC
(CNG VN)

TARGET PRICE (VND)	
53,300	
CURRENT PRICE (VND)	UP/DOWNSIDE
35,400	50.6%
VNINDEX	1,132
Market P/E (x)	10.7
Market Cap. (bn VND)	956
Outstanding Shares (mn)	27
Free Floating Shares (mn)	12
Free Floating (%)	44.0
52-Wk High (VND)	49,100
52-Wk Low (VND)	28,000
3M Avg. Trading Vol. (mn)	0.33
3M Avg. T/O (bn VND)	12
Beta (12M)	1.0

	3M	6M	12M
Absolute	-3.0	-5.1	-8.1
Rel. to VNINDEX	2.6	20.3	7.1



Source: Bloomberg

Investment points

-CNG is a subsidiary of Vietnam Oil and Gas Joint Stock Company, currently CNG is occupying 70% of the nationwide CNG (Compressed Natural Gas) market share. CNG is an environmentally friendly form of energy extracted from natural gas that many manufacturers pay attention to when looking for an alternative energy source to high-carbon energy sources. Currently, CNG's compressed air plant reaches more than 220 million Sm3/year in the South and 110 million Sm3 in the North.

- CNG is one of the companies with an environmentally friendly business model, healthy financial health, and an abundant dividend policy.

- In addition, CNG also said that they are diversifying their business segments through the strategy of entering the LNG distribution market for GAS.

Risks:

(1) Oil price risk;

(2) Natural gas price risk;

(3) CNG factory in the South approaches 100% of installed capacity.

FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	1,819	2,130	2,338	3,058	3,822
OP (bn VND)	127	91	52	105	189
OP margin (%)	7.0	4.3	2.2	3.4	4.9
NP (bn VND)	114	84	51	82	152
NP margin (%)	6.3	4.0	2.2	2.7	4.0
EPS (VND)	3,652	2,620	1,337	2,678	5,615
ROE (%)	19.4	13.1	6.9	14.0	27.1
P/E (x)	7.1	9.5	15.1	11.3	6.3
P/B (x)	1.3	1.2	1.1	1.6	1.4

Source: Bloomberg, Shinhan Securities, Data as of 03/10/22

PC1 Group JSC
(PC1 VN)

TARGET PRICE (VND)	
47,325	
CURRENT PRICE (VND)	UP/DOWNSIDE
32,500	45.6%
VNINDEX	1,132
Market P/E (x)	10.7
Market Cap. (bn VND)	7,643
Outstanding Shares (mn)	235
Free Floating Shares (mn)	171
Free Floating (%)	72.6
52-Wk High (VND)	49,900
52-Wk Low (VND)	28,500
3M Avg. Trading Vol. (mn)	2.00
3M Avg. T/O (bn VND)	68
Beta (12M)	1.0

	3M	6M	12M
Absolute	-18.8	-31.3	0.8
Rel. to VNINDEX	-13.2	-5.9	16.0



Source: Bloomberg

Investment points

- PC1 is one of the famous electrical construction companies in Vietnam. Currently, renewable energy is one of the three main segments of the company along with electrical construction and real estate & minerals.
- In the traditional business segment, with its reputation and quality proven through many different projects, PC1 continuously received high-value contracts. In the coming time, we believe that PC1 will continue to be the preferred name when the demand for renewable electricity construction and installation is still very huge.
- In the renewable energy segment, three power plants in Quang Tri with a total capacity of 144 MW come into stable operation from 4Q2021, bringing the total capacity of the renewable energy segment to 343 MW, boosting PC1's profit because the gross profit margin of the electricity segment is above 50%.
- In the Real Estate & Minerals, the Copper - Nickel mine in Cao Bang, expected to be operated from 2023, will contribute a great deal to PC1's revenue in the context of war causing metal prices to increase sharply. In addition, the real estate project of Yen Phong II Industrial Park (indirectly owned by PC1 through its subsidiary) has completed legal procedures.

Risks:
(1) Legal risks of projects;
(2) Risk of diversification;
(3) Electricity construction and installation decelerates when renewable power projects slow down;
(4) Interest expense are higher than expected.

FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	5,084	5,845	6,679	9,828	8,258
OP (bn VND)	657	594	823	859	1,261
OP margin (%)	12.9	10.2	12.3	8.7	15.3
NP (bn VND)	467	358	513	695	596
NP margin (%)	9.2	6.1	7.7	7.1	7.2
EPS (VND)	2,034	1,560	2,235	2,858	2,199
ROE (%)	16.1	10.9	13.8	15.1	12.5
P/E (x)	7.1	7.8	8.3	13.8	14.8
P/B (x)	1.1	0.8	1.1	2.0	1.5

Source: Bloomberg, Shinhan Securities, Data as of 03/10/22

Power Engineering Consulting 2 JSC (TV2 VN)

TARGET PRICE (VND)	
56,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
42,800	30.8%

VNINDEX	1,132
Market P/E (x)	10.7
Market Cap. (bn VND)	1,927
Outstanding Shares (mn)	45
Free Floating Shares (mn)	21
Free Floating (%)	45.7
52-Wk High (VND)	74,100
52-Wk Low (VND)	38,600
3M Avg. Trading Vol. (mn)	0.09
3M Avg. T/O (bn VND)	3
Beta (12M)	1.1

	3M	6M	12M
Absolute	-2.5	-35.3	-21.0
Rel. to VNINDEX	3.1	-10.0	-5.8



Source: Bloomberg

Investment points

- TV2 is a leading power consulting company in Vietnam, specializing in survey and design, and construction of electricity development and investment projects. TV2 is always on the top-list of power consultants for EVN and private developers (including Tri An, Ca Mau, Nhon Trach power plants).
- Consulting segment earns a stable cash flow ~VND150bn/year with a margin of ~20%. Since 2019, TV2 has operated the high-tech operation center - remote power plants, which provide solid operations and Maintenance services (O&M) to renewable plants. By the end-2020 of, TV2's O&M services are operating 1,500 MW solar farms, with stable revenue of VND200bn/year with a margin of ~40%.
- They are also taking advantage of the tremendous domestic demand for electricity while there is a shortage of supply. TV2 is bidding for a potential backlog of ~USD900mn for projects with a total capex of USD5bn over the next five years, which mainly includes wind and LNG projects. They are also bidding for a giant LNG-fired project(Long Son complex-phase 1; USD1.3bn) and the Quang Tri coal-fired power plant (USD2bn).

Risks:
(1) Legal risks of projects;
(2) Liquidity risk.

FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	1,840	3,322	3,346	3,629	2,300
OP (bn VND)	244	261	272	281	182
OP margin (%)	13.3	7.9	8.1	7.7	8
NP (bn VND)	225	255	262	272	176
NP margin (%)	12.2	7.7	7.8	7.5	8
EPS (VND)	5,000	5,667	5,824	6,037	3,918
ROE (%)	37.5	31.3	25.0	21.4	13.0
P/E (x)	7.2	7.3	7.3	12.0	11.2
P/B (x)	2.3	2.0	1.6	2.4	1.6

Source: Bloomberg, Shinhan Securities, Data as of 03/10/22

Gia Lai Electricity JSC (GEG VN)

TARGET PRICE (VND)	
25,200	
CURRENT PRICE (VND)	UP/DOWNSIDE
18,200	38.5%

VNINDEX	1,132
Market P/E (x)	10.7
Market Cap. (bn VND)	5,859
Outstanding Shares (mn)	322
Free Floating Shares (mn)	37
Free Floating (%)	11.5
52-Wk High (VND)	27,358
52-Wk Low (VND)	17,123
3M Avg. Trading Vol. (mn)	1.79
3M Avg. T/O (bn VND)	32
Beta (12M)	1.1

	3M	6M	12M
Absolute	-24.2	-27.2	4.3
Rel. to VNINDEX	-18.6	-1.9	19.5



Source: Bloomberg

Investment points

GEG started as a hydroelectric power company and has gradually transformed into one of the largest renewable power installed companies in the power industry. The power plants of GEG are located in prime locations suitable for renewable electricity. Currently, GEG has 260MW of solar power in stable operation along with 130MW of wind power. Not stopping there, the Tan Phu Dong wind power plant (100 MW) is expected to be completed by the end of 2022. It is expected that this new plant will benefit from the new pricing policy.

New projects such as VPL Ben Tre 2 (30MW) and Duc Hue 2 Solar Power (49MW) are being researched and implemented by GEG.

Risks:

(1) Risk of El Nino phenomenon causing hydropower to reduce output;

(2) Legal risks for unfinished projects;

(3) Fluctuations in interest rates may cause interest expense to rise higher than expected. Due to the fact that renewable energy projects need large capital initially, GEG has to step up borrowing, its D/E ratio is at 2.23x.

FY	2018	2019	2020	2021	2022F
Revenue (bn VND)	559	1,159	1,493	1,381	2,230
OP (bn VND)	229	538	645	653	1,132
OP margin (%)	40.9	46.4	43.2	47.3	50.7
NP (bn VND)	145	251	257	283	349
NP margin (%)	25.9	21.6	17.2	20.5	15.7
EPS (VND)	753	800	910	855	978
ROE (%)	7.8	10.2	9.6	8.2	9.4
P/E (x)	14.2	23.6	19.2	25.9	18.6
P/B (x)	1.4	2.4	1.8	2.1	1.6

Source: Bloomberg, Shinhan Securities, Data as of 03/10/22

Appendix – Important Disclosure



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