High-dividend yield stocks

Strong cash, less debt

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High-dividend yield stocks can be a great selection for long-term investors looking for a safe haven. Besides, the portfolio will stand to benefit from rising interest rates while being less exposed to other macro risks.

- ❑ Stable dividend yield and above 5% (clear and consistent dividend policy).
- ❑ A financially healthy (current ratio > 1.5, debt/equity < 1), strong cash flow and stable business that is committed to pay dividends in the upcoming time.
- ❑ Market cap is higher than VND 2,000 bn and average daily trading volume is above 100,000 shares.
- ❑ Competitive advantage and solid growth outlook.

	General Information			Share price			Key financials (**)			Valuation		Risk & Return		Dividend yield			
	Ticker	Industry	Mkt Cap (VND bn)	CP (VND)	TP (*) (VND)	Upside (%)	GPM	ROA	ROE	P/E trailing (x)	P/B trailing (x)	Annualized return	Standard deviation	Dividend yield 2020	Dividend yield 2021	Dividend yield 2022	Dividend yield 2023F
1	VEA	Agricultural machinery	54,215	40,800	49,209	20.61%	12.9%	25.4%	28.5%	7.6	2.4	19.1%	32.3%	26.2%	15.4%	11.5%	10%
2	DPM	Chemical	16,807	42,950	50,700	18.04%	38.3%	38%	49.8%	2.8	1.3	24.3%	42.8%	12.2%	8.8%	8.7%	16%
3	DCM	Chemical	14,029	26,500	37,100	40%	30.4%	34%	48.1%	3.5	1.6	26.3%	43%	10.7%	6.3%	6.3%	7%
4	QNS	F&B	12,778	34,810	45,925	31.93%	31.9%	12.2%	17.5%	10.4	1.8	4%	27.7%	14%	7.1%	5.6%	7%
5	PVS	Oil & Gas	10,228	21,400	28,000	30.84%	5.7%	2%	4.2%	22	0.9	8%	52.8%	7.1%	6.6%	6%	4.3%
6	NT2	Utility	8,305	28,850	32,950	14.21%	19.4%	11.7%	19.3%	9.5	1.8	7.1%	32.67%	15.1%	9.4%	6.5%	7%
7	PHR	Industrial park	5,338	39,400	60,175	52.73%	30.7%	11.6%	21.6%	9	1.8	19.8%	41.79%	8.8%	7.8%	1%	7.5%
8	DPR	Industrial park	2,270	52,800	63,780	20.8%	35.7%	12.2%	21.7%	4.9	1.01	20.3%	32.12%	15.33%	10.4%	3%	4%
9	TLG	Stationery	3,967	51,000	57,500	12.75%	44.9%	19.4%	25.7%	7.9	1.9	-1.3%	35.68%	5.8%	7.04%	4.6%	5%

*Target price (fair value) for the next 12 months
**Data for 12 months up to Q3/2022

Source: SSV Research, Bloomberg
Data as of Dec 30th ,2022

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Ticker	Industry	Outlook 2023	Investment thesis
VEA	Agricultural machinery	Neutral	Core business (agricultural machinery) profit is about VND 80 bn/year. Most of VEA 's profits are derived from its associate stakes in leading motorbike and car producers in Vietnam, including Honda Vietnam (30%), Toyota Vietnam (20%), and Ford Vietnam (25%), which contribute about VND 5,000 – 6,000 bn to profit. According to VAMA, Honda and Toyota Viet Nam reported its 11T/2022 sales volume surged 68% y.o.y and 50% y.o.y, respectively. VEA has a stable dividend policy (almost a 100% payout based on annual earnings at the parent company's level).
DPM	Chemical	Neutral	Because of impressive earnings in 2020 and 2021, we expect fertilizer industry will intensify cash dividend plan in 2023. In 2023, we forecast the performance of fertilizer industry will drop after hitting a record high last year, but still remain higher than historical standards.
DCM	Chemical	Neutral	
QNS	F&B	Neutral	QNS can take advantage of the sugar price upward trend and expand the sugar segment This company provides a stable dividend yield of 6% each year. Moreover, the M&A deal will be a plus catalyst for the stock price.
PVS	Oil & Gas	Positive	PVS has a strong financial position. We expect the leading position in Vietnam's O&G technical services sector to gain benefits from the elevated oil price. Additionally, the Block B – O Mon project will be a strong motivation for the core business.
NT2	Utility	Positive	NT2 has a healthy balance sheet and prudent dividend policy. With a debt-free balance sheet, we expect NT2 to pay a more cash dividend of at least 17%/each year.
PHR	Industrial park	Positive	Despite facing many difficulties in 2023, the industrial property sector still has ample room for growth (1) Vietnam is seen as a manufacturing hub for global brands; (2) The e-commerce has been booming in Viet Nam; (3) Vietnam will complete policies to develop infrastructure to meet the national socio-economic development needs.
DPR	Industrial park	Neutral	
TLG	Stationery	Positive	TLG has a solid growth outlook (1) TLG has inaugurated factory in Dong Nai in Oct 2022, which will add 25% to its existing capacity; (2) the structural growth in demand for stationery from Vietnam's high-growth education and office sectors. The company has no long-term debt and strong liquidity ratio, which will help to maintain cash dividend payout to shareholders.

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