SHINHAN SECURITIES



May 8th, 2023

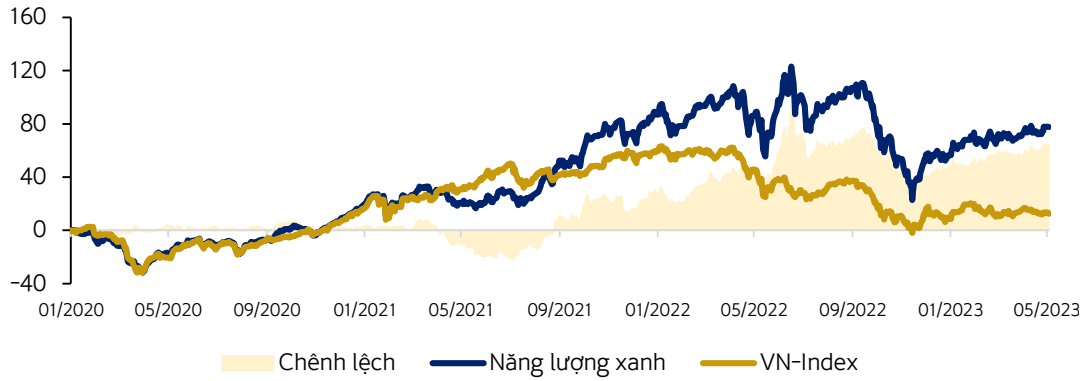
Going Green

Return of portfolio	Return of VN-Index
⬆ +4.04% MoM	⬇ -1.42% MoM
⬆ +13.42% YTD	⬆ +3.67% YTD

- In 4M2023, the Vietnamese stock market moved sideways. Global markets have many fluctuations at the same time, the FED continued to hike interest rates along with the instability when a series of banks in the US bankrupt. In Vietnam, GDP in Q1/2023 only increased by 3.32% in the context of inflation soaring by 4.18% over the same period. Meanwhile, the SBV quickly lowered interest rates, and many policies were issued to address urgent issues. Notably, at the beginning of May, EVN officially raised the electricity price by 3%, we evaluate this to be positive news for the power industry
- The Going Green portfolio last had a return of +13.42% YTD, outperforming the return of the VN Index - 3.67% YTD. The strongest gainers in the portfolio were: PC1 (+39.85% YTD), VSH (+30.78% YTD), and POW (+22.07%). Meanwhile, the last two strong gainers, GAS (-9.36% YTD), and REE (-5.20% YTD) slowed down.
- Update 1Q2023 business results of Going Green portfolio, total revenue decreased by 7.3% YoY, the net profit increased slightly by 0.5% YoY. GAS's revenue decline (-20% YoY) was the main reason for the decrease in total revenue. For power producers in the portfolio (except GAS, CNG), total revenue and net profit increased by 18.9% YoY and 5.0% YoY, respectively.
- In 2023, national electricity consumption is expected to continue to grow at 6%. The gas-fired power sector (POW, NT2) is expected to mobilize at a higher rate when the La Nina status is over, resulting in more positive business results than other power groups. With the expectation that power plan VIII will be approved in 2023, we expect that stocks in the green energy portfolio in general and power construction enterprises (PC1) in particular will have a breakthrough in the coming time.

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(x)	7.15	12.92
P/B (x)	1.52	1.59
Dividend yield (%)	1.82	1.83
EPS growth (5Y) (%)	16.4	15.6
ROE (%)	15.70	13.93
ROA (%)	6.09	2.17
Beta	1.23	1.00
Return (annualized) (%)	-6.0	-21.6
Std (%)	36.7	24.2
Sharpe ratio	-0.08	-0.94

Data as of May 8th, 2022 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:

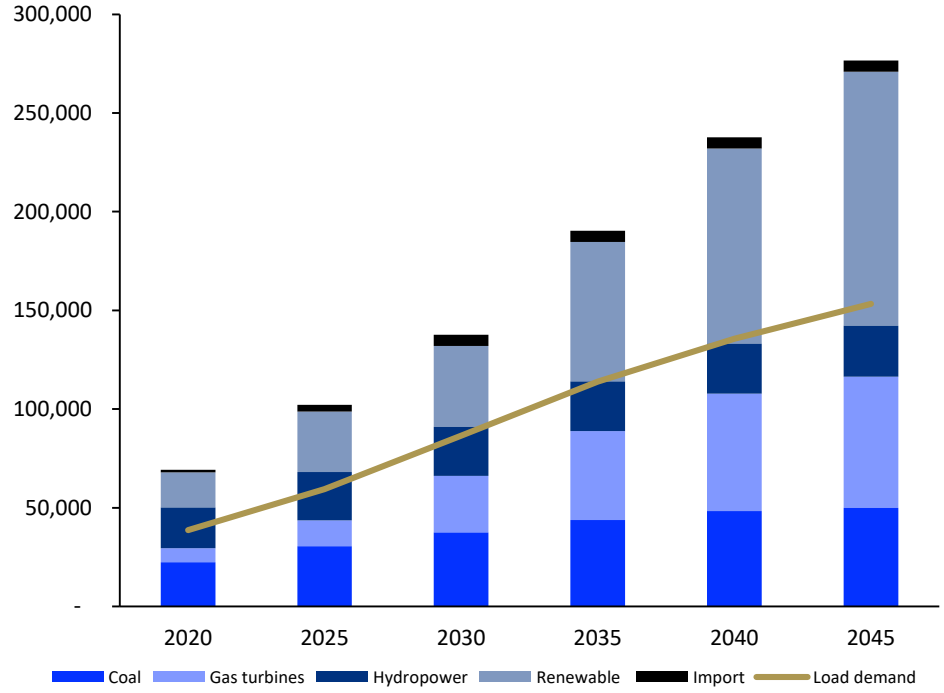
- Revenue from the ancillary industry, green energy production makes the main contribution to the revenue of the business.
- Strong fundamentals, businesses are managed effectively.
- Long term growth potential.

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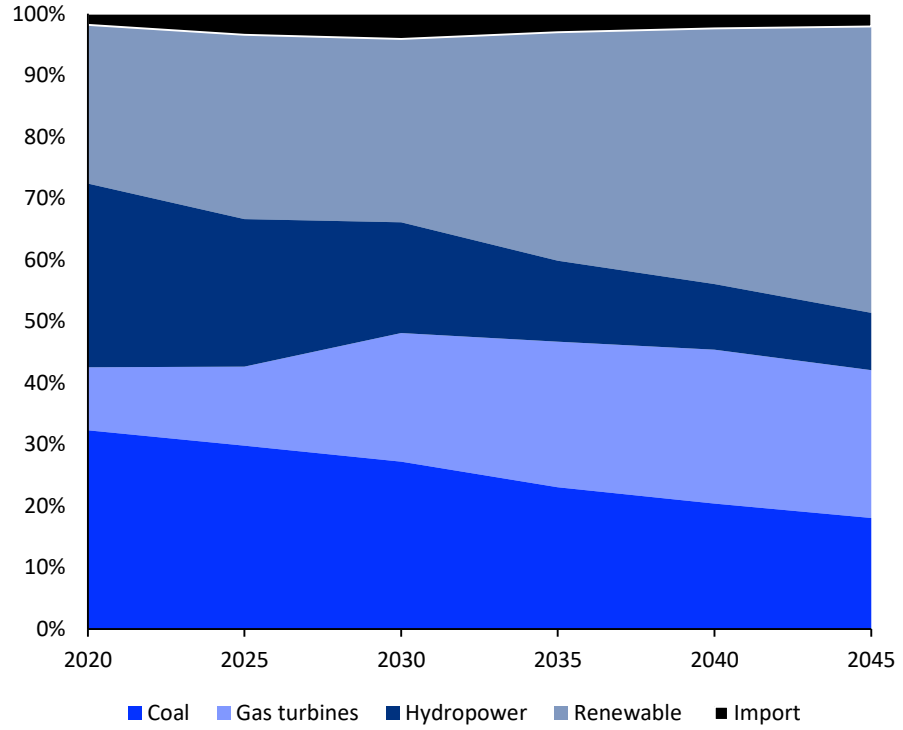
Future of energy sector in Vietnam

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 (%)

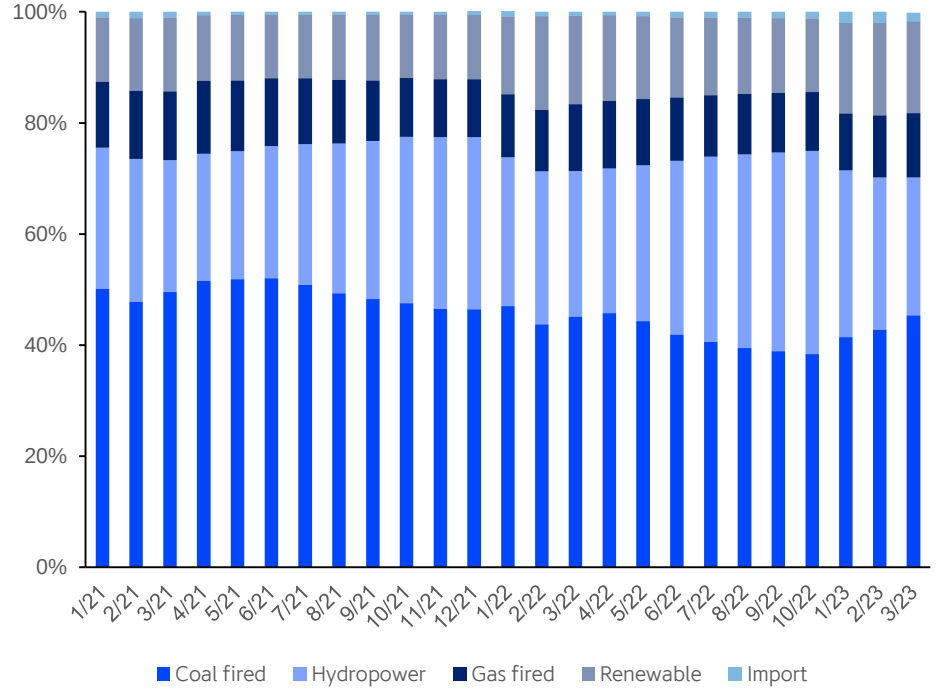


Source: Draft power VIII , Shinhan Securities Vietnam

- 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.

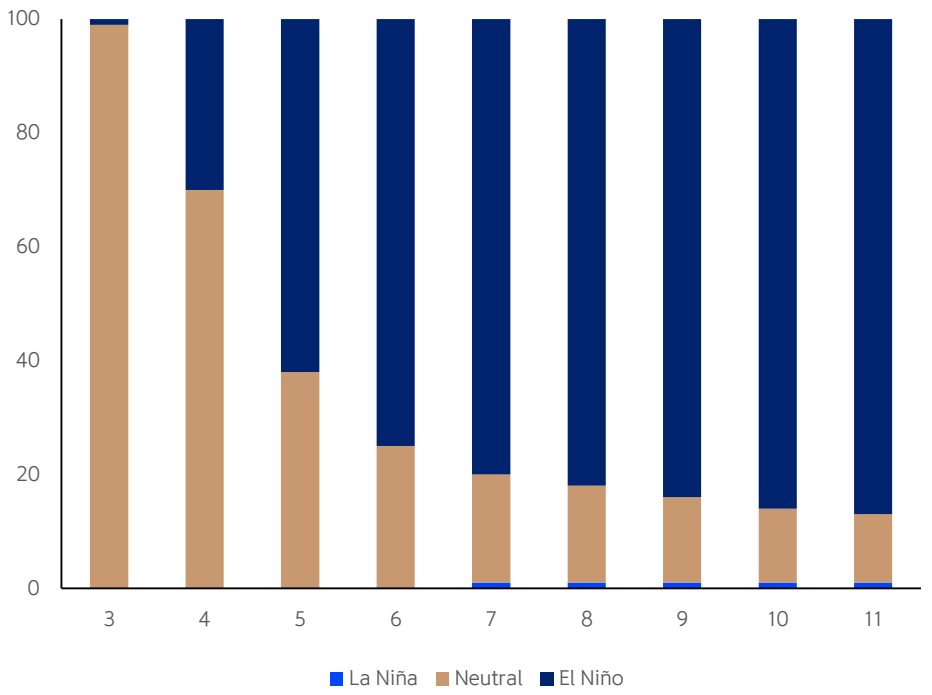
Future of energy sector in Vietnam

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



Source: EVN, Shinhan Securities Vietnam

Probability of La Nina, Neutral and El Nino phenomenon from 12/2022 to 8/2023 (%)



Source: IRI Shinhan Securities Vietnam

- The proportion of mobilization from power sources from January 2023 shows that the proportion of thermal power mobilization gradually increases due to the passing of La Nina and the summertime.
- In Vietnam, the La Nina phenomenon has lasted from 2020 to now, however, according to the IRI forecast, El Nino will soon return in the second half of this year, causing a decrease in rainfall.

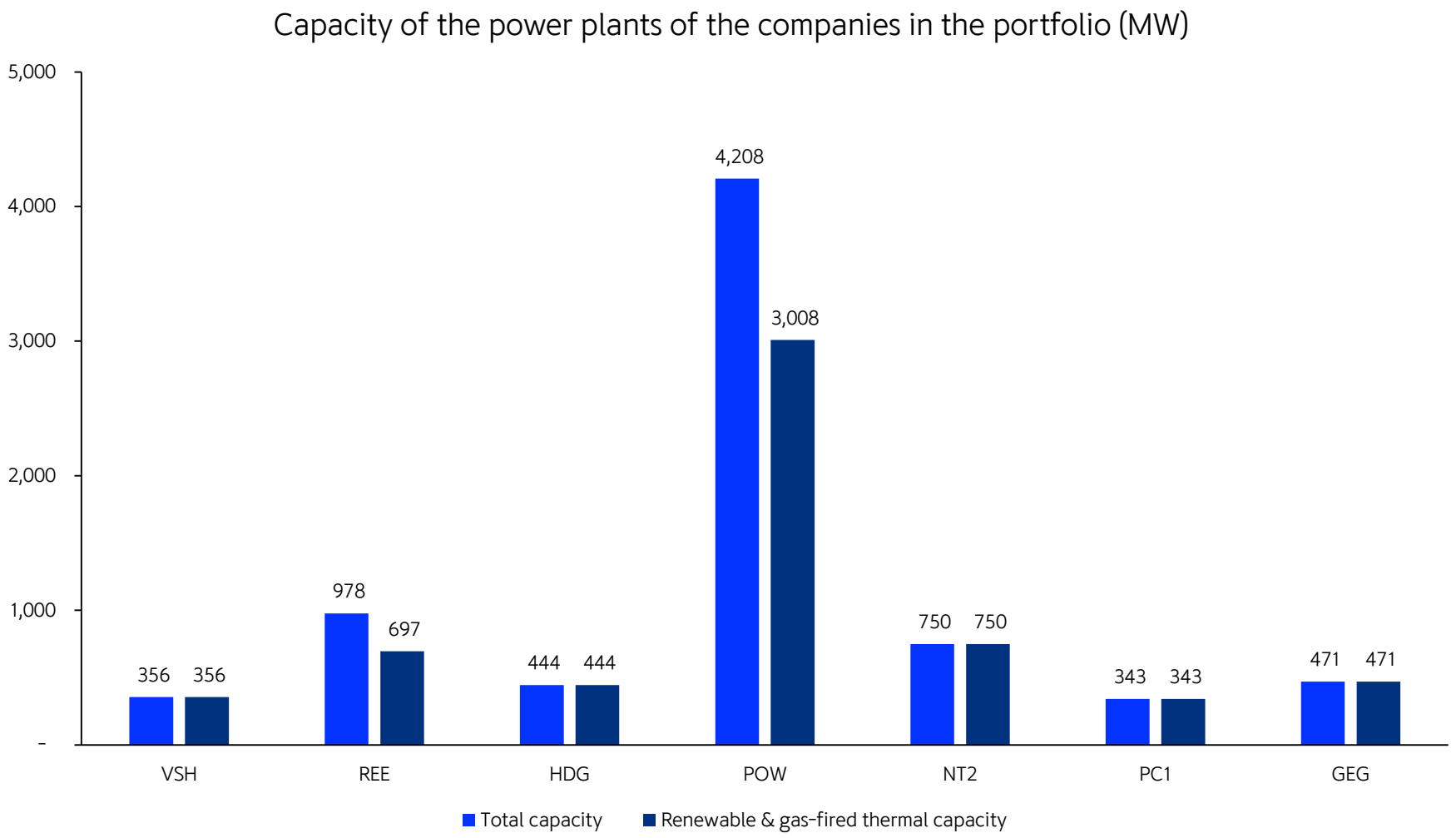
Top Picks Universe

General info				Share price					Key financials(**)				Valuation 23F	
No.	Ticker	Company name	Mkt Cap (VND bn)	CP (VND)	TP* (VND)	Upside (%)	1M (%)	YTD (%)	GPM (%)	D/E (x)	ROA (%)	ROE (%)	P/B (x)	P/E (x)
1	VSH	Vinh Son - Song Hinh Hydropower JSC	9,792	41,450	39,500	-4.7	3.4	30.7	71.2	0.72	13.3	27.0	1.8	9.3
2	REE	REE Corp.	23,812	67,000	77,400	15.5	(5.1)	(7.0)	53.0	0.56	8.2	18.6	1.3	7.2
3	HDG	Ha Do Group JSC	8,207	33,450	38,800	16.0	4.0	6.8	60.2	0.85	7.5	22.6	1.3	6.0
4	POW	PetroVietnam Power Corp.	31,030	13,250	14,800	11.7	(3.0)	22.5	9.1	0.23	3.3	6.2	0.6	14.3
5	NT2	PetroVietnam Power Nhon Trach 2 JSC	8,910	31,000	32,950	6.3	3.6	9.5	11.5	0.14	12.4	20.9	1.3	10.8
6	GAS	PetroVietnam Gas JSC	177,997	93,100	111,029	19.3	(9.8)	(9.5)	22.8	0.09	17.4	25.0	2.6	15.9
7	CNG	CNG Viet Nam JSC	782	28,950	39,900	37.8	4.3	20.5	6.2	0.11	8.6	18.3	1.3	5.1
8	PC1	PC1 Group JSC	7,680	28,400	32,100	13.0	(3.4)	40.8	20.4	1.57	1.7	6.8	1.5	9.1
9	GEG	Gia Lai Electricity JSC	5,183	16,100	17,100	6.2	8.7	1.6	48.3	1.76	2.1	8.1	1.1	18.2

* Target price (fair value) for the next 12 months
** Data for 12 months up to Q1/2023

Source: SSV Research, Bloomberg
Data as of May 08th, 2023

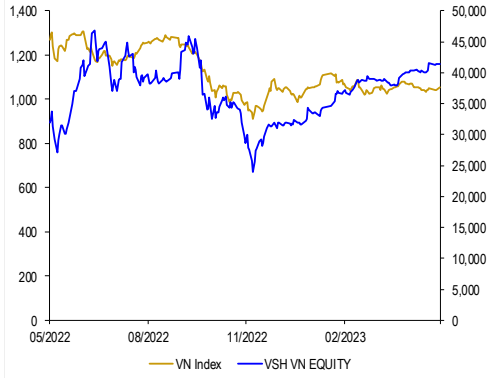
Capacity of the power plants of the companies in the portfolio



Vinh Son – Song Hinh Hydropower JSC (VSH VN)

TARGET PRICE (VND)	
39,500	
CURRENT PRICE (VND)	UP/DOWNSIDE
41,450	-4.7%
VNINDEX	1,053
Market P/E (x)	10.1
Market Cap. (bn VND)	9,792
Outstanding Shares (mn)	236
Free Floating Shares (mn)	49
Free Floating (%)	20.7
52-Wk High (VND)	48,000
52-Wk Low (VND)	22,900
3M Avg. Trading Vol. (mn)	0.04
3M Avg. T/O (bn VND)	1
Beta (12M)	0.8

	3M	6M	12M
Absolute	12.0	44.9	17.4
Rel. to VNINDEX	13.9	37.7	38.2



Source: Bloomberg

Investment points

-Vinh Son – Song Hinh Hydropower JSC (HoSE: VSH) is one of the enterprises owning hydropower plants with the largest capacity (356MW) listed on HoSE. VSH is trading at an attractive valuation and its core business has growth potential. In the situation of the world's commodity prices increasing strongly, the hydropower sector benefits when it operates stable and environmentally friendliness & this sector has low COGS. While solar power and wind power are highly dependent on weather conditions. Gas-fired thermal plants and coal-fired thermal power plants are often encountered when costs soar sharply.

– In 2022, Vinh Son – Song Hinh Hydropower JSC recorded revenue of VND 3,084 billion (+91% YoY) and NPAT of VND 1,263 billion (+226% YoY). The main growth driver comes from the output of 2,597 million kWh (+47% YoY) when the Thuong Kon Tum Power Plant runs for a whole year with the La Nina phenomenon bringing about abundant water. Besides, the average selling price in 2022 also increased by 31% YoY, helping the gross profit margin widen from 51% in 2021 to 66%. Besides, the financial expenses of VSH increased by 26% YoY to VND 408 billion, however, since Q4/2022, interest expenses have started to decrease compared to Q4/2021 due to the decreasing amount of debts. In addition, VSH's other expenses in 2022 also skyrocketed by 2,115% to VND 142 billion owing to VSH's reclassified uncollectible outstanding debts and related expenses construction in progress.

– Update of Q1/2023 business results: VSH recorded revenue of 892 billion (+5.6% YoY), a net profit of 477 billion (+18% YoY) thanks to a favorable hydrological situation that helped power output reach 653 million kWh (+5.6% YoY) and the average selling price increased by 4.8% YoY. However, VSH's output in Q1/2023 decreased by 18% compared to Q4/2022 due to the passing of the rainy season. In 2023, VSH sets a revenue target of VND 2,475 billion (down 20.3% compared to the implementation in 2022), planned profit at VND 856 billion (decreased by 32.3% compared to the implementation in 2022).

– A mother company of VSH – REE said that the company is actively negotiating with EVN to recalculate the PPA* price. At REE's General Meeting of Shareholders in 2023, REE said that all relevant documents have been completed and are waiting for EVN's consideration. Besides, in 2023, the La Nina phenomenon is forecast to end, reducing the mobilization rate from industry hydropower enterprises.

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 selling price of electricity decreased.

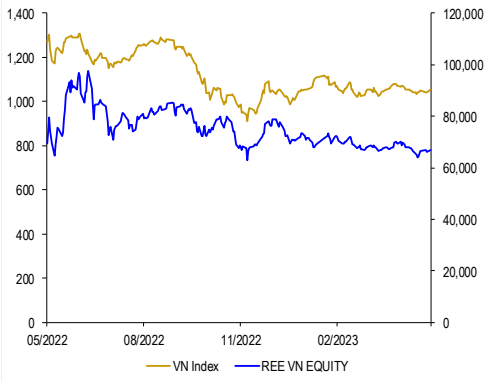
FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	400	341	1,611	3,084	2,960
OP (bn VND)	174	114	770	2,022	1,645
OP margin (%)	43.6	33.4	47.8	65.6	55.6
NPATMI (bn VND)	159	188	387	1,263	1,037
NP margin (%)	39.7	55.3	24.0	41.0	35.0
EPS (VND)	701	859	1,660	5,349	4,390
ROE (%)	5.0	5.8	10.6	25.1	18.1
P/E (x)	30	21	17	7.7	9.4
P/B (x)	1.4	1.2	1.7	1.8	1.8

Source: Bloomberg, Shinhan Securities, Data as of 08/05/23

Refrigeration Electrical Engineering Corp. (REE VN)

TARGET PRICE (VND)	
77,400	
CURRENT PRICE (VND)	UP/DOWNSIDE
67,000	15.5%
VNINDEX	1,053
Market P/E (x)	10.1
Market Cap. (bn VND)	23,812
Outstanding Shares (mn)	355
Free Floating Shares (mn)	126
Free Floating (%)	35.4
52-Wk High (VND)	100,000
52-Wk Low (VND)	59,400
3M Avg. Trading Vol. (mn)	0.30
3M Avg. T/O (bn VND)	17
Beta (12M)	0.9

	3M	6M	12M
Absolute	-8.8	-4.0	-10.4
Rel. to VNINDEX	-7.0	-11.2	10.4



Source: Bloomberg

Investment points

- REE is a company operating in three main segments: M&E (mechanical & electrical), power, and office leasing. In addition, REE also operates in the water sector and real estate industry.
- In the power segment, REE owns power plants with an installed capacity of 978 MW. The renewable segment including wind power, solar power, and hydropower contributed 697MW. the power segment contributes the largest revenue with 73% in Q4/2022. Which, hydropower has grown significantly in 2022 thanks to the consolidated financial statement of VSH and favorable weather. In addition, REE's wind power projects have been put into stable operation, creating a premise for REE to continue to expand renewable power projects in the coming time.
- In 2022, REE's revenue and profit respectively reached 9,372 billion (+61% YoY), and net profit reached 3,513 billion (+65% YoY). In Q4/2022, the power segment continued to be the main driver when revenue and profit were 41% YoY and 34% YoY respectively.
- In 2023, there is a high probability that the passing of La Nina will reduce the mobilization rate of REE's hydropower segment. However, REE's growth engine will be led by the real estate group with the Bo Xuyen project, Thai Binh, with a total area of about 2 hectares, with about 45 commercial houses and one building. REE said that it will start the construction of low-rise apartments in May 2023 and complete the construction in two quarters, starting to open for sale from Q3/2023 and bringing in 800-900 billion in revenue in 2023. snail, REE said that there is still no specific construction plan and may sell the project to other parties.
- In the real estate leasing segment, REE owns nearly 150,000 m2 of space for lease. The Etown6 project with 40,000 m2 floor space, is expected to come into commercial operation by the end of 2023. Currently, Etown6 has completed the construction of the basement, construction progress is about 1 floor/5 day, expected to top off in July 2023. In terms of rent, BoD forecast the price will be between 24 USD/m2 to 29 USD/m2 with an initial occupancy rate of 30%.
- Update of Q1/2023 results: REE recorded revenue of 2,372 billion (+16% YoY), net profit at 1,054 billion (+10% YoY). The electricity segment plays a pivotal role when contributing 65% of REE's revenue and 75% of REE's profit after tax. Mechanical and electrical refrigeration segment had revenue of 547 billion (+57% YoY), however, due to low net profit margin, it contributed to the group's net profit at 1.6%. In 2023, REE targets revenue at 10,962 billion (+17% YoY) and NPATNI at 2,700 billion (+0.3% YoY).

Risks:
(1) Risk of the 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	2019	2020	2021	2022	2023F
Revenue (bn VND)	4,890	5,640	5,810	9,372	9,553
OP (bn VND)	946	1,239	1,854	3,663	3,573
OP margin (%)	19.4	22.0	31.9	39.1	37.4
NPATMI (bn VND)	1,639	1,628	1,855	2,693	3,207
NP margin (%)	33.5	28.9	31.9	28.7	33.6
EPS (VND)	4,597	4,566	5,220	7,576	9,203
ROE (%)	16.6	14.9	15.0	18.7	17.0
P/E (x)	6.9	9.3	11.5	9.4	7.3
P/B (x)	1.1	1.3	1.6	1.6	1.3

Source: Bloomberg, Shinhan Securities, Data as of 08/05/23

Ha Do Group JSC (HDG VN)

TARGET PRICE (VND)	
38,800	
CURRENT PRICE (VND)	UP/DOWNSIDE
33,450	16.0%
VNINDEX	1,053
Market P/E (x)	10.1
Market Cap. (bn VND)	8,182
Outstanding Shares (mn)	245
Free Floating Shares (mn)	91
Free Floating (%)	37.3
52-Wk High (VND)	56,900
52-Wk Low (VND)	21,650
3M Avg. Trading Vol. (mn)	1.01
3M Avg. T/O (bn VND)	28
Beta (12M)	1.3

	3M	6M	12M
Absolute	4.5	19.5	-21.3
Rel. to VNINDEX	6.4	12.2	-0.5



Source: Bloomberg

Investment points

- HDG was formerly an enterprise under the Ministry of Defense that 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 power industry.
- In 2022, HDG's total revenue will reach 3,642 billion (-3% YoY), and net profit will increase slightly by 3% YoY to reach VND 1,377 billion. The decrease in revenue came from HDG's real estate segment when its revenue dropped by 42% YoY. Although revenue from the energy group had an outstanding growth of 69% YoY, it still made the group's total revenue flat.
- Update Q1/2023 business results: HDG recorded revenue of VND 967 billion (+36% YoY) and net profit of 357 billion (+21% YoY). The power segment made the major contribution with 57%, followed by real estate with 33%. At the AGM 2022, HDG said the company will accelerate the settlement of legal proceedings in backlog projects and research and develop new projects in the Ho Chi Minh City and Hanoi area in 2023. Besides, HDG also said that the company will promote M&A of real estate and energy projects in line with the group's orientation.
- With a long-term vision, HDG said that renewable energy will play a key 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. Phuoc Huu Wind Power Plant (50MW) & EA H'Leo (20MW) will be deployed immediately after Power Plan VIII is approved.

Risks:
(1) Risk of the earthquake in the 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	2019	2020	2021	2022	2023F
Revenue (bn VND)	4,307	4,999	3,777	3,581	4,965
OP (bn VND)	1,542	1,870	1,980	2,244	2,363
OP margin (%)	35.8	37.4	52.4	62.7	47.6
NPATMI (bn VND)	924	979	1,096	1,121	1,419
NP margin (%)	21.5	19.6	29.0	31.3	28.6
EPS (VND)	4,058	4,276	4,678	4,507	5,634
ROE (%)	42.3	34.9	29.2	16.6	21.0
P/E (x)	3.9	6.3	11.8	7.0	5.9
P/B (x)	1.5	2.0	3.0	1.5	1.3

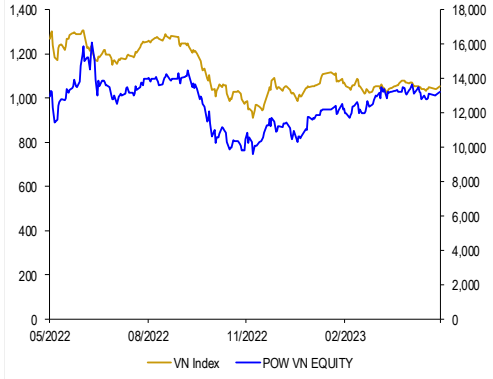
Source: Bloomberg, Shinhan Securities, Data as of 08/05/23

PetroVietnam Power Corp. (POW VN)

TARGET PRICE (VND)	
14,800	
CURRENT PRICE (VND)	UP/DOWNSIDE
13,250	11.7%

VNINDEX	1,053
Market P/E (x)	10.1
Market Cap. (bn VND)	31,030
Outstanding Shares (mn)	2,342
Free Floating Shares (mn)	470
Free Floating (%)	20.0
52-Wk High (VND)	16,400
52-Wk Low (VND)	8,910
3M Avg. Trading Vol. (mn)	7.94
3M Avg. T/O (bn VND)	101
Beta (12M)	1.1

	3M	6M	12M
Absolute	8.2	26.8	-4.7
Rel. to VNINDEX	10.0	19.6	16.1



Source: Bloomberg

Investment points

- POW is the second largest power generation company with a total installed capacity of 4,208 MW in Vietnam after EVN. The most prominent POWs are the Ca Mau & Nhon Trach 1 & 2 gas-fired thermal power plants (total installed capacity of 2,700 MW). Hydropower plants like Hua Na and DakDrinh also contribute around 8% to POW's electricity output.
- In 2022, POW's output is estimated at 13.94 billion kWh, completing 100% of the year plan, POW revenue was 28,235 billion (+15% YoY), and the net profit increased by 13% YoY to VND 1,323 billion. Nhon Trach 2 power plant contributes more than 30% of the group's revenue, followed by Ca Mau 1&2, Vung Ang 1, and Nhon Trach 1 plants.
- Update Q1/2023 results: POW recorded revenue of VND 7,424 billion (+5% YoY) and a net profit of VND 650 billion (-19% YoY). POW's revenue increased thanks to POW's output of 4,003 million kWh (+9.3% YoY), however, COGS increased faster due to higher material price and heat loss rate in Q1/2023 compared to Q1/2022. Besides, the income from insurance claims (PVI) with VND 149 billion helps to polish POW's Q1/2023 profit. On the other hand, POW's interest expense increased sharply by 145% YoY to reach VND 132 billion, causing the net profit margin to be eroded from 11.37% in 1Q2022 to 8.74% in 1Q2023. The repair of the Vung Ang 1 Thermal Power Plant lasted longer than expected until July 2023 and took over in August 2023.
- In the future, the long-term growth driver of POW will come from two plants NT3 and NT4 with a total installed capacity of 1,500 MW, which is expected to come into commercial operation between 2024 and 2025.,NT3 & NT4 had 17/18 bidding packages registered with a value of over VND 22,000 billion. Meanwhile, 9 packages have been completed and 8 packages are in process. On March 3, 2023, the Corporation and EPTC signed the Minutes of the meeting to negotiate the price and the Power Purchase Agreement for Nhon Trach 3 & 4 Power Plant, whereby the Parties agreed on the content and initialed the Draft Purchase and Sale Contract. electricity Nhon Trach 3&4 Power Plant

In the power industry, POW is one of the enterprises with the most suitable development orientation under power plan VIII in the period of 2022-2030 with the gas-fired thermal power segment.

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.

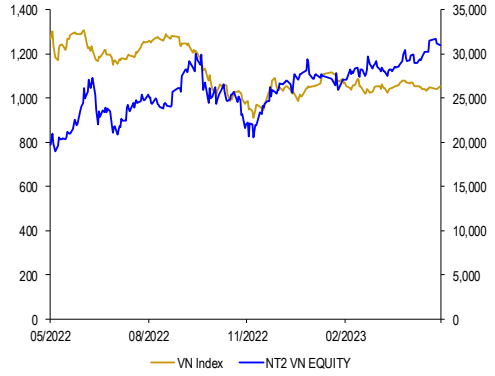
FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	35,376	29,732	24,561	28,224	34,480
OP (bn VND)	3,946	3,371	2,400	2,859	2,829
OP margin (%)	11.2	11.3	9.8	10.1	8.2
NPATMI (bn VND)	2,532	2,365	1,799	2,061	2,393
NP margin (%)	7.2	8.0	7.3	7.3	6.9
EPS (VND)	1,027	999	757	809	899
ROE (%)	9.4	8.4	6.2	6.9	10.0
P/E (x)	11.1	13.6	23.1	12.2	14.7
P/B (x)	1.0	1.1	1.4	0.8	0.6

Source: Bloomberg, Shinhan Securities, Data as of 08/05/23

PetroVietnam Power Nhon Trach 2 JSC (NT2 VN)

TARGET PRICE (VND)	
32,950	
CURRENT PRICE (VND)	UP/DOWNSIDE
31,000	6.3%
VNINDEX	1,053
Market P/E (x)	10.1
Market Cap. (bn VND)	8,924
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)	0.61
3M Avg. T/O (bn VND)	18
Beta (12M)	0.9

	3M	6M	12M
Absolute	10.3	36.0	38.1
Rel. to VNINDEX	12.1	28.7	58.9



Source: Bloomberg

Investment points

- NT2 is one of the companies operating in the field of gas-fired thermal power on 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 power 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. Besides, 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 mother company POW to finance two big projects NT3 & NT4.
- In 2022, NT2 recorded revenue of 8,785 billion (+42% YoY), and the net profit increased by 37% YoY to VND 729 billion. In 2023, NT2 targets revenue at 8,299 billion (-6% YoY), and a net profit at 473 billion (-46% YoY). The BoD said that the economic situation has not yet fully recovered due to political and global economic uncertainties that may reduce power demand, increase input material prices, and compete with other power sources as well as an overhaul of the power plant in 2023, are reasons for the company to plan cautiously.
- Update of Q1/2023 results: NT2's revenue reached 2,183 billion (+8.8% YoY), the net profit reached 234 billion (+46% YoY) thanks to the output of 1,073 million kWh (+10% YoY), and selling price on average decreased slightly by 1.3% YoY. Revenue from financial activities reached VND 22 billion (+1.194% YoY), contributing to broadening the net profit margin of Q1/2023 to 10.7% from 7.9% in Q1/2022
-Overhaul: The overhaul of a power plant in is scheduled to take place in 44 days during September - October (the low season of NT2). Total cost is estimated at VND 407 billion and will be depreciated over 3 years. Dividend: The cash dividend in 2022 is at 25%, of which 10% has been advanced, and the rest will be paid between July and October 2023, the dividend rate of 2023 is planned by NT2 at 15%. Besides, NT2 said that the exchange rate difference recorded in 2023 is expected to reach VND 155 billion.

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.

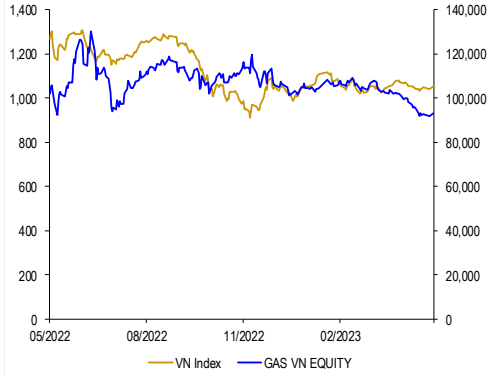
FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	7,654	6,082	6,150	8,788	9,005
OP (bn VND)	888	810	593	950	801
OP margin (%)	11.6	13.3	9.6	10.8	8.9
NPATMI (bn VND)	754	625	534	883	794
NP margin (%)	9.9	10.3	8.7	10.1	8.8
EPS (VND)	2,540	2,095	1,778	2,992	2,929
ROE (%)	18.7	14.3	12.0	19.5	17.1
P/E (x)	8.5	11.7	14.8	9.6	10.6
P/B (x)	1.5	1.6	1.8	1.8	1.3

Source: Bloomberg, Shinhan Securities, Data as of 08/05/23

PetroVietnam Gas JSC (GAS VN)

TARGET PRICE (VND)	
111,029	
CURRENT PRICE (VND)	UP/DOWNSIDE
93,100	19.3%
VNINDEX	1,053
Market P/E (x)	10.1
Market Cap. (bn VND)	178,189
Outstanding Shares (mn)	1,914
Free Floating Shares (mn)	81
Free Floating (%)	4.2
52-Wk High (VND)	134,000
52-Wk Low (VND)	91,600
3M Avg. Trading Vol. (mn)	0.24
3M Avg. T/O (bn VND)	23
Beta (12M)	0.9

	3M	6M	12M
Absolute	-13.2	-18.6	-15.2
Rel. to VNINDEX	-11.4	-25.9	5.6



Source: Bloomberg

Investment points

- Gas Corporation of Vietnam (HoSE: GAS) is the leading enterprise in the gas field in Vietnam with a 100% market share of dry gas and more than 70% market share of LPG (Liquefied Petroleum Gas). In addition, GAS owns 1,500km of gas pipelines, 3 gas treatment plants, and 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.
- In 2022, the revenue soared by 28% YoY to VND 100,723 billion, and the net profit of GAS jumped by 70% YoY to VND 15,062 billion. Rising oil prices and improved gas consumption are the main drivers of GAS's revenue. Besides, GAS is one of the enterprises with the most abundant cash and term deposits on the stock market with more than VND 33,000 billion (2022).
- Updated Q1/2023 business results, GAS's revenue reached VND 21,215 billion (-20% YoY), and net profit reached 3,416 billion (-2% YoY). In 2023, PV Gas sets the target of input gas output at 7.9 billion m3, 7.7 billion m3 of dry gas production and consumption; 1.76 million tons of LPG produced and traded; 84,000 tons of Condensate produced and processed. The target of total revenue is VND 76,441 billion, down 24% compared to the implementation of 2022, the net profit is at VND 6,395 billion, down 58% compared to the implementation in 2022.
- Update project progress: GAS said that it has completed construction of the entire warehouse of LNG Thi Vai with a capacity of 1 million tons/year, currently GAS is renovating the Vung Tau - Thi Vai maritime channel, expected to be completed in Q2/2023 to apply for a license to open the port. The Thi Vai - Phu My LNG pipeline project has been completed and installed, ready for Gas-in and test-run. Son My - Binh Thuan LNG import terminal project has applied for approval of investment policy and approved the project investor, GAS is expected to complete the FS update of this project in June 2023. The Ethane separation project at Dinh Co has completed the project feasibility study for submission to the authorities for consideration. The Thi Vai LPG storage tank project has been completed, signed an EPC contract, and implemented from January 2023. The project of refrigerated LPG and LNG in the North has completed the assessment of the potential location of the project. In addition, GAS has also completed a study and evaluation of the pipeline option to supply Long An 1 & 2 thermal power plants, increasing the capacity of the Phu My - Ho Chi Minh pipeline.

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	2019	2020	2021	2022	2023F
Revenue (bn VND)	75,005	64,135	78,992	100,724	102,463
OP (bn VND)	13,649	8,694	10,374	17,799	13,227
OP margin (%)	18.2	13.6	13.1	17.7	12.9
NPATMI (bn VND)	11,902	7,855	8,673	14,798	11,311
NP margin (%)	15.9	12.2	11.0	14.7	11.0
EPS (VND)	6,142	4,028	4,356	7,649	5,789
ROE (%)	25.1	15.9	16.8	26.4	16.4
P/E (x)	15.3	21.5	22.1	13.3	16.1
P/B (x)	3.7	3.4	3.6	3.2	2.7

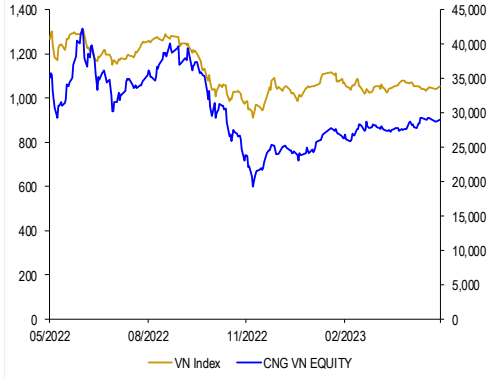
Source: Bloomberg, Shinhan Securities, Data as of 08/05/23

CNG Viet Nam JSC (CNG VN)

TARGET PRICE (VND)	
39,900	
CURRENT PRICE (VND)	UP/DOWNSIDE
28,950	37.8%

VNINDEX	1,053
Market P/E (x)	10.1
Market Cap. (bn VND)	782
Outstanding Shares (mn)	27
Free Floating Shares (mn)	12
Free Floating (%)	44.0
52-Wk High (VND)	45,400
52-Wk Low (VND)	18,100
3M Avg. Trading Vol. (mn)	0.08
3M Avg. T/O (bn VND)	2
Beta (12M)	1.1

	3M	6M	12M
Absolute	10.1	21.6	-27.6
Rel. to VNINDEX	11.9	14.4	-6.8



Source: Bloomberg

Investment points

-CNG is a subsidiary of Vietnam Oil and Gas JSC, currently, CNG is dominating 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.

- In Q4/2022, CNG built the first LNG supply station with a capacity of 50 tons, which is expected to be completed in April 2023. This LNG station is expected to supply CNG's loyal customers such as Oechsler Motion, Petfood Evolution, and Asia Steel. According to CNG's direction, this gas station will be expanded to supply customers in Thuan Dao Industrial Park. In addition, CNG also said that this is the first step in the company's plan to open a chain of LNG projects throughout Vietnam.

- Update of Q1/2023 results: CNG recorded revenue of VND 739 billion (-26% YoY) and net profit of VND 28 billion (-36% YoY), the reason for this decrease was the production and price of natural gas decrease. Regarding the development plan, CNG said that it will test-run the Thuan Dao - Long An LNG station in 2023. At the AGM 2023, CNG also set a plan for CNG output at 290 million Sm3, a revenue of VND 3,463 billion (down 18% compared with implementation in 2022), and profit at VND 85 billion (-27% compared to implementation in 2022).

- From 2022 to 2025, CNG aims to achieve a total output of 1,200 million Sm3, total revenue of VND 13,800 billion. In the period 2026-2030, CNG targets an output of more than 2,700 Sm3 and total revenue of VND 33,400 billion. In the period 2031-2035, CNG's target output is at 5,200 million Sm3 with total revenue of VND 73,400 billion. The company's main products will be concentrated CNG and LNG.

Risks:
(1) Oil price risk;
(2) Natural gas price risk;
(3) CNG factory in the South approaches 100% of installed capacity.

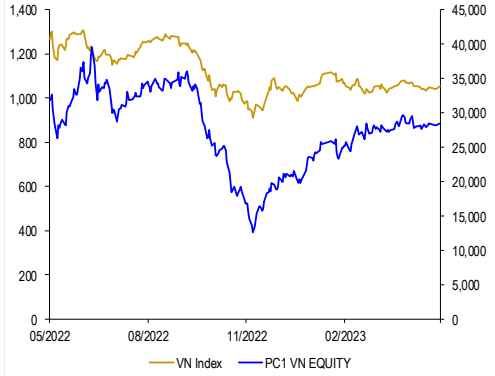
FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	2,130	2,338	3,058	4,185	4,204
OP (bn VND)	91	52	105	300	216
OP margin (%)	4.3	2.2	3.4	7.2	5.1
NPATMI (bn VND)	84	51	82	118	153
NP margin (%)	4.0	2.2	2.7	2.8	3.6
EPS (VND)	2,620	1,337	2,678	3,946	5,663
ROE (%)	13.1	6.9	14.0	21.8	27.8
P/E (x)	9.5	15.1	11.3	6.1	5.1
P/B (x)	1.2	1.1	1.6	1.4	1.3

Source: Bloomberg, Shinhan Securities, Data as of 08/05/23

PC1 Group JSC
(PC1 VN)

TARGET PRICE (VND)	
32,100	
CURRENT PRICE (VND)	UP/DOWNSIDE
28,400	13.0%
VNINDEX	1,053
Market P/E (x)	10.1
Market Cap. (bn VND)	7,680
Outstanding Shares (mn)	270
Free Floating Shares (mn)	200
Free Floating (%)	74.0
52-Wk High (VND)	40,609
52-Wk Low (VND)	11,800
3M Avg. Trading Vol. (mn)	1.78
3M Avg. T/O (bn VND)	46
Beta (12M)	1.2

	3M	6M	12M
Absolute	12.9	69.0	-16.8
Rel. to VNINDEX	14.7	61.8	4.0



Source: Bloomberg

Investment points

- PC1 is one of the famous power construction companies in Vietnam. Currently, renewable power is one of the three main segments of the company along with power construction and real estate & minerals.
- Update Q1/2023 business results: PC1 recorded revenue of VND 1,505 billion (+2% YoY), an operating profit of 307 billion (-12% YoY), and a net profit of 79 billion (-56 % YoY). In the operating profit structure, the power segment accounted for 73%, the power construction accounted for 15%. The decrease of PC1 is due to the slide in power output owing to the gradual impact of El Nino. In terms of net profit, due to the significant increase in interest expenses in Q1/2023, PC1's net profit dropped sharply.
- For the energy segment, PC1 estimates that the El Nina phenomenon will reduce the group's output by no more than 10% due to the high proportion of wind power structure. For Bao Lac A Hydropower Plant, PC1 is carrying out site clearance and is expected to start construction in 2023 and complete it in 2025. The Thuong Ha hydropower project is expected to start construction in 2024, currently under construction. surveyed.
- For the power construction segment, PC1 said that the value of this backlog this year is at VND 4,000 billion, and the new contract expected to be signed is about VND 5,000 billion. PC1 estimates this segment's revenue in 2023 at VND 4,600 billion. For the mining segment, Cao Bang Nickel Factory has been running alignment since April and will run at full load from Q2/2023. It is expected to export about 38,000 tons this year at LME prices with a minimum output of 5,000 tons. /lot revenue from VND 900-1000 billion from May, net profit at VND 160 billion.
- Industrial park real estate, PC1 aims to reach at least 1,500 hectares in the next 10 years, PC1 has now approached and worked on 1,000 hectares. Regarding Nomura Industrial Park, PC1 achieved the goal of recording 650 billion in revenue and 110-120 billion in annual net profit. PC1 is currently researching and developing Nomura 2 Industrial Park with a scale of 200 hectares, the loan structure is expected to be at 20/80 or 20/75. For Western Pacific, PC1 said that the selling price is 158-160 USD/m2, the handover will start at the end of the year and the infrastructure construction will be completed in June 2024. PC1's real estate segment has three main projects including Gia Lam, Dinh Cong, and Vinh Hung, PC1 said total revenue is expected at VND 2,500 billion, and net profit of VND 400 billion will be handed over according to schedule from 2023 to 2027.

Risks:

(1) Legal risks of projects; (2) Risk of diversification;(3) Power construction decelerates when renewable power projects slow down;

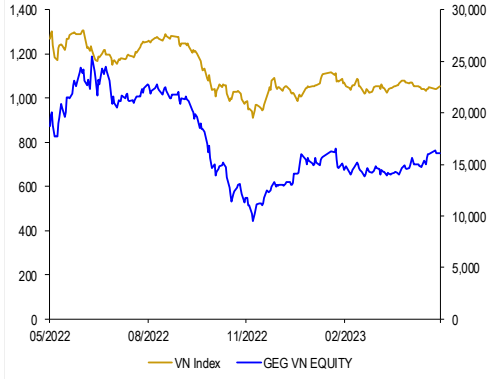
FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	5,845	6,679	9,828	8,333	10,254
OP (bn VND)	594	823	859	1,598	1,743
OP margin (%)	10.2	12.3	8.7	19.2	17.0
NPATMI (bn VND)	358	513	695	460	609
NP margin (%)	6.1	7.7	7.1	5.5	5.9
EPS (VND)	1,356	1,943	2,121	1,519	2,589
ROE (%)	10.9	13.8	14.9	18.7	8.8
P/E (x)	7.8	8.3	16.1	13.3	9.1
P/B (x)	0.8	1.1	2.0	1.3	1.5

Source: Bloomberg, Shinhan Securities, Data as of 08/05/23

Gia Lai Electricity JSC (GEG VN)

TARGET PRICE (VND)	
17,100	
CURRENT PRICE (VND)	UP/DOWNSIDE
16,100	6.2%
VNINDEX	1,053
Market P/E (x)	10.1
Market Cap. (bn VND)	5,183
Outstanding Shares (mn)	322
Free Floating Shares (mn)	73
Free Floating (%)	22.7
52-Wk High (VND)	26,500
52-Wk Low (VND)	8,880
3M Avg. Trading Vol. (mn)	1.13
3M Avg. T/O (bn VND)	13
Beta (12M)	1.1

	3M	6M	12M
Absolute	11.4	37.0	-19.9
Rel. to VNINDEX	13.2	29.8	0.9



Source: Bloomberg

Investment points

- GEG started out as a hydropower company that has gradually transformed into one of the power companies with the largest total installed capacity of renewable power with 503 MW already in operation. Of which, hydropower contributes 81 MW, farm, and rooftop solar power contributes 292 MW, and wind power 130 MW. GEG's power plants are located in prime locations suitable for renewable power.
- In 2023, GEG sets a revenue target of VND 2,918 billion (+39% YoY), the net profit at VND 155 billion (-58% YoY), in the production and business plan for 2023, GEG sets a spending plan for financial expenses, and other expenses at 1,107 billion, a sharp increase compared to financial expenses in 2022 at 657 billion.
- Update Q1/2023 business results: GEG recorded revenue of 548 billion (-4% YoY), net profit of 104 billion (-40% YoY), and interest expense increased by 23% YoY to VND 178 billion.
- For projects in the construction process, Tan Phu Dong 1 transitional wind power project (100MW) has been negotiated for 2/4 rounds, and the minimum progress of 5 weeks (adjustable) is expected to be recorded. revenue from after May or early Q3/2023, expected revenue at 376 billion. For Duc Hue 2 project (50MW), GEG has almost completed important legal steps including deciding on investment policy, approving the basic design, and approving 1/500.
-M&A strategy, GEG is currently actively looking for legally completed power projects.

Risk:

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

(2) Legal risks for unfinished projects;

(3) Fluctuations in interest rates may cause financial costs to rise higher than expected. Because renewable energy projects require large capital initially, GEG has to step up borrowing, its D/E ratio is at 1.76x

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	1,159	1,493	1,381	2,093	2,973
OP (bn VND)	538	645	653	1,011	1,366
OP margin (%)	46.4	43.2	47.3	48.3	46.0
NPATMI (bn VND)	251	257	283	316	326
NP margin (%)	21.6	17.2	20.5	15.1	11.0
EPS (VND)	800	910	855	929	894
ROE (%)	10.2	9.6	8.2	5.6	7.1
P/E (x)	23.6	19.2	25.9	18.2	18.0
P/B (x)	2.4	1.8	2.1	1.5	1.1

Source: Bloomberg, Shinhan Securities, Data as of 08/05/23

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