# SHINHAN SECURITIES



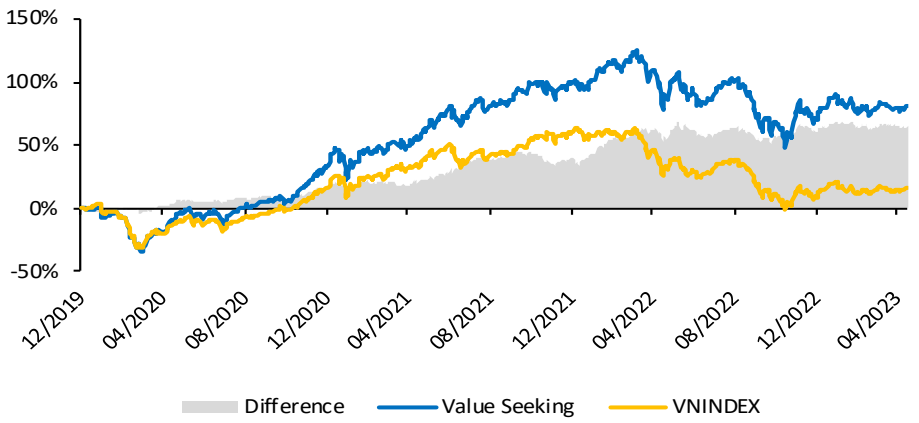
May 16th, 2023

## VALUE SEEKING

| Portfolio Return | VN-Index Return |
|---|---|
| ⬆ +0.2% MoM | ⬆ +1.2% MoM |
| ⬆ +6.3% YTD | ⬆ +6.2% YTD |

- In 4M2023, the Vietnamese stock market moved sideways. Regarding the global markets, the FED continued to hike interest rates along with the instability when a series bankruptcy of US banks. In Vietnam, Q1/2023 GDP only increased by 3.32% in the context of inflation soaring by 4.18% YoY. Meanwhile, the Government has made efforts to partially solve urgent problems and support the economy during difficult times such as cooling down interest rates, proposing to reduce VAT.
- The Value Seeking portfolio includes leading blue-chip stocks, which have been heavily discounted recently. In terms of investment efficiency, the portfolio's return continuously outperformed the VN-Index's return. HPG's return (+22.2% YTD) made the strongest contribution to the portfolio thanks to the remarkable recovery in steel selling price. Besides, the return of GMD (+10.4% YTD) and banking stocks (+13.9% YTD) in the portfolio were upward after announcing the positive 2023 business plan.
- Updating Q1.2023 business results of Value Seeking portfolio, the total revenue increased slightly by 1.4% YoY, NPAT increased by 4% YoY. The decline in revenue of GAS (-20% YoY) and HPG (-40% YoY) were the main reason for slowing down the growth of the portfolio's earnings. In addition, VHM's business results increased sharply thanks to the successful handover of real estate, which significantly improved the overall business results of the portfolio.
- In 2023, we assert that Vietnam's economic growth rate will cool down to 6%. This is a favorable time for enterprises having strong core business to break out and take the lead in the coming time.

**Performance of Value Seeking portfolio and VN-Index**




### Portfolio Analysis

| | Portfolio | VN-Index |
|---|---|---|
| P/E Forward | 13.8x | 10.4x |
| P/B | 2.3x | 1.5x |
| Dividend yield | 2.2% | 1.8% |
| EPS growth (3Y) | 26.3% | 13.6% |
| ROE | 19.2% | 12.8% |
| ROA | 7.4% | 2.0% |
| Beta | 0.18 | 1.00 |
| Annualized Return | 3.6% | -8.5% |
| Standard deviation | 25.4% | 22.7% |
| Sharpe ratio | -0.04 | -0.4 |

### Strategy overview

SSV Value portfolio is designed for the purpose of long-term capital growth and focus on Vietnam large cap value stocks. We look for companies:

- Leading position sectors
- Attractive valuation
- Having strong fundamentals and management
- Competitive advantages, durable growth

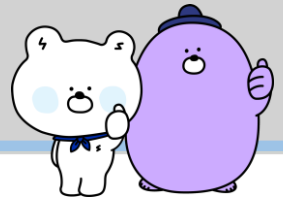
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Sources: SSV, Bloomberg
Data as of May 15th, 2023

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.

# Top Large Cap Value Stocks



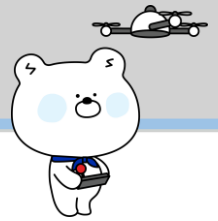
Shinhan Securities

| General information | | | | | Share price | | | | | Key financials (**) | | | | | Valuation (23F) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| No. | Ticker | Company Name | Sector | Mkt. Cap. (VND bn) | CP (VND) | TP* (VND) | Upside (%) | 1M (%) | YTD (%) | NPAT margin (%) | Dividend yield (%) | Debt to Equity | ROA (%) | ROE (%) | P/B (x) | P/E (x) |
| 1 | HPG | Hoa Phat Group | Steel | 127,925 | 22,000 | 26,100 | 18.6 | 6.5 | 22.2 | 6.0 | 2.0 | 0.6 | 0.4 | 0.7 | 1.2 | 14.3 |
| 2 | TCB | Techcombank | Banking | 104,814 | 29,800 | 34,700 | 16.4 | 3.1 | 15.3 | 46.6 | 0.0 | 1.8 | 2.9 | 17.8 | 0.9 | 5.3 |
| 3 | MBB | MB Bank | Banking | 85,239 | 18,800 | 27,600 | 46.8 | 2.7 | 9.9 | 31.4 | 0.0 | 1.2 | 2.5 | 24.8 | 1.0 | 4.3 |
| 4 | VCB | Vietcombank | Banking | 438,231 | 92,600 | 94,600 | 2.2 | 4.8 | 15.8 | 40.6 | 2.0 | 2.3 | 1.9 | 23.6 | 3.1 | 13.0 |
| 5 | GAS | Petro Vietnam Gas | Power | 176,849 | 92,400 | 111,000 | 20.1 | -5.8 | -9.0 | 14.7 | 3.0 | 0.1 | 17.4 | 25.0 | 2.9 | 16.3 |
| 6 | FPT | FPT Corporation | Technology | 90,003 | 81,500 | 91,700 | 12.5 | 2.4 | 6.0 | 12.1 | 2.0 | 0.5 | 10.5 | 26.6 | 3.7 | 14.9 |
| 7 | FRT | FPT Digital Retail | Retail | 7,487 | 63,200 | 76,800 | 21.5 | -2.8 | -8.4 | 1.3 | 1.0 | 2.6 | 2.2 | 11.5 | 4.0 | 34.3 |
| 8 | VNM | Vinamilk | F&B | 145,670 | 69,700 | 80,200 | 15.1 | -4.3 | -8.4 | 14.2 | 5.0 | 0.2 | 15.9 | 22.7 | 3.5 | 16.5 |
| 9 | GMD | Gemadept | Logistic | 15,099 | 50,100 | 61,500 | 22.8 | -6.9 | 10.4 | 25.5 | 0.0 | 0.3 | 8.4 | 13.8 | 2.0 | 12.1 |
| 10 | VHM | Vinhomes | Real estate | 227,298 | 52,200 | 73,800 | 41.4 | 4.4 | 8.7 | 46.2 | 3.0 | 0.2 | 11.8 | 25.3 | 1.5 | 7.1 |

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

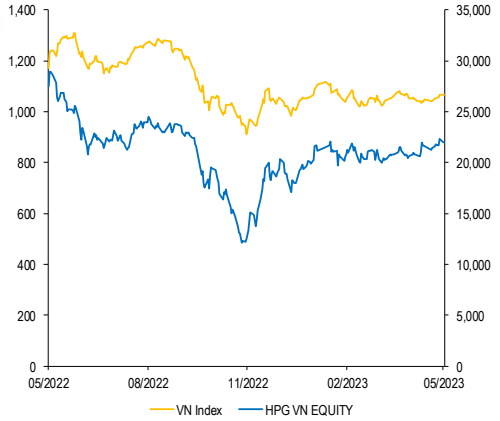
Source: SSV Research, Bloomberg
Data as of May 16th, 2023

# Hoa Phat Group JSC.
## (HPG VN)



| TARGET PRICE (VND) | |
|---|---|
| **26,100** | |
| CURRENT PRICE (VND) | UP/DOWNSIDE |
| 22,000 | **18.6%** |
| VNINDEX | **1,066** |
| Market P/E (x) | **10.4** |
| Market Cap. (bn VND) | **127,925** |
| Outstanding Shares (mn) | **5,815** |
| Free Floating Shares (mn) | **3,156** |
| Free Floating (%) | **54.3** |
| 52-Wk High (VND) | **29,769** |
| 52-Wk Low (VND) | **11,800** |
| 3M Avg. Trading Vol. (mn) | **21.18** |
| 3M Avg. T/O (bn VND) | **402** |
| Beta (12M) | **1.4** |

| | 3M | 6M | 12M |
|---|---|---|---|
| Absolute | **3.3** | **64.8** | **-21.2** |
| Rel. to VNINDEX | **2.6** | **51.7** | **-12.2** |




Source: Bloomberg

## Investment points

- Hoa Phat Group (HoSE: HPG) is the No. 1 steel production enterprise in Vietnam as well as Southeast Asia; Top 50 world largest steel companies; Operating in 4 main fields: cast iron, steel products, agriculture, and real estate. HPG holds the leading position in the domestic market in construction steel (33%) and steel pipe (27%). Export steel sales reached 15% of total revenue.

Business plan in 2023: In the context of difficult economy, weak demand and heavy financial expenses due to high interest rate, HPG targets revenue of VND 150,000 bn and NPAT of VND 8,000 bn. Besides, the poor 2022 business results and large investment costs for Dung Quat Iron and Steel Complex Phase 2 for the period of 2023-2024, HPG would not pay dividend for the year 2022 and 2023.

Q1.2023 business result: Despite HPG's net loss in 2M2023 due to low demand for construction materials, real estate market facing challenges and slow disbursement on public investment, business results of HPG has improved since March 2023. The Q1.2023 revenue and NPAT reached VND 26,865 bn (-39% YoY) and VND 383 bn (-95% YoY), respectively, for which steel production accounted the largest proportion (92% of revenue and 94% of NPAT).

- HPG has increased the selling price of construction steel 6 times since beginning of the year (+9.1% YTD). Regrading HRC, the selling price for the March shipment is USD 670/ton (+22% YTD). The increase in selling price was mainly due to high input costs (iron ore, coke, scrap steel). Thanks to its stockpiling inventory 6-7 months in advance at low COGS in the late 3rd quarter and early 4th quarter of 2022, HPG's profit margin is expected to improve markedly in the coming time.

- Hoa Phat has temporarily stopped the ore project in Australia; other real estate projects are also deployed slowly in quarter 2. HPG will fully focus on in Dung Quat 2 project and restart the 3 blast furnaces that have been suspended in 2022, restoring steel production output in Hai Duong and Dung Quat (depending on market demand and ensuring reasonable inventory).

Risks: (1) Steel prices decrease; (2) Coke prices increase; (3) World economic risk; (4) Real estate market risk.

| FY | 2019 | 2020 | 2021 | 2022 | 2023F |
|---|---|---|---|---|---|
| **Revenue (bn VND)** | 63,658 | 90,119 | 149,680 | 141,409 | 121,630 |
| **OP (bn VND)** | 9,743 | 17,123 | 37,664 | 13,078 | 12,304 |
| **OP margin (%)** | 15.3 | 19.0 | 25.2 | 9.2 | 10.1 |
| **NP (bn VND)** | 7,527 | 13,450 | 34,478 | 8,484 | 9,192 |
| **NP margin (%)** | 11.8 | 14.9 | 23.0 | 6.0 | 7.6 |
| **EPS (VND)** | 1,294 | 2,191 | 5,512 | 1,452 | 1,535 |
| **ROE (%)** | 17.1 | 23.9 | 42.8 | 9.0 | 9.3 |
| **P/E (x)** | 8.6 | 10.8 | 6.5 | 12.4 | 14.3 |
| **P/B (x)** | 1.4 | 2.3 | 2.3 | 1.1 | 1.2 |

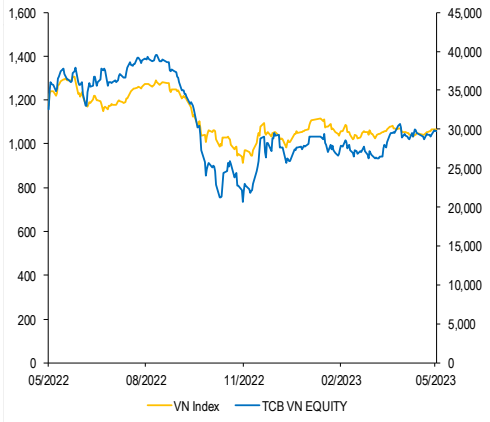
Source: Bloomberg, Shinhan Securities, Data as of 16/05/23

# Vietnam Tech. & Com. JS Bank - Techcombank



| TARGET PRICE (VND) | |
|---|---|
| **34,700** | |
| CURRENT PRICE (VND) | UP/DOWNSIDE |
| 29,800 | **16.4%** |
| VNINDEX | **1,066** |
| Market P/E (x) | **10.4** |
| Market Cap. (bn VND) | **104,814** |
| Outstanding Shares (mn) | **3,517** |
| Free Floating Shares (mn) | **2,714** |
| Free Floating (%) | **77.2** |
| 52-Wk High (VND) | **39,950** |
| 52-Wk Low (VND) | **19,300** |
| 3M Avg. Trading Vol. (mn) | **3.49** |
| 3M Avg. T/O (bn VND) | **97** |
| Beta (12M) | **1.2** |

| | 3M | 6M | 12M |
|---|---|---|---|
| Absolute | **6.8** | **34.8** | **-8.6** |
| Rel. to VNINDEX | **6.1** | **21.8** | **0.5** |




Source: Bloomberg

## Investment points

- Vietnam Technological and Commercial Joint Stock Bank (HoSE: TCB) is one of the largest retail banks with remarkable success in Vietnam. TCB focuses on investing in technology, building digital - data system with talented personnel program. The bank is leading in many critical indicators such as ROA, NPL. Techcombank aims to be in the top 10 best banks in ASEAN region, with a market capitalization of USD 20 billion, CASA at 55% by 2025.
- Techcombank has an outstanding asset quality in the industry with a thick capital buffer, low NPL, high LLR, and high return thanks to the low capital cost and the successfully approaching offshore loan. The bank can adjust its credit structure, together with its unique ecosystem helping TCB be able to change appropriately with the market context, generate strong and diverse source of non-interest income streams.

Business plan in 2023: (i) credit growth from 15% YoY (depending on the allocation of SBV); (ii) deposit growth in line with credit growth; (iii) NPL ratio is kept below 1.4%; (iv) target EBT to be VND 22,000 bn (+7.6% compared to 2022 actuals); (v) proposing to increase the foreign ownership from 22.4595% to 22.4860%.

- TCB's plan to participate in the private placement of TCBS shares has been moved to 2023 due to legal delays. If the transaction is completed as scheduled, TCBS will privately issue 105 million shares to TCB at the price of VND97,542/share (lock-up period: 1 year), increasing TCB's ownership in TCBS from 88.8% to 94.2%.

Q1.2023 business result: Non-interest income increased sharply, reaching VND 2,773 bn (+46.3% YoY). However, NII decreased by 19.5% YoY (recorded at VND6,527 bn), causing TCB's TOI in Q1.2023 to decrease by 7.1%, recorded at VND 9,300 bn. EBT reached VND 5,623 bn (-17.1% YoY), completing 25.6% of the plan in 2023.

- Due to the rise of global interest rates, tightening liquidity in the banking system, and negative sentiment on the real estate and bond markets, TCB's CASA ratio witnessed a decline from the record level of 50.5% at EY2021 to 37% EY2022, then standing at 32% as the end of Q1.2023.
- Asset quality remains at solid level: In Q1.2023, Techcombank attracted 424,000 new customers, of which 68% of customers came from digital platforms; bringing the total number of customers to 11.2 million. Credit growth at the end of Q1.2023 increased by 10.7% YTD. NPL improved to 0.85% (YE22: 0.91%). LLR and CAR remained high, reaching 134% and 15% respectively.

Risks: (1) Economic slowdown/recession; (2) Increase in bad debt; (3) Real estate credit risk; (4) Investment in corporate bonds.

| FY | 2019 | 2020 | 2021 | 2022 | 2023F |
|---|---|---|---|---|---|
| **Net interest income (bn VND)** | 14,262 | 18,751 | 26,699 | 30,290 | 36,842 |
| **Net non-interest income (bn VND)** | 6,807 | 8,627 | 10,377 | 10,612 | 11,899 |
| **TOI (bn VND)** | 21,069 | 27,379 | 37,076 | 40,902 | 48,741 |
| **TOI before provision (bn VND)** | 13,756 | 18,411 | 25,903 | 27,504 | 32,500 |
| **NPAT (bn VND)** | 10,226 | 12,582 | 18,415 | 20,150 | 24,280 |
| **EPS (VND)** | 2,871 | 3,515 | 5,137 | 5,725 | 6,904 |
| **ROE (%)** | 17.7 | 18.1 | 21.7 | 19.7 | 16.0 |
| **P/E (x)** | 8.2 | 9.0 | 9.7 | 4.5 | 5.3 |
| **P/B (x)** | 1.3 | 1.5 | 1.9 | 0.8 | 0.9 |

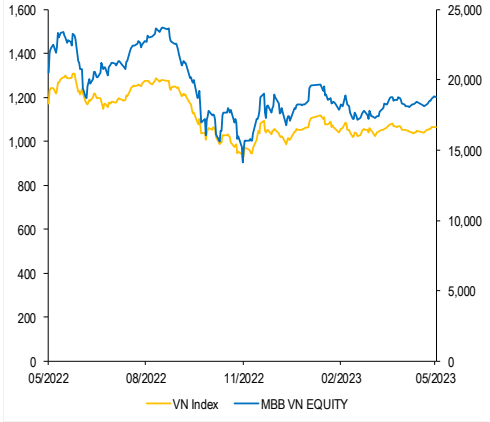
Source: Bloomberg, Shinhan Securities, Data as of 16/05/23

# Military Com. JS Bank – MB Bank (MBB VN)



| TARGET PRICE (VND) | |
|---|---|
| **27,600** | |
| CURRENT PRICE (VND) | UP/DOWNSIDE |
| 18,800 | **46.8%** |
| VNINDEX | **1,066** |
| Market P/E (x) | **10.4** |
| Market Cap. (bn VND) | **85,239** |
| Outstanding Shares (mn) | **4,534** |
| Free Floating Shares (mn) | **2,672** |
| Free Floating (%) | **58.9** |
| 52-Wk High (VND) | **23,950** |
| 52-Wk Low (VND) | **13,200** |
| 3M Avg. Trading Vol. (mn) | **7.91** |
| 3M Avg. T/O (bn VND) | **137** |
| Beta (12M) | **1.3** |

| | 3M | 6M | 12M |
|---|---|---|---|
| Absolute | **3.0** | **24.5** | **-8.3** |
| Rel. to VNINDEX | **2.3** | **11.5** | **0.8** |




Source: Bloomberg

## Investment points

- Military Commercial Joint Stock Bank (HoSE: MBB) has had many outstanding achievements recently, reflected in its asset quality, superior profitability, and high credit rating by international rating agencies; Top 4 commercial banks in terms of scale and profit in Vietnam.
- MBB has outstanding asset quality with low NPL ratio in the industry, but still maintains a high LLR ratio. In addition to the low cost of fund advantages, MBB has high profitability thanks to its diversification of loan portfolio, focusing on developing the retail lending segment to increase interest income as well as NIM enhancement. The establishment of a joint venture bank in Cambodia has also affirmed MBB's position.

Business plan in 2023: (i) credit growth of 15% YoY or more (depending on the allocation of SBV); (ii) dividend rate at 10-15%; (iii) Maximum NPL ratio to be at 2%; (iv) Target EBT to be VND 26,100 bn (+15% compared to 2022 actuals).

- Through the issuance of shares to pay dividends in 2022, private placement and the ESOP program in 2023, MBB plans to increase its charter capital by more than VND 8,340 bn, to VND 53,600 bn, in order to supplement working capital, technology investment, other business investments. The maximum foreign ownership ratio still remains at 23.2351% before and after the capital changes.
- Real estate lending is at low level, accounting for 7.8% of the lending outstanding and to be maintained at around 8%. MBB did not disclose the specific outstanding balance of Novaland (NVL), Hung Thinh and Trung Nam Group, but informed that these borrowers were still fulfilling their payoff obligations to the bank. Therefore, the bank expects to have no bad debts arising from these borrowers this year.

Q1.2023 business result: Although credit growth was only 4.5% in Q1.20023, thanks to the low cost of fund and harmonious capital structure, NII strongly grew 22% YoY to VND 10,227 bn. The CASA ratio reached 35.5% at the end of Q1.2023 (YE2022: 40.6%). However, non-interest income dropped sharply to VND 1,703 bn (-47.6% YoY), resulting in the slight increase of 2.6% YoY towards MBB's TOI in Q1.2023, recorded at VND 11,930 bn. EBT reached VND 6,512 bn (+10.2% YoY), completing 25% of the plan in 2023.

- NPL recorded at VND 8,453 bn (+68% YTD), accounting for 1.76% of total outstanding loans as of March 30, 2023 (YE2022: 1.09%). Bad debt at MB is at risk of increasing because the proportion of special mentioned loans group (debt group 2) has been increasing quickly, reaching VND 16,676 bn, 2.1 times compared to the balance at YE2022. LLR still remained high, reaching 138% (YE2022: 268%).
- Regarding Mcredit, MBB said Q1.2023 EBT reached VND 302 bn, setting this year's EBT target of VND 1,300 bn. MCredit is currently in the top 3 leading banks in terms of consumer finance lending market share with a CIR ratio in Q1.2023 at 23%, NPL below 6% (industry average: over 8%).

Risks: (1) Economic slowdown/recession; (2) Increase in bad debt; (3) Real estate credit risk; (4) Investment in corporate bonds.

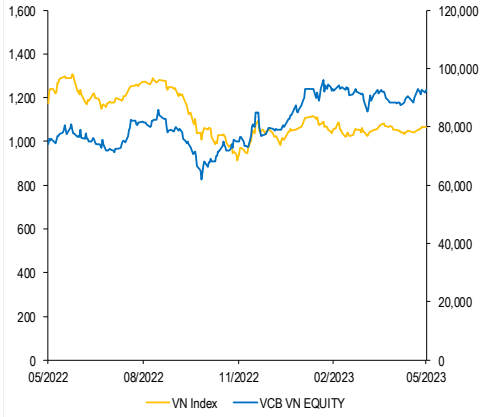
| FY | 2019 | 2020 | 2021 | 2022 | 2023F |
|---|---|---|---|---|---|
| **Net interest income (bn VND)** | 18,000 | 20,278 | 26,200 | 36,023 | 32,908 |
| **Net non-interest income (bn VND)** | 6,650 | 7,084 | 10,734 | 9,570 | 12,061 |
| **TOI (bn VND)** | 24,650 | 27,362 | 36,934 | 45,593 | 44,969 |
| **OP before provision (bn VND)** | 14,927 | 16,807 | 24,557 | 30,777 | 30,330 |
| **NPAT (bn VND)** | 8,069 | 8,606 | 13,221 | 18,155 | 17,958 |
| **EPS (VND)** | 2,758 | 2,776 | 3,133 | 3,856 | 3,961 |
| **ROE (%)** | 22.1 | 19.2 | 23.6 | 25.8 | 24.3 |
| **P/E (x)** | 5.8 | 7.7 | 8.6 | 4.4 | 4.3 |
| **P/B (x)** | 1.3 | 1.3 | 1.8 | 1.0 | 1.0 |

Source: Bloomberg, Shinhan Securities, Data as of 16/05/23

# Bank for Foreign Trade of Vietnam - Vietcombank

| TARGET PRICE (VND) | |
|---|---|
| **94,600** | |
| CURRENT PRICE (VND) | UP/DOWNSIDE |
| 92,600 | **2.2%** |
| VNINDEX | **1,066** |
| Market P/E (x) | **10.4** |
| Market Cap. (bn VND) | **438,231** |
| Outstanding Shares (mn) | **4,733** |
| Free Floating Shares (mn) | **1,192** |
| Free Floating (%) | **25.2** |
| 52-Wk High (VND) | **96,300** |
| 52-Wk Low (VND) | **62,000** |
| 3M Avg. Trading Vol. (mn) | **0.86** |
| 3M Avg. T/O (bn VND) | **65** |
| Beta (12M) | **0.9** |

| | 3M | 6M | 12M |
|---|---|---|---|
| Absolute | **0.2** | **23.3** | **24.8** |
| Rel. to VNINDEX | **-0.5** | **10.3** | **33.8** |




Source: Bloomberg

## Investment points

- Vietcombank (HoSE: VCB) is a state-owned bank having the highest market capitalization in the banking industry. VCB has maintained the advantage of being the most efficient bank in business, improved asset quality over the years, and constantly made efforts in the digital transformation. Furthermore, VCB has always oriented towards international standards during its operation, continuously being trusted by prestigious organizations in the world.
- The brand pretige gives state-owned banks like VCB many advantages in mobilizing. VCB has diversified funding sources, and a relatively low cost of capital, creating many potentials to improve NIM. Therefore, VCB is not under much pressure to mobilize capital in the context of deposit interest rates increase due to the influence of macro factors. VCB also has a very low proportion of investment in corporate bonds, only 0.6% of total assets at YE2022. Therefore, the direct impact of the corporate bond market on VCB's asset quality is not significant.

Business plan in 2023: (i) maximum credit growth of 14% YoY (depending on the allocation of SBV); (ii) total asset growth 9% YoY; (iii) max NPL to be 1.5%; (iv) target EBT to be VND 43,000 bn (+15% compared to 2022).

Updating on private placement: The 2023 AGM approved the plan to increase capital via stock dividends from the retained earnings of previous years. Morever, VCB plans to sell 6.5% of its charter capital to foreign investors, and is currently in the process of seeking a financial advisory organization. The issue price is expected not to be lower than the average closing price of nearest 10 trading sessions. The deal is expected to be completed in late 2023 or early 2024.

Q1.2023 business result: NII increased by 18.6% YoY, reaching VND 14,203 bn. However, non-interest income decreased slightly by 9.3% YoY due to a sharp decrease in income from service activities (-46.3% YoY), making VCB's TOI in Q1.2023 only increase by 10.7% YoY to 18,517 bn VND. EBT reached VND 11,221 bn (+12.8% YoY), completing 26.1% of the year plan.

- Thanks to its reputation, business characteristics and wide network, VCB has mobilized abundant capital from the SBV, credit institutions as well as large enterprises. As of March 30, 2023, VCB recorded a CASA rate of 30.4% (YE2022: 33.9%); capital mobilization growth reached 3.7%.
- Having solid balance sheet, VCB is one of four banks participating in supporting weak credit institutions, so VCB is likely to be granted a high credit growth limit from SBV. In 3M2023, VCB recorded credit growth of 2.5% compared to 2.1% growth of the industry.
- At the end of Q1.2023, the ratio of NPL and Group 2 debt to total outstanding loans of VCB increased slightly, reaching 0.8% and 0.6% respectively, among the lowest in the industry. LLR ratio continues to lead the industry, reaching 321% (YE2022: 317%). CASA ranked third in the market, just behind MBB (35.5%) and TCB (32%), recording 30.4%.

Risks: (1) Economic slowdown/recession; (2) Increase in bad debt; (3) Exchange rate risk.

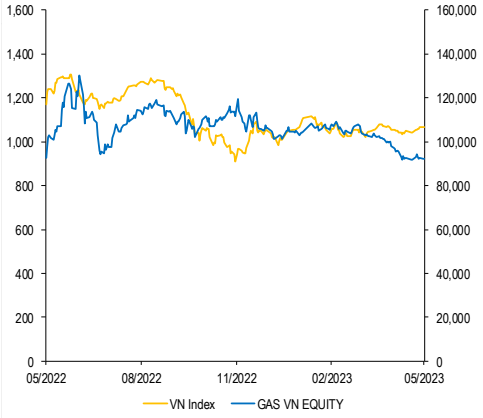
| FY | 2019 | 2020 | 2021 | 2022 | 2023F |
|---|---|---|---|---|---|
| **Net interest income (bn VND)** | 34,538 | 36,285 | 42,273 | 53,246 | 59,074 |
| **Net non-interest income (bn VND)** | 11,156 | 12,777 | 14,357 | 14,836 | 18,066 |
| **TOI (bn VND)** | 45,693 | 49,063 | 56,630 | 68,083 | 77,140 |
| **OP before provision (bn VND)** | 29,819 | 33,024 | 38,964 | 46,832 | 53,338 |
| **NPAT (bn VND)** | 18,597 | 18,473 | 22,017 | 29,919 | 34,741 |
| **EPS (VND)** | 4,406 | 3,387 | 4,162 | 5,821 | 7,341 |
| **ROE (%)** | 22.8 | 19.0 | 19.4 | 22.5 | 23.3 |
| **P/E (x)** | 20.5 | 21.9 | 18.9 | 13.7 | 13.0 |
| **P/B (x)** | 4.1 | 3.9 | 3.4 | 2.8 | 3.1 |

Source: Bloomberg, Shinhan Securities, Data as of 16/05/23

# PetroVietnam Gas JS. Corporation (GAS VN)



| TARGET PRICE (VND) | | | |
|---|---|---|---|
| **111,000** | | | |
| CURRENT PRICE (VND) | | | UP/DOWNSIDE |
| 92,400 | | | **20.1%** |
| VNINDEX | | | **1,066** |
| Market P/E (x) | | | **10.4** |
| Market Cap. (bn VND) | | | **176,849** |
| 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) | | | **24** |
| Beta (12M) | | | **0.9** |
| | 3M | 6M | 12M |
| Absolute | **-14.4** | **-21.0** | **-2.7** |
| Rel. to VNINDEX | **-15.1** | **-34.1** | **6.3** |




Source: Bloomberg

## Investment points

- Gas Corporation of Vietnam (HoSE: GAS) is the leading enterprise in the gas field in Vietnam, dominating 100% market share of dry gas, and more than 70% market share of liquefied petroleum gas (LPG). In addition, GAS also owns 1,500 km 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 which plays a critical role in the national power system according to power plan VIII. Currently, GAS là nhà nhập khẩu LNG (Liquefied Natural Gas) lớn nhất đồng thời là nhà cung cấp có thị phần lớn nhất tại Việt Nam.

In 2022, the accumulated net revenue and NPAT, respectively, reached the record of VND 100,724 bn (+28% YoY) and VND 15,062 bn (+70% YoY), completing 126% and 113% of 2022 plan. The rise of oil prices and enhancement of gas consumption are the main drivers of GAS's revenue. Besides, GAS is one of the listed enterprises having abundant cash and deposits, totaling more than VND 33,000 bn at EY2022.

Q1.2023 business result: Revenue was VND 21,215 bn (-20% YoY) and NPAT was VND 3,416 bn (-2% YoY). In 2023, GAS sets the target of input gas at 7.9 bn m3; 7.7 bn m3 of dry gas production and consumption; 1.76 mn tons of LPG produced and traded; 84 thousand tons of Condensate produced and processed. The revenue and NPAT target of 2023 are VND 76,441 billion and VND 6,395 billion, respectively (-24% and -58% compared to 2022 actuals).

Updating projects progress:

1. LNG Thi Vai (capacity of 1 million ton/year): completed construction of the entire warehouse, being renovated the Vung Tau - Thi Vai maritime channel, expected to be done in Q2.2023 to apply for the port opening license.
2. Thi Vai - Phu My LNG pipeline: having completed and installed, ready for Gas-in and test-run.
3. Thi Vai LPG storage tank: having completed, signed EPC contract, and to be implemented in January 2023.
4. Refrigerated LPG and LNG in the North: having completed the assessment o f the potential location of the project. In addition, GAS has also completed the study and evaluation of the pipeline option to supply Long An 1 & 2 thermal power plants, increasing the capacity o f the Phu My - H o 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 | 91,472 |
| **OP (bn VND)** | 13,649 | 8,694 | 10,374 | 17,799 | 13,025 |
| **OP margin (%)** | 18.2 | 13.6 | 13.1 | 17.7 | 14.2 |
| **NP (bn VND)** | 11,902 | 7,855 | 8,673 | 14,798 | 10,950 |
| **NP margin (%)** | 15.9 | 12.2 | 11.0 | 14.7 | 12.0 |
| **EPS (VND)** | 6,142 | 4,028 | 4,356 | 7,649 | 5,676 |
| **ROE (%)** | 25.1 | 15.9 | 16.8 | 26.4 | 18.0 |
| **P/E (x)** | 15.3 | 21.5 | 22.1 | 13.3 | 16.3 |
| **P/B (x)** | 3.7 | 3.4 | 3.6 | 3.2 | 2.9 |

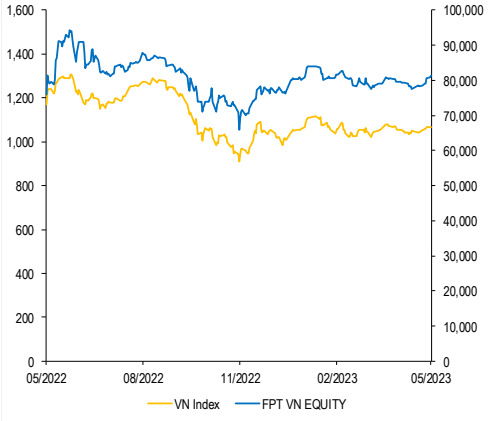
Source: Bloomberg, Shinhan Securities, Data as of 16/05/23

# FPT Corporation
## (FPT VN)



| TARGET PRICE (VND) | |
|---|---|
| **91,700** | |
| CURRENT PRICE (VND) | UP/DOWNSIDE |
| 81,500 | **12.5%** |
| VNINDEX | **1,066** |
| Market P/E (x) | **10.4** |
| Market Cap. (bn VND) | **90,003** |
| Outstanding Shares (mn) | **1,104** |
| Free Floating Shares (mn) | **932** |
| Free Floating (%) | **84.4** |
| 52-Wk High (VND) | **98,000** |
| 52-Wk Low (VND) | **61,300** |
| 3M Avg. Trading Vol. (mn) | **0.72** |
| 3M Avg. T/O (bn VND) | **51** |
| Beta (12M) | **0.8** |

| | 3M | 6M | 12M |
|---|---|---|---|
| Absolute | **-0.1** | **17.6** | **4.9** |
| Rel. to VNINDEX | **-0.8** | **4.6** | **14.0** |




Source: Bloomberg

## Investment points

- FPT Corporation (HoSE: FPT) is the leader in the technology sector, with core business fields having huge growth potential and strong financial health. FPT has been rapidly transforming into a global DX pioneer through self-developed B2B products applying the latest technologies such as Artificial Intelligence (AI), Robotic Process Automation (RPA), Blockchain, Cloud computing, and Internet of Things (IoT).
- Revenue generating mainly from three segments: Technology; Telecommunications; Education & Investment. With an almost complete value chain, FPT can participate extensively in product development, thereby creating a great advantage in bidding and winning large deals with value of over USD 5 million.

Business plan in 2023: Revenue and EBT reached VND 52,289 billion and VND 9,055 billion, respectively (+18.8% YoY and +18.2% compared to 2022 actuals). Particularly, the target revenue of technology segment is VND 31,150 bn (+20.9%), with new revenue stream reaching USD 1 bn (+39% YoY). FPT will continue to invest in developing core products such as Cloud, AI, Blockchain, etc. and higher value services (consulting, design) to expand profit margins. Notably, FPT's processing rate is currently only about 20%.

- Telecommunications: Target revenue to be VND 16,739 billion (+13.6 percent YoY). In this segment, FPT tries to promote pay TV services, B2B telecommunications to maintain double-digit growth.
- Education & Investment: target revenue of VND 4,400 billion (+25.1% YoY). FPT plans to continue to open new schools in Hai Phong, Bac Ninh, Bac Giang and Ha Nam. Education segment and newly established subsidiaries such as FPT Digital and FPT Smart Cloud will lead the revenue growth, but a decrease in profit from CTLKs (FRT and Synnex FPT) by YoY will slow down the growth rate of EBT.

Q1.2023 busniess result: Revenue reached VND 11,683 bn (+20.6% YoY), NPAT reached VND 1,809 billion (+17.6% YoY). The technology sector contributed 59% of the group's revenue, reaching VND 6,843 bn (+21.3% YoY). Specifically, revenue from foreign IT services increased by 32.2% YoY. In contrast, the domestic IT segment saw a decrease in revenue of 8% YoY due to difficulties in institutional clients, to reduce IT expenses.

- The telecommunications segment saw revenue growth decelerate QoQ as demand for direct advertising declined, recording an increase of 9.2% YoY. Revenue from Education segment increased sharply by 47% YoY.

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

| FY | 2019 | 2020 | 2021 | 2022 | 2023F |
|---|---|---|---|---|---|
| **Revenue (bn VND)** | 27,717 | 29,830 | 35,657 | 44,010 | 52,321 |
| **OP (bn VND)** | 4,147 | 4,605 | 5,415 | 6,795 | 8,393 |
| **OP margin (%)** | 15.0 | 15.4 | 15.2 | 15.4 | 16.0 |
| **NP (bn VND)** | 3,135 | 3,538 | 4,337 | 5,310 | 6,443 |
| **NP margin (%)** | 11.3 | 11.9 | 12.2 | 12.1 | 12.3 |
| **EPS (VND)** | 2,659 | 2,982 | 3,624 | 4,429 | 5,452 |
| **ROE (%)** | 21.6 | 21.7 | 23.4 | 24.9 | 27.3 |
| **P/E (x)** | 13.8 | 14.4 | 21.4 | 17.4 | 14.9 |
| **P/B (x)** | 2.8 | 2.9 | 4.7 | 4.0 | 3.7 |

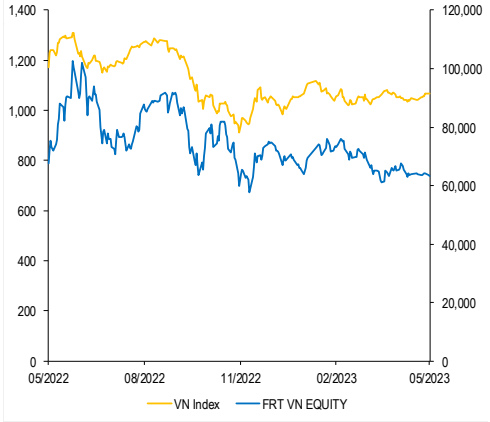
Source: Bloomberg, Shinhan Securities, Data as of 16/05/23

# FPT Digital Retail JSC.
## (FRT VN)



| TARGET PRICE (VND) | |
|---|---|
| **76,800** | |
| CURRENT PRICE (VND) | UP/DOWNSIDE |
| 63,200 | **21.5%** |
| VNINDEX | **1,066** |
| Market P/E (x) | **10.4** |
| Market Cap. (bn VND) | **7,487** |
| Outstanding Shares (mn) | **118** |
| Free Floating Shares (mn) | **60** |
| Free Floating (%) | **50.4** |
| 52-Wk High (VND) | **103,900** |
| 52-Wk Low (VND) | **55,700** |
| 3M Avg. Trading Vol. (mn) | **0.83** |
| 3M Avg. T/O (bn VND) | **57** |
| Beta (12M) | **1.2** |

| | 3M | 6M | 12M |
|---|---|---|---|
| Absolute | -13.8 | -1.1 | -6.7 |
| Rel. to VNINDEX | -14.5 | -14.1 | 2.4 |




Source: Bloomberg

## Investment points

- FPT Digital Retail JSC (HoSE: FRT) owns retail chains that sell ICT products, namely "FPT Shop", specializing in retail business of computers, laptops, mobile phones, software, etc., and "F.Studio by FPT", the first authorized retail distributor of Apple products in Vietnam. FPT Retail is ranked 2nd in the smartphone retail market and is No. 1 retailer in the laptop market in Vietnam.
- In 2018, FRT expanded into the pharmaceutical retail business with the Long Chau pharmacy chain, currently having 1,056 stores nationwide. FRT targets the goal of having 3,000 phamacy stores by 2026. In addition to the retail businesses with ICT and pharmaceutical products, FRT also sells household goods in the FPT Shop chain to improve profit margins.

Business plan in 2023: (i) Revenue to be VND 34,000 bn (+13% YoY), in which ICT chains and Long Chau, respectively, contribute VND 20,000 bn (-3% YoY) and VND 14,000 bn (+46% YoY); (ii) Due to the persistence in weak demand, plus the expectation that the retail industry will recover from Q4.2023, the target EBT in 2023 is expected to reach VND 240 bn (-51% compared to 2022 actuals); (iii) Expected cash dividends in 2023 to be maximum at 10%.

- In 2023, FRT will suspend the expansion of the FPT Shop chain in 2023, focusing on developing the Long Chau pharmacy chain, bringing the total number of pharmacies to 1,400 and setting an NPAT target of about VND 100 bn.

Q1.2023 busniess result: Consolidated revenue and EBT reached VND 7,753 billion (-0.4% YoY) and VND 2.1 billion (-99% YoY), respectively, completing 23% and 1% of the 2023 target.In 3M2023, FRT is affected by the pressure of reducing demand for ICT products. Fierce competition in the retail market has led to FRT constantly offering many discount and promotion to attract customers, especially Apple products. This caused the revenue of the ICT chain to decrease by 20% YoY, reaching VND 4,491 bn. End of Q1.2023, FPT Shop chain (including F.Studio chain) has 807 stores; In which, the number of FPT Shop stores integrated with household goods sales reached 424 stores (+144 YTD stores), aiming to increase this number to 600 stores by the end of 2023.

- In contrast, Long Chau chain's revenue grew strongly in 1Q2023, recording VND3,262 bn (+52% YoY), contributing 42% to FRT's total revenue. This is a factor that helps FPT Retail not to plummet in revenue. At the end of Q1.2023, FRT has 1,056 Long Chau pharmacies.
- In addition, FRT's leverage ratio improved at the end of Q1.2023, total debt decreased by 9% YTD. However, the pressure of interest expense increased sharply (+84.3% YoY) causing FRT to record a net loss from business activities. In summary, FRT recorded an NPAT of VND 2.1 bn, in which the profit of minority shareholders was VND 7.1 bn (+50% YoY) and recorded a loss of VND 5 bn in net profit of parent company (Q1.2022: VND 164.6 bn).

Risks: (1) High leverage; (2) Risk of rivalry among existing competitors; (3) Risk from the retail pharmacy segment.

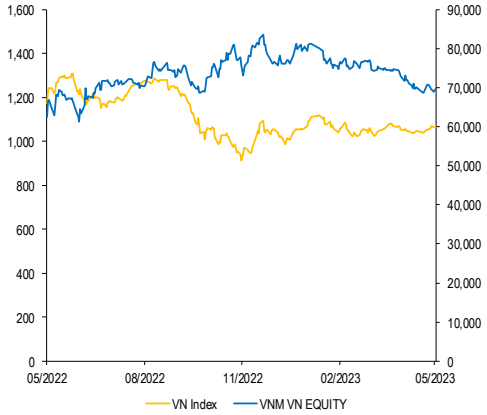
| FY | 2019 | 2020 | 2021 | 2022 | 2023F |
|---|---|---|---|---|---|
| **Revenue (bn VND)** | 16,634 | 14,661 | 22,495 | 30,166 | 32,072 |
| **OP (bn VND)** | 343 | 77 | 495 | 557 | 386 |
| **OP margin (%)** | 2.1 | 0.5 | 2.2 | 1.8 | 1.2 |
| **NP (bn VND)** | 213 | 25 | 444 | 390 | 226 |
| **NP margin (%)** | 1.3 | 0.2 | 2.0 | 1.3 | 0.7 |
| **EPS (VND)** | 1,741 | 177 | 3,745 | 3,295 | 1,843 |
| **ROE (%)** | 17.1 | 1.7 | 30.9 | 21.3 | 12.9 |
| **P/E (x)** | 8.1 | 120.3 | 17.8 | 20.9 | 34.3 |
| **P/B (x)** | 1.3 | 2.1 | 4.8 | 4.1 | 4.0 |

Source: Bloomberg, Shinhan Securities, Data as of 16/05/23

# Vietnam Dairy Products JSC.
## (VNM VN)



| TARGET PRICE (VND) | | | |
|---|---|---|---|
| **80,200** | | | |
| CURRENT PRICE (VND) | | | UP/DOWNSIDE |
| 69,700 | | | **15.1%** |
| VNINDEX | | | **1,066** |
| Market P/E (x) | | | **10.4** |
| Market Cap. (bn VND) | | | **145,670** |
| Outstanding Shares (mn) | | | **2,090** |
| Free Floating Shares (mn) | | | **735** |
| Free Floating (%) | | | **35.2** |
| 52-Wk High (VND) | | | **85,600** |
| 52-Wk Low (VND) | | | **64,500** |
| 3M Avg. Trading Vol. (mn) | | | **1.34** |
| 3M Avg. T/O (bn VND) | | | **90** |
| Beta (12M) | | | **0.6** |
| | 3M | 6M | 12M |
| Absolute | **-8.9** | **-6.4** | **5.9** |
| Rel. to VNINDEX | **-9.6** | **-19.5** | **15.0** |




Source: Bloomberg

## Investment points

- Vietnam Dairy Products JSC (Vinamilk) is the largest Vietnam dairy company with a diverse product portfolio, meeting the demand of various types of consumers, from prenatal to elderly, from standard to premium products, and from cow milk-based to plant-based dairy. Over 80% of Vinamilk's revenue has come from domestic market since 2007.

Business plan in 2023: Revenue and NPAT to be VND 63,000 bn and VND 8,622 bn, respectively (+5% and +1% compared to 2022 actuals). The 2023 target is based on (i) recovery in domestic & foreign demand in 2H2023; (ii) the company started using low-cost inventory materials from the end of Q1.2023, expecting GPM to be improved from Q2.2023; (iii) increasing the number of "Vietnam Dairy Dream" stores from 650 to 1,000 stores in the next 2 years.

- In 2022, the cash dividend payout ratio of VNM is approximately 94% (in 2021: ~76%) and expected to manintain the minimum dividend payout ratio of 50% for the year 2023.

Q1.2023 busniess result: The consolidated net revenue and NPAT reached VND 13,954 bn (-1.6% YoY) and VND 8,578 bn (-19.3% YoY), respectively, completing 94% and 88% of the full year plan.

- Domestic revenue made up 83% total revenue, recording VND 11,491 bn (-1.4% YoY) in the context of weak consumption due to the influence of macro factors. In contrast, total export and overseas revenues have been gradually recovering, contributing 17% to total revenue, recording VND 2,428 bn (+9.4% YoY). According to Vinamilk, in early 2023, the company has successfully signed many large export contracts with a total value up to USD 100 mn. Besides, the development of the joint venture Del Monte and Vinamilk in Philippines has positively contributed to the recovery of the export segment.

- The Lao-Jagro farm project has been put into operation in 2022. However, the progress of importing cows was slower than expected as Laos eased the Covid lock-down a while after Vietnam. Currently, the farm only has 1,000 milking cows (Phase 1: 8,000 cows in total). In 2023, VNM plans to import additional 7,000 cows, accelerating the productivity of 100 tons of fresh milk per day.

- Furthermore, in Q1.2023, Vinamilk and Vilico and Japan's Sojitz Corporation kicked off the Vinabeef beef production and processing project. The project is deployed on a total area of 75.6 hectares in Tam Dao, Vinh Phuc, with a total capital of USD 500 mn, expected to launch after 2 years of implementation.

Risks: (1) Losing key customers in oversea markets; (2) Increasing competition among peers in F&B industry; (3) Increase of raw milk input price.

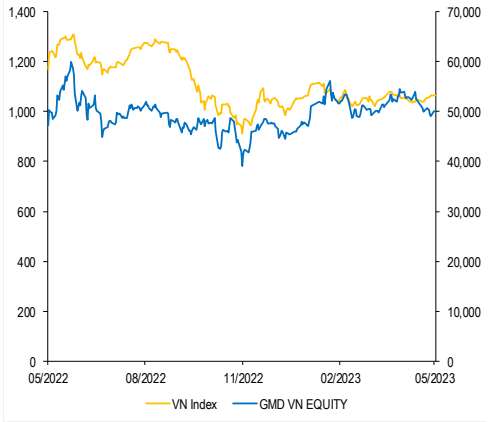
| FY | 2019 | 2020 | 2021 | 2022 | 2023F |
|---|---|---|---|---|---|
| **Revenue (bn VND)** | 56,318 | 59,636 | 60,919 | 59,956 | 63,015 |
| **OP (bn VND)** | 12,182 | 12,263 | 11,760 | 9,753 | 10,853 |
| **OP margin (%)** | 21.6 | 20.6 | 19.3 | 16.3 | 17.2 |
| **NP (bn VND)** | 10,581 | 11,099 | 10,532 | 8,516 | 9,360 |
| **NP margin (%)** | 18.8 | 18.6 | 17.3 | 14.2 | 14.9 |
| **EPS (VND)** | 4,565 | 4,770 | 4,517 | 3,632 | 4,234 |
| **ROE (%)** | 35.8 | 33.9 | 29.3 | 24.1 | 29.6 |
| **P/E (x)** | 21.3 | 22.8 | 19.1 | 21.0 | 16.5 |
| **P/B (x)** | 7.4 | 7.3 | 5.5 | 5.3 | 3.5 |

Source: Bloomberg, Shinhan Securities, Data as of 16/05/23

# Gemadept JS. Corporation (GMD VN)

| TARGET PRICE (VND) | |
|---|---|
| **61,500** | |
| CURRENT PRICE (VND) | UP/DOWNSIDE |
| 50,100 | **22.8%** |
| VNINDEX | **1,066** |
| Market P/E (x) | **10.4** |
| Market Cap. (bn VND) | **15,099** |
| Outstanding Shares (mn) | **301** |
| Free Floating Shares (mn) | **289** |
| Free Floating (%) | **96.0** |
| 52-Wk High (VND) | **62,200** |
| 52-Wk Low (VND) | **36,400** |
| 3M Avg. Trading Vol. (mn) | **0.62** |
| 3M Avg. T/O (bn VND) | **32** |
| Beta (12M) | **0.8** |

| | 3M | 6M | 12M |
|---|---|---|---|
| Absolute | -4.0 | 20.7 | 3.5 |
| Rel. to VNINDEX | -4.7 | 7.7 | 12.6 |




Source: Bloomberg

## Investment points

- Gemadept JSC (HoSE: GMD) is one of the leading logistic companies i n Vietnam, having modern and large-scale ports system, being located at critical economic positions. The main operating businesses: Port operation; logistic activities. Gemadept owns a total of 8 seaports, with an annual capacity of up to 5 million TEUs and 5 million tons of bulk cargo.
- Gemadept continues affirming its position by strongly investing in potential projects: Gemalink international port phase 2; Nam Dinh Vu port phase 2 and 3. These two projects are promised to double GMD's current capacity once finished. GMD also started to promote and focus on improving ESG factors and sustainable development from 2022.

Q1.2023 busniess result: In 4M2023, the total import-export turnover of Vietnam's goods is estimated at USD 210.79 bn (-13.6% YoY). The current gloomy macroeconomic situation and negative economic outlook have led to a decrease in export demand, negatively impacting port output. GMD's port operation revenue dropped 11% YoY, reported at VND 655 bn, accounting for 72.6% of total revenue. Conversely, revenue from logistics and office leasing activities increased strongly by 71.3% YoY, reaching VND 812 bn. As a result, the accumulated revenue reached VND 902 bn, up slightly by 2.5% YoY.

- In Q1.2023, GMD increased the price of seaport services, expecting to offset the decrease in output volume due to the decline of trade activities. Generally, the service prices increased by 10-20% YoY but remained below the ceiling price. However, the service price at Gemalink only increased by 5% as the port has reached the ceiling price applied to deep-water ports.
- Thanks to the decrease in the cost of port operations by 15.2% YoY, the total cost of goods sold decreased by 9.9% YoY. GPM enhanced from 44% YE2022 to 47.3% at the end of Q1.2023. Besides, the divestment at Nam Hai Dinh Vu is expected to be completed in 1H2023. GMD expects to realize a non-recurring income in Q2.2023, helping to reduce interest pressure on investments in Gemalink 2 and Nam Dinh Vu 3 projects.

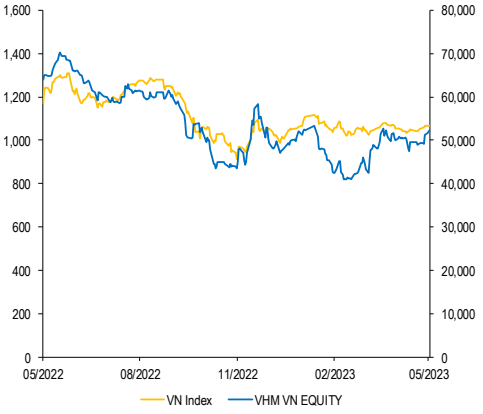
Risks: (1) World economic risk; (2) Risks related to rising oil prices; (3) Risks related to world shipping situation.

| FY | 2019 | 2020 | 2021 | 2022 | 2023F |
|---|---|---|---|---|---|
| **Revenue (bn VND)** | 2,643 | 2,606 | 3,206 | 3,898 | 3,930 |
| **OP (bn VND)** | 544 | 471 | 693 | 1,051 | 1,474 |
| **OP margin (%)** | 20.6 | 18.1 | 21.6 | 27.0 | 37.5 |
| **NP (bn VND)** | 517 | 371 | 612 | 994 | 1,308 |
| **NP margin (%)** | 19.6 | 14.2 | 19.1 | 25.5 | 33.3 |
| **EPS (VND)** | 1,602 | 1,149 | 1,869 | 3,034 | 4,149 |
| **ROE (%)** | 8.1 | 5.8 | 9.2 | 13.8 | 22.5 |
| **P/E (x)** | 14.5 | 28.4 | 25.3 | 15.0 | 12.1 |
| **P/B (x)** | 1.2 | 1.7 | 2.3 | 2.0 | 2.0 |

Source: Bloomberg, Shinhan Securities, Data as of 16/05/23

# Vinhomes JSC.
## (VHM VN)

| TARGET PRICE (VND) | | | |
|---|---|---|---|
| **73,800** | | | |
| CURRENT PRICE (VND) | | UP/DOWNSIDE | |
| 52,200 | | **41.4%** | |
| VNINDEX | | | **1,066** |
| Market P/E (x) | | | **10.4** |
| Market Cap. (bn VND) | | | **227,298** |
| Outstanding Shares (mn) | | | **4,354** |
| Free Floating Shares (mn) | | | **1,034** |
| Free Floating (%) | | | **23.7** |
| 52-Wk High (VND) | | | **70,500** |
| 52-Wk Low (VND) | | | **39,400** |
| 3M Avg. Trading Vol. (mn) | | | **2.02** |
| 3M Avg. T/O (bn VND) | | | **97** |
| Beta (12M) | | | **0.9** |
| | 3M | 6M | 12M |
| Absolute | **22.8** | **16.3** | **-20.7** |
| Rel. to VNINDEX | **22.1** | **3.2** | **-11.6** |




Source: Bloomberg

## Investment points

- Vinhomes JSC (HoSE: VHM) is the largest real estate investment, trading and management company in Vietnam. Main business fields: Invsting, developing and trading housing, offices, and related items. The revenue from the real estate business accounted for 86%. With a total area of more than 16,800 hectares, Vinhomes affirms its growth potential in the upcoming years
- Vinhomes's projects have top-class service quality, being located in prime locations, high urbanization rates and great potential for tourism development. Vinhomes is currently leading the market with a 27% market share of the residential real estate market.

Business plan in 2023: Revenue and NPAT to be VND 100,000 bn and VND 30,000 bn, respectively (+60% and +3% compared to 2022 actuals). In 2023, VHM will focus on promoting sales activities and continue handing over Ocean Park 2 and 3 projects, and at the same time opening and selling new Megacities.

- Besides, VHM started selling Golden Avenue project in Quang Ninh province from Q1.2023 (area of 116ha; total value of ~USD 800 mn). In addition, the Vinhomes Co Loa, Vu Yen projects are also ready for sale in 2023. Three Happy Home social housing projects in Hai Phong, Thanh Hoa and Quang Tri are also expected to open for sale in 2H2023.

Q1.2023 busniess result: Revenue reached VND 29,299 bn, 3.3 times higher than the amount YoY, mainly from the handover of 2,600 low-rise apartments at Ocean Park 2 project valued at VND 26,500 bn. GPM recorded 22.7%, down sharply from 43.3% in Q1.2022. The decrease was caused by the fact that most of the apartments handed over at Ocean Park 2 in Q1.2023 were in the form of BCC (business cooperation contract), whereby VHM shares profits with BCC partners when handing over. VHM expects 2H/2023 GPM be back to high level.

- In addition, financial income also increased by 195% YoY, recording VND 11,293.7 bn. Specifically, in the context of low retail demand, at the end of March, VinHomes transferred VHM's investment in 2 subsidiaries that own a part of projects Ocean Park 2, 3. VHM recorded a profit of VND 8,550 bn from this wholesale activity. VHM's Q1.2023 NPAT reached VND 11,923 bn (+152.3% YoY), helping to complete 29% and 40% of its 2023 revenue and NPAT target, respectively.
- VHM signed a syndicated loan agreement worth USD 445 mn (~VND 10,300 bn) in Q1.2023. The purpose of this debt source is to serve the general operation of the company. This syndicated loan includes a USD 200 mn greenshoe option, with tenor of 59 months, at an interest rate based on SOFR and plus +335 basis points.

Risks: (1) Risk of real estate industry cycle; (2) Risk of interest rate hike; (3) Risk of government tightening credit for real estate industry.

| FY | 2019 | 2020 | 2021 | 2022 | 2023F |
|---|---|---|---|---|---|
| **Revenue (bn VND)** | 51,627 | 71,547 | 84,986 | 62,393 | 90,755 |
| **OP (bn VND)** | 23,219 | 21,062 | 42,402 | 25,621 | 37,408 |
| **OP margin (%)** | 45.0 | 29.4 | 49.9 | 41.1 | 41.2 |
| **NP (bn VND)** | 21,747 | 27,351 | 38,825 | 28,831 | 31,177 |
| **NP margin (%)** | 42.1 | 38.2 | 45.7 | 46.2 | 34.4 |
| **EPS (VND)** | 5,002 | 6,396 | 9,015 | 6,621 | 7,325 |
| **ROE (%)** | 43.8 | 38.6 | 36.9 | 21.4 | 20.0 |
| **P/E (x)** | 13.0 | 10.8 | 9.1 | 7.2 | 7.1 |
| **P/B (x)** | 5.0 | 3.4 | 2.9 | 1.4 | 1.5 |

Source: Bloomberg, Shinhan Securities, Data as of 16/05/23

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# Appendix – Important Disclosure






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