SHINHAN SECURITIES



June 22th, 2023

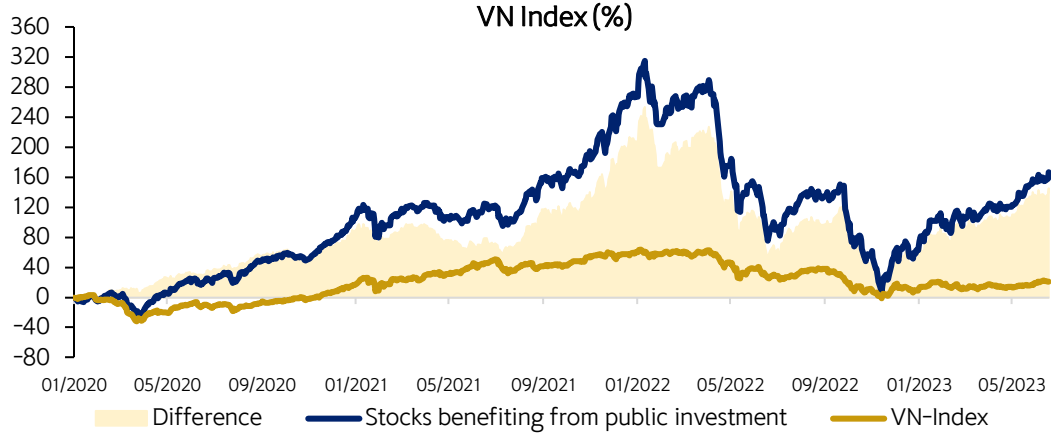
Stocks benefiting from public investment

Return of portfolio	Return of VN-Index
⬆+12.27% MoM	⬆ +4.51% MoM
⬆+64.09% YTD	⬆ +11.13% YTD

- The global economic situation has been unstable, with several banks going bankrupt in a short period of time. Inflation rates remain high while consumer demand for goods is weakening. Tight monetary policies implemented by central banks are expected to have a negative impact on the global economy. Additionally, the ongoing Russian-Ukrainian conflict poses a threat to the recovery of the global economy.
- The world economic downturn has also had an impact on the domestic market. In the first quarter of 2023, the GDP increased by 3.2% YoY, falling short of the 6.0% target set for the year. The General Statistics Office predicts that public investment will be a major driver of economic growth in the face of global weakness. A 1% increase in public investment capital is expected to contribute to a 0.06% increase in GDP. As a result, the National Assembly approved the public investment plan in 2023 with a total capital of over VND 700,000 billion, an increase of 25% YoY.
- To take advantage of this situation, SSV has launched a portfolio of stocks that are expected to benefit from public investment. The companies selected in the list are expected to benefit strongly from the state's infrastructure investment projects. These companies mainly belong to the building materials and construction sectors.

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 "Stocks benefiting from public investment" porfolio and VN Index (%)



Portfolio analysis

	Portfolio	VN-Index
P/E forward (x)	14.55	11.23
P/B forward (x)	1.06	1.67
Dividend yield (%)	2.02	1.85
EPS growth (5Y) (%)	57.05	13.55
ROE (%)	3.64	12.82
ROA (%)	1.10	2.03
Beta	1.71	1.00
Return (annualized) (%)	99.42	-2.89
Std (%)	46.65	21.00
Sharpe ratio	1.28	-0.29

Data as of June 21, 2023 Sources: SSV, Bloomberg

Strategy overview

The portfolio "Stocks benefiting from public investment" is created with stocks that directly join the government's infrastructure development. We select stocks in the portfolio with the following criteria:

- Operating in sectors that have benefited strongly from public investment.
- Having strong experience and expertise in the industry.
- Long-term growth potential.

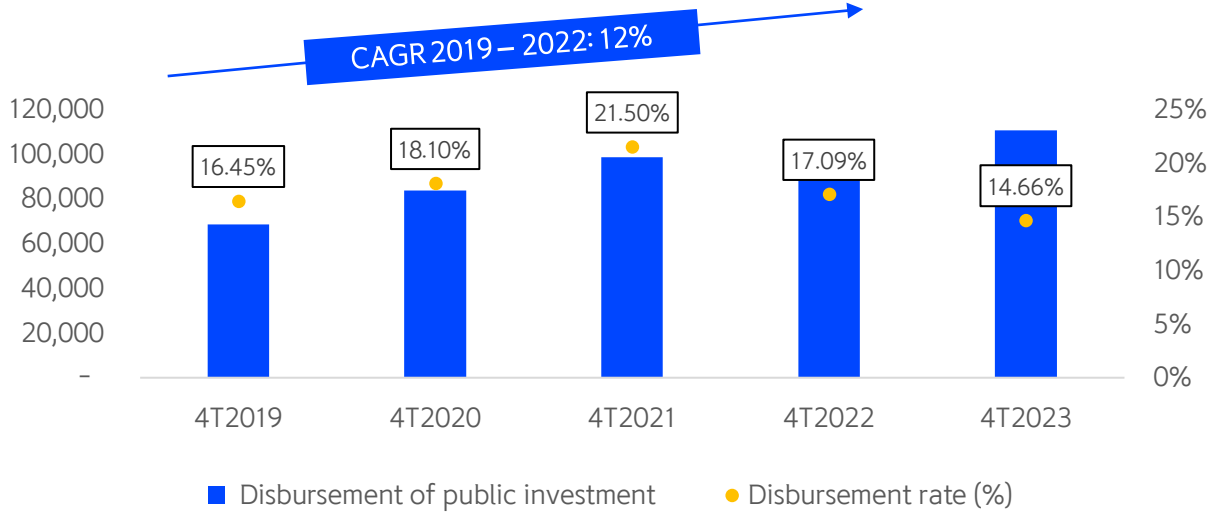
[Analyst]
Le Duc Tien
☎ (84-28) 6299-7751
✉ tien.ld@shinhan.com

Open account

Update on disbursement of public investment capital

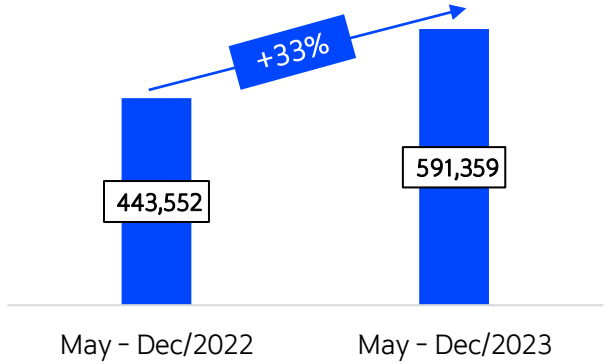
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Disbursement of public investment for the first 4 months from 2018 – 2023 (VND billion)



Source: Ministry of Finance, Shinhan Securities Vietnam

Estimated disbursement of public investment in the last 8 months of 2023 (billion VND)



Public investment is expected to accelerate in the last 8 months of the year

- According to the Ministry of Finance, the estimated public investment disbursement to April 30, 2023, was VND 110,633 billion (+16% YoY), disbursement rate reached 14.66% of the plan. Although the disbursement value increased, the disbursement rate was lower than 17.09% in the same period in 2022.
- According to the Ministry of Finance, the lower disbursement rate was because the ministries, central agencies, and localities focused on allocating capital to projects; completing investment procedures, and bidding to select construction contractors. As a result, the Government issued Directive No. 08/CT-TTg dated March 23, 2023, to provide solutions and tasks to accelerate the disbursement of public investment capital.
- After the bidding process in Q1/2023, the disbursement value of the public investment is expected to increase sharply in the last 8 months of 2023 when projects start construction. Besides, with the target of a 90% disbursement rate in 2023, we estimate that the disbursement value of the remaining 8 months will be at least VND 591,359 billion, up +33% compared to the last 8 months of 2022.

Outlook for public investment in 2023

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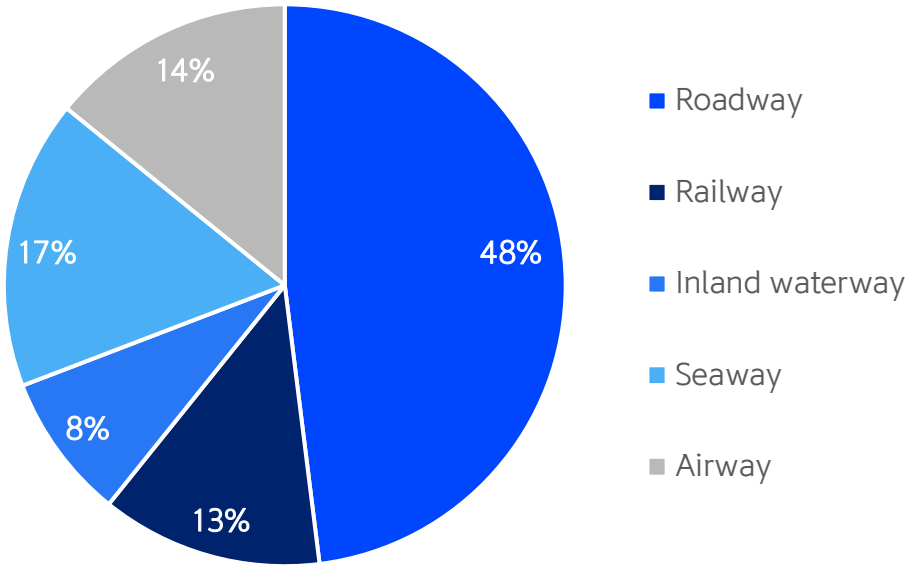
Factors supporting disbursement of public investment in 2023

- ❑ High capital demand: The needs of ministries, central and local agencies for public investment capital in 2023 is VND 792,487 billion
- ❑ The capital plan increases sharply: The National Assembly approved the public investment plan in 2023 with a total capital of over VND 700,000 billion, an increase of about 25% (about VND 140,000 billion) compared to the plan in 2022.
- ❑ Extended capital in 2022: According to MOF, the cumulative disbursement in 11 months of 2022 reached 52.43% of the plan, so there will be a large amount of capital that will be transferred to 2023.
- ❑ Economic recovery package in 2022 - 2023: It is estimated that the economic recovery package in 2022 - 2023 will reach nearly VND 350,000 billion. However, accumulated in the first 8 months of 2022, only 55,500 billion VND has been disbursed.
- ❑ The low price of construction materials contributes to promoting the implementation of construction infrastructure investment projects, thereby accelerating the disbursement of public investment.
- ❑ Pressure from a 90% disbursement rate, according to the newly issued regulations: localities that do not meet the target are considered to have not completed their tasks. Local officials will be considered for dismissal if they do not complete their tasks for 2 consecutive years as prescribed in Decision No. 41-QD/TW dated November 3, 2021.



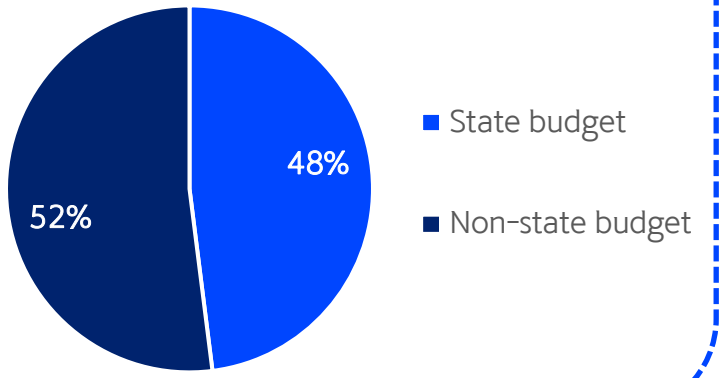
Investment plan for infrastructure from 2020 - 2030

Investment capital structure by infrastructure (%)



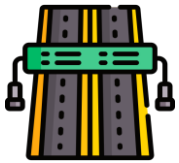
Source: Ministry of Transport, Shinhan Securities Vietnam

Total capital: 1.87 million billion VND



Government infrastructure development plan to 2030

Current infrastructure in 2022



National highway: Total length 24,321 km/ 125 routes
Highway length: 1,163 km



Total design capacity: 706,13 million tons/year



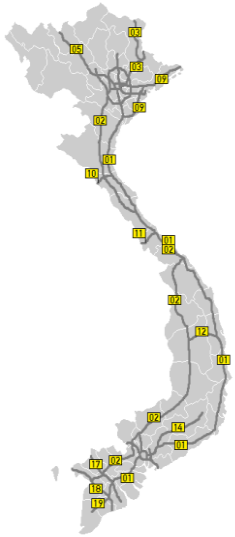
Railway systems: 7 routes passing through 34 provinces
Total length of 3,143 km



Airport systems: Have 22 airports including 9 international airports and 13 domestic airports.

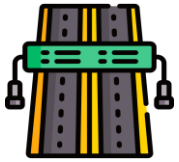


Inland waterway systems: 292 Inland waterway ports, 21 routes
Total tonnage: 19.6 million tons/year



Government's master plan 2020 – 2030

Government's plan to 2030



National highway: Total length reach 30,000 km/174 routes
Highway length: 5,000 km



The seaport capacity: Able to handle goods from 1,140 to 1,423 million tons



Railway systems: Build 9 new railway lines with a total length of 2,362 km



Airport systems: Have 28 airports including 14 international airports and 14 domestic airports.



Inland waterway systems: Invest and upgrade 19 routes

Key projects in the period of 2022 - 2025

Name of project	Period	Total investment (billion VND)
North - South Expressway Phase 1	2017 – 2024	118,716
North - South Expressway Phase 2	2023 – 2025	146,990
Long Thanh airport phase 1	2020 – 2025	114,451
Ring Road 3 (Ho Chi Minh)	2022 – 2026	75,378
Ring Road 4 (Hanoi)	2022 – 2026	85,813

Source: Ministry of Transport, Shinhan Securities Vietnam

Update status of key projects

North-South Expressway Phase 1

Project information					Contracts value of companies on the stock exchange (VND billion)			
	Length (km)	Investment value (billion VND)	Progress	Completion time	VCG	LCG	HHV	C4G
Cao Bo - Mai Son	15	1,612	100%	01/2022				
Mai Son - Highway 45	63	14,703	100%	04/2023	1,573		672	
Highway 45 - Nghi Son	43	7,769	65%	08/2023	560	350		
Nghi Son - Dien Chau	50	8,648	72%	07/2023			302	455
Dien Chau - Bai Vot Beach	50	13,596	32%	05/2024	886			1,673
Cam Lo - La Son	102	7,900	100%	01/2022				
Nha Trang - Cam Lam	29	5,131	71%	09/2023				
Cam Lam - Vinh Hao	91	15,013	47%	03/2024			1,939	
Vinh Hao - Phan Thiet	106	19,648	100%	04/2023	2,289			
Phan Thiet - Dau Giay	98	19,571	100%	04/2023	1,725			859
My Thuan 2 Bridge and the road at both ends of the bridge	7	5,125	77%	12/2023				
Total value	**654**	**118,716**			**7,033**	**350**	**2,913**	**2,987**

Source: Ministry of Transport, Shinhan Securities Vietnam

Progress of North-South Expressway Project Phase 1

- Currently, 5/11 highway projects have been completed, and 4 more projects are expected to be completed by the end of 2023. According to the plan of the Ministry of Transport, two highway projects Dien Chau - Bai Vot and Cam Lam - Vinh Hao are expected to be completed in May and March 2024, respectively.

Update status of key projects

North-South Expressway Phase 2

Project information				Contracts value of companies on the stock exchange (VND billion)			
	Length (km)	Investment value (billion VND)	Construction plan	VCG	LCG	HHV	C4G
Bai Vot - Ham Nghi	36	7,403	2023 - 2025	6,044			
Ham Nghi - Vung Ang	54	10,185	2023 - 2025				
Vung Ang - Bung	58	11,785	2023 - 2025	5,300	5,400		
Bung - Van Ninh	51	10,526	2023 - 2025				3,939
Van Ninh - Cam Lo	68	10,591	2023 - 2025				
Quang Ngai - Hoai Nhon	88	20,898	2023 - 2025			14,700	
Hoai Nhon - Quy Nhon	69	12,544	2023 - 2025				
Quy Nhon - Chi Thanh	62	12,298	2023 - 2025	3,055			
Chi Thanh - Van Phong	51	10,601	2023 - 2025			4,393	
Van Phong - Nha Trang	83	12,906	2023 - 2025		5,365		
Can Tho - Hau Giang	37	9,768	2023 - 2025				
Hau Giang - Ca Mau	72	17,485	2023 - 2025				7,256
Total value	**729**	**146,990**		**14,399**	**10,765**	**19,093**	**11,195**

Source: Ministry of Transport, Shinhan Securities Vietnam

Progress of North-South Expressway Project Phase 2

- 12 highway projects were started simultaneously on January 1, 2023, expected to be completed in 2025 and put into operation from 2026. Localities have cleared more than 583km/729km to prepare for construction, reaching nearly 81% of the total area.

Ring Road 3 and Ring Road 4 projects



Progress of Ring Road 3 (Ho Chi Minh)

- The Ring Road 3 project in Ho Chi Minh City has a total length of about 76.34 km, passing through Ho Chi Minh City and 3 provinces (Dong Nai, Binh Duong, Long An); divided into 8 independent component projects. The total investment of the project is up to 75,378 billion VND.
- Ring Road 3 Ho Chi Minh City is currently clearing to prepare for the construction. From April 2023 to the end of June 2023, the project will organize bidding to select construction contractors, and consultants to initiate the Ring 3 project in Ho Chi Minh City.



Progress of Ring Road 4 (Hanoi)

- The Ring Road 4 Hanoi project is about 112.8 km long, divided into 7 component projects. The project was invested in and implemented in 2022. The project is expected to be completed in 2026. The total investment of the project is 85,813 billion VND, of which the state budget in the period 2021 - 2025 is 41,860 billion VND, and the period 2026 - 2030 is 14,506 billion VND.
- The Ring Road 4 in Ho Chi Minh City has now cleared 70% of the construction area and is ready to be started construction in June 2023. Currently, the project management board is conducting bidding to select construction contractors.

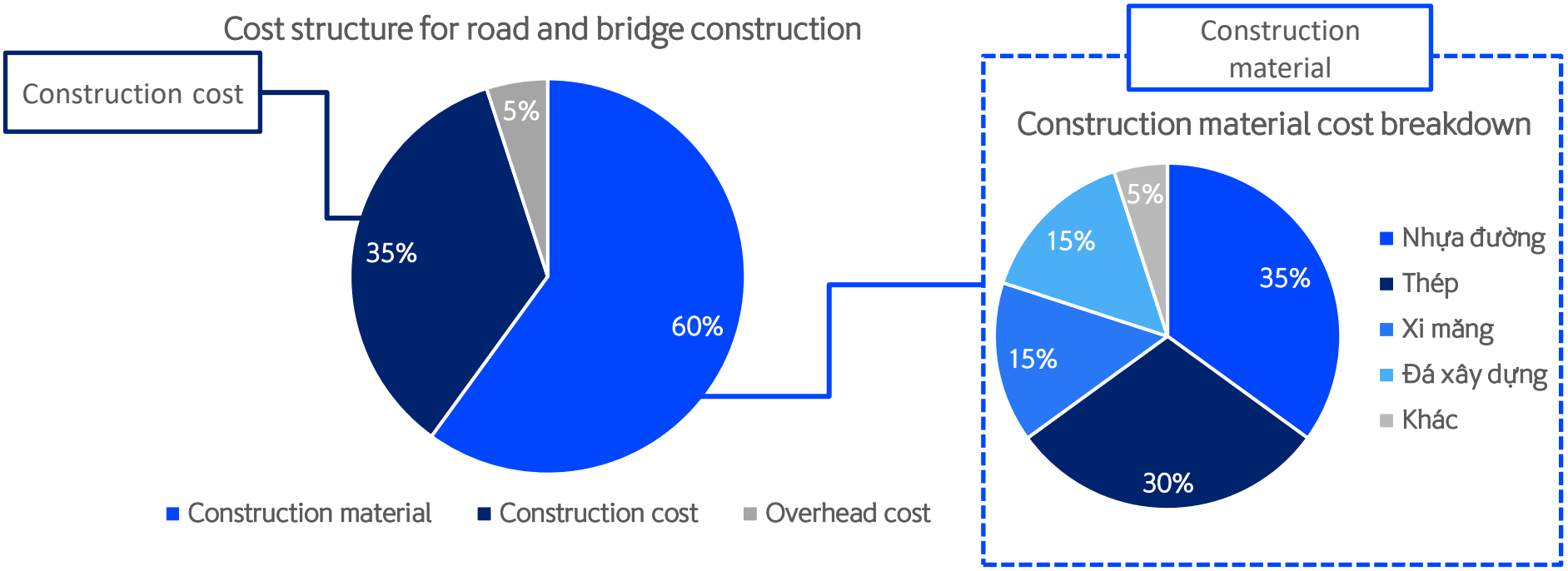
Long Thanh Airport project



Progress of Long Thanh Airport project

- Long Thanh International Airport is an international airport built in Long Thanh district, Dong Nai province (about 40 km east of Ho Chi Minh City). The airport is expected to have a capacity of up to 100 million passengers per year when all three phases are completed. Long Thanh Airport is expected to be the largest airport in Vietnam in the future. The Long Thanh Airport project is implemented in 3 main phases: 2019 – 2025, 2025 – 2035, and after 2035.
- The total investment for all 3 phases of the project is VND 336,600 billion. In which, phase 1 will invest in a runway and a passenger terminal along with synchronous auxiliary items with a capacity of 25 million passengers and 1.2 million tons of cargo per year. The total investment of phase 1 is 114,451 billion VND (equivalent to 5.45 billion USD). It is expected that by 2025, phase 1 will be completed and put into operation.
- The Long Thanh Airport project phase 1 is currently being divided into 4 components, in which the main and largest package of the project (the passenger terminal with a total investment of more than 35,000 billion VND) has yet to choose a contractor. The bid closing time is expected to last until June 12. Leading construction companies in Vietnam such as CTD, and VCG will be potential units in the construction of this package.

Sectors directly benefiting from public investment



Nguồn: Chứng khoán Shinhan Việt Nam

Sectors directly benefiting from public investment:

- These are sectors that directly benefit from the construction of infrastructure. This mainly includes companies providing construction materials, and companies directly executing construction infrastructure projects.

Stocks benefiting from public investment

Shinhan Securities

General information				Share price			Key financial ratios (**)				Growth rate Q1/2023		Valuation 23F	
No.	Ticker	Sector	Mkt cap (billion VND)	Market price (VND)	Target price* (VND)	Upside (%)	GPM (%)	D/E (x)	ROA (%)	ROE(%)	Revenue (% YoY)	EPS (% YoY)	P/B (x)	P/E (x)
1	PLC	Construction material	3,062	37,900	40,000	6%	13	1.48	2.62	9.83	-6	-18	2.1	14.1
2	HPG	Construction material	143,043	24,600	24,300	-1%	7	0.63	0.36	0.68	-40	-95	1.1	12.2
3	VCG	Construction	11,384	21,300	23,000	8%	14	1.42	0.45	1.44	47	-98	0.9	11
4	CTD	Construction	5,098	67,600	60,000	-11%	3	0.14	0.07	0.17	64	-25	0.6	13.5
5	LCG	Construction	2,684	14,000	14,000	0%	11	0.17	2.94	5.95	34	-80	0.9	15.3
6	FCN	Construction	2,606	16,550	16,000	-3%	12	0.87	0.51	1.14	21		0.8	25.3
7	HHV	Construction	4,924	14,950	16,000	7%	47	2.43	0.79	3.44	25	4	0.5	11.7
8	C4G	Construction	4,618	13,700	15,000	9%	14	1.40	2.01	6.83	8	27	1.54	13.3

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

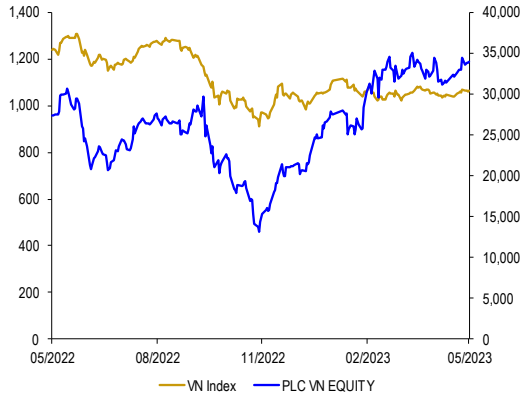
Source: SSV Research, Bloomberg
Data as of 21/06/2023

Petrolimex Petrochemical Corporation JSC

(PLC VN)

TARGET PRICE (VND)	
40,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
37,900	6%
VNINDEX	1,118
Market P/E (x)	10.4
Market Cap. (bn VND)	3,062
Outstanding Shares (mn)	81
Free Floating Shares (mn)	16
Free Floating (%)	20
52-Wk High (VND)	35,600
52-Wk Low (VND)	12,600
3M Avg. Trading Vol. (mn)	0.7
3M Avg. T/O (bn VND)	24
Beta (12M)	1.6

	3M	6M	12M
Absolute	12.6	109.3	11.9
Rel. to VNINDEX	12.3	99.6	26.2



Investment catalysts & Theses

- Petrolimex Petrochemical Corporation (HNX: PLC) was established on June 9, 1994, under Vietnam Construction Corporation. In 2003, the company was equitized and a member company of Vietnam National Petroleum Corporation. PLC operates in three areas: asphalt, grease and chemicals. In which, the asphalt segment contributes about 48% of revenue and about 40% of the profit.
- PLC holds the largest asphalt market share in the country with about 30% market share, besides PLC also holds about 30% market share in Laos and holds the majority market share in Thailand. PLC has the largest asphalt production capacity in the country with 7 factories in all three regions. The total annual asphalt production capacity of PLC is 400,000 tons, double that of current competitors.
- PLC sets a target for 2023 with revenue reaching VND 8,903 billion (+3.5% YoY), and pre-tax profit reaching VND 200 billion (+8.6% YoY). PLC expects the output of all three sectors to reach 447,900 tons, up 5% year-on-year.
- Regarding business results in Q1/2023, PLC achieved VND 1,968 billion in revenue (-6% YoY), and the after-tax profit of the company reached VND 33 billion (-19.5% YoY). According to the company, the first quarter business results have not been fully reflected due to the impact of the Tet holiday and the asphalt segment depends on the construction period of road projects.
- The promotion disbursement of public investment will boost investment in road infrastructure. Projects such as the North-South expressway, Ring Road 3, Ring Road 4, and Long Thanh Airport will boost the demand for asphalt. PLC is expected to strongly benefit due to owning factories, which are close to the construction site of the mentioned projects. With the majority of company shares owned by the state and having experience in implementing state projects, PLC has a high probability of receiving the asphalt supply bidding packages.

Risks:

(1) Risk of the slow progress of public investment projects;

(2) The increase in petrol prices affects input costs.

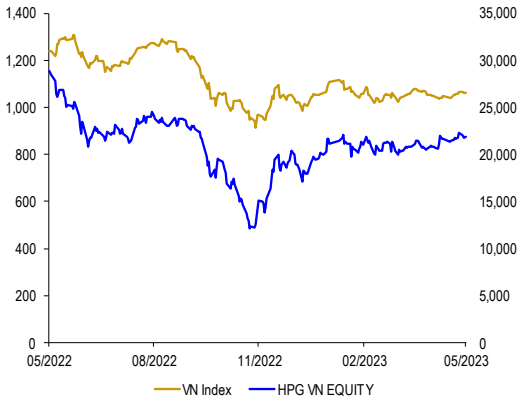
FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	6,160	5,608	6,868	8,601	8,882
OP (bn VND)	267	219	205	338	444
OP margin (%)	4.3	3.9	3.0	3.9	5.0
NPATMI (bn VND)	145	148	174	117	223
NP margin (%)	2.4	2.6	2.5	1.4	2.5
EPS (VND)	1,599	1,715	1,960	1,173	2,760
ROE (%)	9.8	10.7	12.0	7.3	17.3
P/E (x)	7.1	16.9	21.1	19.2	13.2
P/B (x)	0.7	1.9	2.4	1.5	2.3

Source: Bloomberg, Shinhan Securities, Data as of 21/06/2023

Hoa Phat Group JSC
(HPG VN)

TARGET PRICE (VND)	
24,300	
CURRENT PRICE (VND)	UP/DOWNSIDE
24,600	-1.0%
VNINDEX	1,118
Market P/E (x)	10.4
Market Cap. (bn VND)	143,043
Outstanding Shares (mn)	5,815
Free Floating Shares (mn)	3,156
Free Floating (%)	54
52-Wk High (VND)	29,769
52-Wk Low (VND)	11,800
3M Avg. Trading Vol. (mn)	21.3
3M Avg. T/O (bn VND)	403
Beta (12M)	1.4

	3M	6M	12M
Absolute	4.3	45.0	-25.5
Rel. to VNINDEX	3.9	35.4	-11.1



Investment catalysts & Theses

- Hoa Phat Group Joint Stock Company (HoSE: HPC) is a leading steel corporation in Vietnam, established in August 1992 with the beginning as a construction machinery trading company then expanding into other fields such as furniture, steel pipes, construction steel, refrigeration, real estate and agriculture.
- Hoa Phat's core business is steel, contributing over 90% of the group's revenue and profit. Hoa Phat's main steel products include construction steel, hot-rolled steel coil - HRC, billet, steel pipe, and galvanized sheet, of which construction steel currently contributes 59% of the total steel consumption. Hoa Phat holds the largest market share in construction steel (with 35%) and steel pipe (with 29%).
- In 2023, Hoa Phat sets a target with a slightly increasing revenue to VND 150,000 billion (+ 6% YoY), and profit after tax of VND 8,000 billion (-5.7% YoY) due to the influence of steel prices and low consumption demand.
- In Q1/2023, HPG recorded revenue of VND 26,865 (-39% YoY) and profit after tax of VND 383 billion (-95% YoY). The company gained profit again after consecutive losses in the two previous quarters. Thanks to the increase in steel prices, the gross profit margin of HPG improved.
- With the negative situation of the real estate market, the steel industry is being affected in 2023 due to the decline in demand for construction steel. However, we believe that the impact will be mitigated thanks to the strong public investment prospect, which will contribute to the demand for Hoa Phat's construction steel segment.
- Moreover, China's economic reopening and real estate industry recovery efforts of the government will strengthen the demand of the steel industry helping to improve steel prices and steel consumption.

Risks:

(1) Risk of economic recession affecting steel demand;

(2) The risk of falling steel prices.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	63,658	90,119	149,680	141,409	130,282
OP (bn VND)	9,743	17,123	37,664	13,078	11,142
OP margin (%)	15.3	19.0	25.2	9.2	9.3
NPATMI (bn VND)	7,527	13,450	34,478	8,484	9,666
NP margin (%)	11.8	14.9	23.0	6.0	7.6
EPS (VND)	1,294	2,191	5,512	1,452	1,678
ROE (%)	17.1	23.9	42.8	9.0	9.4
P/E (x)	8.6	10.8	6.5	12.4	12.2
P/B (x)	1.4	2.3	2.3	1.3	1.1

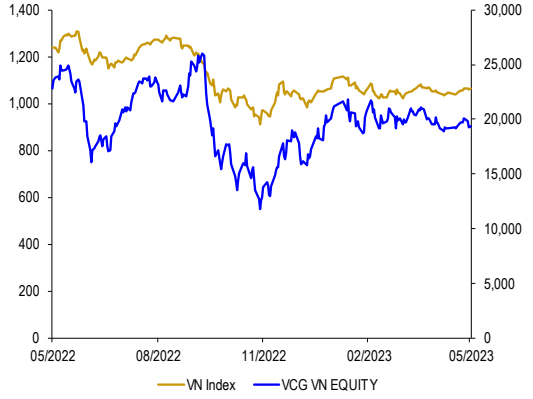
Source: Bloomberg, Shinhan Securities, Data as of 21/06/2023

Vietnam Construction And Import-Export JSC

(VCG VN)

TARGET PRICE (VND)	
23,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
21,300	8%
VNINDEX	1,118
Market P/E (x)	10.4
Market Cap. (bn VND)	11,384
Outstanding Shares (mn)	486
Free Floating Shares (mn)	231
Free Floating (%)	48
52-Wk High (VND)	26,650
52-Wk Low (VND)	11,000
3M Avg. Trading Vol. (mn)	7.5
3M Avg. T/O (bn VND)	144
Beta (12M)	1.4

	3M	6M	12M
Absolute	-7.2	40.2	-19.1
Rel. to VNINDEX	-7.5	30.6	-4.7



Investment catalysts & Theses

- Vietnam Construction And Import-Export Corporation (HoSE: VCG) was established on September 27, 1988. Vinaconex's main business lines include construction accounting for about 72% and the real estate segment accounting for about 14% of total revenue. Vinaconex was voted as the top 4 prestigious construction contractors in 2022, according to Vietnam Report.
- Vinaconex targets consolidated revenue in 2023 to reach VND 16,340 billion (+93%), and consolidated profit after tax to reach VND 860 billion (-7.6%). This is explained by the difficult economic situation that deteriorates profit margin.
- VCG's net sales reached VND 1,965 billion in Q1/2023 (+47.4%). In which, construction activities increased by 54% YoY. The company's gross profit of Q1/2023 also doubled the same period in 2022. VCG's profit after tax dropped sharply to VND 38 billion (-95% YoY) in Q1/2023, because in Q1/2022, the company had a non-recurring financial revenue of more than VND 600 billion from the merger of subsidiaries.
- In 2022, the total contract value of Vinaconex reached over VND 11,000 billion, contributing to the large backlog for 2023. In Q1/2023, the company also gained contracts from North-South Expressway phase 2, with a total value reaching more than VND 14,000 billion. Other prominent projects that have been signed include the Industrial zone infrastructure in Hung Yen province; the Vung Ang 2 Thermal Power Plant project, and component projects of Long Thanh Airport, Cam Ranh International Airport, and Noi Bai International Airport.
- The company also plans to complete real estate projects in major cities and hand over them in 2023, which will contribute revenue for the company in 2023.

Risks:

(1) The risk of slow implementation of public investment projects;

(2) Fluctuations in the price of construction materials;

(3) High-interest expense;

(4) The economic downturn affects the real estate segment.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	9,502	5,551	5,749	8,453	16,483
OP (bn VND)	786	-731	655	637	1,054
OP margin (%)	8.3	-13.2	11.4	7.5	6.4
NPATMI (bn VND)	684	1,605	394	782	768
NP margin (%)	7.2	28.9	6.9	9.3	4.7
EPS (VND)	1,219	2,938	793	809	1,581
ROE (%)	9.6	23.4	5.9	11.6	16
P/E (x)	18.4	13.1	59.3	10.7	12
P/B (x)	1.7	2.9	3.4	1.2	0.9

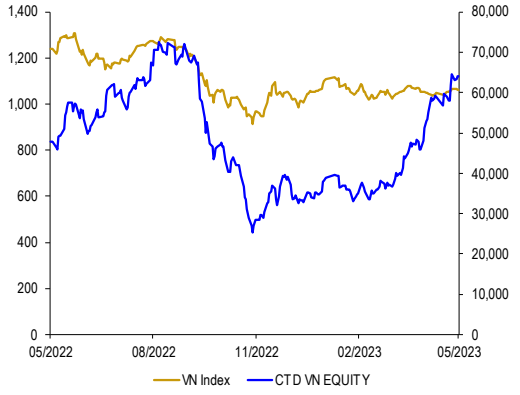
Source: Bloomberg, Shinhan Securities, Data as of 21/06/2023

Coteccons Construction JSC

(CTD VN)

TARGET PRICE (VND)	
60,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
67,600	-11%
VNINDEX	1,118
Market P/E (x)	10.4
Market Cap. (bn VND)	5,098
Outstanding Shares (mn)	74
Free Floating Shares (mn)	49
Free Floating (%)	66
52-Wk High (VND)	73,700
52-Wk Low (VND)	23,450
3M Avg. Trading Vol. (mn)	0.4
3M Avg. T/O (bn VND)	26
Beta (12M)	1.6

	3M	6M	12M
Absolute	82.9	125.7	34.1
Rel. to VNINDEX	82.5	116.0	48.4



Investment catalysts & Theses

- Coteccons Construction Joint Stock Company (HoSE: CTD) was officially established on August 24, 2004. Coteccons is the leading construction company in Vietnam with the highest revenue in the industry. CTD has the experience and the ability to execute large projects. In 2023, CTD is evaluated as the leading construction contractor according to the report of Viet Nam Report.
- After the change of ownership, CTD had undergone a strong restructuring period in 2021-2022. By the end of 2022, CTD completed the restructuring of the company and provision of old inefficient projects. Entering 2023, CTD sets a plan for the whole year of 2023 with revenue reaching VND 16,249 billion, (+12% YoY) and profit after tax reaching VND 233 billion, an increase of 11 times compared to 2022.
- CTD recorded net revenue of VND3,130 billion (+64% YoY) in Q1/2023, and profit after tax of VND22 billion (-24% YoY). CTD recorded a negative profit growth rate because the real estate business has just gone through a difficult period, leading to fierce competition among companies in the construction industry, which reduce CTD's gross profit margin. However, with the strategy of diversifying the customer portfolio (helping to diversify CTD's revenue sources) and repeat sales (helping CTD continue to receive new projects from old customers), CTD will be less affected than other competitors.
- CTD recorded a backlog value of VND 17,000 billion carried over to 2023. In 2023, CTD continues to receive new projects which include the LEGO factory project worth a price of 1 billion USD. CTD is also one of the most prominent contractors for projects under the Long Thanh Airport construction project.

Risks:

(1) The risk of slow implementation of public investment projects;

(2) Fluctuations in the price of construction materials;

(3) The declining economic situation affects civil construction.

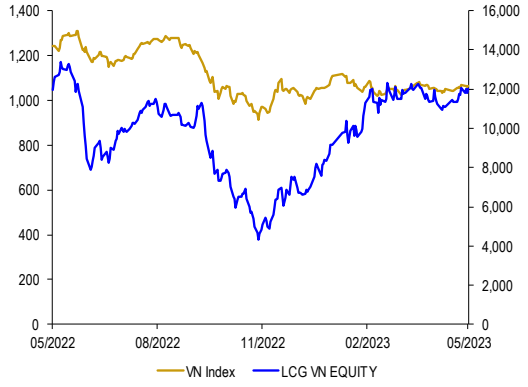
FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	23,733	14,558	9,078	14,537	16,138
OP (bn VND)	589	201	-241	-248	218
OP margin (%)	2.5	1.4	-2.7	-1.7	1.4
NPATMI (bn VND)	711	334	24	21	225
NP margin (%)	3	2.3	0.3	0.1	1.4
EPS (VND)	8,856	4,164	323	280	3,010
ROE (%)	8.2	3.8	0.3	0.3	2.7
P/E (x)	5.8	18.7	339	117.5	21.3
P/B (x)	0.5	0.7	1	0.3	0.6

Source: Bloomberg, Shinhan Securities, Data as of 21/06/2023

Lizen JSC
(LCG VN)

TARGET PRICE (VND)	
14,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
14,000	0%
VNINDEX	1,118
Market P/E (x)	10.4
Market Cap. (bn VND)	2,684
Outstanding Shares (mn)	190
Free Floating Shares (mn)	155
Free Floating (%)	82
52-Wk High (VND)	14,545
52-Wk Low (VND)	4,270
3M Avg. Trading Vol. (mn)	8.8
3M Avg. T/O (bn VND)	113
Beta (12M)	1.7

	3M	6M	12M
Absolute	0.4	122.2	-5.4
Rel. to VNINDEX	0.1	112.6	9.0



Investment catalysts & Theses

- LIZEN JSC (HoSE: LCG), formerly known as Licogi 16 Joint Stock Company, was established in 2001. In April 2022, LICOGI 16 officially changed its brand identity to Lizen Joint Stock Company. Lizen is one of the leading companies in the construction industry in Vietnam with strengths and experiences in 3 areas: Transport Infrastructure, Real Estate, and Renewable Energy. In which, the construction sector accounts for more than 90% of the revenue structure in 2022.
- The company sets a business plan for 2023 with annual revenue of VND 2,850 billion (+83% YoY), and profit after tax of VND 150 billion (-23% YoY). The company expects to have a decline in profit in 2023 because the company participates in the North-South phase 2 project in the form of being appointed, leading to a 5% decrease in the bid price according to state regulations. In 2023, the company also makes additional investments in renewable energy and real estate projects, contributing to diversifying future income sources.
- LCG recorded revenue of VND 242 billion (+34% YoY) and profit after tax of VND 10 billion (-79% YoY) in Q1/2023. The decrease in profit in Q1/2023 was explained by a decrease in gross profit margin and non-recurring financial revenue in Q1/2022 from the transfer of the company's subsidiary shares.
- For the long-term prospect, the company has gained 2 contracts in the North-South expressway phase 2 with a total implementation value of more than VND 4,000 billion. The expected revenue in 2023 from these two projects is more than VND 1,200 billion. Besides, the estimated revenue from projects that are expected to be signed for implementation and in the bidding process is about VND 2,050 billion, creating a foundation for the company to continue to grow strongly in the future.

Risks:

(1) The risk of slow implementation of public investment projects;

(2) Fluctuations in the price of construction materials.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	2,536	3,536	1,803	1,006	2,816
OP (bn VND)	335	138	328	50	192
OP margin (%)	13.2	3.9	18.2	5	6.8
NPATMI (bn VND)	191	311	182	192	149
NP margin (%)	7.5	8.8	10.1	19.1	5.3
EPS (VND)	1,089	1,772	993	911	777
ROE (%)	12	17.1	8	7.1	5.7
P/E (x)	4.9	6.2	19.9	8.2	15.4
P/B (x)	0.6	1	1.6	0.6	0.9

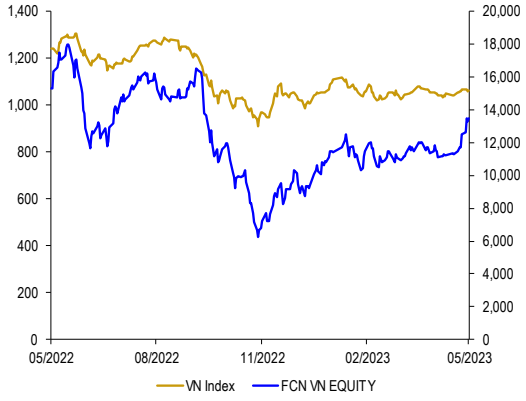
Source: Bloomberg, Shinhan Securities, Data as of 21/06/2023

FECON Corporation

(FCN VN)

TARGET PRICE (VND)	
16,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
16,550	-3%
VNINDEX	1,118
Market P/E (x)	10.4
Market Cap. (bn VND)	2,606
Outstanding Shares (mn)	157
Free Floating Shares (mn)	110
Free Floating (%)	70
52-Wk High (VND)	18,800
52-Wk Low (VND)	5,790
3M Avg. Trading Vol. (mn)	2.6
3M Avg. T/O (bn VND)	28
Beta (12M)	1.6

	3M	6M	12M
Absolute	16.4	87.8	-13.5
Rel. to VNINDEX	16.0	78.1	0.9



Investment catalysts & Theses

- FECON Corporation (HoSE: FCN) was established on June 18, 2004, by a group of engineers and leading experts in foundation treatment and construction. On May 6, 2016, FECON officially changed its name to "FECON Joint Stock Company". FECON is a reputable company that meets international standards, excellent capabilities in the foundation and underground works.
- The total value of FECON contracts signed in 2022 was VND 3,500 billion, of which prominent projects were Vung Ang 2 Ha Tinh Thermal Power Project, Nhieu Loc - Thi Nghe Project in Ho Chi Minh City; Lach Huyen port project 5-6 Hai Phong; Nhon Trach 3-4 Dong Nai Thermal Power Project; Hoa Phat Dung Quat Steel Complex project phase 2 in Quang Ngai. In which, the value of the forward contract from 2022 to 2023 is VND 2,500 billion.
- FECON sets a target in 2023 with expected revenue of VND 3,800 billion (+24.7% YoY) and profit after tax of VND 125 billion (+140% YoY). Fecon plans to divest the entire Vinh Hao 6 solar power project in the third or fourth quarter of 2023. With a total investment of VND 1,300 billion (FECON owns 49% of the project), the successful divestment will help the company record extraordinary revenue and profit in 2023.
- At the end of Q1/2023, FCN achieved revenue of VND 609 billion (+21% YoY), and profit after tax of VND 3 billion while in the same period in 2022 FCN lost VND 7 billion. The company's gross profit margin has improved significantly to 20%, the highest since 2017 because the company has proactively incorporated fluctuations in raw material costs and labor costs into the bid price.
- With the trend of promoting public investment in 2023, FECON is expected to continue to receive important infrastructure projects. Accumulated in the first 5 months of 2023, FECON has signed new bidding packages with a total value of nearly VND 800 billion.

Risks:

(1) The risk of slow implementation of public investment projects;

(2) Fluctuations in the price of construction materials.

(3) High-interest expense;

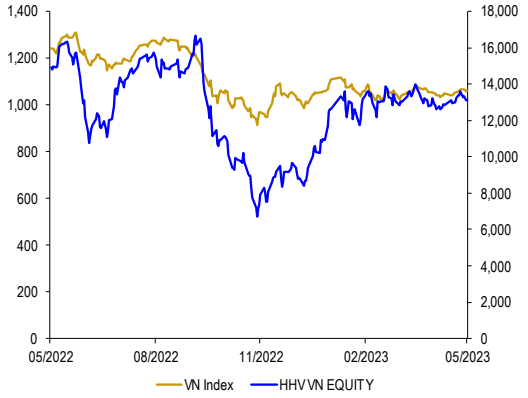
FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	3,091	3,154	3,484	3,046	3,807
OP (bn VND)	250	259	244	115	247
OP margin (%)	8.1	8.2	7.0	3.8	6.5
NPATMI (bn VND)	201	119	68	40	109
NP margin (%)	6.5	3.8	2.0	1.3	2.9
EPS (VND)	1,774	940	534	252	692
ROE (%)	10.0	5.3	2.8	1.5	3.1
P/E (x)	5.3	14.4	51.5	37.3	22.3
P/B (x)	0.5	0.8	1.6	0.6	0.7

Source: Bloomberg, Shinhan Securities, Data as of 21/06/2023

Deo Ca Traffic Infrastructure Investment JSC (HHV VN)

TARGET PRICE (VND)	
16,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
14,950	7%
VNINDEX	1,118
Market P/E (x)	10.4
Market Cap. (bn VND)	4,924
Outstanding Shares (mn)	308
Free Floating Shares (mn)	225
Free Floating (%)	73
52-Wk High (VND)	17,200
52-Wk Low (VND)	6,240
3M Avg. Trading Vol. (mn)	6.6
3M Avg. T/O (bn VND)	88
Beta (12M)	1.4

	3M	6M	12M
Absolute	-1.9	66.0	-12.1
Rel. to VNINDEX	-2.2	56.4	2.3



Investment catalysts & Theses

- Deo Ca Transport Infrastructure Investment Joint Stock Company (HoSE: HHV) was established in 1974. HHV is the leading investor and operator of transport infrastructure projects in Vietnam. HHV operates mainly through investment projects in road infrastructure BOT projects (accounting for about 70% of revenue) and construction activities for roadway infrastructure (accounting for about 25% of revenue). HHV currently owns 4 BOT toll projects with a revenue of nearly VND 1,800 billion in 2022. With a strong public investment prospect, HHV is one of the companies selected by the government to implement infrastructure projects such as the North-South Expressway Phases 1 and 2.
- In 2023, for construction activities, HHV gained the XL1, XL2, and XL3 contracts to construct the Quang Ngai - Hoai Nhon Expressway Project with a total value of nearly VND 14,500 billion. In 2023, HHV will also continue to participate in bidding for construction contracts for public investment projects, PPP projects, with a total estimated value of about VND 4,000 billion. For the long-term prospect, in the period of 2023 - 2025, HHV plans to invest in the form of PPP in the expressway projects such as Tan Phu - Bao Loc, Dong Dang - Tra Linh, Huu Nghi - Chi Lang with a total investment about VND 40,000 billion, contributing to the future growth of the company. With the positive outlook, HHV sets a revenue target in 2023 of VND 2,478 billion (+18% YoY), profit after tax of VND 338 billion (+14% YoY).
- HHV announced Q1/2023 business results with revenue of VND 539 billion (+25% YoY), and profit after tax of VND 83 billion (+5% YoY). In which, revenue from construction activities tripled to VND 137 billion while in the same period was VND 45 billion. The gross profit margin of the construction segment also improved significantly from 5.7% to 12.6%.

Risks:

(1) The risk of slow implementation of public investment projects;

(2) Fluctuations in the price of construction materials;

(3) Interest expense is high.

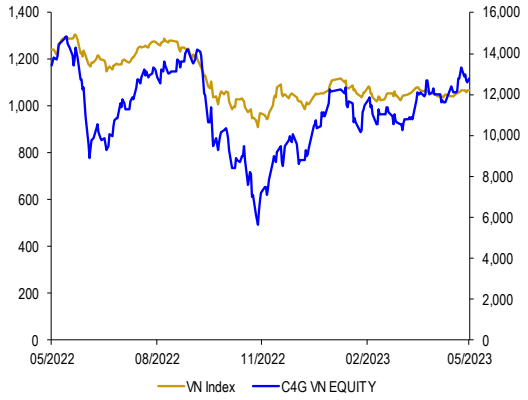
FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	477	1,201	1,861	2,095	2,514
OP (bn VND)	155	600	830	944	1,131
OP margin (%)	32.6	50	44.6	45.1	45.0
NPATMI (bn VND)	201	137	269	264	343
NP margin (%)	42.2	11.4	14.4	12.6	13.6
EPS (VND)	8,330	583	1,006	982	1,114
ROE (%)	6.7	2.3	4.2	3.9	3.9
P/E (x)	1.5	29.1	26.7	9.6	11.7
P/B (x)	0.5	0.7	1.1	0.4	0.5

Source: Bloomberg, Shinhan Securities, Data as of 21/06/2023

CIENCO4 Group JSC
(C4G VN)

TARGET PRICE (VND)	
15,000	
CURRENT PRICE (VND)	UP/DOWNSIDE
13,700	9%
VNINDEX	1,118
Market P/E (x)	10.4
Market Cap. (bn VND)	4,618
Outstanding Shares (mn)	225
Free Floating Shares (mn)	177
Free Floating (%)	79
52-Wk High (VND)	15,104
52-Wk Low (VND)	4,936
3M Avg. Trading Vol. (mn)	3.0
3M Avg. T/O (bn VND)	37
Beta (12M)	1.7

	3M	6M	12M
Absolute	10.9	76.2	-6.8
Rel. to VNINDEX	10.6	66.6	7.6



Investment catalysts & Theses

- CIENCO4 Group Joint Stock Company (UPCOM: C4G) was established in 1962 under the Ministry of Transport. C4G is one of the leading companies in the field of infrastructure construction in Vietnam with more than 50 years of experience. The group has experience in participating in many key national large-scale projects that require high technology. CIENCO4 company constructs infrastructure project in both domestic and foreign markets. The company also constructs industrial & civil projects and trades construction products. The construction activities are CIENCO4's main business, accounting for 70% of revenue. Other activities such as investment in BOT and real estate projects account for 10% and 12.4%, respectively. revenue.
- In 2022, the Group signed contracts with a total value of VND 4,472 billion, contributing to creating a large backlog for 2023. Prominent bidding contracts include the Bung – Van Ninh expressway project - 1,805 billion; and Hau Giang - Ca Mau expressway project - 1,778 billion.
- C4G sets a business plan in 2023 with revenue of VND 4,500 billion (+65% YoY), and profit after tax of VND 330 billion (+113%). The current backlog of C4G is more than VND 11,000 billion, mainly from the North-South expressway projects phase 1 and phase 2. In addition, C4G also has the potential to continue to receive bidding contracts from other projects such as Long Thanh international airport, and Ring Road 3 in the future.
- C4G reached VND 460 billion in Q1/2023 (+7% YoY) and the group's profit after tax gained VND 41 billion (+28% YoY). C4G's gross profit margin improved significantly reaching 18.6%, the highest since 2021.

Risks:

(1) Risk of slow implementation of public investment projects;

(2) Fluctuations in the price of construction materials;

(3) High-interest expense;

(4) The risk of the economy going down affects the real estate segment.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	2,343	2,090	1,885	2,726	4,525
OP (bn VND)	290	288	305	301	540
OP margin (%)	12.4	13.8	16.2	11.1	11.9
NPATMI (bn VND)	93	64	63	152	328
NP margin (%)	4	3	3.3	5.6	7.2
EPS (VND)	581	399	395	791	973
ROE (%)	8	5.4	5.3	8.2	11.6
P/E (x)	6.6	17.9	42.2	11.9	13.3
P/B (x)	0.5	1	2.2	0.9	1.54

Source: Bloomberg, Shinhan Securities, Data as of 21/06/2023

Shinhan Investment Network

SEOUL
Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK
Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG
Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA
PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI
Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH
Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI
Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000

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