MORNING CALL

April 27th, 2023

“ The market struggled, the real estate group was active "

- World stocks: GDP increased less than expected
- Vietnam stock market: The market is close to the market, real estate has increased well
- Update AGM #HDB #MBB #STB #VIB #VNM #SAB
- Business Results Update #SAB #MWG #KLB #SGB # FCN
- Technical perspective and recommendation update
- Event event

Open Account

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Global Market Review - Week 24 - 28/04/2023

Shinhan Securities

Major stocks market

- US stocks, the Dow Jones Industrial Average and the S&P 500 posted their best days since January, up 1.57% and 1.96% respectively, while the Nasdaq Composite posted its best day ever. March, up 2.43%.
  Shares of Meta Platforms Inc. rose 14% after announcing expected first-quarter results and giving an upbeat forecast. The social media mogul has tracked earnings a solid gap from both Alphabet and Microsoft. Stocks rose despite GDP growth being less than expected in the first quarter, heightening fears of an impending recession. The economy grew at a 1.1% annual rate in the first three months of 2023.
- Asian markets opened higher, with the Nikkei 225 up 0.86% and Topix up 0.91%. Consolidation futures tied to Hong Kong's Hang Seng index are above 19,956, so the final close is at 19,840.
  Investors in Asia will be watching closely as the Bank of Japan wraps up its monetary policy meeting today, the first under BOJ Kazuo Ueda's new management system. The end of the Tokyo is too expected, overestimating the central bank's goal.
  The consumer price index in Japan's capital city edged higher and rose 3.5% in April, government data showed on Friday.
- Oil prices steadied on Thursday (April 27), erasing declines from the previous version, after Russia's top official said the global oil market was in balance. Russian Deputy Prime Minister Alexander Novak said OPEC+ does not see the need to cut production but can always adjust its policy. Russia is part of the OPEC+ group of oil producers which this month announced a combined cut of about 1.16 million bpd.

Market

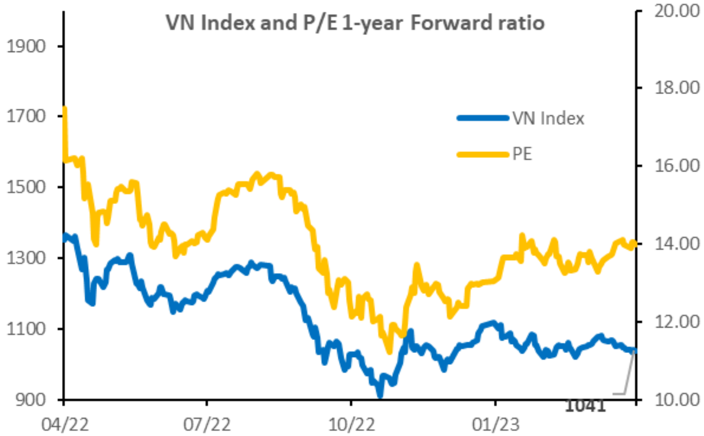
	Close	%1D	%1M	%1Y
VN-Index	1,040	0.00%	-1.39%	-23.05%
S&P 500 Index	4,135	1.96%	4.13%	-3.55%
Dow Jones Index	33,826	1.57%	4.42%	-0.27%
GP 100	7,832	-0.27%	4.64%	4.29%
Nikkei 225	28,633	0.62%	4.05%	6.65%
SHCOMP Index	3,306	0.60%	1.86%	11.09%
STOXX 600	464	0.18%	4.41%	3.79%
KOSPI Index	2,508	0.47%	2.98%	-6.00%
Hang Seng	20,018	0.90%	1.18%	-1.27%

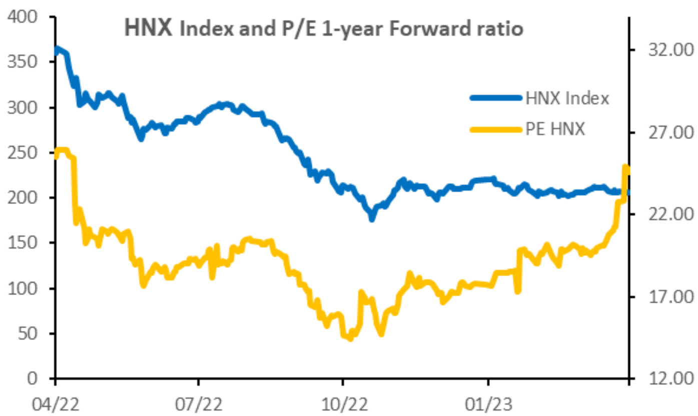
Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.55	0.05%	-0.86%	-2.00%
USD/VND	23,465.00	-0.04%	0.18%	-2.16%
EUR/USD	1.10	-0.05%	1.63%	4.98%
USD/CNY	6.91	0.12%	-0.55%	-4.16%
Brent	78.56	0.24%	-0.11%	-26.98%
WTI	74.87	0.15%	2.28%	-28.94%
Natural gas	2.35	-0.34%	15.62%	-65.93%
Coal	189.95	-0.11%	7.77%	-41.74%
Gold	1,989.59	0.09%	0.81%	5.02%

Vietnam Market Snapshot 27/04/2023

Shinhan Securities





Money flow and sector rotation (VND bn)

Sector	%1D	4/27/2023	4/26/2023	20-session Average	Trend
Oil & Gas	106.72	113	54	106	-
Real Estate	88.67	2,665	1,412	2,255	-
Media	62.00	0	0	1	-
Health Care	47.56	33	22	23	-
Automobiles & Parts	39.52	78	56	103	-
Insurance	30.62	31	24	26	-
Industrial Goods & Services	27.61	388	304	399	-
Utilities	19.49	167	140	185	-
Food and Beverage	-7.8	564	612	713	-
Construction & Materials	-12.2	464	528	722	-
Personal & Household Goods	-13.6	116	134	123	-
Chemicals	-14.3	333	388	380	-
Retail	-28.4	138	192	294	-
Basic Resources	-29.3	657	929	789	-
Banks	-31.0	1,025	1,485	2,015	-
Financial Services	-32.3	746	1,102	1,570	-
Travel & Leisure	-32.7	32	47	59	-
Technology	-53.1	31	67	59	-

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,039.63	13.67	0.00	0.00	576	11,431
HNX INDEX	206.89	24.16	1.03	0.50	71	947

Source: Bloomberg, Shinhan Securities Vietnam

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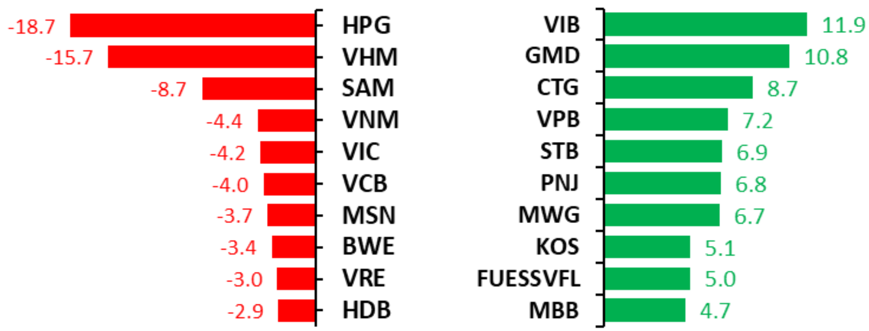
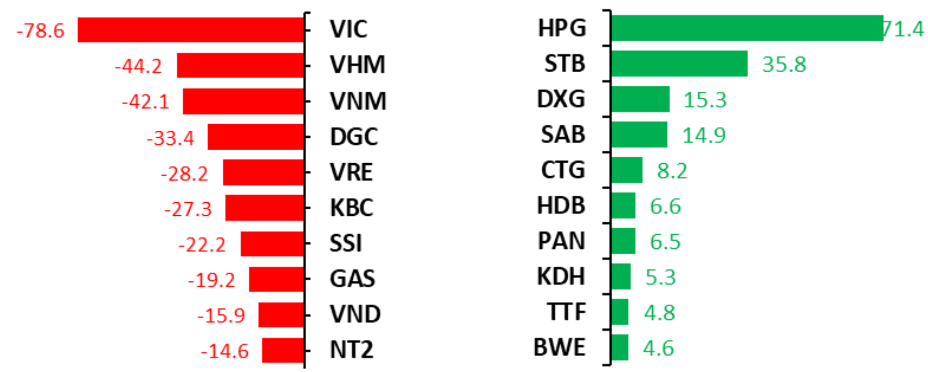
Vietnam Market Snapshot 27/04/2023

Shinhan Securities

Top net buying & selling of proprietary trading (VND billion)



Top net buying & selling foreign investors (VND billion)



The net trading value of proprietary trading and investors by sector (VND billion)

Sub-sector	Proprietary trading (VND bn)	Foreign (VND bn)	Local Individual (VND bn)	Local Institutions (VND bn)
Real Estate	(44)	(44)	42	3
Basic Resources	(23)	116	(59)	(57)
Media	-	1	(1)	(0)
Industrial Goods & Services	(75)	(25)	29	(4)
Health care	-	(10)	10	(0)
Chemicals	1	(9)	9	0
Financial Services	19	(48)	56	(7)
Travel & Leisure	(7)	(4)	7	(3)
Banks	(35)	342	59	(400)
Construction & Materials	1	(19)	30	(12)
Food and Beverage	(38)	(45)	98	(52)
Retail	1	11	0	(11)
Utilities	(3)	(12)	10	2
Personal & Household Goods	(0)	2	(1)	(2)
Technology	(8)	1	13	(13)
Automobiles & Parts	-	(18)	18	0
Insurance	(1)	(0)	1	(1)
Oil & Gas	(0)	4	(7)	3

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- The Department of Natural Resources and Environment of Ho Chi Minh City has announced a list of 355 housing projects eligible for certificates (pink books) for homebuyers in Ho Chi Minh City.
- According to the Vietnam Food Association (VFA), rice exports from January 1 to April 15 reached 2.3 million tons, worth $1.25 billion, up 33.70% in volume and up 44.55% in value over the same period in 2022.
- Iron material fell below $100/ton this week for the first time since early December 2022, becoming the most heavily discounted industrial metal.

Less positive

- Credit capital with expiry date for manufacturing and processing enterprises, and exporters do not have capital to buy raw materials, do not buy raw materials at the right price for farmers and fishermen

Business news

- **SAB:** Spending nearly 500 billion VND on advertising, Sabeco's profit after tax reached 1,004 billion VND, down 19% compared to the first quarter of 2022, the lowest profit in the last 6 quarters.
- **CTD:** In 2022, Coteccons achieved revenue of 14,537 billion VND, increased by 60% compared to the previous year, profit exceeded 20 billion VND - completing the set plan. With this result, CTD has regained the position of No. 1 construction house in Vietnam in terms of revenue from the West of Hoa Binh after a year of losing the throne. By the end of 2022, CTD is borrowing about 800 billion short-term loans and 500 billion three-year bonds with a fixed interest rate of 9.5%.
- **MWG:** Net revenue reached VND26,900 billion, down 26% y/y - also the lowest revenue in the last 5 quarters. In the revenue structure, the revenue from the green electronics chain reached more than 13,306 billion VND, contributing 49.3% of the total revenue. Revenue from Mobile World chain reached VND 6,640 billion, contributing 24.6% to total revenue.
- **HHV:** Deo Ca has won 4 bidding packages with a total value of VND 14,911 billion, of which 3 packages are invested by Project Management Board 2: XL1 package for construction of Quang Ngai - Hoai Expressway. Nhon from Km0 to Km30; package XL2: Quang Ngai – Hoai Nhon valued at VND 4,129 billion; package XL3: Quang Ngai - Hoai Nhon valued at VND 6,686 billion; project to upgrade and expand Prenn pass, with a contract value of VND 414 billion.
- **TDC:** Consolidated financial statements for the first quarter of 2023 with net revenue of VND 104 billion, down 24% over the same period. The bright spot is that the company's revenue from building materials business increased more than 98 times to VND 17 billion, but revenue from semi-finished products decreased by 38% to more than VND 70 billion and real estate revenue decreased by 39% to 14 billions dong.

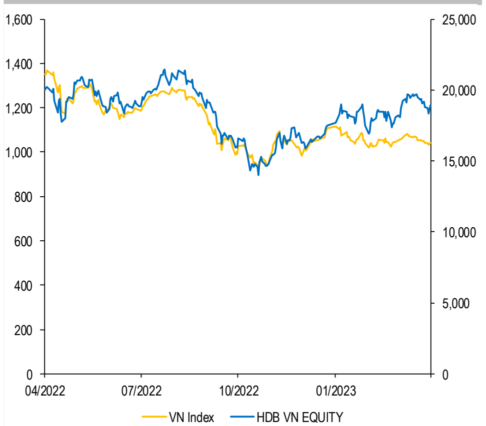
Breaking News

- GIC: Cash dividend at the rate of 25%, ex-rights date April 27.
- HMG: Cash dividend at the rate of 25%, ex-rights date April 28..

Business news

- **KLB:** Submitting to shareholders a plan to stop listing KLB shares on HOSE KienlongBank t Business plan for 2023 with growth in total asset size by 0.28% compared to the beginning of 2022, reaching VND 86,000 billion. Total mobilized capital increased by 2.84% to VND 78,000 billion, outstanding loans increased by 15.39% to VND 52,500 billion. The bad debt ratio is controlled below 3%. Pre-tax profit set for the whole year of 2023 reached VND 700 billion, up 2.66% compared to 2022.
- **SGB:** In 2023, Saigonbank targets total assets of VND29,400 billion, up 6% compared to the beginning of the year. Mobilized capital and outstanding loans increased by 6% and 6.9%, respectively, reaching VND 24,750 billion and VND 20,915 billion. Bad debts (group 3-5) will still be guaranteed according to the regulations of the State Bank.
- **VTR:** Vietravel Airlines welcomes 3 planes in Q3/2023
- **FCN**: FECON sets a revenue target of 3,800 billion VND, encroaching on industrial real estate, implementing large projects in suburban areas in 2023 Revenue from Infrastructure and Underground works is 1,000 billion VND; The foundation and construction segment is VND 2,800 billion. The target of consolidated profit after tax is VND 125 billion, profit after tax of parent company shareholders is up to VND 110 billion, up 140% and 175% respectively compared to 2022.
- **VCG:** Vinaconex spends money to buy back 100 billion dong of bonds before maturity Lot VCGH2123001 has a term of 3 years, was issued on June 15, 2021 with a total par value of 220 billion dong. The fixed interest rate for the first 4 interest rate adjustment periods is 8.5%/year, the interest rate applied for the remaining periods is the reference interest rate plus a margin of 3%/year.

TARGET PRICE (VND)			
No Rating			
CURRENT PRICE (VND)		UP/DOWNSIDE	
19,000		**N/A**	
VNINDEX			**1,040**
Market P/E (x)			**10.1**
Market Cap. (bn VND)			**47,790**
Outstanding Shares (mn)			**2,515**
Free Floating Shares (mn)			**1,766**
Free Floating (%)			**70.2**
52-Wk High (VND)			**21,800**
52-Wk Low (VND)			**13,050**
3M Avg. Trading Vol. (mn)			**2.39**
3M Avg. T/O (bn VND)			**45**
Beta (12M)			**1.0**
	3M	6M	12M
Absolute	**7.3**	**14.5**	**-5.0**
Rel. to VNINDEX	**14.3**	**13.3**	**18.2**



Source: Bloomberg

Annual General Meeting of Shareholders

HDB's 2023 General Meeting of Shareholders was held on this morning of April 26, 2023. We attended this meeting to summarize some of the main points discussed:

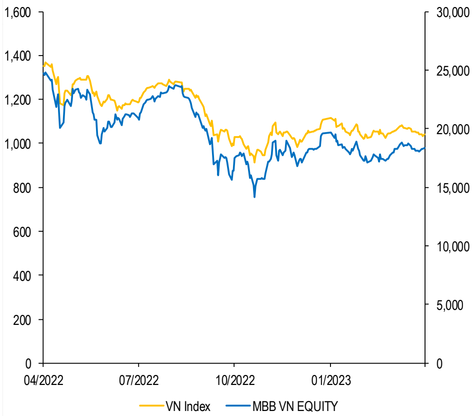
- Business results for the first quarter of 2023: management revealed that credit growth reached 10% in Q1/2023, higher than the growth rate of the whole industry
- Business plan for 2023 was approved by the General Meeting of Shareholders with the main goals including: total assets of more than VND 520 trillion, up 25% yoy; scale of charter capital reached 29,300 billion dong, up 16% yoy; total deposit reached nearly VND 460 trillion, up 25% compared to 2022; credit balance reached more than VND 333.5 trillion. Pre-tax profit is estimated at VND 13,197 billion, increase 29% yoy
- In the low credit demand environment, many shareholders questioned the feasibility of HDB's 29% growth of PBT in 2023. HDB's management said that 2023 was a pivotal year in digital transformation after 2 years of development. HDB will promote access to agriculture and rural areas through digital transformation to develop this market further. Not only that, HDB will also focus on developing the middle and high-end segments - priority banking in the upcoming time. With many positive changes, the management is confident in the bank's 2023 growth plan.
- We have a question regarding HDB's weak bank merging plan. The management shared that if SBV approves the merging plan, maximum foreign ownership room can increase up to 49%, however, everything is still in process and the management will notify investors when receiving offcial result.
- HDB will pay a dividend at the rate of 25%, of which 10% is in cash and 15% in shares.

FY	2018	2019	2020	2021	2022
Net interest income (bn VND)	7,646	9,747	11,898	13,891	18,012
Net non-interest income (bn VND)	1,795	1,641	1,882	2,867	3,956
TOI (bn VND)	9,440	11,388	13,779	16,758	21,967
TOI before provision (bn VND)	4,999	6,307	7,607	10,375	13,336
Profit before tax (bn VND)	4,005	5,018	5,818	8,070	10,268
EPS (VND)	1,122	1,425	1,706	2,431	3,081
ROE (%)	19.1	20.8	20.2	23.3	23.5
P/E (x)	10.5	7.5	8.9	10.2	5.2
P/B (x)	1.9	1.4	1.6	2.1	1.1

Source: Bloomberg, Shinhan Securities, Data as of 27/04/23

TARGET PRICE (VND)	
27,610	
CURRENT PRICE (VND)	UP/DOWNSIDE
18,400	**50.1%**
VNINDEX	**1,040**
Market P/E (x)	**10.1**
Market Cap. (bn VND)	**83,425**
Outstanding Shares (mn)	**4,534**
Free Floating Shares (mn)	**2,672**
Free Floating (%)	**58.9**
52-Wk High (VND)	**24,917**
52-Wk Low (VND)	**13,200**
3M Avg. Trading Vol. (mn)	**8.45**
3M Avg. T/O (bn VND)	**148**
Beta (12M)	**1.3**

	3M	6M	12M
Absolute	**-6.6**	**5.1**	**-25.7**
Rel. to VNINDEX	**0.3**	**4.0**	**-2.5**



Source: Bloomberg

Annual General Meeting of Shareholders

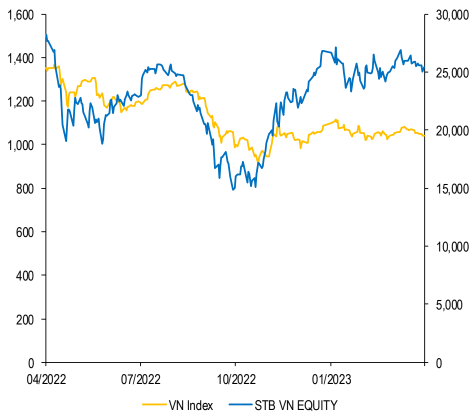
- On April 25, 2023, Military Commercial Joint Stock Bank (MBB) held the Annual General Meeting of Shareholders in 2023 to approve the business plan, dividend payment plan to increase charter capital and personnel of the Board of Directors.
- Business plan 2023: total assets increase by 14%, reaching VND 830,000 billion. Credit growth rate is expected to reach 15% (adjusted accordingly according to the credit room issued by SBV). NPL ratio remained below 2%. Profit before tax will therefore reach VND 26,100 billion, an increase of 15% compared to 2022.
- Regarding dividend payment plan: MBB expects to pay stock dividend at the rate of 15% and cash dividend at the rate of 5%. Charter capital can therefore, increases to about VND53,700 billion. The Bank will also continue to private stock offering and issue shares under the employee selection program as approved by the Annual General Meeting of Shareholders in 2022. Expected implementation time is from 2023 to the second quarter of 2024
- An information that many shareholders are interested in is the plan for compulsory transfer of a weak commercial bank. At the moment, the details of the transferred bank have not been disclosed by the SBV. Participating in this handover scheme may help MBB to be more favorable when SBV offers credit room in the future
- Shareholders have questioned if MBB is too favorable when lending NVL. MBB's management believes that the loan ratio is within the prescribed range and MBB also tries to control lending for real estate business around 8%. In addition, when lending, MBB also ensures that there are enough collaterals, so the bank does not expect to incur bad debts related to NVL.
- Regarding personnel, Mr. Luu Trung Thai replaced Mr. Le Huu Duc to hold the position of Chairman of the Board of Directors for the term 2019-2024.
- Our assessment: the pre-tax profit growth plan of 15% is quite high compared to our estimation of pre-tax profit growth of just over 6%. In the coming time, we will update MBB's ability to complete the plan, especially when Vietnam economy still facing many difficulties in 2023. However, in terms of valuation, MBB stock is currently valuing attractively as long-term growth outlook will still remain positive.

FY	2018	2019	2020	2021	2022
Net interest income (bn VND)	14,583	18,000	20,278	26,200	36,023
Net non-interest income (bn VND)	4,953	6,650	7,084	10,735	9,570
TOI (bn VND)	19,537	24,650	27,362	36,934	45,593
TOI before provision (bn VND)	10,803	14,927	16,807	24,557	30,777
Profit before tax (bn VND)	7,767	10,036	10,688	16,527	22,729
EPS (VND)	1,393	1,913	1,831	2,800	3,856
ROE (%)	20.1	22.1	19.2	23.6	25.8
P/E (x)	6.9	5.8	7.7	8.6	4.4
P/B (x)	1.3	1.3	1.3	1.8	1.0

Source: Bloomberg, Shinhan Securities, Data as of 27/04/23

Breaking News

TARGET PRICE (VND)			
No Rating			
CURRENT PRICE (VND)		UP/DOWNSIDE	
25,400		**N/A**	
VNINDEX			**1,041**
Market P/E (x)			**10.1**
Market Cap. (bn VND)			**47,884**
Outstanding Shares (mn)			**1,885**
Free Floating Shares (mn)			**1,758**
Free Floating (%)			**93.3**
52-Wk High (VND)			**28,200**
52-Wk Low (VND)			**14,050**
3M Avg. Trading Vol. (mn)			**18.07**
3M Avg. T/O (bn VND)			**471**
Beta (12M)			**1.2**
	3M	6M	12M
Absolute	**-4.7**	**58.3**	**-9.9**
Rel. to VNINDEX	**2.1**	**57.0**	**13.2**



Source: Bloomberg

Annual General Meeting of Shareholders

- The Annual General Meeting of Shareholders was held by STB on the morning of April 25, 2023. At this event, STB announced the business plan for 2023, presented the business plan for handling restructuring assets and dividend plan after 2023
- In 2023, STB expects to achieve a pre-tax profit of VND 9,500 billion, up 50% over the same period. Total assets increased by 11% over the same period, credit balance is expected to increase by 12%, total deposits increased by 11% and bad debt ratio is below 2%.
- At this meeting, STB received many questions about dividend payment plan in the coming years. According to the managment, STB is still in the process of restructuring after merging with Phuong Nam bank, so it has not been approved by the SBV for dividend payment plans in recent years. The management expects that by 2024, after handling the restructuring assets, STB can proceed to pay dividends to shareholders.
- Regarding the auction of Phong Phu Industrial Park and the auction of shares of Mr. Tram Be group. STB expects to sucessfully auction and process it within this year. STB will also plan to fully make provision for VAMC bonds, about VND8,000 billion in 2023. As a result, STB's profit in 2024 is likely to record high growth rate.
- The debt group 2 increased quite sharply, which STB discloses mainly coming from the manufacturing business loans. This trend is not only happened in STB but also in all other banks.
- Business results of the first quarter of 2023 is also disclosed at this meeting, STB achieved pre-tax profit in Q1/2023 of about VND 2,383 billion, up 50% over the same period and reaching 25% of the whole year plan. Bank credit growth in the first quarter of 2023 increased by more than 2%.

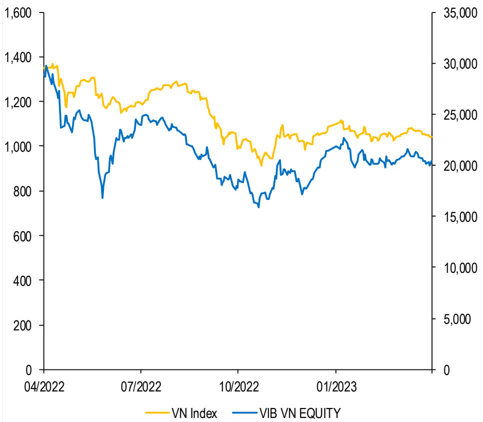
FY	2018	2019	2020	2021	2022
Net interest income (bn VND)	7,634	9,181	11,527	11,964	17,147
Net non-interest income (bn VND)	4,043	5,455	5,744	5,740	8,994
TOI (bn VND)	11,677	14,635	17,271	17,704	26,141
TOI before provision (bn VND)	3,839	5,370	6,376	7,954	15,221
Profit before tax (bn VND)	2,247	3,217	3,339	4,400	6,339
EPS (VND)	2,871	3,515	5,137	5,137	6,904
ROE (%)	5.9	7.9	8.1	9.5	13.8
P/E (x)	15.3	9.0	13.5	19.3	8.4
P/B (x)	0.9	0.7	1.1	1.7	1.1

Source: Bloomberg, Shinhan Securities, Data as of 27/04/23

Breaking News

TARGET PRICE (VND)	
No Rating	
CURRENT PRICE (VND)	UP/DOWNSIDE
20,450	**N/A**
VNINDEX	**1,041**
Market P/E (x)	**10.1**
Market Cap. (bn VND)	**43,102**
Outstanding Shares (mn)	**2,108**
Free Floating Shares (mn)	**1,237**
Free Floating (%)	**58.7**
52-Wk High (VND)	**32,222**
52-Wk Low (VND)	**16,200**
3M Avg. Trading Vol. (mn)	**3.69**
3M Avg. T/O (bn VND)	**80**
Beta (12M)	**1.2**

	3M	6M	12M
Absolute	**-12.4**	**2.8**	**-34.0**
Rel. to VNINDEX	**-5.6**	**1.5**	**-10.8**



Source: Bloomberg

Analyst meeting

- We attended the analyst meeting held by VIB about business result of Q1/2023 on April 26, 2023. At this meeting, VIB's management discussed Q1/2023 business results as well as presented outlook on the business plan for 2023.
- The 2023 outlook has not changed much compared to the AGM at the beginning of the year, credit growth is forecasted to increase by 15-20%, bad debt ratio is controlled below 3%, ROE try to maintain the level of 29-30% and the CIR maintain the level of 30-33%. Profit before tax in 2023 is expected to increase by 15-20%, reaching VND 12,200-12,700 billion
- In the first quarter of 2023, VIB's pre-tax profit grew by 18%, approximately VND 2,700 billion; in which: interest income increased by 22% and fee income decreased by 5% yoy. NPL ratio increased sharply from 1.8% to 2.6%, therefore, VIB's provision expenses also witnessed an increase of 68%.
- We raised questions to the management regarding the bad debt management plan, the expected impact of Circular 02/2023/TT-NHNN on the bank's loan portfolio and the ability to reach of credit growth target. As disclosed by the management, VIB is confident that the bad debt ratio will be well managed below 3% due to good loan quality and low concentration of risk. For Circular 02, VIB will carefully consider the application of this Circular in classifying debt group. Regarding the credit growth, although the growth in the first 2 months was relatively poor, VIB has witness strong recovery in March and April, so VIB is confident that it can achieve the growth rate as planned.
- VIB forecasts that the NIM will decrease slightly from 4.7% to 4.5% in 2023. Regarding the dividend plan, VIB is expected to maintain the dividend payment level of 30-40% of the company's profit for upcoming years.

FY	2018	2019	2020	2021	2022
Net interest income (bn VND)	4,825	6,213	8,496	11,816	14,963
Net non-interest income (bn VND)	1,260	1,939	2,719	3,075	3,095
TOI (bn VND)	6,086	8,152	11,216	14,891	18,058
TOI before provision (bn VND)	3,396	4,715	6,751	9,609	11,861
Profit before tax (bn VND)	2,743	4,082	5,803	8,011	10,581
EPS (VND)	1,403	1,532	2,167	3,013	3,971
ROE (%)	22.1	26.6	28.9	29.9	29.4
P/E (x)	4.5	5.0	7.9	11.6	4.8
P/B (x)	1.2	1.2	2.0	3.0	1.2

Source: Bloomberg, Shinhan Securities, Data as of 27/04/23

Update AGM of SAB 2022

1.Business results in 2022 and updated Q1 business results in 2023

- In 2022, SAB's net revenue reached VND 34,979 billion (+32.6% YoY), NPAT reached VND 5,500 billion (+40% YoY). The outstanding growth in revenue and NPAT came from (1) the strong increase in consumer demand after the Covid-19, (2) the return of beer consumption in the local commercial channels, and (3) brand awareness through product promotion campaigns.

- By the end of 2022, SAB completed 105% of the revenue plan and 120.1% of the NPAT target. The company paid dividends at 35%/par value. However, with revenue growth exceeding the plan, SAB will add a special dividend at 15%/par value.

- According to the financial statements of Q1/2023 published on April 26, consolidated net revenue reached VND 6,213 billion (-15.2% YoY), NPAT reached VND 1,004 billion (-18.9% YoY). The decline in Q1 business results came from the decrease in sales volume and increase in selling expenses for the New Year holidays in early 2023.

2. Plan for 2023

- In 2023, consolidated revenue is aimed to reach VND 40,272 billion (+15% compared to the implementation in 2022), and NPAT to reach VND 5,775 billion (+5% compared to the implementation in 2022). The plan is set out with the consideration of reduced consumption and input material prices tend to increase.

- For the domestic market, SAB focuses on improving market share through (1) continuing to penetrate the high-end market (accounting for 20% of beer consumption in the whole industry), (2) improving the distribution system , supply chain and production to improve competitiveness, and (3) investing and cooperating with other partners to bring higher synergistic value to SAB. Specifically, SAB plans to increase its ownership rate in Saigon Binh Tay Beer Group JSC to 51% and in Sai Gon - Mien Tay Beer Joint Stock Company to 70%.

- With the export market, SAB is currently present in 30 countries and territories. However, the Board of Directors does not put much expectations on exports because of weak demand due to the global economic recession and high inflation.

- According to the Board of Directors, raw materials have been bought for 6 months or more depending on the type and the enterprise has estimated raw materials for production and business until the end of the third quarter of this year. In addition, the enterprise will consider increasing prices according to the price of input materials to maintain gross profit margin. Besides, the enterprise will improve production norms to an appropriate level to optimize COGS. For example, malt and rice are expected to decrease by 2% per unit of product compared to the norm in 2022.

- In 2023, the company plans to issue bonus shares at a ratio of 1:1 to help increase liquidity and potentially bring higher income in the future for shareholders.

3. Risks: (1) material risk, (2) exchange rate risk, (3) interest rate risk, (4) tax risk, (5) policy risk.

Update AGM of Saigon Beer - Alcohol - Beverage Corporation (SAB)

Update AGM of SAB 2022

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	37,899	27,961	26,374	34,979	38,325
OP (bn VND)	5,499	4,940	3,510	5,498	5,924
OP margin (%)	14.5	17.7	13.3	15.7	15.5
NP (bn VND)	5,053	4,723	3,677	5,224	5,601
NP margin (%)	13.3	16.9	13.9	14.9	14.6
EPS (VND)	7,477	7,133	5,502	7,983	8,458
ROE (%)	28.3	23.6	17.1	23.1	21.9
P/E (x)	30.5	27.3	27.4	20.9	20.6
P/B (x)	7.8	6.3	4.6	4.6	1.3

Source: Bloomberg, Shinhan Securities, Data as of 27/04/23

Update AGM of Vietnam Dairy Products Joint Stock Company (VNM)

Update AGM of VNM 2022

1. Business results in 2022

- VNM's consolidated net revenue in 2022 reached VND 59,955 billion (-2% YoY), with the proportion of revenue contribution to domestic and foreign markets being 85% and 15%, respectively. NPAT was only VND 8,578 billion (-19.3% YoY) mainly due to fluctuation in exchange rates and high raw material prices in the past year. Revenue from leading foreign branches grew strongly in 2022. Specifically, revenue from Driftwood increased by 30%, at Angkormilk increased by 13% thanks to increasing distribution activities and new products. By the end of 2022, VNM was cooperating with nearly 5,000 cow farmers and exploiting cows with a scale of more than 146,000 cows.

- At the end of the fiscal year 2022, VNM completed 93.6% of the revenue plan and achieved 87.8% of the NPAT target. The level of cash dividends paid to shareholders remained high, the total dividend amount of 2022 was VND 8,046 billion, equivalent to 93.8% of NPAT.

2. Plan for 2023

- In 2023, the business plans to achieve revenue of VND 63,380 billion (+5.5% compared to the implementation in 2022) and NPAT at VND 8,622 billion (+0.5% compared to the implementation in 2022). VNM sets a conservative plan based on the assessment of fluctuations in input material prices, the decline in milk consumption demand, and the increase in related costs to expand market share.

- The company aims to prioritize expanding domestic market share through promoting R&D to launch new products, expanding distribution system, continuing to invest in Vietnamese Dairy Dream channel. With export activities, VNM plans to continue to expand into its 58 foreign markets by expanding its product portfolio. Besides, the company expects to increase prices by 3-5% according to inflation depending on each product in the fiscal year 2023.

- According to the Board of Directors, raw materials have been bought by the company until the end of August 2023. Due to the impact of high raw material prices from the fourth quarter of 2022, businesses expect to begin to improve profits from the second quarter of 2023 following the cooling trend of input material prices. Besides, VNM plans to import 7,000 more dairy cows to the farm in Lao-JaGro, increasing the herd size to 153,000 heads, the rate of cow raised by company reaching 28.1% (in 2022: 24.7%).

- In early 2023, VNM commenced the project of Vinabeef Tam Dao - beef breeding and processing project with the investment capital of phase 1 of approximately VND 3,000 billion, expected to come into operation in 2024 with a capacity 10,000 tons of products/year.

- Vinamilk plans to use at least 50% of consolidated NPAT to pay dividends, and is expected to advance the dividend for the first period of 2023 on October 5, 2023 at VND 1,500/share.

3. Risks: (1) Competition risks; (2) Risk of weak consumer demand; (3) Exchange rate risk; (4) Risk of devaluation of inventory;

Update AGM of Vietnam Dairy Products Joint Stock Company (VNM)

Update AGM of VNM 2022

FY	2019	2020	2021	2022F	2023F
Revenue (bn VND)	56,318	59,636	60,919	59,956	63,118
OP (bn VND)	12,182	12,263	11,760	9,753	10,942
OP margin (%)	21.6	20.6	19.3	16.3	17.3
NP (bn VND)	10,581	11,099	10,532	8,516	9,438
NP margin (%)	18.8	18.6	17.3	14.2	15.0
EPS (VND)	4,565	4,770	4,517	3,632	4,183
ROE (%)	35.8	33.9	29.3	24.1	29.8
P/E (x)	21.3	22.8	19.1	21.0	17.0
P/B (x)	7.4	7.3	5.5	5.3	3.8

Source: Bloomberg, Shinhan Securities, Data as of 26/04/23

Technical view

Trend: Retest support level

- The market did not continue the uptrend on April 26, but closed the drop with a red candle with a longer beard than the body of the candle; liquidity has not improved. Foreign investors net sold more than 300 billion VND
- Technically, the MACD shows bearish momentum on the downside; RSI is flat but the index has not recovered above MA9
- Strategy: Lower weight before the holiday, limit disbursement and use margin at this time, wait until the market has more positive signals.

• Scenario:

- Positive (50%): The index maintained support around 1,040 – 1,050 points and created a recovery pace to 1,070 points, more optimistic than 1,100 points.
- Less positive (50%): After failing to test the support zone of 1,060 , the index is heading to the next bottom at 1,020, even psychological level of 1,000 if there is less positive information.

Recommended stocks

Shinhan Securities

28/4/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
DXG	Watch	12.7	13.95	12.4	10%	-2%	13.2	0

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
DPG	Hold	29.7	32.7	28.7	10%	-3%	31.45	1	5.89%	26/04/2023	
HPG	Hold	21.5	23.5	20	9%	-7%	21.7	16	0.93%	05/04/2023	
HDG	Hold	32	35	31	9%	-3%	32.9	15	2.81%	06/04/2023	
NT2	Hold	30.5	33.95	29	11%	-5%	30.25	15	-0.82%	06/04/2023	
TCB	Hold	30	32.5	28.5	8%	-5%	29.9	15	-0.33%	06/04/2023	
CTR	Hold	64.2	70	62	9%	-3%	66	15	2.80%	06/04/2023	
GVR	Hold	15.5	17	14.5	10%	-6%	15.45	14	-0.32%	07/04/2023	

Shinhan Securities

April 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
26	27	28	29	30	31	1 PMI (EU, VN)
2	3 Caxin Manufacturing PMI (China)	4 PPI (EU)	5 Balance of Trade (US)	6 Initial Jobless Claims (US)	7 Non-farm payroll, unemployment rate (US)	8
9	10 Wholesale inventories in US	11 Retail sales (EU), Inflation rate (China)	12 Inflation (US)	13 Balance of Trade (China), PPI (US)	14 FDI (China)	15
16	17	18 China macroeconomic data release	19 Inflation, PPI (GB)	20	21 Retail sales (GB)	22
23	24	25 House Price Index (US)	26	27 GDP growth rate (US)	28 GDP growth rate (EU)	29 Vietnam macroeconomic data
30 PMI (US)	1					

Q&A

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