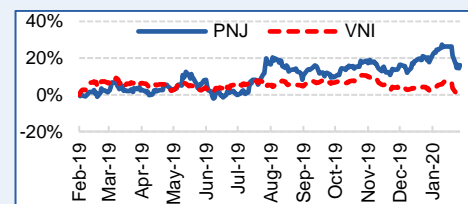




Phu Nhuan Jewelry (PNJ) [BUY +26.1%]

Update Report

Industry:	Jewelry					
Report Date:	February 10, 2020					
Current Price:	VND81,500	Rev Growth	2019	2020F	2021F	2022F
Target Price	VND101,000	EPS Growth	23.4%	17.7%	20.7%	17.8%
Last Target Price	VND101,000	GPM	20.4%	20.9%	21.5%	22.0%
Upside to TP:	+23.9%	NPM	7.0%	7.2%	7.6%	8.1%
Dividend Yield:	2.2%	EV/EBITDA	12.6x	10.7x	9.0x	7.8x
TSR:	+26.1%	P/CFO	N/M	12.1x	16.4x	11.8x
		P/E	16.3x	13.9x	11.5x	9.7x



Market Cap:	USD0.8bn		<u>PNJ</u>	<u>Peers*</u>	<u>VNI</u>
Foreign Room:	USD0	P/E (ttm)	16.3x	13.1x	16.3x
ADTV30D:	USD3.0mn	P/B (curr)	4.0x	2.2x	2.2x
State Ownership:	0%	Net D/E	55.1%	9.9%	N/A
Outstanding Shares:	225.3mn	ROE	28.6%	16.4%	13.5%
Fully Diluted Shares:	225.3mn	ROA	15.8%	8.7%	2.2%
3-yr PEG	0.9				

Company overview

PNJ is the leading jewelry producer and retailer in Vietnam with an extensive store network of 346 jewelry stores and 26 watch point-of-sales as of YE2019. We expect jewelry retailing will continue to be PNJ's future growth driver.

Phap Dang, CFA
Associate Director
phap.dang@vcsc.com.vn
+848 3914 3588 ext. 143

Growth momentum to continue

- We reiterate BUY on PNJ as its fashion jewelry business remains in a strong position to capitalize on Vietnam's rising discretionary spending.
- We maintain our target price as we nudge up 2020F-2022F NPAT by 0.1%-0.9% owing to softer-than-expected selling expenses, partly offset by a downward revision to store count projections.
- We curtail our projected gold store openings from 40 to 35 per annum during 2020-2022 as management plans to focus on fine-tuning existing stores. Meanwhile, we project PNJ will record low double-digit annual same-store-sales growth (SSSG) during 2020-2022.
- Overall, we forecast a retail sales CAGR of 18% during 2020-2022, including 21% in 2020.
- Coronavirus (nCoV) threatens to dent domestic retail footfall and discretionary consumption; however, PNJ will be growing off a low 2019 base that was affected by ERP-related issues.
- We find PNJ's three-year PEG of 0.9 attractive vs a peer median of 2.7, based on our forecasts.
- Risks to our positive view: potential of weakening discretionary spending due to prolonged nCoV issues or a deterioration in macro conditions; difficulty finding locations for new stores.

Jewelry retail SSSG back to double-digit pace as PNJ has fully recovered from ERP-related issues. We estimate PNJ recorded mid-teen SSSG in Q4 2019, which propped up its 2019 SSSG to a mid-single-digit rate. This improvement was underpinned by normalized production activity, a resumption of product launches since September 2019 and intensified promotions. Among the notable new products were collections inspired by Walt Disney content (e.g., Snow White, Elsa and Cinderella) after PNJ and Walt Disney signed a business partnership in November 2019.

Continued nationwide store expansion; management expects the North and second-tier areas to increase their portion in the store mix. While PNJ sees further headroom to widen its gold store footprint in tier-1 areas (including HCMC) and the South, the company plans to accelerate its roll-out in tier-2 areas and the North where its store coverage is more underpenetrated. While deeper tier-2 penetration could pose some pressure on PNJ's jewelry retail GPM, we expect it to stay flat in 2020 and broaden by 0.2 ppt per annum in 2021-2022 thanks to PNJ's efforts to push high-margin gemstone jewelry products.

Other smaller businesses are also poised to step up. For the Silver business, PNJ plans to up-trade its product portfolio with more precious and semi-precious stone sets so it can better serve customers above 25 years-old – PNJ Silver's main customers. In the watch business, PNJ recently made some management personnel changes and intends to speed up its point-of-sales (POS) roll-out. We project PNJ will open 30 watch POS in 2020 vs 12 in 2019. Finally, after it took a back seat to the retail business in 2019 as PNJ needed to prioritize its resources amid the ERP-related issues, we expect wholesales to post double-digit growth in 2020 on improved product offerings.

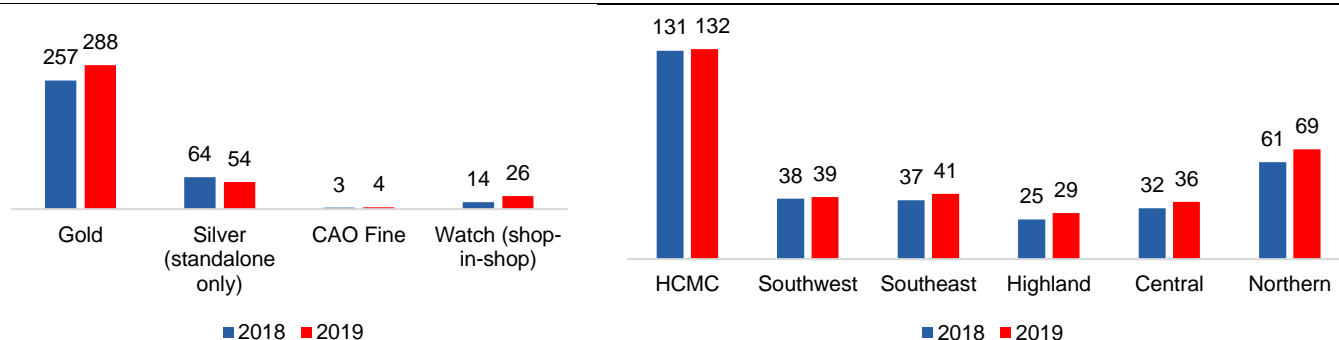
2019 recap: Retail business resumed vibrant growth after suffering from ERP-related issues in Q2-early Q3

Figure 1: PNJ's 2019 results, including VCSC's estimate of revenue breakdown

VND bn	2018	2019	YoY	VCSC comments on 2019
Revenue	14,573	17,001	17%	
Retail (jewelry + watch)	8,167	9,582	17%	Buoyed by gold jewelry sales, which were underpinned by mid-single-digit SSSG and a net increase of 31 stores (40 new stores – 9 closures). Retail sales growth strengthened to ~14% YoY in Q3 2019 (+6% YoY in July, +14% YoY in August and +23% YoY in September 2019) and 30% YoY in Q4 2019 vs a 4% YoY decline in Q2 2019 that was caused by unforeseen problems when PNJ implemented its new ERP system in late March 2019. We estimate that growth was faster in other provinces than in HCMC (HCMC accounts for ~50% of PNJ's gold jewelry retail sales, per our estimate), partly thanks to their more rapid store expansion from a smaller base.
Wholesales	3,723	3,634	-2%	Per management, after the operational hiccup in Q2 2019, PNJ focused even more on its retail business for the remainder of the year. As a result, the wholesales business did not receive enough resources and management attention to grow as initially planned.
Gold bar trading	2,635	3,521	34%	Strong consumer demand amid wide gold price fluctuations.
Others	156	408	162%	Lifted by B2B sales (e.g., corporate gifts), per management.
Sales reduction*	-108	-144	33%	
Gross profit	2,779	3,461	25%	We estimate that GPM broadened in most segments, spearheaded by gold jewelry retail. Gold jewelry retail GPM stepped up on the back of a larger contribution from wide-margin gemstone jewelry.
Selling expenses	-1,171	-1,363	16%	
G&A expenses	-346	-479	39%	G&A expenses soared due to a higher IT headcount and other investments in digitalization.
Operating profit	1,263	1,619	28%	
Non-operating profit/loss	-57	-116	105%	Mostly includes net interest expenses related to short-term borrowings for working capital.
PBT	1,206	1,503	25%	
NPAT	960	1,191	24%	
Blended GPM	19.1%	20.4%		
SG&A/sales	10.4%	10.8%		
SG&A/retail sales	18.6%	19.2%		
NPAT-MI margin	6.6%	7.0%		

Source: PNJ, VCSC (*) Breakdown of net revenue is not available

Figure 2: PNJ's store count by format and region



Source: PNJ

2020F: SSSG to bounce back from low base

Figure 3: VCSC's 2020 forecasts

VND bn	2019	2020F old	2020F new	2020F new YoY	VCSC comments on new 2020F
Revenue	17,001	20,120	19,697	16%	Primarily driven by the gold jewelry segment (95% of our 2020F retail revenue).
Retail (jewelry + watch)	9,582	11,660	11,572	21%	We project gold jewelry retail SSSG of 13% for 2020 vs an estimated ~5% in 2019 as 2019 SSSG was undermined by an operational hiccup in Q2-early Q3 2019, as mentioned above. Our forecast decreases as we tone down our YE2020 gold store count projections from 337 previously to 323 (vs 288 as of YE2019) because (1) PNJ's nine store closures in 2019 exceeded our expectation and (2) we trim our 2020 new store assumption from 40 to 35 as management plans to concentrate more on fine-tuning the existing stores. We note that PNJ closed seven gold stores in December 2019 alone.
Wholesales	3,634	4,690	3,997	10%	We expect wholesales to rise in 2020 now that PNJ's operations have normalized and as the company strengthens its wholesale product offerings.
Gold bar trading	3,521	3,768	3,873	10%	
Others	408	156	428	5%	
Sales reduction*	-144	-154	-173	21%	
Gross profit	3,461	4,195	4,108	19%	We assume gold jewelry retail GPM will stay flat in 2020 vs 2019 as PNJ's efforts to push high-margin gemstone jewelry products offset its more extensive penetration into tier-2 and tier-3 areas, which typically generate a thinner GPM than tier-1 areas.
Selling expenses	-1,363	-1,763	-1,662	22%	We revise down our selling expense forecast due to (1) a smaller projected store count and (2) 2019 selling expenses undershooting our expectation.
G&A expenses	-479	-553	-550	15%	We expect G&A growth to decelerate in 2020 following a surge in 2019 that was driven by investments in the new ERP system along with other IT investments (e.g., IT personnel).
Operating profit	1,619	1,878	1,896	17%	
Non-operating profit/loss	-116	-109	-124	7%	Mostly includes net interest expenses related to short-term borrowings for working capital.
PBT	1,503	1,769	1,772	18%	
NPAT	1,191	1,415	1,418	19%	
Blended GPM	20.4%	20.8%	20.9%		
SG&A/sales	10.8%	11.5%	11.2%		
SG&A/retail sales	19.2%	19.9%	19.1%		
NPAT-MI margin	7.0%	7.0%	7.2%		

Source: PNJ, VCSC (*) Breakdown of net revenue is not available

Valuation

We value PNJ using a five-year DCF model, which in our view, is best suited to capture the company's bright long-term growth potential. Our target price for PNJ implies a three-year PEG of 1.1 (implied target 2019 PER in relation to 2019-2022F EPS CAGR), based on our forecasts, which is lower than a peer median of 2.7.

Figure 4: Valuation summary

Target price (VND)	101,000
Upside to TP	23.9%
Dividend yield	2.2%
Total stock return (%)	26.1%
2019 PER at TP	20.2x
2020F PER at TP	17.2x

Discounted Cash Flows

Figure 5: DCF valuation

VND bn	2020F	2021F	2022F	2023F	2024F
Earnings pre interest exp & tax	1,810	2,151	2,512	2,895	3,306
Depreciation	76	87	81	84	91
Tax	-354	-432	-514	-600	-689
Capex	-156	-113	-120	-120	-129
Change in working cap	105	-605	-472	-365	-333
Free cash flow	1,481	1,088	1,486	1,893	2,246
Present Value of FCF	1,324	869	1,061	1,208	1,281
Total PV of FCF	1,324	2,193	3,255	4,463	5,744

Cost of Capital	Current	Previous	FCFF (Five Years)	VND bn
Beta	1.0	1.0	PV of Free Cash Flows	5,744
Market Risk Premium %	8.7%	8.7%	PV of Terminal Val (5.0% g)	19,550
Risk Free Rate %	4.5%	4.5%	PV of FCF and TV	25,294
Cost of Equity %	13.2%	13.2%	Cash & ST investments	95
Cost of Debt %	5.5%	5.5%	Short & Long-term debt	-2,615
Target Debt % / Capital %	15.0%	15.0%	Minority Interest	0
Target Equity %	85.0%	85.0%	Equity Value	22,775
Corporate Tax Rate %	20.0%	20.0%	Shares (millions)	225
WACC %	11.9%	11.9%	Value per share, VND	101,089

Figure 6: Sensitivity analysis of our target price for PNJ in relation to WACC and terminal growth rate, ceteris paribus

PNJ target price (VND)	WACC				
	12.9%	12.4%	11.9%	11.4%	10.9%
Terminal growth	4.0%	77,327	82,979	89,355	96,605
	4.5%	81,452	87,710	94,825	102,983
	5.0%	86,101	93,083	101,089	110,360
	5.5%	91,379	99,237	108,336	118,992
	6.0%	97,424	106,355	116,814	129,228

Source: VCSC

Comparable peers

For peer references, we select leading branded jewelry retailers in the Asian markets of Hong Kong, China and India. We also include US-based Tiffany & Co. as it shares strategic similarities with PNJ in terms of its focus on fashion-oriented gold jewelry, especially gemstone jewelry.

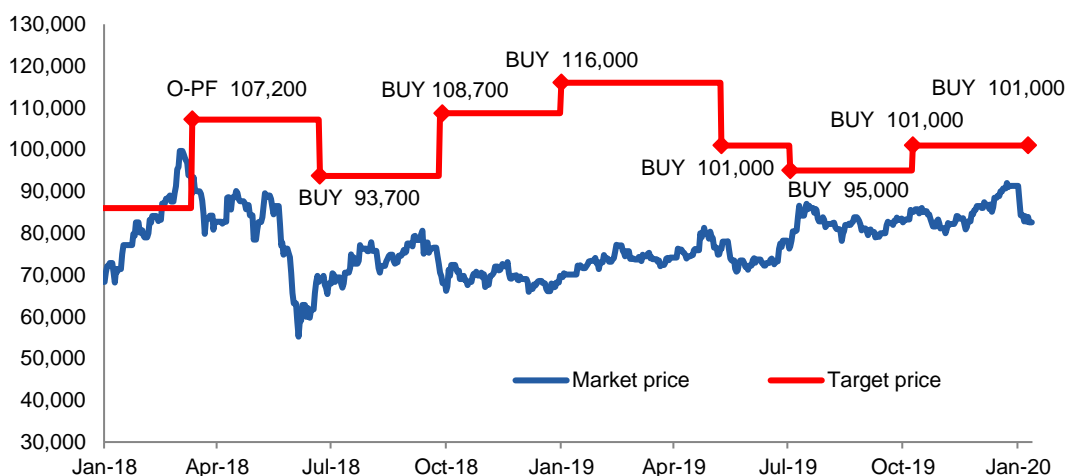
Figure 7: Comparable peers for PNJ

(USD mn) Company	Country	Mkt cap	2019 Sales	2019-2022 sales CAGR	2019 NPAT	2019-2022 EPS CAGR	TTM PER	2019 PER	TTM EV/ EBITDA	ROE
Tiffany & Co	USA	16,245	4,445	2.8%	579	4.0%	30.0	28.6	13.6	17.7%
Titan Co Ltd	INDIA	15,664	2,847	14.3%	214	18.0%	77.9	72.6	50.4	25.2%
Chow Tai Fook	HONG KONG	9,117	8,323	7.0%	564	11.0%	17.1	16.0	9.0	15.0%
Lao Feng Xiang Co Ltd	CHINA	2,702	7,159	11.7%	207	13.8%	8.1	8.0	N/A	21.5%
Luk Fook	HONG KONG	1,535	2,056	-1.2%	190	0.6%	9.1	8.1	5.7	13.1%
Chow Sang Sang	HONG KONG	807	2,323	6.3%	126	8.8%	6.2	6.4	3.7	9.6%
Avg	-	7,678	4,525	6.8%	313	9.4%	24.7	23.3	16.5	17.0%
Med	-	5,909	3,646	6.7%	211	9.9%	13.1	12.0	9.0	16.4%
Phu Nhuan Jewelry	Vietnam	791	733	14.5%	51	18.7%	16.3	16.3	12.6	28.6%

Source: Bloomberg (including Bloomberg consensus forecasts), VCSC forecasts for PNJ (data as of February 10, 2020)

Recommendation history

Figure 8: Recommendation history (share prices adjusted for share splits - VND)



Source: Bloomberg & VCSC

Financial Statements

P&L (VND bn)	2019	2020F	2021F	2022F	B/S (VND bn)	2019	2020F	2021F	2022F
Revenue	17,001	19,697	22,607	25,492	Cash & equivalents	95	601	742	1,307
COGS	-13,540	-15,589	-17,745	-19,881	ST investment	0	0	0	0
Gross profit	3,461	4,108	4,862	5,612	Accounts receivables	46	46	46	46
Selling expenses	-1,363	-1,662	-1,973	-2,260	Inventories	7,019	6,471	7,134	7,769
G&A expenses	-479	-550	-636	-723	Other current assets	170	170	170	170
Operating profit	1,619	1,896	2,253	2,629	Total Current assets	7,331	7,288	8,093	9,293
Financial income	2	5	10	15	Fix assets, gross	1,214	1,370	1,483	1,603
Financial expenses	-119	-130	-103	-75	- Depreciation	-291	-367	-454	-535
- o/w interest expense	-115	-130	-103	-75	Fix assets, net	924	1,003	1,029	1,068
Associates	0	0	0	0	LT investment	0	0	0	0
Net other income/(loss)	0	0	0	0	LT assets other	346	346	346	346
Profit before tax	1,503	1,772	2,161	2,570	Total LT assets	1,270	1,349	1,375	1,414
Income Tax	-312	-354	-432	-514	Total Assets	8,600	8,637	9,468	10,707
NPAT before MI	1,191	1,418	1,729	2,056	Accounts payable	688	473	571	676
Minority Interest	0	0	0	0	Short-term debt	2,611	2,111	1,611	1,111
NPAT-MI, reported	1,191	1,418	1,729	2,056	Other ST liabilities	720	492	452	510
NPAT-MI, adjusted⁽¹⁾	1,191	1,418	1,729	2,056	Total current liabilities	4,018	3,076	2,634	2,297
EBITDA	1,675	1,972	2,340	2,711	Long term debt	4	4	4	4
EPS reported, VND	5,000	5,883	7,103	8,365	Other LT liabilities	4	4	4	4
EPS adjusted ⁽¹⁾ , VND	5,000	5,883	7,103	8,365	Total Liabilities	4,026	3,084	2,642	2,304
EPS diluted, adj ⁽¹⁾ , VND	5,000	5,883	7,103	8,365	Preferred Equity	0	0	0	0
DPS, VND	1,800	1,800	1,800	1,800	Paid in capital	2,253	2,275	2,298	2,321
DPS/EPS (%)	36%	31%	25%	22%	Share premium	968	991	1,013	1,036
⁽¹⁾ Adjusted for one-offs					Retained earnings	1,042	1,977	3,204	4,734
RATIOS	2019	2020F	2021F	2022F	Other equity	311	311	311	311
Growth					Minority interest	0	0	0	0
Revenue growth	16.7%	15.9%	14.8%	12.8%	Total equity	4,574	5,554	6,826	8,402
Op profit (EBIT) growth	28.2%	17.1%	18.8%	16.7%	Liabilities & equity	8,600	8,637	9,468	10,707
PBT growth	24.6%	17.9%	21.9%	18.9%	Y/E shares out, mn	225.3	227.5	229.8	232.1
EPS growth	23.4%	17.7%	20.7%	17.8%	Y/E treasury shares, mn	0.0	0.0	0.0	0.0
Profitability					CASH FLOW (VND bn)	2019	2020F	2021F	2022F
Gross Profit Margin	20.4%	20.9%	21.5%	22.0%	Beginning Cash Balance	207	95	601	742
Op Profit, (EBIT) Margin	9.5%	9.6%	10.0%	10.3%	Net Income	1,191	1,418	1,729	2,056
EBITDA Margin	9.9%	10.0%	10.4%	10.6%	Dep, & amortization	56	76	87	81
NPAT Margin	7.0%	7.2%	7.6%	8.1%	Change in Working Cap	-1,748	105	-605	-472
ROE	28.6%	28.0%	27.9%	27.0%	Other adjustments	-174	-77	-92	-112
ROA	15.8%	16.4%	19.1%	20.4%	Cash from Operations	-676	1,521	1,119	1,553
Efficiency					Capital Expenditures, net	-208	-156	-113	-120
Days Inventory On Hand	162	158	140	137	Investments, net	1	0	0	0
Days Accts, Receivable	1	1	1	1	Cash from Investments	-207	-156	-113	-120
Days Accts, Payable	12	14	10	11	Dividends Paid	-344	-406	-410	-414
Cash Conversion Days	151	145	130	126	Δ in Share Capital	69	45	46	46
Liquidity					Δ in ST debt	1,052	-500	-500	-500
Current Ratio x	1.8	2.4	3.1	4.0	Δ in LT debt	-4	0	0	0
Quick Ratio x	0.0	0.2	0.3	0.6	Other financing C/F	-2	0	0	0
Cash Ratio x	0.0	0.2	0.3	0.6	Cash from Financing	771	-860	-864	-868
Debt / Assets	30.4%	24.5%	17.1%	10.4%	Net Change in Cash	-111	505	142	565
Debt / Capital	36.4%	27.6%	19.1%	11.7%	Ending Cash Balance	95	601	742	1,307
Net Debt / Equity	55.1%	27.3%	12.8%	-2.3%					
Interest Coverage x	14.0	14.6	22.0	35.0					

Source: Company data, VCSC

VCSC Rating System

Stock ratings are set based on projected total shareholder return (TSR), defined as (target price – current price)/current price + dividend yield, and are not related to market performance.

Equity rating key		Definition
BUY		If the projected TSR is 20% or higher
OUTPERFORM		If the projected TSR is between 10% and 20%
MARKET PERFORM		If the projected TSR is between -10% and 10%
UNDERPERFORM		If the projected TSR is between -10% and -20%
SELL		If the projected TSR is -20% or lower
NOT RATED		The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulation and/or firm policies in certain circumstances, including when VCSC is acting in an advisory capacity in a merger or strategic transaction involving the company.
RATING COVERAGE TERMINATED	SUSPENDED,	A rating may be suspended, or coverage terminated, if fundamental information is deemed insufficient to determine a target price or investment rating or due to a reallocation of research resources. Any previous investment rating and target price are no longer in effect.

Unless otherwise specified, these performance parameters are set with a 12-month horizon. Movement in share prices may cause a temporary mismatch between the latest published rating and projected TSR for a stock based on its market price and the latest published target price.

Target prices are generally based on the analyst's assessment of the stock's fair value over a 12-month horizon. However, the target price may differ from the analyst's fair value if the analyst believes that the market will not price the stock in line with assessed fair value over the specified time horizon.

Risks: Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative.



Disclaimer

Analyst Certification of Independence

I, Phap Dang, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The equity research analysts responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues, which include revenues from, among other business units, Institutional Equities and Investment Banking.

VCSC and its officers, directors and employees may have positions in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment). VCSC may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment.

Copyright 2013 Viet Capital Securities Company "VCSC". All rights reserved. This report has been prepared on the basis of information believed to be reliable at the time of publication. VCSC makes no representation or warranty regarding the completeness and accuracy of such information. Opinions, estimates and projection expressed in this report represent the current views of the author at the date of publication only. They do not necessarily reflect the opinions of VCSC and are subject to change without notice. This report is provided, for information purposes only, to institutional investors and retail clients of VCSC in Vietnam and overseas in accordance to relevant laws and regulations explicit to the country where this report is distributed, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction. Investors must make their investment decisions based upon independent advice subject to their particular financial situation and investment objectives. This report may not be copied, reproduced, published or redistributed by any person for any purpose without the written permission of an authorized representative of VCSC. Please cite sources when quoting.

U.K. and European Economic Area (EEA): Unless specified to the contrary, issued and approved for distribution in the U.K. and the EEA by VCSC issued by VCSC has been prepared in accordance with VCSC's policies for managing conflicts of interest arising as a result of publication and distribution of investment research. Many European regulators require a firm to establish, implement and maintain such a policy. This report has been issued in the U.K. only to persons of a kind described in Article 19 (5), 38, 47 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons being referred to as "relevant persons"). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is only available to relevant persons and will be engaged in only with relevant persons. In other EEA countries, the report has been issued to persons regarded as professional investors (or equivalent) in their home jurisdiction. **Australia:** This material is issued and distributed by VCSC in Australia to "wholesale clients" only. VCSC does not issue or distribute this material to "retail clients". The recipient of this material must not distribute it to any third party or outside Australia without the prior written consent of VCSC. For the purposes of this paragraph the terms "wholesale client" and "retail client" have the meanings given to them in section 761G of the Corporations Act 2001. **Hong Kong:** The 1% ownership disclosure as of the previous month end satisfies the requirements under Paragraph 16.5(a) of the Hong Kong Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission. (For research published within the first ten days of the month, the disclosure may be based on the month end data from two months prior.) **Japan:** There is a risk that a loss may occur due to a change in the price of the shares in the case of share trading, and that a loss may occur due to the exchange rate in the case of foreign share trading. In the case of share trading, VCSC will be receiving a brokerage fee and consumption tax (shouhizei) calculated by multiplying the executed price by the commission rate which was individually agreed between VCSC and the customer in advance. **Korea:** This report may have been edited or contributed to from time to time by affiliates of VCSC. **Singapore:** VCSC and/or its affiliates may have a holding in any of the securities discussed in this report; for securities where the holding is 1% or greater, the specific holding is disclosed in the Important Disclosures section above. **India:** For private circulation only, not for sale. **Pakistan:** For private circulation only, not for sale. **New Zealand:** This material is issued and distributed by VCSC in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money. VCSC does not issue or distribute this material to members of "the public" as determined in accordance with section 3 of the Securities Act 1978. The recipient of this material must not distribute it to any third party or outside New Zealand without the prior written consent of VCSC. **Canada:** The information contained herein is not, and under no circumstances is to be construed as, a prospectus, an advertisement, a public offering, an offer to sell securities described herein, or solicitation of an offer to buy securities described herein, in Canada or any province or territory thereof. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. The information contained herein is under no circumstances to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities must be conducted through a dealer registered in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed judgment upon these materials, the information contained herein or the merits of the securities described herein, and any representation to the contrary is an offence. **Dubai:** This report has been issued to persons regarded as professional clients as defined under the DFSA rules. **United States:** This research report prepared by VCSC is distributed in the United States to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Decker&Co, LLC, a broker-dealer registered in the US (registered under Section 15 of Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Decker&Co, LLC in the US shall be borne by Decker&Co, LLC. All resulting transactions by a US person or entity should be effected through a registered broker-dealer in the US. This report is not directed at you if VCSC Broker or Decker&Co, LLC is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Decker&Co, LLC and VCSC is permitted to provide research material concerning investment to you under relevant legislation and regulations.



Contacts

Corporate

www.vcsc.com.vn

Head Office

Bitexco Financial Tower, 2 Hai Trieu Street
District 1, HCMC
+84 28 3914 3588

Transaction Office

10 Nguyen Hue Street
District 1, HCMC
+84 28 3914 3588

Research

Research Team: +84 28 3914 3588
research@vcsc.com.vn

Banks, Securities and Insurance

Long Ngo, Associate Director, ext 123

- Nghia Dien, Senior Analyst, ext 138
- Anh Dinh, Analyst, ext 139
- Truc Ngo, Analyst, ext 116

Consumer and Pharma

Phap Dang, Associate Director, ext 143

- Dao Nguyen, Manager, ext 185
- Ha Dao, Analyst, ext 194
- Vinh Bui, Analyst, ext 191

Real Estate, Construction and Materials

Hong Luu, Senior Manager, ext 120

- Vy Nguyen, Senior Analyst, ext 147
- Duc Pham, Analyst, ext 174

Retail Client Research

Duc Vu, Senior Manager, ext 363

- Nghia Le, Analyst, ext 181
- Tra Vuong, Analyst, ext 365
- Trung Nguyen, Analyst, ext 129

Institutional Sales and Brokerage

& Foreign Individuals

Dung Nguyen

+84 28 3914 3588, ext 136
dung.nguyen@vcsc.com.vn

Hanoi Branch

109 Tran Hung Dao
Hoan Kiem District, Hanoi
+84 24 6262 6999

Transaction Office

236-238 Nguyen Cong Tru Street
District 1, HCMC
+84 28 3914 3588

Alastair Macdonald, Head of Research, ext 105
alastair.macdonald@vcsc.com.vn

Macro

- Luong Hoang, Senior Analyst, ext 364
- Nguyen Truong, Analyst, ext 132

Oil & Gas and Power

Duong Dinh, Senior Manager, ext 140

- Tram Ngo, Senior Analyst, ext 135
- Thanh Nguyen, Senior Analyst, ext 173
- Duc Le, Analyst, ext 196

Industrials and Transportation

- Nam Hoang, Senior Analyst, ext 124
- Dang Thai, Analyst, ext 149

Retail & Corporate Brokerage

Ho Chi Minh & Hanoi

Quynh Chau

+84 28 3914 3588, ext 222
quynh.chau@vcsc.com.vn