

MASAN GROUP

(MSN VN)

2022: Profit to reach new high

BUY

(Maintain)

Target price:

VND195,000

(Upside +21,6%)

Mirae Asset Securities (Vietnam) JSC

Nguyen Tien Duc, duc.nt@miraeasset.com.vn

Recommendation and valuation

- We maintain our Buy rating for Masan Group (MSN) and raise our target price to VND195,000 (from VND179,000). Our higher TP is based on MSN's better-than-expected 4Q21 results and the group's large cash holdings (~US\$1bn) at end-FY21.

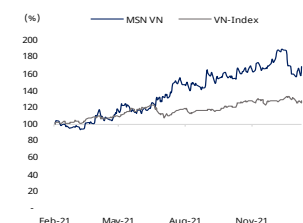
9M21 better than expected

- MSN maintained its 4Q21 top-line growth at a double-digit level (+10.3% YoY), thanks to better-than-expected results from the consumer products and high-tech materials segments (+31% YoY and +68.3% YoY respectively). Revenue of the meat chain segment in 4Q21 fell 20.8% YoY, due to divestment from the animal feed business in late-November 2021, when sales of the grocery retail business declined by 5.4% YoY, due to a temporary drop in demand from buyers (consumers in major cities continued strong purchases of consumer products in late-3Q21, as social distancing measures were applied amid the fourth wave of Covid 19 in Vietnam).
- In FY21, MSN saw net revenue of VND88,629bn (+14.8% YoY), with operating profit (OP) up by 273.6% YoY (OP margin: +4.9%p), thanks to outperformance by the high-tech materials and grocery retail businesses. In addition, divestment from the animal feed business (total transaction value of VND7,200bn for 100% shares) fueled MSN's favorable FY21 numbers, resulting in record net profit of FY21 of VND8,563bn (+539.9% YoY). MSN also reported VND22,000bn in cash & equivalents in end-FY21, which is another record for the group.
- In January 2022, SHERPA (100% owned by MSN) paid US\$110mn to increase MSN's ownership of Phuc Long Heritage - PLH (a top-3 coffee & tea retail platform in Vietnam) from 20% to 51%.

2022 forecast

- Despite divestment from the animal feed segment, we expect MSN revenue in FY22 to rise by a modest 2.6% YoY on positive results for all of its business lines, including: 1) consumer products: +14.0% YoY, thanks to rapid growth of the premium segment; 2) high-tech materials: +7.4% YoY, on increasing global tungsten prices; and 3) grocery retail segment: +27% in sales, thanks to 500-1,400 new stores and increasing "fresh portfolio." Meat chain revenue is expected to drop 71% YoY in FY22, due to the end of animal feed sales. However, the chilled pork and poultry businesses are forecast to grow by 18% YoY and 35% YoY, respectively.
- We project a 26.6% YoY rise in FY22 operating profit to VND7,953bn, thanks mainly to higher average tungsten prices, lower soft commodity prices, and lower interest expenses. FY22 net profit is expected to reach VND6,300bn (-26.4% YoY), as one-time profit from the FY21 divestment from animal feed is unlikely to be repeated.

Key data



Share price change

(%)	1M	6M	12M
Absolute	11.3	7.0	73.6
Relative	8.6	5.5	44.5

Current price (21/02/2022, VND)	160,300	Market capital (VNDbn)	186,643
Net profit (22F, VNDbn)	6,300	Outstanding shares (mn)	1,181
EPS growth (22F, %)	-26.4%	Free float (%)	45.2
P/E current (TTM, x)	22.1	Foreign ownership (%)	28.7
P/E forward(22F,x)	29.6	Beta (12M)	0.9
Current market P/E (x)	17.0	52-wk low (VND)	81,300
		52-wk high (VND)	175,000

Financial and valuation data

FY	2020	2021	2022F	2023F
Net revenue (VNDbn)	77,218	88,629	90,923	96,522
Operating profit (VNDbn)	1,682	6,283	7,953	9,238
Operating profit growth (% YoY)	-65.3%	273.6%	26.6%	16.1%
Net profit (VNDbn)	1,234	8,563	6,300	8,795
Net profit growth (% YoY)	-77.8%	593.9%	-26.4%	39.6%
EPS (VND)	1,045	7,253	5,337	7,450
EPS growth (% YoY)	-77.8%	593.9%	-26.4%	39.6%
ROE%	8.8%	30.8%	19.9%	22.4%
ROA%	1.2%	8.0%	6.0%	7.8%
Cash dividend/par value (%)	0.0%	5.0%	10.0%	10.0%

Note: EPS diluted does not include bonus & welfare fund

Source: Bloomberg, Mirae Asset Vietnam Research

FY21 –Record-setting net profit comes sooner than expected

Top-line grew strongly in 4Q21: Vietnam changed its pandemic response policy from “Zero Covid” to “Living with Covid” in early-October 2021, thanks to increasing vaccination rates (86% of the population by end-2021). Thanks to the new policy, Vietnamese gradually returned to pre-pandemic norms, with wet markets re-opened all over the country. MSN's consolidated revenue grew 10.3% YoY in 4Q21, which was the lowest growth rate in FY21. The two main reasons for the low growth rate in 4Q21 were the full divestment from the animal feed business of late-November 2021, which resulted in a 35% YoY drop in the top-line of the meat chain segment, and reduced demand from consumers after they had maintained higher inventories of essential goods at end-3Q21, resulting in a 5.4% YoY drop in sales of Winmart supermarkets. MSN's others business segment achieved favorable topline growth in 4Q21, including the consumer product segment (+31% YoY on stronger sales of premium products) and high-tech materials (+68.3% YoY on the back of higher tungsten prices).

Figure 1. MSN maintained double-digit growth rate in 4Q21

VNDbn	4Q21	4Q20	Change	FY21	FY20	Change	Comments
Consolidated net revenue	23,828	21,600	10.3%	88,629	77,218	14.8%	
Masan Consumer Holdings	9,691	7,397	31.0%	27,774	23,343	19.0%	
Seasonings	N/a	N/a	32.0%	9,696	8,148	18.8%	<ul style="list-style-type: none"> Long period of social distancing in 3Q21 forced higher income group in Vietnam to cook at home and look for premium food products. In 4Q21, consumers kept coming back to premium products, leading to high growth rates for MCH's seasonings, convenience foods, and processed meats. Premium portfolio currently accounts for 50% of MCH total revenue.
Convenience foods	N/a	N/a	43.3%	8,738	6,881	27.4%	
Processed meat	N/a	N/a	51.7%	1,277	840	51.7%	
Personal and home care	N/a	N/a	26.0%	1,505	1,265	19.0%	<ul style="list-style-type: none"> MCH launched new home-care brand “Join” in late-3Q21 with massive advertisement campaign. As a result, the market share of MCH's home-care products increased strongly in 4Q21, which led to strong revenue growth despite consumers spending less money for detergents in 4Q21, compared with the same period last year.
Beverages	N/a	N/a	10.4%	5,785	4,785	20.9%	<ul style="list-style-type: none"> Nutritional drinks +55% YoY (new launch in 2020; Coffee +10.2% YoY Beer +54% YoY (new launch 2020) Non-alcoholic beverages in general only grew 3% YoY in 4Q21 and 4% YoY in FY21
Masan MEATLife	3,726	4,707	-20.8%	18,891	16,119	17.2%	
Animal feed	2,750	3,972	-35.3%	14,405	13,760	4.7%	<ul style="list-style-type: none"> MML divested 100% from animal feed products in late-November 2021.
Chilled meat	679	752	-9.7%	2,999	2,275	32.0%	<ul style="list-style-type: none"> Wet markets have been re-opened from beginning of 4Q21, leading to reduced consumer traffic to modern trade channels. Chilled meat sales in 4Q21 declined as a result.
Poultry	477	87	475%	1,487	83	1,684%	<ul style="list-style-type: none"> Poultry sales increased strongly from a low base in 4Q20.

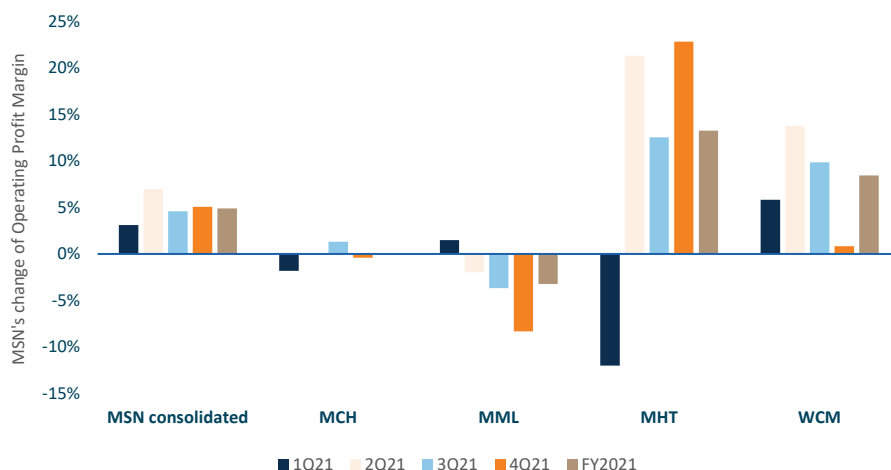
VNDbn	4Q21	4Q20	Change	FY21	FY20	Change	Comment
High-Tech Materials (MHT)	3,961	2,353	68.3%	13,564	7,426	82.7%	
Tungsten (WO3)	3,367	1,811	85.9%	11,912	4,985	139.0%	<ul style="list-style-type: none"> Price of ammonium paratungstate (APT) closed at US\$320/mtu in 4Q21 (+3% from 3Q21 close and +39% YoY). For FY21, average APT price was US\$286/mtu (+29% YoY). Higher revenue was achieved, thanks to consolidation of H.C. Starck (12 months in FY21, compared with 7 months in FY20).
Fluorspar Acid Grade	469	372	26.0%	1,375	1,506	-8.7%	<ul style="list-style-type: none"> Average price: +4% YoY. Production and sales volume recovered in 4Q21. However, revenue in FY21 was lower than FY20, as a factory was closed in 3Q21, due to unexpected maintenance.
Copper ore	82	0	N/a	54	750	-92.8%	<ul style="list-style-type: none"> Only 695 tons of copper ore were sold in 4Q21 (equivalent to 8% of FY21 production) to a domestic smelter. Market price of MHT's copper ore inventory was estimated at VND6,000bn by end-FY21.
Other	67	35	92.5%	248	185	34.1%	<ul style="list-style-type: none"> 4Q21 Bismuth price and cobalt price increased 38% YoY and 60% YoY, respectively. 4Q21 sales volume increased from a low base, as major maintenance took place in 4Q20.
VinCommerce	6,904	7,300	-5.4%	30,900	30,978	-0.4%	
Supermarkets	2,594	3,152	-17.7%	9,924	10,625	-6.6%	<ul style="list-style-type: none"> Winmart supermarkets (WMT) re-opened in 4Q21 after 2/3 of stores closed in 3Q21 due to social distancing measures. However, sales of WMT fell 17.7% from same period 2020, as consumers needed time to reduce high inventory levels of essential products from late-3Q21. Revenue/m² of WMT decreased 19.2% YoY in 4Q21 and fell 10.6% YoY in FY21.
Convenient stores	4,780	4,430	7.9%	20,948	19,450	+7.7%	<ul style="list-style-type: none"> 278 new WMP stores were opened in 4Q21, which increased the total number of WMP store to 2,619. Revenue/m² of old WMP stores increased 14.3% YoY in 4Q21 and rose 15% YoY in FY21.

Source: MSN, Mirae Asset Vietnam Research

Note: Data of Wincommerce is report as MSN's disclosure in "Financial Release 09/02/2022".

Operating profit margin (OPM) improved remarkably, thanks to VCM and MHT: The average price of animal feed materials in 4Q21 was higher than the same period last year, when prices of pork and poultry had been on a downtrend since 2Q21, resulting in MML's operating profit margin (OPM) falling by 5.3%p. However, MSN's 4Q21 consolidated OPM was 5.1%p higher than in 4Q20, thanks to a 22.8%p increase in MHT's OPM (due to higher tungsten prices) and 8.1%p improvement in WCM (on the back of higher discount rate from suppliers). In FY21, MSN's consolidated operating profit (OP) jumped 273.6% YoY to VND6,283bn.

Figure 2. MHT and WCM were two major factors contributing to MSN's improved OPM in 2021



Source: MSN

Figure 3. Operating profit increased sharply, thanks mainly to better results of grocery retail segment

Unit: VNDbn	FY21	FY20	Change	Comments
Consolidated operating profit	6,283	1,682	273.6%	
<i>OPM consolidated</i>	7.1%	2.2%	4.9% p	
MCH	5,938	4,998	18.8%	
<i>MCH's OPM</i>	21.4%	21.4%	0.0% p	•
MML	648	1,073	-39.6%	
<i>MML's OPM</i>	3.4%	6.7%	-3.2% p	<ul style="list-style-type: none"> • MML operating profit declined, mostly due to divestment from animal feed business. • Animal feed OPM dropped, due to higher materials prices. • OPM of chilled pork was maintained at 18%. However, OPM of poultry segment was below 0%.
MHT	1,187	(336)	N/a	
<i>MHT's OPM</i>	8.7%	-4.5%	13.3% p	• MHT's OPM improved strongly in FY21, thanks to higher price of ammonium paratungstate (APT) and fluorspar.
WCM	(746)	(3,361)	N/a	
<i>WCM's OPM</i>	-2.4%	-10.8%	8.4% p	• WCM's better OPM in FY21 was mainly backed by higher discount rates from suppliers.
Unlocated operating expenses	(744)	(692)	N/a	

Source: MSN, Mirae Asset Vietnam Research

Net profit hit record high in FY21, thanks to better performance of all segments and divestment from animal feed businesses: MCH and Techcombank (a commercial bank in which MSN holds a 20% stake) were two major contributors to the group's FY21 pre-minority interest net profit after tax (NPAT pre-MI), with results of VND5,526bn and VND3,607bn, respectively. WCM's greatly-reduced losses in FY21 also contributed to MSN's outstanding results in FY21. MSN's FY21 consolidated NPAT pre-MI was VND10,101bn, a 624.1% YoY increase and a record high for MSN.

Figure 4. 9M21 net profit increased strongly from same period last year.

	FY21	FY20	Change	Comments
Consolidated net profit after tax (NPAT)	10,101	1,395	624.1%	
<i>NPAT margin</i>	11.4%	1.8%	9.6% p	
MCH	5,526	4,633	19.3%	
<i>MCH NPAT margin</i>	19.9%	19.8%	0.1% p	
MML	1,253	492	154.7%	
<i>MML NPAT margin</i>	6.6%	3.1%	3.6% p	MML posted NPAT +154.7% YoY in FY21, mostly thanks to one-time profit from divestment of animal feed business.
MHT	261	169	54.8%	In FY21, MHT had modest one-time profit, while that of FY20 was VND1,390. Hence, MHT's NPAT was only VND261bn, while OP reached VND1.186bn.
<i>MHT NPAT margin</i>	1.9%	2.3%	-0.3% p	
VCM	(1,446)	(4,186)	-65.4%	
<i>VCM NPAT margin</i>	-4.7%	-13.5%	8.8% p	
Shared profit from joint ventures	3,897	2,640	47.6%	MSN holds a 20% stake in Techcombank in Vietnam. In FY21, the bank posted net profit of VND18,037bn.
Other un-located profit (loss)	610	(2,353)	-125.9%	This account mostly reflects the operating expenses and financial expenses of MSN's mother company.
Net profit attributed to common shareholders	8,563	1,234	593.9%	

Source: MSN, Mirae Asset Vietnam Research







Major events in 3Q21

MML divested from its animal feed business earlier than expected: MML announced the sale of 100% of its animal feed business to De Heus on November 6, 2021, in order to focus on the meat business. In exchange, De Heus will supply 70% of the animal feed demand of MMI and 2.8mn porkers over the next five years. After this deal, MML will only own a 100% share of its chilled meat business and 51% of its poultry business. We expected this deal to be done in 2022. Hence, the fact that MML got the deal done in late-November 2021 was much earlier than our expectation.

Phuc Long heritage (PLH) is consolidated to MSN from 2022: The Sherpa (100% owned by MSN) is the mother company of The Crown X. The Sherpa paid US\$110mn cash for 31% of PLH shares in January 2022. After the transaction, PLH was 51% owned by MSN. PLH was valued at US\$355mn and will be consolidated to MSN from 1Q22. In FY21, PLH has revenue of VND1,476bn, NPAT of VND226bn. PLH served 20mn tea cups in FY21 through 678 POS countrywide.

MSN targets core NPAT pre-MI growth of 32-84% YoY in FY22: MSN disclosed its guidance for FY22, aiming at revenue of VND90,000 (+22% YoY, animal feed excluded) and core NPAT in a low-case scenario of VND5,000bn (+32% YoY).

Figure 6. MSN target further strong growth in 2022

	FY2022 Preliminary Budget Forecasts (VND billion)					
						
2022 Prelim. Revenue Targets	90,000-100,000	38,000-40,000	34,000-40,000	5,000-6,500	14,500-15,000	3,000-3,500
FY2021 Revenue (Ex-Feed)	74,200	30,900	28,764	4,486	13,564	
Growth %	22-36%	23-29%	18-39%	11-45%	7-11%	
FY2022 Core NPAT Pre-MI Target*	5,000-7,000					
FY2021 Core NPAT Pre-MI	3,800					
Growth %	32-84%					

- * Preliminary forecast is "indicative" and subject to customary corporate approvals and is subject to change
- * Core NPAT Pre-MI excluding one-time gains/losses and feed business contribution in FY2021

20

Source: MSN, Mirae Asset Vietnam Research

2022 outlook: Profit to reach new high

Topline to go sideways, but operating profit to accelerate in FY22: We expect Vietnamese consumers to resume their pre-pandemic consumption behaviors in 2022, as 82% of Vietnamese are vaccinated against COVID-19 (as of mid-February 2022).

The sudden increase in demand for packaged foods and closure of traditional markets during quarantines have helped to increase MSN's sales of packaged food and convenience store sales in 2021. However, those two factors are not likely to be repeated in 2022. In addition, MSN's divestment from its animal feed business is expected to reduce MSN's revenue by about VND15,000bn. As a result, MSN's consolidated revenue in 2022 is forecast at VND90,923bn, or +2.6% YoY.

Figure 5. MSN forecast results 2022

Unit: VNDbn	2022F	2021	Change	Comments
Consolidated revenue	90,923	88,629	2.6%	
MCH	31,578	27,774	14%	<ul style="list-style-type: none"> Revenue growth of seasoning and convenience foods are forecast to slow to 8% YoY and 12% YoY, respectively, from 2021's high base. Travel and outdoor activities in Vietnam are expected to return to normal levels in 2022. Thus, beverage, personal care, and beer products are expected to grow rapidly, at +15.6%, +12%, and +25%, respectively, from 2021's low base.
MML	5,546	18,891	-71%	<ul style="list-style-type: none"> Revenue from animal feed in 2022 is 0. Revenue of chilled pork is forecast to grow 18% YoY to VND3,538bn, thanks to increased number of distribution network of Wincommerce. Poultry sales are expected to grow 35% YoY.
MHT	14,568	13,564	7%	<ul style="list-style-type: none"> Average selling price of ammonium paratungstate (APT) is forecast to increase 7% YoY in 2022, which should help revenue of this product line reach VND12,746bn. Fluorspar factory had to close for two months in 2021, due to maintenance. As a result, fluorspar production is expected to increase 15% YoY in 2022, thanks to longer period of operation.
VCM	39,230	30,840	27%	<ul style="list-style-type: none"> Supermarkets: Revenue is forecast to increase 9.9% YoY, thanks to expectation for supermarkets located inside mega malls to operate the whole year. Convenience stores: Number of stores is expected to increase by 500 to 1,400 in 2022, with average operating stores in 2022 likely to reach 2,869 (+20% YoY). Revenue/m² is projected to decline 6% YoY in 2022, due to impact of new stores.

Figure 6. Operating profit margin is forecasted to improve in 2022				
	2022F	2021F	Change	Comments
Consolidated operating profit	7,953	6,283	26.6%	
Consolidated operating profit margin (OM)	8.7%	7.1%	1.7% p	
MCH	6,816	5,938	14.8%	
MCH OM	21.6%	21.4%	0.2% p	<ul style="list-style-type: none"> Gross margin of MCH in 2022 is forecast to increase 0.2%p to 42.7%, thanks to higher proportion of premium products in total revenue and lower input prices (prices of wheat, edible oil, etc., have retreated from their decade-highs in 3Q21). SG&A as % of revenue is expected to return to pre-Covid levels.
MML	484	648	-25.0%	<ul style="list-style-type: none"> Operating profit of MML is expected to fall sharply, due to divestment from its animal feed business.
MML OM	8.7%	3.4%	5.3% p	<ul style="list-style-type: none"> Chilled meat: Gross profit margin is forecast to improve to 27% in 2022, as live hog prices are expected to fall by 5–7% in 2022. Poultry: Gross margin is expected to reach 0% (break-even), thanks to higher sales volume.
MHT	1,666	1,187	40.0%	
MHT OM	11.4%	8.7%	2.7% p	<ul style="list-style-type: none"> Higher OM is expected, thanks to higher average tungsten price.
VCM	(418)	(746)	N/a	
VCM OM	21.6%	21.4%	0.2% p	<ul style="list-style-type: none"> WCM restructured its product portfolio to “fresh orientation” and succeed in dealing with supplier to increase discount rate. Hence, WCM maintained high OM at 23% in 2H21. In 2022, OM of old stores is expected to be maintained at 23%+ for whole year. However, newly-opened stores in FY22 are likely to drag WCM OM down to 21.6%.
Un-located operating expenses	(595)	(744)	6.0%	In FY22, we expect MSN to reduce group net debt, thanks to record cash balance of VND22.000bn in end-FY21.

Source: MSN, Mirae Asset Vietnam Research

Figure 7. FY22 NPAT to reduce as big one-off profit is not likely to repeat				
Unit: VNDbn	2022F	2021F	Change	Comment
Consolidated net profit after tax	7,531	10,101	-25.4%	
Consolidated net margin (NM)	8.3%	11.4%	-3.1% p	
MCH	6,276	5,526	13.6%	
MCH NM	19.9%	19.9%	0.0% p	
MML	225	1,254	-82%	
MML NM	4.1%	6.6%	-2.6% p	
MHT	478	261	83%	
MHT NM	3.3%	1.9%	1.4% p	
VCM	(718)	(1,446)	N/a	
VCM NM	-1.8%	-4.7%	2.9% p	
Shared profit from associates	3,943	3,897	1.2%	<ul style="list-style-type: none"> Shared net profit from associates is mostly from Techcombank (TCB VN). Please refer to this link for detailed analysis and forecast.
Other profit/(loss) after tax	(2,673)	(609)	N/a	<ul style="list-style-type: none"> In FY21, MSN recorded a large amount of one-off profit from the animal feed business divestment. We do not expect such a similar transaction to repeat in 2022.
Net profit attributed to common shareholders	6,300	8,563	-26.4%	

Source: MSN, Mirae Asset Vietnam Research

Valuation and recommendation

We maintain our Buy rating for Masan Group (MSN) and raise our target price to VND195,000 (from VND179,000). Our higher TP is based on MSN's better-than-expected 4Q21 results and the group's large cash holdings (~US\$1bn) at end-FY21.

Figure 8. MSN's valuation model (SOTP approach)					
Subsidiaries	Approach	Target multiple (x)	Sub's enterprise value 2022 (VNDbn)	MSN's economic interest	MSN's economic interest value (VNDbn)
Masan Consumer Holdings	P/E	21.0	129,791	73%	94,435
Masan MEATLife	P/B	2.5	14,940	100%	14,940
Masan High-Tech Materials	P/B	2.8	40,978	86%	35,405
VinCommerce	P/Sales	2.5	98,076	71%	69,694
Techcombank	P/B	2.2	241,432	20%	48,045
MSN's enterprise value 2022 (VNDbn)					262,519
Outstanding shares 2022 (mn)					1,181
Forecast price per share 2022 (VND)					195,000
Target price 2022 (VND)					195,000

Source: Mirae Asset Research

P&L report - Consolidated (Summary)

VNDbn	2020	2021F	2022F	2023F
Net revenue	77,218	88,629	90,923	96,522
COGS	(59,329)	(66,494)	(66,708)	(70,021)
Gross profit	17,889	22,135	24,215	26,501
SG&A	(16,207)	(15,851)	(16,262)	(17,263)
Operating profit	1,682	6,283	7,953	9,238
Other profit/(loss)	643	5,205	612	2,340
Net profit before tax	2,325	11,489	8,565	11,578
Tax expenses	(930)	(1,387)	(1,034)	(1,398)
Net profit after tax	1,395	10,101	7,531	10,180
NP attributes to common SHs	1,234	8,563	6,300	8,795
Minority interest	161	1,539	1,231	1,385

Balance sheet - Consolidated (Summary)

VNDbn	2020	2021F	2022F	2023F
Current asset	29,761	43,630	31,738	32,163
Cash & Equiv.	7,721	22,305	8,154	6,371
ST investment	447	333	333	333
Account receivable	7,051	6,634	7,134	7,434
Inventory	12,498	12,813	14,473	16,143
Others	2,043	1,545	1,645	1,883
Non-current asset	85,976	82,463	93,264	98,644
Investment in joint venture	20,353	24,539	31,539	34,629
Tangible asset	51,871	45,486	48,888	50,913
Others	13,751	12,439	12,837	13,102
Total asset	115,737	126,093	125,002	130,808
Short-term liability	38,875	34,548	35,188	36,525
Account payable	12,613	13,135	13,315	13,215
ST borrowing	22,545	18,806	18,866	19,803
Other ST liabilities	3,717	2,607	3,007	3,507
Long term liability	51,832	49,209	42,148	39,212
LT borrowing	39,466	39,372	32,311	29,374
Other LT liability	12,366	9,837	9,837	9,837
Total liabilities	90,706	83,757	77,337	75,737
Shareholders' equity	15,938	32,811	37,930	45,545
Paid in capital	11,747	11,805	11,805	11,805
Others	4,191	21,006	26,125	33,740
Minority interest	9,093	9,526	9,526	9,526
Total resource	115,737	126,093	124,793	130,808

Cash flow (summary)

VNDbn	2020	2021F	2022F	2023F
Net profit before tax	2,325	11,489	8,565	11,578
Depreciation & Amortization	4,008	5,093	5,132	4,155
Other adjustment	1,036	(4,935)	(612)	(2,340)
Cashflow from operating activities before change in working capital	6,603	11,185	12,148	13,474
Change in non-cash current assets	(941)	(3,034)	(2,260)	(2,170)
Change in non-debt current liabilities	934	(282)	580	400
Other changes	(5,245)	(6,726)	(6,264)	(5,668)
Cashflow from operating activities	1,351	1,144	4,205	6,037
Investment in fixed asset	(3,622)	(2,786)	(5,500)	(4,143)
Change in long term financial investment	(28,821)	8,427	(7,000)	(3,090)
Other change in long term assets	(1,315)	706	-	-
Cashflow from investment	(33,757)	6,346	(12,500)	(7,233)
Share issuance (*)	2,386	17,364	2,625	2,744
Share buy back	-	(9,777)	-	-
Change in net debt	32,348	2,971	(7,000)	(2,000)
Dividend paid	(1,403)	(3,462)	(1,481)	(1,331)
Cashflow from financial activities	33,331	7,096	(5,856)	(587)
Net cashflow in period	925	14,586	(14,151)	(1,783)
Cash at beginning	6,801	7,721	22,305	8,154
Affect in change of foreign exchange	(4)	(2)	-	-
Net cash at end of period	7,721	22,305	8,154	6,371

Note: CF from share issuance is mostly from issuing new shares in subsidiaries

Key ratios

	2020	2021F	2022F	2023F
EPS diluted (VND)	1,045	7,253	5,337	7,450
BVPS	13,568	27,793	32,130	38,580
Net debt/shares	52,790	49,281	43,351	41,657
Revenue growth (YoY)	106.7%	14.8%	2.6%	6.2%
EBITDA growth (%)	-35.1%	121.7%	11.3%	10.9%
Operating profit growth (%)	-65.3%	273.6%	26.6%	16.1%
EPS growth (%)	-77.8%	593.9%	-26.4%	39.6%
Receivable turnover (x)	11	13	13	13
Inventory cycle (x)	5	5	5	4
Payable cycle (x)	6	7	7	7
ROA (%)	1.2%	8.0%	6.0%	7.8%
ROE (%)	8.8%	30.8%	19.9%	22.4%

Source: Company report, Mirae Asset Vietnam Research

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (VND)
Masan Group (MSN VN)	02/07/2021	Trading Buy	131,000
Masan Group (MSN VN)	09/08/2021	Hold	143,000
Masan Group (MSN VN)	02/12/2021	Buy	179,000
Masan Group (MSN VN)	21/02/2022	Buy	195,000

Stock ratings

Buy	Expected 12-month performance: +20% or greater
Trading Buy	Expected 12-month performance: +10% to +20%
Hold	Expected 12-month performance: -10% to +10%
Sell	Expected 12-month performance: -10% or worse

Sector ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

* Our investment rating is a guide to the expected return of the stock over the next 12 months.

* Outside of the official ratings of Mirae Asset Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.

* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

Analyst certification

The research analysts who prepared this report (the "Analysts") are subject to Vietnamese securities regulations. They are neither registered as research analysts in any other jurisdiction nor subject to the laws and regulations thereof. Opinions expressed in this publication about the subject securities and companies accurately reflect the personal views of the Analysts primarily responsible for this report. Mirae Asset Securities (Vietnam) LLC (MAS) policy prohibits its Analysts and members of their households from owning securities of any company in the Analyst's area of coverage, and the Analysts do not serve as an officer, director or advisory board member of the subject companies. Except as otherwise specified herein, the Analysts have not received any compensation or any other benefits from the subject companies in the past 12 months and have not been promised the same in connection with this report. No part of the compensation of the Analysts was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report but, like all employees of MAS, the Analysts receive compensation that is determined by overall firm profitability, which includes revenues from, among other business units, the institutional equities, investment banking, proprietary trading and private client division. At the time of publication of this report, the Analysts do not know or have reason to know of any actual, material conflict of interest of the Analyst or MAS except as otherwise stated herein.

Disclaimers

This report is published by Mirae Asset Securities (Vietnam) LLC (MAS), a broker-dealer registered in the Socialist Republic of Vietnam and a member of the Vietnam Stock Exchanges. Information and opinions contained herein have been compiled in good faith and from sources believed to be reliable, but such information has not been independently verified and MAS makes no guarantee, representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information and opinions contained herein or of any translation into English from the Vietnamese language. In case of an English translation of a report prepared in the Vietnamese language, the original Vietnamese language report may have been made available to investors in advance of this report.

The intended recipients of this report are sophisticated institutional investors who have substantial knowledge of the local business environment, its common practices, laws and accounting principles and no person whose receipt or use of this report would violate any laws and regulations or subject MAS and its affiliates to registration or licensing requirements in any jurisdiction shall receive or make any use hereof.

This report is for general information purposes only and it is not and shall not be construed as an offer or a solicitation of an offer to effect transactions in any securities or other financial instruments. The report does not constitute investment advice to any person and such person shall not be treated as a client of MAS by virtue of receiving this report. This report does not take into account the particular investment objectives, financial situations, or needs of individual clients. The report is not to be relied upon in substitution for the exercise of independent judgment. Information and opinions contained herein are as of the date hereof and are subject to change without notice. The price and value of the investments referred to in this report and the income from them may depreciate or appreciate, and investors may incur losses on investments. Past performance is not a guide to future performance. Future returns are not guaranteed, and a loss of original capital may occur. MAS, its affiliates and their directors, officers, employees and agents do not accept any liability for any loss arising out of the use hereof.

MAS may have issued other reports that are inconsistent with, and reach different conclusions from, the opinions presented in this report. The reports may reflect different assumptions, views and analytical methods of the analysts who prepared them. MAS may make investment decisions that are inconsistent with the opinions and views expressed in this research report. MAS, its affiliates and their directors, officers, employees and agents may have long or short positions in any of the subject securities at any time and may make a purchase or sale, or offer to make a purchase or sale, of any such securities or other financial instruments from time to time in the open market or otherwise, in each case either as principals or agents. MAS and its affiliates may have had, or may be expecting to enter into, business relationships with the subject companies to provide investment banking, market-making or other financial services as are permitted under applicable laws and regulations. No part of this document may be copied or reproduced in any manner or form or redistributed or published, in whole or in part, without the prior written consent of MAS.

Distribution

United Kingdom: This report is being distributed by Mirae Asset Securities (UK) Ltd. in the United Kingdom only to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), and (ii) high net worth companies and other persons to whom it may lawfully be communicated, falling within Article 49(2)(A) to (E) of the Order (all such persons together being referred to as "Relevant Persons"). This report is directed only at Relevant Persons. Any person who is not a Relevant Person should not act or rely on this report or any of its contents.

United States: Mirae Asset is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This report is distributed in the U.S. by Mirae Asset Securities (USA) Inc., a member of FINRA/SIPC, to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6(b)(4) under the U.S. Securities Exchange Act of 1934, as amended. All U.S. persons that receive this document by their acceptance hereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Mirae Asset or its affiliates. Any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Mirae Asset Securities (USA) Inc. Mirae Asset Securities (USA) Inc. accepts responsibility for the contents of this report in the U.S., subject to the terms hereof, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Mirae Asset. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. persons absent registration or an applicable exemption from the registration requirements.

Hong Kong: This report is distributed in Hong Kong by Mirae Asset Securities (HK) Limited, which is regulated by the Hong Kong Securities and Futures Commission. The contents of this report have not been reviewed by any regulatory authority in Hong Kong. This report is for distribution only to professional investors within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong (Cap. 571, Laws of Hong Kong) and any rules made thereunder and may not be redistributed in whole or in part in Hong Kong to any person.

All other jurisdictions: Customers in all other countries who wish to effect a transaction in any securities referenced in this report should contact Mirae Asset or its affiliates only if distribution to or use by such customer of this report would not violate applicable laws and regulations and not subject Mirae Asset and its affiliates to any registration or licensing requirement within such jurisdiction.

Mirae Asset Securities International Network

Mirae Asset Securities Co., Ltd. (Seoul) One-Asia Equity Sales Team Mirae Asset Center 1 Building 26 Eulji-ro 5-gil, Jung-gu, Seoul 04539 Korea Tel: 82-2-3774-2124	Mirae Asset Securities (HK) Ltd. Units 8501, 8507-8508, 85/F International Commerce Centre 1 Austin Road West Kowloon Hong Kong Tel: 852-2845-6332	Mirae Asset Securities (UK) Ltd. 41st Floor, Tower 42 25 Old Broad Street, London EC2N 1HQ United Kingdom Tel: 44-20-7982-8000
Mirae Asset Securities (USA) Inc. 810 Seventh Avenue, 37th Floor New York, NY 10019 USA Tel: 1-212-407-1000	Mirae Asset Wealth Management (USA) Inc. 555 S. Flower Street, Suite 4410, Los Angeles, California 90071 USA Tel: 1-213-262-3807	Mirae Asset Wealth Management (Brazil) CCTVM Rua Funchal, 418, 18th Floor, E-Tower Building Vila Olimpia Sao Paulo - SP 04551-060 Brazil Tel: 55-11-2789-2100
PT. Mirae Asset Sekuritas Indonesia Equity Tower Building Lt. 50 Sudirman Central Business District Jl. Jend. Sudirman, Kav. 52-53 Jakarta Selatan 12190 Indonesia Tel: 62-21-515-3281	Mirae Asset Securities (Singapore) Pte. Ltd. 6 Battery Road, #11-01 Singapore 049909 Republic of Singapore Tel: 65-6671-9845	Mirae Asset Securities (Vietnam) LLC 7F, Le Meridien Building 3C Ton Duc Thang St. District 1, Ben Nghe Ward, Ho Chi Minh City Vietnam Tel: 84-8-3911-0633 (ext.110)
Mirae Asset Securities Mongolia UTsK LLC #406, Blue Sky Tower, Peace Avenue 17 1 Khoroo, Sukhbaatar District Ulaanbaatar 14240 Mongolia Tel: 976-7011-0806	Mirae Asset Investment Advisory (Beijing) Co., Ltd 2401B, 24th Floor, East Tower, Twin Towers B12 Jianguomenwai Avenue, Chaoyang District Beijing 100022 China Tel: 86-10-6567-9699	Beijing Representative Office 2401A, 24th Floor, East Tower, Twin Towers B12 Jianguomenwai Avenue, Chaoyang District Beijing 100022 China Tel: 86-10-6567-9699 (ext. 3300)
Shanghai Representative Office 38T31, 38F, Shanghai World Financial Center 100 Century Avenue, Pudong New Area Shanghai 200120 China Tel: 86-21-5013-6392	Ho Chi Minh Representative Office 7F, Saigon Royal Building 91 Pasteur St. District 1, Ben Nghe Ward, Ho Chi Minh City Vietnam Tel: 84-8-3910-7715	Mirae Asset Capital Markets (India) Private Limited Unit No. 506, 5th Floor, Windsor Bldg., Off CST Road, Kalina, Santacruz (East), Mumbai – 400098 India Tel: 91-22-62661336