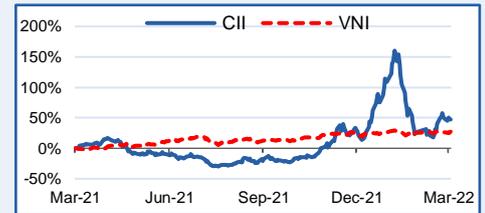


| Industry: | Infrastructure | | 2021 | 2022F | 2023F | 2024F |
|--------------------|----------------|------------|---------|--------|--------|-------|
| Report Date: | March 4, 2022 | Rev y/y | -46.6% | 138.6% | -25.7% | 16.9% |
| Current Price: | VND32,650 | EPS y/y * | -234.1% | N.M. | 37.0% | 71.6% |
| Target Price: | VND30,900 | NPAT-MI ** | -341 | 782 | 1,070 | 1,836 |
| Last Target Price: | VND27,300 | GPM | 28.0% | 29.4% | 40.8% | 50.4% |
| Upside to TP: | -5.4% | NPM | -11.9% | 11.4% | 21.1% | 30.9% |
| Dividend Yield: | 3.7% | P/B* | 1.9x | 1.3x | 1.3x | 1.0x |
| TSR: | -1.7% | P/E* | N.M. | 12.5x | 9.1x | 5.3x |



| | | CII | Peers | VNI |
|-----------------------|------------|-------------|-------|-------|
| Market Cap: | USD346.6mn | | | |
| Foreign Room: | USD152.3mn | P/E (ttm)* | N.M. | 16.2x |
| ADTV30D: | USD14.6mn | P/B (curr)* | 1.9x | 2.2x |
| State Ownership: | 10.2% | Net D/E | 1.9x | 0.3x |
| Outstanding Shares: | 238.8 mn | ROE | N.M. | 14.1% |
| Fully Diluted Shares: | 283.2 mn | ROA | N.M. | 7.1% |

(* Based on fully diluted shares; (**) VND bn

Company Overview

CII was established in 2001 and listed shares on HOSE in 2006. CII is the largest listed private infrastructure development company in Vietnam. The company is also developing residential real estate projects in HCMC, Quang Ngai, Quang Ninh and Binh Thuan.

Dang Thai, CFA
Senior Analyst
Dang.thai@vcsc.com.vn
+8428 3914 3588 ext. 149

Nam Hoang
Manager
Nam.hoang@vcsc.com.vn
+8428 3914 3588 ext. 124

Divestment from subsidiary to boost profit growth

- We maintain our MARKET PERFORM rating for CII while raising our target price (TP) by 13% to VND30,900/share.
- Our higher TP is mainly driven by increasing our annual traffic growth forecasts in 2022-2023 to 10% vs previously 8% for the Trung Luong - My Thuan Expressway (TL-MT) BOT project, which is in line with the company's guidance.
- Our TP is also positively affected by CII's stake divestment in its real estate subsidiary 577 Investments Corporation (HOSE: NBB) at a favorable price.
- As CII expects to reduce its stake in NBB to 49% in late Q1 2022 and classifies NBB as an affiliate vs previously a subsidiary, we believe that divestment gains in late 2021 and early 2022 will be recognized in CII's consolidated financial statements at the date of reclassification for NBB, which will significantly drive CII's profits in 2022F.
- We therefore raise our 2022F NPAT-MI forecast by 89% but cut our aggregate NPAT-MI forecasts for 2023-2024F by ~10% following lower proportionated profit contribution from NBB.
- We forecast 2022F revenue of VND6.8tn (USD294mn; +139% YoY) and NPAT-MI of VND782bn (USD44mn) vs a loss of VND341bn (USD15mn) in 2021.
- We expect 2022F revenue growth to be mainly driven by a YoY increase in real estate revenue contributed from the 152 Dien Bien Phu (152DBP) and the River projects. Moreover, we forecast CII's bottom line in 2022F will be further supported by financial gains from NBB divestment.
- We expect solid cash inflows from CII's major BOT projects, which should improve the company's financial position. Meanwhile, CII's residential real estate projects in HCMC should be strong earnings drivers over the medium term as legal headwinds are expected to decrease.
- Upside/(downside) risks to our view: Accelerated/(delayed) project development; higher-than-expected/(delayed) cash dividend payment.

We forecast the TL-MT Expressway BOT project to commence toll collection in mid-Q2 2022.

The TL-MT project is now in its final construction stages before commencing toll collection. During the Tet Holiday in early February 2022, the project had opened for traffic to reduce congestion on National Road 1A during the holiday. We expect the TL-MT project will strengthen CII's medium-term financial position as our forecast total annual cash inflow from the project ~VND1.4tn (USD61mn) in 2022-2025F. We expect the TL-MT project to contribute 28% and 38% to CII's 2022F and 2023F toll segment revenue, respectively.

NBB divestment to strengthen CII's financial position and sharply drive profit growth in 2022F.

CII started to reduce its stake in NBB from 93.7% in October 2021. Including upcoming divestment from NBB from March 7 to April 5, 2022, for which CII has registered to reduce its stake to 49%, we estimate that the total cash receipt from the divestment will be ~VND1.6tn (USD70mn) with a total potential financial gain of VND738bn (USD32mn), which we expect to be recognized in 2022F.

2021 Recap: Losses due to high interest expense burden

Figure 1: CII's 2021 results

| VND bn | 2020 | 2021 | YoY % | 2021 vs old 2021F | VCSC comments |
|----------------------------------------------|--------------|--------------|----------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Net revenue | 5,374 | 2,868 | -46.6% | 77.4% | |
| <i>BT project</i> | 0 | 116 | N.M. | N.M. | |
| <i>Toll collection</i> | 718 | 929 | 29.3% | 91.4% | <p>* Toll collection revenue was up 29% YoY to VND929bn (USD40mn) in 2021, which we believe was mainly driven by CII's new major BOT project — the Hanoi Highway Expansion project — commencing toll collection on April 1, 2021.</p> <p>* Nevertheless, this growth was partially dragged due to toll collection postponement in Q3 2021 for projects in provinces and cities applying social distancing measures per Directive 16 in order to comply with the Government's requests amid COVID-19.</p> |
| <i>Real estate</i> | 3,750 | 1,229 | -67.2% | 65.8% | <p>* Real estate revenue plunged 67% YoY to VND1.2tn (USD52mn) in 2021; we believe the Son Tinh project in Quang Ngai Province and D'Verano (Lakeview 3) project were the main contributors in 2021. Moreover, real estate GPM was ~33% in 2021 vs only 19% in 2020.</p> <p>* In 2020, main contributors to CII's real estate revenue were the Son Tinh and high-rise residential Diamond Riverside projects.</p> |
| <i>Construction</i> | 640 | 301 | -53.0% | 61.0% | |
| <i>Others</i> | 266 | 293 | 10.1% | 89.5% | |
| Gross profit | 1,145 | 802 | -30.0% | 56.1% | |
| SG&A expenses | -690 | -562 | -18.5% | 88.7% | |
| EBIT | 455 | 239 | -47.3% | 30.1% | |
| Financial income | 1,362 | 1,071 | -21.3% | 103.2% | |
| Financial expenses | -1,215 | -1,439 | 18.5% | 109.0% | |
| <i>In which:</i> <i>interest expenses</i> | -901 | -1,279 | 41.9% | 127.2% | |
| Net income from affiliates | 4 | 6 | 40.8% | 16.7% | |
| Net other income/(expenses) | 16 | -1 | -104.4% | -2.2% | |
| PBT | 622 | -123 | -119.8% | N.M. | |
| CIT income/(expenses) | -150 | -123 | -17.9% | 50.0% | |
| NPAT before MI | 472 | -247 | -152.2% | N.M. | |
| NPAT-MI | 254 | -341 | -234.3% | N.M. | |
| <i>GPM</i> | 21.3% | 28.0% | | | |
| <i>OPM</i> | 8.5% | 8.3% | | | |
| <i>NPM</i> | 4.7% | -11.9% | | | |

Source: CII, VCSC

2022 Outlook: NBB divestment to be large profit contributor

Figure 2: VCSC's 2022 forecasts for CII

| VND bn | 2021 | 2022F | YoY growth | VCSC comments |
|-----------------------------|--------------|--------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Net revenue | 2,868 | 6,841 | 138.6% | |
| <i>BT project</i> | 116 | 0 | -100.0% | |
| <i>Toll collection</i> | 929 | 2,288 | 155.1% | <p>* We forecast a 155% YoY surge in 2022F toll collection revenue to VND2.3tn (USD97mn), which is mainly driven by (1) our assumed contribution from the TL-MT BOT project from mid-Q2 2022 and (2) a full-year contribution from the Hanoi Highway Expansion BOT.</p> <p>* We currently assume the Hanoi Highway Expansion and TL-MT BOT projects will contribute 31% and 28% to CII's 2022F toll collection revenue, respectively.</p> |
| <i>Real estate</i> | 1,229 | 3,808 | 209.8% | <p>* We assume CII's 2022F real estate revenue will be mainly driven by the recognition of wholesales at the River (previously known as Riverpark Phase 1) project and 152DBP residential projects of VND3tn (USD130mn) and VND766bn (USD33mn), accounting for 80% and 20% of our real estate revenue forecast in 2022F, respectively.</p> <p>* We note that CII transferred a 100% stake in the River project to a strategic partner and recognized VND1.2tn (USD51mn) of financial gains in 2019-2020. We estimate the wholesales recognition to the strategic partner will only make a pre-tax profit of VND260bn (USD11mn) in 2022F.</p> |
| <i>Construction</i> | 301 | 361 | 20.0% | |
| <i>Others</i> | 293 | 384 | 18.3% | |
| Gross profit | 802 | 2,008 | 150.5% | |
| SG&A expenses | -562 | -785 | 39.6% | |
| EBIT | 239 | 1,224 | 411.0% | |
| Financial income | 1,071 | 1,202 | 12.2% | * We forecast that CII's stake sales from 93.7% to 49% in NBB over Q4 2021-Q1 2022 will result in a total financial gain of VND738bn (USD32mn), which is expected to be fully recognized in early 2022. |
| Financial expense | -1,439 | -1,066 | -25.9% | |
| <i>In which:</i> | | | | |
| <i>interest expenses</i> | -1,279 | -947 | -18.4% | |
| Net income from affiliates | 6 | 73 | 1,227.7% | |
| Net other income/(expenses) | -1 | 8 | 41.1% | |
| PBT | -123 | 1,395 | N.M. | |
| CIT income/(expenses) | -123 | -390 | 216.8% | |
| NPAT before MI | -247 | 1,005 | N.M. | |
| NPAT-MI | -341 | 782 | N.M. | |
| <i>GPM</i> | 28.0% | 29.4% | | |
| <i>OPM</i> | 8.3% | 17.9% | | |
| <i>NPM</i> | -11.9% | 11.4% | | |

Source: VCSC

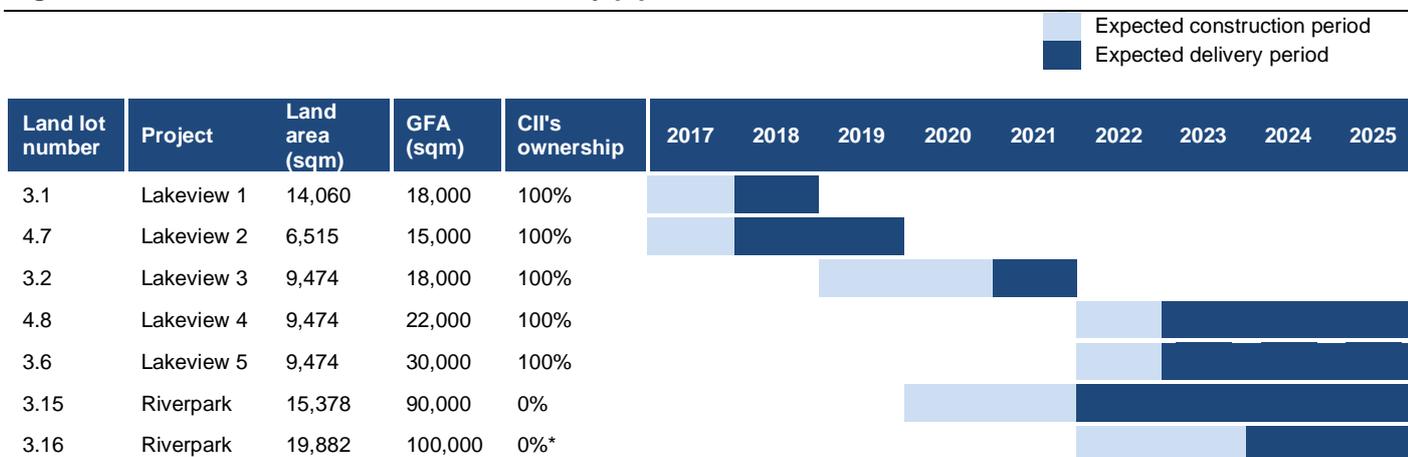
Business overview by segment

Real estate projects

CII's real estate segment includes the following:

- Seven projects in Thu Thiem, District 2, HCMC (owned by CII) as illustrated in **Figure 3**.
- The 152 Dien Bien Phu project in Binh Thanh District, HCMC (100%-owned by CII).
- Subsidiary NBB, whose real estate project portfolio is shown in **Figure 5**.

Figure 3: Forecast of construction and delivery pipeline of land lots in District 2, HCMC



Source: CII, VCSC. Note: * Our assumed ownership of CII vs current ownership of 100% for land lot 3.16.

Figure 4: D'verano (Lakeview 3) and preliminary plans for Lakeview 4



Lakeview 3: Lot 3.2 of Thu Thiem, District 2, HCMC
 10 floors and one basement floor; 70 apartments
Expected ASP: USD2,800 per sqm
Land area: 9,474 sqm
Total GFA: 21,600 sqm
Aboveground GFA: 18,000 sqm
Total NFA: 14,400 sqm

Lakeview 4: Lot 4.8 of Thu Thiem, District 2, HCMC
 Six floors and one basement floor; 70 apartments
Expected ASP: USD3,200 per sqm
Land area: 9,474 sqm
Total GFA: 26,400 sqm
Aboveground GFA: 22,000 sqm
Total NFA: 17,600 sqm

Source: CII, VCSC. Note: Designs of Lakeview 3 & 4 are preliminary and subject to change.

Figure 5: NBB's real estate projects

| Projects | Location | Land area (sqm) | Status | Expected sales recognition |
|---------------------------------|---------------------------|------------------|---------------------------------------------------------------------------------|----------------------------|
| NBB Garden IV | Binh Chanh District, HCMC | 301,700 | Transferred in 2018 | N/A |
| NBB Garden II | Binh Chanh District, HCMC | 115,142 | In preparation for construction and sales launch * | 2024-2025F |
| NBB Garden III | District 8, HCMC | 77,500 | In preparation for construction and sales launch | 2024-2025F |
| Diamond Riverside | District 8, HCMC | 41,497 | Fully delivered as of end-2020 | 2020 |
| Riverfront Residences** | District 2, HCMC | 5,823 | Legal procedures in progress | 2022F |
| Total in HCMC | | 541,662 | | |
| Son Tinh | Quang Ngai Province | 1,020,000 | In preparation for construction and sales launch | 2020-2023F |
| Doi Thuy San | Quang Ninh Province | 321,800 | Completed construction and sales in 2019-2020 | 2019-2020 |
| De Lagi | Binh Thuan Province | 1,247,000 | Land clearance in progress and in preparation for construction and sales launch | 2023-2025F |
| Total in other provinces | | 2,588,800 | | |

Source: NBB, CII, VCSC. Note: (*) Strategic change to self-developing from previously planning to transfer the land bank; (**) CII currently owns this project.

Infrastructure projects

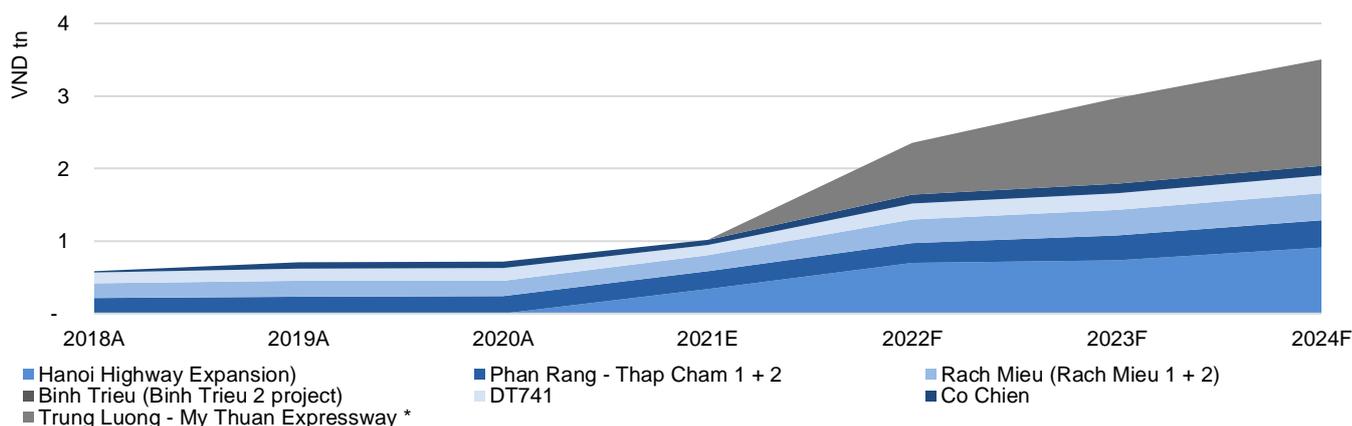
CII's exposure to infrastructure development is primarily via 55%-owned subsidiary CII Bridge & Road JSC (HOSE: LGC), which is a developer of build-operate-transfer (BOT) projects.

Figure 6: Forecast concession periods for CII's BOT projects

| BOT project | Total investment (VND bn) | CII's effective ownership | 2017 | 2018 | 2019 | 2020 | 2021 | 2022F | 2023F | 2024F [^] |
|-----------------------------------|---------------------------|---------------------------|------|------|------|------|------|-------|-------|--------------------|
| Hanoi Highway Expansion | 5,691 | 77% | | | | | | | | |
| Phan Rang - Thap Cham Phase 1 | 727 | 54% | | | | | | | | |
| Phan Rang - Thap Cham Phase 2 | 1,743 | 54% | | | | | | | | |
| DT 741 | 674 | 54% | | | | | | | | |
| Rach Mieu Bridge | 511 | 28% | | | | | | | | |
| Highway 60 Expansion | 1,637 | 28% | | | | | | | | |
| Co Chien | 790 | 28% | | | | | | | | |
| Trung Luong - My Thuan Expressway | 9,509 | 27% | | | | | | | | |

Source: CII, VCSC. [^] We note that while our chart ends in 2024, this does not imply that all concession periods will end in 2024.

Figure 7: Forecast of cash collection from CII's toll stations



Source: CII, VCSC. Note: * LGC currently owns a 50% stake in the Trung Luong - My Thuan BOT project and plans to increase its ownership to 90% when this project starts toll collection. We note that while our chart ends in 2024, this does not imply that all concession periods will end in 2024.

Valuation

We use a sum of the parts valuation to value CII. This valuation is mostly driven by the company's stable cash flow from developing and operating BOT projects and its high returns from developing land lots in the superiorly located Thu Thiem New Urban Area in District 2, HCMC.

We value NBB using the RNAV method with an unchanged discount of 20% as the subsidiary's main assets include residential real estate projects in HCMC and other provinces.

We now value CII's 49.0% stake in NBB using RNAV. As of end-2021, CII owned a 65.3% stake in NBB. However, CII is in the process of reducing ownership to 49%. CII recently registered to sell 16.3 million NBB shares— equivalent to a 16.3% stake in NBB — to reduce CII's stake in NBB to 49.0%. As we only value CII's 49.0% stake in NBB, we add estimated total cash receipts from CII's divestments from NBB to its cash and cash equivalents, which we estimate CII's total receipt from the 16.3% stake divestment at ~VND520bn (USD23mn). We estimate CII has divested from NBB at an estimated average selling price, which is a 15% premium to our current RNAV valuation per share for NBB.

We value CII's subsidiaries — CII Engineering and Construction JSC (CEE) and Saigon Water JSC (SII) — by using book value as SII is still in its early stages of development and as CEE predominately provides in-house construction services for CII.

Moreover, we apply a valuation discount of 10% to the sum of the parts valuation for CII, which is to reflect its conglomerate structure.

Figure 8: Sum-of-the-parts valuation summary

| VND bn | Valuation method | CII's effective ownership | Value attributed to CII |
|------------------------------------------------|------------------|---------------------------|-------------------------|
| Bridge & road projects (includes BOT projects) | DCF | 27.4% to 90.0%* | 12,157 |
| CII's real estate projects | DCF | 100.0% | 2,330 |
| 577 Investment Corporation (HOSE: NBB) | RNAV | 49.0% | 1,300 |
| SII and CEE | Book value | 50.6% and 80.0% | 919 |
| + Other assets** | | | 1,708 |
| + Cash and cash equivalents *** | | | 693 |
| - Gross debt ^ | | | -9,392 |
| Equity value | | | 9,716 |
| Discount (%) | | | 10% |
| Discounted equity value | | | 8,745 |
| Fully diluted shares outstanding (million) | | | 283.2 |
| TP (VND per share) | | | 30,900 |
| Upside to TP (%) | | | -5.4% |
| Dividend yield (%) | | | 3.7% |
| Projected TSR (%) | | | -1.7% |
| 2022F P/E at TP | | | 11.8x |
| 2023F P/E at TP | | | 8.6x |
| 2022F P/B at TP | | | 1.8x |
| 2023F P/B at TP | | | 1.3x |

Source: VCSC. Note: * Current ownership ratios vary by project; ** other assets of the parent company; *** parent cash and cash equivalents and estimated total cash receipts from CII's divestments from NBB; ^ parent company gross debt after subtracting debt linked to BOT projects/NBB/SII and CEE as these debt balances are incorporated into the valuation of these entities.

We apply a WACC of 9.4% for our DCF valuation of CII's BOT projects and real estate projects.

Figure 9: WACC summary

| Cost of Capital | Previous | Revised |
|-------------------------|--------------|--------------|
| Beta | 0.7 | 0.7 |
| Equity Risk Premium % | 7.0% | 7.0% |
| Risk Free Rate % | 5.5% | 5.5% |
| Cost of Equity % | 10.4% | 10.4% |
| Cost of Debt % | 11.0% | 11.0% |
| Debt % | 65.0% | 65.0% |
| Equity % | 35.0% | 35.0% |
| Corporate Tax Rate % | 20.0% | 20.0% |
| WACC % | 9.4% | 9.4% |

Source: VCSC

Figure 10: Sensitivity of our fair value to WACC (VND/share)

| | WACC | | | | |
|---------------------|--------|--------|---------------|--------|--------|
| | 8.4% | 8.9% | 9.4% | 9.9% | 10.4% |
| Target Price | 35,200 | 33,000 | 30,900 | 28,800 | 26,900 |

Source: VCSC

Comparable Peers

For reference, we have included the following peer list. However, we note that direct peer comparisons are difficult as CII's earnings are derived from both infrastructure development and residential real estate development.

- We have included listed infrastructure developers in Asia because CII is the only listed private infrastructure developer in Vietnam; however, we note that different regulatory regimes for BOT projects further complicate comparisons.
- We include residential real estate developers in Vietnam as CII's real estate development segment is more comparable to local peers instead of regional peers.

Figure 11: Peer multiples

| (USD mn) | Country / Region | Mkt cap | TTM Sales | YoY% | TTM NPAT | YoY% | Net debt/equity | ROE | TTM P/E (x) | LQ P/B (x) | TTM EV/EBITDA (x) |
|-------------------------------------------|------------------|--------------|------------|-------------|-------------|-------------|-----------------|-------------|--------------|-------------|-------------------|
| Infrastructure developers | | | | | | | | | | | |
| Jilin Expressway | China | 650 | 190 | 89% | 53 | 442% | 26% | 9% | 11.8x | 1.0x | 7.8x |
| Guangxi Wuzhou | China | 759 | 278 | -3% | 103 | 34% | 86% | 14% | 7.1x | 0.9x | 9.9x |
| Lingkar Trans Kota | Malaysia | 495 | 93 | -5% | 44 | -16% | -3% | 15% | 11.3x | 1.6x | 5.8x |
| Guangdong Provincial | China | 2,384 | 975 | 22% | 295 | 139% | 39% | 21% | 5.3x | 1.2x | 4.3x |
| Jasa Marga Persero | Indonesia | 1,703 | 962 | -12% | 76 | 27% | 235% | 6% | 22.4x | 1.2x | 12.3x |
| Anhui Expressway Ltd | Hong Kong | 1,921 | 533 | 41% | 235 | 108% | -4% | 13% | 6.6x | 0.8x | 4.1x |
| Median | | 1,231 | 406 | 9% | 90 | 71% | 33% | 13% | 9.2x | 1.1x | 6.8x |
| Residential real estate developers | | | | | | | | | | | |
| Novaland | Vietnam | 6,591 | 650 | 196% | 141 | -18% | 103% | 11% | 40.8x | 4.3x | 88.5x |
| Dat Xanh Group | Vietnam | 1,145 | 440 | 249% | 50 | N/A | 11% | 16% | 22.6x | 3.0x | 11.5x |
| Khang Dien | Vietnam | 1,537 | 163 | -18% | 52 | 4% | 11% | 13% | 29.8x | 3.4x | 25.6x |
| Nam Long | Vietnam | 952 | 227 | 135% | 47 | 28% | -2% | 14% | 18.6x | 2.4x | 32.3x |
| Phat Dat | Vietnam | 1,898 | 158 | -7% | 81 | 53% | 36% | 31% | 23.6x | 6.1x | 18.7x |
| Ha Do | Vietnam | 651 | 168 | -23% | 48 | 11% | 122% | 30% | 12.9x | 3.3x | 9.9x |
| Median | | 1,341 | 197 | 64% | 51 | 11% | 23% | 15% | 23.1x | 3.4x | 22.1x |
| Blended * | | 1,286 | 301 | 37% | 71 | 41% | 28% | 14% | 16.2x | 2.2x | 14.5x |
| CII | | 347 | 125 | -47% | (15) | N.M. | 193% | N.M. | N.M. | 1.9x | 24.2x |

Source: Bloomberg, VCSC. Note: (*) 50:50 blended ratio for infrastructure developers and residential real estate developers.

Recommendation History

Figure 12: Historical VCSC target price vs share price (VND/share)



Source: Bloomberg, VCSC

Financial Statements

| P&L (VND bn) | 2021 | 2022F | 2023F | 2024F | B/S (VND bn) | 2021 | 2022F | 2023F | 2024F |
|------------------------------------------|--------------|--------------|--------------|--------------|----------------------------------|---------------|---------------|---------------|---------------|
| Revenue | 2,868 | 6,841 | 5,085 | 5,943 | Cash & Equivalents | 690 | 877 | 938 | 2,219 |
| COGS | -2,066 | -4,832 | -3,010 | -2,949 | ST Investment | 659 | 44 | 44 | 44 |
| Gross Profit | 802 | 2,008 | 2,075 | 2,994 | Accounts Receivables | 4,482 | 4,350 | 4,350 | 4,350 |
| Sales & Marketing exp. | -62 | -75 | -90 | -107 | Inventories | 4,517 | 6,183 | 7,321 | 6,037 |
| General & Admin exp. | -500 | -710 | -629 | -713 | Other Current assets | 224 | 224 | 224 | 224 |
| Operating Profit | 239 | 1,224 | 1,357 | 2,174 | Total Current Assets | 10,572 | 11,678 | 12,876 | 12,873 |
| Financial Income | 1,071 | 1,202 | 1,183 | 965 | Fixed Assets, Gross | 14,046 | 16,789 | 17,899 | 18,399 |
| Financial Expenses | -1,439 | -1,112 | -1,102 | -1,098 | - Depreciation | 3,800 | 5,719 | 7,770 | 9,882 |
| - o/w Interest Expense | -1,160 | -947 | -937 | -934 | Fixed Assets, Net | 10,246 | 11,070 | 10,128 | 8,516 |
| Associates | 6 | 73 | 178 | 409 | LT investments, net | 1,543 | 1,616 | 1,794 | 2,203 |
| Net Other Income/(Loss) | -1 | 8 | 4 | 6 | LT assets, other | 8,596 | 8,539 | 8,492 | 8,454 |
| Profit Before Tax | -123 | 1,395 | 1,620 | 2,456 | Total LT Assets | 20,385 | 21,226 | 20,414 | 19,173 |
| Income Tax | -123 | -390 | -285 | -324 | Total Assets | 30,957 | 32,904 | 33,290 | 32,046 |
| NPAT Before MI | -247 | 1,005 | 1,335 | 2,132 | Accounts Payable | 678 | 678 | 678 | 678 |
| Minority Interest | -94 | -224 | -264 | -296 | ST Debt | 3,861 | 3,234 | 2,034 | 1,334 |
| NPAT Less MI, Reported | -341 | 782 | 1,070 | 1,836 | Other ST Liabilities | 4,628 | 6,076 | 7,912 | 6,468 |
| NPAT Less MI, Adj. (1) | -324 | 743 | 1,017 | 1,744 | Total Current Liabilities | 9,167 | 9,987 | 10,623 | 8,479 |
| EBITDA | 1,167 | 3,142 | 3,409 | 4,286 | LT Debt | 13,181 | 12,099 | 11,099 | 10,599 |
| EPS Reported, VND | -1,360 | 2,620 | 3,590 | 6,160 | Other LT liabilities | 155 | 155 | 155 | 155 |
| EPS Adj., Fully Diluted VND * | -1,140 | 2,620 | 3,590 | 6,160 | Total Liabilities | 22,503 | 22,242 | 21,878 | 19,234 |
| DPS Reported, VND | 0 | 1,000 | 2,400 | 3,000 | Paid in capital/Issued capital | 2,833 | 2,832 | 2,832 | 2,832 |
| DPS/EPS | 0% | 38% | 67% | 49% | Treasury shares | -1,028 | -1,028 | 0 | 0 |
| (1) adjusted for bonus and welfare funds | | | | | Share premium | 425 | 425 | 845 | 845 |
| RATIOS | 2021 | 2022F | 2023F | 2024F | Retained earnings | 2,367 | 2,904 | 3,390 | 4,494 |
| Growth YoY | | | | | Other equity | 266 | 266 | 266 | 266 |
| Revenue | -46.6% | 138.6% | -25.7% | 16.9% | Minority interest | 3,589 | 3,812 | 4,077 | 4,373 |
| Op. Profit (EBIT) | -47.3% | 411.0% | 10.9% | 60.3% | Total equity | 8,453 | 10,662 | 11,412 | 12,813 |
| PBT | -119.8% | N.M | 16.1% | 51.6% | Liabilities & equity | 30,957 | 32,904 | 33,290 | 32,046 |
| EPS Adj., Fully Diluted | -234.1% | N.M | 37.0% | 71.6% | Y/E shares out, mn * | 239 | 283 | 283 | 283 |
| Profitability | | | | | CASH FLOW (VND bn) | 2021 | 2022F | 2023F | 2024F |
| Gross Profit Margin | 28.0% | 29.4% | 40.8% | 50.4% | Beginning Cash Balance | 439 | 690 | 877 | 938 |
| Op. Profit, (EBIT) Margin | 8.3% | 17.9% | 26.7% | 36.6% | Net Income | -341 | 782 | 1,070 | 1,836 |
| EBITDA Margin | 40.7% | 45.9% | 67.0% | 71.1% | Dep, & Amortization | 697 | 1,919 | 2,052 | 2,112 |
| NPAT-MI Margin, Adj. | -11.9% | 11.4% | 21.1% | 30.9% | Δ in Working Capital | -422 | -47 | 770 | -67 |
| ROE | -7.0% | 13.3% | 15.1% | 22.6% | Other Adjustments ** | -823 | -971 | -1,045 | -1,056 |
| ROA | -1.1% | 2.4% | 3.2% | 5.6% | Cash from Operations | -889 | 1,683 | 2,847 | 2,825 |
| Efficiency | | | | | Capital Expenditures, Net | -424 | -2,743 | -1,110 | -500 |
| Days Inventory On Hand | 798 | 467 | 888 | 747 | Investments, Net | 1,166 | 1,753 | 1,108 | 888 |
| Days Accts, Receivable | 571 | 232 | 312 | 267 | Cash from Investments | 743 | -990 | -2 | 388 |
| Days Accts, Payable | 120 | 51 | 82 | 84 | Dividends Paid | -17 | -244 | -585 | -731 |
| Cash Conversion Days | 1,249 | 648 | 1,118 | 931 | Δ in Share Capital | 310 | 1,447 | 0 | 0 |
| Liquidity | | | | | Δ in ST Debt | 628 | -628 | -1,200 | -700 |
| Current Ratio | 1.2x | 1.2x | 1.2x | 1.5x | Δ in LT Debt | -172 | -1,082 | -1,000 | -500 |
| Quick Ratio | 0.7x | 0.6x | 0.5x | 0.8x | Other financing C/F | -351 | 0 | 0 | 0 |
| Cash Ratio | 7.5% | 8.8% | 8.8% | 26.2% | Cash from Financing | 398 | -506 | -2,785 | -1,931 |
| Debt / Assets % | 55.1% | 46.6% | 39.4% | 37.2% | Net Change in Cash | 251 | 188 | 60 | 1,281 |
| Debt / Capital % | 201.6% | 143.8% | 115.1% | 93.1% | Ending Cash Balance | 690 | 877 | 938 | 2,219 |
| Net Debt / Equity | 193.4% | 135.6% | 106.9% | 75.8% | | | | | |
| Interest Coverage | 0.2x | 1.3x | 1.4x | 2.3x | | | | | |

Source: CII, VCSC

Note: * Assuming full disposal of treasury shares in 2022 at VND32,670/share — the minimum selling price approved by the BOD in August 2019; ** mainly include adjustments for divestment income and goodwill amortization.

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 |
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Contacts

Corporate

www.vcsc.com.vn

Head Office

Bitexco Financial Tower, 15th Floor
2 Hai Trieu Street, District 1, HCMC
+84 28 3914 3588

Transaction Office Nguyen Hue

Vinatex Building, 1st & 3rd Floor
10 Nguyen Hue Street, District 1, HCMC
+84 28 3914 3588 (417)

Transaction Office Dong Da

9 Nguyen Ngoc Doan
Dong Da District, Hanoi
+84 24 6262 6999

Research

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

Banks, Securities and Insurance

Long Ngo, Associate Director, ext 123

- Truc Ngo, Analyst, ext 116
- Ngoc Huynh, Analyst, ext 138

Consumer

Phap Dang, Director, ext 143

- Ha Dao, Senior Analyst, ext 194
- Vinh Bui, Analyst, ext 191

Real Estate, Construction and Materials

Hong Luu, Senior Manager, ext 120

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

Retail Client Research

Duc Vu, Senior Manager, ext 363

- Trung Nguyen, Senior Analyst, ext 129
- Anh Tong, Analyst, ext 363
- Ha Bui, Analyst, ext 364

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 Nguyen Cong Tru

Floor 6B, 236-238 Nguyen Cong Tru Street
District 1, HCMC
+84 28 3914 3588 (400)

Transaction Office ABS

Sailing Tower, 8th Floor
111A Pasteur Street, District 1, HCMC
+84 28 3914 3588 (403)

Alastair Macdonald, Head of Research, ext 105

alastair.macdonald@vcsc.com.vn

Macro

Luong Hoang, Manager, ext 364

- Nguyen Truong, Senior Analyst, ext 132

Oil & Gas and Power

Duong Dinh, Senior Manager, ext 140

- Tram Ngo, Manager, ext 135
- Duc Le, Analyst, ext 196

Industrials and Transportation

Nam Hoang, Manager, ext 124

- Dang Thai, Senior Analyst, ext 149
- Huy Phan, Analyst, ext 173

Retail & Corporate Brokerage

HCMC & Hanoi

Quynh Chau

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