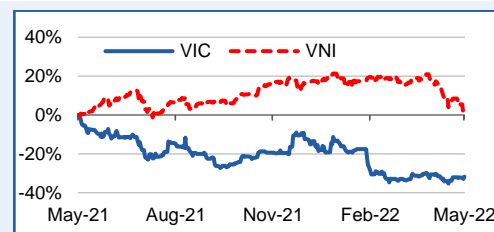




Vingroup (VIC)

AGM Note

Industry Report Date	Diversified May 11, 2022		2021A	2022F	2023F	2024F
Current Price	VND80,500	Rev y/y	13.4%	23.9%	7.5%	15.5%
Target Price*	VND112,000	EPS** y/y	N.M.	N.M.	157.8%	163.3%
Upside to TP	+39.1%	NPAT-MI y/y	N.M.	N.M.	157.8%	163.3%
Dividend Yield	0.0%	GPM	26.9%	26.0%	25.9%	27.9%
TSR	+39.1%	NPM	-2.2%	0.7%	1.7%	4.0%
Rating*	BUY	P/B**	3.0x	3.0x	2.9x	2.7x
		P/E**	N.M.	264.2x	102.5x	38.9x



Market Cap**	USD13.0bn			VIC	VNI
Foreign Room	USD4.8bn	P/E (ttm)		N.M.	14.2x
ADTV30D	USD9.2mn	P/B (curr)		2.9x	2.2x
State Ownership	0%	Net D/E		96.7%	N/A
Outstanding Shares**	3.7 bn	ROE		-2.3%	15.8%
Fully Diluted O/S**	3.8 bn	ROA		-1.8%	2.6%

* TP and rating last updated March 9, 2022

** Excluding VIC shares owned by its subsidiaries

Company Overview

VIC is a conglomerate with a wide range of operations, including residential real estate development, retail real estate leasing, hospitality development and operation, automobile manufacturing, and technology research.

Duc Pham

Analyst

duc.pham@vcsc.com.vn

+8428 3914 3588 ext.174

Hong Luu

Senior Manager

hong.luu@vcsc.com.vn

+8428 3914 3588 ext.120

Localization strategy to support VinFast's EV business

- We attended VIC's annual general meeting (AGM) on May 11. 222 shareholders/authorized persons were present, accounting for 94% of VIC's total shares.
- Shareholders approved 2022 guidance for revenue of VND140tn (USD6.1bn; +11% YoY) and NPAT of VND6.0tn (USD261mn) vs a loss of VND7.6tn (USD329mn) in 2021 NPAT and a loss of VND2.5tn (USD109mn) in 2021 NPAT-MI.
- Shareholders approved to extend the latest timeline for the FY2021 ESOP plan from June 2022 to March 31, 2023. At the April 2021 AGM, shareholders approved an ESOP plan to issue a maximum of 0.2% of VIC's total share count (equivalent to 6.8 million shares) no later than June 2022. The lock-up period will be one year, and the issue price will be decided by management upon issue.
- Shareholders appointed Mr. Yoo Ji Han to replace Mr. Park Woncheol as a member of the board of directors. Mr. Yoo Ji Han is currently a vice president at SK Siltron and a vice president of SK Supex Council.

Management set positive guidance for 2022 NPAT. This NPAT guidance is significantly higher than our 2022F forecasts for a loss VND121bn (USD5mn) in NPAT and a profit of VND1.1tn (USD49mn) in NPAT-MI. Please find more details of VIC's Q1 2022 results in our April 29 [Earnings Flash](#) and our current forecasts in our March 9 [Update Report](#).

Management reaffirms its focus on EVs and its plan to export EVs to the US. Despite the currently challenging situation regarding the shortage of components, VinFast plans to continue delivering the VFe34 model to domestic market and deliver the VF8 and VF9 model to both domestically and internationally by end-2022. Per management, VinFast is accelerating its localization strategy to invite large chipmakers to Vietnam — which is also an attempt to avoid supply disruptions similar to the current COVID-19 lockdowns in China — and other suppliers into VinFast's industrial parks in Hai Phong and Ha Tinh Province.

Management continues international capital raising plans for VinFast. In early 2022, VIC announced a plan to raise up to USD1.5bn of international bonds to finance its industrial segment. In May 2022, VIC announced that it issued the first tranche of international bonds worth USD525mn with five-year maturity and option to exchange into VinFast shares owned by VIC.

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 SUSPENDED, COVERAGE TERMINATED	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.

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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

Hanoi Branch

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

Transaction Office Nguyen Hue

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

Transaction Office Nguyen Cong Tru

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

Transaction Office Dong Da

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

Transaction Office ABS

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

Research

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

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

Banks, Securities and Insurance

Long Ngo, Associate Director, ext 123
- Truc Ngo, Analyst, ext 116
- Ngoc Huynh, Analyst, ext 138
- Nhan Nguyen, Analyst, ext 139

Macro

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

Consumer

Nam Hoang, Manager, ext 124
- Ha Dao, Senior Analyst, ext 194
- Ha Huynh, Analyst, ext 185
- Huy Phan, Analyst, ext 173

Oil & Gas and Power

Duong Dinh, Senior Manager, ext 140
- Tram Ngo, Manager, ext 135
- Duc Le, Analyst, ext 196
- Thang Hoang, Analyst, ext 151

Real Estate and Infrastructure

Hong Luu, Senior Manager, ext 120
- Dang Thai, Senior Analyst, ext 149
- Duc Pham, Analyst, ext 174

Materials and Industrials

Vy Nguyen, Manager, ext 147
- Vinh Bui, Analyst, ext 149

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

Brokerage and Institutional Sales & Trading

Tuan Nhan
Managing Director, Brokerage & Institutional Sales & Trading
+84 28 3914 3588, ext 107
tuan.nhan@vcsc.com.vn

Quynh Chau
Managing Director Brokerage
+84 28 3914 3588, ext 222
quynh.chau@vcsc.com.vn

Dung Nguyen
Director Institutional Sales & Trading
+84 28 3914 3588, ext 136
dung.nguyen@vcsc.com.vn