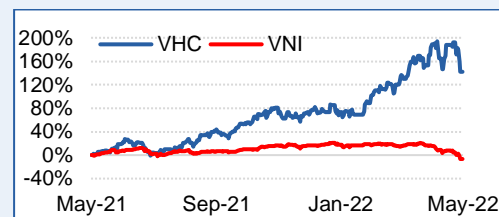




Vinh Hoan Corp (VHC) [BUY +38.1%]

Update Report

Industry:	Agribusiness		2021	2022F	2023F	2024F
Report Date:	May 16, 2022					
Current Price:	VND81,400	Rev Growth	28.7%	50.5%	10.4%	-9.0%
Current Target Price:	VND108,900	EPS Growth ⁽¹⁾	52.8%	100.1%	10.8%	-12.9%
Previous Target Price:	VND80,800	EPS Growth ⁽²⁾	62.4%	100.1%	10.8%	-12.9%
Upside to TP:	+33.8%	GPM ⁽¹⁾	19.4%	23.6%	22.9%	21.2%
Dividend Yield:	4.3%	NPM ⁽¹⁾	12.1%	16.1%	16.2%	15.5%
TSR:	+38.1%	EV/EBITDA ⁽¹⁾	11.0x	5.7x	5.1x	5.9x
		P/E ⁽²⁾	14.2x	7.1x	6.4x	7.3x



Market Cap:	USD638mn	VHC	Peers	VNI
Foreign Room:	USD479mn	P/E (ttm)	10.3x	13.0x
ADTV30D:	USD3.9mn	P/B (curr)	2.3x	1.4x
State Ownership:	0%	Net D/E	0.3x	0.6x
Outstanding Shares:	181.9 mn	ROE	26.1%	11.0%
Fully Diluted Shares:	181.9 mn	ROA	17.3%	5.5%

(1) reported; (2) core

Company Overview

Vinh Hoan is the leading global exporter of pangasius fish (Vietnamese catfish), specializing in aquaculture and collagen and gelatin (C&G). Its key markets include the US, EU and China. Per our estimate, VHC's products accounted for about 44% of the US's pangasius consumption and almost all of Vietnam's C&G exports in 2021.

Ha Dao, CFA
 Senior Analyst
ha.dao@vcsc.com.vn
 +848 3914 3588 ext. 194

Nam Hoang
 Manager
nam.hoang@vcsc.com.vn
 +848 3914 3588 ext. 124

Robust demand, tight supply send earnings to new highs

- We upgrade our rating from OUTPERFORM to BUY as positive demand-supply conditions beat our expectations. We believe VHC will record a stellar year in 2022 thanks to a continuing demand recovery in both its pangasius fillet and collagen & gelatin (C&G) businesses amid limited supply.
- We raise our target price (TP) by 35% as we increase our aggregate 2022F-2024F NPAT-MI by 41% mainly thanks to higher projections for fillet sales volume and ASP. We also roll our TP forward to mid-2023 vs YE2022 previously.
- We project EPS to surge 100%/11% YoY in 2022F/2023F thanks to stronger fillet and C&G profits as we believe global demand will further recover from COVID-19 disruptions. That said, we expect softer fillet ASPs will lead to a 13% YoY EPS slide in 2024F as demand softens amid high prices.
- Our TP puts VHC's average 2022F-2023F P/E at 9x vs its five-year average TTM P/E of 8x. We think a re-rating is justified due to C&G's current large profit contribution (15% in 2022F-2023F vs 0% in 2017) and our view that C&G should trade at a premium vs VHC's fish fillet business.
- Potential risks to our positive view: Weaker-than-expected fillet demand due to higher selling prices; faster-than-expected pangasius supply recovery; weaker-than-expected C&G sales.

In addition to the ongoing post-COVID-19 demand recovery, the Ukraine-Russia conflict could boost demand for pangasius. Russia is one of the largest exporters of wild-caught whitefish (i.e., 21% of global whitefish exports in 2020, per the UN International Trade Centre) such as pollock and cod, which compete with pangasius. Amid the Russia-Ukraine conflict, Russia's exports could be disrupted by sanctions and boycotts, which would elevate whitefish prices and boost demand for alternatives such as pangasius, which are positive for pangasius export prices.

Upbeat demand-supply dynamics to elevate both raw pangasius and fillet selling prices. In early May 2022, Vietnam's raw pangasius prices surged 33% YTD and 45% YoY to USD1.4/kg amid a demand recovery — especially in the US — and Vietnam's suppressed pangasius supply. The latter was due to COVID-related disruptions on pangasius production in 2021 (e.g., disrupted farming and processing activities) as well as higher feed costs. In our view, Vietnam's pangasius supply will not recover fully until 2023. Against this backdrop, we believe the unit profit of VHC's fillets will strengthen — despite higher raw fish prices — as we project VHC's 2022F fillet ASP will soar to USD4.3/kg in 2022F (USD3.5/kg in our previous report) from USD3.1/kg in 2021.

VHC's C&G business is poised to recover thanks to the economic reopening in Asia — its mainstay market. We expect C&G sales to soar 24% in 2022 vs 2021's 10% growth thanks to stronger demand for beauty products and in turn collagen.

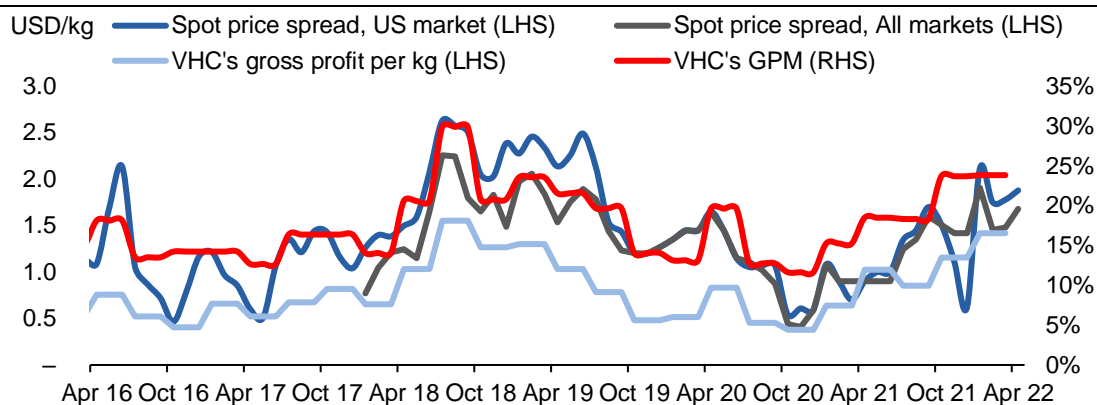
Q1 2022: Fillet ASP and sales volume recovery elevate earnings

Figure 1: VHC's Q1 2022 results

VND bn	Q1 2021	Q1 2022	YoY	VCSC comments on Q1 2022
Revenue	1,788	3,268	83%	
<i>By product*</i>	<i>1,770</i>	<i>3,275</i>	<i>85%</i>	
Collagen & gelatin (C&G)	156	218	40%	Thanks to global demand recovery.
Frozen fillets and related products	1,564	2,935	88%	Per our estimate, VHC's fillet export volume advanced 29% YoY in Q1 2022 primarily thanks to a rebound in pangasius demand in the US while fillet ASP surged 49% YoY to USD4.2/kg in Q1 2022.
Rice products (Sa Giang)	50	122	N.M.	
<i>By market*</i>	<i>1,770</i>	<i>3,275</i>	<i>85%</i>	
US	710	1,610	127%	
Europe	305	413	35%	
China & Hong Kong	183	268	46%	
Others	572	985	72%	
Gross profit	273	778	186%	
SG&A	-139	-143	2%	
EBIT	133	636	377%	
Profit before tax	152	663	336%	
NPAT-MI	131	548	318%	
GPM	15.2%	23.8%		Blended GPM before inventory provisions broadened by 14 ppts YoY and seven ppts QoQ to 28.4% in Q1 2022 as fillet ASP jumped 49% YoY and 30% QoQ to ~USD4.2/kg, per our estimate. We note that between quarters, VHC typically recognizes inventory provisions and reversals of those provisions that could complicate the interpretation of GPM movements in relation to ASP and input costs.
OPM	7.5%	19.5%		
PBT margin	8.5%	20.3%		
NPAT-MI margin	7.3%	16.8%		

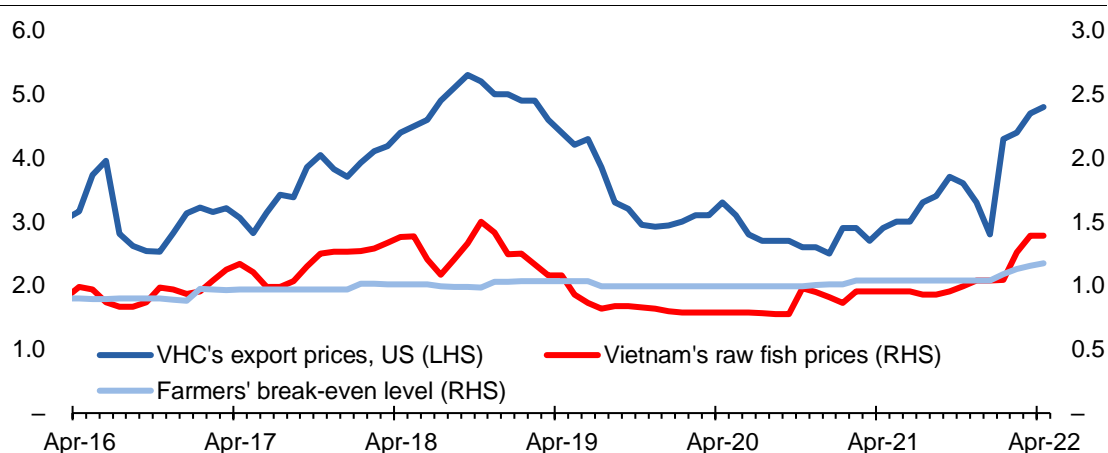
Source: VHC, VCSC (*Revenue breakdowns by segment and product are based on VHC's preliminary results in which the total revenue figure is slightly different from the official number).

Figure 2: VHC's quarterly GPM vs monthly spot market spreads*



Source: VHC, AgroMonitor, VCSC; data to April 2022; *VCSC's estimated spreads between VHC's export prices and market raw fish prices, adjusted by conversion factors.

Figure 3: VHC's monthly export prices to the US, Vietnam's raw pangasius prices* and farmers' break-even level (USD per kg)



Source: AgroMonitor, VCSC; data to April 2022; *raw fish is the main input material to make finished fillets.

2022F: We raise our NPAT-MI forecast by 48% thanks to higher-than-expected fillet ASP and volume

Figure 4: VCSC's 2022 forecasts

VND bn	2021	Old 2022F	New 2022F	YoY	VCSC comments on New 2022F
Revenue	9,054	10,809	13,630	51%	
C&G	642	858	799	24%	We assume VHC will utilize 77% of its C&G capacity in 2022F vs 65% in 2021 thanks to an expected strengthening in global C&G demand — especially in Asia, which is VHC's mainstay market. We nudge down our forecast as 4M 2022 results slightly trailed our expectations.
Frozen fillets and related products	8,054	9,548	12,248	52%	Pangasius demand to further rebound from the 2020-2021 trough. We forecast export volume to the US/China/EU will rise 18%/20%/25% YoY in 2022F, respectively. We raise our forecast amid better-than-expected demand recovery in the US and positive spillover effects from the Ukraine-Russia conflict.
<i>Fillet volume growth</i>	6.1%	10.5%	16.8%		
<i>Fillet ASP growth</i>	11.9%	12.5%	38.7%		ASP to surge to USD4.3/kg amid favorable demand-supply dynamics. We raise our forecast thanks to the aforementioned robust demand backdrop and higher feed costs (+25% YTD in May 2022), which could slow supply expansion.
Rice products (Sa Giang)	359	403	583	63%	Thanks to higher capacity utilization and VHC's plan to intensify sales activities. We increase our projections as Q1 2022's results tracked ahead of our expectation.
Gross profit	1,756	2,234	3,214	83%	
C&G	247	320	334	35%	
Frozen fillets and related products	1,432	1,825	2,730	91%	
Sa Giang	77	89	150	94%	
Operating profit	1,199	1,623	2,478	107%	
Non-operating items	80	101	92	14%	Mainly from net financial income.
Profit before tax	1,280	1,724	2,570	101%	
NPAT-MI	1,099	1,486	2,199	100%	
GPM	19.4%	20.7%	23.6%		
C&G*	38.4%	37.3%	41.8%		Backed by price/mix improvements.
Frozen fillets*	17.8%	19.1%	22.3%		Aided by ASP improvements.
Sa Giang	21.6%	22.2%	25.7%		Thanks to cost efficiency improvements and better selling prices.
SG&A/revenue	6.1%	5.7%	5.4%		Thanks to VHC's ability to pass part of the shipping cost inflation on to its customers and a potential softening in shipping costs.
OPM	13.2%	15.0%	18.2%		
NPM	12.1%	13.7%	16.1%		

Source: VHC, VCSC (*VCSC estimates)

Valuation

In this report, we roll our target price to mid-2023 from YE2022 previously. Moreover, we maintain a 50/50 mix of DCF and EV/EBITDA-based sum-of-the-parts (SoTP) to value VHC. In our view, a balanced mix between these two methods is reasonable given the different fundamental profiles of VHC's business segments as well as the company's volatile earnings growth that is primarily driven by its traditional fillet export business, which is vulnerable to external factors.

Our DCF valuation produces a higher fair value estimate than our EV/EBITDA-based SoTP method, which we attribute to the former's ability to better capture our expected improvements in VHC's working capital and the company's long-term earnings growth. During the pangasius export industry's challenging period of 2019-2021, VHC's inventory was piling up at the same time it had to extend its credit terms to support customers, which undermined the company's working capital. We expect this situation will reverse from 2022 amid the current favorable demand-supply dynamics.

Figure 5: Summary of VCSC's valuation for VHC

Method	Weighting	Fair value per share (VND)	Value contribution per share (VND)
DCF	50%	120,577	60,288
SoTP	50%	97,191	48,596
Target price			108,900
2022F/2023F P/E at TP			9.5x/8.6x
2022F/2023F EV/EBITDA at TP			7.4x/6.7x

Source: VCSC

Figure 6: DCF valuation for VHC

Cost of capital	Current	Previous	FCFF (five years)	VND bn
Beta	1.2	1.2	PV of Free Cash Flows	7,481
Market risk premium	7.0%	7.0%	PV of Terminal Val (3% g)	16,078
Risk-free rate	5.5%	5.5%	PV of FCF and TV	23,559
Cost of Equity	14.2%	14.2%	+ Cash & ST investments	1,264
Cost of Debt	5%	5%	- Debt	-2,777
Debt %	20%	20%	- Minority Interest	-108
Equity %	80%	80%	Equity Value	21,937
Corporate Tax%	15%	15%	Shares (millions)	182
WACC %	12.2%	12.2%	Value per share, VND	120,577

Source: VCSC

Figure 7: Cash flow projections for VHC

VND bn	2022F	2023F	2024F	2025F	2026F
Earnings before interest & tax	2,621	2,911	2,585	2,537	2,859
less: tax	-354	-385	-319	-303	-340
add: depreciation	400	489	555	610	660
less: net capex	-1,363	-978	-753	-688	-649
change in WC	-584	-17	712	134	-39
Free cash flow	719	2,019	2,780	2,289	2,492
PV of FCF	679	1,699	2,086	1,531	1,486
Cumulative PV of FCF	679	2,378	4,464	5,995	7,481

Source: VCSC

Figure 8: Sensitivity analysis of our target price for VHC in relation to DCF's WACC and terminal growth rate, ceteris paribus

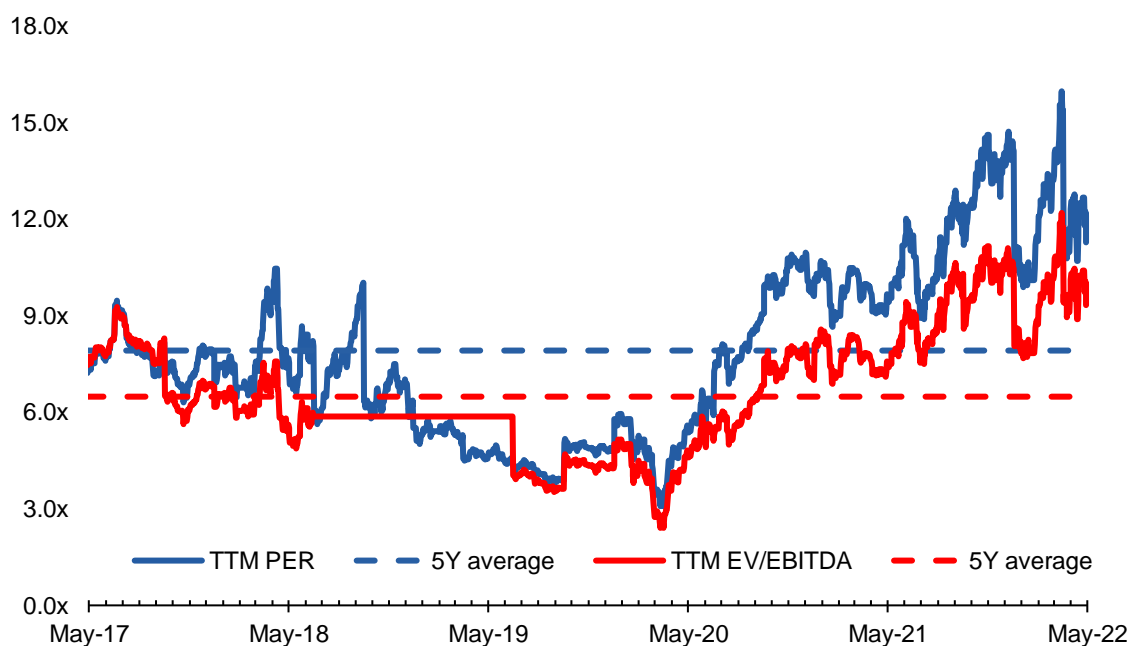
TP (VND)	WACC				
	10.2%	11.2%	12.2%	13.2%	14.2%
Terminal growth (g)	1.0%	112,700	105,900	100,300	95,600
	2.0%	119,000	110,800	104,200	98,700
	3.0%	127,000	116,800	108,900	102,500
	4.0%	137,600	124,600	114,800	107,100
	5.0%	152,300	134,900	122,300	112,800

Source: VCSC

Figure 9: Sum-of-the-parts valuation for VHC

VND bn	Average 2022F-2023F EBITDA*	Target EV/ EBITDA (x)	VHC's ownership	Target EV, attributed to VHC	Notes to VCSC's target EV/EBITDA
Collagen and gelatin	387	10.0	100%	3,867	Our target EV/EBITDA of 10x is broadly in line with the average transactional multiple of 11.3x for global supplement companies, per US investment bank Capstone Headwaters' Nutritional Supplement Demand Rises Amid Pandemic report, dated September 2020.
Frozen fillets and related products	2,379	6.0	100%	14,272	VHC's five-year average EV/EBITDA in 2014-2019. In our view, VHC's market valuation prior to 2020 did not incorporate the company's C&G business due to its insignificant profit contribution. VHC's long trading history and lack of valid comparable peers in the region are why we opt for VHC's historical EV/EBITDA instead of a peer-based EV/EBITDA.
Sa Giang	146	8.0	77%	1,166	Justified by Sa Giang's leading brand and 80% share in Vietnam's prawn cracker market.
Total EV				19,304	
Net debt and minority interest				1,621	
Total equity value				17,683	
Share count (million)				182	
Value/share (VND)				97,191	

Source: VHC, VCSC; *adjusted for contributions to bonus & welfare fund that account for 5% of annual NPAT-MI, per our forecasts.

Figure 10: VHC's historical TTM P/E and TTM EV-to-EBITDA (on a reported basis)


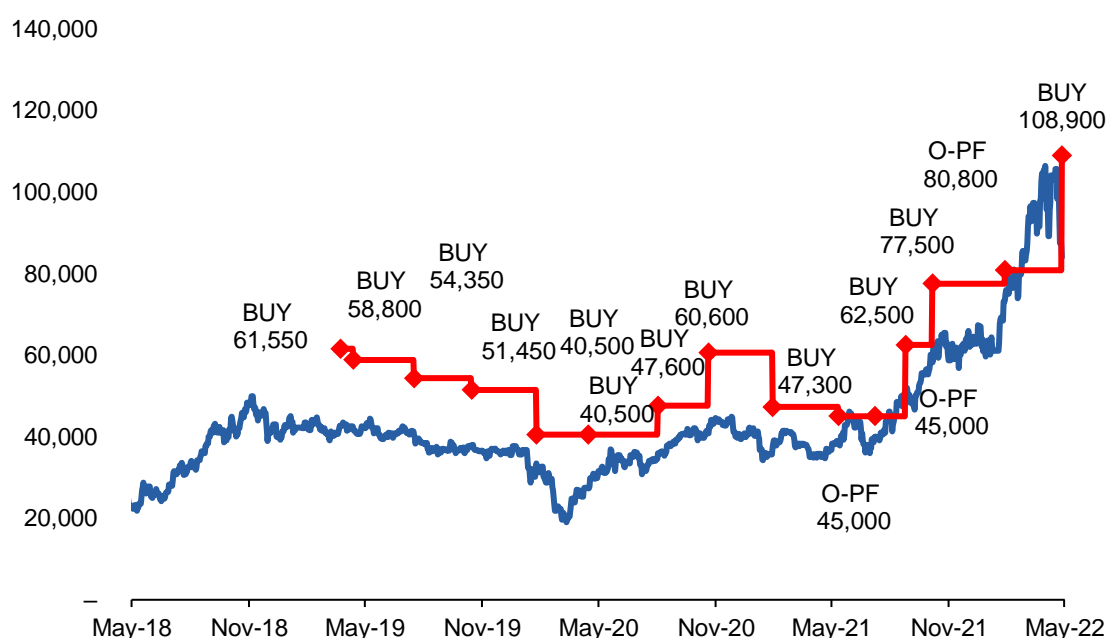
Source: Bloomberg, VCSC

Figure 11: Vietnamese seafood companies

Company	Ticker	Market Cap (USD mn)	TTM Sales (USD mn)	YoY (%)	TTM NPAT (USD mn)	YoY (%)	Net D/E (x)	ROE (%)	ROA (%)	LQ P/B (x)	TTM P/E (x)	TTM EV/EBITDA
Minh Phu	MPC	324	592	-5	28	-4	0.4	11.6	6.9	1.4	12.2	12.2
Nam Viet	ANV	213	152	20	6	22	0.6	11.0	5.5	1.9	18.1	13.8
Hung Vuong	HVG	33	177	-49	-46	N/A	3.2	-80.5	-12.9	0.9	N/A	N/A
Intl Dev & Inv	IDI	181	249	-1	6	212	0.8	10.4	4.1	1.3	13.2	15.6
Sao Ta Foods	FMC	146	227	19	12	29	-0.2	18.4	11.7	1.9	12.9	12.2
Cuulong Fish	ACL	49	53	17	2	146	0.7	12.7	6.0	1.5	12.0	10.5
Bentre Aqua	ABT	21	15	35	2	-18	0.1	5.9	4.4	1.2	20.0	14.5
Median		146	177	17	6	26	0.6	11.0	5.5	1.4	13.0	13.0
Mean		138	209	5	1	65	0.8	-1.5	3.7	1.4	14.7	13.1
Vinh Hoan	VHC	638	458	47	66	117	0.3	26.1	17.3	2.3	10.3	8.2

Source: Bloomberg, VCSC (data as of May 16, 2022)

Recommendation History

Figure 12: Recommendation history; share prices (VND) adjusted for share splits


Source: Bloomberg, VCSC

Financial Statements

P/L (VND bn)	2021	2022F	2023F	2024F
Revenue	9,054	13,630	15,048	13,692
COGS	-7,298	-10,415	-11,597	-10,783
Gross profit	1,756	3,214	3,451	2,909
Sales & Marketing exp	-344	-395	-391	-356
General & Admin exp	-213	-341	-373	-342
Operating Profit	1,199	2,478	2,687	2,211
Financial income	195	206	292	383
Financial expenses	-107	-106	-123	-119
- o/w, interest expense	-35	-51	-63	-64
Associates	0	0	0	0
Net other income/(loss)	-8	-8	-8	-8
Profit before Tax	1,280	2,570	2,848	2,467
Income tax	-173	-354	-385	-319
NPAT before MI	1,107	2,216	2,462	2,148
Minority interests	-7	-16	-25	-25
NPAT-MI, reported	1,099	2,199	2,438	2,123
NPAT-MI, adjusted ⁽¹⁾	1,099	2,199	2,438	2,123
EBITDA	1,484	2,878	3,176	2,765
EPS basic reported, VND	5,738	11,484	12,728	11,084
EPS basic adjusted ⁽¹⁾ , VND	5,738	11,484	12,728	11,084
EPS fully diluted ⁽¹⁾ , VND	5,738	11,484	12,728	11,084
DPS, VND	2,000	3,500	4,000	3,500
DPS/EPS (%)	34.9%	30.5%	31.4%	31.6%

(1) Adjusted for one-offs

Ratios	2021	2022F	2023F	2024F
Growth				
Revenue growth	28.7%	50.5%	10.4%	-9.0%
Op profit growth	72.4%	106.7%	8.4%	-17.7%
PBT growth	59.3%	100.8%	10.8%	-13.4%
EPS growth, adjusted	62.4%	100.1%	10.8%	-12.9%

Profitability ratios				
Gross Profit Margin	19.4%	23.6%	22.9%	21.2%
Op Profit, (EBIT) Margin	13.2%	18.2%	17.9%	16.1%
EBITDA Margin	16.4%	21.1%	21.1%	20.2%
NPAT-MI Margin, adj.	12.1%	16.1%	16.2%	15.5%
ROE	19.9%	32.6%	28.8%	21.3%
ROA	13.8%	21.5%	18.9%	14.6%

Efficiency ratios				
Days Inventory On Hand	83	70	71	73
Days Accts, Receivable	64	60	63	66
Days Accts, Payable	16	15	19	22
Cash Conversion Days	131	114	115	117

Liquidity/Solvency				
Current Ratio x	2.1	1.9	2.1	2.4
Quick Ratio x	1.4	1.4	1.6	1.9
Cash Ratio x	0.1	0.0	0.0	0.0
Debt / Assets	0.2	0.2	0.2	0.2
Debt / Capital	0.2	0.3	0.2	0.2
Net Debt / Equity	0.1	0.0	-0.1	-0.3
Interest Coverage x	34.6	48.4	42.8	34.7

Source: Company data, VCSC

B/S (VND bn)	2021	2022F	2023F	2024F
Cash & equivalents	195	68	110	156
ST investment	1,192	2,264	3,672	5,231
Accounts receivable	1,926	2,526	2,707	2,275
Inventories	1,793	2,188	2,309	2,029
Other current assets	436	561	529	413
Total Current Assets	5,543	7,607	9,327	10,105
Fixed assets, gross	4,130	5,493	6,471	7,224
- Depreciation	-1,502	-1,869	-2,324	-2,845
Fixed assets, net	2,628	3,625	4,147	4,379
LT investments	66	66	66	66
LT assets other	501	458	453	447
Total LT assets	3,195	4,148	4,666	4,893
Total Assets	8,738	11,756	13,993	14,998
Accounts payable	340	542	667	620
Short-term debt	1,735	2,476	2,757	2,563
Other ST liabilities	605	939	1,066	998
Total current liabilities	2,680	3,956	4,490	4,181
Long term debt	156	156	156	156
Other LT liabilities	17	17	17	17
Total liabilities	2,854	4,130	4,664	4,355

Preferred Equity	0	0	0	0
Share premium	224	224	224	224
Paid in capital	1,834	1,834	1,834	1,834
Retained earnings	3,724	5,450	7,128	8,417
Other equity	0	0	0	0
Minority interest	102	119	143	168
Total equity	5,884	7,626	9,329	10,643
Total liabilities & equity	8,738	11,756	13,993	14,998

Y/E shares out, mn	181.9	181.9	181.9	181.9
Y/E treasury shares, mn	1.4	1.4	1.4	1.4

Cash flow (VND bn)	2021	2022F	2023F	2024F
Beginning Cash Balance	41	195	68	110
Net Income	1,099	2,199	2,438	2,123
Dep, & amortization	285	400	489	555
Chge in Working Cap	-716	-584	-17	712
Other adjustments	-336	-94	-97	-81
Cash from Operations	332	1,921	2,812	3,309
	185.0%			
Capital Expenditures, net	588	-1,363	-978	-753
Investments, net	-1,431	-1,063	-1,436	-1,588
Cash from Investing	-843	-2,426	-2,414	-2,341
Dividends paid	0	-364	-637	-728
Δ in Share Capital	0	0	0	0
Δ in ST debt	630	741	281	-194
Δ in LT debt	87	0	0	0
Other financing C/F	-462	0	0	0
Cash from Financing	665	377	-356	-921
Net change in cash	154	-128	42	47
Ending Cash Balance	195	68	110	156

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.

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

We, Ha Dao and Nam Hoang, hereby certify that the views expressed in this report accurately reflect our personal views about the subject securities or issuers. We also certify that no part of our 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, 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

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)

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
- Thuc Than, 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