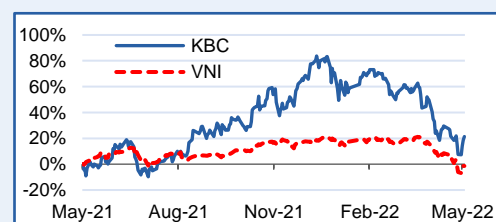




Kinh Bac City (KBC) [BUY +35.4%]

Update Report

Industry	IP Real Estate		2021A	2022F	2023F	2024F
Report date	May 20, 2022	Rev y/y	97.4%	134.8%	27.7%	12.0%
Current Price	VND41,000	EPS y/y *	187.9%	332.2%	22.4%	6.3%
Target Price	VND55,500	NPAT-MI **	782	4,306	5,272	5,606
Last Target Price	VND60,600	GPM	58.1%	65.2%	66.2%	63.7%
Upside to TP	+35.4%	NPM	18.4%	43.2%	41.4%	39.3%
Dividend Yield	0.0%	P/E	29.9x	6.9x	5.6x	5.3x
TSR	+35.4%	P/B	1.7x	1.1x	1.0x	0.8x



		KBC	Peers	VNI
Market Cap	USD1.0bn	35.5x	12.7x	13.6x
Foreign Room	USD307.8mn	1.6x	2.8x	2.1x
ADTV30D	USD9.2mn	24.2%	3.0%	N/A
State Ownership	0.0%	ROE	5.3%	22.9%
Outstanding Shares	575.7 mn	ROA	2.2%	4.8%
Fully Diluted Shares*	725.7 mn		2.6%	

(*) Dilution from 100 million and 150 million of new shares from private placements in 2021 and 2022, respectively; (**) VND bn

Company Overview

Founded in 2002, KBC is an industrial park (IP) developer in Vietnam. KBC and its associates own ~5,000 ha of industrial land. Most of KBC's land is in industrial hubs in northern Vietnam. KBC's major clients include LG, Foxconn, Canon and GoerTek.

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Trang Cat UA to drive medium-term profit outlook

- We upgrade our rating for KBC to BUY from MARKET PERFORM despite cutting our target price (TP) by 8% to VND55,500/share. KBC's share price has declined 27% over the last three months.
- Our lower TP is mainly due to cutting our bulk sales assumption for the Trang Cat urban area (UA) to 15 ha - 30 ha p.a. in 2023-2025F as we are more conservative vs our previous expectation and KBC's ambitious guidance of 30 ha - 50 ha p.a. (see page 5). Our decreased assumption results in 32% a downward revision to our aggregate 2023-2025F NPAT-MI forecasts. Moreover, our lower TP is partially offset by the positive effect from rolling it forward to mid-2023 vs previously end-2022.
- For 2022F, we forecast revenue of VND10tn (USD435mn; +135% YoY) and NPAT-MI of VND4.3tn (USD187mn; +450% YoY), which we believe will be mainly driven by the Trang Cat UA as we maintain our forecast this project to have bulk sales of 30 ha at an estimated price of VND18mn/sqm (USD780/sqm) in 2022F.
- We edge up our 2022F NPAT-MI forecast by 2.5% due to including abnormal unrealized gains of VND499bn (USD22mn) incurred in Q1 2022, which is partially offset by our lower IP land sales assumption for the year because of slower-than-expected progress on land clearance for new projects such as those in the Long An industrial cluster.
- We believe KBC is a major beneficiary from the structural shift of global manufacturing to Vietnam and has a track record of attracting major tenants such as LG, Foxconn, Luxshare, Canon and GoerTek. Additionally, KBC has increased its exposure to UA development.
- Downside risks to our positive view: Delays in launching new projects and/or investment delays from potential customers.

Trang Cat UA's bulk sales to drive profit growth over the medium term. We currently assume 30 ha of bulk sales for the Trang Cat UA project at an estimated price of VND18mn/sqm (USD780/sqm) in 2022F — in line with KBC's guidance released in early February 2022. KBC has shared this project is in its first stage of construction (ground filling). If excluding the contribution from the Trang Cat UA, our 2022F revenue and NPAT-MI would be VND4.6tn (USD200mn; +7.8% YoY) and VND1.2tn (USD52mn; +47% YoY), respectively, and we forecast they would be mainly driven by the Nam Son Hap Linh (NSHL) IP and Phuc Ninh UA projects.

NSHL IP to drive IP revenue forecast in 2022F. We currently forecast the NSHL IP will recognize 70 ha of IP land sales and VND1.5tn (USD65mn; +79% YoY) of revenue in 2022F, accounting for 57% of our total IP revenue forecast in the year.

We maintain our assumption for KBC's upcoming private placement for 150 million shares (equivalent to 26% of current outstanding shares) at an assumed price of VND50,000/share. The private placement is expected to occur in H2 2022 following approval from the State Securities Commission of Vietnam (SSC).

Q1 2022 Recap: Weak land sales; non-cash abnormal gain drives profits

Figure 1: KBC's Q1 2022 results

VND bn	Q1 2021	Q1 2022	YoY Growth	Old 2022F	Q1 2022 as % of Old 2022F	VCSC comments
IP land sales (ha)	66.6	8.9	-86.6%	129.4	6.9%	In Q1 2022, KBC only recorded 8.9 ha of land sales from the Tan Phu Trung (TPT) IP vs upbeat recognition in Q1 2021 that was mainly driven by the Quang Chau and TPT IPs' respective land sales of 33 ha and 22 ha in that quarter.
UA land sales (ha)	1.3	4.0	169.0%	37.4	10.7%	KBC's Q1 2022 UA land sales were mainly from the Trang Due UA project.
Revenue	2,002	692	-65.5%	11,002	6.3%	The plunge in the top line in Q1 2022 was mainly due to weak IP land sales vs upbeat recognition in Q1 2021.
Gross profit	1,123	279	-75.2%	7,075	3.9%	
SG&A expenses	-187	-144	-23.4%	-1,040	13.8%	
Operating profit	936	135	-85.5%	6,035	2.2%	
Financial income	42	70	67.1%	266	26.3%	
Financial expenses	-94	-145	53.4%	-651	22.2%	
Net income from affiliates	2	11	576.7%	13	84.5%	
Other gains/(losses)	-3	499	N.M.	5	103.6x	KBC recognized a non-cash abnormal gain of VND499bn (USD22mn) in Q1 2022 vs no such gain in Q1 2021. This non-cash abnormal gain was from the increased value in KBC's investment revaluation in Sai Gon Nhon Hoi IP JSC, which is the main developer of the Nhon Hoi A IP and UA projects with a total site area of 630 ha. KBC acquired a 35% stake in this company in Q4 2021. We note that we did not factored this abnormal gain into our previous forecast.
PBT	882	570	-35.3%	5,667	10.1%	
NPAT	715	523	-26.8%	4,392	11.9%	
Minority interest	115	43	-63.0%	192	22.2%	
NPAT-MI	599	481	-19.8%	4,200	11.4%	
<i>Gross margin</i>	<i>56.1%</i>	<i>40.4%</i>		<i>64.3%</i>		
<i>SG&A expenses/sales</i>	<i>9.4%</i>	<i>20.8%</i>		<i>9.5%</i>		
<i>Operating profit margin</i>	<i>46.7%</i>	<i>19.6%</i>		<i>54.8%</i>		
<i>NPAT-MI margin</i>	<i>29.9%</i>	<i>69.5%</i>		<i>38.2%</i>		

Source: KBC, VCSC

2022 Outlook: Trang Cat UA to be major profit driver

Figure 2: VCSC's 2022 forecast for KBC

VND bn	2021	2022F Old	2022F New	YoY	VCSC assumptions
IP land sales (ha)	115.7	129.4	104.4	-9.8%	
UA land sales (ha)	4.6	37.4	37.4	713.0%	
Revenue	4,246	11,002	9,970	134.8%	
<i>IP</i>	<i>3,036</i>	<i>3,644</i>	<i>2,648</i>	<i>-12.8%</i>	
<i>Quang Chau (QC)</i>	<i>1,409</i>	<i>253</i>	<i>253</i>	<i>-82.0%</i>	
<i>Tan Phu Trung (TPT)</i>	<i>736</i>	<i>875</i>	<i>875</i>	<i>18.9%</i>	
<i>NSHL</i>	<i>852</i>	<i>1,720</i>	<i>1,521</i>	<i>78.6%</i>	We cut our land sales for the NSHL IP by ~11% due to weaker-than-expected land sales in Q1 2022. We currently assume the NSHL IP's 2022F revenue to be VND1.5tn (USD65mn) — broadly in line with KBC's guidance and contributing 57% of our IP revenue forecasts in 2022F.
<i>Long An industrial cluster</i>	<i>0</i>	<i>797</i>	<i>0</i>	<i>N.M.</i>	We cut our land sales recognition for KBC's industrial cluster projects in Long An Province in 2022F vs previously 20 ha as we have observed slow progress in land clearance.
<i>Others</i>	<i>40</i>	<i>0</i>	<i>0</i>	<i>N.M.</i>	
<i>UA</i>	<i>515</i>	<i>6,664</i>	<i>6,628</i>	<i>1188.1%</i>	We broadly maintain our assumption for the Trang Cat UA's 2022F bulk sales to be 30 ha at an estimated price of VND18mn/sqm (USD780/sqm) — in line with KBC's guidance.
<i>Ready-built factory sales</i>	<i>311</i>	<i>227</i>	<i>227</i>	<i>-27.1%</i>	
<i>Others</i>	<i>385</i>	<i>467</i>	<i>467</i>	<i>21.4%</i>	
Gross profit	2,467	7,075	6,497	163.4%	
SG&A expenses	-618	-1,040	-927	49.8%	
Operating profit	1,849	6,035	5,571	201.4%	
Financial income	170	266	225	32.6%	
Financial expenses	-541	-651	-555	2.4%	
Net income from affiliates	14	13	14	0.0%	
Net other gains/(losses)	-127	5	489	N.M.	* We raise our net other gains to VND489bn (USD21mn) as we now incorporate the non-cash abnormal gain incurred in Q1 2022.
PBT	1,364	5,667	5,743	321.1%	
NPAT	954	4,392	4,451	366.6%	
Minority interest	172	192	145	-15.5%	
NPAT-MI	782	4,200	4,306	450.4%	
<i>Gross margin</i>	<i>58.1%</i>	<i>64.3%</i>	<i>65.2%</i>		
<i>SG&A expenses/sales</i>	<i>14.6%</i>	<i>9.5%</i>	<i>9.3%</i>		
<i>Operating profit margin</i>	<i>43.5%</i>	<i>54.8%</i>	<i>55.9%</i>		
<i>NPAT-MI margin</i>	<i>18.4%</i>	<i>38.2%</i>	<i>43.2%</i>		

Source: KBC, VCSC

Valuation

We value KBC using the RNAV method with an unchanged 10% discount. We value KBC's IP and UA projects (which are under development or which we expect to launch within one year) using the DCF method.

Our valuation does not include IP projects for which KBC has not yet progressed to land acquisition and/or clearance nor received the necessary approval to launch. These projects include the Binh Giang IP that is located along the Hanoi – Hai Phong Expressway in Hai Duong and other planned projects in Hai Duong, Long An and Da Nang for which we have limited information.

We value other assets at BV, which only include investments in associates.

Figure 3: Valuation summary

VND bn	Valuation method	Project NPV	Effective ownership	Effective NPV
IPs				10,476
Quang Chau IP	DCF	1,217	88.06%	1,072
Tan Phu Trung IP	DCF	2,514	72.44%	1,821
NSHL IP	DCF	1,951	100.00%	1,951
Trang Due 3 IP	DCF	3,667	86.54%	3,174
Long An industrial clusters	DCF	1,671	82.85%	1,384
Hung Yen industrial clusters	DCF	1,275	68.65%	875
UAs				27,812
Phuc Ninh UA	DCF	2,055	100.0%	2,055
Trang Due UA	DCF	733	86.5%	634
Trang Cat UA	DCF	25,124	100.00%	25,124
Other assets ^	BV			1,899
Total development NPV				40,187
(+/-) Cash and ST investments*				11,802
(-) Total debt				7,220
NAV				44,768
Discount to NAV				10.0%
Discounted NAV				40,291
Outstanding shares (million)*				725.7
TP (VND/share)				55,500
Upside to TP (%)				+35.4%
Dividend yield (%)				0.0%
Projected TSR (%)				+35.4%
2022F P/B at TP				1.5x
2023F P/B at TP				1.3x
2022F P/E at TP				9.3x
2023F P/E at TP				7.6x

Source: VCSC. Note: (*) Including an estimated VND7.5tn (USD323mn) of cash proceeds from upcoming private placement with KBC issuing 150 million shares at an estimated price of VND50,000/share; (^) not including increased value thanks to non-cash revaluation of the invested amount in an affiliate.

Figure 4: Our main assumptions for the Trang Cat UA

Main assumptions	VND bn
Total site area (ha)	585 ha
Total sellable area (ha)	250 ha
Total major investment costs	15,687
In which: Land clearance	7,187
Infrastructure construction	8,500
Total IP land sales over 2022-2028F	68,203
NAV	25,124
KBC's effective ownership	100.0%
Contribution to our current valuation	25,124

Source: VCSC

Figure 5: Our assumption changes for the Trang Cat UA

	2022F	2023F	2024F	2025F
Previous assumptions				
Land sales (ha)	30.0	50.0	35.0	35.0
ASP (VND mn/sqm)	18.1	21.9	25.5	27.5
Current assumptions				
Land sales (ha)	30.0	30.0	15.0	20.0
ASP (VND mn/sqm)	18.0	20.9	24.3	26.0

Source: VCSC.

Private placement plan

At the 2022 EGM that was held on February 10, 2022, shareholders approved a private placement plan for a maximum of 150 million shares (equivalent to 26% of current outstanding shares). The details of KBC's upcoming private placement are as follows:

- Number of shares to be issued: Maximum of 150 million shares.
- Issuing price: Equal to 80% of average closing price of 30 trading days prior to the date the Vietnam State Securities Commission (SSC) approved KBC's private placement documents.
- Expected issuing timeline: In 2022, after SSC approval.
- The lock-up period is 36 months for strategic shareholders and 18 months for professional investors.

Figure 6: WACC summary

Cost of capital	Previous	Revised
Beta	0.9	0.9
Risk Free Rate %	5.5%	5.5%
Equity Risk Premium %	7.0%	7.0%
Cost of Equity %	11.8%	11.8%
Cost of Debt %	10.5%	10.5%
% Debt	20.0%	20.0%
% Equity	80.0%	80.0%
Corporate Tax Rate %	23.8%	23.8%
WACC %	11.0%	11.0%

Source: VCSC

Figure 7: WACC sensitivity analysis on TP (VND/share)

	10.0%	10.5%	WACC 11.0%	11.5%	12.0%
TP (VND/share)	57,800	56,600	55,500 (base case)	54,400	53,300

Source: VCSC

Comparable Peers

We have selected IP developers that have similar market sizes and land banks to KBC. Apart from Viglacera, the other IP developers mainly have exposure to IP developments in southern Vietnam.

KBC is trading at attractive valuation with a P/B of 1.6x, which is ~20% discount to one-year average of peer median adjusted P/B of 2.0x. Moreover, we forecast KBC will achieve a higher substantial profit growth in 2022F vs its peers.

Figure 8: Peers (USD mn)

Company name *	Mkt cap	TTM Net Sales	Y-o-Y %	TTM NPAT	Y-o-Y %	Net debt/Equity	ROE (%)	TTM P/E	LQ P/B
Viglacera	726	554	34.5%	72	111.4%	3.0%	22.9%	10.2x	2.2x
Phuoc Hoa Rubber	349	81	19.0%	30	-14.0%	-83.0%	25.0%	12.7x	2.8x
Sonadezi Corporation	597	226	4.3%	39	22.3%	12.4%	16.1%	15.5x	2.4x
Saigon VRG	406	243	9.7%	36	-18.6%	-120.6%	31.5%	11.2x	3.2x
IDICO	648	216	-7.8%	29	-25.6%	17.3%	16.7%	22.8x	3.6x
Average	545	264	11.9%	41	15.1%	-34.2%	22.4%	14.5x	2.8x
Median	597	226	9.7%	36	-14.0%	3.0%	22.9%	12.7x	2.8x
Kinh Bac City	1,019	128	-18.4%	29	-13.7%	24.2%	5.3%	35.5x	1.6x

Source: Bloomberg, VCSC. Note: * All Vietnamese companies; ** we estimate adjusted book values based on the assumption that all selected companies apply the same IP land sales recognition methodology.

Recommendation History

Figure 9: Historical VCSC target price vs share price (VND/share)



Source: Bloomberg, VCSC

Appendix

KBC's industrial parks

Figure 10: KBC's IP portfolio as of end-Q1 2022

IPs	Location	KBC's ownership	Year established	Total site area (ha)	Total leasable area (ha)	Total leased area (ha)	Remaining leasable area (ha)	Occupancy rate
<i>IPs under KBC and its subsidiaries</i>								
Que Vo 1	Bac Ninh	100.0%	2003	311	192	188	0	100%
Que Vo 2	Bac Ninh	100.0%	2006	300	173	173	0	100%
NSHL	Bac Ninh	100.0%	2010	300	195	28	167	14%
QC	Bac Giang	88.1%	2006	426	276	268	0*	100%
TD 1	Hai Phong	86.5%	2007	188	129	129	0	100%
TD 2	Hai Phong	86.5%	2015	214	133	133	0	100%
TD 3	Hai Phong	86.5%	TBD	687	456	0	456	0%
Tan Phu Trung	HCMC	72.4%	2004	543	314	212	102	68%
TOTAL				2,969	1,868	1,131	725	

Source: KBC, VCSC. Note: (*) Not including expansion phase of ~90 ha.

The Trang Due 3 IP, which has a total site area of 687 ha, is an expansion phase of the Trang Due 1 (188 ha) and Trang Due 2 (214 ha) IPs in Hai Phong. The Trang Due 1 & 2 IPs are included in the Cat Hai - Dinh Vu Economic Zone, which has the highest tax incentives for tenants in Vietnam.

The Trang Due 2 IP only took around three years to become fully occupied thanks to its anchor tenant, LG Corporation. At end-2020, LG Corporation had three major companies investing in the Trang Due IP, including LG Display with a total investment capital of USD2.5bn, LG Electronics (USD1.5bn) and LG Innotek (USD1.5bn).

On February 7, 2021, Hai Phong delivered an amended investment certificate for LG Display to raise its investment capital by USD750mn to USD3.25bn.

On March 25, 2021, the Government approved to include the Trang Due 3 IP with a total site area of 687 ha in the Dinh Vu - Cat Hai Economic Zone in Hai Phong.

KBC's urban areas

The **Trang Cat UA** is located around 10 km from Cat Bi International Airport and is adjacent to the Hanoi - Hai Phong Expressway. The Trang Cat UA has a total site area of around 585 ha and sellable area of around 250 ha.

Figure 11: Trang Cat UA's location and master plan



Source: KBC, VCSC

The **Phuc Ninh UA** has a prime location that is near the center of Bac Ninh Province and around 6 km from the Que Vo IP. As the project has been continuously delayed vs its original plan, KBC has to complete and supplement legal documents as well as coordinate with local authorities to determine the financial responsibilities for the project. Per KBC, the total value of buyer deposits was VND1.7tn (USD72mn) with the company receiving around VND591bn (USD25mn) as of end-2020.

Figure 12: Phuc Ninh UA construction progress



Source: KBC, VCSC

The Trang Due UA is opposite the Trang Due IP, where LG Electronics facilities are located.

Figure 13: Trang Due UA construction progress



Source: KBC, VCSC

The Da Nang People's Committee approved project planning for the Meridian Tower project on November 18, 2020. This project has a total site area of 11,170 sqm in a prime location of Da Nang's central business district. In addition, the project is a mixed-use project that includes a luxury commercial mall, hotel, offices and apartments. The local government agreed to resume the project in 2020. Before that, the Da Nang government decided to withdraw the project from public infrastructure developments. KBC's 100% owned subsidiary — Kinh Bac-Da Nang Investment One Member Limited Company — is the developer of the Meridian Tower project. As of end-Q2 2021, KBC had invested VND737bn (USD32mn) in this project.

Investment in the Nam Tan Tap IP (Long An Province) was approved on August 22, 2021. The project has a total site area of 244.74 ha in Can Giuoc District, Long An Province (adjacent to Binh Chanh District, HCMC). The total investment cost is ~VND2.6tn (USD112mn). The Saigon Tel-Long An Ltd Company (HOSE: SGT) is the developer of this IP; KBC owns a 25% stake in this company while SaigonTel owns the remaining 75% stake.

Investment in the Loc Giang IP (Long An Province) was approved in April 2022. The project has a total site area of 466 ha in Duc Hoa District, Long An Province. The total investment cost is ~VND5.2tn (USD226mn). The Saigon - Tay Bac urban development Joint stock Company is the developer of this IP, which KBC owns a 72% stake in this company.

Financial Statements

P&L (VND bn)	2021A	2022F	2023F	2024F
Revenue	4,246	9,970	12,731	14,263
COGS	-1,779	-3,473	-4,303	-5,181
Gross Profit	2,467	6,497	8,427	9,082
Sales & Marketing exp.	-190	-371	-477	-621
General & Admin exp.	-429	-556	-715	-931
Operating Profit	1,849	5,571	7,235	7,530
Financial Income	170	225	253	272
Financial Expenses	-541	-555	-345	-179
- o/w Interest Expense	-481	-534	-332	-162
Associates	14	14	14	14
Net Other Income/(Loss)	-127	489	6	6
Profit Before Tax	1,364	5,743	7,163	7,643
Income Tax	-410	-1,292	-1,612	-1,529
NPAT Before MI	954	4,451	5,552	6,115
Minority Interest	172	145	279	509
NPAT Less MI, Reported	782	4,306	5,272	5,606

EBITDA	1,920	6,373	7,603	7,927
EPS Reported, VND	1,373	5,934	7,265	7,725
DPS Reported, VND	0	0	0	0
DPS/EPS	0.0%	0.0%	0.0%	0.0%

RATIOS	2021A	2022F	2023F	2024F
Growth YoY				
Revenue	97.4%	134.8%	27.7%	12.0%
Op. Profit (EBIT)	404.9%	201.4%	29.9%	4.1%
PBT	201.0%	321.1%	24.7%	6.7%
EPS Fully Diluted	187.9%	332.2%	22.4%	6.3%

Profitability				
Gross Profit Margin	58.1%	65.2%	66.2%	63.7%
Op. Profit, (EBIT) Margin	43.5%	55.9%	56.8%	52.8%
EBITDA Margin	45.2%	63.9%	59.7%	55.6%
NPAT-MI Margin, Adj.	18.4%	43.2%	41.4%	39.3%
ROE	6.6%	21.6%	18.4%	16.4%
ROA	3.5%	12.3%	12.8%	12.8%

Efficiency				
Days Inventory On Hand	2,335	1,275	1,106	899
Days Accts, Receivable	761	360	283	320
Days Accts, Payable	62	66	65	65
Cash Conversion Days	3,034	1,569	1,325	1,154

Liquidity				
Current Ratio	4.0x	5.2x	6.6x	7.0x
Quick Ratio	2.3x	3.4x	4.4x	5.1x
Cash Ratio	0.7x	1.8x	2.2x	2.6x
Debt / Assets %	26.1%	13.5%	5.9%	2.3%
Debt / Capital %	30.4%	14.7%	6.9%	2.7%
Net Debt / Equity	27.9%	-2.2%	-0.8%	-13.8%
Interest Coverage	3.8x	11.8x	22.6x	48.0x

B/S (VND bn)	2021A	2022F	2023F	2024F
Cash & Equivalents	2,562	5,511	2,827	6,622
ST Investment	2,016	7,016	10,016	10,016
Accounts Receivables	10,150	10,360	12,378	14,628
Inventories	11,461	12,807	13,265	12,263
Other Current assets	246	579	739	828
Total Current Assets	26,435	36,272	39,224	44,356
Fixed Assets, Gross	1,663	1,323	1,577	1,577
- Depreciation	-313	-409	-517	-638
Fixed Assets, Net	1,350	914	1,060	939
Other investments	1,899	1,899	1,899	1,899
LT assets, other	921	2,565	2,687	3,443
Total LT Assets	4,170	5,377	5,646	6,281
Total Assets	30,605	41,649	44,870	50,637

Accounts Payable	152	629	761	917
ST Debt	1,435	1,249	897	760
Other ST Liabilities	5,064	5,031	4,301	4,647
Total Current Liabilities	6,652	6,910	5,959	6,323
LT Debt	5,642	3,642	1,642	342
Other LT liabilities	2,139	2,636	3,256	3,844
Total Liabilities	14,432	13,188	10,857	10,509
Preferred Equity	0	0	0	0
Paid in capital/Issued capital	5,757	7,257	7,257	7,257
Share premium	3,397	9,371	9,371	9,371
Treasury share	-364	-364	-364	-364
Retained earnings	5,100	9,406	14,679	20,285
Other equity	2	2	2	2
Minority interest	2,280	2,425	2,704	3,213
Total equity	16,173	28,461	34,013	40,128
Liabilities & equity	30,605	41,649	44,870	50,637
Shares outstanding (mn)*	569.8	725.7	725.7	725.7

CASH FLOW (VND bn)	2021A	2022F	2023F	2024F
Beginning Cash Balance	1,050	2,562	5,511	2,827
Net income	782	4,306	5,272	5,606
Dep. & Amortization	76	96	108	121
Δ in Working Capital	-1,752	-2,934	-3,116	-1,121
Other Adjustments	-36	272	367	316
Cash from Operations	-929	1,740	2,631	4,922
Capital Expenditures, Net	-211	332	-216	39
Investments, Net	-3,338	-4,775	-2,747	272
Cash from Investments	-3,549	-4,443	-2,963	311
Dividends Paid	-19	0	0	0
Δ in Share Capital	4,583	7,838	0	0
Δ in ST Debt	-111	-186	-352	-138
Δ in LT Debt	1,424	-2,000	-2,000	-1,300
Other financing C/F	114	0	0	0
Cash from Financing	5,991	5,652	-2,352	-1,438
Net Change in Cash	1,512	2,949	-2,683	3,795
Ending Cash Balance	2,562	5,511	2,827	6,622

Source: Company financial statements, VCSC forecasts. Note: (*) Including the upcoming private placement with KBC issuing 150 million shares at an estimated price of VND50,000/share.

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