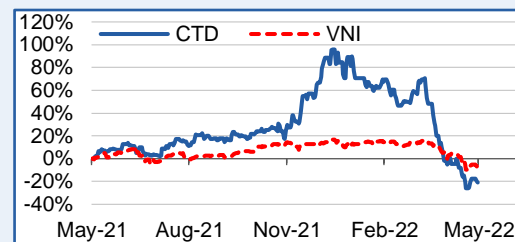



**Coteccons (CTD) [MARKET PERFORM -0.2%]**
**Update Report**

Industry	Construction		2021	2022F	2023F	2024F
<b>Report Date</b>	<b>May 30, 2022</b>					
Current Price	VND50,900	Rev y/y	-37.6%	80.3%	33.0%	27.5%
Target Price	VND50,800	EPS y/y	-92.7%	391.9%	139.1%	17.3%
Last Target Price	VND75,700	NPAT-MI y/y	-92.8%	391.9%	139.1%	17.3%
Upside to TP	-0.2%	GPM	3.0%	3.6%	3.7%	3.8%
Dividend Yield	0.0%	NPM	0.3%	0.7%	1.3%	1.2%
TSR	-0.2%	P/B	0.5x	0.5x	0.4x	0.4x
		P/E	155.4x	31.6x	13.2x	11.3x



Market Cap	USD163.5mn		CTD	Peers	VNI
Foreign Room	USD7.4mn	P/E (ttm)	N.M.	48.7x	13.6x
ADTV30D	USD2.0mn	P/B (curr)	0.5x	1.0x	2.1x
State Ownership	0.0%	Net D/E	-0.4x	0.7x	N/A
Outstanding Shares	73.9 mn	ROE	0.0%	3.0%	15.9%
Fully Diluted Shares	73.9 mn	ROA	0.0%	0.7%	2.6%

**Company Overview**

CTD is a private construction contractor in Vietnam with a wide project portfolio that includes residential, hospitality and industrial projects. Kustocem and The8th are major shareholders with respective stakes of 17.6% and 10.4%.

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**Margin pressure to weigh on earnings recovery in 2022F**

- We upgrade CTD to MARKET PERFORM from UNDERPERFORM despite cutting our target price by 33% as the company's share price has plunged 48% over the last three months.
- Our 33% lower target price is due to 1) decreasing our 2022-2026F aggregate NPAT-MI forecast by 43% on the back of lower projected gross margin and higher SG&A expenses and 2) applying a lower target P/E of 8.0x compared to 10.0x as previously.
- CTD reported weak results in Q1 2022 with NPAT-MI of VND29bn (USD1.3mn; -46% YoY) on the back of lower revenue recognition and a sharp margin compression vs Q1 2021.
- For 2022F, we lower our NPAT-MI forecast to VND119bn (USD5.2mn) vs previously VND329bn (USD14.3mn). We expect CTD will incur a loss at the EBIT level in 2022F due to 1) slow construction progress, 2) high construction material prices and 3) competition. Nevertheless, we expect positive NPAT-MI due to high net financial income.
- CTD's 2022F P/E of 31.6x looks expensive vs the two-year average of the domestic peer TTM P/E median of 20.1x.

**Multiple challenges weighed on 2021 earnings; recovery expected in 2022F.** At the company's AGM on April 25, CTD announced robust Q1 2022 new contract value of VND10.0tn (USD434.8mn; +4x compared to Q1 2021) vs our full-year 2022 forecast of VND20tn (USD869.6mn). However, given the ongoing fierce competition from both existing and new entrants in Vietnam's construction sector as well as delayed construction progress, we expect CTD will experience a significant impact on its revenue recognition progress and feasibility of signed contracts. As such, we continue to assume CTD's new contract value in 2022-2026F at VND20tn (USD869.6mn) per year — lower than the average of VND27.0tn (USD1.2bn) per year in 2015-2018. We also maintain our 2022F revenue forecast of VND16.4tn (USD712.3mn; +80% YoY).

**We forecast a loss at the EBIT level in 2022F but positive NPAT-MI due to high net financial income.** CTD's gross margin remained under pressure at 3.5% in Q1 2022 amid high construction material (i.e., steel and cement) prices and fierce competition in the industry as COVID-19 subsided. In addition, CTD's SG&A expenses were high as the percentage of sales despite there being no provisions for doubtful receivables in the quarter due to 1) low revenue recognition and 2) high labor & utility expenses despite low revenue. Consequently, we lower our 2022F gross margin to 3.6% vs previously 4.5% and raise 2022F SG&A expenses/sales to 4.2% from previously 3.5%, which results in our negative forecast for 2022F EBIT of VND98bn (USD4.3mn).

**We lower our target P/E to 8.0x from 10.0x over concerns of earnings volatility caused by delayed construction progress and high material prices.** Over the last three months, the business results of CTD and its domestic peers have not been up to our expectations amid hopes that the earnings of construction companies would surge with the resumption of domestic construction activities. These subpar results caused the TTM P/E of CTD's domestic peers to jump to nearly 50x as of end-Q1 2022. Meanwhile CTD's TTM P/E is not meaningful due to negligible TTM earnings.

## Q1 2022 Recap: Losses continue at EBIT level

Figure 1: Q1 2022 results

VND bn	Q1 2021	Q1 2022	% YoY Growth	2022F old	Q1 as % of 2022F old	VCSC comments
Revenue	2,569	1,913	-26%	16,382	12%	<p>* CTD reported weak Q1 2022 revenue due to the lingering effects of COVID-19 disrupting domestic construction activities and delaying construction progress for signed projects</p> <p>* Nevertheless, at the company's AGM on April 25, CTD announced robust Q1 2022 newly-signed contract value of VND10.0tn (USD434.8mn; +4x compared to Q1 2021) vs our full-year 2022 forecast of VND20tn (USD869.6m).</p>
Gross profit	120	67	-44%	737	9%	<p>* Strong gross margin compression on the back of 1) high construction material (i.e., steel and cement) prices and 3) competition.</p>
SG&A expenses	-120	-89	-26%	-573	15%	<p>* SG&amp;A on sales normalized to 4.6% in Q1 2022 vs 6.3% in Q4 2021 as CTD did not record any provision for doubtful receivables compared to a VND111.7bn (USD4.9mn) provision booked in Q4 2021. Per management, that provision was a result of the company's recent internal restructuring process when it reevaluated all outstanding backlog contracts and receivables.</p> <p>* However, Q1 2022 SG&amp;A expenses were high compared to 3.0% for full-year 2021, which we attribute to 1) low revenue recognition and 2) high labor &amp; utility expenses amid low revenue.</p>
EBIT	0	-22	N.M.	164	N.M.	
Net financial income	67	64	-5%	224	28%	<p>* CTD's cash position was high with cash, cash equivalents and short-term cash deposits of VND3.6tn (USD157.7mn) at end-Q1 2022 vs VND3.3tn (USD142.8mn) at end-2021 and VND3.2tn (USD141.2mn) at end-2020.</p>
Net other income	7	2	-68%	23	10%	
Shares of (loss) profit of associates	-5	-5	8%	0	N.M.	
Profit before tax	69	39	-44%	411	9%	
NPAT	54	29	-46%	329	9%	
Gross margin %	4.7%	3.5%		4.5%		
SG&A as % sales	4.7%	4.6%		3.5%		
EBIT margin %	0.0%	-1.1%		1.0%		<p>* CTD made incurred a loss at the EBIT level in Q1 2022 following Q4 2021 due to 1) slow construction progress, 2) high construction material prices and 3) competition.</p>
NPAT margin %	2.1%	1.5%		2.0%		

Source: Company's financial statements, VCSC

## 2022 Outlook: Earnings to improve as construction recovers

Figure 2: 2022 forecast

VND bn	2020	2021	2022F Old	2022F Revised	2022F Revised vs Old	2022F Revised vs 2021	VCSC assumptions/forecasts for 2022F
<b>Revenue</b>	<b>14,558</b>	<b>9,087</b>	<b>16,382</b>	<b>16,382</b>	<b>0%</b>	<b>80%</b>	* We maintain our 2022F newly-signed contract value at VND20tn (USD869.6mn) vs VND25tn (USD1.1bn) in 2021. Although CTD announced strong newly-signed contract value in Q1 2022 compared to our current forecast, we expect delayed construction will significantly impact revenue recognition and the feasibility of signed contracts.
Gross profit	856	269	737	590	-20%	120%	
SG&A expenses	-656	-516	-573	-688	20%	33%	
<b>EBIT</b>	<b>201</b>	<b>-248</b>	<b>164</b>	<b>-98</b>	<b>-160%</b>	<b>-60%</b>	* We expect CTD to incur a loss at the EBIT level in 2022F due to 1) slow construction progress, 2) high construction material prices and 3) competition.
Net financial income	228	264	224	224	0%	-15%	* We note that CTD successfully issued VND500bn (USD21.7mn) of non-convertible, non-secured, corporate bonds in January 2022. We project CTD will incur VND48bn (USD2.1mn) of interest expenses p.a. in 2022-2024 for these bonds.
Net other income	27	52	23	23	0%	-56%	
Shares of (loss) profit of associates	-27	-30	0	0	N.M.	N.M.	
Profit before tax	428	38	411	149	-64%	290%	
<b>NPAT-MI</b>	<b>334</b>	<b>24</b>	<b>329</b>	<b>119</b>	<b>-64%</b>	<b>392%</b>	* CTD's projected high net financial income supports positive earnings at the NPAT-MI level vs a projected loss at the EBIT level. * Nevertheless, we cut our 2022F NPAT-MI forecast by 64% mostly due to lower projected gross margin and higher project SG&A expenses.
Gross margin %	5.9%	3.0%	4.5%	3.6%			* We revise down our forecast for 2022F gross margin due to 1) lower-than-expected Q1 2022 results and 2) a stronger-than-expected negative impact from construction material (i.e., steel and cement) prices remaining high. * On the other hand, we expect fewer COVID-19-related disruptions on domestic construction activities will support the recovery of gross margin in 2022F compared to 2021. * We expect competition will continue to weigh on gross margin. Hence, our 2022F gross margin assumption is lower than the average of 6.1% in 2017-2020.
SG&A as % sales	4.5%	5.7%	3.5%	4.2%			* We increase our 2022F SG&A expenses on sales due to higher-than-expected Q1 2022 results despite CTD not booking provision for doubtful receivables in Q1 2022.
EBIT margin %	1.4%	N.M.	1.0%	-0.6%			
NPAT margin %	2.3%	0.3%	2.0%	0.7%			

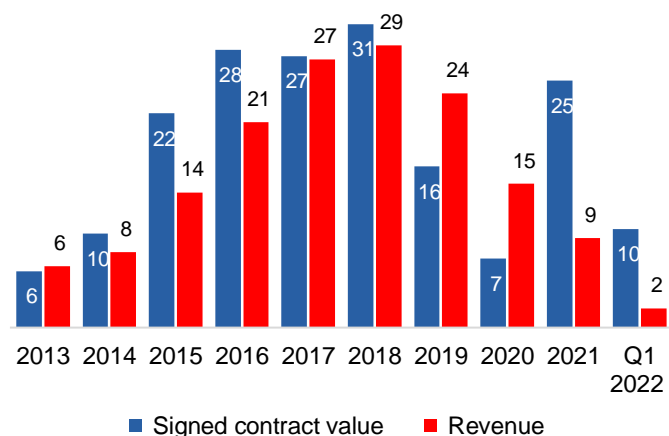
Source: Company's financial statements, VCSC

**Figure 3: Assumptions for CTD's annual new contract value and revenue recognition**

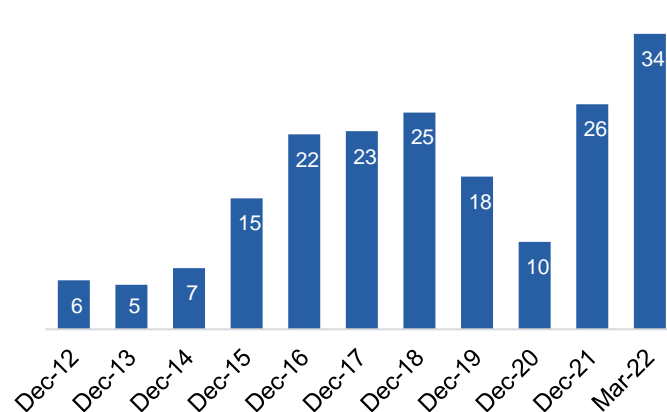
(VND bn)	2019	2020	2021	2022F	2023F	2024F	2025F	2026F
<b>New forecast</b>								
<b>New contract value</b>	<b>16,333</b>	<b>7,000</b>	<b>25,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>% YoY Growth</b>	<b>-47%</b>	<b>-57%</b>	<b>257%</b>	<b>-20%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Revenue</b>	<b>23,733</b>	<b>14,558</b>	<b>9,087</b>	<b>16,382</b>	<b>21,786</b>	<b>27,786</b>	<b>20,000</b>	<b>20,000</b>
<b>% YoY Growth</b>	<b>-17%</b>	<b>-39%</b>	<b>-38%</b>	<b>80%</b>	<b>33%</b>	<b>28%</b>	<b>-28%</b>	<b>0%</b>
<b>Old forecast</b>								
<b>New contract value</b>	<b>16,333</b>	<b>7,000</b>	<b>25,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>% YoY Growth</b>	<b>-47%</b>	<b>-57%</b>	<b>257%</b>	<b>-20%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Revenue</b>	<b>23,733</b>	<b>14,558</b>	<b>9,087</b>	<b>16,382</b>	<b>21,786</b>	<b>27,786</b>	<b>20,000</b>	<b>20,000</b>
<b>% YoY Growth</b>	<b>-17%</b>	<b>-39%</b>	<b>-38%</b>	<b>80%</b>	<b>33%</b>	<b>28%</b>	<b>-28%</b>	<b>0%</b>

Source: CTD, VCSC forecasts

**Figure 4: CTD's signed contract value (VND tn)**

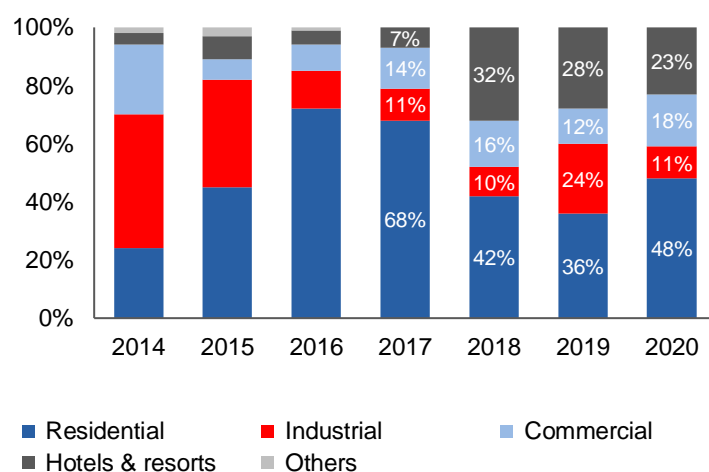


**Figure 5: CTD's backlog (VND tn)**

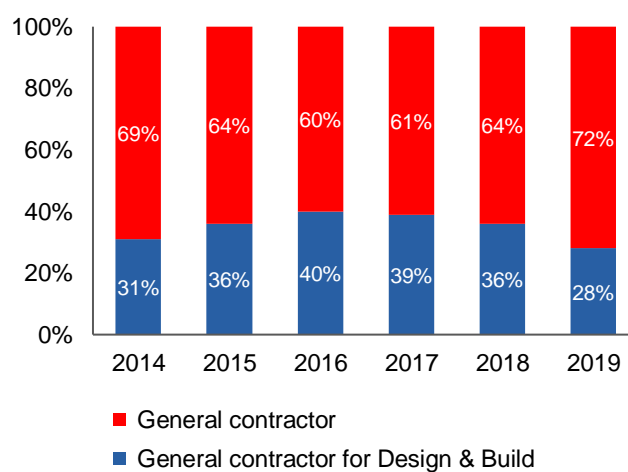


Source: Company data, VCSC

**Figure 6: CTD's revenue breakdown by project type**

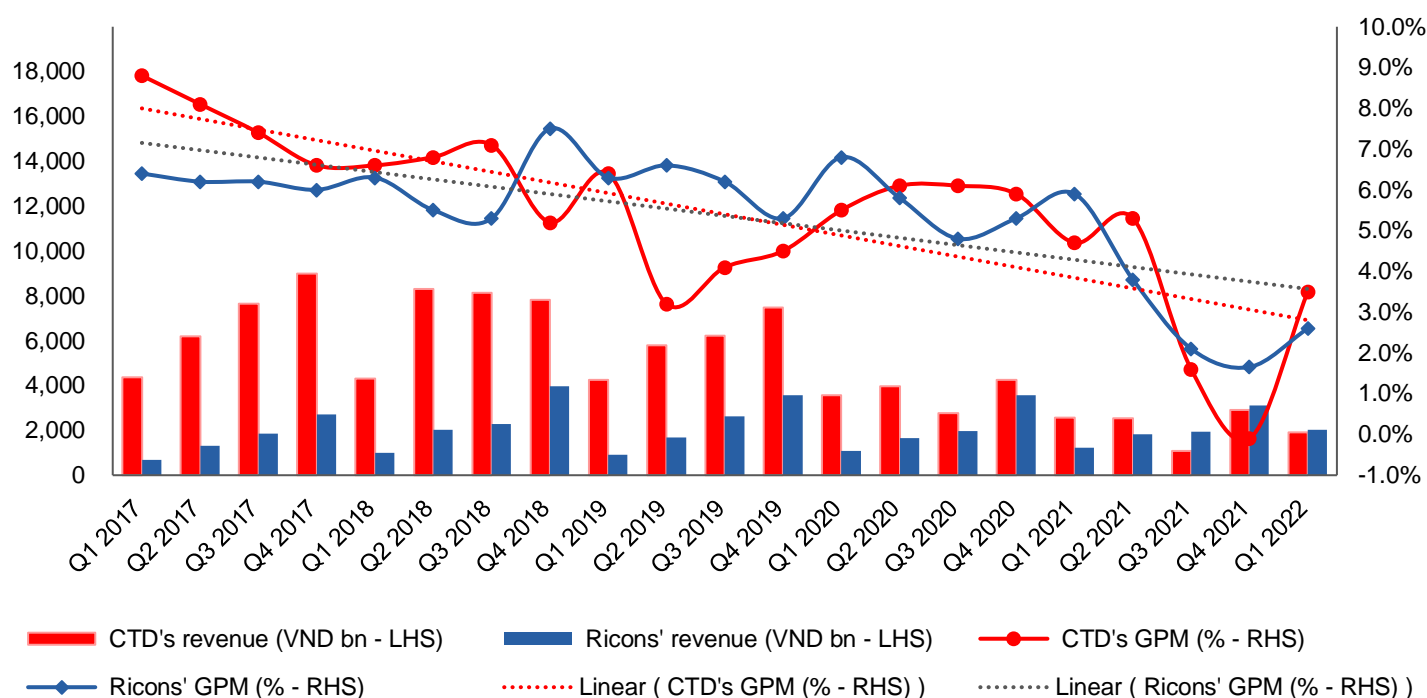


**Figure 7: CTD's revenue breakdown by contract type**



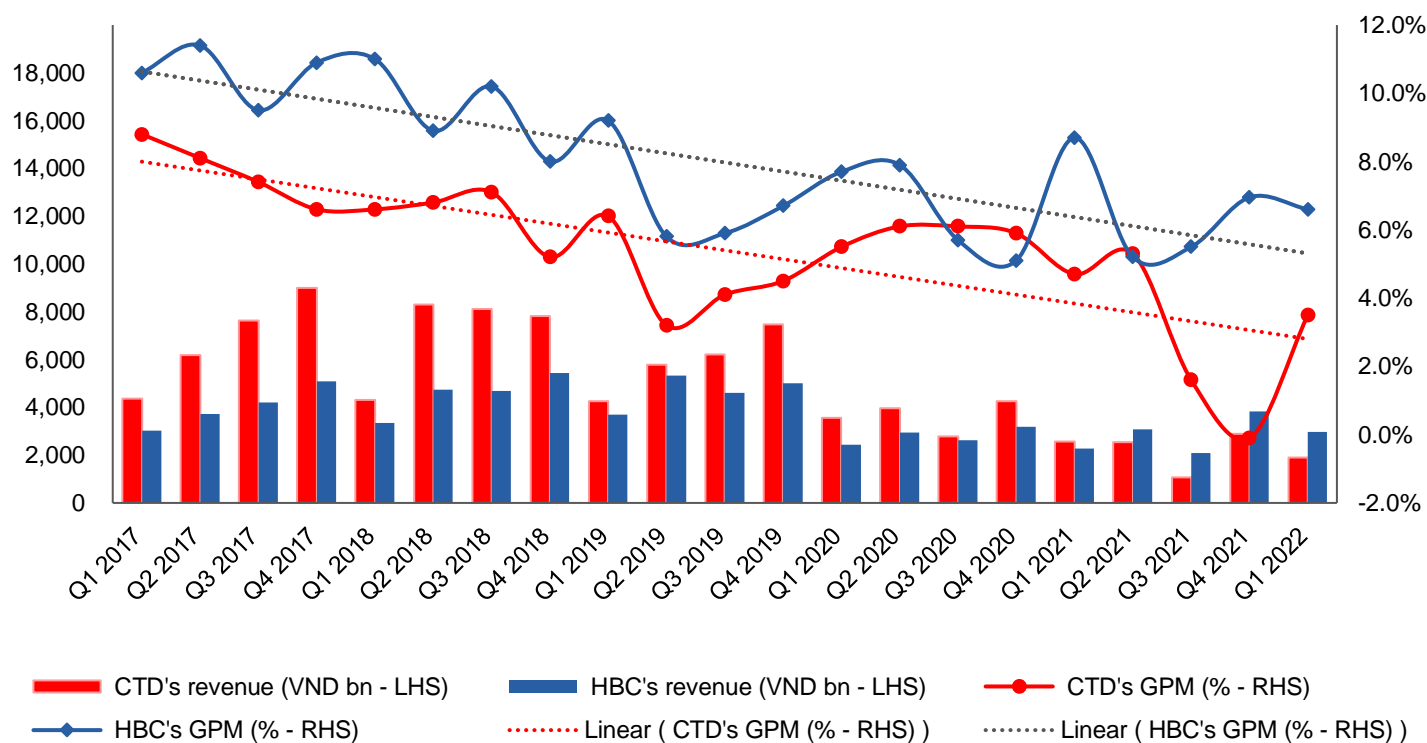
Source: Company's data, VCSC. Note: A 2020-2021 revenue breakdown for some segments is not available

**Figure 8: Quarterly revenue and gross margin of CTD and Ricons**



Source: Company data, VCSC. Note: CTD made a loss at Q4 2021 gross profit.

**Figure 9: Quarterly revenue and gross margin of CTD and Hoa Binh Construction (HSX: HBC)**



Source: Company data, VCSC. Note: CTD made a loss at Q4 2021 gross profit.

## Valuation

We continue to use a combination of the DCF (50% weighting) and P/E (50% weighting) methodologies to derive a target price of VND50,800/share for CTD, which is 33% lower compared to our previous target price of VND75,700/share.

- Our DCF-derived valuation is 25% lower compared to our last report mainly because we decrease our 2022-2026F aggregate NPAT-MI forecast by 43% on the back of lower projected gross margin and higher SG&A expenses, which more than offset the effect rolling our target price horizon forward to mid-2023.
- Our P/E-derived fair price is 51% lower than our last Update Report as we use a lower average 2022-2023F EPS of VND2,732 compared to our previous 2022F EPS forecast of VND4,450. We also apply a lower target P/E of 8.0x compared to 10.0x as previously.

**Figure 10: Valuation summary**

Valuation method	Fair price	Weight	(VND/share)
DCF	79,600	50%	39,800
Targeted P/E at 10.0x	21,900	50%	11,000
<b>Target price (TP)</b>			<b>50,800</b>
2022F P/E at TP			31.5x
2023 P/E at TP			13.2x

Source: VCSC

### Discounted cash flow (DCF)

Our valuation mostly reflects our expectations for CTD's core construction business. In this Update Report, we maintain our assumption for CTD's total capex in 2022-2026F at VND1.0tn (USD43.5mn) — in accordance with CTD's guidance — and continue to apply a terminal growth rate of 1.0%.

**Figure 11: Discounted cash flow**

Key assumptions (VND tn)	2019	2020	2021	2022F	2023F	2024F	2025F	2026F
Newly signed contract value	16.3	7.0	25.0	20.0	20.0	20.0	20.0	20.0
Net revenue	23.7	14.6	9.1	16.4	21.8	27.8	20.0	20.0
Gross profit margin %	4.4%	5.9%	3.0%	3.6%	3.7%	3.8%	3.9%	4.0%
EBIT margin %	2.5%	1.4%	-2.7%	-0.6%	0.2%	0.3%	0.4%	0.5%
Net profit margin %	3.0%	2.3%	0.3%	0.7%	1.3%	1.2%	1.7%	1.9%
FCF forecasts (VND bn)				2022F	2023F	2024F	2025F	2026F
Net income				120	323	372	382	382
+ Depreciation				108	115	124	90	67
- Working cap increase				665	132	-851	1,098	-2
- Capex				-200	-200	-200	-200	-200
Free Cash Flow				693	370	-555	1,370	247
Present value of FCF				689	310	-413	882	145
Total PV of FCF				689	999	586	1,468	1,613
Cost of Capital	Previous	Revised	DCF valuation			VND bn		
Beta	1.0	1.0	PV of 5Y FCF			1,613		
Market Risk Premium %	7.0%	7.0%	PV of Terminal Val			1,276		
Risk Free Rate %	5.5%	5.5%	PV of FCF and TV			2,889		
Cost of Equity %	12.5%	12.5%	Plus: Cash+STinv.			3,626		
Cost of Debt %	10.0%	10.0%	Less: Debt			634		
Corporate Tax Rate %	20.0%	20.0%	Value of Equity			5,881		
Debt-to-capital ratio %	5.6%	5.6%	Current O/S (mn)			74		
WACC %	12.5%	12.5%	DCF value (VND/share)			79,600		
Terminal Growth Rate %	1.0%	1.0%						

Source: VCSC



**Figure 12: Sensitivity analysis of our target price (VND/share) for CTD in relation to DCF's WACC and terminal growth rate, ceteris paribus**

Terminal growth rate %	WACC %						
	11.0%	11.5%	12.0%	12.5%	13.0%	13.5%	14.0%
0.0%	52,000	51,300	50,700	50,100	49,500	49,000	48,500
0.5%	52,500	51,800	51,100	50,400	49,800	49,300	48,800
1.0%	53,100	52,300	51,500	<b>50,800</b>	50,200	49,600	49,100
1.5%	53,700	52,800	52,000	51,300	50,600	50,000	49,400
2.0%	54,400	53,400	52,500	51,800	51,000	50,400	49,800
2.5%	55,100	54,100	53,100	52,300	51,500	50,800	50,200
3.0%	56,000	54,800	53,800	52,900	52,000	51,300	50,600

Source: VCSC

### Peer P/E multiple

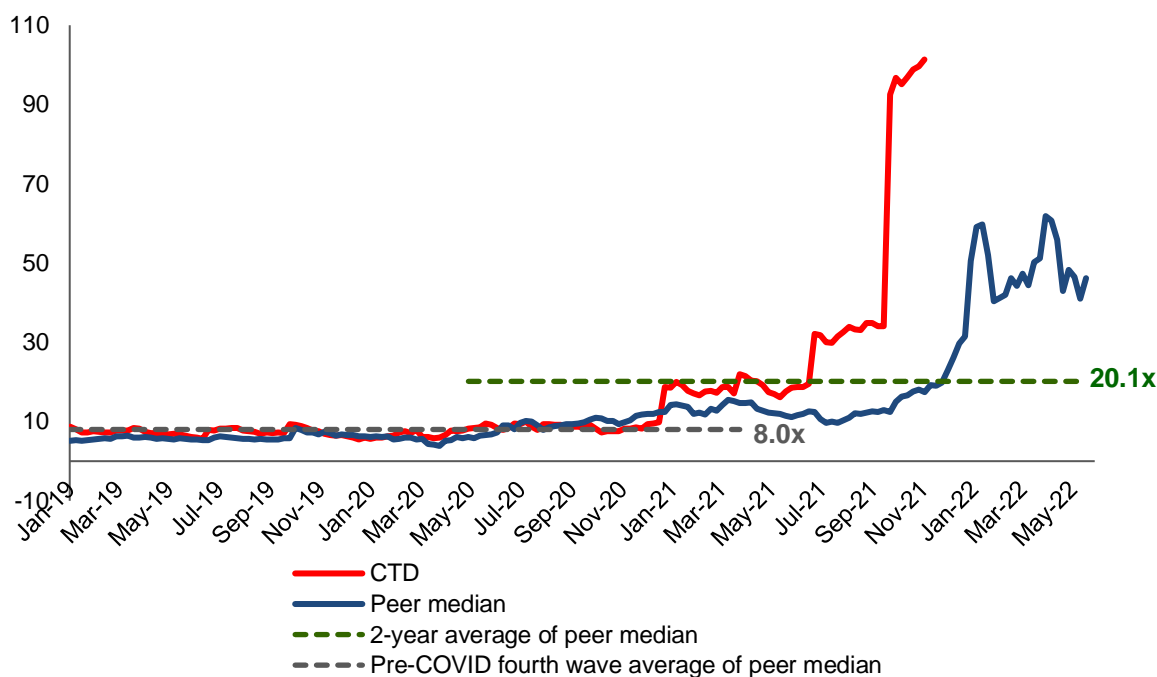
We select domestic construction companies to form a comparable universe for CTD. We normally apply the two-year average of the peer P/E median. However, over the last three months, the business results of CTD and its domestic peers were not up to our expectations amid hopes for the earnings of construction companies surge with the resumption of domestic construction activities. This resulted in the TTM P/E of CTD's domestic peers jumping to nearly 50x as of end-Q1 2022. CTD has had an unmeaningful TTM P/E since October 2021 due to modest TTM earnings. This subpar result and our concern over CTD's earnings volatility caused by delayed construction progress and high material prices prompt us to lower our target P/E for CTD to 8.0x from 10.0x as previously. Our target P/E of 8.0x is the average of peer median TTM P/E in January 2019 - April 2021, which we choose to represent the pre-fourth wave of COVID-19 in Vietnam level of CTD's peer median TTM P/E. We note that Vietnam's fourth wave of COVID-19, which caused significant disruption to domestic construction activities, lasted from May 2021 to early October 2021.

**Figure 13: Local peers**

Ticker	Market cap	TTM Net Sales	Y-o-Y (%)	TTM NPAT	Y-o-Y (%)	Gross margin (%)	Net margin (%)	Net debt/Equity (%)	ROE (%)	ROA (%)	TTM P/E (x)	LQ P/B (x)
	USD mn	USD mn		USD mn								
HBC	231	528	9.3	4.5	22.9	7.1	0.9	105.8	3.0	0.7	48.7	1.4
FCN	118	149	3.0	3.0	-65.2	13.5	2.0	72.1	1.8	0.6	48.7	1.0
SC5	13	73	-11.6	1.5	-16.5	4.8	2.0	13.8	8.9	1.3	9.4	0.8
Average	121	250	0.2	3.0	-19.6	8.5	1.6	63.9	4.5	0.9	35.6	1.1
Median	118	149	3.0	3.0	-16.5	7.1	2.0	72.1	3.0	0.7	48.7	1.0
<b>CTD</b>	<b>163</b>	<b>367</b>	<b>-37.9</b>	<b>-0.0</b>	<b>-100.4</b>	<b>2.6</b>	<b>-0.0</b>	<b>-36.1</b>	<b>0.0</b>	<b>0.0</b>	<b>N.M.</b>	<b>0.5</b>

Source: Bloomberg, VCSC. Note: Data as of May 30, 2022.

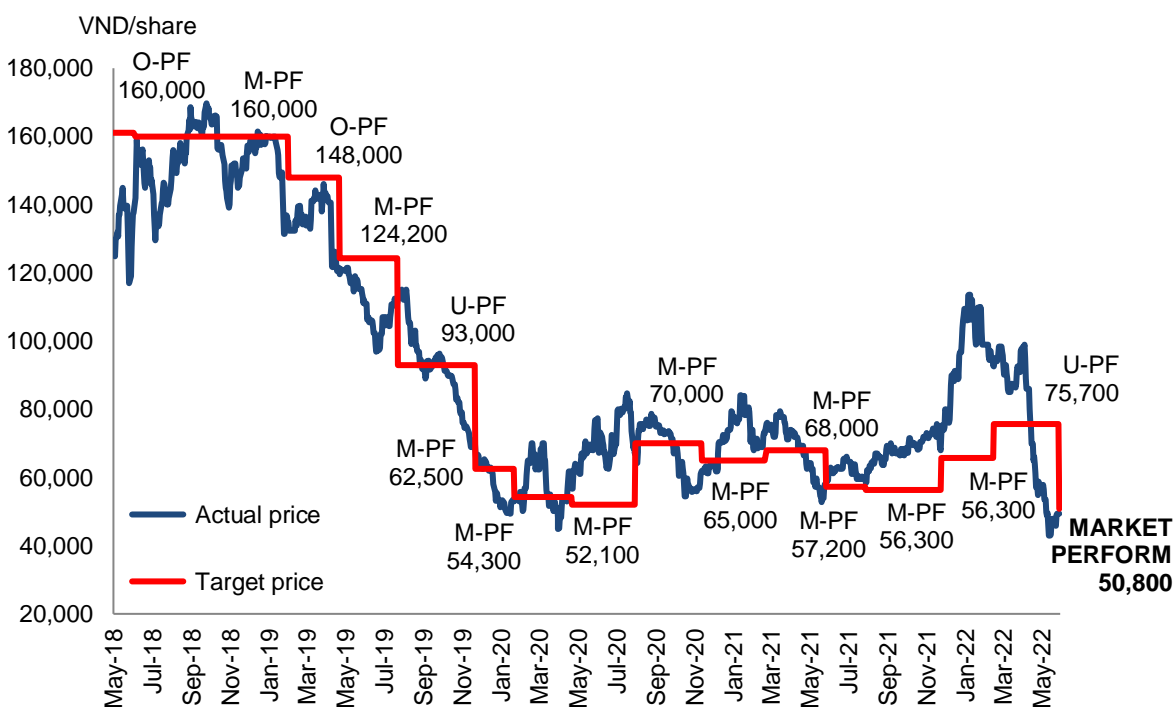
Figure 14: Historical TTM P/E



Source: Bloomberg, VCSC. Note: CTD's data from October 2021 to May 2022 is not meaningful due to modest NPAT-MI. Note: We use the average of peer median TTM P/E from January 2019 - March 2022 as the pre-fourth wave of COVID-19 in Vietnam level of peer median TTM P/E.

## Recommendation History

Figure 15: Historical VCSC target price vs share price (VND/share)



Source: Bloomberg, VCSC



## Financial Statements

P&L (VND bn)	2021	2022F	2023F	2024F
<b>Revenue</b>	<b>9,087</b>	<b>16,382</b>	<b>21,786</b>	<b>27,786</b>
COGS	-8,819	-15,792	-20,980	-26,731
<b>Gross Profit</b>	<b>269</b>	<b>590</b>	<b>806</b>	<b>1,056</b>
Sales & Marketing exp	0	0	0	0
General & Admin exp	-516	-688	-763	-973
<b>Operating Profit</b>	<b>-248</b>	<b>-98</b>	<b>44</b>	<b>83</b>
Financial income	277	272	325	337
Financial expenses	-13	-48	-48	-48
- o/w interest expense	-1	-48	-48	-48
Associates	-30	0	0	0
Net other income/(loss)	52	23	34	45
<b>Profit before Tax</b>	<b>38</b>	<b>149</b>	<b>356</b>	<b>417</b>
Income Tax	-14	-30	-71	-83
<b>NPAT before MI</b>	<b>24</b>	<b>119</b>	<b>285</b>	<b>334</b>
Minority Interest	0	0	0	0
<b>NPAT less MI, reported</b>	<b>24</b>	<b>119</b>	<b>285</b>	<b>334</b>
<b>NPAT less MI, adjusted</b>	<b>24</b>	<b>119</b>	<b>285</b>	<b>334</b>
EBITDA	-143	10	159	207
EPS reported, VND	328	1,611	3,853	4,521
EPS adjusted, VND	328	1,611	3,853	4,521
EPS fully diluted, VND	328	1,611	3,853	4,521
DPS, VND	0	0	1,000	1,000
DPS/EPS (%)	0%	0%	26%	22%
RATIOS	2021	2022F	2023F	2024F
<b>Growth</b>				
Revenue growth	-37.6%	80.3%	33.0%	27.5%
Op profit (EBIT) growth	N.M.	N.M.	-144.3%	91.3%
PBT growth	-91.1%	289.8%	139.1%	17.3%
EPS growth, adjusted	-92.7%	391.9%	139.1%	17.3%
<b>Profitability</b>				
Gross Profit Margin	3.0%	3.6%	3.7%	3.8%
Op Profit, (EBIT) Margin	N.M.	-0.6%	0.2%	0.3%
EBITDA Margin	N.M.	0.1%	0.7%	0.7%
NPAT-MI Margin, adj,	0.3%	0.7%	1.3%	1.2%
ROE	0.3%	1.4%	3.4%	3.9%
ROA	0.2%	0.8%	1.6%	1.6%
<b>Efficiency</b>				
Days Inventory On Hand	63.1	35.0	29.8	30.3
Days Accts, Receivable	320.8	192.8	165.2	160.6
Days Accts, Payable	130.9	72.4	65.7	66.9
Cash Conversion Days	253.0	155.4	129.3	124.0
<b>Liquidity</b>				
Current Ratio x	2.1	2.0	1.7	1.6
Quick Ratio x	1.9	1.8	1.6	1.4
Cash Ratio x	0.5	0.6	0.5	0.3
Debt / Assets	0.0%	3.0%	2.6%	2.2%
Debt / Capital	0.2%	63.3%	63.3%	63.3%
Net Debt / Equity	-39.8%	-47.5%	-49.4%	-40.4%
Interest Coverage x	N/M	-0.5	1.1	0.6

B/S (VND bn)	2021	2022F	2023F	2024F
Cash & equivalents	885	2,077	2,336	2,169
ST investment	2,401	2,401	2,401	1,901
Accounts receivables	8,327	8,976	10,744	13,703
Inventories	1,558	1,471	1,954	2,490
Other current assets	349	321	426	544
<b>Total Current assets</b>	<b>13,519</b>	<b>15,246</b>	<b>17,861</b>	<b>20,806</b>
Fix assets, gross	1,381	1,581	1,781	1,981
- Depreciation	624	732	848	971
Fix assets, net	757	849	933	1,010
LT investment	335	335	335	335
LT assets other	82	147	196	250
<b>Total LT assets</b>	<b>1,174</b>	<b>1,331</b>	<b>1,464</b>	<b>1,594</b>
<b>Total Assets</b>	<b>14,693</b>	<b>16,577</b>	<b>19,325</b>	<b>22,401</b>
Accounts payable	3,019	3,245	4,311	5,493
Short-term debt	2	2	2	2
Other ST liabilities	3,422	4,461	5,932	7,566
Total current liabilities	6,443	7,707	10,245	13,060
Long term debt	0	500	500	500
Other LT liabilities	3	3	3	3
<b>Total Liabilities</b>	<b>6,445</b>	<b>8,210</b>	<b>10,748</b>	<b>13,563</b>
Preferred Equity	0	0	0	0
Paid in capital	793	793	793	793
Share premium	3,039	3,039	3,039	3,039
Retained earnings	316	435	645	905
Other equity	4,046	4,046	4,046	4,046
Minority interest	55	55	55	55
<b>Total equity</b>	<b>8,248</b>	<b>8,367</b>	<b>8,577</b>	<b>8,838</b>
<b>Liabilities &amp; equity</b>	<b>14,693</b>	<b>16,577</b>	<b>19,325</b>	<b>22,401</b>
Y/E shares out, mn	74	74	74	74
CASH FLOW (VND bn)	2021	2022F	2023F	2024F
<b>Beginning Cash Balance</b>	<b>1,397</b>	<b>885</b>	<b>2,077</b>	<b>2,336</b>
Net Income	24	119	285	334
Dep, & amortization	105	108	115	124
Chge in Working Cap	-40	528	112	-873
Other adjustments	280	138	21	23
<b>Cash from Operations</b>	<b>369</b>	<b>892</b>	<b>532</b>	<b>-393</b>
Capital Expenditures, net	-47	-200	-200	-200
Investments, net	-582	0	0	500
<b>Cash from Investments</b>	<b>-629</b>	<b>-200</b>	<b>-200</b>	<b>300</b>
Dividends Paid	-74	0	-74	-74
Δ in Share Capital	-178	0	0	0
Δ in ST debt	0	0	0	0
Δ in LT debt	0	500	0	0
Other financing C/F	0	0	0	0
<b>Cash from Financing</b>	<b>-252</b>	<b>500</b>	<b>-74</b>	<b>-74</b>
<b>Net Change in Cash</b>	<b>-512</b>	<b>1,192</b>	<b>259</b>	<b>-167</b>
<b>Ending Cash Balance</b>	<b>885</b>	<b>2,077</b>	<b>2,336</b>	<b>2,169</b>

Source: Company's financial statements, VCSC forecasts

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**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%
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UNDERPERFORM	If the projected TSR is between -10% and -20%
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