

June 2022

**VINH HOAN CORPORATION (HSX:VHC)**
**Favorable supply-demand to lead strong earnings growth**

(VND bn)	Q1-FY22	Q4-FY21	+/- qoq	Q1-FY21	+/- yoy
Net revenue	3,268	2,693	21.3%	1,788	82.7%
NPAT-MI	548	455	20.5%	131	318.0%
EBIT	636	485	31.2%	133	377.0%
EBIT margin	19.5%	18.0%	146 bps	7.5%	1,200 bps

Source: VHC, Rong Viet Securities

**Q1/2022 – Skyrocketing profit growth**

- Revenue grew 83% YoY in 1Q2022, mainly driven by a 79% YoY increase of fillet revenue as VHC's export volume and ASP grew 24% YoY and 47% YoY, respectively.
- Gross margin expanded 858 bps YoY to 23.8% in 1Q2022 due to a price gap expansion. SG&A/revenue shrank from 7.8% in 1Q2021 to 4.4% in 1Q2022, resulting in a 944 bps YoY improvement of net margin at 16.8%. Therefore, NPAT-MI soared 318% YoY to VND 548 Bn.

**2022F outlook – Pangasius exports maintain strong momentum**

For 2Q2022, we forecast revenue and NPAT-MI to reach VND 4,255 Bn (or USD 185 Mn, +82% YoY, +30% QoQ) and VND 679 Bn (or USD 30 Mn, +160% YoY, +23% QoQ), respectively. We believe that both fillet export volume and ASP will continue to grow due to the Russia-Ukraine war which is boosting demand. However, we conservatively forecast VHC's Q2 2022 gross margin to decline slightly by 80 bps QoQ due to concerns about a sharp increase in raw material prices amid a shortage of domestic supply.

We expect that pangasius exports will maintain their growth momentum, buoyed by high demand for low-priced seafood products amid high inflation, the sanctions on Russian seafood to drive higher demand in the US market and a low domestic supply until at least 3Q 2022. However, in 2H2022, we expect fillet export volume will continue rising but fillet ASP may slightly decrease compared to 1H2022 due to the recovery of domestic materials supply. Overall, we forecast VHC's 2022 NPAT-MI to reach VND 2,159 Bn (or USD 93 Mn, +96% YoY), driven by (1) revenue growth of 61% YoY in FY2022; (2) gross margin expansion of 293 bps YoY to reach 22.3%; (3) SG&A/revenue to decline from 6.1% in FY2021 to 5.1% in FY2022.

**Valuation and recommendation**

We are optimistic that VHC's 2022 profit will grow much stronger than the 2018 peak, driven by both high demand and tight supply. Moreover, the shortage of white fish in the U.S. market will also strengthen VHC's profit growth prospects. Using a 50:50 valuation mix of FCFF and SoTP methods, we arrive at the fair value of **VND 114,600**, equivalent to an expected **return of 6%** including a cash dividend yield of 2%. We have an **ACCUMULATE** recommendation for this stock. Based on the target price, 2022 forward P/E is at 9.9x, higher than the five-year average of 7.9x. This is appropriate given the improved long-term earnings growth prospects and the gradual transformation of VHC into a healthcare-based F&B company with new business segments that will bring better profitability and stability.

The recent stock rally has curtailed the upside potential. With Q2 2022 earnings are expected to continue to increase strongly QoQ, the uptrend may continue in the short term. However, longer-term holding should be weighed against the risk of global pangasius demand cooling down, or in other words, VHC's profit in the following quarters has a risk of decreasing compared to Q2 2022.

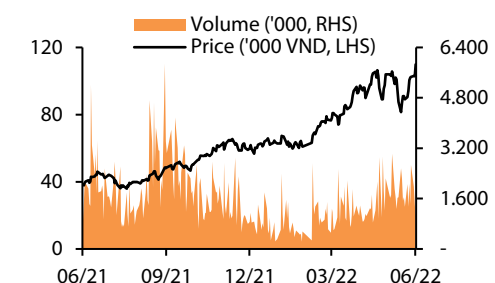
**ACCUMULATE +6%**

Target price (VND)	114,600
Current market price (VND)	110,000

**Stock Info**

Sector	F&B
Market Cap (VND billion)	19,740
Current Shares O/S	181.9
Avg. Daily Volume (in 20 sessions)	1,805.8
Free float (%)	50.3
52 weeks High	114,500
52 weeks Low	36,000
Beta	1.2

	FY2021	Current
EPS	6,040	8,331
EPS Growth (%)	57.1	52.8
Diluted EPS	6,040	8,331
P/E	10.4	10.5
P/B	2.0	2.5
EV/EBITDA	8.1	8.7
Cash dividend yield (%)	2.5	2.5
ROE (%)	20.1	26.1

**Price performance**

**Major Shareholders (%)**

Truong Thi Le Khanh	43.5%
Mitsubishi Corp	6.6%
Foreign ownership room (%)	73.9%

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**Exhibit 1: Q1/2022 Results**

(VND Bn)	Q1-FY22	Q4-FY21	+/- (qoq)	Q1-FY21	+/- (yoy)
Net revenue	3,268	2,693	21.3%	1,788	82.7%
Gross profit	778	639	21.9%	273	185.6%
SG&A	143	154	-7.3%	139	2.4%
Operating income	636	485	31.2%	133	377.0%
EBITDA	710	558	27.1%	204	248.6%
EBIT	636	485	31.2%	133	377.0%
Financial expenses	42	16	160.8%	19	124.4%
- Interest Expenses	19	9	112.9%	6	214.2%
Dep. and amortization	74	73	0.4%	70	5.0%
Non-recurring items (*)					
Extraordinary items (*)					
PBT	663	542	22.3%	152	335.5%
NPAT-MI	548	455	20.5%	131	318.0%
Adjusted NPAT-MI for (*)	548	455	20.5%	131	318.0%

Source: VHC, Rong Viet Securities

**Exhibit 2: Q1/2022 Performance Analysis**

Particulars	Q1-FY22	Q4-FY21	+/- (qoq)	Q1-FY21	+/- (yoy)
<b>Profitability Ratios (%)</b>					
Gross Margin	23.8%	23.7%	11 bps	15.24%	858 bps
EBITDA Margin	21.7%	20.7%	99 bps	11.38%	1,033 bps
EBIT Margin	19.5%	18.0%	146 bps	7.45%	1,200 bps
Net Margin	16.8%	16.9%	-12 bps	7.33%	944 bps
Adjusted Net Margin	16.8%	16.9%	-12 bps	7.33%	944 bps
<b>Turnover (x) (*)</b>					
-Inventories	5.3	5.5	(0.2)	4.8	0.6
-Receivables	6.3	5.2	1.1	3.7	2.6
-Payables	4.7	4.6	0.1	3.7	1.0
<b>Leverage (%)</b>					
Total Debt/ Equity	57.0%	45.3%	1,170 bps	33.0%	2,410 bps

Source: Rong Viet Securities; (\*) Annualized

**Exhibit 3: Q2/2022 Performance Forecast**

Particulars (VND Bn)	Q2-FY22	+/- qoq	+/- yoy
Revenue	4,255	30%	82%
Gross profit	979	26%	126%
EBIT	799	26%	169%
NPAT-MI	679	23%	160%

Source: Rong Viet Securities

**Q2/2022 assumptions:**

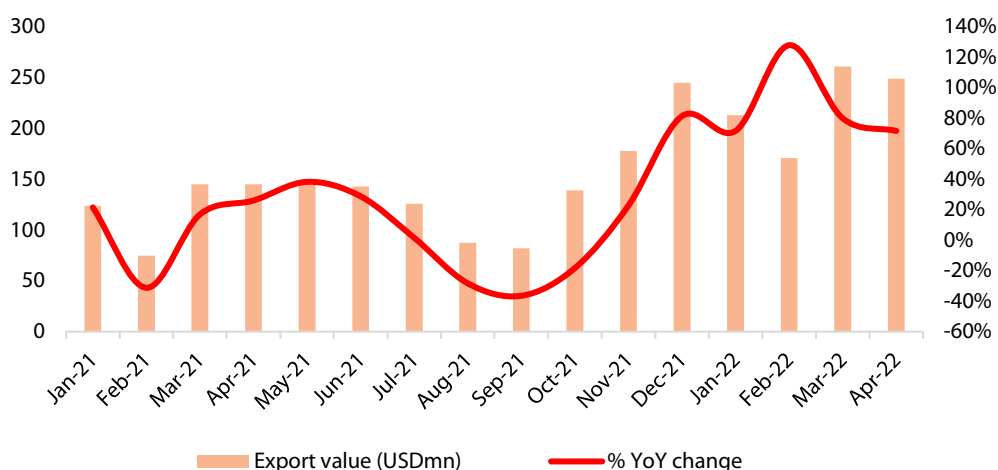
- Revenue to grow 82% YoY driven by a 98% YoY increase in fillet revenue. In which, fillet export volume and ASP to soar by 30% YoY and 55% YoY, respectively.
- Gross margin to reach 23% in Q2, expanding 450 bps YoY but contracting slightly 80 bps QoQ due to high material costs.
- SG&A/revenue to be 4.2%, flattening QoQ, much lower than 6.4% in Q2/2021 as VHC transfers most of orders under CIF terms to FOB terms.

## Update Q1 2022: NPAT surged 318% YoY in 1Q2022

### Pangasius industry is entering a boom cycle driven by favorable supply-demand dynamics

In 1Q2022, Vietnam's pangasius export value reached USD 653 Mn, soaring 90% YoY due to high demand and tight supply. Demand for seafood products have bounced back after the COVID-19 pandemic in conjunction with inflation headwinds gearing consumers to change their appetite toward seafood products. In term of supply, last year's COVID-19 lockdowns meant that farmers largely held off on seeding until Q4 2021, causing a supply shortage in early 2022, pushing up pangasius selling prices along with raw material prices. **(Figure 1)**

**Figure 1: Monthly pangasius export value of Vietnam (USD Mn)**



Source: VASEP, Rong Viet Securities

In Q1 2022, VHC recorded impressive results with net revenue and NPAT-MI of VND 3,268 Bn (or USD 142 Mn, +83% YoY) and VND 548 Bn (or USD 24 Mn, +318% YoY), respectively.

### Both high selling prices and increasing fillet volume to boost 1Q2022 revenue

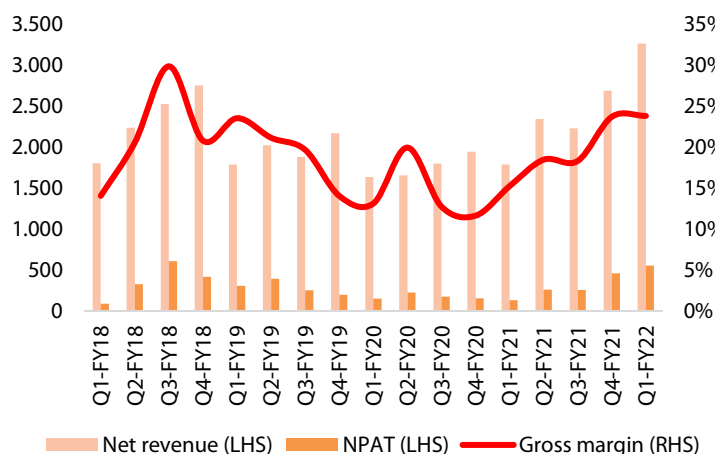
Strong revenue growth of 83% YoY in 1Q2022 was across all product segments:

- Fillet revenue soared 79% YoY to reach VND 2,145 Bn (or USD 93 Mn) as VHC's fillet export volume and ASP grew by 24% YoY and 47% YoY in 1Q2022, respectively. Fillet ASP jumped due to high demand in combination with tightened materials supply after the disruption of Vietnam's lockdown. The US market led VHC's fillet revenue in 1Q2 022 with VND 1,610 Bn (or USD 70 Mn), growing 164% YoY.
- Collagen and gelatin showed signs of recovery in revenue by 40% YoY to achieve VND 219 Bn (or USD 9.5 Mn) driven by the increase of collagen consumption after the COVID-19 pandemic. VHC has reached full capacity of gelatin while the collagen segment is expected to be at full capacity in 2022.
- By-products revenue recorded VND 412 Bn (or USD 18 Mn), up 37% YoY. Sa Giang contributed VND 122 Bn (or USD 5 Mn) in total revenue.

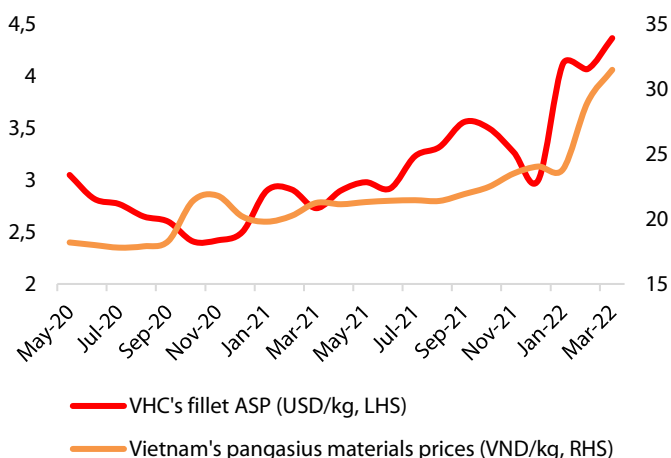
### NPAT surged 318% YoY driven by expanded gross margin and declining SG&A/revenue

Gross margin expanded by 858 bps to 23.8% in 1Q 2022 mainly as fillet selling prices increased more than raw material prices. However, we note that VHC recorded VND 143 Bn (or USD 6.2 Mn) in inventory provisions due to an oversized pangasius inventory. When excluding the impact of inventory provisions, we estimate that GPM reached 28.2% in 1Q2022.

1Q 2022 SG&A costs increased slightly by 2.4% YoY, resulting in SG&A/revenue of 4.4%, lower than the level of 7.8% in 1Q2021. VHC can switch from CIF to FOB orders (under FOB term, the buyer pays the shipping cost) in the context of tight fillet supply to increase VHC's negotiation power. Therefore, the net margin improved by 944 bps to 16.8% in 1Q2022 and 1Q2022 NPAT soared 318% YoY to VND 548 Bn.

**Figure 2: Quarterly net revenue, NPAT (VND Bn) and gross margin (%)**


Source: VHC, Rong Viet Securities

**Figure 3: VHC's fillet ASP and Vietnam's pangasius materials prices**


Source: AgroMonitor, Rong Viet Securities

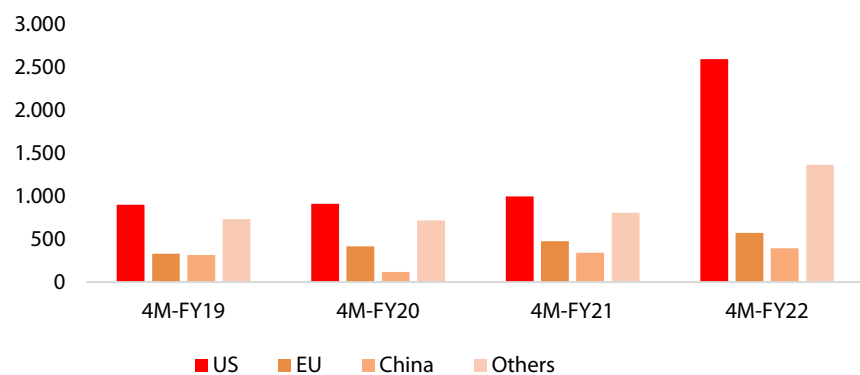
## 2022 Outlook: Buoyant demand and high material prices to push fillet selling prices up

### Sanctions on Russian seafood exacerbates global shortage of white fish, benefiting VHC in the US market

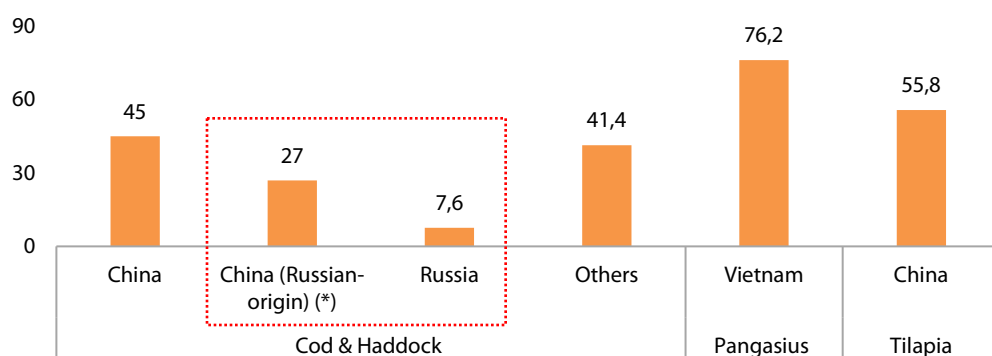
Demand for seafood is rising in key markets such as the US, the EU and UK due to sanctions on Russian seafood products. The U.S. also has placed a ban on Chinese white fish products originating from Russia. Therefore, Vietnam's pangasius could be an ideal alternative for the shortage of Russia's Cod & Haddock due to the same price segment. We believe that the decrease in the supply of white fish from Russia will benefit Vietnamese pangasius exporters, especially in the context of high inflation boosting demand for low-priced food products such as pangasius. VHC is focusing on boosting exports to the U.S. market to benefit this shortage, reflected in a sudden 240% YoY increase in export revenue to the U.S. in 4M-2022. **(Figures 4, 5)**

In addition, rising oil prices are restraining fishing, increasing demand for farmed fish. In the U.S., pollock production will be lower due to the country's reduction in fishing in Alaskan waters. The total US allowable catch for Alaska pollock has been set at 1.24 million MT for 2022, down 189,000 MT from 2021 to comply with the country's acceptable biological catch, per the National Fisheries Institute.

Overall, we believe that strong demand hitting up against supply chain complications, a lower global harvest and a shortage of domestic pangasius supply will be the key factors driving both VHC's export volume and export price in 2022. We forecast pangasius fillet export volume and ASP to rise 21.4% YoY (at 99,824 tons) and 33.2% YoY (at 4.16 USD/kg), respectively, in 2022. **(Table 1)**

**Figure 4: VHC's revenue breakdown by market (VND Bn)**


Source: VHC, Rong Viet Securities

**Figure 5: US Cod, Haddock, Pangasius and Tilapia imports in 2021 (thousand tons)**


Source: NOAA, Rong Viet Securities. (\*) our estimate

**Table 1: Key assumptions of VHC's fillet export**

	2019	2020	2021	2022F	2023F
Export volume (thousand tons)	66	73	82	100	104
ASP (USD/kg)	3.59	2.87	3.12	4.16	3.78
Export value (USD Mn)	236	210	257	415	394
% Export volume growth	-10.1%	11.7%	12.0%	21.4%	4.2%
% ASP growth	-14.1%	-20.3%	9.0%	33.2%	-9.1%
% Export value growth	-22.8%	-10.9%	22.1%	61.4%	-2.3%

Source: Rong Viet Securities

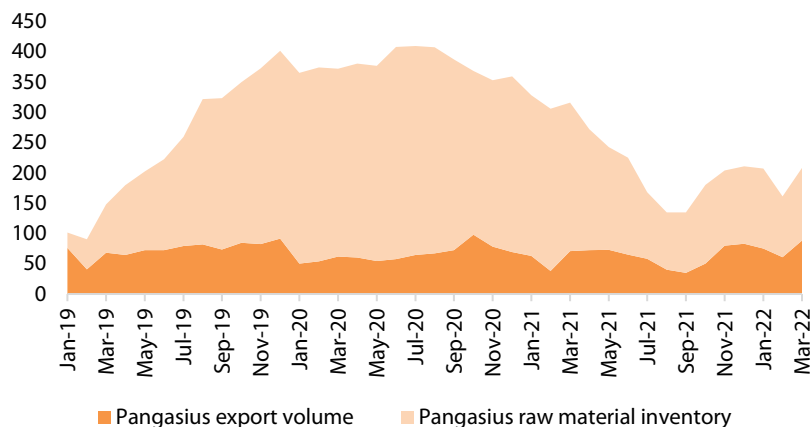
### Selling prices increase amid material shortage to widen the FY22 gross margin

The reduction of farming area in 2021 due to high farming costs and low export prices discouraged farmers, causing the inventory of raw fish to decrease to a low level. The export boom in early 2022 made the supply unable to keep up while the cost of feed continuing to climb, causing the current price of raw materials to increase by about 40% YTD (at 30,000 - 32,000 VND). By the end of March 2022, the new farming area of pangasius is only 94% compared to the same period last year. It is forecast that the shortage of raw materials will continue until at least 3Q2022. **(Figure 6)**

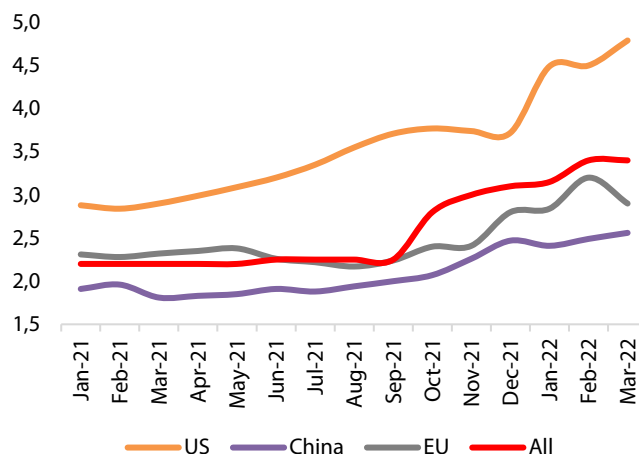
Under cost pressure, export pangasius prices are increasing accordingly. In this context, we believe that processors with self-supply in raw materials (> 70%) such as VHC will be able to increase their profit margin. In FY22, we forecast VHC's ASP and raw material prices to rise 33% YoY and 23% YoY (assuming feed costs increase by 25% YoY). Therefore, gross margin improved from 19.4% in FY21 to 22.3% in FY22. This forecast means that we expect 2H2022 gross margin to decrease compared to the level of 1H2022 (~23.5%) as the impact of raw material costs will be clearly reflected in 2H2022 while the selling price is likely to decrease compared to the level of 1H2022 when the shortage of raw materials gradually eases.

In consequence, we forecast VHC's 2022 NPAT to reach VND 2,159 Bn (or USD 93 Mn, +96% YoY), driven by (1) revenue growth of 61% YoY in FY2022; (2) gross margin expansion of 293 bps YoY to reach 22.3%; (3) SG&A/revenue to decline from 6.1% in FY2021 to 5.1% in FY2022.

**2Q2022 forecast:** We expect VHC's NPAT to continue to hit new peak in Q2 driven by boosting fillet revenue while gross margin to decline slightly by 80 bps QoQ due to concerns about a sharp increase in raw material prices amid a shortage of domestic supply. Therefore, in 2Q2022, we forecast revenue and NPAT to reach VND 4,255 Bn (or USD 185 Mn, +82% YoY) and VND 679 Bn (or USD 30 Mn, +160% YoY). Moreover, the possibility of reversing the inventory provision which was recognized in 1Q2022 could be a positive factor to help profit spike higher than expected.

**Figure 6: Pangasius export volume and raw material inventory in Vietnam (thousand tons)**


Source: AgroMonitor, Rong Viet Securities

**Figure 7: Pangasius selling prices by market (USD/kg)**


Source: AgroMonitor, Rong Viet Securities

### Aiming to become a healthcare-based F&B company in the long run

VHC is aiming to become a F&B company focusing on healthcare agricultural products. Besides the main export products of pangasius (Vinh Foods), the company will accelerate three segments (Vinh Wellness, Vinh Agriculture and Vinh Technology), as well as develop the domestic brand (BASAmaster). Firstly, the company will continue to develop wellness products (collagen & gelatin from fish skin) by expanding markets, upgrading new products and expanding production capacity. Secondly, VHC is also building the Thanh Ngoc fruit factory, which is expected to go into operation by the end of 2022 with the main products being dragon fruits, pineapple, and mango (freeze-dried fruits, frozen vegetables, and concentrated fruits). In 2022, the company will launch new fruit products (fermented juice products and fruit-flavored gummies). Thirdly, Vinh Technology is seen as the way to lead VHC into food technology and biotechnology. Vinh Tech made a strategic investment in ShioK Meats and Entobel, in the alternative protein and insect-meal protein industries.

Although the “new seed” investments contain strong potential growth opportunities, we believe that these new segments (except collagen & gelatin segment) will not make a significant contribution to VHC's revenue and profit in the short term, 2022 – 2023 period in detail. However, in the long term, we expect the collagen & gelatin and fruit segments to increasingly contribute to the company's profit due to the advantage of economies of scale by distributing various new products through the extensive distribution network of the pangasius segment, resulting in a decreased cost-per-unit. All in all, we expected that the development of higher margin business segments (C&G and Fruit) would help to improve long-term profit margin of VHC. For C&G segment, we forecast a NPAT CAGR of 15% for 2021-2026F period and contribute 14% into VHC's total NPAT in 2022F, while we have not included the fruit segment into our valuation model as we do not have detailed information on business plan and performance.

### 2022F Forecast

**Table 2: 2022 Forecast**

Unit: VND Bn	2021A	2022F	% YoY change	Comments
<b>Net revenue</b>	<b>9,054</b>	<b>14,586</b>	<b>61%</b>	
- Pangasius products	5,924	10,020	69%	In FY22, we forecast pangasius fillet export volume and ASP to rise 21.4% YoY (at 99,824 tons) and 33.2% YoY (at 4.16 USD/kg, respectively, backed by impressive demand and surging selling prices, especially in the US market.
- By-products	1,697	2,030	20%	
- Collagen & Gelatin	642	813	27%	C&G revenue is expected to rise 27% YoY due to increasing collagen capacity.

- SGC (HNX: SGC) (*)	383	530	38%	We expect SGC (standalone) revenue to edge up 38% YoY in FY22, driven by higher operation capacity of rice-related products and recovering on the low base of 2021.
- Others	408	1,193	204%	
<b>Gross profit</b>	<b>1,752</b>	<b>3,250</b>	<b>85%</b>	
SG&A expenses	(556)	(751)	35%	We expect selling expenses/revenue in FY22 to be 2.8%, much lower than the level of 3.8% in FY21 as VHC switches from CIF to FOB.
<b>EBIT</b>	<b>1,196</b>	<b>2,499</b>	<b>109%</b>	
Non-operating income	92	52	-43%	We forecast interest expenses to rise 133% YoY in FY22 due to increasing debt to finance large CAPEX.
<b>NPAT-MI</b>	<b>1,101</b>	<b>2,159</b>	<b>96%</b>	
GPM	19.4%	22.3%	293 bps	
SG&A/Revenue	6.1%	5.1%	-99 bps	
EBIT margin	13.2%	17.1%	392 bps	
Net margin	12.2%	14.8%	262 bps	

Source: Rong Viet Securities

## Valuation

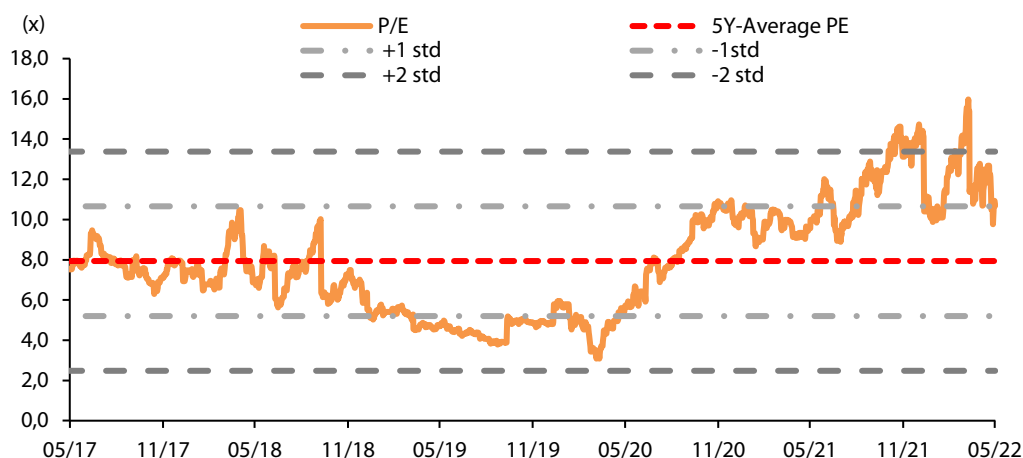
We use a combination of DCF (50%) and SoTP (50%) to derive a one-year TP of VND 114,600/share for VHC. At the target price, VHC is trading at a one-year forward P/E of 9.9x, representing a 15% premium to its historical average of 7.9x, justified by its bright outlook.

**Table 3: VHC's valuation summary**

Method	Weight	Valuation (VND/share)
FCFF (WACC: 11.9%, g: 1.1%, EV/EBITDA: 6.8x)	50%	104,700
SoTP		
- Pangasius PER @ 10x; EPS @ VND9,556	50%	124,600
- C&G PER @ 15x; EPS @ VND1,651		
- SCG PER @ 13x; EPS @ VND328		
<b>Total</b>	<b>100%</b>	<b>114,600</b>

Source: Rong Viet Securities

**Figure 8: VHC's historical TTM PER**



Source: Bloomberg, Rong Viet Securities



**Table 4: Comparable peers of pangasius segment**

Ticker	Market cap (VND Bn)	ROE (%)	ROA (%)	TTM Sales growth (%)	TTM EPS growth (%)	GPM (%)	NPM (%)	TTM PE (x)	5-year average PER
ANV	7,170	10.9	5.4	1.6	-36.3	15.8	3.7	18.4	13.7
MPC	7,578	11.6	7.0	-5.2	-6.1	14.3	4.8	12.4	9.0
FMC	4,348	18.4	11.7	17.8	7.5	10.2	5.1	13.8	7.6
ACL	1,134	12.7	6.0	27.5	49.3	12.7	3.5	12.1	12.6
IDI	5,964	10.5	4.1	-10.2	42.5	8.9	2.4	14.0	11.2
<b>AVERAGE</b>	<b>4,347</b>	<b>12.8</b>	<b>6.9</b>	<b>6.3</b>	<b>11.4</b>	<b>12.4</b>	<b>3.9</b>	<b>14.1</b>	<b>10.8</b>
<b>MEDIAN</b>	<b>4,416</b>	<b>11.6</b>	<b>6.0</b>	<b>1.6</b>	<b>7.5</b>	<b>12.7</b>	<b>3.7</b>	<b>13.8</b>	<b>11.2</b>
VHC	19,996	26.1	17.3	28.7	52.8	19.4	12.1	10.1	7.9

Source: Bloomberg, Rong Viet Securities

**Table 5: Comparable peers of C&G segment**

Company	Country	Ticker	Market cap (USD Mn)	ROE (%)	ROA (%)	TTM Sales growth (%)	TTM EPS growth (%)	GPM (%)	NPM (%)	TTM PE (x)	TTM P/B (x)
Nitta-Gelatin	Japan	4977 JP	86	4.9	2.3	4.0	-2.0	20.6	2.3	14.2	0.6
PB Leiner	Belgium	TESB BB	1,440	N/A	N/A	19.8	89.6	26.3	9.2	N/A	1.2
Nutribiotech	Korea	222040 KS	95	-10.3	-1.9	8.5	47.3	13.1	-2.0	N/A	2.2
Amicogen	Korea	092040 KS	463	-6.5	-3.2	7.8	-88.3	36.0	-8.8	N/A	3.0
Nippi	Japan	7932 JP	77	2.8	1.3	10.5	-72.9	24.6	2.9	11.7	0.3
Rousselot	US	DAR US	12,363	21.6	11.3	32.7	119.1	26.2	13.7	18.5	3.6
Narmada Gelatin	India	SWG IN	16	4.1	3.5	0.4	-34.3	N/A	4.2	14.2	0.9
Advanced Enzyme Technologies	India	ADVENZY IN	400	16.1	13.7	13.3	13.0	N/A	29.1	21.3	3.2
Integra LifeSciences	US	IART US	4,951	13.4	5.7	12.4	26.6	63.3	17.1	24.0	3.1
Royal DSM	Netherlands	DSM NA	25,720	18.0	9.9	13.5	137.1	34.4	16.4	22.5	2.6
Croda International	UK	CRDA LN	11,789	19.5	10.3	35.9	48.3	49.7	17.2	29.4	5.5
Ashland	US	ASH US	5,460	6.1	2.9	4.7	#N/A	31.7	7.3	30.3	1.6
<b>AVERAGE</b>				<b>8.2</b>	<b>5.1</b>	<b>13.0</b>	<b>22.9</b>	<b>32.8</b>	<b>8.5</b>	<b>21.0</b>	<b>2.3</b>
<b>MEDIAN</b>				<b>6.1</b>	<b>3.5</b>	<b>9.5</b>	<b>26.6</b>	<b>29.0</b>	<b>8.2</b>	<b>22.2</b>	<b>2.4</b>

Source: Bloomberg, Rong Viet Securities



	VND Billion			
INCOME STATEMENT	FY2020	FY2021	FY2022E	FY2023E
Revenue	7,037	9,054	14,586	14,299
COGS	6,036	7,302	11,336	11,074
Gross profit	1,001	1,752	3,250	3,225
Selling Expense	171	344	435	386
G&A Expense	147	212	316	312
Finance Income	233	201	184	224
Finance Expense	107	107	132	141
Other income/loss	-18	-2	-	-
Gain from j.t ventures	-	-	-	-
PBT	791	1,288	2,551	2,611
Prov. of Tax	86	178	379	388
Minority's Interest	-	9	14	15
PAT to Equity S/H	705	1,119	2,159	2,207
EBIT	683	1,196	2,499	2,527
EBITDA	883	1,482	2,846	2,972

	%			
FINANCIAL RATIO	FY2020	FY2021	FY2022E	FY2023E
Growth (%)				
Revenue	-10.5	28.7	61.1	-2.0
Operating Income	-31.9	67.7	92.1	4.4
EBITDA	-39.7	75.2	108.9	1.1
PAT	-40.3	58.8	95.8	2.3
Total Assets	8.9	21.3	30.3	15.3
Equity	6.1	13.6	29.1	23.1
Profitability (%)				
Gross margin	14.2	19.4	22.3	22.6
EBITDA margin	12.6	16.4	19.5	20.8
EBIT margin	9.7	13.2	17.1	17.7
Net margin	10.0	12.4	14.6	15.4
ROA	9.8	12.8	18.9	16.8
ROE	13.6	18.7	28.4	23.6
Efficiency				(times)
Receivable Turnover	4.1	4.2	5.1	4.4
Inventory Turnover	4.0	4.1	5.4	4.4
Payable Turnover	7.9	8.3	9.6	8.8
Liquidity				(times)
Current	2.5	2.1	2.2	2.5
Quick	1.7	1.4	1.5	1.8
Finance Structure (%)				
Total Debt/Equity	22.7	32.2	31.1	25.2
Current Debt/Equity	21.4	29.3	28.3	23.0
Long-term Debt/Equity	1.3	2.9	2.8	2.2

	VND Billion			
BALANCE SHEET	FY2020	FY2021	FY2022E	FY2023E
Cash and cash equivalents	41	195	152	174
Short-term investments	1,365	1,272	1,999	2,376
Accounts receivable	1,699	2,134	2,856	3,236
Inventories	1,498	1,790	2,103	2,505
Other current assets	124	150	169	198
Property, plant & equipment	1,887	2,329	3,201	3,780
Acquired intangible assets	339	592	545	499
Long-term investments	62	66	66	66
Other non-current assets	177	205	292	286
Total assets	7,202	8,734	11,383	13,120
Accounts payable	762	882	1,182	1,265
Short-term borrowings	1,106	1,723	2,165	2,152
Long-term borrowings	69	168	197	205
Other non-current liabilities	13	10	17	16
Bonus and Welfare fund	-	-	108	-
Technology-science, dev. fund	4	6	-	-
Total liabilities	2,026	2,852	3,669	3,639
Common stock and APIC	2,058	2,058	2,058	2,424
Treasury stock (enter as -)	-114	-114	-	-
Retained earnings	3,214	3,833	5,537	6,922
Other comprehensive income	-	-	-	-
Inv. and Dev. Fund	-	-	-	-
Total equity	5,176	5,882	7,595	9,346
Minority Interest	4	105	120	135

VALUATION RATIO (*)	FY2020	FY2021	FY2022E	FY2023E
EPS (dong)	3,844	6,040	11,536	11,796
P/E (x)	10.8	10.4	9.5	9.3
BV (dong)	26,597	28,225	32,076	41,417
P/B (x)	1.5	2.0	3.4	2.7
DPS (dong/cp)	2,000	2,000	2,000	3,000
Dividend yield (%)	2.2	2.2	2.2	3.3

VALUATION MODEL	Price	Weight	Average
SOTP	104,700	50%	52,350
FCFF	124,600	50%	62,300
Target price (VND)			114,600

VALUATION HISTORY	Price	Recommendation	Period
Sep 2021	60,000	BUY	1 year
Dec 2021	75,700	BUY	1 year
Feb 2022	83,000	ACCUMULATE	1 year
Jun 2022	114,600	ACCUMULATE	1 year

**RESULT UPDATE**

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report, we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information, investors may contact the assigned analyst or our client support department.

**RATING GUIDANCE**

Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

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