

MASAN GROUP (MSN: HOSE)



HOLD - 1Y Target Price: VND 87,000

Current price: VND 89,800

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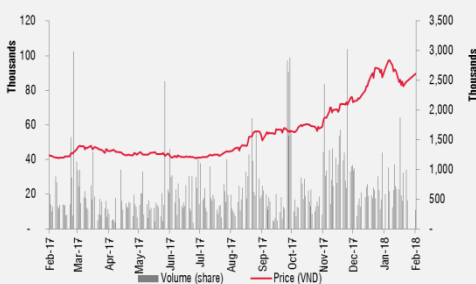
27 February 2018

CONSUMER - VIETNAM

Key figures

| | |
|-----------------------------|-----------|
| Market cap (USD mn) | 4,129 |
| Market cap (VND bn) | 93,749 |
| Outstanding shares (mn) | 1,047 |
| 52W high/low (VND 1,000) | 98.2/39.9 |
| Average 3M volume (share) | 816,654 |
| Average 3M value (USD mn) | 2.75 |
| Average 3M value (VND bn) | 62.38 |
| Foreign ownership (%) | 28.87 |
| Foreign ownership limit (%) | 49 |
| State ownership (%) | 0% |
| Management ownership (%) | N.a |

MSN's Price & Trading Volume



Source: Bloomberg

Company Snapshot

Masan Group (MSN) began operations in 2004 as a shipping company, with chartered capital of VND 3.2 bn. It has grown into Vietnam's leading private sector company, with chartered capital of VND 7,680 bn as of end-2016.

MSN has built market-leading operating platforms in the consumer and resources sectors. It holds stakes of 86% in Masan Consumer Holdings (MCH; fast-moving consumer goods); 89% in Masan Nutri Science (MNS; meat production); and 94% in Masan Resources (MSR; natural resources). MSN also has a 30% stake in Techcombank (TCB).

EARNING UPDATE

Techcombank to salvage MSN profits

What's new: Masan Group (MSN) reported VND37.62tn in net sales (-13.1% YoY) and VND3.103tn in net earnings to parent shareholders (+11.1% YoY) during 2017. The decline in sales could be traced to a 23.5% YoY decrease in animal feed (MNS) revenue and an 8.8% YoY decrease in F&B (Masan Consumer Holdings [MCH]) revenue. Profit growth of 11.1% YoY derived from (1) a higher earnings contribution from TCB (+110.6% YoY) and an extraordinary financial income of VND933bn from the sale of TCB convertible bonds in 4Q17. Should we exclude this one-off amount, net profit post minority interest would have arrived at VND2.17tn (-22.3% YoY), missing our previous estimate of VND2.4tn as well as management's guidance of VND2.4-2.8tn.

What's the impact: For 2018E, we currently estimate net sales and net earnings to parent shareholders to increase by 12.8% YoY to VND42.42tn and 11.4% YoY to VND3.46tn respectively. Compared to our previous estimates, our 2018E net revenue and net earnings are lower by 10.5% and 2.2%, respectively.

Animal feed (MNS): We expect sales volume to reach 2.04m tonnes (+10% YoY); sales and net profit are set to grow by 12% YoY and 9.1% YoY in 2018E.

Consumer (MCH): Masan Consumer net sales and net income growth are set at 9.5% and 12.7% YoY thanks to a low base in 2017. For Masan Beverages, we expect sales to reach VND936bn (+202% YoY) in 2018E, to normalized levels after destocking activity in 2017.

Masan Resources (MSR): we estimate mining revenue to reach VND6.1 tn (+12.5% YoY) and net earnings to parent shareholders to increase by 56.5% YoY on the increased average market price of all commodities.

We expect Techcombank (TCB) will post a 30.5% YoY growth in net profit in 2018E on our forecasts driven by 14.5% credit growth and continued strong NIM, and increased fee income from an exclusive 15-year bancassurance agreement with Manulife.

What we recommend: At the current market price of VND89,800/share, MSN shares are trading at a 2018E P/E of 30.1x and a 2018E EV/EBITDA of 12.2x. We raise our SOTP-based 12-month Target Price for MSN from VND54,600 to VND87,000/share, mainly due to: 1) a re-rating of the valuation for TCB from a 2018E target P/B of 1.8x to 2.5x (following the overall re-rating of the banking sector in Vietnam with a current average P/B of 2.2x); and (2) our revised earnings forecasts for each of the MSN's business lines after updating for 2017 results.

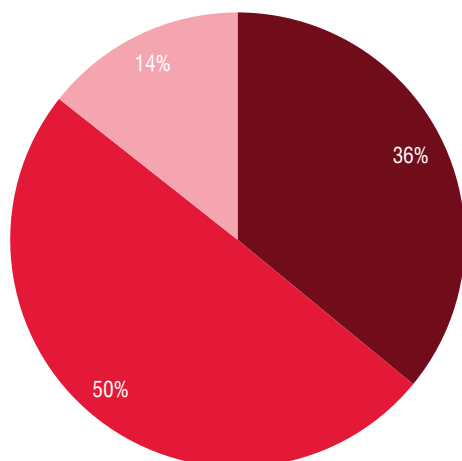
Upside/downside risks to our call: Lower/higher-than-expected domestic demand for packaged foods, and lower/higher-than-expected commodities prices.

MSN reported VND37.62tn in net sales (-13.1% YoY) and VND3.103tn in net earnings to parent shareholders (+11.1% YoY) during 2017. The decline in sales could be traced to a 23.5% decrease in animal feed (MNS) revenue and an 8.8% decrease in F&B (Masan Consumer Holdings) revenue. Profit growth of 11.1% derived from (1) a higher earnings contribution from TCB (+110.6% YoY) and an extraordinary financial income of VND933bn from the sale of TCB convertible bonds in 4Q17. Should we exclude this one-off amount, net profit post minority interest would have arrived at VND2.17tn (-22.3% YoY), missing our previous estimate of VND2.4tn as well as management's guidance of VND2.4-2.8tn.

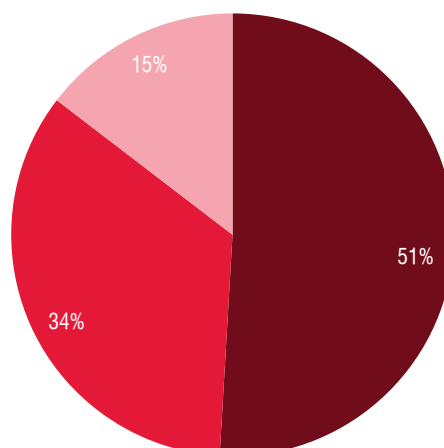
2017 Sales breakdown

2017 Gross profit breakdown

■ Masan Consumer Holdings ■ Masan Nutri-Science ■ Masan Resources



■ Masan Consumer Holdings ■ Masan Nutri-Science ■ Masan Resources



Source: MSN, SSI

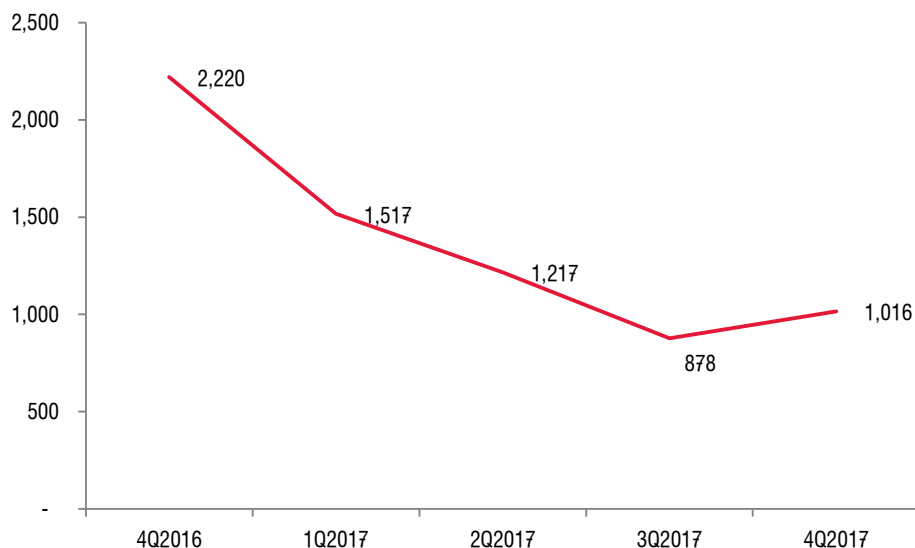
F&B segment: Negative growth due to destocking initiative

Masan Consumer Holdings: For 2017, sales totaled VND13.525tn, down 8.8% YoY (vs. growth of 6.5% in 2016), primarily driven by approximately VND1.2tn in distributor-level destocking across all product categories during the year.

| VNDbn | 2016 | 2017 | YoY | % of total in 2017 |
|---------------------------|---------------|---------------|--------------|--------------------|
| Seasonings | 5,788 | 5,159 | -10.9% | 38% |
| Convenience foods | 3,621 | 3,585 | -1.0% | 27% |
| Processed meat | 36 | 220 | 511.1% | 2% |
| Coffee | 1,816 | 1,532 | -15.6% | 11% |
| Beverages (non-alcoholic) | 1,643 | 2,045 | 24.5% | 15% |
| Beers | 1,080 | 352 | -67.4% | 3% |
| Others | 842 | 632 | -24.9% | 5% |
| Total | 14,826 | 13,525 | -8.8% | 100% |

Source: Company

Distributor-stock level (VNDbn)



Source: Company

According to AC Nielsen, MCH in 2017 experienced a market share increase in terms of volume of its premium products (Chin Su, Omachi), increasing by 0.2-2.8% YoY, while the market share of low-end products such as Nam Ngu, Kokomi, and Tam Thai Tu declined by 0.5-2.7%.

A number of new products were launched during 2H17 including: “Nam Ngu Nhan Vang” and premium products “Nam Ngu Phu Quoc” (seasonings) and “Kokomi Dai” and “Omachi” cups. Management expects these products to be earnings growth drivers for the Food segment in 2018.

Coffee sales declined from VND1.816tn in 2016 to VND1.532tn in 2017 (-15.6% YoY), mostly due to the aforementioned destocking activities. Management expects sales to normalize in 2018 (back to the 2016 level), with the Wake-up brand continuing to be the leading growth driver for coffee.

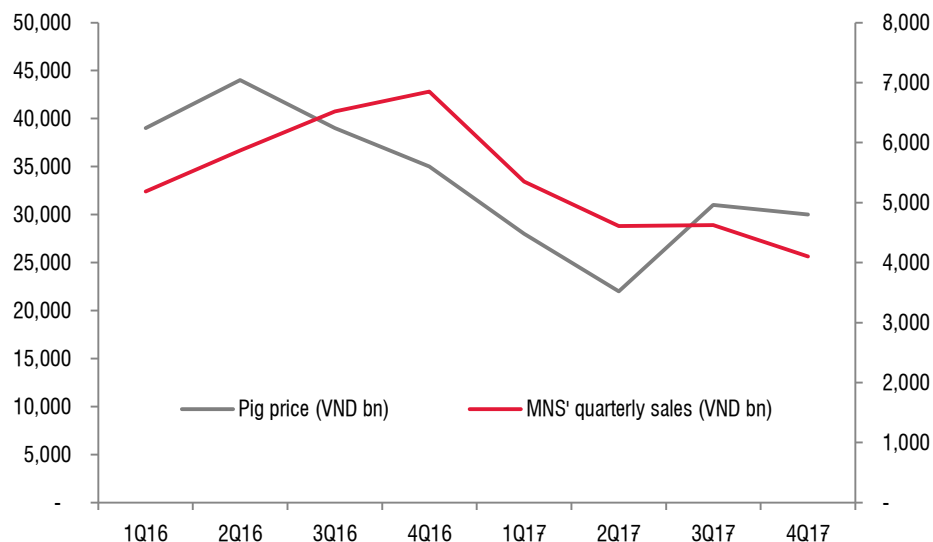
Beverages (non-alcoholic drinks) sales were VND2.045tn in 2017 (+24.5% YoY), supported by a 54.9% increase in energy drinks (products of VCF) to VND1.225tn. During 2017, the number of POS outlets for energy drinks increased from 50,000 in 2016 to 75,000 in 2017, and we expect this number to rise to 150,000 outlets in 2018. In 4Q17, Masan Beverages launched a tender offer for all of the floating shares of Vinacafe (VCF: HOSE) to increase MCH ownership in VCF to 100% from 68.5%. Six new SKUs of energy drinks and purified water were introduced in 2H17.

Beer sales were only VND352bn in 2017, much lower than the VND1.08tn of sales in 2016 as the company failed to expand into the nationwide market and it had to take back inventory that was sent to distributors in the North and the Central markets. As such, the sales of VND352bn in 2017 mostly represented sales in the Southern market. Masan Beverages has reset its strategy to refocus on the local market (Mekong Delta region) rather than the nationwide market from 2018, and expects beer revenue to normalize to the 2016 level of c. VND1tn.

Meat business: Sales reached VND220bn (+511% YoY), but this is still a new category for MCH as sausage snacks are the only branded product. MCH expects the meat business to reach VND500bn in sales for 2018 thanks to the introduction of new sausage variants. The MNS pig farm in Nghe An has recently commenced operations from December 2017, and will begin to sell fresh meat by the end of 2018. The farm capacity is to expand from 230,000 to 250,000 pigs per year (ie, ~ 0.25 million tonnes of pork per annum). The farm & meat

processing complex with capacity of 1.4 mn pigs per year has just had its groundbreaking event as of 5 February 2018 in Ha Nam province.

Animal feed (MNS): Heavily impacted by lackluster hog prices



Source: Company

Net sales declined by 23.5% YoY in 2017 due to a 30% decrease in Bio-zeem volume and 41% in non-Bio-zeem volume. Meanwhile, according to MNS management, domestic demand for pig feed has collapsed, from 6.3m tonnes in 2016 to only 3.4m tonnes in 2017 (-46% YoY), due to the historically low hog prices and rising usage of non-commercial (ie, homemade) pig feed as farmers slashed costs.

In spite of a decline in net sales, the gross margin was nearly unchanged, at 21.4% in 2017, vs. 21.6% in 2016. This was due to the Bio-zeem product taking up a higher proportion of sales complete with higher margins attached. Net profit post minority interest totaled VND629bn (-59.1% YoY) in 2017. Rising selling expenses (to support dealers and large farms) and lower financial income are key reasons for the 294bps YoY net margin compression in 2017. According to management, the decision to support farmers and dealers during a time of crisis was the key reason behind the increase in selling expenses, which better equipped MNS to capture a greater market share of 35% in 2017, from 30% at the end of 2016.

During 2H 2017, MNS launched Bio-Zeem “Xanh” - a new launch priced lower than Bio-zeem to cater to rising demand for commercial feed when the market recovers.

Management expects modest growth of 7% YoY in net sales in 2018, while margins should be lower vs. 2017 from a higher proportion of sales of the new Bio-zeem “Xanh” line. MNS expects demand to recover at the end of 2018, when farmers are to begin to aggressively invest in the next hogs-herd cycle.

Mining segment (MSR): Strong growth thanks to significant price increases across all commodities

In 2017, MSR achieved strong growth of +33.5% YoY in net revenue and +35.5% YoY in EBITDA thanks to the strong YoY price increases of its key products (+31.3% for APT, 26.8% for copper, and 32.7% for Fluorspar). Net profit post minority interest totaled VND206bn (+88% YoY).

MSN's mining segment ASPs (2016-17)

| Product | Unit | 2016 | 2017 | YoY |
|------------------|---------|-------|-------|-----|
| APT European Low | USD/MTU | 182 | 239 | 31% |
| Bismuth Low | USD/lb | 4.3 | 4.8 | 12% |
| Copper | USD/ton | 4,863 | 6,166 | 27% |
| Fluorspar | USD/ton | 260 | 345 | 33% |

Source: Company

In 2017, China tightened its environmental standards on domestic mining and ore-processing companies. As China is the largest tungsten producer in the world, this understandably impacted global tungsten producers in the context that high operational-cost companies in China could not sustainably operate due to higher environmental violation penalties and fines. In addition, exporting licenses for Chinese companies have also become strictly controlled. All considered, an uncertain and tight tungsten supply has boosted the APT price to recover in 2017.

For 2018, management targets net revenue to be above VND7.2tn (+33.3% YoY), and for net earnings post minority interest to range from USD25-30m (VND570-690bn), subject to commodity price fluctuations. MSR has a strategy to further integrate the downstream tungsten business on a global scale via M&A, which could lead to higher profitability for the company.

Techcombank (TCB): An eye-popping profit growth

TCB contributed VND2.043tn to MSN's net profit in 2017 (55.5% of MSN's total net profit), an increase of 110.6% YoY. The bank delivered an eye-popping +104.7% YoY growth in profit after tax in 2017 to VND6.445tn. Total operating income surged by 38.12% YoY, while operating expense growth was only 12.53% YoY.

Total operating income reached VND16.344tn in 2017 (+38.12% YoY) on the back of 9.7% YoY net interest income from a 12.8% credit growth. NIM was actually at 3.9%, one of the highest among banks in Vietnam. Its 94.8% growth in net fee and commission income through bancassurance (exclusive partnership with Manulife) from September 2017, card services, and wealth management also helped fill the coffers. Net interest income totaled VND8.93tn, accounting for 76.7% of total income before provisions. In other miscellaneous profits, there was an additional 96% increase (mostly reversals of VAMC bond provisions that were booked in previous years). In 2017, the bank bought back all bonds sold to VAMC. (Please note that banks will need to book full provision for VAMC bonds before being able to buy them back from VAMC.)

In 2017, bad debt provisions totaled VND3.309tn (flat YoY). The NPL ratio decreased to 1.61% (2016: 1.58%)

Other updates

MSN purchased 100.6m shares as part of its buyback plan from 16 October to 14 November 2017, for a total consideration of VND5.8tn, at a weighted average price of VND58,352/share.

MSN sold VND1.17tn of Techcombank's convertible bonds (out of its current holdings of VND2.23tn in order to reduce its ownership in TCB from the current level of 36.4% to the regulation level of 20%, and gained VND933bn from the sale. As of 2017-end, MSN holds a 25.2% effective interest in TCB.

Estimates and investment view

- Management guidance:** For 2018, management expects the group's total net sales to increase by about 20% YoY to VND45.15tn, and for NPAT after minority interest to reach VND3.4tn (+57% YoY).
- Our estimate:** For 2018, we forecast net sales and net earnings to parent shareholders to increase by 12.8% YoY to VND42.42tn and 11.4% YoY to VND3.46tn, respectively. Key growth drivers for the group's earnings in 2018 are to come from the following:
 - Animal feed: We expect sales volume to reach 2.04m tonnes (+10% YoY) on an expected hog price recovery, and for gross margins to be slightly lower at 20.5% (vs. 21.4% in 2017), due to an increased proportion of sales in low-margin products, namely Biozeem Xanh. Accordingly, we forecast sales and net profit will grow by 12% YoY and 9.1% YoY for 2018.
 - Consumer: Masan Consumer net sales and net income growth are set at 9.5% and 12.7% YoY thanks to the low base in 2017 from inventory restructuring efforts and reduced interest expenses and selling expenses (selling expenses are expected to normalize from 22.8% of total sales in 2017 to support destocking activities to 20% in 2018). For Masan Beverages, we expect 2018E sales to reach VND936bn (+202% YoY), to more normalized levels after destocking activity in 2017.
 - Masan Resources: we estimate mining revenue to reach VND6.1tn (+12.5% YoY) and net earnings to parent shareholders to increase by 56.5% YoY on the increased average market price of APT (+5% YoY, from USD239/MTU to USD250/MTU), copper (+2% YoY to USD6,000/ton) and CaF2 (+16% YoY to USD400/MT).
 - For 2018E we forecast TCB to post a 30.5% YoY growth in net profit thanks to an estimated 14.5% credit growth and continued strong NIM, and increased fee income from an exclusive 15-year bancassurance agreement with Manulife.

MSN: forecast revisions

| VNDbn | 2018E | 2018E growth | Notes/key assumptions |
|--|---------|--------------|---|
| Net sales (Group) | | | |
| - New | 42,421 | 12.76% | |
| - Old | 49,136 | | |
| - Change (%) | -13.67% | | Lowered sales forecasts for MNS after taking into account of 2017 results |
| Net profit | | | |
| - New | 4,196 | 16.31% | |
| - Old | 4,672 | | |
| - Change (%) | -10.19% | | Lowered sales forecasts and higher SG&A expense at the holding level |
| Net earnings to parent shareholders | | | |
| - New | 3,457 | 11.42% | |
| - Old | 3,534 | | |
| - Change (%) | -2.18% | | |

Source: SSI forecasts

At the current market price of VND89,800/share, MSN is trading at a 2018E P/E of 30.1x and a 2018E EV/EBITDA of 12.2x. We raise our 12-month Target Price for MSN from VND54,600 to VND87,000/share, mainly due to: 1) a re-rating of the valuation for TCB from a target 2018E P/B of 1.8x to 2.5x (following the overall re-rating of the banking sector in Vietnam with a current average P/B of 2.2x); and 2) revised earnings forecasts for each of the MSN business lines after updating for 2017 results.

MSN: SOTP valuation

| Company | Fair value (VND bn) | MSN's ownership | MSN's stake/economic interest (VND bn) | Valuation method |
|--|---------------------|-----------------|--|-----------------------|
| Masan Consumers | 56,385 | 85.7% | 48,322 | DCF, P/E 22x |
| Masan Resources | 16,782 | 96.0% | 16,111 | DCF, EV/EBITDA 7x |
| Masan Nutri-Science | 14,425 | 82.4% | 11,886 | P/E 12x, EV/EBITDA 8x |
| Techcombank | 86,079 | 25.2% | 21,692 | P/B 2.5x |
| Cholimex | 765 | 32.8% | 251 | |
| Vissan | 2,711 | 24.9% | 675 | P/E 20x |
| Sub-total | | | 98,937 | |
| Net cash at Parent's Company (as of Dec. 2018) | | | (8,000) | |
| Total | | | 90,937 | |
| No. of shares (Outstanding)-fully diluted | | | 1,047,474,042 | |
| Fair value of a share (VND) | | | 86,815 | |

Source: SSI estimates and forecasts

APPENDIX: ANNUAL FINANCIAL STATEMENTS

| VND Billion | 2016 | 2017 | 2018F | 2019F |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Balance Sheet | | | | |
| + Cash | 13,149 | 7,417 | 16,224 | 25,387 |
| + Short-term investments | 1,771 | 640 | 0 | 0 |
| + Account receivables | 2,277 | 2,247 | 2,231 | 2,473 |
| + Inventories | 5,390 | 4,333 | 4,366 | 4,857 |
| + Other current assets | 290 | 508 | 282 | 313 |
| Total Current Assets | 22,876 | 15,145 | 23,103 | 33,030 |
| + LT Receivables | 1,817 | 1,454 | 1,780 | 1,973 |
| + Net Fixed Assets | 29,821 | 29,830 | 27,243 | 24,661 |
| + Investment properties | 0 | 0 | 0 | 0 |
| + LT Assets in progress | 2,356 | 1,838 | 1,838 | 1,838 |
| + LT Investments | 12,241 | 11,338 | 11,322 | 11,322 |
| + Other LT Assets | 3,927 | 3,924 | 3,074 | 3,418 |
| Total Long-Term Assets | 50,163 | 48,384 | 45,257 | 43,212 |
| Total Assets | 73,039 | 63,529 | 68,360 | 76,242 |
| + Current Liabilities | 17,898 | 15,533 | 17,380 | 19,333 |
| <i>In which: ST debt</i> | <i>8,618</i> | <i>9,166</i> | <i>10,249</i> | <i>11,401</i> |
| + Non-current Liabilities | 34,828 | 27,770 | 26,559 | 27,914 |
| <i>In which: LT debt</i> | <i>32,472</i> | <i>25,630</i> | <i>24,890</i> | <i>26,058</i> |
| Total Liabilities | 52,726 | 43,303 | 43,939 | 47,247 |
| + Contributed capital | 7,681 | 11,574 | 11,574 | 11,574 |
| + Share premium | 10,650 | 6,856 | 6,856 | 6,856 |
| + Retained earnings | 7,016 | 12,350 | 15,807 | 19,611 |
| + Other capital/fund | -5,033 | -10,554 | -9,815 | -9,045 |
| Shareholders' Equity | 20,313 | 20,225 | 24,421 | 28,994 |
| Total Liabilities & Equity | 73,039 | 63,529 | 68,360 | 76,242 |
| Cash Flow | | | | |
| CF from operating activities | 4,119 | 2,766 | 8,447 | 6,843 |
| CF from investing activities | -19,165 | 3,134 | 17 | 0 |
| CF from financing activities | 19,871 | -11,635 | 343 | 2,320 |
| Net increase in cash | 4,825 | -5,735 | 8,807 | 9,163 |
| Beginning cash | 8,324 | 13,149 | 7,417 | 16,224 |
| Ending cash | 13,149 | 7,417 | 16,224 | 25,387 |
| Liquidity Ratios | | | | |
| Current ratio | 1.28 | 0.98 | 1.33 | 1.71 |
| Acid-test ratio | 0.96 | 0.66 | 1.06 | 1.44 |
| Cash ratio | 0.83 | 0.52 | 0.93 | 1.31 |
| Net debt / EBITDA | 2.78 | 2.72 | 2.23 | 1.41 |
| Interest coverage | 2.43 | 2.20 | 2.77 | 2.81 |
| Days of receivables | 9.2 | 12.2 | 10.7 | 10.4 |
| Days of payables | 29.1 | 31.8 | 27.7 | 27.7 |
| Days of inventory | 58.9 | 68.3 | 54.2 | 51.7 |
| Capital Structure | | | | |
| Equity/Total asset | 0.28 | 0.32 | 0.36 | 0.38 |
| Liabilities/Total Assets | 0.72 | 0.68 | 0.64 | 0.62 |
| Liabilities/Equity | 2.60 | 2.14 | 1.80 | 1.63 |
| Debt/Equity | 2.02 | 1.72 | 1.44 | 1.29 |
| ST Debt/Equity | 0.42 | 0.45 | 0.42 | 0.39 |

| VND Billion | 2016 | 2017 | 2018F | 2019F |
|--|---------------|---------------|---------------|---------------|
| Income Statement | | | | |
| Net Sales | 43,297 | 37,621 | 42,421 | 47,023 |
| COGS | -30,367 | -25,989 | -29,283 | -32,573 |
| Gross Profit | 12,930 | 11,632 | 13,138 | 14,450 |
| Financial Income | 769 | 1,405 | 839 | 870 |
| Financial Expense | -3,291 | -3,696 | -3,276 | -3,435 |
| Income from associates | 0 | 0 | 0 | 0 |
| Selling Expense | -4,971 | -5,291 | -5,513 | -6,103 |
| Admin Expense | -1,936 | -1,912 | -2,333 | -2,586 |
| Income from business operation | 4,481 | 4,182 | 4,972 | 5,419 |
| Net Other Income | -35 | -43 | 0 | 0 |
| Profit Before Tax | 4,446 | 4,139 | 4,972 | 5,419 |
| Net Income | 3,772 | 3,608 | 4,196 | 4,573 |
| NI attributable to shareholders | 2,791 | 3,103 | 3,457 | 3,804 |
| Minority interest | 981 | 505 | 739 | 770 |
| Growth | | | | |
| Sales | 41.4% | -13.1% | 12.8% | 10.8% |
| EBITDA | 33.4% | 2.5% | 1.8% | 6.1% |
| EBIT | 34.2% | 0.2% | 2.8% | 8.1% |
| NI | 49.3% | -4.4% | 16.3% | 9.0% |
| Equity | -25.1% | -0.4% | 20.7% | 18.7% |
| Chartered Capital | 2.9% | 50.7% | 0.0% | 0.0% |
| Total assets | 1.7% | -13.0% | 7.6% | 11.5% |
| Valuation | | | | |
| P/E | 26.3 | 31.2 | 30.1 | 27.3 |
| P/B | 3.3 | 6.6 | 5.4 | 4.5 |
| P/Sales | N.a | N.a | 2.3 | 2.1 |
| Dividend yield | 5.4% | N.a | N.a | N.a |
| EV/EBITDA | 7.6 | 12.4 | 12.2 | 11.5 |
| EV/Sales | 1.8 | 3.4 | 3.0 | 2.7 |
| Profitability Ratios | | | | |
| Gross Margin | 29.9% | 30.9% | 31.0% | 30.7% |
| Operating Margin | 15.9% | 19.1% | 16.4% | 16.0% |
| Net Margin | 8.7% | 9.6% | 9.9% | 9.7% |
| Selling exp./Net sales | 11.5% | 14.1% | 13.0% | 13.0% |
| Admin exp./Net sales | 4.5% | 5.1% | 5.5% | 5.5% |
| ROE | 15.9% | 17.8% | 18.8% | 17.1% |
| ROA | 5.2% | 5.3% | 6.4% | 6.3% |
| ROIC | 10.3% | 11.3% | 11.5% | 11.3% |

Source: MSN, SSI Research

1. ANALYST CERTIFICATION

The research analyst(s) on this report certifies that (1) the views expressed in this research report accurately reflect his/her/our own personal views about the securities and/or the issuers and (2) no part of the research analyst(s)' compensation was, is, or will be directly or indirectly related to the specific recommendation or views contained in this research report.

2. RATING

Within 12-month horizon, SSIResearch rates stocks as either BUY, HOLD or SELL determined by the stock's expected return relative to the market required rate of return, which is 18% (*). A BUY rating is given when the security is expected to deliver absolute returns of 18% or greater. A SELL rating is given when the security is expected to deliver returns below or equal to -9%, while a HOLD rating implies returns between -9% and 18%.

Besides, SSIResearch also provides Short-term rating where stock price is expected to rise/reduce within *three* months because of a stock catalyst or event. Short-term rating may be different from 12-month rating.

Industry Rating: We provide the analyst' industry rating as follows:

- ❖ Overweight: The analyst expects the performance of the industry over the next 6-12 months to be attractive vs. the relevant broad market
- ❖ Neutral: The analyst expects the performance of the industry over the next 6-12 months to be in line with the relevant broad market
- ❖ Underweight: The analyst expects the performance of the industry over the next 6-12 months with caution vs. the relevant broad market.

**The market required rate of return is calculated based on 5-year Vietnam government bond yield and market risk premium derived from using Relative Equity Market Standard Deviations method. Our rating bands are subject to changes at the time of any significant changes in the above two constituents.*

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4. CONTACT INFORMATION

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