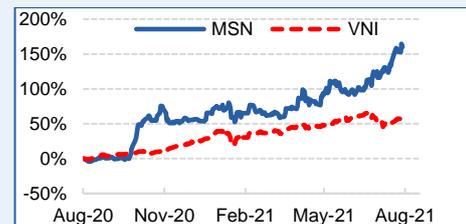


Industry:	Consumer	2020	2021F	2022F	2023F	
<b>Report Date:</b>	<b>August 16, 2021</b>	Rev Growth	106.7%	21.3%	17.6%	21.5%
Current Price:	VND133,500	EPS Growth	-77.9%	197.9%	64.8%	44.3%
Target Price:	VND172,000	GPM	23.2%	24.6%	26.4%	26.6%
Last Target Price:	VND142,500	NPM	1.6%	3.9%	5.5%	6.6%
Upside to TP:	+28.8%	EV/EBITDA*	21.5x	12.4x	10.2x	8.6x
Dividend Yield:	0.7%	P/CFO	78.3x	36.0x	19.3x	12.8x
TSR:	+29.6%	P/E	126.9x	42.6x	25.8x	17.9x



	USD6.9bn	MSN	VNI
Market Cap:	USD6.9bn		
Foreign Room:	USD4.6bn	P/E (ttm)	74.8x
ADTV30D:	USD8.6mn	P/B (curr)	7.4x
State Ownership:	0%	Net D/E	1.6x
Outstanding Shares:	1,180.5 mn	ROE	9.4%
Fully Diluted Shares:	1,180.5 mn	ROA	1.9%
3-yr PEG:	1.4	*EBITDA includes profit contributions from TCB	

**Company overview**  
 Masan Group specializes in consumer businesses that span FMCG, the meat value chain and grocery retailing. Other businesses include metal-based materials and a significant holding in Techcombank.

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## Consumer focus paying off

- We reiterate BUY and raise our target price (TP) by 21% due to (1) a 6% increase in our aggregate 2021F-2023F EBIT mainly attributed to stronger projected sales/store for VCM and higher ASP assumptions for MHT and (2) our removal of a 15% conglomerate discount to our SoTP valuation.
- Our removal of the discount — which was applied in December 2019 — is premised on (1) VCM having achieved positive EBIT, which eases our concern regarding MSN's ability to turn around this business, and (2) our expectation that MSN will deliver on its strategy of de-commoditizing its business structure (i.e., doubling down on its consumer focus), which we think could be done via significantly reducing its exposure to commodity-heavy segments such as animal feed and MHT.
- We remain bullish on MSN's ability to capture Vietnam's long-term consumption growth on the back of its wide-ranging, leading consumer businesses (FMCG, branded meat and grocery retailing).
- Our elevated EPS forecasts for 2022-2023 are driven by broad-based growth from operating businesses (34% EBIT CAGR) and rising contributions from TCB against stable interest expenses.
- Key risks to our positive view: Restructuring of VCM (retailing) losing steam; ineffective product innovation and marketing that would lead to a significant slowdown in MCH's (FMCG) growth.

**VCM: Strong shopping demand at minimarts amid COVID-19 and rollout of Phuc Long kiosks to further bolster VCM's positive profitability trajectory.** VCM recorded positive EBIT in June 2021 and expects this to remain in H2 2021. We think this is reasonable given (1) increased traffic for modern grocery formats amid the temporary shutdown of wet markets, (2) the scope for negotiating better trade terms with suppliers and (3) margin lifts from integrating Phuc Long kiosks (coffee & tea takeaway/delivery) into stores. These factors along with rollouts of new store concepts that focus on fresh products will continue to support underlying profitability in 2022, in our view.

**MCH: To maintain industry-beating double-digit growth.** Despite COVID-19's adverse impact on the beverage category, we expect a growth acceleration for MCH in H2 vs H1 2021 that will be led by elevated demand for convenience foods amid current strict social distancing measures. In the longer term, we believe MCH's strong core competencies in marketing, product R&D and distribution will enable it to maintain double-digit growth in both the top and bottom lines.

**MML: Meat volume to ramp up; easing soft commodity prices to support feed margins.** We anticipate an acceleration in meat sales vs H1 2021 due to (1) robust at-home consumption demand as people stay home and (2) easing disruptions to MML's production activities as COVID-19 containment requirements limited MML's manpower in Q2 2021. Meanwhile, Masan expects its feed EBITDA margin will revert to double-digit levels given recent corrections in corn and soybean prices.

**MHT: Metal price rallies — especially for tungsten — to buoy profitability.** We estimate rising tungsten APT prices (USD305/mtu currently vs USD230/mtu at YE2020) will help to boost MHT's EBITDA margin from ~20% in H1 2021 to ~25% in full-year 2021 and nearly 30% in 2022.

## H1 2021: Consumer businesses remain on strong footing

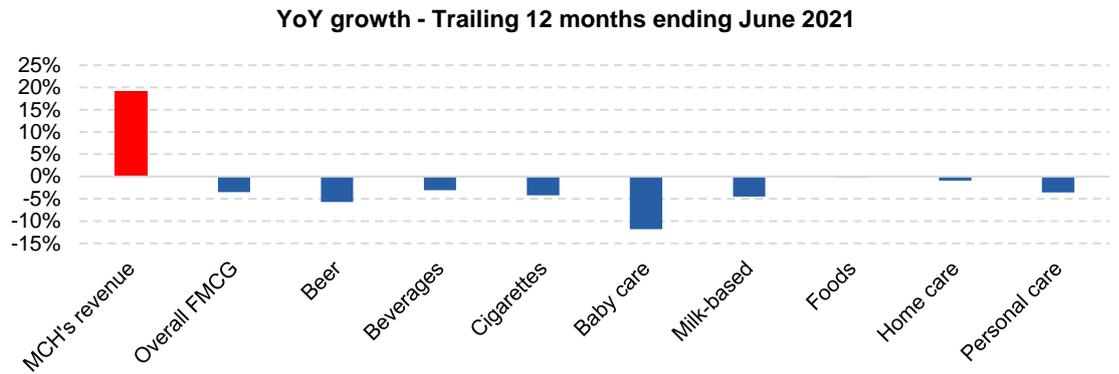
Figure 1: MSN's H1 2021 results

VND bn	H1 2020	H1 2021	YoY	VCSC comments
<b>Net revenue <sup>(1)</sup></b>	<b>17,632</b>	<b>19,977</b>	<b>13%</b>	
MCH	10,275	11,476	12%	All categories stepped up, including key categories such as seasonings (+5%), convenience foods (+3%) and energy drinks (+18%). Emerging categories such as processed meat (+53%) and beer (+80%) posted elevated growth.
VCM	15,813	14,468	-9%	Due to aggressive closures of underperforming stores in Q3-Q4 2020. That said, growth returned in Q2 2021 (+2% YoY). Store counts of VinMart (supermarket) and VinMart+ (minimart) fell to 122 and 2,245 as of Q2 2021 vs 130 and 2,786 as of Q2 2020, respectively, while showing insignificant changes vs YE2020's respective levels of 123 and 2,231. Like-for-like (LFL) revenue/sqm of VinMart+ inched up 12% YoY while that of VinMart fell 11% YoY in H1 2021 due to COVID-19-related disruptions to stores that are located in shopping malls. Meanwhile, demand from consumers stocking up boosted LFL revenue/sqm of VinMart+ 21% YoY while VinMart's decrease narrowed to -4% in Q2 2021.
MML	7,202	10,232	42%	Feed revenue jumped 33% YoY to VND8.2tn (USD355mn) on the back of a 60% surge in pig feed as domestic farming activity recovered from the African swine fever (ASF) crisis. Per Masan, Vietnam's total pig herds reached 27.3 million in early 2021 — up 20% vs early 2020 and equivalent to 87% of pre-ASF levels. At the same time, chicken feed and aqua feed sales climbed 9% and 34% YoY in H1 2021, respectively. Revenue from the integrated meat business amounted to VND2.1tn (USD90mn; +96% YoY) in H1 2021 thanks to Meat Deli's widening distribution and the consolidation of poultry subsidiary 3F Viet — the latter contributed VND630bn (USD27mn). Meat Deli and 3F Viet products were available at ~2,300 and ~2,200 VCM stores as of H1 2021, respectively.
MHT	2,570	6,107	138%	Mostly lifted by the consolidation of H.C.Starck (HCS) and increased tungsten volume and ASP. MHT did not record any copper sales in H1 2021 as MHT was working on finding sales channels for its copper stock given Vietnam's restrictions on copper exports and the country's limited number of domestic copper smelters.
<b>EBIT</b>	<b>-128</b>	<b>1,954</b>	<b>N.M.</b>	
MCH	1,830	2,012	10%	
VCM	-1,923	-528	-73%	EBITDA margin increased to 2.2% in Q2 2021 vs 1.8% in Q1 2021 and 0.2% in Q4 2020. VCM delivered positive EBIT in June thanks to improvements in total commercial margins (TCM) through negotiations with suppliers, cost optimization (e.g., store operations and logistics) and higher sales/store. Masan targets VCM's TCM will increase by a total of ~3 pts in 2021 (2.4 pts was already achieved in H1 2021).
MML	366	482	32%	Margins contracted as an improvement in the pork value chain — which was partly aided by economies of scale and higher utilization of porkers —partly offset escalating raw material prices that hurt feed margins and thin margins of 3F Viet that were due to low poultry prices.
MHT	-68	250	N.M.	EBITDA margin improved to 22.8% in Q2 2021 vs 16.1% in Q1 2021 and 11.5% in Q2 2020 as increased tungsten prices started to reflect more fully in MHT's realized selling prices.
Others	-338	-161	-52%	Overhead expenses at the holdco level and other items.
TCB's contribution	1,132	1,953	73%	See our Update Report, <a href="#">IEA yield strength to continue through remainder of 2021</a> , dated August 5, 2021, for more details.
<b>NPAT</b>	<b>-162</b>	<b>1,396</b>	<b>N.M.</b>	
<b>NPAT-MI</b>	<b>117</b>	<b>979</b>	<b>737%</b>	

Source: MSN, VCSC; <sup>(1)</sup> MSN's consolidated revenue is lower than the sum of its subsidiaries' revenue due to intercompany transactions between MCH/MML and VCM.

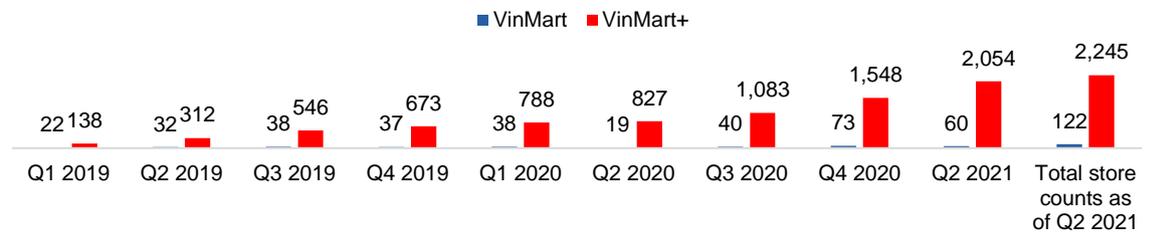
**Focus charts**

**Figure 2: MCH bucks the trend of weakness in the FMCG industry**



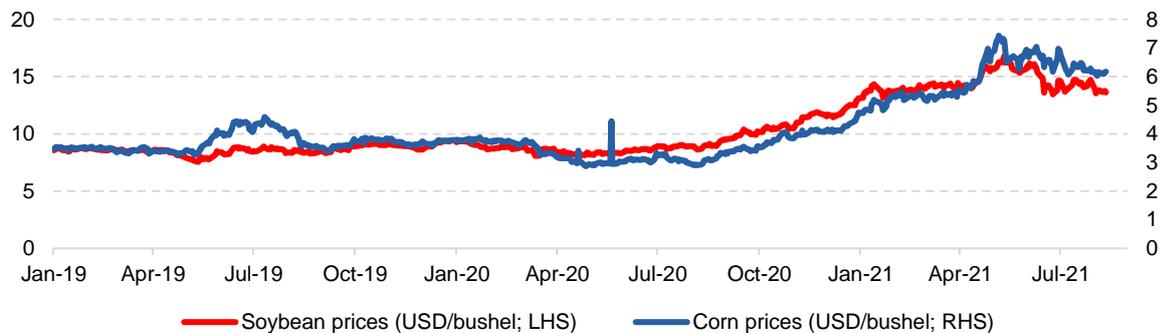
Source: Nielsen, MSN, VCSC

**Figure 3: VCM's number of stores with positive EBITDA at the store level at quarter-end**



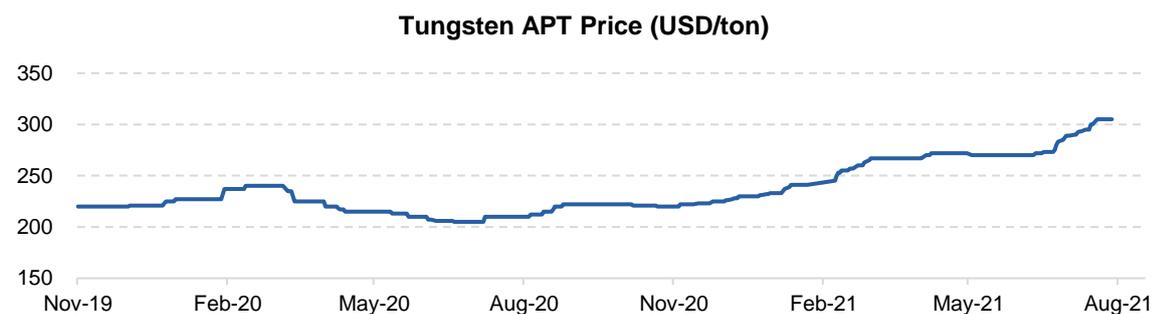
Source: MSN, VCSC

**Figure 4: Prices of animal feed raw materials have cooled from their peaks**



Source: Bloomberg, VCSC

**Figure 5: Tungsten prices are on an uptrend**



Source: Bloomberg, VCSC

## 2021F: Earnings to step up further in second half

Figure 6: VCSC's 2021 forecasts

VND bn	2020	2021F old	2021F new	YoY	VCSC comments on new 2021F
<b>Revenue</b>	<b>77,218</b>	<b>92,962</b>	<b>93,701</b>	<b>21%</b>	
MCH	23,971	28,716	28,148	17%	Led by convenience foods (+20%), seasonings (+11%), energy drinks (+15%) and processed meat (+60%). We trim our forecast as the current strict social distancing measures will likely hurt beverage consumption (beer and non-alcoholic drinks) in H2.
VCM	30,978	31,676	32,126	4%	We project VinMart+/VinMart store counts will reach 2,731/124 by YE2021 from 2,231/124 as of YE2020 as VCM plans to accelerate store openings in H2 2021. We raise our forecast mainly because the current social distancing restrictions are boosting minimart store traffic. Feed: VND16.8tn (USD726mn; +22% YoY) thanks to a recovery in domestic pig farming activity and catfish exports as well as selling price hikes amid rising raw material costs (e.g., corn and soybeans).
MML	16,119	22,282	22,481	39%	Pork: VND4.5tn (USD195mn; +89% YoY) as MML expands its meat points-of-sale and ramps up its factory utilization. We assume 3F Viet will contribute VND1.2tn (USD52mn) in revenue.
MHT	7,426	12,809	13,449	81%	Mainly underpinned by (1) a full-year consolidation of HCS vs more than six months in 2020 and (2) a rebound in tungsten sales volume and ASP in accordance with improved global economic activity. We lift our forecast as both tungsten volume and ASP are tracking ahead of our previous projections.
Intercompany adjustments & Others	-1,276	-2,521	-2,503	96%	Elimination of intercompany transactions between MCH/MML and VCM.
<b>EBIT</b>	<b>1,682</b>	<b>6,147</b>	<b>7,016</b>	<b>317%</b>	
MCH	4,727	5,402	5,463	16%	
VCM	-3,213	-769	-309	-90%	Primarily bolstered by negotiation of trade terms with suppliers, a full year's benefit from the closure of underperforming stores in 2020, supply-chain optimization, and a boost to minimart store traffic as COVID-19 disrupts the traditional trade channel (e.g., wet markets and street shops). We revise our forecast as VCM's profitability beats our expectation.
MML	1,073	1,352	1,247	16%	Blended margins to contract due to elevated raw material prices that will hurt feed margins as well as low poultry prices that will hurt 3F Viet's margins. These factors are partly offset by economies of scale and higher utilization of porkers in the pork business.
MHT	-337	770	1,223	-463%	We lift our forecast as both tungsten volume and ASP are tracking ahead of our previous projections.
Others (e.g., holdco overhead, goodwill amortization)	-568	-608	-608	7%	
Associate profits	2,640	3,567	3,608	37%	See our TCB Update Report, <a href="#">IEA yield strength to continue through remainder of 2021</a> , dated August 5, 2021, for more details.
Interest expenses	-3,770	-4,897	-4,746	26%	Owing to a larger average debt balance. The projected decline is mostly due to our assumption of no one-off items as there were in 2020 (one-off gain of VND1.4tn/USD60mn from the revaluation of HCS's assets and liabilities).
Other non-ops	1,773	671	270	-85%	We cut our interest income forecast as we account for a total of ~USD400mn that MSN spent on purchasing The CrownX (TCX) shares from existing TCX shareholders in late Q2 2021.
<b>PBT</b>	<b>2,325</b>	<b>5,488</b>	<b>6,149</b>	<b>164%</b>	
<b>NPAT</b>	<b>1,395</b>	<b>4,424</b>	<b>5,102</b>	<b>266%</b>	
<b>NPAT-MI</b>	<b>1,234</b>	<b>3,202</b>	<b>3,700</b>	<b>200%</b>	

Source: MSN, VCSC

## 2022F: Strong momentum to continue

Figure 7: VCSC's 2022 forecasts

VND bn	2021F	2022F	YoY	VCSC comments on 2022F
<b>Revenue</b>	<b>93,701</b>	<b>110,169</b>	<b>18%</b>	
MCH	28,148	32,135	14%	Led by energy drinks (+25%), convenience foods (+12%), seasonings (+9%), processed meat (+40%) and home/personal care (+30%).
VCM	32,126	40,805	27%	We expect single-digit SSSG for VCM in 2022 thanks to improvements to store layout and product assortment as well as easing COVID-19 disruptions to shop-in-shop VinMart stores. Meanwhile, we project VinMart+/VinMart store counts will reach more than 3,400/127 by YE2022 from more than 2,700/122 as of YE2021.
MML	22,481	26,478	18%	Primarily driven by a 56% surge in the entire integrated meat portfolio (pork + chicken) to VND8.9tn (USD385mn) on the back of distribution expansion — especially via VCM's store network — and ramp-ups in factory utilization.
MHT	13,449	14,409	7%	Mainly aided by higher realized selling prices for tungsten.
Intercompany adjustments & Others	-2,503	-3,658	46%	Elimination of intercompany transactions between MCH/MML and VCM.
<b>EBIT</b>	<b>7,016</b>	<b>9,926</b>	<b>41%</b>	
MCH	5,463	6,264	15%	
VCM	-309	358	N.M.	We expect VCM to remain EBIT positive in 2022 as underlying business improvements (e.g., better trade terms with suppliers, logistics optimization, and improved store layout and assortment) and a continued rollout of Phuc Long kiosks will overcome early ramp-up costs from the projected large amount of new (non-mature) stores to be added in H2 2021 and 2022.
MML	1,247	1,859	49%	We anticipate a margin expansion underpinned by softer raw material prices as well as an improvement in 3F Viet's margins as poultry prices recover from abnormally low levels in 2021. Due to COVID-19's disruptions to sales channels (e.g., key accounts such as factories and schools), chicken prices plunged in Q3 2021 — especially in the South — when social distancing restrictions escalated.
MHT	1,223	2,051	68%	Thanks to operating leverage, most of the gains from selling price increases will flow straight to the bottom line.
Others (e.g., holdco overhead, goodwill amortization)	-608	-608	0%	
Associate profits	3,608	4,215	17%	
Interest expenses	-4,746	-4,806	1%	
Other non-ops	270	168	-38%	
<b>PBT</b>	<b>6,149</b>	<b>9,502</b>	<b>55%</b>	
<b>NPAT</b>	<b>5,102</b>	<b>8,256</b>	<b>62%</b>	
<b>NPAT-MI</b>	<b>3,700</b>	<b>6,097</b>	<b>65%</b>	

Source: MSN, VCSC

## Three-year forecast revisions

### Notes to major revisions to our 2021F-2023F forecasts:

- Our aggregate EBIT projections for VCM increase mostly thanks to higher projected sales/store as well as accelerated rollout assumptions for Phuc Long kiosks.
- Our aggregate EBIT projections for MHT increase primarily due to our larger tungsten production volume as well as higher tungsten price assumptions given the current rally in global tungsten prices. Regarding the latter, in this report, we assume MHT's average realized tungsten APT prices of USD270/mtu for 2021 and USD290/mtu post-2021 compared to USD260/mtu and USD280/mtu, respectively, in our previous report.
- As we explained above, because we now account for an outlay of ~USD400mn that MSN spent on acquiring TCX shares, our projected net financial expenses rise vs our previous report.

**Figure 8: Summary of our three-year forecast revisions**

VND bn	2021F	2022F	2023F	2021F- 2023F Aggregate	Aggregate New vs Old
<b>New forecasts</b>					
<b>EBIT</b>	<b>7,016</b>	<b>9,926</b>	<b>12,659</b>	<b>29,601</b>	<b>6%</b>
MCH	5,463	6,264	7,025	18,752	0%
VCM	-309	358	1,262	1,311	127%
MML	1,247	1,859	2,500	5,606	-1%
MHT	1,223	2,051	2,480	5,754	16%
Others (holdco overhead, goodwill amortization)	-608	-608	-608	-1,824	-4%
<b>Associate profits (mainly TCB)</b>	<b>3,608</b>	<b>4,215</b>	<b>5,095</b>	<b>12,917</b>	<b>0%</b>
<b>Net financial expenses</b>	<b>-4,476</b>	<b>-4,638</b>	<b>-4,459</b>	<b>-13,573</b>	<b>14%</b>
<b>NPAT-MI</b>	<b>3,700</b>	<b>6,097</b>	<b>8,800</b>	<b>18,597</b>	<b>1%</b>
<b>Old forecasts</b>					
<b>EBIT</b>	<b>6,147</b>	<b>9,506</b>	<b>12,312</b>	<b>27,965</b>	
MCH	5,402	6,224	7,039	18,665	
VCM	-769	261	1,087	579	
MML	1,352	1,880	2,426	5,658	
MHT	770	1,772	2,415	4,957	
Others (holdco overhead, goodwill amortization)	-608	-631	-655	-1,894	
<b>Associate profits (mainly TCB)</b>	<b>3,567</b>	<b>4,251</b>	<b>5,058</b>	<b>12,876</b>	
<b>Net financial expenses</b>	<b>-4,226</b>	<b>-3,951</b>	<b>-3,723</b>	<b>-11,900</b>	
<b>NPAT-MI</b>	<b>3,202</b>	<b>6,291</b>	<b>8,981</b>	<b>18,474</b>	

Source: VCSC

## Valuation

We apply a sum-of-parts valuation. In this report, we increase our target price from VND142,500/share to VND172,000/share primarily due to the following changes:

- Increases in our valuation of MSN's operating businesses, including MCH (thanks to a larger cash balance), VCM (higher projected sales/store as well as a larger number of Phuc Long kiosks) and MHT (stronger tungsten volume and ASP).
- VCSC's increased valuation for TCB, as presented in our Update Report, [IEA yield strength to continue through remainder of 2021](#), dated August 5, 2021.
- Our removal of a 15% conglomerate discount that we previously began to apply in our Update Report [M&A expands consumer franchise but complicates outlook](#) on December 30, 2019. As explained on the front page, we remove the discount in this report due to two key reasons. First, VCM has achieved positive EBIT, which eases our concern on MSN's ability to turn around this business. In addition, the distribution of MML's meat products at almost all VCM's stores shows that the potential synergies between VCM and MSN's other consumer businesses are being realized. Second, we expect that MSN will deliver on its strategy of de-commoditizing its business structure (i.e., doubling down on its consumer focus), which we think could be done via significantly reducing its exposure to commodity-heavy businesses such as MML's animal feed segment and MHT through either raising fresh capital or even divestments.

**Figure 9: VCSC's valuation for MSN**

VND bn	Method	Equity value	MSN's ownership	Equity value attributed to MSN	Implied target valuation multiples
MCH	DCF	135,173	72.7%	98,271	28x average 2021F-2022F earnings.
MML	PER	19,209	87.9%	16,884	12x average 2021F-2022F earnings for feed business; 25x average 2021F-2022F earnings for branded meat business.
MHT	EV/EBITDA	25,099	86.4%	21,685	10x average 2021F-2022F EBITDA.
VCM	DCF	53,044	71.3%	37,821	1.5x average 2021F-2022F revenue.
Net cash/(debt) at holdco level				-20,717	
TCB		228,682	21.5%	49,149	2.3x average 2021F-2022F book value
<b>Total equity value</b>				<b>203,092</b>	
Share count (million)				1,180.5	
<b>Target price (VND)</b>				<b>172,000</b>	

Source: VCSC

## Recommendation History

Figure 10: Historical VCSC target price vs share price (VND, adjusted for stock splits)



Source: Bloomberg, VCSC

## Financial Statements

P&L (VND bn)	2020	2021F	2022F	2023F	B/S (VND bn)	2020	2021F	2022F	2023F
<b>Revenue</b>	<b>77,218</b>	<b>93,701</b>	<b>110,169</b>	<b>133,888</b>	Cash & equivalents	7,721	13,178	15,926	21,998
COGS	-59,329	-70,665	-81,136	-98,234	ST investments	447	447	447	447
<b>Gross Profit</b>	<b>17,889</b>	<b>23,036</b>	<b>29,034</b>	<b>35,654</b>	Accounts receivable	2,062	3,010	3,485	4,005
Sales & Marketing exp	-13,166	-12,363	-14,988	-18,285	Inventories	12,498	13,980	15,858	16,963
General & Admin exp	-3,041	-3,656	-4,120	-4,709	Other current assets	7,032	7,032	7,032	7,032
<b>Operating Profit</b>	<b>1,682</b>	<b>7,016</b>	<b>9,926</b>	<b>12,659</b>	<b>Total Current assets</b>	<b>29,761</b>	<b>37,648</b>	<b>42,749</b>	<b>50,445</b>
Financial income	1,431	970	868	1,032	Fixed assets, gross	72,755	77,031	81,028	85,766
Financial expenses	-4,557	-5,446	-5,506	-5,491	- Depreciation	-20,884	-25,739	-30,886	-36,299
- o/w interest expense	-3,770	-4,746	-4,806	-4,791	Fixed assets, net	51,871	51,293	50,142	49,467
Associates	2,640	3,608	4,215	5,095	LT investments	20,353	23,719	27,927	33,015
Net other income/(loss)	1,129	0	0	0	LT assets other	13,751	13,317	12,883	12,449
<b>Profit before Tax</b>	<b>2,325</b>	<b>6,149</b>	<b>9,502</b>	<b>13,295</b>	<b>Total LT assets</b>	<b>85,976</b>	<b>88,329</b>	<b>90,952</b>	<b>94,931</b>
Income Tax	-930	-1,046	-1,246	-1,501	<b>Total Assets</b>	<b>115,737</b>	<b>125,977</b>	<b>133,701</b>	<b>145,376</b>
<b>NPAT before MI</b>	<b>1,395</b>	<b>5,102</b>	<b>8,256</b>	<b>11,794</b>	Accounts payable	6,833	6,861	7,764	9,155
Minority Interest	-161	-1,402	-2,159	-2,994	Short-term debt	22,545	19,808	19,553	19,224
<b>NPAT less MI, reported</b>	<b>1,234</b>	<b>3,700</b>	<b>6,097</b>	<b>8,800</b>	Other ST liabilities	9,497	9,497	9,497	9,497
<b>NPAT less MI, adj <sup>(1)</sup></b>	<b>-108</b>	<b>3,700</b>	<b>6,097</b>	<b>8,800</b>	Total current liabilities	38,875	36,165	36,814	37,876
EBITDA (including TCB)	10,086	17,421	21,229	25,109	Long-term debt	39,466	42,466	42,466	42,466
EPS reported, VND	1,052	3,134	5,165	7,454	Other LT liabilities	12,366	12,366	12,366	12,366
EPS adjusted <sup>(1)</sup> , VND	-92	3,134	5,165	7,454	<b>Total Liabilities</b>	<b>90,706</b>	<b>90,997</b>	<b>91,646</b>	<b>92,708</b>
EPS diluted, adj <sup>(1)</sup> , VND	-92	3,134	5,165	7,454	Preferred Equity	0	0	0	0
DPS, VND	0	1,000	1,000	1,000	Paid-in capital	11,747	11,747	11,747	11,747
DPS/EPS (%)	0%	32%	19%	13%	Share premium	11,084	11,084	11,084	11,084
<sup>(1)</sup> Adjusted for one-offs					Retained earnings	2,182	4,702	9,618	17,237
<b>RATIOS</b>	<b>2020</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	Other equity	-9,076	-4,527	-4,527	-4,527
<b>Growth</b>					Minority interest	9,093	11,974	14,133	17,127
Revenue growth	106.7%	21.3%	17.6%	21.5%	<b>Total equity</b>	<b>25,030</b>	<b>34,980</b>	<b>42,055</b>	<b>52,668</b>
Op profit (EBIT) growth	-65.3%	317.2%	41.5%	27.5%	<b>Liabilities &amp; equity</b>	<b>115,737</b>	<b>125,977</b>	<b>133,701</b>	<b>145,376</b>
PBT growth	-67.3%	164.5%	54.5%	39.9%	Y/E shares out, mn	1,180.5	1,180.5	1,180.5	1,180.5
EPS growth, adjusted	N.M.	N.M.	64.8%	44.3%	Y/E treasury shares, mn	0.0	0.0	0.0	0.0
<b>Profitability</b>					<b>CASH FLOW (VND bn)</b>	<b>2020</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>
Gross Profit Margin	23.2%	24.6%	26.4%	26.6%	<b>Beginning Cash Balance</b>	<b>6,801</b>	<b>7,721</b>	<b>13,178</b>	<b>15,926</b>
Op Profit, (EBIT) Margin	2.2%	7.5%	9.0%	9.5%	Net Income	1,234	3,700	6,097	8,800
EBITDA Margin	9.6%	14.7%	15.4%	15.0%	Dep, & amortization	4,584	5,631	5,924	6,190
NPAT-MI Margin	1.6%	3.9%	5.5%	6.6%	Change in Working Cap	-479	-2,402	-1,450	-234
ROE	4.2%	19.0%	23.9%	27.7%	Other adjustments	-3,326	-2,549	-2,398	-2,443
ROA	1.3%	4.2%	6.4%	8.5%	<b>Cash from Operations</b>	<b>2,013</b>	<b>4,380</b>	<b>8,173</b>	<b>12,313</b>
<b>Efficiency</b>					Capital Expenditures, net	-3,678	-4,276	-3,996	-4,738
Days Inventory On Hand	68	68	67	61	Other investments, net	-30,741	6,270	7	7
Days Accts, Receivable	8	10	11	10	<b>Cash from Investments</b>	<b>-34,419</b>	<b>1,995</b>	<b>-3,990</b>	<b>-4,732</b>
Days Accts, Payable	37	35	32	31	Dividends Paid	-1,402	-1,181	-1,181	-1,181
Cash Conversion Days	39	44	46	40	Δ in Share Capital	57	0	0	0
<b>Liquidity</b>					Δ in ST debt	4,205	-2,737	-255	-329
Current Ratio x	0.8	1.0	1.2	1.3	Δ in LT debt	27,790	3,000	0	0
Quick Ratio x	0.3	0.5	0.5	0.7	Other financing C/F	2,677	0	0	0
Cash Ratio x	0.2	0.4	0.4	0.6	<b>Cash from Financing</b>	<b>33,327</b>	<b>-918</b>	<b>-1,435</b>	<b>-1,509</b>
Debt / Assets	53.6%	49.4%	46.4%	42.4%	<b>Net Change in Cash</b>	<b>921</b>	<b>5,457</b>	<b>2,748</b>	<b>6,072</b>
Debt / Capital	71.2%	64.0%	59.6%	53.9%	<b>Ending Cash Balance</b>	<b>7,721</b>	<b>13,178</b>	<b>15,926</b>	<b>21,998</b>
Net Debt / Equity	215.1%	139.1%	108.5%	74.5%					
Interest Coverage x	0.4	1.5	2.1	2.6					

Source: Company data, VCSC

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