

SCS – AGM note

SCS held its AGM on April 29th 2022 with following highlights:

- 2022 target: VND960bn of revenue (+14.4% YoY) and VND668bn of pretax profit (+10.4% YoY). This is broadly in line with our expectations and equivalent to 103% and 99% of our FY2022 forecasts, respectively.

SCS 2022 target

	2022 target	YoY growth	Vs. our forecasts
Revenue (VND bn)	960	+14.4%	103%
Pretax profit (VND bn)	668	+10.4%	99%
Total cargo volume (tonnes)	248,000	+8.8%	102%
International cargo volume (tonnes)	190,000	8.7%	103%
Domestic cargo volume (tonnes)	58,000	+9.2%	99%
Office rental (sqm)	7,700	+6.0%	100%

Source: Company data, ACBS

- SCS expanded its cold storage warehouse in 2021 and is now waiting for the Air and Air Defense Force approval to expand the domestic terminal and new office building on the current soccer field. SCS also plans to expand its capacity to 350,000 tonnes/year with a total investment costs expected to be ~USD5-6mn in order to meet rising cargo volume ahead of the new Long Thanh airport coming onstream (expected for 2025).

- 85:100 stock issuance from retained earnings, share premium reserve and other reserve. This is equivalent to 43.1mn new shares issued in 2022

- Cash dividend of 36%. The remaining cash will be use for expansion projects in 2022 and to take the opportunity to participate in the new Long Thanh project without reliance on debt.

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