



# SCS Flash note – Not rated

May 6, 2024

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## Hung Nguyen

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## AGM Flash note

**Recommendation** **Not rated**  
**HOSE: SCS**

**Transportation support**

**Target price (VND)** **NA**

**Market price (VND)** **84,400**

Expected share price return **NA**

Expected dividend yield **NA**

**Expected total return** **NA**

## Stock performance (%)

	YTD	1M	3M	12M
Absolute	20.8	8.2	19.5	37.0
Relative	10.9	9.3	14.8	20.8

Source: Bloomberg



## Ownership

Gemadept Corporation	36.1%
Vietnam Airlines JSC	14.7%
41 Aircraft Report Co. Ltd.	7.6%
PYN Fund Management	4.9%
Quoc Khanh Nguyen	1.5%

## Stock Statistics

06-May-24

<b>Bloomberg code</b>	<b>SCS</b>
52-week range (VND)	60,229-84,400
Shares O/S (m)	94.4
Mkt cap (VND bn)	7,966
Mkt cap (USD m)	312.9
Est. Foreign room left (%)	4.1
Est. free float (%)	38.9
3m avg daily vol (shrs)	154,716
VND/USD	25,450
Index: VNIIndex / HNX	1,241.6 / 232.3

## SCSC Cargo Service Corporation (HSX: SCS)

The AGM 2024 of SCSC Cargo Service Corporation (SCS) took place on April 26, 2024, covering the following key topics:

**2024 Business Plan:** Projected revenue and pre-tax profit are expected to reach VND 968 bn and VND 680 bn, representing increases of 37.3% YoY and 19.6% YoY, respectively. Regarding air cargo throughput, SCS plans to handle a total of 248,000 tons (+30.7% YoY), including 190,000 tons for international cargo (+38.7% YoY) and 58,000 tons for domestic cargo (+10% YoY).

**2023 Profit Distribution:** SCS announced a cash dividend payout ratio of 50%, equivalent to 5,000 VND per share. Additionally, 5% of net income was allocated to the welfare and reward fund, and 1% to the management board fund.

**ESOP Issuance Plan:** SCS plans to issue up to 1.0% of the outstanding shares as ESOP at a minimum price of 20% of the average closing price over the 10 days preceding board's approval. 100% ESOP shares will be unlocked after the first year and 50% will be unlocked after the second year.

**Q1/2024 Business Results:** Revenue reached VND 212.8 bn (+31.3% YoY). Gross profit was VND 168.3 bn (+37.2% YoY), boosting the gross profit margin to 79.1%, an increase of 3.4% from Q1/2023. Total cargo throughput was 58,442 tons (+34.2% YoY), with international cargo comprising 42,632 tons (+38.9% YoY) thanks to new clients like Qatar Airways and general global economic recovery. Net income rose by 30.1% to VND 147.3 bn.

**Market Share at Tan Son Nhat Airport in 2023:** SCS's market share increased from 39% to 47%. The company is currently upgrading its terminal capacity to 350,000 tons/year and preparing resources to participate in the Long Thanh Airport Terminal project.

	2021	2022	2023	Q1/2023	Q1/2024
Net Sales (VND bn)	839	851	705	162	213
Growth (%)	21%	1%	-17%		31%
EBITDA (VND bn)	660	740	612	712	529
Growth (%)	19%	12%	-17%		-26%
Profit after tax	564	646	498	113	147
Growth (%)	21%	15%	-23%		30%
EPS (bonus-adjusted, VND)	5,972	6,846	5,280	6,059	5,641
Growth (%)	121%	115%	77%		12%
ROE (%)	0.5	0.5	0.4	0.4	0.3
ROA (%)	0.4	0.4	0.3	0.4	0.3
Net debt/EBITDA (x)	-	-	-	-	-
EV/EBITDA (x)	14.1	9.0	14.0	10.5	13.7
P/E (x)	13.1	10.2	13.3	10.3	14.8
P/B (x)	5.9	4.6	5.0	3.8	5.3
DPS (VND)	5,000	5,500	3,500	-	2,000
Dividend yield (%)	6%	7%	4%	-	2%

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**BUY:** Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

**OUTPERFORM:** Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

**NEUTRAL:** Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

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