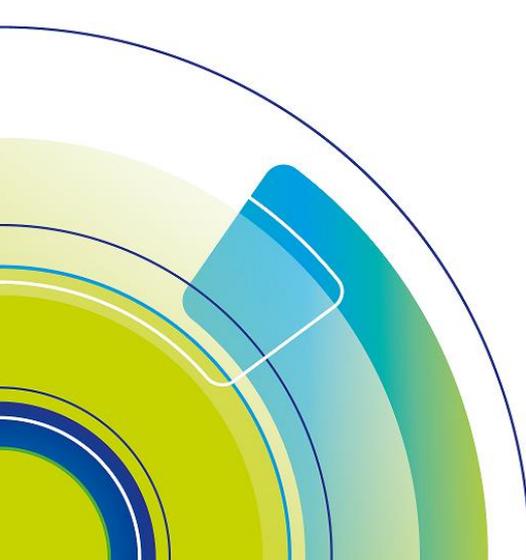




# CTD Initiation report – BUY

July 19, 2024

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## DAT DO

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## Initiation report

Recommendation

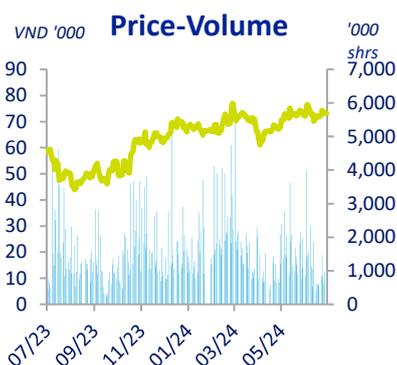
**BUY**  
**HOSE: CTD**  
**Construction**

Target price (VND)	97,000
Market price (VND)	69,900
Expected share price return	38.5%
Expected dividend yield	0%
Expected total return	38.5%

## Stock performance (%)

	YTD	1M	3M	12M
Absolute	6.3	-0.5	3.8	25.8
Relative	-8.1	0.8	2.7	12.7

Source: Bloomberg



## Ownership

Kustocem Pte. Ltd	17.9%
Thanh Cong Business and Investment Ltd.	14.4%
The8th Pte. Ltd.	10.6%
KIMC	6.02%

## Stock Statistics

19-Jul-24

Bloomberg code	CTD
52-week range (VND)	41,625 – 78,100
Shares O/S (m)	100
Mkt cap (VND bn)	7,305
Mkt cap (USD m)	287
Est. foreign room left (%)	2.0
Est. free float (%)	66.4
3m avg daily vol (shrs)	1,300,486
VND/USD	25,452
Index: VNIIndex / HNX	1,279.82/244.84

## COTECCONS CONSTRUCTION JSC (CTD VN): RESILIENTLY OVERCOMING CHALLENGES

Coteccons Construction JSC (CTD VN), a prominent construction firm in Vietnam, has consistently maintained its top position in the fiercely competitive industry. The substantial backlog of signed construction contracts, valued at nearly VND 25,000 bn, serves as evidence of their success. Moreover, CTD stands out as one of the select companies in Vietnam that meets rigorous construction standards set by both domestic and international investors, leveraging its extensive industry expertise. Additionally, CTD leads the way in implementing green construction practices, including adherence to standards like LEED, LOTUS, and ESG.

The construction industry, along with the real estate sector, is poised for a gradual recovery. The Land Law, Housing Law, and Real Estate Business Law will be in effect from August 1, 2024, five months earlier than previously scheduled. This will support to alleviate legal obstacles and create a more robust framework for sustainable development in the real estate market. As a result, project supply in major cities like Ho Chi Minh City and Hanoi is expected to rebound, and construction demand should pick up in 2H2024.

Foreign direct investment (FDI) acts as a catalyst for growth, driving the need for factory construction. CTD has swiftly capitalized on the opportunity to increase its industrial project portfolio, riding the wave of FDI. By March 2024, the industrial construction share had risen significantly to 38%, up from 14% in 2022. This will support the company in improving profit margins and increasing asset turnover.

CTD's strong asset structure improves its bidding prospects by satisfying financial capacity requirements. At the end of 2023, the company stands out by maintaining a substantial cash ratio within its assets. over VND 2,800 bn, representing more than 13% of total assets. Remarkably, CTD's debt-to-equity ratio is only 13%, significantly below the industry average of 132%.

## Rating and valuation

We recommend a BUY rating for CTD with a fair valuation of 97,000 VND per share using DCF method. This valuation is 38.5% higher than the current price, with a P/E ratio for 2024 of 36.4x and a P/B ratio of 1.1x.

	2022	2023	2024F	2025F	2026F
Net Sales (VND bn)	14,539	16,530	19,495	21,337	25,977
Growth (%)	60.0%	14.0%	21.2%	9.4%	2.7%
EBITDA (VND bn)	-142	126	261	331	383
Growth (%)	-4.0%	N/A	84.1%	26.6%	15.7%
Profit after tax	21	188	277	283	326
Growth (%)	-14.0%	804.0%	308.1%	2.1%	15.1%
EPS (bonus-adjusted, VND)	263	1,814	2,664	2,721	3,133
Growth (%)	-13.0%	590.0%	191.2%	2.1%	15.1%
ROE (%)	0.3%	2.3%	3.3%	3.2%	3.5%
ROA (%)	-1.3%	0.1%	1.3%	1.2%	1.3%
Net debt/EBITDA (x)	12.7	-31.9	-10.5	-12.1	-8.7
EV/EBITDA (x)	-37.0	40.7	20.9	16.5	14.3
P/E (x)	252.3	36.8	36.4	35.7	31.0
P/B (x)	0.3	0.6	1.1	1.1	1.1
DPS (VND)	0	0	0	N/a	N/a
Dividend yield (%)	0%	0%	0%		

Note: FY<sup>(\*)</sup>: financial year

### I. Company overview

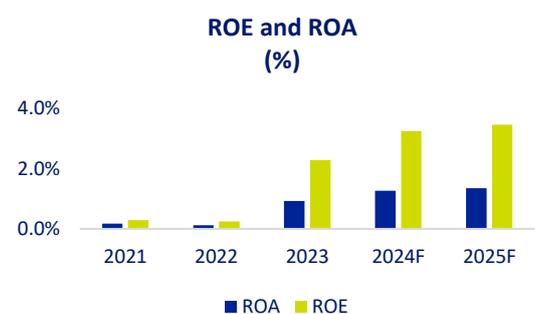
#### 1. Overview

Coteccons Construction JSC (CTD) was established in 2004 through the transformation from an operational model to a joint-stock company. Previously, it was the Construction Division of the Construction Engineering and Building Materials Company under the General Construction Materials Corporation No. 1 - Ministry of Construction. In 2010, CTD was listed on the Ho Chi Minh City Stock Exchange (HOSE).

Coteccons, a prominent Vietnamese construction firm, boasts a team of over 2,000 engineers. They have successfully executed hundreds of projects across the northern, central, and southern regions. Currently, they are involved in approximately 700 ongoing or completed projects, not only within Vietnam but also in neighboring countries like Laos, Cambodia, and Myanmar.

CTD has been involved in several significant projects, including Masteri Thao Dien, Vinhomes Central Park, Landmark 81, Lego, VinFast, Ecopark, and Diamond Crown Hai Phong. Notably, CTD achieved a milestone by becoming the first Vietnamese contractor to adopt the ESG management model in 2021. Additionally, their ability to execute projects adhering to rigorous international standards like LEED and Lotus certifications has captured the attention of foreign-invested projects and prominent domestic investors.

**After implementing effective business strategies following the restructuring, we have observed significant improvements in CTD’s business performance.** Profitability indicators have consistently reached high levels since last year. Specifically, CTD’s gross and net profit margins, which were only 2.3% and 0.8% in 2022, have rebounded to nearly 3.5% and 1.4% in 2023, showing a sustained recovery trend. Several key factors contribute to this positive trajectory: (1) a rigorous and efficient management system that reduces costs, (2) the effectiveness of the D&B model, (3) adept project and client selection by the “Repeat Sales” strategy, (4) an increasingly comprehensive construction ecosystem, (5) real estate market recovery, and (6) a higher proportion of industrial construction. Additionally, the Return on Assets (ROA) and Return on Equity (ROE) ratios have started to recover, reaching 0.3% and 2.2%, respectively, in 2023—compared to the average of 0.2% and 0.3% during the 2021-2022 period—thanks to the resurgence in profitability

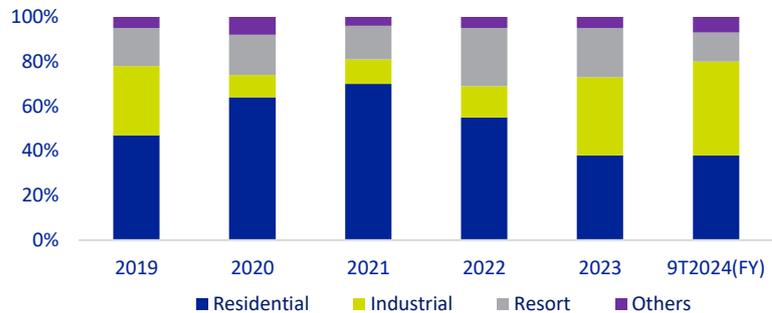


Sources: FS, ACBS

## II. Growth outlook

Thanks to the 'Repeat Sales' strategy, which focuses on maintaining a loyal customer base and meeting complex technical requirements and high environmental standards, CTD's reputation in the construction sector has been increasingly solidified. This has enabled CTD to attract more clients from FDI. The proportion of FDI projects has surged since 2023 and currently accounts for 38% of CTD's backlog. Cotecons boasts a diverse client portfolio, featuring prominent projects like Lego, VinFast, Ecopark, and Diamond Crown Hai Phong. This diversification not only contributes to Cotecons' positive outcomes but also reduces the risk associated with relying solely on a specific customer segment.

Proportion of revenue contribution (%)

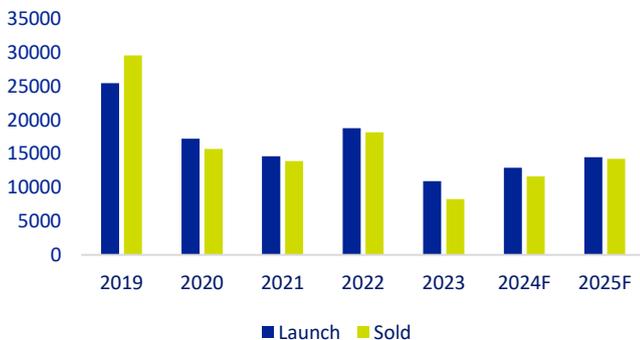


Sources: CTD, ACBS

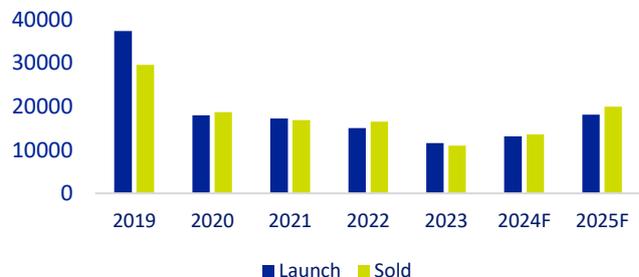
### 1. Civil construction: expectations of recovery with the real estate market.

The accelerated implementation of the Land Law, Housing Law, and Real Estate Business Law will effective from August 1, 2024, five months earlier than previously stipulated. This will address current legal "bottlenecks" and provide a clearer and more effective legal framework, fostering sustainable development in the real estate market. Consequently, we anticipate that the supply of projects in major cities such as Ho Chi Minh City and Hanoi, along with construction demand, will begin to recover from 2H2024.

The apartment market in Ho Chi Minh City (units)



The apartment market in Hanoi (units)



Sources: CBRE, ACBS

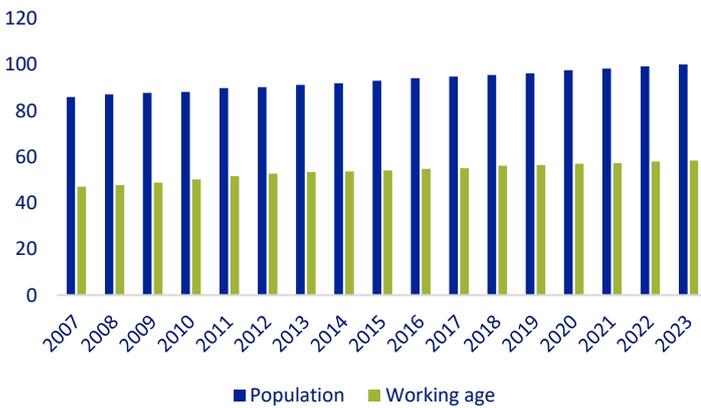
We observe that the challenges in the real estate market have subsided as the number of newly registered projects shows signs of recovery from the bottom.

**The number of licensed projects is expected to bottom from 1Q2023 (apartments)**

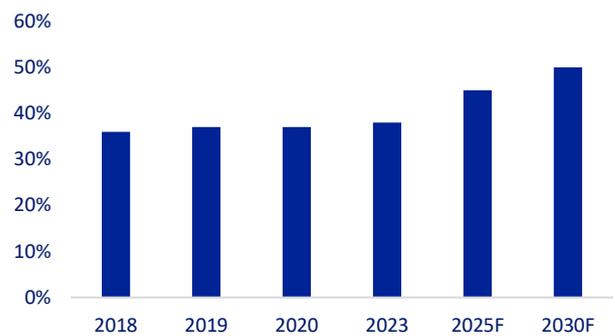


The demand for housing and the ongoing urbanization process are key drivers of robust construction activity in Vietnam. As of now, Vietnam’s population has exceeded 100 million, growing at an estimated annual rate of approximately 1%. Simultaneously, the urbanization rate in the country has been steadily rising, reaching around 38.1% in 2023. This trend is expected to continue, particularly since the Ministry of Construction has set ambitious targets: aiming for an urbanization rate of 45% by 2025 and over 50% by 2030.

**Vietnam's population (million people)**

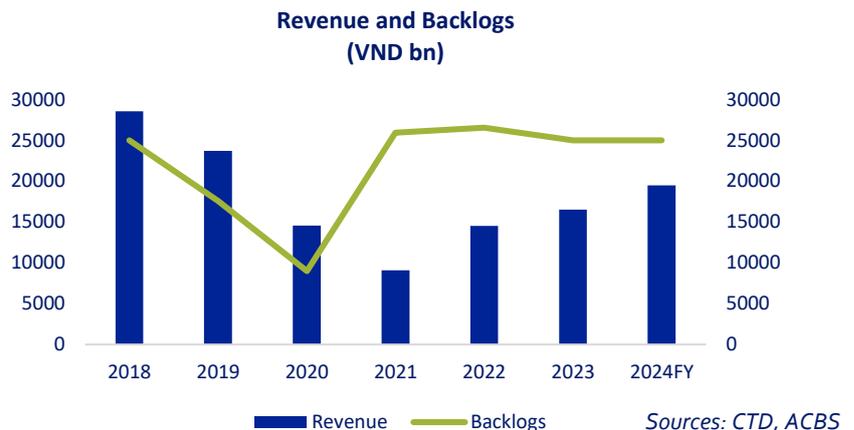


**Urbanization rate (%)**



Sources: GSO, ACBS

Amid the expected recovery in the real estate and construction markets, CTD has solidified its position by consistently securing significant contracts. Starting from early 2023, CTD has successfully secured numerous high-value bids, resulting in a total backlog value exceeding VND 25,000 bn. This robust project pipeline ensures a substantial workload for Coteccons and supports positive business outcomes throughout the 2024F-2025F period.



## 2. Industrial construction: strong growth.

The growth figures for registered and disbursed FDI in 2023 and the first half of 2024 indicate that Vietnam is achieving positive results in attracting foreign direct investment. This success is attributed to:

**+ Vietnam’s strategic location is benefiting from the “China +1” strategy adopted by multinational corporations.** We believe this trend will continue in the coming years, with international corporations diversifying their manufacturing bases to mitigate supply chain disruption risks experienced during the COVID-19 pandemic. Additionally, tensions between China and Taiwan are driving many Taiwanese manufacturers to relocate or expand their production facilities to Vietnam.

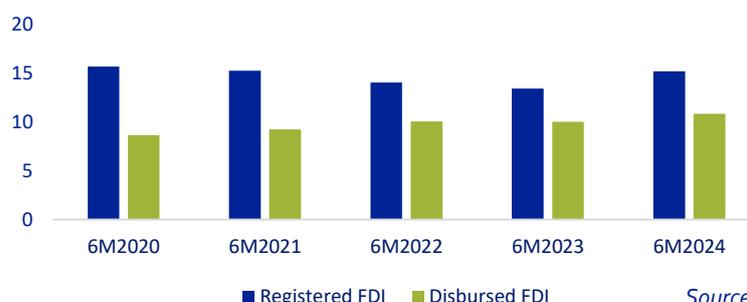
**+ Vietnam has become a member of numerous international trade agreements, including the CPTPP and EVFTA, and has established comprehensive strategic partnerships with major economic powers.** Currently, Vietnam has signed 16 free trade agreements (FTAs) and is negotiating three additional FTAs (Vietnam-EFTA, ASEAN-Canada, and Vietnam-UAE). Notably, within the ASEAN region, only Vietnam and Singapore have signed both the CPTPP and an FTA with the EU. Vietnam elevated its comprehensive strategic partnerships with the United States and Japan in 2023, and with Australia in March 2024.

**+ Vietnam’s labor costs are competitive compared to other Southeast Asian countries.** In 2023, the estimated monthly wage for manufacturing workers in Vietnam was 273 USD, which is lower than in India, Indonesia, and Thailand, and less than half of China’s and two-thirds of Malaysia’s

**+ The industrial land rent in Vietnam is approximately \$150 per month, which is on par with the average rental prices in the region.** Additionally, Singapore has the highest warehouse rental costs in the region, averaging \$16.5 per square meter per month. Vietnam’s warehouse rental prices are comparable to those in Malaysia, Thailand, and the Philippines, at around \$5 per square meter per month, which is lower than in India and Indonesia (\$6 per square meter per month) but higher than in Myanmar (\$3.4 per square meter per month) and Cambodia (USD 2.5 per square meter per month).

Given the aforementioned points, we anticipate that the industrial sector will greatly benefit from the continuous increase in FDI inflows. In the first half of 2024, registered FDI reached USD 15.2 bn (+13.1% YoY), and disbursed FDI amounted to USD 10.8 bn (+8.2% YoY)<sup>1</sup>. As a result, we anticipate continued demand for constructing factories and plants.

**Total registered and dsbursed FDI (USD bn)**



### Key projects CTD implemented from 2023 to 1H2024

	Residential	Industrial	Resort	Others
<b>1H2023</b>	Van Lang Sky Lake Urban Area - Phase 1	Apache shoe factory phase 02 Behn Meyer Vietnam Factory Foxconn Bac Giang factory	Nam O project Meyhomes Capital Phu Quoc KN Paraside - Divergence 8,9,10	Hanh Phuc Hospital
<b>2H2023</b>	The Emerald Go Bac Lieu Shopping Center Tien Bo Plaza	Ho Nai Industrial Park phase 02 Heineken Da Nang Factory BW Industry Yen Phong CN14.1	KN Paraside - Divergence 16,17	
<b>1H2024</b>	LA Home urban area TTC Plaza Da Nang Midori Park The Ten Golden Crown Hai Phong Eaton Park – Gamuda land Van Lang Sky Lake Urban Area - Phase 2 Imperia Smart City - Sola Park	Stronkin Factory Vinfast factory Viet Y Steel Factory Suntory Pepsico Factory Pandora factory	Mandarin Oriental project	Nguyen Thi Mot School. Luong Hoa Binh Chanh Street

Sources: CTD, ACBS

#### The Emerald 68 project



**Location:** Thuan An, Binh Duong.  
**Total investment:** VND 2,000 bn.  
**Area:** 0.8 ha; **Construction density:** 60%.  
**Products:** 770 apartments, 15 commercial townhouses.  
**Investor:** Le Phong and Coteccons.

Sources: CTD, ACBS

### 3. Infrastructure and real estate segments: new opportunities.

In 2022, Coteccons made significant strides in its diversification strategy. Notably, the Finance & Build model in collaboration with Le Phong Group for the development of The Emerald 68 project. This business model not only helps CTD diversify its revenue streams but also delivers a gross profit margin of approximately 15%, significantly higher than CTD's traditional civil construction segment (2%-5%)

Recently, the consortium of BEHS JSC and Covestcons Co., Ltd. (a subsidiary of CTD) has become the sole investor to submit a registration dossier for the Thanh Phu residential project in Long An, with a total investment capital of up to VND 12,600 bn. Regarding progress, the investor plans to complete legal procedures, carry out compensation, land clearance, and resettlement support during the 2024-2025 period.

Additionally, CTD is progressively aiming to participate in infrastructure construction projects to complete its value chain and become a mainstay of its

**business in the future.** In 2023, CTD joined the Hoa Lu consortium to bid for components of the Long Thanh International Airport project. The Hoa Lu consortium, comprising Coteccons and renowned contractors such as Hoa Binh, Delta, An Phong, and Central Cons, was not only formed to bid for the Long Thanh Airport project but also symbolizes Coteccons’ efforts to build mutual relationships among contractors who were once competitors.

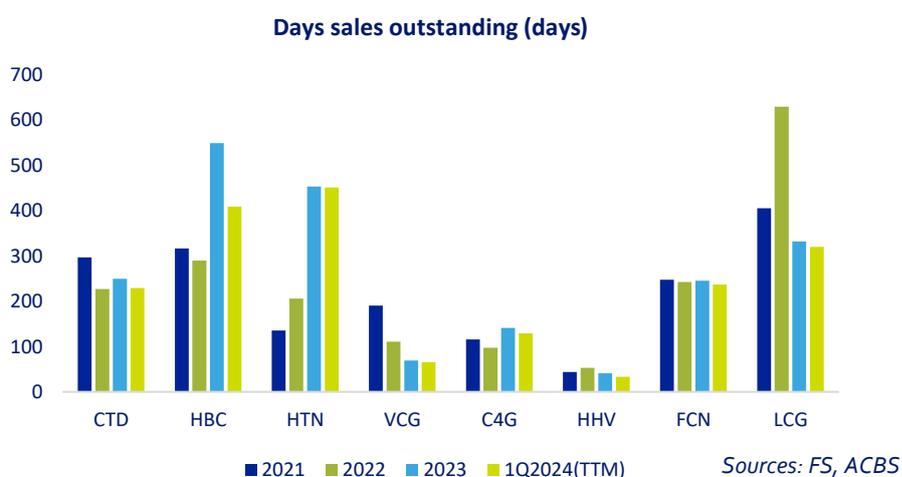
### III. Financial health and Business results

#### 1. Solid financial structure

**Coteccons stands out among construction firms for its consistent emphasis on maintaining a robust cash ratio within its asset structure.** By strategically managing its financial resources, CTD has successfully accumulated a substantial cash reserve, ensuring both liquidity and project advancement. As of the end of 2023, cash comprises approximately 13% of total assets, equivalent to over VND 2,800 bn (+67% YoY). This prudent financial approach positions CTD well for stability and growth.

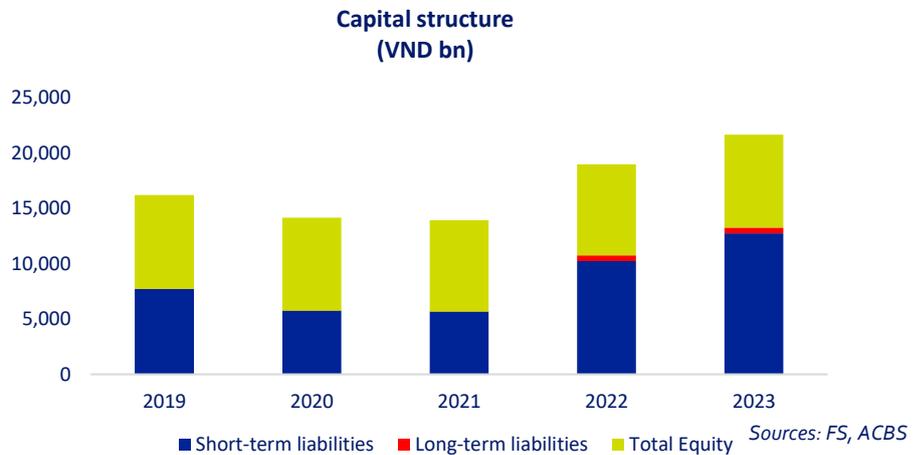
**Due to the nature of the construction industry, CTD’s short-term receivables from customers constitute a significant portion of its asset structure, accounting for 55% of total assets.** By the end of 2023, these receivables amounted to over VND 11,800 bn (+5.4% YoY), primarily from Vinhomes Industrial Park Investment JSC and Nam Hoi An Development Co., Ltd. We anticipate that with the warming of the real estate market, the quality of CTD’s receivables will continue to improve.

The payment capability of project investors plays a crucial role, directly impacting the cash flow of construction contractors. In the context of a subdued real estate market following various scandals, raising capital from sources such as banks and corporate bonds has become more challenging, leading to a contraction in the capital flow for real estate companies. This has resulted in delayed payments to contractors. **While other civil contractors have seen a significant increase in days sales outstanding (DSO), CTD has continuously improved its DSO through effective management, a repeat sales strategy, and a focus on industrial construction.**

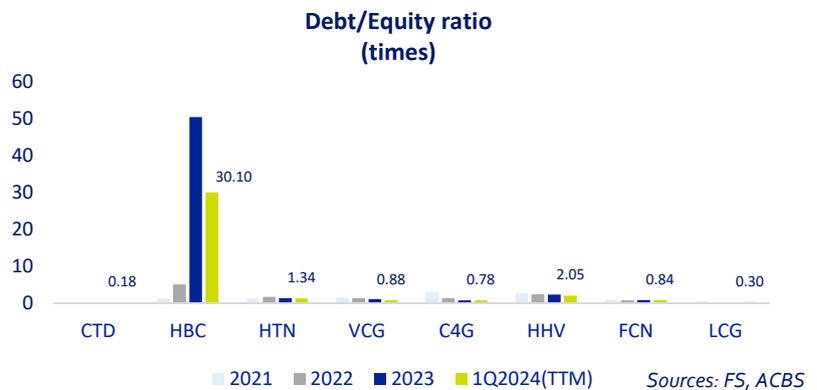


**CTD maintains a healthy capital structure with interest-bearing debt constituting a relatively small proportion, reducing the company’s exposure to interest expense pressures as rates rise.** CTD’s capital structure remains prudent,

primarily utilizing short-term debt to meet working capital needs (the company had no long-term debt until 2022). As of the end of 1Q2024, CTD's total debt was approximately VND 1,500 bn, equivalent to 7.1% of total assets, mainly sourced from short-term loans to support business operations, with interest rates not exceeding 9.5% per annum.

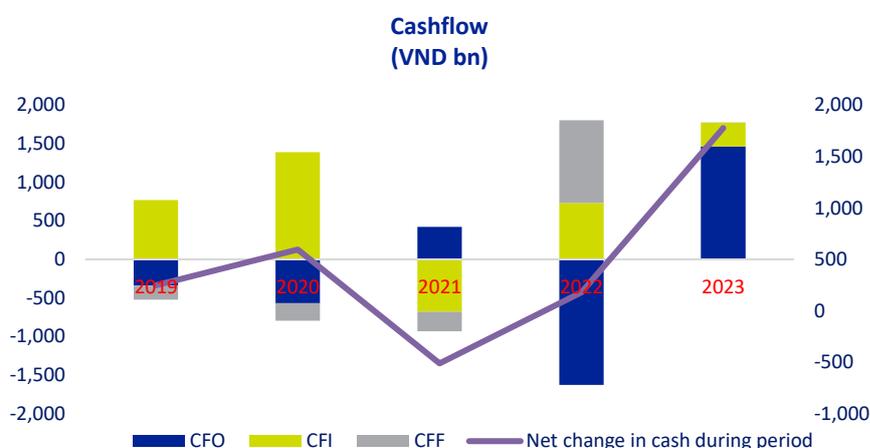


**Maintaining a low leverage ratio gives Coteccons a significant advantage over its industry peers.** By the end of 2023, CTD's debt-to-equity ratio was only 0.13 times, significantly lower than other contractors in the civil and industrial construction sectors (HBC at 50.2 times) or industrial and infrastructure construction (VCG at 1.1 times).



**CTD's cash flow is showing clear signs of improvement.** In 2022, net cash flow turned positive, reaching VND 180 bn, compared to a negative VND 596 bn in 2021, thanks to successful corporate restructuring and appropriate business strategies. However, due to seasonal factors, CTD's operating cash flow was negative in Q3 2024 (January 1, 2024 - March 31, 2024), amid a sharp increase in debt. Specifically, in Q3 2024, CTD recorded a negative operating cash flow of VND 677 bn and a significant increase in short-term debt from VND 582 bn in the previous quarter to VND 1,478.8 bn, mainly due to the recognition of approximately VND 430 bn in maturing bonds. Additionally, CTD reported an investment property value of over VND 329 bn, a significant increase from over VND 50 bn in the same period last year, and a deposit of VND 224.5 bn for properties in the Commercial - Service - Office -

Officetel - Apartment Complex project at 230 Nguyen Trai, District 1, Ho Chi Minh City.



Sources: FS, ACBS

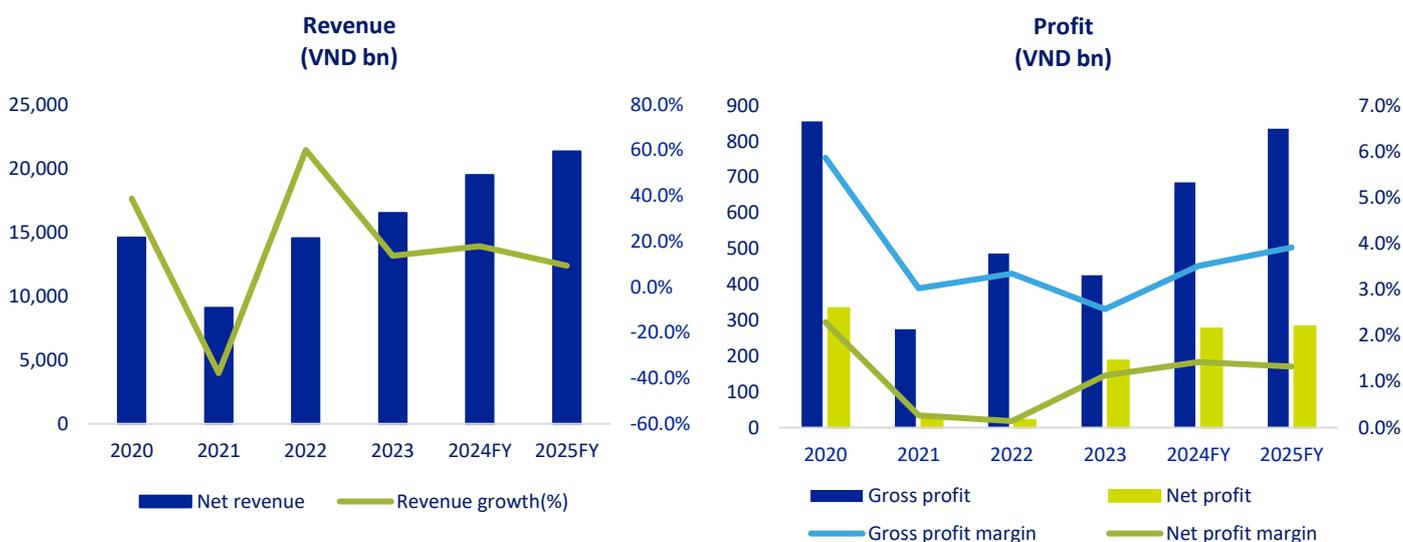
## 2. Business results

In 2023, CTD adjusted its financial year, shifting it from July 1 of the previous year to June 30 of the following year. As a result, CTD's financial year for 2023 spanned only six months (from January 1, 2023, to June 30, 2023). To facilitate comparison, we will temporarily consider the period from July 22 to March 23, aligning it with the business results for quarters 1-2-3 in 2024 (from July 23 to March 24) based on the new financial year.

In the third quarter of the fiscal year (January 1, 2024 - March 31, 2024), CTD achieved positive business outcomes. The CTD's revenue reached nearly VND4.7 trn (+49% YoY). The construction sector which accounted for 99% of the total revenue recorded sales of over VND4.6 trn (+49% YoY) mainly from key projects such as LEGO toy factory, VinFast Palace factory in Hai Phong (phase 3), and Ecopark Sky Forest Residences. After cost deductions, CTD's gross profit was nearly VND221 bn, quadrupling the same period figure of VND56 bn VND. The gross profit margin rose by 3.0 % from 1.7% to 4.7% in 3Q2024, largely thanks to the increased contribution of industrial construction projects (which have higher gross profit margins) to the sales mix.

Notably, CTD posted remarkable after-tax profits of VND105 bn, (+375% YoY). This was primarily thanks to the non-core operating profit of VND58 bn, following CTD's acquisition of a company operating in the mechanical and electrical segment and another specializing in the design and installation of aluminum and glass systems. We believe these acquisitions will progressively enhance CTD's construction value chain, thereby steadily improving its profit margin.

In the first nine months of the fiscal year, CTD reported a net revenue of VND14,450 bn, marking a 16% YoY increase, and an after-tax profit of VND241 bn, a staggering 543% YoY increase, completing of 82% and 89% of the company's annual business plan for revenue and profit after tax, respectively. As per the board of directors, the backlog value was now exceeded VND20 trn, which is 1.40 times higher than the total construction revenue in 2022. We believe this backlog will provide a solid foundation for CTD's revenue growth in the upcoming years. For FY2024, we estimate CTD will record revenue and profit after tax of VND19,495 bn (+22.2% YoY) and VND277 bn (+308% YoY).



Sources: FS, ACBS

## IV. Projection and valuation

### 1. Backlogs

Based on our statistics, during the 10-year period from 2014 to 2024, CTD's average annual value of new contracts was approximately VND 20,000 bn. We expect that CTD will continue to maintain an average annual value of new contracts of around VND 21,000 bn over the next three years (2025-2027) based on:

- + Recovery of the real estate market:** Key legislations have resolved legal issues for numerous stalled projects, aiding the early recovery of the real estate market. This has led to an increase in housing supply and a revival in construction demand.
- + Continued increase in FDI into Vietnam:** High-tech FDI inflows into Vietnam are expected to grow by 5% YoY, creating opportunities for increased industrial construction contracts.
- + Repeat sales strategy:** CTD's compliance with LEED, LOTUS, and ESG standards enables them to secure more civil and industrial construction contracts.

### 2. Gross profit margin & working capital turnover

With the increasing proportion of industrial construction activities (which have higher profit margins compared to civil construction), we expect CTD's gross profit margin to continue improving from 3.4% in 3Q2024 (FY) to 3.8% by the end of the fiscal year 2024.

We also anticipate that CTD will continue to improve its DSO and inventory turnover in the future. As the proportion of industrial construction increases, industrial construction companies will need to expedite construction and payment processes to bring factories into operation, thereby reducing DSO. As of the end of 3Q2024(FV), CTD has seen a significant improvement in DSO, from approximately 280-290 days in 2021-2022 to 228 days in 3Q2024(FV). Based on the backlog data we have collected; this figure is expected to gradually decrease to 180 days by 2027FY.

### 3. Provisioning expense:

Previously, Cotecons did not place significant emphasis on provisioning. Since 2021, with a transparent policy to ensure safety for CTD and investors, all financial items with potential risks have been assessed by audit departments for provisioning. This provisioning has impacted annual profits. However, in the future, with effective debt recovery, CTD could see a substantial profit increase due to the reversal of provisions. Nevertheless, we maintain a cautious outlook. While continuing to monitor and evaluate the real estate market recovery, we project that the ratio of administrative expenses (including provisions) to total revenue will remain at 2.9% from 2024 to 2027.

We recommend a BUY rating for CTD with a fair valuation of 97,000 VND per share using DCF method. This valuation is 38.5% higher than the current price, with a P/E ratio for 2024 of 36.4x and a P/B ratio of 1.1x. Following the prudent principle, our valuation model excludes estimates related to real estate business activities. This decision is based on the relatively minor contribution of real estate revenue compared to the overall revenue. Additionally, assessing the recovery of the real estate market and evaluating project performance require careful consideration over time.

	2024F	2025F	2026F	2027F
<b>Net sales</b>	19,495	21,337	25,977	26,537
<i>Sales growth</i>	21.2%	9.4%	21.7%	2.0%
<b>Gross profit</b>	686	836	1,017	1,039
<i>GMP</i>	3.5%	3.9%	3.9%	3.9%
EBIT	150	217	264	270
EBITDA	261	331	383	383
Operating Profit	347	354	408	373
<i>growth</i>	42%	2%	15%	-9%
EAT	277	283	326	298
<i>Growth</i>	308.1%	2.1%	15.1%	-8.6%
Net profit margin	1.4%	1.3%	1.3%	1.1%

	2024F	2025F	2026F	2027F
Net profit	276	282	325	297
Increase: Depreciation	111	114	119	114
Decrease: Capex	-337	-50	-50	-50
(Increase) / Decrease WC	-353	930	-1,094	704
Increase: I*(1-tax)	71	68	58	110
FCFF	-107	1,344	-642	1,174
<b>PV FCFF</b>	<b>-100</b>	<b>1,082</b>	<b>-446</b>	<b>703</b>

Risk free	4.5%
Risk premium	9.5%
Beta	1.31
Cost of equity	16.91%
Equity weight	90%
Debt weight	10%
<b>Terminal growth rate</b>	<b>2%</b>
<b>WACC</b>	<b>15.96%</b>

Total PV of FCFF	1,240
Terminal Value	8,574
PV of terminal Value	5,955
<b>Enterprise Value</b>	<b>7,195</b>
Plus: Excess cash and ST investments	4,063
Minor: Net debt	1,195
Minor: Minorities interest	4
<b>Equity Value</b>	<b>10,059</b>
Number of share outstanding (mil shares)	103.63
<b>Reasonable price (VND/share)</b>	<b>97,060</b>

### Appendix: Sensitivity Analysis

		Price per Share (VND)				
		Constant Growth				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	97,060					
	14.0%	104,130	107,020	110,170	113,580	117,310
	15.0%	98,030	100,490	103,140	106,000	109,100
	16.0%	92,750	94,860	<b>97,060</b>	99,550	102,170
	17.0%	88,150	89,970	91,920	94,010	96,240
	18.0%	84,090	85,690	87,380	89,190	91,110

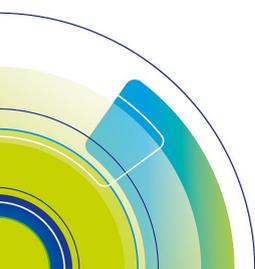
CTD's P/B valuation over the past 10 years (2014 - 2024)



CTD FINANCIAL MODEL	Current price: VND	69,900	Fair price: VND	97,060	Market cap: VND bn	7,300
(VND bn except where stated)		2022	2023	2024FY	2025FY	2026FY
Net sales (VND bn)		14,537	16,528	19,495	21,337	25,977
<i>Growth (%)</i>		-38.0%	60.0%	9.4%	21.7%	21.5%
COGS		(14,050)	(16,102)	(18,809)	(20,501)	(24,960)
<b>Gross profit</b>		487	426	686	836	1,017
<i>Gross profit margin</i>		3.3%	2.6%	3.5%	3.9%	3.9%
SG&A		(735)	(398)	(565)	(619)	(753)
SG&A margin		-5.1%	-2.4%	-2.9%	-2.9%	-2.9%
Profit/(loss) in associates, joint venture		(24)	-	(14)	(15)	(19)
<b>EBITDA</b>		-141	90	261	330	382
<i>EBITDA margin</i>		-1.0%	0.5%	1.3%	1.6%	1.5%
<b>Net operating profit</b>		(54)	238	275	354	408
<i>Operating profit margin</i>		-0.4%	1.4%	1.4%	1.7%	1.6%
Financial income		381	348	227	238	235
Financial expenses		(163)	(130)	(89)	(86)	(73)
Other income		88	10	72	-	-
<b>Profit before tax</b>		35	244	347	354	408
<b>Profit after tax</b>		21	188	277	283	326
Non-controlling interest		0	0	1	1	2
<b>NPAT-MI</b>		21	188	276	282	325
<i>Net profit margin</i>		0.1%	1.1%	1.4%	1.3%	1.2%
Cash, cash equivalents & short-term investments		1,064	1,883	1,469	2,577	2,525
Share outstanding (mn)		78.8	103.6	103.6	103.6	103.6
EPS (VND)		280	662	2,664	2,721	3,133
<b>Adjusted EPS (VND)</b>		49	662	2,664	2,721	3,133

KEY CASHFLOW AND BS ITEMS	2022	2023	2024FY	2025FY	2026FY
Increase in working capital	-1,612	1,353	-353	930	-1,094
Capex	-143	-415	-337	-50	-50
Other cashflow items	-402	-121	836	499	282
<b>Free cash flows</b>	180	1,778	-414	1,108	-52
Dividends paid	0	0	0	0	0
Increase in net debt	1,473	-1,103	123	-1,273	697
<b>Net debt, end of year</b>	-1,766	-2,868	-2,746	-4,018	-3,322
<b>Shareholder's equity</b>	8,214	8,272	8,797	9,081	9,407
BVPS (VND)	104,197	104,930	84,888	87,622	90,771
Net debt / Equity	-21.5%	-34.7%	-31.2%	-44.2%	-35.3%
Net debt / EBITDA	12.7	-31.9	-10.5	-12.1	-8.7
<b>Total assets</b>	18,967	21,375	22,304	23,527	25,867

KEY RETURN AND VALUATION RATIOS	2022	2023	2024FY	2025FY	2026FY
ROE	0.3%	2.3%	3.3%	3.2%	3.5%
ROA	0.1%	0.9%	1.3%	1.2%	1.3%
ROIC	-1.3%	0.1%	2.9%	2.9%	3.2%
WACC	15.9%	15.9%	15.9%	15.9%	15.9%
EVA	-17.2%	-15.8%	-13.0%	-13.0%	-12.7%
P/E (x)	252.3	40.3	36.4	35.7	31.0
EV/EBITDA (x)	-37.0	40.7	20.9	16.5	14.3
EV/FCF (x)	30.4	3.1	-13.2	4.9	-104.8
P/B (x)	0.6	0.9	1.1	1.1	1.1
P/S (x)	0.4	0.5	5.0	4.5	3.7
EV/sales (x)	0.4	0.4	6.1	5.3	5.0
Dividend yield	0%	0%	0%	0%	0%



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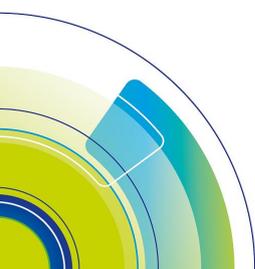
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**BUY:** Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

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

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**SELL:** Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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