

Coteccons (CTD)

Optimize provision cost to boost profit

December 8, 2023

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Operating income returned to growth in 1Q FY2024 thanks to improved GPM and reduced provision expenses

By the end of 1Q FY2024, Coteccons Construction (CTD) NPAT reached VND67 billion on revenue of VND4,124 billion (+33% YoY). Good performance was attributable to (1) a 2.4% gain in GPM from revenue from Lego project (industrial segment) and (2) a decrease of 29% YoY in provision costs. Operating income (excluding net financial income) has also returned to positive levels.

The industrial segment is the driving force for future growth

GPM of CTD should improve in FY2024 thanks to (1) the large proportion of the industrial segment (21% at the end of FY2023 compared to 14% in early 2023) with the main motivation from the Lego project and (2) CTD's new contracts in the industrial segment with FDI developers in the medium and long term.

The value of new contracts to be signed in FY2024 should gain 30%

FY2023-end backlog of the company reached VND20,000 billion. For FY2024, the value of newly signed contracts should gain 30% YoY thanks to the repeat sales strategy and the potential recovery in the residential real estate market.

Estimated FY2024 provision costs are at VND104 billion, supporting NPAT

We expect provision costs in FY2024 to account for 0.6% of CTD's revenue and decrease by 32% compared to that of the last four quarters. CTD can limit additional bad debts in the future thanks to (1) the application of payment guarantees and (2) risk management while implementing repeat purchases.

BUY recommendation with target price VND76,200/share

We determine the fair value of CTD at 76,200 VND/share, corresponding to a potential price increase of 19% compared to the closing price on December 8, 2023.

Buy change

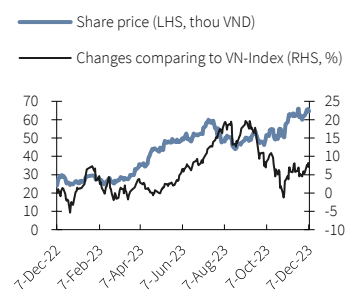
| | |
|-----------------------------|------------------|
| Target price | VND76,200 |
| Upside | 19% |
| Current price (Dec 8, 2023) | VND64,300 |
| Consensus target price | VND49,500 |
| Market cap (VNDtn/USDbn) | 0.61/0.25 |

| | |
|------------------------------------|----------------------------|
| Trading data | |
| Free float | 55% |
| 3M avg trading value (VNDbn/USDmn) | 929/40 |
| Foreign ownership | 44.8% |
| Major shareholder | Kustoshem Private (17.55%) |

| | | | | |
|--------------------------------|----|----|----|-----|
| Share price performance | | | | |
| (%) | 1M | 3M | 6M | 12M |
| Absolute | 0 | 0 | 0 | 2 |
| Relative | 0 | 0 | 0 | 1 |

Forecast earnings & valuation

| FY-end | 2022A | 2023A | 2024F | 2025F |
|-------------------------------|--------|-------|--------|--------|
| Net sales (VNDbn) | 14,537 | 6,744 | 17,109 | 16,530 |
| Operating income/loss (VNDbn) | -54 | 69 | 280 | 391 |
| NPAT (VNDbn) | 21 | 52 | 222 | 313 |
| EPS (VND) | 265 | 663 | 2,141 | 3,019 |
| EPS growth (%) | -13% | 152% | 223% | 41% |
| P/E (x) | 125.2 | 97.8 | 30.0 | 21.3 |
| P/B (x) | 0.5 | 0.6 | 0.8 | 0.8 |
| ROE (%) | 0% | 1% | 3% | 4% |
| Dividend yield (%) | 0% | 0% | 0% | 0% |



1Q24 performance updates

Table 1. CTD – 1Q24 results

| (VNDbn) | 3Q22 | 1Q24 | +/-%YoY | 1H22 | 2023 | +/-%YoY | KBSV's notes |
|--|--------------|--------------|---------------|--------------|--------------|---------------|---|
| Revenue | 3,113 | 4,124 | 32.5% | 5,193 | 6,744 | 29.9% | |
| Cost of goods sold | -3,514 | -4,024 | 14.5% | -4,911 | -6,588 | 34.1% | |
| Gross profit | 33 | 100 | 204.9% | 282 | 157 | -44.5% | |
| Gross profit margin (%) | 1.1% | 2.4% | 1.4% | 5.4% | 2.3% | -3.1% | 1Q24 GPM improved thanks to (1) recognized revenue from industrial projects such as Lego and Foxconn and (2) more stable raw material prices. |
| Financial income | 83 | 101 | 22.1% | 228 | 179 | -21.4% | |
| Financial expenses | -44 | -32 | -26.0% | -59 | -67 | 13.2% | |
| Interest expenses | -25 | -24 | -1.7% | -30 | -49 | 64.6% | |
| Profit/(loss) from joint ventures | -5 | 0 | | -11 | -7 | -37.3% | |
| SG&A costs | -103 | -83 | -19.8% | -449 | -193 | -57.0% | CTD made provision of VND30 billion in 1Q24 (-29% YoY) helping sales and administrative expenses decrease by 20% YoY. |
| SG&A margin (%) | 3.3% | 2.0% | -1.3% | 8.6% | 2.9% | -5.8% | |
| Operating income/loss | -37 | 86 | | -9 | 69 | | |
| Other incomes (net) | 34 | 0 | -100.0% | 20 | 0 | -99.8% | |
| Profit before taxes (PBT) | -3 | 86 | | 11 | 69 | 521.3% | |
| PBT margin (%) | -0.1% | 2.1% | 2.2% | 0.2% | 1.0% | 0.8% | |
| Tax costs | 0 | -20 | | -6 | -17 | 193.9% | |
| Profit after taxes (NPAT) | -4 | 67 | | 5 | 52 | 859.7% | |
| NPAT margin (%) | -0.1% | 1.6% | 1.7% | 0.1% | 0.8% | 0.7% | |
| Profit of the parent company (NPATMI) | -4 | 67 | | 5 | 52 | 872.8% | |
| NPATMI margin (%) | -0.1% | 1.6% | 1.7% | 0.1% | 0.8% | 0.7% | |

Source: Cotecons Construction, KB Securities Vietnam

Operating income (excluding financial profits/losses) returned to a positive level

In 1Q24, CTD recorded VND17 billion in operating income (excluding net financial income), ending eight consecutive quarters of losses. We think this will be the start of a recovery in the business performance of CTD after a period of comprehensive restructuring.

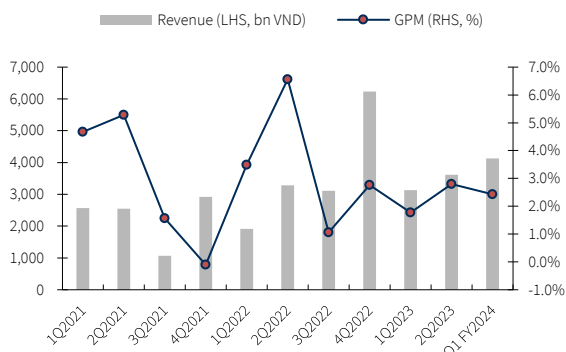
Investment catalysts

1. Orientation to participate in the industrial segment in the long term

GPM increased thanks to improving the backlog structure of the industrial segment

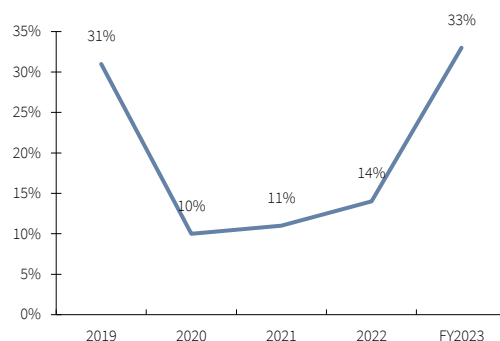
Under normal economic conditions, we estimate the GPM of CTD industrial segment at 6–8%, higher than the residential infrastructure segment (4–6%, depending on the project) thanks to (1) higher technical requirements than residential properties as the construction needs to meet the requirements, production and operation plans of the developers and (2) lower proportion of raw material costs compared to other types of residential infrastructure. We expect GPM of the industrial segment to reach 2.9% in FY2024 thanks to the YoY increase in industrial backlog proportion (at the end of FY2023, the industrial backlog proportion accounted for 21% of the structure compared to 14% at the end of 2022). The Lego factory is expected to be handed over between August and October 2024.

Fig 2. CTD – Revenue & GPM (VNDbn, %)



Source: Coteccons Construction, KB Securities Vietnam

Fig 3. CTD – Industrial segment backlog proportion (%)

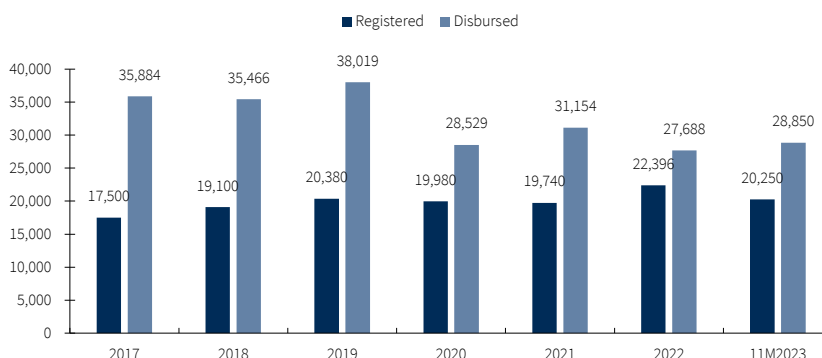


Source: Coteccons Construction, KB Securities Vietnam

The industrial segment is expected to contribute 30–40% of revenue in the medium term

In 11M23, the value of registered FDI capital in Vietnam increased by 15% YoY despite the downtrend in investment capital flows in developing markets. We believe that the industrial segment, especially FDI projects, is an attractive market for construction contractors as Vietnam benefits from the relocation of production bases in the medium and long term. Therefore, we also think that CTD will have an advantage when bidding and building foreign-invested factory projects as (1) the Lego project will be a bright spot that proves the capacity of CTD to foreign investors. In addition, (2) the Management led by foreign experts will have a competitive advantage when participating in bidding and implementing FDI projects thanks to their experience working in developed markets. This will help CTD easily meet the technical standards set by foreign investors.

Fig 4. Vietnam – Disbursed & registered FDI (USDmn)

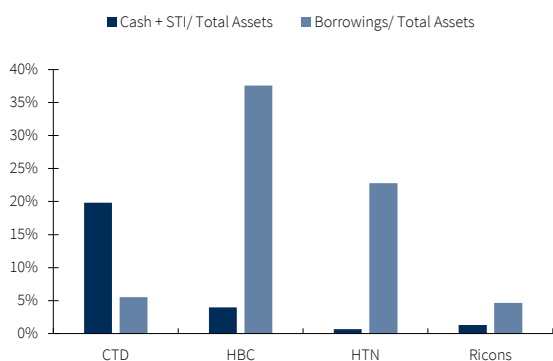


Source: General Statistics Office, KB Securities Vietnam

Healthy financial foundation is a competitive advantage for CTD participating in bidding

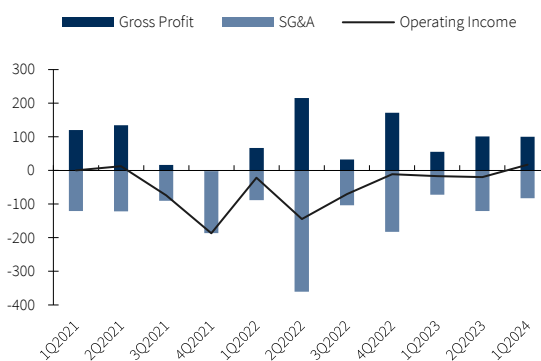
(1) With a large amount of cash and small debts, CTD has the resources to ensure construction progress and project handover to the investors. We think this is a big advantage of CTD as foreign investors tend to prioritize project quality and delivery schedule over competitive bids. In addition, (2) the financial capacity of CTD has also been rated as stable (BBB) by FiiRatings in 2023, affirming its leading position in the construction industry with low financial risk and high liquidity. (3) Income from business activities (excluding financial profit/loss) returned to positive in Q1 FY2024, confirming CTD's ability to operate in the future.

Fig 5. Vietnam construction corporations – Financial status in 3Q23



Source: Financial statements, KB Securities Vietnam

Fig 6. CTD – Operating income (VNDbn)



Source: Coteccons Construction, KB Securities Vietnam

Adding resources to the M&E sector helps to improve comprehensive construction capacity

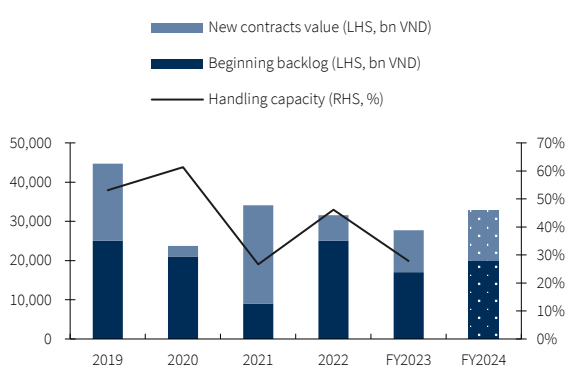
CTD has just announced it plans to acquire 100% of a company operating in mechanical & engineering (M&E). For the manufacturing industry, M&E can account for 40–60% of the workload of a project. After the discussion with CTD, we expect the above transaction to be completed in FY2Q24 and hope the resources in the M&E segment will help improve bidding and construction capacity of the company.

Backlog transferred to FY2024 reached VND20,000 billion, equivalent to 1.4x 2022 revenue

2. Large backlog ensures workload for FY2024

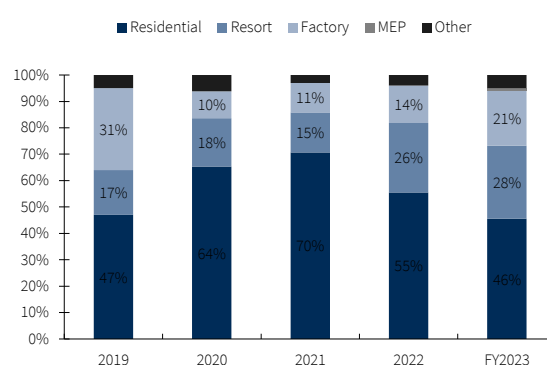
As of the beginning of FY2024, CTD recorded a backlog value of VND20,000 billion, equivalent to 1.4x 2022 revenue. We think this is an impressive number compared to other competitors in the industry, especially when the residential real estate market has to cope with many difficulties. (1) The number of newly licensed projects in 3Q23 only reached 15 projects (compared to 36 projects in 3Q22), causing the job supply of construction enterprises to be limited. Accordingly, (2) competition in the construction market has become fiercer as businesses tend to lower bidding prices, affecting GPMs.

Fig 7. CTD – Backlog value over the years (VNDbn)



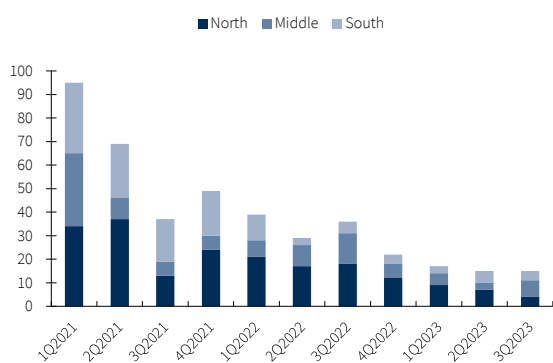
Source: Coteccons Construction, KB Securities Vietnam

Fig 8. CTD – Backlog structure



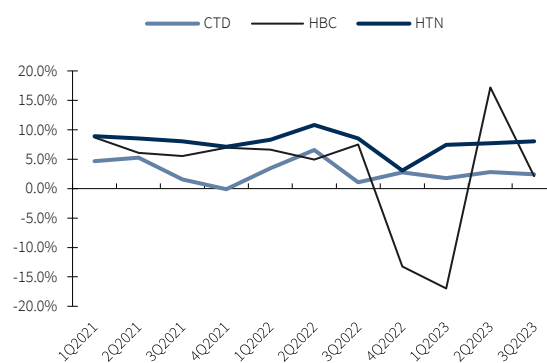
Source: Coteccons Construction, KB Securities Vietnam

Fig 9. Vietnam – Number of newly licensed residential projects (project)



Source: Ministry of Construction, KB Securities Vietnam

Fig 10. Vietnam construction businesses – GPMs (%)



Source: Financial statements, KB Securities Vietnam

The value of new signed contracts may grow on (1) repeat sales and (2) recovery of the residential real estate market

Repeat sales is a strategy to re-sign new projects with existing investors. In this way, the investor will have an advantage as the capacity of the contractor has been proven before, thereby ensuring commitment to the requirements set by the investor. Besides, re-signing also helps investors negotiate favorable payment incentives (such as discounts and deferred payments), especially in difficult market contexts. For contractors, repeat sales help save bidding costs and minimize the risk of debt arising by understanding the financial health of both the investor and the project. Some investors proactively re-signed and became major partners of CTD, including Vingroup – Vinhomes (Ocean Park, Smart City, Grand Park, and Vinfast Hai Phong), Doji (Diamond Crown and Golden Crown), Ecopark (Swan Lake Residences and Sky Forest), and Apache (phase 1&2).

For the residential real estate sector, we expect the market to gradually recover from 2Q24 when the Government's supportive policies to help lower interest rates and speed up the completion of legal procedures for projects should help businesses easily access capital and quickly launch and sell new products. Furthermore, absorption rates on the market have also increased given increasing supply and stabilizing secondary prices.

With the repeat sales strategy and the prospect of recovery from the real estate market, we expect new contract value of CTD in FY2024 to climb 30–40%.

Table 11. CTD – Some projects winning bids from early FY2024

| Projects | Contractor | Infrastructure type | Time of bid winning | Resources |
|--------------------------------------|------------|---------------------|---------------------|--------------|
| KN Paradise (Phase 2) | Unicons | Residential | July 2023 | Repeat sales |
| Happiness Hospital (Phase 3) | Unicons | M&E | August 2023 | Repeat sales |
| Crystal Holidays Harbor Van Don | Unicons | Residential | September 2023 | New bidding |
| Ho Nai Industrial Park (Phase 2) | Unicons | Công nghiệp | October 2023 | New bidding |
| Tien Bo Plaza | Unicons | Residential | October 2023 | New bidding |
| Golden Crown Hai Phong | Unicons | Residential | November 2023 | Repeat sales |
| Heineken Danang Brewery Expansion | Unicons | M&E | December 2023 | New bidding |
| Go! Shopping Center and Supermarket! | Unicons | Residential | December 2023 | New bidding |

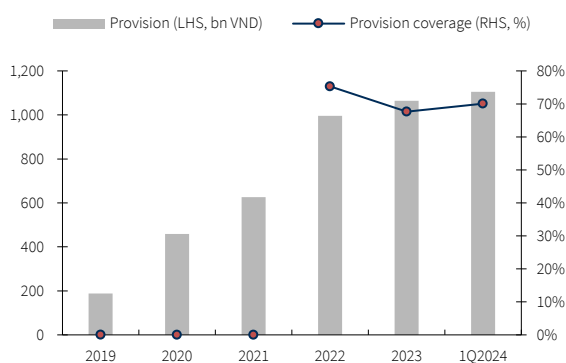
Source: Cotecccons Construction, KB Securities Vietnam

FY2024 provision costs should drop to 0.6% of net revenue

3. Reducing provision costs helps improve NPAT

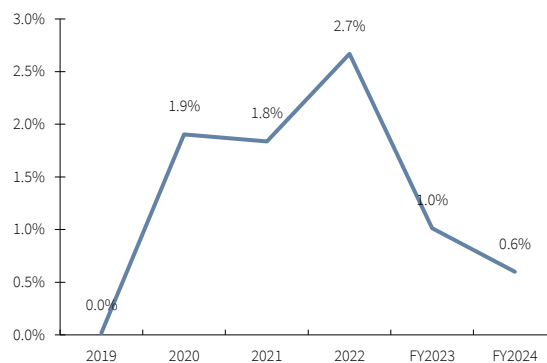
At the end of FY1Q24, CTD made provision for 70% of bad debts, of which bad debts related to the group of companies in the Tan Hoang Minh and Van Thinh Phat ecosystems had been fully provisioned in the period 2021 – 2022. We expect provision costs to continue to decline and estimate FY2024 provision costs at VND104 billion (compared to the plan of VND90 billion), thereby helping SG&A margin decrease to 2% during the period. In the future, we believe that CTD can recover VND484 billion in bad debt from Tan Hoang Minh Group (accounting for 31% of total bad debt) as the group has shown positive signs in resolving bond principals to bondholders, but it will take time to process.

Fig 12. CTD – Provision costs & proportion (VNDbn, %)



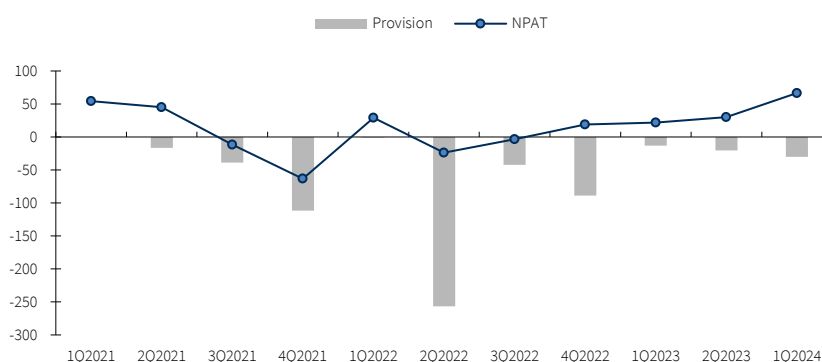
Source: Coteccons Construction, KB Securities Vietnam

Fig 13. CTD – Provision costs/net revenue ratio (%)



Source: Coteccons Construction, KB Securities Vietnam

Fig 14. CTD – Provision costs & NPAT in 2021–2024 (VNDbn)



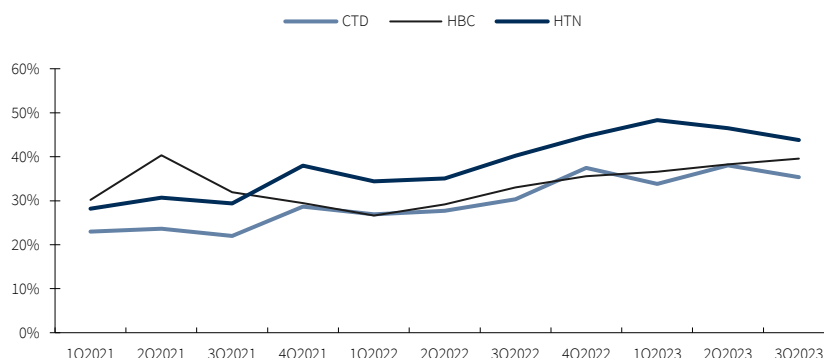
Source: Coteccons Construction, KB Securities Vietnam

Repeat sales strategy and payment guarantees help limit bad debts

As stated above, the repeat sales strategy helps contractors collect information about the financial situation of the project and investors in advance, thereby facilitating effective risk management and limiting bad debts. In addition, the application of payment guarantees (the investor mortgages assets with the bank to ensure the payment ability to the contractor when the project reaches the acceptance and handover dates) is also a tool to help CTD manage debts more effectively. In this way, the investor will pay interest directly to the bank/credit institution in case of late payment. In fact, payment guarantees have been applied in the construction industry for a long time. However, in the context of a quiet and highly competitive construction market, we believe that the investors' agreeing to use payment guarantees with CTD has showed (1) CTD's top construction capacity and quality and (2) its great negotiating advantage thanks to possessing a large amount of cash, ensuring the progress of construction and handover of projects.

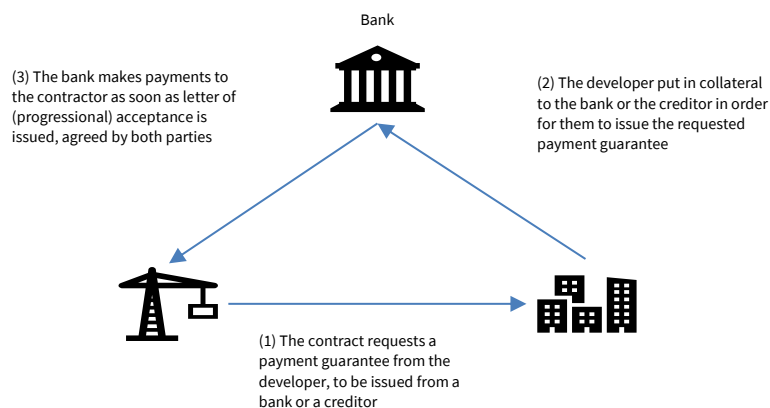
We believe that CTD's risk management activities are being implemented closely from the project level to the investor, demonstrating caution in business activities, especially in a difficult market context. capital difficulties.

Fig 25. Vietnam construction businesses – Short-term public debts/total assets ratio (%)



Source: Financial statements, KB Securities Vietnam

Fig 36. Vietnam – Payment guarantee features



Source: KB Securities Vietnam

Forecast & valuation

Table 17. CTD – FY2024–2025F results

| (VNDbn) | FY 2023A | FY 2024F | +/-%YoY | FY 2025F | +/-%YoY | KBSV's notes |
|--|--------------|---------------|---------------|---------------|--------------|---|
| Revenue | 6,744 | 17,109 | 153.7% | 16,530 | -3.4% | KBSV assume (1) the value of newly signed contracts in FY2024 increases by 30% YoY and (2) the completion rate and work recognition of CTD in the year is 53% |
| Cost of goods sold | -6,582 | -16,617 | 152.4% | -15,941 | -4.1% | |
| Gross profit | 162 | 492 | 204.2% | 589 | 19.7% | WE expect CTD's GPM to improve to 2.9% thanks to (1) recording the majority of Lego project revenue (industrial infrastructure segment) in FY2024 and (2) industrial backlog structure increasing to 40%. |
| Gross profit margin (%) | 2.4% | 2.9% | 0.5% | 3.6% | 0.7% | |
| Financial income | 179 | 302 | 68.7% | 303 | 0.5% | |
| Financial expenses | -67 | -112 | 67.5% | -88 | -21.5% | |
| Interest expenses | -49 | -112 | 127.8% | -88 | -21.5% | |
| Profit/(loss) from joint ventures | -7 | 0 | | 0 | | |
| SG&A costs | -193 | -423 | 119.4% | -413 | -2.4% | Estimated FY2024 provision costs reach VND104 billion (0.6% of revenue), down 73% compared to 2022. |
| SG&A margin (%) | 2.9% | 2.5% | -0.4% | 2.5% | 0.0% | |
| Operating income/loss | 69 | 280 | 308.1% | 391 | 39.5% | |
| Other incomes (net) | 0 | 0 | -83.8% | 0 | | |
| Profit before taxes (PBT) | 69 | 280 | 307.9% | 391 | 39.5% | |
| PBT margin (%) | 1.0% | 1.6% | 0.6% | 2.4% | 0.7% | |
| Tax costs | -17 | -58 | 253.4% | -78 | 34.0% | |
| Profit after taxes (NPAT) | 52 | 222 | 325.1% | 313 | 41.0% | |
| NPAT margin (%) | 0.8% | 1.3% | 0.5% | 1.9% | 0.6% | |
| Profit of the parent company (NPATMI) | 52 | 222 | 324.9% | 313 | 41.0% | |
| NPATMI margin (%) | 0.8% | 1.3% | 0.5% | 1.9% | 0.6% | |

Source: Coteccons Construction, KB Securities Vietnam

**Valuation: BUY recommendation
with a target price of
VND76,500/share**

We believe that CTD is an attractive ticker thanks to its significantly improved asset quality and superior financial status compared to competitors in the industry. CTD also has great growth potential from large backlog and cash amount, which creates advantages for the corporation when participating in bidding.

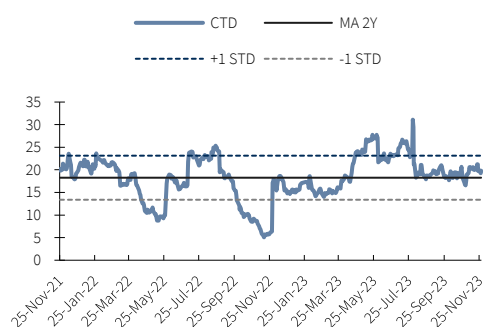
Applying FCFE and target P/B methods, we determine the fair value of CTD at VND76,500/share, corresponding to a return of 19% compared to the closing price on December 8, 2023.

Table 28. CTD – Final valuation

| Methods | Unit | Weight | Value |
|---------------------------------|-----------|--------|--------|
| Assumptions | | | |
| Beta | x | | 1.5 |
| Risk-free rate | % | | 5.0% |
| Risk premium | % | | 8.0% |
| WACC | % | | 15.8% |
| FCFE | | | |
| Enterprise value | VNDbn | | 4,454 |
| Cash and short-term investments | VNDbn | | 4,079 |
| Short and long-term borrowings | VNDbn | | 1,133 |
| Equity value | VNDbn | | 7,400 |
| No. of shares | million | | 1,036 |
| Share price | VND/share | | 71,402 |
| P/B | | | |
| BVPS @ 2924 | VND | | 81,021 |
| P/B target | x | | 1 |
| Share price | VND/share | | 81,021 |
| Summary | | | |
| FCFE | VND/share | 50% | 71,402 |
| P/B Target | VND/share | 50% | 81,021 |
| Target price | VND/share | | 76,200 |

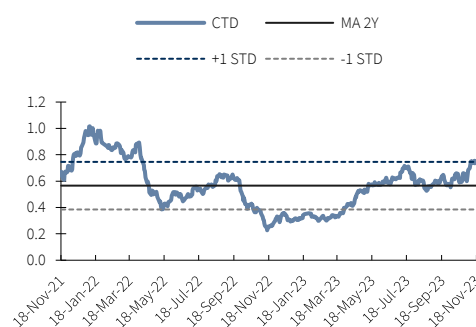
Source: KB Securities Vietnam

Fig 19. CTD – P/E (x)



Source: Bloomberg, KB Securities Vietnam

Fig 20. CTD – P/B (x)



Source: Bloomberg, KB Securities Vietnam

CTD – 2022A-2025F financials

| Income Statement (bn. VND) | | | | | Balance Sheet (bn. VND) | | | | |
|---|---------|--------|---------|---------|--|--------|--------|--------|--------|
| (Standard Report) | 2021 | 2022 | 2023F | 2024F | (Standard Report) | 2021 | 2022 | 2023F | 2024F |
| Net Revenue | 14,537 | 6,744 | 17,109 | 16,530 | TOTAL ASSET | 18,965 | 21,375 | 22,418 | 23,385 |
| Cost of Goods Sold | -14,050 | -6,582 | -16,617 | -15,941 | CURRENT ASSETS | 17,465 | 19,884 | 20,650 | 21,529 |
| Gross Profit | 487 | 162 | 492 | 589 | Cash and cash equivalents | 1,064 | 1,883 | 2,713 | 2,249 |
| Financial Income | 381 | 179 | 302 | 303 | Short-term investments | 1,780 | 2,180 | 1,854 | 1,854 |
| Financial Expenditure | -163 | -67 | -112 | -88 | Accounts receivable | 11,231 | 11,590 | 11,336 | 13,128 |
| Including: Cost of Borrowing | -79 | -49 | -112 | -88 | Inventories | 2,838 | 3,148 | 2,894 | 3,237 |
| Profit/(loss) from affiliated companies | -24 | -7 | 0 | 0 | LONG-TERM ASSETS | 1,500 | 1,491 | 1,769 | 1,855 |
| Selling expenditures | 0 | 0 | 0 | 0 | Long-term trade receivables | 380 | 399 | 561 | 561 |
| General and administrative expenditures | -735 | -193 | -423 | -413 | Fixed assets | 560 | 523 | 628 | 714 |
| Profit/(loss) from operating | -54 | 69 | 280 | 391 | Long-term incomplete assets | 48 | 33 | 33 | 33 |
| Other income | 94 | 2 | 0 | 0 | Long-term investments | 38 | 50 | 61 | 61 |
| Other expenditures | -5 | -2 | 0 | 0 | Good will (before 2015) | 0 | 0 | 0 | 0 |
| Net Other Income | 88 | 0 | 0 | 0 | TOTAL LIABILITIES | 10,751 | 13,103 | 13,925 | 14,578 |
| Profit/(loss) from affiliated companies | 0 | 0 | 0 | 0 | Current liabilities | 10,224 | 12,603 | 13,427 | 14,576 |
| Profit/(loss) before tax | 35 | 69 | 280 | 391 | Trade accounts payable | 5,060 | 5,196 | 5,771 | 6,981 |
| Tax | -14 | -17 | -58 | -78 | Short-term borrowings | 553 | 697 | 678 | 687 |
| Profit/(loss) after tax | 21 | 52 | 222 | 313 | Other short-term liabilities | 4,612 | 6,710 | 6,978 | 6,907 |
| Minority Interest | 0 | 0 | 0 | 0 | Long-term liabilities | 527 | 500 | 498 | 3 |
| NPATMI | 21 | 52 | 222 | 313 | Long-term trade payables | 0 | 0 | 0 | 0 |
| | | | | | Other long-term liabilities | 524 | 498 | 496 | 0 |
| | | | | | Long-term borrowings | 2 | 3 | 3 | 3 |
| | | | | | OWNER'S EQUITY | 8,214 | 8,272 | 8,494 | 8,807 |
| | | | | | Paid-in capital | 788 | 788 | 1,036 | 1,036 |
| | | | | | Share premium | 3,019 | 3,019 | 3,019 | 3,019 |
| | | | | | Other funds | 4,070 | 4,076 | 3,828 | 3,828 |
| | | | | | Undistributed earnings | 336 | 388 | 610 | 923 |
| | | | | | State capital | 0 | 0 | 0 | 0 |
| | | | | | Interest of non-controlling shareholders | 0 | 0 | 0 | 0 |
| Operating Ratios | | | | | Main Ratios (x, %, VND) | | | | |
| | 2021 | 2022 | 2023F | 2024F | | 2021 | 2022 | 2023F | 2024F |
| Gross Profit Margin | 3.3% | 2.4% | 2.9% | 3.6% | Valuation Ratios | | | | |
| EBITDA Margin | 0.9% | 2.5% | 2.7% | 3.4% | P/E | 125.2 | 97.8 | 30.0 | 21.3 |
| EBIT Margin | 0.2% | 1.8% | 2.3% | 2.9% | P/E (diluted) | 125.2 | 97.8 | 30.0 | 21.3 |
| PBT Margin | 0.2% | 1.0% | 1.6% | 2.4% | P/B | 0.3 | 0.6 | 0.8 | 0.8 |
| Operating Profit Margin | -0.4% | 1.0% | 1.6% | 2.4% | P/S | 0.2 | 0.8 | 0.4 | 0.4 |
| Net Profit Margin | 0.1% | 0.8% | 1.3% | 1.9% | P/Tangible Book | 4.6 | 9.8 | 10.6 | 9.3 |
| | | | | | P/Cash Flow | | | | |
| | | | | | EV/EBITDA | -33.6 | 692.6 | 42.3 | 26.2 |
| | | | | | EV/EBIT | 22.8 | 43.3 | 17.0 | 13.9 |
| Cash Flow Statement (Standard Report) | | | | | Management Efficiency | | | | |
| | 2021 | 2022 | 2023F | 2024F | | 2021 | 2022 | 2023F | 2024F |
| PBT | 35 | 69 | 280 | 391 | ROE% | 0% | 1% | 3% | 4% |
| Depreciation | 106 | 51 | 67 | 79 | ROA% | 0% | 0% | 1% | 1% |
| Profit/(loss) from investing | -352 | -169 | 0 | 0 | ROIC% | 0% | 1% | 2% | 3% |
| Cost of borrowing | 79 | 50 | 112 | 88 | Financial Ratios | | | | |
| Profit/(loss) before changes in WC | 388 | 61 | 460 | 558 | Cash Ratio | 10% | 15% | 20% | 15% |
| (Increase)/decrease in receivables | -3,285 | -986 | -640 | -1,001 | Quick Ratio | 138% | 124% | 118% | 118% |
| (Increase)/decrease in inventory | -1,188 | -308 | 254 | -342 | Current Ratio | 171% | 158% | 154% | 148% |
| Increase/(decrease) in payables | 2,860 | 2,228 | 575 | 1,210 | Long-term borrowing/Owner's Equity | 0% | 0% | 0% | 0% |
| (Increase)/decrease in pre-paid expenses | -58 | -1 | 0 | 0 | Long-term borrowing/Total Asset | 0% | 0% | 0% | 0% |
| Sellable securities, cost of borrowing, tax | -344 | -64 | -171 | -167 | Short-term borrowing/Owner's Equity | 7% | 8% | 8% | 8% |
| Operating Cash Flow | -1,627 | 931 | 709 | 188 | Short-term borrowing/Total Asset | 0% | 0% | 0% | 0% |
| Purchases of fixed assets and other long term assets | -195 | -40 | -184 | -165 | Short-term payables/Owner's Equity | 62% | 63% | 68% | 79% |
| Proceeds from disposal of fixed assets | 2 | 0 | 0 | 0 | Short-term payables/Total Asset | 27% | 24% | 26% | 30% |
| Loans granted, purchases of debt instruments | -4,540 | -1,769 | 0 | 0 | Total payables/Owner's Equity | 62% | 63% | 68% | 79% |
| Collection of loans, proceeds from sales of debts instruments | 5,491 | 1,417 | 326 | 0 | Total payables/Total Asset | 27% | 24% | 26% | 30% |
| Investments in other entities | -525 | 0 | 0 | 0 | Operating Ratios | | | | |
| Proceeds from divestment in other entities | 183 | 0 | 0 | 0 | Receivables turnover | 1.3 | 1.3 | 1.4 | 1.3 |
| Dividends and interest received | 317 | 157 | 0 | 0 | Inventory turnover | 6.4 | 5.3 | 5.5 | 5.2 |
| Investing Cash Flow | 733 | -235 | 143 | -165 | Payables turnover | 1.6 | 3.2 | 3.0 | 2.5 |
| Proceeds from issue of shares | 0 | 6 | 0 | 0 | | | | | |
| Payments for share returns and repurchases | 0 | 0 | 0 | 0 | | | | | |
| Proceeds from borrowings | 2,242 | 817 | 0 | 0 | | | | | |
| Repayment of borrowings | -1,168 | -700 | -22 | -486 | | | | | |
| Finance lease principal payments | -1 | 0 | 0 | 0 | | | | | |
| Dividends paid | 0 | 0 | 0 | 0 | | | | | |
| Interests, dividends, profits received | 0 | 0 | 0 | 0 | | | | | |
| Financing Cash Flow | 1,073 | 122 | -22 | -486 | | | | | |
| Net increase in cash and cash equivalents | 180 | 818 | 830 | -464 | | | | | |
| Cash and cash equivalents at the beginning of period | 885 | 1,064 | 1,883 | 2,713 | | | | | |
| Cash and cash equivalents at the end of period | 1,064 | 1,883 | 2,713 | 2,249 | | | | | |

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Investment ratings & definitions

Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

| Buy: | Hold: | Sell: |
|--------------|--------------|--------------|
| +15% or more | +15% to -15% | -15% or more |

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

| Positive: | Neutral: | Negative: |
|-----------------------|---------------------------------|-------------------------|
| Outperform the market | Perform in line with the market | Underperform the market |

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