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Vingroup JSC (VIC)

2020E earnings guidance down by 35%

2020E earnings guidance down by 35% due to the impact of Covid-19

— Management will submit 2020E earnings guidance at VND5,000 billion or down 35% for shareholder approval on May 28. This would be 26% below the current Bloomberg consensus. The revenue target will be VND145,000 billion and positive 12% growth but still 20% below consensus.

Action taking focused in several different areas to offset negative COVID-19 impact

— Management is undertaking several measures to minimize the negative impact to earnings from COVID-19 and these include: 1) launching new zones in the three mega projects – *Ocean Park*, *Smart City* and *Grand Park* – and launching low-rise products at the new *Wonder Park* project; 2) increasing the contribution from recurring income streams by expanding into office and industrial park leasing; 3) promoting the new retail-tourism format with the opening of *Grand World Phu Quoc* resort; 4) promotions to ramp up visitors at *Vinpearl* hotels and resorts after restarting operations; and 5) narrowing strategic business lines to focus more resources on expanding the presence of *VinFast* and *VinSmart* in the domestic market and developing international markets.

No dividend for 2019

— The Board of Directors submitted a plan to withhold dividends for another year. The company will transfer VND5 billion to the reserve fund and will use all cash resources for operating capital. The company has VND5,185 billion in retained earnings in 2019.

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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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