

Gemadept (GMD)

1Q23 performance updates

June 12, 2023

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1Q NPAT reached VND254 billion (-20% YoY) on revenue of VND902 billion

Gemadept (GMD) posted VND902 billion in 1Q revenue (23% of the full-year target). Of that, revenue from port operations accounted for 72.6%, reaching VND655 billion (-11% YoY). Logistics revenue hit VND247 billion (+72% YoY).

GMD's port revenue in 2023 should decline due to lower cargo volume

Import and export are sagging in line with the market downturn, which hit GMD's port operations. Its port throughput fell 25% YoY to 584,000 TEUs in 1Q and may hardly recover this year.

GMD completed the transfer of NHDV at the end of May

Pre-tax profit from the transfer of shares at Nam Hai Dinh Vu Port JSC (NHDV) of VND2,000 billion is expected to be recognized in the 2Q23 financial statements.

Potential projects help to ensure GMD's medium and long-term growth

Nam Dinh Vu 2 has been put into operation since May 2023 and should reach the maximum occupancy rate thanks to the volume of goods transferred from NHDV port. GMD is considering starting construction of Nam Dinh Vu 3 project, while Gemalink 2 should be put into operation from 2025. This is expected to ensure GMD's medium and long-term growth.

BUY recommendation – target price VND63,000/share

Based on GMD's business outlook and valuation results, we recommend BUY for GMD stocks with the target price of VND63,000/share, 22.1% higher than the closing price on June 12, 2023.

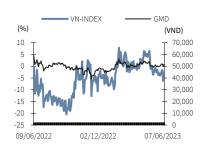
Buy maintain

Target price	VND63,000
Upside (%)	22.1%
Current price (Jun 12, 2023)	VND51,600
Consensus target price	VND59,130
Market cap (VNDtn/USDmn)	15.55/662

Trading data	
Free float	95.3%
3M avg trading value (VNDbn)	44,486
Foreign ownership	37.5%
Major shareholder	SSJ Consulting
	(9.85%)

Share price performance						
(%)	1M	3M	6M	12N		
Absolute	5	1	10	-13		
Relative	1	-5	4	- 3		

FY-end	2021	2022	2023F	2024F
Net sales (VNDbn)	3,206	3,916	3,952	4,298
Operating profit (VNDbn)	861	1,357	1,357	1,611
NPAT of the parent (VNDbn)	612	995	2,499	1,131
EPS (VND)	1,869	3,037	8,306	3,022
EPS growth (%)	63%	62%	174%	-64%
P/E (x)	24.3	17.0	6.2	13.8
P/B (x)	2.0	1.7	1.9	1.8
ROE (%)	10,2%	14.6%	26.7%	12.4%
Dividend yield (%)	2.7%	2.8%	0%	0%



Source: Bloomberg, KB Securities Vietnam

1Q23 performance updates

Table 1. GMD - 1Q23 business results

(VNDbn)	1Q22	1Q23	+/-%YoY	KBSV's notes
Net revenue	880	902	3%	GMD completed 23% of the revenue target set for 2023 (VND3,920 billion).
Port operations	736	655	-11%	Container volume of the whole system decreased to only 584,000 TEUs.
Logistics & other activities	144	247	72%	Vessel charter contracts last until the end of 2023 and 2024, so transportation revenue is not much affected by the adverse impacts from the cargo market. Warehouses are invested to be expanded compared to 1Q22.
Gross profit	352	427	21%	
Gross profit margin (%)	40%	47%	7ppts	Service fees were flat, and costs are optimized. The proportion of activities with large gross margin (logistics) increased.
Financial income	4	21	425%	
Financial expenses	32	40	25%	
SG&A	110	127	15%	
Profit/loss from joint ventures	126	21	-83%	SCS's profit decreased by 40% YoY, Gemalink recorded a loss (Gemalink's output fell 30% YoY due to the decline in cargo volume of the route to the US and Europe from 3Q22 to 1Q23).
Profit before taxes	350	308	-12%	
Profit after taxes	319	254	-20%	GMD completed 27% of the profit target for 2023 (VND1,136 billion).

Source: Gemadept, KB Securities Vietnam

The cargo market's sharp decline lasted from the end of 4Q22 and is expected to continue until the end of 2023, which adversely affects GMD port operations in the short term

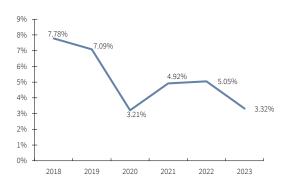
The general commodity market of the country dropped sharply from the end of 2022 to 1Q23, affecting businesses in the industry as well as GMD's business results.

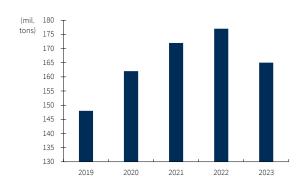
- 1Q23 GDP grew by a mere of 3.3% YoY, the second lowest rate in the period 2011-2022. Total import and export value of goods in 1Q23 reached USD154.27 billion (-13.3% YoY).
- The total volume of port throughput nationwide in 1Q23 reached 165.3 million tons, down 4% YoY, of which container cargo is estimated at nearly 5.2 million TEUs, down 15% YoY

Given the general market difficulties, the volume of goods at GMD's ports decreased over the same period, especially in the southern port group. However, we expect the port & logistics industry to recover in the medium and long term as Vietnam still has a lot of potential, especially from a series of signed FTAs. GMD's not reducing service prices and focusing on developing the ecosystem and integrating services for overall benefits will also undermine the impact of the difficulties on the company's business results.

Fig 2. Vietnam - GDP growth in 1Q18-1Q23 (%)

Fig 3. Vietnam – Cargo throughput in 1Q19–1Q23 (million tons)





Source: General Statistics Office, KB Securities Vietnam

Source: Vietnam Maritime Administration, KB Securities Vietnam

GMD completed the divestment at NHDV on May 31, 2023, which does not affect GMD's position and scale in Hai Phong port cluster GMD's EBT from the transfer of the port of NHDV is estimated at around VND2,000 billion and is expected to be recorded in 2Q23 financial statements. The transfer of NHDV should not reduce GMD's output in 2023 and GMD's size and position in the medium and long term.

- GMD only sold NHDV's assets and infrastructure. All customers and resources will be transferred from NHDV Port to Nam Dinh Vu, it is expected that Nam Dinh Vu 2 can quickly reach maximum capacity before 2025, ensuring output for GMD ports in the North.
- GMD had three ports in three different places, requiring three separate resources. After completing the transfer of NHDV and putting Nam Dinh Vu 2 into operation, GMD focused on Nam Dinh Vu port cluster and deployed Nam Dinh Vu 3, which should increase the concentration of the port and raise the ability to handle large ships, thereby saving resources and optimizing costs for the business.

Many new transport routes are deployed, which gives GMD an opportunity to increase output for ports In 1Q23, GMD ports welcomed new domestic and international shipping routes, bringing many opportunities to the port.

- Last March, Gemalink officially operated the new service route French Asia Line 3 (FAL3), which is one of the largest and most important routes that CMA CGM assigned to Gemalink, improving the connection capacity for Gemalink.
- Nam Hai Port also recently opened an inland waterway transport route connecting the maritime channel between Hai Phong and Ha Nam, boosting domestic output and increasing the connection between the port and domestic shipping lines.

Fig 4. GMD - Progress of Gemalink 2

GMD are completing the relevant procedures to apply for a license to expand, extend the berth to 1.5km, and arrange capital for construction for Gemalink 2. Phase 2 of the port should be put into operation from 2024 & 2025.

Total investment in phase 2 is about USD300 million.



Source: Gemadept

Fig 5. GMD - Nam Dinh Vu Port

Nam Dinh Vu 1 and 2 have an area of 22 and 44 ha, respectively, with 440 and 1,100m long berths and capacity from 900,000 to 1.2 million TEUs. Nam Dinh Vu 2 has just been officially opened since May 2023.

GMD continues to research to start GDD3 soon. After the construction, Nam Dinh Vu cluster should have a total berth length of up to 1,500m and an area of 70 ha, becoming the largest port cluster in Hai Phong.



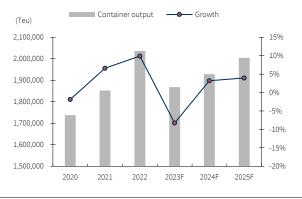
Source: Gemadept, KB Securities Vietnam

GMD expects to pay cash dividends for 2022 (VND2,000 per share)

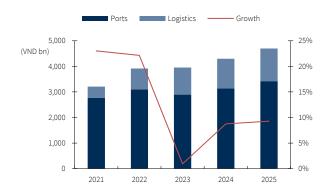
At the last AGM, GMD approved a plan to only pay cash dividends for 2022 (VND2,000/share). The company said that the payment includes dividends from ordinary production and business activities and a part of profit from the transfer of NHDV port.

Fig 6. GMD - Forecast container output at GMD ports (TEU)

Fig 7. GMD – Forecast revenue from business segments (VNDbn)



Source: Gemadept, KB Securities Vietnam



Source: Gemadept, KB Securities Vietnam

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Forecast & valuation

Table 8. GMD - 2023F results

(VNDbn)	2022	2023F	+/-%YoY	KBSV's notes
Net revenue	3,916	3,952	1%	
Port operations	3,104	2,896	-7%	We forecast GMD throughput will decrease by 8.3% YoY, and service charges will increase slightly by 2% YoY.
Logistics & other activities	812	1,056	30%	Logistics revenue should grow thanks to signed long-term transport contracts and expanded warehousing system, leading to an increase in revenue from warehousing.
Gross profit	1,645	1,681	2%	
Gross profit margin (%)	42%	43%	1ppt	
Financial income	24	52	117%	
Financial expenses	178	105	-41%	
SG&A	542	593	9%	
Profit/loss from joint ventures				Profit should strongly rose thanks to the extra profit of more than VND2,000 billion (before taxes)
	-48	1,921		from the full divestment at NHDV Port.
Profit before taxes	1,308	3,278	150%	
Profit after taxes	1,157	2,674	130%	

Source: Gemadept, KB Securities Vietnam

BUY recommendation – Target price VND63,000/share

Using SOTP method for GMD, including (1) core business + profits from joint ventures, (2) Gemalink project, and (3) rubber and real estate project, we recommend BUY for GMD stock with a target price of VND63,000/share, equivalent to a potential return of 22.1% compared to the closing price of VND51,600/share on June 12, 2023. The assumptions are as follows:

- Nam Dinh Vu 2 port that goes into operation will quickly replace NHDV, reaching full capacity in 2025. Gemalink output will decrease by 10% in 2023 but will start to recover from 2024. Gemalink 2 and Nam Dinh Vu 3 projects should go into operation, contributing to GMD's business results from 2025 and 2026, respectively.
- Service fees will still increase slightly this year and maintain an upward momentum of 2-5% in the coming years.

Table 9. GMD - Final valuation

Valuation	Method	Value	Ownership	Contribution to GMD
Core activities	FCFF	12,569	100%	12,569
Gemalink	FCFF	7,066	65.10%	4,600
Rubber	BV	1,555	100%	1,555
Real estate	BV	256	100%	256
Equity value				18,980
Number of shares outstanding (million shares)				301.38
Valuation value				63,000
Current price				51,600
Upside				22.1%
Source: Gemadept, KB Securit	ties Vietnam			

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GMD - 2021A-2024F financials

Income Statement						Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet
ND billion)	2021	2022	2023F	2024F		(VND billion)	(VND billion) 2021	(VND billion) 2021 2022	(VND billion) 2021 2022 2023F
			_0_01						
ales	3,206	3,916	3,952	4,298		TOTAL ASSETS	TOTAL ASSETS 10,731	TOTAL ASSETS 10,731 13,190	TOTAL ASSETS 10,731 13,190 14,057
t of sales	2,064	2,271	2,271	2,467		CURRENT ASSETS			
oss Profit	1,142	1,645	1,681	1,831		Cash and cash equivalents			
ncial income	40	24	56	133					
ncial expenses	108	178	105	89					
of which: interest expenses in/(loss) from joint ventures	119 237	131 406	105 319	89 381		Inventories LONG-TERM ASSETS			
lling expenses	154	146	198	215		Long-term trade receivables			
neral and admin expenses	295	396	395	430		Fixed assets			
perating profit/(loss)	861	1,357	1,357	1,611		Long-term incomplete assets			
Other incomes	50	30	0	0		Long-term investments			
Other expenses	105	79	0	0		Goodwill			-
et other income/(expenses)	-55	-48	1,921	-86		LIABILITIES	LIABILITIES 3,687	LIABILITIES 3,687 5,247	LIABILITIES 3,687 5,247 4,042
accounting profit/(loss) before tax	806	1,308	3,278	1,525		Current liabilities	Current liabilities 2,263	Current liabilities 2,263 3,374	Current liabilities 2,263 3,374 2,170
porate income tax expenses	86	151	604	204		Trade accounts payable	Trade accounts payable 381	Trade accounts payable 381 838	Trade accounts payable 381 838 180
profit/(loss) after tax	721	1,157	2,674	1,321		Short-term unrealized revenue	Short-term unrealized revenue 1	Short-term unrealized revenue 1 1	Short-term unrealized revenue 1 1 0
nority interests	108	162	175	190		Short-term borrowings	Short-term borrowings 860	Short-term borrowings 860 543	Short-term borrowings 860 543 0
tributable to parent company	612	995	2,499	1,131		Long-term liabilities	Long-term liabilities 1,424	Long-term liabilities 1,424 1,873	Long-term liabilities 1,424 1,873 1,873
						Long-term trade payables	Long-term trade payables 0	Long-term trade payables 0 0	Long-term trade payables 0 0 0
						Long-term advances from customers			
argin ratio						Unrealized revenue			
5)	2021	2022	2023F	2024F		Long-term borrowings			
Gross profit margin	35,6%	42,0%	42,5%	42,6%		OWNER'S EQUITY			
EBITDA margin	40.7%	46.3%	93,6%	47.0%		Paid-in capital Share premium			
EBIT margin Pre-tax profit margin	28,9% 25,1%	36.8% 33.4%	85,6% 82,9%	37,6% 35,5%		Undistributed earnings	•	•	•
Operating profit margin	26,9%	34,6%	34,3%	37,5%		Other funds		-	•
Net profit margin	26,6%	31,8%	33,3%	34,4%		Minority interests			
- p		0.010			_				
v Statement						Key ratios	Key ratios	Key ratios	Key ratios
ion)	2021	2022	2023F	2	2024F	2024F (x,%,VND)	2024F (x,%,VND) 2021	2024F (x,%,VND) 2021 2022	2024F (x,%,VND) 2021 2022 2023F
et profit/(loss) before tax	806	1,308	3,278	1,52	25	Multiple Multiple	25 Multiple	Multiple Multiple	25 Multiple
Depreciation and amortisation	380	376	317	406		P/E	P/E 24.3	P/E 24.3 17.0	P/E 24,3 17.0 6.2
Profit/loss from investing activities	-194	-420	0	0		P/E diluted	P/E diluted 24.3	P/E diluted 24.3 17.0	P/E diluted 24,3 17.0 6,2
Interest expense	119	131	105	89		P/B	P/B 2.0	P/B 2.0 1.7	P/B 2.0 1.7 1.9
perating profit/(loss) before changes in Working Capital	1,211	1,504	3,701	2,020		P/S	P/S 4.4	P/S 4.4 3.5	P/S 4,4 3,5 4,8
(Increase)/decrease in receivables	6	-163	-161	-99		P/Tangible Book	P/Tangible Book 2.1	P/Tangible Book 2.1 1.8	P/Tangible Book 2.1 1.8 1.9
(Increase)/decrease in inventories	8	-13	-11	-8		P/Cash Flow			
Increase/(decrease) in payables	-31	1,304	-658	744		EV/EBITDA			
(Increase)/decrease in prepaid expenses	11	10	113	33		EV/EBIT	EV/EBIT 15.4	EV/EBIT 15.4 9.5	EV/EBIT 15.4 9.5 5.6
Interest expense	4	-31	7.160	0		0	Otif	0	0
et cash inflows/(outflows) from operating activities	965 -586	2,333 -1,395	3,169 -646	2,469 -1,637		Operating performance ROE			
Durchages of fixed assets and other long term assets		-1,393		0 0		ROA			
Purchases of fixed assets and other long term assets	12			U		NOA	1004		
Proceeds from disposal of fixed assets	42 -95		0	0		ROIC	ROIC 10.6%	ROIC 10.6% 16.0%	
Proceeds from disposal of fixed assets Loans granted, purchases of debt instruments	-95	-86	0	0		ROIC Financial structure			Financial structure
Proceeds from disposal of fixed assets Loans granted, purchases of debt instruments Collection of loans, proceeds from sales of debts instruments				0 0		ROIC Financial structure Cash Ratio	Financial structure	Financial structure	
Proceeds from disposal of fixed assets Loans granted, purchases of debt instruments	-95 105	-86 33	0	0		Financial structure	Financial structure Cash Ratio 30.5%	Financial structure Cash Ratio 30.5% 42.9%	Cash Ratio 30.5% 42.9% 47.2%
Proceeds from disposal of fixed assets Loans granted, purchases of debt instruments Collection of loans, proceeds from sales of debts instruments Investments in other entities	-95 105 0	-86 33 0	0 0 -1,800	0		Financial structure Cash Ratio	Financial structure Cash Ratio 30.5% Quick Ratio 41.5%	Financial structure 30.5% 42.9% Cash Ratio 41.5% 46.2%	Cash Ratio 30.5% 42.9% 47.2% Quick Ratio 41.5% 46.2% 53.4%
Proceeds from disposal of fixed assets Loans granted, purchases of debt instruments Collection of loans, proceeds from sales of debts instruments Investments in other entities Proceeds from divestment in other entities Dividends and interest received	-95 105 0 0	-86 33 0	0 0 -1,800 0	0 0 0		Financial structure Cash Ratio Quick Ratio	Financial structure Cash Ratio 30.5% Quick Ratio 41.5% Current Ratio 67.7%	Financial structure Cash Ratio 30.5% 42.9% Quick Ratio 41.5% 46.2% Current Ratio 67.7% 71.8%	Cash Ratio 30.5% 42.9% 47.2% Quick Ratio 41.5% 46.2% 53.4% Current Ratio 67.7% 71.8% 99.6%
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Proceeds from disposal of fixed assets Loans granted, purchases of debt instruments Collection of loans, proceeds from sales of debts instruments Investments in other entities Proceeds from divestment in other entities Dividends and interest received et cash inflows/(outflows) from investing activities Proceeds from issue of shares Payments for share returns and repurchases Proceeds from borrowings Repayment of borrowings Finance lease principal payments	-95 105 0 0 0 -356 0 1,524 -1,446 -49	-86 33 0 0 174 -1,269 0 0 1,563 -1,431	0 0 -1,800 0 0 -2,446 0 0 0 -543	0 0 0 0 -1,637 0 0 0		Financial structure Cash Ratio Quick Ratio Current Ratio LT Debt/Equity LT Debt/Total Assets ST Debt/Equity ST Debt/Total Assets ST Liabilities/Equity ST Liabilities/Equity	Financial structure Cash Ratio 30.5% Quick Ratio 41.5% Current Ratio 67.7% LT Debt/Equity 15.1% LT Debt/Total Assets 9.9% ST Debt/Equity 12.2% ST Debt/Total Assets 8.0% ST Liabilities/Equity 32.1% ST Liabilities/Total Assets 21.1% Total Liabilities/Equity 52.3%	Financial structure Cash Ratio 30.5% 42.9% Quick Ratio 41.5% 46.2% Current Ratio 67.7% 71.8% LT Debt/Equity 15.1% 18.7% LT Debt/Total Assets 9.9% 11.3% ST Debt/Total Assets 8.0% 4.1% ST Liabilities/Equity 32.1% 42.5% ST Liabilities/Total Assets 21.1% 25.6% Total Liabilities/Equity 52.3% 66.0%	Cash Ratio 30,5% 42,9% 47,2% Quick Ratio 41,5% 46,2% 53,4% Current Ratio 67,7% 71,8% 99,6% LT Debt/Equity 15,1% 18,7% 14,8% LT Debt/Total Assets 9,9% 11,3% 10,6% ST Debt/Equity 12,2% 6,8% 0,0% ST Debt/Total Assets 8,0% 4,1% 0,0% ST Liabilities/Equity 32,1% 42,5% 21,7% ST Liabilities/Total Assets 21,1% 25,6% 15,4% Total Liabilities/Equity 52,3% 66,0% 40,4%
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Proceeds from disposal of fixed assets Loans granted, purchases of debt instruments Collection of loans, proceeds from sales of debts instruments Investments in other entities Proceeds from divestment in other entities Dividends and interest received Net cash inflows/(outflows) from investing activities Proceeds from issue of shares Payments for share returns and repurchases Proceeds from borrowings Repayment of borrowings Finance lease principal payments Dividends paid	-95 105 0 0 0 -356 0 0 1,524 -1,446 -49 -426	-86 33 0 0 174 -1,269 0 0 1,563 -1,431 -41 -428	0 0 -1,800 0 0 -2,446 0 0 0 -543 0 -605	0 0 0 -1,637 0 0 0 0 0		Financial structure Cash Ratio Quick Ratio Current Ratio LT Debt/Equity LT Debt/Total Assets ST Debt/Equity ST Debt/Total Assets ST Liabilities/Equity ST Liabilities/Total Assets Total Liabilities/Total Assets	Financial structure Cash Ratio 30.5% Quick Ratio 41.5% Current Ratio 67.7% LT Debt/Equity 15.1% LT Debt/Total Assets 9.9% ST Debt/Equity 12.2% ST Debt/Total Assets 8.0% ST Liabilities/Equity 32.1% ST Liabilities/Total Assets 21.1% Total Liabilities/Equity 52.3% Total Liabilities/Total Assets 34.4% Activity ratios	Financial structure Cash Ratio 30.5% 42.9% Quick Ratio 41.5% 46.2% Current Ratio 67.7% 71.8% LT Debt/Equity 15.1% 18.7% LT Debt/Total Assets 9.9% 11.3% ST Debt/Equity 12.2% 6.8% ST Debt/Total Assets 8.0% 4.1% ST Liabilities/Equity 32.1% 42.5% Total Liabilities/Total Assets 21.1% 25.6% Total Liabilities/Total Assets 34.4% 39.8% Activity ratios	Cash Ratio 30.5% 42.9% 47.2% Quick Ratio 41.5% 46.2% 53.4% Current Ratio 67.7% 71.8% 99.6% LT Debt/Equity 15.1% 18.7% 14.8% LT Debt/Total Assets 9.9% 11.3% 10.6% ST Debt/Equity 12.2% 6.8% 0.0% ST Debt/Total Assets 8.0% 4.1% 0.0% ST Liabilities/Equity 32.1% 42.5% 21.7% ST Liabilities/Total Assets 21.1% 25.6% 15.4% Total Liabilities/Total Assets 34.4% 39.8% 28.8% Activity ratios
Proceeds from disposal of fixed assets Loans granted, purchases of debt instruments Collection of loans, proceeds from sales of debts instruments Investments in other entities Proceeds from divestment in other entities Dividends and interest received et cash inflows/(outflows) from investing activities Proceeds from issue of shares Payments for share returns and repurchases Proceeds from borrowings Repayment of borrowings Finance lease principal payments Dividends paid Interests, dividends, profits received et cash inflows/(outflows) from financing activities	-95 105 0 0 0 -356 0 1,524 -1,446 -49 -426 0 -398	-86 33 0 0 174 -1,269 0 0 1,563 -1,431 -41 -428 0 -338	0 0 -1,800 0 0 -2,446 0 0 0 -543 0 -605 0	0 0 0 -1,637 0 0 0 0 -660 0		Financial structure Cash Ratio Quick Ratio Current Ratio LT Debt/Equity LT Debt/Total Assets ST Debt/Fquity ST Debt/Total Assets ST Liabilities/Equity ST Liabilities/Total Assets Total Liabilities/Total Assets Activity ratios	Financial structure Cash Ratio 30.5% Quick Ratio 41.5% Current Ratio 67.7% LT Debt/Equity 15.1% LT Debt/Total Assets 9.9% ST Debt/Equity 12.2% ST Debt/Total Assets 8.0% ST Liabilities/Equity 32.1% ST Liabilities/Total Assets 21.1% Total Liabilities/Equity 52.3% Total Liabilities/Total Assets 34.4% Activity ratios Account Receivable Turnover 3.8	Financial structure Cash Ratio 30.5% 42.9% Quick Ratio 41.5% 46.2% Current Ratio 67.7% 71.8% LT Debt/Equity 15.1% 18.7% LT Debt/Total Assets 9.9% 11.3% ST Debt/Equity 12.2% 6.8% ST Debt/Total Assets 8.0% 4.1% ST Liabilities/Equity 32.1% 42.5% ST Liabilities/Total Assets 21.1% 25.6% Total Liabilities/Total Assets 34.4% 39.8% Activity ratios Account Receivable Turnover 3.8 4.0	Cash Ratio 30.5% 42.9% 47.2% Quick Ratio 41.5% 46.2% 53.4% Current Ratio 67.7% 71.8% 99.6% LT Debt/Equity 15.1% 18.7% 14.8% LT Debt/Total Assets 9.9% 11.3% 10.6% ST Debt/Equity 12.2% 6.8% 0.0% ST Debt/Total Assets 8.0% 4.1% 0.0% ST Liabilities/Equity 32.1% 42.5% 21.7% ST Liabilities/Total Assets 21.1% 25.6% 15.4% Total Liabilities/Equity 52.3% 66.0% 40.4% Total Liabilities/Total Assets 34.4% 39.8% 28.8% Activity ratios Account Receivable Turnover 3.8 4.0 3.5

Source: Gemadept, KB Securities Vietnam

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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	Undernerform the market

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