

Sector: Fertilizer

Recommendations

**FOLLOW**

**PETROVIETNAM FERTILIZER & CHEMICALS CORPORATION - JSC (HSX: DPM)**  
**HIGHEST NET PROFIT EXPECTATIONS IN HISTORY**

Current price:	50,000	Report writing date:	04/07/2022	Shareholder structure <sup>a</sup>	
Target price:	63,100	Outstanding shares (Million):	391	PVN	59.6%
Dividend yield:	50%	Market capitalization (billion VND):	25,006	Nghe An agricultural supplies	4.1%
<b>Upside:</b>	<b>26%</b>	Average liquidity of 30 days (Million):	15.34	Edgbaston	3.7%
		Foreign ownership:	14.84%		

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Recommended price: 69,000

Cut-loss price: 49,500

**VALUATION**

- BSC recommends **FOLLOW** for DPM shares with a target price of VND63,100 per share for 2022, equivalent to 26% of the closing price on July 4, 2022 based on the P/E method with a target ratio of 4.5x.

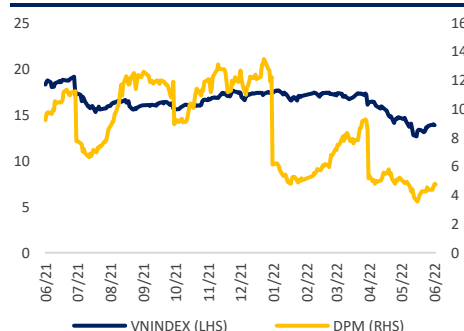
**FORECASTING BUSINESS RESULTS**

- BSC forecasts that DPM's NET REVENUE and NPAT in 2022 will reach VND 20,182 billion (+58% YoY) and VND5,548 billion (+78% YoY) respectively. EPS 2022F = 14,032 VND (+81%YoY) and P/E fw= 3.5 Based on assumptions:
  - Urea's average selling price in 2022 will be VND 14,644/kg (+25% YoY);
  - Urea consumption reached 865 thousand tons (+15.5% YoY);
  - Gross margin improved to 41% (compared to the 2021 high of 37%).

**Comparison table of stock prices and VN-Index**



**P/E and VN - index comparison table**



**INVESTMENT THESIS**

- Selling prices remained high over the same period and business output grew positively;
- Factors to be monitored that have not been included in the valuation: VAT refund when the law is amended;
- Enterprises maintain regular annual cash dividend payments with high payout ratios.

**RISK**

- Input gas prices rose faster than forecast and selling prices fell more sharply than forecast;
- High fertilizer prices push farmers to reduce fertilization, causing domestic demand to recover slowly;
- NPK factory capacity achieved lower performance and lower selling prices than forecast.

**BUSINESS UPDATES**

- DPM's NET REVENUE and NPAT in Q1/2022 reached VND 5,829 billion (+254 %YoY) and VND 2,126 billion respectively thanks to: (1) the average selling price increased more strongly than the increase in input gas costs and (2) positive export output with high selling prices.
- DPM adjusted plan 2022: (1) NET REVENUE and NPAT are VND 17,239 billion (+4% YoY) and VND 3.473 billion (+9% YoY, respectively); (2) Urea and NPK output of 865 thousand tonnes (+4%YoY) and 165 thousand tonnes (+2%YoY) respectively and (3) raising the 2021 dividend plan from 10% to 50% and maintaining the 2022 cash dividend at a rate of 50%.

	2021	2022F	VNINDEX
PE (x)	3.67	3.78	13.9
PB (x)	1.04	1.61	2.2
PS (x)	0.87	1.03	1.8
ROE (%)	30%	43%	16%
ROA (%)	25%	33%	2.6%
EV/ EBITDA (x)	1.49	1.59	12.8

	2019	2020	2021	2022F
Revenue	7,684	7,762	12,786	20,182
Gross profit	1,402	1,730	4,786	8,213
Profit after tax	378	691	3,117	5,548
EPS	863	1,535	7,749	14,032
EPS Growth	-44%	78%	405%	81%
Net debt/Equity	-21%	-12%	-15%	-29%

## BUSINESS UPDATE

Figurea 1: Business results updates Q1/2022

Financial indicators (Billion VND)	Q1/2021	Q1/2022	%YoY
<b>Net sales</b>	<b>1,974</b>	<b>5,885</b>	<b>198%</b>
Gross profit	433	2,823	552%
GPM (%)	21.9%	48.0%	
Selling expenses	(150)	(218)	46%
SG&A expenses	(78)	(103)	31%
SG&A/Rev (%)	11.5%	5.5%	
EBIT	205	2,502	11.2x
Financial income	29	47	63%
Financial expenses	(18)	(28)	52%
<b>EBT</b>	<b>215</b>	<b>2,522</b>	<b>10.7x</b>
<b>NPAT</b>	<b>179</b>	<b>2,126</b>	<b>10.8x</b>
<b>Consumption volume (tons)</b>			
Urea	189,000	246,891	30%
NPK	25,465	33,868	21%
NH <sub>3</sub>	14,583	16,479	24%

Source: DPM, BSC Research

In the first quarter of 2022, DPM's net revenue reached VND 5,829 billion (+254% YoY) and NPAT reached VND 2,126 billion 12 times that of SVCK, which is a record result achieved by the quarter of DPM since its establishment. The first quarter results were positive thanks to:

- (1) The average selling price increased more strongly than the increase in input costs that helped DPM improve Gross profit margin
  - The average selling price of chemical fertilizers increased sharply from more than 70% - 170% svck;
  - Although input costs increased, especially gas prices increased by about 37%, this increase was lower than the selling price, which helped improve DPM's GROSS PROFIT MARGIN from 21.9% in Q1 2021 to 48% in Q1 2022.
- (2) Positive export output with high selling price:
  - In the first quarter of 2022, DPM won an export package of about Urea to India with a selling price ranging from 750-800 USD/ton and exported more than 92.000 tons of Urea in January, earning an estimated profit of 1,000 - 1,100 billion VND.

### UPDATE DOCUMENTS OF THE SHAREHOLDERS' MEETING

According to the most recently updated AGM document, **DPM has adjusted its business plan and profit distribution in 2022: (1) NET REVENUE and NPAT are VND 17,239 billion (+4% YoY) and VND 3,473 billion (+9% YoY), respectively; (2) Urea and NPK output of 865 thousand tonnes (+4%YoY) and 165 thousand tonnes (+2%YoY) respectively and (3) raising the 2021 dividend plan from 10% to 50% and maintaining the 2022 cash dividend at a rate of 50%.**

Figurea 2: DPM's updated production and business plan

No.	Indicator	Implementation 2021	Old plan 2022	New plan 2022	Q1/2022	New plan/ Implementation 2021	New plan /Old plan	% Completed plan
1	Total revenue	12,882	11,059	17,239	5,885	134%	156%	34%
2	Profit before tax	3,799	1,130	4,130	2,522	109%	365%	61%
3	Profit after tax	3,172	945	3,473	2,126	110%	368%	61%

Source: DPM, BSC Research

Thus, by the end of the first quarter, DPM had completed 34% of the total revenue plan, 61% of the full-year NPAT plan and 30% of the Urea consumption output plan.

## BUSINESS OUTLOOK FOR 2022

### Price movement of fertilizers and raw materials first and in the first half of 2022

The price of Urea increased sharply from February 2022 (Russia-Ukraine war) and remained above VND16,000/kg in the first quarter and most of the second quarter of 2022. The demand for fertilizers recovered positively after the epidemic was controlled (leading to a sharp increase in agricultural production activities as countries increased the need to hoard food to ensure food security, causing the price of agricultural products to rise). Meanwhile, Urea supply becomes scarce due to: **(1)** major exporters such as Russia and China taking measures to restrict/ban exports; **(2)** The high price of input materials caused Urea factories to cease operations; **(3)** sanctions due to Russian-Ukrainian political tensions and **(4)** short-term supply shortages due to major tenders from India.

The price of input gas increased more slowly than the price of Urea in 1H/2022. By the end of Q1/2022, the price of SINGAPORE FO oil reached 580 USD / ton (+33% YoY), corresponding to the world Urea price reached 882 USD / ton (+61% YoY). The average selling price of all chemical fertilizers in 1H/2021 is anchored at a high level compared to 2021. Specifically, the average selling price of DPM for Urea, NPK and Potassium fertilizers in 2021 was 11,679 / 10,616 / 10,646 VND / kg; while on average in the first 5 months of 2022, the price of Urea, NPK and Potassium fertilizers distributed by DPM was anchored at: 17,450 / 15,798 / 18,085 VND / kg corresponding to the average selling price increase of Urea and NPK fertilizers was about 49% and Potassium was about 70%.

### Outlook for fertilizer and input materials prices in the second half of 2022

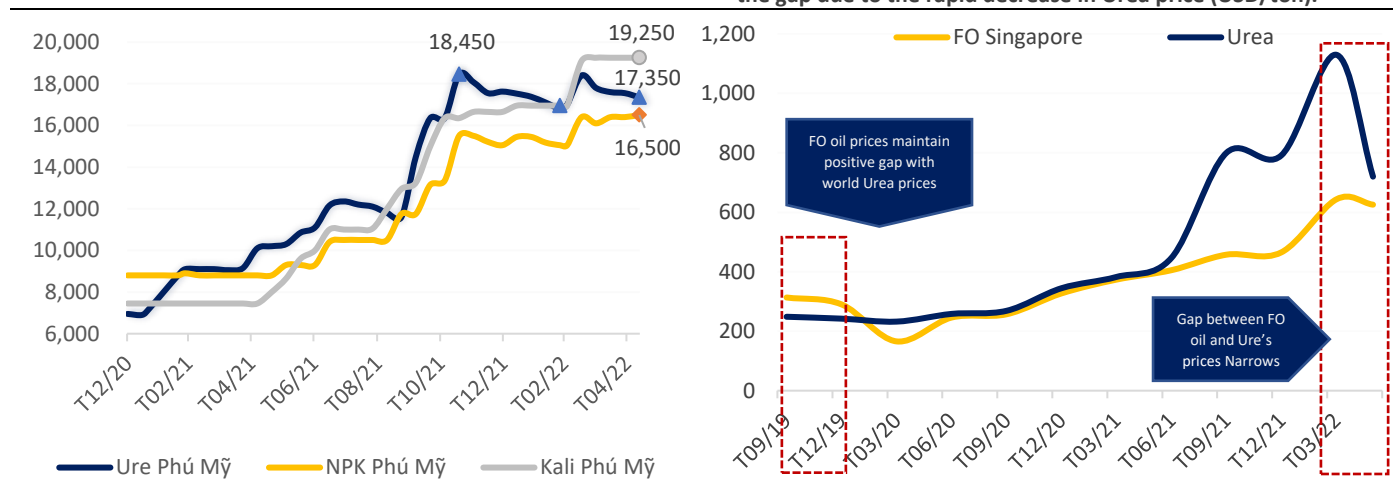
Russia and China continue to maintain policies to restrict fertilizer exports in 2H/2022, but both major fertilizer exporters are showing signs of easing restrictions. Specifically: **(1)** Russia has raised the export quota of nitrogen-containing fertilizers to 8.3 million tons compared to the old batch of 5.9 million tons, this policy was applied from July 1, 2022 to December 31, 2022 and **(2)** China has loosened the legality of fertilizer export activity from April when the height of fertilizer use in the country has passed.

- **Urea:** BSC estimates that Urea prices peaked in April 2022 and will adjust downwards in the second half of the year. However, we expect Urea prices to bottom out between July and August due to weak demand and the influence of additional supply from Russia and China, which will recover slightly in August-October due to the peak season of fertilizer use. In addition, Indian tenders can support the price of Urea, the peak bidding season that usually takes place in the third and fourth quarters. At the same time, the high price of raw materials produced is also a factor driving the recovery of Urea prices in the last months of the year.
- **NPK and NH<sub>3</sub>:** contrary to the development of Urea, BSC **believed that** the selling price of NPK and NH<sub>3</sub> will continue to anchor at a high level in 2H/2022 due to: **(1)** The price of Urea, Phosphorus, Potassium (*raw materials used to produce NPK*) has increased sharply since the beginning of the year especially Potassium due to the domestic supply is completely dependent on imports and **(2)** the shortage of supplies. NH<sub>3</sub> supply globally helps to push up the price of NH<sub>3</sub>. Although the price of NPK raw materials increased sharply, DPM soon closed the price of raw materials produced for NPK factory in the first 6 months of the year, so there is currently an advantage in terms of low input costs, so BSC expects the price of raw materials to increase will not significantly affect and the company will still maintain good GROSS PROFIT MARGIN in the NPK segment in 2022.
- The BSC expects inputs such as coal and natural gas to remain high in the second half of 2022, possibly even starting new momentum at the end of the third quarter as China eases its anti-epidemic measures and Europe increases its gas reserves for the winter.

The price of Urea of DPM has now adjusted downwards according to the decline of Urea world, about 15,050 VND / kg is down about 19% compared to the set peak of 18,450 VND / kg but still 45% higher than the average price in 2021 of 11,679 VND / kg. BSC forecasts that Urea price will remain around VND16,000-17,000/kg in Q2 and revised down in Q3 and Q4, but Urea price will still anchor at a high level compared to 2020-2021 instead of returning to the old bottom in 2020 (*about VND 6,200/kg*) and DPM's 2022 average Urea selling price forecast to reach VND 14,644/kg (+25% YoY).

However, BSC **believed that** the favorable development (*input gas prices increased more slowly than the Urea selling price*) will end and 2H/2022 will be more unfavorable than the first half of the year for fertilizer producers when Urea prices tend to adjust in the second half of the year and FO oil prices will increase more strongly than Urea prices and maintain a positive gap as in the period of 2019. Specifically, BSC estimates the average price of Urea and FO Singapore oil in 2022 at \$657 per tonne (+22%YoY) and \$687 per tonne (+72%YoY) respectively. However, **BSC believed that DPM's GROSS PROFIT MARGIN in 2022 will still improve to 41% (compared to the high level in 2021 reaching 37%)** thanks to **(1)** favorable developments in 1H/2022; **(2)** Expect NPK and NH<sub>3</sub> prices to remain highs throughout the year and **(3)** expect Urea prices to recover slightly from some peak months in the second half of the year.

**Figurea 3: DPM price movement fertilizer from 01/2021 to now (VND /kg)** **Figurea 4: Singapore FO price and world Urea price tend to narrow the gap due to the rapid decrease in Urea price (USD/ton).**

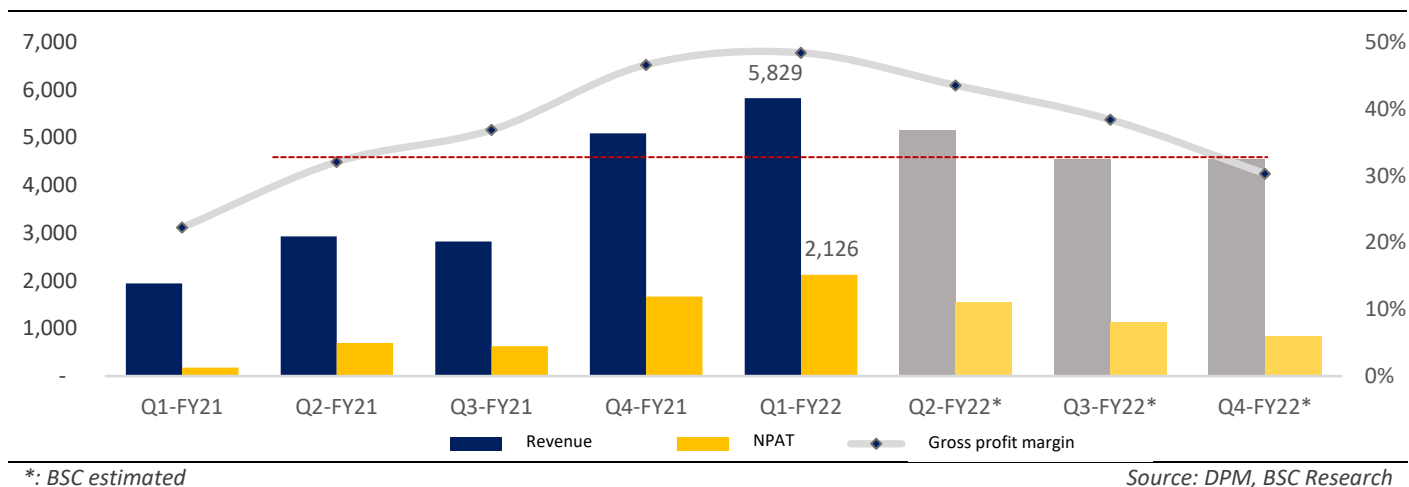


Source: DPM, BSC Research

**Business output grew positively, along with high selling prices that boosted full-year profits in 2022.** The total sales volume of chemical fertilizers of all kinds of DPM in the first quarter of 2022 increased sharply, reaching about 346 thousand tons (+30% YoY). In which the main product Phu My Protein consumed nearly 246 thousand tons (+30% YoY), NPK and NH<sub>3</sub> production achieved an increase of 33% YoY and 13% YoY, respectively. BSC estimates DPM's Urea consumption in 2022 to reach 865 thousand tons (+15.5% YoY) and NPK consumption is estimated at 175 thousand tons (+8%YoY). We note that the first quarter of DPM took advantage of the high selling price and the consumption of large amounts of Urea (*nearly 29% of the planned output for the whole year*),, which has greatly supported the improvement of the enterprise's GROSS PROFIT MARGIN in 2022.

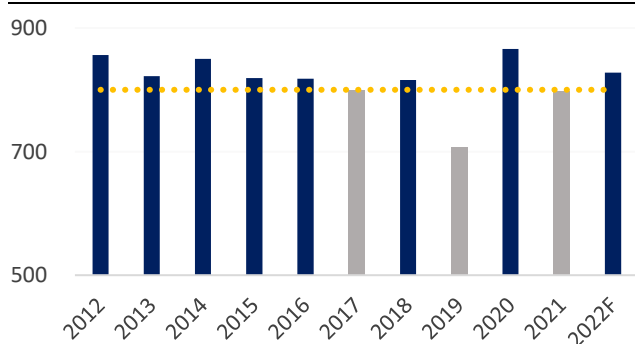
**BSC forecasts that 2022 will be the highest year of net profit in the history of DPM** with NET REVENUE and NPAT 2022 reaching VND 20,182 billion (+58% YoY) and VND 5,548 billion (+78% YoY) respectively with EPS 2022F = VND 14,032 (+81%YoY). However, we believe that the quarterly performance of the business has reached the peak of Q1/2022. **BSC estimates that net revenue and NPAT in the next quarters of the year will gradually decrease compared to the first quarter, but the second and third quarters maintained positive growth** with NPAT estimated at VND1,593 billion (+130%YoY) and VND1,220 billion (+94%YoY) respectively. Due to the high comparison background in the end of 2021, in the fourth quarter of 2022 BSC estimated that DPM will grow negative svck with NPAT reaching VND 962 billion (-42%YoY).

Figurea 5: NET REVENUE and NPAT of DPM 2021 -2022 (Billion VND)

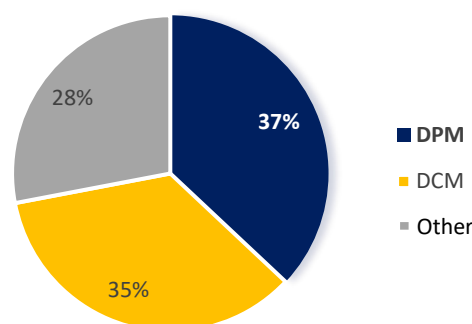


**DPM's Urea plant capacity is expected to reach over 100% in 2022.** Currently, the design capacity of domestic Urea production plants has exceeded demand, but some factories in the northern region often do not reach the maximum capacity and every year Vietnam still has to import Urea. With high-quality Urea products and a long distribution system, DPM factory is regularly mobilized to maximize the amount of Urea produced. In addition, DPM does not have a plan to maintain the plant this year, so BSC expects that by 2022, DPM's Urea plant will operate stably, with operational efficiency reaching over 100% thanks to not having to carry out maintenance/ overhaul.

Figurea 6: DPM's production of Urea (thousand inches)



Figurea 7: Urea market share in the country in 2021



Source: DPM, BSC Research

#### The supply of low-cost gas resources has been "unlocked."

According to the 2020 gas source contract, GAS will supply 60% of the total input gas consumption of Phu My Protein from the cheap gas fields at Kowloon tank (the shipping charge is 1. \$02/million BTU), about 24% comes from high-priced gas fields at Kowloon Tank (charge 3). \$2/million BTU) and about 16% remaining from low-cost gas fields at Nam Con Son tank (charge ~1. \$4/million BTU).

DPM has pegged the 2022 shipping charges with PVN and GAS, but the long-term charges have not yet been agreed. BSC expects gas supply from the White Lion field - phase 2A <sup>1</sup>(in Nam Con Son tank - charge ~1. \$4 per million BTU) will be enough to meet DPM's input gas demand for at least five years and during this time the business will reach a long-term agreement on freight rates.

**Growth expectations come from the chemicals sector.** In the long-term development strategy, DPM focuses on the development of the chemical segment and BSC believed that this is an appropriate strategy due to (1) the large domestic demand for chemicals and currently Vietnam is not self-sufficient in the source of input chemical materials, the potential for the development of the chemical segment is still very large and (2) the chemical product lines will bring. Better profit margins for DPM.

**The state is studying imposing VAT on fertilizers at a tax rate of 5%.** The imposition of the tax will support DPM profit when tax refunded on input materials such as natural gas, Urea manurea, DAP, SA and Potassium, BSC estimates DPM will be refunded about VND 280-350 billion annually if the VAT law is passed by the National Assembly.

<sup>1</sup> White Lion Mine – phase 2A: Has been in operation since June 2021.

## FORCASTING BUSINESS RESULTS

BSC forecasts NET REVENUE and NPAT in 2022 of DPM to reach **VND 20,182 billion (+58% YoY)** and **5.548 billion VND (+78% YoY)** respectively. EPS 2022F = 14,032 VND (+81%YoY) and P/E fw= 3. 5 Based on assumptions:

- (1) The average selling price of Urea in 2022 reached 14,644 VND/kg (+25% YoY);
- (2) Urea consumption reached 865 thousand tons (+15.5% YoY);
- (3) Gross profit margin improved to 41% (*compared to the high level in 2021 reached 37%*) as the average selling price of output increased faster than input costs in 1H/2021 and NPK and NH<sub>3</sub> prices remained high throughout the year.

Figurea 8: DPM business results projection

Unit: VND Billion	2022E	2023F	2024F	2025F	2026F
<b>FO Oil Price (USD/MmBTU)</b>	687	601	511	460	377
%YoY	72%	-13%	-15%	-10%	-18%
<b>Natural gas price (USD/MmBTU)</b>	10.7	9.9	9.0	8.5	7.7
%YoY	57%	-8%	-9%	-5%	-10%
<b>Fertilizer revenue</b>	<b>15,426</b>	<b>11,435</b>	<b>9,823</b>	<b>8,724</b>	<b>9,292</b>
%YoY	60%	-26%	-14%	-11%	7%
<b>Chemical revenue</b>	1,581	1,305	1,093	963	862
%YoY	43%	-17%	-16%	-12%	-10%
<b>Self-employed fertilizer revenue</b>	3,066	2,913	2,767	2,629	2,498
%YoY	19%	-5%	-5%	-5%	-5%
<b>Consumption output ('000 tons)</b>					
Urea Fertilizer Conversion	865	800	860	798	858
%YoY	15%	-8%	8%	-7%	8%
NPK Fertilizer	175	187	200	207	212
%YoY	8%	7%	7%	4%	2%
Self-employed fertilizer	209	211	221	214	215
%YoY	-14%	1%	5%	-3%	1%
<b>Revenue</b>	<b>20,182</b>	<b>15,781</b>	<b>13,820</b>	<b>12,491</b>	<b>12,815</b>
Cost of goods sold	(11,968)	(10,586)	(10,594)	(9,678)	(9,704)
<b>Gross profit</b>	<b>8,213</b>	<b>5,195</b>	<b>3,225</b>	<b>2,814</b>	<b>3,111</b>
Cost of sales	(883)	(793)	(713)	(675)	(653)
SA&G expenses	(499)	(454)	(456)	(428)	(430)
<b>EBIT</b>	<b>6,832</b>	<b>3,947</b>	<b>2,057</b>	<b>1,711</b>	<b>2,029</b>
Financial revenue	105	165	228	235	247
Financial expenses	(61)	(66)	(55)	(51)	(46)
<b>Profit before tax</b>	6,895	4,065	2,247	1,914	2,248
CIT	(1,239)	(741)	(403)	(335)	(403)
Minority shareholder interests	108	64	35	30	35
<b>NPAT parent company</b>	<b>5,548</b>	<b>3,260</b>	<b>1,809</b>	<b>1,549</b>	<b>1,810</b>
<b>Basic EPS (VND)</b>	<b>14,032</b>	<b>8,287</b>	<b>4,598</b>	<b>4,036</b>	<b>4,717</b>
Gross profit margin	41%	33%	23%	23%	24%
Net profit margin	27%	21%	13%	12%	14%
ROE	43%	22%	11%	9%	10%

Source: BSC Research

## VALUATION

We recommend **FOLLOW** for DPM shares with a target price of **VND63,100 per share**, equivalent to **26%** of the closing price on July 4, 2022. The fair value of DPM is determined based on the P/E method with a target ratio of 4.5 times.

We do not currently include in valuation the uncertainty of the expected input VAT refund when the VAT law is amended to convert fertilizer from non-taxable to VAT-subject products until there is official recognition from the DPM side.

Figurea 9: P/E pricing method

EPS 2022F (VND/Share)	14,032	We estimated a target P/E of 7.06x for DPM stock based on a median 10-year historical P/E from 2012 to 2021: (1) Urea price peaked in 2012 and fell until 2016, before returning to a new bull cycle beginning in 2016 - now, we believe Urea pricing has peaked and finished a cycle in 2022. (2) To calculate the target P/E, we apply a discount to the 10-year median P/E since we estimate Urea prices to peak in 1Q2022 and start a corrective cycle in the following years.
Average P/E history of 10 years	7.06	
Target P/E (time)	4.50	
<b>Stock Value (VND/share)</b>	<b>63,135</b>	

*Source: BSC Research*

With a target P/E of 4.5 times we estimate the fair value for DPM shares at VND63,100 per share.

### Summary of valuation indexes of listed companies in the fertilizer industry

DPM is currently the leading capitalized enterprise in the fertilizer industry and has revenue and NPAT superior to the whole industry. At the same time, DPM shares are also trading with P/E TTM and EV/EBITDA discounted compared to the industry average of 46% and 32% respectively.

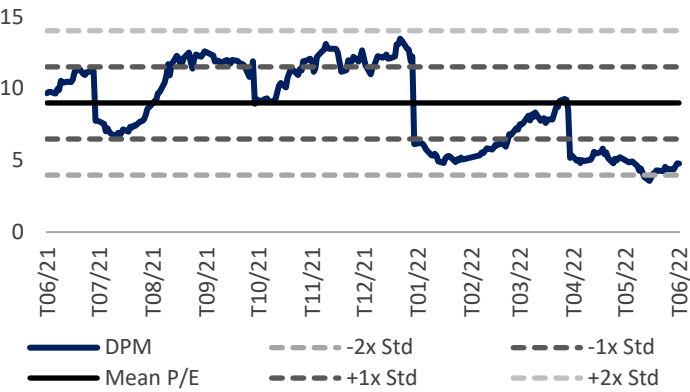
Figurea 10: Summary of valuation indicators of enterprises in the same industry divided by capitalization

Ticker	Market cap (10 VND)	P/E	P/B	EV/EBITDA	P/S	Revenue (Bill VND)	Profit (Bill VND)
<b>DPM VN Equity</b>	<b>21,210</b>	<b>4.2</b>	<b>1.7</b>	<b>3.0</b>	<b>1.3</b>	<b>12,786</b>	<b>3,001</b>
DCM VN Equity	19,244	6.4	2.2	3.6	1.6	9,870	1,823
DDV VN Equity	2,396	12.5	1.6	11.0	0.8	2,878	191
BFC VN Equity	1,456	19.8	1.1	15.9	0.5	7,743	220
LAS VN Equity	1,315	6.3	1.2	6.9	0.2	2,801	672
SFG VM Equity	656	17.9	1.1	15.3	0.3	2,110	36
VAF VM Equity	435	11.4	0.9	7.0	0.5	839	28
NFC VN Equity	230	10.6	1.2	7.1	0.4	556	14
<b>Average</b>		<b>7.83</b>	<b>2.23</b>	<b>4.41</b>	<b>1.56</b>		

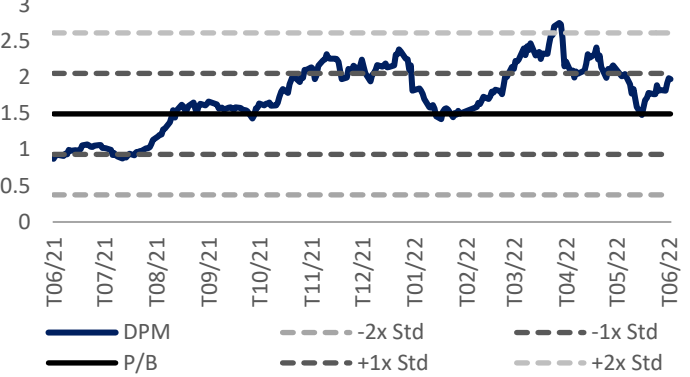
*Source: Bloomberg, BSC Research*



Figurea 11: STOCK PE

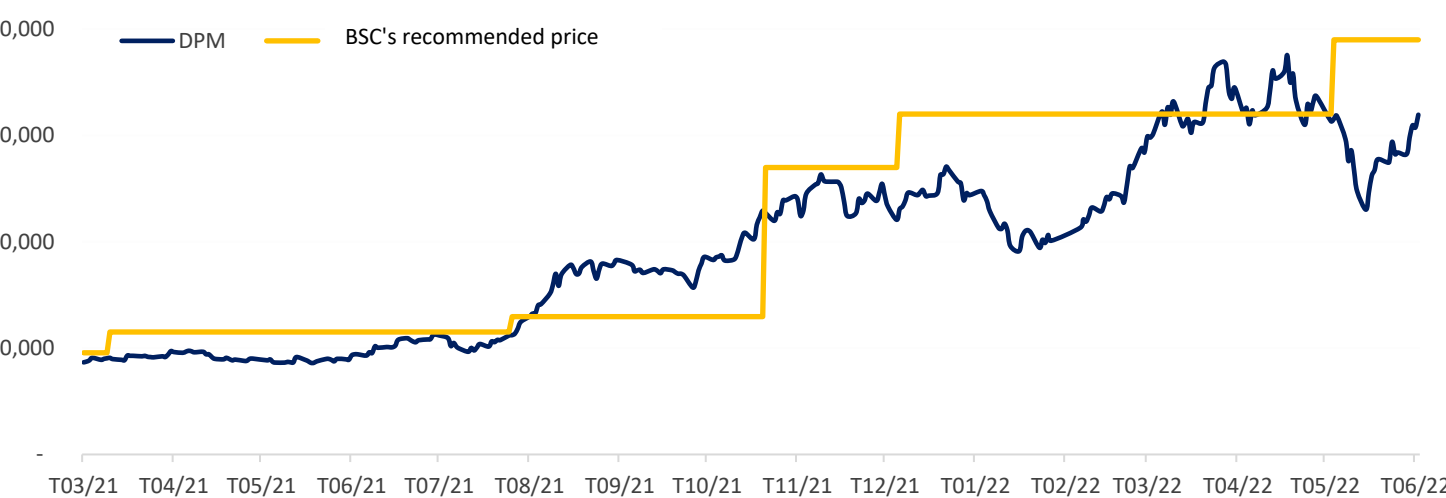


Figurea 12: STOCK P/B



Source: Bloomberg, BSC Research

Figurea 13: SHARE PRICE VOLATILITY BSC RECOMMENDED



Source: Bloomberg, BSC Research



## APPENDIX

P&L (Billion VND)	2019	2020	2021	2022F	CF (Billion VND)	2019	2020	2021	2022F
Net revenue	7,684	7,762	12,786	20,182	NPAT	467	848	3,799	6,895
COGS	(6,281)	(6,032)	(8,001)	(11,968)	Depreciation and amortization	(522)	(529)	(479)	(538)
Gross profit	1,402	1,730	4,786	8,213	Change in working capital	372	597	3,053	2,079
Selling expenses	(555)	(655)	(818)	(883)	Other adjustments	48	54	(34)	23
SG&A expenses	(415)	(409)	(425)	(499)	CFO	1,759	787	2,516	5,852
Operating profit/loss	466	753	3,646	6,832	Cash for purchase of fixed assets	(198)	(2)	1	(8)
Financial income	140	180	176	105	Other investments	(85)	(47)	(21)	(17)
Financial expenses	(108)	(95)	(75)	(61)	CFI	(283)	(49)	(20)	(25)
Profit from joint ventures/associations	2	2	3	2	Dividend payment	(1,968)	(1,574)	(1,574)	(1,181)
Other profit/loss	1	95	153	16	Cash from net borrowing	1,523	905	872	(2,275)
EBT	467	848	3,799	6,895	CFF	(445)	(669)	(702)	(3,456)
Tax	(78)	(146)	(628)	(1,239)	Beginning of year CF	2,524	4,637	5,417	5,501
NPAT	378	691	3,117	5,548	Ending of year CF	4,637	5,417	5,501	5,792
Minority Interest	11	10	54	108					
EBITDA	994	1,216	4,080	7,353					
EPS	863	1,535	7,749	14,032					
BS (Billion VND)	2019	2020	2021	2022F	Ratio (%)	2019	2020	2021	2022F
Cash and cash equivalents	2,977	2,029	2,524	4,637	Solvency				
Short-term investment	1,035	2,185	3,455	5,453	Current ratio	2.9	3.1	4.6	4.3
Short-term receivables	289	341	489	772	Quick ration	2.2	2.4	3.2	3.3
Inventory	1,351	1,468	2,776	3,591					
Other short-term asset	292	291	276	286	Capital structure				
Short-term asset	5,944	6,314	9,520	14,739	Debt/Total Asset	29%	27%	23%	33%
Tangible asset	4,791	4,283	3,717	2,022	Debt/Equity	25%	25%	30%	49%
Depreciation	562	550	537	521					
Long-term unfinished asset	146	153	174	-	Operational capacity				
Long-term investment	240	220	210	200	DSI	87.5	85.3	96.8	97.1
Other long-term asset	274	285	252	270	DSO	19.2	14.8	11.8	11.4
Long-term asset	5,496	4,986	4,398	2,538	DPO	89.8	108.7	83.2	106.9
Total Assets	11,440	11,300	13,918	19,470	CCC	17.0	-8.6	25.4	1.5
Liabilities	479	453	771	3,079					
Short-term loans	177	191	200	316	Profit margin				
Other short-term debt	1,405	1,382	1,180	2,102	Gross profit margin	18%	22%	37%	41%
Total short-term debt	2,061	2,026	2,152	5,496	NPAT margin	5%	9%	24%	27%
Long-term loans	1,064	859	700	500	ROE	5%	9%	30%	43%
Other long-term debt	155	167	353	348	ROA	3%	6%	25%	33%
Total long-term debt	1,218	1,026	1,053	849					
Total Debt	3,279	3,052	3,205	6,345	Valuation				
Capital contributions	3,935	3,935	3,935	3,935	PE	15.8	8.5	3.7	3.8
Undistributed profit	566	655	3,086	5,278	PB	0.7	0.6	1.0	1.6
Other equity	3,497	3,497	3,497	3,497					
Minority shareholders	165	163	198	209	Growth				
Total Equity	8,161	8,247	10,713	13,125	Net revenue growth	-17%	1%	65%	58%
Total capital	11,440	11,300	13,918	19,470	EBIT growth	-46%	54%	532%	193%
No. outstanding shares (million shares)	391	391	391	391	LNTT growth	-46%	82%	348%	81%
					EPS Growth	-44%	73%	373%	75%

Source: BSC Research

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