

# Commercial relationship between the USA and Viet Nam

## Trade and Investment

- Export and Import
- Foreign Direct Investment(FDI)
- Foreign Indirect Investment (FII)

## Beneficial Sectors

- Steel
- Marine products
- Textile
- Property
- Harboured

## APPENDIX



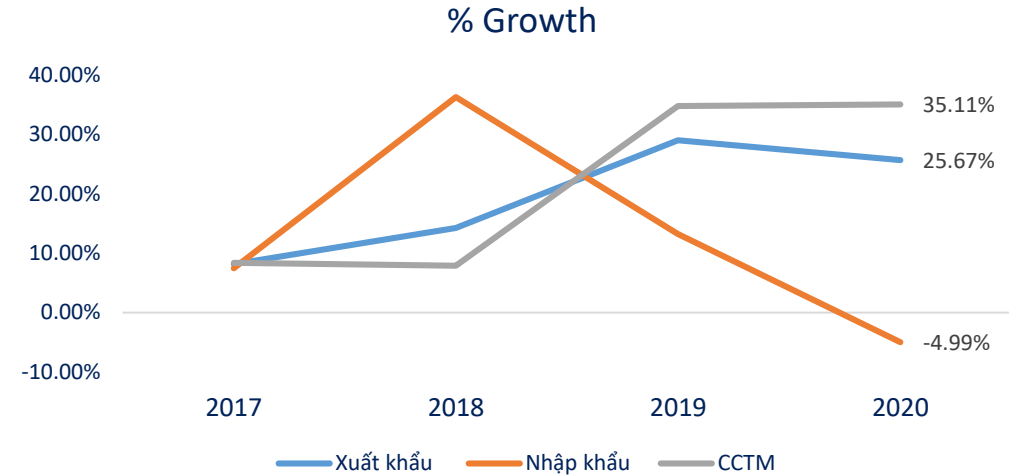
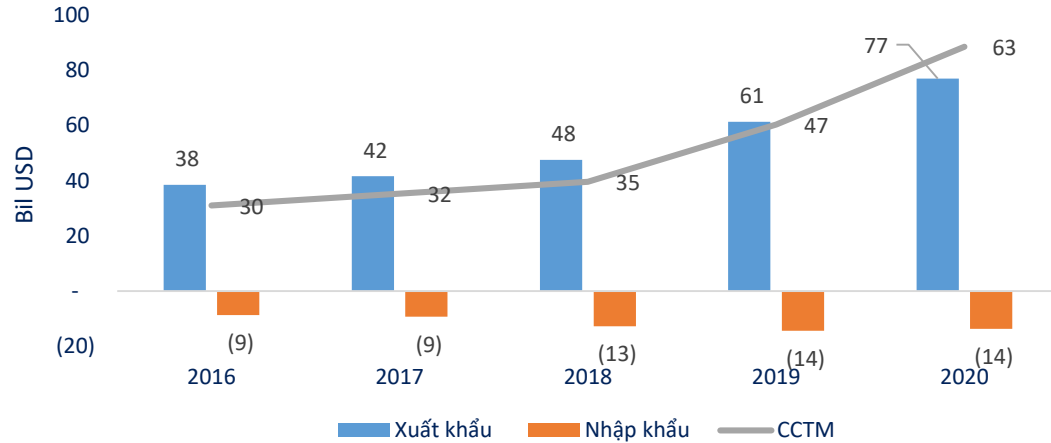
# Commercial relationship (The USA-Viet Nam) Trade and Investment



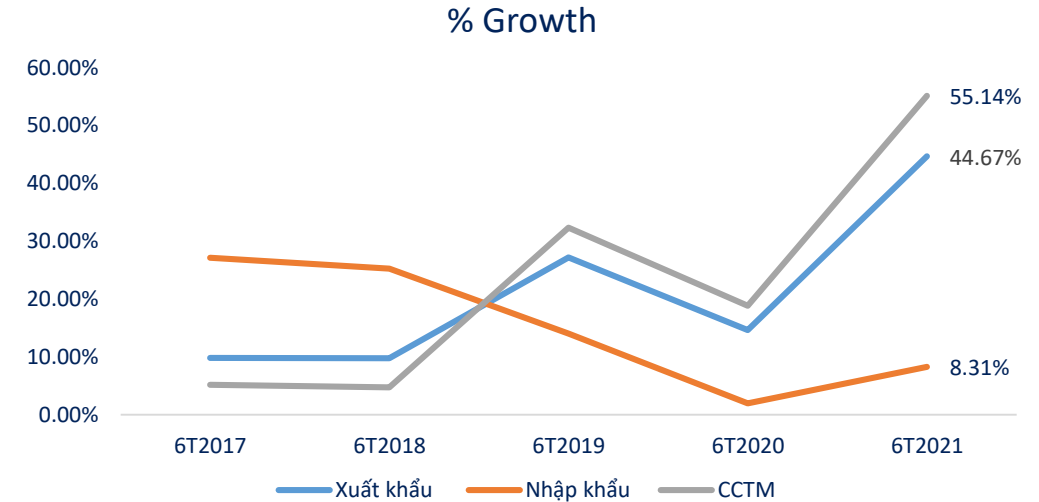
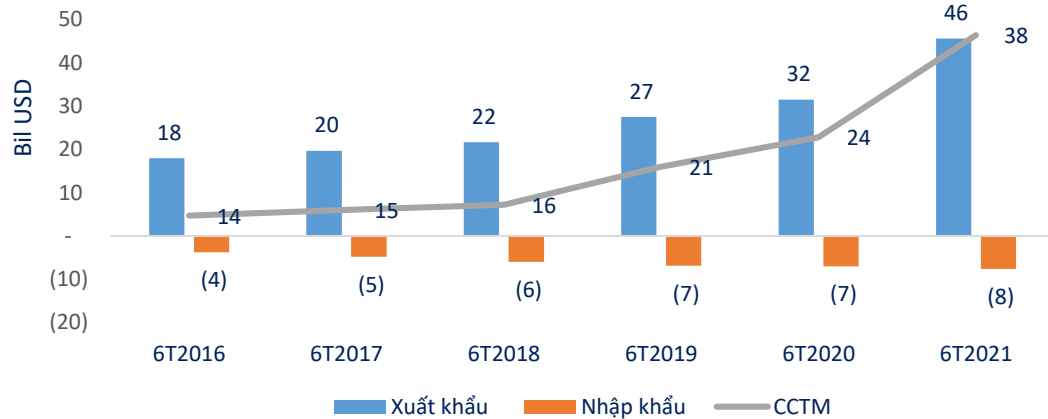


# US-VN: Export and Import turnover of 2 countries increased 18% on average from 2016 - 2020

Import-Export developments of the US and Vietnam (by year)

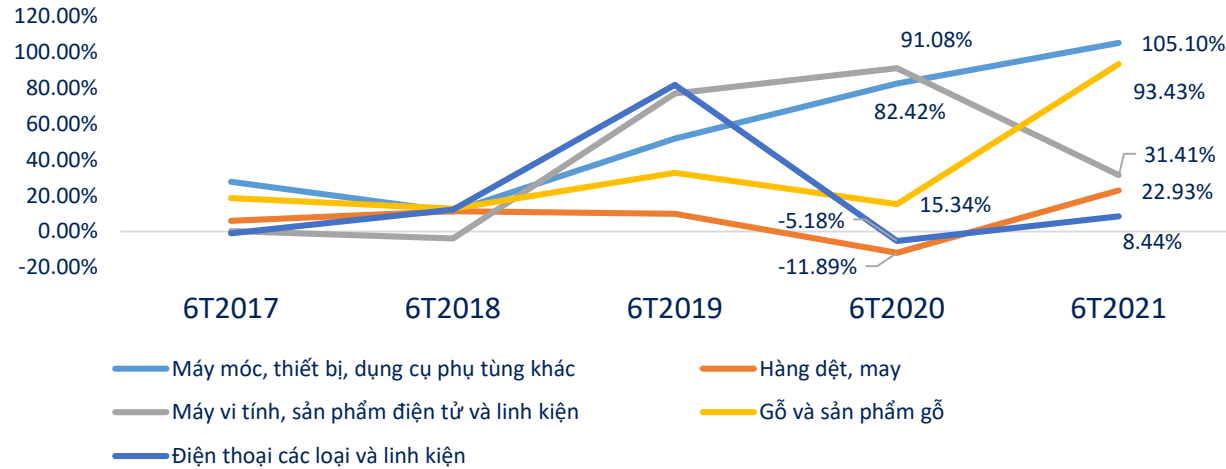


The U.S.-Vietnam import-export movements accumulated 6 months

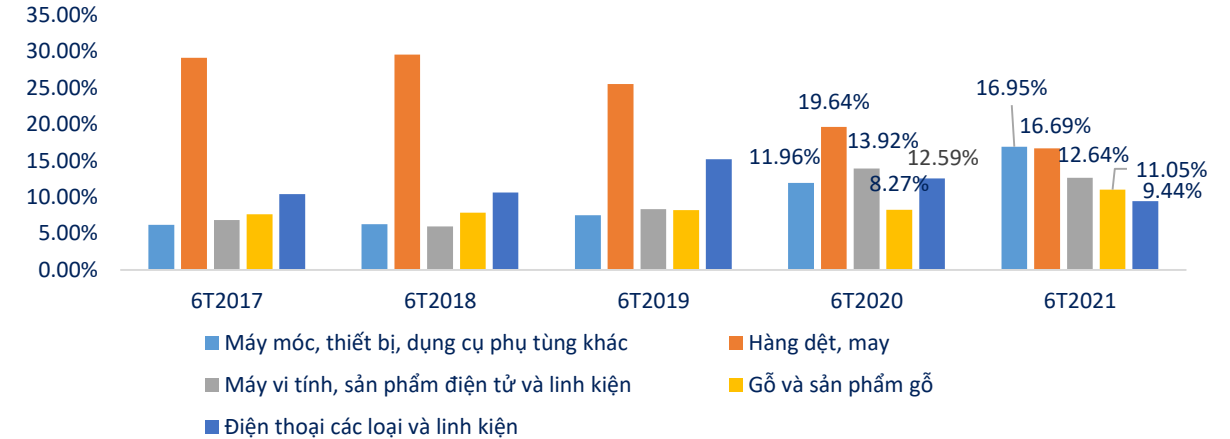


# US-VN: Key export goods increased sharply in the first 6 months of the year

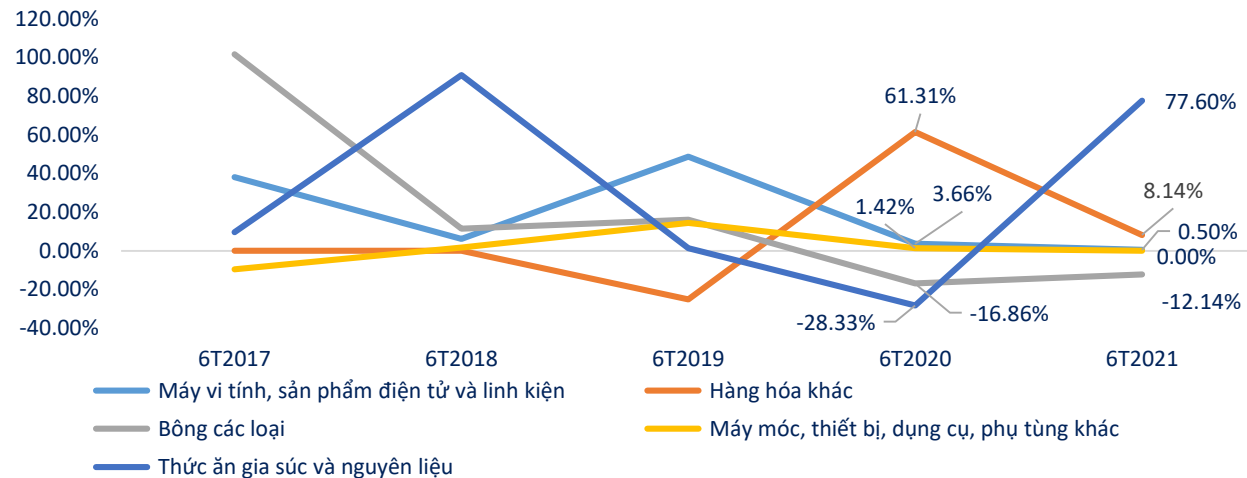
## % Growth from top 5 export goods



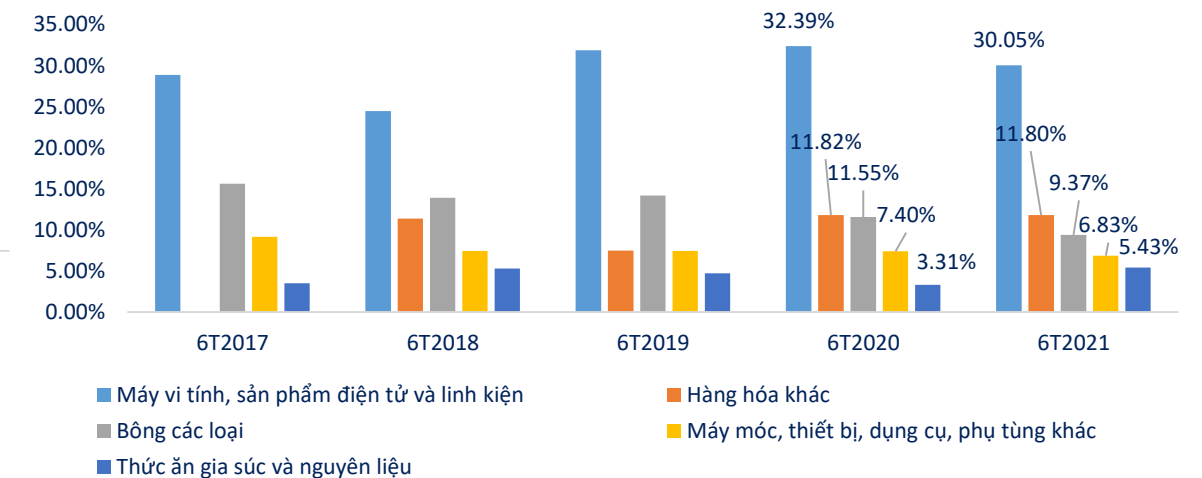
## % Export proportion



## % Growth from top 5 import goods

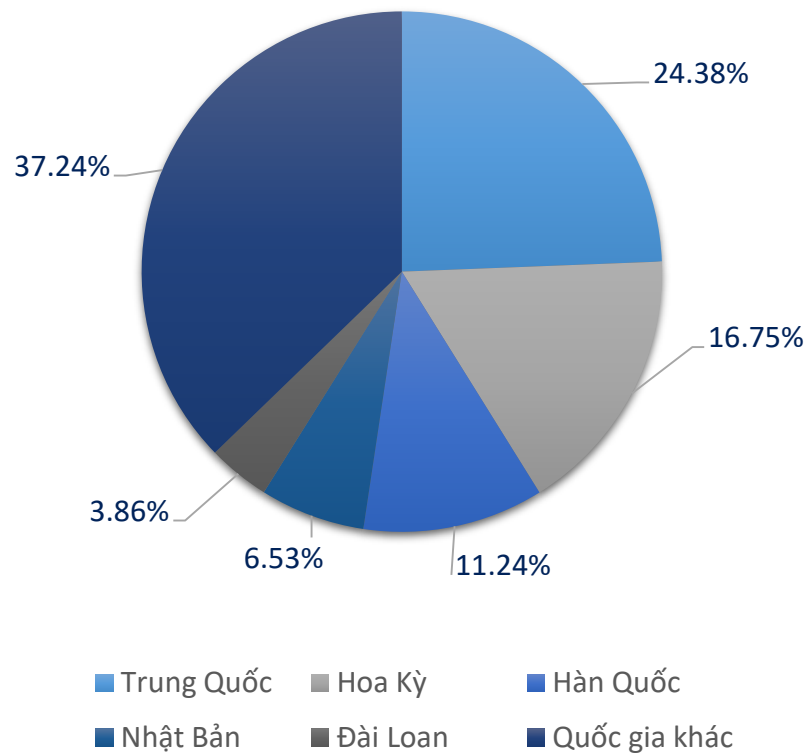


## % Export proportion



# US-VN: The United States and China are the two main trading partners

## Proportion of total import-export turnover of Vietnam in 6M2021



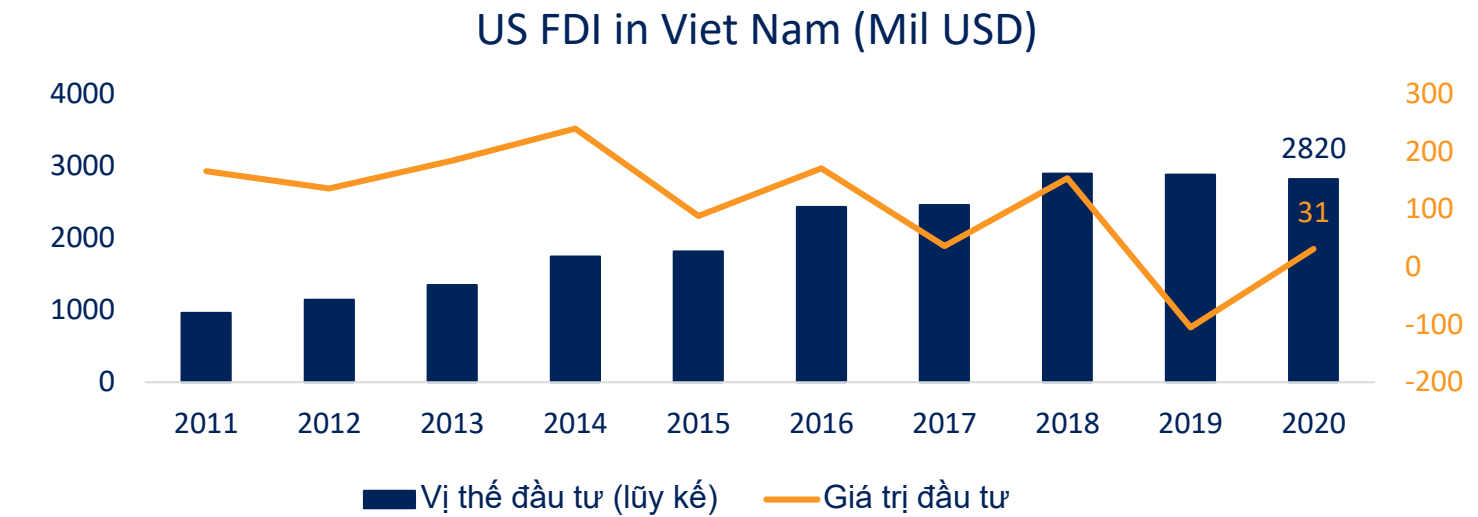
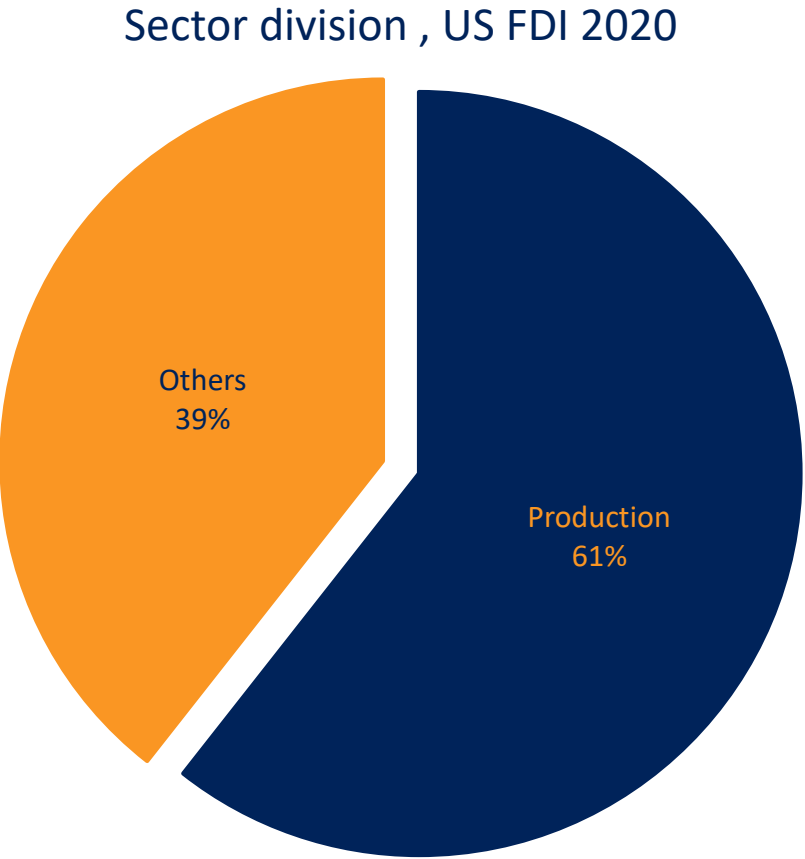
### Top 5 export surplus countries 6M2021

Countries	% Viet Nam Exports	Value (Bil USD)
<b>America</b>	<b>28.8%</b>	<b>45.58</b>
Hong Kong	3.6%	5.67
Finland	2.5%	3.89
England	1.8%	2.88
UAE	1.4%	2.24
<b>Total export</b>	<b>100%</b>	<b>158.34</b>

### Top 5 countries with trade deficit 6M2021

Countries	% Viet Nam Imports	Value (Bil USD)
<b>China</b>	<b>33.2%</b>	<b>52.92</b>
Korea	15.9%	25.37
Taiwan	6.4%	10.14
Thailand	4.1%	6.61
Ireland	1.4%	2.26
<b>Total import</b>	<b>100%</b>	<b>159.33</b>

# US-VN: FDI from the United States is concentrated in the manufacturing sector



US MNEs in Viet Nam								
	2011	2012	2013	2014	2015	2016	2017	2018
Labor*	25.5	28.9	29.9	38.9	56.3	51.6	54.7	56.1
Total Assets	5,036	5,339	7,993	9,268	10,039	10,251	13,006	14,488
Revenue	3,613	2,994	3,203	5,037	6,026	6,544	7,163	7,516
VAT	1,126	689	744	823	1,145	1,351	1,304	1,313
Labor's rights	378	414	422	404	485	539	590	580
capital expenditures	404	375	212	281	487	239	588	852
Real Estate, Plant & Equipment	1,524	1,528	1,722	2,025	1,680	1,906	2,238	2,828
Research and development		1		5	6	7	6	10
Net income	319	-53	51	140	248	-30	326	367

Đơn vị: triệu USD, \* nghìn lao động

## US-VN: Investment position (cumulative)

	Total	Extractive	Production									Merchandise wholesale	Information	Credit union	Finance and Insurance	Scientific research	Holding Companies	Others
			Total	Foods	Chemical	Metal	Machinery	Electronic and computer products	Electrical equipment	Transport equipment	Others							
2020	2,820		1,709		167		1	-69			590	42	19		169	-15	5	155
2019	2,883		16,15		-21		1	94			606	25	19			-10	5	340
2018	2,895		1,573		-6		1	186			475	63	19		107	-6	5	459
2017	2,461		1,622				1	178			637	48	19		44	-1	-30	115
2016	2,433		1,383		62		1	172			533	69	19		45	3	-10	82
2015	1,816		953				1				246	72	19		47	7	-13	63
2014	1,746	812	498	3							247	66	19	220	45	12	7	67
2013	1,348	647	391	4	123		8	-17	0		78	38	2	216	-1	10	0	45
2012	1,143	674	190	3	129		8	-136	0		29	36	2	207	3	10	0	21
2011	964	477	236	4	46		8	-29	0		62	22	2	192	6	10	0	19
2010	799	340	250	1	55		8		0		74	11	2	162	10	10	0	14
2009	738	296	255	2	70		8	12	0			11	2	136	14	10	0	14
2008	477		189		27		0	0	0		4	5			-1	-1		-1
2007	426		180		23		0	0	0		-1	5			0	-1		-1
2006	261	1	157		22		0	0	0			5		51	0	-1		48
2005	261		151		19		0	0	0					44	0	-1		21
2004	205		119		7	4	0	0	0		1	5			0	-1		5
2003	218	47	125		-1			7	0		25	12			0		0	
2002	181	40				1	-2	1	7	0			8		0			
2001	172	34		97		3	-1	1	7	0		12			0	-1		
2000	141			92		4		1	7	0	40	-8	8		0	-1		

Unit : Mil USD



## US-VN: About 655 million USD indirectly invested through Funds

Order	Fund invested in Vietnam	Total asset (Mil USD)	Proportion in Vietnam	Investment value in Vietnam (Million USD)	YTD Performance
1	MSIF Frontier markets Portfolio	147.0	20.0%	29.4	22.1%
2	MSCI Ishares	478.3	20.1%	96.1	19.2%
3	ASHMORE Emerging market Frontier Equity Funds	72.0	25.8%	18.6	18.8%
4	FRANKlin Templeton Investment Fund	324.9	25.0%	81.2	17.0%
5	Vaneck VietNam	560.2	69.2%	387.6	15.6%
6	WASATCH Frontier Emerging Fund Class	69.5	10.5%	7.3	14.2%
7	EATON VANCE Emerging Frontier Equity Fund	182.1	3.6%	6.6	10.3%
8	Harding Loevner Frontier Emerging Market Portfolio Class	215.5	13.2%	28.4	6.3%
Total		2,049.4		655.3	

Source : Bloomberg



# Commercial relationship ( The USA-Viet Nam) Industries that benefit

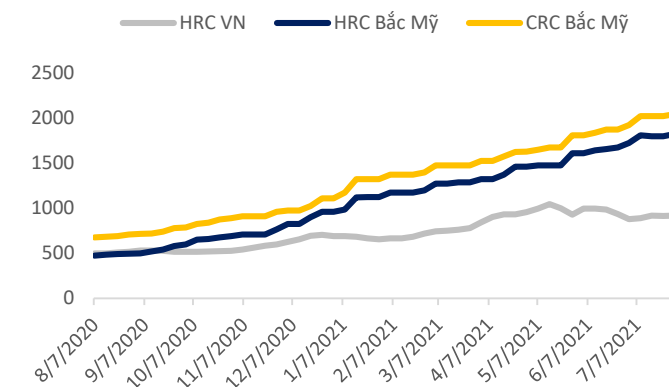
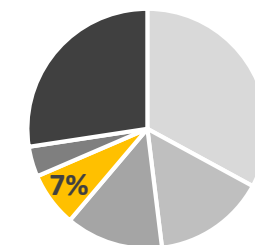


## Comment

- **Iron and steel export turnover to the US market in 1H/2021** reached 336,000 tons (+250% yoy) with a total value of 332 million USD (+283% yoy), equivalent to 7% of total turnover. BSC believes that the US market still has room for export growth for Vietnamese steel companies when construction demand increases sharply to accelerate the economic recovery process.
- **Prices of HRC and CRC products in the North American market have continuously increased in the past 1 year.** The reasons are (1) a strong increase in construction and production demand to promote economic recovery after the epidemic and (2) supply disruption due to blockade and distancing orders. BSC believes that the selling prices of HRCs and CRCs in the North American market will remain high thanks to a strong increase in construction demand when the US government's \$1.9 trillion economic stimulus package takes effect in the near future.
- **The demand for flat steel products (HRC, CRC) in the North American market will help the business results of enterprises in the industry with a high proportion of exports to the US (such as NKG, HSG) to grow strongly in the second half of the year. 2021.**

Export value of steel to the US has a low proportion in the turnover structure

■ Đông Nam Á ■ Trung Quốc ■ EU ■ Mỹ ■ Anh ■ Khác



Stock code	Net Revenue 2021	% yoy	Profit after tax 2021	% yoy	EPS 2021 (VNĐ/cp)	P/E fw	P/B fw	Closing price (18/08/2021)	Target price	Upside	Report link
HSG	46,098	67%	4,079	253%	8,664	4.9	1.8	39,900	51,100	28.0%	<a href="#">Link</a>
NKG	23,378	102%	2,197	644%	12,562	3.3	1.4	42,000	55,500	32.0%	<a href="#">Link</a>

# HSG –The most beautiful lotus

**TP 2022: VND 51,100 - Upside +28%**

## Investment recommendation

- **Successful restructuring during the 2018/19 period** and taking advantage of the strengths of the retail system helped HSG firmly enter a new growth cycle.
- **Export activities to two main markets, the US and Europe, are expected to increase from 30% to 50%, helping HSG maintain full capacity until the end of 11/2021.** The export output in the up-coming months is expected to be about 120-130 thousand tons/month, accounting for about 70% of total consumption, thereby compensating for domestic demand due to the impact of the Covid-19 epidemic.
- **1H2021 business results (FTC 30/09) achieved impressive results with revenue and profit after tax of VND 19,945 billion (+61% yoy) and VND 1,607 billion (+320% yoy).** The boom in demand for steel helped the output of galvanized sheet and steel pipe in the first 6M increase by 57% and 42% yoy respectively.
- **Risks:** HRC price adjustment fluctuations can directly affect the profit margin of enterprises.

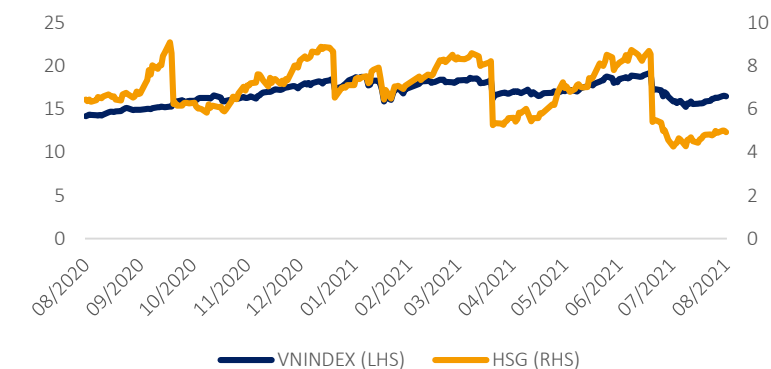
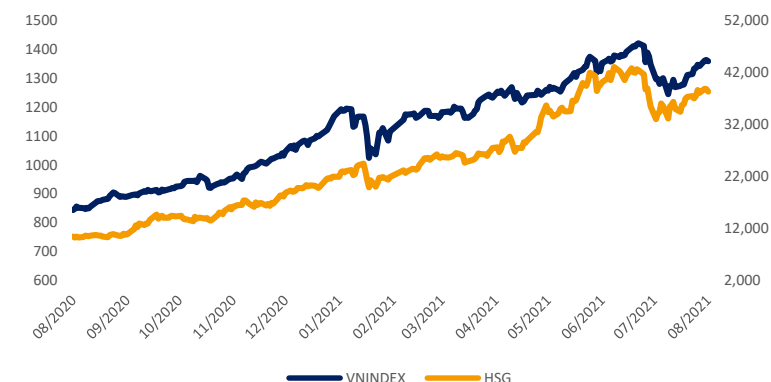
	19/20	20/21F	21/22F	Peer
PE	9.3	4.7	5.5	18.3
PB	1.5	1.8	1.2	2.5
PS	0.3	0.4	0.4	2.0
ROE (%)	6.8	48	27	14.0
ROA (%)	1.9	20	16	2.0
EV/EBITDA	5.5	4.8	5.3	17.3

	18/19	19/20	20/21F	21/22F
Revenue	28,035	27,531	46,098	44,484
Gross profit	3,199	4,627	8,113	7,295
Profit after tax	361	1,153	4,079	3,277
EPS	870	2,649	8,664	7,451
EPS growth	-11.5%	219.5%	253.7%	-19.7%
Net debts/Equity	170.6%	115.5%	63.8%	1.4%

Source: BSC Research

## Transaction information

Current price	VND 39,900
Market capitalization (Mil USD)	848.6
30 days average value (million USD)	24.32
The remaining foreign room	42.4%





# NKG – Targeting new goal

**TP 2022: VND 55,500 - Upside +32%**

## Investment recommendation

- **NKG has had export orders for the US and European markets until the end of November 2021 thanks to a supply shortage in these export markets.** It is expected that export output will account for about 80% of the total consumption of enterprises, thereby helping businesses not be affected by the domestic epidemic.
- **Prices of flat steel products (HRC and CRC) in export markets (US and Europe) maintain an uptrend in the short term, helping to maintain gross margin at 15% in 2H2021, thereby helping The company's NPAT in 2021 may increase by 571% yoy.**
- **Business results in 1H2021 reached a record growth rate.**
- NKG's revenue and net profit in 1H2021 reached VND 11,862 billion (+149% yoy) and VND 1,166 billion (19.7x yoy), respectively, 94% higher than the 2021 plan.
- Total sales volume in 1H2021 reached 564,000 tons (+91% yoy), of which export volume reached 292,000 tons (+176% yoy).
- **Risks:**HRC price adjustment fluctuations can directly affect the profit margin of enterprises..

	2020	2021F	2022F	Peer
PE	24.2	3.3	4.2	18.3
PB	2.2	1.4	1.1	2.5
PS	0.6	0.3	0.3	2.0
ROE (%)	9.5	51.7%	29.9%	14.0
ROA (%)	3.8	22.3%	15.8%	2.0
EV/EBITDA	5.7	3.4	3.0	17.3

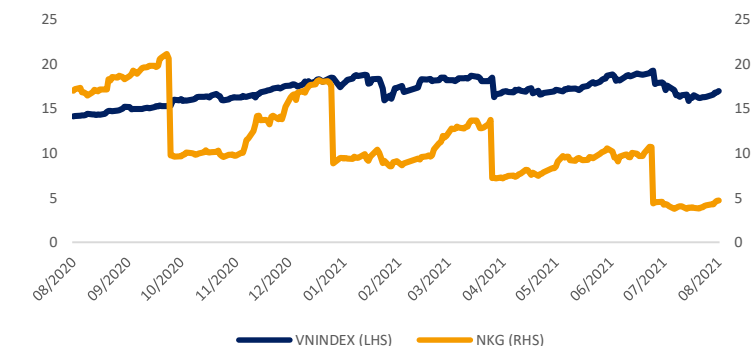
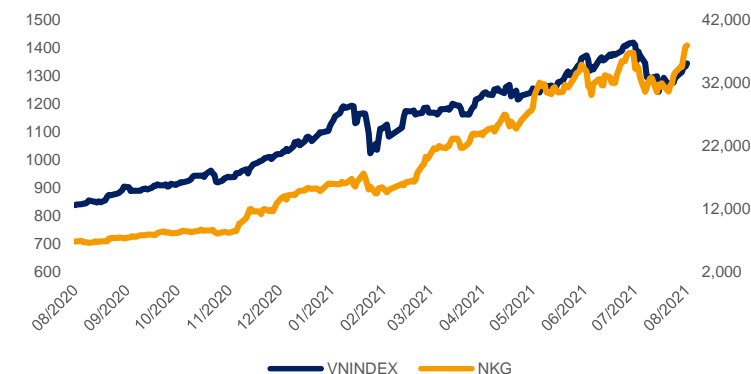
	2019	2020	2021F	2022F
Revenue	12,177	11,560	23,378	22,088
Gross profit	342	869	3,156	2,651
Profit after tax	47	295	2,197	1,824
EPS	260	1,690	12,562	10,092
EPS growth	-17%	524%	644%	17%
Net Debts/ Equity	102%	94%	79%	20%

Nguồn: BSC Research

## Transaction information

Current price	VND 42,000
Market capitalization (Mil.USD)	332
30 days average value (million USD)	10.34

The remaining foreign room 12.3%





## COMMENT

**Proportion of the US market to the seafood industry:** The US has always been one of the main export markets of Vietnam's seafood industry. Seafood export turnover to the US in 2020 reached 1.6 billion USD, accounting for 19% of total seafood export turnover of Vietnam.

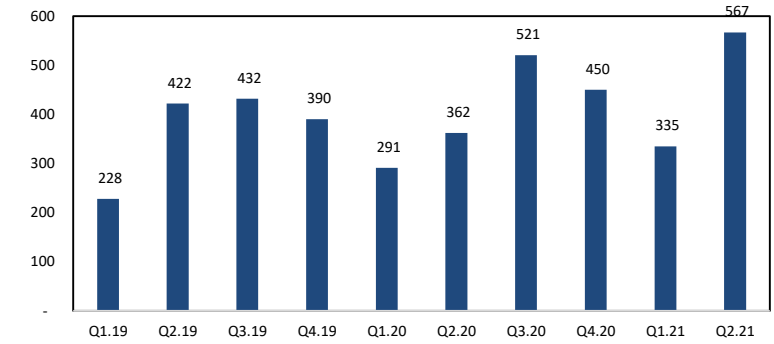
**Exports to the US market in the second quarter of 2021 grew strongly.** Seafood turnover to the US reached 567 million USD, up 57% over the same period. The US continues to be a large export market with the proportion accounting for 22%.

**Business outlook in the third quarter of 2021:** BSC believes that high transportation costs and anchor material costs will affect the rate of profit recovery while export turnover will continue to be positive.

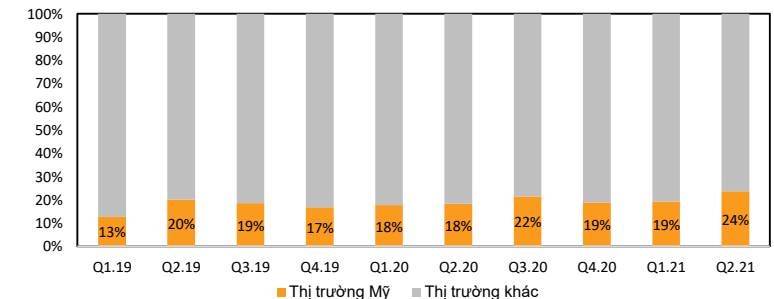
BSC expects the export activities of seafood enterprises to maintain a recovery momentum in the third quarter thanks to (i) Countries increase vaccination for people to help people's lives (along with seafood consumption demand). return to normal (ii) The low base level of 2020 supports the growth rate.

- Social distancing in the southern provinces in Q2 and extending into Q3 is the main risk and can negatively affect business activities of Fisheries Enterprises because (i) labor productivity decreases when must carry out distance (dividing work shifts, reducing the number of employees, ..) (ii) increasing costs for businesses (costs of conducting 3 on-site activities, costs of quarantine, ...).
- Freight rates and anchor material costs at high prices are expected to continue to be negatively impacted in the third quarter of 2021. BSC believes that seafood businesses continue to face risks (i) freight rates are still anchored at high levels (ii) prices of animal feeds have decreased but still increased by 20% over the same period last year. . This will negatively affect input costs as feed costs account for about 60% - 70% of aquaculture costs.

Turnover to the US market (unit: million USD)



Structure of Vietnam's seafood export market



	US market share	Gross profit 2021F	% YoY	Profit after tax 2021 F	%YoY	EPS 2021F	P/E fw	P/B fw	ROA 2021 F	ROE 2021 F	Closing price 18/8/2021	Target price	Upside	Report Link
VHC	35%	8,249	18%	838	16%	4,559	9.4	1.4	12%	16%	47,600	61,000	28%	<a href="#">Link</a>
ANV	0%	4,184	22%	258	28%	1,953	15.1	1.3	5%	10%	29,500	35,400	20%	<a href="#">Link</a>
FMC	19%	5,543	25%	277	23%	5,666	6.9	1.0	16%	24%	43,750	53,800	23%	
MPC	40%	16,537	15%	700	4%	3,594	10.2	1.3	9%	14%	40,000	44,900	12%	<a href="#">Link</a>

# VHC –Vinh Hoan Joint Stock Company

**TP: VND 61,000 - Upside +28%**

## Business update

**The proportion of US market:** The US market is VHC's main export market, accounted for 35% of revenue in 2020.

**Update on the second-quarter business results:** Revenue and profit after tax reached 2,343 billion (+41% YoY) and 261 billion (+16% YoY) respectively. Profit grew slower than revenue due to (i) increase in feed cost (gross margin decreased from 20% to 18%) and (ii) increase in transportation cost due to high anchorage freight (shipping cost). Second-quarter of 2021 load is 5 times higher than the same period).

**Business outlook of the 3rd quarter business outlook:** BSC maintains a cautious view on VHC's 3rd quarter business outlook due to (i) social distancing reducing operating capacity and increasing incurred costs ("3 on-site", vaccines, daily life) and (ii) freight rates continue to stay at a high level. However, BSC noted that the US market is showing a strong recovery in demand, which will be a support factor for VHC as soon as the epidemic is under control.

**Valuation:** VHC's P/E trailing is around 10.6, equivalent to the industry's trailing P/E of 10.5

### Risks:

- Export markets tighten customs procedures due to concerns about the source of virus transmission
- A sharp increase in freight rates increases selling costs

	2020	2021F	2022F	Peer		2019	2020	2021F	2022F
PE	8.9	9.4	7.6	10.5	Revenue	7,867	7,037	8,349	9,919
PB	1.5	1.4	1.2	0.8	Gross profit	1,533	1,001	1,403	1,629
PS	1.1	0.9	0.8	0.5	Net profit	1,179	705	838	1,038
ROE (%)	19%	16%	18%	8%	EPS	12,559	3,953	4,559	5,663
ROA (%)	14%	12%	15%	1%	%YoY EPS	-19%	-69%	17%	24%
					Debts/Equity	36%	39%	35%	36%

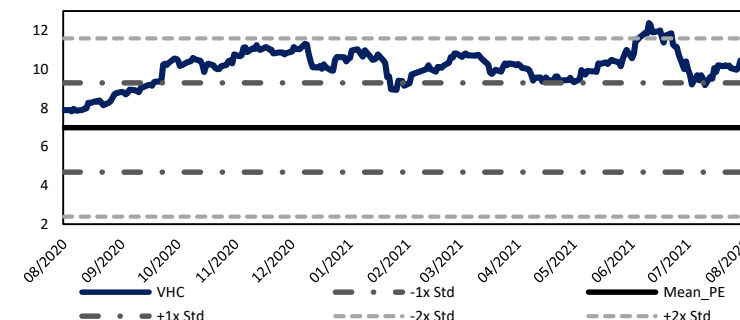
Source: BSC Research

[Report Link](#)

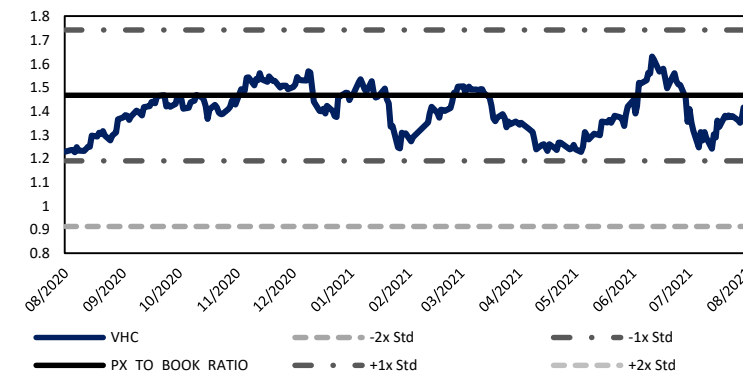
### General information

Stock price	VND 47,600
Market capitalization (Mil.USD))	336
30 days average value (million USD)	2.64
The remaining foreign room	26%

### STOCK PE



### STOCK PB



# FMC –Sao Ta WholeFoods JSC

TP: VND 53,800 - Upside +23%

[Report Link](#)

## Business update

**The proportion of the US market:** The US market is one of FMC's main export markets, accounting for 19% of revenue in 2019

**Updated in the second-quarter business results: Revenue and profit after tax reached 1,160 billion (+33% YoY) and 82 billion (+58% YoY) respectively.** Business results were positive thanks to shrimp production growth (+28% YoY) when export markets of Japan and the US recovered. Notably, FMC was not affected by high anchorage rates in the second-quarter of 2021.

**Third-quarter business outlook:** BSC holds a cautious view on FMC's third-quarter business outlook as social distancing reduces operating capacity and increases incurred costs ("3 onsite", vaccines, Living).

**Valuation:** FMC's trailing P/E is around 8.5, a 23% discount from the industry's trailing P/E of 10.5

### Risks:

- Export markets tighten customs procedures due to concerns about the source of virus transmission
- A sharp increase in freight rates increases selling costs

	2019	2020	2021F	Peer
PE	7.4	8.7	6.9	10.5
PB	1.7	1.6	1.0	0.8
PS	0.3	0.4	0.4	0.5
ROE (%)	28%	22%	24%	8%
ROA (%)	15%	14%	16%	1%

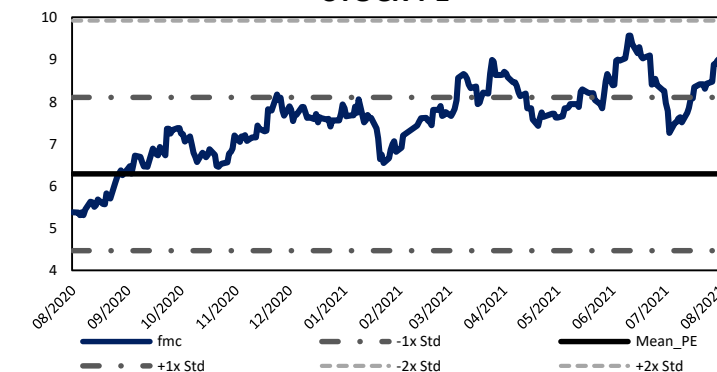
	2018	2019	2020	2021F
Revenue	3,806	3,709	4,415	5,543
Gross profit	394	424	429	498
Net profit	180	229	225	277
EPS	3,888	55,468	4,607	5,666
%YoY EPS	38%	41%	-16%	23%
Debts /Equity	117%	62%	58%	60%

Source: BSC Research

## General Information

Stock price	VND 43,750
Market capitalization (Mil USD)	100.4
30 days average value (million USD)	0.61
The remaining foreign room	41%

## STOCK PE



## STOCK PB



# MPC – Minh Phu Seafood Corporation JSC

TP: VND 44,900 - Upside +12%

[Report Link](#)

## Business update

**Proportion of US market:** The US market is one of the main export markets of MPC. North America (US and Canada) accounted for 40% of revenue in 2020.

**Updated second quarter business results:** Revenue and profit after tax reached 3,291 billion (+20% YoY) and 249 billion (+41% YoY) respectively. Business results grew strongly thanks to a low base compared to the same period last year and a positive recovery in demand in the export market.

**Third quarter business outlook:** BSC holds a cautious view on MPC's Q3 business outlook as social distancing reduces operating capacity and increases incurred costs ("3 onsite", vaccines, Living). At the same time, the lawsuit in the US is still going on because MPC's appeal will affect MPC's shrimp exports to the US market.

**Valuation:** MPC's trailing P/E is around 11.5, 9% higher than the industry's trailing P/E of 10.5

### Risks:

- Export markets tighten customs procedures due to concerns about the source of virus transmission
- A sharp increase in freight rates increases selling costs

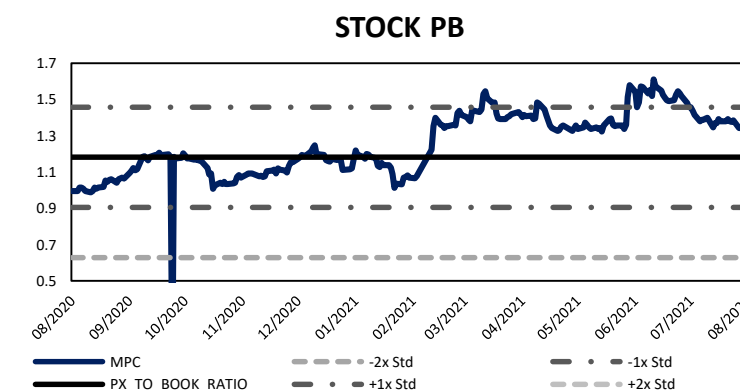
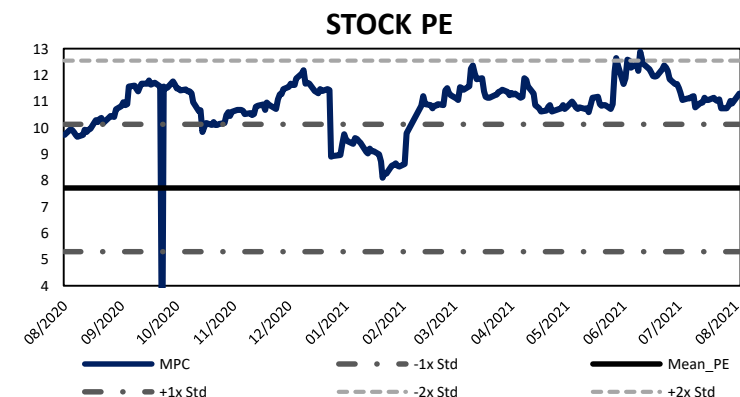
	2019	2020	2021F	Peer
PE	8.2	11.8	10.2	10.5
PB	1.8	1.1	1.3	0.8
PS	0.3	0.4	0.4	0.5
ROE (%)	10%	13%	14%	8%
ROA (%)	5%	8%	9%	1%

	2018	2019	2020	2021F
Revenue	16,925	16,935	14,329	16,536
Gross Profit	2,197	1,677	1,528	1,600
NPATMI	810	443	673	700
EPS	4,936	2,528	3,243	3,594
EPS's Growth	7%	-49%	28%	6%
Net debt / Equity	144%	70%	68%	72%

Source: BSC Research

## General information

Stock price	VND 40,000
Market capitalization (Mil USD)	319
30 days average value (million USD)	0.15
The remaining foreign room	12%



### Business update

**Importance of the US market:** ANV is one of the two enterprises that are imposed a tax rate of 0.0 USD/kg in the POR16 phase, this is a good premise for businesses to return to the US market after stopping exporting to this market. since 2014. When the Binh Phu farming area is completed, ANV will be able to export more than 20,000 tons of pangasius fillet to the US each year.

**Update of 2Q 2021 business results:** Revenue and profit after tax reached 1,074 billion (+21% YoY) and 24 billion (-25% YoY) respectively. Business results dropped sharply because (1) Interest expense increased sharply to 29 billion (+71% YoY) because part of Binh Phu farming area went into operation and (2) Selling expenses reached 86 billion (+139 % YoY) because of rising transportation costs amid a global container shortage.

**2H2021 business outlook:** BSC holds a positive view on ANV's 2H2021 outlook with full-year export volume reaching 57,677 tons (+25% YoY) thanks to strong demand in key markets such as China , Thailand... However, BSC noted that if the epidemic situation in Vietnam lasts until 4Q and transportation costs continue to increase, ANV's business results will be less positive.

**Valuation:** ANV is currently trading at a PE of FW2022 currently at 9.5x – relatively low compared to the company's past PE.

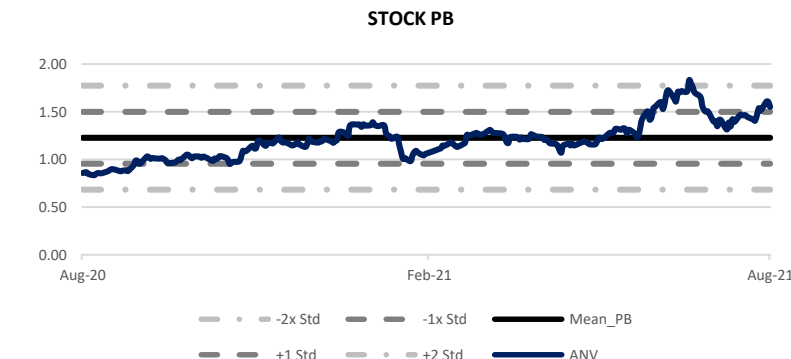
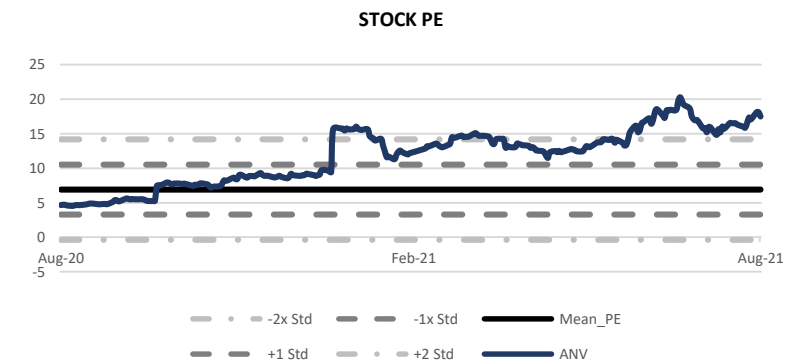
**Risks:** The complicated development of Covid-19 disrupts global trade activities.

	2020	2021F	2022F	Peer		2019	2020	2021F	2022F
PE	20.0	15.1	9.5	10.5	Revenue	4,481	3,439	4,184	5,020
PB	1.8	1.3	1.2	0.8	Gross profit	1,043	485	657	803
PS	1.2	1.0	0.9	0.5	Net profit	704	202	258	412
ROE (%)	9.4	10.3	14.5	8.0	EPS	5,541	1,590	1,953	3,121
ROA (%)	5.3	5.0	8.5	1.0	%YoY EPS	17%	-71%	23%	60%
EV/EBITDA	17.7	7.1	6.8	8.5	Debts/Equity	55%	79%	47%	35%

Source: BSC Research

### General information

Stock price	VND 29,500
Market capitalization (Mil USD)	169.4
30 days average value (million USD)	1.1
The remaining foreign room	47.8%





## COMMENT

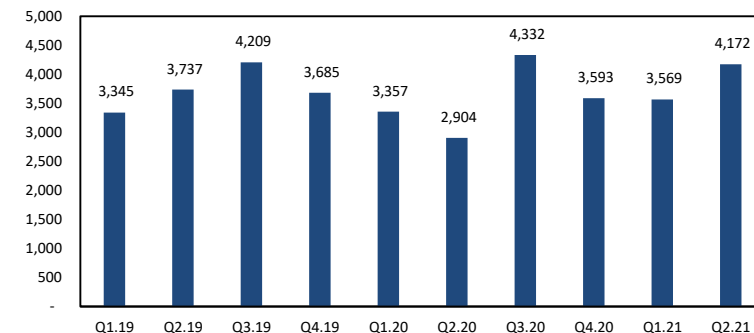
**The proportion of the US market for the textile industry:** The US has always been one of the main export markets of Vietnam's textile and garment industry. Textile and garment export turnover to the US in 2020 will reach 14 billion USD, accounting for 40% of the total export turnover of Vietnam's textile and garment.

**Exports to the US market 1H.2021 grew strongly.** Textile and garment turnover to the US reached 4 billion USD, up 41% over the same period. The US continues to be the largest export market with a share of 41%.

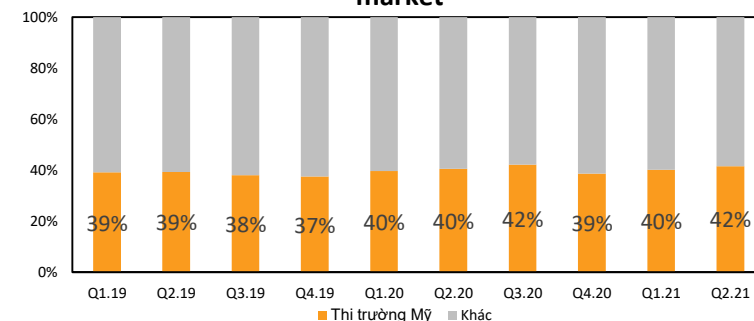
**Business outlook in the third quarter of 2021:** Export turnover is expected to continue to be positive, however, social distancing in 16 southern provinces and cities negatively affects production activities.

- BSC expects the export performance of textile and garment enterprises to continue to be positive in the third quarter thanks to (i) Positive order value signed from the beginning of the year and new signings when the demand for procurement in the export market increases ( ii) The low base level of 2020 supports the growth rate.
- Social distancing in the southern provinces in the second quarter and extending into the third quarter is the main risk and may negatively affect the business activities of the Textile and Garment Enterprise because (i) labor productivity decreases when must carry out distance (dividing work shifts, reducing the number of employees, ..) (ii) increasing costs for businesses (costs of conducting 3 on-site activities, costs of quarantine, ...). Therefore, businesses will have difficulty in delivering signed orders on time and are afraid to sign new orders when the epidemic is still complicated.

Turnover to the US market (unit: million USD)



Structure of Vietnam's textile and garment export market



	US market share	Revenue 2021F	% YoY	Profit after tax 2021 F	%YoY	EPS 2021F	P/E fw	P/B fw	ROA 2021 F	ROE 2021 F	Closing price 18/8/2021	Target price	Upside	Link report
MSH	60%	4,550	19%	449	94%	8,996	7.6	1.7	13%	26%	78,000	89,900	15%	<a href="#">Link</a>
TNG	42%	5,255	17%	203	33%	3,114	7.5	1.3	5%	15%	28,700	36,000	25%	
STK	2%	2,177	23%	261	81%	3,790	12.4	1.4	13%	25%	48,800	54,900	13%	
VGT	N/A	15,900	14%	850	51%	950	19.2	1.6	4%	10%	20,500	24,000	17%	<a href="#">Link</a>

# MSH – Song Hong Garment JSC

**TP: VND 89,900 - Upside +15%**

## Business update

**Proportion of US market:** The US market is MSH's main export market, accounting for 60% of revenue in 2020.

**Updated second quarter business results:** Revenue and profit after tax reached 1,207 billion (+25% YoY) and 124 billion (+114% YoY) respectively. Business results increased strongly due to (i) good growth of traditional orders (ii) 53 billion reversal related to New York & Company customers. Thus, from the second quarter of this year, New York & Company's receivables will no longer affect the company's business.

**Third quarter business outlook:** BSC holds a positive view on MSH's Q3 outlook due to (i) good order value from the beginning of the year while the same period had a low level of business (ii) the Covid-19 situation – 19 in Nam Dinh is still under control to help normal production activities.

**Valuation:** P/E trailing of MSH is around 10.9, 33% discount compared to P/E trailing of Textile industry.

### Risk:

- Customer bankruptcy.

	2020	2021F	2022F	Peer
PE	7.3	7.9	7.6	17.4
PB	1.4	1.9	1.7	1.9
PS	0.5	0.8	0.7	0.7
ROE (%)	9%	25%	26%	14%
ROA (%)	4%	15%	13%	6%

	2019	2020	2021F	2022F
Revenue	4,425	3,813	4,550	5,071
Gross profit	628	751	901	1,046
Net profit	452	232	449	469
EPS	9,113	4,635	8,996	9,378
%YoY EPS	-11%	-49%	94%	4%
Debts /Equity	40%	82%	97%	93%

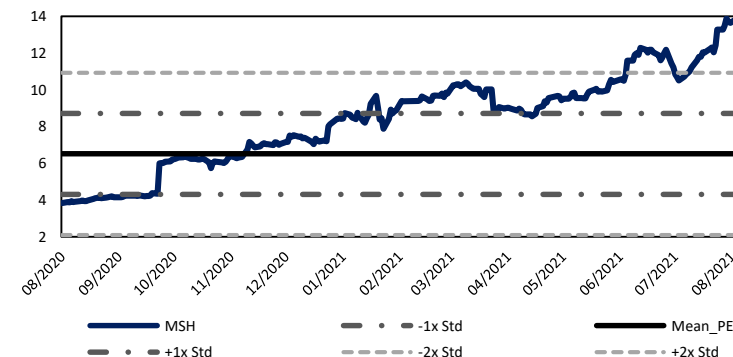
Source: BSC Research

[Report Link](#)

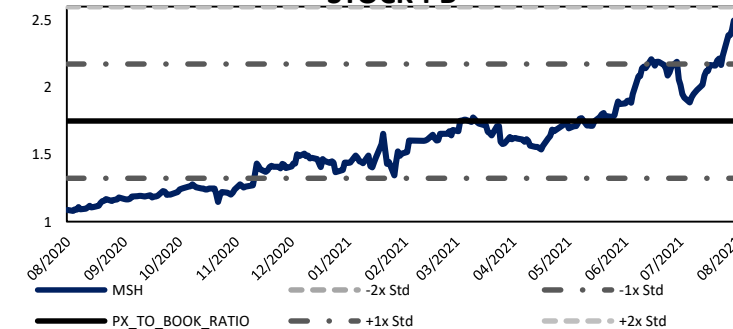
### General information

Stock price	VND 78,000
Market capitalization (Mil USD)	157.7
30 days average value (million USD)	0.36
The remaining foreign room	42%

### STOCK PE



### STOCK PB



# TNG – TNG Investment and Trading JSC

**TP: VND 36,000 - Upside +25%**

## Business update

**The proportion of the US market:** The US market is one of TNG's main export markets, accounting for 42% of revenue in 2020

**Update of the second quarter business results:** Revenue and profit after tax reached 1,460 billion (+37% YoY) and 61 billion (+91% YoY) respectively. BSC believes that business results grew strongly due to (i) a positive recovery of traditional orders with a total value of about 250 million USD (ii) low business results in the same period due to the impact of the Covid-19 epidemic. .

**Business outlook for the third quarter:** BSC holds a positive view on TNG's third quarter outlook due to (i) good order value from the beginning of the year while the same period had a low level of business (ii) the Covid epidemic situation – 19 in Thai Nguyen is still under control to help production activities take place normally. However, BSC noted that the lack of containers may affect TNG's delivery schedule and profit recognition.

### Risks :

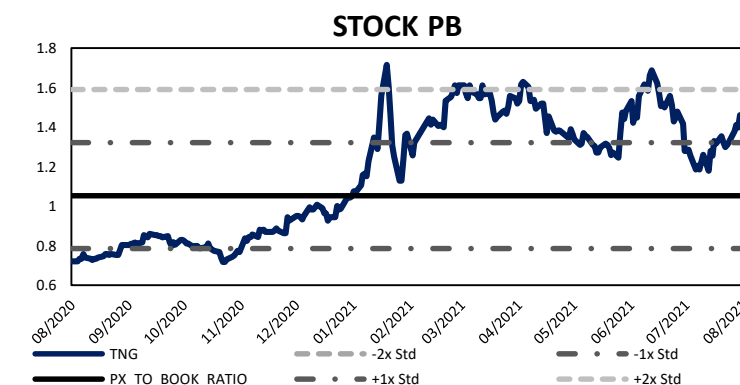
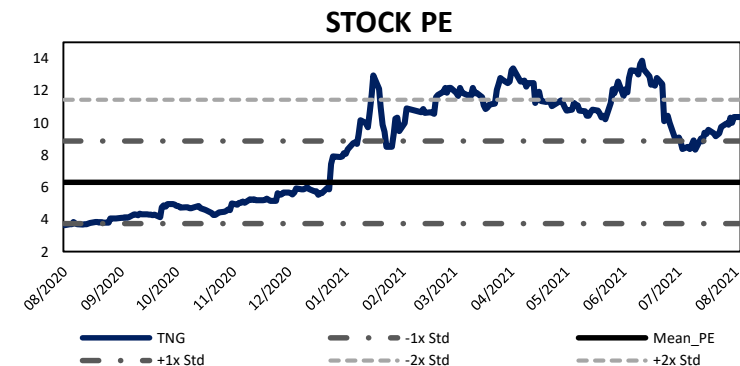
- Customers bankruptcy
- Son Cam Industrial Area postponed opening for sale due to the epidemic situation

	2020E	2021F	2022F	Peer
PE	6.3	7.5	7.0	17.4
PB	1.0	1.3	1.1	1.9
PS	0.3	0.3	0.3	0.7
ROE (%)	14%	16%	15%	14%
ROA (%)	4%	5%	5%	6%

	2019	2020	2021F	2022F
Revenue	4,612	4,484	5,255	5,483
Gross profit	787	672	789	834
Net profit	230	152	203	218
EPS	3,717	2,057	3,114	3,344
%YoY EPS	2%	-45%	21%	7%
Debts/Equity	183%	210%	182%	170%

### General Information

Stock Price	VND 28,700
Market capitalization (Mil USD)	81.5
30 days average value (million USD)	2.07
The remaining foreign room	46%



# STK –Soi The Ky JSC

**TP: VND 54.900 - Upside +13%**

## Business Update

**Proportion of US market:** Although the US market only accounts for 2% of STK's direct revenue, it is the main export market for customers using STK's yarn.

**Update of business results in the second quarter:** Revenue and profit after tax reached 510 billion (+102% YoY) and 70 billion (23 times higher than the same period) respectively. Business results were upbeat thanks to (i) Strong growth of Recycled yarn segment (5 times higher than the same period) (ii) strong growth in yarn selling price: yarn price POY + 37% YoY, yarn price FDY + 15 % YoY.

**Third quarter business outlook:** BSC continues to maintain a positive view on STK's Q3 outlook as (i) yarn prices remained at a high base (ii) last year's low business. However, BSC notes that social distancing will be a big risk factor for (i) reduced labor productivity (ii) increased costs.

**Valuation:** STK's trailing P/E is around 14.3, 18% discount compared to the Textile P/E trailing (due to TCM's high P/E of 26.81).

### Risks:

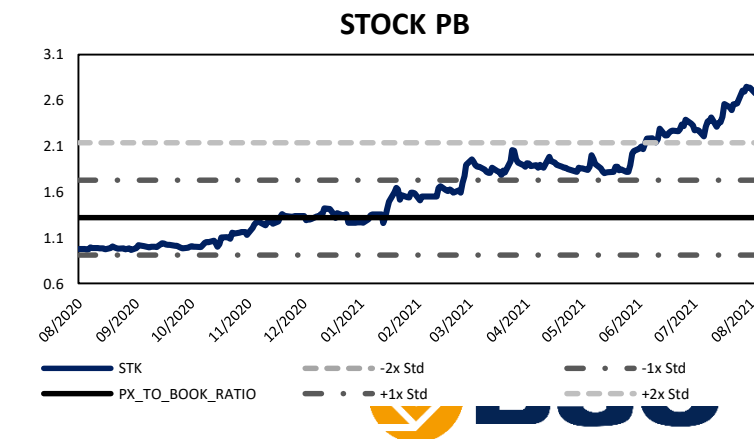
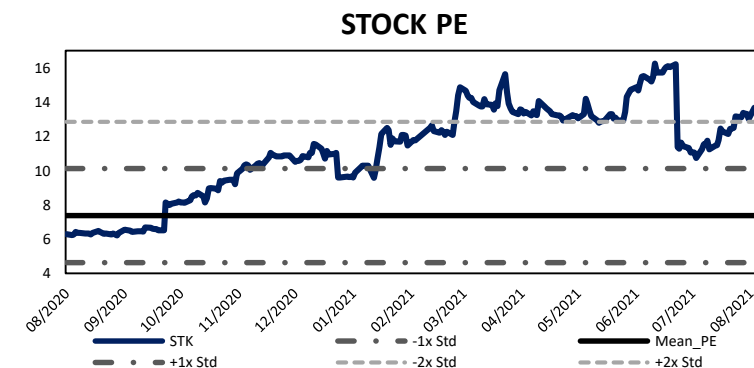
- Chinese yarn prices fall

	2019	2020	2021F	Peer
PE	5.4	10.0	12.4	17.4
PB	1.0	1.3	1.4	1.9
PS	0.4	0.8	1.4	0.7
ROE (%)	21%	13%	25%	14%
ROA (%)	11%	8%	13%	6%

	2018	2019	2020	2021F
Revenue	2,407	2,228	1,765	2,177
Gross profit	334	354	255	414
Net profit	178	214	144	261
EPS	2,976	3,136	2,091	3,790
%YoY EPS	79%	6%	-34%	81%
Debts/Equity	133%	91%	57%	50%

### General Information

Stock Price	VND 48,800
Market capitalization (Mil USD)	135.3
30 days average value (million USD)	0.07
The remaining foreign room	36%



# VGT – Vietnam Textile Corporation

TP: VND 24,000 - Upside +17%

[Report Link](#)

## Business update

**Proportion of the US market:** The US market is the main export market of VGT.

**Update on business results in the second quarter:** Revenue and profit after tax reached 3,707 billion (+21% YoY) and 391 billion respectively (3 times higher than the same period). Business results increased strongly due to (i) strong growth of traditional orders (ii) low sales level of the previous year.

**Third quarter business outlook:** BSC has a positive view on VGT's Q3 outlook due to good order value from the beginning of the year while the same period had a low level of business. However, BSC noted that the social distancing in the southern provinces partially affected VGT's production when only 80% of the southern workforce worked at the factory.

**Valuation:** P/B trailing of VGT around 1.1, 42% discount compared to P/B trailing of Textile industry

### Risks:

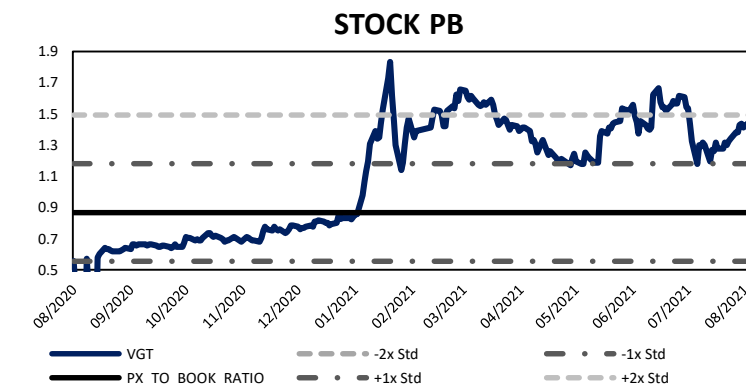
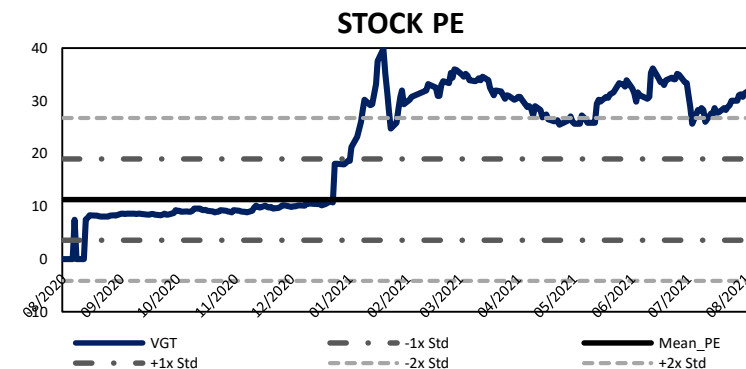
- Customers bankruptcy

	2019	2020	2021F	Peer
PE	8.4	28.6	19.2	17.4
PB	0.7	0.8	1.6	1.9
PS	0.2	0.2	0.4	0.7
ROE (%)	9%	7%	10%	14%
ROA (%)	3%	3%	4%	6%

	2018	2019	2020	2021F
Revenue	19,101	18,986	13,908	15,900
Gross profit	1,800	1,515	1,279	1,409
Net profit	702	716	560	850
EPS	741	885	570	955
%YoY EPS	-4%	19%	-36%	+67%
Debts/Equity	187%	161%	134%	120%

## General information

Stock price	VND 20,500
Market capitalization (Mil USD)	297.0
30 days average value (million USD)	2.78
The remaining foreign room	36%





# Industrial Area Real Estate Industry

## Evaluation

The proportion of FDI capital from the US into Vietnam has been continuously improved after the US-China trade war: FDI investment value still recorded a growth of 4% in investment value in Vietnam in 1H/2021, despite the complicated developments of the epidemic from May 2021.

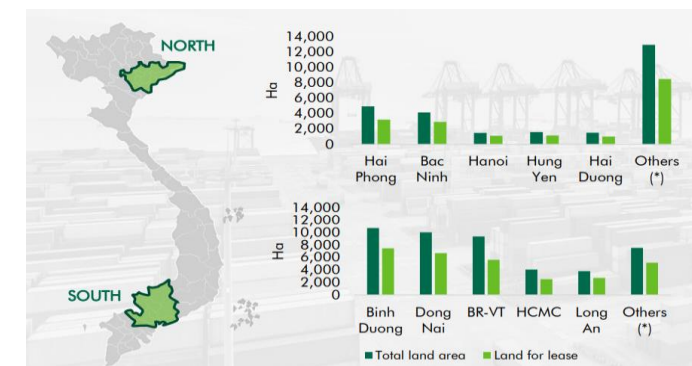
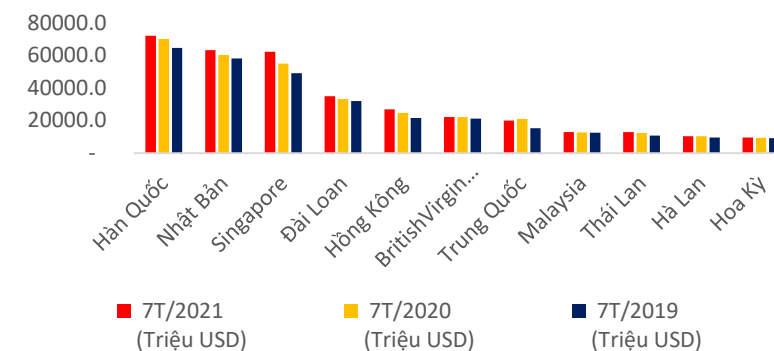
### Industry outlook:

"Unlock" the land supply of industrial zones in 1h/2021 and the trend of shifting to expand to level 2-3 provinces and cities: Accumulate 5M/2021, There are 25 new industrial park investment projects / 38 projects investment in construction of new/expanded/subdivision industrial park infrastructure has been approved by the Prime Minister with an investment policy of 7.34 thousand ha (+9.9% of IP land area in 2020).

Limited supply and high demand are factors that help industrial park rental prices remain high in 1H2020;

- The epidemic is still the biggest barrier leading to the stagnation in the transaction progress in 2h/2021 of the industrial park in the context that the demand remains high.
- Connected transport infrastructure will solve the "logistic" bottleneck, directly supporting the industrial real estate industry in the medium term.

Total newly registered FDI capital 7T into Vietnam



	Capitalization (Billions dong)	Net revenue 2021F	NPAT 2021F	% YoY	EPS 2021F	NPAT 2022F	%YoY	P/E FW 2022	P/B FW 2022	ROA 2022F	ROE 2022F	Closing price 18/08/2021	Target price	Upside
<a href="#">KBC</a>	18,132	5,255	1,576	603%	3,312	2,098	33.0%	12.3	1.6	7.2%	14.0%	36,500	50,300	37%
<a href="#">SZC</a>	4,050	753	295	59%	2,951	527	79.0%	8.2	2.1	8.0%	26.0%	46,700	51,000	9%
<a href="#">LHG</a>	2,615	831	282	42%	5,076	336	19%	8.6	1.7	10%	22%	52,300	58,700	12%

# KBC – Awaken profit

TP: 50,300 đồng - Upside +37%

## INVESTMENT THESIS

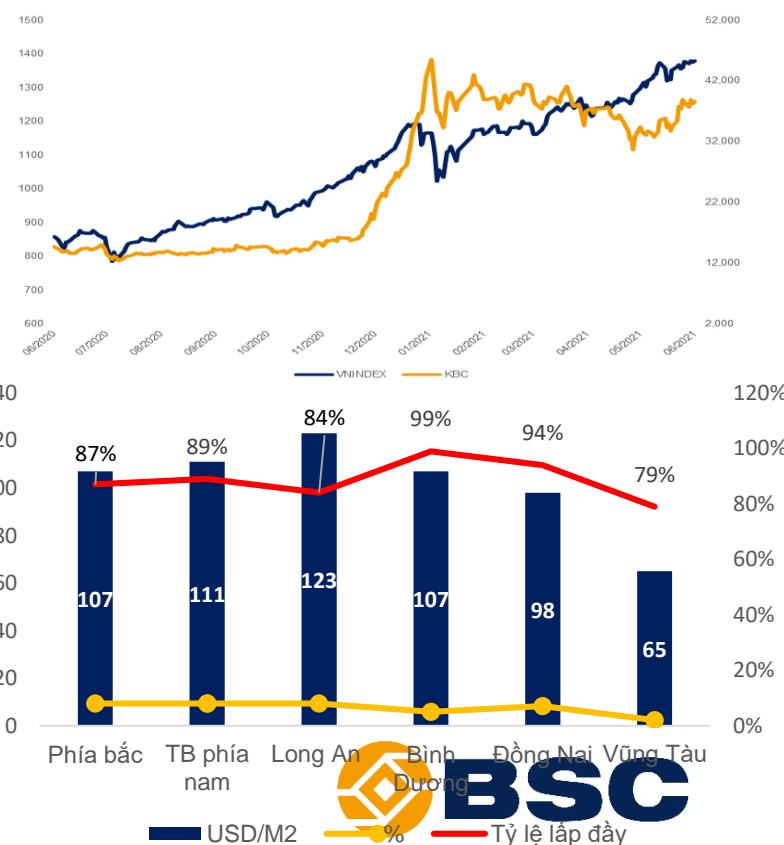
- KBC benefits from the shift of the global production chain from China to Vietnam.
- **Unlocking two key projects to ensure medium-term growth prospects:** Trang Cat Urban Area (584.9ha-2022F) and KBC's Trang Due 3 Urban Area (456ha-2023F) approved by the Prime Minister investment policy in 2020.
- **In the short term, KBC's NPAT is expected to improve significantly in 2021 thanks to** (1) Low base level last year, (2) Lease in NSHL Industrial Park (100-120ha) and Tan Phu Trung Industrial Park (20ha) , Quang Chau (20ha) and (3) Handing over Phuc Ninh and Trang Due urban areas.
- Risks:
  - (1) The progress of approving new projects is delayed.
  - (2) Increased cost of compensation and land use rights.

	2019	2020E	2021F	Peer
PE	81.9	12.3	9.2	22.5
PB	1.9	1.6	1.4	1.4
PS	73.7	57.2	85.4	3.6
ROE (%)	2.3%	14.1%	15.8%	5.4%
ROA (%)	1.0%	7.2%	8.4%	3.0%
EV/EBITDA	17.2	12.5	51.2	22.5

	2019A	2020A	2021F	2022F
Revenue	3,210	2,151	5,225	7,950
Gross Profit	1,847	689	2,728	4,049
NPATMI	918	224	1,576	2,098
EPS	1,834	448	3,146	4,191
EPS's Growth	23%	-76%	603%	33%
Net debt / Equity	20%	60%	54%	43%

## Transaction information

Current price (VND )	36,650
Capitalization ( Bil VND)	17,216
ADTV 30D	10,664,260
The remaining foreign room	30.92%



# SZC – Taking advantage of competitiveness

TP: 51,000 đồng - Upside +9%

Newest report: [link](#)

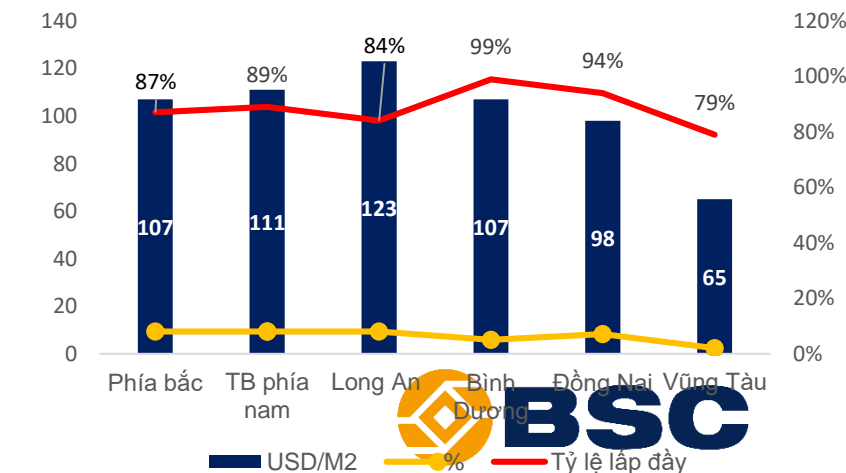
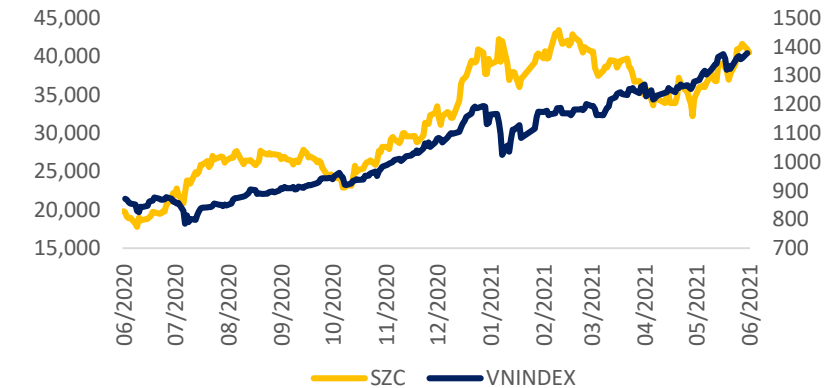
## INVESTMENT THESIS

- **Chau Duc Industrial area (1,100ha) with 40% occupancy is the main driver of long-term profit growth** thanks to (1) low cost of large land bank (2) Competitive rent - lower than the area surrounding area. Vung Tau (average rent 65 USD) and rents tend to increase due to benefiting from large infrastructure projects and the trend of moving factories to neighboring provinces of Ho Chi Minh City.
- **Chau Duc urban area (576ha):** Huu Phuoc Residential Area project (40.5ha) is expected to record the first land plot sales in 2021, accounting for 14% of total revenue. In 2022, UA'S Revenue is expected to grow 100% year-on-year by the time of handover of this portion of the project.
- **SZC's profit in 2022 mainly comes from Chau Duc Industrial area (70ha)** with an average rental price of 61USD/m2 and Huu Phuoc urban area (18.7ha) with an average price of 206USD/m2.
- **Risk:** Absorption rate was lower than expected.

	2020	2021E	2022F	Peer
PE (x)	22.0	14.6	8.2	14.6
PB (x)	3.2	2.8	2.1	2.8
PS (x)	141.3	124.5	94.7	55.7
ROE (%)	14.7%	20.1%	26.4%	20.1%
ROA (%)	4.2%	5.6%	8.4%	5.6%

	2019	2020	2021F	2022F
Revenue	329	433	753	1,281
Gross Margin	177	234	389	685
NPATMI	134	186	295	527
EPS	1,341	1,860	2,951	5,275
EPS's Growth	38%	39%	59%	79%

Transaction Information:	
Current price (VND)	46,700
Capitalization ( Bil VND)	4,670
ADTV 30D	1,908,860
The remaining foreign room	45.21%



# LHG – New projects, new expectations

**TP: VND 58,700 - Upside +12%**

## INVESTMENT THESIS

- **Net revenue and NPAT in 1H/2021 reached VND 666 billion (+72%YoY) and VND 251 billion (+126%YoY) respectively**, reaching 157% of the plan Profit – mainly from the 10.8ha lease with LOGOS Vietnam with a value of ~ VND 440 billion – equivalent to an estimated rental price of USD 176 (+23.9%YTD)
- **Long Hau Industrial Park and Factory 3 Phase 1 (124ha)** ensures the profit growth rate of the Industrial Park CAGR of 26% in the period of 2021-2023;
- Long Hau 3 Industrial Park expansion project (90ha) and An Dinh Industrial Park (200ha), ensuring long-term profit growth for LHG after 2023;
- **Stable revenue of ~171 billion VND** from the existing and potential long-term factory leasing segment from the 29ha factory leasing area in Da Nang Industrial Park.
- **Risk** :(1 ) The approval of the new project is delayed, affecting the land fund in the future (2) Conflict between Tan Thuan Industrial Promotion Company Limited (IPC) and LHG over the resettlement of LH1's land (3) Work compensation for land clearance prolongs progress.

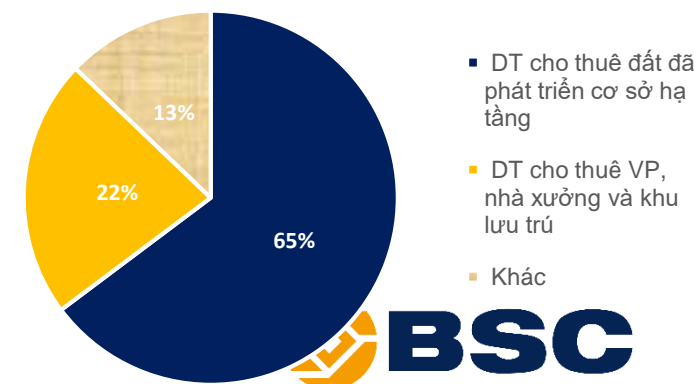
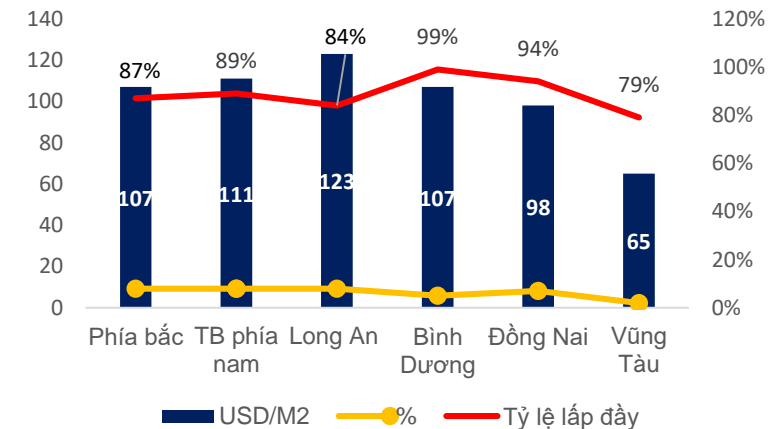
	2020	2021E	2022F	Peer
PE (x)	10.3	8.6	22.5	16.9
PB (x)	1.9	1.7	1.4	2.2
PS (x)	3.1	2.6	3.6	1.7
ROE (%)	20%	22%	5%	13%
ROA (%)	10%	10%	3%	2%

	2020	2021E	2022F	2023F
Revenue	644	831	995	1,048
Gross profit	294	424	524	563
Net profit	198	282	336	369
EPS	3,582	5,076	6,048	6,642
EPS growth	39%	42%	19%	10%

Newest report: [link](#)

### Transaction information

Current price( VND)	52,300
Capitalization ( Bil VND)	2,618
ADTV 30D	444,690
The remaining foreign room	38.27%



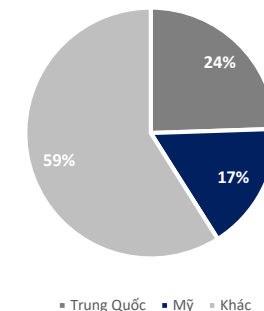
## Evaluation

**The proportion of the US market in Vietnam's total import-export turnover:** The US is an important trading partner of Vietnam with a diverse product portfolio such as textiles, electronics, wood... In 2020, the US accounts for a large proportion of the market. The second largest export-import turnover of Vietnam and the largest export market of Vietnam.

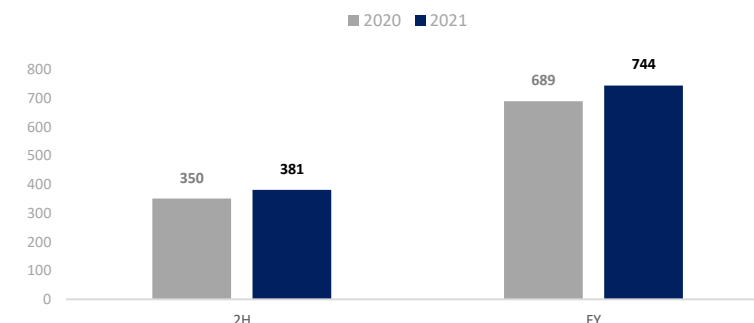
### Vietnam - US trade 1H2021:

- US export turnover reached 44.9 billion USD (+42.6% YoY).
- Import turnover to the US reached 7.7 billion USD (+9.5% YoY).
- The port industry will continue to grow with cargo throughput through the 2H2021** seaport system expected to reach 381 million tons (+9% YoY) thanks to the recovery of the global economy when countries are promoting their wars. universal immunity combined with economic policies to stimulate consumption growth and boost production.

Import and export turnover of Vietnam in 2020 by country



Output of goods through Vietnam's port system 2021F (Million tons)



	Market capitalization (billion VND)	Revenue 2021F	% YoY	NPAT2021 F	%YoY	EPS 2021F	P/E fw	P/B fw	ROA 2021 F	ROE 2021 F	Closing price 11/08/2021	Target price	Upside	Report Link
SGP	8,564	1,080	15%	373	62%	1,723	16.5	2.7	7.0%	15.4%	39,600	N/A	N/A	<a href="#">Link</a>
VSC	3,979	1,804	7%	3,465	11%	4,857	13.2	2.0	14.2%	16.0%	72,200	N/A	N/A	



# SGP – Sai Gon Port JSC

TP: N/A

[Report Link](#)

## Business update

**Importance of the US market:** As the second largest trading partner in Vietnam's total import and export turnover, import and export activities for this market always have a great influence on the output of goods of the whole world. Vietnam port system in general and SGP in particular.

**1H2021 business results update:** Revenue and profit after tax reached 377 billion (+60.6% YoY) and 237 billion (+156% YoY) respectively. Business results increased strongly because of (1) the recovery of SGP's ports with a throughput of 6.55 million tons (+33% YoY) and (2) strong growth in joint ventures with production. SSIT port volume +25% YoY, SP-PSA port +18% YoY.

**2H2021 business outlook:** BSC holds a positive view on SGP's 2H2021 outlook as cargo throughput the SGP port system continues to grow thanks to the recovery of the global economy.

**Valuation:** SGP's trailing P/E is currently at 28x - relatively high compared to the company's past P/E.

**Risk :** The complicated developments of Covid-19 disrupted global trade activities.

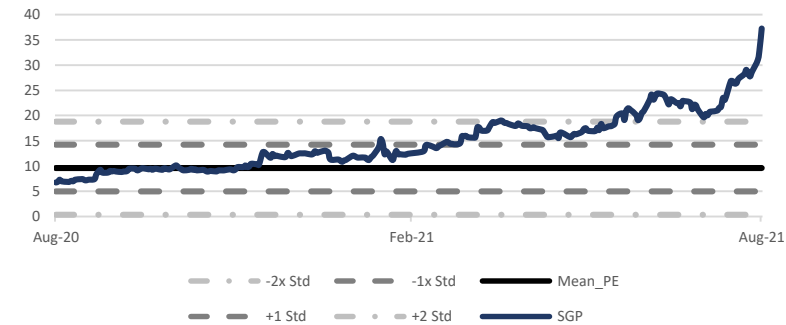
	2020	2021F	2022F	Peer
PE	24.4	22.9	19.9	18.6
PB	2.6	3.8	3.7	2.7
PS	5.9	43.9	41.2	2.3
ROE (%)	10.7	15.4	15.8	14.9
ROA (%)	4.8	7.0	7.1	2.4
EV/EBITDA	17.5	25.5	22.3	17.5

	2019	2020E	2021F	2022F
Revenue	1,121	936	1,080	1,188
Gross profit	460	338	432	475
Net profit	203	230	373	429
EPS	939	1,064	1,723	1,981
%YoY EPS	15%	13%	62%	15%
Debts/Equity	16%	11%	10%	8%

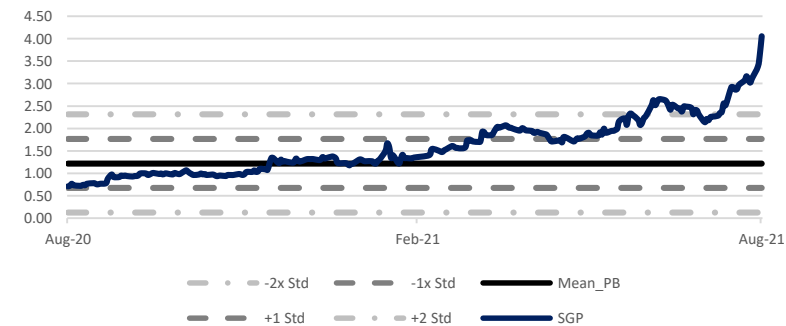
## General Information

Stock price	VND 39,600
Capitalization ( Mil VND)	372.3
30 days average value (million USD)	1.7
The remaining foreign room	48.9%

STOCK PE



STOCK PB



# VSC – Vietnam Container Corporation JSC

**TP: 76,000 VND – Upside 5%**

## Business update

**Importance of the US market:** As the second largest trading partner in the total import and export turnover of Vietnam, import and export activities for this market always have a great influence on the output of goods of the whole world. Vietnam port system in general and VSC in particular.

**Business results update 1H2021:** Revenue and profit after tax reached 912 billion (+14% YoY) and 181 billion (+28% YoY) respectively. Business results increased strongly because of (1) the recovery of Hai Phong port cluster in general with a volume of 70 million tons (+14.7% YoY) and (2) a decrease in depreciation expense to 96 billion VND (-17.9%). YoY thanks to some depreciated means of transport.

**2H2021 Business Outlook:** BSC holds a positive view on VSC's 2H2021 outlook with full-year cargo volume reaching 1,317,836 TEUs (+10% YoY) thanks to the recovery of the global economy.

**Valuation:** VSC's trailing P/E is currently at 14.3x - relatively high compared to the company's past P/E.

### Risks:

- The complicated developments of Covid-19 disrupted global trade activities.
- Deepwater Port projects are not approved.

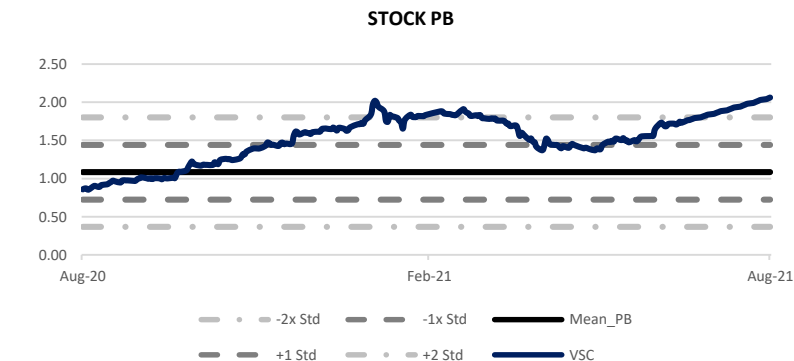
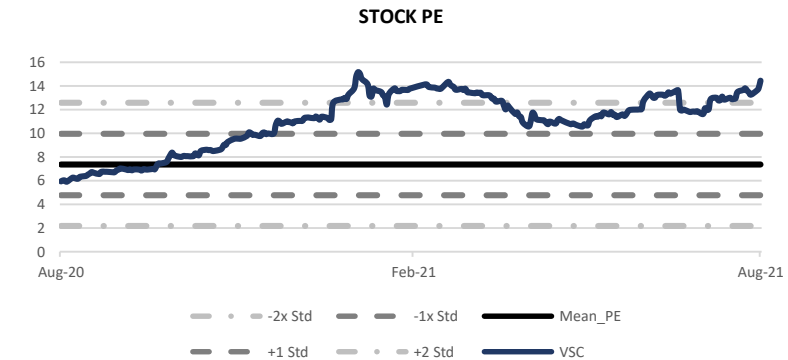
	2020	2021F	2022F	Peer
PE	16.3	13.9	13.3	18.6
PB	2.0	2.2	2.1	2.7
PS	2.0	2.1	2.0	2.3
ROE (%)	14.3	16.0	14.5	14.9
ROA (%)	12.4	14.2	13.9	2.4
EV/EBITDA	5.5	5.4	5.2	17.5

	2019	2020E	2021F	2022F
Revenue	1,793	1,689	1,857	1,950
Gross profit	437	449	533	560
Net profit	234	240	309	332
EPS	4,244	4,348	5,181	5,482
%YoY EPS	-19.3%	3.7%	29%	6%
Debts/Equity	3.7%	0.0%	0.0%	0.00%

Source: BSC Research

## General information

Stock price	VND 72,200
Capitalization ( Mil VND)	173.3
30 days average value (million USD)	0.3
The remaining foreign room	42.9%



### Business update

**The proportion of the US market:** The proportion of the US market: The US market is one of FPT's main software export markets, accounting for 10% of revenue in 2020.

**Updated from the second quarter business results:** Revenue and profit after tax reached 8,641 billion (+24% YoY) and 1,259 billion (+16% YoY), respectively. Business results were positive due to (i) last year's low base rate (ii) two segments: Global Technology and Telecommunications still growing well (+18% YoY and +28% YoY).

**Third quarter business outlook:** BSC continues to maintain a positive view on FPT's third quarter prospects due to (i) high growth in new contract value (revenue is 5,848, +43% YoY) (ii) long-term sales Communications continued to benefit from the social distancing order in the third quarter.

**Valuation:** FPT's trailing P/E is around 22.1, a 37% discount compared to the P/E of peers in the region.

#### Risks:

- Employee salary increases

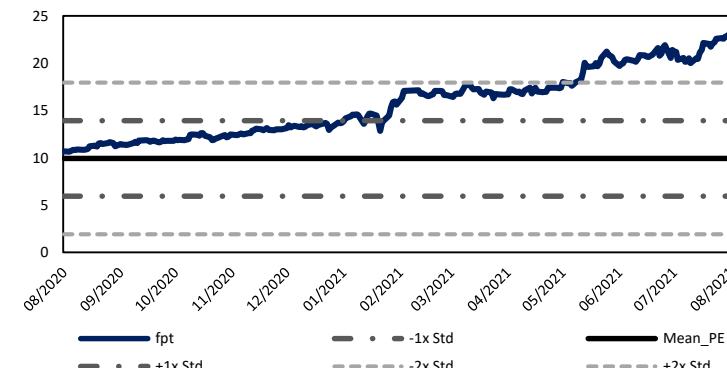
	2020	2021F	2022F	Peer
PE	11.4	19.3	16.0	33.3
PB	2.5	1.8	1.5	3.2
PS	1.2	2.5	2.1	2.8
ROE (%)	24%	24%	25%	14%
ROA (%)	11%	13%	16%	6%

	2019	2020	2021F	2022F
Revenue	27,717	29,830	36,140	42,086
Gross profit	10,712	11,813	14,456	16,834
Net profit	3,912	4,43	5,322	6,323
EPS	4,220	4,120	5,049	6,103
%YoY EPS	8%	-2%	21%	20%
Debts/Equity	47%	47%	43%	45%

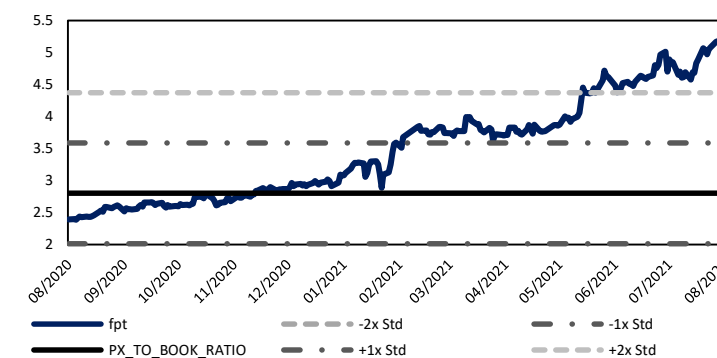
### General information

Stock price	VND 94,000
Capitalization ( Mil VND)	3,875
30 days average value (million USD)	15
The remaining foreign room	0%

### STOCK PE



### STOCK PB



# DRC – Da Nang Rubber JSC

TP: 40.000 VND +20%

## Business update

**The proportion of revenue from the US market:** Brazil and the US are the two most important tire export markets of DRC, with the proportions of 60% and 35% of total export revenue, respectively.

**Update from the second quarter of 2021 business results:** Revenue and profit after tax reached 1,204 billion (+53% YoY) and 106 billion (+121% YoY) respectively. Business results increased strongly because (1) Demand for tires recovered strongly compared to the low level in the same period negatively affected by Covid, specifically output: Bias 209,499 tires (+46% YoY) and Radial 164,331 tires (+67% YoY) and (2) Depreciation expenses dropped sharply because Radial Stage 1 factory has fully depreciated since the end of 2020.

**2H2021 business outlook:** BSC has a positive view on DRC's 2H2021 outlook with full year tire output reaching: Bias 648,537 units (+3% YoY) and Radial units reaching 553,045 units (+9% YoY) driven by demand Consumption of tire products for the transport of goods by road increases as the global economy recovers.

**Valuation:** DRC is currently trading at PEFW2020 = 9.0x – lower than the company's past P/E.

### Risks:

- COVID-19 continues to be complicated, reducing the demand for tires and tubes.

	2020	2021F	2022F	Peer
PE	13.4	10.7	9.0	18.3
PB	1.9	2.0	1.7	2.5
PS	0.9	0.9	0.8	2.0
ROE (%)	15.4	18.2	20.5	13.7
ROA (%)	11.6	12.7	14.9	2.2
EV/EBITDA	5.5	5.5	5.4	17.3

	2019	2020E	2021F	2022F
Revenue	3,858	3,647	3,926	4,210
Gross profit	571	599	749	842
Net profit	251	257	371	438
EPS	2,109	2,160	3,122	3,686
%YoY EPS	77.7%	2.4%	44.6%	18.0%
Debts/Equity	66%	44%	39%	41%

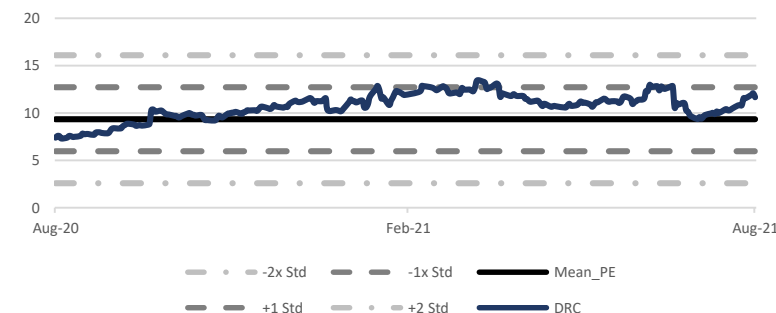
Source: BSC Research

## Report Link

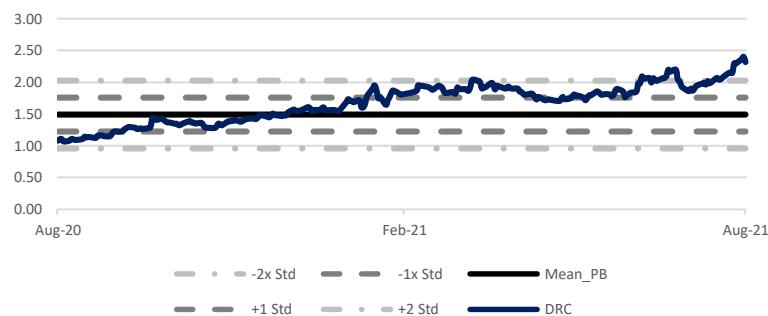
### General Information

Stock price	VND 33,400
Capitalization ( Mil VND)	172.5
30 days average value (million USD)	4.1
The remaining foreign room	40.9%

### STOCK PE



### STOCK PB



# PTB – Phu Tai JSC

**TP: 130,000 đồng – Upside 24.8%**

## Business update

**Importance of the US market:** The US is the most important export market of PTB's wood products. In 2020, the US market accounted for 55% of wood product export revenue - being the largest market, followed by the EU and Japan with 30% and 8% respectively.

**Update of business results 1H2021:** Revenue and profit after tax reached 3,020 billion (+18% YoY) and 220 billion (+56% YoY), respectively. The strong increase in business results was mainly due to the strong growth of the wood segment thanks to the explosive demand in export markets when the epidemic was controlled, helping to significantly increase the output and selling price, in particular, the wood segment recorded revenue. and gross profit reached 1,817 billion (+40% YoY) and 438 billion (+58% YoY) respectively.

**2H2021 business outlook:** BSC holds a positive view on PTB's 2H2021 outlook thanks to (1) Wood segment continues to grow thanks to still very large post-pandemic consumption and (2) Real estate segment receive Phu Tai Residence project.

**Valuation:** P/E trailing of PTB is currently at 12.2x – relatively high compared to the company's past P/E.

### Risks:

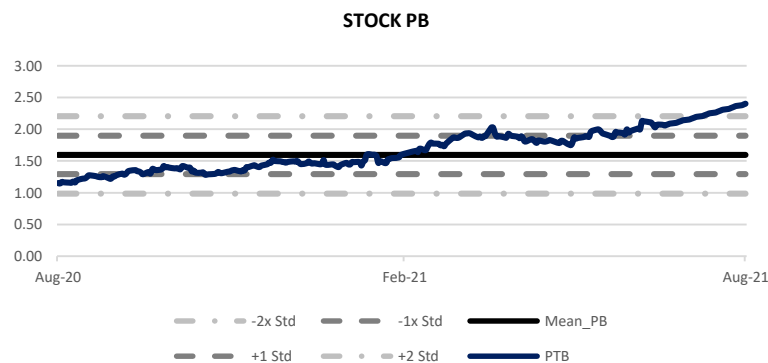
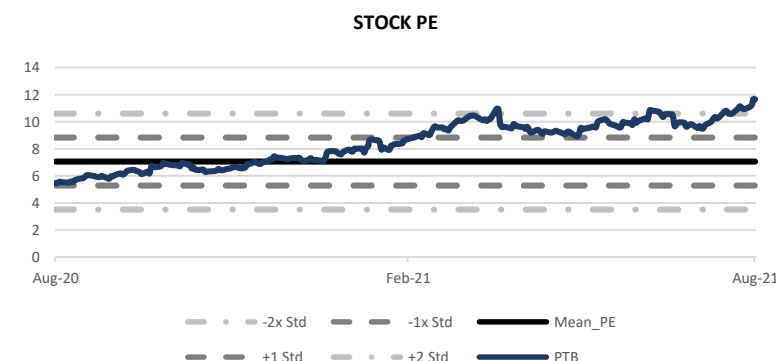
- The complicated developments of Covid-19 disrupted construction and car sales activities.

	2020	2021F	2022F	Peer		2019	2020E	2021F	2022F
PE	12.3	9.2	7.8	14.6	Revenue	5,549	5,601	6,685	7,852
PB	2.2	2.1	1.9	2.7	Gross profit	1,031	1,141	1,522	1,799
PS	0.8	0.7	0.6	2.3	Net profit	457	379	570	635
ROE (%)	18.7	21.2	21.5	15.9	EPS	9,109	7,376	11,256	13,272
ROA (%)	7.9	9.8	10.1	5.4	%YoY EPS	13%	-18%	53%	18%
EV/EBITDA	7.8	7.5	7.3	9.5	Debts/Equity	140%	147%	145%	100%

Source: BSC Research

## General information

Stock price	VND 104,100
Capitalization ( Mil VND)	219.5
30 days average value (million USD)	2.5
The remaining foreign room	30.3%





# DBC – Long-term growth capacity

TP: 66,860 đồng - Upside +15%

## INVESTMENT THESIS

- Imported feed and raw materials for feed in the US accounted for 16.8% of the import proportion in 6M/2021 and increased by 77.6% in value over the same period.
- Second quarter of 2021 business results: Net revenue and NPAT are estimated at VND 5,280 Billion (+12% YoY) and VND 580 Billion (-23% YoY). In which, (1) Revenue from 3F segment (+8% YoY) but GPM decreased by 7.9 ppt YoY due to the 10%-15% YoY increase in feed price, could only partially offset the 60% YoY increase in raw materials. and a decrease of more than 12%YoY in live hog and chicken prices. (2) Revenue from commercial activities and real estate business decreased by 30% YoY and 76% respectively due to the Covid-19 epidemic causing hotels to close and delaying the handover of Lotus Center real estate project.
- DBC's Outlook :**
  - Take advantage of scale and master the value chain in the 3F segment:** proactively supply internal feed from 80-90% of DBC livestock demand, optimize gross profit margin compared to small businesses and livestock farmer.
  - Long-term growth potential, thanks to (1) Livestock segment:** expanding capacity of 3 project complexes in the pork segment in the period 2022-2023 (2) Vegetable oil segment: Expected phase2 oil pressing plant expected to go into operation in the fourth quarter of 2022 (3) Real estate segment: Promote investment in projects in Bac Ninh.
  - Risks:** (1) The price of input materials for the feed segment increased sharply; (2) Animal and poultry diseases; (3) Livelihood price fluctuations

	2020	2021E	2022F	Peer
P/E (x)	4.2	5.7	15.2	14.1
P/B (x)	1.5	1.3	2.1	1.9
ROS (%)	14%	10%	8%	14%
ROA (%)	14%	10%	12%	2%
ROE (%)	35%	25%	20%	12%

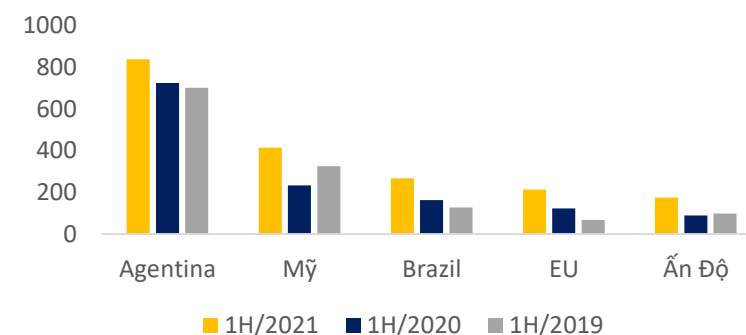
Source: BSC Research

	2019	2020	2021F	2022F
Revenue	7,187	10,022	11,877	15,233
Gross profit	1,167	2,558	2,420	3,180
NPAT	304	1,399	1,192	1,655
EPS	2,420	13,356	10,237	14,222
Gross profit margin	16%	26%	20%	21%

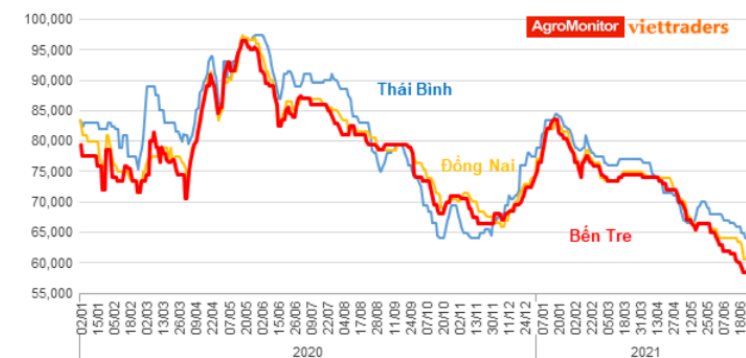
## Transaction Information

Current price( VND)	58,000
Capitalization ( Bil VND)	6,683
ADTV 30D	2,166,650
The remaining foreign room	45.2%

## Import turnover of animal feed and raw materials in countries (Million USD)



Hình 1. Diễn biến giá heo hơi tại Đồng Nai, Thái Bình và Bến Tre từ năm 2019-6/2021 (đồng/kg)



Nguồn: CSDL AgroMonitor

# VCS – Efforts to grow

TP: 144,100 đồng - Upside +16%

## INVESTMENT THESIS

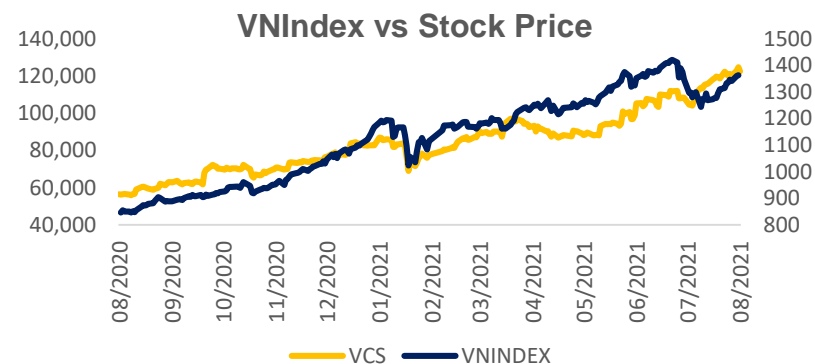
- **Market share in North America:** North America is one of the main export markets of VCS, accounting for 75.7% of export revenue in 2020.
- **Increasing export market share (92% of total revenue):** (1) Consumption of artificial stone products continues to recover after the epidemic (2) Taking advantage of trade agreements and trade agreements Major competitors are being subject to anti-dumping duties in the US, while the demand for new and home repair in this market is evolving positively (3) New product - Thin stone with many outstanding features, helping expanding market share in new markets (Japan).
- **Continued growth in the domestic market:** Based on the recovery potential of the domestic real estate market, with the mid-high-end apartment segment, boosting demand for interior decoration in Vietnam.
- **Increase capacity and master the value chain in the period of 2020-2024.**
- **Risks:** (1) The Covid 19 epidemic- negatively affects consumption and export demand (2) Risks of fierce competition between domestic and international competitors.

	2020	2021E	2022F	Peer
PE (x)	12.7	9.4	15.9	16.9
PB (x)	3.1	2.4	1.5	2.2
PS (x)	2.8	2.4	2.8	1.7
ROE (%)	28%	25%	15%	13%
ROA (%)	21%	15%	8%	2%

	2019	2020	2021F	2022F
Revenue	4,522	5,563	6,909	8,318
Gross profit	1,496	1,912	2,358	2,811
NPTA	1,124	1,410	1,740	2,082
EPS	7,025	8,108	9,679	13,013
EPS growth	11.0%	15.0%	19.0%	34.0%

### Transaction Information

Current price( VND)	124,000
Capitalization ( Bil VND)	19,840
ADTV 30D	463,151
The remaining foreign room	45.2%



### Import value and volume of quartz stone in the US (Million USD/M2)



# Recommended description

This report of the Bank of Investment and Development of Vietnam Securities Joint Stock Company (BSC), only provides general information and analysis on the macroeconomic situation as well as the stock market movements in a day. This report is not prepared to provide at the request of any individual organization or individual or the decision to buy, sell or hold securities. Investors should only use the information, analysis, and comments of the Report as a reference source before making their own investment decisions. All information, judgments and forecasts, and opinions contained in this report are based on reliable data sources. However, the bank of Investment and Development of Vietnam Securities Joint Stock Company (BSC) does not warrant that these sources of information are completely accurate and does not accept any responsibility for the accuracy of this information. The information referred to in this report, nor is it liable for damages, resulting from the use of all or part of the content of this report. All views and judgments expressed in this report are based on the most prudent, fair, and reasonable consideration available at present. However, these views and opinions are subject to change without prior notice. This report is copyrighted and is the property of the Bank for Investment and Development of Vietnam Securities Corporation (BSC). Any act of copying, modifying, printing without BSC's consent is against the law. No part of this document may be (i) copied or duplicated in any form or manner or (ii) made available without the prior approval of BIDV Securities Company.



© 2019 BIDV Securities Company, All rights reserved. Unauthorized access is prohibited.

Bloomberg: RESP BSC ResearchV <GO>

**R&A Department.**  
**hn.ptnc@bsc.com.vn**  
(+84) 39352722 - Ext 108

**Corporate customers**  
**hn.tvdt.khtc@bsc.com.vn**  
(+84)2439264659

**Individual customers**  
**i-center@bsc.com.vn**  
(+84)2437173639



# APPENDIX: Key export items increased sharply in the first 6 months of the year

Growth (Export)						Growth(Import)					
	6T2017	6T2018	6T2019	6T2020	6T2021		6T2017	6T2018	6T2019	6T2020	6T2021
Total	9.85%	9.79%	27.21%	14.64%	44.67%	Total	27.15%	25.28%	14.02%	2.01%	8.31%
Machinery, equipment, tools and spare parts	27.70%	11.09%	51.88%	82.42%	105.10%	Machinery, equipment, tools and spare parts	38.02%	6.10%	48.56%	3.66%	0.50%
Textiles	6.00%	11.39%	9.88%	-11.89%	22.93%	Textiles	0.00%	0.00%	-25.09%	61.31%	8.14%
Computers, electronic products and components	0.22%	-3.76%	77.04%	91.08%	31.41%	Computers, electronic products and components	101.61%	11.52%	16.07%	-16.86%	-12.14%
Wood and wood products	18.68%	12.82%	32.79%	15.34%	93.43%	Wood and wood products	-9.63%	1.75%	14.33%	1.42%	0.00%
Phones of all kinds and accessories	-1.05%	12.24%	81.85%	-5.18%	8.44%	Phones of all kinds and accessories	9.68%	90.74%	1.28%	-28.33%	77.60%
Footwear	13.31%	12.90%	15.13%	-7.71%	41.04%	Footwear	13.45%	27.30%	-31.54%	33.87%	77.61%
Other commodities	0.00%	0.00%	37.13%	60.12%	41.24%	Other commodities	1013.90%	66.98%	-10.55%	-40.43%	297.30%
Vehicles and spare parts	37.74%	27.61%	19.92%	0.33%	54.53%	Vehicles and spare parts	33.77%	4.71%	165.10%	1.38%	-11.58%
Seafood	0.30%	-0.70%	2.73%	0.55%	38.03%	Seafood	19.54%	10.16%	39.79%	-22.54%	8.32%
Plastic products	16.23%	22.99%	29.10%	48.55%	98.00%	Plastic products	9.63%	14.44%	20.87%	3.68%	13.92%
Proportion						Proportion					
	100.00%	100.00%	100.00%	100.00%	100.00%		100.00%	100.00%	100.00%	100.00%	100.00%
Total	6.22%	6.29%	7.51%	11.96%	16.95%	Computers, electronic products and components	28.89%	24.46%	31.87%	32.39%	30.05%
Machinery, equipment, tools and spare parts	29.16%	29.58%	25.55%	19.64%	16.69%	Other commodities	0.00%	11.38%	7.47%	11.82%	11.80%
Textiles	6.85%	6.00%	8.35%	13.92%	12.64%	Cotton of all kinds	15.63%	13.92%	14.17%	11.55%	9.37%
Computers, electronic products and components	7.66%	7.87%	8.22%	8.27%	11.05%	Machinery, equipment, tools and spare parts	9.14%	7.42%	7.44%	7.40%	6.83%
Wood and wood products	10.42%	10.65%	15.22%	12.59%	9.44%	Animal food and ingredients	3.48%	5.30%	4.71%	3.31%	5.43%
Cell phones and accessories	12.43%	12.78%	11.57%	9.31%	9.08%	Soybean	3.48%	3.54%	2.12%	2.79%	4.57%
Footwear	0.00%	4.37%	4.71%	6.58%	6.43%	Iron and steel scrap	1.98%	2.63%	2.07%	1.21%	4.43%
Other commodities	2.49%	2.90%	2.73%	2.39%	2.55%	Plastic materials	2.80%	2.34%	5.44%	5.40%	4.41%
Vehicles and spare parts	3.24%	2.93%	2.37%	2.07%	1.98%	Materials for textile, garment, leather, shoes	3.50%	3.08%	3.77%	2.87%	2.87%
Seafood	0.92%	1.04%	1.05%	1.36%	1.86%	Chemical products	2.68%	2.45%	2.59%	2.64%	2.77%

# APPENDIX: IMPORT AND EXPORT TOP 10 COMMODITIES

Export (USD)	6T2016	6T2017	6T2018	6T2019	6T2020	6T2021
Total	17,911,807,684	19,676,096,431	21,602,316,276	27,480,470,392	31,503,553,182	45,576,894,469
Machinery, equipment, tools and spare parts	958,403,779	1,223,855,414	1,359,592,597	2,064,969,025	3,766,813,755	7,725,868,928
Textiles	5,412,526,539	5,737,483,573	6,390,765,275	7,022,428,955	6,187,155,033	7,606,037,636
Computers, electronic products and components	1,343,856,309	1,346,848,725	1,296,197,913	2,294,774,995	4,384,841,676	5,762,113,010
Wood and wood products	1,270,217,378	1,507,478,816	1,700,704,728	2,258,373,477	2,604,717,776	5,038,184,704
Cell phones and accessories	2,071,436,261	2,049,616,010	2,300,551,132	4,183,469,033	3,966,861,067	4,301,652,718
Footwear	2,158,676,660	2,445,926,772	2,761,507,788	3,179,198,744	2,934,206,369	4,138,528,503
Other commodities	-	-	944,516,586	1,295,235,596	2,073,936,720	2,929,177,432
Vehicles and spare parts	356,009,823	490,359,523	625,762,826	750,445,910	752,917,916	1,163,504,822
Seafood	635,335,791	637,217,264	632,770,823	650,073,797	653,621,917	902,163,597
Products from plastic	156,555,025	181,968,609	223,808,968	288,932,120	429,198,479	849,823,665

Import (USD)	6T2016	6T2017	6T2018	6T2019	6T2020	6T2021
Total	3,800,790,616	4,832,858,609	6,054,556,708	6,903,524,360	7,042,508,336	7,627,774,103
Computers, electronic products and components	1,011,407,544	1,395,974,097	1,481,197,491	2,200,484,692	2,281,051,662	2,292,499,454
Other commodities	-	-	688,745,289	515,910,384	832,206,600	899,983,443
Cotton of all kinds	374,769,587	755,576,050	842,584,536	977,964,276	813,106,150	714,364,895
Machinery, equipment, tools and spare parts	488,715,951	441,656,126	449,391,553	513,795,531	521,071,017	521,063,644
Animal food and ingredients	153,457,616	168,308,879	321,033,528	325,145,048	233,033,531	413,872,958
Soybean	148,341,584	168,300,664	214,247,207	146,682,478	196,369,602	348,776,149
Iron and steel scrap	8,575,294	95,520,154	159,502,268	142,672,330	84,994,843	337,683,222
Plastic materials	101,111,390	135,254,067	141,629,442	375,460,781	380,641,280	336,579,015
Materials for textile, garment, leather, shoes	141,565,195	169,225,806	186,412,742	260,579,125	201,849,484	218,634,623
Chemical products	118,043,869	129,411,958	148,098,456	179,003,484	185,581,926	211,421,198

Source: General Department of Customs



## APPENDIX: Proportion of total import and export in 6M2021

#	Total (USD)	317,663,181,807	Proportion of export-import turnover
1	China	77,452,636,224	24.38%
2	America	53,204,668,572	16.75%
3	Korea	35,693,488,259	11.24%
4	Japan	20,744,814,129	6.53%
5	Taiwan	12,259,953,731	3.86%
6	Thailand	9,636,160,246	3.03%
7	Hong Kong	6,398,132,616	2.01%
8	India	6,350,743,722	2.00%
9	Malaysia	6,318,773,837	1.99%
10	Australia	5,748,045,739	1.81%

#	Total (USD)	317,663,181,807	Proportion of export-import turnover
11	Indonesia	5,534,627,180	1.74%
12	Germany	5,379,589,777	1.69%
13	Cambodia	5,240,067,475	1.65%
14	Finland	4,225,452,241	1.33%
15	Singapore	4,137,133,746	1.30%
16	England	3,293,816,886	1.04%
17	Brazil	3,250,706,645	1.02%
18	Philippines	3,034,299,527	0.96%
19	Canada	2,841,961,197	0.89%
20	Italy	2,773,184,014	0.87%