

Vietnam: Food and Beverage

14 November 2019

Action
Buy

TP upside (downside) +13.2%

Close 13 Nov 2019

Price	VND 74,300
12M Target	VND 84,100
Previous Target	VND 93,000
Target Change	-10%

What's new?

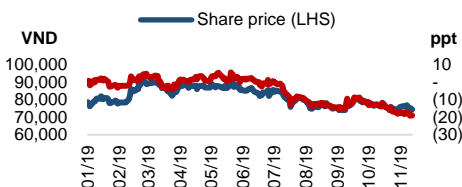
- ▶ F&B business is transforming to grow.
- ▶ We expect branded meat to be a game changer.
- ▶ Soft tungsten price and strict copper export regulation make the resources business less attractive.

Our view

- ▶ We remain positive on the long-term outlook for beverages and branded meat.
- ▶ We cut our target price by 10% on the YTD earnings trend and our negative view on tungsten.
- ▶ Market has over-reacted to the poor 3Q19 results. In our view

Company profile: MSN holds controlling stakes in Masan Consumer, Masan Resources, and Masan MEATLife. It also holds a 20% associate stake in Techcombank. As such, the group represents a key play on the Vietnamese consumer, with operations in food and beverage, mining and processing, animal nutrition, and financial services.

Share price performance relative to VNI



Market cap	US\$3,748mn
6M avg. daily turnover	US\$1.5mn
Outstanding shares	1,168mn
Free float	25.8%
FINI ownership	40%
Major shareholders	44.4%
Net debt/equity	47%
2019E EV/EBITDA	8.5
2019E P/B (x)	2.6
Trading platform	HSX
FOL Room	9%

Financial outlook (VND bn)

Year to Dec	2018A	2019E	2020E	2021E
Sales	38,188	39,177	42,955	47,211
Op. profit	5,552	4,236	5,561	6,822
Net profit*	4,917	4,815	5,085	6,253
EPS (VND)	4,561	4,140	4,372	5,377
EPS chg (%)	67.2	(9.2)	5.6	23.0
P/E (x)	28.6	18.0	17.1	13.9
ROE (%)	20.7	15.2	14.0	15.0
Div. yield (%)	1.4	-	-	-
DPS (VND)	1,121	-	-	-

*Net profit attributable to shareholders (PATMI minus employee welfare contribution).

Source: Yuanta Vietnam

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Bloomberg code: YUTA

Masan Group (MSN VN)

Transforming for growth

F&B business is transforming to grow. Energy drinks and bottled water should continue to be MSN's key growth drivers as (1) it adapts to meet consumer demand, and (2) it provides new product innovations consistently (e.g., new formats, new segments, and new flavors). Premiumization of its fish sauce and noodle products appears to be a viable solution to maintain growth in these relatively mature segments.

Branded meat – an expected game changer. The meat business is posting 20% MoM growth supported strongly by (1) MSN's wide and increasing point of sale network and (2) high rates of adoption by consumers. Although ASF presents a short-term headwind, we think it also highlights the need for scale in pork production; MSN should emerge as a longer-term winner as a result.

We shift to a negative view on Masan Resources. Tungsten pricing remains under pressure due to weak demand from China, and strict regulations on copper are another drag. MSN's attempts to improve this business through acquisition to move up the value chain are a positive sign, but it is likely to take evidence (and time) to change our minds.

Yuanta vs consensus. We think the wide disparity of 2019E forecasts will tighten as analysts update their numbers for MSN's weak 3Q19 operations and a large one-off gain. However, we appear to be more conservative than the Street looking forward, as our earnings forecasts for 2020E are 4% below and for 2021 are 9% below the BBG consensus.

We reiterate BUY but reduce our target price to VND 84,100, for expected 12-m TSR of 13.2%. Although MSN recorded poor performance in 3Q19 and we are negative on MSR, we still want to be in the stock given the attractive beverage and branded meat stories. We believe the market has over-reacted to a weak quarter and think the shares offer value here. We thus reiterate our BUY call on MSN.

ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES ARE LOCATED IN APPENDIX A.

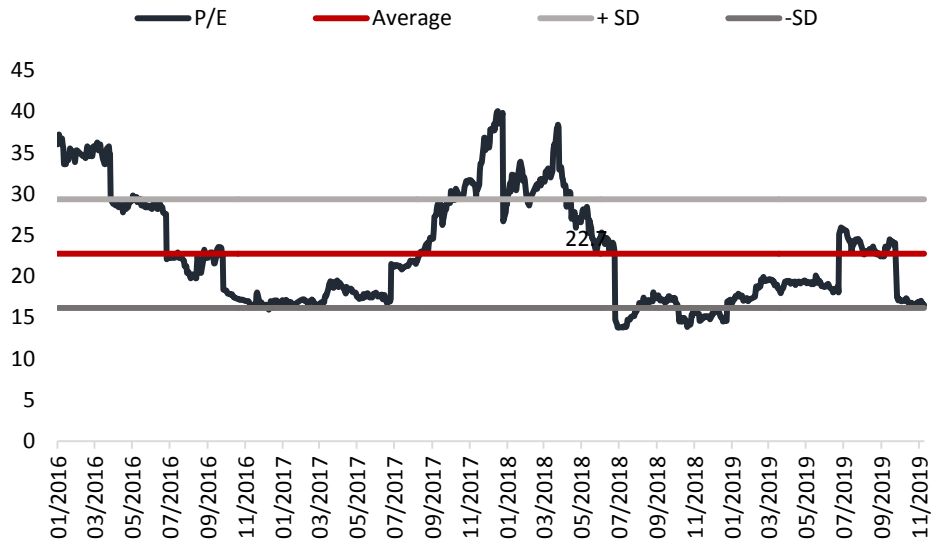
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Investment thesis

Poor 3Q19 results as well as our negative view on the tungsten business lead us to cut our target price by 10% to **VND 84,100, implying 19.2x 2020E EPS**. That said, we believe the market has over-reacted to the poor 3Q19 operating results.

We maintain our positive longer-term view on growth in Masan's beverage division and the branded meat businesses. We thus reiterate our BUY recommendation and expect total shareholder returns of 13.2% over the next 12 months.

Fig. 1: MSN's historical P/E



Source: Bloomberg

Forecast Revisions

We revise down our Group core profit forecast by 28.7% for 2019E and by 15.9% for 2020E. This is mainly because of worse-than-expected YTD results at Masan Consumer and reduced longer term expectations for Masan Resources. The impact of these cuts is partly offset by our increased forecasts for animal feed (poultry and aqua) in 2019E-2020E.

We cut our net income estimate for 2019E by only 3% due to the VND 1.2 tn in abnormal profit from the international arbitration settlement with Jacobs. However, we slash our 2020E net income forecast by 15.9%, in line with expected core profit.

VND bn	2019E			2020E		
	new	old	diff	new	old	diff
Revenue						
Masan Consumer	18,681	20,152	-7.3%	20,620	22,142	-6.9%
Masan MEATLife	14,723	13,278	10.9%	15,896	14,360	10.7%
Masan Resources	5,324	7,393	-28.0%	5,900	7,620	-22.6%
Others	449	374	20.1%	539	449	20.0%
Gross Margin						
Masan Consumer	40.6%	47.2%	-660bps	43.4%	47.2%	-381bps
Masan MEATLife	16.9%	14.5%	239bps	18.0%	17.0%	101bps
Masan Resources	23.1%	31.9%	-879bps	28.8%	32.3%	-355bps
EBIT Margin						
Masan Consumer	18.7%	23.7%	-500bps	24.4%	28.2%	-381bps
Masan MEATLife	6.4%	3.5%	294bps	5.0%	7.0%	-202bps
Masan Resources	19.8%	28.5%	-876bps	25.3%	28.8%	-354bps
Consolidated Results						
Revenue	39,177	42,272	-7.3%	42,955	46,161	-6.9%
Net attributable profits	4,815	4,971	-3.1%	5,085	6,047	-15.9%
Core profit	3,544	4,971	-28.7%	5,085	6,047	-15.9%
EPS (diluted)	3,047	4,274	-28.7%	4,372	5,200	-15.9%

Source: Yuanta Vietnam

Yuanta vs the consensus

For FY19E, the difference between our view and that of the Street vary across revenues, net profit, and EPS. Our revenue forecast is quite conservative compared to other brokerage houses, while net profit is slightly higher by 8.5%. We believe the mismatch is because most of houses have yet to update their numbers for the poor 3Q19 operational performance and the abnormal profit of VND1.2 tn. Our EPS revision (which is based on core income) is a better reflection of the difference between our expectations and those of the Street.

Our forecasts for FY20–21E appear to be more conservative than those of the consensus for revenues and net profit. This is perhaps due to our relatively negative view on the Masan Resources subsidiary.

Yuanta vs consensus	2019E	2020E	2021E	2018-21E (CAGR)
Revenues (VND bn)				
Yuanta	39,177	42,955	47,211	7%
Consensus	40,956	46,949	52,476	11%
Differential	-4.3%	-8.5%	-10.0%	
Net profit (VND bn)				
Yuanta	4,815	5,085	6,253	8%
Consensus	4,437	5,297	6,861	12%
Differential	8.5%	-4.0%	-8.9%	
EPS (VND)				
Yuanta	3,047	4,372	5,377	6%
Consensus	3,819	4,426	5,764	8%
Differential	-20.2%	-1.2%	-6.7%	

Source: Bloomberg, Yuanta Vietnam

F&B business is transforming to grow

Improving product mix helps MSN's traditional products to grow

High-protein fish sauce is driving the seasoning segment.

Fish sauce revenue is driven by high-protein-content products. Although high-quality fish sauce (which contributes c. 11% of total fish sauce revenues and c. 8% of total seasoning revenues) saw only single-digit growth in 9M19, this was much better than the whole seasoning segment's decline of 0.5%. Management expects sales of premium products to see low-double-digit growth in 4Q19, given positive momentum in the last several months' sale figures.

We also think that MSN is likely to succeed in its high-quality products given that (1) MSN dominates the fish sauce market with 62% market share as of 2018, and the company can leverage its dominant Chinsu brand to convince consumers to try its new products; and (2) the products should meet modern lifestyle demand, in which people appreciate rich natural-ingredient products – and especially products from trusted brands.

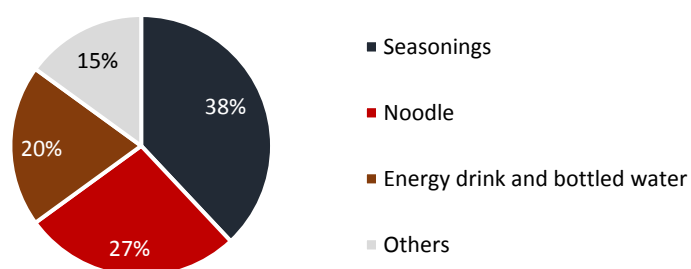
We believe there is plenty of room to grow full-meal noodle products too.

Noodles: Full-meal solutions are living up to their promise. Full-meal solution noodle products (i.e., those with additional processed meats and toppings) along with other premium noodles are leading the convenience food segment with 15% YoY growth in revenues in 9M19 (compared to 5% YoY growth of total convenience food revenues), and now contribute more than 50% of segment sales. Management expects premium products should to maintain this fast growth pace during the last quarter of FY19.

In our opinion, we believe the noodle segment has greater room for innovation than fish sauces as the company can add different kinds of meat to its noodles. We think the outlook for expansion of full-meal noodle sales is bright in the modern era, similar our view on premium fish sauce.

We now assume flat growth for fish sauce and 5% YoY growth for noodles in FY19. These assumptions are revised down from 10% YoY growth of fish sauce and 15% YoY growth of noodles previously. In the longer term (FY20–23E), we maintain our assumption of 2–3% YoY growth rate for fish sauce and 5–7% YoY growth rate for noodles.

Fig. 2: Seasoning and noodles remain dominant in Masan Consumer's sales



Source: Company data, Yuanta Vietnam

Energy drinks and bottled water are also key growth drivers for Masan Consumer's revenues...

Energy drinks are powering up the growth.

These non-alcohol beverages have been maintaining a growth rate of c.30%, which is better than our previous expectation. In more detail, energy drinks (c.44% of total beverage sales) grew by 33.1% YoY in 9M19 with Wakeup 247 brand sales (accounting for c. 94% of total energy drink sales) growing by c. 30% in the same period. Compact, another energy brand that launched in April 2018, is also gaining positive momentum and contributing 6% to energy drink portfolio revenues. Bottled water (c. 18% of total

beverage sales) grew by 21.6% YoY in 9M19 (supported by a new mineral water brand, Vivant).

We remain positive on the drinks segment as (1) the products are gaining strong acceptance by Vietnamese consumers, (2) management has consistently demonstrated the ability to innovate its product portfolio, and (2) MSN has significant advantages in its wide distribution network, which we view as the main catalyst for the fast expansion the Compact energy drink brand.

We raise our growth assumption for beverages from 22% to 28% YoY for this year, while maintaining 15%–18% growth for the period FY20–23E.

Fig. 3: MSN’s WakeUp 247 energy drink brand is gaining market share

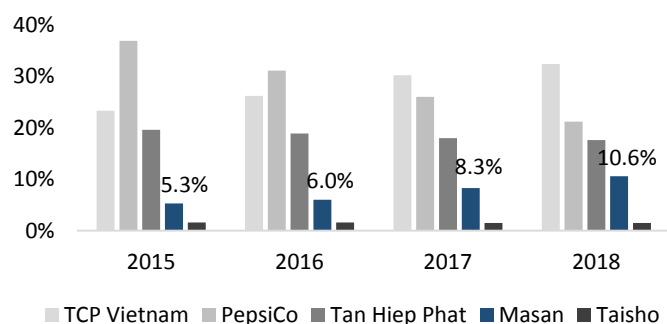
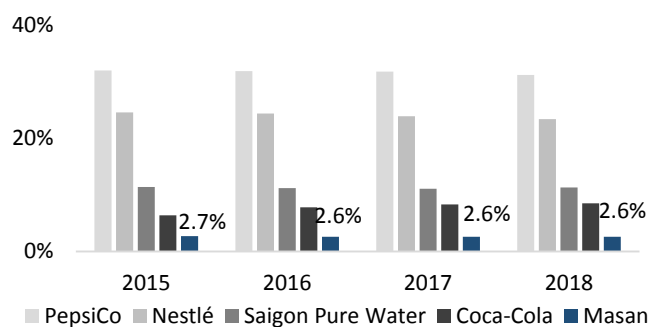


Fig. 4: MSN is protecting its share well against bigger rivals in the bottled water market



Source: Euromonitor, Yuanta Vietnam

Source: Euromonitor, Yuanta Vietnam

... while beer and coffee seem to be struggling.

Fierce competition in the beer and instant coffee segments lead us to a negative view on these businesses.

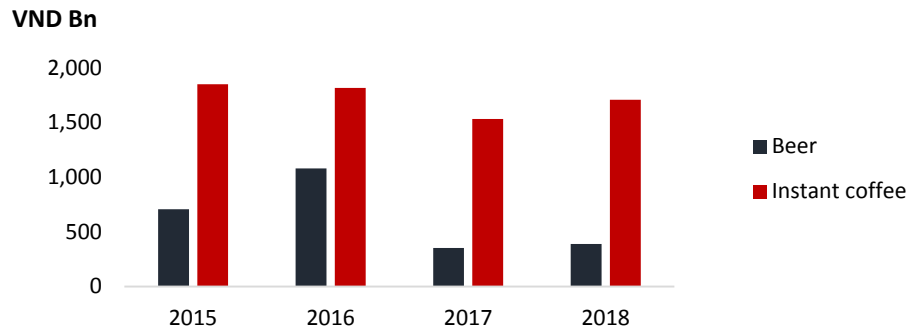
Beer revenues saw a 2% YoY decline in 9M19 despite the beer industry’s 5% growth YoY in the same period. MSN’s Su Tu Trang beer brand has been a disappointment and we believe it has failed to meet consumer expectations. Given the dominance of Sabeco (43% market share) and Heineken (25% of market share) in the beer market, competition is fierce and we do not expect MSN to gain much traction in this segment.

In our valuation model for the Group, we value the beer business at 1.0x P/BV. Beer appears to be a value-destroyer and a drag on the overall business, but management is not likely to tolerate this in perpetuity. There could be upside here from divestment opportunities that may emerge going forward (e.g., MNC breweries seeking inroads into the Vietnam market). Assuming that this is accurate, and that the brand does not gain traction, we would see such a divestment as a positive move.

Coffee also performed poorly, with a 14% YoY decline in 9M19 vs. instant coffee market growth of 8–10% YoY. Although Vinacafe is the leader in the instant coffee market with 41% of market share in terms of volume, the brand has not stood up well against the competition. In the past, Vietnam’s instant coffee market was dominated by only three companies: Trung Nguyen, Nestle, and Vinacafe (of which MSN owns a 98% stake). However, many newcomers including FDI and domestic have entered the industry. New entrants such as Birdy of Ajinomoto and Nuticafe of Nutifood have only increased the competition. In line with its move into higher quality in other segments, MSN is trying to expand into roasted ground coffee; however, it is perhaps too early to determine whether this effort will perk up the company’s coffee sales.

We maintain our negative view for the beer and coffee segments, penciling in declines of 3% YoY and 15% YoY, respectively, for FY19. We also assume 5% YoY declines for both products during FY20–23E.

Fig. 5: MSN's beer and coffee revenues are struggling



Source: Company data, Yuanta Vietnam

Branded meat – An expected game changer

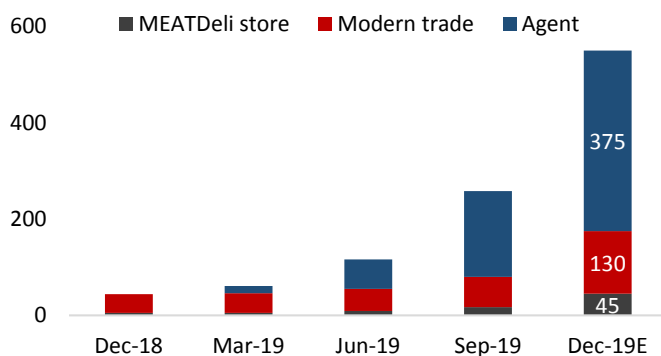
Meat sales are growing quickly, by more than 20% every month

MSN is demonstrating an ambitious meat business strategy, in our opinion. After launching its branded meat products in late 2018 and receiving positive feedback from consumers, the company has aggressively expanded its point-of-sales (PoS) network by 23% on average every month in the first nine months of the year. This includes 20.6% monthly growth of MEATDeli stores, 10.6% monthly growth of third-party modern trade channels, and 38.0% monthly growth of agents.

Meat sales have posted even stronger growth than that of the POS network, with a compound monthly sales growth rate of 24% MoM at the MEATDeli stores, 14% MoM at third-party modern trade channels, and 66% at its agents. The higher growth rate of sales compared to the sales network expansion is a good signal of increasing consumer acceptance for MSN's meat products, in our view. Management expects annualized business revenue in December to reach 75% of 2018A revenue at Vissan (an MSN-invested associate and a dominant player in Vietnam's meat sector), which would be a solid result for a new business in our opinion.

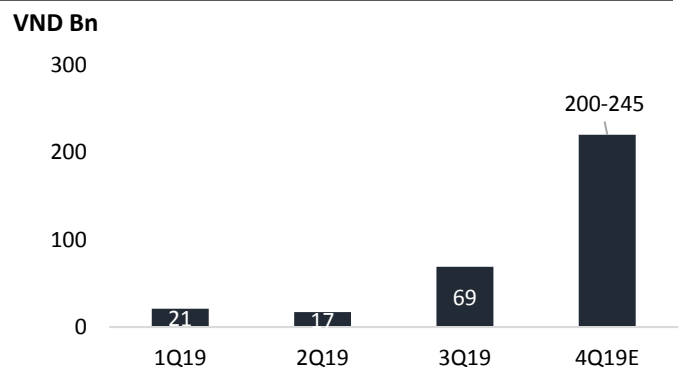
In addition, MSN plans to invest in another farm and meat processing plant in Southern Vietnam with similar capacity as its existing plant in the North, which can process c.134K tons/year. Again, this demonstrates management's ambition to expand the business across the country in short order.

Fig. 6: MSN guides for a network of at least 550 PoS by end-2019



Source: Company data, Yuanta Vietnam

Fig. 7: Meat sales have surged strongly since inception



Source: Company data, Yuanta Vietnam

MSN meat business may be hit by disease, but should be the last winner eventually

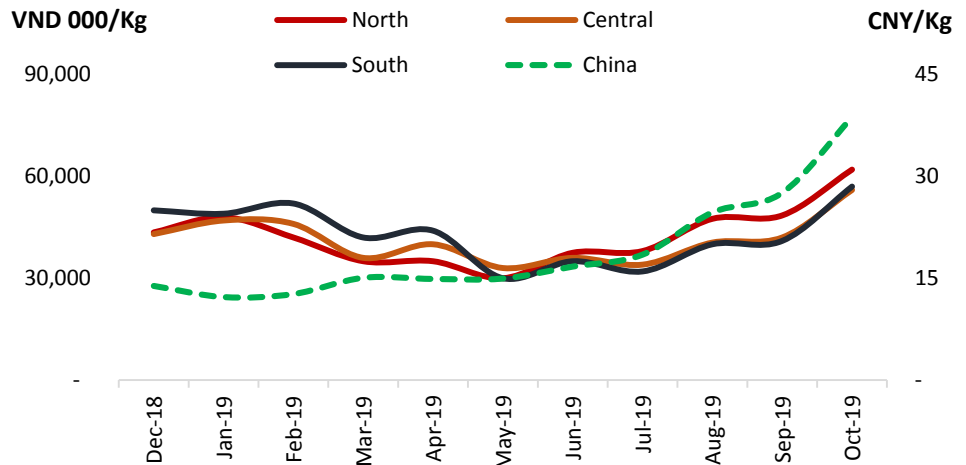
The branded meat business is highly attractive given its disruptive potential for national meat consumption habits. As we mentioned in our [initiation report](#), Vietnam's pork market is ripe for branded meat given that (1) the market is highly fragmented with no dominant brands and (2) consumers are increasingly given first priority to health and safety metrics. Given (1) the advantages of chilled meat compared to traditional warm pork in both safety and flavor and (2) MSN's advantages in advertising experience and wide distribution network, MSN's pioneering efforts in chilled meat products in Vietnam should allow it to establish and maintain an outstanding position in the market.

The business is not immune from African Swine Fever, but we believe large producers such as MSN should be the winners in the longer term. MSN had to close its farm for several months earlier this year (although its pigs were not impacted by the disease) for safety reasons and, we believe, out of an abundance of caution to ensure that this nascent brand was not impacted by ASF. As a result, pork volume momentum in 2Q19 was weaker than hoped. Pork demand has also been hit as consumers turn to other protein sources, including beef and chicken. Thus, we believe the business is not likely to be totally immune from disease outbreaks. Currently, MSN's own farm can supply enough porkers for its processing factory. However, in the future, MSN should outsource pork from associated farmers because its farms, at full capacity, can only

meet 20% of its processing facilities' design capacity. Thus, short-run sensitivity to disease outbreaks are a risk.

However, MSN as well as other modern and safety pork producers should benefit in the long run, given that (1) pork plays a critical role in Vietnamese cuisine (50–60% of Vietnamese meat consumption) and (2) livestock disease outbreaks are more likely to hit small farms more severely than large, modern farms. Furthermore, most farms in Vietnam are small and controlling disease effectively at such farms is difficult. This has led to a shortage of pork and a recent surge in pork prices that we think should favor large scale farms that are able to control the disease.

Fig. 8: It's not only happening in China: Pork prices in Vietnam are also surging as the result of African Swine Fever



Source: Yuanta Vietnam

Profitability is on the horizon. Management is confident that the nascent meat business should reach breakeven at 40% of current capacity, which should be achieved in late 2020 (currently the processing factory is running at 20% utilization rate).

Of course, this 2020 breakeven expectation is for the existing facilities in the North. It does not encompass upcoming projects in the South, which would delay breakeven for the overall meat business. We would conservatively expect the overall business (including the yet-to-be-established facilities in the South) to post a net profit starting from FY2023E.

MSR: Soft tungsten price and strict copper export regulations lead to earnings downgrades

We have turned negative on both the tungsten and copper business

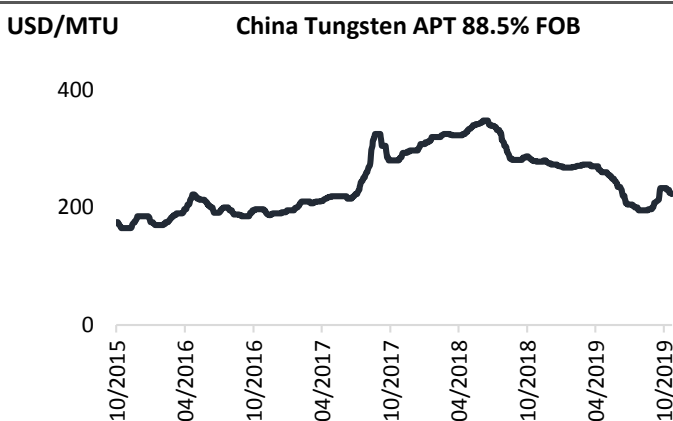
Tungsten price continues to be under pressure due to weak demand from Chinese consumers (accounting for 50% of global tungsten demand, according to Merchant Research & Consulting). Based on our observations, suppliers in China have cut their offer prices recently and exhibit weak confidence in a rebound over the short run. This is likely due to concerns over China’s weakening economic data (the country’s 3Q19 GDP growth was the slowest in almost 30 years).

Having said that, some positive factors about MSR are worthy of consideration: (1) the company should be less sensitive to the tungsten price movement as it moves up the value chain into processed tungsten, and (2) many manufacturers in China are probably making losses at the current price, and the resulting supply reaction will likely lead to greater stability for this business going forward. However, these are longer-term factors in our opinion. In the meantime, we have turned negative on the operational outlook for tungsten and will wait for evidence of a turnaround before changing our view.

Impact from copper regulation (mentioned in our [last company update](#)) remains a drag on the business, as the company recorded no revenues from the metal in 3Q19. Management is seeking local processing solutions, including potentially building its own copper smelter. But again, we think it prudent to await clear signals of their ability to solve their copper inventory issues effectively. Thus, we maintain our negative view on copper’s performance over the medium term.

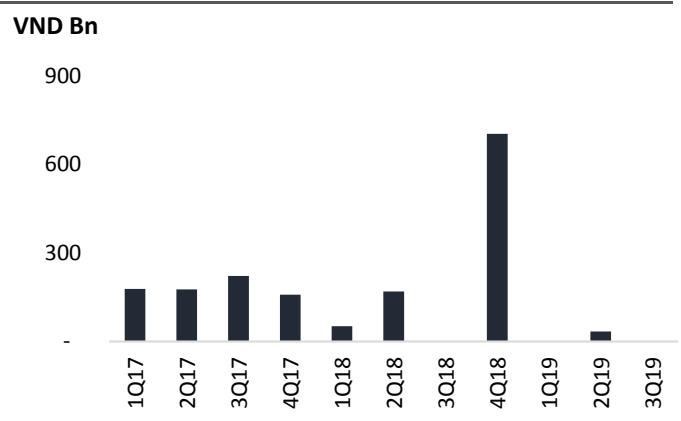
In our model, we have revised down our assumptions for tungsten sales from 10% YoY growth to 30% decline for FY19. For FY20–23, we revise down our assumptions by 1ppt (to 2–5% YoY growth). As for copper, we also revise down our expectation from 15% YoY growth in 2019E to a 40% YoY decline. For FY20–23, we revise down our assumptions by 2ppt (to 1–4% YoY growth).

Fig. 9: Tungsten price is soft



Source: Bloomberg, Yuanta Vietnam

Fig. 10: MSR’s copper revenue saw high volatility



Source: Company data

Valuations

Our price target of **VND 84,100** is based on Sum of the Part (SoTP) valuation and implies **19.2x 2020E EPS**.

Table 1: SoTP Valuation

Subsidiaries and associates	Method	Enterprise value	MSN economic interest	Proportionate share	
MCH	Masan consumer	FCFF	63,299	83.0%	52,566
	Masan Brewery	P/B	818	57.2%	468
MSR		FCFF	24,205	95.9%	23,212
MML	Animal feed	FCFF	17,543	79.9%	14,017
	Meat	P/B	7,705	79.9%	6,156
TCB		P/B	89,617	21.8%	19,536
Total Enterprise value					115,955
Less proportionate net debt					(18,119)
Equity value					97,836
Total shares outstanding (million shares)					1,163
Per MSN/share (VND)					84,123
Implied 2020 P/E					19.2

Source: Yuanta Vietnam

Table 2: Key valuation metrics

Masan Consumer		Masan Resource		MML Animal feed	
FCFF method		FCFF method		FCFF method	
WACC	12.9%	WACC	14.5%	WACC	12.8%
Implied P/E 2019	22.3	Implied EV/EBITDA 2019	5.5	Implied P/E 2019	13.48
Masan Brewery		MML Meat		Techcombank	
P/B method		P/B method		P/B method	
P/B	1.0	P/B	1.5	P/B	1.5

Source: Yuanta Vietnam

RISKS TO OUR VIEW

- Weaker-than-expected beverages growth.
- New launched innovations are unsuccessful.
- Larger impact from ASF, such as a potential closure of MSN's farm for safety reasons.
- Tungsten prices keep moving down further.

PROFIT AND LOSS (VND bn)					
FY Dec 31 (VND'bn)	2017A	2018A	2019E	2020E	2021E
Revenue	37,621	38,188	39,177	42,955	47,211
<i>Masan Consumer</i>	13,214	17,006	18,681	20,620	22,665
<i>Masan Resources</i>	5,405	6,865	5,324	5,900	6,965
<i>Masan MEATLife</i>	18,690	13,977	14,396	14,396	14,684
<i>Other</i>	312	339	776	2,039	2,897
Cost of goods sold	(25,989)	(26,306)	(27,811)	(29,533)	(31,749)
Gross profits	11,632	11,881	11,366	13,422	15,462
Operating expenses	(7,203)	(6,330)	(7,130)	(7,861)	(8,640)
Operating profits	4,429	5,552	4,236	5,561	6,822
Net interest expenses	(3,696)	(3,091)	(1,543)	(1,664)	(1,531)
Net investments income/(loss)	2,044	1,914	1,911	2,238	2,596
Net other incomes	(43)	(33)	1,200	(33)	(33)
Pretax profits	4,139	6,244	5,804	6,102	7,854
Income taxes	(531)	(622)	(389)	(386)	(789)
Minority interests	505	705	600	631	812
Net profits	3,103	4,917	4,815	5,085	6,253
EBITDA	2,171	3,405	3,615	5,085	6,253
EPS (VND)	9,083	10,171	8,023	9,741	11,419

KEY RATIOS					
	2017A	2018A	2019E	2020E	2021E
Growth (%YoY)					
Sales	(13.1)	1.5	2.6	9.6	9.9
<i>Masan Consumer</i>	(4)	29	10	10	10
<i>Masan Resources</i>	33	27	(22)	11	18
<i>Masan MEATLife</i>	(23)	(25)	3	-	2
<i>Other</i>	(70)	20	20	20	20
Operating profit	(26.5)	25.4	(23.7)	31.3	22.7
EBITDA	(3.2)	12.0	(21.1)	21.4	17.2
Net profit	11.1	58.5	(2.1)	5.6	23.0
EPS (VND)	10.8	67.2	(9.2)	5.6	23.0
Profitability ratio (%)					
Gross margin	30.9	31.1	29.0	31.2	32.8
Operating margin	11.8	14.5	10.8	12.9	14.5
EBITDA margin	24.1	26.6	20.5	22.7	24.2
Net margin	8.2	12.9	12.3	11.8	13.2
ROA	5.2	5.3	8.8	7.3	7.2
ROE	15.9	17.8	20.7	15.2	14.0
Stability					
Net debt/equity (x)	1.8	0.6	0.5	0.3	0.2
Int coverage (x)	1.2	1.8	2.7	3.3	4.5
Int & ST debt coverage (x)	0.7	0.8	0.8	1.0	1.4
Cash conversion days	(19.2)	(6.8)	15.0	-	10.0
Current ratio (X)	1.0	0.8	0.9	1.1	1.3
Quick ratio (X)	0.7	0.5	0.6	0.8	0.9
Net cash/debt (VND mn)	(27,379)	(17,410)	(15,858)	(12,100)	(8,698)
Efficiency					
Days receivable outstanding	22	22	25	35	30
Days inventory outstanding	68	60	65	65	65
Days payable outstanding	109	89	75	100	85

Source: Company data,
Yuanta Vietnam

BALANCE SHEET (VND bn)					
FY Dec 31 (VND'bn)	2017A	2018A	2019E	2020E	2021E
Total assets	63,529	64,579	67,137	74,228	77,491
Cash & cash equivalents	7,417	4,586	4,137	7,095	7,498
ST Investment	640	376	376	376	376
Accounts receivable	2,247	2,413	2,683	4,119	3,880
Inventories	4,333	4,333	4,953	5,259	5,654
Other current assets	508	792	832	873	917
Net fixed assets	32,300	31,895	31,818	31,676	31,475
Others	16,084	20,184	22,338	24,829	27,692
Total liabilities	43,303	30,499	27,888	29,572	25,987
Current liabilities	15,502	15,765	13,958	16,535	13,837
Accounts payable	6,336	6,521	5,715	8,091	7,394
ST debts	9,166	9,244	8,244	8,444	6,444
Long-term liabilities	27,801	14,734	13,930	13,037	12,150
Long-term debts	25,630	12,752	11,752	10,752	9,752
Others	2,171	1,983	2,178	2,285	2,398
Shareholder's equity	14,837	29,487	33,959	38,638	44,563
Share capital	18,429	22,716	22,716	22,716	22,716
Treasury stocks	(6,518)	-	-	-	-
Others	12,597	6,523	1,204	(4,410)	(11,350)
Retained earnings	12,350	16,193	21,512	27,125	34,066
Minority interest	5,388	4,593	5,290	6,018	6,941

CASH FLOW (VND bn)					
FY (VND'bn)	2017A	2018A	2019E	2020E	2021E
Operating cash flow	2,766	4,391	5,555	8,250	8,169
Net income	3,103	4,917	4,815	5,085	6,253
Dep. & amortization	2,436	2,538	1,876	1,942	2,002
Change in working capital	(2,913)	185	(806)	2,377	(698)
Others	(2,479)	(3,859)	(429)	(428)	(832)
Investment cash flow	3,134	(3,867)	(3,953)	(4,292)	(4,662)
Net capex	(2,444)	(1,912)	(1,800)	(1,800)	(1,800)
Change in LT investment	2,033	(3,745)	(1,911)	(2,238)	(2,596)
Change in other assets	2,976	3,426	-	-	-
Cash flow after invt.	569	(1,635)	(242)	(254)	(267)
Financing cash flow	(11,635)	(3,357)	(2,049)	(1,000)	(3,105)
Change in share capital	3,893	58	-	-	-
Net change in debt	(6,294)	(12,801)	(2,000)	(800)	(3,000)
Change in other LT liab.	(9,234)	9,386	(49)	(200)	(105)
Net change in cash flow	(5,735)	(2,832)	(447)	2,958	402
Beginning cash flow	13,149	7,417	4,585	4,137	7,095
Ending Cash Balance	7,414	4,585	4,137	7,095	7,498

KEY METRICS					
	2017A	2018A	2019E	2020E	2021E
PE (x)	28.6	28.6	18.0	17.1	13.9
Diluted PE (x)	30.9	30.9	18.0	17.1	13.9
PB (x)	4.4	4.4	2.9	2.6	2.2
EBITDA/share	7,848	7,848	8,745	6,898	8,375
DPS (VND)	2,344	1,121	-	-	-
Dividend yield (%)	3.6	1.5	-	-	-
EV/EBITDA (x)	8.1	12.7	8.5	10.8	8.9
EV/EBIT (x)	9.8	20.3	15.6	20.5	15.6

Appendix A: Important Disclosures

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