

Vietnam

ADD (no change)

Consensus ratings*: Buy 6 Hold 2 Sell 0

Current price:	VND74,500
Target price:	VND88,200
Previous target:	VND79,400
Up/downside:	18.4%
CGS-CIMB / Consensus:	25.8%
Reuters:	ACV.HM
Bloomberg:	ACV VN
Market cap:	US\$6,997m
	VND162,186,400m
Average daily turnover:	US\$0.72m
	VND16,796m
Current shares o/s:	2,176,999m
Free float:	5.0%

*Source: Bloomberg

Key changes in this note

- FY20-22F EPS decreased by 9.0-22.8%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	17.3	35.2	-1.3
Relative (%)	13.9	18.9	-3

Major shareholders

	% held
State capital Management	95.4
Other	4.6

Analyst(s)

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Airport Corp of Vietnam

LTIA phase 1 to catalyse revenue in FY26F

- The prime minister assigned ACV as the main developer of Long Thanh International Airport (LTIA) phase 1.
- We expect the US\$4.3bn project to drive ACV's revenue growth from 2026 onwards.
- We reiterate our Add call with a higher TP of VND88,200 after taking the impact of LTIA into account from FY26 onwards.

3Q20 results were lower than our expectation

Airport Corporation of Vietnam's (ACV) revenue fell 68% yoy in 3Q20 following a 21.3% yoy decline in total pax throughput. International flights were still frozen while domestic travel's recovery was disrupted by the 2nd wave of Covid-19 in Jul-Aug 20. Thus, domestic pax throughput declined 31.6% yoy in 3Q20. NP fell 93.6% yoy to VND141bn in 3Q20, compared with a net loss of VND394bn in 2Q20. Net profit fell 76.8% yoy to VND1,369bn in 9M20, below at 56.4% of our full-year forecast.

LTIA officially put on the table

In Nov 2020, the Prime Minister assigned ACV as the main developer of Long Thanh International Airport phase 1. This US\$15bn international airport is a mega project, with total capacity of 100m pax throughput and 5m tonnes cargo per annum. Phase 1 of the project can serve 25m pax throughput and 1.2m tonnes cargo per annum. The investment cost of phase 1 was estimated by ACV at about US\$4.3bn (VND99,000bn). ACV expects to start construction of phase 1 in Dec 20 and complete it in FY25F. Our forecasts now include the impact of LTIA in terms of capex and revenue prospects.

Entering a peak capex cycle

ACV plans to fund LTIA phase 1 with US\$1.5bn internally-generated funds and US\$2.7bn of debt. Thus, we expect interest income to drop significantly to -44.3% CAGR in FY20-25F, which will hurt bottom line (interest income contributed 16%/17%/79% to FY18/19/20F's pretax profit). We estimate ACV to raise about VND60,000bn via bank borrowings or bond issuance. This would increase the D/E ratio from 0.4x in FY20F to 1.3x in FY25F.

Reiterate Add with a higher DCF-based TP of VND88,200

We cut FY20-22F EPS forecasts by 9.0-22.8% to reflect lower traffic assumptions and lower net financial income. We lift our DCF-based TP to VND88,200 due to 1) lower total EBITDA of FY21-FY30F to factor in mid-term cash burn period, 2) WACC decreased from 12.56% to 8.9% to reflect higher debt/equity, and 3) increased LT growth rate from 4% to 4.5% to represent better growth potential after FY30F due to LTIA. Downside risks include 1) a longer-than-expected Covid-19 pandemic, 2) slower-than-expected construction of LTIA. Re-rating catalyst is faster than expected Covid-19 vaccine development and distribution.

Financial Summary

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue (VNDb)	16,123	18,329	8,105	13,483	18,272
Operating EBITDA (VNDb)	10,490	11,868	3,770	7,391	11,395
Net Profit (VNDb)	6,173	8,201	2,210	5,170	7,166
Core EPS (VND)	2,835	3,767	1,015	2,374	3,291
Core EPS Growth	51%	33%	(73%)	134%	39%
FD Core P/E (x)	26.28	19.78	73.40	31.38	22.63
DPS (VND)	900.0	899.9	900.0	900.0	900.0
Dividend Yield	1.21%	1.21%	1.21%	1.21%	1.21%
EV/EBITDA (x)	14.34	12.07	36.95	21.44	15.76
P/FCFE (x)	NA	NA	140.3	NA	NA
Net Gearing	(29.8%)	(44.3%)	(54.6%)	(2.6%)	44.6%
P/BV (x)	5.28	4.42	4.40	4.06	3.61
ROE	21.3%	24.3%	6.0%	13.5%	16.9%
% Change In Core EPS Estimates			(9.0%)	(22.8%)	(14.3%)
CGS-CIMB/Consensus EPS (x)			1.11	0.87	1.04

SOURCES: VND RESEARCH, COMPANY REPORTS

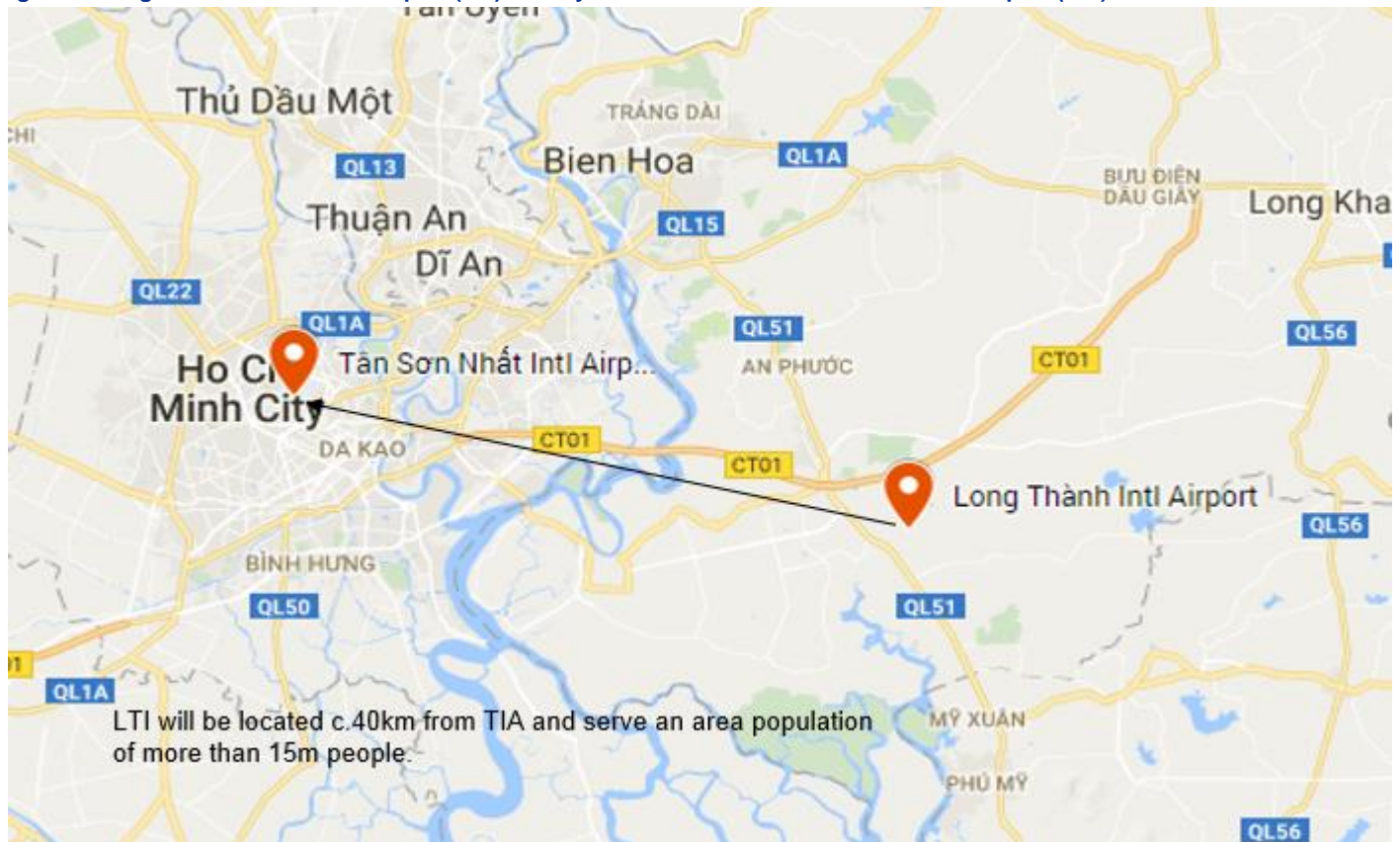
LTIA phase 1 to catalyse revenue in FY26F

What does Long Thanh International Airport (LTIA) mean to ACV?

LTIA is a costly but necessary mega project >

LTIA was approved in Jun 2015 by the National Assembly. LTIA is located in Dong Nai province, 40km from Ho Chi Minh City (HCMC). LTIA is a mega project consisting of three phases which cost a combined c.US\$15bn. Upon completion of all three phases, LTIA will have a total capacity of 100m pax throughput and 5m tonnes cargo per annum. Phase 1 can serve 25m pax throughput and 1.2m tonnes cargo per annum. It requires capex of US\$4.6bn. ACV's assigned works require capex of US\$4.3bn (VND99,000bn). ACV expects construction of Phase 1 to start in Dec 20 and be completed in FY25F.

Figure 1: Long Thanh International Airport (LTI) is fairly close to Tan Son Nhat International Airport (TIA)



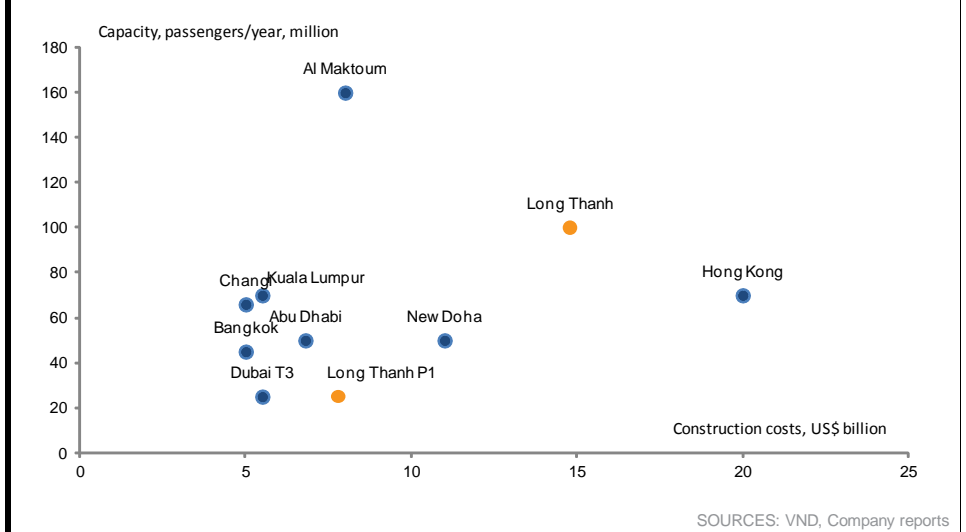
SOURCES: VND, GOOGLE MAPS

Figure 2: Long Thanh International Airport's (LTIA) master plan at the completion of each phase

	Phase 1	Phase 2	Phase 3
Capex (US\$ bn)	4.6		15.0
Passenger volume (m)	25	50	100
Cargo (m tonnes)	1.2	1.5	5
No. of runways	1	2	4
Year of completion	2025F		

SOURCES: ACV, CAAV

Figure 3: Airport construction cost vs. capacity



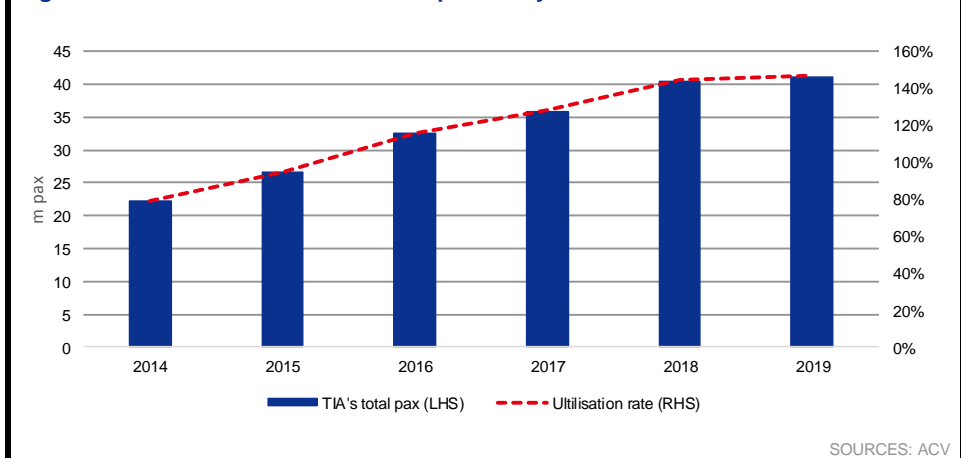
Compared to other regional airports, we think LTIA’s total cost/capacity is at an acceptable level. However, the investment cost of LTIA Phase 1 appears expensive to us. This could be attributed to the huge upfront cost for site clearance and infrastructure.

LTIA is positioned to become a new transit hub in Southeast Asia, competing with other regional hubs such as Singapore’s Changi Airport, Bangkok’s Suvarnabhumi Airport and Hong Kong International Airport. According to the Ministry of Transport (MOT), LTIA is expected to contribute 1% to GDP when Phase 1 is operational and 3-4% to GDP after phase 3 is completed.

LTIA will alleviate the congestion of Tan Son Nhat IA ➤

Tan Son Nhat International Airport (TIA) is currently the busiest airport hub in South Vietnam which accommodated 41m passenger throughput in FY19, 46% above its designed capacity. The recent rapid passenger traffic has been a strain on TIA for the past few years. In Jun 2020, Vietnam’s prime minister approved an investment of VND10,990bn (US\$471m) for a new terminal (T3) in TIA. T3 will add 22m pax capacity to lift TIA’s total capacity to 50m passengers p.a.

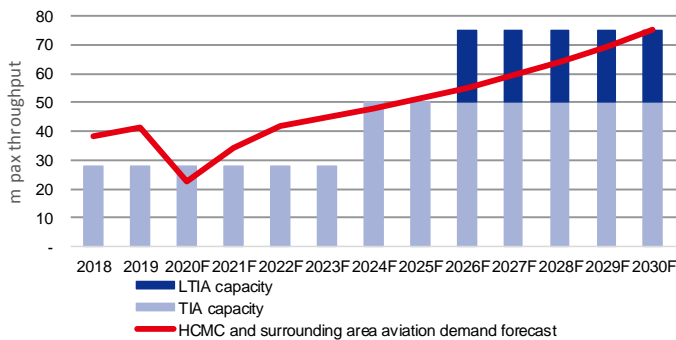
Figure 4: TIA was overcrowded for the past five years



As we expect HCMC and surrounding area’s passenger traffic to grow at 17% CAGR in FY20-25F and 7% CAGR in FY26-30F, TIA may be unable to meet this demand in the long term even after the completion of Terminal 3. Thus, ACV expects LTIA to come into operation in late FY25F, which will add 25m pax capacity p.a. After phase 3 of LTIA is completed, LTIA will handle 80% of international passenger throughput and 20% of passenger throughput from/to

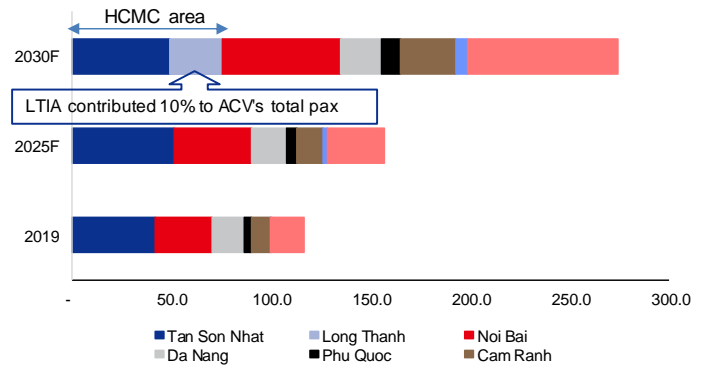
HCMC, as per Civil Aviation Authority of Vietnam's (CAAV) master plan vision until 2050.

Figure 5: TIA alone will not be sizeable for growing aviation traffic demand in HCMC and surrounding area



SOURCES: CAAV, VNDIRECT RESEARCH

Figure 6: LTIA is expected to contribute 10% to ACV's total pax in FY30F (m pax throughput)



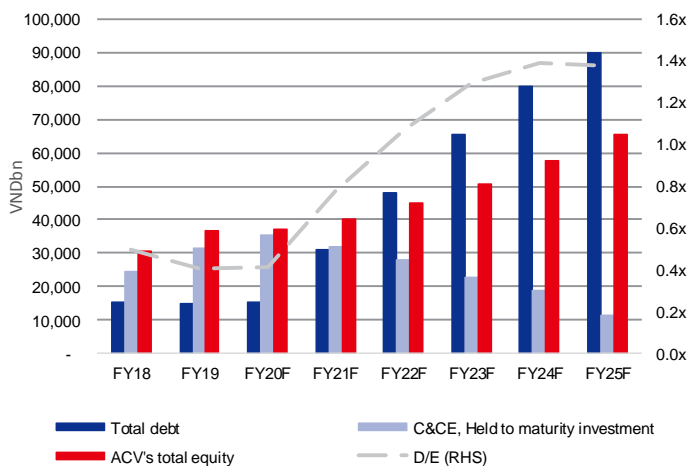
SOURCES: CAAV, VNDIRECT RESEARCH

We expect LTIA phase 1 to be completed in FY25F and start contributing to ACV's business results from FY26F onwards. It should run at full capacity in FY30F. We estimate LTIA to contribute 5.4% to ACV's domestic pax throughput in FY30F and 19.8% to ACV's international pax throughput in FY30F.

We estimate that LTIA and TIA should collectively account for 30% of ACV's total traffic in FY30F.

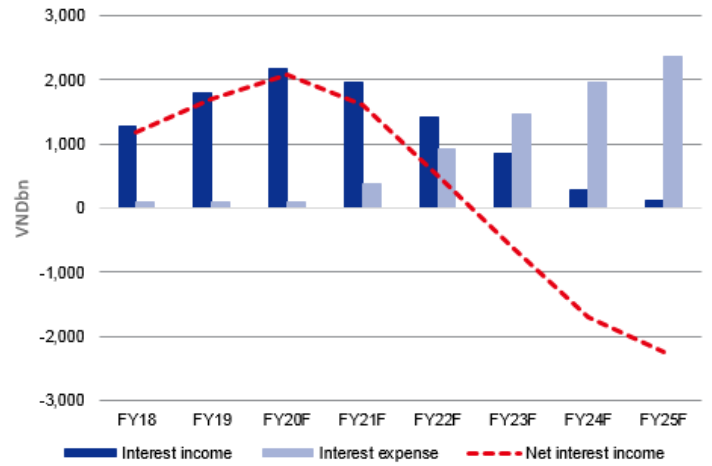
ACV should enter a peak capex cycle in FY21-25F ➔

Figure 7: We expect D/E ratio to jump significantly in the next 5 years while total cash should retreat gradually



SOURCES: VND RESEARCH, COMPANY REPORTS

Figure 8: Net interest income is expected to turn negative from FY23F onwards



SOURCES: VND RESEARCH, COMPANY REPORTS

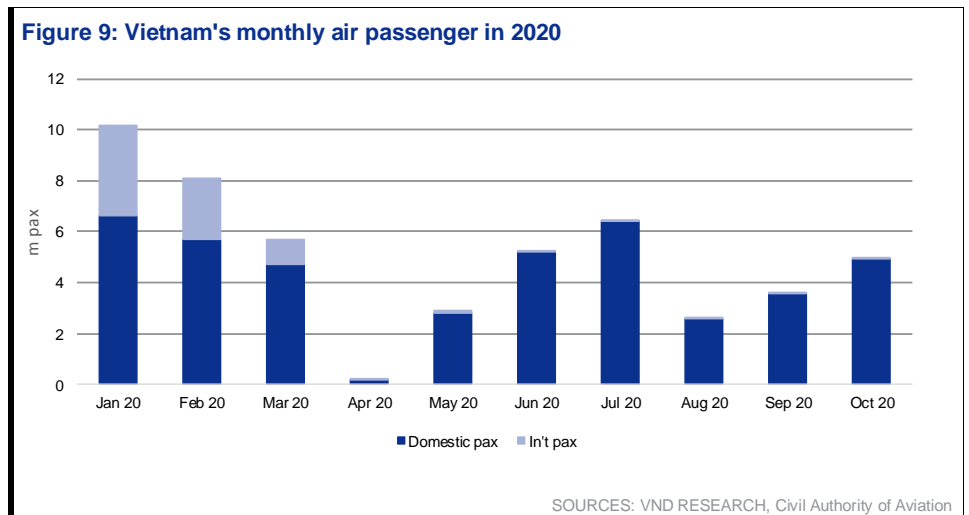
According to ACV, total capex needed to develop LTIA phase 1 is US\$4.3bn (VND99,000bn), which is 1.7x ACV's total assets at end-3Q20. ACV plans to fund LTIA phase 1 with VND35,000bn in internally-generated funds and the remainder by debt.

ACV expects to fund the rest of its capex via commercial loans or by issuing corporate bonds in domestic and international markets. ACV's chairman said that it has signed Memoranda of Understanding (MoU) with 12 institutions, which are interested to finance LTIA phase 1. The total amount of capital that can be accessed from these institutions is up to US\$6.3bn, which exceeds what ACV needs.

Thus, we expect ACV's interest income to drop significantly at -44.3% CAGR in FY20-25F, which will hurt bottomline (interest income contributed 16%/17%/79% to FY18/19/20F's pretax profit). We expect ACV to borrow c.VND60,000bn via bank loans or bond issuance for the next five months. This would increase its D/E ratio from 0.4x in FY20F to 1.3x in FY25F.

Uncertain when international flights will be reopened

Passenger traffic recovery slower than expected ➤



Domestic pax throughput fell 31.8% yoy in 3Q20 due to travel restrictions and lower demand in Aug and Sep 20. Domestic pax throughput recovered 38% mom in Oct 20 but still decrease 17% yoy.

3Q20 domestic total pax throughput was 27% lower than our previous expectation. We remain positive on the recovery of domestic demand in 4Q20F and in 2021. However, we decrease our FY20 assumption for domestic passengers throughput by 5% to reflect worse-than-expected 2nd wave of Covid-19 in Aug.

Uncertain when international flights will be reopened ➤

After successfully controlling the second outbreak, Vietnam officially resumed international flights in mid-Sep 20 with approved routes from/to Japan and South Korea. However, the flights were limited to passengers who had to travel for education and work purposes, with tourists still prohibited. Vietnam Airlines Flight VN417 arrived at Hanoi's Noi Bai Airport on 25 Sep, marking the first commercial flight since Mar 20.

On 7 Oct, the Civil Aviation Authority of Vietnam (CAAV) temporarily suspended international commercial flights entering Vietnam to tighten the quarantine regulations. According to a CAAV representative, the quarantine rules for foreigners have been carried out well; however, problems have arisen in terms of the application of the rules to Vietnamese citizens. As at 20 Nov 2020, there are no updates as to when international flights will be reopened.

Earnings revision

3Q20 results were lower than our expectation ➤

Figure 10: Results comparison

FYE Dec 31 (VND bn)	3Q20	3Q19	% yoy	9M20	9M19	% yoy	% vs previous forecast	Comments
Net revenue	1,443	4,591	-68.6%	6,083	13,517	-55.0%	63.5%	
Aeronautical services	708	3,589	-80.3%	4,615	10,793	-57.2%	63.6%	Lower than expected as international flights were not resumed. We expect 4Q20 domestic traffic to equivalent to 4Q19's level compared with 59%/32% yoy drop in 2Q/3Q20.
Non aeronautical services	215	515	-58.2%	1,014	1,580	-35.8%	73.5%	In line with our expectation.
Gross profit	41	2,412	-98.3%	1,214	6,998	-82.7%	53.1%	
Gross margin	2.8%	52.5%	-49.7% pts	20.0%	51.8%	-31.8% pts	-3.9% pts	Fixed cost eroded gross margin as revenue fell 57.2% yoy.
Financial income	579	573	1.0%	1,682	1,397	20.4%	76.2%	In line with our expectation.
Financial expenses	287	29	884.1%	714	486	47.0%	96.6%	Mostly came from FX loss from debt revaluation. Since end-4Q19, Japanese yen appreciated 3.1% to Vietnamese dong as end-3Q20, higher than expected.
Selling expenses	28	90	-68.5%	123	278	-55.7%	58.9%	Lower than expected as ACV has cut its operating cost better than expected.
General and admin expenses	185	212	-12.5%	502	658	-23.7%	72.7%	
Gain/(loss) from joint ventures	37	83	-55.7%	108	318	-66.0%	78.7%	
Net profit	141	2,203	-93.6%	1,369	5,898	-76.8%	56.4%	Lower than expected as ACV has cut its operating cost better than our projections.
Net margin	9.8%	48.0%	-38.2% pts	22.5%	43.6%	-21.1% pts	-2.8% pts	
EBITDA	432	3,114	-86.1%	2,791	9,077	-69.3%	65.1%	
EBITDA margin	29.9%	67.8%	-37.9% pts	45.9%	67.2%	-21.3% pts	1.2% pts	

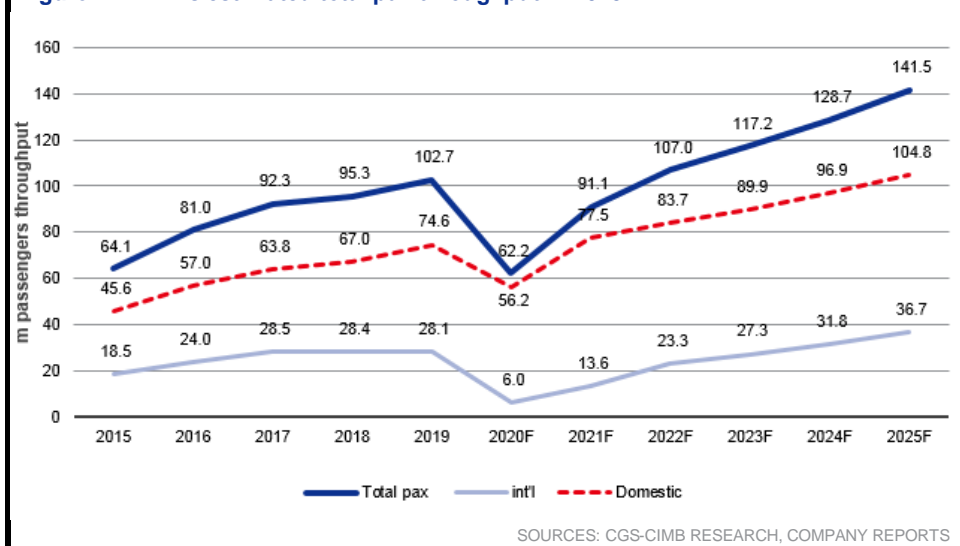
SOURCES: VND RESEARCH, COMPANY REPORTS

Changes to forecasts

We change our scenario for international pax throughput as follows:

- We lower FY20/FY21F forecast for international pax throughput by 32.7%/30.5% to reflect uncertainty as to when international flights will resume.
- We increase FY22F assumption for international pax throughput by 4.3% as the development of Covid-19 vaccines appears faster than expected.

Figure 11: ACV's estimated total pax throughput in 2015



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

We reduce FY20-22F EPS by 9.0-22.8% to reflect lower traffic assumptions and lower net financial income (as we factor in debt and lower cash balance to finance LTIA phase 1).

Figure 12: Changes in forecasts

	FY19A	FY20F			FY21F			FY22F		
		Old forecast	New forecast	Changes	Old forecast	New forecast	Changes	Old forecast	New forecast	Changes
Total pax throughput (m)	102.7	68.1	62.2	-8.7%	96.5	91.1	-5.5%	106.1	107.0	0.8%
Int'l (m)	28.1	9.0	6.0	-32.7%	19.6	13.6	-30.5%	22.3	23.3	4.3%
Domestic (m)	74.6	59.1	56.2	-5.0%	76.9	77.5	0.8%	83.8	83.7	-0.1%
Flight	706,221	498,013	459,717	-7.7%	677,026	604,419	-10.7%	788,753	765,864	-2.9%
Total revenue (VNDbn)	18,329	9,583	8,105	-15.4%	15,368	13,483	-12.3%	18,098	18,272	1.0%
EBITDA	12,379	4,286	3,770	-12.0%	9,074	7,391	-18.5%	11,147	11,395	2.2%
D&A expense	3,920	2,901	2,841	-2.1%	3,190	3,020	-5.3%	3,482	3,293	-5.4%
Net financial income/expense	1,816	1,467	1,624	10.7%	1,982	1,595	-19.5%	2,221	288	-87.0%
Net profit (VNDbn)	8,201	2,429	2,210	-9.0%	6,696	5,170	-22.8%	8,365	7,166	-14.3%
EPS (VND)	3,767	1,116	1,015	-9.0%	3,076	2,374	-22.8%	3,842	3,291	-14.3%
EBITDA margin	67.5%	44.7%	46.5%	4.0% pts	59.0%	54.8%	-7.2% pts	61.6%	62.4%	1.3% pts

SOURCES: VND RESEARCH, COMPANY REPORTS

Reiterate Add with a higher TP of VND88,200

We lift our DCF-based TP to VND88,200 due to 1) lower total EBITDA in FY21-30F to factor in mid-term cash burn period, 2) WACC decreased from 12.56% to 8.9% to reflect higher debt/equity, and 3) LT growth rate increased from 4% to 4.5% to represent better growth potential after FY30F thanks to LTIA. Downside risks to our call include 1) a longer-than-expected Covid-19 pandemic, and 2) a stronger-than-expected Japanese yen vs. Vietnamese dong, 3) slower-than-expected construction of LTIA.

Figure 13: DCF model key inputs

DCF key input	Unit
Cost of equity	15.00%
Cost of debt	3.50%
Targeted D/(D+E)	50.0%
Effective tax rate	20.00%
WACC	8.90%
Long term growth	4.50%

SOURCES: VND RESEARCH

Figure 14: DCF valuation model

Unit	VNDbn except for target price
Cumulative Present value of FCFF	45,272
Terminal value	768,456
Present value of terminal value	232,931.8
Enterprise value	278,204.3
Less: Market value of Debt	(121,560.5)
Plus: Cash and Cash Equivalents	35,401.6
Implied equity value	192,045.4
Outstanding shares	2,176,998,736
Equity value per share	88,216
Rounded TP	88,200

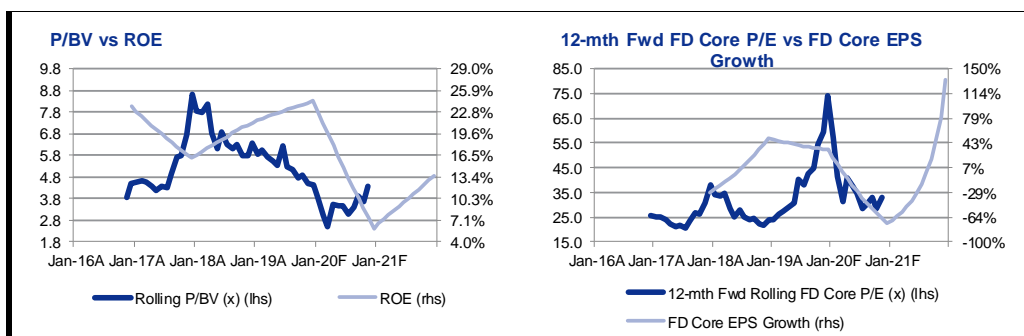
SOURCES: VND RESEARCH, COMPANY REPORTS

Figure 15: ACV peer comparison

Company	Bloomberg Ticker	Recom.	Share Price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	P/E (x)		P/BV (x)		EV/EBITDA (x)		Recurring ROE (%)	
						CY20F	CY21F	CY20F	CY21F	CY20F	CY21F	CY20F	CY21F
Airports													
Airport Corp of Vietnam	ACV VN	ADD	74,500	88,200	6,997	73.4	31.4	4.4	4.1	37.0	21.4	6.01%	13.46%
Airports of Thailand	AOT TB	REDUCE	67.75	48.00	27,157	508.5	NA	6.8	7.0	121.9	249.0	1.63%	-1.54%
Shanghai International Air-A	600009 CH	NR	67.19	NA	18,648	58.3	24.8	3.9	3.5	44.2	18.1	5.98%	14.30%
Beijing Capital Intl Airpo-H	694 HK	NR	5.23	NA	3,090	82.2	22.0	1.0	0.9	12.7	8.4	1.63%	3.80%
Japan Airport Terminal Co	9706 JP	NR	3,800	NA	3,044	NA	61.0	2.0	2.0	96.6	13.9	-11.81%	2.43%
Shenzhen Airport Co-A	000089 CH	NR	10.20	NA	3,013	80.3	32.0	1.7	1.7	30.2	-2.6	1.64%	5.19%
Malaysia Airports Holdings	MAHB MK	ADD	5.42	5.14	2,167	NA	NA	1.1	1.1	74.3	22.7	-8.24%	-6.11%
Average						213.4	28.1	5.6	4.9	67.7	96.2	4.54%	8.74%
Median						73.4	28.1	5.6	4.1	44.2	21.4	5.98%	13.46%

Source: VND RESEARCH, CGS CIMB RESEARCH, COMPANY REPORTS, Bloomberg (Data as at 23 Nov 2020)

BY THE NUMBERS



Profit & Loss

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Net Revenues	16,123	18,329	8,105	13,483	18,272
Gross Profit	11,708	13,254	4,594	8,658	12,841
Operating EBITDA	10,490	11,868	3,770	7,391	11,395
Depreciation And Amortisation	-3,880	-3,920	-2,841	-3,020	-3,293
Operating EBIT	6,609	7,948	929	4,370	8,102
Financial Income/(Expense)	1,175	1,712	2,082	1,591	494
Pretax Income/(Loss) from Assoc.	336	383	151	420	462
Non-Operating Income/(Expense)	-502	113	-448	20	-184
Profit Before Tax (pre-EI)	7,618	10,156	2,714	6,402	8,874
Exceptional Items	0	0	0	0	0
Pre-tax Profit	7,618	10,156	2,714	6,402	8,874
Taxation	-1,433	-1,942	-516	-1,216	-1,686
Exceptional Income - post-tax	0	0	0	0	0
Profit After Tax	6,185	8,214	2,199	5,185	7,188
Minority Interests	-13	-13	11	-16	-22
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax	0	0	0	0	0
Other Adjustments - post-tax	0	0	0	0	0
Net Profit	6,173	8,201	2,210	5,170	7,166
Recurring Net Profit	6,173	8,201	2,210	5,170	7,166
Fully Diluted Recurring Net Profit	6,173	8,201	2,210	5,170	7,166

Cash Flow

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
EBITDA	10,490	11,868	3,770	7,391	11,395
Cash Flow from Inv. & Assoc.	360	-544	-1,858	-682	356
Change In Working Capital	142	-306	1,035	878	-624
(Incr)/Decr in Total Provisions	5	2	10	-3	-8
Other Non-Cash (Income)/Expense	638	-37	-486	-75	-293
Other Operating Cashflow	-2,851	-1,910	879	-313	-1,340
Net Interest (Paid)/Received	1,181	1,705	2,075	1,597	502
Tax Paid	-2,028	-1,711	-516	-1,216	-1,686
Cashflow From Operations	7,937	9,067	4,908	7,576	8,302
Capex	-2,008	-1,959	-1,000	-26,467	-27,450
Disposals Of FAs/subsidiaries	3,747	4,001	30,923	34,902	26,721
Acq. Of Subsidiaries/investments	0	0	0	0	0
Other Investing Cashflow	-10,482	-11,240	-33,646	-51,097	-43,622
Cash Flow From Investing	-8,743	-9,198	-3,723	-42,661	-44,352
Debt Raised/(repaid)	85	-155	-29	15,385	15,674
Proceeds From Issue Of Shares	0	0	0	0	0
Shares Repurchased	0	-2	0	0	0
Dividends Paid	-1,959	-1,959	-1,959	-1,959	-1,959
Preferred Dividends	0	0	0	0	0
Other Financing Cashflow	-1	0	0	0	0
Cash Flow From Financing	-1,875	-2,116	-1,988	13,426	13,715
Total Cash Generated	-2,682	-2,247	-803	-21,660	-22,335
Free Cashflow To Equity	-722	-286	1,156	-19,701	-20,376
Free Cashflow To Firm	-712	-35	1,281	-34,713	-35,132

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Cash And Equivalents	24,369	31,271	35,402	32,031	28,146
Total Debtors	6,156	5,361	3,521	3,976	5,323
Inventories	469	493	218	363	492
Total Other Current Assets	287	166	79	122	159
Total Current Assets	31,281	37,291	39,220	36,493	34,121
Fixed Assets	18,444	16,340	13,502	36,949	61,106
Total Investments	2,806	2,963	2,963	2,963	2,963
Intangible Assets	3	5	3	3	3
Total Other Non-Current Assets	1,091	1,577	1,759	1,738	2,679
Total Non-current Assets	22,344	20,885	18,227	41,652	66,750
Short-term Debt	0	0	0	0	0
Current Portion of Long-Term Debt	151	240	495	796	3,094
Total Creditors	7,092	6,264	4,870	6,277	7,088
Other Current Liabilities	441	15	320	396	440
Total Current Liabilities	7,684	6,518	5,685	7,468	10,622
Total Long-term Debt	15,043	14,760	14,723	30,205	45,129
Hybrid Debt - Debt Component	0	0	0	0	0
Total Other Non-Current Liabilities	111	141	97	120	133
Total Non-current Liabilities	15,155	14,901	14,820	30,325	45,261
Total Provisions	0	0	0	355	0
Total Liabilities	22,839	21,419	20,506	38,148	55,883
Shareholders' Equity	30,734	36,702	36,886	39,941	44,932
Minority Interests	53	53	53	53	53
Total Equity	30,786	36,755	36,939	39,994	44,985

Key Ratios

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue Growth	16.6%	13.7%	(55.8%)	66.4%	35.5%
Operating EBITDA Growth	20.4%	13.1%	(68.2%)	96.1%	54.2%
Operating EBITDA Margin	65.1%	64.8%	46.5%	54.8%	62.4%
Net Cash Per Share (VND)	4,214	7,474	9,270	473	-9,221
BVPS (VND)	14,116	16,858	16,942	18,345	20,638
Gross Interest Cover	69.51	82.43	9.67	11.74	8.83
Effective Tax Rate	18.8%	19.1%	19.0%	19.0%	19.0%
Net Dividend Payout Ratio	31.7%	23.9%	88.7%	37.9%	27.3%
Accounts Receivables Days	51.3	51.2	109.8	55.5	44.3
Inventory Days	36.11	34.63	37.07	21.96	28.73
Accounts Payables Days	93.7	86.3	109.7	74.2	79.1
ROIC (%)	32.4%	42.0%	5.3%	31.5%	22.2%
ROCE (%)	18.1%	20.1%	6.1%	10.5%	11.7%
Return On Average Assets	9.7%	11.6%	0.2%	5.3%	7.5%

Key Drivers

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Int'l Passenger Traffic Growth (%)	11.8%	9.1%	-78.5%	125.0%	71.2%
Domestic Pax Traffic Growth (%)	4.9%	11.4%	-24.7%	38.0%	8.0%
International Flight Traffic Growth (%)	14.1%	12.7%	-77.9%	105.0%	102.3%
Domestic Flight Traffic Growth (%)	4.5%	13.9%	-15.6%	20.8%	8.0%
Int'l Pax Service Charge	-	-	-	-	-
Dom Pax Serv Charge	-	-	-	-	-
Unit Meals Produced (% Change)	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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Description:	Excellent	Very Good	Good	N/A	

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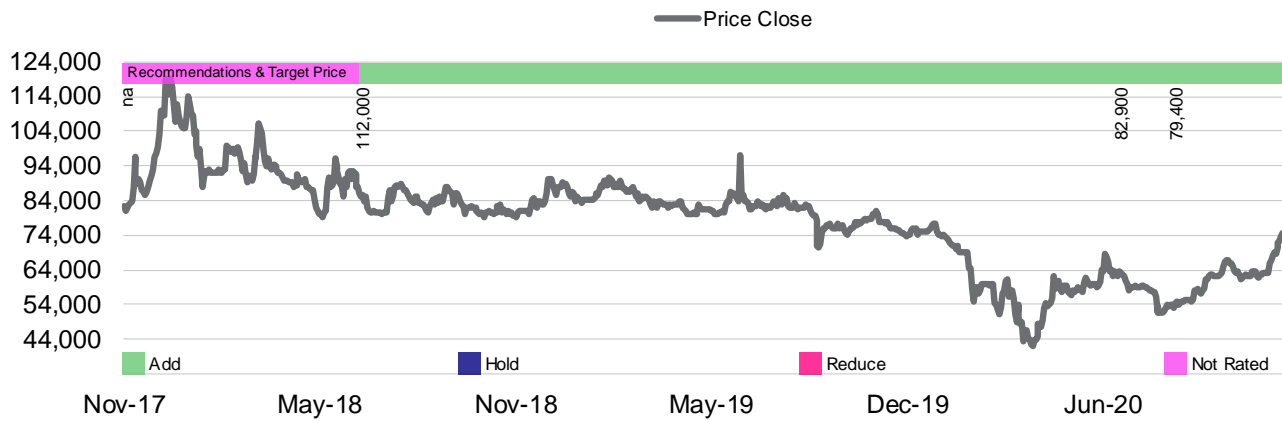
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Distribution of stock ratings and investment banking clients for quarter ended on 30 September 2020		
795 companies under coverage for quarter ended on 30 September 2020		
	Rating Distribution (%)	Investment Banking clients (%)
Add	63.0%	0.5%
Hold	25.2%	0.1%
Reduce	11.8%	0.3%

Spitzer Chart for stock being researched (2 year data)

Airport Corp of Vietnam (ACV VN)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2019, Anti-Corruption 2019

ADVANC – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BAM** – not available, n/a, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BGP** – Excellent, Certified, **BPCG** – Excellent, Certified, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** – Good, n/a, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHAYO** – Good, n/a, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – not available, n/a, **CRC** – not available, n/a, **DELTA** – Excellent, Declared, **DEMCO** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** – Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Declared, **III** – Excellent, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – not available, n/a, **BJC** – Very Good, n/a, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Certified, **MALEE** – Excellent, Certified, **MC** – Excellent, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MK** – Very Good, n/a, **MTC** – Excellent, n/a, **NETBAY** – Very Good, n/a, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PLAT** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PSTC** – Very Good, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Excellent, n/a, **RSP** – not available, n/a, **S** – Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Certified, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Excellent, Certified, **SF** – Good, n/a, **SHR** – not available, n/a, **SIRI** – Very Good, Certified, **SPA** – Good, n/a, **SPALI** – Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Excellent, Certified, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TMB** – Excellent, Certified, **TNR** – Very Good, Certified, **TOP** – Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Declared, **UNIQ** – not available, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

1 CG Score 2019 from Thai Institute of Directors Association (IOD)

2 AGM Level 2018 from Thai Investors Association

3 Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 30, 2018) are categorised into:

companies that have declared their intention to join CAC, and companies certified by CAC.

4 The Stock Exchange of Thailand : the record of listed companies with corporate sustainable development "Thai sustainability Investment 2018" included:

SET and mai listed companies passed the assessment conducted by the Stock Exchange of Thailand: THSI (SET) and THSI (mai)

SET listed companies passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI) .

RECOMMENDATION FRAMEWORK

Stock Ratings

Definition:

Add	The stock's total return is expected to reach 15% or higher over the next 12 months.
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

The total expected return of a stock is defined as the sum of the:(i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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