

Snapshot	HOSE	HNX	UPCOM
Close (pts)	1,251.5	235.4	95.1
1 Day change (%)	0.5%	-0.2%	-0.2%
1 Month change	0.5%	-0.9%	-2.5%
1 Year change	2.3%	-1.7%	6.4%

Value (US\$m)	696	43	39
Gainers	135	79	126
Losers	181	82	136
Unchanged	79	147	612

Market Commentary

2Q earnings results boost VN-Index

The VN-Index opened higher on Wednesday and maintained its positive momentum throughout the day. The VN-Index closed with a gain of 0.5%, or 6.45 points, to 1,251.52. However, the HNX Index fell by 0.2% to 235.36.

Media (+1.4%), F&B (+1.2%) and Banks (+1.2%) gained the most today, led by VEF (+3.4%), VNM (+5.8%) and VCB (+1.9%). On the contrary, Telecommunications (-4.4%), Travel (-2.5%) and Basic resources (-1.9%) were the top laggards.

Stocks with impressive gains today were those with solid 2Q24 earnings results, such as:

VNM surged as 2Q24 consolidated revenue reached an all-time high of VND17tn (USD674mn) (+9.6% YoY), marking its highest growth rate since the beginning of 2022.

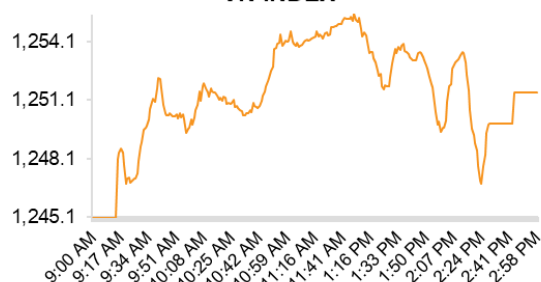
HDB (+4.0%) rose due to its superior credit growth compared to the industry. At the end of 2Q24, HDB's loans to customers grew by 12.5% YTD (1Q24: 5.8% YTD), significantly higher than system-wide credit growth of 6%. 2Q24 PBT soared 50.9% YoY to VND4.1tn (USD164mn) due to NIM expanding amid strong loan growth.

We see positive signs for BSR (+5.5%) to be listed on the main bourse as the only existing bottleneck has shown clearer progress. BSR has removed BSR BF's overdue debt (VND1.1tn) from its consolidated financial statement, which allows BSR to meet all eight criteria to list its shares on HOSE.

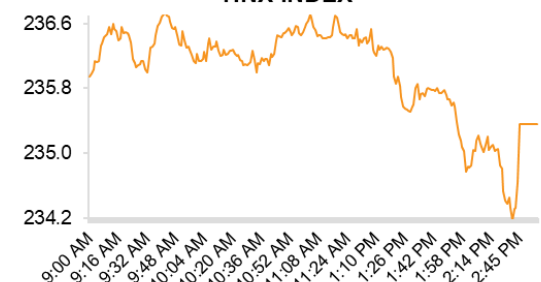
Foreign investors net sold today with a net trading value of VND605bn (USD24mn), focusing on VIC (VND901bn, USD36mn), CTG (VND58bn, USD2.3mn) and HSG (VND57bn, USD2.3mn). On the contrary, VNM (VND370bn, USD15mn), MWG (VND101bn, USD4.0mn) and FPT (VND86bn, USD3.4mn) were mainly sold.

Other top performers today included GAS (+3.5%), BID (+1.7%) and VPB (+2.4%). Conversely, top laggards included HPG (-2.5%), HVN (-6.8%), PLX (-2.6%), GVR (-0.8%) and LPB (-1.2%).

VN-INDEX



HNX-INDEX



Commentator(s):



Barry Weisblatt – Head of Research

Barry.weisblatt@vndirect.com.vn

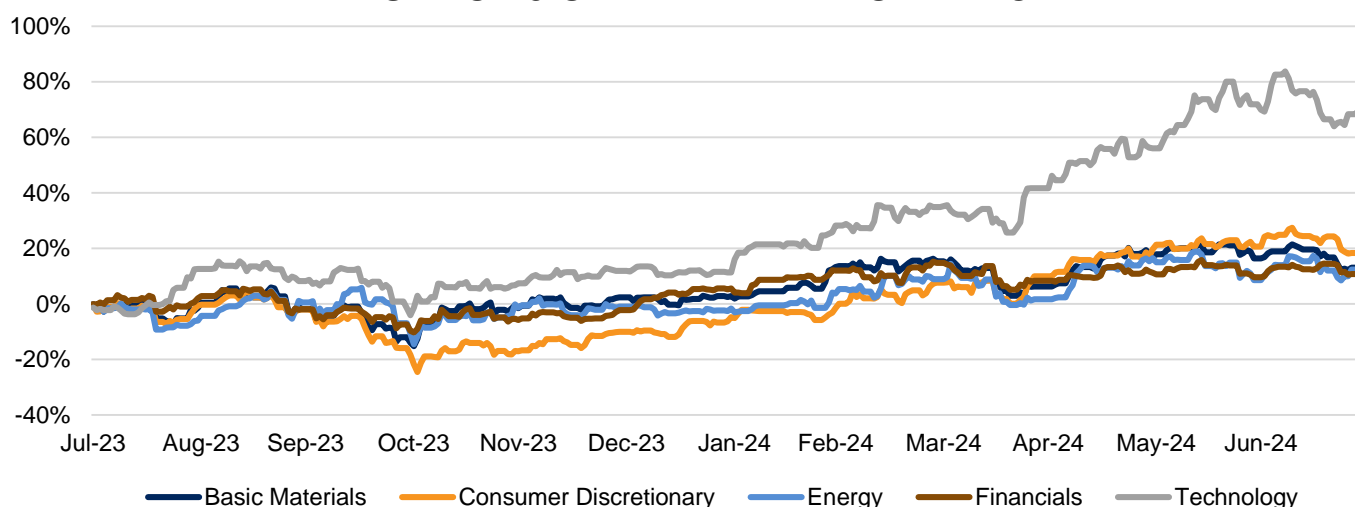
Country	Index	1D Chg	Ytd Chg	P/E	P/B	ROE	Dividend	3M/ADTV	5Y LC Gov	YTD Net Foreign	LC/USD	LC/USD
Peering		(%)	(%)	(x)	(x)	(%)	yield (%)	(USDm)	Bond Yield	Flow (USDm)	% MoM	% YoY
China	Shanghai Index	2.1%	-1.2%	13.6	1.2	8.6%	2.9%	44,197	1.9%	-3,356	0.7%	-1.1%
India	NSE500 Index	0.4%	21.2%	28.8	4.5	15.5%	1.0%	13,864	6.8%	4,380	-0.3%	-1.8%
Indonesia	JCI Index	0.2%	-0.2%	16.9	2.0	7.9%	3.4%	597	6.7%	-146	0.4%	-7.3%
Singapore	FSTAS Index	0.4%	5.1%	13.1	1.1	8.4%	4.9%	821	2.8%	N/A	1.4%	-0.6%
Malaysia	FBME Index	0.4%	15.6%	17.4	1.4	8.2%	3.4%	603	3.5%	83	2.7%	-1.8%
Philippines	PCOMP Index	0.3%	5.1%	11.8	1.2	10.7%	3.1%	82	5.8%	-467	0.5%	-6.0%
Thailand	SET Index	0.9%	-6.8%	15.9	1.3	7.4%	3.5%	1,070	2.4%	-3,286	3.1%	-3.9%
Vietnam	VN-Index	0.5%	10.8%	15.4	1.7	12.1%	1.7%	704	2.0%	-1,975	0.8%	-6.2%

Sectors (VN-Index)	Index Wgt (%)	Price 1D chg	P/E x	P/B x
Consumer Discretionary	3.8	0.7%	32.9	4.7
Consumer Staples	8.7	1.9%	52.6	3.2
Energy	1.8	-1.7%	18.6	1.8
Financials	43.6	1.2%	11.1	1.8
Health Care	0.8	0.0%	19.3	2.7
Industrials	8.7	-1.2%	42.5	2.5
IT	4.1	0.3%	26.6	6.5
Materials	9.2	-1.6%	26.8	2.0
Real Estate	12.8	0.0%	41.7	1.7
Utilities	6.3	1.8%	22.7	2.3

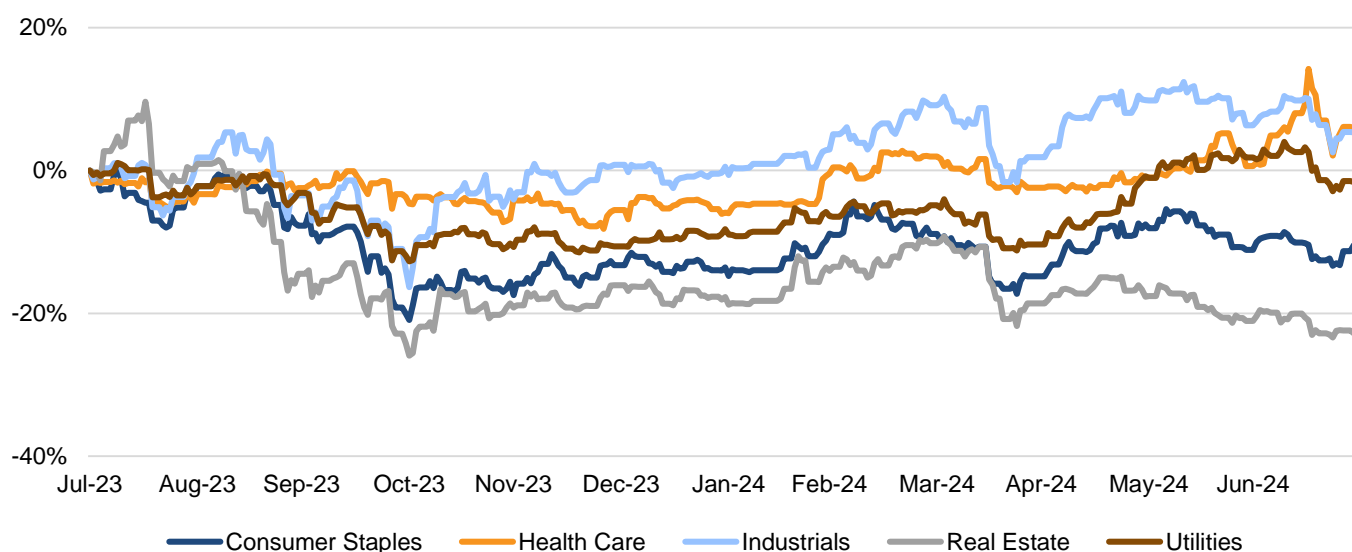
Source: Bloomberg

Consumer Staples (+1.9%), Utilities (+1.8%), and Financials (+1.2%) rose, while Energy (-1.7%), Materials (-1.6%), and Industrials (-1.2%) lost ground today. Top index movers included VCB (+1.9%), VNM (+5.8%), GAS (+3.5%), BID (+1.7%), and VPB (+2.4%). Top index laggards consisted of HPG (-2.5%), HVN (-6.8%), PLX (-2.6%), GVR (-0.8%), and LPB (-1.2%).

HSX TOP 5 ONE-YEAR PERFORMANCE



HSX BOTTOM 5 ONE-YEAR PERFORMANCE



SECTOR COVERAGE
Earnings Flash
HDBank
HDB - Loan demand boosts earnings growth - [In-line]

- 2Q24 PBT soared 50.9% YoY to VND4.1tn (USD164mn) due to NIM expanding amid strong loan growth.
- 1H24 PBT surged 48.9% YoY to VND8.1tn (USD323mn), fulfilling 51% of our full-year forecast.
- We see no pressure on our target price of VND29,000, which we will update after further review.

Robust credit demand drove core business and NIM

2Q24 TOI maintained a high growth level for a third quarter in a row, surging 29.3% YoY (+7.0% QoQ) to VND8.3tn (USD328mn) as NII soared 55.8% YoY (+7.8% QoQ) in 2Q24 to VND7.7tn (USD305mn) due to solid loan growth and an expansion of NIM.

At end-2Q24, HDB's loans to customers grew 12.5% YTD (1Q24: 5.8% YTD), much higher than system-wide credit growth of 6%.

In addition, NIM widened by 1.0% pts YoY (+0.3% QoQ) due to funding cost (COF) decreasing faster than asset yield (AY) amid strong loan demand. On the one hand, HDB's COF declined 2.6% pts YoY, following the same trend as the sector. On the other hand, AY declined slower by 1.4% pts YoY given robust credit demand in 2Q24.

Higher operating cost given rising staff cost

In 2Q24, HDB's operating cost surged 35.5% YoY due to staff cost rising 39.6% YoY. As a result, CIR rose to 36.5%, which is still below the five-year average of 40.3%. Coupled with TOI rising 29.3% YoY, operating profit before provision soared 26.1% YoY to VND5.3tn (USD208mn).

Asset quality showed signs of solid improvement

Asset quality improved in 2Q24 as NPL formation declined by 65.7% QoQ and the NPL ratio dropped to 2.1% (-0.1% pts). In addition, the Group 2 loan ratio fell for a second quarter in a row to 4.5% in 2Q24 (4Q23: 5.2%, 1Q24: 4.7%). This signals that the trend of improving asset quality could extend into the coming quarters.

Amid improved asset quality, HDB continued to actively manage bad debt by increasing its write-off ratio to 1.0% from 0.8% in 1Q24. Meanwhile, credit cost remained at a reasonable level of 1.2%, equivalent to its five-year average. However, provision expense slumped 21.4% YoY in 2Q24 due to 2Q23's high credit cost base of 2.0%. Altogether, PBT soared 50.9% YoY to VND4.1tn (USD164mn) in 2Q24, driving trailing ROAE to 27.0% (+2.4% pts QoQ).

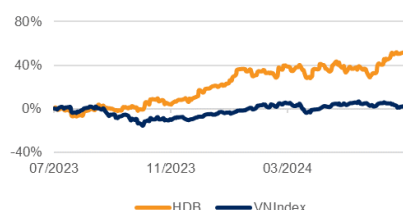
Read the full report: [HERE](#)

Current Price	VND25,250
52Wk High/ Low	VND25,300/15,464
Target Price	VND29,000
TP Last Updated	6/18/2024
Last Rating	ADD
TP vs Consensus	3.0%
Upside	14.9%
Dividend Yield	3.4%
TSR	18.3%

Market Cap	USD2.9bn
3MADTV	USD7.5mn
Foreign Room	USD51.6mn
Outstanding Shares	2,912.6mn

	HDB	VNI
P/E TTM	5.9x	14.5x
P/B Current	1.6x	1.7x
ROA	2.2%	1.3%
ROE	27.0%	4.8%

*as of 7/29/2024

Share Price Performance

Ownership

Sovico	14.4%
Pham Van Dau	4.3%
Others	81.30%

Business Description

HDBANK (HDB) is a leading commercial bank in Vietnam, with a focus on retail customers, mortgages, and financial consumption loans. The bank has a network of over 347 branches and serves over 14 million customers.

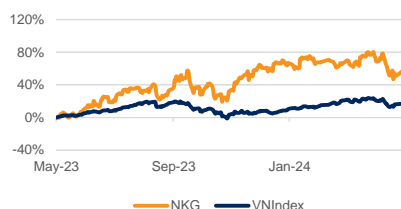
Current Price	VND22,800
52Wk High/ Low	VND26,800/17,300
Target Price	VND35,000
Last Updated	3/19/2024
Last Rating	ADD
TP vs Consensus	16.3%
Upside	53.5%
Dividend Yield	0.0%
Total stock return	53.5%

Market Cap	USD245.7mn
3MADTV	USD6.2mn
Avail Foreign Room	USD86.6mn
Outstanding Shares	263.3mn
Fully Diluted O/S	263.3mn

	<u>NKG</u>	<u>VNI</u>
P/E TTM	19.3x	14.0x
P/B Current	1.1x	1.7x
ROA	0.9%	2.2%
ROE	2.2%	12.7%

*as of 7/26/2024

Share Price Performance



Ownership

Ho Minh Quang	14.2%
Unicoh specialty chemicals	5.0%
Others	80.8%

Business Description

Nam Kim Steel JSC is among the top three companies in the galvanized steel sheet segment in Vietnam with 17% total market share and a design capacity of 1 million tonnes/year.

Nam Kim Group JSC

NKG - Exports and net financial gain bolstered net profit – [In-line]

- 2Q24 revenue increased 3% YoY to VND5.7tn (USD220mn) thanks to a 10% rise in sales volume amid a tumbling ASP trend.
- 2Q24 net profit rose 75% YoY due to net financial gain of VND44bn (USD1.8mn) likely due to lower lending rate and FX gain.
- 1H24 net profit completed 45% of our newly revised full-year earnings forecast due to recent weakening steel prices, which will be released soon.

2Q24 exports drive sales volume increase

2Q24 sales volume rose 10% YoY to more than 280,000 tonnes, with a 16% jump in exports to 181,000 tonnes.

2Q24 EBITDA margin slightly shrank YoY due to higher selling expense

2Q24 cash margin sustained at 10.7% YoY while the selling expense as of sales went up slightly from 3.9% to 4.4%, which led the EBITDA margin to decline slightly to 5.7%.

Inventory level is sustained low QoQ

At the end of 2Q24, NKG's inventory level slightly decreased to 3.4 months vs last year's average of four months. This low level will benefit NKG amid HRC prices continue to drop further.

2Q24 net financial gain bolstered the bottom line.

In 2Q24, net financial gain was VND44bn (USD1.8mn) vs a net loss of VND75bn (USD3mn) as NKG likely benefited from lower lending rate environment and a 2% depreciation of the VND during 2Q24 as 65-70% of NKG revenue was in USD.

Read the full report: [HERE](#)

Current Price	VND37,700
52Wk High/ Low	VND40,700/25,623
Target Price	NA
Last Updated	NA
Last Rating	NA
TP vs Consensus	NA
Upside	NA
Dividend Yield	2.3%
Total stock return	NA

Market Cap	USD789.4mn
3MADTV	USD8.1mn
Avail Foreign Room	USD324.6mn
Outstanding Shares	529.4mn
Fully Diluted O/S	529.4mn

	DCM	VNI
P/E TTM	13.5x	14.3x
P/B Current	2.0x	1.7x
ROA	8.8%	1.3%
ROE	15.1%	4.8%

*as of 7/31/2024

Share Price Performance



Ownership

PVN	75.6%
PVFCC	8.7%
Others	15.7%

Business Description

DCM is the only enterprise that can produce granular urea in Vietnam. The main products of DCM are urea and NPK. In addition, DCM also imports and distributes other fertilizer lines such as DAP, Potassium and OM. Currently, DCM accounts for 37%/11% of the domestic urea and NPK consumption market, respectively.

Petro Viet Nam Ca Mau Fertilizer JSC

DCM - Non-core business income boosts profit - [Beat]

- 2Q24 net profit (NP) increased 97.1% YoY to VND569bn (USD22.7mn) mainly due to gross margin expansion and one-off income from the KVF merger.
- 1H24 net profit was slightly higher than our expectations, meeting 58% of our full-year forecast, mainly due to surging abnormal income.
- The NPK segment will boost DCM's revenue growth by taking advantage of KVF's consumption market and customer file.
- We have not yet published a target price for DCM but expect to initiate coverage soon.

2Q24 revenue grew thanks to the NPK segment after the KVF merger

2Q24 net revenue grew 17.4% YoY to VND3.8tn (USD152mn) driven by the NPK segment, as detailed below:

- NPK revenue increased 76.3% YoY to VND1.1tn (USD43.9mn), mainly due to a merger with Han Viet Fertilizer Company Limited (KVF), which helped DCM increase NPK production capacity while expanding the consumption market and domestic NPK customer file.
- Urea revenue fell 8.1% YoY to VND1.8tn (USD71.8mn) with domestic urea revenue decreasing 5% YoY and urea export revenue dropping 19.2% YoY.
- Trading revenue increased 29.7% to VND707bn (USD28.2mn) as lower imported fertilizer prices promoted trading activity.

Blended GM improved in 2Q24 on fully depreciated urea factory

2Q24 urea GM expanded 4.6% pts YoY to 25.4% thanks to a fully depreciated urea factory. Other products' GM also increased 33.3% pts YoY to 22.9%. However, NPK's 2Q24 GM fell 4.6% pts YoY to 13.6% because domestic NPK selling prices decreased about 12% YoY while input material prices (urea, DAP) dropped less. Overall, blended GM improved 4.5% pts YoY to 15.8%.

One-off income boosted net profit in 1H24

2Q24 NP surged 97.1% YoY to VND569bn (USD22.7mn), though net financial income decreased 28.8% YoY to VND104bn (USD4.1mn) and G&A expenses increased 2x YoY to VND147bn (USD5.8mn). Besides the improvement in GM, DCM's NP was supported by a 50x YoY surge in net other income to VND175bn (USD6.9mn) from a one-off gain from the KVF merger.

1H24 net profit was slightly higher than our expectation

Overall, 1H24 net revenue increased 9.7% YoY to VND6.6tn (USD264mn), equivalent to 48.4% of our FY24 forecast. However, 1H24 net profit surged 69.3% YoY to VND915bn (USD36.5mn). This bottom line was slightly higher than our expectation at 58% of our FY24 forecast.

Read the full report: [HERE](#)

Digiworld Corp

DGW - Higher expenses drag on earnings – [Missed]

- 2Q24 net revenue and net profit increased 9.0%/5.8% YoY to VND5.0tn (USD196mn) and VND88bn (USD3.4mn).
- 2Q24 results missed our forecast as 6M24 net profit only completed 33.6% of our full-year forecast.
- We see downward pressure on our target price, which we will update after further review.

Revenue recorded single digit growth in 2Q24

2Q24 topline increased 9.0% YoY to VND5.0tn (USD196mn) and remained flat compared to 1Q24 (+0.5% QoQ). The company has not yet disclosed its revenue breakdown by segment, but we will provide this detail in our Update report.

6M24 revenue grew 16.8% YoY to VND9.9tn (USD392.6mn), completing 43.6% of our full-year forecast.

SG&A expenses keep increasing

2Q24 SG&A expenses increased 22.2% YoY to VND344bn (USD13.5mn) due to a 25.7% YoY increase in advertising & promotion expenses and a 33.1% YoY increase in labour costs as the number of employees increased. We believe the increasing expenses aligns with DGW's portfolio expansion over the past years in home appliances (Xiaomi air conditioners and refrigerators); office equipment (gaming equipment, Lexar, Poly); and consumer goods (Mitsuei, Younger Farm rice cake).

Financial loss pulled earnings growth further below target

Gross margin improved 0.6% pts YoY in 2Q24 while SG&A/revenue surged 0.7% pts YoY. As a result, net margin decreased slightly by 0.1% pts YoY, but net profit still increased 5.8% YoY to VND88bn (USD3.4mn).

1H24 gross profit increased 29.4% YoY to VND846bn (USD33.2mn), completing 42.8% of our full year forecast. However, due to a net financial loss of VND10bn (USD392,927) in 2Q24, net income missed our forecast of VND48bn (USD1.8mn). Therefore, net profit in 6M24 only fulfilled 33.6% of FY24 projection.

Read the full report: [HERE](#)

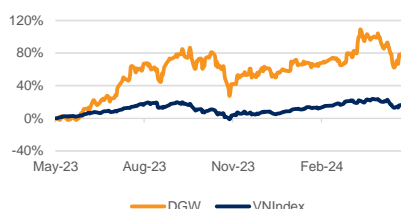
Current Price	VND59,800
52Wk High/Low	VND69,000/42,050
Target Price	VND68,000
Last Updated	June 14, 2024
Last Rating	HOLD
TP vs Consensus	-0.1%
Upside	13.7%
Dividend Yield	1.6%
Total stock return	15.3%

Market Cap	USD395.1mn
3MADTV	USD5.0mn
Avail Foreign Room	USD95.6mn
Outstanding Shares	167.1mn
Fully Diluted O/S	167.1mn

	<u>DGW</u>	<u>VNI</u>
P/E TTM	27.2x	14.3x
P/B Current	4.0x	1.7x
ROA	5.4%	1.3%
ROE	14.1%	4.8%

*as of July 31, 2024

Share Price Performance



Ownership

Created Future Co., Ltd	32.0%
Others	68.0%

Business Descripton

DGW is a distribution company for ICT products, office equipment and consumer goods. The company is partnering with prominent global brands with over 30 brands, including notable names such as Xiaomi, Apple, HP, Asus, Logitech,...

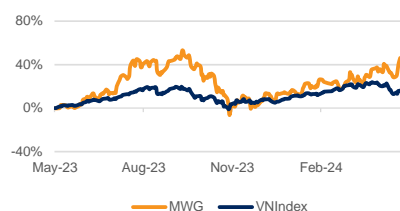
Current Price	VND63,000
52Wk High/Low	VND67,000/34,823
Target Price	VND72,100
Last Updated	30/05/2024
Last Rating	ADD
TP vs Consensus	6.7%
Upside	14.4%
Dividend Yield	0.8%
Total stock return	15.2%

Market Cap	USD3,642.6mn
3MADTV	USD23.2mn
Avail Foreign Room	USD89.0mn
Outstanding Shares	1,461.9mn
Fully Diluted O/S	1,461.9mn

	MWG	VNI
P/E TTM	87.8x	14.3x
P/B Current	3.7x	1.7x
ROA	1.8%	1.3%
ROE	4.4%	4.8%

*as of July 31, 2024

Share Price Performance



Ownership

Mobile World Retail Advisory Co. Ltd	10.5%
Tri Tam Company Limited	7.0%
Arisaig Asia consumer fund limited	4.9%
Others	77.6%

Business Description

MWG is the company that manages Vietnam's largest phone and electronics retail chain, (TGDD and DMX chains), boasting over 3,400 stores nationwide and commanding over 50% market share. Additionally, MWG operates the BHX grocery chain, featuring more than 1,700 stores across central and southern Vietnam.

Mobile World Investment Corp

MWG - Bach Hoa Xanh takes the spotlight – [Beat]

- MWG recorded strong revenue and net profit growth of 15.8% and 6,635% YoY, respectively, to VND34tn (USD1.3bn) and VND1.2tn (USD46.1mn) in 2Q24.
- 2Q24 results beat our forecast and 1H24 net profit completed 70.1% of our full-year projection.
- We see upward pressure on our target price of VND72,100, which we will update after further review.

2Q24 revenue increased in both segments

MWG's net revenue jumped 15.8% YoY to VND34tn (USD1.3bn) in 2Q24. Dien May Xanh contributed the largest proportion at 46.9%, followed by Bach Hoa Xanh (29.7%) and The Gioi Di Dong (21.6%).

- TGDD/DMX revenue increased 0.2%/8.9% YoY in 2Q24 mainly because: 1) revenue from mobile phones increased slightly; and 2) TV products recorded double-digit growth MoM in June, which offset a decline in air conditioner revenue due to the end of peak season. Meanwhile, in 2Q24, MWG closed 25 TGDD and 91 DMX stores compared to 1Q24 to restructure its store system. This strategy led to positive results in 2Q24 with revenue per store in TGDD and DMX increasing by 11.5% YoY/15.5% YoY, respectively.
- Bach Hoa Xanh (BHX) revenue climbed by 41.3% YoY after the chain has been revamped since 2022, with monthly revenue per store consistently gaining momentum, culminating in VND2.15bn (USD84,479) in June 2024 (+43% YoY).

For 1H24, total revenue completed 50.6% of our full-year forecast.

GM and financial income improvement boosted earnings growth

MWG's 2Q24 gross margin increased 2.9% pts YoY to 21.4%, resulting in 34.3% YoY growth in gross profit to VND7.3tn (USD287mn). Meanwhile, SG&A expenses recorded a smaller increase of 7.9% YoY to VND5.8tn (USD230.6mn) thanks to cost cutting measures in selling expenses.

In addition, interest expenses decreased 36.8% YoY in 2Q24, leading net financial income to jump 51.9% YoY to VND286bn (USD11.3mn). As a result, net profit increase 67.4x YoY to VND1.1tn (USD46.1mn) in 2Q24. For 6M24, net profit rose 9.4x YoY and fulfilled 70.1% our full-year forecast.

BHX reached profitability

In 2Q24, BHX's revenue per store jumped 42.1% YoY to VND6.1bn (USD239,400) with the main growth drivers being the fresh food and FMCG categories. In June, average monthly revenue per store reached about VND2.1bn (USD84,470), which is the highest level since July 2021. Based on our estimate, BHX recorded net profit of VND7bn (USD275,000) in 2Q24. This is the first quarter that BHX recorded a net profit after nine years of losses.

Read the full report: [HERE](#)

Current Price	VND21,600
52Wk High/ Low	VND24,489/17,654
Target Price (TP)	VND24,700
TP Last Updated	6/10/2024
Last Rating	HOLD
TP vs Consensus	1.1%
Upside	11.8%
Dividend Yield	3.0%
Total stock return	14.8%

Market Cap	USD2.7bn
3MADTV	USD8.3mn
Avail Foreign Room	USD1.3bn
Outstanding Shares	3,100.5mn
Fully Diluted O/S	3,100.5mn

	<u>BSR</u>	<u>VNI</u>
P/E TTM	9.2x	14.5x
P/B Current	1.2x	1.7x
ROA	8.6%	1.3%
ROE	13.1%	4.8%

*as of 7/30/2024

Share Price Performance



Ownership

PetroVietnam	92.1%
Others	7.9%

Business Descripton

Binh Son Refining and Petrochemical JSC (BSR) owns Dung Quat Refinery – the first oil refinery of Vietnam with total investment of USD3bn, coming into commercial operation from 2011. The refinery has a design capacity of 6.5 million tonnes of low sulfur crude oil annually (equivalent to 148,000 barrels per day). For the next upgrade and expansion phase, the refinery capacity will be expanded by 17% to 7.6 million tons annually.

Binh Son Refining and Petrochemical JSC

BSR - Earnings drop on crack spreads, maintenance - [In-line]

- 2Q24 net profit slumped 43% YoY to VND768bn (USD31.2mn) due to lower sales volume and a compressed blended GM.
- 1H24 NP was in line with our expectation at 32.3% of our full-year forecast as we anticipate 2H24 results to improve thanks to higher crack spreads and no maintenance period.
- We see no downward pressure on our target price of VND24,700, which we will update after further review.

Revenue retreated due to scheduled maintenance

2Q24 revenue slumped 27.4% YoY to VND24.4tn (USD992mn) due to lower consumption volume, which was almost equivalent to production volume of 1.28 million tonnes (-31.2% YoY, per our estimates), and higher oil prices (Brent: +9.3% YoY). 1Q24 refining utilization retreated by 35.7% pts YoY to 79%, mainly due to a scheduled maintenance which lasted over 30 days in 2Q24.

Gross profit dropped due to maintenance, shrinking gasoline crack spreads

Diesel/JetA1 gross margin (GM) expanded by 2.8%/2.1 pts YoY, thanks to an increase of 18.6%/1.0% YoY in 2Q24 average Asian diesel/Jet fuel crack spreads, respectively. However, 2Q24 gasoline GM retreated by 4.6% pts due to 2Q24 average Asian gasoline crack spreads slumping 16% YoY. Furthermore, 2Q24 gross profit was also hurt by a periodic maintenance cost of VND349bn (USD14.2mn). As a result, 2Q24 gross profit decreased by 59% YoY to VND498bn (USD19.8mn), equivalent to a 1.5% pts YoY compression in blended GM.

Increasing financial income supported 1H24 earnings

2Q24 net financial income fell 2.6% YoY to VND607bn (USD24.7mn) despite prior FX gains turning negative to -VND48bn (USD2.9mn) vs VN188bn (USD17.6mn) in 2Q23 and lower deposit income (-37% YoY). 2Q24 financial income also included VND390bn (USD15.9mn), which derived from the impact of BSR-SF being re-classified as an equity investment in another entity instead of being a subsidiary. Consequently, 1H24 net financial income increased 9.8% to VND872bn (USD35.5mn), supporting weak core business results in 1H24.

1H24 earnings were in line with our expectation

1H24 NP slid 35.2% YoY to VND768bn (USD31.2mn) mainly due to a drop in both sales volume and gross refining margin. The result was in line with our expectation at 32.3% of our full-year forecast.

One step closer to being listed on main bourse

We see positive signs for BSR to be listed on the main bourse as the only existing bottleneck has shown clearer progress. BSR has removed BSR BF's overdue debt (VND1.1tn) from its consolidated financial statement, which allowed BSR to meet all eight criteria to list its shares on HOSE.

Read the full report: [HERE](#)

Current Price	VND50,900
52Wk High/ Low	VND53,800/36,364
Target Price	VND42,300
Last Updated	4/26/2024
Last Rating	HOLD
TP vs Consensus	-0.4%
Upside	-16.9%
Dividend Yield	1.1%
Total stock return	-15.8%

Market Cap	USD205mn
3MADTV	USD5.9mn
Avail Foreign Room	USD3.3mn
Outstanding Shares	101.9mn
Fully Diluted O/S	101.9mn

	<u>TCM</u>	<u>VNI</u>
P/E TTM	24.8x	14.3x
P/B Current	2.5x	1.7x
ROA	4.2%	1.3%
ROE	7.0%	4.8%

*as of 7/30/2024

Share Price Performance



Ownership

E-Land Asia Holdings Pte., Ltd Singapore	47.2%
E-Land Vietnam Co., Ltd	1.2%
Others	51.6%

Business Descripton

Thanh Cong Textile - Investment - Trading Joint Stock Company was established in 1967, and was formerly a private textile enterprise with the name Tai Thanh Textile Industry Company. The company's main business is yarn, fabric and garment manufacturing with exports accounting for 66.7% of revenue in 2023.

Thanh Cong Textile Garment Investment Trading JSC

TCM - GPM expands as input costs fall and prices rise- [Beat]

- 6M24 net revenue was VND1.8tn (USD74mn) which completed 48.5% of our forecast, in line with our expectation. GPM improved strongly thanks to lower input costs and higher selling prices.
- 6M24 net profit surged 139% and beat our expectations by completing 73% of our full-year forecast.
- We see upward pressure on our target price of VND42,300. The stock price has surged 29.5% since our last report, and we will update our target in our next report.

Net revenue fell QoQ but increased YoY thanks to the garment segment

2Q24 revenue fell 9.4% but increased 18.5% YoY thanks to the garment segment. Garment revenue, contributing 75% to total revenue, surged 16.5%/8.5% YoY in 2Q24 and 6M24, respectively. Garment revenue was VND1.3tn (USD56mn), completing 46.6% of our forecast. Garment revenue recovered thanks to higher demand in major markets, while Vietnam's T&G export value grew 9.5% YoY in 6M24.

6M24 net revenue was VND1.8tn (USD74mn), meeting 48.5% of our full-year forecast, in-line with our expectation.

GPM improved thanks to lower input costs and higher selling prices

Gross profit improved more than revenue, as 6M24 revenue rebounded 12.0% YoY while gross profit surged 34.5% YoY in 6M24. Thus, GPM improved 2.9% pts in 6M24.

This improvement was driven by lower input costs and higher selling prices. We estimate cotton prices declined 6.5% YTD and 13.2% since July 2023. In addition, garment order prices grew 13% YoY in 2Q24.

6M24 net profit jumped, beating our expectations

6M24 net profit surged 139% YoY to VND135bn (USD5.6mn) thanks to higher-than-expected gross profit. Net profit completed 73% of our forecast for 2024 and beat our expectation.

Large cash position

As of 2Q24, cash & cash equivalents and ST-investments were over VND857bn (USD36mn) compared to VND747bn (USD31mn) at end-1Q24. The company maintains a large amount of cash for funding projects including the ERP project in July and its other investments for sustainable production in the future.

Read the full report: [HERE](#)

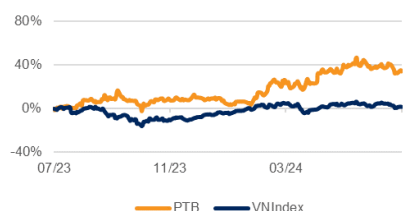
Current Price	VND69,000
52Wk High	VND75,437
52Wk Low	VND49,772
Target Price	VND62,900
Last Updated	12/29/2023
Last Rating	HOLD
TP vs Consensus	-5.8%
Upside	-8.8%
Dividend Yield	3.5%
Total stock return	-4.3%

Market Cap	USD182.7mn
3MADTV	USD0.9mn
Avail Foreign Room	USD0.0mn
Outstanding Shares	66.9mn
Fully Diluted O/S	66.9mn

	<u>PTB</u>	<u>VNI</u>
P/E TTM	12.5x	14.3x
P/B Current	1.6x	1.7x
ROA	7.2%	1.3%
ROE	12.9%	4.8%

*as of 7/31/2024

Share Price Performance



Ownership

Le Vy	13.5%
Le Van Thao	8.5%
Others	78.0%

Business Description

Phu Tai has three main operating segments: Wood products, stone products and automobile dealerships. It has also dabbled in real estate development. Exports to the US account for 70% of wood revenue. PTB's stone segment has a capacity of more than 4.3 million m²/year. Its auto dealerships provide car distribution and services with sales of 2,000 vehicles/year.

Phu Tai JSC

PTB - Weaker margin slowed earnings growth - [In-line]

- PTB's 2Q24 net profit increased by 11.6% YoY following higher revenue (+9.1% YoY).
- 6M24 net profits were in line with our expectations, completing 46.5% of our FY24 forecast.

Divergent revenue performance among segments

In 2Q24, PTB revenue surged 9.1% YoY/11.9% QoQ to VND1.6tn (USD65mn) with W&WP and real estate increasing 21.6%/11.0% YoY, respectively. This uptick is attributable to a recovery of demand off a low base in the main export markets and a faster handover process of PTB's residence project. Conversely, stone and car distribution service revenue edged down -5.1%/-0.3% YoY, respectively.

Gross margin fell in core segments

PTB's 2Q24 gross margin (GM) inched down by 2.0% pts YoY following the declining margin of W&WP (-0.6% pts), stone (-5.0% pts), and property (-2.0% pts). On the other hand, car distribution & services segment GM inched up 1.1% pts.

Financial income helps improve bottom line

In 2Q24, net FX gains increased to VND19bn (USD750,000), much higher than VND700mn (USD27,000) in 2Q23, while interest expenses plunged 34% YoY to VND20bn (USD790,000), supporting 2Q24 net profit to surge 11.6% YoY/26.7% QoQ.

PTB's guidance for 3Q24 projects a 31% and 23% YoY increase in revenue and PBT, respectively. This follows a weak 3Q23 result impacted by the Noble House bankruptcy. This guidance is equivalent to a 6.0% and 15.8% QoQ decline compared to that of 2Q24.

6M24: Net profits were in line with our expectation

For 6M24, PTB's revenue increased 7.4% to VND3.1tn (USD120mn), completing 44.3% of our full-year forecast thanks to W&WP (contributing 58.9% of revenue) surging 22.0% YoY.

For the bottom line, PTB achieved net profits of VND204bn (USD8mn) in 6M24, equivalent to a growth of 14.1%, fulfilling 46.5% of our full-year forecast.

Read the full report: [HERE](#)

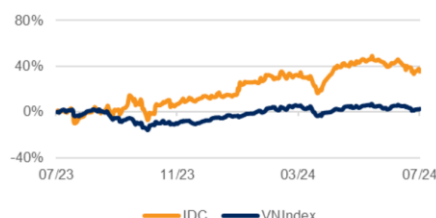
Current Price	VND58,300
52Wk High/ Low	VND63,800/38,638
Target Price	VND63,900
TP Last Updated	4/16/2024
Last Rating	ADD
TP vs Consensus	-1.0%
Upside	9.6%
Dividend Yield	4.3%
Total stock return	13.9%

Market Cap	USD761mn
3MADTV	USD4.6mn
Avail Foreign Room	USD189mn
Outstanding Shares	330.0m
Fully Diluted O/S	330.0m

	<u>IDC</u>	<u>VNI</u>
P/E TTM	10.5x	15.4x
P/B Current	4.0x	1.7x
ROA	10.7%	1.9%
ROE	38.0%	12.1%

*as of 7/31/2024

Share Price Performance



Ownership

SSG Group	22.5%
Bach Viet Trading and Production	11.9%
Others	65.6%

Business Description

IDC is one of leading IP developers with ten operating IPs spanning over 3,400ha across the country. It is the third-largest listed IP developer in terms of remaining leasable land bank (over 580ha) and is one of few IP developers in Vietnam allowed to distribute electricity directly to its tenants in Nhon Trach IPs.

IDICO Corp

IDC - IP revenue drops from high 2Q23 base – [In-line]

- 2Q24 revenue and NP dropped 10.8% YoY and 19.0% YoY to VND2.1tn (USD85mn) and VND432bn (USD17mn), respectively.
- 6M24 revenue and NP completed 52.3% and 52.8% of our full-year forecast, respectively.
- We see minimal pressure on our current target price of VND63,900, which we will update after further review.

2Q24 revenue down on lower IP revenue

2Q24 revenue dropped 10.8% YoY to VND2.1tn (USD85mn) due to a 40.5% YoY decline of IP revenue. However, thanks to an increase of 260% YoY in residential property revenue, gross profit margin stayed flat compared to the same period last year (+0.6% pts). Gross profit was VND810bn (USD32mn), down 9.2% YoY while financial revenue decreased 48.8% YoY, causing NP to fall 19.0% YoY to VND432bn (USD17mn).

IP revenue drops from high 2Q23 base

Although IP segment revenue decreased YoY, we still consider this a positive result because in 2023, IP segment revenue was recorded mostly in Q2 and Q4. We estimate that IDC handed over ~22ha of IP land in 2Q24, mostly from land areas with signed MOUs in 2023 such as Suntory PepsiCo's factory (20ha) and PLASTIC & HARDWARE's golf bag accessory manufacturing factory (1.7ha), both located in Huu Thanh IP.

Residential property: Recording the remaining part of AEON mall deal

Residential property revenue was 3.6x higher than the same period a year earlier. We believe that this was due to handing over the remaining 0.75ha of the deal that transferred 2.2ha of commercial land to AEON. In 1Q24, IDC recorded VND267bn (USD11mn) of revenue from handing over 1.45ha.

Energy: higher consumption volume as more factories come into operation

2Q24 revenue of the energy segment increased 11.8% YoY, reaching VND780bn (USD31bn) as more factories came into operation, increasing the power consumption of substations in IPs. 6M24 revenue completed 40.7% of our forecast as we expect power output from hydropower plants of IDC to benefit from La Nina which is expected to occur in 2H24.

Read the full report: [HERE](#)

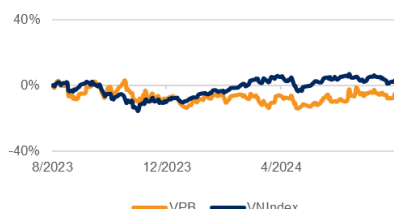
Current Price	VND18,900
52Wk High/Low	VND20,545/17,186
Target Price	VND23,700
Last Updated	05/31/2024
Last Rating	ADD
TP vs Consensus	4.0%
Upside	25.4%
Dividend Yield	5.3%
Total stock return	30.7%

Market Cap	USD5,820.8mn
3MADTV	USD15.2mn
Avail Foreign Room	USD210.9mn
Outstanding Shares	7,933.9mn
Fully Diluted O/S	7,933.9mn

	<u>VPB</u>	<u>VNI</u>
P/E TTM	12.9	14.3
P/B Current	1.2	1.7
ROA	1.5%	1.3%
ROE	9.4%	4.8%

*as of 7/22/2024

Share Price Performance



Ownership

Manager & Affiliate	26.6%
Sumitomo Mitsui Banking Corporation	15.0%
Composite Capital Master Fund LP	5.0%
Others	26.57%

Business Description

Founded in 1993, VPB is now the eighth largest JSB bank in terms of assets. The bank's recent fast growth pace is thanks to its subsidiary – consumer finance company FE Credit

Vietnam Prosperity Joint Stock Commercial Bank

VPB - NIM expansion drives income – [In-line]

- 2Q24 TOI jumped 26.2% YoY to VND16tn (USD638mn), driven by strong NIM expansion compared to the same period last year.
- Preliminary profit before tax in 2Q24 soared 74% YoY to VND4tn (USD117mn). TOI surged, compensating for the 28.1% YoY rise in provision expenses.
- We see minimal adjustment on our current target price of VND23,700, which we will update after further review.

Above-average credit growth and robust NIM increase boosted TOI growth

We estimate that VPB's credit balance rose 6.2% QoQ and 7.7% YTD in 6M24, which was higher than the sector's 6% growths. NIM in 2Q24 increased 89bps YoY (36bps QoQ) to 6.2% as the CASA ratio increased by around 3%. As a result, cost of funds declined by 253bps YoY (-59bps QoQ), more than the decrease in asset yields of 149bps YoY (-10bps QoQ).

Non-interest income slid 7.5% YoY (but increased 78.2% QoQ), mainly due to lower other income. However, the recovery of previously written-off loans doubled compared to the same period last year to VND1.3tn (USD51mn). The bad debt recovery ratio in 2Q24 rose to 0.83%, the highest level since FY23.

FE Credit returned to profit in 2Q24, contributing to earnings growth

FE Credit's preliminary profit before tax reached VND145bn (USD5.7mn) in 2Q24, reducing the accumulated loss in 6M24 to VND707bn. Additionally, operating expense (OPEX) dropped 9.4% YoY while TOI rose, leading to lower CIR of 20.7% compared to the same period last year. Consequently, net profit post minority interest of VPB in 2Q24 climbed by 16% YoY to VND3.5tn (USD141mn) and was flat compared to the previous quarter. For 6M24, it surged 27.3% YoY to VND7tn (USD282mn).

Strong write-offs caused NPL ratio to declined YoY

The NPL ratio decreased 236bps YoY but increased 24bps QoQ to 5.1%. Group 2 loans to total loans ratio declined 37bps YoY and 48bps QoQ. However, the NPL formation ratio increased to 24% in 2Q24 (vs 13% in 1Q24), indicating that the pace of NPL formation was quite strong, but still slower than 2Q23's ratio of 36%. VPB was aggressive with write-offs in 2Q24 as they reached VND8.2tn (USD325mn), raising the write-off rate to 5.51%, the highest since 1Q23. Even though NPL formation was higher QoQ, it remained on a downward trend overall. Furthermore, part of the bad debt has been written off, reducing its impact on the balance sheet.

Read the full report: [HERE](#)

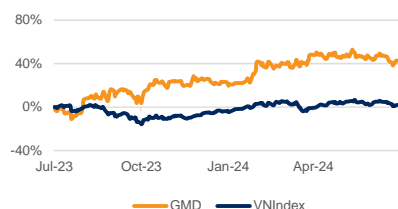
Current Price	VND79,000
52Wk High/ Low	VND84,623/49,292
Target Price	VND90,200
TP Last Updated	3/4/2024
Last Rating	HOLD
TP vs Consensus	5.0%
Upside	14.2%
Dividend Yield	2.4%
Total stock return	16.6%

Market Cap	USD970.1mn
3MADTV	USD5.4mn
Avail Foreign Room	USD7.4mn
Outstanding Shares	310.5mn
Fully Diluted O/S	310.5mn

	<u>GMD</u>	<u>VNI</u>
P/E TTM	8.6x	14.3x
P/B Current	2.2x	1.7x
ROA	16.1%	1.3%
ROE	22.9%	4.8%

*as of 7/31/2024

Share Price Performance



Ownership

SSJ Consulting Co., LTD	9.8%
KIM Vietnam Growth Equity Fund	3.8%
Others	86.4%

Business Description

GMD is one of the few Vietnamese logistics companies that can provide comprehensive logistics services thanks to its closed service system, including seaports, warehouses and transportation facilities located in key economic locations in all three regions: North, Central, and South.

Gemadep Corp

GMD - Positive momentum in core operations - [Beat]

- Gross margin increased to 45% driven by higher revenue of 17.5% QoQ thanks to higher handling prices.
- In 6M24, profit of associates surged 3.5x YoY, reaching VND281bn (USD11.1mn) and representing 70.7% of our forecast.
- We will provide an update in the upcoming quarter that factors into our model the Nam Hai (NH) divestment in 1Q24.

Brighter prospects for port operations as expected

In 2Q24, core operations maintained their positive momentum, with revenue increasing by 17.5% QoQ and 29.5% YoY. This substantial growth is largely due to a double-digit rise in throughput compared to the same period last year. Specifically, container throughput at Nam Dinh Vu (NDV) port increased 10% both QoQ and YoY, reaching 305,000 TEUs. Additionally, NDV port lost a service route from Gemadep Shipping, which was relocated to NH port (following GMD's capital transfer to Vietsun in 1Q24) for operation. According to the Vietnam Port Association (VPA), the average throughput at NDV was 1,400 TEUs per trip, with a total of 217 vessel calls. This represents a 13% YoY increase based on our estimates.

As a result, gross profit rose 23% QoQ and 25.9% YoY to reach VND542bn (USD21.4mn).

Associates' profit surged 3.5x YoY in the first half of 2024

In 2Q24, Gemalink's (GML) container throughput increased by 29.7% QoQ and 91% YoY, reaching 454,000 TEUs. This deep-sea port recorded a total workload of 804,000 TEUs, surpassing 67.2% of our forecast for 2024. Additionally, SCS reported encouraging results for the quarter, as detailed in our [earnings flash on July 18, 2024](#). Consequently, profit from associates soared more than threefold to VND183bn (USD7.2mn). This brought the cumulative profit to VND281bn (USD11.1mn), representing 70.7% of our full-year forecast.

6M24 saw positive momentum in core operations

In 6M24, net revenue jumped 20.5% YoY to VND2.18tn (USD86.5mn), representing 50.1% of our forecast. Consequently, gross profit surged by 10.9% YoY to VND983bn (USD38.9mn). GMD's 6M24 NPAT-MI decreased by 53.4% YoY due to a significant one-off gain of VND1.8tn (USD71.2mn) in 1Q24 from the sale of Nam Hai Dinh Vu port. This result represents 71.5% of our full-year forecast.

Read the full report: [HERE](#)

Current Price	VND27,300
52Wk High/ Low	VND36,150/25,500
Target Price	VND37,900
Last Updated	5/31/2024
Last Rating	ADD
TP vs Consensus	-2.1%
Upside	38.8%
Dividend Yield	0.0%
Total stock return	38.8%

Market Cap	USD828.8mn
3MADTV	USD5.5mn
Avail Foreign Room	USD235.9mn
Outstanding Shares	767.6mn
Fully Diluted O/S	767.6mn

	<u>KBC</u>	<u>VNI</u>
P/E TTM	16.7x	14.3x
P/B Current	1.1x	1.7x
ROA	4.2%	1.3%
ROE	7.6%	4.8%

*as of 7/31/2024

Share Price Performance



Ownership

Dang Thanh Tam	18.0%
Kinh Bac Investment & Consultant	8.5%
Others	73.5%

Business Descripton

KBC is one of the leading IP developers in the North with a tenant portfolio of technology giants. KBC's IP projects are well-positioned to attract FDI inflows thanks to: 1) owning a large high quality ready-for-lease land bank; and 2) focusing on building a complete environment for manufacturing electronic and semiconductor components, which will attract investors from Taiwan, China and Korea.

KinhBac City Development Share Holding Corp

KBC - Core operations stay at low base - [Missed]

- For 2Q24, KBC announced net revenue of VND892bn (USD35.3mn), a decrease of more than 61.8% YoY.
- NPAT-MI fell 92% YoY to VND151bn (USD5.9mn) in the first half of 2024.
- We see downward pressure on our target price of VND37,900, which we will update after further review.

Trang Due 3 IP (TD3) faces investment approval challenges

TD3 is encountering obstacles in the investment approval process. According to the Hai Phong Economic Zone Authority, despite having completed the necessary documentation and receiving assessments from relevant agencies, the project has not yet received investment policy approval from the Government. The primary reason is the occupancy rate of industrial parks in Hai Phong is not meeting the minimum required level (60%). The Ministry of Planning and Investment is collaborating with Hai Phong city to review this criterion. KBC has stated that the project will commence immediately upon receiving approval.

Revenue remained at a low base...

In 6M24, KBC's net revenue decreased by 77.1% compared to the same period last year, reaching VND1.04tn (USD41.3mn).

In the first quarter of the year, KBC did not record revenue from industrial land leasing activities due to ongoing new projects. This significantly impacted the company's business results. However, in 2Q24, revenue from industrial parks showed signs of recovery thanks to a collaboration with Foxconn at the Nam Son – Hap Linh IP (NS-HL). Specifically, the Bac Ninh Provincial People's Committee officially issued an investment registration certificate for this project, covering a total area of 14.26 hectares.

Additionally, revenue from housing projects also grew, contributing to the company's overall business performance.

...which dragged profits down

As a result, KBC's gross profit remained low at VND539bn (USD21.3mn), completing 15.5% of our full-year forecast. Additionally, NPAT-MI stood at VND151bn (USD5.9mn), representing 7.3% of our forecast. Given these results, we anticipate downward revisions of our full-year earnings forecast.

Read the full report: [HERE](#)

Current Price	VND67,700
52Wk High/Low	VND78,686/63,500
Target Price	VND81,000
Last Updated	May 13, 2024
Last Rating	ADD
TP vs Consensus	0.6%
Upside	19.6%
Dividend Yield	5.9%
Total stock return	25.5%

Market Cap	USD5,596.0mn
3MADTV	USD9.5mn
Avail Foreign Room	USD2,785.5mn
Outstanding Shares	2,090.0mn
Fully Diluted O/S	2,090.0mn

	VNM	VNI
P/E TTM	15.4x	14.3
P/B Current	4.3x	1.7
ROA	17.7%	1.3%
ROE	26.2%	4.8%

*as of July 31, 2024

Share Price Performance



Ownership

SCIC	36.0%
F&N Dairy Investment Pte, Ltd	17.7%
Platinum Victory Pte Ltd	10.6%
Others	35.7%

Business Description

Established in 1976, with nearly 50 years of experience, VNM has built itself as a prominent brand name for its portfolio that includes liquid milk, powdered milk, yogurt, condensed milk, and other beverages. The company is a dominant player with a strong footprint across all major segments with over 50% market share.

Vietnam Dairy Products JSC

VNM - Bottom line accelerated as margins improved – [In-Line]

- 2Q24 net profit jumped 21.5% YoY to VND2.6tn (USD104.9mn), recording a third consecutive quarter of double-digit earnings growth.
- 1H24 results were in-line with our forecast as net profit completed 51.6% of our full-year projection.
- We see minimal pressure on our target price of VND81,000, which we will update after further review.

Revenue growth drivers came from both domestic and off-shore segments

2Q24 net revenue increased 9.6% YoY to VND16.6tn (USD654mn), setting the all-time highest quarterly revenue in the company's history. This quarter also marked the highest revenue growth since early 2022, in which both segments recorded positive growth:

- Parent domestic revenue (excluding MCM) increased 6.0% YoY, outperforming a 1.8% YoY decline of Vietnam's dairy sector according to Nielsen. Better results came from the double-digit growth of drinking yogurt, condensed milk, plant milk segments. The formula milk segment recovered after consecutive quarters of declines.
- Export markets recorded strong revenue growth of 37.1% YoY as VNM maintains its supply chain to Middle East markets despite the volatile global landscape.
- Overseas subsidiaries recorded 21.9% YoY revenue growth because marketing activities were more effective in the Cambodian market and the packaging supply disruption at Driftwood has been improved.

Gross margins on recovery mode

2Q24 gross margin expanded by 2.0% pts YoY thanks to lower cost for whole milk powder. As a result, gross profit soared 14.9% YoY to VND7.1tn (USD277.7mn) in 2Q24.

The company has fixed 90% material for production through December 2024. Management expect the gross margin maintain the 2Q24 level.

Bottom line enjoyed double-digit growth despite marketing costs

SG&A expenses increased 11% YoY mainly due to a 14.8% YoY rise in promotion cost as the result of many marketing activities in 2Q24. SG&A/revenue increased 0.3% YoY but declined 0.5% QoQ in 2Q24, showing management's efforts to control costs. As a result, 2Q24 net profit jumped 21.5% YoY to VND2.6tn (USD104.9mn), the third consecutive quarter of double-digit earnings growth.

Read the full report: [HERE](#)

Current Price	VND105,400
52Wk High/ Low	VND118,800/95,500
Target Price	VND120,100
TP Last Updated	11/30/2023
Last Rating	HOLD
TP vs Consensus	0.4%
Upside	13.9%
Dividend Yield	0.0%
TSR	13.9%

Market Cap	USD2.3tn
3MADTV	USD4.0mn
Avail Foreign Room	USD315.4mn
Outstanding Shares	541.6mn
Fully Diluted O/S	541.6mn

	<u>VJC</u>	<u>VNI</u>
P/E TTM	75.1x	14.3x
P/B Current	3.6x	1.7x
ROA	1.0%	1.3%
ROE	5.0%	4.8%

*as of 07/31/2024

Share Price Performance



Ownership

Sunflower Sunny Investment Co.	28.6%
Nguyen Thi Phuong Thao	8.8%
Sovico JSC	7.6%
Others	55.0%

Business Description

VietJet Air is the largest low-cost carrier in Vietnam. Since its first flight in 2011, VJC has capitalized on Vietnam's domestic aviation boom and is a market leader in both domestic and international routes. VJC is among the top five airlines in the Asia-Pacific region by number of aircraft orders.

Vietjet Air JSC

VJC - Aircraft transaction revenue plunges – [Missed]

- 2Q24 NPAT rose to VND578bn (USD23mn), mainly thanks an improving core business, however 6M24 reached just 32% of our FY24 forecast.
- 2Q24 net revenue fell 2% YoY to VND16.2tn (USD644mn), while 6M24 increased 15% YoY to VND34tn (USD1.3bn).
- 2Q24 SG&A expenses increased 25% YoY, reached VND818bn (USD32.5mn).

6M24 net revenue rose YoY but declined slightly in 2Q24

6M24 net revenue reached VND34tn (USD1.3bn, +15% YoY). Transportation revenue jumped 34% YoY to VND30.5tn (USD587mn) mainly thanks to a strong increase in international traffic. In 2Q24, although transportation revenue rose by 22% YoY, total net revenue decreased slightly by 2%, mainly because VJC only recorded sale and lease back (S&LB) transactions of VND787bn (USD31mn, -80% YoY) this year, leading aircraft transactions revenue plummeted to VND1.4tn (USD56mn, -68% YoY). In the first half of 2024, Vietjet operated nearly 70,154 flights with more than 13.1 million passengers onboard, increases of 6% and 11% YoY, respectively.

GPM saw a significant improvement

Gross profit in 2Q24 and 6M24 soared 148% and 98% YoY to VND1.8tn (USD70.6mn) and VND3.5tn (USD140mn), respectively.

In 2Q24, after removing VND484.7bn (USD19.2mn) in net earnings from S&LB transactions, 2Q24 core gross profit was VND1.3tn (USD51.3mn), up 79% YoY. Core GPM also increased 2.7% pts YoY.

2Q24 SG&A expenses grew at a faster rate than revenue

2Q24 SG&A expenses increased to VND818bn (USD32.5mn, +25% YoY), in which sales, advertising and commissions expenses accounted for 65.5% of total expenses at VND536bn (USD21.3mn, +54% YoY), equivalent to 3% of net revenue

Net financial loss escalated compared to 2Q23

2Q24 net financial loss climbed to VND429bn (USD17mn, +361% YoY), mainly due to a surge in other financial expenses to VND226.5bn (USD9mn). Higher interest expenses as the airline expanded flight routes to China, Australia and Laos, along with upcoming routes to Korea in October this year, also contributed to the rising net financial loss. However, the debt-to-equity ratio is only 2x, significantly lower than the typical global level of 5x. As of the end of 2Q24, the cash and cash equivalents balance was stable at VND4.1tn.

Read the full report: [HERE](#)

Commodity prices

Energy	% dod	% mom	% yoy
WTI	0.0%	-6.0%	-6.3%
Brent Crude	2.4%	-6.9%	-5.9%
JKM LNG	0.2%	-0.1%	29.4%
Henry Hub LNG	1.7%	-0.7%	19.9%
NW Thermal Coal	1.7%	-20.6%	-26.0%
Singapore Platt FO	-0.1%	0.1%	6.0%

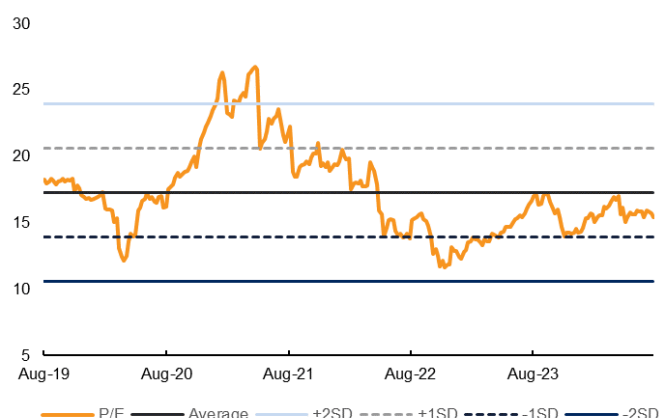
Precious Metals	% dod	% mom	% yoy
Gold	0.5%	3.3%	22.7%
Domestic SJC Gold	-0.6%	2.7%	15.9%
Silver	0.7%	-1.8%	15.0%
Platinum	0.6%	-2.5%	1.9%

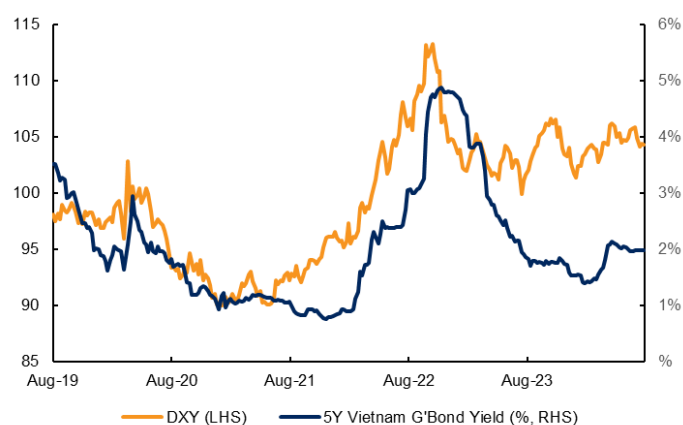
Base Metals	% dod	% mom	% yoy
Tungsten	0.0%	-3.5%	5.7%
Copper	1.6%	-5.5%	3.5%
Aluminum	-1.4%	-12.7%	-1.1%
Nickel	1.5%	-7.2%	-28.4%
Zinc	0.5%	-7.0%	8.5%
Lead	NA	NA	NA
Steel	-0.4%	-5.4%	-7.7%
Iron Ore	0.1%	-7.7%	-14.9%

Agriculture	% dod	% mom	% yoy
Rice	-0.1%	-10.3%	-1.6%
Coffee (Arabica)	1.3%	2.2%	42.1%
Sugar	-0.1%	-5.9%	-20.7%
Cocoa	-1.2%	4.0%	126.6%
Palm Oil	-0.2%	0.1%	NA
Cotton	0.0%	-2.4%	-20.2%
Dry Milk Powder	-0.2%	3.7%	49.6%
Wheat	-0.3%	-5.6%	-21.6%
Soybean	1.9%	-9.0%	-27.6%
Cashew s	NA	0.0%	-27.0%
Rubber	0.8%	-7.6%	60.0%
Urea	NA	NA	NA

Livestock	% dod	% mom	% yoy
Live Hogs	-0.3%	1.8%	-11.6%
Cattle	0.4%	-3.0%	5.4%

Source: Bloomberg

Market Value Drivers
VN-INDEX TTM P/E

VN-INDEX CURRENT P/B

DXV and 5Y Vietnam G'Bond Yield


VNDS RESEARCH COVERAGE SUMMARY

Ticker	Market cap (US\$m)	3M ADTV (US\$m)	Foreign Room (US\$m)	Closing price (VND)	Adjusted target price (VND)	Total shareholder return (%)	Dividend yield (%)	TTM P/E	Current P/B	ROE	Recommendation
AVIATION											
ACV	9,993	2.8	4,599	115,900	136,200	17.5%	0.0%	34.9	5.0	18%	ADD
VJC	2,272	4.5	318	105,900	120,100	13.4%	0.0%	47.4	3.4	8%	HOLD
Simple Avg	6,132	3.7	2,459			15.5%	0.0%	41.2	4.2	13%	
CONSTRUCTION											
CTD	257	3.6	6	65,000	80,200	23.4%	0.0%	20.7	0.8	3%	HOLD
HHV	193	2.1	79	11,250	17,000	51.1%	0.0%	12.6	0.6	4%	ADD
Simple Avg	225	2.9	42			37.2%	0.0%	16.7	0.7	4%	
CONSUMER											
BAF	173	3.7	86	18,250	26,800	46.8%	0.0%	21.5	1.9	9%	ADD
DGW	393	5.1	98	59,400	68,000	15.3%	0.9%	26.7	3.7	14%	HOLD
MWG	3,694	12.8	112	63,800	72,100	13.8%	0.8%	42.3	3.7	4%	ADD
PNJ	1,287	5.7	0	97,100	114,400	19.6%	1.8%	15.8	3.1	20%	ADD
QNS	690	1.6	244	48,800	62,400	33.9%	6.0%	6.8	1.7	27%	ADD
VHC	633	3.4	452	71,200	68,000	-1.9%	2.6%	21.3	1.9	9%	ADD
VNM	5,927	9.8	2,775	71,600	81,000	18.5%	5.4%	17.3	4.4	26%	ADD
Simple Avg	1,828	6.0	538			20.9%	2.5%	21.7	2.9	16%	
FINANCIALS											
ACB	4,343	11.3	0	24,550	30,300	26.9%	3.5%	6.7	1.5	24%	ADD
BID	10,747	4.3	1,360	47,600	51,600	8.4%	0.0%	11.9	2.1	19%	ADD
CTG	6,806	10.8	261	32,000	39,500	23.4%	0.0%	8.5	1.3	16%	ADD
HDB	3,034	12.0	52	26,300	29,000	10.3%	0.0%	6.3	1.5	27%	ADD
LPB	2,953	23.9	133	29,150	23,700	-18.7%	0.0%	8.8	1.9	26%	ADD
MBB	5,128	17.9	1	24,400	28,400	18.1%	1.7%	6.0	1.3	23%	ADD
SSI	1,901	17.9	1,108	31,800	36,500	17.7%	2.9%	16.8	1.9	12%	HOLD
TCB	6,488	20.6	65	23,250	26,900	15.7%	0.0%	7.6	1.2	17%	ADD
TPB	1,583	6.4	22	18,150	23,600	30.0%	0.0%	8.4	1.2	13%	ADD
VCB	19,746	8.1	1,308	89,200	111,800	25.3%	0.0%	15.0	2.7	20%	ADD
VIB	2,130	7.4	-325	21,200	29,600	45.5%	5.9%	7.0	1.4	21%	ADD
VPB	5,971	20.2	208	19,000	23,700	24.7%	0.0%	12.6	1.1	10%	ADD
Simple Avg	5,902	13.4	349			19.0%	1.2%	9.6	1.6	19%	
GARMENT & TEXTILE											
MSH	137	0.5	60	46,250	46,200	4.9%	5.0%	13.2	2.0	16%	HOLD
TCM	201	0.3	55	49,900	42,300	-15.2%	0.0%	40.9	2.5	6%	HOLD
Simple Avg	169	0	58			-5.2%	2.5%	27.1	2.3	11%	
INDUSTRIALS											
BCM	2,993	2.4	1,423	73,000	99,000	36.7%	1.1%	30.5	4.1	14%	ADD

Ticker	Market cap (US\$m)	3M ADTV (US\$m)	Foreign Room (US\$m)	Closing price (VND)	Adjusted target price (VND)	Total shareholder return (%)	Dividend yield (%)	TTM P/E	Current P/B	ROE	Recommendation
BMP	374	1.1	57	115,500	126,00	19.8%	10.4%	11.1	3.3	34%	ADD
GMD	984	5.6	8	80,000	90,200	16.2%	3.4%	20.9	2.6	13%	HOLD
HAH	204	9.0	43	42,450	48,000	15.4%	2.4%	16.7	1.8	12%	HOLD
IDC	771	4.8	191	59,000	63,900	12.6%	4.2%	10.6	4.1	38%	ADD
KBC	830	5.7	241	27,300	37,900	38.8%	0.0%	80.2	1.2	6%	ADD
PHR	306	0.9	96	57,100	53,700	-0.7%	5.3%	16.6	2.1	13%	ADD
PTB	181	0.9	0	68,300	62,900	-6.4%	1.5%	14.0	1.6	12%	HOLD
SCS	322	1.0	18	85,800	95,100	16.7%	5.8%	13.7	6.4	47%	HOLD
SZC	274	2.8	47	38,450	42,700	15.2%	4.2%	23.9	2.3	12%	HOLD
VTP	359	4.8	158	74,500	93,300	27.3%	2.1%	29.5	5.6	20%	HOLD
Simple Avg	691	3.5	207			17.4%	3.7%	24.3	3.2	20%	
MATERIALS											
DGC	1,685	16.4	526	112,000	143,600	32.3%	4.1%	15.1	3.3	23%	HOLD
HPG	6,891	26.8	1,738	27,200	44,000	61.8%	0.0%	NA	1.6	9%	ADD
HSG	532	12.0	173	21,800	34,000	56.0%	0.0%	NA	1.2	11%	ADD
NKG	236	6.3	87	22,600	35,000	54.9%	0.0%	NA	1.1	6%	ADD
Simple Avg	2,336	15.4	631			51.2%	1.0%	15.1	1.8	12%	
OIL & GAS											
BSR	2,800	8.7	1,307	22,800	24,700	11.6%	3.2%	8.2	1.2	16%	HOLD
GAS	7,268	3.9	3,301	79,900	84,100	9.0%	3.8%	16.4	2.6	16%	HOLD
PLX	2,310	3.9	48	45,900	47,100	5.9%	3.3%	17.9	2.2	13%	ADD
PVD	610	5.2	203	27,700	36,800	32.9%	0.0%	29.2	1.0	4%	HOLD
PVS	769	8	210	40,600	46,500	17.0%	2.5%	17.9	1.5	8%	HOLD
PVT	401	5.5	143	28,450	32,400	17.4%	3.5%	10.5	1.4	15%	HOLD
Simple Avg	2,360	5.8	869			15.6%	2.7%	16.7	1.7	12%	
PETROCHEMICALS											
DPM	547	5.3	229	35,300	38,600	15.0%	5.6%	26.6	1.2	4%	HOLD
POWER											
NT2	228	0.7	83	20,000	27,100	43.0%	7.5%	124.6	1.4	1%	HOLD
POW	1,248	8.5	564	13,450	14,800	10.0%	0.0%	40.3	1.0	3%	ADD
Simple Avg	738	4.6	323			26.5%	3.7%	82.4	1.2	2%	
POWER & PROPERTY											
HDG	374	7.9	129	28,050	35,700	29.1%	1.8%	16.2	1.5	10%	HOLD
PC1	356	5.6	131	28,900	34,700	20.1%	0.0%	35.6	1.7	5%	ADD
REE	1,298	3.6	0	69,600	67,000	-2.3%	1.4%	17.0	1.9	12%	ADD
Simple Avg	676	5.7	87			15.6%	1.1%	22.9	1.7	9%	
PROPERTY											
DXG	395	4.8	135	13,850	22,100	59.6%	0.0%	53.5	0.9	2%	HOLD

Ticker	Market cap (US\$m)	3M ADTV (US\$m)	Foreign Room (US\$m)	Closing price (VND)	Adjusted target price (VND)	Total shareholder return (%)	Dividend yield (%)	TTM P/E	Current P/B	ROE	Recommendation
KDH	1,148	4.8	123	36,250	43,800	20.8%	0.0%	51.0	2.1	4%	ADD
NLG	627	4.8	0	41,150	43,900	8.5%	1.8%	39.5	1.7	4%	ADD
VHM	6,329	13.6	2,226	36,700	66,400	83.5%	2.5%	6.8	0.8	13%	ADD
VRE	1,674	8.4	451	18,600	29,600	59.1%	0.0%	9.4	1.1	12%	ADD
Simple Avg	2,035	7.3	587			46.3%	0.9%	32.0	1.3	7%	
TECHNOLOGY											
FPT	7,439	33.6	299	128,600	136,800	8.0%	1.6%	26.3	6.8	28%	ADD

DISCLAIMER

This report has been prepared by VNDIRECT or one of its affiliates for distribution in Vietnam and overseas. The information herein is believed by VNDIRECT to be reliable and is based on public sources believed to be reliable. With exception of information about VNDIRECT, VNDIRECT makes no representation about the accuracy of such information.

Options, estimates and projection expressed in this report represent the current views of the author at the date of publication only. They do not necessarily reflect the opinions of VNDIRECT and are subject to change without notice. VNDIRECT has no obligation to update, amend or in any way modify this report or otherwise notify a reader thereof in the event that any of the subject matter or opinion, projection or estimate contained within it changes or becomes inaccurate.

The information herein was obtained from various sources and we do not guarantee its accuracy or completeness. Prices and availability of financial instruments are also subject to change without notice.

This published research may be considered by VNDIRECT when buying or selling proprietary positions or positions held by funds under its management. VNDIRECT may trade for its own account as a result of short-term trading suggestions from analysts and may also engage in securities transactions in a manner inconsistent with this report and opinions expressed therein.

Neither the information nor any opinion expressed in this report constitutes an offer, nor an invitation to make an offer, to buy or sell any securities or any option, futures or other derivative instruments in any jurisdiction. Nor should it be construed as an advertisement for any financial instruments.

Officers of VNDIRECT may have a financial interest in securities mentioned in this report or in related instruments. This research report is prepared for general circulation for general information only. It does not have regard to the specific investment objectives, financial situation or particular needs of any person who may receive or read this report.

Investors should note that the prices of securities fluctuate and may rise and fall. Past performance, if any, is no guide to the future. The financial instruments discussed in this report may not be suitable for all investors. Investors must make their own financial decisions based on their independent financial advisors as they believe necessary and based on their particular financial situation and investment objectives.

This report may not be copied, reproduced, published or redistributed by any person for any purpose without the express permission of VNDIRECT in writing. Please cite sources when quoting.

ADDRESS

Headquarter

1 Nguyen Thuong Hien Str
Hai Ba Trung Dist, Hanoi
T: +84 24 3972 4568
F: +84 24 3972 4568

HCMC Office

The 90th Pasteur Building
90 Pasteur Str, Dist 1, HCMC
T: +84 28 7300 0688
F: +84 28 3914 6924

Da Nang Office

57 Duy Tan Str,
Hai Chau, Da Nang City
T: +84 511 382 1111

Vinh - Nghe An Office

122 Hermann Gmeiner str,
Vinh City, Nghe An
T: +84 23 8730 2886
F: NA

Can Tho Office

3rd floor STS Building, 11B Hoa Binh
Ninh Kieu City, Can Tho
T: +84 710 3766 959
F: NA

Quang Ninh Office

Viet Han Apartment, Hong Gai
Ha Long City, Quang Ninh
T: +84 98 8619 695
F: NA

Thanh Hoa Office

2nd floor 11 Hac Thanh str
Thanh Hoa City, Thanh Hoa
T: +84 90 3255 202
F: NA

Binh Duong Office

18th floor Becamex Tower
Thu Dau Mot City, Binh Duong
T: +84 27 4222 2659
F: +84 27 4222 2660

Nam Dinh Office

5 Nguyen Du str,
Nam Dinh City, Nam Dinh
T: +84 22 8352 8819
F: NA