

BINH MINH PLASTICS JSC (BMP)

ADD (Maintained)

INDUSTRIALS

Current Price	VND107,000
52Wk High/Low	VND120,300/VND78,500
Target Price	VND120,000
Previous TP	VND125,000
TP vs Consensus	11.6%
Upside	12.1%
Dividend Yield	11.4%
Total stock return	23.5%

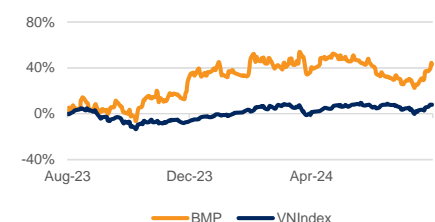
Growth rating	Neutral
Value rating	Positive
ST Technical Analysis	Buy

Market Cap	USD340mn
3m Avg daily value	USD690,000
Avail Foreign Room	USD1mn
Outstanding Shares	82mn
Fully diluted O/S	82mn

	BMP	Peers	VNI
P/E TTM	9.4	15.2	14.0
P/B Current	3.3	3.1	1.7
ROA	27.8	12.5	2.1
ROE	33.5	20.7	12.4

*as of 8/28/2024

Share Price performance



Share price (%)	1M	3M	12M
Ordinary share	10.9	-2.4	25.9
Relative to index	8.7	-3.7	17.2

Ownership

The Nawaplastic Industry (Saraburi)	55%
KWE Beteiligungen AG	11%
Others	34%

Business Description

BMP is the leading enterprise in the plastic building material industry in Vietnam and has been a member company of SCG Thailand since 2018. BMP has four plants in HCMC, Binh Duong, Long An and Hung Yen with total capacity of 150,000 tonnes of plastic pipes, annually.

Analyst(s):



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PVC resin costs drop on sluggish Chinese demand

- We maintain an ADD rating for BMP with 12% upside and an 11% dividend yield. We revise down our TP to VND120,000 while the share price has decreased 7% since our last report as BMP has been punished by its weaker YoY earnings results.
- We maintain our FY24 earnings growth forecast of 7% YoY to VND1.1tn (USD45mn) as input prices slip amid expected slight YoY volume growth in 2H24.
- FY25 P/B of 2.8x undervalues FY25 ROE of 40% with a net cash/equity ratio of 0.6x at mid-2025. BMP should trade at a target P/B multiple of 3.5x.

Financial Highlights

- 2Q24 revenue decreased 13% YoY to VND1.2tn (USD47mn), dragged down by a 13% drop in sales volume.
- 2Q24 net profit fell 5% YoY, a smaller decline than revenue, to VND280bn (USD11mn) due to a lower selling discount expanding EBITDA margin.
- Balance sheet remains healthy with a 0.6x net cash/equity position.

Investment Thesis

BMP prioritizes maintaining superior plastic pipe quality over price war

BMP plastic factories can be more flexible in production than other construction material industries, such as steel. Therefore, we believe that BMP will not push for sales volume growth at any cost. Indeed, 1H24 post-discounting ASP still rose 2% YoY even mas sales volume dropped 12% YoY. However, BMP's pricing gap vs NTP narrowed to become more price-competitive, with its ASP rising 10% YoY.

Revival of Vietnamese property market will drive 8% YoY 2H24 volume rise

Besides its top-notch quality, BMP also sustains competitive advantages over strong brand awareness, solid sales distributor network in the Southern market and have little impact from imports. Therefore, with the optimism on the revival of the real estate market, we expect that 2H24 sales volume will increase 8% YoY.

Sluggish Chinese property market drives recent PVC resin input price drop

The PVC resin index price has dropped to RMB5300/tonne (USD746), marking a decrease of approximately 7% compared to the average price in FY23 and 1H24, following a drop in Brent oil prices and a sluggish Chinese property market. We expect BMP will benefit from reduced input costs starting in August 2024, which should improve its EBITDA margin.

11% dividend yield awaits

BMP will likely sustain a high cash dividend pay-out ratio, as has been its practice since 2018 after its acquisition by SCG Thailand, with its pay-out reaching 99% of earnings for five consecutive years.

Financial ratios	12-23A	12-24E	12-25F	12-26F
Revenue growth	(11%)	(11%)	6%	8%
Gross margin	41%	45%	41%	38%
Net profit growth	50%	7%	2%	3%
Net profit margin	20%	24%	24%	22%
P/E	8.3	7.8	7.7	7.5
P/B	3.2	3.1	3.0	2.8
ROAE	39%	42%	40%	39%
Net D/E	-70%	-70%	-70%	-80%
Dividend yield	6.2%	11%	11%	11%

Source: VNDIRECT RESEARCH

Company Profile

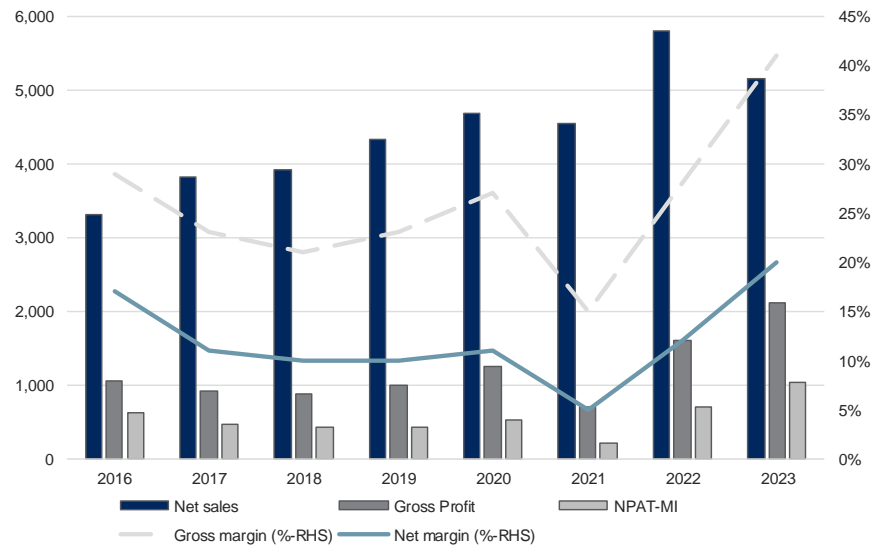
Binh Minh Plastics is a leading company in Vietnam’s plastic building materials industry, manufacturing and trading plastic pipes and fittings for water supply and drainage, telecommunications, industrial and civil construction. In 2018, BMP became a member company of Siam Cement Group (SCG) Thailand - a leading industrial group in Southeast Asia. The company has four plants in HCMC, Binh Duong, Long An and Hung Yen with total capacity of 150,000 tonnes of plastic pipes annually. After over 46 years of establishment and development, the distribution network of BMP was made up of nearly 2,158 distributors/stores at the end of 2022. As a result, products can be delivered to customers in a timely manner. Additionally, the company has provided plastic pipes to water supply and construction business as well as participated in major national projects.

Figure 1: BMP’s main product lines (UPVC, HDPE, PP-R pipes and fittings)



Source: Company website, VNDIRECT Research

Figure 2: BMP financial top and bottom lines



Source: VNDIRECT Research, Fiingroup

SCG Thailand Investment

In 2018, The NawaPlastic Industries (Saraburi) Co. Ltd, a subsidiary of Siam Cement Group (SCG) Thailand, bought a 55% stake in BMP. This state divestment allowed BMP to become a member of SCG, a leading industrial group in Southeast Asia. SCG has had its footprint in Vietnam since 1992 with investments in various fields including construction materials, plastics and oil & gas.

2Q24 Results Recap: Southern construction plastic demand still sluggish

Figure 3: 1H24 NPAT-Mi declined 18% YoY due to a 24% sales volume decrease

(VNDbn)	2Q24	2Q23	YoY	1H24	1H23	YoY	FY24F	1H24/FY24F
Revenue	1,167	1,348	-13%	2,185	2,798	-22%	4,577	47.7%
Gross profit	506	573	-12%	931	1,128	-17%	2,041	45.6%
Selling expense	(117)	(173)	-32%	(268)	(333)	-20%	(199)	134.7%
G&A expenses	(23)	(29)	-21%	(51)	(55)	-7%	(146)	34.9%
Net financial income	(16)	(3)	433%	(25)	(20)	25%	(40)	62.5%
PBT	350	368	-5%	587	719	-18%	1,398	42.0%
NPAT-MI	280	295	-5%	470	576	-18%	1,118	42.0%
GPM	43.4%	42.5%	0.9% pts	42.6%	40.3%	2.3% pts	44.6%	
Selling expense as % of sales	10.0%	12.8%	-2.8% pts	12.3%	11.9%	0.4% pts	4.3%	
G&A expense as % of sales	2.0%	2.2%	-0.2% pts	2.3%	2.0%	0.3% pts	3.2%	
NPM	24.0%	21.9%	2.1% pts	21.5%	20.6%	0.9% pts	24.4%	
Sales volume (tonnes)	19,700	22,697	-13%	35,710	46,906	-24%	78,782	45.3%
Post-discounting ASP (VNDm/tonne)	53.2	51.8	3%	53.7	52.6	2%	52.3	

Source: VNDIRECT Research

2Q24 sales volume falls 13% as revenue declines YoY

2Q24 sales volume dropped 13% YoY to ~19,700 tonnes of plastics due to property market sluggishness. BMP products mainly serve the property market, and management said it has not seen any significant pick up in demand.

However, lower selling margin expanded EBITDA margin

Post-discount ASP rose 2.7% YoY as selling expense of sales fell to 10% vs 13% in 2Q23. As a result, EBITDA margin rose to 31% vs 27.5% last year.

Net financial income declined due to lower interest income

2Q24 interest income declined 50% YoY to VND17bn (USD700,000) likely due to lower interest rates.

Figure 4: Balance sheet as of 2Q24

VNDbn (otherwise noted)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Cash + Short term investment	2,012	2,089	2,035	2,011	2,248	1,753
A/R Days	17	17	18	15	15	17
Inventory Days	42	41	57	53	49	56
A/P Days	10	14	15	16	20	17
Capex	-12	9	-12	-59	-10	-45
Depreciation	44	42	41	46	30	30
Fixed Assets	347	313	275	286	264	277
Net Debt / Equity (x)	0.67	0.74	0.67	0.73	0.76	0.64

Source: VNDIRECT Research

Balance sheet remains healthy with 0.64x net cash/equity position

BMP often pays a cash dividend in 2Q and 4Q annually. In 2Q24, BMP paid VND499bn (USD20mn) in a cash dividend to shareholders, with the net cash/equity ratio of 0.64x sustaining a healthy status.

FY24-26 earnings outlook: PVC resin costs drop on sluggish Chinese demand

Figure 5: FY24-26 single-digit earnings growth

	FY22A	FY23A	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	Comment
VNDbn, otherwise noted			Old	Old	Old	New	New	New	
Total revenue	5,808	5,157	4,577	4,841	5,229	4,577	4,841	5,229	2024F total revenue would drop 11% YOY
YoY Growth	28%	-11%	-11%	6%	8%	-11%	6%	8%	mainly due to a 12% decrease in sales volume due to the sluggish residential property market
Gross profit	1,608	2,116	1,740	1,819	1,814	2,041	1,998	2,007	We revised down input cost in 2H24 for BMP as the PVC resin price is sliding down 7% vs 1H24
GPM	28%	41%	38%	38%	35%	45%	41%	38%	
Selling expense	(804)	(423)	(199)	(215)	(418)	(199)	(215)	(418)	
Selling as % of revenue	14%	8%	4%	4%	8%	4%	4%	8%	
G&A expense	(129)	(107)	(96)	(107)	(110)	(146)	(107)	(110)	We added sales conference trip expenses in 3Q24
G&A as % of revenue	2%	2%	2%	2%	2%	3%	2%	2%	
EBITDA	1,144	1,507	1,187	1,277	1,287	1,438	1,456	1,480	
EBITDA margin	20%	29%	26%	26%	25%	31%	30%	28%	
Net financial income	(102)	(27)	(51)	(52)	(44)	(40)	(34)	(17)	Balance sheet is healthy with a net cash position
Pretax profit	871	1,307	1,136	1,225	1,243	1,398	1,422	1,463	
	225%	50%	-13%	8%	1%	7%	2%	3%	
NPAT-MI	694	1,041	909	980	994	1,118	1,138	1,170	Net profit would rise 7% YoY in 2024, compared to BMP's flat profit growth guidance
Net margin	12%	20%	20%	20%	19%	24%	24%	22%	
YoY Growth	224%	50%	-13%	8%	1%	7%	2%	3%	
Sales volume (tonnes)	97,749	86,947	78,782	85,085	91,892	78,782	85,085	91,892	
YoY Growth	6%	-11%	-9%	8%	8%	-9%	8%	8%	
Capacity	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	
% Utilization	65%	58%	53%	57%	61%	53%	57%	61%	
PVC resin (VNDm/tonne)	33.6	23.4	23.8	23.8	25.5	20.7	22.1	23.8	
YoY Growth	13%	-30%	2%	0%	7%	-12%	7%	8%	
Post-discounting ASP (VN)	54.3	51.5	51.5	51.8	52.4	52.3	51.8	52.4	1H24 post discounting ASP rose 2% YoY amid a 11% drop in sales volume
YoY Growth	18%	-5%	0%	1%	1%	2%	-1%	1%	

Source: VNDIRECT Research

Revival of property market to drive 8% YoY 2H24 sales volume rise

Due to extremely limited industry data, our view on BMP's market share diverges from what management has said.

Per our numbers, 1H24 sales volume dropped 24% YoY while overall Vietnamese construction plastic pipe sales volume slipped 4% YoY and NTP's sales volume growth was almost flat YoY.

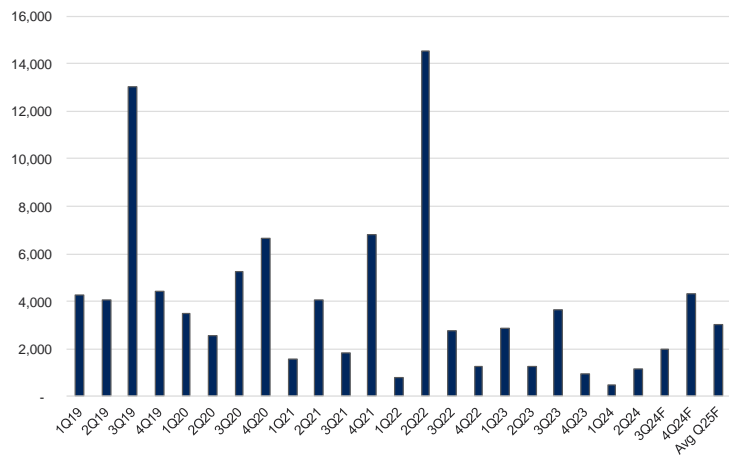
Per BMP management, 1H24 construction pipe volume in the Northern market was down 20% YoY and down 40% YoY in the South, despite a low 1H23 base. Demand from the North and the South was approximately equal. Given that BMP volume dropped 24% YoY, BMP should be gaining more market share. The BMP marketing team says it is working to have more figures on the competitive landscape at the end of this year.

During its analyst meeting, BMP reiterated that it will focus on plastic pipe quality rather than price war competition. The plastic factory can be more flexible in production than other construction material industries, such as steel. Therefore,

we believe that BMP will not push for sales volume growth at any cost. Indeed, 1H24 post-discounting ASP still rose 2% YoY even as sales volume dropped 12% YoY. However, we were correct to say [in our last report](#) that BMP's pricing gap vs NTP will be narrowed to be more price-competitive vs NTP with NTP's ASP rising 10% YoY.

In addition to its top-notch quality, BMP maintains a competitive edge through strong brand awareness and a robust sales distributor network in the Southern market. Last July, BMP held its biennial sales distributor conference in Thailand to reward its distributor operators and prepare for a new sales push. The Southern property market is expected to heat up as more new supply comes on the market in the second half of 2024, particularly in HCMC, Binh Duong, Dong Nai, and Long An. According to CBRE, total new condominium supply for 2024 is projected to be 8,000 units, with approximately 6,000 units (a 33% YoY increase) expected to be launched in 2H24.

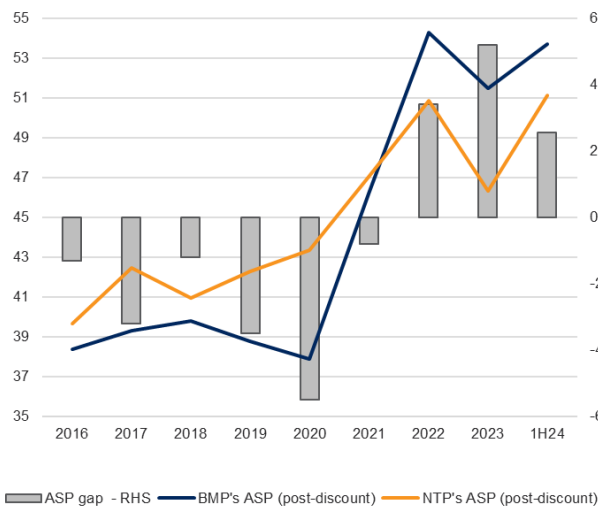
Figure 6: New condo supply (unit) in Ho Chi Minh City



Source: CBRE

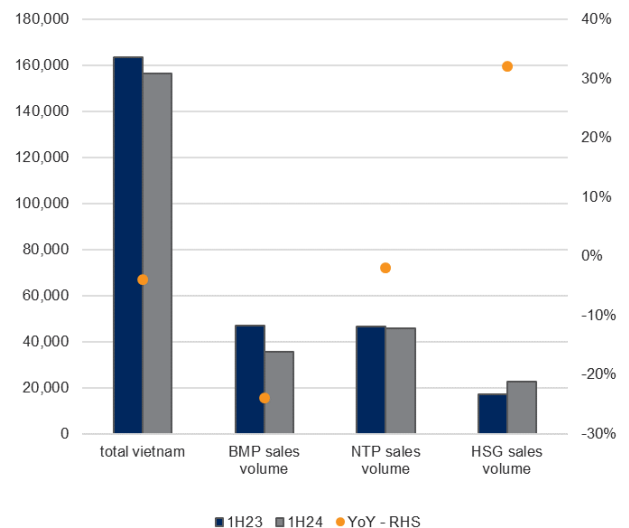
With optimism for a revival of the real estate market, we expect 2H24 sales volume will increase 8% YoY.

Figure 7: BMP and NTP ASP (VNDmn/tonne)



Source: VNDIRECT Research

Figure 8: BMP's sales volume vs peers (thousand tonnes)

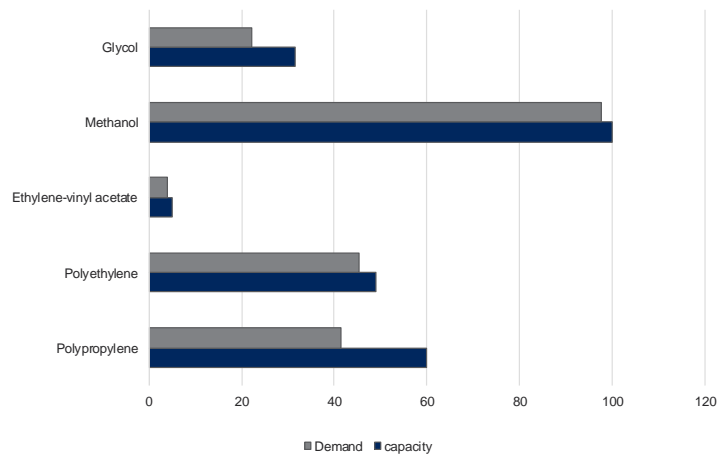


Source: VNDIRECT Research, Company Infor

Input price drop will expand EBITDA margin

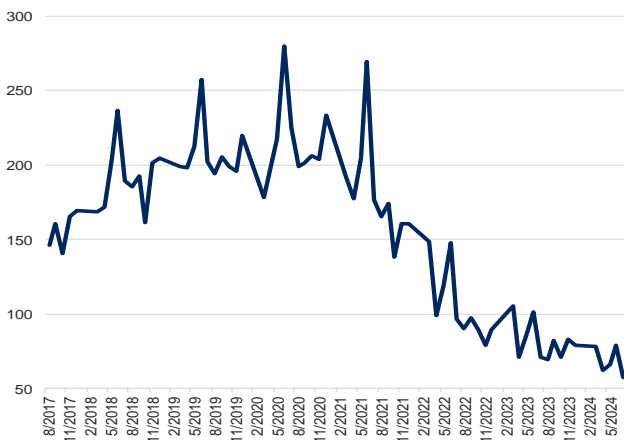
The price of Index PVC resin has dropped significantly to RMB5,300/tonne (USD746), a decrease of ~7% compared to the average price of RMB5,800/tonne (USD800) for FY23 and 1H24. This decline follows a 9% drop in Brent crude prices over the past two months. Currently, PVC prices are at their lowest level in four years, reaching a point last seen in 2020, and approaching the 15-year low observed in early 2015. This decline in PVC price is largely due to the ongoing weakness in the Chinese property market as China often makes up around 45-50% of global PVC demand and 38% of global PVC exports. China's plastics supply is booming after a decade-long race to create industrial behemoths that have transformed the petrochemicals sector. But Chinese households have not recovered from the blow dealt by the pandemic. A property sector in the doldrums and low consumer confidence signal that most are focused on tightening belts, not spending. The Chinese property market has not shown any signs of improvement, with floor space construction volume continuing to tumble since 2021 and plummeting residential sales volume in 30 Chinese key cities.

Figure 9: China supply and demand for key resins segment (million tonnes)



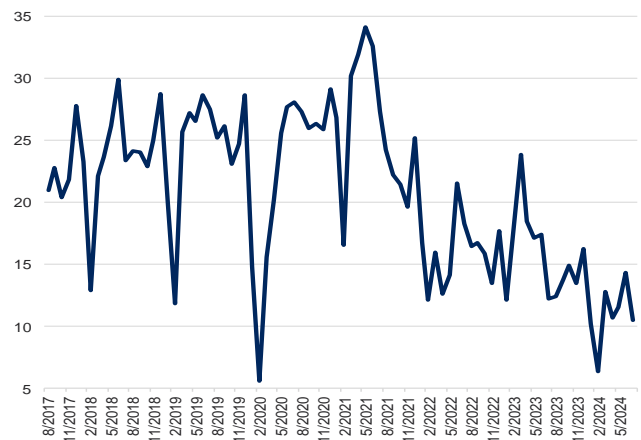
Source: China Petroleum and Chemical Industry Federation, Bloomberg

Figure 10: Floor space of houses (volume/million sq.m)



Source: Bloomberg

Figure 11: Chinese sales volume by GFA (million sqm) - residential sales for 30 key cities

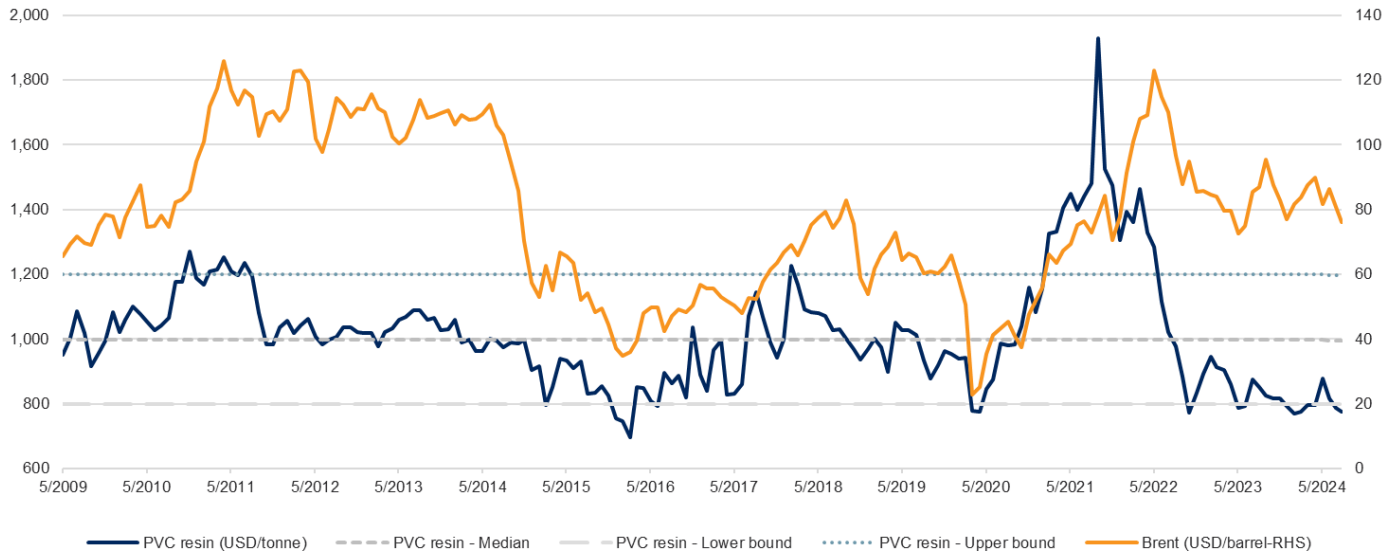


Source: Bloomberg

With BMP's stock inventory covering one month of raw material needs, the company is expected to benefit from reduced input costs starting in August 2024,

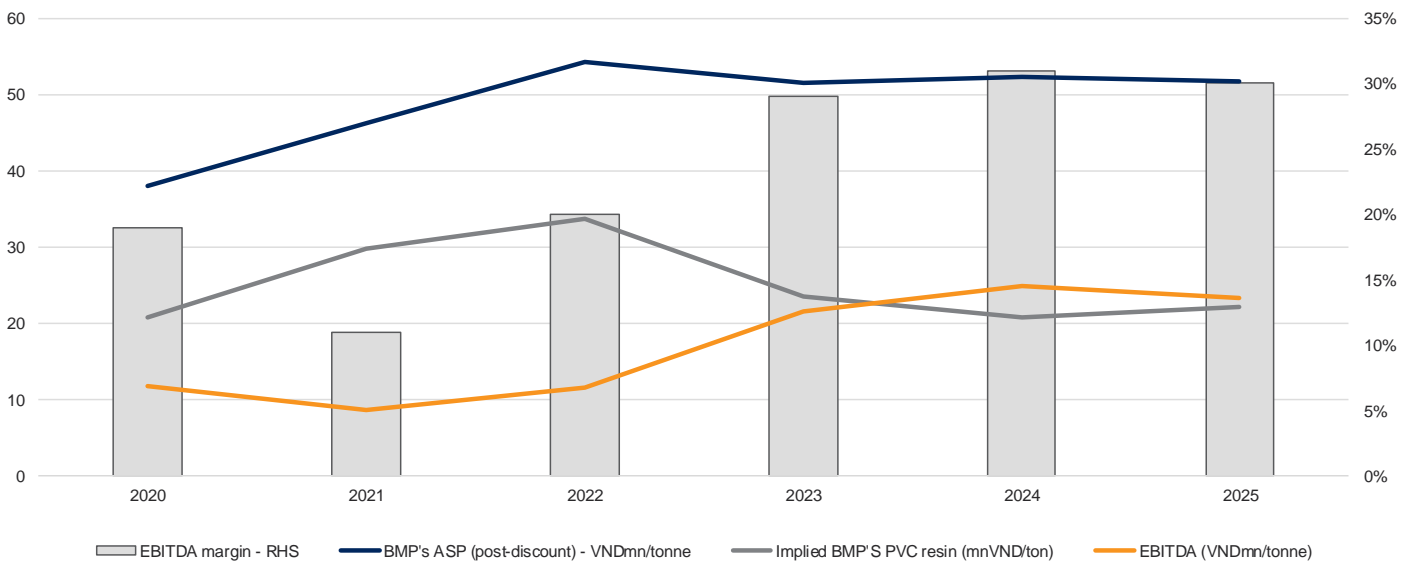
which should improve its EBITDA margin. Looking ahead to 2025, if Brent crude prices stabilize at USD80 per barrel, PVC resin prices are likely to remain in the range of USD750-850 per tonne, as no significant recovery is anticipated. Nevertheless, we expect FY25 EBITDA margins to remain strong at around 30%, which is relatively high for the construction materials industry.

Figure 12: PVC resin input price (USD/tonne) with Brent (USD/barrel) price



Source: Bloomberg

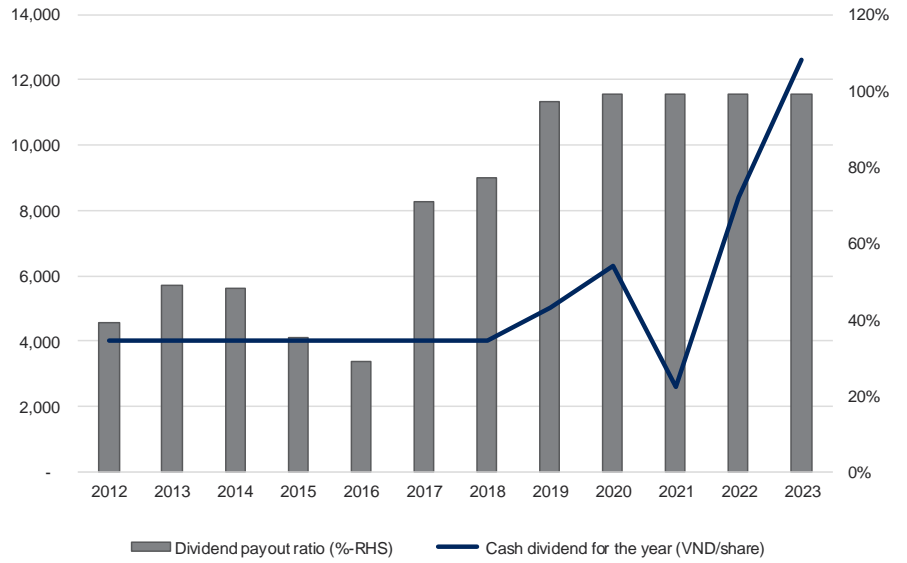
Figure 13: BMP's expected EBITDA per tonne and margin



Source: VNDIRECT Research

11% dividend yield awaits

Figure 14: BMP's consistent cash dividend policy



Source: VNDIRECT Research, Fiingroup

BMP has sustained a competitively high cash dividend pay-out ratio, especially since 2018 after the acquisition by SCG Thailand, with its pay-out of 99% of earnings in five consecutive years. As per conversations with management, we don't think this policy will change in the next three years, which will give shareholders a 11% dividend yield for 2024F earnings as we expect that BMP will pay VND12,000/share as cash dividends, with payment likely occurring in 4Q24 and 2Q25.

Valuation: Maintaining an ADD rating with a TP of VND120,000

We maintain an ADD rating for BMP with a TP of VND120,000 using three methods - P/E, P/B and DCF valuation.

Figure 15: Target price

Method	Target Multiple	Implied share price	Weight	Weighted target price
P/E	8.0	110,100	33%	36,333
P/B	3.5	123,600	33%	40,788
DCF		130,000	33%	42,900
Target Price				120,000
Upside				12%
		2024	2025	2026
FW PE		7.8	7.7	7.5
FW PB		3.1	3.0	2.8

Source: VNDIRECT Research

In terms of P/E valuation, BMP valuation looks fair with a FY24 P/E of 7.8x vs 10Y average of 7.5x. In terms of P/B valuation, with an expected ROE 1Y forward sustained at 43% with 0.6x net cash/equity, BMP should trade at the target P/B of 3.5x instead of the P/B of 3.0x in FY24 and 2.8x in FY25. We also expect that the first batch of 2024 cash dividends will likely be paid in 4Q24 at around VND5,000 in cash/share, creating good sentiment for the market.

Figure 16: P/E valuation

P/E	TTM @ 2Q25F
Group NPATMI (VNDbn)	1,128
EPS (VND)	13,756
Target Multiple (x) with EPS growth 7%/2%	8.00
Outstanding shares (Mn)	82
Target price (VND)	110,100

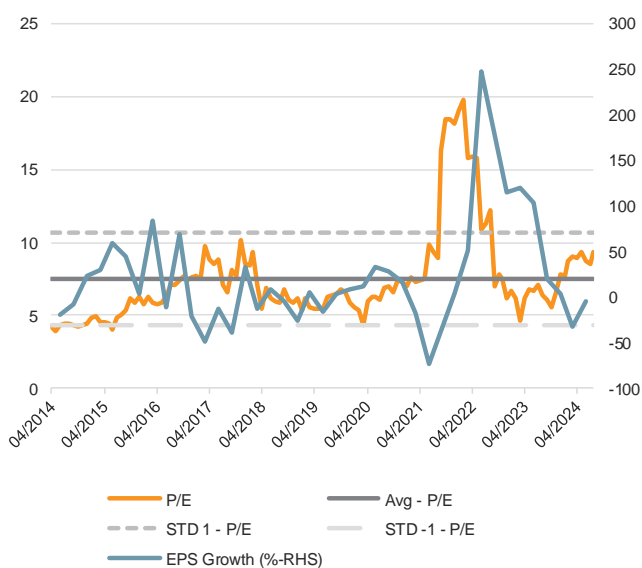
Source: VNDIRECT Research

Figure 17: P/B valuation

P/B	TTM @ 2Q25F
Book Value (VNDbn)	2,895
Target Multiple (x) with expected ROE 43%	3.5
Outstanding shares (Mn)	82
BVPS (VND)	35,305
Target price (VND)	123,600

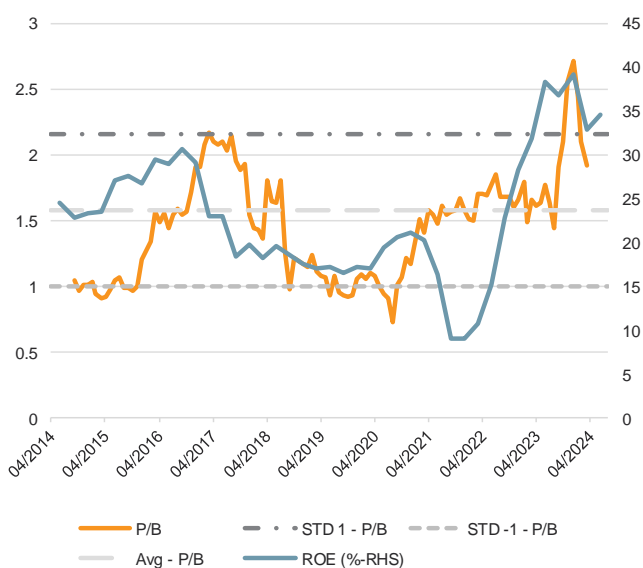
Source: VNDIRECT Research

Figure 18: BMP's trailing P/E



Source: VNDIRECT Research, Bloomberg

Figure 19: BMP's trailing P/B



Source: VNDIRECT Research, Bloomberg

Figure 20: Cost of Equity and WACC

Risk free rate	2.8%
Risk premium	7.8%
Beta	0.85
Cost of equity	9.4%
Cost of debt (post tax)	1%
Equity (VNDbn)	8,774
Net Debt (VNDbn)	-
Equity/(Debt+Equity)	100%
Debt/(Debt+Equity)	0%
WACC	9.4%
Perpetual growth rate	2%

Source: VNDIRECT Research

Our DCF cost of equity uses an equity risk premium of 7.8% based on the [NYU Stern model](#) and a risk-free rate of 2.8%, which was the yield on the Vietnam 10-year Government bond on June 30.

Figure 21: DCF valuation

FCFE (VNDbn, otherwise noted)	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F
CFO	1,117	1,313	1,344	955	924	918	912	906	898	912
- Capex	-141	-80	-80	-150	-80	-80	-150	-80	-140	-80
+ Net Borrowings	0	0	0	0	0	0	0	0	0	0
FCFE	976	1,233	1,264	805	844	838	762	826	758	832
Terminal Value										11,468
FCFE + Terminal Value	976	1,233	1,264	805	844	838	762	826	758	12,300
										11,468
NPV of (FCFE+ Terminal value)	10,632									
- MI	0									
Implied equity value	10,632									
Equity Value per share (VND)	130,000									

Source: VNDIRECT Research

Figure 22: Peer comparison

Firm	Market cap (USDmn)	P/E TTM	P/B current	ROE TTM (%)	EPS Growth TTM (%)	Net Cash/Equity (x)
BMP	353	9.4	3.3	33.5	-6%	0.64
NTP	405	15.2	3.1	20.7	76%	0.36

Source: VNDIRECT Research

Figure 23: Stress test for 24E NPAT-MI (VNDbn)

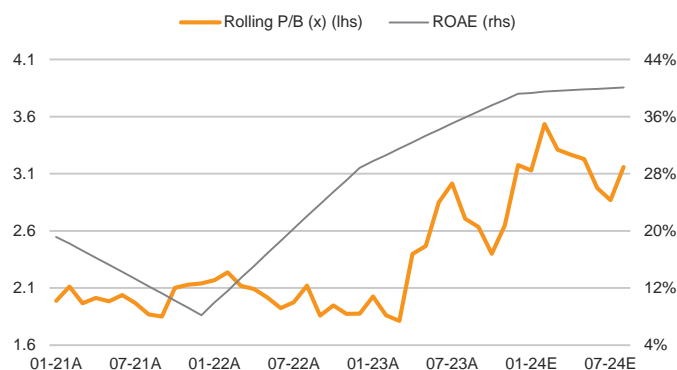
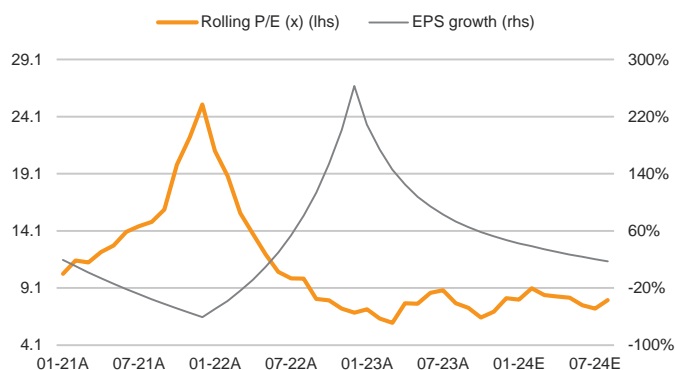
PVC resin price (usd/tonne)	24F Volume growth					
	-20%	-15%	-9%	-5%	0%	5%
784	966	1062	1168	1251	1346	1441
854	923	1016	1118	1199	1292	1385
924	873	962	1062	1139	1229	1318
994	823	910	1006	1081	1166	1253
1064	773	857	949	1021	1105	1187

Source: VNDIRECT Research

Downside risks

- Lower-than-expected construction plastic demand due to slow property market recovery and tough competition.
- Higher-than-expected PVC resin input price due to escalating wars in Ukraine and the Rea Sea raising oil price volatility.

Valuation



Income statement

(VNDbn)	12-23A	12-24E	12-25E
Net revenue	5,157	4,577	4,841
Cost of sales	(3,041)	(2,536)	(2,843)
Gen & admin expenses	(107)	(146)	(107)
Selling expenses	(676)	(458)	(436)
Operating profit	1,333	1,437	1,455
Operating EBITDA	1,161	1,259	1,266
Depreciation and amortisation	172	178	189
Operating EBIT	1,333	1,437	1,455
Interest income	119	103	115
Financial expense	(146)	(146)	(146)
Net other income	1	1	1
Income from associates & JVs	0	0	0
Pre-tax profit	1,307	1,395	1,425
Tax expense	(266)	(280)	(284)
Minority interest	0	0	0
Net profit	1,041	1,115	1,141
Adj. net profit to ordinary	1,041	1,115	1,141
Ordinary dividends	0	0	0
Retained earnings	1,041	1,115	1,141

Balance sheet

(VNDbn)	12-23A	12-24E	12-25E
Cash and equivalents	821	860	1,116
Short term investments	1,190	1,190	1,190
Accounts receivables	174	251	265
Inventories	364	361	405
Other current assets	44	41	44
Total current assets	2,593	2,703	3,020
Fixed assets	298	261	152
Total investments	84	84	84
Other long-term assets	279	279	279
Total assets	3,254	3,327	3,535
Short-term debt	55	108	114
Accounts payable	154	102	114
Other current liabilities	336	281	316
Total current liabilities	545	491	544
Total long-term debt	0	0	0
Other liabilities	19	19	19
Share capital	819	819	819
Retained earnings reserve	667	794	949
Shareholders' equity	2,690	2,817	2,972
Minority interest	0	0	0
Total liabilities & equity	3,254	3,327	3,535

Cash flow statement

(VNDbn)	12-23A	12-24E	12-25E
Pretax profit	1,307	1,395	1,425
Depreciation & amortisation	172	178	189
Tax paid	0	0	0
Other adjustments	(170)	0	0
Change in working capital	313	(455)	(298)
Cash flow from operations	1,622	1,118	1,316
Capex	(78)	(141)	(80)
Proceeds from assets sales	3	0	0
Others	(1,715)	0	0
Other non-current assets changes	1,596	0	0
Cash flow from investing activities	(194)	(141)	(80)
New share issuance	0	0	0
Shares buyback	0	0	0
Net borrowings	0	53	6
Other financing cash flow	0	0	(3)
Dividends paid	(966)	(991)	(983)
Cash flow from financing activities	(966)	(938)	(980)
Cash and equivalents at beginning of period	359	821	860
Total cash generated	462	39	256
Cash and equivalents at the end of period	821	860	1,116

Key ratios

	12-23A	12-24E	12-25E
Dupont			
Net profit margin	20.2%	24.4%	23.6%
Asset turnover	1.64	1.39	1.41
ROAA	33.0%	33.9%	33.3%
Avg assets/avg equity	1.19	1.19	1.19
ROAE	39.2%	40.5%	39.4%
Efficiency			
Days account receivable	12.3	20.1	20.0
Days inventory	43.7	52.1	52.0
Days creditor	18.5	14.7	14.6
Fixed asset turnover	14.90	16.35	23.39
ROIC	37.9%	38.1%	37.0%
Liquidity			
Current ratio	4.8	5.5	5.6
Quick ratio	4.1	4.8	4.8
Cash ratio	3.7	4.2	4.2
Cash cycle	37.5	57.5	57.4
Growth rate (yoy)			
Revenue growth	(11.2%)	(11.2%)	5.8%
Operating profit growth	36.7%	7.8%	1.3%
Net profit growth	47.0%	7.1%	2.3%
EPS growth	47.0%	7.1%	2.3%

Source: VND RESEARCH

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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.

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