

# Nam Kim Steel (NKG)

Nam Kim Phu My is a long-term driver

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**1Q24 profit completed 45% of the full-year target**

Nam Kim Steel JSC (NKG) recorded VND150 billion in 1Q NPAT (vs a loss worth VND40 billion in 1Q last year) as (1) its steel consumption gained 31% YoY, and exported volume rose 65% YoY and (2) GPM increased 757bps from the low base after selling high-priced inventory out in 2023.

**Consumption is boosted by export channels and rebounding domestic demand**

2Q steel consumption output of NKG may gain 10% QoQ to 280,000 tons. KBSV estimated the steel consumption for the whole year 2024 at 1.03 million tons (equal to 103% of the plan set by NKG), driven by higher export sales and recovering domestic consumption from 2H24.

**Steel prices are about to enter a new increasing cycle**

We expect steel prices to enter a new increasing cycle from 2H24 with the following arguments (1) HRC prices have formed a medium-term bottom around USD530-550/ton; (2) Chinese real estate market is recovering thanks to the government's supportive policies; (3) domestic demand will rise more strongly in 2H24 thanks to higher demand for construction and machinery production.

**Nam Kim Phu My steel mill should start manufacturing from 1Q26**

The construction of Nam Kim Phu My Steel Mill (VND4,500 billion in investment capital) should start from April this year and make products from 1Q26. The management expected the steelworks to operate at 100% capacity and reach a total capacity of 2 million tons/year by 2027.

**BUY rating with target price VND31,000/share**

KBSV gave a BUY rating to NKG shares with a target price of VND31,000 apiece, 24% higher than the closing price on May 28, 2024.

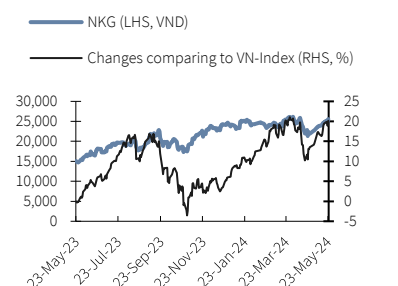
**Buy** change

|                              |                  |
|------------------------------|------------------|
| <b>Target price</b>          | <b>VND31,000</b> |
| Upside                       | 24%              |
| Current price (May 28, 2024) | VND25,050        |
| Consensus target price       | VND24,700        |
| Market cap (VNDtn/USDbn)     | 0.67/0.26        |

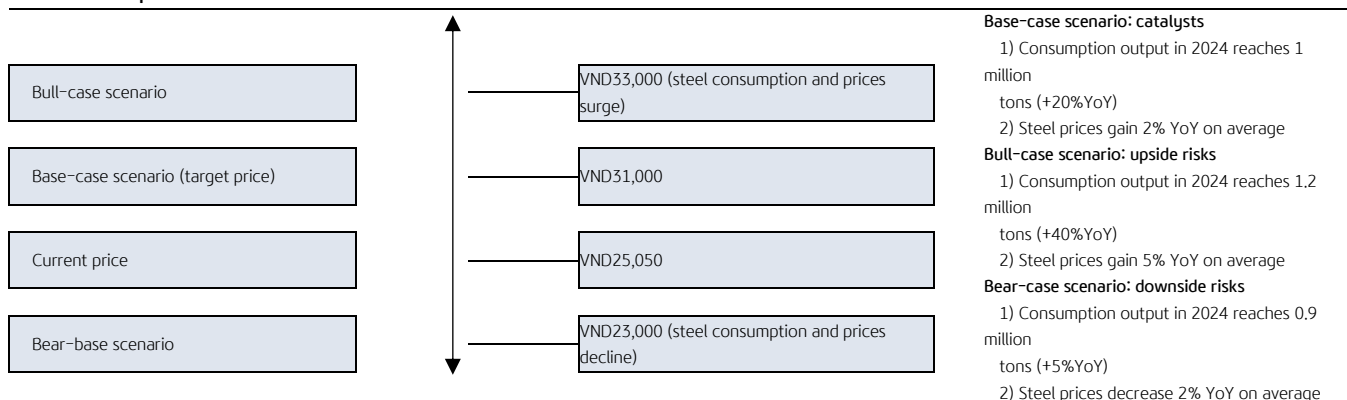
|                                    |                                |
|------------------------------------|--------------------------------|
| <b>Trading data</b>                |                                |
| Free float                         | 76%                            |
| 3M avg trading value (VNDbn/USDmn) | 213.63/8.55                    |
| Foreign ownership                  | 14.8%                          |
| Major shareholder                  | Chairman Ho Minh Quang (14.2%) |

|                                |           |           |           |            |
|--------------------------------|-----------|-----------|-----------|------------|
| <b>Share price performance</b> |           |           |           |            |
| (%)                            | <b>1M</b> | <b>3M</b> | <b>6M</b> | <b>12M</b> |
| <b>Absolute</b>                | 20        | 6         | 13        | 73         |
| <b>Relative</b>                | 11        | 2         | -2        | 52         |

|  |              |              |              |              |
|--|--------------|--------------|--------------|--------------|
| <b>Forecast earnings &amp; valuation</b> |              |              |              |              |
| <b>FY-end</b>                            | <b>2022A</b> | <b>2023A</b> | <b>2024F</b> | <b>2025F</b> |
| Net revenue (VNDbn)                      | 23,071       | 18,596       | 22,340       | 24,200       |
| Operating income/loss (VNDbn)            | -46          | 177          | 496          | 547          |
| NPAT-MI (VNDbn)                          | -67          | 117          | 413          | 465          |
| EPS (VND)                                | -253         | 446          | 917          | 1,034        |
| EPS growth (%)                           | -102%        | -276%        | 106%         | 13%          |
| P/E (x)                                  | -48.3        | 56.2         | 27.3         | 24.2         |
| P/B (x)                                  | 0.6          | 1.3          | 1.7          | 1.6          |
| ROE (%)                                  | -1%          | 2%           | 7%           | 7%           |
| Dividend yield (%)                       | 8.4%         | 0.0%         | 5.8%         | 0.0%         |



## Investment opinion & risks



## Revised earnings estimates

| (VNDbn, %)         | Revised |        | Previous |        | Change |       |
|--------------------|---------|--------|----------|--------|--------|-------|
|                    | 2024E   | 2025E  | 2024E    | 2025E  | 2024E  | 2025E |
| <b>Revenue</b>     | 18,974  | 22,916 | 22,340   | 24,200 | 18%    | 6%    |
| <b>EBIT</b>        | 478     | 512    | 732      | 847    | 53%    | 66%   |
| <b>NP after MI</b> | 297     | 338    | 413      | 465    | 39%    | 38%   |

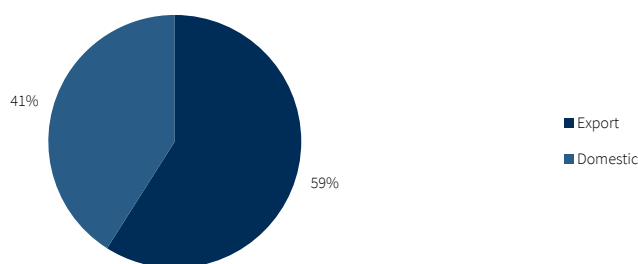
Source: KB Securities Vietnam

## KBSV estimate vs consensus

| (VNDbn, %)         | KBSV estimates |        | Consensus |        | Difference |       |
|--------------------|----------------|--------|-----------|--------|------------|-------|
|                    | 2024E          | 2025E  | 2024E     | 2025E  | 2024E      | 2025E |
| <b>Revenue</b>     | 22,340         | 24,200 | 21,237    | 23,514 | 5%         | 3%    |
| <b>EBIT</b>        | 732            | 847    | 657       | 901    | 11%        | -6%   |
| <b>NP after MI</b> | 413            | 465    | 433       | 631    | -5%        | -26%  |

Source: Bloomberg, KB Securities Vietnam

## Revenue composition (2023)



Source: Nam Kim Steel, KB Securities Vietnam

## Business operation

NKG is one of the largest steel manufacturers in Vietnam, operating in producing galvanized steel and steel pipes with a capacity of 1.2 million tons/year. Its main market is concentrated in the Southern region. By the end of 2023, NKG is in the top three largest coated steel sheet manufacturers in Vietnam with 16.9% market share.

## 1Q24 performance updates

Table 1. NKG – 1Q24 business results

| (VNDbn, %)                   | 1Q23         | 1Q24         | +/-%YoY     | Notes  |
|------------------------------|--------------|--------------|-------------|--|
| <b>Revenue</b>               | <b>4,375</b> | <b>5,291</b> | <b>21%</b>  | Revenue increased by 21% YoY thanks to consumption output increasing by 31% YoY, driven by exports.  |
| COGS                         | -4,237       | -4,724       | 11%         |  |
| <b>Gross profit</b>          | <b>138</b>   | <b>567</b>   | <b>312%</b> |  |
| <i>Gross profit margin</i>   | 3%           | 11%          | 757bps      | GPM gained 757bps YoY after (1) high-priced inventory was completely sold out in 2023; and (2) 1Q capacity was estimated to reach 79% (compared to 62% in 1Q23). |
| Financial income             | 57           | 66           | 14%         |  |
| Financial expenses           | -128         | -121         | -5%         |  |
| Profits from affiliates      | 0            | 0            |             |  |
| SG&A                         | -117         | -324         | 177%        | Selling expenses spiked 253% YoY due to export volume increasing 65% YoY.  |
| <b>Operating profit/loss</b> | <b>-49</b>   | <b>188</b>   |             |  |
| Other income                 | 0            | 0            |             |  |
| <b>PBT</b>                   | <b>-49</b>   | <b>188</b>   |             |  |
| <i>PBT margin</i>            | -1%          | 4%           | 468bps      |  |
| CIT expenses                 | 0            | -38          |             |  |
| <b>NPAT</b>                  | <b>-49</b>   | <b>150</b>   |             |  |
| <i>NPAT margin</i>           | -1%          | 3%           | 396bps      |  |
| <b>NP after MI</b>           | <b>-49</b>   | <b>150</b>   |             |  |

Source: Nam Kim Steel, KB Securities Vietnam

Table 6. NKG – Steel consumption (ton)

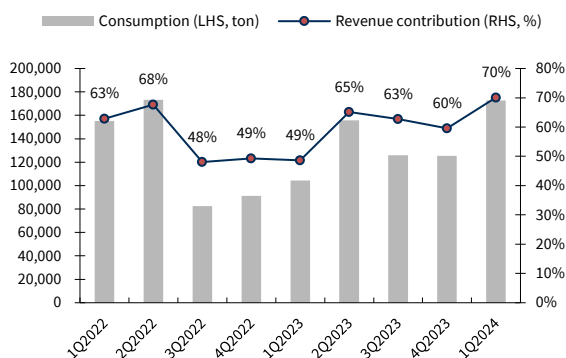
| (tons)           | 1Q23           | 1Q24           | +/-%YoY    | Notes   |
|------------------|----------------|----------------|------------|---|
| Galvanized steel | 154,807        | 228,033        | 47%        | Export volume of galvanized steel surged 65% YoY. |
| Steel pipes      | 39,891         | 26,470         | -34%       |   |
| <b>Total</b>     | <b>194,698</b> | <b>254,503</b> | <b>31%</b> |   |

Source: Nam Kim Steel, KB Securities Vietnam

### KBSV estimated 2024 steel consumption at NKG at 1.03 million tons (+20% YoY)

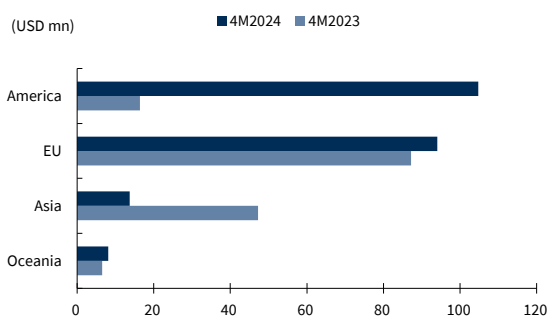
1Q sales of NKG hit VND5,291 billion (+19% QoQ, 21% YoY) with consumption reaching 254,503 tons (+15% QoQ, +31% YoY), gradually rebounding to the peak in the 2021–2022 period. Export volume was 172,703 tons (+38% QoQ, +65% YoY), earning VND3,710 billion in revenue (+40% QoQ, +75% YoY). Some of NKG's main export markets include the US, Mexico, and the EU. According to management, sales volume in 2Q24 could increase by 10% QoQ. KBSV expected 2024 consumption output of the steel maker to reach 1.03 million tons (103% of the year's plan), of which revenue from export channels will still contribute a large proportion of total revenue thanks to the large price gap between the US and EU markets (Figure 5). Besides, we believe that domestic consumption will also continue its recovery trend in the coming time when construction and production of machinery, electronic equipment, and home appliance increase (Figure 6).

Fig 3. NKG – Export volume and revenue contribution (ton, %)



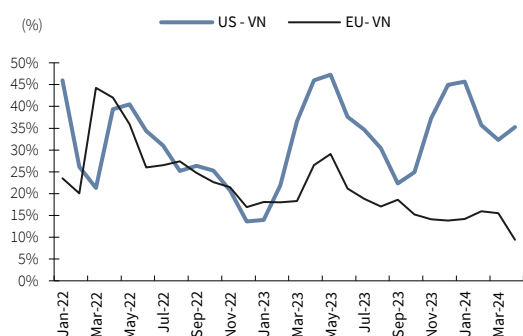
Source: KB Securities Vietnam

Fig 4. NKG – 4M24 export sales to foreign markets (USDmn)



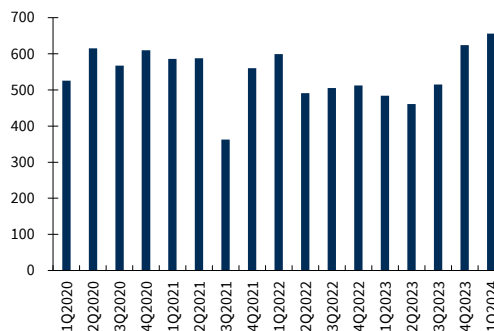
Source: Bloomberg, KB Securities Vietnam

Fig 5. NKG – HRC price difference between the US-EU and Vietnam (%)



Source: KB Securities Vietnam

Fig 6. NKG – Domestic consumption of galvanized steel (thousand tons)

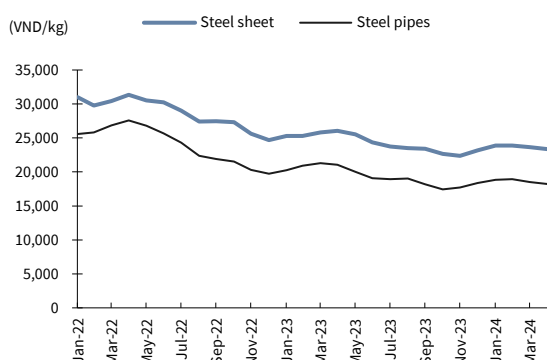


Source: Vietnam Steel Association, FinPro, KB Securities Vietnam

**Steel prices increase again when entering a new cycle**

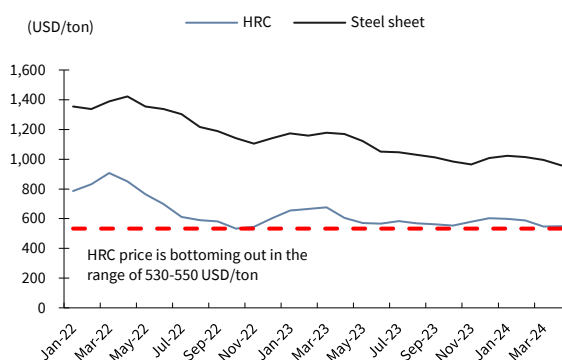
1Q GPM rose 757bps YoY, reflecting (1) a recovery from a low base after high-priced inventory was handled in 2023 and (2) a strong improvement in operating capacity compared to 1Q last year (79% vs 62%). We believe that the steel industry is entering a new cycle, and steel prices will rebound from 2H24 thanks to (1) higher domestic prices with rebounding consumption and (2) recovering China real estate market, boosting prices for the global steel market in the period 2024–2026. KBSV projected GPM of NKG would be 8.7% and 8.5% for 2024 and 2025 respectively.

Fig 7. NKG – Galvanized steel and steel pipes prices – VAT included (VND/kg)



Source: KB Securities Vietnam

Fig 8. NKG – HRC prices vs input costs (USD/kg)



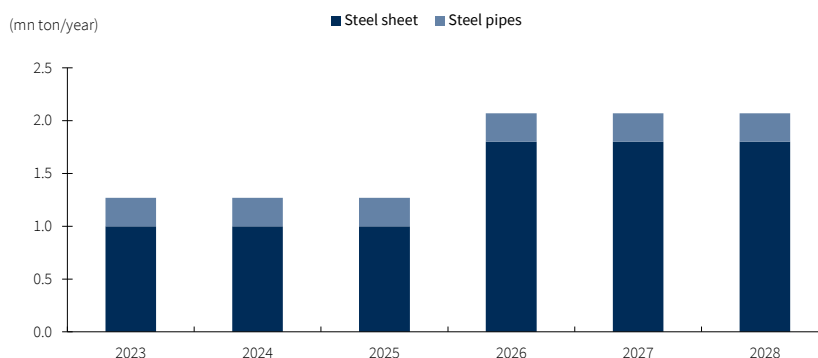
Source: Bloomberg, KB Securities Vietnam

**Nam Kim Phu My should start production from 1Q26**

According to the management, Nam Kim Phu My Steel Mill should begin construction from April 2024 and start production from 1Q26. The project has a designed capacity of 800,000 tons/year and should help increase NKG's total capacity to 2,000,000 tons/year (+67% compared to current) when it operates at its full capacity. The steelworks will focus on making high quality products to participate in new fields such as industry, automobiles and household appliances (which have higher prices and help to improve GPM for NKG).

Investment capital for the project is VND4,500 billion, and the debt-to-equity ratio is 70 – 30., NKG has paid VND500 billion on site clearance and application for a construction permit. To raise capital for the steel mill, NKG plans to issue 131 million shares (50% of the outstanding) to existing shareholders for VND12,000/share or 2,500,000 ESOP shares for par value of VND10,000/share. Both above options are expected to be implemented in 2024–2025. Once completed, it would mobilize VND1,605 billion (equivalent to 36% of investment capital for Nam Kim Phu My).

Fig 9. NKG – Designed capacity (million tons/year)



Source: Nam Kim Steel, KB Securities Vietnam

## Forecast & valuation

Table 10. NKG – 2024–2025F business results

| (VNDbn, %)                 | FY2023        | FY2024        | +/-%YoY     | FY2025        | +/-%YoY    | Notes   |
|----------------------------|---------------|---------------|-------------|---------------|------------|---|
| <b>Revenue</b>             | <b>18,596</b> | <b>22,340</b> | <b>20%</b>  | <b>24,200</b> | <b>8%</b>  | Revenue in 2024 should grow 20% thanks to (1) export volume remaining high, supported by price differences between markets and (2) recovering domestic consumption. |
| COGS                       | -17,484       | -20,402       | 17%         | -22,143       | 9%         |   |
| <b>Gross profit</b>        | <b>1,112</b>  | <b>1,937</b>  | <b>74%</b>  | <b>2,057</b>  | <b>6%</b>  |   |
| <i>Gross profit margin</i> | 6%            | 9%            | 269bps      | 9%            | -17bps     | GPM may gain 269bps in 2024 after high-priced inventory has been handled in 2023. It is expected that steel prices will enter a new increasing cycle from 2H24.     |
| Deposits                   | 19            | 20            | 8%          | 17            | -14%       |   |
| Interest expenses          | -293          | -296          | 1%          | -367          | 24%        |   |
| FX gain/loss, others       | 77            | 41            | -47%        | 50            | 23%        |   |
| Profits from affiliates    | 0             | 0             |             | 0             |            |   |
| <b>SG&amp;A</b>            | <b>-739</b>   | <b>-1,206</b> | <b>63%</b>  | <b>-1,210</b> | <b>0%</b>  | SG&A should surge as the recovery in consumption causes transportation costs to climb.  |
| Operating profit/loss      | 177           | 496           | 180%        | 547           | 10%        |   |
| <b>Other income</b>        | <b>0</b>      | <b>0</b>      |             | <b>0</b>      |            |   |
| PBT                        | 177           | 497           | 180%        | 547           | 10%        |   |
| <i>PBT margin</i>          | 1%            | 2%            | 127bps      | 2%            | 4bps       |   |
| <b>CIT expenses</b>        | <b>-60</b>    | <b>-84</b>    | <b>40%</b>  | <b>-82</b>    | <b>-2%</b> |   |
| NPAT                       | 117           | 413           | 251%        | 465           | 13%        |   |
| <i>NPAT margin</i>         | 1%            | 2%            | 122bps      | 2%            | 8bps       |   |
| <b>NP after MI</b>         | <b>117</b>    | <b>413</b>    | <b>251%</b> | <b>465</b>    | <b>13%</b> |   |

Source: Nam Kim Steel, KB Securities Vietnam

### Valuation: BUY rating with target price VND31,000/share

NKG stock price has increased by 6% YTD. At times, it rose nearly 20% after the market correction in April, reflecting the prosperous 1Q24 business results and expectations about a strong bounce-back this year. We expect the upward trend of steel prices will support continued improvement in the performance of the company. Besides, NKG's long-term prospects are also strengthened when Nam Kim Phu My Steel Mill goes into operation from 1Q26. We determine the target price of NKG to be VND31,000/share, corresponding to EV/EBITDA and P/B forward valuations of 7.1x and 1.2x, respectively, with an expected return of 24% compared to the closing price on May 28, 2024.

Table 11. NKG – FCF estimates

|                | 2024   | 2025   | 2026   | 2027  | 2028  |
|----------------|--------|--------|--------|-------|-------|
| EBIT           | 732    | 847    | 1,210  | 1,391 | 1,471 |
| D&A            | 396    | 422    | 454    | 460   | 465   |
| Changes in NWC | -609   | -661   | -755   | -535  | -682  |
| CAPEX          | -1,589 | -1,640 | -2,076 | -274  | -290  |
| UFCF           | -1,070 | -1,031 | -1,167 | 1,042 | 964   |

Source: KB Securities Vietnam

Table 12. NKG – DCF valuation

|                                     | Unit             | Value         |
|-------------------------------------|------------------|---------------|
| Beta                                | x                | 1.8           |
| Risk-free rate                      | %                | 4.70%         |
| Risk premium                        | %                | 7.60%         |
| WACC                                | %                | 14%           |
| EV                                  | VNbn             | 2,670         |
| Cash and short-term investments     | VNDbn            | 777           |
| Short-term and long-term borrowings | VNDbn            | 5,451         |
| Equity value                        | VNDbn            | 7,344         |
| Number of shares                    | Million          | 263           |
| <b>Target price</b>                 | <b>VND/share</b> | <b>27,900</b> |

Source: KB Securities Vietnam

Table 13. NKG – EV/EBITDA valuation (x)

|                     | Unit             | Value         |
|---------------------|------------------|---------------|
| EBITDA              | VNDbn            | 1,228         |
| Target EV/EBITDA    | x                | 8             |
| EV                  | VNDbn            | 9,024         |
| Number of shares    | Million          | 263           |
| <b>Target price</b> | <b>VND/share</b> | <b>34,275</b> |

Source: KB Securities Vietnam

Table 14. NKG – Final valuation &amp; target price (VND)

| Method              | Valuation | Weight | Target price     |
|---------------------|-----------|--------|------------------|
| FCFF                | VND27,900 | 50%    | VND13,950        |
| EV/EBITDA           | VND34,275 | 50%    | VND17,150        |
| <b>Target price</b> |           |        | <b>VND31,000</b> |

Source: KB Securities Vietnam

## NKG – 2022A–2025F financials

| Income Statement                        |         |         |         |         |  |
|---|---------|---------|---------|---------|--|
| (bn. VND)                               |         |         |         |         |  |
| (Standard Report)                       | 2021    | 2022    | 2023F   | 2024F   |  |
| Net Revenue                             | 23,071  | 18,596  | 22,340  | 24,200  |  |
| Cost of Goods Sold                      | -21,529 | -17,484 | -20,402 | -22,143 |  |
| Gross Profit                            | 1,542   | 1,112   | 1,937   | 2,057   |  |
| Financial income                        | 29      | 19      | 20      | 17      |  |
| Financial Expenditure                   | -262    | -293    | -296    | -367    |  |
| Including: Cost of Borrowing            | 33      | 77      | 41      | 50      |  |
| Profit/(loss) from affiliated companies | 0       | 0       | 0       | 0       |  |
| SG&A                                    | -1,388  | -739    | -1,206  | -1,210  |  |
| Profit/(loss) from operating            | -46     | 177     | 496     | 547     |  |
| Net Other Income                        | 0       | 0       | 0       | 0       |  |
| Profit/(loss) from affiliated companies | 0       | 0       | 0       | 0       |  |
| Profit/(loss) before tax                | -46     | 177     | 497     | 547     |  |
| Tax                                     | -21     | -60     | -84     | -82     |  |
| Profit/(loss) after tax                 | -67     | 117     | 413     | 465     |  |
| Minority Interest                       | 0       | 0       | 0       | 0       |  |
| NPATMI                                  | -67     | 117     | 413     | 465     |  |

| Operating Ratios        |       |      |       |       |  |
|-------------------------|-------|------|-------|-------|--|
|                         | 2021  | 2022 | 2023F | 2024F |  |
| Gross Profit Margin     | 6.7%  | 6.0% | 8.7%  | 0.0%  |  |
| EBITDA Margin           | 1.3%  | 2.6% | 3.8%  | 0.0%  |  |
| EBIT Margin             | -0.3% | 0.5% | 2.0%  | 0.0%  |  |
| PBT Margin              | -0.2% | 1.0% | 2.2%  | 0.0%  |  |
| Operating Profit Margin | -0.2% | 1.0% | 2.2%  | 0.0%  |  |
| Net Profit Margin       | -0.3% | 0.6% | 1.8%  | 0.0%  |  |

| Cash Flow Statement   |         |         |        |        |  |
|---|---------|---------|--------|--------|--|
| (Standard Report)   |         |         |        |        |  |
|   | 2022    | 2023F   | 2024F  | 2024F  |  |
| PBT   | -46     | 177     | 497    | 547    |  |
| Depreciation  | 377     | 376     | 396    | 422    |  |
| Profit/(loss) from investing                                  | -28     | -19     | 0      | 0      |  |
| Cost of borrowing   | 262     | 293     | 296    | 367    |  |
| Profit/(loss) before changes in WC                            | 436     | 622     | 1,189  | 1,337  |  |
| (increase)/decrease in receivables                            | 547     | -469    | -847   | -528   |  |
| (increase)/decrease in inventory                              | 1,350   | 1,488   | -1,314 | -1,206 |  |
| Increase/(decrease) in payables                               | -2,744  | -1,048  | 1,552  | 1,073  |  |
| (increase)/decrease in pre-paid expenses                      | -22     | -11     | 0      | 0      |  |
| Sellable securities, cost of borrowing, tax                   | -395    | -304    | -488   | -499   |  |
| Operating Cash Flow   | -827    | 278     | 91     | 177    |  |
| Purchases of fixed assets and other long term assets          | -210    | -130    | -1,589 | -1,640 |  |
| Proceeds from disposal of fixed assets                        | 13      | 0       | 0      | 0      |  |
| Loans granted, purchases of debt instruments                  | -87     | -48     | 0      | 0      |  |
| Collection of loans, proceeds from sales of debts instruments | 295     | 10      | 58     | 0      |  |
| Investments in other entities                                 | 0       | 0       | 0      | 0      |  |
| Proceeds from divestment in other entities                    | 0       | 0       | 0      | 0      |  |
| Dividends and interest received                               | 23      | 18      | 0      | 0      |  |
| Investing Cash Flow   | 33      | -151    | -1,531 | -1,640 |  |
| Proceeds from issue of shares                                 | 10      | 0       | 1,868  | 0      |  |
| Payments for share returns and repurchases                    | 0       | 0       | 0      | 0      |  |
| Proceeds from borrowings                                      | 19,311  | 18,152  | 1,177  | 809    |  |
| Repayment of borrowings                                       | -18,041 | -18,465 | 0      | 0      |  |
| Finance lease principal payments                              | -9      | -34     | 0      | 0      |  |
| Dividends paid  | -222    | 0       | -263   | 0      |  |
| Interests, dividends, profits received                        | 0       | 0       | 0      | 0      |  |
| Financing Cash Flow   | 1,048   | -347    | 2,782  | 809    |  |
| Net increase in cash and cash equivalents                     | 254     | -220    | 1,342  | -654   |  |
| Cash and cash equivalents at the beginning of period          | 751     | 1,005   | 785    | 2,128  |  |
| Cash and cash equivalents at the end of period                | 1,005   | 785     | 2,128  | 1,473  |  |

Source: Nam Kim Steel, KB Securities Vietnam

| Balance Sheet                            |        |        |        |        |  |
|--|--------|--------|--------|--------|--|
| (bn. VND)                                |        |        |        |        |  |
| (Standard Report)                        | 2021   | 2022   | 2023F  | 2024F  |  |
| TOTAL ASSET                              | 13,522 | 12,235 | 16,746 | 18,683 |  |
| CURRENT ASSETS                           | 10,476 | 9,429  | 13,097 | 14,176 |  |
| Cash and cash equivalents                | 1,005  | 785    | 2,128  | 1,473  |  |
| Short-term investments                   | 252    | 290    | 217    | 217    |  |
| Accounts receivable                      | 1,517  | 2,033  | 2,882  | 3,410  |  |
| Inventories                              | 7,061  | 5,719  | 7,033  | 8,239  |  |
| LONG-TERM ASSETS                         | 3,046  | 2,807  | 3,649  | 4,507  |  |
| Long-term trade receivables              | 2      | 2      | 0      | 0      |  |
| Fixed assets                             | 2,588  | 2,359  | 1,958  | 1,532  |  |
| Long-term incomplete assets              | 220    | 204    | 1,437  | 2,721  |  |
| Long-term investments                    | 8      | 3      | 18     | 18     |  |
| Good will (before 2015)                  | 0      | 0      | 0      | 0      |  |
| TOTAL LIABILITIES                        | 8,144  | 6,812  | 9,666  | 11,498 |  |
| Current liabilities                      | 8,109  | 6,784  | 9,077  | 10,629 |  |
| Trade accounts payable                   | 2,544  | 1,631  | 3,183  | 4,257  |  |
| Short-term borrowings                    | 5,111  | 4,768  | 5,385  | 5,914  |  |
| Other short-term liabilities             | 453    | 385    | 509    | 459    |  |
| Long-term liabilities                    | 35     | 28     | 588    | 868    |  |
| Long-term trade payables                 | 0      | 0      | 0      | 0      |  |
| Other long-term liabilities              | 3      | 0      | 560    | 840    |  |
| Long-term borrowings                     | 32     | 28     | 28     | 28     |  |
| OWNER'S EQUITY                           | 5,378  | 5,423  | 7,080  | 7,186  |  |
| Paid-in capital                          | 2,633  | 2,633  | 4,501  | 4,501  |  |
| Share premium                            | 786    | 786    | 786    | 786    |  |
| Other funds                              | 273    | 273    | 10     | 10     |  |
| Undistributed earnings                   | 1,686  | 1,731  | 1,784  | 1,889  |  |
| State capital                            | 0      | 0      | 0      | 0      |  |
| Interest of non-controlling shareholders | 0      | 0      | 0      | 0      |  |

| Main Ratios                         |       |       |       |       |  |
|-------------------------------------|-------|-------|-------|-------|--|
| (x, %, VND)                         |       |       |       |       |  |
|                                     | 2022  | 2023F | 2024F | 2024F |  |
| Valuation Ratios                    |       |       |       |       |  |
| P/E                                 | -48.3 | 56.2  | 27.3  | 24.2  |  |
| P/E (diluted)                       | -48.3 | 56.2  | 27.3  | 24.2  |  |
| P/B                                 | 0.6   | 1.3   | 1.7   | 1.6   |  |
| P/S                                 | 0.0   | 0.0   | 0.0   | 0.0   |  |
| P/Tangible Book                     | 1.4   | 3.3   | 7.0   | 9.4   |  |
| P/Cash Flow                         | -3.9  | 23.7  | 123.3 | 63.7  |  |
| EV/EBITDA                           | 13.8  | 14.1  | 13.4  | 13.0  |  |
| EV/EBIT                             | 47.5  | 28.2  | 20.6  | 19.5  |  |
| Management Efficiency               |       |       |       |       |  |
| ROE%                                | -1%   | 2%    | 7%    | 7%    |  |
| ROA%                                | 0%    | 1%    | 3%    | 3%    |  |
| ROIC%                               | -1%   | 1%    | 4%    | 3%    |  |
| Financial Ratios                    |       |       |       |       |  |
| Cash Ratio                          | 0.1   | 0.1   | 0.2   | 0.1   |  |
| Quick Ratio                         | 0.3   | 0.5   | 0.6   | 0.5   |  |
| Current Ratio                       | 1.3   | 1.4   | 1.4   | 1.3   |  |
| Long-term borrowing/Owner's Equity  | 0.0   | 0.0   | 0.1   | 0.1   |  |
| Long-term borrowing/Total Asset     | 0.0   | 0.0   | 0.0   | 0.0   |  |
| Short-term borrowing/Owner's Equity | 1.0   | 0.9   | 0.8   | 0.8   |  |
| Short-term borrowing/Total Asset    | 0.4   | 0.4   | 0.3   | 0.3   |  |
| Short-term payables/Owner's Equity  | 0.6   | 0.4   | 0.5   | 0.7   |  |
| Short-term payables/Total Asset     | 0.2   | 0.2   | 0.2   | 0.3   |  |
| Total payables/Owner's Equity       | 0.6   | 0.4   | 0.5   | 0.7   |  |
| Total payables/Total Asset          | 0.2   | 0.2   | 0.2   | 0.3   |  |
| Operating Ratios                    |       |       |       |       |  |
| Receivables turnover                | 13.5  | 10.5  | 9.1   | 7.7   |  |
| Inventory turnover                  | 2.8   | 2.7   | 3.2   | 2.9   |  |
| Payables turnover                   | 4.7   | 9.8   | 8.5   | 6.0   |  |



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## Investment ratings & definitions

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### Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

|              |              |              |
|--------------|--------------|--------------|
| Buy:         | Neutral:     | Sell:        |
| +15% or more | +15% to -15% | -15% or more |

### Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

|                       |                                 |                         |
|-----------------------|---------------------------------|-------------------------|
| Positive:             | Neutral:                        | Negative:               |
| Outperform the market | Perform in line with the market | Underperform the market |

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