

VIETNAM NATIONAL PETROLEUM GROUP (PLX)

Current Price VND46,900	Target price N/A	Proposed dividend ratio 32.24%	Recommendation Not Rated	Sector OIL & GAS
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Outlook – Short term



Outlook – Long term



Valuation



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On 21 April 2017, more than 1.2bn shares of PLX were officially listed on the Ho Chi Minh Stock Exchange (HOSE). The IPO price of VND43,200 translates into market capitalisation of VND55,896bn, making PLX one of the top 10 largest companies on the Vietnamese stock market.

Vietnam National Petroleum Group (Petrolimex or PLX) is a leading petroleum company in Vietnam, with nearly 50% local retail market share in 2016 and a network of more than 5,200 sales points across the country.

The company registered strong net profit growth in 2016 but this will be difficult to sustain in the future, in our view, as it was driven by exceptional factors. 2016 revenue was VND123.13tr (-16% yoy) and EBIT was VND6.3tr (+ 68% yoy), PLX's highest EBIT level since tax benefit-sharing was implemented in 2016 due to oil recovery and reduced financial expenses.

On 3 Jan 2017, the Ministry of Finance issued official letter 37/BTC to lower the import tax rate from 16% to 10.56% (for the formation of base price). This would prevent a repeat of the 2016 incident of 6% arbitrage on South Korean imports.

Rising competition is putting pressure on PLX. Decree 83/2014 creates favourable conditions for many companies to participate in the Vietnam petroleum market. This has caused PLX face fierce competition in the form of price discounting to agents.

PLX is affected by fluctuations in crude oil prices and exchange rates. The market mechanism effected by Decree 83/2014/ND exposes Vietnam's petrol prices to global prices and fluctuations in the global crude oil market will directly affect PLX's earnings. PLX faces high exchange rate risk as 70% of its inputs are imported from oversea.

PLX's FY16 dividend ratio is planned at 32.24%. Currently, PLX trades at FY16 P/E of 11.9x and projected FY17 P/E of 20x.

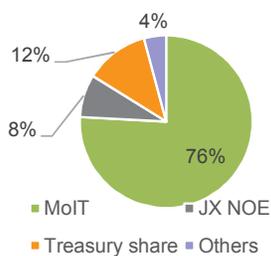
Foreign ownership of PLX stood at 8% at end-FY16. The State Securities Commission (SSC) has approved PLX foreign ownership of 20%.



Key statistics

Avg. 3 mths volume	n/a
Capitalization (Unit:VND bn)	55,896
Listed shares (m)	1,294
Outstanding shares (m)	1,139
Free float (%)	4

Ownership



Source: PLX

Financial summary (VND)	12-14A	12-15A	12-16A	12-17E
Revenue (bn)	206,781	146,916	123,098	165,250
Revenue growth	6%	(29%)	(16%)	34%
Gross margin	3%	9%	11%	8%
Operating EBITDA (bn)	1,917	6,756	7,423	5,021
Net profit (bn)	(365)	2,724	4,665	3,030
Net profit growth	(127%)		71%	(35%)
EPS	(341)	2,546	3,947	2,342
BVPS	10,551	12,525	15,455	17,797
ROAE	(3%)	22%	28%	14%

Source: VNDIRECT

Figure 1: Petrolimex logo



Source: PLX

COMPANY PROFILE

Vietnam National Petroleum Group (PLX) was established in 1957 by the Vietnam Ministry of Trade. PLX has always been a state-owned company with more than 50% Vietnam petroleum market share. PLX is focused on expanding its petrochemicals, as well as associated products such as insurance, gas, transportation and jet fuel.

Following the Prime Minister’s Decision No.828/QĐ-TTg on 31 May 2011, PLX began corporate restructuring to transform from a corporation to a group.

PLX held its first share auction in July 2011 and officially became a public company in August 2012.

Currently, PLX has 41 subsidiaries and 34 branches that are 100% owned by PLX. It is also a major shareholder (>51%) of 27 joint stock companies.

At end-2015, PLX appointed JX Nippon Oil and Energy (JX NOE), the Japan petroleum market leader in terms of market share, as a strategic partner. PLX sold 103.5m shares (8% of share capital) to JX Nippon, reducing state ownership in PLX from 83.87% to 75.87%.

Figure 2: PLX corporate structure



Source: PLX

In recent years, many subsidiaries of PLX group have been listed on Vietnam stock exchanges, including PLC (on the Hanoi Stock Exchange, HNX), PGC (HOSE), PGI (HOSE), PTS (HNX), VIP (HOSE), VTO (HOSE). PLX shares started trading on the HOSE on 21 April 2017 at initial price of VND43,200.

BUSINESS ACTIVITIES

PLX's largest revenue contributor is the petroleum trading segment, which accounted for 72.3% of FY15. PLX is also involved in other business activities, including petrochemical, transportation, gas and insurance.

Figure 3: Business divisions of PLX



Source: VNDIRECT

Petroleum division

PLX has always been a Vietnam petroleum market leader, with over 50% market share and the largest petroleum distributor in the country. PLX has storage capacity of 2.2m m³ for petroleum products and total pipeline of 570km. PLX is the only petrol distributor that has a bonded warehouse capable of docking ships with capacity of up to 150,000 dwt.

In 2016, PLX's sales volume reached 8m tonnes of petroleum products (+6% yoy), of which 30% came from Dung Quat, a domestic oil refinery plant. The other 70% of PLX's sales volume was imported mainly from Singapore, Malaysia, South Korea and China.

Distribution channels of PLX

PLX operates more 5,200 petrol stations, accounting for 37% of all petrol stations in the country.

Of PLX's total 5,200 petrol stations, 2,400 petrol stations are directly run by PLX (PPS) and the remaining 2,800 are run by agents (APS). The gross margin, size, volume and the number of petrol station growth rate differ between the two channels.

Gross margin: PPS generate much higher gross margins than APS. With PPS, PLX optimises profit because it sells to end-users. PPS

deliver average gross profit of VND700-1,400 per litre but APS only generates VND100-200 per litre.

Figure 4: Distribution channels in Vietnam



Notes: Discounted price is applied on the petro retail price from time to time
 Source: VNDIRECT, Decree 83/2014

Capital turnover: APS has faster capital turnover than PPS. Given its price adjustment cycle of 15 days, PLX could sell in bulk to reduce the downside risk from fluctuations in oil price.

Figure 5: Implication of Decree 84/2014

Instead of being fixed with an importer/producer like wholesalers and agent, a distributor could purchase from many different clusters so that they are more flexible on input prices and able to be more competitive.

Source: VNDIRECT, Decree 84/2014

Rate of new petrol station openings: The growth rate for PLX's APS network is much faster than for PPS. For PPS, PLX must submit paperwork to at least five ministries, departments and agencies to obtain the necessary licences and incurs huge investment for the facilities. In 2012-2016, PLX opened an average 50 PPS per year, which translates into CAGR of 2%. For APS, the entire cost of investment and business licences is borne by the agent owner. In 2012-2016, PLX opened an average 150 APS per year, which is equivalent to CAGR of 5.3%.

Figure 6: Sales volume of PLX

Content	2014	2015	2016
Sales volume (Unit: tonnes)	7,010,877	7,881,449	8,344,901
Retailers	4,101,633	4,535,440	4,832,495
Agents	1,929,942	2,360,029	2,621,099
Wholesales	979,302	985,980	891,307
Number of petro stations	4,600	4,952	5,200
Retailers	2,300	2,352	2,400
Agents	2,300	2,600	2,800
Volume/Retailers (Unit: tonnes per pps)	1,783	1,928	2,014
Volume/Agents (Unit: tonnes per aps)	839	908	936

Source: VNDIRECT, PLX

Intense industry competition

The significant increase in the number of new entrants to the Vietnam petroleum market has significantly reduced PLX's market share over the past few years. The number of petrol importers/producers in Vietnam was 12 prior to 2014 but has risen to

29 currently. In addition, Decree 83/2014 increased the number of petrol distributors in Vietnam, creating more middlemen and negatively affecting PLX's market share. This is the reason that PLX's market share declined from over 70% to 50% in 10 years.

Figure 7: Leading companies in the Vietnam petroleum industry

Content	PLX	PVOil	Thanh Le	Saigon Petro	Mipec
Market share	48%-50%	14%	8%	7%	5%
Capability (Unit: cubic meter)	2,200,000	1,000,000	36,000	n/a	265,400
Sales volume (Unit: thousand tonnes)	8,000	3,228	1,000	n/a	n/a
Number of retailers	2,400	500	900	1,000	666
Number of agents	2,800	3,000			
Present	All over the country	All over the country	Strong at the South of Vietnam	Strong at the South of Vietnam	Strong at the South of Vietnam

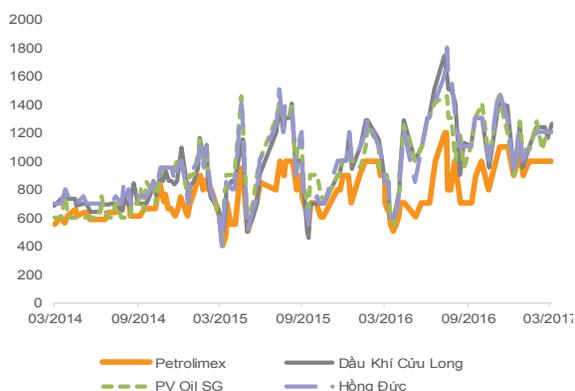
Source: VNDIRECT

The competing new petrol stations are mainly located in suburban areas, on new national highways and inter-provincial roads. In the past, planning the locations of new petrol stations was the responsibility of the Ministry of Industry and Trade (MoIT). However, the MoIT's purview has changed significantly in recent years and it now focuses on planning important national highways. All other plans (including those for petrol stations) are now handled by the Department of Industry and Commerce of the respective provinces. As a result, new petrol stations are being set up by provincial enterprises and PLX will no longer enjoy the monopoly it did before.

PLX's competitors have gained market share significantly in recent years. Large companies like PetroVietNam Oil Corp (PVOil) and Thanh Le General Import-Trading Corporation (Thanh Le) are strong competitors to PLX, as they expand through M&A and increasing number of agents. PetroVietnam Trading Company (Petechim) and PetroVietnam Oil Processing and Distribution Company (PDC) were merged into PVOil in 2011. Since then, PVOil has expanded rapidly across the country to 3,500 petrol stations in 2016 by purchasing many stations and aggressively recruiting agents. Other competitors such as Thanh Le, Saigon Petro and Military Petroleum Corporation (MIPEC) have established strong market positions in South Vietnam.

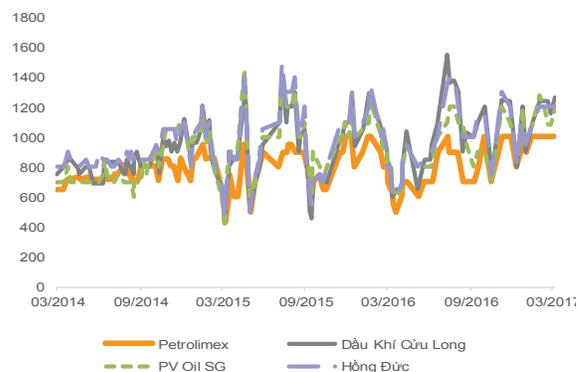
Rising pressure on selling price of PLX: Based on our collected data of discounted price on retailing price from importer/producer to wholesaler/distributors, PLX's discounted price of both petrol and

Figure 8: Discounted price for fuel



Source: VNDIRECT, Petro importers

Figure 9: Discounted price for diesel



Source: VNDIRECT, Petro importers

diesel are VND100-500 per litre lower than its competitors. According to information from petrol retailers, PLX offers higher selling price and has inflexible sales policies compared to its rivals. The biggest advantage of PLX's sales policy is that it allows customers to defer

payment for up to 30 days. However, PLX could face a greater risk with this policy as it may lead to more bad debts.

Petrochemical division

This division is PLX’s third-largest revenue contributor and second-largest operating profit contributor. According to PLX’s consolidated financial statements for FY15, this segment contributed more than VND5,671bn revenue and over VND800bn operating profit (of which VND536bn came from a subsidiary and VND300bn from an associate company).

Figure 10: Companies in PLX’s petrochemical division



Notes: Percentage is the ownership of PLX
Source: VNDIRECT, PLX

Petrolimex Petrochemical Corporation (PLC) - Charter capital of VND800bn

PLC trades petrochemical products, including asphalt, lubricant and chemicals.

The main market for PLC’s products is Vietnam, with its main customers comprising industrial, transportation and transport infrastructure companies. As a result, the government’s macroeconomic policies would directly affect the company’s revenue and profit.

PLC’s total asphalt capacity is 27,600 tonnes in 2015 and its facilities are located in big cities that have high demand for developing infrastructure.

Figure 11: Asphalt capacity of PLC in 2015

Warehouse	Facilities	Storage capacity (Unit: tonnes)	Location	Market
Thuong Ly		6,500	Hai Phong	Domestic
Cua Lo	01 polymer asphalt line	2,500	Nghe An	Domestic
Tho Quang	03 cutback asphalt line, polymer and asphalt emulsion	6,500	Da Nang	Domestic, South of Laos
Nha Be	03 cutback asphalt line, polymer and asphalt emulsion	6,900	Ho Chi Minh	Domestic, Campuchia
Quy Nhon		2,500	Quy Nhon	Domestic
Tra Noc		2,700	Can Tho	Domestic

Source: VNDIRECT, PLC

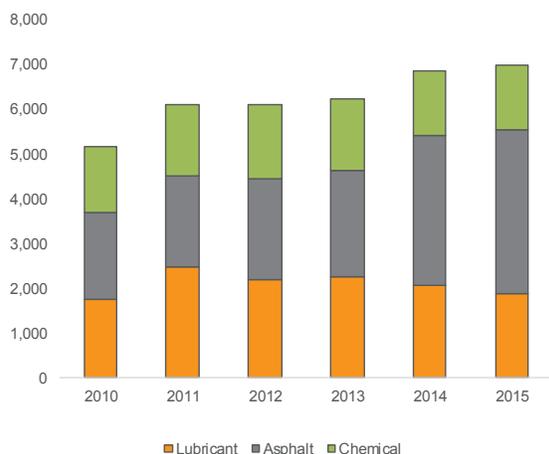
In 2015, PLC contributed more than VND5,600bn revenue and VND536bn operating profit to PLX. Sales volume in 2016 reached 412,000 metric tonnes, mainly comprising engine lubricant, bitumen and chemical products.

PLC’s asphalt sales increased dramatically over the past few years to account for more than 53% of total revenue in FY15. PLC’s market share has been firmly anchored at 40% in 2015. In our view, the key drivers of this sector are the government’s aggressive infrastructure investment policy in recent years (including construction of the Hanoi-Hai Phong freeway, Phap Van-Cau Gie freeway, BOT 10 and BOT Phu Tho). These projects were implemented as build-operate-

transfer (BOT), build-transfer (BT) and public-private partnerships (PPP). Therefore, both the contractors and investors want to accelerate construction and shorten disbursement time in order to complete the projects rapidly.

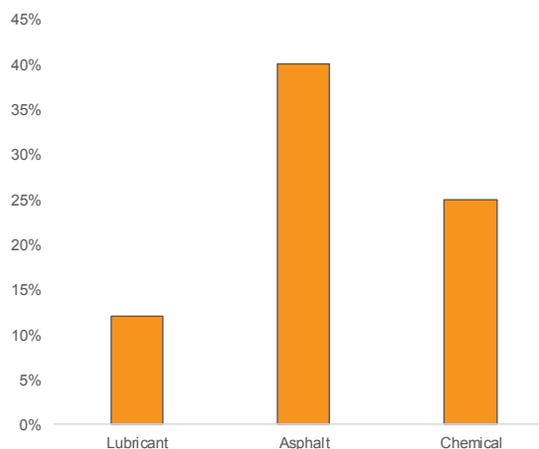
In contrast to the asphalt business, PLC’s engine lubricant business faces fierce competition from foreign brands. The sales volume of motorcycles in Vietnam has slowed in recent years, which does not bode well for engine lubricant sales. PLC’s current annual lubricant capacity is 50,000 metric tonnes.

Figure 12: Revenue breakdown, by product (2010-2015, VND bn)



Source: PLC

Figure 13: PLC Vietnam market share, by product (2015)



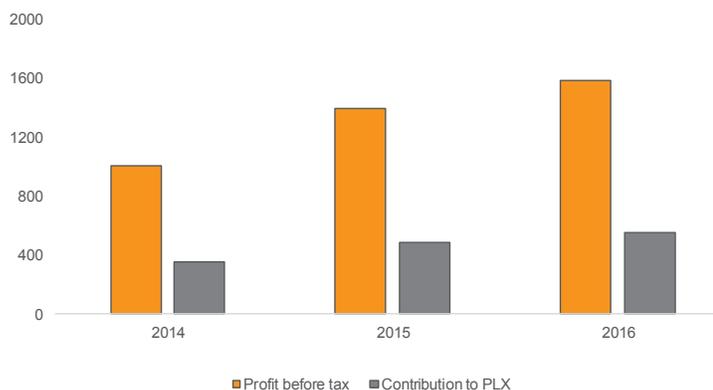
Source: PLC

Castrol BP-Petco Ltd – Chartered capital of VND500bn

Castro BP-Petco Ltd (BP-Petco) is a joint venture between BP Oil from the UK and PLX that was established in 1992.

The company’s main business is the manufacturing and trading of lubricants under two globally-renowned brands – Castrol (lubricants) and BP (lubricant grease). The company focuses on serving the domestic market.

Figure 14: Revenue of BP-Petco (VND bn)



Source: VNDIRECT, PLX

Currently, BP-Petco is the lubricant market leader in Vietnam with over 22% market share. This lubricant business is in direct

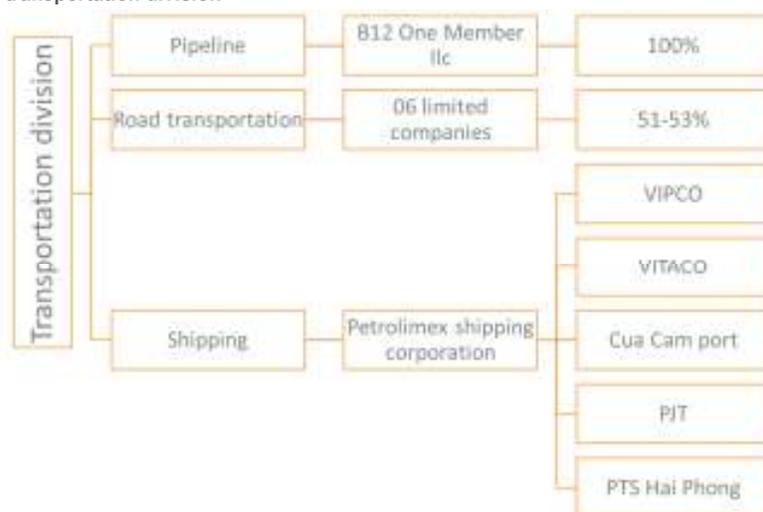
competition with PLC, as Castrol has a strong presence in the engine lubricant market for the most popular motorcycles in the country.

BP-Petco has total plant capacity of over 50,000 metric tonnes per year and it contributes VND350bn-500bn annual revenue to PLX group.

Transportation division

This division is PLX's second-largest revenue contributor and the third-largest operating profit contributor. According to PLX's consolidated financial statements for FY15, the transportation division contributed more than VND2.22tr revenue and VND439bn operating profit. This business segment is divided into three groups, with different ownership structures (as illustrated in Figure 15).

Figure 15: Structure of transportation division



Source: VNDIRECT, PLX

Petrolimex Shipping Corporation (PGT)

PGT is a shipping company that caters to the needs of the Group's petroleum imports as well as domestic logistics.

Annually, PGT transports over 12 million m³ of gasoline of all kinds, of which the volume of ocean freight is over 8 million m³, with the remainder carried via river and coastal river. Rotational output reached over 20 million m³ per year.

Figure 16 Vân Phong 01 vessel – 105.636 DWT



Source: PLX

Figure 17 Petroleum depot B12 – Capacity 340.000 m³



Source: PLX

PGT has 21 vessels with a total deadweight of over 487 thousand DWT, including 12 ocean vessels and 9 river and coastal vessels.

Currently, this is the largest petroleum vessel fleet in Vietnam. Van Phong 01 has a deadweight of over 105,000 DWT, which is also the largest vessel in Vietnam.

Every year, PGT contributes VND3,000bn in revenue and VND250bn in profit before tax to the Group.

Petroleum B12 one-member llc

As the focal point of the Group, B12 is currently managing and exploiting facilities including: (1) 40,000 DWT and 5,000 DWT berths with the capacity of 5 million m³ per year, (2) 5 petroleum depots with the capacity of 340,000 m³, connected with nearly 570 km of pipeline through the 6 provinces of Quang Ninh, Hai Phong, Hai Duong, Hung Yen, Thanh Hoa and Hanoi.

According to Chairman Bui Ngoc Bao, the Nghi Son refinery is located at the end of a 570km petroleum pipeline. When the Nghi Son plant comes into operation, PLX will negotiate for a distribution channel. If it is successful, PLX could fully utilize the pipeline for distribution to the northern provinces and save on transportation costs. However, PLX currently has not signed any contracts with Nghi Son refinery.

Gas division

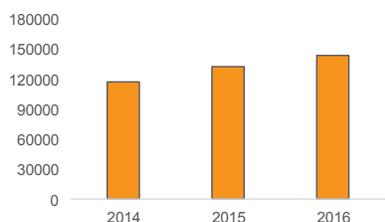
This division is ranked as the 5th biggest in terms of revenue and the 4th biggest in terms of operating profit within the Group. In the consolidated financial statements for FY2015, revenue of this division reached VND2,003bn and operating profit was more VND106bn. In this gas segment, PLX has only one subsidiary, Petrolimex Gas Corporation, in which it has a stake of 52.37%.

Petrolimex Gas Corporation (PGC) - Chartered capital: VND603bn

90% PGC's revenue comes for the sale of LPG. In 2015, PGC accounted for 10% of the LPG market share. PGC operates nationwide with a network of wholly-owned subsidiaries and affiliates. PGC also supplies the equipment and accessories used for LPG, such as gas cylinders, valves and gas tanks.

In recent years, the industrial sector has seen positive signs from FDI inflows to Vietnam, where the demand for LPG has also increased. The company has also signed large contracts to supply gas to FDI companies such as Samsung, Thai Nguyen and Formosa.

Figure 18 LPG sales volume of PGC 2014-2016 (Unit: tonnes)



Source: PGC

Figure 19 Distribution channel gas cylinder of PGC



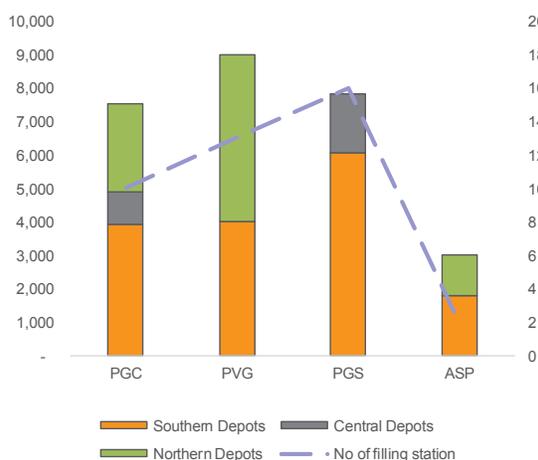
Source: PGC

In addition to traditional distribution channels, PGC takes advantage of the Group's petrol business units across the country. Thanks to the distribution advantage to consumers through retail channels in the PPS, PGC can provide better policies for the needs of each region as well as better profit margin without intermediary sales.

Although PGC do not have the largest LPG depot and filling station network in the country, they are the only LPG wholesalers that have a storage system all over the country with total capacity of over 7,600 tonnes. Their capacity is only smaller than PVG and PGS.

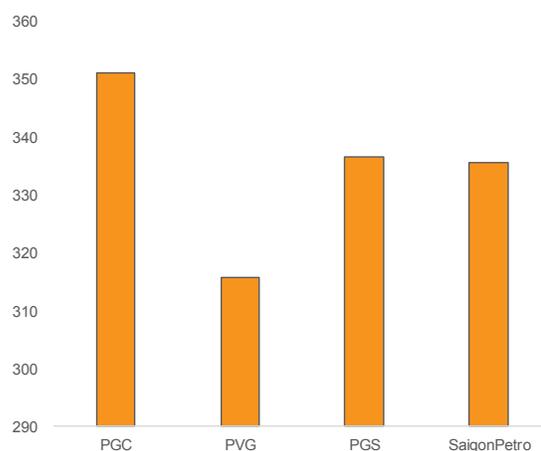
As PGC's LPG input is mostly imported from overseas so it has lower olefins which saves more money and requires less subsidies compared to other companies with LPG from Dung Quat. Therefore, the PGC's selling price of LPG is usually 5-10% higher than those of competitors, thereby resulting in a higher gross profit margin.

Figure 20 Total storage capacity by regions (Unit: tonnes)



Source: VNDIRECT

Figure 21 Price of LPG cylinder 12 kg 03/2017 (Unit: thousand VND)



Nguồn: VNDIRECT

Insurance division

This division is ranked as the 4th in terms of revenue in the Group. According to the consolidated financial statements, revenue and net profit were respectively VND2,222bn and VND119bn (of which VND15bn came from operating income and VND104bn financial income).

Petrolimex Insurance Corporation (Pjico - PGI: PGI)

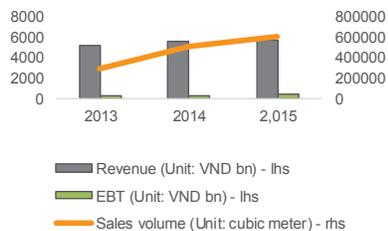
PGI was the first insurance company to be established as a joint stock company in the insurance market in Vietnam. PGI's shareholders include PLX (51%), Vietnam Steel Corporation, Vietnam National Reinsurance Corporation, and Vietnam Joint Stock Commercial Bank for Foreign Trade of Vietnam.

At present, PGI is the 5th largest non-life insurer in Vietnam. PGI provides a wide range of non-life products, such as motor vehicle insurance (motor and automobile), technical property insurance, ship insurance, merchandise, health insurance, etc.

Thanks to the advantage of being a PLX subsidiary, PGI has a strong position in motor vehicle insurance when it can be sold through the PPS. Revenue through this PPS vendor accounted for 22% of total motor vehicle insurance in 2015. PGI accounted for more than 30% of Vietnam's non-life insurance market share in 2015 and ranks 3rd in motor vehicle insurance after only Bao Viet Group and Post Insurance Corporation (PTI: HOSE)

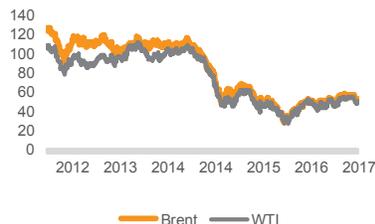
Annually, PGI contributes more than VND2,000bn revenue and nearly VND100bn EAT for PLX Corporation.

Figure 22 Sales volume and performance of PA in 2013-2015



Source: PLX

Figure 23 Crude oil prices in 2012-2017 (Unit: US\$ per barrel)



Source: Bloomberg

Other business divisions

PLX’s other divisions contributed between VND6,000bn and VND7,000bn (equivalent to 4%) to PLX’s total revenue.

Petrolimex Aviation Fuel Jsc (PA) – Chartered capital: VND300 bn

PA was established in 2008 with an ownership structure of PLX (59%), MIPEC (35%) and PG Bank (6%). Currently, PA mainly supplies Jet A1 fuel to airlines at Tan San Nhat, Noi Bai, Da Nang, Cam Ranh and Cat Bi airports.

PA is benefiting from high growth in Vietnam aviation. The Jet A1’s sales volume of PA in 2016 reached 600,000 m3 (+21.2%, yoy) which is triple the volume in 2014. In addition, rigorous safety controls are the main entry barriers into the market for PA’s competitors.

THE PETROLEUM MARKET

World crude oil prices - upward trend in 2016 but still below the 2015 average.

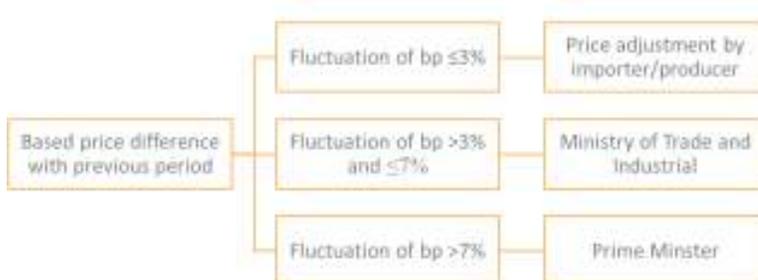
The average WTI crude oil price for 2016 was US\$43 per barrel, which is US\$5 less than the average in 2015. However, the WTI price at the end of 2016 was US\$53 per barrel, which is US\$16 higher than in 2015. In the same timeframe, Brent crude prices ended the year at US\$54 per barrel, up from US\$17 per barrel compared to the same time in 2015. However, the average price in 2016 was only US\$44 per barrel, less than US\$8 compared to 2015. The gap between Brent and WTI prices was at a record low of below US\$1 in 2016 (the gap was US\$3.45 in 2015).

Although demand for petroleum products has continued to increase, inventories and output remained high, thus putting pressure on crude oil prices in 2016. However, in late-2016 discussions, OPEC agreed to cut production by more than 1.2 million barrels per day (bpd) from October to 32.5 million bpd to support oil prices. Non-OPEC countries also pledged to reduce their production by more than 558,000 bpd, of which Russia was the largest cutter with a reduction of more than 300,000 bpd. Thanks to these moves, oil prices recovered strongly towards the end of the year.

Domestic market - Change in policy to regulate retail petrol prices from 2014

Decree No. 83/2014/ND-CP on the petroleum business introduced a 15-day cycle policy to regulate the price of petroleum products in order to improve transparency in petrol retailing industry, as well as to avoid the huge fluctuations in prices seen before 2014.

Figure 24 Decision making on the base price



Source: VNDIRECT, MoIT

Figure 25 Example of base price calculation

No	Average exchange rate for 15-day cycle		VCB buy	VCB transfer	VCB sell	
1	Announcement exchange rate	VND/USD		22,619	22,720	
2	VCB exchange rate	VND/USD	22,647		22,717	
3	Interbank exchange rate	VND/USD	22,575		22,835	

No	Content	Unit	Petrol	Kerosene	Diesel	FO	Related information
1	Average 15-days FOB price	US\$ per barrel	68.06	66.10	66.57	322.68	Data from Ministry of Industry and Trade
2	Insurance and Freight to Vietnam (IF)	US\$ per barrel	1.42	2.06	1.73	29.98	
3	CIF price (3= 1+2)	US\$ per barrel	69.48	68.16	68.31	352.67	
	Standard volume per barrel	Liter	158.99	158.99	158.99	1,000	
	CIF price using VCB sell exchange rate	VND/Liter	9,929	9,740	9,761	8,013	
4	Import tax	%	10.56%	0.08%	1.98%	2.26%	Official Letter No. 37 / BTC-QLG dated January 3, 2017 of the Ministry of Finance on the average import tax in the base price formula of petroleum products (applied in the first quarter 2017)
	Import tax value	VND/Liter	1,049	8	193	181	
5	Excise tax	%	10.00%				Input is 49.35% import and 50.65% domestic production. Law on Amendment to a Number of Articles of the Law on Special Consumption Tax No. 70/2014 / QH13 dated 26 November 2014
	Excise tax value	VND/Liter	1,098				
6	Standard distribution cost	VND/Liter	1,050	950	950	600	Joint Circular No. 90/2016 / TTLT-BTC-BCT of June 24, 2016 amending and supplementing a number of articles of Joint Circular No. 39/2014 / TTLT-BCT-BTC dated 29 October 2014 Determination of basic pricing method; The mechanism for the formation, management and use of the Price Stabilization Fund and the management of petrol and oil prices shall comply with the Government's Decree No. 83/2014 / ND-CP of September 3, 2014 on petrol and oil trading.
7	Fixed profit	VND/Liter	300	300	300		Joint Circular No. 39/2014 / TTLT-BCT-BTC dated 29 October 2014 providing for the method of calculating the base price; To formulate, manage and use the Price Stabilization Fund and regulate the petrol and oil prices according to the Government's Decree No. 83/2014 / ND-CP of September 3, 2014 on petrol and oil trading.
8	Use of stabilization fund	VND/Liter	300	300	300	300	Joint Circular No. 39/2014 / TTLT-BCT-BTC dated 29 October 2014 providing for the method of calculating the base price; To formulate, manage and use the Price Stabilization Fund and regulate the petrol and oil prices according to the Government's Decree No. 83/2014 / ND-CP of September 3, 2014 on petrol and oil trading.
9	Environment tax	VND/Liter	3,000	300	1,500	900	Resolution No. 888a / 2015 / UBTVQH 13 of March 10, 2015 of the Standing Committee of the National Assembly
10	Value added tax (VAT)	%	10%	10%	10%	10%	Value Added Tax Law No. 13/2008 / QH12 passed by the National Assembly on June 3, 2008
	Total value before VAT	VND/Liter	16,725	11,598	13,005	9,994	
	VAT	VND/Liter	1,673	1,160	1,300	999	
11	Base price for this period	VND/Liter	18,398	12,758	14,305	11,323	
	Calculated base price	VND/Liter	18,398	12,758	14,305	10,993	
12	Base price for previous period		18,163	12,520	14,022	11,206	
	Difference		235	238	283	117	
	Proportion of difference		1.3%	1.9%	2.0%	1.0%	
	Use of stabilization fund		300				
13	Retail price on 18th Feb 2017	VND/Liter	18,098	12,758	14,305	11,323	
14	Retail price on 3rd Feb 2017	VND/Liter	17,594	12,520	14,022	11,206	
	Difference	VND/Liter	504	238	283	117	

Source: VNDIRECT calculation, Ministry of Industry and Trade

Figure 26 Singapore Platt's prices in 2014-2016

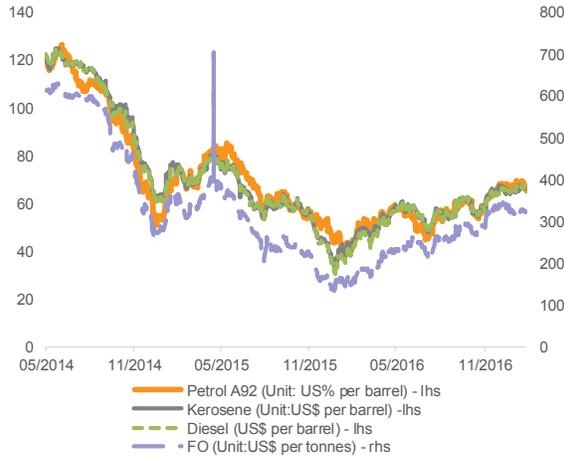
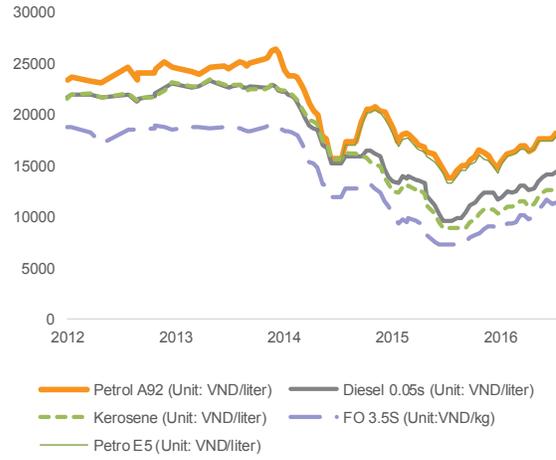


Figure 27 Retail price of Vietnam in 2012-2016



Source: MoIT

Source: MoIT

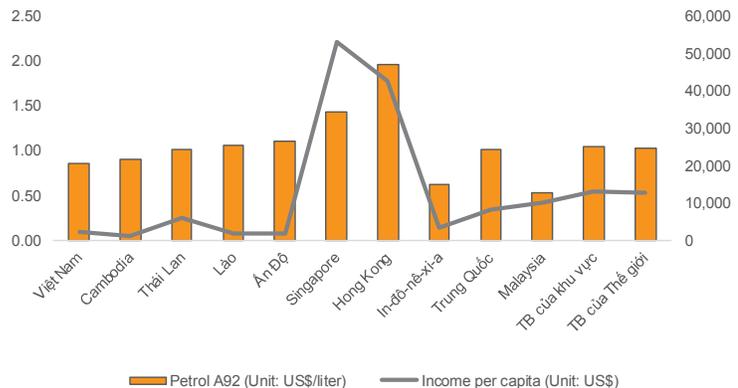
The current retail price of gasoline is adjusted based on the base price calculated on the 15-day cycle. The adjustment of base price will be decided by the importer/producer, the Ministry of Industry and Trade, and Prime Minister due to the varying degrees of fluctuations. Normally, when there are big fluctuations in the market, the Ministry of Industry and Trade will announce the use of a stabilization fund and retail price after adjustment from the base price.

The structure of retail pricing in Vietnam is still being weighed down by the taxes. At present, the cost of petrol only accounts for 54% of the retail price structure and 39% made up of government fees. The remaining 7% will be the profit for petroleum distribution in Vietnam.

Tariffs have also changed drastically in recent years. Typically, the environmental tax before 2014 was just over VND1,000 per liter but it is now VND3,000 per liter. Standard distribution cost increased from VND500 per liter to VND1,000 per liter.

Importers benefit from arbitrage due to the different tariffs. Importing petroleum from ASEAN, firms will be subject to import tax at 20% but the company will only pay 10% import tax from South Korea due to the free trade agreement with Vietnam. Thus, many importers exploited the opportunities offered by arbitrage in 2016 from the 10% difference in tariffs.

Figure 28 Petrol prices in the region



Source: Oilprice,WB

Petrol prices in Vietnam have been more closely aligned with world markets under the Platt's Singapore average 15-day cycle (Actual calculation average price of 11-12 days). As a result, petrol prices fell sharply in Q1/2016 due to the influence of oversupply in the world market. However, since the beginning of Q2/2016, petrol prices have recovered. Overall, Petrol A92 and Diesel 0.05s increased sharply by 7% and 12% respectively compared to the same period in 2015.

Vietnam's current petrol price is still cheaper than the prices of regional countries. Petrol prices on 28 Feb 2017 were about US\$0.85 per liter which is lower than Asian countries such as Cambodia, Thailand, Laos and India. However, the proportion of income per capita over the price paid for a liter of petrol is quite high.

Supply - demand in the period 2010-2015

Figure 29 Domestic production in 2010-2015 (Unit: thousand tonnes)

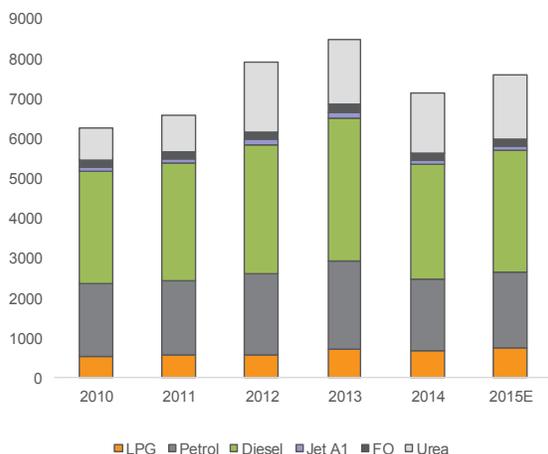
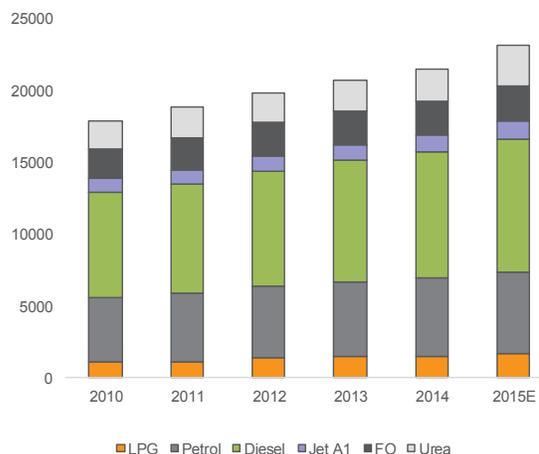


Figure 30 Domestic demand in 2010-2015 (Unit: thousand tonnes)

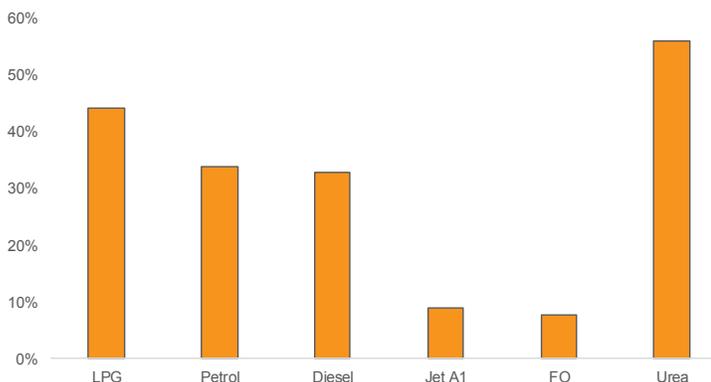


Source: PVN

Source: PVN

Domestic demand has improved since 2015. In 2015, consumption of refinery products was over 23 million tons (+7.9%, yoy) which is higher than the average of 3-4% per year in the previous periods. Supportive factors for the demand side included the recovery of the domestic automobile industry with sales volume growth by more than 20% for three consecutive years.

Figure 31 Ability to meet the domestic demand in 2015



Source: VNDIRECT, PVN

Domestic production for these products is only able to meet 30% of the total demand of Vietnam. In recent years, many refinery projects

have been planned but most are still on paper. The project nearest to completion is the Nghi Son refinery, which was originally slated for completion in 2015. It is now scheduled to start operational tests by the end of 2017. When fully operational, domestic production will be able to meet 70% demand of the country.

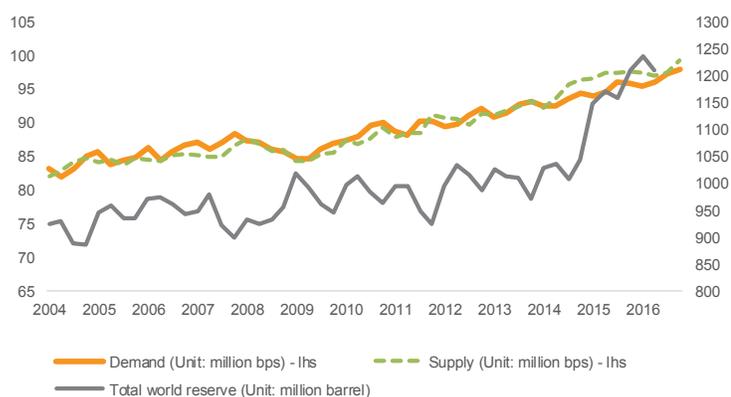
The petrol business market lacks the close supervision of the State resulting in damage to consumers as well as unfair competition among enterprises. Also, many businesses have been using temporary import re-export methods to smuggle petrol into the country thus affecting the competitive environment.

OUTLOOK 2017

World oil prices

We expect oil prices to continue trading in the range of US\$45 to US\$55 per barrel in 2017

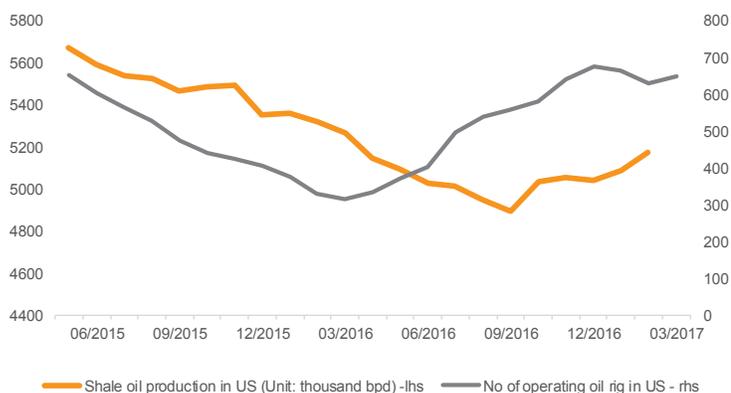
Figure 32 Oil supply and demand in the world



Source: Bloomberg

Supply is still higher than demand and crude oil reserves of the world continue to be at a high level. From the end of 2016, when OPEC started to make commitments to reduce production, supply has slowed. As of 28 Mar 2017, the difference in supply and demand fell to 1.2 million bpd.

Hinh 33 Shale oil production in US



Source: Bloomberg

The number of oil rigs and shale oil production in the United States has increased sharply due to the recovery in oil prices from late 2016. It can be seen that most of this output increased again thanks

to the recovery in oil prices to above US\$50 per barrel. However, the possibility of continuing a sharp increase in the short term is very difficult when there are no signs of a more significant improvement in oil prices.

Domestic market

We expect demand for petroleum products in 2017 to continue to increase by 8% per year due to the steady growth of the economy and passenger car ownership (cars under 9 seats) continues to increase. Domestic supply will improve as Nghi Son refinery is scheduled to start operations from the end of 2017.

Figure 34 GDP 2011-2018

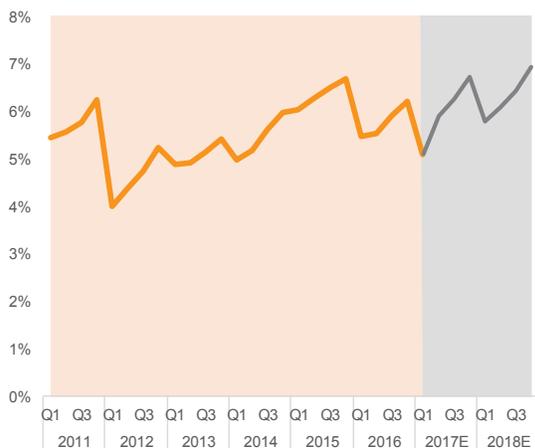
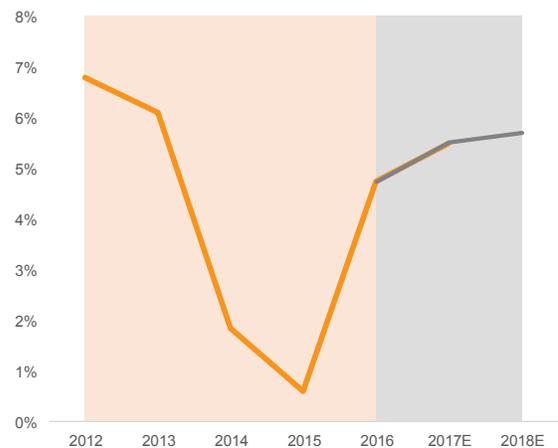


Figure 35 CPI in the same period

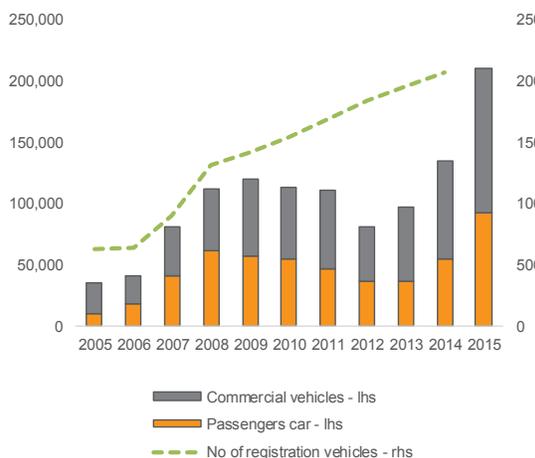


Source: VNDIRECT,gso

Source: VNDIRECT,gso

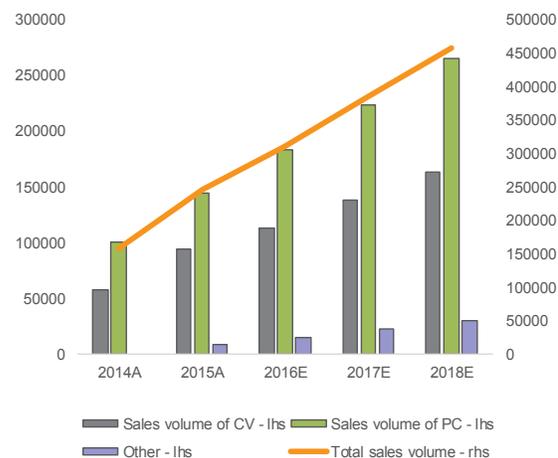
In 2017, we expect the Government to prioritize economic growth and forecast GDP growth in 2017 to be 6.46%. CPI this year will also increase due to the adjustments of public goods and services. We forecast CPI to be about 5.5% in Dec 2017 compared to last year. Inflation will continue to stabilize thereby keeping the exchange rate stable. The above factors will support the petroleum business when the demand continues to increase and the exchange rate stability will not put pressure on petroleum importers.

Figure 36 Vehicles Registration in 2005-2015



Source: OICA

Figure 37 Sales volume in 2014-2018



Source: VNDIRECT forecasted, VAMA

We estimate total sales volume of passenger cars for the automobile industry will continue to grow by above 20% in 2017 to 223,000 units (+23% yoy).

On petrol products, we project that the demand growth rate will be 13.5% in 2017 (yoy), based on 0.9 points correlation of sales volume growth of passenger car and the demand growth rate of petrol products.

Supply will receive positive factors when Nghi Son refinery is expected to operate from the end of this year. If the two Dung Quat and Nghi Son refineries operate at full capacity, the total capacity will reach 16.5 million tonnes per year, thereby increasing capacity to meet nearly 70% of domestic demand. With that, petroleum businesses will be able to reduce transportation costs and exchange rate risk from imports.

Policies affecting the petrol market

A recent environmental tax adjustment policy has been proposed to the National Assembly. With the current tax rate of VND2,000-4,000 per liter, the National Assembly, the Government and the Ministry of Finance are likely to raise the rate to VND4,000-8,000 per liter. If this policy is implemented, the prices of retail petrol will increase sharply and affect demand significantly.

The Ministry of Finance has also revised the import tax rate from Jan 2017 from 16.56% to 10.56% to prevent petroleum companies from enjoying a large arbitrage between the tariffs and FTA agreements. Accordingly, petroleum importers from South Korea will no longer benefit from tax breaks as in 2016.

BUSINESS PERFORMANCE

In 2016, PLX achieved impressive results thanks to the following factors: (1) oil prices recovered in Q4/2016, (2) improved financial conditions, (3) arbitrage from the different of import tax, and (4) the output of all the segments grew well except PLC.

Figure 38 Business performances in 2012-2016 (Unit: VND bn)

Content	2012	2013	2014	2015	2016	% Planning
Revenue	200,848	195,928	206,781	146,916	123,098	91.90%
yoy		-2.45%	5.54%	-28.95%	-16.21%	
Gross margin	3.46%	4.07%	3.43%	8.74%	11.48%	
Profit before tax	978	2,021	322	3,748	6,300	158.80%
Profit after tax	772	1,579	-9	3,058	5,166	
EPS	517	1,288	-341	2,546	3,947	
Financial expenses	1,388	1,418	1,578	2,591	875	
Short-term debt	20,707	19,232	15,565	12,560	6,775	

Source: VNDIRECT, PLX

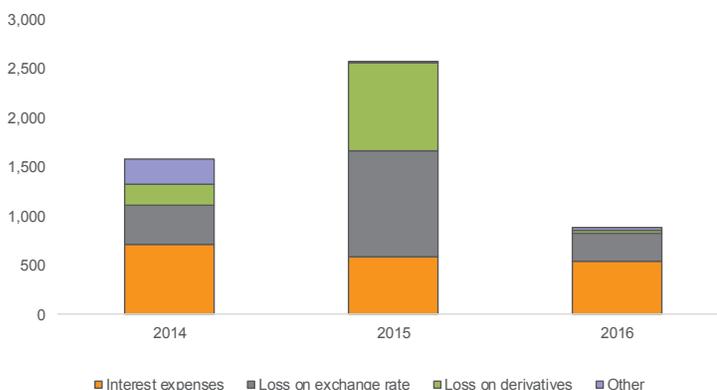
In 2016, revenue and profit after tax of the Group reached VND 123,098 and VND 5,166 billion respectively (-16.2% and + 69% yoy). PLX's revenue continued declining mainly due to fluctuation in oil prices from the beginning of the year to the end of Q3/2016. However, oil prices rebounded strongly from 4Q2016 and PLX's performance improved significantly.

PLX's revenue in Q4/2016 was VND35,070 bn (+20% yoy). Benefiting from the low-priced inventory, the gross margin of PLX was enhanced dramatically and reached over 12.6% in this quarter.

The largest contributing factor to PLX's improvement in 2016 was declining financial costs (-66% yoy). Particularly, the devaluation loss from exchange rates in 2016 and other derivative instruments fell by more than VND850bn each compared to 2015. This significant improvement for PLX is mostly thanks to the stable exchange rate of

VND and the better performance from trading derivatives of the Singapore subsidiary.

Figure 39 Financial expenses 2014-2016



Source: VNDIRECT, PLX

At the same time, PLX also benefited from the free trade agreement between South Korea and Vietnam which was exercised on the 20/12/2015. This turned out to be a big advantage for PLX when the formation of calculating retail petrol price from the Ministry of Industry and Trade was 6% more than the import tax paid by PLX. As a result, PLX's gross margin rose to a record high and more than double the gross margin in the last three years. However, this advantage will no longer be available in 2017 when the Ministry of Finance issued a new Circular adjusting the import tax rates for petroleum products.

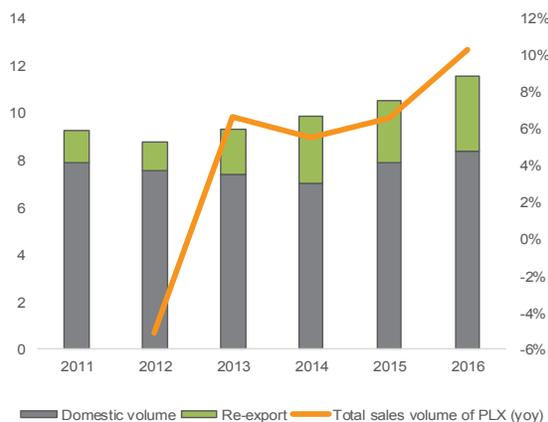
Figure 40 Import tax

Products	Import tax in 2016	ASEAN	South Korea	China	Import tax on formation of base price 2016	Import tax on formation of base price 2017
Petrol	20%	20%	10%	20%	16%	10.56%
DO	10%	0%	5%	8%	2%	1.98%
Kerosene	10%	0%	0%	5%	0%	2.26%
FO	13%	0%	5%	10%	0%	0.08%
Jet A1	10%	0%	5%	15%		

Source: VNDIRECT, Ministry of Finance

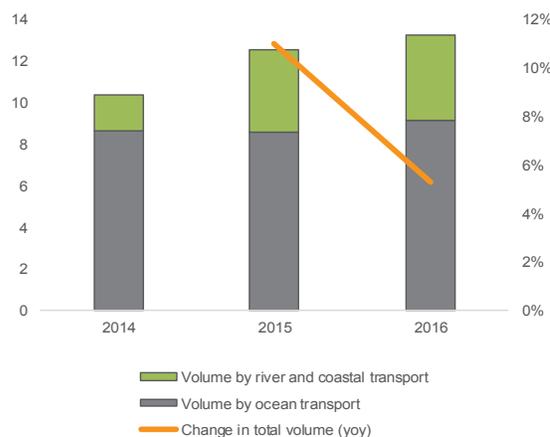
The output volume of all the subsidiaries and joint ventures in the Group have been growing well with the exception of PLC due to cyclical adjustments.

Hinh 41 Sales volume of PLX (Unit: million tonnes)



Source: VNDIRECT, PLX

Hinh 42 Volume of PGT in 2014-2016 (Unit: million tonnes)



Source: VNDIRECT, PLX

Sales volume for petroleum of PLX reached 11.5 million tonnes (+10.3% yoy) and domestic output reached 8.3 million tonnes (+5.9% yoy).

PGT's total transport volume in 2016 reached 13.2 million tonnes (+ 5%,yoy). Of this, ocean transport accounted for more than 69% of the total volume with a good growth rate of 7% (yoy). Total revenue and profit before tax were VND3,167 bn (-5.9%,yoy) and VND320 bn (+ 32.8% yoy) respectively. The significant improvement in business performance was mainly due to an increase in hire-purchase by time Charter-Party contracts.

In 2016, PLC's revenue reached VND4,800 bn (-30.6%,yoy) due to a decrease in revenue of asphalt (-63%,yoy) and lubricant (-14%,yoy). This sharp decline was mainly due to the cyclical nature of infrastructure investment. The cycle of the infrastructure investment ended in 2015 when a series of highways, airports and bridges were completed. The lubricant segment continues to be highly competitive and motorbike sales volume slowing down had a negative impact on consumption. In 2016, PLC's sales volume was only 35,000 tonnes (-10% yoy). Accordingly, PLC's net profit dropped by 37.8% (yoy).

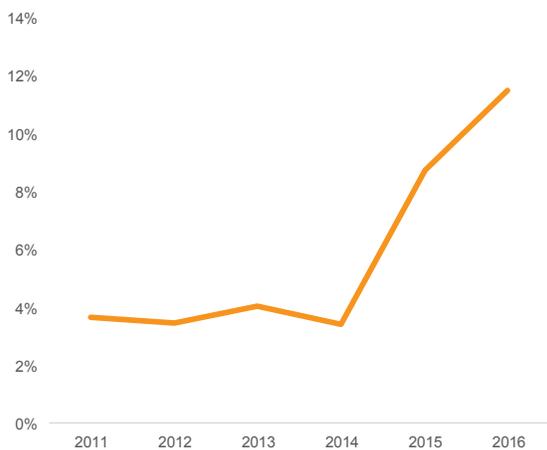
Sales volume of PA continued to have good growth momentum with revenue and EBT of VND5,732bn and VND365bn respectively (+3.2% and +76% yoy). This strong growth was due to the continued increase in sales volume which reached 600 thousand tonnes in 2016 (+21.2% yoy), thereby expanding scale and reducing costs.

PGC had a sales volume of 144,000 tonnes (+6% yoy). As for construction, revenue decreased due to fluctuations in petrol prices but EBT continued to improve as gross profit margin increased to 25.2%, which was higher than 20.2% in 2015.

FINANCIAL ANALYSIS

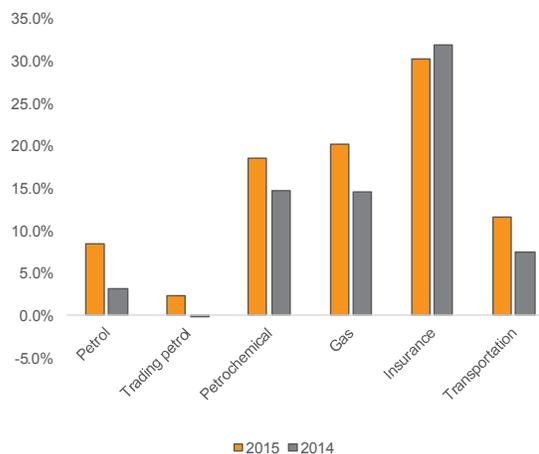
In 2016, PLX successfully issued and increased its charter capital from 10,700bn to 12,941bn. In particular, the number of shares issued to JX NOE was 103 million shares at VND39,000 per share and it collected more than VND4,000bn, equivalent to 8% of its charter capital. The capital increase allowed it to reduce its short-term debt from VND12,560bn to VND6,775bn in 2016 and lower its debt to equity ratio to 0.42 times.

Figure 43 Gross margin in 2011-2016



Source:PLX

Figure 44 Gross margin by segments 2014-2015



Source:VNDIRECT, PLX

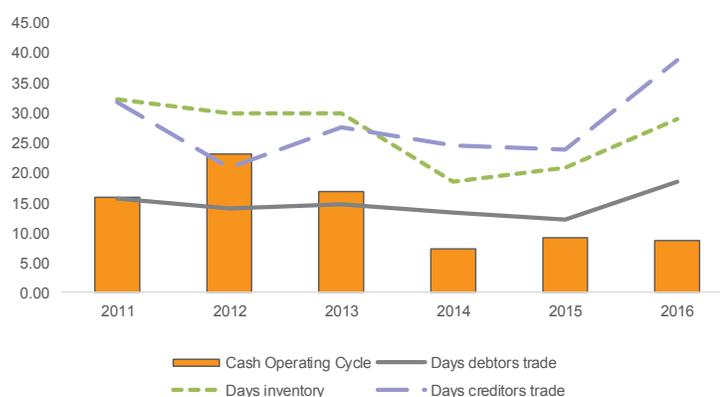
After the private placement of JX, PLX issued 155.3 million bonus shares to existing shareholders. However, PLX soon acquired these

shares as treasury stocks. In our view, there is likelihood that PLX will sell these shares to the public after the listing on HOSE.

PLX is required to participate in the national petroleum reserve to ensure a minimum of 30 days use in the country. According to our estimates, PLX will need a reserve of over VND2,000 billion to meet the requirement and if the price of petrol goes down it will result in a large loss to the company.

There have been positive improvements in gross margins of all core businesses of PLX over the period of 2014-2016. Gross margin of the petroleum segment showed a sharp improvement to 11.3% in 2016. Excluding exceptional factors, the margin of this segment is estimated to be around 5-6% and is likely to fall significantly as competitive pressure increases.

Figure 45 Cash operating cycle (Unit: day)



Source: VNDIRECT, PLX

PLX's cash conversion has improved significantly over the last three years. This improvement comes from stronger negotiating power over the suppliers, thereby increasing the payable days from 23 to 38 days. Although other ratios such as inventory days and receivables days increased slightly, this will not significantly affect PLX's cash conversion. Lower cash conversion suggests that the business performance is improving as capital is optimized. In contrast, increasing receivable days, inventory days and payable days also signal that liquidity is decreasing. In our view, rising payable days will enable PLX to offer more payment incentives to customers, thereby increasing the firm's competitiveness

PLX'S BUSINESS PLAN 2017-2020

The Group's business plan was announced at the Roadshow for investors in Ho Chi Minh City. With this plan, revenue and EBT will have a CAGR of 7.4% per annum and 9.18% per annum respectively over 2017-2020 period.

HÌNH 46 BUSINESS PLANNING OF PLX FOR 2017-2020 (UNIT: VND BN)

Business planning	2017E	2018E	2019E	2020E	CAGR
Total revenue	163,221	184,465	193,190	202,202	7.40%
Revenue from parent company and 43 petroleum subsidiaries	123,948	142,797	148,319	153,949	7.49%
Other services revenue	39,273	41,668	44,871	48,253	7.11%
Profit before tax	4,144	4,532	4,943	5,393	9.18%
Net profit of parent company	2,321	2,560	2,812	3,078	9.87%
Net profit of others	1,823	1,972	2,131	2,315	8.29%
Payment to government	23,517	16,361	18,559	20,842	-3.95%
Tax of parent company	20,374	13,022	14,992	17,055	-5.75%
Tax of subsidiaries	3,143	3,339	3,567	3,787	6.41%

SOURCE: PLX

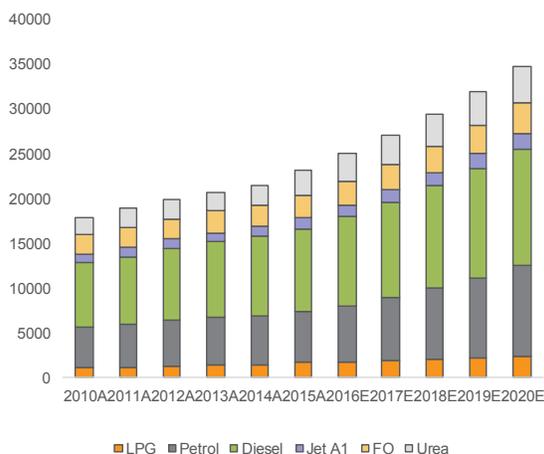
VALUATION

Based on the scenario that demand for crude oil continues to grow by 8% per year, PLX's 2017 EPS is estimated at VND 2,343 (down 51% yoy).

Some key assumptions

Based on an economic growth rate of over 6.5% per annum and 14% growth in demand for passenger car ownership, we expect demand for crude oil related products to continue to grow at a CAGR of 8% per year for the period 2017-2020.

Figure 47 Total demand for petrochemical products (Unit: thousand tonnes)



Source: VNDIRECT forecasted, PVN

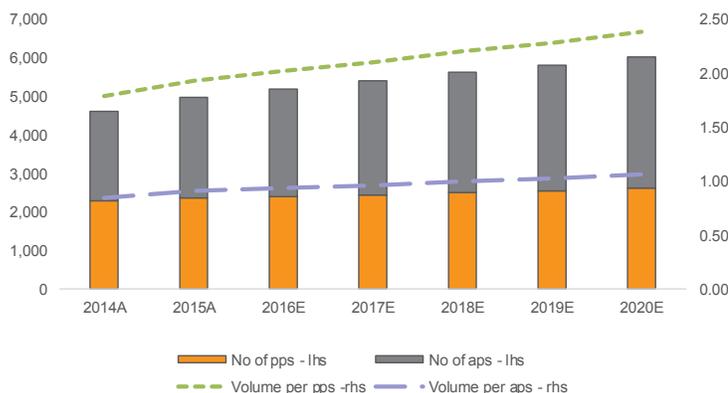
Figure 48 Total demand for petroleum products (Unit: thousand tonnes)



Source: VNDIRECT forecasted, PLX, PVN

PLX's market share continues to decline due to fierce competition. We expect PLX to increase the number of petrol stations by 50 units per year, and the number of dealers by 150 units per year during the period of 2017-2020.

Figure 49: No of petroleum stations in 2014-2020



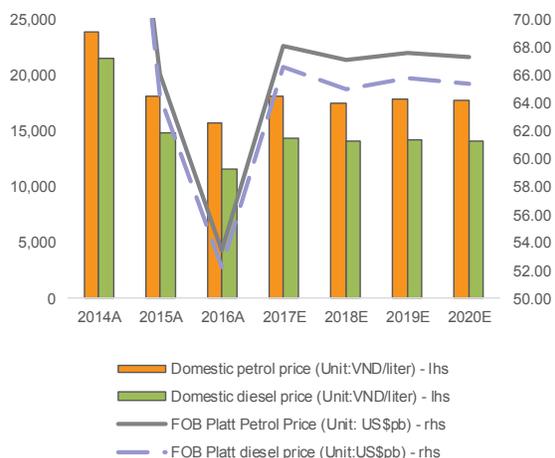
Source: VNDIRECT forecasted, PLX

We assume that world crude oil price will fluctuate around USD 49-50/barrel in the years to come, helping to stabilize the prices of crude oil-related products. There should also be no policies that significantly affect domestic petrol prices during the period. So we assume that retail price of petrol will stay at around VND 18,000 per liter and price of diesel will be VND 14,000 per liter.

Forecast of parent company's revenue

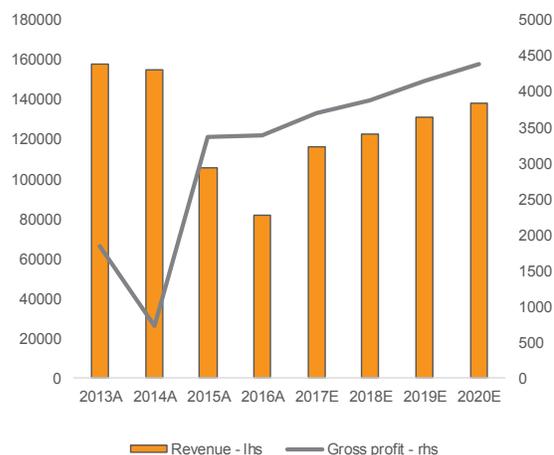
The parent company is expected to record strong sales growth in the 2017-2020 period thanks to the fact that the average oil price in the world and Vietnam market remain stable. However, PLX's gross profit margin is likely to narrow due to the MOF's adjustment of import tax rate in determining retail prices. As such, PLX will no longer benefit from tax rate discrepancy and petroleum prices will not increase sharply in the future.

Figure 50 Petroleum prices



Source: VNDIRECT, Bloomberg, MoIT

Figure 51 Revenue of parent company (Unit: VND bn)

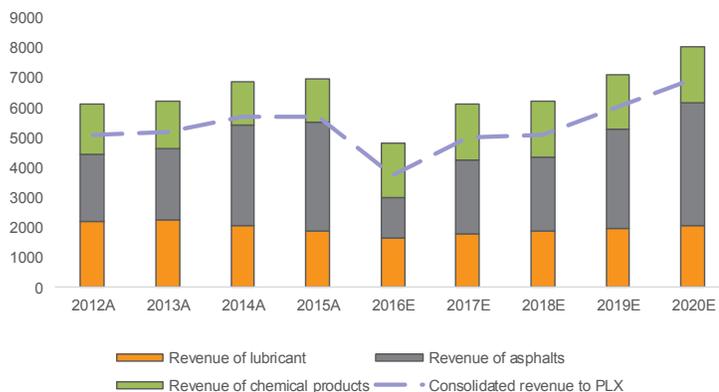


Source: VNDIRECT, PLX

Petrolimex Petrochemical Corporation – (PLC: HNX)

We still expect PLC's key growth drivers in the coming years to come from the asphalt segment. Due to the high demand from public investment in infrastructure development in 2017-2020 including renovating and upgrading over 6,000 km of National Highway and 2,000 km of freeway and building up 3,000 km of new roads. However, asphalt is only used when the construction is almost completed, so in the short term, PLC will not be able to improve sales from asphalt considerably. The lubricant segment continues to be highly competitive and face lackluster demand as a result of the saturated motorcycle market, making it difficult to improve business results.

Hinh 52 Revenue of PLC (Unit: VND bn)



Source: VNDIRECT

Based on the growth rate of the aviation industry of 10% per year, we forecast that output of PA will continue to rise, reaching 878 thousand cubic meters by 2020 with a CAGR of 10% per year.

Figure 53 Revenue and sales volume of PA

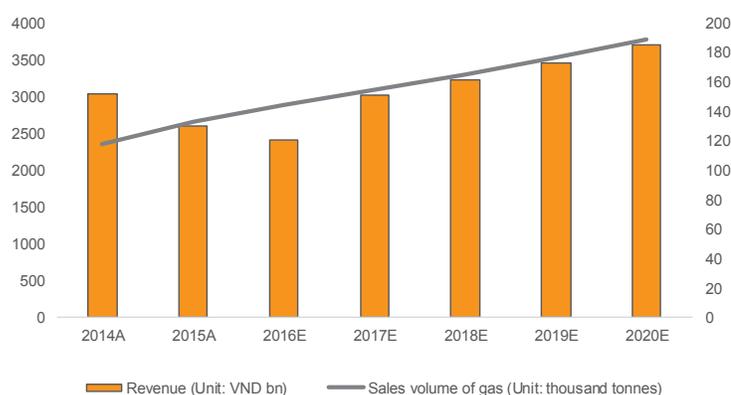
Content	2015A	2016E	2017E	2018E	2019E	2020E
Revenue (Unit: VND bn)	5,554	5,732	6,855	7,541	8,295	9,125
Sales volume (Unit: thousand m3)	495	600	660	726	799	878

Source: VNDIRECT

Gas Petrolimex Corporation (PGC)

Taking the advantage of distribution channel through PLX's petrol stations, PGC will be able to continue to increase its output in the coming period with a CAGR of 7% per year. At the same time, oil price recovery will be the key factor for the rebound of revenue in the coming period. We project PGC's revenue in 2017 to reach over VND 3000bn (up 25% yoy).

Hinh 54 PGC's revenue in 2014-2020



Source: VNDIRECT

Other assumptions

Average gross margin in the coming years is expected to fall sharply to 7% as PLX will no longer benefit from low cost inventory and discrepancy in import tax rate as in 2016.

In the absence of significant changes in the firm's capital expenditure plan, we assume that the investment cost for the following years will be at VND 2,000 billion per year (equivalent to 3-year average costs).

Business performance in Q1/2017

Revenue continues to rise in the Q1/2017 due to an increase in petrol retailing prices. However, net profit is decreased by -2% (yoy).

As the petrol price continues to go up by 5%, the sales in Q1/2017 reached VND35,801bn, up by 30% (yoy). However, gross margin is down to 8% because of the lowering tax of the MoF and fixed margin of the industry.

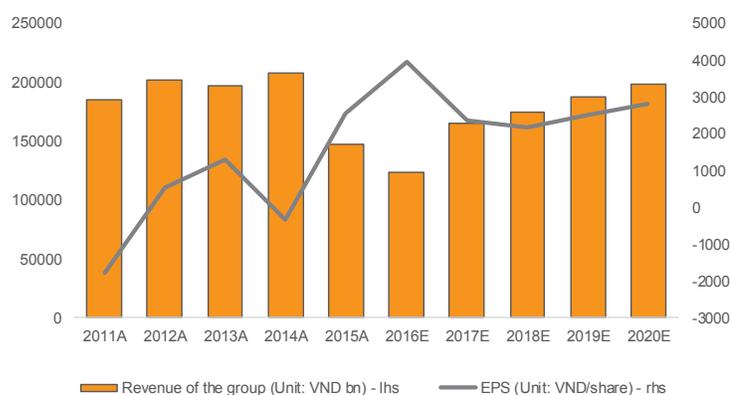
Administration expenses and sales expenses also increase in this Q1/2017. Administration expenses and sales expenses reach VND239bn (+6%,yoy) and VND1,800 bn (+3%,yoy) respectively.

The finance expenses also increase due to the loss in exchange rate. According to PLX, their loss in exchange rate is 233 bn, up by 25% (yoy).

As a result, the net profit is only VND1,106 bn (-2%,yoy). Distributed profit to common shareholders is down by 4% (yoy) and EPS at VND 868 per share.

Investment perspective

Figure 55 PLX's revenue and EPS in 2011-2020E



Source: VNDIRECT

PLX benefited from tax breaks, stable exchange rates and oil price recovery in 2016, resulting in a dramatic improvement in business performance. However, we think the PLX will not be able to achieve the feat of 2016 when (1) the pace of opening of new PPS slows, (2) competition continues to increase, (3) there is no improvement from the reduction in financial expenses as in previous years, (4) there is pressure from crude oil volatility, and (5) state policies are not favourable. Therefore, the business will be difficult to improve significantly in the coming years. We project that EPS in 2017 will be VND2,343 per share (-41% yoy).

However, this is still the largest petroleum retailer in Vietnam with PPS and APS spreading across the country so it would be advantageous if PLX develops convenience stores and value-added services.

Figure 56 Financials of other petroleum companies in the world

Company name	Capitalization	PE	Capitalization/EBITDA	Capitalization/EBIT	Vốn hóa/DT	PB
Average	70.86	14.8x	5.4x	10.8x	0.9x	1.3x
Median	56.84	14.2x	5.3x	10.6x	0.9x	1.3x
Low	7.24	8.2x	3.1x	6.0x	0.6x	0.7x
High	222.68	21.4x	7.9x	13.5x	1.2x	2.4x
Royal Dutch Shell PLC	222.68	14.2x	6.2x	13.5x	1.0x	1.2x
Statoil ASA	56.84	15.7x	3.1x	6.0x	1.2x	1.6x
BP PLC	114.17	15.3x	5.2x	11.5x	0.6x	1.2x
TOTAL SA	128.01	12.7x	5.8x	10.6x	1.0x	1.3x
Repsol SA	23.75	10.9x	5.3x	9.9x	0.8x	0.7x
Eni SpA	58.81	21.2x	4.2x	8.9x	1.0x	1.0x
Galp Energia SGPS SA	12.71	21.4x	7.9x	1302x	0.9x	2.4x
OMV AG	13.57	13.4x	5.7x	13.5x	0.9x	1.5x
MOL Hungarian Oil & Gas PLC	7.24	8.2x	5.0x	9.6x	0.7x	1.3x

Source: Bloomberg

RISK

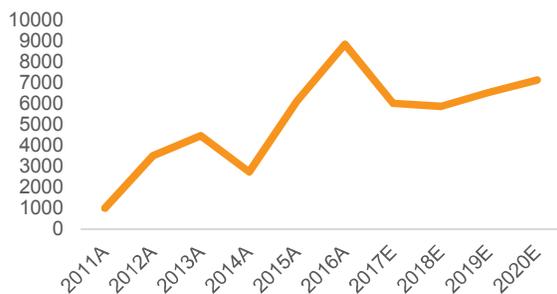
Exchange rates will have a huge impact on PLX's performance because 70% of PLX's supply comes from importing.

Due to the market mechanism from Decree 83/2014, petroleum prices in Vietnam always follow the world petroleum market. Therefore, if the global crude oil market fluctuates sharply, it will directly affect PLX's earnings, especially when PLX always has inventory to ensure 30 days of petroleum reserves for the country.

The competitive pressure is increasing. The number of importers and distributors continues to increase sharply in 2016, thereby putting enormous pressure on PLX's market share.

Tax and fee policies are being considered that may also have a huge impact on the demand in the petroleum market.

EBITDA in 2011-2020E (Unit: VND per share)



ROE in 2011-2020E



Income statements

(VNDbn)	12-15A	12-16A	12-17E
Revenue	146,916	123,098	165,250
Cost of sales	(134,075)	(108,967)	(152,510)
Gen & admin expenses	(980)	(1,030)	(851)
Selling expenses	(6,886)	(7,652)	(9,009)
Operating profit	4,975	5,449	2,879
Operating EBITDA	6,756	7,423	5,021
Depreciation and amortisation	(1,781)	(1,975)	(2,141)
Operating EBIT	4,975	5,449	2,879
Interest income	(586)	(547)	(458)
Financial expense	(2,591)	(875)	(658)
Net other income	59	193	193
Income from associates & JVs	505	598	685
Pre-tax profit	3,748	6,300	4,129
Taxation	(690)	(1,135)	(752)
Minority interests	(333)	(500)	(348)
Net profit	3,058	5,166	3,377
Adj. net profit to ordinary	2,724	4,665	3,030
Ordinary dividends			
Retained earnings	2,724	4,665	3,030

Cash flow statement

(VNDbn)	12-15A	12-16A	12-17E
Pretax profit	3,748	6,300	4,129
Depreciation & amortisation	1,781	1,975	2,141
Other non cash gains/(losses)	(55)	(721)	658
Other non operating gains/(losses)	(18)	13	27
Tax paid	(93)	(556)	(35)
Other operating cash flow	(2,785)	113	(212)
Change in working capital	3,712	(2,316)	(2,265)
Cash flow from operations	6,290	4,809	4,442
Capex	(1,973)	(2,689)	(2,103)
Proceeds from assets sales	167	87	151
Others	675	359	202
Other non-current assets changes			
Cash flow from investing activities	(1,131)	(2,243)	(1,750)
New share issuance	0	4,039	0
Shares buyback	0	(497)	0
Net borrowings	(3,664)	(5,811)	0
Other financing cash flow	0	0	0
Dividends paid	0	(191)	0
Cash flow from financing activities	(3,664)	(2,460)	0
Cash and equivalents at beginning of period	9,794	11,289	11,394
Total cash generated	1,495	105	2,692
Cash and equivalents at the end of period	11,289	11,394	14,086

Balance sheets

(VNDbn)	12-15A	12-16A	12-17E
Cash and equivalents	11,289	11,394	14,086
Short term investments	1,976	2,483	2,778
Accounts receivables	7,041	6,961	8,077
Inventories	7,614	8,615	9,481
Other current assets	1,993	3,807	3,056
Total current assets	29,913	33,261	37,478
Fixed assets	15,909	16,311	16,467
Total investments	2,956	2,507	2,488
Other long-term assets	1,635	2,160	2,369
Total assets	50,414	54,238	58,802
Short-term debt	12,560	6,775	6,775
Accounts payable	8,731	11,519	12,270
Other current liabilities	9,518	9,405	9,589
Total current liabilities	30,809	27,699	28,634
Total long-term debt	3,116	3,085	3,085
Other liabilities	198	251	280
Shareholders' equity	13,402	19,997	23,027
Minority interests	2,889	3,207	3,777
Total liabilities & equity	50,414	54,238	58,802

Key ratios

	12-15A	12-16A	12-17E
Dupont			
Net profit margin	2%	4%	2%
Asset turnover	3	2	3
ROAA	5%	9%	5%
Avg assets/avg equity	4	3	3
ROAE	22%	28%	14%
Efficiency			
Days account receivable	12	18	15
Days inventory	21	29	23
Days creditor	24	39	29
Fixed asset turnover	9	8	10
ROIC	9%	14%	8%
Liquidity			
Current ratio	1	1	1
Quick ratio	1	1	1
Cash ratio	0	1	1
Cash cycle	9	9	8
Growth rate (yoy)			
Revenue growth	(29%)	(16%)	34%
Operating profit growth	2114%	10%	(47%)
Net profit growth		71%	(35%)
EPS growth		55%	(41%)
Share value			
EPS (VND)	2,546	3,947	2,342
BVPS (VND)	12,525	15,455	17,797
DPS (VND)	0	0	0

Source: VNDIRECT

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