

VIETTEL POST JSC (VTP) – PRE-LISTING NOTE

Listing Price VND68,000	Target Price VND113,000	Dividend Yield 2.2%	Rating ADD	Sector Logistics
-----------------------------------	-----------------------------------	-------------------------------	----------------------	----------------------------

Outlook – Short term



Outlook – Long term



Valuation



16 November 2018

Nguyen Tien Duc

duc.nguyentien2@vndirect.com.vn

Viettel Post Corporation (VTP) – a subsidiary of Viettel Group – will list 41.4m shares on UPCOM in November 23rd 2018. VTP is an interesting vehicle to ride Vietnam’s e-commerce boom. VTP has the second largest market share, is the fastest growing and most profitable delivery company for B2C commerce in Vietnam. We initiate with an ADD recommendation and TP of VND113,000/share.

Key statistics at listing price

Market cap (bn)	2,815
Outstanding shares (m)	41.4
Free float (%)	18.8%
TTM P/E (x)	12.1
Current P/B (x)	5.2

Ownership

Viettel Group	68%
MB Capital	5%
Other	27%

Source: VNDIRECT

High growth company in a fast-evolving industry. With the boom in Vietnam’s e-commerce industry, the courier market grew at a brisk CAGR of 10.5% over 2013-2017 in value terms (according to MIC). Viettel Post (VTP) has reinvented itself and is rapidly penetrating the fast-emerging market for express direct-to-consumer deliveries. VTP’s market share of total direct-to-consumer deliveries has skyrocketed from just 8.0% in 2010 to 25.7% in 2017, largely led by express delivery market penetration.

VTP’s market share gains can be attributed to advanced technology and strong infrastructure. Unlike start-up delivery companies with technological strength but weak financial and infrastructure foundations, traditional postal and delivery companies have extensive networks but outdated technology. VTP has a nation-wide postal network, healthy financial status and has invested aggressively in both technology and logistics systems, giving it a competitive edge.

VTP’s core sales are expected to grow at a CAGR of 48.6% to 2020. Management expects to garner 30-37% share of the courier market by 2020 facilitated by the following core strategies: (1) incorporating technological improvements in its services, (2) expanding logistics footprint, (3) building a digital store management platform for online SMEs and mom & pop shops including payment and delivery solutions, (4) offering military-level service quality to boost customer trust and loyalty.

Healthy financial status with strong cash reserves and high ROE. Company has a net cash position with cash and equivalents contributing 50% of total assets, supporting future capital investment needs. Unusually for a high growth company, VTP is also highly profitable with an ROE of around 40%, much higher than the peer average of 17.8%.

We initiate with a target price of VND113,000/share. We expect stellar results in 2018 with 14.8% growth in net revenue (52.4% in core revenue) and 59.1% growth in net profit, translating to a 2018 forecasted EPS of VND5,886. We use peers’ average trailing P/E of 19.2x as a basis for our target price despite VTP’s higher ROE than industry average, to account for the inherent volatility and liquidity risk associated with an UPCOM listing. We think VTP is a great vehicle to ride Vietnam’s B2C services logistics market given its superb growth prospects, healthy financial status and modern and expansive logistics infrastructure footprint.

Financial summary (VND)	12-16A	12-17A	12-18E	12-19E
Net revenue (bn)	2,928	4,031	4,626	6,868
Revenue growth	47.0%	37.6%	14.8%	48.5%
Gross margin	8.5%	8.6%	11.2%	10.7%
EBITDA margin	5.9%	6.3%	8.9%	8.4%
Net profit (bn)	117	170	271	376
Net profit growth	86.5%	45.7%	59.1%	39.0%
Recurring profit growth	67.6%	40.3%	63.5%	39.0%
FD EPS	2,821	4,110	6,540	9,092
Adjusted FD EPS	2,538	3,601	5,886	8,183
BVPS	15,971	16,490	19,826	27,068
ROAE	42.4%	39.8%	41.3%	38.8%

FROM A TRADITIONAL POSTAL SERVICE TO AN INNOVATIVE E-COMMERCE DELIVERY AND LOGISTICS SERVICES BEHEMOTH

Viettel Post was formerly the Press Office of the Vietnam Military, founded in 1997. Receiving the postal services permit in 1999, the Office was converted to Military Post in 2000 and changed to Viettel Post Company Limited in 2006. The company was equitised in 2009, and was renamed Viettel Post Joint Stock Company. The company became Viettel Post General Company in 2009. VTP has grown rapidly from a small traditional postal company, holding only 8.0% market share of direct-to-consumer deliveries in 2010 to the 2nd biggest and most innovative player in the industry, holding 25.7% market share in 2017 (according to VTP).

Figure 1: A VTP 5-star post office



Source: VTP

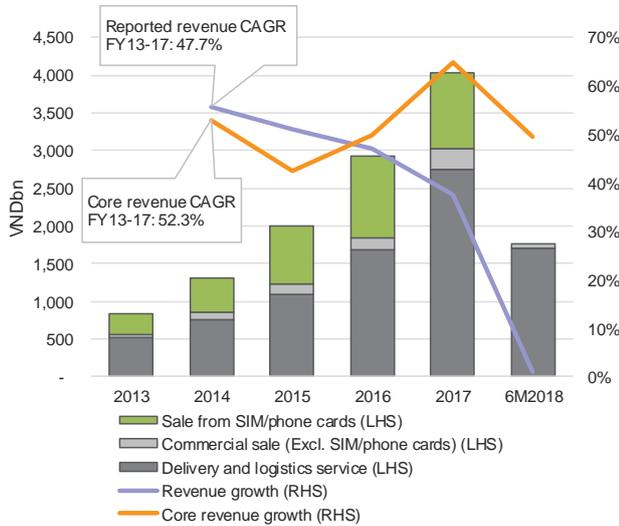
VTP has evolved from a postal company into a logistics player. VTP's major services are express delivery services and logistics (warehousing, forwarding and freight transportation services). These services contributed 68% of total net sales and 97% of gross profit in 2017.

Figure 2: Viettel Post's main segments



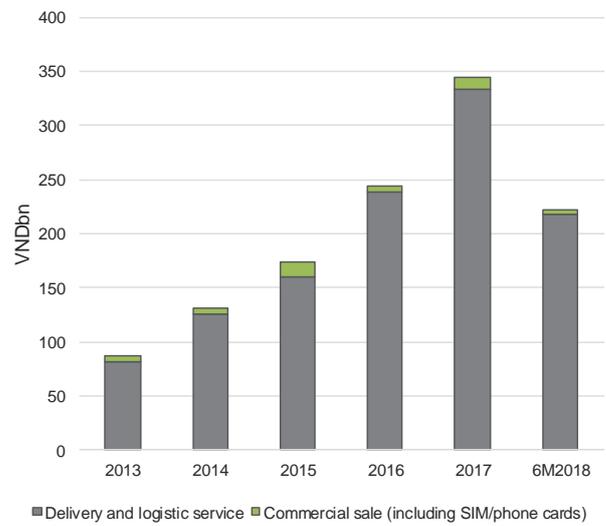
Source: VTP

Figure 3: Phasing out of SIM/phone cards to affect 2018 total revenue growth, but core revenue growth is still robust



Source: VTP

Figure 4: Delivery and logistic services comprise the lion's share of gross profit



Source: VTP

Note: The company doesn't disclose Gross profit of SIM/Phone cards separately.

The delivery and logistics services industry: promising but highly competitive

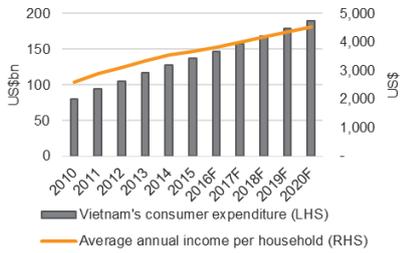
Growth in trade and retail are great engines for Vietnam's logistics sector. Vietnam is a highly open economy with trade turnover almost double that of GDP (2017 figures). Consumer demand remains robust with total retail sales consistently growing at double-digit rates over the last 10 years. According to Euromonitor, total retailing value grew at a CAGR of 11.3% over 2013-17, thanks to rising average incomes and the growing middle class. Non-store retailing value has grown much faster than store-based retailing in the same period, clocking a CAGR of 20.3% due to the boom in e-commerce and the blossoming of shipping services by traditional retailers and even mom & pop shops.

Figure 5: Vietnam's cross-border trade value is still growing rapidly



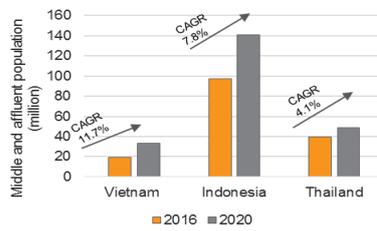
Source: Euromonitor, GSO

Figure 6: Rising disposable income per household is fuelling a sustained rise in consumption



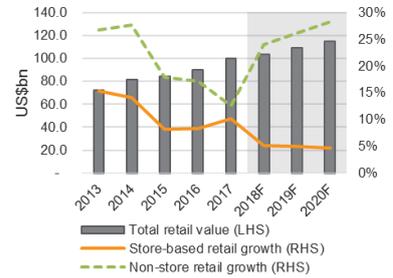
Source: Euromonitor

Figure 7: Middle and affluent class to expand rapidly



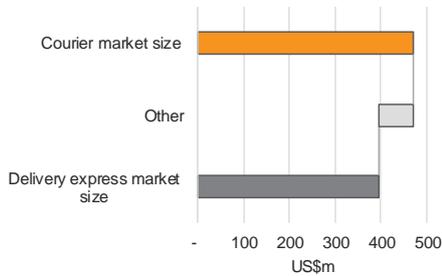
Source: BCG

Figure 8: Non-store retail is becoming the retail sales growth engine



Source: Euromonitor

Figure 9: Delivery express services accounts for 84% of total courier market size



Source: MoT, VTP, VNDIRECT calculation

These mega trends have benefitted postal and delivery services for online commerce. These services have grown at an outstanding pace of 22%-25% per year in recent years, according to Vietnam Logistics Association, which is much faster than the average growth of the logistics sector (14-16% CAGR).

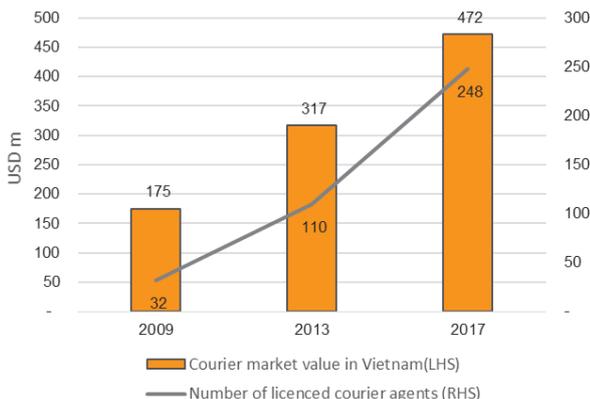
Competition is heating up in the courier segment of the logistics industry. Over 50 delivery providers are battling it out for a slice of the US\$472m courier market in Vietnam (2017 estimated), particularly in the US\$104.5m e-commerce logistics segment. Players can be categorised into four groups: traditional postal services, delivery startups, international logistics players and freelance deliverymen.

Figure 10: Postal and delivery service providers for online commerce in Vietnam

Delivery group	Name	Network	Infrastructure	Delivery range	Weakness
Traditional, domestic	Vnpost, Viettelpost, EMS ..	Large	Strong	Domestic	Delivery speed, low technology
Foreign logistics players	DHL-VNPT, TNT-Viettrans, Kerry TTC, UPS ...	Medium	Moderate	International	Expensive
Start-ups	Giaohanghanh, Giaohangtietkiem, GNN	Small	Small	City to City	Delivery range, inconsistent service quality
Freelance shippers		Very small	Weak	Local province	Expensive, unsafe

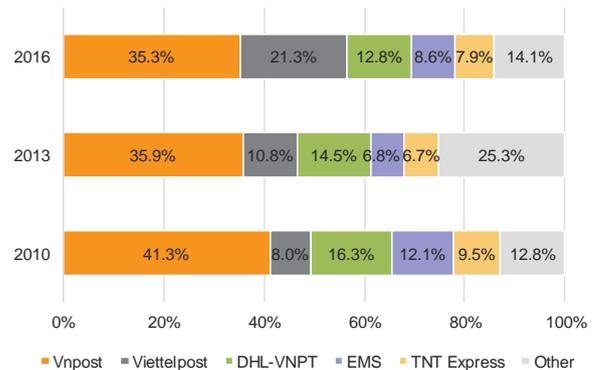
Source: VNDIRECT

Figure 11: Courier market value and number of licensed service providers in Vietnam



Source: Ministry of Information and Communication

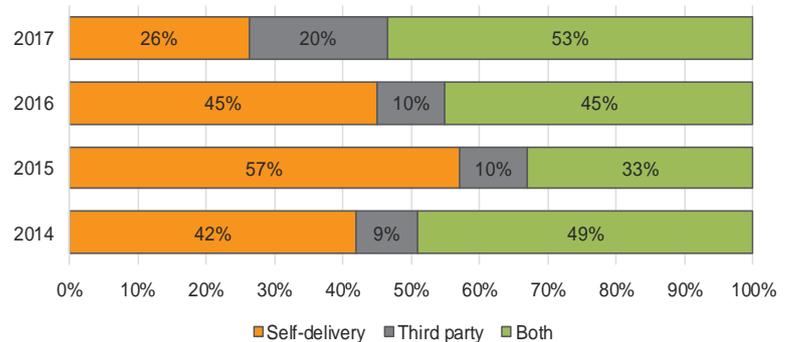
Figure 12: Express delivery market share - Viettel Post has rapidly consolidated market share



Source: Ministry of Information and Communication

Informal retailing relies totally on third-party delivery but demand cannot be quantified. Informal retailing in Vietnam includes Consumer-to-Consumer (C2C) online merchants and sales by street vendors. Online merchants operate their sales through Facebook, Zalo and online forums that connect merchants to customers, which have no official statistics registered with the government. Leisure and personal goods, apparel and footwear are the product categories most commonly targeted by Consumer-to-Consumer online merchants. These C2C merchants are not capable of delivering goods themselves and, thus, are totally reliant on third-party delivery companies like Viettel Post. VTP discloses that the value or number of informal transactions are so far not measurable but contribute significantly to total delivery services revenue.

Figure 13: Preferred E-commerce delivery mode - The rise of third-party delivery in Vietnam



Source: Ministry of Industry and Trade

Note: Data represents e-commerce website and shop owners' preferred method of delivery. Survey done by Ministry of Industry and Trade.

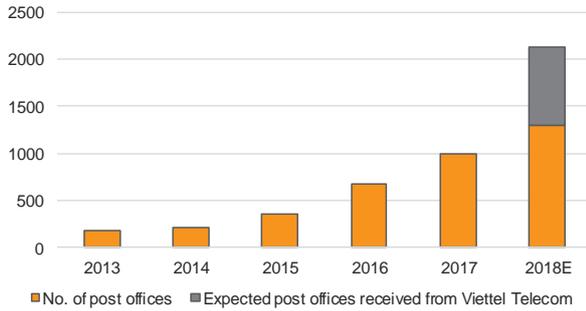
Viettel Post – investing heavily in its quest for market leadership

The company has grown to be one of the most trusted delivery players in Vietnam thanks to: (1) The second-biggest delivery infrastructure in the country, (2) cutting-edge technology and (3) the VIETTEL brand.

VTP has the second-largest market share in postal and delivery services, just behind VNPost, which has the biggest postal infrastructure in Vietnam. VTP has 8,300 collection points (post offices included), 500 trucks and a nationwide sorting system with 6 main hubs and 85 provincial hubs. VTP's rapidly growing network has enabled it to narrow the gap with VNPost postal system, which has about 11,235 collection points nationwide and 13,000 postmen. VTP's system is far larger than that of start-ups like *Giaohangnhanh (GHN Express)* and *Giaohangtietkiem*, which have about 300 collection points each.

Post office network to expand strongly from late 2018. VTP revealed that an additional network of 829 post offices and 21,000 collection points nationwide inherited from Viettel Telecom (a subsidiary of Viettel Group) will be merged with the existing network. After the expansion, the VTP post office network will be even larger than that of VNPOST which has 11,278 collection points nationwide.

Figure 14: VTP's network will expand significantly after induction of 829 Viettel Telecom stores as post offices



Source: VTP

Figure 15: VTP's current network compared with competitors

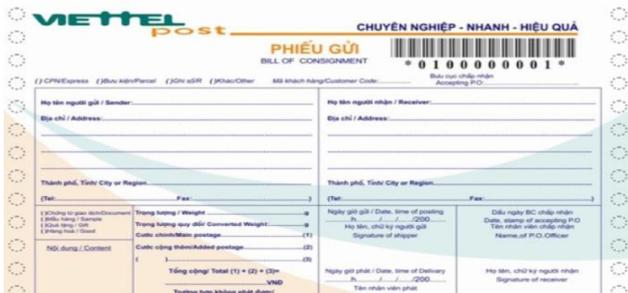
	VTP	VnPost	GHN	
			Express	GHTK (*)
Post office	1,300	2,617	na	na
Collection points	7,000	8,661	301	320
Total collection points	8,300	11,278	301	320

Note: (*) GHTK means Giaohangtiethiem

Source: VTP, VNDIRECT

State-of-the-art technologies have been incorporated to reduce delivery time and bring convenience to customers:

Figure 16: A traditional Viettel Post bill.



Source: VTP

Figure 17: A new Viettel Post e-bill on a smart phone app



Source: VTP

- The Viettel Post application for IOS and Android smartphones brings the post office to customers' smartphones. Customers now do not have to walk into a physical, traditional post office and, instead, have the ability to make delivery and pick up orders, search post offices, look up bills of delivery, pay automatically, as well as monitor and control the delivery of packages easily through the application. The app was released in 2017 making VTP the only traditional delivery company to provide technology-based service interfaces similar to that offered by start-up companies. Beside, as customers are now able to digitally enter the delivery bill details themselves, the paperwork burden for delivery staff is reduced while also relieving the customer from the ordeal of having to drop the package off at the collection point. Finally, the removal of the manual entry step helps to reduce errors associated with manual entry of delivery bill details.
- Automated sorting technology used in its main Hanoi hub helps reduce sorting time by 80% and reduce by 86% the man power needed, compared with the traditional system. This technology will be applied throughout VTP's operations from 2019 to ensure the company has the most effective sorting system in the industry.

Figure 18: Automated sorting system in Hanoi main hub



Source: VTP

Commitment to deliver military-standard service quality. Viettel, an entity owned by the Ministry of Defence, is one of the nation's most trusted brands and Viettel Post has inherited a corporate culture and core values from its parent which enables it to offer high standards of service quality. In addition, VTP is the only courier service with a policy to fully compensate the cost value of parcels that are lost or damaged in transit. The company has also maintained the highest successful delivery rate in the market with 99.5% for traditional delivery and 93% for the Cash-On-Delivery method (COD).

Aiming to become the Number 1 logistics supplier for trading and retail businesses in Vietnam. Logistics Services currently contributes 14-17% to total revenue. VTP has defined logistics services as its main focus in the future, aiming to provide a wider range of services beside traditional services (for example forwarding, warehousing, transportation), by building a digital delivery platform and digital shop management platform. This will enable the company to create a more comprehensive e-logistics system, in line with the global trend of logistics modernisation.

Figure 19: VTP provides a wide-range of logistics services

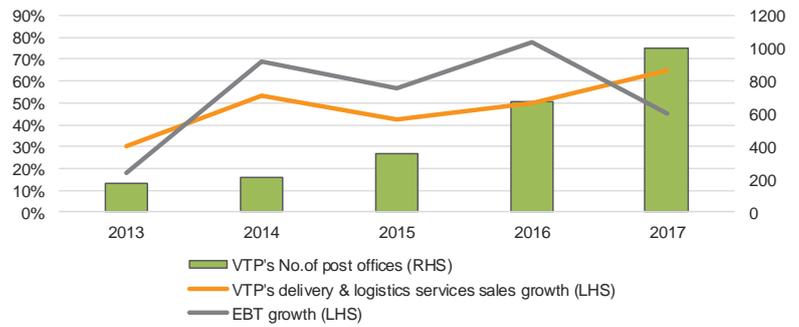


Source: VTP

Stellar growth in the last four years, stimulated by booming non-store retail sales and expansion of post office network

The company achieved a total sales growth rate of CAGR 47.7% in 2013-2017 with core revenue CAGR 62.4% versus the courier market value CAGR of only 10.5% over the same period. Growth in EBT was even more remarkable, coming in at 61.3% CAGR over the same period.

Figure 20: VTP's impressive core growth

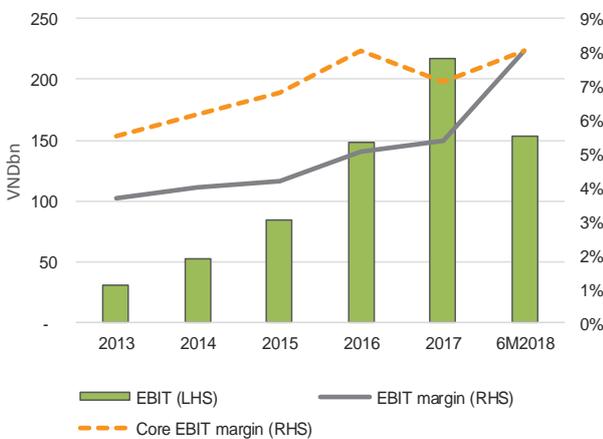


Source:VTP

STRONG FINANCIAL HEALTH PROVIDES A SOLID BASE FOR GROWTH

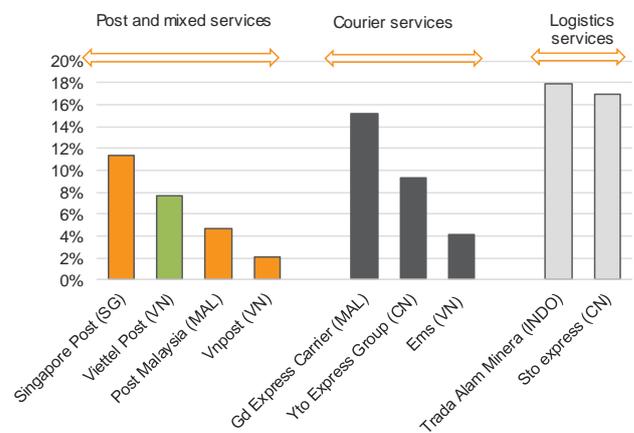
Margin increased with economies of scale, driven by operating leverage. Core pre-tax margin (Pre-tax to revenue excluding phone SIM and card sales) almost doubled during 2013-6M18, mainly thanks to more efficient management and economies of scale as the G&A expenses-to-core revenue ratio fell from 9.9% in 2013 to just 4.3% in 6M18. Reported margin jumped significantly in 6M2018 (+2.6% pts), of which 0.9% points was contributed by an improvement in pre-tax margin of the core business and the rest was due to termination of low margin businesses (SIM and card sales). VTP's pre-tax margin was much higher than that for local peers (VNPost - unlisted, EMS - UPCOM) but was still lower than that for regional peers, especially logistics services companies.

Figure 21: Increasing EBIT margin partly contributed to profit growth



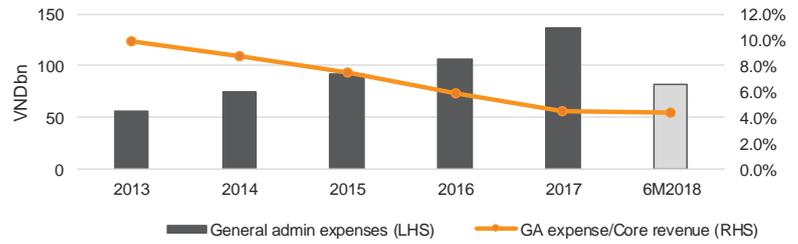
Source: VTP data, VNDIRECT

Figure 22: Pre-tax margin higher than Vietnamese peers but was still lower than regional peers over 2013-6M18



Source: VTP data, Bloomberg

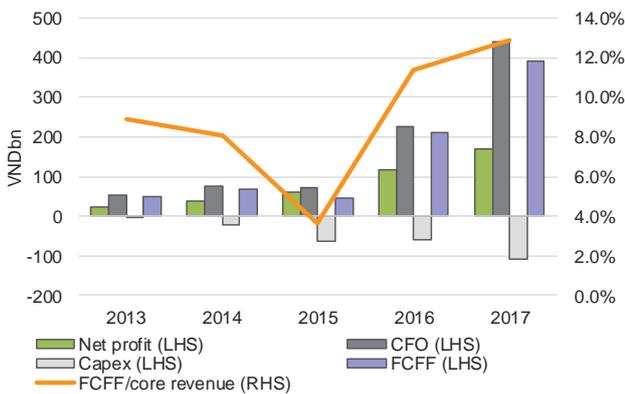
Figure 23: Rising operating leverage



Source: VTP, VNDIRECT

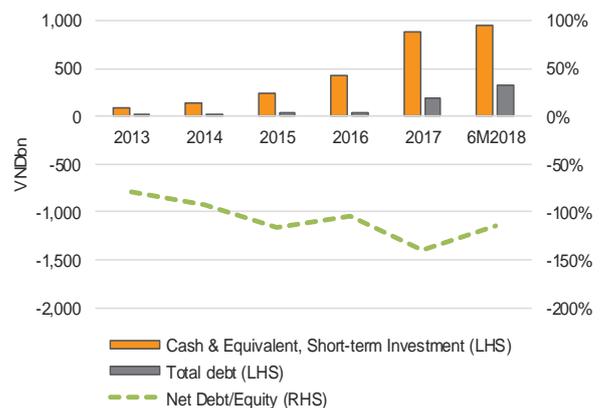
Strong cash flow is an advantage when competing with delivery start-ups. Cash and short-term investments were recorded at VND949bn while total debt only stayed at VND328bn (39% of total equity) as of Jun 31, 2018. The company has maintained a net cash position. With a strong cash base, VTP can expand its network and increase investments in technology and infrastructure to compete with start-ups and other players without needing to raise capital through debt or equity issuances.

Figure 24: Strong cash flow can fulfill capital needs in the future



Source: VNDIRECT

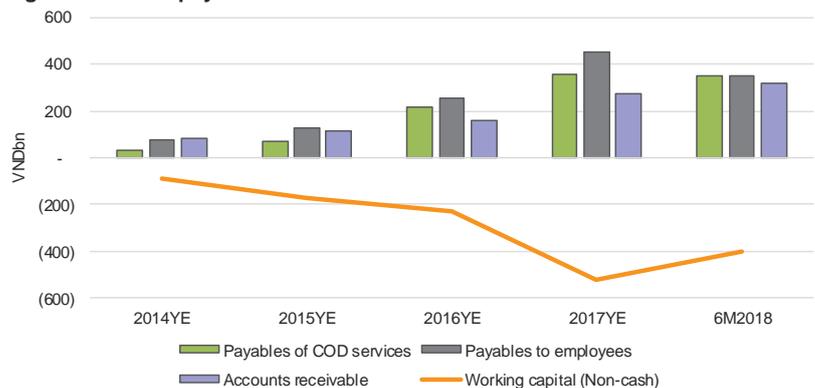
Figure 25: Increasing debt but still net cash position



Source: VNDIRECT

The positive and increasing CFO is the main contributor to the company's net cash position, thanks to the ability to collect cash from COD services, which accounted for 50% of VTP's total delivery service orders. Unlike small firms, which often need to deposit money with the senders (equivalent to orders' value), VTP can collect money from the recipients and then disburse this to the senders after 1-2 days from the delivery date.

Figure 26: VTP's payables and accounts receivable



Source: VTP, VNDIRECT

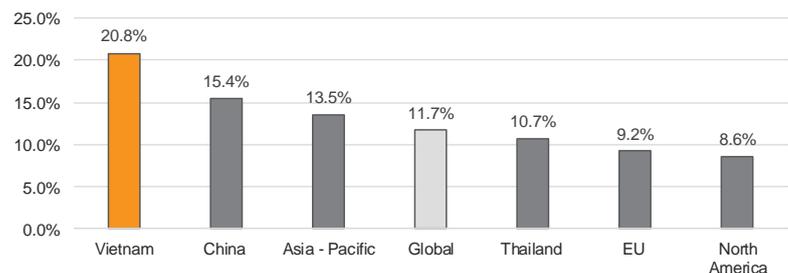
BUSINESS OUTLOOK – SUSTAINED HIGH GROWTH THANKS TO RISING DEMAND AND CONTINUED MARKET SHARE GAINS

The macroeconomic environment and logistics industry trends support VTP’s business orientation

Vietnam is expected to enjoy strong growth in international trade when the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and EU-Vietnam Free Trade Agreement (EVFTA) take effect next year. Viettel Post is expanding cross-border logistics services, collaborating with local partners to develop specialised transport routes to countries which are significant trading partners of Vietnam.

The logistics industry in Vietnam is also undergoing modernisation, with increasing application of technology in day-to-day operations. This is particularly important in Vietnam where logistics costs currently account for 20.8% of GDP, very high compared by global standards. This situation is due to the poor quality of infrastructure, under-developed order processing, and complicated administrative paperwork. This creates opportunities for companies with strengths in infrastructure, automation and vertical integration. In our opinion, VTP’s strong investments in technology and infrastructure development is in line with industry trends, and will be a key advantage over competitors.

Figure 27: Vietnam's logistics costs to GDP is far higher than global average (2016)



Source: Armstrong & Associates

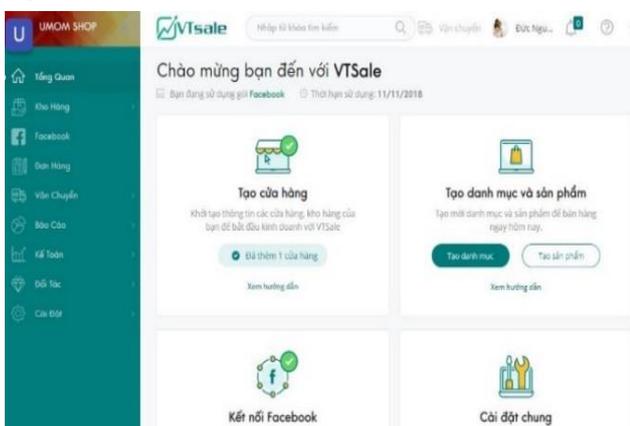
Growth in delivery demand from e-commerce as non-store retailing is forecast to continue expansion. According to Euromonitor, total non-store retailing value is forecast to grow at a CAGR of 33% in 2018-2022. Courier services and other logistics services (forwarding, warehousing) demand for e-commerce, specifically, is expected to benefit from this boom and grow by 42% during 2018-2022, according to Ken Research. With a favourable industry environment, Viettel Post targets to reach US\$500m in revenue and 30-37% market share by 2020 (+4.3% to +11.3% pts versus the 2017 figure), aiming to be the market leader by then. We think this target is quite ambitious as it implies a revenue CAGR of 58.3% over the period. VTP aims to boost its market share by (1) incorporating technological improvements in its products and services, (2) expanding logistics facilities, (3) building a digital store management platform, including payment and delivery solutions, for online SMEs and mom & pop shops, (4) offering military-level service quality to boost customer trust and loyalty. We think VTP can achieve revenue growth of over 48.6% CAGR for the next two years, slightly lower than the 2013-2017 CAGR of 53%, but higher than market growth of 42%, thereby increasing its market share to over 30% by 2020 from 25.7% currently.

VTSales shop management software is a good tool for small shop owners. Normally a shop will have a physical store and use a management software to manage inventory and sales. However this software is typically independent and not connected to anything. When they sell items on multiple places such as Facebook page, Website, Lazada, Shopee, Tiki Sendo, Etsy, and their physical POS, they will have to manually record sales and change in inventory on the software and then adjust inventory data on each online store. This procedure is suboptimal as it can lead to conflicts: for example a buyer on Lazada could place an item for the last unit in stock of a product that has already been ordered by a buyer on Facebook but not reflected in system. VTP's management software connects all those sales channels such as Facebook, Lazada and so on, together and tracks all sales on one file. The other key benefit of VTP's software is seamless courier connection with ViettelPost as the default service. As mentioned earlier, shop owners typically have to do things manually to ship their products. Now shop owners just have to input shipping details on the software, attach a delivery code to the package, then press the "Deliver" button and VTP will do the rest.

Significant investments in technology and infrastructure to sustain VTP's competitive edge. Thanks to continued investments and innovation, VTP now has up-to-date technology combined with an extensive network infrastructure. The company plans to spend 5% of annual revenue for upcoming investments focusing on (a) developing applications, (b) big data and AI solutions, (c) sales support platform (VTSales), and (d) increasing logistics capacity (warehouse, trucks, sorting system).

Launching VTSales shop management software to attract more customers using ViettelPost logistics services. Released in Aug 2018 as a professional cloud-based shop management software for medium and small online stores, the platform allows shop owners to synchronise orders and inventory data posted in multiple places such as Facebook pages, Lazada, Tiki, Shopee, and the like. It provides a powerful tool and directly links sales orders to ViettelPost as the default courier service provider and also supports payment via COD or other methods (Viettel Pay), which existing store management software is unable to do so. (More information on this platform can be found at <https://vtsale.vn/>). We believe VTSales makes strategic sense since it will bring "sticky" courier business from small shop owners.

Figure 28: VTSales platform



Source: VTP

Figure 29: VTSales Eco-system



Source: VTP

FORECAST RESULTS AND VALUATION

9M18 preliminary results point to another stellar year for Viettel Post. According to management, VTP recorded VND3,233bn (+9.3% yoy) in revenue and VND243bn in EBT (+59.6% yoy) in 9M18. Core revenue, (excluding SIM and phone card sales), surged by 54.0% yoy.

We expect VTP to maintain this momentum into 4Q18 and achieve 53.8% yoy growth in core revenue in the quarter. We project full-year FY18 revenue of VND4,626bn (+14.8% in reported revenue and 53.6% in core revenue). We forecast FY18 net profit will grow 59.1% (to reach VND271bn) based on the following key assumptions:

- Gross margin will expand from 8.6% to 11.2% due to the termination of low-margin revenue streams and a slight

contraction in GM of the delivery and logistics segment (from 12.1% to 12.0%) due to higher depreciation expense.

- GA expense-to-core revenue ratio will fall by 70bp to 4.3% due to rising economies of scale.

Rapid growth is expected to continue. We expect VTP to maintain its heady pace of growth through to 2020 with a CAGR of 48.6% in revenue and 40.6% in net profit. Our forecast is more conservative than VTP's guidance which translates to net revenue CAGR of 58.3% over 2018-2020. Our main assumptions are:

- Delivery and logistics segment is expected to grow at a CAGR of 50% over the 2018-2020 period, almost double the industry growth rate because of (1) VTP's advantages in technology and infrastructure, (2) strong financial position, (3) the company's high service standards, and management's focus and demonstrated speed of execution. Additionally, we expect revenue from commercial sales (air tickets, stationery) to grow at the same pace as delivery and logistics services, achieving a CAGR of 30% for the same period.
- We expect that VTP's GPM on delivery and logistics services will contract slightly to 11.4% and 10.9%, in 2019 and 2020 respectively, (from 12.0% in 2018) to reflect higher competition in the courier industry. We assume VTP can maintain a 1.5% GPM for the commercial segment during 2018-2020 (in line with the trailing 5-year average).
- We expect SG&A expenses as a percentage of total revenue will see a slight reduction from 4.3% in 2018 to 4.1% in 2019 and 4.0% in 2020.

Figure 30: Forecast summary

	2017A	2018F	2019F	2020F
Net revenue (Excluding SIM/phone cards sales)	3,036	4,626	6,868	10,211
Commercial sale	279	353	459	596
Delivery and logistics services	2,757	4,273	6,409	9,614
Net revenue growth	64.8%	52.4%	48.5%	48.7%
Commercial sale	87.9%	26.4%	30.0%	30.0%
Delivery and logistics services	62.8%	55.0%	50.0%	50.0%
Gross profit	345	519	736	1,055
Gross margin	11.4%	11.2%	10.7%	10.3%
Commercial sale	0.9%	1.5%	1.5%	1.5%
Delivery and logistics services	12.1%	12.0%	11.4%	10.9%
Net financial income	18	15	13	14
SG&A	151	197	283	405
Other profit	1	2	3	5
EBT	214	338	470	669
Net profit	170	271	376	535
Net profit growth	45.7%	59.1%	39.0%	42.2%
Net margin	5.6%	5.8%	5.5%	5.2%
Fully diluted EPS	3,601	5,886	8,183	11,637
EPS growth	41.9%	59.1%	39.0%	42.2%

(*) 2017 financial ratios calculated based on core revenue (excluding SIM/phone cards sales)

Source: VNDIRECT

Initiate with ADD recommendation. We choose a target P/E multiple to value VTP, applied to a forward EPS 2018 of VND5,886/share. We use peers' average trailing P/E as a basis for VTP target price despite its higher ROE than industry average, to account for the inherent volatility and liquidity risk associated with an UPCOM listing. We think a target TTM P/E of 19.2x is reasonable, even though it represents a

premium to the overall Vietnam stock market valuation, for the following reasons: (1) favourable industry environment, (2) VTP's rapid earnings growth profile, (3) VTP's existing and widening lead over competitors in terms of technology and logistics infrastructure, (4) high ROE. This target P/E gives us a **target price of VND113,000**.

Figure 31: P/E valuation method

	Unit	Value
Net profit 2018	VNDbn	271
Adjusted NP (excl. bonus and welfare)	VNDbn	244
Total outstanding shares	m share	41.4
EPS 2018	VND	5,886
Target TTM P/E (Peers' average)	x	19.2
Target price	VND	113,006

Source: VNDIRECT

Figure 32: Peer comparison

Ticker	Company	Country	Market cap (US\$m)	TTM NPAT growth	TTM EPS growth	ROA	ROE	Net D/E	TTM P/E (x)	P/B (x)
Postal and mixed services										
SPOST SP	SINGAPORE POST	SINGAPORE	1,757	-45.3%	225.9%	2.8%	5.2%	-5.1%	33.6	1.5
POSM MK	POS MALAYSIA	MALAYSIA	622	-62.0%	484.0%	3.8%	7.6%	-4.0%	24.4	1.8
Courier services										
600233 CH	YTO EXPRESS	CHINA	4,321	-28.5%	-32.2%	1.7%	2.8%	-6.2%	42.8	1.3
600270 CH	SINOTRANS AIR TRANSPORT	CHINA	2,600	36.0%	13.9%	11.1%	18.1%	-51.5%	13.6	2.3
EMS VN	P&T EXPRESS	VIETNAM	15	14.0%	-13.2%	12.1%	16.9%	-38.6%	19.1	3.0
Logistics services										
002468 CH	STO EXPRESS	CHINA	3,816	53.6%	18.7%	11.6%	14.8%	-57.6%	13.3	2.2
LBC PM	LBC EXPRESS	PHILIPPINES	371	40.3%	36.2%	9.6%	22.5%	-58.3%	8.5	1.8
300532 CH	NEW TREND INTERNATIONAL	CHINA	364	32.3%	19.0%	14.2%	23.9%	-57.5%	16.1	3.4
SFI VN	SEA AND AIR FREIGHT INT.	VIETNAM	14	21.9%	-8.8%	20.7%	25.6%	-65.1%	16.4	3.6
Average						10.7%	17.8%	-43.9%	19.2	2.6
Median						11.6%	14.8%	-38.6%	16.4	2.2
VTP	VIETTEL POST	VIETNAM	2,815	86.6%	86.6%	12.0%	39.8%	-114.7%	12.1	5.2

@Market cap and Multiple ratios are calculated based on expected listing price

Source: VNDIRECT

Income statement

(VNDbn)	12-17A	12-18E	12-19E
Net revenue	4,031	4,626	6,868
Cost of sales	(3,686)	(4,107)	(6,132)
Gen & admin expenses	(137)	(176)	(251)
Selling expenses	(14)	(22)	(32)
Operating profit	194	321	453
Operating EBITDA	232	380	537
Depreciation and amortisation	(38)	(58)	(83)
Operating EBIT	194	321	453
Interest income	21	29	36
Financial expense	(3)	(14)	(22)
Net other income	1	2	3
Income from associates & JVs	0	0	0
Pre-tax profit	214	338	470
Tax expense	(43)	(68)	(94)
Minority interest	0	0	0
Net profit	170	271	376
Adj. net profit to ordinary	170	271	376
Ordinary dividends	(34)	(45)	(62)
Retained earnings	136	226	314

Balance sheet

(VNDbn)	12-17A	12-18E	12-19E
Cash and equivalents	477	514	762
Short term investments	401	520	595
Accounts receivables	479	553	821
Inventories	19	25	38
Other current assets	47	54	81
Total current assets	1,423	1,666	2,296
Fixed assets	245	287	353
Total investments	0	0	0
Other long-term assets	83	182	183
Total assets	1,751	2,135	2,831
Short-term debt	193	324	481
Accounts payable	77	86	129
Other current liabilities	992	904	1,091
Total current liabilities	1,261	1,314	1,701
Total long-term debt	0	0	0
Other liabilities	0	0	11
Share capital	297	414	414
Retained earnings reserve	175	390	689
Shareholders' equity	489	820	1,120
Minority interest	0	0	0
Total liabilities & equity	1,751	2,135	2,831

Cash flow statement

(VNDbn)	12-17A	12-18E	12-19E
Pretax profit	214	338	470
Depreciation & amortisation	38	58	83
Tax paid	(40)	(68)	(94)
Other adjustments	(12)	(14)	(12)
Change in working capital	239	(177)	(110)
Cash flow from operations	439	139	338
Capex	(110)	(101)	(149)
Proceeds from assets sales	3	2	4
Others	(247)	(90)	(39)
Other non-current assets changes	0	0	0
Cash flow from investing activities	(353)	(189)	(184)
New share issuance	0	0	0
Shares buyback	0	0	0
Net borrowings	153	131	157
Other financing cash flow	0	0	0
Dividends paid	(34)	(45)	(62)
Cash flow from financing activities	119	87	95
Cash and equivalents at beginning of period	273	477	514
Total cash generated	204	36	249
Cash and equivalents at the end of period	477	514	762

Key ratios

	12-17A	12-18E	12-19E
Dupont			
Net profit margin	4.2%	5.8%	5.5%
Asset turnover	2.85	2.38	2.77
ROAA	12.0%	13.9%	15.1%
Avg assets/avg equity	3.31	2.97	2.56
ROAE	39.8%	41.3%	38.8%
Efficiency			
Days account receivable	28.9	30.0	30.0
Days inventory	1.92	2.25	2.24
Days creditor	7.62	7.68	7.68
Fixed asset turnover	19.2	17.4	21.5
ROIC	24.9%	23.7%	23.5%
Liquidity			
Current ratio	1.13	1.27	1.35
Quick ratio	1.11	1.25	1.33
Cash ratio	0.70	0.79	0.80
Cash cycle	23.2	24.6	24.6
Growth rate (yoy)			
Revenue growth	37.6%	14.8%	48.5%
Operating profit growth	39.9%	65.4%	41.1%
Net profit growth	45.7%	59.1%	39.0%
EPS growth	45.7%	59.1%	39.0%
Share value			
Adj. FD EPS (VND)	3,601	5,886	8,183
BVPS (VND)	16,490	19,826	27,068

DISCLAIMER

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by and belongs to VNDIRECT Securities Corporation, and is distributed by CGS-CIMB or CIMB Investment Bank Berhad ("CIMB"), as the case may be, pursuant to an arrangement between VNDIRECT Securities Corporation and CGS-CIMB. VNDIRECT Securities Corporation is not an affiliate of CGS-CIMB or CIMB.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the "Restrictions on Distributions" set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CGS-CIMB or CIMB, as the case may be.

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report. VNDIRECT Securities Corporation may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. None of VNDIRECT Securities Corporation, CGS-CIMB or CIMB is under any obligation to update this report in the event of a material change to the information contained in this report. None of VNDIRECT Securities Corporation, CGS-CIMB or CIMB has any and will accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, VNDIRECT Securities Corporation, CGS-CIMB and CIMB and their respective affiliates and related persons including China Galaxy International Financial Holdings Limited ("CGIFHL") and CIMB Group Sdn. Bhd. ("CIMBG") and their respective related corporations (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, VNDIRECT Securities Corporation, CGS-CIMB and CIMB disclaim all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CGS-CIMB, CIMB, or VNDIRECT Securities Corporation, or their respective affiliates (including CGIFHL, CIMBG and their respective related corporations) to any person to buy or sell any investments.

CGS-CIMB, CIMB and/or VNDIRECT Securities Corporation and/or their respective affiliates and related corporations (including CGIFHL, CIMBG and their respective related corporations), their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS-CIMB, CIMB and/or VNDIRECT Securities Corporation, and/or their respective affiliates and their respective related corporations (including CGIFHL, CIMBG and their respective related corporations) do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS-CIMB, CIMB and/or VNDIRECT Securities Corporation and/or their respective affiliates (including CGIFHL, CIMBG and their respective related corporations) may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CGS-CIMB, CIMB and/or VNDIRECT Securities Corporation may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. The analyst(s) who prepared this research report is prohibited from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality,

available on request.

The term “VNDIRECT Securities Corporation” shall, unless the context otherwise requires, mean VNDIRECT Securities Corporation and its affiliates, subsidiaries and related companies. The term “CGS-CIMB” shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CIMB Securities International Pte. Ltd. and its affiliates, subsidiaries and related corporations.

CGS-CIMB

Country	CGS-CIMB Entity	Regulated by
Hong Kong	CGS-CIMB Securities Limited	Securities and Futures Commission Hong Kong
India	CGS-CIMB Securities (India) Private Limited	Securities and Exchange Board of India (SEBI)
Indonesia	PT CGS-CIMB Sekuritas Indonesia	Financial Services Authority of Indonesia
Singapore	CGS-CIMB Research Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS-CIMB Securities Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS-CIMB Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

CIMB

Country	CIMB Entity	Regulated by
Malaysia	CIMB Investment Bank Berhad	Securities Commission Malaysia

(i) As of 16 November 2018 VNDIRECT Securities Corporation has a proprietary position in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

(ii) As of 16 November 2018, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

This report does not purport to contain all the information that a prospective investor may require. CGS-CIMB, and VNDIRECT Securities Corporation and their respective affiliates (including CGIFHL, CIMBG and their related corporations) do not make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. None of CGS-CIMB, CIMB and VNDIRECT Securities Corporation and their respective affiliates nor their related persons (including CGIFHL, CIMBG and their related corporations) shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS-CIMB's, CIMB's and their respective affiliates' (including CGIFHL's, CIMBG's and their respective related corporations') clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report. The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

Australia: Despite anything in this report to the contrary, this research is provided in Australia by CIMB Securities (Singapore) Pte. Ltd. and CIMB Securities Limited. This research is only available in Australia to persons who are “wholesale clients” (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a “wholesale client”. This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CIMB Securities (Singapore) Pte. Ltd. and CIMB Securities Limited do not hold, and are not required to hold an Australian financial services license. CIMB Securities (Singapore) Pte. Ltd. and CIMB Securities Limited rely on “passporting” exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

Canada: This research report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

China: For the purpose of this report, the People's Republic of China (“PRC”) does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing

information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

France: Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

Germany: This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

Hong Kong: This report is issued and distributed in Hong Kong by CIMB Securities Limited ("CHK") which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CIMB Securities Limited. The views and opinions in this research report are of VNDIRECT Securities Corporation as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CHK has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only to clients of CHK.

CHK does not make a market on other securities mentioned in the report.

India: This report is issued and distributed in India by CIMB Securities (India) Private Limited ("CIMB India") which is registered with the National Stock Exchange of India Limited and BSE Limited as a trading and clearing member under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992. In accordance with the provisions of Regulation 4(g) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, CIMB India is not required to seek registration with the Securities and Exchange Board of India ("SEBI") as an Investment Adviser. CIMB India is registered with SEBI as a Research Analyst pursuant to the SEBI (Research Analysts) Regulations, 2014 ("Regulations").

This report does not take into account the particular investment objectives, financial situations, or needs of the recipients. It is not intended for and does not deal with prohibitions on investment due to law/jurisdiction issues etc. which may exist for certain persons/entities. Recipients should rely on their own investigations and take their own professional advice before investment.

The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of CIMB India and they have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues, client feedback and competitive factors. Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed or proposed to be performed by CIMB India or its affiliates.

CIMB India has not received any investment banking related compensation from the companies mentioned in the report in the past 12 months. CIMB India has not received any compensation from the companies mentioned in the report in the past 12 months.

Indonesia: This report is issued and distributed by PT CIMB Sekuritas Indonesia ("CIMBI"). The views and opinions in this research report are our own as of the date hereof and are subject to change. CIMBI has no obligation to update its opinion or the information in this research report. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This research report is not an offer of securities in Indonesia. The securities referred to in this research report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

Ireland: CGS-CIMB is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS-CIMB acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

Malaysia: This report is distributed by CIMB solely for the benefit of and for the exclusive use of our clients. CIMB has no obligation to update, revise or reaffirm its opinion or the information in this research reports after the date of this report.

New Zealand: In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

Singapore: This report is issued and distributed by CIMB Research Pte Ltd ("CIMBR"). CIMBR is a financial adviser licensed under the Financial Advisers Act, Cap 110 ("FAA") for advising on investment products, by issuing or promulgating research analyses or research reports, whether in electronic, print or other form. Accordingly CIMBR is a subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CIMB Research Pte Ltd, 50 Raffles Place, #16-02 Singapore Land Tower, Singapore in respect of any

matters arising from, or in connection with this report. CIMBR has no obligation to update its opinion or the information in this research report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CIMBR directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CIMBR accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CIMBR is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following :

- (a) Section 25 of the FAA (obligation to disclose product information);
- (b) Section 27 (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation) of the FAA;
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
- (e) Section 36 (obligation on disclosure of interest in securities), and
- (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which are relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that a CIMBR is exempt from Section 27 of the FAA, the recipient will also not be able to file a civil claim against CIMBR for any loss or damage arising from the recipient's reliance on any recommendation made by CIMBR which would otherwise be a right that is available to the recipient under Section 27 of the FAA, the recipient will also not be able to file a civil claim against CIMBR for any loss or damage arising from the recipient's reliance on any recommendation made by CIMBR which would otherwise be a right that is available to the recipient under Section 27 of the FAA.

CIMBR, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CIMBR, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

As of 16 November 2018,, CIMBR does not have a proprietary position in the recommended securities in this report.

CIMBR does not make a market on the securities mentioned in the report.

South Korea: This report is issued and distributed in South Korea by CIMB Securities Limited, Korea Branch ("CIMB Korea") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea ("FSCMA").

Spain: This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS-CIMB is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

Sweden: This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

Switzerland: This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers' Association (Directives on the Independence of Financial Research).

Thailand: This report is issued and distributed by CIMB Securities (Thailand) Co. Ltd. ("CIMBT") based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use as information for investment. Such opinions are subject to change without notice and CIMBT has no obligation to update its opinion or the information in this research report.

CIMBT may act or acts as Market Maker, and issuer and offerer of Derivative Warrants and Structured Note which may have the following securities as its underlying securities. Investors should carefully read and study the details of the derivative warrants in the prospectus before making investment decisions.

AAV, ADVANC, AMATA, ANAN, AOT, AP, BA, BANPU, BBL, BCH, BCP, BCPG, BDMS, BEAUTY, BEC, BEM, BJC, BH, BIG, BLA, BLAND, BPP, BTS, CBG, CENTEL, CHG, CK, CKP, COM7, CPALL, CPF, CPN, DELTA, DTAC, EA, EGCO, EPG, GFPT, GLOBAL, GLOW, GPSC, GUNKUL, HMPRO, INTUCH, IRPC, ITD, IVL, KBANK, KCE, KKP, KTB, KTC, LH, LHBANK, LPN, MAJOR, MALEE, MEGA, MINT, MONO, MTLs, PLANB, PSH, PTL, PTG, PTT, PTTEP, PTTGC, QH, RATCH, ROBINS, S, SAWAD, SCB, SCC, SCCC, SIRI, SPALI, SPRC, STEC, STPI, SUPER, TASCO, TCAP, THAI, THANI, THCOM, TISCO, TKN, TMB, TOP, TPIPL, TRUE, TTA, TU, TVO, UNIQ, VGI, WHA, WORK.

Corporate Governance Report:

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general

public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CIMBT does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70 or	No Survey Result
Description:	Excellent	Very Good	Good	N/A	

United Arab Emirates: The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

United Kingdom and European Economic Area (EEA): In the United Kingdom and European Economic Area, this material is also being distributed by CIMB Securities (UK) Limited (“CIMB UK”). CIMB UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 27 Knightsbridge, London, SW1X7YB. The material distributed by CIMB UK has been prepared in accordance with CGS-CIMB’s policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CIMB UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (c) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material(all such persons together being referred to as “relevant persons”). This material is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

Where this material is labelled as non-independent, it does not provide an impartial or objective assessment of the subject matter and does not constitute independent “research” (cannot remove research from here under the applicable rules of the Financial Conduct Authority in the UK. Consequently, any such non-independent material will not have been prepared in accordance with legal requirements designed to promote the independence of research (cannot remove research from here) and will not subject to any prohibition on dealing ahead of the dissemination of research. Any such non-independent material must be considered as a marketing communication.

United States: This research report is distributed in the United States of America by CIMB Securities (USA) Inc, a U.S. registered broker-dealer and a related company of CIMB Research Pte Ltd, PT CIMB Sekuritas Indonesia, CIMB Securities (Thailand) Co. Ltd, CIMB Securities Limited, CIMB Securities (India) Private Limited, and is distributed solely to persons who qualify as “U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CIMB Securities (USA) Inc, is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CIMB Securities (USA) Inc.

CIMB Securities (USA) Inc. does not make a market on other securities mentioned in the report.

CIMB Securities (USA) Inc. has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

CIMB Securities (USA) Inc. has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

CIMB Securities (USA) Inc. neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

Other jurisdictions: In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

RECOMMENDATION FRAMEWORK

Stock Ratings

Definition:

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

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

Sector Ratings

Definition:

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

Country Ratings

Definition:

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

Anirban Lahiri – Head of Research

Email: anirban.lahiri@vndirect.com.vn

Nguyen Tien Duc – Analyst

Email: duc.nguyentien2@vndirect.com.vn

VNDIRECT Securities Corporation

1 Nguyen Thuong Hien Str – Hai Ba Trung Dist – Ha Noi

Tel: +84 2439724568

Email: research@vndirect.com.vn

Website: <https://vndirect.com.vn>