

Investment and Industrial Development JSC (HSX: BCM)

Opportunities come with challenges

- Binh Duong is expected to develop strongly after merging into Ho Chi Minh City. As a leading enterprise, BCM has many advantages in Binh Duong;
- The new US tariff policy reduces demand for industrial land. The postponed capital issue affects investment and debt repayment plan. But the downside risks have been reflected in the stock price.
- We recommend ADD for BCM but reduce our target price to VND 72,500.

Residential property project is positive as Binh Duong merges into Ho Chi Minh City

Merging Binh Duong into Ho Chi Minh City makes Binh Duong develop more strongly thanks to (1) its role as an industrial park (IP) center of a megacity (2) inter-regional transport infrastructure connecting with Ho Chi Minh City being built to promote trade and people's movement (3) high-tech industry being developed by high-skilled human resources moving from Ho Chi Minh City (4) economic resources and administrative management being optimized. Acting as the "locomotive" economic enterprise in Binh Duong, BCM has many advantages thanks to its long-standing foundation and unexploited land bank of more than 1,000 ha. We expect real estate transfer to be the key driver of FY25-26F revenue, reaching VNDbn 3,519 (-5% yoy) / VNDbn 3,984 (+13% yoy).

Demand for industrial land decreases due to the new US tariff policy

The new US tariff policy affects three main economic aspects of Vietnam (1) the reducing competitiveness of the key export goods to US (2) FDI flows into Vietnam decreasing due to higher taxes (3) pressure on Vietnam's exchange rates. Industrial land demand is forecast to decrease in the coming time. We revise down FY25-26F industrial revenue by 44%/32%.

We recommend ADD with a target price of VND 72,500/share

Based on BCM's valuation, the majority of asset value is unexploited commercial land, accounting for 60-70%. We expect the merger of Binh Duong into Ho Chi Minh City to open many development opportunities for BCM, the value of commercial land is expected to increase. The impact of the new US tariff policy on industrial park segment has caused the stock price to fall to an attractive level for long-term investment, so we believe it is suitable to buy BCM stock. Investment thesis: (1) the merger of Binh Duong into Ho Chi Minh City opens up new development opportunities for Binh Duong and BCM (2) the trade negotiations between Vietnam and US is expected to reduce the reciprocal tariffs on Vietnam (3) upside potential of 31% thanks to unexploited land bank.

VNDbn	2023	2024	2025F	2026F
Revenue	7,883	5,239	6,648	7,580
NP	2,423	2,187	1,679	2,200
Revenue growth	20.1%	-33.5%	26.9%	14.0%
NP growth	42.5%	-9.7%	-23.2%	31.0%
Gross margin	53.9%	66.8%	55.3%	48.9%
EBITDA margin	49.1%	78.9%	54.9%	53.9%
ROAE	13.7%	11.5%	8.3%	10.3%
ROAA	4.8%	3.9%	2.8%	3.7%
EPS (VND/share)	2,341	2,113	1,622	2,125
BVPS (VND/share)	17,934	18,927	19,952	21,450

(Source: BCM, MBS Research)

ADD

Target price

VND 72,500

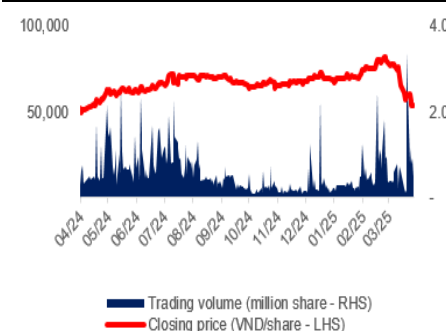
Upside

+31%

Key changes in the report

- Decreasing FY25-26F net profit (NP) by 26%/28%

Information



(Source: MBS Research)

Current price (VND)	55,200
52W High (VND)	81,800
52W Low (VND)	49,700
Market Cap (VNDbn)	57,132
P/E (TTM)	26.1
P/B	2.9
Dividend yield (%)	1.8%
Foreign ownership (%)	2.0%

Source: <https://s24.mbs.com.vn/>

Ownership

Binh Duong Provincial People's Committee	95.4%
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Investment and Industrial Development JSC

Investment thesis and Valuation

Investment thesis

- (1) The merge of Binh Duong into Ho Chi Minh City opens up new opportunities for Binh Duong to develop thanks to its role as an industrial center of a megacity, the inter-regional transport infrastructure with Ho Chi Minh City being built, high-tech industry being developed by high-skilled human resources, economic resources and administrative management being optimized after the merger. As the leading enterprise of Binh Duong, BCM has many advantages thanks to its long-standing foundation.
- (2) We expect the trade negotiations between Vietnam and US to achieve results that are beneficial to both nations, and the reciprocal tariffs on Vietnam to be reduced.
- (3) BCM's stock price has dropped sharply due to the impact of the new US tariff policy on IP segment. Based on BCM's valuation, the IP segment accounts for 20-30% of its asset value. The rest is unexploited land bank. We find that the stock price is at a relatively attractive level.

Valuation

We revise down our target price to VND 72,500/share, with upside potential of 31%.

Figure 1: Valuation for BCM

VNDbn	Ownership	Valuation	Method	Notes
Industrial property		8,304		
My Phuoc 1	100%	334	DCF	The industrial parks have relatively stable cashflows, so we use the DCF method with an average cost of capital (WACC) of 10.6%. We reduce the growth of leasable prices to 0-5% due to the impact of the new US tariff policy on industrial land demand.
My Phuoc 2	100%	112	DCF	
My Phuoc 3	100%	72	DCF	
Thoi Hoa	100%	231	DCF	
Bau Bang	100%	317	DCF	
Bau Bang ext	100%	2,278	DCF	
Cay Truong	100%	4,960	DCF	
Residential property		4,326	BV	Residential projects under development are valued to their book values.
In-progress property		51,795		The value of unexploited land bank is calculated by market price or transfer price multiplying land area, then discounting by 70%.
Thu Dau Mot	100%	33,075		
Ben Cat	100%	7,056		
Bau Bang	100%	10,824		
Thuan An	100%	840		
Total assets		64,425		
(+) Cash and cash-equivalents		2,205		
(+) Short-term investments		300		
(+) Investments in associates & joint ventures		32,796		For investments in associates and joint ventures, we use the RNAV method for VSIP, the DCF method for Becamex Binh Phuoc, the market value
VSIP	49%	17,543		
Becamex Binh Phuoc	40%	2,977		

VNDbn	Ownership	Valuation	Method	Notes
IJC	50%	2,171		for IJC and BWE, and the BV method for the others.
BW	24%	3,608		
Becamex Tokyu	35%	3,067		For VSIP, we add the book value of new land use rights to our valuation model.
Setia	40%	362		
Others		3,068		
(-) Debts		23,628		
(-) Minority interests		1,090		
Equity value		75,008		
Share outstanding		1,035,000,000		
Value per share (VND/share)		72,500		

(Source: MBS Research)

Figure 2: Peer comparison

Company name	Tic ker	Market price	Target price	Recommen dation	Market Cap (VNDbn)	P/E		P/B		ROE (%)		ROA (%)	
						2024	2025	2024	2025	2024	2025	2024	2025
Becamex IDC	BCM	55,200	72,500	ADD	57,132	26.1	34.0	2.9	2.8	11.5	8.3	3.9	2.8
Kinh Bac City	KBC	21,800	35,100	ADD	16,734	43.8	30.4	0.9	1.7	2.1	5.2	1.0	2.3
IDICO	IDC	36,200	55,500	ADD	11,946	6.0	6.6	2.1	1.9	37.7	31.2	10.9	9.3
Sonadezi Chau Duc	SZC	29,900	39,300	ADD	5,382	14.7	15.5	1.7	1.7	11.8	10.9	4.4	4.0
Average						22.7	21.6	1.9	2.0	15.8	13.9	5.1	4.6

(Source: Fiinpro, MBS Research)

Downside risk

- (1) Risk of unstable tariff policy causing industrial land demand to decrease;
- (2) Risk of business operation being affected by the postponed capital issue;
- (3) Liquidity risk as debts grow larger, high pressure on debt repayment in 2026;
- (4) Land clearance costs may increase after the merge of Binh Duong into Ho Chi Minh City.

2024 business results

In 2024, revenue and NP decreased by 34% and 10% yoy respectively

Figure 3: 2024 business results

VNDbn	2024	yoy (%)	% MBS forecast	Comments
Revenue	5,239	-34%	80%	
Property	3,444	-48%	73%	
Industrial property	742	-41%	38%	Revenue from IPs and related services reached VNDbn 742 (-41% yoy) thanks to the land handover of Bau Bang IP and Bau Bang ext IP.
Service	1,167	10%	113%	Service revenue grew 10% yoy thanks to education and healthcare activities.
Gross margin	67%	13 pts	21 pts	Gross margin increased thanks to high gross margin of industrial and residential property segments, reaching an average of 79%.
Property	81%	24 pts	24 pts	
Industrial property	79%	12 pts	14 pts	The gross margin of IP segment improved to 79%, compared to 67% in 2023.
Service	44%	0 pts	15 pts	
Selling expenses	1,067	22%	156%	
Administrative expenses	646	9%	113%	
SG&A	1,714	17%	137%	
% SG&A/revenue	33%	14 pts	14 pts	
Interest income	168	28%	123%	Interest income increased 28% yoy thanks to the BCC profit of the Bac Song Cam project with VSIP.
Financial expenses	1,310	45%	124%	Debts increased by 20%
Income from associates & joint ventures	1,948	144%	142%	VSIP, IJC and Becamex Binh Phuoc contributed the biggest profits to Becamex IDC, respectively reaching VNDbn 1,420/ 176/ 154, up 90%/ -10%/ 180% yoy.
VSIP	1,420	90%	145%	
IJC	176	-10%	115%	IJC's profit decreased due to real estate revenue declining 54% yoy.
Becamex Binh Phuoc	154	180%	132%	
Pre-tax profit	2,559	-5%	121%	
NP	2,187	-10%	123%	NP decreased 10% yoy but higher than our forecast.

(Source: BCM, MBS Research)

We revise down FY25-26F NP

Figure 4: FY25–26F business results

VNDbn	2024	2025	yoy	% change	2026	yoy	% change	Comments
Revenue	5,239	6,648	27%	4%	7,580	14%	10%	
Property	3,444	4,757	38%	5%	5,711	20%	13%	
Industrial property	742	1,238	67%	-44%	1,727	39%	-32%	We reduce FY25-26F industrial park revenue by 44%/32% due to the impact of the new US tariff policy.
Residential property (*)	3,722	3,519	-5%	51%	3,984	13%	59%	We increase FY25-26F residential property revenue due to expected-to-increase land demand after the merge of Binh Duong into Ho Chi Minh City.
Service	1,167	1,121	-4%	5%	1,148	2%	6%	
Gross profit	3,498	3,675	5%	23%	3,706	1%	12%	
Property	2,774	3,253	17%	25%	3,272	1%	13%	
Industrial property	586	805	37%	-44%	1,094	36%	-33%	
Residential property (*)	2,835	2,448	-14%	109%	2,178	-11%	73%	
Service	516	332	-36%	7%	343	3%	8%	
Gross margin	67%	55%	-11 pts	9 pts	49%	-6 pts	1 pts	
Property	81%	68%	-12 pts	11 pts	57%	-11 pts	0 pts	
Industrial property	79%	65%	-14 pts	0 pts	63%	-2 pts	-2 pts	The average gross margin of IPs is around 60-65%.
Residential property (*)	76%	70%	-26 pts	19 pts	55%	-15 pts	4 pts	
Service	44%	30%	-15 pts	0 pts	30%	0 pts	1 pts	
% SG&A/revenue	33%	28%	-4 pts	8 pts	23%	-5 pts	4 pts	
Interest income	168	123	-27%	-79%	101	-18%	-87%	We reduce FY25-26F interest income due to the postponed capital issue.
Financial expenses	1,310	1,210	-8%	14%	1,156	-5%	8%	We expect the company to maintain its debts in 2025-26.
Income from associates & joint ventures	1,948	1,451	-26%	-8%	1,785	23%	-8%	
VSIP	1,420	911	-36%	-17%	1,084	19%	-29%	We reduce the handovered industrial land area to 115ha and 172ha and the growth of leasable prices to 0-3%/year in 2025-26.
IJC	176	153	-13%	0%	223	46%	0%	
Becamex Binh Phuoc	154	141	-8%	11%	113	-20%	-22%	We reduce the handovered industrial land area to 40/ 30 ha in 2025-26.
Pre-tax profit	2,559	2,067	-19%	-23%	2,552	23%	-28%	
NP	2,187	1,679	-23%	-26%	2,200	31%	-28%	We reduce FY25-26F NP to 26%/28% yoy due to the impact of the new US tariff policy and the postponed capital issue. After adjustment, BCM's NP is forecast to decrease 23% yoy in 2025 and increase 31% yoy in 2026.

(*) Figures include BCM and its subsidiaries

(Source: BCM, MBS Research)

The merge of Binh Duong into Ho Chi Minh City brings many opportunities for BCM's residential property segment

Merging Binh Duong into Ho Chi Minh City opens up opportunities for Binh Duong to develop strongly:

- ✓ Acting as role in developing an industrial park center of a megacity: After the merger, new Ho Chi Minh City has met the standards in terms of scale and population to become a megacity. Binh Duong, with its industrial infrastructure, play a role in expanding the space of IPs combined with urban areas and services.
- ✓ Connecting inter-regional transport infrastructure: The key infrastructure projects such as Metro No.1 connecting Binh Duong with Ho Chi Minh City, Ho Chi Minh City - Thu Dau Mot - Chon Thanh highway, the route connecting to National Highway 13, etc. are built to create a traffic axis to the new city center, promoting trade and people's movement.
- ✓ Developing high-tech industries: High-skilled human resources moving to Binh Duong prompt the development of high-tech industries such as electronic, semiconductor, chip manufacturing, AI, etc.
- ✓ Optimizing resources and administrative management: Consolidating budgets and assets helps focus investment on key projects in a synchronous manner. Binh Duong benefits from more efficient resource allocation and improving administrative management in the two-tier local model.

Figure 5: Merging Binh Duong and BRVT into Ho Chi Minh City



(Source: MBS Research)

Figure 6: Residential land bank

Projects	Remaining land area	Notable projects
Thu Dau Mot	441 ha	Binh Duong New City (1,000 ha), Becamex City Center (2.1 ha)
Ben Cat	294 ha	Thoi Hoa residential area (350 ha), My Phuoc residential area (943 ha)
Bau Bang	451 ha	Bau Bang residential area (668 ha)
Thuan An	14 ha	Viet – Sing residential area (117 ha)

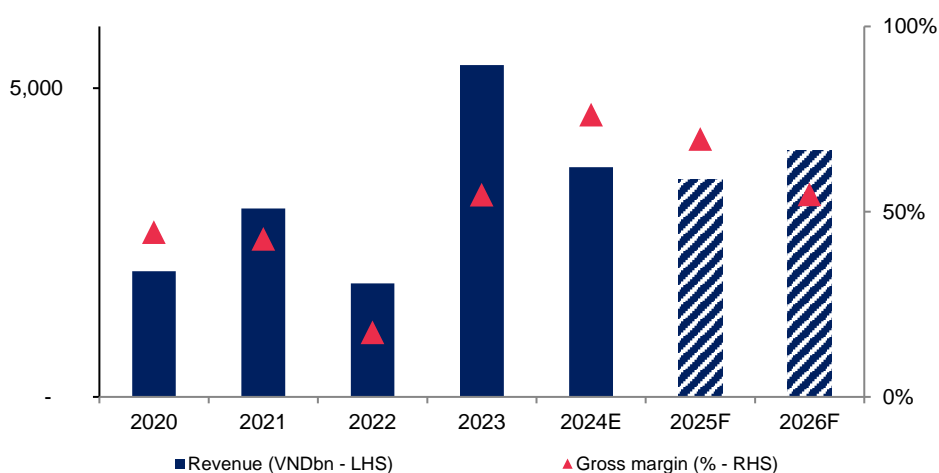
(Source: BCM)

Owning large land bank in Binh Duong (old), BCM has a great advantage along with the development of Binh Duong. BCM has ways to develop its projects including self-investment, business cooperation or transfer.

- ✓ Self-invested projects: My Phuoc residential area, Thoi Hoa residential area, Becamex City Center, etc.
- ✓ Business cooperation projects: BCM cooperates with Tokyu to build Sora Garden, The View, Midori Park, Hikari complex projects or IJC to build IJC Aroma, Sunflower I&II, Pricetown II,...
- ✓ Transfer of Sycamore (18.9 ha) to CapitalLand, UniGalaxy (5.6 ha) to Gamuda Land, Ecolakes (2.2 ha) to Setia Becamex and a part of Hoa Loi residential area to IJC.

We expect real estate transfer to be the main contributor to BCM's revenue in 2025-26. We revise the handovered land area of Thu Dau Mot, Ben Cat and Thuan An up 3/4 ha, 0/1 ha and 1/1 ha respectively, residential property revenue is expected to reach VNDbn 3,519 (-5% yoy)/ VNDbn 3,984 (+13% yoy) in 2025-26.

Figure 7: FY25-26F residential property revenue



(Source: BCM, MBS Research)

The new US tariff policy affects the IP segment of BCM

The US has announced the reciprocal tariffs for countries around the world, under which Vietnam is subject to a reciprocal tariff rate of up to 46%, which is currently paused for 90 days. Three main impacts on Vietnam's economy include (1) the reduced competitiveness of key export goods to US (2) the reduced FDI flows into Vietnam due to higher tariffs than other countries (3) pressure on Vietnam's exchange rates.

Figure 8: IP portfolio

Projects	Ownership	Operation time	Total land area (ha)	Industrial land area (ha)	Remaining industrial land are (ha)	Occupancy rate	Leasable prices (USD/sqrm)
My Phuoc 1	100%	2002 - 2052	378	274	33	88%	140-150
My Phuoc 2	100%	2005 - 2055	478	343	10	97%	140-150
My Phuoc 3	100%	2006 - 2056	985	672	7	99%	140-150
Thoi Hoa	100%	2006 - 2056	202	152	21	86%	120-130
Bau Bang	100%	2007 - 2057	1,000	735	29	96%	120-130
Bau Bang ext	100%	2016 - 2066	1,000	716	236	67%	130-140
Cay Truong	100%	N/A	700	490	490	0%	N/A

(Source: BCM, MBS Research)

BCM's key IPs include: (1) Bau Bang ext IP has an occupancy rate of 67%, leasable prices of 130-140 USD/sqrm, land-clearance cost of 9 times higher than the previous period; (2) Cay Truong IP has been approved for 1/500 master plan, procedures for land compensation and infrastructure design are being implemented, and its cash flow is expected to start from 2026; (3) Becamex Binh Phuoc IP (BCM's ownership of 40%) has an occupancy rate of 17%, near Ho Chi Minh City - Thu Dau Mot - Chon Thanh highway.

Due to the impact of the new US tariff policy, we revise our forecast for BCM's IP segment in 2025-26 as follows:

- ✓ The handovered land area is expected to reach 36/ 46ha, down 31%/ 36% compared to our previous forecast due to adjusting down the handovered land area of Bau Bang, Bau Bang ext and Cay Truong;
- ✓ The growth of leasable prices is reduced from 10% to 0-5%.

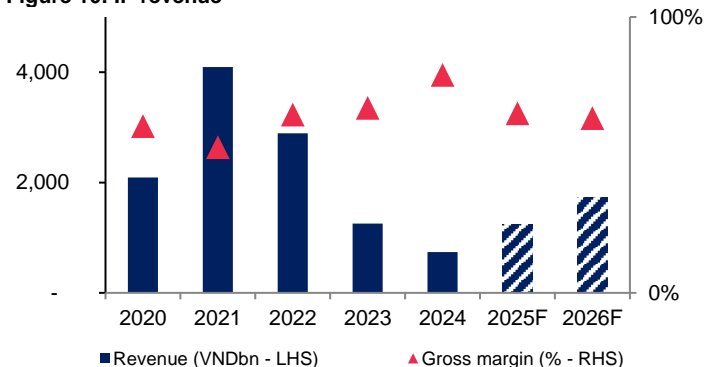
In summary, in 2025-26, IP revenue is expected to reach VNDbn 1,238 (+67% yoy)/ VNDbn 1,727 (+39% yoy), down 44%/ 32% compared to our previous forecast. Gross margin is lowered to 65%/ 63%.

Figure 9: Bau Bang ext IP and Cay Truong IP



(Source: Binh Duong Provincial People's Committee)

Figure 10: IP revenue



(Source: BCM, MBS Research)

.....and VSIP in Vietnam

Figure 11: IP portfolio

Projects	Ownership	Total land area (ha)	Industrial land area (ha)	Remaining industrial land area (ha)	Occupancy rate	Leasable prices (USD/sqrm)
VSIP III Binh Duong	100%	1,000	732	623	15%	190-200
VSIP Bac Ninh II	70%	273	192	119	38%	160-170
VSIP Hai Phong	70%	508	367	19	95%	120-130
VSIP Nghe An I	100%	361	278	28	90%	80-90
VSIP Nghe An II phase 1	100%	500	404	327	19%	70-80
VSIP Quang Tri	60%	481	349	349	0%	70-80
VSIP Quang Ngai phase 1	100%	660	482	184	62%	80-90
VSIP Can Tho phase 1	54%	294	210	210	0%	130-140
Becamex VSIP Binh Dinh	30%	1,374	1,000	940	6%	60-70

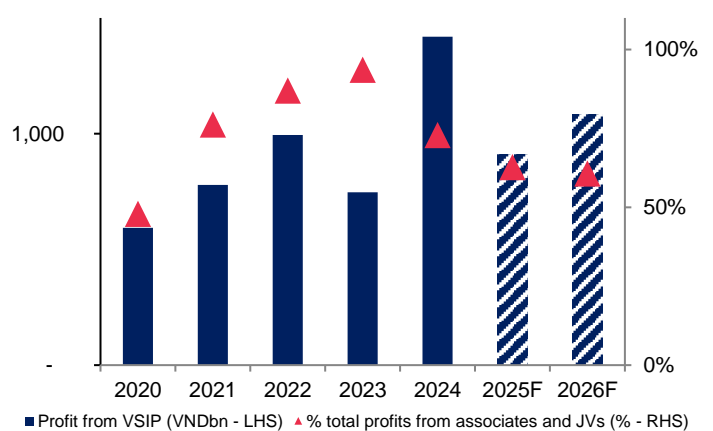
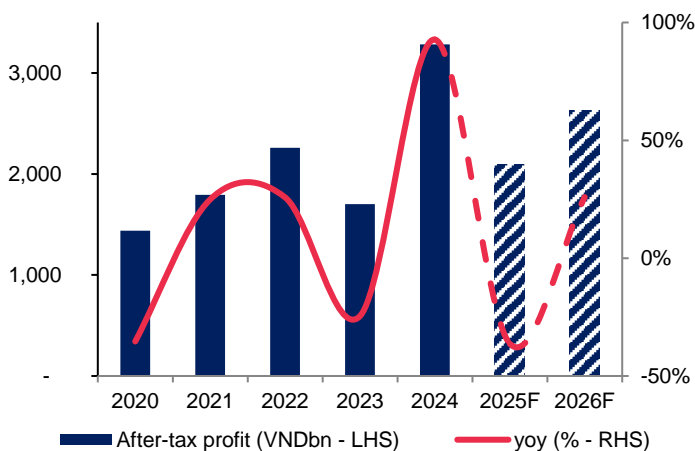
(Source: MBS Research)

In 2024, VSIP received the investment certificates of VSIP Thai Binh IP, VSIP Quang Ngai II IP and Becamex VSIP Binh Thuan IP, expanding its portfolio to 18 IPs. VSIP III Binh Duong is VSIP's key industrial park. Up to now, the IP has attracted many large FDI projects such as LEGO, Pandora and most recently SAM DigitalHub to build a data center on an area of 50 ha signed earlier this year. We forecast that the handovered land area of VSIP III Binh Duong IP will reach 60 ha in 2025 thanks to the signed contracts. Besides, VSIP has started construction of new IPs in Lang Son, Thai Binh, Ha Tinh and Quang Ngai.

VSIP leased 150-200 ha in 2023-24; but in 2025-26, due to the impact of the new US tariff policy and the postponed construction plan, we forecast the handovered land area to decrease to 115 ha/ 172 ha (down 23%/ 9% compared to our previous report) and reduce the growth of leasable prices to 0-3%/year (instead of 5-10% in our previous forecast). Thereby, we revise down FY25-26F after-tax profit by 7%/ 16%, reaching VNDbn 2,091 (-36% yoy)/ VNDbn 2,633 (+26% yoy) respectively.

Figure 12: We reduce FY25-26F after-tax profit due to the impact of the new US tariff policy and the postponed investment plan

Figure 13: Profit from VSIP is the main contributor of total profit from associates and joint ventures

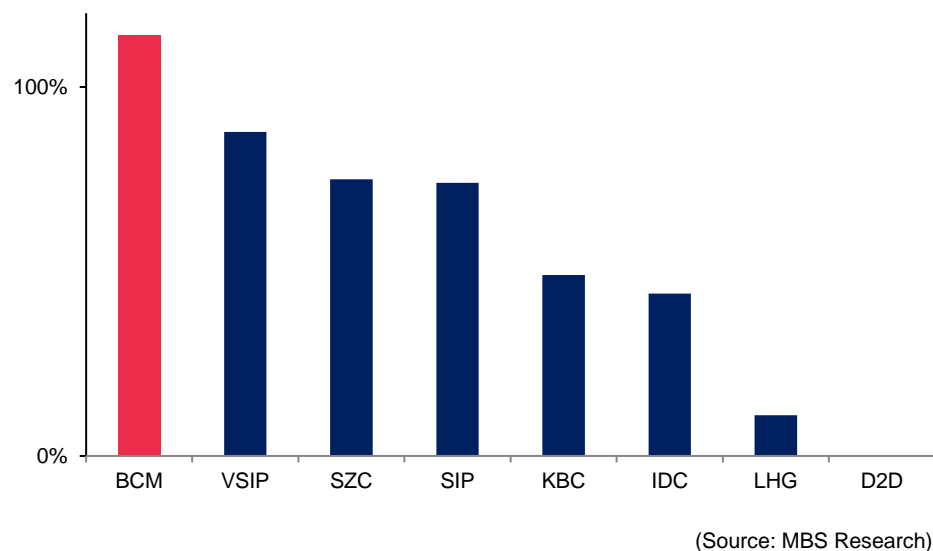


(Source: BCM, MBS Research)

Pressure on debt repayment

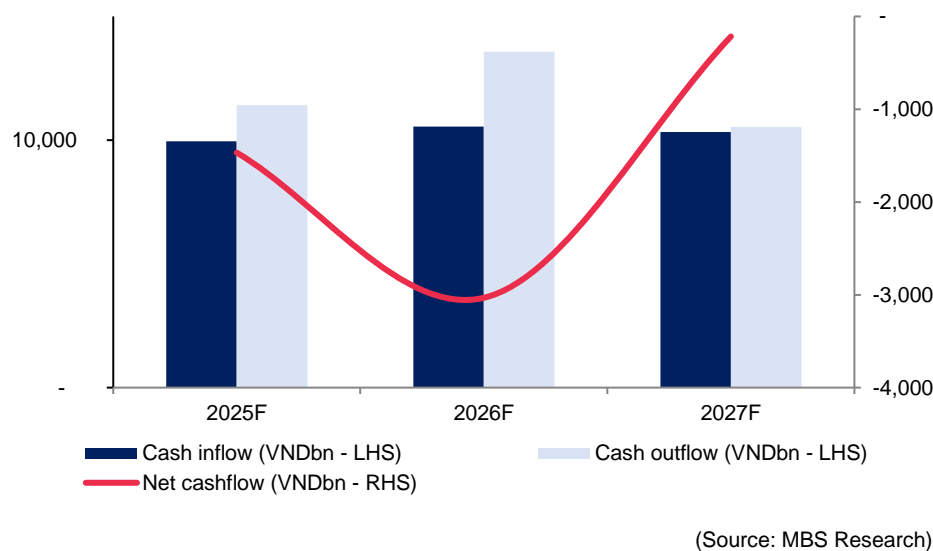
Due to developing many projects at the same time, BCM has continuously mobilized loan capital in the past time. The company has a high D/E ratio of 90-115%, much higher than industry average. The pressure on debt repayment is relatively high as the maturing debt is VNDbn 2,500 and VNDbn 4,800 in 2025-26 respectively.

Figure 14: BCM's D/E ratio is much higher than industry average



The company decided to pause the capital issue of 300 million shares. This greatly affects the progress of project construction and restructuring of maturing debts. We estimate that if the company does not extend the repayment period and does not borrow new debts, the cash flow to repay maturing debts may be short of VNDbn 2,300/2,500 in 2026-27. We find that the risk is relatively low because BCM is a state-owned enterprise, the company owns large land bank to secure for new debts.

Figure 15: In case the old debts are not rolled over and/or restructured into new debts (low risk), BCM may experience a cash flow shortfall to repay its debts in 2026-27



Financial Statements

Income Statement	2023	2024	2025F	2026F	Cash Flow Statement	2023	2024	2025F	2026F
Revenue	7,883	5,239	6,648	7,580	Pre-tax profit	2,697	2,559	2,067	2,552
Cost of goods	(3,635)	(1,741)	(2,973)	(3,875)	Depreciation & amortization	267	262	376	376
Gross profit	4,248	3,498	3,675	3,706	Tax paid	(417)	(164)	(123)	(153)
Gen & admin expenses	(592)	(646)	(618)	(695)	Other adjustments	(12)	(739)	(293)	(627)
Selling expenses	(873)	(1,067)	(1,263)	(1,077)	Changes in working capital	(5,686)	(2,564)	224	997
Operating profit	2,783	1,785	1,794	1,934	CF from operations	(3,151)	(646)	2,250	3,145
Operating EBITDA	3,050	2,047	2,170	2,310	Capex	(115)	(320)	(1,158)	(79)
EBIT	2,783	1,785	1,794	1,934	Proceeds from assets sales	1	(12)	-	-
Interest income	131	168	123	101	CF from investing activities	472	(1,289)	(1,420)	(1,548)
Financial expense	(906)	(1,310)	(1,210)	(1,156)	New share issuance	-	-	-	-
Net other income	(108)	(31)	(91)	(113)	Net borrowings	3,768	3,842	(1,155)	(926)
Income from associates&JV	798	1,948	1,451	1,785	Other financial cash flow	-	-	-	-
Pre-tax profit	2,697	2,559	2,067	2,552	Dividend paid	(828)	(1,035)	(518)	(518)
Tax expense	(417)	(164)	(123)	(153)	CF from financing activities	2,940	2,807	(1,672)	(1,443)
NPAT	2,280	2,395	1,943	2,399	Beginning cash & equivalents	1,071	1,332	2,205	1,363
Minority interests	(143)	208	264	199	Total cash generated	262	873	(842)	153
NP	2,423	2,187	1,679	2,200	Ending cash and equivalents	1,332	2,205	1,363	1,516
Ordinary dividends	(828)	(1,035)	(518)	(518)					
Retained earnings	1,595	1,152	1,162	1,682					
					Key Financial Ratios	2023	2024	2025F	2026F
Balance Sheet	2023	2024	2025F	2026F	Revenue growth	20%	-34%	27%	14%
Cash and cash-equivalents	1,332	2,205	1,363	1,516	EBITDA growth	83%	-33%	6%	6%
Short term investments	87	300	220	252	EBIT growth	88%	-36%	1%	8%
Account receivables	7,024	8,064	6,750	6,431	Pre-tax profit growth	38%	-5%	-19%	23%
Inventories	19,834	21,055	22,456	22,074	NP growth	43%	-10%	-23%	31%
Total current assets	28,441	31,704	30,893	30,392	EPS growth	43%	-10%	-23%	31%
Fixed assets	1,019	933	961	1,017					
Construction in progress	-	-	-	-	Gross margin	54%	67%	55%	49%
Investment property	2,535	2,662	3,002	3,070	EBITDA margin	49%	79%	55%	54%
Investments in subsidiaries	-	-	-	-	NP margin	31%	42%	25%	29%
Investments in associates	16,634	18,901	19,852	21,137	ROAE	14%	11%	8%	10%
Other long-term investments	4,654	4,452	4,924	4,491	ROAA	5%	4%	3%	4%
Total non-current assets	24,983	27,077	28,870	29,852	ROIC	6%	5%	4%	5%
Total assets	53,424	58,781	59,763	60,243					
					Asset turnover	15%	9%	11%	13%
Short-term borrowings	9,385	8,444	8,955	8,276	Dividend payout ratio	34%	47%	31%	24%
Accounts payable	747	575	738	713	D/E	101%	114%	102%	91%
Other short-term payables	1,768	2,020	2,495	2,186	Net debt to total equity	94%	104%	96%	84%
Total current liabilities	22,998	21,930	23,390	22,395	Net debt to asset	34%	36%	35%	33%
Long-term borrowings	10,331	15,184	13,518	13,271	Interest coverage ratio	307%	136%	148%	167%
Other long-term payables	622	988	850	824					
Total long-term liabilities	10,953	16,172	14,368	14,095	Days account receivable	262	373	280	222
Total liabilities	33,951	38,102	37,759	36,490	Days inventory	1,992	4,414	2,757	2,079
					Days account payable	75	121	91	67
Common share	10,350	10,350	10,350	10,350					
Share premium	12	12	12	12	Current ratio	1.2	1.4	1.3	1.4
Treasury shares	-	-	-	-	Quick ratio	0.4	0.5	0.4	0.4
Undistributed earnings	6,303	6,811	7,368	8,258	Cash ratio	0.1	0.1	0.1	0.1
Investment and development funds	1,897	2,417	2,920	3,580					
Shareholders' equity	18,562	19,589	20,650	22,200	Valuation				
Minority interests	911	1,090	1,354	1,553	EPS (VND/share)	2,341	2,113	1,622	2,125
Total shareholders' equity	19,473	20,679	22,004	23,754	BVPS (VND/share)	17,934	18,927	19,952	21,450
Total liabilities & equity	53,424	58,781	59,763	60,243	P/E	23.6	26.1	34.0	26.0
					P/B	3.1	2.9	2.8	2.6

(Source: BCM's financial statements, MBS Research)

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MBS RECOMMENDATION FRAMEWORK

Stock Ratings

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.

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

Sector Ratings

POSITIVE	Stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
NEUTRAL	Stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
NEGATIVE	Stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

ABOUT MBS

Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges.

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