

## Investment & Industrial Development Corp (HSX: BCM)

- In 2Q24, revenue reached VND 1,162 billion (-10% yoy) and net profit (NP) reached VND 381 billion (+175% yoy);
- We expect net profit to decrease by 27% yoy in 2024 due to the lack of profits from real estate bulk transfer, then increases by 29% yoy in 2025 thanks to positive outlook for industrial parks;
- We recommend ADD for BCM with a target price of VND 82,500/share.

### Positive business results in 2Q24

In 2Q24, revenue decreased by 10% yoy but net profit increased sharply by 175% yoy due to the profit distributed by VSIP increasing dramatically by 145% yoy, reaching VND 375 billion, and the profit from business cooperation of VND 123 billion. In 1H24, revenue reached VND 1,973 billion (+5% yoy) in which the main business segment industrial park and residential real estate recorded revenue of VND 1,171 billion (-12% yoy). We estimate that VSIP's net profit reached VND 925 billion (+138% yoy), BW returned to profit at VND 67 billion and Becamex Tokyu lost VND 76 billion, help net profit reached VND 499 billion (+188% yoy) in 1H24.

### Net profit to decline 27% yoy in 2024 but may increase 29% yoy in 2025

We expect BCM's revenue to decrease 17% yoy in 2024 and 2% yoy in 2025, industrial park revenue will grow by 56%/13% yoy with the expectation that investment capital into Binh Duong improves as the global economy gradually recovers. Large industrial parks such as Cay Truong, Becamex Binh Phuoc and Becamex VSIP Binh Dinh are being accelerated to put into operation soon. Profit from associates and joint ventures will grow 72% yoy in 2024 and 15% yoy in 2025, in which the largest profit contributors are VSIP, IJC, etc. In summary, BCM's net profit in 2024-25 will reach VND 1,775 billion (-27% yoy)/VND 2,284 billion (+29% yoy).

### Recommend ADD with a target price of VND 82,500/share

We recommend ADD for BCM with a target price of VND 82,500/share (potential upside of 14.6%, dividend yield of 1.4%). Investment thesis: (1) The prospect of the industrial park segment will be brighter when attracting FDI capital will be more positive after Vietnam upgrades diplomatic relation with the US, Japan and South Korea (2) Cay Truong Industrial Park is gradually being cleared of legal issues and will soon be put into operation in the next 2-3 years (3) BCM plans to issue new shares in 2024-25.

Financial Ratios	2023	2024F	2025F	2026F
Revenue	7,883	6,549	6,422	6,883
Net profit	2,424	1,775	2,284	3,046
Revenue growth	20.1%	-16.9%	-1.9%	7.2%
Net profit growth	42.8%	-26.8%	28.7%	33.4%
Gross margin	53.9%	45.7%	46.6%	48.0%
EBITDA margin	49.1%	51.3%	61.2%	69.7%
ROAE	13.7%	9.4%	8.4%	8.5%
ROAA	4.8%	3.3%	3.6%	4.2%
EPS (VND/share)	2,342	1,715	1,927	2,282
BVPS (VND/share)	17,934	18,546	26,222	27,167

(Source: BCM, MBS Research)

ADD

Target price

VND 82,500

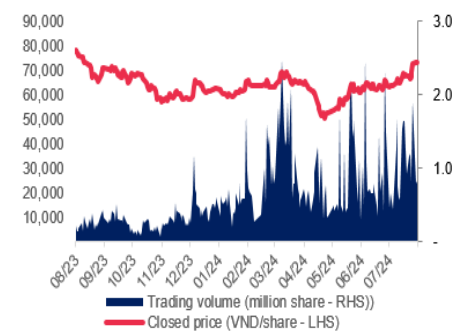
Upside

+14.6%

#### Key changes in the report

- N/A

#### Information



(Source: FiinPro, MBS Research)

Current price (VND)	72,000
52W High (VND)	73,300
52W Low (VND)	50,500
Market Cap (VNDbn)	74,520
P/E (TTM)	42.0
P/B	3.9
Dividend yield (%)	1.4
Foreign ownership (%)	1.9%

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

#### Ownership

Binh Duong People's Committee	95.4%
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Source: <https://s24.mbs.com.vn/>



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## Investment & Industrial Development Corp

### Overview

Investment & Industrial Development Corporation (Becamex IDC) became a joint stock company in 2018. The company's main business lines includes real estate business; infrastructure construction of industrial parks, residential areas and urban areas; leasing, management and wastewater treatment services of industrial parks, residential areas and urban areas.

As of 2Q24, Becamex has 11 subsidiaries, 13 associates and 2 joint ventures.

Binh Duong People's Committee owns 95.4% of shares, foreign shareholders hold 1.8% of shares.

### Industrial park is the core business

#### BCM owns large industrial parks in Binh Duong

BCM is operating 6 industrial parks (My Phuoc 1, My Phuoc 2, My Phuoc 3, Thoi Hoa, Bau Bang and Bau Bang expansion). Total area of these industrial parks is more than 4,000 hectares, industrial land area is more than 2,900 hectares, remaining land area is about 350 hectares. Up to now, infrastructure investment progress in these industrial parks has reached over 95%, occupancy rate has reached 88%.

Figure 1: Becamex's industrial parks

Industrial park	Ownership	Tme	Total area (hectare)	Industrial land area (hectare)	Remaining land area (hectare)	Occupancy rate	Rental price (USD/sqrm)
My Phuoc 1	100%	2002 - 2052	377	274	33	88%	150-160
My Phuoc 2	100%	2005 - 2055	472	343	12	96%	150-160
My Phuoc 3	100%	2006 - 2056	984	670	51	92%	170-180
Thoi Hoa	100%	2006 - 2056	202	153	23	85%	200-210
Bau Bang	100%	2007 - 2057	1,001	735	49	93%	150-160
Bau Bang expansion	100%	2016 - 2066	1,000	754	189	75%	150-160
Cay Truong	100%	N/A	700	490	490	0%	N/A

(Source: BCM, MBS Research)

Cay Truong Industrial Park has total area of 700 hectares, industrial land area of 490 hectares. It is located in Bau Bang district, adjacent to Bau Bang Industrial Park. It has been approved for the planning 1/2000. In early August 2024, the Prime Minister approved the planning of Binh Duong province for the period of 2021-2030, with a vision to 2050. This is an important legal issue to complete the project dossier to submit to the Prime Minister. We expect it to be approved next year and bring cash flow in the next 2-3 years.

Figure 2: Cay Truong Industrial Park location



(Source: Binh Duong People's Committee)

### Expanding land area to other provinces

In previous years, BCM mainly focused on exploiting and developing industrial parks and urban areas in Binh Duong. However, to achieve the new development targets, BCM is researching and implementing new projects in other provinces such as Binh Phuoc, Binh Dinh and Tay Ninh.

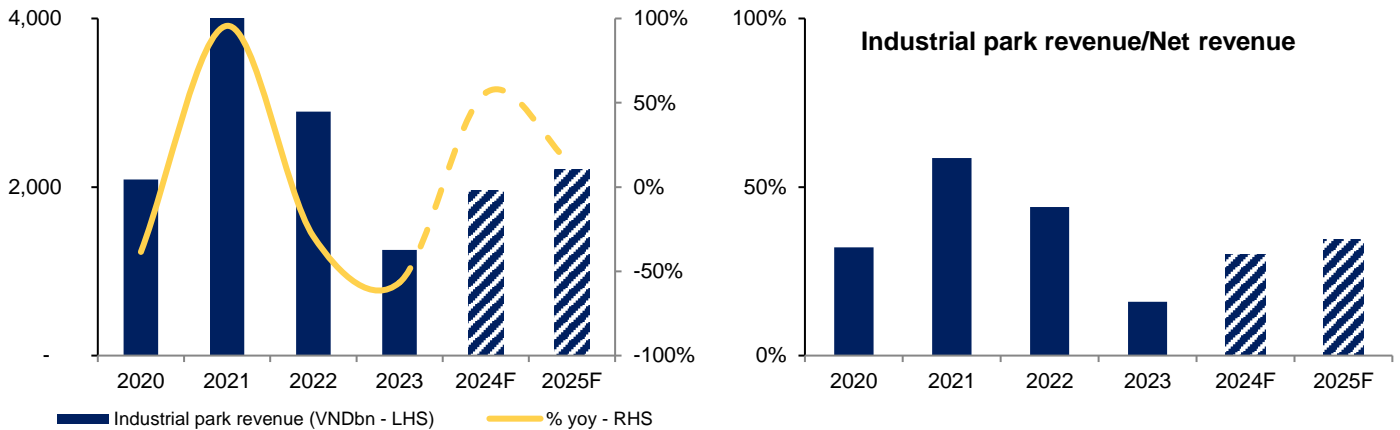
- ✓ Becamex Binh Phuoc Industrial Park has total area of 2,448 hectares, started in 2018 but the current occupancy rate is still low at 12%. In the period of 2023-24, its investment capital has increased from VND 780 billion to more than VND 2,000 billion (of which BCM owns 40%, IJC holds 31.7%). Total revenue is estimated at about VND 70,000 billion and net profit is about VND 45,000 billion for the remaining life.
- ✓ Becamex VSIP Binh Dinh Industrial Park has total area of 1,374 hectares, and was just inaugurated in early March 2024. Total investment capital is about VND 7,500 billion, of which BCM contributes 40%. It has a strategic location next to Highway 19C, 25 km from Quy Nhon seaport and 30 km from Phu Cat airport. We expect average rental land area to reach 30-40 hectares and revenue to reach VND 450-800 billion per year in the next 3 years.
- ✓ In addition, BCM is researching a new industrial park in Tay Ninh.

### We expect industrial park revenue to grow positively in 2024-25

We estimate BCM's industrial park revenue in 2023 was VND 1,300 billion (-50% yoy), rental land area was about 30-40 hectares, much lower than our expectations. The reasons are (1) investment capital flow into Binh Duong in 2023 decreased sharply (FDI capital and domestic investment capital in Binh Duong decreased by 50% and 15% yoy, respectively) (2) Binh Duong gradually lost its competitive advantage in terms of costs due to higher land rental prices and labor costs compared to neighboring provinces (3) capital flow into Vietnam last year tended to shift to investment in the production of electronic components and hightech while the southern market is focusing on the production of leather, footwear, textiles, wood, etc. The demand for consumer goods is weak due to the impact of tight monetary policies in the world.

In 1H24, Vietnam's export turnover increased 14.5% yoy, FDI capital into Vietnam continued to grow well with registered capital reaching \$15.2 billion (+13.1% yoy) and implemented capital reaching \$10.8 billion (+8.2% yoy). Therefore, we expect that the recovery in production will help investment capital in the Southern market increase again, thereby BCM's industrial park revenue is expected to grow 56% yoy in 2024 and 13% yoy in 2025.

Figure 3: Industrial park revenue



(Source: BCM, MBS Research)

## Residential real estate is expected to gradually recover

### BCM develops many large real estate projects in Binh Duong

Figure 4: Residential real estate

Location	Remaining land area (hectare)	Project
Thu Dau Mot	459	Binh Duong New City (1,000 hectares), Becamex City Center (2,1 hectares)
Ben Cat	297	Thoi Hoa (350 hectares), My Phuoc (943 hectares)
Bau Bang	452	Bau Bang (668 hectares)
Thuan An	14	Viet – Sing (117 hectares)

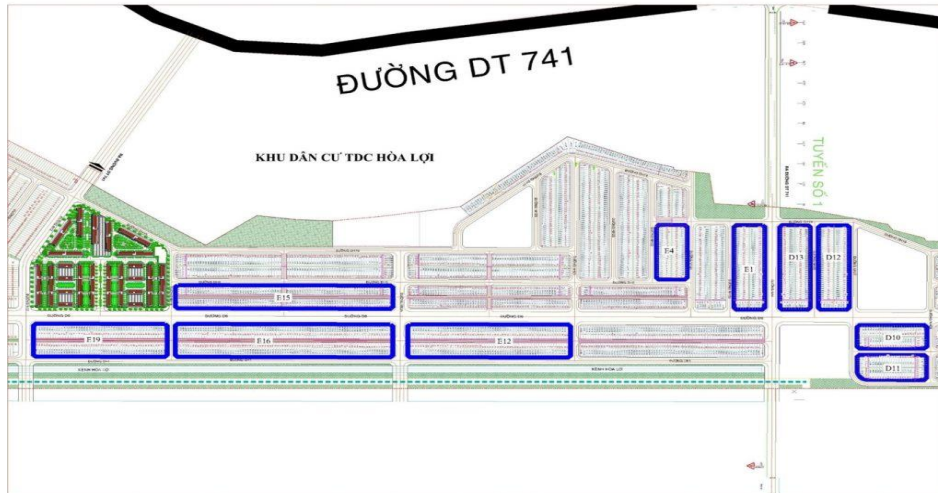
(Source: BCM)

BCM invests in developing urban areas and residential areas with planning adjacent to industrial parks such as My Phuoc Residential Area, Thoi Hoa Residential Area, Bau Bang Residential Area and Viet-Sing Residential Area. In addition, BCM is assigned to invest in infrastructure construction and develop commercial and service projects in Binh Duong New City. Regarding business forms, BCM implements a combination of forms including self-investment in component projects, business cooperation with partners or transferring projects to partners for self-development.

- ✓ Self-developed projects: My Phuoc Residential Area, Thoi Hoa Residential Area, Becamex City Center, etc.
- ✓ Business cooperation projects: BCM cooperates with Becamex Tokyu to develop Sora Garden, The View, Midori Park, Hikari complex projects or with IJC to build IJC Aroma, Sunflower I&II, Pricetown II projects, etc.

- ✓ BCM transferred Sycamore project (18.9 hectares) to CapitalLand, UniGalaxy project (5.6 hectares) to Gamuda Land and Ecolakes project (2.2 hectares) to Setia Becamex. In 2Q24, BCM signed a contract for the transfer of land to IJC at lots E2, E7, E10, E11, E14 of Hoa Loi Residential Area (VND 1,242 billion) and 5 floors of Becamex Tower (VND 221.8 billion). We expect revenue from the transfer of these properties to be booked this year.

Figure 5: Hoa Loi Residential Area



(Source: MBS Research)

Developing social housing is BCM's political mission. In 3Q24, BCM will construct 4,200 social housing units including Viet-Sing area 6 and Dinh Hoa area 5. In 4Q24, the company will start construction of 6,800 social housing units in areas 2, 7, 8, 9 Viet-Sing and areas 3, 4 Dinh Hoa.

### Subsidiaries and associates plan to launch many projects this year

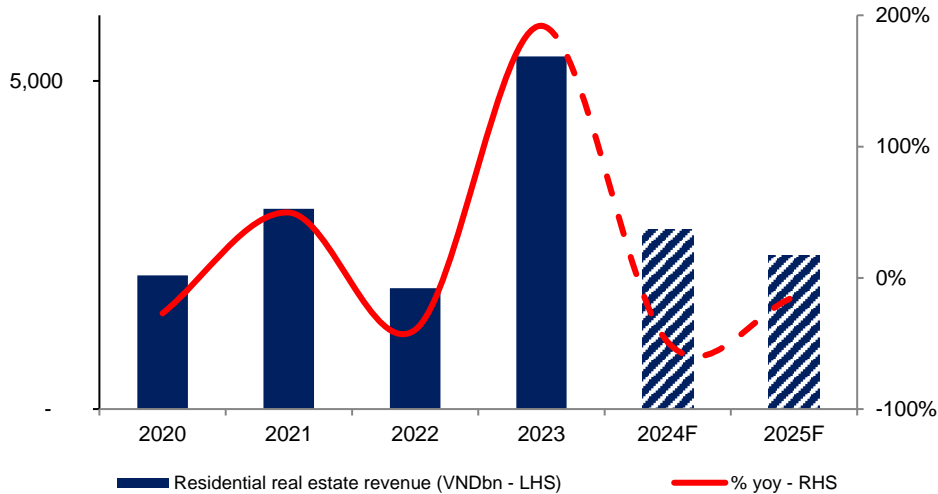
TDC – a subsidiary of BCM – plans to sell 65 units at Uni Town Phase 2, with an estimated revenue of VND 344 billion. And the company will construct the blocks A, B, C, D and the commercial area of TDC Plaza for transfer, expected to earn VND 630 billion. The company plans to profit after a record loss last year.

UDJ – BCM owns 51% of shares – will sell 8 apartments at Green Pearl project and 5 apartments at Bau Bang social housing.

IJC - BCM holds 49.76% of shares - plans to do business at Price Town II and IJC Hoa Loi projects, estimated real estate revenue of VND 1,138 billion and profit of VND 302 billion.

We expect the residential real estate market to gradually recover from the end of 2024, helping BCM's residential real estate revenue reach VND 2,738 billion (-49% yoy)/VND2,338 billion (-15% yoy) in 2024-25.

Figure 6: Residential real estate revenue



(Source: BCM, MBS Research)

## Investment in VSIP brings high efficiency

Figure 7: VSIP's industrial parks

Industrial park	Tme	Total area (hectare)	Industrial land area (hectare)	Remaining land area (hectare)	Occupancy rate	Rental price (USD/sqrm)
<b>Industrial parks in operation</b>						
VSIP I Binh Duong	2006 – 2058	500	500	0	100%	
VSIP II Binh Duong	2006 - 2055	2,045	1,345	0	100%	
VSIP III Binh Duong	Since 2022	1,000	128 (*)	84	34%	180-200
VSIP Bac Ninh I	2007 - 2057	635	485	0	100%	200-220
VSIP Hai Phong	2008 - 2058	1,566	328	79	76%	100-120
VSIP Hai Duong	2008 - 2058	149	110	25	77%	70-90
VSIP Nghe An I	2015 - 2065	750	238	12	95%	80-100
VSIP Quang Ngai	2017 - 2067	1,746	498	149	70%	70-100
Becamex VSIP Binh Dinh	Since 2021	1,374	1,000	900	10%	60-70
<b>Industrial parks in progress</b>						
VSIP Bac Ninh II		273	232		Operation in 2024	
VSIP Nghe An II		500			Groundbreaking in 2023	
VSIP Can Tho		294	200		Groundbreaking in 2023	
VSIP Quang Tri		481	330		Groundbreaking in 2023	
VSIP Lang Son		600			Approved	
VSIP Thai Binh		333			Approved	
Bac Thach Ha – phase 1		190			Approved	
VSIP Quang Ngai II – phase 1		498			Approved	
VSIP Hai Duong II		559			In research	
Becamex VSIP Binh Thuan		4,984			In research	

(\*): VSIP III Binh Duong phase 1

(Source: MBS Research)

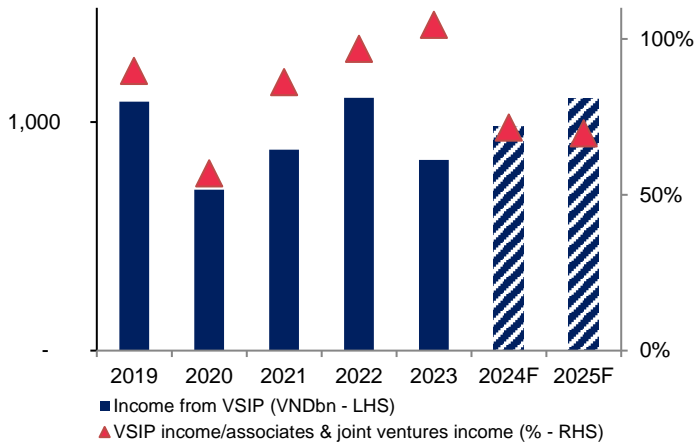
VSIP is operating 9 industrial parks and plans to develop 10 new industrial parks stretching from North to South. Total area of the operating industrial parks is about 9,800 hectares. VSIP plans to mobilize capital to implement new projects,

to which BCM contributes an additional VND 2,118 billion after issuing new shares.

VSIP III Binh Duong has total area of 1,000 hectares with investment capital of more than VND 6,400 billion. The industrial park has established a zoning plan for phase 1 construction with an area of 196.45 hectares. The industrial park has a prime location and is expected to attract investment in "green" projects, typically the LEGO factory project starting from the end of 2022 with a total area of 44 hectares and an investment capital of \$1.3 billion and the Pandora project investing \$100 million to build a jewelry-manufacturing facility.

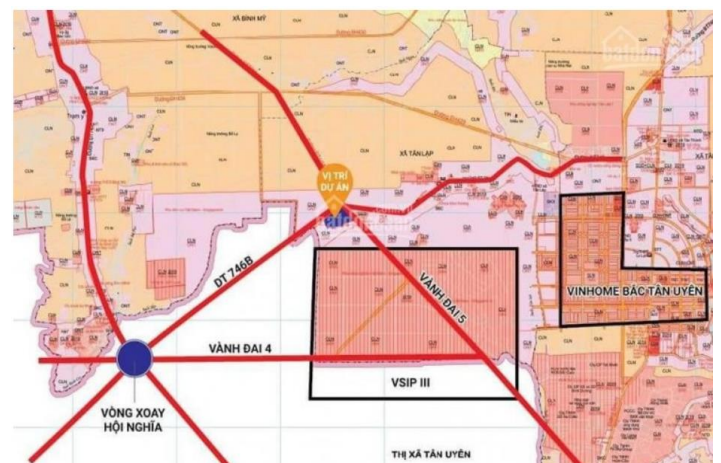
VSIP's net profit reached VND 766 billion (+145% yoy) in 2Q24 and VND 925 billion (+138% yoy) in 1H24. VSIP rents 100-150 hectares per year with rental rate of 8-15% per year (depending on the area). We expect VSIP's net profits to reach VND 2,004 billion (+18% yoy) in 2024 and VND 2,249 billion (+12% yoy) in 2025; accordingly, profits distributing to BCM will reach VND 982 billion and VND 1,102 billion.

Figure 8: VSIP brings the biggest profit to BCM



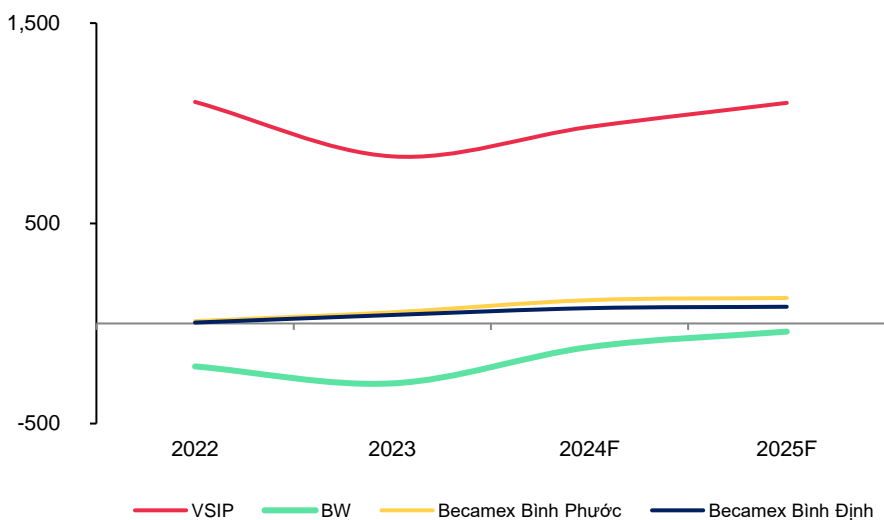
(Source: BCM, MBS Research)

Figure 9: VSIP III Binh Duong location



(Source: Binh Duong People's Committee)

Figure 10: Projected profits of some associated companies



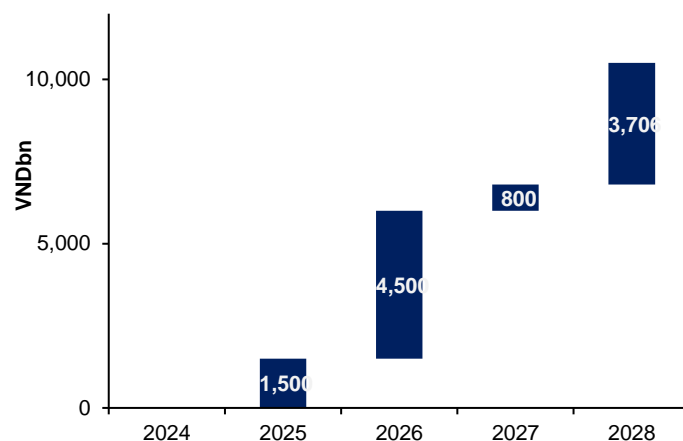
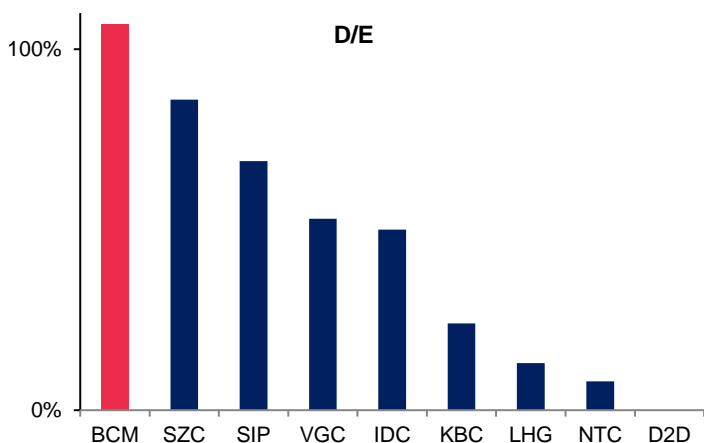
(Source: BCM, MBS Research)

## High debt ratio, reduced bond payment pressure

Due to the nature of developing many projects at the same time, BCM has mobilized a large amount of borrowing capital in the past. At the end of 2Q24, BCM's total debts reached VND 21,273 billion (short-term debts: VND 9,323 billion, long-term debts: VND 11,950 billion), an slight increase of 7.8% compared to the beginning of 2024, of which bond value reached VND 10,506 billion. BCM's debt/equity ratio reached 107%, higher than the industry average.

Figure 11: BCM's debt ratio is higher than the industry average

Figure 12: Bond value



(Source: BCM, MBS Research)

## Business Plan in 2024

In 2024, BCM plans to achieve total revenue of VND 9,000 billion equal to 102% of 2023, pre-tax profit of VND 6,300 billion equal to 103% of 2023 and NPAT of VND 2,350 billion equal to 103% of 2023. We assess the 2024 business plan as relatively challenging when the industrial parks hand over land slowly and the residential real estate is affected by the economy's slowdown, showing no signs of improvement.

BCM plans to issue an additional 300 million shares to raise at least VND 15,000 billion. The capital is used to invest in the development of Bau Bang Industrial Park expansion, Cay Truong Industrial Park; increase capital for VSIP, Becamex Binh Phuoc, Becamex Binh Dinh, etc. In addition, the company plans to pay cash dividends at a rate of 10%.



## Business results in 2Q24 and 1H24

### 1H24 revenue and net profit grew 5% and 188% yoy

Figure 13: Business results in 2Q24 and 1H24

	2Q24	yoy	1H24	yoy	Comments
<b>Revenue</b>	<b>1,162</b>	<b>-10%</b>	<b>1,973</b>	<b>5%</b>	
- Real estate	721	-19%	1,171	-12%	Industrial park revenue mainly from Bau Bang and Bau Bang expansion
- Services	299	5%	556	3%	
- Goods	89	0%	178	11%	Revenue from sale of construction materials
Gross margin	60%	4 pts	65%	12 pts	
- Real estate	76%	9 pts	78%	13 pts	
- Services	46%	8 pts	57%	14 pts	
- Goods	23%	4 pts	102%	84 pts	
Selling expenses	326	29%	529	33%	
Administrative expenses	222	79%	368	68%	
SG&A	548	46%	897	46%	
% SG&A/ Revenue	47%	18 pts	45%	13 pts	
Interest income	134	1303%	136	220%	Interest income increased sharply in 2Q24 due to the profit from real estate business cooperation
Financial expenses	374	39%	538	17%	
Income from associates and joint ventures	455	405%	515	141%	In 2Q24, we estimate that VSIP's net profit reached about VND 766 billion +145% yoy, BW profited at VND 129 billion and Becamex Tokyu lost VND 52 billion. Thereby, BCM's income from joint ventures and associates increased dramatically by 405% yoy in 2Q24, and increased by 141% yoy in 1H24.
Pre-tax profit	366	327%	494	395%	
<b>Net profit</b>	<b>381</b>	<b>175%</b>	<b>499</b>	<b>188%</b>	Net profit grew strongly thanks to the increase in profit distributed by VSIP and profit from real estate business cooperation.

(Source: BCM, MBS Research)

## Earnings forecast in 2024-25

Figure 14: Earnings forecast in 2024–25

	2023	2024		2025		Comments
		VNDbn	yoy	VNDbn	yoy	
<b>Revenue</b>	<b>7,883</b>	<b>6,549</b>	<b>-17%</b>	<b>6,422</b>	<b>-2%</b>	
<i>Industrial park</i>	1,255	1,958	56%	2,206	13%	We expect industrial park revenue to grow strongly in 2024-25 thanks to positive FDI capital into Vietnam.
<i>Residential real estate</i>	5,373	2,738	-49%	2,338	-15%	In 2024, BCM can book the revenue from the transfer of land to IJC. In 2025, revenue will decrease because no large real estate transfers have been announced.
<b>Gross profit</b>	<b>4,248</b>	<b>2,995</b>	<b>-30%</b>	<b>2,995</b>	<b>0%</b>	
<i>Industrial park</i>	816	1,273	56%	1,434	13%	
<i>Residential real estate</i>	2,933	1,372	-53%	1,171	-15%	
Gross margin	54%	46%	-8 pts	47%	1 pts	
<i>Industrial park</i>	65%	65%	0%	65%	0%	
<i>Residential real estate</i>	55%	50%	-4 pts	50%	0%	
% SG&A/revenue	19%	19%	0%	21%	1 pts	This ratio remains around 19% of revenue, of which selling expenses and administrative expenses account for 10% of revenue and 9% of revenue respectively.
Interest income	131	136	4%	592	335%	
Financial expenses	-906	-1,060	17%	-1,064	0%	
Income from associates and joint ventures	798	1,371	72%	1,580	15%	We expect VSIP to grow well, BW will gradually reduce losses.
VSIP	834	982	18%	1,102	12%	
IJC	196	153	-22%	153	0%	
BW	-1,244	-490	N/A	-169	N/A	
Pre-tax profit	2,697	2,120	-21%	2,683	27%	
<b>Net profit</b>	<b>2,423</b>	<b>1,775</b>	<b>-27%</b>	<b>2,284</b>	<b>29%</b>	Net profit in 2024 will decrease by 27% yoy but will increase by 29% yoy in 2025.
EPS	2,342	1,715	-27%	1,927	12%	

(Source: BCM, MBS Research)

## Investment thesis and Valuation

### Investment thesis

- (1) The prospect of the industrial park segment will be brighter when attracting FDI capital will be more positive after Vietnam upgrades diplomatic relation with the US, Japan and South Korea;
- (2) Cay Truong Industrial Park is gradually being cleared of legal issues and will soon be put into operation in the next 2-3 years;
- (3) BCM plans to issue new shares in 2024-25;

### Valuation

We recommend a target price of VND 82,500/share for BCM, with potential upside of 16% (including dividend yield of 1.4%).

Figure 15: Valuation summary

	Ownership	Valuation (VNDbn)	Method	Comments
<b>Industrial park</b>		<b>14,302</b>		The industrial parks have relatively stable cashflow so that we use the DCF method with WACC of 9.9%.
My Phuoc 1	100%	499	DCF	
My Phuoc 2	100%	179	DCF	
My Phuoc 3	100%	913	DCF	
Thoi Hoa	100%	452	DCF	
Bau Bang	100%	942	DCF	
Bau Bang expansion	100%	2,954	DCF	
Cay Truong	100%	8,364	DCF	
<b>Residential real estate</b>		<b>4,295</b>	<b>BV</b>	
<b>Real estate in progress</b>		<b>60,444</b>		Real estate in progress calculated based on market price or transfer price are discounted by 70%.
Thu Dau Mot	100%	37,141		
Ben Cat	100%	8,897		
Bau Bang	100%	13,565		
Thuan An	100%	841		
<b>Total assets</b>		<b>79,041</b>		
(+) Cash and equivalents		2,100		
(+) Short-term investments		264		
(+) Investments in associates and joint ventures		26,169		For investment in associates and joint ventures, we use the RNAV method for VSIP and IJC, the DCF method for Becamex Binh Phuoc, and the PE and BV methods with coefficients for the other companies.
VSIP	49%	6,647	RNAV	
Becamex Binh Phuoc	40%	5,944	DCF	
IJC	50%	2,450	RNAV	
BW	40%	3,627	BV	
Becamex Tokyu	35%	2,990	BV	
Setia	26%	291	BV	
Others		4,219		
(-) Debts		21,274		
(-) Minority interests		925		
<b>Equity value</b>		<b>85,375</b>		
<b>Share outstanding</b>		<b>1,035,000,000</b>		
<b>Value per share (VND/share)</b>		<b>82,500</b>		

(Source: MBS Research)

Figure 16: Peer comparison

Company	Ticker	Current price	Target price	Recommend	Market Cap (VNDbn)	P/E		P/B		ROE (%)		ROA (%)	
						2024	2025	2024	2025	2024	2025	2024	2025
Becamex IDC	BCM	72,000	82,500	ADD	74,520	42.0	37.4	3.9	2.7	9.4	8.4	3.3	3.6
Kinh Bac	KBC	25,300	39,200	ADD	19,420	25.4	20.2	1.6	1.4	6.3	7.4	3.2	3.5
IDICO	IDC	59,400	55,400	HOLD	19,602	11.8	11.5	3.7	3.5	32.4	31.1	9.5	9.9
Sonadezi Chau Duc	SZC	35,700	39,300	HOLD	6,425	16.6	18.7	2.1	2.0	13.4	10.9	4.2	3.9
<b>Average</b>						<b>24.0</b>	<b>22.0</b>	<b>2.8</b>	<b>2.4</b>	<b>15.4</b>	<b>14.5</b>	<b>5.1</b>	<b>5.2</b>

(Source: MBS Research)

### Downside risk

- (1) Risk of economic recession reduces demand for industrial land;
- (2) Risk of site clearance delays project progress;
- (3) Land costs are higher than expected;
- (4) Vietnam's macroeconomic policy risks, trade barriers, regional and global agreements that Vietnam participates in.

## Financial Statements

Income statement					Cash flow statement				
	2023	2024F	2025F	2026F		2023	2024F	2025F	2026F
Revenue	7,883	6,549	6,422	6,883	Pre-tax profit	2,697	2,120	2,683	3,545
Cost of goods	(3,635)	(3,554)	(3,423)	(3,577)	Depreciation & amortization	267	183	183	183
Gross profit	4,248	2,995	2,985	3,306	Tax paid	(416)	(150)	(221)	(319)
Gen & admin expenses	(592)	(571)	(551)	(571)	Other adjustments	(12)	(302)	(518)	(882)
Selling expenses	(873)	(684)	(771)	(745)	Changes in working capital	(5,687)	286	173	(1,067)
Operating profit	2,783	1,740	1,673	1,990	<b>Cash flow from operations</b>	<b>(3,151)</b>	<b>2,136</b>	<b>2,301</b>	<b>1,461</b>
Operating EBITDA	3,050	1,923	1,856	2,173	Capex	(115)	(715)	(85)	(1,925)
<b>EBIT</b>	<b>2,783</b>	<b>1,740</b>	<b>1,673</b>	<b>1,990</b>	Proceeds from assets sales	1	-	-	-
Interest income	131	136	592	797	<b>Cash flow from investing activities</b>	<b>472</b>	<b>(470)</b>	<b>(1,686)</b>	<b>(7,590)</b>
Financial expense	(906)	(1,060)	(1,064)	(1,071)	New share issuance	-	-	15,000	-
Net other income	(108)	(68)	(98)	(121)	Net borrowings	3,768	929	(764)	1,050
Income from associates & JV	798	1,371	1,580	1,951	Other financial cash flow	-	-	-	-
<b>Pre-tax profit</b>	<b>2,697</b>	<b>2,120</b>	<b>2,683</b>	<b>3,545</b>	Dividend paid	(828)	(1,035)	(1,335)	(1,602)
Tax expense	(416)	(150)	(221)	(319)	<b>Cash flow from financing activities</b>	<b>2,940</b>	<b>(106)</b>	<b>12,901</b>	<b>(552)</b>
NPAT	2,281	1,970	2,463	3,226	Beginning cash & equivalents	1,071	1,332	2,893	16,409
Minority interests	(143)	195	179	180	Total cash generated	262	1,560	13,516	(6,682)
<b>Net profit</b>	<b>2,424</b>	<b>1,775</b>	<b>2,284</b>	<b>3,046</b>	<b>Ending cash and equivalents</b>	<b>1,332</b>	<b>2,893</b>	<b>16,409</b>	<b>9,727</b>
Ordinary dividends	(828)	(1,035)	(1,335)	(1,602)					
Retained earnings	1,596	740	949	1,444					
					<b>Key ratios</b>	<b>2023</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>
<b>Balance sheet</b>	<b>2023</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	Revenue growth	20.1%	-16.9%	-1.9%	7.2%
Cash and equivalents	1,332	2,893	16,409	9,727	EBITDA growth	83.1%	-37.0%	-3.5%	17.1%
Short term investments	87	226	206	234	EBIT growth	88.4%	-37.5%	-3.8%	18.9%
Account receivables	7,024	4,864	4,982	5,164	Pre-tax profit growth	38.2%	-21.4%	26.6%	32.1%
Inventories	19,834	21,750	22,602	24,371	Net profit growth	42.8%	-26.8%	28.7%	33.4%
Total current assets	28,441	29,802	44,275	39,581	EPS growth	42.8%	-26.8%	20.0%	17.5%
Fixed assets	1,019	871	723	576	Gross margin	53.9%	45.7%	46.6%	48.0%
Construction in progress	-	-	-	-	EBITDA margin	49.1%	51.3%	61.2%	69.7%
Investment property	2,535	2,525	2,515	3,005	Net profit margin	30.8%	27.1%	35.6%	44.3%
Investments in subsidiaries	-	-	-	-	ROAE	13.7%	9.4%	8.4%	8.5%
Investments in associates	16,634	18,005	19,585	25,170	ROAA	4.8%	3.3%	3.6%	4.2%
Other long-term investments	4,654	4,170	3,880	5,269	ROIC	6.2%	4.3%	4.1%	5.2%
Total non-current assets	24,983	25,686	26,794	34,086	Asset turnover	0.15	0.12	0.10	0.10
<b>Total assets</b>	<b>53,424</b>	<b>55,488</b>	<b>71,070</b>	<b>73,667</b>	Dividend payout ratio	34.2%	58.3%	58.5%	52.6%
Short-term borrowings	9,385	9,514	7,874	8,274	D/E	101.3%	101.7%	54.8%	55.5%
Accounts payable	747	776	778	761	Net debt to total equity	94.4%	87.4%	9.6%	29.7%
Other short-term payables	1,768	1,967	2,079	2,213	Net debt to asset	34.4%	32.0%	4.9%	15.2%
Total current liabilities	22,998	23,280	21,960	22,500	Interest coverage ratio	3.07	1.6	1.57	1.86
Long-term borrowings	10,331	11,131	12,008	12,658	Days account receivable	262	216	225	216
Other long-term payables	621	776	809	775	Days inventory	1,992	2,234	2,407	2,487
Total long-term liabilities	10,953	11,907	12,817	13,433	Days account payable	75	80	83	78
<b>Total liabilities</b>	<b>33,950</b>	<b>35,187</b>	<b>34,777</b>	<b>35,933</b>	Current ratio	1.2	1.3	2.0	1.8
Common share	10,350	10,350	13,350	13,350	Quick ratio	0.4	0.3	1.0	0.7
Share premium	12	12	12,012	12,012	Cash ratio	0.1	0.1	0.8	0.4
Treasury shares	-	-	-	-					
Undistributed earnings	6,303	6,404	6,530	6,878	<b>Valuation</b>				
Investment and development funds	1,897	2,429	3,115	4,029	EPS (VND/share)	2,342	1,715	1,927	2,282
Shareholders' equity	18,562	19,195	35,007	36,268	BVPS (VND/share)	17,934	18,546	26,222	27,167
Minority interests	911	1,106	1,285	1,465	P/E	30.7	42.0	37.4	31.6
Total shareholders' equity	19,473	20,301	36,292	37,734	P/B	4.0	3.9	2.7	2.7
<b>Total liabilities &amp; equity</b>	<b>53,424</b>	<b>55,488</b>	<b>71,070</b>	<b>73,667</b>					

(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

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