

5 Apr 2022

# VINGROUP (VIC)

## Event briefing: Dragged by the outbreak

### NPATMI turned positive in the balance sheet

- In 2021, Vingroup's audited balance sheet features an NPATMI profit of VND367.2bn vs a loss of VND453.7bn in the preliminary report.
- The 2021 NPATMI in the audited income statement recorded less loss to VND2.5tn vs -VND2.7tn in the prelim result. The NPATMI loss was mainly caused by COVID-19 related charitable expenses and costs related to the cessation of ICE vehicle production, with the total cost at around VND6.1tn/10.1tn for 2021.
- Moreover, a significant change of 2021 NPATMI in shareholders' equity was attributed to an additional gain of VND563bn from stake transfer up to VND18.3tn vs VND17.8tn in the prelim.

### Out of margin list

- The Ho Chi Minh Exchange (HSX) removed VIC from the margin list which allows the securities to provide margin loans to clients due to NPATMI loss in the income statement.
- Ideally, VIC could be back on the margin list after HSX checks VIC's semi-annual financial statement reviewed by the audit in Aug.

### VN30 Index removal

- The market speculates VN30 Index consisting of the 30 largest stocks in terms of market cap, and liquidity could see the elimination of VIC in the July review.
- Nonetheless, HSX could also issue an exception case.
- The removal of VIC in the VN30 Index could possibly trigger the ETF tracking VN30 to sell heavily VIC in their portfolios.

|                           | 2017A    | 2018A     | 2019A     | 2020A     | 2021A     |
|---------------------------|----------|-----------|-----------|-----------|-----------|
| Sales (VND bn)            | 89,350.1 | 121,894.4 | 130,036.0 | 110,490.0 | 125,687.9 |
| chg. (% YoY)              | 55.1     | 36.4      | 6.7       | (15.0)    | 13.8      |
| Operating profit (VND bn) | 11,550.8 | 11,470.6  | 10,625.3  | (3,343.9) | 3,120.3   |
| Net profit (VND bn)       | 4,462.4  | 3,823.7   | 7,545.9   | 5,464.6   | (2,513.9) |
| EPS (VND)                 | 1,501.0  | 1,286.0   | 2,433.0   | 1,691.0   | N.M       |
| chg. (% YoY)              | 8.9      | (14.3)    | 89.2      | (30.5)    | N.M       |
| EBITDA (VND bn)           | 15,536.3 | 16,625.8  | 18,963.0  | 6,719.7   | 18,040.0  |
| PE (x)                    | 50.6     | 72.7      | 38.6      | 53.4      | N.M       |
| EV/EBITDA (x)             | 16.6     | 20.3      | 20.1      | 56.3      | 23.4      |
| PB (x)                    | 6.9      | 5.0       | 3.7       | 3.6       | 3.2       |
| ROE (%)                   | 8.9      | 5.0       | 6.9       | 4.3       | (1.7)     |
| Dividend yield (%)        | 0.0      | 0.0       | 0.0       | 0.0       | 0.0       |

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest. FY21F is based on Bloomberg estimates

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12M rating **Non-rated**

12M TP **N/A**

Up/Downside **N/A**

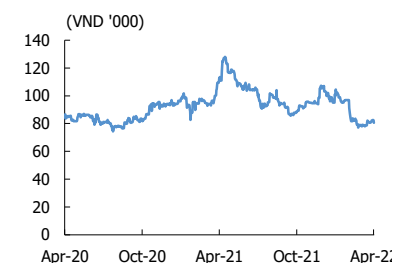
### Stock Data

|                                    |                |
|------------------------------------|----------------|
| VNIndex (06 Apr, pt)               | 1,523          |
| Stock price (06 Apr, VND)          | 80,500         |
| Market cap (USD mn)                | 13,426         |
| Shares outstanding (mn)            | 3,814          |
| 52-Week high/low (VND)             | 128,000/77,000 |
| 6M avg. daily turnover (USD mn)    | 12.37          |
| Free float / Foreign ownership (%) | 24.7/12.6      |
| Major shareholders (%)             |                |
| Chairman and related               | 25.4           |
| Vietnam Investment Group JSC       | 32.52          |
| SK Investment Vina                 | 6.0            |

### Performance

|                          | 1M  | 6M     | 12M    |
|--------------------------|-----|--------|--------|
| Absolute (%)             | 1.9 | (9.1)  | (28.7) |
| Relative to VNIndex (%p) | 0.7 | (21.4) | (52.9) |

### Stock price trend



Source: Bloomberg

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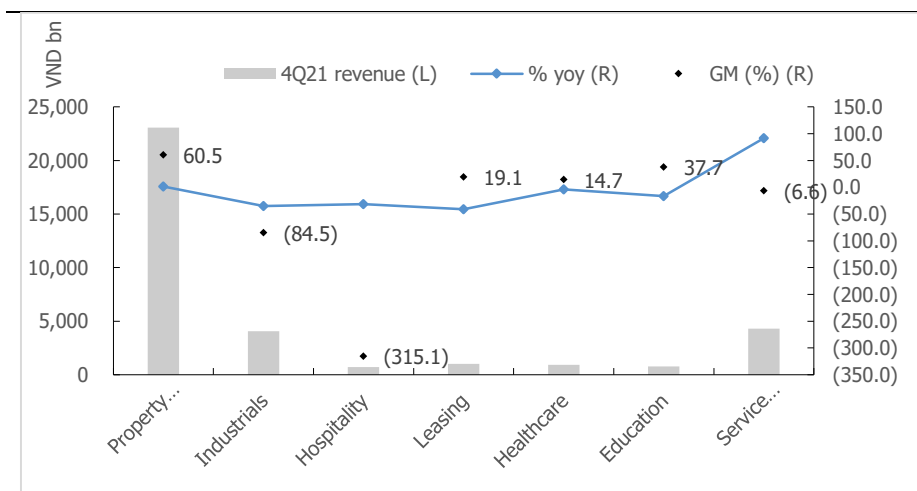
**Table 1. 4Q21 earnings**

(VND bn, %, %p)

|              | 4Q20    | 1Q21    | 2Q20   | 3Q21   | 4Q21    | QoQ     | YoY     | Consensus |
|--------------|---------|---------|--------|--------|---------|---------|---------|-----------|
| Sales        | 35,849  | 23,294  | 37,442 | 30,112 | 34,839  | 15.7    | (2.8)   | N.A       |
| Gross profit | 5,580   | 3,285   | 10,456 | 11,698 | 8,625   | (26.3)  | 54.6    | N.A       |
| Gross margin | 15.6    | 14.1    | 27.9   | 38.8   | 24.8    | (14.1)  | 9.2     | N.A       |
| OP           | (4,198) | (1,544) | 2,641  | 4,649  | (2,626) | (156.5) | (37.4)  | N.A       |
| OP margin    | (11.7)  | (6.6)   | 7.1    | 15.4   | (7.5)   | (23.0)  | 4.2     | N.A       |
| EBT          | 4,231   | 2,786   | 3,614  | 3,315  | (6,568) | (298.2) | (255.2) | N.A       |
| NPATMI       | 1,103   | 2,094   | 1,450  | (351)  | (5,706) | 1,524.2 | (617.5) | N.A       |

Source: Company data, KIS

**Figure 1. Revenue by segment: Property sales still dominated VIC'4Q21 growth**



Source: KIS, Company data

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