

9 Aug 2022

Sabeco (SAB)

AM Briefing: Strong recovery

On August 8th, we attended SAB's analyst meeting, briefed on its 2Q22 business results and 2H22F prospects.

Robust earnings growth expected in 2H22F

- Overall, SAB recorded an impressive 2Q22 business result with a VND9.0tn revenue (+24.7% yoy), and a VND1,793bn PAT (+67.4% yoy). It prompts 1H22 SAB revenue and PAT to go up 25% and 48% to VND16.3tn and VND3.0tn, respectively.
- Higher revenue was contributed from both higher volume and selling prices. Beer consumption had been recovering continuously due to the normalization of social activities. SAB also increased selling prices easily amidst higher demand.
- The gross margin of SAB continued to improve in 2Q22 (+4.5%p qoq and +2.9%p yoy) despite higher malt and packaging costs, which was driven by continuous improvement in production norms and increased well average selling prices.
- SG&A/ Revenue ratio narrowed by 3.5%p yoy due to effective cost-saving strategy, but it inched up 0.5%p qoq to 13.1% in 2Q22.
- Per management, SAB won market share in the premium segment with Saigon Chill, and Saigon Gold brands. Besides, SAB has gained market share in the North and defended well its market share in the South in 1H22.
- The on-trade channel (restaurant, bar...) came back to normal in 2Q22, accounting for 80% of sales volume from 65% in 2021.

	2017A	2018A	2019A	2020A	2021A
Sales (VND bn)	34,193	35,949	37,899	27,961	26,374
chg. (% YoY)	12.2	5.1	5.4	(26.2)	(5.7)
Operating profit (VND bn)	5,118	4,440	5,500	4,940	3,510
Net profit (VND bn)	4,711	4,177	5,053	4,724	3,677
EPS (VND)	7,402	6,563	7,760	7,565	5,767
chg. (% YoY)	9.4	(11.3)	18.2	(2.5)	(23.8)
EBITDA (VND bn)	5,744	5,075	6,147	5,534	4,068
PE (x)	24.5	27.6	23.3	23.9	31.4
EV/EBITDA (x)	0.6	1.6	2.6	2.6	2.6
PB (x)	8.0	7.2	5.8	5.5	5.1
ROE (%)	37.0	28.8	29.7	23.9	17.9
Dividend yield (%)	0.9	3.4	1.0	3.2	0.9

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

12M rating **Non-rated**

12M TP **N.A**

Up/Downside **N.A**

Stock Data

VNIndex (09 Aug, pt)	1,260
Stock price (09 Aug, VND)	182,200
Market cap (USD mn)	4,994
Shares outstanding (mn)	641
52-Week high/low (VND)	189,900/136,978
6M avg. daily turnover (USD mn)	1.14
Free float / Foreign ownership (%)	10.4/62.8
Major shareholders (%)	
Vietnam Beverage Company Limited	53.59
SCIC	36.00

Performance

	1M	6M	12M
Absolute (%)	17.5	19.5	20.1
Relative to VNIndex (%p)	9.8	35.1	26.0

Stock price trend



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