

Dabaco Group (DBC)

Booming revenue thanks to apartment sales

In Jul 2023, Dabaco Group (DBC) released the financial statement for 2Q23.

Here are some noticeable updates.

High profit in 2Q23 covered the loss in 1Q23

- DBC reached the net revenue of VND3.5tn in 2Q23, which rose by 17% yoy, the 6M23 accumulated revenue met 24% of 2023 guidance thanks to (1) increased pork sales and (2) recorded revenue of Park View residence project.
- NPAT surged by 2,191% yoy to VND327bn, covering the loss of VND321bn in 1Q23. Thus, accumulated NPAT in 6M23 was VND6bn, met 1% of the guidance.

Feeding's GPM improved

- GPM remarkably recovered from -3% in 1Q23 to 19% in 2Q23. In addition to the high real estate margin of over 30%, GPM of feeding recovered from -1% to 17% thanks to (1) decreased costs of animal supply and (2) increased pork price thanks to bouncing back demand and declined supply.

12M rating **Non-rated**

12M TP **N.A**

Up/Downside N.a

Stock Data

NIndex (27 Jul, pt)	1,202
Stock price (27 Jul, VND)	25,950
Market cap (USD mn)	265
Shares outstanding (mn)	242
52-Week high/low (VND)	28,800/10,550
6M avg. daily turnover (USD mn)	4.05
Free float / Foreign ownership (%)	67.1/6.5
Major shareholders (%)	
Nguyen Nhu So	24.16
SSI Securities JSC	4.99
Fraser Investment Holding Private Ltd.	4.78

Performance

	1M	6M	12M
Absolute (%)	20.7	51.8	(1.7)
Relative to VNIndex (%p)	14.6	43.3	(4.0)

Stock price trend



Source: Bloomberg

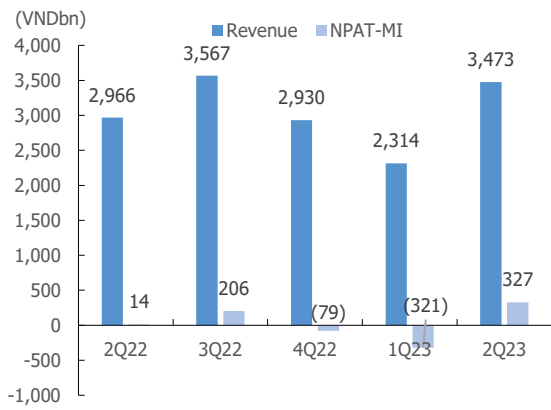
	2018A	2019A	2020A	2021A	2022A
Sales (VND bn)	6,674	7,187	10,022	10,813	11,558
chg. (% YoY)	14.0	7.7	39.4	7.9	6.9
Operating profit (VND bn)	539	605	1,838	1,103	213
Net profit (VND bn)	360	305	1,400	830	5
EPS (VND)	3,012	1,094	12,141	(2,256)	2,993
chg. (% YoY)	(128.5)	(63.7)	1,009.9	(118.6)	(232.7)
EBITDA (VND bn)	799	917	2,304	1,594	710
PE (x)	8.5	23.3	2.1	(11.3)	8.5
EV/EBITDA (x)	6.88	6.80	2.26	3.35	13.40
PB (x)	0.77	0.77	0.64	0.63	1.33
ROE (%)	13.73	10.57	38.72	18.66	0.11
Dividend yield (%)	3.92	0.00	7.59	7.74	0.00

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

Research Department

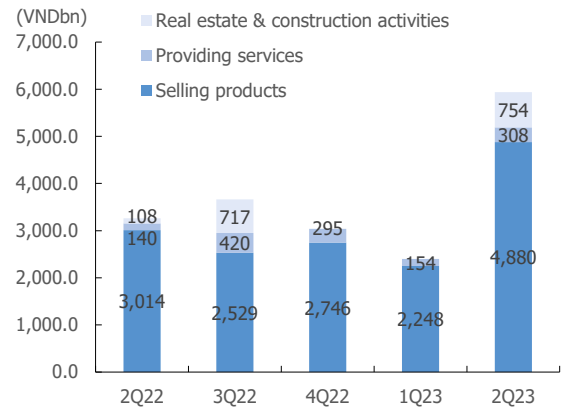
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Figure 1. Revenue and NPAT-MI of DBC



Source: Fiiipro, KISVN

Figure 2. DBC revenue by segment



Source: Fiiipro, KISVN

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- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
- Underweight: Recommend reducing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.

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Prepared by: Research Department