

Masan Meat Life (MML)

High revenue but loss recorded

In Jul 2023, Masan Meat Life (MML) released the financial statement for 2Q23.

Here are some noticeable updates.

Revenue spike thanks to the new subsidiary

- MML reached the net revenue of VND1.7tn in 2Q23, which rose by 70% yoy, the 6M23 accumulated revenue was VND3.3tn, met 39% of 2023 guidance thanks to consolidated revenue of Masan Jinju since late 2022. Masan Jinju specializes in processed meat (sausage, canned meat, etc.).

MML remained loss as projected

- GPM remarkably recovered from 5.4% in 2Q22 to 11.4% in 2Q23 thanks to the contribution of Masan Jinju's high profit margin.
- Gross profit improved by 255% yoy to VND194bn, however, selling expenses surged by 125% yoy to VND235bn, the addition was mostly Masan Jinju's promotion expenses.
- MML made the loss of VND179bn after tax in 2Q23, less than the loss of VND211bn in 2Q22. Accumulatively, MML made the loss of VND347bn in 6M23, approaching the target of VND300bn loss in 2023.

High interest burden

- MML recorded the negative 4-quarters-trailing CFO of VND228.6. Otherwise, 4-quarters-trailing EBITDA/Interest of MML was 0.54, less than 1. Thus MML kept refinancing in short-term for operation and payment of interest expenses.
- In 2Q23, MML recorded the interest expenses of VND138bn, which increased 43% yoy and accounted to 71% of gross profit.

12M rating **Non-rated**

12M TP **N.A**

Up/Downside N.a

Stock Data

NIndex (28 Jul, pt)	1,201
Stock price (28 Jul, VND)	30,700
Market cap (USD mn)	424
Shares outstanding (mn)	327
52-Week high/low (VND)	66,000/28,800
6M avg. daily turnover (USD mn)	0.01
Free float / Foreign ownership (%)	90.3/2.4
Major shareholders (%)	
Masan Group JSC	78.64
Masan Horizon Corporation JSC	16.19
Masan Agri JSC.	0.03

Performance

	6M	12M
Absolute (%)	(14.7)	(50.3)
Relative to VNIndex (%p)	(23.1)	(51.1)

Stock price trend



Source: Bloomberg

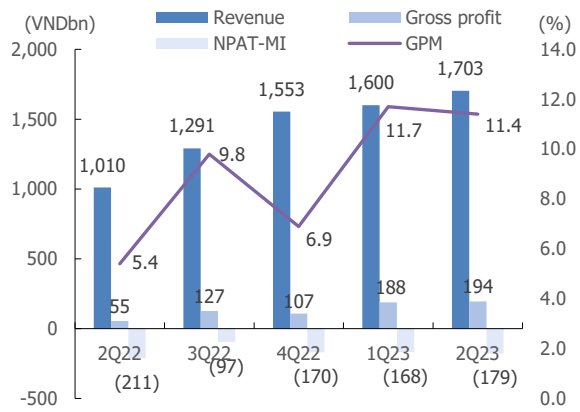
	2018A	2019A	2020A	2021A	2022A
Sales (VND bn)	13,799	16,119	18,891	4,785	8,759
chg. (% YoY)	(1.3)	16.8	17.2	(74.7)	83.1
Operating profit (VND bn)	788	1,073	648	(456)	579
Net profit (VND bn)	115	263	1,331	(145)	230
EPS (VND)	356	806	3,550	(447)	665
chg. (% YoY)	(71.0)	126.6	340.5	(112.6)	(248.9)
EBITDA (VND bn)	1,477	1,768	1,399	(119)	215
PE (x)	87.2	38.5	8.7	(69.4)	46.6
EV/EBITDA (x)	9.1	9.0	9.1	(110.7)	15.3
PB (x)	1.3	1.2	1.8	1.8	1.7
ROE (%)	5.0	6.2	17.6	(4.1)	4.6
Dividend yield (%)	0.2	0.3	31.4	0.0	0.6

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

Research Department

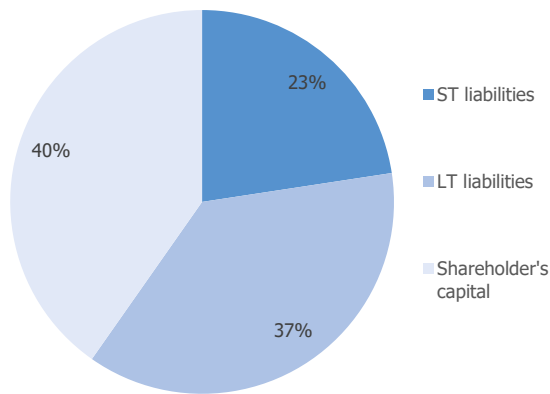
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Figure 1. Revenue and NPAT-MI of MML



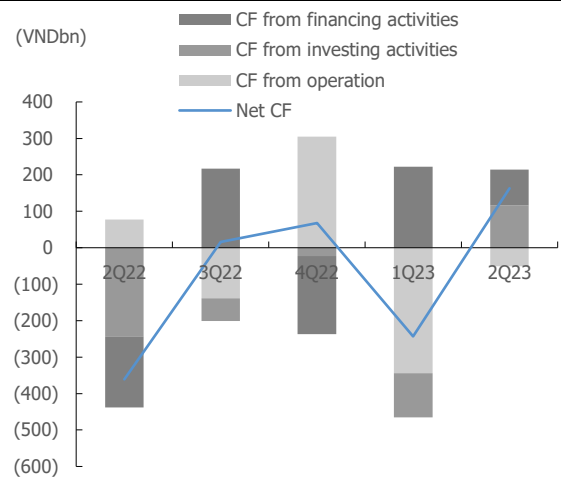
Source: Fiinpro, KISVN

Figure 3. MML's capital structure



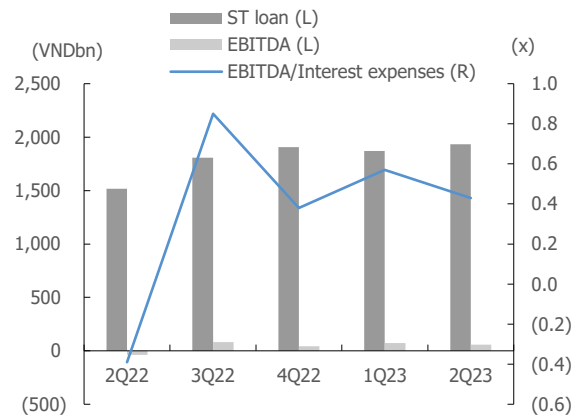
Source: Fiinpro, KISVN

Figure 2. MML's net cash flow



Source: Fiinpro, KISVN

Figure 4. MML's EBITDA to interest expenses



Source: Fiinpro, KISVN

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Prepared by: Research Department