

Loc Troi Group JSC (LTG)

Rice revenue increased

In Jul 2023, Loc Troi Rice (LTG) released the financial statement for 2Q23. Here are some noticeable updates.

Revenue remained stable

- LTG reached the net revenue of VND3.7tn in 2Q23, which rose by 4% yoy and 50% qoq, the 6M23 accumulated revenue was VND6.1tn, +4% yoy.
- Revenue from rice in 6M23 contributed to 68% of total revenue, that increased 24% yoy, meanwhile plant production products (25% revenue) collapsed by 23% and seeds (5% sales) fell by 10%.

LTG made profit in 2Q23

- GPM improved from 10% in 2Q22 to 14% in 2Q23 thanks to the improvement of both rice and plant protection products' GPM. In 6M23, rice's GPM increased 1%p to 3% and plant operation products' GPM increased 7%p to 44%.
- Net profit reached VND424.6bn in 2Q23, mostly attributed to the difference between investor ownership and NAV of Loc Nhan Cereal JSC of VND337bn. Meanwhile, LTG made loss of VND44bn in 2Q22 and VND81bn in 1Q23.

High interest burden

- LTG recorded the negative 12M-trailing CFO of VND327bn and the short-term loan balance at 2Q23 of VND6.9bn. Thus, LTG faced high burden on short-term loans and high need to refinance to maintain operation.
- In 2Q23, LTG recorded the interest expenses of VND168bn, which increased 212% yoy and accounted to 40% of EBIT.

12M rating **Non-rated**

12M TP **N.A**

Up/Downside N.a

Stock Data

NIndex (28 Jul, pt)	1,208
Stock price (28 Jul, VND)	28,800
Market cap (USD mn)	2,762
Shares outstanding (mn)	2,272
52-Week high/low (VND)	31,550/22,200
6M avg. daily turnover (USD mn)	3.93
Free float / Foreign ownership (%)	26.4/32.3
Major shareholders (%)	
Marina Viet Pte. Ltd	25.21
An Giang People's Committee	24.15
Augusta Viet Pte. Ltd	4.96

Performance

	1M	6M	12M
Absolute (%)	5.5	(5.0)	2.5
Relative to VNIndex (%p)	(0.7)	(13.9)	1.2

Stock price trend



Source: Bloomberg

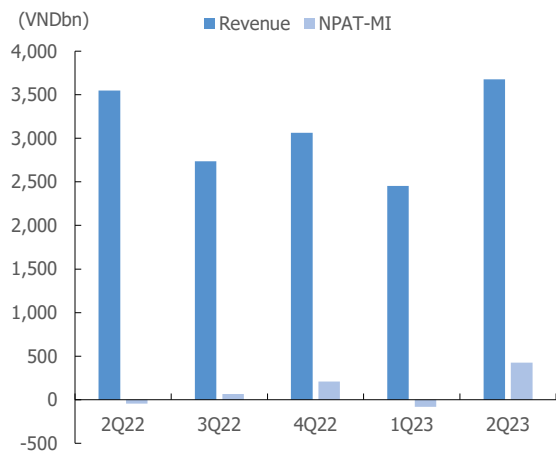
	2018A	2019A	2020A	2021A	2022A
Sales (VND bn)	9,031	8,310	7,506	10,224	11,691
chg. (% YoY)	4.0	(8.0)	(9.7)	36.2	14.3
Operating profit (VND bn)	718	642	628	743	866
Net profit (VND bn)	412	331	366	418	412
EPS (VND)	6,153	4,133	4,825	5,254	5,320
chg. (% YoY)	(178.6)	(32.8)	16.7	8.9	1.3
EBITDA (VND bn)	865	799	793	931	1,083
PE (x)	6.4	9.6	8.2	7.5	7.4
EV/EBITDA (x)	7.14	6.26	5.47	5.16	5.63
PB (x)	1.27	1.21	1.12	1.05	1.01
ROE (%)	17.05	13.04	13.50	14.25	13.31
Dividend yield (%)	4.01	4.15	2.92	3.59	6.02

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

Research Department

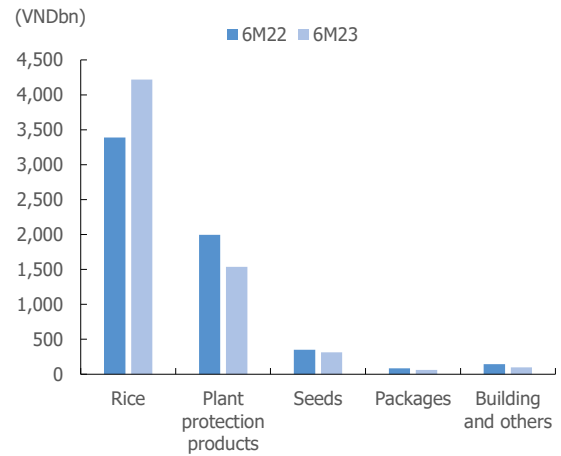
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Figure 1. Revenue and NPAT-MI of LTG



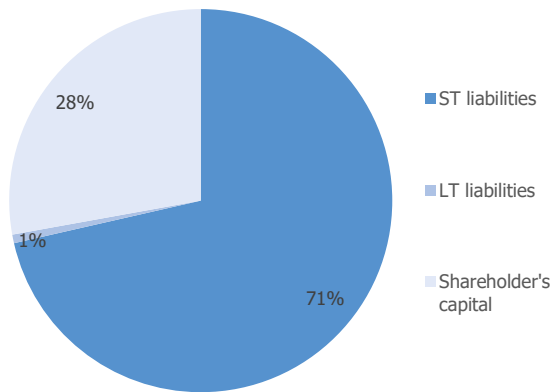
Source: Fiiipro, KISVN

Figure 2. Revenue breakdown in 6M23



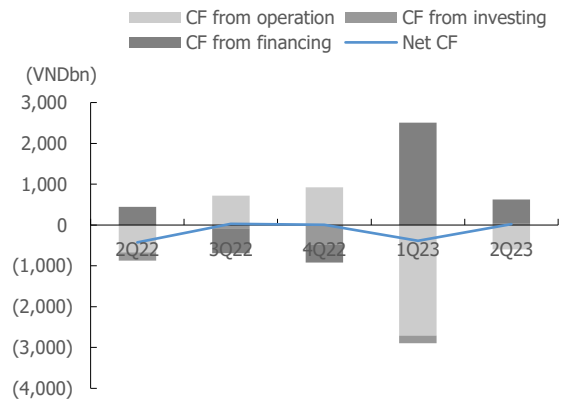
Source: Fiiipro, KISVN

Figure 3. LTG's capital structure



Source: Fiiipro, KISVN

Figure 4. LTG's net cash flow



Source: Fiiipro, KISVN

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Prepared by: Research Department