

31 Jan 2023

BIDIPHAR (DBD)

Non - rated

Can't wait to see its next move

4Q22: earnings passed the target

- On Jan 30, DBD posted 4Q22 business results with a VND465bn revenue (+15% yoy, +18% qoq) and a VND79bn NPAT (+62% yoy, +46% qoq).
- In 4Q22, revenue from production increased by 37% yoy to VND461bn (+20% qoq), which accounted for 96% of total revenue.
- In 2022, DBD recorded a revenue of VND1,555bn (stayed the same as 2021) and a PBT of VND299bn (+29% yoy), fulfilling 91%/139% of the full-year guidance.
- Gross margin (GM) upped by 8%p yoy to 49% in 4Q22 (-2%p qoq). At the same time, the net margin (NM) improved by 5%p yoy to 17% (+3% qoq) regardless of the SG&A/revenue increased by 4%p yoy to 32% (-1%p qoq).

Pressure from API prices in 2023F

- At the latest AM, according to the BOD, API prices in 2023F could increase by 10%-20% yoy. Thus, the medicine selling prices are expected to up by 5-10% yoy.
- DBD expects the EU-GMP factory could be approved in 2025F, which will help the company to achieve a VND3,000bn revenue in 2026F. Although the company has a certain advantage in technology, we think this target should be carefully considered as there are some giant FDI pharma producers would like to dominate the cancer drug market in Viet Nam.
- The company announced the plan to sell cancer drugs in hospital pharmacies. These pharmacies must meet GPP standards to sell cancer drugs. The company is building customer data and closely discussing with potential customers about the distribution.
- The BOD also shared that DBD is very appreciative of foreign partners with excellent technology who come and cooperate with the company.
- In 2021, DBD hold a 28% market share of dialysis solutions products in hospital channels nationwide.

Stock Data

VNIndex (Oct 26, pt)	1,111
Stock price (Oct 26, VND)	28,000
Market cap (USD mn)	632
Shares outstanding (mn)	529
52-Week high/low (VND)	45,725/24,632
6M avg. daily turnover (USD mn)	5.83
Free float / Foreign ownership (%)	20.3/11.8
Major shareholders (%)	
Binh Dinh Investment&Development Fund	13.35
Mr. Nguyen Tien Hai (BOD)	4.13

Performance

	1M	6M	12M
Absolute (%)	5.7	(4.4)	10.3
Relative to VNIndex (%p)	(4.7)	2.9	34.0

Stock price trend



Source: Bloomberg

	2018A	2019A	2020A	2021A	2022P
Sales (VND bn)	1,401	1,262	1,257	1,559	1,555
chg. (% YoY)	0.9	(9.9)	(0.4)	24.0	(0.3)
Operating profit (VND bn)	187	161	182	217	272
Net profit (VND bn)	163	142	158	189	244
EPS (VND)	2,176	1,899	2,108	2,286	3,258
chg. (% YoY)	(23.0)	(12.7)	11.0	8.4	42.5
EBITDA (VND bn)	223	189	214	256	294
PE (x)	11.7	18.9	15.7	17.5	12.4
EV/EBITDA (x)	8.5	15.2	11.4	11.2	10.3
PB (x)	2.1	2.9	2.5	2.6	2.3
ROE (%)	18.9	15.6	16.4	15.3	32.6
Dividend yield (%)	4.1	2.9	3.2	2.6	N.A

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

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