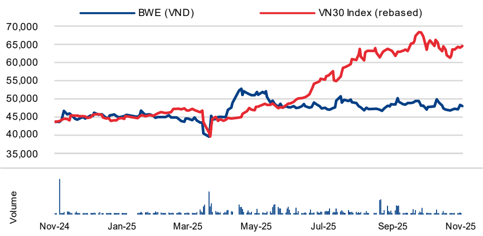
Buy *(unchanged)*
Target price: VND62,300 *(from VND60,300)*
Up/downside: 29.8%

Share price (VND) (as of 21 Nov 2025)	48,000
Bloomberg code	BWE VN
52-week range (VND)	39,600-52,800
Trading value (5D) (VNDmn)	4,690
Market cap. (VNDbn)	10,557
Market cap. (USDmn)	401
Shares outstanding (mn)	220
Total FOL share room (mn)	108
Current FOL share room (mn)	86.0
Foreign ownership limit	49.0%
Foreign owned ratio	9.90%
Free float	30.0%
Major shareholder	Thu Dau Mot Water (37.0%)

Source: Company, HSC Research estimates

Share price performance



Share price (%)	-1 mth	-3 mth	-12 mth
Ordinary shares	0.52	(0.83)	9.83
Relative to index	1.37	(2.13)	(25.6)
Relative to sector	-	-	-

Source: Company, FactSet

HSC vs. consensus

EPS adj. (VND)	HSC	Cons	% diff
2025F	3,910	3,498	11.8
2026F	3,486	4,320	(19.3)
2027F	3,868	6,955	(44.4)

Source: Bloomberg, HSC Research estimates

Company description

BWE is the #3 water supplier in Vietnam with total design capacity of 0.88mn cbm/day in its Binh Duong Province base. BWE also engages in waste and wastewater management businesses and is active in M&A activities re. other water companies

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Better net profit outlook, upgrade to Buy

- TDM cut its selling price to BWE for the 2nd time, marking a 34% reduction vs. end-FY24, and supporting BWE's cash flow.
- We upgrade our rating to Buy from Add, following our revision in net profit forecast, up by 9% for FY25 and down 1% for FY26/27, on the assumption of no water tariff hikes, TDM's selling price discount since Aug-25, and higher gains from JV.
- Up by 0.5% in the past 1M, BWE is now trading on a 1-year rolling forward P/E of 13.6x, which is just slightly below its historical average of 13.7x (from Jan-23). Our new TP implies an upside of 29.8%.

Event: Larger water supply discount from TDM, starting Aug-25

TDM granted a larger water supply wholesale ASP discount to BWE of 34% (compared with end FY24) from Aug-25. Carrying over our view from previous reports, we consider this as further financial support for BWE by TDM.

Impact: Raised FY25 net profit estimates

On a conservative basis, we lowered BWE's ASP assumption due to Province consolidation. However, this is mostly offset by the larger TDM water supply wholesale price discount to BWE since Aug-25. Also, we incorporated the late BWE's divestment from its subsidiaries in 2Q25 and expected a higher gain/loss from JV/affiliate post robust performance in 1H25. In general, our net profit forecasts for FY25 to VND953bn (up 9% vs. our old forecast, up 49% y/y) but cut our forecast for FY26 and FY27 to VND909bn (down 1% vs old forecast, up 3% y/y) and VND987bn (down 1% vs old forecast, up 10% y/y), respectively.

Valuation and recommendation

Up by 0.5% in the past 1M, BWE is now trading on a 1-year rolling forward P/E of 13.6x, which is just slightly below its historical average of 13.7x (from Jan-23). Our new TP implies an upside of 29.8%.

With our new upside, we raise our new TP and upgrade our rating to Buy (from Add). We like BWE for its aggressive capacity expansion to: (1) resolve water shortages in Long An Province; (2) upgrade our infrastructure to meet increasing demand of new IPs; and (3) provide state-of-the-art solutions to environmental problems.

Year end: December	12-23A	12-24A	12-25F	12-26F	12-27F
EBITDA adj. (VNDbn)	1,525	1,686	1,919 ▼	2,098 ▼	2,281 ▼
Reported net profit (VNDbn)	674	639	953 ▲	909	987
EPS adj. (VND)	2,900	2,601	3,910 ▲	3,486	3,868
DPS (VND)	1,327	43.9	1,300	1,300	1,300
BVPS (VND)	24,891	24,263	27,650	30,485	33,673
EV/EBITDA adj. (x)	9.20	9.78	8.48	7.74	7.09
P/E adj. (x)	16.6	18.5	12.3	13.8	12.4
Dividend yield (%)	2.76	0.09	2.71	2.71	2.71
P/B (x)	1.93	1.98	1.74	1.57	1.43
EPS adj. growth (%)	(9.45)	(10.3)	50.4	(10.9)	11.0
Ret. on avg. equity (%)	14.5	12.6	16.7	14.2	14.0

Note: Use of ▲ ▼ indicates that the item has changed by at least 5%.
Source: Bloomberg, HSC Research estimates

Support from peers outweighs weaker tariff hike outlook

BWE recorded no water tariff hike in Binh Duong province before the provinces consolidated, raising doubts on the water tariff hike in near future. The weakening in core business outlook of BWE is mostly offset by TDM's larger discount in water supply ASP to BWE, starting from Aug-25. We raise our net profit forecast for FY25/26/27 to VND953bn (up 41% y/y), VND909bn (down 5% y/y) and VND987bn (up 9% y/y), respectively and upgrade our rating to Buy (from Add) with the sum-of-the-part TP of VND62,600 per share.

Event: Continuation of cash flow support

We see that BWE's cash flow in 3Q25 is supported strongly by its sales of stakes in subsidiaries and further ASP discounting from its major shareholder TDM.

BWE announced the successful transfer of its stakes in two subsidiaries - Biwelco and Biwase Long An. For Biwelco, BWE divested a 52% stake from the company, meaning Biwelco will no longer be a subsidiary of Biwase. For Biwase Long An, the company recorded sales of 27.2%, cutting its ownership at Biwase Long An to 68% post-money.

Secondly, TDM has made a further ASP discount to BWE of 34% from Aug-25 (in comparison to ending price of FY24), larger than the previous discount of 21.7% from Mar-25 till Jul-25 (in comparison to its ASP at end FY24). After discussion with management, we believe that this is the last discount that TDM will grant BWE this year. The transaction supports BWE directly in terms of both net profit and cash flow.

Figure 1: BWE's sales of stakes at subsidiaries in 2Q25, BWE

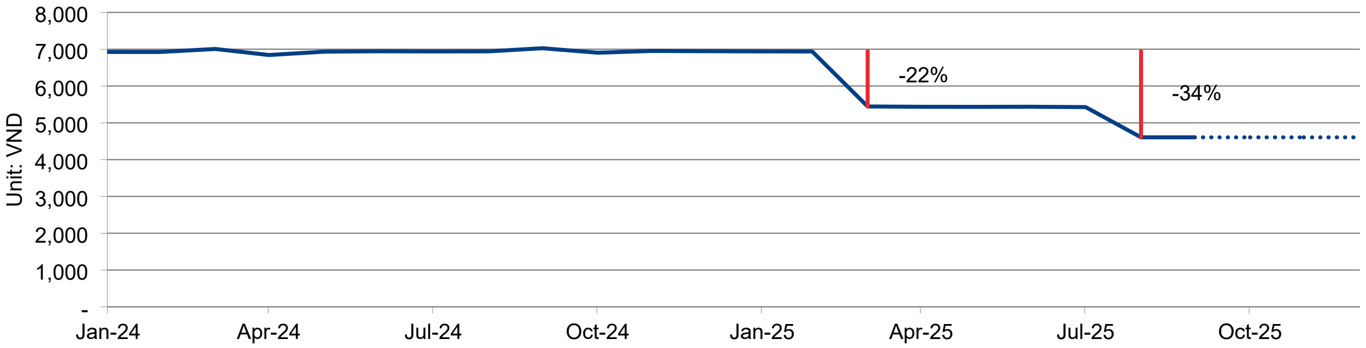
Post transaction, Biwelco is no longer BWE's subsidiary while BWE Long An is still

Divestment	Stakes transfer	BWE's stakes, post transaction	Deal size (VNDbn)	Financial gain (VNDbn)	Buyers
Biwelco	52%	0%	166.4	(13.8)	Parties related to BWE's chairman and VLW
Biwase Long An	27.20%	68.00%	320	69.3	TDM

Source: HSC Research estimates

Figure 2: TDM's water supply ASP to BWE has been reduced by 34% compared to the price at end FY24

TDM has discounted its water supply selling price to BWE twice, by 22% and 34% respectively.



Source: HSC Research estimates

New forecasts

We raise our net profit forecasts for FY25 to VND953bn (up 9% vs old forecast, up 49% y/y), but cut our forecast for FY26 and FY27 to VND909bn (down 1% vs old forecast, up 3% y/y) and VND987bn (down 1% vs old forecast, up 10% y/y), respectively. Due to the impact of Provinces' consolidation, we set a conservative assumption for BWE in the following years, where no water supply tariff hike in Binh Duong province and increase in waste treatment segment is anticipated as approvals may be slowed. The impact of the lower tariff hike is partly offset by TDM's larger ASP discount to BWE. The increase in our net profit forecast is from JVs/affiliates, which had a robust performance in 1H25. Also, we incorporate the impact of BWE's divestment from Biwelco and sales of the 27.2% stake in Biwase Long An. Regarding the core business, our changes in key assumptions are summarized as follows:

- We cut our ASP increase assumptions to 1% (from 3%) as the 1H25 business result showed no hike in ASP in Binh Duong province. The 1% increase in BWE ASP results from the water tariff hike in Binh Phuoc, Long An province. Also, we lowered our water supply sales volumes growth for FY25 onwards by 1% due to the weak YTD sales volumes performance in 9M25 in Binh Duong province.
- For the waste treatment segment, we adjust our expected increase from ASP in household waste treatment to 7% from 0%. However, we raised our forecast for the wastewater treatment revenues and other revenues for FY25 thanks to the robust performance in 1H25.
- We also cut SG&A expenses by 3%/4%/6% for FY25/26/27, respectively, due to changes in our SG&A assumptions.

Figure 3: Old and new forecasts, BWE

We expect BWE's net profit to grow at a CAGR of 16% in the next three years

	Actual	New forecasts			Old forecasts			Revisions			3Y
VNDbn	**FY24**	**FY25**	**FY26**	**FY27**	**FY25**	**FY26**	**FY27**	**FY25**	**FY26**	**FY27**	**CAGR**
Sales	3,959	4,276	4,568	4,913	4,250	4,511	4,898	1%	1%	0%	7%
Gross profit	1,694	1,903	1,983	2,101	2,032	2,096	2,252	-6%	-5%	-7%	7%
Financial income	132	242	180	190	182	189	191	33%	-4%	0%	13%
Financial expense	-494	-456	-458	-467	-456	-458	-467	0%	0%	0%	-2%
JVs/affiliates	44	130	92	92	-10	-10	-10	-1410%	-1030%	-1030%	28%
SG&A	-644	-684	-709	-736	-703	-741	-784	-3%	-4%	-6%	5%
PBT	737	1,146	1,092	1,185	1,050	1,081	1,186	9%	1%	0%	17%
Net profit	**639**	**953**	**909**	**987**	**878**	**904**	**992**	**9%**	**1%**	**-1%**	**16%**

Source: HSC Research estimates

Figure 4: Implied growth of old and new forecasts, BWE

We expect a higher net profit growth in FY25 than in FY26-27

	New forecasts			Old forecast		
	FY25	**FY26**	**FY27**	**FY25**	**FY26**	**FY27**
Sales	8%	7%	8%	7%	6%	9%
Gross profit	12%	4%	6%	20%	3%	7%
Financial income	83%	-25%	6%	38%	4%	1%
Financial expense	-8%	1%	2%	-8%	1%	2%
Gain/loss from JV	197%	-29%	0%	-123%	0%	0%
SG&A	6%	4%	4%	9%	5%	6%
PBT	56%	-5%	9%	43%	3%	10%
Net profit	**49%**	**-5%**	**9%**	**37%**	**3%**	**10%**

Source: HSC Research estimates

Figure 5: Old and new assumptions for key business segments, BWE

We raise the gross profit forecast for FY25 by 2%, factoring TDM's discount in water selling price to BWE

VNDbn	Actual FY24	New forecasts FY25	FY26	FY27	Old forecasts FY25	FY26	FY27	Revisions FY25	FY26	FY27	3Y CAGR
Sales	**3,959**	**4,276**	**4,568**	**4,913**	**4,250**	**4,511**	**4,898**	**1%**	**1%**	**0%**	**7%**
Water supply	2,611	2,843	3,095	3,367	2,938	3,228	3,545	-3%	-4%	-5%	9%
Waste treatment	660	585	769	832	735	794	858	-20%	-3%	-3%	8%
Wastewater treatment	1	242	98	107	146	59	65	65%	65%	63%	375%
Others	687	606	606	606	430	430	430	41%	41%	41%	-4%
Gross profit	**1,693**	**1,903**	**1,983**	**2,101**	**2,032**	**2,096**	**2,252**	**-6%**	**-5%**	**-7%**	**7%**
Water supply	1,502	1,652	1,759	1,869	1,771	1,862	2,007	-7%	-6%	-7%	8%
Waste treatment	65	59	77	83	94	101	110	-38%	-24%	-24%	9%
Wastewater treatment	(2)	72	27	29	51	18	20	41%	48%	46%	N/m
Others	128	120	120	120	115	115	115	4%	4%	4%	-2%
GPM	**43%**	**45%**	**43%**	**43%**	**48%**	**46%**	**46%**				
Water supply	58%	58%	57%	55%	60%	58%	57%				
Waste treatment	10%	10%	10%	10%	13%	13%	13%				
Wastewater treatment	-179%	30%	27%	27%	35%	30%	31%				
Others	19%	20%	20%	20%	27%	27%	27%				

Source: HSC Research estimates

Figure 6: Implied sales and GP growth, BWE

Water supply and waste treatment are expected to be the growth drivers

	New forecasts FY25	FY26	FY27	Old forecasts FY25	FY26	FY27
Implied sales growth	12%	8%	7%	8%	7%	6%
Water supply	13%	9%	9%	9%	13%	10%
Waste treatment	-7%	-11%	31%	8%	11%	8%
Wastewater treatment	-99%	N/m	-59%	9%	N/m	-59%
Others	63%	-12%	0%	0%	-37%	0%
Implied GP growth	8%	12%	4%	6%	20%	3%
Water supply	16%	10%	6%	6%	18%	5%
Waste treatment	-42%	-9%	31%	8%	45%	8%
Wastewater treatment	-118%	N/m	-63%	10%	N/m	-65%
Others	-11%	-6%	0%	0%	-10%	0%

Source: HSC Research estimates

Valuation and methodology

Conclusion and methodology

We maintain our Buy rating for BWE and raise our SOTP target price to VND62,300. The new target price reflects our changes in net profit forecasts.

Our BWE core business DCF assumptions include a risk-free rate of 4.0% and an ERP of 8.75% (unchanged), in-line with our assumptions in-house. We use Bloomberg 2Y daily adjusted beta of 0.6 (unchanged) and an 11% tax rate (unchanged). A terminal growth rate of 2% (unchanged) is applied. Together, these generate a WACC of 7.3% (down from 7.5%, previously). Similarly, for the cost of equity of both Tan Hiep Water Investment and CPHACO, we use the risk-free rate of 4%, ERP of 8.75% (unchanged), and beta of 1.0, coming up with a cost of equity of 12.8% for both companies.

Figure 7: SOTP valuation, BWE

VNDbn	Business	Methodology	Equity value	BWE's interest	Attributable to BWE
BWE core business	**Water supply, waste treatment, wastewater treatment**	**DCF**	11,084	100.0%	**11,116**
Other businesses					2,613
DNW (UPCoM)	Water supply	Mark-to-market	4,200	18.8%	791
CTW (UPCoM)	Water supply	Mark-to-market	675	24.6%	166
VLW (UPCoM)	Water supply	Mark-to-market	809	17.5%	142
LAW (UPCoM)	Water supply	Mark-to-market	395	38.1%	150
NQB (UPCoM)	Water supply	Mark-to-market	174	41.0%	71
GIWACO	Water supply	Book value		34.7%	160
CanthoWater2	Water supply	Book value		48.9%	154
CPHACO (Chanh Phu Hoa)	Funeral service	DDM		44.0%	235
PRT (UPCoM)	Conglomerate	Mark-to-market	3,450	4.0%	138
TLP (UPCoM)	Petroleum distribution	Mark-to-market	1,632	0.5%	8
SNZ (UPCoM)	Industrial Park	Mark-to-market	12,161	0.1%	11
Tan Hiep Water	Water supply	DDM		43.0%	555
Thu Thua Project	Water supply	Book value		48.3%	31
Equity value					**13,697**
Share o/s (mn)					220
Value/share (VND)					**62,300**
Assumed discount					0.0%
Target price (VND/share)					**62,300**

Note: BWE's UPCoM traded affiliates market price is the close price as of 07 Oct.
Source: HSC Research estimates

Figure 8: DCF valuation for core business, BWE

VNDbn	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F
Operating profit	1,219	1,273	1,365	1,464	1,473	1,488
Taxes on OP @ 11.0%	(134)	(140)	(150)	(161)	(162)	(164)
NOPAT	1,085	1,133	1,215	1,303	1,311	1,324
Depreciation	700	824	916	1,017	1,117	1,218
Change in WC	1,318	38	(44)	(49)	(29)	(31)
CAPEX	(1,861)	(1,370)	(1,500)	(1,500)	(1,500)	(1,400)
Other oper. cashflows	(13)	0	0	0	0	0
Bonus funds	(93)	(143)	(136)	(148)	(160)	(162)
Unlevered FCF	**1,136**	**483**	**451**	**623**	**739**	**949**
Discount factor		1.00	1.07	1.15	1.23	1.32
PV of UFCF		**483**	**421**	**541**	**599**	**717**
Sum of UFCF		**2,761**				

Source: HSC Research estimates

Figure 9: WACC calculation, BWE

	Value
Risk-free rate	4.0%
Beta	0.60
Equity risk premium	8.75%
Cost of equity	**9.2%**
Pre-tax cost of debt	5.7%
Statutory tax rate	11.0%
After-tax cost of debt	**5.1%**
Weight of equity	52.8%
Weight of debt	47.2%
WACC	**7.3%**

Source: HSC Research estimates

Figure 10: Core business equity value calculation, BWE

VNDbn	Value
Terminal growth	2.0%
Implied EV/EBITDA multiples	6.8x
PV of terminal value	13,927
PV of future cash flows	2,761
PV of the firm	**16,688**
Plus: Cash	2,000
Minus: Total debt, adjustments	(7,604)
Equity value	**11,084**

Source: HSC Research estimates

Figure 11: Cost of equity calulation for CPHACO and Tan Hiep Water Investment

	Risk-free rate	Beta	ERP	Cost of equity
CPHACO	4%	1	8.75%	12.8%
Tan Hiep Water Invest.	4%	1	8.75%	12.8%

Source: HSC Research estimates

Figure 12: DDM valuation, Tan Hiep Water Investment

VNDbn	Value
FY25 dividend, attributable to BWE	60
Phase 1 growth rate	3.0%
No. years in phase 1	5
Terminal growth rate	2%
Cost of equity	12.8%
Company value	**555**

Source: HSC Research estimates

Figure 13: DDM valuation, CPHACO

VNDbn	Value
FY25 dividend, attributable to BWE	30
Terminal growth rate	0%
Cost of equity	12.8%
Company value	**235**

Source: HSC Research estimates

Figure 14: TP sensitivity, BWE

Our base case uses a 4.0% risk-free rate and a 2% terminal growth rate

VND		Terminal growth rate				
		1.0%	**1.5%**	**2.0%**	**2.5%**	**3.0%**
Risk-free rate	**3.0%**	57,600	63,600	70,900	79,900	91,200
	3.5%	54,400	59,800	66,400	74,300	84,200
	4.0%	51,500	56,400	**62,300**	69,400	78,100
	4.5%	48,800	53,300	58,600	65,000	72,700
	5.0%	46,300	50,400	55,300	61,000	67,900

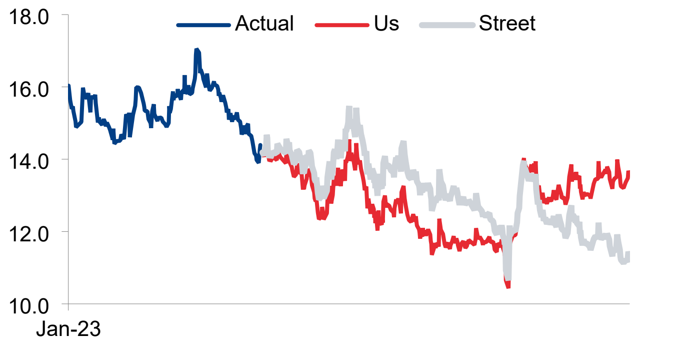
Source: HSC Research estimates

Valuation context

Up by 0.5% in the past 1M, BWE is now trading on a 1-year rolling forward P/E of 13.6x, which is 0.1 SDs below its historical average of 13.7x (from Jan-23). Meanwhile, BWE is currently trading at a discount to its Vietnam and regional peers for FY25-26 of 51%, in terms of EV/EBITDA and by 50%/60%, respectively, in terms of P/E while offering 2.2ppt/3.8ppt higher expected FY25-26 ROE. Hence, we believe that BWE's valuation is still attractive in comparison to its peers.

Figure 15: 1-year rolling forward P/E, BWE

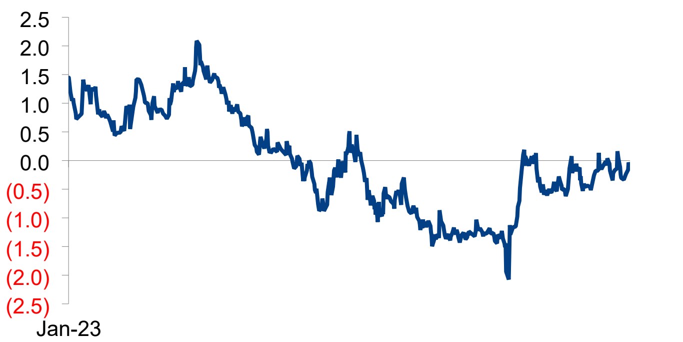
Trading at 13.6x...



Source: HSC Research estimates

Figure 16: SDs from the mean, BWE

…0.1 SDs below its mean of 14.7x



Source: HSC Research estimates

Figure 17: Regional peer comparable

BWE is trading at large discounts vs. international peers in terms of both P/E and EV/EBITDA

Name	Country of listing	Market cap (USDmn)	EV/EBITDA		P/E		P/B		ROE	
			FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26
BWE	Vietnam	400	8.7	8.7	11.0	9.0	1.6	1.4	16.5	18.5
TDM	Vietnam	249	24.0	24.0	35.7	46.0	2.5	2.5	17.2	17.5
VA Tech Wabag Ltd	India	969	19.2	19.2	30.4	24.1	4.1	3.5	14.7	15.3
Manila Water Co Inc	Philippines	1,669	8.7	8.4	7.8	7.3	1.2	1.0	16.7	15.9
WHA Utilities and Power PCL	Thailand	511	20.1	20.1	13.6	11.8	1.2	1.2	8.2	10.0
Average		760	16.2	16.1	19.7	19.6	2.1	1.9	14.7	15.4
BWE's premium /(discount) to peers		-47%	-46%	-46%	-44%	-54%	-26%	-26%	1.8ppt	3.0ppt
Average, exc. BWE		849	18.0	17.9	21.9	22.3	2.3	2.0	14.2	14.7
BWE's premium /(discount) to peers		-53%	-51%	-51%	-50%	-60%	-30%	-30%	2.2ppt	3.8ppt

Note: Based on data as of , TDM figures are not adjusted for its stake in BWE.
Source: Bloomberg, HSC Research estimates

Risks

Downside

- TDM's ASP discount will not last as long as expected.

Upside

- Any increase in average water supply price, wastewater treatment price and waste treatment price would bring upside to our estimates.
- We have not incorporated BWE's social housing project to our forecast as the project handover has been pending for many years. Once the project is handed over, it would bring upside to our estimates.

Financial statements and key data

Income statements (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F
Sales	3,526	3,959	4,276	4,568	4,913
Gross profit	1,564	1,694	1,903	1,983	2,101
SG&A	(584)	(644)	(684)	(709)	(736)
Other income	-	-	-	-	-
Other expenses	-	-	-	-	-
EBIT	**980**	**1,050**	**1,219**	**1,273**	**1,365**
Net interest	(268)	(362)	(214)	(278)	(277)
Associates/affiliates	43.4	43.7	130	92.1	92.1
Other non-operational	-	-	-	-	-
Exceptional items	7.09	4.47	11.3	4.47	4.47
Pre-tax profit	**762**	**737**	**1,146**	**1,092**	**1,185**
Taxation	(79.9)	(76.1)	(126)	(120)	(131)
Minority interests	(7.52)	(21.7)	(67.1)	(61.9)	(67.4)
Exceptional items after tax	-	-	-	-	-
Net profit	**674**	**639**	**953**	**909**	**987**
Net profit adj'd	**559**	**537**	**860**	**767**	**851**
EBITDA adj.	**1,525**	**1,686**	**1,919**	**2,098**	**2,281**
EPS (VND)	3,496	3,095	4,332	4,135	4,488
EPS adj. (VND)	2,900	2,601	3,910	3,486	3,868
DPS (VND)	1,327	43.9	1,300	1,300	1,300
Basic shares, average (mn)	193	206	220	220	220
Basic shares, period end (mn)	193	220	220	220	220
Fully diluted shares, period end (mn)	193	220	220	220	220

Cash flow statements (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F
EBIT	980	1,050	1,219	1,273	1,365
Depreciation & amortisation	(546)	(636)	(700)	(824)	(916)
Net interest	(268)	(362)	(214)	(278)	(277)
Tax paid	(71.3)	(69.6)	(140)	(120)	(130)
Changes in working capital	142	(1,419)	1,318	38.2	(43.9)
Others	(181)	899	(123)	(86.9)	(92.9)
Cash flow from operations	**1,070**	**745**	**2,579**	**1,500**	**1,577**
Capex	(1,862)	(647)	(1,861)	(1,370)	(1,500)
Acquisitions & investments	0	0	0	0	0
Disposals	0	0	0	0	0
Others	651	(1,134)	(820)	(143)	(92.6)
Cash flow from investing	**(1,212)**	**(1,781)**	**(2,681)**	**(1,513)**	**(1,593)**
Dividends	(256)	(9.65)	(286)	(286)	(286)
Issue of shares	964	86.6	0	0	270
Change in debt	1,413	1,512	415	137	150
Other financing cash flow	(1,600)	(201)	608	337	88.1
Cash flow from financing	**521**	**1,387**	**737**	**188**	**222**
Cash, beginning of period	275	655	1,007	1,642	1,816
Change in cash	**380**	**351**	**635**	**174**	**207**
Exchange rate effects	-	-	-	-	-
Cash, end of period	**655**	**1,007**	**1,642**	**1,816**	**2,023**
Free cash flow	**(792)**	**97.6**	**718**	**130**	**77.3**

Balance sheets (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F
Cash	655	1,007	1,642	1,816	2,023
Short-term investments	265	405	358	457	491
Accounts receivable	781	1,712	823	880	946
Inventory	923	1,233	875	1,124	1,194
Other current assets	81.8	117	19.0	20.3	21.8
Total current assets	**2,706**	**4,474**	**3,717**	**4,297**	**4,677**
PP&E	4,538	4,960	6,121	6,666	7,250
Intangible assets	-	-	-	-	-
Investment properties	0	0	0	0	0
Long-term investments	1,395	985	985	985	985
Associates/JVs	1,481	1,663	2,468	2,468	2,468
Other long-term assets	2,002	2,118	2,251	2,296	2,355
Total long-term assets	**9,416**	**9,726**	**11,825**	**12,416**	**13,058**
Total assets	**12,122**	**14,200**	**15,542**	**16,712**	**17,735**
Short-term debt	1,433	2,463	2,878	3,015	3,165
Accounts payable	453	363	310	457	491
Other current liabilities	320	272	281	457	491
Total current liabilities	**2,385**	**3,398**	**3,786**	**4,268**	**4,512**
Long-term debt	3,997	4,480	4,480	4,480	4,480
Deferred tax	11.6	17.5	8.55	9.14	9.83
Other long-term liabilities	764	791	941	1,005	1,081
Long-term liabilities	**4,773**	**5,289**	**5,429**	**5,494**	**5,571**
Total liabilities	**7,158**	**8,687**	**9,215**	**9,762**	**10,083**
Shareholders' funds	4,802	5,336	6,081	6,705	7,406
Minority interests	162	177	246	246	246
Total equity	**4,964**	**5,513**	**6,327**	**6,951**	**7,652**
Total liabilities and equity	**12,122**	**14,200**	**15,542**	**16,712**	**17,735**
BVPS (VND)	24,891	24,263	27,650	30,485	33,673
Net debt/(cash)*	4,776	5,936	5,716	5,678	5,622

Financial ratios and other	12-23A	12-24A	12-25F	12-26F	12-27F
Operating ratios					
Gross margin (%)	44.3	42.8	44.5	43.4	42.8
EBITDA adj. margin (%)	43.3	42.6	44.9	45.9	46.4
Net profit margin (%)	19.1	16.1	22.3	19.9	20.1
Effective tax rate (%)	10.5	10.3	11.0	11.0	11.0
Sales growth (%)	1.21	12.3	8.00	6.84	7.54
EBITDA adj. growth (%)	9.10	10.5	13.8	9.32	8.76
Net profit adj. growth (%)	(9.45)	(4.05)	60.2	(10.9)	11.0
EPS growth (%)	(9.21)	(11.5)	40.0	(4.54)	8.53
EPS adj. growth (%)	(9.45)	(10.3)	50.4	(10.9)	11.0
DPS growth (%)	8.33	(96.7)	2,863	0	0
Dividend payout ratio (%)	38.0	1.42	30.0	31.4	29.0
Efficiency ratios					
Return on avg. equity (%)	14.5	12.6	16.7	14.2	14.0
Return on avg. CE (%)	11.0	10.2	10.8	10.5	10.6
Asset turnover (x)	0.32	0.30	0.29	0.28	0.29
Operating cash/EBIT (x)	1.09	0.71	2.12	1.18	1.16
Inventory days	172	199	135	159	155
Accounts receivable days	145	276	127	124	123
Accounts payable days	84.2	58.4	47.7	64.5	63.8
Leverage ratios					
Net debt*/equity (%)	101	112	95.1	85.7	76.9
Debt/capital (%)	45.3	49.3	47.8	45.3	43.5
Interest coverage (x)	3.65	2.90	5.70	4.58	4.93
Debt/EBITDA (x)	3.60	4.15	3.87	3.61	3.38
Current ratio (x)	1.13	1.32	0.98	1.01	1.04
Valuation					
EV/sales (x)	3.98	4.17	3.81	3.55	3.29
EV/EBITDA adj. (x)	9.20	9.78	8.48	7.74	7.09
P/E (x)	13.7	15.5	11.1	11.6	10.7
P/E adj. (x)	16.6	18.5	12.3	13.8	12.4
P/B (x)	1.93	1.98	1.74	1.57	1.43
Dividend yield (%)	2.76	0.09	2.71	2.71	2.71

*Note: *Excluding short-term investments.*
Source: Company, HSC Research estimates

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