

**ACV – OUTPERFORM**

**STOCK INFORMATION**  
(Sep 10<sup>th</sup> 2020)

Stock exchange	UPCOM
Market price (VND)	61.200
10-day average trading volume	199.352
Market capital (VND bn)	127.146
Outstanding shares	2.177.173.236

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**UPDATE REPORT**

**Business results:** Under the impact of Covid-19 translation, in 6M.2020 ACV recorded revenue of VND 4,681 billion (-47.56% yoy). Profit after tax decreased 67.7% over the same period, reaching 1,194 billion VND..

**Outlook:** In 2020, ACV's business activities will be significantly affected by the impact of Covid-19 epidemic on passenger volume and flights via airports. However, a large source of financial revenue, abundant money reserves and cost reduction measures are expected to help businesses maintain positive business results and good financial health in 2020. In the long term, ACV is still has positive growth potential thanks to: (1) Growth trend of air passenger volume; (2) The almost monopoly position in airport operation; (3) Major aviation infrastructure projects are deployed.

**Risk:** (1) Difficulty in the process of selecting investors for infrastructure projects; (2) The re-operation of international routes witnesses encumbrance.

**Recommendation:** VCBS forecasts that in 2020, profit for common shareholders of ACV will reach VND 2,023 billion (-75.3% yoy) due to the impact of Covid-19 epidemic. We believe that at the current price, ACV shares are relatively attractive considering the growth prospects of the Vietnam aviation industry, the competitive position of the company and the dynamics from upcoming aviation infrastructure projects. We recommend **OUTPERFORM** for ACV with medium and long-term investment target of **73,453 VND / share**.

Financial ratio	2018	2019	2020F	2021F
Net revenue (billion VND)	16.123	18.329	7.687	15.660
+/- yoy (%)	16,58%	13,68%	-58,06%	103,71%
Earning available for common shareholders (billion VND)	6.173	8.201	2.023	6.259
+/- yoy (%)	50,54%	32,86%	-75,33%	209,38%
Equity (billion VND)	30.786	36.757	36.821	41.120
Gross margin (%)	48,55%	50,92%	18,85%	47,17%
Net profit margin (%)	38,28%	44,75%	26,32%	39,97%
ROA – TTM (%)	11,53%	14,12%	3,46%	9,38%
ROE – TTM (%)	20,09%	22,35%	5,51%	15,25%
EPS (VND)	2.518	3.450	836	2.587

## APPENDIX

INCOME STATEMENT (billion VND)	2017	2018	2019	2020F	2021F
<b>Revenue</b>	<b>13.830</b>	<b>16.123</b>	<b>18.329</b>	<b>7.687</b>	<b>15.660</b>
Cost of goods sold	8.182	8.296	8.995	6.238	8.273
<b>Gross profit</b>	<b>5.648</b>	<b>7.828</b>	<b>9.334</b>	<b>1.449</b>	<b>7.387</b>
Sales and marketing exp	293	340	379	171	323
General and administrative exp	809	878	1.006	601	913
<b>EBIT</b>	<b>4.546</b>	<b>6.609</b>	<b>7.948</b>	<b>677</b>	<b>6.150</b>
<b>Earning before tax</b>	<b>5.343</b>	<b>7.618</b>	<b>10.156</b>	<b>2.509</b>	<b>7.755</b>
Income tax expense	1.222	1.433	1.942	480	1.483
<b>Net Profit After Tax (NPAT)</b>	<b>4.122</b>	<b>6.185</b>	<b>8.214</b>	<b>2.029</b>	<b>6.272</b>
Minority/Non Controlling Interests (Credits)	21	13	13	6	14
<b>Net Income</b>	<b>4.101</b>	<b>6.173</b>	<b>8.201</b>	<b>2.023</b>	<b>6.259</b>
Basic Earnings per Share (VND)	1.883	2.518	3.450	836	2.587

  

BALANCE SHEET (billion VND)	2017	2018	2019	2020F	2021F
Cash & equivalents	1.314	638	350	5.840	2.215
Short-term investments	17.563	23.730	30.922	30.922	15.922
Accounts & notes receivables	2.013	2.461	2.620	1.065	2.170
Inventories	404	469	493	334	443
Other current assets	5.049	3.982	2.907	1.219	2.484
<b>Total current assets</b>	<b>26.343</b>	<b>31.281</b>	<b>37.291</b>	<b>39.380</b>	<b>23.234</b>
Net fixed assets	19.624	19.036	17.206	15.607	39.951
Long-term investments	184	190	191	191	191
Other Long-term assets	3.013	3.119	3.488	3.488	3.488
<b>Total Long-term assets</b>	<b>22.820</b>	<b>22.344</b>	<b>20.885</b>	<b>19.286</b>	<b>43.630</b>
<b>Total assets</b>	<b>49.163</b>	<b>53.625</b>	<b>58.176</b>	<b>58.666</b>	<b>66.864</b>
Accounts payable	1.125	1.143	1.258	832	1.104
Short-term borrowings	148	151	240	738	793
Other short-term liabilities	6.081	6.390	5.020	5.020	5.020
<b>Total Current Liabilities</b>	<b>7.354</b>	<b>7.684</b>	<b>6.518</b>	<b>6.591</b>	<b>6.918</b>
Long-term debt	14.328	15.043	14.760	15.129	33.701
Other long-term liabilities	97	111	141	141	141
<b>Total Long-Term Liabilities</b>	<b>14.424</b>	<b>15.155</b>	<b>14.901</b>	<b>15.271</b>	<b>33.843</b>
<b>Total Liabilities</b>	<b>21.778</b>	<b>22.839</b>	<b>21.419</b>	<b>21.861</b>	<b>40.760</b>
<b>Total Equity</b>	<b>27.384</b>	<b>30.786</b>	<b>36.757</b>	<b>36.821</b>	<b>41.120</b>
<b>Total Liabilities &amp; Equity</b>	<b>49.163</b>	<b>53.625</b>	<b>58.176</b>	<b>58.682</b>	<b>81.880</b>

  

CASH FLOW STATEMENT (billion VND)	2017	2018	2019	2020F	2021F
Cash From Operating Activities	5.357	9.375	10.972	8.164	7.372
Cash From Investing Activities	-5.788	-8.175	-9.145	-1.583	-27.665
Cash from Financing Activities	-1.421	-1.876	-2.116	-1.092	16.668
<b>Net Changes in Cash</b>	<b>-1.852</b>	<b>-675</b>	<b>-289</b>	<b>5.490</b>	<b>-3.625</b>
<b>Ending cash</b>	<b>1.314</b>	<b>638</b>	<b>350</b>	<b>5.840</b>	<b>2.215</b>

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