

AST – OUTPERFORM

STOCK INFORMATION
(Sep 16th 2020)

Stock exchange	HOSE
Market price (VND)	51.300
10-day average trading volume	141.600
Market capital (VND bn)	2.308
Outstanding shares	45.000.000

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UPDATE REPORT

Business results: The limitation of international flight routes and the close of business locations during the social distancing period had a negative impact on AST's business results in the first half of 2020. Specifically, in 6M.2020 the revenue of AST was VND 242.4 billion (-55.5% yoy), NPAT was VND 1.5 billion (-98.7% yoy).

Outlook: Business performance of AST is expected to gradually improve in the second half of 2020, when flight routes are gradually re-established and passenger traffic recovers. In the long term, we appreciate the growth prospect of AST with the main drivers: (1) Growth trend in volume and purchasing power of passengers through airports; (2) The potential of increasing market share after the epidemic; (3) The capacity of the airports are improved; (4) Motivation from new businesses.

Risk: (1) The complicated development of Covid-19; (2) Risk of market share distribution at airports.

Recommendation: Assuming that international flight routes are gradually increasing the operating frequency in Q4.2020, we forecast that in 2020, AST will **achieve revenue of VND 480.5 billion (-57.9% yoy), profit for common shareholders is VND 14.4 billion.** At the current price, AST stock is quite attractive in the medium and long term thanks to its positive business prospects in the coming years. We recommend **OUTPERFORM** for the investment opportunity of AST stock in the medium and long term with a target price of **57.273 VND / share.**

Financial ratio	2018	2019	2020F	2021F
Net revenue (billion VND)	865	1.141	481	999
+/- yoy (%)	31,24%	31,92%	-57,89%	107,97%
Earning available for common shareholders (billion VND)	161	191	14	133
+/- yoy (%)	9,22%	18,60%	-92,46%	824,39%
Equity (billion VND)	555	644	613	656
Gross margin (%)	53,89%	54,17%	48,20%	51,94%
Net profit margin (%)	18,61%	16,73%	2,99%	13,31%
ROA – TTM (%)	24,51%	24,31%	1,86%	16,07%
ROE – TTM (%)	29,42%	32,97%	2,44%	21,37%
EPS (VND)	3.463	4.239	320	2.956

APPENDIX

INCOMESTATEMENT (billion VND)	2017	2018	2019	2020F	2021F
Revenue	659	865	1.141	481	999
Cost of goods sold	311	399	523	249	480
Gross profit	348	466	618	232	519
Sales and marketing exp	127	179	253	153	233
General and administrative exp	64	84	138	87	138
EBIT	158	203	228	-8	148
Earning before tax	181	204	263	19	175
Income tax expense	32	41	51	4	35
Net Profit After Tax (NPAT)	148	163	212	15	140
Minority/Non Controlling Interests (Credits)	1	2	22	1	7
Net Income	147	161	191	14	133
Basic Earnings per Share (VND)	3.231	3.463	4.239	320	2.956
BALANCESHEET (billion VND)	2017	2018	2019	2020F	2021F
Cash & equivalents	178	112	220	282	299
Short-term investments	0	0	90	90	90
Accounts & notes receivables	7	11	17	6	12
Inventories	40	43	102	34	67
Other current assets	42	33	37	16	32
Total current assets	267	198	466	428	500
Net fixed assets	134	144	157	129	123
Long-term investments	1	6	115	115	115
Other Long-term assets	224	318	135	135	135
Total Long-term assets	359	468	407	379	373
Total assets	626	666	874	807	873
Accounts payable	43	48	55	25	47
Short-term borrowings	40	8	3	0	0
Other short-term liabilities	53	55	171	171	171
Total Current Liabilities	136	111	230	195	218
Long-term debt	21	0	0	0	0
Other long-term liabilities	0	-	-	-	-
Total Long-Term Liabilities	21	-	-	-	-
Total Liabilities	157	111	230	195	218
Total Equity	469	555	644	613	656
Total Liabilities & Equity	626	666	874	809	875
CASH FLOW STATEMENT (billion VND)	2017	2018	2019	2020F	2021F
Cash From Operating Activities	131	201	225	118	140
Cash From Investing Activities	(112)	(142)	(41)	(8)	(33)
Cash from Financing Activities	117	(125)	(76)	(48)	(90)
Net Changes in Cash	136	(66)	109	62	17
Ending cash	178	112	220	282	299

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