truefriend KIS Viet Nam Securities Corporation

Sector
Note

15 Apr 2025

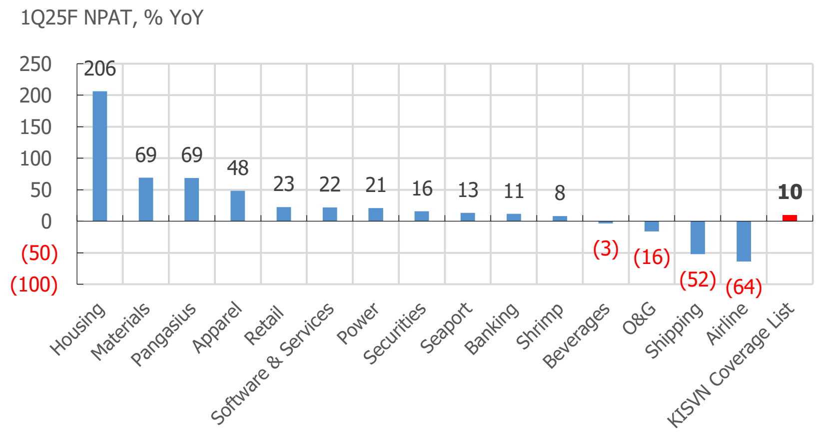
Sector Note

Non-rated

1Q25F forecast: Recovery but slowdown

- Projected growth of NPAT for 44 firms in KISVN's coveraged portfolio is 9.8% yoy, reflecting a decline from 54.3% yoy in 4Q24 and 21.7% yoy in 3Q24.
- Four sub-industries - Real estate, Materials, Seafood - pangasius, and Textiles -are anticipated to exhibit exceptional growth relative to other sub-industries.
- Furthermore, we anticipate our Banking portfolio to attain a yoy-growth rate of 10%, while Retail is projected to maintain its favorable recovery trajectory, achieving a growth rate of 23% yoy.
- Stocks anticipated to exhibit substantial growth in company performance in 1Q25F include: CTG, VHM, KDH, NLG, VHC, HPG, and HAH.

KISVN Forecast for 1Q25F NPAT Growth by Sector



Source: Bloomberg, KIS Research
Notes: The KISVN coverage list includes 44 stocks and accounts for 51% HOSE market cap

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CONTENT

I. Sector Forecast

Sector/ Industry	Rating 1Q25F	Investment point
Banking	**Neutral**	<u>Growth in a challenging environment</u> - 1Q25F earnings could maintain moderate growth, driven by increased credit growth, a manageable slight decrease in net interest margins (NIM), and controlled operating and risk provision expenses. - Credit to the economy has shown positive momentum since the beginning of the year with growth rates of 1.24% YTD and 17.6% yoy as of 20 Mar 2025. SBV s finalizing a draft to legalize resolution 42 on non-performing loans (NPL) resolution, with submission to the National Assembly for approval expected in 2Q25. This development could positively support commercial banks in managing NPLs in the coming period. - In 2025, the banking industry could maintain robust growth driven by accelerated credit expansion for economic growth support, disciplined operating expense management, and controlled non-performing loans. However, the industry will continue to navigate pressures on net interest margins and increased provisioning costs to enhance reserve buffers. - Stock pick: BID (BUY), CTG (BUY), VCB (BUY), STB (BUY), TCB (HOLD).
Pangasius	**Neutral**	<u>Opposing forces coming into play</u> - Pangasius industry: The export growth could witness a slower momentum compared to the 2024 performance overall due to (1) The dwindling export to Chinese market, and (2) Export to US and EU markets could gradually moderate. o The US market: The slowdown compared to 2024 due to (1) demand not yet rising to absorb the large volume importing during 3Q24 and 4Q24, (2) the US importing a large quantity of Chinese tilapia prior to the implementation of tariffs in 4Q24 and Jan-25; o The Chinese market: The bleak consumption keeps persisting and directly impacting on foodservice channel; o The EU market: the potential risks of an abundant whitefish's supply could ease, which, in turn, supporting pangasius ASPs in the near-term. - Industry gross margin: The resurgence in raw pangasius could weigh on enterprises' gross margin, but lower aquafeed prices will likely offset. As such, industry gross margin is likely to remain flat vs. to qoq but reviving yoy. - Stock pick: VHC (BUY – mid & long term), ANV (HOLD) & IDI (HOLD).
Shrimp	**Neutral**	<u>Faring better across key markets</u> - Shrimp exports could see the brighter outlook, driven by a gradual uptick in consumption demand, which boosted export volumes and revived shrimp ASPs in 1Q25F. - We see the recovery across key markets (US, EU and Japan). Notably, the EU markets showed the strongest rebound in both volume and ASPs. - Regarding to gross margin, raw shrimp prices surged during 4Q24, which, in turn, hit hard gross margin of shrimp processors in 1Q25F. - However, we peg FMC's performance could fare better than the other listed shrimp enterprises thanks to thanks to the efficiency of self-sufficient raw shrimp farming during the off-season in 4Q24. - Stock pick: FMC (HOLD).

Beverages	**Neutral**	**High material costs amid weak demand**
		- In 1Q25F, the business results of beverages companies would not be positive
		  o Weak demand would place the difficulty in sales of dairy products and alcoholic drinks.
		  o Dairy producers would face the increase in material costs due to the surge in Skim Milk Power and Whole Milk Power prices.
		  o Beer producers would face the increase in aluminum prices.
		- Stock pick: SAB (HOLD), VNM (HOLD).

Retail	**Positive**	**1Q25F - First stage of grocery retail expansion**
		- In 1Q25F, the business results of listed retailers would be versatile:
		  o ICT-CE would continue to recover with mobile phones, laptops and tablets to be the spotlight.
		  o Jewelry Retail would see headwind from both sides (weak demand due to higher prices and higher raw material costs).
		  o Minimarts enter the first fast-expansion quarter with 200 new BHX stores.
		  o Pharmacies expansion (especially Long Chau) would slowdown compared to the rapid expansion in 2024.
		- Stock pick: MWG (BUY), FRT (HOLD), PNJ (HOLD).

Software & Services	**Neutral**	**1Q25F - Global AI trend would impact Vietnam's Technology stocks** - In 1Q25F, we observe that the global AI trend has turn into negative (especially with the events of Deepseek), which has been resulted in a poor performance of Nvidia and US Technology stocks (Nasdaq). This also impacted FPT's stock performance. - Next, we see that the registed oversea technology revenue of FPT has been slow downed in 4Q24 and 2M25, which might due to (1) either the global macro uncertainty or (2) the cooldown of AI spending or (3) the timining of new contracs recognization. This could slow down the growth of FPT's revenue and NPAT in upcomming quarter, pending a throughout examination. - Stock pick: FPT (HOLD).

Source: Bloomberg, KIS Research

II. Company Forecast

No	Com-pany	Industry	1Q25F - yoy	Investment point
1	BID	Banking	5	**Moderate Growth** - 1Q25: expect moderate growth driven by higher credit growth (+3%YTD) and controlled operating and risk provision expenses. A slight contraction in net interest income could result from lower asset yields.
2	TCB	Banking	10	**Sustainable growth momentum** - 1Q25: moderate growth, driven by remained credit growth (+7.0%YTD), quarterly improvement in NIM from 3.9% in 4Q24 to 4.1% in 1Q25 but lower than 4.4% in 1Q24, controlled operating expenses with remained CIR.
3	CTG	Banking	25	**Preserve the growth momentum** - 1Q25: Expect double-digit growth, fueled by a moderate uptick in net interest income and reduced risk provisioning. Credit expansion for 1Q25 could mirror the year-to-date trend, around +2%YTD. A slight contraction in net interest income could result from lower asset yields. However, credit costs could continue their descent, building upon the positive trend observed in 4Q24.
4	VCB	Banking	7	**Profit growth revivals** - 1Q25 earnings could return positive growth, driven by (1) higher credit growth (+3%YTD), aligning with industry trends, (2) improving net interest margin, (3) controlled operating expenses (1Q25 CIR of 29% the same as 1Q24), and (4) moderate provision expenses with well-controlled asset quality. Although year-over-year NIMs may be lower, 1Q25 NIM could improve quarterly due to increased asset yields and stable funding costs.
5	STB	Banking	19	**Completing restructuring 2016-2025** - 1Q25: 1Q25 PBT is estimated by +19%yoy thanks to sustainable credit growth (+4%YTD) and reduced operating costs due to absence of asset provision cost. However, a marginal decline in net interest margin could stem from lower asset yields despite continued low funding costs. - The business results could exclude any non-recurring incomes derived from the Phong Phu IP debt collection and the auction of the 32.5% equity stake.
6	SSI	Securities	7	
7	VCI	Securities	49	
8	KDH	Housing	275	**Solid earnings growth in 1Q25F** - Booking the 40% remainder of Privia Project (450 units) in the 1H25. The gross margin remains healthy at 30-40%, which delivers the net profit growth of 275% yoy.
9	NLG	Housing	back to the positive profit	**Coming back to green territory** - Recording the 200 units in Akari condo project) could boost the 1Q25 NPAT growth, ending the loss quarter in 1Q24.
10	DXG	Housing	(16)	**The waking up giant** - We expect DXG could record 10-15 landed properties in Gem Sky World Townhouse project and the recognition of bouyant brokerage division

11	PDR	Housing	(15)	
12	VHM	Housing	200	
13	ANV	Pangasius	10.6	**Muted export outlook to Chinese market** - Pangasius export volume: total of 10,265 tonnes (-21.4% yoy), weighed on by the Chinese market (-80% yoy) and EU (-10~12% yoy). In contrast, Latin America (Brazil, Mexico…) and ASEAN markets surged by +40% yoy and +15% yoy, respectively. ANV gradually shifting from China to other countries as Thailand, Latin America countries… to mitigate the subdued consumption in Chinese market. - Pangasius ASPs: It is forecasted to USD2.14/kg (+14.9% yoy/ +0.8% qoq), ASPs have recovered yoy due to the low base effect. - ANV's GM is expected to 11.6% (+1.6% yoy/ +1.4% qoq), driven by (1) the pangasius ASPs rebounded from the low base (2) Input costs are well-controlled amidst the surge in raw pangasius during 4Q24 thanks to 100% self-sufficiency of raw pangasius. - Risk of 1Q25F: The high DOL could put pressure on ANV's gross margin amid weaker-than-expected volume.
14	IDI	Pangasius	(12.4)	**The hardship drags on** - Pangasius fillet products: We forecast pangasius revenue post to VND612bn (-4.9% yoy/ -17% qoq), specifically: o Pangasius volume: slump by 15~18%% yoy, dragged down by the subdued consumption in China and Mexico in 1Q25F. o Pangasius ASPs: we expect IDI's ASPs to stay at USD2.2/kg, in line with the 2M25 average, per Agromonitor data. - For domestic sales, IDI tend to boost sales to partially offset the weak export performance, projecting an increase of +5~7% yoy. - IDI's GM is forecasted to 7.4% (staying flattish compared to yoy & qoq) thanks to the slightly upturn in pangasius ASPs while the input costs slightly increase to offset higher ASPs.Risk of 1Q25F: The high DOL could put pressure on IDI's gross margin amid weaker-than-expected volume
15	VHC	Pangasius	80.9	**"Wait-and-See"** - Pangasius segment: Total export value is expected to grow at a slower pace compared to overall 2024: o Pangasius volume: 19,182 tonnes (-12.4% yoy/ -28.7% qoq). VHC's export to the US sees a loss of growth momentum due to the inventory levels of VHC's key customers in the US increased significantly following a period of aggressive restocking in 4Q24 and 2M25. o Pangasius ASPs: VHC's pangasius ASPs will likely be up to USD2.95/kg (+8.1% yoy/ +5.2% qoq). - VHC's GM could expand to 19.1% (+10.2%p yoy/ +1.1%p qoq) thanks to an uptick in pangasius ASPs and the lower costs of raw material (aquafeed prices) compared to yoy. - Risk of 1Q25F: Input costs soar stronger-than-expected, thus dragging down GM.
16	FMC	Shrimp	8.4	**Robust export volume is a key engine for growth** - Shrimp segment: shrimp revenue is forecasted to VND2,254bn (+58.1% yoy). o Shrimp volume: it was beat our expectations thanks to the strong recovery of export to key markets, especially exporting to EU markets. Therefore, we expect that shrimp sales volume soaring approximately +50~55% yoy in 1Q25F. o Shrimp ASPs: there are expected to VND340,500/kg (on average +2% yoy) thanks to the gradual resumption of consumption, and mainly driven by the

				Japanese and EU markets. - FMC's GM could sit at 7.45% (+0.85%p yoy) thanks to the efficiency of self-sufficient raw shrimp farming. - Risk of 1Q25F: The risks associated with increased costs of outsourced raw shrimp materials and the low success rate of shrimp farming.
17	VNM	Beverages	(3)	**Surging raw material costs amid weak demand** - Revenue would grow slow due to the weak consumer demand, while oversea market would maintain a low double-digit growth. - GM would sit at 40.0% (-1.9%p yoy) due to a higher raw material costs (price of SMP and WMP rose). - We project VNM's NPAT would decrease in the third consecutive quarter. - Risk of 1Q25F: weaker-than-expected consumer demand and higher-than-expected raw material costs.
18	NT2	Power	back to the positive profit	**Profit recovery from low base** - 1Q25 revenue is expected to surge 342% yoy, driven by a sharp output increase (+239% yoy) due to (1) Phu My 1 maintenance in Jan-25 and (2) major overhauls at Phu My 2.2 & 3 post-BOT expiration. - However, lower electricity prices (-11% yoy) adjusted from the CAN price (1Q25: 47 VND/kWh; -80% yoy) pressured earnings. As a result, NPAT is expected to reach VND9bn (compared to -VND158bn in 1Q24). - Risk: (a) Challenges from high gas prices in the Southeast region persist; (b) the pressure from the depleting gas supply in the Southeast region is increasing.
19	POW	Power	(10)	**Fuel price pressure persists:** - 1Q25 revenue is projected at VND8,015bn (+28%) thanks to output growth at Ca Mau 1&2 (+11% yoy), Vung Ang 1 (+14% yoy), Nhon Trach 2 (+348% yoy), and Dak Drinh (+40% yoy). - NPAT reached VND194bn (-10% yoy) due to (1) lower electricity prices (-11% yoy) adjusted from the CAN price (1Q25: 47 VND/kWh; -80% yoy) and (2) persistently high fuel costs (Coal: +2%, Gas: +3% yoy). - Risks: (a) Rising reliance on imported coal as domestic supply declines, (b) persistently high coal prices, (c) La Niña impact.
20	QTP	Power	(14)	**Profit pressure from the CAN price drop at 80% yoy** - 1Q25 revenue is projected at VND3,198bn (+4% yoy), driven by an 8% yoy increase in output. - However, NPAT stood at VND195bn (-14% yoy), primarily due to lower electricity prices (-11% yoy) adjusted from the CAN price (1Q25: 47 VND/kWh; -80% yoy. - Risks: (a) Rising dependence on imported coal amid declining domestic supply, (b) persistently high coal prices, and (c) potential La Niña impact.

21	REE	Power	28	**Bright prospects for Power and M&E segments**
				- In 1Q25, revenue grew by 19%, primarily driven by the Power and M&E segments.
				  o Power: Revenue increased 23% yoy to VND1,259bn, driven by (1) a low base in 1Q24, (2) improved hydropower group due to La-Niña, and (3) the expected COD of Thac Ba 2 hydropower (18MW) in 1Q25F.
				  o M&E: Revenue is expected to reach VND573bn (+4% yoy), supported by a 131% yoy increase in the backlog contract value to VND5,556bn.
				- NPAT reached VND705bn (+29% yoy), with a gross margin improvement to 43% (+3p% yoy).
				- Risk: The primary concern is that changes in hydrological conditions.

22	PPC	Power	(19)	**Profit pressure from the CAN price drop at 80% yoy** - 1Q25 revenue is projected at VND2,586bn (+30% yoy), driven by an improvement in the alpha coefficient on contract volume (Qc) to 80% (compared to the 2024 record of 70%). - However, NPAT is expected to decline to VND127bn (-19% yoy), primarily due to (1) lower electricity prices (-11% yoy) adjusted from the CAN price (1Q25: 47 VND/kWh; -80% yoy). As a result, the gross margin is expected to decrease to 0.1% (-4.7 p% yoy). - Risks: (a) persistently high coal prices and (b) potential impacts from the La Niña phase.
23	GEG	Power	(4)	**Waiting for a Breakout** - In 1Q25 revenue is projected at VND567bn (-17% yoy) due to estimated solar power output down 33%. - NPAT recorded growth at VND121bn (-4% yoy), as the gross margin decreased from 57% to 54% in 1Q25. - Risks: (a) Challenges from changing hydrological conditions.
24	CNG	O&G	1,819	**Low-base effect** - In 1Q25F, we forecast sales volume to reach 73mn Sm3, +55% yoy, -8.5% qoq, as we see recovering demand from industrial gas consumers. - Gross profit is estimated at VND75bn, +150% yoy, with GPM at 7.4%. NPAT could grow by more than 18x yoy to VND26bn thanks to the low base. - Risks: Declining global oil prices could cast negative sentiment and may affect CNG's gross margin, especially FO and Brent price.
25	GAS	O&G	(8)	**Provision pressures** - In 1Q25F, we forecast natural gas consumption (include LNG) to decline by 11% yoy to 1.46 BCM. LPG volume could be maintained at over 800 thousand tonnes like the recent quarters (+26% yoy). - Gross profit could expand to VND3.98tn, +7.9% yoy. Yet, SG&A could surge by 67% driven by provisions for doubtful receivables at POW's power plants. Thus, NPAT is pressured, sitting at VND2.35tn, -7.8% yoy. - Risks: Declining global oil prices could cast negative sentiment and may affect GAS's gross margins, especially FO price; Further delays in NT3&4 and Block B projects.
26	PLX	O&G	(41)	**A turbulent quarter** - In 1Q25F, we forecast domestic petroleum volume to grow by 4% yoy, sitting at 2.7mn m3/tone. Revenue is forecasted to retreat 7% yoy as global price declined. - Gross profit may contract to VND3.8tn, -18% yoy. GPM may be weak at 5.5% as Brent became more volatile this quarter. NPAT is forecasted at VND663bn, -41% yoy. - Risks: PLX's GPM could be hurt if oil price become more volatile as it increase price lagging and inventory devaluation risks.
27	PVD	O&G	(68)	**Unfavorable day rates** - In 1Q25, all 5 drilling rigs owned by PVD was utilized (unchange yoy) - In 1Q25F, we forecast revenue to retreat to VND1.7tn (-4% yoy). Of which, the core Drilling business may shrink to VND897bn, -23% yoy as we expect lower market benchmark rate will hit PVD's drilling. PVD's 1Q25F day rate average at USD78,000 vs 1Q24 of 87,000 - Gross profit could plunge to VND240bn, -47% yoy. NPAT may sit at VND48bn, -68% yoy. - Risks: Short-term oil price declines could cause negative sentiment on PVD stocks, although the company prospect is more linked to long-term oil outlooks.
28	PVS	O&G	23	**Block B accelerate** - In 1Q25F, we forecast revenue surge to VND6.56tn (+77% yoy), driven by burstling M&C

				revenue from EPCI packages of Block B. - Gross profit could rise to VND312bn, +24% yoy. Earning from FSO/FPSO affiliates is expected to be stable at VND213bn. NPAT may sit at VND375bn, +23% yoy. - Risks: Short-term oil price declines could cause negative sentiment on PVS stocks.
29	FRT	Retail	190	**Long Chau expansion slowdown** - Long Chau continue to be the revenue driver thanks to rapid expansion. However, we see the store expansion rate could have been slowed down in both pharmacies and vaccine centers. - NPAT would grow strongly thanks to the expansion of Long Chau and the turnaround of FPT Shop. - Risk of 1Q25F: weaker-than-expected consumer demand and the continuing closure of FPT Shop.
30	MWG	Retail	26	**BHX opened more than 200 stores** - Sales of ICT and grocery products would be the key driver for revenue. - BHX opened more than 200 stores in 1Q25F, while sales per store maintain at VND1.9bn. They could post profit of ~VND100bn. - Risk of 1Q25F: the fast expansion of BHX could affect their profitability.
31	DGW	Retail	25	**High selling expenses to support sales** - Sales of mobile phones and laptops would be the key driver for revenue due to higher consumer demand. - SG&A margin would remain high to support the current sales level, which we expect to decrease in 2H25F. - Risk of 1Q25F: weaker-than-expected consumer demand and higher-than-expected selling expenses.
32	PNJ	Retail	4	**Difficulty from both sides** - Demand for Retail Jewelry would remain weak due to the surge of Gold 24K (leading to higher price for Retail Jewelry). - Retail Jewelry's gross margin would decrease due to the shortage of raw gold material. - Risk of 1Q25F: The continuing surge of Gold 24J could continue to have a negative impact
33	HVN	Airline	(62)	**No more abnormal gains** - In 1Q25F, transport GPM is expected to be lower at 7.7% as capacity shortage eased, goods GPM is stable at 10%. - NP decline 70% yoy to stood at VND1,315bn due to large debt write-off in 1Q24 - Risks: Passenger yield could be lower than our expectations due to weaker demand than expected.
34	VJC	Airline	(75)	**New supply to help improve domestic demand** - In 1Q25F, transport GPM is expected to be lower at 9.6% as airfares lower and improvement of domestic demand. We expect no SLB transaction as no there's no delivery in Q1. - NP down 54% yoy to VND247bn. - Risks: Passenger yield could be lower than our expectations due to weaker demand than expected.
35	GMD	Seaport	11	**Stretching on full capacity** - In 1Q25F, we forecast through put volume of GMD's Northern ports to increase 21%, mostly a result of goods stocking before Trump's tarriff to take effect and low base effect. Logistics segment also improve thanks to higher container charter rates.

				- GP increase to VND518bn (+21% yoy) with GPM approximated at 44%. GML's NP up to VND258bn thanks to good volume in Q1. At the bottom line, NP posted at VND670bn (+2% yoy) as in 1Q24 GMD divested from Nam Hai port with VND354bn PBT. - Risks: Uncertainty in global trade tention could impact total volume in later time of the year.
36	VSC	Seaport	30	**Stable business, throughput volume to slightly increase** - In 1Q25, consolidated throughput volume slightly increase 7% to 289k TEU and ASP/TEU remains stable vs previous quarters. VSC record total revenue of VND701bn. - GP increase to VND214 (+5% yoy). VSC could record VND20bn provision reversal for investment in GEX. NP surge to VND115bn (+28% yoy). - Risks: ncertainty in global trade tention could impact total volume in later time of the year.
37	HAH	Shipping	37	**Strong rates for feeder-size container vessels** - In 1Q25F, we forecast self-operating tonnage to increase 20% yoy, and 3 T/C contracts could be renewed at higher rates. Total revenue up to VND1,020bn (+ 49% yoy), - GP could rise to VND158bn (+48% yoy). SG&A increase 68% due to larger fleet and HAH could record VND65bn NP. - Risks: Uncertainty in global trade tention could pressure self-operating tonnage.
38	VOS	Shipping	(109)	**Freight rates decline to pressure shipping line** - In 1Q25F, the avg. dry rates and product rates plunged ~30% and 50% respectively. While rates are lower, we forecast carrying tonnage to improve by 16% thanks to larger fleet tonnage and increased efficient operation, which led to lower GPM. - GP down to VND27bn, -74% yoy., SG&A could surge by 16% driven by 2 new vessels. Thereby, VOS could record VND7bn loss. - Risks: Uncertainty in global trade tention and weak spot rates due to new tonnage supply in 2025.
39	FPT	Software & Services	22	**Signed revenue seem to slowdown** - Technology would continue to be the sales and PBT driver, in which Japan (+30% yoy) continue to be the key market. - However, we noticed a slowdown in oversea technology signed revenue dragging from 4Q24 (-6.1% yoy) to 2M25 (+13.5% yoy) which might have an impact on revenue growth in the upcomming quarters. - Risk of 1Q25F: The current global macro uncertainty and cooldown of AI trend could slow down the global technology/AI spending thereby affecting FPT growth.
40	TNG	Apparel	34	**Growth remains intact** - For T&G export revenue, sewing grows by 11.4% yoy and revenue/ number of sewing inches up +1% yoy, increasing by 12.5% yoy. - For T&G domestic revenue, TNG gradually divest ODMs segment. - Rental real estates could contribute VN15bn (staying flat yoy), meanwhile Son Cam IPs could not have contributed yet. - GM is expected stable due to processing prices having less catalyst for growth, TNG primarily focus on minimize costs by applying partially automatic systems. - Risk of 1Q25F: Weaker-than-expected consumption could weigh on export orders.
41	TCM	Apparel	29	**Asian markets drive 1Q25F's growth** - Total revenue will likely inch up 5~6% yoy thanks to the resumption of key clients (E-Land Corp. - Korean clients) and some of nobale clients from US market. Regarding export order visibility, TCM has secured 85% of its revenue plan for 2Q25F and has started receiving orders for 3Q25F. - Net margin (NM) rebounds from the low level during 2M25 (Jan-25: 7.5%; Feb-25: 8.6%).

				We project 1Q25F's NM of 8.2~8.5%. As such, 1Q25F's NPAT is forecasted to VND80.9bn (+30.1% yoy). - Risk of 1Q25F: Lower-than-expected margin will likely derail our NPAT forecasts.
42	MSH	Apparel	26	**A waiting for clearer sign of recovery** - On demand side, robust restocking activities arise in the US market (key market of MSH), thereby potentially securing order visibility for MSH in 2025F. - We forecast FOB & CMT revenue/ sewing edging up by 5% yoy thanks to the revival in processing prices and optimizing capacity amid warmer consumption. As such, we forecast 1Q25F's revenue growing +5% yoy. - 1Q25F's GM is expected to 14.4% (+2%p yoy) thanks to a slight upturn in export prices and stable manufacturing costs. - Risk of 1Q25F: Weaker-than-expected consumption in US could weigh on export orders.
43	STK	Apparel	4,116	**Earning is likely to bottom out** - Total yarn volume is forecasted to 7,770 tonnes, surging by 50% yoy thanks to the yarn orders recovery in both recycled and virgin yarns. - Yarn average selling prices (ASPs) could slightly down by -2.8% yoy. Particularly, Virgin yarns inch up by 2% yoy, while recycled yarns decrease modestly by -5% yoy due to STK lowering recycled yarn ASPs to boost volume sales. - GM soar to 20.2% thanks to the high utilization rate of STK's existing factories, which helps reduce the cost per finished good. - Risk of 1Q25F: Intense competition prolongs that could hinder the resumption of yarn orders and yarn ASPs in 1Q25F.
44	HPG	Materials	69	**Expectation of Profit Boom in 1Q25F** - In 1Q25F, we forecast sales volume to reach 2.02 mn tonnes, +9.3% yoy (accumulation of the first 2M2025 ~ 7.5% yoy). The average selling price is expected to grow +10% yoy thanks to increased domestic prices following tariffs on imported HRC from China and India - Gross profit is estimated at VND7.097bn, +102% yoy, gross margin ~ 20.7%, +936bps qoq or +843bps yoy, thanks to: (1) the improvement of the selling price above, (2) the cost of inputs likely to record down ~ 1% yoy based on a 120-day inventory cycle, (3) the improvement of DOL. - Risks of 1Q25F inventory build-up differences compared to the ordinary could result in actual results differing from our forecast.
KISVN Coverage List			**9.8**	

Source: Bloomberg, KIS Research
Notes: The KISVN coverage list includes 44 stocks and accounts for 51% HOSE market cap.

■ **Guide to KIS Vietnam Securities Corp. stock ratings based on 12-month forward performance**
- BUY: Expected total return will be 15%p or more
- Hold: Expected total return will be between -5%p and 15%p
- Sell: Expected total return will be -5%p or less
- KIS Vietnam Securities Corp. does not offer target prices for stocks with Hold or Sell ratings.

■ **Guide to KIS Vietnam Securities Corp. sector ratings for the next 12 months**
- Overweight: Recommend increasing the sector’s weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.
- Neutral: Recommend maintaining the sector’s weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
- Underweight: Recommend reducing the sector’s weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.

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