

JANUARY

27

TUESDAY

*“Special subject:
2014 earning
result and 2015
guidance - DBC”*

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ADVISORY DIARY

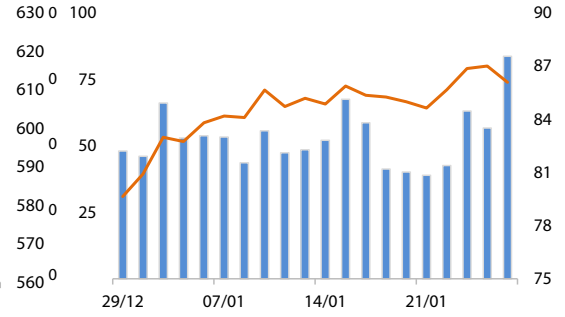
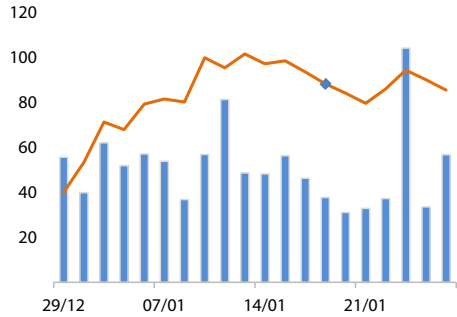
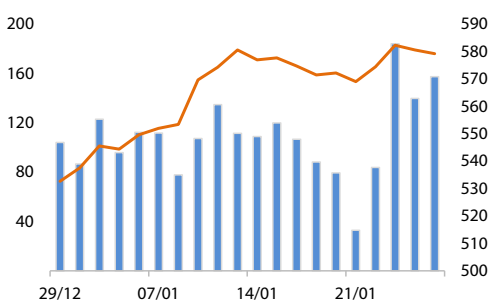
DBC – The result update of 2014 operation and business plan for 2015

Recently, Dabaco JSC (HSX-DBC) announced its 2014 business performance as well as the plan for 2015. The 2014 revenue and PAT reached VND 5,118 billion (+ 9%) and VND 205.8 billion (+ 8%), respectively. This PAT result was lower than our previous forecast in 30.5.2014 by approximately 6%. The reasons are that both COGS and SG&A expense are all increased by merely 20% y-o-y. However, the gross profit margin was improved from 10.83% to 11.49%. In 2014, deep decrease of raw material prices was the main factor of this improvement. However, it was not too much due to the offset of slight adjustment in the selling price. According to the Company’s representative, average animal feed prices were decreased by VND200-500 /kg. Besides, with the positive repopulation rate, there was transmission in this feed mix last year. The proportion of the feed for breeding stock (lower gross profit margin) increased sharply, accounting for 20-25% of the total product mix. Thus, the gross profit margin of animal feed only remained at 17.9% compared to 18.1% (2013).

Regarding to food processing business, we still appreciate DBC’s long-term prospect thanks to advantage of valued chain. In short- and intermediate-term, however, the Company has focused on building brand name and distribution network. Recently, DBC opened one more supermarket in Bac Ninh province, enhanced the total number to 4 supermarkets. The brand name awareness of DBC’s food processing products is not as good as the other products. In some previous years, the Company suffered loss in this segment. In upcoming time, DBC will concentrate on developing this business as a long-term strategy.

According to BOD’s minutes announced on Jan 15th, 2015, the 2015 guidance revenue and profit-after-tax are VND7,962 bn and VND217 bn respectively, which are up by 5% yoy. The guidance EPS is at VND3,463, transferred to quite low PER, at 8x. Our specialist, Ms. Tam Bui, told that the plan is quite cautious due to (1) Input price downtrend is expected continued and (2) Turnover of herd-built increased in 2014, showing a brighter signal in animal-breeding industry. Therefore, breeding food industry will be benefit as well. In the other hand, there is a notable change in shareholder’s owner structure. SCIC transferred more than 9.56% owner ratio to SSI while Red River Holding also announced to transfer its entire 11.72% owner ratio. Our specialist believes that this change will help the Company to renew with more dynamic and flexible management style. Therefore, she recommends optimistic to DBC.

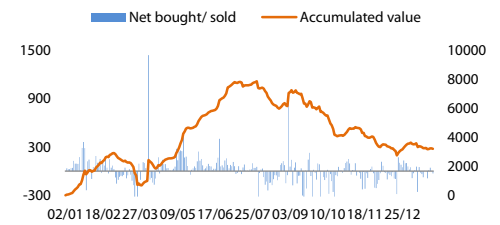
VNINDEX -0.23% 579.30 VN30 -0.43% 609.98 HNXINDEX -1.06% 86.09



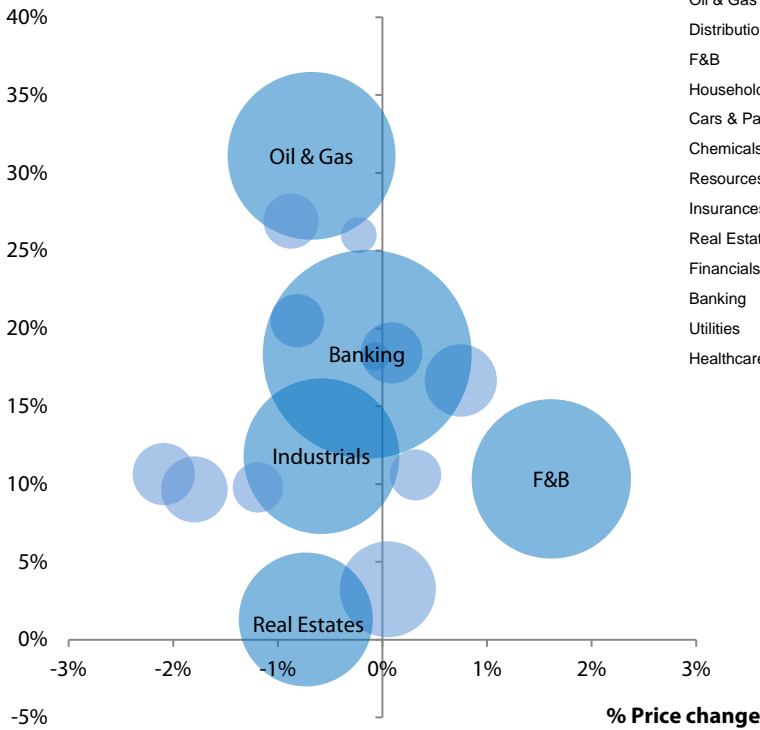
Industry Movement

Industry	% change
Technologies	-0.8%
Industrials	-0.6%
Constructions	0.1%
Oil & Gas	-0.7%
Distribution	-0.1%
F&B	1.6%
Household Goods	-1.2%
Cars & Parts	-0.2%
Chemicals	0.1%
Resources	-0.9%
Insurances	0.7%
Real Estates	-0.7%
Financials	-1.8%
Banking	-0.1%
Utilities	-2.1%
Healthcare	0.3%

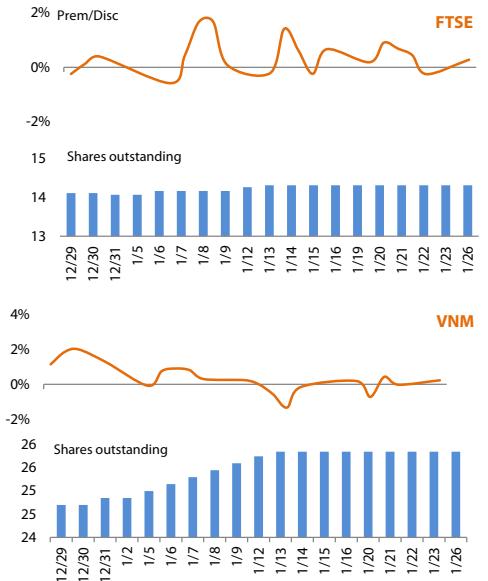
Foreign Investors Trading



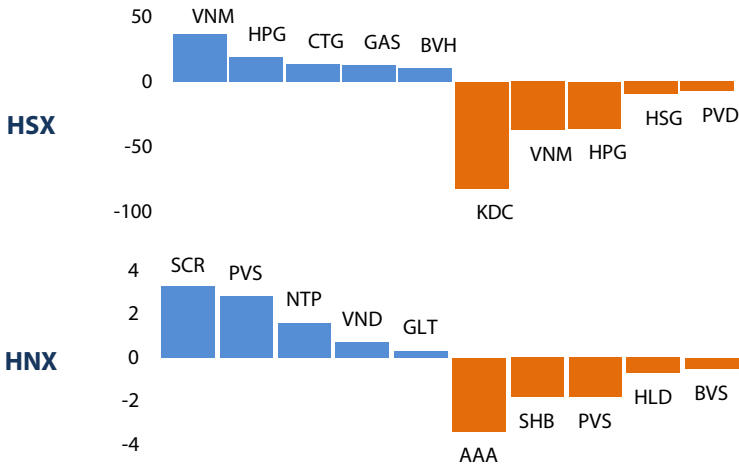
Industry ROE



ETF



Top net bought/sold by foreigners (VND bn)



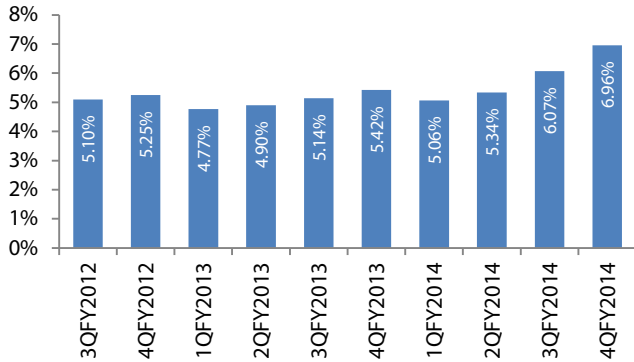
Top Active

Ticker	Price	Volume	% price change
FLC	10.5	9.74	-1.9%
BID	17.4	6.31	0.0%
VHG	12.7	6.00	-3.8%
DLG	11.5	5.86	-5.0%
MBB	14.3	5.63	-2.1%

Ticker	Price	Volume	% price change
SCR	8.2	19.73	-9.9%
KLF	10.8	12.83	-4.4%
SHB	8.8	5.54	-2.2%
PVS	27.6	2.93	0.0%
ITQ	26.0	2.61	-3.7%

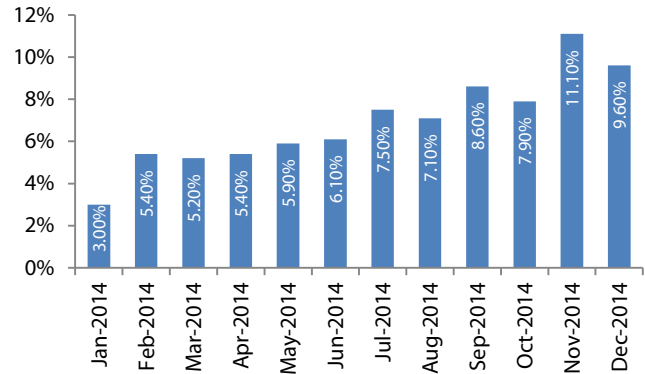
MACRO WATCH

Graph 1: GDP Growth



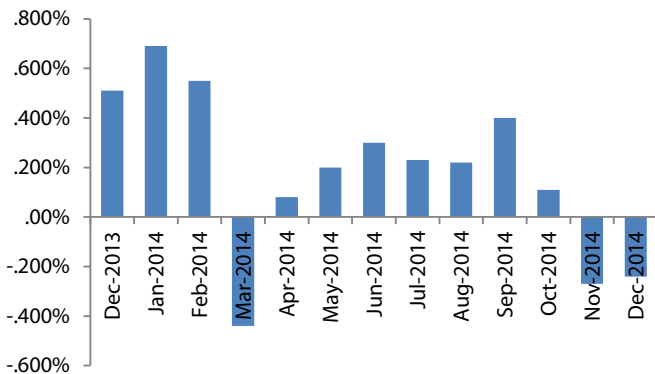
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



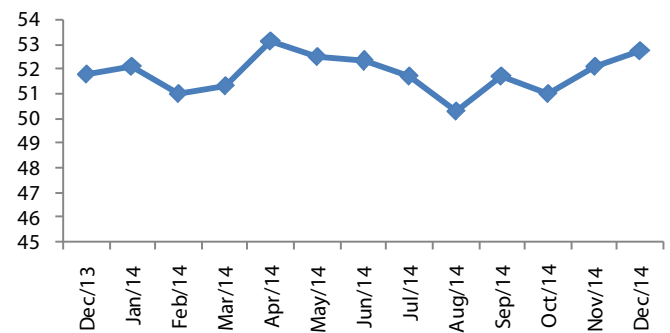
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



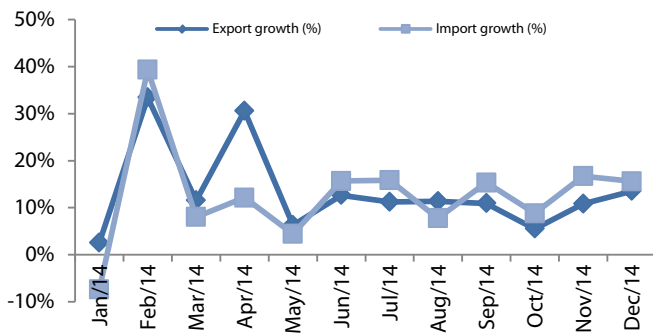
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



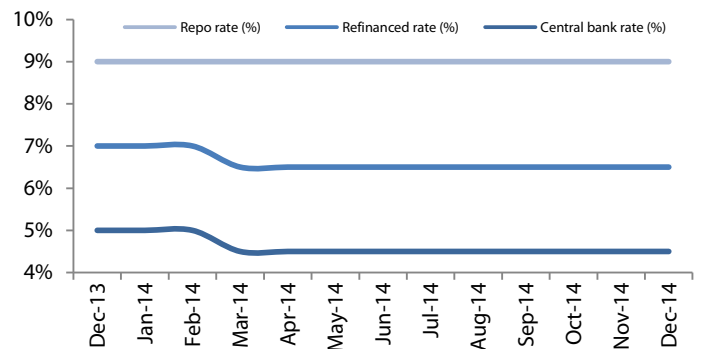
Sources: GSO. Rongviet Securities database

Graph 5: Trade Growth



Sources: GSO. Rongviet Securities database

Graph 6: Interest



Sources: SBV. Rongviet Securities database

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
BT6 - Restructuring scheme to bring a brighter prospect	Jan 27 th , 2015	Monitor	
PAC-Opportunities along with challenges	Jan 14 th , 2015	Accumulate – Intermediate term	27,500
HMH - Positive outlook from various supporting factors	Jan 06 th , 2015	Accumulate – Long term	33,800
DPM - Tail wind from crude oil	Dec 26 th , 2014	Buy – Intermediate term	36,100
VNM - 2014 - At the pit stop	Dec 19 th , 2014	Accumulate – Long term	110,000

Please find more information at <http://vdsc.com.vn/tabid/149/language/vi-VN/default.aspx>

FUND CERTIFICATION INFORMATION

Fund name	Trading Day	Subscription Fee (% of trading value)	Redemption Fee (% of trading value)	NAV per unit at valuation date	NAV per unit last valuation date	Change in NAV
VFF	13/01/2015	0%-0.75%	0%-2.5%	11,432	11,403	0.25%
VEOF	13/01/2015	0%-0.75%	0%-2.5%	9,512	9,353	1.7%
VF1	22/01/2015	0.2% - 1%	0.5%-1.5%	21,269	21,278	-0.04%
VF4	14/01/2015	0.2% - 1%	0%-1.5%	9,245	9,017	2.53%
VFA	16/01/2015	0.2% - 1%	0%-1.5%	7,435	7,345	1.22%
VFB	16/01/2015	0.3% - 0.6%	0%-1%	11,909	11,887	0.18 %
ENF	16/01/2015	0% - 3%	0%	10,790	10,738	0.485%
MBVF	08/01/2015	1%	0%-1%	11,307	11,234	0.65%
MBBF	07/12/2014	0%-0.5%	0%-1%		11,924	0.13%

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