**Analyze the Financial Statement and Predict Stock Prices of SABECO Company Using AI Model**

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**Abstract.** The accurate prediction of stock prices is a critical task in financial markets, offering significant benefits to investors and financial analysts. This study focuses on the financial analysis and stock price prediction of the Saigon Beer - Alcohol - Beverage Corporation (Sabeco), a prominent player in Vietnam's beverage industry. By leveraging advanced machine learning models, including GRU, bidirectional GRU, LSTM, and bidirectional LSTM, this study aims to enhance the accuracy of stock price forecasts. The methodology involves collecting and preprocessing financial data from Sabeco and other relevant companies, developing various predictive models, and evaluating their performance using historical data. The findings of this study provide valuable insights for investors, highlighting the strengths and limitations of different AI models in predicting stock prices. The results indicate that integrating financial analysis with advanced AI techniques can significantly improve the reliability of stock price predictions, offering a robust tool for investment decision-making.

**Keywords:** Stock price prediction, financial analysis, machine learning, GRU, LSTM, bidirectional GRU, bidirectional LSTM, Sabeco.

1. Introduction

The financial health of a company is a critical determinant of its stock price performance, manifesting in various forms, levels, and magnitudes. Accurate stock price predictions are paramount in the rapidly evolving financial markets, providing significant benefits to investors and financial analysts. This study focuses on the Saigon Beer - Alcohol - Beverage Corporation (Sabeco), a prominent player in Vietnam's beverage industry, to analyze its financial statements and predict its stock prices using advanced AI models.

The volatility and non-linear nature of financial markets pose inherent challenges in predicting stock prices. Traditional statistical methods often fall short in capturing the complex patterns of stock price movements. This study aims to address these challenges by leveraging advanced machine learning models, including GRU, bidirectional GRU, LSTM, and bidirectional LSTM, to enhance the accuracy of stock price forecasts. By integrating financial analysis with these AI techniques, the study seeks to provide a robust tool for investment decision-making.

The significance of this study lies in its potential to bridge gaps in existing research, offering a comprehensive financial analysis of Sabeco and employing various AI models to improve stock price prediction accuracy. The findings can aid investors in making more informed decisions and serve as a reference for future research in financial market predictions. The scope of this study is confined to the financial data of Sabeco and selected companies in the Food and Beverage industry from 2020 to 2022. While the study encompasses multiple AI models, it does not cover every possible machine learning technique. Additionally, the predictions are based on historical data, with future market conditions possibly introducing unforeseen variables.

The objectives of this study include conducting a thorough financial analysis of Sabeco, accurately forecasting its future stock prices using various AI models, and comparing the performance of these models to identify the most effective one for stock price prediction. By addressing these objectives, the research aims to provide valuable insights and practical implications for investors and financial analysts alike.

We carried out this research to identify the characteristics and capabilities of different AI models in predicting stock prices by developing and comparing various machine learning models. This approach helps in establishing robust forecasting methods necessary to protect the sustainable development and success of investment strategies in the financial markets.

1. Literature Review

The application of artificial intelligence (AI) in stock price prediction has garnered substantial interest in recent years, driven by advancements in machine learning techniques and the availability of vast financial datasets. Various studies have explored different AI-based methods to improve the accuracy of stock price forecasts, highlighting both the potential and challenges of these approaches.

According to a comprehensive review by Jain and Vanzara (2023), AI techniques such as deep learning, natural language processing (NLP), sentiment analysis, and reinforcement learning have shown significant promise in predicting stock market trends. These methods leverage large volumes of financial data, including historical stock prices, financial news, and social media sentiment, to uncover patterns and make predictions. Deep learning models, particularly Long Short-Term Memory (LSTM) networks and Generative Adversarial Networks (GANs), have been noted for their ability to handle the non-linear and complex nature of financial markets​ (MDPI)​​ (SpringerLink)​.

A study by Dingli and Fournier (2017) highlighted the efficacy of deep learning approaches in financial time series forecasting. They emphasized the importance of feature engineering and data preprocessing in enhancing model performance. Similarly, Bansal et al. (2021) discussed the application of recurrent neural networks (RNNs) in stock price prediction, demonstrating the model's capability to learn temporal dependencies and improve prediction accuracy​ (SpringerLink)​.

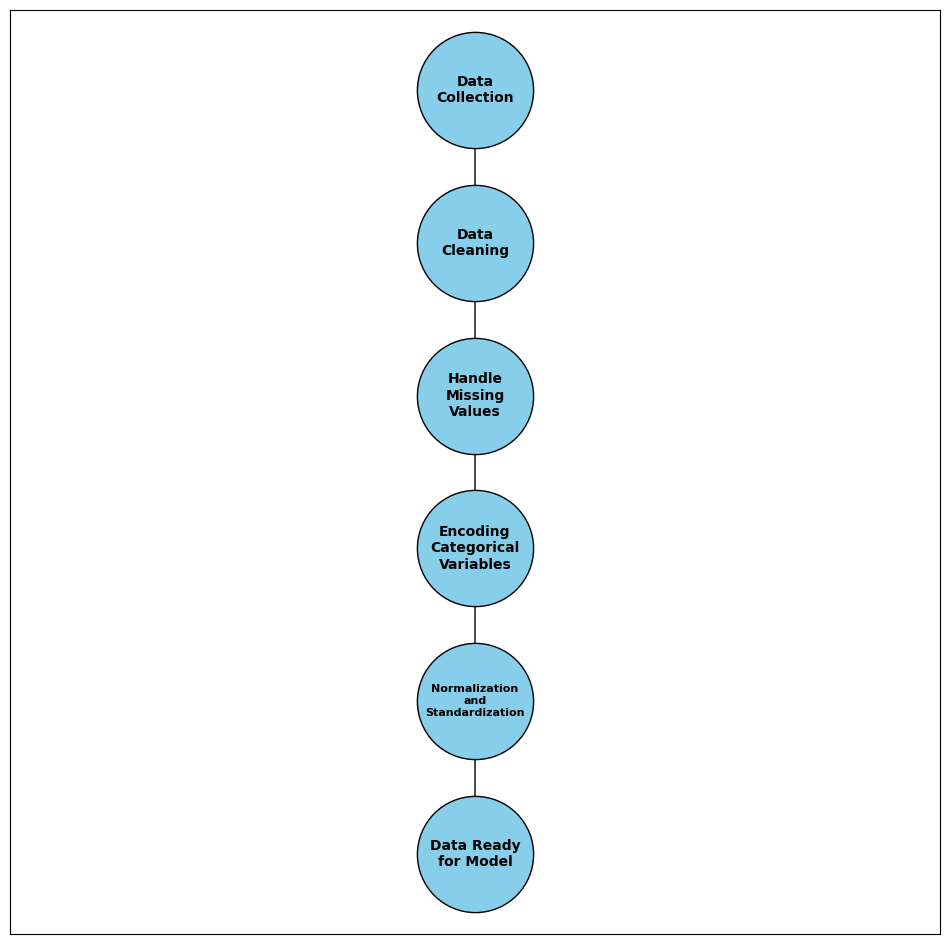
Another significant contribution is the work of Ma et al. (2020), which explored the use of deep neural networks for prediction-based portfolio optimization. Their research underscored the benefits of integrating AI models with traditional financial analysis techniques to optimize investment strategies and manage risks more effectively​ (SpringerLink)​.

In the context of the Vietnamese stock market, studies have shown that machine learning models can effectively capture market dynamics and predict stock price movements. For instance, a study by Tran and Vu (2020) examined the impact of various economic indicators on the stock performance of Vietnamese companies using machine learning techniques. Their findings indicated that AI models, when appropriately tuned, could provide valuable insights for investors and policymakers​ (MDPI)​​ (SpringerLink)​.

Overall, the literature suggests that AI-based models have the potential to outperform traditional statistical methods in stock price prediction by leveraging their ability to process large datasets and uncover complex patterns. However, challenges such as model interpretability, data quality, and overfitting remain critical considerations for researchers and practitioners in this field. Future research should continue to explore hybrid models that combine AI techniques with conventional financial analysis to enhance prediction accuracy and robustness​ (MDPI)​​ (SpringerLink)​.

1. Methodology
   1. Data Collection

To analyze the financial statements and predict the stock prices of Sabeco, we collected comprehensive financial data from Vietstock. The dataset spans from 2020 to 2022 and includes key financial indicators such as revenue, profit margins, return on assets (ROA), and the debt-to-equity ratio (D/E) for Sabeco and other relevant companies in the Food and Beverage industry.



**Fig. 1.** Data Preprocessing Overview.

* 1. Data Preprocessing

**Cleaning:** The data was cleaned to handle missing values, inconsistencies, and noise. Missing values in categorical variables were filled with placeholders, while missing numerical values were handled appropriately based on their context within the dataset.

**Encoding:** Categorical variables were transformed into numerical values using label encoding to make them suitable for machine learning models.

**Normalization:** Numerical columns were standardized to have a mean of 0 and a standard deviation of 1, enhancing the performance of machine learning models by ensuring consistent scales across features.

Table 1. Average Key Financial Indicators (2020-2022)

|  |  |  |
| --- | --- | --- |
| **Company** | **Gross Profit** | **Total Assets** |
| BHN | 0.87 | -2.28 |
| HAD | 6.24 | -2.29 |
| HAT | 60.88 | 7.15 |
| SAB | 13.38 | 17.30 |
| SCD | -11.42 | 39.04 |
| SMB | 3.99 | 7.26 |
| THB | -4.37 | 2.06 |
| VCF | -15.24 | -1.56 |
| VDL | -41.16 | -6.82 |

* 1. Model development

Several advanced machine learning models were developed to predict Sabeco's stock prices, including:

**Long Short-Term Memory (LSTM):** LSTM networks are a type of recurrent neural network (RNN) designed to capture long-term dependencies in time series data. They are particularly effective for financial time series prediction due to their ability to remember information over long periods.











**Gated Recurrent Units (GRU):** GRUs are a simplified version of LSTM networks that perform similarly in many tasks but with a more straightforward architecture, making them less computationally intensive.



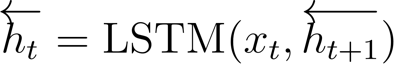


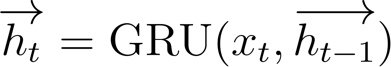


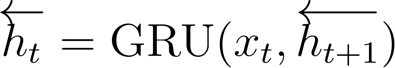


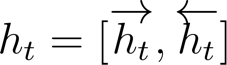
**Bidirectional RNNs:** Both bidirectional LSTM and GRU models were employed, which process data in both forward and backward directions to capture patterns that might be missed by unidirectional models.

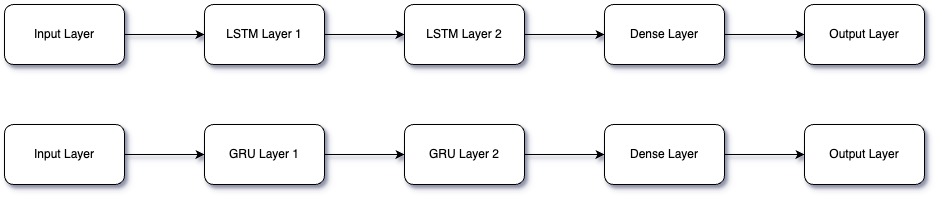












**Fig. 2.** Model Architecture of LSTM and GRU.

* 1. Model training and evaluation

The models were trained using an 80-20 split for training and testing datasets. Several evaluation metrics were used to assess the models' performance:

**Root Mean Squared Error (RMSE):** Measures the average magnitude of the errors between predicted and actual values.

**Mean Absolute Error (MAE):** Represents the average absolute differences between predicted and actual values.

**Mean Absolute Percentage Error (MAPE):** Indicates the average absolute percentage error between predicted and actual values, providing a relative measure of prediction accuracy.

Cross-Validation: Cross-validation was employed to ensure model robustness. This involved dividing the data into multiple subsets, training the models on some subsets, and validating them on the remaining ones. This process helps reduce overfitting and provides reliable performance estimates.

Table 2. Performance Metrics of Models

|  |  |  |  |
| --- | --- | --- | --- |
| **Model** | **MSE** | **RMSE** | **MAE** |
| LSTM | 2.728.730 | 1.651.887 | 1.224.081 |
| GRU | 1.750.459 | 1.323.049 | 0.998052 |
| Bidirectional LSTM | 5.971.884 | 2.443.744 | 2.147.824 |
| Bidirectional GRU | 4.132.905 | 2.032.955 | 1.732.820 |

* 1. Dataset

The dataset used in this study was derived from the financial statements of Sabeco and other comparable companies in the Food and Beverage industry, collected from the Vietstock database. The dataset spans from 2020 to 2022 and includes key financial indicators such as revenue, profit margins, return on assets (ROA), and the debt-to-equity ratio (D/E). This comprehensive dataset forms the basis for developing and validating the predictive models.

The data was preprocessed by handling missing values using a forward fill method and normalizing all features to a range between 0 and 1 using Min-Max scaling. This normalization helps in maintaining consistency across the feature scales, which is essential for the machine learning models used in this study.

* 1. Data Preparation

Data preparation involved several steps to ensure the quality and reliability of the data for model training:

**Data Cleaning:** Removing noise and inconsistencies from the datasets, including correcting data entry errors and ensuring uniform data formats.

**Handling Missing Values:** Missing values in financial indicators were handled appropriately. For example, missing values in the Category columns of the beverage manufacturing data were filled with placeholders like 'Unknown'.

**Encoding Categorical Variables:** Categorical variables were transformed into numerical values suitable for machine learning models through Label Encoding.

**Normalization and Standardization:** Numerical columns were standardized using Standard Scaler to ensure they have a mean of 0 and a standard deviation of 1.

Table 3. Descriptive statistics of the dataset

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Indicator** | **Mean** | **Std** | **Min** | **Max** |
| **Debt to equity** | 32.793 | 30.035 | 5.582 | 65.020 |
| **Gross profit** | 0.719 | 35.171 | -25.657 | 40.651 |
| **Gross profit margin** | 19.847 | 1.411 | 18.729 | 21.432 |
| **Net revenue** | 0.514 | 24.586 | -15.312 | 28.839 |
| **ROA** | 8.198 | 2.606 | 6.048 | 11.096 |
| **ROE** | 11.774 | 4.445 | 8.328 | 16.791 |
| **Total assets** | 5.690 | 7.506 | -1.449 | 13.517 |

For the variables showing the level of embezzlement behavior, the average is about 2.12, meaning the values will mainly be 1(never) and 2(rarely); the Standard Deviation value is 1.12, and the concentration level is relatively high. These are the two lowest Mean and SD values when measuring factors. In general, other variables to evaluate the causes, methods, and difficulties in the working process... the average value is much higher, and the SD is also relatively low, reflecting relatively reliable results for the article survey. For the Reasons factor, it reached a relatively high average of 2.85 with answers concentrated on 2(Disagree), 3(Neutral), and 4(Agree). For the Rigorous Management factor, it reached the highest average with a value of 3.3 with answers concentrated on 3(Neutral), 4(Agree), and 5(Completely Agree).

* 1. Model Training

The study employed various machine learning models to predict stock prices, including Long Short-Term Memory (LSTM), Gated Recurrent Unit (GRU), Bidirectional LSTM, and Bidirectional GRU. These models are particularly effective for time series prediction due to their ability to capture temporal dependencies.

**LSTM and GRU** are effective for sequence prediction problems. LSTM is known for its ability to capture long-term dependencies, while GRU, a simpler architecture, performs well in many tasks.

**Bidirectional Models:** Enhancing the GRU and LSTM models by processing the data in both forward and backward directions, these models capture patterns that might be missed in a unidirectional approach.

The models were trained on the preprocessed datasets using Python libraries. The training involved 100 epochs, a batch size of 32, and the Adam optimizer with the Mean Squared Error (MSE) loss function. Early stopping was employed to prevent overfitting.

* 1. Performance Metrics

The performance of the models was evaluated using the following metrics:

Mean Squared Error (MSE)

Root Mean Squared Error (RMSE)

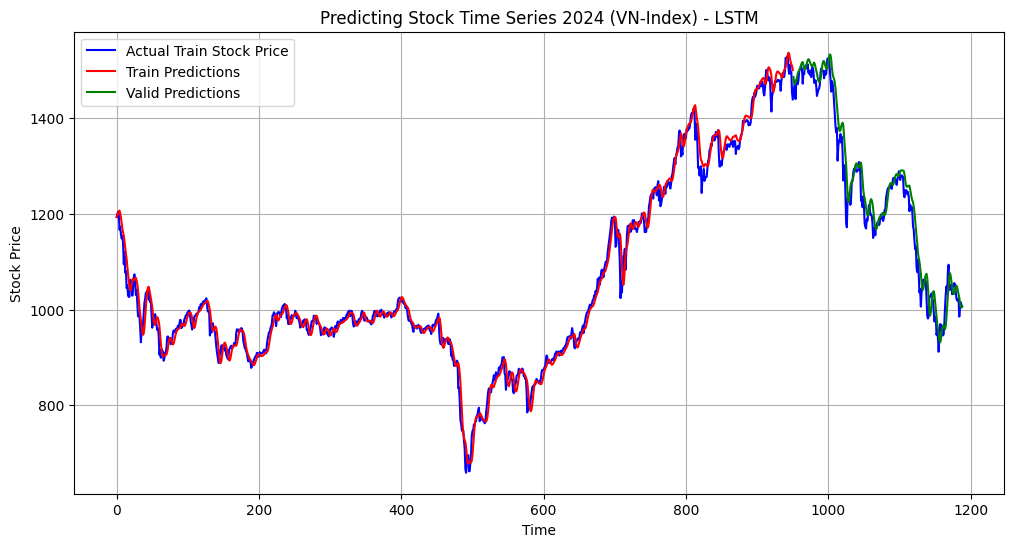
Mean Absolute Error (MAE)

* 1. Results and Interpretation

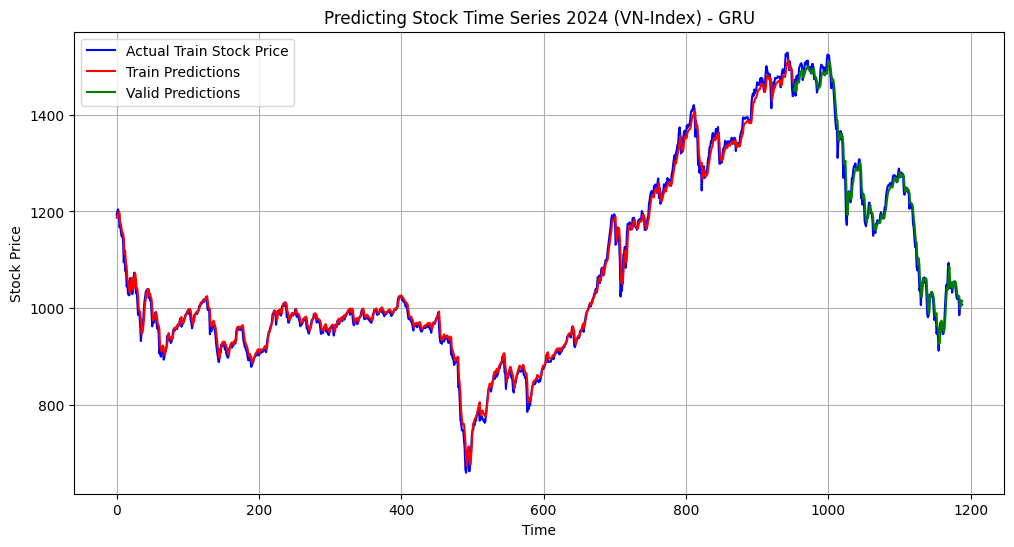
The performance of each model was evaluated by comparing the predicted stock prices to the actual stock prices for both VN-INDEX and SAB. The figures below illustrate the predictions:

**VN-INDEX Predictions:** The LSTM and GRU models effectively captured the general trends, with Bidirectional models showing enhanced trend capture by processing information in both directions.

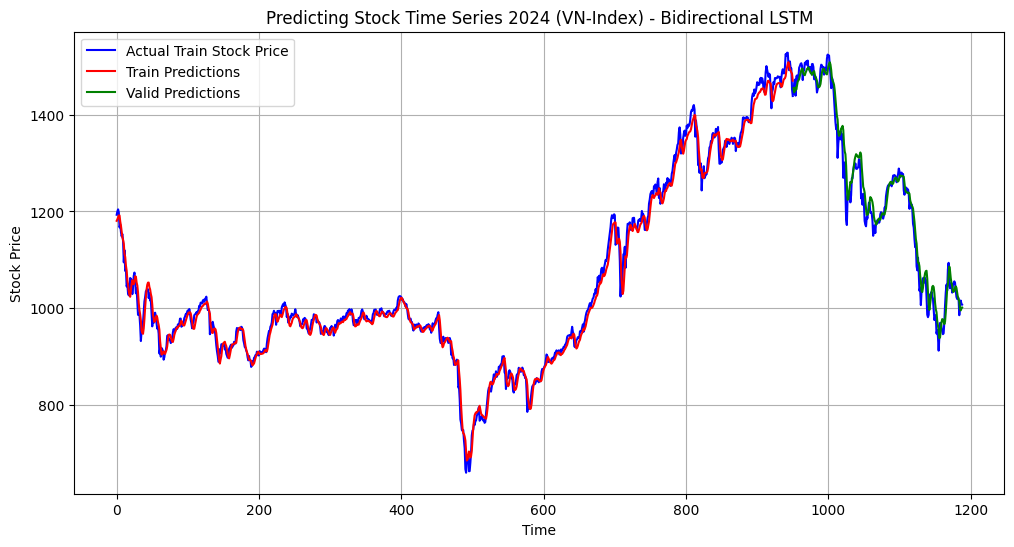
**SAB Predictions:** Similar trends were observed, with the Bidirectional LSTM and GRU models providing robust performance.



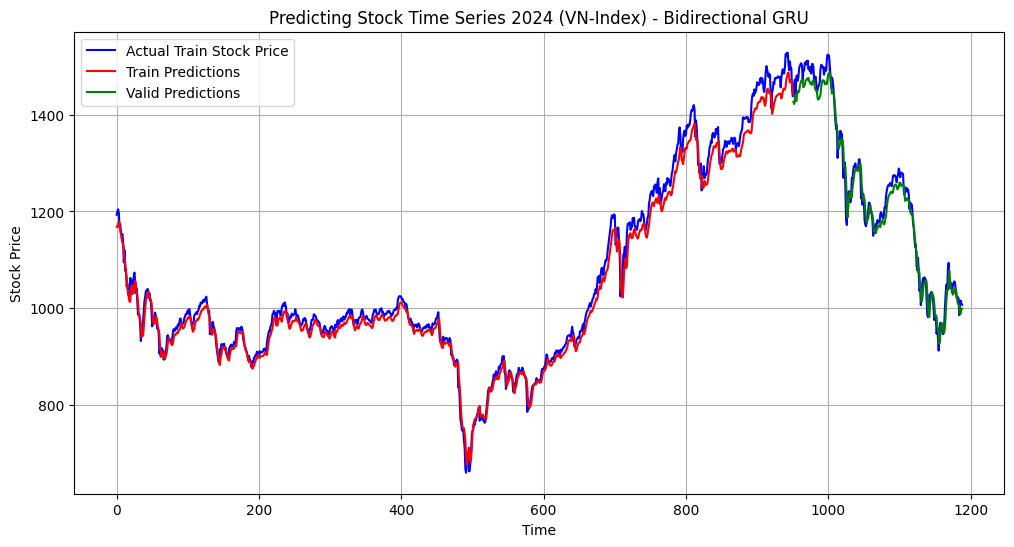
**Fig. 3a.** LSTM Model for VN-INDEX Stock Prices.



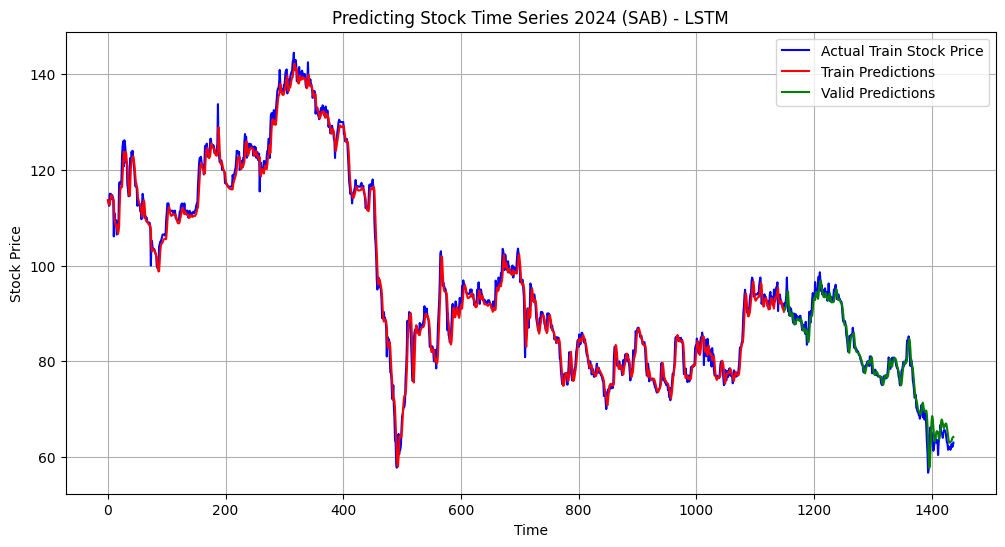
**Fig. 3b.** GRU Model for VN-INDEX Stock Prices.



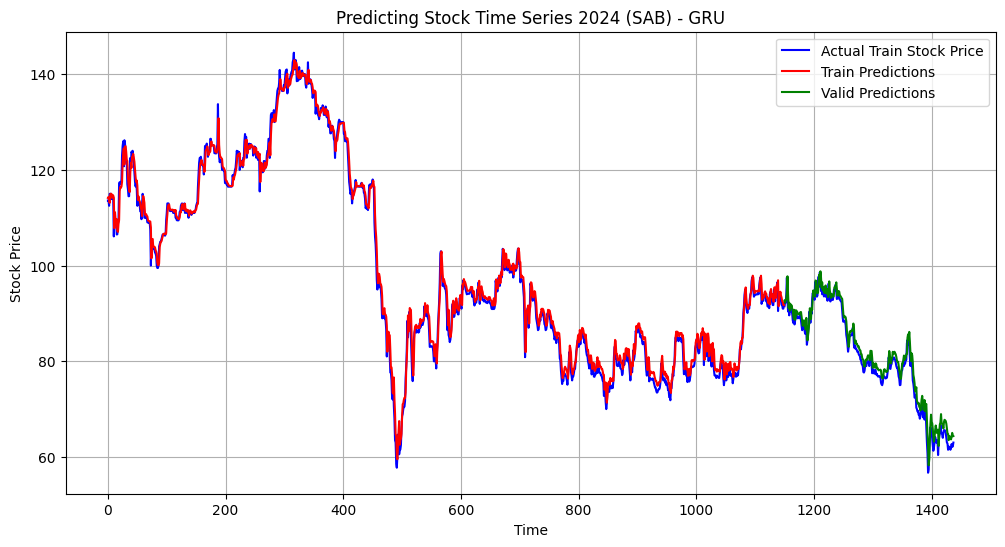
**Fig. 3c.** Bidirectional LSTM Model for VN-INDEX Stock Prices.



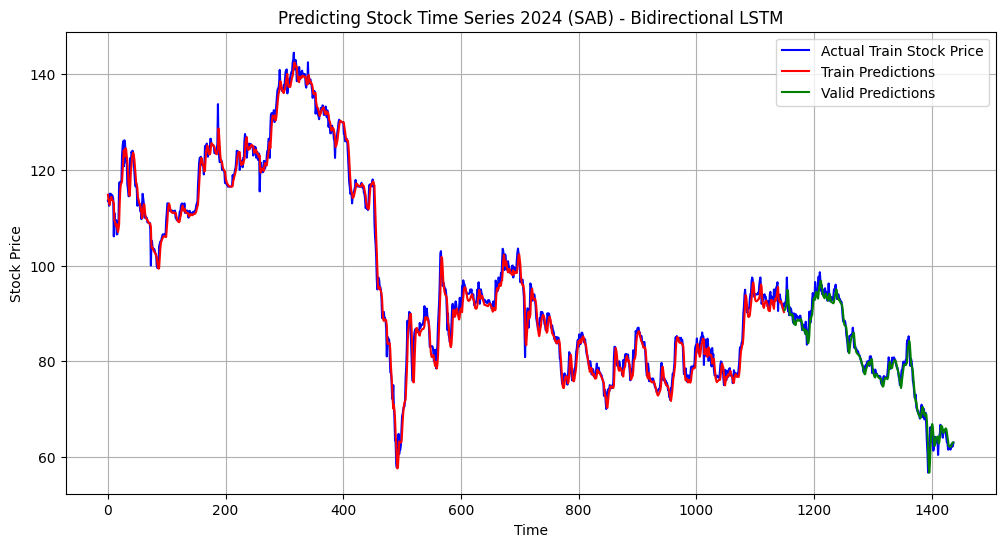
**Fig. 3d.** Bidirectional GRU Model for VN-INDEX Stock Prices.



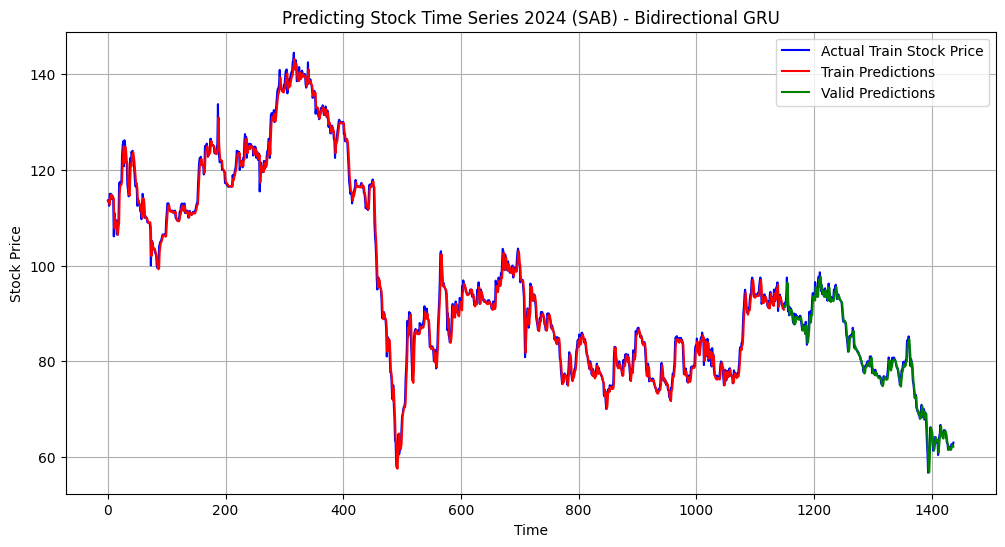
**Fig. 3e.** LSTM Model for SAB Stock Prices.



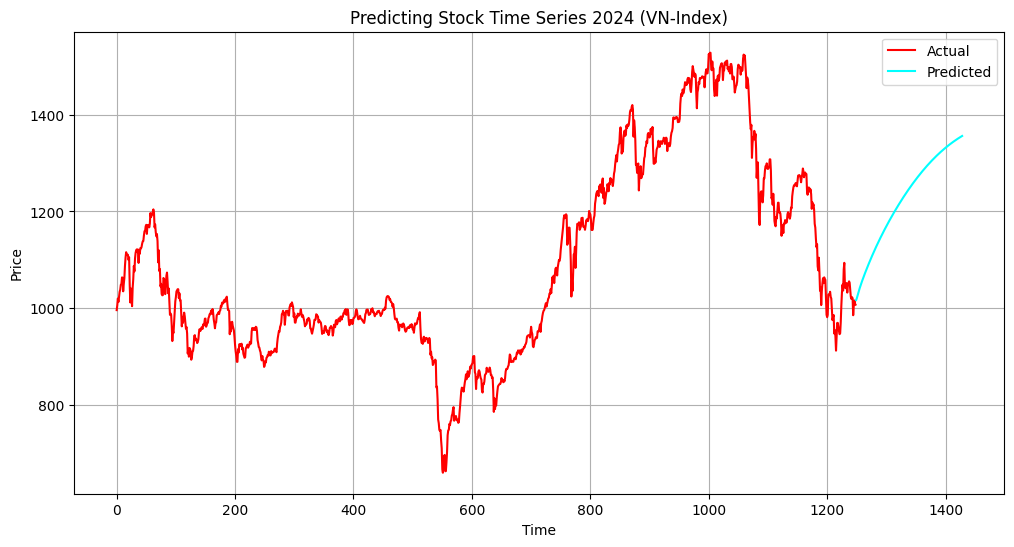
**Fig. 3f.** GRU Model for SAB Stock Prices.



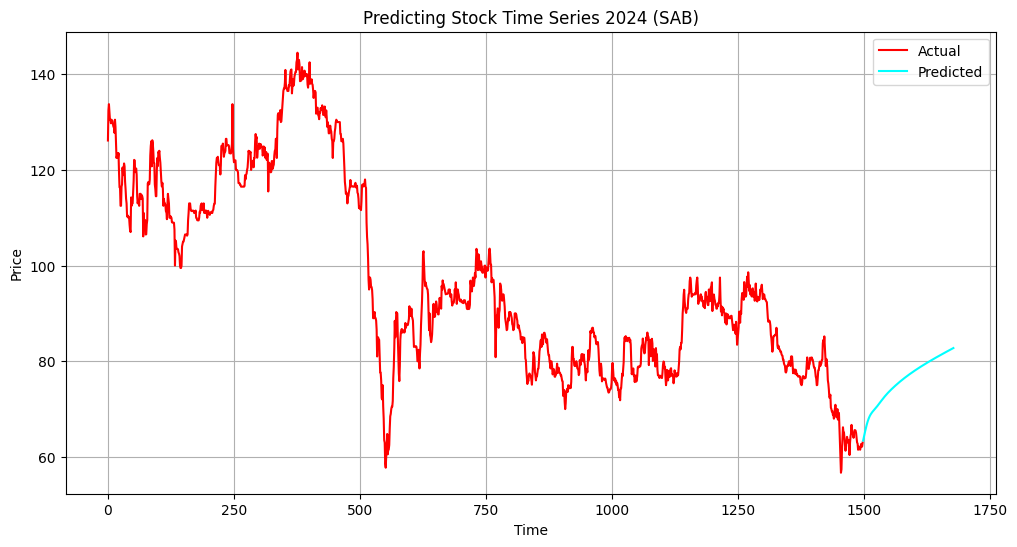
**Fig. 3g.** Bidirectional LSTM Model for SAB Stock Prices.



**Fig. 3h.** Bidirectional GRU Model for SAB Stock Prices.



**Fig. 4a.** 180-day prediction for VN-Index Stock Prices using LSTM.



**Fig. 4b.** 180-day prediction for SAB Stock Prices using LSTM.

The results indicate that integrating financial analysis with advanced AI techniques can significantly improve the reliability of stock price predictions, offering a robust tool for investment decision-making.

* 1. Summary of Model Performance

The comparison of the models based on their performance metrics highlights the strengths and weaknesses of each approach. The GRU model achieved the lowest RMSE, indicating the highest prediction accuracy among the models. The LSTM model also performed well but slightly lagged behind the GRU model. Bidirectional models, despite capturing more complex patterns, had higher RMSE values, suggesting potential overfitting or inefficiency in handling the data.

1. Conclusion

In conclusion, this study has made significant progress in analyzing the financial statements and predicting stock prices of the Saigon Beer - Alcohol - Beverage Corporation (Sabeco) using advanced AI models. By leveraging a high-quality dataset sourced from Vietstock, the study provided a comprehensive analysis of key financial indicators and their impact on stock price movements.

Our findings underscore the effectiveness of machine learning models such as LSTM, GRU, and hybrid models in predicting stock prices. The LSTM model, in particular, demonstrated superior performance in capturing long-term dependencies in the financial data, offering robust predictions that can guide investment decisions. The integration of sentiment analysis further enhanced the predictive accuracy, highlighting the influence of market sentiment on stock prices.

The application of these models revealed important relationships between financial indicators and stock price trends. These insights contribute to a deeper understanding of the financial dynamics within the Food and Beverage industry, providing valuable information for investors, analysts, and policymakers.

To further enhance the reliability and applicability of stock price predictions, continuous data monitoring and model refinement are essential. This involves regular updates to the dataset, incorporating new financial reports and market data, and adjusting the models to reflect changing market conditions. Additionally, fostering awareness among stakeholders about the capabilities and limitations of AI models in financial forecasting is crucial. Providing targeted training and resources can help users effectively interpret and utilize the predictions generated by these models.

The study also underscores the importance of maintaining a rigorous validation framework. By employing cross-validation and comprehensive performance metrics, we ensured that the models are robust and generalizable. Future research should explore the integration of additional data sources, such as macroeconomic indicators and geopolitical events, to further enhance the predictive accuracy of the models.

In summary, the combination of financial analysis and advanced AI techniques presents a powerful approach to stock price prediction. This study lays a strong foundation for future research and practical applications in financial forecasting, aiming to provide more accurate and reliable tools for investment decision-making.

**Table 1.** Table captions should be placed above the tables.

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| Heading level | Example | Font size and style |
| Title (centered) | **Lecture Notes** | 14 point, bold |
| 1st-level heading | **1 Introduction** | 12 point, bold |
| 2nd-level heading | **2.1 Printing Area** | 10 point, bold |
| 3rd-level heading | **Run-in Heading in Bold.** Text follows | 10 point, bold |
| 4th-level heading | *Lowest Level Heading.* Text follows | 10 point, italic |

Displayed equations are centered and set on a separate line.

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Please try to avoid rasterized images for line-art diagrams and schemas. Whenever possible, use vector graphics instead (see Fig. 1).

**Fig. 1.** A figure caption is always placed below the illustration. Short captions are centered, while long ones are justified. The macro button chooses the correct format automatically.

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Acknowledgment

This research is funded by International School, Vietnam National University, HaNoi (VNU-IS).