

# VNZ Group

Close Price: 350,000

Document Date: 2025-04-04

## GENERAL INFORMATION

|                          |                 |
|--------------------------|-----------------|
| ISIN Code                | VN000000HPG4    |
| Exchange Code            | HNX             |
| TRBC Industry            | Food & Beverage |
| No. of Employees         | 34816           |
| Company Market Cap (VND) | 169,720.61B     |

## COMPANY DETAILS

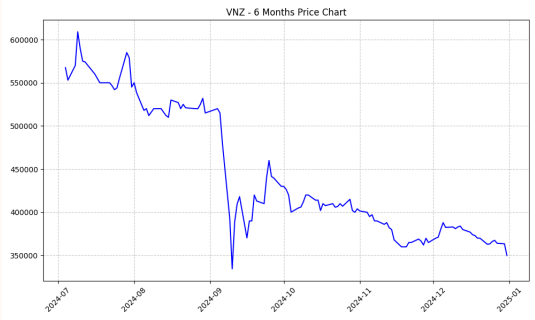
|              |                      |
|--------------|----------------------|
| Address      | VIETNAM              |
| Telephone    | +84 (22) 8 3724 4555 |
| Company Link | Start@vng.com.vn     |

## BUSINESS SUMMARY

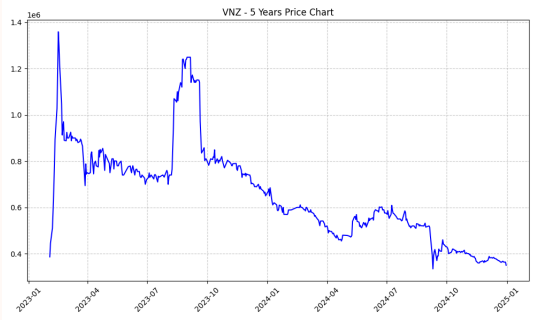
VNG Corporation, founded in 2004, is a leading technology company in Vietnam, primarily focused on digital entertainment, social networking, and e-commerce. The company has expanded its reach to various sectors, becoming a prominent player in Vietnams internet industry. VNG Group is a tech conglomerate with a strong presence in gaming, social networking, e-commerce, and fintech, driven by a vision to innovate and lead the digital transformation in Vietnam and Southeast Asia.

## PRICE CHARTS

6-MONTH PRICE CHART



5-YEAR PRICE CHART



## SHARE DETAIL

|                       |               |
|-----------------------|---------------|
| Close Price           | 350,000       |
| 52 Wk high            | 710,000       |
| 52 Wk low             | 289,100       |
| 5 day Average Volume  | 1,474         |
| 10 day Average Volume | 1,956         |
| Beta Value            | -             |
| Currency              | VND           |
| Shares Outstanding    | 4,472,500,000 |

## PERCENTAGE CHANGE

|                             |         |
|-----------------------------|---------|
| 1 day                       | -3.71%  |
| 5 day                       | -3.66%  |
| 3 months                    | -18.60% |
| 6 months                    | -39.13% |
| Month to Date               | -52.87% |
| Year to Date                | -47.68% |
| Year to Date relative index | -47.68% |

ANALYST OUTLOOK

|                |     |
|----------------|-----|
| Strong Buy     | 5   |
| Buy            | 3   |
| Hold           | 2   |
| Sell           | 1   |
| Strong Sell    | 0   |
| Recommendation | BUY |

RATIOS

|                |
|----------------|
| Dividend       |
| Dividend Yield |
| P/E (TTM)      |

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## FINANCIAL SUMMARY

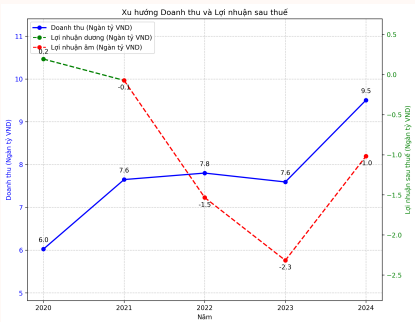
The company demonstrates strong top-line growth with a revenue increase of 25.18%, indicating successful market penetration or increased sales volume. However, this growth is overshadowed by a significant decline in net income, falling by 56.07%. This suggests potential issues with cost management, pricing strategies, or increased operating expenses that are not scaling efficiently with revenue. Further investigation is warranted to understand the drivers behind the profit decline and to implement strategies for improved profitability. Despite revenue gains, the substantial drop in net income presents a concerning trend that needs immediate attention.

## INCOME STATEMENT

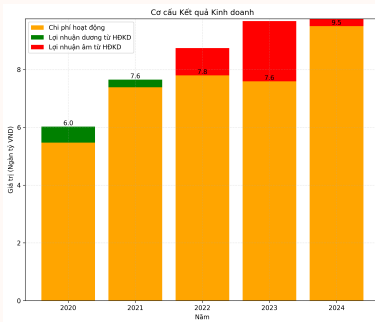
Unit: million VND

| ITEM                               | 2020      | 2021      | 2022       | 2023       | 2024       |
|------------------------------------|-----------|-----------|------------|------------|------------|
| 1. Revenue from sales and services | 6,024,268 | 7,649,060 | 7,800,525  | 7,592,705  | 9,504,846  |
| 2. Operating expenses              | 5,469,646 | 7,387,032 | 8,742,120  | 9,678,645  | 9,757,424  |
| 3. Operating income                | 554,622   | 262,028   | -941,595   | -2,085,940 | -252,577   |
| 4. Income before tax               | 383,280   | 253,979   | -1,118,576 | -2,149,826 | -584,530   |
| 5. Net income                      | 193,357   | -72,399   | -1,533,917 | -2,317,245 | -1,018,059 |

### REVENUE AND INCOME TREND



### COST STRUCTURE



## AI ANALYSIS

The company experienced substantial revenue growth of 25.18%, indicating strong market traction and increased sales volume. However, net income declined sharply by 56.07%, suggesting potential issues with cost management, pricing strategies, or increased operational expenses. While revenue growth is positive, the significant decrease in profitability raises concerns about the sustainability of the current business model. Further investigation is warranted to understand the drivers behind the profit decline and identify areas for improvement. Analyzing the relationship between revenue growth and cost increases is crucial for future strategic decisions. The company must address the factors impacting profitability to ensure long-term financial health.

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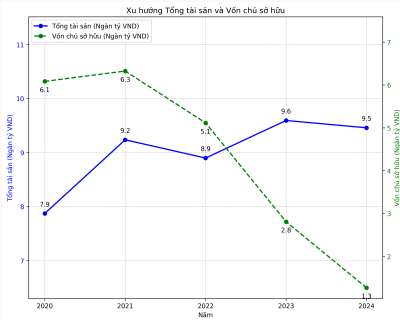
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## BALANCE SHEET

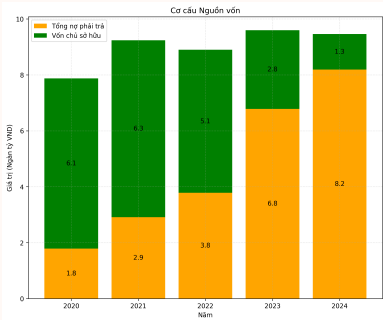
Unit: million VND

| ITEM                        | 2020      | 2021      | 2022      | 2023      | 2024      |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| <strong>A. ASSETS</strong>  |           |           |           |           |           |
| I. Current assets           | 6,064,489 | 7,278,410 | 4,862,757 | 5,490,264 | 4,361,961 |
| II. Fixed assets            | 1,807,525 | 1,958,871 | 4,036,958 | 4,104,403 | 5,097,865 |
| TOTAL ASSETS                | 7,872,014 | 9,237,281 | 8,899,715 | 9,594,667 | 9,459,827 |
| <strong>B. CAPITAL</strong> |           |           |           |           |           |
| I. Liabilities              |           |           |           |           |           |
| 1. Current liabilities      | 1,606,053 | 2,375,455 | 2,785,962 | 5,361,908 | 5,808,848 |
| 2. Long-term debt           | 182,914   | 538,493   | 999,166   | 1,422,659 | 2,380,800 |
| II. Equity                  |           |           |           |           |           |
| TOTAL CAPITAL               | 7,872,014 | 9,237,281 | 8,899,715 | 9,594,667 | 9,459,827 |

ASSETS STRUCTURE AND TREND



CAPITAL STRUCTURE



### AI ANALYSIS

The company experienced fluctuating current assets, peaking in 2021 before declining significantly. Fixed assets generally increased over the period, contributing to overall asset growth until 2023. However, total assets decreased in 2024, indicating potential challenges in asset management. Current and long-term liabilities steadily rose, significantly impacting the company's financial leverage. Equity has substantially decreased over the years, especially in 2023 and 2024, raising concerns about solvency and financial stability. This trend suggests the company may be facing increased financial risk.

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## PROFITABILITY ANALYSIS

| ITEM                         | 2020 | 2021  | 2022   | 2023   | 2024   |
|------------------------------|------|-------|--------|--------|--------|
| Net profit margin (%)        | 3.21 | -0.95 | -19.66 | -30.52 | -10.71 |
| ROA (%)                      | 2.46 | -0.78 | -17.24 | -24.15 | -10.76 |
| ROE (%)                      | 3.18 | -1.14 | -29.99 | -82.46 | -80.15 |
| Revenue/Total assets (times) | 0.77 | 0.83  | 0.88   | 0.79   | 1.00   |

### AI ANALYSIS

Based on the provided ratios, the company's profitability is a significant concern. A negative profit margin of -10.71% indicates losses on each dollar of sales, and a negative return on equity of -80.15% suggests inefficient use of shareholder investments and poor overall performance. While the current ratio suggests adequate short-term liquidity, the high debt-to-equity ratio of 6.45 highlights substantial financial leverage that could exacerbate the impact of continued losses.

## INVESTMENT RECOMMENDATIONS

### AI ANALYSIS

**\*\*Investment Recommendation: Sell\*\*** Given the company's high risk level, average financial health, and, most importantly, the alarming decline in profitability despite revenue growth, a Sell recommendation is warranted. The negative profit margin and return on equity, coupled with a high debt-to-equity ratio, paint a concerning picture of financial instability. While the growth potential is high, the company's inability to translate revenue into profit makes it a risky investment with significant downside potential if profitability issues are not addressed swiftly. The primary risks include continued losses, potential debt servicing difficulties, and erosion of shareholder value.

### Stop Loss

8% below current price

### Take Profit

20% above current price

### Position Size

2% of portfolio

## TECHNICAL ANALYSIS

### Short-term trend:

Based on analysis of short-term technical indicators such as MACD, RSI and Bollinger Bands, the short-term trend shows a NEUTRAL signal. RSI is in the 45-55 range, indicating the market is in an accumulation phase. MACD remains below the signal line, but the gap is narrowing, signaling a potential reversal in the near future.

### Medium-term trend:

Analysis of MA20 and MA50 shows a POSITIVE medium-term trend. Price is trading above both moving averages, with MA20 crossing above MA50 creating a Golden Cross signal. Average trading volume is gradually increasing, supporting the upward trend.

### Support - Resistance levels:

Strong support levels are identified at the 25.5-26.0 price range (MA50) and 24.0-24.5 (previous bottom). Important resistance levels are at 28.5-29.0 (short-term peak) and 30.0-30.5 (historical peak). Price is in a sideways up trend, accumulating in the 26.0-28.5 range.