

# HUNG VUONG CORPORATION (HVG)

February 19, 2016

## COMPANY UPDATE BRIEFS



### HVG: Q4/2015 net profits reached VND40 billion (USD1.8 million)

Hung Vuong Corporation (HVG) has announced its consolidated financial results for Q4/2015, which is also the first quarter of HVG's financial year 2016 which runs from October 1, 2015 to September 30, 2016. Net revenue was VND5,584 billion (USD249.3 million) in Q4/2015, increasing 35.7 percent y-o-y, which fulfills 23.3 percent of management's FY2016 target.

Financial income fell dramatically by 39.7 percent y-o-y in Q4/2015, to VND23 billion (USD1.0 million), due to HVG recording negative goodwill of VND15 billion (USD0.7 million) in Q4/2014. In contrast, financial expenses climbed 18.4 percent y-o-y to VND116 billion (USD5.2 million) due to higher interest expenses.

Q4/2015 profits before tax reached VND68 billion (USD3.0 million), compared with a loss of VND46 billion (USD2.1 million) in Q4/2014, completing only 13.7 percent of management's full-financial-year target. Net profit in Q4/2015 was VND40 billion (USD1.8 million), compared with a loss of VND53 billion (USD2.4 million) in Q4/2014.

HVG today closed at its ceiling price of VND10,700 per share, currently trading at LTM P/E of 11.1x and P/B of 0.7x.

VND billion	Q4/2014	Q4/2015 (Q1/FY2016)	% y-o-y	FY2016 Management target	% Management target
Net revenue	4,114	5,584	35.7%	24,000	23.3%
Gross profit	202	344	70.5%	N/A	N/A
% Gross margin	4.9%	6.2%		N/A	N/A
Financial income	37	23	-39.7%	N/A	N/A
Financial expenses	98	116	18.4%	N/A	N/A
Profits before tax	(46)	68	N/A	500	13.7%
Net profit	(53)	40	N/A	N/A	N/A

Source: Company data, VPBS

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