



LISTING INFORMATION

| | |
|-------------------------|-----------------------|
| Sector | Industry-Construction |
| Stock exchange | HSX |
| Stock code | FCN |
| Charter capital | 1.138 bn dong |
| Market cap: 4/6/2019 | 1.618 bn dong |
| Current price: 4/6/2019 | 14,200 dong |

SHAREHOLDERS

| | |
|---------------------|--------|
| Chairman of BOM | 5.16% |
| PYN ELITE FUND | 15.89% |
| Raito Kogyo Co, Ltd | 17.13% |
| Others | 61.82% |

STOCK PRICE MOVEMENT 12 MONTHS



FINANCIAL RATIO

| | 2016 | 2017 | 2018 |
|-------------------|-------|-------|-------|
| Total asset | 3,332 | 3,838 | 4,723 |
| Liability | 2,098 | 2,451 | 2,789 |
| Ownership | 1,234 | 1,387 | 1,934 |
| Revenue | 2,108 | 2,320 | 2,846 |
| Gross profit | 333 | 337 | 428 |
| Profit before tax | 211 | 222 | 306 |
| Net profit | 176 | 178 | 249 |
| EPS (đ/cp) | 3,132 | 3,019 | 2,957 |

VALUATION RESULTS

| | |
|-----------------------|--------------------|
| FCFE methodology | 20.450 dong |
| EV/EBITDA methodology | 24.700 dong |
| P/E methodology | 23.100 dong |
| P/B methodology | 20.200 dong |
| Average | 22.100 dong |

FECON was established on 18/6/2004 by a group of leading experts in the field of foundation engineering and underground construction with enthusiasm in the profession, creative dynamics, combining with skilled workers, synchronous equipment system and modern technologies, FECON has now become one of the few leading enterprises in field of building foundation and underground works in Vietnam.

Development strategy in the coming years is becoming the leading infrastructure development corporation in Vietnam, and seeking opportunity to invest in clean energy, urban and infrastructure projects.

With the business results in the past years and prospects for the coming years, we recommend BUY for FCN shares at the current time with a 12-month target price of VND 22,100 / share.

INVESTMENT HIGHLIGHTS

- **Outstanding growth in revenue and profit:** In 2018, revenue of FECON grew well with net revenue of VND 2,846 billion, up 22.67% yoy. Earnings before and after tax in 2018 reached 306 and 249 billion VND, up 37.84% yoy and 39.89% yoy. Gross profit margin is high in comparison with other companies in the industry: FECON's gross profit margin in 2018 reached 15.04%, up slightly from 14.53% in 2017.
- **Continuing to affirm the leading capacity in underground construction field:** June 2018 marked a memorable milestone in FECON's underground construction field when completing the drilling package of second tunnel branch by TBM robot in Metro Line 1 TP. Ho Chi Minh City project, Ben Thanh - Suoi Tien section and implementation of Hanoi Metro Line 3 Project. This is also the first Vietnamese contractor to implement TBM technology instructed by Japanese experts. FECON has signed a strategic cooperation with Japan's Raito Kogyo Group - one of the leading underground construction corporations in the land of the rising sun. Accordingly, Raito acquired all of FECON's convertible bonds issued by Development Bank of Japan (DBJ), Raito Group will own 19% of FECON's chartered capital and own 36% of charter capital of FECON Underground Construction JSC (FCU).
- The pioneer contractor successfully applied many modern technologies in foundation treatment (ground treatment): With the viewpoint of "all projects start from the foundation", after 15 years of establishment and development . FECON is in a few contractors that are capable of handling the foundation and providing total solutions for many works, especially at the areas having weak ground base. FECON has won many large projects in recent years such as Nghi Son 1 Thermal Power Plant, Vinh Hao 4, Thai Binh 1, Thai Binh 2, Long Phu 1, Nhon Trach 2
- Strategic cooperation that changes the situation of piling foundation construction field: FECON provides piles and construction services for civil and heavy construction projects. In the field of foundation piling construction, FECON has advantages over competitors that mainly focus on construction, machinery and manpower investment, and do not put much emphasis on production. In August 2018, FECON signed a strategic

cooperation with Phan Vu Company, which used to be rivals in this area. Accordingly, FECON will sell shares in FECON Mining JSc to Phan Vu Company, down ownership rate from 36% to 10.95%. The management of the Company believes that the foundation piles market is relatively saturated, the profit margin is not high, the reduction of this ownership rate at FECON Mining JSc will help the Company focus on construction, reduce dependence on production. Major projects of this activity include Nam Hoi An Hotel and Casino Complex, Empire City, Vinfast Automobile Factory.

- **Expanding into the field of infrastructure construction:** FECON participates in building infrastructure for heavy industry projects and highways. In the future, FECON is also looking for investment opportunities and development of infrastructure construction segment when policies on BT projects and land price regulations are clearer. Typical projects are BOT Phu Ly, Ho Chi Minh City - Long Thanh - Dau Giay, Da Nang - Quang Ngai; many outstanding FDI projects such as Samsung Electronics Factory in Thai Nguyen, Bac Ninh, Ho Chi Minh City; LG Hai Phong Electronics Factory; Honda factory ...
- **Effective investment activity will bring sustainable and long-term profit in the future:** Fecon invests in projects from heavy industry and industrial infrastructure projects and renewable energy. Vinh Hao 6 solar power plants helped FECON officially step into the field of renewable energy investment. Vinh Hao 6 solar power plants has estimated total investment of VND 1,361 billion, designed capacity of 50MWp, power output of 83 million kWh / year and is expected to come into operation on June 30, 2019. EVN has accepted to buy electricity for Vinh Hao 6 for VND 2,086 / kWh. Vinh Hao 6 is expected to bring long-term and sustainable profits to the Company. In parallel, FECON is also continuing to research other renewable energy investment projects such as Vinh Hao 6 (phase 2), wind power projects in Gia Lai, Kom Tum, Ben Tre, solar power projects in Binh Phuoc.

INVESTMENT RISKS

- **Receivables increased rapidly, causing negative business cash flow continuously** in recent years, increasing risks for enterprises: short and long-term receivables of FECON are 2,813 billion VND, accounting for 59.56% of total asset. Receivables have remained high for the past few years. This creates great pressure for businesses to manage cash flow effectively, ensuring sufficient capital to implement construction projects.
- **Enterprises must increase the financial loans mobilization for production and business activities:** Due to negative business cash flow, enterprises are required to mobilize financial loans to supplement working capital, expand business and invest in machinery and equipment.

I. COMPANY POSITION

Pioneer in application of modern technology is the advantage that increase FECON's competitive ability to implement large-scale projects that require quality and progress.

Over the years, FECON always attaches great importance to technology research and application, taking it as a foundation for development. From pressing piles presses by man-made machines at the beginning, FECON switched to self-propelled pressing technology by robot; from producing piles to pouring concrete right at the construction site, making first piles as formwork for following ones. Since 2008, FECON pioneered in manufacturing and using centrifugal PHC/PC piles as sophisticated industrial products and being mass produced at the factory. In 2017, FECON tested and successfully applied deep vibrating technology at Hoa Phat Dung Quat Steel Project (Quang Ngai), Shaft Grouting Technology at Empire City - Southern projects; putting large diameter Jet Grouting beyond the scope of construction of subway projects in Duyen Hai 3 Thermal Power Plant project ...

Infrastructure development is much-anticipated field which helps FECON reduce competitive pressure from competitors in the field of foundations.

The demand for infrastructure development in Vietnam is large due to (1) poor quality of infrastructure ; (2) high rate of economic development. In addition, the public-private partnership (PPP) mechanism creates many investment opportunities in infrastructure development for non-state units such as FCN. Projects in the field of infrastructure have characteristics of large areas and long-term use, especially projects of roads, bridges and ports. Therefore, foundation construction accounts for a higher proportion in construction costs for these projects compared to civil and industrial projects. FCN's ability to build existing foundation is utilized when FCN becomes an infrastructure developer - both an investor and a construction contractor.

Promoting energy development helps FECON have long-term profit growth in the future:

For solar power field, this is a new activity that receiving much attention of enterprises in recent years, even construction and real estate enterprises such as FECON, Bim Group ... Currently, FECON is implementing 04 projects including Vinh Hao 6, Sunseap, Hong Phong and Son My. These are 4 projects that FECON plays a role as a contractor for foundation and basic construction, and are being implemented in Binh Thuan and Ninh Thuan. Currently in Binh Thuan, there are about 30 solar power projects in the construction phase, preparation phase and starting the project. Decision 11/2017 / QD-TTg on encouragement mechanism of solar power projects development has set attractive electricity prices of 9.35 UScent / kWh (equivalent to 2,085 VND) and lasts up to 20 years for project that are completed before June 30, 2002, causing many power projects simultaneously speed up the construction process . This also shows that solar power is a "piece of cake" that many businesses interested in. Vinh Hao 6 solar power plant (49MW) has total investment 1,300 billion VND, managed by Vinh Hao 6 Energy JSC. The project is co- invested by FECON and Acwa Power Group (Saudi Arabia), this is the first renewable energy project of ACWA Power in Vietnam and also the first energy investment project of FECON.

Big projects in 2017 – 2018 of FECON

| No | Project name | Value (bn VNĐ) |
|----|--|----------------|
| 1 | Long Phú 1 Thermal Power Plant (coal warehouse) | 200 |
| 2 | <i>PV FLAT Glass Factory</i> | 60 |
| 3 | Quang Ngai pulp mill | 120 |
| 4 | Gamuda Land | 130 |
| 5 | <i>Hoi An South Development</i> | 300 |
| 6 | Metro line 3 (HN) and Metro line 1 (TP HCM) | 350 |
| 7 | Empire City LLC | 300 |
| 8 | <i>Harbor City</i> | 120 |
| 9 | Hoa Phat Dung Quat iron and steel complex | 250 |
| 10 | Handling Dai Quang Minh foundation | 100 |
| 11 | <i>LG Display-phase 2</i> | 70 |
| 12 | Vinfast Automobile Factory | 100 |
| 13 | Others: Nghi Son iron and steel, Chuoi Hải Phòng, LG Inotek Hải Phòng, Palm | 540 |
| 14 | <i>City, Cristobalite stone crushing plant ...</i> | |
| 15 | Empire City – Thủ Thiêm | 149 |
| 16 | <i>Phu Dinh port residential area (Harbor City)</i> | 118 |
| 17 | <i>Tan Thang Residential Complex (Celadon City)</i> | 135 |
| 18 | <i>Others Samsung Electronics HCMC, International Da Phuoc New Urban Area, Palm Residence, Lancer...</i> | 125 |

Source: FECON

II. Strong growth in revenue and profit

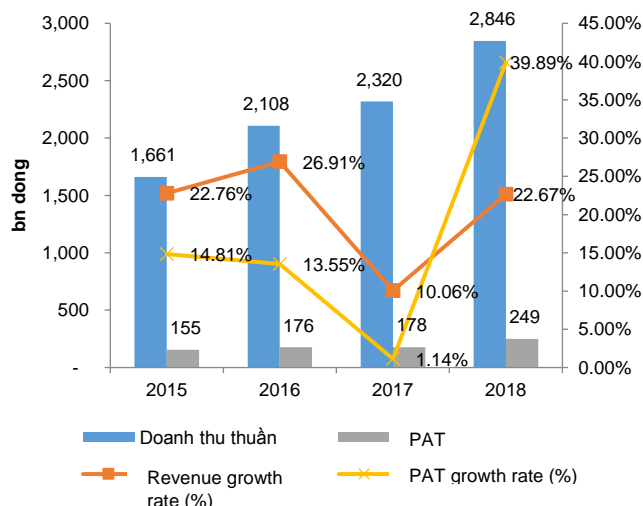
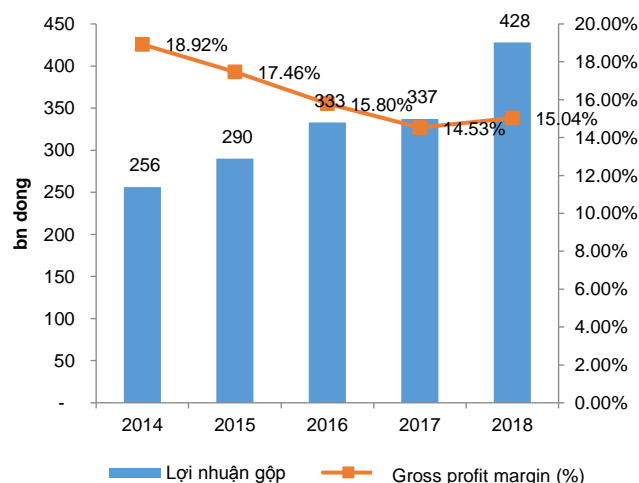
Strong growth in 2018's revenue and profit

2018 is the year witnessing the strong growth of FECON's revenue and profit.

FECON Group's consolidated revenue in 2018 reached VND 2,846 billion, an increase of 22.67% yoy. Gross profit in 2018 reached VND 428 billion, up 27% yoy.

According to the chart, FECON's revenue and profit increased steadily over the years. 2018 is a year that revenue and profit grew dramatically.

In 2018, FECON's revenue and profit grew but only completed 81.31% of revenue plan and 91.54% of profit after tax plan. The reason for the low completion of the above plan is due to the dependence on the progress of national key projects: (1) National key projects implemented in 2018 such as Nghi Son Thermal Power, Long Son Petrochemical Refining, Hoa Phat Dung Quat, Vinfast Hai Phong, Metroline routes (2) Infrastructure development projects of FECON: BT Provincial highway 9 - Ho Chi Minh City, BT Tidal sewer - Rach Tra ... (3) Backlog of contract value transferred from 2017 to 850 billion, new contracts in 2018 are 3,200 billion.

Revenue & PAT 's growth (2015 – 2018)

FCN's gross profit margin 2015 - 2018


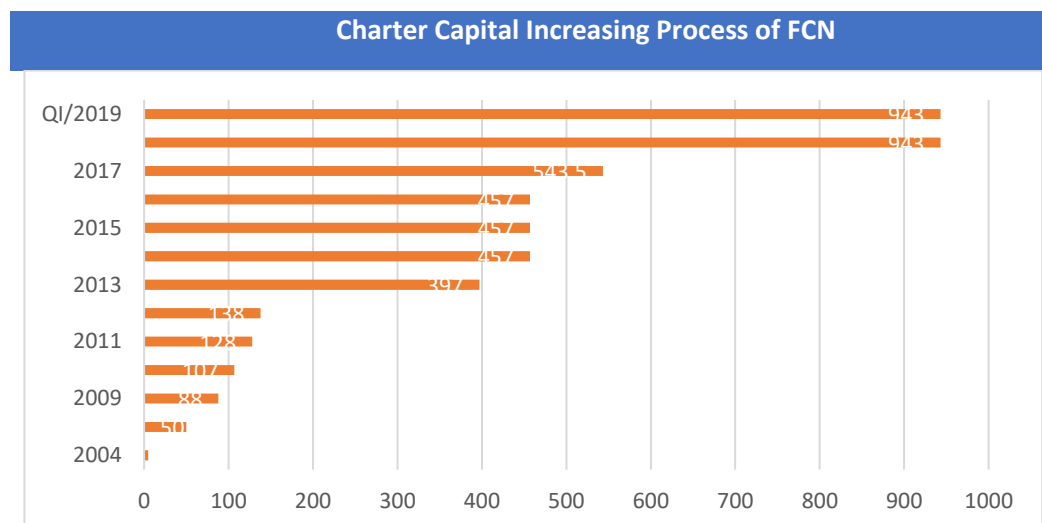
Source: FECON financial report, PSI summary

Business results Quarter 1/2019: Net revenue of FCN in the first quarter of 2019 reached 490.6 billion VND, up 15.32% YoY. Cost of goods sold reached VND 397.7 billion, up 10.71% YoY. Gross profit increased by 40.3% YoY to 93 billion VND. Finance revenue dropped sharply by 65.19% to 1.6 billion dong while finance expense increased by 21.08% to 15.6 billion dong (mainly interest expense). Selling expenses and administration expenses increased by 10.77% and 14.89% YoY to 2.9 billion VND and 33.5 billion VND. As a result, profit before and after-tax of FCN reached 37.2 and 29.3 billion dong, up 30.6% and 26.06% qoq. Thus, in the first quarter of 2019, the Company only completed 11.68% of the 2019 revenue plan and 8.23% of the 2019 profit after plan. However, compared to the same period last year, the revenue and profit targets both grew. The reason is that some projects with good profit margins are deployed and checked and taken over in the last months of the year, which mainly are FDI projects, and key Industrial projects including Long Son and Hoa Phat Petrochemical Projects. Dung Quat, Phenikaa University, CEO Van Don, VinCity ..

III. Financial situation is improved

In 2018, FECON successfully issued 33 million additional shares to existing shareholders with the guarantee of Vietcombank Securities Company (VCBS) and after that is was 2.5 million ESOP shares. With the successful implementation of 02 shares issuance, FECON's charter capital in 2018 has increased to over VND 943 billion. The convertible bonds helps the charter capital increase and change the capital structure in the direction of increasing financial autonomy for the company. The annual interest expense of the Company is about 90 billion VND, affecting business

performance but interest expense will gradually decrease due to converting bonds into shares. In addition, the proceeds from the stock issuance will supplement working capital for the company, ensuring capital for production and business activities.



Source: FECON financial report, PSI summary

IV. BUSINESS PROSPECT 2019-2023

Value of new and big forward contracts will ensure FCN to complete 2019 business plan

According to financial figures that member units presented on 26 & 27/12/2018 before the Board of Management, most units expected high growth rates compared to 2018. FECON Drilling and Basement Structure JSC (FDB) and FECON Piling 1 JSC have been splited from a production sector of Parent Corporation so the registered growth targets were about 15% compared with 2018

Unit: bn dong

| No | Company | REVENUE | | | PAT | | |
|----|---------------|----------------|-----------|----------|----------------|-----------|----------|
| | | Performed 2018 | Plan 2019 | % growth | Performed 2018 | Plan 2019 | % growth |
| 1 | FCN | 1900 | 2200 | 15% | 223 | 260 | 12% |
| 2 | FCS | 633 | 800 | 26% | 10 | 24 | 131% |
| 3 | FCU | 155 | 396 | 29% | 8 | 24 | 45% |
| 4 | FCI | 145 | 400 | 176% | 2 | 20 | 910% |
| 5 | FECON S&C | 81 | 200 | 87% | 0 | 10 | 10600% |
| 6 | Miltec | 49 | | | -1 | | |
| 7 | GE | 40 | 66 | 64% | 1 | 7 | 857% |
| 8 | Hải Đăng | 32 | 80 | 151% | 2 | 10 | 420% |
| 9 | FECON Rainbow | 16 | 104 | 544% | 4 | 7 | 65% |

| | | | | | | | |
|----|-------------------|--|-----|--|--|----|--|
| 10 | FC Khoan nhồi | | 360 | | | 11 | |
| 11 | FC Thi công cọc 1 | | 300 | | | 17 | |
| 12 | FC Thiết bị (FMS) | | 45 | | | 5 | |
| 13 | FECON POWER & VH6 | | | | | | |

Source: FECON

The Parent Corporation has about 700 billion VND and the member units have about 400 billion VND of transitional activities from 2018 to be implemented in 2019. The proportion of revenue from the traditional segment will decrease as the piling activities will account for about 1/3 total revenue. The proportion of civil and industrial construction will increase (account for about 25-30%), while segment of bored piles, diaphragm walls and underground structures will account for about 15-20%. In these two segments, FECON will orientate to be the general contractor and it is expected that the General Contractor's contracts will account for about 20% of the total revenue. Company will strengthen sales from the infrastructure segment, accounting for about 20-25%, and it is expected investment projects will be able to be deployed to bring revenue to the company in 2019, and profit from investment projects is estimated to account for about 30% of 2019 target profit.

Table of revenue structure of services

| Services | Research & investigation | Piling | Foundation monitoring | Walls and underground structures | Civil and industrial construction | Transportation (highway, port) | Material supply | Total |
|------------|--------------------------|--------|-----------------------|----------------------------------|-----------------------------------|--------------------------------|-----------------|-------|
| Value | 50 | 1300 | 500 | 750 | 600 | 850 | 200 | 4250 |
| Proportion | 1.2% | 30.6% | 11.8% | 17.6% | 14.1% | 20.0% | 4.7% | 1.2% |

Source: FECON

Revenue of Parent company's projects

| Departments | Estimated revenue | Type of work |
|--------------------------------------|-------------------|--|
| Foundation project Department 1 | 600 | Foundation, bored pile + construction |
| Foundation project Department 2 | 600 | Foundation, bored pile + construction |
| Foundation project Department 3 | 500 | Foundation, bored pile + construction |
| Industrial Construction Department 1 | 400 | Civil construction and light industry |
| Industrial Construction Department 2 | 200 | Heavy industry |
| Civil Construction Department 1 | 300 | Northern urban infrastructure |
| Civil Construction Department 2 | 300 | Southern urban infrastructure |
| Internal exclusion | -700 | |
| Total | 2.200 | |

Source: FECON

Transforming in upcoming time thanks to investment segment

FECON invests in projects from heavy industry and industrial infrastructure projects to renewable energy investments such as Vinh Hao 6 solar power plant which will help FECON officially step into the field of renewable energy investment. Vinh Hao 6 factory has estimated

total investment of 1,361 billion VND 1, a design capacity of 50MWp, a power output of 83 million kWh/year and is expected to come into operation June 30, 2019. EVN has accepted to buy electricity for Vinh Hao 6 for VND 2,086 / kWh. Vinh Hao 6 is expected to bring long-term and sustainable profits to the Company. In parallel, FECON is also continuing to study other renewable energy investment projects such as Vinh Hao 6 (phase 2), wind power projects in Gia Lai, Kom Tum, Ben Tre, solar power projects at Binh Phuoc. In July 2018, FECON established FECON Energy Joint Stock Company (FECON Power) with an initial charter capital of VND 150 billion. FECON also invests in other projects: BT province highway 9 (HCMC), BOT Phu Ly (currently holding 20%).

Estimated contracts' value in the next 3 years by segment.

| STT | Contract | Contract value (bn VND) | Implemented value 2019 | Implemented in 2020 & 2021 |
|------|---|----------------------------|---------------------------|-------------------------------|
| I | Infrastructure (transport, urban, energy, seaports) | 4.063 | 1.159 | 2.404 |
| II | Bored pile, diaphragm wall | 1.710 | 770 | 940 |
| III | Pile construction | 3.380 | 1.090 | 2.290 |
| IV | Foundation monitoring | 2.042 | 700 | 2.192 |
| V | Underground structure | 2.600 | 260 | 2.140 |
| VI | Civil & Industrial Construction (Main contractor, General contractor) | 1.740 | 535 | 1.205 |
| VII | Construction material (sand, stone, steel, PVD) | 500 | 150 | 350 |
| VIII | TOTAL | 16.035 | 4.664 | 11.521 |

Mid-term plan 2019-2023

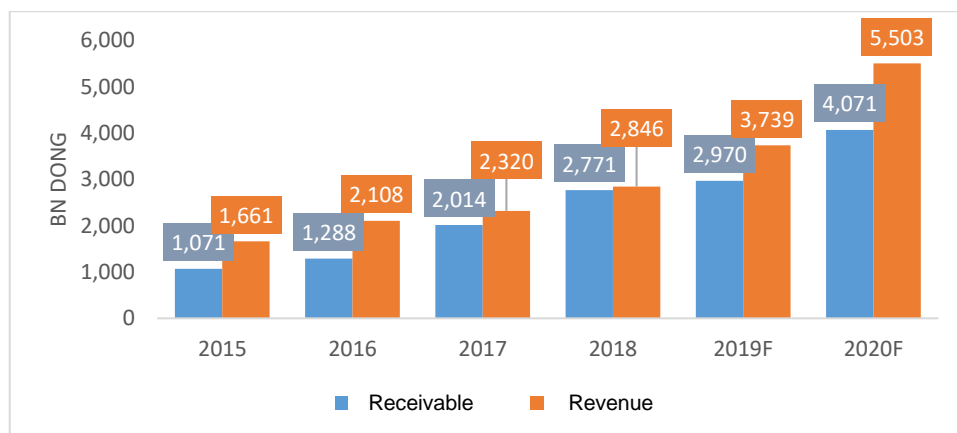
| Items | Unit | 2019F | 2020F | 2021F | 2022F | 2023F |
|-------------------------------------|------------|-------|-------|-------|-------|--------|
| Revenue of the parent company | Bn dong | 2,500 | 3,746 | 4,504 | 5,025 | 5,925 |
| Consolidated revenue | Bn dong | 4,200 | 6,320 | 7,768 | 9,113 | 10,273 |
| Consolidated after-tax profit | Bn dong | 356 | 602 | 771 | 850 | 1,056 |
| EAT of parent company's shareholder | Bn dong | 338 | 528 | 676 | 743 | 943 |
| Gross profit margin | % | 8% | 10% | 10% | 9% | 10% |
| Consolidated | Dong/share | 3,000 | 3,799 | 4,866 | 5,352 | 7,792 |

We also discussed with business representatives about the ability to collect receivable, the Finance Department of the company has been active in recovering bad receivables

V. RISK OF RECEIVABLE CONTROL

In the period 2015-2018, the FCN receivables in 2018 increased by 38%, accounting for 59.56% of the total asset structure. Short-term receivables at December 31, 2018 were 2,771 billion VND, an increase of 757 billion VND compared to the beginning of the year, short-term receivables increased mainly due to major key projects such as Hoa Phat, VinFast and others large projects with value of over VND 500 billion constructed and recorded revenue in 2018, ... Receivables FCN remained at a high level in the past few years due to the following reasons:

- (1) Scale of revenue increases: due to the characteristic off construction industry, business cash flow always comes slower than revenue. This creates great pressure on cash flow because construction contractors are always appropriated capital and have to manage cash flow effectively to ensure sufficient capital to implement construction projects.
- (2) Bargaining power of customers increased: due to competition pressure, and FCN's focus on large projects, leading to more dependence on customers.



Source: FECON Financial reports, PSI summary

VI. VALUATION

We value FCN shares based on the following methods: cash flow discount method (DCF) and comparison method of P / E, P / B and EV / EBITDA

Assumption:

Revenue & cost of goods sold: Base on contracts the Company has been implemented with prudence, we make assumptions:

Revenue growth rate for each main activity and total revenue of FCN in the following years are as follows

| Segment | 2019F | 2020F | 2021F | 2022F | 2023F |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Bored pile, diaphragm wall | 9.72% | 1.44% | 10.69% | 10.34% | 12.50% |
| PH/PHC pile | 14.82% | 10.28% | 13.64% | 8.00% | 18.52% |
| Foundation monitoring | 19.54% | 16.38% | 14.58% | 9.09% | 8.33% |
| Revenue growth rate (%) | 31.39% | 47.20% | 22.91% | 17.31% | 12.73% |

Accordingly, revenue of 2019-2023 in each segment and the whole Company will be as follows:

| Segment | 2019F | 2020F | 2021F | 2022F | 2023F |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Bored pile, diaphragm wall | 484 | 491 | 544 | 600 | 675 |
| PH/PHC pile | 1,496 | 1,650 | 1,875 | 2,025 | 2,400 |
| Foundation monitoring | 619 | 720 | 825 | 900 | 975 |
| Others | 1,140 | 2,642 | 3,520 | 4,410 | 4,895 |
| Total | 3,739 | 5,503 | 6,764 | 7,935 | 8,945 |
| Revenue growth rate (%) | 31.39% | 47.20% | 22.91% | 17.31% | 12.73% |

The gross profit margin of the Company from 2019 will fluctuate around 15%, of which 13% is for Bored pile, diaphragm wall, 13.5% for PH / PHC and 18% for foundation monitoring

Accordingly, the cost of goods sold /revenue will be assumed to be 85%:

Unit: bn dong

| Segment | 2019F | 2020F | 2021F | 2022F | 2023F |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Bored pile, diaphragm wall | 421 | 427 | 473 | 522 | 587 |
| PH/PHC pile | 1,294 | 1,427 | 1,622 | 1,752 | 2,076 |
| Foundation monitoring | 507 | 590 | 677 | 738 | 800 |
| COGS | 3,178 | 4,678 | 5,749 | 6,745 | 7,604 |
| COGS /revenue (%) | 85% | 85% | 85% | 85% | 85% |

Selling expenses and administration expenses still well controlled and annually account for 0.47% and 4.5% of revenue.

Receivables: receivables continue to increase and are at high value. We assume that in the future, the company will seek and select the best solutions to reduce the account receivable turnover to be more balanced in finance and increase benefits for the company.

Capital source: In April 2019, the company convert 327.5 billion VND bond to shares, reducing bond debt and strengthening equity capital. With continuing to strengthen activities in construction areas and investment projects, the company also increase debt capital, owner's equity suitably to finance production and business activities.

The company will continue to increase its charter capital by 5% by paying dividends in shares according to the Resolution of the 2019's General Meeting of Shareholders. The issuance of capital increase of 25 million shares is built base on assumed issuing price of over 20,000 VND / share and is implemented in 2020.

The required rate of return is determined by the CAPM method in which the risk-free rate is 10-year bond interest rate of 4.75% in April 2019. The assumed risk premium is 10.96% (Source:

Damodaran updated to 01/2019). The beta of FCN is 1.14 times. Then, the required rate of return is 17.24%. Net cash flow growth rate after 2023 is expected at 3% / year.

Free Cash Flow Methodology

With the above assumptions, FCN share price calculated by FCFE method is 19,800 VND / share.

FCFE valuation:

| Items (bn dong) | 2019F | 2020F | 2021F | 2022F | 2023F |
|---------------------------|-------------|-------------|-----------|-----------|-----------|
| Profit after tax | 346,561 | 425,893 | 500,172 | 583,851 | 652,591 |
| Depreciation | 79,627 | 188,061 | 260,714 | 305,504 | 292,640 |
| Change in working capital | (568,735) | (1,539,317) | (904,293) | (685,395) | (543,386) |
| Change in debt | 566,437 | 708,887 | 616,986 | 642,163 | 557,453 |
| Expenses for fixed assets | (547,000) | (485,000) | (210,000) | (230,000) | (210,000) |
| FCFE | (123,110) | (701,477) | 263,580 | 616,123 | 749,298 |
| Re | 17.24% | | | | |
| Number of share | 119.540.129 | | | | |
| Price per share | 20.450 | | | | |

P/E & P/B and EV/EBITDA comparison method

P/E, P/B and EV/EBITDA is based on the average of companies that have similarities capital scale and multinational activities in the construction industry in the emerging market ASIA (Philippines, Malaysia, Indonesia). Average PE is 8.24 times, P/B is 1.01 times and EV/EBITDA is 6.71 times. NPAT of parent company in 2019 is expected to be 343 billion VND, EPS is 2,870 dong / share, owner's equity is 2,371 billion VND, book value per share in 2019 is expected to be 19,840 dong / share.

EBITDA 2019F is expected to be 586 billion VND, EV 2019F is 2,952 billion VND. Accordingly, FCN share price determined by P/E and P/B method are 23,100 VND/ share and 20,200 VND/share respectively, by EV/EBITDA method is 24,700 VND / share.

| Company name | Stock code | P/E | P/B | EV/EBITDA T12M |
|------------------------------|---------------|-------|------|----------------|
| COTECCONS CONSTRUCTION JSC | CTD VN Equity | 6.48 | 1.06 | 4.76 |
| HOA BINH CONSTRUCTION GROUP | HBC VN Equity | 5.75 | 1.18 | 6.36 |
| HUNG THINH INCONS JSC | HTN VN Equity | 3.73 | 1.11 | 3.85 |
| PHUC HUNG HOLDINGS CONSTRUCT | PHC VN Equity | 5.37 | 0.98 | 10.2 |
| CONSTRUCTION JSC NO 5 | SC5 VN Equity | 8.06 | 1.12 | 6.3 |
| IDICO URBAN AND HOUSE DEV JS | UIC VN Equity | 5.32 | 1 | 4.47 |
| LICOGI 14 JSC | L14 VN Equity | 5.95 | 2.15 | 3.7 |
| LICOGI 16 JSC | LCG VN Equity | 5.41 | 0.71 | N.A. |
| DAT PHUONG JSC | DPG VN Equity | 13.21 | 2.45 | 9.94 |

| | | | | |
|------------------------------|------------------|-------------|-------------|-------------|
| BECAMEX INFRASTRUCTURE DEVEL | IJC VN Equity | 6.51 | 0.82 | 6.8 |
| ACCESS ENGINEERING PLC | AEL SL Equity | 5.22 | 0.55 | 3.33 |
| JUJIANG CONSTRUCTION GROUP-H | 1459 HK Equity | 2.95 | 0.38 | 2.52 |
| HOUSE OF INVESTMENTS | HI PM Equity | 4.2 | 0.3 | 7.75 |
| MITRAJAYA HOLDINGS BHD | MHB MK Equity | 14.76 | 0.39 | 12.81 |
| PATEL ENGINEERING LTD | PEC IN Equity | 3.73 | 0.18 | 5.62 |
| TRC SYNERGY BHD | TRC MK Equity | 9.66 | 0.74 | 3.13 |
| NAWARAT PATANAKARN PUB CO LT | NWR TB Equity | 5.85 | 0.53 | 6.68 |
| NUSA RAYA CIPTA PT | NRCA IJ Equity | 8.71 | 0.75 | 2.02 |
| BECAMEX INFRASTRUCTURE DEVEL | IJC VN Equity | 6.51 | 0.82 | 6.8 |
| DAT PHUONG JSC | DPG VN Equity | 13.21 | 2.45 | 9.94 |
| ILJIN POWER CO LTD | 094820 KS Equity | 5.5 | 1 | 3.09 |
| CEO GROUP JSC | CEO VN Equity | 7.15 | 0.99 | 4.2 |
| INDUSTRIAL URBAN DEVEL JSC 2 | D2D VN Equity | 12.75 | 2.77 | 1.5 |
| CUONGTHUAN INVESTMENT CORP | CTI VN Equity | 12.24 | 1.16 | 8.36 |
| EVERSENDAI CORP BHD | EVSD MK Equity | 5.7 | 0.37 | 9.97 |
| HO HUP CONSTRUCTION CO BHD | HO MK Equity | 9.38 | 0.7 | 7.99 |
| NAIM HOLDINGS BERHAD | NHB MK Equity | 2.19 | 0.29 | 10.22 |
| BINH DUONG MINERALS & CONSTR | KSB VN Equity | 3.95 | 1.17 | 4.24 |
| HANJIN HEAVY IND & CONS HLDS | 003480 KS Equity | 18.61 | 0.26 | 11.47 |
| NAMKWANG ENGINEERING & CONST | 001260 KS Equity | 13.02 | 2.08 | 9.17 |
| HEERIM ARCHITECTS & PLANNERS | 037440 KS Equity | 13.55 | 1.09 | 10.56 |
| THAI POLYCONS PCL | TPOLY TB Equity | 12.18 | 1.03 | 7.96 |
| Sector average | | 8.05 | 1.02 | 6.71 |

Source: Bloomberg

Valuation results:

| Method | Result | Weight |
|----------------|---------------|--------|
| - FCFE | 20.450 | 25% |
| - P/E | 23.100 | 25% |
| - P/B | 20.200 | 25% |
| - EV/EBIDA | 24.700 | 25% |
| Average | 22.100 | |

RECOMMENDATION

The PSI recommendation system is based on the difference between the valuation result and the market price at the valuation time, which is valid for 6 months from the date of issuance. There are 3 levels of recommendation, corresponding to each difference. Recommendations may be changed after each update or re-evaluation to suit the situation and performance of the business.

- BUY: When the market price is 15% lower than valuation price
- HOLD: when the market price is in the range of +/- 15% of valuation price
- SELL: When the market price is 15% higher than the valuation price

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