

PetroVietnam Ca Mau Fertiliser JSC (HOSE: DCM)

- DCM's net profit reached VND 346 billion (+51.3% yoy) in 1Q24, as urea export volume increased and the Ca Mau Urea Plant completed its depreciation.
- We expect DCM net profit to grow 55.6%/21.5% yoy in 2024-25, mainly driven by (1) the Ca Mau Urea Plant's completion of depreciation and (2) the anticipated implementation of the new VAT law in 2025 which may reduce DCM's costs through the refund of input VAT.
- We recommend ADD for DCM with a target price of **44,000 VND/share** (potential upside of 14.0%, dividend yield of 5.2%).

ADD
Target price VND 44,000
Upside 14.0%

DCM's net profit soared 51.3% yoy in 1Q24

In 1Q24, DCM's revenue slightly increased by 0.3% yoy. Urea revenue rose by 9.9% yoy, thanks to a 34% growth in urea consumption and a 43% surge in urea export volume. Total gross profit margin in 1Q24 improved by 5.1% pts yoy, in which the gross profit margin of urea segment increased by 2.6% pts yoy. This improvement was due to the Ca Mau Urea Plant being fully depreciated since 4Q23, which helped offset the higher input gas costs. Net profit in 1Q24 reached VND 346 bn, marking a 51.3% yoy increase but a 29.8% qoq decrease due to seasonal factors.

In 2024, net profit is expected to rise 56.2% yoy with multiple growth drivers

During the 2024-2025 period, we expect several drivers to drive DCM's net profit growth: (1) The end of depreciation for Ca Mau Urea Plant is anticipated to offset rising gas prices, thus supporting an increase in the gross profit margin; (2) Cost reduction thanks to the VAT refund as the VAT Law is expected to be implemented from January 1, 2025, which will also help improve the profit margin; (3) The acquisition of KVF will increase NPK production capacity by 120%, providing long-term growth potential by better market share expansion in the Southeast and Central Highlands regions. DCM's gross profit margin is expected to rise by approximately 4.1% pts yoy in 2024, primarily thanks to the plant's end of depreciation, and continue to rise by 2.6% pts yoy in 2025 due to the application of a 5% VAT on fertiliser products. We expect the company to achieve net profit growth of 56.2% yoy in 2024 and 21.3% yoy in 2025.

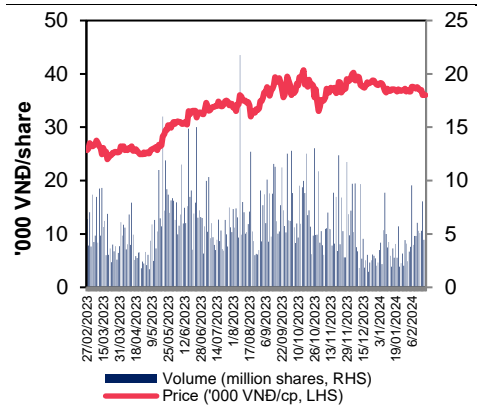
Recommend ADD with a target price of 44,000 VND/share

Based on an equal weighting of FCFF and P/E valuation methods, our target price for DCM is 44,000 VND per share. We believe that DCM, as a leading company in the domestic fertiliser industry, will have a competitive advantage against imported fertilisers when the new VAT law is implemented. Additionally, the long-term growth prospects are bolstered by the increased production capacity of NPK fertilisers. Potential downside risks include: (1) Higher-than-expected oil prices leading to increased input gas costs, and (2) A higher-than-expected global supply of fertilisers.

Financial Indicators	31/12/22	31/12/23	31/12/24F	31/12/25F
Net revenue	15,925	12,571	14,256	14,654
Net profit after tax & minority interest	4,316	1,109	1,732	2,100
Net revenue growth	61.3%	-21.1%	13.4%	2.8%
Net profit growth	136.7%	-74.3%	56.2%	21.3%
Gross profit margin	35.8%	16.2%	20.2%	22.8%
EBITDA margin	37.7%	18.7%	16.6%	19.8%
ROAE	47.9%	10.8%	16.9%	18.9%
ROAA	34.2%	7.5%	11.1%	12.9%
EPS (VND/share)	8,153	2,095	3,271	3,967
BVPS (VND/share)	19,978	18,768	20,043	22,015

Sources: DCM, MBS Research's projection

Information



Sources: FiinPro, MBS Research

Current price (VND)	38,600
High 52w (VND)	39,100
Low 52w (VND)	22,709
Market cap (VND bn)	20,435
P/E (TTM)	17.1
P/B	2.0
Dividend yield (%)	5.2%
Foreign ownership ratio (%)	8.9%

Sources: <https://s24.mbs.com.vn/>

Ownership structure

Vietnam Oil and Gas Group (PVN)	75.56%
Others	24.44%

Sources: <https://s24.mbs.com.vn/>

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PetroVietnam Ca Mau Fertiliser JSC (HOSE: DCM)

Investment thesis & Valuation

Investment thesis

- The acquisition of KVF will increase DCM's total NPK production capacity from 300,000 to 660,000 tons per year, providing the company with long-term growth momentum in the NPK sector.
- We expect an increase of 8.5% pts in the gross profit margin of DCM's urea segment in 2024 as (1) The Ca Mau Urea Plant has been fully depreciated since 4Q23, and (2) Urea average selling price is expected to remain at a high base.
- Fertiliser products are expected to be subject to a 5% output VAT as of January 1, 2025, which helps fertiliser companies reclaim input VAT, reduce costs and thus improve the gross profit margin. In 2025, DCM's gross profit margin is forecasted to increase by 2.6% pts yoy.
- The net profit growth in 2024 and 2025 is expected to reach 56.2% and 21.3% yoy, respectively.

Valuation

We issue an ADD recommendation for DCM with a target price of VND 44,000, based on an equal weighting of FCFF and target P/E, which means the potential upside for DCM is 14.0% compared to the closing price on June 4, 2024.

For the P/E method, we reference the 1Q20 – 2Q21 period (11.5x), when urea price showed an upward trend, to estimate DCM's P/E ratio for the 2024-2025 period as we expect a slight increase in urea price. Although the forecasted growth of urea prices in 2024-2025 are lower than the reference period (from 2.0% to 3.0%), we anticipate that the profit growth potential from VAT refund claiming will enhance the stock's attractiveness. Considering an estimated dividend yield of 5.2%, the potential return for DCM stock stands at 19.2%, which drives our ADD recommendation.

Table 1: Valuation method summary

Method	Weight	Price (VND/share)
Forward P/E (Target P/E in 2024-2025= 11.5x)	50%	41,600
FCFF	50%	46,400
Target price		44,000
Current price (Closing price at 04/6/2024)		38,600
Upside potential		14.0%
Dividend yield		5.2%
Potential		19.2%

Source: MBS Research

Figure 2: DCM's P/E valuation in the period 2018-2024 (In correlation with China urea price)



Source: FiinProX, MBS Research

Figure 3: Projected FCFF

	2024F	2025F	2026F	2027F	2028F
Profit after tax	1,734	2,103	1,981	2,075	2,006
Non-cash charges	403	473	419	425	371
After tax interest expense	18	17	16	17	17
Working capital investment	(201)	(462)	(260)	(273)	(610)
Fixed asset investment	(701)	(41)	(151)	(155)	(160)
FCFF	1,252	2,090	2,006	2,088	1,624

Figure 4: FCFF valuation

(+) PV of FCFF for the period 2024-2028	VNDbn	6,457
(+) PV of terminal value	VNDbn	8,431
(+) Cash & equivalents	VNDbn	10,526
(-) Debt	VNDbn	814
(-) Minority interests	VNDbn	28
Enterprise value	VNDbn	24,572
Number of shares outstanding	Million shares	529
Share price	VND/share	46,410

Cost of Equity			WACC and Long-term growth	
Risk free rate	3.0%		Cost of debt	1.2%
Beta	1.2		Tax rate	20.0%
Equity risk premium	9.0%		WACC	12.0%
Cost of equity	13.8%		Long term growth	1.0%

Downside Risk

- Higher-than-expected increases in oil prices have led to a stronger-than-forecasted rise in input gas prices.

- Major fertiliser-exporting countries may lift their export restrictions, indirectly narrowing the supply-demand gap in the fertiliser market and causing a decline in global and domestic fertiliser prices.

Figure 5: Peer companies comparison

Công ty	Ticker Bloomberg	Current price	Target price	RCM	MV of equity million US\$	P/E (times)		P/B (times)		ROA%		ROE (%)	
						2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F
PetroVietnam Fertilizer and Chemicals Co. Ltd	DPM VN Equity	38,600 VNĐ	n/a	n/a	594	20.1	17.8	1.3	1.3	5.7	8.1	5.4	8.3
Yonfer Agricultural Technology Co Ltd	000902 CH Equity	12.38 CNY	n/a	n/a	2,145	10.9	9.3	1.5	1.3	8.0	8.4	13.7	14.4
Chambal Fertilisers and Chemicals Ltd	CHMB IN Equity	367.00 INR	n/a	n/a	1,697	10.6	9.1	1.7	1.7	10.7	14.9	17.1	19.7
Average						13.9	12.0	1.5	1.4	8.1	10.5	12.1	14.1
PetroVietnam Ca Mau Fertilizer Co. Ltd	DCM VN Equity	38,600 VNĐ	44,000 VNĐ	ADD	804	12.0	12.9	2.0	2.0	13.1	13.5	12.8	16.1

Sources: Bloomberg, MBS Research

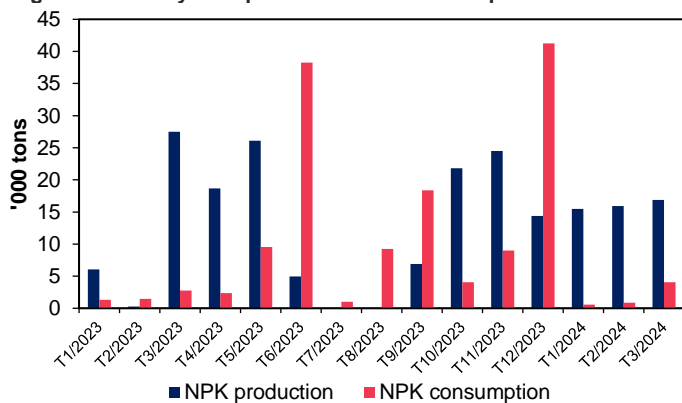
Positive growth in 1Q24 profit

Figure 6: Q1/2024 and 2023 business results (Units: billion VND)

	Q1/2024	Growth yoy	Growth qoq	2023	Growth yoy	Comments
Urea consumption ('000 tons)	262	17.3%	34.2%	866	2.6%	Export is the main driver for increasing production volume while domestic consumption demand remains stagnant.
<i>Domestic</i>	130	-0.8%	1.2%	559	<i>n/a</i>	
<i>Export</i>	131	43.2%	98.4%	307	<i>n/a</i>	Join the Australia and New Zealand market
NPK consumption ('000 tons)	5.5	-0.5%	-89.9%	139	65.7%	Stable performance over the same period, decreased qoq due to seasonal factors.
Revenue	2,744	0.3%	-22.4%	12,571	-21.1%	
<i>Urea products</i>	2,516	9.9%	26.7%	8,311	-33.0%	Domestic urea prices slightly increased by 0.8% yoy due to supply-demand imbalances. Urea consumption volume in Q1/24 increased by 17% yoy and 34% qoq, in which the proportion of urea exported reached 50.2%, marking a 9.1% pts increase yoy and a 16.2% pts increase qoq.
<i>NPK products</i>	65	-6.0%	-89.6%	1,676	33.7%	NPK consumption volume experienced a sharp 90% decrease compared to the previous quarter due to seasonal factors; however, it remained equivalent to the same period last year.
<i>Fertiliser products</i>	137	-66.4%	-78.5%	2,167	9.9%	
<i>Others</i>	168	163.2%	-37.6%	795	5.8%	
<i>Trade discount</i>	(141)	48.4%	-749.9%	(379)	-16.8%	
Gross profit	710	24.8%	-22.5%	2,032	-64.4%	
Gross profit margin	25.9%	5.1% pts	0% pts	16.2%	-19.7% pts	
<i>Urea products</i>	30.3%	2.6% pts	-5.9% pts	22.6%	-23.7% pts	The urea plant has been fully depreciated since 4Q23, but input gas price in 1Q24 was higher than expected, resulting in a slight increase of only 2.6% pts yoy in the gross profit margin. Additionally, it decreased by 5.9% pts qoq due to higher MFO and Brent oil prices, leading to higher input gas prices.
<i>NPK products</i>	27.7%	24.3% pts	14.4% pts	12.9%	8% pts	COGS for NPK products decreased significantly by 29.6% yoy, while revenue only decreased slightly by 6.0%.
<i>Fertiliser products</i>	18.7%	16.1% pts	16.9% pts	6.6%	1.7% pts	
<i>Others</i>	27.2%	6.5% pts	-2.8% pts	21.0%	-12.5% pts	
SG&A expenses	452	7.3%	6.2%	1,349	-0.1%	
% SG&A expenses/Revenue	16.5%	1.1% pts	4.4% pts	10.7%	2.2% pts	
Net financial profit	118	7.2%	22.4%	550	128.5%	
Profit before tax	383	46.4%	-28.8%	1,255	-72.7%	
Profit after tax	350	52.2%	-28.9%	1,110	-74.3%	
Net profit	346	51.3%	-29.8%	1,109	-74.3%	

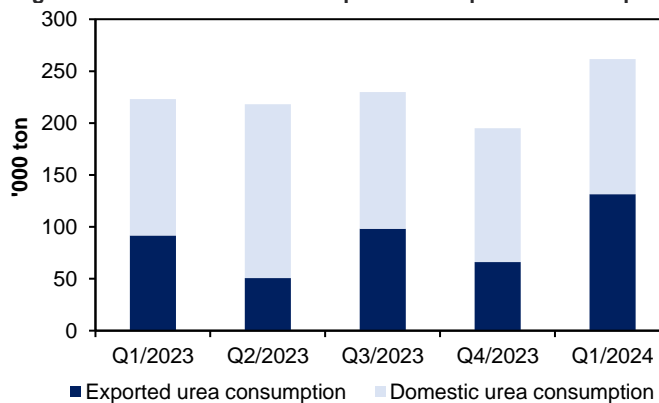
Sources: DCM, MBS Research

Figure 7: Monthly urea production and consumption of DCM



Sources: DCM, MBS Research

Figure 8: Urea domestic consumption and exported consumption



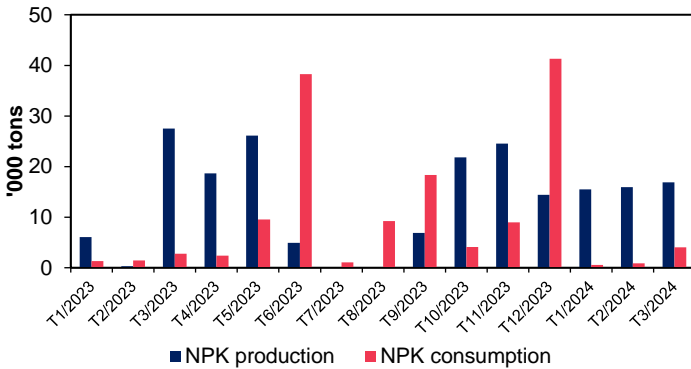
Sources: DCM, MBS Research

2024 – 2025 Outlook: Multiple growth drivers

NPK: Capacity increased by 120% through the acquisition of Korean - Vietnamese Fertiliser Co., Ltd. (KVF)

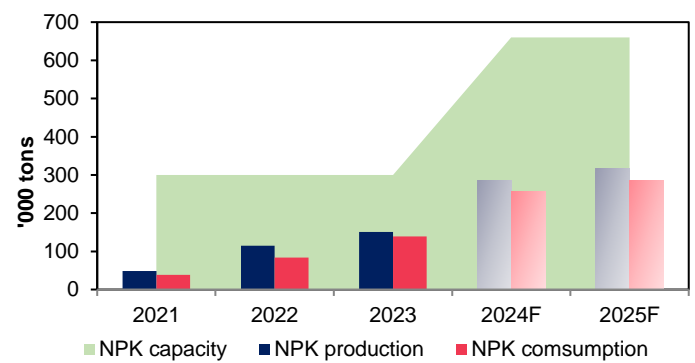
In May 2024, DCM completed the acquisition of a 100% stake in Korean - Vietnamese Fertiliser Co., Ltd. (KVF), which has a designed capacity of 360 thousand tons of NPK per year. Since the Ca Mau NPK Plant operated, DCM's NPK production volume has consistently grown but not yet reached maximum capacity, and the NPK consumption volume has been lower than production volume. With the acquisition of KVF, we believe DCM will enhance its position in the domestic NPK fertiliser market as this might (1) increase total NPK production capacity by 120% to 660 thousand tons per year and (2) improve market share expansion in the Southeast and Central Highlands regions thanks to the advantageous location of the KVF fertiliser plant. Large-scale coffee and rubber plantations make the aforementioned regions prospective markets for DCM's NPK products. We expect DCM's NPK production volume in 2024-2025 to reach 285,000 tons (+88.6% yoy) and 318,000 tons (+11.6% yoy) respectively; NPK consumption volume to reach 257,000 tons (+85.1% yoy) and 286,000 tons (+11.6% yoy) respectively. Besides, domestic NPK price in 2024 is forecasted to slightly increase by 1.2% yoy as demand remains stable while supply from China is limited.

Figure 9: Monthly NPK production and consumption of DCM



Sources: DCM, MBS Research

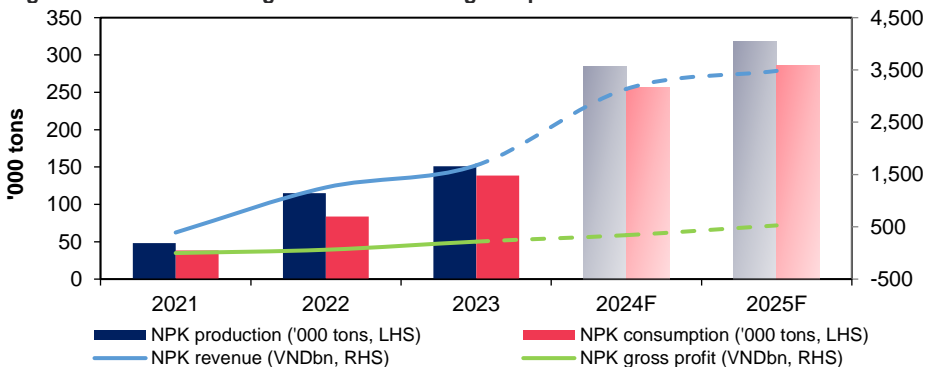
Figure 10: Annual NPK production capacity and output of DCM



Sources: DCM, MBS Research's projection

Accordingly, in our projection, the revenue of DCM's NPK segment will grow by 87.3% yoy in 2024 and 11.0% yoy in 2025. The gross profit margin is expected to reach 10.9% (-2.1% pts yoy) in 2024 and 15.1% (+4.3% pts yoy) in 2025, driven by increased consumption volume and anticipated VAT input tax refunds starting from January 1, 2025.

Figure 11: DCM's NPK segment revenue and gross profit



Sources: DCM, MBS Research's projection

Urea: Gross profit margin is expected to improve as the impact of rising input gas price will be offset by the plant's completion of depreciation

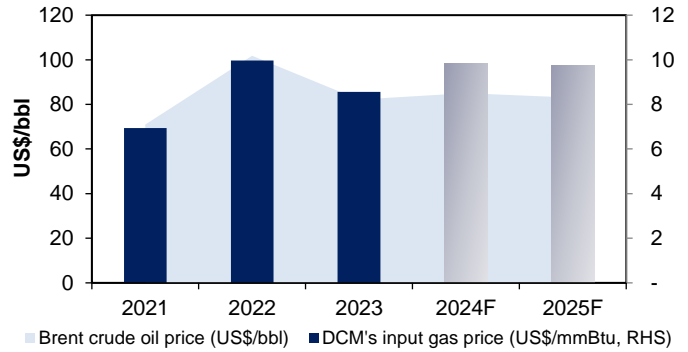
As high Brent crude oil and MFO prices are likely to remain, DCM's input gas prices might increase significantly since 2024 due to the implementation of new gas pricing mechanism and the company's gross profit margin may be negatively affected. Based on the scenario that average Brent oil prices in 2024 and 2025 are 85 US\$/bbl and 83 US\$/bbl, respectively, we estimate DCM's input gas prices to be 9.82 US\$/mmBtu and 9.75 US\$/mmBtu, respectively.

Figure 12: DCM's input gas pricing mechanism

Mechanism	Before Jan 1, 2023	After Jan 1, 2023
Segment 1	90% of the gas consumption is supplemented from PVN's entitlement in the PM3 - CAA - Cai Nuoc block.	Allocation of gas volume from PVN's entitlement based on monthly actual proportions (among the plants in Ca Mau Gas - Power - Fertiliser Complex); Input price = 46% MFO
Segment 2	10% of the gas consumption is supplemented through purchases from Petronas.	Supplemented through additional purchases from Petronas; Input price = 12.7% * Brent oil price

Sources: DCM, MBS Research

Figure 13: DCM's forecasted input gas pricing

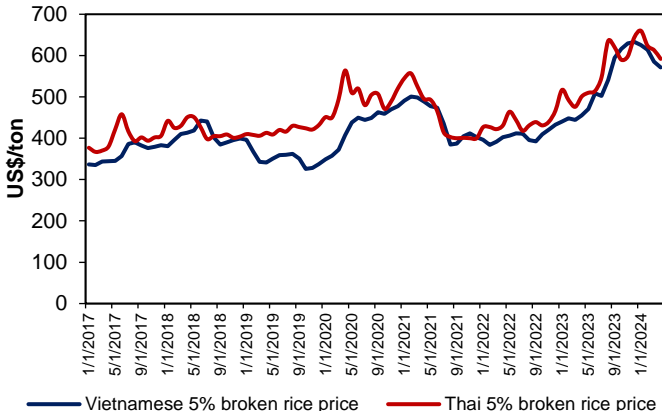


Sources: DCM, MBS Research's projection

However, the pressure from input gas costs on gross profit margin will be eased by (1) remaining high selling prices for urea and NPK fertilisers and (2) the full depreciation of the Ca Mau Urea Plant (approximately 900 billion VND per year).

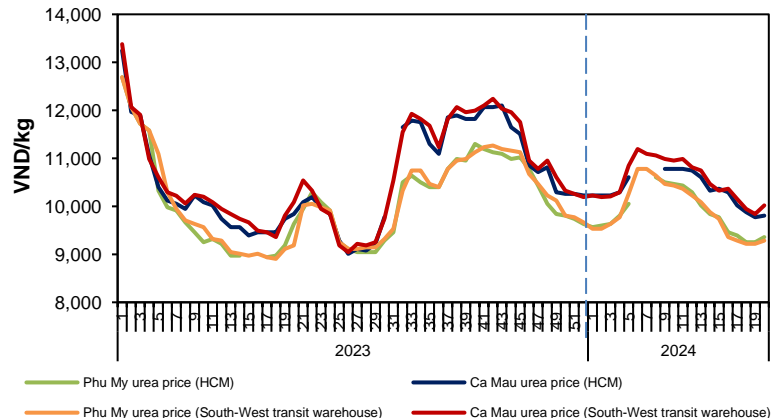
Firstly, regarding the selling price of urea fertiliser: The global fertiliser supply in 2024 will continue to tighten as Russia and China restrict urea exports to stabilize their domestic markets, while some Middle Eastern countries cut natural gas supply for urea production. Besides, the International Fertiliser Association (IFA) expects a slight increase in global fertiliser demand of 1.4% yoy, which will be another driving force in maintaining DCM's selling prices, given the company's increasing portion of urea export revenue. Although Vietnamese domestic rice price and important rice export market prices have decreased ytd, they still maintained a higher base compared to the same period. Thus, we expect DCM's domestic urea price to rise by 2.4% yoy in 2024 and urea export prices to rise by 3.0% yoy in 2024, and then slightly decrease by 2.0% yoy in 2025 as global fertiliser supply eases and oil prices decline, leading to lower input gas prices.

Figure 14: For 1Q24, Vietnamese 5% broken rice price increases by 36.7% yoy, Thai 5% broken rice price increases by 27.7% yoy



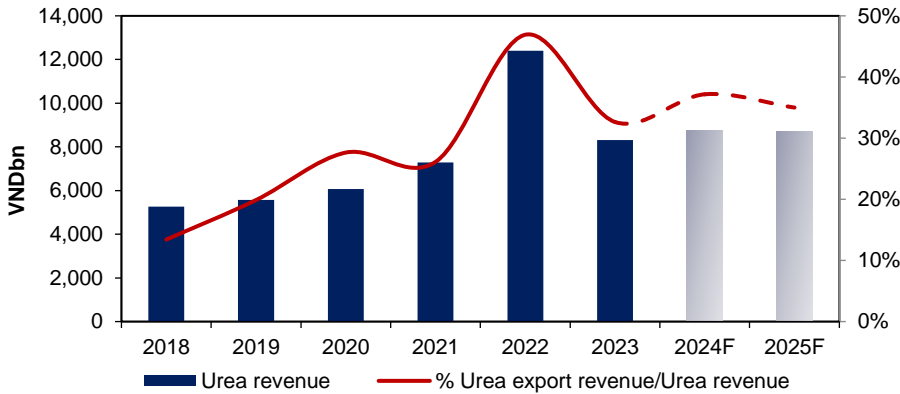
Sources: Bloomberg, MBS Research

Figure 15: Domestic urea selling prices have shown signs of increasing since early May as the Summer-Autumn crop season approaches



Sources: Agromonitor, MBS Research

Figure 16: DCM's urea revenue and the proportion of urea export

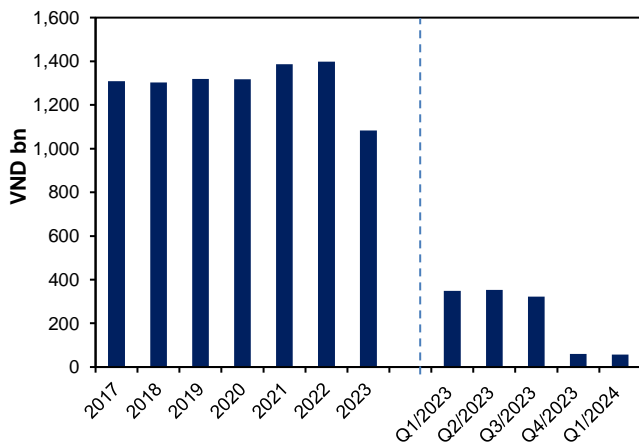


Sources: DCM, MBS Research

Secondly, regarding the full depreciation of the Ca Mau Urea Plant: The Ca Mau Urea Plant has fully completed its depreciation since 4Q23, and DCM's total depreciation expenses for 2024 are expected to lower by 62.8% compared to the depreciation expenses in 2023 (our projection has already included the estimated depreciation for the new KVF's NPK plant).

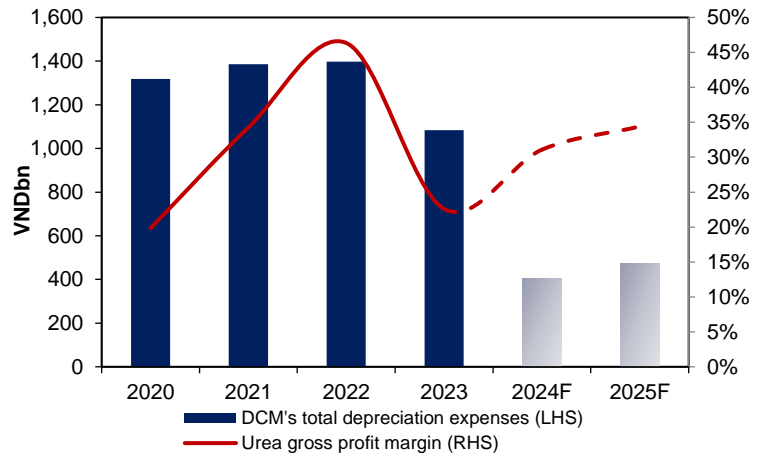
We expect DCM's urea consumption volume to rise by 3.1% yoy and 0.8% yoy in 2024-2025, mainly driven by expanding export markets. Combined with the forecasted urea selling prices mentioned earlier, we project DCM's urea segment revenue in 2024-2025 to increase by 5.2% yoy and decrease by 0.3% yoy, respectively. Additionally, contrasting effects of rising input gas prices and decreasing depreciation expenses are expected to result in DCM's gross profit margin for the urea segment in 2024 to be 31.1% (+8.5% pts yoy).

Figure 17: DCM's depreciation expenses



Sources: DCM, MBS Research

Figure 18: DCM's total forecasted depreciation expenses and urea segment's gross profit margin



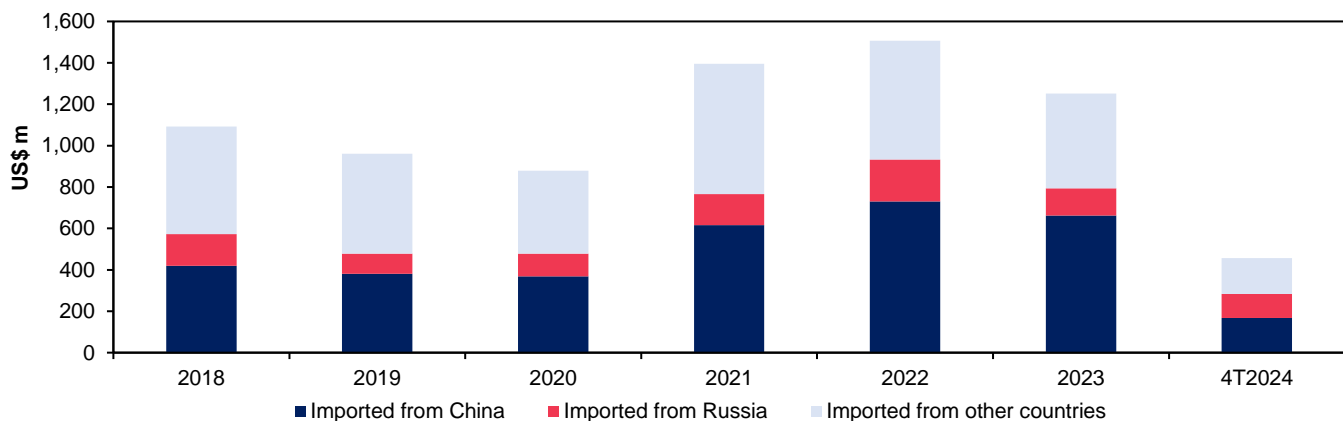
Sources: DCM, MBS Research's projection

5% VAT subsection for fertiliser companies will help lower DCM's cost through input VAT refunding

In June 2024, the draft Value Added Tax (VAT) Law will be discussed at the 7th session of the 15th National Assembly. In this draft, fertiliser products are proposed to be subject to a 5% VAT rate (instead of being exempt from tax as they are currently). This could potentially benefit DCM by (1) allowing the reclaiming of input value-added tax instead of it being allocated to COGS and SG&A expenses and (2) enhancing competitiveness against imported fertiliser products.

- Firstly, regarding the reclaiming of value-added tax: The amount of value-added tax (VAT) that a company must pay is calculated using the following formula: **VAT payable = Output VAT - Input VAT** (Tax deduction method). When fertiliser products are not subject to VAT (Output VAT = 0), the input VAT cannot be deducted and must be allocated to COGS or SG&A expenses, which may negatively affect the company's profit margin. Conversely, when fertiliser products are subject to a 5% VAT rate, input VAT will be reclaimed, resulting in reduced costs compared to previous years. According to our estimates, if the VAT Law is applied to fertiliser products from January 1, 2025, DCM could reclaim approximately 430 billion VND of input VAT annually, thereby supporting an increase in the company's profit margin.
- Secondly, in terms of better competitiveness with imported fertilisers in the domestic market: As mentioned, Vietnamese fertiliser companies are currently not subject to output VAT but still incur input VAT, thus needing to allocate it to production costs. This may cause domestic producers lack of incentive to reduce their selling prices, making it difficult to compete with imported fertiliser products. Meanwhile, both Russia and China, the two largest fertiliser-exporting countries to Vietnam, apply output value-added tax to their fertiliser products, which enables fertiliser companies in these countries to reclaim taxes and potentially reduce selling prices while maintaining a good net profit. We believe that when the new VAT Law is implemented, domestic fertiliser companies like DCM will compete more effectively in terms of pricing with imported fertilisers based on supply and demand, while also leveraging cost advantages in transportation to increase market share in the domestic market.

Figure 19: Russia and China are the two largest contributors in fertiliser imported value to the Vietnam market



Sources: General Statistic Office of Vietnam, MBS Research

FY2024-2025 earnings forecast

Figure 20: DCM's earnings forecast in 2024-2025

	Units	2023	2024F	Growth yoy	2025F	Growth yoy	Comments
Urea consumption	'000 ton	866	893	3.1%	900	0.8%	
NPK consumption	'000 tons	139	257	85.1%	286	11.6%	The acquisition of KVF is expected to (1) increase NPK production capacity and (2) facilitate better market expansion in the Southeast and Central Highlands regions.
Estimated gas input price	USD/mmBtu	8.55	9.82	14.8%	9.75	-0.7%	
Revenue	VND bn	12,571	14,256	13.4%	14,654	2.8%	
Ure	VND bn	8,311	8,743	5.2%	8,717	-0.3%	
NPK	VND bn	1,676	3,138	87.3%	3,482	11.0%	We expect a significant increase in production volume and a slight increase in price due to strong demand, resulting in higher revenue for the NPK segment.
Others	VND bn	2,584	2,375	-8.1%	2,455	3.4%	
Gross profit	VND bn	2,032	2,886	42%	3,348	16.0%	
Ure	VND bn	1,878	2,717	45%	2,998	10.3%	Ca Mau Urea Plant has completed its depreciation since 4Q23, which partially offset the negative effect of rising gas prices on gross profit.
NPK	VND bn	217	341	57%	527	54.7%	
Others	VND bn	(63)	(172)	n/a	(177)	n/a	
Gross profit margin	%	16.2%	20.2%	4.1% pts	22.8%	2.6% pts	In 2024, Ca Mau Urea Plant has completed its depreciation. In 2025, the implementation of new VAT law on fertiliser products is expected to lead to the refunding of input VAT, which will no longer be included in operating costs.
SG&A expenses	VND bn	1,349	1,468	8.8%	1,517	3.3%	
SG&A expenses/Revenue	%	10.7%	10.3%	-0.4% pts	10.4%	0.05% pts	
Net financial profit	VND bn	550	528	-4.0%	568	7.6%	
Profit before tax	VND bn	1,255	1,948	55.2%	2,403	23.4%	
Profit after tax	VND bn	1,110	1,734	56.2%	2,103	21.3%	After 2024, Ca Mau Urea Plant will no longer have their tax for income from core business activities reduced by 50%.
Net profit after tax & minority interest (NPATMI)	VND bn	1,109	1,732	56.2%	2,100	21.3%	
EPS	VND/share	2,095	3,271	56.2%	3,967	21.3%	

Sources: MBS Research's projection

Financial Statements

Income Statement	31/12/22	31/12/23	31/12/24	31/12/25	Cash Flow Statement	31/12/22	31/12/23	31/12/24	31/12/25
Net revenue	15,925	12,571	14,256	14,654	Profit before tax	4,596	1,255	1,948	2,403
Cost of goods sold	(10,221)	(10,539)	(11,370)	(11,306)	Depreciation and amortization	1,398	1,083	403	473
Gross profit	5,703	2,032	2,886	3,348	Taxes paid	(295)	(154)	(214)	(300)
Administrative expenses	(653)	(549)	(613)	(637)	Other adjustments	896	(656)	802	824
Selling expenses	(698)	(801)	(855)	(879)	Changes in working capital	(864)	784	(201)	(462)
Profit from operation	4,353	683	1,417	1,831	Cash flow from operations	5,732	2,313	2,738	2,939
Net EBITDA	5,751	1,766	1,821	2,305	Investment in PPE	(147)	(544)	(704)	(41)
Pre-tax & interest income	4,353	683	1,417	1,831	Proceeds from sales of PPE	3	-	-	-
Interest income	301	577	582	619	Other items	(2,241)	(925)	(1,070)	(1,861)
Financial expenses	(60)	(27)	(54)	(51)	Cash flow from investment	(2,385)	(1,469)	(1,774)	(1,902)
Other net income	3	22	3	4	Share issuance & contributions from shareholders	-	-	-	-
Income from associates & JVs	-	-	-	-	Net cash from borrowings	(683)	836	(35)	(41)
Pre-tax profit	4,596	1,255	1,948	2,403	Other cash flow from financing activities	-	-	-	-
Corporate income tax	(275)	(145)	(214)	(300)	Dividends, profit paid to shareholders	(948)	(1,590)	(1,059)	(1,059)
Net profit after tax	4,321	1,110	1,734	2,103	Cash flow from financing	(1,631)	(754)	(1,094)	(1,099)
Minority interests	(5)	(1)	(2)	(2)	Beginning cash & equivalents	428	2,126	2,284	2,154
Net profit	4,316	1,109	1,732	2,100	Net cash flow over the year	1,716	90	(130)	(63)
Dividend payment	(948)	(1,590)	(1,059)	(1,059)	Ending cash & equivalents	2,126	2,284	2,154	2,091
Retained earnings	3,368	(481)	673	1,042					
Balance Sheet	31/12/22	31/12/23	31/12/24	31/12/25	Financial ratios	31/12/22	31/12/23	31/12/24	31/12/25
Cash and cash equivalents	2,126	2,284	2,154	2,091	Net revenue growth	61%	-21%	13%	3%
Short-term investments	6,812	8,242	8,554	9,525	EBITDA growth	79%	-69%	3%	27%
Accounts receivable	1	199	234	281	Operating profit growth	138%	-84%	108%	29%
Inventory	2,283	2,161	2,303	2,381	Pre-tax profit growth	135%	-73%	55%	23%
Other current assets	403	619	711	764	Net profit growth	137%	-74%	56%	21%
Total current assets	11,624	13,504	13,955	15,043	EPS growth	137%	-74%	56%	21%
Fixed assets	2,160	1,250	1,549	1,117					
Intangible assets	47	350	349	348	Gross profit margin	35.8%	16.2%	20.2%	22.8%
Construction in progress	33	88	91	91	EBITDA margin	37.7%	18.7%	16.6%	19.8%
Investment in subsidiaries	-	-	-	-	Net profit margin	27.1%	8.8%	12.1%	14.3%
Income from associates and joint ventures	-	-	-	-	ROAE	47.9%	10.8%	16.9%	18.9%
Other long-term investments	-	-	-	-	ROAA	34.2%	7.5%	11.1%	12.9%
Other long-term assets	303	45	46	47	ROIC	40.7%	10.3%	15.1%	16.9%
Total long-term assets	2,543	1,733	2,036	1,603					
Total assets	14,167	15,238	15,991	16,646	Asset turnover	126.2%	85.5%	91.3%	89.8%
					Dividend payout ratio	22.0%	143.4%	61.1%	50.4%
Short-term debts	3	846	812	771	Debt to equity	0.0%	8.5%	7.7%	6.6%
Account payables	1,028	1,989	1,893	1,716	Net debt to equity	-20.0%	-14.4%	-12.6%	-11.3%
Other short-term liabilities	1,843	1,682	1,847	1,741	Net debt to total assets	-15.0%	-9.4%	-8.4%	-7.9%
Total short-term liabilities	2,874	4,517	4,552	4,228	Interest coverage	423.6	67.2	71.0	96.1
Long-term debts	1	3	2	2					
Other long-term liabilities	686	754	798	733	Days of sales outstanding	0	6	6	7
Total long-term liabilities	687	757	800	735	Days of inventory	82	75	74	77
Total liabilities	3,561	5,275	5,352	4,962	Days of payables outstanding	37	69	61	55
Share capital	5,294	5,294	5,294	5,294	Liquidity ratio	4.0	3.0	3.1	3.6
Additional paid-in capital	-	-	-	-	Quick ratio	3.2	2.5	2.6	3.0
Treasury stock	-	-	-	-	Cash ratio	3.1	2.3	2.4	2.7
Retained earnings	3,018	2,045	2,331	2,927					
Reserve funds	2,260	2,593	2,982	3,430	Valuation				
Effects of changes in foreign exchange rates	-	-	-	-	EPS (VND/share)	8,153	2,095	3,271	3,967
Shareholders' equity	10,576	9,936	10,611	11,655	BVPS (VND/share)	19,978	18,768	20,043	22,015
Minority interests	29	28	28	28	P/E (x)	4.8	18.6	11.9	9.8
Total shareholders' equity	10,605	9,963	10,639	11,683	P/B (x)	1.9	2.1	1.9	1.8
Total shareholders' equity	14,167	15,238	15,991	16,646					

Sources: DCM's financial statements, MBS Research's projection

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ADD	The stock can generate a profitability of 15% or more
HOLD	The stock can generate a profitability of between -15% and 15%
REDUCE	The stock can generate a loss of 15% or more

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POSITIVE	Industry stocks have Add recommendations on a weighted market capitalization basis
NEUTRAL	Industry stocks have Hold recommendations on a weighted market capitalization basis
NEGATIVE	Industry stocks have Reduce recommendations on a weighted market capitalization basis

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