

Dabaco Group JSC (HOSE: DBC)

Pig farming remains in the spotlight

- In 3Q24, net profit reached VND312bn, jumping 24x yoy. In 9M24, net profit achieved VND530bn, finishing 102% our previous forecast
- Net profit in 2024F may jump 27x yoy, reaching VND697bn thanks to an estimated 15% yoy increase in swine price and a 10% yoy reduction in animal feed expenses. Net profit in 2025F-26F may increase with CAGR of 8%, driven by a 2% yoy increase in the selling price and a 2% yoy increase in volume.
- Reiterate **ADD** with the target price of 33,000 VND/cp

3Q24 results: Pig farming helped net profit reach VND312bn

In 3Q24, revenue achieved VND3,525bn (+30% yoy) mainly driven by the positive performance of pig farming segment. The GPM was 17.4% - the new record since 2Q23. The scale of SG&A expense/total revenue got 6.4%, down 0.8pts%. Overall, net profit reached VND312bn, jumping 24x yoy. In 9M2024, revenue and net profit significantly improved from the low base, achieved VND9,962bn/VND530bn. This result finished 102% our previous forecast, exceeding our expectations due to lower-than-projected livestock production costs.

The pig farming segment will continue to be the growth driver in 2024-26F

In 4Q24, the support of peak season may help the swine price remain with a base about 63,000 VND/kg (+25% yoy). The higher swine price with the lower livestock production cost will contribute to get the favorable results for DBC in 2024. Besides, the significantly improve of the repopulation helping the animal feeds segment improve. As a result, in 2024, the net profit of DBC may achieve VND697bn (+27 times yoy). In 2025-26F, due to (1) the ongoing ASF outbreak with no effective control measures and (2) the potential for better control of illegal pork supplied, the domestic pig supply unlikely to be oversupplied, helping the swine price may remain in the high base (about 60,000 VND/kg). Based on the high-profit base in 2024F, we estimate a compound annual growth rate (CAGR) of 8% for net profit in 2025-26F, driven by a 2% average annual increase in swine prices and a 2% average annual increase in production volume.

Recommend **ADD** with a target price of 33,000 VND/share

Our new TP is 10% higher than the previous one due to upward adjustments in EPS growth forecasts for 2024/25/26 by 34%/18%/18% based on the animal feeds cost reducing more than our old expectation. We believe recent price decrease due to the decrease in swine prices, as the supply of infected pigs is abundant in the short-term. At present, it is unlikely that swine prices will fall below 62,000 VND/kg as (1) the supply of infected pigs has slowed down, and (2) peak season consumption demand is increasing. Therefore, DBC is a suitable choice given its attractive valuation.

Financial indicators	Dec-23	Dec-24	Dec-25	Dec-26
Net revenue	11,110	13,444	14,535	15,310
Net profit	25	697	742	811
Net revenue (yoy)	-3.9%	21.0%	8.1%	5.3%
Net profit (yoy)	381.4%	2,688.0%	6.4%	9.4%
Gross margin	10.0%	14.6%	14.2%	14.3%
EBITDA margin	8.2%	11.6%	11.0%	11.1%
ROAE	0.5%	12.7%	11.3%	11.3%
ROAA	0.2%	5.2%	5.2%	5.5%
EPS (VND/share)	103	2,086	2,219	2,427
BVPS (VND/share)	19,282	18,824	20,543	22,470

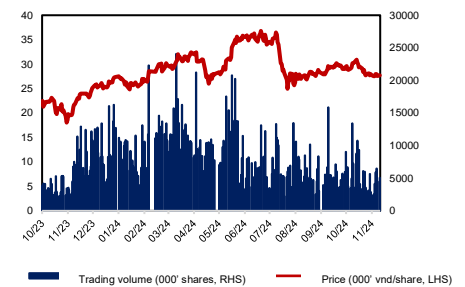
Target price **VND33,000**

Upside 19%

Major changes:

Revises up 2024F/25F/26F EPS by 34%/18%/18%

Information



Source: Fiinpro, MBS Research

Market price (VND)	27,700
High 52w (VND)	31,600
Low 52w (VND)	19,701
Market cap (VNDbn)	9,237
P/E (TTM)	13.4
P/B	1.4
Dividend yield (%)	0
Foreign ownership ratio (%)	8.0

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

Ownership structure

Nguyễn Như So	23.3
PYN Elite Fund	7.4
Others	69.3

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

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Dabaco Group JSC

Investment Thesis and Recommendation

Investment Thesis

- In the rising trend of swine prices, the advantage of DBC is (1) the professional of 3F closed chain, (2) the early of the pig reproduction rate in 1Q24 will help DBC manage the supply in the market. For 4Q24, we expect swine price to stabilize at around 64,000 VND/kg, which would bring the average swine price to 62,000 VND/kg (+15% yoy). Additionally, an estimated 10% YoY decrease in production costs will likely support favorable profitability for the livestock segment in 2024-26F
- (1) The raw material prices for animal feed production are expected to remain in a low base in 2024-25F thanks to sufficient global supply, (2) the pig breeding rate is expected to increase when the swine price remains in the high base, creating great conditions for the animal feed segment.
- We project net profit for 2024F to reach VND697bn, jumping 27x yoy. Stability in swine price and input costs for animal feed is expected to enable a CAGR of 8% in net profit for 2025-26F.

Valuation

Based on an equal weight of DCF (WACC: 10.5%) and EV/EBITDA (7x), our DBC target price is 33,000 VND/share (upside +19%). Our new TP increase 10% from the previous report due to highward adjustments in EPS growth forecasts for 2024/25/26 by 34%/18%/18% based on the animal feeds cost reduced more than our old expectation. In 2024-25F, the production cost may decrease 10% yoy thanks to the favorable conditions of input material import price. In 9M2024, the GPM saw strong recovery, driving net profit up 28x yoy to VND530bn. For the EV/EBITDA method, we reference the 2Q18-2Q19 period (7.0x) for the EV/EBITDA ratio in the period of 2024-25F because of the similar period.

Figure 1: The average of the swine price and EV/EBITDA.

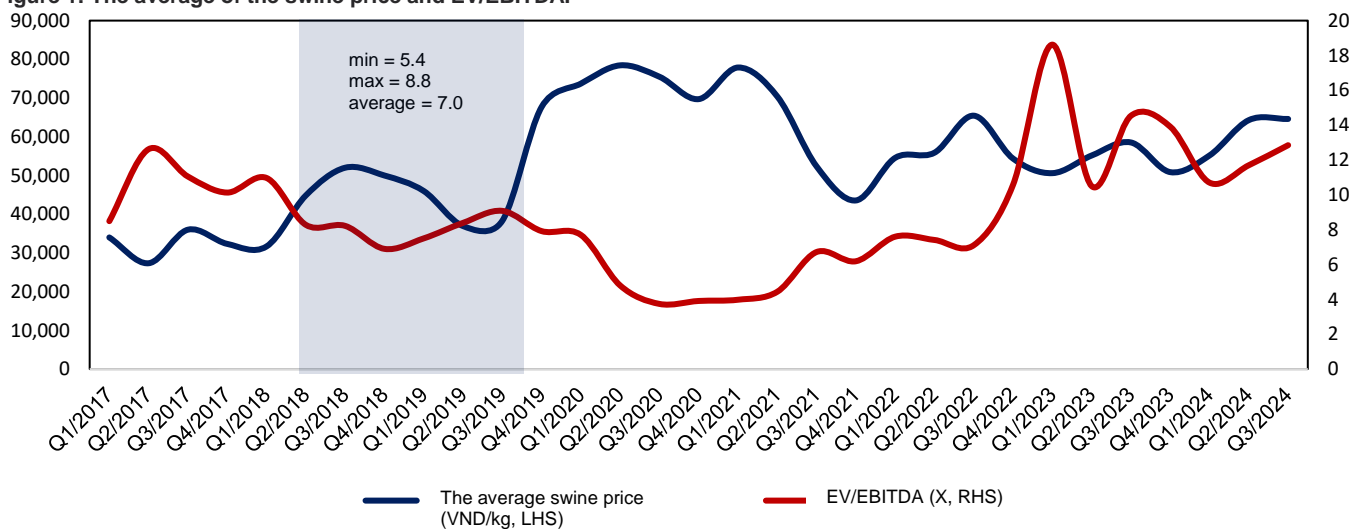


Figure 2: Valuation method summary

Method	Weight	Price (VND/share)
EV/EBITDA (EV/EBITDA 2024-25F = 7.0x)	50%	32,439
FCFF	50%	33,564
Target price		33,001
Current price (12/11/2024)		27,700
Upside		19%

Source: MBS Research

Figure 3: Projected DCF

	2024F	2025F	2026F	2027F	///	2033F
(+) Net profit	697	742	811	860		811
(-) Non-cash charges	460	480	500	520		666
(-) After tax interest expense	246	231	223	216		192
(-) CAPEX	327	329	335	345		487
(+) Change of working capital	-948	- 51	-645	97		379
FCFF	-490	1,023	554	1,249		1,499
PV of terminal value						7,253

Figure 4: FCFF valuation

FCFF valuation			WACC and long term growth	
(+) PV of FCFF for the 2024-33e period	VNDbn	8,488	E/V	60%
(+) PV of terminal value	VNDbn	7,253	D/V	40%
Enterprise value	VNDbn	15,741	Cost of equity	13.8%
(+) Cash & equivalents	VNDbn	1,083	Cost of debt	7.0%
(-) Debt	VNDbn	-5,728	Tax rate	20%
Equity value	VNDbn	11,216	WACC	10.5%
Number of shares outstanding	Mn share	334	Long term growth	2.0%
Target price	Vnd/share	33,564		

Source: MBS Research

Source: MBS Research

Figure 5: Peer comparison

Company	Ticker Bloomberg	Current price (VNDbn)	P/E (x)		P/B (x)		ROA%		ROE (%)		D/E (x)	
			TTM	2025	TTM	2025	TTM	2025	TTM	2025	TTM	2025
BAF Viet Nam Agriculture Joint Stock Company	BAF VN	5,366	22.8	n/a	1.9	n/a	2.7	n/a	8.4	n/a	1.5	n/a
Masan MeatLife Corporation	MML VN	8,160	-58.7	n/a	1.9	n/a	-1.1	n/a	-3.0	n/a	1.8	n/a
Hoang Anh Gia Lai Corporation	HAG VN	10,997	5.6	n/a	1.3	n/a	8.4	n/a	24.9	n/a	1.5	n/a
Average			14.2		1.7		5.6		16.6		1.6	
Dabaco Group	DBC VN	9,237	13.4	12.6	1.4	1.4	4.1	5.1	10.3	11.3	1.2	0.8

Source: Fiinpro, MBS Research

The downside risks:

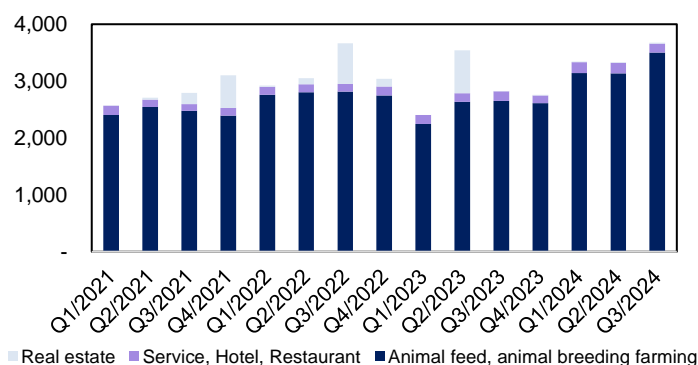
- The large influx of smuggled pork in 2025-26F into the market affects the regular cycle of swine price increases.
- The confidence of investor is affected then the vaccine factory project is not commercialized in 2025F.

The core operations recorded exceptional growth in 3Q24

Figure 6: 3Q24's results (VNDbn)

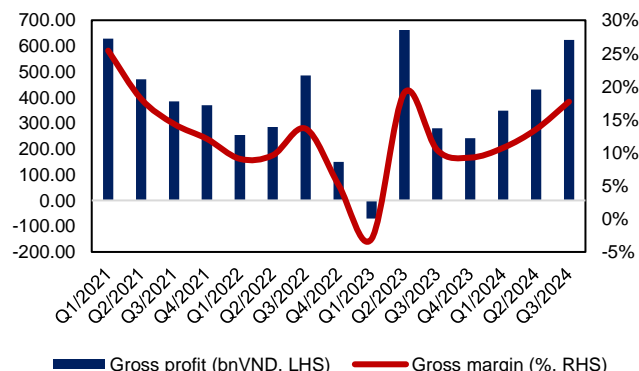
VNDbn	3Q24	yoy	qoq	9M24	yoy	Δ previous report	Comments
Net revenue	3,525	30.1%	10.7%	9,962	17.3%	79.3%	
Animal feed, animal breeding farming	3,502	32.1%	11.7%	9,780	29.8%	87.3%	(1) In 3Q24, the average of swine price up 16% yoy reaching 64,300 VND/kg, (2) Effective control of ASF outbreaks has helped maintain stable production volumes, (3) the volume of animal feed is estimated increasing 10% yoy due to the rising of repopulation.
Service, Hotel, Restaurant	160	-5.8%	-12.8%	536	12.5%	39.3%	
Real estate	17	177.0%	43.8%	37	-95.1%		
Gross profit	624	122.1%	44.9%	1,403	60.8%	78.7%	
Gross margin	17.7%	7.3pts%	4.2pts%	14.1%	3.8pts%	99.3%	The GPM rose 7.3pts% yoy mainly driven by the significant recovery of pigs farming. We forecast (1) the average of swine price increased 16% yoy, (2) The cost of production reduced 10% yoy when the raw materials cost down 16% yoy, (3) the selling price of animal feed was not change.
Sale expense	126	14.4%	13.2%	348	-2.7%	74.8%	
G&A expense	100	16.6%	6.5%	291	16.7%	77.1%	
%SG&A expense/revenue	6.4%	-0.8pts%	0.0pts%	6.4%	-0.7pts%	95.7%	Thanks to strong sales performance and favorable market conditions, selling and administrative expenses grew at a slower pace than revenue growth.
Financial revenue	7	-0.3%	44.4%	19	-24.3%	62.3%	
Financial expense	73	4.9%	-9.1%	204	-3.0%	68.4%	Interest expenses rose by 18% yoy, primarily due to a 13% yoy increase in debt levels.
Profit before tax	331	1310.3%	110.6%	588	608.0%	85.0%	
Tax	-			6			
Net profit	312	2404.6%	114.6%	530	2757.5%	102.4%	9M24, net profit reached VND530bn, jump 27x yoy mainly driven by the significant recovery of pig farming, compared to the loss of VND350bn in 9M23. Net profit finished 102% our previous forecast, exceeding our expectations due to livestock production costs coming in lower than previously projected.

Figure 7: Revenue by segment (billion VND)



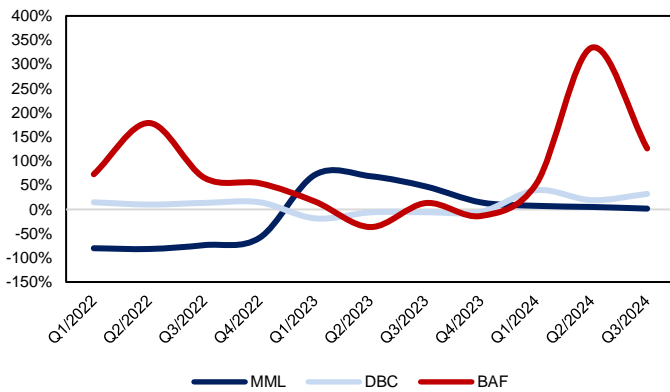
Source: DBC, MBS Research

Figure 8: Net profit and net margin



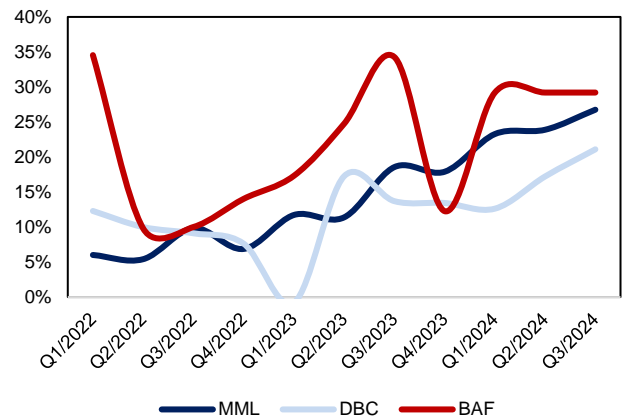
Source: DBC, MBS Research

Figure 9: Revenue from pig breeding farming segment and livestock feed segment of some enterprises (yoy)



Source: MML, DBC, BAF, MBS Research

Figure 10: : Gross margin from pig breeding farming segment and livestock feed segment of some enterprises (%)



Source: MML, DBC, BAF, MBS Research

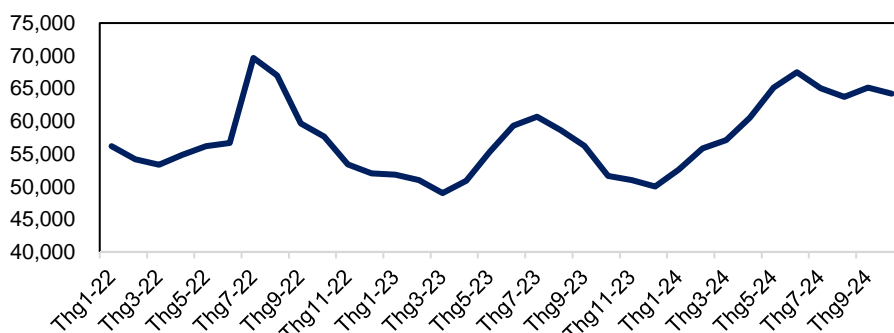
Rising trend of swine prices is the key driver of net profit growth in 2024-26F

Swine price may remain in the high base through 6M2025F, with a slight decrease toward the end of 2025F and stabilization in 2026F as supply gradually normalizes.

The fluctuating pork supply in 2024F has caused notable short-term volatility in swine price.

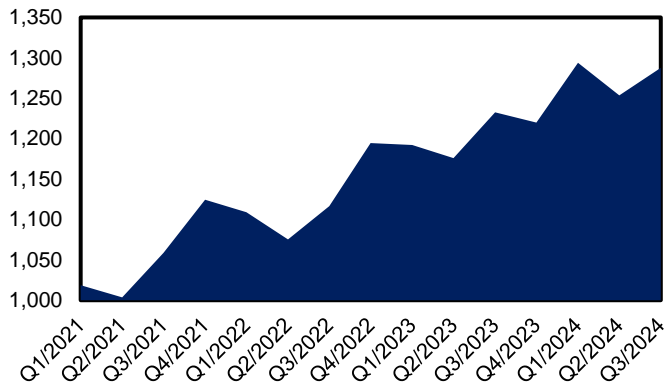
Swine price surged from 12/2023, peaking at 71,000 VND/kg in 06/2024. However, the abnormal supply of pigs in the short-term made the swine price decline in three-month, with prices reaching around 61,000 VND/kg before rebounding during the back-to-school season. Currently, swine price around 63,000 VND/kg after another wave of disease-related herd reductions starting in late 09/2024. The repopulation has significantly increased due to the favourable condition of hogs market, driving slaughter pig output reaching approximately 3,850 mn tons (+7% yoy) in 9M2024. Small-scale farms (>32% of the market), contributed to a resurgence of disease outbreaks due to intense restocking efforts. By 9M2024, ASF led to over 930 outbreaks and forced the culling of over 67,000 pigs.

Figure 11: Swine price has experienced several sharp corrections in the short term due to an abundant supply of pigs affected by disease.



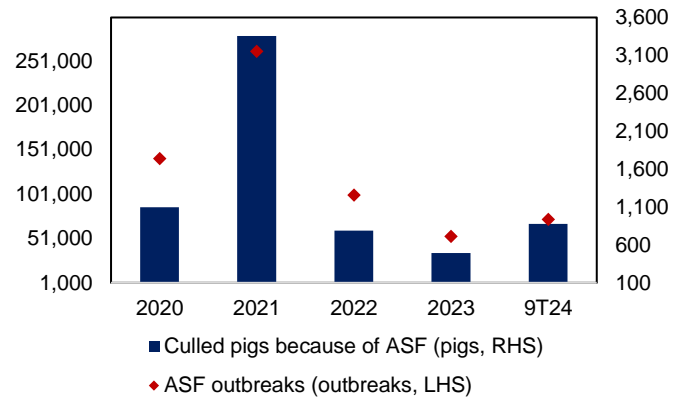
Source: MBS Research

Figure 12: The output of live pig has increased following a period of active herd repopulation by farmers.



Source: GSO, MBS Research

Figure 13: In 9M2024, the number of ASF outbreaks rose by 1.3 times, and the number of pigs that died or had to be culled due to ASF increased by 1.9 times compared to the entire year of 2023.

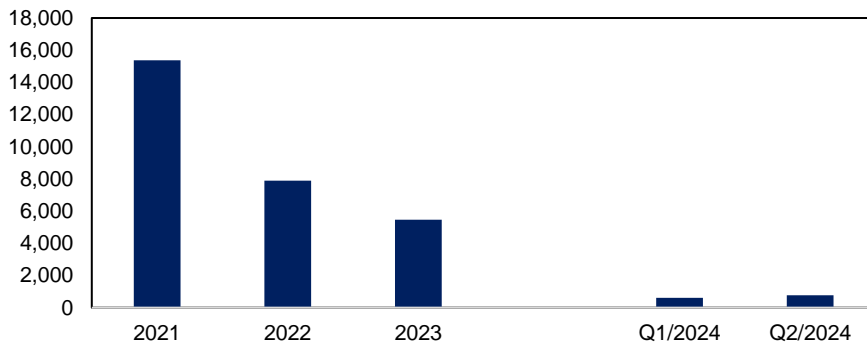


Source: Department of Livestock Production, MBS Research

However, total supply has not been excessive, allowing swine price to remain high.

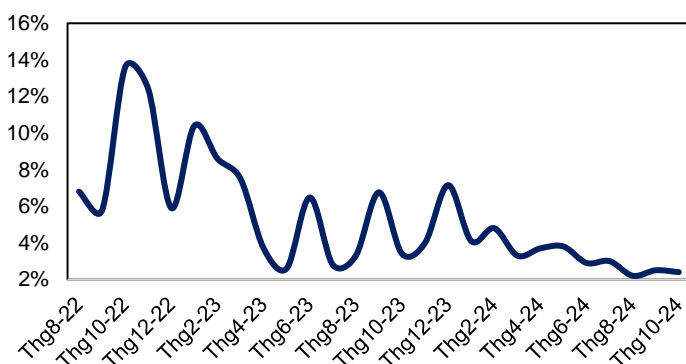
In 2Q24, piglet imports to Vietnam rose by about 30% compared to 1Q24, though levels remain low relative to the 2021-23 period. Frozen pork imports matched volumes from the previous year, but with a 16% yoy decrease in value, indicating a degree of pressure from low-cost imported pork. Domestic herd growth has stayed modest, averaging about 3% as of 10M2024, suggesting a relatively stable local supply.

Figure 14: In 6M2024, the volume of imported breeding pigs to Vietnam was only about 25% of the total for the entire year of 2023.



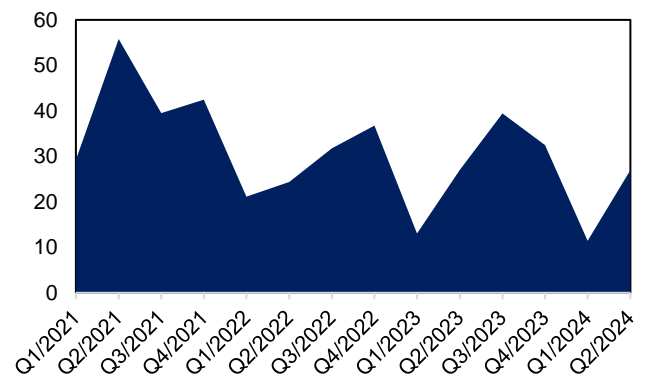
Source: DAH, Ministry of Agriculture & Rural Development, MBS Research

Figure 15: The growth of total pigs in Vietnam (%)



Source: GSO, MBS Research

Figure 16: Frozen pigs imports by quarter from 2021 (millions of tons)



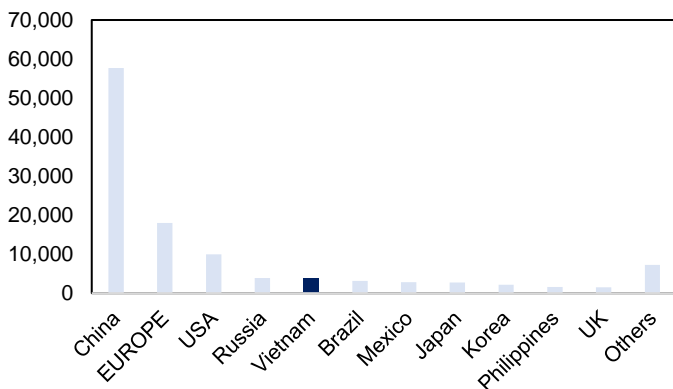
Source: General Department of Vietnam Customs, MBS Research

We forecast swine price to stay above 60,000 VND/kg through 6M2025F, with prices beginning to cool in 2H2025F

Following Typhoon Yagi in the North and significant disease-related herd reductions, combined with improved restocking rates, we expect fewer large-scale herd declines through the end of the year. Additionally, Lunar New Year will fall about ten days earlier than in 2024, likely driving demand from early 12/2024 through 01/2025F. During this period, prices may rise to approximately 68,000 VND/kg, then gradually ease to around 62,000–65,000 VND/kg through 1H2025F

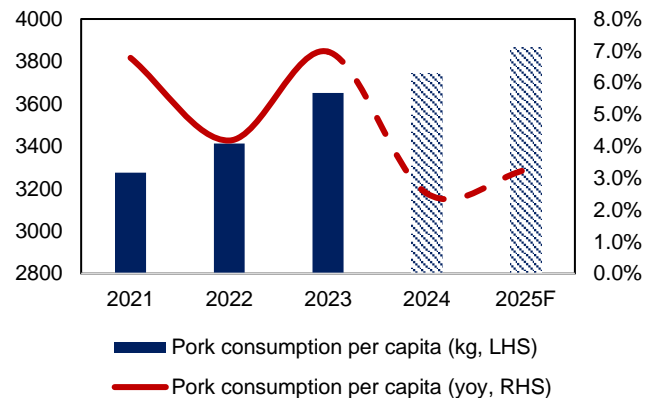
According to the USDA, Vietnam's pork output in 2025F is projected to grow by 3.3% yoy (up from 2.5% in 2024F), reaching 3.9 mn of tons, supported by herd expansion and effective ASF control. The latest USDA data also ranks Vietnam fifth in domestic pork consumption, highlighting the nation's preference for pork. Based on domestic pork consumption data, we estimate a CAGR of pork consumption/capita of approximately 3.8% for 2024-26F, reaching an estimated 37 kg/capita in 2024. With ASF remaining a complex issue and supply expected to remain stable through 2025F, we estimate the average swine price to be around 63,000/64,000 VND/kg in 2025F/26F, with a slight decrease in 2025F and a 2% increase in 2026F.

Figure 17: The rank of domestically slaughtered pork in the world (updated T5/24, thousands of tons)



Source: USDA, MBS Research

Figure 18: The growth of pork consumption per capita in VN (%)



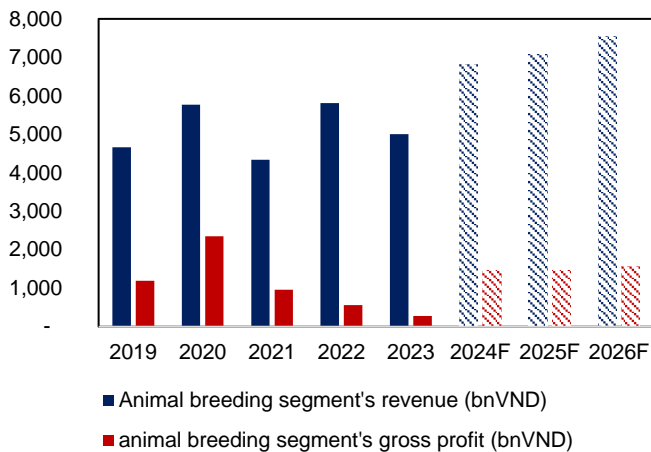
*Data is estimated by pork consumption

Source: USDA, GSO, MBS Research

Businesses, which have closed chain farm, will be gaining advantages due to (1) their ability to control feeding conditions and living environments, (2) their capability to manage the quality of inputs for their pig herds, and (3) their ability to mitigate ASF. Additionally, under favorable conditions in farming practices and live pig prices, these integrated enterprises will find it easier to breed pigs and supply additional products to the market.

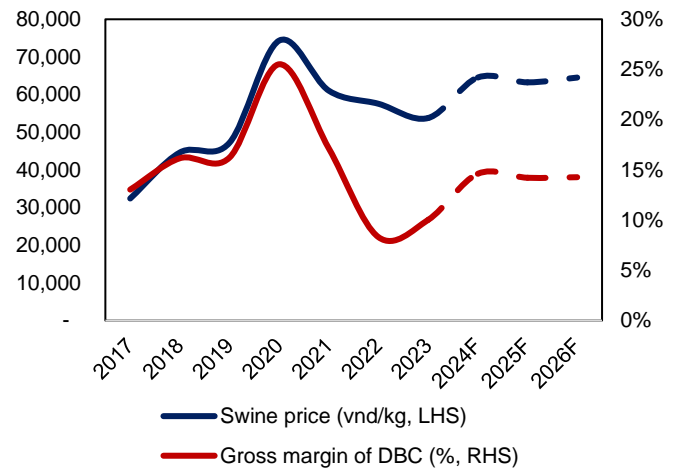
In 9M2024, DBC recorded a net profit of VND530bn, a substantial increase compared to VND6bn in the 9M2023, thanks to lower production costs and significantly improved selling prices. In 4Q24F, we estimate that (1) the average swine price in the market will be around 63,800 VND/kg (+25% yoy), and (2) stable output will drive a revenue increase of about 25% yoy. Consequently, total animal breeding segment revenue could grow by 36% yoy in 2024F. For 2025-26F, we project a revenue CAGR of 5%, driven by (1) swine price staying above 60,000 VND/kg throughout 2025-26F, and (2) improved pork consumption as ASF is better controlled, with DBC potentially benefiting from the effectiveness of its ASF vaccine.

Figure 19: Revenue and gross profit of DBC's animal breeding segment (VNDbn)



Source: DBC, MBS Research estimated

Figure 20: Forecast the live pig price and DBC's gross margin 24-26F



Source: DBC, nhachannuoi, MBS Research estimated

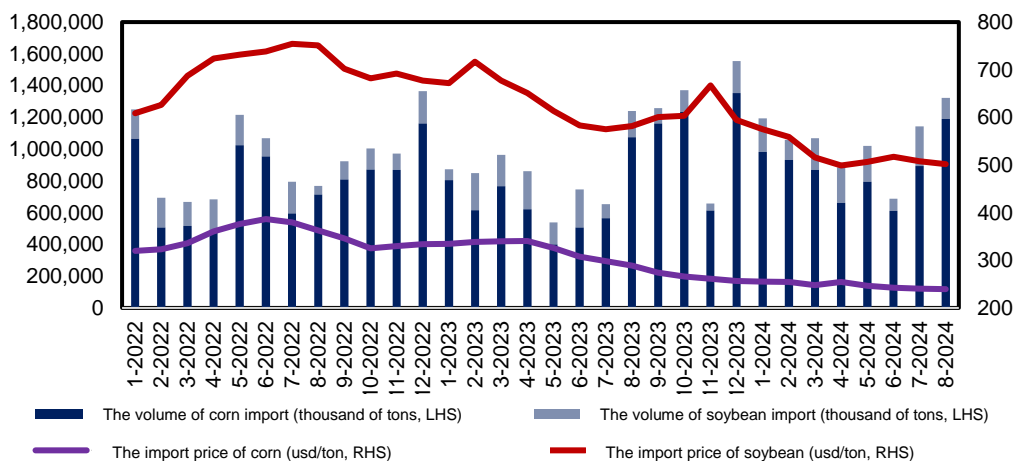
The animal feed segment continues to benefit from cooling input prices in 2024F and maintain stability at a low base throughout 2025F-26F

We forecast the import raw material prices still remain in a low base thanks to abundant global supply

Since 03/2023, the prices of raw materials used in animal feed production in Vietnam have continuously decreased, showing significant cooling. By 08/2024, the price of imported corn had fallen by 17% yoy, and soybean prices had decreased by 14% yoy. Domestic animal feed prices have also cooled from the high levels of 2022. Since 2023, there have been seven rounds of price reductions in animal feed, with the latest price drop of 150 VND/kg in 05/2024.

The USDA forecasts global corn production to decrease by 0.7% in 2024/25F compared to the 2023/24 period, to around 1,217.2 million tons, with China, Brazil, and Argentina expected to see increases, while the U.S., Ukraine, and the EU will experience declines. Soybean supply is projected to increase by 8.7% YoY to reach 428.9 million tons, driven by growth in Brazil, India, and China. Given the stable supply, we expect the prices of imported corn and soybeans in 2H2024F and throughout 2025-26F to remain stable at low levels without significant fluctuations.

Figure 21: The volume import of soybeans and corns

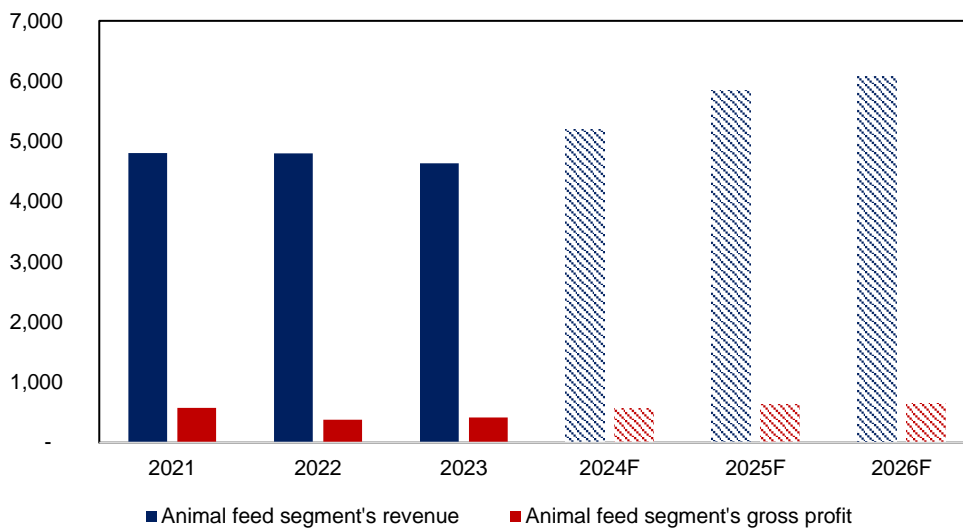


Source: General Department of Vietnam Customs, MBS Research

Stable profitability for the animal feed segment in 2024-26F

DBC operates with a 3F model (Feed – Farm – Food), and the cooling of feed production input prices creates favorable conditions for its business. Over 65% of DBC’s feed production raw materials are imported. Assuming stable global supply through 2026F, due to abundant stockpiles in the U.S., we expect the prices of imported feed materials to remain low. We forecast a CAGR of 10% in the feed segment’s revenue during 2024-26F, driven by (1) improved consumption as farmers actively restock following the low base of 2023, and (2) stable selling prices.

Figure 22: Revenue and gross profit of DBC’s animal feed segment (VNDbn)



Source: DBC, MBS Research estimated

We see no abnormal factors affecting the feed segment, as (1) raw material prices remain low compared to 2023, with stability expected in 2025-26F, and (2) feed supply is increasing as farmers restock, benefiting from favorable conditions in the pig market. Additionally, with the forecast of pork prices remaining above 60,000 VND/kg throughout 2024-26F, we estimate net profit will jump 27x in 2024 to VND697bn, with 8% CAGR in net profit for 2025-26F

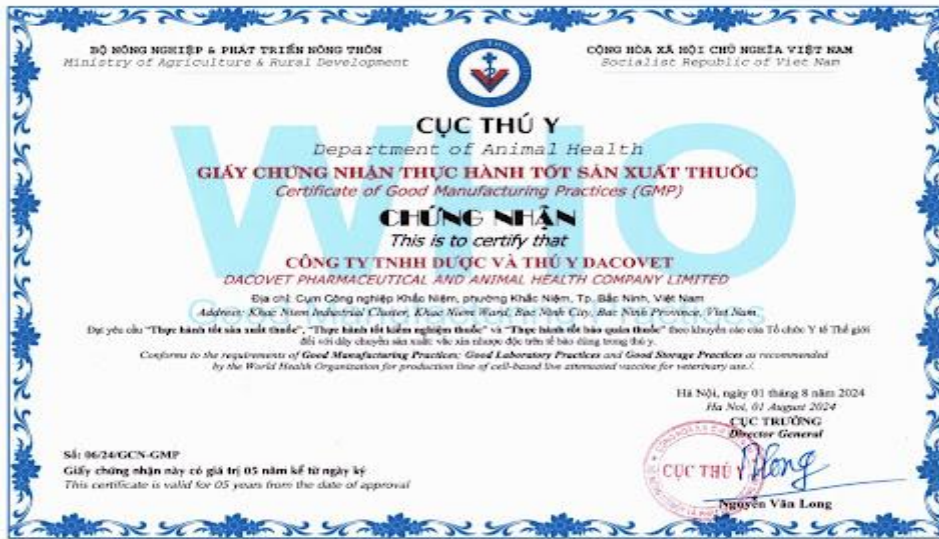
Vaccine Production Segment: Significant commercialization potential

Dabaco received GMP certification in 2Q24

In 08/2024, DBC was granted GMP certification by the Department of Animal Health, bringing it closer to commercializing its ASF vaccine. DBC’s current vaccine factory has a capacity of around 100 million doses/year with the initial plan to produce 3 types of vaccines: ASF, PRRS, and FMD. We recognize that in addition to domestic supply, DBC has potential to export the vaccine to foreign partners: China, Philippines, Thailand. We believe that in addition to meeting domestic demand, with a maximum capacity of 200 million doses per year, DBC has export potential for its vaccines to international partners such as China, the Philippines, and Thailand. According to the Department of Livestock, as of 9M2024, Vietnam has seen over 930 ASF outbreaks, resulting in the culling of more than 67,000 pigs, highlighting the inefficiency of ASF vaccination efforts. DBC's vaccine is a latecomer to the market, with two ASF vaccines already commercialized by Navetco and AVAC. As a result, the requirements for

commercialization are stricter to ensure the vaccine's effectiveness in domestic pig herds.

Figure 23: Dabaco's GMP Certification



Source: Dabaco, MBS Research

Earliest Commercialization Expected by 2H2025F

According to management, DBC will continue vaccinating pigs in its herds and at some affiliated farms, moving forward with trials across various farms nationwide. The volume of vaccinations required at farms across the country is substantial, with an estimated timeframe of 3-4 months. Since there is insufficient data on the duration and scale of DBC's ASF vaccine trials, we have not yet incorporated projected revenue and profit from the ASF vaccine into our valuation model.

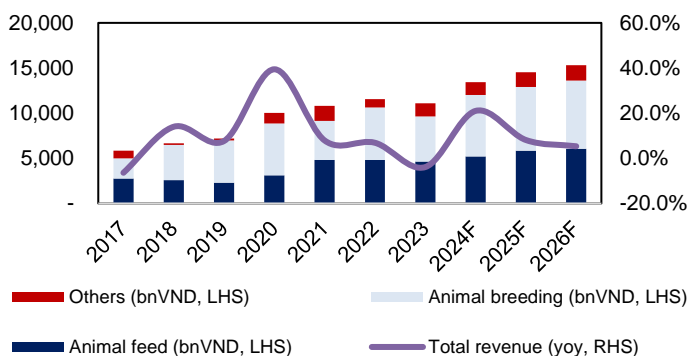
FY2024-26 earnings forecast

Figure 24: DBC's earnings forecast in 2024-26F

VNDbn	2024F	yoy	Δ	2025F	yoy	Δ	2026F	yoy	Comment
Net revenue	13,444	21.0%	7.0%	14,535	8.1%	8.1%	15,310	5.3%	
Animal feed, animal breeding farming	5,204	12.2%	-10.8%	5,839	12.2%	-0.3%	6,075	4.0%	Revise down 11% due to a revision of the actual revenue from the animal feed segment in 2023, which is 11% lower than the previous estimate.
Service, Hotel, Restaurant	6,809	36.0%	26.9%	7,068	3.8%	-0.3%	7,543	6.7%	Revise up 27% due to the volume in 9M24 higher than our estimated, so the volume may increase 10% compared to the previous report.
Real estate	1,431	-2.4%	4.8%	1,628	13.8%	-0.3%	1,692	3.9%	
Gross profit	1,965	76.4%	10.3%	2,067	5.2%	-0.3%	2,186	5.7%	Revise up 10% when the 9M24's result was higher than our expectation, so that we revise down the production cost.
Gross margin	14.6%	4.6pts%	0.4pts%	14.2%	0.4pts%	-0.3pts%	14.3%	0.1pts%	
Sale expense	497	15.0%	7.0%	538	8.1%	-0.3%	566	5.3%	
G&A expense	403	13.2%	7.0%	436	8.1%	-0.3%	459	5.3%	
%SG&A expense/revenue	6.7%	-0.4pts%	0.0pts%	6.7%	0.0pts%	-0.3pts%	6.7%	0.0pts%	
Financial revenue	29	-17.7%	-1.9%	32	8.1%	-0.3%	34	5.3%	
Financial expense	329	17.3%	10.5%	312	-5.2%	-0.3%	304	-2.7%	Revise up 11% due to the increase in total debt.
Profit before tax	786	704.1%	13.8%	836	6.4%	-0.3%	914	9.4%	
Tax	89	22.1%	-48.7%	94	6.4%	-0.3%	103	9.4%	Revise down 49% due to DBC's CIT from 20% to 11% in 2024F
Net profit	697	2688.0%	34.6%	742	6.4%	-0.3%	811	9.4%	Revise up the 2024F's net profit 35%, primarily due to a significantly better-than-expected GPM in the livestock segment. This improvement is driven by (1) a sharp increase in pork prices and (2) an estimated 10% reduction in livestock production costs yoy. In summary, we estimate net profit to reach VND697bn, rising 27x yoy

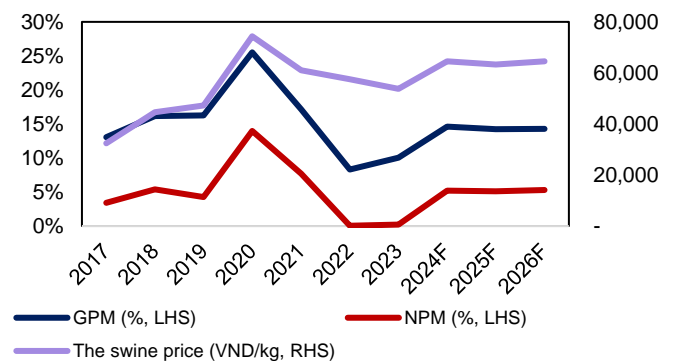
Source: DBC, MBS Research estimated

Figure 25: Revenue by segment



Source: DBC, MBS Research

Figure 26: Gross margin and net margin (%)



Source: DBC, MBS Research

Financial Statements

Income statement	31/12/23	31/12/24	31/12/25	31/12/26	Cash flow statement	31/12/23	31/12/24	31/12/25	31/12/26
Net revenue	11,110	13,444	14,535	15,310	Pre-tax profit	98	786	836	914
Cost of sales	(9,996)	(11,479)	(12,468)	(13,124)	Depreciation & amortization	547	460	480	500
Gross profit	1,114	1,965	2,067	2,186	Tax paid	(73)	(89)	(94)	(103)
Gen & admin expenses	(356)	(403)	(436)	(459)	Other adjustments	(86)	6	0	1
Selling expenses	(432)	(497)	(538)	(566)	Change in working capital	(1,454)	(1,617)	(3)	(597)
Operating profit	325	1,064	1,093	1,160	Cash flow from operations	(967)	(454)	1,219	715
Operating EBITDA	873	1,524	1,573	1,660	Capex	(375)	(328)	(329)	(336)
EBIT	325	1,064	1,093	1,160	Proceeds from assets sales	84	-	-	-
Interest income	36	29	32	34	Cash flow from investing activities	(258)	(510)	(384)	(375)
Financial expense	(281)	(329)	(312)	(304)	New share issuance	-	922	-	-
Net other income	20	24	26	28	Net borrowings	1,326	(139)	(272)	257
Income from associates	(3)	(3)	(3)	(3)	Other financing cash flow	(136)	-	-	-
Pre-tax profit	98	786	836	914	Dividends paid	-	-	(167)	(167)
Tax expense	(73)	(89)	(94)	(103)	Cash flow from financing activities	1,190	783	(439)	90
NPAT	25	697	742	811	Cash and equivalents at beginning of	627	592	411	807
Minority interest	-	-	-	-	Total cash generated	(35)	(181)	396	430
Net profit	25	697	742	811	Cash and equivalents at the end of	592	411	807	1,237
					Key ratios	31/12/23	31/12/24	31/12/25	31/12/26
Balance sheet	31/12/23	31/12/24	31/12/25	31/12/26	Net revenue growth	-3.9%	21.0%	8.1%	5.3%
Cash and equivalents	592	411	807	1,237	EBITDA growth	22.9%	74.7%	3.2%	5.5%
Short term investments	490	672	727	765	EBIT growth	52.9%	227.1%	2.7%	6.1%
Accounts receivables	222	407	263	454	Pre-tax profit growth	23.8%	704.1%	6.4%	9.4%
Inventories	5,494	6,280	6,450	6,959	Net profit growth	381.4%	2688.0%	6.4%	9.4%
Total current assets	7,101	8,182	8,693	9,870	EPS growth	381.4%	2688.0%	6.4%	9.4%
Tangible fixed assets	4,534	4,401	4,251	4,087	Gross profit margin	10.0%	14.6%	14.2%	14.3%
Construction in progress	476	476	476	476	EBITDA margin	8.2%	11.6%	11.0%	11.1%
Property Investment	-	-	-	-	Net profit margin	0.2%	5.2%	5.1%	5.3%
Investments in subsidiaries	-	-	-	-	ROAE	0.5%	12.7%	11.3%	11.3%
Investments in associates	110	110	110	110	ROAA	0.2%	5.2%	5.2%	5.5%
Other long-term assets	177	198	217	231	ROIC	0.2%	5.8%	6.0%	6.1%
Total long-term assets	5,910	5,799	5,668	5,518	Asset turnover ratio	0.9	1.0	1.0	1.0
Total assets	13,012	13,982	14,361	15,387	Dividend pay out ratio	0.0%	0.0%	22.5%	20.6%
Short-term borrowings	4,841	4,732	4,617	5,046	D/E	125.7%	91.1%	79.5%	76.1%
Trade accounts payable	796	949	978	1,055	Net debt to total equity	113.0%	84.5%	67.7%	59.6%
Other payables	1,103	403	436	459	Net debt to asset	40.5%	38.0%	32.4%	29.1%
Total current liabilities	7,142	6,517	6,479	7,034	Interest coverage ratio	1.2	3.5	3.8	4.2
Long-term borrowings	1,026	996	840	667	Day's account receivable	7.3	11.0	6.6	10.8
Other long-term payables	177	177	177	177	Day's inventory	200.6	199.7	188.8	193.5
Total long-term liabilities	1,204	1,174	1,017	845	Day's account payable	29.1	30.2	28.6	29.3
Total liabilities	8,345	7,691	7,496	7,879	Current ratio	1.0	1.3	1.3	1.4
Common shares	2,420	3,342	3,342	3,342	Quick ratio	0.2	0.3	0.3	0.4
Share premium	418	418	418	418	Cash ratio	0.2	0.2	0.2	0.3
Treasury shares	-	-	-	-	Valuation				
Undistributed earnings	28	730	1,305	1,949	EPS (VND/share)	103	2,086	2,219	2,427
Investment and development fund	1,800	1,800	1,800	1,800	BVPS (VND/share)	19,282	18,824	20,543	22,470
Shareholders' equity	4,666	6,290	6,865	7,509	P/E (x)	246.8	13.4	12.6	11.5
Minority interest	-	-	-	-	P/B (x)	1.3	1.5	1.4	1.2
Total shareholders' equity	4,666	6,290	6,865	7,509					
Total liabilities & equity	13,012	13,982	14,361	15,387					

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MBS RECOMMENDATION FRAMEWORK

Stock Ratings

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Add	The stock's total return is expected to reach 15% or higher over the next 12 months
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

Segment Ratings

Positive	Stocks in the segment have, on a market cap-weighted basis, a positive absolute recommendation
Neutral	Stocks in the segment have, on a market cap-weighted basis, a neutral absolute recommendation.
Negative	Stocks in the segment have, on a market cap-weighted basis, a negative absolute recommendation.

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Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges.

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