

Dabaco Group JSC (HOSE: DBC)

- In 1Q24, DBC net profit reached 39 VNDbn mainly driven by 3F business.
- In 2024, we expect net profit to increase 21x yoy to 518 VNDbn, mainly thanks to increasing swine prices of 21% yoy to 65,000 vnd/kg.
- We recommend ADD for DBC with a target price of 41,700 vnd/share.

Positive business results in 1Q24

In 1Q24, total revenue reached 3,253 VNDbn (+41% yoy), driven by 3F segment. In which, 3F segment revenue increase by 40% while other revenue rose 25%. In 1Q24, swine price increased 10% yoy amid a shortage of domestic pork supply with. As the results, gross margin reached 11% (Q1 23: -4%). The proportion of SG&A expenses/total was effectively optimized from 7.8% in 1Q 23 to 6.4% in 1Q24. In summary, net profit amounted to 73 VNDbn, a significant improvement compared to the loss of 320 VNDbn in 1Q 23.

FY24-25 earnings growth come from 3F segment

We observe that the rising trend in swine prices will serve as a growth driver for DBC in 2024-25. Swine prices are expected to remain at 65,000 VND/kg and could potentially reach 75,000 VND/kg due to domestic supply shortages. Moreover, higher swine prices will stimulate re-herding activities among small households, thereby improving piglet segment. The animal feed segment will maintain stability thanks to lower materials cost and increasing re-herding activities, leading to approximately a 5% increase in animal feed consumption yoy. We anticipate DBC's net profit for 2024 to reach 518 VNDbn, 21x higher than the previous year. Net profit for 2025 could continue to grow by 20.6% yoy thank to stable swine prices and input costs for the animal feed production.

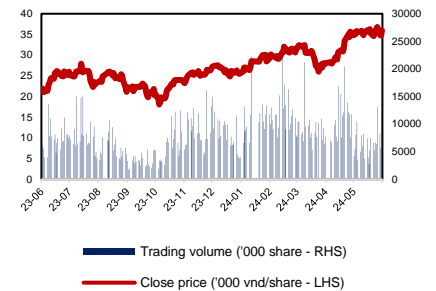
Recommend ADD with a target price of 41,700 vnd/share

Based on an equal weight of DCF (WACC: 10.5%) and EV/EBITDA (7x), out target price of DBC is 41,700 vnd per share. Potential downside risks include: (1) The large influx of smuggled pork into the market affects the regular cycle of swine price increases. (2) The vaccine factory project will not be commercialized in 2024.

Financial indicators	2022	2023	2024	2025
Net revenue	11,558	11,110	12,579	13,401
Net profit	5	25	518	625
Net revenue (yoy)	7%	-4%	13.2%	6.5%
Net profit (yoy)	-99%	381%	1973.1%	20.6%
Gross margin	8%	10%	14.2%	14.7%
EBITDA margin	6%	8%	11.4%	11.8%
ROAE	0%	1%	10.5%	11.5%
ROAA	0%	0%	4.0%	4.7%
EPS (VND/share)	21	103	2,147	2,589
BVPS (VND/share)	19,178	19,282	21,469	23,558

ADD
Target price **VND41,700**
Upside 16%

Information



Source: Fiinpro, MBS Research

Market price (VND)	36,000
High 52w (VND)	35,000
Low 52w (VND)	53,494
Market cap (VNDbn)	8,742
P/E (TTM)	20.8
P/B	1.8
Dividend yield (%)	0
Foreign ownership ratio (%)	12.3

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

Ownership structure

Nguyễn Như So	24.2
PYN Elite Fund	8.2
Others	67.6

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

Analyst



Nguyễn Quỳnh Ly

Ly.NguyenQuynh@mbs.com.vn

Dabaco Group JSC

Investment thesis & Valuation

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. We forecast that the average swine prices will react 65,000 vnd/kg (+21% yoy) due to domestic supply shortages is affected by (1) farming households decrease the pig reproduction rate, (2) the decrease of pork imports, (3) Effective control of smuggling
- (1) In 2024, the raw material prices for animal feed production are expected to remain in a low base 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 expect net profit in 2024 will reach 518 VNDbn, which is 21x higher than the previous year. Net profit in 2025 will increase 20.6% yoy due to (1) the high base of the swine price, (2) the raw material price of animal feed segment remains stable

Valuation

Based on an equal weight of DCF (WACC: 10.5%) and EV/EBITDA (7x), our DBC target price is 41,700 vnd per share (upside +16%). For the EV/EBITDA method, we reference the 2Q18-2Q19 period (7.0x) for the EV/EBITDA ratio in the period of 2024-25. We anticipate the swine price cycle to last approximately 1 - 1.5 years, starting from 1Q24 as the beginning of swine price recovery, with a forecasted average of 65,000 VND/kg and potential to reach 75,000 VND/kg in 2024, maintaining around 68,000 VND/kg in the first half of 2025. This period is similar to the 2Q18-3Q19 period. We observe that the attractiveness of the vaccine project has been reflected recently. Therefore, we set a target EV/EBITDA ratio for the 2024-25 period at 7x.

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

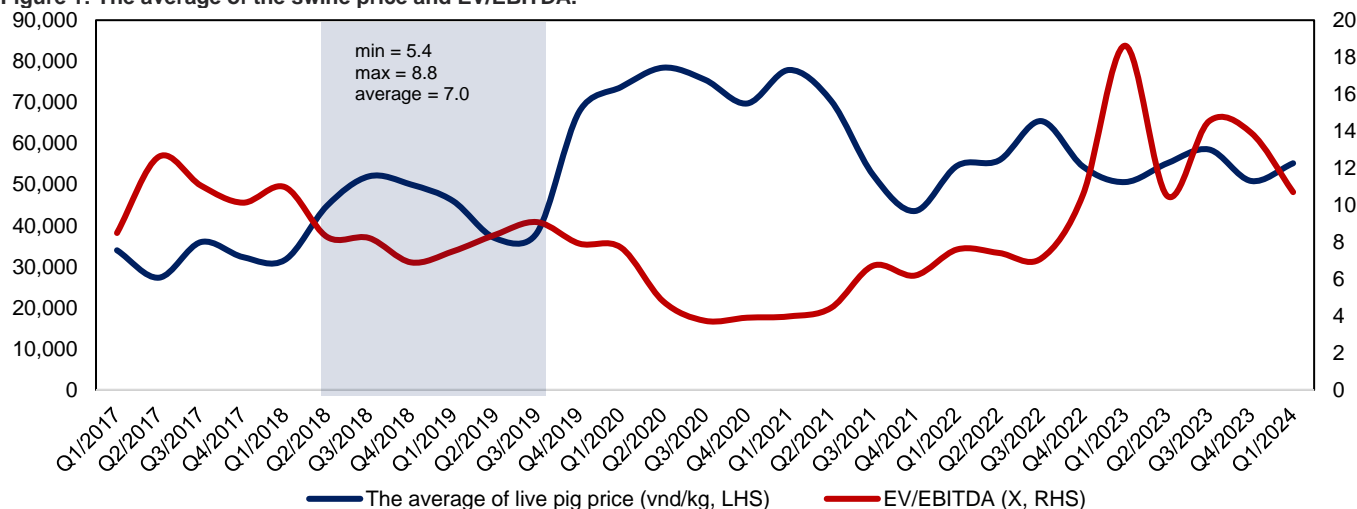


Figure 2: Valuation method summary

Method	Weight	Price (VND/share)
EV/EBITDA (EV/EBITDA 24-25 = 7.0x)	50%	42,651
FCFF	50%	40,832
Target price		41,700
Current price (26/06/2024)		36,000
Upside		15.9%

Source: MBS Research

Figure 3: Projected DCF

	2024	2025	2026	2027	///	2033
(+) Net profit	751	856	908	939		1,136
(-) Non-cash charges	460	480	500	520		666
(-) After tax interest expense	222	215	210	203		197
(-) CAPEX	327	329	335	345		487
(+) Change of working capital	-222	-518	-70	-512		- 562
FCFF	944	726	1,197	794		912
PV of terminal value						4,456

Figure 4: FCFF valuation

FCFF valuation	
(+) PV of FCFF for the 24-33e preiod	tỷ đồng 10,091
(+) PV of terminal value	tỷ đồng 4,456
Enterprise value	tỷ đồng 14,547
(+) Cash & equivalents	tỷ đồng 1,082
(-) Debt	tỷ đồng -5,867
Equity value	tỷ đồng 9,881
Number of shares outstanding	triệu cp 242
Target price	đồng/cp 40,832

Source: MBS Research

WACC and long term growth

E/V	60%
D/V	40%
Cost of equity	13.8%
Cost of debt	7.0%
Tax rate	20%
WACC	10.5%
Long term growth	2.0%

Source: MBS Research

Figure 5: Peer comparison

Company	Ticker Bloomberg	Current price (bnVND)	P/E (X)		P/B (X)		ROA%		ROE (%)		D/E (X)	
			TTM	2024	TTM	2024	TTM	2024	TTM	2024	TTM	2024
BAF Viet Nam Agriculture Joint Stock Company	BAF VN	4,833	26.4	n/a	2.4	n/a	3.3%	n/a	7.0%	n/a	2.3	n/a
Masan MeatLife Corporation	MML VN	9,673	-31.5	n/a	1.9	n/a	-2.4%	n/a	-6.1%	n/a	1.5	n/a
Avarage					2.5						1.9	
Dabaco Group	DBC VN	8,712	20.8	16.8	1.8	1.7	3.3%	4.0%	8.9%	10.5%	1.6	1.0

Source: Fiinpro, MBS Research

The downside risks:

- The large influx of smuggled pork 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 2024.

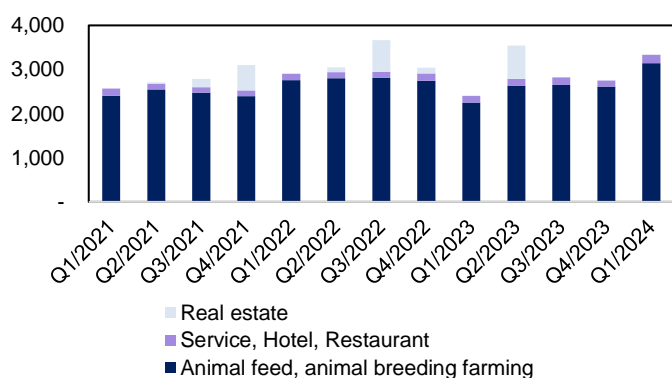
In 1Q24, DBC's net profit reached 73 VNDbn

Figure 6: 1Q24 business results (VNDbn)

VNDbn	1Q24	yoy (%)	Comment
Net revenue	3,252	41%	
- Animal feed, animal breeding farming	3,142	40%	(1) In Q1/24, swine prices increased by 9% yoy amid the context of domestic supply surplus. Because of ASF disease, consumers to be cautious in pork consumption. (2) Animal feed prices slightly decreased yoy due to a roughly 23% yoy decrease in imported raw material prices.
- Service, Hotel, Restaurant	192	25%	
- Real estate	8		
Gross profit	349	n/a	
Gross margin	10.7%	n/a	The enterprise has turned a profit in the pig farming segment with the cost price of live pigs at ~ 51,000 VND/kg, and the average selling price in Q1/2024 around 55,000 VND/kg. The overall gross margin has significantly improved to 10.7% from -3.8% in 1Q 23
Sale expense	110	13%	
G&A expense	97	17%	
% SG&A expense/revenue	6.4%		
Financial revenue	7	-11% 15% yoy	Interest rates are lower yoy, deposit and lending rates are reduced by less than 15% yoy
Financial expense	51	-27%	The base of interest rates is lower yoy, interest expense decreased by 36% yoy while due to LC cost, UPAS strongly increased so total of financial expense decreased 27% yoy
Profit before tax	99	n/a	
Tax	-27	173%	
Net profit	73	n/a	Net profit in 1Q24 improved significantly compared to the -320 billion VND in 1Q 23 due to (1) Amidst the ongoing complexities of the disease, small-scale livestock households ceased reproduction, as the pig farming segment experienced low n/profitability, impacting the supply in 1Q24. Therefore, swine prices benefited, increasing by 9% yoy to 55,000 VND/kg. (2) The cost of pig farming remained at a low level as the prices of raw materials for animal feed production continued to decrease sharply due to global oversupply.

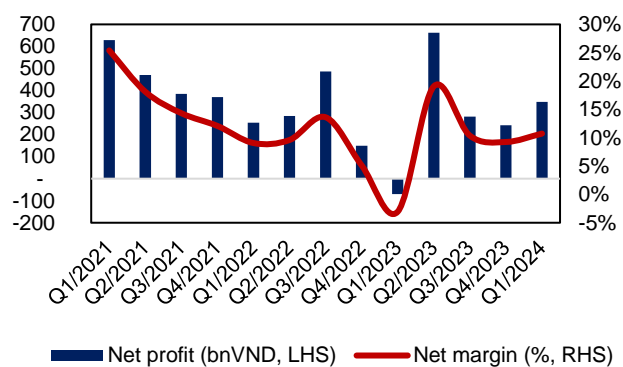
Source: DBC, MBS Research

Figure 7: Revenue by segment (billion VND)



Source: DBC, MBS Research

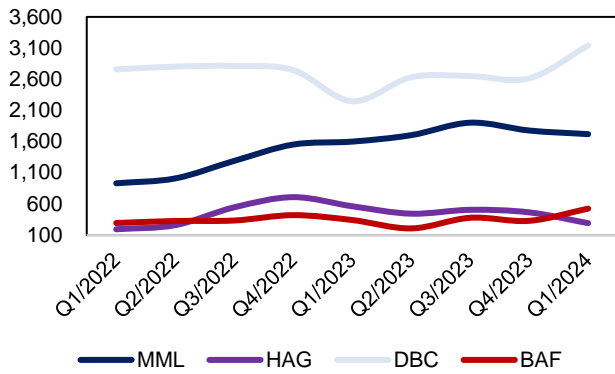
Figure 8: Net profit and net margin



Source: DBC, MBS Research

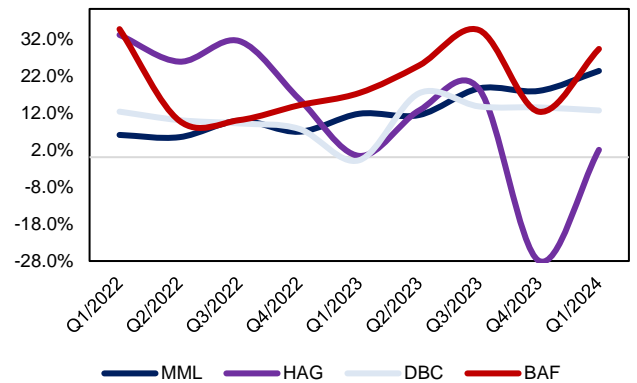
1Q24, the swine prices fluctuated around 55,000 vnd/kg, increasing 9% yoy, meanwhile, the production cost ranged from 48,000-51,000 vnd/kg. The piglet segment has shown initial signs of recovery after a period of operating below cost. Animal feed prices are approaching levels seen in 2021. As a result, in 1Q 24, pig farming enterprises/pig farmers have reported promising results, with many now operating profitably in the pork production segment.

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



Source: MML, HAG, DBC, BAF, MBS Research

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



Source: MML, HAG, DBC, BAF, MBS Research

The increasing swine prices are the primary factor contributing to the net profit in 24-2025

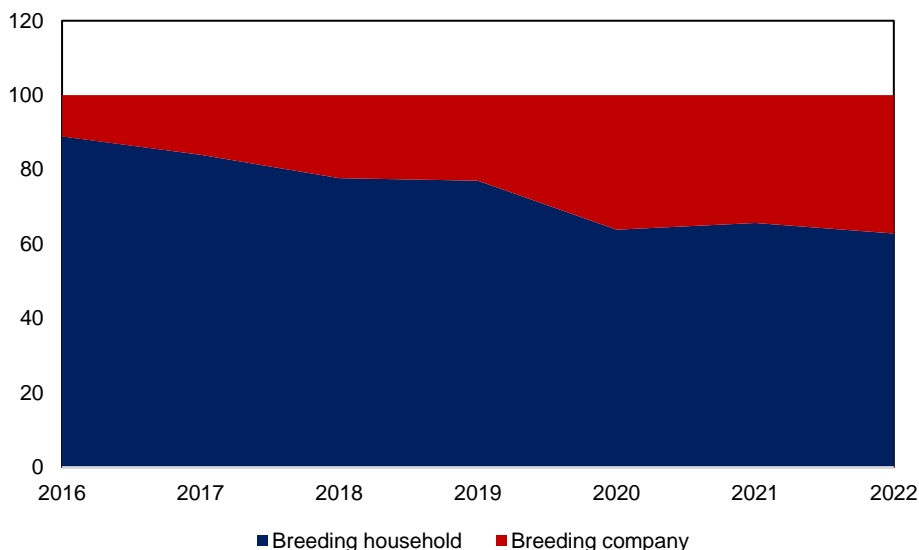
Swine prices rising sharply and remaining above a high base are the main growth drivers for DBC in the 24-25 period.

The supply of pork is affected by decreasing of the pig breeding rate of the breeding farm, with the reduced of pork imports, effective control of smuggling

In 2023, it was a challenging year for pig farming corporate. Due to stable pork supply in the market, large imports of cheap pork kept the prices low, averaging 53,800 VND/kg (-7% yoy)

Throughout the year, small-scale farming operations faced difficulties, compounded by high feed costs and the ongoing ASF epidemic. Farmers experienced pressure as breeding costs remained high at around 55,000 VND/kg, while the average selling price hovered around 54,000 VND/kg, sometimes dropping below 48,000 VND/kg. Consequently, the breeding rate among farms was very low.

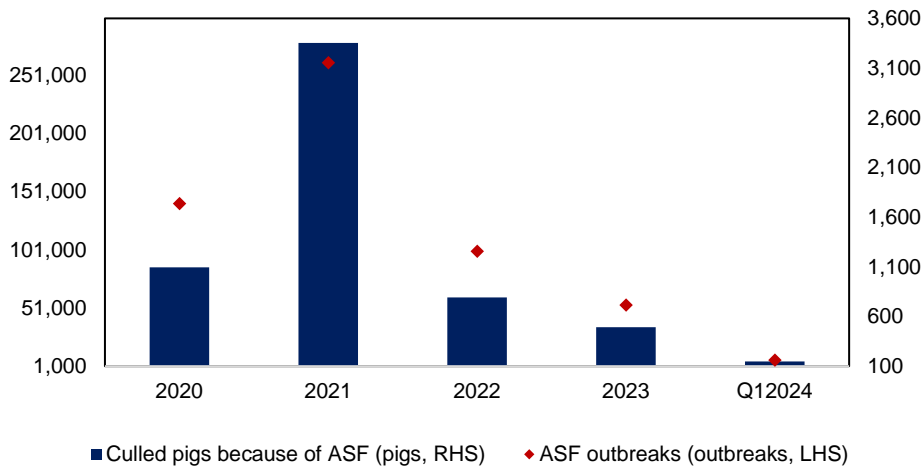
Figure 11: The percentage of breeding household is decreasing



Source: GSO, MBS Research

1Q24, Vietnam showed 138 outbreaks of ASF in 30 provinces, with a total of 4,486 pigs being culled. The number of culled pigs has decreased significantly yoy, but the number of outbreaks has increased (with 220 outbreaks in 2Q 23), indicating that the situation is still complex. The increased swine prices in early 2024 are also stimulating small-scale pig farmers to restock, which may further complicate the disease situation in 2024.

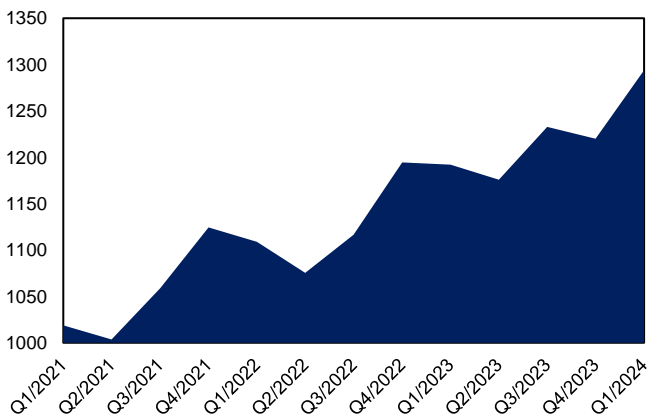
Figure 12: 1Q24, ~4,500 swines have to be culled by ASF (+69% yoy)



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

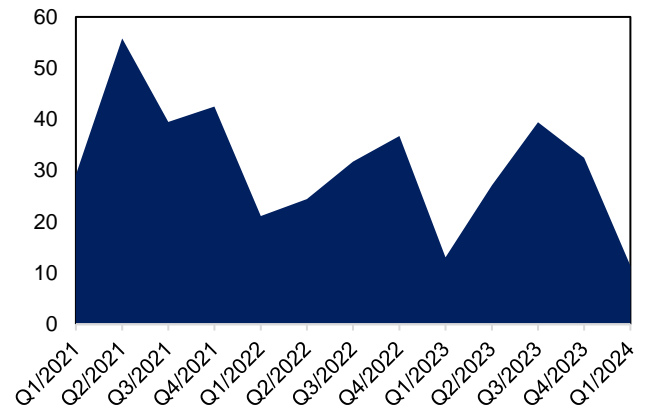
According to the General Department of Customs, 1Q24, the imported breeding pig in Vietnam only reached 565 (equivalent to 10% of the total imported breeding pigs in 2023). 1Q24, the output of live pig increased 9% yoy, while the swine prices still in the rising trend, indicating a significant shortage in the domestic pig supply. This shortage can be attributed to (1) the effective control of smuggling of pigs into Vietnam, leading to a significant reduction in the number of smuggled pigs in 1H 24, (2) small-scale domestic pig farmers still showing reluctance to restock due to fears of a potential outbreak of ASF.

Figure 13: The output of live pig (thousands of tons)



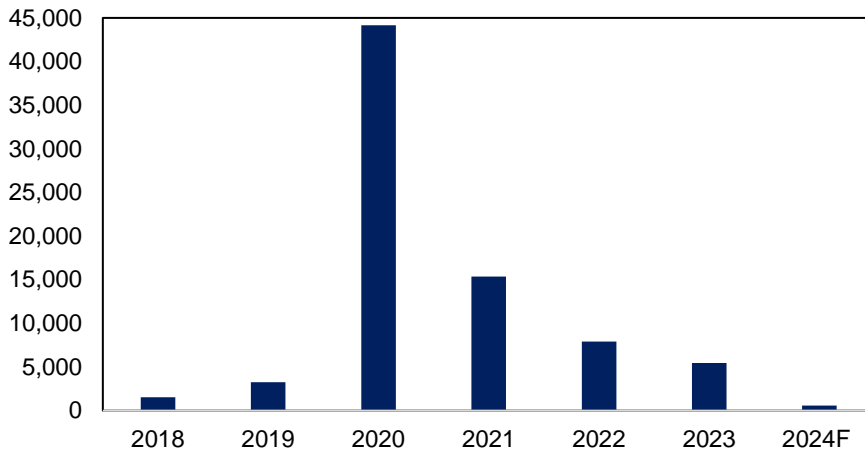
Source: GSO, MBS Research

Figure 14: Frozen pigs imports by quarter from 2021 (millions of tons)



Source: General Department of Customs, MBS Research

Figure 15: 1Q24, the extremely low import volume of breeding pigs shows that the supply still is affected, at least until 1H 25.



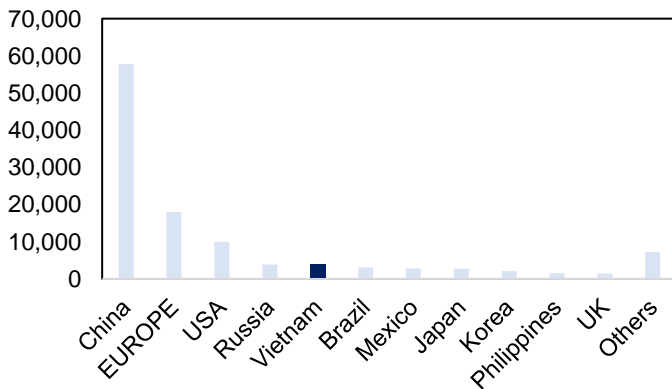
Source: Agromonitor, General Department of Customs, MBS Research

Forecast the swine prices remain 65,000 vnd/kg in 2024 (+20% yoy)

According to the USDA, Vietnam ranks 5th in domestic pork consumption. Vietnam remains a country keen on pork consumption. Based on domestic pork consumption figures, we estimate a CAGR of pork consumption per capita at approximately 3.8%, with a consumption level of around 38 kg/person by 2024.

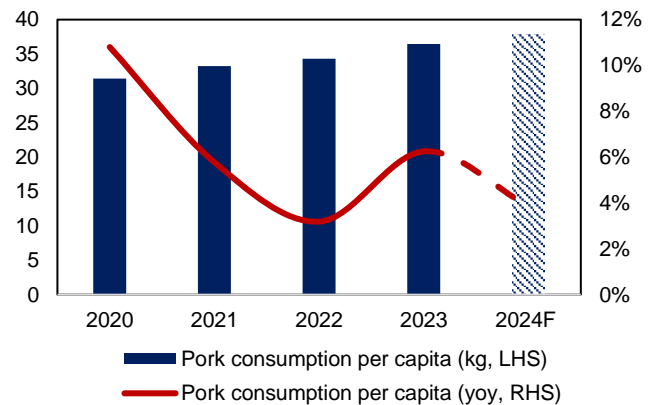
In some conditions of (1) the leak of the supply, (2) ASF disease is still complex, we forecast that live pig prices will remain at an average of 65,000 VND/kg-75,000 VND/kg until 1H25, and gradually decrease starting from 2H25 as domestic pork supply stabilizes.

Figure 16: The rank of domestically slaughtered pork in the world (update T5/24, thousands of tons)



Source: USDA, MBS Research

Figure 17: The growth of pork consumption per capita in VN (%)

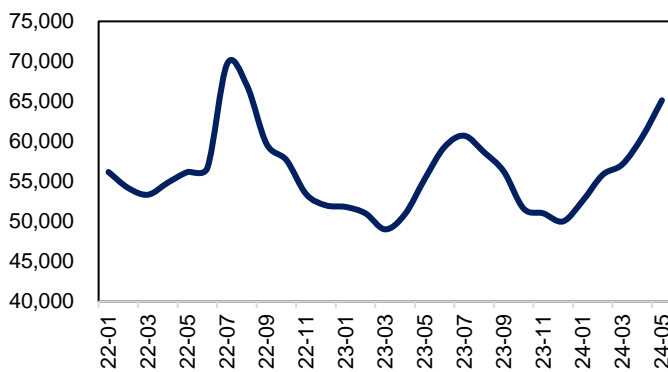


*Data is estimated by pork domestic

Source: USDA, GSO, MBS Research

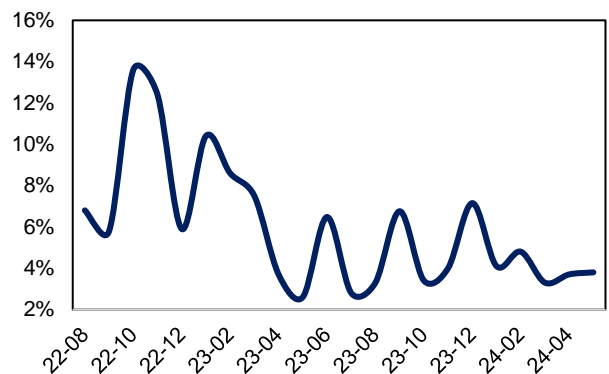
Businesses, which have closed chain farm, will be gaining advantages due to (1) their ability to control feeding conditions and living environments, (2) their capability to manage the quality of inputs for their pig herds, and (3) their ability to mitigate ASF. Additionally, under favorable conditions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

Figure 18: Swine prices (vnd/kg)



Source: GSO, MBS Research

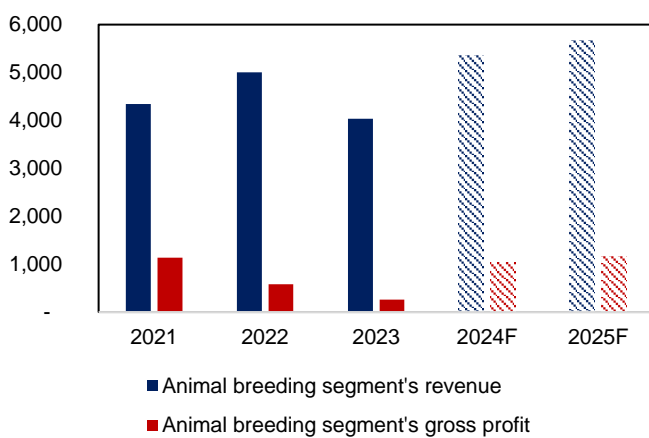
Figure 19: The growth of total pigs in Vietnam (%)



Source: General Department of Customs, MBS Research

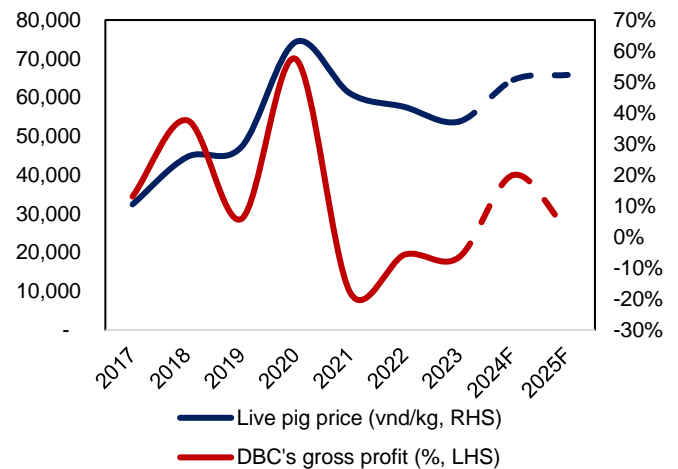
As the information we know, DBC has prepared its pig supply from 1Q24, thus positioning itself advantageously in terms of supply for consumption. We anticipate that swine prices in 2024 will average 65,000 VND/kg and remain stable through 2025. Accordingly, we forecast that the revenue from the livestock segment could increase by 33% compared to the low base of 2023, with the gross profit from the animal breeding segment expected to rise significantly in 2024 and maintain in 2025.

Figure 20: Revenue and gross profit of DBC (bnVND)



Source: DBC, MBS Research estimated

Figure 21: Forecast the live pig price and DBC's gross margin 24-25



Source: DBC, nhachannuoi, MBS Research estimated

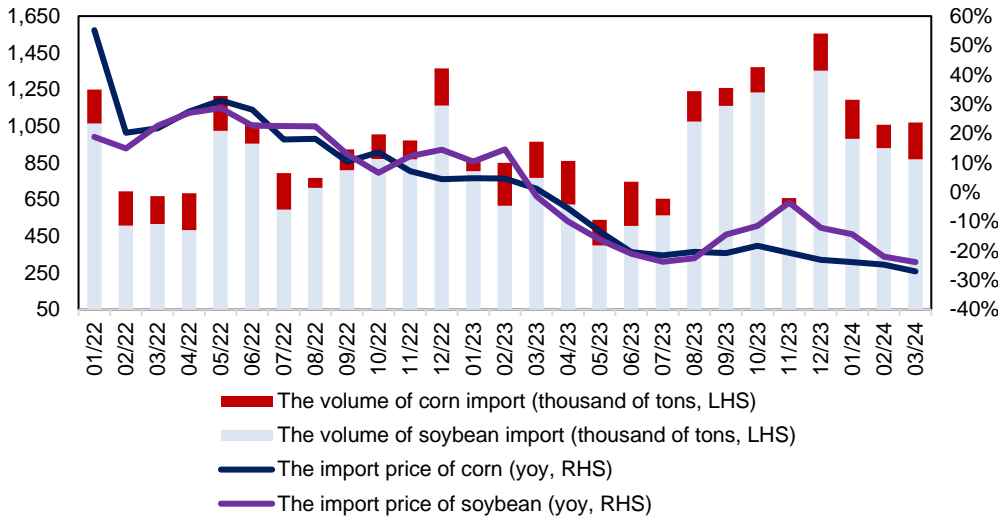
The animal feed segment continues to benefit from cooling input prices in 2024 and maintain stability at a low base throughout 2025

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

Since March 2023, the prices of raw materials used in animal feed production in Vietnam have continuously decreased, showing significant cooling. By 3Q 24, imported maize prices dropped by 27% yoy, while soybean prices fell by 24% yoy. Domestic animal feed prices have also cooled down compared to the high levels of 2022. Since 2023, there have been seven rounds of reductions in livestock feed prices. Most recently, in May 2025, the average animal feed price dropped by 150 VND/kg.

FAO forecasts a 3% increase in global maize supply compared to the 2022-23 period, reaching 1,251 million tons, and a 5% increase in soybean supply, expected to reach 437.6 million tons. The decrease in soybean production in Brazil will be compensated by production from India and China. Therefore, maize and soybean import prices in 2024 are expected to remain stable at low levels without significant fluctuations.

Figure 22: The volume of imported soybeans and corn in Vietnam.

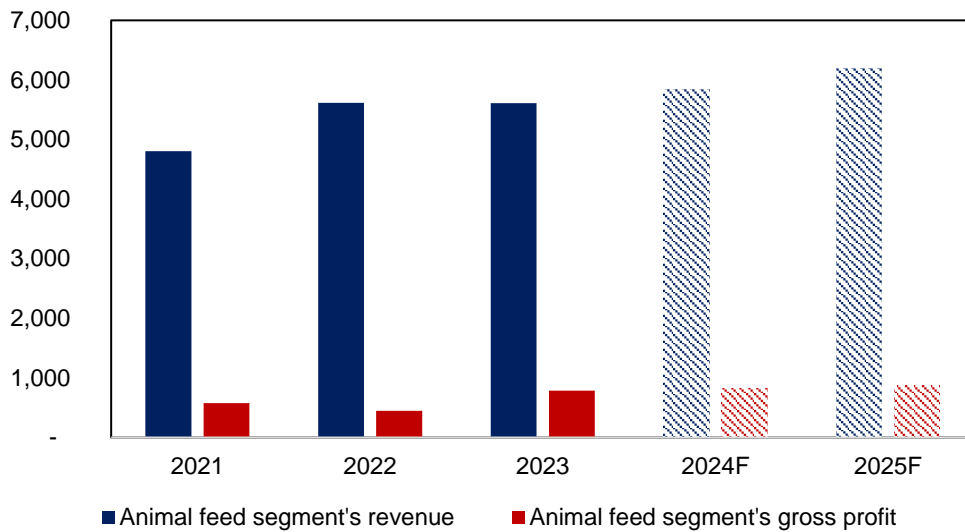


Source: General Department of Customs, MBS Research

The animal feed segment is expected to get stable profit in 2024-25.

DBC operates under the 3F closed chain (Feed - Farm - Food), thereby benefiting from the cooling of input prices for animal feed production, which creates favorable conditions. In 2023, the animal feed segment generated profits of approximately 300 VNDbn, offsetting the challenging business performance of the pig farming segment. In 2024, assuming minimal fluctuations in feed ingredient prices at low levels, we expect the livestock feed segment to maintain stability, supported by a more promising livestock market where selling prices are significantly improved. We forecast a slight 3% yoy increase in revenue for the animal feed segment, with gross profits potentially increasing by 4% to 6% during the 24-2025 period."

Figure 23: Revenue and gross profit of DBC's animal feed segment (bnVND)



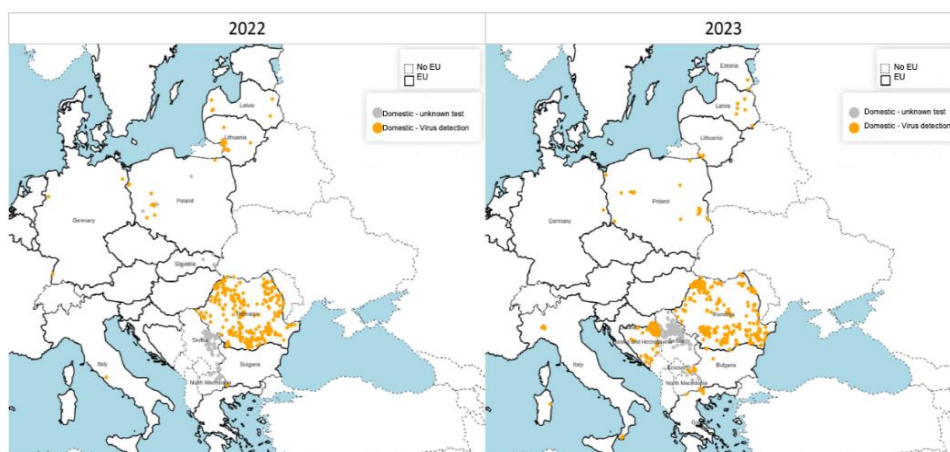
Source: DBC, MBS Research estimated

VACCINE manufacturing segment: DBC's mid-term story

DBC's export potentials upon the ASF vaccine's commercialization

The ASF epidemic is still spreading widely across the globe. According to the EFSA, in 2023, the number of ASF outbreaks increased by 10% year over year and has not shown signs of remediation. In China, around 27.9 million tons of pork had to be discarded due to ASF contamination, in just 30 months. In the Philippines, the epidemic is still roaming in over 55 provinces and there have yet to be effective control measures. With a large proportion of small-scale livestock and wild boars, the ASF epidemic still has complicated progressions without thorough preventive measures.

Figure 24: The number of ASF's outbreaks in EU 2022-23



Source: EFSA, MBS Research

Currently, many countries across the world are still continuing their efforts to research and develop vaccines for ASF, though there has not been much positive results to this date. Besides, according to the number of outbreaks in Q1/2024, the two lines of vaccines commercialized in Vietnam have not met the standards of disease preventions. Thus, we see much potential for DBC's ASF vaccine.

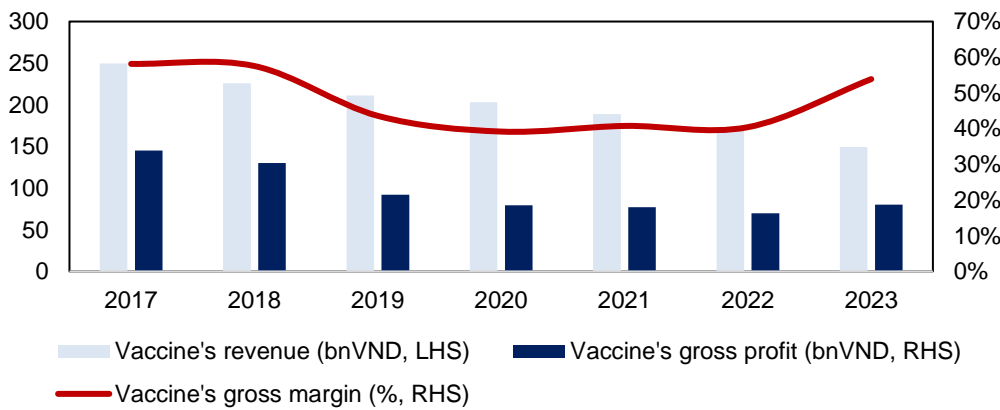
Towards the end of 2023, DBC cooperated with Winsun BIO-Pharmaceutical in order to support and promote research and development for the vaccine. According to the leadership team, DBC had organized vaccinations for herded pigs and a few affiliated farms. Resultingly, the first trial group were all healthy and showed positive signs 70 days after the vaccination. The leadership team shared that they expect their factory to manufacture with a maximum capacity of 200 million doses/year in Q3/2024 with the trial results.

The trial results were successful after testing 600,000 doses at many different farms. Thus, we estimate that in 2025, by the earliest, DBC will likely be able to commercialize their ASF vaccine.

DBC has much mid-term potential for the animal vaccine segment

We recognize that vaccine production development and commercialization is a potential story for DBC in the medium and long-term. Though it does not bring high revenue compared to DBC’s business scale, this segment has a good profit margin (around 47%) and will bring back stable profits for the business.

Figure 25: Revenue and gross profit from the vaccine segment of VET



Source: VET, MBS Research

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.

DBC plans to increase capital to expand livestock farming and oil pressing factory

On June 6th, 2024, DBC issued a resolution on the offering of 92.7 million shares, where: (1) 80.7 million shares to existing share at a ratio of 3:1, issuance price of 15,000vnd/share, (2) 12 million ESOP shares. Minimum successful offering rate of 70%, equivalent to 56.7 million shares. The proceeds will 100% go to upgrading the phase 2 oil-pressing plants in order to finalize the 3F model. Besides, it is expected that in 2024, DBC will issue 48.4 million shares (equivalent to 20% total shares after the successful offering of 92.7 million shares) at an issuance price no less than 28,000vnd/share for strategic investors. Shares reserved for strategic investors will be restricted from being transferred within 3 years, for the purpose of (1) further invest in the pig farm project in Ngoc Lac, Thanh Hoa, (2) repay loans for the high-tech pig-farming project in Thach Thanh, Thanh Hoa.

In the 2024 shareholder document, DBC has proposed a business plan for 2024 with total revenue (including internal revenue) and profit after tax reaching

25,380/729 VNDbn, a 14%/29x increase year over year. From there, family farms will have more incentive to repopulate, which will help increase livestock consumption. Besides, decreases in raw material prices also assists the compounded profit margin to increase year over year. We forecast net revenue and net profit to reach 12,579/518 VNDbn, a 14%/21x increase year over year, which is lower than the business's plan as the assumptions were more cautious about the cost of input feed for the livestock segment.

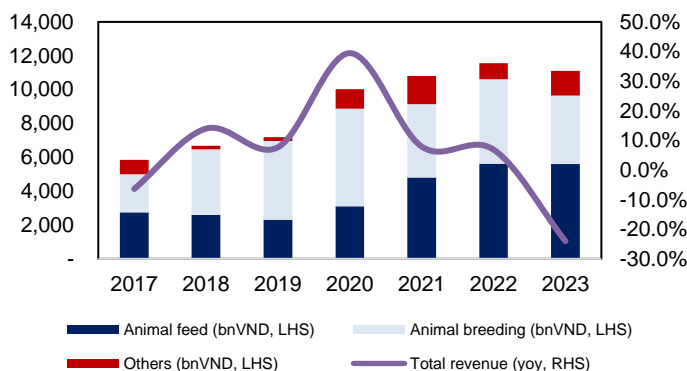
FY2024-25 earnings forecast

Figure 26: DBC's earnings forecast in 24-25

	2024F (VNDbn)	yoy (%)	2025F (VNDbn)	yoy (%)	Comment
Net revenue	12,281	11%	13,152	7%	
- Animal feed	5,832	4%	6,247	7%	(1) Prices of animal feed are expected to decrease slightly in 2024, with forecasted reductions of ~ 20% in the prices of imported raw materials. (2) Reproduction rates are increasing, and the demand for animal feed is expected to rise by around 5% in 2024.
- Animal breeding farming	5,365	33%	5,662	6%	The live pig price are forecasted to rise ~20% yoy, averaging around 65,000 vnd/kg and expected to be maintained throughout 2025
- Other	1,365	-6.9%	1,537	12.6%	In 2023, DBC completed the handover of the remaining portion of the Park View City project, with no further recognition in 2024.
Gross profit	1782	59.9%	1968	10.5%	(1) The Input prices of imported raw materials (60-70% of the raw materials for the animal feed production) cooled down in 2023 and are expected to remain stable throughout 2024 (2) The production cost of pig breeding is expected to increase by about 20% yoy.
Gross margin	14.2%	4.2 đ%	14.7%	0.5đ%	Gross profit increased much better than revenue growth, thanks to the start of the rising trend for live pig price. We expect that a 20% annual increase in swine prices will support a general gross profit margin increase of ~4%yoy
Sale expense	465	7.6%	496	6.5%	
G&A expense	377	5.9%	402	6.5%	
%SG&A expense/revenue	6.7%		6.7%		
Financial revenue	30	-15.3%	32	6.5%	
Financial expense	298	6.2%	291	-2.5%	The base of interest rate is lower than the previous year, while the scale of borrowing has increased.
Profit before tax	691	607.1%	834	20.6%	
Tax	173	137.6%	208	20.6%	
Net profit	518	1973.1%	625	20.6%	The pig breeding farming outlook is promising, with forecasts indicating a 20%yoy increase in live pig prices contributing to DBC's projected net profit reaching 518 VNDbn in 2023, a 21x increase yoy. We anticipate swine prices will remain at 65,000 VND/kg until the end of 2025, enabling DBC to sustain strong profitability over the next two years.

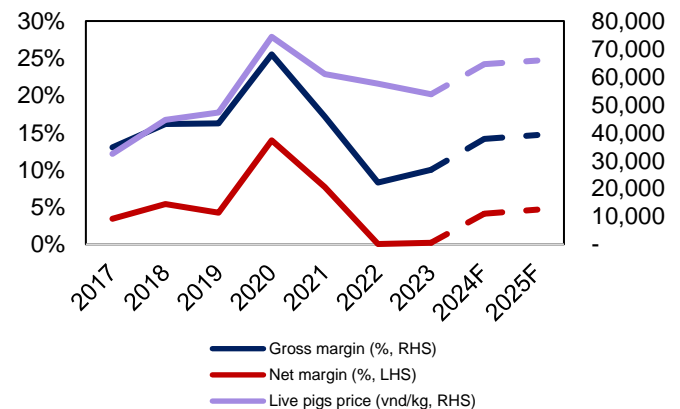
Source: DBC, MBS Research estimated

Figure 27: Revenue by segment



Source: DBC, MBS Research

Figure 28: Gross margin and net margin



Source: DBC, MBS Research

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	11,558	11,110	12,579	13,401	Pre-tax profit	79	98	691	834
Cost of sales	(10,598)	(9,996)	(10,797)	(11,433)	Depreciation & amortization	497	547	460	480
Gross profit	960	1,114	1,782	1,968	Tax paid	(74)	(73)	(173)	(208)
Gen & admin expenses	(344)	(356)	(377)	(402)	Other adjustments	(53)	(86)	5	1
Selling expenses	(403)	(432)	(465)	(496)	Change in working capital	(137)	(1,454)	(62)	(427)
Operating profit	213	325	939	1,070	Cash flow from operations	312	(967)	921	678
Operating EBITDA	710	873	1,399	1,550	Capex	(1,189)	(375)	(328)	(329)
EBIT	213	325	939	1,070	Proceeds from assets sales	272	84	-	-
Interest income	29	36	30	32	Cash flow from investing activities	(818)	(258)	(392)	(366)
Financial expense	(201)	(281)	(298)	(291)	New share issuance	-	-	(5)	-
Net other income	38	20	23	24	Net borrowings	1,135	1,326	(845)	155
Income from associates	0	(3)	(3)	(3)	Other financing cash flow	(203)	(136)	-	-
Pre-tax profit	79	98	691	834	Dividends paid	-	-	-	(121)
Tax expense	(74)	(73)	(173)	(208)	Cash flow from financing activities	933	1,190	(850)	34
NPAT	5	25	518	625	Cash and equivalents at beginning of	200	627	592	271
Minority interest	-	-	-	-	Total cash generated	427	(35)	(321)	347
Net profit	5	25	518	625	Cash and equivalents at the end of	627	592	271	618
Balance sheet	31/12/22	31/12/23	31/12/24	31/12/25	Key ratios	31/12/22	31/12/23	31/12/24	31/12/25
Cash and equivalents	627	592	271	618	Net revenue growth	6.9%	-3.9%	13.2%	6.5%
Short term investments	505	490	555	591	EBITDA growth	-55.5%	22.9%	60.3%	10.8%
Accounts receivables	251	222	366	251	EBIT growth	19.3%	152.9%	188.5%	114.0%
Inventories	5,207	5,494	5,522	6,214	Pre-tax profit growth	-91.9%	23.8%	607.1%	20.6%
Total current assets	7,065	7,101	7,100	8,086	Net profit growth	-99.4%	381.4%	1973.1%	20.6%
Tangible fixed assets	3,884	4,534	4,401	4,251	EPS growth	-99.4%	381.4%	1975.2%	20.7%
Construction in progress	1,398	476	476	476	Gross profit margin	8.3%	10.0%	14.2%	14.7%
Property Investment	-	-	-	-	EBITDA margin	6.5%	8.2%	11.4%	11.8%
Investments in subsidiaries	-	-	-	-	Net profit margin	0.0%	0.2%	4.1%	4.7%
Investments in associates	114	110	110	110	ROAE	0.1%	0.5%	10.5%	11.5%
Other long-term assets	95	177	186	201	ROAA	0.0%	0.2%	4.0%	4.7%
Total long-term assets	5,909	5,910	5,787	5,652	ROIC	0.1%	0.2%	5.1%	5.8%
Total assets	12,974	13,012	12,887	13,738	Asset turnover ratio	1.0	0.9	1.0	1.0
Short-term borrowings	3,705	4,841	4,026	4,337	Dividend pay out ratio	0.0%	0.0%	0.0%	19.3%
Trade accounts payable	2,129	796	838	938	D/E	98.9%	125.7%	96.9%	91.0%
Other payables	362	1,103	1,249	1,331	Net debt to total equity	85.4%	113.0%	91.6%	80.1%
Total current liabilities	7,213	7,142	6,528	7,032	Net debt to asset	30.6%	40.5%	36.9%	33.2%
Long-term borrowings	886	1,026	996	840	Interest coverage ratio	1.2	1.2	3.4	4.0
Other long-term payables	234	177	177	177	Days account receivable	7.9	7.3	10.6	6.8
Total long-term liabilities	1,120	1,204	1,174	1,017	Days inventory	179.3	200.6	186.7	198.4
Total liabilities	8,333	8,345	7,702	8,049	Days account payable	73.3	29.1	28.3	30.0
Common shares	2,420	2,420	2,415	2,415	Current ratio	1.0	1.0	1.1	1.1
Share premium	418	418	418	418	Quick ratio	0.3	0.2	0.2	0.3
Treasury shares	-	-	-	-	Cash ratio	0.2	0.2	0.1	0.2
Undistributed earnings	8	28	552	1,056					
Investment and development fun	1,795	1,800	1,800	1,800	Valuation				
Shareholders' equity	4,641	4,666	5,185	5,689	EPS (VND/share)	21	103	2,147	2,589
Minority interest	-	-	-	-	BVPS (VND/share)	19,178	19,282	21,469	23,558
Total shareholders' equity	4,641	4,666	5,185	5,689	P/E (x)	656.9	246.8	16.8	13.9
Total liabilities & equity	12,974	13,012	12,887	13,738	P/B (x)	0.7	1.3	1.7	1.5

DISCLAIMER

This report has been written and distributed by MBS Research Center, MBS Securities JSC (MBS). It is based on information obtained from sources believed to be reliable, but MBS does not make any representation or warranty, express or implied, as to its accuracy, completeness, timeliness or correctness for any particular purpose. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained herein does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This report and all of its content belongs to MBS. No part of this report may be copied or reproduced in any form or redistributed in whole or in part, for any purpose without the prior written consent of MBS.

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.

ABOUT MBS

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.

Address:

MB Building, 21 Cat Linh, Dong Da Dist., Hanoi

Tel: + 8424 7304 5688 - Fax: +8424 3726 2601

Website: www.mbs.com.vn

MBS RESEARCH DEPARTMENT

Director, Head of Research

Hien Tran Thi Khanh

Deputy Head of Equity Research

Dzung Nguyen Tien

Macro & Market Strategy

Hung Ngo Quoc
Anh Le Minh
Cuong Nghiem Phu
Anh Ha Dinh

Banking – Financial Services

Luyen Dinh Cong
Hao Nguyen Duc

Real Estate

Duc Nguyen Minh
Tri Nguyen Minh
Thanh Le Hai

Consumer - Retail

Ly Nguyen Quynh

Industrials – Energy

Tung Nguyen Ha Duc
Huyen Pham Thi Thanh