March 2026

VIETNAM DAIRY PRODUCTS JSC (HSX: VNM)

Domestic wave fading; Middle East wildcard emerges

Unit: VND bn	Q4-FY25	Q3-FY25	+/- qoq	Q4-FY24	+/- yoy
Net sales	17,034	16,953	0.5%	15,477	10.1%
NPAT-MI	2,840	2,527	12.4%	2,124	33.7%
EBIT	3,158	3,048	3.6%	2,304	37.1%
EBIT margin	18.5%	18.0%	56bps	14.9%	365bps

Source: VNM, RongViet Securities

FY25: Performance met target despite major distribution channel disruptions in Q1

- Despite experiencing a year of significant changes to the traditional distribution (GT) channel structure, VNM achieved net revenue of VND 63,646 bn (+3.0% YoY) for the full year 2025, largely in line with the Company's plan and our expectation. The domestic market started slowly with Q1 (-12.9% YoY) but gradually recovered in subsequent quarters (Q2 +0.6% YoY, Q3 +4.4% YoY, Q4 +7.8% YoY) thanks to a sound product restructuring strategy based on the effectively operating "new GT channel format" from after Q1. Meanwhile, the overseas market (+15.5% YoY) continued to expand market share in the Middle East, Cambodia, and Africa, driven by both favorable market conditions and VNM's own expansion ambitions.
- NPAT-MI reached VND 9,410 bn (flat YoY), largely in line with the Company's plan, equivalent to a net margin of 14.8% (-42bps YoY). VNM faced headwinds from high raw milk powder prices and significant provisions at associated companies (VND 195 bn), but better-than-expected management of SG&A costs - especially in Q4-2025 - pushed NPAT 7% above our expectation.
- VNM has maintained stable working capital management over the past 15 years thanks to a mature production model, with days receivable/payable remaining virtually unchanged. The most notable difference in 2025 was the increase in inventory days to 67 days (from an average of 55–60 days), mainly due to: (1) increased raw material imports (+12% YoY by value) to capitalize on lower prices in H2 for the 2026 production season, and (2) the consequence of expanding the number of SKUs (120 SKUs in 2024, 100 SKUs in 2025), leading to a slight increase in the cash conversion cycle to 55 days at end-2025. This was entirely a strategic inventory decision rather than a deterioration in working capital management capability.

FY26–27 Outlook: Maintaining growth momentum

- After two years of "quietly" honing capabilities across most business strategies — trend-driven SKUs (A2 protein, fresh cow's milk, consumer-preferred packaging), distribution channels (GT – restructuring, MT – increased supermarket partnerships, self-operated stores, e-commerce – TikTok and Shopee channels) — VNM is expected to begin "reaping the rewards" from 2026–27, with domestic revenue growth of +5.0% YoY, surpassing the industry average in the domestic market.
- With many other positive signals emerging from H2-2025 — declining raw milk powder prices, effective ROI on advertising/discount campaigns, and strong growth in the overseas segment — we believe VNM can achieve double-digit NPAT growth in 2026. However, "geopolitical conflicts in the Middle East - may make the profit growth outlook less favorable than our expectations.
- Reflecting Middle East instability risks, we project VNM's parent company revenue and NPAT for 2026/27F at VND 65,325/69,203 bn (+2.6%/+5.9% YoY) and VND 9,691/10,134 bn (+3.0%/+4.6% YoY) respectively. Corresponding EPS is VND 4,650/4,850.

Outlook & Recommendation

VNM will begin to "harvest sweet fruits" in the domestic market after 4 years of comprehensive business strategy restructuring efforts. However, this achievement may be overshadowed by doubts about growth in the Middle East market amid the US–Iran conflict, which is unlikely to cool down soon. If this bottleneck is resolved early, it would unlock upside potential for VNM's projections.

*Using a combination of the Discounted Cash Flow (FCFF) method and the Comparable (P/E) method with a 50:50 weighting, we maintain the fair value of VNM shares at **VND 68,400/share**, corresponding to forward P/E for 2026 and 2027 of 14.8x and 14.1x respectively. Combined with expected 12-month cash dividends of VND 4,350/share, the total expected return is 20% based on the closing price on 03/27/2026. Accordingly, we recommend **BUY** for VNM as the stock price has corrected 15% over the past month.*

BUY +20%

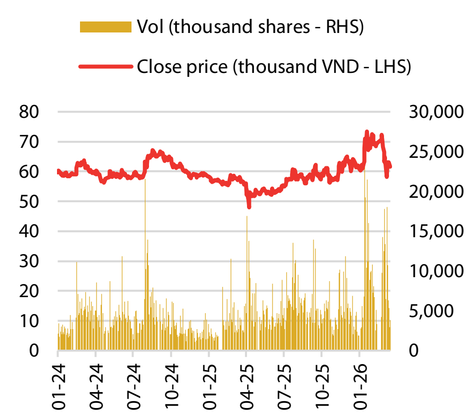
Market price (VND)	61,500
Target price (VND)	68,400

1-year expected cash dividend (VND/share): 4,350

Stock Info	
Sector	Food & Beverage
Market Cap (VND Bn)	129,159
Share O/S (Mn)	2,090
Average trading volume (20 sessions) ('000 shares)	7,631
Free Float (%)	40.0
52 weeks high	73,400
52 weeks low	47,900
Beta	0.5

	FY2025	Current
EPS	4,503	4,503
EPS growth (%)	0.2	8.2
P/E	15.9	16.1
P/B	4.9	4.9
EV/EBITDA	14.8	12.7
ROE (%)	29.9	29.9

Stock price movement



Major shareholders (%)	
Retail World INVT Consult	10.38
Baillie Gifford & Co	3.30
Tai, Nguyen Duc	2.19
Others	84.13
Remaining Foreign Room (%)	*1.35*

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FY25 RESULTS: MET TARGETS DESPITE MAJOR DISRUPTIONS IN THE KEY CHANNEL AT THE START OF THE YEAR

A year of significant changes in the traditional distribution (GT) channel structure, yet VNM closed 2025 with net sales of VND 63,646 bn (+3.0% YoY), largely in line with the Company's plan and our expectation. Specifically:

- ***Domestic revenue***, reached VND 50,964 bn (flat YoY), 2% above our expectation. VNM had a "very slow" start in this market, with record-low Q1 revenue growth of -12.9% YoY due to a comprehensive restructuring of the GT channel (~80% of revenue), raising many concerns about the business efficiency of the team/operating structure under the new distribution platform. However, YoY growth in the following three quarters dispelled these doubts (Q2 +0.6% YoY, Q3 +4.4% YoY, Q4 +7.8%), implying impressive market share gains in the industry, driven by the strategy of launching and re-launching 100 SKUs throughout the year — particularly the A2 protein trend (total product revenue, notably Greenfarm and A2 protein milk powder, achieving triple-digit growth, accounting for ~10.0% of net revenue) on this new distribution platform.

  The improvement in domestic revenue from Q2 onward also benefited from other distribution channels such as: (1) modern trade (MT) and e-commerce channels maintaining double-digit YoY growth, and (2) the "Giấc Mơ Sữa Việt" (Vietnam Dairy Dream) store chain maintaining strong expansion momentum, reaching 819 stores, potentially accounting for ~10.0% of VNM's net revenue by our estimates.

It is worth emphasizing that VNM took a step ahead of the market in restructuring the traditional channel, aiming to reduce dependence on the wholesale system that was not standardized in terms of taxes, input invoices, operations, and lacked "deep" cooperation with the brand. Although short-term revenue was sacrificed — given Vietnam's grocery market heavily relies on this wholesale system — this opens up sustainable medium-to-long-term growth opportunities. After VNM completed this project, several regulations and decrees relating to standardizing business operations in the traditional channel (especially household businesses) further accelerated the urgency of this channel restructuring for many companies following VNM's lead, such as MCH, QNS, and SAB. (Refer to the 2026 sector outlook report: Consumer —Winner takes all)

- ***Overseas revenue,*** reached VND 12,682 bn (+15.5% YoY), largely in line with analyst expectations, driven by strong growth in the key Middle East market (+25.4% YoY) with milk powder and condensed milk lines, and successful expansion into several developing markets with relatively low competition in Asia and Africa. Driftwood and AngkorMilk subsidiaries achieved solid revenue growth (+4.8% YoY), especially AngkorMilk (double-digit growth) supported by the Government's initiative to boost exports to Cambodia and benefiting from the Thailand–Cambodia conflict from Q3-2025.

NPAT-MI reached VND 9,410 bn (flat YoY), largely in line with the Company's plan but 7% above our expectation, equivalent to a net margin of 14.8% (-42bps YoY), mainly due to advertising, promotional, and display costs declining more than expected. Key highlights include:

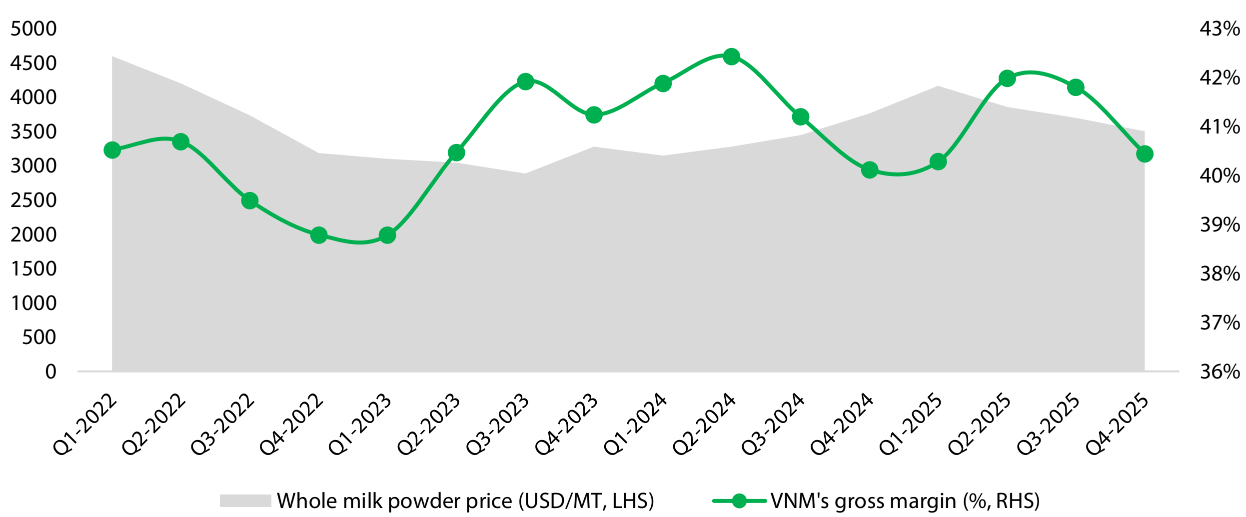
- ***Gross margin,*** at 41.2% (-24bps YoY), recording declines in most markets. Although raw milk powder prices began declining from early Q3-2025, VNM did not improve the domestic gross margin (41.2%, -6bps YoY) as it typically locks in raw material prices 6–9 months in advance, so most materials used in 2025 were priced in H1-2025. In the overseas segment, the notable point was the sharp decline in the export market gross margin (54.1%, -567bps YoY) despite benefiting from exchange rate increases (+3.6% YoY), due to price promotions to gain market share in these markets, in our view.
- ***SG&A exp/Net sales,*** at 24.4% (-15bps YoY). Advertising/display/discount expenses (the largest component) had their ratio to revenue decline by 20bps YoY, reaching 16.7%, potentially due to improved ROI on advertising and discount campaigns, especially in Q4-2025.
- ***VNM also recorded associated/joint venture company losses of VND 195 bn*** (vs. a loss of VND 32 bn the previous year) in Q3-2025 due to a one-time provision expense. This contributed to restraining VNM's profit for the year.

Table 1: MWG's 2025 results (VND bn)

Unit: VND bn	FY25	+/-YoY	% 2025 Company plan	% 2025 VDS forecast
Net sales	**63,646**	**3.0%**	**99%**	**101%**
COGS	-37,436	3.4%		
Gross profit	**26,209**	**2.4%**		
SG&A exp	-15,546	2.4%		
EBIT	**10,664**	**2.5%**		
Finance income	1,497	-5.6%		
Finance expenses	350	-18.2%		
Net other income	**-151**	**-VND 183 bn**		
PBT	-10	-272.5%		
NPAT-MI	**11,650**	**0.4%**		
Gross margin	**9,410**	**0.2%**	**97%**	**107%**
SG&A exp/Net sales	*41.2%*	*-24bps*		
Net margin	*24.4%*	*-15bps*		
Revenue breakdown (VND bn)	*14.8%*	*-42bps*		
Unit: VND bn	**FY25**	**+/-YoY**	**% 2025 Company plan**	**% 2025 VDS forecast**
Domestic	**50,964**	**0.3%**		**102%**
Overseas	**12,682**	**15.5%**		**99%**
Export	*7,105*	*25.4%*		95%
Foreign branches	*5,576*	*4.8%*		103%
Gross margin by segment (%)	**FY25**	**+/-YoY**	**% 2025 Company plan**	**% 2025 VDS forecast**
Domestic	*41.2%*	*-6bps*		
Overseas	*41.0%*	*-104bps*		
Export	*54.1%*	*-567bps*		
Foreign branches	*24.3%*	*+114bps*		

Source: VNM, RongViet Securities

Figure 1: Correlation between raw milk powder price and VNM's gross margin

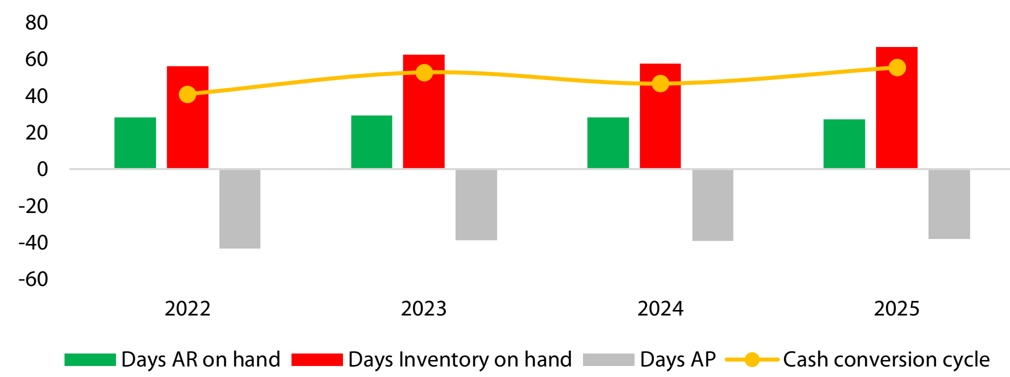


Source: VNM, RongViet Securities

Regarding working capital management, due to a well-established production business model over many years, VNM has maintained nearly unchanged working capital indicators over the past 15 years, with days receivable maintained at ~28 days and days payable maintained at ~40 days.

The most notable change in 2025 was the increase in inventory days to 67 days from the average (55–60 days), driven by two main factors in our view: (1) increased raw material imports (+12.0% YoY) to take advantage of lower raw material prices in H2-2025 for the 2026 production season, and (2) the consequence of expanding SKU count, with 120 SKUs in 2024 and 100 SKUs in 2025. As a result, the slight increase in the cash conversion cycle to 55 days at 2025-end was entirely a deliberate corporate decision on inventory levels rather than a deterioration in working capital management capability.

Figure 2: VNM Working Capital Management Capability (days)



Source: VNM, RongViet Securities

Profitability improvement driven by tighter cost optimization at subsidiaries

As mentioned, VNM's business model is a production model that has been stable for over a decade in a mature industry (dairy), so asset turnover and financial leverage ratios are tightly managed at 1.2x and 1.5x, respectively. Therefore, net margin improvement has been the main driver of ROE expansion during 2023–25. The primary reason, in our view, is VNM's successful fine-tuning of production/sales strategies — including SKU count, pricing, and target customers — for overseas subsidiaries (Driftwood, AngkorMilk) and domestic subsidiary (Moc Chau) post-COVID-19, with significantly improved gross margin (Table 3), while other cost management indicators such as domestic gross margin or SG&A/net sales remained relatively unchanged.

For 2026, VNM's ROE is expected to improve slightly to 27.8%, mainly driven by asset turnover increasing from 1.17x to 1.23x as domestic revenue returns to a growth phase after 4 years of stagnation, on an asset base that requires no additional investment (key projects already completed, such as the Vinabeef cattle husbandry–processing complex and Moc Chau Milk Paradise), and assets beginning to depreciate.

We believe VNM will not increase financial leverage (maintaining stability at ~1.5x) due to:

- The domestic dairy industry in Vietnam and VNM's market share have entered the mature phase, with growth mainly driven by product innovation and distribution channel optimization rather than aggressive scale expansion.
- Borrowing rates have increased 100–150 bps YoY, raising the cost of capital, while Vinamilk maintains a safe capital structure (low debt).
- Furthermore, expanding overseas operations (especially the Middle East market — previously a key growth driver) is unlikely to boom as initially expected due to prolonged geopolitical conflicts since early March 2025, affecting exports and supply chains.

Table 2: DuPont analysis of VNM's profitability

	2022	2023	2024	2025	2026F
	24.8%	**26.2%**	**26.4%**	**26.6%**	**27.8%**
ROE					
In which:	*14.2%*	*14.7%*	*15.2%*	*14.8%*	*14.8%*
Net margin	*1.18*	*1.19*	*1.15*	*1.17*	*1.23*
Asset turnover	*1.48*	*1.49*	*1.51*	*1.53*	*1.53*

Source: VNM, RongViet Securities

Table 3: VNM's gross margin by segment (%)

	2022	2023	2024	2025	2026F
Domestic	**40.5%**	**41.3%**	**41.3%**	**41.2%**	**41.5%**
Parent company	42.2%	42.5%	42.7%	42.1%	42.4%
Subsidiaries	9.1%	19.8%	17.2%	22.2%	22.2%
Overseas	**36.1%**	**37.4%**	**42.0%**	**41.0%**	**38.5%**
Parent company	53.5%	54.6%	59.8%	54.1%	53.1%
Subsidiaries	17.1%	19.1%	23.1%	24.3%	24.3%
Total VNM	**39.9%**	**40.7%**	**41.4%**	**41.2%**	**41.0%**

Source: VNM, RongViet Securities

FY2026–2027 OUTLOOK: DOMESTIC MOMENTUM BUILDING BUT BUSINESS RISKS EMERGE IN THE MIDDLE EAST

After two years of "quietly" honing capabilities across most business strategies — trend-driven SKUs (A2 protein, fresh cow's milk, consumer-preferred packaging), distribution channels (GT – restructuring, MT – increased supermarket partnerships, self-operated stores, e-commerce – TikTok and Shopee channels) — **VNM is expected to begin "reaping the rewards" from 2026–27 with 5.0% YoY growth, surpassing the industry average in the domestic market.**

With many other positive signals emerging from H2-2025 — declining raw milk powder prices, effective ROI on advertising/discount campaigns, and strong growth in the overseas segment — we believe VNM can achieve double-digit NPAT growth in 2026. **However, "geopolitical conflicts in the top export market" — the Middle East — may make the profit growth outlook less favorable than our expectation.**

Table 4: VNM's sales forecast by segment (VND bn)

	2026F	2027F	Assumptions
Domestic	**53,632**	**56,527**	Per Decision 309/QD-TTg, the industry targets average growth of 12–14%/year through 2030. However, we are cautious with total industry growth at 3–4%/year given declining birth rates and Vietnam's per-capita dairy spending already reaching high levels in Asia (50kg/person, per FAO). We believe VNM will achieve above-industry-average growth through market share expansion in milk powder and liquid milk, having launched and re-launched 250 SKUs in 2024–25, especially the A2 protein trend and Greenfarm fresh milk, on an effectively restructured distribution platform as evidenced by the last three quarters.
YoY growth	*5.2%*	*5.4%*	
Export	**5,784**	**6,391**	For 2026, our base-case scenario assumes a sharp 18.6% YoY decline in export revenue, based on this segment's performance in 2022 (-21.2% YoY) — the most recent year of geopolitical disruptions in the Middle East (comprising 70–80% of VNM's export revenue, by our estimate, expected to decline 40.0–50.0% YoY). However, we forecast double-digit export growth to resume from 2027 as Middle East conflicts de-escalate. Note: The Middle East conflict variable becomes both a downside/upside risk to VNM's projections going forward and needs to be closely monitored.
YoY growth	*-18.6%*	*10,5%*	
Foreign branches	**5,909**	**6,285**	Maintaining strong growth of 6.0–6.5% YoY driven by growth drivers emerging from 2025 at AngkorMilk, supported by the Government's export promotion initiative to Cambodia and benefiting from the Thailand–Cambodia conflict from Q3-2025.
YoY growth	*6.0%*	*6.4%*	
Tổng doanh thu	**65,325**	**69,203**	
YoY growth	*2.6%*	*5.9%*	

Source: RongViet Securities

Table 5: VNM's market share forecast by segment (%)

	Vietnam dairy market value by segment	VNM's market share					
		2022	2023	2024	2025	2026F	2027F
Baby food (mainly powder milk)	**24.3%**	**19.9%**	**20.2%**	**21.3%**	**23.1%**	**23.6%**	**24.1%**
Cheese	1.9%	3.1%	3.0%	2.9%	2.9%	2.9%	2.9%
Drinking milk	**43.3%**	**42.3%**	**39.7%**	**38.7%**	**37.9%**	**38.0%**	**38.2%**
Sour milk/Yogurt	19.3%	59.9%	58.1%	58.5%	58.9%	59.1%	59.3%
Condensed milk	6.7%	82.2%	82.3%	83.3%	83.3%	83.3%	83.3%
Plant-based milk	3.8%	15.9%	16.7%	15.7%	15.9%	16.1%	16.3%

Source: Euromonitor, RongViet Securities

Table 6: VNM's earning forecast for 2026-27F

Unit: VND bn	2026F	2027F	Assumptions
Net sales	**65,325**	**69,203**	YoY growth for 2026/27F of 5.3%/6.1%, driven by market share recovery in liquid/powder/yogurt milk as mentioned above. The "Middle East conflict" variable remains a grey area with a base-case scenario of "-40.0–50.0% YoY growth" in 2026, before returning to 10.0% YoY growth in 2027, still below the previous 15–25% level.
Domestic	*53,632*	*56,527*	
Export	*5,784*	*6,391*	
Foreign branches	*5,909*	*6,285*	
Gross profit	**26,767**	**28,265**	Domestically, VNM is expected to benefit from lower raw milk powder prices, offset by increased focus on new SKUs with higher COGS (such as fresh cow's milk) or not yet optimized production capacity. Thus, gross margin for this segment is expected to improve only slightly by 10bps YoY for 2026/27F. Overseas, we estimate gross margin to decline 245bps YoY as the proportion of export revenue (inherently high-margin, above 50.0%) decreases from 56% in 2025 to ~50% in 2026/27F. Overall, we estimate VNM's gross margin to decline slightly by 20bps YoY/year for 2026/27F.
SG&A exp	-16,159	-17,104	
EBIT	**10,608**	**11,161**	Projected increase in transportation/utility costs related to freight/fuel from March 2026. Thus, SG&A exp/net sales increases by 30bps YoY/year for 2026/27F.
Finance income	1,718	1,786	
Finance exp	408	401	Finance expenses expected to increase 30.7% YoY for 2026 due to borrowing rates rising 100–150bps YoY, offset by financial investment income with VNM's short-term financial investment income +22.3% YoY.
Income from affiliates (Erablue)	32	32	No longer incurring the VND 195 bn loss from one-time provisions at associated companies as in 2025, supporting VNM's total NPAT in 2026/27F.
PBT	**11,993**	**12,543**	
Corporate income tax	-2,296	-2,402	
NPAT-MI	**9,693**	**10,137**	Overall, as net margin does not improve, YoY NPAT growth merely matches revenue growth for 2026/27F at 3.0%/4.6% respectively.
EPS (VND)	*4,638*	*4,850*	
Key financial ratios			
YoY sales growth	*2.6%*	*5.9%*	
YoY NPAT growth	*3.0%*	*4.6%*	
Gross margin	*41.0%*	*40.8%*	
SG&A exp/Net sales	*24.7%*	*24.7%*	
Net margin	*14.8%*	*14.6%*	

Source: RongViet Securities

VALUATION

Compared to the sector report published on January 13th, 2026, our revenue/profit projections for VNM for 2026/27F are virtually unchanged. Therefore, we maintain our one-year target price of **VND 68,400/share**, corresponding to forward P/E for 2026 and 2027 of 14.8x and 14.1x, respectively. Combined with a cash dividend of VND 4,350/share (corresponding to a 7.5%/year dividend yield), we upgrade our recommendation to **BUY** for VNM after the stock price corrected 15% over the past month.

Regarding FCFF valuation assumptions, we apply a risk-free rate of 4% (unchanged), beta of 1.0 (unchanged), standard equity risk premium of 8.15% (adjusted per Damodaran instead of the previous 10.0%), debt weight of 18% (unchanged), pre-tax cost of debt of 4.0% (increased from 3.0% previously), and exit EV/EBITDA of 10.5x (unchanged). Accordingly, the WACC assumption is maintained at 10.6% (unchanged).

Regarding P/E comparable valuation assumptions, we maintain a P/E of 16.0x (unchanged) — corresponding to the market upgrade scenario, as previously discussed in the VNM valuation report: "The big boat strives to conquer mighty waves". We emphasize that in the scenario of a Vietnam stock market upgrade in 2026, VNM could see increased allocation by foreign funds given its position as the leading consumer goods company and high liquidity. VNM's P/E multiple could be re-rated 10–15% above the 14–15x level, to a new P/E of 16.0–17.0x, in line with dairy companies in comparable markets.

LONG-TERM VALUATION BY FCFF METHOD

DCF Assumptions	Value	Valuation summary	Value (VND bn)
WACC 2026	10.6%	DCF forecast time	5 years
Effective tax rate	20.0%	Enterprise value	118,059
Cost of equity	12.2%	+ Cash & cash equivalent & investment	23,150
Risk-free rate	4.0%	- Debt	10,477
Equity risk premium	8.2%	Equity value	130,731
Beta	1.0	Numbers of outstanding shares	2,089,96
Exit EV/EBITDA	9.5	Target equity value per share (VND)	62,300

Source: RongViet Securities

Sensitivity scenario for VNM’s Equity Value per Share by FCFF method (VND)

		Exit EV/EBITDA				
		8.5	9.5	**10.5**	11.5	12.5
WACC	8.6%	59,710	63,985	68,259	72,534	76,808
	9.6%	57,219	61,270	65,320	69,371	73,422
	10.6%	54,871	58,712	**62,552**	66,392	70,233
	11.6%	52,657	56,300	59,943	63,586	67,228
	12.6%	50,568	54,025	57,482	60,939	64,396

Source: RongViet Securities

SHORT-TERM VALUATION BY P/E METHOD

Peers' valuations, VNM (USD mn)

Company	Market cap (USD mn)	2025 Net sales (USD mn)	2025 trailing PE (x)	2025 trailing PB (x)	2025 trailing EVEBITDA (x)
Inner Mongolian Yili Group (China)	25,884	16,081	21.5	3.4	17.5
China Mengniu dairy (China)	7,430	12,317	13.1	1.3	12.5
Morinaga Milk Industry (Japan)	2,121	3,684	29.1	1.2	7.8
Yakult Honsha (Japan)	5,199	3,280	16.3	1.3	8.2
Fraser & Neave Holdings Bhd (Malaysia)	3,209	1,197	25.3	3.3	14.5
Vinamilk (Vietnam)	4,865	2,448	15.2	4.2	9.1
Mean			**18.9**	**2.3**	**10.8**

Source: Bloomberg, RongViet Securities

Sensitivity scenario for VNM's Equity Value per Share by P/E method (VND)

EPS (VND)			P/E				
			14.0	15.0	**16.0**	17.0	18.0
	2026F	4,637	64,920	69,557	**74,194**	78,831	83,469
	2027F	4,849	67,883	72,731	77,580	82,429	87,278

Source: RongViet Securities

VNM VALUATION SUMMARY

VNM VALUATION SUMMARY (VND/SHARE)		
Method	**Contribution**	**Target price (VND/share)**
DCF (5 years, WACC: 10.6%, Exit EVEBITDA 9.5x)	50%	62,600
PE (EPS 2026F, PE 16.0x)	50%	74,200
Total VNM	**100%**	**68,400**
1-year expected cash dividend (VND/share)		*4,350*
2026F target P/E		*14.8*

Source: RongViet Securities

Appendix

Table 7: Q4-2025's results

Unit: VND bn	Q4-2025	Q3-2025	+/-QoQ	Q4-2024	+/-YoY
Net sales	**17,034**	**16,953**	**0.5%**	**15,477**	**10.1%**
Domestic	13,846	13,494	2.6%	12,843	7.8%
Export	1,579	2,019	-21.8%	1,253	26.0%
Foreign branches	1,609	1,440	11.7%	1,382	16.4%
Gross profit	**6,890**	**7,087**	**-2.8%**	**6,210**	**11.0%**
SG&A expenses	**-3,732**	**-4,040**	**-7.6%**	**-3,906**	**-4.4%**
EBIT	**3,158**	**3,048**	**3.6%**	**2,304**	**37.1%**
Income from affliates (mainly Erablue)	24	-194	-112.3%	23	2.5%
Net finance income	251	304	-17.6%	255	-1.5%
Other profit	44	-32	-237.3%	61	-28.2%
EBT	**3,433**	**3,126**	**9.8%**	**2,643**	**29.9%**
Corporate income tax	-650	-615	5.6%	-497	30.9%
Minority of interest (MI)	-13	-16	-18.9%	23	-156.9%
NPAT-MI	**2,840**	**2,527**	**12.4%**	**2,124**	**33.7%**

Source: VNM, RongViet Securities

Table 8: Q4-2025's business analysis

Criteria	Q4-2025	Q3-2025	+/-QoQ	Q4-2024	+/-YoY
Profitability ratio					
Gross margin	40.4%	41.8%	-136bps	40.1%	33bps
EBIT/Net sales	18.5%	18.0%	56bps	14.9%	365bps
Net margin	16.7%	14.9%	177bps	13.7%	295bps
Efficiency ratio (days)					
Days AR on hand	25	26	-1 days	28	-3 days
Days Inventory on hand	61	58	3 days	55	5 days
Days AP	35	32	3 days	38	-3 days
Solvency ratio (%)					
Total liabilities/Total equity	55%	47%		52%	

Source: VNM, RongViet Securities

VND bn

INCOME STATEMENT	FY2024	FY2025	FY2026F	FY2027F
Net sales	**61,783**	**63,646**	**65,325**	**69,203**
COGS	36,192	37,436	38,557	40,938
Gross profit	**25,590**	**26,209**	**26,767**	**28,265**
Selling exp	-13,358	-13,642	-14,212	-15,021
GA exp	-1,828	-1,904	-1,948	-2,083
Finance income	1,586	1,497	1,718	1,786
Finance exp	-428	-350	-408	-401
Net other income	6	-10	-10	-10
Income from affiliates	*32*	*-151*	*32*	*32*
PBT	**11,600**	**11,650**	**11,993**	**12,544**
Corporate income tax	-2,147	-2,236	-2,297	-2,402
MI	61	3	5	8
NPAT-MI	**9,392**	**9,410**	**9,691**	**10,134**
EBIT	10,405	10,664	10,608	11,161

FINANCIAL RATIOS	FY2024	FY2025	FY2026F	FY2027F
YoY growth (%)				
Net sales	2.3	3.0	2.6	5.9
EBIT	6.6	3.7	-0.5	5.2
NPAT-MI	5.8	0.2	3.0	4.6
Total assets	4.5	-3.2	-0.4	1.5
Total equity	3.3	-4.7	2.3	2.3
Profitability ratios (%)				
Gross margin	41.4	41.2	41.0	40.8
EBIT margin	16.8	16.8	16.2	16.1
Net margin	15.2	14.8	14.8	14.6
ROA	17.1	17.7	18.2	18.8
ROE	26.0	27.3	27.5	28.1
Efficiency ratios (days)				
Days AR on hands	37	35	34	32
Days Invenroty on hand	57	67	71	71
Days AP	39	38	39	39
Liquidity ratios (x)				
Current	2.0	2.0	2.1	2.2
Quick	1.7	1.6	1.7	1.7
Solvency ratios (x)				
Total liabilities/total equity	0.3	0.4	0.3	0.3
S.T debt/Total equity	0.3	0.3	0.2	0.2
L.T debt/Total equity	0.3	0.3	0.2	0.2

VND bn

BALANCE SHEET	FY2024	FY2025	FY2026F	FY2027F
Cash & Equivalents	2,226	1,795	1,795	1,795
Short-term investment	23,260	21,355	21,355	22,355
Receivables	6,234	6,028	6,005	6,119
Inventories	5,687	6,839	7,500	7,963
Other current assets	147	244	251	266
Tangible fixed assets	13,114	12,991	12,449	11,592
Intangible fixed assets	1,030	1,031	950	901
Long-term investment	1,373	957	850	850
Other non-current assets	1,978	2,073	1,960	2,076
TOTAL ASSETS	**55,049**	**53,312**	**53,115**	**53,917**
Trade payables	3,874	3,923	4,127	4,382
Short-term debt	9,115	9,394	8,212	7,941
Short-term debt	158	63	63	63
Other liabilities	5,727	5,449	5,449	5,449
Bonus & welfare funds	680	953	953	953
Science and technology fund	0	0	0	0
TOTAL LIABILITIES	**18,875**	**18,829**	**17,852**	**17,835**
Paid-in capital	20,400	20,153	20,153	20,153
Treasury shares	499	747	747	747
Retained earnings	3,471	8,523	9,298	10,109
Other funds	829	1,185	1,185	1,185
Investment & development funds	7,079	79	79	79
TOTAL EQUITY	**36,174**	**34,483**	**35,263**	**36,082**
Minority of interest	3,896	3,798	3,803	3,810

VALUATION RATIOS	FY2024	FY2025	FY2026F	FY2027F
EPS (VND)	4,494	4,503	4,637	4,849
P/E (x)	13.1	13.6	12.5	12.0
BV (VND)	17,309	16,499	16,873	17,264
P/B (x)	3.4	3.7	3.4	3.4
DPS (VND)	3,850	4,850	4,350	4,350
Dividend yield (%)	6.5	8.3	7.1	7.5

VALUATION MODEL	Price	Contribution	Average
FCFF	62,600	50	31,300
P/E	74,200	50	37,100
Target price (VND/share)			**68,400**

VALUATION HISTORY	Price	Recommedation	Time
Mar-2026	68,400	BUY	Long-term
Jan-2026	68,400	ACCUMULATE	Long-term
Sep-2025	65,100	ACCUMULATE	Long-term

Update Valuation

This report is created to provide investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information, with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report, we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedback and/or receive more information, investors may contact the assigned analyst or our client support department.

RATING GUIDANCE

Ratings	BUY	ACCUMULATE	HOLD	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-5% to 5%	-20% to -5%	<-20%

In some cases, we do not provide specific buy/sell recommendations but only offer some reference valuations to give investors additional information, classified under the **OBSERVE** recommendation.

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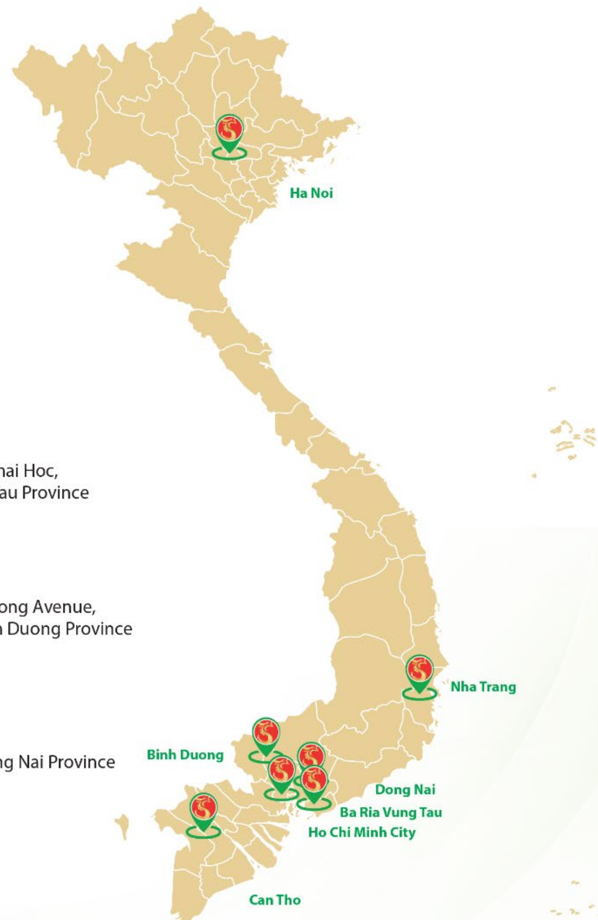

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