

QUANG NGAI SUGAR JSC (UPCoM: QNS)

Expecting rebalancing as the sugar price cycle turns

Using a sum-of-the-parts (SoTP) valuation approach, we derive a fair value of **VND 52,700/share** for QNS, implying a target 2026E P/E and P/B of 10.1x and 1.7x, respectively. Based on the closing price as of 19 Aug-2026 and including a cash dividend of **VND 4,000/share**, we maintain our **ACCUMULATE** recommendation on QNS, implying a total expected return of **16%**, including an **9%** dividend yield.

Plant-based milk segment (soy milk) partially offset the prolonged downturn in sugar prices

In 2025, QNS reported net revenue of VND 10,573bn (+3.2% YoY), with the sugar and milk segments contributing 45.4% and 34.4% of total revenue, respectively. NPAT-MI came in at VND 1,916bn (-19.1% YoY), with the net margin narrowing to 18.1% (-5.1ppts YoY).

- Supported by stable demand and input costs, the milk segment grew 15% YoY, partly offsetting an 8% YoY decline in sugar revenue amid oversupply and lower sugar prices of 10%.
- QNS's 2025 net margin was under pressure not only by lower sugar prices but also by higher SG&A expenses (+1.7ppts YoY as a percentage of revenue), reflecting increased marketing and distribution spending to support its sugar products and newly launched plant-based milk portfolio amid competitive market with abundant substitute products.
- Backed by strong operating cash flow, QNS has increased short-term investments by an average of 25% annually since 2019 while maintaining prudent leverage (~1.3x). Consequently, net financial income contributed 9% of PBT in 2025 (up from 4% in 2019).

Near-term headwinds persist, while the sugar industry is expected to enter a recovery cycle

We forecast QNS's 2026 net sales to reach VND 11,740bn (+11.0% YoY), with a 2026–30 CAGR of 6.1%. NPAT-MI is at VND 1,924bn (+0.4% YoY), with EPS of VND 5,233 and a net margin of 16.4% (-1.7ppts YoY).

- Sugar prices are expected to remain under pressure in the near term as the market continues to absorb excess supply. However, we expect prices to recover from 2027, growing at 1–2% annually as the supply-demand gap narrows, driven by a shift toward ethanol & alternative crops and less favorable weather in major sugar-exporting countries. We forecast QNS's sugar output to grow at a 6.7% CAGR in 2026–30, supported by expanding cane acreage and crushing yields of 10.5–11.0%.
- The soy milk business should continue to benefit from the structural shift toward plant-based products. However, with an 80% domestic market share, future growth is expected to come mainly from premiumization and market expansion. We expect the segment's gross margin to remain stable at around 44%, supported by resilient soybean supply and relatively input costs.
- Biomass power revenue is projected to grow at an 11.0% CAGR in 2026–30, mainly driven by higher electricity output from increased bagasse, while the feed-in tariff remains fixed at US\$7.03 cents/kWh.

Risks

- Sugar prices remain weaker and recover more slowly than expected during 2027–30.
- Limited upside in soy milk due to QNS's dominant market share in a high competitive market

Key financial indicators

(Billion VND)	FY2022	FY2023	FY2024	FY2025	FY2026E	FY2027F
Net Revenue	8,255	10,021	10,243	10,575	11,740	12,414
Growth (%)	12.5	21.4	2.2	3.2	11.0	5.7
EBITDA	1,852	2,603	2,827	2,384	2,511	2,725
NPAT-MI	1,287	2,183	2,377	1,916	1,924	2,051
Growth (%)	2.6	69.7	8.8	-19.4	0.4	6.6
Net Margin (%)	15.6	21.8	23.2	18.1	16.4	16.5
ROA (%)	12.8	19.6	18.4	13.6	12.8	12.8
ROE (%)	17.7	27.2	25.6	18.6	17.7	18.0
Basic EPS (VND)	3,605	6,117	6,465	5,213	5,233	5,577
BVPS (VND)	20,304	23,339	27,204	28,956	30,189	31,767
Cash dividend/shs (VND)	3,000	4,000	4,000	4,000	4,000	4,000
P/E (x)	24.5x	20.9x	5.8x	8.7x	8.7x	8.2x
P/BV (x)	4.2x	5.3x	1.4x	1.6x	1.5x	1.4x

Source: QNS, RongViet Securities. Based on the closing price on 19/08/2026

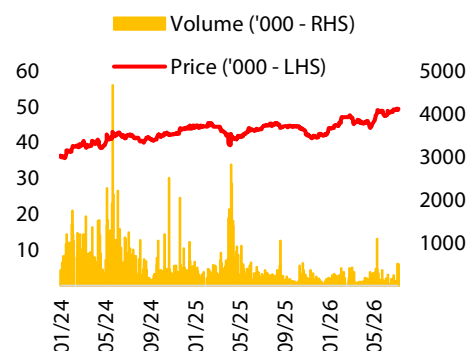
ACCUMULATE +16%

Market Price (VND)	45,600
Target Price (VND)	52,700

*1-year expected cash dividend (VND/share): 4,000

Stock Information

Sector	Food & Beverage
Market Cap (VND Bn)	16,765
Share O/S (Mn shares)	367.7
Beta	1.0
Free Float (%)	75.0
52-week high (VND)	49,200
52-week low (VND)	41,000
Avg. trading volume 20 sessions	124,000



Performance (%)

	3T	1N	2N
QNS	7.2	9.7	12.1
VN30 Index	3.2	29.9	51.0
VN-Index	4.6	30.0	43.5

Major shareholder (%)

Management & related	20.7%
Thanh Phat Trading LLC	15.1%
Nutifood	4.5%
Others	59.7%

Consumer Analysis Department

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VALUATION

We value QNS using a sum-of-the-parts (SoTP) approach based on segment-specific P/E multiples, reflecting the near-term uncertainty surrounding sugar prices. We apply target P/E multiples of 12.5x for soymilk, 8.0x for sugar, and 7.0x for other businesses.

- Soymilk – P/E target of 12.5x - Below the 15.0-18.0x average of listed milk peers, reflecting the lower barriers to entry in the soymilk market and QNS's UPCoM listing, which carries lower liquidity and investor accessibility than HSX. However, the multiple remains at the upper end of the 8.0-13.0x range observed in non-alcoholic beverage M&A transactions, supported by Vinasoy's dominant market position (>80% share), resilient margins, and strong cash generation.
- Sugar - P/E target of 8.0x - In line with the three-year average valuation of five listed sugar producers in Vietnam and Thailand, applied to our 2026F EPS.
- Other businesses – P/E target of 7.0x - Equivalent to QNS's 10-year median P/E after a 30% discount, reflecting limited growth prospects for its food and beverage businesses and the relatively small contribution from biomass power. The multiple is also consistent with QNS's historical valuation during periods of weak sugar prices.

Accordingly, based on our 2026E NPAT-MI/EPs forecast of VND1,924bn and VND5,233/share, we derive a 12-month TP of **VND52,700/share** for QNS. Based on the closing price of VND45,600/share as of 19 Aug 2026, we assign an **ACCUMULATE** recommendation, with an expected return of 16%. We expect QNS to pay a cash dividend of VND4,000/share over the next 12 months, equivalent to a dividend yield of 9%.

Table 1: QNS valuation summary using SoTP comparison

Business segments	Method	EPS 2026E	Target P/E	Target price
Sugar	P/E	1,798	8.0x	14,388
Soymilk	P/E	2,603	12.5x	32,538
Others	P/E	820	7.0x	5,745
Total QNS (VND/share)				52,700
<i>Expected cash-dividend (VND/share)</i>				<i>4,000</i>
<i>P/E target 2026E</i>				<i>10.1</i>

Source: RongViet Securities

Table 2: P/E multiples of some sugar peers (x)

Companies	2020	2021	2022	2023	2024	2025
SBT VN Equity	22.4x	23.1x	16.0x	26.6x	16.1x	23.7x
LSS VN Equity	16.3x	37.2x	14.8x	37.7x	9.2x	6.8x
SLS VN Equity	4.1x	7.6x	6.6x	3.2x	3.6x	5.2x
KTIS TB Equity	16.1x	16.1x	16.1x	7.8x	7.8x	7.8x
BRR TB Equity	382.5x	34.6x	9.2x	6.2x	3.4x	10.6x
Median	16.3x	23.1x	14.8x	7.8x	7.8x	7.8x
Target P/E (Sugar)	8.0x					

Sensitivity scenario for QNS sugar segment's equity value per share

Year	EPS (VND)	P/E				
		6.0x	7.0x	8.0x	9.0x	10.0x
2026E	1,798	10,791	12,589	14,388	16,186	17,985
2027F	1,926	11,557	13,483	15,410	17,336	19,262

Source: Bloomberg, RongViet Securities

Table 3: P/E multiples of some milk peers (x)

Companies	2020	2021	2022	2023	2024	2025
345 HK Equity	46.6x	58.1x	58.1x	353.5x	61.6x	45.8x
VNM VN Equity	15.7x	16.0x	16.4x	14.6x	15.7x	13.1x
OTLY US Equity*	-	-	-	-	-	-
Median	30.4x	30.8x	17.8x	17.8x	17.8x	14.8x
Target P/E (Milk)	12.5x					

Source: Bloomberg, RongViet Securities | (*) Negative P/E

Sensitivity scenario for QNS milk segment's equity value per share

Year	EPS (VND)	P/E				
		10.5x	11.5x	12.5x	13.5x	14.5x
2026E	2,603	27,332	29,935	32,538	35,141	37,744
2027F	2,787	29,260	32,047	34,834	37,620	40,407

Source: RongViet Securities

Table 4: Sensitivity scenario for QNS other segments' equity value per share (Biomass – Thanh Phat – Other)

Year	EPS (VND)	P/E				
		5.0x	6.0x	7.0x	8.0x	9.0x
2026E	820	4,105	4,925	5,745	6,564	7,384
2027F	850	4,254	5,104	5,953	6,803	7,653

Source: RongViet Securities

We present the aspects of QNS stock, which support our valuation above in the following sections:

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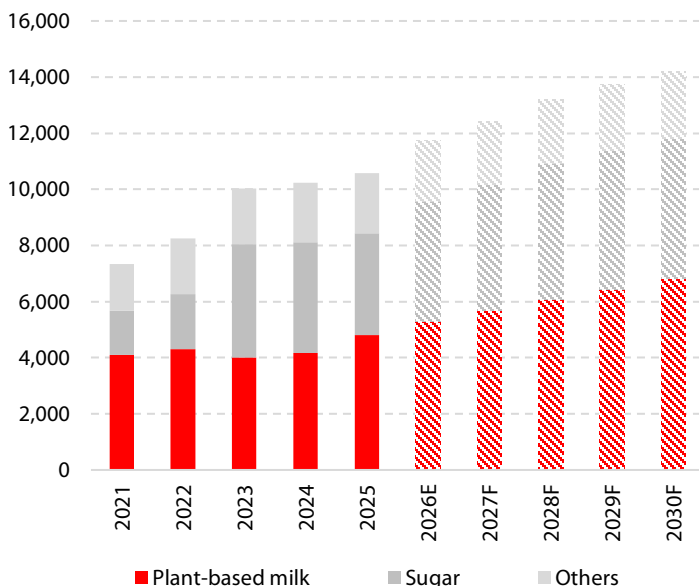
FINANCIAL ANALYSIS & FORECAST FOR 2026 - 2030F

Revenue: We forecast QNS's net revenue to reach VND 11,740bn in 2026 (+10.2% YoY) and VND 14,210bn by 2030, implying a 2026-30 CAGR of 6.1%, below the 10.3% CAGR recorded during 2021-25. This reflects our cautious view on the growth potential of QNS's core businesses amid industry-wide headwinds.

- (1) **Sugar:** We expect the sugar business to remain under pressure in the near term as the market continues to face oversupply, driven by smuggled sugar imports and the rising penetration of lower-cost substitutes such as high-fructose corn syrup (HFCS). A gradual price recovery is expected from the end of 2026.
- (2) **Soy milk:** We continue to see long-term growth potential, supported by the structural shift toward plant-based milk. However, with over 80% share of Vietnam's soymilk market, further market share gains are likely to be limited. Future growth is therefore expected to come primarily from premiumization and overall market expansion.

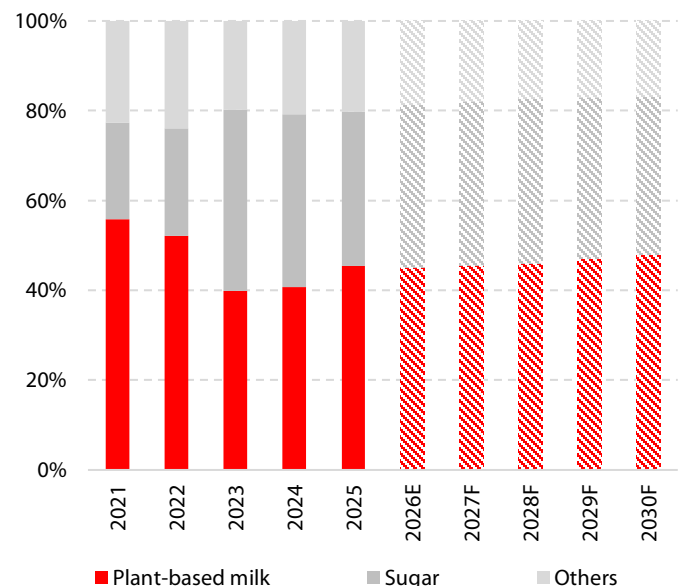
In 2025, QNS reported net revenue of VND 10,573bn (+3.2% YoY). Sugar and soymilk remained the two largest contributors, accounting for 45.4% and 34.3% of total revenue, respectively. The soymilk segment grew 15.1% YoY, partly offsetting a 7.9% YoY decline in sugar revenue. Meanwhile the remaining businesses posted only modest growth, which limited overall revenue expansion.

Figure 1: QNS's net revenue (VND Bn)



Source: QNS, RongViet Securities

Figure 2: QNS's revenue contribution by segments (%)

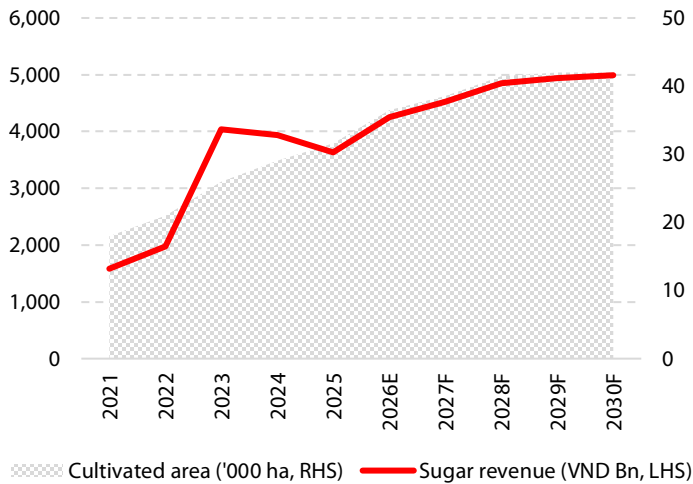


Source: QNS, RongViet Securities

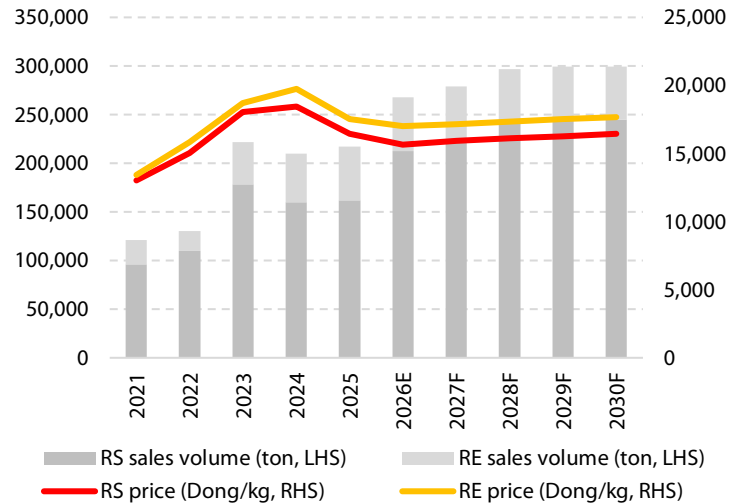
Sugar

Sugar is an agricultural commodity whose pricing is highly cyclical and driven by seasonal supply-demand dynamics. The sugar business became a key growth driver for QNS during 2021–23, delivering a 60% revenue CAGR, supported by (1) a sharp rise in domestic sugar prices from VND 10,500/kg in 2020 to nearly VND 18,000/kg in 2023 before entering the current downcycle, and (2) a near doubling of QNS's sugar sales volume following the implementation of anti-dumping and countervailing measures on Thai sugar in June 2021, which eased competitive pressure and supported domestic producers (see [page 47](#)).

In 2025, sugar revenue declined 7.9% YoY to VND 3,630bn, mainly due to a 10.8% decline in average selling prices amid persistent oversupply in both domestic and global markets since the 2022/23 crop year. Meanwhile, continued smuggled sugar imports have weakened the effectiveness of trade protection measures, putting further pressure on domestic prices. As a result, QNS's sugar sales volume grew only 3.3% YoY.

Figure 3: Sugar revenue and sugarcane cultivation area


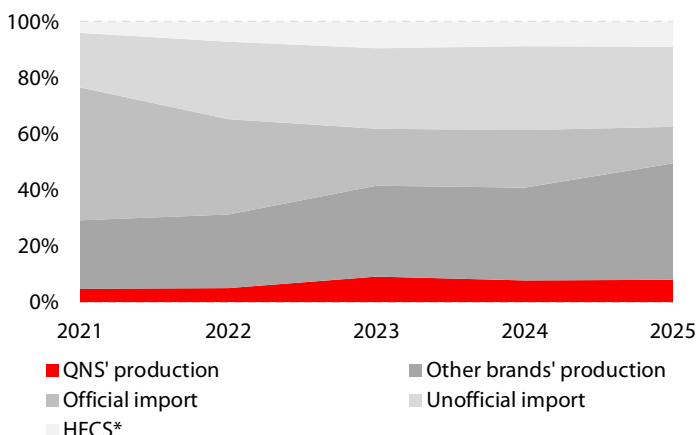
Source: QNS, RongViet Securities

Figure 4: RE & RS sugar production and selling price


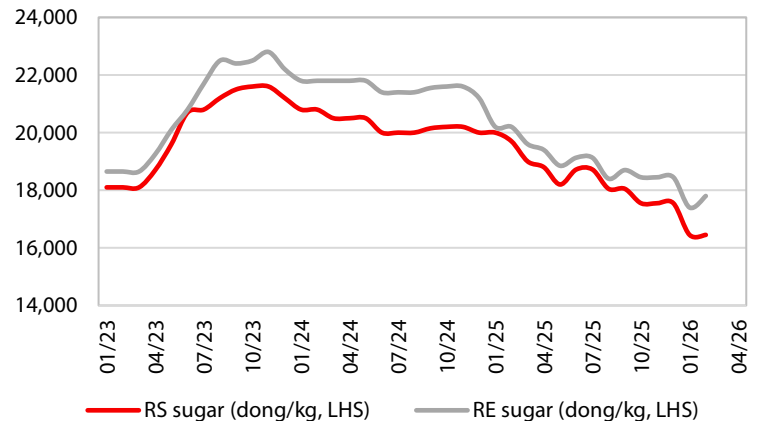
Source: QNS, RongViet Securities

We forecast QNS's sugar revenue to reach VND 4,258bn in 2026 (+17.3% YoY), before normalizing to a 2026–30 CAGR of 6.6%.

- 2026 growth will be volume-driven. We expect average sugar prices to remain under pressure, down 3–5% YoY, as domestic prices hover around VND 15,000–16,000/kg, the lowest level in four years. Meanwhile, sugar sales volume is projected to increase 20–25% YoY, supported by stronger sales efforts in 1H26 to offset weaker pricing and clear inventories ahead of the 2025/26 crushing season. QNS sold 217kt of sugar in 2025 (+3.3% YoY), implying around 33kt of inventory from the 2024/25 crop remained unsold entering the new season.
- Over the medium to long term, we expect sugar prices to recover gradually as oversupply eases from 2H26, supported by continued trade protection against Thai sugar, crop switching in major producing countries, higher ethanol production in Brazil, and weaker sugarcane yields in India and Thailand. However, we believe these factors are unlikely to drive a meaningful acceleration in demand until issues related to smuggled sugar and HFCS are better addressed. We forecast QNS's sugar sales volume to grow at a 6.7% CAGR during 2026–30, supported by expanding cane acreage and industry-leading crushing yields, while ASP is expected to recover gradually by 1–2% annually from 2027 onward.

Figure 5: Market share by production volume (%)


Source: QNS, RongViet Securities

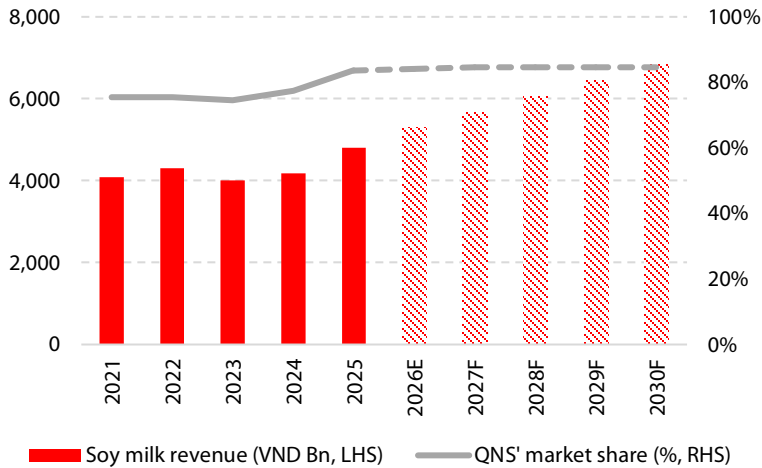
Figure 6: Average sugar price of QNS, 2023 – 2025


Source: QNS, RongViet Securities

Plant-based milk (Soy milk)

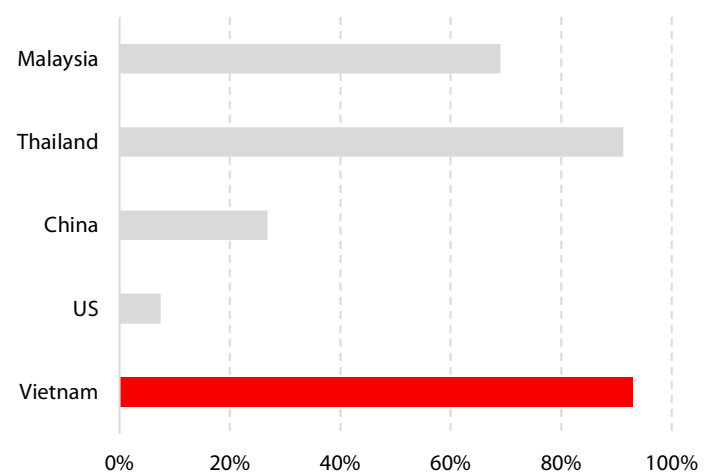
Despite the growing consumer preference for plant-based food and beverages, Vietnam's plant-based milk market remains relatively small, accounting for only around 3.8% of the total soymilk market by value in 2025 (Euromonitor). Within this segment, soy milk remains the dominant category across Southeast Asia, contributing approximately 70–90% of plant-based milk sales (Figure 8).

Figure 7: Soymilk revenue and QNS' market share



Source: QNS, RongViet Securities

Figure 8: Soy milk accounts for 93% of Vietnam's plant-based milk market and remains dominant across Southeast Asia



Source: Euromonitor, RongViet Securities

In terms of consumer spending, milk expenditure accounts for around 1.2% of Vietnam's GDP per capita, while plant-based milk represents only 0.045% (well below Thailand: 0.11%). On a volume basis, Vietnam's per capita milk consumption stands at 27 litres per year, significantly lower than regional peers (see [page 40](#)). Nevertheless, we remain conservative, forecasting the overall milk market to grow at 2–4% per annum, given Vietnam's persistently low birth rate and the country's already high milk consumption level by Asian standards (around 50kg per capita, according to the FAO). We expect the plant-based milk segment to grow at a faster 6–8% per annum, supported by rising health awareness and the continued shift toward healthier dietary choices, based on the following factors:

- (1) *Sustained income growth: We expect spending on plant-based milk as a share of GDP per capita to remain stable, as dairy & alternative products are considered essential consumer staples and typically account for a relatively resilient share of household expenditure across economic cycles. Similar consumption patterns can also be observed in more developed regional markets such as Thailand, Malaysia, and China. Meanwhile, Vietnam's GDP per capita is projected by the IMF and World Bank to grow by around 5.5% annually during 2026–30, providing a solid foundation for higher spending on value-added nutritional products.*
- (2) *Population growth: Vietnam's population is forecasted to grow at a 0.7% CAGR during 2026–30, slightly below the 0.8% CAGR recorded over the previous five years due to the country's record-low fertility rate (General Statistics Office population projections). Nevertheless, continued population expansion should remain a structural driver of long-term food and beverage demand.*

For QNS, we forecast soy milk revenue to reach VND 5,292bn in 2026 (+10.2% YoY) and increase further to approximately VND 6,830bn by 2030, implying a 2026–30 CAGR of 7.3%. We believe QNS has limited room for further market share gains, given its already dominant position with over 80% of Vietnam's soy milk market. However, we expect the company to maintain this leadership, supported by its strong brand equity, extensive distribution network across both traditional and modern trade channels, and competitive pricing that appeals to the mass market. Beyond its flagship Fami brand, higher-value

product lines such as Greensoy and Veyo have continued to deliver double-digit growth, demonstrating QNS's gradual expansion into the mid- to premium-priced segment and its ability to capitalize on premiumization and increasingly diversified consumer demand.

In addition, the government's crackdown on counterfeit, smuggled, and undocumented dairy products should further benefit leading branded players such as QNS and Vinamilk by shifting demand from the informal market toward legitimate products. This trend has already been reflected in the sustained double-digit volume growth reported by both companies since June 2025.

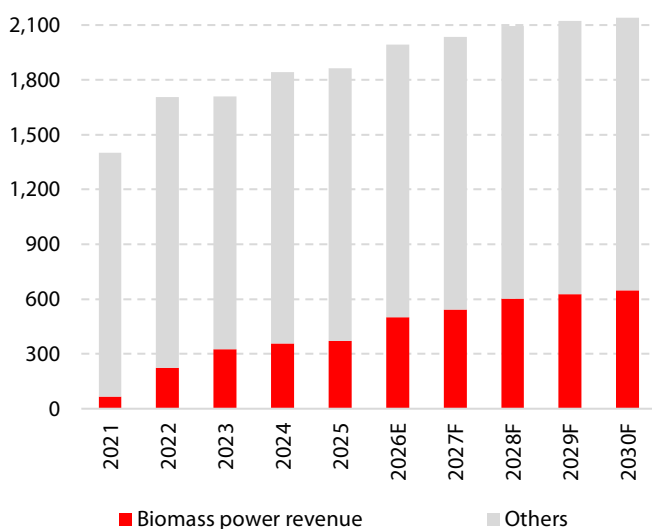
Other segments (Biomass Power, Thanh Phat and Others)

QNS utilizes bagasse, a by-product of sugarcane crushing, to generate biomass power, creating an integrated production model between its sugar and energy businesses. In 2025, biomass power revenue reached VND 370bn (+3.4% YoY), accounting for 3.5% of total revenue. Although still a relatively small contributor, the segment has been one of QNS's fastest-growing businesses, delivering a 26.8% revenue CAGR during 2021–25. Revenue is primarily driven by sugarcane crushing volume and bagasse recovery, while selling prices remain relatively stable under the fixed feed-in tariff of US\$7.03/kWh.

We forecast revenue from QNS's other businesses to reach VND 3,901bn in 2026 (+6.0% YoY) and VND 4,460bn by 2030, implying a 2026–30 CAGR of 3.9%. Key assumptions include:

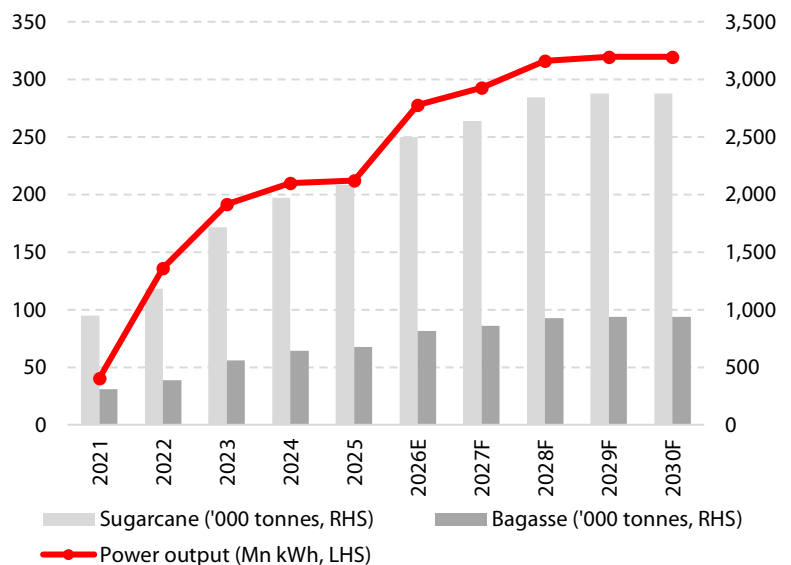
- **Biomass power:** Assuming sugarcane harvest volume reaches 2.45–2.50mn tonnes in the 2025/26 crop year (+20% YoY), supported by expanding cane acreage ([back to page 6](#)), we estimate commercial electricity output to increase to 280mn kWh in 2026 (+31% YoY). During 2027–30, output is expected to stabilize at 300–320mn kWh annually as the cane-growing area matures. Accordingly, biomass power revenue is projected to reach VND 499bn in 2026 (+34.9% YoY), also reflecting USD appreciation, as electricity sales to EVN are denominated in US dollars.
- **Other businesses:** We remain cautious on the confectionery, beer, and beverage segments, as they are not key growth drivers and are largely concentrated in local markets (e.g., Dung Quat Beer in Quang Ngai). We therefore forecast revenue from these businesses to grow at around 3% annually during 2026–30, broadly in line with inflation and the natural expansion of domestic consumption.

Figure 9: Biomass power and other segments' revenue of QNS (VND Bn)



Source: QNS, RongViet Securities

Figure 10: Biomass power output, driven by higher sugarcane crushing volume from planned expansion of cane-growing areas



Source: QNS, RongViet Securities

Profit structure

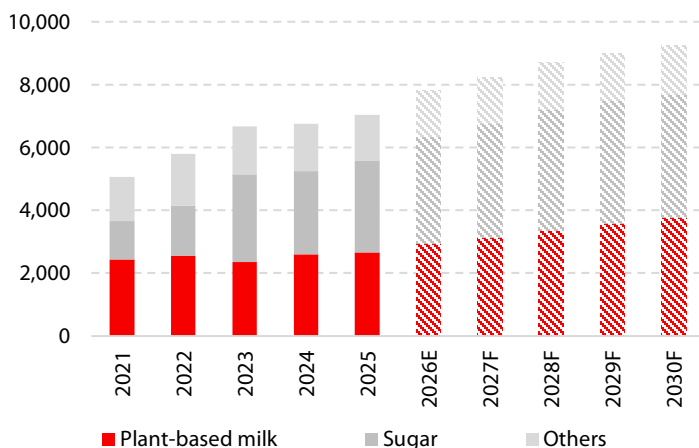
Gross profit margin (GPM)

QNS's consolidated gross margin has remained relatively stable, fluctuating within the 30-34% range, however, masking a clear divergence across segments. Specifically, the sugar segment experiences greater margin volatility as selling prices are highly exposed to the global sugar price cycle. In contrast, the soy milk business maintains a more stable gross margin, supported by resilient demand for essential consumer products. In addition, the company actively manages raw material cost risks through forward procurement and hedging strategies, helping mitigate fluctuations in imported soybean prices.

We forecast QNS's 2026 gross profit at VND 3,934bn (+11.6% YoY), equivalent to a GPM of 33.5% (+0.2ppts YoY), increasing further to VND 4,953bn by 2030. This growth is expected to be driven primarily by revenue expansion, while segment GPM are projected to improve only modestly or remain stable.

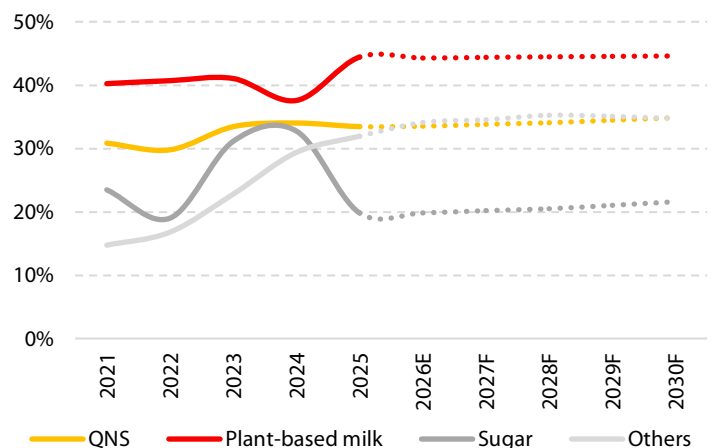
- (1) **Sugar:** We believe sugar prices are unlikely to decline as sharply as in 2025, as global sugar oversupply is expected to gradually ease ([back to page 6](#)). Accordingly, we conservatively forecast the sugar segment's gross margin at 19.5–20.0% in 2026, followed by a gradual improvement of around 0.5ppt per year as sugar prices recover from current lows. Meanwhile, sugarcane input prices are expected to remain broadly unchanged from 2025 (around VND 1.16mn/tonne), supported by QNS's commitment to maintain a minimum purchase price of VND 1.0mn/tonne for farmers under its domestic agricultural support program through 2028–30.
- (2) **Soy milk:** Although global soybean prices have increased by 9-10% YTD 2026, driven by a stronger US dollar, higher freight costs, and rising oil prices, QNS had already secured its entire soybean requirement for the year at favorable prices, approximately 10% lower than the average procurement cost a year earlier. This benefit is largely offset by USD appreciation and higher packaging costs, leaving overall unit input costs broadly unchanged. Meanwhile, we expect ASP to improve by less than 5% YoY, reflecting price adjustments to offset inflation and higher input costs, as well as an increasing contribution from premium product lines such as Greensoy and Veyo. As a result, we expect the soy milk segment's gross margin to remain broadly stable at around 44%, close to the high base recorded in 2025.
- (3) **Other segments (Biomass power and others):** Gross margin in this segment improved significantly during 2021–25, mainly as the An Khe biomass power plant entered a stable operating phase after three years of operation, while the feed-in tariff increased 27% to US\$7.03/kWh from 2H20. In addition, depreciation expenses have gradually declined over time, further supporting profitability. We believe a 51–52% gross margin represents a sustainable level for this segment and therefore assume margins remain broadly unchanged throughout our forecast period.

Figure 11: QNS's gross profit by segments (VND Bn)



Source: QNS, RongViet Securities

Figure 12: QNS's gross profit margin by segments (%)



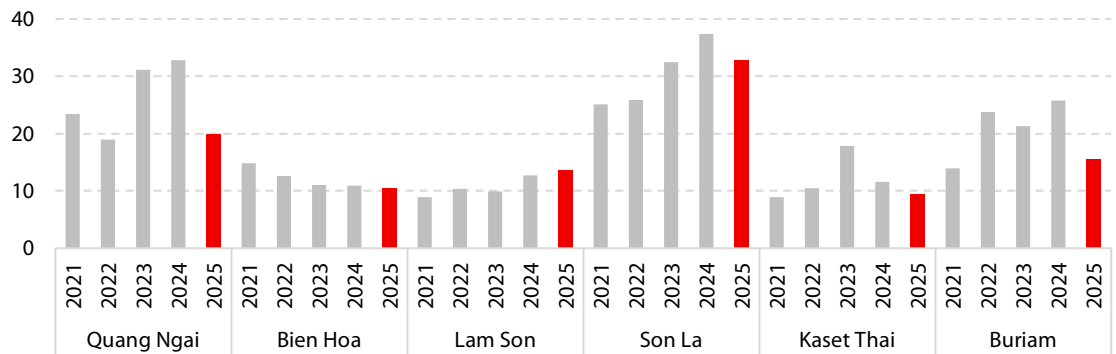
Source: QNS, RongViet Securities

QNS's gross margin vs. industry peers

QNS's sugar segment gross margin increased sharply from around 23% in 2021 to over 32% in 2024, before declining to around 20% in 2025 as the sugar price cycle softened. At the same time, the company continued to purchase sugarcane at a minimum price of VND 1.0mn/tonne to support farmers through the downturn. Despite this decline, QNS's sugar margin remains among the highest in the industry, supported by:

- Scale advantage: The largest sugarcane cultivation area in Vietnam (16.5% of total planted area) and the country's largest sugar mill by crushing capacity (14.5% of total domestic capacity).
- Operational efficiency: The highest sugarcane crushing efficiency and sugar recovery rate in the industry, enabling superior production efficiency relative to peers (see [page 26](#)).

Figure 13: Sugar segment's gross margin of QNS and peers

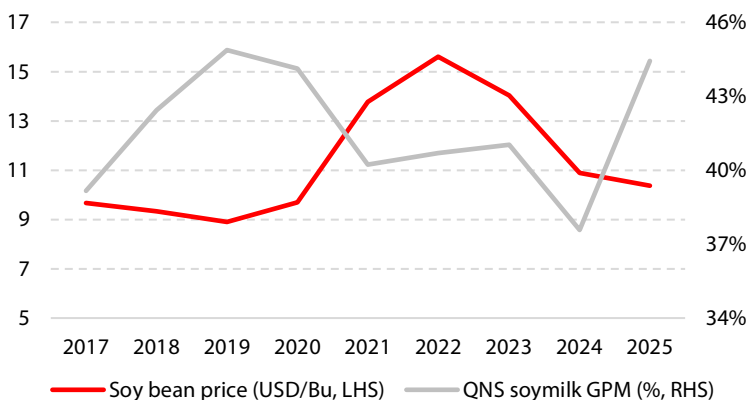


Source: QNS, Bloomberg, RongViet Securities

Unlike the sugar business, QNS's competitive advantage in soy milk is largely structural. The segment's gross margin remained stable at 38–41% during 2021–24 before improving to around 44% in 2025. Among domestic milk producers, Vinamilk has also maintained a relatively stable 40–42% gross margin, despite a different product mix.

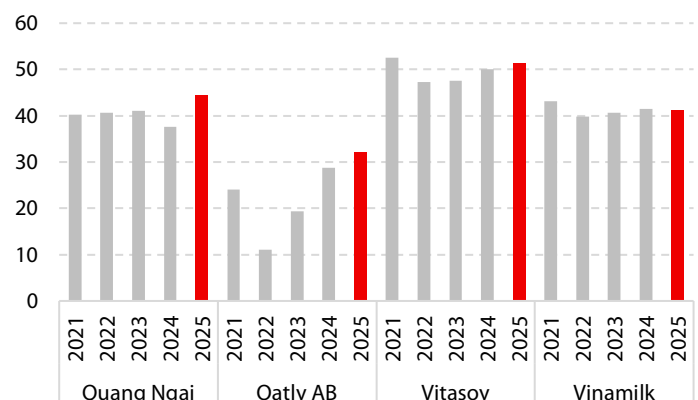
Compared with QNS, Vitasoy and Oatly are positioned in the premium segment, which helps to explain why Vitasoy's significantly higher 50–60% GPM versus 35–44% of QNS. Although Oatly also targets the premium market, its margin profile differs markedly due to aggressive investments in manufacturing capacity across the US, Europe, and Asia during 2020–22. Weaker-than-expected demand left several plants operating below capacity, increasing fixed costs per unit and weighing on profitability over the following years. Overall, we believe this industry continues to exhibit a relatively stable cost structure and profitability profile.

Figure 14: Correlation between soymilk GPM and soy bean price



Source: QNS, Bloomberg, RongViet Securities

Figure 15: Soymilk gross margin of QNS and peers



Source: QNS, Bloomberg, RongViet Securities

Cost structure

Selling, general & administration expenses (SG&A)

During 2021–24, QNS maintained effective control over SG&A expenses, with the SG&A-to-revenue ratio remaining at 11–13% and gradually declining over time. This was mainly supported by double-digit revenue growth in both core businesses: the sugar segment benefited from the increase in sugar prices and trade protection measures, while the soymilk business delivered strong growth on the back of rising demand for plant-based products, enabling QNS to rapidly expand its market share.

In 2025, the SG&A-to-revenue ratio increased to 15.2% (+4.4ppts YoY), while absolute SG&A expenses rose 57.6% YoY, mainly due to: (1) a change in accounting treatment for sales discounts in the milk segment, with these costs reclassified from COGS to selling expenses; and (2) intensified promotional campaigns, product sampling, and sales support for the sugar business to defend market share amid lower sugar prices and weaker demand caused by competition from smuggled sugar and HFCS. As a result, these selling expenses increased to 4.2% of revenue (+4.0ppts YoY).

Table 5: QNS reclassified promotional expenses from revenue deductions to SG&A starting in 2025

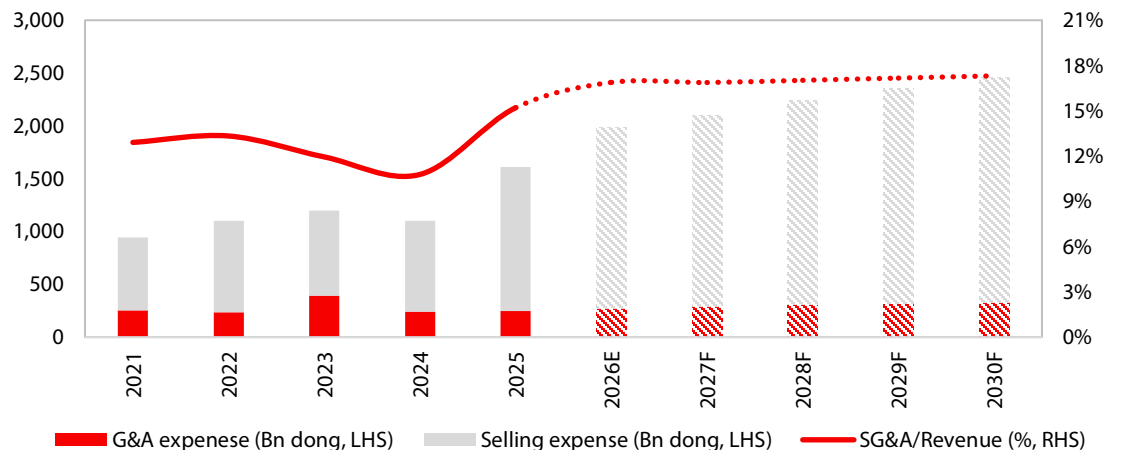
Item	Before 2025	From 2025
Monthly milk pack sold (units) (a)	1,000	1,000
List price per pack (VND/pack) (b)	5,000	5,000
Gross revenue (VND mn) (c)	5.0	5.0
Revenue deduction from promotional scheme (Buy 10, get 1 free) (VND mn) (d) = (a)/10 × (b)	0.5	0 (reclassified to selling expenses)
Reported revenue (VND mn) (e) = (c) – (d)	4.5	5.0
Reported ASP (VND/pack) (e)/(a)	4,500	5,000

Source: QNS, RongViet Securities

Entering 2026, we forecast QNS's SG&A expenses to reach VND 1,982bn, equivalent to 16.9% of revenue (+1.7ppts YoY), and remain at around 17.0–17.5% over the following years. This is well above the 11.0–13.0% range recorded during 2021–24 and 15.3% in 2025, as we believe QNS will need to maintain higher spending on trade discounts, advertising, and in-store displays due to (1) intensifying competition from peers such as Oatly, Vinamilk, and TH true MILK; (2) greater shelf placement and promotional support for new products, including Veyo, Fami Gold, Greensoy, and cereal products; and (3) continued sales support for the sugar business amid challenging market conditions.

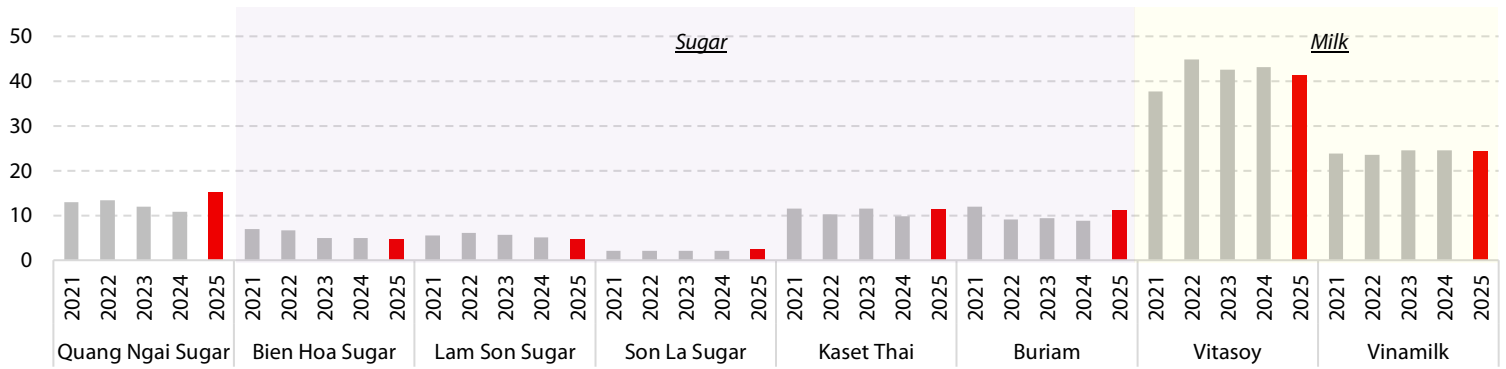
In 1Q26, QNS's sales support expenses (promotions, sampling, in-store displays, and commissions) surged 126.3% YoY to VND 239bn, accounting for 8.6% of revenue (+3.7ppts YoY) (see [page 35](#)).

Figure 16: SG&A expenses of QNS



Source: QNS, RongViet Securities

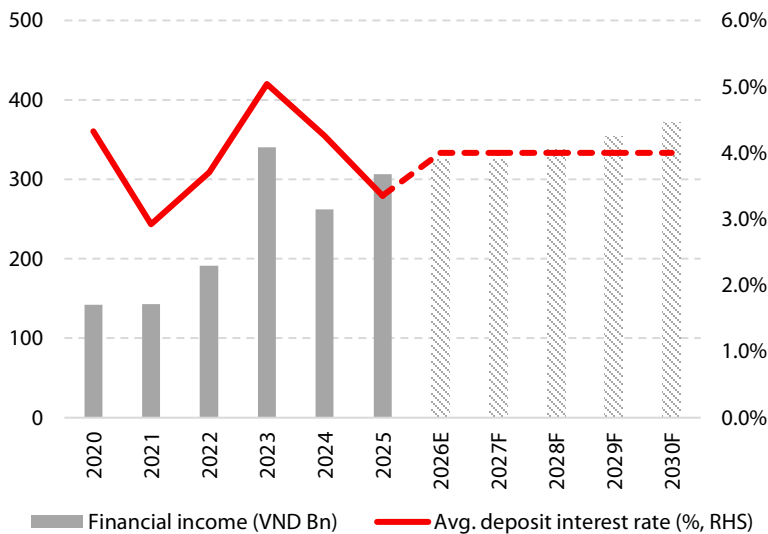
Figure 17: SG&A-to-revenue ratio of QNS and industry peers



Source: Bloomberg, RongViet Securities

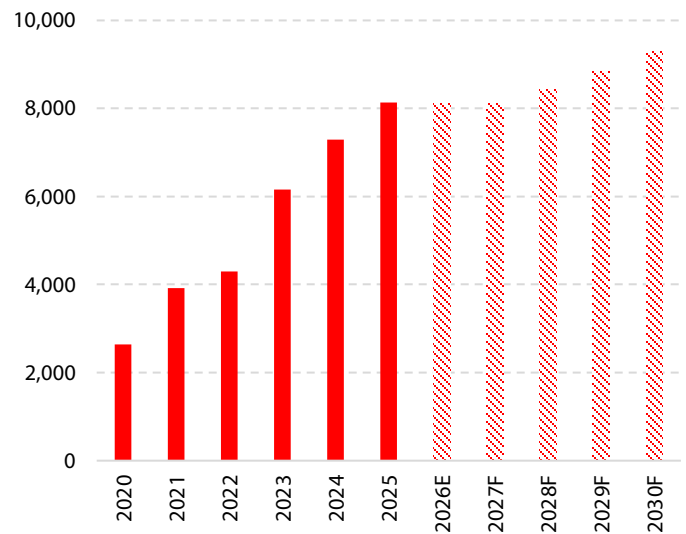
Financial investment: We highlight net financial income as a meaningful contributor to QNS's earnings. The company has deployed excess operating cash flow into short-term financial investments, which increased by 89% during 2023–25 to VND 8.000bn at end-2025, primarily in fixed-term deposits benefiting from stable cash generation. This strategy generated approximately VND 300bn of financial income annually during 2023–25. Going forward, we expect the investment portfolio to remain broadly stable at VND 8.000–9.000bn throughout 2026–30, as QNS is likely to preserve capital for major capex projects, including the expansion of its sugar mill, biomass power plant, and the planned ethanol plant (which has not yet been incorporated into our forecasts). Accordingly, we forecast interest income from deposits to remain in the range of VND 315–400bn per year over 2026–30.

Figure 18: Financial income of QNS



Source: QNS, RongViet Securities

Figure 19: Short-term investments (VND Bn)



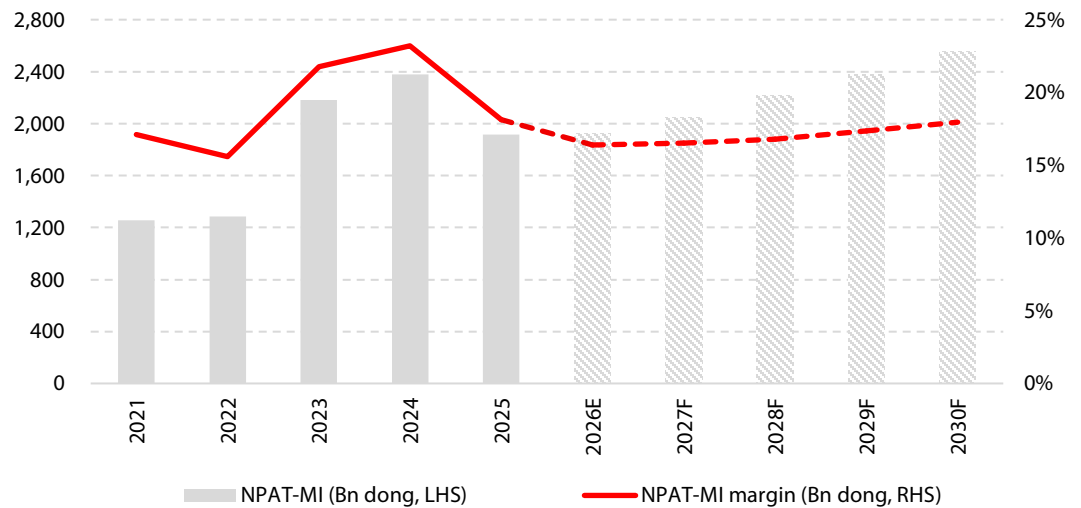
Source: QNS, RongViet Securities

Net profit

From the above revenue and cost projections, together with our key assumptions that (1) average sugar prices continue to decline by 3-5% YoY in 2026, reflecting the prolonged global supply surplus expected to persist at least through 3Q26, alongside continued pressure from smuggled sugar and HFCS in the domestic market; and (2) operating expenses increase as the company continues to implement discount, promotional, and product trial to stimulate sales across both its sugar and milk segments, we forecast QNS's 2026 NPAT at VND 1,924bn(+0.4% YoY), implying a net margin of 16.4% (-1.7 ppts YoY).

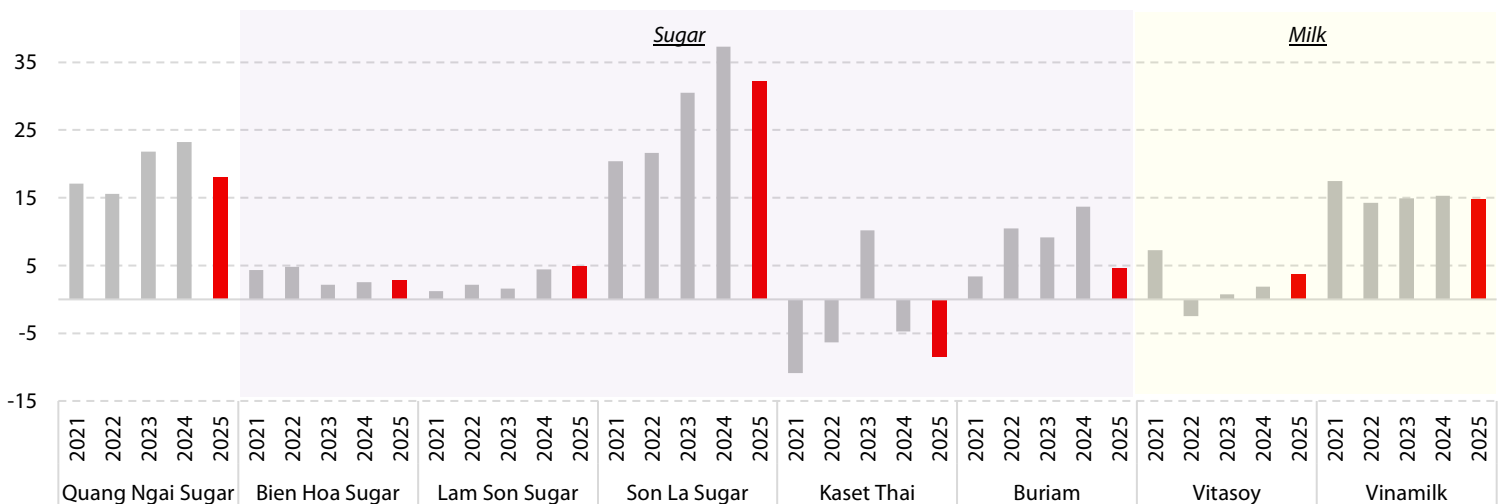
Over the medium to long term, we expect QNS's net margin to gradually improve, supported by three key drivers: (1) sugar prices are expected to move past the trough of the current cycle and recover progressively, aided by the increasing effectiveness of the extended trade remedy measures on sugar imports from Thailand; (2) the biomass power segment is expected to further improve operating efficiency as commercial electricity output increases in line with the raw material area expansion plan, thereby boosting sugarcane crushing volumes and the supply of bagasse used for power generation; and (3) core consumer staples businesses, including milk, food & confectionery are expected to maintain stable profit margins in line with historical levels, reinforcing the company's overall profitability.

Figure 20: Net profit of QNS



Source: QNS, RongViet Securities

Figure 21: Net profit margin of QNS and peers (%)



Source: QNS, RongViet Securities

Asset highlights

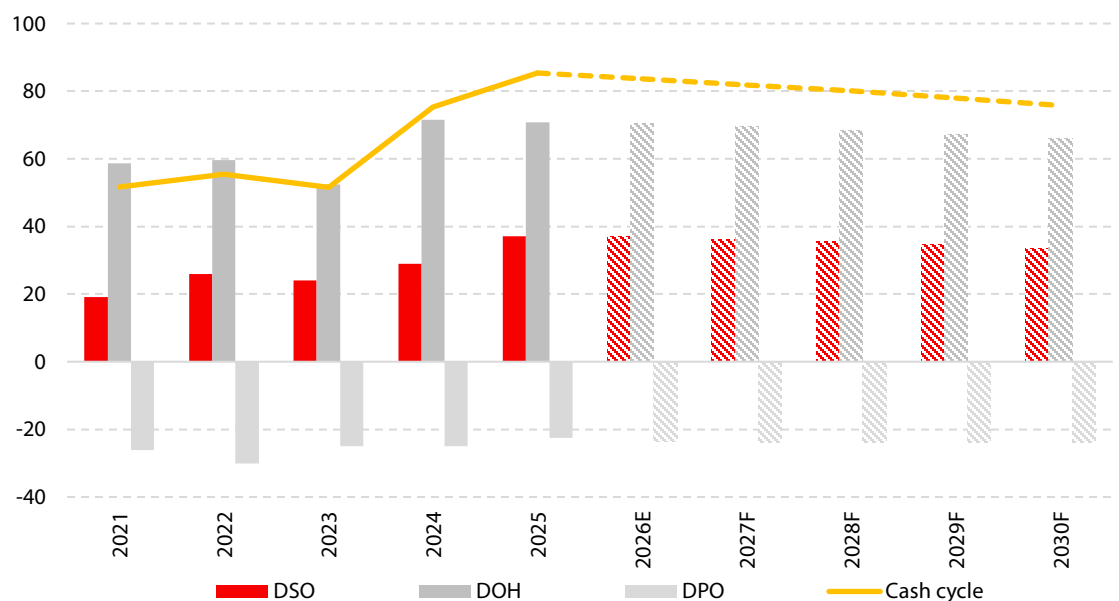
Working capital

Since 2024, QNS's cash conversion cycle (CCC) has lengthened significantly, increasing by an average of 10–15 days per year. This deterioration has been driven by a rise in both inventory days (DOH) and receivable days (DSO), as detailed below:

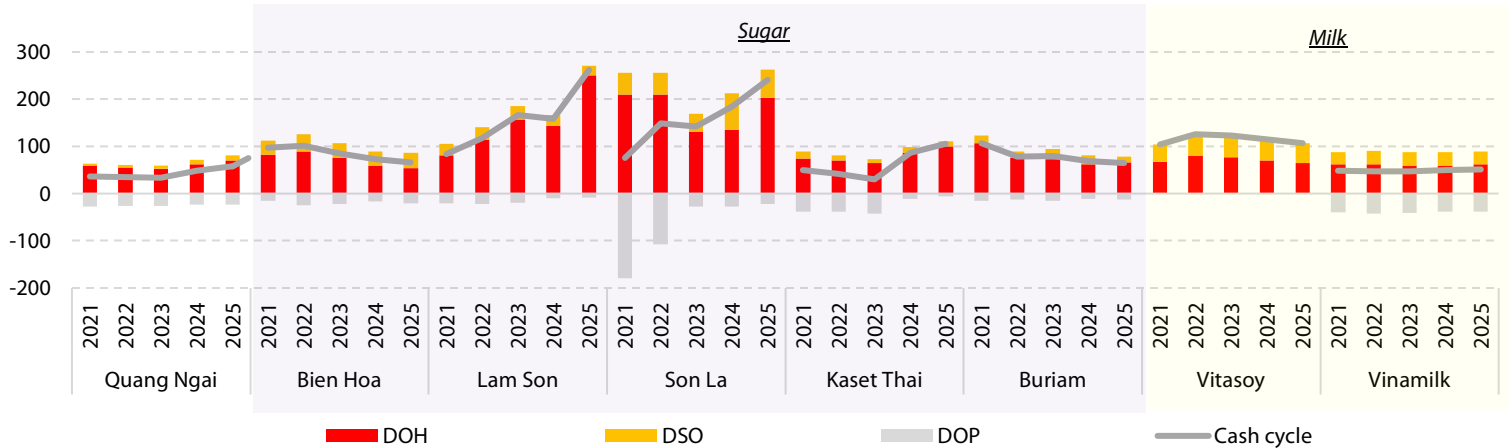
- (1) Slower sales velocity has led to higher DOH. The sugar segment has faced intensifying competition from smuggled sugar and lower-priced HFCS, resulting in subdued growth in domestic refined sugar (RS) sales. Meanwhile, the soymilk, beverage, and confectionery segments have also experienced softer demand amid a maturing FMCG market and increasingly intense competition from substitute products, thereby extending inventory turnover periods. In our view, Vinasoy's distribution channel restructuring since 2024 has also contributed to higher inventory levels. Specifically, QNS has reduced its reliance on the wholesale (sell-in) channel, where distributors typically hold relatively high inventory before redistributing to smaller retailers, while placing greater emphasis on direct distribution and retail (sell-out) channels, which maintain leaner inventories based on weekly demand. During the transition period, this restructuring has resulted in higher aggregate inventory across Vinasoy's distribution network.
- (2) In addition, to support sales volumes, particularly in the sugar segment, we believe QNS has adopted more flexible sales policies for dealers and distributors, including extending trade credit terms (delivering products before payment is collected). This has lengthened the average collection period and, in turn, increased the company's CCC. Based on our observations, this trend has been broadly reflected across the industry in recent years (Figure 23).

Sales volumes in both the sugar and soymilk segments recorded strong growth during the first 5M2026. Notably, sugar sales volume increased by 44.4% YoY, primarily driven by more aggressive discount programs aimed at accelerating sales ahead of the 2025/26 crushing season. Meanwhile, soymilk sales volume continued its steady expansion, rising by ~11.0% YoY. Looking ahead, we expect the improvement in QNS's CCC to be driven mainly by a recovery in product sales, particularly in the sugar segment, following nearly two consecutive years of stagnant volume growth. Accordingly, we forecast QNS's CCC to shorten by ~1–2 days per year over our forecast period, primarily supported by a gradual decline in DOH, while DSO and DPO are expected to remain broadly stable.

Figure 22: Working capital of QNS (Days)



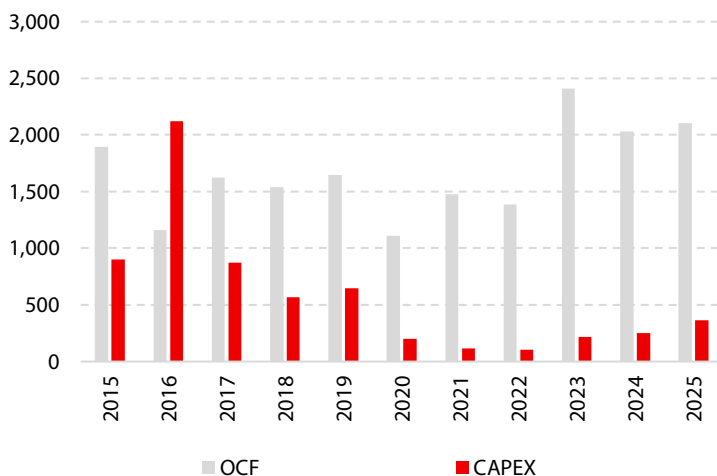
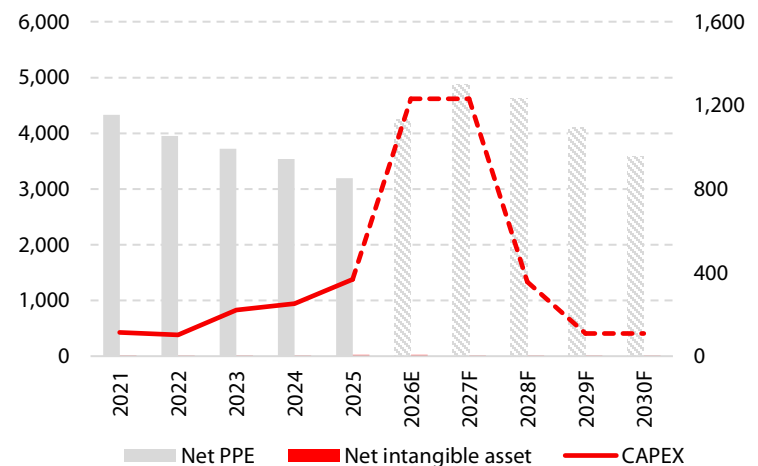
Source: QNS, RongViet Securities

Figure 23: Working capital indicators of QNS and peers (Days)


Source: Bloomberg, RongViet Securities

Capital expenditure (CAPEX)

Following a period of substantial CAPEX during 2015–2018 in key projects (the 95 MW An Khe Biomass Power Plant, An Khe sugar mill expansion to 18,000 TCD (tonnes of cane per day), and refined sugar (RE) production line), QNS entered a harvesting phase between 2020 and 2024. During this period, annual CAPEX remained modest at VND 100–200bn, primarily allocated to sustaining investments such as automation, upgrades, and equipment additions at existing facilities. Meanwhile, the projects completed in earlier years reached stable operations and contributed meaningfully to revenue growth, earnings, and OCF, enabling the company to accumulate a sizeable cash balance while maintaining a generous cash dividend policy. This strong financial position has laid the foundation for QNS's next investment cycle beginning in 2025, centered on three projects: expanding the An Khe sugar mill to 25,000 TCD, increasing the capacity of the An Khe biomass power plant to 135 MW, and constructing an Ethanol plant (Table 6). Among these projects, sugar mill expansion and biomass power plant officially commenced in early 2026. We assume that the total investment for two projects will be disbursed over 2026–28 following a 40%/40%/20% schedule. The final 20% of project costs will be paid upon commissioning and acceptance in 2028. As for the Ethanol plant, although the investment has been approved, the project is still in the contractor selection phase. Accordingly, we have not yet incorporated this into our valuation model.

Figure 24: OCF and CAPEX (VND Bn)

Figure 25: Forecasted CAPEX of QNS (VND Bn)


Source: QNS, RongViet Securities

Table 6: 03 key projects of QNS with total planned investment of VND 4,300bn through 2028

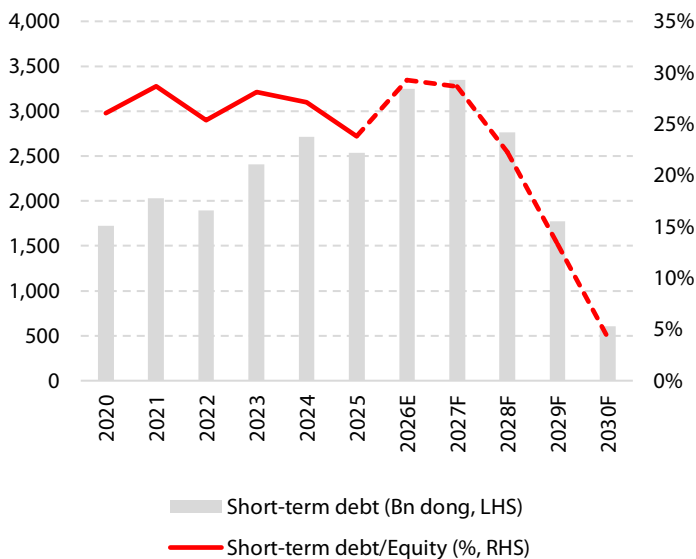
Projects	Objectives	Progress	Initial planned investment (excluding VAT)	Changes from initial plan	Reasons (If any)
An Khe sugar mill	Capacity expansion from 18,000 TCD to 25,000 TCD	Under construction; expected to be completed by end-2026, followed by a one-year commissioning period through end-2027.	VND 1,170bn	-	-
Biomass power plant	Capacity expansion from 95MW to 135 MW		VND 847bn	Increase to VND 1,400bn	To meet new environmental standards.
Ethanol plant	New investment with capacity of 200,000 liters/day	Under contractor selection; expected to be completed by end-2028.	VND 1,750bn	-	-
Total			VND 3,766bn	VND 4,319bn	

Source: QNS, RongViet Securities

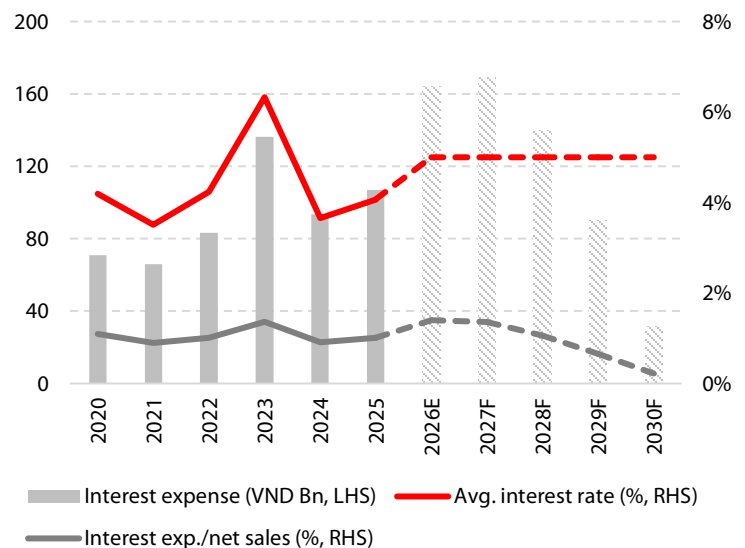
Debt

QNS has consistently maintained a prudent leverage profile. The company has carried no long-term debt since 2018, while short-term borrowings have remained at around 18–21% of total funding, primarily to finance day-to-day operations and working capital.

With an estimated VND 2.600bn investment for the expansion of its sugar mill and biomass power plant (excluding the planned ethanol plant), of which approximately 64% is expected to be financed by bank loans, we forecast QNS's short-term borrowings to increase significantly during 2026–28. The company is also expected to gradually deploy its existing short-term financial investments to fund these projects over the three-year investment period. Consequently, we expect interest expenses to rise during 2027–30. Coupled with a higher lending rate environment (+1.0–1.5ppts YoY), we forecast interest expense as a percentage of net revenue to increase to 1.1–1.4% during 2026–28, up 0.1–0.3ppts from 2025.

Figure 26: Debt and debt-to-equity ratio


Source: QNS, RongViet Securities

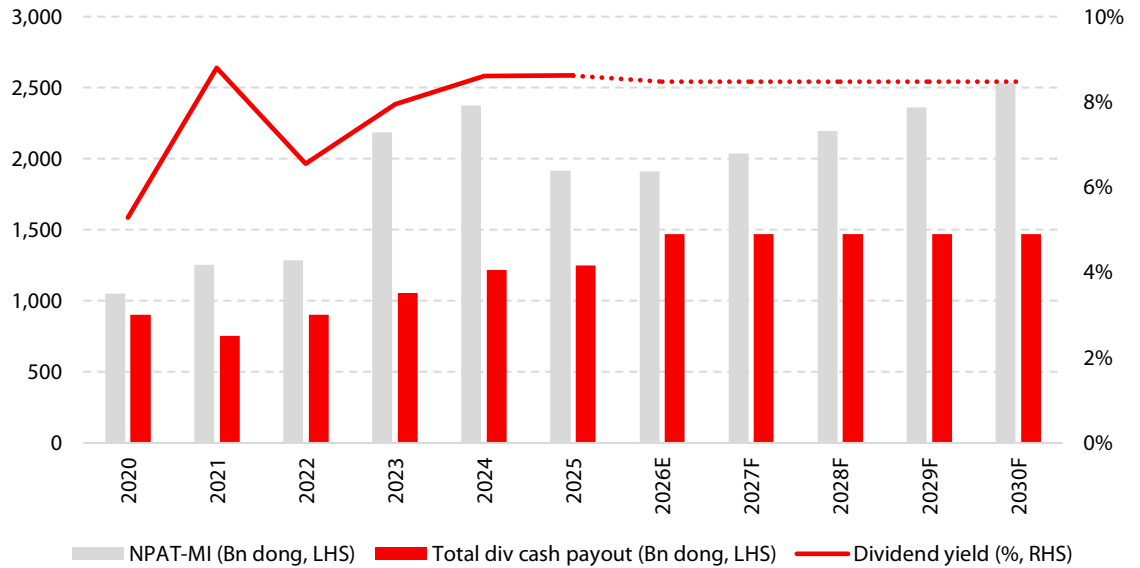
Figure 27: Borrowing interest rate and interest expense


Source: QNS, RongViet Securities

Cash dividend policy

QNS has maintained a consistent cash dividend track record, paying VND 3,000-4,000 per share annually over the past five years, reflecting its stable cash generation and disciplined capital allocation policy. Backed by a resilient earnings outlook, we expect the company to continue delivering attractive cash dividends in the coming years. Our forecasts assume a 40% cash dividend of par value, equivalent to an annual cash dividend of approximately VND 4,000 per share.

Figure 28: Cash-dividend payment



Source: QNS, RongViet Securities

Dupont analysis

QNS's ROE remains moderately high relative to industry peers while exhibiting greater stability over time. This reflects the company's balanced business mix between the cyclical sugar segment and more resilient businesses such as soy milk and biomass power, which helps cushion earnings volatility arising from fluctuations in sugar prices. Although there are few listed soy milk producers for direct comparison, we believe dairy & alternative milk companies generally deliver more stable ROE thanks to resilient consumer demand and relatively less volatile raw material costs.

We forecast QNS's ROE at 17.7% in 2026, which is slightly lower than the previous year due to a temporary decline in net profit margin ([back to page 13](#)). From 2027 onward, ROE is expected to gradually improve as margins in the sugar business recover while the company's other segments continue to deliver stable operating performance. Overall, we expect ROE to remain broadly around 18% throughout our forecast period.

Table 7: Dupont analysis of QNS and peers

DUPONT	2021	2022	2023	2024	2025	2026E	2027F	2028F	2029F	2030F
Quang Ngai Sugar (QNS VN)	18.3	17.7	27.2	25.6	18.6	17.7	18.0	18.4	18.5	18.4
Net margin	17.1	15.6	21.8	23.2	18.1	16.4	16.5	16.8	17.4	18.0
Asset turnover	0.8	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.9
Leverage	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.2
Bien Hoa Sugar (SBT VN)	8.5	10.6	6.0	7.8	7.9	-	-	-	-	-
Net margin	4.3	4.8	2.2	2.6	2.9	-	-	-	-	-
Asset turnover	0.8	0.8	0.9	0.9	0.9	-	-	-	-	-
Leverage	2.5	2.9	3.2	3.3	3.3	-	-	-	-	-
Lam Son Sugar (LSS VN)	1.5	2.8	1.8	7	6.6	-	-	-	-	-
Net margin	1.2	2.2	1.6	4.4	5	-	-	-	-	-
Asset turnover	0.8	0.8	0.7	1	0.7	-	-	-	-	-
Leverage	1.6	1.6	1.6	1.6	1.8	-	-	-	-	-
Son La Sugar (SLS VN)	26.7	26.5	53.9	38.5	22.8	-	-	-	-	-
Net margin	20.4	21.6	30.5	37.3	32.2	-	-	-	-	-
Asset turnover	0.7	0.7	1.3	0.9	0.6	-	-	-	-	-
Leverage	1.9	1.8	1.4	1.1	1.2	-	-	-	-	-
Kaset Thai (KTIS TB)	-14.3	-13.1	28.0	-9.4	-21	-	-	-	-	-
Net margin	-10.9	-6.4	10.2	-4.8	-8.6	-	-	-	-	-
Asset turnover	0.7	0.9	1.3	1.00	1.1	-	-	-	-	-
Leverage	2.00	2.4	2.2	2.00	2.3	-	-	-	-	-
Buriam (BBR TB)	6.8	33.6	19.7	29.9	7.2	-	-	-	-	-
Net margin	3.4	10.4	9.2	13.7	4.6	-	-	-	-	-
Asset turnover	0.4	0.8	0.7	0.8	0.7	-	-	-	-	-
Leverage	4.7	4.1	3.2	2.6	2.2	-	-	-	-	-
Vitasoy (345 HK)	16.3	-4.6	1.5	3.9	7.7	-	-	-	-	-
Net margin	7.3	-2.4	0.7	1.9	3.7	-	-	-	-	-
Asset turnover	1.1	0.9	1.0	1.1	1.1	-	-	-	-	-
Leverage	2.0	2.0	2.0	1.9	1.9	-	-	-	-	-
Vinamilk (VNM VN)	32.7	27.1	28.8	29.4	29.9	-	-	-	-	-
Net margin	17.3	14.2	14.7	15.2	14.8	-	-	-	-	-
Asset turnover	1.2	1.2	1.2	1.1	1.2	-	-	-	-	-
Leverage	1.6	1.6	1.6	1.7	1.7	-	-	-	-	-

Source: Bloomberg, RongViet Securities

Table 8: QNS's income statement

Income Statement	2022	2023	2024	2025	2026E	2027F	2028F	2029F	2030F
Net revenue	8,255	10,021	10,243	10,575	11,740	12,414	13,189	13,720	14,210
Cost of goods sold	5,796	6,670	6,759	7,050	7,791	8,201	8,679	8,973	9,238
Gross profit	2,459	3,351	3,484	3,525	3,949	4,213	4,510	4,747	4,972
SG&A expense	1,100	1,197	1,103	1,604	1,982	2,095	2,245	2,355	2,461
Other Operating Expenses	1	3	2	4	4	4	4	4	4
EBITDA	1,852	2,603	2,827	2,384	2,511	2,725	2,890	3,022	3,147
Financial revenue	191	341	262	306	325	324	337	354	372
Financial expense	83	136	94	107	164	169	140	90	31
PBT	1,505	2,447	2,645	2,212	2,221	2,367	2,556	2,749	2,945
Tax expenses	219	263	268	296	297	317	342	368	394
Bonus and welfare fund	-	-	-	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-	-	-	-
Net profit	1,287	2,183	2,377	1,916	1,924	2,051	2,214	2,381	2,551
EPS (VND/share)	3,605	6,117	6,465	5,213	5,233	5,577	6,022	6,476	6,939

Source: QNS, RongViet Securities

Table 9: QNS's balance sheet

Balance sheet	2022	2023	2024	2025	2026E	2027F	2028F	2029F	2030F
TOTAL ASSETS									
Cash	203	289	539	272	230	268	324	337	349
Short-term investment	4,296	6,165	7,299	8,132	8,122	8,112	8,426	8,847	9,289
Account receivables	587	661	810	1,076	1,190	1,232	1,286	1,301	1,307
Inventories	947	958	1,323	1,366	1,504	1,562	1,629	1,656	1,676
Other current assets	57	19	39	35	41	43	46	48	50
Current assets	6,09	8,093	10,011	10,881	11,087	11,217	11,711	12,190	12,671
Fixed assets	3,947	3,720	3,533	3,194	4,255	4,882	4,615	4,097	3,573
Long-term investment	-	-	-	-	-	-	-	-	-
Intangible assets	8	16	17	25	21	18	15	12	9
Other Long-Term Doctors	230	240	264	275	305	323	343	357	370
Non-current assets	4,176	3,959	3,797	3,469	4,581	5,223	4,974	4,466	3,951
Total assets	10,266	12,053	13,808	14,35	15,669	16,440	16,685	16,655	16,622
Total liabilities									
Short-term debts	1,896	2,411	2,714	2,536	3,249	3,346	2,766	1,774	606
Accounts payables	479	456	464	436	507	536	570	590	607
Other accounts payable	375	414	449	572	636	672	714	743	769
Current liabilities	2,750	3,281	3,627	3,544	4,392	4,554	4,050	3,106	1,982
Long-term debts	-	-	-	-	-	-	-	-	-
Other non-current liabilities	52	191	180	160	178	207	213	216	226
Non-current liabilities	52	191	180	160	178	207	213	216	226
Total liabilities	2,802	3,472	3,807	3,704	4,570	4,761	4,263	3,322	2,209
MINORITY INTERESTS									
Minority interests	-	-	-	-	-	-	-	-	-
SHAREHOLDER'S EQUITY									
Preferred stocks	-	-	-	-	-	-	-	-	-
Common stocks	3,569	3,569	3,676	3,676	3,676	3,676	3,676	3,676	3,676
Retained earnings	3,701	4,778	5,851	6,424	6,877	7,457	8,200	9,111	10,191
Other equity accounts	195	233	474	546	546	546	546	546	546
Shareholder's equity	7,465	8,581	10,002	10,646	11,099	11,679	12,422	13,333	14,413
TOTAL RESOURCES	10,266	12,053	13,808	14,350	15,669	16,440	16,685	16,655	16,622

Source: QNS, RongViet Securities

2Q26 RESULTS UPDATE AND 3Q26 EARNINGS FORECAST
2Q26 performance: Modest yoy growth driven by improved sugar and soy milk volumes

Net revenue reached VND 3,289bn (+11% YoY), 7% above our estimates. Revenue contributions from sugar, soy milk and other segments accounted for 32%, 49% and 20%, respectively. Specifically:

- **Sugar segment** recorded revenue of VND1,036bn (+8% YoY), 4% below our estimate. The strong YoY growth was mainly driven by higher volume, as the company proactively accelerated sales to balance inventory, while also offsetting the less favorable sugar prices. An Khe sugar prices ranged around VND16,000–16,500/kg (-12% YoY), while sugar sales volume reached 67,000 tonnes (+24% YoY).
- **Soy milk** generated revenue of VND 1,596bn (+16% YoY), 4% above our estimates. Growth was supported by both volume (+9% YoY to 82mn liters) and ASP (+6% YoY). Similar to 1Q26, demand benefited from tighter controls on smuggled and counterfeit products, supporting consumer confidence in branded and health-oriented products. In addition, hot weather during 2Q, coupled with the impact of El Niño, supported beverage consumption. ASP continued to improve, driven by a higher contribution from premium products.
- **Other segments (Thanh Phat & biomass power)** recorded revenue of VND929bn (+49% YoY), 32% above our estimate. We believe the outperformance was mainly attributable to the accounting treatment of revenue deductions rather than the underlying business performance.

2Q26 NPAT reached VND 567bn (+4% YoY), equivalent to a net margin of 17.2% (-1.2pps YoY), 7% above our estimates. Although GPM improved by 1.7pps to 35.6%, supported by positive contributions from soy milk and other segments, NPAT growth remained constrained by a 42% YoY increase in selling expenses (Transportation costs +77%, sampling and promotional expenses +32%, while commissions and sales support expenses +75%). Nevertheless, the higher selling expenses appear to support improvements in sales volumes across both the sugar and soymilk segments, as discussed above.

Table 10: 2Q26 financial performance of QNS

Unit: VND bn	2Q26	1Q26	+/- qoq	2Q25	+/- yoy	1H26	+/- yoy
Net sales	3,289	2,763	19%	2,956	11%	6,052	16%
Sugar	1,036	934	11%	955	8%	1,970	17%
Soy milk	1,596	1,139	40%	1,378	16%	2,735	18%
Thanh Phat	473	428	11%	545	-13%	901	0%
Other (incl. Biomass power)	574	622	-8%	549	5%	1,196	10%
Removal	-391	-359	9%	-472	-17%	-750	-3%
Gross profit	1,169	888	32%	1,001	17%	2,057	18%
SG&A exp	-585	-509	15%	-431	36%	-1,094	42%
Net finance income	69	63	10%	40	72%	132	72%
Profit before tax	664	447	49%	621	7%	1,111	5%
Sugar	90	110	-18%	160	-44%	200	-35%
Soy milk	320	150	113%	275	16%	470	13%
NPAT	567	391	45%	546	4%	958	2%
Sales volume							
Sugar (thousand tons)	67	59	14%	54	24%	126	40%
Milk (mn liters)	82	58	41%	75	9%	140	10%
<i>Gross margin</i>	<i>35.6%</i>	<i>32.1%</i>	<i>3.4 pps</i>	<i>33.9%</i>	<i>1.7 pps</i>	<i>34.0%</i>	<i>0.7 pps</i>
<i>SG&A exp/Net sales</i>	<i>17.8%</i>	<i>18.4%</i>	<i>-0.7 pps</i>	<i>14.6%</i>	<i>3.2 pps</i>	<i>18.1%</i>	<i>3.4 pps</i>
<i>PBT margin</i>	<i>20.2%</i>	<i>16.2%</i>	<i>4.0 pps</i>	<i>21.0%</i>	<i>-0.8 pps</i>	<i>18.4%</i>	<i>-1.9 pps</i>
Sugar	8.7%	11.8%	-3.1 pps	16.7%	-8.1 pps	10.2%	-8.2 pps
Soy milk	20.1%	13.2%	6.9 pps	20.0%	0.1 pps	17.2%	-0.7 pps
<i>Net margin</i>	<i>17.2%</i>	<i>14.2%</i>	<i>3.1 pps</i>	<i>18.5%</i>	<i>-1.2 pps</i>	<i>15.8%</i>	<i>-2.1 pps</i>

Source: QNS, RongViet Securities

3Q26 earnings forecast: Sugar prices unlikely to decline further, showing early signs of recovery
Table 11: QNS's 3Q26 forecast

	3Q26	+/- yoy	+/- qoq	Assumption
Net revenue	3,311	23.3%	0.7%	
Sugar	1,202	27.0%	16.0%	Sugar prices began showing signs of recovery from Jul-26, mainly due to tighter controls on sugar smuggling, which helped reduce the supply of sugar smuggling in the market (-9.0% MoM in Jul-26, according to Argomonitor). However, we believe the recovery remains modest (+VND300–500/kg vs. end-2Q26 and broadly flat YoY) as end-consumer demand remains weak, with demand mainly concentrated among commercial customers. We expect QNS's sales volume to rebound strongly from the low base (+35.0% YoY to 81,000 tonnes), supported by the company's efforts to steadily clear inventory and reduce carryover inventory from the previous crop to zero ahead of the new crushing season. <i>In Jul-26, QNS recorded sales volume of 29k tonnes (+45.0% YoY) and revenue of VND435bn (+16.0% YoY).</i>
Soy milk	1,607	25.4%	0.7%	Similar to 1H26, the soy milk segment is expected to benefit from further market share gains amid tighter controls on smuggled/counterfeit products sold without invoices and higher consumer confidence in branded, health-oriented alternatives. Soy milk sales volume is expected to reach ~84mn liters (+15% YoY) during the quarter. The improvement in average selling prices (+8.0-10.0% YoY) is also expected to continue, supported by a higher contribution from premium products. <i>In Jul-26, QNS recorded sales volume of 30mn liters (+30.4% YoY) and revenue of VND575bn (+49.4% YoY).</i>
Thanh Phat	466	-8.6%	-1.5%	
Others	467	24.9%	-18.6%	
Removal	-431	1.0%	10.2%	
Gross profit	1,044	19.8%	-10.8%	Despite raw material prices increasing by around 9–10% YTD, we estimate that the soy milk segment will maintain a high GPM, as QNS has locked in prices for most of its raw materials for the full year of 2026. Meanwhile, ASP is expected to improve, supported by a more favorable product mix as mentioned above. In contrast, the sugar segment's GPM is expected to remain low, at below 20%.
SG&A expense	614	23.9%	5.0%	SG&A-to-net revenue is expected to remain elevated, as QNS continues to strengthen brand awareness for its new plant-based milk, while accelerating the clearance of sugar inventories during the seasonal peak period, instead of maintaining high inventory levels in anticipation of higher prices as seen in the same period last year (which could weigh on QNS's margins in subsequent quarters when the company enters the new production cycle amid a seasonal slowdown while carrying a high level of old-crop inventory).
EBIT	430	14.4%	-26.5%	
Net financial income	64	21.8%	-9.2%	
PBT	491	11.3%	-26.1%	
Corporate income tax	67	11.6%	-31.5%	
Minority interest	0			
NPAT	424	11.2%	-25.1%	Accordingly, NPAT is expected to grow positively, supported by the low base in the same period last year, while sugar prices are showing limited room for further declines. Profit contribution is primarily driven by soymilk segment.
Gross profit margin	31.5%	-0.9 pps	-4.0 pps	
Sugar	17.8%	-2.2 pps	-2.0 pps	
Soy milk	43.7%	0.5 pps	-3.0 pps	
SG&A exp/Net sales	18.5%	0.1 pps	0.8 pps	
EBIT margin	13.0%	-1.0 pps	-4.8 pps	
Net margin	12.8%	-1.4 pps	-4.4 pps	

Source: RongViet Securities

APPENDIX 1 – BUSINESS OVERVIEW

1.1. Business overview

Quang Ngai Sugar JSC (UPCoM: QNS) traces its origins to Quang Ngai Sugar Company, a state-owned enterprise established in the 1970s under Vietnam's Ministry of Agriculture and Rural Development. A major turning point came in 2005, when the company was equitized and transformed into a joint-stock company under the leadership of Vo Thanh Dang, who remains CEO today.

Since then, QNS has evolved from a sugar refinery producing only RS sugar (refined standard sugar) and industrial alcohol, with a workforce of just 650 employees, into a vertically integrated food and agribusiness company employing around 4,000 people. Its business portfolio has expanded progressively from sugar (its founding business) to Vinasoy soy milk (2002), beer (2010), biomass power (2017), confectionery (2018), and a planned ethanol plant expected to commence operations in 2028. Over 2013–25, QNS delivered a revenue CAGR of 6.2% and a net profit CAGR of 8.0%.

Figure 29: Shareholder structure of QNS



Source: QNS, RongViet Securities

Shareholder structure is relatively unique among UPCoM-listed companies, as no shareholder holds a controlling stake. The largest shareholder group comprises CEO Vo Thanh Dang, the management team, and related parties, collectively owning 20.7% of the company. This group is well known for its long-term investment approach of accumulating rather than selling shares while benefiting from QNS's attractive cash dividends (dividend yield of 7–8% per annum), which has helped support the stock's liquidity and share price over an extended period. The second largest shareholder is Thanh Phat Trading One Member Co., Ltd. (15.1%), a wholly owned subsidiary of QNS. As such, this crossholding is economically equivalent to treasury shares, representing 55.5 million treasury shares as of 1Q26. The remaining major shareholders are primarily financial investors with limited influence over corporate governance, including NutiFood Nutrition Food JSC (4.5%) and Foremost Worldwide Limited (3.8%).

Notably, QNS still has substantial foreign ownership headroom (40.6%), yet this figure has remained largely unchanged over 2021–26, suggesting that the stock has yet to attract meaningful foreign investor interest. In our view, this is largely attributable to its UPCoM listing and the cyclical nature of the sugar business. We believe foreign investors could become an important source of incremental demand should QNS eventually transfer its listing to HOSE and further strengthen the sustainability of its integrated sugar value chain spanning sugar, biomass power, and ethanol.

Corporate structure: Company is responsible for sugar distribution while also holding the company's treasury shares. Meanwhile, all manufacturing activities remain under the parent company. As discussed earlier, QNS operates a largely vertically integrated business model with nine manufacturing facilities spanning sugar, biomass power, soy milk, beer, mineral water, and confectionery, rather than outsourcing production. The company also plans to expand its biomass power capacity and develop an ethanol plant, further strengthening its sugarcane value chain and creating a more stable earnings profile, like integrated sugar producers in Thailand, Brazil, and India.

Figure 12: List of factories and subsidiaries of QNS

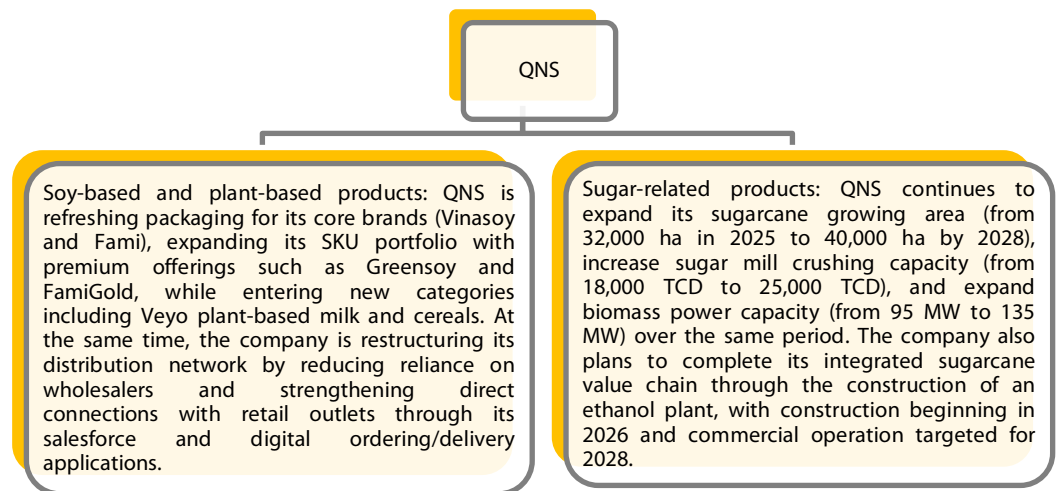
Production		
Sugarcan – Biomass electricity	Soymilk	Other products
An Khe Sugar Factory	Vietnam Soya Products Company Vinasoy	Dung Quat Beer Factory
An Khe Agri. and Mechanical Workshop	Vinasoy Bac Ninh Soya Products Factory	Thach Bich Mineral Water Factory
An Khe Biomass Power Plant	Vinasoy Binh Duong Soya Products Factory	BISCAFUN Confectionery Factory
Gia Lai Sugarcane Seed Study and Application Center	Vinasoy Soybean Research & Application Center	Quang Ngai Glucose Factory
	Vinasoy Soybean Research & Development Center	
Service & Business		
Service group	Subsidiary (100%)	Representative office & Business location
Mechanical Factory	Thanh Phat Trading One Member Limited Company	Representative offices in HCMC and Hanoi
Environment and Clean Water Center		03 QNS product sales and introduction stores

Source: QNS, RongViet Securities

Core operating business

In terms of revenue structure ([back to page 5](#)), continued government support for the domestic sugar industry through trade protection measures since 2021 has given QNS greater confidence to expand its sugar mill capacity and sugarcane growing area, while investing further in sugarcane-related businesses, including sugar, biomass power, and the planned ethanol project. As a result, the company's business mix is expected to become increasingly weighted toward its sugarcane value chain, reducing its reliance on the soymilk segment, where market penetration is already high and Vinasoy commands a dominant market share of over 80%.

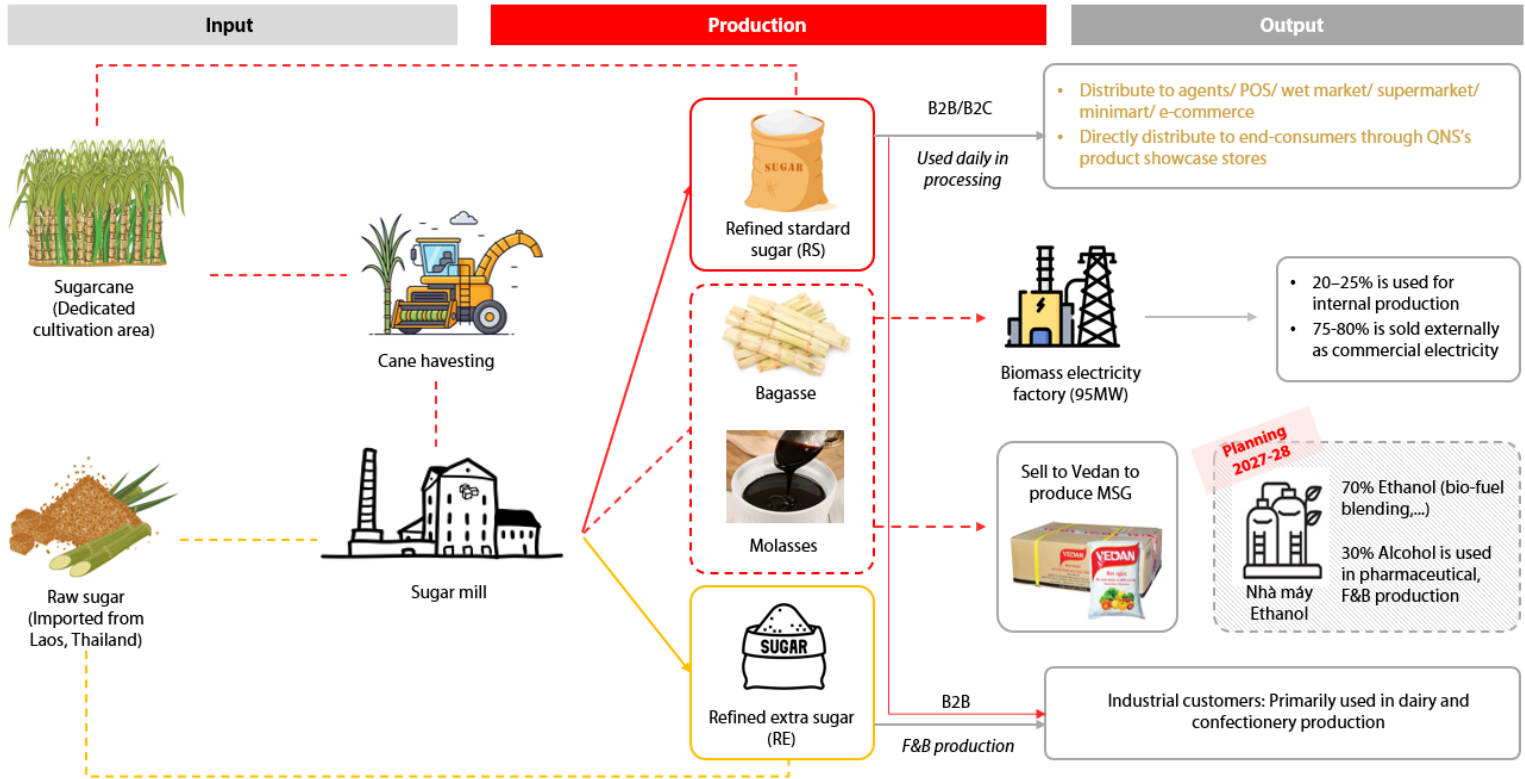
Development plan of QNS in the upcoming years



APPENDIX 2 - VALUE CHAIN

QNS's VALUE CHAIN | SUGAR – BIOMASS POWER – ETHANOL (EXPECTED IN 2027-28)

Figure 22: QNS's value chain | Sugar – Biomass power – Ethanol (Expected in 2027-28)



Source: RongViet Securities

QNS operates a highly integrated sugarcane ecosystem, spanning from cultivation and production for the domestic market to the utilization of sugarcane by-products for biomass power generation, with plans to further extend the value chain into ethanol production using molasses over the mid-long term.

1. Input – Fresh sugarcane is the most critical input across the value chain

Fresh sugarcane is the key raw material driving both costs and profitability throughout QNS's value chain, accounting for 60–70% of the cost of goods sold for refined sugar. The company's sugar production relies on two primary feedstocks: (1) domestically sourced sugarcane and (2) imported raw sugar.

- **Fresh sugarcane – Domestic feedstock:** The majority of QNS's sugar production is based on domestically grown sugarcane, primarily used to produce RS sugar.
 - QNS partners with farmers in the An Khe–Gia Lai region under a contract farming model. Its sugarcane cultivation area currently covers approximately 32,000 hectares and is targeted to expand to 40,000–42,000 hectares by the 2027/28 crop season.
 - Procurement price: QNS purchases all contracted sugarcane output at a guaranteed minimum price. Under its sugarcane price guarantee program, which is effective through 2028, the company may negotiate procurement prices below those of the previous crop season when sugar prices are weak, provided the purchase price remains no lower than VND 1.0 million per tonne.
 - Agronomic factors such as sucrose content, cane cleanliness, and harvest maturity directly affect sugar recovery rates, sugar content, and the operating efficiency of the mill.
- **Imported raw sugar:** QNS mainly imports raw sugar from Laos and Thailand to supplement production when domestic sugarcane supply is insufficient or to produce RE sugar (Refined Extra sugar), a premium refined sugar with higher purity and extremely low impurity content.

QNS's advantages (Table 13):

- Large and concentrated growing area: QNS operates a ~32,000ha cultivated area concentrated within a single growing region. In addition, the proximity of its plantations to the sugar mill enables better control over cane quality while reducing transportation costs.
- Industry-leading mill capacity: An Khe Sugar Mill has the largest designed capacity in Vietnam, at 18,000 TCD, while most domestic sugar mills operate at only 1/2 to 1/3 of this capacity.
- High efficiency: QNS cultivates drought-resistant sugarcane varieties with among the highest sucrose content in the industry (11.5–13.0%, depending on the crop season and variety). Moreover, the An Khê Sugar Mill records the highest sugar recovery rate among Vietnam's 25 sugar mills, at approximately 11.7%, supporting superior production efficiency and cost

Table 13: Comparison of cultivation areas, sugarcane mill capacity and productivity in 2025

Listed firms	UPCoM: QNS	HSX: LSS	HNX: SLS	HSX: SBT
Cultivation area (ha)	31,599	8,325	9,286	70,000
• Concentrated cultivation area	High – Mainly in Gia Lai	High – Mainly in Thanh Hoa	High – Mainly in Son La	Low to moderate – spread across multiple regions
• Location	Gia Lai, Quang Ngai	Thanh Hoa (Lam Son)	Son La (Mai Son, Yen Chau)	Tay Ninh, Bien Hoa, Gia Lai, Lao, Campuchia
Sugarcane varieties	Thai Lan (UTHONG11, LK92, K33)	Domestic + Thai Lan	Domestic + Thai Lan	Diverse (Thai & hybrid varieties)
• CCS*	11.5 – 13.0	10.0 – 11.0 %	10.0 – 10.8%	8.8 – 10.0%
No. of mills	01	01	01	09
• Designed capacity	18,000 TCD (expanding to 25,000)	7,500 TCD	5,200 TCD	39,600 TCD
• Crushing efficiency	11.7%	10.0%	10.9%	8.9-9.9%

Source: VSSA, RongViet Securities | (*) Commercial Cane Sugar measures the theoretical amount of recoverable sugar contained in harvested sugarcane.

Weather is a key determinant of both sugarcane yield and quality. La Niña conditions are generally more favorable for sugarcane cultivation, as higher rainfall and cooler temperatures improve soil moisture and support crop growth, particularly in Vietnam's Central and Central Highlands regions, which are often exposed to hot and dry weather. In contrast, El Niño may lead to water shortages and lower cane yields, although drier weather toward the end of the crop season can sometimes enhance sugar accumulation. For the sugar industry, the ideal weather pattern typically consists of adequate rainfall during the early growing stages to maximize biomass, followed by dry and sunny conditions before harvest to improve Commercial Cane Sugar (CCS) and sugar recovery rates. Accordingly, QNS prioritizes drought-tolerant, high-yield, and high-sucrose sugarcane varieties such as UTHONG11, LK92-11, and KK3 to mitigate weather-related risks and optimize production efficiency.

(*) The sugarcane crop cycle typically spans 12-18 months and consists of four stages: germination, tillering, grand growth, and maturing & ripening. The first three stages require substantial water for vegetative growth, with cumulative water requirements of approximately 750–1,500 mm, depending on the growth stage and planting location. The impact of El Niño and La Niña on sugar production also varies across countries due to differences in climate patterns between the Northern and Southern Hemispheres. In Brazil, for example, El Niño tends to bring drier conditions to the northern regions (similar to much of Asia) but wetter conditions to the central and southern regions.

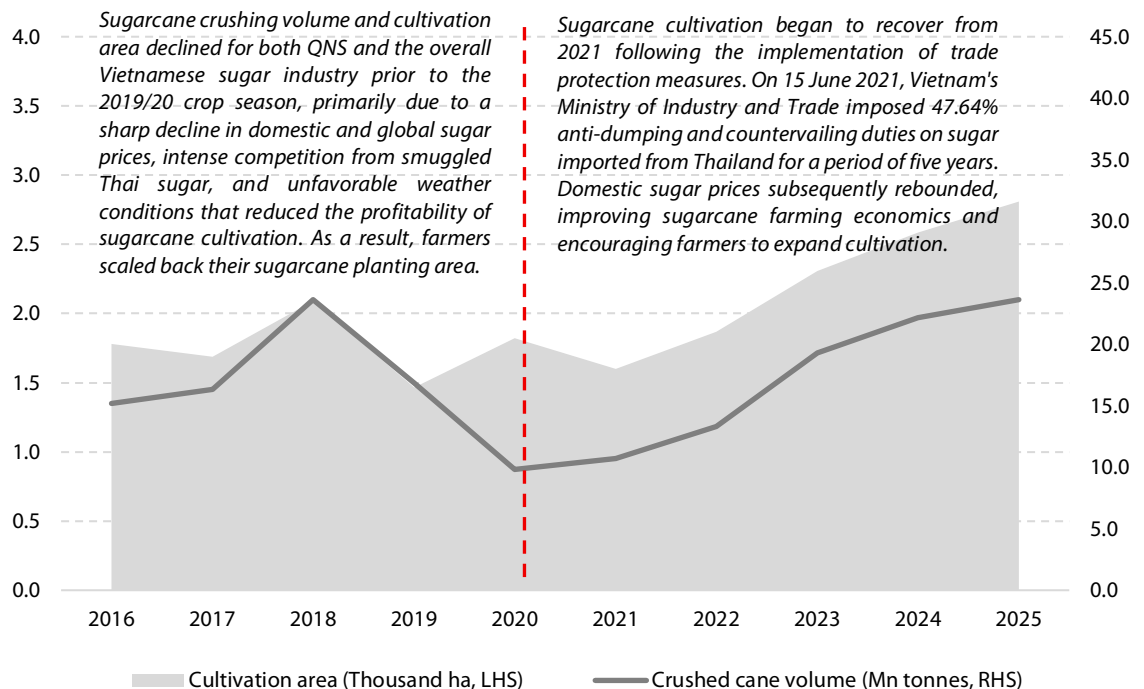
2. Production

QNS operates a vertically integrated value chain that maximizes the utilization of sugarcane by-products to generate higher value-added products. After sugarcane is crushed to produce refined white sugar, bagasse is used as fuel for QNS's 95 MW biomass power plant, while molasses is currently sold entirely to

Vedan Vietnam at relatively low prices. To further complete its integrated sugarcane value chain and maximize the value extracted from each tonne of cane, QNS plans to build an ethanol plant (currently targeted for implementation during 2027–28) to convert molasses into fuel ethanol).

Step 1 – Harvesting and transporting sugarcane to the mill: As discussed earlier, QNS enjoys a structural advantage over many domestic peers because its sugar mill and sugarcane plantations are geographically concentrated. This reduces transportation complexity compared with producers whose plantations and mills are dispersed across multiple regions, resulting in lower logistics costs and better control over cane quality. The company has also continued to expand its sugarcane cultivation area, supporting higher cane production. With a growing area of 31,599 hectares (+9% versus the 2023/24 crop season), QNS processed 2.08 million tonnes of sugarcane during the 2024/25 crushing season, up 6% year over year.

Figure 31: Expansion of QNS's sugarcane growing area and cane production, 2023 – 2025

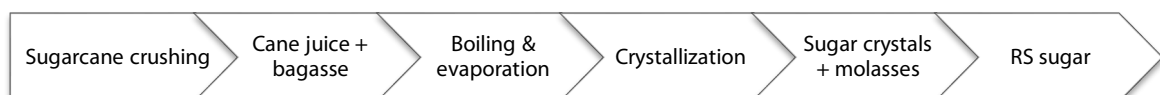


Source: QNS, RongViet Securities

Step 2 – Sugar production

Sugarcane is a seasonal crop, with harvesting taking place only once per crop cycle, while milling and sugar production are concentrated within a relatively short period each year. As a result, sugar producers must procure large volumes of sugarcane during the crushing season, process it into sugar, and build inventory to meet customer demand throughout the subsequent quarters.

- **RS sugar:** QNS produces RS sugar using its 18,000 TCD state-of-the-art sugar mill. After the crushing process, sugarcane is separated into cane juice and bagasse, of which:



- Cane juice is clarified, boiled, concentrated, and crystallized to produce sugar crystals. The remaining dark, viscous liquid that cannot be crystallized is known as molasses.
- By-products: Bagasse is used as fuel for QNS's 95 MW An Khe biomass power plant. Meanwhile, molasses is currently sold mainly to Vedan Vietnam at relatively low prices for the production of monosodium glutamate (MSG). To maximize the value extracted from sugarcane, QNS plans to

develop an ethanol plant, currently expected to be implemented during 2027–28, to convert molasses into ethanol. Under the company's plan, 70% of ethanol output will be used for biofuel blending, in line with the government's roadmap to increase the use of biofuels, while the remaining 30% will be supplied to the food and healthcare industries as industrial alcohol.

- **RE sugar:** QNS production line has capacity of 1,000 TCD.



3. Output and distribution channel

Selling prices – As a commodity, sugar prices are primarily driven by the global supply–demand balance, particularly production levels and export policies in major producing countries such as Brazil, India, and Thailand. When global supply tightens due to adverse weather conditions or export restrictions, sugar prices typically rise, allowing producers to improve revenue, gross margins, and inventory values. Conversely, periods of oversupply put downward pressure on sugar prices, weighing on revenue and profitability while increasing the risk of holding high-cost inventories. As a result, QNS's earnings are influenced not only by its operational efficiency and sugarcane sourcing capabilities but also by cyclical movements in both domestic and global sugar markets.

Products – QNS's main sugar products are RS and RE sugar. Retail products are typically packaged in 0.5–1.0 kg bags for household consumers, while larger **20–50 kg** bags are supplied to industrial customers and food manufacturers.

Table 14: Comprison of RS and RE sugar

Criteria	RS sugar	RE sugar
Input materials	Fresh sugarcane	Raw sugar (Dark yellow)
Production process	Simpler	More complex, involving additional refining steps
Average production time per batch	12–24 hours	24–36 hours
Purity	~99.7% Pol	≥99.8–99.9% Pol
Impurities & odor	Low	Very low, virtually impurity-free
Crystal appearance	Bright white, slightly opaque	Pure white, highly transparent crystals
Main applications	Household consumption; standard food processing	Premium food & beverage manufacturing; pharmaceutical applications
Average selling price	Lower: VND 13,000-18,000/kg, depending on the sugar price cycle	Higher: VND 14,000-20,000/kg, depending on the sugar price cycle

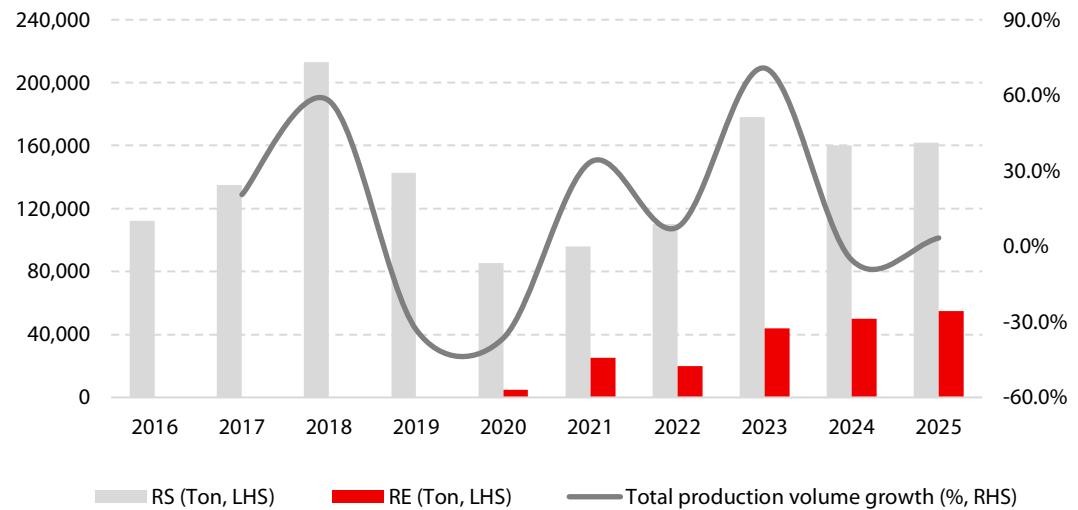
Source: RongViet Securities | %Pol is a measure of the sucrose (pure sugar) content in sugarcane, raw sugar, or sugar solutions.

Distribution channel: Primarily serving the domestic market

- **B2B channel:** QNS supplies sugar directly to food and beverage manufacturers. Many of its customers are large-scale producers, providing a relatively stable sales volume. The company also supplies sugar internally to its own food and beverage manufacturing facilities.
- **B2C channel:** Products are distributed through retail channels, including three QNS-branded stores, more than 7,800 distributors, and over 170,000 retail outlets nationwide, as well as

selected e-commerce platforms. The B2C channel accounts for approximately 10,000–12,000 tonnes of annual sugar sales (less than 5% of total sales volume). While its current earnings contribution remains modest compared with the B2B channel, it plays an important role in strengthening brand recognition and is expected to gradually increase its sales contribution over time.

Figure 32: RE and RS production volume of QNS



Source: QNS, RongViet Securities

Strategy and competitive positioning remain highly dependent on government policies: As discussed earlier, QNS primarily focuses on the B2B segment, supplying large food and beverage manufacturers that prioritize branded, high-quality sugar for their production processes, including companies such as Masan and Vinamilk. In contrast, for SMEs (e.g., restaurants, food stalls, and grocery stores) and the B2C market, sugar is generally viewed as a low-value input where cost optimization takes precedence. Consequently, cheaper alternatives, including smuggled sugar—remain widely accepted, as consumers rarely perceive meaningful differences in taste between branded and illicit sugar in the final food or beverage product. This structural characteristic continues to disadvantage domestic producers such as QNS and SBT, whose competitive advantages lie in product quality rather than price. Paradoxically, despite Vietnam remaining a net sugar importer - with domestic sugar consumption estimated at 2.4-2.5 million tonnes in 2024 versus domestic production of only 1.1-1.2 million tonnes - local sugar producers have consistently struggled to sell their output at attractive prices. The underlying reason is the continued inflow of smuggled sugar and high-fructose corn syrup (HFCS) from neighboring countries, together with relatively weak consumer awareness regarding the differences between legally imported, domestically produced, and illicit sugar. Against this backdrop, QNS's sugar business only began to experience a meaningful turnaround following the introduction of anti-dumping and countervailing duties on Thai sugar in 2021 (Figure 32), with sugar sales volume recording a 23.4% CAGR during 2021–2024. However, growth slowed sharply to 3.3% YoY in 2025 as enforcement against sugar smuggling and HFCS became less effective. In our view, the outlook for Vietnam's sugar industry- and QNS remains closely tied to government protection measures. While company-specific initiatives such as expanding distribution channels, improving product quality, enlarging sugarcane plantations, and enhancing milling efficiency remain important operational advantages, these factors alone are unlikely to materially alter industry profitability unless supported by stronger regulatory enforcement and trade protection.

We also view biomass power and ethanol as two additional potentials in the long-term profitability of Vietnam's sugar industry depends heavily on supportive government policies.

- Biomass power:** QNS began generating earnings from bagasse-fired biomass power after its 95 MW An Khê biomass power plant was connected to the national grid in late 2017. Since then, the segment has expanded steadily, with pre-tax profit increasing from losses before 2017 to approximately VND194bn in 2025, equivalent to roughly one-third of the sugar segment's profit. More recently, the revised Power Development Plan VIII (PDP8) reaffirmed the government's priority to promote biomass power generated from agricultural residues such as bagasse, creating favourable conditions for QNS to expand its biomass generation capacity from 95 MW to 135 MW beginning in 2027. Nevertheless, the current feed-in tariff (FiT) framework remains insufficient to incentivize meaningful capacity expansion. Electricity generated from bagasse-fired cogeneration is currently priced at only US\$7.03/kWh, approximately half the tariff in Thailand and around 54% of the level in the Philippines. Furthermore, Vietnam applies separate FiTs for bagasse-based cogeneration projects (US\$7.03/kWh) and other biomass power projects (US\$8.47/kWh). According to the Vietnam Sugarcane & Sugar Association (VSSA), this pricing disparity weakens project economics, discourages new investment, and limits opportunities for sugar producers to improve profitability through biomass power. VSSA also noted that almost no new biomass projects have been developed since 2020, highlighting the limited attractiveness of the current policy framework. The association has therefore petitioned the Prime Minister to revise the pricing mechanism and address regulatory bottlenecks. Should these proposals be adopted, QNS could enjoy a meaningful improvement in biomass profitability over the medium term. We have not incorporated this upside into our forecasts.
- Ethanol:** QNS has been preparing an ethanol plant project with total planned investment of approximately VND1.75tn (70% bank financing from VietinBank and 30% equity funding) for several years. The company is currently conducting an international tender process to select an EPC contractor. Management expects trial operations to commence in 2027, with commercial operations beginning in 2028, broadly in line with Vietnam's decarbonization roadmap. The project has gained additional momentum following the nationwide rollout of E10 gasoline from 1 June 2026, which is expected to strengthen domestic demand for fuel ethanol while providing more stable downstream demand for both sugarcane and cassava farmers. According to the Ministry of Industry and Trade, Vietnam consumes approximately 1 million m³ of gasoline per month. Assuming a fuel mix comprising 15% E5 and 85% E10, domestic ethanol demand would reach approximately 92,000–100,000 m³ per month. However, domestic production currently stands at only 25,000 m³ per month, implying substantial reliance on imports. We have not yet incorporated ethanol contributions into our earnings forecasts.

Sales support expenses move inversely with the effectiveness of government protection policies:

In our view, QNS's selling expenses, particularly customer rebates, trade promotions, and sales support, have historically exhibited an inverse relationship with the effectiveness of government protection measures. Following the imposition of 47.64% anti-dumping and countervailing duties on Thai sugar on 15 June 2021, the company benefited from three years of relatively favourable market conditions. Reduced competitive pressure allowed QNS to limit promotional spending, contributing to a rapid expansion in pre-tax profit margins to above 28% during 2022–2024. However, competitive pressure intensified again from 2025 as HFCS imports gained market share and sugar smuggling became increasingly sophisticated, with Thai sugar entering Vietnam indirectly through Laos and Cambodia before crossing the border via key transit points such as Lao Bao, An Giang, and Dong Thap. To defend market share, QNS was forced to significantly increase spending on trade promotions and sales incentives. Combined with the decline in sugar prices discussed earlier, these factors compressed the sugar segment's pre-tax profit margin to below 20%.

QNS Value Chain | Plant-based milk Segment
Figure 33: QNS Value Chain | Plant-based milk segment


Source: RongViet Securities

1. Input – Soybeans are the main raw material in QNS's plant-based milk production activities
Table 15: Summary table describing QNS's milk segment input materials

Material	Supplier	Note	Cost proportion (*)
Soybeans	30% domestic 70% imported from Canada	All are non-genetically modified	35-50%
Macadamia, walnut, almond, pistachio	Mainly imported from Europe & America	n/a	
Refined RE sugar	Self-sufficient in RE/RS sugar thanks to owning a sugar production plant	100% domestic	20-25%
Additives, by-products, vitamins	Asia Chemical, etc.	Domestic and imported in different proportions depending on the type	
Various types of packaging (carton paper, etc.)	Tetra Pak, Kinh Bac Packaging, Khatoco, etc.	Domestic and imported in different proportions depending on the type	15-20%
Other (labour, depreciation)	n/a	n/a	10-15%

Source: RongViet Securities | (*) Proportion is our estimate referring to companies with the same product as QNS, not from QNS.

Soybeans of QNS are all non-GMO, usually accounting for 35-45% of the total production cost. The enterprise is self-sufficient in 30-40% of raw material demand for production thanks to investment in raw material growing areas in 03 regions (Red River Delta, Central Highlands, and Mekong Delta), with a total area of up to 9,000 ha. In parallel, the company also developed the Quang Ngai Seed Research and Production Centre to research, update, develop, and crossbreed suitable crop varieties, improving the quality of soybean seeds. Similar to the sugarcane segment, this helps QNS partially control quality and reduce cost fluctuations compared to relying entirely on imported soybean sources.

Other raw nut groups for high-end milk lines such as macadamia, walnut, almond, and pistachio are mainly imported from Europe & America.

Additives such as sugar, sweeteners, vitamins, and minerals usually account for about 20–25% of the plant-based milk production cost structure. QNS's outstanding advantage is its ability to be self-sufficient in sugar supply thanks to owning a system of sugar production plants, helping the enterprise optimise input costs and significantly reduce the risk of raw material price fluctuations. Thanks to this, QNS's gross profit margin for the soymilk segment is usually quite high compared to the general level of dairy manufacturers. However, comparing profit margins between enterprises is only relative and depends heavily on the type of focused product (dairy or alternatives) and market segment positioning. For example, Vinamilk focuses mainly on animal milk, while QNS targets the mass segment and Vitasoy positions itself higher, leading to significant differences in selling prices and cost structures.

Table 16: Gross profit margin of plant-based milk manufacturers

GPM (%)	2021	2022	2023	2024	2025	2025 Revenue (USD mn)	2025 NPAT (USD mn)
QNS (VN)	40.2	40.7	41.0	37.6	44.4	407 (-0.5%)	74 (-22.3%)
Vinamilk (VN)*	43.1	39.9	40.7	41.4	41.2	2,420 (-0.4%)	357 (-3%)
Oatly (USA)	24.1	11.1	19.4	28.7	32.1	862 (+4.7%)	-153 (-24.4%)
Vitasoy (Hong Kong)	52.6	47.2	47.5	50.0	51.3	805 (+1.3%)	30 (+102.5%)

Source: Bloomberg, RongViet Securities | (*) VNM does not separate the profit margin of each dairy & alternative segment, taking the company-wide gross profit margin for reference.

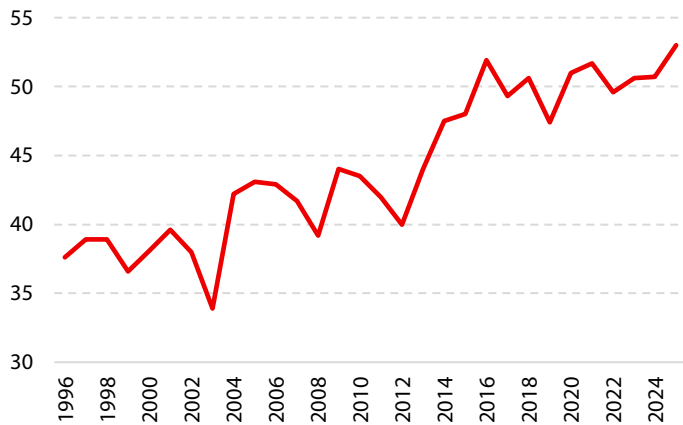
Regarding the trend of input soybean prices, it is affected by many main factors, of which global supply-demand is the core.

- Regarding supply, the point to observe lies in weather and planting area in major production centres such as the US, Brazil, Argentina, and Canada (accounting for 70-80% of global soybean export volume, according to USDA), which determines yield (drought, El Niño/La Niña can strongly reduce output). El Niño often causes severe drought in Brazil and South America; conversely, La Niña often causes drought in the Midwest (USA) - the largest production area - although Brazil sometimes benefits from more rain. Both phenomena create adverse weather risks for at least one major exporter, causing the market to worry about supply shortages and pushing soybean prices to fluctuate strongly.
- Regarding demand, China is a key factor because of its huge imports for animal feed and cooking oil. However, this demand, linked to food consumption among the population in China, gradually saturates over time. Therefore, global input soybean prices often depend more on supply.
- In addition, the USD price (a strong USD makes soybeans more expensive), demand for biodiesel/soybean oil, trade policies (US-China tariffs), transportation costs, and speculative activities on the CBOT floor also cause large fluctuations. Prices are usually most sensitive to USDA crop reports and China's economic situation.

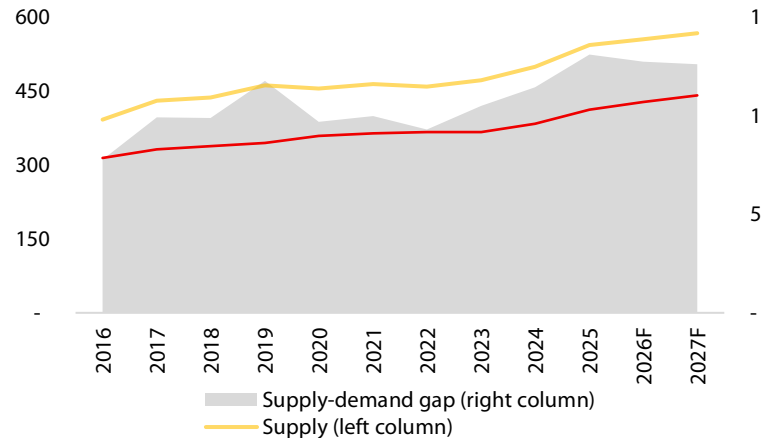
Soybean prices have decreased quite strongly in the 2021-26 period (from a peak of USD 1,700-1,800/bushel in 2022 to around USD 1,100-1,130 currently) due to oversupply as Brazil and the US continuously achieved record output thanks to expanded planting areas and improved technology, thereby strongly increasing exports, while demand increased more slowly than supply, even though China still increased imports a lot, but the growth rate of animal feed and biodiesel demand was not enough to compensate for the huge supply from the other hemisphere. In addition, the market no longer experienced any major prolonged drought similar to 2022 to help anchor soybean prices at a high level anymore.

(*) The abnormal drought situation occurring from the beginning of 2022 to now in many areas of the US is showing signs of becoming increasingly serious, leading to huge challenges, especially for the agricultural sector. According to the US Drought Monitor, nearly 40% of the territory and 30.25% of the population of this country have fallen into a state of water shortage. The US government and farmers are having to make efforts to "rescue" the dry lands.

Regarding the outlook for the coming time, soybean prices have tended to increase ~10.0% since the beginning of the year, mainly due to the strengthening of the USD and short-term increases in freight rates/oil prices. While supply-demand gap issues are expected to continue in the long term, similar to the last 3 years, based on USDA predictions, we maintain the view that QNS's own soybean costs will not fluctuate much for the 2026-30 period, maintaining the level of VND 8,400/liter of milk.

Figure 34: Soybean extraction efficiency in the US (bushel/acre)


Source: USDA, RongViet Securities

Figure 35: Soybean supply – demand gap (USD mn)


Source: Macromicro, USDA, RongViet Securities

2. Production activities

QNS owns 03 Vinasoy milk plants with a total capacity of 390 million liters/year and ranks 5th in the world for soy milk. Production plants include: Bac Ninh Plant (180 million liters/year), Quang Ngai Plant (125 million liters/year), Binh Duong Plant (90 million liters/year). QNS's milk products are all vegan products or mostly ingredients extracted from plants. The milk production process is described basically as in the figure above (Figure 33).

Special points in QNS's production process: (1) Using European whole-bean grinding technology to retain maximum natural nutrients; (2) Vertical integration model in the value chain with sugar produced from QNS's own plant helps control finished product quality better.

Table 17: Comparison of milk production capacity between domestic & foreign firms in Vietnam

Enterprise	Number of plants	Plant location	Total capacity	Milk type
QNS (Vinasoy)	03	Bac Ninh, Quang Ngai, Binh Duong	390 million liters/year	Focus on soymilk
Vinamilk	14	Across 3 regions + abroad, main plant in Binh Duong	~1.4 billion liters/year	Largest cow milk, powder in VN: Includes fresh milk, milk made from powder, milk powder, and nut milk
TH True	n/a	01 in Nghe An (main) and other provinces, 01 in Kaluga (Russia)	~500,000 tons/year (~1 million liters/day)	Clean fresh milk from cows, nut milk
Nutifood	08	6 CNC plants in Vietnam and 2 plants in Sweden, USA	~200 – 500 million liters/year depending on each plant	Fresh milk, cow milk powder, and nut milk
Dutch Lady (FrieslandCampina)	02	Binh Duong and Ha Nam	~400,000 tons/year	Fresh milk, cow milk powder, and nut milk

Source: RongViet Securities compiled

3. Output and distribution channels

Distribution channels and market: QNS's products are present at hundreds of thousands of points of sale in traditional models such as markets, grocery stores, or modern retail models such as supermarkets, convenience stores, and e-commerce platforms, mainly through 9 distribution agents and 7,860 distribution stores nationwide. Outside the Vietnamese market, the enterprise also exports products to 8 other countries (Japan, South Korea, USA, Taiwan). Export milk segment revenue grew very positively, reaching 79%/126% in 2024/2025, respectively.

02 main product groups:

- **Fami soy milk:** In the minds of consumers, soy milk is almost synonymous with the Fami brand, while continuously developing more soy product lines with diverse flavours also contributes to helping the enterprise currently hold more than 80% of the domestic plant-based market share.
- **Veyo nut milk:** Besides the flagship Fami product line, QNS also expanded its portfolio with Veyo nut milk from 2024 (a high-end nut milk line made from 5 types of nuts), along with plant-based yoghurt drinks. These products help the enterprise reach a more diverse customer segment, especially in the context of increasing premiumization and healthy consumption trends, while expanding flavour choices beyond the traditional soy milk line.

Table 18: Main product lines

Product line	Product type	Packaging	Product characteristics
Soy (Fami, Vinasoy)	Fami pure/ low sugar/ coconut milk/ black sugar	200ml box/bag 1L box (pure)	100% soy, 09 essential amino acids the body cannot synthesise itself
	Fami calcium traditional flavor/ chocolate/ coffee, etc.	200ml, 110ml box	100% plant protein, calcium derived from seaweed and vitamin D3 for healthy bones
	Fami calcium plus	1L box (traditional)	
	Fami GO mung bean red rice flavor/ red bean black sticky rice	200ml box	Combines soy and mung bean/ red bean black sticky rice, supplements 04 groups of protein – starch – fat – vitamins
	Fami Green very low sugar	1L box, 180ml box	High-end soy line, very low sugar or no added sugar; Contains Omega 3-6-9 and fibre, good for women and the elderly
	Fami GreenSoy low sugar/ no sugar	1L box, 180ml box	
Nuts (Veyo)	High-end 5-nut milk NUTS	180ml box 1L box	97% nut milk combined with 05 types of nuts: walnut, almond, macadamia, oat, pistachio and vitamins
	OAT oat milk	180ml box 1L box	97% water & oats, vitamins and minerals
	Smarty nut milk	180ml box	90% water, oats and walnuts, pea protein, DHA from seaweed, suitable for children
	Naturally fermented nut milk original flavor/ yuzu orange/ Japanese peach/ Japanese strawberry	180ml box	50% fermented from nuts, using vegan yeast and minerals

Source: QNS, RongViet Securities

Business strategy: Vinasoy is considered the pioneer in exploring the soy milk market in Vietnam, while giants like Vinamilk/DutchLady focus resources on cow milk. The company implements "historical mark duo" business strategy, identifying the 200ml square box (different from the 180ml rectangular box identification of cow milk firms) – characteristic smell, rich soy flavour (tightly attached to the consumer subconscious from a young age, pioneer advantage of placing the image of soy milk as Fami/Vinasoy in

Vietnam). Thereby helping QNS's soy milk segment expand thanks to both the industry pie and QNS's market share. It may be that at this time QNS does not have much room to expand market share further, but there is also no risk of losing market share thanks to the "historical duo" strategy we mentioned above.

However, QNS expects to increase the ratio of advertising, display, and point-of-sale discount costs for the soymilk segment in the coming time because (1) the inevitable trend of increasing competition before new entrants in the industry such as Oatmilk, Vinamilk, THTrue milk, (2) increasing shelf display opportunities for newly developed products such as Veyo nut milk, FamiGold, Greensoy or cereals. Combined with the trend of increasing sales support costs for the sugar industry ([back to page 11](#)), in Q1/26, QNS had to strongly increase total sales support costs (including promotions, trials, displays, agent commissions), reaching VND 239 billion (+126.3% yoy), equivalent to a ratio on revenue of 8.6% (+3.7pps yoy).

Table 19: Forecasted QNS's selling expenses in the 2026-2030F period

Selling expenses (VND bn)	2024	2025	2026E	2027F	2028F	2029F	2030F
Selling expenses-to-net revenue ratio (%)							
<i>Employee salary & allowances</i>	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
<i>Transportation, loading/unloading</i>	2.4%	2.6%	2.7%	2.7%	2.8%	2.8%	2.9%
<i>Advertising, media</i>	1.6%	1.3%	1.8%	1.8%	1.8%	1.8%	1.8%
<i>Promotions, trials, sales pitches</i>	0.2%	4.2%	4.5%	4.6%	4.6%	4.7%	4.7%
<i>Exhibitions, displays</i>	0.4%	0.3%	1.1%	1.1%	1.1%	1.1%	1.1%
<i>Agent commissions, sales support</i>	0.4%	0.9%	1.0%	1.0%	1.1%	1.1%	1.2%
<i>Outsourced services</i>	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
<i>Others</i>	0.2%	0.3%	0.3%	0.1%	0.1%	0.1%	0.1%
Total selling expenses (%)	8.4%	12.9%	14.5%	14.5%	14.7%	14.8%	15.0%
Total	863	1,359	1,707	1,804	1,937	2,035	2,129

Source: QNS, RongViet Securities

APPENDIX 3 – OVERVIEW OF THE SUGAR INDUSTRY

The Vietnamese sugar industry is in a slower growth phase, accompanied by increasingly fierce competition. Although domestic consumption demand maintains an upward trend and domestic sugarcane production meets only ~50% of demand, the domestic sugar market remains oversupplied due to imported sugar, smuggled sugar, and high-fructose corn syrup (HFCS). This has caused sugar prices to continuously adjust from 2H2023 to now. While trade defence measures have been effective for official import channels, pressure from smuggled sugar and substitutes (HFCS) remains a major challenge for industry prospects in the medium term.

3.1. Scale of the Vietnamese sugar market and domestic production situation

In 2025, total domestic sugar consumption is estimated to reach 2.6 mn tons (including cane sugar, corn syrup, and others), corresponding to an average per capita consumption of 25.6 kg/year. Although the Vietnamese sugar market is often in a state of oversupply, domestic sugarcane production capacity only meets ~50% of demand, with domestic sugarcane production estimated at about 1.35 million tons.

Vietnam still has to import a large amount of sugar to compensate for the shortfall. Total sugar supply for 2025 is estimated to reach 2.73 million tons, with ~50% produced domestically; the rest is sugar imported through official channels (13%), unofficial channels (28%), and liquid sugar from corn syrup (9%).

Figure 36: Vietnamese sugar supply & demand (mn tons)

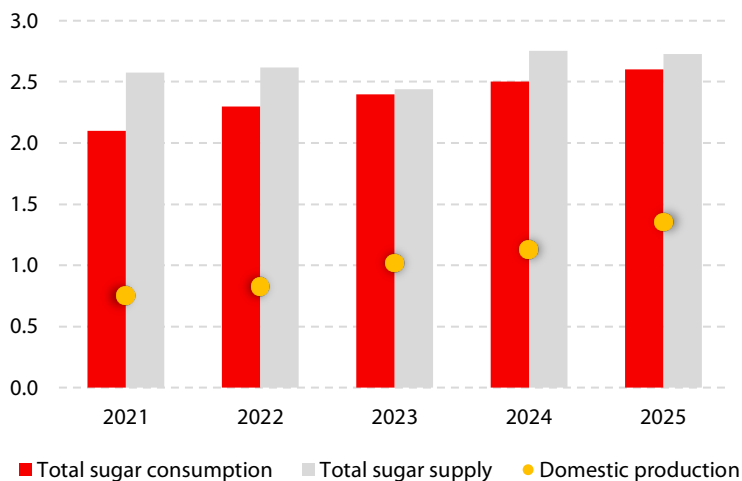
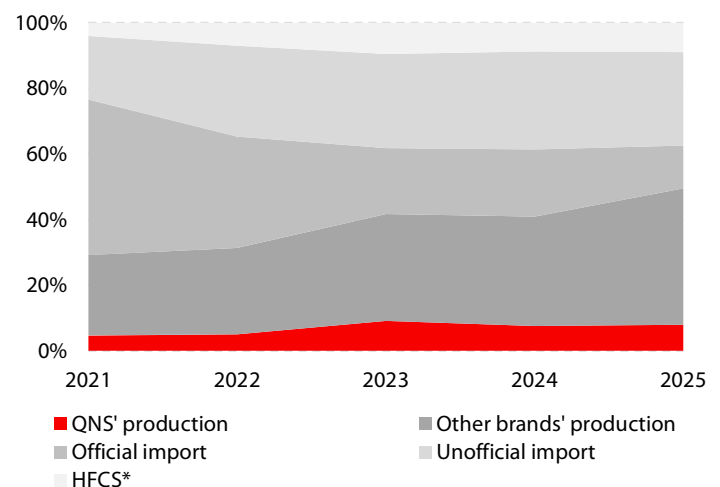
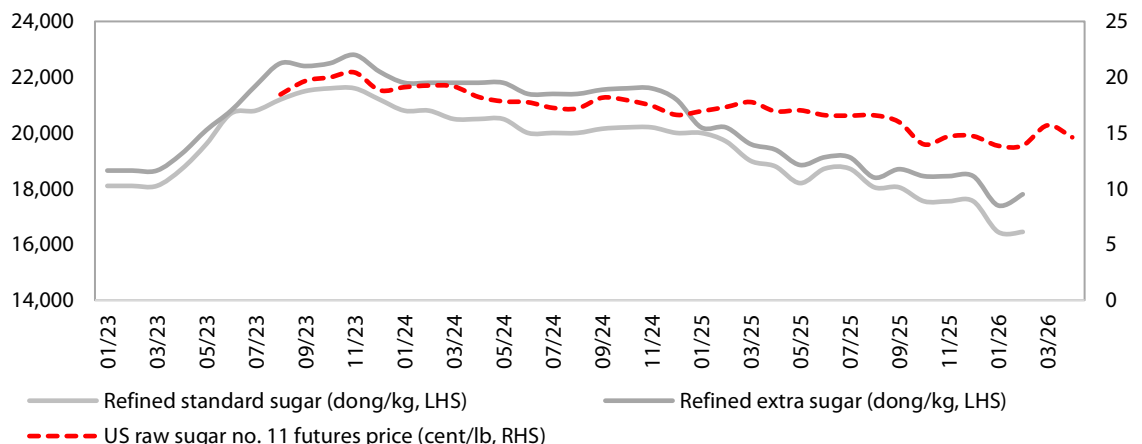


Figure 37: Market share by supply volume (%)



Source: VSSA, USDA, Trade Map, RongViet Securities | (*) HFCS (High Fructose Corn Syrup): Liquid corn syrup

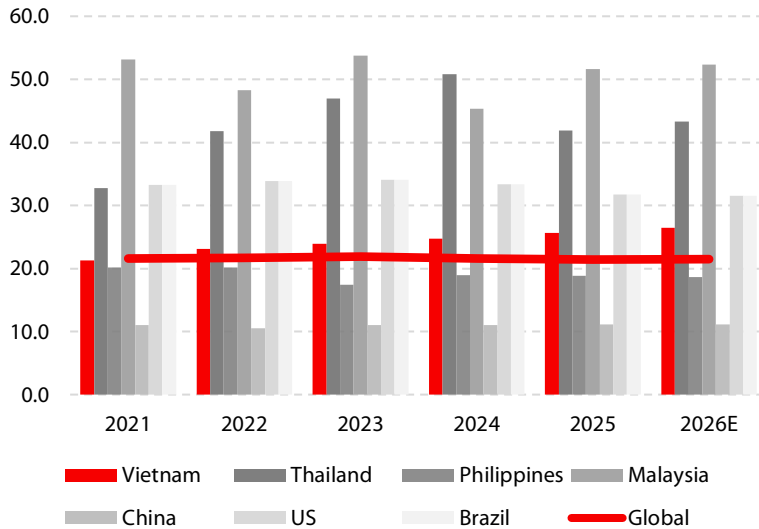
Figure 38: QNS's sugar price and global raw sugar price, 2023 – Mar 2026



Source: Bloomberg, Argomonitor, RongViet Securities

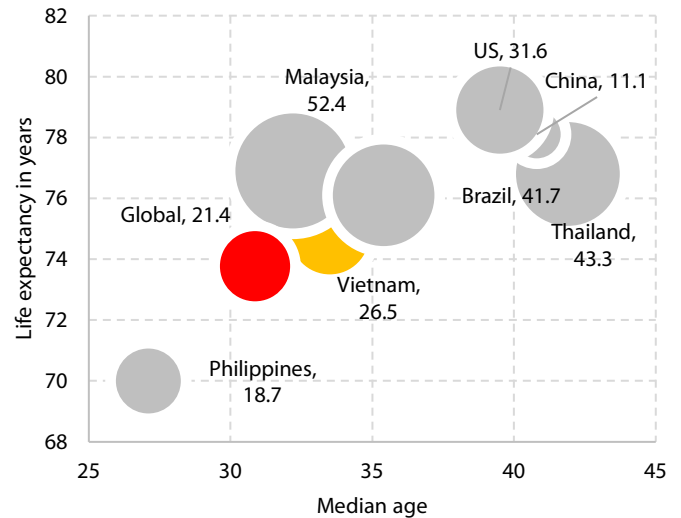
The increase in supply from both imported sugar and substitutes has caused the sugar market to fall into a prolonged state of oversupply, thereby creating significant downward pressure on prices. Accordingly, domestic sugar prices have continuously gone down from 2H2023 to now, from about VND 22,000-23,000/kg to VND 16,000-17,000/kg and currently there are still no clear signs of recovery even though world sugar prices have started to reverse and increase slightly from March 2026.

Figure 39: Per capita consumption (Kg/year)



Source: VSSA, USDA, RongViet Securities compiled and estimated

Figure 40: Age and consumption level, 2025 (*)



Source: World Bank, Statistic Times, RongViet Securities

(*) Note: Bubble size represents per-capita sugar consumption across countries. Larger bubbles indicate higher levels of per-capita sugar consumption. For example, Vietnam's per-capita sugar consumption is approximately 26.5 kg per person per year.

The average per capita sugar consumption level in Vietnam is higher than the global average but still significantly lower than in countries in the region such as Thailand, Malaysia, or large countries like the US and Brazil, but is tending to increase with a CAGR of average per capita consumption in the 2021-2025 period reaching 4.8% (only behind Thailand: 6.3%). Although in the ageing population phase, the average per capita sugar consumption level in Thailand still maintains a high level (although it has decreased sharply in the last 1 year from 50 kg/person in 2024 to 42 kg/person in 2025), mainly stemming from a sweet-loving culinary culture and being a large sugar exporter in the world (similar to Brazil). Conversely, Vietnam is still in the golden population period, implying that average per capita sugar consumption can still increase in the medium – long term but at a slower pace due to increasing health awareness and healthy lifestyles becoming popular - reflected in the trend of preferring low-sweet/ low-sugar/ "0 calorie" foods & drinks.

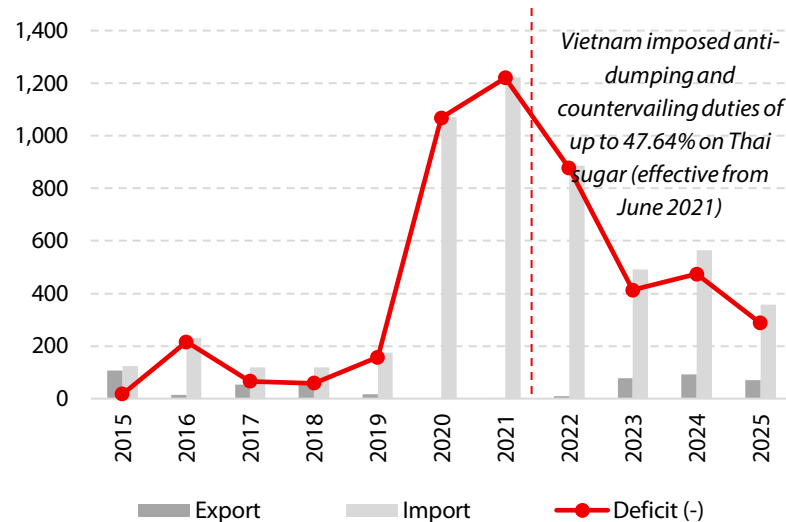
3.2. Import-export situation of the sugar industry and sugar substitutes

Official channel – Positive impact from trade defence measures: The volume of officially imported sugar into Vietnam has decreased sharply in recent years, from about 1.22 million tons in 2021 to 0.36 million tons in 2025, corresponding to a compound annual growth rate (CAGR) in the 2022–2025 period of negative 26.5% (according to Trademap). This development mainly stems from Vietnam applying anti-dumping (AD) and anti-subsidy (AS) duties on sugar originating from Thailand since June 2021, with a total tax rate of up to 47.64% (including 42.99% AD tax and 4.65% AS tax). These measures are effective for 5 years, maintained until 2026, and have been extended recently for a 5-year term until 2031 (refer to [Policy](#)).

In the context that Thailand is Vietnam's largest imported sugar source, applying trade defence measures has contributed to significantly reducing the amount of cheap imported sugar entering the domestic market. Thereby, the domestic sugar industry has more favourable conditions to restore production,

improve operational efficiency, and improve competitiveness. At the same time, domestic enterprises are also under reduced pressure on selling prices and market share, creating a premise for the restructuring of raw material areas as well as capacity expansion in recent years. However, two major bottlenecks still exist that keep Vietnamese enterprises facing enormous competitive pressure, including: (1) Smuggled sugar has no control mechanism and (2) Liquid corn syrup is more preferred in production due to cost optimisation efficiency compared to refined white sugar.

Figure 41: Vietnam's official sugar trade balance (thousand tons)



Source: Trade Map, RongViet Securities

Figure 42: Breakdown of Vietnam's official sugar imports by country, 2024 (%)

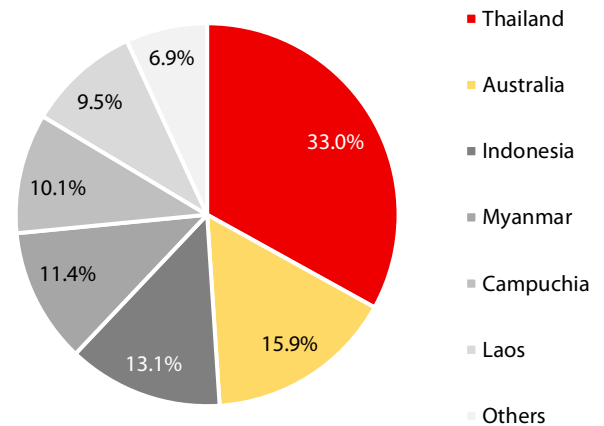
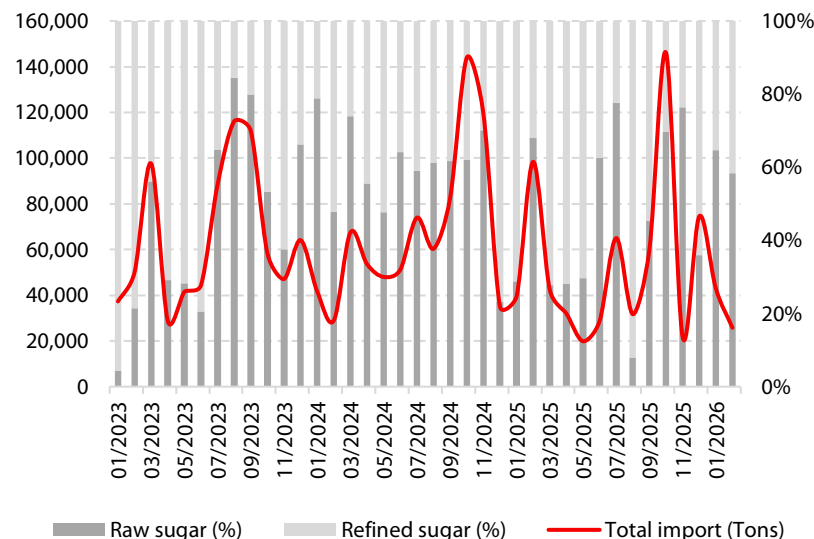
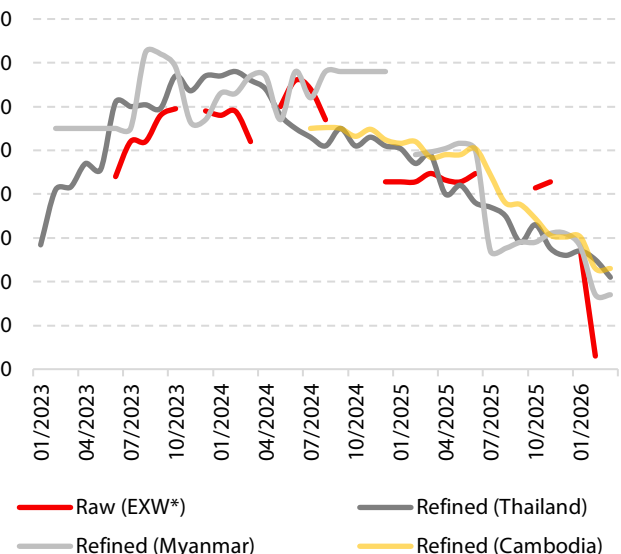


Figure 43: Total monthly imported sugar volume (Tons, left) - Proportion of raw sugar and refined sugar (% , right)



Source: VSSA, RongViet Securities | (*) EXW: Prices are based on selected large-volume transactions. Under EXW terms, buyers bear all costs and risks associated with loading, domestic transportation, export/import customs clearance, and delivery of goods to their final destination or warehouse.

Figure 44: Price of imported raw sugar and refined sugar (USD/ton)



Informal imports – Competitive pressure from smuggled sugar: Although Vietnam has imposed AD and CVD on imported sugar to protect the domestic sugar industry and ensure fair competition, the effectiveness of these measures has been partially undermined by persistent sugar smuggling across the country's borders.

According to VSSA, smuggled sugar inflows into Vietnam reached approximately 700–800 thousand tons annually during 2022–2025, significantly higher than the roughly 500 thousand tons recorded in 2021, when the AD and CVD measures were first introduced. Most of this volume enters Vietnam through border routes with Cambodia and Laos, both of which import substantial quantities of sugar from Thailand before re-exporting it into Vietnam through unofficial channels.

As a result, a large portion of smuggled sugar in the Vietnamese market is effectively Thai-origin sugar. This not only reduces the effectiveness of trade remedy measures but also creates significant competitive pressure on domestic sugar producers, particularly during periods of weak global sugar prices.

High Fructose Corn Syrup (HFCS): Thanks to its cost advantage and higher sweetening efficiency relative to refined sugar on an equivalent usage basis, HFCS has become increasingly popular in the food and beverage industry as a means of optimizing production costs. Historically, beverage manufacturers were among the largest consumers of refined sugar. However, as cost efficiency has become a greater priority, many producers have gradually shifted toward HFCS as a substitute sweetener.

According to data from Vietnam Customs, HFCS imports increased steadily from approximately 166 thousand tons in 2020 to 242 thousand tons in 2024, representing a CAGR of 10.1% over the period. The majority of imports consist of HFCS-55, which contains 55% fructose and 45% glucose and is estimated to be 25–60% sweeter than conventional sugar. This allows manufacturers to reduce sweetener costs per unit of output, making HFCS an increasingly attractive alternative. As a result, the growing adoption of HFCS has become one of the key factors contributing to the gradual contraction of the refined sugar market.

APPENDIX 4 – OVERVIEW OF THE DAIRY & ALTERNATIVES INDUSTRY

3.1. Total value of the Vietnamese milk market and contribution of the soy milk segment

According to Euromonitor, the scale of the dairy and alternatives market in Vietnam is estimated to reach VND 151,170bn in 2025, corresponding to a CAGR in the 2021–2025 period reaching 4.1%/year. Dairy products still dominate, contributing about 72% of the total market value. Conversely, the plant-based milk group is still in the early development stage, accounting for only about 3.8% of the industry's total scale.

For the plant-based milk market, the 2025 scale is estimated to reach VND 5,745 billion. Although benefiting from healthy consumption trends and increasing demand for plant-based products, the growth rate of this segment is still relatively modest, with a CAGR in the 2021–2025 period reaching only 0.9%, significantly lower than the general growth of the dairy industry.

Currently, soy milk is still the main product line, accounting for about 93% of the total value of the plant-based milk market in Vietnam. In which, QNS holds a dominant position with about 88-90% market share through two flagship brands, Fami and Vinasoy. Launched in 1997, Vinasoy is one of the industry's pioneer brands, contributing to laying the foundation and shaping the plant-based milk market in Vietnam.

Figure 45: Vietnamese dairy & alternatives market (VND bn)

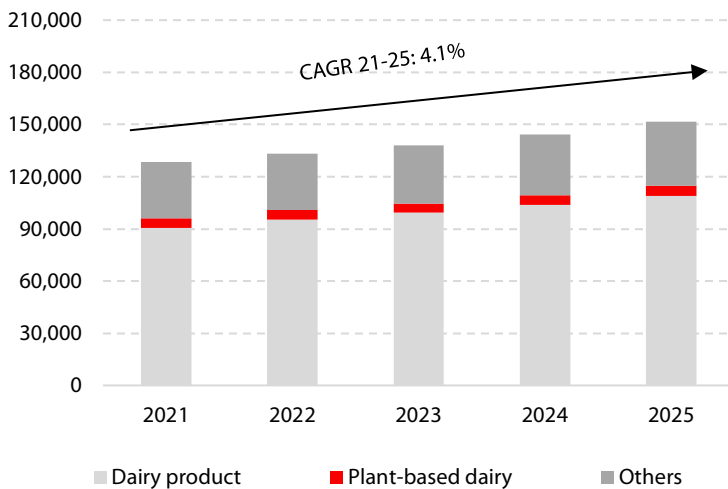


Figure 46: Vietnamese plant-based milk market (VND bn)

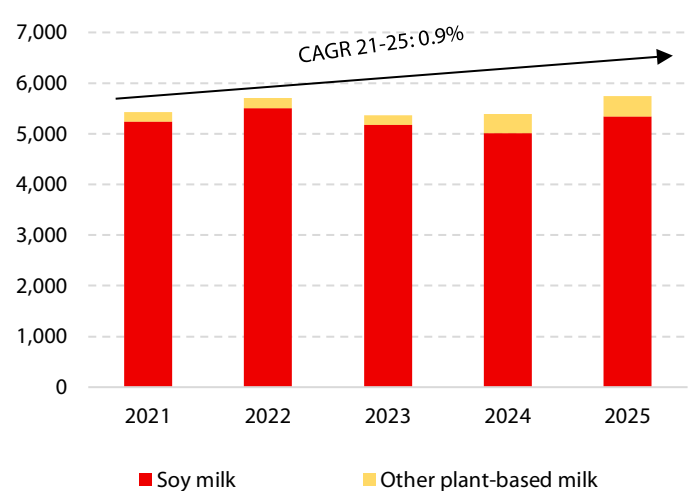


Figure 47: Structure of dairy & alternatives market, 2025

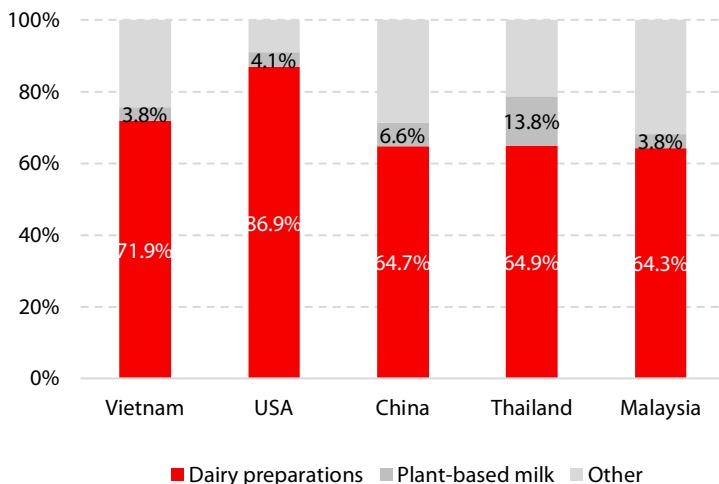
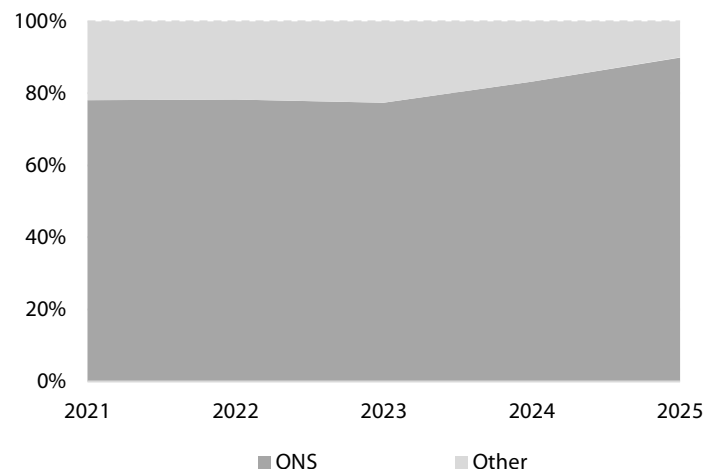


Figure 48: Market share of soy milk segment by value (%)

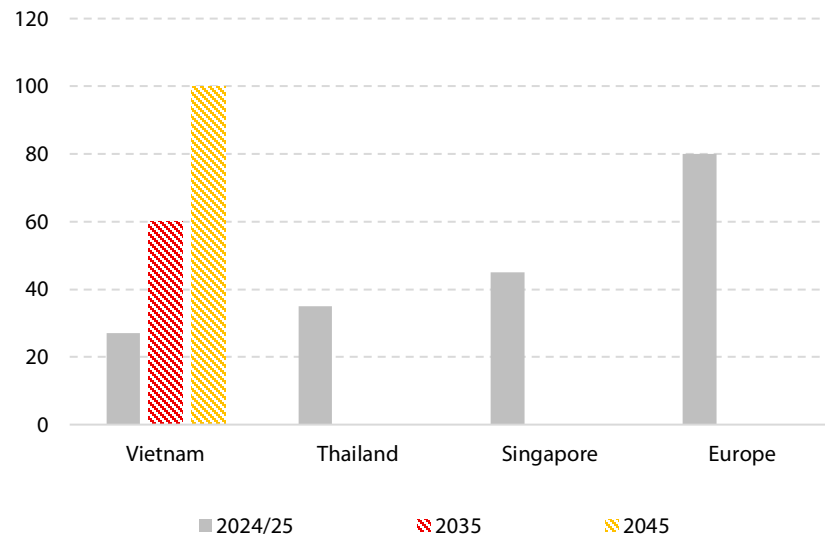


Source: QNS, Euromonitor, RongViet Securities

3.2. Average milk consumption

In terms of value, the ratio of spending on dairy & alternatives to GDP per capita in Vietnam in 2025 reached about 1.2%, significantly higher than the 0.3-0.8% level of countries in the comparison group. However, in terms of consumption volume, Vietnam's average per capita dairy consumption is only about 27 litres/year, significantly lower than Thailand (35 litres), Singapore (45 litres), and European countries (80 litres), according to data from the Ministry of Industry and Trade (MOIT). According to Decision 309/QĐ-TTg, for the period until 2030, the industry sets an average growth target of 12-14%/year. However, we are cautious about total industry growth at 3-4%/year due to the falling birth rate and the limit on spending on dairy in Vietnam, which is already high in Asia. (50kg/person, according to FAO). Plant-based milk growth can be higher at about 6-8%/year thanks to increased health awareness leading to an expanding trend of using nutritional nuts.

Figure 49: Average per capita dairy & alternatives consumption (liters/year)



Source: Ministry of Industry and Trade, Decision No. 309/QĐ-TTg (For the 2035-2045 period in Vietnam), RongViet Securities

Figure 50: Ratio of spending on dairy and alternatives to GDP per capita (%)

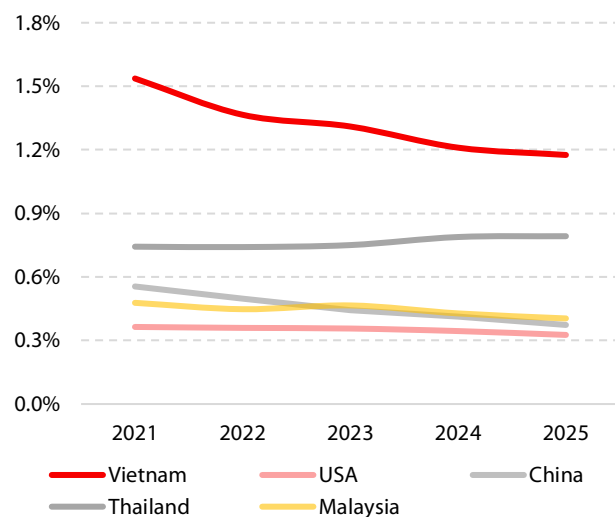
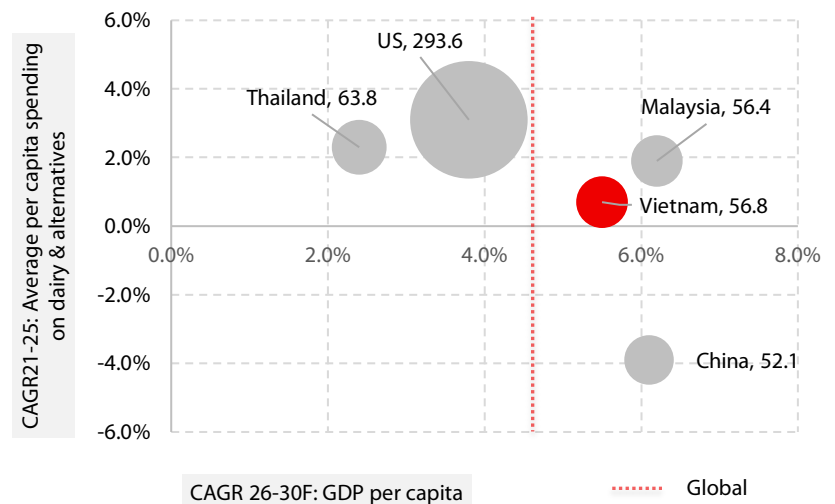


Figure 51: GDP per capita growth & ratio of spending on dairy & alternatives to GDP per capita



Source: Euromonitor, IMF, RongViet Securities | Note: The size of the bubble represents the average per capita spending on dairy & alternatives in the country; the larger the bubble, the higher the spending level. For example, Vietnamese people spend an average of USD 56.8/person/year.

3.3. Some popular plant-based milk brands in Vietnam

Table 20: Comparison of some popular plant-based milk brands in Vietnam

Enterprise					
Main brand	Vinasoy, Fami	Super Nut, 9 Nutz Creamy Blend	TH true NUT	NutiMilk, Nuti whole grain	Kun Nut, LIF
Founding year	1997	1976	2009	2000	2004
Entered plant-based milk market	1997	2012	2018	2019	2014
Flagship product in portfolio	Soy milk	Animal milk	Animal milk	Nutritional milk for children	Barley milk, young corn
Operating market	Domestic, export (8 countries). Main export markets: Japan, South Korea, USA, Taiwan	Domestic, export (65 countries & territories)	Domestic & China	Nationwide, recorded exports to USA, Japan, South Korea, European countries	Nationwide & Southeast Asia (being promoted) and Asian countries
Main raw nut	Soybeans	Nut mix (walnut, almond, macadamia, soy...)	Nut mix (walnut, almond, macadamia, soy...)	Mix of many types of nuts	Barley, young corn
Price positioning	Mass (soy milk); Shifting to high-end positioning with mixed nut milk line	Mid-range - high-end	Mid - high-end	Mid-range	Mass
Average selling price ('000 VND/liter)	17 – 23	35 – 60	55 - 58	18 - 20	35 - 40
Customer target	Mass, for all age groups	Families, health-conscious people	High-end consumers, healthy	Families and children	Children
Distribution coverage	Very high <i>Vinasoy's system is present at 7,860 distribution stores nationwide. The segment is operated through 9 large distributors</i>	Very high <i>Owns an extremely strong distribution system, ensuring products are present at nearly 200,000 points of sale nationwide</i>	High	High	Average
Plant-based milk market share	80% plant-based market share	Small	Small	Small	Very small (children)
Competitive advantage	Long-standing brand, large scale, specialised in soy milk	Largest dairy ecosystem in Vietnam, R&D capacity	High-end positioning, "healthy" image	Nutritional experience, large farms (Gia Lai)	Focus on children segment
Weakness	Still heavily dependent on soy milk line, less diverse nut mix	Higher selling price, low revenue contribution and currently under pressure from R&D costs as well as small-batch production	High selling price	Smaller scale than Vinamilk	Scale is still limited

Source: RongViet Securities compiled

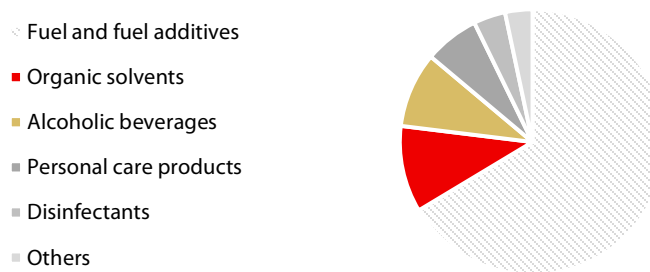
APPENDIX 5 – OVERVIEW OF THE ETHANOL MARKET IN VIETNAM

5.1. Ethanol definition

Ethanol, also known as ethyl alcohol, is an organic compound with the chemical formula C_2H_5OH . It is a colorless, volatile liquid with a characteristic odor and is primarily produced through two methods: biological fermentation (bioethanol) and chemical synthesis (synthetic or petrochemical ethanol). Among these, bioethanol dominates the global ethanol market, accounting for approximately 88% of total market share in 2025, according to *Persistence Market Research's Ethanol Market Outlook 2026–2030*.

The fuel and fuel additive segment represented the largest revenue contributor to the global ethanol market (66% in 2025, according to *Grand View Research's Ethanol Market Outlook 2026–2030*). This segment also serves as the industry's primary growth driver, supported by increasingly stringent fuel-blending mandates. Higher ethanol blending ratios reduce dependence on fossil fuels, lower greenhouse gas emissions, improve both gasoline octane ratings and combustion efficiency. As internal combustion engine vehicles continue to dominate transportation fleets in many markets, ethanol becomes an important component of the global energy transition. More specifically, blending 5%/10%/20% bioethanol into gasoline (corresponding to E5/E10/E20 gasoline, respectively) helps reduce refined fuel import dependence of non-OPEC countries. This mitigates the impact of geopolitical disruptions on fuel prices and helps ease cost-push inflationary pressures by lowering exposure to global oil market volatility.

Figure 52: Breakdown of global ethanol revenue by key applications



Source: Grandviewresearch, RongViet Securities

Table 21: Two key methods of ethanol production

Method	Fermentation/bioethanol	Synthetic/petrochemical-ethanol
Also known as	Bioethanol production	Fossil-based ethanol production (ethylene-derived ethanol)
Input materials	(1) Sugarcane, bagasse, molasses (2) Starch-rich crops (cassava, corn) (3) Renewable lignocellulosic biomass (the primary structural component of woody plants and agricultural residues such as grasses, rice straw, and corn stover)	Ethylene (C_2H_4), a petrochemical product derived from crude oil refining
Production process	(1) Hydrolysis of starch into fermentable sugars. (2) Anaerobic fermentation converts sugars into ethanol and carbon dioxide (CO_2).	(1) Ethylene reacts with water under high temperature and pressure in the presence of an acid catalyst to produce ethanol via the ethylene hydration reaction ($C_2H_4 + H_2O \rightarrow C_2H_5OH$). (2) The resulting ethanol is distilled to achieve high purity (typically around 99.5%).
Production yield	Lower and dependent on fermentation efficiency	Higher and more consistent
Production speed	Slower	Faster
Product purity	Requires additional purification	Higher purity with fewer impurities
Cost	Typically produced on a smaller scale, resulting in relatively lower capital requirements	Usually produced at an industrial scale, requiring higher upfront capital investment and operating costs
Environment impact	More environmentally friendly when supported by effective waste management practices	Depends largely on the source of ethylene and the associated carbon footprint

Source: RongViet Securities compiled

Corn is the most widely used feedstock among the world's top 10 ethanol-producing countries (Exhibit 2). Its dominance is supported by a well-established supply chain, ease of storage, year-round availability due to its resilience, and mature technologies. By contrast, while sugarcane delivers higher ethanol yields per hecta and lower conversion costs, its cultivation is highly dependent on tropical climatic conditions and distinct harvesting seasons, with production concentrated primarily in Brazil. As a result, although sugarcane offers better economic efficiency, corn remains its dominance globally due to its greater scalability and stability (Exhibit 2).

Table 22: Ethanol production market share by countries & key input materials

Countries	Ranking (market share)	Key input materials
United States	#1 (45.7%)	Corn
Brazil	#2 (25.3%)	Sugarcane / Corn / Molasses
China	#3 (8.3%)	Corn / Cassava
India	#4 (5.4%)	Sugarcane / Molasses / Rice / Corn / Wheat
EU	#5 (5.3%)	Corn / Wheat / Sugar Beet
Canada	#6 (1.4%)	Corn / Wheat
Thailand	#7 (1.1%)	Molasses / Cassava / Sugarcane
Argentina	#8 (1.0%)	Corn / Sugarcane / Molasses
Colombia	#15 (0.3%)	Sugarcane
Indonesia	#19 (0.1%)	Molasses

Source: OECD-FAO Agricultural Outlook 2025-2034, RongViet Securities

Table 23: Comparison of bioethanol production using different raw input materials

	Sugarcane (1st Gen)	Bagasse or other biomass (2nd Gen)	Corn/Cassava
Advantages	- Simple production process, as sugarcane contains readily fermentable sugars that can be directly converted into ethanol. - Mature technology with widespread commercial adoption, particularly in Brazil.	- Helping address the "food or fuel" debate as it utilizes non-food feedstocks - Makes use of sugar industry by-products, offering significant potential to increase ethanol output from the same cultivated area.	- The key feedstock in the US and other countries, using either dry- or wet-milling processes that also generate valuable co-products such as distillers grains, corn oil, and CO₂. - Relatively high theoretical ethanol yield (0.57g ethanol/g of starch).
Disadvantages	- Distillation residues (vinasse) contain high organic loads and dark-colored effluent, posing environmental risks if not properly treated. - Limited operational flexibility: The ratio of sugar or ethanol production is difficult to adjust once the harvest season begins.	- The rigid structure of bagasse and other lignocellulosic biomass requires costly pretreatment to release fermentable sugars. - Lower conversion efficiency and typically lower final ethanol concentrations (<50 g/L), resulting in higher energy consumption during distillation.	Requires an enzymatic hydrolysis process (liquefaction and saccharification) to convert starch into fermentable sugars before fermentation, making the production process more complex than that of sugarcane juice.

Source: RongViet Securities compiled

5.2. Vietnam ethanol market outlook – Entering the “seedling” stage

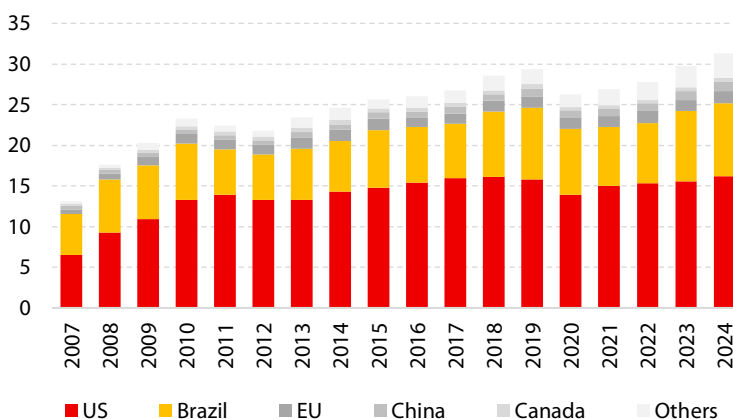
The global ethanol industry has been established since the 1970s (with Brazil pioneering through the launch of the Proálcool program in 1975). The industry subsequently expanded to the US and experienced rapid growth from the early 2000s, particularly following the enactment of the Energy Policy Act of 2005. **Vietnam's fuel ethanol industry remains at an early stage of development. The country only began formulating a dedicated biofuel strategy in 2007**, when the Government issued Decision No. 177/2007/QĐ-TTg approving The scheme on development of biofuels up to 2015 with a vision to 2025. Following an initial pilot phase, E5 gasoline was first commercialized in 2014 before being rolled out nationwide in 2018. According to estimates by the MOIT, with Vietnam's gasoline consumption

reaching ~1 million m³/month, nationwide implementation of E10 gasoline would require around 100,000 m³ of fuel ethanol (E100) per month, equivalent to 1.2 million m³ or ~0.32 billion gallons annually. This remains substantially lower than the global ethanol market, which exceeds 30 billion gallons per year, highlighting the relatively nascent nature of Vietnam's ethanol industry.

On 7 Nov 2025, the MOIT issued Circular No. 50/2025/TT-BCT, establishing the roadmap for mandatory biofuel blending in Vietnam. Effective 1 Jun 2026, all unleaded gasoline meeting the prevailing national technical standards must be blended into E10 gasoline for nationwide use in gasoline-powered vehicles, while E5 RON92 gasoline will continue to be supplied through 31 Dec 2030. We believe this policy represents a new inflection point for Vietnam's ethanol market. Nevertheless, a sustained growth cycle will require a more complete market framework capable of incentivizing domestic ethanol production, given that existing production capacity remains limited and has yet to keep pace with the expected increase in demand. Specifically:

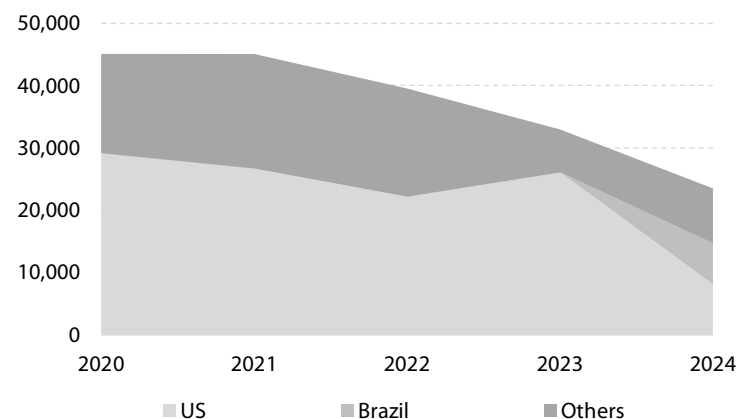
- *Vietnam currently has 07 fuel ethanol plants with a combined design capacity of ~500,000 m³ per year (Table 24).* In theory, this capacity could satisfy roughly 40-50% of the ethanol required for nationwide E10 blending. In reality, however, only 03 plants (Dung Quat, Tung Lam and Dai Tan) are currently operating on a commercially. The remaining facilities have either suspended operations or shut down due to volatile feedstock supplies, primarily cassava, and the slow development of the domestic ethanol market. Cassava prices have been highly dependent on import demand from China, resulting in unstable feedstock costs. At the same time, the earlier E5 blending mandate lacked sufficient policy momentum to stimulate domestic demand, making locally produced ethanol less competitive against imports. Consequently, many producers operated at low utilization rates, suffered from significant excess capacity, and incurred persistent losses.
- *As a result, Vietnam's actual ethanol production currently stands at only around 25,000 m³ per month, sufficient to meet roughly 25% of the ethanol required for nationwide E10 blending. The remaining demand is met through imports, primarily from the United States, Brazil - the world's two largest ethanol producers and exporters (Figures 53,54) and Singapore.* Given that several domestic plants have yet to resume operations and few new investment projects have been announced, Vietnam is likely to remain heavily reliant on imported ethanol over the short to medium term. This dependence increases the country's exposure to global trade disruptions and geopolitical risks, while also making feedstock costs more sensitive to international ethanol prices and foreign exchange fluctuations. Ultimately, these factors may undermine supply chain stability and pose challenges to Vietnam's long-term energy security objectives.

Figure 53: Global ethanol production (Bn gallon)



Source: Renewable Fuels Association, RongViet Securities compiled

Figure 54: Vietnam's ethanol imported volume* (ton)



Source: Trade Map, RongViet Securities compiled

(*) Note: The data are intended for illustrative purposes to reflect overall trends and relative contributions, and may not be fully accurate

Table 24: Ethanol plants in Vietnam

Plants	Owner	Location	Input materials	Restart date	Current status	Design capacity (m ³ /year)
Dung Quat Biofuel Plant	Vietnam Central Biofuels JSC (BSR-BF)	Quang Ngai	Cassava	End of 2025	The plant operated steadily at ~60% of capacity in March, averaging around 75% capacity utilization, and reached full capacity by mid-April 2026.	108,000
Tung Lam Ethanol Plant	Tung Lam Co., Ltd.	Dong Nai	Cassava	-	The plant is currently operating at full capacity and plans to expand production capacity by up to 130% of its current level.	72,000
Dai Tan Ethanol Plant	Tung Lam Co., Ltd.	Quang Nam	Cassava	2017	The plant remains operational but relies on imported feedstocks.	120,000
Binh Phuoc Biofuel Plant	Orient Bio-Fuels Company Limited (OBF)	Binh Phuoc	Cassava	n/a	The plant underwent a major overhaul in 2018 but has yet to resume operations.	72,000
Dak To Ethanol Plant	Quang Ngai Agricultural Products and Foodstuff JSC	Kon Tum	Cassava	n/a	The plant operated at low utilization before ceasing operations in 2014.	36,000
Dai Viet Ethanol Plant	Dai Viet Company Limited	Dak Nong	Cassava	n/a	The plant has remained idle since April 2013. Prolonged inactivity and insufficient maintenance have resulted in deterioration of facilities, with workshops and boilers showing severe corrosion.	n/a
Phu Tho Biofuel Plant	PVB., JSC	Phu Tho	Cassava	n/a	Construction was suspended in November 2011, after having commenced in June 2009.	n/a
Total design capacity of 07 plants (m³/year)						500,000

Source: RongViet Securities compiled | Note: Based on publicly available sources. Actual plant status may differ; however, Vietnam's ethanol industry remains constrained by limited capacity and few operating plants

Vietnam's ethanol production is almost entirely based on biological fermentation, in line with the global trend. This reflects the country's abundant biomass resources, while its underdeveloped petrochemical industry limits the large-scale production of synthetic ethanol from ethylene. Cassava remains the dominant feedstock for bioethanol, sourced from both domestic production and imports, whereas sugarcane molasses is only used on a limited scale for food-grade and industrial ethanol due to the absence of commercial-scale molasses-based fuel ethanol plants. **This could begin to change over 2026–2030 as sugarcane-based ethanol projects emerge. QNS is expected to be the first mover** after signing an investment memorandum for the An Khe Ethanol Plant at the 2026 Gia Lai Investment Promotion Conference (*), followed by the launch of an international EPC tender. The project is QNS's largest investment to date, with an approved investment value of ~VND 1.74 trillion, and is currently in the bidding stage. Once operational, the plant is expected to produce 30% food-grade ethanol and 70% fuel ethanol for biofuel blending.

(*) During the Q3/25 investor meeting, Mr. Vo Thanh Dang highlighted: "All 07 existing ethanol plants in Vietnam use cassava, leaving production costs highly exposed to cassava price volatility driven by Chinese import demand. In contrast, QNS's plant will use molasses (a by-product of sugar production) as its primary feedstock, providing a clear cost advantage. Following its expansion to 25,000 tonnes per year, the plant will be able to process around 1,000 tonnes of molasses per day, improving resource utilization, lowering production costs, and delivering superior economics compared with cassava-based ethanol plants."

Overall, we believe sugarcane-based ethanol production has strong growth potential in Vietnam, particularly as demand for fuel ethanol increases. However, expanding production will require sugar producers to optimize the sugarcane value chain while balancing sugar production, biomass power generation, and ethanol manufacturing. Given the limited availability of feedstocks, scaling up ethanol production will also require a stable sugarcane supply and more efficient utilization of by-products such as bagasse and molasses. Consequently, ethanol projects require not only significant capital investment but also an integrated feedstock development strategy and a circular economy model to ensure sustainable long-term returns, similar to the successful models adopted in Brazil and India.

APPENDIX 6 – POLICIES IMPACTING QNS'S BUSINESS OUTLOOK

Anti-dumping and anti-subsidy duties on sugar imported from Thailand

On February 9, 2021, the MOIT issued Decision No. 477/QĐ-BCT on Applying temporary anti-dumping and anti-subsidy duties on some sugarcane products originating from Thailand, effective from June 15, 2021 to June 2026, specifically:

Table 25: List of products and temporary anti-dumping & anti-subsidy tax rates

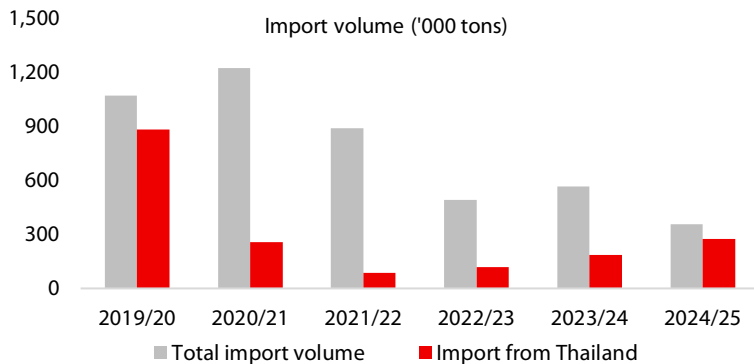
Company name	Product type	Corresponding HS code	AD tax rate	AS tax rate
Production, export companies of the Kingdom of Thailand	Refined sugar and other sugarcane sugars that are not raw sugar	1701.99.10; 1701.99.90; 1701.99.00; 1702.09.91.	42.23%	4.65%
	Raw sugar	1701.13.00; 1701.14.00.	29.23%	4.65%

Source: Decision No. 477/QĐ-BCT

The anti-dumping (AD) and countervailing duty (CVD) measures imposed on certain sugar products originating from Thailand since June 15, 2021 have delivered meaningful benefits to Vietnam's sugar industry and sugarcane farmers over the past five years. Key outcomes include:

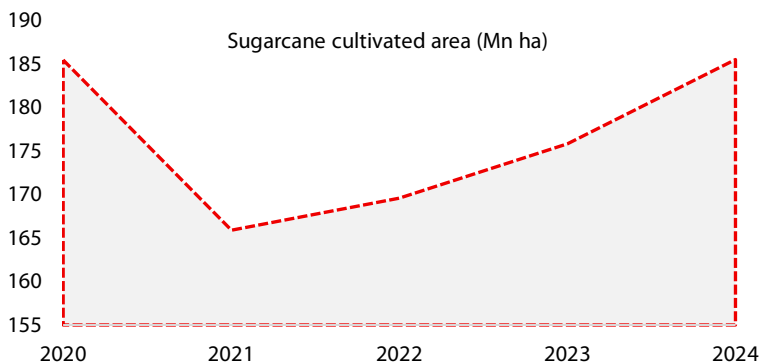
Figure 55: The recovery of the sugarcane industry, 2020-25 period

Significantly curbed dumped and subsidized sugar imports from Thailand, with import volumes declining sharply from 900 thousand tons in the 19/20 crop year to 274 thousand tons in the 24/25 crop year



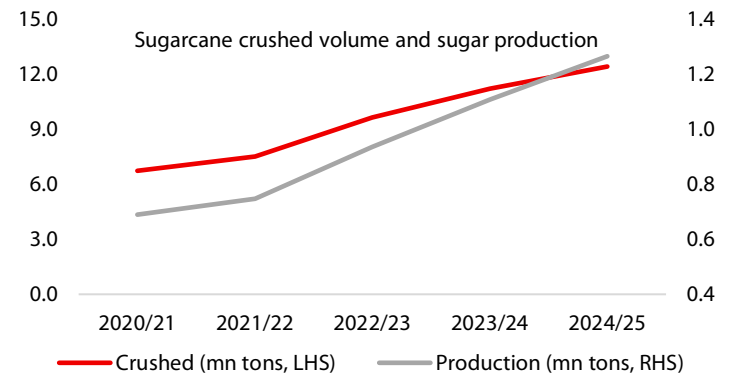
Source: VSSA, TradeMap, RongViet Securities

Abandoned sugarcane-growing areas have been restored, particularly in economically disadvantaged regions



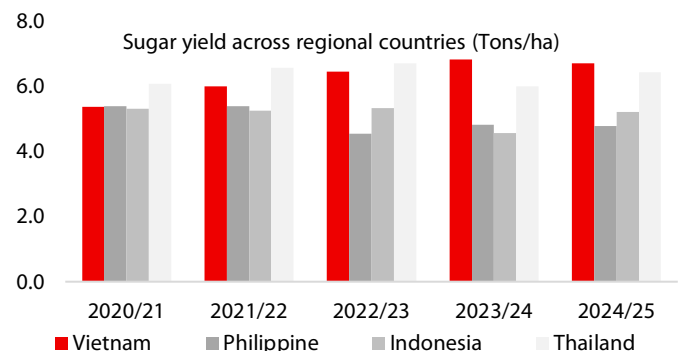
Source: VSSA, GSO, RongViet Securities

Domestic production has recovered steadily, with output in the 24/25 crop year reaching more than 1.2 mn tons, ~1.7x higher than in the 20/21 crop year, thereby improving the industry's ability to meet domestic demand.



Source: VSSA, RongViet Securities

Sugar yield improved from 5.36 tons/ha in the 2020/21 to 6.69 tons/ha in the 2024/25, making Vietnam one of the leading productivity in the region



Source: VSSA, RongViet Securities

On June 13, 2025, Vietnam's MOIT issued Decision No. 1686/QD-BCT to conduct the sunset review of AD and CVD measures imposed on sugar products originating from Thailand during the 2021–2026 period. The review concluded that removing these measures would significantly increase the likelihood of continued dumping and subsidization of Thai sugar exports to Vietnam, which could cause material injury to the domestic sugar industry. Accordingly, the MOIT issued Decision No. 1309/QD-BCT, officially extending the anti-dumping (AD) and countervailing (CVD) measures for another five years, until 15 June 2031, alongside Decision No. 1310/QD-BCT extending the anti-circumvention (AC) measures on the trade remedies.

Overall, the extension is expected to provide continued protection for Vietnam's sugar industry by limiting competitive pressure from low-priced imported sugar and supporting domestic producers in maintaining operations, expanding investment, and developing sugarcane-growing areas over the medium to long term.

APPENDIX 7 - FINANCIAL DATA & PROJECTIONS IN THE 2026 – 2030 PERIOD

Table 26: Forecasted revenue by segment (VND bn)

NET REVENUE	2022	2023	2024	2025	2026E	2027F	2028F	2029F	2030F
Total revenue	8,255	10,021	10,243	10,573	11,740	12,414	13,189	13,720	14,210
Sugar	1,973	4,037	3,939	3,630	4,258	4,520	4,846	4,942	4,992
Soymilk	4,305	4,003	4,174	4,803	5,292	5,664	6,066	6,448	6,830
Others	1,978	1,982	2,130	2,140	2,190	2,230	2,277	2,331	2,388
% yoy growth	13%	21%	2%	3%	11%	6%	6%	4%	4%
Sugar	25%	105%	-2%	-8%	17%	6%	7%	2%	1%
Soymilk	5%	-7%	4%	15%	10%	7%	7%	6%	6%
Others	19%	0%	8%	0%	2%	2%	2%	2%	2%
% of total revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sugar	24%	40%	38%	34%	36%	36%	37%	36%	35%
Soymilk	52%	40%	41%	45%	45%	46%	46%	47%	48%
Others	24%	20%	21%	20%	19%	18%	17%	17%	17%

Source: QNS, RongViet Securities estimated

Table 27: Forecasted gross profit by segment (VND bn)

GROSS PROFIT	2022	2023	2024	2025	2026E	2027F	2028F	2029F	2030F
Total	2,459	3,351	3,484	3,537	3,949	4,213	4,510	4,747	4,972
Sugar	375	1,256	1,290	719	844	913	993	1,039	1,078
Soymilk	1,752	1,643	1,568	2,134	2,343	2,514	2,697	2,872	3,046
Others	332	452	626	683	762	786	820	836	848
GROSS PROFIT MARGIN									
Total	30%	33%	34%	33%	34%	34%	34%	35%	35%
Sugar	19%	31%	33%	20%	20%	20%	20%	21%	22%
Soymilk	41%	41%	38%	44%	44%	44%	44%	45%	45%
Others	17%	23%	29%	32%	35%	35%	36%	36%	36%

Source: QNS, RongViet Securities estimated

APPENDIX 8 - COMPARABLE ENTERPRISES AND FINANCIAL INDICATORS

In this report, we use some enterprises with similar business & operating industries to QNS for reference in analysis and forecasting.

Bien Hoa Sugar JSC (SBT VN Equity): Established in 1995, it is one of the leading sugar enterprises in Vietnam, belonging to TTC Group. The company specialises in producing and trading sugar & sugarcane by-products. SBT owns 09 plants with a total capacity of 300,000 tons/year, leading the domestic share. The company's products are distributed in multiple channels, with headquarters located in Tay Ninh.

Lam Son Sugar JSC (LSS VN Equity): Predecessor was Lam Son Sugar Plant from 1980, equitized in 1999, headquartered in Thanh Hoa. LSS focus specialises in producing sugarcane sugar, sugar-based products, and agricultural products, while promoting exports. LSS focuses on developing sustainable material areas (>15,300 ha), owns 2 sugar plants, 1 power plant, 1 mechanical enterprise, and Lavina Food plant.

Son La Sugar JSC (SLS VN Equity): Formed from Son La Sugar Plant, which started in 1995, officially equitized in 2008 with headquarters in Son La province. The company specialises in producing sugar from sugarcane and post-sugar products (molasses). In which, sugar processing and production activities account for the largest proportion of the company's total profit (about 88%). The company's main product consumption market is Hanoi.

Kaset Thai International Sugar Corp. PCL (KTIS TB Equity): One of the largest sugar producers in Thailand, established in 1957. The company operates in the sugarcane value chain, from sugar production to ethanol and by-products, outstanding with a stable farmer support model and large plant scale.

Buriram Sugar PCL (BRR TB Equity): Established in 1963 in Buriram province, Thailand. BRR specialises in producing sugar and molasses while developing biomass electricity, organic fertiliser from sugarcane by-products, and wood pellets. BRR operates strongly in both domestic and export markets.

Vitasoy International Holdings Ltd (345 HK Equity): A pioneer enterprise in the plant-based beverage field in Asia, established in 1940 in Hong Kong. The company is famous for soy milk and other plant-based products such as almond milk, oat milk, tofu, and many types of beverages. Vitasoy has a wide distribution network in China, Hong Kong, and some Asia-Pacific markets.

Oatly Group AB (OTLY US Equity) is a Swedish company established in 1994, currently listed on Nasdaq, and one of the world's largest oat milk brands. Oatly specialises in producing oat milk, yoghurt, ice cream, and plant-based milk, focusing strongly on sustainability and nutritional innovation. Products are present in more than 40 countries with a focus on Europe, North America, and China.

Vietnam Dairy Products Joint Stock Company (VNM VN Equity): The largest dairy enterprise in Vietnam, established in 1976. VNM produces a diverse range of fresh milk, milk powder, yoghurt, ice cream, beverages, and nutritional food products, leading the domestic market share and promoting international exports. The company continuously ranks among the world's largest dairy enterprises.

Table 28: Financial indicators, valuation of comparable enterprises in 2025 (Unit: USD million)

Company	Market cap	Net revenue	EBITDA	Gross margin (%)	Net margin (%)	P/E	P/B
<u>Sugar segment</u>							
SBT VN Equity	616	1,121	81	10.5	2.9	23.7x	1.5x
LSS VN Equity	30	92	12	13.6	5.0	6.8x	0.4x
SLS VN Equity	74	46	16	32.8	32.2	5.2x	1.1x
KTIS TB Equity	245	446	16	9.4	-8.6	7.8x	1.5x
BRR TB Equity	94	181	20	15.5	4.6	10.6x	0.8x
Industry average						10.8x	1.1x
Industry median						7.8x	1.1x

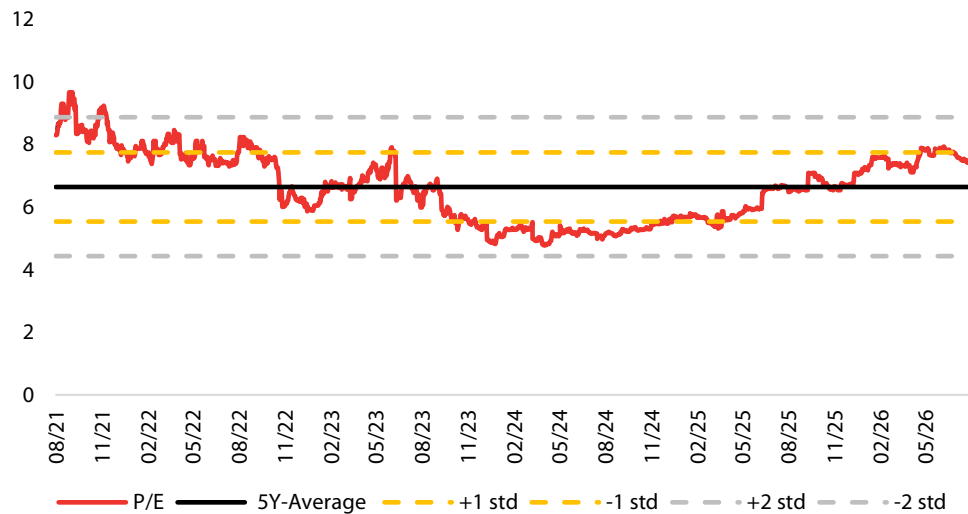
Company	Market cap	Net revenue	EBITDA	Gross margin (%)	Net margin (%)	P/E	P/B
Milk segment							
345 HK Equity	1,385	805	109	51.3	3.7	45.8x	3.5x
OTLY US Equity	324	862	-19	32.1	-17.7	-	359.8x
VNM VN Equity	4,865	2,420	485	41.2	14.8	13.1x	4.0x

Source: Bloomberg, RongViet Securities

Historical P/E and P/B ratios of QNS

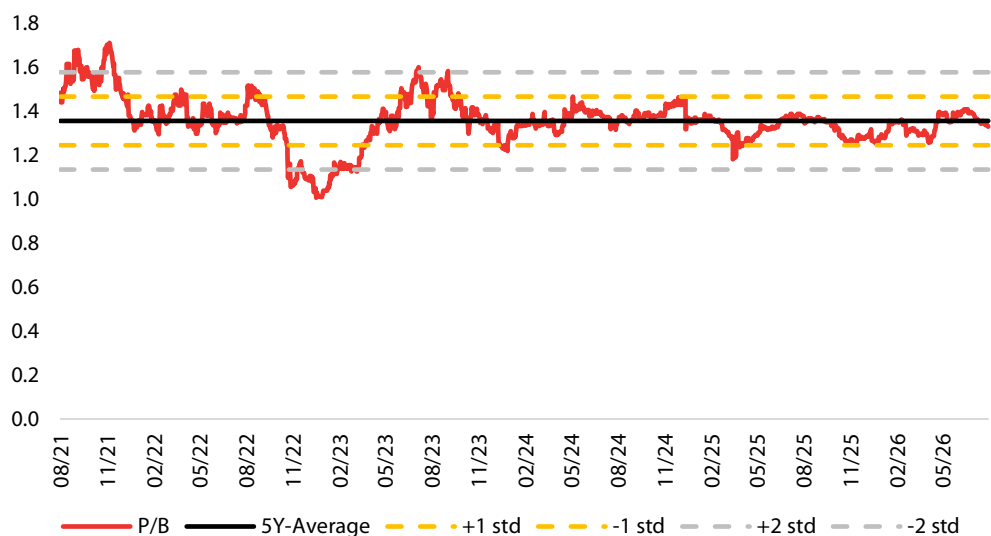
QNS stock is currently trading at a P/E level of about 7.3x, higher than the company's 5-year average of 6.8x; while P/B reaches 1.3x, equivalent to the historical average level.

Figure 56: 5-year average P/E of QNS



Source: Bloomberg, RongViet Securities

Figure 57: 5-year average P/B of QNS



Source: Bloomberg, RongViet Securities

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Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-5% to -5%	-20% to -5%	<-20%

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