

**VIETNAM DAIRY PRODUCTS JSC (HSX: VNM)**
**Heading toward a new profit milestone**

| Unit: VND bn | Q2-FY26 | Q1-FY26 | +/- qoq | Q2-FY25 | +/- yoy |
|--------------|---------|---------|---------|---------|---------|
| Net sales    | 18,847  | 16,149  | 16.7%   | 16,725  | 12.7%   |
| NPAT-MI      | 3,167   | 2,429   | 30.4%   | 2,475   | 28.0%   |
| EBIT         | 3,580   | 2,711   | 32.0%   | 2,848   | 25.7%   |
| EBIT margin  | 19.0%   | 16.8%   | 220bps  | 17.0%   | 196bps  |

Source: VNM, RongViet Securities

**Q2-FY26: Beat our expectation on better input cost management and sales efficiency**

- VNM's Q2-2026 results exceeded our expectation by 16%, with net revenue reaching VND 18,847 bn (+12.5% YoY) and NPAT-MI of VND 3,167 bn (+28.0% YoY). The outperformance was driven by solid revenue growth across all segments, favorable input costs, and improved effectiveness of sales support campaigns. Specifically, gross margin reached 43.5% (+83bps QoQ, +170bps YoY), higher than our 42.9% forecast, thanks to milk powder prices declining approximately 20.8% YoY, lower unit production costs amid stronger-than-expected sales volume, and a clearer pass-through of selling price increases. Meanwhile, SG&A exp /Net revenue stood at 24.5% (-138bps QoQ, -42bps YoY), below our 25.3% forecast. Although advertising, promotion and display expenses hit a quarterly record of VND 3,131 bn (16.6% of net revenue), ROI remained solid, helping contain costs in an ongoing sluggish dairy market.

**FY26 Outlook: Market share gains across all business segments**

- NPAT-MI in Q3-2026 is projected at VND 2,710 bn (-14.4% QoQ, +7.3% YoY). Positive YoY growth is mainly supported by improving domestic revenue from market share gains and selling price increases, together with double-digit growth in exports and overseas subsidiaries. However, sequential decline is expected due to the high base of Q2-2026 (peak season), a 141bps QoQ contraction in gross margin as input cost advantages fade from H1 levels, and sustained elevated SG&A spending to support growth amid continued negative industry growth.
- After two years of quietly refining its competitive toolkit across most business strategies — trend-aligned SKUs (A2 protein, farm-fresh milk, packaging matching consumer preferences), distribution channels (traditional trade restructuring, modern trade expansion, self-operated stores, and e-commerce via TikTok and Shopee) — VNM is expected to begin harvesting results in 2026-27, with domestic revenue growth of +6.4% YoY, outpacing the industry average.
- Supported by additional positive signals from H2-2025 (declining milk powder prices, improving ROI on advertising/discount campaigns, and strong overseas growth), we believe VNM can achieve double-digit net profit growth in 2026.
- With reduced business disruption risks in the Middle East and higher effectiveness of sales support campaigns, we raise our 2026 net revenue forecast for VNM to VND 70,842 bn (+11.3% YoY). NPAT-MI/EPS is projected at VND 11,216 bn (+19.2% YoY) and VND 5,370 per share.

**Outlook & Recommendation**

We raise our net profit forecasts for VNM for 2026/27F by 9.1%/5.2%, primarily driven by stronger-than-expected overseas operations and improved effectiveness of domestic advertising and discount campaigns. Consequently, we increase our 12-month target price by 5% to **VND 70,100 per share**, corresponding to 2026 and 2027 forward P/E of 13.1x and 12.9x, respectively. Coupled with the cash dividend of VND 4.350 per share, we therefore maintain our **BUY** recommendation for VNM stock.

**BUY +25%**

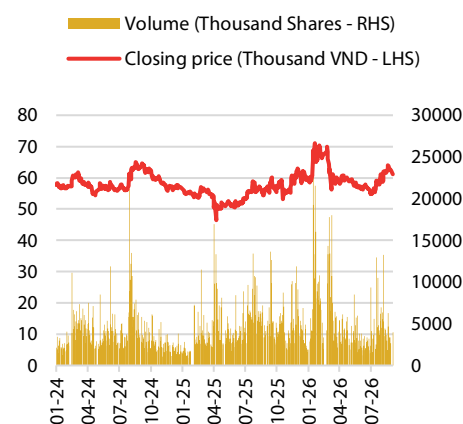
|                    |        |
|--------------------|--------|
| Market price (VND) | 59,700 |
| Target price (VND) | 70,100 |

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

**Stock Info**

|                                                    |                   |
|----------------------------------------------------|-------------------|
| Sector                                             | Foods & Beverages |
| Market Cap (VND Bn)                                | 127,905           |
| Shares O/S (Mn)                                    | 2,090             |
| Average trading volume (20 sessions) ('000 shares) | 3,618             |
| Free Float (%)                                     | 49.8              |
| 52 weeks high                                      | 71,100            |
| 52 weeks low                                       | 53,300            |
| Beta                                               | 0.5               |

|                | FY25  | Current |
|----------------|-------|---------|
| EPS            | 4,503 | 5,246   |
| EPS growth (%) | 0.2   | 27.9    |
| P/E            | 13.7  | 13.2    |
| P/B            | 4.2   | 4.1     |
| EV/EBITDA      | 11.0  | 6.9     |
| ROE (%)        | 29.9  | 30.8    |

**Stock price movement**

**Major shareholders (%)**

|                               |      |
|-------------------------------|------|
| State Capital Investment Corp | 36.0 |
| F&N Dairy Investment PTE LTD  | 17.7 |
| Platinum Victory PTE LTD      | 10.6 |
| Lien, Mai Kieu                | 0.3  |
| Others                        | 35.4 |
| Remaining Foreign Room (%)    | 50.2 |

**Consumer Goods Sector**
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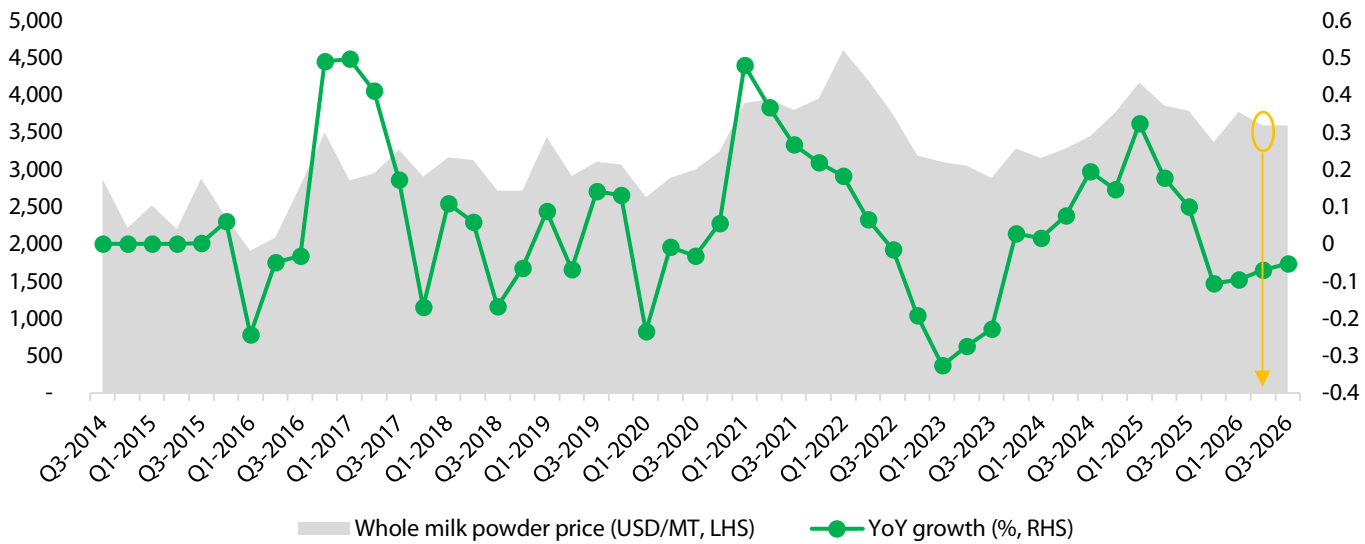
## Q2-2026 results exceeded our expectation on better input cost control and sales efficiency

**Net revenue reached VND 18,847 bn (+16.7% QoQ, +12.5% YoY), 6% above our forecast**, driven by stronger-than-expected export performance. Details:

- **Domestic segment**, posted VND 14,516 bn (+20.2% QoQ, +6.5% YoY), in line with our expectations and, in our view, likely outperforming the dairy industry average this quarter. We continue to expect improved YoY growth in the domestic market thanks to market share expansion via refreshed self-operated store network, stronger modern trade/e-commerce push (the prevailing trend), and product portfolio rejuvenation (new brand identity and premium launches such as Vinamilk Greenfarm / Optimum A2 Pro+, Moc Chau Creamery) at both VNM and MCM. Traditional trade (post-restructuring) maintained stable sales versus the same period last year. The 3–4% price increase implemented in Q1-2026 continued to support revenue growth this quarter. Note that the seasonal peak in milk consumption in Q2–Q3 also supported strong sequential growth.
- **Export segment**, reached VND 2,664 bn (+14.5% QoQ, +41.2% YoY), 18% above our forecast. After flexibly switching shipping routes into the key Middle East market (accounting for 70–80% of export revenue) between the Strait of Hormuz and Jordan, VNM sustained positive growth in the region, particularly as demand for essential products such as milk remained elevated amid ongoing geopolitical tensions. Other markets including Cambodia, the Philippines, South Korea, Japan, Canada and the United States also recorded solid growth, contributing to greater diversification of the export revenue mix.
- **Overseas subsidiaries**, posted VND 1,667 bn (-4.3% QoQ, +36.3% YoY), slightly above our forecast by 5%, supported by AngkorMilk's continued strong growth. AngkorMilk has maintained high market share in Cambodia as consumer brand trust in VNM has strengthened meaningfully over recent quarters, in our view.

**NPAT-MI reached VND 3,167 bn (+30.4% QoQ, +28.0% YoY), 16% above our forecast, corresponding to a net margin of 16.8% (+176bps QoQ, +201bps YoY).** The outperformance was driven by the strong revenue growth mentioned above, favorable input costs, and improved effectiveness of sales support campaigns. Specifically:

- **Gross margin**, reached 43.5% (+83bps QoQ, +170bps YoY), higher than our 42.9% forecast, thanks to more favorable milk powder prices (-20.8% YoY, based on our estimate using end-2025 prices when VNM locked in feedstock for H1-2026) and lower unit production costs as sales volume exceeded expectations. The pass-through of selling price increases was also more clearly reflected in the margin this quarter.
- **SG&A exp / Net revenue**, stood at 24.5% (-138bps QoQ, -42bps YoY), below our initial 25.3% expectation. Higher output efficiency helped reduce the ratio YoY. VNM recorded its highest-ever quarterly spending on advertising, promotion and display at VND 3,131 bn (16.6% of net revenue), yet delivered solid ROI, particularly against the backdrop of a still-sluggish dairy industry.
- The only notable drag this quarter came from **net finance income**, which declined 42.6% YoY to VND 279 bn due to a less favorable interest rate environment.

**Figure 1: Price movement of whole milk powder (USD/MT)**


Source: Bloomberg, RongViet Securities

**Table 1: VNM's Q2-2026 Results**

| Unit: VND bn              | Q2-2026       | Q1-2026       | +/-qoq       | Q2-2025       | +/-yoy       |
|---------------------------|---------------|---------------|--------------|---------------|--------------|
| <b>Net sales</b>          | <b>18,847</b> | <b>16,149</b> | <b>16.7%</b> | <b>16,725</b> | <b>12.7%</b> |
| Domestic                  | 14,107        | 11,633        | 21.3%        | 13,107        | 7.6%         |
| Oversea                   | 409           | 447           | -8.5%        | 507           | -19.4%       |
| Export                    | 2,664         | 2,326         | 14.5%        | 1,887         | 41.2%        |
| Foreign branches          | 1,667         | 1,743         | -4.3%        | 1,223         | 36.3%        |
| <b>Gross profit</b>       | <b>8,204</b>  | <b>6,896</b>  | <b>19.0%</b> | <b>7,022</b>  | <b>16.8%</b> |
| SG&A expenses             | -4,625        | -4,184        | 10.5%        | -4,174        | 10.8%        |
| <b>EBIT</b>               | <b>3,580</b>  | <b>2,711</b>  | <b>32.0%</b> | <b>2,848</b>  | <b>25.7%</b> |
| Income from affiliates    | 51            | 48            | 4.2%         | 4             | 1243.2%      |
| Net finance income        | 279           | 232           | 20.3%        | 267           | 4.6%         |
| Other profit              | -10           | 23            | -143.4%      | -23           | -56.5%       |
| Pre-tax profit            | <b>3,899</b>  | <b>3,014</b>  | <b>29.4%</b> | <b>3,096</b>  | <b>25.9%</b> |
| Corporate tax             | -715          | -461          | 54.9%        | -608          | 17.7%        |
| Minority of interest (MI) | 17            | -30           | -158.9%      | 14            | 24.1%        |
| <b>NPAT-MI</b>            | <b>3,167</b>  | <b>2,429</b>  | <b>30.4%</b> | <b>2,475</b>  | <b>28.0%</b> |
| Gross margin              | 43.5%         | 42.7%         | 83bps        | 42.0%         | 154bps       |
| SG&A exp/Net sales        | 24.5%         | 25.9%         | -138bps      | 25.0%         | -42bps       |
| EBIT margin               | 19.0%         | 16.8%         | 220bps       | 17.0%         | 196bps       |
| Net margin                | 16.8%         | 15.0%         | 176bps       | 14.8%         | 201bps       |

Source: VNM, RongViet Securities

**Q3-2026's projected results: Still in the peak season for the dairy industry with a solid business foundation across all segments**
**Table 2: VNM's projected Q3-2026 results by VDS**

|                             | Q3-2026       | +/-yoy       | +/-qoq        | Assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------|---------------|--------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Net sales</b>            | <b>17,995</b> | <b>6.1%</b>  | <b>-4.5%</b>  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Vinamilk & Mocchau Domestic | 13,592        | 5.0%         | -3.7%         | We continue to expect improved YoY growth in the domestic market thanks to market share expansion following traditional trade (GT) restructuring and product portfolio upgrades (new brand identity and premium launches such as Vinamilk Greenfarm / Optimum A2 Pro+, Moc Chau Creamery) at both VNM and MCM. Selling price increases will continue to support revenue growth this quarter, similar to H1-2026. However, the high base of Q2-2026 will result in negative sequential growth. Market seasonality also does not support QoQ growth as both Q2 and Q3 are peak seasons for the dairy industry. |
| Other Domestic Subsidiaries | 409           | -25.7%       | 0.0%          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Export                      | 2,287         | 13.3%        | -14.2%        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Overseas Branches           | 1,707         | 18.6%        | 2.4%          | Flexible switching between Jordan and Hormuz shipping routes, combined with easing Middle East geopolitical tensions, supports our constructive view on growth in this region. However, sequential growth is unlikely to match Q2 levels as early stockpiling in the Middle East may moderate. <i>According to VNM, the company still recorded double-digit YoY export growth in July 2026.</i>                                                                                                                                                                                                              |
| <b>Gross Profit</b>         | <b>7,580</b>  | <b>6.9%</b>  | <b>-7.6%</b>  | AngkorMilk continues to maintain high market share in Cambodia as consumer brand trust in VNM has strengthened significantly over recent quarters. However, YoY growth is unlikely to remain as elevated as previous quarters due to the high revenue base of this subsidiary from H2-2025.                                                                                                                                                                                                                                                                                                                  |
| <b>SG&amp;A expenses</b>    | <b>-4,535</b> | <b>12.3%</b> | <b>-1.9%</b>  | Gross margin is expected to remain largely flat YoY but contract moderately (-141bps QoQ) as the favorable input cost advantage of H1-2026 fades. <i>VNM indicated that feedstock prices have been locked in until around November 2026 (higher than H1-2026 levels for milk powder), with some contracts locked through end-2026 (generally higher than early-year levels except for sugar). Nonetheless, the company is working to keep H2-2026 gross margin stable or only modestly changed versus H1 via a better product mix.</i>                                                                       |
| <b>EBIT</b>                 | <b>3,045</b>  | <b>-0.1%</b> | <b>-14.9%</b> | With the dairy market posting negative growth for five consecutive quarters, VNM has had to maintain SG&A above VND 4,200 billion per quarter on a rising trend to outpace industry growth; Q3-2026 will be no exception. 2026 marks the company's 50th anniversary (peak spending in Q2-Q3), so promotion and advertising costs are elevated but have already been provisioned and should not materially affect the full-year plan.                                                                                                                                                                         |
| Profit from affiliates      | 48            | -124.7%      | -5.0%         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Net finance income          | 285           | -6.4%        | 2.2%          | Similar to Q2-2026, a less favorable interest rate environment is expected to compress net financial income.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Other profit                | 10            |              |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Profit before tax</b>    | <b>3,388</b>  | <b>8.4%</b>  | <b>-13.1%</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Corporate income tax        | -664          |              |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Minority of interest (MI)   | 14            |              |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>NPAT-MI</b>              | <b>2,710</b>  | <b>7.3%</b>  | <b>-14.4%</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Gross margin                | 42.1%         | 14bps        | -141bps       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| SG&A exp/Net sales          | 25.2%         | 24bps        | 66bps         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| EBIT margin                 | 16.9%         | -11bps       | -207bps       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Net margin                  | 15.1%         | 26bps        | -174bps       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

Source: VNM, RongViet Securities

## Valuation

**We raise our net profit forecasts for VNM for 2026/27F by 9.1%/5.2%, primarily driven by stronger-than-expected overseas operations and improved effectiveness of domestic advertising and discount campaigns:**

- VNM's ability to secure alternative shipping routes that mitigate the impact of intermittent closures of the Strait of Hormuz, combined with signs of easing Middle East tensions, leads us to raise our 2026/27F export revenue forecasts by 6.9%/3.9%. We also raise our 2026/27F overseas subsidiary revenue forecasts by 3.5%/1.6%, reflecting AngkorMilk's faster-than-expected market share expansion in Cambodia amid the Thailand–Cambodia border conflict and VNM's strengthened consumer brand trust in the region over recent quarters.
- Regarding EBIT margin**, we raise our forecasts by an additional 138bps/62bps to 17.6%/16.9% for 2026/27F, reflecting higher effectiveness of domestic advertising and discount campaigns. Capitalizing on the crackdown on smuggled/counterfeit milk, VNM has stepped up discounts to distributors and advertising (reaching record levels in the first half) while leveraging greater scale advantages, enabling revenue growth to outpace the increase in these costs. In addition, the company has successfully repositioned its brand through packaging upgrades and a broader range of pure fresh-milk flavors, as well as renovating and expanding its self-operated store network (from 800 outlets at end-2025 to 950 in H1-2026, targeting 1,000 by end-2026). These stores serve as product testing channels and create frequent, closer brand touchpoints with consumers, supporting more “organic” sales growth without relying solely on heavy discounting and advertising.

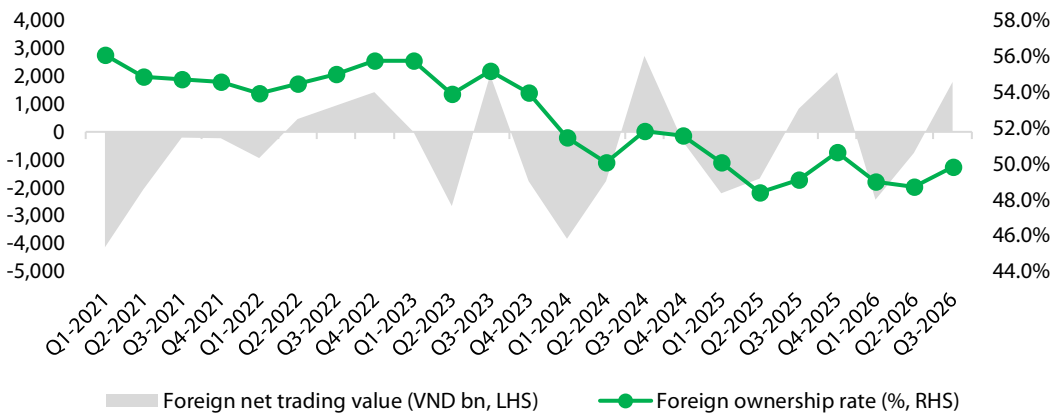
As a result of the higher net profit forecasts, we raise our 12-month target price by 5% to **VND 70,100 per share**, corresponding to 2026 and 2027 forward P/E of 13.1x and 12.9x. Coupled with the cash dividend of VND 4.350 per share, we therefore maintain our **BUY** recommendation for VNM stock.

**Regarding DCF (FCFF) assumptions**, we keep all relative valuation multiples unchanged across the business models.

**Table 3: Description of VNM forecast changes by segment (VND bn)**

|                             | Actual        | Previous Forecast |               | New Forecast  |               | % Change New vs. Previous Forecast |             |
|-----------------------------|---------------|-------------------|---------------|---------------|---------------|------------------------------------|-------------|
|                             | 2025          | 2026F             | 2027F         | 2026F         | 2025          | 2026F                              | 2027F       |
| <b>Net sales</b>            | <b>61,783</b> | <b>68,615</b>     | <b>72,994</b> | <b>70,842</b> | <b>74,611</b> | <b>3.2%</b>                        | <b>2.2%</b> |
| Vinamilk & Mocchau Domestic | 47,930        | 51,269            | 54,036        | 52,681        | 55,172        | 2.8%                               | 2.1%        |
| Other Domestic Subsidiaries | 2,869         | 2,363             | 2,491         | 2,363         | 2,491         | 0.0%                               | 0.0%        |
| Export                      | 5,664         | 8,387             | 9,448         | 8,968         | 9,819         | 6.9%                               | 3.9%        |
| Overseas Branches           | 5,319         | 6,596             | 7,019         | 6,830         | 7,129         | 3.5%                               | 1.6%        |
| <b>EBIT</b>                 | <b>10,405</b> | <b>11,149</b>     | <b>11,862</b> | <b>12,491</b> | <b>12,590</b> | <b>12.0%</b>                       | <b>6.1%</b> |
| Net finance income          | 1,157         | 1,292             | 1,365         | 1,104         | 1,333         | -14.5%                             | -2.4%       |
| <b>NPAT-MI</b>              | <b>9,392</b>  | <b>10,283</b>     | <b>10,851</b> | <b>11,216</b> | <b>11,414</b> | <b>9.1%</b>                        | <b>5.2%</b> |

Source: VNM, RongViet Securities

**Figure 2: Foreign investor trading activity in VNM shares**


Source: Fiinpro, RongViet Securities

(\*) In the event of market upgrade (which has already occurred), VNM could see increased foreign ownership as a large, liquid consumer staple leader. Its P/E multiple could be re-rated higher by 10–15% from the 14–15x range to a new 16.0–17.0x level, in line with dairy peers in comparable markets. That said, foreign trading in VNM over recent years has been dominated by net selling, with foreign ownership declining from 56.1% in 2021 to 49.0% at end-Q1-2026 before edging up to 49.8%. This trend reflects prolonged caution among international capital toward emerging markets amid a strong USD and unresolved geopolitical risks.\*

**VALUATION BY FCFF METHOD**

| DCF Assumptions     | Value | Valuation summary                     | Value (VND bn) |
|---------------------|-------|---------------------------------------|----------------|
| WACC 2026           | 11.0% | DCF forecast time                     | 5 years        |
| Effective tax rate  | 20.0% | Enterprise value                      | 128,487        |
| Cost of equity      | 12.7% | + Cash & cash equivalent & investment | 26,503         |
| Risk-free rate      | 4.5%  | - Debt                                | 8,455          |
| Equity risk premium | 8.2%  | Equity value                          | 146,536        |
| Beta                | 1.0   | Numbers of outstanding shares         | 2,089.96       |
| Exit EV/EBITDA      | 9.5   | Target equity value per share (VND)   | 70,100         |

Source: RongViet Securities

**Table 4: Sensitivity scenario for VNM's Equity Value per Share by FCFF method (VND)**

| WACC | Exit EV/EBITDA |        |        |               |        |        |
|------|----------------|--------|--------|---------------|--------|--------|
|      |                | 7.5    | 8.5    | 9.5           | 10.5   | 11.5   |
|      | 9.5%           | 64,009 | 68,682 | 73,355        | 78,029 | 82,702 |
|      | 10.5%          | 62,132 | 66,615 | 71,098        | 75,580 | 80,063 |
|      | 11.0%          | 61,315 | 65,715 | <b>70,114</b> | 74,514 | 78,914 |
|      | 12.0%          | 59,563 | 63,786 | 68,008        | 72,231 | 76,453 |
|      | 13.0%          | 57,892 | 61,946 | 66,000        | 70,054 | 74,108 |

Source: RongViet Securities

**Table 5: Peers' valuations, VNM (USD mn)**

| Công ty                                | Market cap<br>(USD mn) | H1-2026<br>trailing PE (x) | H1-2026<br>trailing PB (x) | H1-2026 trailing<br>EVEBITDA (x) |
|----------------------------------------|------------------------|----------------------------|----------------------------|----------------------------------|
| Inner Mongolian Yili Group (China)     | 3,434                  | 22.5                       | 1.9                        | 13.7                             |
| China Mengniu dairy (China)            | 9,234                  | 40.6                       | 1.5                        | 9.6                              |
| Morinaga Milk Industry (Japan)         | 2,550                  | 17.1                       | 1.4                        | 8.4                              |
| Yakult Honsha (Japan)                  | 5,475                  | 18.2                       | 1.4                        | 11.1                             |
| Fraser & Neave Holdings Bhd (Malaysia) | 2,396                  | 23.1                       | 2.5                        | 11.8                             |
| Vinamilk (Vietnam)                     | 5,029                  | 13.3                       | 4.1                        | 7.8                              |
| <b>Median</b>                          |                        | <b>22.5</b>                | <b>1.5</b>                 | <b>11.1</b>                      |

Source: Bloomberg, RongViet Securities

**VNM's VALUATION SUMMARY**

| VNM VALUATION SUMMARY (VND/SHARE)              |              |                             |
|------------------------------------------------|--------------|-----------------------------|
| Method                                         | Contribution | Target price<br>(VND/share) |
| DCF (5 years, WACC: 11.0%, Exit EVEBITDA 9.5x) | 100%         | 70,100                      |
| <b>Total VNM</b>                               | <b>100%</b>  | <b>70,100</b>               |
| 1-year expected cash dividend (VND/share)      |              | 4,350                       |
| 2026F target P/E                               |              | 13.1                        |

Source: RongViet Securities

## Appendix

**Table 6: VNM's Q2-2026 results**

| Unit: VND bn                            | Q2-2026       | Q1-2026       | +/-qoq       | Q2-2025       | +/-yoy       |
|-----------------------------------------|---------------|---------------|--------------|---------------|--------------|
| <b>Net sales</b>                        | <b>18,847</b> | <b>16,149</b> | <b>16.7%</b> | <b>16,725</b> | <b>12.7%</b> |
| Domestic                                | 14,516        | 12,080        | 20.2%        | 13,614        | 6.6%         |
| Export                                  | 2,664         | 2,326         | 14.5%        | 1,887         | 41.2%        |
| Foreign branches                        | 1,667         | 1,743         | -4.3%        | 1,223         | 36.3%        |
| <b>Gross profit</b>                     | <b>8,204</b>  | <b>6,896</b>  | <b>19.0%</b> | <b>7,022</b>  | <b>16.8%</b> |
| <b>SG&amp;A expenses</b>                | <b>-4,625</b> | <b>-4,184</b> | <b>10.5%</b> | <b>-4,174</b> | <b>10.8%</b> |
| <b>EBIT</b>                             | <b>3,580</b>  | <b>2,711</b>  | <b>32.0%</b> | <b>2,848</b>  | <b>25.7%</b> |
| Income from affiliates (mainly Erablue) | 51            | 48            | 4.2%         | 4             | 1243.2%      |
| Net finance income                      | 279           | 232           | 20.3%        | 267           | 4.6%         |
| Other profit                            | -10           | 23            |              | -23           |              |
| <b>EBT</b>                              | <b>3,899</b>  | <b>3,014</b>  | <b>29.4%</b> | <b>3,096</b>  | <b>25.9%</b> |
| Corporate income tax                    | -715          | -461          |              | -608          |              |
| Minority of interest (MI)               | 17            | -30           |              | 14            |              |
| <b>NPAT-MI</b>                          | <b>3,167</b>  | <b>2,429</b>  | <b>30.4%</b> | <b>2,475</b>  | <b>28.0%</b> |

Source: VNM, RongViet Securities

**Table 7: VNM's Q2-2026 business analysis**

| Criteria                       | Q2-2026 | Q1-2026 | +/-qoq  | Q2-2025 | +/-yoy    |
|--------------------------------|---------|---------|---------|---------|-----------|
| <b>Profitability ratio</b>     |         |         |         |         |           |
| Gross margin                   | 43.5%   | 42.7%   | 83bps   | 42.0%   | 154bps    |
| EBIT/Net sales                 | 19.0%   | 16.8%   | 220bps  | 17.0%   | 196bps    |
| Net margin                     | 16.8%   | 15.0%   | 176bps  | 14.8%   | 201bps    |
| <b>Efficiency ratio (days)</b> |         |         |         |         |           |
| Days AR on hand                | 25      | 27      | -3 days | 24      | Unchanged |
| Days Inventory on hand         | 66      | 72      | -7 days | 66      | Unchanged |
| Days AP                        | 38      | 43      | -4 days | 44      | -6 days   |
| <b>Solvency ratio (%)</b>      |         |         |         |         |           |
| Total liabilities/Total equity | 61.1%   | 51.1%   |         | 54.9%   |           |

Source: VNM, RongViet Securities

|                        | VND bn  |         |         |         |
|------------------------|---------|---------|---------|---------|
| INCOME STATEMENT       | FY2024  | FY2025  | FY2026F | FY2027F |
| Net sales              | 61,783  | 63,646  | 70,842  | 74,611  |
| COGS                   | 36,192  | 37,436  | 40,741  | 43,562  |
| Gross profit           | 25,590  | 26,209  | 30,101  | 31,049  |
| Selling exp            | -13,358 | -13,642 | -15,518 | -16,232 |
| GA exp                 | -1,828  | -1,904  | -2,091  | -2,227  |
| Finance income         | 1,586   | 1,497   | 1,721   | 1,826   |
| Finance exp            | -428    | -350    | -617    | -494    |
| Net other income       | 6       | -10     | -10     | -10     |
| Income from affiliates | 32      | -151    | 200     | 200     |
| PBT                    | 11,600  | 11,650  | 13,840  | 14,089  |
| Corporate income tax   | -2,147  | -2,236  | -2,619  | -2,667  |
| MI                     | 61      | 3       | 5       | 8       |
| NPAT-MI                | 9,392   | 9,410   | 11,216  | 11,414  |
| EBIT                   | 10,405  | 10,664  | 12,491  | 12,590  |

| FINANCIAL RATIOS         | FY2024 | FY2025 | FY2026F | FY2027F |
|--------------------------|--------|--------|---------|---------|
| YoY growth (%)           |        |        |         |         |
| Net sales                | 2.3    | 3.0    | 11.3    | 5.3     |
| EBIT                     | 6.6    | 3.7    | 17.2    | 0.8     |
| NPAT-MI                  | 5.8    | 0.2    | 19.2    | 1.8     |
| Total assets             | 4.5    | -3.2   | 1.6     | 2.5     |
| Total equity             | 3.3    | -4.7   | 2.6     | 2.6     |
| Profitability ratios (%) |        |        |         |         |
| Gross margin             | 41.4   | 41.2   | 42.5    | 41.6    |
| EBIT margin              | 16.8   | 16.8   | 17.6    | 16.9    |
| Net margin               | 15.2   | 14.8   | 15.8    | 15.3    |
| ROA                      | 17.1   | 17.7   | 20.7    | 20.6    |
| ROE                      | 26.0   | 27.3   | 31.7    | 31.4    |
| Efficiency ratios (days) |        |        |         |         |
| Days AR on hands         | 37     | 35     | 33      | 32      |
| Days Inventory on hand   | 57     | 67     | 71      | 71      |
| Days AP                  | 39     | 38     | 39      | 39      |
| Liquidity ratios (x)     |        |        |         |         |
| Current                  | 2.0    | 2.0    | 2.0     | 2.1     |
| Quick                    | 1.7    | 1.6    | 1.6     | 1.6     |
| Solvency ratios (x)      |        |        |         |         |
| Liabilities/Equity       | 0.3    | 0.4    | 0.3     | 0.3     |
| S.T debt/Equity          | 0.3    | 0.3    | 0.3     | 0.2     |
| L.T debt/Equity          | 0.3    | 0.3    | 0.3     | 0.3     |

|                                | VND bn |        |         |         |
|--------------------------------|--------|--------|---------|---------|
| BALANCE SHEET                  | FY2024 | FY2025 | FY2026F | FY2027F |
| Cash & Equivalents             | 2,226  | 1,795  | 1,795   | 1,795   |
| Short-term investment          | 23,260 | 21,355 | 21,355  | 22,855  |
| Receivables                    | 6,234  | 6,028  | 6,437   | 6,527   |
| Inventories                    | 5,687  | 6,839  | 7,925   | 8,474   |
| Other current assets           | 147    | 244    | 272     | 287     |
| Tangible fixed assets          | 13,114 | 12,991 | 12,449  | 11,592  |
| Intangible fixed assets        | 1,030  | 1,031  | 950     | 901     |
| Long-term investment           | 1,373  | 957    | 850     | 850     |
| Other non-current assets       | 1,978  | 2,073  | 2,125   | 2,238   |
| TOTAL ASSETS                   | 55,049 | 53,312 | 54,158  | 55,519  |
| Trade payables                 | 3,874  | 3,923  | 4,361   | 4,663   |
| Short-term debt                | 9,115  | 9,394  | 8,899   | 9,036   |
| Short-term debt                | 158    | 63     | 63      | 63      |
| Other liabilities              | 5,727  | 5,449  | 5,449   | 5,449   |
| Bonus & welfare funds          | 680    | 953    | 953     | 953     |
| Science and technology fund    | 0      | 0      | 0       | 0       |
| TOTAL LIABILITIES              | 18,875 | 18,829 | 18,773  | 19,211  |
| Paid-in capital                | 20,400 | 20,153 | 20,153  | 20,153  |
| Treasury shares                | 499    | 747    | 747     | 747     |
| Retained earnings              | 3,471  | 8,523  | 9,420   | 10,333  |
| Other funds                    | 829    | 1,185  | 1,185   | 1,185   |
| Investment & development funds | 7,079  | 79     | 79      | 79      |
| TOTAL EQUITY                   | 36,174 | 34,483 | 35,386  | 36,307  |
| Minority of interest           | 3,896  | 3,798  | 3,803   | 3,811   |

| VALUATION RATIOS   | FY2024 | FY2025 | FY2026F | FY2027F |
|--------------------|--------|--------|---------|---------|
| EPS (VND)          | 4,494  | 4,503  | 5,367   | 5,461   |
| P/E (x)            | 13.1   | 13.6   | 10.8    | 10.6    |
| BV (VND)           | 17,309 | 16,499 | 16,931  | 17,372  |
| P/B (x)            | 3.4    | 3.7    | 3.4     | 3.3     |
| DPS (VND)          | 3,850  | 4,850  | 4,350   | 4,350   |
| Dividend yield (%) | 6.5    | 8.3    | 7.1     | 7.5     |

| VALUATION MODEL          | Price  | Contribution | Average |
|--------------------------|--------|--------------|---------|
| FCFF                     | 70,100 | 100%         | 70,100  |
| Target price (VND/share) |        |              | 70,100  |

| VALUATION HISTORY | Price  | Recommendation | Time      |
|-------------------|--------|----------------|-----------|
| Sep-2026          | 70,100 | BUY            | Long-term |
| Jun-2026          | 66,500 | BUY            | Long-term |
| Mar-2026          | 68,400 | BUY            | Long-term |

**RESULT UPDATE**

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

**RATING GUIDANCE**

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

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

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