Shinhan Securities

Food & Beverages

Backed by consumer stimulus policies



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Food & Beverages: Backed by consumer stimulus policies

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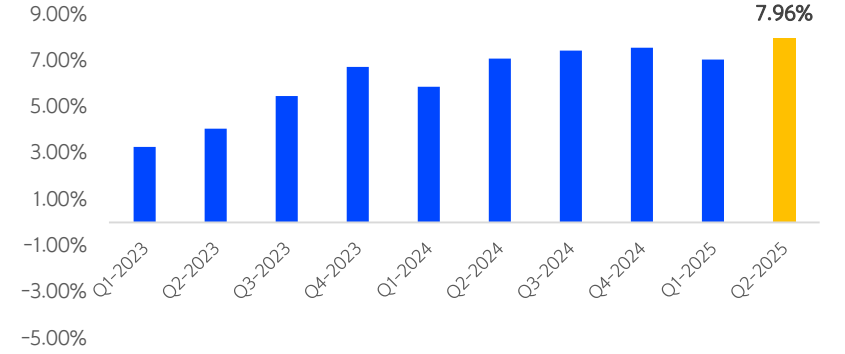
H1/2025 update: Prices increased amid falling consumption volume

1. H1/2025 update: Macroeconomic and employment situation

Q2 recorded a high GDP growth of 7.96% YoY, along with the average consumer price index (CPI) in Q2 also rising by 3.31% YoY, showing an increase in the general price level of goods and services.

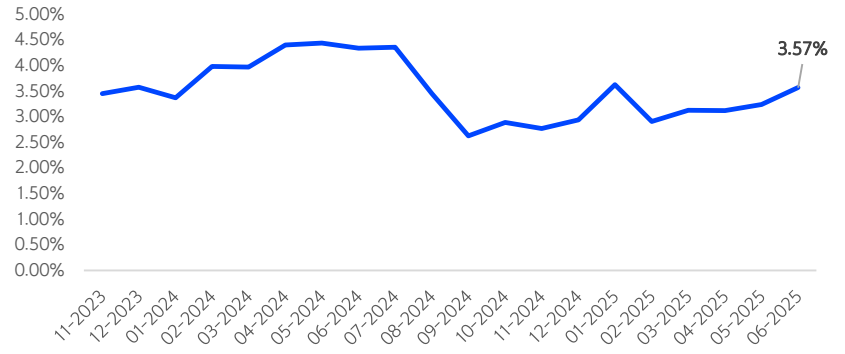
The employment situation was not very positive as the income per capita in Q2 decreased slightly compared to the previous quarter, at 8.2 million VND/person, at the same time the unemployment rate also increased slightly to 2.24%.

Quarterly GDP growth (% YoY)



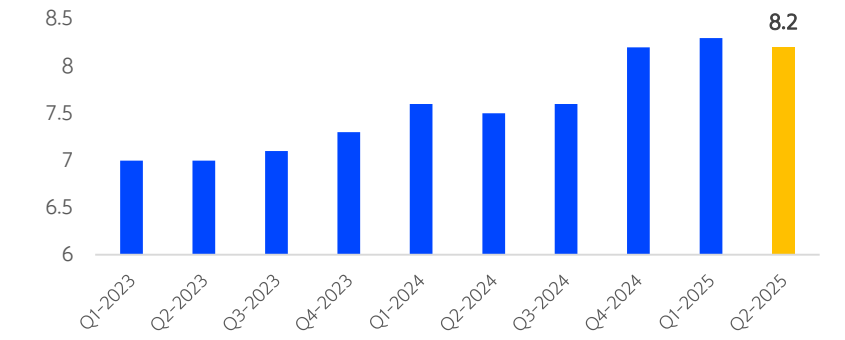
Source: GSO, Shinhan Securities Vietnam

CPI growth month-on-month (YoY)



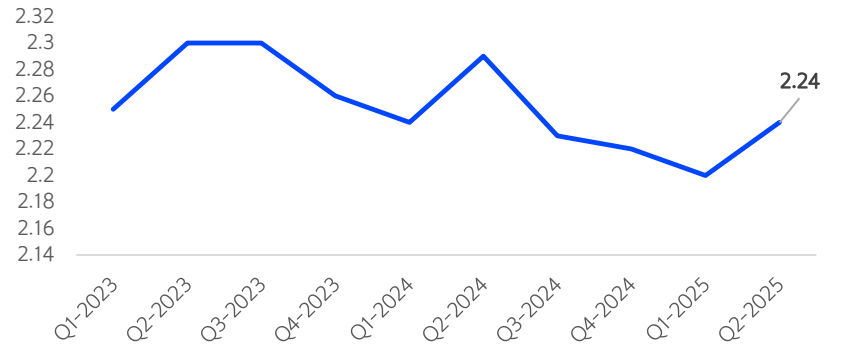
Source: GSO, Shinhan Securities Vietnam

Income per capita nationwide (million VND)



Source: GSO, Shinhan Securities Vietnam

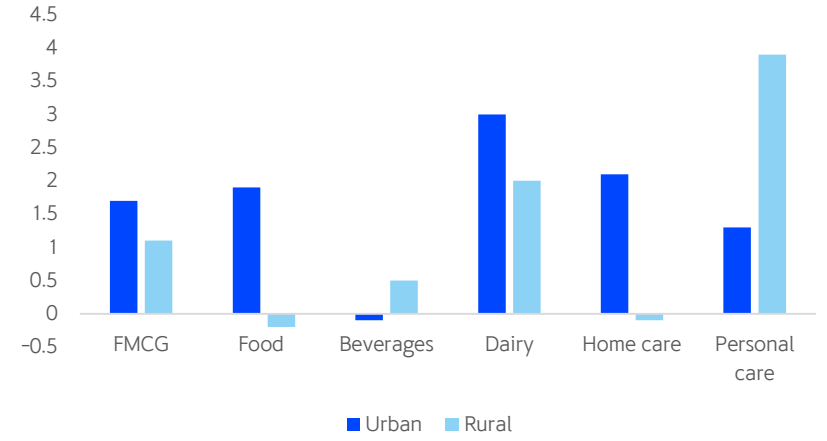
Unemployment rate in working age (%)



Source: GSO, Shinhan Securities Vietnam

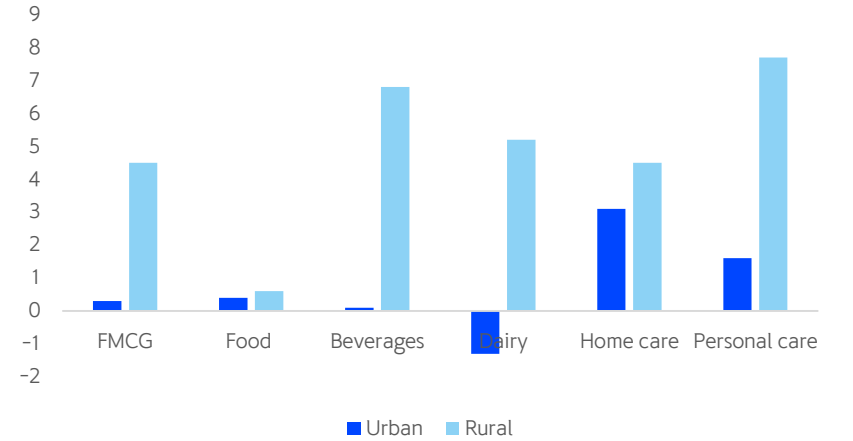
1. H1/2025 update: Prices increased amid falling consumption volume

FMCG change MAT Q2/2025 (% YoY)



Source Kantar, Shinhan Securities Vietnam
*MAT (moving annual total): cumulative data for the last 4 quarters up to Q2/2025

FMCG change MAT Q2/2024 (% YoY)



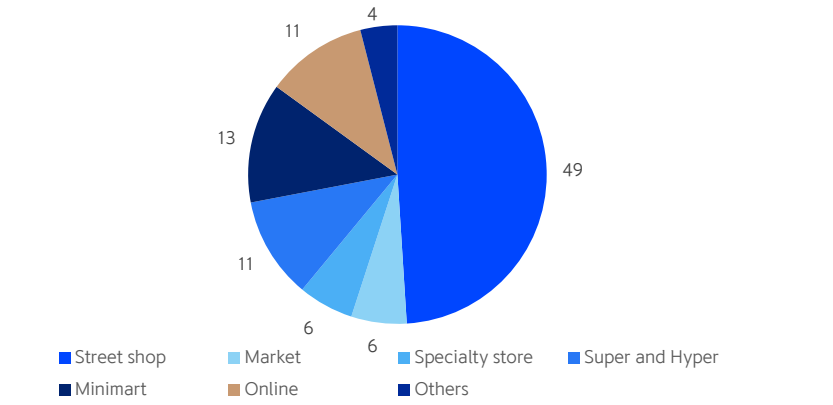
Source: Kantar, Shinhan Securities Vietnam

Urban areas witnessed a decline in consumption in Q2/25 after two consecutive quarters of recovery. This decline was mainly due to the beverages segment, except for the home care sector which maintained solid growth. Most categories recorded spending growth thanks to the contribution of price increases amid a slight decline in consumption volume.

The trend was similar in rural areas. Beverages consumption continued to decline for the third consecutive quarter. In fact, the rural market was declining significantly across all categories, especially in the second quarter. Growing consumer concerns about costs and finances were affecting even essential product groups.

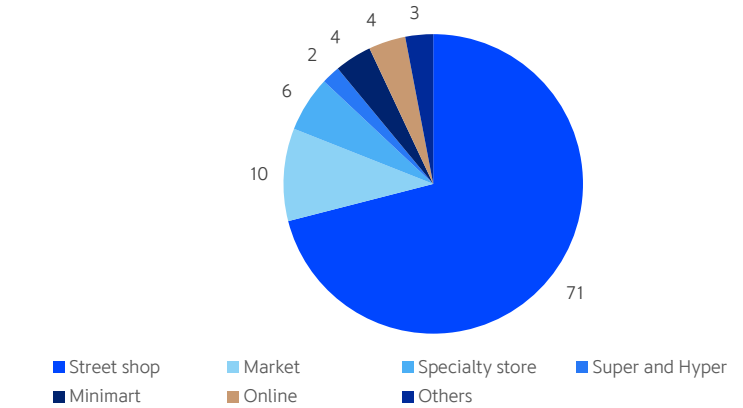
1. H1/2025 update: Shifting market share from traditional to modern channels

Distribution channel structure in Urban areas Q2/25 (%)



Source: Kantar, Shinhan Securities Vietnam

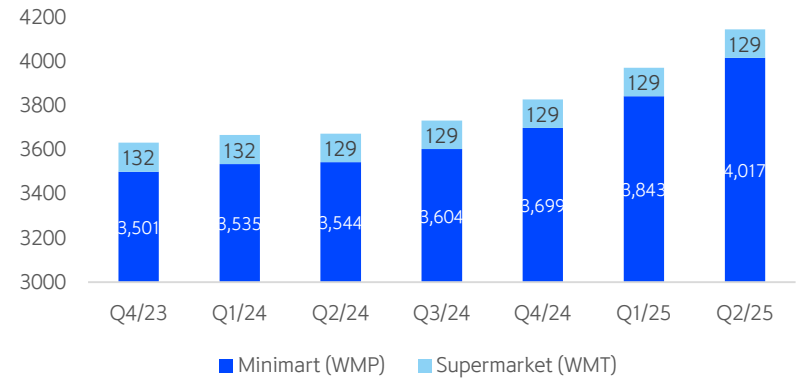
Distribution channel structure in Rural areas Q2/25 (%)



Source: Kantar, Shinhan Securities Vietnam

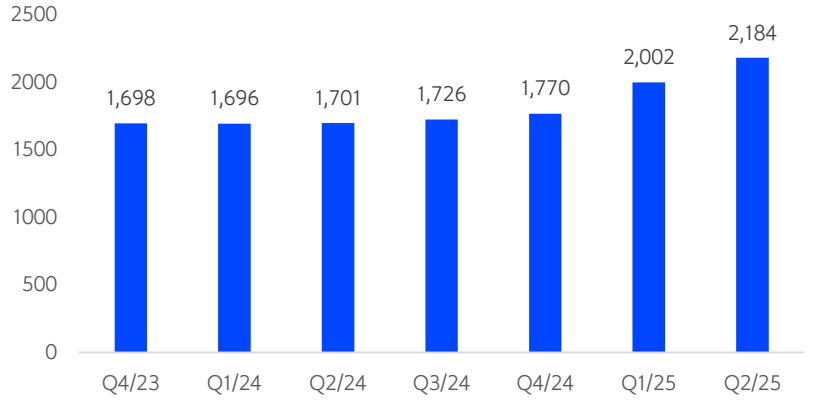
Street shops are still the dominant distribution channel. However, data reveals a shift in market share from traditional to modern channels, especially Online and Minimart channels; this trend is more prominent in Urban areas as well as reflecting changes in consumer shopping habits.

WinCommerce stores by quarter



Source: Company data, Shinhan Securities Vietnam

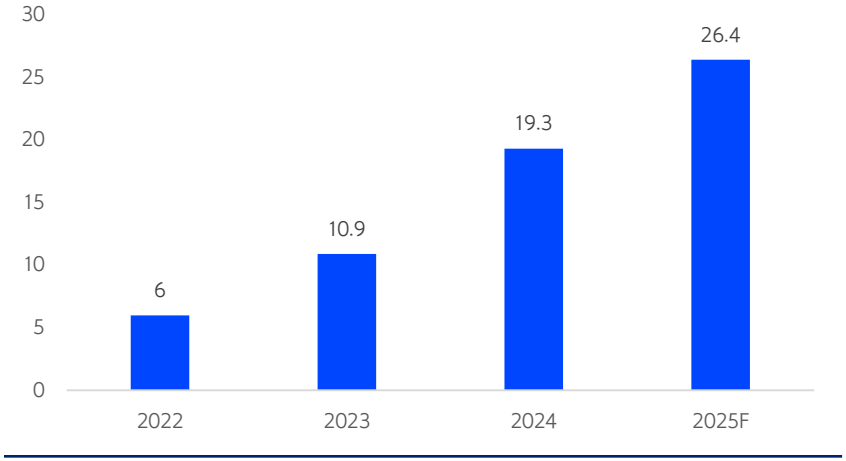
Bách Hóa Xanh stores by quarter



Source: Company data, Shinhan Securities Vietnam

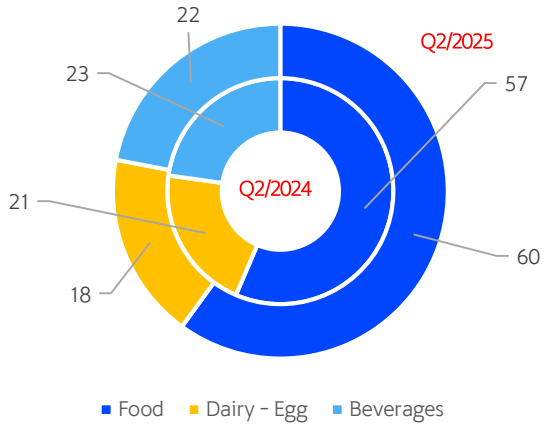
1. H1/2025 update: F&B industry on online retail platforms is booming

F&B revenue on online retail platforms (trillion VND)



Source: Metric, Shinhan Securities Vietnam
**Data collected on 4 platforms including Lazada, Shopee, Tiki and Tiktok Shop*

Category proportion (%)



Source: Metric, Shinhan Securities Vietnam
**Data collected on 4 platforms including Lazada, Shopee, Tiki and Tiktok Shop*

In contrast to the general gloomy situation of the market, F&B revenue on e-commerce platforms has grown dramatically, from only 6 trillion VND in 2022 to 19.3 trillion VND in 2024. Accumulated in H1/2025, revenue recorded 11.9 trillion VND, larger than the total for the whole 2024 and is forecast to reach 26.4 trillion VND by the end of the year. Thus, the trend of shifting in users' shopping habits is taking place strongly.

Looking deeper into the category proportion, Beverages and Milk-Eggs recorded a decrease in proportion in Q2/2025 compared to the same period. Meanwhile, the proportion of Food increased sharply to 60%, reaching 3,460 billion VND.

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F&B 2025 outlook: Backed by consumer stimulus policies

Sugar: Sugar prices slightly decreased amid sluggish consumption and increased inventories

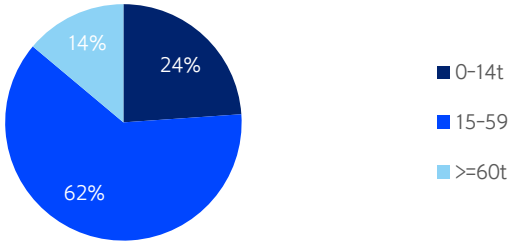
Beer: Special Consumption Tax to increase from 2027 following the roadmap of 5%/year

Dairy: Positive growth potential for consumption and expectations of lower milk powder prices to support profits in the second half of the year

2. F&B 2025 outlook

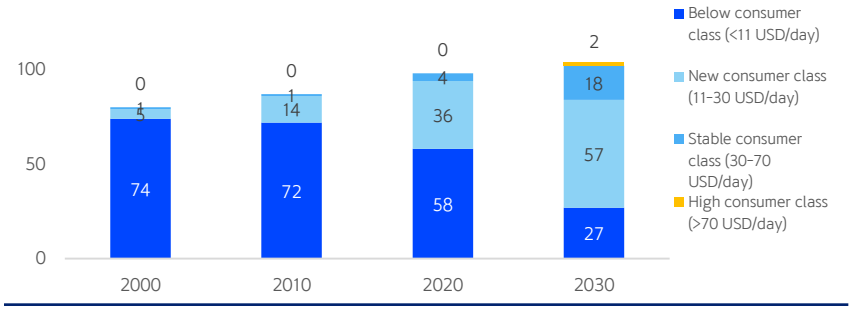
In the long run, F&B remains a potential sector thanks to favorable demographic factors and potential from tourism development.

Population by age groups (%)



Source: GSO, Shinhan Securities Vietnam

Population by incomes (mil people)



Source: McKinsey, Shinhan Securities Vietnam

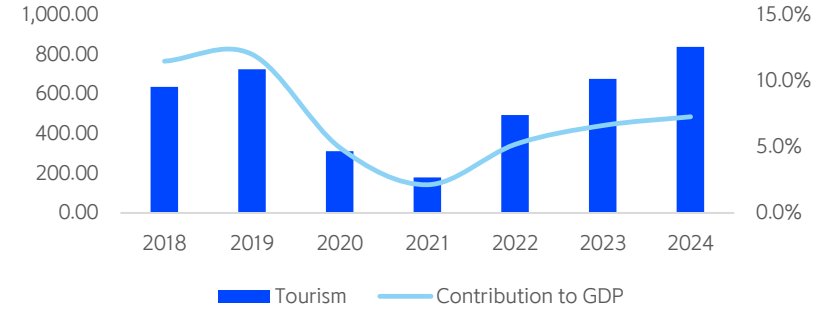
Currently, Vietnam is still in the golden population structure and will be maintained until at least 2036 (according to the United Nations Population Fund). The young population structure is the most important driving force for F&B spending thanks to diverse consumer needs, the ability to quickly grasp trends as well as modern consumer habits gradually replacing traditional practices.

In addition, the expansion of income and the explosion of the middle class are also favorable for the economy in general and the F&B industry in particular. It is expected that by 2023, Vietnam will welcome an additional 37 million people into the consumer class (with a minimum consumption level of 11 USD/day - McKinsey). In 2000, less than 10% of Vietnam's population was in the consumer class, but this number has now increased to 40%. By 2030, this rate could reach 75%. Increased purchasing power comes not only from new entrants to the consumer class but also from upgrading consumption to higher levels.

2. F&B 2025 outlook

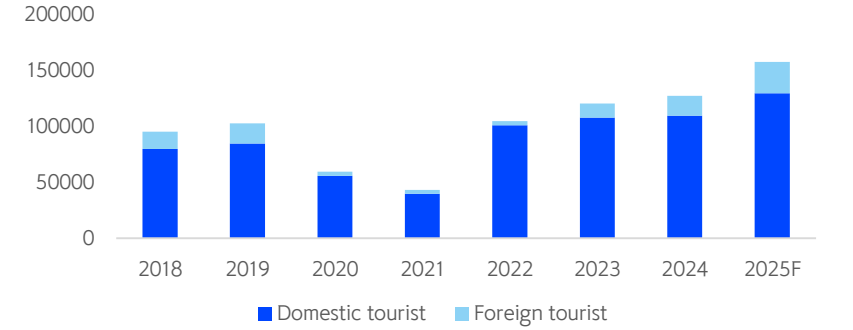
In the long run, F&B remains a potential sector thanks to favorable demographic factors and potential from tourism development.

Total revenue from tourism (trillion VND)



Source: Department of Tourism, GSO, Shinhan Securities Vietnam

Tourist arrival (thousand)



Source: Department of Tourism, GSO, Shinhan Securities Vietnam

In addition to long-term demographic advantages such as a young population structure and an expanding middle class, the potential for growth in tourism services is also an important driver of spending on food and accommodation services, acting as an important component of consumption growth.

According to estimates from the Department of Tourism, by 2025, the target of welcoming about 130 million domestic tourists and 23 million international tourists is set. Accumulating in the first 8 months of the year, Vietnam has welcomed about 106 million domestic tourists and 13.9 million international tourists, representing the increase of 18.4% and 21.7% YoY, respectively.

2. F&B 2025 outlook

We appreciate the Government's efforts in issuing stimulus policies and improving the transparency of the domestic market.

- **Officially maintain VAT at 8% until the end of 2026**

To support economic recovery after the COVID pandemic, the Government reduced VAT for the first time from 10% to 8% in 2022. In June 2025, the National Assembly officially approved continuing to maintain a 2% VAT reduction until the end of 2026, while expanding the tax reduction to include transportation, logistics, information technology services,…

- **Efforts to eradicate counterfeit and poor quality goods**

Notably, the strengthening of control and eradication of counterfeit, fake, and poor quality goods trafficking rings (in the fields of food, pharmaceuticals, cosmetics,...) contributes to purifying the market and increasing the competitiveness of domestic Vietnamese enterprises, as well as helping enterprises seize the opportunity to expand market share from the consumption gap of eliminated products.

- **New Decree Tightens Tax Management for Business Households**

Resolution 198/2025/QH15 regulating the conversion from lump-sum tax to turnover tax for business households from January 1, 2026 is an important step in regulating the private sector, creating a fair playing field for taxes, reducing unfair price competition, thereby improving the competitiveness of private enterprises. Although causing some short-term impacts, we believe that in the long term it will be a driving force to help the retail market operate more effectively and transparently.

2. F&B 2025 outlook

However, concerns about income as well as economic downturns are factors that hinder consumer confidence

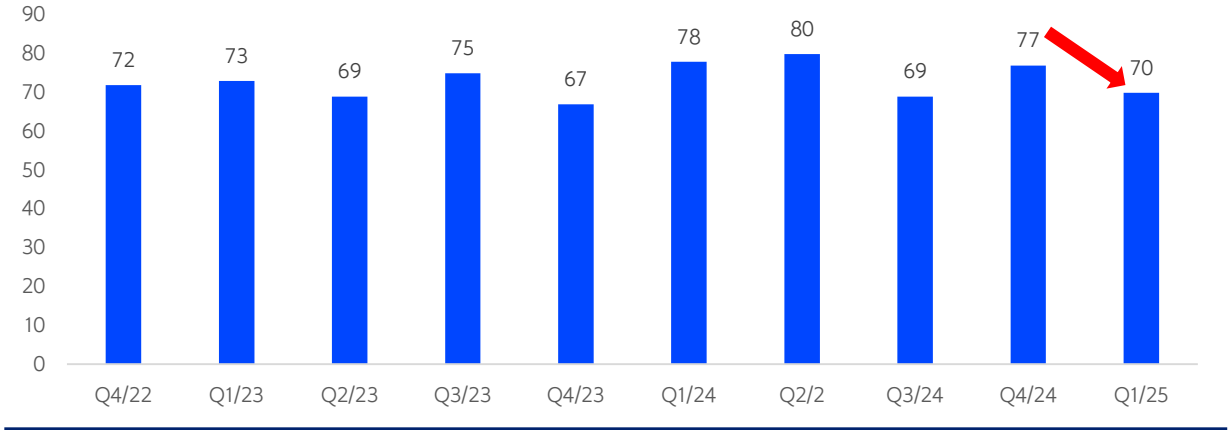
- Strong restructuring of the public sector

The policy of streamlining the payroll and restructuring the state apparatus may cause some short-term impacts such as increased local unemployment, at the same time causing uncertainty about future income, leading to a decline in consumer confidence.

- Increased competitive pressure with foreign goods

In the latest developments on tariffs, Vietnam agreed to a 0% import tax rate for all types of imported goods from the US. This will increase competitive pressure on domestic Vietnamese goods, especially on consumer goods with high price sensitivity.

Consumer Confidence Survey

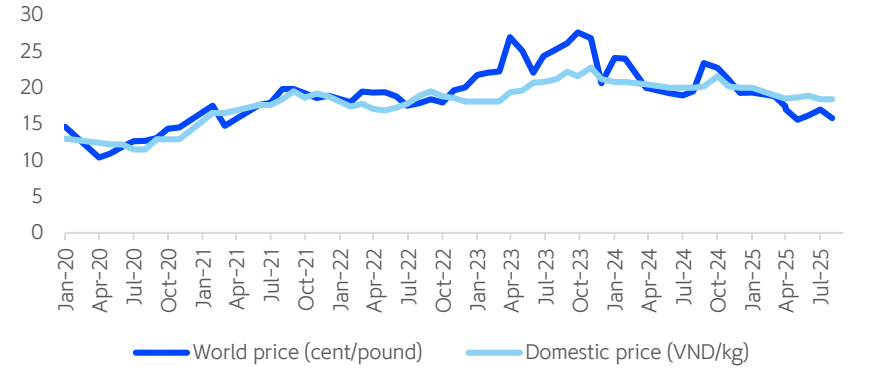


Source: GSO, Shinhan Securities Vietnam

2. F&B 2025 outlook: Sugar industry

World and domestic sugar prices both decreased since the beginning of the year

Sugar price



Source: Bloomberg, Agromonitor, Shinhan Securities Vietnam

**Domestic sugar reference is RS An Khe at factory warehouse*

** World sugar reference is Sugar No 11 contract on ICE exchange*

WTI crude oil price (USD/barrel)



Source: Bloomberg, Shinhan Securities Vietnam

Despite forecasts of a sugar supply-demand deficit, world sugar prices still fell by about 17% in the first eight months of 2025, due to increased production forecasts in major sugar exporting countries such as Brazil, Thailand and India as well as concerns about consumption demand due to unstable fluctuations in the world economic situation, especially under the influence of US tax policy. Domestic sugar prices also followed the downward trend in the context of high inventories and quiet market trading, further affected by the trend of beverage companies switching to using high-fructose corn syrup (HFCS). Data from the Customs Department shows that the amount of HFCS imports has increased over the years. Specifically, in 2020, the amount of HFCS was 164,179 tons, and in 2024, this number has reached 241,504 tons. In 7 months of 2025, the amount of imported HFCS corn syrup is 126,024 tons.

WTI crude oil prices are also in a similar downward trend. This gap between sugar and oil prices will continue to favor sugar production from sugarcane instead of Ethanol.

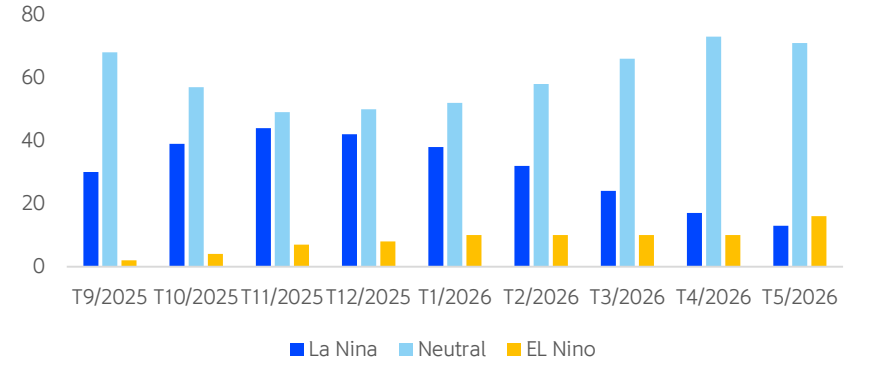
2. F&B 2025 outlook: Sugar industry

Favorable climate for sugarcane cultivation, world sugar industry still forecasts reduced deficit in 2025/26 crop year

As of mid-August 2025, the equatorial Pacific is in a neutral ENSO state. The International Research Institute for Climate and Society (IRI) forecast indicates a high probability (68%) that neutral conditions will persist from August to October 2025. For the following seasons (October to December and November to January of the following year), the probability of neutral ENSO decreases slightly to 57% and 49%, respectively, but is still higher than that of either La Niña or El Niño.

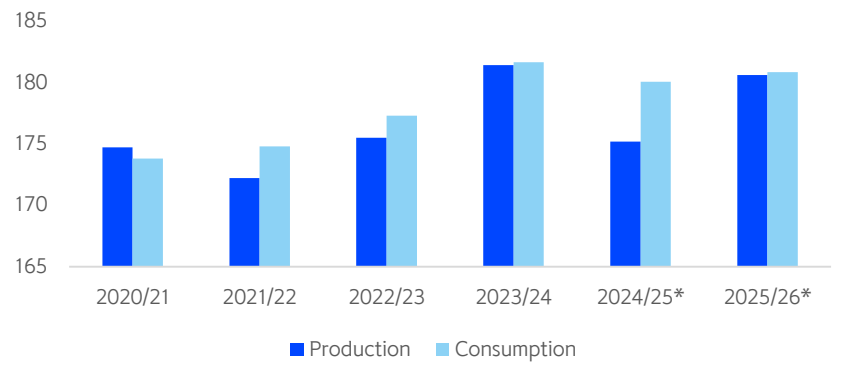
Thus, neither El Niño nor La Niña is likely to be strong this year, which is a relatively favorable environment for sugarcane cultivation.

ENSO probabilities (%)



Source: IRI, Shinhan Securities Vietnam

Global production and consumption forecast (mil tons)



Source: ISO, Shinhan Securities Vietnam

The first forecast by the International Sugar Association (ISO) in August 2025 for the 2025/26 crop year estimated a deficit of 0.231 million tons (compared to the previous crop year of 4.88 million tons); of which production is forecast to increase to 180.59 million tons thanks to increased output in Thailand, India and Pakistan; while consumption is at 180.82 million tons.

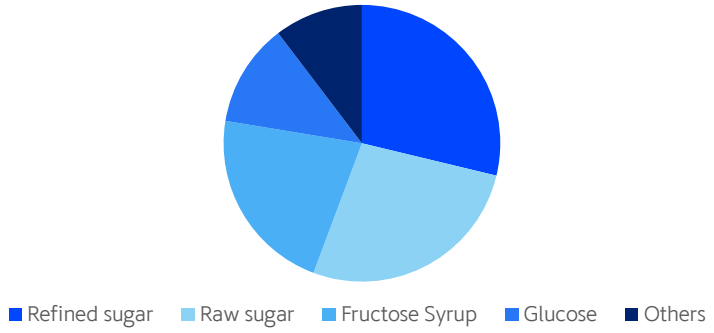
2. F&B 2025 outlook: Sugar industry

Still heavily dependent on imported sugar when production fails to meet demand

The current structure of the domestic sugar industry can only meet about half of the demand, the rest still depends on imported sugar, including official imports and smuggled sugar. Of which, the main imports are refined sugar and raw sugar (56% in 8M/2025).

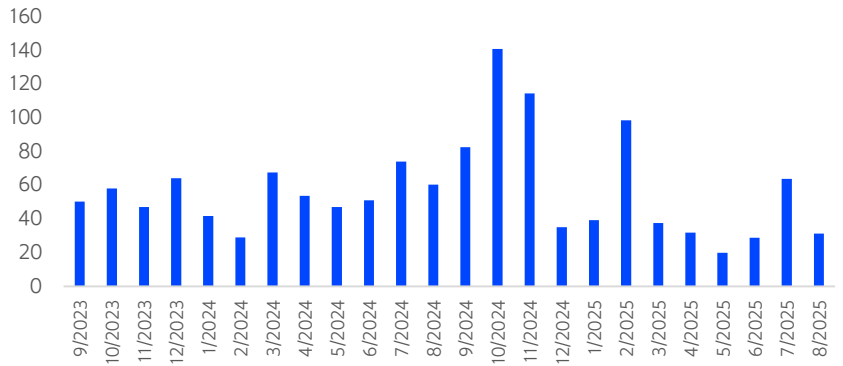
Accumulated in the first 8 months of 2025, the amount of imported raw sugar reached about 169.7 thousand tons and the amount of imported refined sugar reached about 181.2 thousand tons. The main import markets are still Thailand, Laos, Cambodia, Myanmar...

Sugar import by category in 8M/2025



Source: Agromonitor, Shinhan Securities Vietnam
*Estimated data as of 08/26/2025

Official import volume of raw and refined sugar (thousand tons)

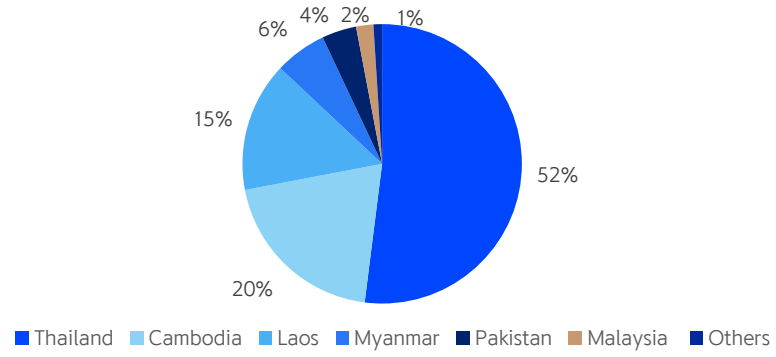


Source: Agromonitor, Shinhan Securities Vietnam

2. F&B 2025 outlook: Sugar industry

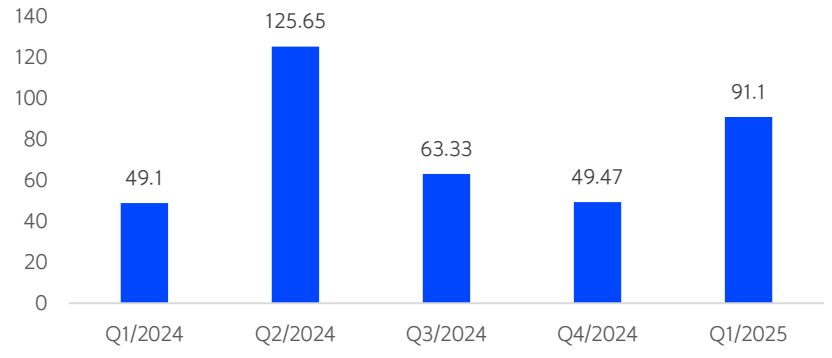
Thailand remains the principal import market besides Lao, Cambodia, Myanmar…

Raw and refined sugar import by country in Q1/2025



Source: Agromonitor, Shinhan Securities Vietnam

Import volume from Thailand (thousand ton)



Source: Agromonitor, Shinhan Securities Vietnam

** Statistics for officially imported raw and refined sugar*

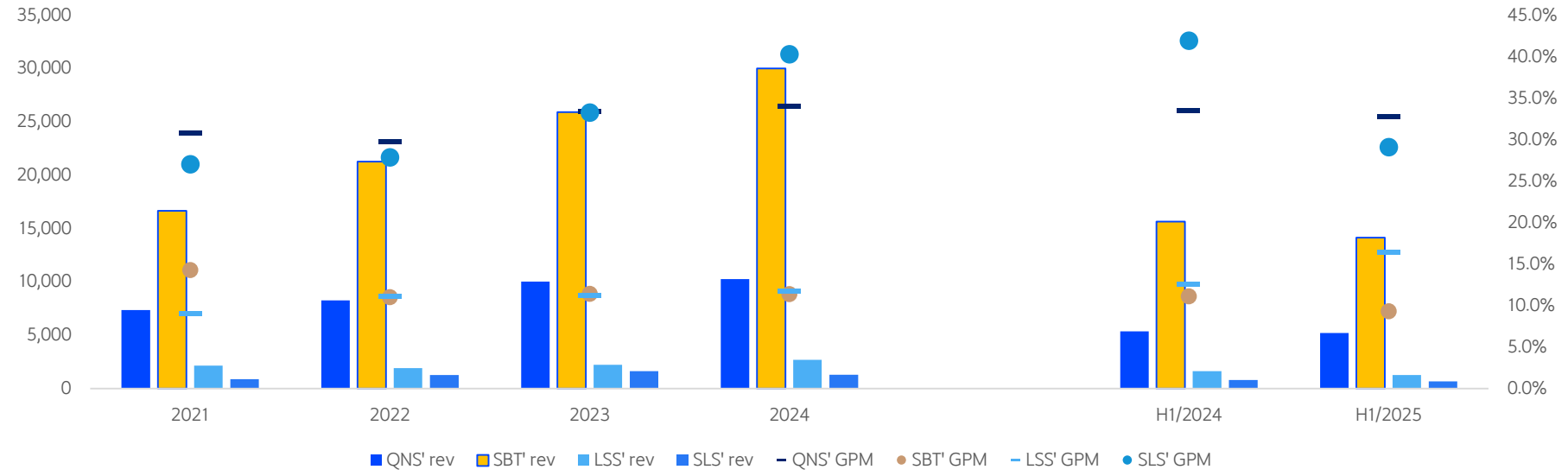
Investigations in place and recommend extension of anti-dumping and anti-subsidy tax on Thai sugar

In order to protect the domestic manufacturing industry, from June 16, 2021, the Ministry of Industry and Trade issued a decision to impose an anti-dumping tax of 42.99% and an anti-subsidy tax of 4.65% on Thai sugar for a period of 5 years. Thus, these taxes will expire in June 2026. Currently, businesses and industry representatives are petitioning the Trade Defense Department to review and extend these taxes.

The specialized agency will conduct an investigation within 6-9 months and will announce the results about 3 months before the expiration date.

2. F&B 2025 outlook: Sugar industry

Updated business results of listed sugar companies in H1/2025 (billion VND)



Source: Company data, Shinhan Securities Vietnam

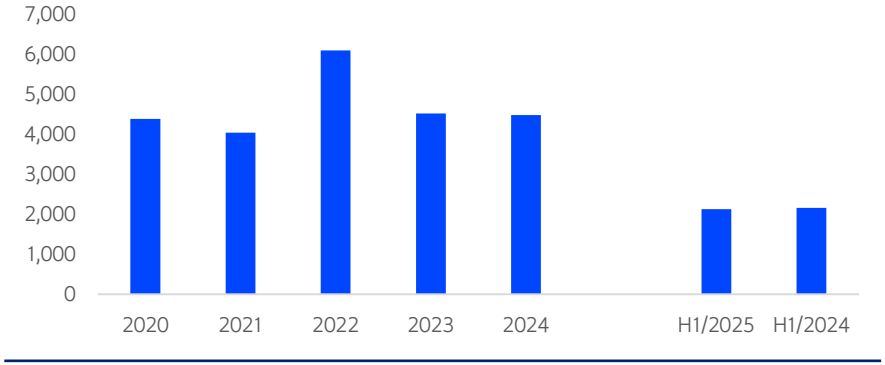
Due to the adverse impact of falling sugar prices, sugar production and distribution enterprises all recorded a decrease in profits in the first half of 2025 as well as a decrease in gross profit margins (except for LSS).

Sugar giant SBT recorded a nearly 10% decrease in revenue in H1/2025. QNS's sugar segment was in the similar trend, but offset by the growth of its soy milk segment, so overall QNS's revenue only decreased by nearly 3% in the first half of 2025.

2. F&B 2025 outlook: Beer industry

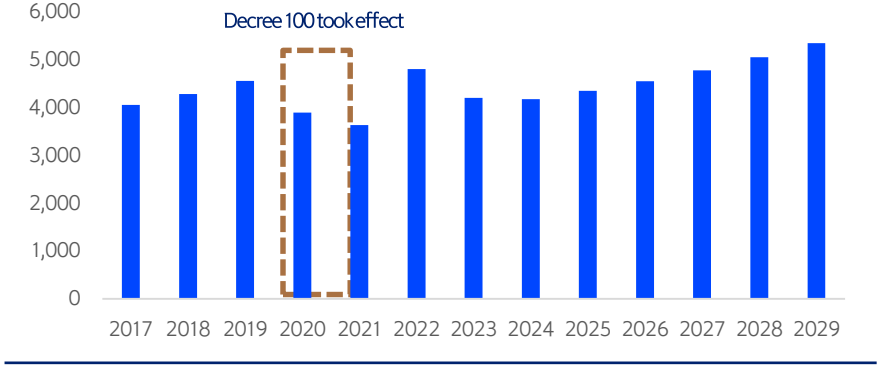
Beer consumption and production remained flat in H1/2025

Beer production in Vietnam (mil liter)



Source: GSO, Shinhan Securities Vietnam

Beer consumption in Vietnam (mil liter)



Source: Euromonitor, Shinhan Securities Vietnam

According to statistics from Euromonitor, beer consumption in 2024 slightly decreased compared to the previous year, reaching 4.182 million liters. Thus, after a strong recovery from the COVID-19 pandemic in 2022, the beer industry experienced negative growth for the next two years. This occurred because Decree 168 (replacing Decree 100), which penalized alcohol violations, was still strictly enforced, and poor consumer sentiment caused people to tighten their spending on non-essential items. Furthermore, beer was not a product that received the 2% VAT reduction, so the government's VAT policy did not support the industry. However, consumption output was still projected to grow with a CAGR of 5% from 2025 to 2029, as the proposed increase in special consumption tax was postponed to 2027 (instead of 2026) and due to expectations of an overall recovery in consumer spending.

Beer production remained nearly flat, with production volume reaching 4.486 million liters in 2024, a slight decrease from the same period. In the first half of 2025, beer output reached 2.133 million liters, a slight decrease compared to 2.160 million liters in the same period. A review of production and consumption data showed that the beer market was primarily domestic, with production serving local demand, so it was minimally affected by import and export restrictions. The two decisive factors for the industry were (1) consumer demand related to purchasing power and consumer sentiment and policy; and (2) fluctuations in the price of input materials, especially for imported ingredients.

2. F&B 2025 outlook: Beer industry

Market is quite concentrated with about 80% in the hands of two giants, Heineken and Sabeco, while the proportion of sales through the Off-trade channel is increasing

Major beer companies

SABECO

There are 26 factories

Brands: Saigon Gold, Saigon Special, Saigon 333, Saigon Export, Saison Lager, Saigon Chill, Lac Viet Beer

Bottled beer and canned beer products

HEINEKEN VIETNAM

There are 06 factories

Brands: Heineken, Heineken Silver, Heineken 0.0, Tiger, Tiger crystal, Larue special, Biere Larue, Bia Viet, Bivina, Strongbow Cider.

Products include bottled beer, canned beer, and draft beer

HABECO Sức bật Việt Nam

There are 16 factories

There are brands: Truc Bach, Hanoi Bold, Hanoi Light, Hanoi Beer 1890, Hanoi Beer, Hanoi Peremium Beer, Hanoi Green Label Beer.

There are bottled beer products, canned beer, draft beer

Carlsberg Vietnam

There is 01 factory in Hue City,

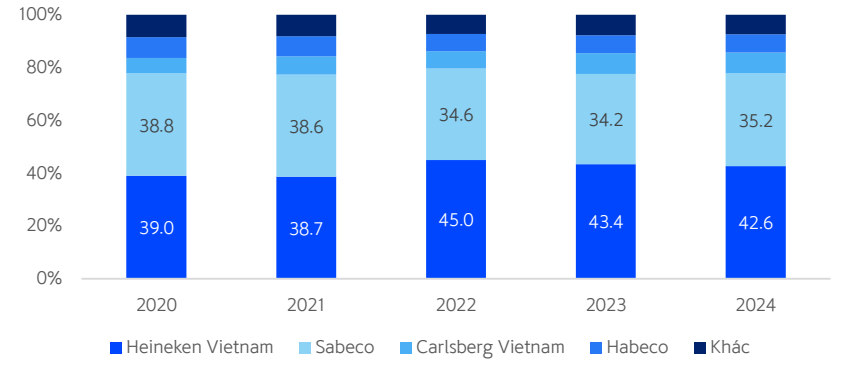
Brands: 1664 Blanc, Carlsberg, Tuborg, Huda, Huda Ice Blast, Huda Gold, Festival, Halida, Halida Export, Halida Dark.

Bottled beer, canned beer, draft beer

Total output accounts for nearly 95% of the industry's beer output.

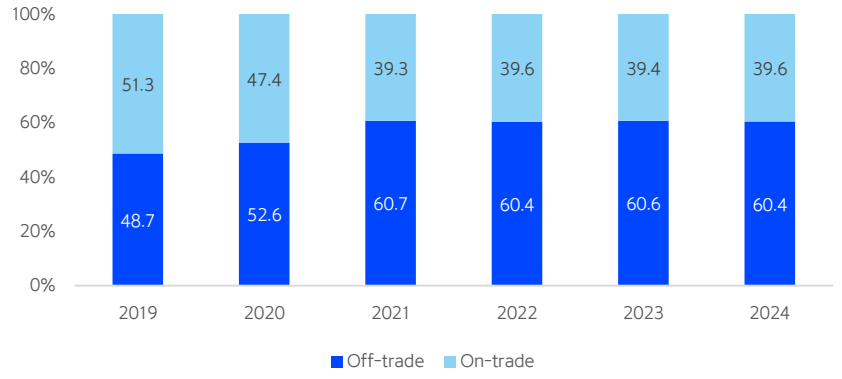
Source: VBA (2024)

Market share (%)



Source: Euromonitor, Shinhan Securities Vietnam

The proportion of distribution through Off-trade channels is increasing



Source: Euromonitor, Shinhan Securities Vietnam

2. F&B 2025 outlook: Beer industry

Policy change: National Assembly approved roadmap to increase excise tax from 2027

- Accordingly, the excise tax on beer will increase from the current level of 65% to 70% in 2027, then increase by 5% each year until reaching 90% in 2031.
- In addition, sugary soft drinks will also be subject to excise tax of 8% from 2027 and 10% from 2028.

Because it is an indirect tax, the tax increase will normally be passed on to consumers through increased selling prices. Therefore, it is highly likely that beer businesses will increase selling prices so as not to affect profit margins.

However, the impact of rising prices on demand may not be too significant

Many studies have shown that beer is a price-inelastic demand product, meaning that a 1% change in price results in a change in quantity demanded of less than 1%.

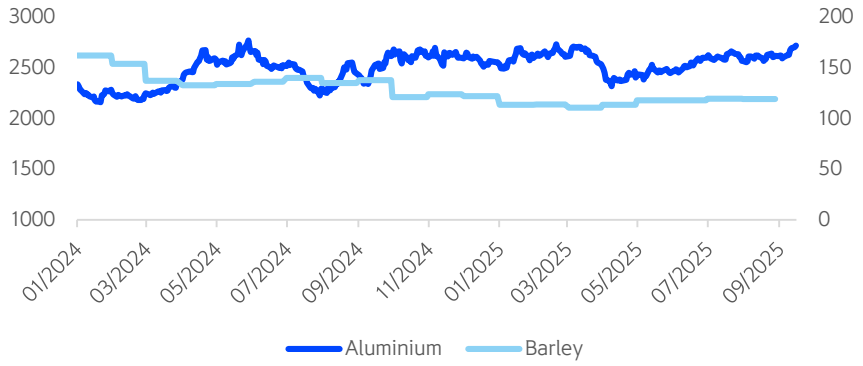
- Studies in the United States and Europe have generally found that the price elasticity of demand for beer ranges from -0.3 to -0.7. In other words, a 10% increase in price can only reduce the quantity demanded by 3% to 7%.
- Research from the University of Munich (Germany) found that the price elasticity of demand for beer in Germany is -0.4. Research from Cornell University (USA) found that the elasticity in the US is -0.5.
- In China, an Asian country that is more similar to Vietnam, research shows that the demand for beer is even less affected by price. In a study by Environmental Research and Public Health in China, the price elasticity of demand for alcoholic beverages was very small (almost zero for beer and -0.12 for wine).

At the same time, studies also show that there are differences for product segments. **The higher the alcohol segment, the greater the price elasticity of demand, meaning that consumption will decrease more when the selling price increases.** This creates an advantage for businesses in the mass segment like Sabeco.

2. F&B 2025 outlook: Beer industry

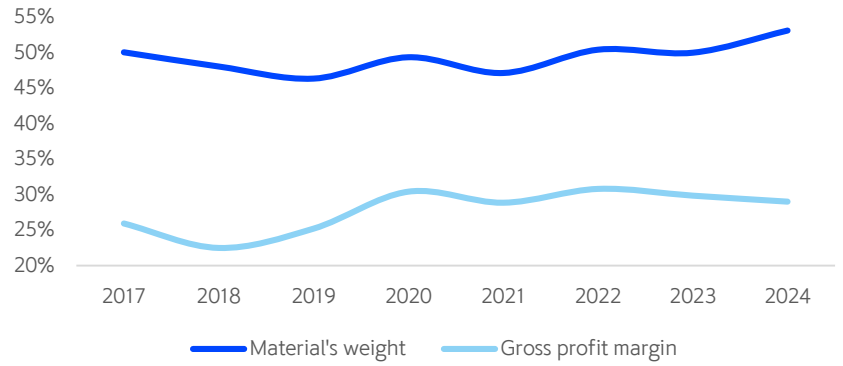
Aluminum prices fell after President Trump announced tariffs but have recovered since May thanks to expectations of positive negotiations

Raw materials price



Source IMF, Bloomberg, Shinhan Securities Vietnam
**Barley (Right– USD/ton and Aluminium (Left– USD/ton)*

Material's weight in production cost and Gross profit margin of SAB



Source: Company data, Shinhan Securities Vietnam

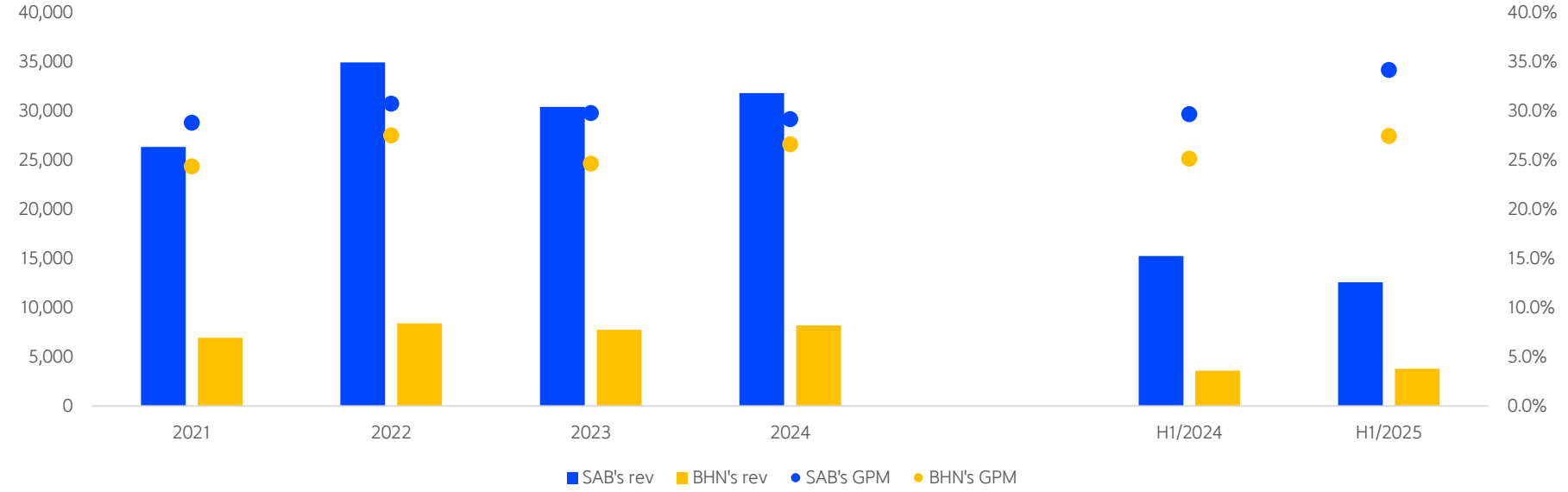
In the production cost structure by factors of beer production enterprises (SAB and BHN), the proportion of raw material costs fluctuates from 45–55%. In which, the supply of input materials almost depends on imported sources, including malt, hops, aluminum; and is usually fixed 3–6 months in advance. Therefore, fluctuations in imported raw material prices have a great impact on business profits.

Under the influence of the tariff information in early April, aluminum prices witnessed a sharp decline this month, bottoming out below $2,400/ton. However, prices of this commodity have increased again since May before more positive progress in tariff negotiations. Currently, aluminum prices are anchored at around $2,700/ton, completely recovering the decline.

Barley prices have remained relatively stable and less volatile in the first 6 months of 2025.

2. F&B 2025 outlook: Beer industry

Updated business results of listed beer companies in H1/2025 (billion VND)



Source: Company data, Shinhan Securities Vietnam

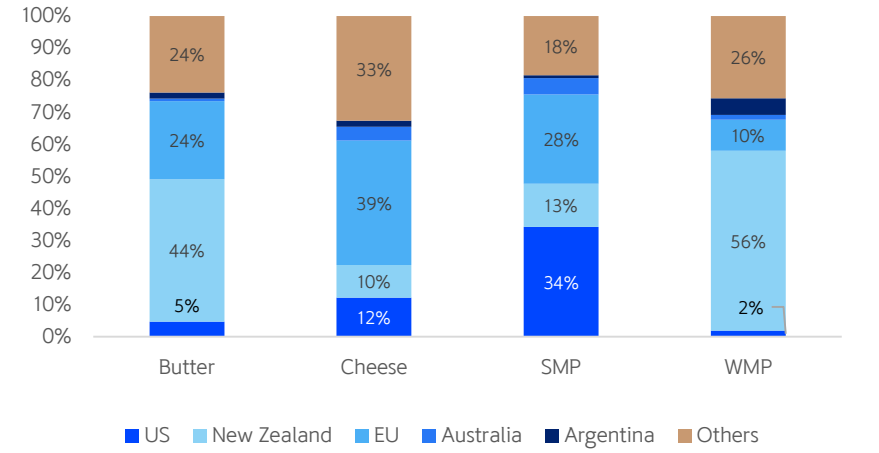
Of the two listed beer companies we recorded, SAB saw a 13.7% decline in revenue in the first half of 2025 due to the impact of the recalculation of excise tax after consolidating with Sabibeco as a subsidiary instead of an associate as before. Although revenue fell, gross profit margin improved, partly due to the use up of high-priced barley inventories and the impact of the above consolidation.

In contrast, BHN saw revenue growth, and profit margins also improved compared to the same period.

2. F&B 2025 outlook: Dairy industry

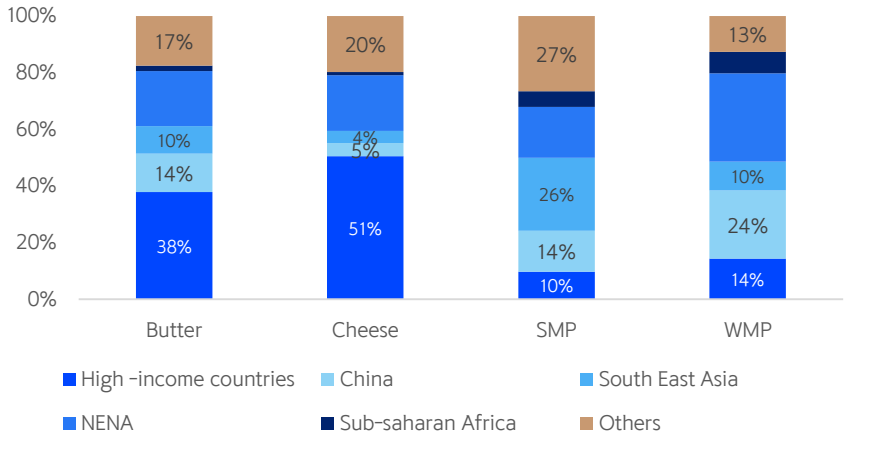
Global dairy market: Main supply from the US, New Zealand, EU and Australia...

Global export markets 2021-2023 (%)



Source: USDA, Shinhan Securities Vietnam

Global import markets 2021-2023 (%)



Source: USDA, Shinhan Securities Vietnam

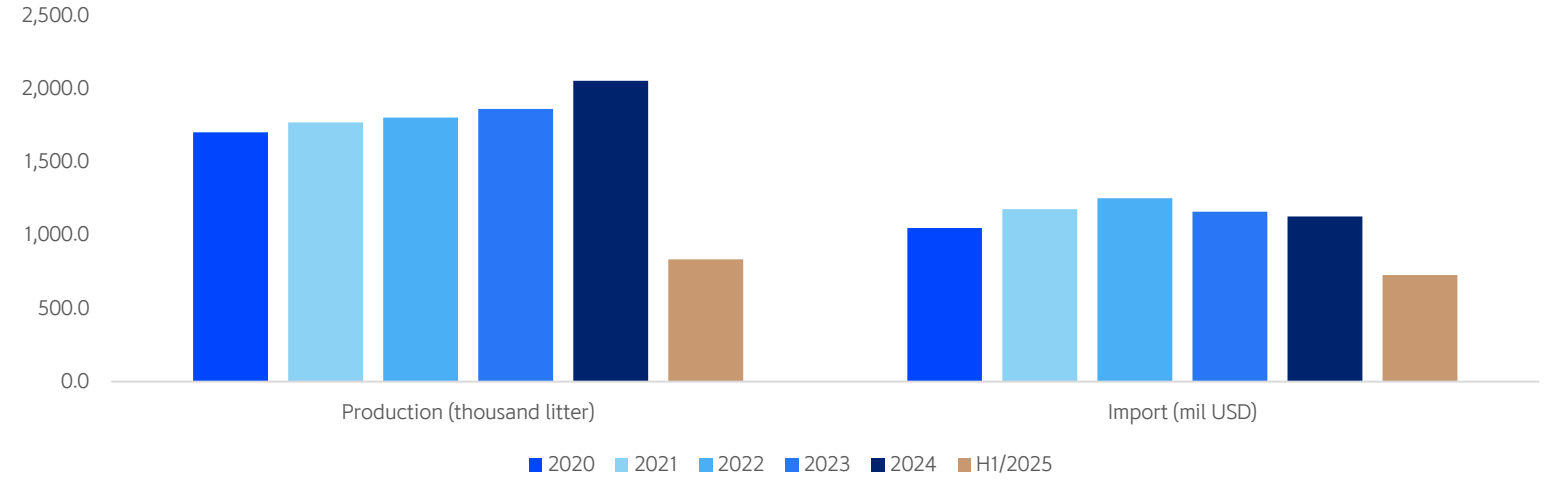
The main export countries for milk and dairy products are the US, New Zealand, EU, Australia... In which, the US is dominant in exporting SMP (34%), New Zealand is the main exporter of WMP (56%) and Butter (44%), while the EU has the advantage in Cheese (39%).

In terms of imports, the major import regions are China, Southeast Asia,... In which, China still maintains its position as the largest import country, although it has the orientation to develop the domestic dairy industry to achieve self-sufficiency in supply and reduce dependence. Southeast Asia imports around 15-20% of global milk production volume.

2. F&B 2025 outlook: Dairy industry

Vietnam: Manufacturing output remained stable, imports increased in Q2 due to frontloading effect during tax hike suspension period

Production and import volume of Vietnam



Source: GSO, Shinhan Securities Vietnam

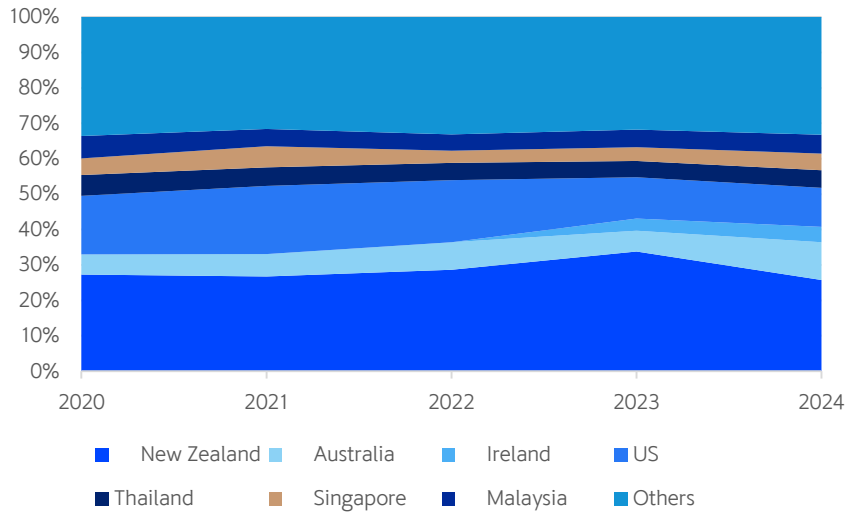
Data from the General Statistics Office shows that the production and import of milk and dairy products will move in opposite directions in 2024. Specifically, the production volume in 2024 was 2,054 million liters of fresh milk, up 10% YoY, while the import volume was 1,128 million USD, down 2.8% YoY.

In particular, the import volume increased sharply in Q2/2025, with the import volume reaching 388 million USD (+39% YoY), showing the concerns of manufacturing enterprises about tariff fluctuations.

2. F&B 2025 outlook: Dairy industry

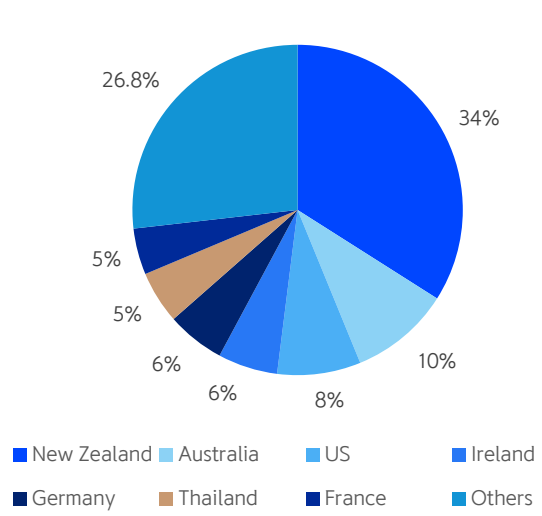
Vietnam: New Zealand, Australia, and the US are the main import markets

Import structure by country (%)



Source: GSO, Shinhan Securities Vietnam

Import markets in H1/2025 (%)



Source: GSO, Shinhan Securities Vietnam

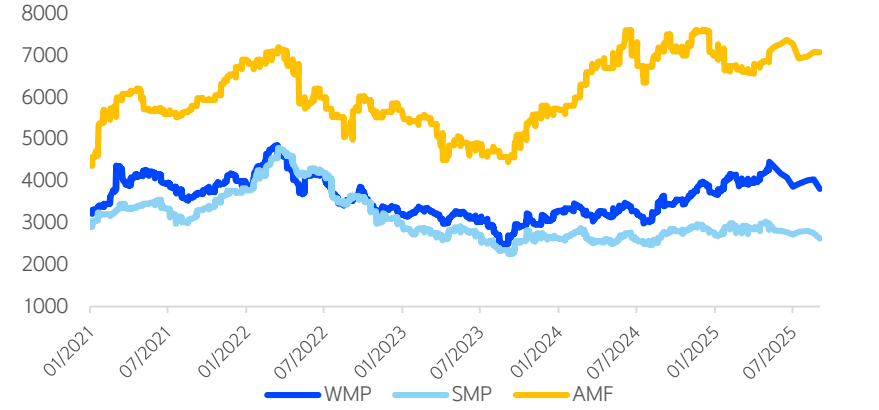
Due to many limitations in herd size and climate, domestic milk supply is not enough to meet domestic demand. Dairy producers in Vietnam still have to import additional raw materials such as milk powder and cream from abroad, causing profit margins to be affected by fluctuations in the prices of these raw materials on the world market. In addition, Vietnam also imports more foreign milk to meet the diverse needs of consumers.

The main import markets are New Zealand, Australia, Ireland and the US. Of which, New Zealand is the largest import market with a rate of 34% in the first half of 2025.

2. F&B 2025 outlook: Dairy industry

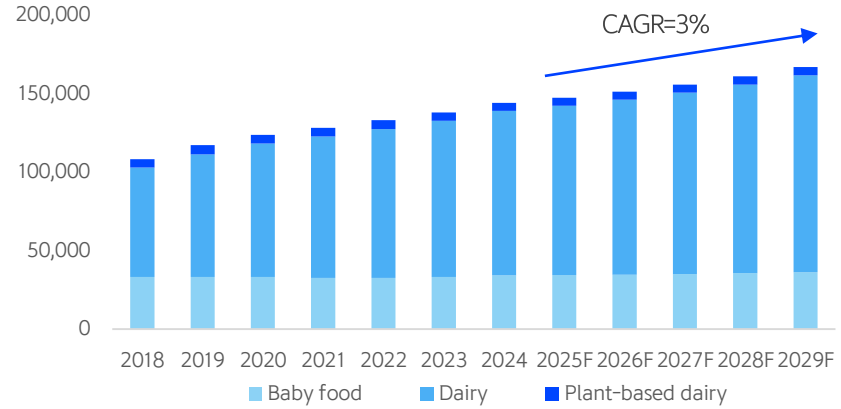
Dairy market is expected to grow at CAGR=3% in 2025-2029 period

Milk powder prices (USD/ton)



Source: Bloomberg, Shinhan Securities Vietnam

Sales of dairy products by category (bil VND)



Source: Euromonitor, Shinhan Securities Vietnam

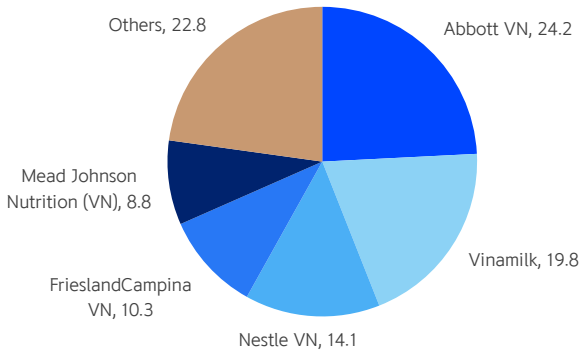
Milk powder prices increased in the first half 2025 but have started to decline since May, due to slowing demand in China as well as forecasts of increased milk production in this country. Therefore, raw material costs of manufacturers in Q1, for example, with VNM, the average cost increased by 4.5% in Q1. We expect these costs to cool down to some extend in the second half.

According to Euromonitor's estimates, Vietnam's dairy market sales in 2024 reached VND 144,062 billion, of which milk accounted for the largest proportion of 73%, followed by milk and baby food and plant milk, accounting for 24% and 4% respectively. Although the scale of plant milk is still quite small, it is a potential segment when the demand for healthy food increases as well as the vegetarian market is growing rapidly. Euromonitor's latest forecast suggests that the overall dairy market will grow at a CAGR of 3% during the 2025-2029 period.

2. F&B 2025 outlook: Dairy industry

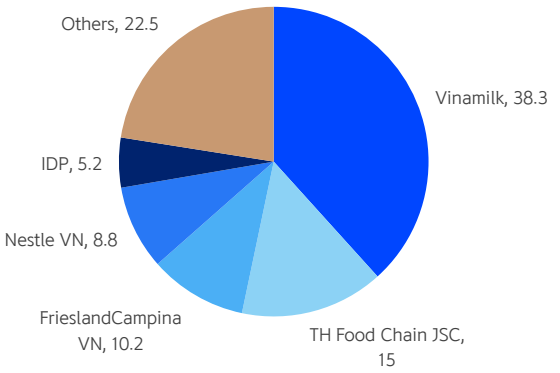
The milk market in Vietnam is quite fragmented with fierce competition

Baby food's market share in 2024 (%)



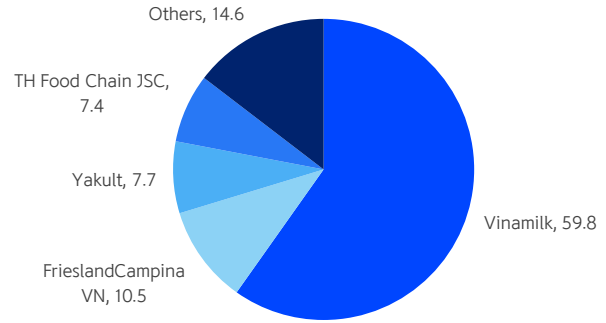
Source: Euromonitor, Shinhan Securities Vietnam

Drinking milk's market share in 2024 (%)



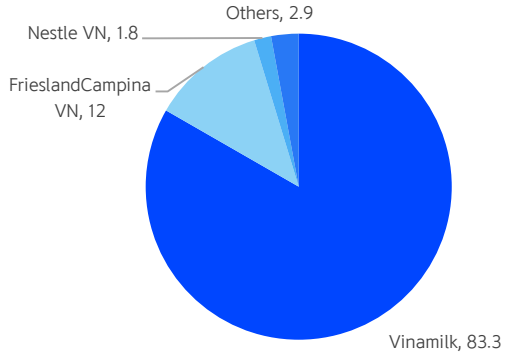
Source: Euromonitor, Shinhan Securities Vietnam

Yoghurt and sour milk's market share in 2024 (%)



Source Euromonitor, Shinhan Securities Vietnam

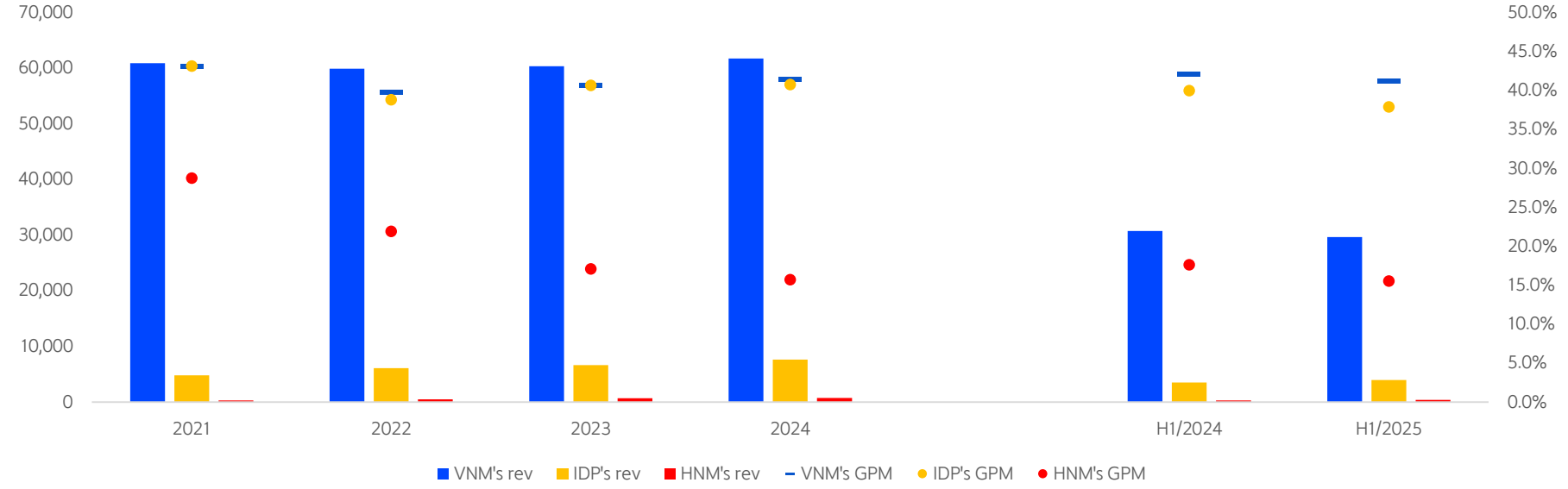
Condensed milk's market share in 2024 (%)



Source: Euromonitor, Shinhan Securities Vietnam

2. F&B 2025 outlook: Dairy industry

Updated business results of listed dairy companies in H1/2025 (billion VND)



Source: Company data, Shinhan Securities Vietnam

Among the three listed dairy companies we have listed, VNM recorded a 3.6% decline in revenue in the first half of 2025 due to the restructuring of the distribution system in Q1, as well as the impact of the traditional channel (GT) due to new regulations on taxes and invoices. In contrast, IDP and HNM still recorded revenue growth of 12.2% and 20.6%, respectively.

The gross profit margin of all companies decreased compared to the same period due to the increase in raw milk powder prices.

03

Investment opportunities

VNM, SAB, & MSN

- **SAB:** Attractive cash dividend yield, valuation ratio is at a low level compared to history
- **VNM**: Expectations of cooling raw material prices to help improve profit margins, growth drivers come from export markets and foreign companies
- **MSN**: Growth potential in the context of the retail-consumer sector recovering, MCH's up-listing to HOSE and market upgrade are factors supporting stock prices in the short term.

Update on listed companies under coverage

2025 Forecast

Ticker	Market cap (bil VND)	Market price (VND)	Target price 2025 (VND)	Upside (%)	Revenue forecast 2025 (bil VND)	Revenue growth (YoY) (%)	Net profit forecast 2025 (bil VND)	Profit growth (YoY) (%)	Debt/Equity	P/B (2025F)	P/E (2025F)
VNM	128,323	61,400	71,900	17.1%	63,134	2.2%	9,179	-2.9%	0.26	3.9	18.3
SAB	58,613	45,700	58,500	28.0%	27,511	-13.7%	4,290	-4.5%	0.02	3.1	18.6
QNS	17,463	47,500	62,700	32.0%	9,902	-3.3%	2,186	-8.0%	0.27	1.8	8.9
MSN	118,420	81,900	91,580	11.8%	82,019	-1.4%	5,234	22.5%	1.6	4.2	47.7
BAF	10,306	33,900	37,800	11.5%	5,274	-6.5%	648	103.1%	0.7	2.5	17.8
DBC*	10,468	27,200	N/A	N/A	15,877	17.0%	1248	62.3%	0.8	N/A	N/A
	Total				**203,717**	**-1.2%**	**22,785**	**5.1%**			

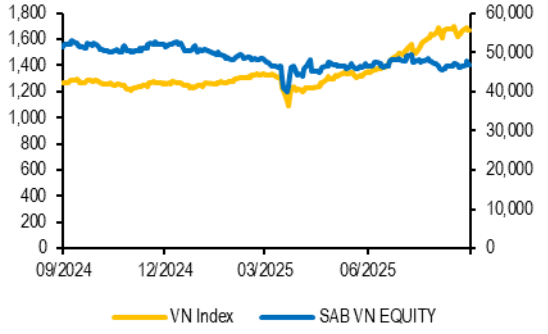
(*) Consensus data
Source: Bloomberg, Shinhan Securities Vietnam
Data collected on 22/09/2025

Saigon Beer – Alcohol – Beverage Corporation (HOSE: SAB)

Target price (12 months)	**58,500 VND**
Current price (22/09/25)	45,700 VND
Return (%)	27.2%
VNINDEX	1,634
PE market	13.8
Market cap (billion VND)	58,613
Outstanding shares (mil shares)	1,283
Free-float (mil shares)	134
52-week high/low (VND)	58,800/41,500
90-day avg. trading volume (mil shares)	1.23
90-day avg. turnover (bn VND)	66
Foreign ownership (%)	60

Major shareholders (%)	CTTNHH Vietnam Beverage	53.59

Performance	3T	6T	12T
Absolute (%)	-7.7	-9.1	-20.4
Rel.to VN-Index (%)	-28.8	-32.8	-48.9



Attractive dividend yield

Investment thesis

Saigon Beer-Alcohol-Beverage Corporation (HOSE: SAB) is the second largest beer producer in Vietnam with a market share of 35% (Euromonitor, 2024). SAB takes the lead in the number of breweries with a capacity of 3.1 billion liters/year, providing from mid-priced to premium products.

SAB recorded weak business results in the first half of 2025 due to the impact of excise tax calculation after the consolidation with Sabibeco and reduced output in the context of difficult consumption. However, we still appreciate SAB with its position as an industry leader with good financial ratios, low debt and attractive dividend yield; despite the unfavorable short-term industry context; combined with a valuation index that is low compared to history. Based on the FCFF and P/E methods, we recommend buying SAB with a target price of VND 58,500, corresponding to 2025F P/E of 18.6x.

Update on business results and forecast

Sabeco recorded revenue in the second quarter of 2025 of VND 6,804 billion (-15.9% YoY) and after-tax profit of VND 1,250 billion (-5.2% YoY). Of which, beer revenue decreased by nearly 10% YoY, reaching VND 6,314 billion. The reason for the decrease in revenue came from the impact of the merger with Sabibeco (SBB) and reduced output in the context of a difficult consumer market. The raw material segment also decreased by nearly 60% YoY due to the impact of the merger. According to the Board of Directors, if excluding the impact of the merger, Like-for-like revenue in the first 6 months decreased by about 4% YoY. Also thanks to the impact of the merger and the use of high-priced barley inventory, the beer segment's gross profit margin also improved significantly to 38% (same period was 34%), pushing the total gross profit margin to 36% (up 5.8 percentage points YoY).

channel (GT) when many retailers stop importing goods and to reflect the impact of excise tax accounting after consolidation, we lower SAB's 2025 revenue forecast to VND 27,511 billion (-13.7% YoY), and net profit to VND 4,290 billion (-4.6% YoY). Of which, the beer segment is forecast to contribute VND 25,456 billion in revenue, with a gross profit margin of 35.5%, up 4.3 percentage points.

Risks

(1) Risk of raw material prices; (2) Risk of excise tax; (3) Policy risk; (4) Risk of domestic consumption recovering weaker than expected.

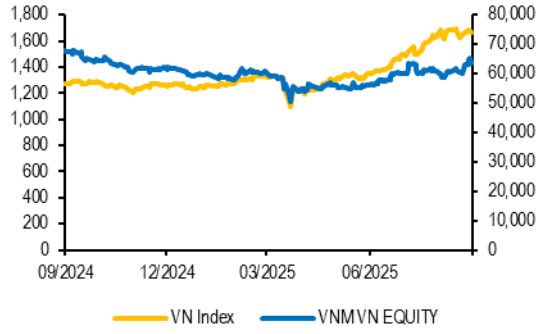
Year	2022	2023	2024	2025F	2026F
Revenue (bil VND)	**34,979**	**30,461**	**31,872**	**27,511**	**28,224**
Operating Income (bil VND)	5,498	3,811	4,437	4,461	4,562
NP (bil VND)	**5,499**	**4,255**	**4,494**	**4,290**	**4,384**
EPS (VND)	7,980	3,132	3,291	3,138	3,205
BPS (VND)	36,083	18,877	18,152	16,311	16,042
OPM (%)	15.7	12.5	13.9	16.2	16.2
NPM (%)	15.7	14.0	14.1	15.6	15.5
ROE (%)	22.4	17.0	18.0	18.4	19.8
P/E (x)	18.8	18.4	16.9	18.6	18.3
P/B (x)	4.0	4.2	3.0	3.1	3.6

Source: Company data, Shinhan Securities Vietnam

Vietnam Dairy Products JSC (HOSE: VNM)

Target price (12 months)	**71,900 VND**
Current price (22/09/25)	61,400 VND
Return (%)	17.1%
VNINDEX	1,634
PE market	13.8
Market cap (billion VND)	128,323
Outstanding shares (mil shares)	2,090
Free-float (mil shares)	737
52-week high/low (VND)	74,000/ 51,400
90-day avg. trading volume (mil shares)	5.22
90-day avg. turnover (bn VND)	357
Foreign ownership (%)	51.5
Major shareholders (%)	Tổng CT Đầu tư và Kinh doanh vốn Nhà nước 36.0
	F&N Dairy Investments Private Limited 17.69

Performance	3T	6T	12T
Absolute (%)	8.5	0.2	-15.5
Rel.to VN-Index (%)	-12.6	-23.5	-44.0



Shinhan Securities

Domestic market recovered

Investment thesis

Vietnam Dairy Products Joint Stock Company (Vinamilk, HOSE: VNM) is the dairy company with the leading market share in Vietnam along with the largest distribution system and cow herd. Q2's results showed good recovery thanks to the domestic market and are still in line with our forecast. Based on the FCFF and P/E methods, we update our valuation and recommend BUY for VNM with a target price of VND 71,900.

The company is also continuously expanding to large territories such as China and the Middle East. At the current price, VNM is a worthy investment to consider because: (1) High dividend payout ratio and strong financial potential are enough to meet future expansion investment needs, (2) Growth momentum comes from export markets and overseas companies and (3) Growth potential in Vietnam's dairy industry is still there when the compound growth is forecast at 3.0%/year in the 2025-2029 period (according to Euromonitor 2024) and milk consumption per capita is still low compared to other countries in the Southeast Asian region, although there are still many barriers to expanding production and heavy dependence on imported raw materials.

Update on business results and forecast

In Q2/2025, VNM recorded consolidated net revenue of VND 16,725 billion, almost flat compared to the same period and net profit of VND 2,489 billion (-7.7% YoY). In which, the domestic market had a good recovery compared to the previous quarter (+29% MoM) - Q1 was affected by the restructuring of the distribution system causing disruptions in the sales process. Distribution activities through traditional channels (General trade, GT) in the domestic market were also partly affected by new regulations on taxes and invoices, causing many retailers to close their businesses, although the Board of Directors expects that this impact is only short-term. In the first half of this year, the GT channel in rural areas grew negatively, while the GT channel in urban areas grew more slowlier.

Accumulating in the first six months of the year, VNM achieved revenue of VND 30,769 billion (-3.6% YoY) and net profit of VND 4,903 billion (-16.9% YoY), completing 46% and 42% of our forecasts in the previous report, respectively.

VNM has shown a good recovery in Q2. We expect the recovery momentum to continue in the last two quarters of the year and keep our 2025 revenue forecast unchanged from our previous report, but lower our net profit forecast due to higher-than-expected SG&A expenses, impacted by restructuring plan and marketing activities for new products. Accordingly, we forecast 2025 net revenue to reach VND 63,134 billion (+2.2% YoY) and net profit to reach VND 9,179 billion (-2.9% YoY).

Risks (1) Risk of dependence on imported raw materials; (2) Falling birth rate and restrictions on advertising for children under 2 years old; (3) Competition risk; (4) Weaker-than-expected consumption.

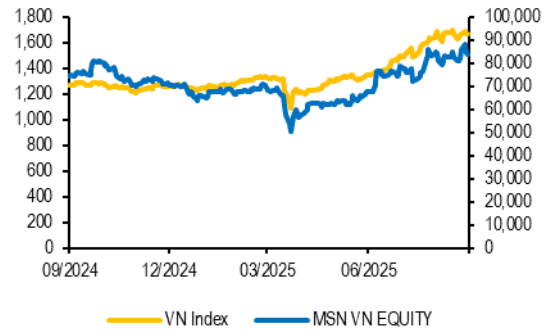
Year	2022	2023	2024	2025F	2026F
Revenue (bil VND)	**59,956**	**60,369**	**61,782**	**63,134**	**64,320**
Operating Income (bil VND)	9,753	9,771	10,405	10,175	10,939
NP (bil VND)	**8,577**	**9,019**	**9,452**	**9,179**	**9,783**
EPS (VND)	3,632	3,796	4,022	3,928	4,186
BPS (VND)	14,282	15,166	15,444	15,881	16,346
OPM (%)	16.3	16.2	16.8	16.1	17.0
NPM (%)	14.3	14.9	15.3	14.5	15.2
ROE (%)	25.0	26.6	26.6	25.1	26.1
P/E (x)	19.2	17.0	15.8	18.3	17.2
P/B (x)	4.9	4.3	4.1	3.9	3.8

Source: Company data, Shinhan Securities Vietnam

Masan Group JSC (HOSE: MSN)

Target price (12 months)	**91,580 VND**
Current price (22/09/25)	81,900 VND
Return (%)	11.8%
VNINDEX	1,634
PE market	13.8
Market cap (billion VND)	118,420
Outstanding shares (mil shares)	1,446
Free-float (mil shares)	741
52-week high/low (VND)	89,000/50,300
90-day avg. trading volume (mil shares)	9.10
90-day avg. turnover (bn VND)	829
Foreign ownership (%)	25.18
Major shareholders (%)	Masan Group 31.03
	Sunflower Construction Limited Co. 13.15

Performance	3T	6T	12T
Absolute (%)	21.3	20.6	9.6
Rel.to VN-Index (%)	0.2	-3.0	-18.9



Maintain the growth momentum

Investment thesis

Masan Group Corporation (Masan, HOSE: MSN) is one of the largest private multi-industry economic groups in Vietnam with a focus on consumer retail, which is expected to benefit from demographics and the expansion of the middle class, besides, it alse holds interest in the mining - resources segment and at Techcombank. Established in 1996, the group has significantly enlarged its scale through strategic M&A deals.

We publish an update report with a HOLD recommendation and raise our target price to VND 91,580. We expect: (1) Positive growth in the core consumer - retail segment will create momentum for profit growth as WinCommerce (WCM) and Masan MEATLife (MML) started to make profits from Q3/2024 and will maintain growth momentum in the next period; (2) Although Masan Consumer (MCH) recorded negative growth results in the first half of the year due to the impact of new regulations on invoices and taxes for business households, we expect revenue to start growing again from Q4; (3) Losses from Masan High-tech (MHT) after restructuring will be reduced, even managed to record positive NPAT in Q2; (4) Motivation from MCH's uplisting to HOSE and foreign capital flow in the market upgrade scenario.

Update on business results and forecast

Q2 revenue reached VND 18,315 billion (-9% YoY), mainly due to two reasons: (1) MHT revenue decreased after divesting from HC.Starck and (2) Contribution from one of the important pillars - Masan Consumer (MCH - decreased sharply by -15.1%. The remaining segments all recorded positive growth in both revenue and profit margin. Excluding the impact of this divestment, LFL (Life-for-like) revenue in Q2 increased by 3.2% YoY.

Accumulated for 6 months, MSN recorded consolidated net revenue of VND 37,212 billion (-4.6% YoY). Despite the decrease in revenue, gross profit and NPAT improved significantly, reaching VND 11,883 billion (+6.4% YoY) and VND 2,602 billion (+82.6% YoY), respectively. NPAT after allocation to minority shareholders (NPAT-Mi) in H1/25 also reached VND 1,426 billion (+134.9% YoY).

We estimate full-year revenue to reach VND 82,019 billion, if excluding the contribution from MHT, revenue increased by 9.1% YoY, NPAT reached VND 5,234 billion (+22.5% YoY) and NPAT-Mi reached VND2,773 billion (+38.7% YoY). We expect sustainable growth momentum to come from the WCM network when it increases the speed of new openings and increases profit margin per store, compensating for MCH's slowdown due to short-term disadvantages.

Risks (1) Risk of weak consumer demand affecting the consumer retail segment, (2) Risk of exchange rate and interest rate, (3) Risk of raw materials, (4) Risk of competition.

Year	2022	2023	2024	2025F	2026F
Revenue (bil VND)	**76,189**	**78,252**	**83,178**	**82,019**	**89,470**
Operating Income (bil VND)	4,669	4,179	6,174	7,169	8,339
NP (bil VND)	**4,754**	**1,870**	**4,273**	**5,234**	**6,824**
EPS (VND)	2,511	294	1,345	1,919	2,212
BPS (VND)	18,366	18,560	21,031	21,770	23,873
OPM (%)	6.1	5.3	7.4	8.7	9.3
NPM (%)	6.2	2.4	5.1	6.4	7.6
ROE (%)	13.0	4.9	10.49	11.5	13.4
P/E (x)	37.0	227.9	51.9	47.7	41.4
P/B (x)	5.1	3.6	3.3	4.2	3.8

Source: Company data, Shinhan Securities Vietnam

Important Disclosure

Stock

- **BUY:** Expected 12-month gain of 15% or more
- **HOLD:** Expected 12-month loss of 15% to gain of 15%
- **SELL:** Expected 12-month loss of 15% or more

Sector

- **OVERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated BUY
- **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD
- **UNDERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated SELL



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