November 6th, 2025

Shinhan Securities



Vietnam Dairy Products JSC

[Vietnam / Food and Beverages] Bloomberg Ticker (VNM VN) | | Reuters Ticker (VNM.HM)

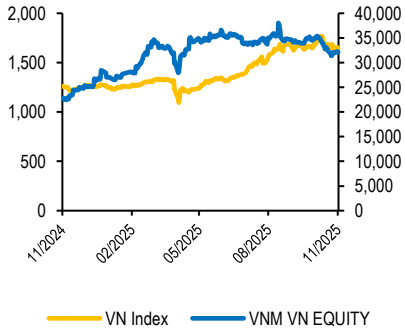
BUY

Update Report

Target price (12 months)	**71,600 VND**
Current price (06/11/2025)	58,000 VND
Upside/downside	23.4%

VNINDEX	1,643
Market P/E	14.0
Market Cap (bn VND)	121,217
Outstanding shares (mn)	2,090
Free-Floating (mn)	737
52-Wk High/Low (VND)	66,200/51,400
90-day avg. trading volume (mn)	5.36
90-day avg. turnover (bn VND)	302
Foreign ownership (%)	48.9
Major Shareholders (%) State Capital Investment Corporation (SCIC)	36.0
F&N Dairy Investments Private Limited	17.69

Performance	3M	6M	12M
Absolute (%)			
Relative to VN-Index (%)			



Source: Bloomberg

On the road to recovery

Maintain BUY rating, target price at 71,600 VND

Vietnam Dairy Products Joint Stock Company (Vinamilk, HOSE: VNM) is the dairy company with the leading market share in Vietnam with the largest distribution system and dairy cow herd. VNM has the leading market share in most segments with a healthy asset structure and a consistent dividend payment policy. Based on the FCFF and P/E methods, we update our valuation and recommend BUY for VNM with a target price of VND 71,600, equivalent to an expected return of 23.4%.

Update business results for Q3 and 9 months/2025

In Q3/2025, VNM recorded a new peak in consolidated net revenue of VND 16,953 billion (+9.1% YoY), with both domestic and overseas markets recording growth. However, Q3 net profit reached VND 2,511 billion, up only 4.5% YoY due to the impact of losses from associates incurred in the quarter related to the provision for investment in Miraka in New Zealand.

The domestic market continued to recover well with revenue growing 4.4% YoY, contributed by e-commerce, new products and effective marketing campaigns. Exports remained the main driver of growth in overseas regions with Q4 revenue increasing 46.8%, key markets in Asia and Africa increased strongly, especially the Cambodian market. The operations of overseas subsidiaries also grew again compared to the same period.

Thus, in the first 9 months, VNM recorded revenue of VND 46,613 billion (+0.7% YoY) and net profit of VND 6,587 billion (-9.8% YoY). VNM has maintained a good recovery momentum for two consecutive quarters after a sharp decline in Q1 due to the impact of restructuring. However, net profit is still decreasing compared to the same period due to poor results in Q1.

Forecast for 2025F and 2026F

Imported milk powder prices have been on a downward trend since May 2025. By locking in raw materials 3-6 months in advance, we believe that the movement of raw material prices can support VNM's gross profit margin in Q4 and Q1 next year; at the same time, we expect Q4 revenue to maintain growth on a year-over-year basis thanks to the momentum from new products and good development of modern channels (MT). We forecast 2025 revenue to reach VND 63,134 billion (+2.2%) and net profit to reach VND 9,379 billion (-0.8% YoY), with the whole year's gross profit margin at 41.6%. In 2026, we expect the company to maintain growth with revenue of VND 64,320 billion (+1.9% YoY) and net profit to reach VND 9,861 billion (+5% 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 (bn VND)	**59,956**	**60,369**	**61,782**	**63,134**	**64,320**
Operating profit (bn VND)	9,753	9,771	10,405	10,411	11,018
Net profit (bn VND)	**8,577**	**9,019**	**9,452**	**9,379**	**9,861**
EPS (VND)	3,632	3,796	4,022	4,013	4,219
BPS (VND)	14,282	15,166	15,444	15,891	16,359
OPM (%)	16.3	16.2	16.8	16.5	17.1
NPM (%)	14.3	14.9	15.3	14.9	15.3
ROE (%)	25.0	26.6	26.6	25.6	26.3
PER (x)	19.2	17.0	15.8	17.8	17.0
PBR (x)	4.9	4.3	4.1	3.6	3.5

Source: Company data, Shinhan Securities Vietnam

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Update on Q3/2025 and forecast

(Bil VND)	Q3/2025	Q3/2024	Change (YoY)	9M/2025	9M/2024	Change (YoY)	2025F	Change (YoY)
Net revenue	**16,953**	**15,537**	**9.1%**	**46,613**	**46,305**	**0.7%**	**63,134**	**2.2%**
Domestic	13,494	12,928	4.4%	37,119	37,957	-2.2%	51,053	0.5%
Foreign	3,459	2,609	32.6%	9,494	8,348	13.7%	12,081	10.0%
Export	2,019	1,375	46.8%	5,526	4,412	25.2%		
Subsidiaries	1,440	1,234	16.7%	3,967	3,936	0.8%		
Gross profit	**7,087**	**6,401**	**10.7%**	**19,320**	**19,380**	**-0.3%**	**26,279**	**2.7%**
Domestic	5,662	5,299	6.9%	15,285	15,804	-3.3%	21,187	1.0%
Foreign	1,426	1,102	29.3%	4,035	3,576	12.8%	5,092	10.3%
Net profit	**2,511**	**2,403**	**4.5%**	**6,587**	**7,306**	**-9.8%**	**9,379**	**-0.8%**
Gross profit margin	**41.8%**	**41.2%**		**41.4%**	**41.9%**		**41.6%**	
Domestic	42.0%	41.0%		41.2%	41.6%		41.5%	
Foreign	41.2%	42.3%		42.5%	42.8%		42.2%	
SG&A margin	23.8%	24.2%		25.3%	24.4%		25.1%	
Net profit margin	14.8%	15.5%		14.1%	15.8%		14.9%	

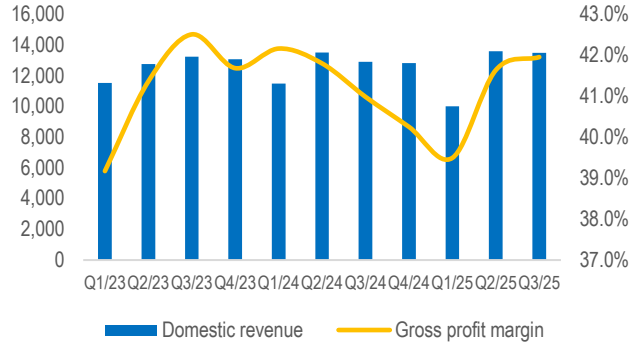
In Q3/2025, VNM recorded a new peak in consolidated net revenue of VND 16,953 billion (+9.1% YoY) and net profit of VND 2,511 billion, increased only 4.5% YoY due to the impact of a loss from an associated company of VND 194 billion arising in the quarter related to the provision for the investment in Miraka in New Zealand (this is a one-off expense).

The domestic market continued to recover well and was the second consecutive quarter of growth compared to the same period, contributed by e-commerce, new products and effective marketing campaigns. Accordingly, the company completed a change in identity for the entire portfolio. In the quarter, new products were also launched, including Kombucha HayDay, black sesame milk and oat milk, focusing on the potential nut milk segment.

Exports remained the main driver of growth in overseas markets with Q4 revenue increasing by 46.8%, with key markets in Asia and Africa growing strongly, especially the 18 million-population Cambodian market – supported by the project to boost trade between the two countries. The operations of overseas subsidiaries also grew again compared to the same period after the first two quarters of the year, thanks to Angkor Milk taking advantage of good opportunities in the Cambodian market while Driftwood maintained stable revenue.

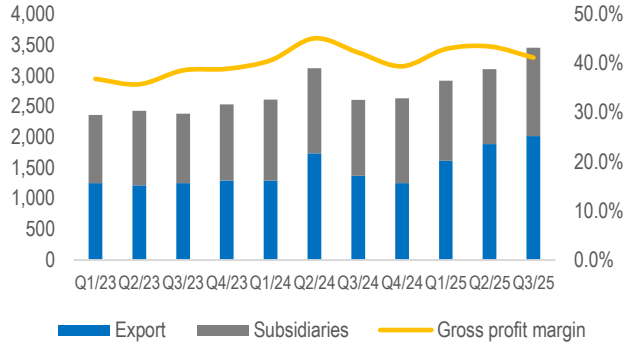
Thus, in the first 9 months, VNM recorded revenue of VND 46,613 billion (+0.7% YoY) and net profit of VND 6,587 billion (-9.8% YoY). VNM has maintained a good recovery momentum for two consecutive quarters after a sharp decline in Q1 under the influence of restructuring.

Domestic revenue main tained growth in Q3



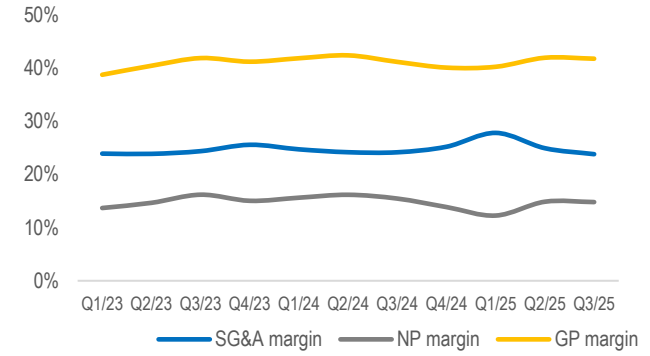
Source: Company data, Shinhan Securities Vietnam

Revenue from foreign market is on the rise



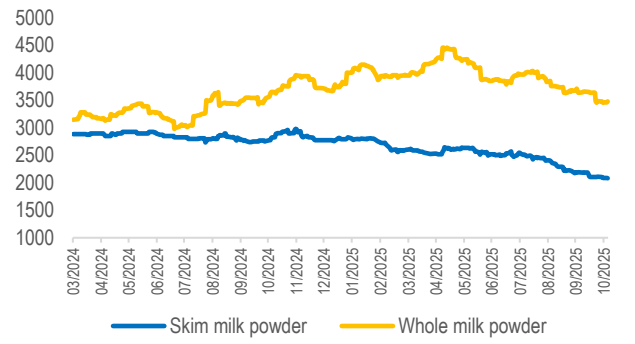
Source: Company data, Shinhan Securities Vietnam

Profit margin improved due to better expense control



Source: Company data, Shinhan Securities Vietnam

Imported milk powder prices (USD/ton)



Source: Bloomberg, Shinhan Securities Vietnam

Efforts to control SG&A costs continued to be maintained in Q3 at 23.8% thanks to reduced selling expenses. Accumulated for 9 months, gross profit margin and profit after tax are at 41.4% and 14.1%, respectively.

A supporting factor is that imported milk powder prices have been on a downward trend since May 2025. With raw material prices fixed 3-6 months in advance, the movement of raw material prices can support VNM's gross profit margin in Q4 and Q1 next year; at the same time, we expect Q4 revenue to maintain growth compared to the same period thanks to the momentum from diversifying product portfolio, developing new products and promoting modern channels (MT). MT channel currently contributes about 20% of VNM's revenue and the company is aiming to expand the proportion of this channel, a shift in line with market trends.

We forecast full-year 2025 revenue to reach VND 63,134 billion (+2.2%) and net profit to reach VND 9,379 billion (-0.8% YoY), with full-year gross profit margin at 41.6%. In 2026, we expect the company to maintain growth with revenue of VND 64,320 billion (+1.9% YoY) and net profit to reach VND 9,861 billion (+5% YoY).

Valuation and Recommendation

We use a combination of DCF and P/E valuation methods to evaluate VNM with a proportion of 50% for each method. For the FCFF method, we use the assumptions and projections as below:

Weighted Average Cost of Capital (WACC)	
WACC (%)	**10.2**
Risk-free rate (%)	4.0
Equity risk premium (%)	8.66
Beta	0.77
Debt cost (%)	2.5
The cost of equity(%)	10.7
Debt-to-equity ratio	0.07
Total debt (Billion VND)	8,273

Source: Company data, Shinhan Securities Vietnam

FCF valuation						
Unit: billion VND	**2025F**	**2026F**	**2027F**	**2028F**	**2029F**	**2030F**
Net profit	9,379	9,861	10,068	10,272	10,560	10,851
Plus: After-tax interest expense	301	301	306	311	316	323
Plus: Depreciation & Amortization	2,082	2,340	2,564	2,899	3,092	3,267
Minus: Change in working capital	-300	-27	105	24	-1	83
Minus: CapEx	-2,170	-2,052	-2,296	-2,272	-2,227	-1,841
Free Cash Flow (FCFF)	**9,293**	**10,424**	**10,747**	**11,234**	**11,741**	**12,682**
Discount rate	-	0.91	0.82	0.75	0.68	0.62
PV of FCFF	9,461	9,461	8,855	8,401	7,970	7,814
Long-term growth rate	1.5%					
Present value of long-term value	91,477					
Enterprise value	133,978					
(Plus) Cash and equivalents	26,288					
(Subtract) Debt	-8,273					
(Subtract) Minority interest	-3,854					
Equity value	148,139					
Number of shares outstanding (billion units)	2.09					
Target price (VND)	70,800					

Source: Company data, Shinhan Securities Vietnam

For the P/E method, the P/E value we use for valuation is the mean P/E value of peer businesses in the industry and the average historical P/E of the enterprise in the recent 5 years (with 50% weight for each value). With a target P/E of 17.2x, the 12-month stock target price according to this method is 72,500 VND.

Method	Current P/E	Average 5-year P/E	Mean P/E of peers	Target P/E	EPS 2026F (VND)	Target price (VND)
P/E	15.6x	16.0x	18.4x	17.2x	4,219	**72,500**

Source: Bloomberg, Company data, Shinhan Securities Vietnam

Ticker	Country	Market cap (bil VND)	Revenue growth (%)	EPS growth (%)	P/E	ROE (%)
CISARUA MOUNTAIN DAIRY PT TB	Indonesia	74,988	16.12	-66.82	24.23	-11.01
ULTRAJAYA MILK IND & TRADING	Indonesia	21,369	6.88	-1.93	14.00	16.29
NEW HOPE DAIRY CO LTD-A	Trung Quốc	54,684	-2.90	29.80	21.79	24.72
FRASER & NEAVE HOLDINGS BHD	Malaysia	63,626	4.90	-3.80	21.25	13.23
VIETNAM DAIRY PRODUCTS JSC	Vietnam	128,532	2.30	5.90	15.63	23.87
INTERNATIONAL DAIRY PRODUCTS	Vietnam	12,360	15.08	-8.28	13.54	27.04
Mean					**18.4x**	
Median					18.4x	
High					24.2x	
Low					13.5x	

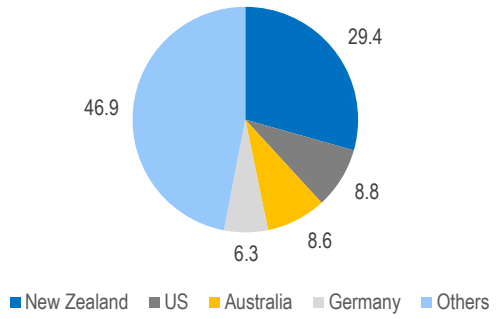
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Risks

Risk of dependence on imported raw materials

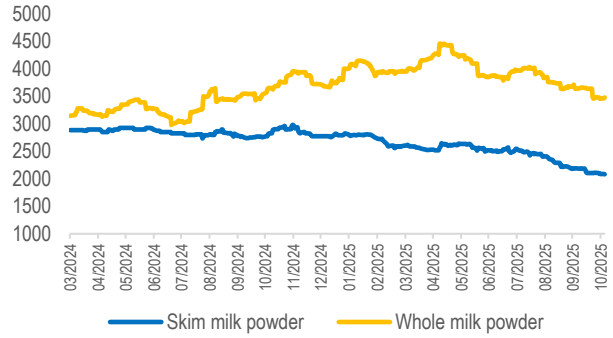
Due to many limitations in herd size and climate, domestic milk supply is not enough to meet domestic demand. Dairy producers in Vietnam still have to import additional raw materials such as milk powder and cream from abroad, causing profit margins to be affected by fluctuations in the prices of these raw materials on the world market. In addition, Vietnam also imports many types of 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 proportion of 34% in H1/2025.

Import markets in 9M/2025



Source: GSO, Shinhan Securities Vietnam

Imported materials prices (USD/ton)



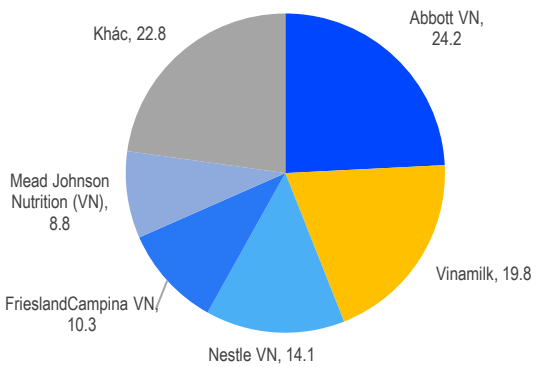
Source: Bloomberg, Shinhan Securities Vietnam

Falling birth rate and restrictions on advertising to children under 2 years old

Consumption of infant milk accounts for 24% of total consumption of milk and dairy products. However, the level of competition in the infant milk segment among enterprises is the fiercest when (1) the birth rate in Vietnam decreased from 2.12 children/woman (2020) to 1.91 children/woman (2024), causing the demand for infant milk consumption to slow down and (2) the trend of spending on high-end products for children is increasing while foreign milk enterprises have a greater brand advantage. It can be seen that foreign milk enterprises are occupying a higher market share than domestic milk enterprises such as Vinamilk.

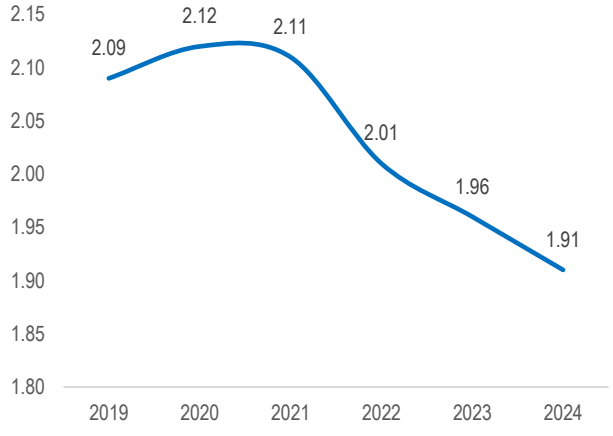
In addition, the 2018 Advertising Law prohibits the advertising of breast milk substitutes for children under 24 months of age and nutritional supplements for children under 6 months of age. This contributes to limiting the access of domestic dairy enterprises in the infant milk segment.

Fragmented infant formula market share (2024)



Source: Euromonitor, Shinhan Securities Vietnam

Birth rate (children/woman) decreased over the years



Source: GSO, Shinhan Securities Vietnam

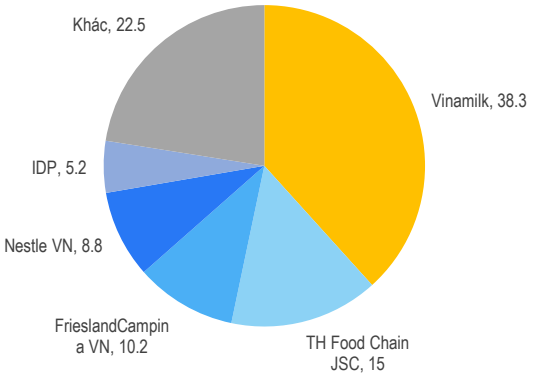
Company background

1. History of development

Vietnam Dairy Products Joint Stock Company (Vinamilk, HOSE: VNM) was established in 1976 based on the takeover of 3 milk factories of the previous period. By 1998, VNM successfully exported 300 tons of powdered milk and 2,000 tons of whole milk to Iraq, paving the way for exports to the Middle East market and many countries around the world. After 3 years of equitization, VNM was officially listed on the stock exchange in 2006 and gradually became the largest food and beverage enterprise on HOSE. After 48 years of operation, Vinamilk has maintained its position as the leading milk brand in Vietnam and ranked 36th globally (2024).

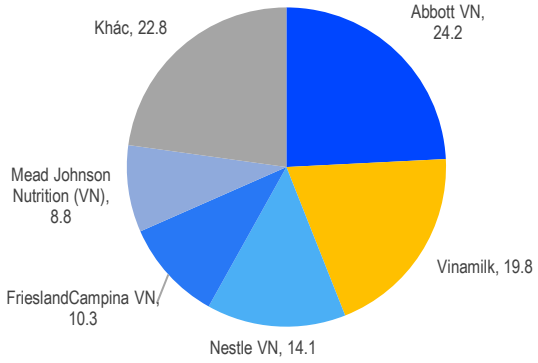
The success of the brand is reinforced by the company's constant innovation. The company continuously launches and improves products from popular to high-end. Of which, 4 product lines (liquid milk, baby milk, yogurt, condensed milk) account for more than 90% of Vietnamese people's dairy product consumption (Euromonitor, 2024). By product line, Vinamilk has the largest market share in liquid milk, yogurt and condensed milk, and is second in powdered milk for babies (after Abbott).

Drinking milk's market share in 2024 (%)



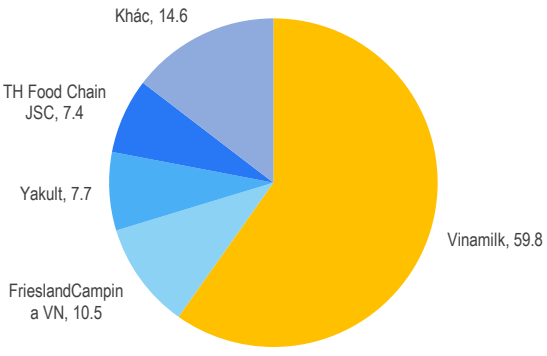
Source: Euromonitor, Shinhan Securities Vietnam

Baby food's market share in 2024 (%)



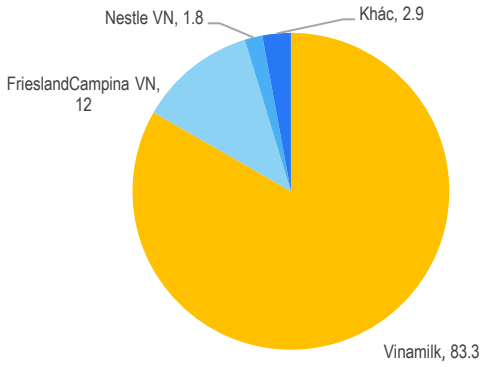
Source: Euromonitor, Shinhan Securities Vietnam

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



Source: Euromonitor, Shinhan Securities Vietnam

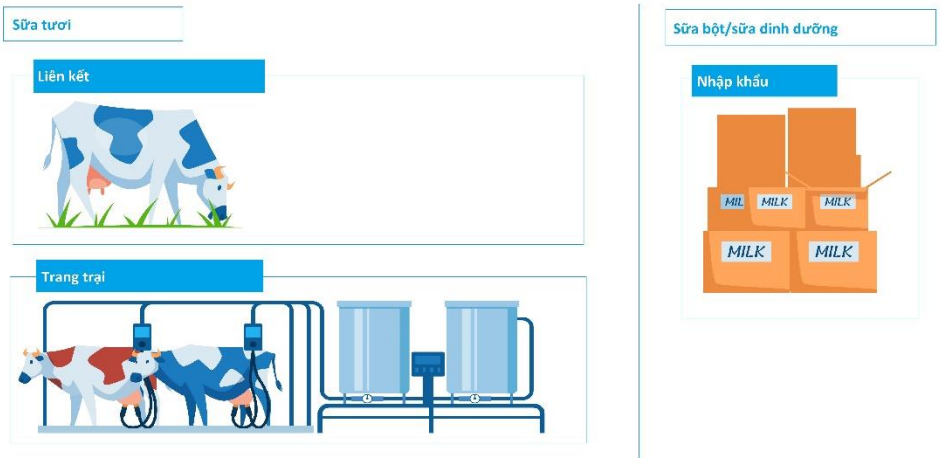
Condensed milk's market share in 2024 (%)



Source: Euromonitor, Shinhan Securities Vietnam

2. Farms and raw materials

VNM's raw materials primarily consist of imported fresh milk and powdered milk



Source: VNM – Company presentation (2024), Shinhan Securities Vietnam

To produce fresh milk products, the company collects fresh milk from 15 farms of 6,000 associated farmer households. VNM is currently exploiting the largest dairy herd in the country with about 130,000 cows, self-sufficient in 50% of raw fresh milk input.

Vinamilk operates the largest dairy cow herd in the country (31/12/2024)

Farms	Herd (cows)	% cows	Milk production (ton/year)	% milk	Productivity (kg/cows/year)
VNM and MCM management	40,000	31%	181,000	44%	4,525
Associating with farmers	90,000	69%	227,000	56%	2,522
Total	**130,000**	**100%**	**408,000**	**100%**	

Source: Annual Report (2024), Shinhan Securities Vietnam

Overall, the milk cow productivity of Vinamilk's high-yield farms is nearly double that of affiliated farmers and the national average. High productivity at Vinamilk's farms is mainly due to (1) increased imports of dairy cows from countries with high milk yields such as New Zealand and (2) dairy cows being cared for under a special regimen using advanced technology and animal welfare factors.

On the other hand, domestic milk production currently only meets 40-50% of domestic milk demand (Research and Markets, 2021). Therefore, to meet domestic milk demand and **produce milk powder and nutritional milk products**, VNM imports additional raw materials including whole milk powder (WMP), skim milk powder (SMP) and fat powder from countries such as the US, Europe and New Zealand. This makes VNM's gross profit margin affected by the price of imported raw materials.

Key Vinamilk projects planned for deployment in the next 5 years

Projects	Scale	Investment capital	Operation year
The Complex of Moc Chau Milk Paradise	4,000 heads	VND 3,150 billion	Q4/2025
Lao-Jagro dairy farm complex	Phase 1 including 24,000 heads	N/A	8,000 heads were harvested in 2022
The Complex of Breeding and Beef Processing Vinabeef Tam Dao – Phase 1	10,000 tons of products per year	~VND3,000 billion	Commencing operations in 2024

Source: Annual Report (2024), Shinhan Securities Vietnam

The Vinabeef Tam Dao beef cattle breeding and processing project is a joint venture between (1) Vinamilk's high-quality beef cattle source, (2) Vilico's potential land fund, and (3) Sojitz Corporation of Japan's beef processing expertise in Tam Dao. The project consists of two main components: cattle breeding and a chilled beef processing plant with a capacity of 30,000 beef cattle per year (~10,000 products per year) with a total cooperation scale of USD 500 million. We believe that this cooperation opens up a new direction for Vinamilk, contributing to supporting the company's revenue in the next 5 years. If operating at full capacity, we estimate revenue of around VND 2,000-3,000 billion (accounting for about 3-5% of current revenue). However, due to insufficient information, we are cautious not to reflect the project's projected revenue in the company's revenue. We will provide updates when more information is available.

3. Distribution system

Vinamilk's distribution system is superior its competitors

In addition to raw material areas, the distribution system also plays an important role in the market share battle. According to Euromonitor, more than 98% of milk and dairy products are distributed through traditional retail channels such as grocery stores, supermarkets, etc., and only about 2% of products are sold through e-commerce. Therefore, owning a distribution system that is superior to competitors contributes to increasing the coverage of Vinamilk's products, thereby consolidating market share.

Currently, VNM owns more than 200 exclusive distributors, more than 690 Vinamilk & Moc Chau stores and more than 190,000 traditional retail points such as grocery stores, markets and small agents, combined with more than 6,000 modern channel points of sale, bringing a convenient shopping experience to users.

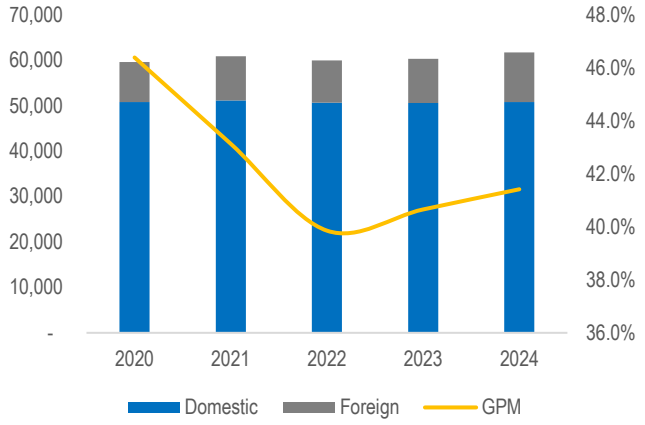
4. Revenue and operating costs

Vinamilk's revenue has grown by about 7.2% over the past 5 years, with about 84% coming from domestic sales and about 16% from foreign sales (exports and revenue from overseas branches). Of which, export revenue is mainly infant formula orders in the Middle East market, condensed milk in the Chinese market and condensed milk, yogurt, fresh milk products in the Asian market. In addition, the revenue of overseas branches including Driftwood - USA, Angkormilk - Cambodia and Del Monte - Vinamilk Joint Venture - Philippines also accounts for nearly 50% of total foreign revenue. In general, domestic revenue is stable while foreign revenue mainly comes from the company's large and long-standing markets and partners.

Raw material costs are the highest proportion of Vinamilk's operating cost structure (55%), followed by selling expenses (26%). Vinamilk often locks in raw materials for 3-6 months in advance, however, the peak raw material prices in 2022 also caused the company's gross profit margin (GPM) to decrease slightly.

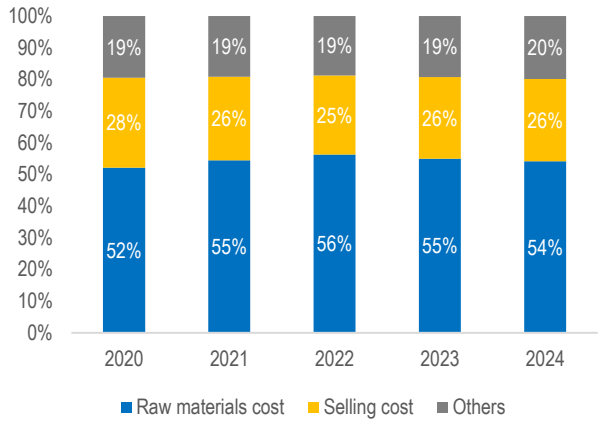
Selling expenses always account for a high proportion of operating costs. Thi shows the level of competition in the dairy industry in Vietnam when businesses have to increase selling expenses to increase brand awareness and maintain market share.

Revenue (billion VND) and GPM (%) of Vinamilk



Source: Company data, Shinhan Securities Vietnam

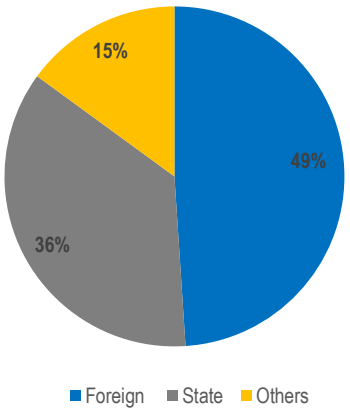
Operating costs of Vinamilk



Source: Company data, Shinhan Securities Vietnam

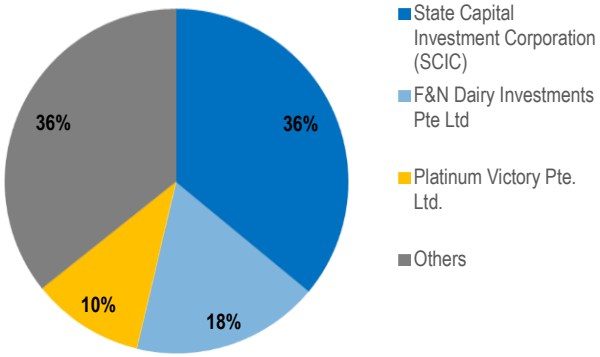
5. Ownership structure

Ownership structure at 06/11/2025



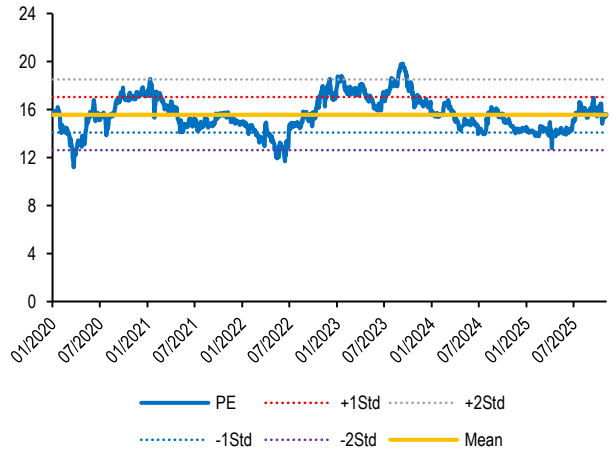
Source: Company data, Shinhan Securities Vietnam

Ownership ratio by company at 06/11/2025



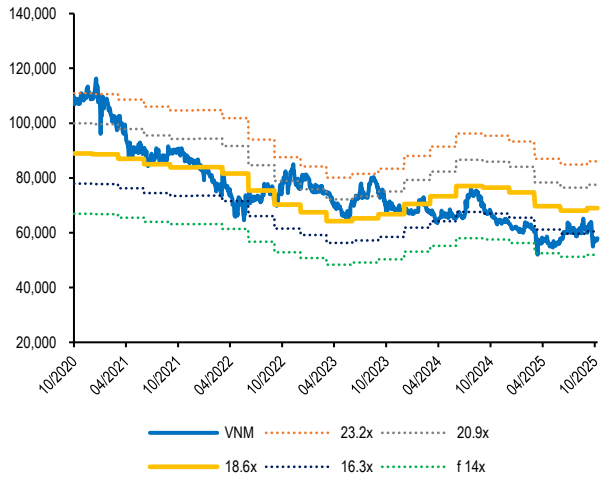
Source: Company data, Shinhan Securities Vietnam

P/E



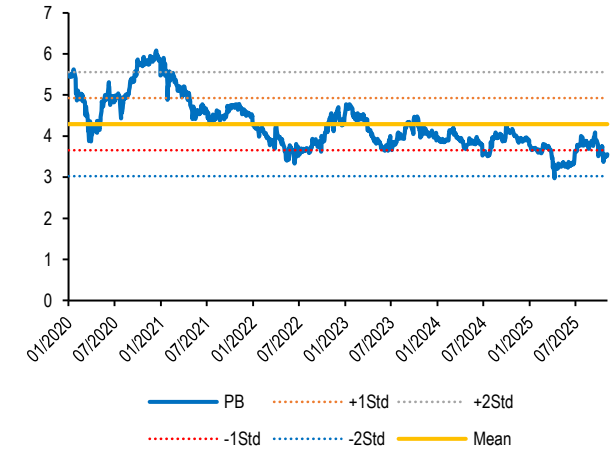
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PE Band



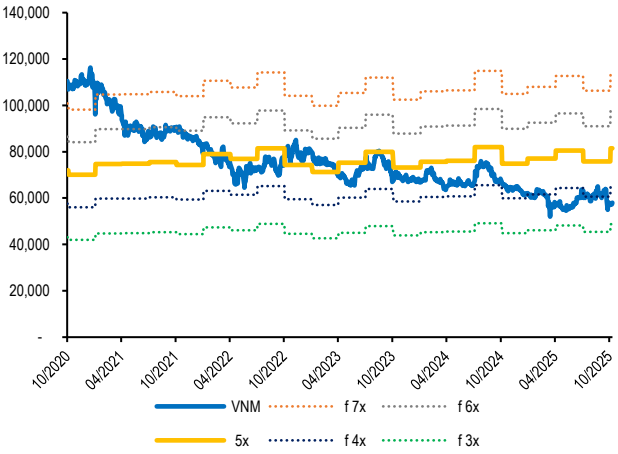
Source: Bloomberg, Company data, Shinhan Securities Vietnam

P/B



Source: Bloomberg, Company data, Shinhan Securities Vietnam

PB Band



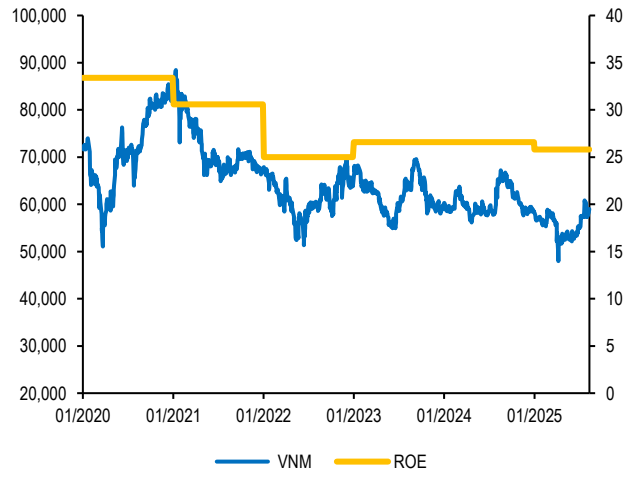
Source: Bloomberg, Company data, Shinhan Securities Vietnam

EV/EBITDA



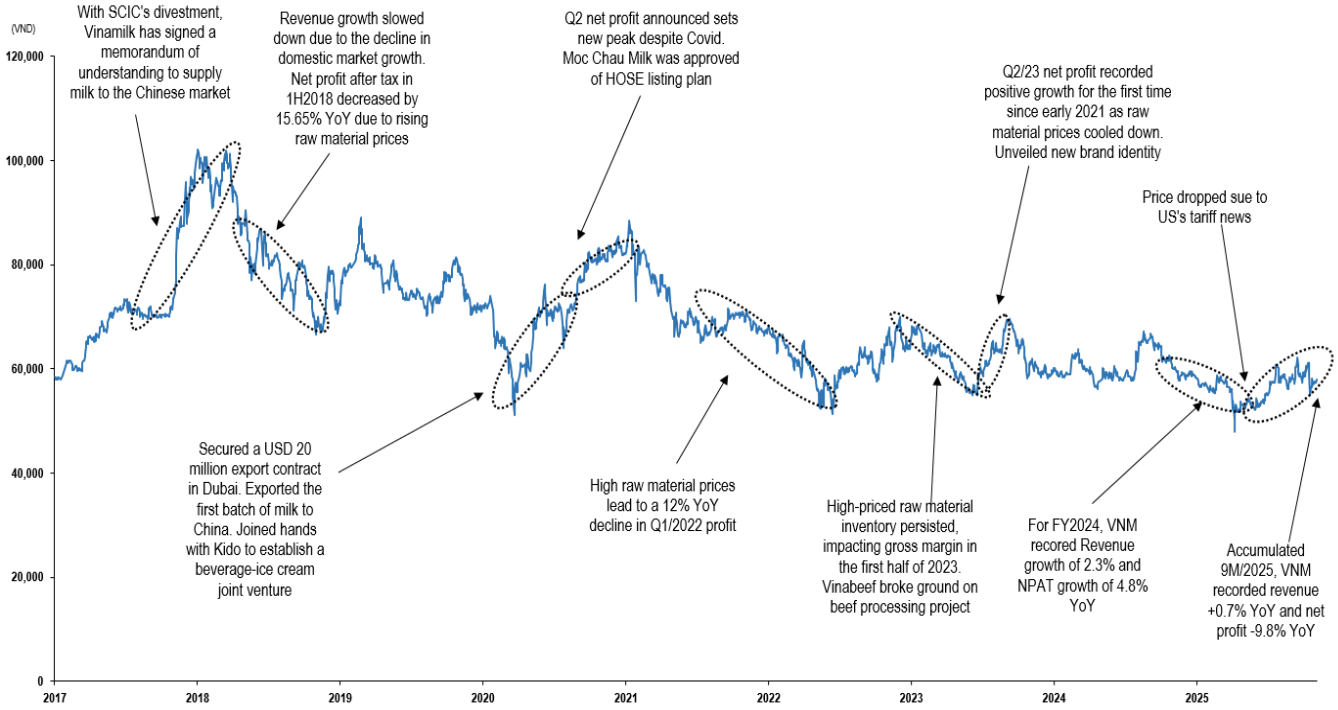
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Price and ROE



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Key events chart of VNM



Source: Company data, Shinhan Securities Vietnam

Appendix: Financial Statements

Statement of financial position

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Total assets	**48,483**	**52,673**	**55,049**	**55,752**	**57,055**
Current assets	31,560	35,936	37,554	38,395	40,216
Cash & equivalents	2,300	2,912	2,226	2,315	3,372
Short-term financial asset	17,414	20,137	23,260	23,769	24,289
Accounts receivable	6,100	6,530	6,234	6,370	6,490
Inventories	5,538	6,128	5,687	5,791	5,912
Other short-term assets	208	229	147	150	153
Non-current assets	16,923	16,737	17,495	17,356	16,839
Net fixed assets	11,903	12,690	12,551	12,772	12,610
Investment assets	743	831	1,373	1,373	1,373
Other long-term assets	4,277	3,216	3,572	3,211	2,856
Total liabilities	**15,666**	**17,647**	**18,875**	**18,668**	**19,022**
Current liabilities	15,308	17,139	18,460	18,279	18,659
Accounts payable	4,284	3,806	3,874	3,945	4,027
Short-term borrowings	4,867	8,218	9,115	8,996	9,165
Others	6,157	5,115	5,470	5,337	5,467
Non-current liabilities	358	508	415	389	363
Long-term borrowings	66	238	158	127	95
Other financial liabilities	292	270	257	263	268
Total shareholders' equity	**32,817**	**35,026**	**36,174**	**37,084**	**38,033**
Capital stock	20,900	20,900	20,900	20,900	20,900
Investment and development fund	5,267	6,164	7,079	7,988	8,895
Other capital	330	707	829	829	829
Retained earnings	3,353	3,926	3,471	3,494	3,567
Non-controlling interest equity	2,967	3,329	3,896	3,873	3,843
*Total debt	4,933	8,456	9,273	9,123	9,260
*Net debt (cash)	(14,781)	(14,593)	(16,213)	(16,961)	(18,401)

Statement of comprehensive income

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Revenue	**59,956**	**60,369**	**61,782**	**63,134**	**64,320**
Growth (%)	-1.6	0.7	2.3	2.2	1.9
COGS	**36,059**	**35,824**	**36,192**	**36,855**	**37,625**
Gross profit	**23,897**	**24,545**	**25,590**	**26,279**	**26,696**
GPM (%)	39.9	40.7	41.4	41.6	41.5
SG&A	14,144	14,774	15,185	15,868	15,678
Operating profit	**9,753**	**9,771**	**10,405**	**10,411**	**11,018**
Growth (%)	-17.1	0.2	6.5	0.1	5.8
OPM (%)	16.3	16.2	16.8	16.5	17.1
Non-operating profit	742	1,196	1,194	921	915
Financial income	1,380	1,716	1,586	1,667	1,689
Financial expense	(618)	(503)	(428)	(783)	(783)
In which: interest expenses	(166)	(354)	(279)	(368)	(368)
Net other non-operating profit	(20)	(17)	37	37	9
Pre-tax profit	10,495	10,967	11,599	11,332	11,933
Income tax	1,918	1,948	2,147	1,953	2,072
Net profit	**8,577**	**9,019**	**9,452**	**9,379**	**9,861**
Growth (%)	-19.3	5.2	4.8	-0.8	5.1
NPM (%)	14.3	14.9	15.3	14.9	15.3
Controlling interest	8,515	8,873	9,392	9,319	9,798
Non-controlling interest	62	146	61	60	63
EBIT	10,661	11,321	11,878	11,700	12,301
Growth (%)	-18.1	6.2	4.9	-1.5	5.1
EBIT Margin (%)	17.8	18.8	19.2	18.5	19.1
EBITDA	12,756	13,375	13,973	13,782	14,642
Growth (%)	-15.7	4.9	4.5	-1.4	6.2
EBITDA Margin	21.3	22.2	22.6	21.8	22.8

Statement of cash flow

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Cash flow from operations	**8,827**	**7,887**	**8,846**	**9,721**	**10,715**
Net profit	8,577	9,019	9,452	9,379	9,861
D&A expense	2,095	2,054	2,095	2,082	2,340
(Gain) from investing activities	(1,098)	(1,397)	(1,654)	(1,667)	(1,689)
Change in working capital	104	(1,702)	904	(74)	202
Others	(851)	(87)	-	-	-
Cash flow from investments	**3,473**	**(2,989)**	**(1,233)**	**(1,012)**	**(883)**
Change in fixed assets	(1,457)	(1,580)	(671)	(2,170)	(2,052)
Change in investment assets	3,592	(2,882)	(2,310)	(509)	(520)
Others	1,338	1,473	1,741	1,667	1,689
Cash flow from financing	**(12,360)**	**(4,293)**	**(7,320)**	**(8,620)**	**(8,775)**
Change in equity	338	347	-	(932)	(980)
Net borrowing	(4,531)	3,512	727	(150)	137
Dividends	(8,167)	(8,152)	(8,046)	(7,538)	(7,932)
Change in total cash	**(60)**	**606**	**293**	**89**	**1,057**
Beginning cash	2,348	2,300	2,912	2,226	2,315
Change in FX rates	12	6	-	-	-
Ending cash	2,300	2,912	2,226	2,315	3,372

Source: Company data, Shinhan Securities Vietnam

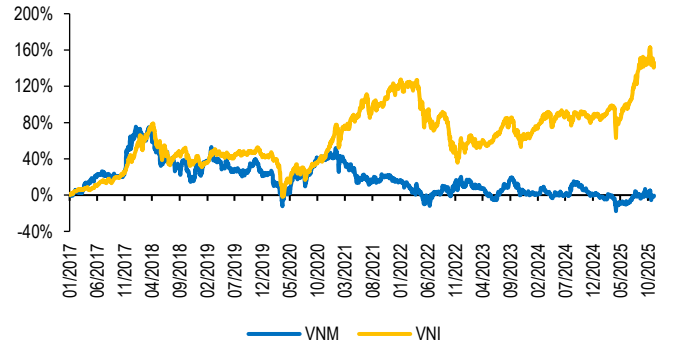
Key ratios

Year to Dec.	2022	2023	2024	2025F	2026F
EPS (VND)	3,632	3,796	4,022	4,013	4,219
BPS (VND)	14,282	15,166	15,444	15,891	16,359
PER (x)	19.2	17.0	15.8	17.8	17.0
PBR (x)	4.9	4.3	4.1	3.6	3.5
Dividend payout ratio (%)	128.9	69.5	85.7	80.0	80.0
Dividend yield (%)	5.8	6.2	7.2	6.2	6.5
Profitability					
EBITDA margin (%)	21.3	22.2	22.6	21.8	22.8
OPM (%)	16.3	16.2	16.8	16.5	17.1
NPM (%)	14.3	14.9	15.3	14.9	15.3
ROA (%)	16.8	17.8	17.5	16.9	17.5
ROE (%)	25.0	26.6	26.6	25.6	26.3
Stability					
Debt to equity ratio (%)	15.0	24.1	25.6	24.6	24.3
Net debt/ EBITDA (%)	(115.9)	(109.1)	(116.0)	(123.1)	(125.7)
Cash ratio (%)	128.8	134.5	138.1	142.7	148.2
Interest coverage ratio (x)	64.2	32.0	42.6	31.8	33.5
Activity (%)					
Payables turnover (days)	43.4	38.8	39.1	39.1	39.1
Inventory turnover (days)	56.1	62.4	57.4	57.4	57.4
Receivables turnover (days)	37.1	39.5	36.8	36.8	36.8

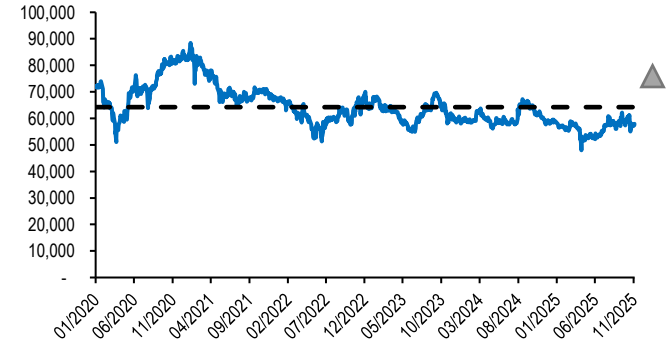
Source: Company data, Shinhan Securities Vietnam

Viet Nam Dairy Products JSC (VNM VN)

Stock price



Target price



Date	Rating	TP (VND)	TP gap (%) TB	TB
25/04/2024 (Initiation)	BUY	84,400	18.6	26.4/6.8
21/11/2024 (Update)	BUY	76,000	15	3.5/23.8
11/02/2025 (Update)	BUY	75,000	14.8	2.9/24.6
03/06/2025 (Update)	BUY	72,700	18.0	3.3/44.8
13/08/2025 (Update)	BUY	71,900	20.4	4.0/45.7
06/11/2025 (Update)	BUY	71,600	20.7	13.2/33.0

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Stocks	Sector
◆ **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	◆ **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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