

# Food and Beverages

## Focus on cost management



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## Food and Beverages: Focus on cost management

### 1. Update on Q1/2026: Positive business growth amid rising prices

Except for the sugar sector, which recorded a decline in business results due to unfavorable sugar prices, other industries experienced strong growth in both revenue and profit. Global political instability led to sharp increases in the prices of many raw materials and commodities.

### 2. Outlook for 2026

- **Sugar sector:** Sugar prices rose in the short term due to macroeconomic instability; though the forecast of oversupply in the market this year will curb long-term growth.
- **Beer sector:** Beer production recovered in Q1, and FIFA World Cup is expected to support consumption this year; however, high aluminum prices are a factor to keep an eye on.
- **Dairy sector:** Production volume increased in Q1, and import values also increased sharply amidst rising milk powder prices.
- **Meat sector:** Hog prices showed corrections recently after a sharp increase in Q4/2025 and are expected to stabilize as the ASF disease is under control, and demand is forecast to continue growing, especially for high-quality, branded products.

### 3. Investment opportunities

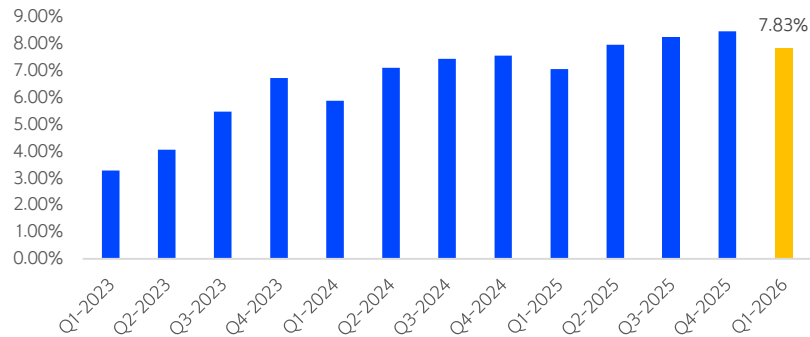
SAB, VNM & MSN

## Macroeconomic situation and income: Inflation rose amid fuel price pressures

Q1 recorded GDP growth of 7.83% YoY. The Consumer Price Index (CPI) in April 2026 increased by 5.46% YoY, reflecting the impact of global political instability as rising crude oil prices led to price increases for most goods and services. The average CPI for 4M/2026 is 3.99%, consistent with the Government's target of keeping it below 4.5%.

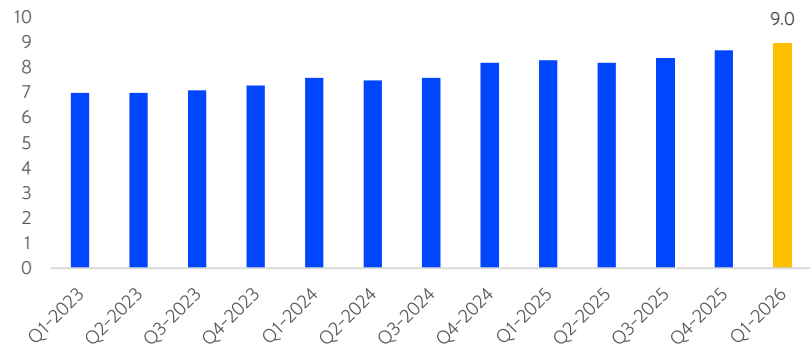
The average labor income per capita nationwide increased slightly in Q1 compared to the previous quarter, reaching VND 9.0 million/person, with the unemployment rate estimated at 2.21%. Overall, this represents an increase of VND 329,000 (+3.8% QoQ) and an increase of VND 706,000 (+8.8% YoY).

### Quarterly GDP growth (YoY)



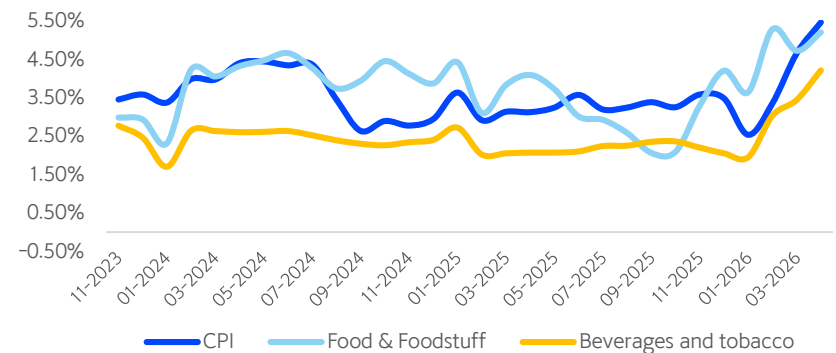
Source: GSO, Shinhan Securities Vietnam

### Average labor income per capita nationwide (million VND)



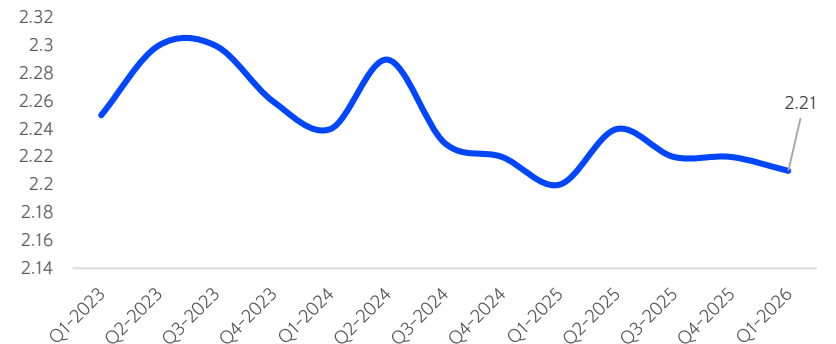
Source: GSO, Shinhan Securities Vietnam

### Monthly CPI growth (YoY)



Source: GSO, Shinhan Securities Vietnam

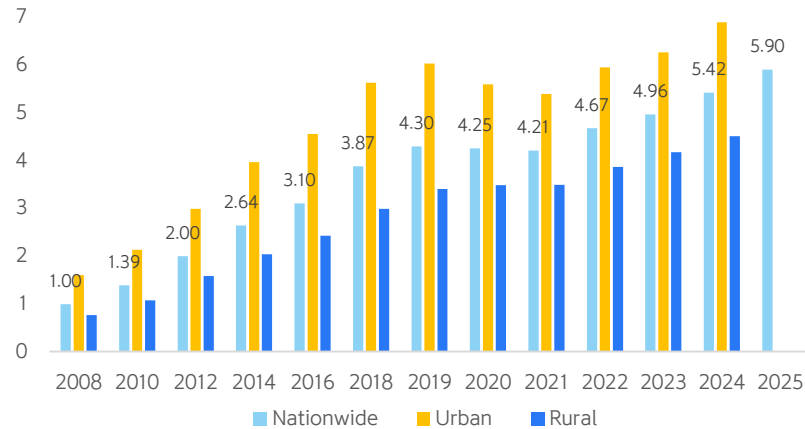
### Unemployment rate among working age (%)



Source: GSO, Shinhan Securities Vietnam

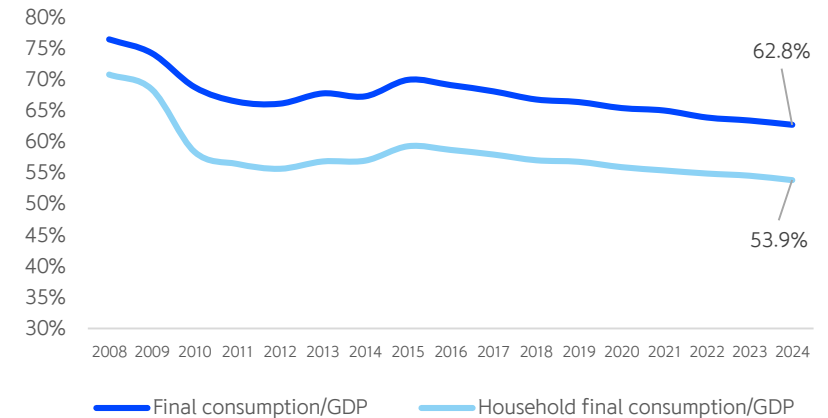
## Household living standards and incomes continued to improve in 2025

### Average disposable income per capita (million VND/month)



Source: Survey on household living standards (GSO), Shinhan Securities Vietnam

### Final consumption to GDP



Source: GSO, Shinhan Securities Vietnam

According to preliminary results of the survey on household living standards in 2025, the average income per capita at current prices in 2025 was approximately VND 5.9 million/month, showing an increase of 9.3% compared to 2024. Thus, the average income of the population continued to increase at a higher rate than the 9.1% increase in 2024 (compared to 2023); partly thanks to the income of civil servants and public employees retiring under Policy 178.

Overall, the highlight of Q1 was the increase in price levels amidst volatile macroeconomic conditions, leading to higher production costs for businesses and posing challenges in cost control. However, if global conflicts de-escalate and oil prices stabilize, these cost challenges could be under control for the remaining quarters.

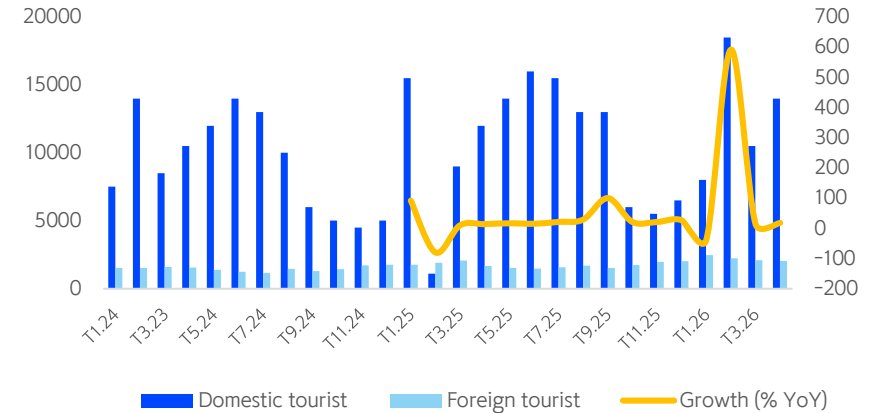
## Tourism retains a contributing factor to the industry's growth

### Revenue from tourism services (trillion VND)



Source: National Tourism Administration, Shinhan Securities Vietnam

### Monthly number of tourists (people)

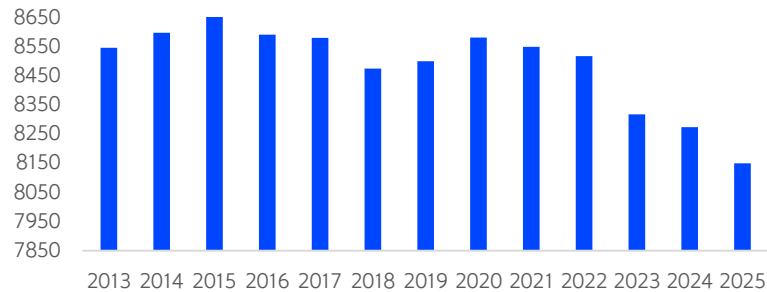


Source: National Tourism Administration, Shinhan Securities Vietnam

Vietnam recorded a record growth period for its tourism industry, with a cumulative total of 51,000 domestic and international tourists in the first 4M/2026, representing a 36% YoY increase. This demonstrates the effectiveness of tourism promotion and stimulus policies. Revenue from travel and tourism in the first four months is estimated at VND 31,900 billion (+12.1% YoY), driven by the high number of visitors during long holidays. This is a crucial factor that will significantly contribute to the industry's growth potential in the medium and long term.

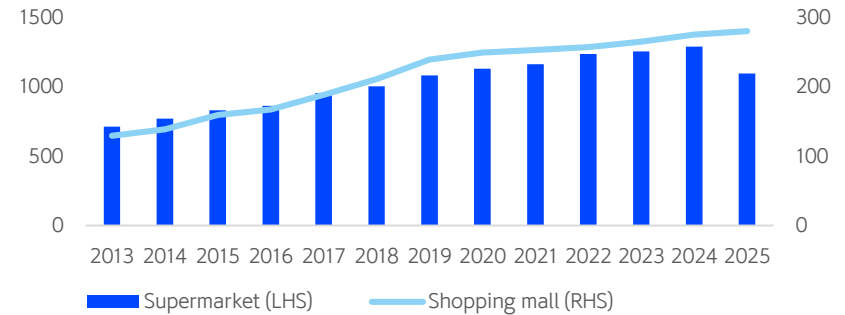
## The shift from traditional channels (GT) to modern channels (MT) is becoming increasingly forceful

### GT channel (traditional market) is gradually narrowing



Source: GSO, Shinhan Securities Vietnam

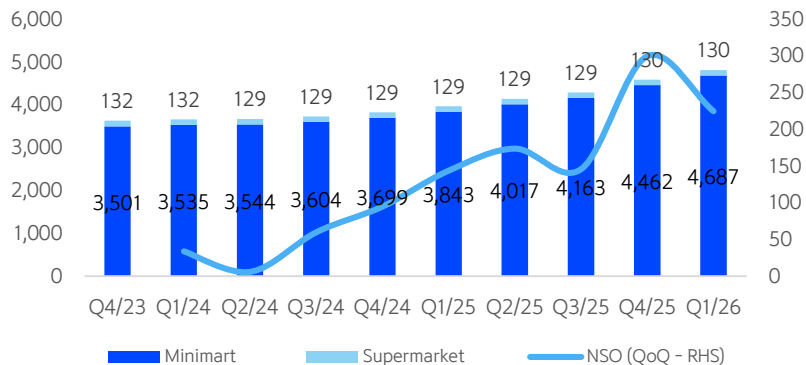
### Meanwhile, the MT channel (supermarkets and shopping malls) is on the rise



Source: GSO, Metric, Shinhan Securities Vietnam

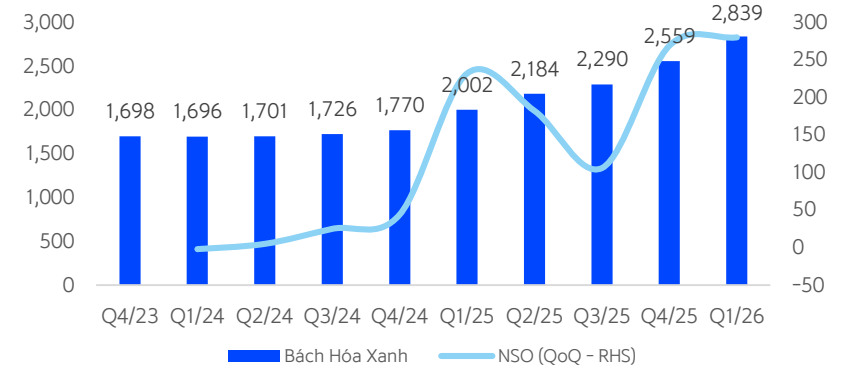
Retail chains such as WinCommerce (WCM) and Bach Hoa Xanh (BHX) continued to expand throughout the year, with the cumulative number of new stores opened reaching 225 and 280 respectively by the end of Q1, representing a significant increase YoY. Revenue of these chains also achieved good growth in Q1/26, with WCM's revenue reaching VND 11.36 trillion (+30% YoY) and BHX's revenue reaching VND 13.1 trillion (+19% YoY).

### Number of WinCommerce stores



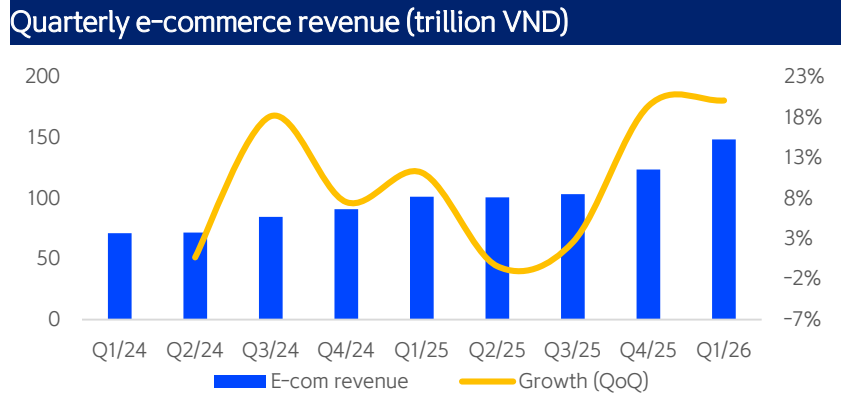
Source: Company data, Shinhan Securities Vietnam

### Number of Bách Hóa Xanh stores

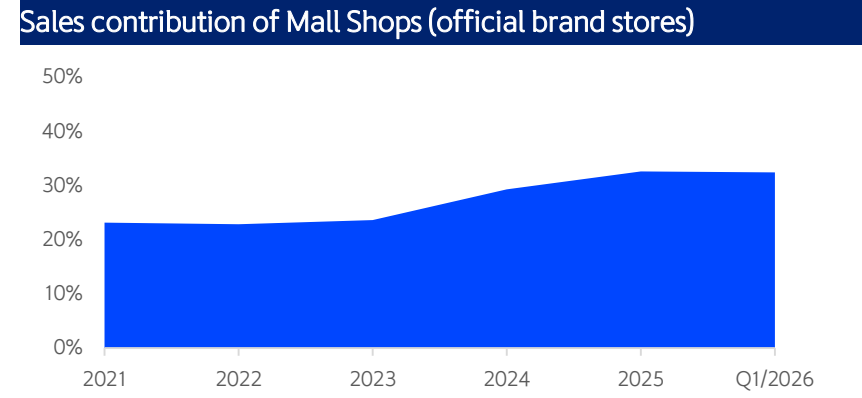


Source: Company data, Shinhan Securities Vietnam

## In addition, the boom in e-commerce has reshaped the industry's supply chain networks



Source: Metric, Shinhan Securities Vietnam  
Revenue statistics for 4 platforms including Shopee, Lazada, TikTok Shop, and Tiki



Source: Metric, Shinhan Securities Vietnam

The explosion of e-commerce and digital platforms has created a comprehensive restructuring of sales methods in the retail industry in general and the F&B industry in particular. Specifically, this involves a shift towards an integrated multi-channel model, expanding distribution methods through online channels and e-commerce platforms.

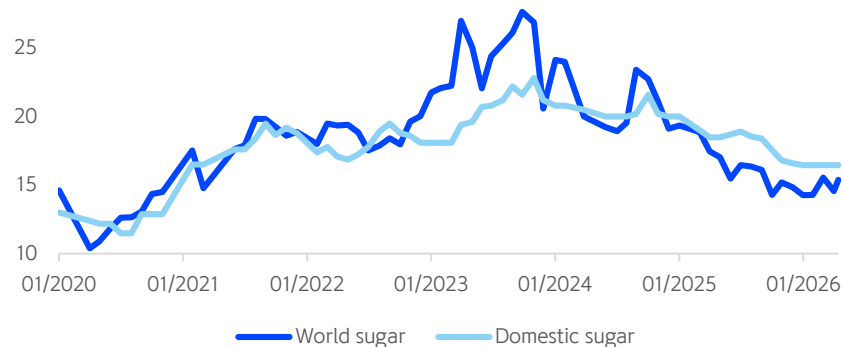
Statistics show that the proportion of sales contributed by official brand stores on e-commerce platforms is on a strong upward trend, from 23% in 2021 to 32% at the end of Q1/2026, indicating the penetration of brands into these platforms, directly distributing to consumers. At the same time, this also reflects a shift in consumer habits, with an increasing preference for genuine products, given the growing issues of counterfeit and sub-standard goods.

### Raising the tax threshold to VND 1 billion in annual revenue for household businesses (compared to the previous VND 500 million) will reduce both the financial and administrative burden on these entities

Policies	Status	Impact
Decree 174/2025/NĐ-CP: Continues to maintain the 8% VAT rate	Effective until the end of 2026	Reduces the price of goods and services, stimulates consumption, especially for items with high price sensitivity.
Strengthen inspection and control of counterfeit and poor-quality goods	On-going	Increases market transparency, boosts consumer confidence, and creates an equal competitive environment.
Resolution 110/2025/UBTVQH15: Increases the deduction levels for Personal Income Tax (PIT)	Effective from January 1, 2026	Reduces the tax burden, increases disposable income, and stimulates consumption.
The personal income tax rate structure has been simplified from 7 brackets to 5 brackets according to the amended Personal Income Tax Law.	Effective from January 7, 2026	Reduces the tax burden, increases disposable income, and stimulates consumption.
Decree 293/2025/ND-CP: Increase in regional minimum wage	Effective from January 1, 2026	Increase the disposable income of a segment of the population.
Decree 161/2026/ND-CP: Increasing the basic salary and bonus regime for officials, civil servants, public employees, and members of the armed forces	Effective from January 7, 2026	Increase the disposable income of a segment of the population.
Decree 141/2026/ND-CP: Converting lump-sum tax to declaration-based tax for individual business households. <b>The tax threshold is 1 billion VND in annual revenue.</b> The use of electronic invoices is mandatory if annual revenue exceeds 1 billion VND.	Effective from January 1, 2026	In the long term, it helps standardize and increase transparency in the market as well as in tax declarations.  However, during the transition period, it may cause some short-term bottlenecks, with some businesses temporarily suspending operations due to fears of having to pay higher taxes or being subject to tax arrears.
Law on Excise Tax 2025: <ul style="list-style-type: none"> <li>Excise tax on beer will increase from the current 65% to 70% in 2027, then increase by 5% annually up to 90% in 2031</li> <li>Sugar-sweetened beverages will be subject to Excise Tax 8% from 2027 and 10% from 2028.</li> </ul>	Effective from: January 1, 2027	Excise tax is considered an indirect tax, so the tax increase will typically be passed on to consumers through a higher selling price. This may affect demand if consumers are price-sensitive or tighten spending (for the goods subject to the tax).

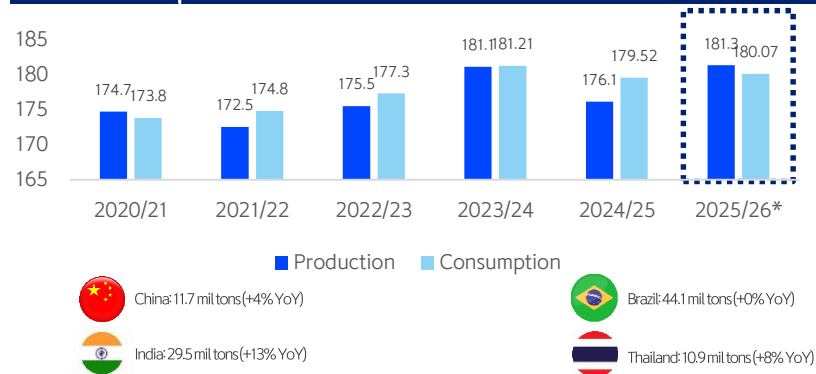
**Sugar prices recovered recently, but remain at a low level. On the other hand, the imposition of an 8% excise tax on sugar products in 2027 could also impact domestic sugar consumption**

World sugar prices (cents/pound) and domestic sugar prices (VND/kg)



Source: Bloomberg, Agromonitor, Shinhan Securities Vietnam

Estimated global sugar production and consumption (mil tons) and 2025/26 production forecasts for some countries



Source: ISO, Shinhan Securities Vietnam

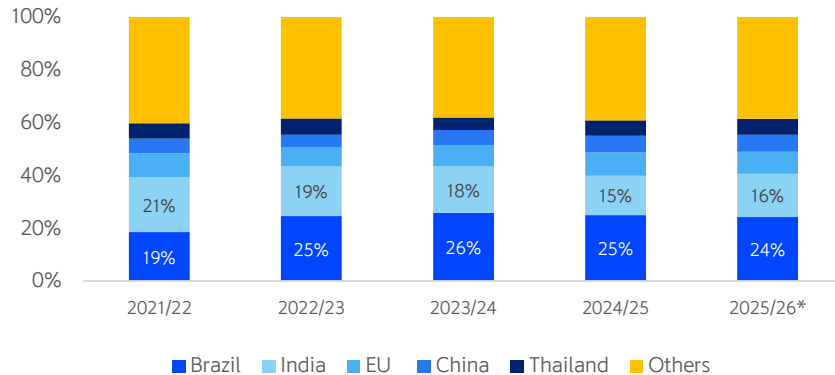
World sugar prices surged 8% in March 2026 amid a shock of soaring oil prices driven by escalating conflict in the Middle East, pushing up logistics costs, partly due to a shift from sugarcane to ethanol production amid high fuel prices. Year-to-date, world sugar prices are currently up approximately 2.5%.

Under pressure from rising transportation costs, domestic sugar prices have shown a clear divergence between factory-sold and commercial sugar prices. While factory prices remain stable due to the stable supply of the new crop year, commercial entities have adjusted their prices upwards to reflect transportation costs. Some entities have raised prices by 50-500 VND for door-to-door delivery, while others have maintained their warehouse prices and shifted the transportation costs to the buyer.

The International Sugar Association (ISO) forecasts a market surplus of 1.22 million tons for the 2025/26 season, primarily due to increased production forecasts in India, Thailand, and Pakistan; with production projected at 181.3 million tons and consumption at 180.1 million tons. Thus, the ongoing tensions in the Strait of Hormuz are likely to continue driving up spot sugar prices, but in the long term, the market will remain constrained by supply pressures.

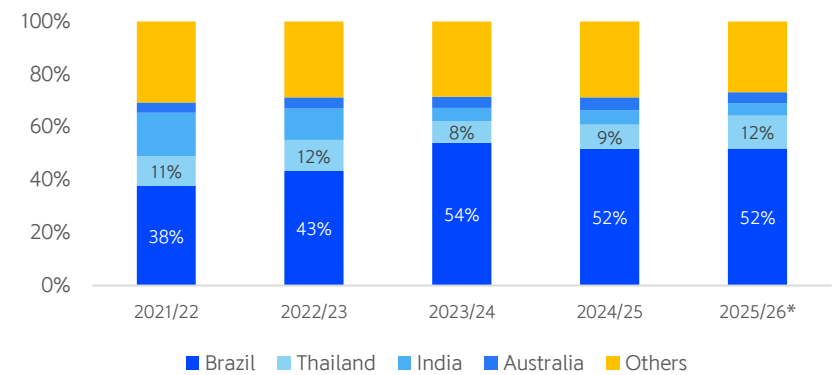
## El Nino, expected to intensify from June 2026, could affect the 2026/27 crop yields in some countries

### Sugar production structure by country



Source: ISO, Agromonitor, Shinhan Securities Vietnam  
 (\*) ISO estimates and forecast for Q1/2026

### Sugar export structure by country



Source: ISO, Agromonitor, Shinhan Securities Vietnam  
 (\*) ISO estimates and forecast for Q1/2026

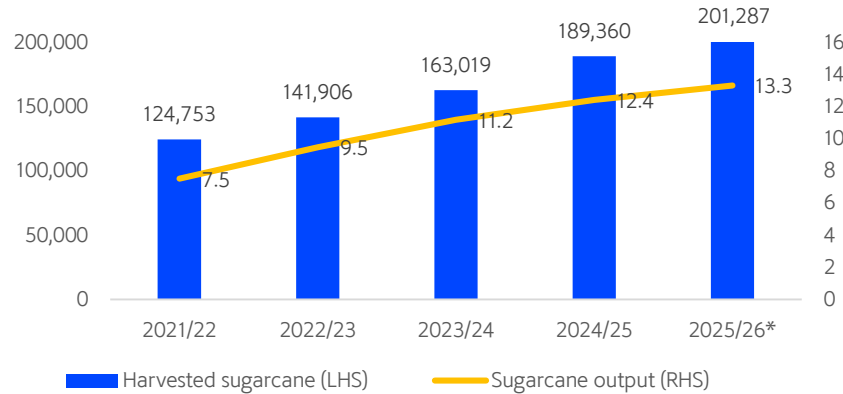
According to forecasts from the US Climate Prediction Center, El Niño is likely to appear early with an 82% probability between May and July 2026 and persist through the winter in the Northeast Hemisphere with a 96% probability. Consequently, this weather phenomenon will cause heatwaves and droughts in important sugar-producing countries such as India and Thailand, potentially affecting their 2026/27 crop yields. Currently, India and Thailand account for 16% and 6% of global sugar production respectively, and contribute 5% and 12% to global sugar exports. Brazil remains the leading producer and exporter (contributing 24% and 52% to the global output, respectively).

## High fuel prices could drive a shift from sugarcane production to ethanol production

Crude oil prices are currently hovering around \$90 per barrel, a 50% increase from pre-war levels. This is a factor to watch; if oil prices remain high for an extended period, it could boost ethanol production, particularly in Brazil, where ethanol could be used as a substitute for gasoline in transportation, thereby reducing the amount of sugarcane used in sugar production.

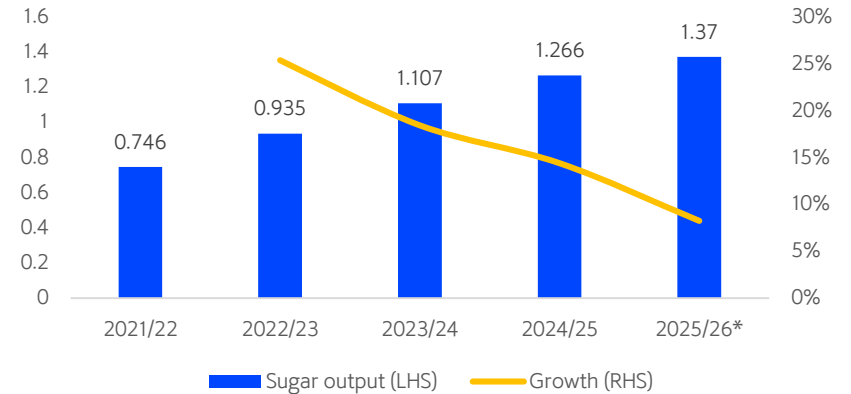
## Planting area and output have improved strongly over the crop seasons

Planting area (ha) and sugarcane yield (mil tons) by crop season



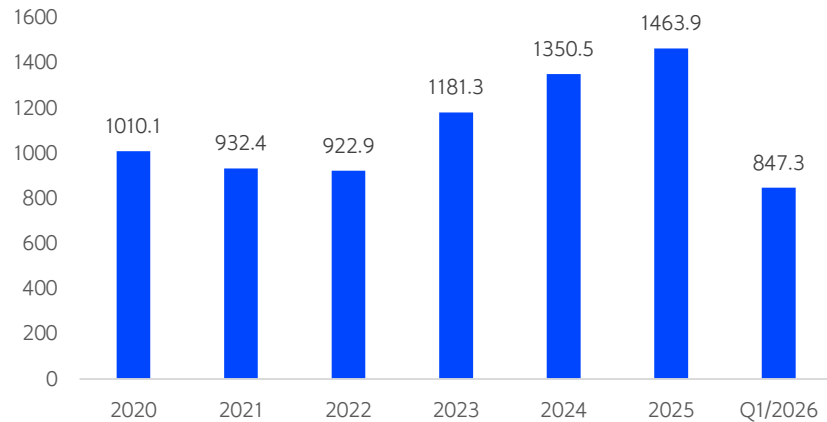
Source: VSSA, Shinhan Securities Vietnam  
\*VSSA: Vietnam Sugarcane and Sugar Association

Sugar volume by crop season (mil tons)



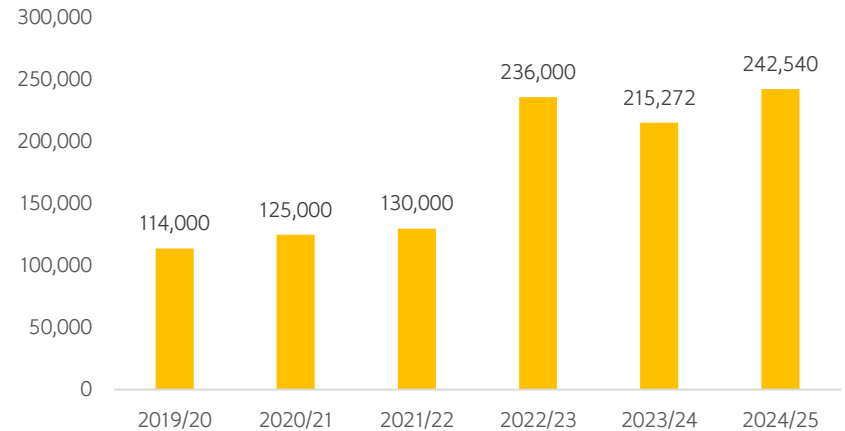
Source: VSSA, Shinhan Securities Vietnam

National sugar production output (thousand tons)



Source GSO, Shinhan Securities Vietnam

Sugar volume\* of QNS by crop year (tons)

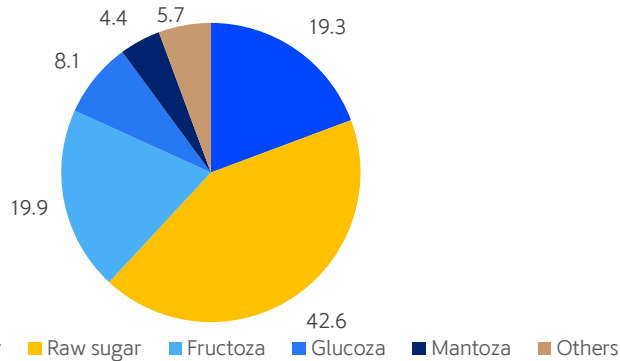


Source: Company data, Shinhan Securities Vietnam compiled  
(\* Includes domestically produced sugar and imported raw sugar)

## Sugar imports recovered in March after being disrupted by the Lunar New Year holiday

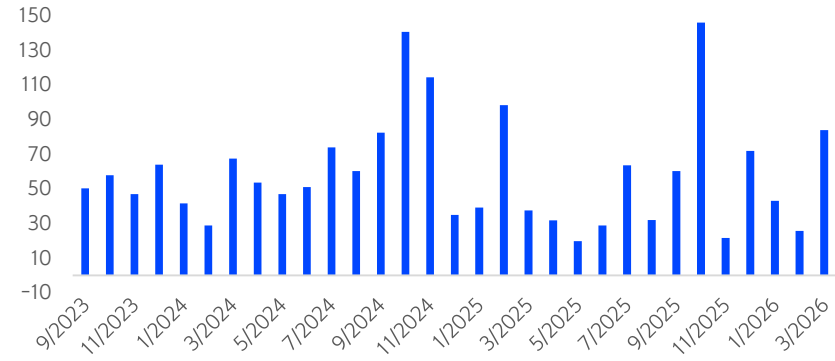
Imports of raw and refined sugar slowed down in February 2026 due to disruptions caused by the Lunar New Year, reaching only 25.8 thousand tons (-74% YoY). In March, sugar imports recovered strongly, with raw and refined sugar imports reaching 84 thousand tons (+124% YoY). Cumulatively for Q1/2026, raw and refined sugar imports totaled 151 thousand tons (-13% YoY), accounting for 62% of the total sugar imports of 245 thousand tons.

Structure of imported sugar by category Q1/2026



Source: Agromonitor, Shinhan Securities Vietnam

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



Source: Agromonitor, Shinhan Securities Vietnam

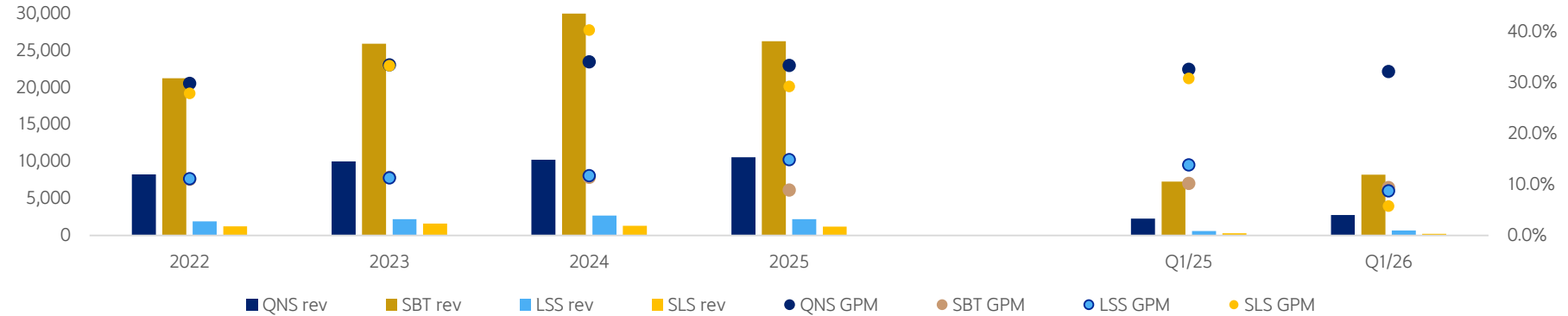
## Expectations of an extension of countervailing and anti-dumping duties on Thai sugar

The anti-dumping duty of 42.99% and the countervailing duty of 4.65% on Thai sugar will expire in June 2026 after a five-year implementation period. Additionally, sugar imported from Cambodia, Indonesia, Laos, Malaysia, and Myanmar that uses Thai sugar as a raw material will also be subject to similar duties (starting in 2022).

On February 25, 2026, the Ministry of Industry and Trade extended the final review period by three months, bringing the investigation deadline to June 13, 2026. We expect the duties on Thai sugar to be maintained to continue protecting the domestic sugar industry.

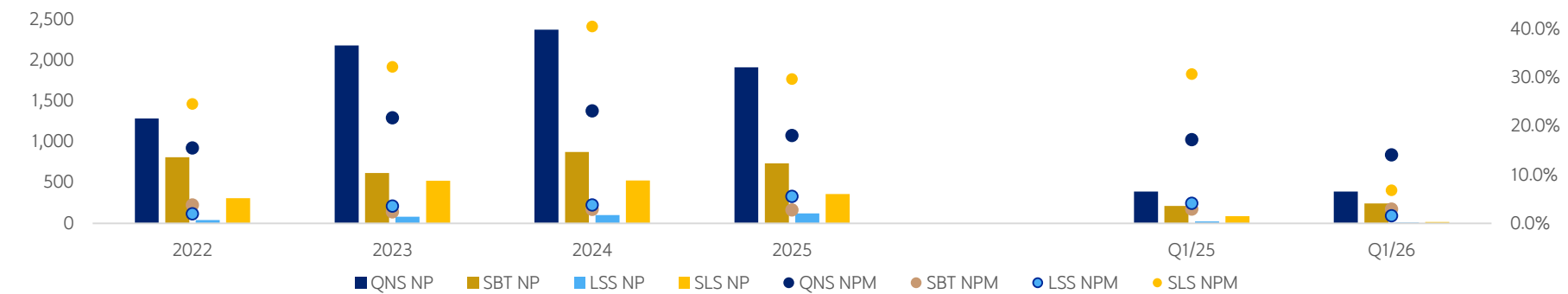
## Sugar industry businesses recorded less positive results in Q1

### Update on business results of listed sugar companies in Q1/2026 (bil VND)



Source: Company data, Shinhan Securities Vietnam

### Update on business results of listed sugar companies in Q1/2026 (bil VND)



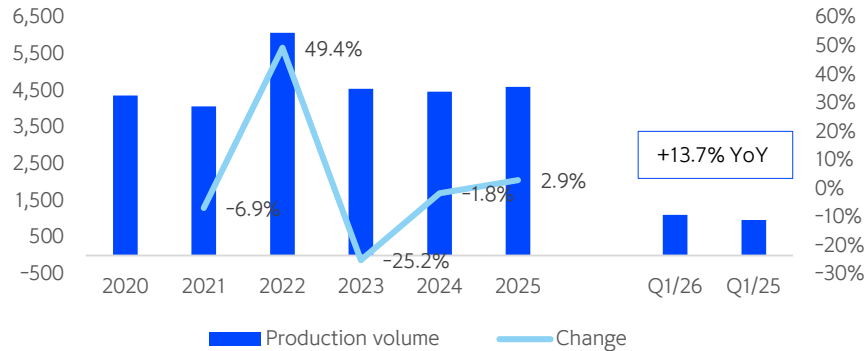
Source: Company data, Shinhan Securities Vietnam

Due to unfavorable sugar prices, businesses operating in the sugar sector recorded a decline in revenue and profits in 2025. Gross profit margins also declined in 2025 due to unfavorable selling prices.

Q1/2026 continued to see a decline in business results (except for QNS revenue, which grew 3.2% YoY in terms of revenue, thanks to the growth in the soy milk segment that offsetted the decline in the sugar segment). Gross margins also narrow on the year-over-year level.

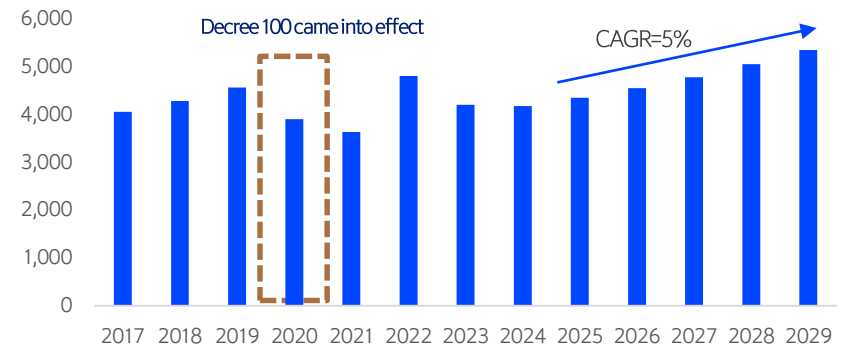
## Beer production increased sharply in Q1 2026. The FIFA World Cup could be a supporting factor for beer consumption in 2026

### Beer production over the years (mil liters)



Source: GSO, Shinhan Securities Vietnam

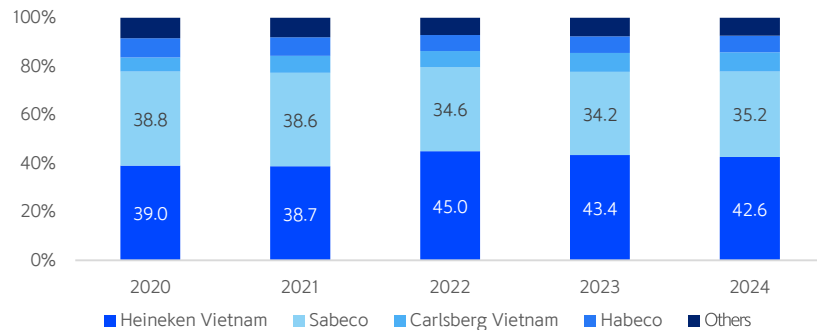
### Beer consumption volume (mil liters)



Source: Euromonitor, Shinhan Securities Vietnam

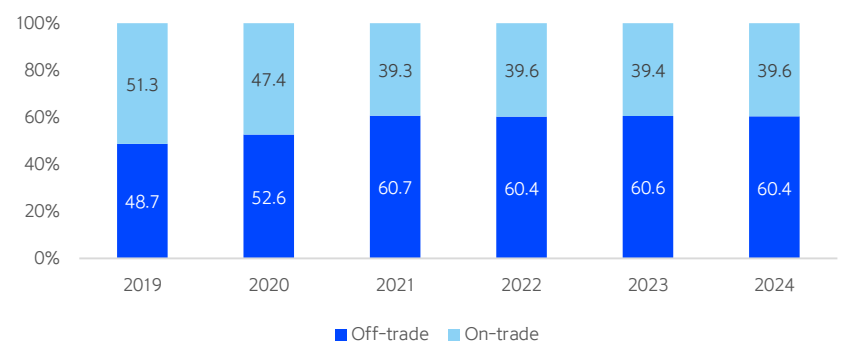
Beer production in 2025 was projected at 4.597 million liters, showing a slight increase of 2.9% YoY. Q1/2026 figures represent a strong recovery in beer production, reaching 1.106 million liters (+13.7% YoY). This year will see the FIFA World Cup, a major football event, which is expected to be a supporting factor for industry consumption.

### Market shares



Source: Euromonitor, Shinhan Securities Vietnam

### Distribution channel

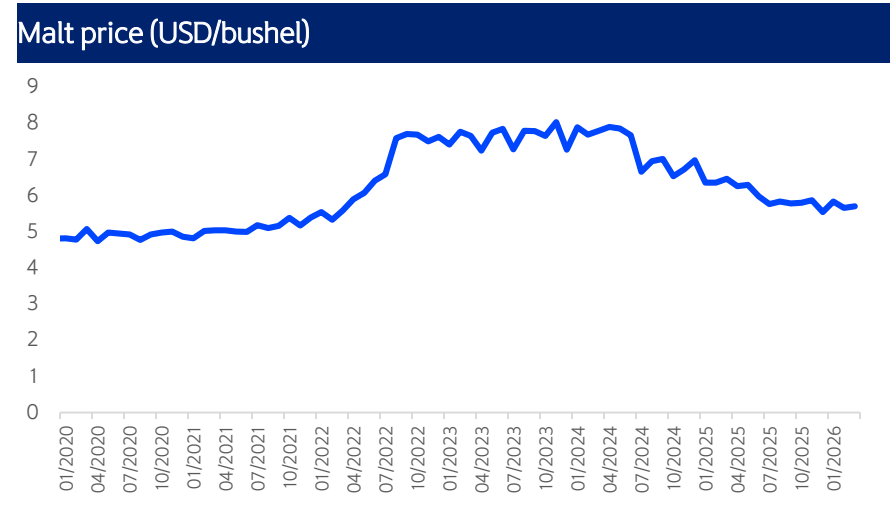


Source: Euromonitor, Shinhan Securities Vietnam

## Aluminum prices returning to their 2022 peaks, posing challenges in cost control



Source Bloomberg, Shinhan Securities Vietnam



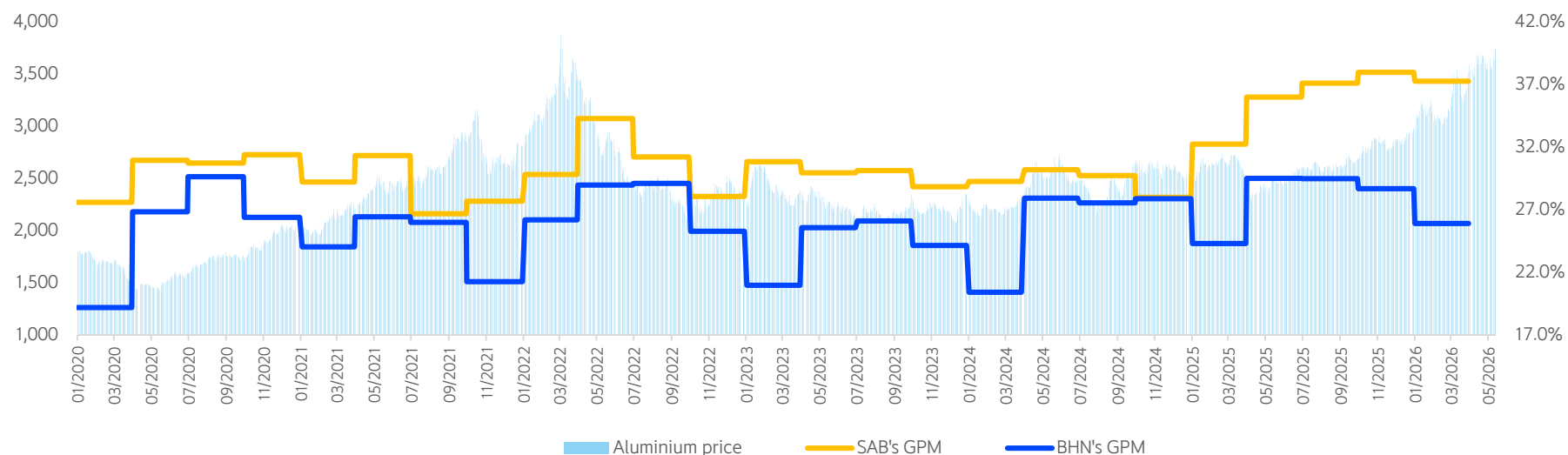
Source: Bloomberg, Shinhan Securities Vietnam

The Middle East shock in late February pushed aluminum prices back to their 2022 historical highs around \$3,875/ton amid concerns about shrinking supply, supply chain disruptions, and rising logistics costs. Gulf states account for approximately 8% of global aluminum supply. Previously, supply had been affected by reduced supplies from Russia due to the Russia-Ukraine conflict and decreased production from European countries under pressure from rising energy prices.

With manufacturers typically purchasing raw materials 3–6 months in advance, the recent price increase has not yet been reflected in Q1 earnings, but it remains a factor to closely monitor. Gross profit margins may be affected in subsequent quarters, with a lag of 1–2 quarters.

## Aluminum prices returning to their 2022 peaks, posing challenges in cost control

Correlation between aluminum price (USD/ton) and gross profit margins of brewers



Source: Company data, Shinhan Securities Vietnam

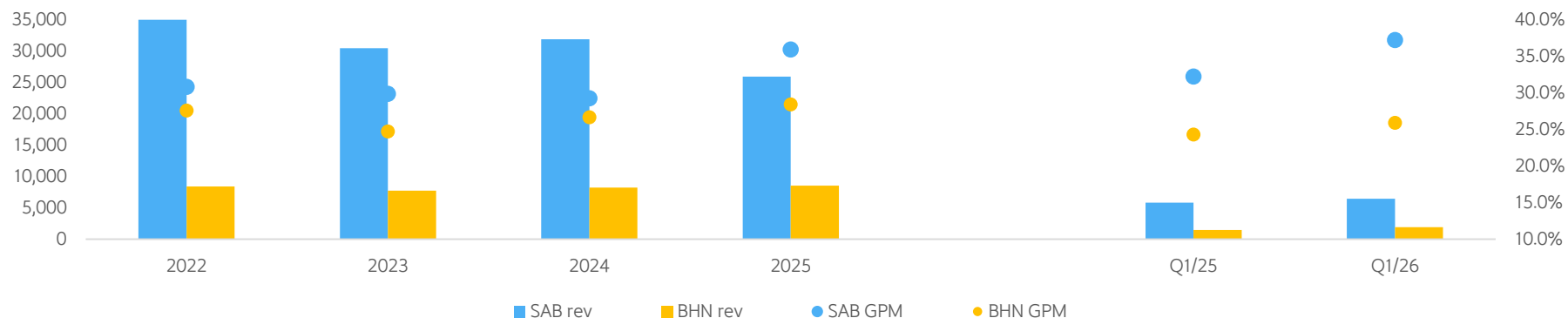
\*SAB's 2025 LNG margin increased partly due to consolidation with SBB as a subsidiary rather than an associate company.

## Starting in 2027 (according to the 2025 Excise Tax Law), the increase in excise tax is expected to be entirely passed on to consumers

Products	Current tax rate	Roadmap
Wine (20 degrees ABV and above)	65%	Increase from 70% to 90% during the 2027-2031 period (increasing by 5% each year)
Wine (below 20 degrees ABV)	35%	Increase from 40% to 60% during the 2027-2031 period (increasing by 5% each year)
Beer	65%	Increase from 70% to 90% during the 2027-2031 period (increasing by 5% each year)
Sugar-sweetened beverages with sugar content over 5g/100ml	Not applicable	8% starting from 2027, and 10% starting from 2028

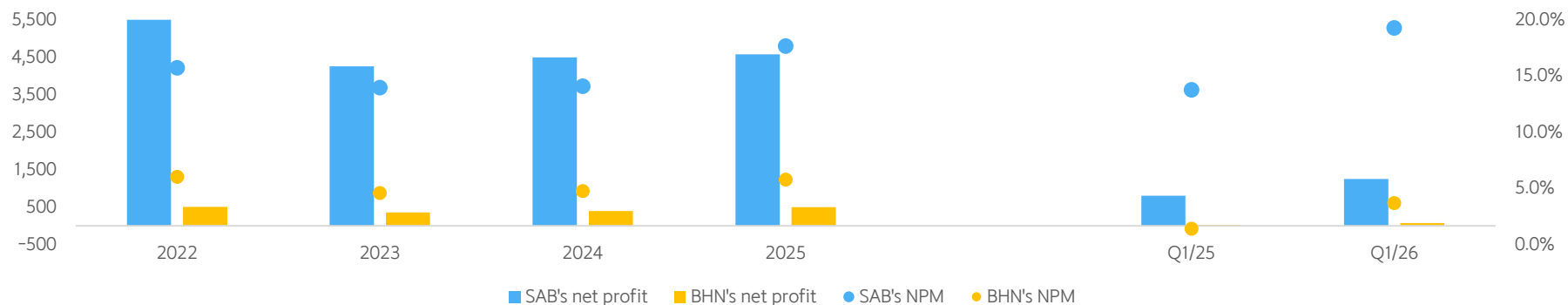
## Q1 results showed growth in both revenue and profit

### Update on business results of listed brewers in Q1/2026 (bil VND)



Source: Company data, Shinhan Securities Vietnam

### Update on business results of listed brewers in Q1/2026 (bill VND)

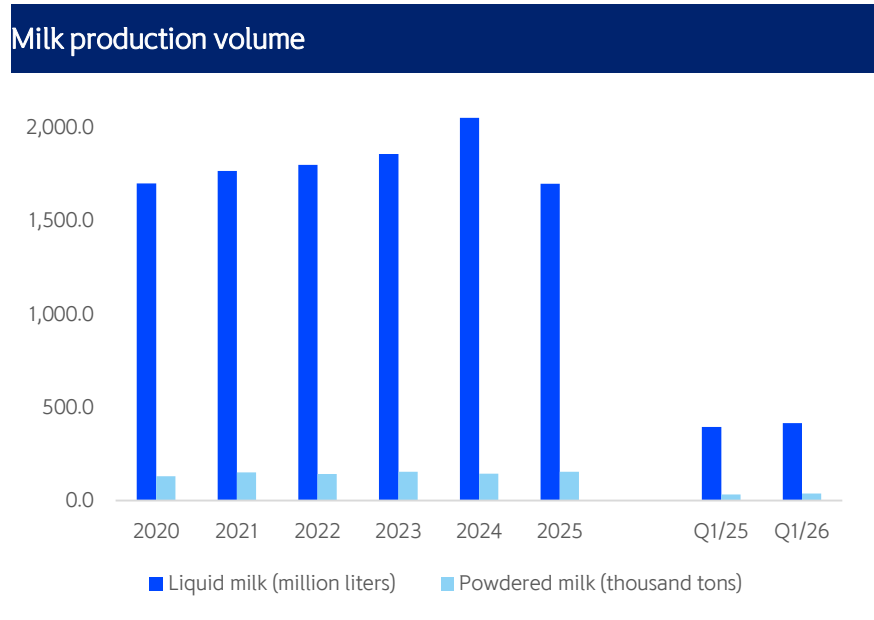


Source: Company data, Shinhan Securities Vietnam

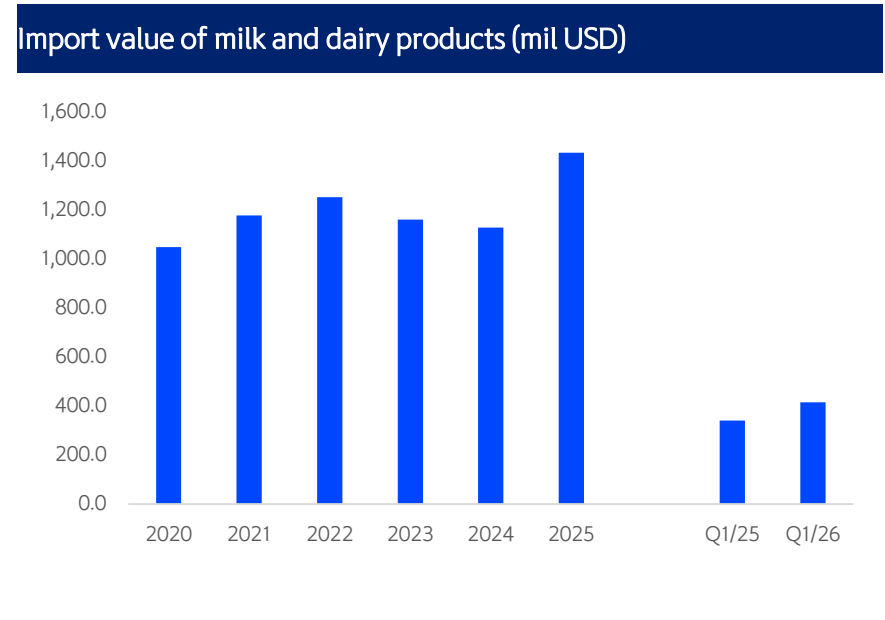
Both beer companies we track recorded improvements in both revenue and profit in Q1/2026. For SAB and BHN, revenue increased by 11% and 32% YoY respectively, while net profit increased by 56% and 246% YoY, respectively.

Revenue growth benefited from increased sales during the Lunar New Year holiday in Q1, as the holiday came later than last year. Simultaneously, profit margins also improved due to better cost control.

## Milk production volume recovered in Q1/26 after a decline in 2025



Source: GSO, Shinhan Securities Vietnam



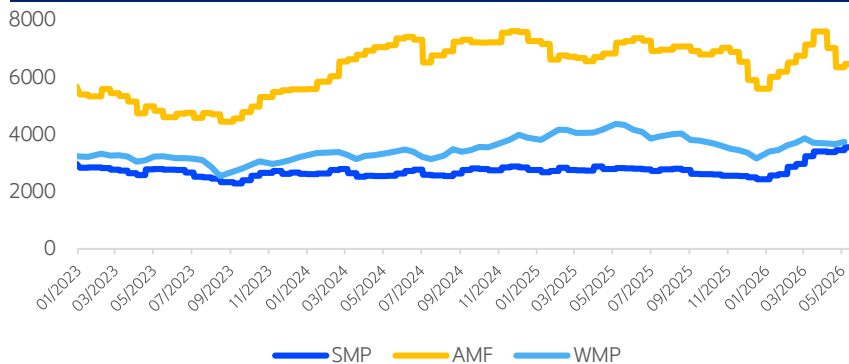
Source: GSO, Shinhan Securities Vietnam

Fresh milk improved in Q1/26 after a decline in 2025. According to GSO data, the country produced 416 million liters of fresh milk (+5.1% YoY) and 38,000 tons of powdered milk (+15% YoY).

The value of imported milk and dairy products also increased by 22% YoY, reaching USD 416 million in Q1 amidst a sharp increase in powdered milk prices.

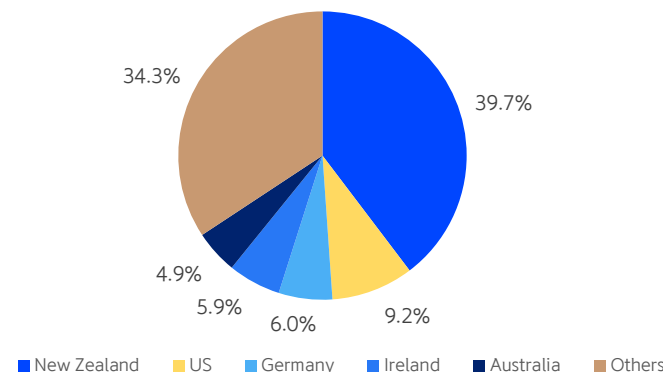
## All types of milk powder have increased in prices due to geopolitical instabilities

Milk powder price (USD/ton)



Source: Bloomberg, Shinhan Securities Vietnam

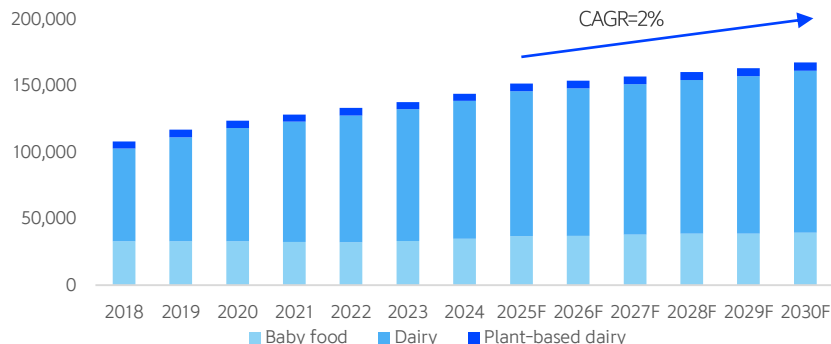
Major import markets in Q1/2026



Source: GSO, Shinhan Securities Vietnam

New Zealand remains the most important import market, accounting for 40% by value, followed by the US at 9.2%. Milk powder prices surged in March in response to escalating global geopolitical tensions. Year-to-date, prices for skimmed milk powder, butterfat, and whole milk powder are up 46%, 15%, and 10% YoY, respectively. However, we believe this upward trend will soon cool down as conflicts subside, given that the global milk market is projected to remain adequately supplied in 2026. According to USDA forecasts, global milk production is expected to reach 235.4 billion pounds (equivalent to 106.7 million tons, +1.6% YoY).

Vietnam dairy market size (bil VND)

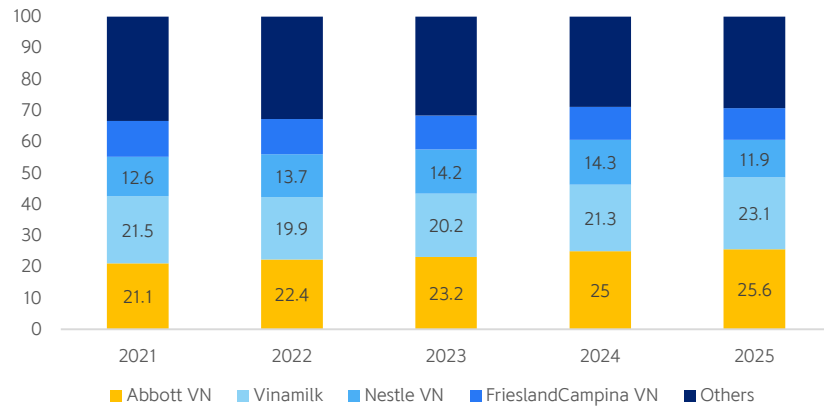


Source: Euromonitor (Sept 2025), Company data, Shinhan Securities Vietnam

According to Euromonitor, the Vietnam dairy market is estimated to reach VND 151,710 billion in 2025, with the dairy segment accounting for the largest share at 72%, followed by baby food and plant-based dairy, accounting for 24% and 4%, respectively. The market size is projected to grow at a CAGR of 2% during the 2025–2030 period, with the dairy segment projected to experience the strongest growth at an average CAGR of 2.2%.

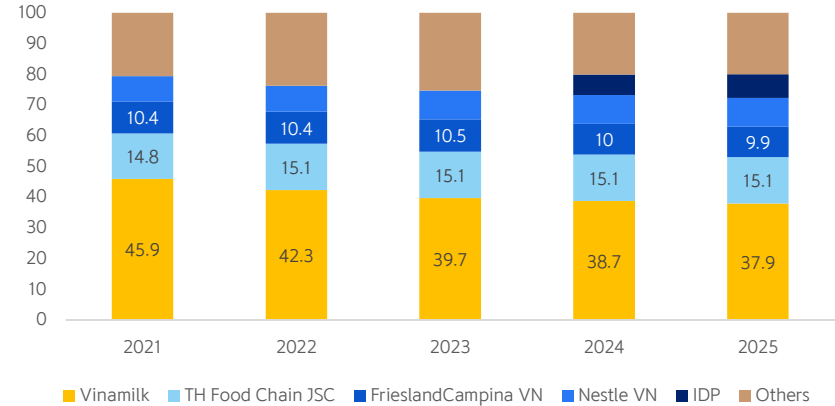
Vinamilk leads the market in most segments, except for infant formula. Particularly in the condensed milk segment, VNM almost completely dominates the market share

### Baby food market shares (%)



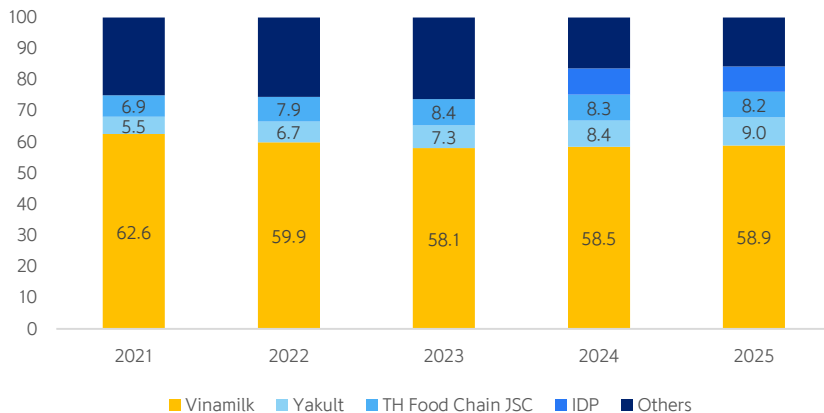
Source: Euromonitor (Sept 2025), Shinhan Securities Vietnam

### Drinking milk market shares (%)



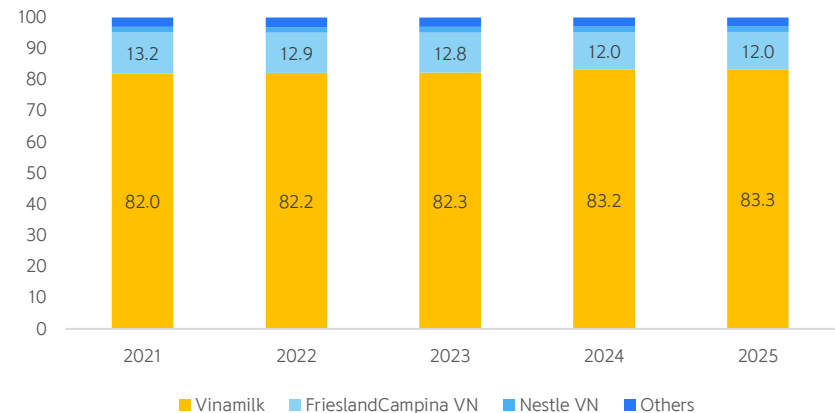
Source: Euromonitor (Sept 2025), Shinhan Securities Vietnam

### Yogurt market shares (%)



Source: Euromonitor (Sept 2025), Shinhan Securities Vietnam

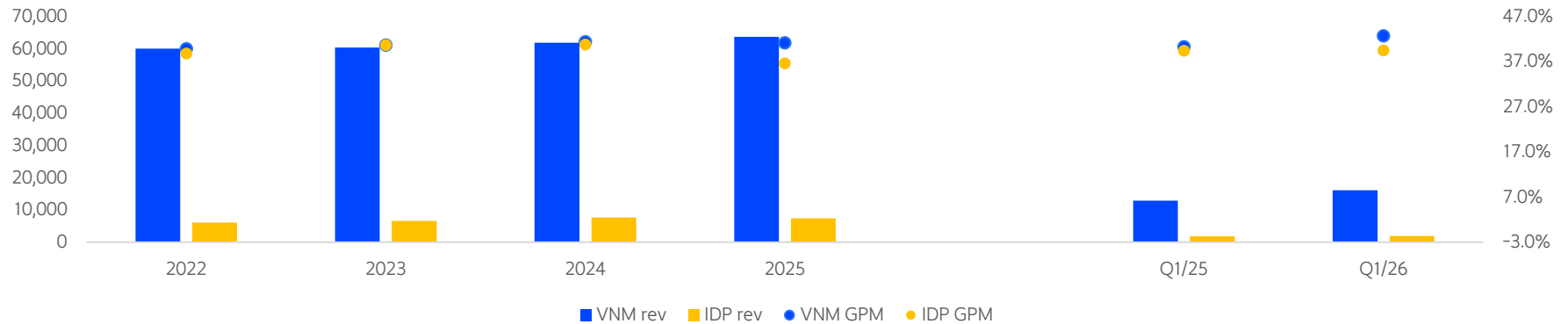
### Condensed milk market shares (%)



Source: Euromonitor (Sept 2025), Shinhan Securities Vietnam

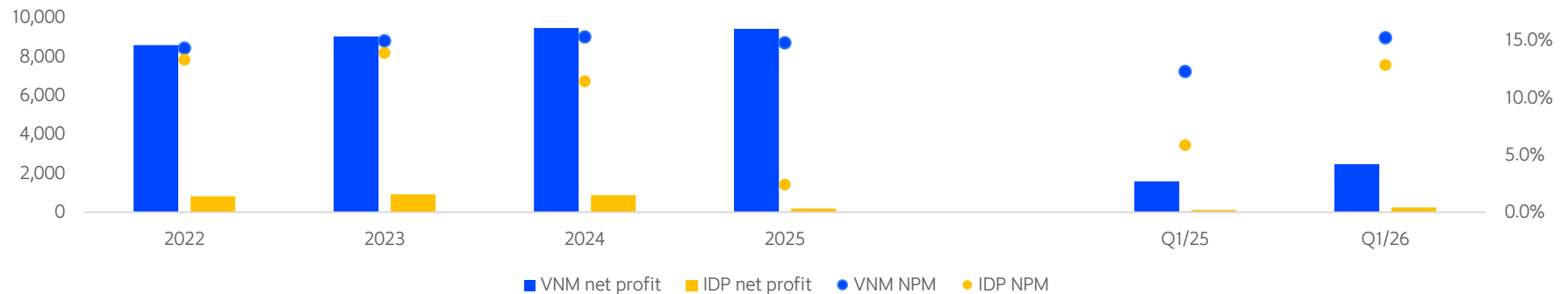
## Q1 business results were positive thanks to Tet sales due to the late Lunar New Year, combined with the low base of 2025

### Update on business results of listed dairy companies in Q1/2026 (bil VND)



Source: Company data, Shinhan Securities Vietnam

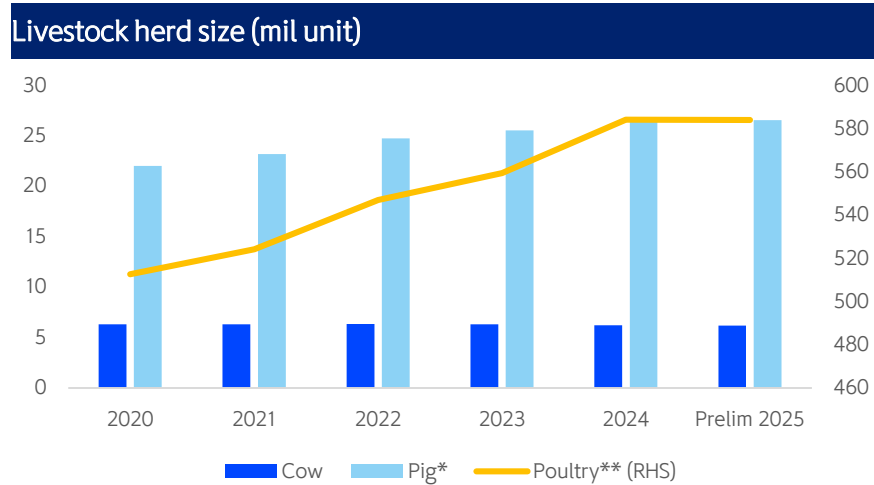
### Update on business results of listed dairy companies in Q1/2026 (bil VND)



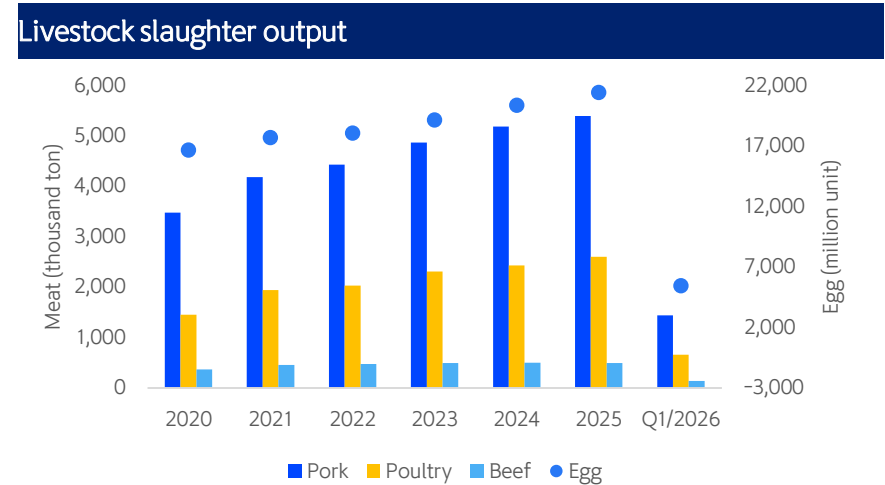
Source: Company data, Shinhan Securities Vietnam

Both VNM and IDP recorded revenue growth in Q1/26, with increases of 25% and 4% YoY, respectively. VNM's growth was stronger due to a lower base (VNM underwent a sales network restructuring in Q1/25, causing disruptions). Gross profit margin increased by 2.4 percentage points for VNM and remained flat for IDP. Net profit also improved, accompanied by the improvement in margins.

## Livestock farming performance has improved thanks to the shift towards specialization



Source: GSO, Shinhan Securities Vietnam  
 (\*) Excluding unweaned piglets (\*\*) Including chickens, ducks, geese  
 Preliminary figures for 2025 as of the end of November 2025



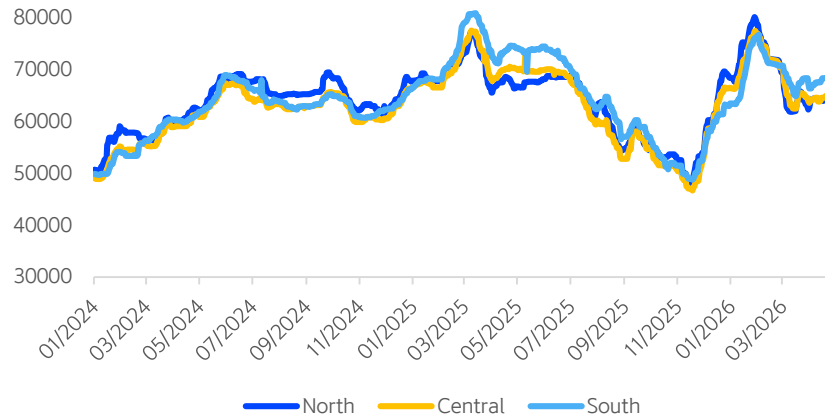
Source: GSO, Shinhan Securities Vietnam

Livestock herd sizes showed little growth in 2025, partly due to severe disease outbreaks and natural disasters in the latter months of the year. However, livestock production showed improvement in both meat and egg output. In Q1/2026, pork, poultry, and beef output recorded growth of 4.9%, 5.8%, and 4.7% YoY, respectively, while egg output grew by 2.2% YoY.

The livestock industry is also shifting from small-scale household farming to concentrated farm-based production (the current rate of farm-based, industrial-scale production is 55–56% for livestock and 56–58% for poultry). This is an important factor contributing to improved productivity, quality, disease control, and the achievement of the goals set by the Ministry of Agriculture and Environment.

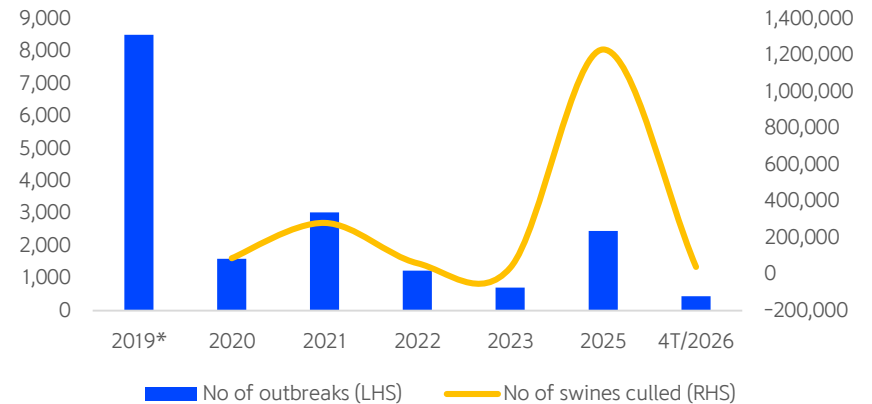
## Pork prices adjusted after a sharp increase in the last quarter of 2025. Expectations are that prices will remain stable as the disease situation is generally under control

Average hog price nationwide (VND/kg)



Source: Anova Feed, Shinhan Securities Vietnam

Asian swine fever (ASF) development



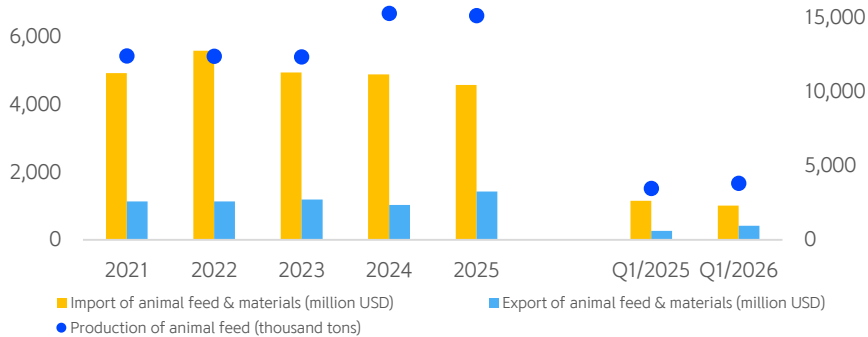
Source: Department of Animal Husbandry and Veterinary Medicine, Shinhan Securities Vietnam  
 (\*) 2019 was the peak of the epidemic, about 6 million swines culled

Pork prices fluctuated strongly in 2025 due to various factors such as disease outbreaks and natural disasters. Prices fell sharply at the beginning of the year due to disease outbreaks affecting consumer sentiment, forcing farmers to sell their pigs early to avoid disease, thus increasing short-term supply. However, prices recovered strongly from November 2025 due to high demand during the peak season and better control of disease outbreaks. Simultaneously, supply decreased as farmers were hesitant to restock, and the lingering effects of natural disasters, storms, and floods caused prices to skyrocket. Currently, pork prices range from 67,000 to 70,000 VND/kg depending on the region.

African Swine Fever (ASF) outbreaks complicated the situation throughout the year, affecting the scale of pig farming and pork prices. The main affected groups were small-scale farmers with low levels of biosecurity implementation. According to the Department of Animal Husbandry and Veterinary Medicine, 2,453 outbreaks occurred nationwide (+54% YoY), resulting in 1.23 million pigs dying or being culled (an increase of more than 13 times YoY). However, the disease situation has been basically brought under control. As of the end of April 2026, there were 83 outbreaks nationwide. In the first 4M/2026, there were 445 outbreaks nationwide, with a total of over 38,000 pigs dying or being culled.

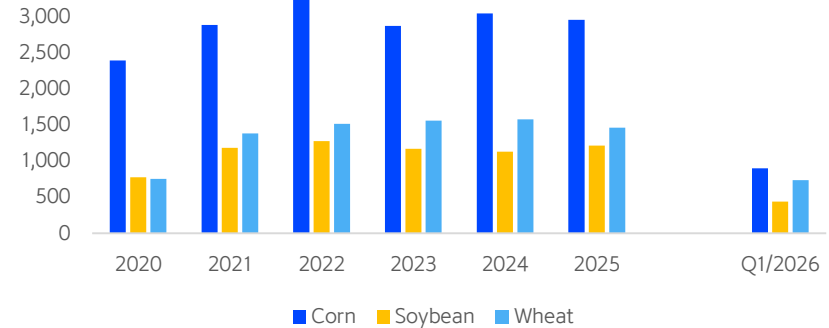
# Food & Beverages | Outlook for Meat sector 2026

## Production volume, import and export value of animal feed



Source: GSO, Shinhan Securities Vietnam

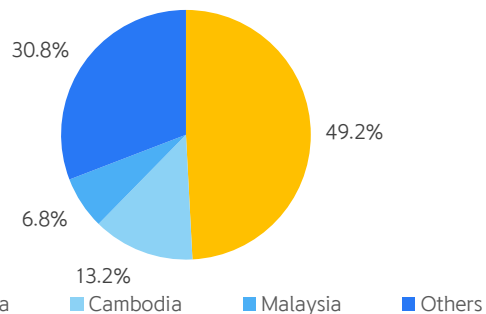
## Import of animal feed ingredients (mil USD)



Source: GSO, Shinhan Securities Vietnam

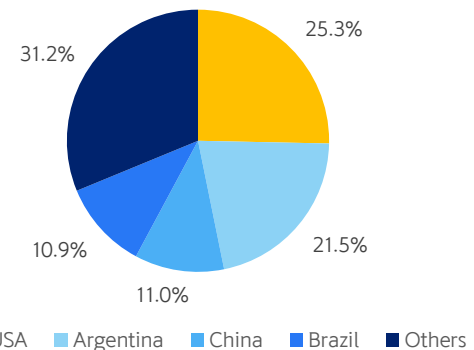
Vietnam imports most of its raw materials and exports finished animal feed products to major markets in Southeast Asia. Import value of raw materials increased sharply in Q1/2026, with corn, soybeans, and wheat reaching USD 898 million, USD 438 million, and USD 734 million respectively, all increasing by 60-70% YoY. The average import price for corn was USD 247/ton (-3.5% YoY), soybeans USD 479/ton (+6.1% YoY), and wheat USD 181/ton (-31% YoY). Export value in Q1/2026 also increased by 57% YoY, reaching USD 419 million.

## Export market structure of animal feed and raw materials in Q1 (%)



Source: GSO, Shinhan Securities Vietnam

## Import market structure of animal feed and raw materials in Q1 (%)

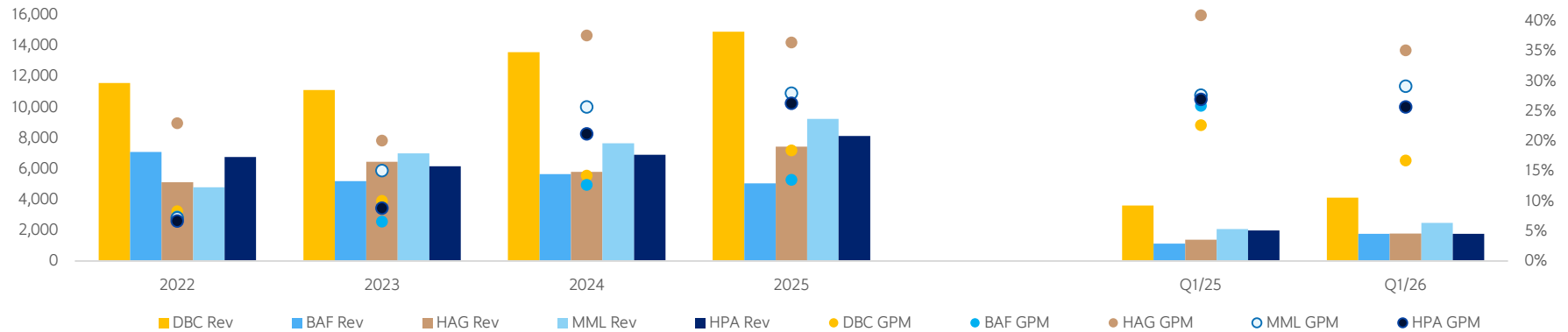


Source: GSO, Shinhan Securities Vietnam

# Food & Beverages | Outlook for Meat sector 2026

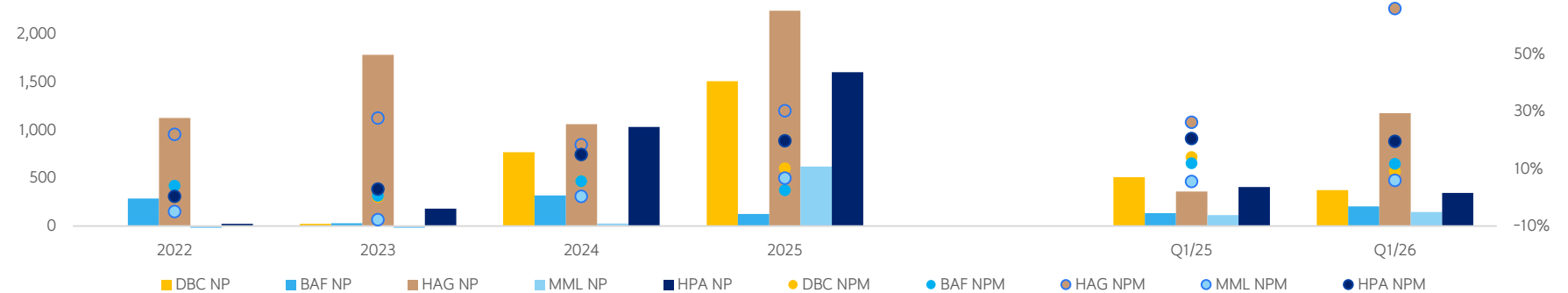
## First-quarter business results show divergence among companies in the industry

### Updated business results of listed livestock farming companies Q1/2026 (bil VND)



Source: Company data, Shinhan Securities Vietnam

### Updated business results of listed livestock farming companies Q1/2026 (bil VND)



Source: Company data, Shinhan Securities Vietnam

Q1/2026 business results showed strong divergence. Revenue growth was observed across businesses (except HPA) thanks to the recovery in hog prices, with BAF experiencing the highest revenue growth rate at 57% YoY and a 50% YoY increase in sale volumes. HAG saw the largest increase in net profit (+54% YoY), driven by higher financial income compared to the same period last year, mainly due to interest rate reductions on bonds. DBC and HPA, however, experienced a decline in net profit in Q1, at -26% YoY and -15% YoY, respectively.

## Forecast 2026F

Ticker	Market cap (bil VND)	Current price (VND)	Target price 2026 (VND)	Upside (%)	Revenue 2026F (bil VND)	Revenue growth (YoY) (%)	Net profit 2026F (bil VND)	Net profit growth (YoY) (%)	Debt/Equity	P/B (2026F)	P/E (2026F)
VNM	122,053	58,600	74,900	27.8%	67,966	6.8%	9,869	4.8%	0.27	4.7	18.3
SAB	61,306	47,800	59,900	25.3%	28,851	11.4%	4,904	7.2%	0.02	3.7	17.1
QNS	17,390	47,300	56,000	18.4%	10,740	1.6%	1,782	-7.0%	0.24	1.7	10.6
MSN	107,576	74,000	103,300	39.6%	97,311	19.2%	8,685	28.4%	1.42	3.8	26.1
BAF	10,489	34,550	36,800	6.5%	7,268	44.3%	772	509.7%	1.10	2.3	14.2
DBC*	8,448	21,950	27,400	24.8%	16,332	9.6%	1,144	-24.1%	0.73	N/A	N/A
<b>Total</b>					<b>228,468</b>	<b>13.3%</b>	<b>27,156</b>	<b>11.7%</b>			

(\*) Consensus data

Source: Bloomberg, Fiinpro, Shinhan Securities Vietnam

Data as of 04/06/2026

# Vietnam Dairy Products JSC (HOSE: VNM)

**Target price (2026F) 74,900 VND**

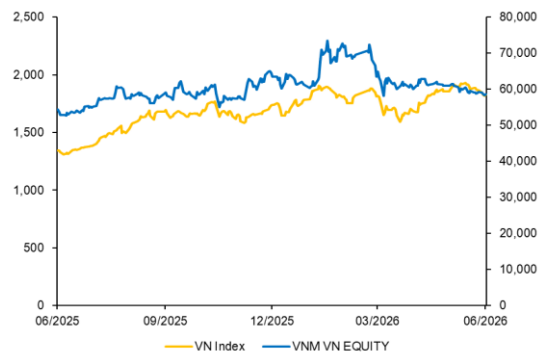
**Current price (04/06/26) 58,600 VND**

**Return (%) 27.8 %**

VNINDEX	1,832
PE market	12.5x
Market cap (billion VND)	122,053
Outstanding shares (mil shares)	2,090
Free-float (mil shares)	799
52-week high/low (VND)	75,500/55,000
90-day avg. trading volume (mil shares)	5.82
90-day avg. turnover (bn VND)	285
Foreign ownership (%)	48.7

Major shareholders (%)	State Capital Investment Corporation	36.0
	F&N Dairy Investments Private Limited	17.69

Performance	3M	6M	12M
Absolute (%)	-9.7	-7.6	3.0
Rel.to VN-Index (%)	-10.3	-12.8	-32.9



Shinhan Securities

## Valuation in an attractive range

### Investment thesis

Vietnam Dairy Products JSC (Vinamilk, HOSE: VNM) is the leading dairy company in Vietnam with the largest distribution system as well as dairy cow herd. VNM holds leading market shares in most segments, along with a healthy asset structure and consistent dividend payments. Based on the FCFF and P/E methods, we update our valuation and recommend BUY for VNM. We believe that with the current 12-month trailing P/E of 13.5x, the current price range is attractive enough to buy a stock with a consistent dividend payout ratio of approximately 35-40% of par value per year like VNM.

### Update on Q1/2026

VNM recorded positive business results in Q1/2026 with revenue reaching VND 16,178 billion (+24.6% YoY), and net profit reaching VND 2,458 billion (+54.9% YoY) thanks to the following reasons: (1) Low base in Q1/2025 due to restructuring of the domestic sales system and (2) Efficiency from product portfolio structure and cost control. These figures completed 24% of the revenue plan and 25% of the net profit plan for 2026. Gross profit margin also improved thanks to lower raw material costs compared to the same period due to stockpiling from previous purchases.

In which: (1) Domestic market revenue grew by 20% YoY, accounting for 75% of total revenue. All sales channels recorded growth; (2) Revenue from international markets increased by 39% YoY, with export revenue accounting for 15-18% of total revenue, the rest coming from subsidiaries and affiliated companies (Angkor Milk & Driftwood). Specifically, Angkor Milk's revenue increased nearly 3 times and profit increased 2.5 times compared to the same period thanks to high demand in the Cambodian market; Driftwood's revenue decreased by 5% due to price adjustment but net profit increased nearly 25%. Up to 65-70% of export revenue comes from the Middle East market, China accounts for a small proportion, while Cambodia is growing well through distributors and member units.

### 2026F forecast

We project 2026 revenue and net profit to reach VND 67,966 billion (+6.8% YoY) and VND 9,869 billion (+4.8% YoY), respectively, with domestic and international market revenue growing by 3.5% and 20%, respectively. Based on the recent increase in milk powder prices, we believe the gross profit margin in the next 1-2 quarters may be lower than the 42.7% in Q1. For FY2026, we project a gross profit margin of 41%, 20 basis points lower than in 2025. The company will focus on cost control and maintaining a constant SG&A ratio during the year.

**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; (4) Weaker-than-expected consumption demand.

Year	2023	2024	2025	2026F	2027F
Revenue (bil VND)	60,369	61,783	63,646	67,966	72,252
Operating Income (bil VND)	9,771	10,406	10,664	11,160	11,987
NP (bil VND)	9,019	9,453	9,414	9,869	10,551
EPS (VND)	3,796	4,022	4,028	4,224	4,542
BPS (VND)	15,166	15,444	14,682	14,556	14,748
OPM (%)	16.2	16.8	16.8	16.4	16.6
NPM (%)	14.9	15.3	14.8	14.5	14.6
ROE (%)	26.6	26.6	26.6	28.8	30.8
P/E (x)	17.0	15.8	15.3	18.3	17.0
P/B (x)	4.3	4.1	4.2	4.7	4.7

Source: Company data, Shinhan Securities Vietnam

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



**Target price (2026F) 59,900 VND**

**Current price (04/06/26) 47,800 VND**

**Return (%) 25.3%**

VNINDEX 1,832

PE market 12.5x

Market cap (billion VND) 61,306

Outstanding shares (mil shares) 1,283

Free-float (mil shares) 134

52-week high/low (VND) 57,100/42,050

90-day avg. trading volume (mil shares) 1.03

90-day avg. turnover (bn VND) 38

Foreign ownership (%) 58.6

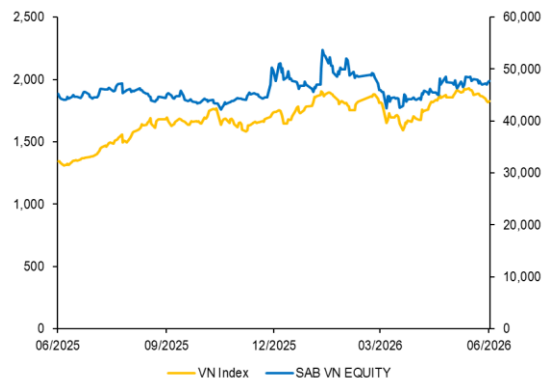
Major shareholders Vietnam Beverage Company Limited 54

(%) SCIC 36

**Performance 3M 6M 12M**

Absolute (%) 3.8 -6.2 -4.7

Rel.to VN-Index (%) 3.2 -11.4 -40.6



## Attractive dividend yield

### Investment thesis

Saigon Beer, Alcohol and Beverage Corporation (HOSE: SAB) is the second largest brewer in Vietnam. SAB holds the leading position regarding the number of breweries with a capacity of 3.1 billion liters/year, offering products ranging from mainstream to premium. We use a combination of discounted cash flow and P/E methods to value and recommend a BUY rating for SAB. In 2026, SAB also finalized a cash dividend payment ratio of 50% per par value. This corresponds to a dividend yield of around 10.5% on the current price, making it an attractive investment opportunity.

### Update on Q1/2026

SAB recorded revenue of VND 6,457 billion (+11% YoY) in Q1/2026 thanks to improved beer sales. Gross profit grew impressively by 28% YoY due to a 5 percentage point YoY improvement in gross profit margin, and net profit also increased sharply by 56% YoY. The reasons for the growth in business results are: (1) The low base in Q1/2025, Q1/2026 benefited from Tet sales volume due to the late Lunar New Year; (2) The gross profit margin improved thanks to the use up of high-priced barley inventory; and (3) Q1/2025 was affected by a one-off financial expense of VND 85 billion related to the SBB purchase transaction. This expense was subsequently reversed in Q3 after completing the procedures. The net profit margin in Q1/2026 reached 19.3%, representing a 5.5 percentage points increase YoY.

### 2026F forecast

In 2026, we forecast beer revenue to grow by 11.7% YoY thanks to the effectiveness of the expanding strategy of the modern distribution channel (MT) to compete for market share and proactively seeking traditional channel (GT) sales points to replace those closed due to the impact of new regulations on household businesses. The major football event, the World Cup, taking place during the year, is also considered as a supporting factor for sales growth. During the year, SAB also implemented a cash van model in the Mekong Delta region to increase market coverage.

The recent increase in aluminum prices due to geopolitical tensions has not yet been reflected in Q1's financial results. Sabeco has a policy of purchasing raw materials 3–6 months in advance to proactively prepare, and also has plans to reduce can production costs to control input costs. We project the 2026 gross profit margin to be 70 basis points lower than the same period last year. Net profit for 2026 is projected to grow by 7.3%, with the full-year SG&A expense margin being well controlled at 18.1%.

**Risks:** (1) Risk of increasing raw material prices; (2) Risk of increasing excise tax; (3) Policy risks; (4) Risk of domestic demand being weaker than expected

Year	2023	2024	2025*	2026F	2027F
Revenue (bil VND)	30,461	31,872	25,888	28,851	29,702
Operating Income (bil VND)	3,811	4,437	4,294	4,943	4,971
NP (bil VND)	4,255	4,494	4,573	4,904	4,992
EPS (VND)	3,132	3,291	3,347	3,612	3,677
BPS (VND)	18,877	18,152	16,492	15,097	13,766
OPM (%)	12.5	13.9	16.6	17.1	16.7
NPM (%)	14.0	14.1	17.7	17.0	16.8
ROE (%)	12.4	13.3	13.9	15.6	16.9
P/E (x)	16.3	14.9	14.1	17.1	16.8
P/B (x)	2.7	2.8	2.8	3.7	4.1

Source: Company data, Shinhan Securities Vietnam

\* Revenue in 2025 decreases due to the impact of consolidation with Sabibeco as a subsidiary instead of an associate

# Masan Group JSC (HOSE: MSN)



**Target price (2026F)** **103,300 VND**

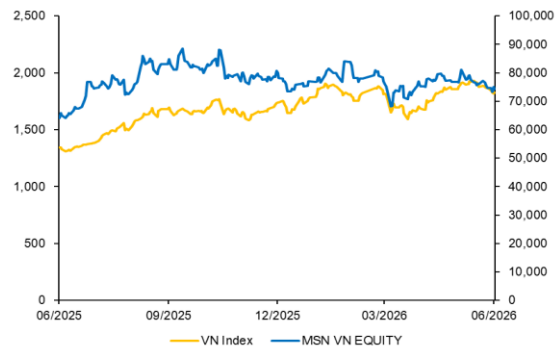
**Current price (04/06/26)** **74,000 VND**

**Return (%)** **39.6%**

VNINDEX	1,832
PE market	12.5x
Market cap (billion VND)	107,576
Outstanding shares (mil shares)	1,446
Free-float (mil shares)	737
52-week high/low (VND)	94,000/63,000
90-day avg. trading volume (mil shares)	6.51
90-day avg. turnover (bn VND)	464
Foreign ownership (%)	25.1

Major shareholders (%)	Masan Group	29.3
	Sunflower Construction Company Limited	13.4

<b>Performance</b>	<b>3T</b>	<b>6T</b>	<b>12T</b>
Absolute (%)	-2.4	-7.1	15.8
Rel.to VN-Index (%)	-2.9	-12.4	-20.1



## Solid growth drivers

### Investment thesis

Masan Group Corporation (HOSE: MSN) is one of Vietnam's largest diversified private economic groups, with a focus on retail and consumer goods, expected to benefit from demographics and the expansion of the middle class, alongside mining and resource activities and its affiliation with TCB. Established in 1996, the group has rapidly expanded its scale through strategic M&A transactions.

We expect business growth to be sustained in 2026, primarily driven by the retail and consumer ecosystem including WCM and MCH; the resurgence of MSR due to favorable commodity price developments will significantly contribute to the group's profit growth. At the same time, we believe that MSN is among the top stocks benefiting from foreign capital inflows as Vietnam shifts to emerging market. This will be a supporting factor for money flow, alongside the company's internal factors, helping to push the stock valuation to a higher level.

### Update on Q1/2026

Q1 revenue reached VND 24,020 billion (+27% YoY) and net profit reached VND 1,974 billion, doubling YoY and reaching the highest level in history for a first quarter; net profit attributable to parent company shareholders (NPAT-Mi) reached VND 1,246 billion (+217% YoY). WCM continued to be a solid growth driver with revenue increasing 30% YoY and net profit increasing 3.5 times, corresponding to a net profit margin of 1.8% (increased 110 basis points YoY) and 225 new stores opened in Q21. MCH had its second consecutive quarter of recovery with both revenue and net profit growing by double digits, 13% YoY and 11.5% YoY, respectively. Except for the bottled beverages segment, which experienced negative growth, the remaining product categories all recovered strongly in terms of sales, especially the HPC segment which increased 34% YoY and the Seasonings segment which increased 17% YoY. Notably, MSR recorded a strong turnaround thanks to favorable commodity prices, improved operational efficiency, and reduced interest expenses, with revenue increasing 2.1 times YoY and net profit reaching VND 759 billion (compared to a loss of VND 222 billion in Q1/2025). MSR also announced plans to uplist to HOSE in 2027, and the company is also in the process of reducing the parent company's ownership stake to meet listing requirements. Other business segments, including MML and PLH, also recorded growth.

### 2026F forecast

We estimate 2026 revenue to reach VND 97,311 billion (+19% YoY), net profit to reach VND 8,685 billion (+28% YoY), and NPAT-Mi to reach VND 5,704 billion (+39% YoY). We expect sustainable growth momentum from the WCM chain as it accelerates new expansion while improving operational efficiency, with a projected 2026 net profit margin of 2.5% (up 1.2 percentage points YoY), and a significant contribution from MSR based on a low base in 2025 (2025 net profit was only VND 11 billion).

**Risks:** (1) Risk of weak demand, (2) Exchange rate and interest rate risks, (3) Raw material risks, (4) Competition risks.

Year	2023	2024	2025	2026F	2027F
<b>Revenue (bil VND)</b>	<b>78,252</b>	<b>83,178</b>	<b>81,621</b>	<b>97,311</b>	<b>107,332</b>
Operating Income (bil VND)	4,179	6,174	7,663	9,010	9,220
<b>NP (bil VND)</b>	<b>1,870</b>	<b>4,273</b>	<b>6,763</b>	<b>8,685</b>	<b>9,983</b>
EPS (VND)	294	1,345	2,710	3,967	4,517
BPS (VND)	18,560	21,031	24,582	27,008	31,282
OPM (%)	5.3	7.4	9.4	9.3	8.6
NPM (%)	2.4	5.1	8.3	8.9	9.3
<b>ROE (%)</b>	<b>4.9</b>	<b>10.5</b>	<b>15.0</b>	<b>16.6</b>	<b>16.5</b>
P/E (x)	227.9	51.9	28.4	26.1	22.9
P/B (x)	3.6	3.3	3.3	3.8	3.3

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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