Quang Ngai Sugar JSC (QNS VN)

[Vietnam / Food and beverages] Bloomberg Ticker (QNS VN) | Reuters Ticker (QNS.HM)

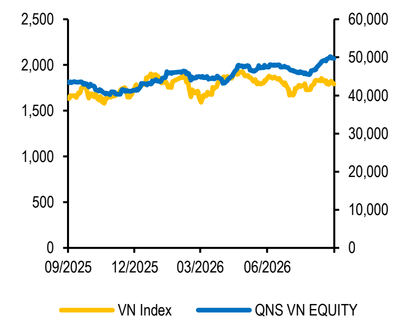
BUY

Update Report

Target price (12 months)	**61,400 VND**
Current price (22/09/2026)	49,800 VND
Upside/downside (%)	23%

VNINDEX	1,807
P/E market (x)	12.7
Market Cap (bn VND)	18,272
Outstanding shares (mn)	368
Free-Floating (mn)	223
52-Wk High/Low (VND)	50,300/39,700
90-day avg. trading volume (mn)	0.15
90-day avg. turnover (bn VND)	9
Foreign ownership (%)	9.05
Major shareholders (%) Thành Phát trading company	15.11
Vinacapital	6.54

Performance	3M	6M	12M
Absolute (%)	2.3	3.5	4.6
Relative to VN-Index (%)	4.1	-5.2	-3.4



Source: Bloomberg

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Soy milk segment drives growth

Update recommendation BUY, target price at VND 61,400

Quang Ngai Sugar JSC (UpCOM: QNS) is a leading branded soy milk producer with a market share of over 90% and the second-largest sugarcane producer in Vietnam. Combining the FCFF and P/E valuation methods, we recommend BUY on QNS with a target price of VND 61,400. We expect the soy milk segment to maintain solid growth in H2/2026, offsetting the decline in the sugar segment amid persistent challenges facing the domestic sugar industry.

Update on Q2 and H1/2026

In Q2/2026, QNS recorded net revenue of VND 3,289 billion (+12.7% YoY) and net profit (NPAT) of VND 566 billion (+3.7% YoY). The sugar and soy milk segments accounted for 31% and 49% of revenue, respectively, and 18% and 65% of gross profit, respectively.

In 6M2026, revenue grew strongly YoY to VND 6,052 billion (+16.7% YoY). Gross profit margin improved thanks to a shift in revenue mix, as the soy milk segment, which has a higher gross margin, contributed a larger share compared to the sugar segment. However, higher selling, general and administrative (SG&A) expenses weighed on NPAT, resulting in NPAT growth of only 2.1% YoY to VND 958 billion. The SG&A expense ratio in H1/2026 stood at 18.1% (+4 ppts YoY), reflecting QNS's increased spending on sales promotions amid intense industry-wide competition as the sugar industry continued to face challenges, while also seeking to maintain its market share in the plant-based milk segment.

Forecast for 2026

We forecast QNS's full-year 2026 revenue at VND 11,898 billion (+12.5% YoY), with the sugar and soy milk segments contributing 32% and 46%, respectively. Accordingly, revenue from these two segments is expected to grow by 6.3% YoY and 14.3% YoY, respectively. Gross profit is projected to grow by 10.6% to VND 3,896 billion, with gross profit margin reaching 32.8% (down 50 bps YoY), mainly due to the impact of the sugar segment. Nevertheless, NPAT is forecast to remain broadly flat YoY at VND 1,933 billion (+1% YoY) due to higher SG&A expenses.

Risks

(1) Risk of increased raw soybean prices; (2) Diversification risk; (3) Risk of unpredictable ENSO affecting sugar volume; (4) Risk of excise tax on sugary beverages; (5) Risk of smuggled sugar.

Year to Dec.	2023	2024	2025	2026F	2027F
Revenue (bn VND)	**10,021**	**10,243**	**10,575**	**11,898**	**12,568**
Operating Profit (bn VND)	2,155	2,380	1,921	1,899	1,928
Net Profit (bn VND)	**2,184**	**2,377**	**1,916**	**1,933**	**1,967**
EPS (VND)	7,172	7,680	6,079	6,134	6,241
BPS (VND)	28,468	32,648	34,131	36,250	38,490
OPM (%)	21.5	23.2	18.2	16.0	15.3
NPM (%)	21.8	23.2	18.1	16.2	15.7
ROE (%)	25.5	23.77	18.0	17.1	16.4
PER (x)	6.4	6.5	10.1	10.0	9.8
PBR (x)	1.6	1.5	1.8	1.7	1.6

Source: Company data, Shinhan Securities Vietnam

Update on Q2/2026 and forecast

Billion VND	Q2/2026	Q2/2025	Change (YoY)	H1/2026	Change (YoY)	2026F	Change (YoY)
Net Revenue	**3,289**	**2,918**	***12.7%***	**6,052**	***16.7%***	**11,898**	***12.5%***
Sugar	1,031	955	*8.0%*	1,965	*16.3%*	3,860	*6.3%*
Soy milk	1,600	1,341	*19.3%*	2,739	*20.2%*	5,489	*14.3%*
Others*	658	622	*5.8%*	1,348	*10.5%*	2,549	*19.1%*
Gross profit	**1,169**	**963**	***21.4%***	**2,057**	***20.9%***	**3,898**	***10.6%***
Sugar	205	213	*-3.8%*	350	*-10.3%*	759	*-1.6%*
Soy milk	759	582	*30.4%*	1,316	*34.3%*	2,556	*15.3%*
Others*	205	168	*22.0%*	391	*17.8%*	583	*9.0%*
Net profit	**566**	**546**	***3.7%***	**958**	***2.1%***	**1,933**	***0.9%***
Gross profit margin	35.5%	33.0%	*2.5%*	34.0%	*1.2%*	32.8%	*-0.5%*
Sugar	19.9%	22.3%	*-2.4%*	17.8%	*-5.3%*	19.7%	*-1.3%*
Soy milk	47.4%	43.4%	*4.0%*	48.0%	*5.0%*	46.6%	*0.6%*
Others*	31.2%	27.0%	*4.2%*	29.0%	*1.8%*	22.9%	*-2.1%*
Net profit margin	17.2%	18.7%	*29.9%*	15.8%	*-2.3%*	16.2%	*-1.9%*

(*) Including revenue from Thanh Phat subsidiary, other segments such as confectionery, beer, soft drinks and revenue deductions

In Q2/2026, QNS recorded net revenue of VND 3,289 billion (+12.7% YoY) and NPAT of VND 566 billion (+3.7% YoY). The sugar and soy milk segments accounted for 31% and 49% of revenue, respectively, and 18% and 65% of gross profit, respectively.

In 6M2026, both revenue and profit posted YoY growth, with consolidated revenue reaching VND 6,052 billion (+16.7% YoY) and NPAT reaching VND 958 billion (+2.1% YoY). Gross profit margin improved thanks to a shift in revenue mix, as the soy milk segment accounted for a larger share compared to the sugar segment (the soy milk segment has a higher gross profit margin). Despite the improvement in gross margin, higher selling, general and administrative (SG&A) expenses weighed on NPAT growth. Accordingly, the SG&A expense ratio in 6M2026 stood at 18.1% (+4 ppts YoY). We believe this reflects QNS's increased spending on sales promotions to support sales amid intense industry-wide competition, as the sugar industry continued to face challenges, while also seeking to maintain its market share in the plant-based milk segment.

Soy milk segment continued to deliver strong YoY growth

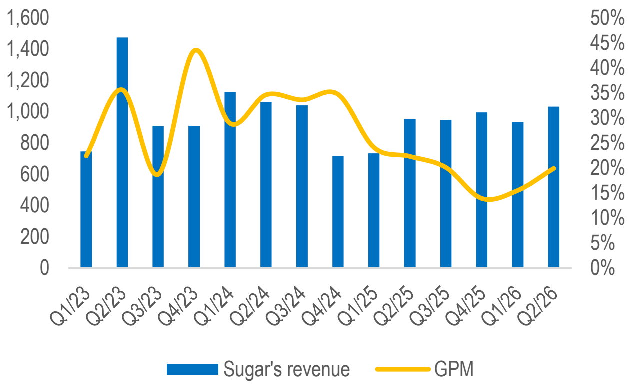
Revenue from the soy milk segment reached VND 1,600 billion (+19% YoY, +40% QoQ), driven by growth in both sales volume and average selling price. The average selling price increased thanks to an improved product mix, as premium products accounted for a larger share of revenue. Q2 is also typically the peak season for the soy milk segment. The segment's gross profit margin reached 47.4% in Q2/2026 (up 4 ppts YoY).

Sugar segment posted revenue growth despite a decline in gross profit

The sugar segment also recorded revenue growth, with Q2 revenue reaching VND 1,031 billion (+8% YoY, +10% QoQ), mainly driven by higher sales volume. Domestic sugar prices remained under pressure amid the complicated situation of sugar smuggling. Overall, sugar prices in Q2 ranged from VND 16,500 - 17,000/kg, lower than the same period last year.

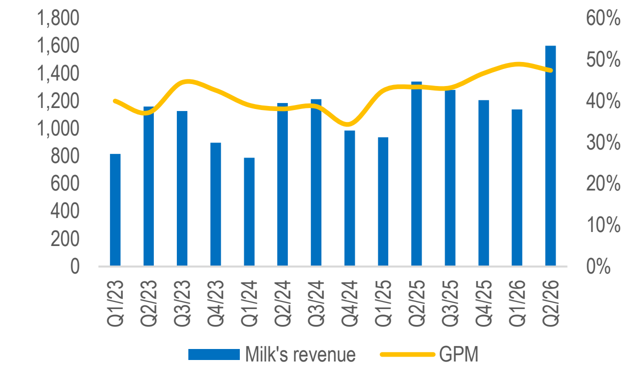
Despite impressive gross profit growth, NPAT growth was constrained by higher selling, general and administrative (SG&A) expenses. SG&A expenses reached VND 585 billion in Q2 (+14.8% QoQ, +48.7% YoY), as QNS stepped up promotional campaigns and product sampling activities, while increasing commission expenses for sales agents. Accordingly, the SG&A expense ratio in Q2/2026 stood at 17.8%, up 4.3 ppts YoY.

Revenue and GP margin of sugar segment



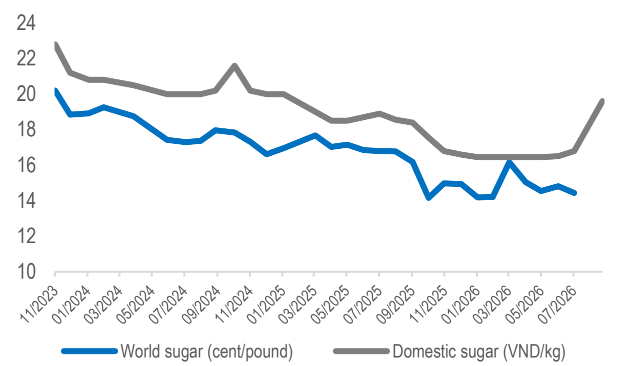
Source: Company data, Shinhan Securities Vietnam

Revenue and GP margin of milk segment



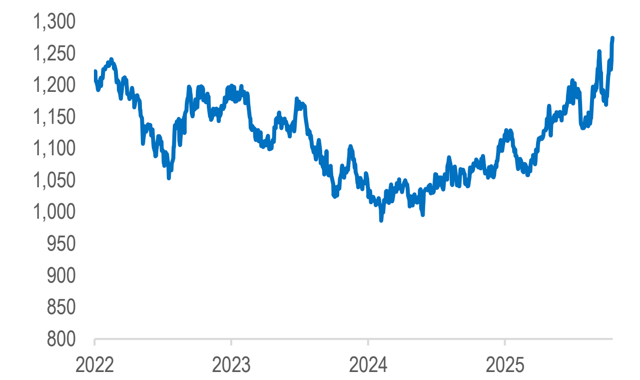
Source: Company data, Shinhan Securities Vietnam

Sugar price



Source: Bloomberg, Agromonitor, Shinhan Securities Vietnam

World soybean prices (USD/bushel)



Source: Bloomberg, Agromonitor, Shinhan Securities Vietnam

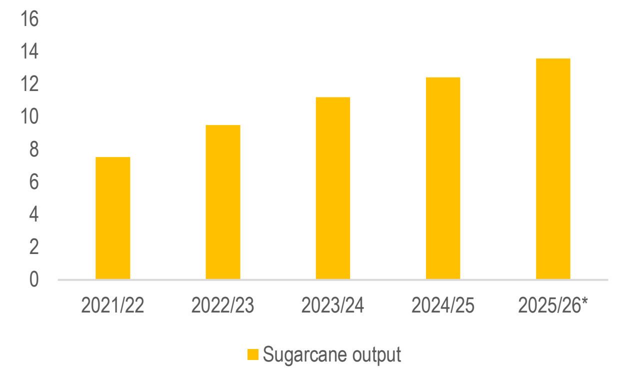
Extension of anti-dumping and countervailing duties on Thai sugar continues to protect the domestic sugar industry

Recently, under Decision No. 1310/QD-BCT dated June 2, 2026, the Ministry of Industry and Trade extended the application of anti-dumping and countervailing duties on Thai sugar products for another five years. Accordingly, the duties will remain in effect until June 15, 2031.

Update on 2025/26 crop

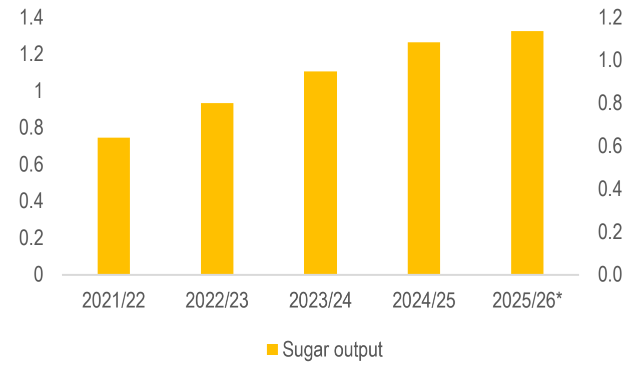
The 2025/26 crop year was largely completed in August 2026 with positive results. As of end-July, the industry had processed approximately 13.586 million tonnes of sugarcane (+9.3% YoY) and produced approximately 1.3258 million tonnes of various types of sugar (+4.7% YoY). While supply has continued to post impressive growth across crop years, demand has remained subdued. This represents a substantial supply amid sluggish consumption, while the market continues to be affected by sugar smuggling and increasing competition from HFCS in food production. Due to challenging market conditions, sugarcane prices have also declined to around VND 1 million/tonne, lower than VND 1.2 - 1.3 million/tonne in the previous crop year, which could affect incentives to expand sugarcane growing areas in the coming years.

Sugarcane planting area and yield by crop year (mil ton)



Source: VSSA, Shinhan Securities Vietnam, *(*) Preliminary data as of end-July 2026*

Domestic sugar production output (mil ton)



Source: VSSA, Shinhan Securities Vietnam, *(*) Preliminary data as of end-July 2026*

2026 earnings forecast

We forecast QNS's full-year 2026 revenue at VND 11,898 billion (+12.5%), with the sugar and soy milk segments contributing 32% and 46%, respectively. Accordingly, revenue from these two segments is expected to grow by 6.3% YoY and 14.3% YoY, respectively. Gross profit is projected to grow by 10.6% to VND 3,896 billion, with gross profit margin reaching 32.8% (down 50 bps YoY), mainly due to the impact of the sugar segment. Nevertheless, NPAT is forecast to remain broadly flat YoY at VND 1,933 billion (+1% YoY) due to higher SG&A expenses.

Valuation and Recommendation

We use a combination of DCF and P/E valuation methods to value QNS, giving each method a 50% weighting. For the FCFF method, we use the following assumptions and projections:

Weighted Average Cost of Capital (WACC)	
WACC (%)	**11.4**
Risk-free rate (%)	4.5
Equity risk premium (%)	8.46
Beta	1.0
After-tax debt cost (%)	5.2
The cost of equity(%)	13.0
Debt-to-equity ratio	0.24
Total debt (Billion VND)	3,794

Source: Company data, Shinhan Securities Company

FCF valuation						
Unit: billion VND	**2026F**	**2027F**	**2028F**	**2029F**	**2030F**	**2026F**
Net profit	1,933	1,967	2,028	2,098	2,125	1,933
Plus: After-tax interest expense	456	467	478	497	455	456
Plus: Depreciation & Amortization	150	158	168	178	187	150
Minus: Change in working capital	339	176	86	770	823	339
Minus: CapEx	392	225	248	243	253	392
Free Cash Flow (FCF)	**1,808**	**2,191**	**2,340**	**1,760**	**1,691**	**1,808**
Discount rate	0.90	0.81	0.72	0.65	0.58	0.90
PV of FCF	1,627	1,775	1,685	1,144	981	1,627
Lont-term growth rate	0%					
Present value of long-term value	8,603					
Enterprise value	15,815					
Debt	3,794					
Cash and cash equivalents	8,973					
Minority interest	0					
Number of shares outstanding (billion shares)	0.312					
Target price (VND)	**67,200**					

Source: Company data, Shinhan Securities Company

Using the P/E method, we conduct valuation for each business segment of the enterprise. For each segment, the target P/E value we use is the average value between the industry average P/E and the 5-year historical P/E of QNS stock. Specifically as follows:

- Sugar segment: We use target P/E of 10.4x.
- Soy milk segment: Due to the limited number of listed companies in the soy milk segment, we used the reference P/E value as the average P/E of milk manufacturing and distribution companies, then we applied a 30% discount to reflect (1) the level of competition with traditional unbranded soy milk and other nut milks that are becoming more popular and (2) limited growth potential when QNS has captured over 90% of the branded soy milk market share. The target P/E applied to value this segment is 9.5x.
- For other segments (biomass electricity, beer, mineral water, confectionery): We apply a target P/E price of 5x.

(Bil VND)	**Net profit 2026F**	**Target P/E (x)**	**Equity value**
Sugar	376	10.4	3,910
Soy milk	1,268	9.5	12,046
Others	289	5.0	1,445
Total equity value			17,401
Number of shares (billion shares)			0.312
Target price (VND)			**55,700**

Companies we used for compiling peer in the sugar segment:

Ticker	Company name	Country	Market cap (VND bil)	Rev growth (%)	EPS growth (%)	P/E	ROE (%)
DCB IN Equity	DALMIA BHARAT SUGAR & INDUST	Vietnam	8,830	-2.9	-36.8	13.8	7.3
SBT VN Equity	CTCP MÍA ĐƯỜNG THÀNH CÔNG	India	20,848	-5.6	-48.0	25.0	3.5
LSS VN Equity	CTCP MÍA ĐƯỜNG LAM SƠN	Vietnam	711	-13.5	0.8	6.7	6.0
SLS VN Equity	CTCP MÍA ĐƯỜNG SƠN LA	Vietnam	1,401	-17.8	-29.0	4.9	16.9
	Average					**12.6**	
	QNS's 5Y historical P/E					8.2	
	Targer P/E					10.4	

Source: Bloomberg, Shinhan Securities Vietnam

Companies we used for compiling peer in the milk segment:

Ticker	Company name	Country	Market cap (VND bil)	Rev growth (%)	EPS growth (%)	P/E	ROE (%)
ULTJ IJ Equity	ULTRAJAYA MILK IND & TRADING	Indonesia	28,560	-1.2	18.2	10.8	23.3
MCM VN Equity	MOC CHAU DAIRY COW BREEDING	Việt Nam	2,910	-2.8	-1.5	12.4	10.3
VNM VN Equity	VIETNAM DAIRY PRODUCTS JSC	Việt Nam	124,979	3.0	0.2	12.6	31.1
IDP VN Equity	INTERNATIONAL DAIRY PRODUCTS	Việt Nam	14,740	-2.9	-84.7	25.3	4.0
Average						**15.3**	
QNS's 5Y historical P/E						8.2	
Targer P/E						9.5	

Source: Bloomberg, Shinhan Securities Vietnam

Company background

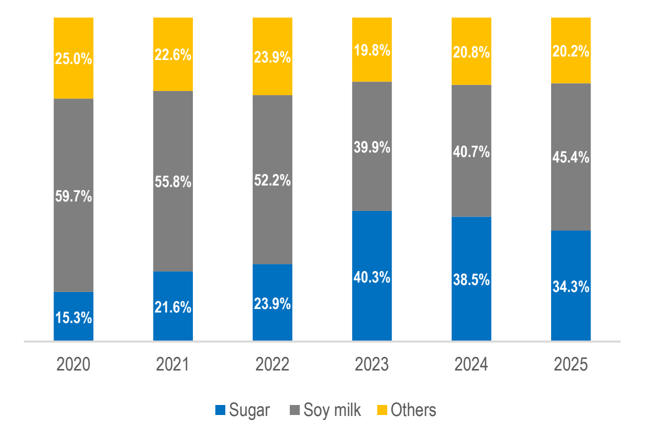
1. History of development

Quang Ngai Sugar Joint Stock Company (UpCOM: QNS), formerly known as Quang Ngai Sugar Company, was established in the 70s of the twentieth century. Initially, QNS mainly traded in raw sugar (Refined Standard - RS) and Alcohol. In 2005, the company changed its name to Quang Ngai Sugar Joint Stock Company and officially listed on the UpCOM Stock Exchange in 2016.

The company sells the food and beverage, including soy milk, sugar, beer, non-alcoholic beverages, confectionery and biomass electricity. QNS currently leads the canned soy milk segment with a market share of about 90% and is the second largest sugar producer in Vietnam, after SBT.

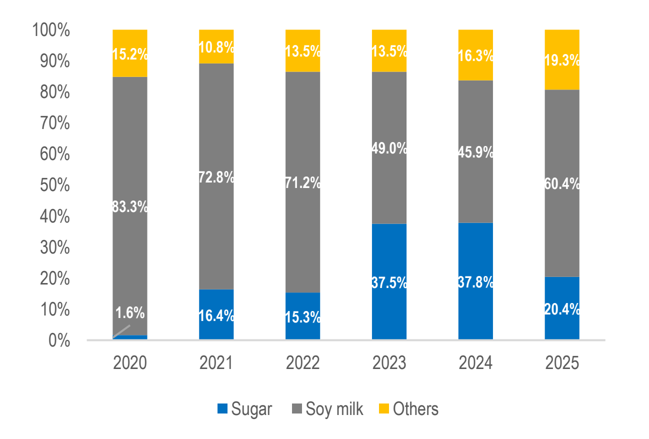
Sugar and soy milk are the company's two core business segments, with Fami and Vinasoy being the two key products in the soy milk segment. In 2025, the sugar and soy milk segments accounted for 34% and 45% of revenue, respectively, and 20% and 60% of gross profit, respectively. QNS primarily produces sugar from sugarcane and refines RE (Refined Extra) sugar. Other segments, including beer, confectionery, and biomass power, contributed 20% of revenue and 19% of gross profit. While the soy milk segment has maintained stable growth, the sugar segment's business performance tends to be more volatile due to its exposure to various factors, including sugar prices, weather conditions affecting production output, and sugar smuggling.

QNS's revenue structure



Source: Company data, Shinhan Securities Vietnam

QNS's gross profit margin structure

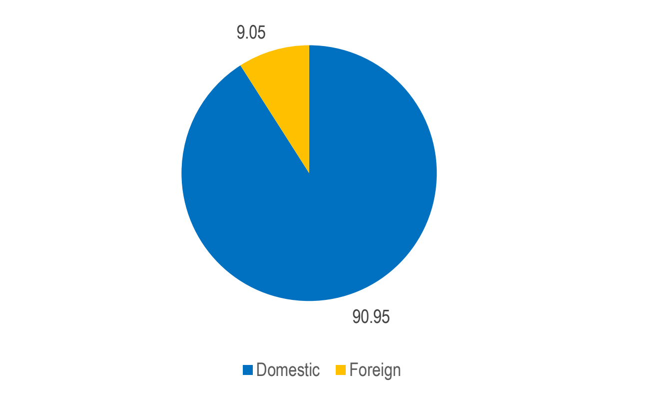


Source: Company data, Shinhan Securities Vietnam

2. Ownership structure

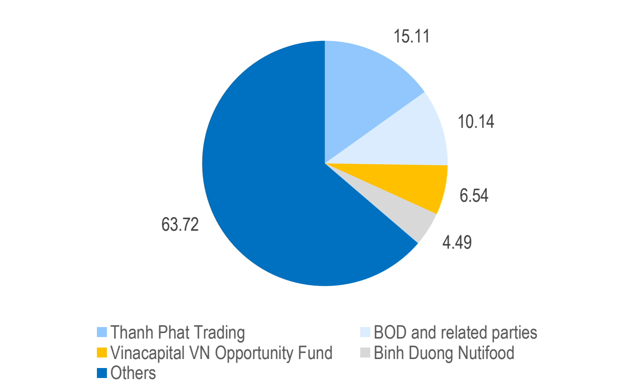
QNS's shareholders are predominantly domestic investors, while foreign investors account for only around 9%. The largest shareholder is Thanh Phat Trading One Member Co., Ltd., with a 15.11% ownership stake. This is a wholly owned subsidiary of QNS, in which QNS holds 100% of the ownership and voting rights.

QNS's domestic and foreign ownership as of 18/09/2026 (%)



Source: Finpro, Shinhan Securities Company

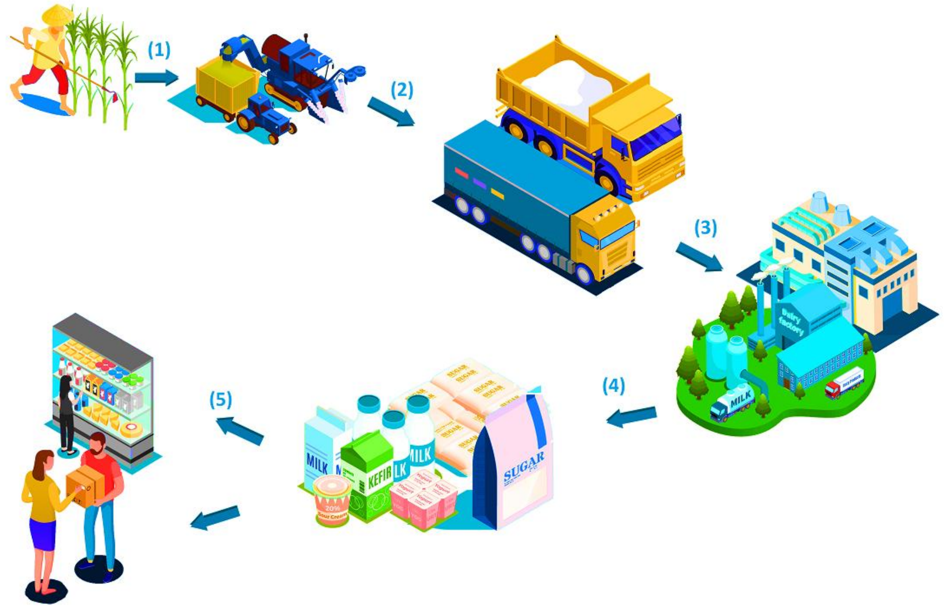
QNS's ownership structure as of 18/09/2026 (%)



Source: Finpro, Shinhan Securities Company

3. Soy milk and cane sugar industry value chain

Sugar value chain



Source: Company data, Shinhan Securities Vietnam

With the sugar segment, businesses use raw sugar cane, going through a series of processes to distribute sugar to consumers.

1. Raw sugarcane: The company partners with farmers in the An Khe - Gia Lai area to cultivate sugarcane. The region has a large agricultural area, with high sugarcane yields and a high Commercial Cane Sugar (CCS) level. In particular, the An Khe Sugar Factory's sugarcane growing area reached 31.5 thousand hectares in the 2024/25 crop year, up 9% from the previous crop year. The company typically provides well-tested sugarcane varieties to farmers who enter into cooperation agreements with the company. This helps control sugarcane yields and CCS levels.

2. Harvesting: The sugarcane harvesting and processing period generally runs from Q4 of the previous year to Q2 of the following year. The sugar industry typically produces during one crop year to meet consumption demand for the entire year.

3. Transporting to the sugar factory: After harvesting, sugarcane is transported to the sugar mill. Typically, sugarcane needs to be processed within around 16 hours after harvesting to maintain its quality. Therefore, sugar mills are usually located close to sugarcane growing areas, and the size of the growing area also affects the scale of the sugar mill. The An Khe Sugar Factory is expanding its processing capacity from 18,000 tonnes of sugarcane per day to 25,000 tonnes per day in 2026.

4. Production: Sugarcane put into production goes through stages including preliminary processing - pressing water, filtering and refining sugar. In general, the sugar refining technique is uncomplicated, but sugar mills need to have a large capacity to gain economies of scale and improve price competitiveness. QNS's An Khe - Gia Lai sugar factory was invested with a capacity of up to 18,000 tons of sugarcane/day (TMN). This is the sugar factory with the largest capacity in Vietnam. Invested with modern equipment, An Khe sugar factory can optimize production and reduce loss in processing.

5. Distribution: Finished products are stored and distributed to consumers. Packaged sugar products (0.5 kg and 1 kg) are distributed nationwide through modern trade channels. QNS distributes its products

through retail channels and supplies industrial customers for use as raw materials in food and beverage production, such as Vinamilk, Pepsi, Coca-Cola, etc

Soy milk value chain

Source: Company data, Shinhan Securities Vietnam

In the soy milk segment, QNS uses soybeans through a series of processes to deliver to consumers.

1. Raw soybean: Company invests in material area in 4 regions, including the Central Region, the Central Highlands, the Red River Delta, and the Mekong Delta with an area of up to 9,000 hectares. With genetic resources of more than 1,500 units, the Board of Directors plans to create soybeans that are well adapted to climate change, contributing to the sustainability of domestic supply. In addition, the company also imports soybeans from other countries to serve the purpose of mixing and enhancing the flavor of soy milk.

2. Transportation: Soybeans are transported to the factories for production.

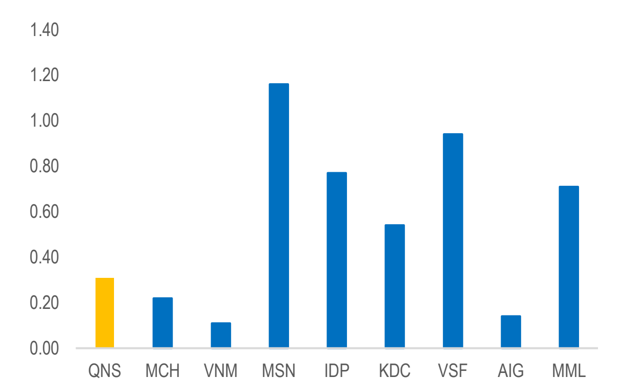
3. Production: Soybeans are transported to the factories of QNS for processing. QNS currently has 3 VINASOY factories located in Bac Ninh, Quang Ngai, and Binh Duong with a total installed capacity of up to 390 million liters of milk per year.

4. Distribution: Finished goods are delivered to consumers. Currently, QNS is focusing on traditional channels (General Trade – GT) and supermarkets with 150,000 points of sale and cooperating with 178 distributors. As a result, QNS can effectively bring products to consumers.

4. Strong financial position, maintaining stable dividend

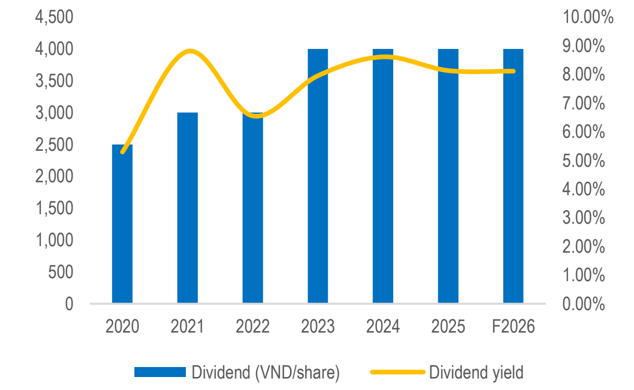
QNS's net debt-to-equity ratio is generally significantly lower than the average of its peers in the Food & Beverage sector, reflecting a healthy financial position and thereby supporting its ability to maintain regular cash dividend payments.

Net debt/equity structure of food and beverage enterprises (Q2/2026)



Source: Fiinpro, Shinhan Securities Company

Cash dividend payment per share and dividend payout ratio



Source: Fiinpro, Shinhan Securities Company

QNS's borrowings consist entirely of short-term bank loans, primarily used to finance the company's working capital needs, such as purchasing goods and materials for production and business operations. The company fully repaid its long-term borrowings in 2018. With substantial cash, cash equivalents, and short-term financial investments, QNS has a solid financial position to fund its business and production expansion projects in the coming years.

In addition, the company has consistently maintained annual cash dividend payments of VND 3,000 - 4,000 per share since fulfilling its long-term debt obligations and is expected to maintain this high dividend payout going forward. The cash dividend yield on QNS has ranged from 6 - 9% over the past five years, making QNS an attractive and stable investment.

Risks

The risk of the raw soybeans' import price

QNS imports raw soybeans with a ratio of 70-80% from other countries such as Canada to blend and improve product quality. Approximately 70% of the cost of soymilk comes from raw soybeans; therefore, fluctuations in world prices will affect QNS's gross profit margin. In addition to weather, many factors affect world soybean prices, such as the value of the USD, fertilizer prices, and other factors.

Risk of business expansion

The habit of consuming phytonutrient products is still not high. According to Euromonitor, the main reason comes from biased thought that plant-based nutritional products do not have high nutrition like the traditional milk. Therefore, market expansion and production of plant-based products such as plant-based yogurt is potential but also pose certain risks for QNS when the market is still unfamiliar with this type of products.

Risk of impact of ENSO on sugar volume

Sugarcane production is significantly affected by El Niño and La Niña events. Therefore, sugar output may decline sharply in years with extreme weather conditions. However, these two types of extreme weather events are generally difficult to predict over the long term.

Risk of excise tax on sugary beverages

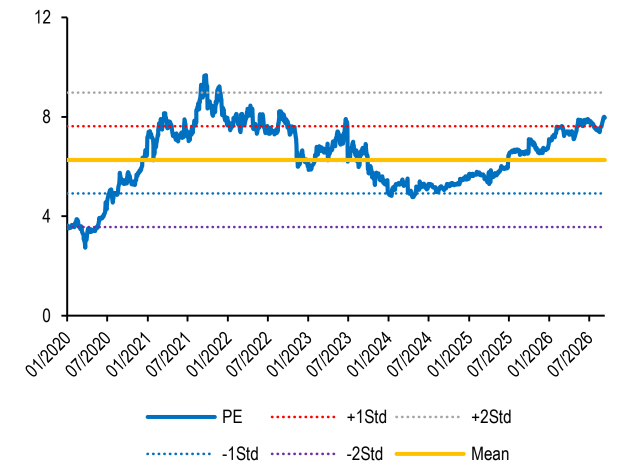
Given the adverse health effects associated with sugar consumption, the Ministry of Finance has approved a roadmap for imposing a special consumption tax (SCT) on sugar-sweetened beverages. Accordingly, beverages subject to the tax are those falling under the definition of beverages under Vietnamese Standards and containing more than 5g of sugar per 100ml, excluding beverages such as milk and dairy products; liquid foods intended for nutritional purposes; natural mineral water and bottled drinking water; pure fruit and vegetable juices and nectars; and cocoa products. The tax rate will be 8% from 2027 and increase to 10% from 2028. The imposition of the SCT on sugar-sweetened beverages is expected to reduce demand for sugar-containing beverages, negatively affecting revenue for the sugar industry in general and refined sugar producers in particular.

The complicated situation of smuggled sugar

Sugar smuggling is one of the major challenges facing Vietnam's sugar industry. Domestic production meets only around 40% of consumption demand, while the tariff rate on officially imported Thai sugar is as high as 47.64%, leading to increased sugar smuggling into Vietnam through border areas. Low-priced smuggled sugar puts downward pressure on domestic sugar prices and negatively affects sugar producers. Therefore, the development of the sugar industry remains highly dependent on authorities' efforts to control sugar smuggling.

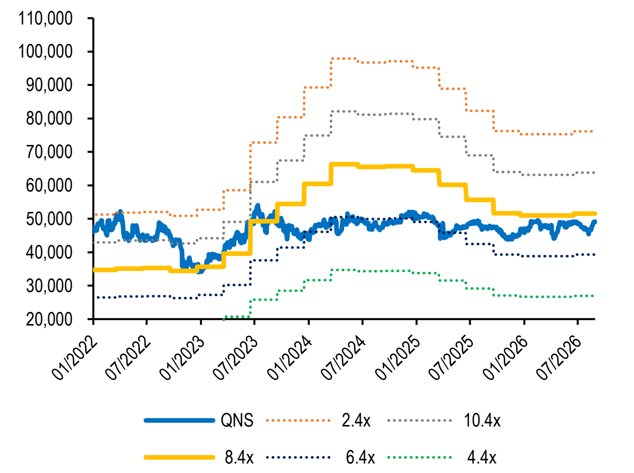
Recently, the Ministry of Industry and Trade extended the application of anti-dumping and countervailing duties on Thai sugar products for another five years. Accordingly, the duties will remain in effect until June 15, 2031.

P/E of QNS



Source: Bloomberg, Company data, Shinhan Securities Vietnam

PE Band of QNS



Source: Bloomberg, Company data, Shinhan Securities Vietnam

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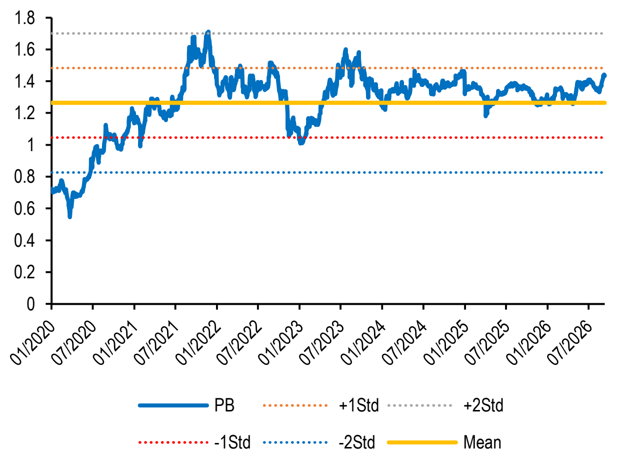

Source: Bloomberg, Company data, Shinhan Securities Vietnam

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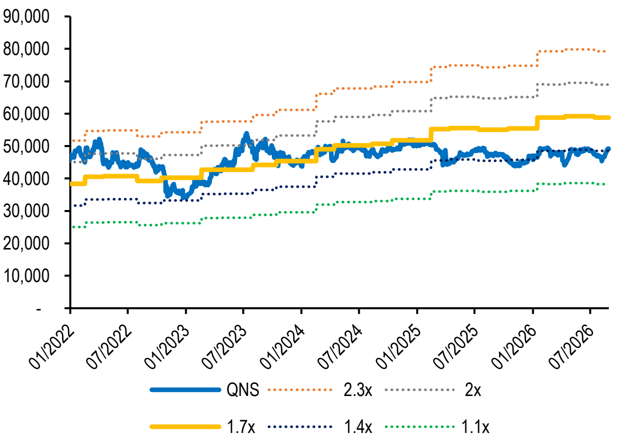
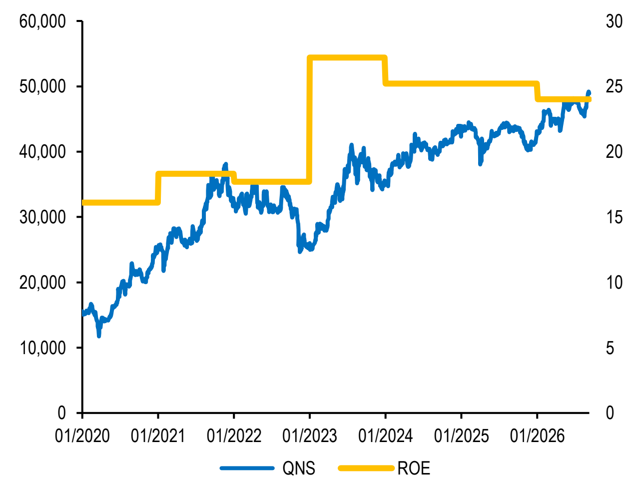


Source: Bloomberg, Company data, Shinhan Securities Vietnam

EV/EBITDA of QNS

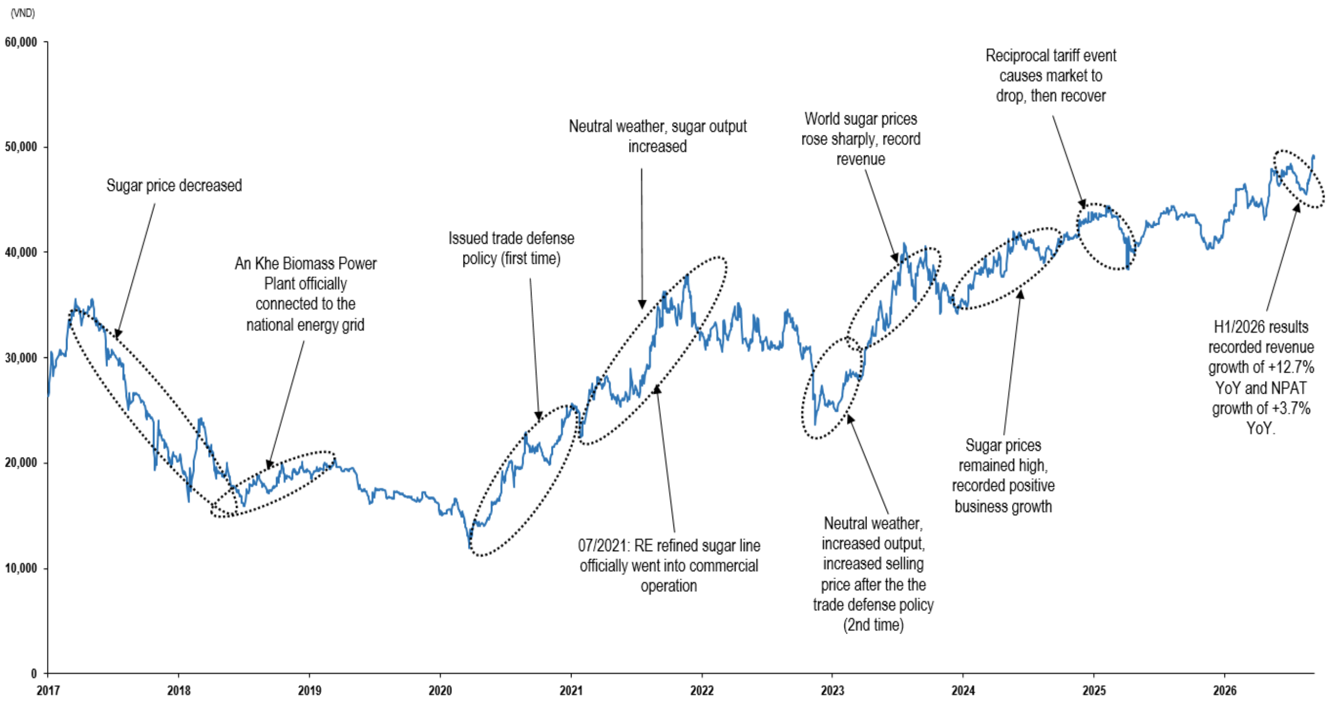
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Price and ROE



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Key events chart of QNS



Source: Company data, Shinhan Securities Vietnam

Appendix: Financial Statements

Statement of financial position

Year to Dec. (bn VND)	2023	2024	2025	2026F	2027F
Total assets	**12,053**	**13,809**	**14,362**	**15,385**	**16,275**
Current assets	8,093	10,011	10,893	11,897	13,009
Cash & equivalents	290	539	272	-3	439
Short-term financial asset	6,165	7,299	8,132	9,150	9,665
Accounts receivable	661	810	1,076	1,036	1,094
Inventories	816	947	958	1,324	1,378
Other short-term assets	161	416	455	390	433
Non-current assets	3,960	3,798	3,469	3,488	3,266
Net fixed assets	3,666	3,452	3,142	3,077	2,850
Investment assets	54	82	53	53	38
Other long-term assets	294	346	327	411	416
Total liabilities	**3,472**	**3,807**	**3,710**	**4,071**	**4,262**
Current liabilities	3,281	3,627	3,550	3,911	4,102
Accounts payable	456	464	436	547	540
Short-term borrowings	2,411	2,714	2,536	2,866	3,038
Others	414	449	578	498	524
Non-current liabilities	191	180	160	160	160
Long-term borrowings	0	0	0	0	0
Other financial liabilities	191	180	160	160	160
Total shareholders' equity	**8,581**	**10,002**	**10,653**	**11,314**	**12,013**
Capital stock	3,569	3,677	3,677	3,677	3,677
Capital surplus	354	529	529	529	529
Other capital	(120)	(55)	16	76	134
Retained earnings	4,778	5,851	6,431	7,032	7,673
Non-controlling interest equity	0	0	0	0	0
*Total debt	**2,411**	**2,714**	**2,536**	**2,866**	**3,038**
*Net debt (cash)	(4,044)	(5,124)	(5,868)	(6,281)	(7,066)

Statement of comprehensive income

Year to Dec. (bn VND)	2023	2024	2025	2026F	2027F
Revenue	**10,021**	**10,243**	**10,575**	**11,898**	**12,568**
Growth (%)	21.4	2.2	3.2	12.5	5.6
COGS	(6,670)	(6,759)	(7,050)	(8,000)	(8,541)
Gross profit	**3,351**	**3,484**	**3,525**	**3,898**	**4,027**
GPM (%)	33.4	34.0	33.3	32.8	32.0
SG&A	(1,196)	(1,104)	(1,604)	(1,999)	(2,099)
Operating profit	**2,155**	**2,380**	**1,921**	**1,899**	**1,928**
Growth (%)	58.6	10.4	(19.3)	(1.1)	1.5
OPM (%)	21.5	23.2	18.2	16.0	15.3
Non-operating profit	293	265	292	323	333
Financial income	341	262	306	400	420
Financial expense	(139)	(96)	(111)	(175)	(185)
In which: interest expenses	(136)	(94)	(107)	(172)	(182)
Net other non-operating profit	91	99	97	98	98
Pre-tax profit	2,447	2,645	2,212	2,222	2,261
Income tax	(263)	(268)	(296)	(289)	(294)
Net profit	**2,184**	**2,377**	**1,916**	**1,933**	**1,967**
Growth (%)	69.6	8.9	(19.4)	0.9	1.8
NPM (%)	21.8	23.2	18.1	16.2	15.7
Controlling interest	2,184	2,377	1,916	1,933	1,967
Non-controlling interest	0	0	0	0	0
EBIT	**2,583**	**2,739**	**2,319**	**2,394**	**2,443**
Growth (%)	62.7	6.0	(15.3)	3.2	2.0
EBIT Margin (%)	25.8	26.7	21.9	20.1	19.4
EBITDA	**3,028**	**3,183**	**2,779**	**2,850**	**2,910**
Growth (%)	45.7	5.1	(12.7)	2.6	2.1
EBITDA margin (%)	30.2	31.1	26.3	24.0	23.2

Statement of cash flow

Year to Dec. (bn VND)	2023	2024	2025	2026F	2027F
Cash flow from operations	**2,408**	**2,032**	**2,106**	**1,687**	**1,872**
Net profit	2,183	2,377	1,916	1,933	1,967
D&A expense	445	444	460	456	467
(Gain) from investing activities	(311)	(234)	(273)	(366)	(387)
Change in working capital	(62)	(539)	14	(316)	(157)
Others	153	(16)	(11)	(20)	(18)
Cash flow from investments	**(1,782)**	**(1,151)**	**(947)**	**(1,044)**	**(353)**
Change in fixed assets	(219)	(248)	(367)	(392)	(225)
Change in investment assets	(1,869)	(1,134)	(833)	(1,018)	(515)
Others	306	231	253	366	387
Cash flow from financing	**(539)**	**(632)**	**(1,426)**	**(919)**	**(1,077)**
Change in equity	-	282	-	1	-
Net borrowing	515	302	(177)	330	172
Dividends	(1,055)	(1,216)	(1,248)	(1,249)	(1,249)
Change in total cash	**87**	**249**	**(267)**	**(276)**	**442**
Beginning cash	203	290	539	272	(3)
Change in FX rates	-	-	-	1	-
Ending cash	290	539	272	(3)	439

Source: Company data, Shinhan Securities Vietnam

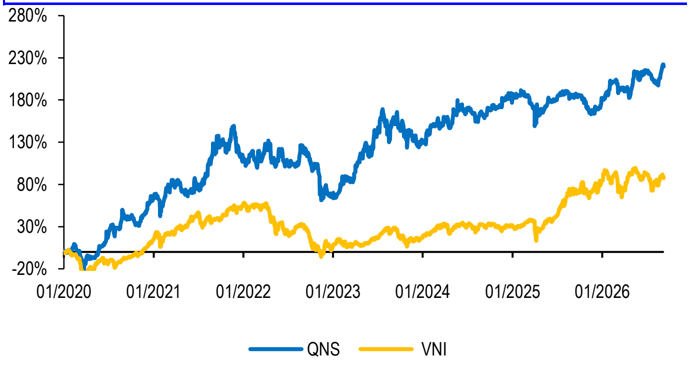
Key ratios

Year to Dec.	2023	2024	2025	2026F	2027F
EPS (VND)	7,172	7,680	6,079	6,134	6,241
BPS (VND)	28,468	32,648	34,131	36,250	38,490
DPS (VND)	3,000	4,000	4,000	4,000	4,000
PER (x)	6.4	6.5	10.1	10.0	9.8
PBR (x)	1.6	1.5	1.8	1.7	1.6
Dividend payout ratio (%)	48.3	51.2	65.2	64.6	63.5
Dividend yield (%)	2.3	2.4	2.0	2.0	2.0
Profitability					
EBITDA margin (%)	30.2	31.1	26.3	24.0	23.2
OPM (%)	21.5	23.2	18.2	16.0	15.3
NPM (%)	21.8	23.2	18.1	16.2	15.7
ROA (%)	18.1	17.2	13.3	12.6	12.1
ROE (%)	25.5	23.77	18.0	17.1	16.4
Stability					
Debt to equity ratio (%)	28.1	27.1	23.8	25.3	25.3
Net debt ratio (%)	(133.6)	(161.0)	(211.2)	(220.4)	(242.8)
Cash ratio (%)	196.7	216.1	236.7	233.9	246.3
Interest coverage ratio (x)	19.0	29.1	21.7	13.9	13.4
Activity (%)					
Số ngày phải trả người bán (ngày)	25.5	23.6	23.1	21.6	23.0
Số ngày hàng tồn kho (ngày)	52.1	61.6	69.9	69.4	73.2
Số ngày khoản phải thu (ngày)	22.7	26.2	32.5	32.4	30.9

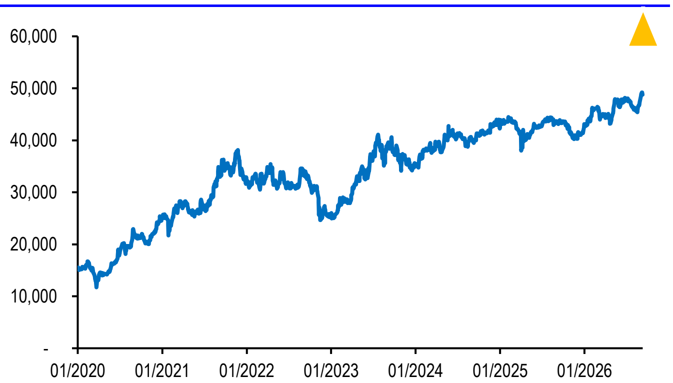
Source: Company data, Shinhan Securities Vietnam

Quang Ngai Sugar JSC (QNS VN)

Share price



Target price



Date	Rating	Target price (VND)	Target price gap (%) Average	Max/Min
14/06/2023 (Initiation)	BUY	55,700	17.7	32.5/4.2
09/11/2023 (Update)	BUY	64,200	54.5	21.5/102.6
27/02/2025 (Update)	BUY	63,500	33.9	23.1/46.0
03/11/2025 (Update)	BUY	56,000	20.1	15.5/35.1
22/09/2026 (Update)	BUY	61,400	36.9	22.0/64.9

Note: Calculation of target price gap based on past 12 months

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Stock	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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