

Quang Ngai Sugar JSC (QNS VN)

[Vietnam / Food and beverages]

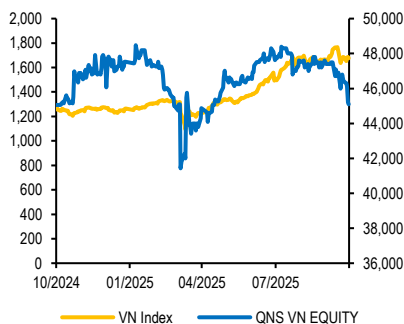
Bloomberg Ticker (QNS VN) | Reuters Ticker (QNS.HM)

BUY

Update Report

Target price (12 months) **56,000 VND**
Current price (03/11/2025) **44,800 VND**
Upside/downside (%) **25%**

VNINDEX	1,617
P/E market (x)	13.8
Market Cap (bn VND)	16,471
Outstanding shares (mn)	368
Free-Floating (mn)	242
52-Wk High/Low (VND)	52,300/43,500
90-day avg. trading volume (mn)	0.17
90-day avg. turnover (bn VND)	8
Foreign ownership (%)	9.26
Major shareholders Thành Phát trading (%)	15.11
Vinacapital	6.54
Performance	3M 6M 12M
Absolute (%)	-8.0 -2.2 -8.4
Relative to VN-Index (%)	-16.2 -34.0 -37.2



Source: Bloomberg

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Less sweet season for sugar

Update recommendation BUY, target price at VND 56,000

Quang Ngai Sugar Joint Stock Company (UpCOM: QNS) is a leading branded soy milk producer with a market share of over 90% and is the second largest producer of cane sugar in Vietnam. Based on the FCFF and PE methods, we recommend buying QNS with a target price of VND56,000. We expect the soymilk segment to continue to maintain good growth in Q4 and offset the decline in the sugar segment in the short term.

Update on Q3 and 9M/2025

In Q3/2025, QNS recorded revenue of VND 2,685 billion (-1.5% YoY), in which the two main segments grew in opposite directions (sugar and soy milk revenue reached VND 945 billion and VND 1,281 billion, -9.2% YoY and +5.6% YoY, respectively). Accordingly, gross profit reached VND 871 billion (-4.5% YoY) and net profit reached VND 381 billion (-28.4% YoY) - with a sharper decline due to a sharp increase in selling expense margin to 15.6% in the quarter.

In the first 9 months of the year, accumulated net revenue reached VND 7,872 billion (-2.4% YoY) and profit after tax reached VND 1,319 billion (-24.8% YoY). 9M net profit margin decreased by 4.9 percentage points compared to the same period due to the impact of the decline in the sugar segment and a sharp increase in selling expenses. In contrast, the dairy segment recorded good growth accompanied by improved profit margins, showing the effectiveness of implementing marketing and sales campaigns from 2024, partly benefiting from lower input material prices despite the increase in USD exchange rate.

Forecast for 2025

We have revised down our 2025 business results forecast to reflect the impact of lower sugar prices. Accordingly, we project that the sugar segment's contribution to revenue will decrease by 10.5% compared to last year, assuming a 6% decrease in average selling price. For the dairy segment, we forecast 2025 output growth of 5%, corresponding to revenue from this segment reaching VND4,579 billion (+9.7% YoY) and at the same time, gross profit margin will also improve thanks to lower raw soybean prices.

Therefore, we expect that in 2025, QNS will achieve revenue of VND 10,014 billion (-2.2% YoY) and net profit of VND 2,054 billion (-13.6% YoY), with the full-year selling expense margin recorded at 11%.

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	2025F	2026F	2027F
Revenue (bn VND)	10,021	10,243	10,014	10,221	10,574
Operating Profit (bn VND)	2,155	2,380	1,990	1,918	2,079
Net Profit (bn VND)	2,184	2,377	2,054	2,023	2,186
EPS (VND)	7,172	7,680	6,518	6,419	6,936
BPS (VND)	28,468	32,650	34,603	37,128	39,864
OPM (%)	21.5	23.2	19.9	18.8	19.7
NPM (%)	21.8	23.2	20.5	19.8	20.7
ROE (%)	25.5	23.77	19.0	17.5	17.6
PER (x)	6.4	6.5	8.6	8.7	8.1
PBR (x)	1.6	1.5	1.6	1.5	1.4

Source: Company data, Shinhan Securities Vietnam

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Update on Q3/2025 and forecast

Billion VND	Q3/2025	Q3/2024	Change (YoY)	9M/2025	Change (YoY)	2025F	Change (YoY)
Net Revenue	2,685	2,727	-1.5%	7,872	-2.4%	10,014	-2.2%
Sugar	945	1,041	-9.2%	2,635	-18.3%	3,526	-10.5%
Soy milk	1,281	1,213	5.6%	3,596	12.8%	4,579	9.7%
Others*	459	473	-3.0%	1,641	-1.0%	1,909	-10.4%
Gross profit	871	912	-4.5%	2,573	-4.8%	3,391	-2.7%
Sugar	190	350	-45.7%	581	-44.2%	846	-34.4%
Soy milk	554	470	17.9%	1,570	27.7%	1,923	22.6%
Others*	127	92	38.0%	422	-2.5%	622	-0.9%
Net profit	381	532	-28.4%	1,319	-24.8%	2,054	-13.6%
Gross profit margin	32.4%	33.4%	-1.0%	32.7%	-0.8%	33.9%	
Sugar	20.1%	33.6%	-13.5%	22.0%	-10.3%	24.0%	
Soy milk	43.2%	38.7%	4.5%	43.7%	5.1%	42.0%	
Others*	27.7%	19.5%	8.2%	25.7%	-0.4%	32.6%	
Net profit margin	14.2%	19.5%	-5.3%	16.8%	-4.9%	20.5%	

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

In the third quarter of 2025, QNS recorded net revenue of VND 2,685 billion (-1.5% YoY) and after-tax profit of VND 381 billion, a sharp decrease of -28.4% compared to the same period last year. In the first 9 months of the year, although consolidated revenue only decreased slightly by -2.4% compared to the same period, after-tax profit decreased sharply by -24.8% due to the impact of a sharp decline in gross profit margin in the sugar segment and increased selling expenses. Thus, the results achieved after 3 quarters have completed 77% and 74% of the plan set at the AGM, respectively.

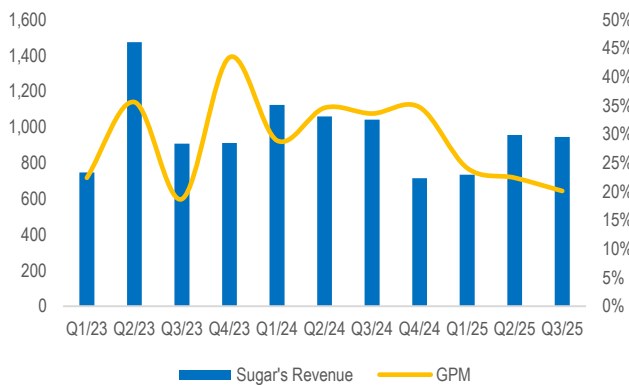
Soy milk segment continued to lead growth amid decline in sugar segment

Following the trend of the previous two quarters, revenue from the soy milk segment in Q3 maintained a good growth rate compared to the same period, reaching VND 1,281 billion (+5.6% YoY), the sugar segment performed in the opposite direction when recording revenue of VND 945 billion, corresponding to a decrease of -9.2% YoY. The reason was that both consumption output and sugar prices decreased compared to the high base of 2024. Accordingly, although the total production output increased, the consumption output was less optimistic. On the contrary, milk consumption output in the first 9 months grew positively by 4% YoY, as a result of good implementation of marketing and sales policies.

Gross profit margin improved in the milk segment, increasing by 4.5 percentage points compared to the same period, to 43.2%. Thus, the milk segment showed good growth in output, accompanied by an improvement in profit margin. This is also considered a growth driver for QNS when taking advantage of its market share and

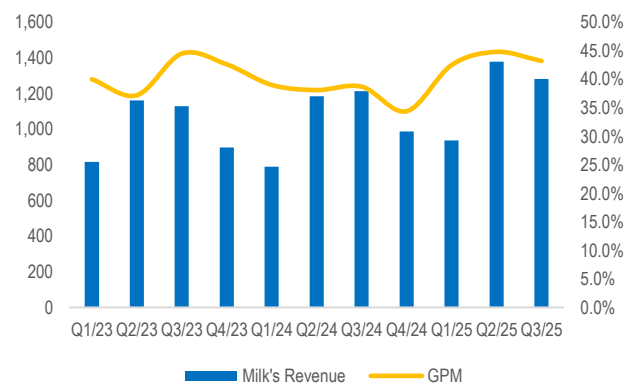
distribution system. Although the USD exchange rate increased, the low price of soybeans in the world market is also a factor supporting the milk segment's GP (gross profit) margin. On the contrary, the sugar segment's GP margin decreased due to the decrease in sugar prices in the first half of the year, causing the consolidated GP margin to decrease compared to the same period.

Revenue and GP margin of sugar segment



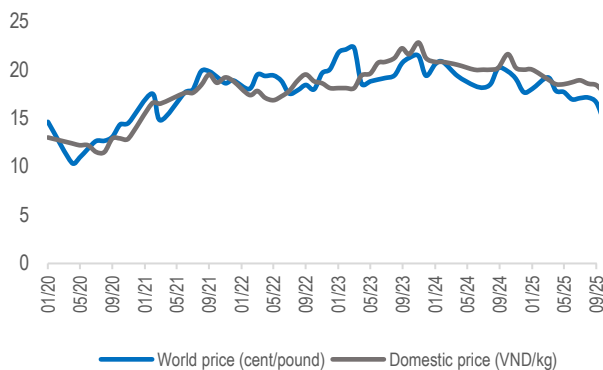
Source: Company data, Shinhan Securities Vietnam

Revenue and GP margin of milk segment



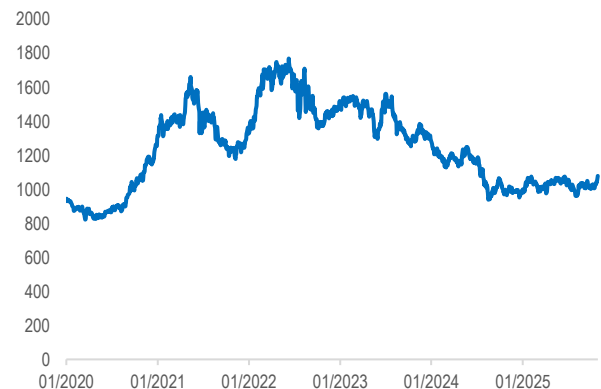
Source: Company data, Shinhan Securities Vietnam

Sugar price



Source: Bloomberg, Agromonitor, Shinhan Securities Vietnam

World soybean prices (USD/bushel)



Source: Bloomberg, Agromonitor, Shinhan Securities Vietnam

Sugar prices are less positive

World sugar prices have adjusted down about 18% since the beginning of the year, due to increased production forecasts in major sugar exporting countries such as Brazil, Thailand and India as well as concerns about consumption demand due to unstable fluctuations in the world economic situation, especially under the influence of US tax policy.

Decree 70 on invoices and taxes is a factor affecting retailers (including in the F&B sector), reducing inventory at agents and a large amount of unofficial sugar are factors contributing to the rather quiet sugar trading.

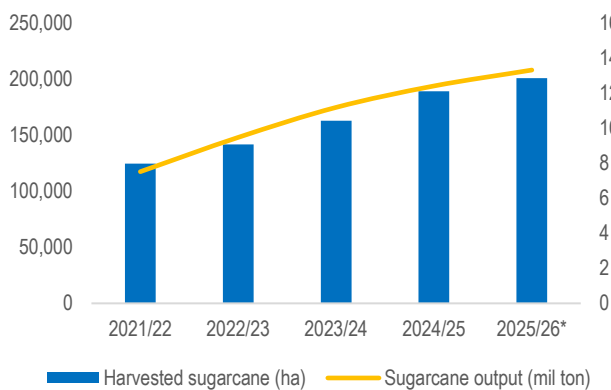
We forecast the sugar segment's business results in 2025 based on the assumption of a 6% decrease in average selling price and a 6.2% decrease in output; corresponding to revenue from the sugar segment reaching VND

3,526 billion (-10.5% YoY). For the soy milk segment, we increase the forecast for 2025 output growth to 5% based on the positive results achieved in the first 9 months of the year, corresponding to 2025 revenue reaching VND 4,579 billion (+9.7% YoY) and at the same time, the gross profit margin improves thanks to the benefit from the decrease in raw soybean prices. Thereby, we expect that in 2025, QNS will achieve revenue of VND 10,014 billion (-2.2% YoY) and net profit of VND 2,054 billion (-13.6% YoY), with the expected full-year selling expense margin at 11%.

2024/25 crop update:

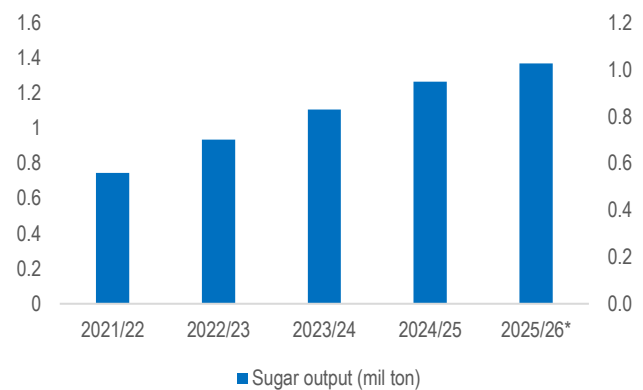
The 2024/25 crop year ended in June 2025 with positive results. In terms of supply, the harvested sugarcane area reached 189,360 hectares, the crushed sugarcane output reached 12.43 million tons (+16.2% YoY), the finished product was 1.26 million tons of sugar (+14.3% YoY), the average CCS was 10.19%, an increase of 3% compared to the previous crop year. The purchase price of sugarcane at the field fluctuated from 1.2 - 1.3 million VND/ton, ensuring profit margins for farmers and creating conditions for expanding sugarcane cultivation areas. Although the supply has continuously recorded impressive growth, the demand side has not been positive. Sugar prices and consumption output have decreased due to the impact of world sugar prices, the problem of smuggled sugar and increased competition from HFCS corn syrup, causing a decrease in sugar demand; causing sugar inventories to rise quite high.

Sugarcane planting area and yield by crop year



Source: VSSA, Shinhan Securities Vietnam

Domestic sugar production output



Source: VSSA, Shinhan Securities Vietnam

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 shift the valuation to early 2026 and use the following assumptions and projections:

Weighted Average Cost of Capital (WACC)	
WACC (%)	10.0
Risk-free rate (%)	4.0
Equity risk premium (%)	8.66
Beta	0.79
After-tax debt cost (%)	4.5
The cost of equity(%)	10.8
Debt-to-equity ratio	0.17
Total debt (Billion VND)	2,368

Source: Company data, Shinhan Securities Company

FCF valuation						
Unit: billion VND	2025F	2026F	2027F	2028F	2029F	2030F
Net profit	2,054	2,023	2,186	2,207	2,217	2,292
Plus: After-tax interest expense	434	446	458	470	489	489
Plus: Depreciation & Amortization	120	110	121	121	126	130
Minus: Change in working capital	580	-211	234	-163	611	585
Minus: CapEx	307	312	306	314	476	476
Free Cash Flow (FCF)	1,721	2,478	2,225	2,647	1,745	1,850
Discount rate	1.00	0.91	0.83	0.75	0.68	0.62
PV of FCF	1,721	2,255	1,847	1,985	1,187	1,147
Long-term growth rate	0%					
Present value of long-term value	11,470					
Enterprise value	19,891					
Debt	2,368					
Cash and cash equivalents	346					
Minority interest	0					
Number of shares outstanding (billion shares)	0.312					
Target price (VND)	57,20					
	0					

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 8.9x.
- 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 (2024). The target P/E applied to value this segment is 9.1x.
- For other segments (biomass electricity, beer, mineral water, confectionery): We apply a target P/E price of 5x.

<i>(Bil VND)</i>	Net profit 2026F	Target P/E (x)	Equity value
Sugar	558	8.9x	4,966
Soy milk	1,179	9.1x	10,729
Others	286	5.0x	1,430
Total equity value			17,125
Number of shares (billion shares)			0.312
Target price (VND)			54,800

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	Ấn Độ	8,753	29.2	42.0	7.6	12.5
BRCM IN Equity	BALRAMPUR CHINI MILLS LTD	Ấn Độ	28,251	-3.2	-18.3	18.1	11.1
LSS VN Equity	CTCP MÍA ĐƯỜNG LAM SƠN	Việt Nam	822	-13.5	6.3	7.0	6.6
SLS VN Equity	CTCP MÍA ĐƯỜNG SƠN LA	Việt Nam	1,651	-17.8	-29.8	4.4	22.8
Average						9.3	
QNS's 5Y historical P/E						8.5	
Targer P/E						8.9	

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	23,895	6.9	-2.7	12.5	16.4
MCM VN Equity	MOC CHAU DAIRY COW BREEDING	Việt Nam	2,970	-7.0	-41.3	13.9	8.7
VNM VN Equity	VIETNAM DAIRY PRODUCTS JSC	Việt Nam	119,963	2.3	6.0	15.7	26.4
IDP VN Equity	INTERNATIONAL DAIRY PRODUCTS	Việt Nam	11,866	15.1	-8.3	13.5	27.0
Average						13.9	
QNS's 5Y historical P/E						8.5	
Targer P/E						9.1	

Source: Bloomberg, Shinhan Securities Vietnam

Company background

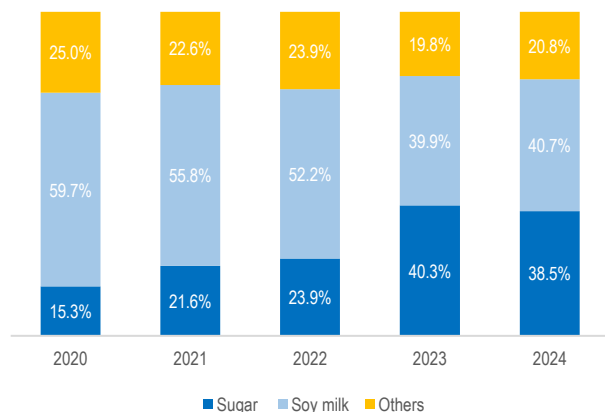
1. History of development

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.

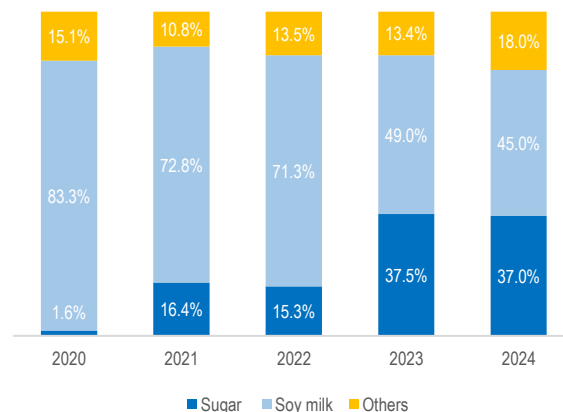
Soy milk is the key revenue contributor of QNS with two main products, Fami and Vinasoy. This segment contributes the highest proportion of revenue and gross profit to QNS with the proportion of 41% and 45% respectively (2024). Besides, the sugar segment also contributes about 39% of revenue and 37% of gross profit for the company. QNS mainly produces sugar from cane and refined sugar RE (Refined Extra - RE). Other segments including brewing, confectionery, and biomass power contribute 21% and 18%, respectively in revenue and gross profit.

QNS's revenue structure



Source: Company data, Shinhan Securities Vietnam

QNS's gross profit margin structure

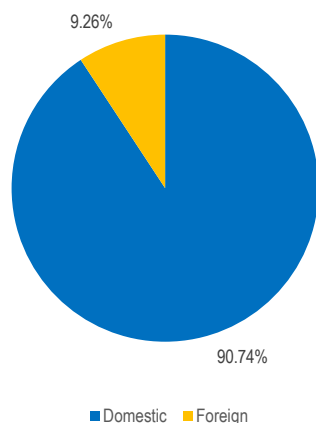


Source: Company data, Shinhan Securities Vietnam

2. Ownership structure

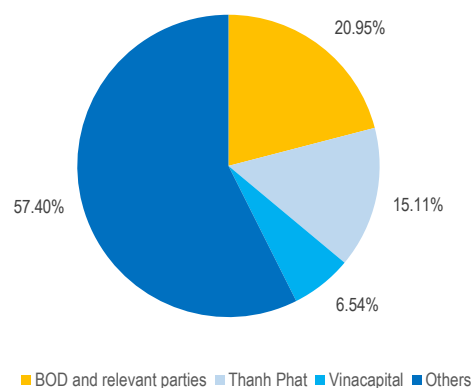
Foreign shareholders and domestic shareholders account for 9.26% and 90.74% of the ownership structure in QNS, respectively. In which, the largest shareholder is Thanh Phat Trading One Member Limited Liability Company with an ownership rate of 15.11%. This is a subsidiary in which QNS holds 100% ownership and voting rights.

QNS's domestic and foreign ownership at 28/10/2025



Source: Finpro, Shinhan Securities Company

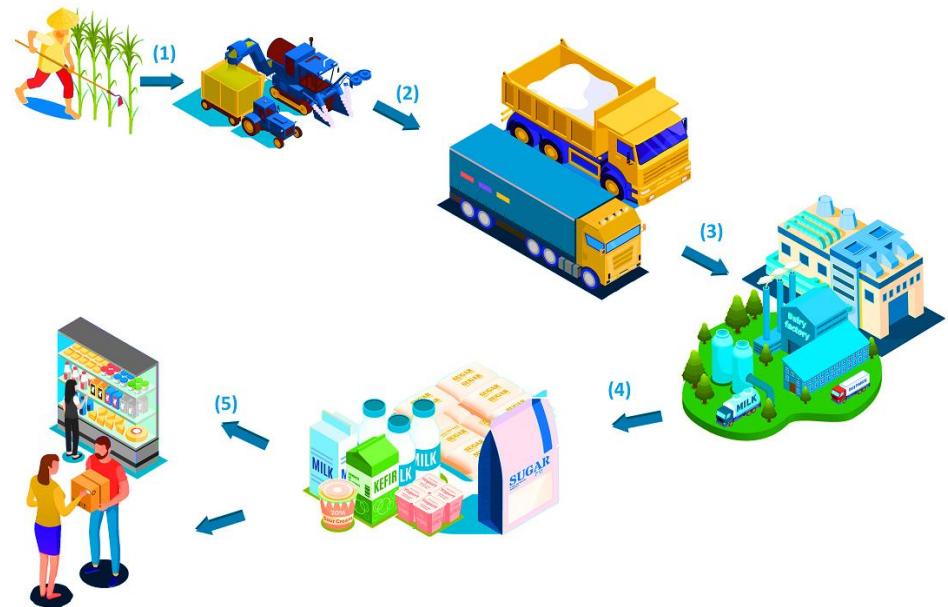
QNS's ownership structure at 28/10/2025



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: QNS cooperates with farmers in An Khe - Gia Lai to grow sugarcane. The agricultural area in this region is large (87 thousand hectares), and productivity and conversion rate of sugarcane to sugar (Commercial Cane Sugar - CCS) are high. The material area for An Khe sugar factory in 2024 reaches 26,000 hectares. QNS often transfers well-tested sugarcane to farmers who have signed cooperation contracts with QNS, which helps control yield and sugar. In addition, QNS also manages the raw material area in Quang Ngai with an area of 2,500 thousand hectares, serving Pho Phong factory.
2. Harvesting: The time to harvest and process sugar cane generally is from the quarter IV of the previous year to quarter II of the following year. The sugar industry usually has one crop for trading whole year.
3. Transporting to the sugar factory: After harvesting, the sugarcane will be transported to the sugar factory. Normally, sugarcane needs to be processed within 16 hours after harvest to ensure the quality of sugarcane. Therefore, sugar factories are often close to raw material areas and the size of raw material areas also affects the size of sugar mills.
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: Products are stored and distributed to consumers.

Soy milk value chain



Source: Company data, Shinhan Securities Vietnam

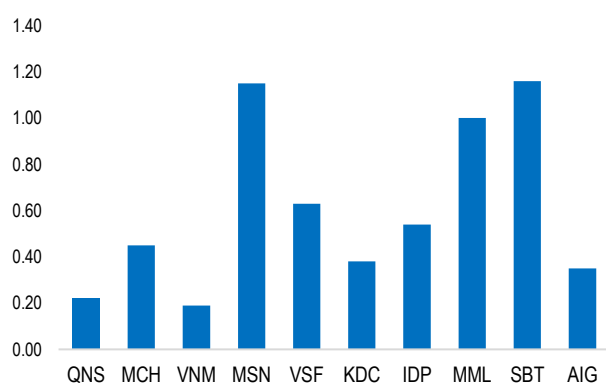
In the soy milk segment, QNS uses soybeans through a series of processes to deliver to consumers.

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 40-60% of 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

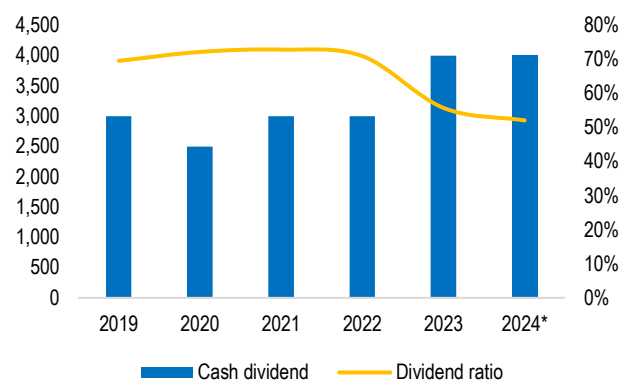
QNS is a business operating in the Food and beverage industry with its main products being milk and sugar. QNS's net debt/equity ratio is generally much lower than the average of the industry.

Net debt/equity structure of food and beverage enterprises (2024)



Source: Finpro, Shinhan Securities Company

Cash dividend payment per share and dividend payout ratio



Source: Finpro, Shinhan Securities Company

QNS's borrowing capital is entirely short-term bank loans, mainly to finance working capital for the business such as purchasing goods for production and business, and has fully paid off long-term loans since 2018. With a large amount of cash, cash equivalents and short-term financial investments, the business has a sustainable financial source to finance production and business expansion projects for the following years.

In addition, the business has maintained a steady cash dividend payment over the years at VND 3,000 to VND 4,000/share, with a cash dividend payment ratio of 50-70% in the past 3 years after completing long-term debt obligations and is expected to continue to maintain this high dividend payment level in the future.

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

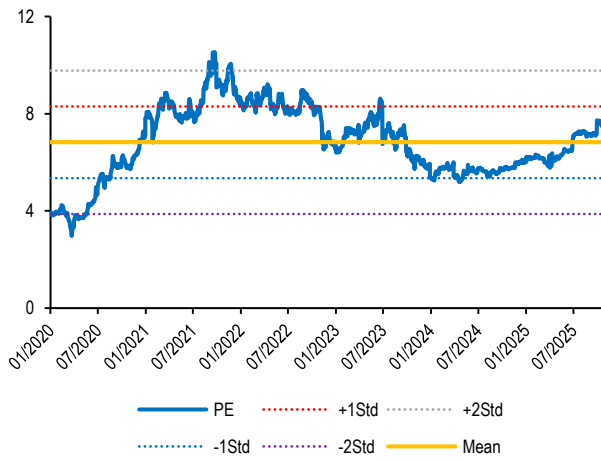
Sugarcane production is strongly affected by El Nino and La Nina, so the amount of sugar produced in years with two kinds of weather often decreases sharply. Specifically, in the 2015/16 crop year, QNS's sugar output was only 134 thousand tons compared to 175 thousand tons in the previous crop when affected by El Nino. However, these two types of extreme weather events are often difficult to predict in the long term

Risk of excise tax on sugary beverages

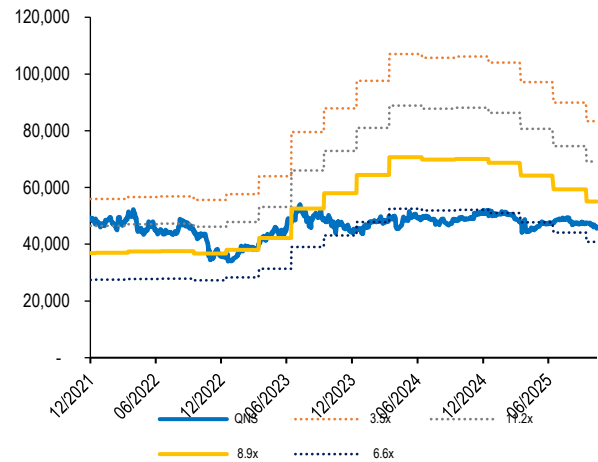
Due to the negative health impacts of sugar, the Ministry of Finance has proposed imposing a Excise tax on sugary beverages in the draft Excise Tax Law. Specifically, certain beverages are exempt from the tax, including: milk; liquid foods for nutritional purposes; natural mineral water, bottled water, vegetable and fruit juices, vegetable and fruit nectar, and cocoa products. With a proposed tax rate of 10%, expected to be passed in the May 2025 session and take effect from 2026, the imposition of excise tax on sugary beverages is expected to reduce consumer demand for sugary drinks and negatively impact the revenue of the sugar industry in general and refined sugar production companies in particular.

The complicated situation of smuggled sugar

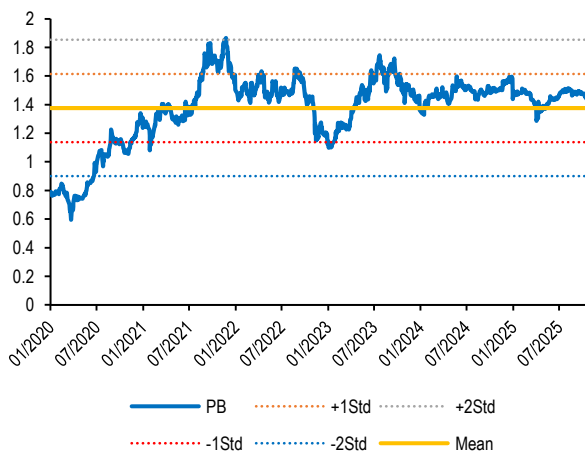
Smuggled sugar is one of the large obstacles of Vietnam's sugar industry. The sugar produced only meets about 30% of domestic consumption demand and the tax rate for Thai sugar officially imported to Thailand is up to 47.64%, leading to an increase in the smuggling of sugar into Vietnam in the border area. Smuggled sugar at low prices restrains domestic sugar prices and negatively affects sugar producers. Therefore, the development of the sugar industry highly depends on the ability to control smuggled sugar of the authorities.

P/E of QNS

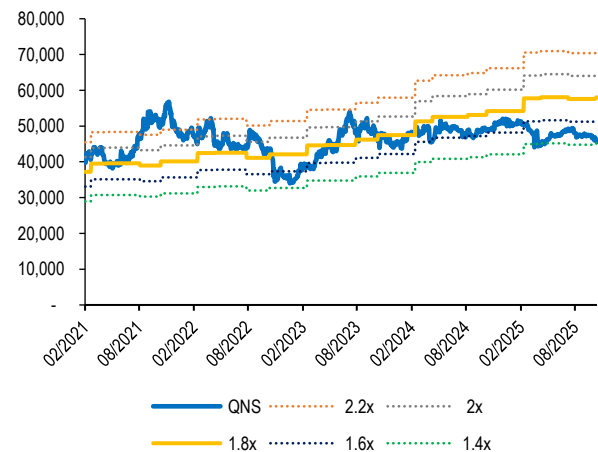
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PE Band of QNS

Source: Bloomberg, Company data, Shinhan Securities Vietnam

P/B of QNS

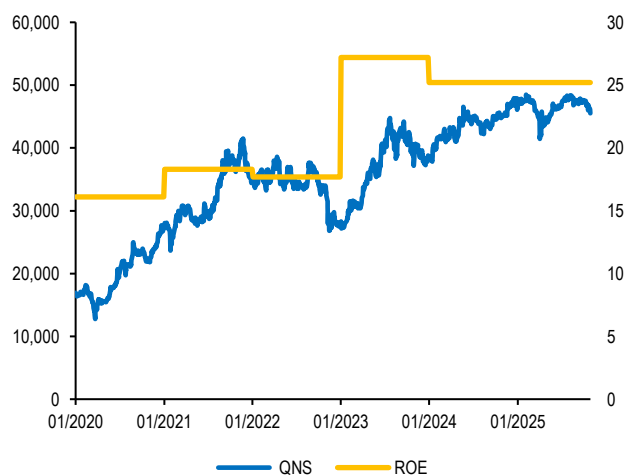
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PB Band of QNS

Source: Bloomberg, Company data, Shinhan Securities Vietnam

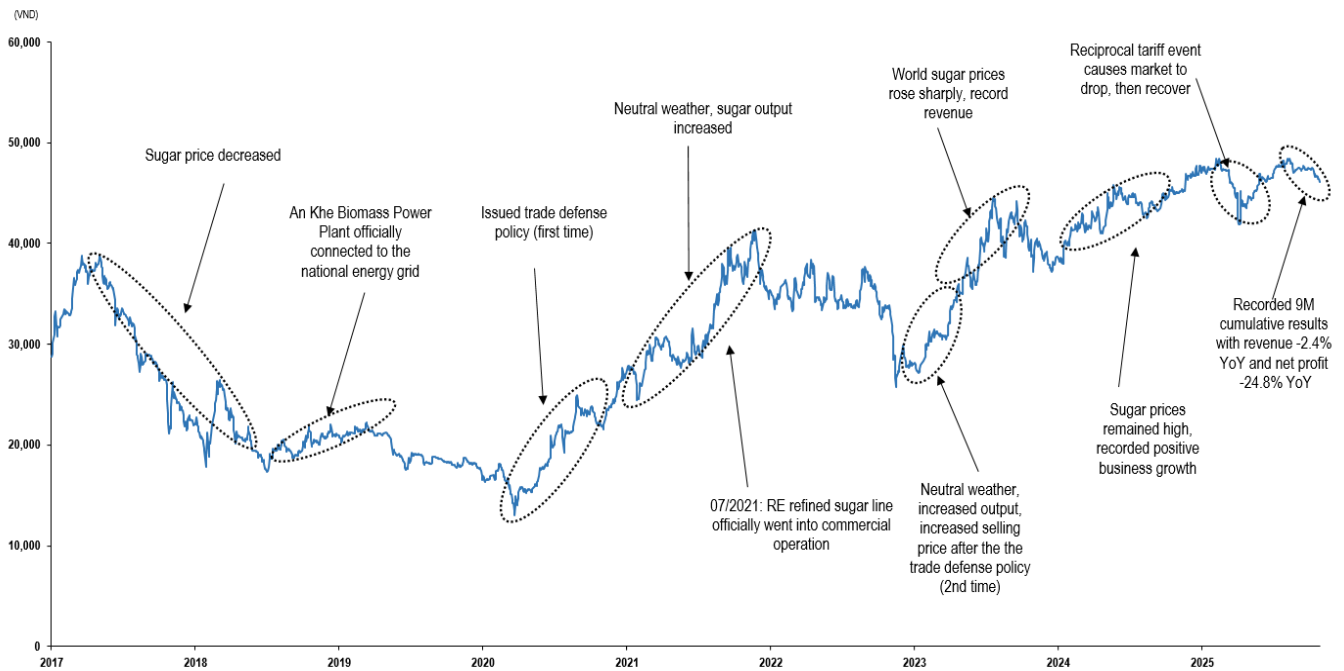
EV/EBITDA of QNS

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)	2022	2023	2024	2025F	2026F
Total assets	10,266	12,052	13,809	14,464	15,292
Current assets	6,090	8,093	10,011	10,755	11,710
Cash & equivalents	203	289	539	641	1,183
Short-term financial asset	4,296	6,165	7,299	7,511	8,177
Accounts receivable	587	661	810	871	889
Inventories	844	816	947	958	1,324
Other short-term assets	160	162	416	774	137
Non-current assets	4,176	3,959	3,798	3,709	3,582
Net fixed assets	3,914	3,666	3,454	3,303	3,142
Investment assets	33	53	82	106	133
Other long-term assets	262	293	344	406	440
Total liabilities	2,802	3,472	3,806	3,664	3,704
Current liabilities	2,750	3,281	3,626	3,484	3,524
Accounts payable	479	456	464	451	470
Short-term borrowings	1,896	2,411	2,714	2,659	2,713
Others	375	414	448	374	341
Non-current liabilities	52	191	180	180	180
Long-term borrowings	0	0	0	0	0
Other financial liabilities	52	191	180	180	180
Total shareholders' equity	7,465	8,581	10,002	10,800	11,588
Capital stock	3,569	3,569	3,676	3,676	3,676
Capital surplus	354	354	529	529	529
Other capital	(159)	(120)	(55)	17	79
Retained earnings	3,701	4,778	5,852	6,578	7,304
Non-controlling interest equity	0	0	0	0	0
*Total debt	1,896	2,411	2,714	2,659	2,713
*Net debt (cash)	(2,603)	(4,043)	(5,124)	(5,493)	(6,647)

Statement of cash flow

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Cash flow from operations	1,385	2,408	2,033	1,607	2,353
Net profit	1,287	2,183	2,377	2,054	2,023
D&A expense	490	445	444	434	446
(Gain) from investing activities	(159)	(311)	(234)	(300)	(327)
Change in working capital	(276)	(62)	(538)	(566)	226
Others	43	153	(16)	(15)	(15)
Cash flow from investments	(322)	(1,782)	(1,153)	(219)	(651)
Change in fixed assets	(102)	(219)	(250)	(307)	(312)
Change in investment assets	(373)	(1,869)	(1,134)	(212)	(666)
Others	153	306	231	300	327
Cash flow from financing	(1,041)	(539)	(632)	(1,287)	(1,160)
Change in equity	-	-	282	-	-
Net borrowing	(136)	515	302	(55)	54
Dividends	(904)	(1,055)	(1,216)	(1,232)	(1,214)
Change in total cash	22	87	248	101	542
Beginning cash	179	203	289	539	641
Change in FX rates	2	(1)	2	1	-
Ending cash	203	289	539	641	1,183

Source: Company data, Shinhan Securities Vietnam

Statement of comprehensive income

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Revenue	8,255	10,021	10,243	10,014	10,221
Growth (%)	12.5	21.4	2.2	-2.2	2.1
COGS	(5,796)	(6,670)	(6,759)	(6,622)	(6,923)
Gross profit	2,459	3,351	3,484	3,392	3,298
GPM (%)	29.8	33.4	34.0	33.9	32.3
SG&A	(1,100)	(1,196)	(1,104)	(1,402)	(1,380)
Operating profit	1,359	2,155	2,380	1,990	1,918
Growth (%)	3.3	58.6	10.4	(16.4)	(3.6)
OPM (%)	16.5	21.5	23.2	19.9	18.8
Non-operating profit	146	293	265	292	330
Financial income	191	341	262	331	358
Financial expense	(84)	(139)	(96)	(134)	(124)
In which: interest expenses	(83)	(136)	(94)	(133)	(122)
Net other non-operating profit	39	91	99	95	96
Pre-tax profit	1,505	2,447	2,645	2,282	2,248
Income tax	(219)	(263)	(268)	(228)	(225)
Net profit	1,286	2,184	2,377	2,054	2,023
Growth (%)	2.6	69.6	8.9	(13.6)	(1.5)
NPM (%)	15.6	21.8	23.2	20.5	19.8
Controlling interest	1,286	2,184	2,377	2,054	2,023
Non-controlling interest	0	0	0	0	0
EBIT	1,588	2,583	2,739	2,415	2,370
Growth (%)	5.5	62.7	6.0	(11.8)	(1.9)
EBIT Margin (%)	19.2	25.8	26.7	24.1	23.2
EBITDA	2,078	3,028	3,183	2,849	2,816
Growth (%)	5.0	45.7	5.1	(10.5)	(1.2)
EBITDA margin (%)	25.2	30.2	31.1	28.5	27.6

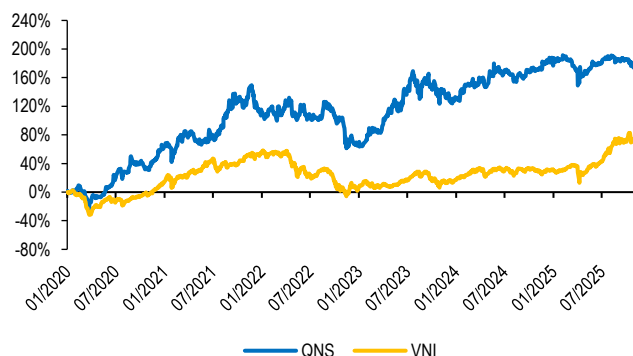
Key ratios

Year to Dec.	2022	2023	2024	2025F	2026F
EPS (VND)	4,226	7,172	7,680	6,518	6,419
BPS (VND)	24,766	28,468	32,650	34,603	37,128
DPS (VND)	8.5	6.4	6.5	8.6	8.7
PER (x)	1.4	1.6	1.5	1.6	1.5
PBR (x)	70.3	48.3	51.2	60.0	60.0
EV/EBITDA (x)	2.5	2.3	2.4	2.2	2.2
Dividend payout ratio (%)					
Dividend yield (%)	25.2	30.2	31.1	28.5	27.6
Profitability	16.5	21.5	23.2	19.9	18.8
EBITDA margin (%)	15.6	21.8	23.2	20.5	19.8
OPM (%)	12.5	18.1	17.2	14.2	13.2
NPM (%)	17.2	25.5	23.77	19.0	17.5
ROA (%)					
ROE (%)	25.4	28.1	27.1	24.6	23.4
Stability	(125.3)	(133.5)	(161.0)	(192.8)	(236.0)
Debt to equity ratio (%)	163.6	196.7	216.2	234.0	265.6
Net debt ratio (%)	19.1	19.0	29.1	18.2	19.4
Cash ratio (%)					
Interest coverage ratio (x)	25.9	25.5	23.6	23.9	25.3
Activity (%)	55.5	52.1	61.6	83.4	82.6
Working capital turnover (times)	4,226	7,172	7,680	6,518	6,419

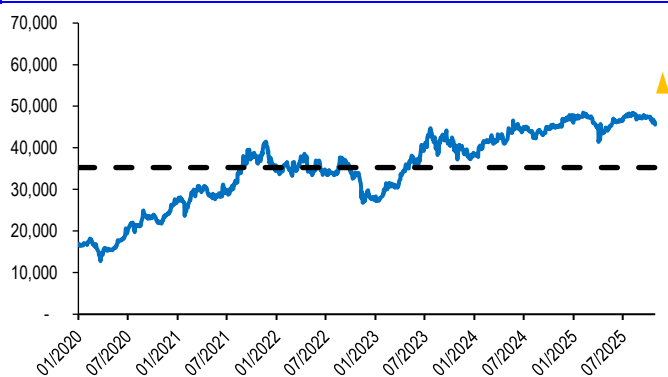
Source: Company data, Shinhan Securities Vietnam

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

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

Shinhan Securities Vietnam

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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