

Vietnam Dairy Products JSC

[Vietnam / Food and Beverages]

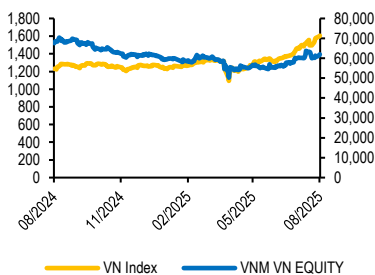
Bloomberg Ticker (VNM VN) | | Reuters Ticker (VNM.HM)

BUY

Update Report

Target price (12 months) **71,900 VND**
Current price (13/08/2025) **61,100 VND**
Upside/downside **17.7%**

VNINDEX	1,612
Market P/E	13.0
Market Cap (bn VND)	127,696
Outstanding shares (mn)	2,090
Free-Floating (mn)	737
52-Wk High/Low (VND)	76,200/51,400
90-day avg. trading volume (mn)	5.17
90-day avg. turnover (bn VND)	296
Foreign ownership (%)	51.5
Major Shareholders (%)	State Capital Investment Corporation (SCIC) 36.0 F&N Dairy Investments Private Limited 17.69
Performance	3M 6M 12M
Absolute (%)	4.4 0.7 -17.2
Relative to VN-Index (%)	-20.2 -26.2 -48.2



Source: Bloomberg

Nhi Nguyen

(84-28) 6299-8000
 nhi.ntt@shinhan.com



Please click or scan

Domestic market recovered

Maintain BUY rating, target price at 71,900 VND

Vietnam Dairy Products Joint Stock Company (Vinamilk, HOSE: VNM) is the dairy company with the leading market share in Vietnam along with the largest distribution system and cow herd. Q2's results showed good recovery thanks to the domestic market and are still in line with our forecast. Based on the FCF and P/E methods, we update our valuation and recommend BUY for VNM with a target price of VND 71,900, equivalent to an expected return of 17.7%.

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

Update business results for Q2/2025

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

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

Business results forecast for 2025

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

Risks

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

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

Source: Company data, Shinhan Securities Vietnam

Shinhan Securities Vietnam Co., Ltd. does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Analysts employed by Shinhan Securities Vietnam Co., Ltd., or a non-US affiliate thereof, are not registered/qualified as research analysts with FINRA, may not be associated persons of the member and may not be subject to FINRA restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account. For analyst certification and important disclosures, refer to the [Compliance & Disclosure Notice at the end of this report](#).

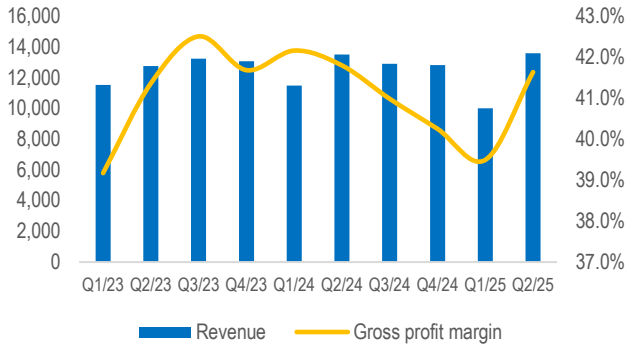
Update on Q2/2025 and 2025 forecast

(Bil VND)	Q2/2025	Q2/2024	Change (YoY)	H1/2025	H1/2024	Change (YoY)	2025F	Change (YoY)
Net revenue	16,725	16,656	0.4%	29,660	30,769	-3.6%	63,134	2.2%
Domestic	13,614	13,532	0.6%	23,625	25,029	-5.6%	51,053	0.5%
Foreign	3,111	3,124	-0.4%	6,035	5,739	5.2%	12,081	10.0%
Export	1,887	1,732	8.9%	3,507	3,031	15.7%		
Subsidiaries	1,223	1,392	-12.1%	2,527	2,708	-6.7%		
Gross profit	7,022	7,068	-0.6%	12,232	12,979	-5.8%	26,043	1.8%
Domestic	5,669	5,657	0.2%	9,623	10,505	-8.4%	20,951	-0.1%
Foreign	1,353	1,411	-4.1%	2,609	2,474	5.5%	5,092	10.3%
Net profit	2,489	2,696	-7.7%	4,076	4,903	-16.9%	9,179	-2.9%
Gross profit margin	42.0%	42.4%		41.2%	42.2%		41.2%	
Domestic	41.6%	41.8%		40.7%	42.0%		41.0%	
Foreign	43.5%	45.2%		43.2%	43.1%		42.2%	
SG&A margin	25.0%	24.2%		26.2%	24.4%		25.1%	
Net profit margin	14.9%	16.2%		13.7%	15.9%		14.5%	

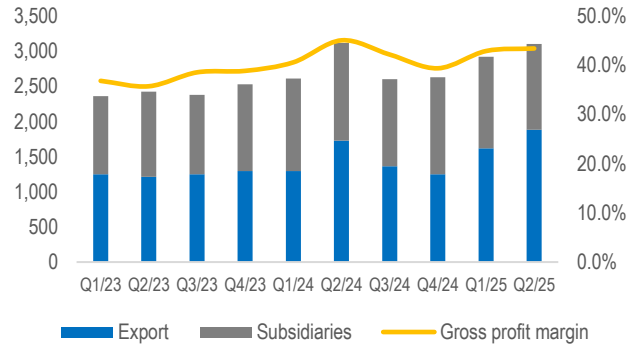
In Q2/2025, VNM recorded consolidated net revenue of VND 16,725 billion, almost flat compared to the same period last year, and net profit of VND 2,489 billion (-7.7% YoY). In which, the domestic market had a good recovery compared to the previous quarter (+29% QoQ), partly because Q1 was affected by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

Activities in the international market remained stable. In particular, the sharp increase in export revenue offset the decline in revenue from foreign branches (Driftwood and Angkormilk). This is also the 8th consecutive quarter of growth for the export segment with record revenue, with double-digit growth in some high-end markets. Currently, VNM has expanded its export activities to 65 markets. Notably, the company has just been licensed to export to China for its Ngoi Sao Phuong Nam condensed milk product and the first shipments are expected to be delivered in the third quarter of this year.

Domestic revenue recovered in Q2



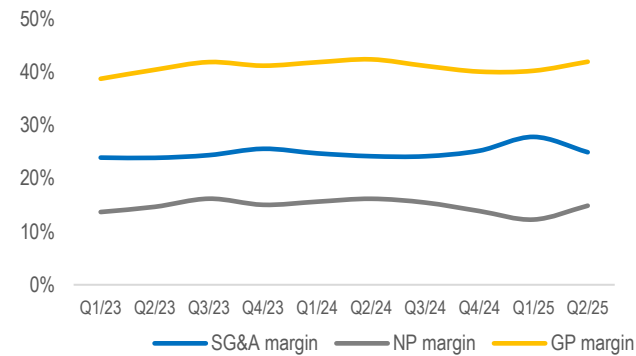
Revenue from foreign market is on the rise



Source: Company data, Shinhan Securities Vietnam

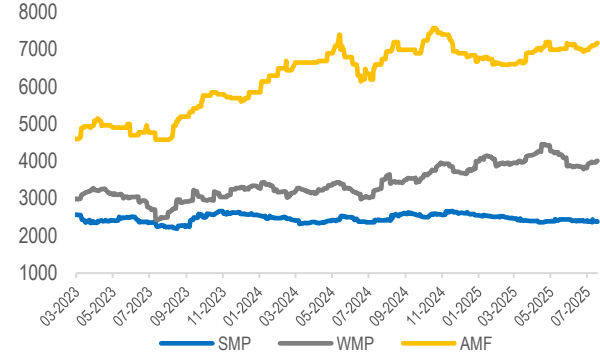
Source: Company data, Shinhan Securities Vietnam

Profit margin improved in Q2



Source: Company data, Shinhan Securities Vietnam

Imported milk powder prices



Source: Company data, Shinhan Securities Vietnam

Gross profit margin in Q2/25 reached 42%, an improvement compared to the previous quarter but still lower than the same period. Of which, the margin improved strongly in the domestic market thanks to improved sales, but still lower than the same period due to higher raw material costs. Thanks to the recovery in revenue, SG&A margin in Q2 also returned to normal after a sharp increase in Q1. Accumulated in 6M, SG&A margin is at 26.2%, up 1.8 percentage points compared to the same period in 2024.

Thus, after the first two quarters of the year, VNM achieved revenue of VND 30,769 billion (-3.6% YoY) and net profit of VND4,903 billion (-16.9% YoY), completing 46% and 42% of our forecasts, respectively. Thus, VNM has shown a good recovery in Q2. We expect the recovery momentum to continue for the last two quarters of the year and keep our revenue forecast for 2025 unchanged from the previous report, but lower our net profit forecast due to higher-than-expected SG&A expenses, due to the impact of restructuring and marketing for new products. Accordingly, we expect VNM to achieve revenue of VND 63,134 billion (+2.2% YoY) and net profit of VND9,179 billion (-2.9% YoY), corresponding to a revenue growth of 0.5% in the domestic market and 10% in the foreign market.

Valuation and Recommendation

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

Weighted Average Cost of Capital (WACC)	
WACC (%)	9.1
Risk-free rate (%)	3.1
Equity risk premium (%)	8.35
Beta	0.77
Debt cost (%)	2.5
The cost of equity(%)	9.6
Debt-to-equity ratio	0.08
Total debt (Billion VND)	9,789

Source: Company data, Shinhan Securities Vietnam

FCF valuation					
Unit: billion VND	2025F	2026F	2027F	2028F	2029F
Net profit	9,179	9,783	9,945	10,081	10,352
Plus: After-tax interest expense	304	306	311	316	322
Plus: Depreciation & Amortization	2,082	2,365	2,629	3,000	3,072
Minus: Change in working capital	-500	494	-139	298	294
Minus: CapEx	-2,170	-2,473	-2,577	-2,513	-2,615
Free Cash Flow (FCFF)	8,897	10,476	10,169	11,182	11,424
Discount rate	0.97	0.89	0.81	0.75	0.68
PV of FCFF	8,602	9,287	8,267	8,335	7,809
Long-term growth rate	1.00%				
Present value of long-term value	97,934				
Enterprise value	140,235				
(Plus) Cash and equivalents	24,747				
(Subtract) Debt	-9,789				
(Subtract) Minority interest	-3,912				
Equity value	151,281				
Number of shares outstanding (billion units)	2.09				
Target price (VND)	72,300				

Source: Company data, Shinhan Securities Vietnam

For the P/E method, the P/E value we use for valuation is the mean P/E value of peer businesses in the industry and the average historical P/E of the enterprise in the recent 5 years (with 50% weight for each value). With a target P/E of 18.2x, the 12-month stock target price according to this method is 71,500 VND.

Method	Current P/E	Average 5-year P/E	Mean P/E of peers	Target P/E	EPS 2025	Target price
P/E	16.8x	17.3x	19.2x	18.2x	3,928	71,500

Source: Bloomberg, Company data, Shinhan Securities Vietnam

Ticker	Country	Market cap (bil VND)	Revenue growth (%)	EPS growth (%)	P/E	ROE (%)
CISARUA MOUNTAIN DAIRY PT TB	Indonesia	60,703	16.12	-66.82	23.19x	-6.82
ULTRAJAYA MILK IND & TRADING	Indonesia	24,542	6.88	-1.93	13.47x	13.57
NEW HOPE DAIRY CO LTD-A	Trung Quốc	57,881	-2.90	29.80	25.98x	24.80
FRASER & NEAVE HOLDINGS BHD	Malaysia	61,397	4.90	-3.80	21.41x	14.30
VIETNAM DAIRY PRODUCTS JSC	Vietnam	115,783	2.30	5.90	16.80x	24.10
INTERNATIONAL DAIRY PRODUCTS	Vietnam	12,360	15.08	-8.28	14.10x	27.04
	Mean				19.2x	
	Median				19.1x	
	High				26.0x	
	Low				13.5x	

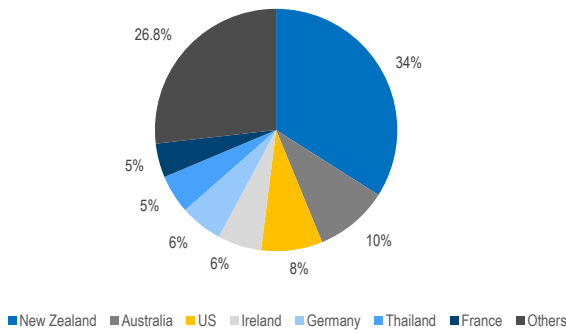
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Risks

Risk of dependence on imported raw materials

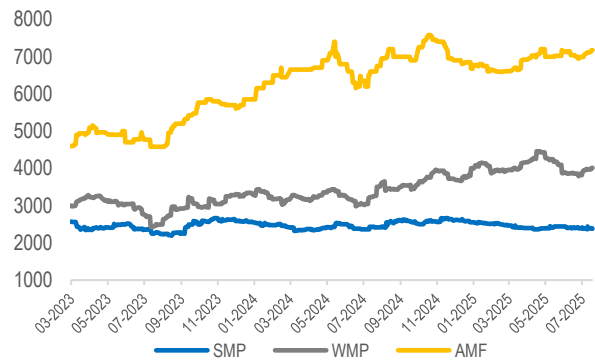
Due to many limitations in herd size and climate, domestic milk supply is not enough to meet domestic demand. Dairy producers in Vietnam still have to import additional raw materials such as milk powder and cream from abroad, causing profit margins to be affected by fluctuations in the prices of these raw materials on the world market. In addition, Vietnam also imports many types of foreign milk to meet the diverse needs of consumers. The main import markets are New Zealand, Australia, Ireland and the US. Of which, New Zealand is the largest import market with a proportion of 34% in H1/2025.

Import markets in Q2/2025



Source: GSO, Shinhan Securities Vietnam

Imported materials prices (USD/ton)



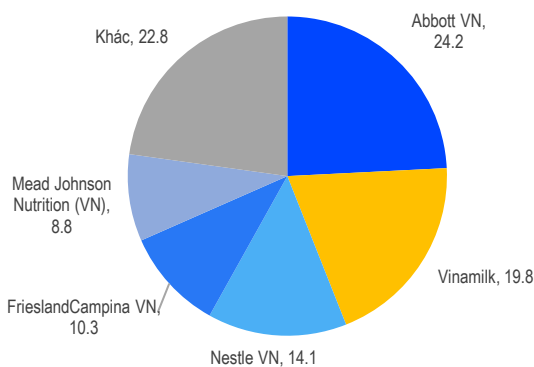
Source: Bloomberg, Shinhan Securities Vietnam

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

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

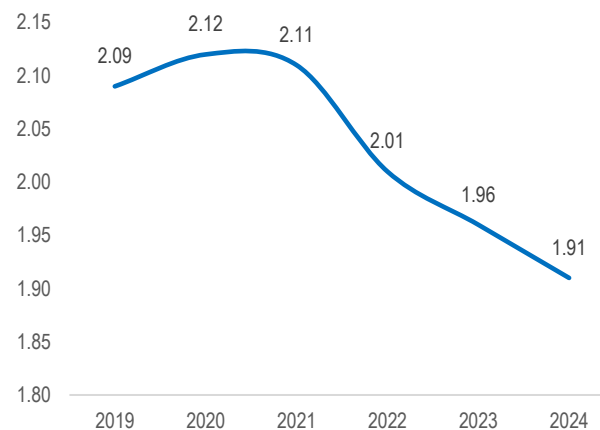
In addition, the 2018 Advertising Law prohibits the advertising of breast milk substitutes for children under 24 months of age and nutritional supplements for children under 6 months of age. This contributes to limiting the access of domestic dairy enterprises in the infant milk segment.

Fragmented infant formula market share (2024)



Source: Euromonitor, Shinhan Securities Vietnam

Birth rate (children/woman) decreased over the years



Source: GSO, Shinhan Securities Vietnam

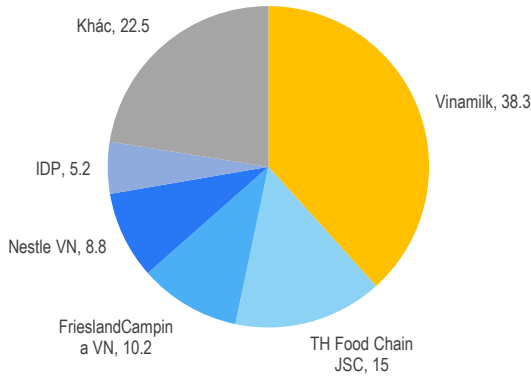
Company background

1. History of development

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

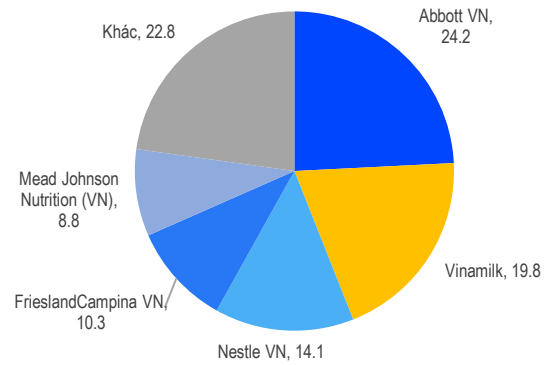
The success of the brand is reinforced by the company's constant innovation. The company continuously launches and improves products from popular to high-end. Of which, 4 product lines (liquid milk, baby milk, yogurt, condensed milk) account for more than 90% of Vietnamese people's dairy product consumption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

Drinking milk's market share in 2024 (%)



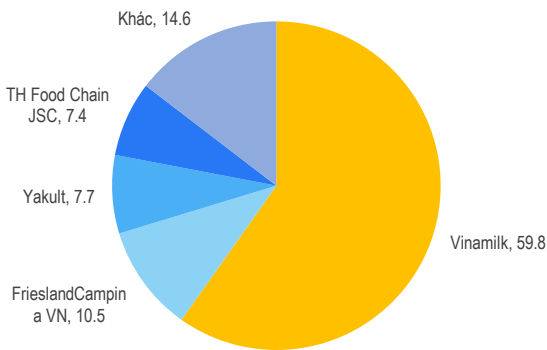
Source: Euromonitor, Shinhan Securities Vietnam

Baby food's market share in 2024 (%)



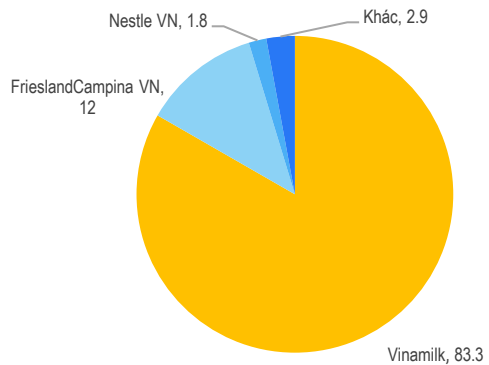
Source: Euromonitor, Shinhan Securities Vietnam

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



Source: Euromonitor, Shinhan Securities Vietnam

Condensed milk's market share in 2024 (%)




Source: Euromonitor, Shinhan Securities Vietnam

2. Farms and raw materials

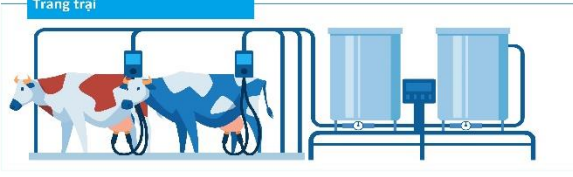
VNM's raw materials primarily consist of imported fresh milk and powdered milk

Sữa tươi

Liên kết




Trang trại



Sữa bột/sữa dinh dưỡng

Nhập khẩu



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

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

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

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

Source: Annual Report (2024), Shinhan Securities Vietnam

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

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

Key Vinamilk projects planned for deployment in the next 5 years

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

Source: Annual Report (2024), Shinhan Securities Vietnam

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

3. Distribution system**Vinamilk's distribution system is superior its competitors**

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

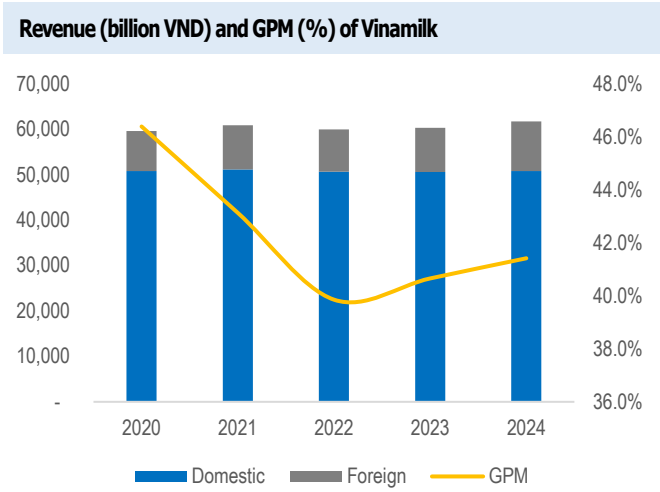
Currently, VNM owns more than 200 exclusive distributors, more than 690 Vinamilk & Moc Chau stores and more than 190,000 traditional retail points such as grocery stores, markets and small agents, combined with more than 6,000 modern channel points of sale, bringing a convenient shopping experience to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

4. Revenue and operating costs

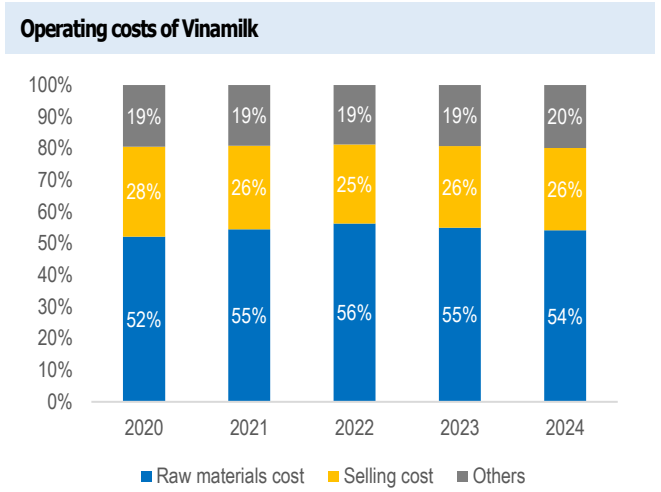
Vinamilk's revenue has grown by about 7.2% over the past 5 years, with about 84% coming from domestic sales and about 16% from foreign sales (exports and revenue from overseas branches). Of which, export revenue is mainly infant formula orders in the Middle East market, condensed milk in the Chinese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

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

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

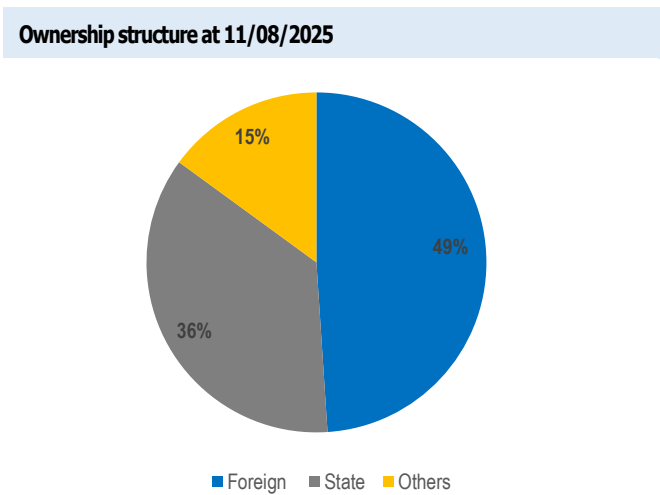


Source: Company data, Shinhan Securities Vietnam

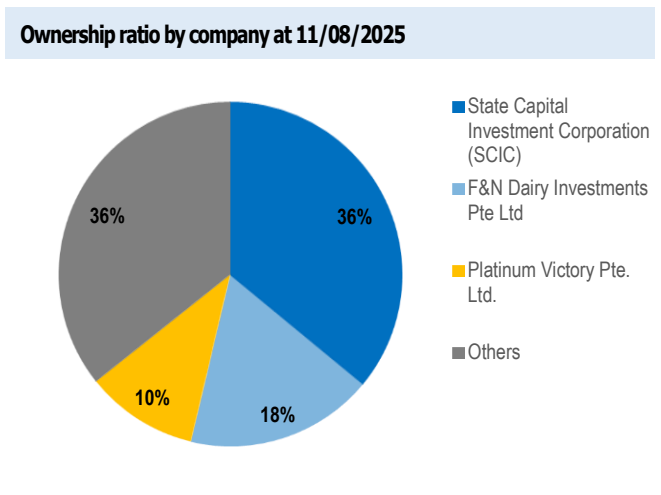


Source: Company data, Shinhan Securities Vietnam

5. Ownership structure

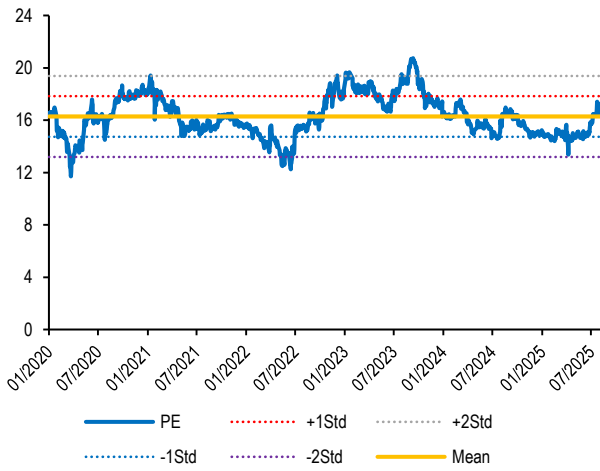


Source: Company data, Shinhan Securities Vietnam



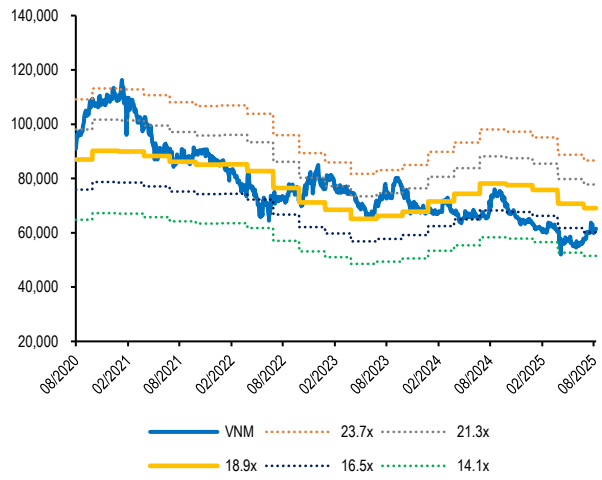
Source: Company data, Shinhan Securities Vietnam

P/E



Source: Bloomberg, Company data, Shinhan Securities Vietnam

PE Band



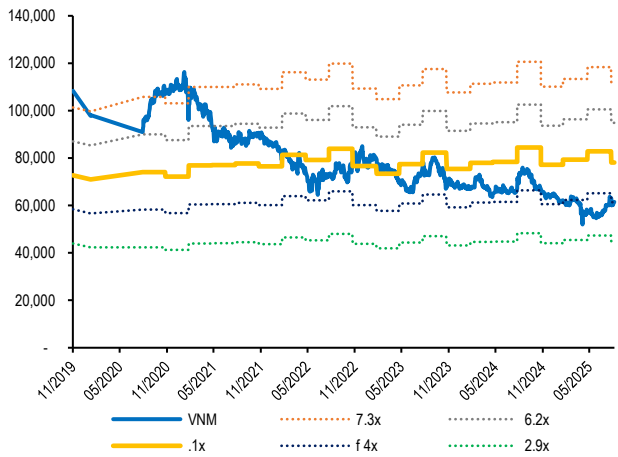
Source: Bloomberg, Company data, Shinhan Securities Vietnam

P/B



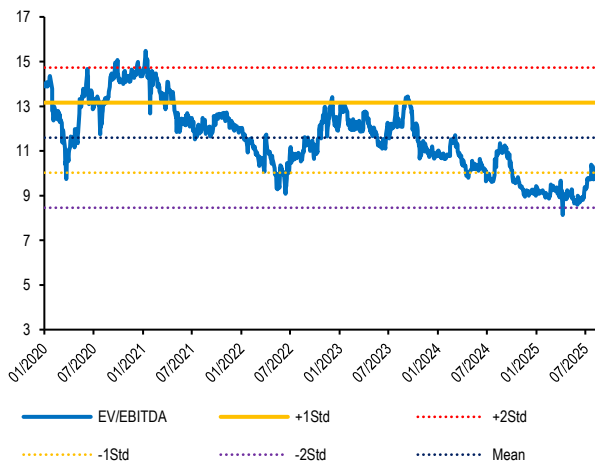
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PB Band



Source: Bloomberg, Company data, Shinhan Securities Vietnam

EV/EBITDA



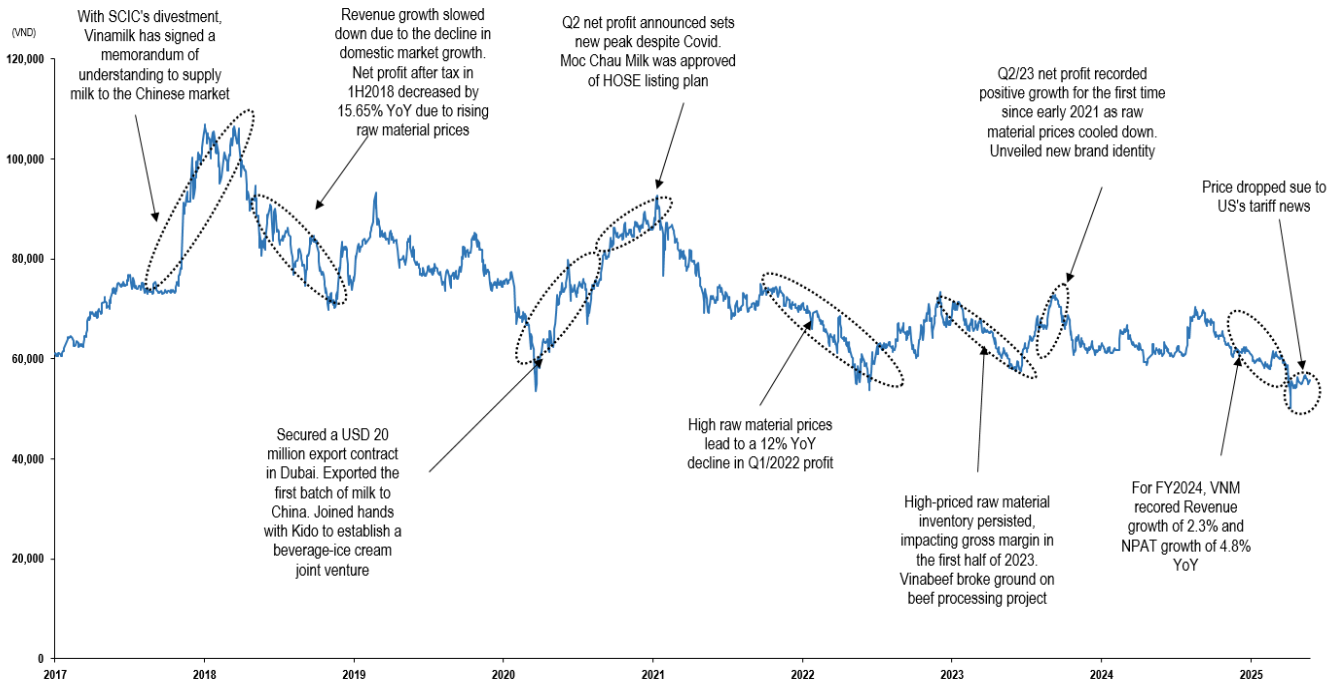
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Price and ROE



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Key events chart of VNM



Source: Company data, Shinhan Securities Vietnam

Appendix: Financial Statements

Statement of financial position

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Total assets	48,483	52,673	55,049	56,322	57,903
Current assets	31,560	35,936	37,554	38,966	40,667
Cash & equivalents	2,300	2,912	2,226	2,032	3,054
Short-term financial asset	17,414	20,137	23,260	23,769	24,216
Accounts receivable	6,100	6,530	6,234	6,832	6,961
Inventories	5,538	6,128	5,687	6,182	6,284
Other short-term assets	208	229	147	150	153
Non-current assets	16,923	16,737	17,495	17,356	17,236
Net fixed assets	11,903	12,690	12,551	12,772	13,006
Investment assets	743	831	1,373	1,373	1,373
Other long-term assets	4,277	3,216	3,572	3,211	2,856
Total liabilities	15,666	17,647	18,875	19,258	19,897
Current liabilities	15,308	17,139	18,460	18,869	19,534
Accounts payable	4,284	3,806	3,874	4,207	4,199
Short-term borrowings	4,867	8,218	9,115	9,159	9,331
Others	6,157	5,115	5,470	5,502	6,004
Non-current liabilities	358	508	415	389	363
Long-term borrowings	66	238	158	127	95
Other financial liabilities	292	270	257	263	268
Total shareholders' equity	32,817	35,026	36,174	37,065	38,007
Capital stock	20,900	20,900	20,900	20,900	20,900
Investment and development fund	5,267	6,164	7,079	7,988	8,895
Other capital	330	707	829	829	829
Retained earnings	3,353	3,926	3,471	3,474	3,539
Non-controlling interest equity	2,967	3,329	3,896	3,873	3,843
*Total debt	4,933	8,456	9,273	9,286	9,426
*Net debt (cash)	(14,781)	(14,593)	(16,213)	(16,516)	(17,844)

Statement of cash flow

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Cash flow from operations	8,827	7,887	8,846	9,095	10,956
Net profit	8,577	9,019	9,452	9,179	9,783
D&A expense	2,095	2,054	2,095	2,082	2,365
(Gain) from investing activities	(1,098)	(1,397)	(1,654)	(1,667)	(1,686)
Change in working capital	104	(1,702)	904	(500)	494
Others	(851)	(87)	-	-	-
Cash flow from investments	3,473	(2,989)	(1,233)	(1,012)	(1,233)
Change in fixed assets	(1,457)	(1,580)	(671)	(2,170)	(2,473)
Change in investment assets	3,592	(2,882)	(2,310)	(509)	(447)
Others	1,338	1,473	1,741	1,667	1,686
Cash flow from financing	(12,360)	(4,293)	(7,320)	(8,277)	(8,701)
Change in equity	338	347	-	(912)	(972)
Net borrowing	(4,531)	3,512	727	12	140
Dividends	(8,167)	(8,152)	(8,046)	(7,378)	(7,869)
Change in total cash	(60)	606	293	(194)	1,022
Beginning cash	2,348	2,300	2,912	2,226	2,032
Change in FX rates	12	6	-	-	-
Ending cash	2,300	2,912	2,226	2,032	3,054

Source: Company data, Shinhan Securities Vietnam

Statement of comprehensive income

Year to Dec. (bn VND)	2022	2023	2024	2025F	2026F
Revenue	59,956	60,369	61,782	63,134	64,320
Growth (%)	-1.6	0.7	2.3	2.2	1.9
COGS	36,059	35,824	36,192	37,092	37,704
Gross profit	23,897	24,545	25,590	26,043	26,616
GPM (%)	39.9	40.7	41.4	41.2	41.4
SG&A	14,144	14,774	15,185	15,868	15,678
Operating profit	9,753	9,771	10,405	10,175	10,939
Growth (%)	-17.1	0.2	6.5	-2.2	7.5
OPM (%)	16.3	16.2	16.8	16.1	17.0
Non-operating profit	742	1,196	1,194	914	899
Financial income	1,380	1,716	1,586	1,667	1,686
Financial expense	(618)	(503)	(428)	(790)	(797)
In which: interest expenses	(166)	(354)	(279)	(371)	(374)
Net other non-operating profit	(20)	(17)	37	37	9
Pre-tax profit	10,495	10,967	11,599	11,089	11,838
Income tax	1,918	1,948	2,147	1,909	2,055
Net profit	8,577	9,019	9,452	9,179	9,783
Growth (%)	-19.3	5.2	4.8	-2.9	6.6
NPM (%)	14.3	14.9	15.3	14.5	15.2
Controlling interest	8,515	8,873	9,392	9,121	9,720
Non-controlling interest	62	146	61	59	63
EBIT	10,661	11,321	11,878	11,460	12,212
Growth (%)	-18.1	6.2	4.9	-3.5	6.6
EBIT Margin (%)	17.8	18.8	19.2	18.2	19.0
EBITDA	12,756	13,375	13,973	13,542	14,577
Growth (%)	-15.7	4.9	4.5	-3.1	7.6
EBITDA Margin	21.3	22.2	22.6	21.4	22.7

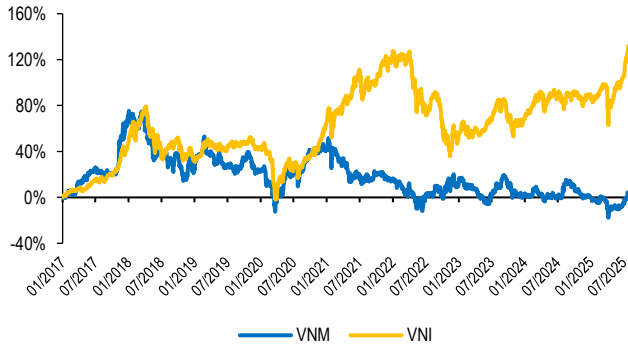
Key ratios

Year to Dec.	2022	2023	2024	2025F	2026F
EPS (VND)	3,632	3,796	4,022	3,928	4,186
BPS (VND)	14,282	15,166	15,444	15,881	16,346
PER (x)	19.2	17.0	15.8	18.3	17.2
PBR (x)	4.9	4.3	4.1	3.9	3.8
Dividend payout ratio (%)	128.9	69.5	85.7	80.0	80.0
Dividend yield (%)	5.8	6.2	7.2	5.7	6.1
Profitability					
EBITDA margin (%)	21.3	22.2	22.6	21.4	22.7
OPM (%)	16.3	16.2	16.8	16.1	17.0
NPM (%)	14.3	14.9	15.3	14.5	15.2
ROA (%)	16.8	17.8	17.5	16.5	17.1
ROE (%)	25.0	26.6	26.6	25.1	26.1
Stability					
Debt to equity ratio (%)	15.0	24.1	25.6	25.1	24.8
Net debt/ EBITDA (%)	(115.9)	(109.1)	(116.0)	(122.0)	(122.4)
Cash ratio (%)	128.8	134.5	138.1	136.7	139.6
Interest coverage ratio (x)	64.2	32.0	42.6	30.9	32.6
Activity (%)					
Payables turnover (days)	43.4	38.8	39.1	41.4	40.7
Inventory turnover (days)	56.1	62.4	57.4	60.8	60.8
Receivables turnover (days)	37.1	39.5	36.8	39.5	39.5

Source: Company data, Shinhan Securities Vietnam

Viet Nam Dairy Products JSC (VNM VN)

Stock price



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

Target price



Shinhan Securities Vietnam

Stocks

- ◆ **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

Compliance & Disclosure Notice

Analyst Certification

- ◆ The following analysts hereby certify that their views about the companies and securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Nhi Nguyen

Important Disclosures & Disclaimers

- ◆ As of the date of publication, Shinhan Securities Vietnam Co., Ltd. does not beneficially own 1% or more of any class of common equity securities of the following companies mentioned in this report: VNM VN
- ◆ Shinhan Securities Vietnam Co., Ltd. or one of its affiliates, and/or their respective officers, directors, or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities of the companies mentioned in this report.
- ◆ As of the date of publication, research analysts responsible for this report and members of their households do not have any financial interest in the debt or equity securities of the companies mentioned in this report.
- ◆ Research analysts responsible for this report receive compensation based upon, among other factors, the overall profitability of Shinhan Securities Vietnam Co., Ltd. including profits derived from investment banking. The analysts responsible for this report may also receive compensation based upon, among other factors, the overall profitability of sales and trading businesses relating to the class of securities or financial instruments for which such analysts are responsible.
- ◆ All opinions and estimates regarding the companies and their securities are accurate representations of the research analysts' judgments and may differ from actual results.
- ◆ This report is intended to provide information to assist investment decisions only, and should not be used or construed as an offer or a solicitation of an offer to buy or sell any securities. The information herein has been obtained from sources deemed reliable, but such information has not been independently verified and no guarantee, representation, or warranty, expressed or implied, is made as to its accuracy, completeness, or correctness. Shinhan Securities Vietnam Co., Ltd. makes the best effort but does not guarantee the accuracy, completeness, or correctness of information and opinions translated into English from original Vietnamese language materials. Shinhan Securities Vietnam Co., Ltd. accepts no liability whatsoever for any direct, indirect, and/or consequential loss arising from any use of this material or its contents. Stock selection and final investment decisions should be made at the investor's own and sole discretion.
- ◆ This report is distributed to our customers only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.
- ◆ Investing in any Vietnamese securities or related financial instruments discussed in this research report may present certain risks. The securities of Vietnamese issuers may not be registered with, or be subject to the regulations of, the US Securities and Exchange Commission. Information on Vietnamese securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the US. The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in currencies other than the Vietnamese won is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Distribution

- ◆ United States: This report is distributed in the US by Shinhan Investment America, Inc., a member of FINRA/SIPC, and is only intended for major US institutional investors as defined in Rule 15a-6(a)(2) of the US Securities Exchange Act of 1934. All US persons that receive this document by their acceptance thereof represent and warrant that they are major US institutional investors and have not received this report under any express or implied understanding that they will direct commission income to Shinhan Securities Vietnam Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any US recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Shinhan Investment America, Inc., which accepts responsibility for the contents of this report in the US. The securities described herein may not have been registered under the US Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the US or to US persons unless they have been registered or are in compliance with an exemption from registration requirements.
- ◆ All Other Jurisdictions: Customers in all other countries who wish to effect a transaction in any securities referenced in this report should contact Shinhan Securities Vietnam Co., Ltd. or its affiliates only if distribution to or use by such customer of this report would not violate applicable laws and regulations and not subject Shinhan Securities Vietnam Co., Ltd. and its affiliates to any registration or licensing requirement within such jurisdiction.



Shinhan Investment Network

SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongsongpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

Hong Kong

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

Indonesia

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

Shanghai

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

Ho Chi Minh

Shinhan Securities Vietnam Co., Ltd.
18th Floor, The Mett Tower, 15 Tran Bach Dang, Thu Thiem Ward,
Thu Duc City, Ho Chi Minh City, Vietnam.
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

Ha Noi

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District, Hanoi, Vietnam.
Tel : (84-8) 6299-8000