



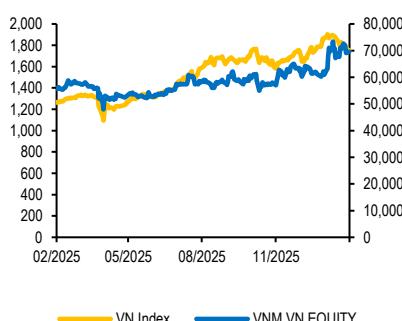
Vietnam Dairy Products JSC

[Vietnam / Food and Beverages]

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

HOLD**Update Report**

Target price (12 months)	78,100 VND
Current price (09/02/2026)	69,600 VND
Upside/downside	12.2%
VNINDEX	1,755
Market P/E	13.1
Market Cap (bn VND)	145,461
Outstanding shares (mn)	2,090
Free-Floating (mn)	737
52-Wk High/Low (VND)	75,500/51,400
90-day avg. trading volume (mn)	5.91
90-day avg. turnover (bn VND)	435
Foreign ownership (%)	50%
Major Shareholders (%)	State Capital Investment Corporation (SCIC) 36.0
	F&N Dairy Investments Private Limited 24.99
Performance	3M 6M 12M
Absolute (%)	20.8 14.5 14.5
Relative to VN-Index (%)	11.1 3.8 -23.1



Source: Bloomberg

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Revenue reaching new high

Update HOLD rating, target price at 78,100 VND

Vietnam Dairy Products Joint Stock Company (Vinamilk, HOSE: VNM) is the dairy company with the leading market share in Vietnam with the largest distribution system and dairy cow herd. VNM has the leading market share in most segments with a healthy asset structure and a consistent dividend payment policy. VNM recently announced its 2025 business results, reaching a new revenue peak and marking its third consecutive quarter of continuous growth. Based on the FCFF and P/E methods, we update our valuation and recommend BUY for VNM with a target price of VND 78,100, equivalent to an expected return of 12.2%.

Update business results for Q4/2025 and FY2025

In Q4/2025, VNM recorded a new peak in consolidated net revenue at VND 17,034 billion (+0.5% QoQ, +10.1% YoY) and PAT of VND 2,827 billion (+12.6% QoQ, +31.7% YoY), marking the third consecutive quarter of revenue growth recovery. Although the gross profit margin (GPM) only improved by 30 basis points YoY, better cost management helped Q4 profit after tax grow strongly by 31.7% YoY. The Q4/2025 GPM reached 40.4%, increasing slightly compared to the same period last year but declining compared to the previous quarter, mainly due to a 4.8 percentage point QoQ decrease in the GPM of foreign markets and a 60 basis point QoQ decrease in the domestic market GPM.

Consequently, for the full year 2025, VNM recorded revenue of VND 63,646 billion (+3% YoY) and net income (NI) remained flat at VND 9,414 billion. Despite a decline in Q1 due to the restructuring of the distribution system, the recovery results in the remaining three quarters ensured that full-year revenue still recorded growth. Cost control efforts in the second half of the year helped the total expense ratio including both selling and general & administrative expenses reach 24.4% for the full year 2025, showing a decrease of 2 basis points YoY.

Forecast for 2026F

For 2026, we project net revenue to reach VND 67,842 billion (+6.6% YoY), corresponding to revenue growth rates of 4.5% and 15% for the domestic and foreign markets, respectively. The full-year profit margin is expected to be maintained at 41.2%; however, the SG&A margin may increase due to intensified marketing programs, as 2026 marks the 50th anniversary of the company's establishment. Consequently, we forecast PAT to achieve a growth rate of 3.5%, reaching VND 9,747 billion.

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	2023	2024	2025	2026F	2027F
Revenue (bn VND)	60,369	61,783	63,646	67,842	71,801
Operating profit (bn VND)	9,771	10,406	10,664	11,010	11,962
Net profit (bn VND)	9,019	9,453	9,414	9,747	10,528
EPS (VND)	3,796	4,022	4,028	4,172	4,532
BPS (VND)	15,166	15,444	14,682	14,504	14,686
OPM (%)	16.2	16.8	16.8	16.2	16.7
NPM (%)	14.9	15.3	14.8	14.4	14.7
ROE (%)	26.6	26.6	26.6	28.5	30.8
PER (x)	17.0	15.8	15.3	18.7	17.2
PBR (x)	4.3	4.1	4.2	4.8	4.7

Source: Company data, Shinhan Securities Vietnam

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Update on 2025 results

(Bil VND)	Q4/2025	Q4/2024	Change (YoY)	FY2025	FY2024	Change (YoY)	2026F	Change (YoY)
Net revenue	17,034	15,478	10.1%	63,646	61,783	3.0%	67,842	6.6%
Domestic	13,846	12,843	7.8%	50,965	50,800	0.3%	53,257	4.5%
Foreign	3,188	2,635	21.0%	12,682	10,983	15.5%	14,584	15.0%
Export	1,579	1,254	25.9%	7,105	5,666	25.4%		
Subsidiaries	1,609	1,381	16.5%	5,576	5,317	4.9%		
Gross profit	6,890	6,210	11.0%	26,210	25,590	2.4%	27,953	6.7%
Domestic	5,728	5,170	10.8%	21,013	20,974	0.2%	21,977	4.6%
Foreign	1,162	1,040	11.8%	5,197	4,616	12.6%	5,975	15.0%
Net profit	2,827	2,147	31.7%	9,414	9,453	-0.4%	9,747	3.5%
Gross profit margin	40.4%	40.1%		41.2%	41.4%		41.2%	
Domestic	41.4%	40.3%		41.2%	41.3%		41.3%	
Foreign	36.4%	39.5%		41.0%	42.0%		41.0%	
SG&A margin	21.9%	25.2%		24.4%	24.6%		25.0%	
Net profit margin	16.6%	13.9%		14.8%	15.3%		14.4%	

In Q4/2025, VNM recorded a new peak in consolidated net revenue at VND 17,034 billion (+0.5% QoQ, +10.1% YoY) and PAT of VND 2,827 billion (+12.6% QoQ, +31.7% YoY), marking the third consecutive quarter of returning revenue growth. Although the gross profit margin (GPM) only improved by 30 basis points YoY, better cost management helped Q4 net profit grow strongly by 31.7% YoY. The Q4/2025 GPM reached 40.4%, increasing slightly compared to the same period last year but declining compared to the previous quarter, mainly due to a 4.8 percentage point QoQ decrease in the GPM of foreign markets and a 60 basis point QoQ decrease in the domestic market GPM.

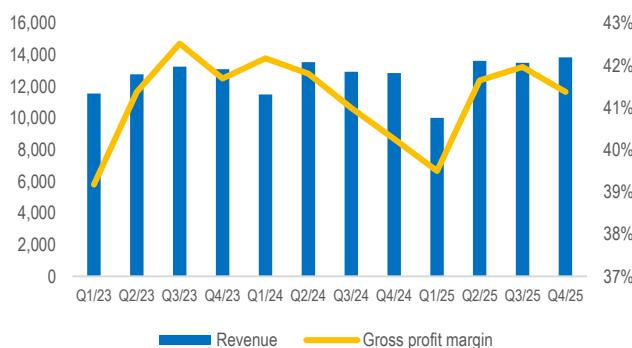
International business operations continue to be the primary growth driver, while the domestic market continues to recover. Specifically:

- Revenue from international markets grew by 21% YoY, driven by growth in both the export segment (+25.9% YoY) and contributions from the two subsidiaries, Driftwood and Angkormilk (+16.5% YoY). Angkormilk performed well by continuing to capitalize on opportunities in the Cambodian market.
- Domestic revenue increased by 7.8% YoY in Q4/2025, demonstrating the effectiveness of innovation strategies and product premiumization. VNM launched and relaunched approximately 100 new products during the year and pioneered the high-protein product trend. Given that Vinamilk already holds a dominant market share domestically, current strategies could serve as growth drivers for the upcoming period. Simultaneously, effectively leveraging premium product lines may help VNM increase

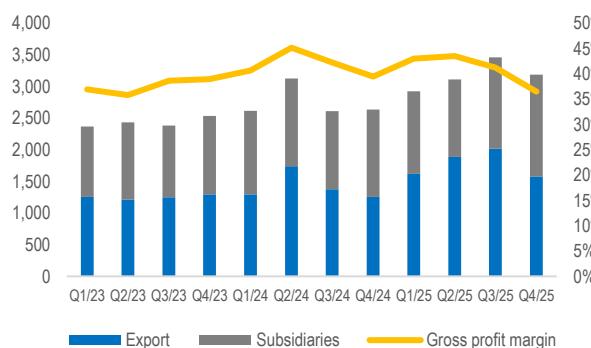
its gross margin as the revenue structure shifts toward higher-value product segments.

Consequently, for the full year 2025, VNM recorded revenue of VND 63,646 billion (+3% YoY), while PAT remained flat at VND 9,414 billion. Despite a decline in Q1 due to the restructuring of the distribution system, the recovery results in the remaining three quarters ensured that full-year revenue still achieved growth. Currently, the contribution to VNM's revenue structure includes: liquid milk (40%), yogurt (25%), condensed milk (20%), and powdered milk (15%). The traditional distribution channel (GT) remains dominant with a 70% share, while the modern trade channel (MT) accounts for 30% and is trending toward expansion in line with general market trends.

Domestic revenue maintained growth in Q4 (Bil VND)

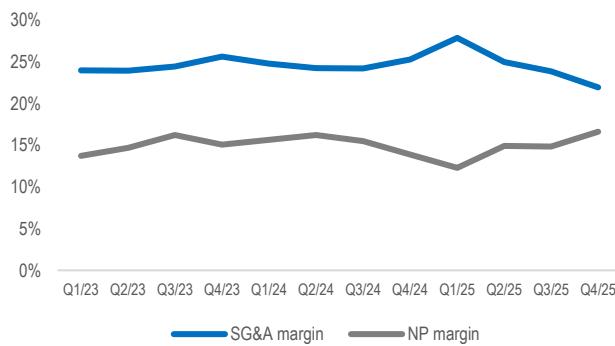


Revenue from foreign market is on the rise (Bil VND)



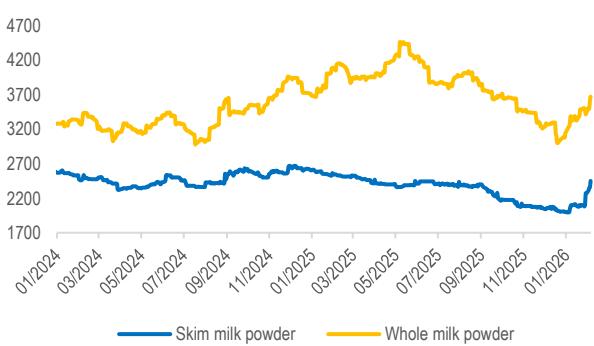
Source: Company data, Shinhan Securities Vietnam

Profit margin improved due to better expense control



Source: Company data, Shinhan Securities Vietnam

Imported milk powder prices (USD/ton)



Source: Bloomberg, Shinhan Securities Vietnam

A supporting factor is the decline in imported milk powder prices toward the end of 2025 followed by a rebound in 2026. Given the practice of locking in raw material prices 3-6 months in advance, we believe that raw material price trends could favor VNM's gross profit margin in the first two quarters of 2026.

For 2026, we project net revenue to reach VND 67,842 billion (+6.6% YoY), corresponding to revenue growth rates of 4.5% and 15% for the domestic and foreign markets, respectively. The full-year gross profit margin is expected to be maintained at 41.2%; however, the SG&A margin may increase due to intensified marketing programs, as 2026 marks the 50th anniversary of the company's establishment. Consequently, we forecast PAT to achieve a growth rate of 3.5% YoY, reaching VND 9,747 billion.

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 (%)	4.3
Equity risk premium (%)	8.13
Beta	0.64
Debt cost (%)	2.4
The cost of equity(%)	9.5
Debt-to-equity ratio	0.07
Total debt (Billion VND)	9,457

Source: Company data, Shinhan Securities Vietnam

FCF valuation

Unit: billion VND	2026F	2027F	2028F	2029F	2030F
Net profit	9,747	10,528	11,059	11,700	12,443
Plus: After-tax interest expense	315	334	353	373	394
Plus: Depreciation & Amortization	1,943	2,048	2,149	2,243	2,342
Minus: Change in working capital	595	-272	149	-88	181
Minus: CapEx	-1,910	-1,928	-1,923	-1,863	-1,905
Free Cash Flow (FCFF)	10,690	10,711	11,788	12,365	13,455
Discount rate	0.92	0.84	0.77	0.71	0.65
PV of FCFF	9,802	9,004	9,085	8,738	8,717
Long-term growth rate	1.00%				
Present value of long-term value	109,121				
Enterprise value	154,467				
(Plus) Cash and equivalents	23,148				
(Subtract) Debt	-9,457				
(Subtract) Minority interest	-3,797				
Equity value	164,361				
Number of shares outstanding (billion units)	2.09				
Target price (VND)	78,600				

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 18.6x, the 12-month stock target price according to this method is 77,727 VND.

Method	Current P/E	Average 5-year P/E	Mean P/E of peers	Target P/E	EPS 2026F (VND)	Target price (VND)
P/E	17.2x	16.6x	20.7x	18.6x	4,172	77,727

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	68,380	16.10	-66.80	22.6x	-11.00
ULTRAJAYA MILK IND & TRADING	Indonesia	23,763	6.90	-1.90	12.7x	16.28
NEW HOPE DAIRY CO LTD-A	China	62,796	-2.90	29.80	24.6x	24.71
FRASER & NEAVE HOLDINGS BHD	Malaysia	79,452	-0.93	-5.13	26.7x	11.65
INTERNATIONAL DAIRY PRODUCTS	Vietnam	14,709	15.10	-8.30	16.7x	27.04
Mean					20.7x	
Median					22.6x	
High					26.7x	
Low					12.7x	

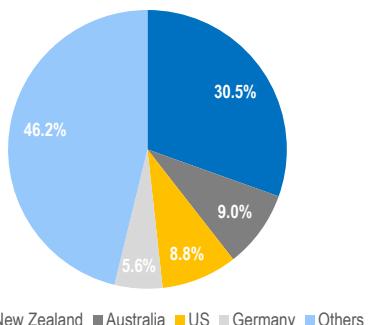
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Risks

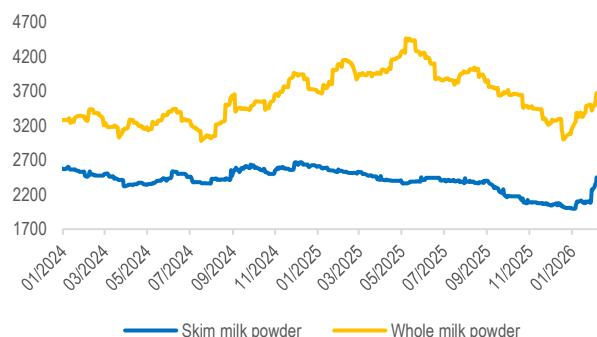
Risk of dependence on imported raw materials

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 30.5% in 2025.

Import markets in 2025



Imported materials prices (USD/ton)



Source: GSO, Shinhan Securities Vietnam

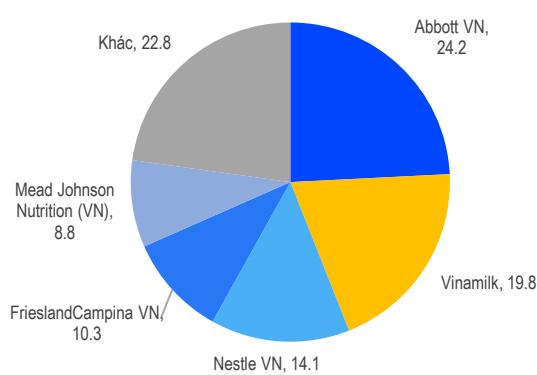
Source: Bloomberg, Shinhan Securities Vietnam

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

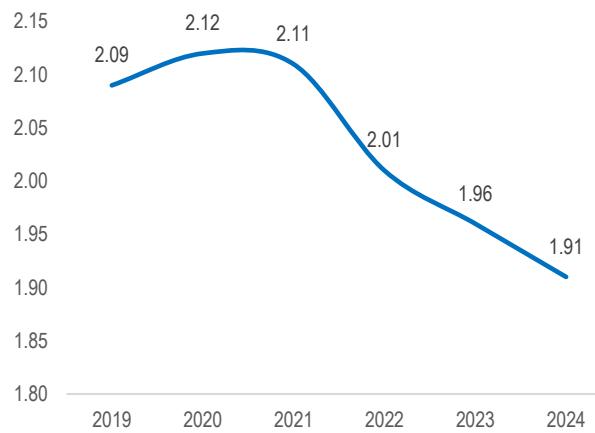
Consumption of infant milk accounts for 24% of total consumption of milk and dairy products. However, the level of competition in the infant milk segment among enterprises is the fiercest when (1) the birth rate in Vietnam decreased from 2.12 children/woman (2020) to 1.91 children/woman (2024), causing 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)



Birth rate (children/woman) decreased over the years



Source: Euromonitor, Shinhan Securities Vietnam

Source: GSO, Shinhan Securities Vietnam

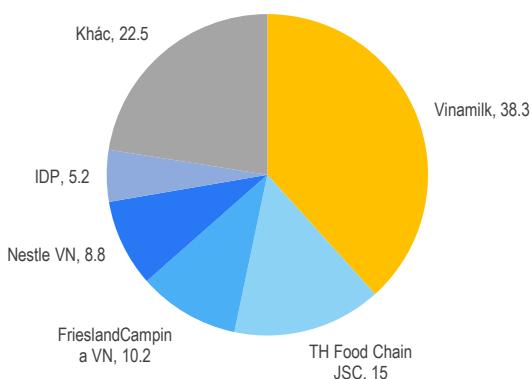
Company background

1. History of development

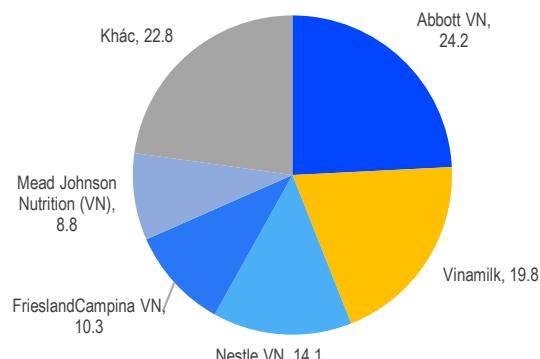
Vietnam Dairy Products Joint Stock Company (Vinamilk, HOSE: VNM) was established in 1976 based on the takeover of 3 milk factories of the previous period. By 1998, VNM successfully exported 300 tons of powdered milk and 2,000 tons of whole milk to Iraq, paving the way for exports to the Middle East market 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 (%)

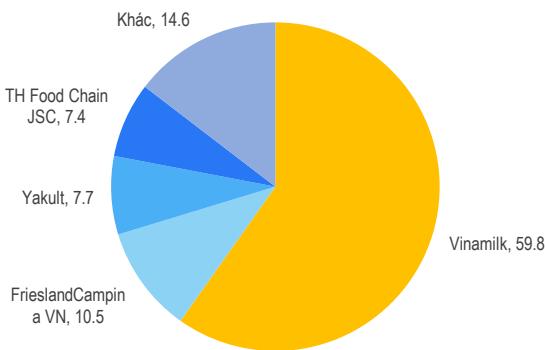


Baby food's market share in 2024 (%)

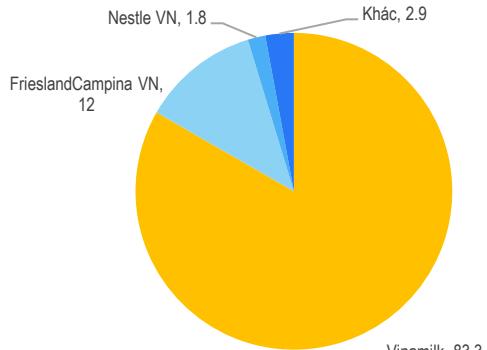


Source: Euromonitor, Shinhan Securities Vietnam

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



Condensed milk's market share in 2024 (%)

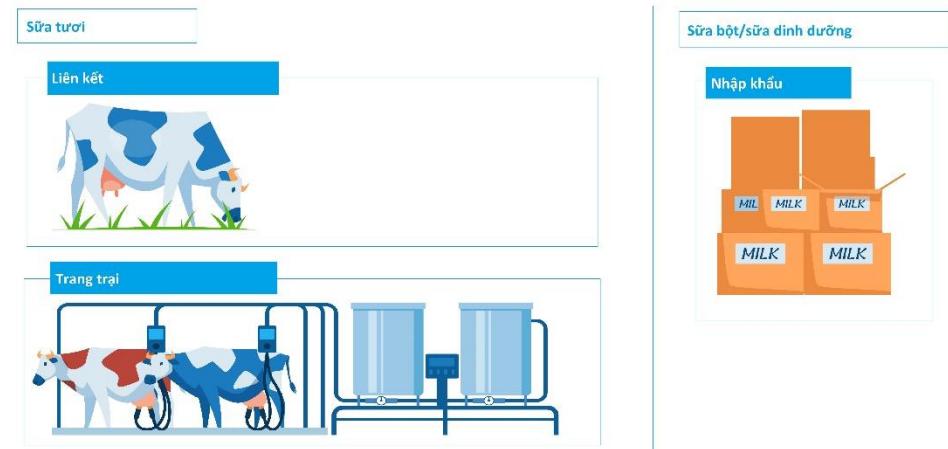


Source: Euromonitor, Shinhan Securities Vietnam

Source: Euromonitor, Shinhan Securities Vietnam

2. Farms and raw materials

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



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

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

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

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

Source: Annual Report (2024), Shinhan Securities Vietnam

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

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

Key Vinamilk projects planned for deployment in the next 5 years

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

Source: Annual Report (2024), Shinhan Securities Vietnam

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

3. Distribution system

Vinamilk's distribution system is superior to 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.

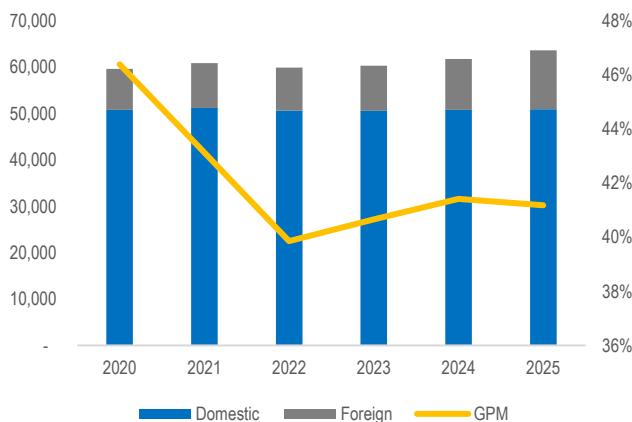
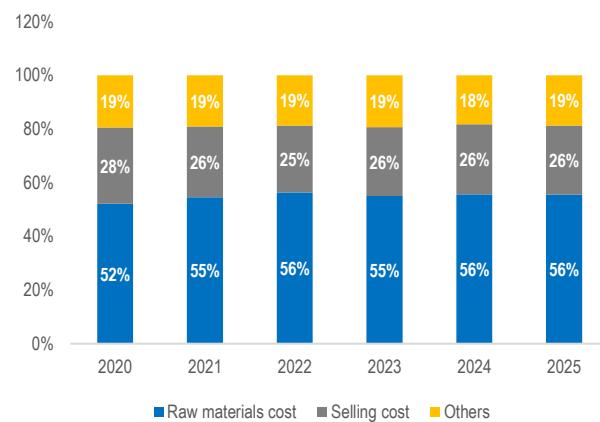
Currently, VNM owns more than 200 exclusive distributors, more than 690 Vinamilk & Moc Chau stores and more than 190,000 traditional retail points such as grocery stores, markets and small agents, combined with more than 6,000 modern channel points of sale, bringing a convenient shopping experience to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

4. Revenue and operating costs

Vinamilk's revenue has grown by about 7% over the 2020-2025 period, with about 80% coming from domestic sales and about 20% from foreign sales (exports and revenue from overseas companies including AngkorMilk and Driftwood). 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. Notably, the proportion of revenue contributed by foreign sources has continuously increased thanks to sustained double-digit growth rates.

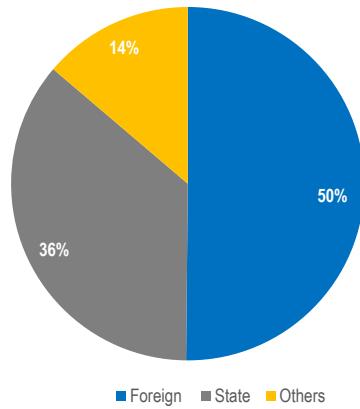
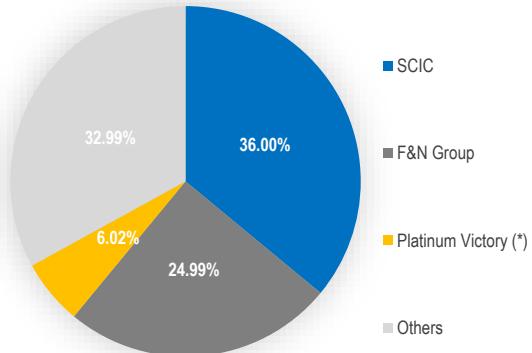
Raw material costs are the highest proportion of Vinamilk's operating cost structure (55%), followed by selling expenses (26%). Vinamilk often locks in raw materials for 3-6 months in advance, however, the peak raw material prices in 2022 also caused the company's gross profit margin (GPM) to decrease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

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

Revenue (billion VND) and GPM (%) of Vinamilk**Operating costs of Vinamilk**

Source: Company data, Shinhan Securities Vietnam

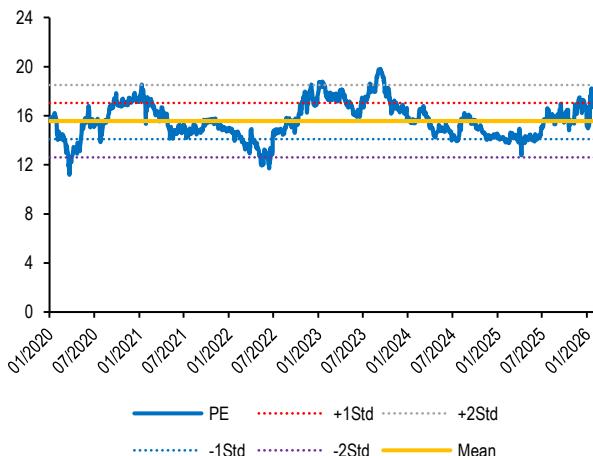
Source: Company data, Shinhan Securities Vietnam

5. Ownership structure**Ownership structure at 03/02/2026****Ownership ratio by company at 03/02/2026**

Source: Company data, Shinhan Securities Vietnam

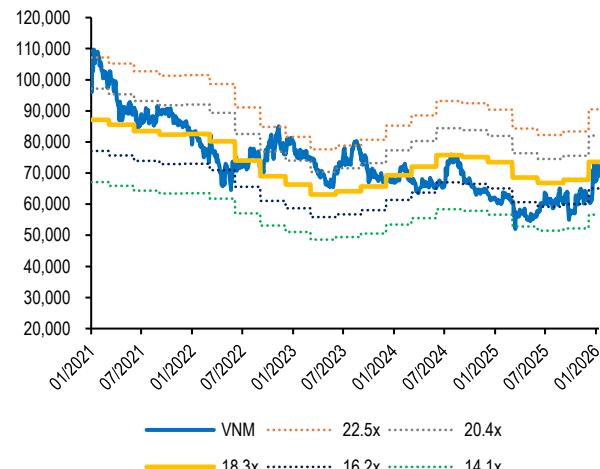
Source: Company data, Shinhan Securities Vietnam

P/E



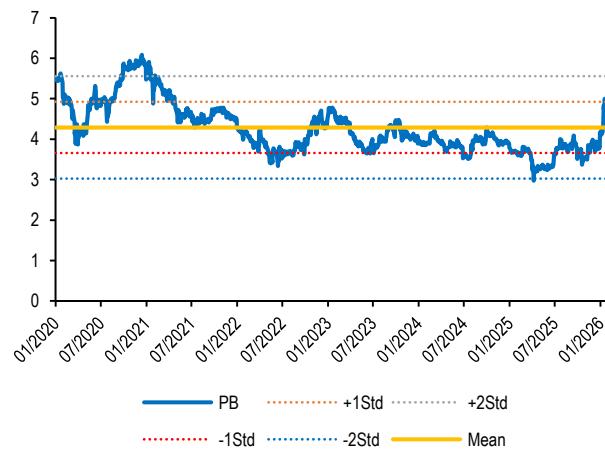
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PE Band



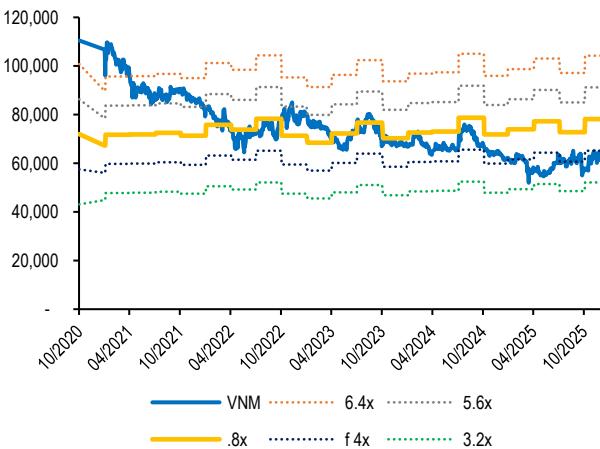
Source: Bloomberg, Company data, Shinhan Securities Vietnam

P/B



Source: Bloomberg, Company data, Shinhan Securities Vietnam

PB Band



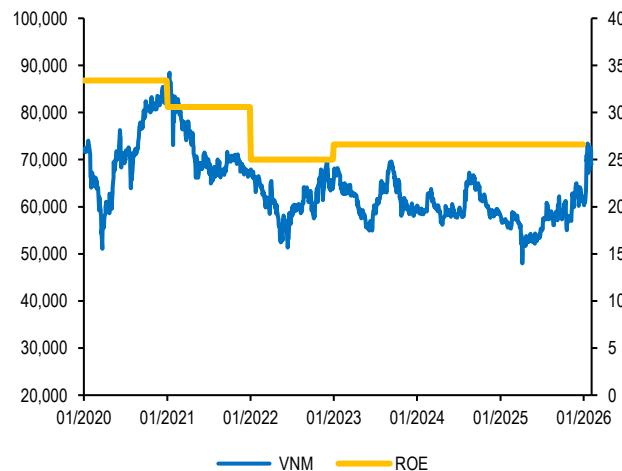
Source: Bloomberg, Company data, Shinhan Securities Vietnam

EV/EBITDA



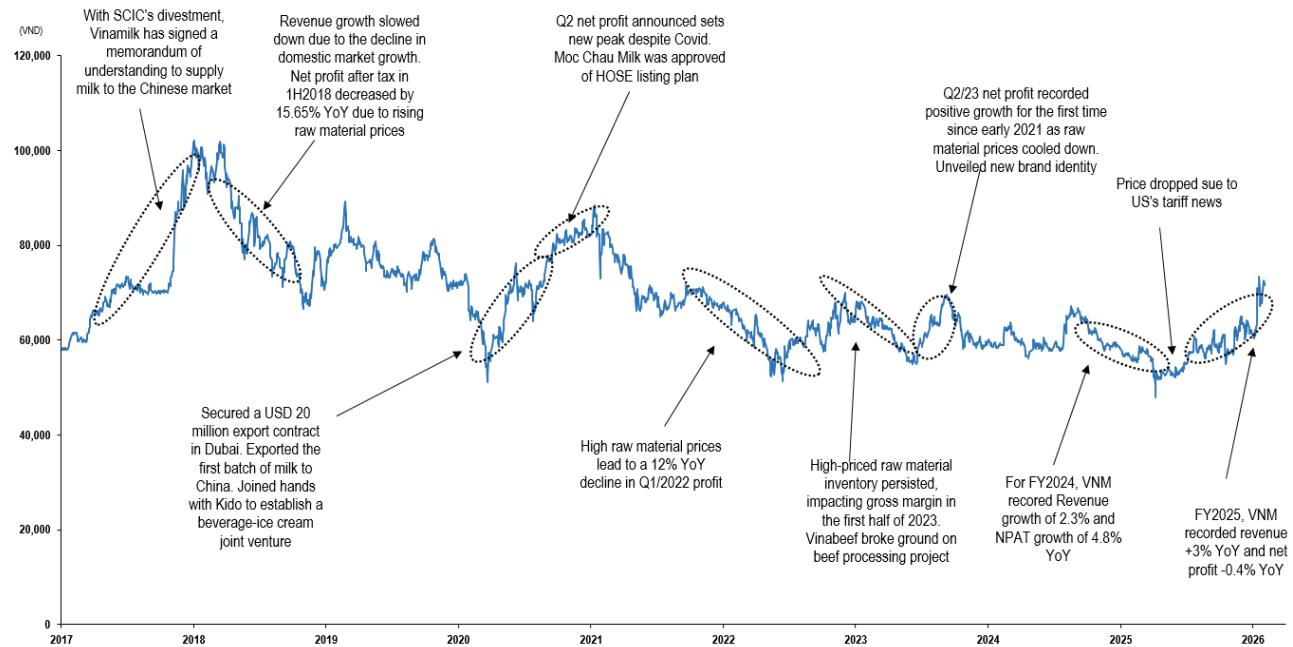
Source: Bloomberg, Company data, Shinhan Securities Vietnam

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)	2023	2024	2025	2026F	2027F
Total assets	52,673	55,049	53,312	54,898	56,286
Current assets	35,936	37,554	36,261	38,045	39,724
Cash & equivalents	2,912	2,226	1,795	1,310	843
Short-term financial asset	20,137	23,260	21,355	22,763	24,091
Accounts receivable	6,530	6,234	6,028	6,425	6,800
Inventories	6,128	5,687	6,839	7,287	7,713
Other short-term assets	229	147	244	260	275
Non-current assets	16,737	17,495	17,051	16,852	16,562
Net fixed assets	12,690	12,551	12,649	12,546	12,506
Investment assets	831	1,373	957	957	957
Other long-term assets	3,216	3,572	3,445	3,350	3,099
Total liabilities	17,647	18,875	18,829	20,884	21,987
Current liabilities	17,139	18,460	18,520	20,584	21,683
Accounts payable	3,806	3,874	3,923	4,180	4,425
Short-term borrowings	8,218	9,115	9,394	10,017	10,585
Others	5,115	5,470	5,203	6,387	6,674
Non-current liabilities	508	415	309	299	304
Long-term borrowings	238	158	63	37	27
Other financial liabilities	270	257	246	262	277
Total shareholders' equity	35,026	36,174	34,483	34,014	34,299
Capital stock	20,900	20,900	20,900	20,900	20,900
Investment and development fund	6,164	7,079	79	79	79
Other capital	707	829	1,184	1,184	1,184
Retained earnings	3,926	3,471	8,522	8,149	8,528
Non-controlling interest equity	3,329	3,896	3,798	3,702	3,607
*Total debt	8,456	9,273	9,457	10,054	10,611
*Net debt (cash)	(14,593)	(16,213)	(13,693)	(14,019)	(14,323)

Statement of cash flow

Year to Dec. (bn VND)	2023	2024	2025	2026F	2027F
Cash flow from operations	7,887	9,686	8,668	10,894	10,868
Net profit	9,019	9,453	9,414	9,747	10,528
D&A expense	2,054	2,095	2,116	1,943	2,048
(Gain) from investing activities	(1,397)	(1,335)	(1,330)	(1,558)	(1,608)
Change in working capital	(1,702)	182	(1,968)	761	(101)
Others	(87)	-	-	-	-
Cash flow from investments	(2,989)	(3,739)	1,976	(1,760)	(1,648)
Change in fixed assets	(1,580)	(1,742)	(1,762)	(1,910)	(1,928)
Change in investment assets	(2,882)	(3,584)	2,191	(1,408)	(1,328)
Others	1,473	1,473	1,429	1,558	1,608
Cash flow from financing	(4,293)	(6,641)	(11,082)	(9,618)	(9,686)
Change in equity	347	722	7	(1,023)	(1,052)
Net borrowing	3,512	796	175	597	557
Dividends	(8,152)	(8,160)	(11,264)	(9,192)	(9,190)
Change in total cash	606	(694)	(438)	(484)	(465)
Beginning cash	2,300	2,912	2,226	1,795	1,311
Change in FX rates	6	-	-	-	-
Ending cash	2,912	2,226	1,795	1,311	845

Source: Company data, Shinhan Securities Vietnam

Statement of comprehensive income

Year to Dec. (bn VND)	2023	2024	2025	2026F	2027F
Revenue	60,369	61,783	63,646	67,842	71,801
Growth (%)	0.7	2.3	3.0	6.6	5.8
COGS	35,824	36,192	37,436	39,888	42,221
Gross profit	24,545	25,591	26,210	27,954	29,579
GPM (%)	40.7	41.4	41.2	41.2	41.2
SG&A	14,774	15,185	15,546	16,944	17,617
Operating profit	9,771	10,406	10,664	11,010	11,962
Growth (%)	0.2	6.5	2.5	3.2	8.6
OPM (%)	16.2	16.8	16.8	16.2	16.7
Non-operating profit	1,196	1,194	986	1,006	1,021
Financial income	1,716	1,586	1,497	1,558	1,608
Financial expense	(503)	(428)	(350)	(512)	(542)
In which: interest expenses	(354)	(279)	(326)	(390)	(413)
Net other non-operating profit	(17)	38	(161)	(40)	(45)
Pre-tax profit	10,967	11,600	11,650	12,016	12,983
Income tax	1,948	2,147	2,236	2,269	2,455
Net profit	9,019	9,453	9,414	9,747	10,528
Growth (%)	5.2	4.8	-0.4	3.5	8.0
NPM (%)	14.9	15.3	14.8	14.4	14.7
Controlling interest	8,873	9,393	9,410	9,743	10,524
Non-controlling interest	146	61	4	4	4
EBIT	11,321	11,879	11,976	12,406	13,396
Growth (%)	6.2	4.9	0.8	3.6	8.0
EBIT Margin (%)	18.8	19.2	18.8	18.3	18.7
EBITDA	13,375	13,974	14,092	14,350	15,445
Growth (%)	4.9	4.5	0.8	1.8	7.6
EBITDA Margin	22.2	22.6	22.1	21.2	21.5

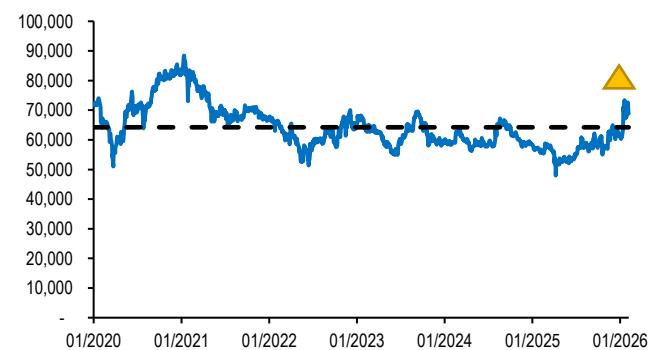
Key ratios

Year to Dec.	2023	2024	2025	2026F	2027F
EPS (VND)	3,796	4,022	4,028	4,172	4,532
BPS (VND)	15,166	15,444	14,682	14,504	14,686
PER (x)	17.0	15.8	15.3	18.7	17.2
PBR (x)	4.3	4.1	4.2	4.8	4.7
Dividend payout ratio (%)	72.4	90.7	107.9	96.6	93.3
Dividend yield (%)	6.2	7.2	7.8	6.4	6.4
Profitability					
EBITDA margin (%)	22.2	22.6	22.1	21.2	21.5
OPM (%)	16.2	16.8	16.8	16.2	16.7
NPM (%)	14.9	15.3	14.8	14.4	14.7
ROA (%)	17.8	17.6	17.4	18.0	18.9
ROE (%)	26.6	26.6	26.6	28.5	30.8
Stability					
Debt to equity ratio (%)	24.1	25.6	27.4	29.6	30.9
Net debt/ EBITDA (%)	(109.1)	(116.0)	(97.2)	(97.7)	(92.8)
Cash ratio (%)	134.5	138.1	125.0	117.0	115.0
Interest coverage ratio (x)	32.0	42.6	36.7	31.8	32.4
Activity (%)					
Payables turnover (days)	38.8	39.1	38.2	38.2	38.2
Inventory turnover (days)	62.4	57.4	66.7	66.7	66.7
Receivables turnover (days)	39.5	36.8	34.6	34.6	34.6

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
06/11/2025 (Update)	BUY	71,600	20.7	13.2/33.0
09/02/2026 (Update)	HOLD	78,100	34.1	6.4/62.8

Target price**Shinhan Securities Vietnam**

Stocks	Sector
<ul style="list-style-type: none"> ◆ BUY: Expected 12-month gain of 15% or more ◆ SELL: Expected 12-month loss of 15% or more ◆ NEUTRAL: Expected 12-month loss of 15% to gain of 15% 	<ul style="list-style-type: none"> ◆ 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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