

August, 2025

## QUANG NGAI SUGAR JSC (UpCOM: QNS)

### Expecting the sugar industry headwinds will gradually pass

Unit: VND bn	Q2-FY25	Q1-FY25	+/- qoq	Q2-FY24	+/- yoy
Net sales	2,956	2,269	30.2%	2,820	4.8%
NPAT-MI	570	402	41.8%	722	-21.1%
EBIT	392	623	-37.1%	532	-26.4%
EBIT margin	13.2%	27.4%	-1,419bps	18.9%	-561bps

Sources: QNS, RongViet Securities

### Q2-FY25: Challenging dynamics in the sugar industry overshadowed strong growth in soy milk

- QNS's Q2-2025 performance fell 11% below our expectation, with net revenue of VND2,956 bn (+4.8% YoY) and NPAT-MI of VND546 bn (-20.9% YoY). This was primarily driven by negative impacts in the sugar segment, with a decline in production volume (-5.3% YoY) and selling prices (-4.9% YoY). Subdued demand (influenced by Decree 70), coupled with intense competition from smuggled sugar and a robust 2023/24 and 2024/25 sugarcane harvest, has led to high inventories and underperformance across most sugar mills.
- A bright spot was the soy milk segment, which saw a 2.7% YoY volume increase despite challenges in the FMCG sector due to Decree 70, particularly in the key general trade (GT) channel. Growth was supported by expanded market share in premium soy milk and health-oriented nut milk. However, this was insufficient to offset the significant decline in the sugar segment's contribution to QNS's overall results.

### FY25 Outlook: Anticipated improvement in sugar supply-demand dynamics by year-end

- Sugar consumption is expected to gradually improve toward year-end, with production volume projected to decline slightly by -2.8% YoY and sugar prices bottoming out at VND18,000-18,200/kg as supply-demand stabilizes. Challenges such as demand stagnation from Decree 70, high mill inventories, lax control over smuggled sugar, and corn syrup are expected to ease following strategic efforts by sugar mills and government initiatives throughout Q2.
- However, with sugar consumption saturated over recent years (+3-4% YoY) and rising competition both domestically and internationally, sugar prices are unlikely to recover in the medium term, remaining at VND18,000-18,200/kg (-10-11% YoY). Meanwhile, QNS must maintain high sugarcane purchase prices under the industry protection program, leading to a notable YoY decline in sugar segment revenue and profit.
- The expansion of market share in the milk segment will be a key pillar to offset sugar industry challenges, with projected consumption volume growth of 8.7% YoY.
- We forecast QNS's Q3-2025 performance to improve QoQ as sugar supply-demand balances out, with net revenue of VND2,943 bn (flat QoQ, +8.0% YoY) and NPAT-MI of VND553 bn (+41.1% QoQ, -19.9% YoY).
- For full-year 2025, we project QNS's net revenue at VND10,524 bn (+2.7% YoY), with net profit/EPs at VND2,035 bn (-14.4% YoY) and VND5,536, respectively.

### Outlook & Recommendation

QNS is expanding sugarcane cultivation to gain market share from smaller mills and smuggled sugar, while its soy milk segment (Vinasoy, >85% market share) faces saturation (3-8% YoY growth).

We value QNS using a 60:40 SoTP and DCF blend, reflecting sugar price uncertainties, with a one-year target price of **VND 54,300/share (including cash dividends)** (2025 P/E 9.2x). We recommend **ACCUMULATE** based on the August 25<sup>th</sup>, 2025, closing price.

QNS's strong dividend policy (>55% of net profit) offers a 6.5-11.0% annual yield, exceeding bank deposit rates (4.0-5.0%). It suits investors seeking stable, dividend-focused returns above 6.0% annually.

## ACCUMULATE

Market price (VND)	47,000
Target price (VND)	54,300

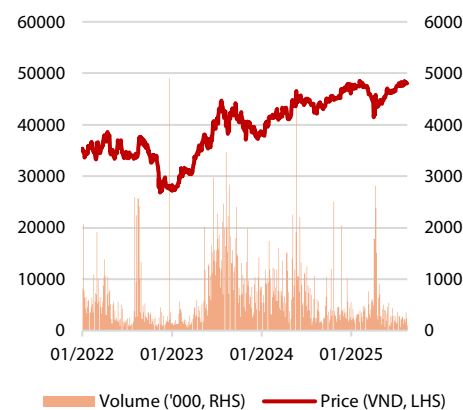
1-year expected cash dividend (VND/share): 3,500

### Stock Info

Sector	Food & Beverage
Market Cap (VND Bn)	17,607
Share O/S (Mn)	368
Average trading volume (20 sessions) ('000 shares)	191
Free Float (%)	61.4
52 weeks high	48,500
52 weeks low	41,400
Beta	0.8

	FY2024	Current
EPS	6,465	5,689
EPS growth (%)	8.9	-7.3
P/E	7.3	8.5
P/B	1.7	1.8
EV/EBITDA	7.3	8.0
ROE (%)	23.8	21.2

### Stock price movement



### Major shareholders (%)

Thanh Phat Trading LLC	15.1
Dang, Vo Thanh	9.3
Nhung, Vo Thi Cam	2.9
Phuong, Tran Ngoc	1.8
Others	70.9
Remaining Foreign Room (%)	40.2

### Hung Nguyen

(084) 028- 6299 2006 – Ext 2223

[hung.nb@vdsc.com.vn](mailto:hung.nb@vdsc.com.vn)

## Q2-2025's results - A bumpier sugar segment overshadows the positive growth story of the milk segment similar to Q1-2025

**Net revenue of VND 2,956 bn (+30.2% QoQ, +4.8% YoY), 7% above our expectation**, driven by stronger-than-anticipated performance in other segments (electricity, Thanh Phat), specifically:

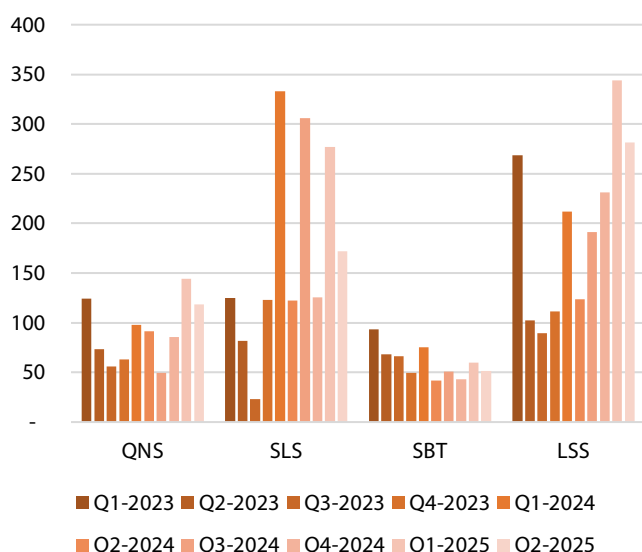
- **Revenue from sugar segment** reached VND 955 bn (+30.1% QoQ, -9.9% YoY).
  - **Negative YoY growth stems from two factors: (1) average sugar prices declined -7.3% YoY to 18-18,400 VND/kg, (2) average production dropped -5.3% YoY to 54 thous tons this quarter.** This reflects weaker domestic sugar demand under Decree 70 (taxes & e-invoices) amid abundant supply from a robust Vietnamese sugar season and rising smuggled sugar (sugarcane from Thailand or corn syrup). ( \*)
  - **However, sugar enterprises are improving output QoQ by actively reducing prices (lowering gross margin) and cutting high inventory days in Q2-2025, supporting better sequential growth.**

(\*) From June 1<sup>st</sup>, 2025, business households/individuals with annual turnover of VND 1 bn or more shifted tax calculation from flat tax to actual revenue-based via e-invoices, with VAT (1-5%) + PIT (0.5-5%), requiring cash registers linked to tax authorities' electronic data transfer. According to AC Nielsen, 5M-2025 fast-moving consumer goods growth in Vietnam by channel: GT ON (-2.1% YoY), GT OFF (-2.6% YoY), MT (+4.2% YoY).

(\*\*) Vietnam Customs data for 6M-2025 shows sugarcane sugar at 261k tons (unchanged YoY), liquid sugar at 209k tons (up YoY).

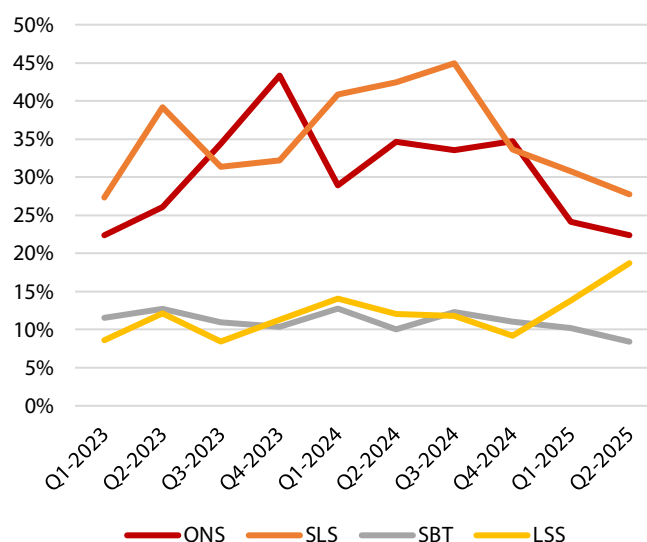
Mr. Nguyen Van Loc, Chairman of the Vietnam Sugar Association, noted at Jun-2025 end: "The market faces a severe oversupply, with sugar prices dropping sharply. Sugars of unknown origin, sold at 17,400-17,600 VND/kg, flood the market, heavily impacting the domestic industry, where domestic sugar (depending on quality and grain size) ranges from 17,800-20,000 VND/kg."

**Figure 1: Inventory days of VN sugar manufacturer (days)**



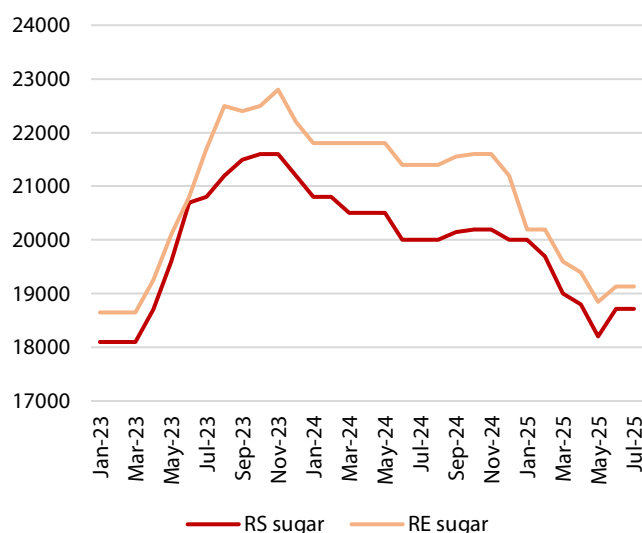
Source: Bloomberg, RongViet Securities

**Figure 2: Gross margin of VN sugar manufacturer (%)**



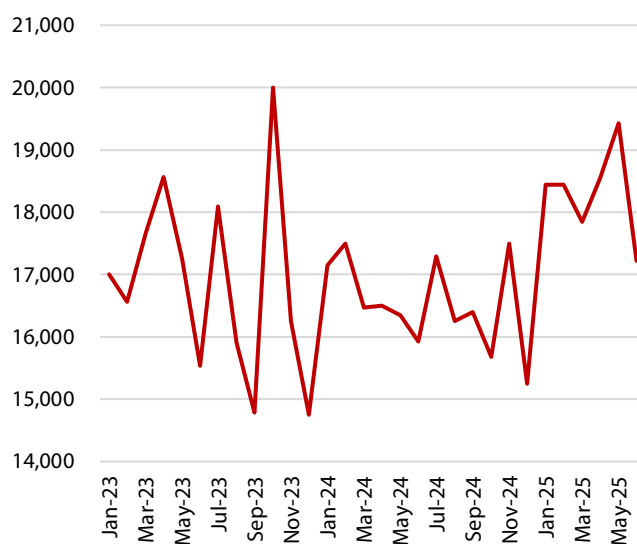
Source: Bloomberg, RongViet Securities

**Figure 3: An Khe sugar's selling price at factory (VND/kg)**



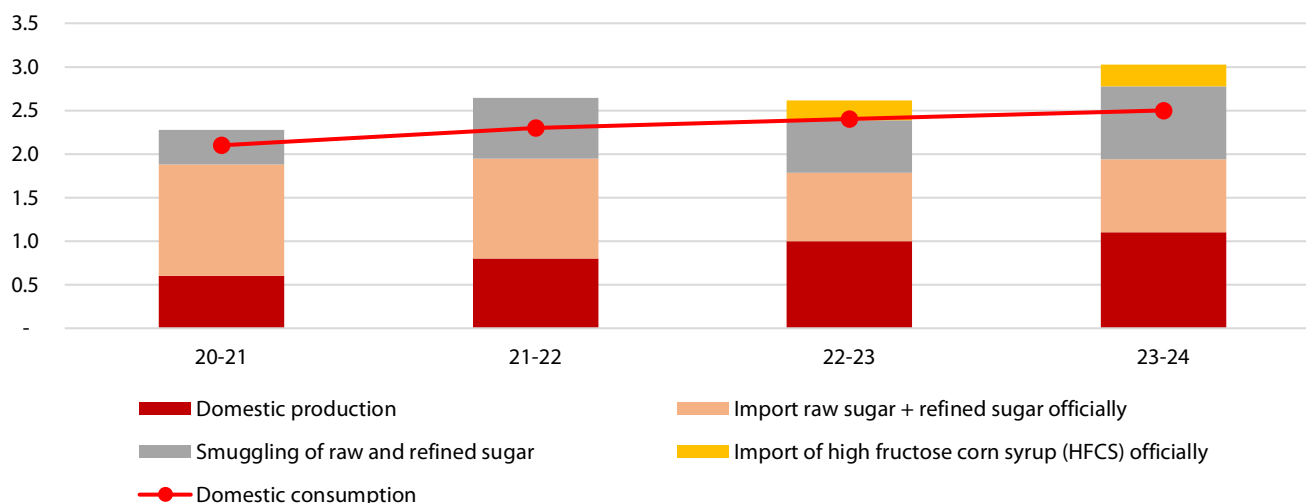
Source: Argomonitor, RongViet Securities

**Figure 4: QNS's average selling price of milk products (VND/liter)**



Source: QNS, RongViet Securities

**Figure 5: Vietnam sugar supply-demand overview (mn tons)**



Sources: Argomonitor, GSO VN, ISO, Vietnam Sugar and Sugarcane Association (VSSA), Vietnam Commodity Management Authority, RongViet Securities

- **Revenue from milk segment** reached VND 1,378 bn (+16.3% YoY), driven by a 14.0% YoY rise in average milk prices and a 2.7% YoY increase in milk production, bolstered by expanded market share in soy and nut milk segments (outpacing the fast-moving consumer goods industry's -2.6% YoY growth in 4M-2025).
  - **In essence, QNS maintained stable listed selling prices across all products in H1-2025.** The higher realized price reflects a shift toward premium products (comprising 5% of Vinasoy's total, with Famigold +30% YoY, Greensoy +65% YoY, Veyo +234% YoY), alongside an accounting adjustment: QNS now includes product promotion costs in cost of sales rather than deducting them from revenue.

	How to be recognized before 2025	How to be recognized after 2025
Number of milk cartons sold in 1 month (unit) (a)	1,000	1,000
Listed price of 1 carton of milk (VND/unit) (b)	5,000	5,000
Gross revenue (VND mn) (c)	5.0	5.0
Revenue deduction from the policy of additional products (10 units get 1 unit free) (VND mn) (d) = (a)/10*b	0.5	0 due to converting this cost down to selling expense
<b>Revenue recorded (VND mn) (e)=(c)-(d)</b>	<b>4.5</b>	<b>5.0</b>
Average selling price (VND/unit) (e)/(a)	4,500	5,000
<b>SUMMARY:</b> The new accounting method causes the revenue recorded on the financial statements & the average selling price of the dairy segment to increase (while the nature of the listed selling price remains unchanged), the consumption volume remains unchanged but the selling exp increases.		

Source: RongViet Securities

- This year's sugarcane production is projected to rise 20.5% YoY, supported by an expanded planting area of 35,000 hectares, boosting QNS's biomass electricity contribution to the national grid. Accordingly, **electricity revenue** reached VND 325 bn (+6.0% YoY), aligned with 200 mn KW of consumption (+10.0% YoY).

**Table 1: QNS's Q2-2025 results in terms of revenue (VND bn)**

Unit: VND bn	Q2-2025	Q1-2025	+/-QoQ	Q2-2024	+/-YoY
<b>Net sales</b>	<b>2,956</b>	<b>2,269</b>	<b>+30.2%</b>	<b>2,820</b>	<b>4.8%</b>
Sugar	955	734	+30.1%	1,060	-9.9%
Soy milk	1,378	937	+47.1%	1,185	16.3%
Thanh Phat	545	360	+51.6%	609	-10.4%
Others (including biomass electricity)	549	544	+0.9%	498	10.3%
Reduction	-472	-305	+54.4%	-531	-11.2%
<b>Volume sold</b>					
Sugar (tons)	54	36	+50.0%	57	-5.3%
Milk (million liters)	75	52	+44.2%	73	+2.7%
Biomass electricity (mn KW)	200	121	+65.3%	182	+9.9%

Source: QNS, RongViet Securities

**Gross profit reached VND 1,001 bn (+35.5% QoQ, +1.7% YoY), with a gross margin of 33.9% (-103bps YoY)**, primarily impacted by the sugar segment's margin decline (22.4%, -1,229bps YoY) (\*) overshadowing milk segment growth (44.9%, +687bps YoY). (\*\*)

(\*) Due to the impact of falling sugar prices (-9.0% YoY, reaching 18,200 VND/kg) while sugarcane harvest prices remained unchanged YoY (VND 1.26 mn/ton)

(\*\*) As mentioned above, the adjustment of promotional policies, instead of applying promotions directly by products, reducing revenue, QNS flexibly adjusts to increase the sum assured significantly but helps expand gross margin. (Table 1)

**This accounting shift in the milk segment also boosted SG&A exp/Net sales by +531bps YoY to 14.6%.** The rise reflects increased display and trial costs as QNS supports milk market share expansion. Meanwhile, the sugar segment's net revenue structure remained stable, with a net margin of 16.7% (-1,392bps YoY), closely tracking its gross margin drop (-1,229bps YoY).

**Overall, NPAT-MI reached VND 546 bn (+39.4% QoQ, -20.9% YoY), equivalent to a net margin of 13.2% (-1,418bps QoQ, -561bps YoY) below our expectations of 11%.**

**Table 2: QNS's Q2-2025 results in terms of profit and cost structure (VND bn)**

Unit: VND bn	Q2-2025	Q1-2025	+/-QoQ	Q2-2024	+/-YoY
<b>Gross profit</b>	<b>1,001</b>	<b>739</b>	<b>+35.5%</b>	<b>984</b>	<b>+1.7%</b>
<b>SG&amp;A expense</b>	<b>-431</b>	<b>-337</b>	<b>+28.0%</b>	<b>-262</b>	<b>+64.7%</b>
Agent commission costs, sales support	-104	-61	70.1%	-8	1,240.8%
Others	-327	-276	18.6%	-254	28.8%
<b>Profit before tax</b>	<b>621</b>	<b>438</b>	<b>+41.9%</b>	<b>764</b>	<b>-18.8%</b>
Sugar	160	150	+6.7%	325	-50.8%
Soy milk	275	140	+96.4%	261	5.4%
Electricity	143	88	+62.5%	128	+11.7%
<b>NPAT-MI</b>	<b>392</b>	<b>623</b>	<b>-37.1%</b>	<b>532</b>	<b>-26.4%</b>
<b>Gross margin</b>	<b>33.9%</b>	<b>32.5%</b>	<b>+132bps</b>	<b>34.9%</b>	<b>-103bps</b>
Sugar	22.4%	24.1%	-176bps	34.7%	-1,229bps
Soy milk	44.9%	42.5%	+234bps	38.0%	+687bps
Thanh Phat	2.0%	2.2%	-22bps	1.9%	+4bps
Others	29.6%	28.9%	+72bps	32.0%	-234bps
<b>PBT margin</b>	<b>20.9%</b>	<b>19.3%</b>	<b>+157bps</b>	<b>26.9%</b>	<b>-607bps</b>
Sugar	16.7%	20.4%	-368bps	30.7%	-1,92bps
Soy milk	20.0%	14.9%	+502bps	22.0%	-207bps
Biomass electricity	44.0%	41.7%	+230bps	41.6%	+236bps
<b>SG&amp;A exp/Net sales</b>	<b>14.6%</b>	<b>14.8%</b>	<b>-26bps</b>	<b>9.3%</b>	<b>+531bps</b>

Source: QNS, RongViet Securities

### Update on QNS's business landscape after Q2-2025

**With solid dairy and biomass power performance in revenue and margin, QNS's valuation hinges on the sugar segment.** We anticipate QNS will boost sugar output in upcoming quarters, aligning with its plan, leveraging expanded planting and improved sugarcane pressing efficiency in the 24-25 season.

**We expect sugar industry headwinds to ease (e.g., smuggled sugar surplus, Decree 70 demand weakness), supporting price and output recovery QoQ in 2025.** Specifically:

- **World sugar prices signal a 3-year bottom, rising to 16.55 cents/bag.** India and Brazil's shift from sugar to ethanol by year-end may trigger a new price cycle.
- **Domestic oversupply and smuggling are declining:**
  - Vietnam's tightened border security and Vietnam Sugar Association's collaboration with Thai counterparts curb illegal sugar, balancing supply-demand.
  - Factory inventories are decreasing by Q2-2025 end, as noted.
- **Sugar demand recovery expected:**
  - The FMCG sector, an essential industry, will resume QNS imports in Q3 after using Q2 inventories amid tax/e-invoice concerns, with Q3 peaking for summer and Mid-Autumn.
  - Sugar imports surged post-Decree 70 (Jul-2025 peak season), with higher import prices than small-quota smuggled goods, lifting sugar prices.
  - QNS's strategic sales system enables flexible ordering by agents/retailers, stabilizing June sales as customers adapt to Decree 70. (\*)

(\*)Wholesalers/retailers, wary of high taxes on large imports, reduced inventory days below normal but may increase monthly orders. QNS invests in a robust sales system (software and team) to track demand and address import/tax/invoice issues promptly.

**The government's E10 gasoline roadmap from 2026 could support QNS's sugarcane operations,** mirroring trends in India and Brazil, balancing sugarcane and ethanol for revenue/profit stability.

+ On July 23<sup>rd</sup>, 2025, the Ministry of Industry and Trade proposed an E10 gasoline roadmap to cut emissions and meet 2050 net-zero goals, effective January 1<sup>st</sup>, 2026. E10 (10% ethanol in gasoline) from sugarcane, cassava, or corn boosts octane and reduces CO/HC emissions. A pilot launches August 1<sup>st</sup>, 2025, in Ho Chi Minh City, Hanoi, and Hai Phong.

+ This bodes well for QNS's long-term ethanol (from sugarcane) plant (trial 2027, operational 2028), as domestic production covers only 40% of demand (450,000 m<sup>3</sup> annually), with 1 mn m<sup>3</sup> imported from the U.S., Brazil, and ASEAN.

### Q3-2025's projected results: Expectations gradually improve towards year-end as supply and demand achieve better balance

**Table 3: QNS's projected Q3-2025 results by VDS**

	Q2-2025	+/-YoY	+/-QoQ	Assumptions
<b>Net sales</b>	<b>2,943</b>	<b>+8.0%</b>	<b>-0.4%</b>	
Sugar	1,055	+1.3%	+10.4%	Sales volume is expected to rise +6.7% YoY as QNS ramps up consumption aligned with this year's planting area expansion. Conversely, selling prices are projected to decline to 18,100-18,200 VND/kg amid subdued sugar industry demand and high factory inventories. Note, Q3 marks the sugar industry's peak quarter with the Mid-Autumn season, and GT channel congestion issues from Decree 70 are expected to ease from early Q3, per QNS.
Soy milk	1,413	+16.5%	+2.5%	Fueled by the milk industry's annual peak season (Q2-3) and the continued expansion of soy milk market share, mirroring Q1 trends. Additionally, the shift in discount method (noted above) further bolsters this quarter's revenue.
Thanh Phat	559	-4.8%	+2.5%	
Others	389	-0.3%	-29.2%	
<b>Gross profit</b>	<b>1,001</b>	<b>+9.8%</b>	<b>0.0%</b>	Sugar selling prices decreased by ~10-12% YoY as the main factor causing the gross margin to decrease by 1,097bps YoY.
<b>SG&amp;A expense</b>	<b>-427</b>	<b>+11.5%</b>	<b>-1.0%</b>	The increase in SG&A exp comes from two factors: (1) a change in the policy of recording discounts (mentioned above), (2) promoting more discount spending in the milk industry, which is highly competitive, and launching new SKUs accompanying the sugar industry in the context of oversupply.
<b>EBIT</b>	<b>574</b>	<b>+8.5%</b>	<b>+0.7%</b>	
Profit from affiliates	0			
Net financial income	40	-8.0%	0.0%	
Other profits	14	0.0%	+24.8%	
<b>PBT</b>	<b>628</b>	<b>+7.1%</b>	<b>+1.1%</b>	
Corporate income tax	-75			
Minority of Interest (MI)	0			
<b>NPAT-MI</b>	<b>553</b>	<b>-19.9%</b>	<b>41.1%</b>	NPAT-MI expects to recover strongly QoQ in line with the commitment to promote business performance from the QNS's BOD gradually towards the end of the year, corresponding to the ambitious plan to expand the sugarcane growing area this year. (+20.0% YoY).
<b>Gross margin</b>	<b>34.0%</b>	<b>+56bps</b>	<b>+14bps</b>	
Sugar	22.6%	-1,097bps	+22bps	
Soy milk	45.5%	+674bps	+64bps	
Thanh Phat	2.0%	-13bps	+4bps	
Others	29.0%	+795bps	-62bps	
<b>SG&amp;A exp/Net sales</b>	<b>14.5%</b>	<b>+47bps</b>	<b>-8bps</b>	
<b>EBIT margin</b>	<b>19.5%</b>	<b>+10bps</b>	<b>+22bps</b>	
<b>Net margin</b>	<b>18.8%</b>	<b>-654bps</b>	<b>+553bps</b>	

Source: QNS, RongViet Securities

## Valuation

In the scenario of sugar prices remaining in the region of 18,400-18,600 VND/kg, on par with the time when anti-dumping and anti-subsidy with Thai sugar take effect (Aug-2023), the **target price for QNS according to our forecast remains unchanged at 54,200 VND/share (including cash dividends), equivalent to the ACCUMULATE recommendation.**

**Table 4: Summary of QNS valuation (VND/share)**

Method	Contribution	Target price (VND/share)
<b>DCF method (5 years, WACC: 10.5%, EVEBITDA 5x)</b>	<b>40%</b>	<b>57,826</b>
<b>SoTP method</b>	<b>60%</b>	<b>46,040</b>
Sugar (P/E 7.6x, 2025F EPS)		12,042
Milk (P/E 10.0x, 2025F EPS)		28,477
Others (Thanh Phat, biomass electricity) (P/E 5.0x, 2025F EPS)		5,520
<b>Total QNS</b>	<b>100%</b>	<b>50,760</b>
Cash dividend for the next 1 year (VND/share)		3,500
PE Target 2025F		9.2

Source: RongViet Securities

**Table 5: Sensitivity analysis of QNS's target price based on exit EV/EBITDA in DCF Method (VND/share)**

WACC	Exit EVEBITDA							
		2.0	3.0	4.0	5.0	6.0	7.0	8.0
	7.5%	45,764	51,613	57,461	63,309	69,158	75,006	80,855
	8.5%	44,635	50,219	55,802	61,386	66,970	72,554	78,138
	9.5%	43,560	48,893	54,227	59,560	64,894	70,227	75,561
	10.5%	42,536	47,633	52,729	57,826	62,922	68,019	73,115
	11.5%	41,561	46,433	51,305	56,177	61,049	65,921	70,793
	12.5%	40,632	45,291	49,950	54,609	59,268	63,928	68,587
	13.5%	39,745	44,203	48,660	53,118	57,575	62,033	66,490

Source: RongViet Securities

**Table 6: QNS's detailed valuation in P/E method (VND/share)**

Unit: VND/share	2025F	2026F
Sugar (P/E 7.6x)	12,042	11,025
Milk (P/E 10.0x)	28,477	30,790
Others (Thanh Phat, Biomass Power) (P/E 5.0x)	5,520	5,341
<b>Total QNS</b>	<b>46,040</b>	<b>47,156</b>

Source: RongViet Securities

**The current Ethanol project has not been recorded in QNS's valuation**, so QNS has the potential to increase its valuation if the feasibility of implementing the Government's E10 gasoline project and QNS's sugarcane ethanol project is promoted in the near future.



## Potential Competitor Appendix – Liquid Sugar Corn Syrup (HFCS)

**Liquid Sugar Corn Syrup (High Fructose Corn Syrup - HFCS)** is a sweetener produced from corn starch through an enzymatic process, which converts glucose into fructose in different proportions (usually HFCS-42 or HFCS-55, with 42% or 55% fructose). HFCS has a liquid form, high sweetness (1.1-1.3 times that of cane sugar), and is widely used in the food industry, especially in soft drinks, confectionery, and processed foods.

**This sugar is very popular in the preparation of soft drinks (Cocacola, Pepsi..) thanks to:**

- **Low cost:** HFCS is produced from corn, a low-cost agricultural material, especially in countries such as the U.S. and China, where corn is subsidized or produced on a large scale. In Vietnam, the price of imported HFCS (about 9,000-15,000 VND/kg) is much lower than cane sugar (18,000-20,000 VND/kg), helping soft drink companies optimize costs.
- **High sweetness and ease of use:** HFCS has a strong sweetness, 1.1 - 1.3 times that of white sugar made from sugarcane, which enhances the flavor without using much. The liquid form of HFCS is easily soluble in water, making it ideal for the production of soft drinks, beverages, and processed food products.
- **Long shelf life:** HFCS has a good shelf life, less crystallization than cane sugar, which helps to extend the shelf life of the product.
- **Stability in production:** HFCS maintains a stable sweetness and quality under different temperature and pH conditions, which is suitable for industrial production processes.

**In Vietnam, HFCS is imported mainly from China (over 80%), the rest in South Korea, or ASEAN countries enjoy low tariff rates under free trade agreements (FTAs), making it an economic option and gradually increasing over time, accounting for ~10% of Vietnam's sugar consumption in just 3 years (DAY 5).** Therefore, along with smuggled sugar, this type of liquid sugar affects the development of Vietnam's domestic sugar industry.

**We note that liquid sugar in corn syrup (HFCS) is considered unhealthy, due to its high percentage of fructose (especially HFCS-55 or HFCS-90), which is metabolized mainly in the liver, which can lead to** (refer to the article suckhoedoisong titled: How does liquid sugar from corn syrup wreak havoc on health?)

- **Accumulation of liver fat:** fructose is directly converted into fat, increasing the risk of non-alcoholic fatty liver,
- **Hypertriglycerides:** contributes to dyslipidemia, associated with cardiovascular disease,
- **Insulin resistance:** Fructose does not stimulate insulin as much as glucose, but long-term consumption can disrupt metabolism, leading to type 2 diabetes,
- **Contributes to obesity:** HFCS found in soft drinks and processed foods, which are often consumed in large amounts, leads to increased calorie intake in the body. Fructose does not stimulate the hormone leptin (which creates a feeling of fullness), making it easy for users to consume excessively, contributing to obesity.

**In summary, due to health problems and the rapid expansion of this type of sugar in Vietnam, QNS and other enterprises have made recommendations in customs conferences and relevant ministries and sectors (such as the Ministry of Finance, Health, Agriculture, Science and Technology) but only at the seeding stage and there is no specific solution.** Therefore, if the growth momentum of this type of sugar is stronger, it may affect the performance of QNS, which is considered a downside risk of stocks and needs to be monitored more closely.



**Appendix**
**Table 7: QNS's Q2-2025 results**

Unit: VND bn	Q2-2025	Q1-2025	+/-QoQ	Q2-2025	+/-YoY	% as of QNS's 2025F plan	% as of VDS's 2025F forecast
<b>Net sales</b>	<b>2,956</b>	<b>2,269</b>	<b>30.2%</b>	<b>2,820</b>	<b>4.8%</b>	<b>29.6%</b>	<b>28.1%</b>
Sugar	955	734	30.1%	1,060	-9.9%		
Soy milk	1,378	937	47.1%	1,185	16.3%		
Thanh Phat	545	360	51.6%	609	-10.4%		
Others	549	544	0.9%	498	10.3%		
Reduction	-472	-305	54.4%	-531	-11.2%		
<b>Gross profit</b>	<b>1,001</b>	<b>739</b>	<b>35.5%</b>	<b>984</b>	<b>1.7%</b>		
<b>SG&amp;A expenses</b>	<b>-431</b>	<b>-337</b>	<b>28.0%</b>	<b>-262</b>	<b>64.7%</b>		
<b>EBIT</b>	<b>570</b>	<b>402</b>	<b>41.8%</b>	<b>722</b>	<b>-21.1%</b>		
Income from affiliates	0	0		0			
Net finance income	40	36		32			
Other profit	11	0		10			
<b>EBT</b>	<b>621</b>	<b>438</b>	<b>41.9%</b>	<b>764</b>	<b>-18.8%</b>		
Corporate income tax	-75	-46		-74			
Minority of interest (MI)	0	0		0			
<b>NPAT-MI</b>	<b>392</b>	<b>623</b>	<b>-37.1%</b>	<b>532</b>	<b>-26.4%</b>	<b>21.9%</b>	<b>19.2%</b>

Source: QNS, RongViet Securities

**Table 8: QNS's Q2-2025 Business analysis**

Criteria	Q2-2025	Q1-2025	+/-QoQ	Q2-2024	+/-YoY
<b>Profitability ratio</b>					
Gross margin	33.9%	32.5%	+132bps	34.9%	-103bps
EBITDA/Net sales	19.3%	17.7%	+157bps	25.6%	-634bps
EBIT/Net sales	27.4%	28.3%	-88bps	29.4%	-204bps
Net margin	18.5%	17.3%	+122bps	24.5%	-600bps
<b>Efficiency ratio (days)</b>					
- Days AR on hands	118	144		92	
- Day Invenroty on hands	9	18		14	
- Day AP	16	23		24	
<b>Solvency ratio</b>					
Total liabilities/Total equity	33%	38%		37%	

Source: RongViet Securities

VND bn					VND bn				
INCOME STATEMENT					BALANCE SHEET				
2023A	2024A	2025F	2026F		2023A	2024A	2025F	2026F	
Net revenue	10,021	10,243	10,524	11,323	Cash & Equivalents	289	539	316	340
COGS	6,670	6,759	7,072	7,681	Short-term investment	6,165	7,299	7,893	8,492
Gross profit	3,351	3,484	3,452	3,642	Receivables	661	810	751	834
SG&A expense	1,197	1,103	1,432	1,563	Inventories	958	1,323	1,532	1,619
Finance income	341	341	316	338	Other current assets	19	39	63	68
Finance expense	139	139	122	137	Tangible fixed assets	3,720	3,533	4,119	4,685
Other profit	91	98	98	98	Intangible fixed assets	16	17	15	12
EBT	2,447	2,645	2,311	2,377	Long-term investment	0	0	0	0
Corporate income tax	263	268	275	319	Other non-current assets	240	264	271	292
Minority of interest	0	0	0	0	Total assets	12,053	13,808	14,960	16,341
NPAT-MI	2,183	2,377	2,035	2,058	Trade payables	456	464	410	455
EBIT	2,151	2,378	2,018	2,077	Short-term debt	2,411	2,714	3,191	3,582
					Short-term debt	0	0	0	0
					Other liabilities	330	366	378	413
					Bonus & welfare funds	84	84	84	84
					Science and technology fund	0	0	0	0
					Total liabilities	3,472	3,807	4,247	4,704
					Paid-in capital	3,569	3,676	3,676	3,676
					Treasury shares	-834	-834	-834	-834
					Retained earnings	4,778	5,851	6,562	7,486
					Other funds	288	529	529	529
					Investment & development funds	780	780	780	780
					Total equity	8,581	10,002	10,713	11,637
					Minority of interest	289	539	316	340
FINANCIAL RATIOS					VALUATION RATIOS				
2023A	2024A	2025F	2026F		2023A	2024A	2025F	2026F	
YoY growth (%)					EPS (VND)	5,939	6,465	5,536	5,598
Net sales	21.4	2.2	2.7	7.6	P/E (x)	7.7	7.7	9.2	9.1
EBIT	58.4	10.6	-15.2	2.9	BV (VND)	23,339	27,204	29,139	31,653
NPAT-MI	69.7	8.8	-14.4	1.1	P/B (x)	1.9	1.8	1.7	1.6
Total assets	17.4	14.6	8.3	9.2	DPS (VND)	3,500	4,000	3,352	3,589
Total equity	14.9	16.6	7.1	8.6	Dividend yield (%)	9.8%	8.8%	6.7%	7.1%
Profitability ratios (%)					VALUATION MODEL				
Gross margin	33.4	34.0	32.8	32.2	Price	Contribution	Average		
EBIT margin	21.5	23.2	19.2	18.3	DCF	57.826	40%	23.130	
Net margin	21.8	23.2	19.3	18.2	PE	46.040	60%	27.624	
ROA	18.1	17.2	13.6	12.6	Target price (VND)		100%	50,754	
ROE	25.4	23.8	19.0	17.7					
Efficiency ratios (days)					VALUATION HISTORY				
Days AR on hands	24	29	26	27	PRICE	RECOMMENDATION	TIME		
Day Inventory on hands	52	71	79	77	06/2025	54,300	ACCUMULATE	1 year	
Day AP	25	25	21	22					
Liquidity ratios (x)									
Current	2.5	2.8	2.6	2.5					
Quick	2.2	2.4	2.2	2.1					
Solvency ratios (%)									
Total liabilities/total equity	40.5	38.1	39.6	40.4					
Short-term debt/Total equity	28.1	27.1	29.8	30.8					
Total debt/Total equity	28.1	27.1	29.8	30.8					

## Company Report

This report is created to provide investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information, with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report, we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedback and/or receive more information, investors may contact the assigned analyst or our client support department.

## RATING GUIDANCE

Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

In some cases, we do not provide specific buy/sell recommendations but only offer some reference valuations to give investors additional information, classified under the **OBSERVE** recommendation.

## ABOUT US

**RongViet Securities Corporation (RongViet)** was established in 2006, licensed to perform the complete range of securities services including brokerage, financial investment, underwriting, financial and investment advisory and securities depository. RongViet now has an operating network that spreads across the country. Our major shareholders, also our strategic partners, are reputable institutions, i.e. Eximbank, Viet Dragon Fund Management, etc... Along with a team of the professional and dynamic staffs, RongViet has the man power as well as the financial capacity to bring our clients the most suitable and efficient products and services. Especially, RongViet was one of the very first securities firms to pay the adequate attention to the development of a team of analysts and the provision of useful research report to investors.

The **Analysis and Investment Advisory Department** of RongVietSecurities provides research reports on the macro-economy, securities market and investment strategy along with industry and company reports and daily and weekly market reviews.

## RESEARCH CENTER

### Lam Nguyen Head of Research

lam.ntp@vdsc.com.vn  
+ 84 28 6299 2006 (1313)

### Tung Do Manager

tung.dt@vdsc.com.vn  
+ 84 28 6299 2006 (1521)  
• Banking

### Lam Do Manager

lam.dt@vdsc.com.vn  
+ 84 28 6299 2006 (1524)  
• Real Estate  
• Construction Materials  
• Industrial RE

### Hung Le Manager

hung.ltq@vdsc.com.vn  
+ 84 28 6299 2006 (1530)  
• Market Strategy  
• Macroeconomics

### Ha My Tran Senior Consultant

my.tth@vdsc.com.vn  
+ 84 28 6299 2006  
• Macroeconomics

### Luan Pham Analyst

luan.ph@vdsc.com.vn  
+ 84 28 6299 2006 (1526)  
• Retail

### Toan Vo Analyst

toan.vnv@vdsc.com.vn  
+ 84 28 6299 2006 (1530)  
• Macroeconomics

### Quan Cao Analyst

quan.cn@vdsc.com.vn  
+ 84 28 6299 2006 (2223)  
• Sea ports  
• Aviation  
• Textiles

### Hien Le Analyst

hien.ln@vdsc.com.vn  
+ 84 28 6299 2006 (1524)  
• Fishery  
• Fertilizer

### Hung Nguyen Analyst

hung.nb@vdsc.com.vn  
+ 84 28 6299 2006 (1526)  
• Retail  
• Automotive & Spare parts  
• Consumer

### Tran Thai Duong Analyst

duong.tt@vdsc.com.vn  
+ 84 28 6299 2006  
• Construction Materials

### Giao Nguyen Analyst

giao.ntq@vdsc.com.vn  
+ 84 28 6299 2006 (1530)  
• Real Estate  
• Industrial RE

### Trang To Analyst

trang.th@vdsc.com.vn  
+ 84 28 6299 2006  
• Banking

### Huong Le Analyst

huong.lh@vdsc.com.vn  
+ 84 28 6299 2006 (1524)  
• Oil & Gas

### Chinh Nguyen Analyst

chinh1.nd@vdsc.com.vn  
+ 84 28 6299 2006 (1530)  
• Utilities

### Tran Ngoc Lan Anh Analyst

anh.tnl@vdsc.com.vn  
+ 84 28 6299 2006  
• Retail

### Ha Tran Assistant

ha.ttn@vdsc.com.vn  
+ 84 28 6299 2006 (1526)

### Thao Phan Assistant

thao.ptp@vdsc.com.vn  
+ 84 28 6299 2006 (1526)

**DISCLAIMERS**

This report is prepared to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity of this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.

The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report.

The information herein is compiled by or arrived at Rong Viet Securities from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimates and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.

This research report is copyrighted by Rong Viet Securities. All rights reserved. Therefore, copy, reproduction, republish or redistribution by any person or party for any purpose is strictly prohibited without the written permission of VDSC. Copyright 2022 Viet Dragon Securities Corporation.

**IMPORTANT DISCLOSURES FOR U.S. PERSONS**

This research report was prepared by Viet Dragon Securities Corp. ("VDSC"), a company authorized to engage in securities activities in Vietnam. VDSC is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

**Additional Disclosures**

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither VDSC nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

VDSC may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of VDSC.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. 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 United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars 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.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by VDSC concerning future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior.

**RESEARCH DISCLOSURES****Third Party Research**

This is third party research. It was prepared by Rong Viet Securities Corporation (Rong Viet), with headquarters in Ho Chi Minh City, Vietnam. Rong Viet is authorized to engage in securities activities according to its domestic legislation. This research is not a product of Tellimer Markets, Inc., a U.S. registered broker-dealer. Rong Viet has sole control over the contents of this research report. Tellimer Markets, Inc. does not exercise any control over the contents of, or the views expressed in, research reports prepared by Rong Viet.

Rong Viet is not registered as a broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" and other "U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Tellimer Markets, Inc., located at 575 Fifth Avenue, 27<sup>th</sup> Floor, New York, NY 10017. A representative of

Tellimer Markets, Inc. is contactable on +1 (212) 551 3480. Under no circumstances should any U.S. recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Rong Viet. Tellimer Markets, Inc. accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

None of the materials provided in this report may be used, reproduced, or transmitted, in any form or by any means, electronic or mechanical, including recording or the use of any information storage and retrieval system, without written permission from.

Rong Viet is the employer of the research analyst(s) responsible for the content of this report and research analysts preparing this report are resident outside the U.S. and are not associated persons of any U.S. regulated broker-dealer. The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of Tellimer Markets, Inc. and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Tellimer Markets, Inc. or its affiliates has not managed or co-managed a public offering of securities for the subject company in the past 12 months, has not received compensation for investment banking services from the subject company in the past 12 months, and does not expect to receive or intend to seek compensation for investment banking services from the subject company in the next three months. Tellimer Markets, Inc. has never owned any class of equity securities of the subject company. There are no other actual, or potential, material conflicts of interest of Tellimer Markets, Inc. at the time of the publication of this report. As of the publication of this report, Tellimer Markets, Inc. does not make a market in the subject securities.

#### **About Tellimer**

Tellimer is a registered trade mark of Exotix Partners LLP. Exotix Partners LLP and its subsidiaries ("Tellimer") provide specialist investment banking services to trading professionals in the wholesale markets. Tellimer draws together liquidity and matches buyers and sellers so that deals can be executed by its customers. Tellimer may at any time, hold a trading position in the securities and financial instruments discussed in this report. Tellimer has procedures in place to identify and manage any potential conflicts of interests that arise in connection with its research. A copy of Tellimer's conflict of interest policy is available at.

#### **Distribution**

This report is not intended for distribution to the public and may not be reproduced, redistributed or published, in whole or in part, for any purpose without the written permission of Tellimer. Tellimer shall accept no liability whatsoever for the actions of third parties in this respect. This report is for distribution only under such circumstances as may be permitted by applicable law.

This report may not be used to create any financial instruments or products or any indices. Neither Tellimer, nor its members, directors, representatives, or employees accept any liability for any direct or consequential loss or damage arising out of the use of all or any part of the information herein.

**United Kingdom:** Distributed by Exotix Partners LLP only to Eligible Counterparties or Professional Clients (as defined in the FCA Handbook). The information herein does not apply to, and should not be relied upon by, Retail Clients (as defined in the FCA Handbook); neither the FCA's protection rules nor compensation scheme may be applied.

**UAE:** Distributed in the Dubai International Financial Centre by Exotix Partners LLP (Dubai) which is regulated by the Dubai Financial Services Authority ("DFSA"). Material is intended only for persons who meet the criteria for Professional Clients under the Rules of the DFSA and no other person should act upon it.

**Other distribution:** The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restriction.

#### **Disclaimers**

Tellimer and/or its members, 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 referred to herein. Tellimer may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups of Tellimer.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. 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 United States. The value of any investment or income from any securities or related financial instruments discussed in this report denominated in a currency other than U.S. dollars 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.

Frontier and Emerging Market laws and regulations governing investments in securities markets may not be sufficiently developed or may be subject to inconsistent or arbitrary interpretation or application. Frontier and Emerging Market securities are often not issued in physical form and registration of ownership may not be subject to a centralised system. Registration of ownership of certain types of securities may not be subject to standardised procedures and may even be effected on an ad hoc basis. The value of investments in Frontier and Emerging Market securities may also be affected by fluctuations in available currency rates and exchange control regulations. Not all of these or other risks associated with the relevant company, market or instrument which are the subject matter of the report are necessarily considered.

## OPERATING NETWORK

### HEADQUARTER IN HO CHI MINH CITY

Floors 1-8, Viet Dragon Tower, 141 Nguyen Du, Ben Thanh Ward, District 1, Ho Chi Minh City

**T** (+84) 28 6299 2006 **E** info@vdsc.com.vn  
**W** www.vdsc.com.vn **Tax code** 0304734965

### HANOI BRANCH

10<sup>th</sup> floor, Eurowindow Tower, 2 Ton That Tung, Kim Lien Ward, Dong Da District, Hanoi

**T** (+84) 24 6288 2006  
**F** (+84) 24 6288 2008

### NHA TRANG BRANCH

7<sup>th</sup> floor, 76 Quang Trung, Loc Tho Ward, Nha Trang City, Khanh Hoa

**T** (+84) 25 8382 0006  
**F** (+84) 25 8382 0008

### CAN THO BRANCH

8<sup>th</sup> floor, Sacombank Tower, 95-97-99, Vo Van Tan, Tan An Ward, Ninh Kieu District, Can Tho City

**T** (+84) 29 2381 7578  
**F** (+84) 29 2381 8387

### VUNG TAU BRANCH

2<sup>nd</sup> floor, VCCI Building, 155 Nguyen Thai Hoc, Ward 7, Vung Tau City, Ba Ria – Vung Tau Province

**T** (+84) 25 4777 2006

### BINH DUONG BRANCH

3<sup>rd</sup> floor, Becamex Tower, 230 Binh Duong Avenue, Phu Hoa Ward, Thu Dau Mot City, Binh Duong Province

**T** (+84) 27 4777 2006

### DONG NAI BRANCH

8<sup>th</sup> floor, TTC Plaza, 53-55 Vo Thi Sau, Quyet Thang Ward, Bien Hoa City, Dong Nai Province

**T** (+84) 25 1777 2006



**BEST INVESTMENT RESEARCH  
VIETNAM 2025**

GLOBAL BANKING & FINANCE AWARDS