OTHER MATERIALS

(RUBBER, CHEMICALS)

THE PROSPECT OF DIFFERENTIATION BETWEEN RAW MATERIAL SOURCES

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OTHER MATERIALS - THE PROSPECT OF DIFFERENTIATION BETWEEN RAW MATERIAL SOURCES

Negative | Neutral | Positive

In 2026, we expect the natural rubber market to enter a new equilibrium, in which: 1/ Supply continues to remain limited, while 2/ Demand grows slowly but steadily, creating a foundation for 3/ The price level remains high compared to the average for many years ago. On the supply side, the ability to expand production in the short term is still limited due to a prolonged contraction of global new planting area and a slow replanting cycle. On the other hand, consumption demand is expected to remain stable, although the growth rate has slowed somewhat in the context of the volatile global trade environment. We maintain a positive recommendation for rubber stocks in the direction of medium- to long-term investment, in the context that rubber prices remain high thanks to continued limited global supply. Notable stocks include PHR (Buy, TP: 75,900 VND/share), TRC (Buy, TP: 98,200 VND/share) and DPR (Buy, TP: 53,700 VND/share).

For the chemicals and tire sectors, we see a number of risks for these sectors in 2026, including: 1/ Phosphorus production (a prominent business activity in the chemical sector) is at risk from legal issues (related to mining rights) and new export tax laws; 2/ Tires with profit margins negatively affected by the price of main raw materials (rubber) remain at a high level. Therefore, we recommend Observing stocks in these industry groups, and only considering investing when there are positive factors to the industry outlook.

Rubber segment: Supply – demand and price outlook

- In terms of supply, the global natural rubber market continues to be in a limited state when the new planting area shrinks for the period 2018-2023, making it difficult for output to recover quickly in the short term. In addition, production in major producing countries such as Thailand, Indonesia and Malaysia is negatively impacted by adverse weather and increased mining costs, while the replanting process takes years to produce commercial production. Therefore, entering 2026, the supply of rubber is forecast to remain in a state of relative shortage.
- In terms of demand, natural rubber consumption maintained a slow but steady upward trend, supported by automobile and tire production in China, India and the ASEAN region. While demand may be affected by geopolitical and trade policy factors in the short term, we believe that the long-term trend remains positive as the demand to replace synthetic rubber is not large enough and tire production continues to grow in line with the consumption cycle.
- In terms of price, in the context of continued tight supply and stable demand, natural rubber prices are expected to remain high in 2026, with a narrower range of fluctuations compared to the period of strong volatility 2024-2025. Prices are unlikely to increase as sharply as in the previous cycle, but it is also difficult to return to the lows, reflecting the new rebalancing of the global rubber market.

OTHER MATERIALS - THE PROSPECT OF DIFFERENTIATION BETWEEN RAW MATERIAL SOURCES

Negative Neutral Positive

The tire industry (rubber output) is not our choice when the prospect of profit recovery (15-20%) is unattractive at the current valuation (PE 15-16x is 11x higher than the industry average). The pillar of growth still lies in (1) bias domestic transport tires following the line of production promotion, (2) radial transport tires continue to increase their influence in the US after the imposition of CPBG tax on Thai tires from the end of 2024. The problem of high input rubber prices restrains profit margins at the bottom of 15 years like 2025.

Chemical industry: Risk of business interruption due to legal issues

- *Yellow phosphorus:* In 2025, the export price of phosphorus in the whole industry will recover slightly, while DGC's export volume (accounting for 50% of Vietnam's total capacity) will grow more positively than the rest of the enterprises thanks to a large proportion in the Japanese market – where customers in the high-tech industry are concentrated. semiconductor manufacturing. However, the outlook for 2026 for DGC's export P4 is quite negative, in the context that the Company is facing legal problems (which may cause production and business activities to be disrupted and affect the supply of raw materials). For the rest of the businesses, the impact of the new export tax law (from 5% to 10%) is expected to cause the proportion of consumption to shift to Japan (duty-exempt) and domestic to maintain profit margins, in the context of transferring the tax cost to the selling price under considerable competitive pressure from Kazakhstan's P4.
- *Caustic soda:* The shortage of domestic supply (about 200 thousand tons/year) is gradually compensated by new capacity increase projects from CSV, HVT, DGC... However, in the baseline scenario, we have temporarily not recorded revenue from DGC's Nghi Son Caustic Soda-Chlorine Plant in 2026 assuming that the project progress is affected due to legal issues that the Company is facing.

Risks

- *Rubber:* In the event that crude oil prices continue to be anchored in the low zone, the increase in natural rubber prices may be limited due to competitive pressure from synthetic rubber. Extreme weather risks can affect latex harvesting output, disrupt harvest cycles, and cause short-term fluctuations in supply. Geopolitical tensions in some major rubber-producing countries (especially the Thailand-Cambodia border conflict) can disrupt labor supply and mining activities, thereby affecting the supply, production schedule and costs of the industry.
- *Chemicals:* Legal issues of enterprises are resolved earlier than expected, helping enterprises maintain exploitation rights in existing fields.

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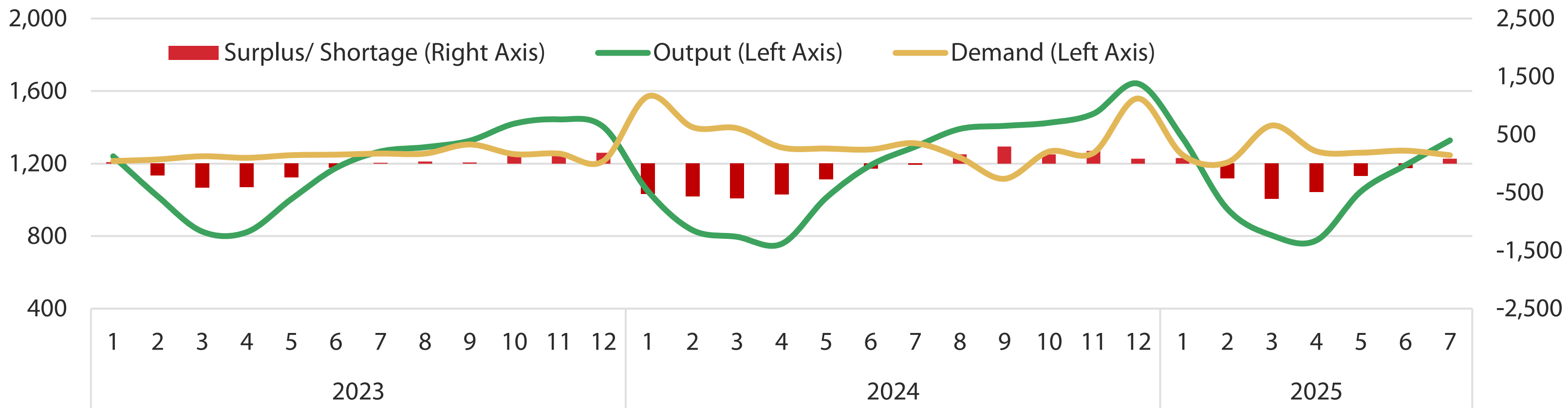
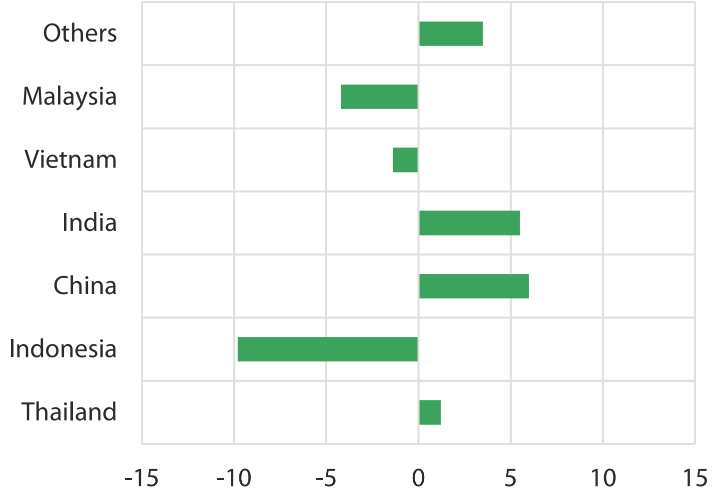
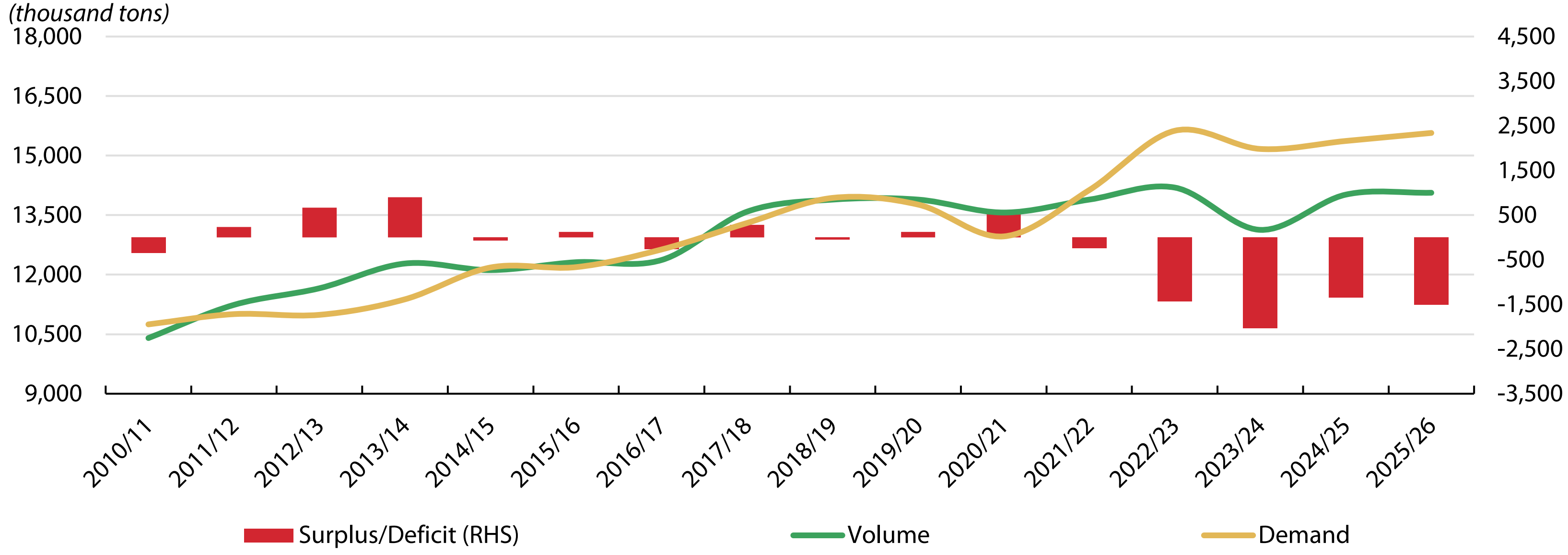
In 2025, the natural rubber market will continue to record a shortage of supply. According to the ANRPC, global production in 2025 will only increase at 0.3–0.5%, equivalent to ~14.9 million tons, which is much lower than the increase in demand (~1.8%). This extends the deficit trend that has emerged from 2022–2024, when output has not kept pace with the recovery of consumption in China and India.

Correlation between global natural rubber production and consumption 2023 – 2025 (thousand tons)



The shortage mainly comes from slowing production in the largest rubber supplier (Thailand) and declines in Indonesia and Malaysia





Source: Agromonitor, RongViet Securities

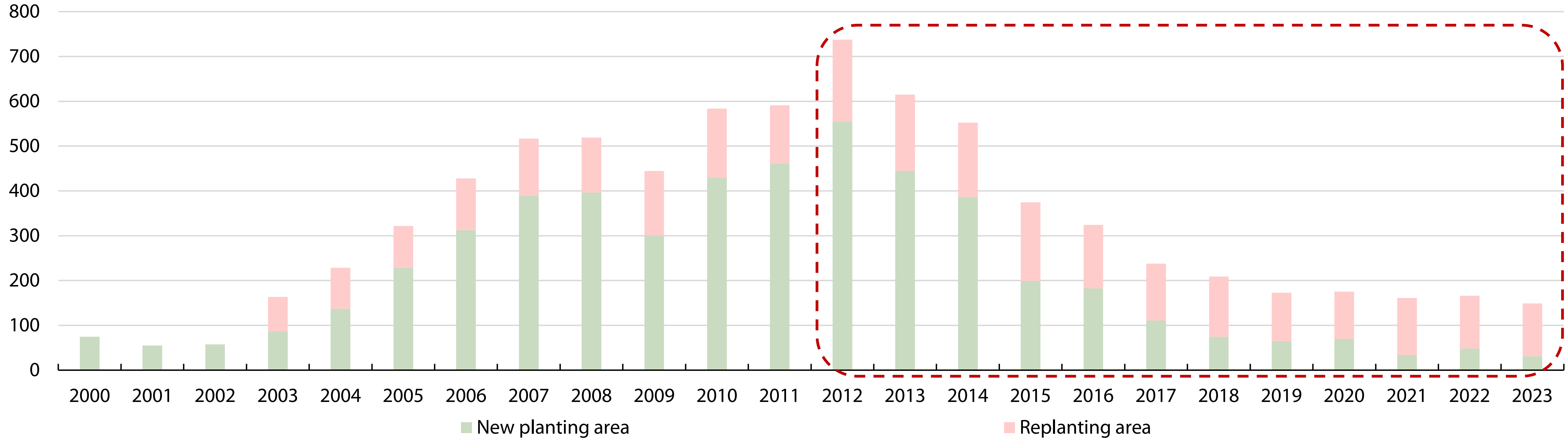
AS A CONSEQUENCE OF THE SHRINKING NEW PLANTING AREA IN THE PERIOD OF 2018 - 2023

The decline in supply in the last period of 2024 – 2025 is not a short-term phenomenon, but rather the direct consequence of the continuous shrinking of the global new planting area in the previous years, after the hot expansion period of 2005-2012, while the replanting area has not increased accordingly. Specifics:

- Rubber prices remained low in the period 2015–2020, not attractive enough to stimulate the expansion of new planting areas.
- Major producing countries such as Thailand, Indonesia, Vietnam, and Ivory Coast prioritize converting land to other crops or industrial parks.
- Long biological cycle: rubber trees need 7 years to enter the harvest period, making it difficult for new supplies to emerge in 2024–2027.

Therefore, the low new planting area for many years has created **a large delay** for global supply, leading to the **inability of production in 2024–2025 to increase sharply again** even though prices have recovered.

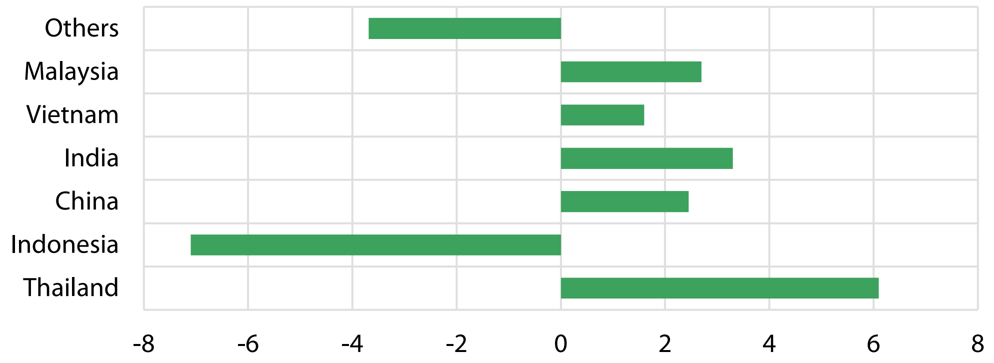
The area of new global rubber plantings has continuously shrunk in the period from 2012 to 2023

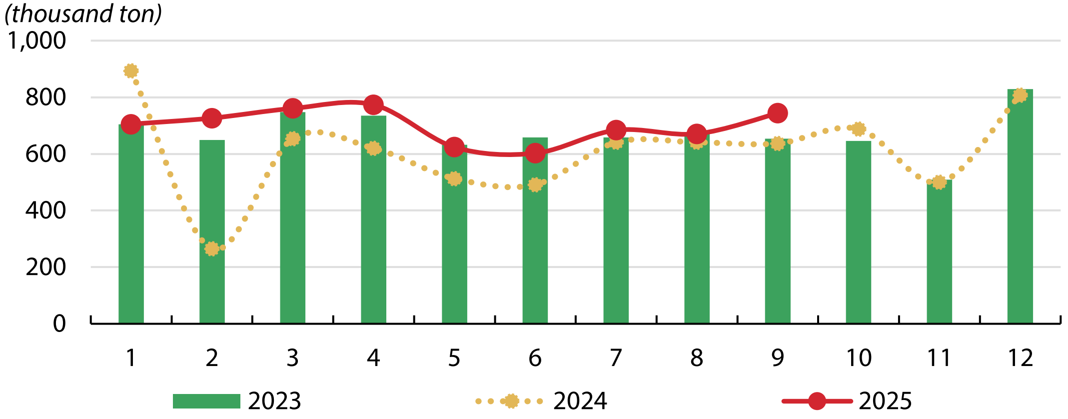


Source: ANRPC, RongViet Securities

Although the supply of natural rubber will remain limited, the demand will continue to increase in 2025, especially in major producing and consuming countries such as China, India and the ASEAN region, even if the rate of increase slows down.

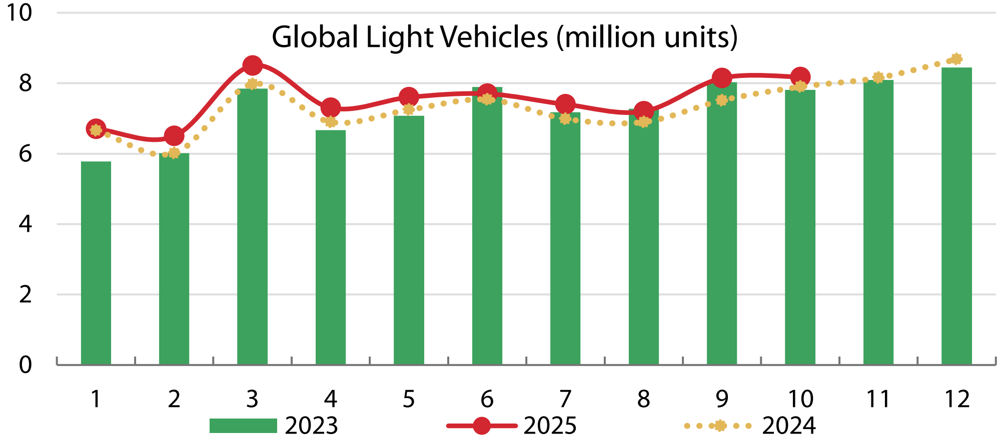
Consumption of NR continues to increase in major producing countries (left image), China's CSTN import volume in September/2025 will remain up compared to the same period

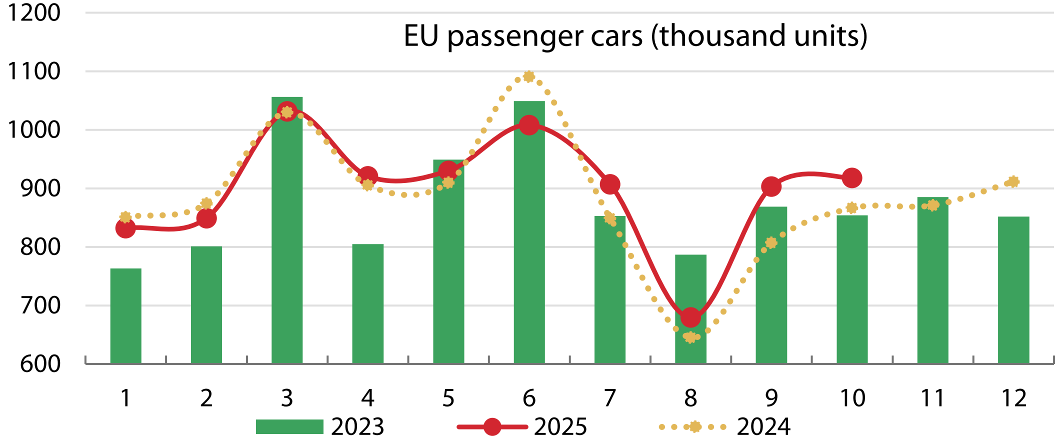




Source: Vietdata, RongViet Securities

Demand continues to be supported by vehicle sales continuing to record a yoy increase





Source: Agromonitor, RongViet Securities

- From Q3/2024, the price of natural rubber (especially Latex and RSS3) will begin to enter an upward cycle and establish a peak around September 2024 ahead of the peak season. After the adjustment, rubber prices established a new price level lower than the peak in September, but still significantly higher than in previous years.
- From April 2025, the rubber market recorded a short-term correction mainly due to psychological factors, triggered by the US's application of a new tariff policy to countries, raising concerns about short-term consumption. However, this adjustment is temporary and does not change the actual supply-demand balance. Therefore, rubber prices have recovered, but the price level is still lower than the price range before April, indicating that the market is entering a rebalancing phase amid limited global supply.

After peaking around September 2024, rubber prices adjust seasonally and form a new price level lower than the peak but still remain at a high level compared to previous years, reflecting the rebalancing state in the context of continued limited supply.

Source: Bloomberg, RongViet Securities

2026: SUPPLY CONTINUES TO BE SHORT, PRICES REMAIN HIGH

Entering 2026, the sum of supply and demand factors shows that the global natural rubber market is entering a new equilibrium, in which supply remains limited, while demand increases slowly but remains stable. This creates conditions for rubber prices to remain around the current level instead of undergoing a deep adjustment as in previous cycles.

In terms of supply, we assess that the ability to expand production in the medium term is still low due to: 1/ New planting and replanting activities are slow for many years; 2/ Thailand's policy of controlling the planting area continues; 3/ The increase in rubber prices in 2024-2025 mainly reflects adverse weather factors, which are not strong enough to create a motivation to expand replanting or new investment.

In terms of demand, we expect that it is only entering a slow growth phase after 2 years of strong recovery: 1/ The automobile industry in China and Europe enters the accumulation phase after the recovery cycle, reducing the growth rate of tire demand; 2/ The complex geopolitical environment (tariffs) and trade protectionist trends continue to pose risks to the automotive and tire value chains. Therefore, we expect rubber demand to still increase but at a moderate level, not putting too much pressure on supply, but not enough to pull prices up sharply in the short term.

Therefore, in the ***short to medium term***, we believe that rubber prices are likely to remain at the current high level in the medium term around the level of the second half of 2025, with a narrower range of fluctuations than in previous cycles. ***In the long term***, the price may record a recovery trend again as macro factors improve leading to strong growth of the global automotive industry again, however, it will be necessary to monitor more factors affecting the supply and demand of the market.

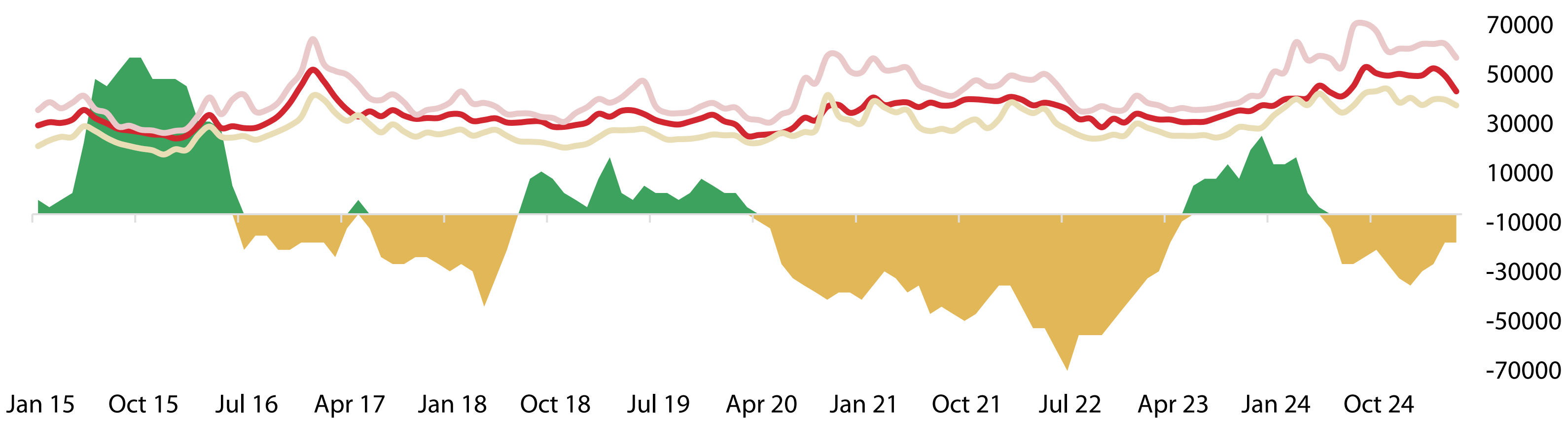
Summary and forecast of the outlook for rubber supply – demand – price in the period of 2024 – 2026F

Factors	2024	2025	2026F
Supply	Shortage	Shortage	Shortage
Demand	Recovery	Slow but stable increase	Stability
Price	Strong increase	Decreased compared to 2024, still maintaining a high level	Maintain high ground, narrow amplitude fluctuation

Source: RongViet Securities estimates

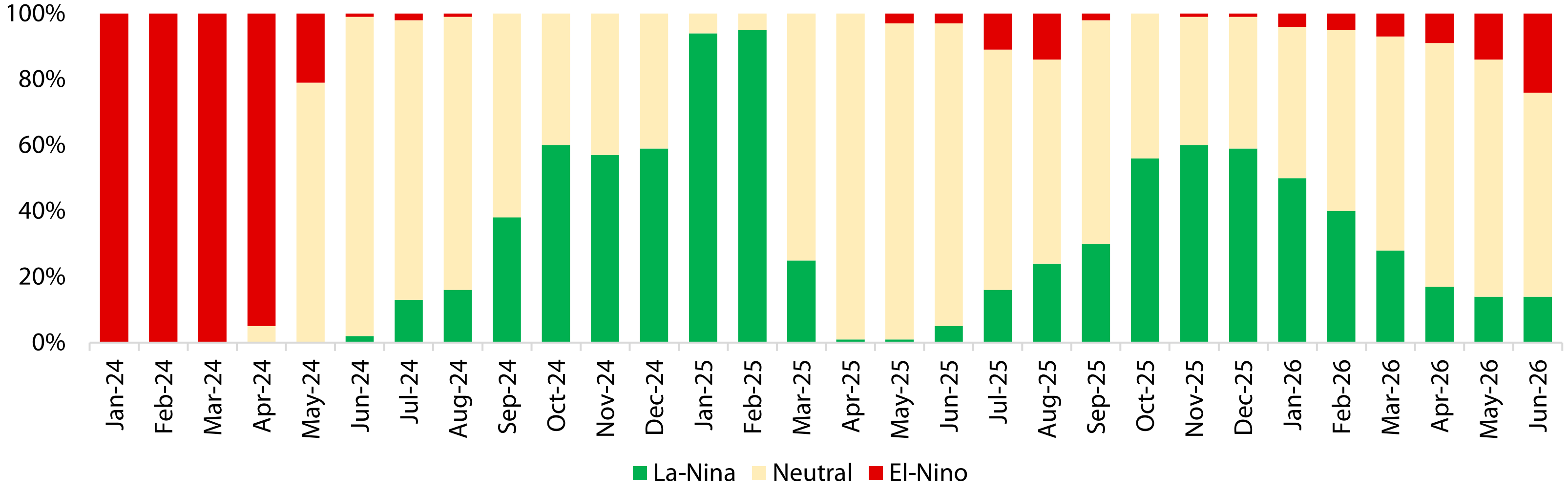
- In addition to structural factors, extreme weather conditions continue to be an important ancillary factor affecting the supply of natural rubber in the period 2024–2026. During the El Niño (dry period), latex production in major producing countries tends to decline due to lower harvesting yields, while the La Niña (prolonged rain) phase also disrupts latex scraping activities, affecting actual production.
- In the period 2024–2025, the intertwining of El Niño and La Niña has contributed to limiting the ability to recover production, thereby supporting the high rubber price level. Entering 2026, although the impact of the weather is expected to gradually decrease and move to a neutral state, the risk of supply disruption still exists, especially in the context that the new supply space has not improved significantly.
- The estimated production of our watchlist enterprises is expected to remain stable, with: PHR (12,053 tons, -2.8% YoY), DPR (10,700 tons, -13% YoY), TRC (19,437 tons, +12% YoY).

Correlation between rubber prices and ENSO weather phenomenon



Source: NOAA, Bloomberg, RongViet Securities

ENSO Phenomenon Rate Forecast 2026



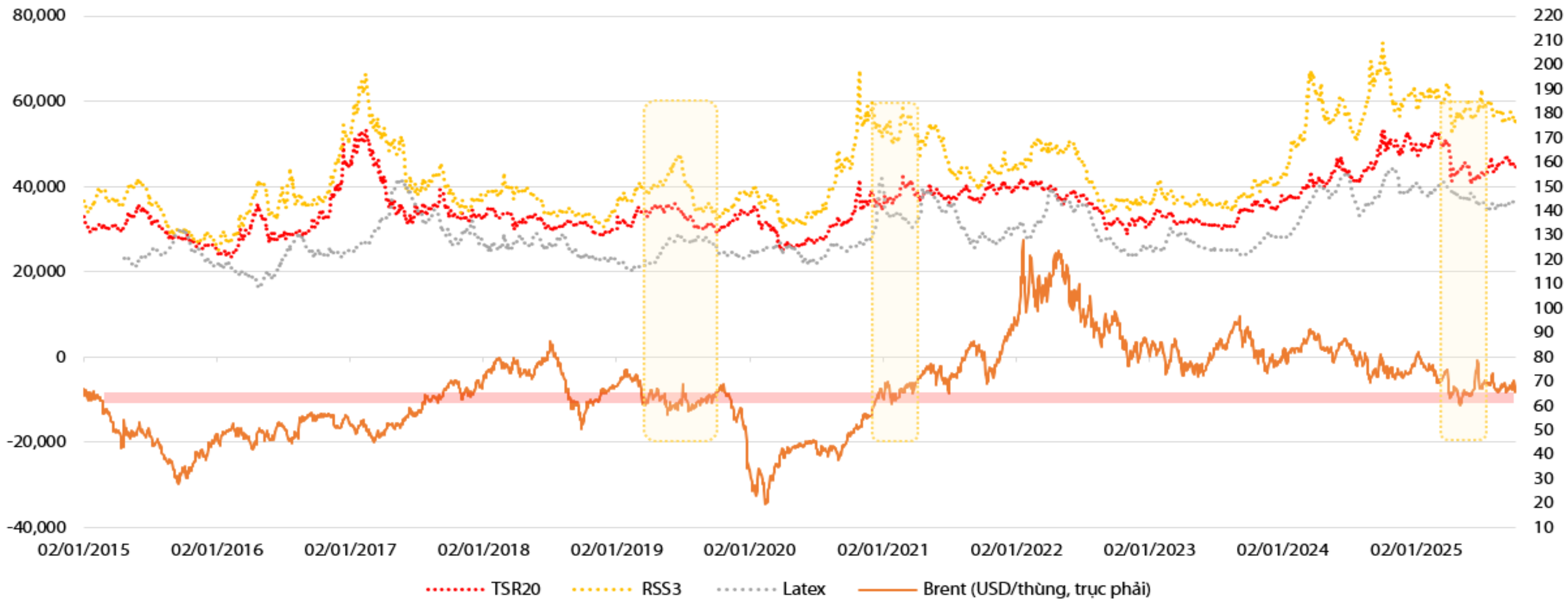
Source: IRI estimates, RongViet Securities

OIL PRICE – A FACTOR RESTRAINING THE UPWARD MOMENTUM OF RUBBER PRICES | RUBBER

- Although low oil prices can **limit the room for increase** in natural rubber prices through the synthetic rubber price channel, **natural rubber cannot be completely replaced**, especially in applications that require high mechanical strength, elasticity and wear resistance. Therefore, we believe that even if the price of synthetic rubber is supported by low oil prices, the demand for natural rubber is still mandatory in the tire production structure.

- According to forecasts of major international organizations, oil prices in 2026 are likely to continue to fluctuate around the $60-65 per barrel range. With this level, we believe that the price of synthetic rubber will maintain a low price level, thereby **creating a certain resistance** to the increase in natural rubber prices. Therefore, although rubber prices are supported by structural supply shortages, the room for a sharp increase in 2026 is likely to be limited.

Correlation between oil price (USD/barrel) and natural rubber price (VND/kg)



Average oil price forecast of large organizations

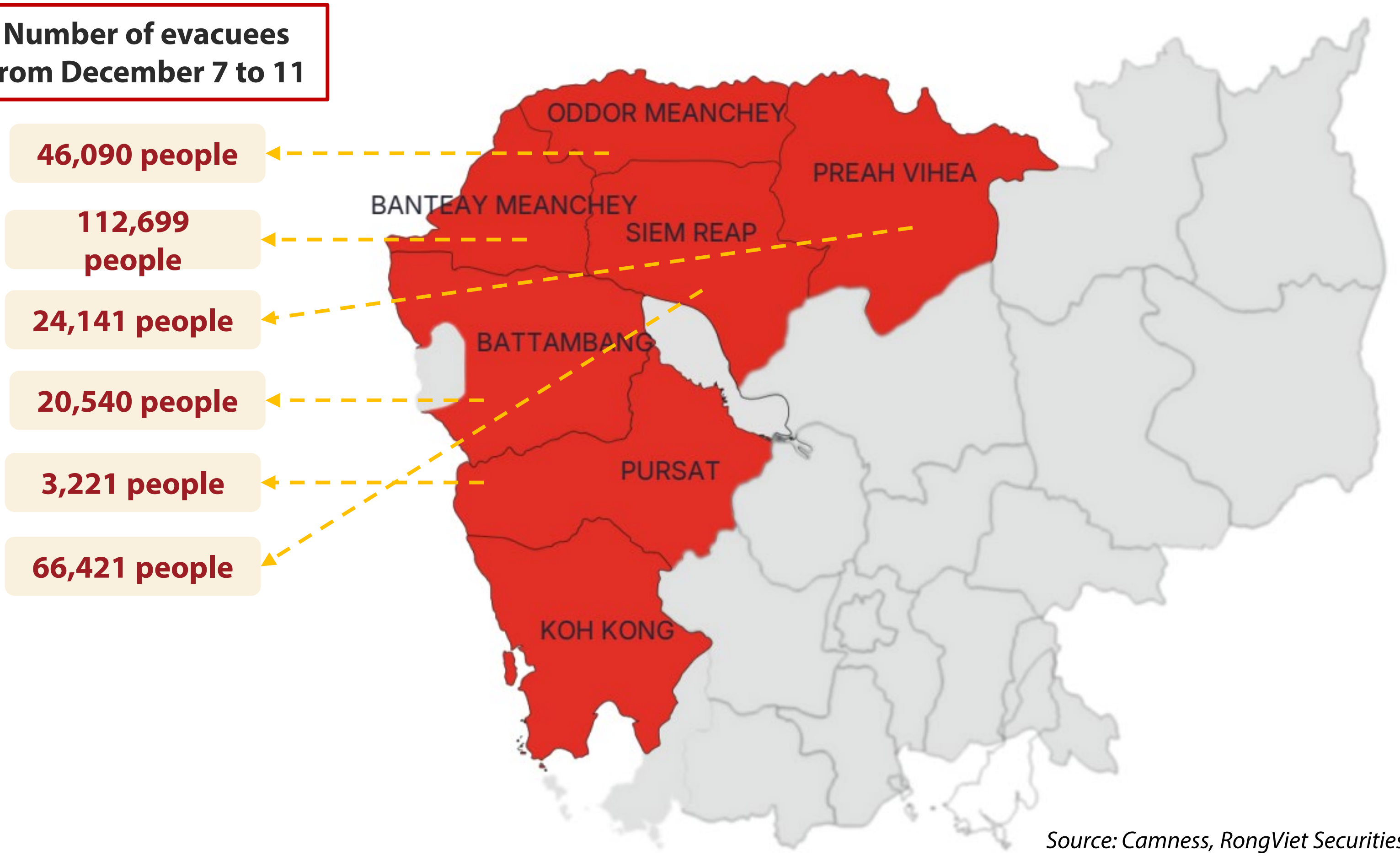
USD/barrel	Q3/25	Q4/25	Q1/26	Q2/26	Q3/26	Q4/26
From 50–55	0%	5%	9%	9%	15%	10%
From 55–60	8%	41%	39%	35%	30%	50%
From 60–65	88%	50%	39%	35%	25%	0%
From 65–70	4%	5%	9%	13%	20%	40%
Above 70	0%	0%	4%	9%	10%	0%
Average	63	62	61	63	62	62
Median	63	61	62	62	63	60

Source: Bloomberg, RongViet Securities

REGIONAL GEOPOLITICAL RISKS – FACTORS TO CONSIDER

The current Thai-Cambodia border conflict mainly takes place in the western and northwestern provinces of Cambodia (Oddar Meanchey, Preah Vihear, Banteay Meanchey, Siem Reap, Battambang, Pursat, Koh Kong). However, **this is not the key rubber growing area of Cambodia**, as rubber activities are mainly concentrated in the Eastern and Southeastern provinces such as Kampong Cham, Kratie and Mondulkiri. Similarly, in Thailand, the largest rubber-growing regions are located in the South (~60% of total production), while the provinces bordering Cambodia only account for a secondary proportion. Therefore, in terms of the geography of the planting area alone, the current **conflict has not directly impacted** the area or rubber production of both countries.

Number of evacuees from December 7 to 11

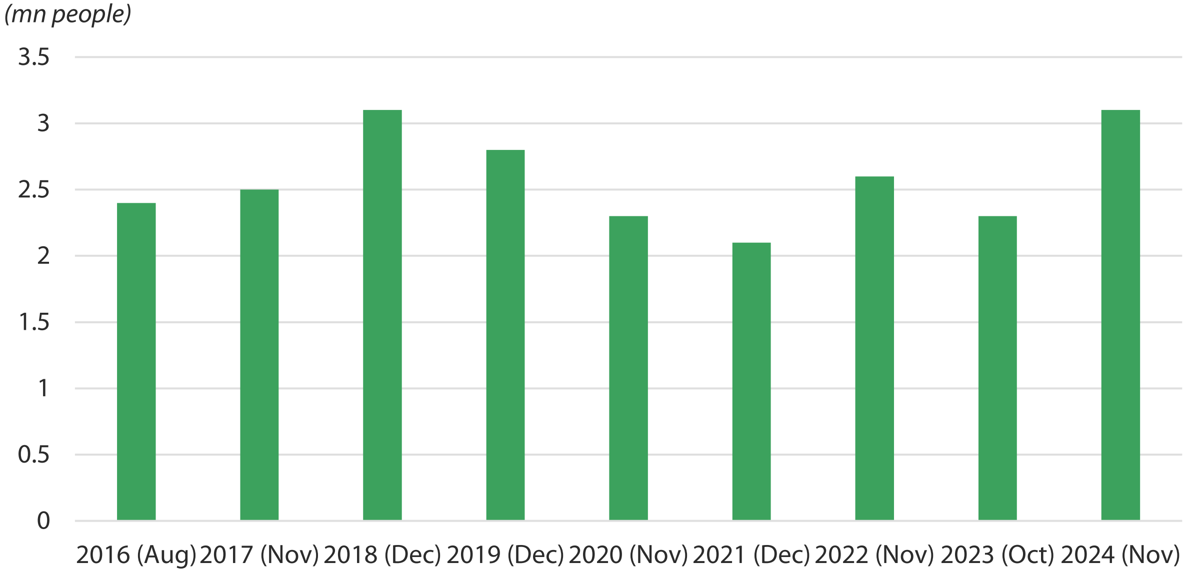


Source: Camness, RongViet Securities

However, the point to note lies in the **labor factor**. Prolonged border tensions and restrictions on activities at key border crossings such as Poipet, Ban Klong Luek and Phsar Prum could disrupt the flow of labor between Cambodia and Thailand, affecting workers returning to Thailand during the new fishing season. Therefore, **in the event that the conflict continues to prolong**, the rubber industry, which is highly dependent on manual labor (latex scrapers), is likely to **face indirect risks through the labor channel. These risks will only become** apparent when the main mining season begins in **April and May**.

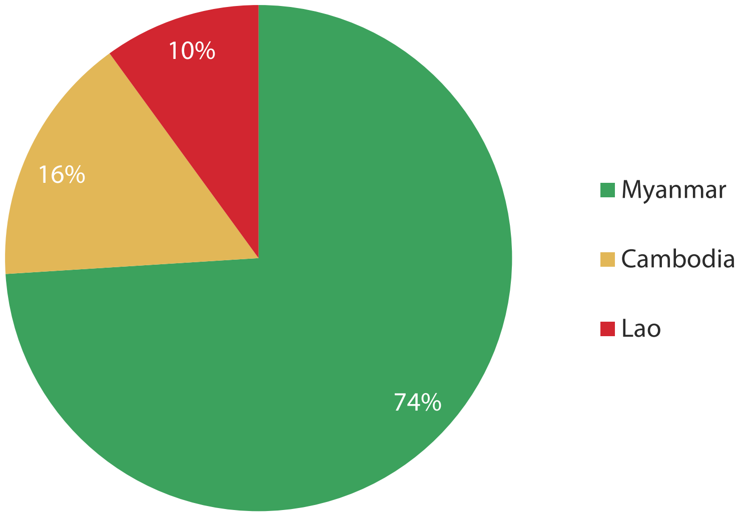
- In terms of labor, in Thailand, the total number of migrant workers from the CLM group (Cambodia – Laos – Myanmar) remains high and tends to increase again after the COVID period, reaching about 3.1 million people by November 2024. In this structure, Cambodian workers account for about 16% (equivalent to nearly 496,000 people). Along with that, according to studies by Winrock International, about 10.8% of Cambodian workers in Thailand work in the agricultural sector, an industry group that includes rubber planting and exploitation. Although this proportion does not account for the majority, this is a key labor group due to the characteristics of rubber exploitation, which relies heavily on experienced latex scrapers, which is difficult to replace in the short term.
- We believe that the labor issue is one of the signs that **needs to be monitored closely**, in the event that the conflict between Thailand and Cambodia continues to last until the next rubber harvest season (expected to start from April to May 2026), the shortage of **mining labor may become a real risk** affecting Thailand's production and will continue to put pressure on the total global rubber supply, affecting the selling price of rubber.

The number of Cambodian – Laos – Myanmar migrant workers continues to increase...



Source: Winrock International, RongViet Securities

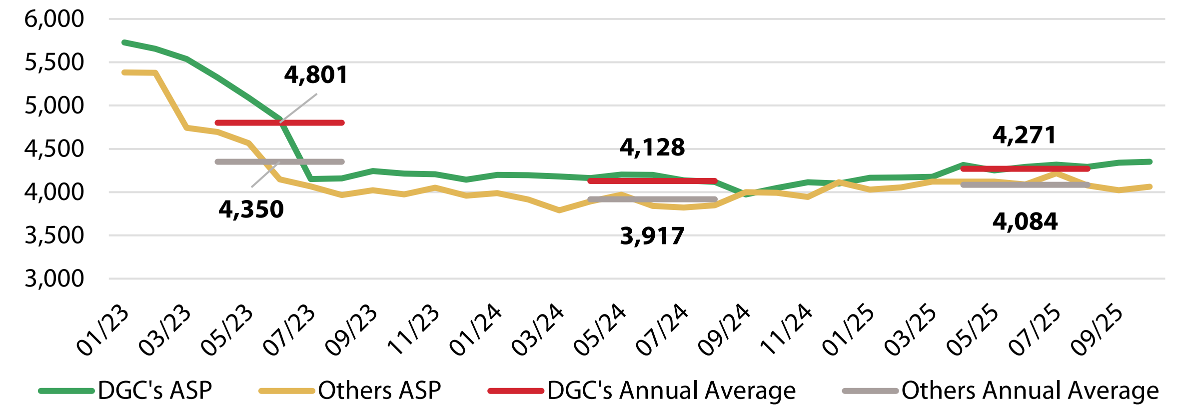
In which, the proportion of Cambodian workers ranks 2nd, after Myanmar



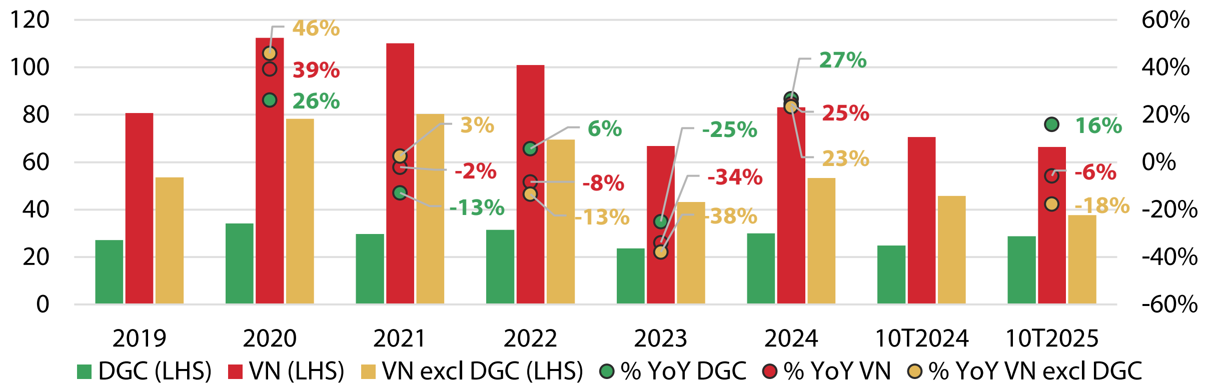
PHOSPHORUS YELLOW – SUPPORT FROM THE DEMAND FOR SEMICONDUCTOR PRODUCTION| CHEMICALS

- **Selling price:** In 2025, Vietnam's yellow phosphorus (P4) export price recorded a growth of 5% YoY – a slight recovery from the low base in 2024 – mainly due to high selling prices for the electronics industry, especially semiconductor components for chip production.
- **Export volume:** Accumulated in the first 10 months of 2025, P4 exports of the whole industry **decreased slightly by 6% YoY**. However, if we exclude DGC's 16% YoY increase (accounting for 43% of total exports), the rest of the industry **shows a decline (-18% YoY)**. While direct consumption from Mitsubishi and Toyota (the two industrial partners that use P4 the most) remained stable, demand for P4 for other applications (chemicals, fertilizers, etc.) decreased compared to the high base level over the same period.

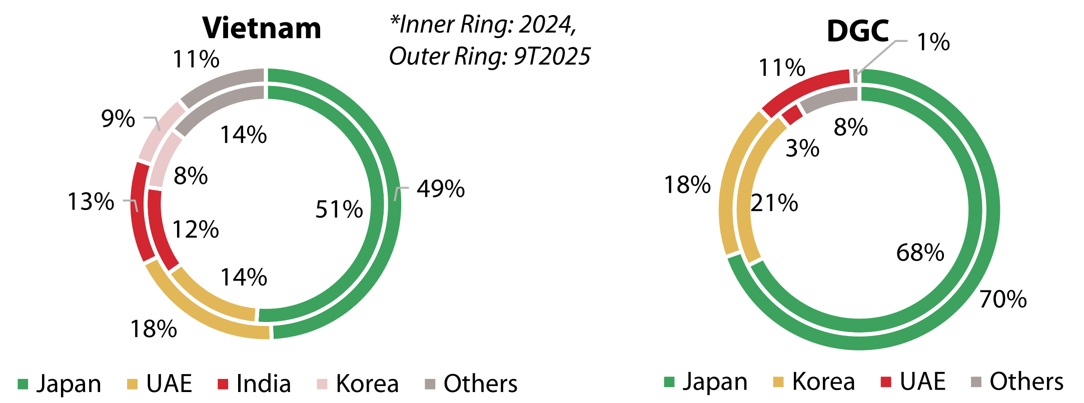
Vietnam's P4 export price recovered slightly over the same period (USD/ton)



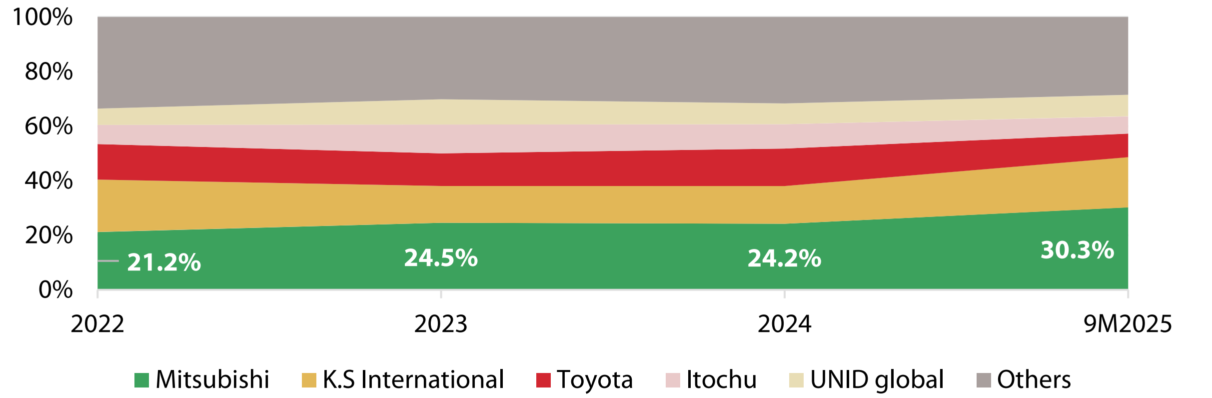
P4 exports in 2025 of the whole industry decreased slightly (thousand tons)



Japan is still a potential P4 consumer market of Vietnam... (*)



… with a customer file focused on the industrial group

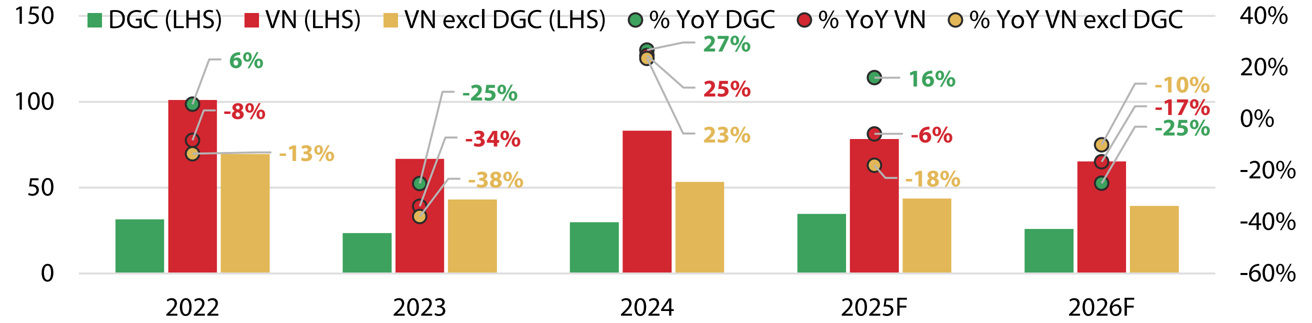


Source: Customs data, RongViet Securities

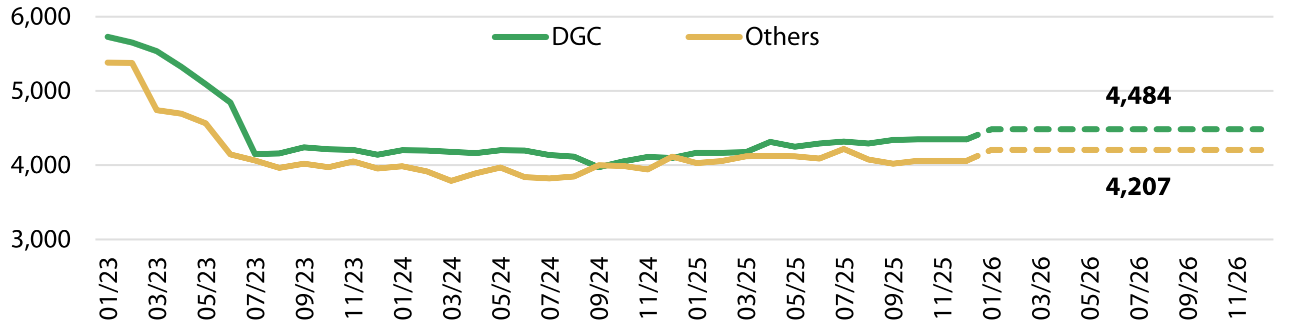
YELLOW PHOSPHORUS – SUPPLY RISKS AND NEW EXPORT TARIFFS

- **Output:** In the baseline scenario, we expect the industry-wide P4 export volume in 2026 to **decrease by 17% YoY**, of which DGC will decrease by 25% YoY and the remaining enterprises will decrease by 10% YoY when: 1/ DGC's environmental and exploitation risks may affect the Company's production and business activities in 2026; and 2/ An increase in export tax to 10% (from the current 5%) next year is likely to cause the remaining enterprises (which have main export markets in India and the UAE) to shift the proportion of consumption to Japan (enjoying tax incentives) and the domestic market in order to maintain profit margins.
- **Price:** From expectations: 1/ P4 Vietnam's monopoly position in Japan continues to be maintained; and 2/ Positive growth of the semiconductor industry (often buying P4 at a high price), we forecast that Vietnam's average P4 export price will increase by about **3-5% YoY**. In the context of unclear downstream demand from other sectors, we assess that it will be difficult for P4 Vietnam to increase selling prices in markets outside Japan, with a large risk of replacing P4 from Kazakhstan (which usually has a lower selling price than Vietnam).

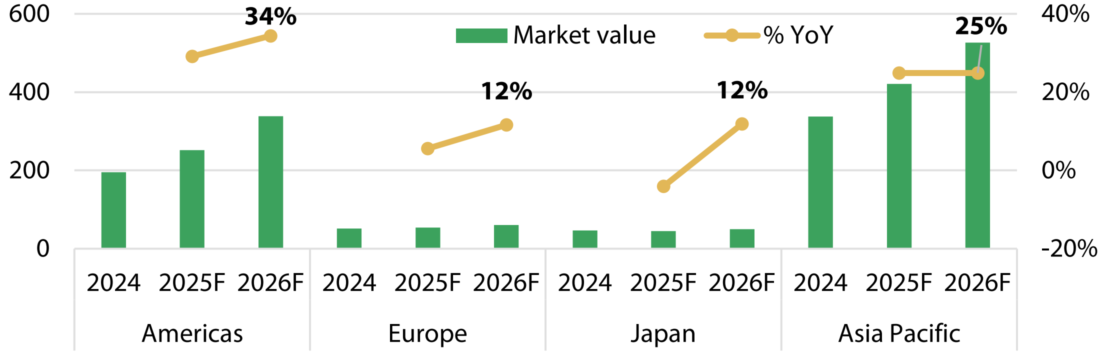
Export output is estimated to drop sharply from supply risks and the impact of the new tax law



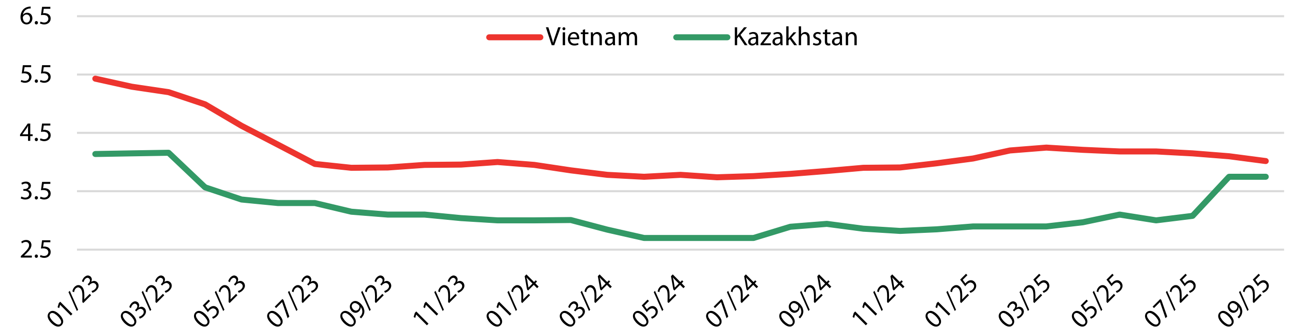
Although the average export price can still increase by 3-5%... (USD/ton)



... supported by semiconductor industry growth in 2026 (million USD)



Vietnam's P4 export price is about 20% higher than Kazakhstan's (USD/kg)

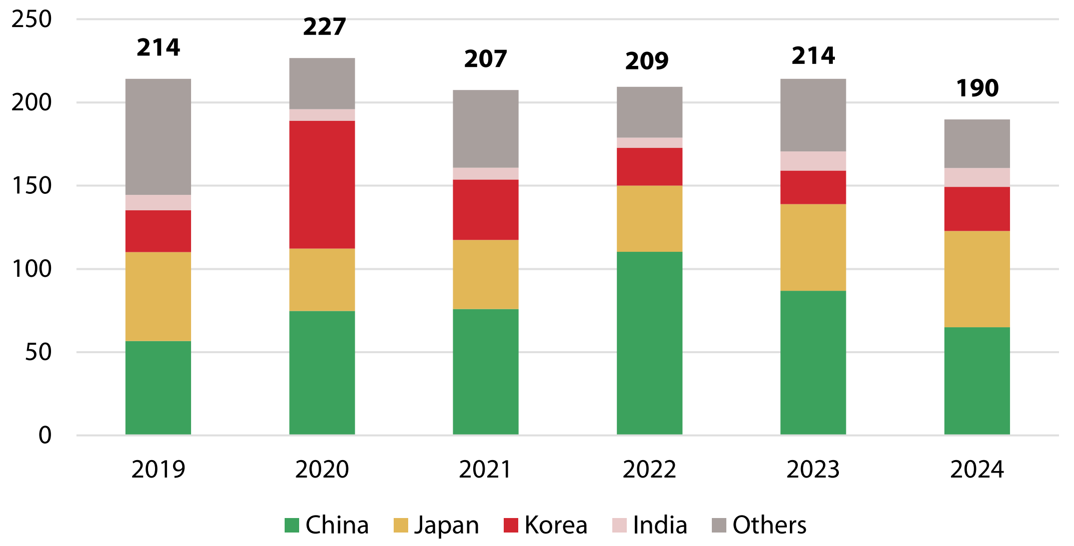


Source: WSTS, ITC, RongViet Securities

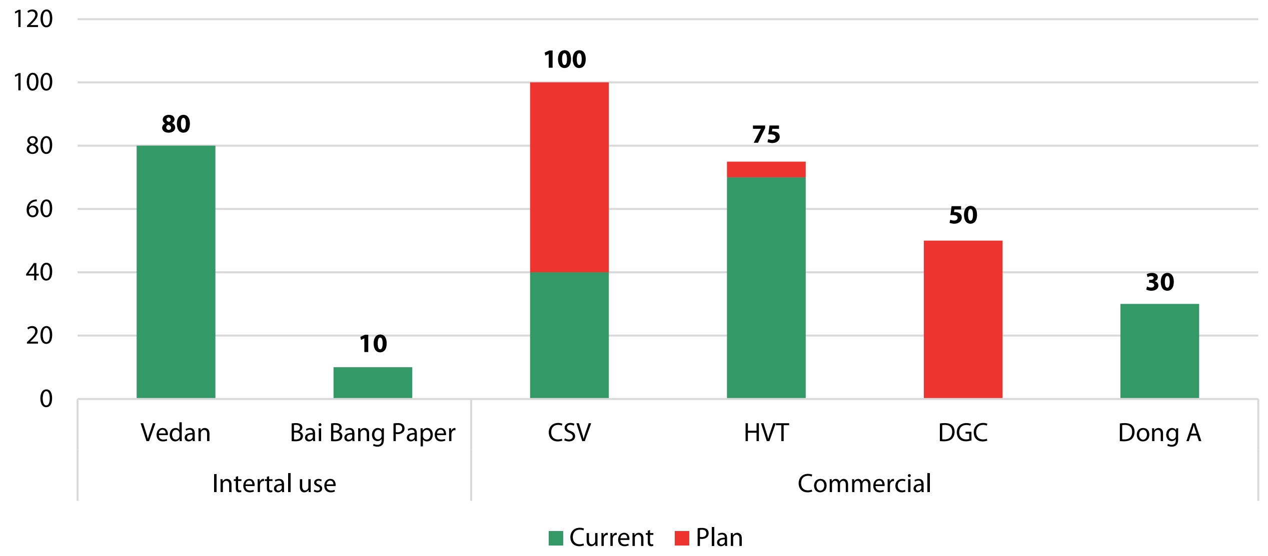
CAUSTIC SODA – DOMESTIC SUPPLY GRADUALLY COMPENSATES FOR IMPORTS | CHEMICALS

- Currently, the country has 6 large-scale caustic soda production facilities with a total capacity of about 230 thousand tons, of which only about 140 thousand tons are sold commercially. Because Caustic soda is an input material source of many important industries (paper production, detergents, aluminum, textile and dyeing, etc.), domestic caustic soda factories are currently not enough to meet domestic consumption demand, with an annual shortage (about 200 thousand tons) imported from countries such as China, Japan, South Korea...
- In the near future, domestic supply is **expected to improve** with a number of capacity expansion projects from Southern Basic Chemicals Joint Stock Company (60 thousand tons), Duc Giang Chemical Joint Stock Company (50 thousand tons), Viet Tri Chemical Joint Stock Company (5 thousand tons)...

Vietnam is having to import caustic soda every year (Thousand tons)



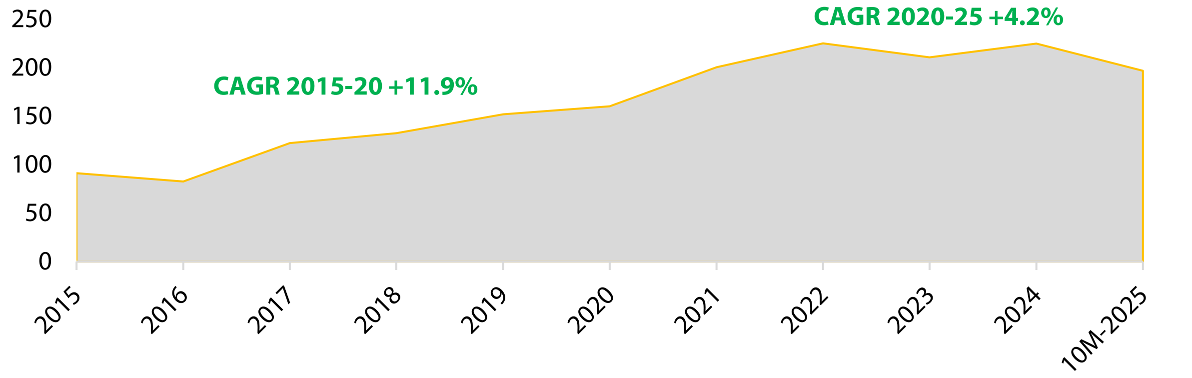
Vietnam's caustic soda capacity is expected to improve in 2026 (Thousand tons/year)



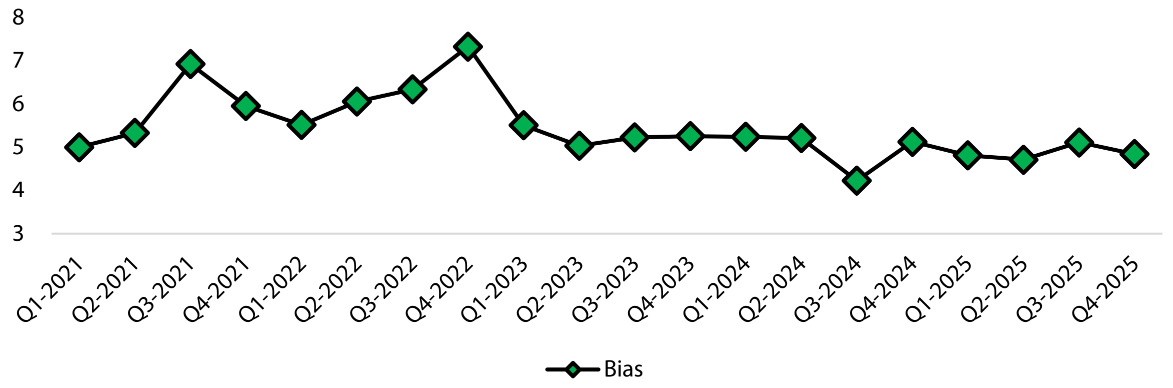
Source: ITC, RongViet Securities

Tire sector – Domestic competitive pressure eases

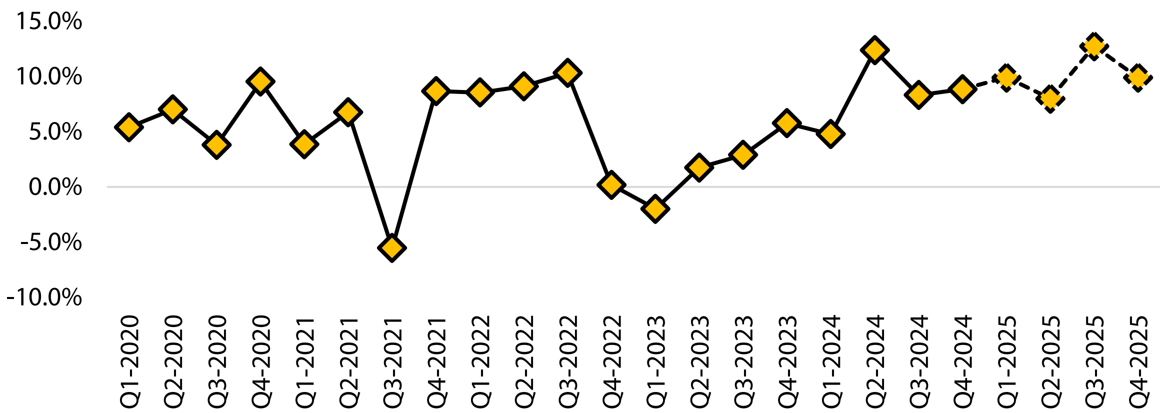
Exports of truck and bus tires from China to Vietnam (USD mn) have stagnated over the past two years as Chinese manufacturers no longer face the same intense pressure to clear high inventory levels as they did during the Covid-19 period—particularly in the truck tire segment.

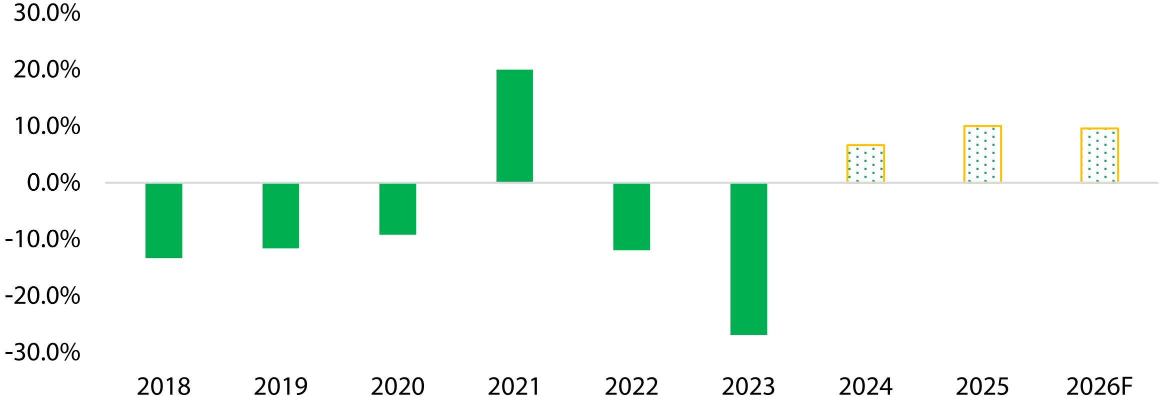


Local tire producers are aggressively lowering prices to sharpen competition, led by DRC since 2020



…Thereby allowing local transport tire producers to fully benefit from the industrial sector's rebound in output.





Source: CSM, DRC, Trademap, RongViet Securities

Tire sector – U.S. remains the core replacement market, offsetting Brazil

U.S. imposition of antidumping duties on Thai TBR tires (effective Dec 2024) — formerly the #1 source in the U.S. market — is driving domestic distributors to redirect purchases toward alternative large importers…

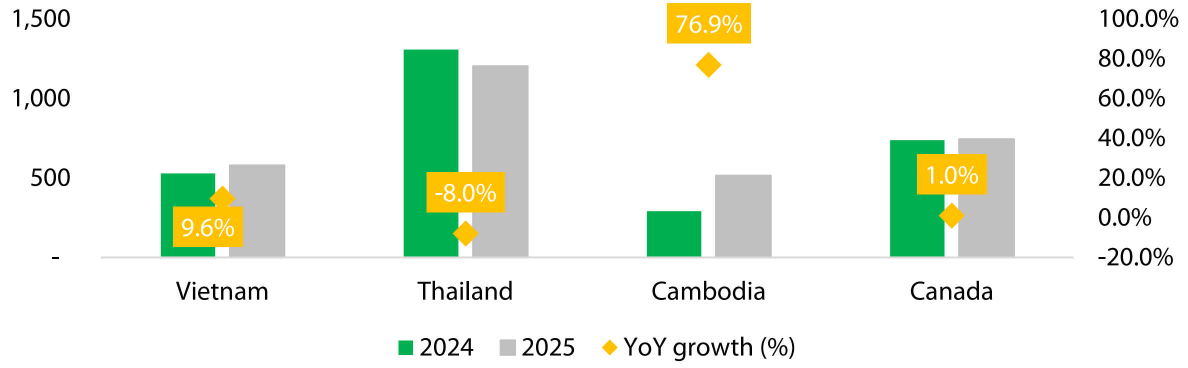
Schedule of Anti-Dumping Duty Imposition on Thai TBR Tires by the US

Event	Date
Petition Filed	10/17/2023
Commerce Initiation Date	11/06/2023
ITC Preliminary Determination	12/01/2023
Commerce Preliminary Determination	05/14/2024
Commerce Final Determination	10/09/2024
ITC Final Determination	11/25/2024
Issuance of Order	12/02/2024

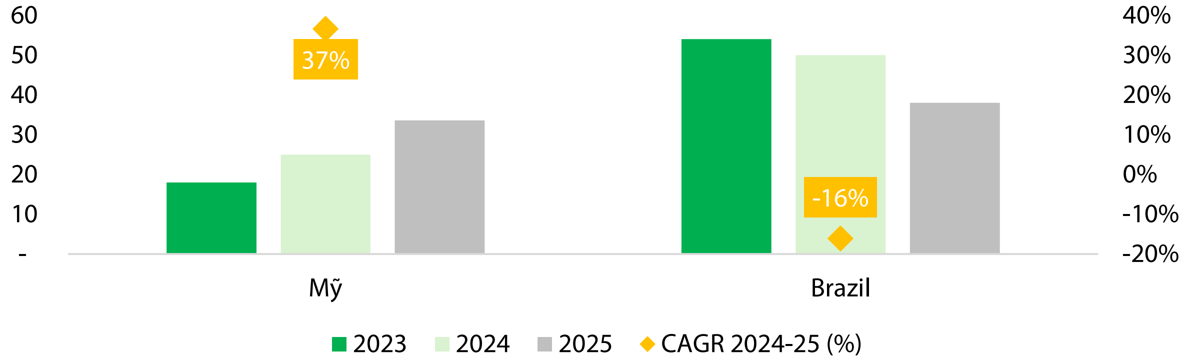
Contrary to the preliminary determination of May 14th, 2024; on May 10, 2024, the United States Department of Commerce (US DOC) issued a final determination on the anti-dumping (AD) duty investigation on truck and bus tires from Thailand. The conclusion showed a dumping margin of 12.33% (compared to 0% previously) for Prinx Chengshan Tyre & all other companies and 48.39% (compared to 2.35% previously) for Bridgestone Corporation. This is significantly higher than the alleged dumping margin of 0.00-2.35% announced in May 2024. Accordingly, the ITC (International Trade Commission) will issue its final determination on November 25th, 2024, and it will take effect on December 2nd, 2024.

…with Vietnam among the Top 3 beneficiaries. The shift is poised to accelerate in 2026 as Thai pre-duty inventory drawdown eases (unlike in 2025), fully compensating for prior weakness in Brazil volumes.

U.S. truck/bus radial (TBR) tire imports by country, 9M (USD mn).



DRC's TBR export revenue by country (USD mn)

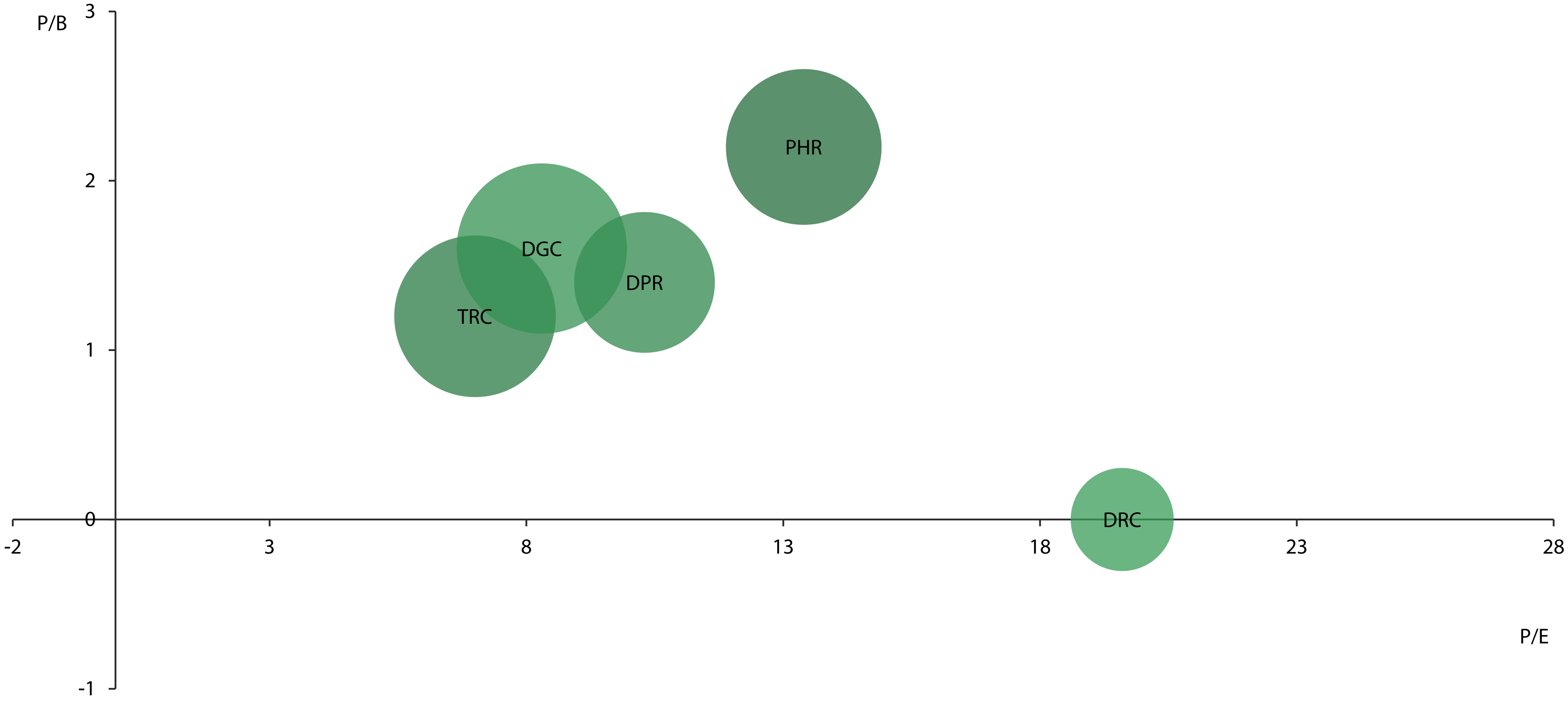


Source: Trademap, US ITC, DOC, RongViet Securities

Ticker	Mkt Cap. ($mn)	AVG. 3M Daily Trading value (VND mn)	Target price (VND)	Closing price	Cash dividend Nxt 12M	Total return Nxt 12M	Foreign room leftover %	P/E		P/B		ROE Forward	EPS			Book value per share			2026 Growth	
								2026F	5 Yr. AVG	2026F	5 Yr. AVG		2024A	2025F	2026F	2024A	2025F	2026F	Sales%	NPAT-MI%
PHR	7,696	13,374	75,900	56,800	1,000	33.5	35.0	4.6	12.8	1.6	2.3	49.8	3,465	4,745	12,319	27,682	29,777	35,633	0.2	159.6
TRC	2,301	6,210	98,200	76,700	0	27.5	47.2	3.7	12.7	1.1	0.7	84.1	7,598	10,770	20,801	62,559	65,305	69,672	11.6	93.1
DPR	3,193	18,119	53,700	36,750	3,000	43.4	46.3	10.4	11.3	1.2	1.2	14.2	3,226	3,223	3,517	28,282	28,955	30,528	11.0	9.1
DGC	24,875	278,950	N,A	65,500	3,000	N.A	42.6	9.5	10.7	1.6	3.0	19.5	7,864	9,031	6,782	35,173	40,137	41,541	-12.1	-24.9
DRC	2,270	3,528	15,800	14,700	500	7.5	0.0	15.4	12.0	1.1	1.7	3.9	1,950	783	954	16,123	12,717	13,218	14.6	21.9

Source: Bloomberg, RongViet Securities, Data as of 01/20/2026.
** For stocks in the recommended portfolio: ROE, ROA, P/B and P/E forward are calculated based on the 2026 profit forecast .*
For stocks we are monitoring: results are updated based on the data of the last four quarters
N.R: Not Rated
N.A: Not forecasted or No Data
NPAT: Net profit after tax for parent company

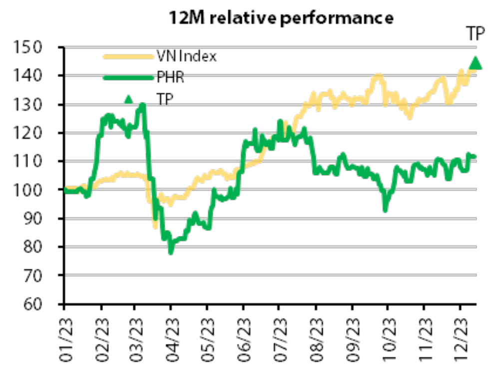
PE, PB AND ROE (TTM)

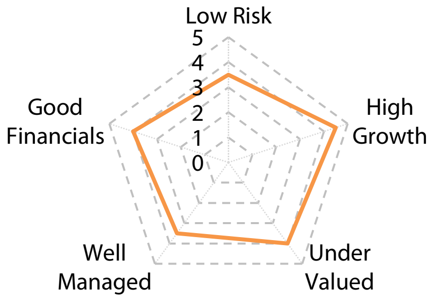


Source: FiinPro, RongViet Securities – Bubble size reflects relative RƠE indicator. Closed price at 20/01/2026

COMPENSATION FROM THACO & IP COOPERATION IS THE DRIVING FORCE FOR GROWTH IN 2026 HSX: PHR

BUY: 21% **MP: 62.200** **TP: 75.900**





STOCK INFO

Sector	Chemicals
Market Cap (USD Mn)	293
Current Shares O/S (Mn shares)	135
3M Avg. Volume (K)	238
3M Avg. Trading Value (VND bn)	13
Remaining foreign room (%)	35.0
52-week range ('000 VND)	39 - 69

FINANCIALS

FINANCIALS	2024A	2025F	2026F
Revenue (VND bn)	1,633	1,803	1,806
NPATMI (VND bn)	469	643	1,669
ROA (%)	7,8	10,3	23,5
ROE (%)	12,7	16,5	37,7
EPS (VND)	2,229	3,796	9,855
Book Value (VND)	27,682	29,777	35,633
Cash dividend (VND)	4,000	3,000	3,000
P/E (x)	15,3	10,7	4,1
P/B (x)	1,9	1,7	1,4

INVESTMENT HIGHLIGHTS

The rubber business is expected to remain stable

- In 2026, PHR's rubber business is expected to remain stable, with an estimated production of 25,664 tons (-2.8% YoY) and an average selling price of about 48 million VND/ton, equivalent to a revenue of about 1,598 billion VND (-1.3% YoY). In the context of shrinking rubber area to serve the development of industrial parks, the rubber segment still plays the role of the main cash flow for businesses (bringing an average of VND 240 billion per year).

Income from compensation & industrial park cooperation is the main growth driver in 2026

- According to the base scenario, we estimate that PHR can record compensation from the Bac Tan Uyen 1 (Thaco) project in 2026–2027 (total area of about 786 hectares and estimated unit price of ~2.5 billion VND/ha). In particular, for 2026, we expect PHR to record revenue from compensation with an area of ~400 hectares (equivalent to recording revenue of ~VND 1,000 bn).
- In addition, PHR also recorded profits from associated companies (at NTC and VSIP III). In 2026, we expect VSIP III to be able to hand over about 68 hectares of industrial park land, through which PHR can record ~VND 307 billion in income (20% of gross profit), helping to diversify profit sources and strengthen its medium-term growth prospects. In addition, we expect that with the land fund ready for lease, NTC will be able to record rental revenue of about 25 hectares by 2026, making a significant contribution to PHR's joint venture profit.
- We forecast PHR's revenue in 2026 to reach VND 1,806 billion (equivalent to 2025), while NPAT-MI will reach VND 1,669 billion (up 1.59 times over the same period in 2025). This forecast is based on: 1/ Revenue of the rubber segment decreased slightly by 1.3% YoY due to the narrowing of the planting area for industrial park development (the average selling price remained around 48 million VND/ton); and 2/ Large contribution from compensation income for the Bac Tan Uyen 1 project, along with profits from joint venture and associate investments such as VSIP III and NTC.

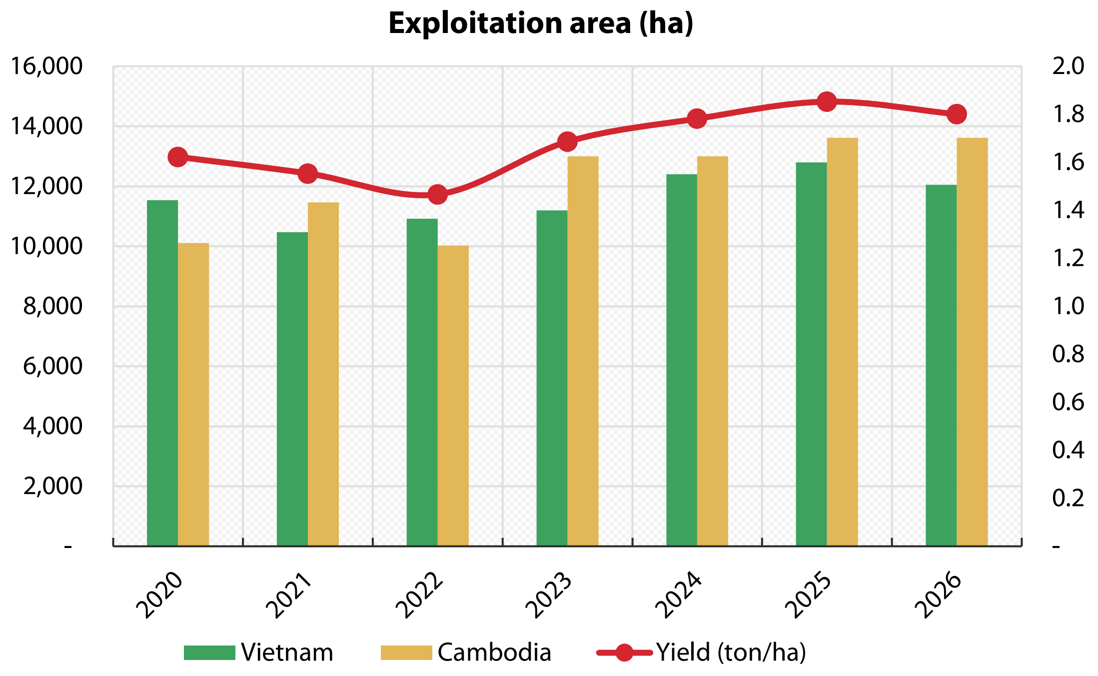
RISK TO RECOMMENDATION

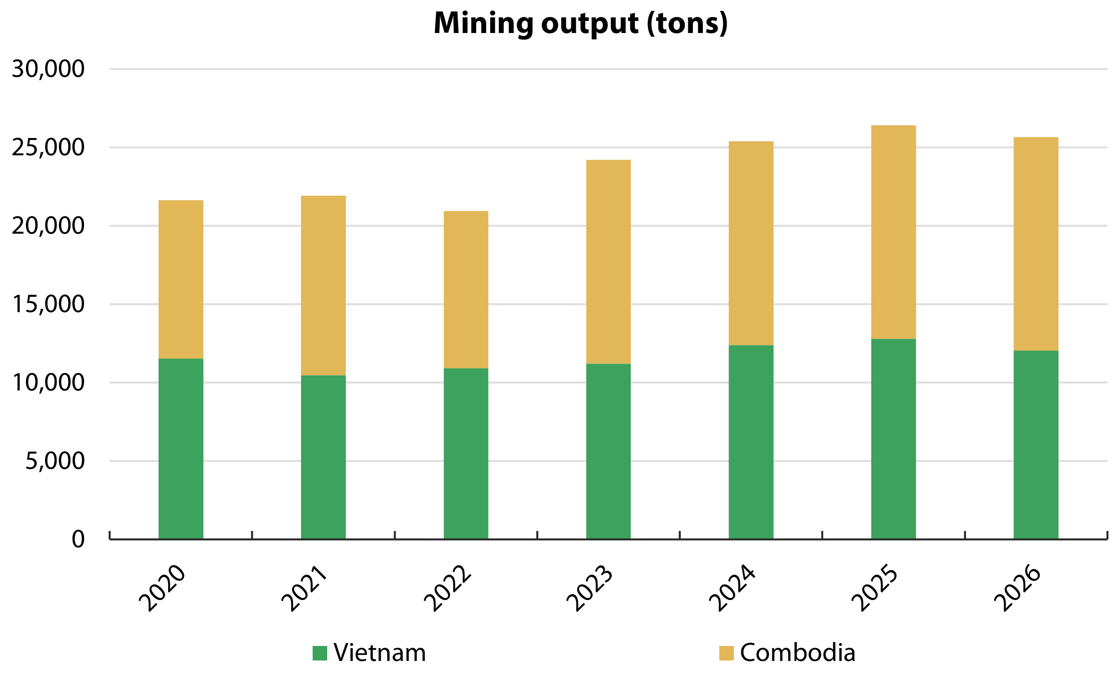
- Extreme weather affects rubber latex exploitation.

THE RUBBER SEGMENT IS EXPECTED TO REMAIN STABLE

- In 2026, PHR's rubber mining area in Vietnam is expected to remain around ~6,696 hectares, a slight decrease compared to previous years due to part of the land fund being converted for industrial park development. Accordingly, rubber production in Vietnam in 2026 is estimated at ~12,053 (-2.8% YoY), while production in Cambodia remains stable at ~13,612 tons thanks to unchanged area. With an average yield of around 1.8–1.9 tons/ha, PHR's total consolidated fishing output in 2026 is estimated at ~25,664 tons, a slight decrease compared to the peak in 2025.
- Despite a slight decrease in output, the rubber segment's revenue in 2026 is expected to remain stable at ~VND 1,598 billion (-1.29% YoY), thanks to the average selling price of natural rubber which is expected to remain around VND 48 million/ton. In that context, the rubber segment continues to play a role in generating steady cash flow for businesses (bringing an average of VND 240 billion per year).

The area of rubber exploitation in Vietnam decreased slightly due to the development of industrial parks, causing the estimated output in 2026 to decrease over the same period

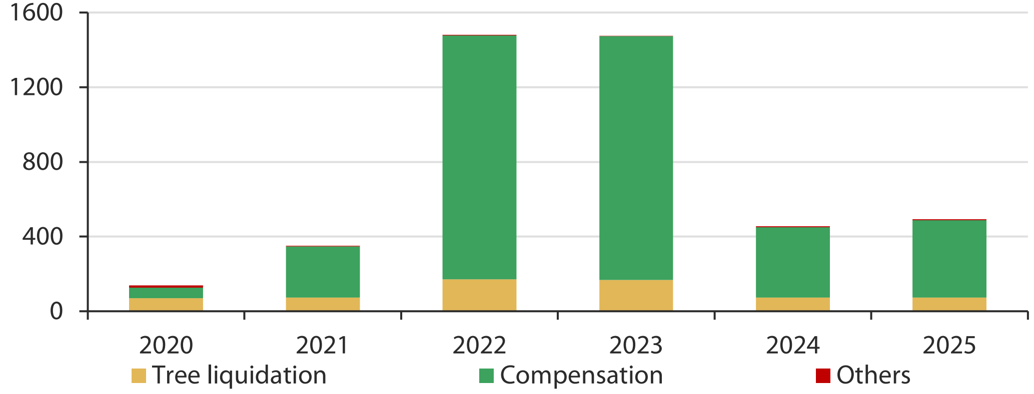




Source: PHR, RongViet Securities estimates.

- In the baseline scenario, we expect PHR to be able to record compensation from the Bac Tan Uyen 1 project in 2026-2027, with a total area of about 786 hectares and an estimated unit price of ~2.5 billion VND/ha. In particular, for 2026, we expect PHR to record revenue from compensation with an area of ~400 hectares (equivalent to recording revenue of ~VND 1,000 billion).
- In addition to the compensation, PHR enjoys income from 20% of gross profit from the VSIP III project, with an estimated income of ~275–307 billion VND/year in the period of 2026-2027, based on the expectation that VSIP III Industrial Park will hand over about 68 hectares/year.

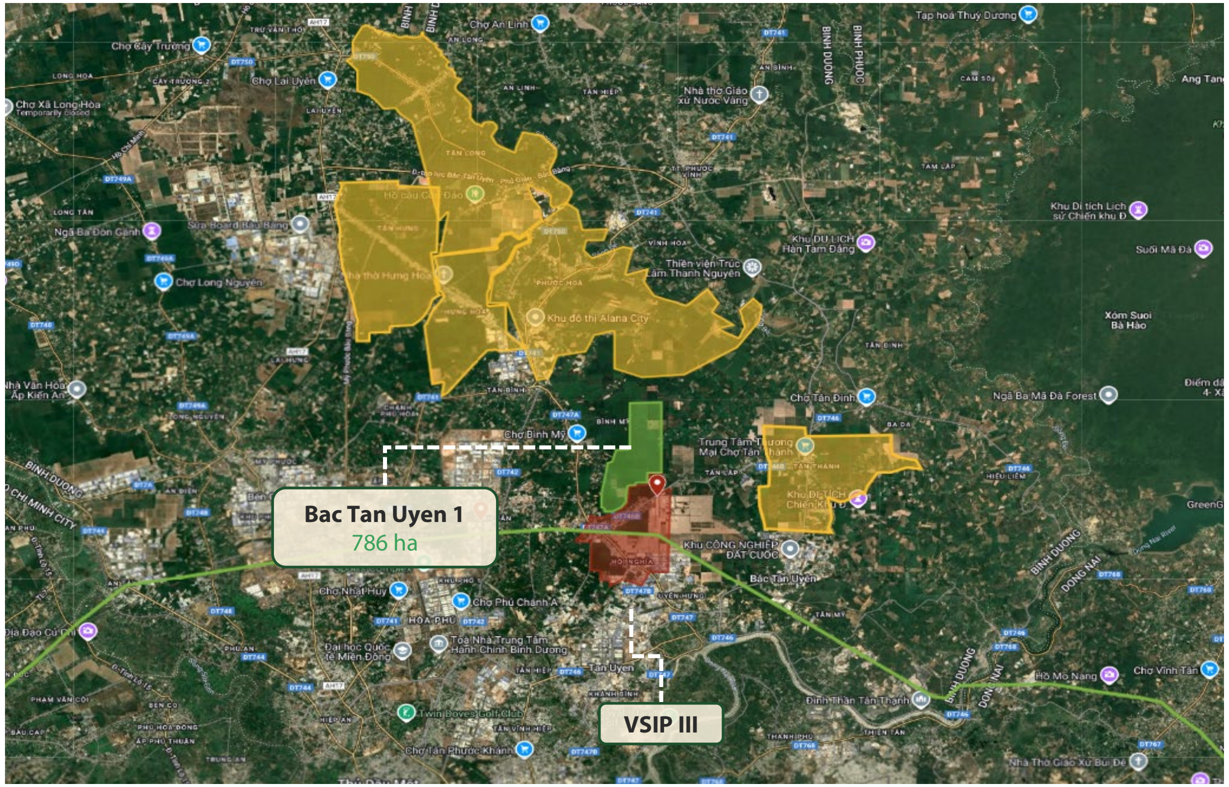
Estimated compensation - from Bac Tan Uyen 1 Industrial Park and from the leased area at VSIP III project (20% of gross profit) (VND bn)



PHR stock price sensitivity table by Compensation Price (VND)

	Estimated compensation unit price received				
K_e	1.5	2	2.5	3	3.5
12.8%	74,500	76,700	78,800	81,000	83,200
13.3%	73,400	75,600	77,800	80,000	82,200
13.8%	72,500	74,700	**75,900**	79,000	81,200
14.3%	71,600	73,800	75,900	78,100	80,300
14.8%	70,700	72,900	75,100	77,300	79,400

Source: PHR, RongViet Securities estimates



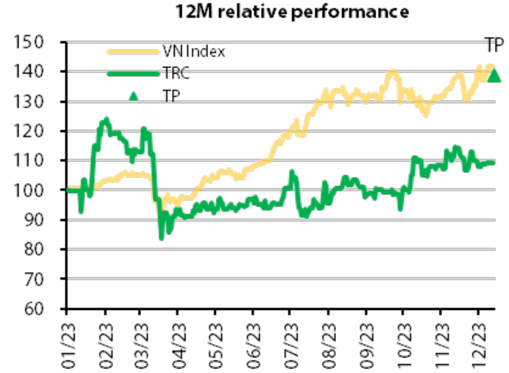
Source: RongViet Securities. Remarks: yellow (rubber farm).

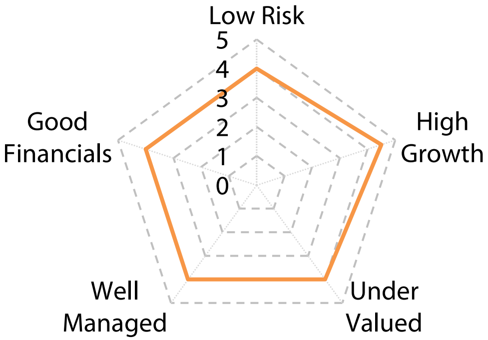
RONG VIET SECURITIES

RUBBER SEGMENT SUSTAIN, HIEP THANH IP COMPENSATION TO DRIVE 2026

HSX: TRC

BUY: 21% **MP: 81,000** **TP: 98,200**





STOCK INFO

Sector	Chemicals
Market Cap (USD Mn)	88
Current Shares O/S (Mn shares)	30
3M Avg. Volume (K)	83
3M Avg. Trading Value (VND bn)	6
Remaining foreign room (%)	47.2
52-week range ('000 VND)	50 - 88,5

FINANCIALS

FINANCIALS	2024A	2025F	2026F
Revenue (VND bn)	744	864	965
NPATMI (VND bn)	221	323	624
ROA (%)	11%	14%	27%
ROE (%)	13%	17%	31%
EPS (VND)	7,598	10,770	20,801
Book Value (VND)	62,559	65,305	69,672
Cash dividend (VND)	2,500	3,544	10,401
P/E (x)	7.0	9.1	4.7
P/B (x)	0.8	1.5	1.4

INVESTMENT HIGHLIGHTS

The rubber segment is the core driving force, with growth prospects in terms of output

In 2026, TRC's total rubber production is forecast to reach about 19,437 tons (+12.2% YoY) thanks to the simultaneous improvement of: 1/ tree age structure and 2/ exploitation productivity. Therefore, TRC's rubber segment is expected to be the main growth driver in the context that natural rubber prices are expected to remain at a high level of VND 47-50 million per ton in the medium term.

- The parent company's farm in Vietnam, based on age, we find that the proportion of rubber area in the stable exploitation age (7–20 years) is expected to increase continuously in the period 2025–2029 from 53% to 76%. With the average yield expected to remain around ~2.1 tons/ha, the parent company's fishing output in 2026 is expected to reach about 10,672 tons (+8.5% YoY).
- For Siem Reap Farm (a subsidiary in Cambodia), the growth prospects are even clearer thanks to the favorable tree age structure. In 2025, it is estimated that over 80% of the orchard area is in the stable exploitation age (7–20 years) and is expected to reach 100% from 2026 onwards. Along with that, the fishing productivity is expected to improve from about 1.3 tons/ha to 1.4 tons/ha, helping the fishing output in Siem Reap in 2026 to be estimated at ~8,765 tons (+17.9% YoY). Thanks to lower mining costs compared to Vietnam (due to lower labor costs), Siem Reap farm is not only a driver of production growth, but also plays an important role in improving TRC's consolidated profit margin.

Compensation income from Hiep Thanh Industrial Park is a catalyst for profit growth in 2026

- According to the baseline scenario, we expect TRC to start recording compensation for about 248 hectares of land in Hiep Thanh Industrial Park in 2026 (out of a total land fund of 496 hectares, with an expected compensation unit price of about 1.3 billion VND/ha). Combining the growth of output from the rubber segment in the context of high prices and compensation income in Hiep Thanh Industrial Park, TRC's revenue and profit and profit in 2026 are estimated at VND 965 billion (+11.6% YoY) and VND 642 billion (+93% YoY), respectively.

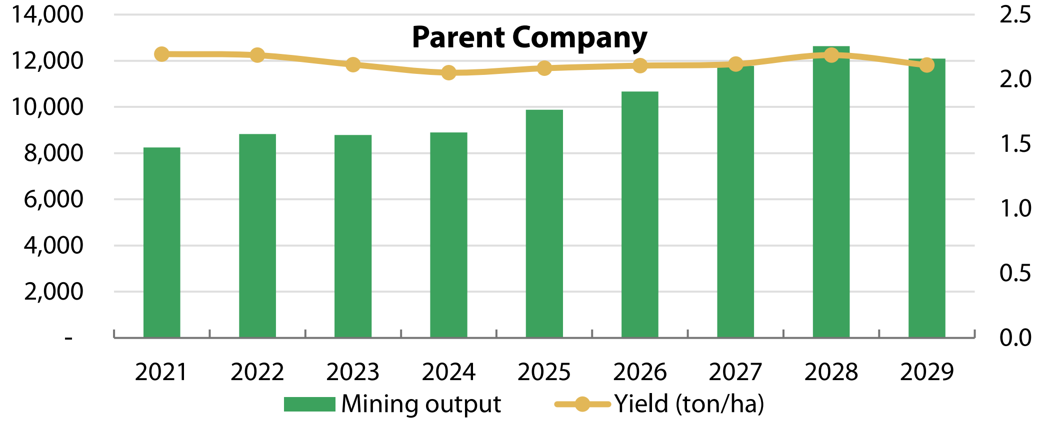
RISK TO RECOMMENDATION

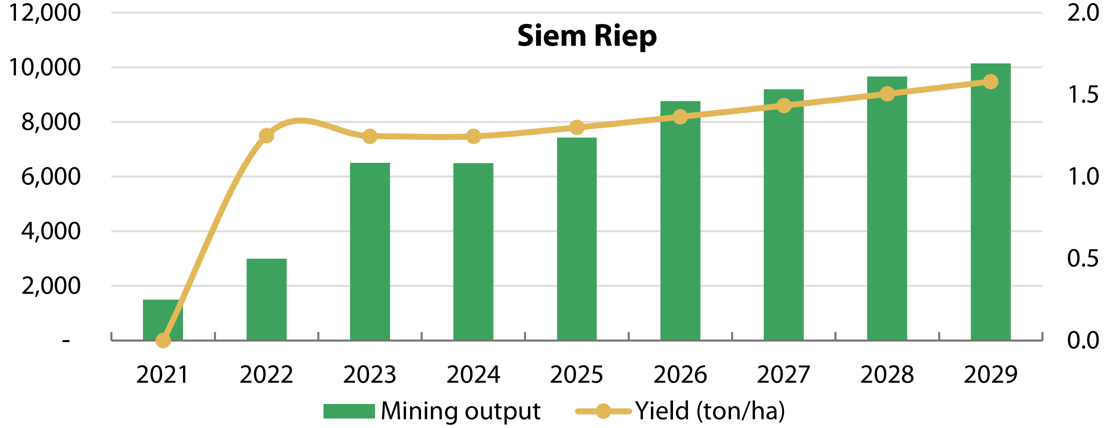
- Prolonged tensions or conflicts between Thailand and Cambodia could disrupt mining and harvesting operations at the Siem Reap farm.
- Extreme weather affects rubber latex exploitation.

RUBBER SEGMENT – THE CORE GROWTH DRIVER

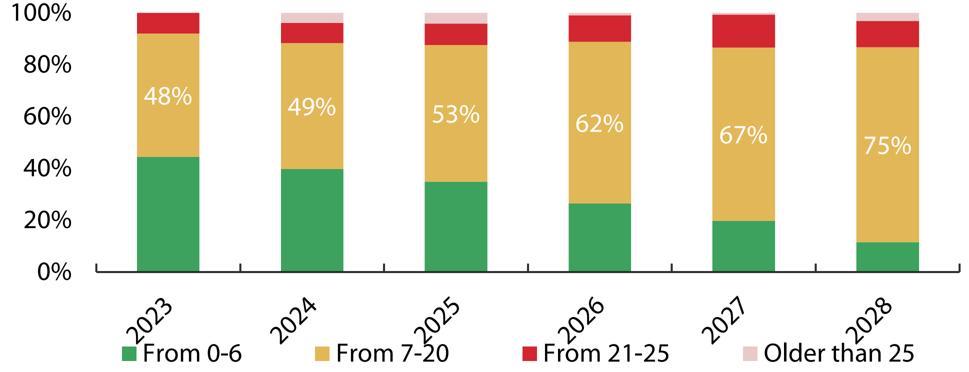
- Total production in 2026 is forecast to reach ~19,437 tons (+12.2% YoY), of which the parent company's output will reach ~10,672 tons (+8.5% YoY) and Siem Reap farm will reach ~8,765 tons (+17.9% YoY). Yield growth came from an increasingly favorable tree age structure, as the proportion of acreage in the exploitation age was stable (7–20 years) increased in both farms, along with yields maintained at ~2.1 tonnes/ha in Vietnam and improved to ~1.4 tonnes/ha in Siem Reap.
- In the context that the price of natural rubber is expected to remain at VND 47-50 million per ton, the rubber segment not only supports production growth but also ensures a stable contribution to TRC's revenue and cash flow in the medium term.

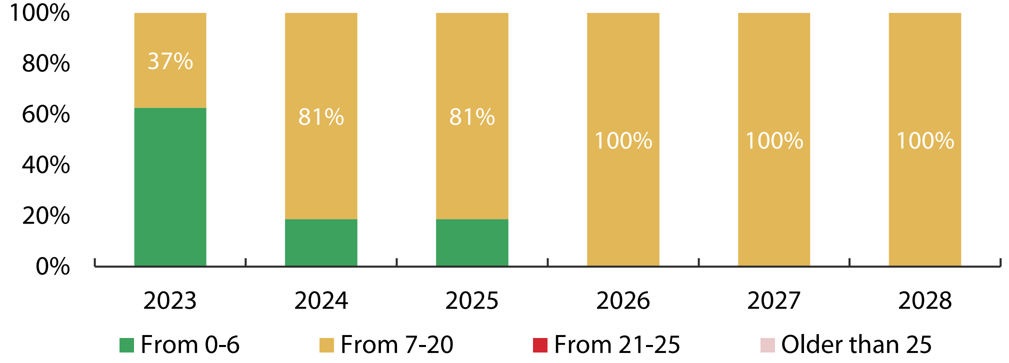
Harvest yields grew thanks to a favorable tree age structure and improved yields at both farms





The parent company's rubber farm will increase the proportion of the 7-20 year old group, while Siem Reap expects this group to reach 100% from 2026

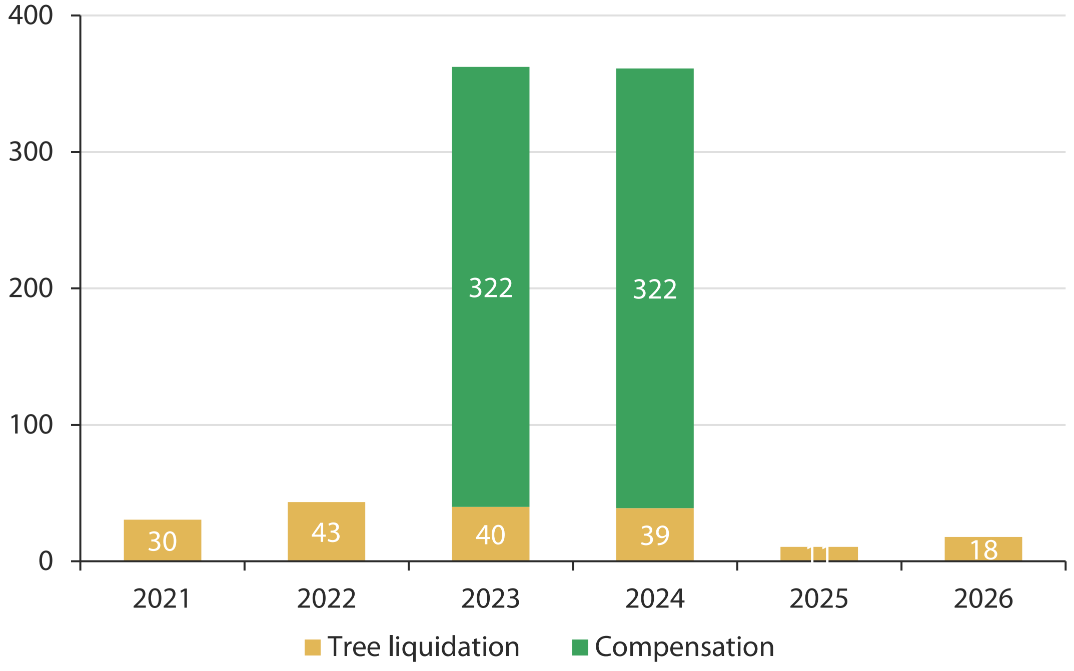




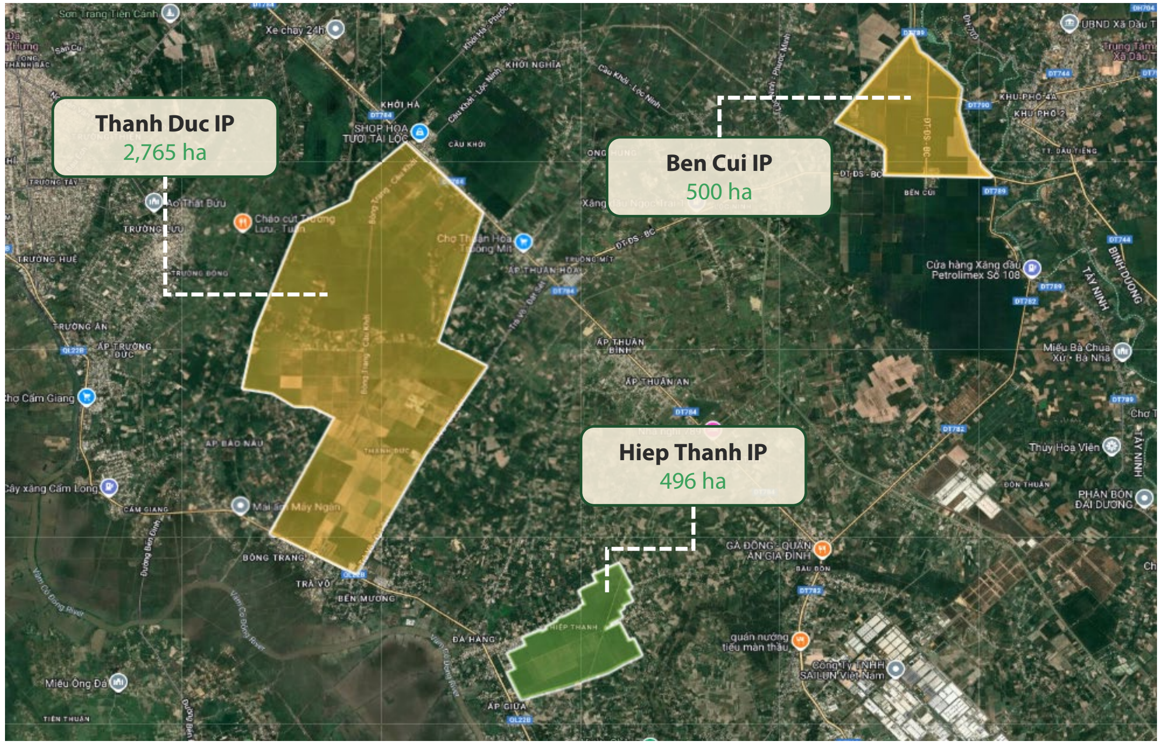
Source: TRC, RongViet Securities estimates.

- In the baseline scenario, we expect TRC to record land compensation in Hiep Thanh Industrial Park in the period of 2026-2027, with a total area of 496 hectares compensated reaching 248 hectares – 248 hectares, respectively. With an estimated compensation unit price of about VND 1.3 billion per ha, the total value of compensation that TRC can receive is estimated at VND 645 billion, thereby significantly contributing to business results and becoming a driving force for TRC's profit growth in the period of 2026–2027.
- In addition to Hiep Thanh Industrial Park, TRC currently owns two large rubber land funds located in the industrial park research and development area of Tay Ninh province, including Thanh Duc Industrial Park (2,765 hectares) and Ben Cui Industrial Park (500 hectares). These land funds are industrial zones expected to be established ***in case the province is supplemented with industrial park land quotas, adjusting land use planning norms***, so we expect these two industrial zones to be considered for policy approval after 2030 – long-term growth room for TRC.

Estimated compensation from Hiep Thanh Industrial Park (left picture) and the location of TRC's rubber land fund located in the industrial park research and development area of Tay Ninh province (right picture)



Source: TRC, RongViet Securities estimates

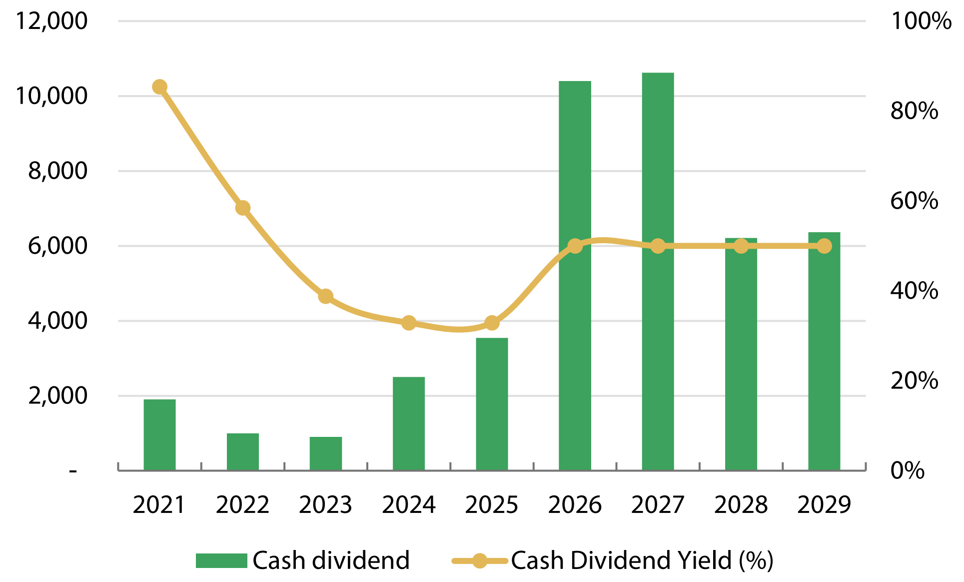


Source: TRC, RongViet Securities

FAVORABLE VALUATION, EXPECTING TO INCREASE DIVIDENDS

- In the period of 2023–2024, TRC's cash dividend yield will remain low, mainly due to: 1/ profit fluctuations according to rubber latex prices, with low profits in 2023 when the average selling price decreases, and 2/ the first phase of the Siem Reap farm with low yields. Therefore, the Company prioritizes retaining cash flow for production and reinvestment activities instead of paying large cash dividends. From 2026 onwards, we expect TRC's cash dividend payout ratio to increase again to around ~50%, thanks to (1) the Siem Reap farm entering a stable harvesting age, with an improved yield of ~1.4 tonnes/ha, and (2) additional cash flow from Hiep Thanh Industrial Park compensation in the period 2026–2028. With the characteristics of a pure rubber business model, TRC is suitable for investors looking for stocks with stable cash flow and cash dividends in the medium term.
- With a market price of about VND 80,000 per share, TRC shares are trading at a fair value of about ~21%, not including the expected cash dividend yield from 2026. This reinforces TRC's view that pure rubber stocks have attractive valuations, both have a profit growth story for the period of 2026-2028, and are suitable for investors who prefer dividends.

Cash dividend (VND/share, left column) and estimated cash dividend yield



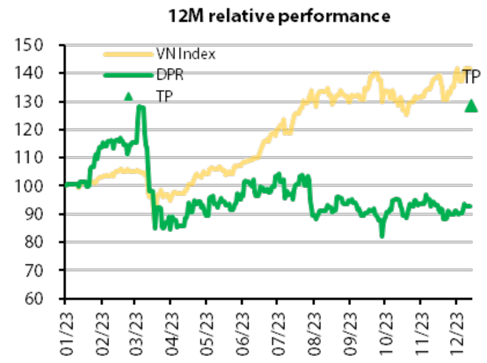
Source: TRC, RongViet Securities estimates

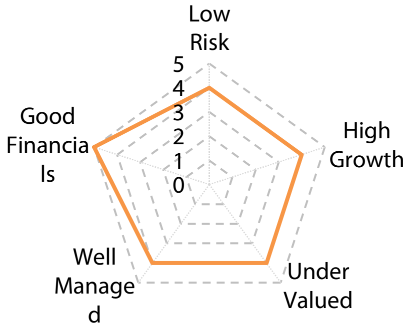
Projects	Method	NPV (VND bn)	Staked(%)	Value (VND bn)
Rubber segment	DCF	2,133	100%	**2,133**
Tree liquidation segment	FCFF	103	100%	**105**
Land clearance income	FCFF	406	100%	**419**
Total				**2,657**
(+) Cash and cash equivalents				185
(+) Short-term investment				-
(+) Long-term investment				151
(-) Debt				(46)
(-) Minority interests				-
Net Asset value				**2,947**
Numer of share outstanding (mn shares)				30
Target price (VND per share)				**98,224**

THE RUBBER SEGMENT CONTINUES TO BE A PLATFORM FOR 2026

HSX: DPR

BUY: 32% **MP: 40,550** **TP: 53,700**





STOCK INFO

Sector	Chemicals
Market Cap (USD Mn)	122
Current Shares O/S (Mn shares)	87
3M Avg. Volume (K)	478
3M Avg. Trading Value (VND bn)	18
Remaining foreign room (%)	46.3
52-week range ('000 VND)	33,6 - 53,1

FINANCIALS

FINANCIALS	2024A	2025F	2026F
Revenue (VND bn)	1,225	1,487	1,505
NPATMI (VND bn)	280	411	485
ROA (%)	6.3	8.8	7.8
ROE (%)	11.7	16.2	18.2
EPS (VND)	3,226	4,734	5,585
Book Value (VND)	28,282	30,203	31,336
Cash dividend (VND)	2,000	1,988	3,463
P/E (x)	12	11	10
P/B (x)	1.36	1.78	1.71

INVESTMENT HIGHLIGHTS

The rubber and tree clearance business continues to be the foundation for DPR's 2026 results

- In 2026, DPR's business results are expected to continue to be supported by two main segments: (1) rubber segment, and (2) tree liquidation, with revenue reaching VND 1,105 billion (-3.5% YoY) and VND 345 billion (+35% YoY), respectively. In addition, the Tien Hung 1 project (64ha) is expected to be able to be re-auctioned and bring the Company about 59 billion VND in compensation.
- For the rubber segment, based on the age of the orchard and the area to be liquidated for the development of the industrial park, the exploitation output in 2026 is forecast to decrease slightly, reaching about 10,700 tons (-13% YoY). In terms of selling prices, we believe that DPR's rubber selling price will remain around VND 47-50 million per ton, but it is difficult to rise back to the high level as in the period of Q4/24-Q1/25 because: 1/ Supply continues to be in short supply due to the shrinking global new planting area in the period of 2018 – 2023; 2/ Rainstorms disrupt the harvest crop in rubber-growing countries; 3/ The price of natural rubber (NR) is likely to be under competitive pressure by synthetic rubber (SR) as oil prices are forecast to remain around $62-65/barrel.
- For the tree liquidation segment, the period 2026–2028 will be a low-lying area in terms of the tree age cycle, due to the decline in new planting area in 2001–2003, resulting in fewer orchards reaching liquidation age. However, this shortfall is offset by the area forced to be liquidated to serve industrial park projects, helping tree liquidation revenue remain stable and continue to be an important source of supplementary support for DPR's cash flow in 2026.

The industrial park segment is expected to slow down

- DPR's Expanded Bac Dong Phu Industrial Parks and Nam Dong Phu Industrial Parks are expected to contribute more slowly in the short term, with leasing expected to start in 2027 and 2028, with initial rental prices at USD 71–72 per m^2.

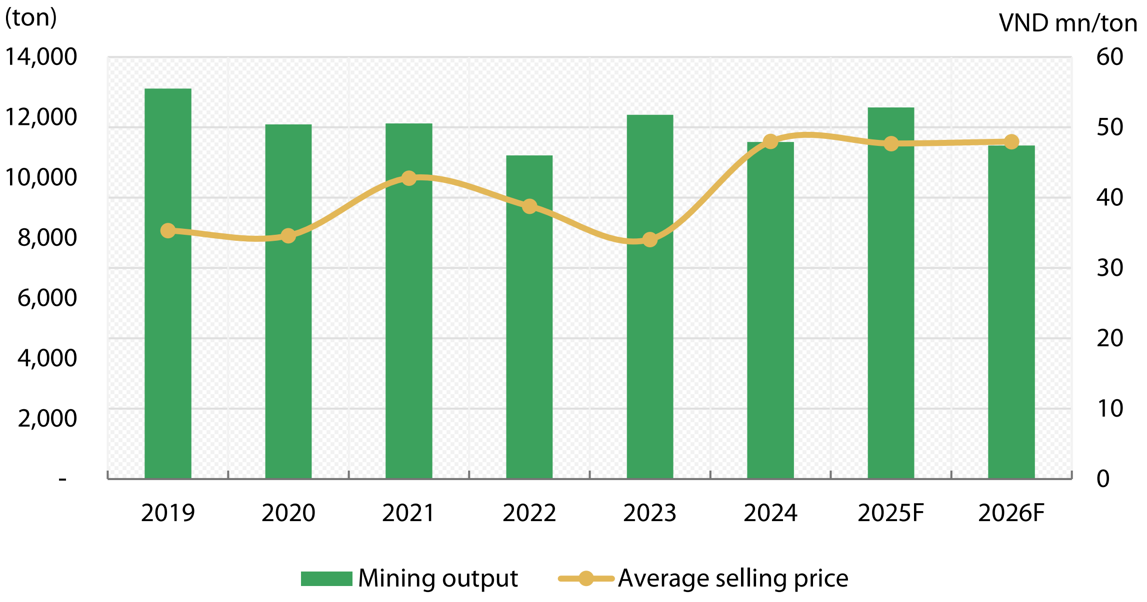
RISK TO RECOMMENDATION

- Extreme weather affects rubber latex exploitation.

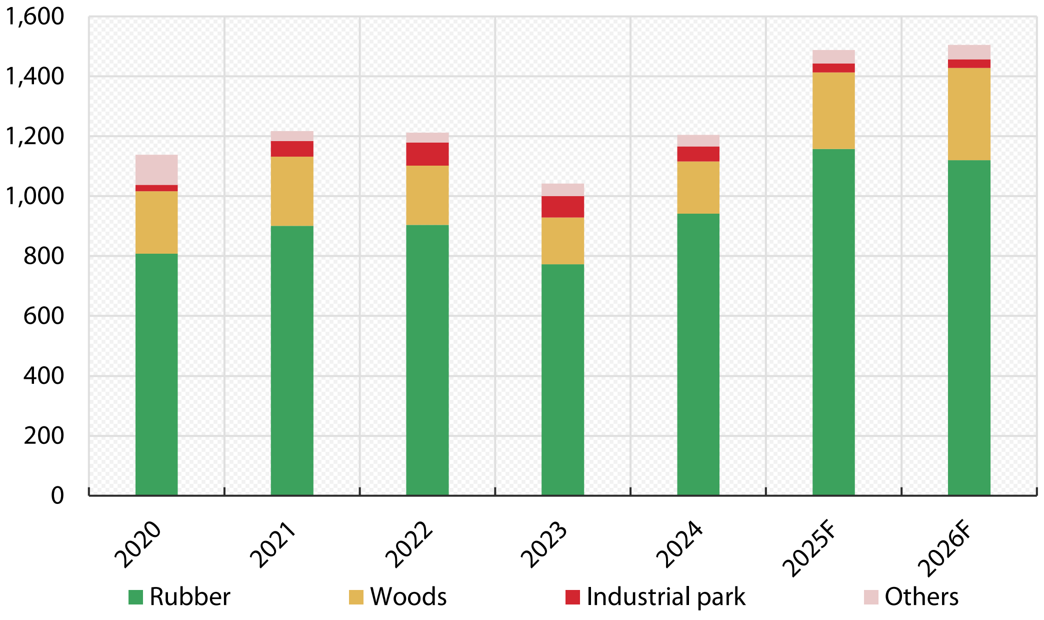
RUBBER & TREE LIQUIDATION: MAINTAINING STABLE BUSINESS RESULTS IN 2026

- In 2026, DPR's rubber exploitation output is forecast to decrease slightly compared to 2025, mainly due to: 1/ The mining area at the parent company is shrinking to serve the development of industrial park projects, 2/ The proportion of orchards in the stable exploitation age (7-20 years) tends to decrease from 53% to 47% of the total exploitation area. Accordingly, the fishing output in 2026 is estimated at about 10,700 tons (-13% YoY), while the average yield remains around 2 tons/ha. However, thanks to regular replanting of 450–500 hectares/year, we estimate that DPR's catch area and output will increase again from 2026 until the medium term.
- In terms of selling price, we assume that the average selling price of DPR's finished rubber products remains around VND 47-50 million per ton, in the context of continued limited global supply.
- Along with that, we realize that the period 2026-2028 is a low-lying area of the tree liquidation segment if considered by the tree age cycle alone, due to the decline in new planting area in the period 2001–2003. However, the area of trees that must be liquidated to serve the development of the industrial park is expected to make up for this shortfall, help the revenue from tree liquidation maintain growth and contribute positively to DPR's total revenue and cash flow in 2026.

Mining output is forecast to decrease slightly due to serving the development of industrial parks



Revenue is expected to be offset by the tree liquidation segment



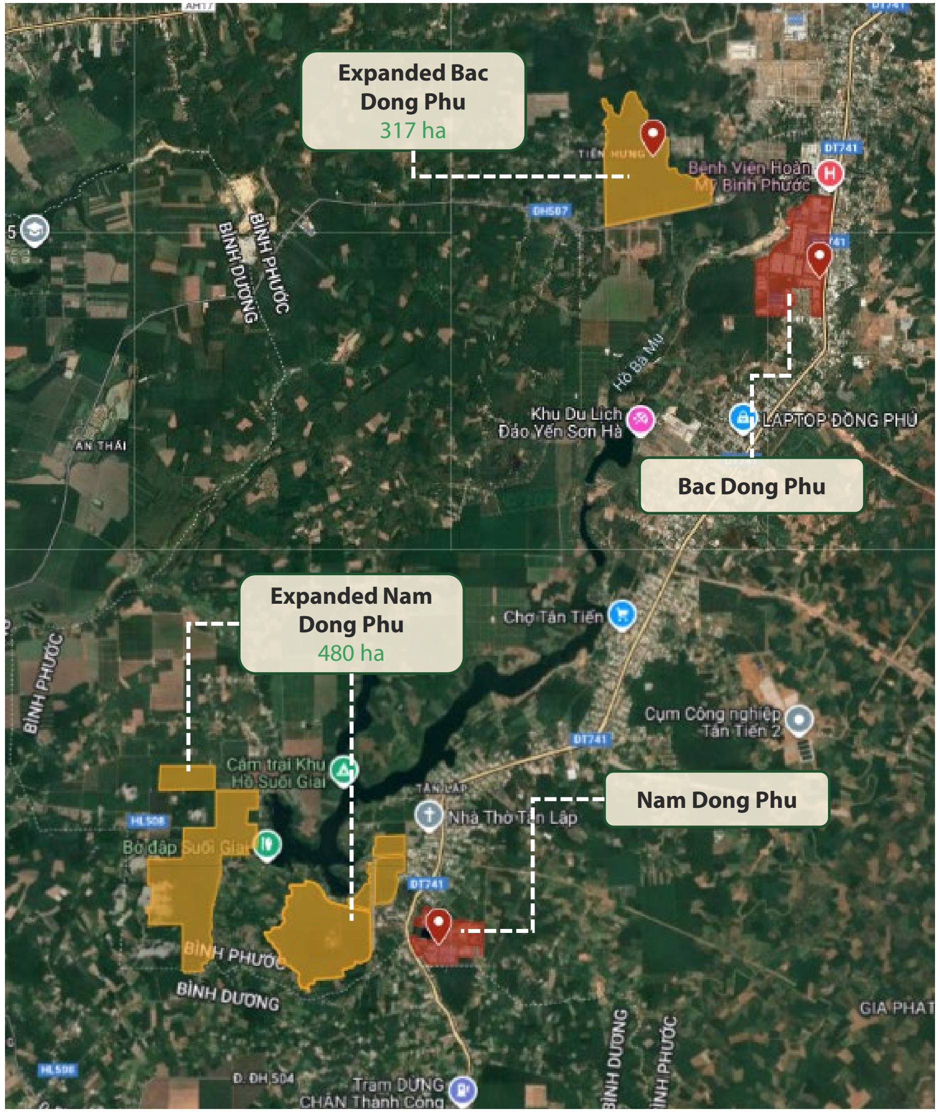
Source: DPR, RongViet Securities estimates

- In terms of the industrial park segment, DPR is expected to contribute more slowly in the short term, due to the progress of legal completion and site clearance at the two expansion North Dong Phu and Nam Dong Phu projects is longer than initially expected.
- Specifically, the expanded Bac Dong Phu Industrial Park is expected to complete legal procedures in 2025 and start leasing from 2027, with a starting rental price of about 71 USD/m^2, an average increase of ~2%/year. Meanwhile, the expanded Nam Dong Phu Industrial Park is expected to start leasing from 2028, with an initial rental price of about 72 USD/m^2.

Information and assumptions related to Expanded Bac Dong Phu and Nam Dong Phu IP

Criteria	Unit price	Expanded Bac Dong Phu	Expanded Nam Dong Phu
Information			
Total area		317	480
Estimated commercial area		*222*	*336*
Total Investment		1,360	1,830
Assumptions			
Cost of land clearance (billion/ha)	0.93	295	312
LUR (Billion/ha)	6	1,331	2,016
Construction cost (billion/ha)	2.8	621	941
Other expenses	0.06	13	20
COGS	9.79	2,261	3,289
Initial rental price (USD/m2)		70	71
% price increase per year		2%	2%
Expected mounting time		2027F - 2037F	2028F - 2038F

Location of IP projects

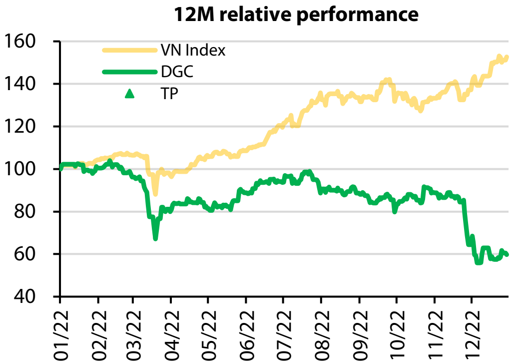


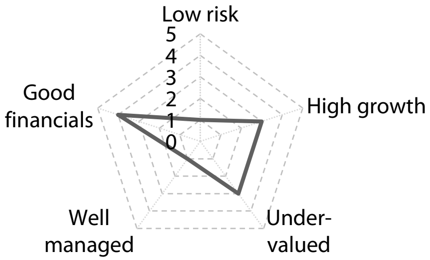
Source: DPR, RongViet Securities

DGC – GREAT RISK FROM THE SUPPLY OF INPUT MATERIALS

HSX: DGC

OBSERVE **MP: 73,900** **TP: N.A**





STOCK INFO

Sector	Chemicals
Market Cap (USD Mn)	933
Current Shares O/S (Mn shares)	380
3M Avg. Volume (K)	4.111
3M Avg. Trading Value (VND bn)	319
Remaining foreign room (%)	36.6
52-week range ('000 VND)	58,2 – 115,6

FINANCIALS

FINANCIALS	2024A	2025E	2026F
Revenue (VND bn)	9,865	11,330	9,963
NPATMI (VND bn)	2,987	3,430	2,576
ROA (%)	19.0	19.1	12.7
ROE (%)	23.8	24.0	16.6
EPS (VND)	7,864	9,031	6,782
Book Value (VND)	35,173	40,137	41,541
Cash dividend (VND)	3,000	3,000	3,000
P/E (x)	14.8	7.6	9.5
P/B (x)	3.3	1.7	1.6

INVESTMENT THESIS

Legal risks can cause production and business activities to be interrupted...

- Autonomous apatite ore in Lao Cai (accounting for about 30% of the total cost) is the most important source of supply in DGC's value chain, which is also a great advantage to help the Company achieve outstanding profit margins in the period of 2021-2025. However, the extension or expansion of the Company's apatite mining (expiring in 2026) will **face many risks** when: 1/ DGC is facing legal problems and has a precedent of being sanctioned for violating regulations on discharge and ore mining (2017 & 2023); and 2/ Lao Cai province has had policies that restrict licensing for new mining and production projects (for example, the case of WPA acid).
- In the baseline scenario, we forecast that the production of products in DGC's phosphorus value chain (including yellow phosphorus, TPA acid and fertilizers) will record a **decline in production of 10-20%%** YoY assuming that the supply of apatite only meets 80-85% of the demand for production activities. We also postpone the operation time of the Nghi Son Caustic Soda-Chlorine project compared to the planned time (Q2-2026) from the expectation that the legal risks that the Company is facing will cause the project to be delayed. Net revenue in 2026 is projected to reach only VND 9,963 billion (-12% YoY) with segments in the phosphorus value chain alone reaching VND 9,054 billion (-14% YoY).

… and the cost of raw materials increased significantly, putting great pressure on gross profit margins

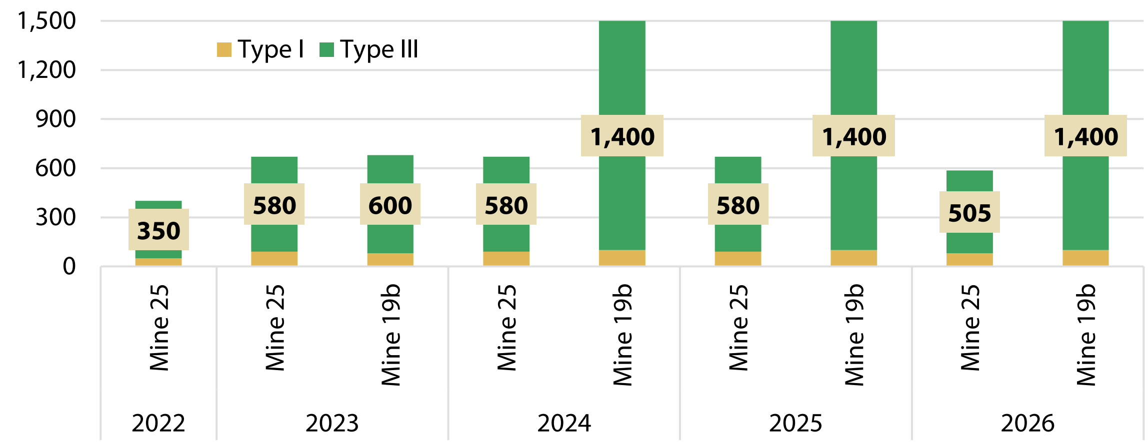
- In the event of a loss of autonomous apatite supply, we estimate that DGC's gross margin will be **affected by 5-10%** in the context of a high purchase price when the Company's annual apatite consumption demand is quite large in the region. In addition, the cost of other raw materials, including electricity (for the production of P4) and sulfuric acid and ammonia (for the production of fertilizers) is estimated to continue to be anchored at high levels, which is also a factor that puts great pressure on the Company's gross profit margin next year.
- Due to the unclear information and many risks to monitor, we make a **OBSERVE** recommendation for DGC stock and will update it in our reports as more information becomes available.

RISKS TO OUR CALL

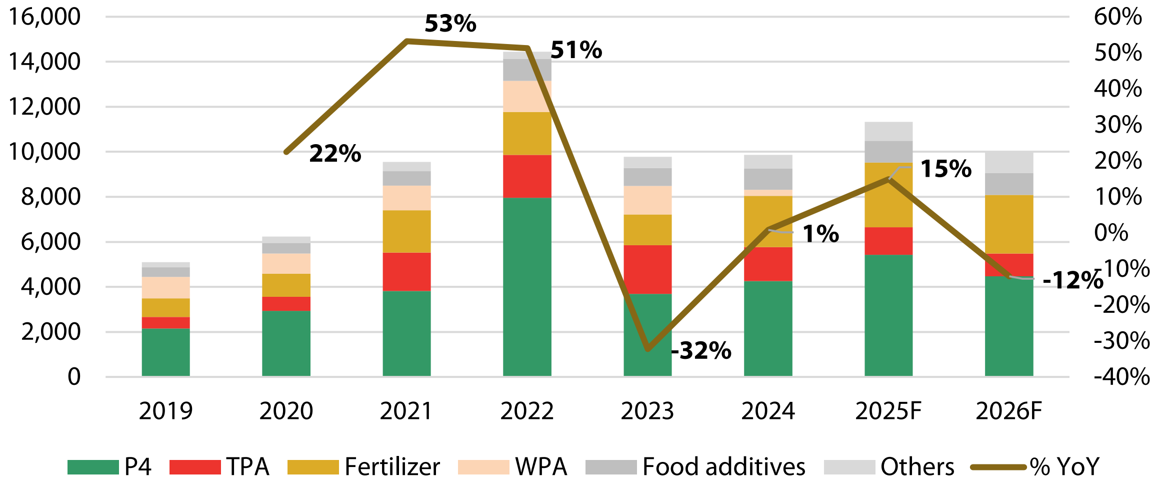
- Legal issues of enterprises are resolved earlier than expected, helping enterprises maintain mining rights in existing mines.
- The operation progress of Nghi Son Caustic soda-chlorine factory may still be on track as planned.

- **Apatite ore in Lao Cai** (accounting for about 30% of the total cost) is the most important source of phosphorus in DGC's production value chain. Currently, the deadline for licensing the Company's two autonomous apatite fields is until the end of 2026. However, the extension or expansion of the Company's apatite mining will **face many risks** when: 1/ DGC is facing legal problems and has a precedent of being sanctioned for violating regulations on discharge and ore mining (2017 & 2023); and 2/ Lao Cai province used to have policies that restrict licensing for new mining and production projects, such as the case of WPA acid. In the baseline scenario, from the expectation that the legal risks that the Company is facing will affect the exploitation and renewal activities at the two apatite fields in the next year, we forecast that DGC's net revenue in 2026 will decrease y-o-y, reaching only **VND 9,963 billion (-12% YoY).** In particular, the revenue of products in the phosphorus value chain (with apatite as the main raw material) is estimated at VND 9,054 billion (-18% YoY), with specific assumptions as follows:
  - **Yellow phosphorus:** Production reached 42 thousand tons (-20% YoY, returning to the low level in 2023). Revenue reached VND 4,465 billion (-17% YoY), declining only from output assuming a 3% YoY increase in selling prices (supported by the Japanese market).
  - **TPA:** Production decreased by 20%, reaching 37 thousand tons. Revenue reached VND 1,017 billion (-18%) when selling prices increased by 3% YoY (usually fluctuates according to yellow phosphorus prices).
  - **Fertilizers:** Output reached 251 thousand tons (-8% YoY), selling prices decreased slightly by 2% from the high base in 2025. Revenue thereby reached VND 2,607 billion (-9% YoY).
  - **Animal feed additives:** Output and selling prices were flat over the same period, revenue remained at VND 963 billion (+0% YoY).

DGC will expire the exploitation term of two licensed apatite fields in 2026 (thousand tons/year)



DGC's revenue is expected to decrease in 2026 (LHS, billion VND)



Source: DGC, RongViet Securities

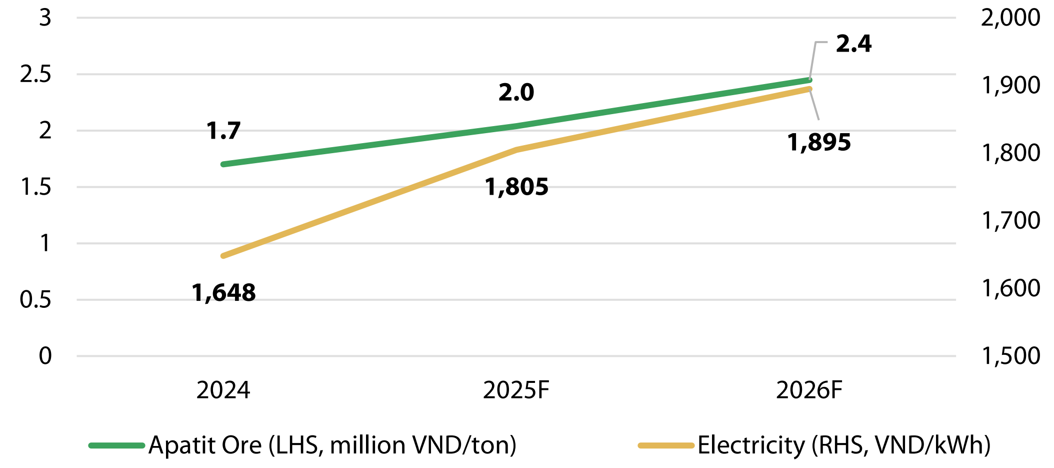
… AND THE COST OF RAW MATERIALS INCREASED SIGNIFICANTLY, PUTTING GREAT PRESSURE ON PROFIT MARGINS

- In the baseline scenario, we expect ore prices (converted to grade I) next year to increase by **20% YoY** (~2.4 million VND/ton) when DGC can buy from Egypt or domestic sources (Apatit Vietnam Co., Ltd.) to offset part of the supply from the two autonomous fields. In the event of a loss of autonomous supply, we assess that DGC's gross margin may be affected by **5-10%** in the context of higher purchase prices, especially considering that the Company's annual apatite consumption demand is quite large in the region.
- **Electricity, sulfuric acid and ammonia:** Electricity costs (for P4 production) and sulfuric acid & ammonia (for fertilizer production) are expected to continue to anchor at high levels, which are also factors that put pressure on the Company's gross margin next year.

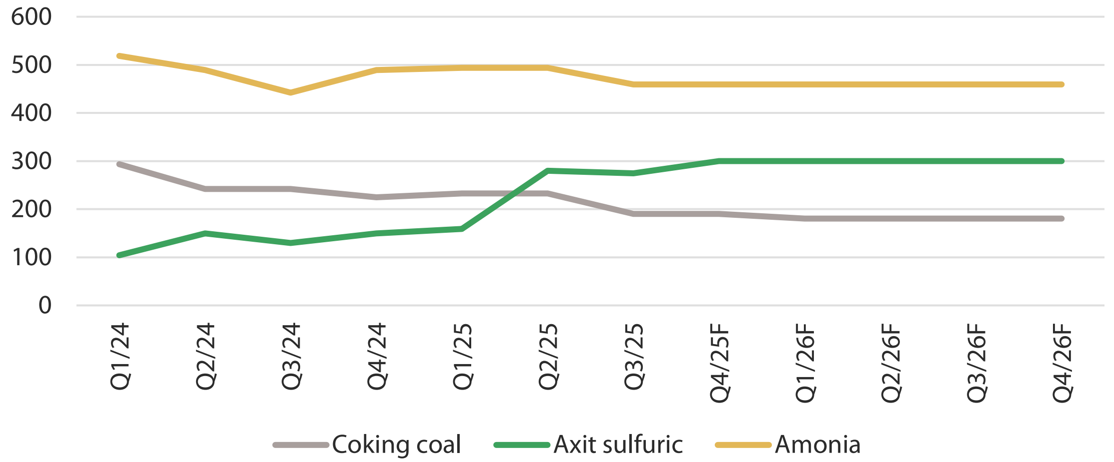
DGC's gross profit sensitivity in 2026 to % increase in apatite ore costs

	Base Scenario	% Increase in the cost of apatite ore			
	20%	10%	20%	30%	40%
Gross profit (Billion VND)	1,960	2,085	1,960	1,835	1,709
Aggregation	25%	27%	25%	24%	22%

Apatite ore and electricity costs are projected to increase by 10% and 5%, respectively



Raw material prices for fertilizer production are expected to continue to be high (USD/ton)



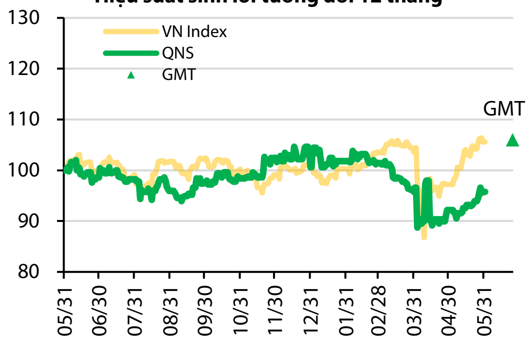
Source: DGC, RongViet Securities estimates and forecasts

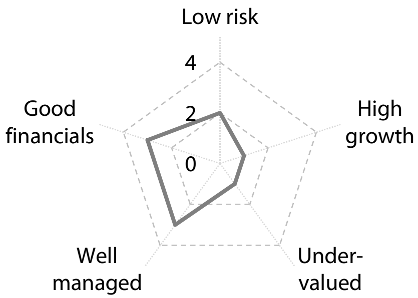
EXPORTS CONTINUE TO ANCHOR GROWTH PROSPECTS

HSX: DRC

NEUTRAL +5% **MP: 15,450** **TP: 15,800**

Hiệu suất sinh lời tương đối 12 tháng





STOCK INFO

Sector	Automobiles & Parts
Market Cap (USD Mn)	86
Current Shares O/S (Mn shares)	154
3M Avg. Volume (K)	227
3M Avg. Trading Value (VND bn)	4
Remaining foreign room (%)	0.0
52-week range ('000 VND)	13.62 – 22.77

FINANCIALS

FINANCIALS	2024A	2025E	2026F
Revenue (VND bn)	4,673	5,004	5,796
NPATMI (VND bn)	232	121	147
ROA (%)	5.8	3.2	3.3
ROE (%)	12.8	6.9	7.2
EPS (VND)	1,950	783	954
Book Value (VND)	16,123	12,717	13,218
Cash dividend (VND)	1,200	500	800
P/E (x)	11.2	18.9	16.1
P/B (x)	1.4	1.2	1.2

INVESTMENT THESIS

Revenue is not the primary concern for DRC, as it sustains solid growth of 7.1%/14.6% YoY in 2025/26F…

- Domestic bias transport tires (~20.0% of net revenue) continue robust growth of ~10.0% YoY, in line with 2025, driven by vibrant public/private investment under Government initiatives.
- Export radial transport tires (TBR) (~60% of net revenue) accelerate penetration into the U.S. market (+14.5%/27.5% YoY in 2025/26F), capitalizing on Thai TBR antidumping duties effective Dec 2024, which fully offsets sharp weakness in Brazil (weak demand + ongoing tariff disadvantages since 2023: -18.5%/-10.1% YoY in 2025/26F).

…Instead, the key drag on DRC's net profit is elevated input rubber costs combined with heavy discounting amid intense domestic/international competition, pushing NPAT to bottom in 2025 (-50.6% YoY, reaching VND 121bn — the lowest in 15 years). These pressures are expected to persist into 2026.

- Rubber prices remain elevated from 2025 levels (ref: relevant commodity pages), while DRC gradually reduces/holds selling prices low and ramps up discounts or support measures (e.g., shifting from FOB to CIF terms), keeping net margin subdued.
- Moderating freight rates vs 2025, plus lower per-unit depreciation from Radial 3 plant (as sales volume approaches full 1mn tires/year capacity), help net margin edge up slightly in 2026 (2.5%, +10bps YoY).

Recovery outlook does not present an investment opportunity

- DRC trades at trailing P/E 16.2x and forward 2026F P/E 15.5x, both significantly above the 2017–23 average (11.3x) during the strong TBR radial expansion phase, as well as the sector average (11.1x); implying current valuation appears expensive relative to modest recovery prospects next year.

RISKS TO OUR CALL RC is expected to deliver its first radial passenger car (PCR) tire shipment to VinFast in Jun-2026. This potential cooperation variable — supplying PCR tires for VinFast vehicles from 2026 onward — has not yet been factored into forecasts or valuation.

Key financial ratios

Y/E Dec	FY24	FY25F	FY26F	FY27F
Net revenue (VND bn)	**4,673**	**5,004**	**5,796**	**6,583**
TBR Bias Tires	*898*	*1,009*	*1,085*	*1,192*
TBR Radial Tires	*2,808*	*2,979*	*3,648*	*4,281*
Others (PCR Tires, Motorcycles Tires…)	*967*	*1,017*	*1,063*	*1,110*
YoY growth (%)				
Net sales	*4.0%*	*7.1%*	*14.6%*	*13.6%*
NPAT-MI	*-0.7%*	*-47.7%*	*21.9%*	*37.5%*
Profitability (%)				
Gross margin	*15.6%*	*13.5%*	*12.6%*	*13.2%*
Net margin	*5.2%*	*2.4%*	*2.5%*	*3.1%*
ROE	*12.8%*	*6.2%*	*7.2%*	*9.4%*
Finance structure (%)				
Debt/Equity	*50.1%*	*49.9%*	*36.0%*	*34.5%*

DRC's valuation summary

DRC'S VALUATION SUMMARY (VND/SHARE)		
Method	**Weight**	**Target price**
DCF (5 years, WACC: 11.3%, Exit EVEBITDA 9.0x)	100%	15,800
Total DRC	**100%**	**15,800**
1-year expected cash dividends (VND/share)		*500*
2026F target P/E		*16.6*

DRC's 2026F valuation summary by P/E method (VND/share)

EPS (VND)		P/E					
2026F	954	9,043	9,997	10,951	11,905	12,859

Sensitivity scenario for DRC's Equity Value per Share by DCF method (VND/share)

		Exit EV/EBITDA				
		7.0	8.0	9.0	10.0	11.0
WACC	8.3%	13,706	16,036	18,366	20,696	23,027
	9.3%	13,001	15,238	17,476	19,713	21,950
	10.3%	12,329	14,478	16,627	18,777	20,926
	11.3%	11,689	13,754	15,819	17,884	19,949
	12.3%	11,078	13,063	15,049	17,034	19,019
	13.3%	10,496	12,405	14,314	16,223	18,132
	14.3%	9,940	11,776	13,613	15,449	17,285

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