

## DANANG RUBBER JSC (HSX: DRC)

### Lower rubber prices will boost QoQ performance

Unit: VND bn	Q2-FY25	Q1-FY25	+/- qoq	Q2-FY24	+/- yoy
Net sales	1,377	1,180	16.7%	1,364	1.0%
NPAT-MI	32	9	238.6%	77	-58.6%
EBIT	36	20	79.8%	93	-61.2%
EBIT margin	2.6%	1.7%	+92bps	6.8%	-419bps

Source: DRC, RongViet Securities

### Q2-FY25: Performance was below significant expectations due to a sharp decline in profit margin

- Net revenue reached VND 1,377 bn (+1.0% YoY), reflecting a mixed performance. The bright spot stemmed from a robust recovery in domestic bias tire market share (+8.9% YoY), driven by stronger local production, a slowdown in Chinese imports, and DRC's enhanced attractive dealer discounts. Strong results from other tire segments, including PCR (+38.1% YoY) and motorcycle/bicycle tires (+11.3% YoY), further bolstered DRC's revenue this quarter.
- Conversely, the weaker segment stemmed from the TBR tire export market, which underperformed expectations. The U.S. market saw modest growth (+11.0% YoY), hampered by aggressive competition from Cambodian tires, while Brazil's market contracted after the loss of a major client (USD 15 mn, down from a prior average of USD 18-20 mn).
- NPAT-MI plummeted to VND 32 bn (-58.6% YoY), driven by unfavorable raw material price trends, including natural/synthetic rubber and chemicals, compounded by a strategic price reduction for Radial tires in export markets (-4.0% YoY). Additionally, the first year of full-capacity operations at the Radial phase-2 plant increased the depreciation cost share within the Radial tire cost structure.

### FY25 outlook: Forecast to gradually recover QoQ by the end of the year as material prices cool down and the tariff context becomes clearer in the US from Q3-2025

- DRC's Q3-2025 performance is expected to recover robustly QoQ, propelled by falling rubber prices, with NPAT-MI projected at VND 42 bn (+29.9% QoQ, -9.3% YoY). Nevertheless, revenue is unlikely to surge, as U.S. dealers amassed inventory in Q2, and the 20% reciprocal tariff offers no competitive advantage against Cambodian and Japanese tires.
- With a 20% reciprocal tariff (similar to Thailand's 18% and Cambodia's 19%) and cooling raw material prices (rubber and chemicals), DRC's performance is expected to recover gradually QoQ. However, 2025 remains challenging due to short-term input/output pressures. DRC is anticipated to stabilize further from 2026 as headwinds subside.
- We forecast DRC's net revenue in 2025 to reach VND 5,299 bn (+13.4% YoY). NPAT-MI and EPS reached VND 138 bn (-43.5% YoY) and VND 1,163 bn, respectively.

### Valuation & Recommendation

DRC shifted its focus to exporting TBR tires to markets such as the US, which imposed high anti-dumping duties on Chinese tires. The company switched from bias tires to radial tires to meet demand, but this resulted in a gradual decline in net margin to the industry average (5-6%) due to lower the selling price and incur high shipping/discount costs.

We performed a long-term cash flow discount (DCF) valuation for DRC. DRC's determined share price for the next year is at **18,600 VND/share (including cash dividend of 700 VND/share)**, equivalent to 2025 PE fwd 15.2x. Based on the closing price of 22/08/2025, we recommend a **NEUTRAL** rating for DRC.

## NEUTRAL

Market price (VND)	16,950
Target price (VND)	18,600

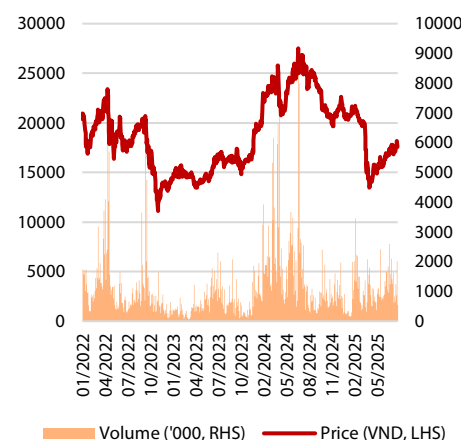
1-year expected cash dividend (VND/share): 800

### Stock Info

Sector	Tire and tube
Market Cap (VND Bn)	2,811
Share O/S (Mn)	154
Average trading volume (20 sessions) ('000 shares)	831
Free Float (%)	41.7
52 weeks high	25,300
52 weeks low	13,500
Beta	1.0

	FY24	Current
EPS	2,259	1,388
EPS growth (%)	21	-9.4
P/E	12.1	18.4
P/B	1.7	1.5
EV/EBITDA	9.0	14.5
ROE (%)	14.2	7.7

### Stock price movement



### Major shareholders (%)

Vietnam National Chemical Group	50.51
Edmond de Rothschild Group	1.89
Nhut, Le Hoang Khanh	0.50
Others	47.10
Remaining Foreign Room (%)	-3.5

### Hung Nguyen

(084) 028- 6299 2006 – Ext 2223

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

## Q2-2025's results were below significant expectations due to narrowing profit margin

Net revenue reached VND 1,377 bn (+16.7% QoQ, flat YoY), in line with our expectation.

- **The main segment - radial transport tires (mainly exported)** reached VND 884 bn (flat YoY).
  - **Although the Brazilian market** still recorded a decline (-15.6% YoY), it recovered better-than-expected after each quarter, reaching USD 15 mn (estimated USD 12 mn).
  - This compensated for the **US market** being lower than expected, only reaching USD 11.1 mn (+11.0% YoY but lower than the estimated USD 12.6 mn) due to the sudden influx of goods into this market from Cambodia (the new transshipment point of Chinese tires replacing Thailand into the US, Table 2). However, the US market is expected to maintain a strong growth rate thanks to the "stockpiling" of dealers ahead the initial reciprocal tax period in Q3-2025 and gradually benefiting from the imposition of anti-dumping tariffs on Thai tires by the US.
- **The bias transport tire segment (mainly domestic)** reached VND 254 bn (flat YoY), failing to benefit from the expected recovery in production as sales volume dropped by -9.8% YoY, due to DRC increasing the average selling price by +11.0% YoY, which limited the impact of the increase in input prices but at the expense of low output.
- **PCR tire segment** reached VND 89 bn (+103% YoY). In our view, DRC has been looking for more export markets (+53.9% YoY) and domestic customers (+4.3 YoY) for this tire segment, helping DRC achieve a gross profit break-even for the first time in this quarter (50-60 thousand tires/month).

**Table 1: DRC's Q2-2025 results in terms of revenue**

Unit: VND bn	Q2-2025	Q1-2025	+/- (qoq)	Q2-2024	+/- (yoy)
<b>Net sales</b>	<b>1,377</b>	<b>1,180</b>	<b>+6.7%</b>	<b>1,364</b>	<b>1.0%</b>
Bias Transport Tires	254	209	21.9%	254	0.2%
Radial Transport Tires (TBR)	834	744	12.0%	841	-0.9%
Radial Automotive Tires (PCR)	89	53	66.7%	44	102.6%
Others	200	173	15.6%	225	-11.1%
<b>Export revenue (USD mn)</b>	<b>Q2-2025</b>	<b>Q1-2025</b>	<b>+/- (qoq)</b>	<b>Q2-2024</b>	<b>+/- (yoy)</b>
US	11.1	12.5	-11.2%	10	11.0%
Brazil	15.2	12.8	18.8%	18	-15.6%
Others	7,937	8.16	-2.7%	6,732	17.9%
<b>Sales volume (thousand tires)</b>	<b>Q2-2025</b>	<b>Q1-2025</b>	<b>+/- (qoq)</b>	<b>Q2-2024</b>	<b>+/- (yoy)</b>
<b>Radial Transport Tires (TBR)</b>					
Domestic	40,980	24,166	69.6%	34,501	18.8%
Export	186,488	182,983	1.9%	179,560	3.9%
<b>Bias Transport Tires</b>					
Domestic	86,821	61,083	42.1%	95,102	-8.7%
Export	29,894	35,384	-15.5%	34,231	-12.7%

Source: DRC, RongViet Securities

**Table 2: Import value of transport tires to the US and Vietnam (USD mn)**

Importing tires into Vietnam	2020	2021	2022	2023	2024	5M-2025
China	160	200	225	211	225	90
YoY Growth (%)	5.5%	25.1%	12.3%	-6.4%	6.7%	-2.7%
Importing tires into the US	2020	2021	2022	2023	2024	5M-2025
Thailand	1,287	1,685	2,326	1,692	1,706	702
YoY Growth (%)		30.9%	38.0%	-27.2%	0.8%	-13.5%
Canada	709	866	859	928	988	435
YoY Growth (%)		22.1%	-0.8%	8.1%	6.5%	3.6%
Vietnam	343	516	831	564	716	328
YoY Growth (%)		50.5%	61.0%	-32.1%	26.9%	11.3%
Japan	433	557	952	823	602	356
YoY Growth (%)		28.7%	70.9%	-13.5%	-26.8%	21.9%
Cambodia	0	0	35	142	421	283
YoY Growth (%)				306.8%	196.4%	81.5%

Source: Trademap, RongViet Securities

**Gross profit reached VND 155 bn (+18.3% QoQ, -43.7% YoY), with a gross margin remaining subdued at 11.2%**, akin to Q1, driven by unfavorable raw material price trends. Natural rubber prices surged (+28.2% YoY) due to supply shortages in Thailand caused by adverse weather conditions, while synthetic rubber hit VND 53.7 mn/ton, tracking the rise in natural rubber as a substitute. Chemical inputs like sulfur and silica also rose (+5.3% YoY), compounded by a strategic price cut for Radial tires in export markets (-6.7% YoY). Additionally, the first year of full-capacity operations at the Radial phase-2 plant elevated the depreciation cost share within the Radial tire cost structure, in our view.

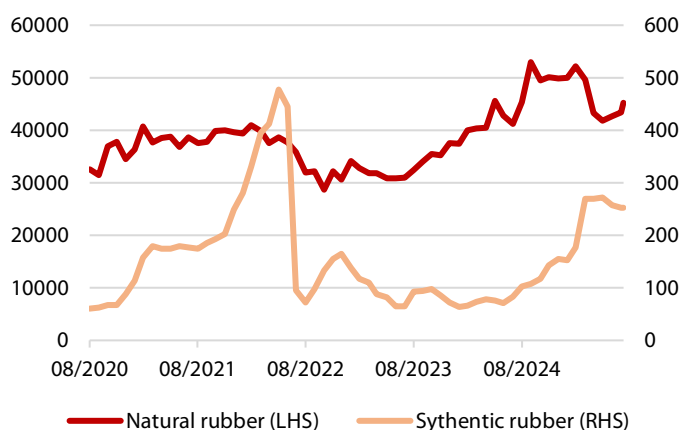
**DRC reduced its SG&A-to-net-revenue ratio to 8.6% (-470 bps YoY)**, aligning with our projections, as ocean freight costs normalized from their Q2-2024 peak, alleviating pressure on selling, general, and administrative expenses.

**Overall, NPAT-MI reached VND 32 bn (+239% QoQ, -58.6% YoY), which is below our expectation of 25%, mainly as gross margin has not recovered as expected.**

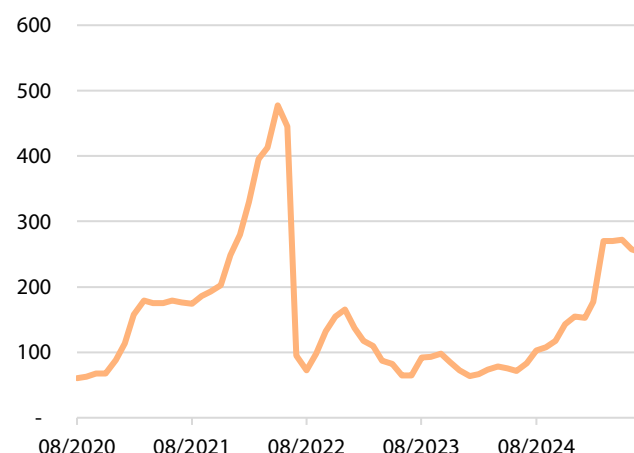
**Table 3: DRC's Q2-2025 results on profit and cost structure**

Unit: VND bn	Q2-2025	Q1-2025	+/- (qoq)	Q2-2024	+/- (yoy)
<b>Gross Profit</b>	<b>155</b>	<b>131</b>	<b>18.3%</b>	<b>274</b>	<b>-43.7%</b>
Selling expenses	-99	-93	7.1%	-158	-37.3%
GA expenses	-19	-18	7.4%	-23	-17.2%
Net financial income	1	-9		5	
<b>NPAT-MI</b>	<b>32</b>	<b>9</b>	<b>238.6%</b>	<b>77</b>	<b>-58.6%</b>
Gross margin	11.2%	11.1%	15bps	20.1%	-889bps
Selling exp/Net sales	7.2%	7.9%	-65bps	11.6%	-440bps
GA exp/Net sales	1.4%	1.5%	-12bps	1.7%	-30bps
Net margin	2.3%	0.8%	153bps	5.7%	-335bps

Source: DRC, RongViet Securities

**Figure 1: Price movements of natural rubber and synthetic rubber (USD/MT)**


Source: Bloomberg, RongViet Securities

**Figure 2: Changes in sulfur chemical prices (USD/MT)**


Source: Bloomberg, RongViet Securities

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

In the short term, the DRC is expected to experience a difficult 2025 with disadvantages from two sides:

#### Sales volume in key export markets:

- US market:** Tariff dynamics in the U.S. market are hindering TBR tire growth, as production slows and import agents adopt a cautious stance, constraining DRC's expansion below expectations.  
 On a positive note, DRC maintains a competitive edge over key rivals Thailand and Cambodia under the reciprocal tariff framework applied to all countries except China.
- Brazil market:** The loss of a key client to Chinese and Thai competitors has disrupted the historical stability of DRC's TBR tire revenue in this market (previously USD 16-21 mn per quarter) before Q3-2024. Despite efforts to offset this through new clients, revenue averaged only USD 14-15 mn.

**Input price movements:** Overall, supply-demand imbalances in 2025 are impacting DRC's key raw materials, including natural rubber (constrained by weather-related shortages in Thailand), synthetic rubber (rising in tandem with natural rubber as a substitute), and chemicals (sulfur and silica). DRC is unable to pass these elevated input costs onto consumers through price rises due to intense competition in domestic and Brazilian markets, as well as efforts to penetrate new markets like the U.S. and the Middle East.

**Sales support policies:** Increased sales discounts (reflected in higher SG&A expenses) and extended credit terms for customers (evidenced by longer accounts receivable days) have pressured DRC's profit margins and cash flow dynamics this year as part of efforts to attract new clients in early-stage market penetration.

**Table 4: Overview of US Tariffs on Vietnamese Truck & Bus Tires**

Taxes	Heavy Trucks (HS 4011.20)	Light Trucks (HS 4011.10)	When to apply
MFN Tax	4%	4%	2001 until now
Anti-dumping duties (AD)	0%	0% (DRC, CSM) 22.3% (FDI with Chinese elements)	May-2021 until now
Countervailing Duties Tax (CVD)	0%	0% (DRC, CSM) 7.89% (FDI with Chinese elements)	May-2021 until now
Trump's Reciprocal Tariffs	20%	20%	From Jul-2025
<b>Total Taxes Related to DRC</b>	<b>24%</b>	<b>24%</b>	

Source: RongViet Securities

**Table 5: Summary of tariffs imposed on Vietnamese/Thai transport tires from the US**

Country	Tire Type	Applicable Taxes	Reciprocal Taxes
Vietnam (DRC only)	Heavy Duty Trucks	4%	20%
	Light Truck	4%	20%
Thailand	Heavy Duty Trucks	16.33% (others) – 52.39% (Bridgestone, Thailand)	18%
	Light Truck	5.24% - 10.16%	18%
Cambodia	Heavy Duty Trucks	4%	19%
	Light Truck	4%	19%

Source: RongViet Securities

**In the long term, we expect the business context to be more "breathable" for DRC, helping the Company's net profit margin improve to the industry average (5-6%). Concrete:**

**DRC has found many new customers** in markets such as Russia (officially shipped from Q4-2025), the Middle East, and Europe (will ship from Q3-2025). We expect orders from these markets to make up for lost orders in Brazil. However, we also note the growing geopolitical risks in the Middle East, or the low exchange rate in Russia, which could prevent revenues in these markets from stabilizing this year.

**The business story in the US entered a state of "normalization"** when the Trump administration officially approved reciprocal tariffs between countries in 2026 with "no more unfavorable" tariffs on tire products against rivals such as Thailand and Cambodia (Table 4, 5). By:

- Tires are not high-value products prioritized for U.S. reshoring under Trump's policies, given the industry's low average gross margin of 5-10%.
- The U.S. heavily relies on imported tires (the world's top importer), a dependency unlikely to shift in the medium term.
- DRC, a 100% Vietnamese entity with a modest 1.3% U.S. market share, is not a primary target for U.S. tariffs, in our view, due to its lack of Chinese affiliation and limited market impact. Notably, the only prior U.S. tariff on Vietnamese tires targeted FDI firms linked to China.
- Thailand, DRC's primary competitor, faces U.S. countervailing duties from Q2-2025, mirroring tariffs on Chinese tires in 2019, positioning Thai tires as a higher-priority target in the U.S. tariff strategy. This presents a significant medium- to long-term opportunity for DRC as Radial Phase-2 plant capacity optimizes.

**Raw material prices, including natural rubber, synthetic rubber, and chemicals, are gradually moderating as supply shocks subside**, while substantial depreciation costs from the Radial GD2 plant are expected to decline progressively, supporting DRC's gross profit margin recovery in the coming years.

### Q3-2025 forecast: Expectation of good QoQ recovery due to cooling rubber prices

Table 6: DRC's Q3-2025 business forecast

	Q3-2025	+/-YoY	+/-QoQ	Assumptions
<b>Net sales</b>	<b>1,251</b>	<b>2.8%</b>	<b>-9.1%</b>	
Bias TB tire	217	8.9%	-14.7%	Similar to Q1-Q2, robust YoY growth is driven by the anticipated recovery in domestic industrial production (value-added growth in the industrial sector estimated at 8.5% YoY in July 2025, per GSO Vietnam) and enhanced, more attractive discount policies for domestic dealers.
Radial TB tire (TBR)	738	-4.1%	-11.5%	The U.S. market showed no YoY growth, as dealers stockpiled inventory ahead of Q2-2025 tariffs, coupled with DRC's limited market share expansion amid aggressive competition from Cambodia (+81.5% YoY in the first five months of 2025), which has emerged as a new transshipment hub for Chinese tires into the U.S., replacing Thailand. The Brazilian market weighed on DRC's overall YoY growth, with revenue stabilizing at USD 14-15 million, down from USD 18-20 million previously, following the loss of a key long-term client in H2-2024.
Radial Passenger car tire (PCR)	97	38.1%	9.6%	DRC is expected to maintain a good level of 150 thousand tires/quarter as in Q2 when it has gained major customers in the export segment.
Others	199	11.3%	-0.6%	
<b>Gross profit</b>	<b>163</b>	<b>6.8%</b>	<b>5.3%</b>	The gross margin recovered to a record low compared to Q1-2 when rubber prices adjusted down (-19.6% compared to the Mar-2025 peak). As DRC stores inventory every 3 months, the reduction in natural rubber prices in Q2 only starts to reflect from Q3. Another point to note: Due to the increased competitiveness compared to Thai tires (which are highly taxed), DRC has room to shift part of the high input price to the selling price (+3.1% YoY) to support a better gross margin.
<b>Selling expenses</b>	<b>-90</b>	<b>69.8%</b>	<b>-9.4%</b>	In Q3-2024, DRC will reimburse unused advertising expenses from Q2-2024, so the sum assured will be low. In Q3-2025, this cost will return to normal of VND 90-95 bn, so it will push YoY growth high.
<b>GA expenses</b>	<b>-19</b>	<b>-11.7%</b>	<b>-2.2%</b>	
<b>EBIT</b>	<b>54</b>	<b>-31.0%</b>	<b>49.6%</b>	
Income from affiliates	0			
Net finance income	1			
Other profit	0			
<b>EBT</b>	<b>55</b>	<b>-9.1%</b>	<b>47.1%</b>	
Corporate income tax	-13			
Minority of interest (MI)	-			
<b>NPAT-MI</b>	<b>42</b>	<b>-9.3%</b>	<b>29.9%</b>	
Gross margin	13.0%	+49bps	+178bps	
Selling exp/Net sales	7.2%	+284bps	-2bps	
GA exp/Net sales	1.5%	-24bps	+11bps	
EBIT margin	4.3%	-210bps	+169bps	
Net margin	3.8%	-1bps	+144bps	
<b>Export sales (USD mn)</b>				
US	9.0	0.0%	-18.9%	
Brazil	15.2	-24.0%	0.0%	
Others	8.0	33.3%	0.8%	

**Sales volume ('000 tires)**

<b>Radial TB tire (TBR)</b>	<b>195</b>	<b>-7.3%</b>	<b>-14.2%</b>
Domestic	28	-1.2%	-42.0%
Export	171	-8.1%	-8.1%
<b>Bias TB tire</b>	<b>99</b>	<b>3.6%</b>	<b>-14.8%</b>
Domestic	64	13.4%	-26.3%
Export	35	-10.5%	18.5%

Source: DRC, RongViet Securities

**Valuation**

With the views on DRC's business context after Q2-2025 and the Q3-2025's performance forecast, the target price for DRC according to our forecast is unchanged at **VND18,600/share (including cash dividends)**, equivalent to **the NEUTRAL recommendation**.

**Table 7: DRC's valuation summary**

DRC VALUATION SUMMARY (DONG/SHARE)		
Methods	Contribution	Target price
DCF (5 years, WACC: 11.4%, Exit EVEBITDA 8.9x)	100%	17,900
<b>Total DRC</b>	<b>100%</b>	<b>17,900</b>
Expected cash dividend next year (VND/share)		<b>500</b>
2025F targeted PE		15.4

Source: DRC, RongViet Securities

**Table 8: Sensitivity analysis of DRC's target price based on exit EV/EBITDA in DCF Method (VND/share)**

WACC	Exit EVEBITDA							
		5.9	6.9	7.9	8.9	9.9	10.9	11.9
	8.4%	13,827	16,297	18,767	21,236	23,706	26,175	28,645
	9.4%	12,981	15,340	17,698	20,057	22,416	24,775	27,133
	10.4%	12,178	14,432	16,686	18,940	21,194	23,447	25,701
	11.4%	11,416	13,571	15,725	17,880	20,034	22,189	24,343
	12.4%	10,693	12,753	14,814	16,874	18,934	20,995	23,055
	13.4%	10,006	11,977	13,948	15,919	17,890	19,862	21,833
	14.4%	9,353	11,239	13,126	15,012	16,899	18,785	20,672

Source: RongViet Securities

## Appendix

**Table 9: DRC's Q2-2025 results**

Unit: VND bn	Q2-2025	Q1-2025	+/-QoQ	Q2-2024	+/-YoY	%Plan 2025	%VDS's forecast 2025
<b>Net sales</b>	<b>1,377</b>	<b>1,180</b>	<b>16.7%</b>	<b>1,364</b>	<b>1.0%</b>	<b>28.2%</b>	<b>26.0%</b>
Bias TB tire	254	209	21.9%	254	0.2%		
Radial TB tire (TBR)	834	744	12.0%	841	-0.9%		
Radial Passenger car tire (PCR)	89	53	66.7%	44	102.6%		
Others	200	173	15.6%	225	-11.1%		
<b>Gross profit</b>	<b>155</b>	<b>131</b>	<b>18.3%</b>	<b>274</b>	<b>-43.7%</b>		
<b>SG&amp;A expenses</b>	<b>-119</b>	<b>-111</b>	<b>7.1%</b>	<b>-182</b>	<b>-34.7%</b>		
<b>EBIT</b>	<b>36</b>	<b>20</b>	<b>79.8%</b>	<b>93</b>	<b>-61.2%</b>		
Income from affiliates	0	0		0			
Net finance income	1	-9		5			
Other profit	0	-1		0			
<b>EBT</b>	<b>37</b>	<b>11</b>	<b>242.1%</b>	<b>97</b>	<b>-61.8%</b>	13.1%	
Corporate income tax	-5	-1		-20			
Minority of interest (MI)	0	0		0			
<b>NPAT-MI</b>	<b>32</b>	<b>9</b>	<b>238.6%</b>	<b>77</b>	<b>-58.6%</b>	<b>14.1%</b>	<b>23.2%</b>

Source: DRC, RongViet Securities

**Table 10: DRC's Q2-2025 Business analysis**

Criteria	Q2-2025	Q1-2024	+/-QoQ	Q2-2024	+/-YoY
<b>Profitability ratio</b>					
Gross margin	11.2%	11.1%	+15bps	20.1%	-889bps
EBIT/Net sales	2.6%	1.7%	+92bps	6.8%	-419bps
Net margin	2.3%	0.8%	+153bps	5.7%	-335bps
<b>Efficiency ratio (days)</b>					
- Days AR on hand	78	73		45	
- Day Inventory on hand	98	120		92	
- Day AP	81	86		58	
<b>Solvency ratio</b>					
Total liabilities/Total equity	134%	117%		96%	

Source: RongViet Securities



VND bn

INCOME STATEMENT	2023A	2024A	2025F	2026F
<b>Net revenue</b>	<b>4,495</b>	<b>4,673</b>	<b>5,299</b>	<b>5,500</b>
COGS	3,847	3,944	4,639	4,755
<b>Gross profit</b>	<b>649</b>	<b>729</b>	<b>660</b>	<b>745</b>
SG&A expense	340	430	479	497
Finance income	55	70	72	58
Finance expense	57	66	78	64
Other profit	0	-2	-2	-2
<b>EBT</b>	<b>307</b>	<b>302</b>	<b>173</b>	<b>242</b>
Corporate income tax	61	57	35	48
Minority of interest	0	0	0	0
<b>NPAT-MI</b>	<b>246</b>	<b>245</b>	<b>138</b>	<b>193</b>
EBIT	273	255	127	200

%

FINANCIAL RATIOS	2023A	2024A	2025F	2026F
<b>YoY growth (%)</b>				
Net sales	-8.2	4.0	13.4	3.8
EBIT	-20.3	-6.6	-50.2	57.7
NPAT-MI	-20.1	-0.7	-43.5	39.9
Total assets	-1.0	24.1	7.3	0.8
Total equity	-3.1	3.5	3.0	5.7
<b>Profitability ratios (%)</b>				
Gross margin	14.4	15.6	12.4	13.6
EBIT margin	6.1	5.5	2.4	3.6
Net margin	5.5	5.2	2.6	3.5
ROA	7.3	5.8	3.1	4.3
ROE	13.3	12.8	7.0	9.3
<b>Efficiency ratios (days)</b>				
Days AR on hands	37	54	70	65
Day Inventory on hands	112	138	120	120
Day AP	51	87	87	87
<b>Liquidity ratios (x)</b>				
Current	1.5	1.3	1.3	1.3
Quick	0.6	0.5	0.5	0.5
<b>Solvency ratios</b>				
Total liabilities/total equity	82.8	119.3	128.5	117.9
Total debt/Total equity	30.6	44.4	50.4	48.3
(%)Short-term debt/Total equity	30.5	43.1	43.7	41.9

VND bn

BALANCE SHEET	2023A	2024A	2025F	2026F
Cash & Equivalents	321	221	53	165
Short-term investment	134	45	45	45
Receivables	457	697	1,016	979
Inventories	1184	1,491	1,525	1,563
Other current assets	196	341	386	401
Tangible fixed assets	1044	1,344	1,410	1,317
Intangible fixed assets	1	1	1	1
Long-term investment	5	5	5	5
Other non-current assets	42	56	64	66
<b>Total assets</b>	<b>3,384</b>	<b>4,200</b>	<b>4,506</b>	<b>4,543</b>
Trade payables	537	946	1,110	1,137
Short-term debt	565	826	861	874
Short-term debt	25	133	133	0
Other liabilities	407	380	430	447
Bonus & welfare funds	69	69	69	69
Science and technology fund	0	0	0	0
<b>Total liabilities</b>	<b>1,533</b>	<b>2,285</b>	<b>2,534</b>	<b>2,458</b>
Paid-in capital	1,188	1,188	1,188	1,188
Treasury shares	0	0	0	0
Retained earnings	199	189	186	299
Other funds	21	21	81	81
Investment & development funds	443	517	517	517
<b>Total equity</b>	<b>1,851</b>	<b>1,915</b>	<b>1,972</b>	<b>2,085</b>
Minority of interest	0	0	0	0

VALUATION RATIOS	2023A	2024A	2025F	2026F
EPS (VND)	2,074	2,059	1,163	1,627
P/E (x)	12.8	13.9	15.5	11.1
BV (VND)	15,582	16,122	16,599	17,553
P/B (x)	1.7	1.8	1.1	1.0
DPS (VND)	1,800	1,200	1,192	673
Dividend yield (%)	8.7	4.5	4.2	3.7

VALUATION MODEL	Price	Contribution	Average
DCF	17,900	100%	17,900

**Target price (VND/share)** 100% 17,900

VALUATION HISTORY	PRICE	RECOMMENDATION	TIME
08/2025	18,600	NEUTRAL	1 year

## 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.

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## RESEARCH CENTER

### Lam Nguyen

#### Head of Research

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

### Tung Do

#### Deputy Head of Research

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

### Hung Le

#### Head of Market Strategy

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

### Lam Do

#### Manager

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

### 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

### Duong Tran

#### 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

### Lan Anh Tran

#### 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)

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## 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



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