

April, 2025

PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY (HSX: DCM)

The thrust from selling price is not strong enough

We value DCM shares using two methods: **discounted cash flow (DCF)** and **sum of the parts (SoTP)**, with equal weighting of 50:50. The results indicate that DCM's long-term fair price is 34,500 VND/share, which corresponds to the projected P/E ratios of 12.6x for 2025 and 13.1x for 2026. **By adding a cash dividend of 2,000 VND/share**, the total expected profit is set to reach 17%.

- DCM is the second largest urea fertilizer company in Vietnam, with an average market share of 26-30% nationwide and dominating the Mekong Delta region with a market share of 60-65%.
- DCM's growth is centered on its branding strategy and product promotion to boost consumption, especially when domestic demand for urea and NPK fertilizers saturates and supply exceeds demand.
- The selling price of urea fertilizer fluctuates mainly due to gas costs, especially when fertilizer products are linked to national food security. Therefore, NPAT-MI is projected to rise slightly by 2%/year, growing from VND 1,420 billion in 2024 to VND 1,572 billion in 2029, as the selling price becomes challenging to increase.
- Gross profit margin is projected to reach 20.6% in 2025 (+190 bps YoY) and stabilize at 20.4% for 2026 - 2029, thanks to the VAT Law No. 48/2024/QH15 in 2H2025 and the expectation that gas costs will decrease more rapidly than fertilizer selling prices. After 2028, the gross margin is expected to gradually decline as the supply of inexpensive gas decreases.
- The NPK fertilizer segment is expected to grow at a CAGR of 8% for 2024-2029 because of exporting and gaining market share from competitors with single-grain NPK products.
- DCM's loan ratio remains safe when the loan capital structure is low, with short-term loans. The proportion of debt is expected to decrease gradually as businesses use profits to pay off loans.

Additionally, stock movements strongly correlate with global fertilizer prices, implying that fluctuations in fertilizer prices can have a short-term impact on stock prices.

Risks

- *Selling prices increased due to rising global fertilizer costs linked to high gas prices, geopolitical risks, and tariffs. They decreased with the return of China's fertilizer exports and a rapid fall in global fertilizer prices as gas prices fell rapidly.*
- *Input gas prices rose due to the use of expensive gas sources, impacting the gross margin.*

Key financial ratios

Y/E Dec (VND billion)	FY2022	FY2023	FY2024	FY2025F	FY2026F	FY2027F
Net revenue	15,925	12,571	13,456	13,535	13,358	13,715
YoY (%)	61%	-21%	7%	1%	-1%	3%
EBITDA	5,718	1,767	1,770	1,920	1,886	1,930
NPAT-MI	4,316	1,109	1,420	1,449	1,398	1,442
YoY (%)	137%	-74%	28%	2%	-4%	3%
NPAT-MI margin (%)	27%	9%	11%	11%	10%	11%
ROA (%)	30%	7%	9%	10%	10%	10%
ROE (%)	41%	11%	14%	14%	14%	14%
Basic EPS (VND)	8,153	2,095	2,682	2,737	2,641	2,723
Book value (VND)	19,978	18,768	19,162	19,245	19,075	19,306
Cash dividend (VND)	1,800	3,000	2,000	2,000	2,000	2,000
P/E (x)	3.4	18.0	15.6	11.3	11.7	11.4
P/BV (x)	1.33	1.73	1.87	1.6	1.6	1.6

Source: DCM, RongViet Securities. Based on the closing price on 15/04/2025.

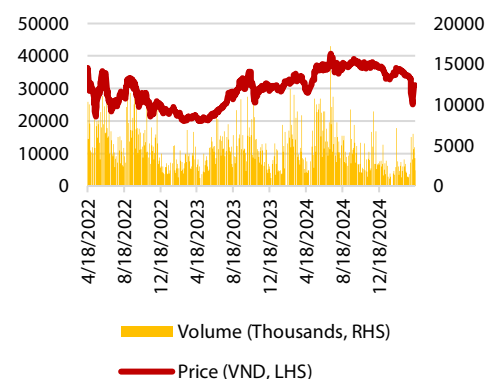
ACCUMULATE

Market price (VND)	31,000
Target price (VND)	34,500

Expected cash dividend in 1 year (VND)	2,000
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Stock info

Sector	Fertilizers
Market Cap (VND Bn)	16,411
Share O/S (Mn)	529
Beta	0.92
Free Float (%)	70
52 weeks high	41,800
52 weeks low	24,750
Average trading volume (20 sessions)	468,555



Performance (%)

	3M	1Y	2Y
DCM	-8.0	4.5	47.4
VN30 Index	-0.8	7.6	22.3
VN-Index	-2.6	2.0	15.5

Major shareholders (%)

Petro VietNam	76
Others	24
Remaining Foreign Room (%)	70

Hien Le

(084) 028 - 6299 2006 -Ext: 1524

hien.ln@vdsc.com.vn

VALUATION

LONG-TERM VALUATION BY FCFF METHOD

DCF assumptions	Value	Valuation summary	Unit: VND bn
WACC 2025	13.37%	DCF forecast duration	5 years
Effective rate tax	9.0%	Discountable Free Cash Flow	11,953
Cost of equity	14.0%	+ Cash & Equiv at Valuation Date	8,388
Risk-free rate	5.0%	- Debt	(950)
Equity risk premium	9.0%	Equity value	19,391
Beta	1	No. of share outstanding (million shares)	529
Exit EV/EBITDA	5.46	Equity Value per Share (VND)	36,628

Source: RongViet Securities

Table 1: Sensitivity analysis of DCM's equity value per share (VND)

WACC	Exit EV/EBITDA					
		3.46	4.46	5.46	6.46	7.46
	9.4%	34,811	37,365	39,918	42,472	45,026
	11.4%	33,509	35,852	38,195	40,538	42,882
	13.4%	32,321	34,475	36,628	38,782	40,935
	15.4%	31,237	33,219	35,201	37,183	39,165
	17.4%	30,245	32,072	33,898	35,725	37,552

Source: RongViet Securities

Table 2: DCM's target EV/EBITDA

	Target EV/EBITDA	Segment ratio/total profit	Target EV/EBITDA
Urea Fertilizer	5.0	69.5%	3.48
NPK Fertilizer	7.1	22.0%	1.56
Others	5.0	8.5%	0.42

Target total EV/EBITDA

5.46

We set the target EV/EBITDA using the 5-year average EV/EBITDA of companies operating globally and the EV/EBITDA index of M&A involving companies that acquire 20% or more shares, as mentioned in the [Analyst Pinboard "Fertilizer Industry – A perspective on famous merges in the Fertilizer Industry" dated 19/02/2025](#)

The reason is that we find the average EV/EBITDA of business enterprises from 2020 to 2024 does not fully reflect their fair value. Therefore, we add the EV/EBITDA of mergers and acquisitions for target EV/EBITDA.

Table 3: Target EV/EBITDA table of the urea fertilizer segment

	2020	2021	2022	2023	2024	Average 2020-2024
CF Industries Holdings	9.0	7.3	3.2	5.8	6.7	6.4
DPM Vietnam	3.6	1.3	9.5	4.2	8.4	5.4
DCM Vietnam	4.8	0.9	4.2	3.1	8.8	4.4
China XLX Fertiliser	7.6	4.8	4.3	4.3	4.6	5.1
Average						5.3
Average by M&A deal						4.6
Target EV/EBITDA						5.0

Source: RongViet Securities

Table 4: Target EV/EBITDA table of NPK fertilizer segment

	2020	2021	2022	2023	2024	Average 2020-2024
Nutrient Ltd	13.1	7.8	3.7	7.9	7.5	8.0
ICL Group	13.2	8.9	3.0	5.3	6.2	7.3
Yara International ASA	6.7	8.2	3.0	8.8	6.1	6.5
BFC VN Equity	5.2	6.1	5.8	5.7	4.0	5.4
Average						6.8
Average by M&A deal						7.5
Target EV/EBITDA (average)						7.1

Source: RongViet Securities

SHORT-TERM VALUATION BY SOTP METHOD

We apply the SoTP valuation method for DCM by evaluating its 2 main business activities using the P/E comparison method. The target price for DCM is summarized in the table below.

Table 5: Estimated Target Price of DCM over 2 Years

Target price	2025	2026	Target P/E
-Urea	20,832	20,808	11.8
-NPK	6,479	7,224	12.0
-Different	5,040	3,187	11.9
DCM target price (thousand VND/share)	32,351	31,218	
Projected P/E (times)	11.8	11.8	

Source: RongViet Securities

For each main activity, we apply the following comparison methods:

Urea Fertilizer segment

Table 6: Average P/E Ratio (x) of Industry Peers

P/E	2020	2021	2022	2023	2024	Average 2020-2024
CF Industries Holdings (USA)	32.26	11.11	4.73	10.03	13.31	14.29
China BlueChemical	4.8	4.2	3.7	3.9	7.26	4.77
DPM Vietnam	12.25	6.45	3.16	32.33	23.06	15.45
DCM Vietnam	13.77	11.94	3.44	18.03	15.57	12.55
Average	16.03	8.21	3.55	16.09	13.71	11.77

Source: Bloomberg, Rong Viet Securities

Table 7: Sensitivity Table for Earning per Share and P/E of Urea segment

EPS (VND)	P/E						
			9.8	10.8	11.8	12.8	13.8
	2025	1,923	18,776	20,699	22,622	24,544	26,467
	2026	1,846	18,031	19,877	21,723	23,570	25,416
	2027	1,910	18,653	20,563	22,473	24,383	26,293
	2028	2,043	19,952	21,995	24,038	26,081	28,124
	2029	2,065	20,165	22,230	24,295	26,360	28,425

Source: RongViet Securities

NPK Fertilizer Segment

Table 8: Average P/E index (times) of companies doing business in the same NPK sub-industry

P/E	2020	2021	2022	2023	2024	Average 2020-2024
Nutrient Ltd	28.3	12.7	5.6	13.8	16.4	15.37
ICL Group		15.8	4.3	10.1	15.4	11.42
Yara International ASA	11.6	22.7	3.5			12.60
BFC VN Equity	8.3	9.5	7.3	10.6	7.1	8.56
Average	16.07	15.18	5.16	11.50	13.01	11.99

Source: Bloomberg, RongViet Securities

Table 9: Sensitivity Table for Earning per Share and P/E of NPK segment

EPS (VND)	P/E						
			10.0	11.0	12.0x	13.0	14.0
	2025	521	5,203	5,724	6,245	6,765	7,286
	2026	537	5,359	5,896	6,433	6,970	7,506
	2027	553	5,523	6,076	6,629	7,182	7,735
	2028	629	6,281	6,910	7,539	8,168	8,797
	2029	652	6,514	7,167	7,819	8,471	9,124

Source: RongViet Securities

For both the trading segment and other sectors, we assign a target P/E equal to the average P/E of the urea and NPK fertilizer segments, which is 11.8 times.

Summing up the two methods in a 50:50 ratio, the target price for the next year is projected at VND34,500 per share, corresponding to the estimated P/Es of 12.6x and 13.1x for 2025 and 2026, respectively. Investors can rely on our sensitivity analysis to make investment decisions in line with their risk tolerance appetite.

We would like to note that our analysis is based on the assumption that fertilizer prices will fluctuate slightly if the US-Russia situation is stable and global gas prices are expected to decrease gradually. If this material assumption develops differently from our expectations, DCM's business performance will increase significantly in the short term.

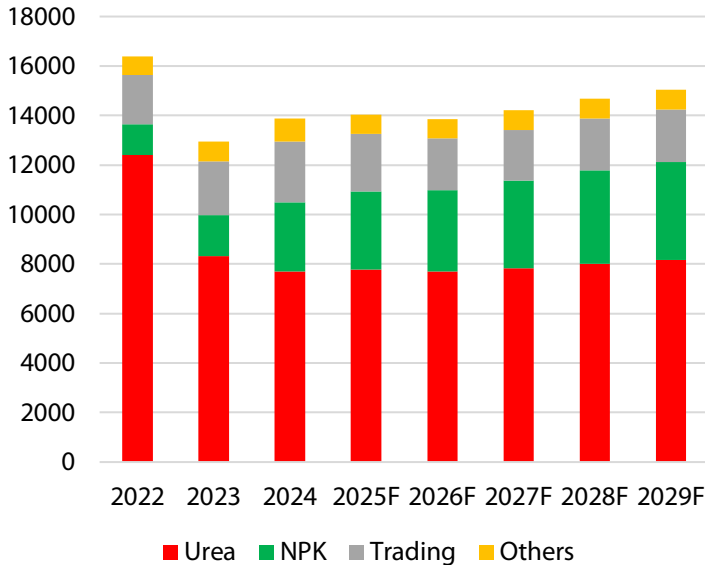
We note the key aspects of DCM's stock, which support our valuation as follows:

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A. FINANCIAL ANALYSIS & FORECAST FOR 2025-2029 ([return to page 5](#))

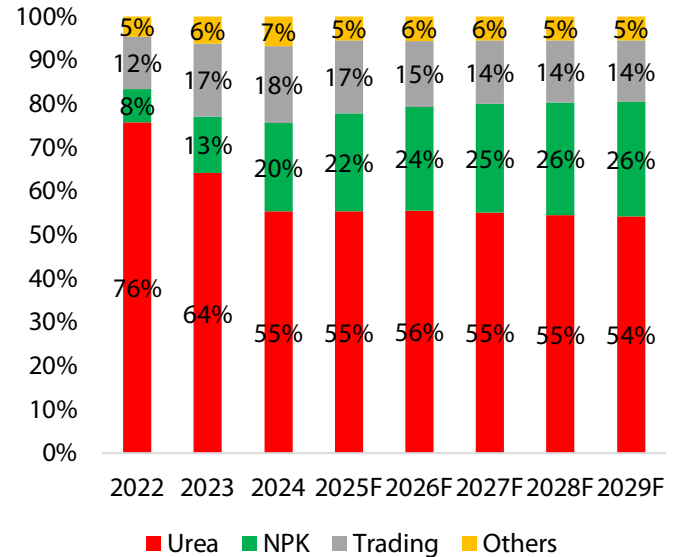
Revenue: We forecast that DCM's total revenue to increase from VND 13,455 billion in 2024 to VND 15,750 billion in 2029, representing a growth rate of 3% per year for 2024 - 2029, mainly driven by the fertilizer segment.

Figure 1: DCM's net revenue (VND bn)



Source: DCM, RongViet Securities

Figure 2: Revenue contribution by business activities



Source: DCM, RongViet Securities

Fertilizer segment: remains the largest revenue contributor for many years. The fertilizer segment's revenue is expected to grow at a CAGR of 3% during the 2024-2029 period, driven by an 8% annual increase in NPK fertilizer revenue due to single-grain NPK products. Meanwhile, the urea fertilizer segment is projected to grow slightly at 2% per year, supported by exports and changes in inputs to record revenue after the VAT law is passed in July 2025. ([page 27](#)).

1/ Urea fertilizer segment

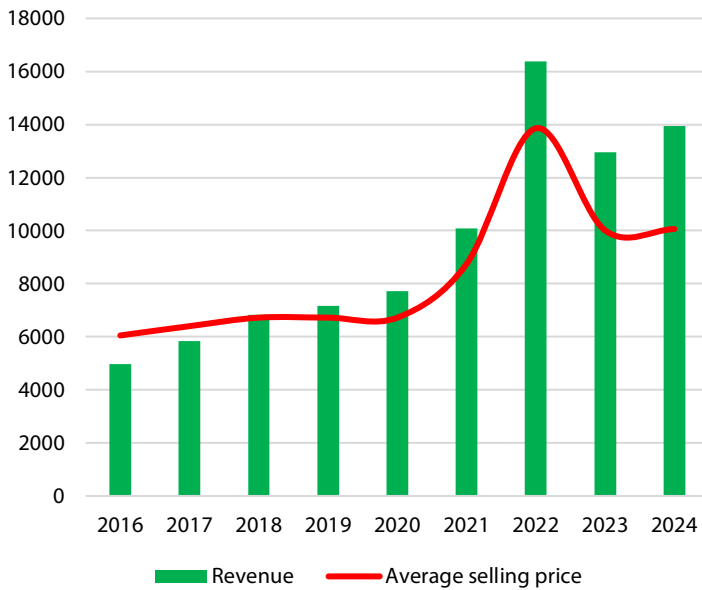
Developments from 2016 to 2024

From 2016 to 2024, revenue in this segment has experienced significant fluctuations due to changes in selling prices, while the consumption volume averages 821,000 tons/year, exceeding the design capacity of 800,000 tons/year. Specifically, as follows:

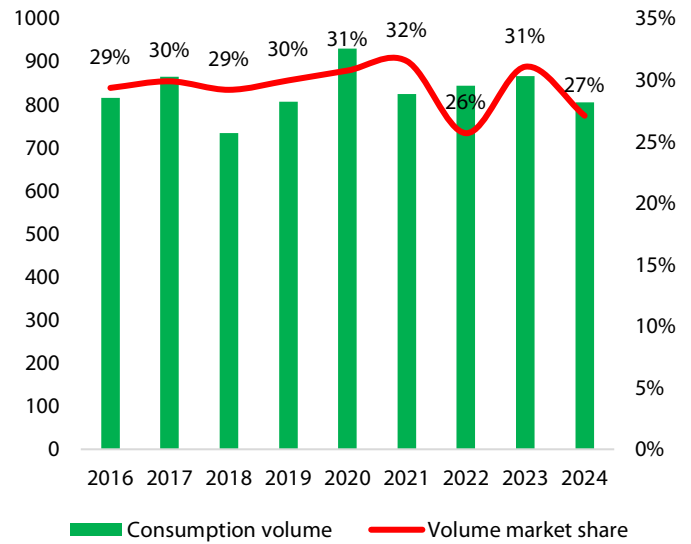
For 2016-2020, DCM's average selling price increased by 3% annually, from 6,000 VND/kg in 2016.

For 2021-2022, revenue peaked with a sudden increase in selling prices. In 2021, DCM's selling price surged sharply by 30% YoY to 8,7 thousand VND/kg and continued to rise by 58% YoY in 2022, reaching an average selling price of 13.8 thousand VND/kg. In 1H2022, the selling price hit a record level of 17,000 VND/kg, primarily due to a significant rise in global fertilizer prices amidst escalating gas prices due to the Russia-Ukraine conflict tensions (Figure 4). ([page 24](#)).

For 2023-2024, the average selling price has decreased to 10,000 VND/kg after the rapid increase has caused a decline in revenue.

Figure 3: DCM's net revenue (Billion VND) and average selling price


Source: DCM, RongViet Securities

Figure 4: DCM's consumption volume and consumption market share


Source: DCM, RongViet Securities

Developments from 2024 to 2029

Urea fertilizer output increases due to exports

Consumption is estimated to grow by 2.3% per year, driven by a compound increase in export volume of 2.6%/year, while domestic consumption is expected to increase slightly by 2.1%/year.

- Export volume increased due to the export market share of the total domestic export volume, primarily driven by the main market of Cambodia and strategic partners in South Korea. The export market share is projected to rise by 50 basis points per year, from 18% (2024) to 20% (2029), which is lower than the average of 23% for 2019 – 2023.
- For the domestic market, consumption is expected to grow thanks to two main factors:
 - The domestic market share will increase by 0.2 ppts per year, from 27.1% in 2024 to 28.1% in 2029 ([figure 5.6](#)) and still lower than the average of 29.4% in 2021–2023;
 - Domestic fertilizer consumption is expected to grow at a compound annual growth of 1.47% according to the forecast of the World Fertilizer Association (IFA) ([page 22](#)).

DCM production is expected to peak at around 864,000 tons by 2029, lower than the peaks in 2020 and 2023 but still above 100% of current capacity. If the company plans to increase its total production capacity to 125% by 2029, this consumption will be equivalent to 86% of the new capacity.

Urea fertilizer selling price is expected to remain stable in 2025

The average selling price in 2025 is expected to increase slightly by 1%YoY to 10,100 VND/kg, a change compared to the previous forecast of a decrease of 2% according to the global fertilizer price trend in the [Fertilizer Industry Report on January 23, 2025](#), due to:

- The average selling price in the first 2 months of 2025 has increased by 5%YoY.
- The USD/VND exchange rate in 2025 is projected to rise by 2% per year, increasing input costs (gas prices) and compelling businesses to adjust their selling prices to offset costs.
- Assume that the selling price under the VAT law is not expected to increase in line with the output VAT.

For 2026–2029, The selling price of urea will remain stable at 10,000 VND/kg instead of decreasing slowly in line with the general global trend. This is due to a certain lag between the selling price in Vietnam and the world price, as input costs are expected to gradually increase. Moreover, businesses are choosing to

adopt a strategy of increasing promotions rather than lowering selling prices. Input gas costs remain higher than that of the world, due to:

- Brent oil prices are expected to decline more slowly than TTF gas prices (input gas materials of world enterprises) for 2026-2029.
- PVN's supply of low-cost gas from the Petronas field is gradually decreasing, and businesses may need to rely on gas from the Block B – O Mon field starting in 2029 at a higher price of 12-14 USD/mmBtu. Furthermore, the USD/VND exchange rate is projected to increase by a compound rate of 0.5% per year, which will put pressure on gas costs when converted into VND.

2/ NPK fertilizer plate

For 2021-2024

- NPK consumption increased sharply from 38 thousand tons (2021) to 240 thousand tons (2024) (including output from KVF plant).
- The selling price of NPK is expected to rise from 10,400 VND/kg to 10,500 VND/kg in 2024, reflecting fluctuations based on the price of urea fertilizer.

For 2025-2029

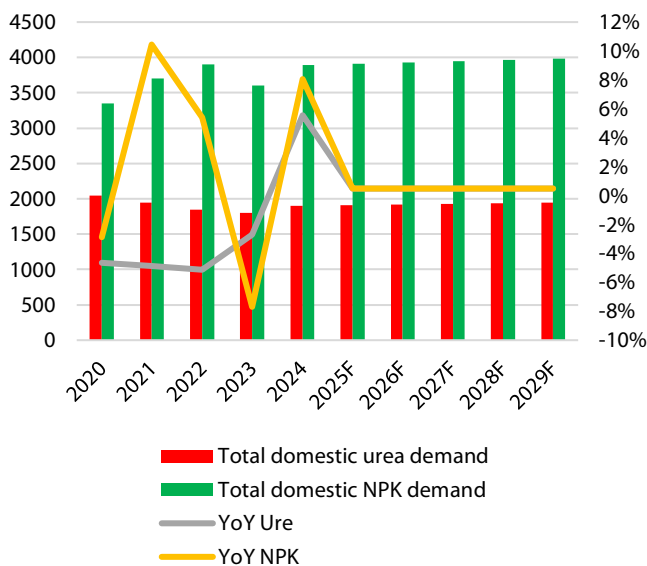
NPK consumption is projected to grow by an average of 8.4% per year, reaching 401 thousand tons by 2029. The selling price of NPK is expected to continue fluctuating in line with the price of urea fertilizer.

- The total consumption of domestic NPK fertilizers is expected to increase by a compound rate of 1.47%/year, which is in line with the IFA's forecast, [\(page 22\)](#).
- DCM's NPK market share is projected to rise from 6.2% in 2024 to 8.1% in 2029, particularly due to single-grain NPK products. Currently, DCM holds 10% of the single-grain NPK market, with this product representing 30% of the market share in the Western region and 70% of the market share in the Central region.
- Viet Han Factory (KVF) is expected to significantly boost the consumption of single-grain NPKK.

However, expanding market share in the NPK segment faces various challenges due to signs of saturation in domestic consumption demand, which is growing slowly. To sustain growth momentum, DCM may need to enhance promotional activities, resulting in higher selling costs and increasing pressure on profit margins.

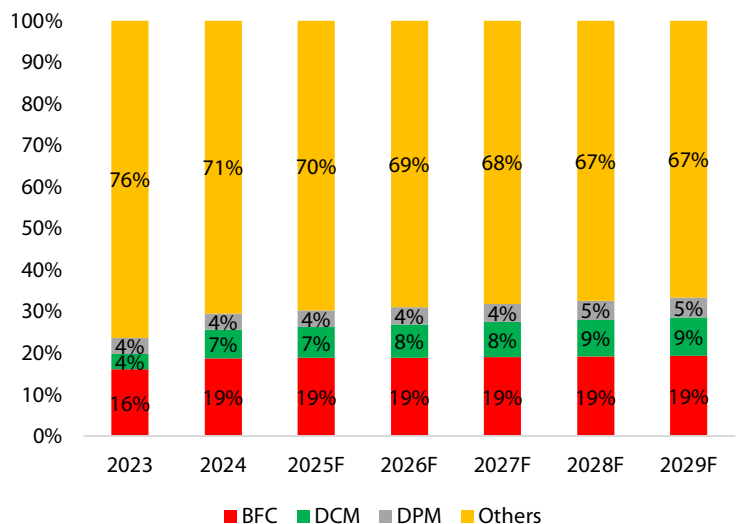
Regarding NPK exports, we anticipate achieving a CAGR of 5% for 2025 - 2029 through collaboration with strategic partners in South Korea to sustain an export market share of 13.8% while meeting the demand for NPK fertilizers in Cambodia.

Figure 5: Total domestic consumption of NPK and urea fertilizers estimated over the years



Source: DCM, RongViet Securities

Figure 6: Forecast of NPK fertilizer consumption market share over the years



Source: DCM, RongViet Securities

Table 10: Key projections

	2021	2022	2023	2024	2025F	2026F	2027F	2028F	2029F	CAGR 2024- 2029F
Domestic Urea fertilizer selling price (VND/kg)	8,746	13,859	10,008	10,065	10,166	10,063	10,025	10,001	10,001	-0.1%
Yoy		58.5%	-27.8%	0.6%	1.0%	-1%	-0.4%	-0.2%	0.0%	
Export price of urea fertilizer (VND/kg)	9,096	15,763	8,847	8,690	8,777	8,689	8,656	8,636	8,636	-0.1%
Yoy		73.3%	-43.9%	-1.8%	1.0%	-1.0%	-0.4%	-0.2%	0.0%	
Selling price of NPK fertilizer (VND/kg)	10,185	14,406	12,168	10,418	10,522	10,416	10,377	10,352	10,352	-0.1%
Yoy		41%	-16%	-14%	1%	-1%	0%	0%	0%	
Selling price of Trading segment (VND/kg)			11,828	9,480	8,645	7,774	7,508	7,508	7,508	-4.6%
Yoy				-20%	-9%	-10%	-3%	0%	0%	
Urea manure consumption (thousand tons)	824	844	866	805	824	844	864	884	902	2.3%
Yoy		2.4%	2.6%	-7.1%	2.4%	2.4%	2.4%	2.3%	2.0%	
Domestic urea fertilizer production (thousand tons)	615	475	559	515	526	538	550	562	571	2.1%
Yoy		-22.8%	17.8%	-8.0%	2.2%	2.2%	2.2%	2.2%	1.7%	
Domestic Urea Market Share	31.5%	25.7%	31.1%	27.1%	27.3%	27.5%	27.7%	27.9%	28.1%	
Export Urea Fertilizer Output (thousand tons)	209	369	307	290	298	306	314	322	330	2.6%
Yoy		76.6%	-16.9%	-5.5%	2.8%	2.7%	2.6%	2.6%	2.5%	
Urea Export Market Share	16%	30.1%	22.3%	17.9%	18.4%	18.9%	19.4%	19.9%	20.4%	
Total Capacity	800	800	800	800	800	800	800	800	1,000	
Consumption/ total capacity	103%	106%	108%	101%	103.0%	105.5%	108.0%	110.5%	90.2%	
Total NPK fertilizer consumption (thousand tons)	38	87	138	268	307	332	358	384	401	8.4%
Yoy		126.6%	58.3%	94.9%	14.3%	8.2%	7.8%	7.4%	4.4%	
Domestic NPK fertilizer output (thousand tons)	38	85	134	254	292	316	341	367	383	8.5%
Yoy			57.1%	89.9%	14.8%	8.3%	7.9%	7.5%	4.4%	
Domestic NPK market share	1.0%	2.2%	3.7%	6.9%	7.4%	7.9%	8.4%	8.9%	9.2%	
Export NPK fertilizer output (thousand tons)		2	4	14	15	15	16	17	18	5.0%
Yoy			116.1%	270.8%	5.0%	5.0%	5.0%	5.0%	5.0%	
Export NPK Market Share		1.2%	4.1%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	
Capacity of Ca Mau NPK plant	300	300	300	660	660	660	660	660	660	
Viet Han factory capacity	300	300	300	300	300	300	300	300	300	
Output of Ca Mau NPK factory	38	87	138	176	196	203	211	219	218	4.4%
Output of NPK Viet Han Plant	-	-	-	93	111	129	147	165	183	14.5%
Consumption/ total capacity of Ca Mau NPK	12.8%	29.0%	45.9%	58.6%	65.4%	67.7%	70.3%	73.1%	72.8%	
Consumption/ total capacity of NPK Viet Han	-	-	-	25.7%	30.7%	35.7%	40.7%	45.7%	50.7%	
Trading volume (thousand tons)			183	257	278	283	287	292	297	2.9%
Yoy			0%	40%	8%	2%	2%	2%	2%	
Input gas price (USD/mmbtu)	6.7	8.6	9.5	9.6	9.2	9.1	9.1	9.0	9.0	-1.2%
Yoy		28%	10%	1%	-4%	-1%	1%	-1%	0%	
Brent oil price (USD/barrel)				80	74	72	73	71	71	-2.4%
Yoy					-8%	-2%	1%	-3%	0%	
TTF gas price (EUR/MWh)				48	39	30	28	28	28	-10.3%
Yoy					-19%	-22%	-8%	0%	0%	
World Urea selling prices are expected to increase/decrease					-9%	-10%	-3%	0%	0%	

Source: DCM, Bloomberg, RongViet Securities estimates

Trading segment: Revenue is expected to grow by an average of 3%/year for 2024-2029, lower than the strong growth of 14%/year for 2020-2024. Revenue is expected to grow mainly due to production while selling prices fluctuate according to TTF gas prices.

Other business activities: Revenue from aquaculture consulting services is expected to remain stable at 10% of total revenue, which is in line with the average for 2021-2024.

Gross profit margin: expected to rise from 17.7% (2024) to a peak of 20.3% (2028) before falling to 20.2% (2029) due to the gradual decline in low cost gas sources. The improvement for 2025-2027 mainly comes from:

- The application of VAT in 2H2025 will help increase the annual gross margin by 3%, assuming unchanged sales prices and output, due to the change in the accounting of revenue and expenses (Page 27).
- Gas input costs have been gradually decreasing, following the downward trend in Brent oil prices, according to Bloomberg Contributor Composite estimates.

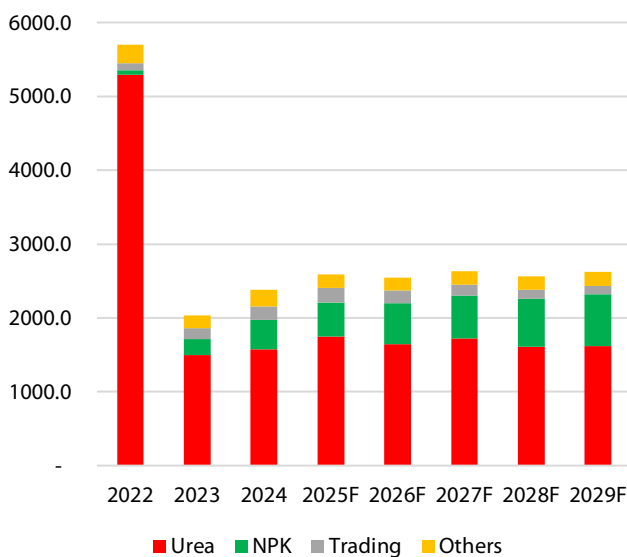
From 2028, DCM' margin could come under pressure if it does not raise selling prices due to reduced production of low-cost gas from PM3-CAA fields, caused by diminished pore pressure.

- The PM3-CAA field contains a total reserve of 52.3 billion m³ of gas, out of which 27 billion m³ has been exploited as of 2023. While reserves still exist, output may gradually decline in the coming years.
- If there is a shortage of affordable gas, DCM may need to utilize gas from Block B – O Mon. which has a higher price of 12-14 USD/mmBtu, compared to the current gas price of about 8-10 USD/mmBtu.

For each activity, we expect the following volatility:

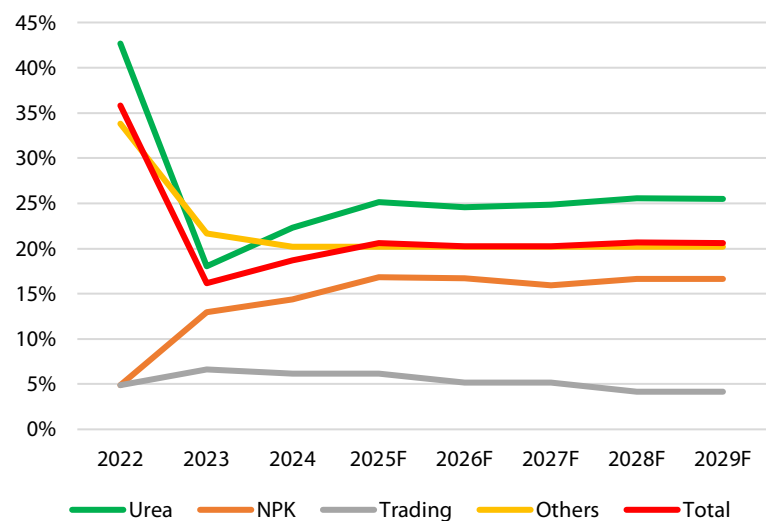
- Urea fertilizer: gross profit margin is expected to increase by 23.7% (2025) and remain stable at 23% in the following years.
- NPK: Gross profit margin is expected to reach 17.5% (2025) and stabilize at 17% for 2026-2029.
- Trading activity: Gross profit margin is expected to reach 7% (2025) but gradually decrease to 4% (2029), similar to DPM's development.

Figure 7: Gross profit of DCM (Billion VND)



Source: DCM, RongViet Securities. Note: All historical/projected gross profit of each business activities is our estimate/assumption, not from DCM's source.

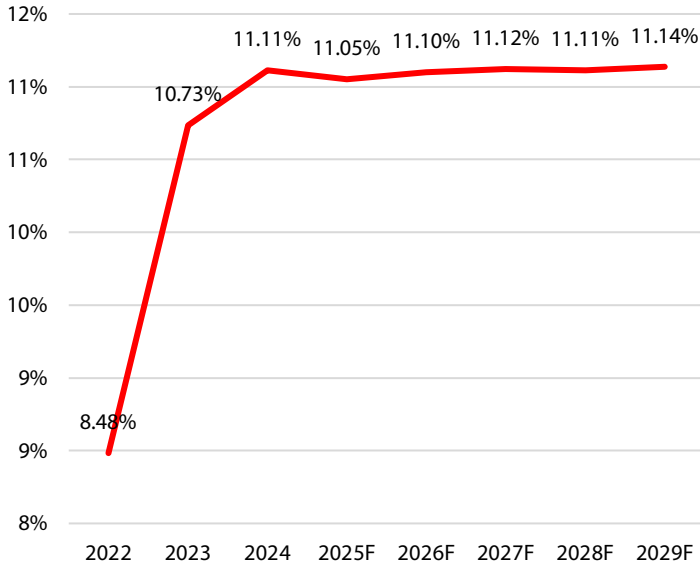
Figure 8: Gross profit margin of DCM's business segments (%)



Source: DCM, RongViet Securities

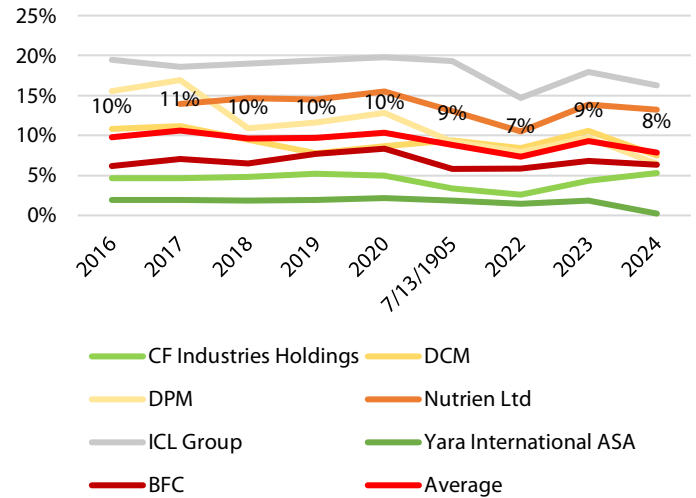
SG&A expenses: We expect the insurance and management costs/revenue ratio to rise from 11.05% in 2025 to 11.14% in 2029 due to (1) the need for companies to increase advertising to boost market share in a saturated domestic market and competitive foreign market, (2) nment with global fertilizer market trends, (3) slowing revenue growth, and (4) changes in VAT accounting.

Figure 9: SG&A expenses/Net Revenue (%)



Source: DCM, RongViet Securities

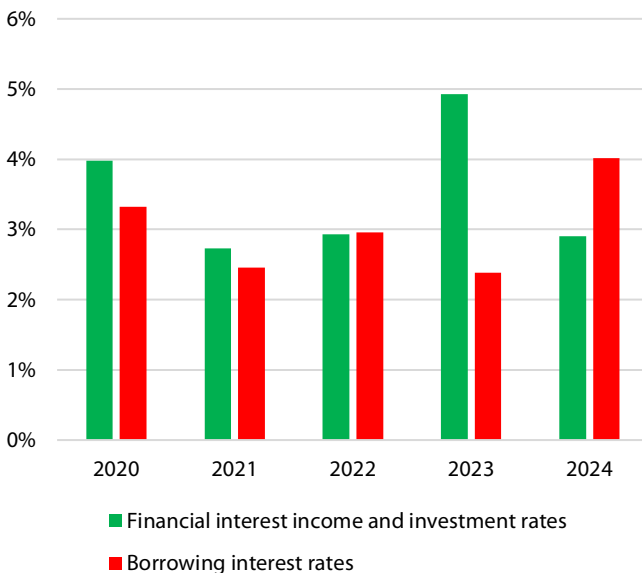
Figure 10: SG&A expenses/Net revenue of enterprises in the same industry



Source: DCM, RongViet Securities

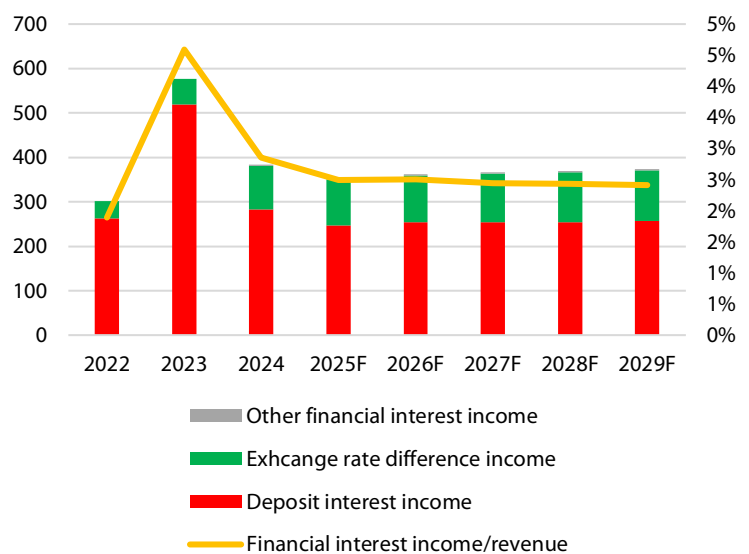
Revenue and financial expenses: We expect the business's financial profit to increase gradually due to its consistently high ratio of cash and cash equivalents as well as financial investments. Additionally, the company is able to mobilize low-cost capital through its activities in preferential loans and its large size. The ratio of cash and cash equivalents to short-term financial investments/assets has been maintained at 60%.

Figure 11: DCM's investment yield and interest (%)



Source: DCM, RongViet Securities

Figure 12: Financial profit and financial return/revenue ratio

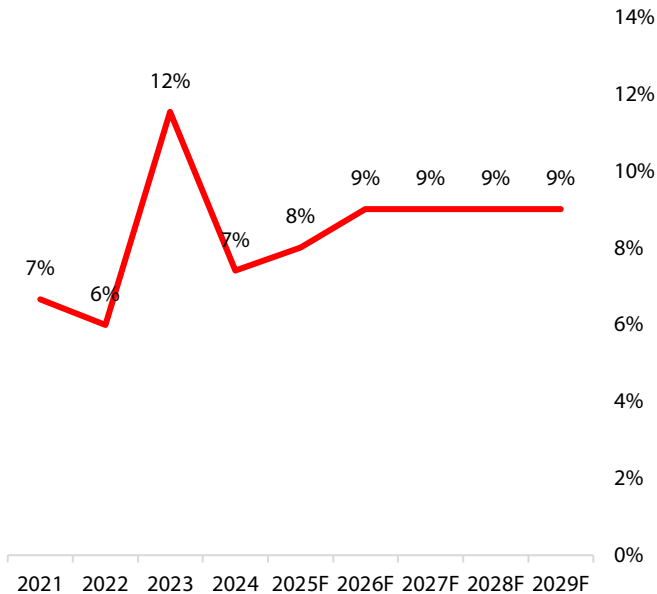


Source: DCM, RongViet Securities

Net profit: Net profit grew by 5%/year to VND 1,572 billion in 2029 due to the net profit margin is expected to remain stable at an average of 10% for 2025-2029 as the gradually increasing ratio of SG&A expenses/revenue for 2025-2029 will offset the gradual increase in gross margin.

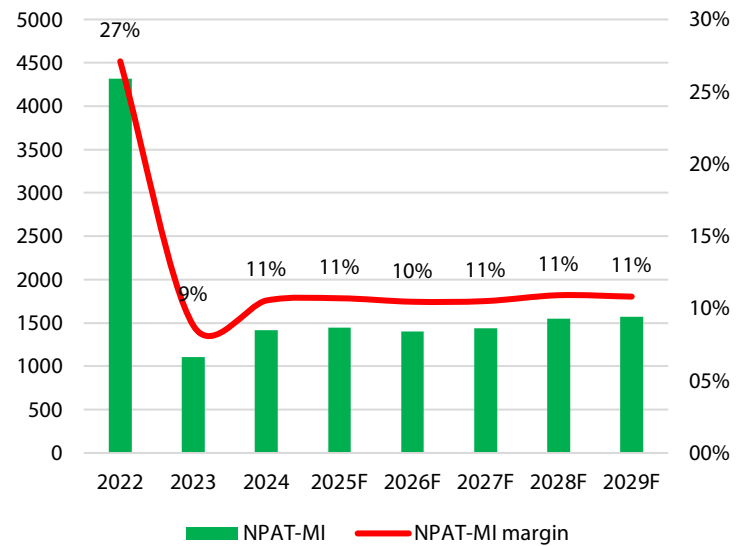
In addition, we see that the corporate income tax (CIT) rate will reach 9% in 2025 and stabilize for 2026-2029 because KVF is expected to be profitable and subject to a 10% tax in 2025.

Figure 13: Annual Corporate income tax rate (%)



Source: DCM, RongViet Securities

Figure 14: Net income (billion VND, left) & Net margin (%), right)



Source: DCM, RongViet Securities

Property Highlights

Working capital:

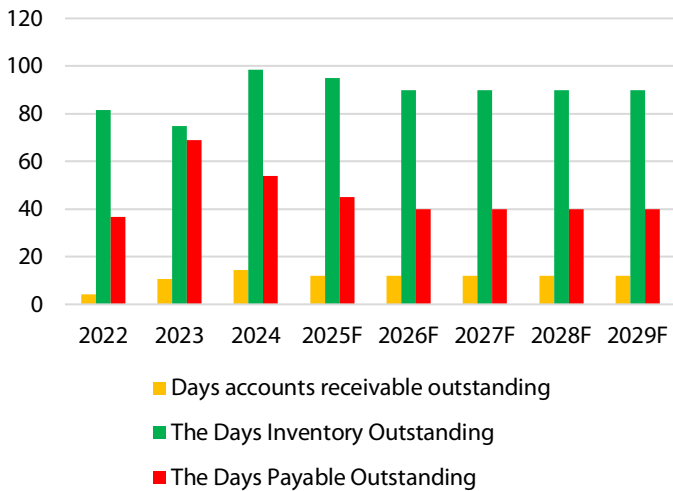
For inventory turnover for 2025-2029, We expect it to gradually decrease from 97 days in 2024 to 90 days in 2028 due to a slight increase in consumption demand over the years. This will help the inventory turnover return to the industry average of 79 days, which is equivalent to the average of the NPK fertilizer segment at 157 days and the urea fertilizer segment at 79 days).

For receivable turnover, We expect it to remain at 12 days for 2025-2029, consistent with 2024 and the industry average. We noticed that businesses often sell to agents, and the company no longer applies the policy of extending the debt collection for 2016-2019.

For payable turnover, we expect it to gradually increase from 54 days in 2024 to 40 in 2029 which is in line with the trend of the industry average.

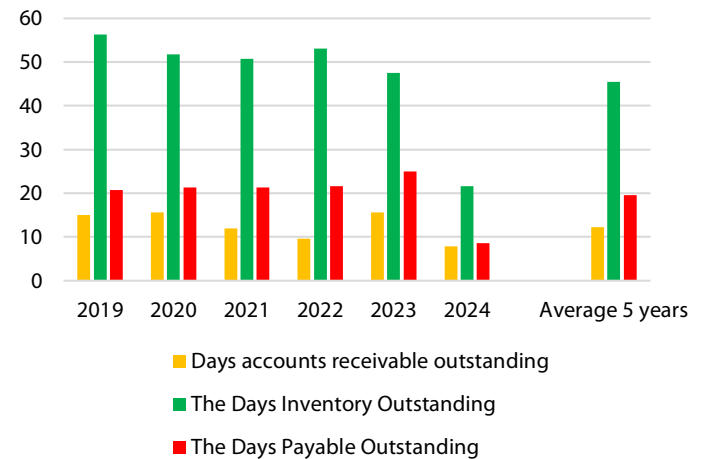
The industry average working capital index refer to this page ([page 22](#))

Figure 15: Efficiency ratio forecast (day, left)



Source: DCM, RongViet Securities

Figure 16: Average working capital ratio for companies in the same industry



Source: DCM, RongViet Securities

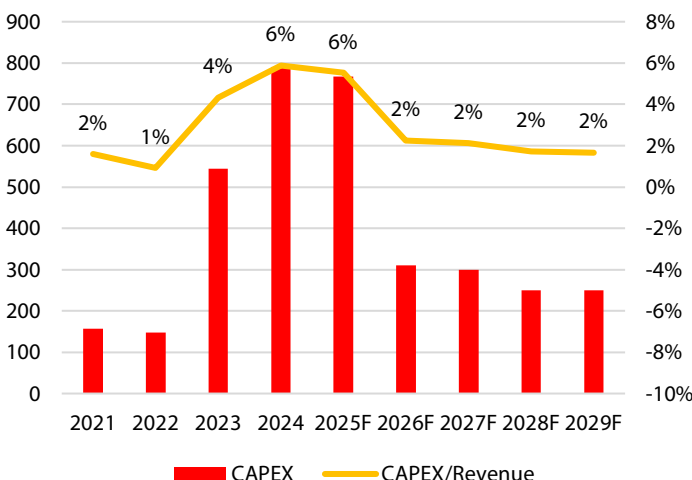
Fixed asset investment: DCM's expected investment in 2025 is VND 771 billion with a loan capital of VND 376 billion, mainly include:

- The food CO₂ production project, expected to be completed in Q2 2025, aims to maximize the recovery of excess CO₂ from exhaust gases to enhance both urea production and food CO₂ production, with a total investment of VND 288 billion.
- The export cluster for the rain roof and export technology amounts to 216 billion VND, while the E8 road roof project costs 26 billion VND.
- The Ca Mau fertilizer factory at Binh Dinh will be implemented in Q4/2025, with an investment of VND 119.97 billion.

For 2025-2027, the company plans to invest VND 475 billion in the technology transfer research and application center.

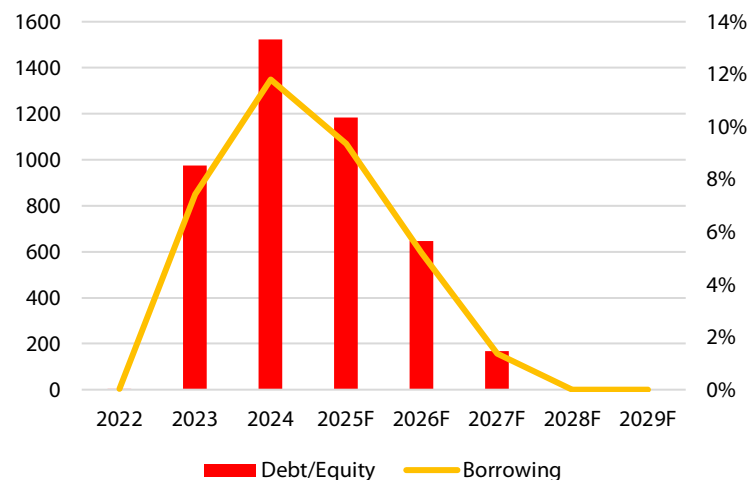
We expect the business to gradually reduce investment costs each year from VND 771 billion in 2025 to VND 310 billion in 2028. This investment in fixed asset costs will result in a decreasing ratio to revenue, falling from 5% to an average of 2% for 2026 – 2029. This level will be comparable to that of the period 2021-2022 because we anticipate that the fertilizer industry will enter a saturated state when output consistently remains below consumption.

Figure 17: Fixed asset expenditure forecast



Source: DCM, RongViet Securities

Figure 18: Total debt and loan ratio (Billion VND, %)



Source: DCM, RongViet Securities

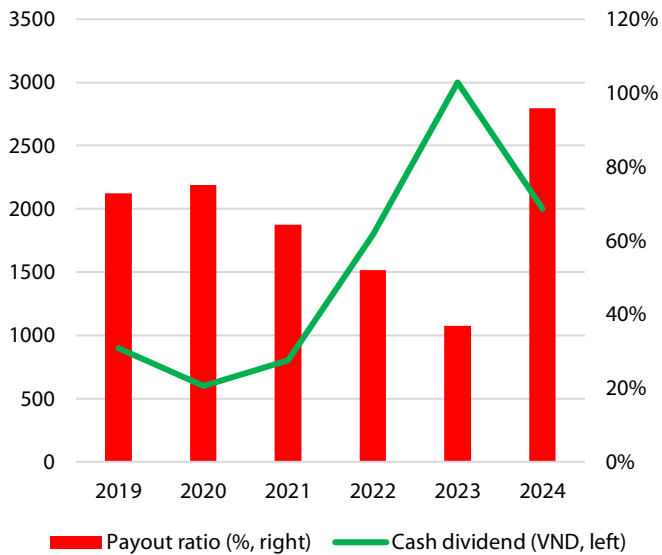
Liabilities: we expect that the company will have no debt by 2028 (Figure 14).

DCM primarily relies on short-term loans to finance working capital, while long-term loans over the past three years have been low, making up only 9% of the total loans. Furthermore, when the company performs well, it tends to repay its debts; for example, in 2022, DCM's total debt was almost eliminated. A gradual increase in profits, low working capital, and moderate demand for investment capital will assist in reducing debt levels and saving on interest costs for 2025-2029.

Cash dividend policy: DCM is a suitable choice for dividend investment when the dividend rate is around 6% per year, which exceeds the average bank deposit interest rate of 3- 5% per year. DCM typically maintains an average dividend payout ratio of 62% for 2018 – 2023. We expect DCM to pay dividends of 90% in 2025 and 100% for 2026 - 2029 when Decree No. 167/2024/ND-CP takes effect.

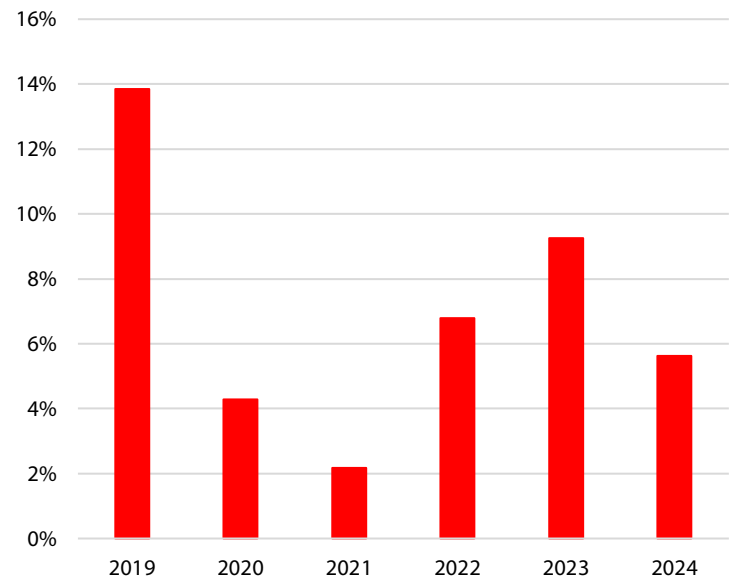
According to the above decree, state-owned enterprises holding more than 50% of charter capital must deduct all profits to distribute dividends (in cash or shares) after deducting a maximum of 30% of profits to the Development Investment Fund, 10% to the Welfare Reward Fund (usually 10%).

Figure 19: DCM's Cash dividend (VND)



Source: DCM, RongViet Securities

Figure 20: DCM's dividend yield (%)



Source: DCM, RongViet Securities

Table 11: DCM's Annual Income Statement

INCOME STATEMENT	2021	2022	2023	2024	2025F	2026F	2027F	2028F	2029F
Net sales	9,870	15,925	12,571	13,456	13,535	13,358	13,715	14,164	14,528
Cost of goods sold	7,089	10,221	10,539	10,942	10,751	10,653	10,940	11,240	11,535
Gross Profit	2,781	5,703	2,032	2,513	2,784	2,705	2,775	2,924	2,993
SG&A expenses	949	1,351	1,349	1,495	1,496	1,483	1,525	1,574	1,618
Other Operating Costs	26	50	17	32	32	18	19	19	20
EBITDA	3,215	5,718	1,767	1,770	1,920	1,886	1,930	2,038	2,068
Expenses not part of operating activities	3	12	2	1	1	1	1	1	1
Income not part of operating activities	4	15	25	200	25	25	25	25	25
Financial income	168	301	577	382	346	351	354	359	364
Financial expense	19	10	10	44	41	31	12	-	-
Profit before tax	1,956	4,596	1,255	1,522	1,585	1,547	1,597	1,713	1,742
Corporate tax expenses	130	275	145	94	127	139	144	154	157
Welfare Reward Fund	-	-	-	-	-	-	-	-	-
Minority shareholder benefits	3	5	1	8	9	10	11	12	13
Net Profit	1,823	4,316	1,109	1,420	1,449	1,398	1,442	1,546	1,572
Net Profit Margin	18.5%	27.1%	8.8%	10.6%	10.7%	10.5%	10.5%	10.9%	10.8%
Profit per CP (VND/CP)	3,444	8,153	2,095	2,682	2,737	2,641	2,723	2,921	2,969

Source: DCM, RongViet Securities

Table 12: DCM's annual balance sheet

BALANCE SHEET	2021	2022	2023	2024	2025F	2026F	2027F	2028F	2029F
ASSET									
Cash and cash equivalents	428	2,126	2,284	1,903	1,353	1,336	1,372	1,625	2,127
Short-term investment	4,362	6,812	8,242	7,039	7,039	7,039	7,039	7,039	7,039
Accounts receivable	187	188	366	529	445	439	451	466	478
Inventory	2,204	2,283	2,161	2,950	2,798	2,627	2,698	2,772	2,844
Other short-term assets	95	216	452	500	302	298	306	316	324
Short-term assets	7,276	11,624	13,504	12,921	11,937	11,739	11,865	12,217	12,812
Tangible fixed assets	3,472	2,240	1,688	2,547	2,680	2,396	2,090	1,729	1,367
Long-term investment	-	-	-	-	-	-	-	-	-
Intangible fixed assets	39	47	350	364	335	307	274	236	195
Other long-term assets	324	303	45	260	262	258	265	274	281
Long-term assets	3,796	2,543	1,733	2,807	3,277	2,961	2,628	2,240	1,843
Total assets	11,072	14,167	15,238	15,728	15,214	14,699	14,493	14,457	14,655
LIABILITIES									
Short-term debts	689	3	846	1,229	895	760	343	-	-
Account payable	795	1,028	1,989	1,612	1,325	1,167	1,199	1,232	1,264
Other payables	1,703	1,843	1,682	1,840	1,748	1,725	1,771	1,829	1,876
Short-term payables	3,187	2,874	4,517	4,681	3,968	3,653	3,313	3,061	3,140
Long-term debts	3	1	3	120	120	-	-	-	-
Other long-term payables	405	686	754	751	896	896	896	896	896
Non-current liabilities	407	687	757	871	1,016	896	896	896	896
Total liabilities	3,594	3,561	5,275	5,552	4,984	4,549	4,209	3,957	4,036
MINORITY BENEFITS									
Minority benefits	27	29	28	33	42	52	63	75	89
SHAREHOLDER'S EQUITY									
Preferred Shares	-	-	-	-	-	-	-	-	-
Common Stock	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294	5,294
Undistributed retained earnings	1,188	3,018	2,045	1,883	1,909	1,858	1,902	2,006	2,032
Other equity account	970	2,264	2,597	2,968	2,985	2,946	3,025	3,124	3,204
Total shareholder's equity	7,452	10,576	9,936	10,144	10,188	10,098	10,221	10,425	10,530
Total resources	11,072	14,167	15,238	15,729	15,214	14,699	14,493	14,457	14,655

Source: DCM, RongViet Securities

Table 13: Annual cash flow of DCM

	2021	2022	2023	2024	2025F	2026F	2027F	2028F	2029F
Net Profit	1,823	4,316	1,109	1,420	1,449	1,398	1,442	1,546	1,572
Plus:									
Depreciation of fixed assets	1,386	1,398	1,083	760	635	654	666	670	672
Allocation of intangible fixed assets	23	17	19	24	29	29	33	37	41
(Profit)/Asset liquidation loss	4	15	25	200	25	25	25	25	25
Profit and loss from associate company	-	-	-	-	-	-	-	-	-
Minority shareholder benefits	3	5	1	8	9	10	11	12	13
Operating cash flow	3,240	5,751	2,237	2,412	2,147	2,116	2,177	2,291	2,324
(increase)/decrease in operating cash	82	(1,698)	(159)	381	550	18	(36)	(45)	(36)
(increase)/decrease in account receivables	30	(1)	(178)	(163)	84	6	(12)	(15)	(12)
(increase)/decrease inventory	(1,370)	(78)	122	(790)	152	171	(71)	(74)	(73)
(increase)/decrease of other current assets	20	(121)	(236)	(48)	198	4	(8)	(10)	(8)
Increase/(decrease) account payables	86	234	961	(378)	(286)	(158)	31	33	32
Increase/(decrease) other current liabilities	1,047	141	(161)	158	(92)	(23)	46	58	47
(increase)/decrease in Operating working capital	(105)	(1,523)	349	(1,220)	55	0	(13)	(8)	(14)
(increase)/decrease in other long-term assets	(301)	21	258	(215)	(2)	3	(7)	(9)	(7)
Increase/(decrease) other long-term payables	201	281	68	(3)	145	-	-	-	-
Net cash flow from operations	3,034	4,531	2,912	974	2,345	2,119	2,157	2,274	2,303
Fixed asset investment expenditures	(157)	(147)	(544)	(791)	(768)	(370)	(360)	(310)	(310)
Proceed from sale of assets	4	15	25	200	25	25	25	25	25
(increase)/decrease in short-term investments	(2,060)	(2,450)	(1,430)	1,203	-	-	-	-	-
(increase)/decrease in investment in affiliate	-	-	-	-	-	-	-	-	-
Cash flow from investment activities	(2,213)	(2,582)	(1,949)	612	(743)	(345)	(335)	(285)	(285)
Increase/(decrease) of short-term loans	4	(687)	843	383	(334)	(135)	(417)	(343)	-
Increase/(decrease) long-term loan debt	(134)	(2)	2	117	-	(120)	-	-	-
Increase/(decrease) minority shareholder	0	3	(2)	5	9	10	11	12	13
Preferred dividends	-	-	-	-	-	-	-	-	-
Common dividends	(425)	(948)	(1,590)	(1,059)	(1,278)	(1,449)	(1,398)	(1,442)	(1,546)
Increase/(decrease) other equity	547	1,294	333	371	17	(39)	79	99	80
Cash flow from financial activities	(9)	(340)	(413)	(213)	(1,376)	(1,866)	(1,918)	(1,586)	(1,496)
Net Cash Flow	812	1,609	550	1,402	17	42	96	315	565

Source: DCM, RongViet Securities

Table 14: Annual financial indicators of DCM

Financial Indicators	2021	2022	2023	2024	2025F	2026F	2027F	2028F	2029F
Profitability									
Gross margin	28.2%	35.8%	16.2%	18.7%	20.6%	20.2%	20.2%	20.6%	20.6%
Net margin	18.5%	27.1%	8.8%	10.6%	10.7%	10.5%	10.5%	10.9%	10.8%
ROE	24.5%	40.8%	11.2%	14.0%	14.2%	13.8%	14.1%	14.8%	14.9%
ROA	16.5%	30.5%	7.3%	9.0%	9.5%	9.5%	9.9%	10.7%	10.7%
Performance									
Days of Receivable outstanding	7	4	11	14	12	12	12	12	12
Days of Inventory outstanding	113	82	75	98	95	90	90	90	90
Days of Payable outstanding	41	37	69	54	45	40	40	40	40
Solvency									
Current	2.3	4.0	3.0	2.8	3.0	3.2	3.6	4.0	4.1
Financial Structure									
Total debt /Equity	9%	0%	9%	13%	10%	8%	3%	0%	0%

Source: DCM, RongViet Securities

B. ANALYSIS OF THE ENTERPRISE VALUE CHAIN ([return to page 5](#))

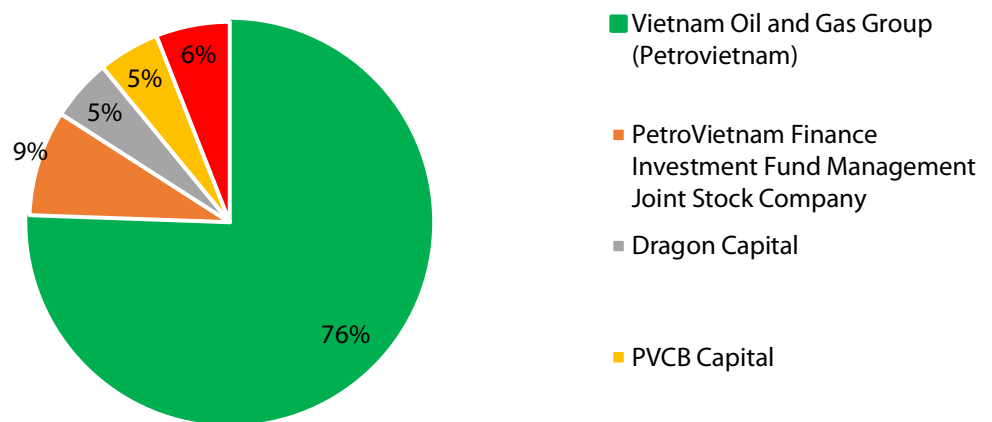
I. Business Overview

Ca Mau Petroleum Joint Stock Company (DCM) was established in 2011 and is owed by Vietnam Oil and Gas Group. The company operates in the following areas:

- Production of basic chemicals, fertilizers and nitrogen compounds.
- Wholesale and retail of fertilizers and chemicals used in industry and agriculture
- Consulting on technical guidance on the use of fertilizers and chemicals
- Warehousing and storage and loading and unloading of goods
- Research and development of natural science and engineering experiments

The most influential organization at DCM is Vietnam Oil and Gas Group (Parent Company). Currently, PetroVietnam holds 75.56% of outstanding shares. The percentage of free circulating shares of enterprises is currently at a low level of 20.6%. Currently, there is no room for foreign investors to own (Fig. 13).

Figure 21: Shareholder structure of DCM



Source: HSX, RongViet Securities

II. Core business activities ([return to page 5](#))

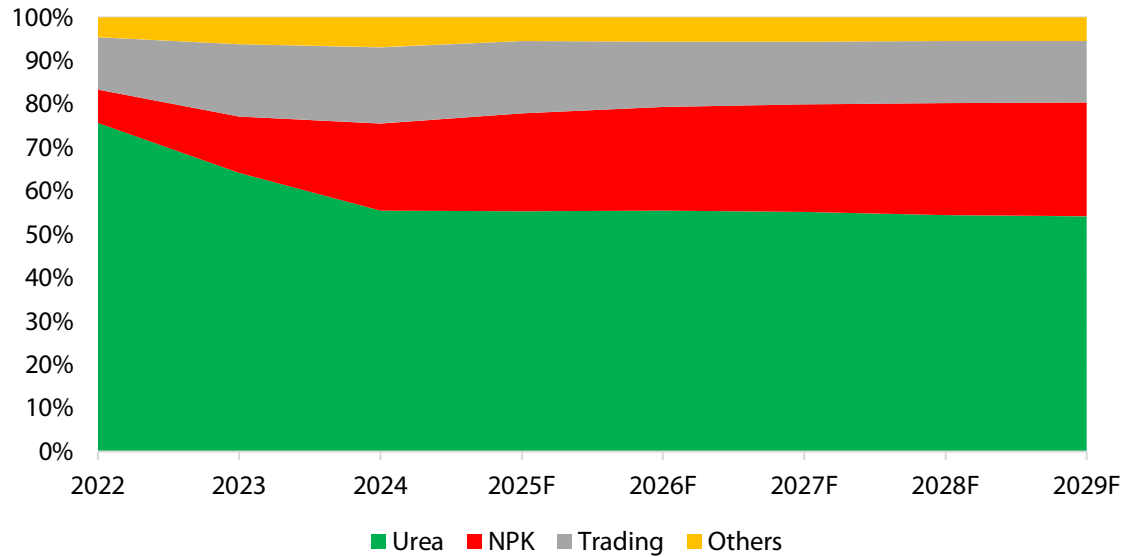
The urea fertilizer segment is the main and oldest segment of the Company, the contribution of this segment to total revenue has gradually decreased from 73% in 2017 to 57% in 2024. The capacity reaches about 800 tons/year and is sold under the Ca Mau Fertilizer brand.

NPK fertilizer segment: NPK Ca Mau - Polyphosphate technology is PVCFC's fertilizer line produced on the most modern liquid urea technology of Espindesa Group - Spain according to the technology line imported from the EU/G7. The total capacity of the NPK array reaches 660 thousand tons/year

Fertilizer trading segment: this segment mainly includes selling imported fertilizers such as Ca Mau Potash fertilizer products, Ca Mau SA fertilizer, Ca Mau DAP fertilizer, Ca Mau OM fertilizer. This segment contributes 19% of the total revenue of the business in 2024.

Other segments: Mainly agricultural consulting services and fertilizer testing (via the 2Nong app).

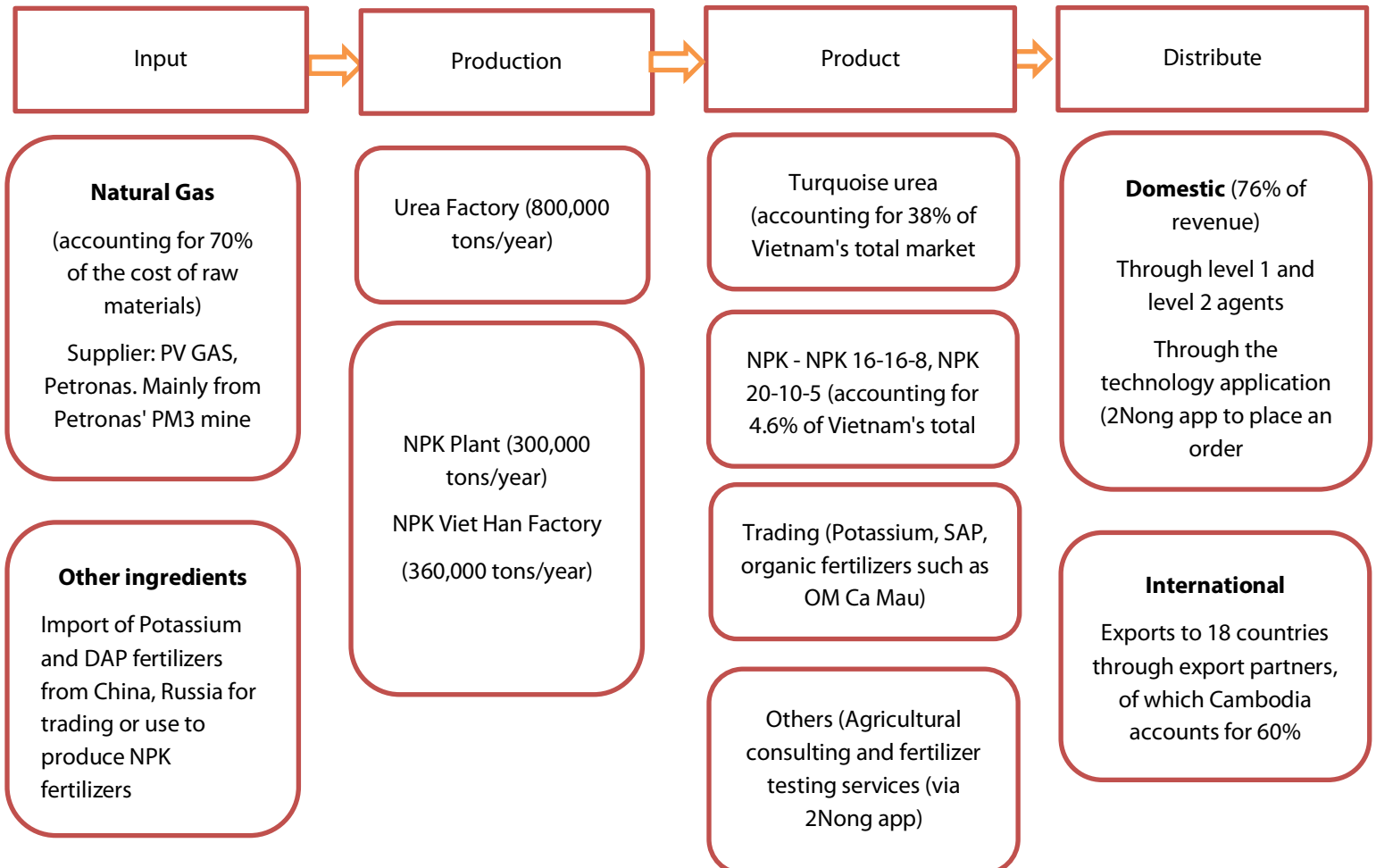
Figure 22: Revenue contribution by business segment



Source: DCM, RongViet Securities

III. Enterprise value chain [\(return to page 5\)](#)

Figure 23: Value chain in DCM operation



Source: DCM, RongViet Securities

1. Input Materials:

Gas: Natural gas is obtained mainly from the PM3-CAA field through PETRONAS' PM3 gas pipeline.

Other raw materials: mainly importing single fertilizers such as Potassium and double fertilizers such as DAP to produce NPK fertilizers or trade.

2. Production:

The urea fertilizer segment is produced by Ca Mau Fertilizer Plant (Ca Mau) with a total design capacity of 800,000 tons. The plant uses modern technology (Haldor Topsoe Denmark), which converts natural gas (CH₄) into ammonia (NH₃), then synthesizes it into Urea (CO(NH₂)₂).

NPK fertilizer segment is produced by 2 factories, Ca Mau NPK Plant (300,000 tons/year) and Viet Han NPK Plant (360,000 tons/year). Ca Mau NPK Plant uses Polyphosphate technology, which is the most modern liquid urea technology of Espindesa Group - Spain according to the technology line imported from the EU/G7.

3. Main products

Turbid Urea (accounting for 38% of Vietnam's total market share). This opaque grain urea is different from the clear grain urea of Phu My Fertilizer (DPM), Ha Bac Fertilizer (DHB) and Ninh Binh Fertilizer, NPK products with main products are NPK 16-16-8, NPK 20-10-5.

4. Distribution: DCM has a distribution system spread across the country with 61 agents and also has a representative office in Cambodia with the Cambodian market accounting for 60% of the export market share. Through the technology application (2Nong app to order), Exported to 18 countries.

APPENDIX 1 – FINANCIAL ANALYSIS & PROJECTIONS FOR THE PERIOD 2025-2028 [\(return to page 5\)](#)

Table 15: Projected revenue by segment (Billion VND)

NET REVENUE	2021	2022	2023	2024	2025	2026	2027	2028	2029
Total Revenue	9,870	15,925	12,571	13,456	13,535	13,358	13,715	14,164	14,528
Urea	7,280	12,401	8,311	7,701	7,771	7,687	7,838	8,001	8,160
NPK	391	1,253	1,676	2,796	3,149	3,291	3,533	3,786	3,953
Trading	1,638	1,972	2,167	2,440	2,344	2,092	2,054	2,088	2,122
Others	778	754	796	953	762	773	788	804	820
Sale reductions	(218)	(456)	(379)	(487)	(492)	(485)	(498)	(515)	(528)
YoY (%)	30.5%	61.3%	-21.1%	7.0%	0.6%	-1.3%	2.7%	3.3%	2.6%
Urea	23%	70%	-33%	-7%	1%	-1%	2%	2%	2%
NPK	N,a	221%	34%	67%	13%	5%	7%	7%	4%
Trading	23%	20%	10%	13%	-4%	-11%	-2%	2%	2%
Others	66%	-3%	6%	20%	-20%	1%	2%	2%	2%
Sale reductions	40%	109%	-17%	29%	1%	-1%	3%	3%	3%
% of total net revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%
Urea	74%	78%	66%	57%	57%	58%	57%	56%	56%
NPK	4%	8%	13%	21%	23%	25%	26%	27%	27%
Trading	17%	12%	17%	18%	17%	16%	15%	15%	15%
Others	6%	2%	3%	3%	2%	2%	2%	2%	2%

Source: DCM, RongViet Securities

Table 16: Projected gross profit by segment (Billion VND)

GROSS PROFIT	2021	2022	2023	2024	2025	2026	2027	2028	2029
Total	2,781	5,703	2,032	2,513	2,784	2,705	2,775	2,924	2,993
Urea	2,276	5,291	1,499	1,716	1,956	1,891	1,946	2,045	2,081
NPK	(2)	61	217	402	530	550	564	630	657
Trading	155	96	144	150	144	108	106	87	88
Others	351	255	172	192	154	156	159	162	166
GROSS PROFIT MARGIN									
Total	28.18%	35.82%	16.16%	18.68%	20.57%	20.25%	20.23%	20.64%	20.60%
Urea	31.26%	42.67%	18.04%	22.28%	25.17%	24.60%	24.83%	25.56%	25.50%
NPK	-0.46%	4.89%	12.94%	14.38%	16.83%	16.70%	15.95%	16.63%	16.63%
Trading	9.46%	4.87%	6.63%	6.16%	6.16%	5.16%	5.16%	4.16%	4.16%
Others	45.13%	33.81%	21.67%	20.20%	20.20%	20.20%	20.20%	20.20%	20.20%

Source: DCM, Rong Viet Stock Company estimated. Note: All gross margins are our estimates and assumptions, not DCM sources.

APPENDIX 2 – BUSINESSES SIMILAR TO DCM [\(return to page 4\)](#)

For each business segment, we use the following businesses as a reference for reporting purposes. For each fertilizer segment, there are a few leading companies, however, we only select companies with a Urea/NPK turnover ratio equivalent to DCM.

Urea Fertilizer [\(return to page 6\)](#)

We use other fish businesses as a reference with the opinion that these businesses have the same export market in the US and these businesses are the leading enterprises in other countries.

CF Industries Holdings, Inc, (USA), is one of the world's largest manufacturers of nitrogen fertilizers, headquartered in Deerfield, Illinois, USA. The company focuses on the production and distribution of nitrogen-containing fertilizers for the agricultural and industrial industries. Main markets in the US, Canada, Europe, Latin America, Compete with: Nutrien (Canada), Yara (Norway), Mosaic (USA), Ure's portion accounts for 30-35% of total sales,

PetroVietnam Fertilizer and Chemical Corporation (DPM Vietnam) is a company that manufactures and trades fertilizers and chemicals. Currently, the Corporation's main products are nitrogen fertilizer (urea) clear grain, NPK fertilizer, Potassium, SA, DAP for the country's agriculture, liquid ammonia gas, UFC85/Formaldehyde chemicals, CO₂, chemicals used in oil and gas exploitation activities, Ure's turnover rate accounts for 60-65% of total revenue.

China BlueChemical Ltd, (China), is one of the largest manufacturers of chemical fertilizers and industrial chemicals in China established since 2000. The company is a subsidiary of China National Offshore Oil Corporation (CNOOC), one of China's three largest state-owned oil and gas corporations.

China Blue Chemical focuses on the production of nitrogen fertilizers, phosphate fertilizers, methanol and some other chemical products. The company takes advantage of natural gas as the main raw material for production, which helps reduce costs and improve competitive efficiency. The proportion of Urea revenue accounts for 50-55% of total revenue.

China XLX Fertiliser Ltd, is one of the largest manufacturers of nitrogen fertilizers and compound fertilizers (NPK) in China. The company is headquartered in mainland China and is listed on the Hong Kong Stock Exchange. The company focuses on the production of urea fertilizers, compound fertilizers (NPK) and high-tech fertilizers such as slow-dissolving fertilizers, fertilizers that control nutrient release. The percentage of Urea sales accounts for 40-45% of total sales.

Table 17: Main indicators of fertilizer businesses

	2019	2020	2021	2022	2023	2024	Industry Average
Days receivable outstanding	10%	15%	15%	20%	20%	20%	Ratio
CF Industries Holdings	19	22	21	18	30	28	
DPM VN	5	5	4	0	3	4	
China BlueChemical	9	18	12	8	10	-	
China XLX Fertiliser	28	17	11	12	20	-	
Average	15	16	12	10	16	8	12.26
Median	14	17	12	10	15	2	11.08
Days of Inventory outstanding	10%	15%	15%	20%	20%	20%	Ratio
CF Industries Holdings	35	35	31	30	35	29	
DPM VN	88	86	97	112	89	57	
China BlueChemical	49	43	39	38	36	-	
China XLX Fertiliser	54	44	37	32	31	-	
Average	56	52	51	53	48	22	45
Median	51	43	38	35	35	14	34
Days payable outstanding	10%	15%	15%	20%	20%	20%	Ratio
CF Industries Holdings	9	9	8	6	8	11	
DPM VN	27	28	24	25	30	23	
China BlueChemical	29	29	35	42	42	-	
China XLX Fertiliser	17	19	17	14	19	-	
Average	21	21	21	22	25	9	20
Median	22	24	21	19	25	6	19
Gross Profit margin	10%	15%	15%	20%	20%	20%	Ratio
CF Industries Holdings	26	19	37	52	38	35	
DPM VN	18	22	37	42	12	14	
China BlueChemical	18	13	22	18	16	-	
China XLX Fertiliser	22	21	24	19	18	-	
Average	21	19	30	33	21	12	23
Median	20	20	30	30	17	7	20
SG&A/Revenue	10%	15%	15%	20%	20%	20%	Ratio
CF Industries Holdings	5%	5%	3%	3%	4%	5%	
DPM VN	12%	13%	9%	8%	10%	6%	
China BlueChemical	9%	6%	5%	5%	6%	0%	
China XLX Fertiliser	13%	12%	8%	7%	8%	0%	
Average	10%	9%	6%	6%	7%	3%	6%
Median	10%	9%	7%	6%	7%	3%	6%
Net Profit margin	10%	15%	15%	20%	20%	20%	Ratio
CF Industries Holdings	11	8	14	30	23	21	
DPM VN	5	9	24	30	4	4	
China BlueChemical	6	7	11	12	18	-	
China XLX Fertiliser	4	3	8	6	5	-	
Average	6	7	14	19	13	6	11
Median	6	7	13	21	12	2	10

Source: Bloomberg, RongViet Securities

NPK Fertilizer [\(return to page 5\)](#)

Nutrien Ltd (Canada) was established in 2018 after the merger between PotashCorp and Agrium, Based in Canada, Production and distribution of potash fertilizers, nitrogen fertilizers, and NPK fertilizers. Main operations in North America, South America, Asia. The Retail segment distributes nutrients for crops, plant protection products, seeds, and agricultural commodities. As the world's largest producer of potassium, NPK costs should be optimized. The ratio of NPK/Potassium/Nitrogen revenue to total revenue is 30%/35%/35%, respectively.

Yara International (Norway) was established in 1905 with the business of nitrogen fertilizers (urea, ammonium nitrate), NPK fertilizers and special fertilizers. The enterprise is at the forefront of advanced NPK fertilizer technology, low emissions. The main operating markets are in Europe, Asia, South America, The ratio of NPK fertilizer revenue/revenue reaches 50%-55%.

ICL Group (Israel) was established in 1968 with the business of producing potassium fertilizer (MOP), NPK fertilizer, phosphate fertilizer. The main market is in Israel, Europe, America. The cost of NPK production is low due to the extraction of potash from the Dead Sea, The company is promoting the production of high-quality NPK, organic fertilizers, and smart fertilizers. The ratio of NPK fertilizer revenue/revenue reaches 35%-40%.

Binh Dien Fertilizer Joint Stock Company (BFC Vietnam) was established in 1973. The company produces and trades in inorganic, organic, microbiological and microbiological fertilizers and growth regulators for plants and livestock.

Import and export of fertilizer products, fertilizer production equipment and technologies, agricultural machinery tools, seeds, crops and other products. The enterprise mainly deals in NPK fertilizer with a NPK turnover ratio of about 98-99%.

Table 18: Main indicators of NPK fertilizer businesses

	2019	2020	2021	2022	2023	2024	Industry Average
Days receivable outstading	10%	15%	15%	20%	20%	20%	Ratio
Nutrient Ltd	53	53	51	50	64	66	
ICL Group	61	60	60	55	72	71	
Yara International ASA	45	48	40	34	46	41	
BFC Vietnam	35	39	16	15	23	19	
Average	49	50	42	38	51	49	46
Median	49	51	45	42	55	53	49
Days of Inventory outstading	10%	15%	15%	20%	20%	20%	Ratio
Nutrient Ltd	124	116	112	113	124	124	
ICL Group	137	132	118	136	144	133	
Yara International ASA	97	106	88	84	118	109	
BFC Vietnam	110	99	99	115	92	69	
Average	117	113	104	112	119	109	112
Median	117	111	106	114	121	116	115
Days payable outstading	10%	15%	15%	20%	20%	20%	Ratio
Nutrient Ltd	88	99	89				
ICL Group	75	76	71	68	79	68	
Yara International ASA	55	65	56	53	76	68	
BFC Vietnam	30	29	22	28	20	16	
Average	62	67	59	50	58	51	57
Median	65	71	63	53	76	68	66
Gross Profit margin	10%	15%	15%	20%	20%	20%	Ratio
Nutrient Ltd	27	25	34	41	29	29	
ICL Group	34	30	38	50	35	33	
Yara International ASA							
BFC Vietnam	12	14	12	10	11	15	
Average	25	23	28	34	25	26	27
Median	27	25	34	41	29	29	31

SG&A/Revenue	10%	15%	15%	20%	20%	20%	Ratio
Nutrient Ltd	14.5	15.5	13.1	10.5	13.8	13.2	
ICL Group	19.4	19.8	19.3	14.7	18.0	16.3	
Yara International ASA	1.9	2.2	1.8	1.4	1.9	0.2	
BFC Vietnam	7.7	8.3	5.8	5.9	6.8	6.3	
Average	11	11	10	8	10	9	10
Median	11	12	9	8	10	10	10

Net profit margin	10%	15%	15%	20%	20%	20%	Ratio
Nutrient Ltd	4.9	2.2	11.4	20.2	4.3	2.6	
ICL Group	9.0	0.2	11.3	21.6	8.6	5.9	
Yara International ASA	4.7	6.0	2.7	11.6	0.3	0.1	
BFC Vietnam	1.1	2.2	2.6	1.5	1.6	3.4	
Average	5	3	7	14	4	3	6
Median	5	2	7	16	3	3	6

Source: Bloomberg, RongViet Securities

APPENDIX 3 – FERTILIZER MARKET SIZE [\(return to page 5\)](#)

World Urea Fertilizer Consumption

According to IFA, in 2023, the total consumption of Ure/DAP/MAP/Potassium fertilizers will reach 195/34/29/69 million tons, respectively. In particular, Urea fertilizer has the highest demand for consumption and compound growth in the period 2014-2023.

For the period 2024-2028, according to IFA, world fertilizer consumption for N, P and K fertilizers is forecast to increase by 6%/8%/10%, respectively. The increase in this period is equivalent to an annual compound consumption of 1.47%/1.94%/2.41%. This dual consumption is lower than the period 2014-2023 for urea fertilizer at 1.6%/year.

Therefore, we expect Vietnam's total consumption of urea fertilizer and NPK fertilizer to increase by a compound of 1.47%/year according to IFA's forecast.

Table 19: Urea fertilizer consumption in the period 2014-2023 (thousand tons)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	CAGR 2014-2023
Western Europe	9,905	8,877	9,882	9,583	9,361	8,993	8,871	9,009	9,129	8,824	-1.10%
Central Europe	3,368	3,471	3,956	4,196	3,511	3,957	4,002	3,996	4,062	3,302	-0.20%
Eastern Europe & Central Asia	4,723	5,465	5,734	6,478	6,195	6,980	7,121	7,377	5,398	7,697	5.00%
North America	17,205	17,419	17,913	17,479	19,451	18,895	19,387	19,703	18,308	18,778	0.90%
Latin America	11,903	11,930	13,218	13,185	12,748	13,094	15,082	16,938	14,011	14,511	2.00%
Africa	5,160	4,519	5,330	5,545	5,273	5,407	6,298	6,926	6,668	6,400	2.20%
West Asia	5,200	4,889	6,153	6,854	6,009	7,974	8,111	7,825	7,881	8,823	5.40%
South Asia	39,000	43,143	40,389	37,729	39,881	43,623	44,568	40,872	45,992	48,059	2.10%
East Asia	66,760	72,077	67,003	64,923	66,506	64,877	64,546	63,417	68,708	75,212	1.20%
Oceania	2,800	2,905	3,239	3,212	2,827	2,886	3,390	3,722	3,588	3,843	3.20%
Others	28	83	65	88	92	37	13	28	448	51	-11.00%
Total	166,053	174,780	172,882	169,272	171,855	176,723	181,388	179,813	184,193	195,500	1.60%

Source: IFA, RongViet Securities

Table 20: DAP consumption in the period 2014-2023 (thousand tons)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	CAGR 2014-2023
Western Europe	1,735	1,646	1,665	1,923	1,612	1,794	1,900	1,235	627	989	-5.47%
Central Europe	462	462	530	660	581	726	551	590	400	441	-0.45%
Eastern Europe & Central Asia	218	203	-12	189	132	159	262	291	276	616	10.96%
North America	2,839	3,056	2,634	2,756	2,823	2,113	2,159	2,277	1,474	2,058	-3.17%
Latin America	2,167	1,826	2,195	1,987	1,805	1,964	2,502	2,046	967	1,700	-2.40%
Africa	1,227	1,110	1,072	1,452	1,015	1,277	835	1,061	1,470	808	-4.09%
West Asia	977	903	1,407	1,351	562	2,178	1,561	1,969	1,850	2,863	11.35%
South Asia	9,324	12,940	12,116	12,396	12,971	13,225	13,427	12,560	13,623	13,673	3.90%
East Asia	13,066	12,476	11,828	12,776	11,635	10,918	11,469	10,851	11,349	10,930	-1.77%
Oceania	834	869	515	805	692	752	819	725	609	383	-7.50%
Different	24	118	51	103	20	3	72	73	844	218	24.48%
Total	32,873	35,608	34,001	36,398	33,848	35,108	35,557	33,677	33,488	34,679	0.54%

Source: IFA, RongViet Securities

Table 21: MAP fertilizer consumption in the period 2014-2023 (thousand tons)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	CAGR 2014-2023
Western Europe	252	284	323	382	347	357	415	322	308	191	-2.74%
Central Europe	342	323	504	466	319	443	427	322	278	125	-9.60%
Eastern Europe & Central Asia	1,243	1,287	1,623	1,753	1,594	1,780	1,755	1,867	1,560	1,907	4.37%
North America	4,742	4,598	5,058	5,374	6,034	5,152	5,009	5,727	4,073	4,496	-0.53%
Latin America	6,193	5,980	6,723	7,266	6,708	7,242	8,586	9,018	6,800	7,746	2.26%
Africa	618	966	928	1,259	1,328	1,771	1,512	1,802	1,886	503	-2.04%
West Asia	56	110	180	152	-22	175	301	340	206	289	17.80%
South Asia	214	114	201	201	230	216	183	275	543	210	-0.20%
East Asia	10,922	12,204	13,970	12,642	12,984	12,697	12,824	10,719	11,950	12,491	1.35%
Oceania	1,003	995	903	1,205	918	1,018	1,289	1,435	1,226	1,344	2.96%
Different	101	58	46	16	51	4	12	82	337	472	16.67%
Total	25,688	26,918	30,459	30,714	30,491	30,854	32,313	31,908	29,167	29,773	1.49%

Source: IFA, RongViet Securities

Table 22: Potassium fertilizer consumption in the period 2014-2023 (thousand tons)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	CAGR 2014-2023
Western Europe	5,350	4,970	4,791	5,281	5,079	5,241	5,358	5,522	4,201	3,844	-3.25%
Central Europe	1,261	1,164	1,237	1,404	1,378	1,301	1,365	1,247	590	667	-6.16%
Eastern Europe & Central Asia	2,970	3,885	3,041	3,146	4,552	5,955	2,519	5,345	3,257	7,346	9.48%
North America	9,282	9,458	9,947	11,374	10,699	9,364	10,453	11,828	10,396	9,258	-0.03%
Latin America	11,916	11,613	12,035	13,094	13,832	13,268	15,647	16,540	12,741	16,348	3.21%
Africa	983	1,050	1,119	1,401	1,588	1,352	1,626	1,805	1,247	1,278	2.66%
West Asia	1,184	1,165	1,436	806	1,207	1,246	1,140	1,231	1,194	696	-5.17%
South Asia	5,516	5,080	4,887	5,947	5,522	5,327	6,307	4,296	3,753	3,721	-3.86%
East Asia	24,634	24,933	22,541	23,376	23,950	22,307	25,323	24,481	23,262	25,087	0.18%
Oceania	650	629	549	710	796	685	689	809	521	612	-0.59%
Different	212	257	224	424	120	248	337	71	208	428	7.27%
Total	63,957	64,204	61,805	66,963	68,721	66,294	70,763	73,175	61,370	69,286	0.80%

Source: IFA, RongViet Securities

Regarding the overview of Vietnam's fertilizer industry, the use of fertilizers and import demand are mentioned in [the diary of fertilizer industry experts "Vietnam's fertilizer import demand" dated 10/12/2024](#).

Domestic fertilizer consumption in the period 2018-2024

Domestic urea fertilizer consumption has gradually decreased from 2018 to about 2.2 – 2.3 million tons to an average of 1.9 million tons in 2024. The decrease in production is mainly due to the demand for NPK fertilizer to replace urea fertilizer. NPK fertilizer consumption increased from about 3.3 million tons in 2018 to an average of 3.8 million tons in 2023-2024.

Domestic NPK fertilizer consumption reached an average of 3.8-4 million tons/year. Different from the demand for urea consumption, the demand for NPK fertilizer is expected to increase thanks to people gradually switching to using NPK fertilizer instead of each urea fertilizer.

Selling prices of difficult fertilizers in the period 2016-2024 [\(return to page 6\)](#)

Because the selling price of domestic urea fertilizer has a high correlation with world fertilizer with an average correlation coefficient (correlation) of over 0.86 in the period 01/2019-02/2025 (figure 24). Therefore, we only interpret the selling price of domestic manure.

Domestic fertilizer selling prices have fluctuated from an average of 6.5 thousand VND/kg in 2020 to a peak of 17 thousand VND/kg (+261%) in 2022 and then gradually decreased to 10 thousand VND/kg (-58% YoY) in the 2023-2024 period. Selling prices increased sharply in 2021-2022 due to a sharp increase in gas prices, a decrease in supply while an increase in demand.

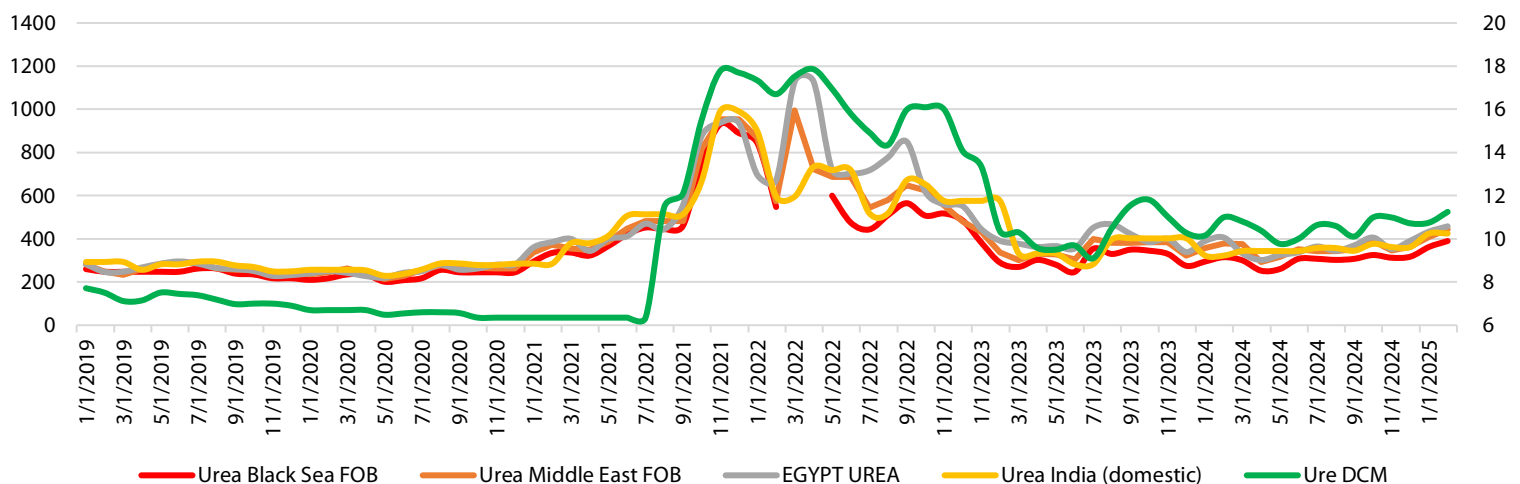
Supply decreases due to:

- Russia-Ukraine conflict causes Russia to cut gas supplies through Europe.
- In October 2021, China banned the export of urea and phosphate fertilizers to prioritize domestic supply.
- In March 2022, Russia restricted fertilizer exports due to Western sanctions, Russian sanctions affect the supply of potash fertilizers from Belarus and Russia – accounting for 40% of global supply.

Increased demand due to:

- Farmers ramp up production after the pandemic to meet global food demand.
- The price of agricultural products (corn, wheat, soybeans) has risen and farmers have expanded their cultivation area.

Figure 24: Domestic Urea price (thousand VND/kg, right) and world Urea price (USD/ton, left)



Source: Agromonitor, Bloomberg, RongViet Securities

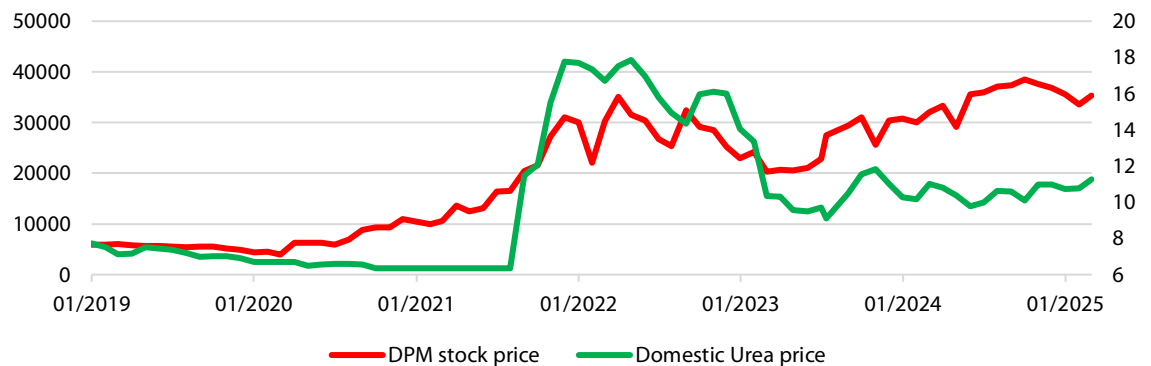
Price movements in the period 2025-2029

Fertilizer products are essential products to ensure food security of countries because fertilizer costs often account for 20-30% of the total cost of agricultural production. The increase in fertilizer prices will have a strong impact on the price of agricultural products as well as the price of essential food.

Therefore, under normal conditions, if production costs do not increase, it will be difficult for fertilizer prices to increase. Normally, domestic urea fertilizer prices are expected to grow according to inflation of 2-3%/year. However, with oil and gas prices gradually decreasing, we expect selling prices to remain stable over the years to stabilize the net profit margin of the business instead of decreasing according to world prices.

APPENDIX 4 – CORRELATION BETWEEN DOMESTIC FERTILIZER PRICES AND DCM STOCK PRICES (return to page 5)

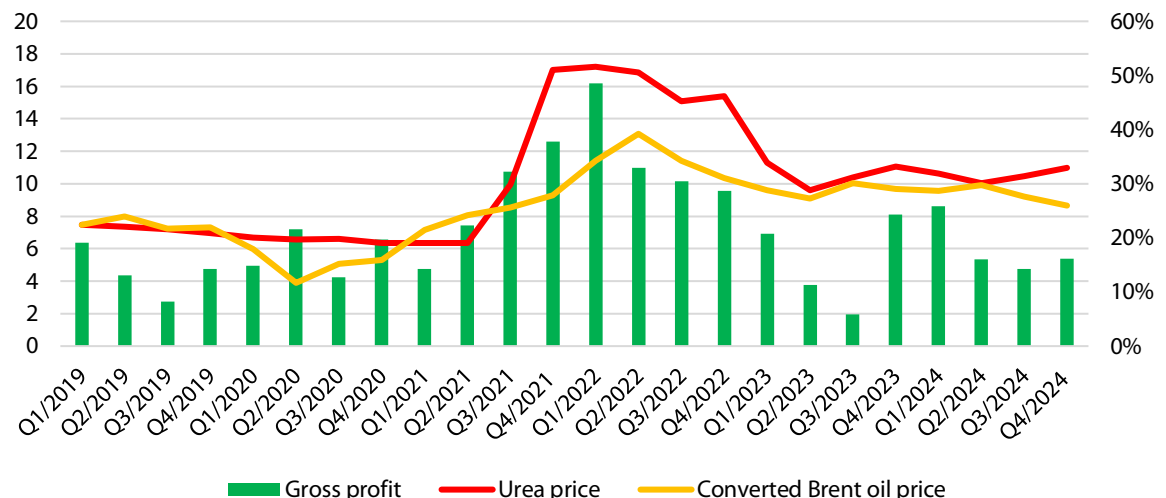
Figure 25: Movement of DCM stock price (thousand VND/fruit) and fertilizer price (USD/kg)



Source: Bloomberg, Agromonitor, RongViet Securities

We look at the correlation between the average selling price of fertilizer and the stock price in the period from January 2019 to February 2025. The results showed that there was an average correlation when the correlation coefficient reached 0.7. Therefore, in the short term, the stock price may fluctuate according to the movement of fertilizer prices because the gradual increase in fertilizer prices will bring gradually increasing profit margins.

Figure 26: Correlation between domestic urea price (thousand VND/kg, left) and Converted Brent oil price (USD/barrel, left) and gross margin (% , right)



Source: Bloomberg, Agromonitor, RongViet Securities

APPENDIX 5: IMPACT OF VAT CHANGE ON FINANCIAL STATEMENTS [\(see page 5\)](#)

When an enterprise is exempt from Value-added tax (VAT), all input VAT when purchasing assets, inventory, and materials for production must be recorded in expenses. Therefore, after the 5% output VAT rate is applied from July 1, 2025, the estimated revenues and expenses fluctuate as follows.

Table 23: Impact of VAT on Annual Income Statement

Related items	Before the tax is passed	After the tax is approved	Action	Opinion
Revenue	100% Value	equivalent to 95% of the value	5% discount on revenue	Because 5% of output VAT must be recorded on revenue.
Cost of goods sold	100% Value	equivalent to 92.6% of the value	8% reduction in cost	About 8% of input VAT is excluded from the cost price. This level is equivalent to 80% of the cost of the cost subject to 10% input VAT.
Cost of sales	100% Value	equivalent to 95.6% of the value	4,6% reduction in selling costs	This reduction is due to employee costs that are not subject to input VAT
Business management expenses	100% Value	Equivalent to 97% of the value	3% reduction in business management costs	This reduction is due to employee costs that are not subject to input VAT

Source: RongViet Securities

In addition, new investments in fixed assets after the VAT law is passed will be recorded as input VAT and help reduce depreciation costs when the value of machinery is low.

For input VAT refunds, it will be recorded in the cash item of the balance sheet and will not affect the annual income statement.

APPENDIX 6: THE IMPACT OF TARIFFS ON BUSINESSES [\(See page 5\)](#)

The impact of US reciprocal tariffs on the fertilizer industry is considered negligible, because the direct export turnover of fertilizers to the US is currently very low. The main impact is indirect, through the possibility of declining agricultural product exports, thereby reducing the ability to consume fertilizers. However, with strong brand advantages and high market position, DCM's consumption is expected to be less affected.

In a negative scenario, assuming the US imposes a high tariff of up to 46% on Vietnamese agricultural products and there is no corresponding alternative market, the total domestic fertilizer consumption demand may only decrease slightly at 3-5%. If you exclude items such as wood and rubber (because the exporter is different from agricultural products), this decline is at the lowest level, only around 3%.

This estimate is built on the careful assumption that each ton of agricultural products needs up to 500 kg of fertilizer, representing the current highest consumption threshold. Reduced fecal density is also used for all types of fertilizers, not for a certain type.

Table 24: Output (tons) of major agricultural products exported to the US in 2023

Type of agricultural product	Vietnam's export volume to the US in 2023	Vietnam's total export volume	U,S, Imports	U,S, market share in total exports	Vietnam's market share in the US
Vegetables and some edible tubers, stems and roots	5,725	275,698	5,609,373	2%	0%
Edible fruits and nuts; Citrus peels or melons	155,946	1,788,201	12,151,869	9%	1%
Coffee, tea, Paragoay tea and spices	214,804	1,178,225	2,136,808	18%	10%
Cereal	34,426	4,167,764	2,432,543	1%	1%
Milling products; Malt; starch; inulin; Wheat gluten is a commodity	3,075	1,016,773	2,354,338	0%	0%
Preparations from cereals, starches	39,694	295,249	3,885,713	13%	1%
Preparations from vegetables, fruits, nuts or other plant products	52,723	277,233	4,591,332	19%	1%
Total	506,393	8,999,143	33,161,976	6%	2%
Maximum fertilizer ratio for agricultural products	500 kg/1 ton of agricultural products				
Maximum reduction in fertilizer use (1)	253,197				
Total fertilizer exports to the US (2)	9,787				
Total fertilizer drop (1)+(2)	262,984				
Total annual domestic fertilizer consumption	8,590,000				
Ure	1,900,000				
NPK	3,890,000				
Potassium	1,000,000				
Phosphorus	1,800,000				
Reduced manure density (excluding rubber and wood)	3%				

Source: ITC, RongViet Securities |We use 2023 data as a reference because Vietnam's 2024 data is for products that have not been fully updated.s

Table 23: Demand for fertilizers/ton of agricultural products for export and fertilizers for crops

Type of agricultural product	Fertilizer demand/ton	Type of Fertilizer	Group of plants that use a lot
Wood	20-35 kg	Urea (Protein)	Rice, corn, sugarcane, vegetables
Rubber	500 kg	Potassium (KCl)	Fruit trees (mango, orange), pepper, coffee, sugarcane, dragon fruit
Rice	60 – 80 kg	Phosphorus (Super Phosphorus, DAP)	Rice, corn, plants with root stakes
Clause	250 – 400 kg	Synthetic NPK	Coffee, pepper, cashew, durian, orange
Coffee	330 – 480 kg	Compost	Perennials, fruits, poor soil conditions
Mango	50 – 70 kg	Medium micronutrients (Bo, Zn, Mg)	Fruit trees, pepper, coffee, dragon fruit
Durian	60 – 80 kg		
Banana	20 – 30 kg		
Orange/tangerine	35 – 50 kg		
Pitaya	40 – 60 kg		
Corn	80 – 100 kg		
Maximum usage rate	500 kg/1 ton of agricultural products		

Source: RongViet Securities

Company Report

This report is created for the purpose of providing 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 feedbacks and/or receive more information, investors may contact the assigned analyst or our client support department,

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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 instead offer a few reference valuations to give investors additional insights, categorized under the recommendation of **OBSERVE**,

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RESEARCH CENTER

Lam Nguyen

Head of Research

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

Tung Do

Manager

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

Lam Do

Manager

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

Hung Le

Manager

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

Quyen Nguyen

Senior Analyst

quyen.nt@vdsc.com.vn
 + 84 28 6299 2006 (1524)
 • Retail
 • Pharmaceuticals

Ha My Tran

Senior Consultant

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

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

Luan Pham

Analyst

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

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

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

1st to 8th floor, Viet Dragon Tower, 141 Nguyen Du, Ben Thanh Ward, District 1, HCMC

T +84 28 6299 2006
E info@vdsc.com.vn

HANOI BRANCH

10th 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

7th floor, 76 Quang Trung, Loc Tho Ward, Nha Trang City, Khanh Hoa

T +84 258 3820 006
F (+84) 258 3820 008

CAN THO BRANCH

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

T +84 292 3817 578
F (+84) 292 3818 387

VUNG TAU BRANCH

2nd floor, VCCI Building, 155 Nguyen Thai Hoc, Ward 7, Vung Tau City, Ba Ria - Vung Tau Province

T +84 254 7772 006

BINH DUONG BRANCH

3rd floor, Becamex Tower, 230 Binh Duong Avenue, Phu Hoa Ward, Thu Dau Mot City, Binh Duong

T +84 274 7772 006

DONG NAI BRANCH

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

T +84 251 7772 006

