

### Add (unchanged)

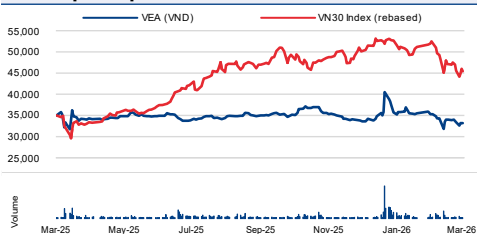
Target price: VND39,500 (from VND39,300)  
 Up/downside: 19.0%

**Share price (VND) (as of 27 Mar 2026) 33,200**

Bloomberg code	VEA VN
52-week range (VND)	31,535-40,500
Trading value (5D) (VNDmn)	10,796
Market cap. (VNDbn)	44,116
Market cap. (USDmn)	1,674
Shares outstanding (mn)	1,329
Total FOL share room (mn)	651
Current FOL share room (mn)	632
Foreign ownership limit	49.0%
Foreign owned ratio	1.43%
Free float	11.5%
Major shareholder	MoIT (88.5%)

Source: Company, HSC Research estimates

### Share price performance



Share price (%)	-1 mth	-3 mth	-12 mth
Ordinary shares	(5.95)	(1.19)	(5.14)
Relative to index	8.25	8.45	(26.9)
Relative to sector	-	-	-

Source: Company, FactSet

### HSC vs. consensus

EPS adj. (VND)	HSC	Cons	% diff
2026F	4,797	4,995	(4.0)
2027F	4,333	4,717	(8.1)
2028F	4,282	4,718	(9.2)

Source: Bloomberg, HSC Research estimates

### Company description

VEA holds stakes in leading motorbike and auto producers in Vietnam (Honda, Toyota and Ford); it also produces agricultural machinery.

### Analysts

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## Good value play despite muted outlook

- We retain our Add rating and FY26-27 forecasts following a review of recent results and the outlook. We tweak our TP to VND39,500 (19% upside).
- Our FY26-27 net profit forecasts (unchanged) and our maiden FY28F suggest declines of 13% this year and 10% in each of FY27-28 amidst our expectations re. significant price competition between ICE and EV brands (exacerbated by a Middle East-driven energy crisis).
- Off 6% in the past 1M, VEA now trades on a 1-yr rolling fwd P/E of 6.9x, below its 5Y avg. of 7.8x, and on dividend yields (on the current share price) over the next 3Y of 12-15%. The current entry point looks attractive.

### Event: FY26 outlook review and update

While VEA's FY25 net profit of VND7,325bn came in 3% above our estimate, the flat y/y performance was weak amid an overall auto market sales surge of 27% y/y here. Looking at FY26, we continue to see structural headwinds for VEA's JVs amidst transport electrification policies in Vietnam and a Middle East-driven energy crisis. Additionally, Honda Global's recent USD15.7bn EV project write-down signals limited EV prospects for the marque here – a material concern given Honda's c.79% weight in VEA's total profit. We note that Toyota Vietnam's hybrid localization pivot provides a partial offset but could be insufficient to compensate.

We lift our VN-wide new auto sales volume growth forecast to 18% y/y this year (previously: 9% y/y) to 721,668 units, led by VinFast (up 50% y/y, as per its guidance). However, we broadly lower our VEA auto JV forecasts quite materially: (1) Honda volume is now expected to grow just 1% p.a. over the forecast horizon (vs 7-8% previously); (2) Toyota volume growth is now seen at 8-10% p.a. (previously: 12% p.a.); while (3) Ford volume growth is seen at 6% p.a. to levels somewhat above previous forecasts. Meanwhile, we now forecast Honda motorbikes sales declines y/y of 11% and 10% in FY26-27, respectively (previously: declines of 11%/4%), to 2.0mn and 1.8mn units, before growing 1% in FY28.

### Impact: Maintaining FY26-27 estimates; introducing FY28F

We maintain our FY26-27 net profit forecasts, which call for y/y declines of 13% and 10%, respectively, to VND6.4tn and VND5.8tn. We also introduce our FY28F net profit of VND5,718bn – also a decline of 10% y/y. Our new forecasts – slightly below the street in all years – suggest a 3-yr CAGR of -7.9%.

### Valuation and recommendation

Off 6% in the past 1M, VEA now trades on a 1-yr rolling fwd P/E of 6.9x, below its 5Y avg. of 7.8x, and on dividend yields of 12-15% (on the current share px, based on estimated payouts of 95%) over the next 3Y. We tweak our TP to VND39,500 (19% upside) and keep our Add. Value here trumps dull growth.

Year end: December	12-24A	12-25A	12-26F	12-27F	12-28F
EBITDA adj. (VNDbn)	7,026	6,908	6,041	5,457	5,492
Reported net profit (VNDbn)	7,362	7,325	6,406	5,786	5,718
EPS adj. (VND)	5,513	5,485	4,797	4,333	4,282
DPS (VND)	4,658	5,354	5,070	4,498	4,019
BVPS (VND)	19,753	20,482	19,971	19,276	19,101
EV/EBITDA adj. (x)	15.0	15.3	17.5	19.4	19.3
P/E adj. (x)	6.02	6.05	6.92	7.66	7.75
Dividend yield (%)	14.0	16.1	15.3	13.5	12.1
P/B (x)	1.68	1.62	1.66	1.72	1.74
EPS adj. growth (%)	18.3	(0.51)	(12.5)	(9.67)	(1.18)
Ret. on avg. equity (%)	28.3	27.4	23.8	22.2	22.4

Note: Use of ▲ ▼ indicates that the item has changed by at least 5%.  
 Source: Bloomberg, HSC Research estimates

## Solid value despite dull long-term story

We maintain our Add rating and slightly tweak our TP to VND39,500 (upside: 19%) as well as our FY26-27 net profit forecasts, which call for respective y/y declines of 13% and 10%. Notably, we expect another 10% net profit fall in our maiden FY28F. Our cautious stance reflects expected intensifying competition between legacy ICE and EV brands leading to margins for VEA's JVs, compounded by an emerging energy crisis that could weigh on consumer purchasing power and dampen vehicle demand. While we now project a very dull FY25A-28F net earnings CAGR of -7.9% for VEA, its current valuation looks too cheap, with dividend yields of 12-15% paid over FY26-28 (on the current share price) and a 1-yr rolling fwd P/E of 6.9x (below its 5Y avg. of 7.8x).

### Review of FY25 results

As a reminder, VEA reported FY25 net profit of VND7,325bn, flat y/y, with profit from JVs (91% of net profit) also came in flat y/y at VND7,325bn. Meanwhile, net financial income, largely interest income on VEA's substantial cash reserves, grew 8% y/y to VND923bn in FY25. Results came slightly 3% above our expectations, as Toyota and Ford delivered stronger-than-expected earnings, while financial income was in line. Details in report ['4Q25: Net profit off 13% y/y, 17% beat'](#).

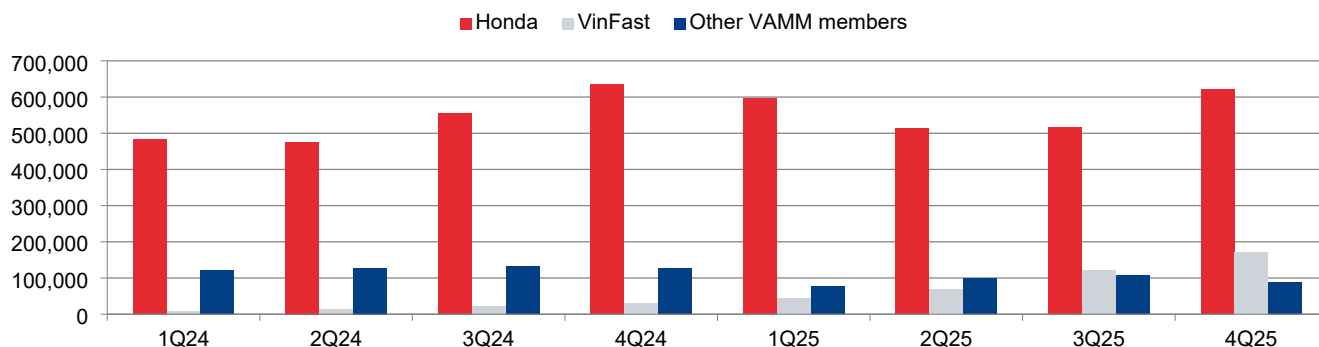
That said, the beat was modest and underlying weak earnings quality is still there. Against a robust Vietnam auto market, where total auto sales surged 27.3% y/y to a record 612,260 units in FY25, flat JV profit suggests meaningful margin compression and an unfavorable product mix shift at the JV level. This was particularly evident in Honda Vietnam, whose auto volume growth lagged peers at just 2% y/y, compared to 9% for Toyota and 20% for Ford. Honda profits attributable to VEA also dropped 5% y/y in FY25 due to consumers' postponement of automatic scooter purchases amid uncertainty surrounding the implementation of gasoline phaseout policies.

In 2025, Directive No. 20/CT-TTg marked a structural shift in Vietnam's auto regulatory landscape by introducing a phased roadmap for low-emission zones in Hanoi and Ho Chi Minh City. Under the directive, gasoline-powered motorcycles and sub-standard emission vehicles will be limited from Hanoi's Ring Road 1 starting July 2026, with restrictions gradually expanding to private fossil-fuel cars across Ring Roads 1-2 from January 2028 and eventually covering the entire Ring Road 3 area by 2030. Ho Chi Minh City is adopting a more gradual approach, requiring ride-hailing platforms to stop onboarding gasoline-powered motorcycles from early 2026, with full fleet electrification targeted by end-2028.

With the structural changes, Honda motorbikes also lost market share against VinFast e-bikes. Honda motorbikes grew 4.6% y/y to 2.2mn units in 2025, with Vietnam volume market share declining to 66% vs. 73% in 2024, while VinFast motorbikes grew 5.5x y/y to 406,453 units, with Vietnam volume market share increase to 12% vs 2% in 2024.

**Figure 1: Quarterly motorbikes sales volume, Vietnam**

Honda and other gasoline-motorbike producers have been losing market share against VinFast strength



Source: VAMM, Honda, VinFast, HSC Research

## FY26 outlook updates

### EV adoption is expected to accelerate with the 2026 fuel crisis

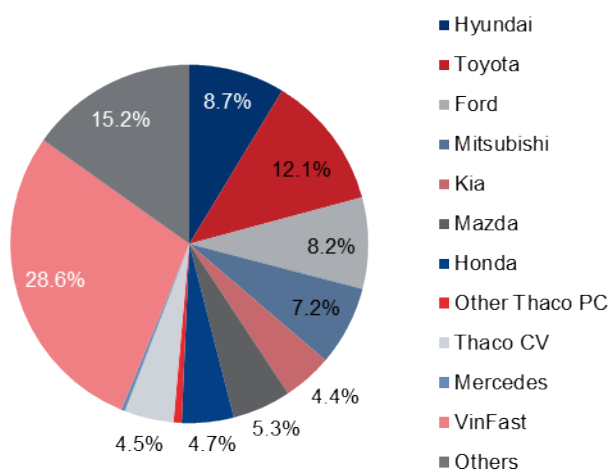
In 2026, the escalating Middle East conflict further intensified electric vehicle (EV) policy trajectory. With Brent crude surging above USD100/bbl and Vietnamese gasoline prices rising since late Feb-26, energy security has moved to the top of the government's agenda. On 19-Mar, Prime Minister Pham Minh Chinh signed Directive 09/CT-TTg, strengthening the government's push on energy conservation and electric transport. The directive sets a target of at least 50% of public transport vehicles in urban areas to be electric or use green energy by 2030, while assigning ministries to propose EV-related incentive mechanisms by Jun-26, battery recycling regulations in 3Q26, and provincial frameworks to encourage charging-station investment by Sep-26. Notably, the directive explicitly cites geopolitical energy supply risks as a key motivation – linking the EV transition directly to national energy security.

In our view, the directive is broadly supportive for pure EV manufacturers and ecosystem players, particularly those with existing product availability and charging-readiness in Vietnam. VinFast is the clearest domestic beneficiary, with a 29% market share in volume and 150,000 charging ports in FY25. Meanwhile, other EV-focused brands such as BYD and Wuling could also benefit if policy incentives become more concrete and implementation broadens beyond public transport. That said, the near-term impact should not be overstated. The directive is primarily policy-signaling at this stage and still requires follow-through via detailed incentive schemes, infrastructure rollout, and local government implementation. We view the June-September 2026 ministry deadlines as the key milestones to watch for policy substance.

Among incumbent OEMs, Toyota is relatively better positioned than internal combustion engine (ICE)-heavy peers, given its expanding hybrid portfolio and a USD360mn investment to establish hybrid assembly lines in Vietnam by 2027. The revised Special Consumption Tax (SCT), effective Jan-26, grants hybrids a 30% discount relative to equivalent ICE vehicles, a meaningful tailwind for Toyota's hybrid localization strategy. By contrast, automakers with limited hybrid or EV exposure, notably Honda, which remains sedan-heavy in Vietnam, face a gradual but compounding erosion in competitiveness as the regulatory and consumer transition toward electrified vehicles accelerates.

**Figure 2: FY25 auto sales volume market share, Vietnam**

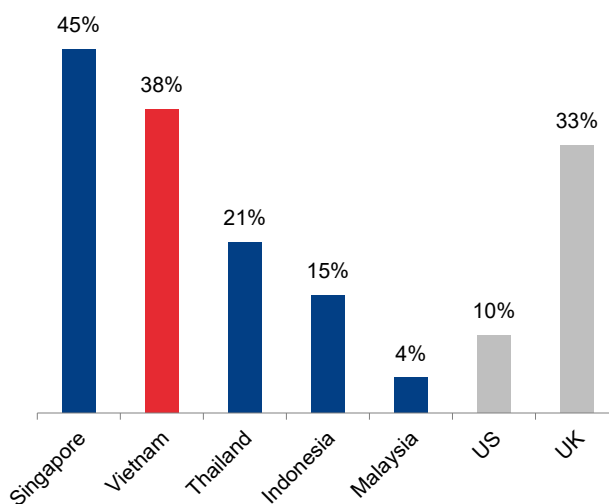
VinFast sustained the no.1 market share at 28.6%



Source: VAMA, Hyundai Thanh Cong, Vietnam Register, VinFast, HSC Research

**Figure 3: EV share of new passenger car sales (FY25)**

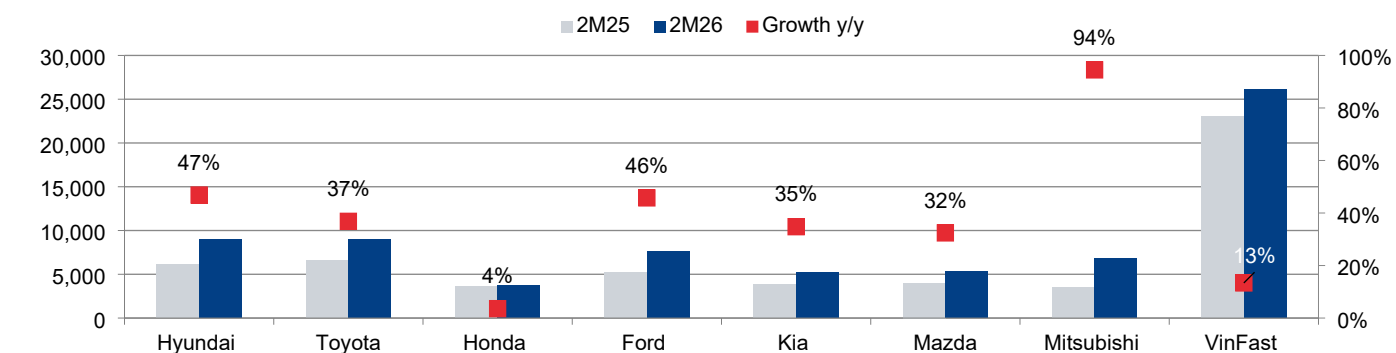
Vietnam reached 38% EV sales share



Source: IEA, HSC Research

Figure 4: 2M26 auto sales volume of key brands (units), Vietnam

In 2M26, Mitsubishi led with 94% y/y growth from its low base, while VinFast sustained its no.1 position



Source: VAMA, Hyundai Thanh Cong, Vietnam Register, VinFast, HSC Research

### Honda Global is losing the EV competition against Chinese players

At the global level, Honda has written down USD15.7bn on its EV projects in Mar-26 and cancelled EV model productions in FY26. The retreat of Honda Global in the EV competition effectively signals that Honda Vietnam is unlikely to pursue meaningful EV expansion in the short term. Honda Global's focus on cost restructuring also suggests that capital allocation to local Vietnam EV production is a low priority. This leaves Honda Vietnam reliant on its legacy sedan models and limited hybrid lineup. The similar pattern is also emerging in motorbike market – VEA's core profit driver. In 2M26, Honda's motorbikes declined 6% y/y to 371,671 units and the declining trend might continue in following months in the event of weakening demand due to policy push and energy crisis.

For VEA, whose JV profit is heavily weighted toward Honda Vietnam (88% in FY25), Honda's struggle at global level could indicate a material headwind that Toyota Vietnam's hybrid pivot is unlikely to offset.

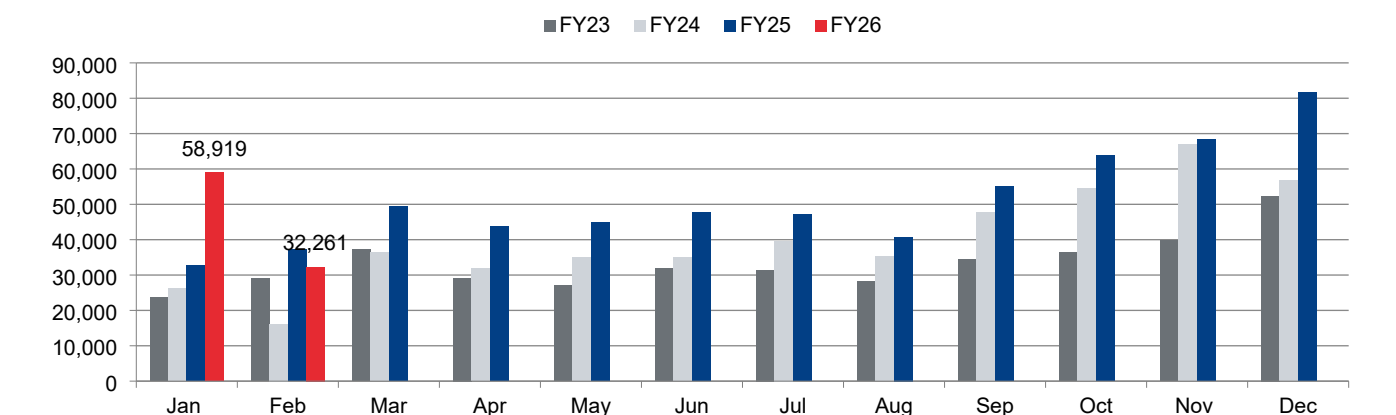
### Forecasting Vietnam auto volume sales growth of 18% y/y in 2026

In 2M26, total market grew 30% y/y to 91,180 units, driven by aggressive promotional activities across brands, particularly for hybrid models amid the ongoing industry transition toward EVs. We expect market expansion momentum to continue in FY26, supported by automakers' adaptation to structural shifts and a gradual recovery in consumer demand.

We project FY26 industry sales of 721,668 units, up 18% y/y (vs 668,747 units, up 9% y/y, previously), with VinFast contributing 262,649 units (as per its guidance), up 50% y/y (previously: 225,000 units, up 29% y/y) and other brands totaling 459,019 units, up 5% y/y (previously: 443,747 units, up 2% y/y).

Figure 5: Monthly new auto sales volume, Vietnam

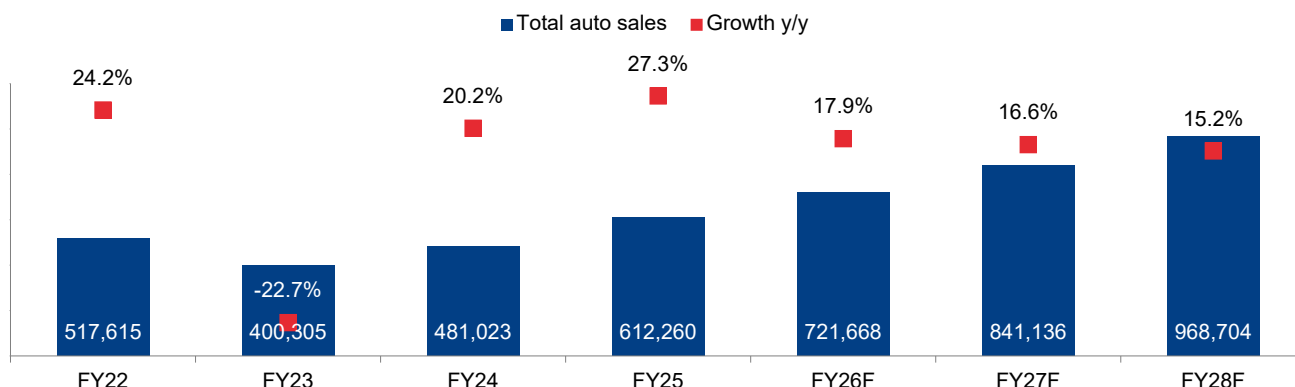
The total auto market grew 30% y/y to 91,180 units in 2M26



Source: VAMA, Hyundai Thanh Cong, Vietnam Register, VinFast, HSC Research

**Figure 6: Actual and forecast total new auto sales volume, Vietnam**

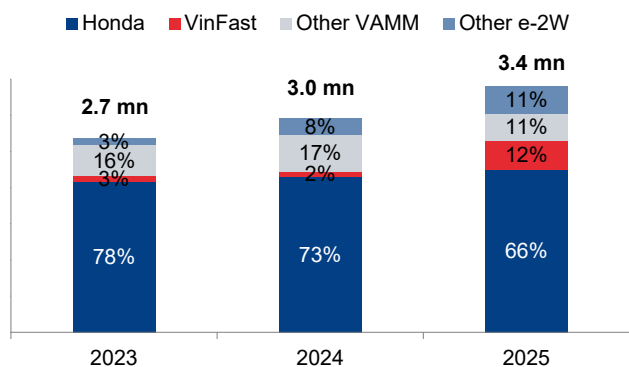
We project FY26 industry sales to grow 18% y/y to 721,668 units



Source: VAMA, Hyundai Thanh Cong, Vietnam Register, VinFast, HSC Research

**Figure 7: Motorbike volume market share, Vietnam**

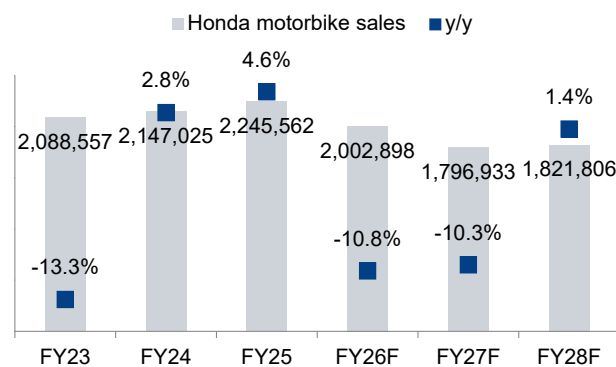
E-2W quickly gained share in 2025 from favorable policies



Note: e-2W includes electric bicycles.  
Source: Motorcycledata, Honda, VAMA, VinFast, HSC Research

**Figure 8: Actual and forecast Honda motorbike sales vol., VN**

We project Honda motorcycle sales to fall 11% y/y in FY26F



Source: Honda, HSC Research

**Figure 9: Sales volume forecast changes, VEA JVs**

We lower auto forecasts by 2-6% over FY26-27 while motorbike volume is largely unchanged

Units	Old forecasts				New forecasts			Revision		
	FY25A	FY25F	FY26F	FY27F	FY26F	FY27F	FY28F	FY25F	FY26F	FY27F
<b>Honda motorbikes</b>	2,246	2,173	1,943	1,867	2,003	1,797	1,822	3.3%	3.1%	-3.7%
<b>Autos</b>	151,123	149,412	164,344	179,517	160,194	171,463	182,851	1.1%	-2.5%	-6.3%
Toyota	71,954	74,460	83,395	93,403	77,710	85,481	93,175	-3.4%	-6.8%	-8.5%
Honda	28,719	28,560	30,845	33,004	29,006	29,296	29,589	0.6%	-6.0%	-11.2%
Ford	50,450	46,393	50,104	53,110	53,477	56,686	60,087	8.7%	6.7%	6.7%
<b>Growth y/y</b>										
<b>Honda motorbikes</b>	4.6%	1.2%	-10.6%	-3.9%	-10.8%	-10.3%	1.4%			
<b>Autos</b>	9.4%	8.2%	10.0%	9.2%	6.0%	7.0%	6.6%			
Toyota	6.3%	10.0%	12.0%	12.0%	8.0%	10.0%	9.0%			
Honda	1.6%	1.0%	8.0%	7.0%	1.0%	1.0%	1.0%			
Ford	19.6%	10.0%	8.0%	6.0%	6.0%	6.0%	6.0%			

Source: HSC Research

We cut our FY26-27 forecasts for VEA's auto JVs by 3% and 6%, respectively. For Honda, we now forecast very modest volume growth of just 1% annually over FY26-28 to 29,006, 29,296, and 29,589 units, respectively (cut from 30,845-33,004 units in FY26-27, up 7-8% y/y, previously). For Toyota, we expect growth of 8%, 10%, and 9% in FY26-27, up 7-8% y/y, previously). For Ford, we expect growth of 12% y/y p.a. to 83,395-93,403 units in FY26-27 previously). Against these cuts, Ford is now

projected to deliver growth of 6% annually, reaching 53,477, 56,685, and 60,086 units in FY26-28 (up from 50,104-53,110 units in FY26-27 previously).

### Forecasting Honda motorbike sales decline of 11% in FY26

Given the challenging outlook for gasoline motorcycles and the absence of a competitive EV portfolio in short term, we now expect Honda motorcycle sales in FY26-27 to fall 11% y/y and 10% y/y, respectively (previously: declines of 11%/4%), to 2.0 million and 1.8 million units before growing a modest 1% y/y in FY28.

Despite initiating commercial electric 2-wheel vehicle (e-2W) operations in FY25 with two models (the ICON e: and CUV e:), Honda's product pipeline remains constrained. With only one new e-2W model (the UC3) launched in early Jan-26, the company offers a total of just three electric models for the year. This presents a contrast to VinFast's aggressive market capture strategy; the domestic manufacturer currently offers a diversified portfolio of 10 e-2W models and plans to launch seven additional models throughout 2026.

### Maintaining FY26-27 estimates; introducing FY28F

While FY25 results slightly beat our estimates, we see a challenging outlook for VEA's JVs over FY26-27 and maintain our prudent forecasts, calling for net profit declines of 13% y/y and 10% y/y to VND6,406bn and VND5,786bn, respectively. We also introduce our FY28F net profit forecast of VND5,718bn (-10% y/y), implying a CAGR of -7.9% over FY25-28F.

Our cautious stance reflects intensifying competition between legacy ICE and EV brands squeezing JV margins, compounded by an emerging energy crisis that could weigh on consumer purchasing power and dampen vehicle demand in the short-to-medium term in Vietnam market.

We now project cash DPS over the next 3Y of VND4,498-5,354, based on payout ratios of 95% annually (notably below VEA's typical 99% payout) and translating into dividend yields of 12-15% per annum (based on the current share price).

**Figure 10: FY26-27 forecast changes, VEA**

We maintain a conservative view and broadly keep our FY26-27 estimates unchanged

VNDbn	Old forecasts				New forecasts			Revision		
	FY25A	FY25F	FY26F	FY27F	FY26F	FY27F	FY28F	FY25F	FY26F	FY27F
Profits from JVs	6,625	6,423	5,832	5,479	5,864	5,276	5,308	3.1%	0.6%	-3.7%
Net financial income	925	917	814	763	805	750	648	0.8%	-1.1%	-1.7%
<b>Net profit</b>	<b>7,325</b>	<b>7,008</b>	<b>6,314</b>	<b>5,899</b>	<b>6,406</b>	<b>5,786</b>	<b>5,718</b>	<b>4.5%</b>	<b>1.5%</b>	<b>-1.9%</b>
<b>Growth y/y</b>										
Profits from JVs	-1.6%	-4.6%	-9.2%	-6.1%	-11.5%	-10.0%	-10.0%			
Net financial income	8.8%	7.9%	-11.3%	-6.3%	-13.0%	-6.8%	-6.8%			
Net profit	-0.5%	-4.8%	-9.9%	-6.6%	-12.5%	-9.7%	-9.7%			

Source: HSC Research

### TP tweaked to VND39,500; retain Add (19% upside)

#### Conclusions and methodology

We slightly lift our VEA TP to VND39,500 and our Add rating. Our new TP suggests 19% upside and implies P/Es of 8.2x (FY26) and 9.1x (FY27).

We continue to use the DDM methodology to value VEA backed by its constant cash dividend stream. Our valuation underlying assumptions are:

- We use a 4.0% risk-free rate (unchanged), an 8.75% equity risk premium (unchanged), and a 1.0 beta (unchanged). Together, these come to an unchanged cost of equity of 12.8%.
- A terminal growth rate of 1.0% (unchanged).
- Our valuation basis stands at end-FY26.

**Figure 11: Cost of equity calculation, VEA**

Cost of equity remained unchanged at 12.8%

Risk-free rate	4.0%
Equity risk premium	8.75%
Beta	1.0
Cost of equity	12.8%

Source: HSC Research

**Figure 12: DDM valuation, VEA**

Our new TP derives at VND39,500

Year fraction	Year	Dividend (VND/share)	Terminal value (VND)	Present value (VND)
0	FY26	5,354		5,354
1	FY27	5,070		4,496
2	FY28	4,498		3,538
3	FY29	4,019	34,545	26,905
Terminal growth rate		1.0%		
Cost of equity		12.8%		
<b>Intrinsic value</b>				<b>40,293</b>
Write-offs				-753
<b>Target price</b>				<b>39,500</b>

Source: HSC Research

**Figure 13: TP sensitivity analysis, VEA**

Our base case uses a risk-free rate of 4.0% and terminal growth rate of 1.0%

VND	Terminal growth rate	Risk-free rate				
		0.0%	3.0%	3.5%	4.0%	4.5%
	0.0%	40,100	38,700	37,400	36,200	35,100
	0.5%	41,300	39,800	38,400	37,200	36,000
	1.0%	42,700	41,000	<b>39,500</b>	38,200	36,900
	1.5%	44,100	42,400	40,700	39,300	37,900
	2.0%	45,700	43,800	42,000	40,400	39,000

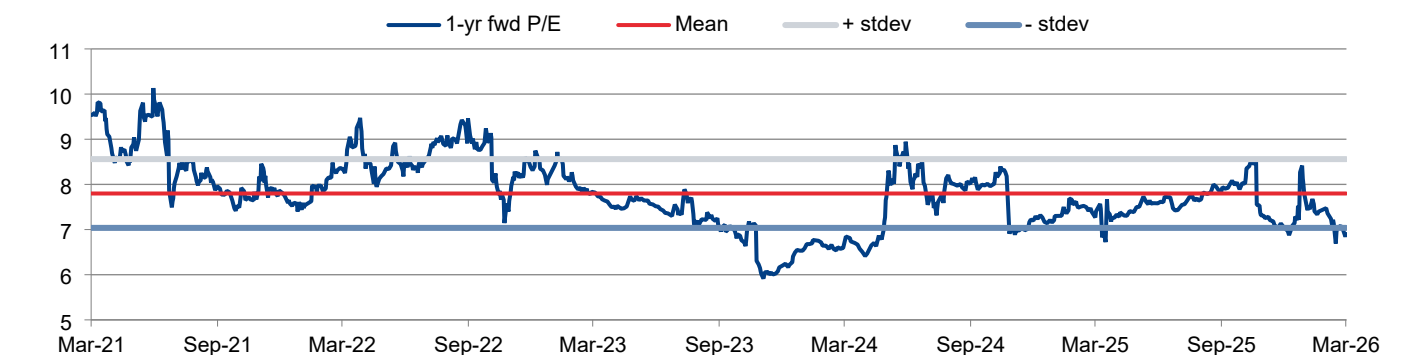
Source: HSC Research

**Valuation context**

Off 6% over the past 1M, VEA now trades on a 1-yr rolling fwd P/E of 6.9x, over 1 SD below its 5Y avg. 1-yr fwd. P/E of 7.8x, and – as discussed – with high dividend yields of 12-15% over the next 3Y. With current lucrative entry point, VEA still offers a safe investment idea amid market volatility given its defensive stock characteristics.

**Figure 14: 1-yr rolling fwd. P/E, VEA**

VEA is trading at 1-yr rolling fwd. P/E of 6.9x vs. its 5Y average 1-yr fwd. P/E of 7.8x



Source: Fiinpro, HSC Research

**Financial statements and key data**

Income statements (VNDbn)	12-24A	12-25A	12-26F	12-27F	12-28F
Sales	4,103	4,466	4,600	4,738	4,880
Gross profit	626	684	667	687	708
SG&A	(575)	(638)	(688)	(708)	(730)
Other income	6,730	6,625	5,864	5,276	5,308
Other expenses	-	-	-	-	-
<b>EBIT</b>	<b>6,780</b>	<b>6,670</b>	<b>5,843</b>	<b>5,255</b>	<b>5,286</b>
Net interest	850	925	805	750	648
Associates/affiliates	-	-	-	-	-
Other non-operational	-	-	-	-	-
Exceptional items	(4.28)	3.68	0	0	0
<b>Pre-tax profit</b>	<b>7,626</b>	<b>7,599</b>	<b>6,648</b>	<b>6,005</b>	<b>5,934</b>
Taxation	(193)	(204)	(181)	(163)	(161)
Minority interests	(70.5)	(70.5)	(61.7)	(55.7)	(55.0)
Exceptional items after tax	-	-	-	-	-
<b>Net profit</b>	<b>7,362</b>	<b>7,325</b>	<b>6,406</b>	<b>5,786</b>	<b>5,718</b>
<b>Net profit adj'd</b>	<b>7,326</b>	<b>7,288</b>	<b>6,374</b>	<b>5,757</b>	<b>5,689</b>
<b>EBITDA adj.</b>	<b>7,026</b>	<b>6,908</b>	<b>6,041</b>	<b>5,457</b>	<b>5,492</b>
EPS (VND)	5,541	5,512	4,821	4,355	4,303
EPS adj. (VND)	5,513	5,485	4,797	4,333	4,282
DPS (VND)	4,658	5,354	5,070	4,498	4,019
Basic shares, average (mn)	1,329	1,329	1,329	1,329	1,329
Basic shares, period end (mn)	1,329	1,329	1,329	1,329	1,329
Fully diluted shares, period end (mn)	1,329	1,329	1,329	1,329	1,329

Balance sheets (VNDbn)	12-24A	12-25A	12-26F	12-27F	12-28F
Cash	412	400	405	166	185
Short-term investments	13,098	13,766	12,879	13,028	12,687
Accounts receivable	3,832	4,300	4,370	3,553	3,660
Inventory	1,251	1,151	1,376	1,418	1,460
Other current assets	129	137	141	145	149
<b>Total current assets</b>	<b>18,722</b>	<b>19,754</b>	<b>19,171</b>	<b>18,311</b>	<b>18,142</b>
PP&E	1,347	1,211	1,127	1,042	955
Intangible assets	76.4	75.7	85.6	96.4	108
Investment properties	0	0	0	0	0
Long-term investments	600	648	690	711	732
Associates/JVs	6,703	6,757	6,758	6,758	6,758
Other long-term assets	95.7	97.4	105	109	115
<b>Total long-term assets</b>	<b>8,821</b>	<b>8,788</b>	<b>8,765</b>	<b>8,717</b>	<b>8,668</b>
<b>Total assets</b>	<b>27,543</b>	<b>28,542</b>	<b>27,936</b>	<b>27,027</b>	<b>26,810</b>
Short-term debt	127	108	112	116	119
Accounts payable	340	299	368	379	390
Other current liabilities	682	773	773	773	773
<b>Total current liabilities</b>	<b>1,244</b>	<b>1,274</b>	<b>1,348</b>	<b>1,362</b>	<b>1,377</b>
Long-term debt	0	0	0	0	0
Deferred tax	40.9	38.2	38.2	38.2	38.2
Other long-term liabilities	9.95	12.8	12.8	12.8	12.8
<b>Long-term liabilities</b>	<b>50.8</b>	<b>51.1</b>	<b>51.1</b>	<b>51.1</b>	<b>51.1</b>
<b>Total liabilities</b>	<b>1,295</b>	<b>1,325</b>	<b>1,399</b>	<b>1,413</b>	<b>1,428</b>
Shareholders' funds	26,248	27,217	26,538	25,614	25,382
Minority interests	-	-	-	-	-
<b>Total equity</b>	<b>26,248</b>	<b>27,217</b>	<b>26,538</b>	<b>25,614</b>	<b>25,382</b>
<b>Total liabilities and equity</b>	<b>27,543</b>	<b>28,542</b>	<b>27,936</b>	<b>27,027</b>	<b>26,810</b>
BVPS (VND)	19,753	20,482	19,971	19,276	19,101
Net debt/(cash)*	(285)	(292)	(293)	(50.4)	(65.6)

Cash flow statements (VNDbn)	12-24A	12-25A	12-26F	12-27F	12-28F
EBIT	6,780	6,670	5,843	5,255	5,286
Depreciation & amortisation	(246)	(237)	(197)	(202)	(206)
Net interest	850	925	805	750	648
Tax paid	(278)	(203)	(181)	(163)	(161)
Changes in working capital	(50.5)	108	654	632	199
Others	(146)	(177)	0	0	0
<b>Cash flow from operations</b>	<b>(190)</b>	<b>(81.5)</b>	<b>1,423</b>	<b>1,370</b>	<b>841</b>
Capex	-	-	-	-	-
Acquisitions & investments	(81.1)	(107)	(128)	(132)	(136)
Disposals	0.21	3.72	0	0	0
Others	7,076	6,400	5,820	5,256	5,287
<b>Cash flow from investing</b>	<b>6,996</b>	<b>6,297</b>	<b>5,692</b>	<b>5,124</b>	<b>5,151</b>
Dividends	(6,738)	(6,208)	(7,115)	(6,737)	(5,977)
Issue of shares	0	0	0	0	0
Change in debt	(15.7)	(70.7)	4.30	3.37	3.47
Other financing cash flow	0	51.5	0	0	0
<b>Cash flow from financing</b>	<b>(6,753)</b>	<b>(6,227)</b>	<b>(7,110)</b>	<b>(6,733)</b>	<b>(5,973)</b>
Cash, beginning of period	358	412	400	405	166
<b>Change in cash</b>	<b>52.2</b>	<b>(11.4)</b>	<b>4.75</b>	<b>(239)</b>	<b>18.7</b>
Exchange rate effects	1.14	(0.02)	0	0	0
<b>Cash, end of period</b>	<b>412</b>	<b>400</b>	<b>405</b>	<b>166</b>	<b>185</b>
<b>Free cash flow</b>	<b>(190)</b>	<b>(81.5)</b>	<b>1,423</b>	<b>1,370</b>	<b>841</b>

Financial ratios and other	12-24A	12-25A	12-26F	12-27F	12-28F
<b>Operating ratios</b>					
Gross margin (%)	15.2	15.3	14.5	14.5	14.5
EBITDA adj. margin (%)	171	155	131	115	113
Net profit margin (%)	179	164	139	122	117
Effective tax rate (%)	2.53	2.69	2.72	2.72	2.72
Sales growth (%)	7.80	8.83	3.00	3.00	3.00
EBITDA adj. growth (%)	24.4	(1.68)	(12.6)	(9.67)	0.65
Net profit adj. growth (%)	18.3	(0.51)	(12.5)	(9.67)	(1.18)
EPS growth (%)	18.7	(0.51)	(12.5)	(9.67)	(1.18)
EPS adj. growth (%)	18.3	(0.51)	(12.5)	(9.67)	(1.18)
DPS growth (%)	(7.49)	14.9	(5.31)	(11.3)	(10.6)
Dividend payout ratio (%)	84.1	97.1	105	103	93.4
<b>Efficiency ratios</b>					
Return on avg. equity (%)	28.3	27.4	23.8	22.2	22.4
Return on avg. CE (%)	26.0	24.9	21.7	20.1	20.7
Asset turnover (x)	0.15	0.16	0.16	0.17	0.18
Operating cash/EBIT (x)	(0.03)	(0.01)	0.24	0.26	0.16
Inventory days	131	111	128	128	128
Accounts receivable days	402	415	406	320	320
Accounts payable days	35.7	28.8	34.2	34.2	34.2
<b>Leverage ratios</b>					
Net debt*/equity (%)	(1.01)	(1.02)	(1.05)	(0.14)	(0.20)
Debt/capital (%)	0.53	0.43	0.46	0.48	0.50
Interest coverage (x)	N/a	N/a	N/a	N/a	N/a
Debt/EBITDA (x)	0.02	0.02	0.02	0.02	0.02
Current ratio (x)	15.0	15.5	14.2	13.4	13.2
<b>Valuation</b>					
EV/sales (x)	25.7	23.7	23.0	22.3	21.7
EV/EBITDA adj. (x)	15.0	15.3	17.5	19.4	19.3
P/E (x)	5.99	6.02	6.89	7.62	7.72
P/E adj. (x)	6.02	6.05	6.92	7.66	7.75
P/B (x)	1.68	1.62	1.66	1.72	1.74
Dividend yield (%)	14.0	16.1	15.3	13.5	12.1

Note: \*Excluding short-term investments.  
Source: Company, HSC Research estimates

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- Buy: Expected to rise by more than 20% on an absolute basis in the next 12 months
- Add: Expected to rise by between 5% and 20% on an absolute basis in the next 12 months
- Hold: Expected to rise or decline by less than 5% on an absolute basis in the next 12 months
- Reduce: Expected to decline by between 5% and 20% on an absolute basis in the next 12 months
- Sell: Expected to decline by more than 20% on an absolute basis in the next 12 months



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