



IMP Update- OUTPERFORM

September 4, 2025



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Company Update

Recommendation **OUTPERFORM**

HSX: IMP

Pharmaceuticals

Target price (VND) **59,800**

Current price (VND) **54,700**

Expected share price return 9.4%

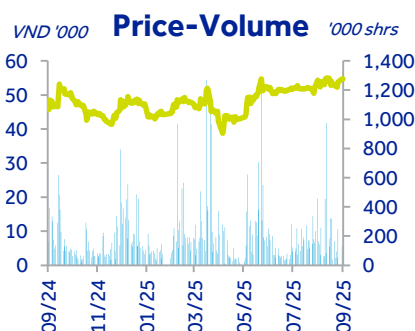
Expected dividend yield 0.9%

Expected total return **10.3%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	17.5	3.8	6.2	25.8
Relative	-17.8	-8.8	-19.1	-7.6

Source: Bloomberg



Ownership

SK and related parties (KBA, Binh Minh Kim)	64.8%
Vietnam Pharmaceutical Corp.	22.0%

Stock Statistics

Sep 4, 2025

Bloomberg code **IMP VN**

52-week range (VND) 36,100-56,500

Shares O/S (m) 154

Mkt cap (VND bn) 8,424

Mkt cap (USD m) 318

Foreign room left (%) 26.8

Est. free float (m) 12.1

3m avg daily vol (shrs) 159,891

VND/USD 26,510

Index: VNIndex / HNX 1696.29/283.9

IMEXPHARM CORP (IMP VN)

The hospital channel sustained its upward trajectory and the pharmacy channel also witnessed substantial improvements. We maintain our projections of 15.0% YoY and 17.6% YoY growth in net revenue and EAT, respectively, for IMP in 2025. Moving target price to YE2026 at VND59,800/share. Rating **OUTPERFORM**.

A robust first half. Net revenue achieved VND1,227bn (+21.7% YoY) and EAT was VND165bn (+29% YoY) in 1H2025. Sales from in-house production captured almost 100% of its net revenue.

Both the hospital and pharmacy channels delivered strong upturns (+24% and +32% YoY, respectively, in gross sales; net growth was not disclosed), with value outperforming volume growth. The government's priority for local drugs combined with the company's advantages of advanced production standards and increased focus on high-value products have underpinned the hospital channel's momentum.

Meanwhile, the pharmacy channel was driven by vigorous growth in its traditional pharmacies and retails chains, as a result of the base effect in the same period last year and its strategic pivot to boost sales through retail customers in the channel. The spread of respiratory diseases early this year might have provided an additional support.

The EAT leaped on a widened gross margin explained by a well-managed materials sourcing and production plans, slight increase in material prices, preference for high-margin products and impacts on depreciation due to integrating IMP4 normalizing.

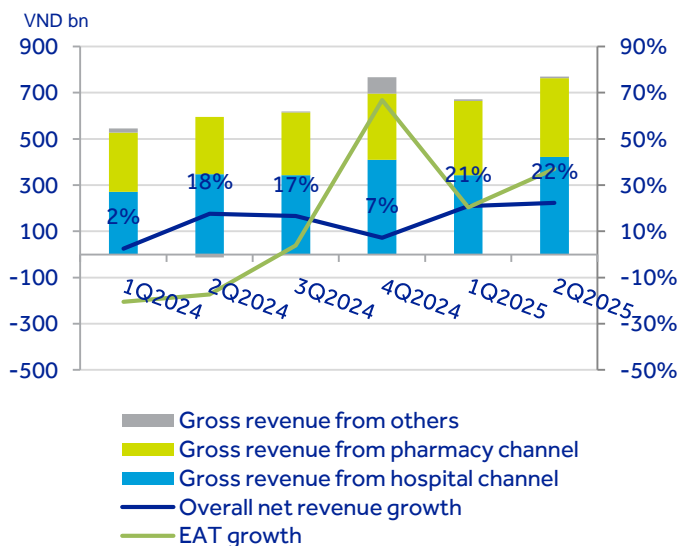
The new EU-GMP factory (IMP5) is expected to start construction in 4Q2025 and go into operation in Dec 2028 – 1Q2030. The company settled the land lease payment and received the land in March 2025. The factory aims to diversify the company's product mix; nevertheless, antibiotics is still aimed as the mainstream category, currently capturing 75% of IMP's sales.

The slowdown in July net revenue and EBT growth (+13% YoY and 9% YoY, respectively; EAT was unavailable) was attributed to customers stockpiling in June before selling price increases from IMP and changes in the government's tax policies for household businesses. The hospital channel upheld solid growth of 27% YoY, whereas the pharmacy channel's revenue dropped by 19% YoY in the month.

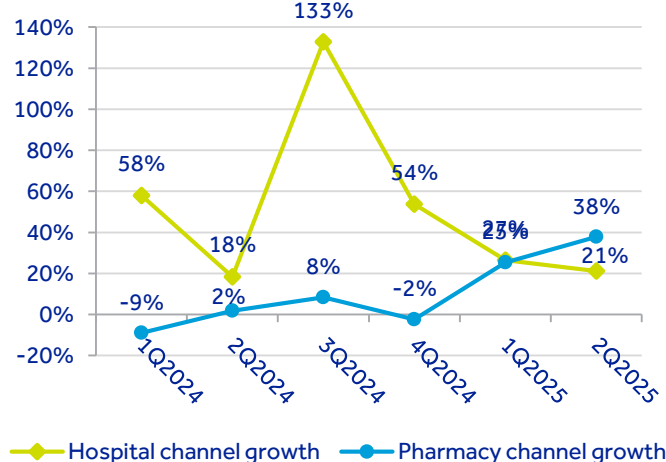
Outlook: We project that the company may generate VND2,536bn of net revenue (+15.0% YoY) and EAT of VND377bn (+17.6% YoY) in 2025, including slower growth in 2H – versus 1H – given the slowdown in July – August.

	2023	2024	2025F	2026F	2027F
Net Sales (VNDbn)	1,994	2,205	2,536	2,888	3,273
Growth	21.3%	10.6%	15.0%	13.9%	13.3%
EAT (VNDbn)	300	321	377	433	485
Growth	34.1%	7.1%	17.6%	14.7%	12.0%
EPS (bonus-adjusted, VND)	1,709	1,791	2,106	2,417	2,707
Growth	45.6%	4.8%	17.6%	14.7%	12.0%
ROE	15.1%	15.0%	16.2%	16.3%	15.9%
Net debt/EBITDA (times)	(0.3)	(0.4)	(0.4)	0.2	0.6
EV/EBITDA (times)	18.4	16.3	14.1	12.1	10.6
PER (times)	32.0	30.5	26.0	22.6	20.2
DPS (VND)	1,000	500	500	500	500
Dividend yield	1.8%	0.9%	0.9%	0.9%	0.9%

Net revenue and EAT in 1H2025



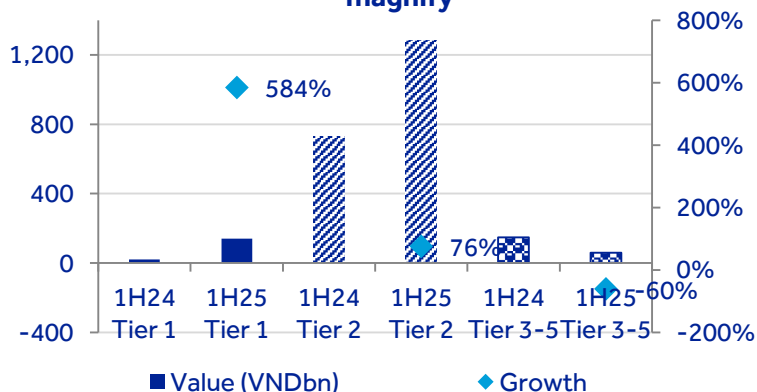
The hospital channel sustained growth momentum - The pharmacy channel rebounded



Source: IMP; ACBS

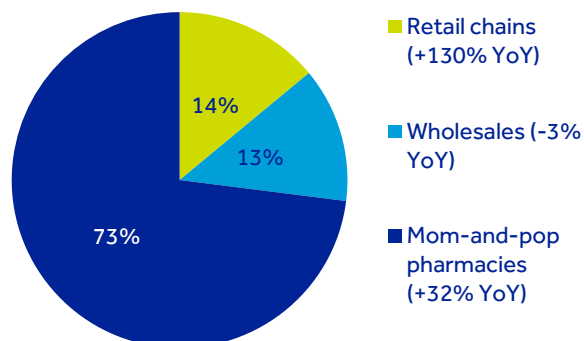
IMP's strong performance was bolstered by revitalization in the pharmacy channel - contributing 46% of IMP's gross revenue - from a stagnant first half in 2024, coupled with a growth stream in the hospital channel - contributing 53% of its gross revenue.

IMP's tender value in tier 1 & 2 continued to magnify



Investments in advanced production standards continued to spur the company's tender value to jump by 584% YoY in tier 1 and 76% YoY in tier 2 in 1H2025. IMP holds a market share of 15% in tier 2 and 1% in tier 1.

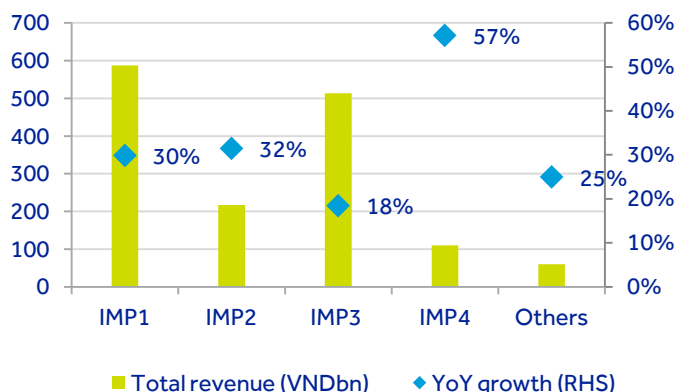
The pharmacy channel witnessed strong growth in the retail group



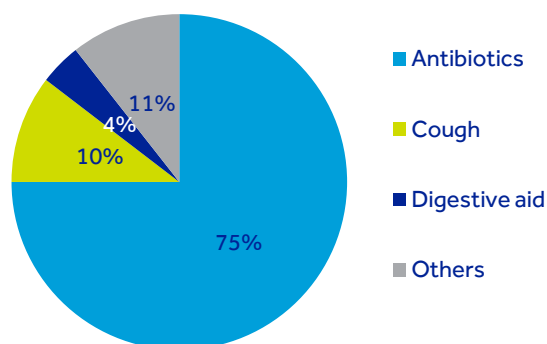
Source: IMP; ACBS

Solid contribution of traditional pharmacies as the key earners and the emergence of retail chains are expected to persist given the company's strategic pivot to retail customers in the pharmacy channel, including boosting its presence and network in the North (+70% YoY, contributing 11% of the channel's revenue).

Revenue increased across all factories



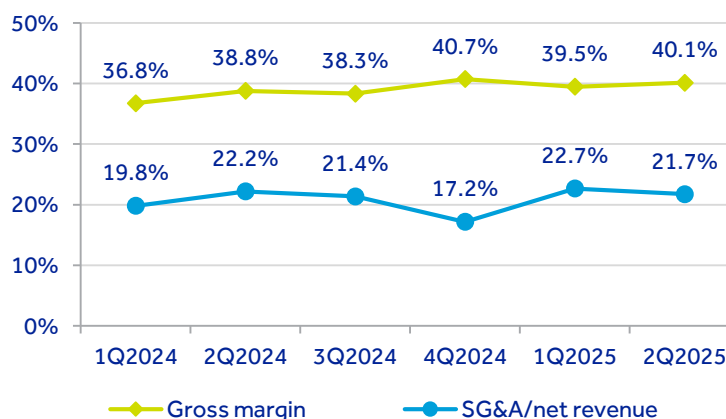
Antibiotics is the company's key category



Source: IMP; ACBS

Among EU-GMP factories (IMP2,3,4), IMP2 and 4 (which is ramping up after going into operation from 3Q2023) are expected to keep outperforming the remainders for their ample remaining capacities, although IMP1 and 3 may remain the largest in terms of revenue and capacity until IMP5 comes online.

EAT growth was supported by a widened gross margin



Source: IMP; ACBS

The EAT was fostered a widened gross margin fueled by a well-managed materials sourcing and production plans, slight increase in material prices, preference for high-margin products and impacts on depreciation due to integrating IMP4 normalizing. This was despite SG&A expenses hike for marketing, promotion and network expansion – especially in the North – and spending on human resources development, digital transformation and operational system modernization.

Forecast and valuation

IMP will still focus on investments in advanced production technology and R&D as its advantages and benefits from the government's priority for local drugs. We retain our projections that the company may generate VND2,536bn of net revenue (+15.0% YoY) and EAT of VND377bn (+17.6% YoY) in 2025. Combining the DCF and PER methods, our target price for IMP by YE2026 is **VND59,800/share**.

IMP FINANCIALS MODEL	Price (VND):	54,700	Target (VND):	59,800	Mkt cap (VND bn):	8,424
(VND bn except where stated)	2023	2024	2025F	2026F	2027F	
Total Net Sales	1,994	2,205	2,536	2,888	3,273	
<i>Sales growth (%)</i>	<i>21.3%</i>	<i>10.6%</i>	<i>15.0%</i>	<i>13.9%</i>	<i>13.3%</i>	
CoGS ex-dep'n	1,111	1,253	1,417	1,614	1,827	
Selling expenses ex-dep'n	304	307	386	432	493	
G&A expenses ex-dep'n	115	124	133	143	154	
Financial revenues (excl. interest income)	8	5	8	8	9	
Financial expenses (excl. interest expense)	26	22	25	28	32	
EBITDA	446	504	582	679	776	
<i>EBITDA margin (%)</i>	<i>22.4%</i>	<i>22.9%</i>	<i>23.0%</i>	<i>23.5%</i>	<i>23.7%</i>	
Depreciation	83	106	110	120	133	
Operating profit	364	399	472	559	643	
<i>Operating profit margin (%)</i>	<i>18.2%</i>	<i>18.1%</i>	<i>18.6%</i>	<i>19.4%</i>	<i>19.6%</i>	
Other profits/losses	3	1	0	0	0	
Profits/Losses from associates	-	-	-	-	-	
Net interest expense	(11)	(4)	(3)	14	32	
<i>as % of avg net debt</i>	<i>4.9%</i>	<i>2.4%</i>	<i>1.3%</i>	<i>-28.7%</i>	<i>10.1%</i>	
<i>Interest cover (x)</i>	<i>(33)</i>	<i>(91)</i>	<i>(160)</i>	<i>41</i>	<i>20</i>	
Tax	78	83	98	112	126	
<i>Effective tax rate (%)</i>	<i>20.8%</i>	<i>20.7%</i>	<i>20.6%</i>	<i>20.6%</i>	<i>20.6%</i>	
Minority interest	-	-	-	-	-	
NPATMI	300	321	377	433	485	
Cash earnings	382	426	487	553	618	
Total number of shares	70,038,449	154,042,762	154,042,762	154,042,762	154,042,762	
EPS (VND) (after treasury shares)	3,760	1,791	2,106	2,417	2,707	
Bonus factor (x)	0.45	1.00	1.00	1.00	1.00	
Adjusted EPS (VND)	1,709	1,791	2,106	2,417	2,707	
<i>EPS growth (%)</i>	<i>45.6%</i>	<i>4.8%</i>	<i>17.6%</i>	<i>14.7%</i>	<i>12.0%</i>	

KEY CASHFLOW AND BS ITEMS	2023	2024	2025F	2026F	2027F
Increase in working capital	318	116	150	136	152
Capex	61	92	150	650	650
Change in investment in affiliates	0	-4	0	0	0
Other cashflow items	-82	-84	-83	-84	-83
Free cash flow	-79	138	104	-317	-267
Share issues	-	-	-	-	-
Dividends paid	67	70	77	77	77
Increase in net debt	145	-68	-27	394	344
Net debt, end of year	-150	-218	-245	150	494
Shareholders' equity	2,085	2,183	2,483	2,839	3,247
BVPS (VND)	29,778	14,175	16,125	18,436	21,085
Net debt / equity (%)	-7.2%	-10.0%	-9.9%	5.3%	15.2%
Net debt / EBITDA (x)	-0.3	-0.4	-0.4	0.2	0.6
Total assets	2,393	2,505	2,778	3,528	4,281

KEY RETURN AND VALUATION RATIOS	2023	2024	2025F	2026F	2027F
ROE	15.1%	15.0%	16.2%	16.3%	15.9%
ROA	12.8%	13.1%	14.3%	13.7%	12.4%
ROIC	16.5%	16.3%	17.8%	17.0%	15.2%
WACC	8.6%	8.6%	8.6%	7.0%	8.6%
EVA	7.8%	7.6%	9.2%	9.9%	6.6%
PER (x)	32.0	30.5	26.0	22.6	20.2
EV/EBITDA (x)	18.4	16.3	14.1	12.1	10.6
EV/FCF (x)	-104.4	59.4	79.0	-25.9	-30.7
PBR (x)	1.8	3.9	3.4	3.0	2.6
PSR (x)	4.2	3.8	3.3	2.9	2.6
EV/sales (x)	4.1	3.7	3.2	2.8	2.5
PEG (x, 3 yr prospective)	1.4	2.5	1.8	1.8	1.8
Dividend yield	1.8%	0.9%	0.9%	0.9%	0.9%

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Our Recommendation System

BUY: prospective 12 month VND total return (including dividends) will be more than 20%.

OUTPERFORM: prospective 12 month VND total return (including dividends) will be 10% to 20%.

NEUTRAL: prospective 12 month VND total return (including dividends) will be -10% to 10%.

UNDERPERFORM: prospective 12 month VND total return (including dividends) will be will be -20% to -10%.

SELL: prospective 12 month VND total return (including dividends) will be lower than -20%.

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