



IMP Update - NEUTRAL

May 22, 2026



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Company Update

Recommendation **NEUTRAL**

HSX: IMP

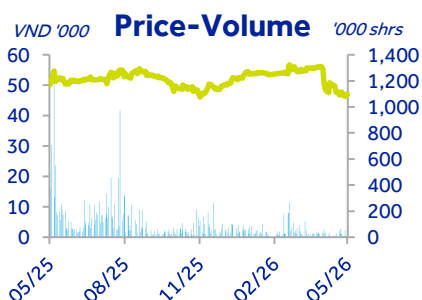
Pharmaceuticals

Target price (VND)	44,500
Market price (VND)	46,900
Expected share price return	-5.1%
Expected dividend yield	1.3%
Expected total return	-3.8%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-10.7	-14.9	-12.2	-5.6
Relative	-16.8	-18.7	-16.6	-51.4

Source: Bloomberg



Ownership

LIAN SGP Holding Pte.Ltd	67.9%
Vietnam Pharmaceutical Corp.	22.0%
SK Investment Vina	3.0%
Templeton Frontier Markets Fund	2.4%

Stock Statistics

May 21st, 2026

Bloomberg code	IMP VN
52-week range (VND)	45,950-57,000
Shares O/S (m)	154
Mkt cap (VND bn)	7,223
Mkt cap (USD m)	274
Est. Foreign room left (%)	5.2
Est. free float (%)	56.8
3m avg daily vol (shrs)	44,449
VND/USD	26,373
Index: VNIIndex / HNX	1884.5/267.6

IMEXPHARM CORP (IMP VN)

Despite 10.1% YoY growth in EAT, the company reported an 8% YoY slide in net revenue in 1Q2026, attributed to plant maintenance, late delivery of some raw materials and increasing competition in the EU-GMP drug segment. We revise 2026 net revenue and EAT projections down by 15% considering 1Q moderate results and potentially narrower margins in 4Q2026 in view of higher input costs. Downgrade rating from BUY to **NEUTRAL** and target price to VND44,500/share by YE2026, 26% lower than the prior update.

Net revenue fell by 8% YoY while EAT climbed by 10.1% YoY, to VND546bn and VND82bn, respectively, in 1Q2026, lower than our expectations.

Both hospital and pharmacy channels recorded a YoY drop in gross revenue (details about net revenue were not disclosed). The hospital channel, accounting for 49% of gross revenue, fell by 11% YoY, explained by maintenance of the IMP3 injectable penicillin line in 2M2026, late delivery of some raw materials and increasing competition from new EU-GMP beta-lactam factories. Meanwhile, the pharmacy channel, accounting for 48% of gross revenue, contracted by 7% YoY.

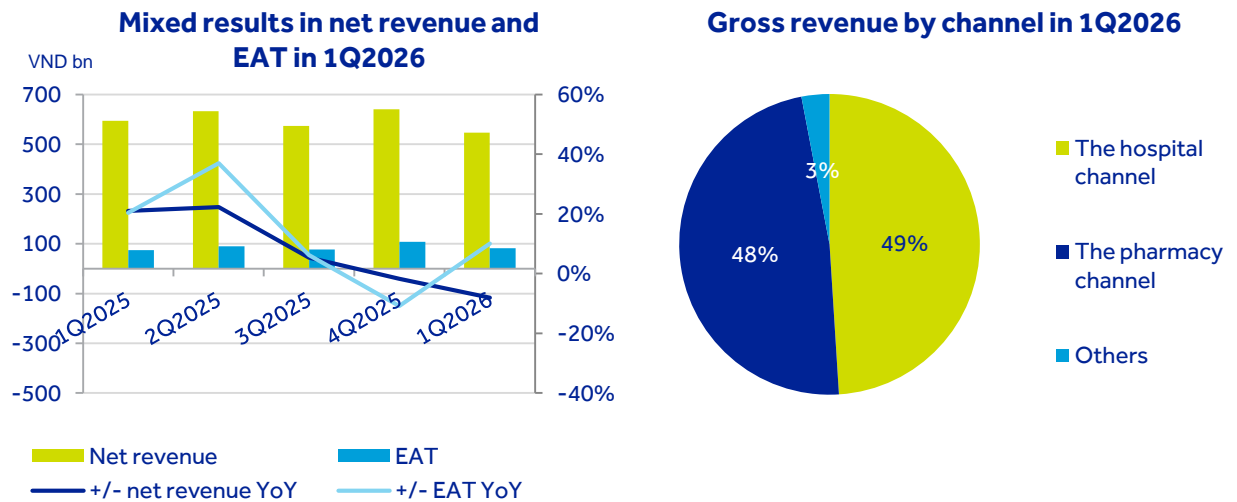
The EAT growth was underpinned by a heightened gross margin and a lower SG&A-to-net revenue ratio, as a result of costs control (e.g. tightening control on expenses for external services and market development for the hospital channel amid slower revenue growth, optimizing personnel expenses, etc.). Despite raw material prices trending up, mostly petroleum-related materials, the company projects the impacts may materialize from 4Q2026 to 2027, as materials until 3Q2026 were fixed prices.

In early May 2026, Livzon Pharmaceutical Group Inc., through LIAN SGP Holding Pte.Ltd, completed the acquisition of 67.87% stake in IMP via public tender offer.

We project net revenue and EAT for IMP at VND2,452bn (+0.5% YoY) and VND368bn (+5.5% YoY) in 2026, 15% lower than our prior update. While 2Q should see production restoring as plant maintenance and material delays conclude, we project that potential margin compression in 4Q2026 and competition pressure may still hamper the company from generating stunning performance for the whole year. However, with continued targets to accelerate R&D, launch more new SKUs focusing on complex generics and new first generics, and prioritize high-margin and high-tech products to stay competitive, we expect the company may almost sustain growth stream in 2026 and the following years.

	2024	2025	2026F	2027F	2028F
Net Sales (VNDbn)	2,205	2,441	2,452	2,672	2,931
Growth	10.6%	10.7%	0.5%	9.0%	9.7%
EAT (VNDbn)	321	349	368	394	428
Growth	7.1%	8.9%	5.5%	7.0%	8.6%
EPS (bonus-adjusted, VND)	1,791	1,891	1,933	2,067	2,246
Growth	4.8%	5.6%	2.2%	7.0%	8.6%
ROE	15.0%	15.6%	15.1%	14.4%	14.0%
ROA	13.1%	13.2%	12.8%	12.1%	11.4%
Net debt/EBITDA (times)	(0.4)	(0.3)	(0.5)	(0.1)	0.2
EV/EBITDA (times)	13.9	12.8	12.6	12.0	10.8
PER (times)	26.2	24.8	24.3	22.7	20.9
PBR (times)	3.3	3.1	2.8	2.5	2.2
DPS (VND)	500	600	600	600	600
Dividend yield	1.1%	1.3%	1.3%	1.3%	1.3%

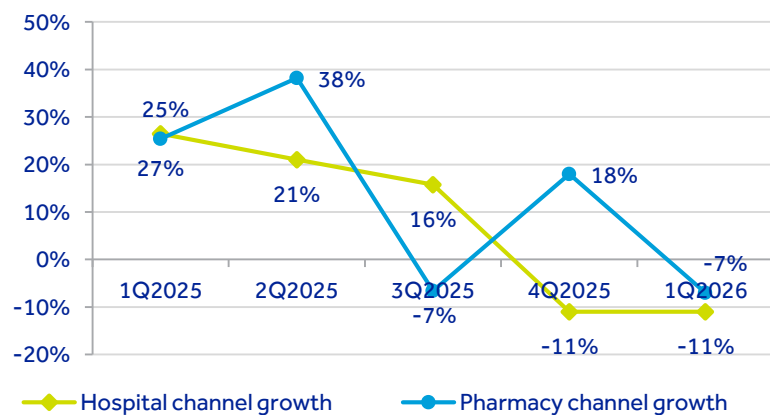
Mixed results in net revenue and EAT in 1Q2026



Source: IMP; ACBS

IMP generated net revenue of VND546bn (-8% YoY) and EAT of VND82bn (+10.1% YoY) in 1Q2026. The drop in gross revenue (details about net revenue were not disclosed) were reported in both hospital and pharmacy channels.

Both hospital and pharmacy channels recorded a YoY drop in revenue in 1Q2026

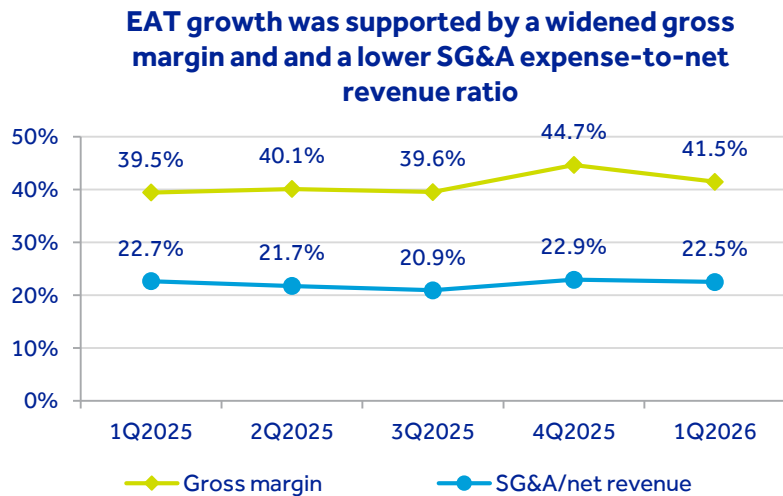


Source: IMP; ACBS

The hospital channel, accounting for 49% of gross revenue, fell by 11% YoY, explained by maintenance of the IMP3 injectable penicillin line in 2M2026 (as a preparation for the upcoming EU-GMP audit this year), late delivery of some raw materials and increased competition from new EU-GMP beta-lactam factories.

Meanwhile, the pharmacy channel, accounting for 48% of gross revenue, contracted by 7% YoY. According to the company, this contraction stemmed from pharmacies' conservativeness in building inventories amid the government's tightened regulations in pharmaceuticals and health care sector (e.g. Decree 90/2026/ND-CP increased penalties against selling Rx drugs without prescription in the pharmacy channel and selling non-essential Rx drug at medicine counters) and a priority on other drugs (beyond the company's major categories) whose prices are anticipated to increase in the upcoming quarters.

EAT growth was driven by improvements in gross margin and the SG&A expense-to-net revenue ratio

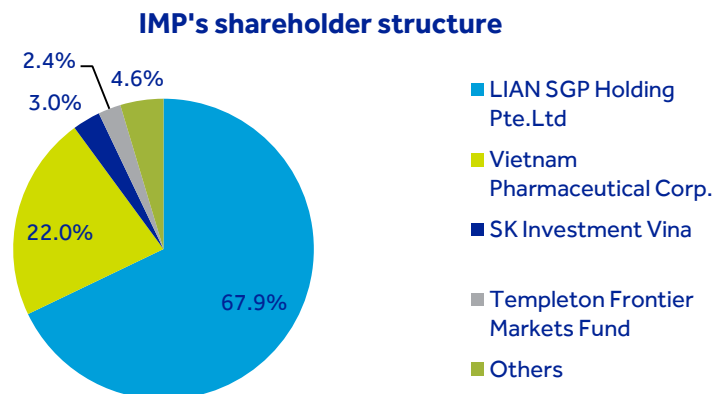


Source: IMP; ACBS

The EAT growth was underpinned by a heightened gross margin (41.5% in 1Q2026 vs. 39.5% in 1Q2025) and a lower SG&A-to-net revenue ratio (22.5% vs. 22.7%), as a result of costs control (e.g. tightening control on expenses for external services and market development for the hospital channel amid slower revenue growth, optimizing personnel expenses, etc). Despite raw material prices trending up, the company projects the impacts may materialize from 4Q2026 to 2027, as materials were fixed prices until 3Q2026. The rise will be mostly seen in petroleum-related materials, particularly sub-materials and some APIs.

Livzon Pharmaceutical Group Inc. becomes the new strategic partner

In early May 2026, Livzon Pharmaceutical Group Inc., through LIAN SGP Holding Pte.Ltd, completed the acquisition of 67.87% stake in IMP via public tender offer. IMP expects the partnership may support the company in intensifying R&D capability and accessing advanced technologies in new fields that are in line with its investment in IMP5, the new factory projected to achieve EU-GMP and come online in 1Q2030.



Source: FiinX; ACBS

Forecast and Valuation

We project net revenue and EAT for IMP at VND2,452bn (+0.5% YoY) and VND368bn (+5.5% YoY) in 2026, 15% lower than our prior update. While 2Q should see production restoring as plant maintenance and material delays conclude, we project that potential margin compression in 4Q2026 (to c.39% in our assumptions) and competition pressure may still hamper the company from generating stunning performance for the whole year.

However, with continued targets to accelerate R&D, launch more new SKUs focusing on complex generics and new first generics, and prioritize high-margin and high-tech products to stay competitive, we expect the company may almost sustain growth stream in 2026 and the following years. The addition of more EU-GMP factories (14 certificates in 2025-early 2026 vs.10 certificates in 2024) comes as a result of the industry shift toward higher production standards. This intensifies the long-standing competition among Vietnamese pharmaceutical manufacturers with antibiotic drugs being a major category. Despite targets to differentiate product portfolio beyond antibiotics and develop high-tech products, substantial progress remains limited in the local players.

Combining the DCF and PER methods, our target price for IMP by YE2026 is VND44,500/share.

IMP FINANCIALS MODEL	Price (VND):	46,900	Target (VND):	44,500	Mkt cap (VND bn):	7,223
(VND bn except where stated)	2024	2025	2026F	2027F	2028F	
Total Net Sales	2,205	2,441	2,452	2,672	2,931	
<i>Sales growth (%)</i>	10.6%	10.7%	0.5%	9.0%	9.7%	
CoGS ex-dep'n	1,253	1,344	1,361	1,510	1,657	
Selling expenses ex-dep'n	307	373	358	390	427	
G&A expenses ex-dep'n	124	157	160	168	176	
Financial revenues ex-interest income	5	7	7	7	7	
Financial expenses ex-interest expense	22	24	21	23	26	
EBITDA	504	550	558	588	653	
<i>EBITDA margin (%)</i>	22.9%	22.5%	22.8%	22.0%	22.3%	
Depreciation	106	105	94	97	117	
Operating profit	399	446	465	490	535	
<i>Operating profit margin (%)</i>	18.1%	18.2%	19.0%	18.4%	18.3%	
Other profits/losses	1	1	0	0	0	
Profits/Losses from associates	-	-	-	-	-	
Net interest expense	(4)	0	(6)	(13)	(12)	
<i>as % of avg net debt</i>	2.4%	-0.2%	2.6%	8.8%	-34.0%	
<i>Interest cover (x)</i>	(91)	1,114	(77)	(37)	(46)	
Tax	83	97	102	110	119	
<i>Effective tax rate (%)</i>	20.7%	21.8%	21.8%	21.8%	21.8%	
Minority interest	-	-	-	-	-	
Attributable net profit after MI	321	349	368	394	428	
Cash earnings	426	454	462	491	545	
Total number of shares	154,042,762	154,042,762	154,042,762	154,042,762	154,042,762	
EPS (VND) (after treasury shares)	1,791	1,891	1,933	2,067	2,246	
Bonus factor (x)	1.00	1.00	1.00	1.00	1.00	
Adjusted EPS (VND)	1,791	1,891	1,933	2,067	2,246	
<i>EPS growth (%)</i>	4.8%	5.6%	2.2%	7.0%	8.6%	

KEY CASHFLOW AND BS ITEMS	2024	2025	2026F	2027F	2028F
Increase in working capital	116	-33	41	109	90
Capex	92	26	100	350	300
Change in investment in affiliates	-4	0	30	0	0
Other cashflow items	-84	-412	-122	-175	-198
Free cash flow	138	50	170	-143	-43
Share issues	-	-	-	-	-
Dividends paid	70	77	92	92	92
Increase in net debt	-68	27	-77	235	135
Net debt, end of year	-218	-191	-268	-33	102
Shareholders' equity	2,183	2,306	2,582	2,884	3,220
BVPS (VND)	14,175	14,976	16,768	18,727	20,906
<i>Net debt / equity (%)</i>	<i>-10.0%</i>	<i>-8.3%</i>	<i>-10.4%</i>	<i>-1.1%</i>	<i>3.2%</i>
<i>Net debt / EBITDA (x)</i>	<i>-0.4</i>	<i>-0.3</i>	<i>-0.5</i>	<i>-0.1</i>	<i>0.2</i>
Total assets	2,505	2,783	2,981	3,518	3,989

KEY RETURN AND VALUATION RATIOS	2024	2025	2026F	2027F	2028F
<i>ROE</i>	<i>15.0%</i>	<i>15.6%</i>	<i>15.1%</i>	<i>14.4%</i>	<i>14.0%</i>
<i>ROA</i>	<i>13.1%</i>	<i>13.2%</i>	<i>12.8%</i>	<i>12.1%</i>	<i>11.4%</i>
<i>ROIC</i>	<i>16.3%</i>	<i>17.1%</i>	<i>16.4%</i>	<i>14.8%</i>	<i>13.6%</i>
<i>WACC</i>	<i>9.2%</i>	<i>9.2%</i>	<i>9.2%</i>	<i>9.2%</i>	<i>8.0%</i>
<i>EVA</i>	<i>7.1%</i>	<i>8.0%</i>	<i>7.3%</i>	<i>5.7%</i>	<i>5.5%</i>
<i>PER (x)</i>	<i>26.2</i>	<i>24.8</i>	<i>24.3</i>	<i>22.7</i>	<i>20.9</i>
<i>EV/EBITDA (x)</i>	<i>13.9</i>	<i>12.8</i>	<i>12.6</i>	<i>12.0</i>	<i>10.8</i>
<i>EV/FCF (x)</i>	<i>50.9</i>	<i>140.6</i>	<i>41.4</i>	<i>-49.3</i>	<i>-164.2</i>
<i>PBR (x)</i>	<i>3.3</i>	<i>3.1</i>	<i>2.8</i>	<i>2.5</i>	<i>2.2</i>
<i>PSR (x)</i>	<i>3.3</i>	<i>3.0</i>	<i>2.9</i>	<i>2.7</i>	<i>2.5</i>
<i>EV/sales (x)</i>	<i>3.2</i>	<i>2.9</i>	<i>2.9</i>	<i>2.6</i>	<i>2.4</i>
<i>PEG (x, 3 yr prospective)</i>	<i>6.2</i>	<i>5.0</i>	<i>4.1</i>	<i>2.8</i>	<i>2.4</i>
<i>Dividend yield</i>	<i>1.1%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>

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DISCLAIMER

Our Recommendation System

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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