



VNM Update- BUY

May 11, 2026



Ms. Chi Luong

(+84 28) 7300 7000 – Ext: 1042

chiitk@acbs.com.vn

Company Update

Recommendation

BUY

HSX: VNM

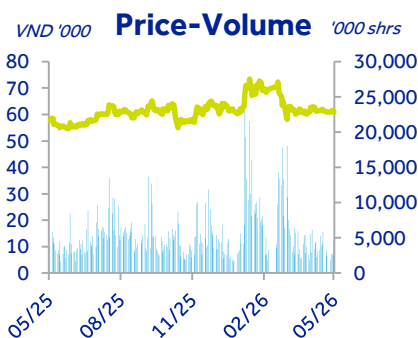
Food & Beverage

Target price (VND)	72,000
Current price (VND)	60,900
Expected share price return	18.4%
Expected dividend yield	7.1%
Expected total return	25.5%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-0.8	-2.7	-11.9	15.0
Relative	-8.1	-11.8	-21.1	-38.4

Source: Bloomberg



Ownership

SCIC	36.0%
F&N Dairy Investments Pte.	22.3%

Stock Statistics

May 8th, 2026

Bloomberg code	VNM VN
52-week range (VND)	54,500-75,500
Shares O/S (m)	2,090
Mkt cap (VND bn)	126,860
Mkt cap (USD m)	4,810
Foreign room left (%)	51.1
Est. free float (m)	38.2
3m avg daily vol (shrs)	5,366,481
VND/USD	26,373
Index: VNIndex / HNX	1911.39/248.4

VIETNAM DAIRY PRODUCTS JSC (VNM VN)

The company announced a surge of 24.6% YoY in net revenue and 54.9% YoY in EAT in 1Q2026 on the low base in the same period last year. Overseas revenue was in the limelight for sustaining an encouraging momentum, despite potential deceleration in coming quarters given disruption in international transport routes. We maintain our EAT projection of VND9,783bn (+3.9% YoY) and target price at VND72,000/share by YE2026, translating to a total return of 25.5%. Rating **BUY**.

Net revenue and EAT rose by 24.6% YoY and 54.9% YoY, to VND16,149bn (+24.6% YoY) and VND2,458bn (+54.9% YoY), respectively, in 1Q2026, in line with our expectations. Sales of finished goods – capturing 93% of the total – soared by 23.3%.

Overseas revenue continued to be a highlight in view of a jump of 39.1% YoY to VND4,069bn, enabling it to account for 27% of VNM's 1Q2026 sales of finished goods (25% of total net revenue). The results were fueled by good performance in direct exports activities (+15-16% YoY) to the conventional market Middle East and other markets, alongside overseas subsidiaries (e.g. Angkor Milk's top line soared by three-fold on strong demand in Cambodia). Exports to the Middle East did not encounter many obstacles in 1Q, as the majority of delivery was finished in the first two months when tension in the region has yet escalated.

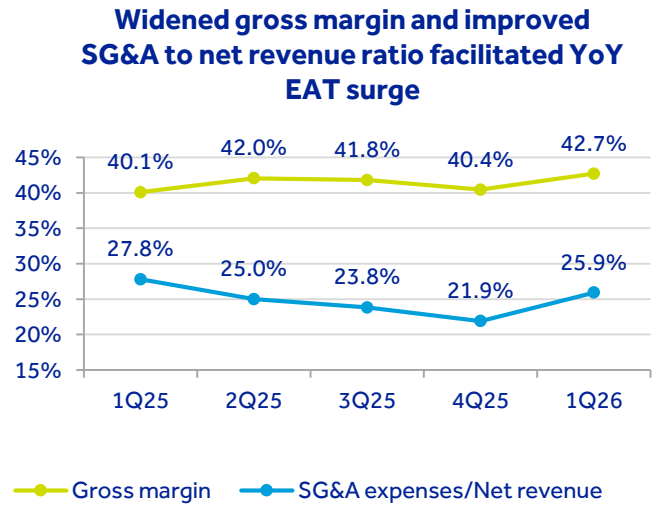
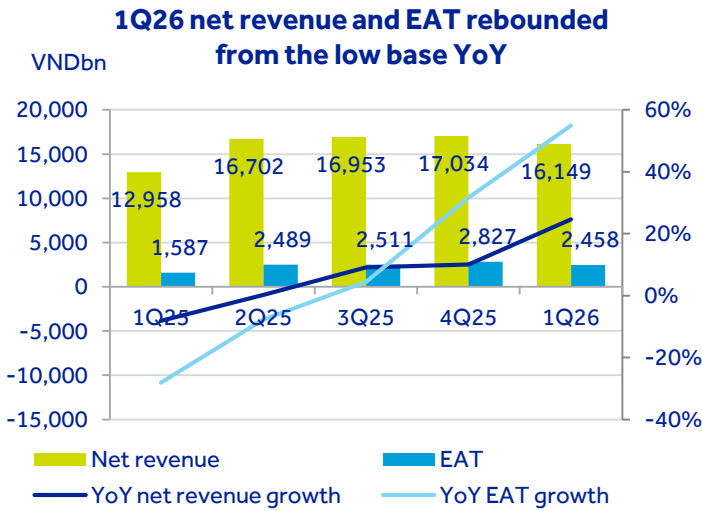
Domestic revenue of finished goods grew by 18.4% YoY to VND10,936bn, largely driven by the low base in the same period last year when the company had restructured its traditional distribution channel.

The 54.9% YoY upturn in EAT in 1Q was propelled by an improved SG&A expenses to net revenue ratio (-1.9% ppt) as a result of faster sales growth, coupled with a strengthened gross margin (+1.6 ppt).

We maintain our projections of VND66,334bn (+4.2%YoY) in net revenue and VND9,783bn (+3.9% YoY) in EAT for 2026. In the following quarters of 2026, the base effect in domestic revenue is not projected to extend, while the company holds a cautious view about exports outlook to the Middle East considering disruption in transport routes through the Strait of Hormuz. The management hopes the disruption will end soon and has strived to establish alternative shipping routes through Jordan in order to sustain the brand's long-term presence, prevent supply disruption, and strengthen long-term partnerships with international partners; however, increased freight rates and longer delivery time may slow down exports growth in the following quarters.

	2024	2025	2026F	2027F	2028F
Net Sales (VNDbn)	61,783	63,646	66,334	69,716	73,216
Growth	2.3%	3.0%	4.2%	5.1%	5.0%
EAT (VNDbn)	9,453	9,414	9,783	10,223	10,806
Growth	4.8%	-0.4%	3.9%	4.5%	5.7%
EPS (bonus-adjusted, VND)	4,030	4,040	4,198	4,388	4,638
Growth	6.0%	0.3%	3.9%	4.5%	5.7%
ROE	29.4%	29.9%	31.5%	32.0%	32.4%
Net debt/EBITDA (times)	(1.3)	(1.1)	(1.1)	(1.1)	(1.2)
EV/sales (times)	1.8	1.8	1.7	1.6	1.5
PER (times)	15.1	15.1	14.5	13.9	13.1
DPS (VND)	4,350	4,350	4,350	4,350	4,350
Dividend yield	7.1%	7.1%	7.1%	7.1%	7.1%

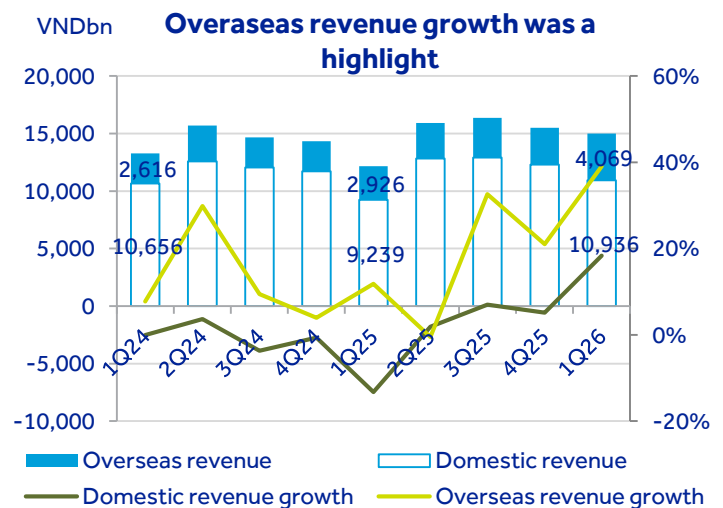
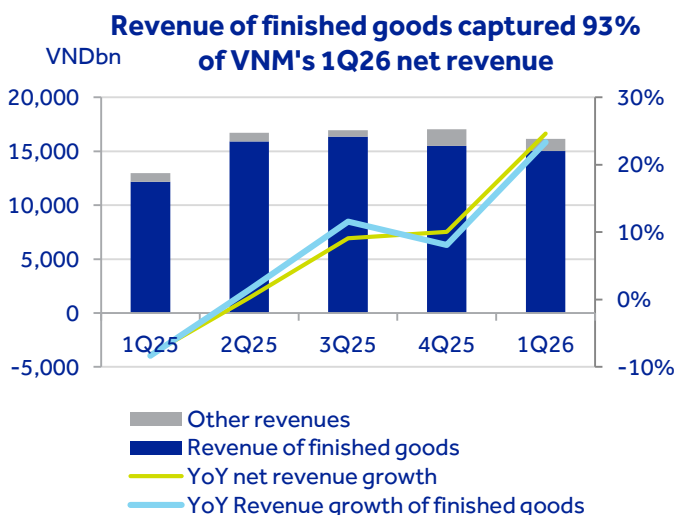
Strong growth in 1Q2026, benefiting from base effect



Source: VNM; ACBS

VNM generated net revenue and EAT growth of 24.6% and 54.9% YoY, to VND16,149bn and VND2,458bn, respectively, in 1Q2026. The earnings performance was propelled by an improved SG&A expenses to net revenue ratio (to 25.9% in 1Q2026 from 27.8% in 1Q2025) – as a result of faster sales growth – along with a heightened gross margin (to 42.7% in 1Q2026 from 40.1% in 1Q2025) – thanks to increased selling volume and preparations for materials from late 2025, before the international materials prices trend up.

Outstanding overseas revenue, with little impacts from geopolitical tension in 1Q



Source: VNM; ACBS

Overseas revenue was in the limelight for its vibrant growth of 39.1% YoY to VND4,069bn, as a result of good performance in direct exports (accounting for 55-60% of the segmented revenue) to the conventional market Middle East and other markets, alongside overseas subsidiaries (i.e. Angkor Milk in Cambodia, Driftwood in the US; together accounting for 40-45% of the segmented revenue). Exports to the

Middle East did not encounter many obstacles in 1Q as the majority of delivery was finished in the first two months when tension in the region has yet escalated. Among other exports destinations besides the Middle East, the Chinese market is gaining steam with growth of 20%+ in 1Q. The main exports products are sweetened condensed milk and yogurt, with distribution channels initially established in key cities in the Northeast and gradually expanding to other regions.

Meanwhile, domestic revenue of finished goods grew by 18.4% YoY to VND10,936bn in 1Q2026, though the figure did not represent a substantial upturn compared with the corresponding periods two and three years ago. The result was underpinned by the recovery in the company's traditional distribution channel (accounting for 75% of the segmented revenue) from the low base in the same period last year and continued expansion in the modern channel, Vinamilk store network and e-commerce (together accounting for 25% of the segmented revenue). The company targets to raise the number of Vinamilk stores to 1,000 by YE2026, from more than 800 stores at present. Additionally, in March 2026, VNM opened its first flagship store in Phnom Penh, Cambodia.

Forecast and valuation

We maintain our projections of VND66,334bn (+4.2%YoY) in net revenue and VND9,783bn (+3.9% YoY) in EAT for 2026. In the following quarters of 2026, given that the base effect in 1Q2026 will not extend, we project that domestic revenue may normalize to low single-digit growth (2-3%) for the whole year 2026. Meanwhile, the company holds a conservative view about exports outlook to the Middle East in light of disruption in transport routes through the Strait of Hormuz. The management hopes the disruption will end soon and has strived to establish alternative shipping routes through Jordan in order to sustain the brand's long-term presence, prevent supply disruption, and strengthen long-term partnerships with international partners; however, increased freight rates and longer delivery time may slow down exports growth in the following quarters.

Combining the DCF and PER methods, our **target price for VNM by the end of 2026 is VND72,000/share.**

VNM FINANCIAL MODEL	Price (VND):	60,900	Target (VND):	72,000	Mkt cap (VND bn):	126,860
(VND bn except where stated)	2024	2025	2026F	2027F	2028F	
Total Net Sales	61,783	63,646	66,334	69,716	73,216	
<i>Sales growth (%)</i>	<i>2.3%</i>	<i>3.0%</i>	<i>4.2%</i>	<i>5.1%</i>	<i>5.0%</i>	
CoGS ex-dep'n	34,251	35,488	36,890	39,005	40,632	
Selling expenses ex-dep'n	13,299	13,581	14,689	15,299	16,068	
G&A expenses ex-dep'n	1,487	1,551	1,502	1,592	1,931	
Financial revenues (excl. interest income)	196	126	126	128	130	
Financial expenses (excl. interest expense)	149	24	94	98	101	
EBITDA	12,793	13,129	13,287	13,850	14,613	
<i>EBITDA margin (%)</i>	<i>20.7%</i>	<i>20.6%</i>	<i>20.0%</i>	<i>19.9%</i>	<i>20.0%</i>	
Depreciation	2,341	2,363	2,309	2,400	2,494	
Operating profit	10,452	10,766	10,978	11,450	12,120	
<i>Operating profit margin (%)</i>	<i>16.9%</i>	<i>16.9%</i>	<i>16.5%</i>	<i>16.4%</i>	<i>16.6%</i>	
Other profits/losses	6	(10)	2	2	2	
Profits/Losses from associates	32	(151)	62	67	71	
Net interest expense	(1,111)	(1,045)	(1,066)	(1,136)	(1,187)	
<i>as % of avg net debt</i>	<i>7.0%</i>	<i>6.6%</i>	<i>7.2%</i>	<i>7.5%</i>	<i>7.3%</i>	
<i>Interest cover (x)</i>	<i>-9.4</i>	<i>-10.3</i>	<i>-10.3</i>	<i>-10.1</i>	<i>-10.2</i>	
Tax	2,147	2,236	2,326	2,433	2,574	
<i>Effective tax rate (%)</i>	<i>18.6%</i>	<i>18.9%</i>	<i>19.3%</i>	<i>19.3%</i>	<i>19.3%</i>	
Minority interest	61	3	5	6	7	
NPATMI	9,392	9,410	9,778	10,217	10,800	
Cash earnings	11,733	11,773	12,087	12,618	13,293	
Total number of shares	2,089,955,445	2,089,955,445	2,089,955,445	2,089,955,445	2,089,955,445	
EPS (VND) (after treasury shares)	4,030	4,040	4,198	4,388	4,638	
Bonus factor (x)	1.00	1.00	1.00	1.00	1.00	
Adjusted EPS (VND)	4,030	4,040	4,198	4,388	4,638	
<i>EPS growth (%)</i>	<i>6.0%</i>	<i>0.3%</i>	<i>3.9%</i>	<i>4.5%</i>	<i>5.7%</i>	

KEY CASHFLOW AND BS ITEMS	2024	2025	2026F	2027F	2028F
Increase in working capital	-1,160	317	73	109	103
Capex	1,628	1,644	1,644	1,644	1,644
Change in investment in affiliates	20	-111	38	43	48
Other cashflow items	-1,050	-945	-998	-971	-985
Free cash flow	10,196	8,978	9,334	9,849	10,513
Share issues	-	-	-	-	-
Dividends paid	8,046	11,265	9,091	9,091	9,091
Increase in net debt	-2,150	2,286	-242	-758	-1,422
Net debt, end of year	-16,892	-14,606	-14,849	-15,607	-17,029
Shareholders' equity	32,279	30,685	31,372	32,498	34,206
BVPS (VND)	15,445	14,682	15,011	15,550	16,367
<i>Net debt / equity</i>	<i>-52.3%</i>	<i>-47.6%</i>	<i>-47.3%</i>	<i>-48.0%</i>	<i>-49.8%</i>
<i>Net debt / EBITDA (x)</i>	<i>-1.3</i>	<i>-1.1</i>	<i>-1.1</i>	<i>-1.1</i>	<i>-1.2</i>
Total assets	55,049	53,312	53,757	54,124	54,411

KEY RETURN AND VALUATION RATIOS	2024	2025	2026F	2027F	2028F
<i>ROE</i>	<i>29.4%</i>	<i>29.9%</i>	<i>31.5%</i>	<i>32.0%</i>	<i>32.4%</i>
<i>ROA</i>	<i>18.7%</i>	<i>18.7%</i>	<i>19.7%</i>	<i>20.4%</i>	<i>21.4%</i>
<i>ROIC</i>	<i>52.6%</i>	<i>54.5%</i>	<i>54.7%</i>	<i>55.7%</i>	<i>57.8%</i>
<i>WACC</i>	<i>10.3%</i>	<i>10.3%</i>	<i>10.3%</i>	<i>10.3%</i>	<i>10.3%</i>
<i>EVA</i>	<i>42.3%</i>	<i>44.2%</i>	<i>44.5%</i>	<i>45.4%</i>	<i>47.5%</i>
<i>PER (x)</i>	<i>15.1</i>	<i>15.1</i>	<i>14.5</i>	<i>13.9</i>	<i>13.1</i>
<i>EV/EBITDA (x)</i>	<i>8.8</i>	<i>8.6</i>	<i>8.5</i>	<i>8.1</i>	<i>7.7</i>
<i>EV/FCF (x)</i>	<i>11.1</i>	<i>12.5</i>	<i>12.1</i>	<i>11.4</i>	<i>10.7</i>
<i>PBR (x)</i>	<i>3.9</i>	<i>4.1</i>	<i>4.1</i>	<i>3.9</i>	<i>3.7</i>
<i>PSR (x)</i>	<i>2.1</i>	<i>2.0</i>	<i>1.9</i>	<i>1.8</i>	<i>1.7</i>
<i>EV/sales (x)</i>	<i>1.8</i>	<i>1.8</i>	<i>1.7</i>	<i>1.6</i>	<i>1.5</i>
<i>PEG (x, 3 yr prospective)</i>	<i>4.5</i>	<i>5.2</i>	<i>3.1</i>	<i>2.6</i>	<i>2.3</i>
<i>Dividend yield</i>	<i>7.1%</i>	<i>7.1%</i>	<i>7.1%</i>	<i>7.1%</i>	<i>7.1%</i>

CONTACTS

Ho Chi Minh City Head Office

3rd Floor, 117 Nguyen Dinh Chieu, Xuan Hoa Ward, Ho Chi Minh City

Tel: (+84 28) 7300 7000

Fax: (+84 28) 7300 3751

Hanoi Office

10 Phan Chu Trinh, Cua Nam Ward, Ha Noi

Tel: (+84 24) 3942 9396

RESEARCH & MARKET STRATEGY DEPARTMENT

Email: acbs_phantich@acbs.com.vn

trangdm@acbs.com.vn

INSTITUTIONAL CLIENT DIVISION

Director

Huong Chu

(+84 28) 7300 7000 (x1083)

huongctk@acbs.com.vn

groupis@acbs.com.vn

Manager

Huynh Nguyen

(+84 28) 7300 6879 (x1088)

huynhntn@acbs.com.vn

DISCLAIMER

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%.

Analyst Certification(s)

We, the author(s) of this report, hereby certify (1) that the views expressed in this research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

ACBS and/or an affiliate thereof (hereby collectively called ACBS) did or may seek to do business with companies covered in this report as its routine business. ACBS's proprietary trading accounts may have a position in such companies' securities. As a result, the investor should be aware that ACBS may have a conflict of interest from time to time.

ACBS produces a variety of research products including, but not limited to, fundamental analysis, equity-linked analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of research product may differ from recommendations contained in other types of research products, whether as a result of differing time horizons, methodologies, or otherwise.

Disclaimer

This report is provided for information purposes only. ACBS makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this report. ACBS will not treat unauthorized recipients of this report as its clients. Prices shown (if any) are indicative and ACBS is not offering to buy or sell or soliciting offers to buy or sell any financial instrument. **Without limiting any of the foregoing and to the extent permitted by law, in no event shall ACBS, nor any affiliate, nor any of their respective officers, directors, partners, or employees have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this report or its contents.** Other than disclosures relating to ACBS, the information contained in this report has been obtained from sources that ACBS believes to be reliable, but ACBS does not represent or warrant that it is accurate or complete. The views in this report are subject to change, and ACBS has no obligation to update its opinions or the information in this report.

Some parts of this report reflect the assumptions, views and analytical methods of the analysts who prepared them, and ACBS is not responsible for any error of their works and assumptions. ACBS may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report.

The analyst recommendations in this report reflect solely and exclusively those of the author(s), and such opinions were prepared independently of any other interests, including those of ACBS. This report does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the investors who receive it. The securities discussed herein may not be suitable for all investors. ACBS recommends that investors independently evaluate each issuer, securities or instrument discussed herein and consult any independent advisors they believe necessary. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

This report may not be distributed to the public media or used by the public media without prior written consent of ACBS. Otherwise it will be considered as illegal. The breacher shall compensate fully to ACBS any loss or damage which arises from such breach (if any).

In the event that the distribution and/or receipt of this report is prohibited by the investor's jurisdiction, the investor shall dismiss this report immediately otherwise it will be at his/her own risks.

ACBS does not provide tax advice and nothing contained herein should be construed to be tax advice. Accordingly, the investors should seek advice based on their particular circumstances from an independent tax advisor. This report may contain links to third-party websites. ACBS is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this report and is not incorporated by reference into this report. The inclusion of a link in this report does not imply any endorsement by ACBS. Access to any third-party website is at the investor's own risks, and the investor should always review the terms and privacy policies at third-party websites before submitting any personal information to them. ACBS is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

© Copyright ACBS (2026). All rights reserved. No part of this report may be reproduced in any manner without the prior written permission of ACBS.