# DPM Flash Note – BUY

**5-Aug-26**

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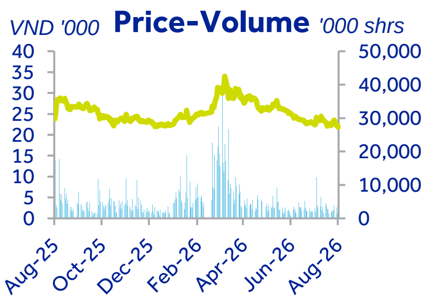
## Flash note

| | |
|---|---|
| **Recommendation** | **BUY** |
| | **HOSE: DPM** |
| | **Fertilizer** |
| **Target price (VND)** | **30.900** |
| **Current price (VND)** | **22.200** |
| Rate of price increase | 39,2% |
| Expected dividend yield | 0% |
| **Total return** | **39,2%** |

## Stock performance (%)

| | YTD | 1M | 3M | 12M |
|---|---|---|---|---|
| Rate of return | 4.6 | 3.7 | -9.0 | -1.7 |
| Alpha return | 3.7 | 7.9 | -6.0 | -20.4 |

*Source: Bloomberg*




## Shareholders

| | |
|---|---|
| PVN | 59,59% |

| **Stock Statistics** | **5-Aug-26** |
|---|---|
| **Bloomberg code** | **DPM VN** |
| 52-week range (VND) | 21,550 - 35,800 |
| Shares O/S (m) | 680 |
| Mkt cap (VND bn) | 14,822 |
| Mkt cap (USD m) | 561 |
| Foreign room left (%) | 46.7 |
| Est. free float (%) | 40.4 |
| 3m avg daily vol (shrs) | 3,164,063 |
| VND/USD | 26,401 |
| Index: VNIndex / HNX | 1776.46/293.59 |

## Petrovietnam Fertilizer and Chemicals (HOSE )

**DPM announced Q2 2026 results that exceeded our forecasts.** The primary drivers were a gross margin that outperformed expectations, and a sharp rise in financial income fueled by the high-interest-rate environment.

**In Q2 2026, DPM recorded revenue of VND 6,985 billion (+31.8% YoY) and a profit after tax (PAT) of VND 915 billion (a 2.2-fold increase YoY). For the first six months of 2026, revenue reached VND 12,608 billion (+33.8% YoY, meeting 71% of the annual plan and 72% of our forecast), while PAT hit VND 1,326 billion (a 2.1-fold increase YoY, doubling the annual plan and reaching 104% of our forecast).**

We raise our 2026 revenue and profit forecasts—projecting growth of 19% and 75% respectively compared to 2025 (up from previous forecasts of 7% and 16%)—to reflect the positive Q2 2026 results. Despite these upward revisions, earnings growth is expected to slow down in the second half of the year compared to the first, as urea fertilizer prices adjusted downward to USD 400/tonne in July (down from a peak of USD 850/tonne).

Using the DCF valuation method, we set a target price of VND 30,900 per share, representing a 39% upside potential (post-dividend). **Recommendation: Buy.**

The earnings growth in the first half of the year was primarily driven by rising fertilizer prices amidst geopolitical tensions in the Middle East; urea prices peaked at USD 850/tonne in April 2026.

**The outlook for the second half of 2026 is less favorable than the first half, yet remains stable. Specifically:**

**1.Supported Urea prices:** Geopolitical conflict in the Middle East is keeping global fertilizer supplies tight. Global urea prices are expected to remain above $400/tonne and could surge past $500/tonne if hostilities escalate. Urea prices are projected to average over $500/tonne in 2026 (compared to an average of $410/tonne in 2025).

**2.Boosting exports:** Amidst rising fertilizer prices—which pose a risk of reduced domestic consumption—the company aims for exports to account for approximately 25–30% of total output. Exports to the Cambodian market are expected to continue driving growth during the latter part of the year.

**3.Impact of global El Niño on urea demand:** Data from the Climate Prediction Center (NOAA) indicates that the current El Niño event is likely to last until early 2027. This could exert short-term pressure on global urea demand.

| | 2024 | 2025 | 2026F | 2027F |
|---|---|---|---|---|
| **Revenue (bn VND)** | **13,496** | **16,564** | **19,698** | **18,927** |
| Growth (%) | -1% | 23% | 19% | -4% |
| EBITDA (bn VND) | 1,111 | 1,846 | 2,896 | 2,038 |
| EBITDA margin (%) | 8% | 11% | 15% | 11% |
| **NPAT (bn VND)** | **554** | **1,096** | **1,919** | **1,451** |
| Growth (%) | 5% | 98% | 75% | -24% |
| EPS (VND) | 1,078 | 1,419 | 2,760 | 2,085 |
| Growth (%) | 5% | -24% | 238% | -24% |
| ROE (%) | 5% | 10% | 18% | 13% |
| ROIC (%) | 4% | 7% | 12% | 9% |
| Net debt/EBITDA | 3.1 | 2.3 | 1.9 | 2.8 |
| PER | 20.6 | 27.2 | 8.0 | 10.6 |
| EV/EBITDA | 19.7 | 10.7 | 6.4 | 9.0 |
| PBR | 0.8 | 1.3 | 1.4 | 1.4 |
| Dividend (VND) | 2,048 | 863 | 1,500 | 1,800 |
| Dividend yield (%) | 9.2% | 3.9% | 6.8% | 8.1% |

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# 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

# DISCLAIMER