DPM Flash Note – BUY

10-Nov-26

RESEARCH & MARKET STRATEGY DEPARTMENT

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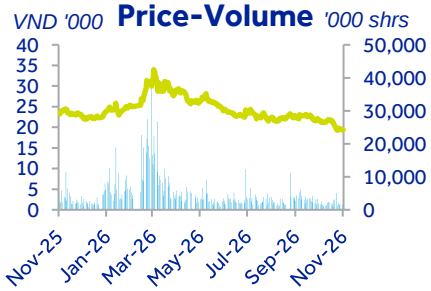
Flash note

Recommendation	**BUY**
	HOSE: DPM
	Fertilizer
Target price (VND)	**24.900**
Current price (VND)	**19.300**
Rate of price increase	29%
Expected dividend yield	8,1%
Total return	**37,1%**

Stock performance (%)

	YTD	1M	3M	12M
Rate of return	-6.9	-11.9	-11.7	-12.9
Alpha return	-5.9	-10.7	-9.0	-22.1

Source: Bloomberg



Shareholders

PVN	59,59%

Stock Statistics	**10-Nov-26**
Bloomberg code	**DPM VN**
52-week range (VND)	19,050 - 35,800
Shares O/S (m)	680
Mkt cap (VND bn)	13,191
Mkt cap (USD m)	500
Foreign room left (%)	46.9
Est. free float (%)	40.4
3m avg daily vol (shrs)	2,745,170
VND/USD	26,401
Index: VNIndex / HNX	1735.59/256.26

Petrovietnam Fertilizer and Chemicals (HOSE)

DPM reported weaker-than-expected Q3 2026 results due to lower urea prices. However, we maintain our 2026 forecasts, as we expect a recovery in urea prices in the final quarter to support earnings improvement.

Q3 2026 NPAT declined amid gross margin compression and lower financial income: Net revenue reached VND4.1 trillion (+10.7% YoY), while net profit after tax (NPAT) reached under VND45 billion (-81% YoY). For 9M 2026, revenue totaled VND16.7 trillion (+27% YoY, 94% of the company's target and 85% of our full-year forecast). NPAT reached VND1.3 trillion (+59% YoY, 190% of the company's target and 71% of our full-year forecast).

We maintain our 2026 earnings forecasts, expecting Q4 2026 NPAT of approximately VND500 billion, supported by recovering global urea prices in Q4 2026 and DPM's relatively high export exposure, with exports accounting for over 30% of total volume. These factors should support gross margin improvement. We maintain our **BUY recommendation** with a 2027 target price of VND24,900 per share, implying 29% upside.

Q3 2026 revenue grew 10.7% YoY, driven by urea exports and fertilizer trading. Total fertilizer sales volume, including exports, increased 22% YoY to 300 thousand tonnes. However, revenue grew only 10.7%, as urea selling prices remained broadly flat (+1.7% YoY). Meanwhile, a declining share of lower-cost gas sources pushed up input costs. Consequently, gross profit margin contracted to 14.1% (compared with 19.3% in Q3 2025, and an average of 20.7% in 1H 2026). Interest income from bank deposits also fell to VND61 billion (-47% YoY), despite average cash and bank deposit balances increasing nearly 8% YoY in 9M 2026. The selling, general and administrative (SG&A) expense-to-revenue ratio rose from 11.8% to 12.2%, further weighing on profitability. Higher corporate income tax expense added further pressure on net earnings.

For 2027, we forecast NPAT of VND1,516 billion (-21% YoY), primarily reflecting an expected decrease in urea prices from a high base. Nevertheless, our assumption that urea prices will remain above USD420/tonne, together with increased exports, should support earnings. In addition, the proposed reduction in the urea export tax rate to 0%, if approved in 2027, could lower costs and provide 10–20% upside to earnings relative to our current base case.

	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	1,885	2,610	2,330
EBITDA margin (%)	8%	11%	13%	12%
NPAT (bn VND)	**554**	**1,095**	**1,923**	**1,516**
Growth (%)	*5%*	*98%*	*76%*	*-21%*
EPS (VND)	571	1,427	2,544	2,005
Growth (%)	*-45%*	*150%*	*78%*	*-21%*
ROE (%)	5%	10%	16%	12%
ROIC (%)	8%	19%	35%	46%
Net debt/EBITDA	6.34	2.61	3.41	4.36
PER	33.8	23.5	7.6	9.6
EV/EBITDA	14.0	8.6	4.6	4.7
PBR	1.2	1.2	1.1	1.1
Dividend (VND)	2,000	1,500	1,500	1,600
Dividend yield (%)	10.4%	7.8%	7.8%	8.3%

Source: ACBS

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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

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