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Dabaco (DBC)

Analyst meeting updates

Optimistic prospects for the livestock breeding segment

- Thanks to high liveweight hog prices since the start of the year, net profit after tax for 1Q2025 is estimated at VND400 billion, meeting 40% of the 2025 target and marking a 450% YoY growth from VND72.6 billion in 1Q2024.
- Selling prices have shown a slight downward trend recently as grow-out pigs (pigs purchased at 80kg and raised to 100kg before being sold) from the pre-Tet period have started being sent to market.
- DBC's management shared that the company is currently facing a shortage of pig farming space due to high productivity, leading to the sale of piglets, estimated at 25,000–30,000 heads per month in recent months.
- Supply is unlikely to increase significantly due to (i) the ongoing complexity of African Swine Fever (ASF), preventing small farms from expanding their herds, and (ii) the impact of the Law on Livestock, effective from January 1, 2025, prompting small-scale farms to reduce operations. As a result, the share of pig farming by small households is projected to drop to 10%–15% of the national market by 2027, down sharply from the previous 60%–70%.
- In 2025, DBC will continue expanding its farms across Thanh Hoa (3,600 sows and 60,000 market pigs), Quang Tri (6,200 sows and 90,000 market pigs), Quang Ninh (2,400 sows and 40,000 market pigs), and Lao Cai (3,200 sows and 50,000 market pigs). The company aims to grow its total herd size to around 60,000 sows and 1.2–1.5 million market pigs per year.

Significant strides in African Swine Fever (ASF) vaccine innovation

- The ribbon-cutting ceremony for the inauguration of the Dacovet factory and the commercial launch of the Dacovac-ASF2 African Swine Fever vaccine will take place on March 29, 2025. The management is committed to accelerating commercial production throughout the year.
- DBC reported that the vaccine has already been administered to 100% of the company's internal pig herds since early last year, achieving a protection rate of 98%–99%.

Other projects

- The expanded Oil Mill 2 is set to undergo installation and fine-tuning through the end of 3Q2025, with trial operations beginning in 4Q2025. The leadership aims to develop new high-value-added oil products and prioritize export markets.

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Investment ratings & definitions

Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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