

Vinamilk (VNM)

Consumption should rebound in 2025

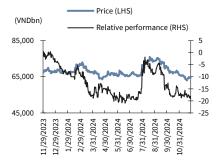
| December 6, 2024 | Analyst Nguyen Duc Quan quannd@kbsec.com.vn |
|---|---|
| 3Q24 results reflect weak domestic demand | In 3Q24, Vinamilk (VNM) achieved VND2,403 billion (-5.1% YoY) in net profit on net revenue of VND15,549 billion (-0.8% YoY) mainly due to lower domestic demand. In contrast, revenue from export markets and foreign branches (~18% of total revenue) maintained a good growth momentum (+10.3% QoQ and +9.5% YoY) thanks to competitive pricing. |
| The increase in imported milk powder costs in 2025 should be offset by potential product price increases | According to Global Dairy Trade, skim/whole milk powder prices have gained 3%/12% YTD respectively and will affect business results in 2025. VNM said it would raise product prices in 2025 if milk powder prices increase too much to ensure profit margins. |
| Consumption is expected to show a clearer recovery in 2025 | FMCGs and dairy consumption in 9M24 showed +2% and -2% YoY growth, respectively due to weak consumer sentiment amid global economic uncertainty. KBSV forecasts consumption to recover in 2025 (later than other sectors) thanks to the policy of maintaining a 2% VAT reduction and infrastructure investment reaching a key stage, helping economic growth and improving consumer confidence. |
| Valuation: BUY rating – Target price VND75,300 | We recommend BUY for VNM shares with a target price of VND75,300, upside potential 17%, equivalent to a projected PER for 2025 of 15x, lower than the five-year average of 17x of the company. |

Buy maintain

| Target price | VND75,300 |
|-----------------------------|-----------|
| Upside | 17% |
| Current price (Dec 6, 2024) | VND64,100 |
| Consensus target price | VND80,200 |
| Market cap (VNDtn/USDbn) | 134.3/5.3 |
| | |

| Trading data | |
|------------------------------------|------------|
| Free float | 35.3% |
| 3M avg trading value (VNDbn/USDmn) | 269.4/10.8 |
| Foreign ownership | 50.8% |
| Major shareholder | SCIC (36%) |

| (%) | 1M | 3M | 6M | 12M |
|----------|------|-------|------|-------|
| Absolute | -3.7 | -12.2 | -2.7 | -0.3 |
| Relative | -2.2 | -9.2 | -0.3 | -18.3 |



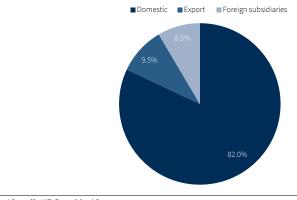
Source: Bloomberg, KB Securities Vietnam

Forecast earnings & valuation

| FY-end | 2022 | 2023 | 2024E | 2025F |
|-------------------------------|--------|--------|--------|--------|
| Net revenue (VNDbn) | 59,956 | 60,369 | 62,066 | 64,385 |
| Operating income/loss (VNDbn) | 10,491 | 10,904 | 10,720 | 10,797 |
| NPAT-MI (VNDbn) | 8,516 | 8,874 | 9,310 | 9,271 |
| EPS (VND) | 3,632 | 4,246 | 4,454 | 4,436 |
| EPS growth (%) | -20 | 17 | 5 | -0.4 |
| P/E (x) | 17.1 | 16.3 | 14.4 | 14.4 |
| Р/В (х) | 4.5 | 4.2 | 4.0 | 4.0 |
| ROE (%) | 26 | 29 | 29 | 28 |
| Dividend vield (%) | 5.5 | 5.7 | 6 | 6 |



Revenue composition (9M24)



Business operation

Vietnam Dairy Products JSC – Vinamilk (VNM) was established in 1976. It mainly operates in the field of production, processing, import and export of dairy and other nutritional products. Currently, the company holds the No. 1 market share in the domestic dairy industry (about 40%). VNM products have been exported to more than 50 countries around the world.

Source: Vinamilk, KB Securities Vietnam

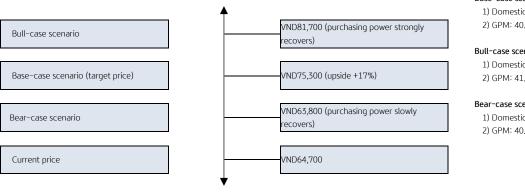
| Investment Catalysts | Notes |
|--|--------------------------------------|
| Consumption will recover better from 2025 . The policy on 2% VAT reduction and promoted investment in infrastructure will help restore consumer confidence. | Please find more details <u>here</u> |
| Revenue growth potential comes from new products and export markets . Continuous investment in product development will help VNM outperform the dairy industry. | Please see more details below |
| Milk powder costs are expected to increase in 2025 . The average price of whole/skim milk powder in the regions has increased by about 16%/3% YTD, which will raise the costs for 2025. VNM should raise product prices to reduce pressure on profit margins. | Please see more details below |

Revised earnings estimates

| (VNDbn) | KBS | V estimates | Change vs previou | us estimates | | Consensus* | | Difference |
|-------------|--------|-------------|-------------------|--------------|--------|------------|-------|------------|
| - | 2024E | 2025E | 2024E | 2025E | 2024E | 2025E | 2024E | 2025E |
| Revenue | 62,066 | 64,385 | -1% | -2% | 62,960 | 66,053 | -1.4% | -2.6% |
| EBIT | 10,720 | 10,807 | -6% | -12% | 11,285 | 12,022 | -5.0% | -10.0% |
| NP after MI | 9,310 | 9,271 | 0% | -7% | 9,583 | 9,992 | -2.8% | -7.1% |

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Base-case scenario: catalysts

1) Domestic & foreign revenue growth: 3.6%/5.5% 2) GPM: 40.9%

Bull-case scenario: upside risk

Domestic & foreign revenue growth: 5%/7%
GPM: 41.3%

Bear-case scenario: downside risk

1) Domestic & foreign revenue growth: 0.9%/4% 2) GPM: 40.6%

3Q24 performance updates

VNM maintained positive growth in 9M24 despite industry difficulties

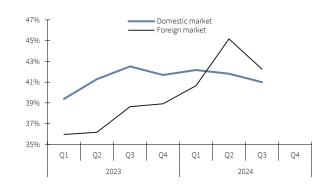
The main driving forces for VNM in 9M24 are the positive growth in export markets and larger domestic market share thanks to the strategy of brand repositioning and diversifying dairy products.

Table 1. VNM - 3Q & 9M24 updated results

| (VNDbn, %) | 3Q23 | 3Q24 | +/-YoY | 9M23 | 9M24 | +/-YoY | Notes |
|-----------------------------------|---------|---------|---------|----------|----------|---------|--|
| Revenue | 15,637 | 15,537 | -0.6% | 44,750 | 46,306 | 3.5% | |
| | 47.057 | 10.000 | 2.40 | 70 5 7 0 | 77.057 | | Domestic demand in 3Q remained weak, but VNM gained |
| Domestic market (including MCM) | 13,253 | 12,928 | -2.4% | 37,532 | 37,956 | 1.1% | more market share. Cumulative 9M revenue gained 1.1% YoY despite no price increase. |
| Foreign branches | 1,138 | 1,234 | 8.4% | 3,491 | 3,951 | 13.2% | Angkormilk launched several new products while Driftwood |
| | 1.246 | 1 705 | 10.70 | 7 750 | 4 470 | 17.00 | continued to penetrate the hospitality service market. Exports continued to improve thanks to competitive pricing |
| Export markets | 1,246 | 1,375 | 10.3% | 3,759 | 4,430 | 17.9% | and higher import volume from annual customers. |
| Gross profit | 6,555 | 6,401 | -2.35% | 18,103 | 19,380 | 7.05% | Domestic GPM slightly dipped in 3Q due to a 2.5% YoY |
| Gross profit margin | 41.9% | 41.2% | -70bps | 40.5% | 41.9% | +140bps | decrease in domestic sales. 9M24 GPM rose 140bps mainly thanks to low input milk powder prices and good sales |
| Domestic market | 42.5% | 41.0% | -150bps | 41.1% | 41.6% | +50bps | volume growth (VNM has not increased domestic product |
| | 70 70/ | 42.20 | 1.750h | 76.00 | 47.00/ | 1 500h | prices in the past two years). Export GPM surged as export products are mostly made |
| Foreign branches & export markets | 38.7% | 42.2% | +350bps | 36.9% | 42.8% | +590bps | from imported milk powder. |
| Financial income | 593.9 | 528.5 | -11.0% | 1,672 | 1,479 | -11.5% | The decrease in financial income resulted from lower interest rates compared to the same period in 2023. |
| SG&A | (3,815) | (3,758) | -1,48% | (10,776) | (11,280) | 4.7% | SG&A continued to inch up on higher marketing expenses |
| SG&A margin | -24.4% | -24,2% | +20bps | -24,1 | -24.4% | +30bps | amid weak domestic demand. VNM has basically completed |
| EBIT | 2,740 | 2,643 | -3.55% | 7,327 | 8,100 | 10.5% | the new brand positioning in 3Q24. |
| | 17.3% | 17.0% | | 16,4% | , | +101bps | EBIT improved by more than 100bps thanks to better GPM |
| EBIT margin | | | -30bps | | 17.5% | | compared to the increase SG&A expenses. |
| NP after MI | 2,492 | 2,404 | -3.56% | 6,548 | 7,269 | 11% | |
| NPAT margin | 15.9% | 15.5% | -40bps | 14.6% | 15.7% | +90bps | |

Source: Vinamilk, KB Securities Vietnam

Fig 2. VNM - Net revenue & GPM (VNDbn, %)



Source: Vinamilk, KB Securities Vietnam

Fig 3. VNM - Profit & SG&A margins (%)



Source: Vinamilk, KB Securities Vietnam



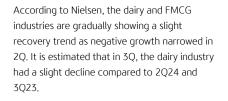
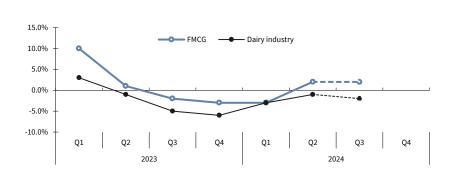


Fig 4. Vietnam - FMCG & dairy industries growth on the domestic market (%)



Source: NielsenIQ, Vinamilk, KB Securities Vietnam

Fig 5. VNM - Domestic revenue breakdown

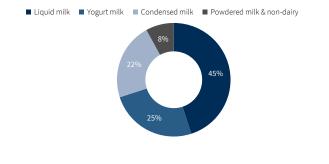
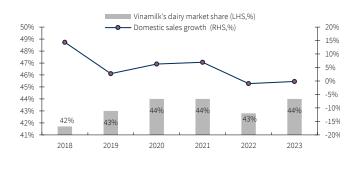


Fig 6. VNM - Market share & revenue growth (%)



Source: Vinamilk, KB Securities Vietnam

Continuous investment in product development helps VNM capture market share in potential new business segments Source: Vinamilk, KB Securities Vietnam

In the domestic market, VNM has outperformed the entire industry thanks to its brand repositioning strategy and pioneering the development of new products. The company is leading in the plant-based milk segment, which is a potential field, while traditional segments such as fresh milk and powdered milk are slowing down. According to Data Bridge, the global plant-based milk market is expected to grow at a CAGR of 11.7% in 2023-2030 as consumers have increasingly favored low-calorie milk, which does not increase cholesterol, does not contain lactose and is suitable for middle-aged people. Meanwhile, cow's milk is suitable for the children's segment because it is higher in calories, rich in good fats, good for bones and easier to absorb than nut milk. In Vietnam, plant-based milk is the fastest growing milk line, reaching 18%/year and accounting for 12% of the dairy market share (General Statistics Office of Vietnam - GSO, 2020). Thanks to a diverse product portfolio including 12 outstanding nut milks, VNM is leading the plant-based milk market, especially with the first high-protein nut milk in Vietnam (more than 5g protein/100ml), meeting the needs of customers who play sports. KBSV expects the company to maintain a growth rate of over 10%/year in the plant-based milk segment with the aging trend in Vietnam.



According to VNM, drinking yogurt, Green farm fresh milk and condensed milk products maintained growth of over 10% in 9M24. KBSV believes that condensed milk, yogurt and organic fresh milk can still maintain an average growth rate of 5–7%, offsetting the negative growth from the traditional liquid milk and powdered milk segments.

In the base scenario, KBSV forecasts a 2.5% CAGR for VNM's domestic revenue in the period 2024–2029.

GSO data showed retail sales of consumer goods and services in 9M24 might grow by a mere of 8.8 YoY (lower than the level of over 10 before the pandemic) since the demand for tourism recovered by 16.7 YoY, which is not high.

According to KBSV, consumer demand in 2024 is still weak due to:

- (1) Global economic and geopolitical instability causes people to proactively save and invest in safe assets instead of spending.
- (2) Rising housing prices (including rents) and essential foods affect the affordability of some people.

KBSV believes that consumer sentiment is expected to be more positive in 2025 and will lag behind economic growth thanks to:

Fig 8. Vietnam - Disbursement of public capital (VNDbn)

Disbursement

- (1) The 2% reduction in VAT should be maintained until mid-2025.
- (2) The 2021–2025 public investment plan is in its final stages, helping economic growth.

Plan

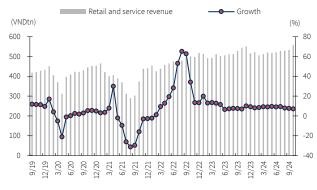


Fig 7. Vietnam - Total retail sales of goods & services (VNDtn)

0

2018

2019

2020

2021

(VNDbn

900.000

800.000

700,000

600,000

500 000

400.000

300,000

200,000

100,000

Consumption outlook in 2025 will

improve thanks to more stable macro fundamentals and

continued economic stimulus

measures

2023

2024F

2025

2022

Disbursement/plar

90%

80%

70%

60%

50%

40%

30%

20%

10%

Source: Ministry of Finance, KB Securities Vietnam

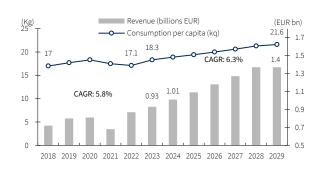
Source: General Statistics Office KB Securities Vietnam



The export segment has good growth potential thanks to its long-standing presence in Iraq, a market with a high population growth rate For the export markets, VNM exports to 60 countries with Iraq being the main market (accounting for 70–80%). We believe that this is a niche market with few competitors due to geopolitical instability. However, VNM has established business relationships with partners in this country since 1998 and maintained good growth momentum, showing that the risk is not too high.

According to Worldometer, Iraq has a high population growth rate, reaching 2.28%/2.15% in 2023/2024, higher than the world average and Vietnam (about 0.8%/year). Therefore, the Iraqi market has great potential for infant formula products, in addition to other traditional products. Statista said milk consumption in Iraq in the period 2018–2023 reached 5.3% and could reach 6.3% in the period 2024–2029. Based on a prudent view, KBSV forecasts export market growth at a CAGR of 5% in the base case.

Fig 9. Iraq - Consumption of dairy products (kg)



Source: Statista

The increase in imported milk powder costs in 2025 should be offset by potential product price increases

Fig 10. VNM - Export revenue & GPM (VNDbn, %)



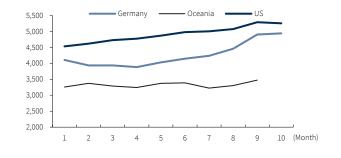
Source: Vinamilk, KB Securities Vietnam

According to Global Dairy Trade, skim and whole milk powder prices may be pushed up in 2025 due to (1) the strengthening of the US dollar, which is likely to increase the cost of raising cows in the EU, Australia and New Zealand, and (2) manufacturers shifting to producing cream, reducing the supply of milk powder.

In the base case scenario, KBSV forecasts that the cost of milk powder (accounting for about 30–40% of raw material costs) will increase by 4%, but VNM's GPM will not be affected too much because it still has a lot of room to raise product prices.

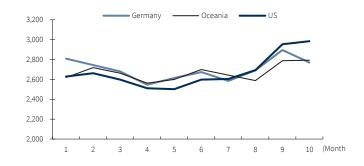


Fig 11. Global - WMP prices in 2024 (EUR)



Source: CLAL, Global Dairy Trade

Fig 12. Global - SMP prices in 2024 (EUR)



Source: CLAL, Global Dairy Trade

Forecast & valuation

Table 13. VNM - 2024-2025F results

| (VNDbn, %) | 2023 | 2024F | +/-% YoY | 2025F | +/- YoY | Assumptions |
|---------------------|---------|---------|-------------|---------|---------|--|
| Revenue | 60,369 | 62,066 | 2.8% | 64,385 | 3.7% | |
| Domestic | 50,617 | 50,807 | 0.3% | 52,341 | 3.0% | KBSV forecasts VNM's domestic revenue will grow 1% YoY/1.5% QoQ in 4Q24. According to the Board of Directors, October sales have recovered and grown compared to the previous month and the same period in 2023. |
| Export | 5,039 | 5,827 | 15.6% | 6,118 | 5.0% | The downward adjustment in growth rate reflects risks in the export segment. |
| Foreign branches | 4,713 | 5,538 | 17.5% | 5,926 | 7.0% | The downward adjustment in growth are renects risks in the export segment, |
| Gross profit | 24,545 | 25,877 | 5.4% | 26,350 | 1.8% | Gross profit margin slightly decreases, reflecting the pressure of increasing input milk powder prices, which will be offset by the potential to increase product prices. |
| Gross profit margin | 40.7% | 41.7% | +99bps | 40.9% | -77 bps | |
| SG&A | -14,774 | -15,158 | 2.6% | -15,544 | 2.5% | Marketing expenses keep increasing. |
| Operating profit | 10,904 | 10,720 | -1.7% | 10,807 | 0.8% | |
| PBT | 10,968 | 11,770 | 7.3% | 11,721 | -0.4% | |
| NPAT | 9,019 | 9,594 | 6.3% | 9,554 | -0.4% | Revenue and profit are expected to complete 98/99 of the business plan in 2024. Profit in 2025 is expected to decrease slightly. |
| NP after MI | 8,874 | 9,310 | 4.9% | 9,271 | -0.4% | |
| NPAT margin | 14.7% | 15.0% | +30bps | 14.4% | -60bps | |

Source: Vinamilk, KB Securities Vietnam



Valuation: BUY rating - Target price VND75,300

We value VNM shares with an FCFF model, reflecting VNM's relatively stable and slow-growing business model. VNM is currently trading at an attractive valuation (below -1 standard deviation of its five-year average) with a projected dividend yield of 2025/current price of 6%. Therefore, we recommend **BUY** for VNM shares with a target price of VND75,300/share, 17% higher than the closing price on December 6, 2024.

Fig 14. VNM - FCFF valuation & assumptions

| Beta | 0.70 | NPV of FCF from 2025-2029 (VNDbn) | 40,683 |
|----------------------|-------|-----------------------------------|---------|
| Risk free rate | 4.7% | NPV of terminal value (VNDbn) | 104,960 |
| Cost of equity | 10.2% | NPV of total FCF (VNDbn) | 145,378 |
| Equity risk premium | 7.8% | Net debt (VNDbn) | 16,147 |
| Cost of debt | 3.7% | Non-controlling interest (VNDbn) | 4,131 |
| Terminal growth rate | 1.5% | Equity value (VNDbn) | 157,395 |
| WACC | 9.8% | | 107,070 |
| | | Shares outstanding (millions) | 2,089 |
| | | Equity value per share (VND) | 75,300 |

Fig 15. VNM - P/E in 2019-2024 (%)



Source: Bloomberg, KB Securities Vietnam

VNM - 2022A-2025F financials

| Income Statement | | | | |
|---------------------------------|---------|---------|-------------|---------|
| (VNDbn) | 2022 | 2023 | 2024F | 2025F |
| Net sales | 59,956 | 60,369 | 62,066 | 64,385 |
| Cost of sales | -36,059 | -35,824 | - 36,189 | -39,128 |
| Gross Profit | 23,897 | 24,545 | 25,877 | 26,350 |
| Financial income | 1,380 | 1,716 | 1,462 | 1,317 |
| Financial expenses | -618 | -503 | -398 | -403 |
| of which: interest expenses | -166 | -354 | -300 | -301 |
| Gain/(loss) from joint ventures | -25 | -81 | 14 | 0 |
| | | | - | |
| Selling expenses | -12,548 | -13,018 | 13,455 | -13,822 |
| General & admin expenses | -1,596 | -1,756 | -1,703 | -1,722 |
| Operating profit/(loss) | 10,491 | 10,904 | 11,797 | 11,721 |
| Net other income/(expenses) | 4 | 64 | -27 | 0 |
| Pretax profit/(loss) | 10,496 | 10,968 | 11,770 | 11,721 |
| Income tax | 1,918 | 1,949 | 2,175 | 2,166 |
| Net profit/(loss) | 8,578 | 9,019 | 9,595 | 9,554 |
| Minority interests | 100 | 62 | 285 | 284 |
| Net profit after MI | 8,478 | 8,958 | 9,310 | 9,271 |

| Operating ratios | 2022 | 2023 | 2024F | 2025F |
|---|-------------------|------------------|----------------|-------------|
| Gross margin | 39.9% | 40.7% | 41.7% | 40.9% |
| EBITDA margin | 19.8% | 20.0% | 21.0% | 20.5% |
| EBIT margin | 16.3% | 16.2% | 17.3% | 16.8% |
| PBT margin | 17.5% | 18.2% | 19.0% | 18.2% |
| Operating margin | 17.5% | 18.1% | 19.0% | 18.2% |
| Net profit margin | 14.1% | 14.8% | 15.0% | 14.4% |
| Cashflow statement | 2022 | | 20245 | 20255 |
| (VNDbn) | 2022 | 2023 | 2024F | 2025F |
| Profit before tax | 10,496 | 10,968 | 11,770 | 11,721 |
| Depreciation and amortization | 2,341 | 2,300 | 2,318 | 2,421 |
| Profit/(loss) from investing | -1,087 | -1,357 | -1,312 | -1,317 |
| Interest expense | 166 | 354 | 359 | 403 |
| Operating CF before changes in WC | 11,915 | 12,266 | 13,135 | 13,228 |
| (Increase)/decrease in receivables | -288 | -245 | 467 | -477 |
| (Increase)/decrease in inventory | 851 | -1,021 | -644 | -220 |
| Increase/(decrease) in payables | -386 | -443 | -80 | 128 |
| (Increase)/decrease in pre-paid expenses | -73 | 8 | 61 | -357 |
| Sellable securities, cost of borrowing, tax | -3,180 | -2,670 | -3,717 | -2,858 |
| Operating cash flow | 8,839 | 7,894 | 9,222 | 9,445 |
| Purchases of fixed assets and other long-term assets | -1,457 | -1,580 | -1,597 | -1,320 |
| Proceeds from disposal of fixed assets | 137 | 105 | 53 | 0 |
| Loans granted, purchases of debt instruments Collection of loans, proceeds from sales of debts | 0 | -2,856 | -2,074 | -1,669 |
| instruments | 3,635 | 0 | 0 | 0 |
| Investments in other entities | -43 | -36 | 0 | 0 |
| Proceeds from divestment in other entities | 0 | 11 | 0 | 0 |
| Dividends and interest received | 1,201 | 1,368 | 1,258 | 1,317 |
| Cash flows from investing activities | 3,473 | -2,989 | -2,360 | -1,671 |
| Proceeds from issue of shares | 338 | 490 | 722 | 0 |
| Payments for share returns and repurchases | 0 | -143 | 0 | C |
| Proceeds from borrowings | 6,258 | 11,788 | 0 | 418 |
| Repayment of borrowings Dividends paid | -10,789 -8,167 | -8,277 -8,152 | -481 -8,083 | 0 -8,046 |
| Interests, dividends, profits received | 0 | 0 | 0 | C |
| CF from Financial Activities | -12,360 | -4,293 | -7,842 | -7,628 |
| Net cash | -48 | 612 | -980 | 145 |
| Beginning cash balance | 2,349 | 2,300 | 2,912 | 1,931 |
| Ending cash balance | 2,300 | 2,912 | 1,931 | 2.077 |

| (VNDbn) | 2022 | 2023 | 2024F | 2025 |
|---|-------------------|----------------|----------------|----------------------|
| Total assets | 48,483 | 52,673 | 53,502 | 54,84 |
| Short term assets | 31,560 | 35,936 | 37,164 | 39,67 |
| Cash & equivalents | 2,300 | 2,912 | 1,931 | 2,07 |
| Short-term investments | 17,414 | 20,137 | 22,212 | 23,88 |
| Accounts receivable | 6,309 | 6,759 | 6,477 | 6,95 |
| Inventory | 5,538 | 6,128 | 6,543 | 6,76 |
| Long-term assets | 16,922 | 16,737 | 16,338 | 15,17 |
| Long-term trade receivables | 38 | 16 | 17 | 1 |
| Fixed assets | 11,961 | 12,745 | 12,183 | 11,06 |
| Long-term incomplete assets | 1,805 | 937 | 1,386 | 1,64 |
| Long-term Investments Goodwill | 1,551 1,568 | 1,717 1,322 | 1,675 1,076 | 1,61 83 |
| Liabilities | 15,666 | 17,648 | 16,047 | 16,81 |
| Current liabilities | 15,308 | 17,139 | 15,594 | 16,36 |
| Trade accounts payable | 4,284 | 3,806 | 3,810 | 3,93 |
| Short-term borrowings | 4,867 | 8,218 | 7,812 | 8,23 |
| Other current liabilities | 6,157 | 5,115 | 3,971 | 4,19 |
| Long-term liabilities | 358 | 509 | 453 | 45 |
| Long-term borrowings | 66 | 239 | 183 | 18 |
| Other Long-term liabilities Shareholders' equity | 292 32,817 | 270 35,026 | 270 37,454 | 27 38,03 |
| Paid-in capital | 20,900 | 20,900 | 20,900 | 20,90 |
| Share premium | 34 | 34 | 34 | 20,50 |
| | 93 | 174 | 288 | 28 |
| Undistributed earnings | 3,354 | 3,926 | 4,523 | 3,89 |
| Reserve & others | 5,470 | 6,663 | 7,579 | 8,50 |
| Minority interests | 2,968 | 3,329 | 4,131 | 4,41 |
| Ratios (x,%,VND) | | | | |
| Valuation index | | | | |
| P/E | 18.1 | 14.9 | 14.4 | 14. |
| Diluted P/E | 18.1 | 14.9 | 14.4 | 14. |
| P/B | 4.7 | 4.3 | 4.0 | 3. |
| P/S | 2.7 | 2.2 | 2.2 | 2. |
| P/Tangible Book | 4.8 | 4.0 | 3.7 | 3. |
| EV/EBITDA | 11.3 | 11.3 | 9.1 | 8. |
| EV/EBIT | 13.6 | 13.6 | 11.0 | 11. |
| Management Efficiency | | | | |
| ROE% | 26% | 26% | 26% | 250 |
| ROA% | 17% | 17% | 18% | 180 |
| ROIC% | 31% | 31% | 33% | 330 |
| Financial ratios | | | | |
| Cash Ratio | 0.2 | 0.2 | 0.1 | 0. |
| | | | | |
| Quick Ratio | 1.7 | 1.7 | 2.0 | 2. |
| Current Ratio Long-term borrowing/Owner's | 2.1 | 2.1 | 2.4 | 2. |
| Equity | 0.0 | 0.0 | 0.0 | 0. |
| Long-term borrowing/Total Asset | 0.0 | 0.0 | 0.0 | 0. |
| Short-term borrowing/Owner's | 0.0 | 0.0 | 0.0 | 0. |
| Equity | 0.2 | 0.2 | 0.2 | 0. |
| Short-term borrowing/Total | 0.2 | 0.2 | 0.1 | 0 |
| Asset Short-term payables/Owner's | 0.2 | 0.2 | 0.1 | 0. |
| | 0.0 | 0.3 | 0.2 | 0. |
| | 0.3 | | | |
| Equity Short-term payables/Total | | 0.0 | 0.2 | 0 |
| Short-term payables/Total Asset | 0.2 | 0.2 | 0.2 | |
| Short-term payables/Total Asset Total payables/Owner's Equity | 0.2 0.3 | 0.3 | 0.2 | 0. |
| Short-term payables/Total Asset Total payables/Owner's Equity Total payables/Total Asset | 0.2 | | | 0. |
| Short-term payables/Total Asset Total payables/Owner's Equity Total payables/Total Asset Operating Ratios | 0.2 0.3 | 0.3 | 0.2 | 0. 0. |
| | 0.2 0.3 0.2 | 0.3 0.2 | 0.2 0.2 | 0. 0. 9. 5. |

Balance sheet

Source: Vinamilk, KB Securities Vietnam



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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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