

Buy (unchanged)

Target price: VND34,900 (from VND30,000)
 Up/downside: 21.4%

Share price (VND) (as of 17 Mar 2026) 28,750

Bloomberg code	DPM VN
52-week range (VND)	15,411-34,000
Trading value (5D) (VNDmn)	564,940
Market cap. (VNDbn)	19,550
Market cap. (USDmn)	744
Shares outstanding (mn)	680
Total FOL share room (mn)	340
Current FOL share room (mn)	156
Foreign ownership limit	50.0%
Foreign owned ratio	27.0%
Free float	0%
Major shareholder	PetroVietnam Group (59.6%)

Source: Company, HSC Research estimates

Share price performance



Share price (%)	-1 mth	-3 mth	-12 mth
Ordinary shares	15.0	29.2	45.5
Relative to index	23.9	30.9	8.35
Relative to sector	-	-	-

Source: Company, FactSet

HSC vs. consensus

EPS adj. (VND)	HSC	Cons	% diff
2026F	2,691	1,813	48.4
2027F	2,516	2,264	11.1
2028F	2,325	2,715	(14.4)

Source: Bloomberg, HSC Research estimates

Company description

The largest fertilizer producer and trader in Vietnam, controls 40% of urea market share.

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21% upside to new/higher TP; Buy

- We lift our TP by 16% to VND34,900 on our new/higher FY26-27 earnings estimates, lifted by 38% on avg., following our analysis on the outlook amidst Mideast disruptions.
- Our new net profit forecasts, including maiden FY28F, show a 3Y CAGR of 13.8%.
- Up 15%/29% in last 1M/3M, respectively, DPM is now trading on a 1-yr rolling forward P/E of 10.8x, 0.5 SDs below its average of 14.1x (data since Jan-22).

Event: Analyzing Mideast war impacts on fertilizer fundamentals

Iran's closure of the Strait of Hormuz has disrupted key Gulf exporters, directly exposing 30-35% of global urea export volumes, with the share rising further to 45% given the production reliance to Middle East gas supplies. Physical production and logistics losses suggests a more prolonged tightening in global nitrogen markets, shifts the global cost curve higher and heightens price sensitivity to further supply disruptions.

This looks broadly positive for DPM, in our view, as it sources domestic offshore gas, largely insulating them from Middle East supply disruptions, while selling prices to track global benchmarks. We expect urea price expansion to more than offset higher oil-linked gas costs (MFO/Brent indexed).

Impact: Lifting FY26-27 forecasts, introducing FY28F

We lift our FY26-27 earnings forecasts for DPM by 38% on average. We now project an FY26 net profit of VND1,830bn, up 70.4% y/y on the back of higher ASPs which are outweighing input cost increases.

Our new FY26-28 net profit forecasts – above the street on average – suggest a 3-yr CAGR calls of 13.8% growth.

Valuation and recommendation

Up 15% in the last 1M and 29% over 3M, DPM now trades on 1-yr rolling forward P/E of 10.8x, 0.5 SDs below its historical average of 14.1x. We revise up our DCF-derived TP by 16.3% to VND34,900 (from VND30,000 previously), reflecting our upward earnings revision. Our new TP suggests 21% upside and implies FY26-27 P/E's of 13.0x and 13.9x, respectively.

Year end: December	12-24A	12-25A	12-26F	12-27F	12-28F
EBITDA adj. (VNDbn)	756	1,379	2,561 ▲	2,428 ▲	2,294
Reported net profit (VNDbn)	538	1,074	1,830 ▲	1,711 ▲	1,581
EPS adj. (VND)	791	1,579	2,691 ▲	2,516 ▲	2,325
DPS (VND)	1,500	1,200	1,500	1,500	1,500
BVPS (VND)	16,441	16,960	18,173	19,207 ▲	20,044
EV/EBITDA adj. (x)	16.8	10.8	5.29	5.49	5.78
P/E adj. (x)	36.4	18.2	10.7	11.4	12.4
Dividend yield (%)	5.22	4.17	5.22	5.22	5.22
P/B (x)	1.75	1.70	1.58	1.50	1.43
EPS adj. growth (%)	3.52	99.7	70.4	(6.51)	(7.59)
Ret. on avg. equity (%)	4.73	9.46	15.3	13.5	11.8

Note: Use of ▲ ▼ indicates that the item has changed by at least 5%.
 Source: Bloomberg, HSC Research estimates

Reiterating Buy on strong earnings outlook

We raise our FY26-27 net profit forecasts by 38.4% on average, reflecting stronger market fundamentals amid an escalating Middle East situation. While Brent and FO prices have surged, lifting input costs, the impact is fully offset by higher selling prices. Management reaffirmed that DPM has sufficient gas supply for normal operations sourced from Vietnam gas fields, largely insulated from current Middle East disruptions. Although growth is expected to contract y/y moderately in each of FY27-28, our forecasts still imply a solid three-year net profit CAGR of 13.8%. We raise our TP by 16.3% to VND34,900, implying 21% upside.

FY26-27 earnings forecast revisions

After reviewing market fundamentals, we revise up our FY26-27 earnings forecasts by 38.4% on average. Our new FY26F net profit of VND1,830bn (revised up by 44%) suggests growth of 70% y/y though our FY27F and maiden FY28F net profit forecasts suggest contractions of 6.5% and 7.6%, respectively.

Our new net profit estimates suggest 3-yr CAGR of 13.8%.

Figure 1: FY26-27F and maiden FY28F earnings estimates, DPM

3-yr net profit CAGR of 13.8% seen

VNDbn	2026F				2027F				2028F	
	Old	New	Revision	Growth y/y	Old	New	Revision	Growth y/y	Maiden	Growth y/y
Net sales	15,557	20,495	31.7%	23.7%	15,661	20,655	31.9%	0.8%	20,655	0.0%
Net profit	1,270	1,830	44.1%	70.4%	1,290	1,711	32.6%	-6.5%	1,581	-7.6%
Gas cost (USD/MMBTU)										
Brent oil (USD/ bbl)	51.8	82	58.5%	20.7%	51.8	72	39.1%	-12.2%	72	0.0%
MFO (USD/tonne)	312.2	523.2	67.6%	24.2%	312.2	469.6	50.4%	-10.2%	469.6	0.0%
Gas cost	9	12	32.8%	15.8%	9	11.3	25.4%	-5.6%	11.3	0.0%
Sales volume (000 tonnes)										
Urea	870,000	870,000	0.0%	5.6%	880,000	880,000	0.0%	1.1%	880,000	0.0%
NPK	63,000	63,000	0.0%	3.9%	65,000	65,000	0.0%	3.2%	65,000	0.0%
Imported fert.	200,000	220,000	10.0%	18.3%	200,000	250,000	25.0%	13.6%	250,000	0.0%
ASP (VND per kg)										
Urea	10.4	13.6	31.1%	23.6%	10.4	12.9	24.1%	-5.4%	12.9	0.0%
Ammonia	8.8	13.8	56.9%	30.2%	8.8	12.9	46.6%	-6.6%	12.9	0.0%
NPK	11.8	13.3	12.8%	13.9%	11.8	13.1	11.0%	-1.5%	13.1	0.0%
Imported fertilizers	10.2	10.5	3.1%	13.7%	10.2	10.4	1.6%	-1.5%	10.4	0.0%

Source: HSC Research

Figure 2: FY26 net profit (VNDbn) sensitivity to key variables, DPM

Input gas cost (below)	Urea selling price				
	-10%	-5%	0%	5%	10%
-10%	1,505	1,928	2,352	2,776	3,199
-5%	1,244	1,667	2,091	2,515	2,938
0%	983	1,406	1,830	2,254	2,677
5%	722	1,145	1,569	1,993	2,416
10%	461	884	1,308	1,732	2,155

Source: HSC Research

Notably, gas cost and urea selling prices are seen as key swing factors for DPM's net profit; we show sensitivity to movements of each versus our base case in the table above.

Valuation and recommendation

Due to upward revisions in our FY26-27 earnings forecasts, we revise up our DCF-derived TP by 16.3% to VND34,900. Our new TP suggests upside of 21% and implies FY26-27 P/E's of 13.0x and 13.9x, respectively. We maintain our Buy rating.

We maintain our key assumptions, including a risk-free rate of 4.0%, equity risk premium of 8.75%, and beta of 1.1; our WACC thus remains 14.0%. We also maintain our terminal growth rate assumption of 2%.

We show the calculations and assumptions underlying our valuation work in Figures 3-5 below. We also show sensitivities to our risk-free rate and terminal growth assumptions in Figure 6.

Figure 3: FCFF calculation, DPM

VNDbn	2026	2027	2028	2029	2030
EBIT	2,115	1,968	1,819	1,590	1,382
Unlevered net income	2,115	1,968	1,819	1,590	1,382
Plus: D&A	447	461	475	490	506
Less: Capex	(558)	(498)	(494)	(527)	(546)
Less: WC increase	1,198	(202)	(261)	488	339
UFCF	3,202	1,728	1,539	2,041	1,681

Source: HSC Research

Figure 4: WACC calculation, DPM

WACC calculation	Value
Risk-free rate	4.0%
Equity risk premium	8.75%
Beta (x)	1.1
Cost of equity	13.6%
Average interest rate	5.5%
CIT	19%
After-tax cost of debt	3.7%
Weight of debt	95.0%
WACC	13.2%

Source: HSC Research

Figure 5: DCF calculation, DPM

DCF calculation	Unit	Value (at end- FY26)
Terminal growth rate		2%
PV of FCFs	VNDbn	8,364
PV of terminal value	VNDbn	9,361
Total PV	VNDbn	17,725
Plus: Cash + s-t investments	VNDbn	10,383
Less: Gross debt, adjustments	VNDbn	(4,391)
Equity value	VNDbn	23,716
Shares o/s	mn	680
Fair value	VND/share	34,900

Source: HSC Research

Figure 6: TP sensitivity to terminal growth rate and risk-free rate (VND), DPM

		Terminal growth rate				
		1.0%	1.5%	2.0%	2.5%	3.0%
Risk-free rate	3.0%	35,300	36,000	36,800	37,700	39,800
	3.5%	34,400	35,100	35,800	36,600	38,400
	4.0%	33,600	34,200	34,900	35,600	37,200
	4.5%	32,900	33,400	34,000	34,700	36,100
	5.0%	32,200	32,700	33,200	33,800	35,200

Source: HSC Research

Figure 7: Rolling 1-yr forward P/E, DPM

Currently trading at 10.8x (based on our estimates)...



Source: Bloomberg, HSC Research

Figure 8: Std. deviations from mean, DPM

...0.5 SDs below its historical average



Source: Bloomberg, HSC Research

Valuation context

Up 15%/29% in last 1M/3M, respectively, DPM is now trading on a 1-yr rolling fwd P/E of 10.8x, 0.5 SDs below its historical average of 14.1x (data since Jan-22).

Financial statements and key data

Income statements (VNDbn)	12-24A	12-25A	12-26F	12-27F	12-28F
Sales	13,496	16,564	20,495	20,655	20,655
Gross profit	1,898	2,939	4,502	4,146	4,004
SG&A	(1,540)	(1,929)	(2,388)	(2,178)	(2,186)
Other income	4.46	18.0	0	0	0
Other expenses	-	-	-	-	-
EBIT	363	1,028	2,115	1,968	1,819
Net interest	304	322	149	148	136
Associates/affiliates	2.65	3.04	3.27	3.43	3.60
Other non-operational	-	-	-	-	-
Exceptional items	-	-	-	-	-
Pre-tax profit	669	1,353	2,267	2,119	1,958
Taxation	(115)	(258)	(390)	(364)	(337)
Minority interests	(16.5)	(21.9)	(46.9)	(43.9)	(40.5)
Exceptional items after tax	-	-	-	-	-
Net profit	538	1,074	1,830	1,711	1,581
Net profit adj'd	538	1,074	1,830	1,711	1,581
EBITDA adj.	756	1,379	2,561	2,428	2,294
EPS (VND)	791	2,202	2,691	2,516	2,325
EPS adj. (VND)	791	1,579	2,691	2,516	2,325
DPS (VND)	1,500	1,200	1,500	1,500	1,500
Basic shares, average (mn)	680	488	680	680	680
Basic shares, period end (mn)	680	680	680	680	680
Fully diluted shares, period end (mn)	680	680	680	680	680

Balance sheets (VNDbn)	12-24A	12-25A	12-26F	12-27F	12-28F
Cash	1,005	1,168	2,548	2,823	3,317
Short-term investments	9,464	7,835	7,835	7,835	7,443
Accounts receivable	653	1,390	1,362	1,494	1,533
Inventory	1,731	3,434	3,008	3,244	3,533
Other current assets	367	683	611	661	712
Total current assets	13,220	14,510	15,364	16,057	16,539
PP&E	1,942	1,818	1,910	2,007	2,109
Intangible assets	859	894	831	767	704
Investment properties	181	171	161	152	142
Long-term investments	3.60	3.60	3.60	3.60	3.60
Associates/JVs	30.6	31.8	31.8	31.8	31.8
Other long-term assets	317	348	439	453	442
Total long-term assets	3,333	3,267	3,376	3,414	3,433
Total assets	16,552	17,777	18,741	19,471	19,971
Short-term debt	3,422	4,164	4,164	4,164	4,164
Accounts payable	691	671	924	917	902
Other current liabilities	811	844	688	615	598
Total current liabilities	5,199	6,028	6,179	6,156	6,095
Long-term debt	0	0	0	0	0
Deferred tax	133	133	133	133	133
Other long-term liabilities	41.2	82.7	71.6	122	114
Long-term liabilities	174	215	204	255	247
Total liabilities	5,372	6,244	6,383	6,410	6,342
Shareholders' funds	11,180	11,533	12,358	13,061	13,630
Minority interests	-	-	-	-	-
Total equity	11,180	11,533	12,358	13,061	13,630
Total liabilities and equity	16,552	17,777	18,741	19,471	19,971
BVPS (VND)	16,441	16,960	18,173	19,207	20,044
Net debt/(cash)*	2,417	2,996	1,616	1,341	847

Cash flow statements (VNDbn)	12-24A	12-25A	12-26F	12-27F	12-28F
EBIT	363	1,028	2,115	1,968	1,819
Depreciation & amortisation	(394)	(351)	(447)	(461)	(475)
Net interest	304	322	149	148	136
Tax paid	(115)	(258)	(390)	(364)	(337)
Changes in working capital	188	(3,061)	1,011	(390)	(449)
Others	(186)	(454)	(426)	(270)	(215)
Cash flow from operations	948	(2,072)	2,905	1,552	1,430
Capex	(85.5)	(129)	(558)	(498)	(494)
Acquisitions & investments	(17,258)	(19,079)	0	0	392
Disposals	0.52	2.82	0	0	0
Others	13,535	21,286	0	0	0
Cash flow from investing	(3,808)	2,081	(558)	(498)	(102)
Dividends	(801)	(587)	(816)	(1,020)	(1,020)
Issue of shares	0	0	0	0	0
Change in debt	5,068	8,381	(151)	241	186
Other financing cash flow	(1,646)	(7,638)	0	0	0
Cash flow from financing	2,621	155	(967)	(779)	(834)
Cash, beginning of period	1,242	1,005	1,168	2,548	2,823
Change in cash	(240)	164	1,380	275	494
Exchange rate effects	3.18	(0.40)	0	0	0
Cash, end of period	1,005	1,168	2,548	2,823	3,317
Free cash flow	862	(2,202)	2,347	1,054	936

Financial ratios and other	12-24A	12-25A	12-26F	12-27F	12-28F
Operating ratios					
Gross margin (%)	14.1	17.7	22.0	20.1	19.4
EBITDA adj. margin (%)	5.60	8.32	12.5	11.8	11.1
Net profit margin (%)	3.98	6.48	8.93	8.28	7.65
Effective tax rate (%)	17.2	19.0	17.2	17.2	17.2
Sales growth (%)	(0.54)	22.7	23.7	0.78	0
EBITDA adj. growth (%)	7.26	82.3	85.8	(5.19)	(5.54)
Net profit adj. growth (%)	3.52	99.7	70.4	(6.51)	(7.59)
EPS growth (%)	3.52	178	22.2	(6.51)	(7.59)
EPS adj. growth (%)	3.52	99.7	70.4	(6.51)	(7.59)
DPS growth (%)	(25.0)	(20.0)	25.0	0	0
Dividend payout ratio (%)	190	54.5	55.7	59.6	64.5
Efficiency ratios					
Return on avg. equity (%)	4.73	9.46	15.3	13.5	11.8
Return on avg. CE (%)	3.13	8.90	17.4	15.2	13.4
Asset turnover (x)	0.90	0.97	1.12	1.08	1.05
Operating cash/EBIT (x)	2.61	(2.02)	1.37	0.79	0.79
Inventory days	54.5	92.0	68.7	71.7	77.5
Accounts receivable days	20.6	37.2	31.1	33.0	33.6
Accounts payable days	21.7	18.0	21.1	20.3	19.8
Leverage ratios					
Net debt*/equity (%)	23.6	28.2	15.3	12.6	8.44
Debt/capital (%)	22.0	24.9	23.7	23.0	22.4
Interest coverage (x)	N/a	N/a	N/a	N/a	N/a
Debt/EBITDA (x)	4.81	3.21	1.73	1.84	1.95
Current ratio (x)	2.54	2.41	2.49	2.61	2.71
Valuation					
EV/sales (x)	0.94	0.90	0.66	0.65	0.64
EV/EBITDA adj. (x)	16.8	10.8	5.29	5.49	5.78
P/E (x)	36.4	13.1	10.7	11.4	12.4
P/E adj. (x)	36.4	18.2	10.7	11.4	12.4
P/B (x)	1.75	1.70	1.58	1.50	1.43
Dividend yield (%)	5.22	4.17	5.22	5.22	5.22

Note: *Excluding short-term investments.
Source: Company, HSC Research estimates