

27/08/2025

RECOMMENDATION	OVERWEIGHT
Fair price	35,500
Current price	31,400
Upside potential	13.1%

STOCK INFORMATION

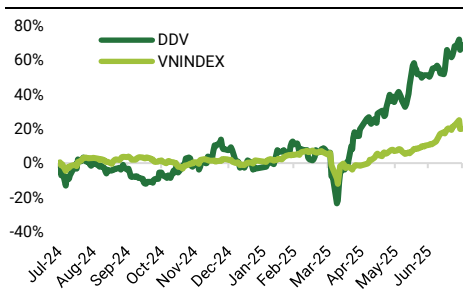
Outstanding shares (mil)	146.1
Free float (mil)	36%
Market cap. (billion VND)	4,515
3m avg. volume (shares)	2,427,466
Highest price 52W (VND)	31,500
Lowest price 52W (VND)	14,000

OWNERSHIP STRUCTURE

Vietnam National Chemical Group	64.0%
Others	36.0%

KEY RATIOS

TTM EPS (VND)	1,152
BVPS (VND)	12,161
Debt/Equity (%)	0.00%
ROA (%)	8.09%
ROE (%)	9.68%
P/E	26.88
P/B	2.54
Dividend yield (%)	2.91%

STOCK PERFORMANCE

COMPANY PROFILE

DAP – VINACHEM JSC (HSX: DDV), founded in 2008, is a Vinachem member and Vietnam's first DAP fertilizer producer. Its Hai Phong plant has a 330,000-ton annual capacity. DDV is the country's largest DAP maker, holding 28% market share and operating six plants, with DAP production as its core.

ANALYST(S)

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BRIGHT PROSPECTS THANKS TO FAVORABLE MARKET CONDITIONS

- DAP – VINACHEM JSC (HSX: DDV), founded in 2008, is a Vinachem member and Vietnam's first DAP fertilizer producer. Its Hai Phong plant has a 330,000-ton annual capacity. DDV is the country's largest DAP maker, holding 28% market share and operating six plants, with DAP production as its core.
- DDV is currently implementing a MAP fertilizer production project with a designed capacity of 60,000 tons per year, which is considered a key growth driver for the company's long-term development.
- We recommend OVERWEIGHT on DDV shares, based on the positive outlook for the fertilizer sector in 2025 and the significant potential of Vietnam's leading DAP producer.
- DDV's business results in 1H25 showed a clear improvement, driven by stable demand, higher selling prices, and favorable input material costs. We believe this positive trend is likely to continue through the end of 2025.

Financial highlights

6M25 net revenue surged 60.2% YoY to VND2,756bn, the increase was mainly due to the rise in sales volume (+12.2% YoY) and the average selling price (+19.5% YoY).

Moreover, this period recorded a significant increase in revenue from the sale of Ammonia (+2.1x YoY).

PBT rose significantly thanks to effective operating management.

Investment thesis

Rising domestic and export fertilizer demand

We project DDV's DAP sales volume to increase by 11% YoY in 2025, in line with domestic DAP demand growth of 12% YoY. Accordingly, DDV's DAP revenue is forecast to grow 32.0% YoY to VND4,336bn in 2025, before declining 12.6% YoY in 2026 as demand eases and selling prices normalize.

Margin expansion from higher selling prices and lower production costs

We expect DDV's DAP gross margin to improve significantly by 6.5% pts in 2025, supported by (1) a recovery in selling prices and (2) optimized production costs. By end-June 2025, the Dinh Vu DAP plant will be fully depreciated, which we estimate will reduce depreciation expenses by VND50bn compared to 2024. In addition, once the company fully offsets input VAT on raw materials, production costs are expected to decrease by around 6%.

Expansion into chemical trading

DDV is expanding into the chemical business through ammonia (NH₃) import and distribution, with revenue expected to rise ninefold YoY to about VND 505 billion in 2025, supported by strong domestic demand.

MAP project as a new growth driver

DDV is currently developing a Monoammonium Phosphate (MAP) fertilizer plant with a designed capacity of 60,000 tons per year. As of the end of Q1/2025, the company is in the process of tendering to select an EPC contractor. The plant is expected to be completed and operational in Q3/2026 after a 15-month construction period.