Q3/2025 EARNING UPDATE: CLEAR DIVERGENCE BETWEEN DOMESTIC AND EXPORT SEGMENTS

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In the first 9 months of 2025, total retail sales of goods and services at current prices rose 9.5% compared to the same period last year.

Notably, retail sales of goods alone in the first 9 months of 2025 increased by only 8.3% (accounting for 76.3% of the total structure) — this requires significantly stronger growth going forward to achieve the targeted average annual growth rate of 11–11.5% during the 2025–2030 period.

- **Domestic consumption trends have not yet recovered**, putting continued pressure on the FMCG sector due to persistently weak local demand and resulting in negative growth for most companies. Notably, VNM and SAB stand out as rare bright spots, supported by stronger export push, raw material cost optimization, and one-off income items that helped offset the domestic weakness. The sharp decline in MCH's Q3/2025 results reflects short-term volatility during the ongoing transformation of the traditional general trade (GT) distribution model. These changes are necessary in preparation for the upcoming shift of household businesses from the lump-sum tax regime to the declaration-based tax system, which will reshape the competitive landscape in retail and trading.
- **The seafood sector has partly benefited from trade tensions, but performance remains highly divergent.** ANV is capturing clear gains from product-mix restructuring, Anti-dumping exemptions and effectively seizing opportunities created by trade frictions (various tariff executive orders) to fill supply gaps in high-value markets. In contrast, VHC and FMC faced significant headwinds, with slow revenue growth and eroding profit margins due to anti-dumping/anti-subsidy duties and other trade-defense tariff measures.
- With government stimulus policies scheduled to take effect from 2026, the FMCG segment is expected to gradually improve. Our preferred stocks for 2026 growth prospects are VNM (returning to profit growth momentum on lower input costs) and ANV (continued expansion driven by proactive shift in export focus).

Q3/2025 business results update: FMCG sector

Overall, final consumption growth has not yet improved, as evidenced by revenue declines across most companies in the group (VNM, QNS, MCH, SAB, SBT). In addition, this weakness has been partly impacted by the GT channel since Decree 70/2025/NĐ-CP (effective from 01/06/2025) affected tax administration in the retail sector. This has negatively impacted GT channel's sales performance for companies such as VNM, SAB, MCH, and QNS.

The overall picture shows negative growth, with only a few bright spots:

- **HSX: VNM:** Revenue growth driven by both domestic and export channels, with Q3/2025 net revenue reaching a new record of VND 16,953 Bn (~USD 650 Mn, +9.1% YoY) and after-tax profit of VND 2,511 Bn (+4.5% YoY)
    - Most of the revenue growth came from the domestic channel adding VND 566 Bn (+4.4% YoY) and the export channel adding VND 644 Bn (+46.9% YoY).
    - Beyond revenue, VNM's NPAT growth was also supported by SG&A cost savings (-40 bps YoY, -120 bps QoQ). The