

MASAN CONSUMER CORPORATION (MCH)

HOLD

F&B products

Current Price	VND129,200
52Wk High/Low	VND180,582/107,823
Target Price	VND147,000
Previous TP	N/a
TP vs Consensus	N/a
Upside	13.8%
Dividend Yield	4.1%
Total stock return	17.9%

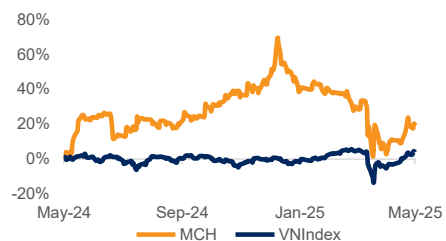
Growth rating	Positive
Value rating	Positive
ST Technical Analysis	Positive

Market Cap	USD5.2bn
3m Avg daily value	USD0.6mn
Avail Foreign Room	USD1.8bn
Outstanding Shares	1.1bn
Fully diluted O/S	1.1bn

	MCH	VNI
P/E TTM	17.6x	13.0x
P/B Current	11.6x	1.7x
ROA	10.0%	2.1%
ROE	42.0%	13.0%

**as of May 28, 2025*

Share Price performance



Share price	1M	3M	12M
MCH	15.8%	-14.0%	19.6%
VNIIndex	9.7%	1.3%	3.7%

Ownership

Masan Consumer Holdings	69.7%
BCC Meerkat LLC	4.2%
SK Investment Vina I Pte. Ltd.	3.5%
BOD and related people	0.3%
Others	22.3%

Business Description

Masan Consumer Corporation is a leading FMCG manufacturer in Vietnam. Its products include sauces, instant noodles, gravy granules, soft drinks, and HPC products. The company was founded on April 1996 and is headquartered in Ho Chi Minh City, Vietnam.

Analyst(s):


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Leveraging top position

- We issue a Hold rating with 13.8% upside and a 4.1% dividend yield.
- MCH's dominant position in seasoning, robust growth in innovation, synergy within MSN group and its upcoming HSX listing, make it a noteworthy entity in Vietnam's FMCG sector.
- Our target price implies a P/E ratio of 18.8x, reflecting MCH's future growth prospects.

Financial Highlights

- FY24 net revenue jumped 9.4% YoY thanks to strong performances in beverages, convenience food and seasonings.
- We forecast revenue to grow 8.1% YoY in FY2025, reaching VND33.5tn (USD1.3bn), mostly driven by seasonings and beverage sales growth.

Investment Thesis

MCH has won mind space as a top player

Intensive advertising and a broad distribution network has enabled MCH to capture significant mind share across core categories such as instant noodles, sauces, and energy drinks. MCH is well recognised with notable brands such as Chinsu, Omachi, Kokomi, and Vinacafe. That solid foundation has supported MCH to expand its premium product lines and adjacent HPC sector.

Strong synergy with WCM

MCH has built a strong distribution network domestically through over 313,000 traditional retail points, 8,500 MT outlets, and 82,000 out-of-home sales locations. The integration with the Winmart chain with over 3,800 stores and the WiN membership program enhances the success rate of its products and promotion efficiency. We expect this synergy will add VND500bn (USD19.3mn) of revenue to MCH thanks to WCM's expansion in 2025.

"Go global" strategy to expand into international markets

MCH has been expanding exports to 26 countries via its "Go Global" strategy. Leading export products such as Chinsu sauces, Nam Ngu fish sauce, and Omachi and Wakeup coffee have successfully penetrated key markets such as Japan, Korea and the US. MCH's export revenue contributed 4% of revenue in 2024, but has grown at a robust double-digit rate recently. The company is aiming for export revenue to contribute 15% of total revenue in three years.

Healthy cash flow, high dividend policy and upcoming listing on HSX

MCH has maintained a healthy cash position with cash and cash equivalents accounting for 21% of total assets, supported by consistent high operating cash inflow. In February 2025, MCH sought shareholder approval for the delisting of MCH shares from the UPCoM exchange and their subsequent listing on the HSX. The public offering that led to a reduction of MSN's stake in MCH from 1Q25 reflected MCH's effort to fulfill HSX's requirement that at least 20% of the voting shares must be held by a minimum of 300 non-major shareholders. Management expects MCH will be listed on HSX by end of 2025, which will improve trading liquidity and capital access.

Key ratio summary

	2023	2024	2025F	2026F	2027F
Revenue YoY growth	4.7%	9.4%	8.2%	7.7%	6.5%
EPS growth	30.0%	10.1%	6.1%	13.2%	6.7%
Gross profit YoY growth	16.6%	11.0%	6.9%	10.0%	6.6%
Net profit margin	25.5%	25.6%	25.1%	26.4%	26.5%
P/E (x)	7.9	24.4	18.7	16.5	15.5
P/B (x)	1.4	11.6	9.3	7.8	6.5
ROAE	29.5%	42.0%	59.9%	51.8%	46.2%
Net debt to equity	0.5	1.5	1.0	0.9	0.8

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Abbreviation

1Q25	The first quarter of 2025	MoF	Vietnam Ministry of Finance
A&P	Advertising and promotion	MoH	Vietnam Ministry of Health
AI	Artificial Intelligence	MSG	Monosodium Glutamate
bn	billion	MSN	Masan Group
BOD	Board of Director	MT	Modern Trade
BOPP	Biaxially-Oriented Polypropylene	OHSAS	Occupational Health and Safety Assessment Series
CAGR	Compound Annual Growth Rate	PE	Polyethylene
CEO	Chief Executive Officer	PET	Polyethylene Terephthalate
CMF	Cholimex Food JSC	PhD	Doctor of Philosophy
F&B	Foods and beverages	ppm	parts per million
FMCG	Fast-moving Consumer Goods	R&D	Research and Development
FY	Financial year	SAB	Saigon Beer - Alcohol - Beverage Corporation
GDP	Gross Domestic Product	SAF	SAFOCO Food JSC
GT	General Trade	SBT	Thanh Thanh Cong - Bien Hoa JSC
HACCP	Hazard Analysis and Critical Control Point	SCT	Special Consumption Tax
HSX	Ho Chi Minh Stock Exchange	SKU	Stock Keeping Unit
HPC	Home and Personal Care	SD	Standard Deviation
IDP	International Dairy Products JSC	tn	trillion
ISO	International Organization for Standardization	TVC	Television Commercial
KDC	KIDO Group Corporation	UNICEF	United Nations International Children's Emergency Fund
kg	kilogram	UPCoM	Unlisted Public Company Market
KOC	Key Opinion Consumer	US	United States
KOL	Key Opinion Leaders	VASEP	Vietnam Association of Seafood Exporters and Producers
LLDPE	Linear Low-Density Polyethylene	VAT	Value Added Tax
M&A	Merger and Acquisition	VCCI	Vietnam Chamber of Commerce and Industry
MCH	Masan Consumer Corporation	VNM	Vietnam Dairy Products JSC
mg	milligram	WCM	WinCommerce JSC
ML	Machine Learning	WHO	World Health Organization
MML	Masan MEATlife JSC	YE	Year-end
mn	million	YoY	year-on-year

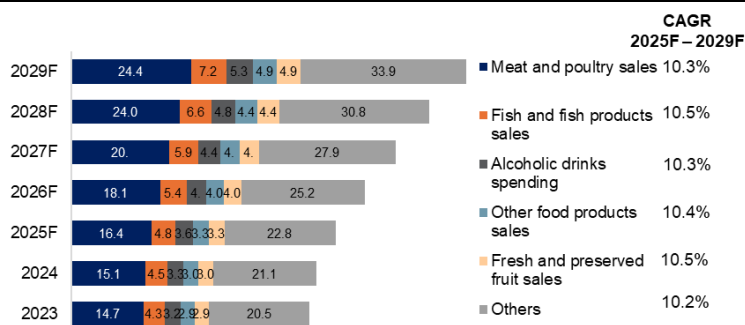
F&B market outlook

Growing F&B demand in Vietnam

Despite slowing FMCG spending in Vietnam in 2024, Vietnam's F&B sector posted YoY growth of 9.9% to reach USD50bn (VND1,295tn) in 2024, according to BMI. The sector promises to keep growing by a 10.3% CAGR, mostly due to sales of meat and poultry (30%), fish and fish products (9%) and alcoholic drinks (7%). In 2025, F&B sales are expected to increase by 10.7% YoY to USD55.4bn (VND1,434tn) (excluded forex impact), driven by increasing population and average income.

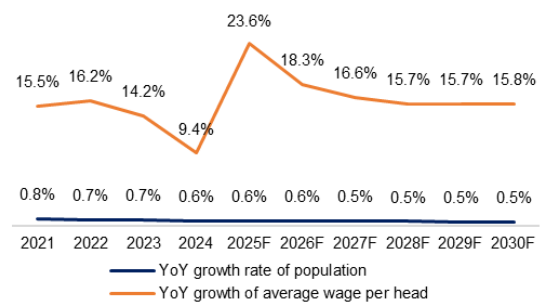
In March 2025, US President Trump proposed to impose reciprocal tariff on products imported to the US, raising the rate from 10% to 46% for Vietnam. These tariffs could cause supply chain disruptions, inflation or demand collapse in several sectors, especially for discretionary products. The F&B segment is mostly essential products, and would thus be less impacted by the action. However, producers are closely watching the impact on the VND/USD rate, the risk of surging logistic costs and increasing competition by imported agriculture products from the US.

Figure 1: Forecast of Vietnamese F&B sales growth (USDbn, %)



Source: VNDIRECT Research, BMI

Figure 2: Vietnam's average income is rising significantly

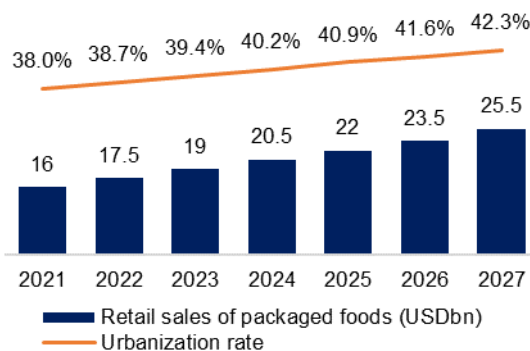


Source: VNDIRECT Research, GSO, BMI

Urban lifestyle stimulates ready-to-eat product consumption

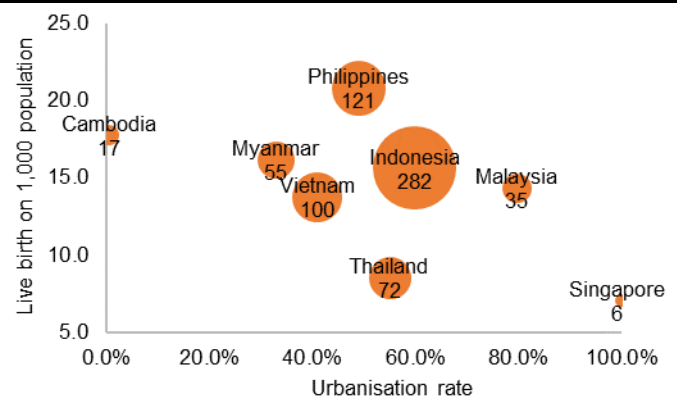
Vietnam's urbanisation rate is ~40%, behind other highly urbanized SEA countries. Correspondingly, a fast urban lifestyle encourages consumers to shift to ready-to-eat, pre-packaged, and branded products found more in supermarkets than in traditional retail. Per Statista, packaged food retail sales in Vietnam are expected to grow by 8% CAGR to reach USD25.9bn by 2027.

Figure 3: Vietnam's urbanisation rate is rising steadily



Source: BMI, VNDIRECT Research

Figure 4: Vietnam's urbanization rate is still behind SEA countries



Source: VNDIRECT Research, BMI

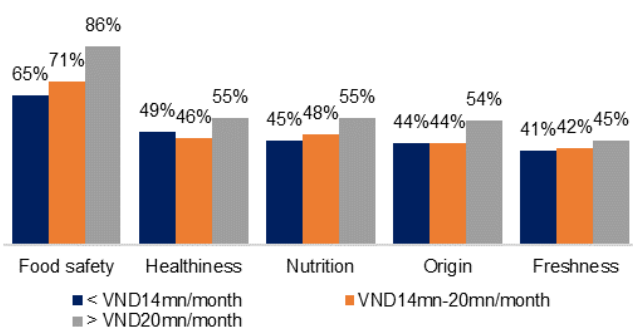
VAT deduction to continue

The Government issued Decree 180/2024/NĐ-CP to implement a VAT reduction under Resolution 174/2024/QH15. From January 1 to June 30, 2025, VAT will be reduced from 10% to 8% for most goods and services, excluding telecommunications, finance, banking, securities, insurance, real estate, metals, non-coal mining, coke, refined petroleum, and chemicals. The policy aims to boost economic recovery and stimulate consumption by lowering tax burdens. Businesses and consumers are expected to benefit from reduced prices and improved market activity during this six-month period. The MoF has also suggested extending the VAT reduction to the 1H25-YE26 period.

Health awareness and premium consumption trends

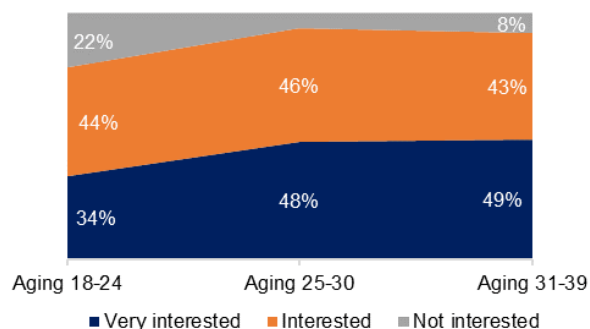
Food safety and health are top concerns of Vietnamese people when buying food. 88% of Vietnamese are interested in organic food, especially people with children. Specifically, organic food consumption is positively correlated with income, as described in the graph below. With Vietnam's population expected at 101.8 million people at YE25, increasing household income and an urbanization rate of 41%, the premium F&B segment has a great chance to grow.

Figure 5: Key consumer concerns in F&B by income (% of people)



Source: VNDIRECT Research, Q&Me

Figure 6: Vietnamese's interest in organic food by age



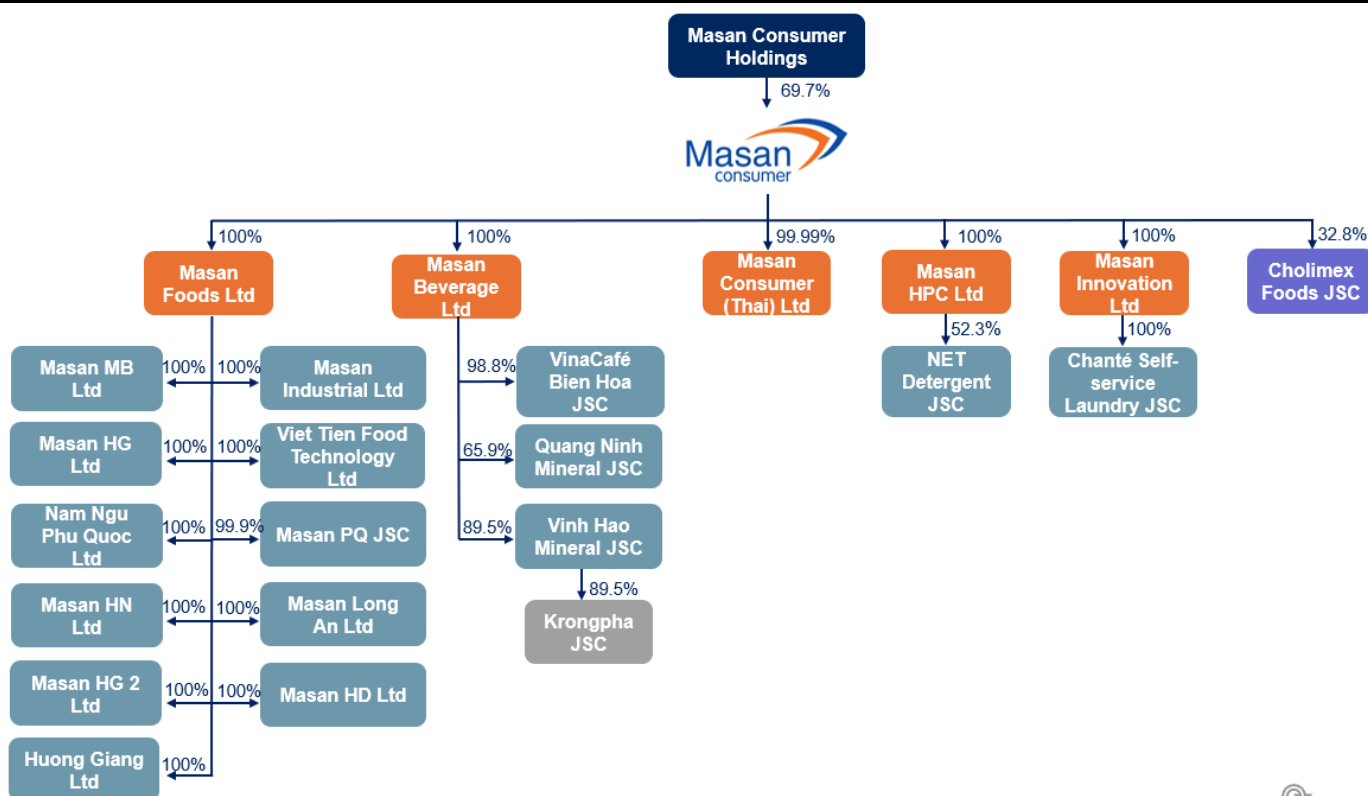
Source: VNDIRECT Research, Q&Me

Company profile

A member of Masan Group

MCH is a subsidiary of Masan Consumer Holdings, which is a member of MSN. Established since 1996, MCH has been one of the largest domestic FMCG companies in Vietnam. After building a solid position in the seasonings and instant noodles market, MCH has rapidly expanded its business to chili sauce, beverages, coffee and the HPC market using M&A.

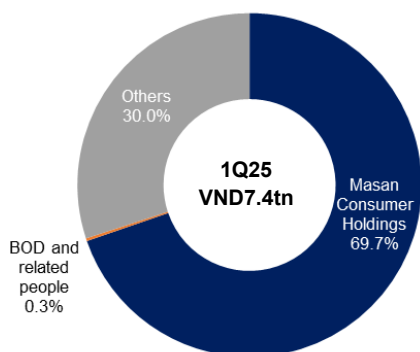
Figure 7: MCH's group structure



Source: VNDIRECT Research, Company reports

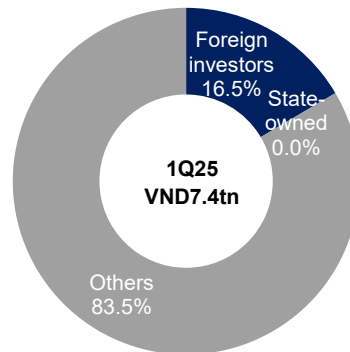
Masan Consumer Holdings is currently the largest shareholder of MCH, holding 70.4% of its shares. The free float of MCH shares is ~10%, in which MSN has claimed ownership of 66% in MCH. 16.5% of MCH was owned by foreign investors.

Figure 8: MCH's shareholder ownership



Source: VNDIRECT RESEARCH, FiinPro-X

Figure 9: MCH's shareholder ownership by origin

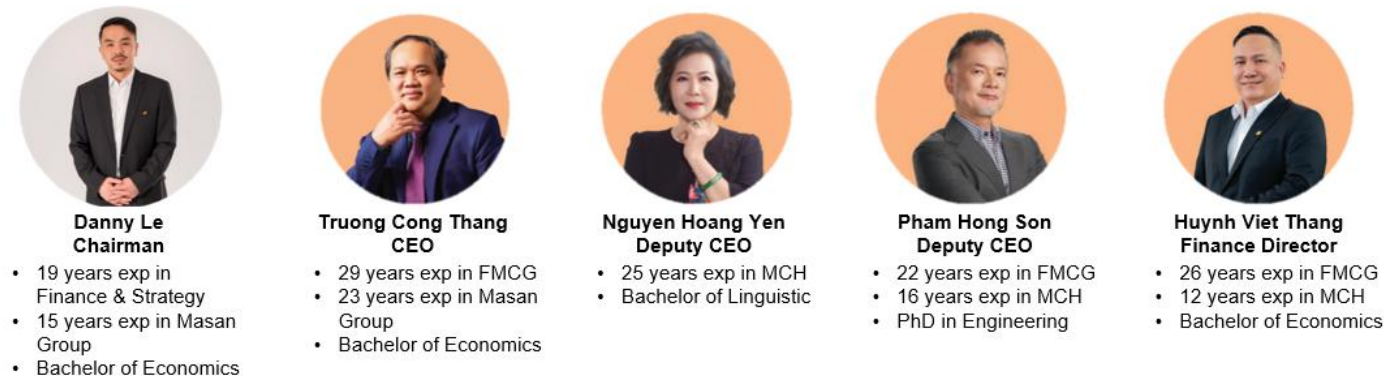


Source: VNDIRECT RESEARCH, FiinPro-X

BOD with expertise

MCH's BOD Chairman and members have over 20 years of experience in the FMCG field and have worked for MCH for over 12 years. Before joining MCH, they worked in well-known multinational firms, namely Morgan Stanley, Procter & Gamble, Coca Cola and Unilever, among others. Their bilingual skills facilitate collaboration with foreign investors and familiarity with international business standards.

Figure 10: MCH's BOD

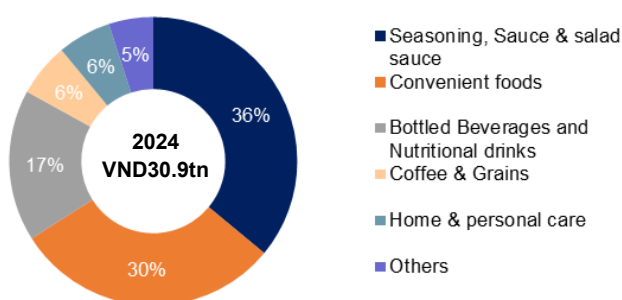


Source: VNDIRECT Research, Company reports, Vietstock

Business structure: branded packaged consumer goods

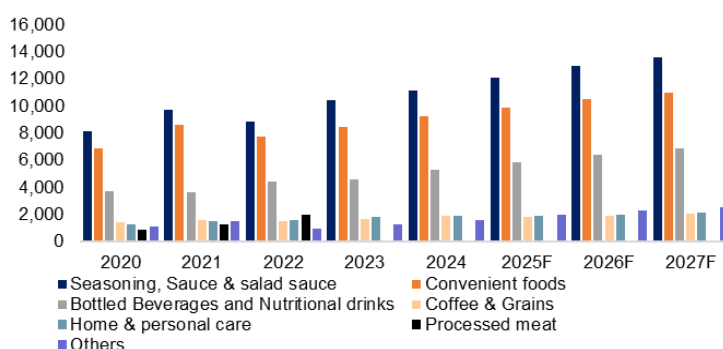
MCH operates in five main business segments, including seasonings, convenience foods, bottled beverages, coffee & grains and HPC. MCH had owned a processed meat line before transferring it to MML, an MSN subsidiary specialising in livestock farming and meat processing, in 2022. MCH's revenue increased by 9.4%, primarily driven by seasonings and convenience food lines, and a rising portion of beverages.

Figure 11: MCH's revenue breakdown in FY24



Source: VNDIRECT Research, Company reports

Figure 12: MCH's revenue by product line (VNDbn)



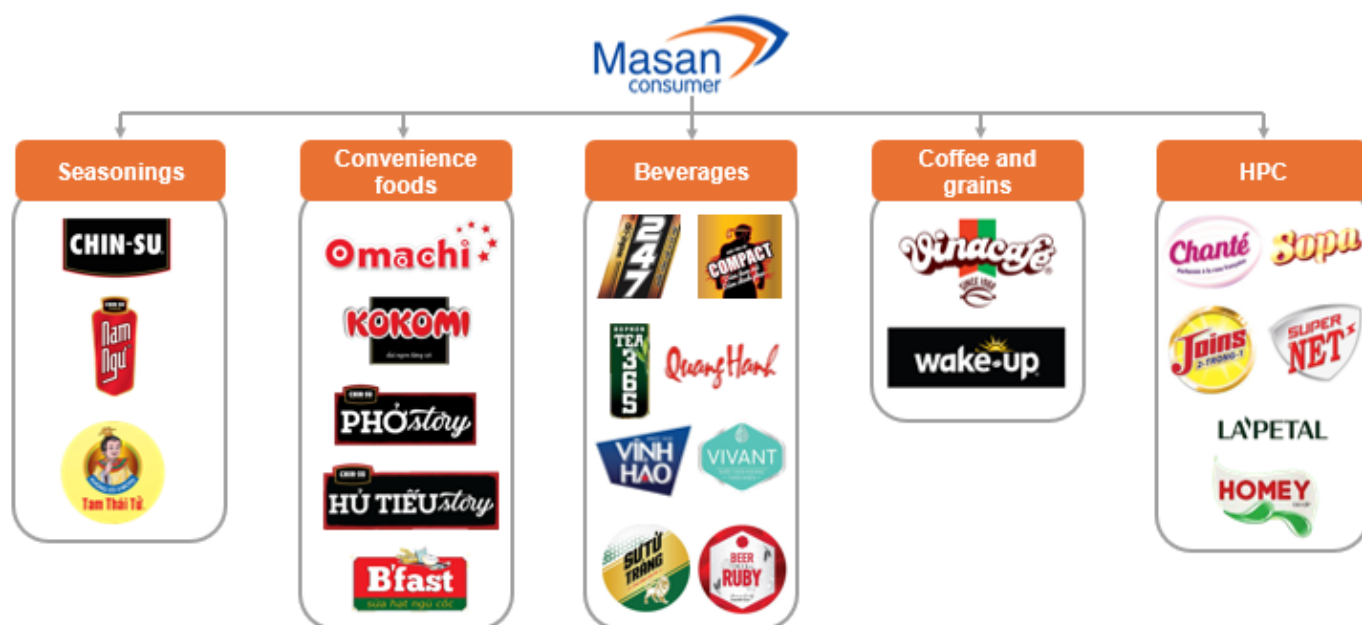
Source: VNDIRECT Research, Company reports

- Seasoning revenue accounted for 36% of revenue in 2024, driven by leading brands Chinsu, Nam Ngu and Tam Thai Tu, focusing in providing fish sauce, soy sauce and chili sauce. This segment grew 8.3% CAGR in 2020-2024, and by 7.2% YoY in 2024 mainly driven by product mix change, in which sales growth in Chili sauces and other new sauces was offset by Granules's flat growth due to restructuring.
- Convenience foods: The instant noodles segment accounted for 30% of 2024 total revenue, mainly attributed to Omachi and Kokomi, which offer diverse flavors and packaging. Convenience food revenue increased by

7.6% CAGR in 2020-2024, and 9.1% YoY in 2024 thanks to premiumization.

- Bottled beverages accounted for 17% of total revenue in 2024, driven by key brands Wakeup 247 (energy drink), BupNon Tea 365 (tea) and Vinh Hao (mineral water). This segment's revenue increased by 9.1% CAGR in 2020-2024 and by 14.7% YoY in 2024.
- The Coffee segment, led by well-known brands Vinacafé and Wake-up, accounted for 6% MCH's total revenue in 2024. Offering coffee powder and beans, this segment grew at 5.6% CAGR in 2020-2024 and by 8.9% YoY in 2024 thanks to a surging coffee global price.
- The Home and personal care (HPC) products line included NET washing powder and Chanté detergent. This line's revenue contributed 6% to MCH's total revenue in 2024, increased by 10.7% CAGR in 2020-2024, and slightly rose by 3.5% YoY in 2024 as MCH reorganized the sales structure for NET for its integration strategy post M&A.

Figure 13: MCH's brand portfolio



Source: Company website, VNDIRECT Research

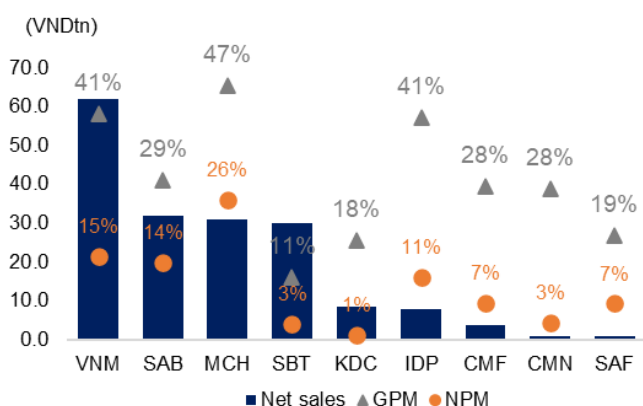
Financial analysis: Healthy balance sheet and strong profitability

Outstanding profitability among domestic peers

MCH is among the top-listed F&B firms on the Vietnamese stock market, with 2024 sales of VND31tn (USD1.2bn), following VNM (Dairy, VND62tn/USD2.4bn) and SAB (Beer, VND32tn/USD1.2bn). MCH posted a high GPM of 47% and NPM of 26% compared to F&B peers, including competitors in seasonings (CMF, 28%, 7%), and convenient foods (CMN, 28%, 3%) thanks to higher pricing and larger scale.

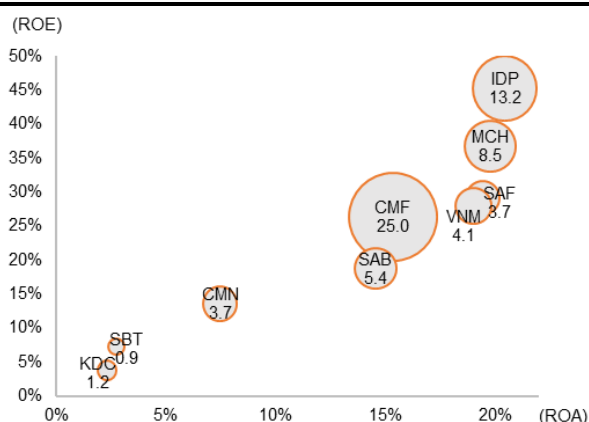
Additionally, MCH generated a high five-year average level of ROA (20%) and ROE (37%) among listed peers. MCH also posted high average EPS at VND8,500 in the same period, only behind CMF (Seasonings, VND25,000) and IDP (Dairy, VND13,200), as shown in the chart below.

Figure 14: MCH continued to be among the top-listed FMCG firms in 2024



Source: VNDIRECT Research, FiinPro-X

Figure 15: MCH had a high five-year average ROE and five-year average ROA among peers (bubble size: basic EPS, VND'000)

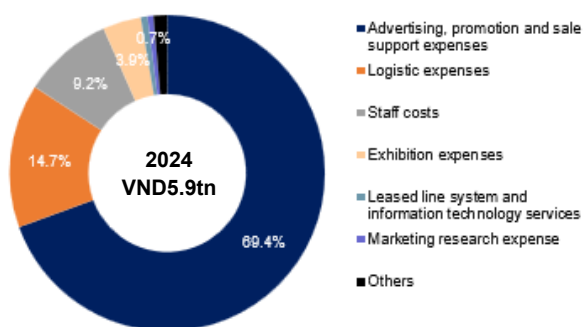


Source: VNDIRECT Research, FiinPro-X

Increasing SG&A expenses driven by A&P activity

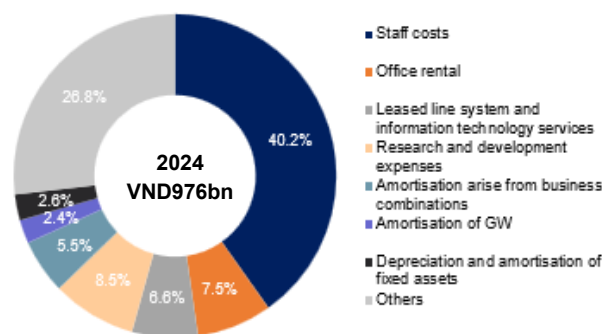
Over the past five years, SG&A expenses averaged 21.4% of total revenue, with the SG&A/revenue ratio rising by less than 1% annually to 22.3% in 2024, driven by boosted advertising and promotion efforts. In 2024, selling expenses primarily included A&P (69.4%), logistics (14.7%) and staff costs (9.2%). Resources were redirected from trade promotions to higher-ROI activity, such as expanding new channels and strengthening brand equity. G&A expenses mostly included staff costs (40.2%), office rental (7.5%) and outsourcing services (6.6%).

Figure 16: A&P contributed the largest part in selling expenses



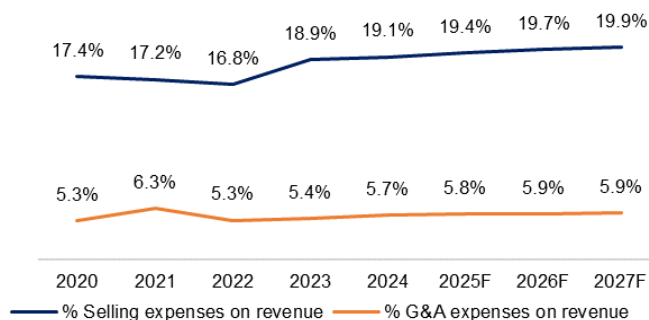
Source: VNDIRECT Research, Company reports

Figure 17: G&A expenses were mainly staff costs and office rental



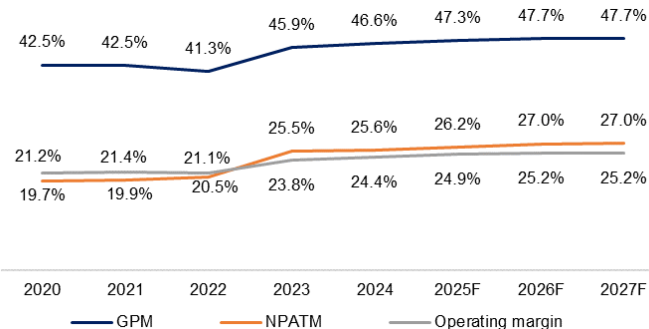
Source: VNDIRECT Research, Company reports

Figure 18: Increasing SG&A on revenue for promotion



Source: VNDIRECT Research, Company reports

Figure 19: MCH's margins

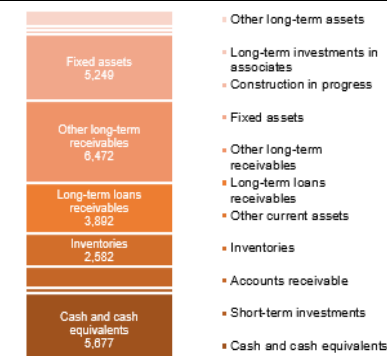


Source: VNDIRECT Research, Company reports

An abundant cash balance and a low debt-to-equity ratio

During FY20-FY24, MCH maintained a healthy cash and cash equivalents proportion that accounted for 21% of total assets, supported by consistent operating cash inflow. MCH's stable cash balance highlights its solid liquidity and financial resilience, positioning it well for future growth initiatives and market uncertainties.

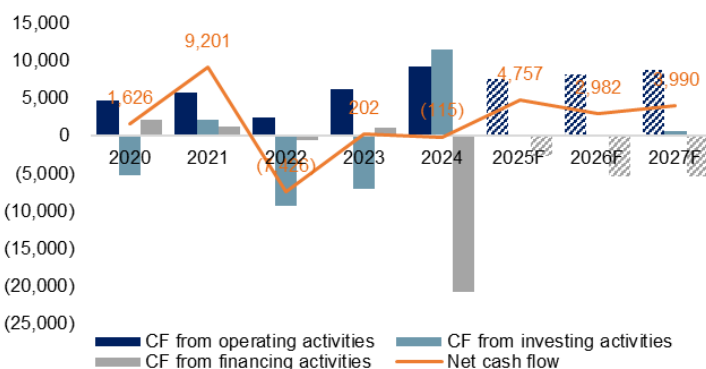
Figure 20: MCH had an abundant cash position at YE24



Assets EB: VND27.9tn

Source: VNDIRECT Research, Company reports

Figure 21: Consistently positive CFO (VNDbn)

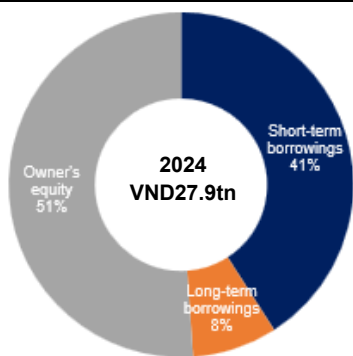


Source: VNDIRECT Research, Company reports

In 2024, MCH maintained a D/E ratio of ~1, with over 80% of debt being short-term. The company primarily borrowed from local and foreign banks with competitive annual interest rates ranging between 5%-8%. MCH demonstrated disciplined capital allocation, with moderate investing activity focused on brand expansion and manufacturing capacity, while financing cash flows reflected regular dividend payments and debt optimization.

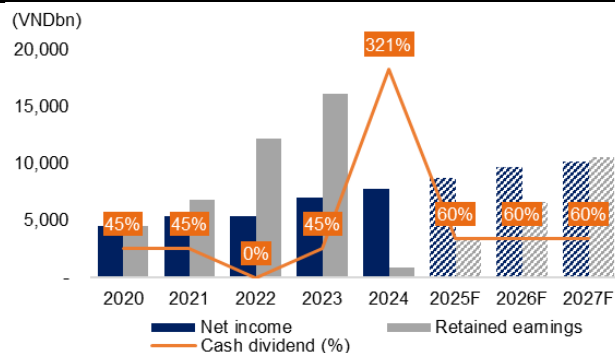
In 1Q25, MCH raised over VND3.3tn (USD127mn) from a public share offering, increasing its charter capital to VND10.6tn (USD409mn). The proceeds were used to repay loans from banks including Bank of China, Bangkok Bank, Mizuho Bank, Vietcombank, and BNP Paribas, totaling over VND2.2tn (USD85mn). Additionally, the company paid over VND1.1tn (USD42mn) in office lease obligations to Zenith Investment.

Figure 22: Balanced financing structure with D/E = 1



Source: VNDIRECT Research, Company reports

Figure 23: MCH maintained a high cash payout ratio

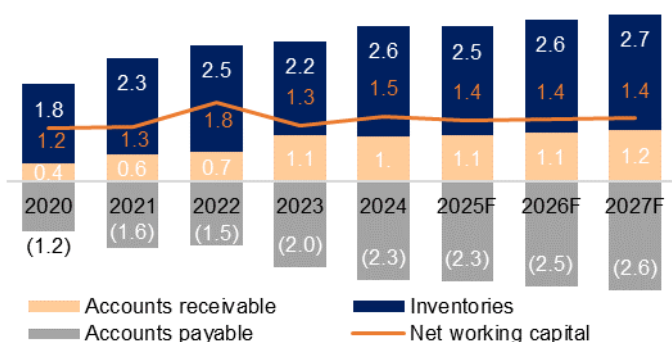


Source: VNDIRECT Research, Company reports

Optimizing working capital

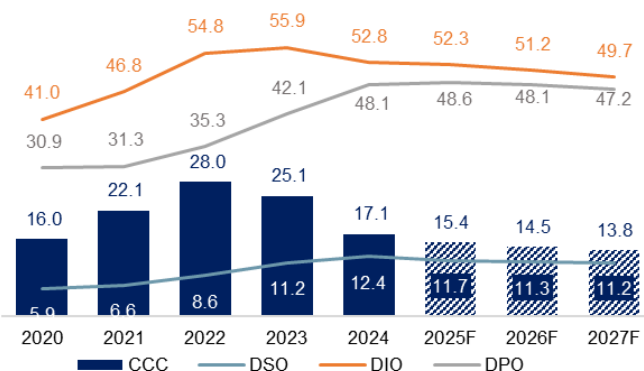
MCH's average net working capital was VND1.7tn (USD66mn) and will remain at VND1.4tn (USD54mn) per our expectation. To enhance operational efficiency and improve working capital management, MCH announced its Retail Supreme supply chain program, which invests heavily in AI/ML-driven digitization, enabling real-time inventory tracking, smarter production planning, and demand forecasting. These initiatives support inventory optimization and reduce working capital tied up in excess stock.

Figure 24: Working capital improved thanks to digitalization (VNDtn)



Source: VNDIRECT Research, Company reports

Figure 25: Cash conversion cycle with optimizing ratios (days)



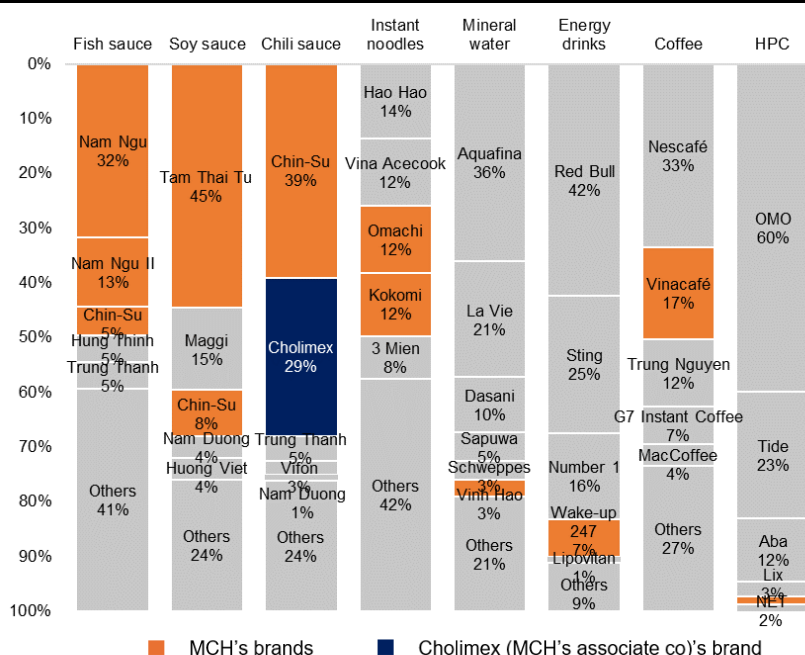
Source: VNDIRECT Research, Company reports

Company outlook: Strong brand power and intensive innovation

Leveraging dominant position in Vietnamese market

Worldpanel Vietnam indicates that in-home FMCG consumption value fell slightly YoY in 2024 and will continue to fall in 2025. This stagnation is driven by several key factors: shifts in consumer behavior, as shoppers increasingly opt for more promotional items, and intensifying competition within the FMCG sector. Despite many strong brands dominating the seasoning and convenience food sectors, MCH has strongly expanded its portfolio vertically and horizontally.

Figure 26: MCH's brands owned significant market share in each sector in YE24 (HPC:2020)



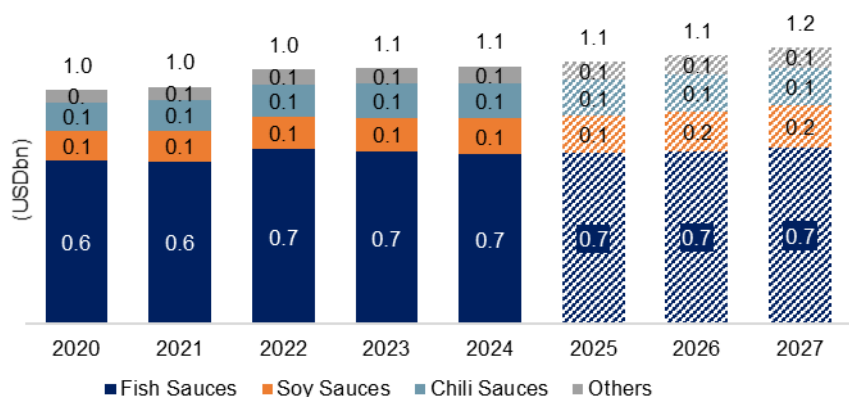
Source: VNDIRECT Research, Euromonitor

Seasonings

According to a Q&Me survey, Vietnamese people spend an average of 62 minutes daily on cooking, with soup powder, fish sauce and MSG being the most commonly used seasonings. Vietnam's seasonings market grew at an 8.3% CAGR from 2020 to 2024 and is projected to grow at 4.5% annually until 2030. Vietnam's fish sauce market, which made up 68% of the seasoning category, grew by 7.9% CAGR from 2020 to 2024 and is forecast to grow by 4.6% annually until 2030.

The rise of food blogs, cooking shows, and social media has boosted this trend by promoting recipes using fish sauce. As a result, both restaurants and home cooks increasingly use fish sauce to deliver authentic flavors that appeal to consumers. Chili and soy sauce usage are also experiencing an upward trend.

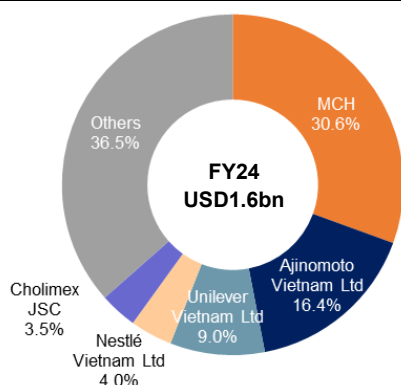
Figure 27: Vietnam's seasoning market



Source: VNDIRECT Research, Euromonitor

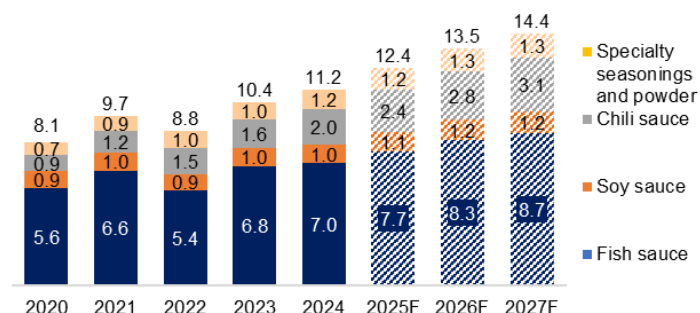
MCH holds a leading position in Vietnam's seasoning market, anchored by its core brands Chin-Su, Nam Ngu, and Tam Thai Tu, commanding over 65% market share in the fish sauce segment and 31% of the total seasoning market as of 2024. A stake in Cholimex Foods broadens its portfolio—especially in chili sauce and food service channels—further reinforcing MCH's top position. Its strong brand equity, nationwide distribution, and innovation in health-focused and premium products have helped sustain kitchen penetration and improve sales. We expect MCH's seasoning revenue will keep growing at 10.8%/8.8% in 2025/2026, mostly driven by fish sauce and chili sauces.

Figure 28: MCH led Vietnam's seasoning market



Source: VNDIRECT Research, Euromonitor

Figure 29: MCH's seasoning revenue forecast (VNDtn)



Source: VNDIRECT Research, Company information

Instant noodles

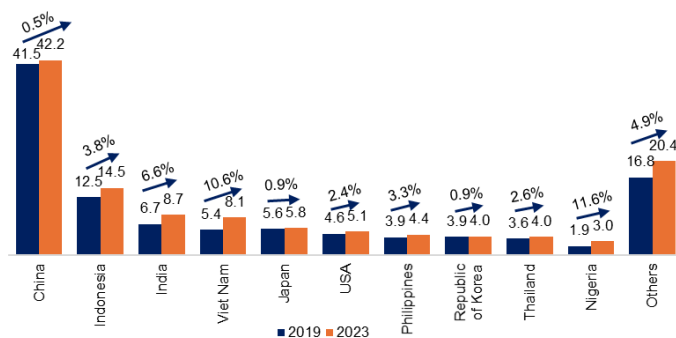
Global instant noodle consumption has risen steadily over the past seven years. In 2020, demand surged 9.5% as pandemic lockdowns drove consumers toward convenient food. Growth slowed to 1.4% in 2021 but rebounded in 2022, fueled by soaring food prices that made instant noodles a more affordable option. By 2023, Vietnam ranked fourth in global instant noodle consumption, following China, Indonesia and India.

Figure 30: Vietnam's instant noodles market



Source: VNDIRECT Research, Euromonitor

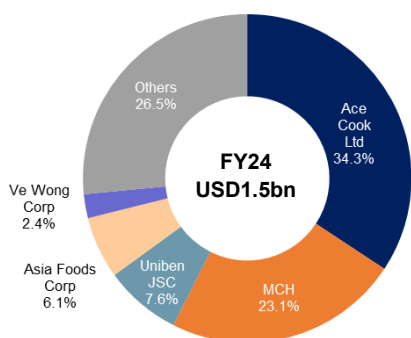
Figure 31: Vietnam ranked fourth in global instant consumption with high CAGR in 2019-2023 (bn servings)



Source: VNDIRECT Research, World Instant Noodles Association

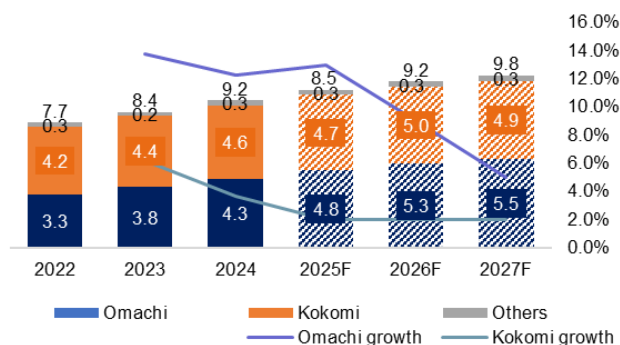
MCH is the second-largest player in Vietnam's instant noodle market after Acecook. It holds a ~25–30% market share, attributed to Omachi, known for premium potato noodles, and Kokomi, a value-for-money brand targeting mass consumers. We expect instant noodle revenue will keep growing at 6.9% YoY in 2025/2026, mostly driven by Omachi's revenue growth while Kokomi growth is slowing amid fierce competition.

Figure 32: MCH ranked second in Vietnam's instant noodles market



Source: VNDIRECT Research, Euromonitor

Figure 33: MCH's instant noodle revenue forecast (VNDbn)

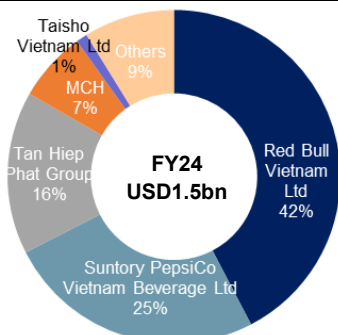


Source: VNDIRECT Research, Company information

Beverages

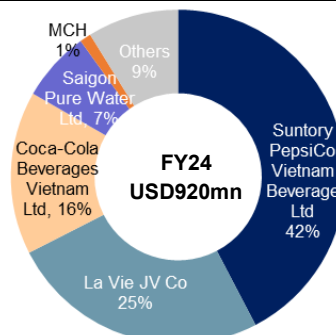
Multinational F&B firms pose strong competition in Vietnam's beverage market, especially in the energy drink, carbonated soft drink, and functional drink segments. MCH ranked fourth in the energy drink market and was the No. 2 Vietnamese player. The key brand of MCH is Wake-Up 247, launched in 2013, targeting young working males, especially in rural and suburban areas. We anticipate that Wake-Up 247 will continue to be the major driver of beverage YoY growth at 6.8%/7.3% in 2025/2026, as MCH is shifting its brands to target youngsters.

Figure 34: MCH controlled 7% of the energy drinks market...



Source: VNDIRECT Research, Euromonitor

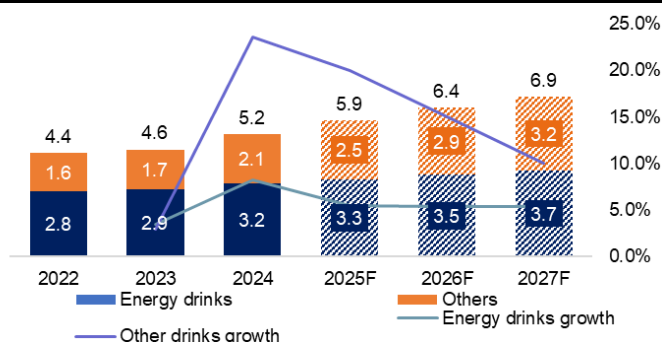
Figure 35: ...and a portion of 1% of the bottled water market



Source: VNDIRECT Research, Euromonitor

Acquired by MCH in 2014, Vinh Hao is one of the oldest and most recognized mineral water brands in Vietnam. Originating from Binh Thuan province's natural mineral spring and positioned a premium, naturally healthy bottled water, Vinh Hao was once dominant. However, it has lost significant market share to stronger, more agile brands, explained as brand fatigue, limited SKU diversity and weak visibility in modern trade and convenience chains.

Figure 36: MCH's beverage revenue forecast (VNDtn)

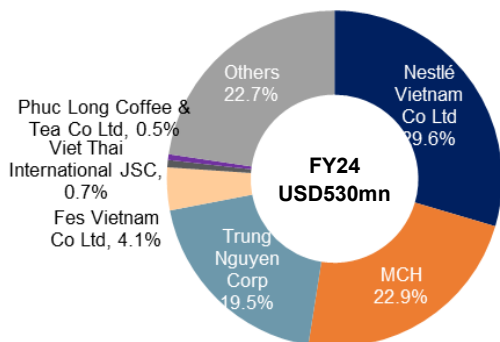


Source: VNDIRECT Research, Company information

Coffee and grains

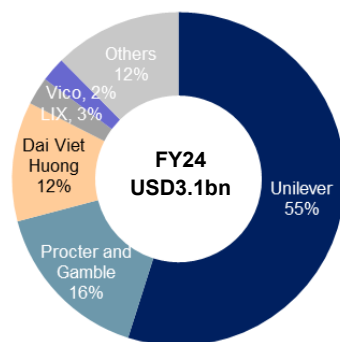
Vinacafé is one of Vietnam's leading instant coffee brands, alongside Nescafé and Trung Nguyen's G7, with strong brand recognition particularly in rural markets and among older consumers. In addition to instant coffee, Vinacafé also manages the Wake-Up brand. MCH is positioning itself to capture both mass and premium segments of Vietnam's growing coffee market. Coffee segment revenue is expected to grow by 7.3%/6.5% in 2025/2026, supported by the promotion of Wake-Up Mekong.

Figure 37: MCH ranked second in the coffee market



Source: VNDIRECT Research, Euromonitor

Figure 38: Fruitful HPC market is dominated by foreign players



Source: VNDIRECT Research, Euromonitor

HPC

The HPC sector in Vietnam is highly competitive and increasingly fragmented, led by multinational firms such as Unilever and Procter & Gamble. Meanwhile, local challengers such as Dai Viet Huong and Lix are gaining share by offering competitive pricing, region-specific products, and aggressive distribution. MCH entered this sector after acquiring NETCO in 2020 and leveraged cost efficiency, local brand trust, and distribution agility to compete with multinationals. HPC revenue is expected to rise by 5%/7% in 2025/2026 thanks to improved pricing, targeting to gain market share in mainstream liquid detergent sector, which is still fragmented.

Intensive innovation effort amid slow growing consumption

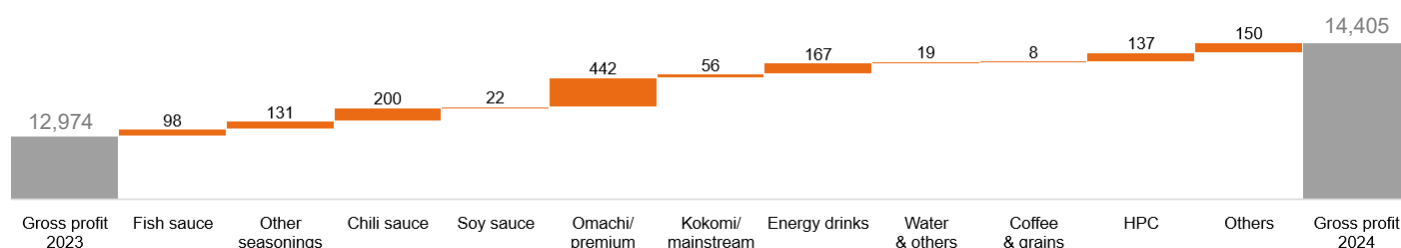
Figure 39: Ongoing and upcoming market trends by subsector

Seasonings	Convenience foods	Beverages	Coffee and grains	HPC
Premiumization Spicy condiments Marinades Liquid seasonings Pre-mixed spice blends	Ready-to-eat Home-meal-replacement Organic High-protein Low-cab	Localised flavor Low-sugar Vitamin-enriched Natural antioxidants and detoxification Electrolyte-infused-waters Recyclable packaging	Customizing flavors Sugar-free Low-calorie Vitamin-enriched Specially roasted and ground Freshly brewed	Value-for-money Liquid detergent Larger pack size Refillable options Multi-functional Eco-friendly Natural-ingredient-based

Source: VNDIRECT Research, Euromonitor, Company reports

Facing slowing demand growth and fierce competition, MCH has been focusing on a premiumization strategy to boost segment expansion and improve sales and gross profit via price. Since its launch in June 2023, the Consumer Innovation Center was strongly invested with one building, foreign experts, a headcount of about 150 and advanced technologies. MCH introduced “healthy nutrition” criteria in 2024, focused on reducing salt, sugar, saturated and trans fats, enhancing nutrient fortification, and using more natural ingredients. New technologies adopted include freeze-drying, high-pressure pasteurization and plant-based protein.

Figure 40: Premiumization and innovation brands support gross profit growth (VNDbn)



Note: Product lines' gross profit was estimated. Source: VNDIRECT Research, Company information

MCH launched several innovations in the fish sauce category, including glass-bottled Nam Ngu Fresh Anchovies and Chinsu Ly Son Garlic & Chili, with 20% less salt and well-known local ingredients, which helped increase premium fish sauce sales by 12.7% YoY, and its contribution rose by 1.6% YoY to 17.7% of fish sauce sales in 2024. The fish sauce line launched a sales program incentivizing retailers to stock mainstream along with economy products to boost consumer loyalty.

Figure 41: Premium seasoning products



Source: Company reports

Figure 42: Premium convenient products



Source: Company reports

Figure 43: Energy drink innovation



Source: Company reports

Additionally, MCH launched innovative convenient products, including self-heating hotpot (Omachi handy hotpot), self-cooking meals, and B'Fast instant cereal with 60% less sugar, driving 14.8% YoY growth in premium sales, with their contribution to total convenience sales rising from 47.8% in 2023 to 50.6%

in 2024. We expect premiumization and innovation help bolster growth. From 2025, MCH started launching the Asian Street Food series with total 23 dishes, five of which were launched in 2Q25 and another six dishes to be launched in 2H25, which are expected to boost cup noodle GPM by 1% pt.

Figure 44: Tea product flavors



12,000

Source: Company reports

Figure 45: Premium detergent line

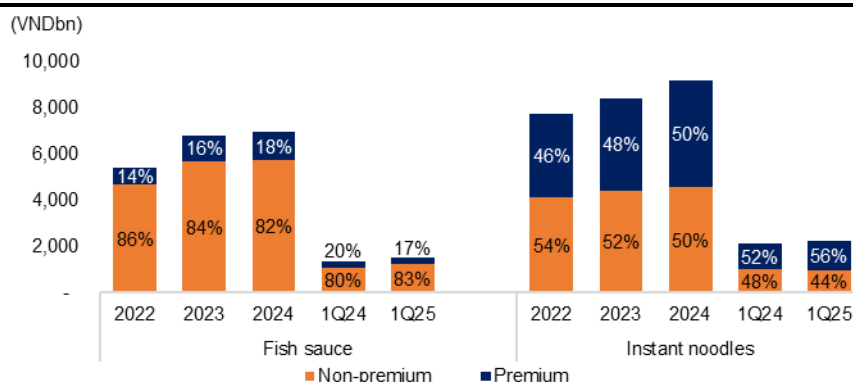


295,000
109,000

Source: Company reports

Similarly, we saw strong innovation in beverages, including BupNon Tea 365, Wake-up Mekong coffee, Wake-up 247 flavored Whiskey, Guarana and Latte. We expect MCH's consistent R&D efforts to increase long-term sales thanks to a higher probability of new successful brands and higher pricing for current famous brands. We also expect innovation to bolster bottled drink GPM by 0.5% pt-1% pt and increase gross profit/NPAT in 2025.

Figure 46: Proportion of premium products has increased in recent years



Source: VNDIRECT Research, Company information

Amid intense competition in the F&B sector, MCH has focused in building brands through significant investment in A&P activity across offline to online channels, with A&P spending accounting for 17%-19% of annual revenue. The main platforms are TV advertisements, reality shows, and social networks with KOL/KOC livestreams. MCH has also created promotion programs at supermarkets, especially via the WiN program at WCM. Additionally, MCH has sponsored charity programs and a study promotion fund for impoverished children.

Figure 47: TVC at golden hours



Figure 48: LED billboards in big cities



Figure 49: Presenting at food festivals



Source: Company reports

Figure 50: Partnering with Manchester City



Source: Company reports

Source: Company reports

Figure 51: Cooperation with KOLs



Source: Company reports

Source: Company reports

Figure 52: Livestreaming and social events



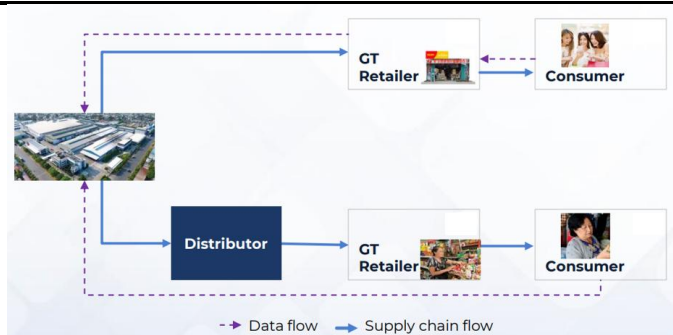
Source: Company reports

Comprehensive distribution in the domestic market to exports

MCH also operates a nationwide distribution network, with over 313,000 traditional retail points, 8,500 modern trade outlets, and 82,000 out-of-home sales locations. This extensive network enables the company to maximize product reach, optimize logistics costs, and execute marketing campaigns effectively.

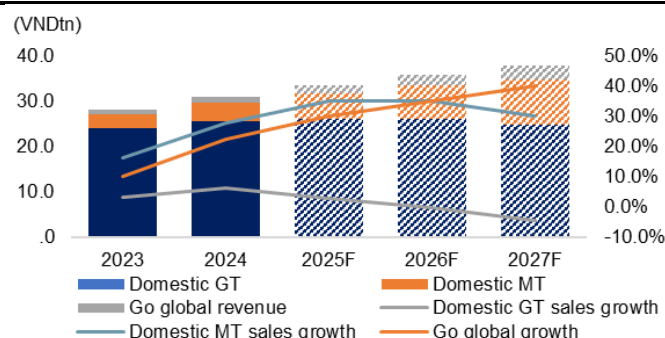
Sales via the MT channel grew 22% in 2022-2024 (13% of 2024 total revenue), followed by exports (CAGR 16%, 82% of revenue) and domestic GT (CAGR 5%, 4.2% of revenue). With the strong expansion of Vietnam's modern grocery chains in 2025 and 2026, we expect MCH's MT sales to remain at a high growth rate, which is expected to stimulate sales in the middle class.

Figure 53: Retail Supreme model



Source: Company reports

Figure 54: Revenue by channel (VNDtn)



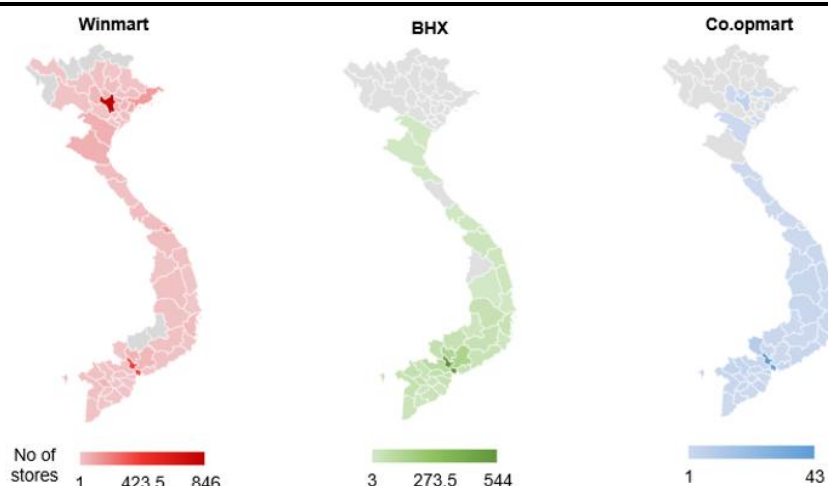
Source: VNDIRECT Research, Company information

Synergy with MSN group

MCH's MT distribution expansion is strongly supported by MSN's Winmart network. Its 2019 acquisition of WCM from Vingroup showed MSN's aggressive effort in completing its consumption ecosystem. Since then, WCM has grown to become Vietnam's largest grocery chain by store count, with 3,853 marts by YE24, including a specific format for urban (WiN) vs rural (Winmart+), and supermarket vs minimart. Meanwhile, Bach Hoa Xanh and Co.opmart, respectively, followed with 2,002 stores and 579 stores by 1Q25.

WCM has played a key role in supporting MCH by securing strategic shelf space, facilitating the promotion and testing of new products, and enhancing consumer insight through the WiN membership program, which has amassed over 11 million members. WCM will continue to expand by adding 400-700 new stores to reach 4,500 stores by YE25, which are projected to generate incremental revenue/NPAT for MCH of ~VND550bn/VND140bn (USD21mn/USD5mn), respectively.

Figure 55: WCM has the widest coverage compared to BHX and Co.opmart

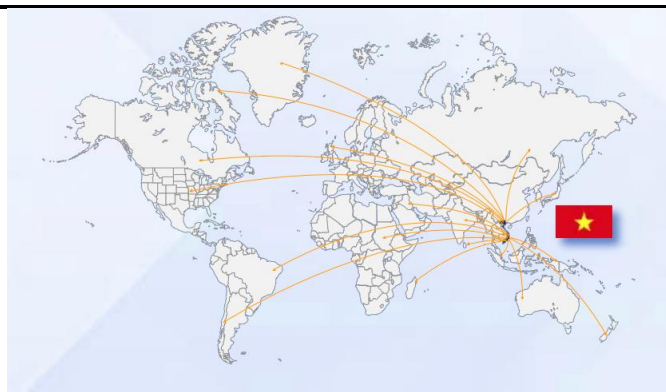


Source: VNDIRECT Research, Company website

Go Global strategy

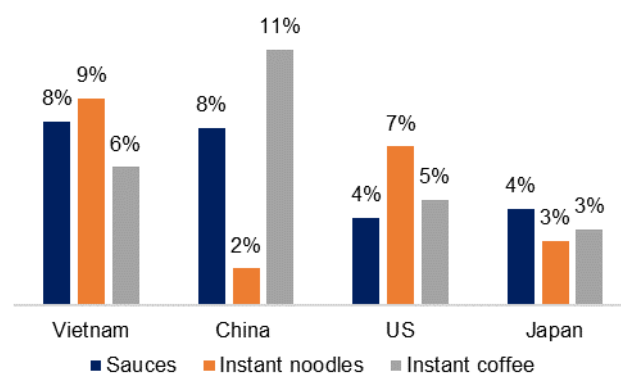
The Asia Pacific fish sauce market accounted for the largest revenue share at 58.9% globally in 2023. As culinary trends evolve, interest in traditional flavors that enhance various dishes is growing. Specifically, industrial fish sauce has a higher chance to be exported than traditional fish sauces. According to Decision No. 2864/QĐ-BNN-QLCL dated November 24, 2011 by the Ministry of Agriculture and Rural Development, the allowable histamine content in exported seafood ranges from 200 to 400 mg/kg. In Vietnam, traditional fish sauce commonly exceeds 400 ppm, especially products from Nha Trang, Phan Thiet, and Cat Hai, which typically contain 800–1,000 ppm/kg. This enables industrial fish sauce brands, with histamine levels below 400 mg/kg, to expand internationally.

Figure 56: MCH has been exporting to 26 countries



Source: Company reports

Figure 57: 2024-2030 CAGR of key markets



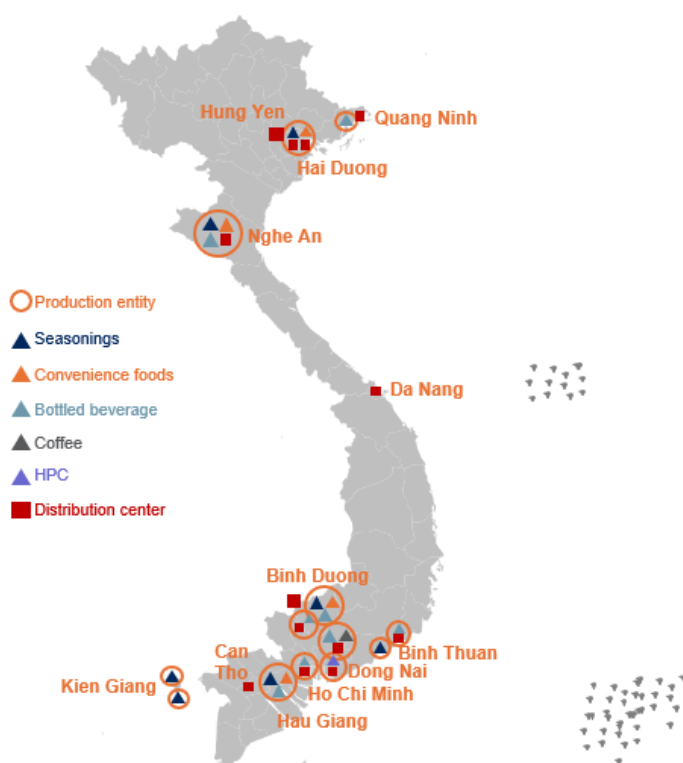
Source: Company reports, Euromonitor

MCH has exported its products to 26 countries across Asia, Europe, and the Americas, including to the US, Canada, China, Japan and France. In 2024, export revenue reached VND1.3tn (USD50mn), contributed 4.2% to total revenue, and surged by 22.3% YoY, followed by a 73.5% YoY increase in 1Q25, driven mainly by Chinsu revenue. In 2025, the company targets over 20% export growth, focusing on strategic markets such as the US, South Korea, Japan, and the EU. MCH management expects to increase export revenue's contribution from 4% to 15% of total revenue in over the next three years, in which the Chinsu product lines remain the flagship of the "Go Global" strategy.

Abundant manufacturing capacity for expansion

MCH has established a robust and efficient production infrastructure to support its extensive FMCG portfolio. As of the end of 2024, MCH operates 13 world-class manufacturing facilities strategically located across Vietnam, complemented by 13 distribution centers nationwide. This integrated network enables the company to move products from factories to distribution centers within four days, ensuring rapid and efficient delivery to retail outlets across the country. According to management, the company only met about 45% of total designed capacity by YE24, which enables sales growth without significant additional capex, especially for export opportunities.

Figure 58: MCH's manufacturing and domestic distribution centers



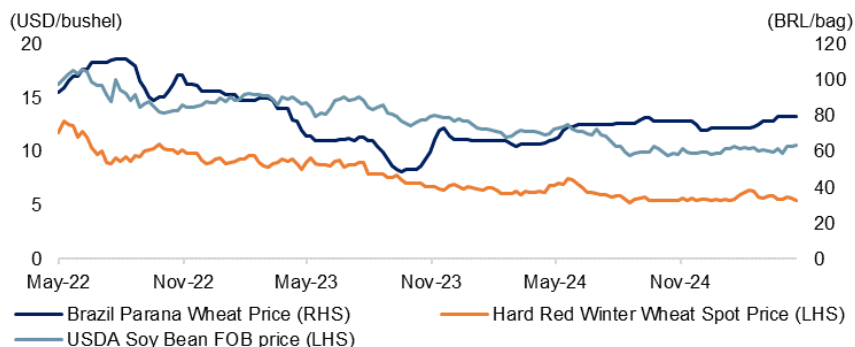
Source: VNDIRECT Research, Company information

Per management, all MCH factories comply with HACCP, ISO 9001 (Quality Management), ISO 22000 (Food Safety), and OHSAS 18001 (Occupational Health and Safety) standards. During fermentation, fish sauce extract is regularly tested under ISO 17025. MCH has also built a fully automated fish sauce production line, featuring laser engraving of production dates and batch codes. Its products fully comply with international safety and quality standards.

Recovering material prices

Agricultural material prices have trended lower in the past months. Soybeans, mainly imported from Brazil and the US, have faced dropping prices since late 2024 before China ceased importing from the US since January 2025. Recently, wheat price has gradually declined, which supported MCH's GPM, after the price peaked in 2022 following the Ukraine-Russia war and El Nino. However, agricultural product prices seem to have recovered as other countries consider importing agricultural products from the US to adjust trade deficits.

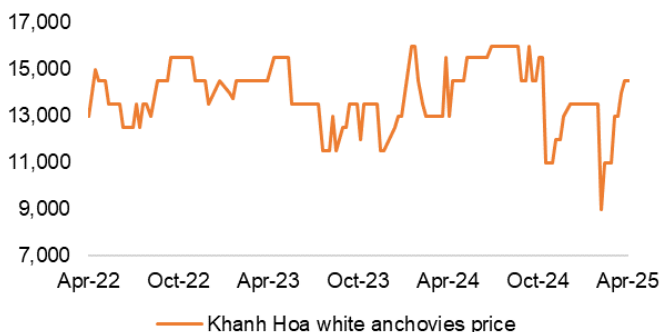
Figure 59: Agricultural material spot price (USD/tonne)



Source: VNDIRECT Research, Bloomberg

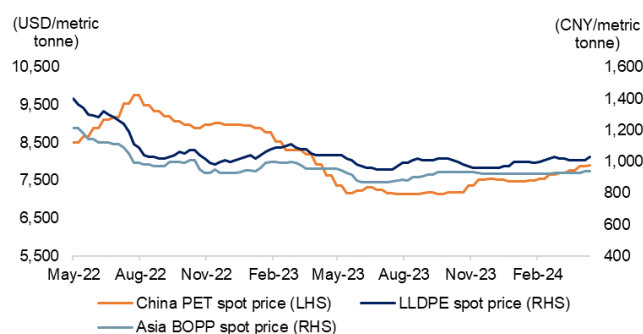
In the domestic market, anchovies, one of the main input materials for fish sauce, faced a collapse in price in 1Q25 as a result of oversupply in the peak season. ENSO-neutral conditions are expected to occur in March 2025 – October 2025, while uncertainty increases in longer time horizons, with a 43% chance of ENSO-neutral and a 38% chance of La Niña during November 2025 - January 2026. We expect that the downtrend was reflected in the input costs of fish sauce being consumed in this period. On the other hand, the sugar price is anticipated to remain at a low level due to oversupply and a high base in the previous period.

Figure 60: Anchovy price (VND)



Source: VNDIRECT Research, VASEP

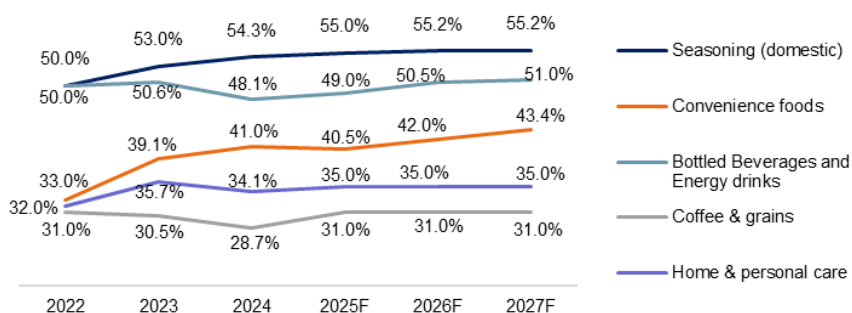
Figure 61: Spot price of packaging materials



Source: VNDIRECT Research, Bloomberg

The Polyethylene (PE) price witnessed a notable decline in Asia as the Brent price dropped to USD72/barrel in 2023. After a gradual recovery, the PE price struggled again in 1Q25, primarily driven by the global Brent price, an oversupply situation and weak downstream demand due to broader economic challenges and inventory accumulation in China. Products from PE - LLDPE film are applied in food packaging, while PET is usually used for seasonings and other FMCG bottles. Amid a low expectation for a Brent price recovery, we expect plastic chemical materials will remain at a low level in the upcoming months, continuing low packaging material costs for MCH.

Figure 62: MCH's GPM improved thanks to lower input costs and premium lines



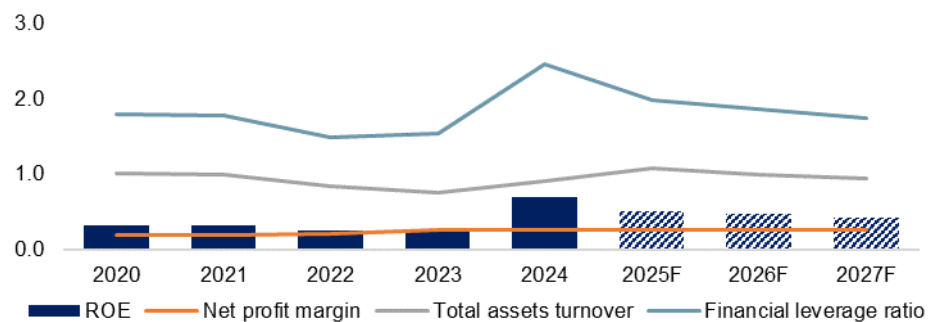
Source: Company reports, VNDIRECT Research

Potential relisting on HSX

In February 2025, MCH submitted a proposal for shareholder approval to delist its shares from the UPCoM exchange, with the intention of uplisting to the HSX. According to management, the transition to HSX is expected to be completed by the end of 2025, subject to regulatory approval and market readiness.

The planned HSX listing reflects MCH's ambition to position itself among Vietnam's top-tier publicly traded firms, benefiting from improving share liquidity, strengthened corporate governance, greater market credibility and a more robust platform for future capital raising and strategic partnerships. The shift also signals MCH's confidence in its long-term growth trajectory, and to expand its product portfolio and distribution network across the country and globally.

Figure 63: ROE was impacted by a high dividend payment in FY24 and a public offering in 1Q25



Source: VNDIRECT Research, Company reports

Business forecast

We forecast MCH's net profit to be VND9tn (USD347mn) in 2025 thanks to:

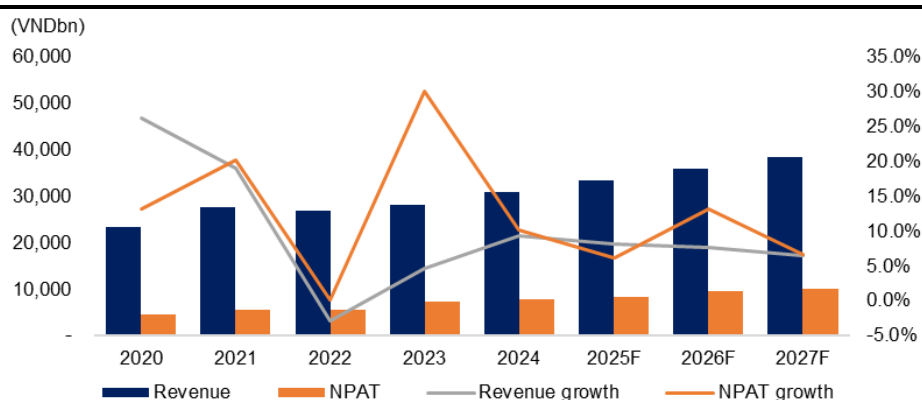
- Total revenue is expected to increase 8.2% YoY to VND33.4tn (USD1.3bn) mainly thanks to a 11% YoY increase in seasoning, a 6.8% YoY increase in convenience foods and a 7.3% increase in coffee.
- Gross margin is expected to decline by 0.6% pt to 46% due to a rising proportion of beverages with lower GPM and increasing material costs of convenience foods.
- SG&A expenses are anticipated to increase at the same rate as revenue, mostly attributed to high A&P expenses.
- Interest expense is expected to remain low, as MCH maintains a healthy cash position.
- Net profit is anticipated to decline by 0.5% pt to 25.1% following declining GPM and high promotion efforts.

Figure 64: MCH's business results in FY25-26F

	Forecast			%YoY		
	FY24A	FY25F	FY26F	FY24A	FY25F	FY26F
Net revenue	30,897	33,437	36,000	9.4%	8.2%	7.7%
Seasonings	11,195	12,403	13,497	7.2%	10.8%	8.8%
Convenience foods	9,215	9,853	10,535	9.1%	6.9%	6.9%
Beverages	5,271	5,632	6,041	14.7%	6.8%	7.3%
Coffee and grains	1,769	1,898	2,022	8.9%	7.3%	6.5%
HPC	1,901	1,996	2,136	3.5%	5.0%	7.0%
Others	1,546	1,654	1,770	19.7%	7.0%	7.0%
Gross profit	14,405	15,394	16,935	11.0%	6.9%	10.0%
GPM	46.6%	46.0%	47.0%	0.7 pts	-0.6 pts	1 pts
SG&A	(6,880)	(7,475)	(8,091)	10.0%	8.7%	8.2%
% SG&A on revenue	22.3%	22.4%	22.5%	0.1 pts	0.1 pts	0.1 pts
EBIT	7,525	7,919	8,844	12.0%	5.2%	11.7%
EBIT margin	24.4%	23.7%	24.6%	0.6 pts	-0.7 pts	0.9 pts
Net financial income	1,423	1,575	1,900	8.2%	10.7%	20.6%
% on revenue	4.6%	4.7%	5.3%	-0.1 pts	0.1 pts	0.6 pts
Pre-tax profit	9,004	9,557	10,820	11,545	12,251	12,990
Pre-tax profit margin	29.1%	28.6%	30.1%	0.5 pts	-0.6 pts	1.5 pts
Tax	(1,084)	(1,150)	(1,302)	19.8%	6.1%	13.2%
Tax rate	12.0%	12.0%	12.0%	0.9 pts	0 pts	0 pts
Net profit	7,921	8,407	9,518	10.1%	6.1%	13.2%
Net margin	25.6%	25.1%	26.4%	0.2 pts	-0.5 pts	1.3 pts

Source: VNDIRECT Research, Company reports

Figure 65: MCH's revenue and NPAT movement



Source: VNDIRECT Research, Company reports

Risks

Varying cost and forex risk from imported materials

MCH faces variable material costs due to its reliance on imported raw materials, such as food additives, packaging, and non-local ingredients, and wheat, primarily imported from South America, whose prices are heavily impacted by weather and geopolitical factors. As these imports are typically settled in foreign currencies—mainly USD or EUR—any depreciation of the VND can increase input costs, compressing gross margins. While MCH may employ partial hedging and/or cost pass-through strategies, sustained currency volatility poses a risk to profitability and pricing stability.

Regulation risk in foreign markets

According to Bureau Veritas Vietnam, current food safety regulations in the US and EU are stringent, with a strong focus on health and environmental monitoring programs related to product creation. Compliance is assessed not only through food testing certificates, but also through inspection and evaluation of the production environment, including labor protection, air quality, and hygiene practices of workers in the production setting.

Worse-than-expected performance of new products

In Vietnam's beverage and HPC sectors, the dual force of international scale and local relevance is intensifying competition, pushing all players to continuously adapt and innovate. New product failures in the FMCG sector are common, often resulting from misaligned strategies, inadequate market research, or executional missteps.

Increase of special consumption tax rate

Following guidance from WHO, UNICEF, and MoH amid rising obesity linked to sugar-sweetened beverages, the draft Special Consumption Tax (SCT) Law proposes a 5% tax on these drinks to support public health. The new tax rate could impact the consumption of sugar, soft drinks and related products, since the tax will encourage consumers to switch to products with less or no added sugar.

Valuation: We issue a HOLD rating at a target price of VND147,000

We used the combination of DCF and multiple valuation (P/E) methods to arrive at a target price of VND147,000, based on the following assumptions:

- We use a risk-free interest rate of 3.0% (10-year Vietnam Government bond yield as of December 31, 2024).
- We apply a market risk premium of 8.35% (based on Damodaran's update report on market risk premium on January 1, 2025).
- We believe MCH deserves a 2% terminal growth rate due to its exclusive manufacturing capability, stable business model, brand power, strong synergized membership and constant growing F&B demand in Vietnam. Solid management further supports sustainable performance.
- For similar reasons, MCH deserves a target P/E of 18.8, higher than its two-year historical level of 11.1x and 9% higher than the current level. Therefore, we suggest holding MCH stock.

In our view, MCH is a compelling investment among FMCG firms due to: 1) leading position in seasonings and convenience foods; 2) enhanced distribution synergies with WCM; 3) potential growth in export sales; and 4) potential listing on HSX, which could improve trading liquidity.

Potential re-rating catalysts include: 1) Stronger-than-expected performance of new brands; 2) surprising success in foreign markets; 3) geopolitical events that affect input costs and pricing.

Downside risks include: 1) Higher-than-expected official US reciprocal tariff rate; 2) new brands failures; 3) additional SCT on sugar-added drinks.

Figure 66: Valuation summary

FCFF valuation	159,134	50%	79,567
P/E valuation	135,826	50%	67,913
Average price			147,480
P/E			18.8
Target price (Rounded)			147,000
Current price			129,200
Upside/(Downside)			13.8%

Source: VNDIRECT Research

Figure 67: P/E Valuation

	Period	Value
NPAT to common shareholders (VND)	2025F	8,407
Number of outstanding share (mn)	2025F	1,055
EPS (VND)	2025F	7,851
Target P/E	2025F	17.3
Implied price 2025	2025F	135,826

Source: VNDIRECT Research, Company reports

Figure 68: Average WACC

Risk Free Rate	3.0%
Risk Premium	8.4%
Expected market return	7.1%
Equity Beta	0.9
Cost of Equity	10.1%
Cost of debt	3.6%
Total debt	9,121
Total equity	16,210
Debt / (Debt + Equity)	36.0%
Equity / (Debt + Equity)	64.0%
Tax rate	20.0%
Average WACC	7.5%

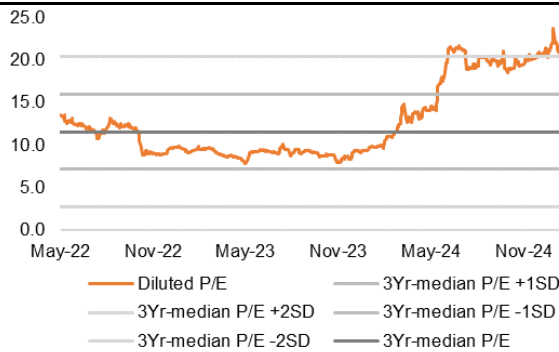
Source: VNDIRECT Research, Company reports

Figure 69: DCF Valuation

PV of FCFF	46,227
PV of Terminal value	139,682
Enterprise Value (VNDbn)	185,908
Less: Total debt	(9,121)
Less: Non-controlling interest	(14,975)
Plus: Cash and Cash Equivalents	6,043
Equity Value (VNDbn)	167,855
No. of Outstanding Share (mn)	1,055
EV Per Share (VND)	159,134

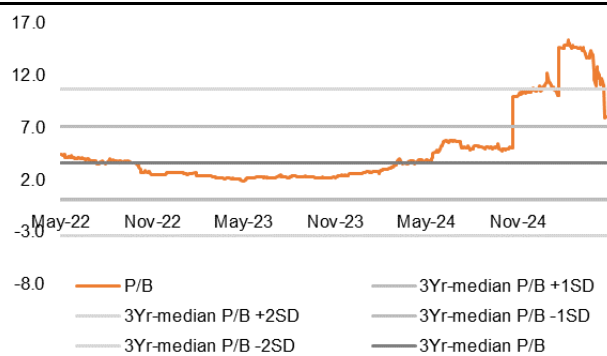
Source: VNDIRECT Research, Company reports

Figure 70: Three-year P/E



Source: VNDIRECT Research, FiinPro-X

Figure 71: Three-year P/B



Source: VNDIRECT Research, FiinPro-X

Figure 72: DCF Valuation - Free cash flow to firm (unit: VNDbn)

PBT	5,391	6,411	6,243	8,099	9,004	9,557	10,820	11,545	12,251	12,990	13,333
Add: Interest expenses*(1-t)	229	181	246	388	262	312	314	324	337	368	395
Less: Taxes	(1,078)	(1,282)	(1,249)	(1,620)	(1,801)	(1,911)	(2,164)	(2,309)	(2,450)	(2,598)	(2,667)
EBIAT	4,542	5,309	5,241	6,867	7,465	7,958	8,970	9,560	10,138	10,761	11,062
Add: D&A	785	839	814	656	680	790	907	992	1,048	1,092	1,147
(Increase)/Decrease in WC	(558)	(32)	(569)	543	(202)	85	(26)	(33)	(94)	(57)	(58)
Less: Capex	(1,470)	(959)	(1,243)	(573)	(514)	(1,307)	(976)	(747)	(736)	(741)	(739)
FCFF	3,298	5,157	4,243	7,493	7,429	7,525	8,876	9,772	10,356	11,055	11,412
Discount period						0.75	1.75	2.75	3.75	4.75	5.75
Discount factor						0.95	0.88	0.82	0.76	0.71	0.66
PV of FCFF						7,128	7,821	8,010	7,896	7,841	7,530
Cumulative PV of FCFF											46,227
PV of terminal value											139,682

Source: VNDIRECT Research, Company reports

Figure 73: Peer comparison (data as of May 28, 2025)

Company	Country	Market cap (USDmn)	Revenue (USDmn)	Net income (USDmn)	EPS growth	D/E (%)	TTM ROE	TTM P/E	Adj P/E	M P/B
Masan Consumer Corporation	Vietnam	5,334	1,233	312	(8.0)	95.6	42.8	17.3	17.3	12.7
Vietnam Dairy Products JSC	Vietnam	4,528	2,467	375	(8.7)	25.6	23.9	15.0	15.0	3.5
Saigon Beer - Alcohol - Beverage Corporation	Vietnam	2,448	1,272	173	4.3	1.7	16.8	15.6	15.6	2.6
Indofood Sukses Makmur	Indonesia	4,177	7,304	545	25.7	65.2	13.8	7.8	8.6	1.0
Indofood CBP Sukses Makmur	Indonesia	7,872	4,580	447	33.2	68.0	16.3	17.6	19.6	2.7
Samyang Foods Co	South Korea	5,378	1,267	199	27.4	45.0	39.4	27.4	23.3	9.1
Nongshim Co Ltd	South Korea	1,834	2,522	115	6.9	7.6	6.2	15.5	13.2	0.9
Nippon Corp	Japan	1,185	2,697	163	(25.0)	23.1	10.6	6.9	5.9	0.7
House Foods Group Inc	Japan	1,869	2,071	82	13.2	6.3	4.3	21.1	17.8	0.9
Median		3,312.5	2,494.5	186.0			15.0	15.5	15.3	1.8
Average		3,661	3,023	262			16.4	15.9	14.9	2.7

Source: VNDIRECT Research, Bloomberg

Figure 74: Sensitivity of valuation assumption

Terminal growth rate	Cost of equity						
	8.6%	9.1%	9.6%	10.1%	10.6%	11.1%	11.6%
1.0%	150,000	146,000	141,000	138,000	134,000	131,000	128,000
1.5%	157,000	151,000	146,000	142,000	138,000	135,000	132,000
2%	165,000	158,000	153,000	147,000	143,000	139,000	135,000
2.5%	175,000	167,000	160,000	154,000	149,000	144,000	140,000
3.0%	188,000	178,000	169,000	162,000	155,000	150,000	145,000

Source: VNDIRECT Research

Income statement

(VNDbn)	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F
Net revenue	23,343	27,774	26,977	28,241	30,897	33,437	36,000	38,337
Cost of sales	(13,424)	(15,983)	(15,846)	(15,267)	(16,493)	(18,043)	(19,065)	(20,277)
Gross Profit	9,919	11,791	11,132	12,974	14,405	15,394	16,935	18,059
Selling expenses	(4,071)	(4,780)	(4,527)	(5,328)	(5,904)	(6,490)	(7,095)	(7,632)
Gen & admin expenses	(894)	(1,073)	(901)	(926)	(976)	(986)	(996)	(1,005)
Operating profit	4,954	5,938	5,703	6,721	7,525	7,919	8,844	9,422
D&A	785	839	814	656	680	790	907	992
Operating EBITDA	5,739	6,777	6,518	7,377	8,205	8,709	9,752	10,414
Financial income	755	720	935	1,854	1,801	2,006	2,340	2,492
Financial expense	(315)	(258)	(385)	(538)	(378)	(431)	(440)	(455)
Net other income	(16)	(3)	(23)	4	(8)	(12)	(10)	(12)
Income from associate	13	13	13	59	65	75	86	99
Pre-tax profit	5,391	6,411	6,243	8,099	9,004	9,557	10,820	11,545
Tax expense	(793)	(884)	(711)	(905)	(1,084)	(1,150)	(1,302)	(1,390)
Net profit	4,598	5,526	5,533	7,194	7,921	8,407	9,518	10,156

Balance sheet

(VNDbn)	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F
Assets								
Cash and equivalents	3,818	13,013	5,588	5,790	5,677	10,065	12,850	16,717
Short term investments	212	169	1,404	4,908	365	669	1,080	1,150
Accounts receivable	3,515	7,074	16,527	10,989	1,705	1,907	2,228	2,634
Inventories	1,842	2,255	2,502	2,178	2,582	2,585	2,588	2,670
Other current assets	123	64	72	56	64	94	103	94
Total current assets	9,510	22,575	26,092	23,922	10,394	15,320	18,849	23,265
Long-term loans receivables	6,928	-	-	-	3,892	4,212	4,535	4,829
Other long-term receivables	1,858	215	193	9,338	6,472	6,472	6,472	6,472
Fixed assets	5,274	5,579	5,093	5,552	5,249	5,851	6,053	5,684
Investment properties	15	10	7	6	4	2	0	0
Construction in progress	442	336	811	275	332	139	49	230
Long-term investments in associates	249	249	249	295	347	411	488	575
Other long-term assets	1,258	1,241	1,072	1,165	1,211	1,168	1,222	1,272
Total non-current assets	16,023	7,629	7,424	16,631	17,506	18,255	18,819	19,061
Total assets	25,533	30,204	33,517	40,553	27,900	33,575	37,668	42,326
Liabilities								
Trade accounts payable	1,165	1,573	1,496	2,024	2,315	2,403	2,514	2,621
Advances from customers	39	124	58	66	88	88	97	109
Taxes and other payable to State Budget	613	436	226	593	620	629	661	654
Payable to employees	17	12	1	0	0	7	9	6
Accrued expenses	1,632	2,206	1,521	2,385	2,436	2,373	2,640	2,833
Other payables	39	53	106	164	46	88	105	119
Short-term borrowings	6,660	7,445	6,626	8,469	9,067	10,152	10,725	11,293
Bonus and welfare funds	29	34	28	28	28	42	45	45
Total current liabilities	10,196	11,883	10,061	13,729	14,600	15,783	16,795	17,681
Long-term trade payables	28	25	24	19	15	32	31	31
Other long-term payables	25	33	32	30	31	38	40	43
Long-term borrowings	788	1,064	775	227	1,764	754	519	422
Deferred income tax liabilities	199	182	167	160	150	214	229	230
Provision for long-term liabilities	15	12	12	11	12	17	17	17
Total non-current liabilities	1,055	1,315	1,010	448	1,972	1,056	836	742
Total liabilities	11,250	13,198	11,071	14,177	16,572	16,839	17,631	18,423
Shareholders' equity								
Paid-in capital	7,268	7,268	7,275	7,275	7,356	10,654	10,690	10,726
Share premium	3,711	3,561	3,610	3,610	3,649	3,648	3,688	3,688
Owner's other capital	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)
Treasury shares	(1,640)	(995)	(995)	(995)	(995)	(995)	(995)	(995)
Foreign exchange differences	13	7	7	8	10	12	14	16
Investment and development funds	23	23	23	23	23	23	23	23
Undistributed earnings	4,584	6,817	12,263	16,124	923	3,001	6,169	9,952
Minority interests	590	591	528	596	628	659	713	759
Shareholders' equity	14,283	17,006	22,446	26,376	11,328	16,736	20,036	23,903
Total resources	25,533	30,204	33,517	40,553	27,900	33,575	37,668	42,326

Cash flow statement

(VNDbn)	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F
Net profit/(loss) before tax	5,391	6,411	6,243	8,099	9,004	9,557	10,820	11,545
Depreciation and amortisation	785	839	814	656	680	790	907	992
Provisions	53	82	77	108	124	12	(8)	1
Unrealised foreign exchange gain/loss	(0)	6	(0)	2	3	2	2	2
(Profit)/loss from investing activities	(738)	(710)	(905)	(1,867)	(1,825)	(2,006)	(2,340)	(2,492)
Interest expense	287	229	310	488	334	390	393	405
Changes in WC	(258)	338	(1,764)	1,388	(211)	45	(30)	(40)
(Increase)/decrease in receivables	(75)	(303)	(84)	(406)	22	(40)	(48)	(61)
(Increase)/decrease in inventories	(600)	(499)	(324)	215	(527)	(3)	(92)	(85)
Increase/(decrease) in payables	380	1,095	(1,398)	1,526	259	89	111	106
(Increase)/decrease in prepaid expenses	37	44	41	53	35	(1)	(1)	(1)
(Increase)/decrease in trading securities	151	-	(1,202)	(1,391)	2,593	-	-	-
Interest paid	(307)	(234)	(294)	(497)	(366)	(390)	(393)	(405)
Corporate Income Tax paid	(683)	(1,141)	(790)	(731)	(1,108)	(1,159)	(1,335)	(1,382)
Other payments on operating activities	(2)	(3)	(5)	-	(0)	-	-	-
Net cashflow from operating activities	4,678	5,816	2,484	6,256	9,227	7,240	8,017	8,627
Purchases of FA and other LT assets	(1,470)	(959)	(1,243)	(573)	(514)	(1,307)	(976)	(747)
Proceeds from disposal of fixed assets	3	2	4	4	8	5	5	5
Loans granted, purchases of debt instruments	(7,837)	(3,949)	(11,251)	(28,142)	(20,346)	(23,406)	(25,200)	(26,836)
Collection of loans	4,511	6,580	2,014	20,140	30,583	22,578	23,983	25,734
Investments in other entities	(540)	-	-	-	-	-	-	-
Proceeds from divestment in other entities	-	-	240	-	-	-	-	-
Dividends and interest received	122	426	964	1,483	1,743	2,006	2,340	2,492
Net cashflow from investing activities	(5,212)	2,100	(9,272)	(7,088)	11,474	(124)	152	649
Proceeds from issue of shares	193	495	95	-	119	3,298	76	36
Proceeds from borrowings	22,549	23,796	19,834	22,928	25,063	20,667	22,358	22,044
Repayment of borrowings	(20,365)	(22,742)	(20,453)	(21,632)	(22,928)	(20,364)	(21,467)	(21,117)
Dividends paid	(219)	(264)	(114)	(262)	(23,070)	(6,329)	(6,350)	(6,372)
Net cashflow from financing activities	2,159	1,285	(638)	1,034	(20,816)	(2,728)	(5,384)	(5,409)
Net increase in cash and cash equivalents	1,626	9,201	(7,426)	202	(115)	4,388	2,786	3,867
Beginning balance of cash and cash equivalents	2,191	3,818	13,013	5,588	5,790	5,677	10,065	12,850
Effect of foreign exchange differences	1	(7)	1	0	3	(0)	(1)	1
Ending balance of cash and cash equivalents	3,818	13,013	5,588	5,790	5,677	10,065	12,850	16,717

Key ratios

	2020	2021	2022	2023	2024	2025F	2026F	2027E
Valuation ratios								
EPS (VND)	4,285	5,159	5,168	6,717	7,398	7,851	8,889	9,485
BVPS (VND)	20,145	23,751	31,305	36,786	15,625	15,867	18,931	22,508
Price to earnings	11.9	12.7	8.3	7.9	24.4	18.7	16.5	15.5
1-yr PEG	-0.5	0.6	50.3	0.3	2.4	3.1	1.3	2.3
Price to sales	1.5	1.7	1.1	1.3	4.2	4.6	4.3	4.1
Price to book	2.5	2.8	1.4	1.4	11.6	9.3	7.8	6.5
Dividend yield	8.8%	6.9%	0.0%	8.5%	17.8%	4.1%	4.1%	4.1%
Dividend payout ratio	69.0%	57.7%	0.0%	44.8%	290.4%	75.3%	66.7%	62.7%
Growth rates								
Net revenue YoY growth	26.3%	19.0%	-2.9%	4.7%	9.4%	8.2%	7.7%	6.5%
COGS YoY growth	27.5%	19.1%	-0.9%	-3.7%	8.0%	9.4%	5.7%	6.4%
Gross profit YoY growth	24.6%	18.9%	-5.6%	16.6%	11.0%	6.9%	10.0%	6.6%
SG&A expenses growth	29.5%	17.9%	-7.3%	15.2%	10.0%	8.7%	8.2%	6.8%
EBIT YoY growth	20.1%	19.9%	-3.9%	17.8%	12.0%	5.2%	11.7%	6.5%
EBITDA YoY growth	13.4%	18.3%	-0.3%	23.7%	9.6%	6.9%	13.4%	6.9%
Total assets YoY growth	25%	18%	11%	21%	-31%	20%	12%	12%
Equity growth	15.1%	19.1%	32.0%	17.5%	-57.1%	47.7%	19.7%	19.3%
EPS YoY growth	-25.0%	20.4%	0.2%	30.0%	10.1%	6.1%	13.2%	6.7%
Profitability ratios								
Gross margin	42.5%	42.5%	41.3%	45.9%	46.6%	46.0%	47.0%	47.1%
EBITDA margin	23.1%	22.9%	23.5%	27.8%	27.8%	27.5%	29.0%	29.1%
Operating margin	21.2%	21.4%	21.1%	23.8%	24.4%	23.7%	24.6%	24.6%
Net profit margin	19.7%	19.9%	20.5%	25.5%	25.6%	25.1%	26.4%	26.5%
EBITDA / Total assets	21.1%	21.1%	18.9%	19.4%	30.8%	27.4%	27.7%	26.3%
EBITDA / Equity	37.7%	37.4%	28.3%	29.8%	75.9%	55.0%	52.0%	46.6%
ROAA	20.0%	19.8%	17.4%	19.4%	23.1%	27.4%	26.7%	25.4%
ROAE	34.5%	35.3%	28.0%	29.5%	42.0%	59.9%	51.8%	46.2%
Activities ratio								
Fixed asset turnover	5.0	5.1	5.1	5.3	5.7	6.0	6.0	6.5
Total assets turnover	1.0	1.0	0.8	0.8	0.9	1.1	1.0	1.0
Trade receivables turnover	62.3	55.5	42.7	32.6	29.4	31.8	32.9	33.4
Days of sales outstanding (DSO)	5.9	6.6	8.6	11.2	12.4	11.7	11.3	11.2
Inventory turnover	8.9	7.8	6.7	6.5	6.9	7.0	7.2	7.5
Days of inventory outstanding (DIO)	41.0	46.8	54.8	55.9	52.8	52.3	51.2	49.7
Trade payables turnover	11.9	11.7	10.3	8.7	7.6	7.6	7.8	7.9
Days payables outstanding (DPO)	30.9	31.3	35.3	42.1	48.1	48.6	48.1	47.2
Cash conversion cycle (net operating cycle)	16.0	22.1	28.0	25.1	17.1	15.4	14.5	13.8
Liquidity ratios								
Current ratio	0.9	1.9	2.6	1.7	0.7	1.0	1.1	1.3
Quick ratio	0.7	1.7	2.3	1.6	0.5	0.8	1.0	1.2
Cash ratio	0.4	1.1	0.7	0.8	0.4	0.7	0.8	1.0
EBITDA / Total liabilities	0.5	0.5	0.6	0.6	0.5	0.5	0.6	0.6
Solvency ratios								
Interest coverage ratio	17.3	26.3	18.6	13.8	23.0	20.3	22.5	23.3
EBITDA / Interest expenses	18.8	28.1	20.7	16.2	26.3	23.6	26.6	27.5
Interest income / (Deposits + ST investments)	3.5	4.2	0.6	0.1	0.3	0.3	0.3	0.3
Interest expenses / Total debts	3.8%	3.0%	3.6%	6.6%	3.8%	3.6%	3.6%	3.6%
Total liabilities / Equity	0.8	0.8	0.5	0.5	1.5	1.0	0.9	0.8
Total liabilities / Total assets	0.4	0.4	0.3	0.3	0.6	0.5	0.5	0.4
Dupont analysis								
ROE	0.3	0.3	0.2	0.3	0.7	0.5	0.5	0.4
Net profit margin	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3
Total assets turnover	1.0	1.0	0.8	0.8	0.9	1.1	1.0	1.0
Financial leverage ratio	1.8	1.8	1.5	1.5	2.5	2.0	1.9	1.8
CF RATIOS								
CFO/Total Asset	0.2	0.2	0.1	0.2	0.3	0.2	0.2	0.2
CFO/Capex	3.2	6.1	2.0	10.9	17.9	5.5	8.2	11.6
CFO/Total Debt	0.6	0.7	0.3	0.7	0.9	0.7	0.7	0.7
Interest coverage from cash flow	16.3	25.8	9.4	13.6	26.2	19.6	21.4	22.3

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Definition:

Add	The stock's total return is expected to reach 15% or higher over the next 12 months.
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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