



Company Report: Vietnam Dairy Products Joint Stock Company (VNM)

Research Department

Mail: research@gtjas.com

Industry leading enterprise with high dividend

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KEY HIGHLIGHTS

VNM (Vinamilk) is the leading enterprise in Vietnam dairy industry with a dominant market share of over 50% across most product segments. Its long-established position provides VNM with an advantage to continue expanding new product segments, while the company has also built a healthy asset structure (low debt, ample cash), and an attractive cash dividend policy (averaging over 40%/year/share, equivalent to a dividend yield/share of 6% per year).

In the short term, VNM is facing certain cost pressures and narrowing profit margins due to the restructuring of its distribution systems as well as the end of the favorable raw milk powder cycle (low prices in 2024). Nevertheless, VNM is effectively implementing cost of goods sold management and system improvements to enhance its margins (as reflected in the gross margin of Q2).

At the same time, the company's policy of expanding exports and diversifying product categories is creating long-term growth drivers for VNM.

We forecast that VNM will achieve revenue and net profit after tax of VND 62,210 billion and VND 8,951 billion, respectively, equivalent to changes of +0.62% and -5% compared to 2024.

RECOMMENDATIONS

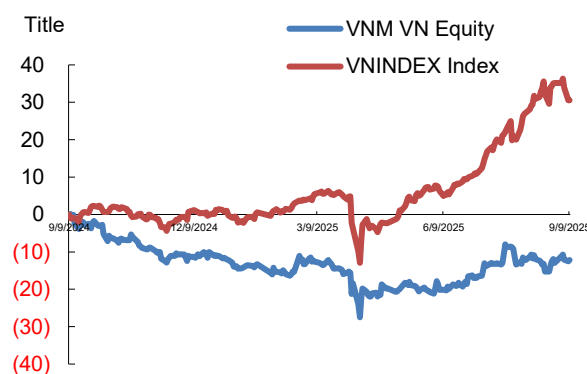
In general, after a growing cycle, VNM is implementing comprehensive solutions to optimize the position it has built over many years in the dairy industry both in the domestic and international markets. The brand repositioning campaigns and continuous changes to the distribution system demonstrate the company's efforts and the vision of the Board of Directors. Along with that, the healthy financial structure and a high cash dividend policy are among the attractive factors for the stock.

We value VNM shares at **VND 65,500 per share** and recommend **ACCUMULATE**.

Recommendation: **ACCUMULATE**6-18m TP: **65,500**

Current Price: VND60,600

1-Year Share Return Performance



Price Change	1 M	3 M	1Y
Change %	-0.3%	9.6%	-12.4%
Vs VN index	2.2%	33.0%	15.7%
Average (VND)	60,645	59,568	61,903

Source: Bloomberg, Guotai Junan (VN)

Outstanding shares (million)	2,089.96	Major shareholder (%)	SCIC 36%
Market Capitalization (VND b)	127,069.29	Free float (%)	35.3%
3-Month Average Trading Volume ('000)	5,445.84	Debt/Assets (%)	17.7%
Highest/Lowest Price 52w (VND)	75500 / 51400		

Source: the Company, Guotai Junan (VN).

I. COMPANY OVERVIEW

Vietnam Dairy Products Joint Stock Company (VNM) is the leading enterprise in Vietnam dairy industry and also one of the few dairy companies listed on the HOSE. Vinamilk holds the largest share in Vietnam dairy industry (with nearly 50% of the total market share by the end of 2024), and is always in the group of companies with the largest market capitalization on the stock market. The company has achieved many notable milestones during its operation: 9 consecutive years in Forbes Vietnam's Top 50 Best Listed Companies, certified Food Safety according to FSSC 22000, ISO 14064 certification, and regularly ranked among the 100 most valuable brands in Vietnam.

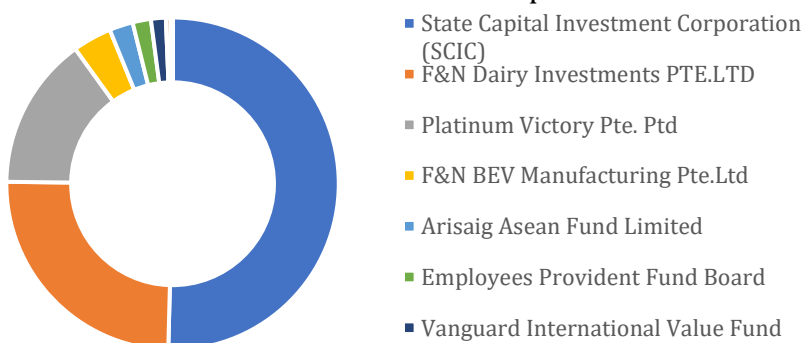
ESTABLISHMENT AND DEVELOPMENT PROCESS

- **1976:** Established under the name Southern Coffee - Milk Company.
- **2003:** Equitized and renamed as Vietnam Dairy Products Joint Stock Company (VNM).
- **2006:** Listed on HOSE.
- **2013:** Acquired 70% of Driftwood Dairy Holdings Corporation in California, USA, and increased to 100% ownership in 2016.
- **2014:** Contributed 51% capital to Angkor Dairy Products Co., Ltd. in Cambodia, and raised ownership to 100% in 2017.
- **2018:** Acquired 51% of Lao-Jagro Development Xiengkhouang Co., Ltd. in Laos. In 2022, Vinamilk increased its ownership to 87.3% in Lao-Jagro.
- **2019:** Acquired 75% of GTNFoods JSC, thereby participating in the management of Moc Chau Dairy JSC with a herd size of 27,500 cows.
- **2021:** Vietnam Livestock Corporation JSC contributed 51% of equity capital to establish Vietnam Japan Livestock Co., Ltd.
- **2022:** Merged GTNFoods into Vilico, with all GTNFoods shares owned by Vinamilk exchanged for shares of Vietnam Livestock Corporation (Vilico).
- **2023:** Launched a new brand identity. Vinamilk's brand value reached USD 3 billion.

MANAGEMENT AND OWNERSHIP STRUCTURE OF VINAMILK

Mrs. Mai Kieu Lien is currently the General Director of Vinamilk, and is also one of the most prominent female entrepreneurs in Vietnam. Born in 1953, she has been with Vinamilk since its establishment in 1976 and has dedicated more than 43 years to the company. She has been honored many times by Forbes: listed in Forbes Vietnam's "50 Most Influential Women in Vietnam," and recognized by Forbes Asia in the "50 Most Powerful Women in Asia." She is also the only individual to receive the "Lifetime Achievement Award" presented by Forbes Vietnam. Under her leadership, Vinamilk has become the largest dairy enterprise in Vietnam, with an extensive distribution network both domestically and internationally, and exports to more than 50 countries.

Vinamilk's Ownership structure



Source: Vinamilk, GTJAS VN

In Vinamilk's current shareholder structure, the largest ownership stake belongs to the State Capital



Investment Corporation (SCIC), with a total holding of 36%, followed by F&N Dairy Investments Pte. Ltd with 17.69% and Platinum Victory Pte. Ltd with 10.62%; other shareholders each hold less than 3%.

II. VINAMILK'S POSITION IN VIETNAM DAIRY INDUSTRY

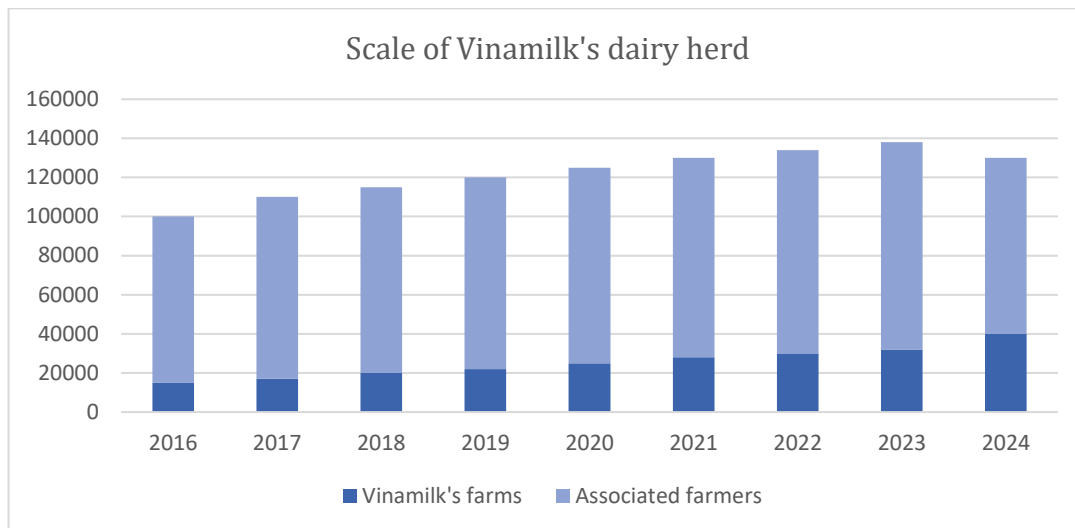
1/ Scale of Vinamilk's value chain

	Dairy farming – Raw material production	Production of beverages & dairy products	Supply chain	Business and distribution	Healthcare and nutrition
Dome stic	<ul style="list-style-type: none">• 14 Farms• 1 Technical Centre• 130,000 dairy cows in the herd• 80 milk collection stations• 1 plant for raw material production and supply (sugar)	<ul style="list-style-type: none">• 13 Vinamilk factories• 1 Moc Chau factory	<ul style="list-style-type: none">• 4 Supply divisions in Binh Dinh, Nghe An, Can Tho, Da Nang• 3 sales branches in Hanoi, Da Nang, Can Tho• 2 warehouses in Hanoi and Ho Chi Minh City• 1 fresh milk center in Cu Chi	<ul style="list-style-type: none">• Over 300 products sold on the market• Nearly 11,187 selling points in supermarkets and convenience stores• 630 Vinamilk stores• 8 official e-commerce platforms	<ul style="list-style-type: none">• 1 general clinic• 1 nutrition center
Overs eas	<ul style="list-style-type: none">• 1 Lao-Jagro farm complex – Laos	<ul style="list-style-type: none">• 1 Driftwood factory – USA• 1 Angkor Milk factory – Cambodia		<ul style="list-style-type: none">• Operations in 5 continents, 65 countries and territories exported	
Others				<ul style="list-style-type: none">• E-Shop Page (new.vinamilk.com.vn)• Vinamilk shopping app	

Source: Vinamilk

2/ Vinamilk operates the largest dairy herd among domestic peers

According to the 2024 Annual Report, VNM's herd reached approximately 130,000 cows, accounting for 39.4% of the national herd. VNM's herd consists of (1) about 40,000 cows from farms directly managed by VNM and Moc Chau Dairy Farm, and (2) around 90,000 cows raised by contracted households with which VNM has cooperation agreements to purchase raw fresh milk. To reduce risks, the company has developed Green Farm clusters in Thanh Hoa, Quang Ngai, and Tay Ninh that meet international standards, applying IoT management technology to improve productivity and reduce costs, while also expanding its joint farm venture in Laos to address land constraints.



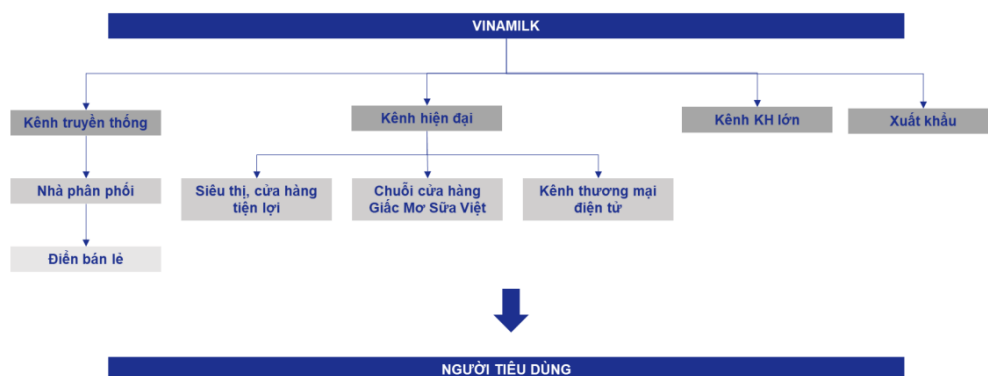
Source: GTJAVN Research

Among major dairy producers in Vietnam, TH True Milk and Nutifood are competitors of VNM that own centralized dairy farms. TH True Milk possesses the largest farm herd and competes directly with VNM in fresh milk production. Currently, TH True Milk's farm herd totals about 40,000 cows, of which around 20,000 are lactating. Nutifood – NutiMilk Gia Lai has approximately 12,000 cows, producing over 200 tons/day (estimated at 64,000 tons/year).

As of early 2025, VNM is one of the few companies simultaneously operating both farm-based herds and contracted farmer herds. Meanwhile, TH True Milk and Nutifood only operate centralized corporate-owned herds; Friesland Campina follows a network model of household farmers and “dairy zones” through cooperation and technical transfer. IDP, in addition to purchasing milk from contracted farmers, was recorded on May 21 as beginning to acquire/invest in Ho Toan Farm (Tuyen Quang) with a herd size of 1,000 cows, including 500 lactating cows.

3/ Multi-channel distribution system

At the beginning of 2025, Vinamilk operated an omni-channel model consisting of: (i) General trade (GT) – a B2B distributor network covering approximately 250,000 retail outlets (grocery stores/markets) across 34 provinces and cities; (ii) Modern trade (MT) – large supermarket and convenience store chains (Co.opmart, WinMart, Bach Hoa Xanh, etc.); (iii) Key accounts – schools, hospitals, restaurants, and factories; (iv) Vinamilk-owned retail chains – the “Vietnamese Dairy Dream/Vinamilk” stores; and (v) E-commerce – the official website and “official mall” stores on Shopee, Lazada, and TikTok Shop. The most recent data shows over 220 B2B distributors and nearly 250,000 retail outlets, with the self-operated retail chain comprising around 618 stores, reflecting a scale of 600+ stores by the end of 2024. In 2025, VNM targets to expand its self-operated retail network to 800 stores.



Source: Vinamilk

In 2024, Vinamilk completed the rebranding process from “Giấc mơ sữa Việt” (Vietnamese Dairy Dream) to “Vinamilk,” applying the new identity consistently across its entire retail system. This process helped standardize packaging, enhance the in-store experience, and sustain numerous creative promotional activities, contributing to a remarkable increase in brand health, with the “Innovation” (Đổi mới – Sáng tạo) index rising by 27 percentage points (from 47% in 2022 to 74% in 2024).

Entering 2025, Vinamilk continues its plan to restructure its product portfolio, launching many breakthrough products in terms of quality, technology, and personalization trends. Notable innovations include the application of Swedish ultra-filtration technology for the high-protein, lactose-free Green Farm fresh milk line, as well as new products introduced in Q1/2025 such as Green Farm pasteurized drinking yogurt, Green Farm high-protein honey and cereal spoonable yogurt, and plant-based yogurt made from 9 types of nuts. These efforts demonstrate Vinamilk’s strong push for innovation to meet increasingly diverse consumer needs while reinforcing its leading position in Vietnam’s dairy industry.

During 2025–2027, Vinamilk is undertaking a major transformation in its distribution system to adapt to modern consumption trends and to open a new growth cycle. The focus of the strategy is to develop a direct-to-consumer (D2C – Vinamilk Store) retail model, enabling the company to better control the customer experience, improve profit margins by eliminating intermediaries, and simultaneously build a brand ecosystem and collect data to personalize services.

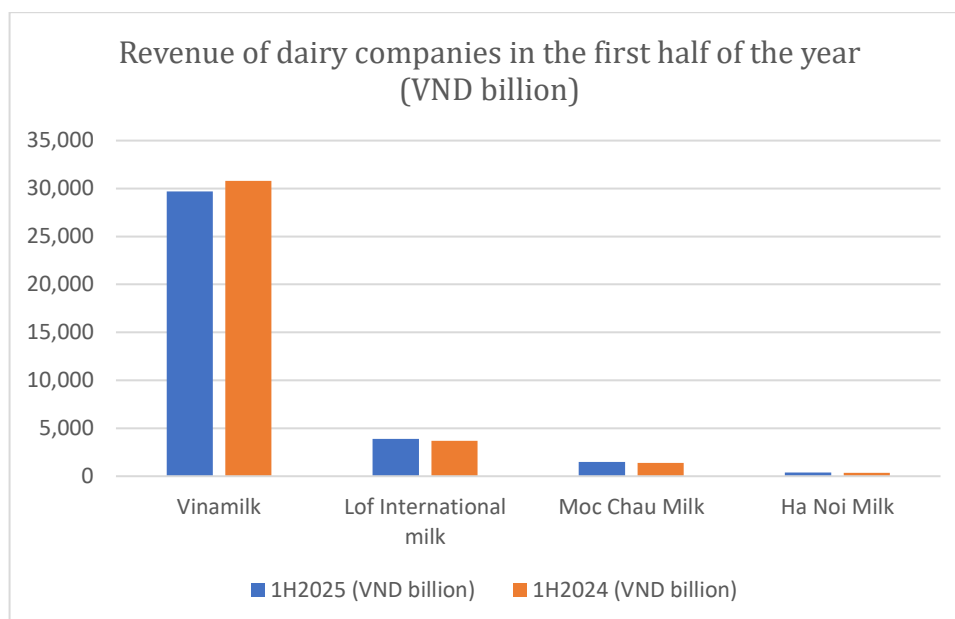


Source: 24h Money

On May 10th, 2025, Vinamilk inaugurated its first flagship store in Thu Duc City, designed as an integrated experiential space where customers can both sample strategic products such as fresh milk, plant-based milk, and premium foods, and receive nutritional consultations for communities of mothers and children as well as the elderly. In parallel, the company set a target to open about 200 additional stores within Q2/2025, raising the total number of direct-to-consumer outlets to nearly 800 nationwide. This expansion strategy not only enhances brand presence but is also expected to deliver gross margins 5–8 percentage points higher than traditional channels, thereby positioning the D2C channel as a new growth driver for Vinamilk in the coming period.

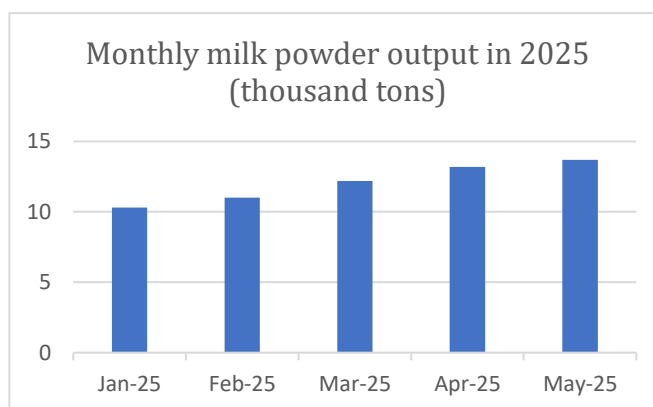
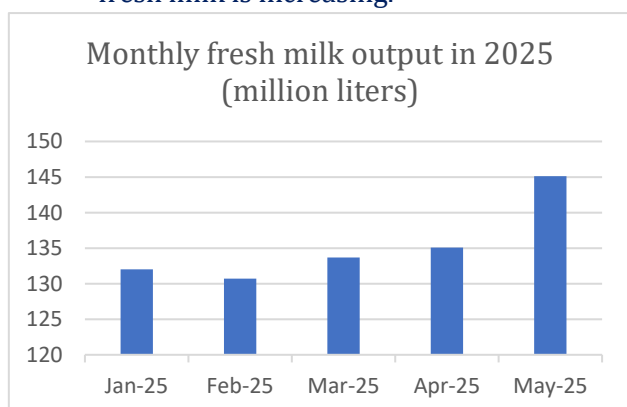
4/ Vinamilk continues to maintain its leading domestic market share

Currently, VNM is leading Vietnam's dairy market with nearly 50% of total market share as of the end of 2024. In the first half of this year, while domestic revenue slightly declined, the company's overseas revenue continued to grow to more than VND 6,035 billion, maintaining its leading position and far outpacing other competitors.



Source: Vinamilk, GTJAS VN

- Liquid milk market share:** In the domestic market, liquid milk is the segment contributing the highest value, with Vinamilk's market share reaching 54.5%, far ahead of competitors such as TH True Milk, Nutifood, and Dutch Lady (Euromonitor, 2024). This segment also provides stable revenue and favorable margins thanks to large-scale consumption, driven by premium product lines such as Green Farm, HMO, and Organic. In international markets, liquid milk still accounts for a small proportion of the export structure due to logistics and cold-chain storage limitations, but it has a presence in several developed markets such as Japan and South Korea, where demand for premium fresh milk is increasing.



Source: VDA, GTJAS VN

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fresh milk is increasing.

- **Milk powder market share:** Milk powder is the most competitive segment as Vinamilk competes not only with domestic producers but also with imported brands such as Abbott, FrieslandCampina, and Nestlé. In the domestic market, Vinamilk holds about 40.6% market share, ranking among the leaders. According to VDA data in 2024, in international markets, milk powder is the core export product, accounting for up to 80% of milk powder export revenue in the Middle East, with Iraq being the largest destination. This serves as a long-term growth driver as Vinamilk continues to expand into China, where demand for infant milk powder is increasing sharply.
- **Condensed milk market:** Vinamilk holds 79.7% of the domestic condensed milk market share, mainly due to the long-established “Ông Thọ” brand and its number-one position in Vietnam. This is also an important product in exports: Vinamilk condensed milk is available in more than 30 countries, with the Middle East and Africa being the largest consumption markets, linked to local habits of using condensed milk in beverages and food preparation. In addition, this product officially entered China in 2021, opening up new growth prospects.

5/ Export products are gradually gaining popularity in international markets

In 2024, Vinamilk’s total revenue from overseas markets reached VND 10,983 billion for the year, representing a growth of 12.6% (equivalent to 17.76% of total revenue), marking the highest increase in the past five years. Revenue from direct exports (excluding revenue from foreign subsidiaries) recorded VND 5,664 billion, up 12.4% year-on-year. Q1/2025 continued to maintain double-digit growth, especially with the first-time introduction of condensed milk products into the European market. At the same time, the company focused on strengthening its core markets in the Middle East and Southeast Asia, while expanding into premium markets in order to diversify revenue sources and reduce dependency risks.

By the end of 2024, Vinamilk had developed an export product portfolio comprising nearly 400 SKUs, starting with the Dielac infant formula line and expanding into many other products such as condensed milk, yogurt, fresh milk, Probi drinking yogurt, and Cocofresh bottled coconut water.

The key export markets include:

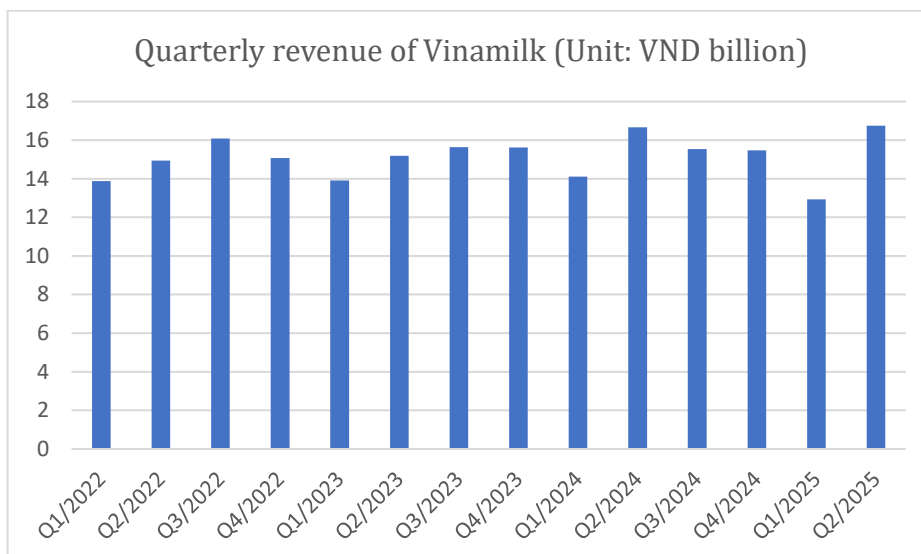
- **Middle East:** a traditional and largest market, where revenue in the past decade has nearly doubled, with infant formula and condensed milk as the main products.
- **Asia:** particularly China, Japan, South Korea, Taiwan, and Southeast Asia, where condensed milk, fresh milk, and yogurt products have been positively received by consumers. Vinamilk has also introduced durian-flavored yogurt in China and placed the Ông Thọ condensed milk brand in supermarket chains in Guangzhou. Recently, the Ngôi sao Phương Nam condensed milk brand has also been licensed for export to this market.
- **Europe, the US, Australia, Canada:** products such as condensed milk, milk powder, yogurt, and Cocofresh have been exported to major retail chains in Australia and New Zealand (Costco, Woolworths, Foodstuff), with revenue in these two markets increasing by more than 50% compared to the same period.

As of 2025, Vinamilk had expanded its cumulative export footprint to 65 countries. In the first six months, net revenue from overseas markets reached VND 6,035 billion. Notably, net export revenue in Q2/2025 hit a record of VND 1,887 billion, up 8.5% year-on-year, continuing its streak of eight consecutive quarters of positive growth. For the first half of 2025, net export revenue reached VND 3,507 billion, up 15.5% compared to the same period last year. Net revenue from foreign subsidiaries in Q2/2025 reached VND 1,223 billion, with a cumulative six-month figure of VND 2,528 billion.

III. UPDATE ON VINAMILK’S BUSINESS PERFORMANCE FOR 2024 – 6M2025

In the first half of 2025, Vinamilk recorded consolidated revenue of VND 29,710 billion, completing approximately 46.1% of the full-year target, including VND 23,624 billion from the domestic market and

VND 6,035 billion from overseas markets. Q2 revenue alone reached VND 16,745 billion, an increase of VND 79 billion compared to the same period in 2024, marking the highest quarterly revenue in the company's history. However, cumulative 6M revenue posted a 3.6% year-on-year decline, mainly due to distribution chain restructuring in Q1 and seasonal factors.



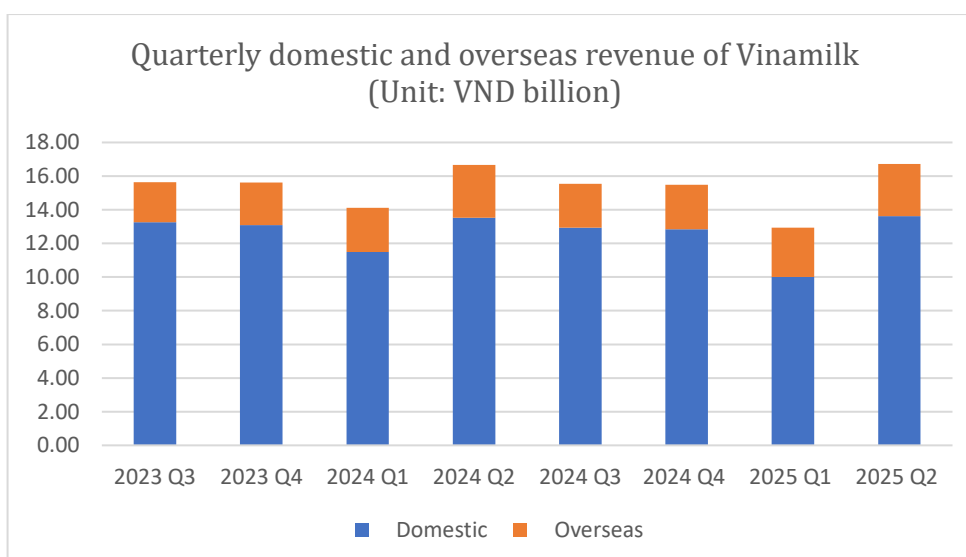
Source: Vinamilk, GTJAS VN

Business performance update as of June 2025

Indicator (bVND)	Q2.2025	YoY	Cumulative	YoY
Revenue	16,724.6	+0.4%	29,659.1	-3.6%
Gross profit	7,021.7	-0.6%	12,232.2	-5.8%
Net profit after tax (NPAT)	2,488.6	-7.7%	4,075.9	-16.9%

Source: Vinamilk, GTJAS VN

Domestic revenue still accounts for the majority, consistently maintaining over 80% of total revenue, though its growth has been unstable. In contrast, overseas markets have shown more consistent growth, rising from VND 2,380 billion in Q3/2023 to over VND 3,100 billion in Q2/2025, reflecting the increasing importance of export.



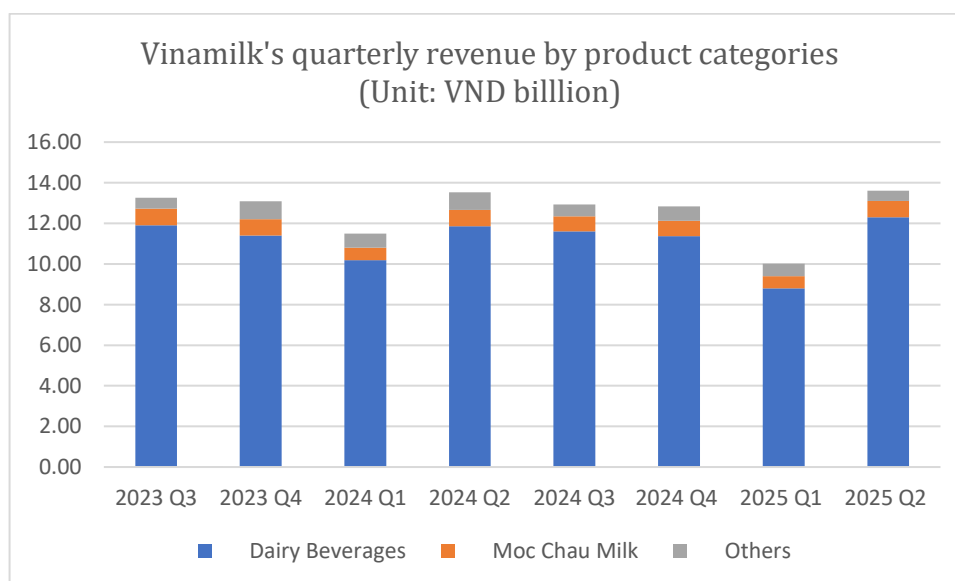
Source: Vinamilk, GTJAS VN

In terms of product categories, milk and dairy beverages remain the core pillars, fluctuating in the range of VND 10–12 trillion per quarter. Moc Chau Milk maintains stable revenue of around VND 740–885 billion per quarter, serving a supplementary role in the fresh milk product ecosystem. Meanwhile, other product categories—including non-traditional dairy products—recorded flexible growth from VND 526 billion in Q3/2023 to VND 873 billion in Q2/2024, before adjusting to VND 506 billion in Q2/2025. This indicates that Vinamilk is expanding into new areas such as chilled beef, beverages, and specialized nutrition products, which, although still accounting for a small proportion, hold significant long-term contribution potential.

In addition to the milk segment, Vinamilk has officially expanded into the beef sector through its subsidiary Vilico. According to Vinamilk's 2024 Annual Report, **consolidated revenue from the beef segment (including Vilico, Moc Chau Milk, and affiliates within the Vinabeef chain) was estimated at VND 2,550 billion in 2024, accounting for 3.5% of Vinamilk's consolidated revenue.** The gross profit margin of this segment in 2024 was estimated at 15%, lower than Vinamilk's overall gross margin (around 41%), but with potential to expand as scale increases and brand positioning strengthens. Japan Vietnam Livestock Co., Ltd. (JVL), a joint venture between Sojitz and Vilico, invested nearly VND 3,000 billion to establish and put into operation the Vinabeef chilled beef processing plant in December 2024. This is the first plant in Vietnam to process chilled beef in a controlled and hygienic environment, with a capacity of about 30,000 cattle per year and a target of producing 10,000 tons of beef annually. By Q2/2025, JVL will also operate a cattle farm near the plant to close the loop from farming to processing and distribution. Vinabeef products will be distributed to medium- to high-end hotels and restaurants. In 2024, JVL's revenue nearly tripled compared to 2023, with products already entering major supermarket chains. JVL is also developing ready-to-eat and ready-to-cook products such as sausages and beef balls, which are being piloted in several modern retail outlets and HORECA channels.

Vietnam's chilled beef market remains nascent and is currently shared among several major brands such as Masan MEATDeli and Vissan. With its brand strength, cold logistics system, and extensive distribution network, Vinamilk and Vilico are expected to quickly increase their presence in the mid- to high-end chilled beef segment.

Overall, Vinamilk's revenue profile is gradually shifting from reliance on the domestic market and traditional dairy to product diversification and international market expansion.

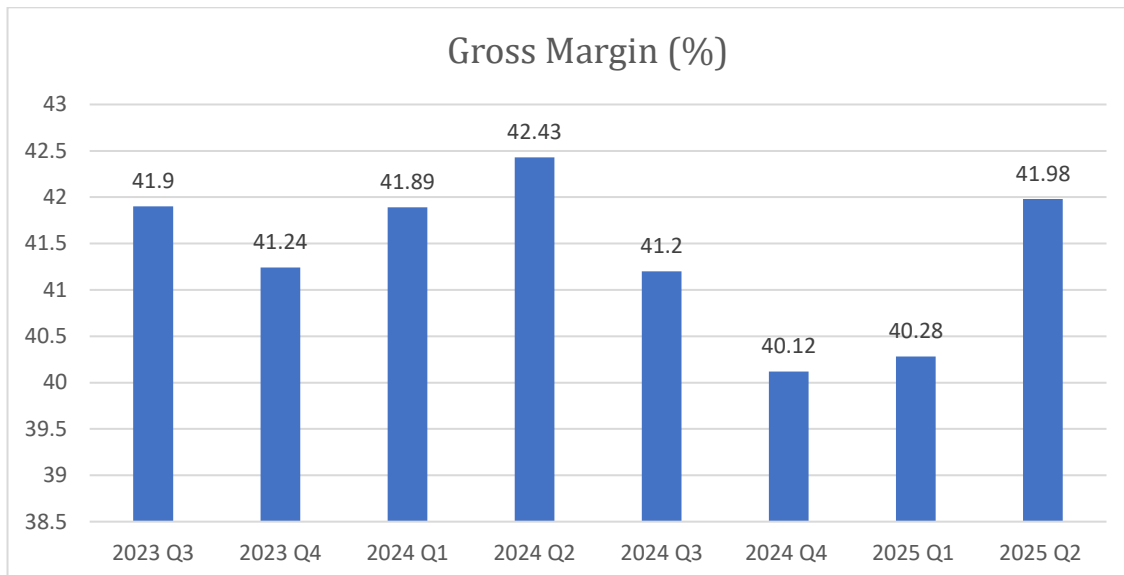


Source: Vinamilk, GTJAS VN

Vinamilk's revenue structure is undergoing a clear shift: **yogurt and condensed milk are increasingly gaining share, liquid milk remains stable, while milk powder is gradually shrinking** in the context of fierce competition from imports.

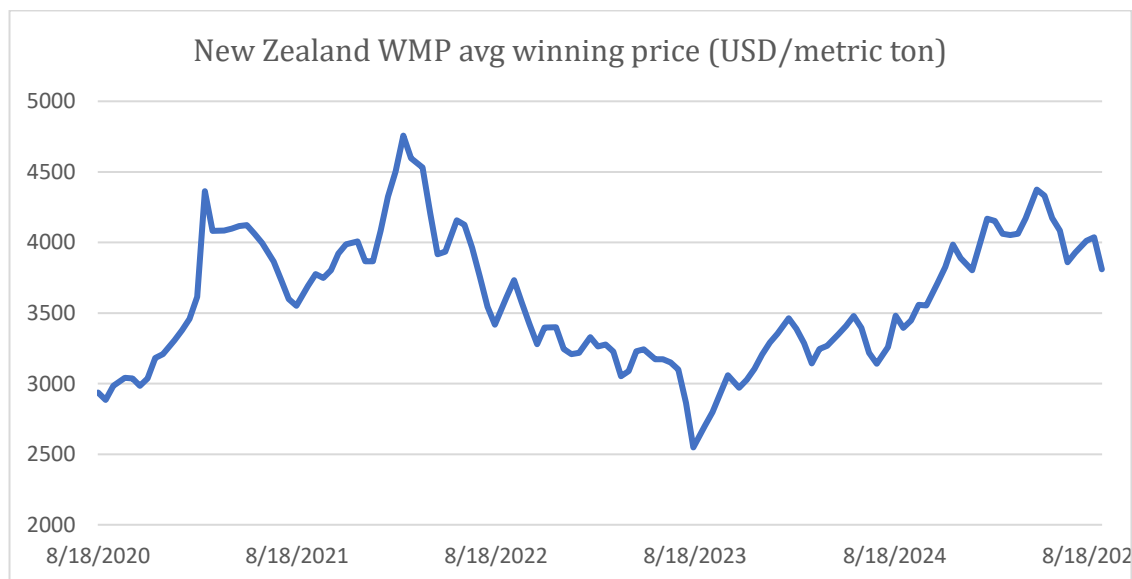
Margin contraction, rising cost pressures

In 2024, the global milk powder market experienced a major correction. After the peak prices of previous years, milk powder (Skim Milk Powder – SMP and Whole Milk Powder – WMP) declined significantly from the high levels of 2021–2022, bringing SMP prices down to around USD 2,600–3,100 per ton. This price decline helped reduce input material costs for dairy producers, including Vinamilk, thereby improving gross margins in 2024. Vinamilk’s gross margin in the first half of 2024 improved to 41.2%, compared to 40.9% in 2023, thanks to lower raw material costs, which supported stable profitability.



Source: Bloomberg, GTJAS VN

However, in the first half of 2025, the trend showed slight signs of reversal as average SMP prices recovered to USD 2.7–2.9 per metric ton, while WMP also fluctuated upward depending on auction periods. This volatility has created rising input cost pressures. Auction data from GDT and AMS/USDA reports indicate that milk powder prices are subject to short-term fluctuations driven by global supply-demand dynamics and transportation costs, causing input costs for imported milk powder used by processors such as Vinamilk to fluctuate accordingly.



Source: Bloomberg, GTJAS VN

In addition, regarding feed costs, global corn prices fluctuated around USD 178–216 per ton in 2024 and rebounded to approximately USD 195–215 per ton in the first half of 2025. At the same time, soybean meal prices at major European and oceanic ports remained at USD 400–460 per ton, with an upward trend in

2025. These fluctuations have increased livestock costs, indirectly pushing up input costs for dairy supply chains and related products.

INVESTMENT THESIS

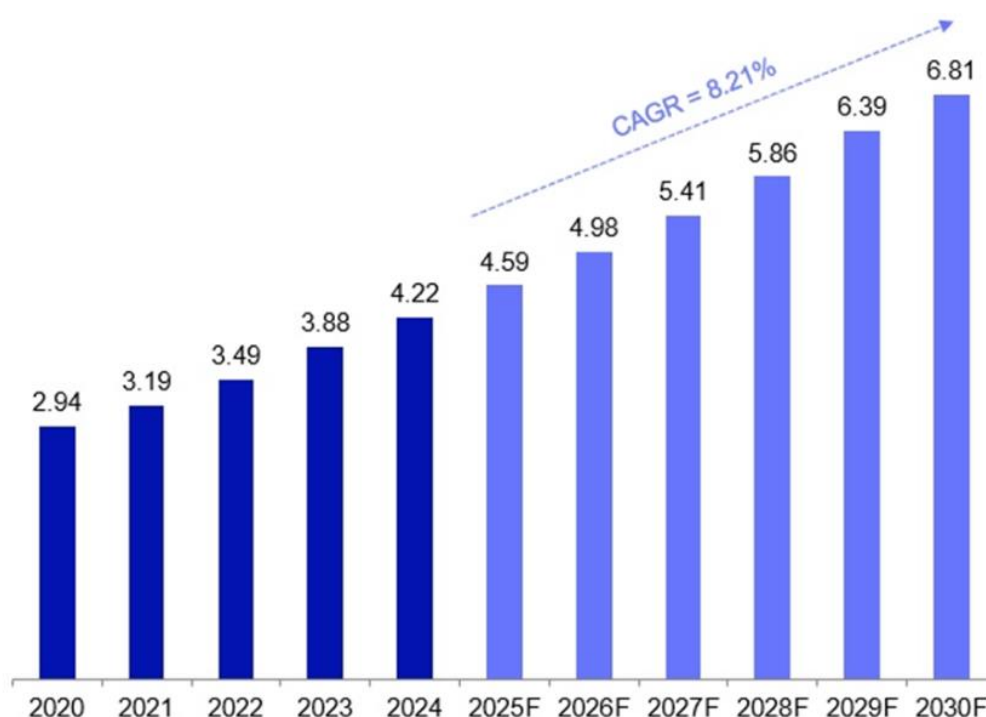
1/ Market potential, product diversification, and distribution channel improvement help sustain growth momentum

The Vietnamese dairy market is expected to grow at a CAGR of 8.21% during 2025–2030

According to forecasts from the World Bank (WB), one of the key long-term drivers for the fast-moving consumer goods (FMCG) sector in general and the dairy industry in particular is the rapid expansion of the middle class, the growth of modern retail channels, and the increasing preference for premium products such as organic milk, plant-based milk, and ice cream. This trend is particularly reinforced as modern lifestyles encourage greater consumption of products such as yogurt, ice cream, and condensed milk in Vietnam's coffee culture.

The size of Vietnam's dairy market is projected to grow at a CAGR of 8.21% from 2025–2030

(Annual market revenue for the period 2020–2030; Unit: USD billion)



Source: Statista

Currently, the industry is witnessing fierce competition among more than 200 companies, of which approximately 75% of market share belongs to domestic enterprises and the remaining 25% is held by foreign players. Major brands such as Vinamilk, TH True Milk, Nutifood, IDP, Moc Chau Milk, together with FrieslandCampina, Nestlé, Abbott, Mead Johnson, and Fonterra, are actively investing in product research, expanding distribution channels, and intensifying promotional activities. At the same time, product portfolios are becoming increasingly diverse, ranging from milk powder, fresh milk, condensed milk, and yogurt to functional milk, plant-based milk, and premium product lines tailored to specific customer segments. Many reports and expert statements indicate that domestic fresh milk supply currently meets only about 40% of demand, with the remaining 60% dependent on imports—particularly in milk powder, cheese, and whey used for blending or further processing.

In the first 6 months of 2025, Vietnam's import value of milk and dairy products reached approximately USD 659.3 million, up more than 35% year-on-year, with the main supply sources being New Zealand and Australia (Q1 alone recorded nearly USD 340.5 million, +39% YoY).

The surge in imports, reflected clearly in the supply structure, occurred for two main reasons: (i) demand for processed/value-added products and foreign brands is growing faster than domestic capacity expansion,

and (ii) structural limitations in dairy farming in terms of herd size and land area force companies to compensate with imported raw materials and finished products.

Business outlook for Vinamilk

It is clear that Vietnam's dairy industry remains heavily dependent on imported milk powder, whey, and cheese, causing input costs and margins to fluctuate significantly with international prices. In this context, the sector's growth potential lies less in traditional segments such as fresh milk and condensed milk, and more in value-added products (infant formula, plant-based milk, medical nutrition), along with the expansion of e-commerce channels and F&B consumption.

For Vinamilk, growth drivers in the coming years will stem from price adjustments, diversification into non-dairy categories (beverages, nutritional foods), and export expansion into selected new markets, rather than significant increases in domestic production capacity. At the same time, the completion of supply chains and policies on raw material control (through farming as well as raw milk contracts) will enable VNM to optimize its gross margin.

Therefore, we assess that **Vinamilk's long-term growth potential remains, but in a selective manner, with revenue expected to grow by 3%–5% per year**, concentrated in premium segments, specialized products, and niche export markets, rather than anticipating a new boom cycle as in previous periods.

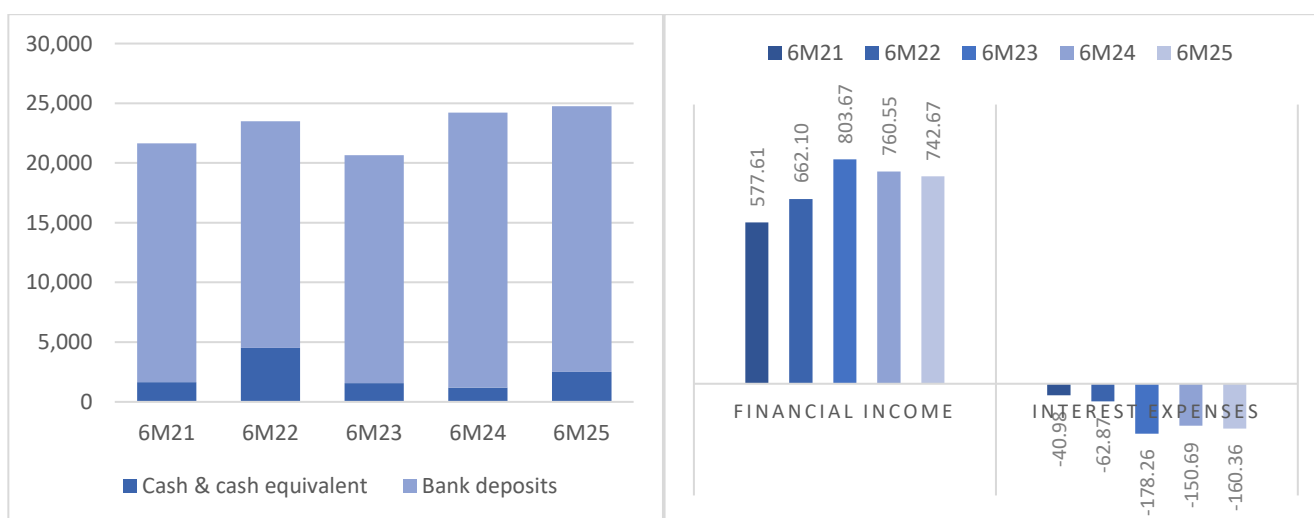
Regarding business operations in 2025, Vinamilk has secured fixed-price contracts for raw materials until the end of Q3/2025 and increased selling prices by 5–7% from January 2025. At the same time, the company continues to cut costs by restructuring its sales force and accelerating digital channels. These drivers will help VNM maintain gross margin around 41%–42%, while net margin is expected to reach 15%.

We forecast that VNM will achieve revenue and net profit after tax of VND 62,210 billion and VND 8,951 billion, respectively, representing changes of +0.62% and -5% compared to 2024.

3/ Healthy financial structure and dividend policy favorable to shareholders

Vinamilk's financial structure is considered healthy thanks to its low leverage ratio, large cash reserves, high liquidity, and efficient capital utilization.

VNM holds strong cash flow with bank deposits of nearly VND 25 trillion. Meanwhile, financial leverage is still utilized to optimize efficiency, mainly through short-term borrowings to serve working capital needs (nearly VND 10 trillion).



Source: FiinproX, GTJASVN RS

Equity reached over VND 35 trillion, bringing the debt-to-equity (D/E) ratio to approximately 0.24x, lower than the average level of the food and beverage sector.

Financial efficiency indicators further reinforce this healthy position: ROE of 27.6% and ROA of 18.7% as of June 30, 2025. Liquidity is also solid, with the current ratio maintained at above 2x.

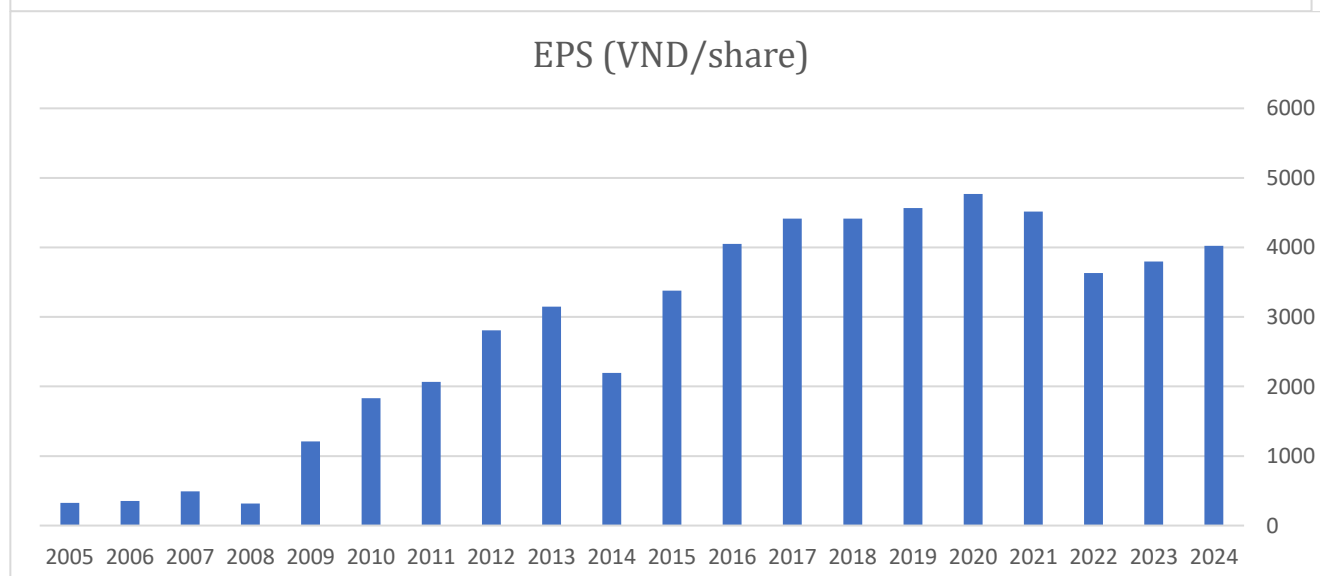
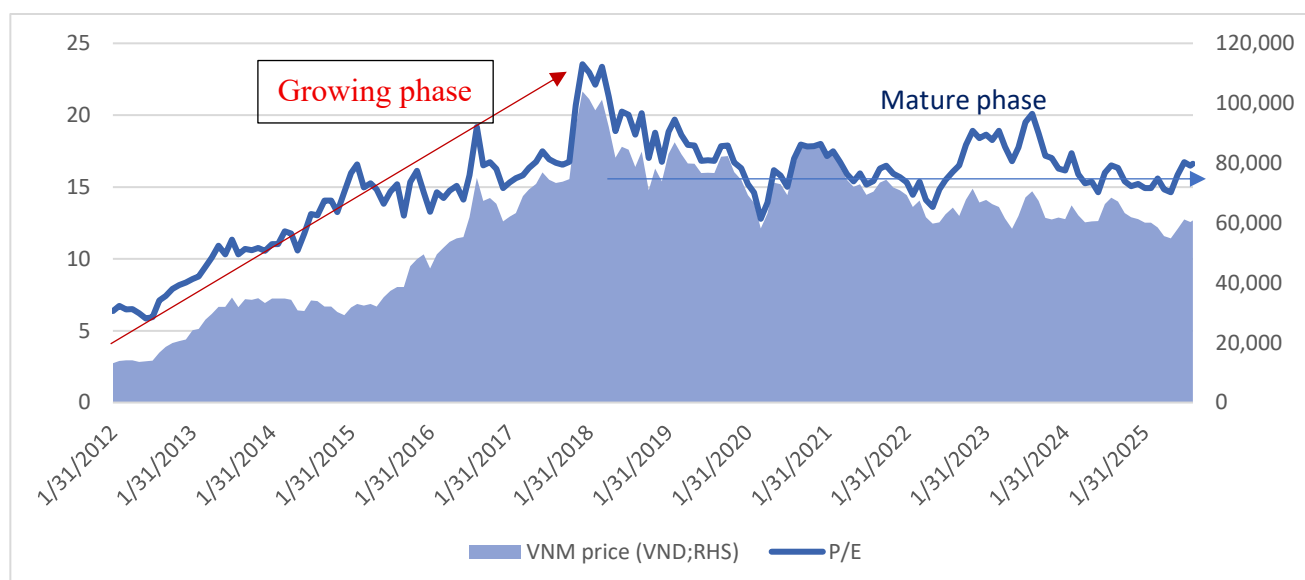
Attractive dividend policy

Vinamilk has consistently maintained a cash dividend policy since 2006. In the last 5 years, particularly with operating cash flow continuously positive (over VND 11 trillion in 2024), Vinamilk has been able to distribute cash dividends to shareholders in the range of VND 3,850–4,500 per share annually, with a dividend yield of over 6% per year. In the recent Annual General Meeting of Shareholders, the company submitted and obtained approval for a 2024 dividend of 43.5% in cash, equivalent to VND 4,350 per share. This is the highest dividend Vinamilk has paid since 2018 (45% in cash). Vinamilk is also one of the few listed companies on the stock exchange to consistently pay high cash dividends annually, around 40%.

VALUATION AND RECOMMENDATION

Overall, after a high-growth period, VNM is implementing comprehensive solutions to optimize the long-standing position it has built in the dairy industry both domestically and internationally. Brand repositioning campaigns and continuous adjustments to the distribution system demonstrate the company's efforts and the vision of its management. In addition, a healthy financial structure and high cash dividend policy are among the attractive aspects of the stock.

We value VNM shares at **VND 65,500 per share** and recommend **"Accumulate."**



Source: Bloomberg, GTJAVN Research

COMPANY RATING DEFINITION

Benchmark: VN – Index.

Time Horizon: 6 to 18 months

Rating	Definition
Buy	Relative Performance is greater than 15% Or the Fundamental outlook of the company or sector is favorable
Accumulate	Relative Performance is 5% to 15% Or the Fundamental outlook of the company or sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the company or sector is neutral
Reduce	Relative Performance is -15% to -5% Or the Fundamental outlook of the company or sector is unfavorable
Sell	Relative Performance is lower than - 15% Or the Fundamental outlook of the company or sector is unfavorable

SECTOR RATING DEFINITION

Benchmark: VN – Index

Time Horizon: 6 to 18 months

Rating	Definition
Outperform	Relative Performance is greater than 5% Or the Fundamental outlook of the sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the sector is neutral
Underperform	Relative Performance is lower than -5% OrThe Fundamental outlook of the sector is unfavorable

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GUOTAI JUNAN VIETNAM RESEARCH DEPARTMENT

Vũ Quỳnh Như

Research Analyst

nhuvq@gtjas.com.vn

(024) 35.730.073- ext:702

Ngô Diệu Linh

Research Analyst

linhnd@gtjas.com.vn

(024) 35.730.073- ext:705

Trịnh Khánh Linh

Research Analyst

linhkt@gtjas.com.vn

(024) 35.730.073- ext:707

Nguyễn Kỳ Minh

Chief Economist

minhkn@gtjas.com.vn

(024) 35.730.073- ext:706

Trần Thị Hồng Nhung

Deputy Director

nhungtth@gtjas.com.vn

(024) 35.730.073 - ext:703



CHỨNG KHOÁN GUOTAI JUNAN (VIỆT NAM)
GUOTAI JUNAN SECURITIES (VIETNAM)

CONTACT

Hanoi Head Office

HCMC Branch

Advising:
(024) 35.730.073

R9-10, 1st Floor, Charmvit Tower,
117 Trần Duy Hưng, Hà Nội

3rd Floor, No. 2 BIS, Công Trường
Quốc Tế, P. 6, Q.3, Tp.HCM

Stock ordering:
(024) 35.779.999

Tel:

Tel:

(024) 35.730.073

(028) 38.239.966

Email: gtja@gtjas.com.vn
Website: www.gtjai.com.vn

Fax: (024) 35.730.088

Fax: (028) 38.239.696