



Company Report: Dabaco Group Joint Stock Company (DBC)

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Positive medium-term outlook

KEY HIGHLIGHTS

- DBC is one of the leading pig farming enterprises in Vietnam. During the period 2024–6M2025, the company's business performance benefited significantly from the surge in domestic pig prices, contributing to forecasted profits of over VND 1,600 billion in 2025F.
- The company holds a positive growth outlook for 2025–2030 thanks to farm expansion. With these projects, the total farming capacity of DBC's farms is expected to increase by 39,200 sows and 530,000 market pigs, enabling the group to achieve a total herd size of 80,000 sows and 2 million market pigs in 2027–2028. This corresponds to a production growth rate of 54%–100% compared to the current herd.
- The consumption trend toward fresh meat, robust domestic demand for live pigs, and the new Livestock Law emphasizing the development of professional farm systems all reinforce DBC's outlook.
- Currently, DBC maintains a relatively healthy financial structure with a Debt-to-Equity ratio of 0.65, along with cash and deposits of more than VND 2,000 billion, helping to minimize the risk of financial imbalance.

RECOMMENDATIONS

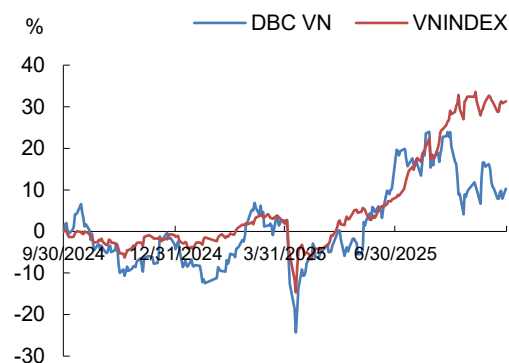
Based on the valuation results and the assessment of DBC's business outlook as positive, we value DBC shares at VND **29,500** per share and recommend **ACCUMULATE**.

Recommendation: **Accumulate**

6-18m TP: **29,500**

Current Price: **27,800**

1-Year Share Return Performance



Price change	1 M	3 M	1Y
Change %	0.2%	-7.9%	8.4%
Vs VN index	-0.8%	13.1%	37.4%
Average (VND)	28,113	29,073	25,642

Source: Bloomberg, Guotai Junan (VN)

Outstanding shares (million)	384.87
Market Capitalization (VND b)	10,699.29
3-Month Average Trading Volume ('000)	11,096.01
Highest/Lowest Price 52w (VND)	32350 / 19087

Source: the Company, Guotai Junan (VN).

Major shareholders(%)	Nguyen Nhu So 23.3%
Free float (%)	71.2%
Debt/Equity (%)	65

I. COMPANY OVERVIEWS

Dabaco Group Joint Stock Company (Dabaco Group – DBC) is one of the leading enterprises in the livestock – agricultural – food industry in Vietnam, operating under a closed value chain 3F+ (Feed – Farm – Food – Future). Dabaco was equitized in 2005, listed on the Hanoi Stock Exchange (HNX) in 2008, and transferred its listing to the Ho Chi Minh Stock Exchange (HOSE) in 2019.

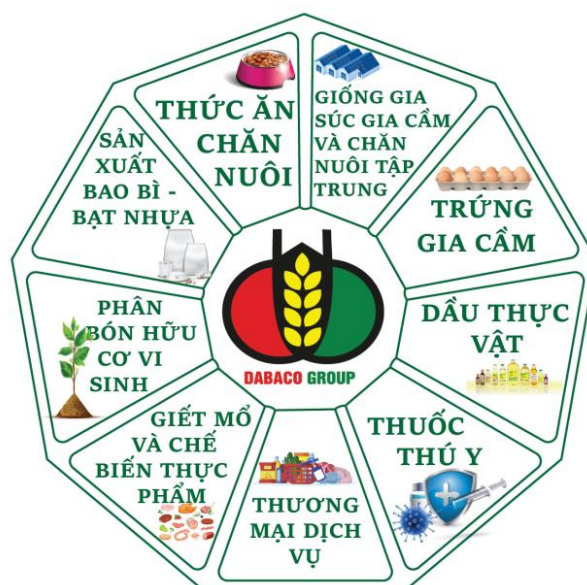
Dabaco's value chain

Breeding and raw material production	Food processing	Supply	Trading and distribution	Other services
<ul style="list-style-type: none"> • Pig and chicken breeding farm system in Bac Ninh, Ha Nam, Hai Phong, Thanh Hoa, Quang Ninh, Binh Phuoc... • Herd size of 58,000 sows and 1-1.3 million market pigs per year • 9 feed mills with a total capacity of over 1 million tons/year 	<ul style="list-style-type: none"> • Meat processing plants, food processing factories, producing safe and high-quality food products • Dabaco Food processing plant (2019) • Vaccine manufacturing plant meeting GMP-WHO standards 	<ul style="list-style-type: none"> • Warehousing and logistics system (Bac Ninh, Hanoi, Ho Chi Minh City) 	<ul style="list-style-type: none"> • Retail supermarket and trade center network under Dabaco brand (Bac Ninh, Que Vo, Tu Son, Gia Binh...) • Le Indochina 5-star Commercial Center (Da Nang, Bac Ninh) • Exporting animal feed, meat, and eggs products to international markets 	<ul style="list-style-type: none"> • Medical & Veterinary Dabavet Co., Ltd (2023), specializing in ASF vaccine research • Central veterinary clinic in Bac Ninh • Trade services in supermarkets, hotels, industrial parks • Online trading system: Dabaco supermarket, e-commerce

Source: Dabaco

Dabaco's business activities include animal feed production, breeding, livestock farming, and food processing. The company has obtained multiple national and international quality certifications such as ISO 9001 (for feed and food), ISO 22000 (for food safety), GMP, HACCP, and has won the "Vietnam Gold Quality" award and other prestigious international awards.

Dabaco's ecosystem

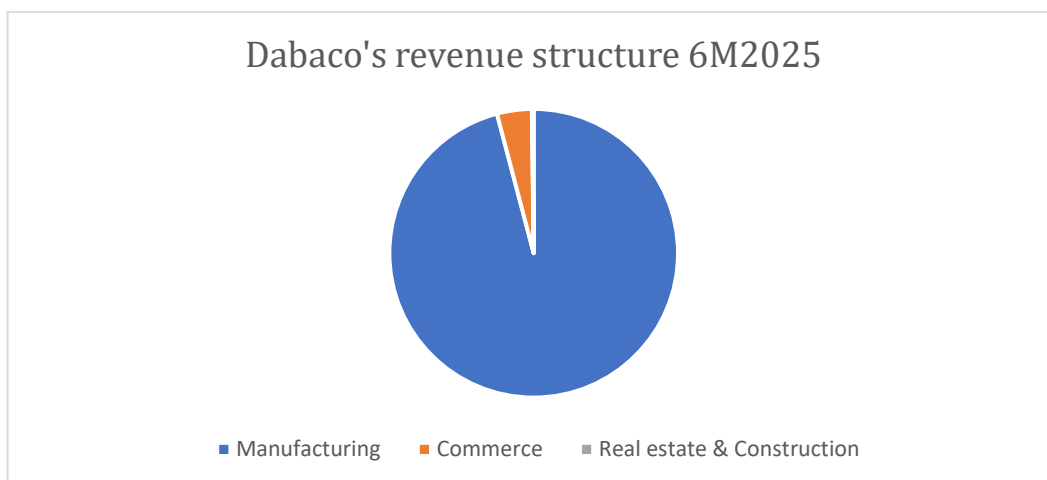


Source: Dabaco

Dabaco's cumulative revenue structure for the first six months of 2025 was heavily concentrated in the

production–farming segment, which accounted for 96%, equivalent to approximately VND 7,126.8 billion. The trade – supermarket – hotel segment contributed 3.9%, while real estate & construction represented only 0.2% (around VND 17.9 billion).

Within the production segment, the core activities and revenue drivers remained the expansion of pig farming operations and pork distribution under the 3F chain, alongside related activities such as food processing, animal feed production, cooking oil, and packaging.

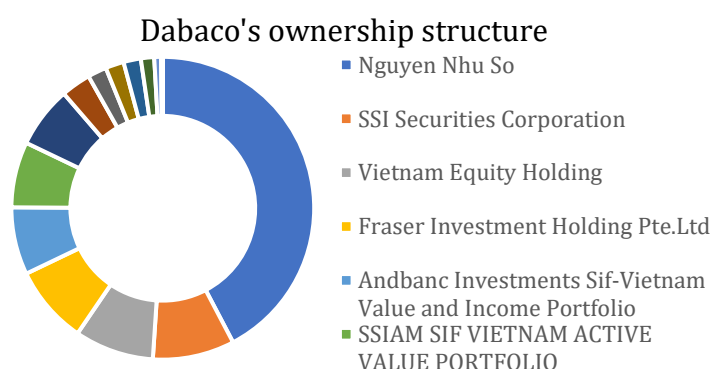


Source: Dabaco, GTJAS VN

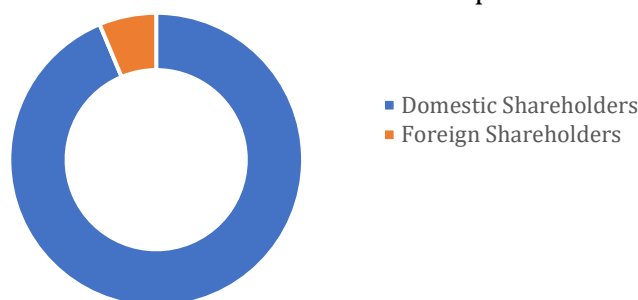
MANAGEMENT AND OWNERSHIP STRUCTURE OF DABACO

As of mid-2025, the ownership structure of Dabaco Vietnam Group JSC (DBC) remained primarily concentrated among domestic shareholders. According to published data, domestic shareholders accounted for 93.7% of total shares, while foreign shareholders held less than 7%. This indicates that Dabaco continues to be a domestically controlled enterprise, predominantly held by local investors, distinguishing it from several industry peers with higher foreign ownership ratios (such as GreenFeed or Japfa).

Mr. Nguyen Nhu So (born in 1957) is currently the Chairman of the Board of Directors of Dabaco Vietnam Group JSC (DBC). He has led the company through multiple challenging phases of the Vietnamese agriculture – food market and has been honored multiple times in prestigious entrepreneur rankings in Vietnam.



Dabaco's ownership structure



Source: Dabaco, GTJAS VN

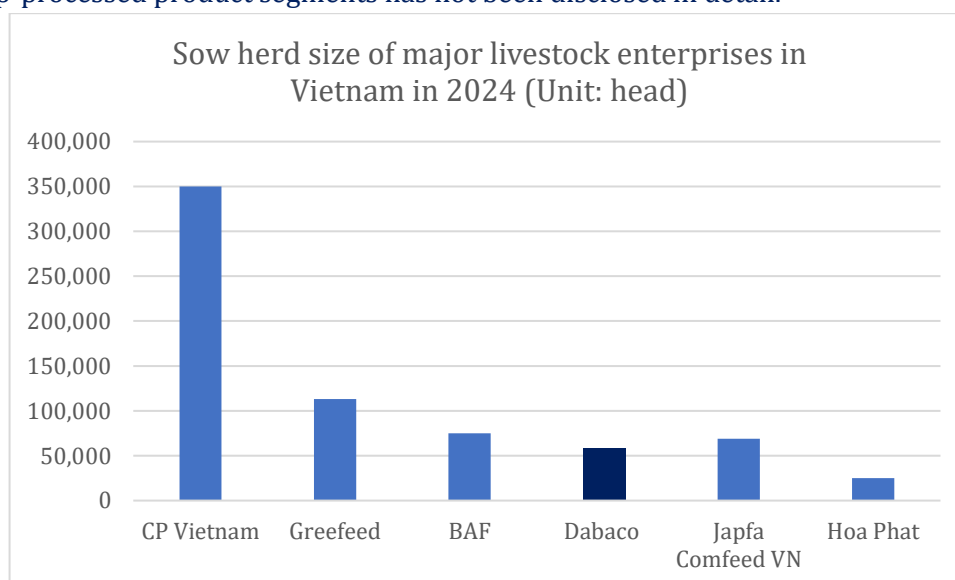
As of 07/08/2025, the largest shareholder in Dabaco's shareholder structure is Mr. Nguyen Nhu So (Chairman of the Board of Directors), holding 23.3%. Following are several foreign funds and institutions, though each with holdings below 5%: SSI Securities Corporation holds 4.81%, Vietnam Equity Holding 4.66%, Fraser Investment Holding Pte. Ltd 4.61%, Andbanc Investments Sif – Vietnam Value and Income Portfolio 4.07%, and SSIAM SIF Vietnam Active Value Portfolio 3.86%. In addition, PYN Elite Fund (Non-Ucits) is also a major shareholder with 3.61%. Other individual shareholders each hold less than 2% of shares.

II. BUSINESS ANALYSIS

2.1. Dabaco as one of the largest domestic enterprises with standardized farm systems

2.1.1. Strong expansion of the farming system, aiming for leading position in pig farming

During 2018–2020, Dabaco focused on building a high-tech farming foundation in various provinces, resulting in an exponential increase in sow herd size over the past five years—from only a few thousand sows to 58,000 by 2024. According to the 2024 business report, net revenue reached VND 13,574 billion (+22.2% YoY), of which “manufactured products” accounted for VND 12,647 billion (+29.8% YoY). This shows that production and processing continued to grow, though the specific contribution of the chicken meat and deep-processed product segments has not been disclosed in detail.



Source: Dabaco, GTJAS VN compiled

As of 7/ 2025, Dabaco operated 45 farms mainly located in Bac Ninh, Bac Giang, Hung Yen, Hanoi, Vinh Phuc, Hoa Binh, and Hai Duong. The company maintained an estimated sow herd of about 58,000 and targeted to expand further to around 80,000 sows in the coming years, aiming to raise total capacity to 2 million market pigs per year once projects are completed (expected in 2027).

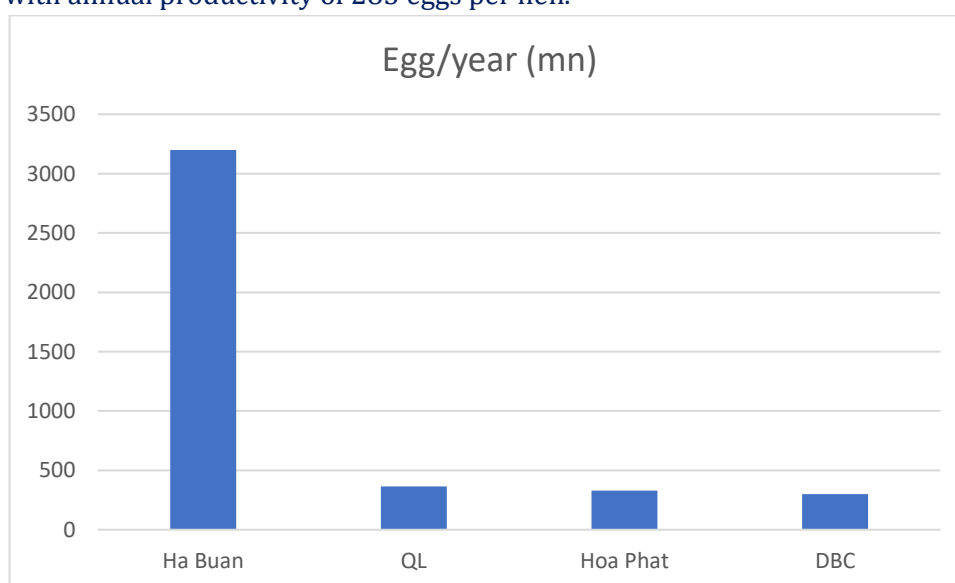
Among the major livestock enterprises in Vietnam, C.P. Vietnam, BAF, and GreenFeed are Dabaco's direct competitors. C.P. Vietnam owns a sow herd of approximately 350,000, the largest scale in the market, far ahead of domestic firms. Within the group of domestic enterprises, Dabaco currently ranks second in sow herd size.

2.1.2. Poultry farming segment

Breeding poultry: DBC breeds and multiplies 12 pure chicken lines with annual output reaching 70–80 million chicks for the market. Its breeding products are highly welcomed thanks to high rearing efficiency and egg-laying quality.

Egg-laying poultry: The company invested in an Egg Processing Plant at Dai Dong – Hoan Son Industrial Park (Bac Ninh) with a modern production line capacity of 40,000 eggs/hour, supplying the market with Devi instant eggs and premium egg lines (Omega-3, DHA). Dabaco currently maintains an egg-laying flock of about 1 million hens, supplying over 300 million eggs annually, part of which are used for further processing to increase value. Notably, DBC is also one of the pioneers in implementing humane egg-laying methods, avoiding the use of battery cages.

DBC's fresh egg segment performed positively, achieving more than 98% of its 2024 plan. The laying rate reached 80%, with annual productivity of 283 eggs per hen.



Source: GTJASVN compiled

DBC's egg products are distributed across most major supermarkets in Northern and Central Vietnam, including Winmart, Coopmart, BigC, Metro, Lotte, and AEON, and are also widely used by leading confectionery and food companies as key input materials.

2.2. Animal feed segment

The animal feed segment continues to play a key role in Dabaco's business structure. The Group currently operates a system of feed mills stretching from North to South, with a total designed capacity of over 1 million tons/year, serving both internal demand and commercial sales to the market. Its diverse product portfolio carries the brands Dabaco, Topfeeds, Nasaco, Kinh Bac, Growfeed, Nutreco... covering pigs, poultry, and aquaculture, thereby helping Dabaco maintain its position for many consecutive years among the Top 10 reputable animal feed enterprises in Vietnam (2024).

Although Dabaco no longer discloses animal feed revenue separately for 2024–2025, updated reports emphasize that this segment continues to play a central role (prior to 2021, it accounted for over 30% of total group revenue). Notably, Dabaco has expanded into aquaculture feed with the Kinh Bac Aqua and Nutreco Aqua plants, along with a planned project in Ha Tinh, demonstrating efforts to diversify products and expand markets.

Dabaco's Animal feed mills

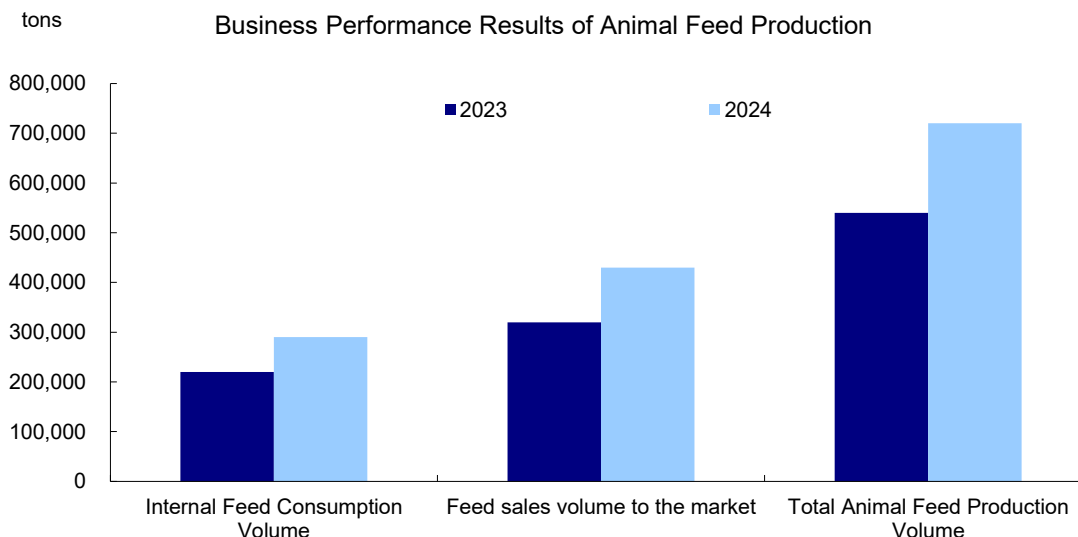
Unit/ Feed mill	Location	Major	Productivity
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Dabaco Feed Mill	Bac Ninh	Poultry and livestock feed	200,000 tons/year
Topfeeds Feed Mill	Bac Ninh	General feed	250,000 tons/year
Nasaco Hà Nam Feed Mill Co., Ltd	Ha Nam	Pig, poultry, and cattle feed...	350,000 tons/year
Nutreco Co., Ltd	Bac Ninh	Animal feed & aquaculture feed	Over 300,000 tons/year
Dabaco Hoan Son Feed Mill	Bac Ninh	Pig feed (pellet, conditioning)	N/A
Dabaco Binh Phuoc Feed Mill Co., Ltd	Binh Phuoc	Pig, poultry, and quail feed...	N/A
Kinh Bac Aqua Feed Mill	Bac Ninh	Aquaculture feed (floating & sinking for fish, frogs, etc.)	60,000 tons/year
Nutreco Aqua Feed Mill	Bac Ninh	Aquaculture feed (floating & sinking)	N/A

Source: Dabaco, GTJAS VN

In terms of business efficiency, the cost of feed ingredients (corn, soybeans, wheat) will decrease from the end of 2023 and remain low in 2024-2025, helping to improve profit margins. Along with the logistics advantage from Tan Chi port (capacity of 2.4 million tons/year), Dabaco is more proactive in importing and unloading raw materials, reducing dependence on international price fluctuations. Thanks to that, the feed segment not only consolidates stable profits in the short term but is also a strategic support for Dabaco to improve its competitiveness in the long term.

Compared to major competitors such as CP Vietnam, GreenFeed or Masan NutriScience, Dabaco is not the absolute leader in terms of absolute scale but stands out in terms of flexibility and the ability to balance internal consumption and commercial sales. This position helps Dabaco maintain a stable position in the highly competitive animal feed industry, and at the same time become one of the few Vietnamese enterprises capable of competing directly with the FDI sector.



Source: DBC, GTJASVN compiled

2.3. Vaccine segment

The vaccine business is a new segment for DBC in 2025. Specifically, in August 2022, DBC commenced construction of the Dacovet Vaccine Plant with a total investment of VND 300 billion, designed capacity of 200 million doses/year, becoming the 12th vaccine plant in Vietnam. According to the Group's management, the plant will produce three types of vaccines: ASF, PRRS (Blue-ear disease), and Foot-and-Mouth Disease (FMD).



On February 28, 2025, the African Swine Fever vaccine Dacovac ASF2 was officially licensed for commercial circulation, marking DBC's breakthrough in this segment and completing its integrated agricultural value chain.

According to the Chairman, DBC's ASF vaccines have already been sold in the domestic market and sample batches sent to the Philippines and Thailand for testing. The entire herd of DBC pigs has been vaccinated with a protection rate of 98%. The selling price is fixed at VND 70,000 per dose.

Given that ASF continues to spread, self-sufficiency in vaccine production allows DBC to optimize farming operations, ensure herd quality, and capture market opportunities to generate revenue in this segment.

The vaccine segment enjoys a profit margin exceeding 40%, raising expectations of contribution to DBC's consolidated profit starting from 2026.

The 2025–2030 outlook for vaccines is considered favorable. With large-scale production capacity, internationally certified technology, and high margins, Dabaco is well-positioned to establish vaccines as a new pillar alongside its farming business. If the ASF vaccine gains wider domestic acceptance and other products such as PRRS and FMD are successfully commercialized, this segment could become a major driver improving consolidated margins and creating sustainable growth potential. Furthermore, export plans to the Philippines and regional markets, if smoothly implemented, will help expand market share and strengthen Dabaco's competitive position in the regional veterinary vaccine industry.

Although commercialized and generating revenue, according to Mr. So, the 2025 plan is essentially stable, and vaccine revenue will be officially reflected in business results from 2026 onwards.

2.4. Others

The Group's remaining business segments account for about 5% of DBC's revenue in recent years. These include food processing, vegetable oil production, retail & supermarkets (supporting distribution of farming and processed products), hotels & lodging services, logistics, packaging and plastic tarpaulin production, and organic fertilizer.

Overall, these businesses play a complementary role in completing Dabaco's 3F ecosystem and supporting efficient distribution of products to the market.

2.5. Wide distribution network

With the goal of continuously expanding its business coverage, Dabaco's products are now present across most provinces and cities nationwide through its extensive distribution system. According to the 2024 Sustainability Report, Dabaco operates a network of thousands of agents and distributors spanning North to South, with continuous improvements in both scale and quality. This serves as a crucial bridge to bring 3F products directly to consumers conveniently.

Dabaco's distribution map shows strong concentration in the Red River Delta, North Central, and Southeast regions, while also covering northern mountainous provinces and the Central Highlands.

Beyond traditional agent channels, Dabaco has developed three Dabaco supermarkets in Bac Ninh (Ly Thai To, Tu Son, Que Vo, Gia Binh), the Que Vo Trade Center, as well as modern distribution channels through major supermarket chains (Go!, BigC, VinMart, Co.op Mart, MM Mega Mart), convenience stores (VinMart+, Circle K, K Mart), and online platforms (Shopee, Haravan, social networks). This enables Dabaco to ensure retail coverage from modern trade to traditional channels.



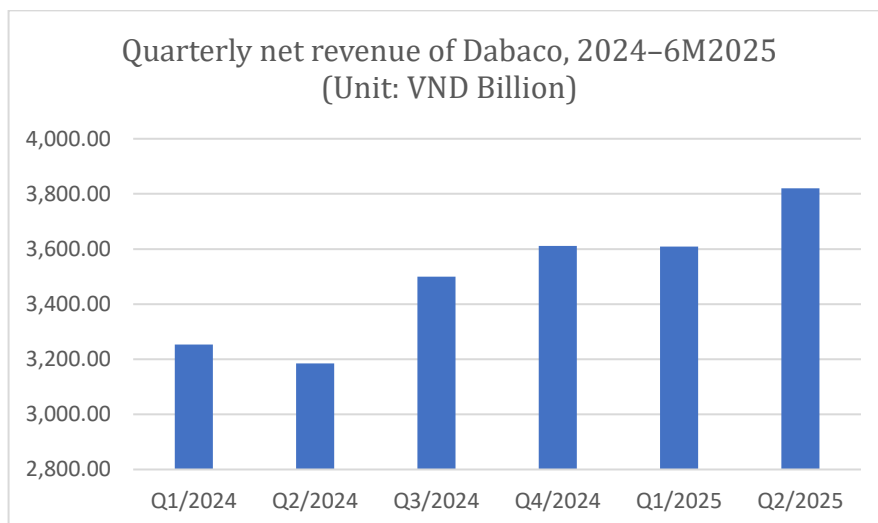
Source: Dabaco

In 2025, Dabaco's distribution system had a strong presence in Bac Ninh Province, with a chain of supermarkets and trade centers strategically located in both central and suburban areas to optimize consumer accessibility. Key outlets in the province include Dabaco Ly Thai To Supermarket (Ly Thai To Street, Bac Ninh City), Dabaco Gia Binh Supermarket, Dabaco Que Vo Supermarket (a trade center covering nearly 20,000 m² with an investment of about VND 250 billion), and Dabaco Tu Son Supermarket. These supermarkets not only retail clean food under the 3F chain but also offer fashion items, household appliances, dining, entertainment, and health services. For example, Dabaco Que Vo is designed as a multi-level complex serving diverse shopping and service needs.

In addition, Dabaco currently operates over 300 distribution agents nationwide, an important traditional channel to bring products from factories to the market and to rural consumers.

III. UPDATE ON DABACO'S BUSINESS PERFORMANCE

Profit expansion driven by higher pig prices. Domestic pig prices rose from VND 50,000/kg at the beginning of 2024 to VND 67,000/kg by mid-year, due to the outbreak of African Swine Fever. By mid-2025, pig prices remained high in the range of VND 60,000–65,000/kg during Q2/2025. This was a key factor that helped Dabaco expand profit margins, while animal feed costs declined by about 15–20% YoY, further supporting record-high net profit levels.



Source: DABACO, GTJAS VN

Overall, Dabaco's first half 2025 business results clearly show the benefits from the context of high pork prices and reduced input material costs. However, the business still depends heavily on fluctuations in pork price cycles and the ability to control diseases, while non-livestock sectors only play a supporting role.

Indicators (bVND)	Q2.2025	YoY	Cumulative 1H25	YoY
Revenue	3,897.2	+0.2%	7,429.5	+15.4%
Gross profit	825.1	+91.65%	1,642.3	+110.72%
Net profit after tax (NPAT)	507	+248.6%	1,073.1	+365.6%

Source: Dabaco, GTJAS VN

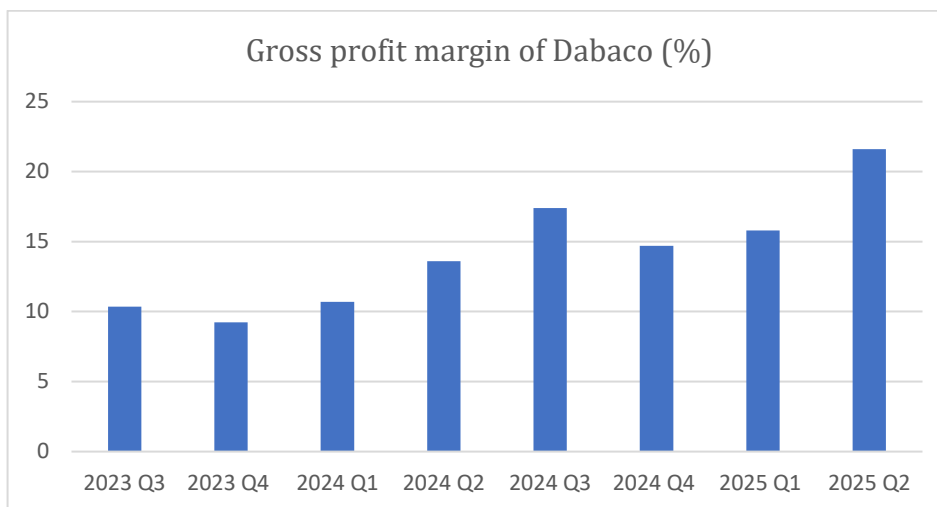
In the first six months of 2025, Dabaco recorded revenue of VND 7,429 billion, up 15.4% YoY, of which more than 96% came from the production segment (including livestock, food processing, cooking oil, and packaging). The trade – supermarket – hotel segment contributed VND 302.7 billion (around 3.9% of total revenue), while the real estate and construction segment posted only VND 17.9 billion, equivalent to 0.2% of total revenue. Net profit after tax for the first half reached VND 1,015 billion, nearly 4.7 times higher than the same period in 2024 and exceeding the full-year 2025 target within just six months.

Improved Profit Margins

In the recent period, Dabaco's gross profit margin (GPM) fluctuated strongly according to the price of live pigs and the price of animal feed ingredients. In the first quarter of 2024, when the price of live pigs remained low at around VND 50,000-52,000/kg, the GPM only reached about 6.4%, equivalent to a gross profit of VND 183 billion on revenue of more than VND 2,860 billion. In the second quarter of 2024, the situation improved when the price of pigs recovered to the range of VND 55,000-58,000/kg, pushing the GPM up to 14.4% with a gross profit of VND 430 billion. In the third quarter of 2024, the recovery continued, with the GPM reaching 15.3% thanks to an increase in revenue of VND 3,429 billion and a gross profit of VND 526 billion.

Entering 2025, Dabaco recorded a clear breakthrough in GPM. In the first quarter of 2025, when the price of live pigs reached a new peak of VND 80,000-83,000/kg before Tet, the gross profit margin increased sharply to 15.8%, equivalent to a gross profit of VND 581 billion on revenue of VND 3,678 billion. Especially in the second quarter of 2025, although the price of live pigs cooled down to VND 65,000/kg, the gross profit margin remained high at 21.6%, equivalent to a gross profit of VND 825 billion on revenue of VND 3,820 billion - the highest level in many years. This result is not unusual but is the combined result of three factors:

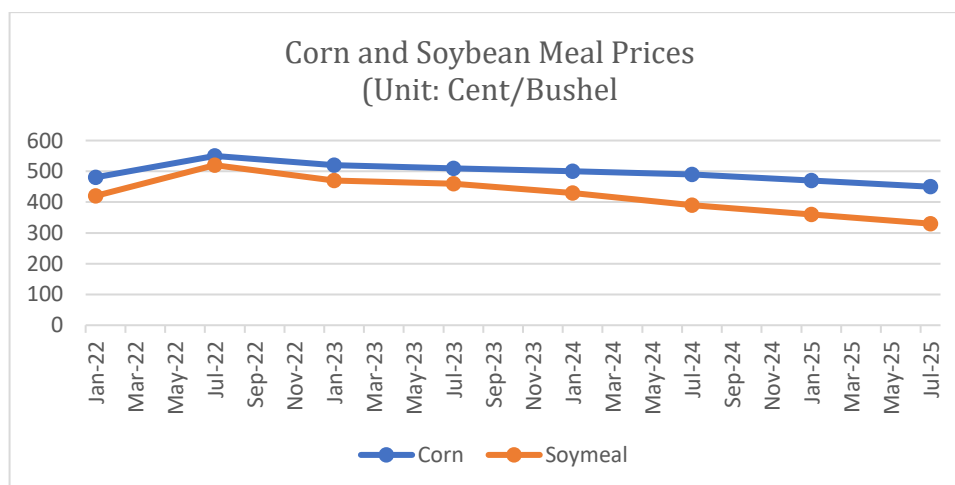
(i) feed prices decreased by 15-20% compared to the same period, helping to keep pig raising costs low (according to the chairman, DBC's pig raising costs are currently at VND 46,000-47,000/kg); (ii) a portion of the pigs sold in the second quarter were raised from Q4/2024–Q1/2025, when input costs were low while selling prices were at their peak, reflecting the lag in the production cycle; (iii) the second quarter revenue structure recorded a large additional contribution from the vegetable oil and poultry egg segments, products with higher-than-average profit margins.



Source: Bloomberg, GTJAS VN

However, the gross profit margin outlook in the coming quarters still depends largely on the cyclical fluctuations in live hog prices and the trend in imported grain prices.

In 2024-2025, the cooling of feed input factors will continue to be favorable for DBC's Feed chain.



Source: GTJAS VN

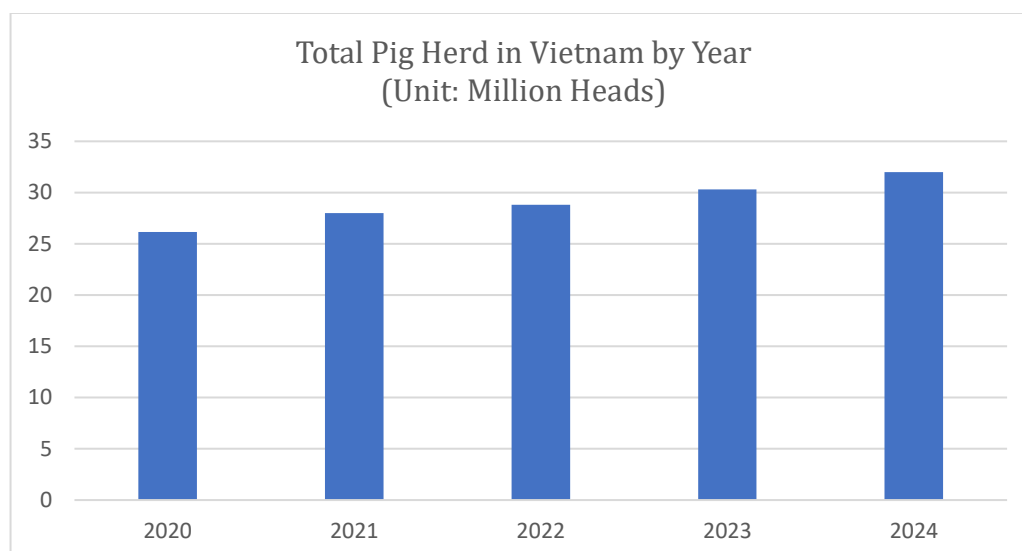
The downward trend in grain prices continues to support profit margins in the animal feed segment. The gross profit margin of DBC's livestock segment is estimated at around 18%. DBC announced that the company is planning to invest in a feed mill in Ha Tinh to meet the Group's increasing demand for animal feed.

IV. INVESTMENT THESIS

4.1. The trend toward large-scale farming creates opportunities for livestock enterprises such as DBC

Under the new Livestock Law, effective from January 1, 2025, which restricts livestock farming in non-standard residential areas, the market is shifting rapidly from small household farming to large-scale farms operating under a closed process: breeding stock with clear origin, separate farming zones with three-layer biosecurity, scheduled vaccination, slaughtering and preservation via cold chain, and retail through modern channels. The herd structure currently shows increasing concentration: the total pig herd is estimated at 27.1 million heads at the end of May 2025 (+3.6% YoY); the national sow herd alone is about 2.15 million

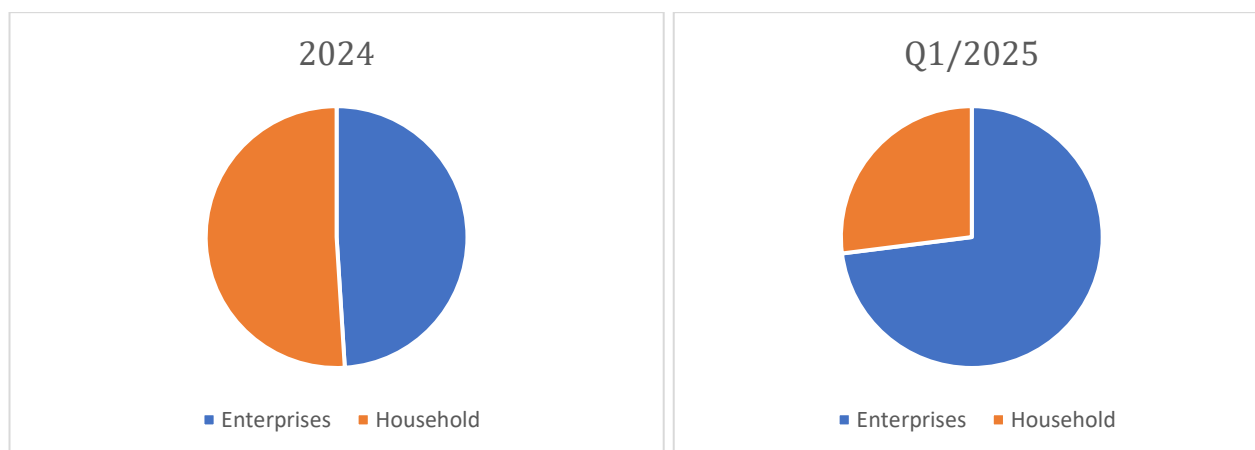
heads.



Source: GTJAS VN compiled

The structure of pig farming in Vietnam during 2020–2024 shows a clear shift from smallholder households to farm and enterprise models. In 2020, farmers still accounted for more than half of pork production; however, by 2023 this proportion had decreased to around 38%. By 2024, although the share between enterprises and households was roughly equivalent, production from smallholders accounted for only 30–32%, while farms and enterprises accounted for nearly 70% of total supply. This trend is expected to strengthen further in 2025 as the Livestock Law takes effect, raising the share of output from farms/enterprises to about 72%.

Structure of Pig Farming by Household and Enterprise in Vietnam, 2024 and Q1/2025



Source: Vietnam livestock magazine, GTJAS VN

For the period 2026–2030, the industry structure is projected to reach a high level of concentration, with enterprises and industrial farms accounting for about 75–80% of total production, and less than 25% remaining with smallholder households. This reflects the inevitable direction of the industry as requirements for biosecurity, disease control, and traceability become increasingly strict, while also creating growth opportunities for large-scale enterprises operating under the closed 3F model.

The landscape of pig farm projects currently shows the formation of high-tech farm clusters across the country, with the Tay Ninh–Binh Phuoc axis in the South and the Quang Ninh–Quang Tri axis in the North/Central region as notable capacity expansion points.

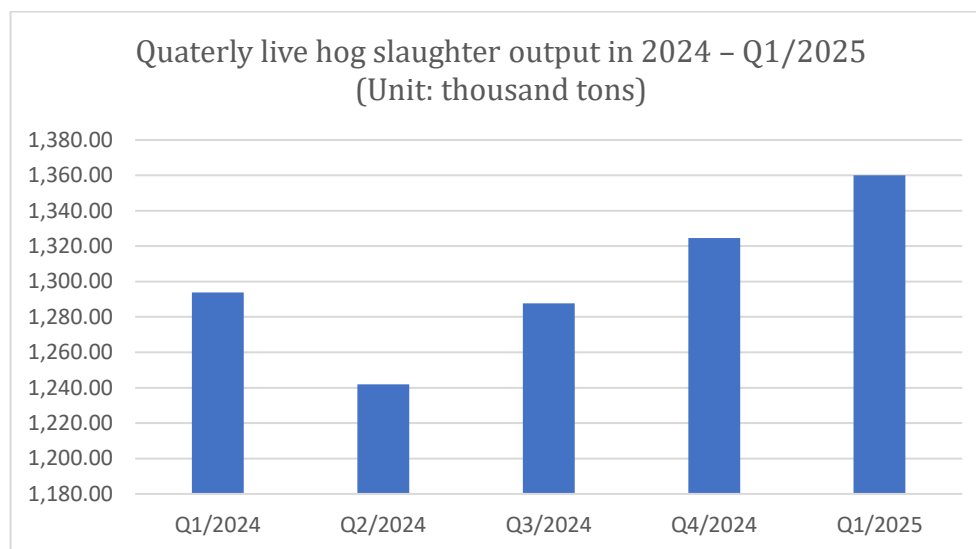
In the Southeast, BAF Vietnam has been approved by Tay Ninh for a smart “pig apartment” model, with a scale of about 64,000 sows and 1.6 million market pigs/year, along with a feed mill of 600,000 tons/year; the company also proposed a second project in Binh Phuoc with about 20,000 sows and 500,000 pigs/year

– if legal procedures are completed, this would become one of the largest clusters in the region.

In the North, Dabaco has commenced construction of a high-tech breeding and commercial pig farm in Quang Ninh and raised the total investment to VND 543.5 billion; at the same time, it is preparing an 85-hectare project in Quang Tri with an estimated investment of VND 950 billion, which will add new capacity from 2026 onwards. In addition, Hoa Phat Agriculture has filed for an IPO to expand farms and feed capacity; its announced internal target is 750,000 market pigs/year and 1 million tons of feed/year, showing that significant capital will continue to flow into industrial farm clusters. On the competitive landscape, C.P. Vietnam remains the largest enterprise with 350,000 sows (accounting for over 16% of the national sow herd) and a supply chain of over 6.8 million pigs/year.

4.2. Pork consumption demand in Vietnam continues to rise

Domestic supply shortages have kept live pig prices at high levels during 2024–1H2025



Source: GSO, GTJASVN Research

According to the General Statistics Office, 2024 data show that pork remains the main source of protein, reaching 5.18 million tons, accounting for 62.6% of total meat production. Per capita pork consumption was estimated at 37.04 kg/person/year (calculated by dressed weight/person/year), placing Vietnam 4th in the world in pork consumption. Entering 2025, the pig herd expanded (estimated at 27.1 million heads by end-May 2025, +3.6% YoY), while live pig prices, after a “hot” phase early in the year (average peak around VND 76,500/kg in March 2025), cooled down to VND 57,000–61,000/kg by mid-September 2025. These developments indicate a recovery in domestic supply and a more balanced price level compared with the beginning of the year.

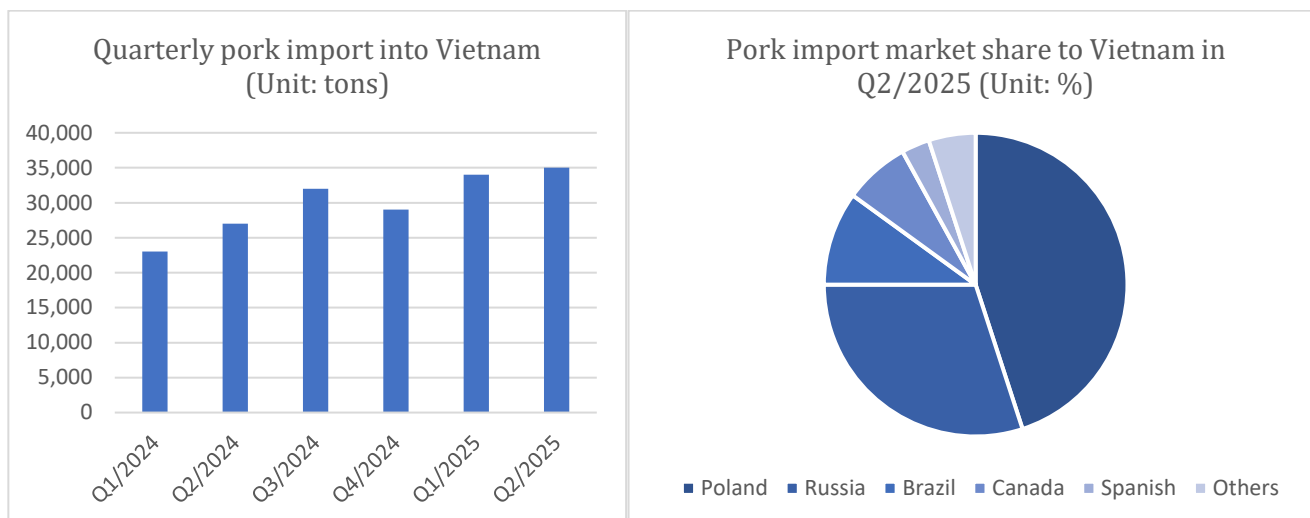
Domestic consumption demand shifts toward chilled and branded pork

Traditional fresh pork still accounts for a large share, estimated at 70–75% of total consumption, mainly distributed through wet markets; however, this model reveals many limitations regarding hygiene, safety, and traceability. Meanwhile, chilled pork accounts for only about 15–20% market share, but is growing at over 20% per year and is expected to gradually replace fresh pork, similar to the model in China, where within just a decade chilled pork accounted for up to 90% of modern retail.

This trend is mainly driven by urban consumers, particularly the middle class and younger generation, who increasingly prioritize quality, hygiene, and clear origin; shopping habits are shifting to supermarkets, convenience stores, and online channels. Capturing this trend, major enterprises such as Masan MeatLife, CP, and Dabaco have been investing heavily in cold chain supply systems, modern slaughtering facilities, and branded chilled pork. In addition, the impact of African Swine Fever and feed price volatility in recent years has further accelerated the trend toward standardized products and controlled consumption. Overall, consumption structure is gradually evolving with fresh pork declining, giving way to chilled and frozen pork,

thereby creating opportunities for Vietnamese enterprises to both increase added value and build modern distribution systems aligned with international standards.

Imported frozen pork accounts for about 5–10% of market share, mainly serving industrial processing and supermarket systems.



Source: vietnambiz, General Department of Vietnam Customs, Agency of Foreign Trade, GTJASVN RS

On the import side, in Q2/2025 alone, Vietnam imported about 34,500 tons of pork (+26.5% YoY), with a value of over USD 92 million. Cumulatively, in the first 7 months of 2025, imports reached 86,100 tons, valued at USD 230.76 million. The main suppliers were Russia, Brazil, and Canada. Although this volume remains small compared with domestic production (millions of tons per quarter), it plays a complementary role for the chilled/frozen pork segment, contributing to the promotion of new consumption habits in modern retail channels.

4.3. Capacity expansion reinforces Dabaco's growth outlook

In the next 2–3 years, DBC plans to invest an additional VND 3,000 billion into new farm systems, significantly increasing herd scale.

Dabaco's significant projects

Mảng	Project	Capacity	Status
Livestock	Thanh Hoa Farm	3,600 sows	Expected completion in 2025
	Quang Ninh Farm	3,000 sows, 40,000 market pigs	Groundbreaking in August 2025
	Lao Cai Farm	7,200 sows; 80,000 market pigs	Expected groundbreaking in October 2025
	Quang Tri Farm	7,200 sows, 80,000 market pigs	Expected groundbreaking in December 2025
	Thai Nguyen Farm	6,200 sows; 80,000 market pigs	Expected groundbreaking in Q1/Q2 2026
	Thanh Hoa Farm	12,000 sows; 250,000 market pigs	Expected groundbreaking in 2026
Animal Feed	Ha Tinh Animal Feed mill	Capacity 200,000 tons/year	Expected commissioning in June 2026

Source: DBC, GTJASVN RS

With these projects, the total farming capacity of DBC's farms is expected to increase by 39,200 sows and 530,000 market pigs, enabling the Group to achieve a total herd size of 80,000 sows and 2 million market pigs during 2027–2028, corresponding to a pork production growth rate of 54%–100% compared to the current level. With this ambitious plan, by 2030, DBC targets to raise total revenue to VND 38,000–40,000 billion, an increase of about 1.5 times compared with 2024. At the same time, profit

is expected to grow at an average rate of at least 7% per year during 2026–2030, reflecting the Group’s sustainable and long-term development orientation.

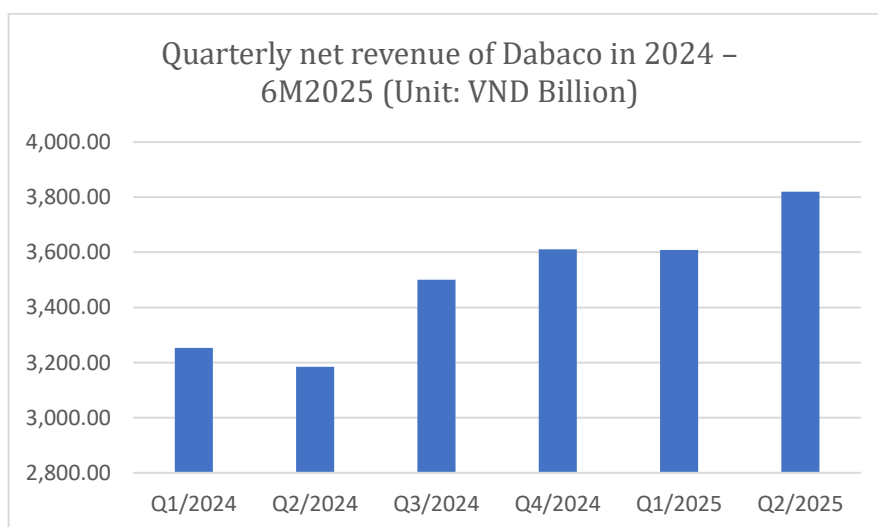
For the animal feed segment, capacity is projected to increase by 20% once the new project goes into operation, contributing to reinforcing the company’s revenue growth momentum.

In addition, DBC also possesses growth drivers in other business segments during 2027–2028. Specifically, DBC is currently investing in the Van An Urban Area project in Bac Ninh under the land-for-infrastructure exchange model, which is facing legal issues. The company expects these issues to be resolved in 2026. Meanwhile, the Lac Ve Industrial Cluster and Urban Area, developed on a 40-hectare site after relocating old livestock facilities, has already been granted an investment certificate and is in the planning stage, expected to be completed in 2027.

However, we note that the outlook for the Van An Urban Area project remains uncertain and will not be included in projections.

4.4. 3F chain efficiency helps strengthen profit margins

Dabaco continues to deepen its 3F chain operated at an “in-depth” level: from animal feed, breeding – farming, to slaughtering – processing – distribution, as emphasized in the 2024 Annual Report. At the same time, capacity expansion (such as the Ha Tinh feed mill and high-tech farm clusters in key provinces) is enhancing efficiency. In parallel, DBC set the record date of August 8, 2025 to pay the 2024 dividend in shares at 15%, thereby increasing capital to serve the new investment cycle. These milestones indicate that DBC is shifting from focusing on “herd scale” to “depth of operations” (cost – processing – channels), thereby consolidating its competitive position in a market that is moving toward standardization and branding.



Source: DABACO, GTJAS VN

DBC’s net revenue has shown a clear improvement trajectory over the last six quarters, along with a rebound in pork selling prices. After a slight decline in Q2/2024, revenue surged from Q3/2024 and maintained its upward momentum in Q4/2024, reflecting more stable production and gradually stronger consumption demand toward the year-end. Entering 2025, Q1 revenue remained at the high level of the previous quarter, and Q2/2025 continued to rise to the highest level of the period (approximately VND 3.8–3.9 trillion), demonstrating the effectiveness of the 3F chain when pig prices were favorable and processing–distribution activities made positive contributions.

Dabaco’s commercial pork products portfolio

Segment / Category	Typical Products	Main distribution channels
Live pigs	Dabaco pigs (lean meat ratio ~63%, premium grade 76–80%)	Wholesale to slaughterhouses / industrial buyers

Carcass	Whole pig carcass after slaughter	Wholesale to wet markets, wholesale markets, HORECA customers
Primal cuts	Belly, loin, shoulder, ribs, lean cuts, offal	Retail at wet markets, agents, HORECA
Chilled meat (0–4°C), fresh	Chilled pork cuts: belly, loin, ribs, lean cuts, offal...	Modern retail channels (supermarkets, hypermarkets, minimarts), specialized meat shops
Frozen meat	Domestic and imported frozen pork	MT/GT and online channels
Processed products (RTC/RTE)	Processed pork (sausages, ham, ready-to-cook, ready-to-eat items)	MT, convenience stores, HORECA, Dabaco's own stores (Bac Ninh)

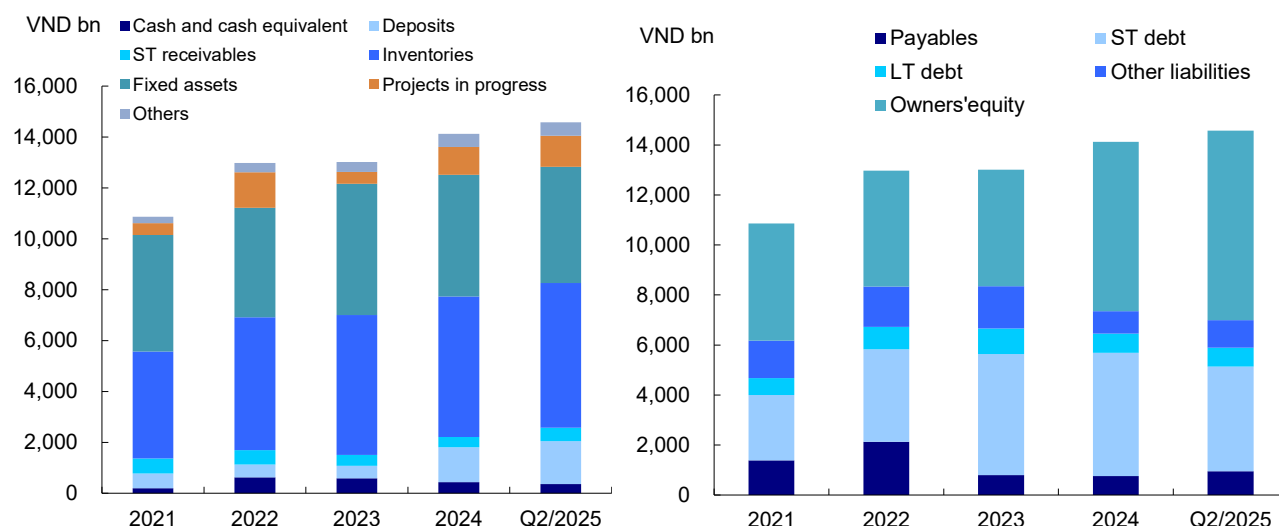
Source: GTJASVN RS

The commercial pork product portfolio follows the 3F chain along a “value ladder” : live pig → carcass/cuts → chilled pork at 0 – 4° C → frozen & processed (RTC/RTE), enabling traceability and quality control while opening modern retail channels. In a competitive market and under ASF risk, DBC's integrated advantage (self-sufficient in inputs, with downstream processing–distribution) is a key factor in maintaining margins and expanding market share during 2025–2026.

Livestock costs are at an ideal level: According to the chairman, Dabaco is producing pigs at a cost of **only 46,000 - 47,000 VND/kg**, while the current price of live pigs is fluctuating **around 55,000 - 58,000 VND/kg**, which is considered ideal in the context of low domestic supply as it is now.

4.5. Healthy financial structure

As of the end of Q2/2025, DBC's total assets reached VND 14,574 billion, up 3.2% YTD thanks to expanded investment in new projects. Within the asset structure, the company maintained a large balance of cash and deposits of over VND 2,000 billion, ensuring liquidity. Meanwhile, inventories (livestock herd size and finished products) remained above VND 5,000 billion.



Source: FiinproX, GTJASVN RS

Dabaco's financial structure during 2024–6M2025 showed clear improvement thanks to a sharp increase in equity capital as well as record profits recorded in this period. By the end of Q2/2025, DBC's debt-to-equity ratio had fallen to 0.65, significantly lower than the level of over 1 in 2023. This also helped DBC reduce interest expenses substantially in recent quarters.

Dividend policy

In August 2025, DBC paid dividends in the form of shares at a rate of 15% (meaning shareholders holding 100 shares received an additional 15 new shares), equivalent to the issuance of about 50.2 million shares.

Currently, Dabaco has not announced a dividend payment plan for 2025, as the company prioritizes retaining earnings to supplement equity capital, serving the strategy of herd expansion and long-term investment.

V. VALUATION AND RECOMMENDATION

Using the FCFF discounted cash flow method, we determine a target price for DBC at VND 29,500 per share.

Assumptions:

- WACC: 9%
- Long-term growth rate at 3%

In Millions of VND	Dec 22 A	Dec 23 A	Dec 24 A	Dec 25 E	Dec 26 E	Dec 27 E
Revenue	11,558	11,110	13,574	14,098	15,508	18,813
EBITDA	710	873	1,712	2,117	2,327	2,490
Free Cash Flow	(689)	(869)	(83)	703	576	476

Forecast revenue and profit

Domestic wholesale price of pork have now cooled to around VND 54,000–58,000/kg. Assuming wholesale price of pork remains at the current level, we expect DBC's revenue and profit in Q4 to decline slightly. Total revenue and net profit for 2025F are forecast at VND 14,098 billion and VND 1,615 billion, respectively, representing growth of 2.61% YoY and 110% YoY.

Domestic wholesale price of pork



Source: Wichart

In Q4, the live pig market is expected to experience new fluctuations under the impact of ASF. If supply continues to tighten due to ASF, live pig prices may remain stable or even rise slightly, supported by strong consumption demand during the year-end festive season.

Moving into 2026F, we assume average pig prices at VND 58,000/kg (conservative scenario) – VND 62,000/kg (positive scenario), while feed costs remain stable. In terms of new capacity, pig farm projects in Quang Ninh, Thanh Hoa, Lao Cai, and Quang Tri are expected to contribute revenue from 2026.

Accordingly, under the conservative scenario, we forecast consolidated revenue of VND 14,577 billion (+3.4% YoY). Gross profit margin is projected to decline to 15% due to stable feed costs but lower pig prices, resulting in net profit after tax of about VND 904 billion.

Under the positive scenario, revenue and net profit after tax are forecast at VND 15,508 billion and VND

1,043 billion, respectively.

Forecast revenue and net profit after tax of Dabaco according to scenario:

Average pork price 2026	58,000	60,000	62,000
Revenue	14,577.66	15,007.89	15,508.15
Net profit after tax	904.0	968.6	1,043.6

Source: GTJASVN RS

RECOMMENDATIONS

Based on valuation results and a positive assessment of DBC's business outlook, we value DBC shares at **VND 29,500 per share** and recommend **"Accumulate."**

VI. INVESTMENT RISKS

- **High market competition, though supported by DBC's long-established brand and domestic supply shortage**

The Vietnamese pork market is highly competitive, shifting from the traditional "farm – sell live pigs" model to integrated, branded processing chains. Large enterprises pursue different advantages:

- **CP Vietnam** leads the upstream with ~350,000 sows (16% of the national total).
- **Masan MeatLife (MEATDeli)** stands out in processing–distribution with capacity of 1.4 million pigs/year across two complexes, combined with broad coverage through over 4,200 WinCommerce stores.
- **BAF Việt Nam** is growing its herd rapidly thanks to major investments in high-tech farms.
- **GreenFeed** owns 116,000 sows and has expanded into the G Kitchen brand in modern trade channels.

Against this backdrop, although **DBC** faces intense competitive pressure, it benefits from a long-standing brand, high recognition, and reinforcement by domestic pork supply shortages. These factors help DBC maintain its position and capture market opportunities despite pressure from large-scale integrated competitors.

Dabaco's business outlook is further supported by:

- (i) large-scale farm expansion projects expected to add 150,000–160,000 pigs/year during 2026–2028,
- (ii) the feed and processing segments maintaining stable positions, contributing to margin resilience, and
- (iii) industry restructuring toward standardization and preference for large enterprises.

Thus, despite fierce competition, Dabaco's integrated chain capability and expansion strategy provide a foundation to sustain its current market share and expand growth potential in the medium term.

- **High dependence on pig farming makes Dabaco sensitive to disease outbreaks and price fluctuations**

Nevertheless, we assess that disease risk is mitigated as DBC is self-sufficient in ASF vaccine supply.

- **Market risk:** the shares price may face negative performance if the stock market undergoes a major correction after its strong rally since the beginning of the year.

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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