



DCM Flash note – OUTPERFORM

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Earnings Flash note

Recommendation

OUTPERFORM

HSX: DCM

Fertilizer

Target price (VND) **36,300**

Market price (VND) **33,800**

Expected share price return 7.4%

Expected dividend yield 2.9%

Expected total return **10.3%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-5.1	18.5	-2.9	11.9
Relative	-3.2	16.0	-0.6	8.5

Source: Bloomberg



Ownership

PVN	75.56%
PVFC Capital	5.01%

Stock Statistics 06-May- 2025

Bloomberg code	DCM VN
52-week range (VND)	24,750 - 41,800
Shares O/S (m)	529
Mkt cap (VND bn)	17,894
Mkt cap (USD m)	686
Est. Foreign room left (%)	43.9
Est. free float (%)	24.4
3m avg daily vol (shrs)	2,273,970
VND/USD	26,090
Index: VNIndex / HNX	1241.23/212.89

PETRO VIET NAM CA MAU FERTILIZER JSC (DCM VN)

DCM announced Q1/2025 business results with NPAT reaching VND412 billion (+17.9% YoY), in line with our expectations. With this result, DCM has completed 53% of its full-year target and 27.8% of ACBS's forecast.

In Q1/2025, DCM recorded revenue of VND3,406 billion (+24.1% YoY) and NPAT of VND412 billion (+17.9% YoY). However, urea sales volume decreased by 5.8% YoY, with domestic urea consumption down 25.5% YoY due to weaker domestic demand as Vietnamese rice prices hit their lowest levels in years. Despite this, revenue and profit growth were driven by:

- A 2.9% YoY increase in average urea selling prices, although this was lower than the increase in global urea prices.
- A 707.7% YoY surge in NPK revenue, thanks to a 316.5% YoY rise in DCM plant's output and the inclusion of NPK revenue from Han Viet KVF Fertilizer Company, which was not recorded in Q1/2024.
- A 203.4% YoY increase in self-distributed fertilizer revenue, fueled by a 141.6% YoY increase in sales volume.
- Roughly 3% YoY decline in input gas prices on the back of an 8.7% YoY drop in Brent crude oil prices.

These factors helped offset a 26.3% YoY decline in financial income, to VND 97 billion, and a 49.7% YoY increase in G&A expenses, to VND 172 billion.

2025 Outlook

DCM has based its 2025 plan on an expected oil price of USD70/barrel, targeting revenue of VND13,983 billion (+3.9% YoY) and NPAT of VND774 billion (-42% YoY). Regarding impacts from reciprocal tariffs by President Donald Trump, DCM is not directly affected since it does not export urea to the U.S.

With average Brent oil prices forecast at USD 68/barrel in 2025 (down 15.5% YoY), we expect input gas prices to decline only 5% YoY considering a gradual decrease in cheap gas supply. Meanwhile, the upward momentum in urea prices is expected to slow down due to: (1) impacts from low rice prices, and (2) India's plan to stop importing urea by March 2026. Supported by lower oil prices and VAT input tax effective from July 2025, we project DCM's 2025 revenue of VND13,994 billion (+4% YoY) and NPAT of VND 1,480 billion (+11% YoY). Using the DCF method, we value DCM at VND36,300/share by the end of 2025.

	2022	2023	2024	2025F	2026F
Net Sales (VNDbn)	15,925	12,571	13,456	13,994	14,595
Growth (%)	61%	-21%	7%	4%	4%
EBITDA (VNDbn)	5,744	1,770	1,777	1,351	1,230
EBITDA margin (%)	36%	14%	13%	10%	8%
NPAT (VNDbn)	4,316	1,109	1,420	1,480	1,651
Growth (%)	137%	-74%	28%	4%	11%
EPS (bonus-adjusted, VND)	8,162	2,097	2,697	2,801	3,122
Growth (%)	137%	-74%	29%	4%	11%
ROE	43%	13%	15%	15%	15%
ROIC	33%	5%	8%	7%	7%
Net debt/EBITDA (times)	-1.9	-6.8	-6.2	-9.4	-11.1
PER (times)	4.5	17.6	13.7	13.2	11.8
EV/EBITDA (times)	4.3	13.8	13.8	18.1	19.9
PBR (times)	1.8	2.0	1.9	1.8	1.6
DPS (VND)	1,791	3,000	2,000	1,000	1,000
Dividend yield (%)	5%	8%	5%	3%	3%

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BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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