



# **DPM Flash Note – OUTPERFORM**

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## Flash Note

Recommendation **OUTPERFORM**

HSX: DPM

Fertilizer

Target price (VND) **37,000**

Market price (VND) **33,900**

Expected share price return 9.1%

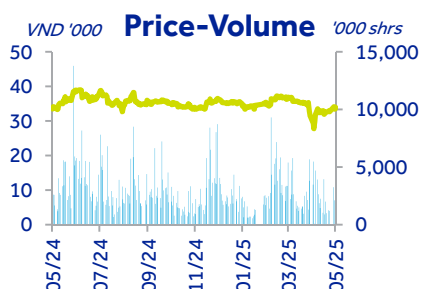
Expected dividend yield 4.4%

Expected total return **13.5%**

## Stock performance (%)

	YTD	1M	3M	12M
Absolute	-3.1	6.9	-2.9	6.6
Relative	-2.4	3.6	-1.0	4.7

Source: Bloomberg



## Ownership

PVN	59.59%
Dragon Capital	8.95%

## Stock Statistics

07-May- 2025

Bloomberg code **DPM VN**

52-week range (VND) 27,450 - 39,950

Shares O/S (m) 391

Mkt cap (VND bn) 13,266

Mkt cap (USD m) 508

Est. Foreign room left (%) 40.4

Est. free float (%) 40.4

3m avg daily vol (shrs) 2,985,002

VND/USD 26,140

Index: VNIndex / HNX 1256.09/214.88

## PetroVietnam Fertilizer and Chemicals Corp (DPM VN)

DPM announced 1Q2025 business results with NPAT down 21.2% YoY, to VND211 billion, in line with our expectations. With this result, DPM has achieved 65.9% of its full-year target and 25% of ACBS's forecast.

DPM released its 1Q2025 financial statements with revenue reaching VND4,120 billion (+24.6% YoY) and NPAT achieving VND211 billion (-21.2% YoY). Despite a 4% YoY decrease in urea sales volume to 236 thousand tons, the revenue growth was primarily driven by a 217% YoY increase in imported fertilizer sales, which reached VND977 billion. Additionally, an estimated 8% YoY increase in urea selling prices and a 50% YoY increase in NPK fertilizer sales volume to 37.4 thousand tons also contributed to this performance. On the other hand, the drop in NPAT was due to:

- Gross profit margin declining to 15.9% from 18.2% in 1Q2024, attributed to the increased proportion of imported fertilizer revenue, which has a lower gross margin (3-4%).
- Financial expenses rising to VND26 billion from VND2 billion in 1Q2024, mainly due to interest expenses from its short-term debt.
- SG&A expenses increasing by 35% YoY. The SG&A expenses to revenue ratio also rose to 10% from 9.2% in the same period last year.

## 2025 Outlook

DPM sets cautious targets for 2025, with revenue at VND12,876 billion (-4.6% YoY) and NPAT at VND320 billion (-42.2% YoY). Regarding impacts from reciprocal tariffs under President Donald Trump, DPM found that the company is not directly affected as it does not export to the U.S. In addition, DPM is also considering increasing capacity of its urea plant by 17-20%.

In 1Q2025, urea prices showed positive growth thanks to the global uptrend. However, this momentum may slow down given (1) impacts from low rice prices and (2) India's plan to halt urea imports starting in March 2026. Moreover, DPM is expected to carry out its 12th comprehensive maintenance in 4Q2025, lasting 45 days, which is projected to result in a 9% YoY decline in urea sales volume for the full year.

Therefore, considering lower oil prices and the benefit from a 5% VAT rate starting in July, we forecast DPM may achieve revenue of VND12,626 billion (-6.4% YoY) and NPAT of VND826 billion (+16% YoY) for 2025. Using the discounted cash flow (DCF) method, we value DPM at VND37,000 per share by the end of 2025.

	2022	2023	2024	2025F	2026F
Net Sales (VNDbn)	18,627	13,569	13,496	12,627	13,058
Growth (%)	46%	-27%	-1%	-6%	3%
EBITDA (VNDbn)	6,819	704	752	1,165	1,080
EBITDA margin (%)	37%	5%	6%	9%	8%
NPAT-MI (VNDbn)	5,565	519	538	815	756
Growth (%)	79%	-91%	4%	52%	-7%
EPS (bonus-adjusted, VND)	13,992	1,068	1,198	1,853	1,701
Growth (%)	79%	-92%	12%	55%	-8%
ROE	45%	4%	5%	7%	7%
ROIC	34%	2%	2%	4%	3%
Net debt/EBITDA (times)	-1.3	-9.4	-9.4	-6.3	-7.3
PER (times)	2.4	31.8	28.3	18.3	19.9
EV/EBITDA (times)	1.2	11.7	10.9	7.0	7.6
PBR (times)	0.9	1.1	1.2	1.2	1.1
DPS (VND)	5,000	7,000	2,000	1,500	1,000
Dividend yield (%)	15%	21%	6%	4%	3%

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**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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