

## Ca Mau Petroleum Fertilizer Joint Stock Company (HOSE DCM)

2026 A HARVEST YEAR, 2027 COOLS OFF

**RECOMMENDATION: HOLD**

Target price: 33,800

Upside: +4.7%

### Fertilizer sector | BSC Research

#### INVESTMENT THESIS

**BSC recommends HOLD on DCM shares with a target price of VND 33,800/share**, implying an expected upside of +4.7% (including a cash dividend of VND 2,000/share) versus the closing price on 07/10/2026, based on two theses:

- 2027 business performance is forecast to decline from the 2026 peak:** Net profit after tax attributable to parent shareholders (NPAT-MI) is forecast at VND 2,652 bn in 2026 (+35% YoY) and to fall to VND 1,768 bn (-33% YoY) in 2027 due to: (i) the 2027 average Middle East urea price expected at USD 450/ton (-15% YoY), pulling DCM's average urea selling price down -11%; (ii) the 10% corporate income tax (CIT) incentive ending, with the tax rate rising to 20% from 2027; (iii) the 2027 average input gas price assumed at USD 9.2/MMBTU, down only -11% YoY, a slower decline than that of global urea prices.
- The current EV/EBITDA valuation is about 10% below the 5-year median:** Trailing 12-month EV/EBITDA is 4.5x, below the 5-year median (5.0x), mainly because earnings are at peak levels. Based on forecast 2027 EBITDA, DCM trades at around 5.1x – in line with the median. Net cash equal to 33% of market capitalization and a dividend yield of 5.8% limit downside risk.

**2H.2026 – 2027 OUTLOOK:** The average Middle East urea price in 2H.2026 is forecast at USD 447/ton (-27% vs. 1H) as supply from the Middle East and China recovers. With DCM's selling prices lagging world prices by about one quarter, DCM's average urea selling price in 2H.2026 is forecast at VND 11,897/kg (+5% YoY) and VND 12,512/kg for full-year 2026 (+16.4%); for 2027 we assume VND 11,121/kg (-11%), equivalent to a Middle East urea price of USD 450/ton (-15%).

**EARNINGS FORECAST:** Net revenue/NPAT-MI in 2026 is forecast at VND 20,454/2,652 bn (+23%/+35% YoY); in 2027 at VND 19,555/1,768 bn (-4%/-33%). EPS for 2026/2027 is VND 4,335/2,889 per share.

**RISKS:** (1) Global urea prices fall further than assumed; (2) input gas prices and the exchange rate are higher than assumed; (3) the NPK segment does not fill its capacity (2026 utilization estimated at 47%).

#### BSC Research Center

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#### Company information

|                                  |        |
|----------------------------------|--------|
| Current price (VND):             | 34,200 |
| Shares outstanding (mn):         | 529.4  |
| Market cap (VND bn):             | 18,105 |
| 10-day avg. trading volume (mn): | 2.88   |
| 2025 dividend:                   | 2,000  |

| Income statement | 2024   | 2025   | 2026F  | 2027F  |
|------------------|--------|--------|--------|--------|
| Net revenue      | 13,456 | 16,631 | 20,454 | 19,555 |

|              |       |       |       |       |
|--------------|-------|-------|-------|-------|
| Gross profit | 2,513 | 4,049 | 5,446 | 4,751 |
| NPAT-MI      | 1,420 | 1,960 | 2,652 | 1,768 |
| EPS          | 2,394 | 3,203 | 4,335 | 2,889 |

## I. COMPANY OVERVIEW

### 1. Corporate history and shareholder structure

Ca Mau Petroleum Fertilizer Joint Stock Company (DCM) was established in 2011 and has operated the Ca Mau Fertilizer Plant commercially since 2012.

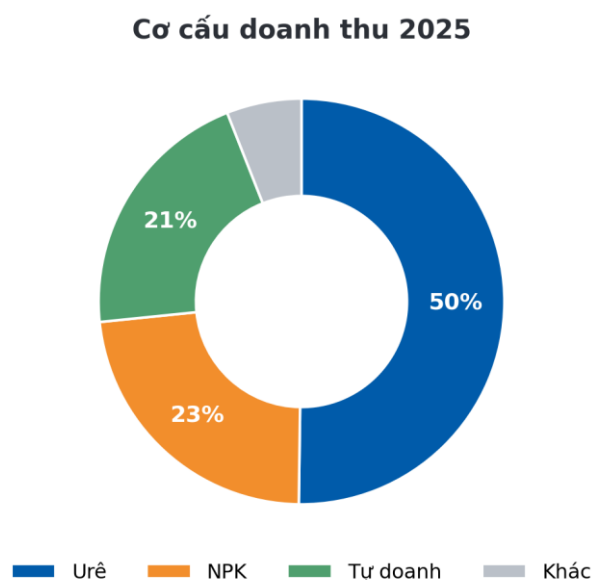
The Vietnam National Industry – Energy Group (PVN) currently holds 75.56% of the charter capital and also holds a 50% interest in Block PM3–CAA – the gas source for the Ca Mau Fertilizer Plant; PVN therefore has a direct influence on both DCM's inputs (the gas pricing formula) and its dividend policy.

According to DCM, PVN's policy is to maintain an ownership stake of at least 65% in DCM (currently about 75%) because the fertilizer segment continues to contribute well to the Group's revenue, profit and cash flow, so the likelihood of a State divestment in the short term is low.

### 2. Business overview

Operations currently focus on three main groups: (i) Urea – the core profit source, generating about 84% of Q2/2026 gross profit despite accounting for only 57% of revenue; (ii) NPK – the driver for expanding the product portfolio and markets; and (iii) trading fertilizers – leveraging the distribution system, warehouses and logistics to trade DAP, potash (MOP), ammonium sulfate (SA) and other products.

Figure: 2025 revenue structure

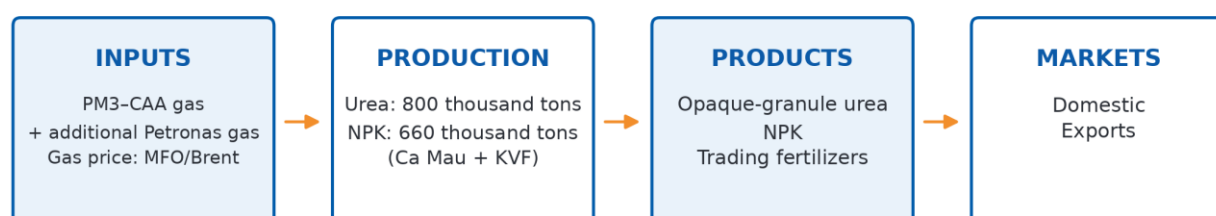


| Segment | Facility          | Capacity               |
|---------|-------------------|------------------------|
| Urea    | Ca Mau Fertilizer | 800 thousand tons/year |

|           |                             |                        |
|-----------|-----------------------------|------------------------|
| NPK       | NPK Ca Mau                  | 300 thousand tons/year |
| NPK       | NPK Han – Viet              | 360 thousand tons/year |
| Ancillary | Vietnam Petroleum Packaging | DCM owns 51.03%        |

Source: DCM, BSC Research

## 2.1 Value chain and the variables that determine profit



**Inputs:** Gas from Block PM3-CAA (PVN and Petronas each hold a 50% interest) via the PM3 – Ca Mau pipeline, accounting for 60–75% of urea production cost. Gas price = 50% × 46% × MFO fuel oil price + 50% × 12.7% × Brent crude oil price + transportation fee of USD 1.09/MMBTU. From Q4/2028, DCM will be supplied additional gas from the Nam Du – U Minh field at a fixed price, independent of oil prices.

**Outputs:** Urea output is allocated between two channels: domestic (focused on the Southwest region/Mekong Delta) and export (mainly to Cambodia). The flexibility to shift between the two channels helps DCM absorb output when domestic demand declines seasonally.

**Table: Comparison of selected characteristics between DCM and DPM**

| Criteria      | DCM                                                                | DPM                                                |
|---------------|--------------------------------------------------------------------|----------------------------------------------------|
| Urea capacity | 800 thousand tons/year                                             | 800 thousand tons/year                             |
| NPK capacity  | 660 thousand tons/year                                             | 250 thousand tons/year                             |
| Gas source    | Block PM3-CAA (PVN – Petronas 50/50)                               | Cuu Long/Nam Con Son via PV GAS                    |
| Core product  | Opaque-granule urea                                                | Translucent-granule urea                           |
| Main markets  | Southwest region (Mekong Delta) and export (mainly Cambodia)       | Southeast region, Central Highlands and nationwide |
| Position      | ~40% of nationwide urea market share, ~60% in the Southwest region | n/a                                                |

Source: DCM, DPM, BSC Research

For urea (Ca Mau Fertilizer Plant, capacity of 800 thousand tons/year), the gross profit margin depends on the spread between the urea selling price and the input gas price.

Domestic selling prices move in line with world prices and are kept slightly below import prices to enhance competitiveness; gas prices are pegged to oil prices (Brent, MFO) and the USD/VND exchange rate. Being gas-based, DCM has lower costs than coal-fired urea plants and sustains profitability even when selling prices are anchored at low levels.

For NPK, DCM uses its own molten urea combined with DAP, potash and externally purchased/imported raw materials. Margins depend on capacity utilization, DAP – potash prices, the exchange rate and the ability to pass cost fluctuations through to selling prices.

For trading fertilizers, DCM leverages its brand and distribution system to complete its product range. This segment supports revenue scale and market reach, but has a lower margin than self-produced goods and uses more working capital.

## II. Q2/2026 BUSINESS RESULTS UPDATE

### Summary of Q2/2026 business results

| VND bn                      | Q2/2025      | Q2/2026      | %YoY             | Q1/2026      | %QoQ            | 1H.2026      |
|-----------------------------|--------------|--------------|------------------|--------------|-----------------|--------------|
| Net revenue                 | 6,037        | 6,706        | 11%              | 5,286        | 27%             | 11,992       |
| COGS                        | (4,797)      | (4,606)      | -4%              | (3,940)      | 17%             | (8,546)      |
| <b>Gross profit</b>         | <b>1,241</b> | <b>2,100</b> | <b>69%</b>       | <b>1,346</b> | <b>56%</b>      | <b>3,447</b> |
| Financial income            | 122          | 92           | -25%             | 94           | -2%             | 185          |
| Financial expenses          | (30)         | (35)         | 14%              | (37)         | -8%             | (72)         |
| Selling expenses            | (214)        | (417)        | 95%              | (352)        | 18%             | (770)        |
| G&A expenses                | (229)        | (555)        | 142%             | (178)        | 211%            | (733)        |
| <b>Operating profit</b>     | <b>889</b>   | <b>1,185</b> | <b>33%</b>       | <b>872</b>   | <b>36%</b>      | <b>2,057</b> |
| PBT                         | 888          | 1,184        | 33%              | 878          | 35%             | 2,062        |
| <b>NPAT-MI</b>              | <b>786</b>   | <b>1,065</b> | <b>35%</b>       | <b>788</b>   | <b>35%</b>      | <b>1,852</b> |
| <b>Gross profit margin</b>  | <b>20.5%</b> | <b>31.3%</b> | <b>+10.8ppts</b> | <b>25.5%</b> | <b>+5.8ppts</b> | <b>28.7%</b> |
| <b>SG&amp;A/Net revenue</b> | <b>7.4%</b>  | <b>14.5%</b> | <b>+7.1ppts</b>  | <b>10.0%</b> | <b>+4.5ppts</b> | <b>12.5%</b> |

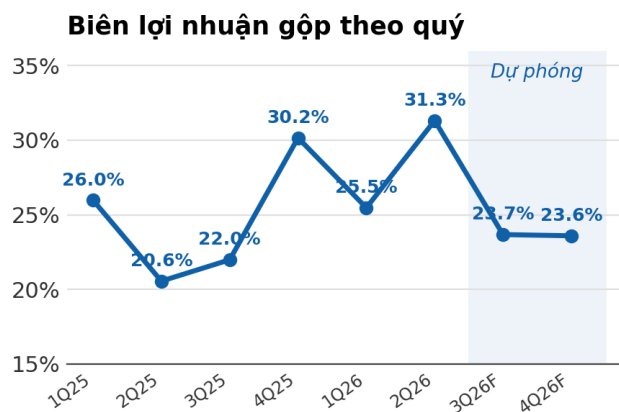
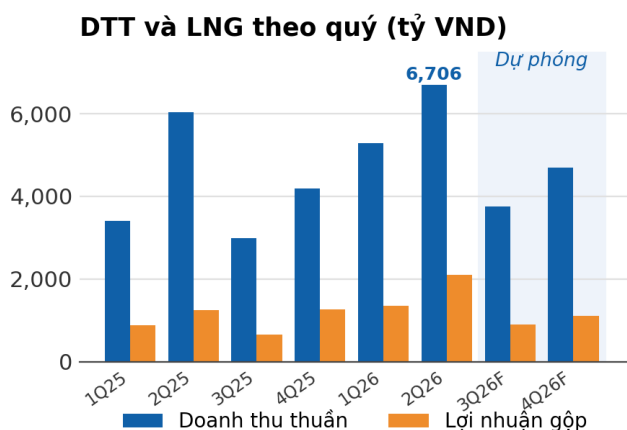
**Q2/2026 business results:** Net revenue and NPAT-MI reached VND 6,706/1,065 bn (+11%/+35% YoY, +27%/+35% QoQ); net revenue was the highest quarterly level in DCM's operating history, thanks to the breakout of the urea segment. Specifically:

1. **Revenue:** Net revenue = VND 6,706 bn (+11% YoY): urea revenue reached VND 3,900 bn (+61% YoY) thanks to a +42% YoY higher selling price and +129% YoY higher export volume, offsetting a -35% YoY decline in NPK.
2. **Gross profit margin:** reached 31.3% (+10.8 pts YoY, +5.8 pts QoQ) as the urea selling price rose +42% YoY while the input gas price rose only +8% YoY (USD 10.88 vs. USD 10.04/MMBTU).
3. **Selling and general & administrative expenses:** SG&A expenses = VND 972 bn (+119% YoY, +83% QoQ), equal to 14.5% of net revenue (+7.1 pts YoY), due to the appropriation of VND 189 bn to the Science & Technology Development Fund and transportation – handling costs rising with export volume. Financial income fell -25% YoY to VND 92 bn.
4. **1H.2026 cumulative:** Net revenue = VND 11,992 bn (+27% YoY), NPAT-MI = VND 1,852 bn (+55% YoY), achieving 59%/70% of BSC's 2026 forecast, respectively. According to DCM, cumulative 8M.2026 revenue is estimated at VND 16,000 bn and urea sales volume reached 662 thousand tons (86% of the full-year plan).

#### Update by product group

1. **Urea – the main driver:** Revenue = VND 3,900 bn (+61% YoY) thanks to an average selling price of VND 15,334/kg (+42% YoY) and export volume of 173.76 thousand tons (+129% YoY). Gross profit = VND 1,913 bn (+125% YoY), gross profit margin of 49.1%.
2. **NPK – a deliberate decline:** Revenue = VND 1,135 bn (-35% YoY) as volume fell -32% YoY; gross profit margin of 17.9% (-0.2 pts YoY). DCM prioritized allocating urea to exports as the urea gross profit margin reached 49.1%; total 1H.2026 urea sales still rose +12% YoY.
3. **Trading and other activities – supplementary gross profit:** Gross profit from trading fertilizers = VND 97 bn (+57% YoY), margin of 6.0%; scrap and other products = VND 55 bn (-76% YoY) due to a high base of comparison.

Chart: Quarterly revenue, gross profit and gross profit margin



Source: DCM, BSC Research

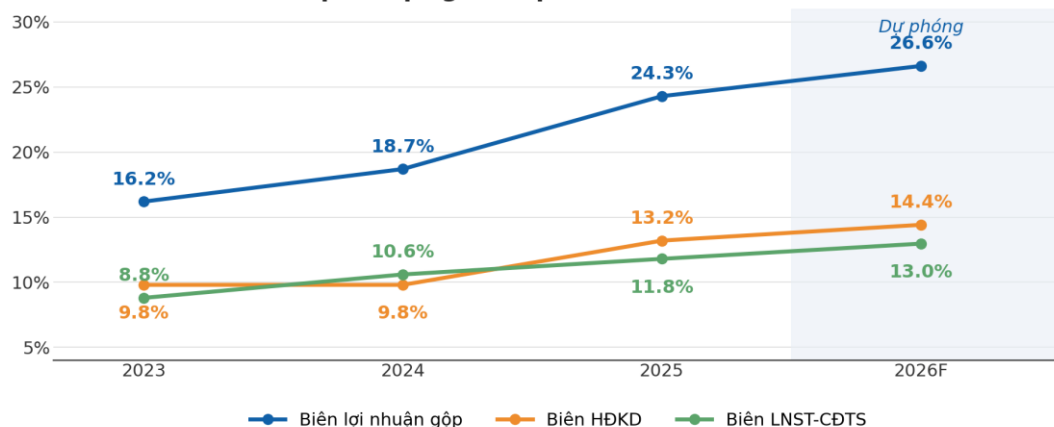
### Production – sales update for 1H.2026

| Indicator (thousand tons) | Q1/25  | Q1/26  | YoY   | Q2/25  | Q2/26  | YoY   | 1H.26  | %KH    |
|---------------------------|--------|--------|-------|--------|--------|-------|--------|--------|
| Urea sales                | 246.06 | 271.83 | +10%  | 225.00 | 254.34 | +13%  | 526.17 | 68.2%  |
| - Domestic                | 96.62  | 94.37  | -2%   | 149.00 | 80.58  | -46%  | 174.95 | 35.3%  |
| - Export                  | 149.44 | 177.46 | +19%  | 76.00  | 173.76 | +129% | 351.22 | 127.7% |
| NPK - PVCFC*              | 22.87  | 34.08  | +49%  | 107.00 | 59.99  | -44%  | 94.07  | 40.9%  |
| Trading fertilizers       | 34.07  | 113.86 | +234% | 152.00 | 103.34 | -32%  | 217.20 | 55.0%  |

Source: DCM, BSC Research

### Chart: Trends in gross profit margin, operating profit margin and NPAT-MI margin

Diễn biến các biên lợi nhuận giai đoạn 2023-2026F



**BSC's assessment:** Q2/2026 business results beat expectations thanks to urea: **(i) Urea** reached 99% of BSC's quarterly revenue forecast; **(ii) NPK** reached only 62% as DCM prioritized export urea. On a 1H.2026 cumulative basis, NPAT-MI achieved 70% of the full-year forecast. However, the margin expansion mainly came from the urea selling price (+42% YoY) rising faster than the gas price (+8% YoY) – a factor that will narrow in 2H.2026.

### III. 2026 – 2027 BUSINESS RESULTS OUTLOOK

**2H.2026 business results are forecast to see slower growth:** 2H.2026 net revenue is forecast at VND 8,461 bn (+18% YoY, vs. +27% YoY in 1H.2026) thanks to urea volume of +17% YoY and an average urea selling price of VND 11,897/kg (+5% YoY). The gross profit margin is forecast to fall to 23.6% (-5.1 pts vs. 1H, -3.1 pts YoY) as the urea selling price declines -8% vs. 1H while the gas price is +24% YoY higher.

**1. 2H.2026 revenue: Urea selling price +5% YoY, volume at a trough in Q3 and recovering in Q4 on seasonality**

- Selling price:** We believe world urea prices have bottomed: after falling from USD 857/ton (Apr 2026) to USD 404/ton (Aug 2026, -53%), prices recovered to USD 455/ton (+13% vs. Aug) in mid-Sep 2026 on winter-spring crop demand.

As DCM's selling prices lag world prices by about one quarter, the average urea selling price is forecast at VND 11,936/kg in Q3/2026 (+8% YoY) and VND 11,862/kg in Q4/2026 (+3% YoY); the 2H.2026 average is VND 11,897/kg (-8% vs. 1H.2026).

- **Volume:** Based on actual urea sales volume for 8M.2026 (662 thousand tons) and a 12-day maintenance shutdown in Sep 2026, Q3/2026 urea/NPK/trading volumes are forecast at 183/44/85 thousand tons (+47%/+4%/+4% YoY); in Q4/2026, urea and NPK rise to 209/103 thousand tons (+14%/+135% QoQ) on the winter-spring crop. For the whole of 2H.2026, urea volume reaches 392 thousand tons (+17% YoY).

Figure 2: Average monthly world urea price (USD/ton)

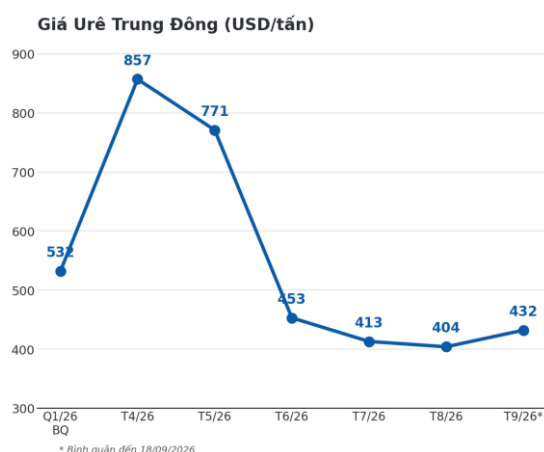
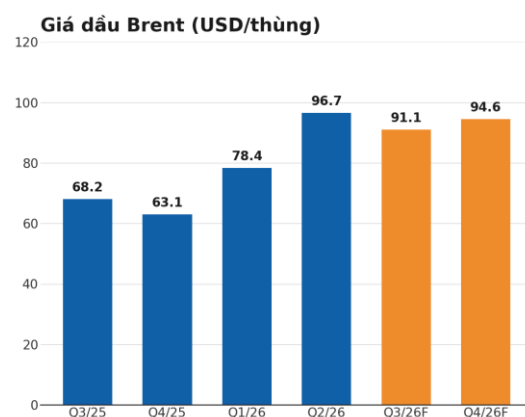


Figure 3: Average quarterly Brent crude oil price (USD/barrel)



Source: Bloomberg, BSC Research

## 2. 2H.2026 gross profit margin: Narrowing as gas prices rise with oil prices; Q4 gross profit recovers on seasonal volume

**Input gas price:** We believe oil prices will remain higher YoY as the conflict in the Middle East remains complicated. The average Brent crude oil price is forecast at USD 91.1/94.6 per barrel in Q3/Q4/2026 (+34%/+50% YoY), pushing the input gas price up to USD 9.95/10.28/MMBTU (+32%/+17% YoY).

The Q3/2026 gross profit margin is expected to decline to 23.7% (+1.7 ppts YoY, -7.6 ppts QoQ), corresponding to gross profit of VND 891 bn (+36% YoY): the selling price (+8% YoY) and urea volume (+47% YoY) offset higher gas prices, but a -22% QoQ drop in the selling price pulls the margin down from the previous quarter.

In Q4/2026, the gross profit margin is forecast to be flat at 23.6% (-6.6 ppts YoY) as the gas price is +17% YoY higher while the urea selling price rises only +3% YoY; this forecast does not yet include the year-end 2026 gas cost settlement.

**New gas pricing formula:** According to the documents for the Extraordinary General Meeting of Shareholders on 23/09/2026, DCM will be supplied additional gas from the Nam Du – U Minh field at a base price of USD 10.39/MMBTU, increasing 2.25%/year and decoupled from oil prices; the first gas flow is expected no later than Q4/2028. We believe this will help stabilize input costs from 2029 and have not included it in the 2026–2027 forecasts.

| Product group | Volume (thousand tons) | ASP (VND/kg) | Revenue (VND bn) |
|---------------|------------------------|--------------|------------------|
| Urea          | 183.16                 | 11,936       | 2,186            |

|                                  |       |        |              |
|----------------------------------|-------|--------|--------------|
| Consolidated NPK                 | 43.96 | 12,097 | 532          |
| Trading fertilizers              | 85.18 | 12,444 | 1,060        |
| Others and services              | -     | -      | 119          |
| <b>Revenue before deductions</b> | -     | -      | <b>3,897</b> |

Revenue deductions are estimated at about VND 134 bn; accordingly, Q3/2026 net revenue is forecast at VND 3,763 bn (+26% YoY, -44% QoQ).

Q4/2026 gross profit is forecast at VND 1,108 bn (-12% YoY, +24% QoQ), a margin of 23.6%, thanks to urea/NPK volume rising +14%/+135% QoQ on seasonality despite the gas price rising to USD 10.28/MMBTU (+17% YoY). Year-end seasonal G&A expenses (VND 422 bn) leave Q4/2026 NPAT-MI forecast at only VND 345 bn (-21% YoY).

### 3. NPK and trading fertilizers: Revenue scale expands but the 2026 gross profit margin is forecast at only 14%, versus 44% for urea

After consolidating KVF, DCM's total NPK capacity reaches 660 thousand tons/year, expanding its market in the Southeast region, Central Highlands and Central region. However, the NPK market is fragmented with more than 800 enterprises (small players hold about 53% of market share, BFC 15%, LAS 10%), so DCM's pricing power in this segment is low.

We believe the reduction in NPK volume is a deliberate choice by DCM; however, NPK and trading fertilizers have not become a growth pillar, with 2026 NPK capacity utilization estimated at only 47% and the 2026 NPK gross profit margin forecast at 14.4%, far below urea's 43.8%.

### 4. 2027 outlook:

We assess 2027 as the first normal year after the cycle peak, when the abnormal factors of 2026 (the average Middle East urea price of USD 699/ton in Q2/2026, and tax incentives) are no longer present.

- **Selling price:** We believe world urea prices will stabilize around USD 450/ton as supply from the Middle East and China returns to normal; the average urea selling price is forecast at VND 11,121/kg (-11% YoY), still about 16% above the 2023–2024 average.
- **Volume:** Urea volume is forecast at 927 thousand tons (+1% YoY), close to actual operating capacity; NPK and trading fertilizers edge up to 314/380 thousand tons (+1% YoY).
- **Gas costs and margins:** The Brent crude oil price on the forward curve falls to USD 83/barrel (-8% YoY), pulling the input gas price down -11% to USD 9.2/MMBTU; the gross profit margin is forecast at 24.3% (-2.3 pts YoY), in line with the 2025 level.
- **Corporate income tax:** The 10% preferential tax rate for the Ca Mau Fertilizer Plant ends after 2026; the 20% tax rate from 2027 reduces net profit after tax by about VND 220 bn compared with when the incentive applied – the main reason NPAT falls -33% YoY, steeper than the -4% decline in revenue.
- **Our view:** The 2027 earnings level reflects DCM's sustainable profitability. The medium-term supporting factor is the Nam Du – U Minh gas source at a fixed price from Q4/2028, while the main risk is world urea prices falling below USD 420/ton.

#### IV. BSC FORECASTS

We forecast 2026 net revenue and NPAT-MI at **VND 20,454 bn (+23% YoY)** and **VND 2,652 bn (+35% YoY)**, corresponding to EPS of VND 4,335/share. The full-year earnings base is driven by 1H.2026 business results that beat expectations.

For 2027, we forecast net revenue and NPAT-MI at **VND 19,555 bn (-4% YoY)** and **VND 1,768 bn (-33% YoY)**, corresponding to EPS of VND 2,889/share.

**2026 forecast: The earnings base is driven by 1H.2026 business results that beat expectations**

1. **Sales volume:** Urea and trading fertilizers are forecast at 918/376 thousand tons (+14%/+11% YoY); NPK at 311 thousand tons (-7% YoY) as the 2H.2026 assumption has been adjusted conservatively.
2. **Average selling price:** Urea in 2026 is forecast at VND 12,512/kg (+16.4% YoY), comprising 1H.2026 = VND 12,970/kg (+25% YoY) and 2H.2026 = VND 11,897/kg (+5% YoY); NPK at VND 12,139/kg (+1.8% YoY); trading fertilizers at VND 13,490/kg (+28.6% YoY).

The forecast NPK selling price tracks raw material costs (urea, DAP, potash), while the trading fertilizer selling price follows imported DAP and potash prices. In the Northern region, cheap Chinese fertilizer brought in through informal cross-border trade continues to create competitive pressure.

3. **Profit:** The gross profit margin is forecast at 26.6% (+2.3 pts YoY); SG&A expenses = VND 2,715 bn (+27% YoY), equal to 13.3% of net revenue; NPAT-MI reaches VND 2,652 bn (+35% YoY).

**In summary:** 2H.2026 is expected to contribute VND 8,461 bn of net revenue and VND 800 bn of NPAT-MI, equal to 41%/30% of the full-year forecast; the 2H.2026 gross profit margin is forecast at 23.6%, lower than the 28.7% of 1H.2026.

**Table: Q3/2026 business results forecast**

| Indicator           | Q3/2026F | Q3/2025 | %YoY    | Q2/2026 | %QoQ    |
|---------------------|----------|---------|---------|---------|---------|
| Net revenue         | 3,763    | 2,988   | 26%     | 6,706   | -44%    |
| Gross profit        | 891      | 657     | 36%     | 2,100   | -58%    |
| Gross profit margin | 23.7%    | 22.0%   | +1.7pts | 31.3%   | -7.6pts |
| Selling expenses    | (274)    | (271)   | 1%      | (417)   | -34%    |
| G&A expenses        | (162)    | (107)   | 50%     | (555)   | -71%    |
| Core EBIT           | 455      | 278     | 64%     | 1,128   | -60%    |

Source: DCM, BSC Research

**2027 forecast: Earnings decline as the price factors do not repeat**

**Assumptions:** Middle East urea price of USD 450/ton – close to the current level (USD 455/ton) – corresponding to an average 2027F urea selling price = VND 11,121/kg (-11% YoY); urea volume = 927 thousand tons (+1% YoY) as the plant is already operating above capacity. Brent is assumed to fall -8% (from USD 90 to USD 83/barrel), pulling the gas

price down -11% (from USD 10.3 to USD 9.2/MMBTU). The 10% CIT incentive (15 years from 2012) of the Fertilizer Plant ends at the end of 2026; from 2027 the tax rate rises to 20%.

**Forecast results:** Gross profit margin falls to 24.3% (-2.3 ppts YoY); 2027F NPAT-MI = VND 1,768 bn (-33% YoY), EBITDA = VND 2,394 bn (-23% YoY). Profit declines more sharply than revenue (-4% YoY) due to (i) selling prices falling faster than gas costs and (ii) the effective CIT rate rising from about 10% to 20%.

**Table: 2026F – 2027F business results forecast**

| Indicator (VND bn)         | 2025   | 2026F  | %YoY     | 2027F  | %YoY     |
|----------------------------|--------|--------|----------|--------|----------|
| Net revenue                | 16,631 | 20,454 | 23%      | 19,555 | -4%      |
| Gross profit               | 4,049  | 5,446  | 35%      | 4,751  | -13%     |
| Gross profit margin        | 24.3%  | 26.6%  | +2.3ppts | 24.3%  | -2.3ppts |
| Core EBIT                  | 1,905  | 2,731  | 43%      | 2,019  | -26%     |
| NPAT-MI                    | 1,960  | 2,652  | 35%      | 1,768  | -33%     |
| EBITDA                     | 2,247  | 3,100  | 38%      | 2,394  | -23%     |
| EPS (VND/cp)               | 3,203  | 4,335  | 35%      | 2,889  | -33%     |
| Urea sales (thousand tons) | 805    | 918    | 14%      | 927    | 1%       |
| NPK sales (thousand tons)  | 335    | 311    | -7%      | 314    | 1%       |
| Trading (thousand tons)    | 339    | 376    | 11%      | 380    | 1%       |
| Urea ASP (VND/kg)          | 10,750 | 12,512 | 16%      | 11,121 | -11%     |

Source: DCM, BSC forecast

#### Risks to the forecast

- World urea prices fall further than assumed:** China easing its export quota faster than expected could push selling prices down; each VND 1,000/kg decrease in the urea selling price is equivalent to about VND 900 bn of gross profit.
- Input gas prices and the exchange rate are higher than assumed:** Gas prices are pegged 50% to MFO fuel oil prices and 50% to Brent prices; in addition, the year-end 2026 gas cost settlement may increase Q4/2026 costs.
- NPK does not fill its capacity:** 2026 NPK capacity utilization is estimated at only 47%, with a gross profit margin of about 14% despite accounting for about 18% of revenue; informal cross-border Chinese fertilizer puts price pressure on the Northern region.

**Factors that could lift the forecast:** Middle East urea prices have bottomed and rebounded to USD 455/ton, approaching USD 500/ton; the positive scenario (2027F urea selling price = VND 12,512/kg) lifts the target price to VND 44,500/share.

Table: Sensitivity of NPAT-MI and target price to 2027F urea ASP

| 2027F urea ASP (VND/kg)  | 10,000 | 10,600 | 11,121 (base) | 11,800 | 12,512     |
|--------------------------|--------|--------|---------------|--------|------------|
| 2027F NPAT-MI (VND bn)   | 1,039  | 1,429  | 1,768         | 2,209  | 2,672      |
| Target price (VND/share) | 25,200 | 29,800 | 33,800        | 39,000 | 44,500     |
| Recommendation           | SELL   | HOLD   | HOLD          | BUY    | STRONG BUY |

Source: BSC Research

## V. BSC RECOMMENDATION

BSC recommends **HOLD** on DCM shares with a target price of **VND 33,800/share**, implying an expected upside of +4.7% (including a cash dividend of VND 2,000/share) versus the closing price on 07/10/2026, based on the following two theses:

- 2027 business performance is forecast to decline from the 2026 peak:** 2026 earnings are supported by an average Middle East urea price of USD 531/ton (+26% YoY) – a level that is hard to repeat. 2027F NPAT-MI is forecast to fall to VND 1,768 bn (-33% YoY) as the average Middle East urea price drops to USD 450/ton (-15% YoY), the CIT rate rises to 20% and the input gas price falls only -11% YoY; even in the positive scenario, 2027F earnings are only flat (+1% YoY).
- The current EV/EBITDA valuation is about 10% below the 5-year median, and the balance sheet is a backstop:** After a correction from the peak of VND 50,200/share (12/03/2026), DCM trades at a trailing 12-month EV/EBITDA of 4.5x (-10% vs. the 5-year median of 5.0x), P/E of 6.9x and P/B of 1.58x. The discount mainly stems from earnings being at a peak (trailing 12-month EPS rose from VND 2,805/share in Q1/2025 to VND 4,939/share in Q2/2026); based on 2027F EBITDA, DCM trades at around 5.1x – in line with the median, meaning the market has already priced in most of the earnings decline. Adjusted net cash of VND 5,925 bn (33% of market capitalization) and a dividend yield of 5.8% limit downside risk.

### Valuation methodology:

We apply a target EV/EBITDA of 5.0x (5-year median) to 2027F EBITDA = VND 2,394 bn – the year earnings return to a normal level after the peak – combined with adjusted net cash of VND 5,925 bn as of 30/06/2026 (including margin deposits of VND 2,650 bn, after deducting the dividend of VND 1,052 bn paid on 21/07/2026). The target price comes to VND 33,800/share; adding the cash dividend of VND 2,000/share, the expected upside is +4.7%, corresponding to a HOLD recommendation. The regional urea producers' median multiple of 6.5–7.7x suggests risks to the target price are skewed to the upside.

Table: DCM valuation using the EV/EBITDA method

| Indicator             | Value |
|-----------------------|-------|
| 2026F EBITDA (VND bn) | 3,100 |

|                                                                                |               |
|--------------------------------------------------------------------------------|---------------|
| 2027F EBITDA (VND bn)                                                          | 2,394         |
| Valuation-basis EBITDA – 2027F (VND bn)                                        | 2,394         |
| <b>Target EV/EBITDA</b>                                                        | <b>5.0x</b>   |
| Enterprise value (VND bn)                                                      | 11,969        |
| (+) Cash, margin deposits and short-term investments as of 30/06/2026 (VND bn) | 10,567        |
| (-) Borrowings and dividends payable as of 30/06/2026 (VND bn)                 | 4,642         |
| <b>Equity value (VND bn)</b>                                                   | <b>17,894</b> |
| Shares outstanding (mn shares)                                                 | 529.4         |
| <b>Fair value (VND/share)</b>                                                  | <b>33,800</b> |
| <b>Rounded target price (VND/share)</b>                                        | <b>33,800</b> |
| Closing price on 07/10/2026 (VND/share)                                        | 34,200        |
| <b>Upside (including cash dividend of VND 2,000/share)</b>                     | <b>4.7%</b>   |

Source: Bloomberg, FiinPro, BSC Research

**Valuation scenarios:** Holding urea volume at 927 thousand tons and the gas unit price constant, BSC builds three scenarios based on 2027F urea ASP:

- (i) negative at VND 10,000/kg, close to the 2023–2024 selling price level (about VND 9,600/kg);
- (ii) base at VND 11,121/kg, equivalent to a Middle East urea price of USD 450/ton; and
- (iii) positive at VND 12,512/kg, equal to the 2026F average.

Accordingly, the target price ranges from VND 25,200 to 44,500/share. The HOLD recommendation corresponds to a 2027F urea selling price of about VND 10,500–11,600/kg (Middle East urea price of USD 425–470/ton); each VND 1,000/kg change in the selling price changes the target price by about VND 7,700/share.

**Table: Three DCM valuation scenarios based on 2027F urea ASP**

| Indicator                           | Negative      | Facility      | Positive          |
|-------------------------------------|---------------|---------------|-------------------|
| 2027F urea ASP (VND/kg)             | 10,000        | 11,121        | 12,512            |
| 2027F gross profit margin           | 20.2%         | 24.3%         | 28.8%             |
| <b>2027F NPAT-MI (VND bn)</b>       | <b>1,039</b>  | <b>1,768</b>  | <b>2,672</b>      |
| Change vs. 2026F                    | -61%          | -33%          | +1%               |
| 2027F EBITDA (VND bn)               | 1,482         | 2,394         | 3,526             |
| Target EV/EBITDA                    | 5.0x          | 5.0x          | 5.0x              |
| <b>Target price (VND/share)</b>     | <b>25,200</b> | <b>33,800</b> | <b>44,500</b>     |
| <b>Upside (incl. dividend)</b>      | <b>-20.5%</b> | <b>+4.7%</b>  | <b>+36.0%</b>     |
| <b>Corresponding recommendation</b> | <b>SELL</b>   | <b>HOLD</b>   | <b>STRONG BUY</b> |

Source: BSC forecast

## VI. APPENDIX

| Income statement (VND bn) | 2024 | 2025 | 2026F | 2027F | Cash flow statement (VND bn) | 2024 | 2025 | 2026F | 2027F |
|---------------------------|------|------|-------|-------|------------------------------|------|------|-------|-------|
|---------------------------|------|------|-------|-------|------------------------------|------|------|-------|-------|

|                                                |              |              |              |              |
|------------------------------------------------|--------------|--------------|--------------|--------------|
| Net revenue                                    | 13,456       | 16,631       | 20,454       | 19,555       |
| Cost of goods sold                             | (10,942)     | (12,582)     | (15,008)     | (14,803)     |
| <b>Gross profit</b>                            | <b>2,513</b> | <b>4,049</b> | <b>5,446</b> | <b>4,751</b> |
| Selling expenses                               | (1,014)      | (1,176)      | (1,399)      | (1,413)      |
| G&A expenses                                   | (481)        | (968)        | (1,316)      | (1,320)      |
| <b>Operating profit/loss</b>                   | <b>1,323</b> | <b>2,202</b> | <b>2,948</b> | <b>2,213</b> |
| Financial income                               | 382          | 395          | 357          | 300          |
| Financial expenses                             | (77)         | (97)         | (139)        | (105)        |
| Profit from<br>JVs/associates                  | -            | -            | -            | -            |
| Other profit/loss                              | 199          | 5            | 4            | -            |
| <b>Profit before tax</b>                       | <b>1,522</b> | <b>2,207</b> | <b>2,953</b> | <b>2,213</b> |
| Corporate income tax                           | (94)         | (245)        | (299)        | (443)        |
| <b>NPAT attributable<br/>to parent company</b> | <b>1,420</b> | <b>1,960</b> | <b>2,652</b> | <b>1,768</b> |
| MI                                             | 8            | 2            | 1            | 3            |
| <b>EBITDA</b>                                  | <b>1,286</b> | <b>2,247</b> | <b>3,100</b> | <b>2,394</b> |
| <b>EPS</b>                                     | <b>2,394</b> | <b>3,203</b> | <b>4,335</b> | <b>2,889</b> |

|                                                |              |              |                |                |
|------------------------------------------------|--------------|--------------|----------------|----------------|
| (Loss)/PBT                                     | 1,522        | 2,207        | 2,953          | 2,213          |
| Depreciation and<br>amortization               | 269          | 342          | 369            | 375            |
| Change in working<br>capital                   | (845)        | (2,117)      | (496)          | 124            |
| Other adjustments                              | (892)        | (1,208)      | (344)          | (609)          |
| <b>Cash flow from<br/>operating activities</b> | <b>54</b>    | <b>(776)</b> | <b>2,482</b>   | <b>2,103</b>   |
| Purchase of fixed assets                       | (831)        | (695)        | (734)          | (700)          |
| Other investments                              | 927          | 3,285        | (55)           | -              |
| <b>Cash flow from<br/>investing activities</b> | <b>96</b>    | <b>2,590</b> | <b>(789)</b>   | <b>(700)</b>   |
| Dividends paid                                 | (1,063)      | (1,059)      | (1,059)        | (1,059)        |
| Other cash received                            | 422          | 932          | (33)           | -              |
| <b>Cash flow from<br/>financing activities</b> | <b>(641)</b> | <b>(127)</b> | <b>(1,091)</b> | <b>(1,059)</b> |
| Beginning cash                                 | 2,284        | 1,903        | 3,590          | 4,192          |
| <b>Ending cash</b>                             | <b>1,903</b> | <b>3,590</b> | <b>4,192</b>   | <b>4,536</b>   |

| Balance sheet (VND<br>bn)               | 2024          | 2025          | 2026F         | 2027F         |
|-----------------------------------------|---------------|---------------|---------------|---------------|
| Cash & cash<br>equivalents              | 1,903         | 3,590         | 4,192         | 4,536         |
| Short-term<br>investments               | 7,039         | 4,082         | 4,137         | 4,137         |
| Short-term<br>receivables               | 447           | 1,259         | 1,534         | 1,467         |
| Inventories                             | 2,948         | 4,809         | 5,551         | 5,475         |
| Other current assets                    | 500           | 707           | 818           | 782           |
| <b>Current assets</b>                   | <b>12,837</b> | <b>14,447</b> | <b>16,232</b> | <b>16,398</b> |
| Tangible fixed assets                   | 1,946         | 2,175         | 2,541         | 2,866         |
| Depreciation                            | 268           | 342           | 369           | 375           |
| Long-term assets in<br>progress         | 607           | 678           | 678           | 678           |
| Long-term<br>investments                | -             | -             | -             | -             |
| Other non-current<br>assets             | 260           | 342           | 343           | 343           |
| <b>Non-current assets</b>               | <b>2,813</b>  | <b>3,197</b>  | <b>3,561</b>  | <b>3,886</b>  |
| <b>Total assets</b>                     | <b>15,650</b> | <b>17,644</b> | <b>19,794</b> | <b>20,284</b> |
| Trade payables                          | 1,655         | 1,766         | 2,093         | 2,064         |
| Short-term<br>borrowings                | 1,229         | 2,226         | 2,226         | 2,226         |
| Other short-term<br>liabilities         | 1,822         | 1,944         | 2,250         | 2,223         |
| <b>Total short-term<br/>liabilities</b> | <b>4,706</b>  | <b>5,935</b>  | <b>6,568</b>  | <b>6,513</b>  |
| Long-term<br>borrowings                 | 120           | 57            | 24            | 24            |
| Other long-term<br>liabilities          | 707           | 857           | 1,076         | 1,268         |
| <b>Total long-term<br/>liabilities</b>  | <b>826</b>    | <b>914</b>    | <b>1,101</b>  | <b>1,292</b>  |
| <b>Total liabilities</b>                | <b>5,532</b>  | <b>6,849</b>  | <b>7,668</b>  | <b>7,804</b>  |
| Contributed capital                     | 5,294         | 5,294         | 5,294         | 5,294         |
| Retained earnings                       | 1,849         | 1,912         | 2,701         | 2,320         |
| Other equity                            | 2,938         | 3,553         | 4,094         | 4,826         |
| Minority interests                      | 33            | 31            | 33            | 35            |
| <b>Total owners' equity</b>             | <b>10,118</b> | <b>10,794</b> | <b>12,125</b> | <b>12,479</b> |

| Ratios (%)                  | 2024  | 2025  | 2026<br>F | 2027F |
|-----------------------------|-------|-------|-----------|-------|
| <b>Liquidity</b>            |       |       |           |       |
| Current ratio               | 2.9   | 2.6   | 2.5       | 2.5   |
| Quick ratio                 | 2.2   | 1.7   | 1.6       | 1.7   |
| <b>Capital structure</b>    |       |       |           |       |
| Debt/Total assets           | 35%   | 39%   | 39%       | 38%   |
| Debt/Equity                 | 55%   | 63%   | 63%       | 63%   |
| <b>Operating efficiency</b> |       |       |           |       |
| Inventory days              | 84.8  | 112.5 | 126.0     | 135.9 |
| Receivable days             | 11.3  | 18.7  | 24.9      | 28.0  |
| Payable days                | 110.8 | 97.0  | 90.9      | 99.2  |
| CCC                         | -14.6 | 34.3  | 60.0      | 64.7  |
| <b>Profitability</b>        |       |       |           |       |
| Gross profit                | 19%   | 24%   | 27%       | 24%   |
| Net profit after tax        | 9%    | 12%   | 13%       | 9%    |
| ROE                         | 12%   | 18%   | 23%       | 14%   |
| ROA                         | 8%    | 12%   | 14%       | 9%    |
| <b>Valuation</b>            |       |       |           |       |
| PE                          | 18.1  | 10.2  | 7.9       | 11.8  |
| PB                          | 2.3   | 1.6   | 1.5       | 1.5   |
| <b>Growth</b>               |       |       |           |       |
| Net revenue growth          | 7%    | 24%   | 23%       | -4%   |

|                              |        |        |        |        |             |     |     |     |      |
|------------------------------|--------|--------|--------|--------|-------------|-----|-----|-----|------|
| Total liabilities and equity | 15,650 | 17,644 | 19,794 | 20,284 | EBIT growth | 49% | 87% | 43% | -26% |
| Shares outstanding (mn)      | 529    | 529    | 529    | 529    | PBT growth  | 21% | 45% | 34% | -25% |

**Summary of business results, cash flow and financial ratio forecasts 2025 – 2027F (base case)**

| VND bn                                     | 2025          | 2026F         | 2027F         |
|--------------------------------------------|---------------|---------------|---------------|
| <b>Net revenue</b>                         | <b>16,631</b> | <b>20,454</b> | <b>19,555</b> |
| Cost of goods sold                         | (12,582)      | (15,008)      | (14,803)      |
| <b>Gross profit</b>                        | <b>4,049</b>  | <b>5,446</b>  | <b>4,751</b>  |
| Selling expenses                           | (1,176)       | (1,399)       | (1,413)       |
| G&A expenses                               | (968)         | (1,316)       | (1,320)       |
| <b>Core EBIT</b>                           | <b>1,905</b>  | <b>2,731</b>  | <b>2,019</b>  |
| Financial income                           | 395           | 357           | 300           |
| Financial expenses                         | (97)          | (139)         | (105)         |
| Other profit/loss                          | 5             | 4             | -             |
| <b>Profit before tax</b>                   | <b>2,207</b>  | <b>2,953</b>  | <b>2,213</b>  |
| Corporate income tax                       | (245)         | (299)         | (443)         |
| <b>NPAT-MI</b>                             | <b>1,960</b>  | <b>2,652</b>  | <b>1,768</b>  |
| EBITDA                                     | 2,247         | 3,100         | 2,394         |
| <b>EPS (VND/cp)</b>                        | <b>3,203</b>  | <b>4,335</b>  | <b>2,889</b>  |
| Depreciation and amortization              | 342           | 369           | 375           |
| Cash flow from operating activities        | (776)         | 2,482         | 2,103         |
| Cash flow from investing activities        | 2,590         | (789)         | (700)         |
| Dividends paid                             | (1,059)       | (1,059)       | (1,059)       |
| Cash and cash equivalents at end of period | 3,590         | 4,192         | 4,536         |
| Gross profit margin                        | 24.3%         | 26.6%         | 24.3%         |
| ROE                                        | 18%           | 23%           | 14%           |
| ROA                                        | 12%           | 14%           | 9%            |

Source: DCM, BSC forecast

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## Rating system

Buy, Sell or Hold recommendations are determined based on total expected return, which is the sum of the difference between the target price and the closing price on the recommendation date plus the expected dividend yield. The specific recommendation definitions are as follows:

| Recommendation rating | Definition                                         |
|-----------------------|----------------------------------------------------|
| STRONG BUY            | Total expected return over 1 year of 30% or more   |
| BUY                   | Total expected return over 1 year from 15% to 30%  |
| HOLD                  | Total expected return over 1 year from -10% to 15% |
| SELL                  | Total expected return over 1 year below -10%       |

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