Q2/2026 Earnings Update – DCM

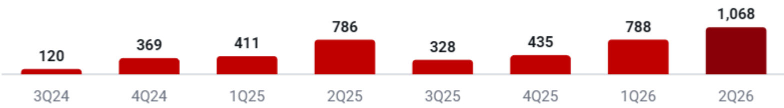
HOSE · DCM · Petrovietnam Ca Mau Fertilizer *(PVCFC)*

NPAT TO PARENT · Q2	NET REVENUE · Q2	GROSS PROFIT MARGIN	ROE · TRAILING 4Q
1,068	**6,712**	**29.8%**	**24.1%**
VND bn · **+35.9% YoY**	VND bn · **+11.2% YoY**	+9.3 pts YoY	ROA 13.2% · net cash

Q2/2026 EARNINGS ASSESSMENT

A sharp rise in Q2 urea prices lifted DCM to its **strongest quarterly profit in ten quarters**: NPAT to parent of **VND 1,068bn (+35.9% YoY)** and revenue of **VND 6,712bn (+11.2% YoY)**. Revenue rose 11.2% while COGS **fell 1.8%**, lifting the gross margin to **29.8%** from 20.6% a year earlier. **TCBS Research** sees DCM on a low valuation at a P/E of just **6.2x**, which partly reflects the risk that this level of profit is hard to repeat once urea prices cool and input costs fluctuate, so investors should keep the stock under closer watch before making an investment decision.

Quarterly NPAT to parent · *VND bn*



FULL-YEAR PROFIT PROGRESS

** Based on the 2026 NPAT plan of VND 1,182bn approved at the AGM on 22/04/2026; the revenue plan of VND 17,615bn is 68.1% completed.*

HIGHLIGHTS

1,068 Q2/26	**Strongest quarterly profit in ten quarters** H1 NPAT VND 1,856bn, +55.1% YoY · 157% of the full-year plan
44.1% UREA GM	**Urea carries almost all of the profit** up from 36.1% a year earlier · H1 urea export revenue +112.8% YoY
128% OF FY PLAN	**H1 exceeded the full-year export plan** 351,200 t versus a full-year plan of 275,000 t

WATCH ITEMS

35.3% OF DOM. PLAN	**Clear weakness in the domestic market** H1 domestic urea revenue −16.9% YoY, domestic NPK −30.8%
5,664 INVENTORY	**Inventory up 103% YoY** goods in transit jumped to VND 1,032bn from VND 8bn
+17.7% H2/26F REV.	**The projection requires H2 to accelerate** H2 revenue must reach VND 8,458bn while export headroom is exhausted

2026 OUTLOOK

Most urea export headroom was used in H1, so the rest of the year rests on the domestic Winter–Spring crop, where prices are lower than exports. TCBS Research's newly updated 2026 projection: **EPS of VND 4,982 (+34.6% YoY)** and NPAT of **VND 2,638bn (~223% of plan)** on revenue of VND 20,456bn (+23.0%), a projected P/E of 6.2x and a projected dividend yield of 11.4%. Key risks: a rapid correction in urea prices as Middle East supply normalises, higher input gas costs, and continued soft domestic demand.

2026F NPAT · TCBS PROJECTION	2026F EPS	2026F GROSS MARGIN	2026F DIVIDEND YIELD
2,638	**4,982**	**25.5%**	**11.4%**
VND bn · **+34.6% YoY** ~223% of plan	VND/share · **+34.6% YoY**	2.4 pts below H1 (27.9%)	~VND 3,500/share at market price · **projected P/E 6.2x**

SHARE INFORMATION & VALUATION · as of 29/07/2026

PRICE · VND	MKT CAP · VND BN	P/E · X	P/B · X	FOREIGN OWN.	SHARES · MN
30,700	**16,253**	**6.2**	**1.4**	**6.4%**	**529.4**

1. TCBS Assessment

Our view on the Q2/2026 results, the urea price cycle and the outlook for the second half

TCBS views DCM's Q2/2026 results as **strong on both scale and quality of earnings**, though most of the gain came from the price cycle rather than from capacity expansion. NPAT to parent reached **VND 1,068bn (+35.9% YoY; +35.5% QoQ)**, the highest in ten quarters, on net revenue of **VND 6,712bn (+11.2% YoY)**. The most notable point sits in cost of goods sold: revenue rose 11.2% while COGS **fell 1.8% to VND 4,711bn**, lifting the gross margin from **20.6% to 29.8%**. For the first half, urea revenue reached VND 6,819bn (+40.0% YoY) at a gross margin of **44.1%** versus 36.1% a year earlier, with urea exports alone up **112.8%** to VND 4,549bn. The other two segments contribute very thin profit: NPK carries a gross margin of just 15.7% with revenue down 13.4%, while traded fertiliser, despite VND 3,145bn of revenue (+54.0%), earns a gross margin of only **5.5%**. For the first half, revenue reached **VND 11,998bn (+27.0% YoY)** and NPAT to parent **VND 1,856bn (+55.1% YoY)**, equal to **157% of the full-year profit plan** and 68.1% of the revenue plan approved at the AGM on 22/04/2026, which says more about how conservative the initial price assumptions were than about any exceptional step-up in operating capability.

The second half is likely to fall short of the first, and the reason lies in volume headroom rather than price. First-half urea exports already reached **351,200 tonnes, or 128% of the full-year plan**, while domestic urea sales stand at only 35.3% of plan with revenue down 16.9%. The remainder of the year will therefore rest mainly on the domestic Winter–Spring crop. Urea prices have also eased to around USD 732/tonne at the end of May from a peak of USD 858/tonne, and the buffer of low-cost inventory will gradually run out. TCBS Research's newly updated 2026 projection calls for revenue of **VND 20,456bn (+23.0%)**, NPAT to parent of **VND 2,638bn (+34.6%)**, EPS of VND 4,982 and a gross margin of 25.5%. Set against the first-half result, the projection implies second-half profit of about VND 782bn, broadly flat year on year, but requires revenue to grow **17.7% YoY**: a fairly constructive assumption that depends on a clear recovery in domestic demand. At a market price of VND 30,700 the stock trades at **6.2x earnings and 1.4x book** against a trailing four-quarter ROE of 24.1%, well below the above-11x P/E of the weak-profit period in 2024. The share price has fallen roughly **35%** from its March 2026 peak even as first-half profit rose 55.1%.

TCBS RESEARCH PROJECTIONS FOR 2026

01 **NPAT to parent of VND 2,638bn (+34.6%), EPS of VND 4,982, revenue of VND 20,456bn (+23.0%)** — PBT VND 2,921bn and EBITDA VND 2,914bn; projected P/E 6.2x, P/B 1.4x, ROE 23.6%, EV/EBITDA 5.1x.

02 **Projected gross margin of 25.5%** — 2.4 pts below the 27.9% achieved in the first half, implying urea prices ease gradually and the revenue mix shifts towards the domestic and traded-fertiliser channels, both of which carry thinner margins.

03 **Projected dividend yield of 11.4%** (~VND 3,500/share at the 29/07 market price) — 3.5 times the 10% (VND 1,000/share) plan, with the gap resting on the profit-distribution decision the AGM ultimately takes.

2. Q2/2026 Business Results

The overall revenue and profit picture, and progress against the full-year plan

Q2/2026 was DCM's **most profitable quarter in ten quarters**: NPAT to parent reached **VND 1,068bn, up 35.9% year on year** and 35.5% on the previous quarter, well clear of the VND 786bn recorded in Q2/2025. Revenue of VND 6,712bn rose 11.2% YoY and 27.0% QoQ in line with the Summer–Autumn crop cycle. The entire profit increase came from margin expansion, not from revenue growth.

KEY TAKEAWAYS

01 **Gross margin jumped 9.3 pts to 29.8%** — revenue rose 11.2% while COGS fell 1.8%; gross profit climbed 61.3% to VND 2,001bn on high urea export prices and low-cost inventory.

02 **Selling and G&A expenses nearly doubled to VND 869bn** — 12.9% of revenue versus 7.4% a year earlier; more than 60% of the increase, however, sits in profit-linked items (the science and technology fund, staff costs) and will contract on its own if profit falls.

03 **The full-year plan was already exceeded within six months** — NPAT at 157% of plan and revenue at 68.1%; that gap shows the initial selling-price assumptions were too conservative and should not be assessed as an exceptional step-up in operating capability.

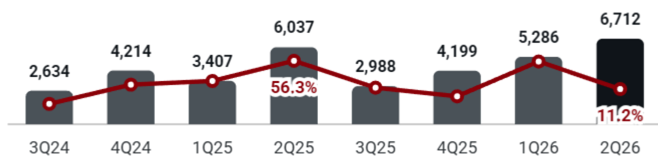
NPAT TO PARENT	NET REVENUE	GROSS PROFIT
1,068	**6,712**	**2,001**
VND bn · **+35.9% YoY**	VND bn · **+11.2% YoY**	VND bn · gross margin 29.8%

SELLING & G&A EXPENSES	PROFIT BEFORE TAX	EPS · TRAILING 4Q
869	**1,187**	**4,945**
VND bn · +95.9% YoY · 12.9% of revenue	VND bn · **+33.7% YoY**	VND/share · **+55.2% YoY**

Item (VND bn)	Q2/2026	Q2/2025	%YoY	Q1/2026	%QoQ
Net revenue	6,712	6,037	+11.2	5,286	+27.0
Cost of goods sold	(4,711)	(4,797)	−1.8	(3,940)	+19.6
Gross profit	2,001	1,241	+61.3	1,346	+48.6
Selling expenses	(418)	(214)	+94.7	(352)	+18.5
General & administrative expenses	(452)	(229)	+97.0	(178)	+153.1
Profit before tax	1,187	888	+33.7	878	+35.2
NPAT to parent	1,068	786	+35.9	788	+35.5
EPS · trailing 4Q (VND)	4,945	3,186	+55.2	4,412	+12.1

Quarterly net revenue

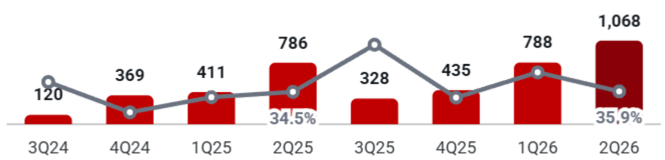
VND bn · line = YoY growth (%)



Source: DCM consolidated FS, TCBS Research.

Quarterly NPAT to parent

VND bn · line = YoY growth (%)



Source: DCM consolidated FS, TCBS Research.

3. Financial Analysis

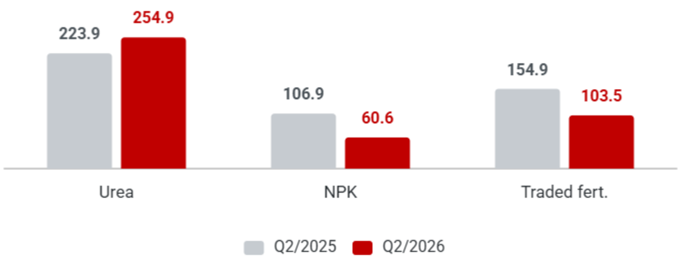
Analysed along fertiliser-sector drivers: volumes and sales channels, gross margin and costs, working capital, profitability and dividends

3.1. Volumes, sales channels & profit mix by segment

The volume picture shows a sharp divergence between the two sales channels. In the first half DCM sold **868,000 tonnes** of fertiliser, 57.2% of the full-year plan, but **urea exports alone reached 351,200 tonnes, or 128% of the full-year plan**, while domestic urea sales stand at only 35.3% of plan. In Q2 alone urea volumes rose to **254,900 tonnes (+13.8% YoY)** while NPK fell to **60,600 tonnes (−43.3%)** and traded fertiliser to **103,500 tonnes (−33.2%)**.

■ **Q2 sales volumes**

'000 tonnes · Q2/2025 versus Q2/2026



Source: *DCM, TCBS Research.*

- **Urea is the only segment growing profit** — its first-half gross margin reached 44.1% (from 36.1%), contributing 82% of gross profit while accounting for just 55% of revenue. NPK earns 15.7% and traded fertiliser only 5.5%.
- **Assessment:** the urea export plan has been exceeded while Q2 volumes for NPK and traded fertiliser both fell sharply, so second-half growth must come from the domestic channel, where margins are lower. The 25.5% full-year margin projection reflects that, but still needs a clear recovery in domestic demand.

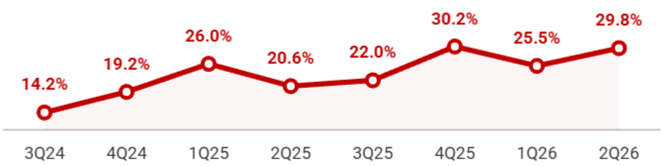
3.2. Gross margin, input costs & selling expenses

The gross margin of 29.8% rose 9.3 pts year on year and 4.3 pts on the previous quarter, the second highest in ten quarters behind only the 30.2% of Q4/2025. COGS fell 1.8% even as revenue rose 11.2%, a sign of the low-cost inventory buffer, not of improved production efficiency, and therefore one-off in nature.

- **H1/2026 selling expenses rose 39.0% to VND 770bn** — the largest line is freight, handling and warehousing at **VND 312bn, up VND 101bn**, in line with higher export volumes; advertising and communications of VND 207bn rose only 14.6%.
- **H1/2026 G&A rose 57.0% to VND 630bn, mostly not on operating costs** — the appropriation to the **science and technology fund alone reached VND 250bn, up VND 154bn**, equal to 12.1% of pre-tax profit against a 20% cap, making it a profit-linked charge. With staff costs adding VND 120bn, these two groups explain **62% of the VND 445bn increase** in selling and G&A, and will contract as profit falls.
- **Assessment:** each percentage point of gross margin is worth roughly **VND 67bn** of quarterly gross profit, so earnings are highly sensitive to the urea cycle. Offsetting this, most of the cost increase sits in profit-linked items that shrink as prices cool, leaving the net margin less volatile than the gross margin. That is why a P/E of 6.2x should not be assessed as simply cheap.

■ **Quarterly gross margin**

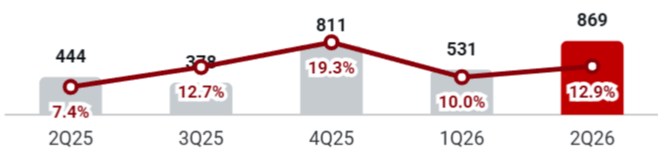
% · driven by the urea-to-gas price spread



Source: *DCM consolidated FS, TCBS Research.*

■ **Selling & G&A expenses**

VND bn · line = % of revenue (right axis)



Source: *DCM consolidated FS, TCBS Research.*

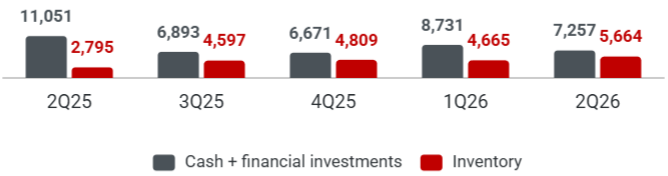
3.3. Balance sheet — working capital, restricted deposits & borrowings

The balance sheet is far stronger than it appears on the surface. Beyond cash and held-to-maturity investments of **VND 7,257bn**, the notes disclose **VND 3,310bn of bank deposits restricted as loan collateral** within other current assets. Together that is VND 10,567bn against borrowings of VND 3,590bn, i.e. **net cash of about VND 6,977bn**.

- **Borrowings move in step with the restricted deposits** — short-term debt of VND 3,566bn (+109% YoY) closely matches the VND 3,310bn of restricted deposits, up from VND 1,021bn. This is deposit-secured trade finance for imports and trading, not leverage to plug a funding gap; the effect is a VND 56bn drop in net financial income, as deposit income fell to VND 147bn while interest expense rose to VND 60bn.
- **Inventory of VND 5,664bn (+102.6% YoY)** — concentrated in goods in transit of VND 1,032bn (VND 8bn at the year start) and finished goods of VND 2,213bn. The write-down provision rose only VND 12.9bn, so no sign of slow-moving stock.
- **Assessment:** equity slipped VND 37bn QoQ despite VND 1,067bn of profit because the 20% dividend for 2025 (VND 1,059bn) was accrued in the quarter and paid on 21/07/2026. With net cash near VND 7,000bn, or 43% of market cap, balance sheet risk is low; the point to watch is the return on that low-yielding cash pile.

Cash plus financial investments and inventory

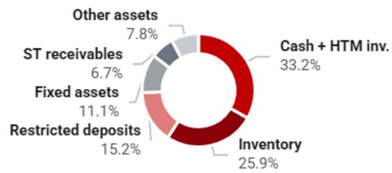
VND bn · period end



Source: *DCM consolidated FS, TCBS Research.*

Total asset mix — Q2/2026

VND bn · total 21,837



Source: *DCM consolidated FS, TCBS Research.*

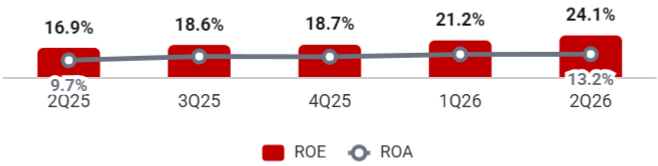
3.4. Profitability & dividends

Trailing four-quarter ROE reached 24.1% and ROA 13.2%, both the highest in ten quarters and up steadily from the 16.9% base of Q2/2025, on low leverage with assets at just 1.9x equity.

- **The cash dividend has held at VND 2,000/share for 2023–2025**, a 6.5% yield at the current price, with the 2025 payment made on 21/07/2026. Note the gap between plan and projection: the AGM set the 2026 dividend at 10% (VND 1,000/share) while TCBS Research projects an 11.4% yield, about VND 3,500/share. The room to lift it is real, but the decision rests with the AGM.
- **Assessment:** trailing four-quarter EPS of VND 4,945 and book value of VND 21,661/share give a P/E of 6.2x and P/B of 1.4x. On projected EPS of VND 4,982 the forward P/E of 6.2x still looks low against a projected ROE of 23.6%; the risk premium sits in urea-price cyclicality, not the balance sheet.

ROE & ROA

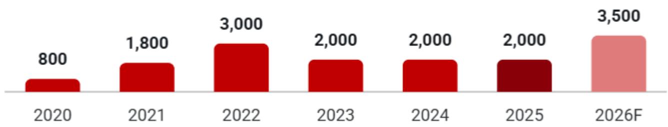
% · trailing 4 quarters · bars: ROE, line: ROA (right axis)



Source: *DCM consolidated FS, TCBS Research.*

Cash dividend by dividend year

VND/share · 2026F per TCBS Research projection



Source: *DCM disclosures, TCBS Research.*

Appendix — Q2/2026 Financial Statements

Condensed consolidated balance sheet and income statement · 2026F: TCBS Research projection

Balance sheet (VND bn)

Item	Q2/2025	Q3/2025	Q4/2025	Q1/2026	Q2/2026
Cash & cash equivalents	3,829	1,941	2,570	4,073	3,120
Held-to-maturity investments	7,222	4,952	4,101	4,658	4,137
Short-term receivables	711	1,379	1,240	1,503	1,462
Inventory	2,795	4,597	4,809	4,665	5,664
Other current assets	504	654	1,728	775	4,281
— of which deposits restricted as loan collateral	n/a	n/a	1,021	n/a	3,310
Fixed assets	1,986	2,047	2,175	2,094	2,433
Other long-term assets	772	935	1,022	1,084	740
TOTAL ASSETS	**17,819**	**16,506**	**17,644**	**18,852**	**21,837**
Total liabilities	7,568	5,951	6,849	7,316	10,338
— of which short-term borrowings	1,706	1,921	2,226	2,541	3,566
— of which long-term borrowings	86	72	57	41	24
Total equity	**10,252**	**10,554**	**10,794**	**11,535**	**11,498**

Income statement (VND bn)

Item	Q2/2025	Q3/2025	Q4/2025	Q1/2026	Q2/2026	2026F
Net revenue	**6,037**	**2,988**	**4,199**	**5,286**	**6,712**	**20,456**
Cost of goods sold	(4,797)	(2,331)	(2,932)	(3,940)	(4,711)	(15,240)
Gross profit	1,241	657	1,266	1,346	2,001	5,216
Gross profit margin (%)	20.6	22.0	30.2	25.5	29.8	25.5
Selling & G&A expenses	(444)	(378)	(811)	(531)	(869)	(2,659)
Profit before tax	**888**	**379**	**487**	**878**	**1,187**	**2,921**
NPAT to parent	**786**	**328**	**435**	**788**	**1,068**	**2,638**
EPS · trailing 4Q (VND)	3,186	3,577	3,701	4,412	4,945	4,982

Source: DCM consolidated FS for Q2/2026, the company's volume plan, TCBS Research.

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