

EQUITY RESEARCH REPORT

CTCP DAP – VINACHEM (UPCOM: DDV)

DAP prices stay elevated; MAP opens medium-term growth runway

RECOMMENDATION: OUTPERFORM [+20%]

Basic information (04/05/2026)

Exchange:	UpCom
Market price:	26.400
EPS:	4.356
P/E:	6,1
Book value (VND)	16.354
P/B:	1,6
KLGD TB 20 sessions:	1.255.000
Outstanding shares:	146.109.900
Market cap (VND bn):	3.857

Share price performance over the past 12 months



Source: CafeF, ASEANSC Research

Investment recommendation:

We recommend **OUTPERFORM** for DDV with a target price of VND31,700/share (+20% vs the market price) over a 12-month investment horizon.

Investment thesis:

Although 2026F NPAT is forecast to decline 21% YoY to VND498bn due to a high 2025 base and rising input cost pressure, we believe DDV still offers upside, underpinned by modest volume growth, elevated DAP prices, steady NH3 contributions, the MAP catalyst from 2027, and a solid balance sheet. Specifically:

- **DAP volume to increase modestly in 2026F.** We forecast 2026F DAP volume at around 280k tonnes (+7% YoY), supported by better phosphogypsum waste treatment progress, gradual upgrades to port/logistics infrastructure, and improved plant efficiency, while domestic DAP supply remains insufficient to meet demand.
- **Global DAP prices to stay elevated, but maintaining a healthy gross spread is key.** We forecast DAP prices to rise 10% in 2026F, supported by continued export restrictions in China and strong import demand from India/Brazil. However, earnings conversion depends directly on sulfur, NH3, and apatite ore prices. Q1/2026 showed strong revenue growth, but gross margin compressed materially as input costs rose faster than ASP.
- **NH3 helps diversify revenue.** After a sharp ramp-up in 2025, this segment could continue to contribute meaningful revenue (+10% expected), supported by both higher volume and ASP.
- **The MAP project is the most valuable medium-term catalyst, potentially lifting the earnings base from 2027 onward.** The 60,000-tonne/year MAP plant enables DDV to extend its phosphate value chain and add a higher-nutrient product with potentially better ASP and margin than DAP.
- **Solid financial position.** A high cash balance (~60% of short-term assets) supports strong liquidity, helps DDV weather industry cyclicity, and provides capacity for expansion capex.

Key factors to monitor:

- Input price volatility (sulfur, NH3, apatite).
- China's fertilizer export policy.
- MAP plant construction and ramp-up progress.
- Environmental and phosphogypsum waste treatment risks.

I. OVERVIEW

1. Introduction
2. Shareholder and management structure
3. Ownership structure
4. DDV business model
5. SWOT

II. BUSINESS PERFORMANCE

1. Strong revenue growth driven by both DAP and NH3
2. GPM improves on higher DAP prices amid supply shortages
3. NH3 trading starts contributing to earnings

III. INVESTMENT THESIS

1. 2026F DAP volume expected to increase modestly
2. Global DAP prices to stay elevated, but maintaining a healthy GPM is key
3. NH3/chemicals segment helps diversify revenue
4. MAP is the most valuable medium-term catalyst, potentially lifting the earnings base from 2027 onward
5. Solid balance sheet

IV. EARNINGS FORECAST & VALUATION

1. Summary of key assumptions in 2026F earnings forecast
2. Valuation results

V. APPENDIX: FERTILIZER & CHEMICALS SECTOR OVERVIEW



DAP – Vinachem JSC. Source: ASEANSC compilation



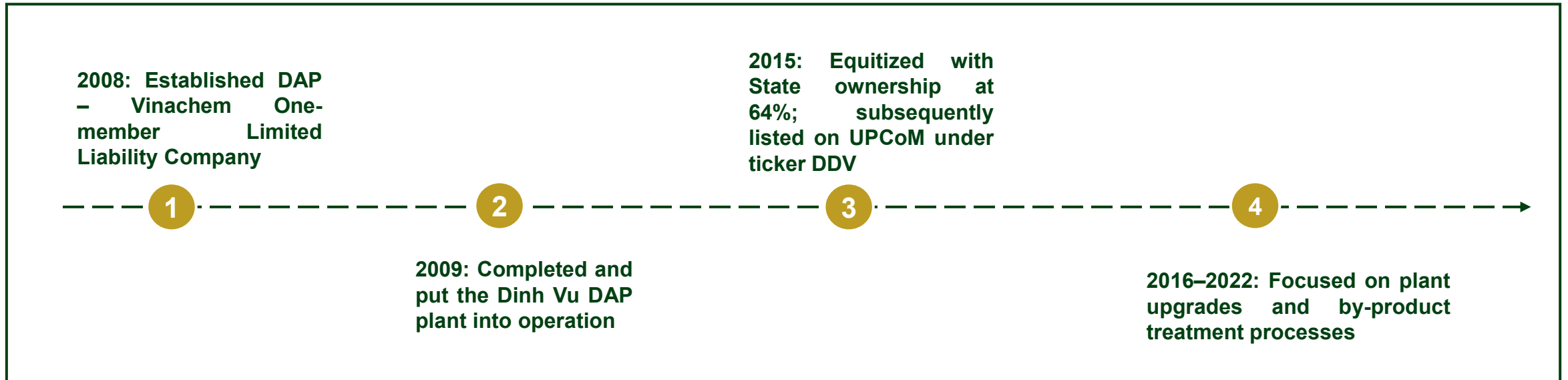
I. OVERVIEW

1. Introduction:



- DDV (DAP – Vinachem JSC) manufactures and trades fertilizer products and is a subsidiary of Vietnam National Chemical Group. The company focuses on its key product, DAP (Diammonium Phosphate), for agricultural use.
- DDV owns a large-scale production plant in Hai Phong and plays an important role in supplying fertilizer to the domestic market, helping reduce import dependence. The company has also gradually improved operating efficiency and restructured its balance sheet to strengthen competitiveness.

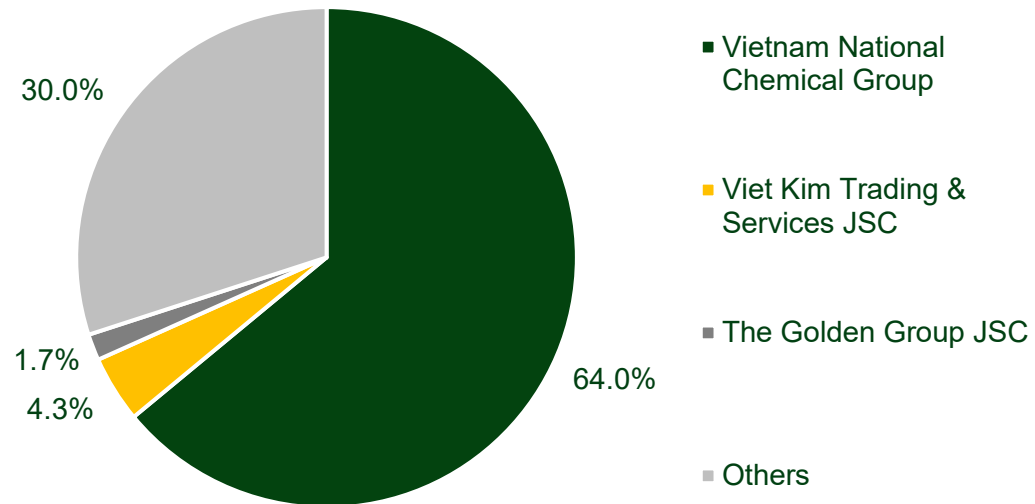
History and development





2. DDV shareholder structure:

DDV shareholder structure



Source: DDV, ASEANSC Research

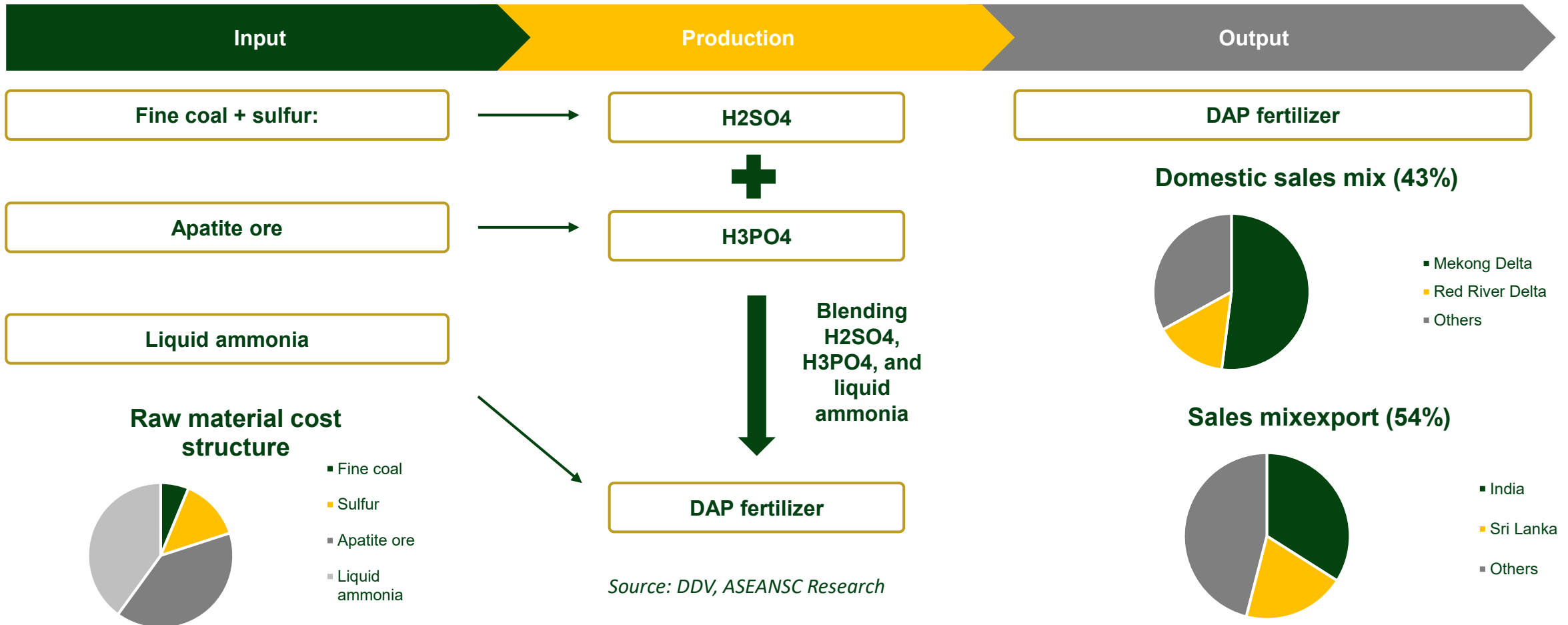
- DDV's shareholder base is highly concentrated, with Vinachem retaining control. As of December 11, 2025, Vietnam National Chemical Group held a controlling 64% stake in DDV. Two other institutional shareholders are Viet Kim Trading and Services JSC (4.37%) and The Golden Group JSC (1.71%).
- Vinachem previously included DDV in its 2021–2025 restructuring plan, targeting a reduction of ownership to below the controlling 51% threshold or a full divestment once the company operates stably. Although DDV has been removed from the list of 12 underperforming projects, the divestment plan still awaits final approval from the Prime Minister. If approved, divestment could become a valuation catalyst; otherwise, a prolonged timeline would leave the re-rating story without a near-term trigger.



I. OVERVIEW

3. DDV business model – DDV value chain

➤ DDV's value chain focuses on chemical processing and blending to produce DAP fertilizer, which is then distributed to both domestic and export markets. On the input side, apatite ore and NH₃ are the two key raw materials, sourced both domestically and through imports; therefore, their prices are exposed to global commodity movements. On the output side, DDV is increasing its export focus as competition in the domestic market remains intense.

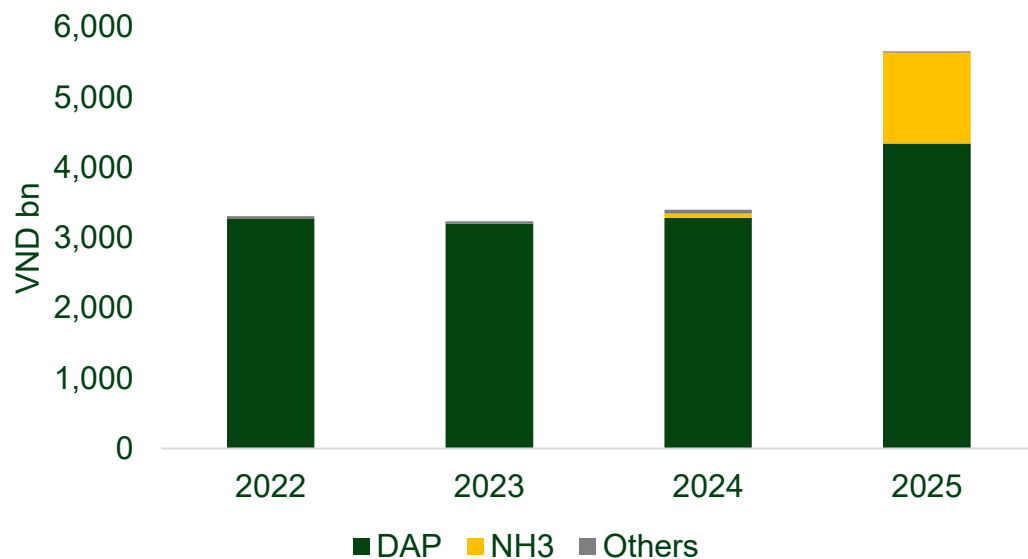




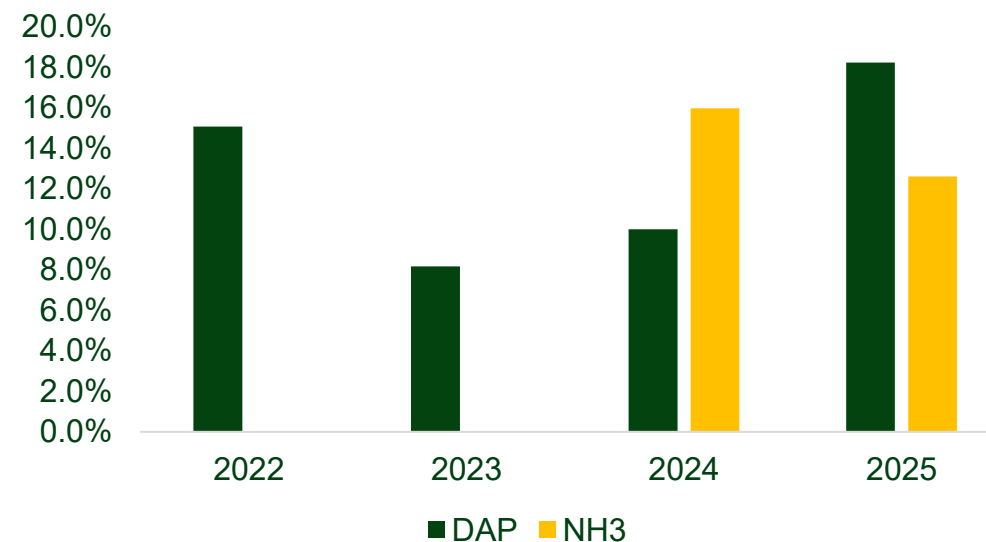
4. DDV business model – Business performance

- In 2022–2023, revenue was broadly stable at around VND3.2tn, with DAP contributing almost all revenue during this period. In 2024–2025, revenue began to accelerate. In 2025, DAP revenue surged to more than VND4tn. Despite the emergence of NH3, DAP remained the core segment, accounting for around 75% of total revenue.
- Regarding GPM, 2022 margin was relatively high at nearly 15%, supported by elevated finished product prices and a favorable operating environment. In 2023, GPM dropped sharply to the period low of around 8%, reflecting the downcycle in DAP prices amid global oversupply, which materially narrowed DAP profitability. In 2024–2025, GPM recovered strongly, rising to 10% in 2024 and peaking at more than 18% in 2025.

StructureDDV revenue breakdown

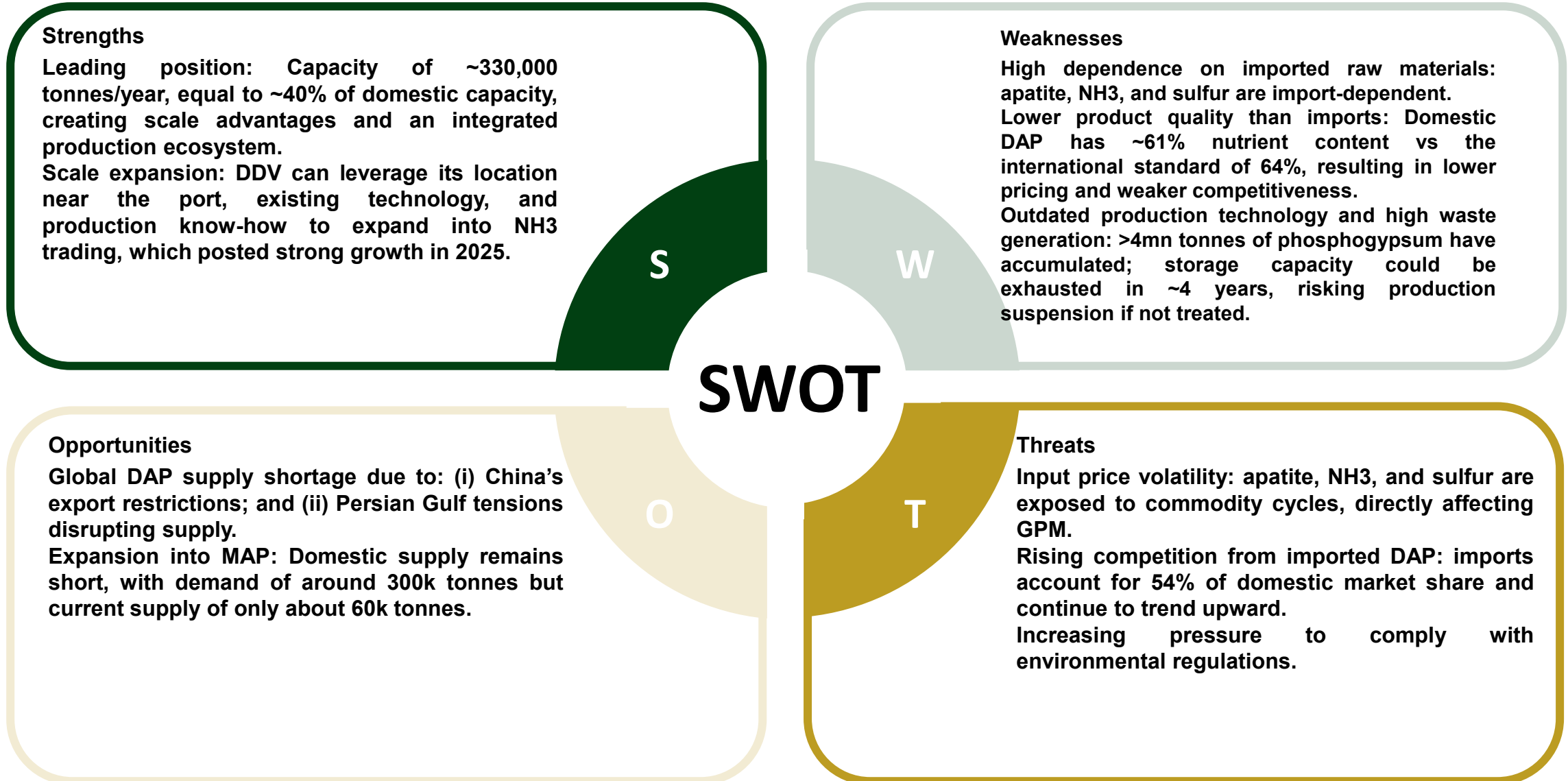


GPM by business segment





5. SWOT





II. BUSINESS PERFORMANCE

1. Revenue surged on positive results from both DAP and NH3

- In 2025, DAP – Vinachem delivered a strong earnings rebound, with revenue up 67.1% YoY, driven by solid contributions from both strategic segments, DAP and NH3. Gross margin improved significantly as global supply shortages kept DAP ASPs elevated, supporting profit per unit. Notably, NH3 trading moved into stable operation and began contributing directly to earnings, diversifying revenue and strengthening the company’s financial capacity. The combination of favorable market conditions and new product expansion made 2025 a strong financial year for DDV.

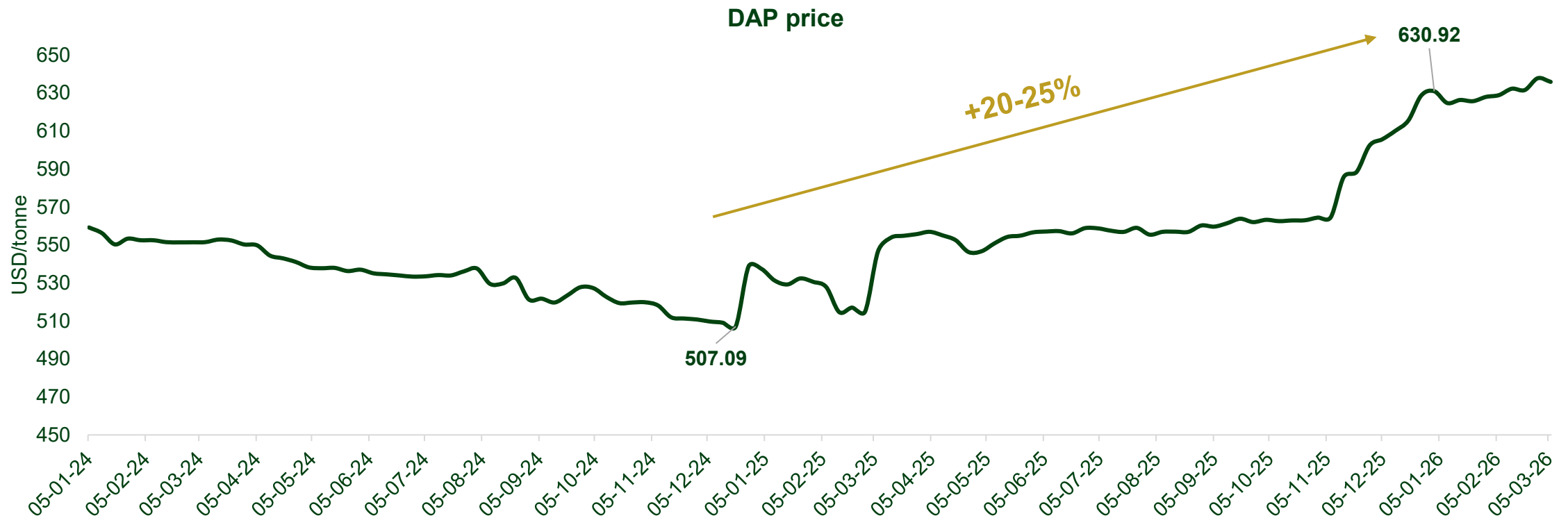
<i>Unit: VND bn</i>	2025	%YoY	% 2025 plan
Revenue	5,623	+67,1%	+160%
Gross profit	942	+159,4%	
Gross margin	16,8%		
Financial income	87	+76,6%	
Financial expenses	8	+41,8%	
Selling expenses	95	+8,7%	
G&A expenses	132	+23,4%	
NPAT	581	+276,3%	+300%



II. BUSINESS PERFORMANCE

1.1. DAP segment growth driven by both higher ASPs and volume

- DAP prices rose strongly in 2025, up around 20–25% from the beginning of the year, as China tightened export quotas, limiting global supply, while India significantly increased purchases for crop seasons during the year. China nearly froze exports in early 2025 to prioritize domestic demand, while India — the world's largest DAP importer — raised imports at a double-digit pace vs the historical average, creating substantial demand pressure on the market.



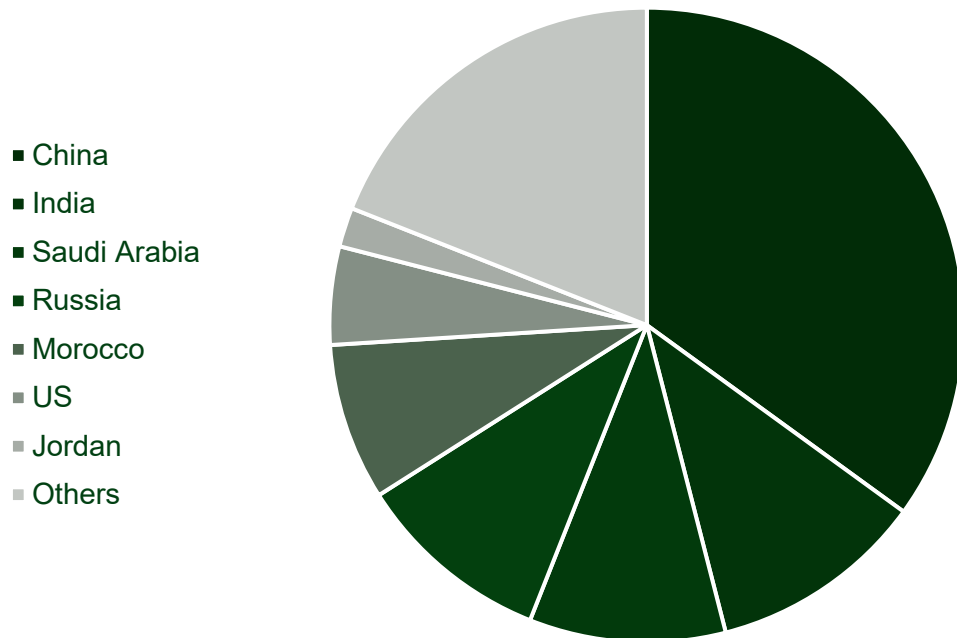


II. BUSINESS PERFORMANCE

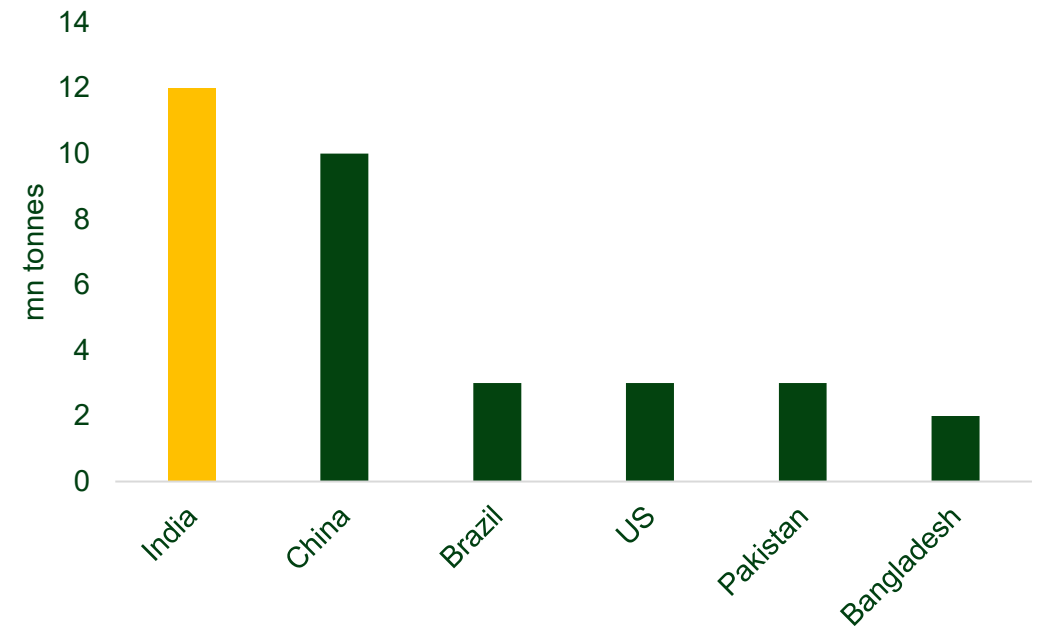
1.1. DAP segment growth driven by both higher ASPs and volume

- China and India are the two markets that have decisive influence on global DAP prices. China is the world's largest DAP producer and exporter, while India is the largest importer and consumer, accounting for around 30% of global import demand. Therefore, DAP price movements largely depend on China's export policy (quotas and domestic supply control) and India's seasonal import demand and fertilizer subsidy policy.

China is the largest DAP producer



India is the largest DAP consumer





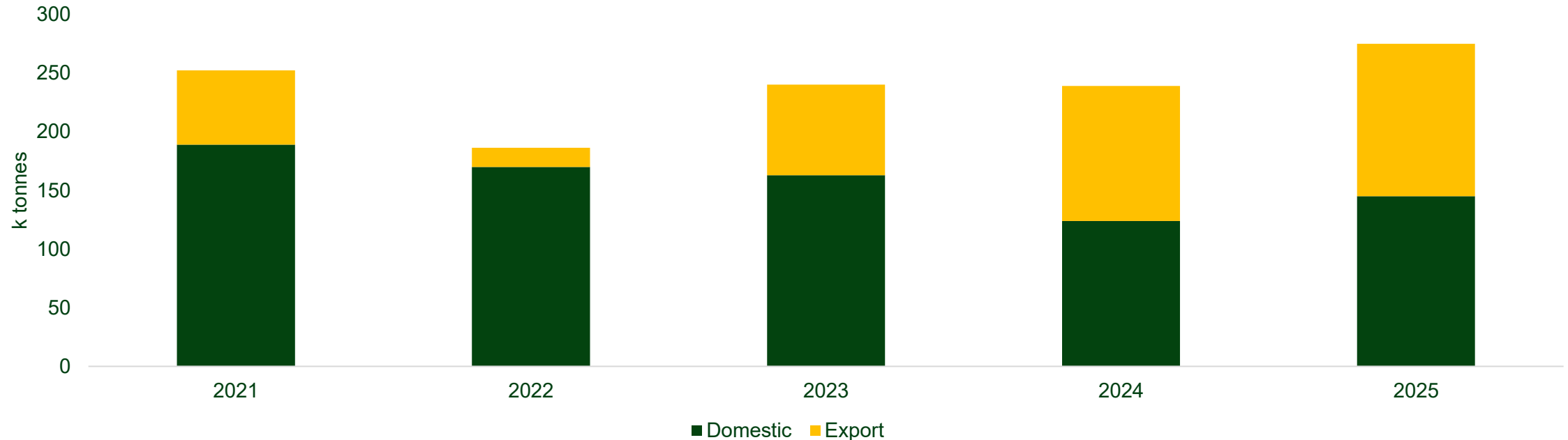
II. BUSINESS PERFORMANCE

1.1. DAP segment growth driven by both higher ASPs and volume

➤ DDV's domestic sales volume is estimated to increase 16% in 2025, supported by favorable weather as ENSO shifted to a neutral phase. Improved rainfall helped restore soil moisture, providing a better foundation for stable agricultural production and boosting demand for DDV's products.

Export volume remained on a positive growth trajectory, rising 13% YoY in 2025 as China continued to restrict DAP exports, sharply reducing global supply and creating more room for DDV's DAP to compete in international markets.

DDV sales volume mix

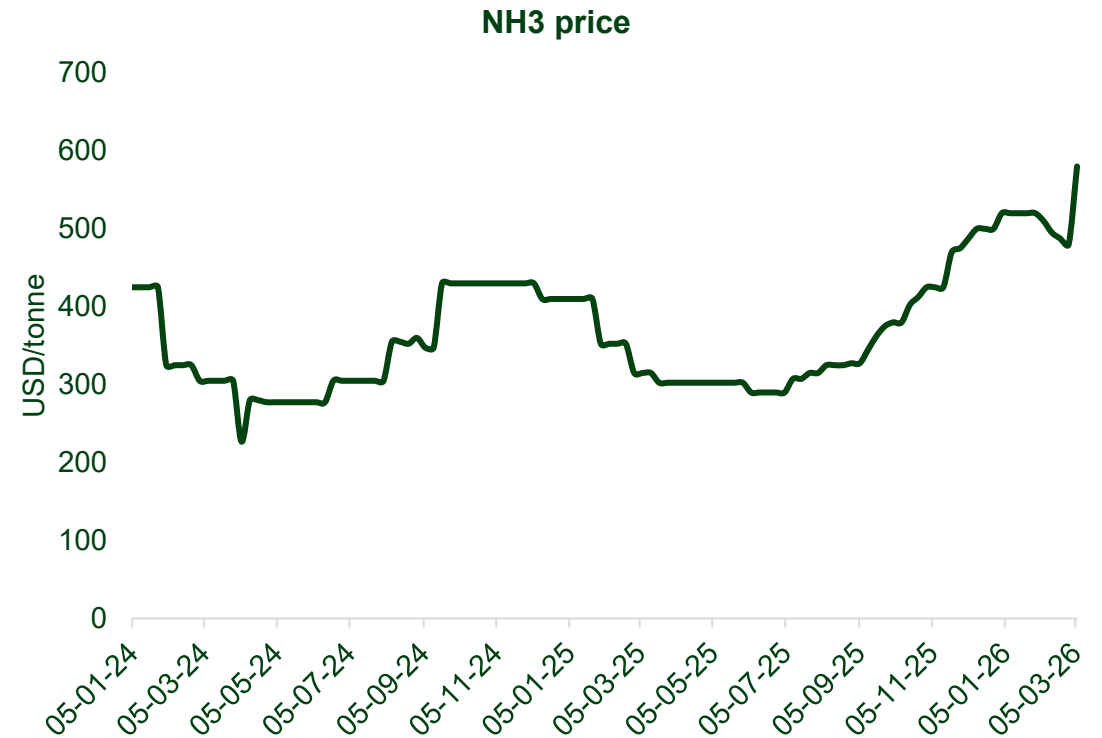
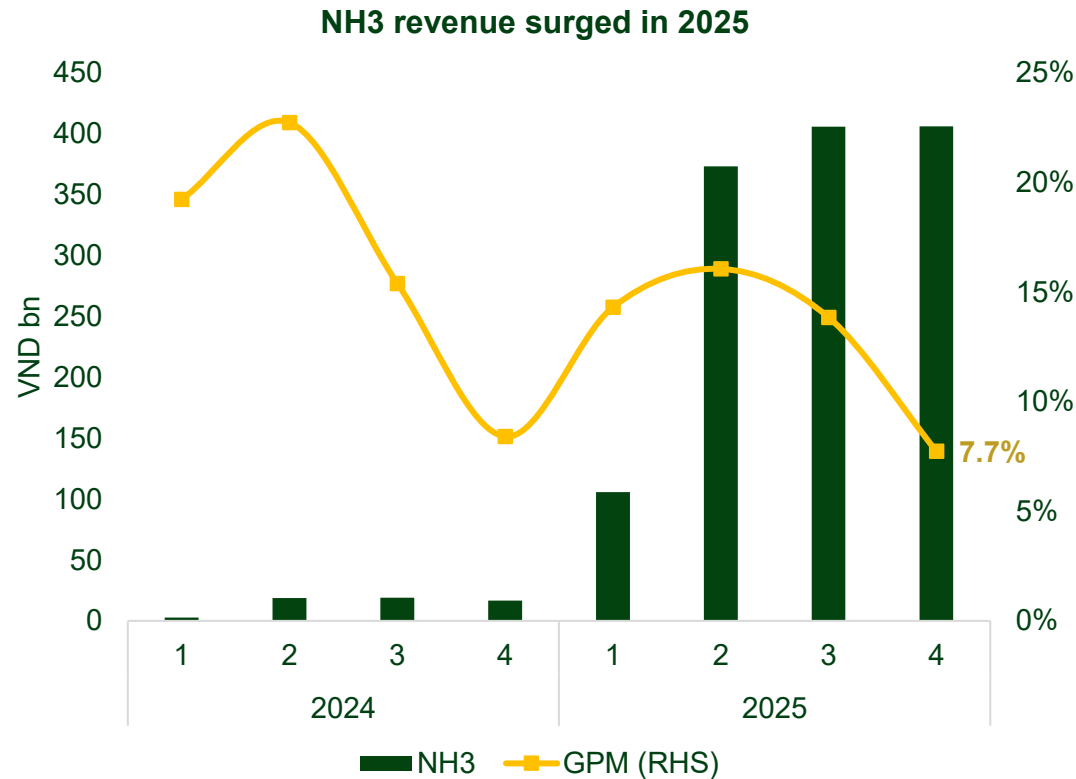




II. BUSINESS PERFORMANCE

1.2. NH3 trading segment records high growth

➤ After a market-entry study phase in 2023–2024, DDV accelerated its NH3 trading business in 2025 to capture the period of elevated NH3 prices, while domestic supply remained very limited (only around 25%). DDV also has an advantage in NH3 transportation and storage thanks to its chemical tank system near Hai Phong Port and logistics network, supporting NH3 imports and distribution to urea/chemical plants in northern Vietnam. In 2025, NH3 revenue reached VND406bn, 22x higher than 2024, with GPM of ~13%.



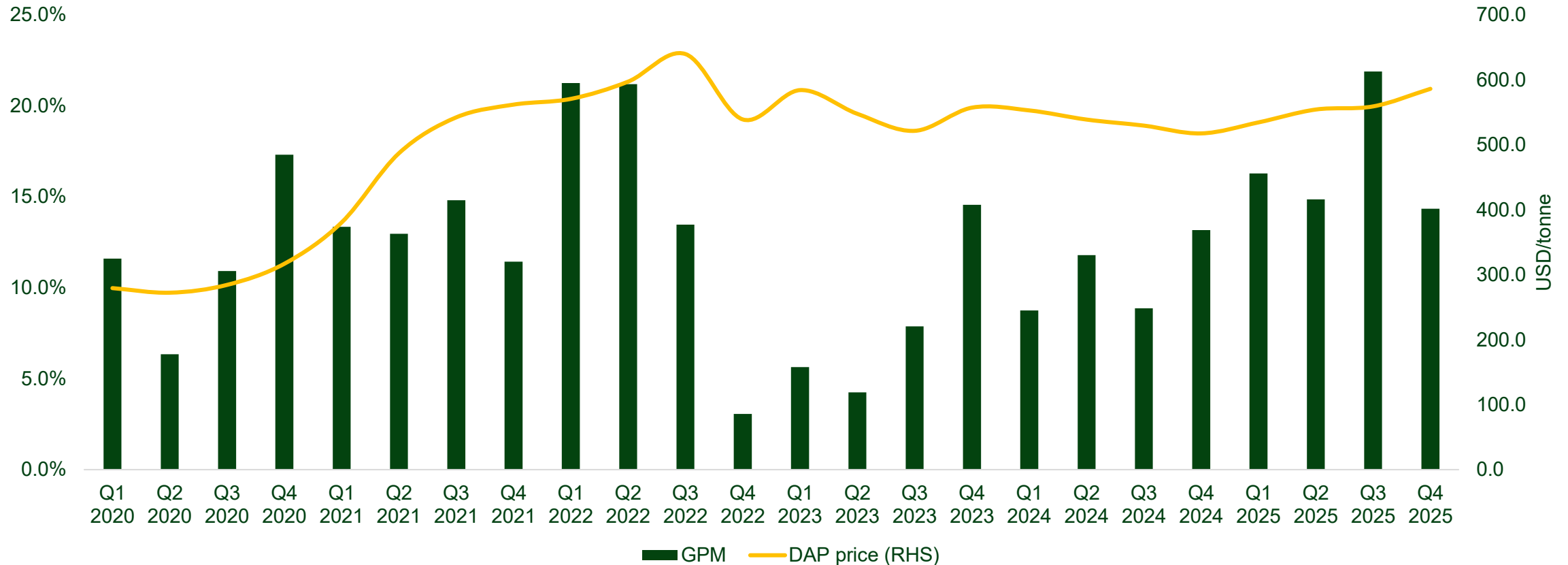


II. BUSINESS PERFORMANCE

2. GPM improves on higher DAP prices

➤ The increase in DAP prices in 2025 materially improved DDV's gross margin. Although some input prices rose, the increase was uneven across raw materials. This indicates that DDV benefited from price spread expansion, as selling prices rose faster than input costs — the key driver of near-term earnings growth.

Correlation between DDV GPM and DAP prices



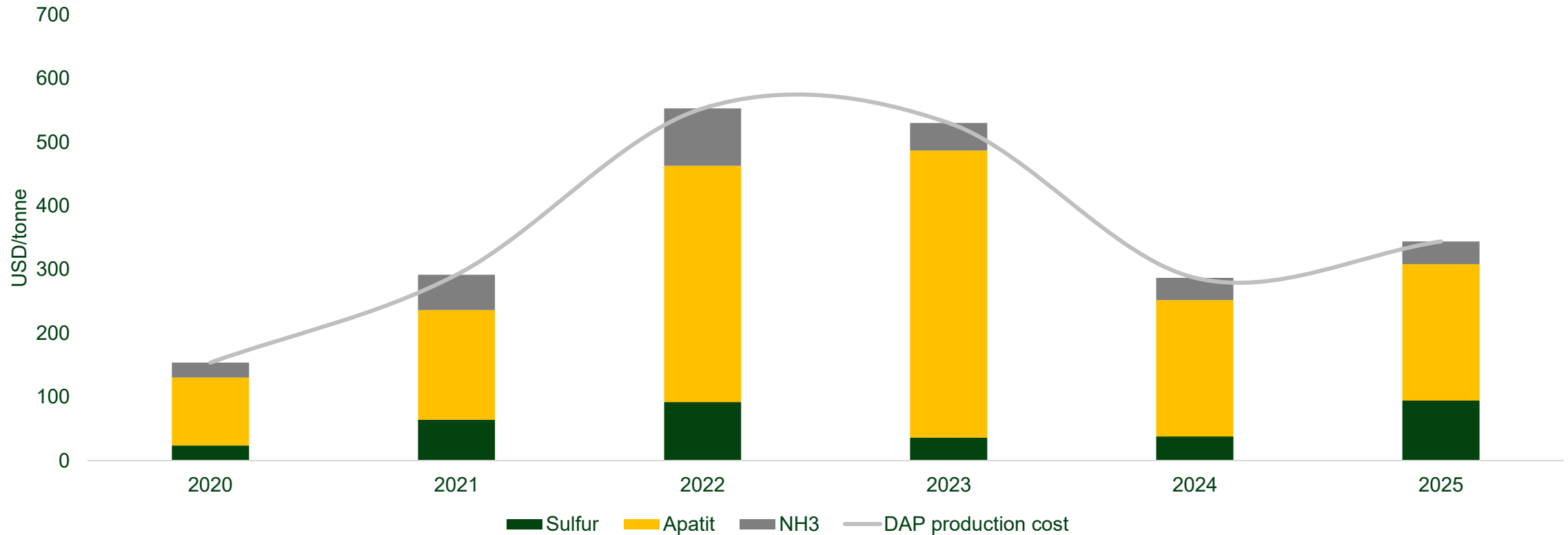


II. BUSINESS PERFORMANCE

2. GPM improves on higher DAP prices

- Specifically, the two key inputs — NH₃ and apatite ore, which account for a large share of the cost structure — moved only slightly, while sulfur prices rose faster. However, as sulfur accounts for only around 15% of total DAP production costs, the negative input-cost impact was relatively limited. As a result, the spread between ASP and COGS widened, supporting GPM improvement during the DAP price upcycle.

Estimated cost structure to produce 1 tonne of DAP





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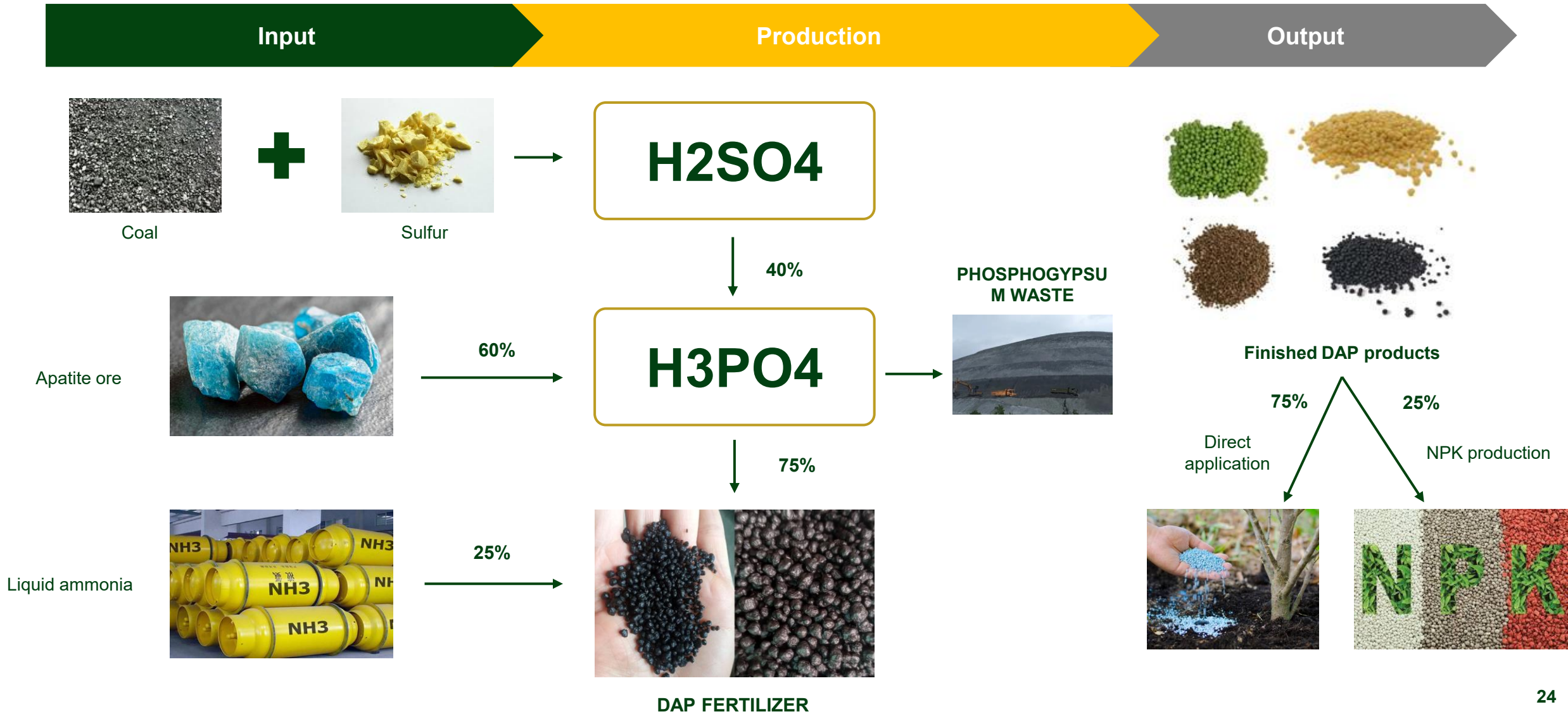


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V. APPENDIX: FERTILIZER & CHEMICALS SECTOR OVERVIEW

DAP fertilizer production value chain in Vietnam





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VNINDEX
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