

# PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY

## INVESTOR NEWSLETTER

QUARTER III - 2024

Date of issuance: 27/11/2024

### I. MESSAGES TO INVESTORS

#### Stock Information

Stock code:	DCM
Listed Exchange:	HOSE
Listed date:	31/03/2015
Industry:	Fertilizer

#### Statistics ( 30/10/2024)

Stock Price	37,600
Outstanding Shares (million)	529.4
Market Capitalization	19,879
52 week – high	40,700
52 week – low	25,600
Average Monthly Trading Volume (thousand)	4.067
State Ownership	75.56%
Foreign Ownership	10.05%

Financial Index	2023	12 months
EPS (VND)	2,095	2,917
P/E	15.5	12.9
P/B	1.8	1.9
ROA (%)	7.5	10.0
ROE (%)	10.8	15.6

The production and business activities of Petrovietnam Camau Fertilizer joint stock company (“PVCFC” – Stock Code: DCM) experienced positive growth and exceeded planned targets during the first nine months of 2024. This success was attributed to the company's flexible and comprehensive management strategies, effective market utilization, and cost - optimization efforts to enhance overall operational efficiency.

The company published its 2023 Sustainability Report, themed "Creating Value, More Sustainable, More Prosperous", which outlined significant achievements throughout the year, including: Reducing CO2 emissions and energy consumption through optimized production processes and enhanced efficiency; Promoting initiatives to support communities, improving the welfare of employees, farmers, and customers; Implementing transparent and responsible governance practices, while ensuring compliance with legal requirements and international standards.

During the first nine months of 2024, both domestic and international fertilizer markets remained stable. However, fertilizer prices experienced a slight decline in early Q3 due to reduced demand and prolonged heavy rainfall. Prices rebounded by late September, driven by tight market supply and China's continued restrictions on urea exports. Additionally, domestic urea prices were supported by global urea price increases and rising consumption demand during the peak Winter-Spring farming season.

The company produced 701.33 thousand tons of urea in the first nine months, achieving 78.6% of the annual production target.

## II. HIGHLIGHTS OF ACTIVITIES DURING THE PERIOD:

### Highlight activities in October:

#### Honored as a Top 10 Strong Brand - Green Growth 2024

On October 16, 2024, at the 21st Vietnam Strong Brand Awards Ceremony, the company was proudly recognized among the Top 10 Strong Brands - Green Growth 2024. This accolade acknowledges the company's efforts in efficient business operations, promoting sustainable development, and reinforcing its leading position in Vietnam's agricultural sector. [>>> Link](#)

### Highlight activities in September:

#### Continued Investment in Nhơn Trạch Warehouse

On September 24, 2024, during the Conference on Planning Announcement and Investment Promotion in Đồng Nai Province 2024, themed "Connectivity - Integration - Takeoff", the company officially received the investment policy approval for the large-scale Nhơn Trạch Warehouse project. This milestone underscores the company's commitment to strengthening its infrastructure and supporting regional economic development. [>>> Link](#)

#### PVCFC and SAMSUNG: Expanding Global Distribution of High-Quality Products.

PVCFC and Samsung C&T (SAMSUNG) have officially signed a strategic cooperation agreement. Leveraging Samsung's extensive experience and global trading network, the high-quality products of both parties will be promoted and distributed to customers worldwide, marking a significant step in expanding their international market presence. [>>> Link](#)

#### Release of the 2023 Sustainability Report: Creating Value, More Sustainable, More Prosperous.

The company has released and published its 2023 Sustainability Report under the theme "Creating Value: More Sustainable, More Prosperous", reaffirming its strong commitment to community development, environmental protection, and the promotion of sustainable agricultural practices. The report was completed through close collaboration among the company's specialized departments, ensuring accuracy and comprehensiveness. It was developed in alignment with the Global Reporting Initiative (GRI) Standards 2021, reflecting the company's transparency, accountability, and long-

term commitment to global sustainability principles. Additionally, the report references the 17 United Nations Sustainable Development Goals (SDGs) and incorporates guidelines from the International Fertilizer Association (IFA) on sustainable development. [>>> Link](#)

### **Highlight activities in August:**

#### **Completion of the 2024 Comprehensive Maintenance at Ca Mau Fertilizer Plant: Staying on Track to Achieve Goals**

The company has successfully completed the comprehensive maintenance of the fertilizer plant, with operations halting on August 16, 2024, receiving gas and restarting on August 28, 2024, and producing its first output on August 30, 2024. This major event mobilized a total of 1,714 personnel, including 7 international experts, 1 domestic expert, 65 industry professionals, 1,057 outsourced contractor staff, and 584 employees from the Ca Mau Fertilizer Plant. Currently, the plant is operating at 115% of its designed capacity. [>>> Link](#)

#### **Ca Mau Fertilizer Promotes Collaboration with a Leading Global Fertilizer and Chemical Group.**

On August 9, 2024, in Ho Chi Minh City, a delegation from Hong Lan Van Thien Hoa Chemical Co., Ltd., a subsidiary of Van Thien Hoa Group, visited and worked with PetroVietnam Ca Mau Fertilizer Joint Stock Company (PVCFC). This visit aimed to strengthen and expand the deep collaborative relationship between the two parties. [>>> Link](#)

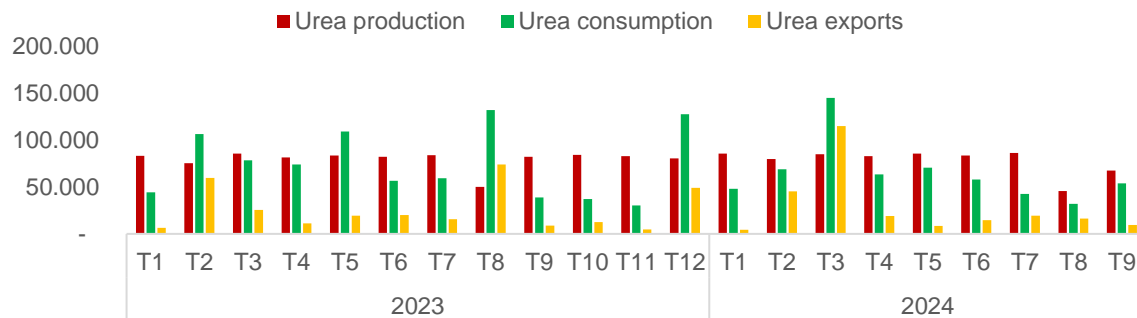
### III. PERFORMANCE RESULTS DURING THE PERIOD:

#### 1. BUSINESS AND PRODUCTION FOR Q3.2024:

TT	Production Target (Unit: Thousand Tons)	2024 Plan	Actual Results		
			Q2.2024	Q3.2024	Cumulative First 9 Months of 2024
A	B	1	2	3	4
<b>1</b>	<b>Productions</b>				
-	Ca Mau Fertilizer (Urea Converted)	892.00	251.82	199.12	701.33
	<i>Functional Fertilizer</i>	110.00	57.10	0.00	74.20
-	NPK	180.00	50.20	33.41	130.47
<b>2</b>	<b>Product Consumption</b>				
-	Urea	748.47	191.59	128.10	581.30
	<i>Domestic Consumption</i>	523.47	149.52	83.29	362.25
	<i>Export</i>	225.00	42.08	44.82	219.05
-	Functional Urea	110.00	35.76	9.16	60.37
-	NPK	180.00	71.43	40.55	115.04
-	Self-owned Fertilizer	248.00	81.40	77.32	175.00

- In Q3 2024, the company produced **199.12 thousand tons** of urea, while the urea consumption during this period totaled **128.10 thousand tons**. Of this consumption, **83.29 thousand tons** were sold domestically, and **44.82 thousand tons** were exported. The production volume in Q3 was lower than expected due to the company carrying out the **2024 Comprehensive Maintenance** at the Ca Mau Fertilizer Plant, which lasted for **13 days**, 1 day ahead of the planned schedule.
- In the first 9 months of 2024, the urea production reached **701.33 thousand tons**, achieving **78.62%** of the 2024 urea production target. Urea consumption during this period totaled **581.30 thousand tons**, fulfilling **77.67%** of the 2024 urea consumption target.
- In Q3 2024, the company produced **33.41 thousand tons** of NPK, and the NPK consumption during this period reached **40.55 thousand tons**.

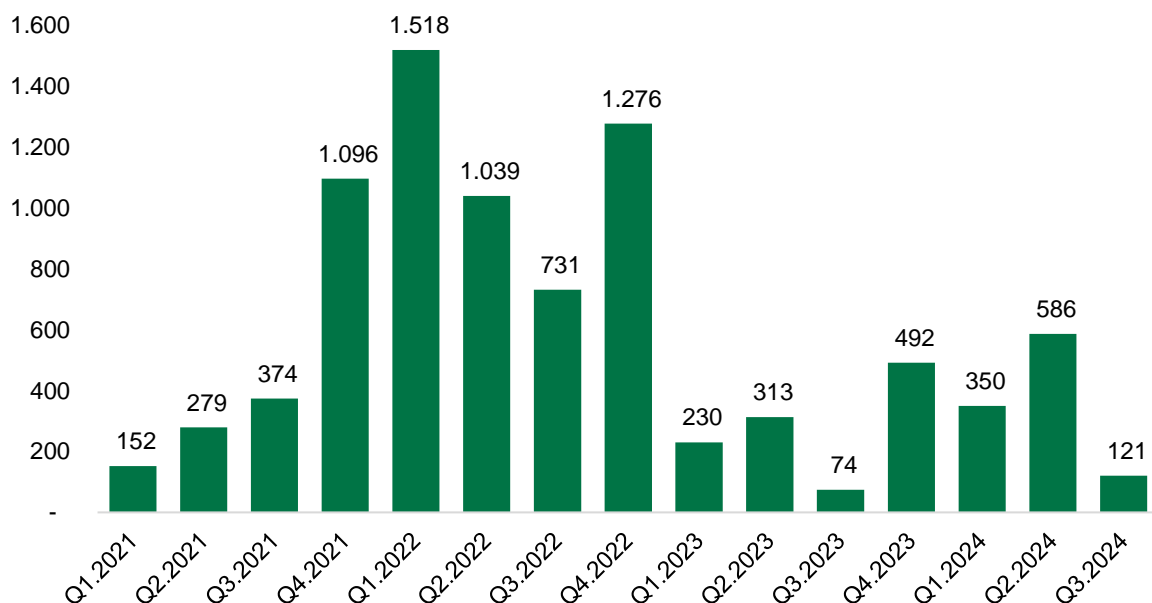
- In the first 9 months of 2024, the NPK production reached **130.47 thousand tons**, achieving **72.48%** of the 2024 NPK production target. NPK consumption during this period totaled **115.04 thousand tons**, fulfilling **63.91%** of the 2024 NPK consumption target.



**Chart 1: PVCFC Fertilizer Production and Business Results by Month 2023-2024, in Thousand Tons.**

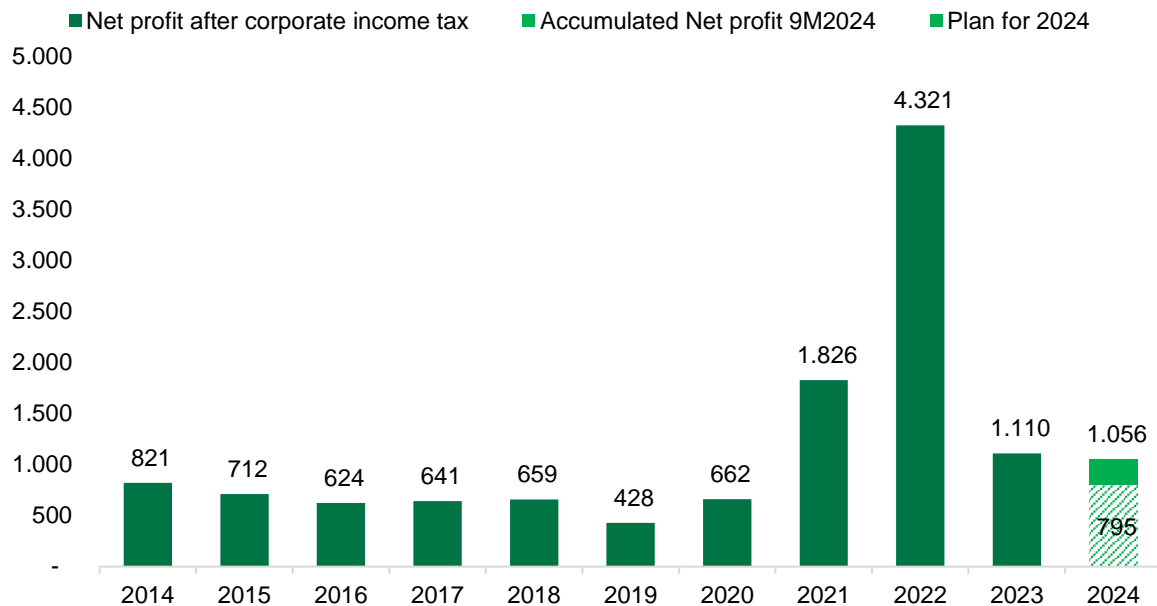
## 2. BUSINESS RESULTS FOR Q3.2024:

- In Q3 2024, Net revenue reached **2,634.45 billion VND**, a decrease of **12.49%** compared to the same period in 2023. Net profit after corporate income tax for Q3 2024 was **120.62 billion VND**, an increase of **62.71%** compared to the same period in 2023.
- The company's profit increased due to a **more than 20% reduction** in cost of goods sold in Q3 compared to the same period in 2023, which declined at a faster rate than revenue. Additionally, the **revenue deductions** in Q3 2024 were much lower than those in the same period in 2023, leading to a nearly **63% increase** in profit in the consolidated financial statements for 2024 compared to the previous year.



**Chart 2: Net Profit After Tax by Quarter, in billion VND**

- In the first 9 months of 2024, the company's total net revenue reached **9,241.84 billion VND**, an increase of **2.28%** compared to the same period in 2023, achieving **77.81%** of the 2024 revenue target.
- The **net profit after tax** for the first 9 months of 2024 reached **1,055.93 billion VND**, an increase of **71.27%** compared to the same period in 2023, achieving **132.85%** of the 2024 profit target.



**Chart 3: Net Profit After Tax from 2014 to 2023 and the 2024 Target, in Billion VND.**

### 3. FINANCIAL SITUATION:

- As of the end of Q3 2024, the company's **short-term receivables** amounted to **622.07 billion VND**, which included **209.41 billion VND** in advances to suppliers, **406.56 billion VND** in receivables from customers, and **115.37 billion VND** in other receivables.
- As of the end of Q3 2024, the company's **total liabilities** amounted to **5,525.30 billion VND**, of which **short-term liabilities** totaled **4,590.94 billion VND**, primarily consisting of payables to suppliers (such as debts for gas, electricity, and water payments that have not yet reached the due date), short-term loans and financial lease liabilities, and short-term provisions. The company's long-term liabilities totaled 934.37 billion VND, mainly consisting of funds for scientific and technological development. The short-term liabilities to assets ratio is 29.77%, the long-term liabilities to assets ratio is 6.06%, and the total liabilities to assets ratio is 35.83%.
- Compared to the same period in 2023, the company's capital structure and funding sources show that total liabilities accounted for 35.83%, a slight increase from the previous year. The debt ratios have changed as follows: the short-term debt-to-total

assets ratio has decreased slightly, while the long-term debt-to-total assets ratio has increased.

- Liquidity: As of the end of Q3 2024, the company's current ratio was 2.8 times, and the quick ratio was 2.1 times, indicating a strong ability to meet short-term liabilities when they become due.
- The Return on Equity (ROE) for the first 9 months of 2024 reached 10.67%, and the Return on Assets (ROA) for the same period was 6.85%.
- Fulfillment of State Budget Obligations: The company has fully and timely declared and paid all taxes, including **VAT, personal income tax**, and other taxes and fees arising during the period, in accordance with regulations.

**Table 1: Financial Indicators for Q3 2024**

STT	INDICATORS	Unit	Q3.2023	Q3.2024	Q3.2023 vs Q3.2024
<b>I</b>	<b>Liquidity</b>				
1	Equity ratio (400/440)	%	65.02%	64.17%	-0.85%
2	Current ratio (100/310)	%	287.81%	279.31%	-8.50%
3	Quick ratio [(100-140)/310]	%	233.16%	210.20%	-22.96%
<b>II</b>	<b>Capital Structure</b>				
1	Debt ratio (300/440)	%	34.98%	35.83%	-0.85%
2	Short – term debt ratio (310/440)	%	30.08%	29.77%	-0.31%
3	Long – term debt ratio (330/440)	%	4.90%	6.06%	1.16%
4	Fixed Assets/Total Assets ratio (200/270)	%	13.43%	16.84%	3.41%
5	Current Assets/Total Asset ratio (100/270)	%	86.57%	83.16%	-3.41%
<b>III</b>	<b>Operational Indicators</b>				
1	Inventory turnover (11/140bq)	Rounds	1.20	0.76	-0.44
2	Receivables turnover [(01+21+31)/(130+150)]	Rounds	6.69	2.63	-4.06
<b>IV</b>	<b>Debt managements indicators</b>				
1	Debt to total assets ratio (300/270)	Times	0.35	0.36	0.01
2	Short-term debt to assets ratio (310/270)	%	30.08%	29.77%	-0.31%
3	Long – term debt to assets ratio (330/270)	%	4.90%	6.06%	1.16%
4	Debt to Equity ratio (300/400)	%	53.79%	55.84%	2.05%
<b>V</b>	<b>Profitability ratio</b>		<b>9M2023</b>	<b>9M2024</b>	
1	Net Profit Margin [60/(10+21+31)]	%	6.47%	10.88%	4.41%
2	Return on Assets (ROA) (60/270)	%	4.19%	6.85%	2.65%
3	Return on Equity (ROE) (60/400)	%	6.44%	10.67%	4.23%
4	Operating Profit Margin [30/10]	%	7.67%	10.15%	2.48%
5	Operating Profit to Equity Ratio [30/400]	%	7.24%	9.48%	2.24%

**Total assets:** on September 30, 2024, amounted to VND 15,420 billion, an increase of 1.2% compared to the beginning of the year.

**Short-term liabilities:** on September 30, 2024, reached VND 4,591 billion, up 1.6% from the start of the year.

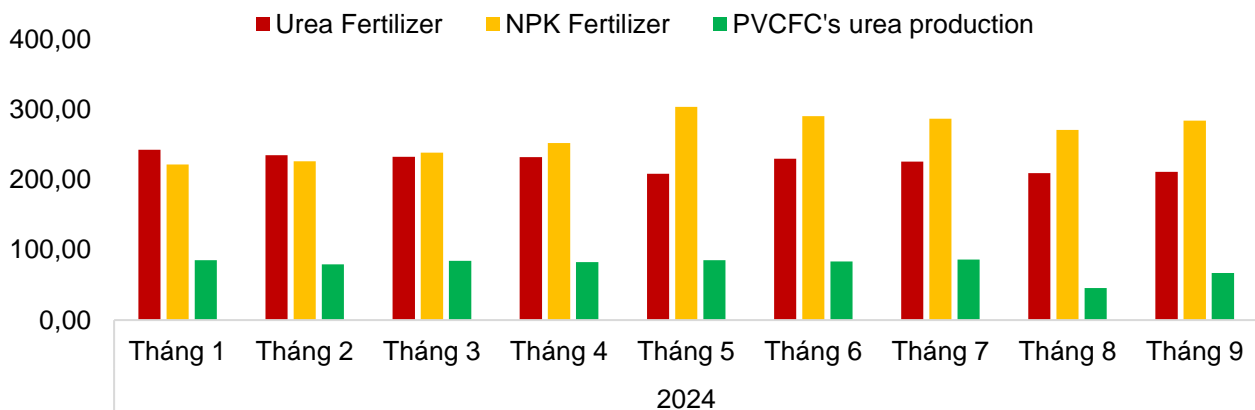
**Long-term liabilities:** on September 30, 2024, stood at VND 934 billion, up 23.4% compared to the beginning of the year.

## IV. MARKET INFORMATION FOR THE FIRST 9 MONTHS OF 2024:

### 1. SITUATION OF DOMESTIC FERTILIZER PRODUCTION:

In the first 9 months of 2024, domestic urea production is estimated to reach over 2,028 thousand tons, an 8.4% increase compared to the same period in 2023. Of this, PVCFC's urea production improved, reaching approximately 700.8 thousand tons, accounting for nearly 35% of the total urea production in the country.

The production of NPK fertilizers by domestic plants is estimated to reach 2,376.6 thousand tons, a 13.6% decrease compared to 2023.



Source: GSO

**Chart 4: Production Volume of Urea and NPK in Vietnam and PVCFC**

**First 9 Months of 2024, Thousand Tons**

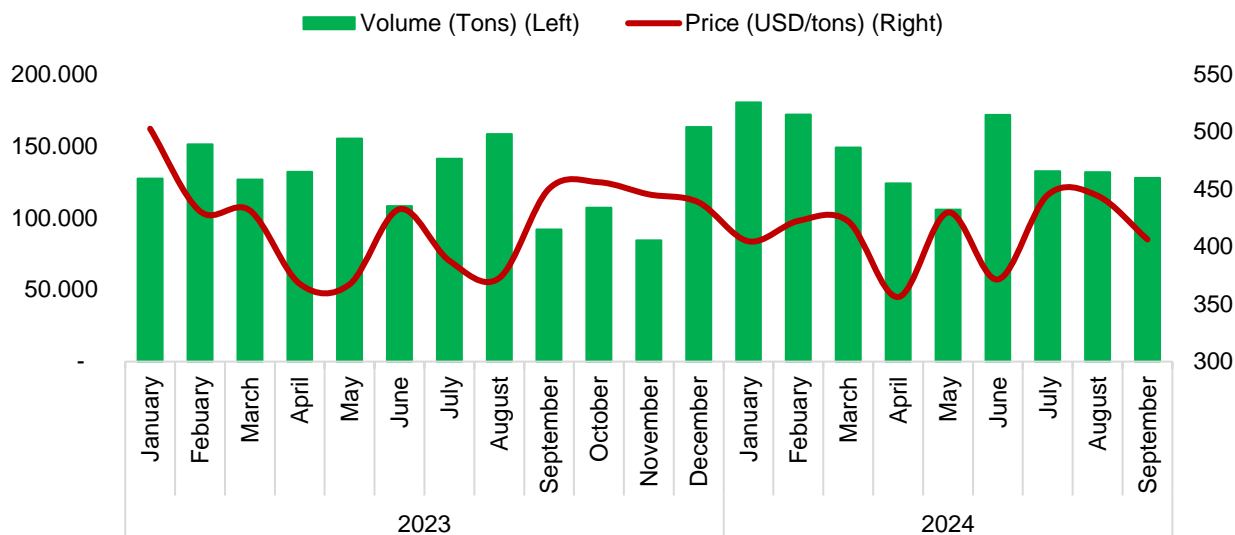
### 2. FERTILIZER EXPORT SITUATION:

According to statistics from the General Department of Customs, in the first 9 months of 2024, Vietnam exported 1,293.23 thousand tons of various fertilizers, with an export value of 530.47 million USD and an average price of 410.2 USD/ton. This represents an 8.3% increase in volume and an 8.1% increase in value compared to the same period in 2023, although there was a slight 0.4% decrease in price.

Vietnam's fertilizer exports are primarily directed to the Cambodian market, which alone accounted for 32.4% of the total export volume and 32.8% of the total export value of fertilizers in the country. In the first 9 months of 2024, exports to Cambodia reached



418,893 tons, equivalent to 174.2 million USD, with an average price of 415.9 USD/ton. This represents a 4.5% decrease in volume, a 5.8% decrease in value, and a 1.4% decrease in price compared to the same period in 2023. In September 2024, exports to this market reached 50,500 tons, equivalent to 21.07 million USD, with an average price of 417.3 USD/ton. Compared to August 2024, this marks a 0.9% increase in volume, 1.4% increase in value, and a 0.5% increase in price.



Source: General Department of Vietnam Customs

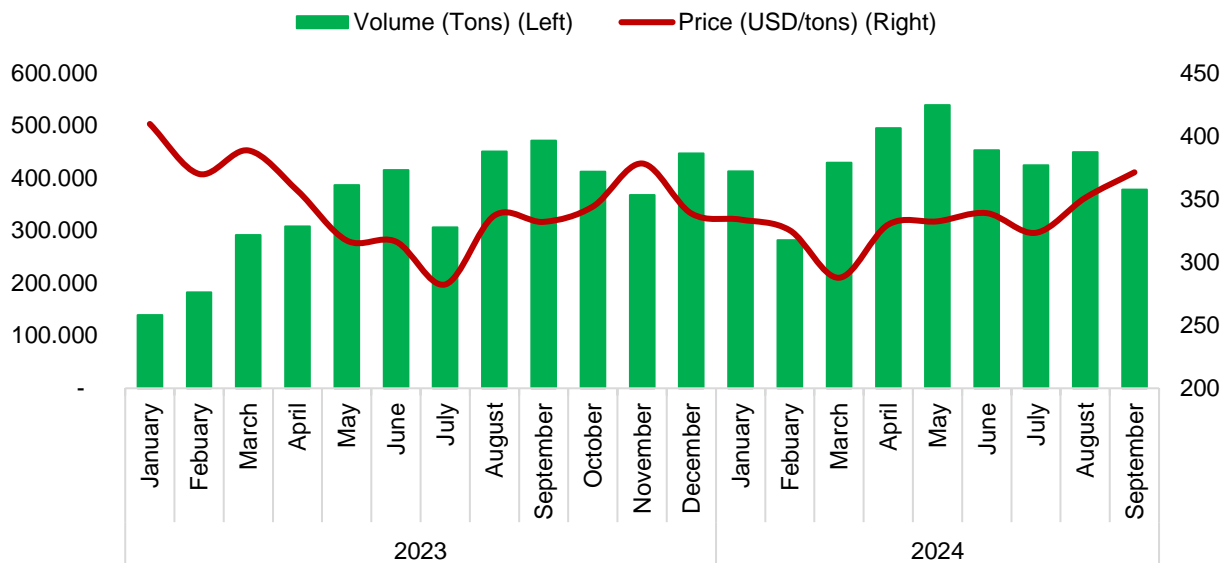
**Chart 5: Monthly Fertilizer Export Volume of Vietnam in 2023 and 2024.**

### 3. FERTILIZER IMPORT SITUATION:

According to statistics from the General Department of Customs, in the first nine months of 2024, Vietnam imported nearly 3.85 million tons of fertilizers, valued at \$1.28 billion, with an average price of \$332.2 per ton. This represents a 32.3% increase in volume, a 29.7% rise in value, but a 2% decrease in price compared to the same period in 2023. China remained the leading supplier of fertilizers to Vietnam, accounting for 42% of the total volume and 40.7% of the total import value. Imports from China reached nearly 1.62 million tons, equivalent to \$519.38 million, at an average price of \$321.2 per ton, up 13% in volume, 16.5% in value, and 3% in price compared to the same period in 2023.

Next, the Russian market ranked second, accounting for 11.6% of the total volume and 15% of the total turnover, with 447,138 tons, equivalent to 191.92 million USD, the average price was 429.2 USD/ton, up 130.2% in volume, up 109% in turnover but down 9.1% in price compared to the same period in 2023.

Overall, fertilizer imports from most markets experienced increases in both volume and value during the first nine months of 2024 compared to the same period in 2023.



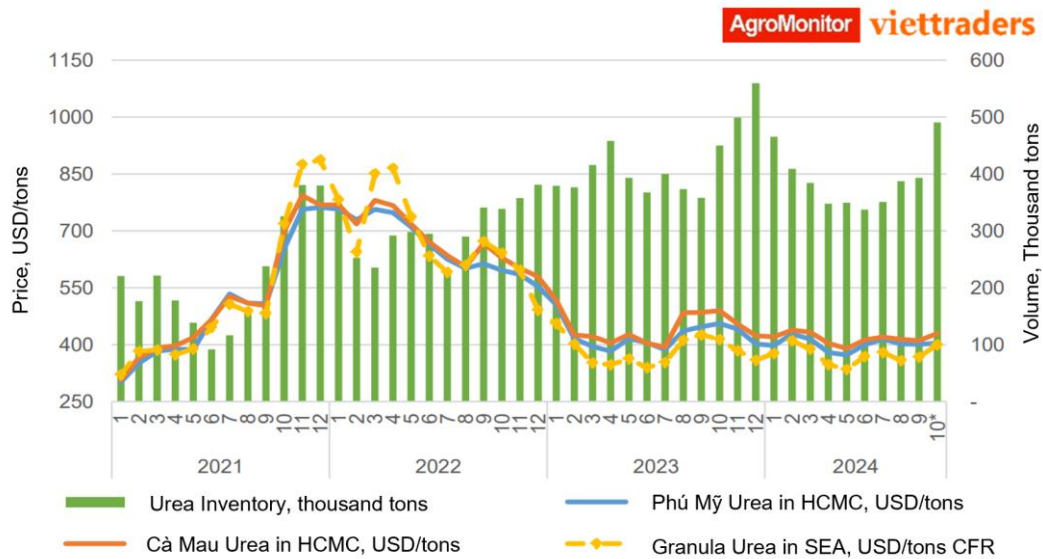
Source: General Department of Vietnam Customs

**Chart 6: Monthly Fertilizer Import Volume of Vietnam in 2023 and 2024.**

#### 4. DOMESTIC SUPPLY AND DEMAND IN Q3/2024:

In Q3 2024, the total demand for urea reached 523 thousand tons, a decrease of 27.9% compared to Q2 and 6.9% compared to the same period last year. Of the total demand, 280 thousand tons were consumed for crops, a 36% decrease (-160 thousand tons) from Q2. The amount of urea used as raw material for NPK production and industrial purposes dropped by 27.6%, amounting to 105 thousand tons. Exports fell by 1.4% compared to Q2, totaling 138 thousand tons.

The total urea supply in Q3 was 1.01 million tons, a 4.4% decrease compared to Q2. Urea inventory in Q3 ranged from 351 thousand tons to 393 thousand tons, which was higher than the inventory in Q2, which ranged from 332 thousand tons to 352 thousand tons.

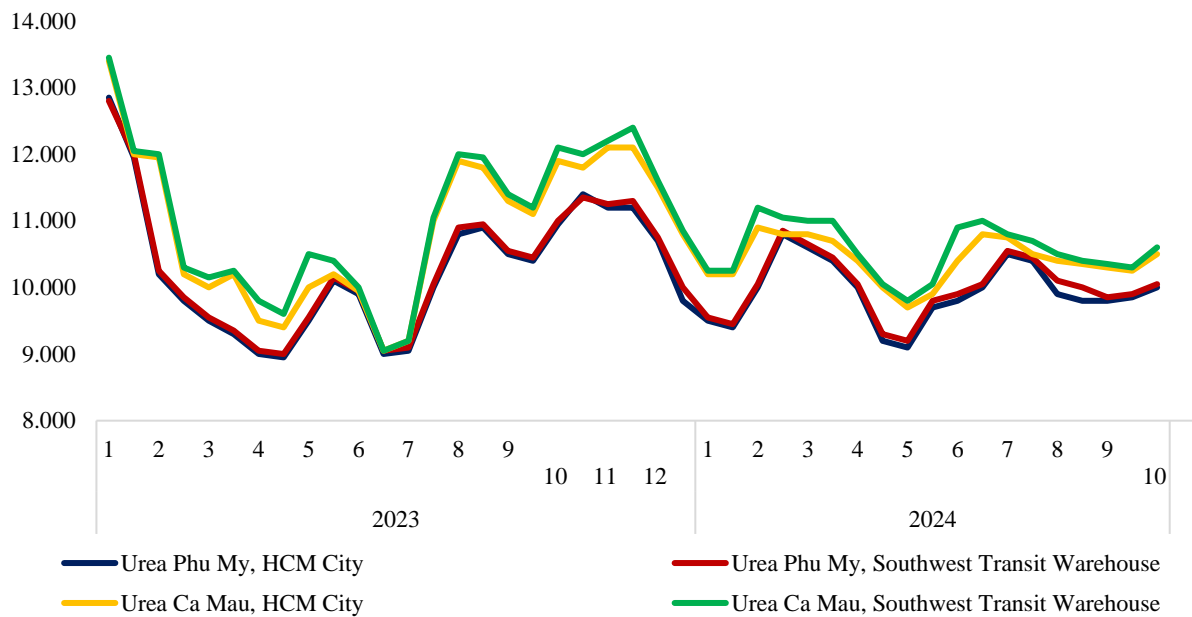


Source: AgroMonitor

**Chart 7: Correlation Between Urea Inventory at the Beginning of the Month (thousand tons), Urea Price in Vietnam, and Urea Price in Southeast Asia (USD/ton) from January 2021 to October 2024.**

### 5. UREA PRICES IN Q3/2024:

In Q3 2024, urea prices in Vietnam saw a declining trend during the first three weeks of September due to low demand, influenced by continuous heavy rainfall, especially in the northern region. However, as the market experienced a shortage of available stock due to factories supplying limited quantities and focusing on exports, urea prices began to rise at the end of September and continued to increase into early October. The price hike was further supported by a rise in global prices, driven by India's announcement of urea import tenders closing on October 3. On average, in September, urea prices in Vietnam decreased by about 50-350 VND/kg (1-4%) compared to August.



Source: Agromonitor

Chart 8: Urea Price Trend in Vietnam in 2023-2024.

## 6. SHORT-TERM TREND FORECAST

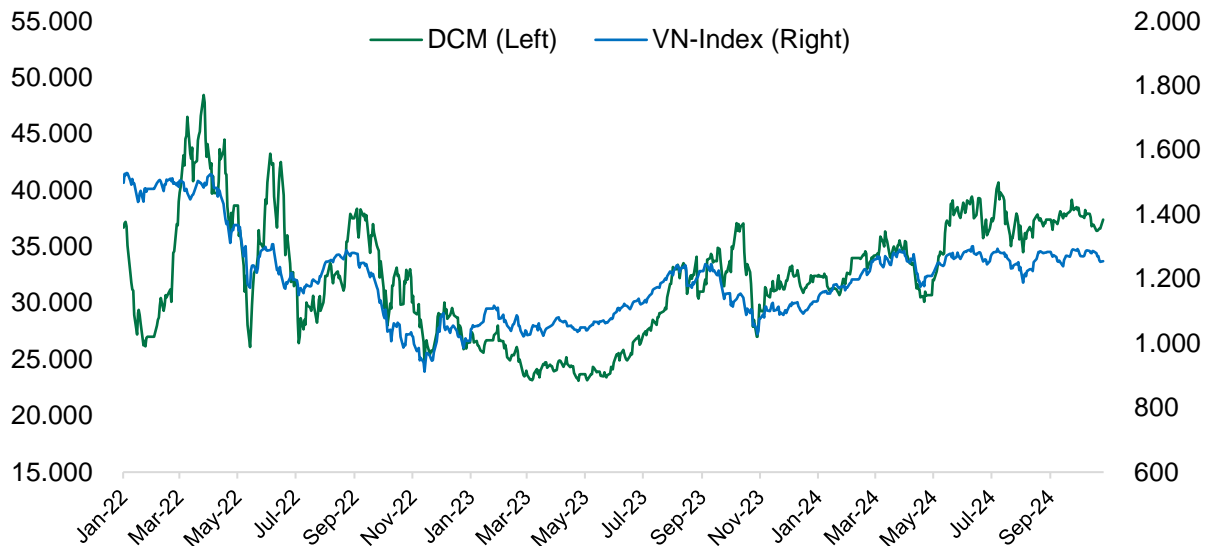
As of early October 2024, inventory levels stood at 490,000 tons, the highest level since the beginning of the year. The country's urea production in October is forecasted to increase to 210,000 tons, a 5% rise compared to September, as no maintenance activities are scheduled at the plants during this month. Urea imports in October are expected to reach approximately 30,000 tons, down from 32,200 tons in September.

Total urea demand in October 2024 is projected to reach 224,000 tons, marking a 65.9% increase compared to September. Of this, consumption for crops in October is estimated at about 90,000 tons, a slight increase of 20,000 tons compared to September, as demand for urea is expected to begin rising in early Winter-Spring rice-sowing regions. However, direct consumption remains low. The amount of urea used as raw material for NPK fertilizer and industrial production is forecasted to increase to 45,000 tons, as NPK plants ramp up capacity to meet demand for crop care during the peak Winter-Spring season. Exports in October are expected to double compared to September, reaching an estimated 90,000 tons.

Inventory levels in October 2024 are expected to continue rising slightly. However, early October brought many positive signals from the global market, such as increased Indian bidding prices, China's continued restrictions on exports, and forecasted global price increases in October and November. Additionally, Southeast Asian urea offers to Vietnam are also on the rise, which is anticipated to support domestic prices.

## V. DCM SHARES AND STOCK MARKET:

The price movement of DCM stock and the VNINDEX index over the past 3 years.



Source: Bloomberg  
 \* Updated until 31/12/2023

### MARKET TRENDS

The Vietnamese stock market in Q3 2024 experienced a period of significant volatility, with the VN-Index showing strong fluctuations, including a sharp drop of over 113 points from its peak. By the end of September, the VN-Index closed at 1,287.94 points. The average trading volume in September reached over 643 million shares per day, with the average daily transaction value exceeding VND 15.918 trillion. This represented a decrease of 0.95% in volume and 3.39% in value compared to August 2024. The market capitalization of stocks on the Ho Chi Minh Stock Exchange (HOSE) reached over VND 5.28 trillion by the end of September 2024, equivalent to 51.7% of the 2023 GDP (at current prices), accounting for more than 94.12% of the total market capitalization of listed stocks.

As of September 30, 2024, the Ho Chi Minh Stock Exchange (HOSE) had 503 securities listed and traded, including 394 stock codes, 4 closed-end fund certificates, 16 ETF fund certificates, and 89 covered warrants. The total volume of listed securities reached over 164 billion shares.

### DCM SHARES' TRENDS

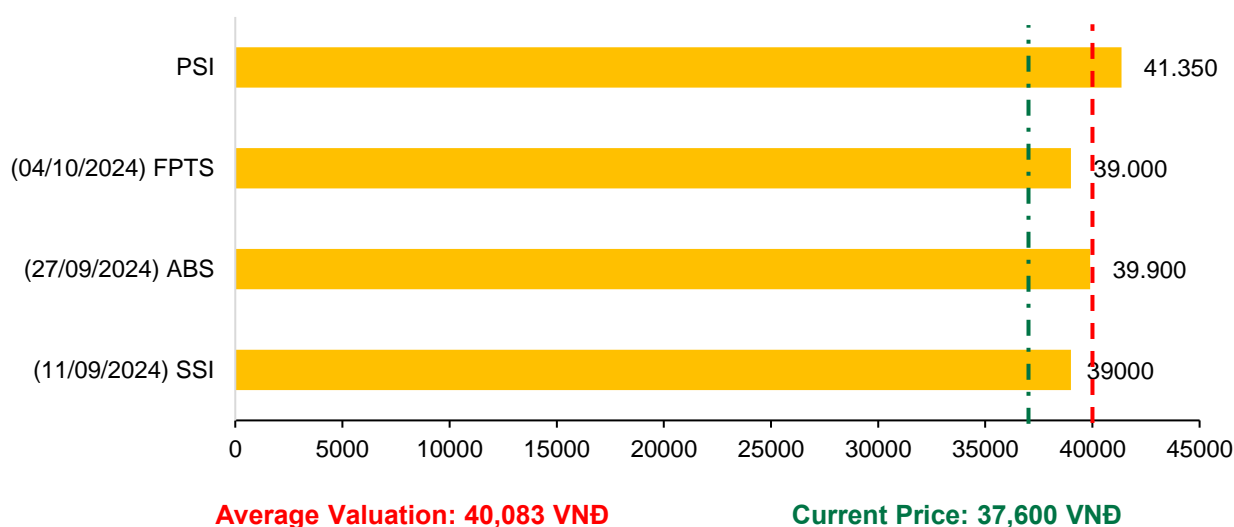
At the close of trading on September 30, 2024, DCM shares closed at VND 38,500 per share, marking an increase of 25.2% compared to the end of 2023. The liquidity of DCM shares showed a slight increase in September, with an average trading volume of 4,067,100 shares (+0.01% MoM) and an average daily transaction value of VND 154.31 billion (+3.32% MoM).

The market capitalization of DCM shares in September rose to VND 20,382 billion, maintaining its position as the leader in the fertilizer sector.

## DCM STOCK FROM THE FUNDAMENTAL PERSPECTIVE OF SECURITIES COMPANIES

According to the analysis report of DCM stock from securities companies in the past 3 months, the 1-year target price of DCM stock averages around 40,083 VND per share, which is 6.6% higher than the closing price on October 30, 2024.

### Summary of DCM Stock Valuation Analysis Report.



*Source: Compiled from independent analysis reports of securities companies in the most recent month*

In the latest update report from PetroVietnam Securities (PSI), DCM stock is evaluated as a company with sustainable growth and positive growth prospects, thanks to improvements in gross profit margins. In the most recent update report, FPT Securities (FPTS) maintains a positive outlook on DCM stock, with strong revenue growth forecasted for the NPK segment (+54% YoY) due to the consolidation of results from the Han Viet NPK plant, which will increase NPK production capacity by +120%, reaching 660,000 tons per year, and expand markets into the Southeast, Central, and Central

Highlands regions. An Binh Securities also provides an optimistic outlook for DCM stock, based on factors such as the company benefiting from changes in the Value-Added Tax Law and the optimistic prospects for the urea fertilizer segment, as the profit margin is expected to improve due to the depreciation of the urea fertilizer production plant ending.

In addition, the company plans to pay a cash dividend of at least 10% for the year 2024. This will be an attractive point for investors seeking stability during the challenging period of the market.

### DISCLAIMER

This newsletter contains forward-looking statements that may involve risks, uncertainties, and factors beyond the Company's control. Investors/readers should not consider these forward-looking statements as events that will definitely occur or as a guarantee of future performance./.



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