true friend KIS Viet Nam Securities Corporation

Company Brief

28 Jul 2026

Duc Giang Chemical (DGC)

Revenue and earnings in line with expectations

2Q26: mining sites suspension continue to take impact

- 2Q26 revenue declined to VND2,415bn (-17% yoy, +14% qoq, ~112% of KIS forecast).
- Phosphorus-equivalent sales volume is estimated to have declined by approximately 25–40% yoy, mainly due to lower production following management changes and the suspension of DGC's mining sites for investigation.
- Gross profit reached VND456bn (-54% yoy, -7% qoq), with GPM contracting to 18.9% (-15.0%p yoy, -4.1%p qoq).
- NPAT came in at VND441bn (-51% yoy, +2% qoq, ~109% of KIS forecast).
- The earnings decline mainly reflects DGC's reliance on 100% externally sourced/imported ore after its mining sites were suspended. In addition, higher electricity, sulfur, and ammonia costs further increased COGS, according to the company's explanation.

AGM 2026 material

- In its recently released 2026 AGM materials, DGC targets 2026 revenue of VND10,100bn and NPAT of VND1,600bn, representing declines of 10% yoy and 50% yoy, respectively.
- We believe this guidance implies management expects sales volume and profit margins in 3Q–4Q26 to remain broadly in line with those recorded in 1H26, as elevated input costs are likely to persist while the company continues to rely on externally sourced/imported ore.
- DGC also proposed a 2025 cash dividend of 80% (of which 30% was paid in late 2025), while the planned 2026 cash dividend is 30%.

12M rating	Non-rated
12M TP	N/A

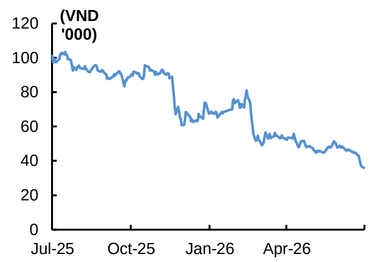
Stock Statistics

VNIndex (27 Jul, pt)	1,669
Stock price (27 Jul, VND)	36,000
Market cap (USD mn)	515
Shares outstanding (mn)	380
52-Week high/low (VND)	103,379/36,000
6M avg. daily turnover (USD mn)	7.58
Free float / Foreign ownership (%)	60.0/4.4
Major shareholders (%)	
Dao Huu Huyen	18.38
Ngo Thi Ngoc Lan	6.64
Dao Huu Kha	5.97

Performance

	1M	6M	12M
Absolute (%)	(24.5)	(47.7)	(64.4)
Relative to VNIndex (%p)	(14.2)	(38.2)	(71.5)

Stock price trend



Source: FiinproX

	2021A	2022A	2023A	2024A	2025
Sales (VND bn)	9,550	14,444	9,748	9,865	11,262
chg. (% YoY)	53.1	51.2	(32.5)	1.2	14.2
Operating profit (VND bn)	2,542	5,998	2,856	2,832	2,998
Net profit (VND bn)	2,514	6,037	3,252	3,107	3,189
EPS (VND)	6,047	13,774	7,699	7,810	7,893
chg. (% YoY)	5	128	(44)	(4.0)	1.1
EBITDA (VND bn)	2,821	6,283	3,204	3,787	3,958
PE (x)	4.3	6.2	13.4	11.1	5.5
EV/EBITDA (x)	3.8	5.4	13.1	9.6	6.2
PB (x)	1.6	3.3	3.5	1.3	1.2
ROE (%)	47.8	67.3	28.1	19.8	18.0
Dividend yield (%)	2.4	1.2	4.3	9.4	2.6

Source: FiinproX, KIS Research

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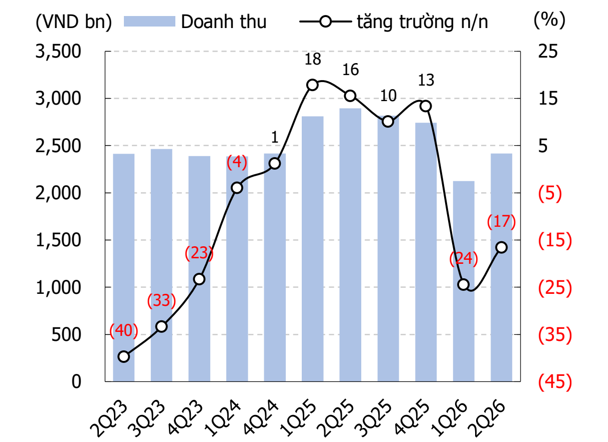
Table 1. Quarterly earnings snapshot (VND bn, %, %p)

	2Q25	3Q25	4Q25	1Q26	2Q26	qoq	yoy
Sales	2,894	2,817	2,741	2,125	2,415	14	(17)
OP	852	731	587	342	330	(4)	(61)
OP margin	29.4	26.0	21.4	16.1	13.7	(2.4)	(15.7)
EBT	986	901	740	498	507	2	(49)
NPAT	891	804	657	430	441	2	(51)

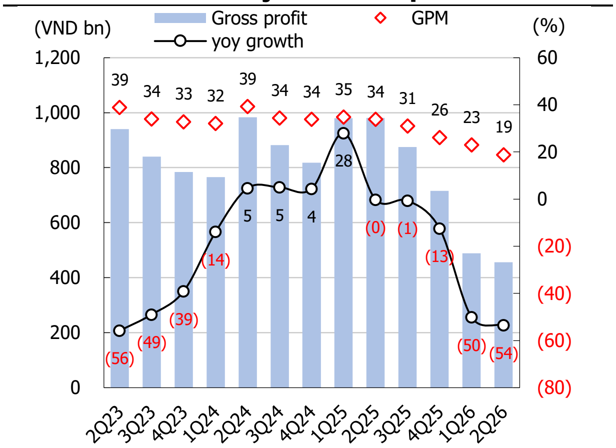
Source: FiinproX, KIS Research

Figure 1. 2Q26 Revenue dropped 17% yoy due to much lower selling volume



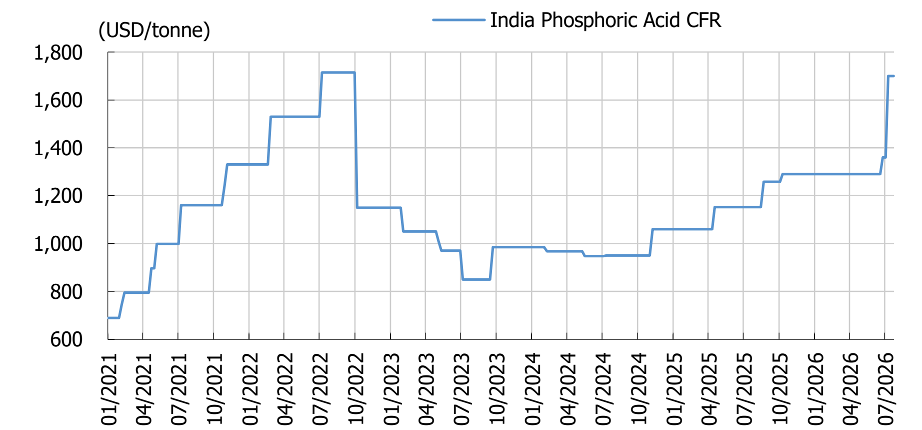
Source: FiinproX, KIS Research

Figure 2. Gross profit dropped by a drastic 54% yoy, GPM shrank to 19% yoy, due to lower volume and 100% use of externally sourced/imported ore



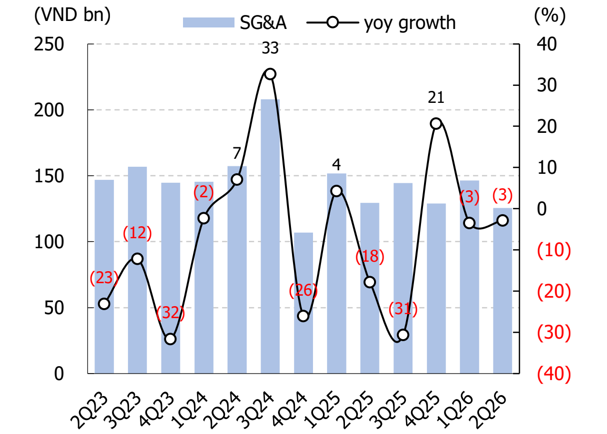
Source: FiinproX, KIS Research

Figure 3. India Phosphoric acid price rose by 14% yoy in 2Q26, indicating more favorable selling prices for phosphor sellers like DGC



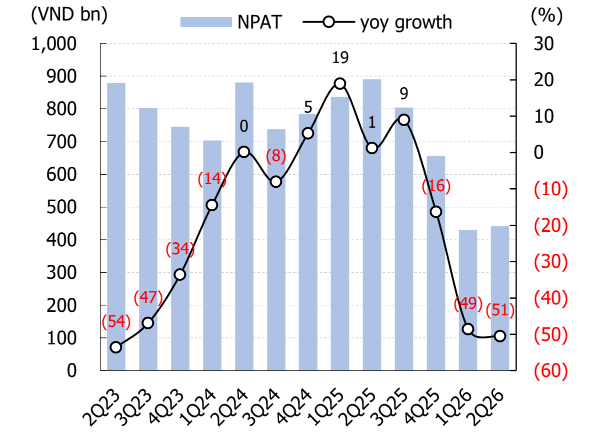
Source: Bloomberg, KIS Research

Figure 4. SG&A almost went flat yoy



Source: FiinproX, KIS Research

Figure 5. 2Q26 NPAT dropped 51% yoy, pressured by shrunken margins and lower production



Source: FiinproX, KIS Research

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