

**Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (HSX: DBD)**
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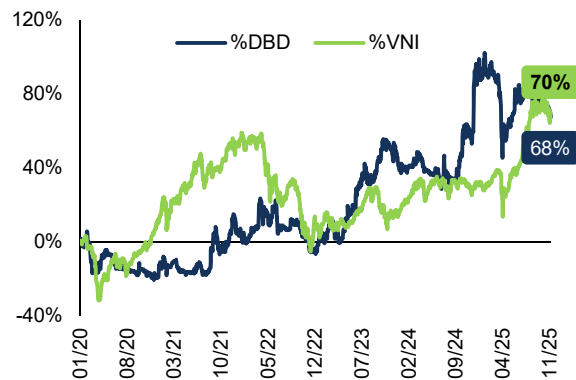
Report approver:

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**Chart 1: DBD price fluctuations & VNIndex**


Transaction information		25/11/2025
Closing price (VND/share)		50,500
52-week high price (VND/share)		59,786
52-week low price (VND/share)		43,055
Number of listed shares (Million)		94.53
Number of outstanding shares (Million)		94.53
Average 30-day trading volume (shares/day)		17,063
Foreign ownership ratio (%)		15.02
Capitalization (billion VND)		4,774
Trailing 12-month EPS (VND/share)		3,120
Trailing 12-month P/E		16.51x

**Business Overview**

Name	Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company
Address	498 Nguyen Thai Hoc, Quy Nhon Nam Ward, Gia Lai Province
Main business activities	Production and trading of pharmaceuticals and medical equipment

Current price:

**50,500**

Target price:

**65,000**

Increase/(Decrease):

**+28.7%**
**Recommendations**
**BUY**
**MAINTAINING GROWTH & PROSPECTS FROM EU-GMP STANDARD PRODUCTION LINES**

We recommend **BUY** for Binh Dinh Pharmaceutical and Medical Equipment JSC (HSX: DBD) with a target price of **65,000 VND /share, 28.7%** higher than the closing price on November 25, 2025, based on the FCFF and FCFE discounted cash flow methods ([detail](#)).

**BUSINESS RESULTS PROSPECTS**

**Revenue – Maintained growth thanks to demand for key drug lines in the ETC channel and EU-GMP chains** ([detail](#))

✓ **DBD's revenue in 4Q2025 is estimated to reach 491.2 billion VND (+2.8% YoY), mainly driven by the ETC channel (329 billion VND, +3.5% YoY), fueled by demand for oncology drugs and antibiotics. For the full year 2025, revenue is projected to reach 1,847 billion VND (+6.9% YoY), benefiting from stable demand in key drug categories and increased health insurance coverage, which supports sustained positive growth in the ETC channel output, reaching 1,229 billion VND (+10.2% YoY).**

✓ Looking ahead to **2026**, prospects are improving, with **projected revenue reaching 2,004 billion VND (+8.5% YoY); the ETC channel alone is expected to hit 1,376 billion VND (+12% YoY) thanks to an expanded oncology drug portfolio. Over the 2026-2030 period, revenue is set to grow strongly at a CAGR of 17.3% per year, as EU-GMP standard production lines enable DBD to participate in bidding groups 1 and 2, securing better selling prices and market share**

**Profit – Easing API price pressure helps improve margins** ([detail](#))

✓ We expect gross profit to improve from **4Q2025, reaching 252.4 billion VND (+16.6% YoY), with a gross margin of 51.4%** thanks to stable antibiotic API prices and reduced pressure from rising oncology API prices. For the full year **2025, gross profit reaches 910.4 billion VND (+9.3% YoY), with a gross margin of 49.3%**

✓ Moving into **2026, gross profit is forecasted at 989.4 billion VND (+8.7% YoY), with a gross margin of 49.4%.** Over the **2026-2030 period**, as EU-GMP standard production lines boost competitiveness and enable higher selling prices, gross profit could grow at a **CAGR of 16.4% per year, maintaining a gross margin of 48.5%.**

**TRACKING FACTOR**

Main costs	Input costs of active pharmaceutical ingredients (APIs)	✓
Main risks	Input APIs price fluctuations	

Shareholder structure	(%)
Internal shareholders	16.3%
Investment Funds & Securities Companies	13.9%
Gia Lai Provincial Development Investment Fund	13.2%
Other	56.6%

✓ **Fluctuations in imported API costs** significantly impact DBD's business performance, as they account for approximately 42.6% of the company's cost of goods sold. In 3Q2025, oncology API prices had a strong negative effect on DBD's profit margins..

✓ **Progress on EU-GMP compliance progress for oncology drug and antibiotic production lines.** Current progress is slower than expected, but we still anticipate the injectable oncology drug line to be approved and operational by the end of 2027. The two antibiotic drug lines are projected to be completed in 2028-2029, supporting revenue growth in the 2026-2030 period with a forecasted CAGR of 29.3% for the oncology drug group and 24.8% for the antibiotic drug group.

#### UPDATE BUSINESS RESULTS 9M2025

DBD entered 4Q2025 with a stable growth foundation. Although **Q3 profit margins were under pressure from rising oncology API prices**, the first 9-month results **were still positive** thanks to revenue from oncology drugs, antibiotics, and dialysis solutions at the ETC channel. [\(detail\)](#).

## I. BUSINESS OVERVIEW

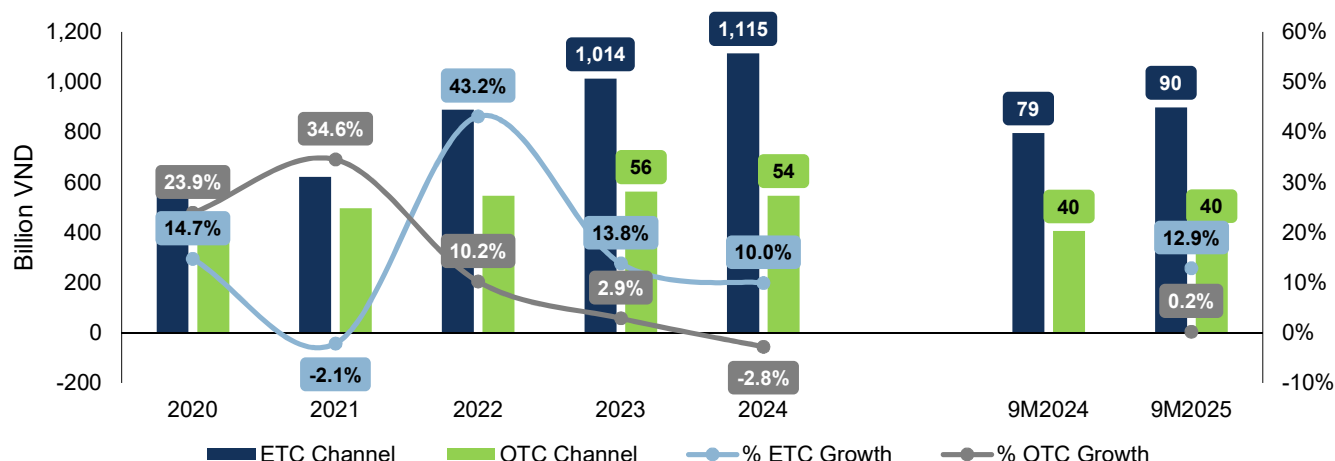
**Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (HSX: DBD) is a pharmaceutical manufacturing enterprise with a highly concentrated revenue structure, primarily derived from specialized treatment drug products.** In the first nine months of 2025, the self-produced pharmaceutical segment accounted for approximately 96.5% of DBD's net revenue, with the three main product groups—oncology drugs, antibiotics, and dialysis solutions <sup>1</sup>contributing 36.0%, 22.0% and 17.8% respectively.

DBD's business operations are conducted through two **primary distribution channels: ETC and OTC**, with the **ETC channel playing the dominant role**.

- (1) **The ETC channel (accounting for 56.9% of net revenue in the period 2020-9M2025)** mainly includes specialty products such as oncology drugs, intravenous antibiotics and dialysis solutions. These products are currently only participating in bidding groups 3-5 because DBD's factory has just met WHO-GMP standards. ETC revenue in 2024 will reach 1,115 billion VND (+10.0% YoY) and in the first 9 months of 2025 will reach 900 billion VND (+12.9% YoY), thanks to stable consumption of key drug groups.
- (2) **The OTC channel (accounting for 32.2% of net revenue over the 2020-9M2025 period)** primarily serves private pharmacy systems and pharmacy chains through a pharmaceutical team. Products that sell strongly in this channel include oral antibiotics, vitamins, and bone and joint drugs. In 2024, OTC revenue reached 548.1 billion VND (-2.8% YoY) and in the first nine months of 2025 reached 408.0 billion VND (+0.2% YoY), reflecting the slow recovery of consumer demand in the context of economic stagnation.

**Chart 2: ETC channel drug lines are the main revenue growth driver**

<sup>1</sup>Dialysis solution: Products for treating chronic kidney disease, including: peritoneal dialysis and hemodialysis (blood filtration used in artificial kidneys and continuous hemodialysis).



Source: DBD, FPTs research

**The less positive results in the OTC channel largely stem from internal limitations in DBD's product portfolio and competitive capabilities.** The company's main drug lines, such as oncology drugs, injectable antibiotics, and dialysis solutions, are primarily sold through the ETC channel, while the OTC segment mainly consists of oral generic drugs—a highly competitive segment with low prices and easily replicable formulas. The fact that the factories only meet WHO-GMP standards makes it difficult for DBD's products to participate in higher bidding groups, leading to lower competitive advantages compared to domestic and imported enterprises.

In addition, **DBD's customer network remains focused on traditional pharmacies**, while the expansion speed of modern pharmacy chains is increasing rapidly, creating significant pressure on the growth potential of the OTC channel.

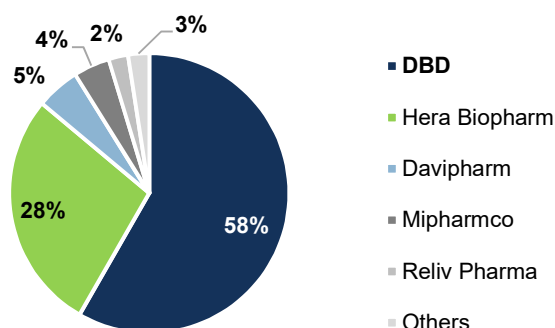
**DBD announces information quite promptly about business results and short-term business prospects.** In addition to financial reports, the company regularly updates pharmaceutical sales revenue by consumption channels through quarterly "Investor Bulletins."

## 1. DBD holds a leading position in domestic oncology drug production but is still limited to the low-value segment

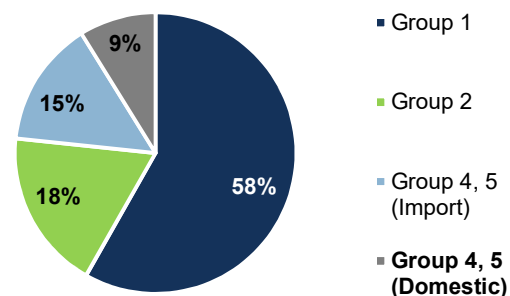
**DBD is leading the market share in oncology drug production among domestic enterprises thanks to its pioneering advantages in research and technology investment.** As early as 2008, when most domestic enterprises lacked sufficient clinical data on chemotherapeutic active ingredients, DBD proactively accessed international research data sources and invested early in production lines for lyophilized injectable infusion drugs—the core technology in producing oncology treatment drugs. Thanks to this early move, DBD currently produces approximately 14 oncology treatment active ingredients—the most among domestic enterprises—and holds the largest market share (58.3%) among domestic enterprises participating in bidding groups 4 and 5 for oncology drugs in the ETC channel.

**Chart 3: DBD leads market share in oncology drugs groups 4, 5 (Domestic) in ETC channel (9M2025)**

**Chart 4: Oncology drug market share by bid group in ETC channel (9M2025)**



Source: DAV, FPTs research



Source: DAV, FPTs research

However, DBD's advantages are mainly concentrated in the low-value oncology drug segment, due to limitations in production standards. The company's oncology drug production lines currently only meet WHO-GMP standards, which is insufficient to participate in higher-value bidding groups (groups 1, 2), where the majority are original branded drugs and high-end generic drugs imported from the EU, India, and Australia. Therefore, despite maintaining a leading position among domestic enterprises, DBD only holds 5.2% of the overall market share in the oncology drug line in the ETC channel, with a significantly smaller scale of participation compared to the high-value oncology drug segments.

## 2. Projects to upgrade factories to EU-GMP standards are key drivers for DBD's long-term growth

DBD is gradually upgrading three production lines to achieve EU-GMP standards during the 2027-2030 period, opening up opportunities to expand market share and penetrate high-end markets. The three lines include: Chemotherapy drugs, small-volume sterile injectable antibiotics, and non-betalactam tablets. Achieving EU-GMP standards will enable DBD to qualify for bidding groups 1 and 2—segments with higher selling prices and profit margins—while also laying the foundation for exporting to European markets, elevating the company's position in the domestic pharmaceutical industry.

Among them, the injectable oncology drug line is the key project and is likely to be completed the earliest among the three lines. Currently, DBD is finalizing some software components (data recording and preservation) and seeking a partner to validate this software. After completing the software and validation, the dossier will be submitted for final approval, expected to take 12-24 months, and the line will achieve EU-GMP standards at the latest by the end of 2027. ([Appendix 1: Progress of EU-GMP approval for injectable oncology drug plant](#)).

The small-volume sterile injection line and the non-betalactam tablet line will be completed in turn in the 2028-2029 period, creating the next source of growth for the enterprise. Of which, the small-volume sterile drug line with a total investment of 840 billion VND, started construction in December 2023, has completed construction and is in the installation and equipment appraisal phase, expected to meet EU-GMP standards by the end of 2028. The non-betalactam tablet line with a total investment of 870 billion VND is expected to start construction in 2025 and meet EU-GMP standards at the earliest by the end of 2029.

**Table 1: EU-GMP standard production lines expected to be completed in the period 2027-2030**

Production Line	Product	Expected standards	Design capacity	Current progress	Expected year of operation
Chemotherapy drugs	Injectable chemotherapy	EU-GMP	3 million products/year	Finalizing software setup and looking for partner approval	2027
Small-volume sterile drugs	Injectable antibiotics	EU-GMP	120 million products/year	Factory machine completed, installation	2028

				and appraisal in progress
Non Betalactam Tablets	Antibiotic tablets	EU-GMP	1,300 million products/year	Expected to start construction in 2025
				2029

Source: DBD, FPTs research

## II. UPDATE BUSINESS RESULTS

### 1. High level of business plan completion in 2025

**DBD sets a target for 2025 revenue to remain flat and profit before tax to increase by 4.7% YoY, reflecting a cautious and realistic orientation.** This plan is evaluated as appropriate to the company's existing capabilities amid the slowing growth of the domestic pharmaceutical market. In 2024, the entire industry recorded only about 3% growth, significantly lower than the post-pandemic recovery period (11%), while average industry profit declined by 8% YoY—indicating that the business environment still faces considerable pressures from costs and consumer demand.

**In addition, DBD's short-term growth potential is further limited by untapped new capacity.** The production lines currently undergoing upgrades to meet EU-GMP standards are expected to begin operations from 2027 onward, making it difficult for business results in the 2025-2026 period to achieve breakthroughs. Therefore, the company's modest growth plan is seen as reasonable, helping to maintain financial stability while awaiting the effectiveness of new projects.

**Table 2: DBD's business plan in 2025**

Unit: Billion VND	2025 plan	% vs. 2024 plan	% compared to 2024 plan	% 9M2025 compared to 2025 plan
Net revenue	2,000	+10.1%	-	70.5%
Profit before tax	335	+3.1%	+4.7%	81.8%

Source: DBD, FPTs research

### 2. Update business results 9M2025 ([back](#))

► **DBD's profit margin slightly decreased in Q3/2025 due to increased raw material prices, but 9-month results still maintained positive growth thanks to a positive first half of the year**

**In the third quarter of 2025, DBD recorded a decline in gross profit margin due to rising input costs, though the cumulative results for the first nine months still demonstrated stable growth.** Specifically, imported API prices for oncology treatment drugs increased due to a contraction in global supply, leading to higher production costs while selling prices have not been adjusted accordingly. Nevertheless, drug sales revenue in the quarter still rose slightly year-over-year, supported by stable demand for key drug lines.

**Overall for the first nine months of 2025, DBD's business results remained positive compared to the same period, reflecting a stable operational foundation.** The company recorded revenue of 1,410 billion VND (+8.3% YoY), achieving 70.5% of the annual plan; gross profit reached 657.9 billion VND (+6.8% YoY), with a gross profit margin of 48.5% (-0.8 percentage points YoY).

**Table 3: Business results in the first 9 months of 2025 maintained positive growth**

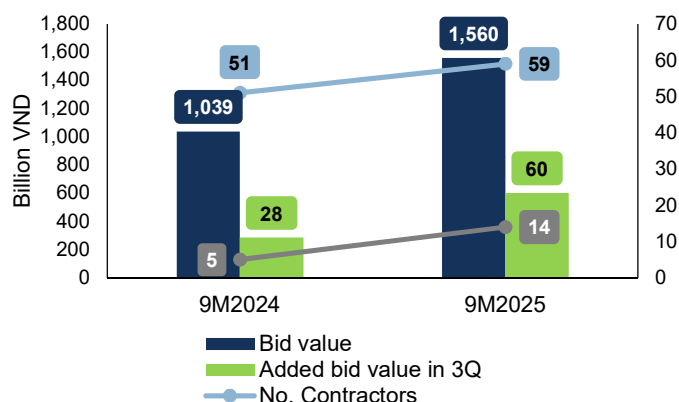
Unit: Billion VND	3Q2025	3Q2024	%YoY	9M2025	9M2024	%YoY	%2025 plan
Total revenue	457.0	451.2	+1.3%	1,409.6	1,301.8	+8.3%	70.5%
Net revenue	439.7	432.8	+1.6%	1,355.3	1,249.6	+8.5%	

Revenue from sales of self-produced drugs	419.3	415.6	+0.9%	1,308.0	1,204.2	+8.6%	
ETC Channel	294.5	281.8	+4.5%	900.0	797.1	+12.9%	
OTC Channel	124.8	133.9	-6.8%	408.0	407.1	+0.2%	
Gross profit	187.3	214.4	-12.7%	657.9	616.1	+6.8%	
Gross profit margin	42.6%	49.5%	-6.9 ppt	48.5%	49.3%	-0.8 ppt	
Selling expenses	(88.1)	(110.6)	-20.4%	(313.8)	(304.0)	+3.2%	
General & Administration expenses	(23.6)	(21.0)	+12.4%	(77.8)	(66.9)	+16.4%	
Operating Profit	75.6	82.9	-8.7%	266.3	245.2	+8.6%	
Financial revenue	9.1	3.4	+169.7%	18.3	8.7	+109.6%	
Financial costs	(4.1)	(4.7)	-13.8%	(10.8)	(12.7)	-15.3%	
Interest expenses	(1.3)	(0.8)	+63.9%	(2.8)	(3.1)	-7.4%	
Profit before tax	71.5	88.4	-19.1%	274.1	254.3	+7.8%	81.8%
Net profit after tax	59.6	74.9	-20.5%	230.8	214.0	+7.8%	
Net profit margin	13.5%	17.3%	-3.8 ppt	17.0%	17.1%	+0.1 ppt	

Source: DBD, FPTs research

► ETC channel (66.4% of net revenue 9M2025) – Maintaining positive results from key drug lines

**Chart 5: Bid value in the ETC channel continues to rise YoY**



Source: Department of Drug Administration, FPTs research

In Q3/2025, ETC revenue reached 294.5 billion VND (+4.5% YoY) and accumulated 9 months reached 900 billion VND (+12.9% YoY).

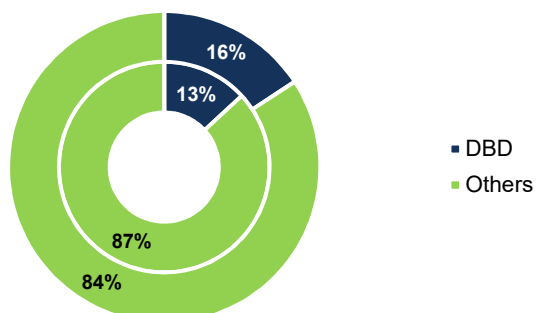
In the third quarter of 2025, ETC revenue reached 294.5 billion VND (+4.5% YoY), with the cumulative figure for the first nine months reaching 900.0 billion VND (+12.9% YoY). This growth was primarily driven by recovery in the oncology drug and dialysis solution lines, while the antibiotic group recorded slight fluctuations due to competitive pressures and hospital policies controlling antibiotic use.

The total value of winning bids for DBD in the ETC channel reached 1,560 billion VND (+50.1% YoY) in the first nine months of 2025, with Q3/2025 seeing a strong increase to 603.1 billion VND (+111.2%



YoY) despite temporary disruptions from the merger of certain local administrative units.

**Chart 6: Chemotherapy drug market share improved in 9M2025 (outer ring) vs. 2024 (inner ring)**



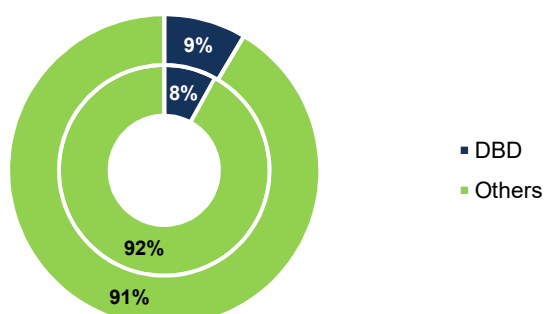
Source: Department of Drug Administration, FPTs research

**Chemotherapy drugs continue to be the main growth driver of DBD's ETC channel thanks to market share advantage and increased treatment demand.**

Revenue for the first nine months of 2025 is estimated at 324.0 billion VND (+12.9% YoY), supported by DBD maintaining its leading position in bidding groups 4 and 5.

Over the nine months, DBD's market share in chemotherapeutic drugs in the ETC channel reached 15.8%, up 2.6 percentage points from 2024, reflecting strong market share expansion amid the ongoing annual increase of 4-5% in oncology incidence cases in Vietnam (according to Globocan and Ministry of Health reports).

**Chart 7: Antibiotics groups 3-5 market share maintained in 9M2025 (outer ring) vs. 2024 (inner ring)**

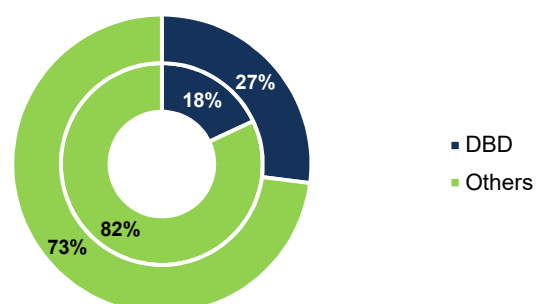


Source: Department of Drug Administration, FPTs research

**In contrast, DBD's antibiotic drug line recorded underwhelming results due to market saturation and stricter controls on antibiotic use in hospitals.**

Revenue for the first nine months reached 198.0 billion VND (-0.6% YoY), despite a slight increase in market share to 8.5% (+0.5 percentage points from 2024). Antibiotic products in bidding groups 3–5 have a high degree of similarity, with competition primarily driven by price, leading to reduced profit margins for participating manufacturers and limited growth potential.

**Chart 8: Dialysis solution market share expanded significantly in 9M2025 (outer ring) vs. 2024 (inner ring)**



Source: Department of Drug Administration, FPTs research

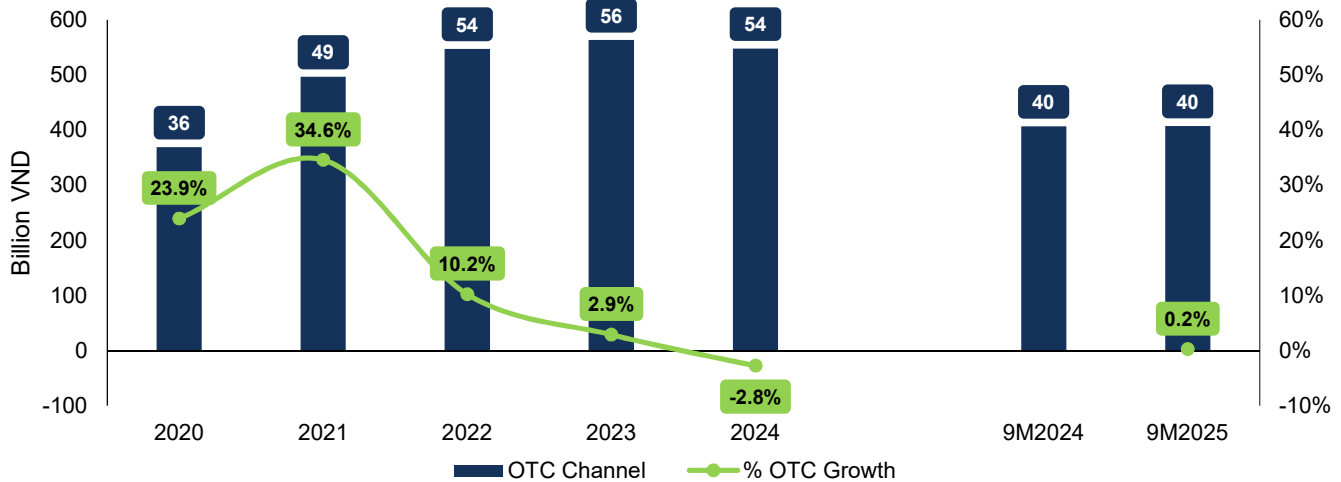
**The dialysis solution line recorded positive growth, making a positive contribution to the overall channel revenue.**

Revenue for the first nine months is estimated at 160.6 billion VND (+21.6% YoY), with a market share of 27.0% (+9.0 percentage points from 2024) and reaching 75.1% when considering only the market share in bidding groups 3-5.

DBD currently has an advantage in producing 2/3 of the commonly used kidney dialysis solutions, amid the continued increase in demand for chronic kidney disease treatment in Vietnam, helping the company strengthen its position in this segment.

► OTC channel (30.1% of net revenue 9M2025) – OTC revenue maintained a slight increase amid the rapid expansion of pharmacy chains

**Chart 9: OTC revenue growth shows signs of deceleration**



Source: DBD, FPTs research

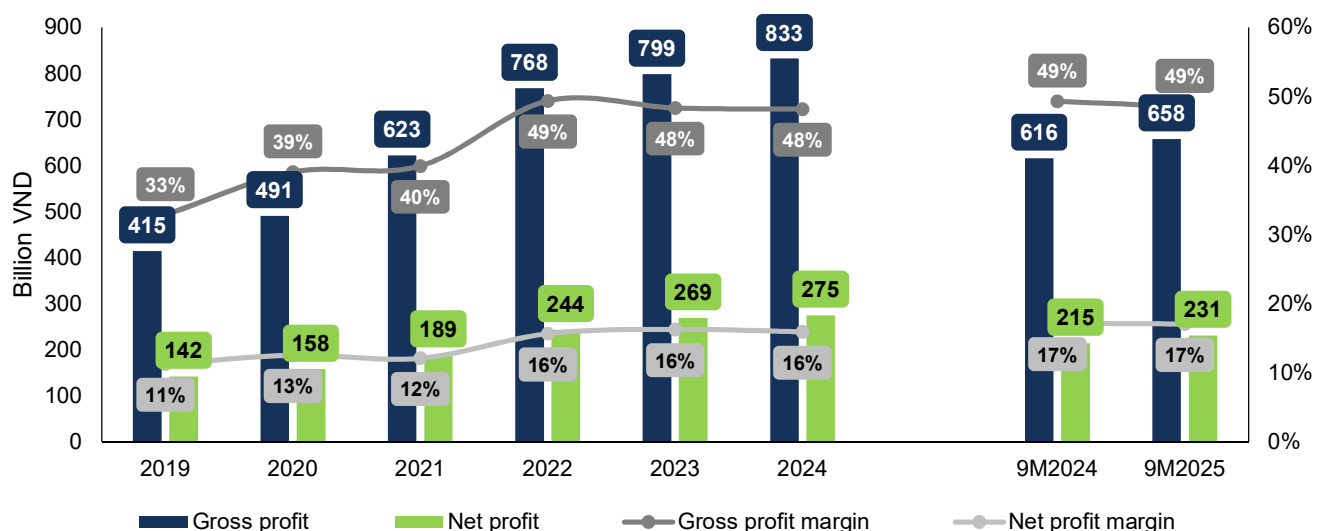
In Q3 2025, DBD's OTC channel revenue reached 124.8 billion VND (-6.8% YoY), with the cumulative figure for the first nine months reaching 408 billion VND (+0.2% YoY), indicating stable growth despite the overall market stagnation. The industry's slowdown is primarily due to the Government's policy orientation in balancing access to healthcare services, leading to a gradual decline in the OTC channel's share of total domestic pharmaceutical consumption.

In addition, the rapid expansion of modern pharmacy chains (Pharmacy, Long Chau, An Khang) at a rate of 15-20% per year is exerting significant pressure on traditional pharmacies, which are only growing at about 0-3% per year (DBD's core customer group). Currently, these modern chains account for only about 5% of the company's total OTC customers, due to ongoing challenges in negotiation and cooperation processes.

Furthermore, DBD's key OTC products are mainly in the category of common drugs that are easy to formulate, subjecting profit margins to pressure from increasingly intense competition from domestic and foreign enterprises.

► DBD's gross margin is under pressure due to rising costs of oncology APIs

**Chart 10: 9M2025 gross margin slightly contracted due to higher imported API costs**



Source: DBD, FPTs research



**In Q3/2025, DBD's gross margin came under significant pressure as import prices for oncology API ingredients continued to rise, causing gross profit to reach only 187.3 billion VND (-22.7% YoY) with the gross margin falling to 42.6% (-8.5 pts YoY).** Oncology APIs are mainly imported from suppliers in the EU, where strict quality requirements and limited supply lead to stronger price volatility compared with antibiotic APIs, which have simpler structures and are abundantly supplied from China and India.

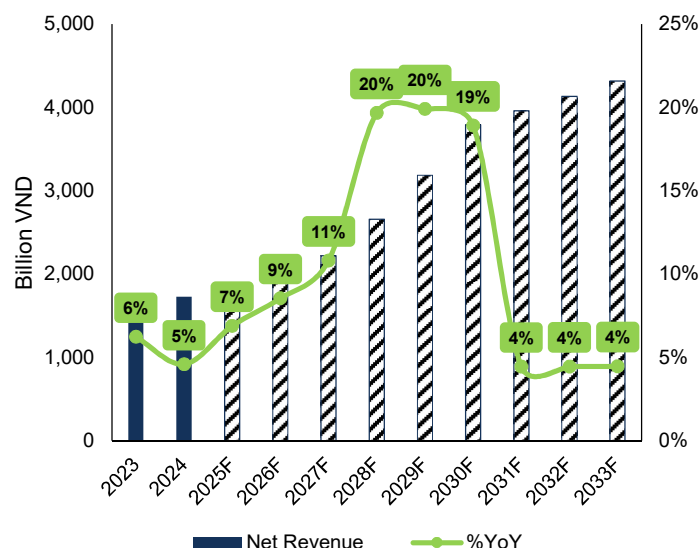
According to the Business Research Company, prices of many oncology ingredients in Europe and the Americas have continued to increase since 2024 due to high demand and the shutdown of several factories caused by rising compliance costs related to new standards. In contrast, prices of antibiotic APIs have stabilized since late 2024 as supply from China and India recovered after a period of disruption, during which many factories failed to meet tightened environmental regulations and were forced to close. In addition, the dialysis solution segment also recovered after the global supply shock in the second half of 2024 when Baxter's factory (a major US producer of infusion and dialysis solutions) was affected by Hurricane Helene.

Thanks to this, **results for the first nine months of 2025 remained positive, with gross profit reaching 657.9 billion VND (+6.8% YoY) and a gross margin of 48.5% (-0.8 pts YoY), reflecting the effectiveness of revenue growth across key product lines.**

### III . OUTLOOK AND BUSINESS PERFORMANCE FORECAST

#### 1. Revenue outlook – Maintaining growth momentum driven by key ETC product lines and EU-GMP–standard manufacturing facilities [\(back\)](#)

**Chart 11: DBD net revenue forecast for 2025–2033**



Source: DBD, FPTs research

We expect **DBD** to continue expanding its revenue in 2025, reaching around **1,847 billion VND (+6.9% YoY)**, with **4Q2025** alone contributing **491.2 billion VND (+2.8% YoY)**. The main growth driver comes from the ETC channel, supported by sustained demand for key product groups and the positive impact of broader coverage under the universal health insurance scheme, which helps increase consumption volume in the hospital channel.

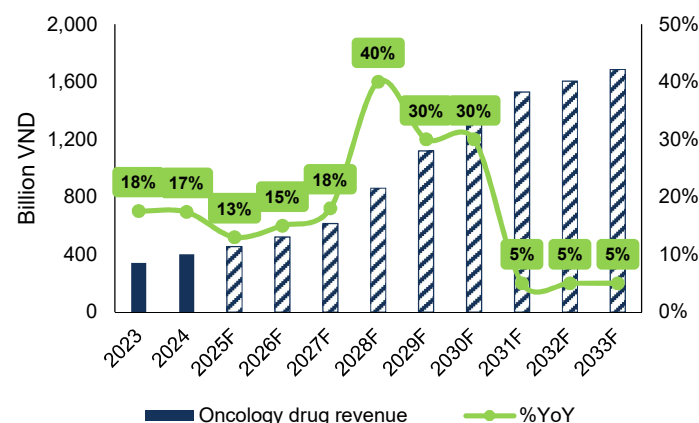
Moving into **2026**, revenue is forecasted to reach **2,004 billion VND (+8.5% YoY)**, and for the period **2026–2030**, revenue is expected to achieve an average annual growth rate of **17.3%**.

The key driver comes from oncology and antibiotic production lines once they receive EU-GMP approval, enabling DBD to participate in bidding Group 1 and Group 2, which offer significantly higher selling prices compared to the current group 3–5 categories. After the phase of capacity expansion and standards upgrading, revenue is projected to shift toward a stable growth phase, with a CAGR of around 4.5%.

#### ► ETC channel – Growth driven by strong expansion of key product lines

We expect **DBD's ETC channel** revenue to continue increasing in 2025, reaching **1,229 billion VND (+10.2% YoY)**, with **4Q2025** estimated at around **328.9 billion VND (+3.5% YoY)**. The growth momentum is driven by three main product groups:

**Chart 12: Oncology drug revenue forecast for 2025–2033**



Source: FPTs research

**Oncology drug revenue** is expected to reach **129.6 billion VND in 4Q2025 (+13.2% YoY)** and **453.6 billion VND for the full year 2025 (+13.0% YoY)**. For the period **2026–2030**, this product group is projected to grow strongly with a **CAGR of 29.3%**, driven by:

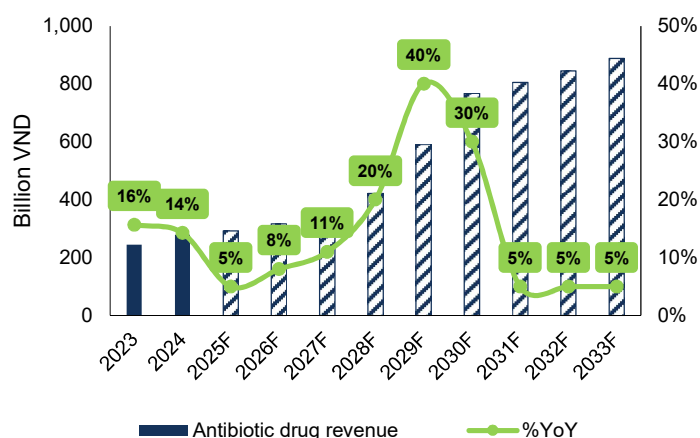
(1) Participation in bidding groups for oral targeted oncology drugs from the end of 2025 – these products have an average price 4.5 times higher than the chemotherapy drugs currently marketed by DBD. The company reported that it submitted the registration dossier a year ago and is awaiting approval from the authorities;

(2) The oncology injectable production line is expected to receive EU-GMP certification by the end of 2027;

(3) Growing treatment demand as oncology cases in Vietnam increase by an average of 4–5% per year, potentially reaching around 200,000 cases by 2025.

The oncology injectable production line is expected to achieve EU-GMP certification by the end of 2027, allowing DBD to participate in bidding Group 1 and 2. Pharmaceutical products based on oncology APIs currently owned by DBD ([Appendix 2: Winning tender value shares of oncology drugs by DBD's APIs](#)) are priced significantly 4–12 times higher in Group 1 and 24–70% higher in Group 2 compared to DBD's existing products ([Appendix 3: Prices of oncology drugs from APIs owned by DBD](#)) creating a clear potential for price increases once approval to participate is granted. After the production line becomes operational, it is expected to contribute 861.7 billion VND, equivalent to 49.9% of net revenue in 2024.

**Chart 13: Antibiotic drug revenue forecast for 2025–2033**



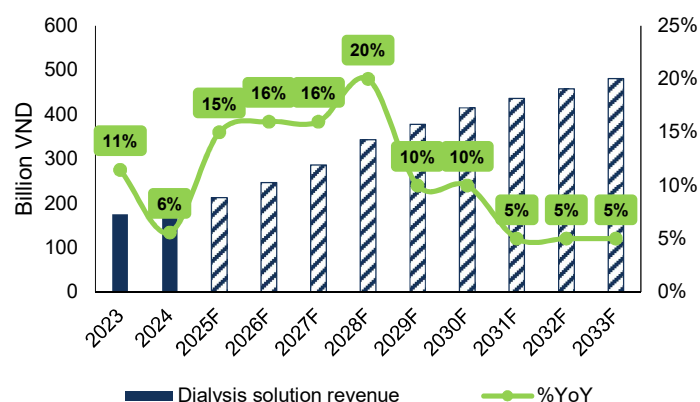
Source: FPTs research

Antibiotic drug revenue is forecasted to reach **94.7 billion VND in 4Q2025 (+19.2% YoY)** and **292.7 billion VND for the full year 2025 (+5.0% YoY)**. For the period **2026–2030**, growth is expected to achieve a **CAGR of 24.8%**, driven by:

- (1) Stable demand for injectable antibiotics in hospitals;
- (2) The small-volume sterile injectable antibiotic production line achieving EU-GMP certification by 2028, enabling DBD to participate in bidding Group 1 and 2 and expand into European and American markets.

By 2029, revenue from injectable antibiotics is projected to reach 589.5 billion VND, equivalent to 34.1% of net revenue in 2024 once the production line becomes operational.

**Chart 14: Dialysis solution revenue forecast for 2025–2033**



Source: FPTs research

The dialysis solution product line is expected to reach **51.9 billion VND in 4Q2025 (-1.5% YoY)** and **212.5 billion VND for the full year (+15.0% YoY)**.

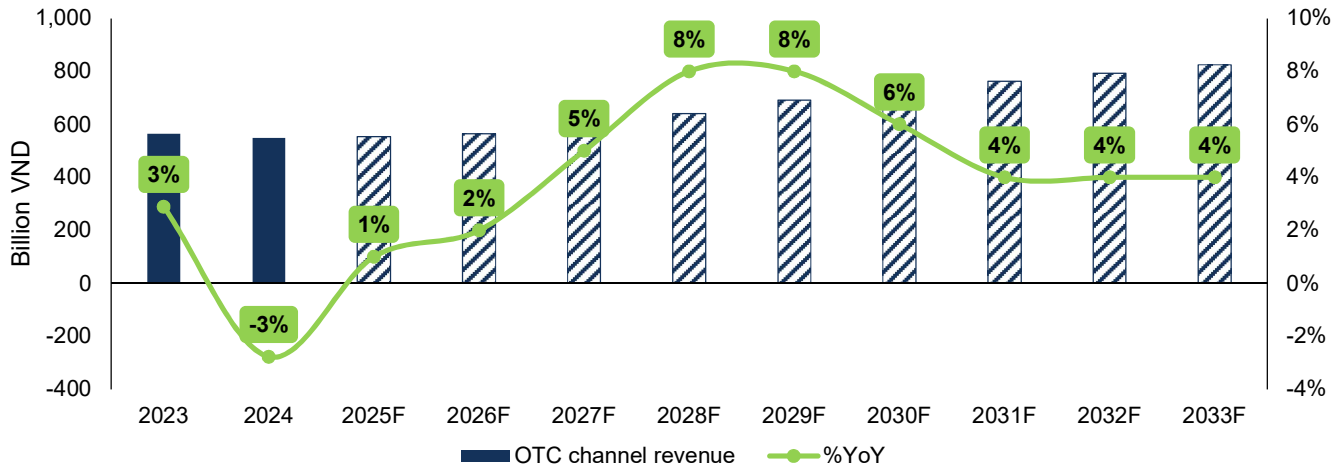
The long-term outlook remains positive, with a projected **CAGR of 13.9%** for the period **2026–2030**, supported by DBD's advantage in supplying two-thirds of the dialysis solution portfolio, primarily competing with foreign manufacturers, while treatment demand rises as the prevalence of chronic kidney disease in Vietnam has reached 12.8% of adults and is increasingly affecting younger populations.

With the factors above, **ETC revenue in 2026 is forecasted to reach 1,376 billion VND (+12.0% YoY)**. For the period **2026–2030**, ETC is expected to maintain strong growth with a **CAGR of 21.4%**, driven by the sequential operation of **EU-GMP-standard production facilities**, which will support higher selling prices for DBD's key product lines.

► **OTC channel – Expected to maintain stable growth amid high competition**

We forecast **DBD's OTC channel revenue to reach 145.3 billion VND in 4Q2025 (+3.2% YoY) and approximately 553.6 billion VND for the full year 2025 (+1.0% YoY)**. Mid-term growth is expected to remain stable, with a **CAGR of 6.7% for the period 2026–2030**.

**Chart 15: OTC channel revenue forecast for 2025–2033**



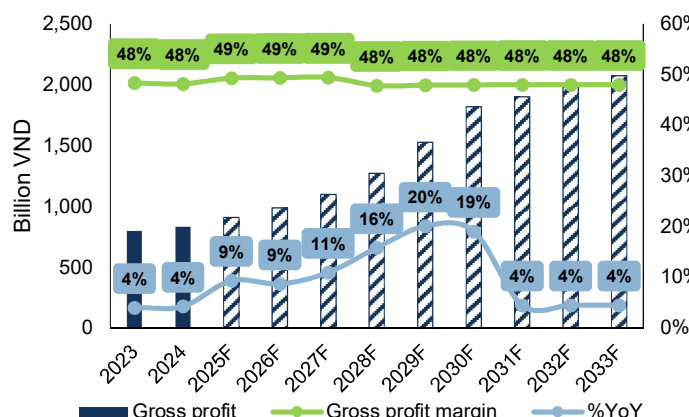
Source: FPTs research

In the short term, the OTC channel continues to face pressure as **the expansion of demand in the ETC channel overshadows demand for drugs outside pharmacies**, particularly under the impact of **the universal health insurance coverage policy**. In addition, **the growth of pharmacy chains**—which are competing fiercely with traditional pharmacies—creates significant pressure on DBD's OTC sales, as chain customers currently account for only a small proportion of the company's customer base (~5%).

In the long term, the outlook for the OTC channel remains positive. We expect DBD to **complete negotiations with major pharmacy chains**, thereby expanding distribution to customer segments that are growing faster than the overall market. At the same time, **the EU-GMP-standard production lines** becoming operational from 2027 onward will help improve product quality and increase selling prices, thereby enhancing DBD's competitiveness in the domestic market.

**2. Profit outlook – Gross margin expected to improve as pressure from API prices gradually eases ([back](#))**

**Chart 16: Gross profit forecast for 2025–2033**



Source: FPTs research

**DBD's gross profit in 2025 is forecasted to reach 910.4 billion VND (+9.3% YoY), with the gross margin increasing to 49.3%. In 4Q2025 alone, gross profit is estimated at 252.4 billion VND (+16.6% YoY)**, thanks to a strong recovery in gross margin to 51.4% as antibiotic API prices stabilize and the upward pressure on oncology API prices remains mild.

In 2025, API prices remain differentiated: oncology APIs continue to face pressure, while antibiotic APIs are stable. From 2026–2030, global supply recovery is expected to ease API prices, particularly oncology APIs, which are projected to rise only about 1–2%

per year, providing room for sustainable margin improvement.

Under this scenario, **gross profit in 2026 is projected to increase to 989.4 billion VND (+8.7% YoY), with the gross margin maintained at around 49.4%. For the period 2026–2030**, as EU-GMP–standard production lines come into operation and selling prices are raised, DBD's gross profit is expected to grow at a **CAGR of approximately 16.4% per year**, with a stable gross margin of around 48.5%.

#### IV. VALUATION AND INVESTMENT RECOMMENDATION [\(Back\)](#)

We value DBD using a weighted 50:50 approach of the FCFE and FCFF discounted cash flow methods. Based on this, the target price, calculated as the average of the two methods, is **65,000 VND/share** (representing a **28.7%** upside from the closing price on November 25, 2025). Therefore, we recommend **BUY** DBD at the current price.

##### Valuation results

STT	Discounted cash flow valuation method	Results (VND/share)	Weight
1	Free Cash Flow to Equity (FCFE)	63,402	50%
2	Free Cash Flow to the Firm (FCFF)	65,768	50%
<b>Target price (rounded)</b>		<b>65,000</b>	

##### Changing DCF model assumptions

Model assumptions	November 2025	Changes from Mar 2025	Model assumptions	November 2025	Changes from Mar 2025
WACC	10.25%	+2.0 ppt	Risk premium	10.35%	+1.0 ppt
Cost of debts	5.7%	-	Levered Beta	0.56	+23.9%
Cost of equity	10.46%	+2.1 ppt	Long-term growth	1%	-
Risk-free rate	3.69%	+0.6 ppt	Projected period	9 years	-

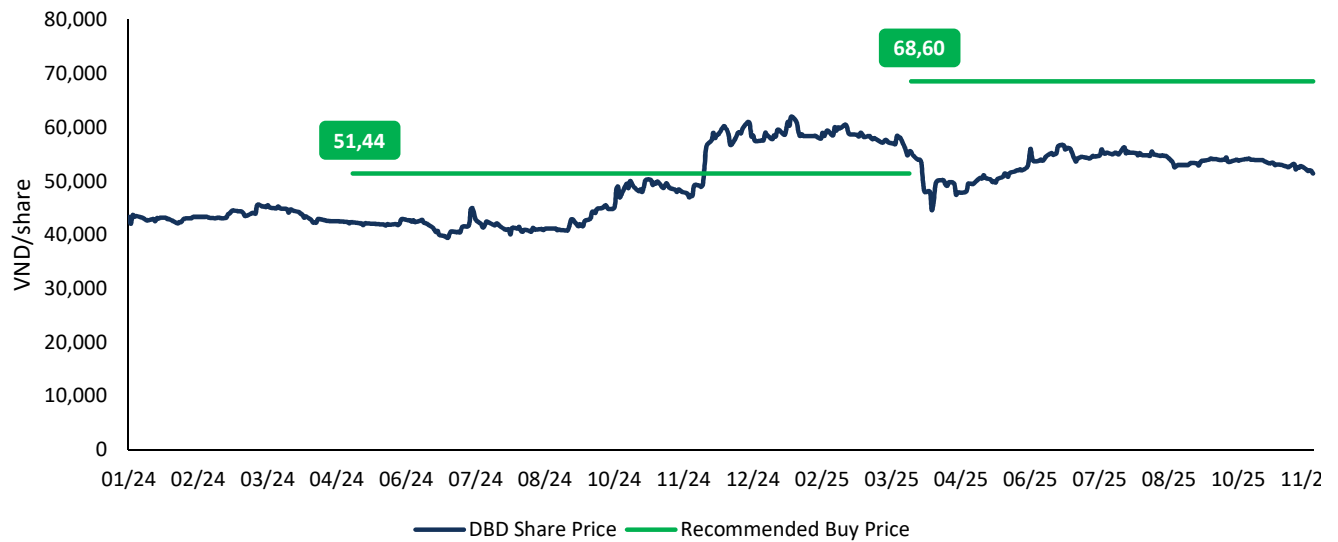
##### Summary of valuation results

FCFF valuation summary		Value
Total present value of cash flow to the firm (billion VND)		5,842
(+ ) Cash and short-term financial investments (million VND)		438,620
(- ) Short-term and long-term debts (million VND)		63,914
<b>Equity (billion VND)</b>		<b>6,217</b>
Number of outstanding shares (million shares)		94.53
<b>Target price (VND/share)</b>		<b>65,768</b>
FCFE valuation summary		
Present value of cash flow to equity (billion VND)		5,993
<b>Target price (VND/share)</b>		<b>63,402</b>



## V. HISTORY OF RECOMMENDATIONS

**Chart 17: History of recommendation report**



Source: FPTs research

### History of recommendations

	Recommendations	Time	Adjusted recommended price	Report
1	<b>BUY</b>	May 9, 2024	51,440	<a href="#">Initial valuation report</a>
2	<b>BUY</b>	March 27, 2025	68,600	<a href="#">Valuation update report</a>

## VI . SUMMARY OF FORECASTED FINANCIAL STATEMENTS

*Unit: Billion VND*

Income statement	2024	2025F	2026F	2027F
Net revenue	1,728	1,847	2,004	2,221
- Cost of goods sold	(895)	(936)	(1,015)	(1,123)
Gross profit	833	910	989	1,098
- Selling expenses	(404)	(425)	(461)	(511)
- General & Administrative expenses	(123)	(129)	(140)	(155)
Net operating profit	306	356	388	432
- (Loss)/Gain from the financial activities	0	6	2	1
- Other profits	23	-	-	-
Earnings before tax and interest (EBIT)	329	362	390	433
- Interest expenses	(4)	(5)	(4)	(4)
Profit before tax (PBT)	325	357	386	429
- Corporate income tax	(50)	(57)	(62)	(77)
Net profit after tax (NPAT) of parent company	275	300	325	352
EPS (VND/share)	2,530	2,673	2,627	2,590

Profitability ratios	2024	2025F	2026F	2027F
Gross profit margin	48.2%	49.3%	49.4%	49.4%
Net profit margin	15.9%	16.3%	16.2%	15.8%
ROE DuPont	17.8%	18.0%	18.4%	17.9%
ROA DuPont	12.9%	13.2%	13.5%	13.1%
EBIT/revenue	19.1%	19.6%	19.5%	19.5%
PBT/EBIT	98.8%	98.7%	99.1%	99.1%
NPAT/PBT	84.6%	84.0%	84.0%	82.0%
Total asset turnover	0.8x	0.8x	0.8x	0.8x
Financial leverage	1.4x	1.4x	1.4x	1.4x

Solvency ratios	2024	2025F	2026F	2027F
Current ratio	3.2x	3.1x	3.2x	3.3x
Quick ratio	2.1x	2.3x	2.3x	2.5x
Cash ratio	1.0x	1.1x	1.1x	1.2x
Debts / Assets	0.2x	0.2x	0.2x	0.2x
Debts / Equity	0.4x	0.4x	0.4x	0.4x
Short-term debts / Equity	0.3x	0.3x	0.3x	0.3x
Long-term debts / Equity	0.1x	0.1x	0.1x	0.1x
Interest coverage	81.1x	79.6x	106.3x	112.8x

Balance sheet	2024	2025F	2026F	2027F
<b>Asset</b>				
Cash, cash equivalents, short-term financial investments	439	510	555	684
Accounts receivable	520	584	632	687
Inventory	505	389	442	499
Other current assets	12	11	13	13
<b>Total current assets</b>	<b>1,476</b>	<b>1,494</b>	<b>1,641</b>	<b>1,883</b>
Original price of tangible fixed assets	887	963	1,127	1,201
Accumulated depreciation	(549)	(637)	(727)	(819)
Long-term financial investments	164	164	164	164
Other long-term assets	53	50	57	62
Construction in progress	233	236	283	354
Total long-term assets	788	776	904	962
<b>Total Assets</b>	<b>2,264</b>	<b>2,270</b>	<b>2,546</b>	<b>2,846</b>
<b>Debt &amp; Equity</b>				
Short-term loans and debts	36	29	31	35
Accounts Payable	311	329	357	382
Reward fund	113	121	131	146
<b>Short-term liabilities</b>	<b>460</b>	<b>479</b>	<b>519</b>	<b>563</b>
Long-term loans and debts	28	52	80	110
<b>Long-term debts</b>	<b>143</b>	<b>124</b>	<b>163</b>	<b>207</b>
<b>Total debt</b>	<b>603</b>	<b>603</b>	<b>682</b>	<b>769</b>
Owner's equity	936	1,123	1,235	1,359
Surplus	21	21	21	21
Retained earnings	497	302	372	444
Other items	207	221	236	252
<b>Equity</b>	<b>1,661</b>	<b>1,667</b>	<b>1,864</b>	<b>2,076</b>
<b>Total capital</b>	<b>2,264</b>	<b>2,270</b>	<b>2,546</b>	<b>2,846</b>

Efficiency ratios	2024	2025	2026F	2027F
Cash conversion cycle	181.2	158.7	136.8	141.2
Days Sales Outstanding	102.8	109.1	110.7	108.3
Days Inventory	202.5	174.3	149.3	152.9
Days Payables Outstanding	124.1	124.7	123.2	120.0
COGS / Inventory	1.8x	1.9x	2.6x	2.5x

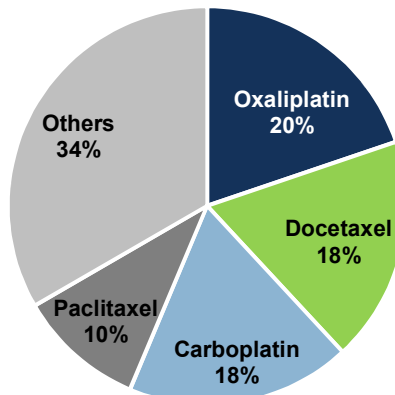
## VII. APPENDIX

### Appendix 1: Progress of EU-GMP approval for injectable oncology drug plant [\(Back\)](#)

Stage	Time	Progress
Installation and validation (Steps 1–5)	2018 – 2022	Completed
Documentation preparation (Step 6)	2023 – <b>Present</b>	Continue working with foreign consulting units to complete the following: <b>(1) Implementing software</b> (2) Adding testing equipment in compliance with EU-GMP regulations (3) Training staff
Approval (Step 7)	2026 – 2027	Expected to take at least 12–24 months, including: (1) Submission of application (2) Assessment (3) Rectification of any findings (4) Completion of procedures

Source: DBD, FPTs research

### Appendix 2: Winning tender value shares of oncology drugs by DBD's APIs (9M2025) [\(Back\)](#)



Source: Department of Drug Administration, FPTs research

### Appendix 3: Prices of oncology drugs from APIs owned by DBD (Updated August 2025) [\(Back\)](#)

Active ingredient	Manufacturer	Winning bid group	Average price/product (VND)	% of DBD price
<b>Oxaliplatin</b>	Sanofi-Aventis Deutschland GmbH (Germany)	N1	4,943,570	<b>1209%</b>
	Fareva Unterach GmbH (Austria)	N1	373,697	

	Fresenius Kabi Oncology Limited (India)	N2	330,510	
	<b>DBD (Vietnam)</b>	<b>N4</b>	<b>377,664</b>	
<b>Docetaxel</b>	Sanofi-Aventis Deutschland GmbH (Germany)	N1	6,298,864	1173%
	Fresenius Kabi Oncology Limited (India)	N2	615,000	24%
	<b>DBD (Vietnam)</b>	<b>N4</b>	<b>494,903</b>	
<b>Carboplatin</b>	Naprod Life Sciences Pvt. Ltd. (India)	N2	295,000	41%
	Hera Biopharm (Vietnam)	N4	213,712	
	<b>DBD (Vietnam)</b>	<b>N4</b>	<b>209,150</b>	
<b>Paclitaxel</b>	Hospira Australia Pty Ltd (Australia)	N1	2,447,550	825%
	SC Sindan-Pharma SRL (Romania)	N1	1,470,000	456%
	M/s. Venus Remedies Limited (India)	N2	450,000	70%
	<b>DBD (Vietnam)</b>	<b>N4</b>	<b>264,600</b>	

Source: Department of Drug Administration, FPTs research

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