

26/09/2024

**RECOMMENDATION** **NOT RATED**

Current price	44,100
Upside/downside	N/A

**STOCK INFORMATION**

Outstanding shares (mil)	93.55
Free float (%)	80%
Market cap. (billion VND)	4,125.72
3m avg. volume (shares)	226,898
Foreign ownership (%)	13.45%
First listing date	16/01/2017

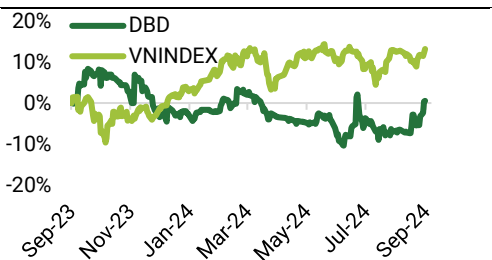
**SHAREHOLDER STRUCTURE**

Binh Dinh Development Investment Fund	13.34%
KWE Beteiligungen AG	8.09%
Pham Minh Duc	2.18%
Others	76.39%

**KEY ATTRIBUTES**

TTM EPS (VND)	2,842
BVPS (VND)	16,721
Debt/Equity	3.31%
ROA (%)	13.45%
ROE (%)	18.01%
P/E	17.0
P/B	2.6
Dividend yield (%)	N/A

**PRICE PERFORMANCE**



**COMPANY PROFILE**

Binh Dinh Pharmaceutical and Medical Equipment JSC (HSX: DBD) was established in 1995 with main business activities including: (i) production and trading of pharmaceuticals and medical equipment; (ii) scientific research in the medical and pharmaceutical fields and (iii) provision of services in the field of pharmaceutical production. DBD has produced nearly 400 pharmaceutical products belonging to 19 treatment groups. The company's products are currently distributed nationwide and exported to Laos, Cambodia, and Mongolia. DBD has been listed and traded on the HOSE since 2018.

**ANALYST(S)**

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## INVESTOR MEETING UPDATE

- We attended the investor seminar of Binh Dinh Pharmaceutical and Medical Equipment JSC (HSX: DBD) held on September 26. The key topics included an update on the 9M2024 business results and the progress of the private placement for strategic investors.
- In 3Q2024, DBD recorded Net Revenue of VND 452 bn (+10% YoY) and NPAT of VND 80 bn (+5% YoY). For 9M2024, DBD achieved 77% of its profit target. The main products include antibiotics, cancer treatment drugs and haemodialysis solution. Revenue from ETC channel grew by 8.6%, accounting for 66% of total revenue, while OTC channel increased by 1.7%, representing 34%.
- DBD is still in negotiations with four domestic and foreign investors, prioritizing the criteria of finding a strategic partner. The total shares expected to be offered are 23.3 million shares, with a minimum offering price of VND 50,000/share (equivalent to 25% of the outstanding shares and 13% higher than the current share price). The expected issuance period is 2024 - 2025.
- With a price of VND 44,100/share as of 26/09/2024, DBD is currently trading at P/E of 17.0x, higher than the average P/E since listing of 15.9x, above the pharmaceutical sector average of 12.8x.

### 9M2024 Business results update

In 3Q2024, DBD reported Net Revenue of VND 452 bn (+10% YoY) and PBT of VND 80 bn (+5% YoY). For 9M2024, DBD's Net Revenue reached VND 1,269 bn (+5% YoY), fulfilling 63% of the 2024 revenue target while PBT stood at VND 246 bn (-3% YoY), achieving 77% of the 2024 profit target. The main product lines of DBD include antibiotics, cancer treatment drugs and haemodialysis solution, accounting for 28%, 20%, and 12% of total revenue from self-manufactured products, respectively. According to DBD:

- **ETC channel revenue:** grew by 8.6% YoY to VND 803 bn, accounting for 66% of revenue from self-manufactured drugs. DBD is currently the only domestic pharmaceutical company involved in the tendering process for cancer treatment drugs, ranking 6th in value after foreign pharmaceutical companies and leading in terms of volume (by dosage). However, DBD's tender value for cancer drugs remains low, as the majority are low-value chemotherapy drugs.

- **OTC channel revenue:** increased by 1.7% YoY to VND 420 bn, representing 34% of revenue from self-manufactured drugs. Currently, DBD's OTC drugs are distributed to 20,000 pharmacies, of which 11,000 are regular trading customers.

### Factory progress

