



PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION
STOCK CODE: DPM

INVESTORS BULLETIN

QUARTER 4/2024

Common share data (December 31, 2024):

- Number of outstanding shares: 391,334,260
- Closing share price (December 31, 2024): 35,000 VND
- Market capitalization (December 31, 2024): VND 13,696,699 billion
- Dividend per share (2024): 1,500 VND/share
- Earnings per share: VND 1,221/share

Key shareholders (26 August 2024):

- PetroVietnam: 59.59%
- Nghe An Agricultural Materials JSC: 6%
- Foreign ownership: 8.7%
- Others: 25.71%

I. MESSAGE TO INVESTORS

PetroVietnam Fertilizer and Chemicals Corporation (PVFCCo – Stock code: DPM) announced positive 2024 results, with both estimated revenues and profits surpassing planned targets. The Corporation continues to firmly maintain its leading position in the domestic fertilizers and chemicals markets.

The global fertilizer market showed signs of recovery in 2024, with estimated demand rising 3% YoY. Fertilizer prices rebounded across all categories following a sharp downturn in 2023. The strong price surge of some key agricultural export products has helped improve farmers' purchasing power and contributed to boosting fertilizer demand. However, despite the positive factors, geopolitical tensions, uncertainties in trade, financial, and monetary policies, along with the increasing frequency of natural disasters, still posed significant risks to global food and energy security.

For PVFCCo, 2024 is seen as a pivotal year for transformation in governance, brand identity innovation, and a step-by-step restructuring of its production and business models to boost operational efficiency. At the same time, PVFCCo was preparing the necessary resources for new product development projects, aiming to expand into the basic chemical industry and environmentally friendly organic fertilizers.

In 2024, PVFCCo focused on strengthening coordination between production and business sectors, implementing flexible sales solutions to optimize operating processes despite rising input gas costs, actively exploring new markets, and continuing research to enhance capacity and product quality. These efforts aimed to bolster competitiveness and overall operational efficiency.

Accordingly, the sales volume of key products has met and exceeded planned targets, contributing to improved revenue and profit despite continuing high input material costs. The estimated EBIT margin reached 5.8%, compared to 5.4% in 2023.

Total sales volume of Phu My fertilizers and chemicals were estimated at 1.4 million tons in 2024, up 1% YoY. This increase was driven by positive changes in demand and selling prices, helping PVFCCo boost its revenue, expand its market share, and enhance its operational efficiency. Consequently, the sales volume of fertilizers reached 1.28 million tons and chemical products reached 132 thousand tons.

In 2024, average selling prices of Phu My Urea increased 2% YoY and Phu My NPK decreased 7% YoY. Despite input gas prices rising by 11% compared to the planned level and 3% YoY, improvements in selling prices of Phu My Urea and sales volumes helped mitigate adverse cost impacts, enabling PVFCCo to improve its gross profit margin, reaching 14% as compared to 12% in 2023.

Regarding production activities, Phu My Fertilizers Plant operated at a stable capacity with estimated output of Urea and NH₃ rising by approximately 9% and 28%, respectively, compared to 2023 - the year of the turnaround maintenance. The production output of Phu My NPK Plant was estimated at 133 thousand tons, up by 10% YoY.

Regarding consumption output of fertilizer products, despite facing both unfavorable and favorable factors, PVFCCo has made significant efforts to adopt various business solutions and flexible sales policies to ensure growth. Accordingly, Phu My Urea was estimated at 898 thousand tons, up 2% YoY. In 2024, PVFCCo exported 164 thousand tons of Phu My Urea, completing 117% of the yearly target, an increase of 49% YoY.

For the chemical sector, sales volume of chemicals was estimated to reach 132 thousand tons in 2024, up 12% YoY. Of this, NH₃ sales volume was estimated at 65 thousand tons, up 3% YoY. As the selling price of chemicals continued to decline in 2024 compared to the peak level in 2022 (with average NH₃ price down by 7% YoY), the revenue of the chemical sector reached VND 880 billion VND, down by 6% YoY. Profits of the chemical sector were estimated at 26 billion VND (down by 78% YoY), accounting for 3% of total profit before tax.

2024 estimated financial results (pre-audited)

- Total estimated revenue in 2024 reached VND 13,878 billion, completing 109% of the annual plan, down 1% YoY.
- Gross profit in 2024 reached VND 1,898 billion, up 15% YoY. Gross profit margin was improved by 2 percentage points to 14%, compared to 12% in 2023.
- EBITDA in 2024 reached VND 1,178 billion, up 3% YoY. EBITDA margin reached 8.7% versus 8.4% in 2023.
- EBIT in 2024 reached VND 788 billion and EBIT margin reached 5.8% versus VND 739 billion and 5.4% in 2023, respectively.
- 2024 profit before tax: VND 743 billion, up 8% YoY.
- 2024 profit after tax: VND 610 billion, up 15% YoY.
- 2024 EPS reached 1,221 VND/share compared to 1,030 VND/share in 2023.
- Cash and cash equivalents (as of December 31, 2024): VND 1,004 billion.
- Capital expenditure in 2024: estimated at VND 247 billion, completing 37% of the annual plan, up by 13% YoY.

Plan and key targets in 2025

In 2025, the global economy is projected to grow by around 3.1%. However, trade protectionism and political instability in many countries continue to pose significant risks to economic growth and stability. Besides, the negative impacts of climate change and increasingly frequent natural disasters will continue to affect global agriculture and the fertilizer industry, including Vietnam. Moreover, PVFCCo faces pressure from rising input material costs, as access to affordable gas supplies decreases, directly impacting production costs and competitiveness.

A positive development for the domestic market is the adoption of the amended Law on VAT by the National Assembly. Effective July 1, 2025, the new law will adjust the tax rate on fertilizer products from exempt to 5%. This change is expected to improve the competitiveness of the domestic fertilizer industry and support increased consumption by domestic enterprises.

In anticipation of the above challenges and opportunities, PVFCCo's leadership and personnel have established the following key targets and goals for 2025:

Production: Maintain efficient, safe, and continuous operation of fertilizer and chemical plants; successfully complete the turnaround maintenance of the Phu My Fertilizer Plant with high quality and safety; and improve technology, streamline production processes, and reduce raw material and energy consumption.

Sales: Continue restructuring the business model to adapt to market conditions; strengthen the domestic distribution network and expand export markets in neighboring countries and regions; and implement flexible product policies while enhancing marketing activities and improving packaging design and quality.

New product development & investment: Focus on the development of organic fertilizer sector to become a leading producer and distributor of environmentally friendly organic fertilizers in Vietnam; Aggressively shift operation toward the chemical sector, initially by seeking international partners for joint ventures in major chemical projects.

Finance: Balance capital and cash flows to improve efficiency in capital and asset utilization; Implement plans to increase the charter capital in line with the schedule and legal regulations.

Sustainable development governance: Implement digital transformation and actively adopt information technology, complete the development of Datawarehouse database; consolidating a risk management system and sustainable development strategy/ESG.

Key targets in 2025:

Production:

- Phu My Urea: 780,000 tons
- Phu My NPK: 165,000 tons
- Other urea-based fertilizers: 8,500 tons
- Commercial NH₃: 51,000 thousand tons
- UFC85: 12,000 thousand tons

Sales:

- Phu My Urea: 800,000 tons
- Phu My NPK: 175,000 tons
- Other urea-based fertilizers: 9,000 tons

- Other fertilizers: 235,000 tons
- UFC85: 9,000 tons
- NH3: 50,000 tons
- CO2: 36,000 tons
- Other chemicals: 6,800 tons

(PVFCCo aims to sell 15,000 tons of organic fertilizers in 2025, striving to become Vietnam's leading producer and trader of organic fertilizers)

Financial:

- Total revenue: VND 12,876 billion
- Profit before tax: VND 410 billion VND

(The 2024 plan was prepared by PVFCCo based on crude oil at 70 USD/barrel and FO oil at 385 USD/tấn)

II. BUSINESS PERFORMANCE OF 2H 2024 AND ESTIMATES OF 2024

1. Production:

Phu My Urea: 443,558 tons in 2H2024, up 3% YoY. Total production output of 2024 is estimated at 889,501 tons, achieving 105 % of annual plan, up 9% YoY.

Phu My NPK: 67,818 tons in 2H2024, up 24% YoY. Total production output of 2024 is estimated at 133,389 tons, achieving 93% of annual plan, up 10% YoY.

UFC85: 5,444 tons in 2H2024, down 12% YoY. Total production output of 2024 is estimated at 11,611 tons, achieving 93% of annual plan, down 5% YoY.

Commercial NH3: 38,033 tons in 2H2024, up by 19% YoY. Total production output of 2024 is estimated at 70,116 tons, achieving 107% of annual plan, up 28% YoY.

2. Sales:

2.1 Sales of fertilizers

Despite facing numerous challenges fluctuations in both domestic and international markets (as outlined above), PVFCCo's sales activities in 2024 demonstrated remarkable resilience and adaptability in market forecasting and business management. These efforts resulted in an increase in consumption output and contributed to improvements in revenue and overall business efficiency. In 2024, PVFCCo exported nearly 164 thousand tons of Phu My Urea, achieving 117% of the annual plan and up 49% YoY.

Sales performance of fertilizers and chemicals in 2H2024 and estimates for 2024 as follows:

Phu My Urea: 397,814 tons in 2H2024, equal to the same period last year. Total production output of 2024 is estimated at 898,672 thousand tons, exceeding the annual plan by 3%, up 2% YoY. The average selling price of Phu My Urea in 2024 was up by 2% YoY.

Phu My NPK: 60,373 tons in 2H2024, down by 9% YoY. Total production output of 2024 is estimated at 147,155 tons, achieving 103% of annual plan, up by 7% YoY.

Trading of other fertilizers: 117,107 tons in 2H2024, down by 25% YoY. Total sales volume of 2024 is estimated at 229,805 tons, achieving 88% of annual plan, down 13% YoY.

2.2 Sales of chemicals:

Total sales volume of chemicals in 2024 is estimated at 132,281 tons, achieving 111% of annual plan, up 12% YoY.

Total revenue of chemicals was estimated to be VND 881 billion, completing 100% of the annual plan, down 6% YoY.

Details are as follows:

NH3: 33,405 tons in 2H2024, down 2% YoY. Total sales output in 2024 is estimated at 65,373 tons, completing 101% of annual plan, up 3% YoY.

UFC85: 4,243 tons in 2H2024, down 5% YoY. Total sales output of 2024 is estimated at 9,142 tons, achieving 108% of annual plan, up 1% YoY.

CO2: 30,290 tons in 2H2024, up 17% YoY. Total sales output of 2024 is estimated at 56,396 tons, achieving 125% of annual plan, up 28% YoY.

Petrochemicals: 623 tons in 2H2024, down 31% YoY. Total sales output of 2024 is estimated at 1,370 tons, achieving 174% of annual plan, down 11% YoY.

3. Business results and financial indicators of 2H2024 and estimates for 2024:

Key estimated financial indicators in 2024 (pre-audit financial statements):

No.	Indicator	2023	2024	Increase/Decrease (%)
I.	PROFITABILITY RATIOS			
1	Return on Assets (ROA) (Profit after tax/Total Assets)	3.42%	4.09%	19.7%
2	Return on Equity (ROE) (Profit after tax/ Equity)	4.15%	5.36%	29.3%
3	Profit before tax/Revenue	4.92%	5.35%	8.8%
II.	LIQUIDITY RATIOS			
1	Overall liquidity ratio (Total liabilities/Total Assets)	0.13	0.32	141.7%
2	Quick ratio (Current assets - Inventories/Current liabilities)	5.16	2.27	-56.1%
3	Current ratio (Current assets/Current liabilities)	6.44	2.61	-59.5%
4	Liabilities-to-equity ratio (Liabilities/equity)	0.15	0.47	208.4%

Both ROE & ROA improved compared to the previous year due to profit after tax increasing by 15% YoY (up by VND 81 billion), contributing to positive financial indicators YoY.

Consolidated revenue: VND 6,538 billion in 2H2024, down 4% YoY. Total revenue in 2024 is estimated at VND 13,878 billion, completing 109% of the annual plan, down 1% YoY.

Profit before tax: VND 164 billion in 2H2024 and VND 743 billion in 2024, up 8% YoY.

Profit growth in 2024 was largely driven by recovery in selling prices of key products, with sales volumes of key fertilizers and chemical products reaching or exceeding the planned targets.

Total assets: as at 31/12/2014 were VND 16,531 billion, up 24% from the beginning of the year.

Liabilities: as at 31/12/2014 current liabilities were VND 5,071 billion, up 241% from the beginning of the year.

Long term debt: as at 31/12/2025 non-current liabilities were VND 224 billion.

Equity: as at 31/12/2014 was VND 11,236 billion, down 3% from the beginning of the year.

Capital expenditure in 2024 was estimated at VND 247 billion, completing 37% of the yearly target, up 13% YoY.

III. MARKET INSIGHTS IN 2H2024

Domestic fertilizer market

Supply and demand in 2H2024 and trend forecast

According to General Statistics Office of Vietnam (GSO), in 2024, Vietnam produced 2.5 million tons of Urea and 2.9 million tons of NPK, up 9% and 11.9% YoY.

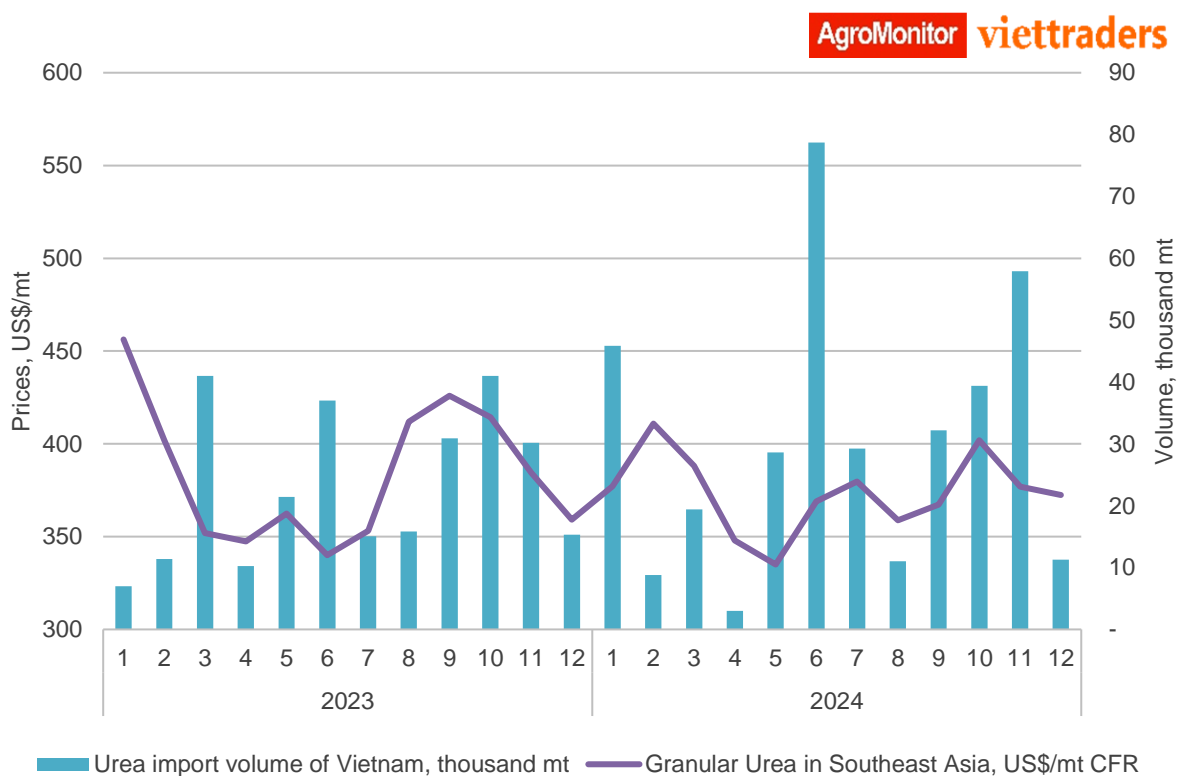
Total urea supply in Q4/2024 is expected to reach 1.16 million tons, up by 15.04% QoQ, and up by 2.1% YoY. Production output in Q4 is expected to reach 630 thousand tons (up by 6.78% QoQ).

Fertilizer imports

In 2024, Vietnam imported 5.18 million tons of fertilizers, valued USD 1.71 billion, up 1.17 million tons YoY (+29%) and up USD 303.9 million (+22%) in value as compared with 2023. In which, the highest import volume was SA with 1.29 million tons, increased by 178.1 thousand tons (+16%) YoY. Other major imported fertilizers include:

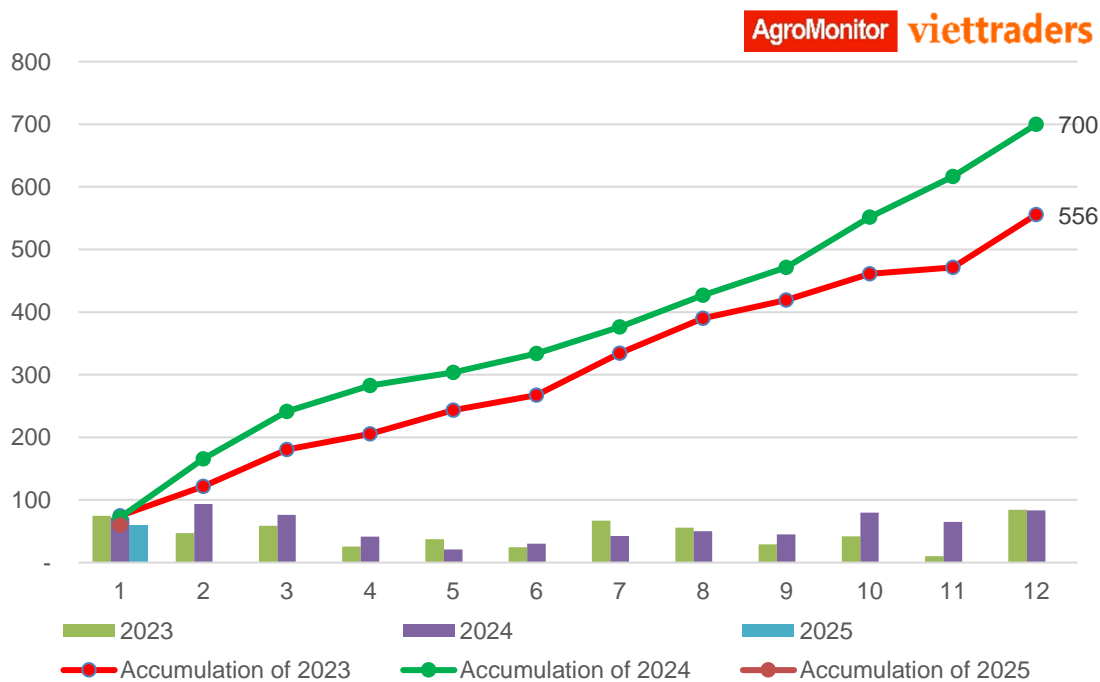
- Potassium: 995.6 thousand tons, up 272.5 thousand tons YoY (+38%)
- NPK: 691.8 thousand tons, up 144.2 thousand tons YoY
- DAP: 597.7 thousand tons, up 159.4 thousand tons YoY
- Urea: 365.5 thousand tons, up 89.1 thousand tons YoY

Chart 1: Urea import (thousand tons) and Granular Urea price in Southeast Asia in 2024



Fertilizer exports

Chart 2: Urea export of Vietnam in 2024 (thousand tons)



In 2024, Vietnam exported 1.62 million tons of fertilizers, valued USD 666.4 million, increased by 240.15 thousand tons (+17% YoY) and USD 88.4 million (+15%) YoY. In which:

- Urea: 699.7 thousand tons, increased by 144.1 thousand tons (+26%) YoY.
- NPK: 314.6 thousand tons, increased by 43.5 thousand tons (+16%) YoY.
- DAP: 224.2 thousand tons, increased by 44.3 thousand tons (+25%) YoY.
- Phosphate fertilizer: 154.6 thousand tons, decreased by 30.4 thousand tons (-16%) YoY.

Supply and demand movement in the last 6 months of 2024 and forecast

Total demand for Urea in Q3/2024 is estimated to reach 540 thousand tons, down 23.11% QoQ and down 3.84% YoY. In which, urea consumption for plantation reached 300 thousand tons, down 34.7% QoQ (-160 thousand tons).

Total urea supply in Q4 is estimated to reach 1,16 million tons, up 15.04% QoQ and up 2.1% YoY. Domestic urea production output in Q4 is estimated to reach 630 thousand tons, up 6.78% QoQ.

Urea price movement

In Q3 2024, urea prices maintained a continuous downward trend due to slowing domestic consumption demand, despite decreases in both production and import volumes and an increase in export volume. The trading market remained quiet due to a lack of buyers.

In Q4, urea prices in Vietnam rose in October due to limited domestic production as factories in the South focused on exports. However, in late October and early November, urea prices slightly decreased (except in the North) due to slow consumption demand. This was coupled with an 8% MoM increase in supply and a 47% increase in import volume. From late November to early December, urea prices slowed down but started to rise again from December 4-5 (for Ca Mau Urea and Phu My Urea) due to limited supply and increasing demand in the Mekong Delta.

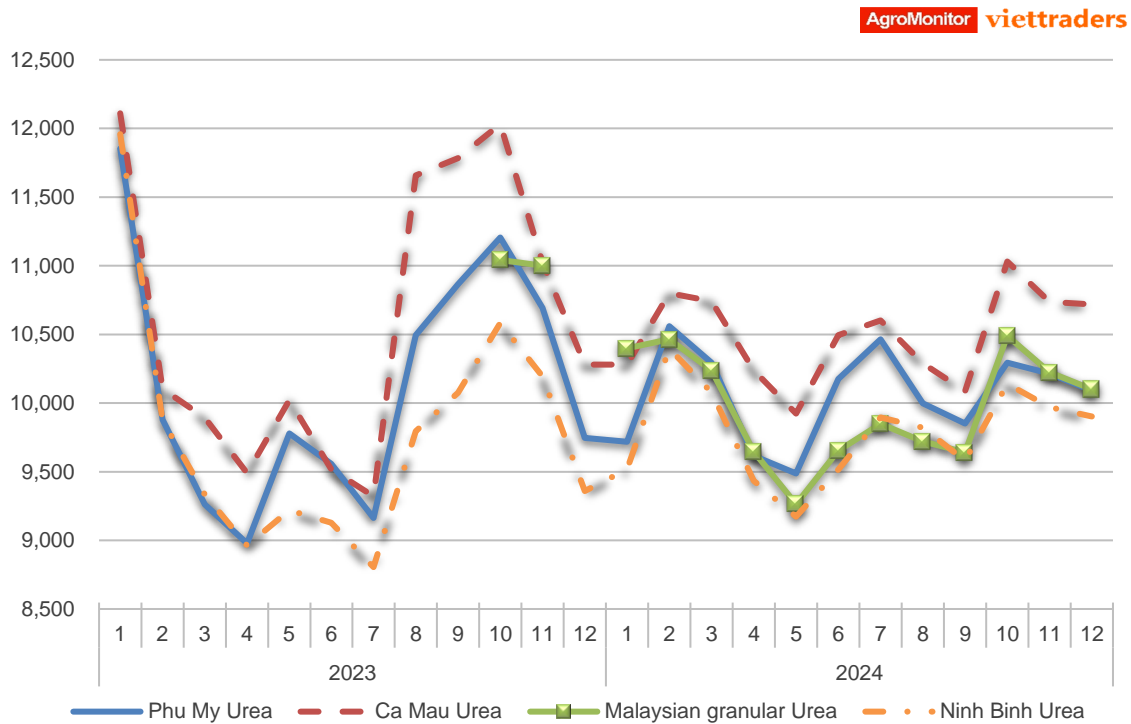
Trend Forecast:

In the short term, the global and Vietnamese urea markets are eyeing the Indian bidding session, closing on December 19, 2024. Domestic trading is expected to surge as demand peaks in the second half of December and January 2025.

Total urea demand in Q1/2025 is projected to reach 765 thousand tons, up by 19.57% QoQ but down by 10.5% YoY. Consumption for crops is expected to be 450 thousand tons, up by 45.16% (+140 thousand tons) QoQ; urea used for NPK/industrial production will increase by 7.14% QoQ to 150 thousand tons, while export volumes are expected to decrease by 13.07% to 165 thousand tons. Total urea supply in Q1 is anticipated to reach 1.2 million tons, up by 5.5% QoQ but down by 3.1% YoY.

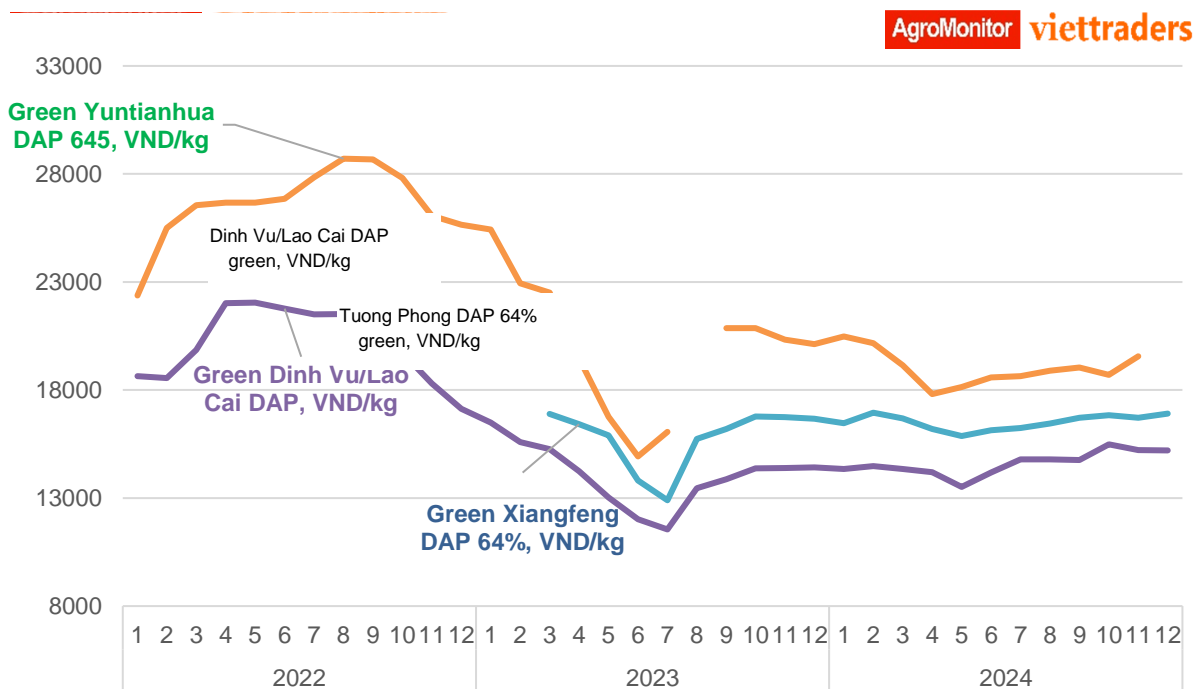
Urea inventory in early December 2024 was around 500 thousand tons. However, inventory is expected to be gradually depleted until early February as domestic consumption rises during the peak fertilization period in the Mekong Delta-Central region's Winter-Spring crop.

Chart 3: Urea prices in Vietnam, 2023-2024, VND/kg



Vietnamese DAP market

Chart 4: DAP prices traded in HCMC/Can Tho by month and year (VND/kg) from 2022-2024, VND/kg – Source: AgroMonitor as at 10/12/2024



Vietnamese DAP prices in Q3 2024 generally fluctuated little or decreased slightly due to limited purchase demand.

In Q4, Chinese DAP and domestic DAP offer prices in HCMC/Long An/Can Tho in November decreased slightly by 1-2% compared to October. This decrease was attributed to sluggish domestic transactions and traders/agents selling off inventory to avoid potential price drops. However, domestic consumption in December increased due to the peak of the Winter-Spring rice crop in the Mekong Delta, resulting in a rise in domestic DAP prices. This price increase was further supported by China's temporary suspension/restriction of DAP supply from December 1, 2024. In the short term, the market is expected to follow a positive trend with improved trading activity.

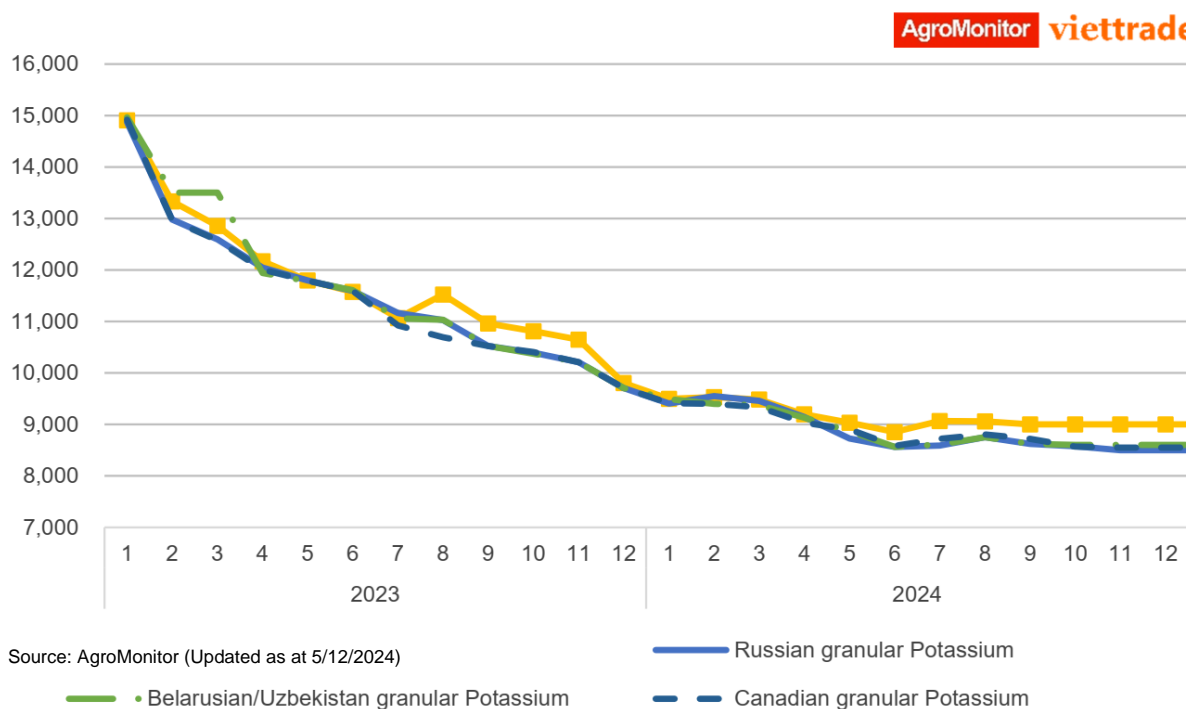
Vietnamese Potash Market

Potassium supply in Q3/2024 decreased by 74 thousand tons (-12%) compared to Q2/2024, mainly due to a sharp decrease in imports of 241 thousand tons (-62%). Domestic consumption demand in Q3/2024 remained high and increased by 10 thousand tons (+5%) QoQ, driven by increased consumption for crops.

Total supply in Q4/2024 is estimated at 611 thousand tons, down by 8 thousand tons (-1%) QoQ but up sharply by 187 thousand tons (+44%) YoY. Total demand for potassium in Q4 is estimated at 170 thousand tons, up by 5 thousand tons (+3%) QoQ and down by 5 thousand tons (-3%) YoY. In Q1/2025, the market expects global potassium prices to stagnate with a slight increase, helping keep domestic prices stable.

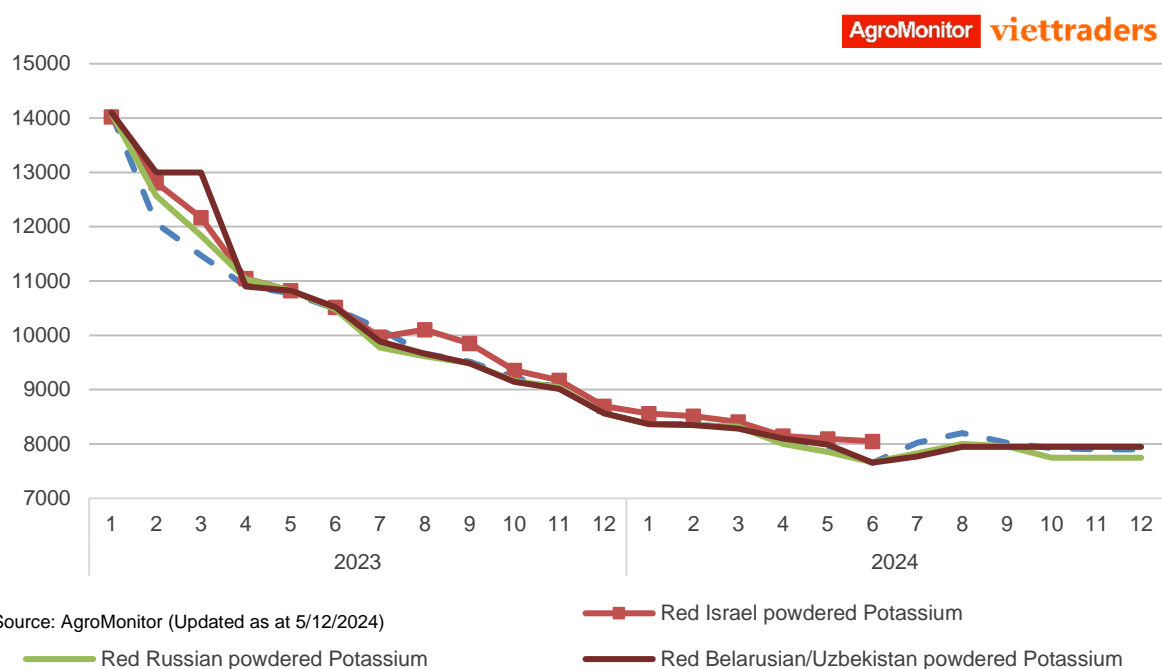
Potassium consumption demand in Vietnam is expected to increase sharply in Q1/2025 as the Winter-Spring rice crop in the Mekong Delta enters its peak fertilization period, and demand for Winter-Spring rice in the Central region gradually increases, with no significant increase in import volume expected.

Chart 5: Granular Potash price in HCMC on monthly basis 2023 - 2024 (VND/kg)



Source: Agromonitor

Chart 6: Price of Potash powder in HCMC on a monthly basis in 2023 - 2024 (VND/kg)



Source: AgroMonitor (Updated as at 5/12/2024)

Red Russian powdered Potassium

Red Israel powdered Potassium

Red Belarusian/Uzbekistan powdered Potassium

Source: Agromonitor

Domestic NPK market

Vietnam's total NPK demand in Q3 reached 790 thousand tons, down by 143 thousand tons (-15.4%) QoQ. Total NPK supply in Q3 also decreased by 303 thousand tons (-20.3%) QoQ and reached 1.19 million tons. Specifically, import volume decreased by 117.5 thousand tons (-51.7%) and production output fell by 220 thousand tons (-30%) to 520 thousand tons.

Vietnam's total NPK demand in Q4/2024 is estimated at 755 thousand tons, down by 97 thousand tons (-11.4%) QoQ. Domestic consumption demand is expected to reach about 670 thousand tons, with consumption forecasted to increase gradually from October to December, peaking at approximately 350 thousand tons in December. Total NPK supply in Q4 is expected to reach 1.28 million tons, equivalent to Q3 levels. NPK import volume is anticipated to be 140 thousand tons, with production output around 710 thousand tons. The NPK inventory at the beginning of October was expected to be 432 thousand tons. By the end of the period, inventory was expected to increase from 497 thousand tons (end of October) to 562 thousand tons (end of November) and 527 thousand tons (end of December).

Short-term forecast: Vietnam's total NPK supply in Q1 2025 is estimated at 1.47 million tons, up by 191 thousand tons (+14.9%) compared to the previous three months (September-November 2024). NPK production output in factories is expected to increase by 120 thousand tons (+21.4%) to 680 thousand tons, while NPK import volume is expected to decrease by 99 thousand tons (-53.8%) to 85 thousand tons. The NPK inventory at the beginning of December is expected to reach 704 thousand tons. Total NPK demand in Q1 2025 is also expected to increase by 271 thousand tons (+47.2%) compared to the previous three months, reaching 845 thousand tons. The NPK inventory at the end of the period is expected to decrease from 639 thousand tons (end of December) to 624 thousand tons (end of February 2025).

Chart 7: Prices of domestic NPK at the plant on a monthly basis in 2023-2024, VND/kg

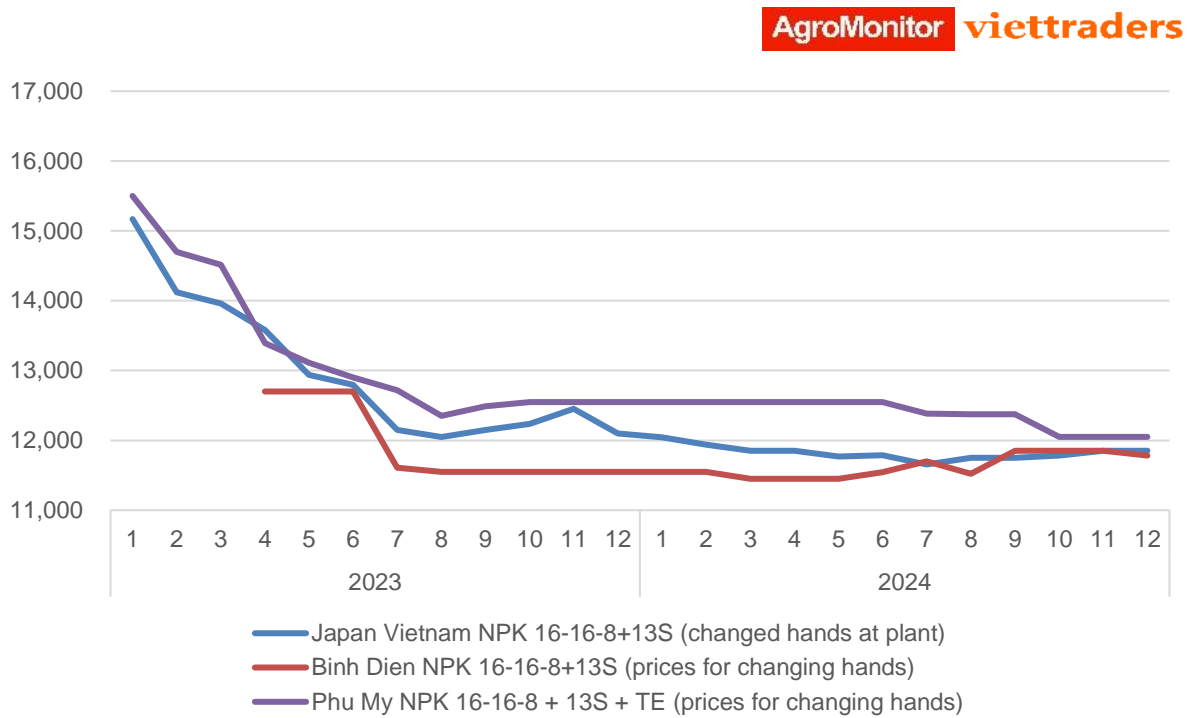
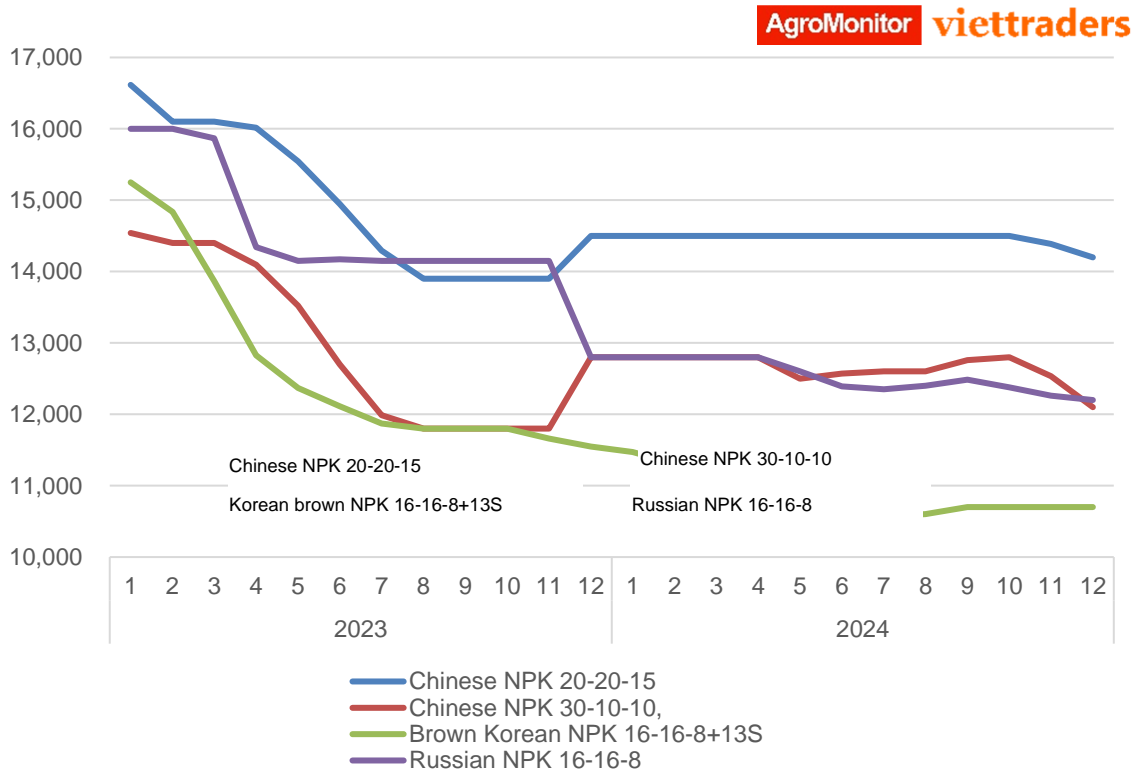


Chart 8: Prices of imported NPK in HCMC (inventory, 50kg bags) by month 2023-2024, VND/kg



Source: Agromonitor

Global Urea market

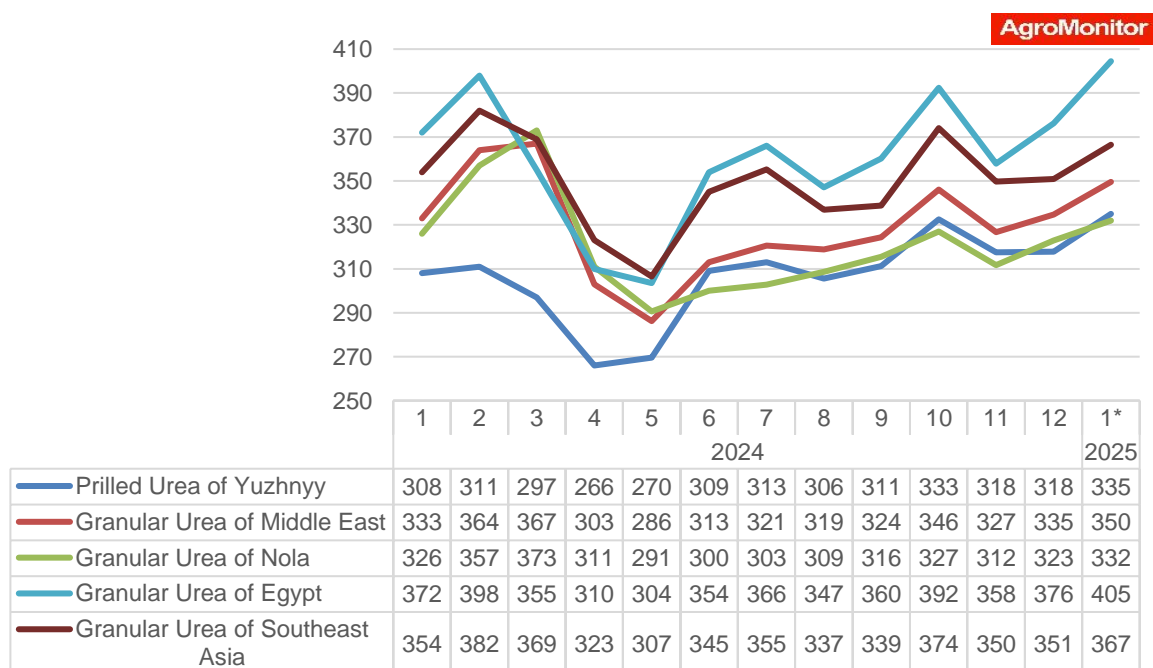
The global urea market experienced significant fluctuations in Q3/2024. In July, India's IPL opened an import bid but purchased only 434,000 tons due to price discrepancies. This led traders to anticipate another bid in August. Meanwhile, demand surged in Africa and Southeast Asia but remained limited in Europe and the US due to factory maintenance. In general, July saw a slight increase in average urea prices, rising approximately 1-3% from June. However, in August, prices fell 1-10% MoM due to weak demand. In September, urea prices rebounded, increasing 1-6%, largely driven by the NFL auction, which closed bids for 1.13 million tons, and growing demand from Africa, America, and Europe amid a supply shortage from China.

In Q4/2024, global prices saw significant month-to-month fluctuations. October began with an upward trend due to an import bid from India and conflicts in the Middle East. However, prices dipped slightly towards the month's end due to slow demand in Europe and Latin America, coupled with a lack of liquidity in major markets. Overall, October saw a moderate price increase of USD 12-35/ton (4-10%) MoM. In November, urea prices weakened as demand continued to decline in the West Bank of Suez markets. Indian tenders helped stabilize prices early in the month, but overall, prices decreased by USD 15-37/ton (4-10%) compared to October. In early December, the market was quiet slowly due to high inventory levels in Brazil and cautious US importers. However, a recovery was observed at the month's end, driven by a significant Indian bid on December 19 aiming to purchase 1.5 million tons, which boosted trading activities in several markets.

In Q1/2025, Urea prices are expected to recover with increased demand from major markets such as Europe, the United States, and Australia.

Chart 9: Global urea prices (monthly average) in 2023-2024 (USD/ton FOB)

Source: Agromonitor



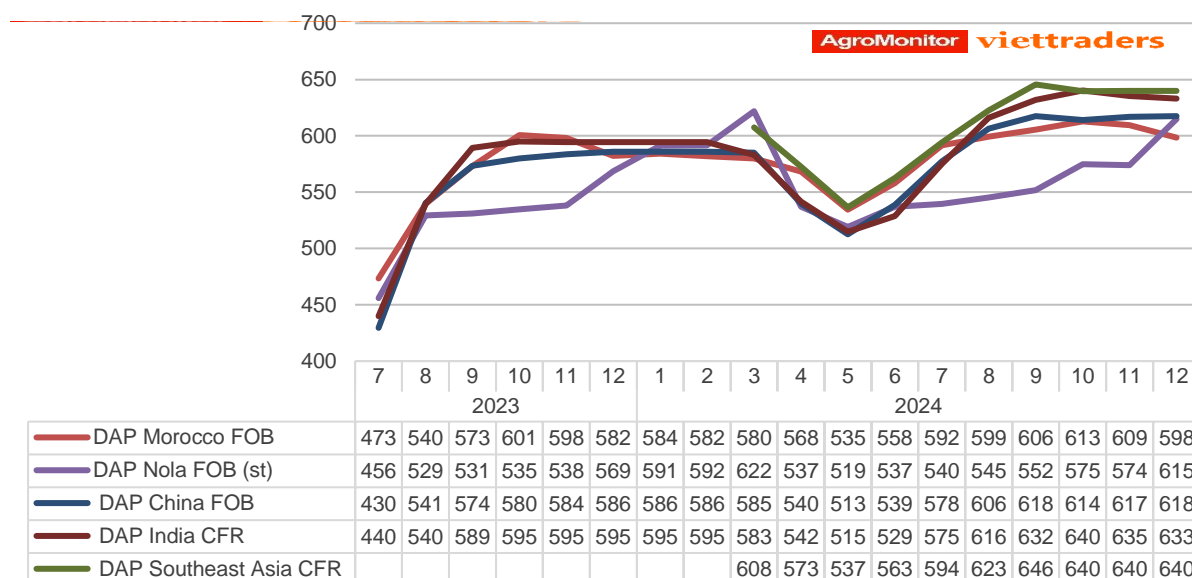
Global DAP market

In Q3/2024, DAP trading was mainly focused on South Asia. July saw a steady increase in DAP offer prices across regions, rising by USD 1-48/ton (1-9%), especially in South Asia due to increased demand for the Kharif crop and low inventory levels. In August, South Asian demand continued to rise slightly, though trading remained low, with prices up by 4-5% compared to July. African demand also grew in the second half of August following a 360,000-ton bid from Ethiopia. Other regions experienced minimal trading due to weak demand and heavy rain. Most actual DAP purchases in September came from South Asia in anticipation of the 2024/25 Rabi crop, resulting in a 1-3% MoM price increase. In Southeast Asia, despite weak demand and high inventory levels due to heavy rain, DAP prices still increased by 4% MoM.

In November 2024, DAP prices rose in most markets, with the West Coast experiencing the highest increase of 3-4% due to limited supply. Europe faced intense competition among suppliers, while Africa had numerous significant, yet-to-be-awarded bids. Strong demand in South Asia saw India's import volume reach 878,000 tons, and Bangladesh issued three bids totaling 274,000 tons. In Africa, Ethiopia issued bids for 611,000 tons of DAP amid fears of a suspension of orders from China due to export restrictions starting in December. Other regions remained quiet, with DAP purchases subdued by high inventory levels and adverse weather conditions.

Trend Forecast: From December 2024 to February-March 2025, phosphate prices are expected to continue their downward trend, albeit at a slower pace due to limited supply. China's suspension of customs inspections and restriction on DAP/MAP exports since early December has contributed to this tight supply. However, DAP/MAP prices may begin to rise slightly from March to May 2025 across most markets.

Chart 10: Average DAP prices in some regions on a monthly basis 2023-2024 (USD/ton FOB)



Source: Agromonitor

World potassium market

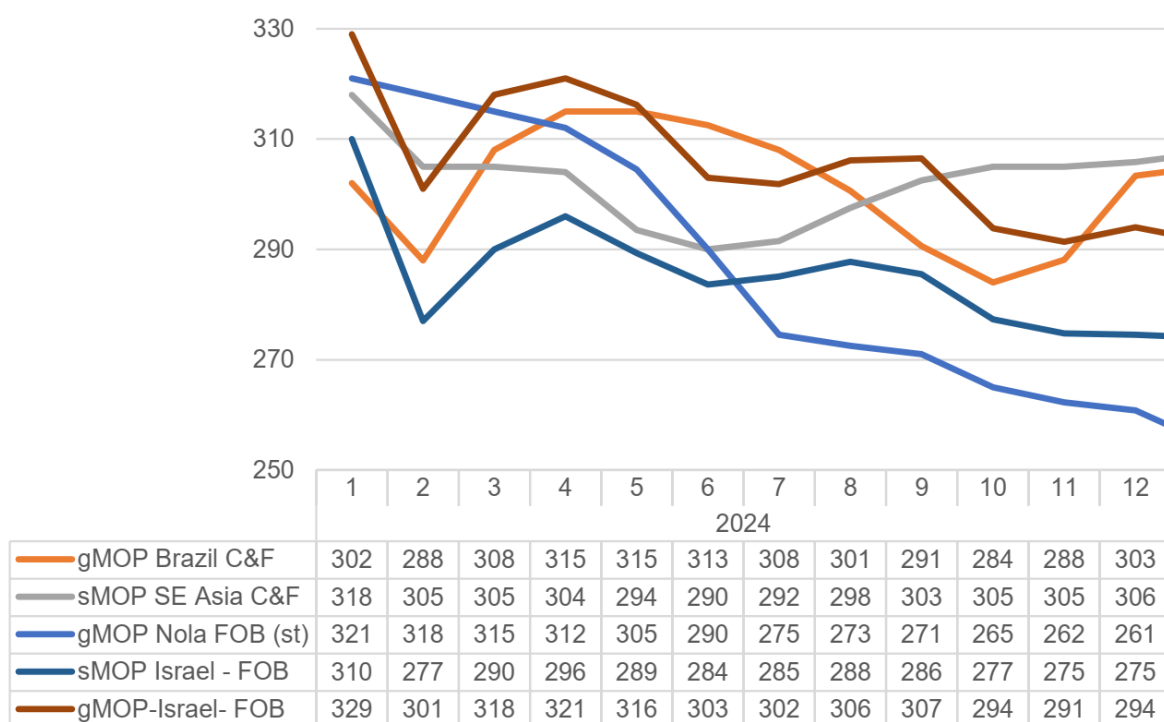
The global potassium market in Q3/2024 was marked by significant contracts between China, India, and suppliers like UralKali (Russia), starting at USD 273/MT CFR and gradually rising. These contracts

bolstered MOP prices in Southeast Asia, which saw slight increases in August and September due to plantation demand for the first half of 2025.

In Q4/2024, the MOP market experienced varied trends. October saw stable prices in Asia, thanks to increased demand from Pupuk Indonesia, India, and Nepal tenders, alongside a slight uptick in Brazil. Conversely, prices fell in Europe and South Africa due to weak demand. Overall, October's MOP prices dropped by USD 1-13/ton (1-4%) MoM. November continued the trend of declining prices, albeit at a slower rate, with a decrease of USD 1-7/ton (1-2%) MoM despite a strike at the Port of Vancouver delaying Canadian potash shipments. However, Pupuk Indonesia's purchase of 220,000 tons of MOP at USD 302/ton provided short-term market stability.

Trend Forecast: The forecast for MOP prices in Q1/2025 has been revised upwards, following a slight increase in some transactions during Q4/2024. However, elevated inventories in key markets and a weaker agricultural outlook may dampen MOP demand in 2025 more than anticipated, potentially driving lower prices than earlier projections.

Chart 11: Average potassium prices in some regions by month in 2023-2024 (USD/ton FOB)



Source: Agromonitor

Global NPK market

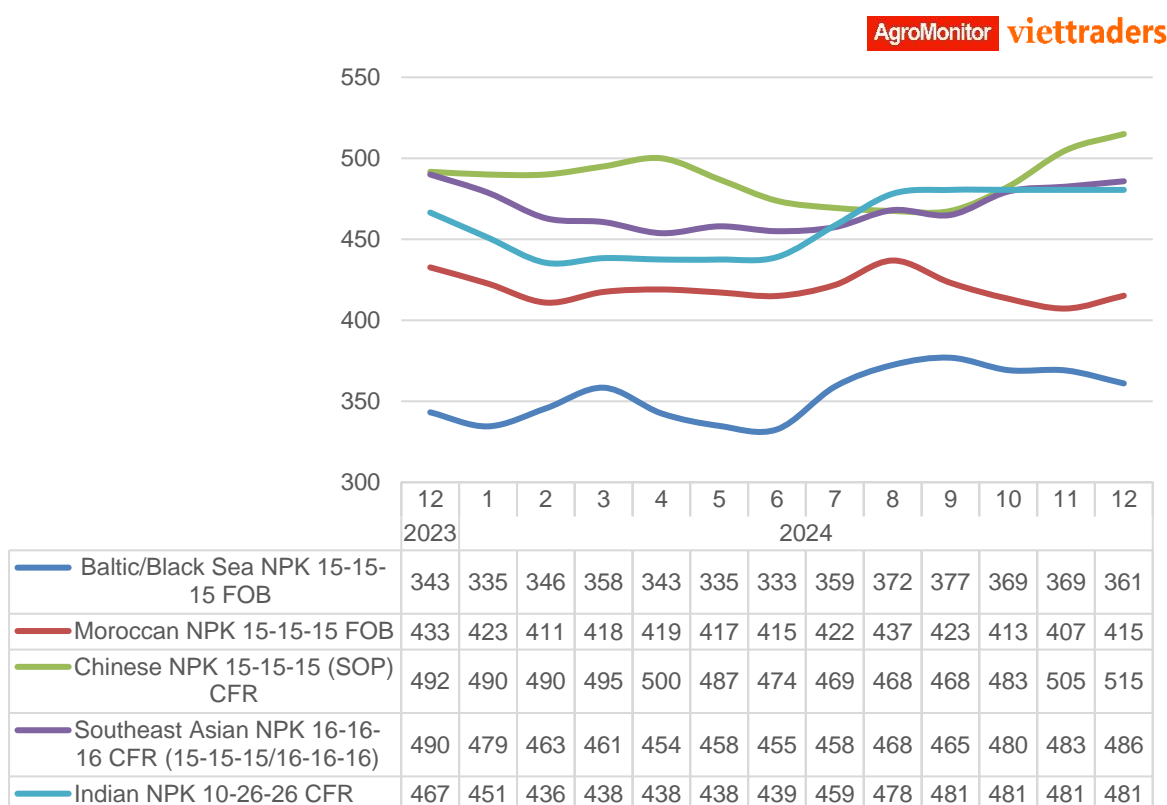
In Q3/2024, NPK prices experienced significant fluctuations across various regions globally. In July, prices in Southeast Asia, India and Europe (Germany/Benelux) rose by 3-30 USD/Euro/ton MoM due to higher raw material costs (DAP, SOP) and elevated freight rates. However, trading activities in Southeast Asia and Europe remained subdued due to the harvest season and off-season effects. In August, prices increased by 3-21 USD/Euro/ton amid expectations of stronger trading and limited Russian supply, though prices in China for NPK 15-15-15 slightly fell by 2 USD/ton. September highlighted sustained demand in India amidst limited DAP supply, although high prices hindered the conclusion of large deals. Meanwhile, in Southeast Asia and China, NPK prices fell by 3-6 USD per

ton due to low demand, while Europe and Africa remained relatively quiet, with several significant bids still pending.

In Q4/2024, NPK market recorded fluctuations in prices and demand. In China, NPK export prices fell by USD 5-6/ton due to weak demand, while NPK 15-15-15 (SOP) import prices rose by USD 15/ton due to higher raw material prices. In Southeast Asia, NPK prices increased by USD 15/ton amid high freight rates, though transactions remained limited. In India and Africa, NPK bids were still ongoing, but trading remained constrained, with some African countries expected to award contracts in November. By November, NPK import prices in China continued to climb due to high raw material prices, but NPK exports fell due to sluggish trading and customs concerns. In Southeast Asia and India, NPK prices also edged up slightly, but demand remained lackluster. In Africa, Kenya secured contracts to purchase 245,000 tons of fertilizer for 2024-25 crop, including various NPK grades.

Trend Forecast: Deliveries in Q1/2025 are expected to surge sharply, driven by the resurgence of buyers in Europe and India. In China, buyers expect NPK prices for Q1/2025 deliveries to continue their upward trajectory, as raw material prices remain at high level.

Chart 12: Average NPK price in certain regions by month in 2023-2024 (USD/ton, FOB)



Source: Agromonitor

IV. CORPORATE NEWS

1. Business News and Investor Relations:

PVFCCo Launches “PHUMY”, its New Brand Identity

On December 5, 2024, PVFCCo held a customer appreciation event and unveiled its new brand identity “PHUMY”, embodying the core value and motto of “Sharing Prosperity”.

The new brand identity and core values inherit the strong foundation and trusted reputation of “Dam Phu My” and “Phu My Fertilizer” brands, while expressing aspirations for international expansion and continued growth alongside investors, partners, and customers, aiming for shared prosperity and contributing positive value to the community.

This rebranding marks a key milestone in PVFCCo’s ongoing journey of sustainable growth, further strengthening its position and reputation with the public and its customer base.

Petrovietnam sets new revenue records in 2024

On December 28, 2024, Vietnam Oil and Gas Group (Petrovietnam) announced that it had exceeded its annual key targets by 6-24%. Compared to 2023, Petrovietnam achieved growth in four key production areas: urea production up by 4.6%, electricity production up by 25.8%, gasoline production (including NSRP – Nghi Son Refinery and Petrochemical LLC) up by 6.7%, and NPK production up by 19.5%.

Additionally, all financial targets were surpassed by 34% to 3.4 times, reaching the yearly goals 3 to 7 months ahead of schedule with strong YoY growth. The year 2024 marked the third consecutive year Petrovietnam broke the revenue record, exceeding 1 million billion VND, a 36% increase compared to the pre-Covid-19 period (2019), and equivalent to approximately 9% of the country's total GDP. The state budget contribution reached 165 trillion VND, nearly 9% of the total national budget revenue, up by 52% compared to the pre-Covid-19 period.

At the 2024 review and 2025 plan deployment conference, PVN officially announced its transformation from Vietnam National Oil and Gas Group to the National Energy Industry Group (retaining the abbreviation as Petrovietnam).

PVFCCo and PV GAS Strengthen Cooperation for Sustainable Development

In November, at PVFCCo's headquarters, the leadership of PVFCCo and PVGAS held a meeting to discuss key issues related to gas supply, sources, and pricing for 2024 and plans for the 2025 gas purchase agreement. Notably, the two parties signed a “Cooperation Agreement,” formalizing a long-term collaboration on terms discussed and agreed upon by both parties’ leadership. This agreement followed up on a previous meeting held at PVGAS on August 6, 2024.

The discussions covered gas sources and pricing, solutions for 2024, 2025, and beyond, and potential collaboration opportunities. Following these discussions and mutual agreement, representatives from PVFCCo and PVGAS officially signed the cooperation agreement. This agreement is viewed as a significant advancement, clearly demonstrating the commitment of both parties to strengthen their collaboration and create synergy for mutual sustainable development.

PVFCCo's roadmap for digital transformation (2023-2025) with a vision toward 2030

PVFCCo organized a Digital Transformation Workshop at its headquarters and online for its subsidiaries, involving the participation of managers and employees. The workshop provided insights into PVFCCo's strategy, digital operating model, and digital transformation roadmap. Additionally, the consultant presented a list of digital initiatives and solutions to effectively implement the technology roadmap, manage changes, and address the human resource pillar in the digital transformation process.

PVFCCo is honored with prestigious awards for management, business, and social responsibility

Vietnam’s 50 Best Performing Companies (Nhip Cau Dau Tu Magazine)

On December 11, 2024, PVFCCo was voted again as one of “Vietnam’s 50 Best Performing Companies in 2023”. This prestigious list honors companies for their exceptional performance and sustainable development strategies. The TOP50 companies were rigorously evaluated based on three-year performance data, excelling in three growth criteria: Revenue, Return on Equity (ROE), and Earnings Per Share (EPS).

PVFCCo Honored with First Corporate Excellence Award 2024

On October 3, 2024, PVFCCo was honored for the first time with the Corporate Excellence Award 2024 - a prestigious annual award voted by the Asia Pacific Enterprise Association. This award recognizes businesses and entrepreneurs who have made positive contributions to sustainable socio-economic development and promoted comprehensive entrepreneurship in the new context of the Asia-Pacific region.

The Asia Pacific Enterprise Awards (APEA) have been organized annually by the Asian Business Association for the past 17 years, attracting the participation of more than 300 renowned businesses from 16 countries in the Asia-Pacific region. This award honors businesses and entrepreneurs in four categories: Corporate Excellence Award, Fast Enterprise Award, Inspirational Brand Award, and Master Entrepreneur Award.

PVFCCo Included in the Fortune Southeast Asia 500 List

On June 18, 2024, Fortune Magazine announced the 2024 Fortune Southeast Asia 500 List and PVFCCo was honored to be included.

This is the first time that Fortune has published a ranking of the 500 largest companies in the region based on revenue in the 2023 fiscal year. This first ranking included companies from 7 Southeast Asian countries: Indonesia, Thailand, Malaysia, Singapore, Vietnam, the Philippines and Cambodia. Accordingly, PVFCCo ranked 426th with a revenue of 570 million USD.

“Fortune Southeast Asia 500 reflects a dynamic and rapidly changing region – whose core economies are growing significantly faster than those in Europe or the United States,” said Clay Chandler, Fortune’s Asia Editor-in-Chief. “This is partly due to Southeast Asia’s much greater importance in the global economy, which is particularly true as many of multinational companies in Global 500 have shifted many supply chains to Southeast Asian countries.”

PVFCCo Wins “Corporate Social Responsibility Award” Again

On November 14, 2024, PVFCCo received the “Corporate Social Responsibility Award” for the fourth year in a row at the Saigon Times CSR 2024 event hosted by Saigon Times Magazine. This accolade recognizes PVFCCo's positive contributions to the community, the environment, national responsibility, and employee welfare, demonstrating the Corporation's deep commitment to corporate social responsibility (CSR).

“Corporate Social Responsibility Award” is organized annually by Saigon Times Magazine group to honor enterprises that actively and effectively engage in social responsibility programs, contributing significantly to sustainable development and a better community future.

PVFCCo Wins “Strong Brand – Green Growth in 2024”

Also in October, PVFCCo, along with its Phu My Fertilizer and Phu My Chemical products, was honored with the “Strong Brand – Green Growth” award as part of the Vietnam Strong Brand Program organized by Vietnam Economic Magazine.

Being well known for its mission of accompanying the agricultural sector and rapidly transforming its operations to save energy, PVFCCo is currently researching and applying a modern production model based on a digital platform, prioritizing the use of clean energy and focusing on guiding the customers to use fertilizers economically and effectively.

Renowned for its commitments to supporting the agricultural sector and rapidly transforming its operations to conserve energy, PVFCCo is actively researching and implementing a cutting-edge production model built on a digital platform. This innovative model emphasizes the use of clean energy and provides customers with guidance on the economic and effective use of fertilizers.

Phu My Fertilizer and Phu My NPK Continue to Be Recognized as "National Brands" in 2024

This marks the 6th consecutive recognition of PVFCCo's product brands, reaffirming its position as a leading enterprise in the agricultural sector and one of Vietnam's most valuable brands.

The Vietnam National Brand is not an award or title, but a special, long-term trade promotion program initiated by the Government to build and develop a national brand for Vietnam by elevating reputable domestic brands. It encourages businesses to pursue and promote three core values: "Quality – Innovation – Pioneering Capability."

Phu My NPK Brand Wins "Vietnam Golden Brand Award"

On October 12, 2024, the Vietnam General Council of Agriculture and Rural Development celebrated "Vietnam's Gold Farming Brands in 2024" in Hanoi, honoring products with positive contributions to Vietnam's agriculture. PVFCCo's NPK Phu My 20-10-10 + TE product was proudly ranked among the brand winners of Vietnam's Golden Agricultural Brand in 2024.

NPK Phu My 20-10-10 is a standout product in Phu My NPK Fertilizer product line, manufactured using the most advanced European technology, overcoming the drawbacks of NPK produced by conventional methods. All nutrients and chemical components are "packaged" within a single fertilizer granule. This allows crops to absorb nutrients evenly and in a balanced manner. Additionally, this technology ensures the nutrients are tightly bound together, reducing evaporation and leaching, thereby increasing fertilizer efficiency and enhancing economic returns for farmers.

Customers Explore the Production Process at Phu My Fertilizer Plant

In September 2024, PVFCCo organized several tours of the Phu My Fertilizer Plant and Phu My NPK Plant for distinguished customers from the northern and southeastern regions. These programs provided a platform for interaction and allowed customers to witness advanced technology and production processes firsthand.

During the tours, the plant's engineers enthusiastically introduced the safety control processes, advanced production technology, and high-quality machinery used in producing Phu My fertilizers. Customers were given a comprehensive view of the production process, from raw material input to the final product.

Phu My Continues to Support Farmers through "Agricultural Doctor" program

This year, the "Agricultural Doctor" program was organized in the Northern and Southwestern provinces, featuring leading experts and scientists in collaboration with local farmers' associations in the field of agricultural production.

The “Agricultural Doctor” program, initiated in 2016, has been instrumental in helping farmers access scientific knowledge, improve production efficiency, and promote sustainable agriculture. This forum provides an ideal platform for farmers to enhance their knowledge, boost productivity, and support the goal of developing a sustainable, modern, and internationally integrated agricultural sector. The recent sessions have attracted over 1,000 delegates, including leaders from the local agricultural sector, Agricultural Extension Centers, Plant Protection Departments, Farmers' Associations, heads of cooperatives, farm owners, and exemplary farmers.

PVFCCo Implements Social Security Programs During the 2024 School Year Opening

On September 28, 2024, Vietnam Oil and Gas Group (PVN) and PVFCCo collaborated with the People's Committee of Ba Don Town, Quang Binh Province, to organize the inauguration of a 2-storey, 6-room classroom and functional classroom building for Quang Tien Secondary School. The project, with a total investment of VND 5.2 billion (of which PVFCCo sponsored VND 5 billion), was completed and put into operation after nearly one year of construction.

On August 24, 2024, PVFCCo inaugurated and handed over the Multi-purpose House and auxiliary structures at My Trung Primary School, My Loc District, Nam Dinh Province with a total value of VND 5 billion and a total construction area of 458.75m².

Then, on August 26, 2024, PVFCCo also inaugurated and handed over the construction of a 2-storey, 6-room classroom building at Trung Vuong Kindergarten in Viet Tri City, Phu Tho Province. The project had a total investment of more than VND 7.4 billion, with PVFCCo sponsoring VND 4.5 billion.

2. News on fertilizer, chemical, and agricultural markets:

EU Plans to Impose Tariffs on Russian Fertilizers:

On November 21, 2024, European Union (EU) trade ministers discussed additional sanctions package for 2025, particularly focusing on Russian fertilizer imports. Sweden, Denmark, Estonia, Finland, Ireland, Latvia, Lithuania and Poland urged the European Commission to propose increasing import tariffs on the broadest possible range of imports from Russia and Belarus.

China:

Government export controls on urea shipments to overseas markets remain in place, and all new applications for China Inspection and Quarantine (CIQ) are suspended until further notice, possibly until early June 2025.

Russia:

In a resolution dated December 11, 2024, the Russian government imposed a 7% export tariff on inorganic fertilizers until the end of 2024, which was applicable to all types of fertilizers. The government also upheld the Ministry of Finance's proposal to abolish the export tariff on inorganic fertilizers starting January 1, 2025.

Previously, fertilizer export tariffs fluctuated up to 10% under a flexible exchange rate regime, calculated based on the USD-Rupee exchange rate from the 26th of the previous month to the 25th of the following month.

India:

The Indian government announced that the special subsidy for DAP (Rs 3,500 per ton) may expire on January 1, 2025. However, market sources indicate it could be extended until the end of March 2025 to offset losses for DAP importers.

Without this special subsidy, the maximum retail price could increase by around Rs 4,000 per ton from January 1, 2025, and DAP importers are likely to incur a loss of approx. USD 92 per ton.

News on chemical market**NH3**

The global Ammonia (NH₃) market is expected to grow at a Compound Annual Growth Rate (CAGR) of approx. 6.3% through 2034, led by Asia-Pacific region. However, environmental challenges, sustainable production, and volatile prices may impose significant pressure on the industry.

International NH₃ demand continues to rise, primarily for fertilizer production to meet growing food demands, especially in populous nations like India and China. Government policy support and global population growth will drive demand. NH₃ prices will be influenced by supply fluctuations in China, the Middle East, and North America due to export restrictions or changes in feedstock supply. Energy costs and emission regulations will also affect NH₃ prices across regions.

For the domestic market, Vietnam may face reliance on NH₃ imports, particularly if domestic production falls short of meeting fertilizer and chemical demand. The government is expected to continue supporting the agricultural sector to stabilize fertilizer prices and ensure food security. NH₃ prices in Vietnam may fluctuate in line with import prices from Southeast Asian countries and the global market. Additionally, weather and agricultural seasons will play significant roles in price variations.

By the end of the year, PVFCCo undertook significant efforts to boost NH₃ supply to customers, reduce inventory, and invest in NH₃ import and export pipelines through PTSC port. This initiative aims to diversify waterway export methods in line with PVFCCo's orientation and goals.

UFC85:

PVFCCo maintained stable UFC85 selling prices with a slight increase in 2H2024. Volume and revenue are expected to meet and exceed planned targets. By fostering strong partnerships with key customers such as Ca Mau Urea and Ninh Binh Urea, PVFCCo ensured consistent consumption output, catered to customer demands, and optimized overall business performance.

CO₂:

In 2H2024, CO₂ supply output remained stable and was expected to be in line with the planned target.

DEF/Adblue:

PVFCCo has successfully collaborated with partners to produce and distribute the first experimental batch of DEF products using urea liquid as raw material at Phu My Fertilizer Plant. Concurrently, the Corporation further improved the feasibility study for the investment project aiming for approval in December 2024. The investment procedures have been completed, enabling the deployment of the DEF Production Workshop at the plant. The first commercial products are expected to be available by the end of Q2 2025. Currently, the Trading Division is introducing DEF products in various markets, including Korea, Japan, and China. PVFCCo is also partnering with Vietnam Oil Corporation (PVOIL) to establish a robust product distribution network through PVOIL's retail system (through pumping stations and 10/20-liter canisters) at PVOIL gas stations.

Petrochemicals:

PVFCCo's petrochemical customers have signed long-term supply contracts (2-3 years) and will continue to fulfill these agreements while participating in new chemical supply packages. In 2024, PVFCCo maximized the production capacity of its Petrochemical Workshop to increase the blending of specialized product lines, meeting the diverse needs of JOCs and POCs in upstream operations, thereby enhancing business efficiency and diversifying products for specialized extraction markets.

Source: PVFCCo

Editorial Board:

Management Board: Mr. Nguyen Xuan Hoa – Chairman; Mr. Phan Cong Thanh – President & CEO; Mr. Vo Ngoc Phuong – Vice President

IR team: Mr. Truong The Vinh; Mr. Pham Tran Kien; Mr. Pham Chi Trung; Ms. Nguyen Thi Ngoc Mai

Finance Department: Ms. Lam Thi Bich Ngoc; Ms Le Thi Thuy Hang; Ms Tran Xuan Thao

Sales and Trading Department: Ms Phung Thi To Uyen; Ms Do Ngoc Minh Huong

Planning and Investment Department: Ms Pham Thi Ha; Ms Nguyen Thi Nhat

Marketing and Communications Department: Ms Vu Thi Thu Thuy