

18/07/2025

RECOMMENDATION	HOLD
Fair price	62,000
Current price	56,900
Upside/downside	9.0%

#### STOCK INFORMATION

Outstanding shares (mil)	224.5
Free float (mil)	50%
Market cap. (billion VND)	12,816
3m avg. volume (shares)	1,431,356
Foreign ownership (%)	22.55%
First listing date	24/12/2007

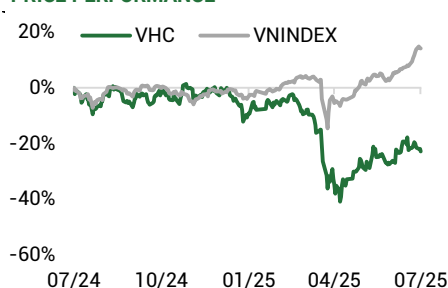
#### SHAREHOLDER STRUCTURE

Truong Thi Le Khanh	42.3%
Khác	57.7%

#### KEY ATTRIBUTES

TTM EPS (VND)	5,568
BVPS (VND)	39,511
Debt/Equity	27.00%
ROA (%)	10.04%
ROE (%)	14.43%
P/E	10.21
P/B	1.45
Dividend yield (%)	3.50%

#### PRICE PERFORMANCE



#### COMPANY PROFILE

VHC specializes in producing and exporting pangasius, collagen, gelatin, and diverse products like rice-based items, fruits, and aquaculture feed. VHC's core pangasius offerings—fillets, by-products, and value-added products—drive the company's robust export market, primarily targeting the US, Europe, and China.

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## WAITING FOR THE TARIFF DUST TO SETTLE

- In 6M2025, revenue reached VND 5,841 Bn, down 3.6% YoY, with the pangasius fillet segment (accounting for 54%) reaching VND 3,139 Bn, down 1.5% YoY, but showing strong recovery monthly data in May (+15%) and June (+5%) due to increased exports to the US and EU.
- The tariff and competitive landscape in the US and EU is undergoing significant changes. In the US, eight Vietnamese pangasius companies, including VHC, benefit from a 0% anti-dumping tariff, reducing costs but increasing price competition. Meanwhile, the EU has imposed a ban on Russian seafood, creating a moment for Vietnam's pangasius to penetrate this market further, especially for VHC as a leader.
- We maintain a cautious outlook on profit growth prospects for 2025 due to three main factors: (i) selling prices expected to be pressured as companies accelerate inventory clearance amid tariff uncertainties, (ii) the continued shortage of pangasius raw material supply is putting pressure on input costs, and (iii) companies tend to manage inventory more cautiously until there is clarity on reciprocal tariffs.
- The 2025 dividend is 2,000 VND/share (yield of 3.5%), P/E 10.3x (below the 5-year average of 12.0x). With a cautious perspective, PHS recommends **HOLD** with a fair price of 62,000 VND/share, offering an upside potential of 9.0%.

## 6M2025 sales update

In 6M2025, VHC recorded revenue of VND 5,841 Bn (-3.6% YoY), in which:

- The pangasius fillet segment (accounting for 54%, reaching VND 3,139 Bn, -1.5% YoY) showed no growth but **recorded a recovery in monthly sales of May and June** with revenue growth of 15% and 5% (YoY), respectively.
- This recovery was driven by strong export growth to the US (+17% YoY in 05/25, +32% YoY in 06/25) and the EU (+42% YoY in 05/25, -5% YoY in 06/25), while exports to China continued to weaken with a sharp decline of 76% YoY in 06/25.
- This occurred in the context of: (i) front-loading of shipments as the US imposed a general 10% tariff on all countries for 90 days before final reciprocal tariff rates were announced; and (ii) trade tensions creating an opportunity for pangasius to compete more effectively with other whitefish in the same segment (tilapia from China to the US, pollock from Russia to the EU).

## Assessment of tariff situation and competitive landscape update in the US and EU markets

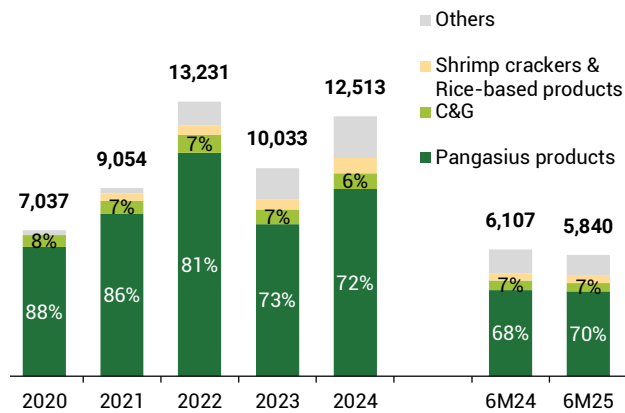
**Tariff response:** Management stated that all tariff-related costs will be passed on to importers, with the expectation that the market will absorb the price increases given that pangasius remains competitively priced compared to other whitefish species.

We believe that the market demand outlook under the impact of tariffs will

require further monitoring of the following factors: (i) detailed tariff differentials among whitefish from various countries (notably China, Canada, Iceland, Indonesia, Malaysia), (ii) consumption trends of different fish types in the US market, and (iii) opportunities to expand penetration in high-value markets (US, EU) amid rising geopolitical tensions and increasing export barriers for competing whitefish species.

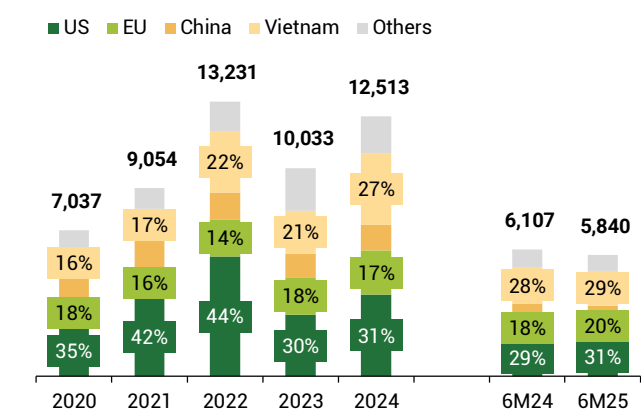
On the other hand, **the depreciation of the VND against the USD this year** is expected to partially offset the impact of tariffs.

**Figure 1: VHC revenue breakdown by main business segments (VND Bn)**



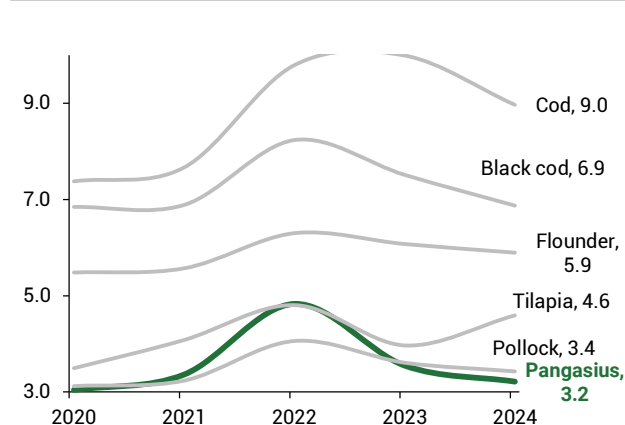
Source: VHC, PHS compiled

**Figure 2: VHC revenue breakdown by market (VND Bn)**



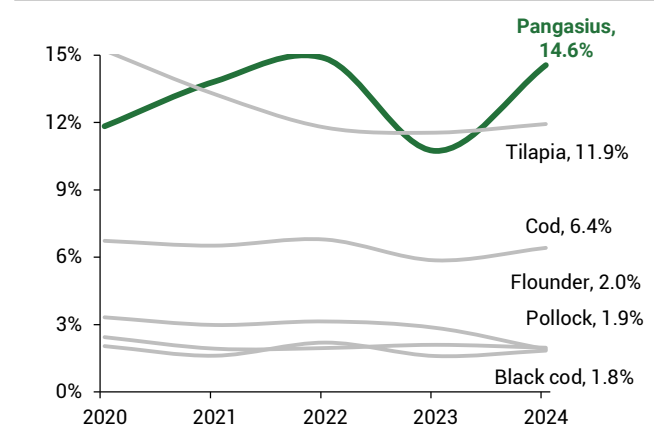
Source: VHC, PHS compiled

**Figure 3: Annual average export price of white fish fillets to the US (USD/kg)**



Source: ITC, PHS compiled

**Figure 4: Export market share to the US - Fish fillets (Display white fish only, %)**



Source: ITC, PHS compiled

**Update on Trade Situation in the US (32% of export revenue) and EU (17% of export revenue) Markets:**

- According to the final decision from the US Department of Commerce (DOC) on 18/06/2025, in the 20th administrative review (POR20) of frozen pangasius fillets imported from Vietnam to the US, 7 companies under review were approved for a 0% anti-dumping tariff (VHC has been excluded from the scope of anti-dumping tariffs since the POR periods starting in 2025). This increases the total number of companies enjoying a 0% anti-dumping tariff from 3 (in previous PORs) to 8 (per POR20). Among

these 8 companies, Vinh Hoan Corporation (HSX: VHC), Nam Viet Corporation (HSX: ANV), and Can Tho Import-Export Seafood Joint Stock Company (UpCOM: CCA) are the 3 publicly listed firms on the stock exchange.

- We expect this to positively impact the 8 aforementioned companies as the previous anti-dumping tariff of 2.39 USD/kg (equivalent to over 70% of the FOB price of pangasius exported to the US) has been eliminated. However, this poses a challenge for VHC as price competition intensifies in the US market (50-70% of export revenue from pangasius fillets).
- **On 20/5/2025, the European Union (EU) officially approved its 17th sanctions package**, marking the first inclusion of the Russian seafood industry under sanctions, targeting two leading Russian seafood companies, Norebo Holding (specializing in white-flesh fish exports) and Murman Seafood, due to suspicious movements of their fishing fleets linked to espionage activities in the North and Baltic Seas. We believe this creates a moment for pangasius companies in general, and VHC in particular, to penetrate the EU market further, leveraging its leading position in this market.

## 2025 business plan

In 2025, management outlined two scenarios:

- Base Case: Revenue of VND 10,900 Bn (-12.9% YoY), NPAT-mi of VND 1,000 Bn (-14.7% YoY).
- Optimistic Case: Revenue of VND 12,350 Bn (-1.3% YoY), NPAT-mi of VND 1,300 Bn (+1.2% YoY).
- PHS forecasts revenue of VND 12,188 Bn (-2.6% YoY) and NPAT-mi of VND 1,172 Bn (-4.4% YoY). We maintain a cautious view on earning growth prospects for 2025 based on three factors: (i) selling prices are unlikely to improve as companies may need to accelerate shipments ahead of tariff uncertainties, (ii) the ongoing shortage of raw pangasius supply continues to pressure input costs across the industry, and (iii) inventory management will remain conservative until detailed reciprocal tariff rates are announced, leading to modest sales volume for the year.

**Table 1: VHC 1Q25 business results, company scenarios, and PHS forecast**

Unit: VND Bn	1Q25	Base case from guidance	Positive case from guidance	PHS forecast
<b>Net revenue</b>	<b>2,648</b>	<b>10,900</b>	<b>12,350</b>	<b>12,188</b>
%YoY growth	-7.3%	-12.9%	-1.3%	-2.6%
<b>NPAT-mi</b>	<b>193</b>	<b>1,000</b>	<b>1,300</b>	<b>1,172</b>
%YoY growth	15.5%	-14.7%	1.2%	-4.4%

Source: VHC, PHS compiled and forecasted

Besides, the company has set capex plan for 2025 reaching VND 830 Bn, allocated for upgrading production in the Collagen segment, phase 1 of the fruit processing plant, storage for the Feedone aquatic feed plant, increasing capacity at the Sa Giang rice and shrimp crackers, and expanding the pangasius raw material farming area. (Detailed information on each investment has not been disclosed)

## Valuation and Dividends

The 2025 cash dividend has been approved at VND 2,000/share, corresponding to a dividend yield of 3.5% based on the closing price on 18/07/2025. In terms of dividends, this yield is modest compared to leading F&B companies on the exchange and bank deposit interest rates.

VHC is currently traded at a P/E of 10.3x, lower than the 5-year average of 12.0x and the 2-year average of 15.5x. Using a combination of DCF and EV/EBITDA valuation methods, we recommend **HOLD** for VHC with a fair price of VND 62,000/share, implying an upside potential of 9.0% compared to the current price.

**Figure 1: VHC Trailing P/E from 2020 to TTM**



Source: Bloomberg, PHS compiled

## FINANCIAL STATEMENTS

In VND bn

Income statement	2022A	2023A	2024A	2025F	2026F
Net revenue	13,231	10,033	12,513	12,188	13,741
COGS	(10,255)	(8,540)	(10,618)	(10,381)	(11,706)
Gross profit	2,976	1,493	1,895	1,807	2,034
Selling expenses	(349)	(216)	(297)	(246)	(292)
SG&A expenses	(372)	(308)	(358)	(349)	(384)
EBIT	2,254	969	1,241	1,212	1,358
Financial income	434	377	423	422	473
Interest expenses	(370)	(229)	(217)	(223)	(288)
Profit before tax	2,323	1,145	1,485	1,452	1,591
Profit after tax	2,013	974	1,303	1,256	1,377
PAT of the parent company	1,975	919	1,226	1,172	1,285
Balance sheet	2022A	2023A	2024A	2025F	2026F
<b>Current Assets</b>	<b>7,640</b>	<b>7,888</b>	<b>8,238</b>	<b>8,662</b>	<b>10,014</b>
Cash & cash equivalents	553	233	570	949	1,322
Short-term investments	1,768	2,069	2,340	2,272	2,561
Short-term receivables	2,330	1,578	2,201	2,082	2,430
Inventories	2,818	3,763	2,915	3,130	3,448
Other current assets	172	245	213	229	253
<b>Non-current Assets</b>	<b>3,943</b>	<b>4,054</b>	<b>3,996</b>	<b>4,691</b>	<b>4,464</b>
Tangible fixed assets	2,522	2,921	2,944	2,998	3,100
Investment properties	-	-	-	240	240
Construction in progress	566	160	109	524	159
Long-term investment	66	67	69	73	75
Goodwill	261	225	190	180	205
Other non-current assets	528	681	682	676	684
<b>Total Assets</b>	<b>11,583</b>	<b>11,943</b>	<b>12,234</b>	<b>13,353</b>	<b>14,478</b>
<b>Liabilities</b>	<b>3,889</b>	<b>3,351</b>	<b>3,241</b>	<b>3,554</b>	<b>3,816</b>
Short-term debts	2,214	2,157	2,277	2,458	2,681
Short-term trade payables	448	309	278	375	423
Other current liabilities	1,037	767	629	667	653
Long-term debts	175	102	-	-	-
Other non-current liabilities	16	17	57	54	60
<b>Equity</b>	<b>7,694</b>	<b>8,591</b>	<b>8,994</b>	<b>9,799</b>	<b>10,662</b>
Contributed capital	1,834	1,870	2,245	2,245	2,245
Minority interest	171	244	318	401	427
<b>Total Liabilities &amp; Owners' Equity</b>	<b>11,583</b>	<b>11,943</b>	<b>12,234</b>	<b>13,353</b>	<b>14,478</b>

Cashflow statement	2022A	2023A	2024A	2025F	2026F
Net Operating CF	993	301	1,499	1,628	700
Net Investing CF	(967)	(470)	(356)	(1,063)	(128)
Net Financing CF	332	(152)	(806)	(186)	(199)
Net Cash Flow	358	(320)	337	379	373
Opening balance	195	553	233	570	949
Closing balance	553	233	570	949	1,322
Key ratios (%)	2022A	2023A	2024A	2025F	2026F
<b>Growth rate</b>					
Sales	46.1%	-24.2%	24.7%	-2.6%	12.7%
PAT	81.9%	-51.6%	33.8%	-3.6%	9.6%
Total assets	32.6%	3.1%	2.4%	9.1%	8.4%
Equity	30.8%	11.7%	4.7%	9.0%	8.8%
<b>Profitability</b>					
Gross margin	22.5%	14.9%	15.1%	14.8%	14.8%
EBIT margin	18.3%	12.7%	12.5%	12.5%	12.2%
Profit margin	15.2%	9.7%	10.4%	10.3%	10.0%
ROA	19.8%	8.3%	10.8%	9.8%	9.9%
ROE	29.6%	12.0%	14.8%	13.4%	13.5%
<b>Operating cycle</b>					
Receivables days	6.52	5.63	7.60	6.53	6.75
Inventory days	4.45	2.60	3.18	3.43	3.56
Payables days	28.6	25.1	33.3	32.0	30.2
<b>Liquidity</b>					
Current ratio	2.1	2.4	2.6	2.5	2.7
Quick ratio	1.3	1.3	1.7	1.6	1.7
<b>Financial structure</b>					
Liabilities/Total Assets	0.34	0.28	0.26	0.27	0.26
Total Debt/Equity	0.51	0.39	0.36	0.36	0.36
Short-term debt/Equity	0.29	0.25	0.25	0.25	0.25
Long-term debt/Equity	0.02	0.01	-	-	-

(Source: PHS compiled and forecasted)

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**OVERWEIGHT:** Stock has potential upside between 10% and 20%.

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