

20 Apr 2022

Vinh Hoan (VHC)

AGM brief: Sustainable plans of the top

The company held an AGM session on Apr 20th to articulate the business plan, coming out with optimistic business guidance.

Strongly invest to expand capacity

- The company targets a VND13,000bn revenue (+43.5% yoy) and a VND1,600bn NPAT (+46% yoy) in 2022F. In 1Q22, the company reached VND3,276bn in revenue (+83% yoy) and VND553bn in NPAT (+3.2x yoy) completing 24%/33% of full-year forecast
- A 20% cash dividend at par and 20% stock dividend will be paid this year.
- In 2022, VHC plans to ramp-up investment of VND1,530bn in projects, including (1) Vinh Agriculture factory construction (2) expanding farming area (3) improving the production capacity for Vinh Phuoc, Vinh Hoan and Sa Giang factories (4) invest in operation lines of Collagen products and upgrade Vinh Hoan Collagen factory.
- In particular, the key drivers of VHC 2022F revenue growth are backed by:
 - Expanding 100ha – 150ha farming area to maintain 70% of self-sufficiency of raw material.
 - Increasing the fillet processing capacity from 800 tonnes per day to 1,000 tonnes per day.
 - Starting to operate Feed One, aqua-feed factory in Apr, 2022 with 350,000 tonnes annual of capacity. The aqua-feed factory will supply feed for agricultural system, expected to improve GPM.
 - Operating Vinh Phuoc factory to process salmon and surimi products.
- We maintain VHC rated with TP VND121,500, BUY reflected by a solid 1Q22 business result. We expected VHC could increase the capacity to have abundant supplying for high demand in markets.

	2019A	2020A	2021A	2022F	2023F
Sales (VND bn)	7,867.1	7,037.2	9,054.2	13,486.0	16,382.0
chg. (% YoY)	(15.1)	(10.5)	28.7	48.9	21.5
Operating profit (VND bn)	1,132.5	682.7	1,196.2	1,952.9	2,409.8
Net profit (VND bn)	1,177.8	722.4	1,130.0	1,654.2	2,080.9
EPS (VND)	6,154.8	3,970.6	6,162.9	9,020.3	11,349.9
chg. (% YoY)	(61.5)	(35.5)	55.2	46.4	25.8
EBITDA (VND bn)	1,297.7	883.2	1,481.6	2,305.0	2,830.8
PE (x)	16.8	26.2	17.1	11.8	9.4
EV/EBITDA (x)	15.1	22.2	13.8	8.9	7.1
PB (x)	3.9	3.6	3.3	2.8	2.3
ROE (%)	24.2	14.0	19.4	23.5	24.0
Dividend yield (%)	0.0	2.0	2.0	2.0	2.0

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

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12M rating **BUY (Maintain)**

12M TP **121,500** from 106,400

Up/Downside **+14%** (incl 0% cash dividend)

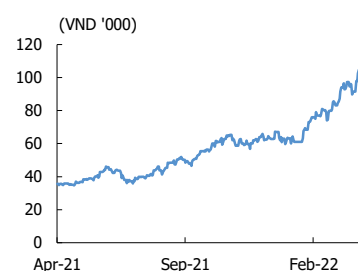
Stock Data

VNIndex (20 Apr, pt)	1,388
Stock price (20 Apr, VND)	106,400
Market cap (USD mn)	816
Shares outstanding (mn)	182
52-Week high/low (VND)	105,500/34,683
6M avg. daily turnover (USD mn)	3.61
Free float / Foreign ownership (%)	50.3/24.8
Major shareholders (%)	
Truong Thi Le Khanh	43.2
Mitsubishi Corp	6.5

Performance

	1M	6M	12M
Absolute (%)	23.9	82.5	189.5
Relative to VNIndex (%p)	29.4	82.6	178.8

Stock price trend



Source: Bloomberg

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