

10 Aug 2022

Vinh Hoan Corp (VHC)

July revenue updates

High selling price lifted July revenue by 44% yoy

- Vinh Hoan announced July IR News on Aug 10, 2022, which delivered preliminary 44% yoy revenue growth.
- Vinh Hoan can post VND1,198bn revenue (+48% yoy) in July, mainly driven by the increase in export to US (+32% yoy), EU (+19% yoy), and China (+60% yoy).
- In July, the pangasius products keep soaring by 44% yoy to VND798bn revenue thanks to the export price uptrend (+18% mom and +45% yoy). Yet, the volume export slightly decelerated after peak April, recording -7% mom and -8% yoy.
- The revenue of Collagen & Gelatin delivered VND73bn revenue (+22% yoy), while by-product contributed VND211bn revenue (+69% yoy).
- In 7M22, VHC revenue can increase 67% yoy to VND8,692bn, fulfilling 65% our 2022 revenue estimate. Although pangasius export could be solid yoy, we consider that the 3Q22 business result growth rate could be a challenge compared to the high base of 2Q22 growth. Thereby, we see the potential to revise the business result and target price.

12M rating **BUY (Maintain)**

12M TP **121,500**

Stock Data

VNIndex (10 Aug, pt)	1,257
Stock price (10 Aug, VND)	83,700
Market cap (USD mn)	656
Shares outstanding (mn)	183
52-Week high/low (VND)	114,500/40,747
6M avg. daily turnover (USD mn)	5.91
Free float / Foreign ownership (%)	50.6/27.3
Major shareholders (%)	
Truong Thi Le Khanh	43.2
Mitsubishi Corp	6.5

Performance

	1M	6M	12M
Absolute (%)	33.3	4.0	20.8
Relative to VNIndex (%p)	48.6	(3.4)	36.7

Stock price trend



Source: Bloomberg

	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

Linh Pham

linh.pt@kisvn.vn

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Prepared by: Linh Pham

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