

24 Oct 2022

Nam Viet Corp (ANV)

3Q22 results bounced from low base

3Q22 NPAT increased from the 3Q21 Loss

- Nam Viet announced 3Q22 financial report on October 21st. Here are some interesting notes of the story.
- In 3Q22, Nam Viet posted VND1,239bn revenue (+88.9% yoy, -4.4% qoq), mainly assisted by (1) 88% yoy increase in pangasius export value (VND1,115bn, 89.9% of total revenue) and (2) favorable base in 3Q21. ANV benefited from the EU's pangasius demand growth with +113.7% yoy export value (VND145bn). Export market to China contributed a bit higher with VND186bn value in 3Q22.
- On qoq basis, we note that export volume to ASEAN and EU markets dropped 45.2% qoq and 25% qoq in 3Q22 while China declined lower with 7.5% qoq.
- The gross margin (GM) expanded by 12.6%p yoy to 23.2% in 3Q22, driven by a 27.9% yoy rise of average selling price (ASP). Nonetheless, GM contracted by 11.9%p qoq mainly owing to a 19.5% qoq reduction of ASP.
- The SG&A to sales in 3Q22 slid 2.57%p yoy and 2.36%p qoq to 9.6% amid soften logistic expenses.
- Overall, Nam Viet's 3Q22 NPAT posted VND120bn, vs a VND13bn loss in 3Q21. We attributed the 3Q22 NPAT decrease of 50% qoq to the GM squeeze.

Expect a leading edge from China market in 4Q22F

- Particularly, China government dropped its policy of suspending imports from frozen food testing positive for COVID-19, which is a step to ease the import process to China market in mid-2022. As such, with our assumption that the stagnant import in 2021 resulted in a low pangasius stockpile. We expect that China's export revenue could rebound strongly to prepare for holiday season in 4Q22F.
- In 3Q22, ANV enjoyed 0% anti-dumping tax of US DOC by exporting to the US market. We expect that ANV could take this advantage to re-exploit the most lucrative but challenging market.
- In 9M22, Nam Viet delivered VND3,752bn revenue (+54% yoy) and VND567bn NPAT (+663% yoy), fulfilling 76%/90% of 2022 revenue/EBT guidance.

	2017A	2018A	2019A	2020A	2021A
Sales (VND bn)	2,949.1	4,118.0	4,480.9	3,438.7	3,493.9
chg. (% YoY)	4.4	39.6	8.8	(23.3)	1.6
Operating profit (VND bn)	198.3	689.5	797.6	205.5	141.7
Net profit (VND bn)	144.0	604.1	704.0	202.2	128.7
EPS (VND)	1,136.0	4,795.0	5,520.0	1,585.0	1,009.0
chg. (% YoY)	316.1	322.1	15.1	(71.3)	(36.3)
EBITDA (VND bn)	327.5	772.9	886.4	332.6	338.8
PE (x)	40.2	9.5	8.3	28.8	45.3
EV/EBITDA (x)	20.7	8.9	8.0	22.9	23.1
PB (x)	4.1	3.1	2.4	2.5	2.5
ROE (%)	10.5	37.0	33.3	8.6	5.5
Dividend yield (%)	2.6	3.3	4.4	2.2	0.0

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

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Stock Data

VNIndex (24 Oct, pt)	986
Stock price (24 Oct, VND)	29,550
Market cap (USD mn)	151
Shares outstanding (mn)	127
52-Week high/low (VND)	63,700/27,200
6M avg. daily turnover (USD mn)	3.16
Free float / Foreign ownership (%)	22.9/3.2
Major shareholders (%)	
Doan Toi	56.3
Doan Chi Thanh	13.5

Performance

	1M	6M	12M
Absolute (%)	(33.9)	(33.1)	(3.7)
Relative to VNIndex (%p)	(16.0)	(5.4)	24.3

Stock price trend

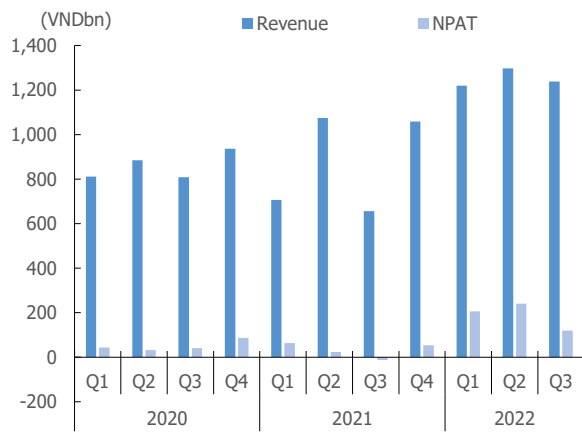


Source: Bloomberg

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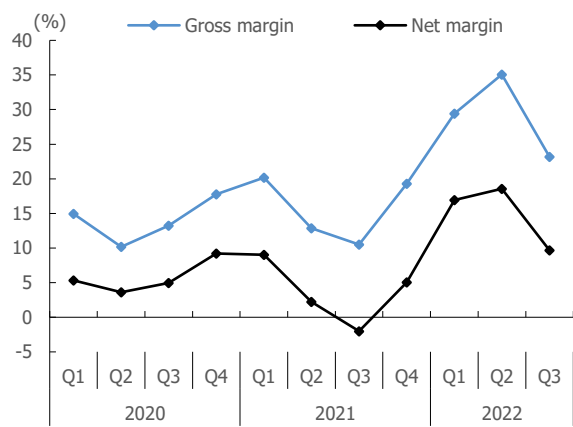
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Figure 1. 3Q22 business result was solid



Source: Company, KISVN

Figure 2. 3Q22 GPM and net margin improved



Source: Company, KISVN

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