

13 Mar 2023

Vinh Hoan Corp (VHC)

12M rating **HOLD**

12M TP

Monthly updates: Low export to largest market

Export to US markets slumped by 68.6% yoy

- Vinh Hoan delivered a preliminary VND758bn revenue, decreasing 29.5% yoy since the pangasius export shrunk by 46.9% yoy in Feb. The pangasius export volume decreased sharply by 26.4% yoy due to the lessened import of US and China markets. The average selling price (ASP) also slid by 20.2% yoy. The Collagen and Gelatin products contributed a positive growth rate yoy by +97.6%.
- In Feb, the export value to the US strongly reduced by 68.6% yoy. Also, China and domestic markets recorded negative growth rates in Feb by slightly falling 2.8% and 1.6% revenue, respectively. Meanwhile, export to EU market maintained an uptrend by +115.6% yoy.
- On a monthly basis, VHC's total revenue increased by 65.9% compared to a low base in Jan, since the 2023 long Tet holiday falling into Jan reduced work productivity. According to Agromonitor, the average selling price flattened mom.
- Overall, 2M23 revenue decreased by 3s4.4% yoy to VND1,215bn, fulfilling 10% of our 2023F forecast.
- We maintain a HOLD rating.

Stock Data

VNIndex (13 Mar, pt)	1,053
Stock price (13 Mar, VND)	56,000
Market cap (USD mn)	435
Shares outstanding (mn)	183
52-Week high/low (VND)	111,526/55,500
6M avg. daily turnover (USD mn)	1.53
Free float / Foreign ownership (%)	49.8/30.4
Major shareholders (%)	
Truong Thi Le Khanh	43.2
Mitsubishi Corp	6.5
Dragon Capital	6.9

Performance

	1M	6M	12M
Absolute (%)	(9.7)	(36.7)	(28.0)
Relative to VNIndex (%p)	(10.7)	(21.6)	(0.9)

Stock price trend



Source: Bloomberg

	2019A	2020A	2021A	2022F	2023F
Sales (VND bn)	7,867.1	7,037.2	9,054.2	14,253.0	12,125.5
chg. (% YoY)	(15.1)	(10.5)	28.7	57.4	(14.9)
Operating profit (VND bn)	1,132.5	682.7	1,196.2	2,791.0	2,084.7
Net profit (VND bn)	1,177.8	722.4	1,130.0	2,467.9	1,834.1
EPS (VND)	6,154.8	3,970.6	6,161.9	13,441.7	9,942.6
chg. (% YoY)	(61.5)	(35.5)	55.2	118.1	(25.7)
EBITDA (VND bn)	1,297.7	883.2	1,481.6	3,143.1	2,487.8
PE (x)	11.7	18.1	11.7	5.4	7.2
EV/EBITDA (x)	9.2	13.5	8.0	3.8	4.8
PB (x)	2.7	2.5	2.3	1.7	1.4
ROE (%)	24.2	14.0	19.4	31.2	19.6
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

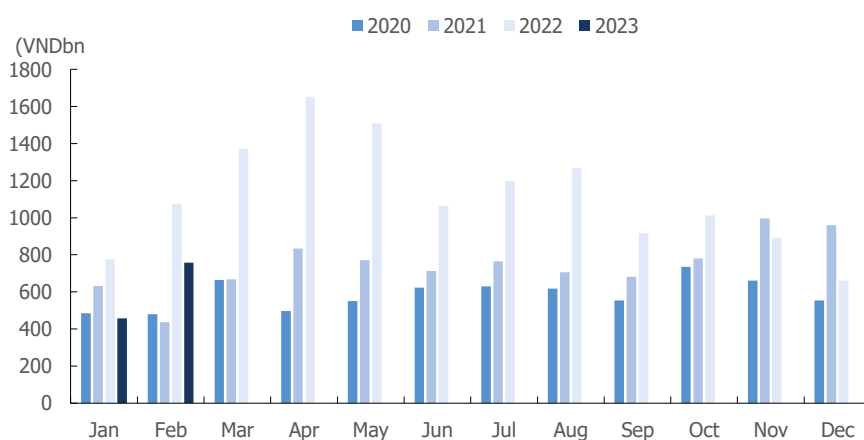
Research Dept

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Table 1. VHC revenue overview in 2M23

	Monthly				Accumulated			
	Feb-22	Feb-23	YoY (%)	MoM (%)	2M22	2M23	YoY (%)	% of our 2023F estimate
Total sales	1075	758	(29.5)	65.9	1,852	1,215	(34.4)	10
By product								
Pangasius	785	417	(46.9)	52.7	1,274	690	(45.8)	
By-product	94	137	45.7	153.7	211	191	(9.5)	
Wellness	41	81	97.6	268.2	112	103	(8.0)	
Value added	9	7	(22.2)	(46.2)	25	20	(20.0)	
Miscellaneous	118	89	(24.6)	25.4	189	160	(15.3)	
Rice products	3	7	133.3	0.0	12	14	16.7	
Shrimp chip	25	21	(16.0)	(4.5)	64	43	(32.8)	
By location								
U.S	627	197	(68.6)	68.4	959	314	(67.3)	
Europe	90	194	115.6	67.2	221	310	40.3	
China	72	70	(2.8)	118.8	99	102	3.0	
Vietnam	192	189	(1.6)	38.0	403	326	(19.1)	
ROW (incl HK)	94	108	14.9	96.4	170	163	(4.1)	

Source: Company data, KISVN

Figure 1. Febuary VHC's revenue slowed down by lessening export to most markets

Source: Company data, KISVN

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Prepared by: Research Dept

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