

21 Apr 2023

Nam Viet Corp (ANV)

Benefit from consumed recovery of China

Export volume to China boosted ANV's 1Q23 business result

- Nam Viet announced 1Q23 financial report on Apr 20th, which delivered in-line results with our Quarter Strategy 2Q23 report forecast.
- In 1Q23, Nam Viet posted VND1,155bn revenue (-5.3% yoy and +1% qoq), due to the decrease of pangasius export in most markets, but offset by the increase sharply of export to Chinese market. Per our estimates, export volume to Chinese market of Nam Viet increased by 500% yoy and 60% qoq since China government lifted pandemic restrictions and eased clearance policies for import boosting the demand for pangasius import to China.
- The gross margin reached 17.5% in 1Q23 (-8.9%p yoy and -1.3%p qoq) since ANV ASP dropped 17% yoy and 4% qoq due to the ANV focus on exporting to China, where the ASP to this market lower than the norm.
- The SG&A expenses/revenue in 1Q23 reduced slightly by -2.7% yoy and -1.4% qoq, offsetting the lower of gross margin. Thus, 1Q23 net margin was at 8% (-9%p yoy and -1.3%p qoq), leading to Nam Viet's NPAT plunge 55.5% yoy and 13% qoq.
- Overall, Nam Viet recorded VND1,155bn revenue (-5.3% yoy and +1% qoq) and VND92bn NPAT (-55.5% yoy and -13% qoq) in 1Q23. Compared company target, ANV fulfills 22.2%/21.6% of 2023 revenue and EBIT.

Expect Chinese high demand nail 2Q23 ANV's earnings

- We expect that high demand in Chinese market would offset the lower consumption on other markets of Nam Viet, since (1) the lifted pandemic restrictions of the Chinese government could rebound the demand on pangasius, (2) eased Chinese import clearance policies support seafood import, and (3) China has been ANV's key market for years, accounting for 20-30% of revenue structure.
- Currently, ANV is trading at 7.9x TTM PE, far below than the 3-year average PE at 13.8x.

	2018A	2019A	2020A	2021A	2022A
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	2.9	-

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

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Stock Data

VNIndex (21 Apr, pt)	1,047
Stock price (21 Apr, VND)	34,400
Market cap (USD mn)	195
Shares outstanding (mn)	133
52-Week high/low (VND)	61,563/16,100
6M avg. daily turnover (USD mn)	1.60
Free float / Foreign ownership (%)	28.2/6.6
Major shareholders (%)	
Doan Toi	56.3
Doan Chi Thanh	13.5
Doan Chi Thien	6.9

Performance

	1M	6M	12M
Absolute (%)	14.3	12.1	(25.1)
Relative to VNIndex (%p)	12.8	8.7	(2.8)

Stock price trend



Source: Bloomberg

Research Dept

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Prepared by: Research Dept

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