

HAGL JSC (HAG)

Profit from fruits segment improved

In Jul 2023, HAGL JSC (HAG) released the financial statement for 2Q23. Here are some noticeable updates.

GPM of fruits segment improved to 24%

- HAG reached the net revenue of VND1.5tn in 2Q23, which rose by 18% yoy and downed 15% qoq, the 6M23 accumulated revenue was VND3.1tn, upped 55% and met 62% of 2023 guidance. Revenue of HAG in 3Q23 mainly attributed to fruits (VND561bn, 50% of revenue), selling products (VND330bn, 31% sales) and swine (VND201bn, 19% sales).
- Gross profit increased by 6% yoy to VND186bn.
- GPM slightly decreased by 1%p yoy to 13%, in which GPM of fruits increased by 5%p to 24% thanks to banana's high selling price. Meanwhile, swine's GPM fell from 22% in 2Q23 to 13% in 2Q23, due to increased cost of good sold.

Net profit collapsed on qoq and yoy basis

- Net profit dropped by 62% yoy to VND102bn, mainly due to the increase by VND987bn of general and administration expenses compared to 2Q22. In which, HAG reversed the provision for trade receivables in 2Q22.
- Interest expenses increased by 19% yoy and 59% qoq to VND267bn.
- NPM fell from 22% in 2Q22 to 7% in 2Q23.

Investment in new subsidiaries

- HAG earned other income of VND273bn thanks to the profit from Bolaven High-Tech Agriculture Ltd acquisition transaction.
- HAG converted the loans of VND440bn to Le Me JSC into stocks, merging Le Me into the Group with the current ownership rate of 98.76%. Le Me is executing a planting area of 5,000 hecta in Cambodia.

	2018A	2019A	2020A	2021A	2022A
Sales (VND bn)	5,388	2,075	3,177	2,097	5,111
chg. (% YoY)	11.3	(61.5)	53.1	(34.0)	143.7
Operating profit (VND bn)	1,193	(854)	(2,000)	552	2,271
Net profit (VND bn)	118	117	(1,256)	203	1,129
EPS (VND)	93	1,105	(260)	(684)	1,884
chg. (% YoY)	(112.9)	1,094.7	(123.5)	163.6	(375.4)
EBITDA (VND bn)	2,330	354	(1,037)	1,422	2,609
PE (x)	96.6	8.1	(34.4)	(13.1)	4.7
EV/EBITDA (x)	13.07	75.09	(29.87)	10.48	6.19
PB (x)	0.49	0.71	0.83	1.77	1.60
ROE (%)	0.04	(13.36)	(21.89)	1.74	22.79
Dividend yield (%)	0.00	0.00	0.00	0.00	0.00

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

12M rating **Non-rated**

12M TP **N.A**

Up/Downside **N.a**

Stock Data

NIndex (01 Aug, pt)	1,233
Stock price (01 Aug, VND)	8,820
Market cap (USD mn)	345
Shares outstanding (mn)	927
52-Week high/low (VND)	13,900/5,930
6M avg. daily turnover (USD mn)	4.10
Free float / Foreign ownership (%)	64.2/2.7
Major shareholders (%)	
Doan Nguyen Duc	34.5
Doan Hoang Anh	1.08
Ho Thi Kim Chi	0.04

Performance

	1M	6M	12M
Absolute (%)	8.2	(1.0)	(22.3)
Relative to VNIndex (%p)	(1.9)	(16.4)	(23.8)

Stock price trend

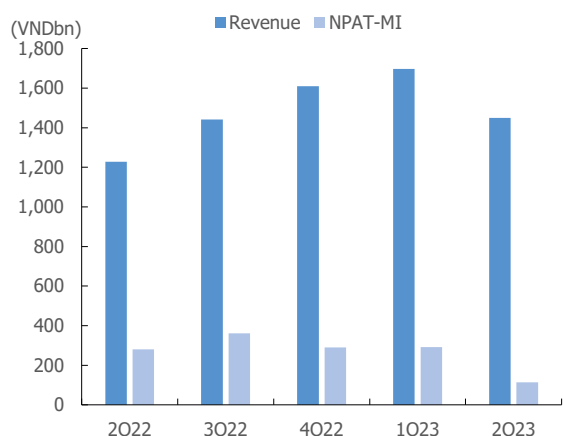


Source: Bloomberg

Research Department

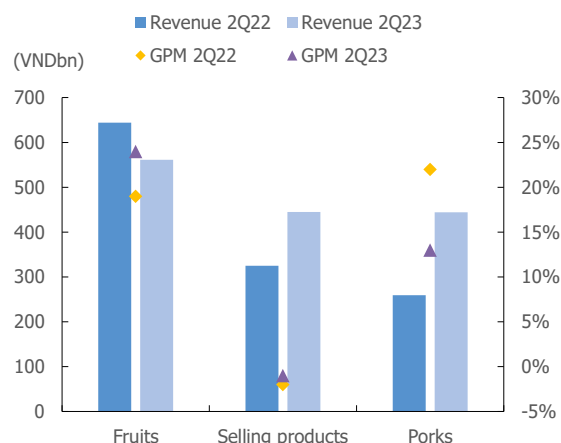
Researchdept@kisvn.vn

Figure 1. Revenue and NPAT-MI of HAG



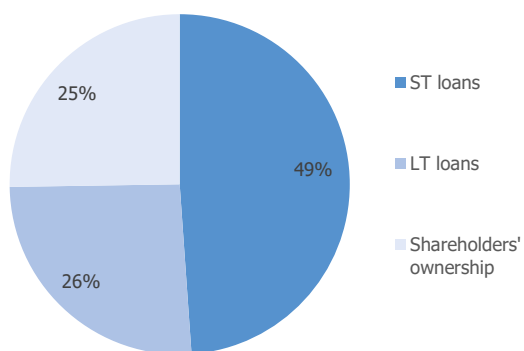
Source: Fiinpro, KISVN

Figure 2. HAG revenue by segment



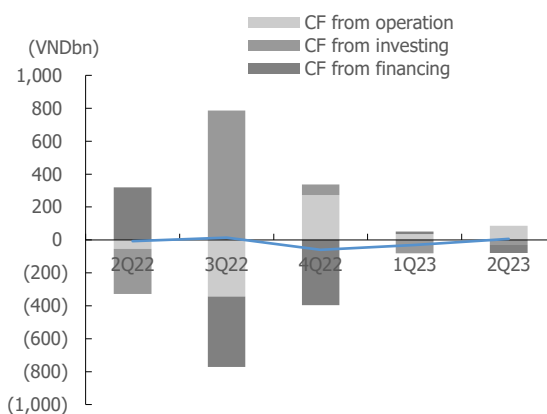
Source: Fiinpro, KISVN

Figure 3. HAG's capital structure by the end 2Q23



Source: Fiinpro, KISVN

Figure 4. HAG's net cash flow



Source: Fiinpro, KISVN

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Prepared by: Research Department