

22 Jul 2022

# Nam Viet Corp (ANV)

## Stunning 2Q22 GPM was expected

### The selling price boosted ANV's 2Q22 business result

- Nam Viet announced 2Q22 financial report on July 21<sup>st</sup>, which delivered in-line results with our forecast.
- In 2Q22, Nam Viet posted VND1,294.5bn (+20% yoy), mainly assisted by the 1.05x yoy increase of pangasius export revenue due to the high demand of Asian, EU, and American markets. On the contrary, ANV's export revenue to China market, one of key markets, was tepid amid the tight import process and supply chain suspension in big cities' lockdown situation.
- The gross margin reached 35% in 2Q22, strongly expanding nearly 22%p yoy, due to the increase of 98% yoy of average pangasius export price.
- The SG&A expenses/revenue in 2Q22 jumped to 11.9% (+3.4%p yoy) backed by logistic expenses and provision for bad receivables increase.
- Overall, Nam Viet's 2Q22 NPAT posted VND240.7bn (+9.1x yoy), mainly bolstered by yoy soar of GPM.

### China market could reopen the race in 3Q22

- In 3Q22, we expect that could record a topline jump driven by prosperous demand of pangasius, export volume to China market could increase from 10% in 5M22 to 20-30% in 3Q22 of ANV export value while ASEAN keeps bull demand in 3Q22.
- 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. As such, with our assumption that the stagnant import in 2021 resulted in a low pangasius stockpile, we estimate that China's export revenue could rebound strongly.
- In 3Q22, ANV will enjoy 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.
- Moreover, the Amicogen Nam Viet factory was projected to operate from this quarter with 800 tonnes/ year of collagen and gelatin capacity.

	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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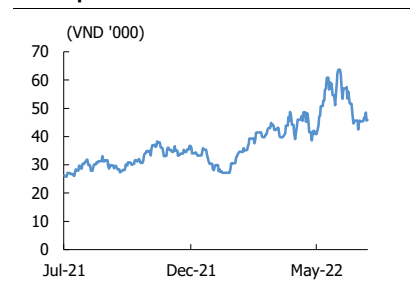
### Stock Data

VNIndex (22 Jul, pt)	1,201
Stock price (22 Jul, VND)	45,900
Market cap (USD mn)	249
Shares outstanding (mn)	127
52-Week high/low (VND)	63,700/25,786
6M avg. daily turnover (USD mn)	2.79
Free float / Foreign ownership (%)	22.5/2.4
Major shareholders (%)	
Doan Toi	56.3
Doan Chi Thanh	13.5
Doan Chi Thien	6.9

### Performance

	1M	6M	12M
Absolute (%)	(14.0)	53.8	74.4
Relative to VNIndex (%p)	(17.1)	71.5	80.2

### Stock price trend



Source: Bloomberg

**Linh Pham**

linh.pham@kisvn.vn

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Prepared by: Linh Pham

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