

13 Dec 2022

# Vinh Hoan Corp (VHC)

## Monthly updates: Pangasius export fell

### Pangasius export sharply dropped

- Vinh Hoan delivered a preliminary VND893bn revenue, decreasing 10.3% yoy since the pangasius export shrunk by 22.2% yoy in Nov. The export volume decreased sharply by 23.2% yoy due to the lessened import of US and China markets. Yet, the average selling price (ASP) by + 21% yoy offset the lower volume yoy. Meanwhile, pangasius-related and Collagen and Gelatin products contributed positive growth rate yoy by 29% yoy and 62% yoy, respectively.
- In Nov, the export value to US and China kept a downtrend by 13.9% yoy and 60.1% yoy while revenue continue to increase by 26.1% yoy and 16.8% yoy of EU export and domestic markets.

### Most markets slowed down mom

- On monthly basis, VHC's total revenue decreased 11.9% mom, due to the slump of most markets as -12.4% mom/-15.3% mom revenue growth to US and EU export. Yet, the export to China market increased slightly by 12.5% compared to low base of Oct.
- According to Agromonitor, even though VHC's export volume of pangasius gradually increased by 8.3% mom, the ASP strongly decreased by 21.5% mom. As such, pangasius revenue growth was -20.1% mom. Also, the Collagen and Gelatin revenue slid 36.1% mom.
- Overall, 11M22 revenue increased by 59.6% yoy to VND12,738bn, fulfilling 94% of our 2022F forecast.
- We maintain BUY rating with target price of VND121,500.

12M rating **BUY (Maintain)**

12M TP **VND121,500**

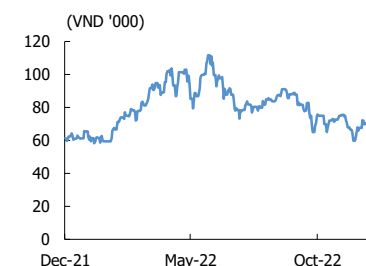
### Stock Data

VNIndex (13 Dec, pt)	1,047
Stock price (13 Dec, VND)	71,000
Market cap (USD mn)	551
Shares outstanding (mn)	183
52-Week high/low (VND)	111,526/58,150
6M avg. daily turnover (USD mn)	3.23
Free float / Foreign ownership (%)	50.2/30.0
<b>Major shareholders (%)</b>	
Truong Thi Le Khanh	43.2
Mitsubishi Corp	6.5
Dragon Capital	6.9

### Performance

	1M	6M	12M
Absolute (%)	(6.0)	(23.4)	15.9
Relative to VNIndex (%p)	(15.8)	(9.6)	43.8

### Stock price trend



Source: Bloomberg

	2019A	2020A	2021A	2022F	2023F
Sales (VND bn)	7,867.1	7,037.2	9,054.2	13,486.0	16,382.0
chg. (% YoY)	(15.1)	(10.5)	28.7	48.9	21.5
Operating profit (VND bn)	1,132.5	682.7	1,196.2	1,952.9	2,409.8
Net profit (VND bn)	1,177.8	722.4	1,130.0	1,654.2	2,080.9
EPS (VND)	6,154.8	3,970.6	6,162.9	9,020.3	11,349.9
chg. (% YoY)	(61.5)	(35.5)	55.2	46.4	25.8
EBITDA (VND bn)	1,297.7	883.2	1,481.6	2,305.0	2,830.8
PE (x)	11.7	18.1	11.7	8.0	6.3
EV/EBITDA (x)	15.1	22.2	13.8	4.4	5.8
PB (x)	2.7	2.6	2.3	1.7	1.5
ROE (%)	24.2	14.0	19.4	23.5	24.0
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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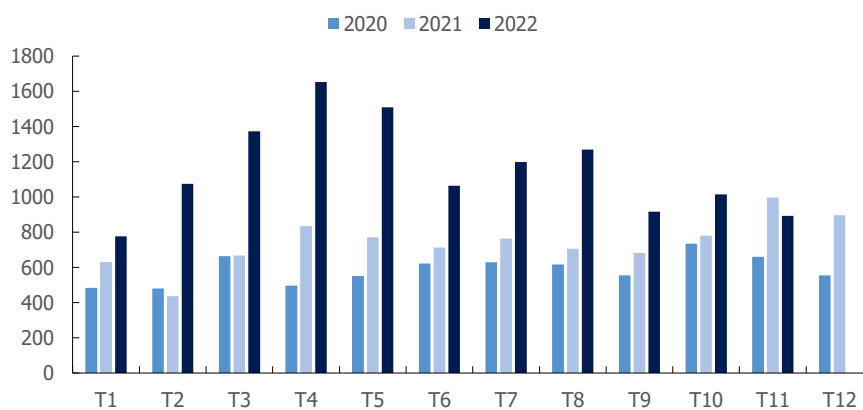
**Table 1. VHC revenue overview in 11M22**

	Monthly				Accumulated			
	Nov-21	Nov-22	YoY (%)	MoM (%)	11M21	11M22	YoY (%)	% of our 2022F estimate
<b>Total sales</b>	<b>996</b>	<b>893</b>	<b>(10.3)</b>	<b>(11.9)</b>	<b>7,979</b>	<b>12,738</b>	<b>59.6</b>	<b>94</b>
<b>By product</b>								
Pangasius	617	480	(22.2)	(20.1)	5,432	8,154	50.1	
By-product	175	202	15.4	12.2	1,475	2,196	48.9	
Wellness	52	62	19.2	(36.1)	575	783	36.2	
Value added	7	11	57.1	0.0	121	138	14.0	
Miscellaneous	62	102	64.5	8.5	207	1,098	430.4	
Rice products	12	15	25.0	15.4	169*	369*	118.3	
Shrimp chip	62	21	(66.1)	16.7				
<b>By location</b>								
U.S	415	361	(13.0)	(12.4)	3,334	5,770	73.1	
Europe	88	111	26.1	(15.3)	1,177	1,587	34.8	
China	158	63	(60.1)	12.5	1,188	1,250	5.2	
Vietnam	197	230	16.8	(10.2)				
ROW (incl HK)	138	128	(7.2)	(19.5)	2,280**	4,131**	81.2	

Note: \* Revenue combined of rice products and shrimp chip

\*\* Revenue includes the Vietnam market

Source: Company data, KISVN

**Figure 1. November VHC's revenue slumped by lessening export to most markets**

Source: Company data, KISVN

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Prepared by: Research Dept

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