

17 Apr 2023

Vinh Hoan Corp (VHC)

Monthly updates: 1Q23 sales slumped 30% yoy

Most product sales decreased in March

- Vinh Hoan delivered a preliminary VND1,032bn revenue, decreasing 24.8% yoy since most products decelerated from 7.7% yoy to 36.1% yoy in March, especially the pangasius export shrunk by 30% yoy. According to Agromonitor, the pangasius export volume decreased sharply by 37.3% yoy due to the lessened import volume of US and China by 47.3% yoy and 52.6% yoy. The average selling price (ASP) also slid by 14.1% yoy.
- In Mar, the export value to the US strongly reduced by 39.6% yoy. Also, China and Vietnam markets recorded negative growth rates in Mar by -26.6% yoy and -15.3% yoy. Meanwhile, export to EU market maintained and uptrend by 20.4% yoy.

1Q23 revenue slumped by 30.3% yoy

- On a monthly basis, VHC's total revenue surged gradually by 36.1% mom in Mar, mainly due to the increases of most products. The pangasius export lifted 46.3% mom, assisted by mainly by the ASP upturn by +16.2% yoy. Most markets have positive growth rates, especially key markets such as US, EU, China and Vietnam increased by 99.5%/0.5%/77.1%/22.8% mom.
- 1Q23 preliminary revenue posted VND2,247bn (-30.3% yoy and -12.5% qoq), backed by the tumble revenue of most products yoy and qoq, especially pangasius. The pangasius export decreased by 39.4% yoy and 5.7% qoq since the export volume reduced significantly 62.3% yoy and 40.8% qoq, dragging by the pangasius volume export decreased in key markets including US (-45.7% yoy and -15.1% qoq), EU (-45.4% yoy and -1% qoq), and China (-33.4% yoy and -57.5% qoq).
- Overall, 1Q23 revenue fulfill 18.5% our estimates. We maintain a HOLD rating.

12M rating **HOLD**

12M TP **VND77,000**

Stock Data

VNIndex (17 Apr, pt)	1,054
Stock price (17 Apr, VND)	59,600
Market cap (USD mn)	465
Shares outstanding (mn)	183
52-Week high/low (VND)	111,526/53,400
6M avg. daily turnover (USD mn)	1.26
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 (%)	2.8	(20.4)	(41.5)
Relative to VNIndex (%p)	1.8	(21.3)	(15.0)

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

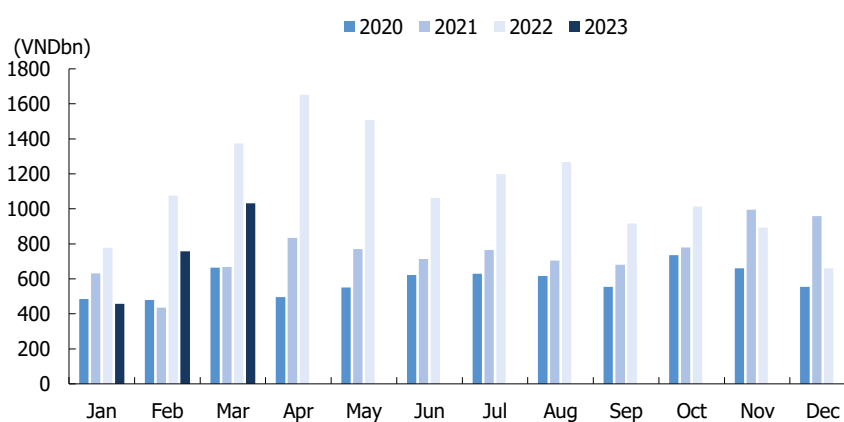
Research Dept

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Table 1. VHC revenue overview in 1Q23

	Monthly				Accumulated			
	Mar-22	Mar-23	YoY (%)	MoM (%)	1Q22	1Q23	YoY (%)	% of our 2023F estimate
Total sales	1,373	1,032	(24.8)	36.1	3,225	2,247	(30.3)	18.5
By product								
Pangasius	871	610	(30.0)	46.3	2,145	1,300	(39.4)	
By-product	201	162	(19.4)	18.2	412	353	(14.3)	
Wellness	93	75	(19.4)	(7.4)	205	178	(13.2)	
Value added	13	12	(7.7)	71.4	38	32	(15.8)	
Miscellaneous	136	139	2.2	56.2	325	299	(8.0)	
Rice products	10	11	10.0	57.1	22	25	13.6	
Shrimp chip	36	23	(36.1)	9.5	100	66	(34.0)	
By location								
U.S	651	197	393.0	(39.6)	1,610	707	(56.1)	
Europe	162	194	195.0	20.4	383	505	31.9	
China	169	70	124.0	(26.6)	268	226	(15.7)	
Vietnam	274	189	232.0	(15.3)	677	558	(17.6)	
ROW (incl HK)	117	108	88.0	(24.8)	287	251	(12.5)	

Source: Company data, KISVN

Figure 1. March VHC's revenue slowed down compared to 2022 high base

Source: Company data, KISVN

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Prepared by: Research Dept

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