

13 Jun 2023

Vinh Hoan Corp (VHC)

Improvement compared to last month

Export to key markets keep sliding yoy

- Vinh Hoan delivered a preliminary VND954bn revenue, decreasing 36.7% yoy since most product sales declined compared to a high base in May 2022. Most revenue's segments reduced strongly yoy. Especially, the pangasius export shrunk by 42.9% yoy as we estimated the average selling price (ASP) and volume export normalize compared to high base yoy.
- Collagen and gelatin products revenue growth rate slowed down (-5.8% yoy). Meanwhile, pangasius-related products and rice-related products were flattened yoy and +5.7% yoy, respectively.
- The company's revenue was mainly hit by the decrease in export revenue to key markets including US (-54.1% yoy), EU (-26.8% yoy), China (-30.1% yoy) due to the weaker demand yoy and high inventory of pangasius products in these markets.

Lower 5M23 sales compared to 2022 high base

- On a monthly basis, VHC's total revenue inched 9.8% mom in May, contributed by 14% mom increase of pangasius export. Export to US and EU market was improved by +21.1% mom and +2.9% mom. Meanwhile, export to China maintained to drop 15.5% mom.
- 5M23 preliminary revenue posted VND4,070bn (-36.3% yoy) backed by high base in 5M22. Of which, the pangasius export decreased by 44.5% yoy as we estimated the ASP drop significantly 19% yoy, while the pangasius volume export decreased in key markets including US, EU, and China in 5M23 due to the weaker demand and high stockpile.
- Overall, 5M23 revenue fulfills 34% of our estimates. We maintain a HOLD rating.

12M rating **HOLD**

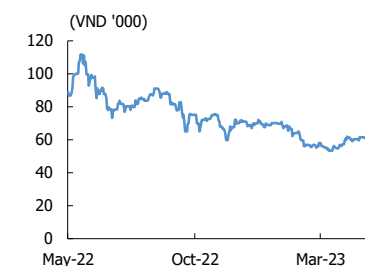
Stock Data

VNIndex	N/A
Stock price	N/A
Market cap (USD mn)	N/A
Shares outstanding (mn)	N/A
52-Week high/low (VND)	N/A
6M avg. daily turnover (USD mn)	N/A
Free float / Foreign ownership (%)	N/A
Major shareholders (%)	N/A
Truong Thi Le Khanh	43.2
Mitsubishi Corp	6.5
Dragon Capital	6.9

Performance

	1M	6M	12M
Absolute (%)	N/A	N/A	N/A
Relative to VNIndex (%p)	N/A	N/A	N/A

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

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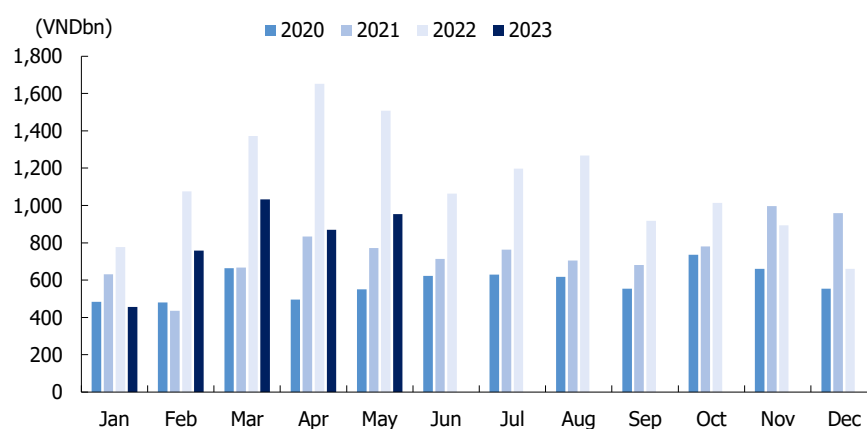
Research Dept

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Table 1. VHC revenue overview in 5M23

	Monthly				Accumulated			
	May-22	May-23	YoY (%)	MoM (%)	5M22	5M23	YoY (%)	% of our 2023F estimate
Total sales	1,508	954	(36.7)	9.8	6,385	4,070	(36.3)	34
By product								
Pangasius	1036	592	(42.9)	14.1	4,347	2,411	(44.5)	
By-product	255	143	(43.9)	(5.3)	897	647	(27.9)	
Wellness	13	16	23.1	(5.9)	50	58	16.0	
Value added	28	21	(25.0)	16.7	162	105	(35.2)	
Miscellaneous	16	7	(56.3)	(36.4)	71	50	(29.6)	
Rice products	69	65	(5.8)	18.2	351	298	(15.1)	
Shrimp chip	91	109	19.8	12.4	529	505	(4.5)	
By location								
U.S	812	373	(54.1)	21.1	3,405	1,388	(59.2)	
Europe	194	142	(26.8)	2.9	735	785	6.8	
China	133	93	(30.1)	(15.5)	528	429	(18.8)	
Vietnam	256	224	(12.5)	10.3	1,199	985	(17.8)	
ROW (incl HK)	113	122	8.0	10.9	518	483	(6.8)	

Source: Company data, KISVN

Figure 1. May 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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