

# Nam Viet Corp. (ANV)

## Awaiting a breakthrough

On 29 June, We attended ANV's 2024 AGM. Here are some notable highlights:

### 2024's business plan – Making efforts to rebound from low base

- According to the plan for 2024, revenue and NPAT of ANV could post to VND5,000bn (+12.6% yoy) and VND306bn reviving from the low base VND39.2bn (+6.8x yoy).
- ANV planed a business plan in 2024F based on these BOD's rationales:
  - Export volumes are expected to strongly foster thanks to high demand in key markets (China, US, South America...)
  - Pangasius ASPs could ramp back up in 2H24F due to the shortage of raw pangasius and a high export demand revival.
  - The agricultural commodity (soybean meals, corn...) will likely slide from 2H24F onwards, which alleviate ANV's COGS. As such, gross margin (GM) is forecasted to bounce back.
- ANV's factories operates at full capacity thanks to export orders strongly recovering and hitting the high level in 2H24F (1,500 containers ~ 36,000 tonnes), per BOD view.
- 1H24's NPAT is projected to be VND50-60bn, primarily due to the persistence of high-priced inventory throughout 1H24 and the lack of significant recovery in selling prices, which has prevented substantial improvement in ANV's GM. However, BOD anticipates that these challenges will not exert a strong impact in 2H24F.
- In the long term, ANV plans to expand into the U.S. market following the official recognition of Vietnam as a "market economy". According to the BOD, they believe this development will foster fairer competition for exports to the US. However, we believe that additional time is required to evaluate the effectiveness of ANV's performance in the US.

### Pangasius export – The recovery outlook remains uncertain in China

- In our view, the Chinese markets could remain bleak in 2H24F due to subdued consumption and fierce competition from other whitefish species. These factors could hinder ANV's recovery momentum in this market. ANV will likely maintain low ASPs to stimulate export orders. Consequently, we believe ASPs could not rebound strongly in 2H24F, contrary to BOD's assumptions.
- Therefore, revenue and NPAT could not exceed the business guidance, per our estimate.

12M rating **Non-rated**

12M TP **N.A**

Up/Downside **N.A**

#### Stock Data

VNIndex (1 Jul, pt)	1,245
Stock price (1 Jul, VND)	32,200
Market cap (USD mn)	168
Shares outstanding (mn)	133
52-Week high/low (VND)	39,700/24,600
6M avg. daily turnover (USD mn)	2.31
Free float / Foreign ownership (%)	31.1/8
Major shareholders (%)	
Doan Toi	53.9
Doan Chi Thanh	12.9
Doan Chi Thien	3.1

#### Performance

	1M	6M	12M
Absolute (%)	(4.7)	3.5	(6.8)
Relative to VNIndex (%p)	(3.5)	(7.5)	(20.0)

#### Stock price trend



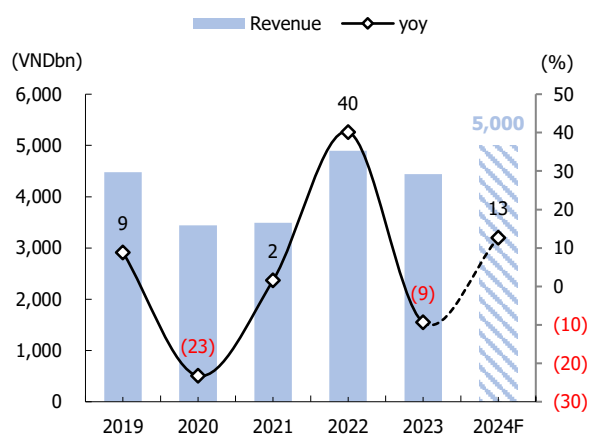
Source: Bloomberg

**Table 1. Yearly earnings and financial ratios**

	2019A	2020A	2021A	2022A	2023A
Sales (VND bn)	4,481	3,439	3,494	4,897	4,439
chg. (% YoY)	9	(23)	2	40	(9)
Operating profit (VND bn)	805	243	216	863	186
Net profit (VND bn)	704	202	129	674	42
EPS (VND)	5,541	1,590	1,013	5,300	317
chg. (% YoY)	15	(71)	(36)	423	(94)
EBITDA (VND bn)	886	333	339	984	301
PE (x)	3.38	14.2	30.7	4.11	92.5
EV/EBITDA (x)	4.1	13.9	16.5	4.47	19.8
PB (x)	0.99	1.23	1.69	0.96	1.36
ROE (%)	33.2	8.56	5.51	25.8	1.45
Dividend yield (%)	8.00	8.84	6.43	4.59	3.43

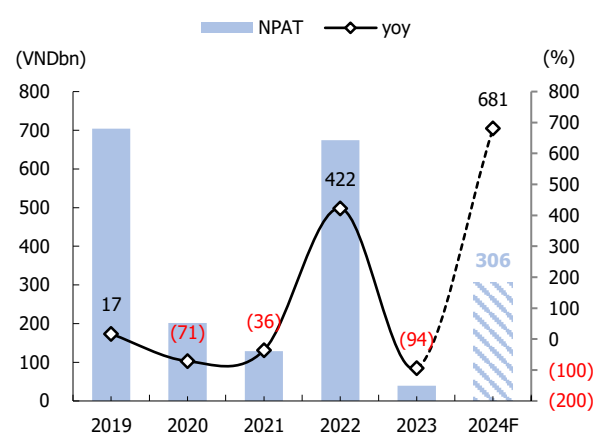
Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

**Figure 1. Revenue growth of ANV in period of 2019 - 24F**



Source: Company data, KISVN

**Figure 2. NPAT growth of ANV in period of 2019 - 24F**



Source: Company data, KISVN

**■ Company overview**

Nam Viet (ANV: HSX) is the third largest Vietnam pangasius exporter with value starting from farming, processing and exporting. Nam Viet is focusing on China, ASEAN and EU, which accounts for more than 65% of total export revenue per year. Nam Viet has scaled up quickly its capacity by launching Binh Phu high-tech farming area.

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