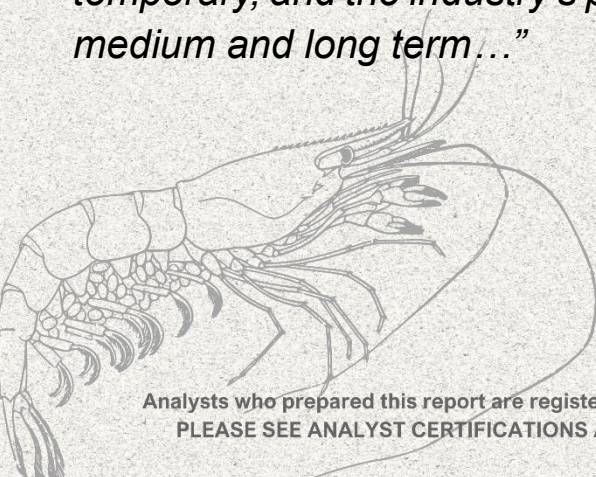




SEAFOOD

2025 Outlook: Against All Odds

“...Although the industry has entered a recovery phase, uncertainties in key export markets are clouding the overall outlook for 2025F. However, we believe these challenges are temporary, and the industry's prospects remain positive in the medium and long term...”





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What is the report about?

- 2025F's pangasius industry outlooks
- 2025F's shrimp industry outlooks
- Forecasts business results of listed enterprises in 2025F

I. Executive summary

Recovery but still unsteady

In 2025F, as consumer demand continues to revive in key export markets, we project the seafood industry to follow a recovery trend comparable to 2024. However, this may face short-term obstacles, including uncertain tax policies and heightened competition. We expect export volume to sustain upward momentum, while average selling prices for shrimp and pangasius will likely diverge across key export markets.

Pangasius – Growth driven by US market amidst challenges in China and EU

For pangasius industry, we believe the US market serving as a key driver in 2025F, despite uncertainties surrounding import tariff under President Trump's administration. These policies could temporarily reshape the industry's structure, particularly if higher tariffs on pangasius could lead to a redirection of US pollock consumption toward the domestic market. Nonetheless, in the medium and long-term, we believe pangasius could gain market share, capitalizing on the higher tariffs imposed on Chinese tilapia. Furthermore, strong restocking activity typically precedes tariff implementations, leading us to expect a significant boost in volume and prices for pangasius in 1H25F.

VHC is a spotlight thanks to the leading position in US

Based on these analyses, we stay optimistic about VHC, given its high proportion of pangasius exports to the US. On the other hand, we anticipate that enterprises with a high proportion of exports to China (ANV, IDI), which still face challenges due to subdued consumption.

Shrimp - The risk of competition remains present

For shrimp industry, we think shrimp exports could maintain a positive outlook, driven by a gradual uptick in consumption demand, which is expected to boost export volumes. However, competitive pressure remains significant, as global shrimp supply is forecasted to continue growing in 2025F, creating pressure on selling prices. Consequently, we do not expect substantial price increases for shrimp in 2025F. In the short-term, the tightening of domestic raw shrimp supply has driven a sharp increase in input prices, directly challenging the margins of processing companies.

FMC outperforms other shrimp enterprises

We peg FMC's performance could fare better than the other listed shrimp enterprises thanks to (1) Self-sufficiency improvement of raw shrimp (2) Ramping up capacity at the new Sao Ta Seafood plant.

VHC is our favorable stocks, meanwhile, ANV, IDI and FMC need wait for new catalysts

We peg NEUTRAL ratings for seafood sector in 2025F. We decrease our TP for VHC to VND84,900 per share and maintain a **BUY recommendation**, we stay optimistic about 2025F-26F earning growth. Additionally, we rate **HOLD recommendation for ANV and IDI** due to the sluggish export outlooks to Chinese market. Meanwhile, we maintain **HOLD rating for FMC** due to slow growth of shrimp average selling prices.

II. Coverage projection and valuation

Table 1. Coverage valuation

Recommendation & TP			Earnings & Valuation										
Company				Sales	OP	NP	EPS	BPS	PE	PB	ROE	EV/EBITDA	DY
				(VNDbn)	(VNDbn)	(VNDbn)	(VNDbn)	(VNDbn)	(X)	(X)	(%)	(X)	(%)
VHC	Recommendation	BUY	2022A	13,231	2,254	1,975	10,771	41,027	11.1	1.3	29.7	5.8	2.9
	TP (VND)	84,900	2023A	10,033	969	919	4,914	44,629	14.3	1.7	11.6	14.6	2.6
	Price (Dec 13, VND)	72,600	2024F	12,483	1,324	1,257	5,169	38,413	13.0	1.9	13.8	12.1	5.5
	Market cap. (VNDbn)	16,295	2025F	13,497	1,724	1,550	6,338	42,751	10.5	1.7	15.8	9.3	2.7
			2026F	15,120	2,134	1,894	7,745	48,496	8.6	1.5	17.1	7.5	2.7
ANV	Recommendation:	HOLD	2022A	4,897	864	676	5,302	22,604	11.1	1.3	25.9	5.1	4.4
	TP (VND)	N/A	2023A	4,439	183	39	293	21,326	105.6	1.5	1.4	32.5	3.1
	Price (Dec 13, VND)	20,550	2024F	4,800	236	65	245	15,666	84.3	1.3	1.9	30.3	1.2
	Market cap. (VNDbn)	5,472	2025F	5,209	368	236	883	16,049	23.4	1.3	5.6	19.4	2.4
			2026F	5,209	568	383	1,435	16,984	14.4	1.2	8.7	12.6	2.4
IDI	Recommendation:	HOLD	2022A	7,931	726	563	2,404	14,033	11.1	1.3	17.7	6.8	13.8
	TP (VND)	N/A	2023A	7,221	303	73	254	14,266	35.4	0.8	1.8	18.4	-
	Price (Dec 13, VND)	8,300	2024F	7,401	312	73	265	14,530	36.9	0.8	1.8	17.8	-
	Market cap. (VNDbn)	2,267	2025F	7,801	378	132	477	15,008	20.6	0.8	3.2	14.7	-
			2026F	8,194	402	196	710	15,545	13.8	0.8	4.6	13.8	1.4
FMC	Recommendation:	HOLD	2022A	5,702	307	322	4,726	29,423	11.1	1.3	16.7	7.2	6.2
	TP (VND)	N/A	2023A	5,087	292	302	4,221	31,024	10.7	1.5	14.0	11.7	4.4
	Price (Dec 13, VND)	47,250	2024F	7,107	324	333	4,246	33,270	11.1	1.4	13.2	11.4	4.2
	Market cap. (VNDbn)	3,090	2025F	8,155	418	420	5,608	36,878	8.4	1.3	16.0	8.8	4.2
			2026F	8,699	426	429	5,732	40,611	8.2	1.2	14.8	8.7	4.2

Source: Bloomberg, KISVN estimate

III. Pangasius industry – Still in the early stages of an up-cycle

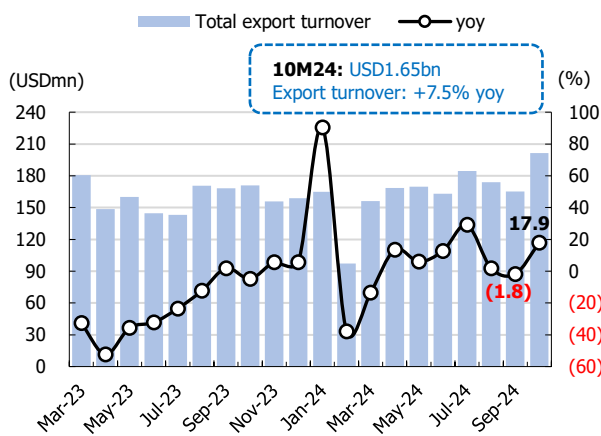
1. 10M24 – Improving towards the end of year

Pangasius export volume soared in 10M24

In 10M24, pangasius export turnover sat at USD1.65bn, inching up +7.5% yoy, it was driven by the resurgence of export volume (+16.5% yoy, 768,000 tonnes). Meanwhile, pangasius average selling prices (ASPs) stayed at USD2.14/kg (-7.7% yoy, vs. USD2.32/kg in 10M23).

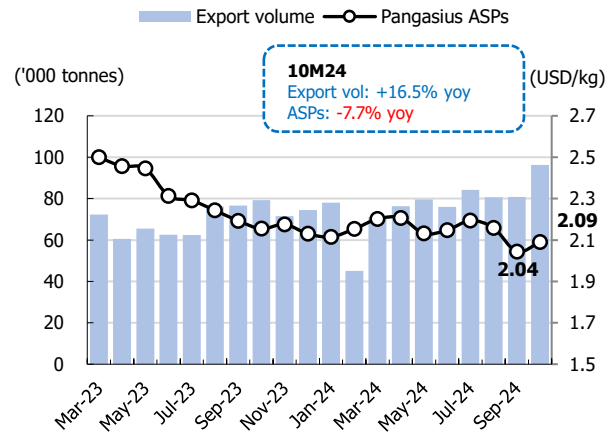
Specifically, the US market gained a spotlight in both export volume and ASPs, total export turnover surged to USD293mn (+29.8% yoy). Meanwhile, China and EU were bleak, with an export value of USD443mn (-5.5% yoy) and USD191mn (-2.3% yoy), respectively, we saw the upturn in export volume but the subdued consumption and fierce competition to other whitefishes that dragged on pangasius ASPs.

Figure 1. Export turnover is on recovery path



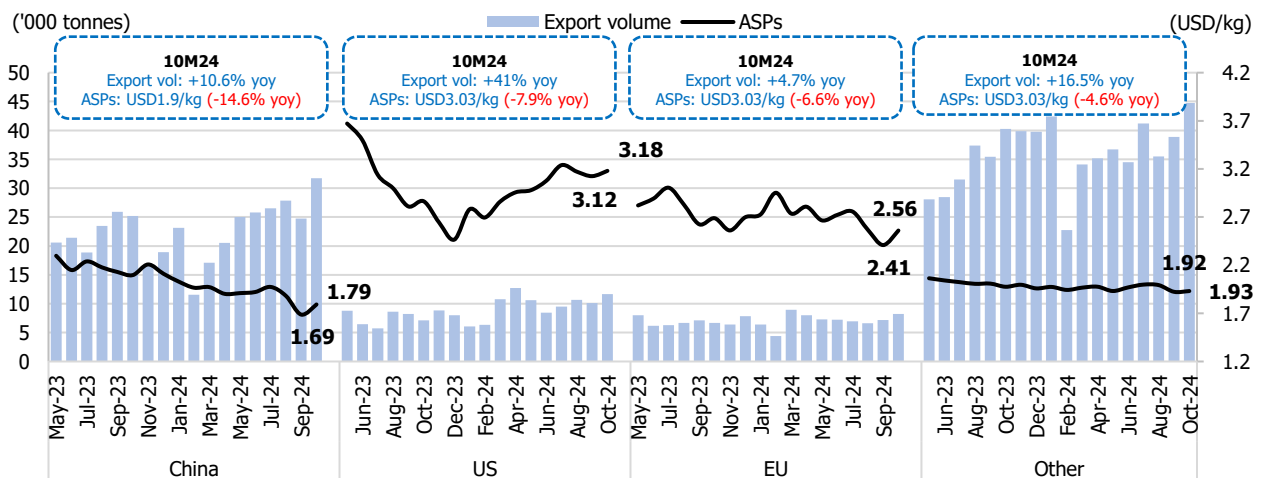
Source: Agromonitor, KIS Research

Figure 2. Export volume plays a key role for growth



Source: Agromonitor, KIS Research

Figure 3. Summary of export volume and pangasius ASPs to key markets in 10M24



Source: Agromonitor, KIS Research

VHC gained a spotlight in 10M24

VHC and ANV showed the resumption of export volume, although they operate in different markets. However, VHC witnessed the better qoq upturn in ASPs thanks to the recovery of US market, meanwhile, ASPs

of ANV was still bleak due to ailing exports to Chinese market. In addition, IDI experienced mixed results in 3Q24, with low export volume due to a decline in the Mexican market, but with yoy and qoq improvements in ASPs. (Table 2)

Table 2. Pangasius export volume and ASPs of KIS's coverage in 10M24 (tonnes, USD/kg)

	Pangasius export	1Q24	2Q24	3Q24	10M24
VHC	Export volume	21,913,905	25,515,100	25,411,805	83,860,810
	yoy	41.6	34.4	22.1	35.6
	ASPs	2.72	2.83	2.95	2.85
	yoy	(22.5)	(21.0)	0.8	(12.5)
ANV	Export volume	12,585,802	16,051,404	19,376,573	53,673,779
	yoy	(9.3)	17.3	23.3	6.8
	ASPs	1.90	1.82	1.89	1.86
	yoy	(13.1)	(12.4)	(1.9)	(8.8)
IDI	Export volume	14,012,726	13,322,276	9,567,414	41,552,417
	yoy	19.3	33.1	(20.5)	10.1
	ASPs	2.05	2.18	2.20	2.12
	yoy	(5.2)	1.1	9.0	1.1

Source: Agromonitor, KIS Research

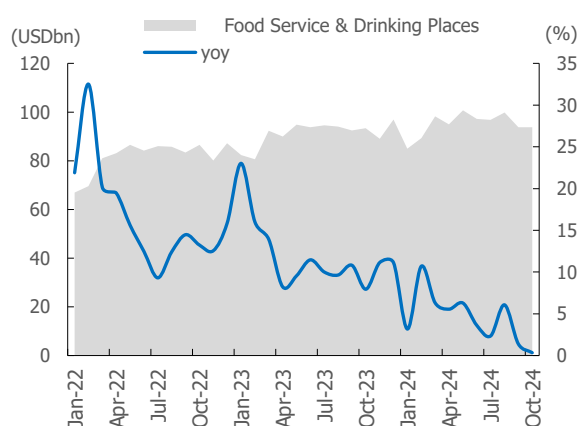
2. Opposing forces coming into play in 2025F

The US market – A pivotal catalyst for industry growth

Consumption in retail and HORECA (hotel, restaurant and café) remains moderate

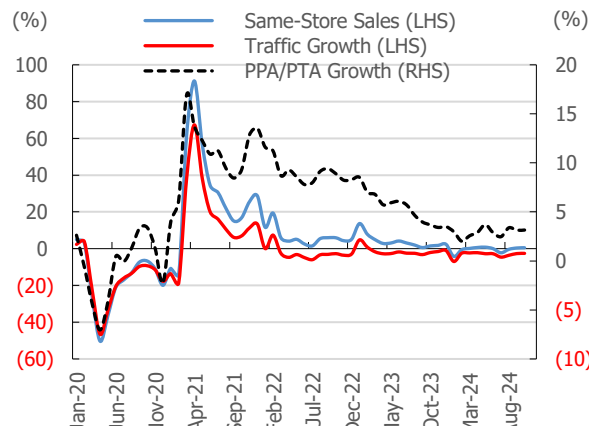
Regarding the end-consumer side, we see spending on food sustained a moderate growth in both retail and HORECA channels during 10M24. As growth of food and drinking place services decelerated in 3Q24 (Figure 4, 5). Meanwhile, these health restaurant indicators also indicate a conservative spending for eating-out services. According to Bloomberg Intelligence, consumer spending may weak due to the burden of higher credit-card balances, facing to potential risks of debt delinquencies. There especially hit hard on restaurant services spending, thereby impacting on seafood consumption in the US market.

Figure 4. Retail channel growth cooled down during 10M24



Source: Bloomberg, KIS Research

Figure 5... Alongside, HORECA channels were also subdued



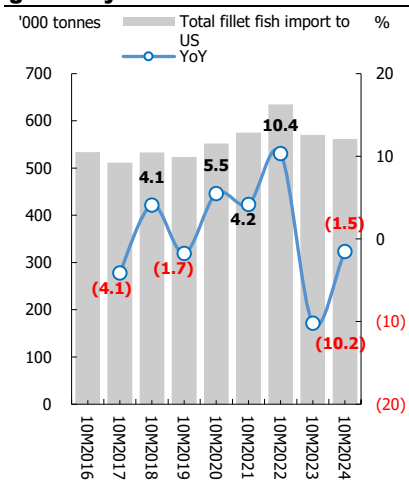
Source: Bloomberg, KIS Research

Total fish fillet imports to the US gradually rebounded in volume

Based on NOAA data, we see the fish fillet import to the US resumed gradually, its negative growth decelerated, with -1.5% yoy in 10M24 vs to -10.2% yoy in 10M23 (Figure 6). In terms of market share, pangasius gained more 4.8% fish fillet market share, we think the

more affordable pangasius ASPs vs to others that could be a main factor that boosting pangasius export volume in context of glimmer consumption (Figure 6, table 3)

Figure 6. Total fish fillet imports gradually recovered



Source: NOAA, KIS Research

Table 3. Pangasius gained more import market share in the US thanks to affordable selling prices

	2021	2022	2023	10M23	10M24	Change
Salmon	43.9	42.3	49.9	49.9	46.0	(3.9)
Tuna	5.2	6.2	5.4	5.2	6.2	0.9
Cod	8.7	8.8	7.9	8.1	8.4	0.4
Pollock	4.1	4.5	4.1	4.1	2.7	(1.4)
Haddock	2.3	2.9	2.1	2.1	2.5	0.4
Whiting	0.4	0.3	0.5	0.5	0.6	0.1
Hake	0.6	0.6	0.4	0.4	0.3	(0.1)
Ocean	0.2	0.2	0.1	0.1	0.1	(0.0)
Cusk	0.0	0.0	0.0	0.0	0.0	(0.0)
Tilapia	18.5	16.8	16.8	17.2	16.0	(1.2)
Pangasius	16.2	17.5	12.7	12.4	17.3	4.8

Source: NOAA, KIS Research compiled

The effects of a second Trump administration on pangasius prospects in 2025F onwards

Under Trump administration, we think pangasius exports to US could experience obscured outlooks due to trade policy uncertainties. According to Goldman Sachs Research, they expect tariffs on the consumer products would rise by less and only focusing on certain strategic imports. However, we summarize three tariffs' scenarios and their impacts on Vietnam's pangasius export:

Table 4. Three critical scenario tariff and these effects under Trump administration

% Import Tariffs	Impact	KIS's comments
Less than 10%	Positive	<ul style="list-style-type: none"> Current import tariff for catfish (pangasius...) to US ranging around 0%; No impacts on Vietnam pangasius exports to US in short-, mid- and long-term due to persisting price competitiveness against substitutes.
10%	Neutral	<ul style="list-style-type: none"> Even with a 10% increase, ASPs remain lower than those for Chinese tilapia, the main substitute product, which could potentially incur a 60% import tariff; Additionally, post-tariff pangasius ASPs are still below those of US pollock, with pollock export ASPs currently trading around 12~20% higher than pangasius ASPs.
Greater 10%	Negative	<ul style="list-style-type: none"> Loss of competitiveness relative to US pollock catching in domestic; Potential shrink in market share within the US market, if US pollock strongly boosts domestic consumption.

Source: KIS Research

Table 5. Comparing ASPs between pangasius and its main substitutes in the US market

	Pangasius fillet		Chinese Tilapia fillet		US pollock fillet export	
	Volume	ASPs	Volume	ASPs	Volume	ASPs
2021	111,420,000	3.32	95,296,563	3.23	94,397,109	3.24
2022	118,300,000	4.52	92,491,831	3.87	79,363,655	3.75
2023	85,550,000	3.14	82,155,200	3.26	90,738,363	3.83
10M2024	96,987,162	3.03	64,003,817	3.77	96,163,088	3.37

Source: NOAA, Agromonitor, KIS Research compiled

In mid- and long-term, we think trade policies under President Trump that could open opportunities for Vietnam's pangasius capturing fillet market share from Chinese tilapia while another tilapia sources could not fulfill this gap quickly (Table 6).

Table 6. China is dominant the tilapia fillet in the US market

	<i>Total tilapia import volume to US</i>			<i>% market share</i>		
	2022	2023	9M24	2022	2023	9M24
CHINA	92,491,831	82,155,200	58,025,489	71.0	71.4	71.6
COLOMBIA	10,773,186	11,960,307	6,958,195	8.3	10.4	8.6
BRAZIL	2,302,459	2,498,542	3,938,278	1.8	2.2	4.9
INDONESIA	7,208,037	6,375,129	5,916,418	5.5	5.5	7.3
HONDURAS	9,589,731	5,132,212	2,676,212	7.4	4.5	3.3
COSTA RICA	3,807,836	4,042,632	1,501,495	2.9	3.5	1.9
Other	4,008,830	2,902,073	2,028,069	3.1	2.5	2.5
Total	130,181,910	115,066,095	81,044,156	100	100	100

Source: NOAA, Agromonitor, KIS Research compiled

Keep an eye on the fluctuations in the supply of other whitefish in the US market in 2025F.

Additionally, fluctuations in the supply of whitefish substitutes could be monitored amid steady demand growth in 2025F:

- **Chinese tilapia:** Chinese tilapia export volume (the largest supply of tilapia for US) gained spotlight in 3Q24, with a resurgence of +17.3% yoy and +40% qoq, per NOAA data, despite, the processors of tilapia from China has not fully revived after headwinds (Yagi storm, high aquafeed costs). *In 4Q24F onwards*, Chinese tilapia could enter to harvest seasons thanks to the recovery after typhoon and lower aquafeed costs.
- **US pollock:** Per NOAA, the US pollock industry faces falling export prices, weak demand, and rising competition in key export markets. Besides, it could be worsened by Russian pollock +7% catch quota increase for 2025F, is further intensifying competition. Therefore, we concern policies under the Trump administration could be implemented to protect the industry by raising tariffs on substitutes, thereby promoting domestic consumption rather than maintaining the historically high levels of exports.

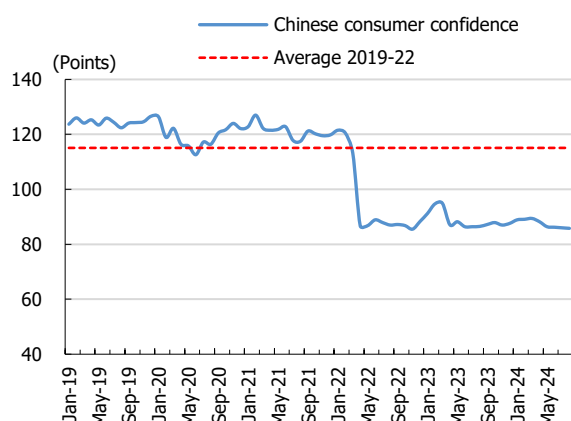
Export volume and ASPs are expected to soar in 1H25F

In 2025F, we expect pangasius export volume to US that could not soar like 2024 due to the slow pace of restocking activities. Specifically, we expect a rosy growth of pangasius export volume that could foster in 1H25F before tariffs materialization and gradually return to normal for the rest of 2025F. In terms of ASPs, we also expect a strong rebound in 1H25F due to a 'trade rush' and a shortage of raw pangasius supply, followed by moderation in 2H25F.

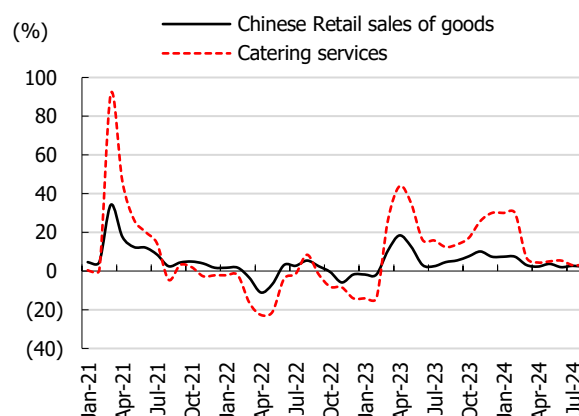
The Chinese market – A bumpy road to recovery

Weak consumption prolonged longer than expectations

After numerous stimulus of Chinese government, consumer confidence and the domestic spending outlook remained ailing, reflecting via sluggish growth of retail sales, especially in foodservice channel (*Figure 7, 8*). According to Seabridge International Institutes, the seafood prices are weighed on bleak domestic consumption, consumers tend to look for other seafoods those are more affordable prices. Then, seafood exporters inevitably lower their ASPs to maintain market share.

Figure 7. Chinese consumption remains glimmer

Source: Bloomberg, KIS Research

Figure 8... Causing weak spending on foodservice channels

Source: Bloomberg, KIS Research

Concerns of abundant Russian pollock could heat up price competition

Additionally, according to Intrafish, Russia intensified seafood exports to China amid sanctions and restrictions from US and EU markets. During 8M24, China became the destination for over half of Russia's seafood export, with key product including pollock (one of the main substitutes of pangasius). Moreover, the risk of competition with other domestic whitefish species is still intense, as we have previously discussed on [2H24 seafood outlook report](#). Therefore, we think these obstacles could sustain into 2025F and intensify in price competition between seafood species exports to Chinese markets.

In 2025F, we believe that the long-awaited recovery of consumption and abundant supply of other substitute products which could drive the slow growth of pangasius exports. Therefore, we anticipate export volume that could persist moderate. Regarding to ASPs, pangasius exporters could tradeoff between export volume and ASPs, accepting low ASPs to bolster volumes. Consequently, we think these enterprises focusing on the Chinese market are unlikely to rebound in margins.

The EU market – Abundant supply challenges growth trajectory

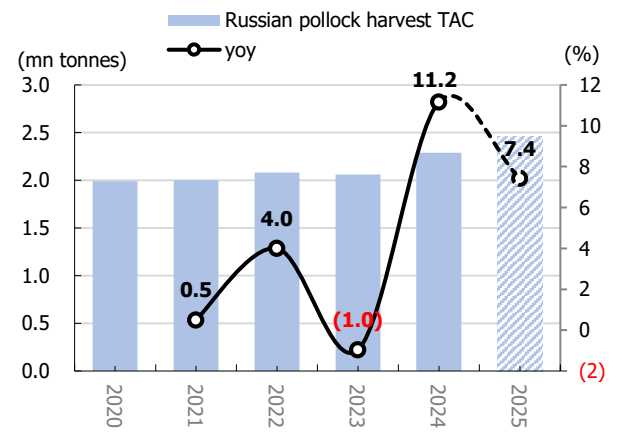
According to Russian Ministry of Agriculture, Russia has set its 2025F pollock fishing quota for the country's far east at 2.46mn metric tons, +7% yoy on total allowable catch (TAC).

Specifically, in 2024, a higher TAC by +11.2% (2.3mn tonnes) has led to an abundant supply of pollock in the EU market, causing fierce price competition between whitefishes (*Figure 9, 10*). This occurred despite the EU imposing a higher import tariff of 13.7% on Russian seafoods. Consequently, pangasius exports volumes only edged up +4.7% yoy in 10M24 and +3.4% yoy in 3Q24, while ASPs fell to USD2.58/kg in 3Q24 (-8.2% yoy/ -5.5% qoq).

We believe the outlook for Vietnam's pangasius exports to EU market may be challenging in both export volume and ASPs due to a projected oversupply of pollock in 2025F, particularly as demand is only in the early stages of recovery.

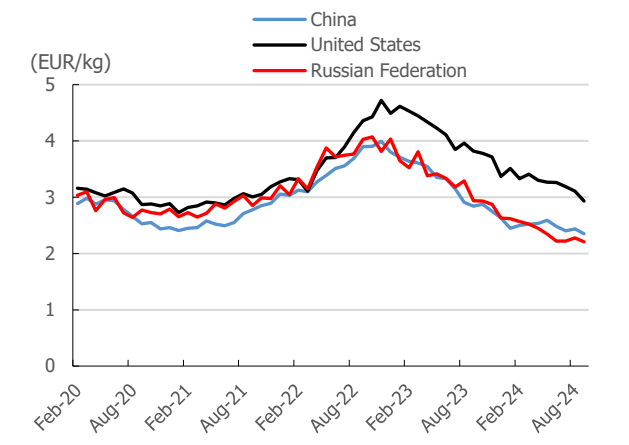
Abundant pollock supply from Russia that could prolong fierce competition in EU

Figure 9. High TAC for Russian pollock could heat up competition in EU



Source: Tradexfood, KIS Research

Figure 10... Thereby, dragging on selling prices of pollock and other substitutes



Source: EUMOFA, KIS Research

3. Potential shrinking domestic supply and favorable input cost in 2025F

As a result of gloomy export prospects, the domestic supply of raw pangasius and its prices have also been experiencing a downturn:

Domestic supply of raw pangasius persist low in 2025F

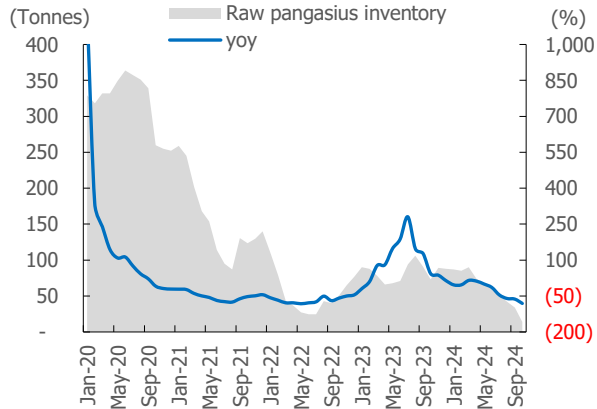
- Domestic supply of raw pangasius is gradually shrinking, reflecting through (1) Raw pangasius inventory in Mekong Delta stays at low level, per Agromonitor data. (2) Pangasius farming area keep sliding in Dong T hap province (the province those possesses largest pangasius farming area) (Figure 11, 12). Therefore, we believe the low supply of raw pangasius could sustain in 2025F.

Input costs are expected to be stable, thus supporting industry's margin

- Fingerling and raw pangasius prices have not a catalyst for rebound strongly. We expect the prices of these inputs costs that could see a modest upturn in 2025F (Figure 13).
- Regarding aquafeed costs (account for 70–75% of farming costs), soybean meal (a main ingredient in aquafeeds) is expected to edge down in 2025F. According to Agromonitor, lower soybean meal prices can be attributed to favorable weather in the US and Brazil, supporting new crop growth and harvests in 2025F (Figure 14).

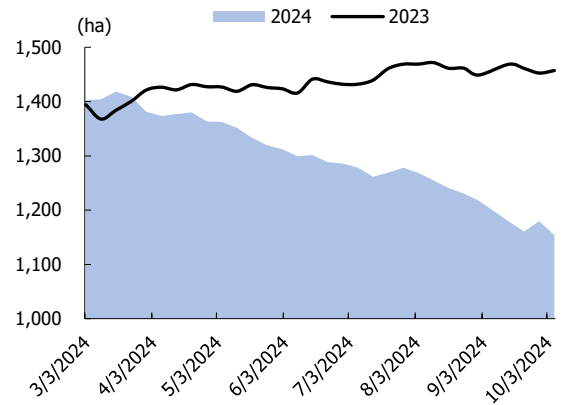
In conclusion, in 2025F, these dynamics could stabilize the gross margin (GM) of listed enterprises amid the expectations of gradual recovery in pangasius ASPs.

Figure 11. Domestic raw pangasius remain at low level



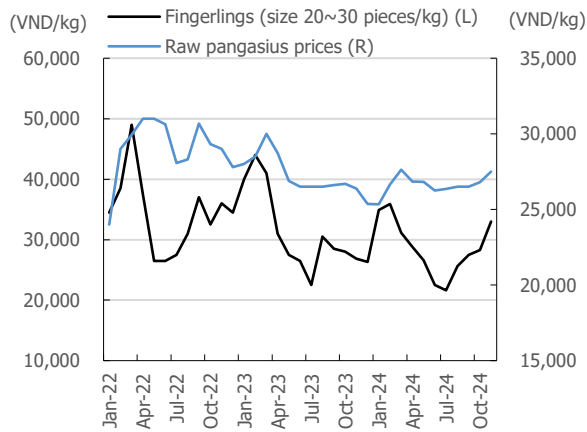
Source: Agromonitor, KIS Research

Figure 12. Pangasius farming area in Dong Thap province kept sliding in 10M24



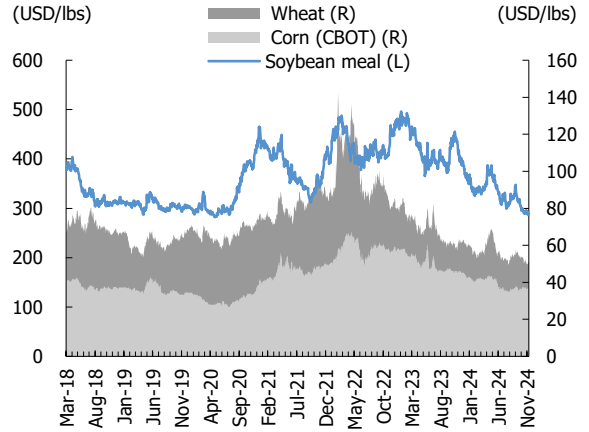
Source: Agromonitor, KIS Research

Figure 13. Fingerlings and raw pangasius prices are expected to moderate in 2025F



Source: Agromonitor, KIS Research

Figure 14. Agricultural commodity plummeted, thereby lowering aquafeeds



Source: Agromonitor, KIS Research

IV. Shrimp industry – At a crossroad: Time to move up or down?

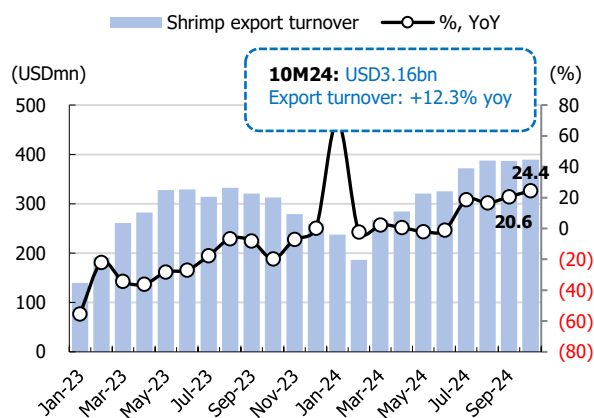
1. 10M24 - Competition remained heat up

Shrimp export volume fostered while ASPs were still bleak

In 10M24, per Agromonitor, total shrimp total export turnover was at USD3.16bn (+12.3% yoy), mainly fueled by export volume (346.5mn tonnes, +14.1% yoy). Meanwhile, the shrimp ASPs still stayed at low level, at USD9.11/kg (-1.53% yoy). Notably, total shrimp ASPs have suddenly rebounded in Sep- and Oct-24, attributed to the Chinese market (Figure 17). However, we note that the ASPs of white-leg shrimp (accounting for around 70~75% of Vietnam's shrimp export) has not revived strongly (Figure 18).

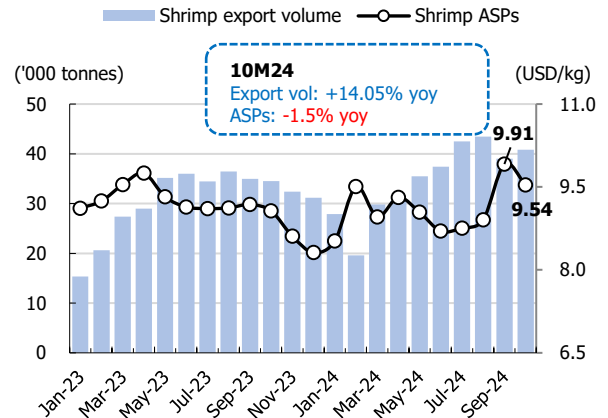
We saw the recovery momentum of ASPs is progressing slowly due to (1) cautious spending on high-value seafood products (including shrimp), (2) low shrimp ASPs from competitors (Ecuador and India) in the US and EU, making it challenging for Vietnamese companies to raise ASPs, and (3) companies actively maintaining affordable ASPs to foster export volumes.

Figure 15. Shrimp export turnover strongly rebounded



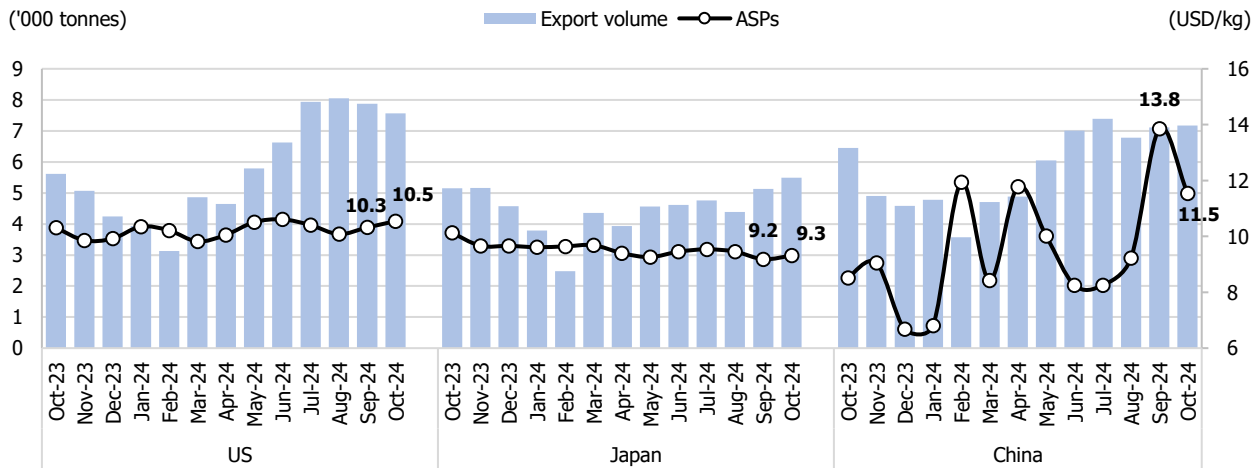
Source: Agromonitor, KIS Research

Figure 16... Primarily driven by export volume and slightly pickup in shrimp ASPs



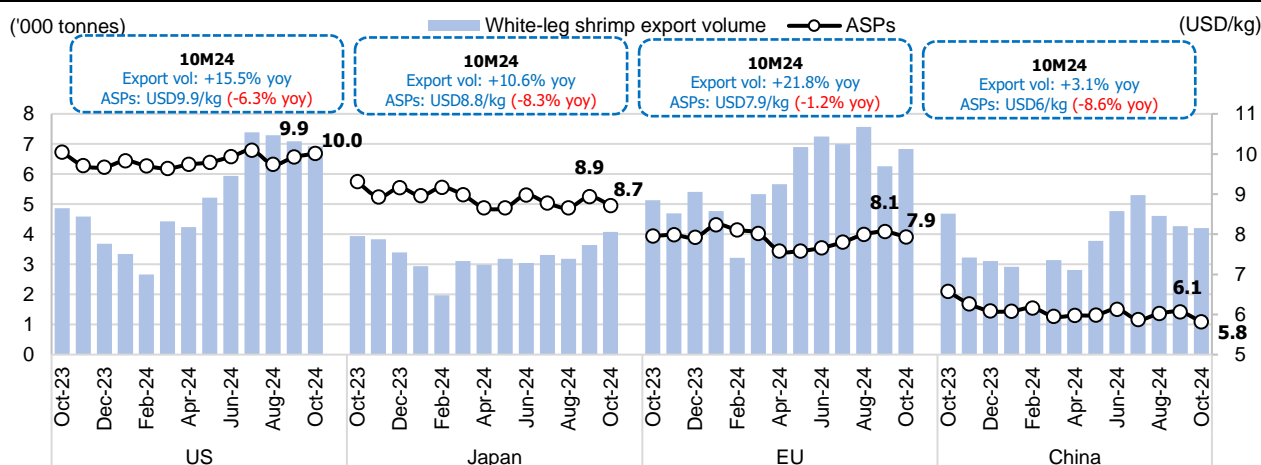
Source: Agromonitor, KIS Research

Figure 17. The Chinese market was a spotlight in shrimp ASPs, while the other markets persisted low



Source: Agromonitor, KIS Research

Figure 18... However, white-leg shrimp has not showed the strong resumption



Source: Agromonitor, KIS Research

Following global supply – demand dynamics in 9M24, we saw that:

- **Demand:** The recovery in shrimp consumption is occurring unevenly across key markets. The EU and Japan have shown signs of resumption in import volumes, while the US market has seen slower growth in shrimp imports;
- **Supply:** Ecuador and India slightly push shrimp supply despite demand not fully recovering. This factor has weighed on ASPs.

Table 7. Supply – Demand dynamics of key export and consumption countries during 9M24

Supply		Demand	
Country	KIS's Comments	Country	KIS's Comments
Ecuador	<ul style="list-style-type: none"> - In 9M24, shrimp export turnover inched down to USD4.47bn (-7.17% yoy), export volume stayed flat yoy, but ASPs plummeted by -7% yoy. It has shifted a portion of supply to US and EU due to the challenges faced in exporting to China (Ecuador's largest market). - According to Global Shrimp Forum in Sep-24, shrimp supply from Ecuador was moderate +2% yoy in 1H24, but it could surge +10% yoy in 2H24F. This could bring the country's total export volume to 1.28mn tonnes in 2024. 	US	<ul style="list-style-type: none"> - Generally, cautious consumer behavior has kept shrimp consumption in the US subdued. Notably, frozen shrimp prices declined by -4.7% in Sep-24, per Circana data. - In 9M24, the total volume of frozen shrimp imports into the US fell by -4.5% yoy. However, a positive growth came from Vietnam, which saw a volume increase of +9.1% yoy due to its faster price reduction compared to rivals.
India	<ul style="list-style-type: none"> - In 8M24, shrimp export turnover was at USD3.07bn (-5% yoy), mainly dragged on by lower ASPs, while export volume stayed flat. Per Indian Customs, shrimp export volume to US and EU was a moderate growth but facing obstacles in Asia markets. - According to Global Shrimp Forum in Sep-24, export data suggests the 2024F harvest could match 2023, with India's shrimp export volume rising +5%, hitting the 2021 peak. 	EU	<ul style="list-style-type: none"> - Shrimp consumption in EU markets gained a spotlight, thereby reviving shrimp import demand in 8M24. Specifically, shrimp imports reached 343.8 thousand tonnes (+4% yoy). Imports from Ecuador soared by 10% yoy; Other top-five suppliers include India (+2% yoy), Argentina (+16% yoy), and Vietnam (+12% yoy). - However, shrimp ASPs kept low due to persistent supply pressure from abundant production in Ecuador and India.
Indonesia	<ul style="list-style-type: none"> - The shrimp exports stayed sluggish in 8M24. Per Indonesian Customs, shrimp export turnover was down -9% yoy to USD1.04bn, and export volume edged down -7% yoy. - Key markets recorded declines in volume, including the U.S. (-7% yoy), Japan (-2% yoy), and China (-43% yoy), but partially offset by strong growth in the EU market (+46% yoy). 	Japan	<ul style="list-style-type: none"> - In 9M24, Japan's shrimp import volume slightly recovered (+6.76% yoy, to 150 thousand tonnes). Vietnam maintained its leading position as the top exporter, with a volume of 34,000 tonnes (+9.6% yoy), per Japan customs. - The potential for ASPs resumption remains limited due to the depreciation of the Japanese Yen and competition from other lower-priced protein-rich foods.

Source: KIS Research compiled

2. Export volume play a key growth for industry

The US market – Challenges abound in 2025F

Shrimp consumption in the US market has not rebounded

According to NOAA, in 10M24, shrimp imports to US remained weak in both preparation shrimp and warm-shrimp products (Table 8). Per to Circana and 210 Analytics, frozen seafood retail sales kept sliding, which still inched down by 0.3% yoy in Sep-24 and -2.7% in 3Q24 (Figure 19). It was mainly attributed to brands and retailers alike are turning to strongly discounting to simulate sale volume. This partly reflects the slow recovery in consumer spending on high-priced food (such as shrimps), as consumers continue to prioritize saving by opting for lower-priced seafood. Notably, Vietnam's shrimp export volume fared better in 10M24 due to shifting preferences for larger, more affordable shrimp sizes.

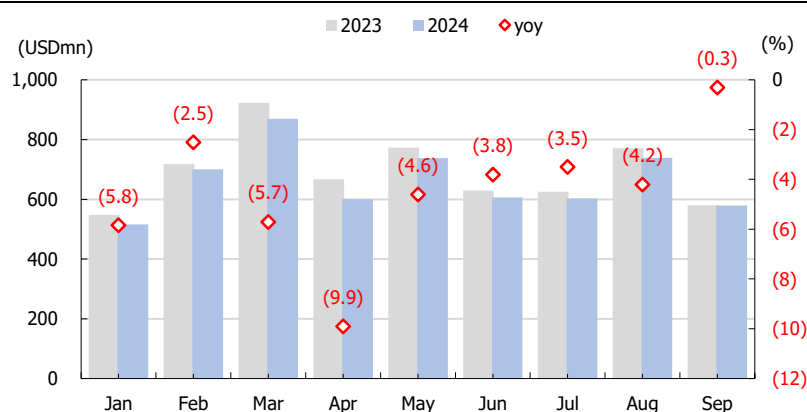
In 2025F, we expect that the shrimp trade situation in the US could not show prospective signs at least until the end of 1H25F.

Table 8. Vietnam's shrimp witnessed a growth in volume due to steeply slump in ASPs

	Shrimp Volume			Shrimp ASPs			Market share		
	10M2023	10M2024	YoY	10M2023	10M2024	YoY	10M2023	10M2024	YoY
Preparation shrimps									
INDONESIA	43,771,221	41,528,626	(5.1)	7.90	7.54	(4.6)	30.6	30.3	(0.3)
INDIA	38,258,050	36,700,178	(4.1)	9.83	9.22	(6.1)	26.7	26.8	0.1
VIETNAM	31,419,777	32,941,725	4.8	9.93	9.53	(4.0)	21.9	24.0	2.1
THAILAND	16,152,628	12,502,046	(22.6)	11.21	10.17	(9.3)	11.3	9.1	(2.2)
ECUADOR	7,313,703	6,832,038	(6.6)	8.74	8.48	(3.0)	5.1	5.0	(0.1)
Total	143,182,990	137,074,995	(4.3)	9.26	8.75	(5.5)			
Warm-shrimps									
INDIA	204,594,806	205,072,033	0.2	7.56	7.22	(4.5)	40.8	42.7	1.8
ECUADOR	165,176,077	149,985,719	(9.2)	6.70	6.71	0.2	33.0	31.2	(1.8)
INDONESIA	74,523,163	65,446,671	(12.2)	8.16	7.53	(7.7)	14.9	13.6	(1.3)
VIETNAM	19,078,176	22,876,956	19.9	11.96	10.40	(13.0)	3.8	4.8	1.0
ARGENTINA	10,895,592	11,877,629	9.0	12.70	12.78	0.7	2.2	2.5	0.3
Total	500,850,695	480,480,862	(4.1)	7.88	7.56	(4.1)			

Source: NOAA, KIS Research compiled

Figure 19. Subdued seafood retail sales reflect cautious spending pattern on high-valued seafood species



Source: Circana & 210 Analytics, KIS Research

Import tariff could not weigh on shrimp export to US but facing risks of AD and CVD tariff

We expect that import tariffs under a second Trump administration could not impact shrimp-exporting countries entering the US, as the US primarily relies on imported shrimp to meet domestic consumption needs. However, shrimp exporters are still subject to the anti-dumping duty (AD) and countervailing duty (CVD) on frozen shrimp. According to the latest announcement by the US Department of Commerce (DOC), official duty has been established for specific countries and companies exporting shrimp to the US (Table 9, 10).

Table 9. Summary of Anti-Dumping duty of key exporters to the US

Final Anti-Dumping Duty (AD)		
Partner	Company	% AD
Ecuador	Sociedad Nacional de Galápagos C.A. / Marina del Rey	0
	Industrial Pesquera Santa Priscila S.A. / Tropical Packing Ecuador Tropack S.A.	0.48 (de minimis) *
Indonesia	PT Bahari Makmur Sejati	0
	PT First Marine Seafoods / PT Khom Foods	3.9
	All-Others	3.9

Source: DOC, KIS Research compiled

(*) de minimis: not subject to tariffs if the margin is below 1%

Table 10. Summary of Countervailing Duty of key exporters to the US

Final Countervailing Duty (CVD)		
Partner	Company	% CVD
Ecuador	Industrial Pesquera Santa Priscila S.A.	3.57
	Sociedad Nacional de Galapagos C.A.	4.41
	All-Others	3.78
India	Devi Sea Foods Limited, Devi Sea Foods Inc., Devee Horizon LLP, Devee Power Corporation Limited, Devee Superior Feeds Limited	5.87
	Sandhya Aqua Exports Pvt. Ltd.; Neeli Sea Foods Private Limited; Vijay Aqua Processors Private Limited; Neeli Aqua Farms	5.63
	All-Others	5.77
Indonesia	PT Bahari Makmur Sejati	0.20 (de minimis) *
	PT First Marine Seafoods / PT Khom Foods	0.71 (de minimis) *
Vietnam	Soc Trang Seafood Joint Stock Company	2.84
	Thong Thuan Company Limited	221.82
	All-Others	2.84

Source: DOC, KIS Research compiled

(*) de minimis: not subject to tariffs if the margin is below 1%

Although Ecuador and India face higher CVD than Vietnam, we believe this does not provide a competitive advantage, as the cost of raw shrimp in Vietnam remains 30~40% higher than theirs, leading to higher ASPs in markets such as the US and the EU. We think that raising ASPs to offset these higher CVD could be challenging for Vietnamese shrimp exporters, and any price increase could negatively affect export volumes. However, we observe that if demand is robustly better-than-expected, coupled with potential price increases from Ecuador and India, this could provide a strong incentive for Vietnamese shrimp exporters to raise ASPs to offset CVD.

The EU markets – A gradual resumption but facing to competition from Ecuador

Shrimp consumption gradually bounces back in EU

In the EU market, total shrimp imports have turned to shining outlooks, with 8M24 total import volumes inching up by 3.6% yoy. This growth includes key shrimp-importing countries experiencing rosy growth in import volumes, supported by improving consumer spending.

(Table 11). Regarding shrimp ASPs to EU, it remained subdued, mainly due to abundant shrimp supply persisting throughout 2024.

Table 11. Shrimp export volume to EU inched up but the ASPs still slumped due to fierce competition

(‘000 tonnes, EUR/kg, %, %p)

Shrimps Imports	Shrimp Volume			Shrimp ASPs			Market share		
	8M2023	8M2024	YoY	8M2023	8M2024	YoY	8M2023	8M2024	YoY
ECUADOR	108.9	120.5	10.6	5.4	5.1	(7.0)	32.8	35.0	2.23
INDIA	45.7	46.6	2.1	6.7	6.1	(8.1)	13.8	13.6	(0.20)
ARGENTINA	33.2	38.6	16.3	6.9	6.6	(4.0)	10.0	11.2	1.22
VIETNAM	27.1	30.5	12.4	8.4	7.6	(9.4)	8.2	8.9	0.69
VENEZUELA	24.4	27.7	13.3	4.8	5.0	4.9	7.4	8.0	0.69
CHINA	8.9	11.0	23.3	7.4	7.4	(0.4)	2.7	3.2	0.51
Total	331.9	343.8	3.6	6.8	6.4	(6.4)			

Source: Eurostat, Agromonitor, KIS Research compiled

In 2025F, per Goldman Sachs Research on Euro Area Outlook 2025, they peg that consumption in EU could witness a gradual recovery thanks to lower headline inflation and ongoing firm nominal wage growth. As such, we expect the brighter outlooks for shrimp export volume that could remain intact, which in turn fostering Vietnam’s shrimp export volume.

Price competition could persist in 2025F

However, we notice that Ecuador has gained market share in EU by diversifying its exports to include more valued-added products, per Tradexfood. There could arise competition to Vietnam’s value-added shrimp products, hence price competition has become more intense. As such, we think Vietnam’s shrimp ASPs may not decline as sharply as in 2024 but are likely to stay at moderate levels until the abundant supply is fully absorbed and consumption experiences a more robust rebound.

The Japanese market – Key drivers: low competition and demand revival

According to Japan Customs, the total shrimp import volume slightly rebounded by 6.8% yoy in 9M24. Whereas shrimp ASPs stayed low as most exporters maintained affordable pricing strategies to simulate export volumes amid an early economic recovery, along with the weak Yen currency, which dampened purchasing power in 1H24.

Table 12. Vietnam’s shrimp keeps a key position in the Japanese markets

(‘000 tonnes, USD/kg, %, %p)

Shrimps Imports	Shrimp Volume			Shrimp ASPs			Market share		
	9M2023	9M2024	YoY	9M2023	9M2024	YoY	9M2023	9M2024	YoY
VIETNAM	30.7	33.7	9.6	10.9	9.9	(9.1)	21.9	22.4	0.6
INDIA	27.2	27.5	1.2	7.8	7.4	(5.0)	19.4	18.3	(1.0)
INDONESIA	24.2	23.0	(4.8)	9.6	9.3	(3.6)	17.2	15.3	(1.9)
THAILAND	23.1	21.7	(5.8)	10.2	9.8	(4.8)	16.4	14.5	(1.9)
ECUADOR	4.9	10.8	121.1	7.4	6.7	(9.3)	3.5	7.2	3.7
Total	140.6	150.1	6.8	9.6	8.9	(8.1)			

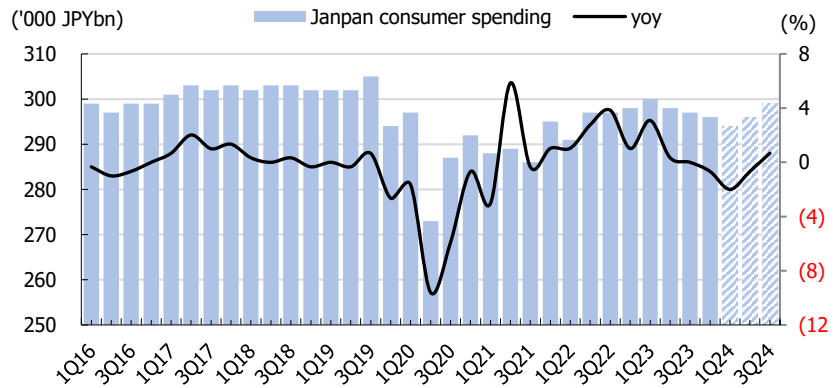
Source: Japan Customs, Agromonitor, KIS Research compiled

Stronger consumer spending could revive shrimp export

However, we observed a gradual recovery in consumer spending in 3Q24, with a moderate yoy growth of +0.7%, marking the first positive growth since 3Q23 (Figure 20). Wage growth policies and a strengthening Yen were also the key drivers of this recovery in consumer spending in 3Q24. We believe these factors could continue a good catalyst for shrimp consumption revival.

In 2025F, we expect Vietnam’s shrimp export volume to maintain a moderate growth trajectory, while an uptick in shrimp ASPs is driven by (1) the anticipated easing of economic headwinds and (2) reduced competition in Japan, which could enable shrimp exporters to more easily raise ASPs as demand rebounds.

Figure 20. Stronger consumer spending plays a crucial catalyst for Vietnam’s shrimp export to Japan in 2025F



Source: Bloomberg, KIS Research

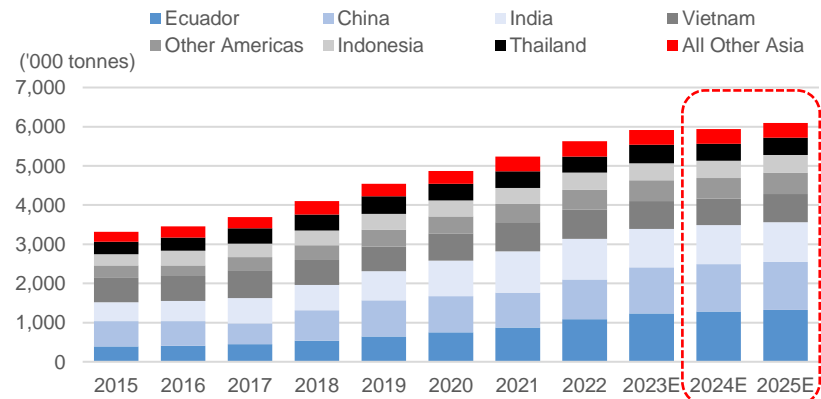
3. Soaring raw shrimp prices threaten enterprises’ GM

The fluctuations in shrimp exporters’ GM are impacted by raw shrimp prices and the ASPs of finished shrimp. Among these, ASPs are subject to changes in global supply and demand dynamics, while raw shrimp prices are primarily determined by domestic supply. Our observations regarding these two factors are as follows:

Challenges from abundant supply could prolong low shrimp ASPs

- Global supply will likely increase in 2025F.** According to Rabobank’s report, global shrimp production could edge up +1% yoy in 2024 and is projected to be moderate by 2% yoy in 2025F, reaching over 6mn tonnes. Within this, Ecuador, the industry leader, is anticipated to see shrimp production inch up +4% yoy in 2024 and +3% yoy in 2025F. Amid a slow demand recovery, the forecasted supply growth in 2025F further dims the prospects for a recovery in shrimp ASPs, in our view.

Figure 21. Global shrimp supply is predicted to edge up in 2025F



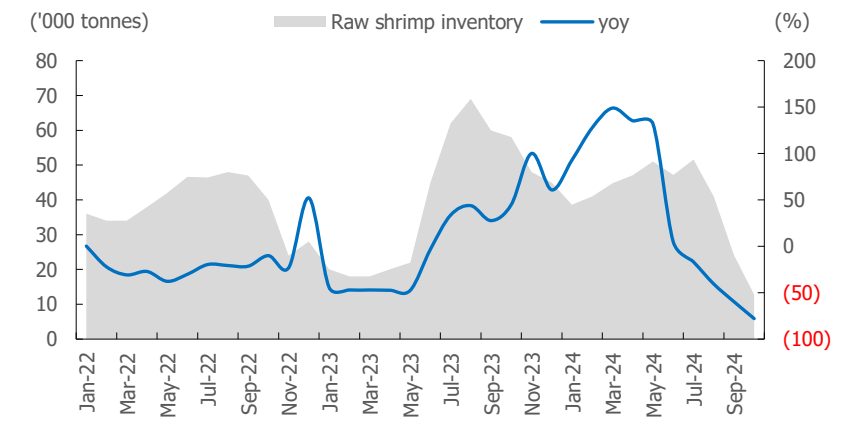
Source: Rabobank, FAO, GSA Summit Survey 2024, KIS Research

Escalating raw shrimp prices will likely drag down shrimp processors' GM

- **Domestic raw shrimp supply:** Entering the heavy rain season and facing unpredictable disease outbreaks in 4Q24F, the raw shrimp inventory has dropped to its lowest level since 2022. In Oct-24, raw white-leg shrimp inventories stood at 12,800 tonnes (-78% yoy/ -47% mom), thereby, raw shrimp prices are escalating (Figure 22, 23). Per industry experts view, the shortage of raw shrimp could extend into 1Q24F.

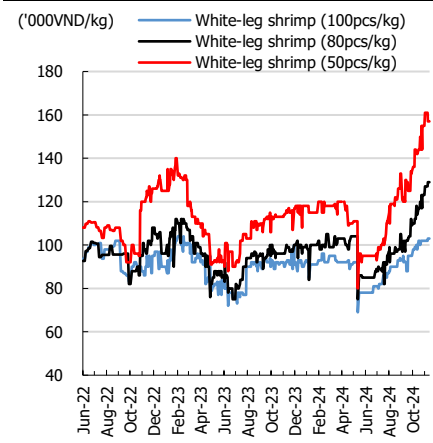
As a result, the gap of raw shrimp costs widens between Vietnam and its rivals (Figure 24). Implying a weakened the competitiveness of Vietnamese shrimp exporters, as they are unable raise ASPs to offset rising raw material costs. In conclusion, we think there could potentially hamper on shrimp export enterprises' GM in 4Q24F and at least until 1Q25F. Afterward, the weather become more favorable, we think the supply return to normal that stabilize input costs for processors.

Figure 22. Shortage of raw shrimp has emerged due to rainy seasons in 3Q24



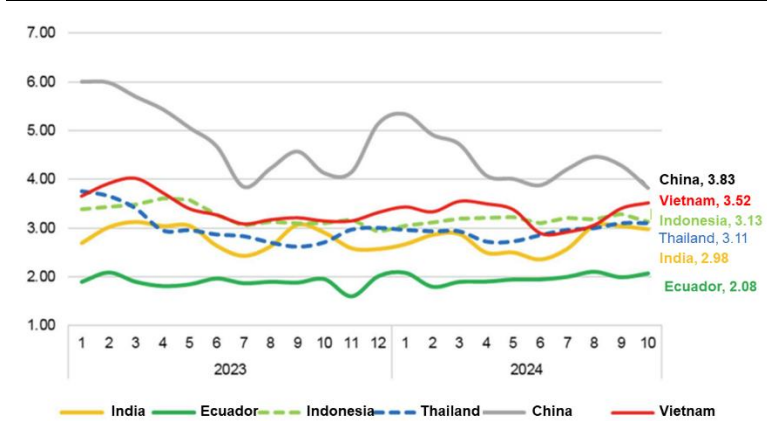
Source: Agromonitor, KIS Research

Figure 23. Raw shrimp prices steeply soared



Source: VASEP, KIS Research

Figure 24... Thus, widening the gap between competitors



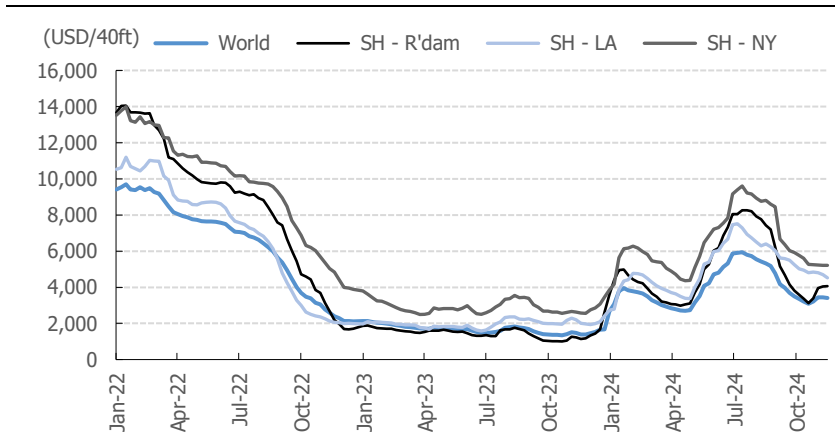
Source: Agromonitor, KIS Research

V. Risk to be considered

Sluggish global consumption recovery. If the bleak consumption of seafood in key markets prolongs longer than expected, it could drag on the recovery momentum of export volume and ASPs. As such, the expectations of earning growth for both the pangasius and shrimp industries could be hindered.

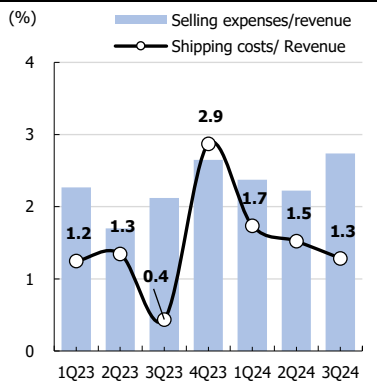
Shipping costs are an unpredictable factor that could negatively impact the business performance of seafood export enterprises, particularly those primarily operating under CIF terms (the seller bears the shipping costs). In 3Q24, the ratio of shipping costs to revenue for seafood exporters slightly increased, partially eroding their growth (Figure 26, 27, 28). Therefore, we consider this a potential risk and recommend closely monitoring shipping cost trends in the coming period.

Figure 25. Raising container freight rate hit hard on earnings



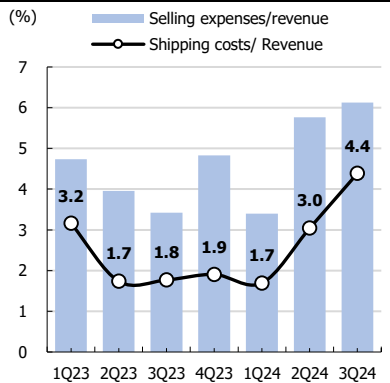
Source: Drewry, KIS Research
 (*) Note: SH - R'dam: Shanghai to Rotterdam; SH - LA: Shanghai to Los Angeles; SH - NY: Shanghai to New York

Figure 26. VHC lowered shipping costs thanks to high proportion of FOB intercom



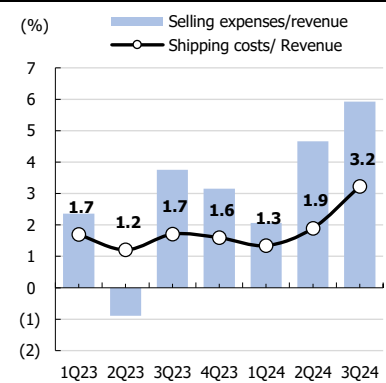
Source: Company data, FiinX, KIS Research

Figure 27... While, ANV burdened substantially transportation costs in 3Q24



Source: Company data, FiinX, KIS Research

Figure 28. FMC was also similar due to the high DDP intercom orders to the US market in 3Q24



Source: Company data, FiinX, KIS Research

Company Analysis

Vinh Hoan Corp.

VHC

Nam Viet Corp.

ANV

I.D.I Corp

IDI

Sao Ta Foods.

FMC

Vinh Hoan Corp. (VHC)

BUY (Maintain), TP VND84,900

		Yr to	Sales	OP	NP	EPS	% chg	BPS	PE	P/B	ROA	ROE	DY
		Dec	(VND bn)	(VND bn)	(VND bn)	(VND)	(yoy)	(VND bn)	(x)	(x)	(x)	(%)	(%)
Stock price (Dec 13, VND)	72,600	2022A	13,231	2,254	2,013	10,662	78.0	41,027	11.1	1.3	19.8	29.7	2.9
Market cap (USD mn)	642	2023A	10,033	969	974	4,865	(54.4)	44,629	14.3	1.7	8.3	11.6	2.6
Shares outstanding (mn)	224	2024F	12,483	1,324	1,257	5,169	6.3	38,413	13.0	1.9	10.1	13.8	5.5
52-Week high/low (VND)	77,125/55,111	2025F	13,497	1,724	1,550	6,338	22.6	42,751	10.5	1.7	11.7	15.8	2.7
6M avg. daily turnover (USD mn)	2.00	2026F	15,120	2,134	1,894	7,745	22.2	48,496	8.6	1.5	13.0	17.1	2.7
Free float / Foreign ownership (%)	49.9/28.4												
Major shareholders (%)													
Truong Thi Le Khanh	42.3												
Dragon Capital	6.8												

Source: Company data, KIS Research

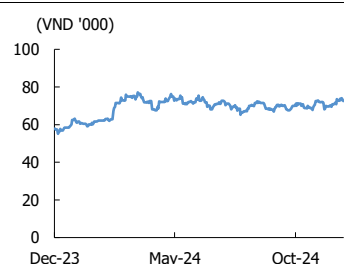
Note: NP and EPS attributed to controlling interest

Short-term uncertainty, but solid long-term growth

Performance

	1M	6M	12M
Absolute (%)	0.8	(3.8)	22.0
Rel. to VNI (%p)	(0.7)	(1.8)	6.5

Stock price



Source: Bloomberg

VHC earnings forecast

(VNDbn, %)

	1Q25F		2Q25F		1H25F		2025F		Consensus	
					yoy	qoq		yoy	1H25F	2025F
Revenue	3,156	3,662	6,818		12.7	5.6	13,497	8.1	N/A	14,064
<i>Pangasius fillets & Related products</i>	2,181	2,651	4,833		13.6	3.6	9,630	7.8	-	-
<i>Sa Giang</i>	167	198	365		4.1	(4.3)	764	4.3	-	-
<i>Collagen & Gelatin</i>	279	259	538		17.6	41.9	993	18.8	-	-
<i>By-products</i>	470	471	942		5.0	5.1	1,883	5.0	-	-
<i>Thanh Ngoc Foods</i>	59	81	141		30.4	70.3	228	19.5	-	-
NPAT-MI	356	425	781		60.1	11.8	1,435	22.6	N/A	1,533

Source: Company data, Bloomberg, KISVN estimate

4Q24F – On growth track. Based on the actual 9M24 and Oct-24's topline growth of VHC. We peg its business results that remains positive growth in 4Q24F, with a revenue of VND3,153bn (+31.6% yoy/ -3.8% qoq), and a NPAT-MI of VND362bn (+6.6x yoy/ +12.9% qoq). The GM could bounce back to 18.9% (+10.8%p yoy/ +1.3% qoq) thanks to the pangasius ASPs to US and the stable input costs. Our new 2024F's forecast suggest that a revenue of VND12,483bn (+24.4% yoy) and a NPAT-MI of VND1,170bn (+27.3% yoy).

The US market play a critical catalyst for pangasius export growth in 2025F. We peg VHC could reach a revenue of VND13,497bn (+8.1% yoy) and a NPAT-MI of VND1,435bn (+22.6% yoy), We lower our new forecast for 2025F due to the weaker-than-expected pangasius ASPs, causing by the sluggish export outlooks to China and EU markets. Our forecasts that:

- *Pangasius fillet and related products:* we expect a revenue of VND9,630bn (+7.8% yoy). Specifically, an export volume could edge up by 2.4% yoy and pangasius ASPs could be at USD3.02/kg (+5.5% yoy). We peg the US market could lead this segment growth in 1H25F thanks to the 'trade rush' before new US import tariff materialization. In contrast, the China and EU market continue face obstacles as our discussion in 2025F industry prospects.

Additionally, we expect costs per kg finished goods could stabilize in 2025F thanks to the moderate growth of aquafeeds and raw pangasius prices, thereby supporting VHC's GM of pangasius segment in 2025F.

- *Collagen & Gelatin products (C&G)*: The C&G line 2 factory commences operations on April-24, elevating the total designed capacity to 7,000 tons/year, but it could not utilize full capacity in 2024, with a total volume sale of approximately 3,000 tonnes (40~45% total capacity), per our forecast. In 2025F, C&G volume sales could pose +15~20% yoy (~50% total capacity), and it will likely be fueled by a demand revival in the foodservice and healthcare segments.
- *Sa Giang (SGC)*: SGC could see a modest upturn in revenue of both shrimp chips and rice products thanks to a stable demand for these products. We expect a revenue of VND764bn (+5% yoy).
- *Other segment (by-products, Feed-One...)*: Following growth of pangasius export volume in 2025F, we expect these pangasius related segments' revenue could be moderate. Meanwhile, Thanh Ngoc Foods could insignificantly contribute to VHC's topline growth.

Valuation: We decrease our TP for VHC from 88,400 VND per share to 84,900 VND per share and **maintain a BUY recommendation**. Our lower TP is due to the weaker-than-expected pangasius ASPs, causing by the sluggish export outlooks to China and EU markets in 2025F.

Risks: Potentially trade policies could dampen pangasius's competitiveness in US market versus to US pollock. Particularly, US pollock returning to the US domestic market after tariff implementation could intensify competition and hit hard on pangasius market share.

Nam Viet Corp. (ANV)

HOLD

Stock price (Dec 13, VND)	32,800
Market cap (USD mn)	215
Shares outstanding (mn)	266
52-Week high/low (VND)	20,700/13,941
6M avg. daily turnover (USD mn)	1.62
Free float / Foreign ownership (%)	31.3/1.5
Major shareholders (%)	
Doan Toi	53.9
Doan Chi Thanh	12.9

Yr to	Sales	OP	NP	EPS	% chg	BPS	PE	P/B	ROA	ROE	DY
Dec	(VND bn)	(VND bn)	(VND bn)	(VND)	(yoy)	(VND bn)	(x)	(x)	(x)	(%)	(%)
2022A	4,897	863	674	5,299	4.2x	22,672	4.1	1.0	13.0	25.8	4.6
2023A	4,439	183	39	295	(94)	21,392	105	1.5	0.7	1.4	3.2
2024F	4,800	236	65	245	(16.6)	15,666	84.3	1.3	1.1	1.9	1.2
2025F	5,209	368	236	883	2.6x	16,049	23.4	1.3	3.7	5.6	2.4
2026F	5,209	568	383	1,435	62.5	16,984	14.4	1.2	5.7	8.7	2.4

Source: Company data, KIS Research

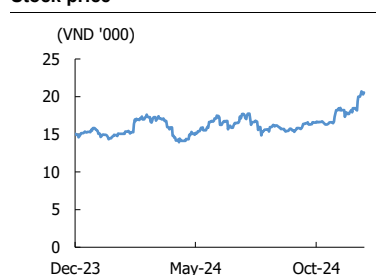
Note: NP and EPS attributed to controlling interest

Waiting for the awakening of Chinese market

Performance

	1M	6M	12M
Absolute (%)	11.1	19.4	34.6
Rel. to VNI (%p)	9.6	21.4	19.1

Stock price



Source: Bloomberg

ANV earnings forecast

(VNDbn, %)

	1Q25F	2Q25F	1H25F		2025F		Consensus		
			yoy	qoq		yoy	1H25F	2025F	
Revenue	1,047	1,331	2,379	7.7	(8.2)	4,800	8.5	N/A	5,491
<i>Pangasius fillets & related products</i>	1,015	1,281	2,297	7.9	(9.1)	4,655	8.8	-	-
<i>Construction & Other</i>	4	20	24	0	1.5x	34	0	-	-
<i>Solar</i>	27	30	58	0	9.1	111	0	-	-
NPAT	29.5	66.9	96.4	5.6x	90	236	2.6x	N/A	232

Source: Company data, Bloomberg, KISVN estimate

4Q24F – Short-term growth could not be backed by strong catalysts. Based on the actual 9M24 business results and short-term pangasius export trend recently, we peg ANV's business performance could not strongly rebound in 4Q24F, with a revenue of VND1,249bn (+12.5% yoy/ -6.8% qoq) and a NPAT of VND22.9bn vs to the losses of 4Q23. Specifically, pangasius export volume could persist yoy growth, with a growth of +18% yoy, but pangasius ASPs stay low, staying flat at USD1.9/kg due to ailing export to China. Our new 2024F's forecast suggest that a revenue of VND4,800bn (+8.1% yoy) and a NPAT of VND65bn (+66.8% yoy).

2025F – The worst is likely over but not attractive. We peg revenue and NPAT could reach at VND5,209bn (+8.5% yoy) and VND236bn (+2.6x yoy), respectively. For pangasius segment in 2025F:

- **Pangasius export revenue:** Export volume is expected to inch up by 4% yoy, although the export outlook for ANV's key markets, particularly China, remains less favorable. However, the strategy of lower pricing may foster ANV's export volume similar to 2024. Regarding pangasius ASPs, we forecast to USD1.94/kg (+3.8% yoy), with the uptick mainly supported by recovery in the Latin American and ASEAN markets. Meanwhile, the ASPs to China is expected to remain stable in 1H25F and a slight pickup in 2H25F.
- **Domestic revenue:** Domestic market revenue is projected to grow by +5% yoy (accounting for about 30% of total revenue, similar to 2024 levels, as the company intensifies domestic sales in response to ailing export outlook).

2025F ANV's GM is expected to 14.1% (+2.1%p yoy) thanks to (1) Pangasius ASPs rebound from the low base in 2024, by +3.75% yoy, (2) A stable input costs, and (3) Higher volume sales to optimize operating costs. However, the improvement in ANV's GM is still limited due to the slow increase in ASPs and the high proportion of domestic sales.

Valuation: ANV's earnings are cyclical, caused by the significant fluctuation of pangasius ASPs. Therefore, we using normalized PER as valuation approach. Based on average EPS in period of 2016-2023 (two previous growth cycles), the normalized PER is 14.8x. Based on our forecast, ANV's forward P/E 2025F is trading at 23.4.x, suggesting that ANV's valuation might be reflected the earnings rebound within a year. Therefore, we **downgrade ANV recommendation from BUY to HOLD**.

Risk: The prolonged weak consumption demand and intensified competition with other whitefish species in China (e.g., Russian Pollock, tilapia) may negatively impact ANV.

IDI Corp. (IDI)

HOLD (Maintain)

Stock price (Dec 13, VND)	8,300
Market cap (USD mn)	89
Shares outstanding (mn)	273
52-Week high/low (VND)	11,042/8,010
6M avg. daily turnover (USD mn)	0.41
Free float / Foreign ownership (%)	43.4/9
Major shareholders (%)	
Sao Mai Corp.	61.47
Nguyen Van Khuong	6.41

Yr to	Sales	OP	NP	EPS	% chg	BPS	PE	P/B	ROA	ROE	DY
Dec	(VND bn)	(VND bn)	(VND bn)	(VND)	(yoy)	(VND bn)	(x)	(x)	(x)	(%)	(%)
2022A	7,931	726	563	2,404	3x	14,033	11.1	1.3	7.2	17.7	-
2023A	7,221	303	73	254	(89.4)	14,266	36.9	0.8	0.9	1.8	-
2024F	7,401	312	73	265	4.3	14,530	36.9	0.8	0.9	1.8	-
2025F	7,801	378	132	477	80.4	15,008	20.6	0.8	1.6	3.2	-
2026F	8,194	402	196	710	48.7	15,545	13.8	0.8	2.3	4.6	1.4

Source: Company data, KIS Research

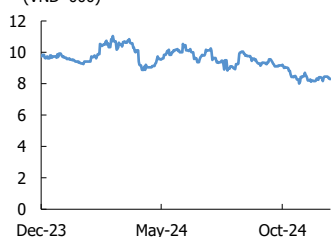
Over the hump

Performance

	1M	6M	12M
Absolute (%)	(2.5)	(20.6)	(15.9)
Rel. to VNI (%p)	(4.0)	(18.6)	(31.5)

Stock price

(VND '000)



Source: Bloomberg

IDI earnings forecast

(VNDbn, %)

	1Q25F		2Q25F		1H25F		2025F		Consensus	
					yoy	qoq		yoy	1H25F	2025F
Revenue	1,750	2,040	3,790	6.2	(1.1)	7,801	5.4	-	-	
Pangasius	714	726	1,440	8.3	5.4	2,862	6.2	-	-	
Fishmeal, fish oil	732	789	1,521	5	(11.4)	3,322	5	-	-	
Aquafeeds	294	507	802	5	10.8	1,562	5	-	-	
Services	10	18	28	0	5.7	54	0	-	-	
Real estate	0.2	0.2	0.5	N/A	0	1.0	1x	-	-	
Other	-	-	-	N/A	N/A	-	N/A	-	-	
NPAT	20.4	36.3	56.6	88.5	71.5	108.7	72.4	-	-	

Source: Company data, Bloomberg, KISVN estimate

4Q24F – Earnings keep rebounding, but not significant. We peg a revenue of VND1,947bn (+3.3% yoy/ +3.5% qoq) and a NPAT-MI of VND18.1bn (+10.8% yoy/ +21.6% qoq). For pangasius segment, we expect that export volume could slide to 9.560 tonnes (-12.6% yoy and flat qoq), meanwhile pangasius ASPs stay at USD2.2/kg (+9% yoy and flat qoq) thanks to the resumption of Mexican market. Our new 2024F's forecast suggest that a revenue of VND7,397bn (+2.5% yoy) and a NPAT-MI of VND63bn (-12.8% yoy).

2025F – A gradual recovery. We project IDI's revenue and NPAT-MI to reach VND7,801bn (+5.4% yoy) and VND108.7bn (+72.4% yoy), respectively. Specifically:

- **Pangasius segment:** We project export revenue at VND2,862bn (+6.2% yoy), driven by a +5% volume increase and a +1.94% rise in ASPs to USD2/kg, with growth led by Mexico's recovery, while China faces competitive pressures. In addition, domestic sales are expected to remain flat.
- **Other business segments (fish meal, fish oil, and aquafeeds):** We project stable growth in these segments, with a 5% yoy increase, aligned with the growth in pangasius processing volume in 2025F. Gross margin is expected to stay at 2024 levels due to the non-differentiated nature of the products and steady demand.

- *IDI's GM is projected at 8.5%*, edging up by 0.6%p yoy, supported by a slight increase in pangasius ASPs in the Mexican market. This is expected to lift IDI's overall pangasius ASPs to USD2/kg (+1.94% yoy), alongside stable input material costs. Meanwhile, the SG&A/revenue ratio is projected at 3.6%, remaining consistent with 2024 levels.

Valuation: We maintain a **HOLD recommendation for IDI**. While we anticipate a profit recovery in 2025F–26F, per our forecasts, growth is unlikely to be strongly supported by a significant rebound in pangasius ASPs. As a result, the valuation lacks substantial catalysts for recovery.

Risk: We remain concerned about the risks of ineffective diversification investments and high accounts receivables from parent enterprises.

Sao Ta Foods (FMC)

HOLD (Maintain)

Stock price (Dec 13, VND)	47,250											
Market cap (USD mn)	122											
Shares outstanding (mn)	65											
52-Week high/low (VND)	52,600/41,195											
6M avg. daily turnover (USD mn)	0.07											
Free float / Foreign ownership (%)	22.9/30.9											
Major shareholders (%)												
P.A.N Group	37.8											
C.P Vietnam	24.9											

Source: Company data, KIS Research

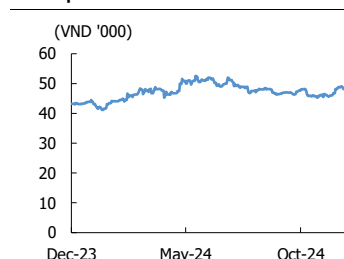
Note: NP and EPS attributed to controlling interest

Earnings rebound in 2025F

Performance

	1M	6M	12M
Absolute (%)	3.8	(9.1)	8.0
Rel. to VNI (%p)	2.4	(7.1)	(7.5)

Stock price



Source: Bloomberg

FMC earnings forecast

(VNDbn, %)

	1Q25F	2Q25F	1H25F	2025F		Consensus			
				yoy	qoq	yoy	1H25F	2025F	
Revenue	1,731	1,482	3,213	18.8	(27)	8,155	14.8	N/A	7,138
<i>Shrimp products</i>	1,693	1,448	3,141	19.1	(27.5)	8,007	14.7	-	-
<i>Agricultural products</i>	37	35	72	7.8	1.3	148	7.5	-	-
NPAT	49	95	144	24.5	(10.7)	367	32.1	N/A	390

Source: Company data, Bloomberg, KISVN estimate

4Q24F – A stable earnings growth. We project a revenue of VND1,558bn (+24.4% yoy/ -45.2% qoq) and a NPAT-MI of VND82bn (-0.3% yoy/ +3.1% qoq). Specifically, we estimate FMC's shrimp volume to grow by approximately +15% yoy. This growth rate is lower compared to 3Q24 as the peak harvest and sales season has passed. Meanwhile, FMC's shrimp ASPs could stay at VND310,000/kg (+8.7% yoy / -1.3% qoq).

2025F – Growth catalysts will likely stem from high shrimp volume and the reversal of Anti-Dumping (AD) tariff. Revenue and NPAT are forecasted to VND8,155bn (+14.8% yoy) and VND367bn (+32.1% yoy) in 2025F, respectively.

- **Shrimp volumes:** We forecast sales volume to increase by 12.6% yoy, thanks to (1) Sustained positive momentum in shrimp export orders, and (2) Additional capacity from the Sao Ta seafood processing plant. We estimate that the total operating capacity of FMC's shrimp processing plants could stay at 75% in 2025F, with a sale volume to total production volume of about 85%.
- **Shrimp ASPs:** It could inch up by 2% yoy due to (1) The forecasted continued growth in global shrimp supply in 2025F, maintaining competitive pressure, and (2) Demand being in the early stages of recovery, prompting the company to prioritize a low-price strategy to drive order volumes.
- **Shrimp COGS could stabilize throughout 2025F,** supported by high harvest volumes from FMC's farming areas. Meanwhile, the price of externally sourced raw shrimp is anticipated to stabilize from 2Q24F onward, following the end of the rainy season.
- **Selling expenses as a percentage of revenue could settle at 3.7% (-0.6%p yoy)** based on the following rationales: (1) Transportation costs

are expected to cool down, as FMC will no longer ship orders to the U.S. under high-cost DDP Incoterms, as seen in 3Q24; and (2) notably, we expect FMC to receive an AD refund (POR 19) of VND42bn. However, FMC will need to allocate countervailing duties (CVD) at an estimated 2.84% of total export revenue to the US for 2025F

Valuation: We maintain **HOLD recommendation for FMC**. Although NPAT-MI in 2025F appears positive, driven by shrimp volume growth and stable GM, as well as anti-dumping tax refunds and lower transportation costs, a more significant positive shift in shrimp ASPs is necessary for the valuation to be genuinely attractive in the long term. Therefore, we believe it is essential to monitor global shrimp supply-demand dynamics to better predict shrimp ASPs trends before making any changes to our recommendations.

Risks: The risks associated with increased costs of outsourced raw shrimp materials and the low success rate of shrimp farming.

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