

23 Jan 2025

Vinh Hoan Corp (VHC)

Weaker-than-expected results in Dec-24

On 22th Jan 2025, Vinh Hoan Corp. (VHC) released the performance report for December 2024. Here are some notable updates:

Pangasius average selling prices suddenly dropped in Dec-24

- In Dec-24, VHC released monthly revenue which sat at VND1,029bn (+26% yoy and +6.3% mom). This growth was mainly driven by these products (Table 2):

- **Pangasius products:** It recorded VND571bn (+47% yoy and 9% mom). For 2024, total revenue soared by 25.5% yoy, to VND6,949bn, and it played a key catalyst for VHC's topline growth.
 - Per Agromonitor data, in Dec-24, VHC's pangasius export volume and average selling prices (ASPs) sat at 8.9 mn tonnes (+29% yoy/ +21.4% mom) and USD2.67/kg (+8.8% yoy/ -7.3% mom);
 - Notably, the US market (the largest pangasius's importer of VHC) maintained yoy growth, surging by +47% yoy, but it inched down -5% mom, to VND281bn. We saw weaker-than-expected pangasius ASPs to US market in Dec-24, at USD2.57/kg vs. to USD2.85/kg in Nov-24. Consequently, this primarily weighed on export turnover momentum.
 - Additionally, we witnessed a gradual recovery in pangasius exports to the Chinese and EU markets, which offset the slowdown in the US.
- **By-products and Miscellaneous products (fish meal, fish oil...):** Posting to VND175bn (+7% yoy and +2.3% mom) and VND169bn (+20% yoy/ -1.7% mom).

- **Accumulating 12M24**, VHC's revenue posted to VND12,487bn (+25.3% yoy) and it has fulfilled 99% our forecast.

The glimmer pangasius ASPs weigh on short-term valuation

- In 4Q24F, we peg VHC's NPAT-MI could stay at VND362bn (+6.6x % yoy/ +12.9% qoq) and 2024FY NAPT-MI could total VND1,170bn (+27.3% yoy). However, as discussed above, the weaker-than-expected trend in pangasius ASPs, particularly in the US market, could pose a headwind for VHC's short-term valuation.
- As discussed in "[2025F Seafood Sector Outlook](#)", we expect VHC's earnings that could strongly soar in 2025F (A double digit growth). Therefore, we reaffirm **BUY recommendations for VHC**, with a TP of VND84,900/share.

12M rating **Buy (Maintain)**

12M TP **VND84,900**

Up/Downside +23.5%

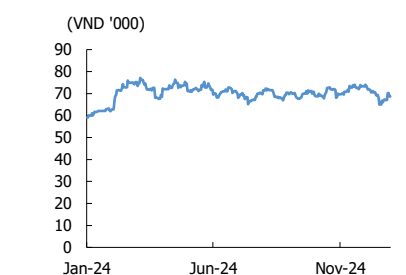
Stock Data

VNIndex (23 Jan, pt)	1,243
Stock price (23 Jan, VND)	68,700
Market cap (USD mn)	614
Shares outstanding (mn)	224
52-Week high/low (VND)	77,125/59,246
6M avg. daily turnover (USD mn)	1.77
Free float / Foreign ownership (%)	49.9/27.5
Major shareholders (%)	
Truong Thi Le Khanh	43.2
Mitsubishi Corp	6.4
Dragon Capital	6.8

Performance

	1M	6M	12M
Absolute (%)	(6.1)	(2.0)	14.6
Relative to VNIndex (%p)	(4.7)	(3.8)	7.1

Stock price trend



Source: Bloomberg

Research Dept

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Table 1. VHC business results and KIS's forecasts

	2021A	2022A	2023A	2024F	2025F
Sales (VND bn)	9,054	13,231	10,033	12,483	13,497
chg. (% YoY)	29	46	(24)	24.4	8.1
Operating profit (VND bn)	1,199	2,254	969	1,324	1,724
Net profit (VND bn)	1,099	1,975	919	1,170	1,435
EPS (VND)	5,989	10,662	4,865	5,169	6,338
chg. (% YoY)	53	80	(54)	6.3	22.6
EBITDA (VND bn)	1,484	2,581	1,371	1,972	2,424
PE (x)	6.4	11.1	15.1	13.8	11.3
EV/EBITDA (x)	10.0	5.8	14.6	12.0	9.2
PB (x)	1.2	1.3	1.7	1.9	1.7
ROE (%)	20.1	29.7	11.6	13.8	15.8
Dividend yield (%)	3.2	2.9	2.6	5.5	2.8

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

Table 2. Pangasius revenue kept a growth stance in Dec-24

	Monthly				Accumulating 12M24			
	Dec-23	Dec-24	YoY	MoM	12M23	12M24	YoY	KIS's forecast
Total sales	815	1,029	26%	6.3%	9,968	12,487	25.3%	12,483
By product								
<i>Pangasius</i>	388	571	47%	9.0%	5,537	6,949	25.5%	
<i>By-product</i>	163	175	7%	2.3%	1,669	1,850	10.8%	
<i>Wellness</i>	57	38	-33%	-5.0%	720	773	7.4%	
<i>Value added</i>	10	9	-10%	50.0%	128	145	13.3%	
<i>Miscellaneous</i>	141	169	20%	-1.7%	1,457	2,069	42.0%	
<i>Rice products</i>	22	29	32%	0.0%	176	346	96.6%	
<i>Shrimp chip</i>	34	38	12%	46.2%	278	355	27.7%	
By location								
<i>US</i>	204	281	38%	-5.7%	2,963	3,937	32.9%	
<i>EU</i>	135	180	33%	10.4%	1,772	2,117	19.5%	
<i>China</i>	77	93	21%	16.3%	1,182	1,248	5.6%	
<i>Vietnam</i>	272	333	22%	12.1%	2,770	3,492	26.1%	
<i>ROW (incl HK)</i>	127	142	12%	9.2%	1,281	1,693	32.2%	

Source: Company data, KISVN

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