

4 Feb 2025

## Nam Viet Corp (ANV)

### The hardship dragged on

- 4Q24's revenue remained growth stance, 22.5% yoy
- Gross margin slid to 10.2% vs. to 12.9% in 3Q24
- Maintain HOLD rating for ANV

#### Facts: Gross margin squeezed in 4Q24

In 4Q24, ANV released revenue of VND1,361bn (+22.5% yoy/ +1.5% qoq). Pangasius segment (ANV's core business) contributed VND1,330bn (+22.4% yoy/ +1.5% qoq). Specifically:

- Export revenue: reaching at VND1,022bn (+37.7% yoy/ +12.4 qoq). As our observation, ANV's pangasius export volume and average selling prices (ASPs) rebounded in 4Q24, especially exporting to Latin America and ASEAN. Meanwhile, Chinese market (key market of ANV) still faced to challenges due to the slow recovery of consumption.
- Domestic revenue showed a slowdown in 4Q24, posting to VND307bn (-10.8% yoy/ -23.5% qoq).

4Q24's gross margin (GM) was at 10.2% (staying flat yoy but inching down by 2.7%p qoq) despite the uptick in pangasius ASPs. The lower GM could be attributed to (1) ANV recorded an allowance for inventories of VND16.8bn, and (2) The spike in pangasius fingerling during 4Q24 which lifted in costs of goods sold.

4Q24 SG&A/revenue soared to 8.5% (+2.1%p yoy/ +0.9%p qoq) due to high shipping costs incurred by ANV. The proportion of CIF orders (Cost, Insurance, and Freight—where sellers incur transportation costs) was high, causing ANV to bear significant shipping expenses during the period, especially amid rising sea freight rates.

At the bottom line, NPAT posted VND5.9bn, strongly reviving compared to 4Q23 (losses of VND0.5bn). However, compared to 3Q24, ANV's profit shrank significantly, and its recovery momentum was hindered.

2024 revenue and NPAT-MI sat at VND4,911bn (+10.6% yoy) and VND48bn (+23.1% yoy), fulfilling 102%/ 74% of our 2024 forecasts.

	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY
Sales	1,111	1,016	1,193	1,341	1,361	1.5	22.5
OP	1.8	29.2	34.2	44.8	11.1	(75.1)	5.2x
OP margin	0.2	2.9	2.9	3.3	0.8	(2.5)	0.7
EBT	4.3	30.5	(2.8)	37.1	13.8	(62.8)	2.2x
NP	(0.5)	16.9	(2.3)	27.9	5.9	(78.8)	Turnaround

Source: Company data, KIS Research

12M rating **HOLD (Maintain)**

12M TP *n/a*

Up/Downside *n/a*

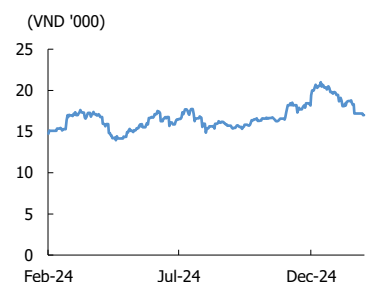
#### Stock Data

VNIndex (04 Feb, pt)	1,253
Stock price (04 Feb, VND)	17,000
Market cap (USD mn)	179
Shares outstanding (mn)	266
52-Week high/low (VND)	21,000/13,941
6M avg. daily turnover (USD mn)	1.18
Free float / Foreign ownership (%)	31.3/#N/A N/A
Major shareholders (%)	
Doan Toi	53.9
Doan Chi Thanh	12.9
Doan Chi Thien	3.1

#### Performance

	1M	6M	12M
Absolute	(12.6)	6.5	14.1
Relative	(12.5)	4.3	5.3

#### Stock price trend



Source: Bloomberg

## Pros & cons: Sluggish recovery pace in 1Q25F

*In 1Q25F*, we think ANV's revenue may slow down as the 1Q of each year is typically a low season for seafood exports in general and pangasius exports in particular, following large imports by major markets in 3Q24 and 4Q24. Therefore, we believe ANV's pangasius export volume will likely remain low. Meanwhile, pangasius ASPs may stagnate in the short-term before showing a clearer recovery from 2Q25F onward.

ANV's GM trend may be unfavorable due to:

- Pangasius ASPs could recover slowly and may even decline slightly in 1Q25F, as we discussed above.
- The high cost of fingerlings throughout 4Q24 may continue to increase ANV's cost of goods sold in 1Q25F.

However, regarding the trend of aquafeed prices, we expect them to remain stable; therefore, ANV's GM is unlikely to experience a sudden sharp decline.

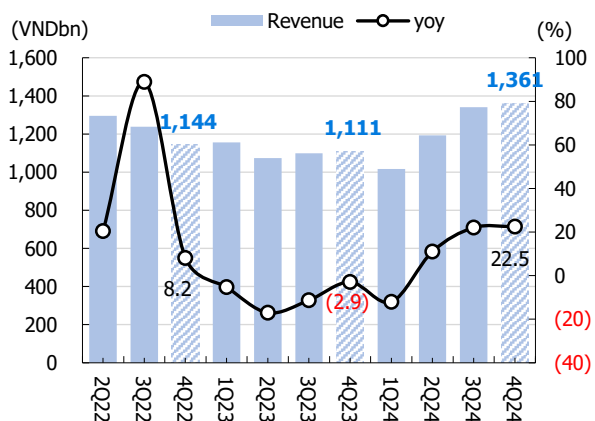
Additionally, potential risks related to transportation costs remain a concern that could significantly impact ANV's NPAT.

Based on these rationales, we peg ANV's NPAT could not strongly resurge in 1Q25F.

## Action: Maintain HOLD rating for ANV

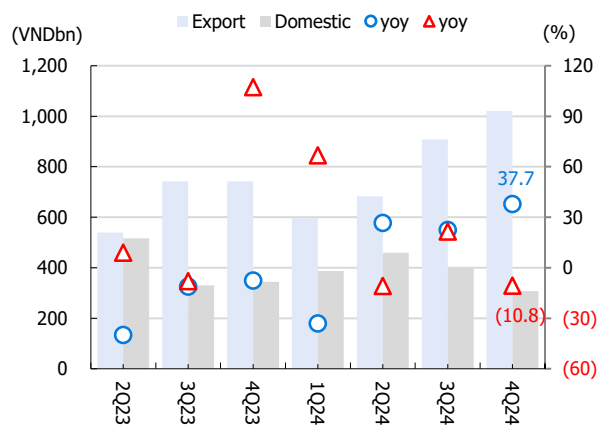
We using normalized PER as valuation approach. Based on average EPS in period of 2016-2023 (two previous growth cycles), the normalized PER is 14.8x. Based on our forecast, ANV's forward P/E 2025F is trading at 19.1.x, suggesting that ANV's valuation could not attractive. Therefore, we **reaffirm HOLD recommendation for ANV**.

**Figure 1. ANV's revenue soared by 22.5% yoy**



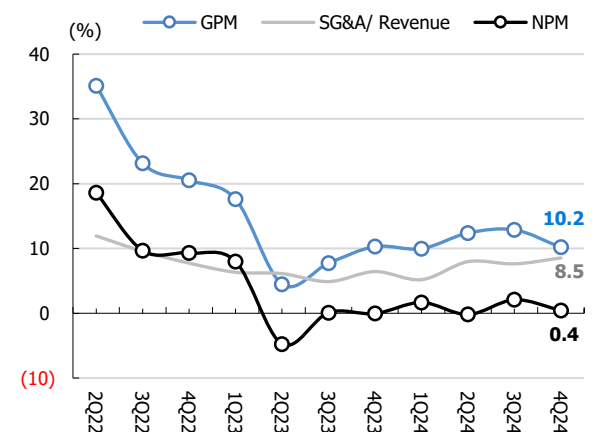
Source: Company data, KIS Research

**Figure 2. Export revenue surged by 37.7% yoy while domestic revenue plunged by 10.8% yoy**



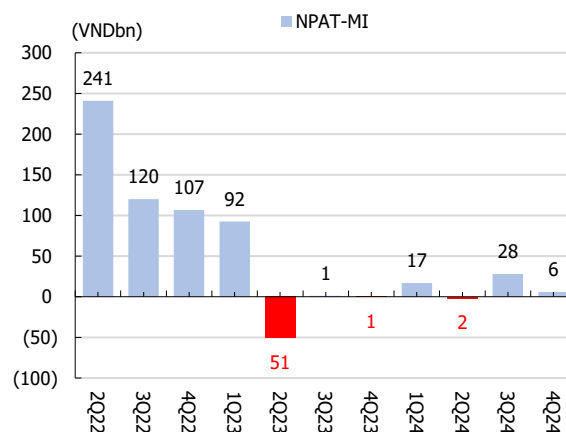
Source: Company data, KIS Research

**Figure 3. ANV's GM and NM slid in 4Q24**



Source: Company data, KIS Research

**Figure 4... Causing NPAT to be recorded at only VND5.9bn**



Source: Company data, KIS Research

**■ 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.

**Balance sheet**

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025F	2026F
Current assets	3,255	2,951	2,586	4,431	4,883
Cash & cash equivalent	31	40	219	1,594	1,848
Accounts & other receivables	435	369	552	538	591
Inventory	2,333	2,347	1,653	2,127	2,261
Non-current assets (Adj.)	3,224	2,911	2,366	2,837	3,035
Fixed Asset	1,102	1,032	1,073	920	830
Investment assets	76	72	68	70	70
Others	1,034	1,058	1,136	1,093	1,110
<b>Total assets</b>	<b>5,467</b>	<b>5,113</b>	<b>4,862</b>	<b>6,514</b>	<b>6,893</b>
Advances from customers	16	10	33	41	45
Unearned revenue	-	1	2	-	-
Trade payables	277	173	150	213	234
Others	356	135	131	129	142
ST debt & bond	1,769	1,784	1,624	1,704	1,824
LT debt & bond	153	145	111	132	101
<b>Total liabilities</b>	<b>2,586</b>	<b>2,265</b>	<b>2,065</b>	<b>2,234</b>	<b>2,363</b>
Controlling interest	2,882	2,848	2,797	4,280	4,529
Capital stock	1,275	1,335	2,667	2,667	2,667
Capital surplus	21	21	21	21	21
Other Reserves	(27)	(28)	(28)	(28)	(28)
Retained earnings	1,613	1,519	137	1,619	1,869
Minority interest	-	-	-	-	-
Shareholders' equity	2,882	2,848	2,797	4,280	4,529

**Cash flow**

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025F	2026F
C/F from operating	268	(82)	476	200	338
Net profit	776	64	95	277	451
Depreciation	121	115	137	141	147
Net incr. in W/C	988	320	370	508	715
C/F from investing	57	416	(146)	(15)	(41)
CAPEX	(221)	106	(181)	(37)	(57)
Incr. in investment	278	310	35	22	16
C/F from financing	(333)	(326)	1,099	(60)	(44)
Incr. in equity	-	60	1,331	-	-
Incr. in debts	-	(40)	(183)	104	120
Dividends	(157)	(219)	(67)	(133)	(133)
Others	(1)	(0)	-	-	-
<b>Increase in cash</b>	<b>(9)</b>	<b>9</b>	<b>1,429</b>	<b>125</b>	<b>253</b>

**Income statement**

(VND bn)

FY-ending Dec.	2022A	2023A	2024A	2025F	2026F
Sales	4,897	4,439	4,911	5,209	5,728
COGS	3,561	3,992	4,351	4,476	4,757
Gross profit	1,336	447	560	733	970
SG&A expense	472	264	366	366	402
Operating profit	864	183	194	368	568
Financial income	80	32	33	22	43
Interest income	37	12	-	22	23
Financial expense	188	165	103	112	161
Interest expense	105	137	91	112	134
Other non-operating profit	20	18	(41)	-	-
Gains (Losses) in associates, subsidiaries and JV	-	(4)	-	-	-
Earnings before tax	776	64	195	277	451
Income taxes	100	25	30	42	68
Net profit	676	39	48	236	383
Net profit of controlling interest	676	39	48	236	383
<b>EBITDA</b>	<b>978</b>	<b>325</b>	<b>420</b>	<b>530</b>	<b>731</b>

**Key financial data**

FY-ending Dec.	2022A	2023A	2024A	2025F	2026F
per share data (VND)					
EPS	5,302	293	181	883	1,435
BPS	22,604	21,326	10,490	16,049	16,984
DPS	1,000	1,000	385	500	500
Growth (%)					
Sales growth	40.2	(9.4)	10.6	8.5	9.9
OP growth	300.0	(78.8)	6.0	56.1	54.6
NP growth	424.0	(94.2)	23.5	260.6	62.5
EPS growth	424.0	(94.2)	23.5	260.6	62.5
EBITDA growth	300.0	(78.8)	6.0	56.1	54.6
Profitability (%)					
OP margin	17.6	4.1	4.0	7.1	9.9
NP margin	13.8	0.9	1.0	4.5	6.7
EBITDA margin	17.6	4.1	4.0	7.1	9.9
ROA	13.1	0.7	1.0	3.7	5.7
ROE	25.9	1.4	1.7	5.6	8.7
Dividend yield	4.4	3.1	2.3	2.9	2.9
Dividend payout ratio	-	-	-	-	-
Stability					
Net debt (VND bn)	1,891	1,889	1,516	242	78
Int.-bearing debt/equity (%)	66	66	54	6	2
Valuation (X)					
PE	11.1	105.6	93.5	19.2	11.8
PB	1.3	1.5	1.6	1.1	1.0
EV/EBITDA	5.1	32.5	31.7	16.7	10.8

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