BAF Vietnam (BAF)

3Q25 – The pressure from selling price

12M rating **NON-RATED**

Sales volume expanded, but selling price declined

- In 3Q25, BAF recorded the revenue of VND1,136bn, -13.5% yoy. The decline in growth was mainly due to:
    - *Animal feed segment:* BAF has no longer recorded the revenue and profit in the animal feed segment by early 2025. In the same period last year (3Q24), this segment contributed VND464bn in revenue.
    - *Livestock segment:* In 3Q24, all of BAF's revenue came from livestock segment, totaling VND1,136bn, +33% yoy or -18% qoq.

      Sales volume reached 218,000 pigs, with +35% yoy or +28% qoq, the growth thanks to the farm expansion.

      The average selling price (ASP) was relatively low, only ~49,600VND/kg, -1% yoy or -36% qoq. Notably, BAF' selling price in 3Q25 was approximately 19% lower than the market average.
- Gross profit reached VND264bn, up +18% yoy, with gross margin of 23.2%, +6.3%p yoy, or -1.5%p qoq. The sequential decline from 2Q25 was mainly due to lower selling prices, while the YoY improvement was attributed to the absence of low-margin revenue from the animal feed segment
- Selling expenses soared to VND107bn, +58% yoy or 709% qoq as all components of selling expenses recorded a significant increase in 3Q25, especially transportation costs increased by VND25bn, +33% yoy when the commercial pigs incurred additional transportation costs to two sales gathering points in Binh Duong and Hanoi.
- Additionally, interest expenses climbed to VND 68bn (+23% YoY), following the rise in outstanding loans used to finance farm expansion.
- Consequently, NPAT recorded VND22bn, -62.6% yoy or -88.5% qoq.

	2020A	2021A	2022A	2023A	2024A
Sales (VND bn)	12,846	10,435	7,085	5,204	5,641
chg. (% YoY)	(25.7)	(18.8)	(32.1)	(26.6)	8.5
Operating profit (VND bn)	64	390	344	33	302
Net profit (VND bn)	46	322	288	30	319
EPS (VND)	917	4,125	1,998	187	1,326
chg. (% YoY)		350.0	(51.6)	(90.6)	607.8
EBITDA (VND bn)	196	450	424	255	668
PE (x)	65.5	4.2	12.5	147.5	24.3
EV/EBITDA (x)	15.3	2.7	10.4	24.3	15.2
PB (x)	-	0.93	2.07	2.09	2.63
ROE (%)	13.4	32.1	18.0	1.5	13.1
Dividend yield (%)					

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

Source: FiinproX, KIS Research

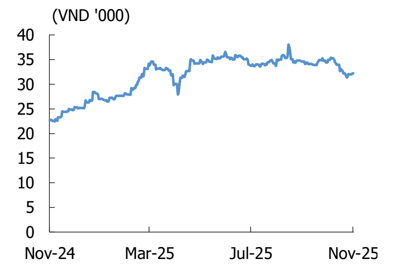
Stock Data

VNIndex (05 Nov, pt)	1,655
Stock price (05 Nov, VND)	32,250
Market cap (USD mn)	373
Shares outstanding (mn)	304
52-Week high/low (VND)	38,050/22,450
6M avg. daily turnover (USD mn)	5.09
Free float / Foreign ownership (%)	65.8/2.9
Major shareholders (%)	
Siba Holdings	28.47
Others	71.53

Performance

	1M	6M	12M
Absolute (%)	(6.4)	(7.7)	42.1
Relative to VNIndex (%p)	(7.1)	(43.0)	6.9

Stock price trend



Source: Bloomberg

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4Q25F forecasted to be difficuties

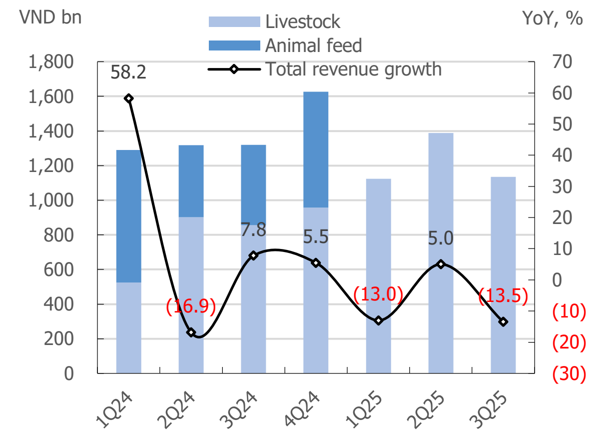
The difficult is likely to extend to 4Q25F and earnings may even be recorded at a lower level than 3Q25 as selling prices continued to be unfavorable direction, although we believe that sales volume will still grow thanks to the farm expansion activities carried out in previous quarters.

Table 1. Quarterly earnings snapshot in 3Q25 (VND bn, %, %p)

	3Q24	4Q24	1Q25	2Q25	3Q25	QoQ	YoY
Sales	1,314	1,714	1,124	1,387	1,136	(18.1)	(13.5)
OP	120	179	202	270	86	(67.9)	(28.1)
OP margin	9.1	10.4	18.0	19.4	7.6	(11.8)	(1.5)
EBT	67	132	141	210	26	(87.4)	(60.8)
NP	60	104	134	196	22	(88.5)	(62.6)

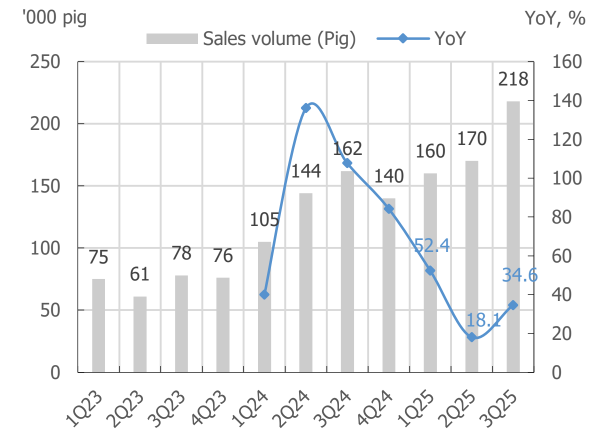
Source: Company data, FiinproX, KIS Research

Figure 1. Total revenue declined 21% yoy, in which:



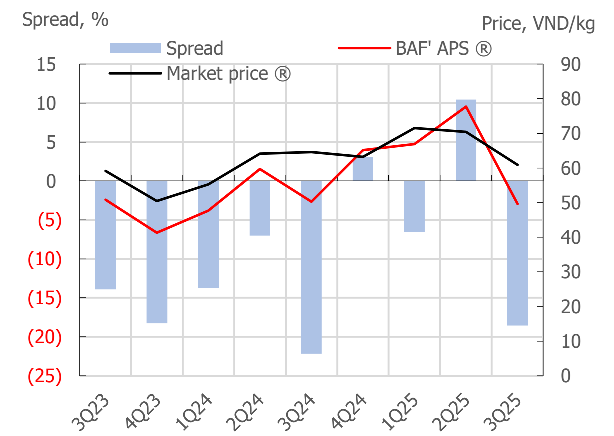
Source: Company data, KIS Research

Figure 2. ... Sales volume reached 218,000 pigs, with +35% yoy or +28% qoq, the growth thanks to the farm expansion



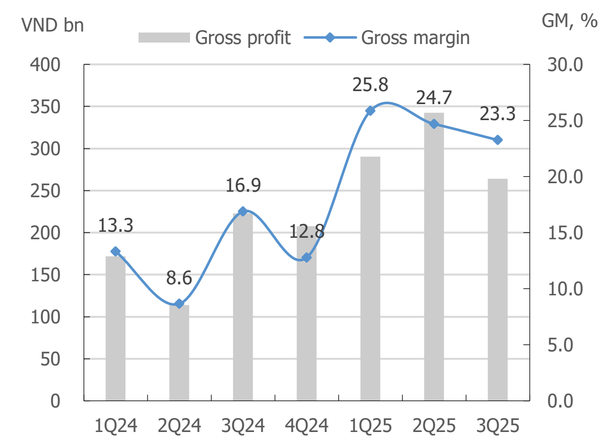
Source: Company data, KIS Research

Figure 3. ... The ASP was relatively low, only ~49,600VND/kg, -1% yoy or -36% qoq



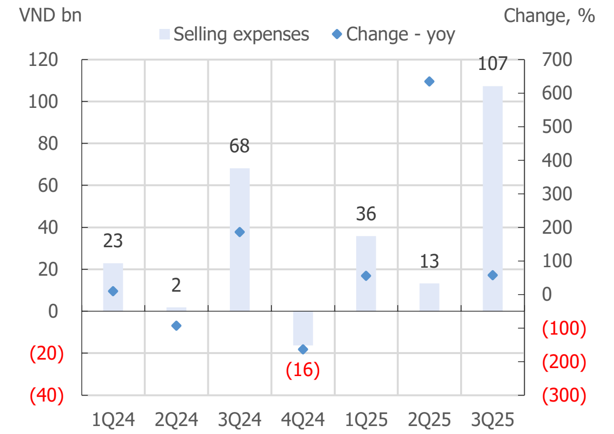
Source: Anovafeed, KIS Research

Figure 4. ... Gross margin of 23.2%, +6.3%ppt yoy, or -1.5%ppt qoq



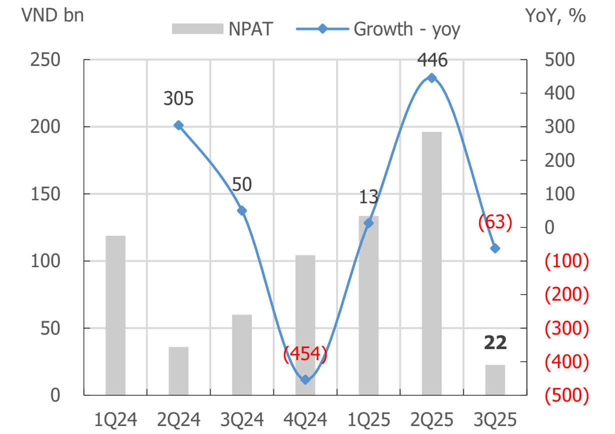
Source: Agromonitor, KIS Research

Figure 5. Selling expenses soared as all components of selling expenses recorded a significant increase in 3Q25. Especially transportation expenses



Source: Company data, KIS Research

Figure 6. … Consequently, NPAT recorded VND22bn, -62.6% yoy or -88.5% qoq.



Source: Company data, KIS Research

■ Company overview

BAF Vietnam Agriculture Joint Stock Company (BAF) was established in 2017 and is a member of the Tân Long Group. The company operates an integrated agricultural business model focusing on livestock farming and feed production, under the concept of "Feed–Farm–Food." BAF is one of Vietnam's leading producers of commercial pigs, with a rapidly expanding network of modern farms across provinces such as Binh Phuoc, Tay Ninh, and Nghe An

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