

## Fisheries: Opportunities amidst the tariffs

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- The Vietnamese fisheries sector demonstrated strong adaptability in 3Q25, with ANV and FMC outperforming despite tariff challenges.
- Looking to FY26, structural shifts in US sourcing and a likely price recovery in pangasius should sustain growth momentum, particularly for ANV and VHC. Still, cost pressures and market volatility remain key risks, especially for FMC.
- We reiterate Buy on ANV (our top pick, 33% upside) due to its strong export outlook, with tilapia as a new earnings driver. We also like VHC (Buy, 27% upside) for its cheap valuation and continuing sales growth, while we downgrade FMC to Add (11% upside) due to the tariff pressure.

### 3Q25 earnings review

The Vietnamese fisheries sector delivered solid 3Q25 results despite mounting tariff pressure. Aggregate sales of VHC, ANV, and FMC rose 13.3% y/y, while net profit surged 90% y/y, led by ANV's stellar 9.2x earnings growth from booming tilapia exports and margin expansion. FMC also showed strong operational improvement from higher in-house shrimp harvests, while VHC saw softer margins due to weaker US demand and lower pangasius prices.

Tariff structures continued to shape cost performance - FMC's SG&A jumped 87% y/y due to 'reciprocal' and trade-related duties under DDP terms, whereas ANV and VHC, exporting mostly under FOB/CFR terms, were less affected. All three companies benefited from strong forex gains, which supported bottom line growth. Overall, the sector demonstrated resilience and efficiency gains despite external headwinds, with ANV emerging as the standout performer. Meanwhile, FMC maintained its solid fundamentals and VHC stayed steady amid softer pricing.

### FY26 outlook: Tariff challenges persist, yet sector outlook stays positive

Vietnam's fisheries sector is expected to maintain strong growth momentum in FY26, supported by favorable structural shifts and improving market conditions. Although the tariff gap between Chinese and Vietnamese tilapia has narrowed due to reduced US tariffs on Chinese seafood, the competitive advantage for Vietnamese exporters like ANV remain, as US importers continue diversifying away from Chinese suppliers. At the same time, tightening domestic supply and low inventories are likely to lift pangasius prices from their two-year lows as demand recovers in 2026. Reflecting these dynamics, we revise our FY25-27 earnings forecasts upward for ANV (by an avg. Of 30.7%), lower those for FMC by 17.9% on avg. due to tariff pressure, and keep those for VHC broadly unchanged.

### Recommendations

For ANV, we raise our TP by 28% to VND36,100 following an avg. 30.7% lift in our FY25-27 earnings forecasts; the stock now trades at a compelling FY26 P/E of just 9.1x. For VHC, we maintain our TP at VND71,000 and retain our Buy rating with a 27% upside, as earnings forecasts remain unchanged. For FMC, we cut our TP by 12.8% to VND40,800 due to lowered earnings estimates and rising trade-related costs, leading to a downgrade to Add with an 11% upside.

	Ticker	Price (VND)	Rating		TP (VND)		Up/(down) side (%)	P/E (x)		EV/EBITDA (x)		Div. yield (%)	
			New	Old	New	Chg (%)		2025F	2026F	2025F	2026F	2025F	2026F
Nam Viet Corporation	ANV	27,200	Buy	-	36,100	28.0	32.7	7.71	6.85	6.81	5.39	3.68	3.68
Sao Ta Foods JSC	FMC	36,650	Add	Buy	40,800	(12.8)	11.3	8.49	8.17	7.66	6.43	5.46	5.46
Vinh Hoan Corp.	VHC	56,000	Buy	-	71,000	-	26.8	8.55	8.19	6.95	6.41	3.57	3.57

Share prices as of 7 November 2025.  
 Source: Companies, FactSet, HSC Research

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## Solid earnings growth seen despite tariff headwinds

The Vietnamese fisheries sector demonstrated resilience and adaptability in 3Q25, navigating tariff headwinds with strong earnings growth, particularly from ANV and FMC. The standout performance of ANV, driven by explosive tilapia export growth and margin expansion, highlights the sector's ability to capitalize on shifting global trade dynamics. Looking to FY26, we remain cautiously optimistic: Despite a narrowing tariff gap with China, Vietnamese exporters should retain their competitive edge, especially in tilapia, due to continued US importer diversification. Additionally, pangasius prices are poised to recover, supported by tightening domestic supply and anticipated demand rebound. We reiterate our Buy on ANV, but up our TP sharply, due to its strong export outlook with tilapia as a new earnings driver. Meanwhile, we also maintain our Buy on VHC for its cheap valuation and continuing sales growth.

### 3Q25 earnings review: Strong despite tariff headwind

The three fisheries exporters under our coverage – VHC, ANV, and FMC – posted solid 3Q25 results. Aggregate net sales rose 13.3% y/y, driven mainly by ANV with strong earnings from tilapia, which grew 3.3 times y/y. Meanwhile, aggregate net profit surged 90% y/y, led by ANV with an impressive 9.2x y/y increase.

Both ANV and FMC showed strong improvement in core operations, with GPM expanding by 11.5ppt and 3.2ppt y/y, respectively. For ANV, stronger pangasius sales coupled with robust tilapia exports supported higher margins, while FMC benefited from greater in-house shrimp harvests, which helped lower COGS. In contrast, VHC's GPM softened slightly by 0.8ppt y/y, likely due to slower exports, particularly to the US, during the quarter.

### Divergent US export trends among fisheries exporters

The US remains the key market for all major Vietnamese fisheries exporters; however, 3Q25 export performance diverged notably. ANV and FMC delivered strong growth despite 'reciprocal' tariffs, while VHC saw a sharp decline.

According to Customs data, ANV's total exports reached USD59mn in 3Q25, up 60.4% y/y, driven by a 25.8% rise in pangasius exports to USD40.7mn and a 3.3x surge in tilapia exports to USD17.6mn. Exports to the US jumped 388% y/y, mainly supported by tilapia (which accounted for 85% of ANV's US export value), lifting the US share to 36.2% of total exports, from 11.9% in 3Q24.

**Figure 1: 3Q25 and 9M25 earnings, HSC fisheries coverage**

Solid 3Q25 results across all three exporters, leading by 9.2 times y/y growth in ANV

VNDbn	3Q24	3Q25	Growth y/y	9M24	9M25	Growth y/y
<b>VHC</b>						
Revenue	3,278	3,471	5.9%	9,329	9,312	-0.2%
Net profit	321	433	35.0%	804	1,125	39.8%
GPM	17.7%	16.8%	-4.7%	14.0%	16.6%	18.4%
SG&A/sales ratio	4.9%	4.2%	-14.1%	4.7%	4.5%	-4.1%
<b>ANV</b>						
Revenue	1,341	2,000	49.1%	3,550	4,833	36.1%
Net profit	28	283	915.5%	42	748	1660.1%
GPM	12.9%	24.4%	89.3%	11.9%	24.8%	108.6%
SG&A/sales ratio	7.6%	7.0%	-7.9%	7.0%	6.7%	-5.5%
<b>FMC</b>						
Revenue	2,845	2,984	4.9%	5,549	6,850	23.5%
Net profit	80	97	22%	196	207	5.9%
GPM	10.8%	14.0%	29.6%	9.8%	10.8%	10.5%
SG&A/sales ratio	6.7%	11.4%	70.2%	5.7%	8.4%	46.5%
<b>Aggregate</b>						
Revenue	7,464	8,455	13.3%	18,428	20,995	13.9%
Net profit	428	813	90.0%	1,042	2,080	99.5%

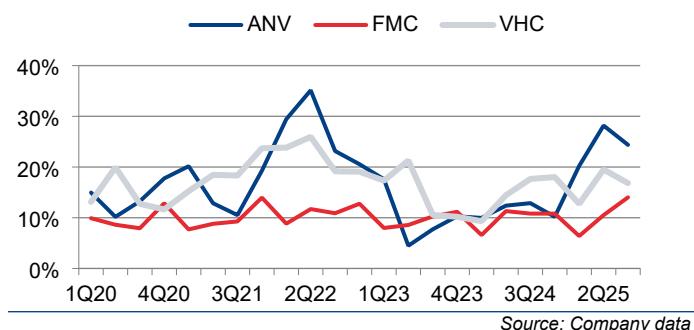
Source: Company data

In contrast, VHC's total exports declined 8% y/y to USD80.6mn, led by a 16.2% drop in pangasius exports to USD60.8mn, partly offset by a 31.4% increase in other products (e.g., edible by-products, seabass) to USD19.8mn. Exports to the US fell 24.4% y/y to USD33.3mn, accounting for 41.3% of total exports versus 50.3% a year earlier.

Meanwhile, FMC maintained solid momentum, with 3Q25 exports up 17.7% y/y to USD108mn, driven by a 69% y/y increase in US shipments to USD59mn, which accounted for 54.8% of total export value for the quarter.

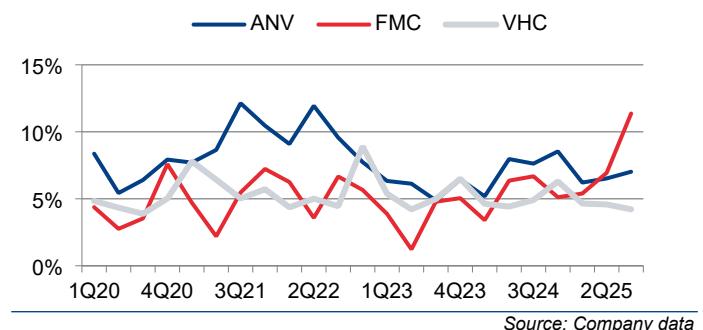
**Figure 2: Quarterly GPM, HSC fisheries coverage**

3Q25 GPMs in ANV and FMC stayed higher vs. last year



**Figure 3: Quarterly SG&A/sales, HSC fisheries coverage**

3Q25 FMC SG&A/sales ratio jumped on 'reciprocal' tariff



### Mixed GPM performance across three exporters

FMC's 3Q25 GPM rose to 14.0% (vs. 10.8% in 3Q24 and 10.5% in 2Q25), supported by a higher share of in-house shrimp harvests, which carry lower input costs than purchased materials.

ANV also saw a sharp margin expansion, with GPM up 11.5 ppts y/y to 24.4%, driven by robust sales growth and a greater contribution from high-margin tilapia exports (29.6% of total exports vs. 11.1% in 3Q24).

In contrast, VHC's GPM softened slightly to 16.8% from 17.7% a year earlier, mainly due to a ~6% y/y decline in average selling prices of its core pangasius fillet products, which account for about 74% of total export value.

### Mixed impacts of 'reciprocal' tariff on SG&A

FMC recorded an 87.4% y/y increase in trade-related costs to VND316bn, of which the newly imposed 'reciprocal' tariff accounted for VND166bn for the period from July 9 to the end of the quarter. Meanwhile, antidumping and countervailing duties rose 60.6% y/y and 85.0% y/y to VND58bn and VND43bn, respectively, reflecting higher export value to the US. This led to a sharp increase in the SG&A/sales ratio to 11.4%, from 6.7% in 3Q24. As the company shared, FMC exports to the US mainly under DDP (Delivered Duty Paid) terms; therefore, FMC recognized these tax-related expenses and adjusted its selling prices accordingly.

Meanwhile, VHC's selling expenses declined 21.4% y/y, driven by lower outsourcing service costs, resulting in an SG&A/sales ratio of 4.2% versus 4.9% a year earlier. As the company explained, VHC primarily exports under FOB (Free on Board) and CFR (Cost and Freight) terms; therefore, such tariff-related costs are recorded on the US importer's side.

Similarly, ANV exports mainly under FOB and CFR terms, meaning tax-related costs are recorded by importers. ANV's selling expenses rose 45.4% y/y in 3Q25 but remained below the 49.1% y/y increase in revenue, leading to a slight decrease in its SG&A/sales ratio to 7.0% from 7.6% in 3Q24.

### Financial performance improved notably on forex gain

FMC posted net financial income of VND29bn, reversing a VND27bn loss in 3Q24, mainly driven by a VND50bn net forex gain (vs. VND2bn a year ago) and lower net interest expenses of VND21bn (vs. VND29bn last year).

Similarly, VHC reported net financial income of VND94bn in 3Q25, compared with a VND25bn expense in 3Q24. The improvement was underpinned by a forex turnaround (to a net gain of VND43bn from a net loss of VND32bn) and a 340% y/y surge in net interest income to VND23bn, partially offset by a VND16bn loss from securities trading (vs. a VND1.5bn gain last year).

ANV also saw a sharp improvement, with net financial expenses dropping 86.8% y/y to VND3bn, thanks to a VND7bn forex gain, compared with a VND6bn loss in 3Q24.

## FY26 big picture: Growth drivers intact

### Tariff gap with China narrows to pre-'liberation day', but export growth drivers for tilapia remain intact

China remains Vietnam's largest competitor in the whitefish segment, including pangasius and tilapia. Recent updates suggest that total US tariffs on Chinese goods, including seafood, will be reduced – from 34% previously to around 20% (comprising 10% 'reciprocal' tariffs and 10% fentanyl-related tariffs).

As a result, the effective tariff rate on Chinese tilapia could decline to around 45% (25% existing + 20% new tariffs) from 59% under the initial 2 April announcement (25% existing + 34% initially proposed). This means the tariff gap between Chinese and Vietnamese products will remain at roughly 25%, similar to 2024, instead of widening to 35% as initially expected.

Nevertheless, this adjustment is unlikely to reverse US importers' ongoing diversification away from Chinese tilapia suppliers to mitigate potential future trade-related risks. Hence, Vietnamese exporters such as ANV are expected to continue benefiting from this structural shift. Moreover, we expect that the reduction in China's tilapia supply could also drive a partial shift in demand toward pangasius from Vietnam – a similar whitefish species positioned in a lower price segment.

### Pangasius prices are expected to rise

Pangasius remains the cheapest whitefish in the US market, even after 'reciprocal' tariffs. Import prices for Vietnamese pangasius in the US – Vietnam's largest market – are still near a two-year low. Import demand is expected to recover in 2026 from the 2025 trough, as trade and tariff uncertainties under the Trump administration become clearer. Meanwhile, raw material supply in Vietnam is tightening due to low inventories and a decline in fingerling availability.

These factors should support further improvement in pangasius export prices in 2026.

## Revising FY25-27 forecasts

After reviewing 9M25 actual numbers and the industry outlook, we revise up our FY25-27 earnings estimates for ANV by 30.7% on avg., cut those for FMC by 17.9% on average, and keep those almost unchanged for VHC.

**Figure 4: Old and new FY25-26 forecasts, HSC fisheries coverage**

We revise up our FY25-26 aggregate net profit forecasts by 5.0% and 6.2%, mostly in ANV following strong outlook in the US market

VNDbn	FY25F				FY26F				FY27F			
	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision
<b>VHC</b>												
Revenue	12,504	12,486	0%	0%	13,825	13,793	10.5%	-0.2%	15,286	15,249	11%	0%
Net profit	1,470	1,470	19%	0%	1,523	1,528	4.0%	0.3%	1,729	1,736	14%	0%
<b>ANV</b>												
Revenue	5,890	6,402	30%	9%	6,568	7,694	20.2%	17.1%	6,832	8,446	10%	24%
Net profit	779	940	1843%	21%	822	1,059	12.7%	28.9%	837	1,192	13%	42%
<b>FMC</b>												
Revenue	7,970	8,540	24%	7%	7,592	7,783	-8.9%	2.5%	8,507	8,726	12%	3%
Net profit	316	282	-8%	-11%	369	293	3.9%	-20.4%	426	329	12%	-23%
<b>Aggregate</b>												
Revenue	26,364	27,428	12.8%	4.0%	27,985	29,270	6.7%	4.6%	30,625	32,420	10.8%	5.9%
Net profit	2,565	2,693	69.6%	5.0%	2,714	2,881	7.0%	6.2%	2,992	3,258	13.1%	8.9%

Source: HSC Research

## Valuation and recommendations

### Methodology

We summarize our new DCF-derived TPs for the three fisheries exporters in Figures 5-6, reflecting new FY25-26 earnings forecasts and a rolling forward of our valuation bases to end-FY26.

**Figure 5: Explanation of changes to TP, HSC fisheries coverage**

VND	Rating	New TP	Old TP	Revision	Explained by changes to:	
					Earnings revision	Rolling forward to end-FY26
VHC	Buy	71,000	71,000	0%	0.0%	0.0%
ANV	Buy	36,100	28,200	28.0%	24.0%	4.0%
FMC	Add	40,800	46,800	-12.8%	-15.0%	2.2%

Source: HSC Research

**Figure 6: Price performance and 1-yr rolling forward P/E, HSC fisheries coverage**

Ticker	Price (VND)	Absolute share price changes (%)			Share price performance relative to index			1-yr rolling fwd P/E	Historical avg. (since Jan-22)
		1M	3M	12M	1M	3M	12M		
VHC	56,000	2.6%	-2.8%	-17.8%	7.3%	-7.6%	-40.3%	8.6	10.2
ANV	27,200	-6.8%	2.0%	57.4%	-2.5%	-3.9%	14.4%	7.2	21.0
FMC	36,650	0.4%	-7.0%	-15.3%	5.1%	-11.6%	-38.4%	8.2	9.2
<b>Average</b>		<b>-1.3%</b>	<b>-2.6%</b>	<b>8.1%</b>	<b>3.3%</b>	<b>-7.7%</b>	<b>-21.4%</b>	<b>8.0</b>	<b>13.5</b>

Source: HSC Research, Factset

### Valuation context

Fisheries stocks were down slightly in the last 1M, following weakness in the VN Index. Following this, VHC is trading at 1-yr rolling forward P/E of 8.6x, 1.03 SDs below its historical average of 10.2x (since Jan-22).

Down 2% in last 1M, ANV is trading at a 1-yr rolling forward P/E of 7.2x on our estimates, 0.7 SD below its average of 21.0x (calculated since Jan-22).

Off 7% in the past 3M, FMC is now trading at 1-yr rolling fwd P/E of 8.2x, 0.7SDs below its historical average of 9.5x (since Jan-22).

**Buy (unchanged)**

Target price: VND36,100 (from VND28,200)  
Up/downside: 32.7%

**Share price (VND) (as of 7 Nov 2025) 27,200**

Bloomberg code	ANV VN
52-week range (VND)	12,004-32,286
Trading value (5D) (VNDmn)	71,766
Market cap. (VNDbn)	7,253
Market cap. (USDmn)	276
Shares outstanding (mn)	267
Total FOL share room (mn)	131
Current FOL share room (mn)	119
Foreign ownership limit	49.0%
Foreign owned ratio	4.42%
Free float	33.8%
Major shareholder	Doan Troi (55.1%)

Source: Company, HSC Research estimates

**Share price performance**


Share price (%)	-1 mth	-3 mth	-12 mth
Ordinary shares	(6.81)	1.07	57.4
Relative to index	(2.47)	(3.91)	14.4
Relative to sector	-	-	-

Source: Company, FactSet

**HSC vs. consensus**

EPS adj. (VND)	HSC	Cons	% diff
2025F	3,527	2,166	62.8
2026F	3,973	2,399	65.6
2027F	4,471	2,640	69.3

Source: Bloomberg, HSC Research estimates

**Company description**

ANV is primarily the third biggest pangasius exporter in Vietnam. ANV owns a full value chain from feed to farming and processing of pangasius. It now self-supplies 100% of raw fish for processing.

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## Tilapia opportunity strengthens profitability

- We lift our TP by 28% to VND36,100 on higher FY25-27 earnings forecasts and a rolling forward of our valuation basis to end-FY26. We reiterate our Buy on ANV, with 33% upside to our new TP.
- FY25-27 profit forecasts have been raised substantially, reflecting our expectation of a sustained long-term contribution from tilapia, what looks to be ANV's new earnings pillar. Our new forecasts suggest a 3-year net profit CAGR of a full 1.9x.
- Up 1% in the past 3M, ANV is now trading on a 1-year forward P/E of 7.2x, based on our estimates, 0.7 SD below its historical average of 21.0x (since Jan-22).

### Event: Post 3Q25 earnings review

3Q25 earnings surged on strong export growth. ANV's 3Q25 net profit rose 9.1x y/y to VND283bn on robust exports (up 70.9% y/y), particularly from tilapia, which grew 328% y/y and contributed 30% of the company's export value. Gross margin expanded to 24.4% (+11.5ppts y/y), supported by a higher tilapia mix, while lower financial expenses and improved cost efficiency further strengthened profitability.

For 9M25, net profit thus reached VND748bn – up a full 16.6x y/y, and accounting for 96% of our pre-results FY25F – affirming ANV's strong turnaround momentum.

### Impact: Lifting FY25-27 earnings by 30.7% on avg.

We revise up our FY25-27 earnings forecasts by an average of 30.7%, driven by strong 9M25 results and solid underlying trends, particularly the emergence of the tilapia business as a second earnings pillar. Net profit is projected to surge 18.4x y/y to VND940bn in FY25, followed by growth of 13% in each of FY26-27. Our new net profit forecasts – well above the slow-moving street consensus – imply a 3-year CAGR of 1.9x.

### Valuation and recommendation

Up 1% in the past 3M and a full 57% in the last 12M, ANV is now trading on a 1-yr rolling forward P/E of 7.2x on our estimates, 0.7 SD below its average of 21.0x (calculated since Jan-22). We revise up our TP by 28% to VND36,100 following a 30.7% average increase in our FY25-27 earnings forecasts and a rolling forward of our valuation basis 6M to end-FY26. Our new TP suggests 33% upside and implies P/Es of 10.2x (FY25) and 9.1x (FY26).

Year end: December	12-23A	12-24A	12-25F	12-26F	12-27F
EBITDA adj. (VNDbn)	316	271	1,279 ▲	1,593 ▲	1,787 ▲
Reported net profit (VNDbn)	39.2	48.4	940 ▲	1,059 ▲	1,192 ▲
EPS adj. (VND)	304	311	3,527 ▲	3,973 ▲	4,471 ▲
DPS (VND)	1,000	1,000	1,000	1,000	1,000
BVPS (VND)	21,326	10,490	12,999	15,945 ▲	19,386 ▲
EV/EBITDA adj. (x)	17.3	32.2	6.81	5.39	4.33
P/E adj. (x)	89.6	87.5	7.71	6.85	6.08
Dividend yield (%)	3.68	3.68	3.68	3.68	3.68
P/B (x)	1.28	2.59	2.09	1.71	1.40
EPS adj. growth (%)	(94.3)	2.34	1,035	12.7	12.5
Ret. on avg. equity (%)	1.37	1.71	30.0	27.5	25.3

Note: Use of ▲ ▼ indicates that the item has changed by at least 5%.

Source: Bloomberg, HSC Research estimates

## Dual income sources to strengthen profitability

9M25 earnings surged 16.6x y/y to VND748bn, driven by robust export growth – particularly tilapia, which has emerged as a new earnings driver, contributing around 30% of 9M25 export value. Tilapia exports are expected to continue to see strong growth over the next few years, supported by rising US demand for diversified supply sources and ANV's large-scale farming infrastructure. Given these favorable trends and the ramp-up of tilapia exports, we raise our FY25-27 earnings forecasts by an average of 30.7%. We reiterate our Buy rating on ANV with a new DCF-based TP of VND36,100 suggesting 33% upside.

### 3Q25 earnings: Net profit grew 9.1x y/y on strong exports

ANV announced strong 3Q25 results. The company reported net sales of VND2,000bn, up 49.1% y/y (and up 15.9% q/q), and net profit of VND283bn, up 915% y/y (off 14.9% q/q), beating our net profit forecast of VND220bn. The strong y/y results were driven by a 70.9% y/y growth in exports.

For 9M25, net sales thus reached VND4,833bn, up 36.1% y/y, while net profit was VND748bn, up 16.6x y/y and accounting for 96% of our pre-results FY25F.

#### Strong exports led the growth

According to Customs data, ANV's pangasius export revenue rose 25.8% y/y in 3Q25 to USD40.7mn; however, its contribution to total revenue fell to 68.5%, down from 87.3% in 3Q24. In contrast, tilapia export revenue surged 328% y/y to USD17.6mn, accounting for 29.6% of total export value in 3Q25 vs 11.1% in 3Q24.

For 9M25, pangasius export revenue increased 13.9% y/y to USD95.7mn, though its contribution declined to 69.4%, while tilapia export revenue jumped 791% y/y to USD39.8mn, contributing 28.8% of total exports (versus 4.9% in 9M24).

By market, exports to the US surged 388% y/y, mainly driven by the sharp increase in tilapia exports (with 85% of ANV's tilapia export value going to the US market). As a result, the US accounted for 36.2% of total exports in 3Q25, up from 11.9% in 3Q24. Exports to ASEAN markets also rose strongly by 115.3% y/y, lifting their share to 11.8% from 8.8% in 3Q24. However, exports to the EU and China dropped significantly by 64.9% y/y and 62.7% y/y, respectively, accounting for only 4.2% and 6.5% of the total export value (down from 19.3% and 27.8% in 3Q24).

For 9M25, exports to the US grew 314% y/y, contributing 37.6% of ANV's total export value (vs. 13.8% in 9M24). Exports to South America increased 56.2% y/y, accounting for 11.1% (vs. 10.8% in 9M24), while exports to ASEAN markets rose 53.7% y/y, contributing 11% (vs. 10.9% in 9M24). Meanwhile, exports to the EU and China fell 61% and 74.8% y/y, respectively, accounting for 5.5% and 5.4% of total export value (vs. 21.6% and 32.6% in 9M24).

#### Gross margin surged y/y, on higher tilapia contribution

In 3Q25, gross profit rose 182.3% y/y to VND487bn, outpacing the 49.1% y/y growth in net sales. This resulted in a GPM of 24.4%, up 11.5 ppts from 12.9% in 3Q24.

The higher GPM in 3Q25 was mainly driven by strong y/y sales growth and higher contributions from high-margin tilapia exports. According to custom data, tilapia exports accounted for 29.6% of 3Q25 exports, up from 11.1% in 3Q24.

#### Lower financial expenses and lower SG&A/sale ratio

Selling and administrative expenses in 3Q25 came to VND140bn, up 37.3% y/y but still below the 49.1% y/y increase in sales. As a result, the SG&A/sales ratio declined to 7.0% from 7.6% in 3Q24. For 9M25, the SG&A-to-sales ratio stood at 6.7% versus 7.0% in 9M24.

Meanwhile, 3Q25 net financial expenses came to VND3bn, down 86.8% y/y from VND26bn in 3Q24, mainly due to a net forex gain of VND7bn (versus a net forex loss of VND6bn in 3Q24). For 9M25, net financial expenses totaled VND21bn, down 58.7% y/y from VND51bn in 9M24.

**Figure 7: 3Q25 and 9M25 results, ANV**

3Q25 net profit jumped 9.2x y/y

VNDbn	3Q24	3Q25	Growth y/y	9M24	9M25	Growth y/y
Net sales	1,341	2,000	49.1%	3,550	4,833	36.1%
COGS	(1,168)	(1,513)	29.5%	(3,129)	(3,635)	16.2%
Gross profit	173	487	182.3%	422	1,198	184.0%
GPM	12.9%	24.4%		11.9%	24.8%	
Net financial income	(26)	(3)	-86.8%	(51)	(21)	-58.7%
SG&A	(102)	(140)	37.3%	(250)	(322)	28.7%
SG&A/sales ratio	7.6%	7.0%		7.0%	6.7%	
Operating profit	45	344	668.0%	108	855	690.3%
Net other income	(8)	(0)		(43)	3	
PBT	37	343	825.7%	65	857	1225%
Net profit	28	283	915.5%	42	748	1660%

Source: Company data

**Figure 8: 3Q25 and 9M25 export breakdown by key products, ANV**

ANV capitalized on tilapia market opportunities in the US as Chinese exports faced higher tariffs

USDmn	3Q24	3Q25	Growth y/y	9M24	9M25	Growth y/y
Pangasius	32.4	40.7	25.8%	84.0	95.7	13.9%
Tilapia	4.1	17.6	327.9%	4.5	39.8	791.3%
By-products (fish cake, fish skin, other edible fish by-products)	0.6	1.2	96.0%	2.4	2.5	3.9%
Total	37.1	59.5	60.4%	90.9	138.0	51.8%

Source: Custom data

**Figure 9: 3Q25 and 9M25 export breakdown by key products, ANV**

Exports to the US surged 388% y/y, mainly driven by a sharp rise in tilapia shipments

USDmn	3Q24	3Q25	Growth y/y	9M24	9M25	Growth y/y
US	4.4	21.5	388.0%	12.5	51.9	313.7%
EU	7.2	2.5	-64.9%	19.7	7.7	-61.1%
South America	4.1	5.7	39.6%	9.8	15.3	56.2%
China	10.3	3.8	-62.7%	29.6	7.5	-74.8%
ASEAN	3.3	7.0	115.3%	9.9	15.2	53.7%
Others	7.8	18.8	141.4%	9.3	40.4	333.9%

Source: Custom data

### Looking ahead: ANV maintaining a strategic advantage in tilapia segment

We visited ANV's Binh Phu farm, the largest centralized farming complex, spanning roughly 600 hectares, which has been fully developed with modern infrastructure, including lined ponds, settling and filtration ponds, internal roads, hatcheries, and automated feeding systems. The site is located at Binh Phu, An Giang province, the headwaters of the Mekong Delta, offering abundant freshwater with no salinity intrusion risk, and can flexibly switch between tilapia and pangasius farming. Currently, about 70% of the area is used for tilapia and 30% for pangasius, with 2025 harvest output estimated at around 20,000 tons of tilapia.

ANV has also imported a substantial number of broodstock tilapia and advanced hatching and mono-sexing technology to produce its own fry, positioning the company well for future scale-up to meet expanding market demand.

As of 9M25, ANV is Vietnam's leading tilapia exporter, accounting for 58–60% of total national tilapia export value. By contrast, other tilapia exporters and/or pangasius producers would need more time and capital to scale up, expand capacity, or add tilapia farming and processing operations. Therefore, we believe ANV will retain its competitive edge in tilapia farming for at least the next 12 months, given its superior infrastructure and favorable market timing.

We also reiterate our view that US importers are increasingly diversifying their supply sources, particularly toward non-Chinese suppliers, to mitigate future supply disruption and trade-related risks. Hence, we expect ANV's tilapia exports to continue to grow

strongly over the next few years, emerging as a second sustainable revenue stream alongside pangasius.

Having two revenue pillars with different price points and market structures will help reduce cyclical, pricing, and market concentration risks, thereby supporting ANV's long-term profitability stability.

### Lifting FY25-27 earnings forecasts

Following strong 3Q25 results and underlying trend in tilapia segment, we revise up our FY25-27 earnings forecasts by an average of 30.7%, following an average 16.5% increase in sales forecasts.

FY25 net profit is now expected at VND940bn, up 18.4x y/y, on net sales of VND6,402bn, up 30.4% y/y. This implies a 4Q25 net profit of VND192bn, up 31.6x y/y, on net sales of VND1,570bn, up 15% y/y. The 4Q25 GPM is now expected at 22.4% vs. 10.2% in 4Q24.

**Figure 10: Old and new FY25-27 forecasts, ANV**

We revise up FY25-27 net profit forecasts by 30.7% on average on an average 16.5% increase in net sales

VNDbn	FY25F				FY26F				FY27F			
	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision
Net sales	5,890	6,402	30.4%	8.7%	6,568	7,694	20.2%	17.1%	6,832.0	8,446	9.8%	23.6%
Net profit	779	940	1843%	20.7%	822	1,059	12.7%	28.9%	837.0	1,192	12.5%	42.4%

Source: HSC Research

**Figure 11: Aggregate frozen fish assumption changes, ANV**

We revise up frozen fish export value by 25.8% on average, mostly due to a 16.3% increase in average export price (on mix)

	FY25				FY26				FY27F			
	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision
Export value (USDmn)	164.2	179.8	58.4%	9.5%	152.5	215.4	19.8%	41.2%	191.0	242	12.3%	26.7%
Export volume (tonne)	73,539	76,874	25.4%	4.5%	77,034	85,092	10.7%	10.5%	82,419	90,819	6.7%	10.2%
Average export price (USD/kg)	2.23	2.34	26.3%	4.9%	1.96	2.53	8.2%	29.1%	2.3	2.66	5.2%	14.8%

Source: HSC Research

**Figure 12: Margin and SG&A/sales assumptions, ANV**

Lifting GPMs accordingly to 9M25 actual numbers and significant contribution of tilapia segment

%	FY25F			FY26F			FY27F		
	Old	New	Revision	Old	New	Revision	Old	New	Revision
GPM	23.9%	24.2%	0.3ppt	23.1%	24.7%	1.6ppt	25.0%	26.7%	1.7ppt
SG&A/sales	6.7%	6.8%	0.1ppt	6.7%	6.8%	0.1ppt	6.7%	6.8%	0.1ppt
Pretax margin	16.7%	17.0%	0.3ppt	14.9%	16.6%	1.7ppt	16.1%	17.9%	1.8ppt
Net margin	13.3%	14.7%	1.4ppt	11.9%	13.3%	1.4ppt	12.9%	14.3%	1.4ppt

Source: HSC Research

## Valuation and recommendation

### Conclusions and methodology

We lift our DCF-derived target price by 28% to VND36,100, following our new, higher FY25-27 earnings forecasts and a rolling forward of our valuation basis to end-FY26. We reiterate Buy on ANV with 33% upside to our new updated TP.

We maintain our risk-free rate of 4.0%, equity risk premium of 8.75%, and beta of 1.3. We continue to use a terminal growth rate of 2%. Our WACC comes to 11.4%, unchanged.

**Figure 13: FCFF calculation, ANV**

VNDbn	2025F	2026F	2027F	2028F	2029F	2030F
<b>EBIT</b>	1,112	1,434	1,601	1,631	1,580	1,411
Unlevered net income	966	1,169	1,303	1,328	1,289	1,154
Plus: D&A	165	159	185	147	119	187
Less: Capex	(231)	(166)	(127)	(189)	(168)	(152)
Less: WC increase	(1,037)	(657)	(119)	(471)	(256)	(5)
<b>UFCF</b>	<b>(138)</b>	<b>505</b>	<b>1,242</b>	<b>816</b>	<b>983</b>	<b>1,184</b>

Source: HSC Research

**Figure 14: WACC calculation, ANV**

	Value
Risk-free rate	4.0%
Equity risk premium	8.75%
Beta (x)	1.3
<b>Cost of equity</b>	<b>15.4%</b>
Average interest rate	5.0%
CIT	20.0%
<b>After-tax cost of debt</b>	<b>4.0%</b>
Weight of debt	35.0%
<b>WACC</b>	<b>11.4%</b>

Source: HSC Research

**Figure 15: DCF calculation, ANV**

DCF calculation	Unit	Value (at end-FY26)
Terminal growth rate		2%
PV of CFs through FY30	VNDbn	3,289
PV of terminal value	VNDbn	7,691
<b>Total PV</b>	<b>VNDbn</b>	<b>10,980</b>
Plus: Cash + short-term investments	VNDbn	91
Less: Gross debt, adjustment	VNDbn	(1,420)
<b>Equity value</b>	<b>VNDbn</b>	<b>9,651</b>
Shares o/s	mn	267
Fair value	VND/share	36,100

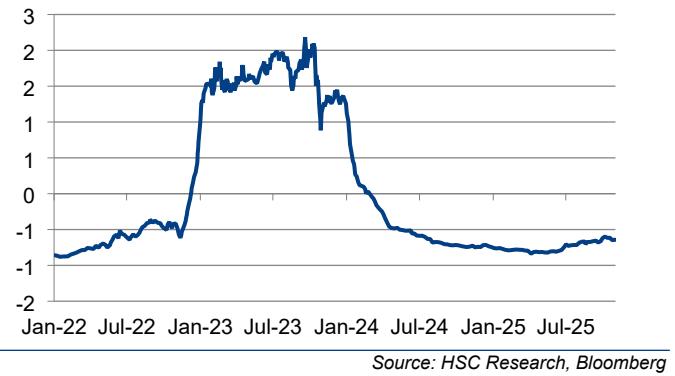
Source: HSC Research

**Figure 16: Rolling 1-yr forward P/E, ANV**

Currently trading at 7.2x (based on our estimates)...

**Figure 17: Std. devs. from mean, ANV**

...0.7 SD below its historical average of 21.0x



### Valuation context

Down 7% in the last 1M, though up 1% in the last 3M and a full 57% in the last 12M, ANV is now trading on a 1-yr rolling forward P/E of 7.2x (on our estimates), 0.7 SD below its average of 21.0x (calculated since Jan-22).

## Financial statements and key data

Income statements (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F	Cash flow statements (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F
Sales	4,439	4,911	6,402	7,694	8,446	EBIT	201	153	1,115	1,434	1,601
Gross profit	447	560	1,549	1,960	2,179	Depreciation & amortisation	(115)	(117)	(165)	(159)	(185)
SG&A	(264)	(366)	(438)	(526)	(577)	Net interest	(132)	(70.9)	(28.1)	(110)	(111)
Other income	17.7	(40.8)	2.71	0	0	Tax paid	(25.3)	(30.1)	(46)	(265)	(298)
Other expenses	-	-	-	-	-	Changes in working capital	(124)	573	(1,037)	(657)	(119)
<b>EBIT</b>	<b>201</b>	<b>153</b>	<b>1,115</b>	<b>1,434</b>	<b>1,601</b>	Others	(115)	(13.9)	(60.0)	(168)	(165)
Net interest	(132)	(70.9)	(28.1)	(110)	(111)	<b>Cash flow from operations</b>	<b>(81.7)</b>	<b>728</b>	<b>8.46</b>	<b>393</b>	<b>1,093</b>
Associates/affiliates	(4.02)	(4.09)	0	0	0	Capex	(44.3)	(161)	(231)	(166)	(127)
Other non-operational	-	-	-	-	-	Acquisitions & investments	(217)	(88.5)	0	0	0
Exceptional items	-	-	-	-	-	Disposals	150	29.4	0	0	0
<b>Pre-tax profit</b>	<b>64.5</b>	<b>78.5</b>	<b>1,086</b>	<b>1,324</b>	<b>1,490</b>	Others	528	109	43.0	36.9	43.8
Taxation	(25.3)	(30.1)	(146)	(265)	(298)	<b>Cash flow from investing</b>	<b>416</b>	<b>(111)</b>	<b>(188)</b>	<b>(129)</b>	<b>(83.4)</b>
Minority interests	0	0	0	0	0	Dividends	(219)	(108)	(267)	(267)	(267)
Exceptional items after tax	-	-	-	-	-	Issue of shares	60.0	0	0	0	0
<b>Net profit</b>	<b>39.2</b>	<b>48.4</b>	<b>940</b>	<b>1,059</b>	<b>1,192</b>	Change in debt	(40.2)	(199)	193	128	110
<b>Net profit adj'd</b>	<b>39.2</b>	<b>48.4</b>	<b>940</b>	<b>1,059</b>	<b>1,192</b>	Other financing cash flow	(127)	(131)	0	0	0
<b>EBITDA adj.</b>	<b>316</b>	<b>271</b>	<b>1,279</b>	<b>1,593</b>	<b>1,787</b>	<b>Cash flow from financing</b>	<b>(326)</b>	<b>(438)</b>	<b>(73.6)</b>	<b>(139)</b>	<b>(157)</b>
EPS (VND)	304	311	3,527	3,973	4,471	Cash, beginning of period	31.1	39.7	219	(34.5)	90.9
EPS adj. (VND)	304	311	3,527	3,973	4,471	<b>Change in cash</b>	<b>8.67</b>	<b>179</b>	<b>(254)</b>	<b>125</b>	<b>853</b>
DPS (VND)	1,000	1,000	1,000	1,000	1,000	Exchange rate effects	(0.05)	0.34	0	0	0
Basic shares, average (mn)	129	156	267	267	267	<b>Cash, end of period</b>	<b>39.7</b>	<b>219</b>	<b>(34.5)</b>	<b>90.9</b>	<b>944</b>
Basic shares, period end (mn)	134	267	267	267	267	<b>Free cash flow</b>	<b>(126)</b>	<b>568</b>	<b>(223)</b>	<b>227</b>	<b>966</b>
Fully diluted shares, period end (mn)	134	267	267	267	267						
Balance sheets (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F	Financial ratios and other	12-23A	12-24A	12-25F	12-26F	12-27F
Cash	39.7	219	(34.5)	90.9	944	<b>Operating ratios</b>					
Short-term investments	71.9	56.1	0	0	0	Gross margin (%)	10.1	11.4	24.2	25.5	25.8
Accounts receivable	369	552	549	634	732	EBITDA adj. margin (%)	7.11	5.51	20.0	20.7	21.2
Inventory	2,347	1,653	2,860	3,362	3,434	Net profit margin (%)	0.88	0.99	14.7	13.8	14.1
Other current assets	123	105	145	179	187	Effective tax rate (%)	39.2	38.3	13.4	20.0	20.0
<b>Total current assets</b>	<b>2,951</b>	<b>2,586</b>	<b>3,520</b>	<b>4,266</b>	<b>5,296</b>	Sales growth (%)	(9.34)	10.6	30.4	20.2	9.77
PP&E	1,243	1,286	1,372	1,399	1,360	EBITDA adj. growth (%)	(68.6)	(14.2)	373	24.5	12.2
Intangible assets	346	340	320	301	281	Net profit adj. growth (%)	(94.2)	23.5	1,843	12.7	12.5
Investment properties	0	0	0	0	0	EPS growth (%)	(94.3)	2.34	1,035	12.7	12.5
Long-term investments	6.84	6.90	0	0	0	EPS adj. growth (%)	(94.3)	2.34	1,035	12.7	12.5
Associates/JVs	65.0	60.9	11.3	11.3	11.3	DPS growth (%)	0	0	0	0	0
Other long-term assets	501	583	191	205	214	Dividend payout ratio (%)	329	322	28.4	25.2	22.4
<b>Total long-term assets</b>	<b>2,162</b>	<b>2,277</b>	<b>1,895</b>	<b>1,915</b>	<b>1,866</b>						
<b>Total assets</b>	<b>5,113</b>	<b>4,862</b>	<b>5,414</b>	<b>6,181</b>	<b>7,162</b>	<b>Efficiency ratios</b>					
Short-term debt	1,784	1,624	1,274	1,274	1,274	Return on avg. equity (%)	1.37	1.71	30.0	27.5	25.3
Accounts payable	173	150	252	248	271	Return on avg. CE (%)	6.63	5.17	34.1	35.8	33.0
Other current liabilities	108	103	170	163	182	Asset turnover (x)	0.84	0.98	1.25	1.33	1.27
<b>Total current liabilities</b>	<b>2,103</b>	<b>1,941</b>	<b>1,801</b>	<b>1,782</b>	<b>1,845</b>	Operating cash/EBIT (x)	(0.41)	4.75	0.01	0.27	0.68
Long-term debt	145	111	146	146	146	Inventory days	215	139	215	214	200
Deferred tax	0.92	1.34	1.34	1.34	1.34	Accounts receivable days	33.8	46.3	41.3	40.3	42.6
Other long-term liabilities	15.9	12.6	0	0	0	Accounts payable days	15.9	12.6	19.0	15.8	15.8
<b>Long-term liabilities</b>	<b>162</b>	<b>124</b>	<b>147</b>	<b>147</b>	<b>147</b>						
<b>Total liabilities</b>	<b>2,265</b>	<b>2,065</b>	<b>1,948</b>	<b>1,929</b>	<b>1,992</b>	<b>Leverage ratios</b>					
Shareholders' funds	2,848	2,797	3,466	4,252	5,170	Net debt*/equity (%)	66.7	55.4	42.7	32.1	10.0
Minority interests	0	0	0	0	0	Debt/capital (%)	37.9	36.4	26.7	23.5	20.4
<b>Total equity</b>	<b>2,848</b>	<b>2,797</b>	<b>3,466</b>	<b>4,252</b>	<b>5,170</b>	Interest coverage (x)	1.52	2.17	39.7	13.1	14.4
<b>Total liabilities and equity</b>	<b>5,113</b>	<b>4,862</b>	<b>5,414</b>	<b>6,181</b>	<b>7,162</b>	Debt/EBITDA (x)	6.14	6.53	1.13	0.91	0.82
BVPS (VND)	21,326	10,490	12,999	15,945	19,386	Current ratio (x)	1.40	1.33	1.95	2.39	2.87
Net debt/(cash)*	1,889	1,516	1,455	1,329	476						
						<b>Valuation</b>					
						EV/sales (x)	1.23	1.77	1.36	1.12	0.92
						EV/EBITDA adj. (x)	17.3	32.2	6.81	5.39	4.33
						P/E (x)	89.6	87.5	7.71	6.85	6.08
						P/E adj. (x)	89.6	87.5	7.71	6.85	6.08
						P/B (x)	1.28	2.59	2.09	1.71	1.40
						Dividend yield (%)	3.68	3.68	3.68	3.68	3.68

Note: \*Excluding short-term investments.

Source: Company, HSC Research estimates

**Buy (unchanged)**

Target price: VND71,000 (*unchanged*)  
Up/downside: 26.8%

**Share price (VND) (as of 7 Nov 2025) 56,000**

Bloomberg code	VHC VN
52-week range (VND)	42,280-71,610
Trading value (5D) (VNDmn)	96,267
Market cap. (VNDbn)	12,569
Market cap. (USDmn)	478
Shares outstanding (mn)	224
Total FOL share room (mn)	224
Current FOL share room (mn)	160
Foreign ownership limit	100%
Foreign owned ratio	28.8%
Free float	56.7%
Major shareholder	Truong Thi Le Khanh (43.3%)

Source: Company, HSC Research estimates

**Share price performance**


Share price (%)	-1 mth	-3 mth	-12 mth
Ordinary shares	2.56	(2.77)	(17.8)
Relative to index	7.34	(7.56)	(40.3)
Relative to sector	-	-	-

Source: Company, FactSet

**HSC vs. consensus**

EPS adj. (VND)	HSC	Cons	% diff
2025F	6,549	6,365	2.9
2026F	6,837	6,949	(1.6)
2027F	7,772	7,549	3.0

Source: Bloomberg, HSC Research estimates

**Company description**

VHC is the leading pangasius exporter in Vietnam. Key export markets include: US, China and Europe.

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## Ontrack earnings growth; reiterate Buy

- We maintain our Buy rating on VHC and TP of VND71,000 (upside: 27%) despite rolling forward our valuation basis by 6M to end-FY26.
- Our FY25-27 net profit forecasts – almost unchanged, following in-line 9M25 results – suggest a 3-yr net profit CAGR of 12.2%.
- Off 3% in the past 3M, VHC is now trading on a 1-yr rolling fwd P/E of 8.6x, 1.0 SDs below its avg. of 10.2x (since Jan-22).

### Event: 3Q25 earnings review

VHC posted strong 3Q25 results, with net profit coming in at VND433bn, up 35% y/y, on net sales of VND3,471bn (up 5.9% y/y).

For 9M25, net profit reached VND1,125bn, up 39.8% y/y, while net sales were largely flat at VND9,312bn (off 0.2% y/y). With these results, the company achieved 74.5% and 76.5% of our full year forecasts for net sales and net profit, respectively, in line with our expectations.

### Impact: Maintaining FY25-27 earnings estimates

We keep our FY25-27 net profit forecasts largely unchanged; we look for solid net profit growth of 19.2% to VND1,470bn this year, followed by 4.0% growth in FY26 to VND1,528bn and 13.6% growth in FY27 to VND1,736bn.

Our FY25-27 net profit forecasts – slightly above the street, on average – suggest a 3Y CAGR of 12.1%.

### Valuation and recommendation

Up 3% in the past 1M but still off 3% in the last 3M, VHC is now trading on a 1-yr rolling forward P/E of 8.6x, 1.0 SDs below its historical average of 10.2x (since Jan-22). We maintain our Buy rating and TP of VND71,000, suggesting upside of 27%.

Year end: December	12-23A	12-24A	12-25F	12-26F	12-27F
EBITDA adj. (VNDbn)	1,398	1,744	1,986	2,178	2,379
Reported net profit (VNDbn)	919	1,234	1,470	1,534	1,744
EPS adj. (VND)	5,000	5,496	6,549	6,837	7,772
DPS (VND)	2,000	2,000	2,000	2,000	2,000
BVPS (VND)	44,629	38,685	44,710	50,857	57,944
EV/EBITDA adj. (x)	8.94	8.19	6.95	6.41	5.64
P/E adj. (x)	11.2	10.2	8.55	8.19	7.21
Dividend yield (%)	3.57	3.57	3.57	3.57	3.57
P/B (x)	1.25	1.45	1.25	1.10	0.97
EPS adj. growth (%)	(53.6)	9.93	19.2	4.39	13.7
Ret. on avg. equity (%)	11.6	14.5	15.7	14.3	14.3

Note: Use of ▲ ▼ indicates that the item has changed by at least 5%.

Source: Bloomberg, HSC Research estimates

## Stable growth and cheap valuation; reiterate Buy

VHC's core business remains solid, in our view, despite headwinds in the US, its key market. Although the 20% reciprocal tariff has somewhat weighed on demand from US importers, VHC has managed to keep total sales nearly unchanged by pushing exports to other markets, while cost savings in SG&A expenses have supported profitability. We keep our FY25-27 earnings forecasts largely unchanged, projecting a 3-year CAGR of 12.1%; we also maintain our Buy rating and VND71,000 TP, suggesting 27% upside.

### FY25-27 forecasts: Earnings largely unchanged

Following actual 9M25 numbers, we keep our FY25-27 net profit forecasts largely unchanged. We call for solid net profit growth of 19.2% y/y to VND1,470bn this year; our new FY25Fs imply 4Q25 net sales of VND3,174bn (off 1% y/y) and 4Q25 net profit of VND345bn (down 18.8% y/y). FY26 is now expected at VND1,528bn (up 4% y/y), followed by 13.6% y/y growth in FY27 to VND1,736bn.

Our FY25-27 net profit forecasts – slightly above the street, on average – suggest a 3Y CAGR of 12.1%.

**Figure 18: FY25-27 net profit forecast revision, VHC**

3-yr net profit CAGR is now 12.5%

VNDbn	FY25F				FY26F				FY27F			
	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision
Net sales	12,504	12,486	-0.4%	-0.1%	13,825	13,793	10.5%	-0.2%	15,286	15,249	10.6%	-0.2%
Net profit	1,470	1,470	19.1%	0.0%	1,523	1,528	4.0%	0.3%	1,729	1,736	13.6%	0.4%

Source: HSC Research

**Figure 19: Assumption by product line, VHC**

We inch up by-product sales by 1.1% on average, following actual 9M25 numbers.

VNDbn	FY25F				FY26F				FY27F			
	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision
Pangasius fillet	6,778	6,751	-2.9%	-0.4%	7,401	7,368	9.1%	-0.4%	8,085	8,047	9.2%	-0.5%
By-products	1,745	1,754	-4.2%	0.5%	1,888	1,888	7.7%	0.0%	1,996	1,997	5.7%	0.0%
Collagen & gelatin	975	975	26.2%	0.0%	1,024	1,024	5.0%	0.0%	1,086	1,086	6.1%	0.0%
Others	3,006	3,007	0.8%	0.0%	3,512	3,512	16.8%	0.0%	4,119	4,119	17.3%	0.0%

Source: HSC Research

**Figure 20: Margins and SGA/sales ratio assumption changes, VHC**

SG&A/sales was cut by 0.4ppt on average, following actual 9M25 numbers, offset slightly lower GPMs

	FY25F			FY26F			FY27F		
	Old	New	Revision	Old	New	Revision	Old	New	Revision
GPM	16.9%	16.5%	-0.4ppt	17.0%	16.8%	-0.2ppt	17.3%	17.1%	-0.2ppt
SG&A/sales	5.3%	4.7%	-0.6ppt	5.4%	5.0%	-0.4ppt	5.4%	5.0%	-0.4ppt
Pretax margin	14.3%	14.3%	0.0ppt	13.4%	13.4%	0.1ppt	13.7%	13.8%	0.1ppt
Net margin	11.8%	11.8%	0.0ppt	11.0%	11.1%	0.1ppt	11.3%	11.4%	0.1ppt

Source: HSC Research

## Valuation and recommendation

### Conclusions and methodology

We maintain our VND71,000 TP, following our largely unchanged FY25-27 net earnings forecasts and a rolling forward of our valuation basis to end-FY26. We maintain our Buy rating on VHC, with 27% upside to our TP.

We maintain our risk-free rate of 4.0%, equity risk premium of 8.75%, and beta of 1.1. We continue to use a terminal growth rate of 2.0%. Our WACC comes to 11.8%, unchanged.

**Figure 21: FCFF calculation, VHC**

VNDbn	2025F	2026F	2027F	2028F	2029F	2030F
<b>EBIT</b>	1,476	1,630	1,842	1,891	2,052	2,268
Unlevered net income	1,254	1,400	1,581	1,621	1,760	1,947
Plus: D&A	484	541	528	550	624	675
Less: Capex	(662)	(848)	(949)	(828)	(815)	(880)
Less: WC increase	(442)	(406)	(356)	(869)	(590)	(121)
<b>UFCF</b>	<b>634</b>	<b>688</b>	<b>804</b>	<b>475</b>	<b>978</b>	<b>1,621</b>

Source: HSC Research

**Figure 22: WACC calculation, VHC**

	Value
Risk-free rate	4.0%
Equity risk premium	8.75%
Beta (x)	1.1
<b>Cost of equity</b>	<b>13.6%</b>
Average interest rate	5.0%
CIT	12.4%
<b>After-tax cost of debt</b>	<b>4.4%</b>
Weight of debt	20.0%
<b>WACC</b>	<b>11.8%</b>

Source: HSC Research

**Figure 23: DCF calculation, VHC**

	Unit	Value (at end-FY26)
Terminal growth rate		2%
PV of CFs through FY30	VNDbn	3,244
PV of terminal value	VNDbn	10,832
<b>Total PV</b>	<b>VNDbn</b>	<b>14,076</b>
Plus: Cash + short-term investments	VNDbn	4,149
Less: Gross debt, adjustment	VNDbn	1,777
<b>Equity value</b>	<b>VNDbn</b>	<b>15,941</b>
Shares o/s	mn	224
Fair value	VND/share	71,000

Source: HSC Research

**Figure 24: Rolling 1-yr forward P/E, VHC**

Currently trading at 8.6x (based on our estimates)...

**Figure 25: Standard deviations from mean, VHC**

...1.0 SDs below its historical average of 10.2x



### Valuation context

Up 3% in the past 1M but still off 3% in the last 3M, VHC is now trading on a 1-yr rolling forward P/E of 8.6x, 1.0 SDs below its historical average of 10.2x (since Jan-22). We maintain our Buy rating with a TP of VND71,000, suggesting 27% upside.

## Financial statements and key data

Income statements (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F	Cash flow statements (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F
Sales	10,033	12,535	12,533	13,821	15,281	EBIT	996	1,288	1,502	1,637	1,851
Gross profit	1,493	1,891	2,071	2,328	2,615	Depreciation & amortisation	(402)	(456)	(484)	(541)	(528)
SG&A	(524)	(639)	(595)	(691)	(764)	Net interest	148	207	276	224	265
Other income	50.0	66.9	54.3	0	0	Tax paid	(315)	(259)	(221)	(231)	(263)
Other expenses	(23.2)	(31.8)	(28.1)	0	0	Changes in working capital	(470)	742	(462)	(396)	(357)
<b>EBIT</b>	<b>996</b>	<b>1,288</b>	<b>1,502</b>	<b>1,637</b>	<b>1,851</b>	Others	(67.0)	(114)	(91.1)	44.2	49.4
Net interest	148	207	276	224	265	<b>Cash flow from operations</b>	<b>546</b>	<b>2,113</b>	<b>1,212</b>	<b>1,595</b>	<b>1,809</b>
Associates/affiliates	0.80	2.24	4.88	0	0	Capex	(677)	(705)	(662)	(848)	(949)
Other non-operational	-	-	-	-	-	Acquisitions & investments	(3,552)	(4,171)	0	0	0
Exceptional items	-	-	-	-	-	Disposals	4.49	10.8	0	0	0
<b>Pre-tax profit</b>	<b>1,145</b>	<b>1,496</b>	<b>1,783</b>	<b>1,861</b>	<b>2,116</b>	Others	3,431	4,003	422	433	477
Taxation	(171)	(186)	(221)	(231)	(263)	<b>Cash flow from investing</b>	<b>(793)</b>	<b>(863)</b>	<b>(241)</b>	<b>(415)</b>	<b>(472)</b>
Minority interests	(54.6)	(77.1)	(91.8)	(95.8)	(109)	Dividends	0	(899)	0	0	0
Exceptional items after tax	-	-	-	-	-	Issue of shares	56.7	0	0	0	0
<b>Net profit</b>	<b>919</b>	<b>1,234</b>	<b>1,470</b>	<b>1,534</b>	<b>1,744</b>	Change in debt	(129)	(12.5)	(1,000)	(1,329)	(1,303)
<b>Net profit adj'd</b>	<b>919</b>	<b>1,234</b>	<b>1,470</b>	<b>1,534</b>	<b>1,744</b>	Other financing cash flow	0	0	0	0	0
<b>EBITDA adj.</b>	<b>1,398</b>	<b>1,744</b>	<b>1,986</b>	<b>2,178</b>	<b>2,379</b>	<b>Cash flow from financing</b>	<b>(72.5)</b>	<b>(912)</b>	<b>(1,000)</b>	<b>(1,329)</b>	<b>(1,303)</b>
EPS (VND)	5,000	6,596	6,549	6,837	7,772	Cash, beginning of period	554	233	570	541	392
EPS adj. (VND)	5,000	5,496	6,549	6,837	7,772	<b>Change in cash</b>	<b>(320)</b>	<b>338</b>	<b>(29.1)</b>	<b>(149)</b>	<b>34.0</b>
DPS (VND)	2,000	2,000	2,000	2,000	2,000	Exchange rate effects	(1.58)	(0.71)	0	0	0
Basic shares, average (mn)	184	187	224	224	224	<b>Cash, end of period</b>	<b>232</b>	<b>570</b>	<b>541</b>	<b>392</b>	<b>426</b>
Basic shares, period end (mn)	187	224	224	224	224	<b>Free cash flow</b>	<b>(131)</b>	<b>1,408</b>	<b>549</b>	<b>747</b>	<b>860</b>
Fully diluted shares, period end (mn)	187	224	224	224	224						
Balance sheets (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F	Financial ratios and other	12-23A	12-24A	12-25F	12-26F	12-27F
Cash	233	570	541	392	426	<b>Operating ratios</b>					
Short-term investments	2,069	2,340	2,887	3,753	4,128	Gross margin (%)	14.9	15.1	16.5	16.8	17.1
Accounts receivable	1,578	2,207	1,998	2,234	2,503	EBITDA adj. margin (%)	13.9	13.9	15.8	15.8	15.6
Inventory	3,763	2,911	3,662	3,840	3,984	Net profit margin (%)	9.16	9.84	11.7	11.1	11.4
Other current assets	245	213	227	274	279	Effective tax rate (%)	15.0	12.4	12.4	12.4	12.4
<b>Total current assets</b>	<b>7,888</b>	<b>8,241</b>	<b>9,314</b>	<b>10,493</b>	<b>11,320</b>	Sales growth (%)	(24.2)	24.9	(0.01)	10.3	10.6
PP&E	3,081	3,059	3,301	3,672	4,158	EBITDA adj. growth (%)	(45.9)	24.7	13.9	9.70	9.22
Intangible assets	463	471	443	414	384	Net profit adj. growth (%)	(53.5)	34.2	19.2	4.39	13.7
Investment properties	0	0	0	0	0	EPS growth (%)	(53.6)	31.9	(0.70)	4.39	13.7
Long-term investments	55.9	55.9	50.0	50.0	50.0	EPS adj. growth (%)	(53.6)	9.93	19.2	4.39	13.7
Associates/JVs	11.3	13.5	11.3	11.3	11.3	DPS growth (%)	0	0	0	0	0
Other long-term assets	444	408	394	384	363	Dividend payout ratio (%)	40.0	30.3	30.5	29.3	25.7
<b>Total long-term assets</b>	<b>4,054</b>	<b>4,008</b>	<b>4,200</b>	<b>4,531</b>	<b>4,966</b>						
<b>Total assets</b>	<b>11,943</b>	<b>12,249</b>	<b>13,514</b>	<b>15,024</b>	<b>16,286</b>	<b>Efficiency ratios</b>					
Short-term debt	2,157	2,277	1,777	1,777	1,277	Return on avg. equity (%)	11.6	14.5	15.7	14.3	14.3
Accounts payable	309	272	367	371	392	Return on avg. CE (%)	12.0	14.5	15.4	14.6	14.4
Other current liabilities	617	544	680	725	759	Asset turnover (x)	0.85	1.04	0.97	0.97	0.98
<b>Total current liabilities</b>	<b>3,233</b>	<b>3,193</b>	<b>3,015</b>	<b>3,049</b>	<b>2,612</b>	Operating cash/EBIT (x)	0.55	1.64	0.81	0.97	0.98
Long-term debt	102	0	0	0	0	Inventory days	161	99.8	128	122	115
Deferred tax	8.06	5.72	5.72	5.72	5.72	Accounts receivable days	67.4	75.7	69.7	71.0	72.1
Other long-term liabilities	0.30	29.3	28.8	28.8	28.8	Accounts payable days	13.2	9.31	12.8	11.8	11.3
<b>Long-term liabilities</b>	<b>110</b>	<b>35.0</b>	<b>34.5</b>	<b>34.5</b>	<b>34.5</b>						
<b>Total liabilities</b>	<b>3,351</b>	<b>3,247</b>	<b>3,068</b>	<b>3,102</b>	<b>2,665</b>	<b>Leverage ratios</b>					
Shareholders' funds	8,348	8,683	10,035	11,415	13,006	Net debt*/equity (%)	24.5	20.1	12.6	12.4	6.82
Minority interests	244	319	411	507	616	Debt/capital (%)	19.1	18.9	13.3	12.0	8.06
<b>Total equity</b>	<b>8,591</b>	<b>9,002</b>	<b>10,446</b>	<b>11,922</b>	<b>13,621</b>	Interest coverage (x)	N/a	N/a	N/a	N/a	N/a
<b>Total liabilities and equity</b>	<b>11,943</b>	<b>12,249</b>	<b>13,514</b>	<b>15,024</b>	<b>16,286</b>	Debt/EBITDA (x)	1.63	1.33	0.91	0.83	0.55
BVPS (VND)	44,629	38,685	44,710	50,857	57,944	Current ratio (x)	2.44	2.58	3.09	3.44	4.33
Net debt/(cash)*	2,026	1,707	1,236	1,385	851						

Note: \*Excluding short-term investments.

Source: Company, HSC Research estimates

**Add (from Buy)**

Target price: VND40,800 (from VND46,800)  
Up/downside: 11.3%

**Share price (VND) (as of 7 Nov 2025) 36,650**

Bloomberg code	FMC VN
52-week range (VND)	31,548-46,849
Trading value (5D) (VNDmn)	1,663
Market cap. (VNDbn)	2,397
Market cap. (USDmn)	91.1
Shares outstanding (mn)	65.4
Total FOL share room (mn)	32.0
Current FOL share room (mn)	12.5
Foreign ownership limit	49.0%
Foreign owned ratio	29.9%
Free float	25.0%
Major shareholder	The PAN Group (37.8%)

Source: Company, HSC Research estimates

**Share price performance**


Share price (%)	-1 mth	-3 mth	-12 mth
Ordinary shares	0.41	(6.98)	(15.3)
Relative to index	5.09	(11.6)	(38.4)
Relative to sector	-	-	-

Source: Company, FactSet

**HSC vs. consensus**

EPS adj. (VND)	HSC	Cons	% diff
2025F	4,319	4,683	(7.8)
2026F	4,486	5,394	(16.8)
2027F	5,035	5,828	(13.6)

Source: Bloomberg, HSC Research estimates

**Company description**

FMC is the 3rd biggest shrimp exporter in Vietnam with a focus on high quality and value-added shrimp products.

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## Tariff pressures; downgrade to Add

- We cut our FMC TP by 12.8% to VND40,800 on lower estimates and the rolling forward of our valuation basis by 6M to end-FY26.
- Despite raising gross margin by 0.4ppt on average, reflecting better operational efficiency, we cut our FY25-27 net profit projections by 17.9%, mainly due to higher SG&A assumptions driven by trade-related costs. Our revised forecasts imply a modest 3-year net profit CAGR of 2.5%.
- Off 7% in the past 3M, FMC is now trading on 1Y rolling fwd P/E of 8.2x, 0.7 SD below its average of 9.5x (since Jan-22). Downgrade to Add on 11% upside.

### Event: 3Q25 earnings review

FMC delivered solid 3Q25 results with revenue up 4.9% y/y and net profit up 22% y/y, supported by robust U.S. export growth (up 69% y/y) and improved gross margins from higher in-house farming output. However, SG&A expenses surged 87% y/y due to trade-related tariffs, pushing the SG&A/sales ratio to 11.4%. Despite the tariff burden, strong forex gains helped sustain profitability, keeping 9M25 earnings at solid level.

### Impact: Cutting FY25-27 profit forecasts by 17.9% on avg.

While FMC continues to deliver strong operational efficiency, with GPM improving significantly in 9M25 to 10.8% vs. 9.8% last year, higher trade-related costs and an unfavorable tariff position compared to rival exporting countries could put pressure FMC's profitability in the coming years. All in, we cut our FY25-27 earnings forecasts by 17.9% on average on higher SG&A/sales ratio assumptions; our new forecasts – below the street by 8-17% - suggest a modest 3Y CAGR of 2.5%.

### Valuation and recommendation

Off 7% in the past 3M, FMC is now trading at 1-yr rolling fwd P/E of 8.2x, 0.7 SD below its historical average of 9.5x (since Jan-22).

We cut our TP by 12.8% to VND40,800 on our lowering earnings estimates and rolling our valuation basis by 6M to end-FY26. Despite improving operational efficiency, we see higher risk on FMC's earnings outlook due to trade-related costs. Downgrade to Add at 11% upside.

Year end: December	12-23A	12-24A	12-25F	12-26F	12-27F
EBITDA adj. (VNDbn)	447	546	366 ▼	401 ▼	449 ▼
Reported net profit (VNDbn)	276	304	282 ▼	293 ▼	329 ▼
EPS adj. (VND)	4,222	4,646	4,319 ▼	4,486 ▼	5,035 ▼
DPS (VND)	2,000	2,000	2,000	2,000	2,000
BVPS (VND)	31,026	33,151	35,470	37,956	40,992 ▼
EV/EBITDA adj. (x)	6.19	4.07	7.66	6.43	5.30
P/E adj. (x)	8.68	7.89	8.49	8.17	7.28
Dividend yield (%)	5.46	5.46	5.46	5.46	5.46
P/B (x)	1.18	1.11	1.03	0.97	0.89
EPS adj. growth (%)	(10.2)	10.0	(7.03)	3.87	12.2
Ret. on avg. equity (%)	14.0	14.5	12.6	12.2	12.8

Note: Use of ▲ ▼ indicates that the item has changed by at least 5%.

Source: Bloomberg, HSC Research estimates

## Lowering TP/estimates on tariff concerns

FMC delivered solid 3Q25 results with continued gross margin improvement, driven by higher in-house farming contributions and resilient export growth to the US. However, rising trade-related costs have significantly inflated selling expenses and pressured profitability. While we believe FMC's operational efficiency continues to improve and have raised our GPM forecasts by an average of 0.4% for FY25-27, its relatively unfavorable tariff position compared with rival exporting countries has led us to lift our SG&A assumptions, dragging down our FY25-27 earnings forecasts by roughly 17.9% on average. We downgrade FMC to Add, with 11% upside to our new lower TP of VND40,800.

### 3Q25 review: Strong results despite tariffs

FMC's 3Q25 results were strong. Net sales reached VND2,984bn, up 4.9% y/y, while net profit came in at VND97bn, up 22% y/y. For 9M25, net sales rose 23.5% y/y to VND6,851bn, while net profit increased 5.9% y/y to VND207bn. Revenue performance was solid, fulfilling 86% of our pre-results full year forecast and broadly in line with expectations. However, net profit reached only 66% of our pre-results FY25F, and this was despite an unexpected forex gain this year – short of our projections.

#### Export to the US led sales growth

FMC's 3Q25 exports were up 17.7% y/y to USD108mn, driven by a 69% y/y increase in US shipments to USD59mn, which accounted for 54.8% of total export value for the quarter.

For 9M25, total exports came to USD243.8mn, up 30.4% y/y, driven by 83% y/y increase in US shipments to USD115.9mn, which accounted for 47.6% of total export value for the quarters (vs. 34% in 9M24).

#### GPM expanded on higher in-house farming contribution

3Q25 gross profit jumped 36% y/y to VND418bn, lifting gross margin to 14%, from 10.8% in 3Q24 and 10.5% in 2Q25. The improvement was driven by shrimp margin rising to 13.7% (vs 10.7% a year ago), thanks to a larger share of in-house farming output (18%), which has lower costs than purchased raw materials.

For 9M25, gross margin improved to 10.8% from 9.8%, supported by a 10% rise in average export prices and 16.9% y/y growth in volume, which more than offset an 8.5% increase in input costs.

#### SG&A surged on trade-related tariffs

Selling expenses rose 87.4% y/y to VND316bn, mainly driven by trade-related costs. Anti-dumping duties and countervailing duties increased 60.6% y/y and 85% y/y to VND58bn and VND43bn, respectively, reflecting higher US sales. The newly imposed reciprocal tariff of VND166bn (applied at 20% from July 9 onwards) added a significant burden.

**Figure 26: 3Q25 and 9M25 results, FMC**

3Q25 earnings grew 22% y/y on GPM expansion

VNDbn	3Q24	3Q25	Growth y/y	9M24	9M25	Growth y/y
Net sales	2,845	2,984	4.9%	5,549	6,850	23.5%
COGS	(2,537)	(2,565)	1.1%	(5,004)	(6,107)	22.1%
Gross profit	307.7	418.3	36.0%	544.6	743.0	36.4%
GPM	10.8%	14.0%		9.8%	10.8%	155.3%
Net financial income	(26.9)	28.7	N/m	6.1	77.7	1168.0%
SG&A	(190.0)	(339.0)	78.5%	(318.7)	(576.5)	80.9%
SG&A/sales	6.7%	11.4%		5.7%	8.4%	
Operating profit	90.9	108.0	18.9%	232.1	244.2	5.2%
Net other income	(0.1)	0.0	N/m	(0.2)	0.9	N/m
Profit before tax	90.8	108.0	19.0%	231.8	245.0	5.7%
Net profit	79.6	97.2	22.0%	195.6	207.2	5.9%

Source: Company data

Meanwhile, transportation costs declined 46.7% y/y to VND49bn, while labor costs remained almost flat. General and administrative expenses increased 7.5% y/y to VND23bn. As a result, the 3Q25 SG&A/sales ratio rose to 11.4%, compared with 6.7% in 3Q24. For 9M25, the SG&A/sales ratio came to 8.4%, versus 5.7% in 9M24.

### Forex gain saved the bottom line

Net financial income rose to VND29bn, reversing a loss of VND27bn in 3Q24. The improvement was mainly driven by a VND50bn net forex gain (vs. VND2bn a year earlier) and lower net interest expenses of VND21bn (vs. VND29bn last year). The strong forex gain stemmed from the appreciation of the USD, which boosted the value of the company's USD-denominated cash and receivables.

For 9M25, net financial income totaled VND78bn (vs. VND6bn last year), of which net forex gain was VND70bn (vs. VND10bn last year) and net interest income was VND8bn (vs. a net interest expense of VND4bn last year).

### Looking ahead: Tariffs pose significant risks to FMC

The US remains FMC's key export market, with its share rising from 25.5% in 2023 to 33.2% in 2024 and 47.6% in 9M25. Currently, FMC faces three types of US tariffs: (1) anti-dumping, (2) countervailing, and (3) reciprocal tariffs.

#### Anti-dumping duty

During the 19<sup>th</sup> period of review (POR19, Jan 2023–Jan 2024), FMC deposited a provisional AD rate of 4.58% (about VND41bn) and expected a refund as in previous years. However, on June 7, 2025, the US Department of Commerce (DOC) issued preliminary results assigning a 35.29% duty to 22 Vietnamese shrimp exporters, including FMC. The rate is not yet final and subject to DOC's on-site verification in Dec 2025. Management expects a downward adjustment, possibly to 0%, given FMC's transparent cost reporting. Still, if the final rate exceeds 4.58%, additional selling expenses could weigh on FY25 earnings.

On the positive note, FMC has also become a mandatory respondent for POR20 (Feb-24 through Jan-25) and remains confident in achieving a 0% rate.

#### Countervailing duty

The DOC initiated a countervailing duty investigation on Vietnamese shrimp in 2023 and announced the final determination in October 2024, imposing a 2.84% CVD on Vietnam's shrimp industry. Consequently, FMC is currently recording a 2.84% countervailing tax expense under selling expenses for 2025.

#### 'Reciprocal' tax

After multiple rounds of US-Vietnam trade negotiations, the so-called reciprocal tariff on Vietnamese-origin goods is now set at 20%.

Given that a large portion of FMC's exports to the US are conducted under DDP terms, all related taxes – including anti-dumping, countervailing, and reciprocal tariffs – are recorded under selling expenses.

While tariff uncertainty for Vietnam has eased, the reciprocal tariffs for key competitors such as India, Ecuador, and Indonesia have not yet been finalized. The table below, based on the latest available media and industry updates, shows that Vietnam's shrimp exporters currently face a less favorable tariff regime compared with competitors, which could weigh on FMC's US export outlook in the coming years.

**Figure 27: Tax burden to the US market, key shrimp exporting countries**

Vietnam's shrimp export tariffs are relatively high, creating a cost burden for exporters

Country	Anti-dumping duty	Countervailing duty	'Reciprocal' / additional tariffs (2025)
Ecuador	0.48%	~3.78%	~15%
Indonesia	~3.90%	~0.71%	~19%
India	~5.32%	~5.77%	~25%
Vietnam	~4.58% (35.29% prelim)	~2.84%	~20%

Source: HSC Research, various sources

## Revising FY25-27 earnings forecasts

Following actual 9M25 results and our analysis on the US market, we lower our FY25-27 earnings forecasts by an average of 17.9%, mostly due to higher SG&A/sales ratio assumptions, reflecting the 20% reciprocal tariff.

FY25 net profit is now expected at VND282bn, down 7.6% y/y and a cut of 11%, on net sales of VND8,540bn (up 23.5% y/y, lifted by 7%). This implies a 4Q25 net profit of VND75bn, down 31.7% y/y, on net sales of VND1,845bn (up 35% y/y).

**Figure 28: Old and new FY25-27 forecasts, FMC**

We revise down FY25-27 net profit forecasts by 17.9% on average on an average 4% increase in net sales

VNDbn	FY25F				FY26F				FY27F			
	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision
Net sales	7,970	8,540	23.5%	7.1%	7,592	7,783	-8.9%	2.5%	8,507	8,726	12.1%	2.6%
Net profit	316	282	-7.6%	-10.5%	369	293	3.9%	-20.4%	426	329	12.2%	-22.8%

Source: HSC Research

**Figure 29: Sales assumptions, FMC**

We increase our FY25-27 shrimp sales volume forecasts by 2.3% and ASPs by 2.9% on average, following 9M25 performance

	FY25				FY26				FY27			
	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision	Old	New	Growth y/y	Revision
<b>Shrimp export</b>												
Revenue (VNDbn)	7,764	8,411	24.2%	8.3%	7,371	7,645	-9.1%	3.7%	8,270	8,578	12.2%	3.7%
Export volume (tonne)	24,200	25,489	15.0%	5.3%	22,748	22,940	-10.0%	0.8%	25,023	25,234	10.0%	0.8%
Export prices (VND'000/kg)	321	330	8.0%	2.9%	324	333	1.0%	2.9%	331	340	2.0%	2.9%
<b>Vegetable product export</b>												
Export value (VNDbn)	206	129	-8.4%	-37.6%	221	138	7.1%	-37.6%	237	148	7.1%	-37.6%
Export volume (tonne)	1,073	1,073	-18.0%	0.0%	1,127	1,127	5.0%	0.0%	1,183	1,183	5.0%	0.0%
Export prices (VND'000/kg)	192	120	11.7%	-37.6%	196	122	2.0%	-37.6%	200	125	2.0%	-37.6%

Source: HSC Research

**Figure 30: Margins and SGA/sales ratio assumption changes, FMC**

GPMs are revised up but higher SG&A/sales drags down pretax and net margins

	FY25			FY26			FY27		
	Old	New	Revision	Old	New	Revision	Old	New	Revision
GPM	9.6%	10.7%	1.2%	10.4%	10.5%	0.2%	10.4%	10.4%	0.0%
SG&A/sales	5.6%	7.9%	2.3%	5.2%	7.2%	1.9%	5.1%	7.0%	1.9%
Pretax margin	5.0%	4.0%	-0.9%	6.1%	4.6%	-1.5%	6.3%	4.6%	-1.7%
Net margin	4.0%	3.3%	-0.7%	4.9%	3.8%	-1.1%	5.0%	3.8%	-1.2%

Source: HSC Research

## Valuation and recommendation

### Conclusions and methodology

We cut our DCF-derived target price by 12.8% to VND40,8000, following our new, lower FY25-27 earnings forecasts and a rolling forward of our valuation basis to end-FY26. We downgrade FMC to Add, with 11% upside to our new TP.

We maintain our risk-free rate of 4.0%, equity risk premium of 8.75%, and beta of 1.0. We continue to use a terminal growth rate of 2.0%. Our WACC comes to 10.4%, unchanged.

**Figure 31: FCFF calculation, FMC**

VNDbn	2025F	2026F	2027F	2028F	2029F	2030F
<b>EBIT</b>	241	261	293	242	258	275
Unlevered net income	236	259	290	239	255	272
Plus: D&A	124	139	156	175	196	219
Less: Capex	(91)	(91)	(91)	(91)	(91)	(91)
Less: WC increase	(519)	66	(24)	(229)	(168)	(179)
<b>UFCF</b>	(249)	374	332	93	191	221

Source: HSC Research

**Figure 32: WACC calculation, FMC**

	Value
Risk-free rate	4.0%
Equity risk premium	8.75%
Beta (x)	1.0
<b>Cost of equity</b>	<b>12.8%</b>
Average interest rate	5.0%
CIT	1%
<b>After-tax cost of debt</b>	<b>5.0%</b>
Weight of debt	30%
<b>WACC</b>	<b>10.4%</b>

Source: HSC Research

**Figure 33: DCF calculation, FMC**

	Unit	Value (at end-FY26)
Terminal growth rate	VNDbn	2%
PV of CFs through FY30	VNDbn	943
PV of terminal value	VNDbn	1,804
<b>Total PV</b>	<b>VNDbn</b>	<b>2,846</b>
Plus: Cash + short-term investments	VNDbn	971
Less: Gross debt, adjustment	VNDbn	(1,151)
<b>Equity value</b>	<b>VNDbn</b>	<b>2,666</b>
Shares o/s	mn	65
Fair value	VND/share	40,800

Source: HSC Research

**Figure 34: Rolling 1-yr forward P/E, FMC**

Currently trading at 8.2x (based on our estimates)...

**Figure 35: Std. deviations from mean, FMC**

...0.7 SD below its historical average of 9.5x



### Valuation context

Down 7% in last 3M, FMC is trading at a 1-yr rolling forward P/E of 8.2x on our estimates, 0.7 SD below its average of 9.5x (calculated since Jan-22).

## Financial statements and key data

Income statements (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F	Cash flow statements (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F
Sales	5,087	6,913	8,540	7,783	8,726	EBIT	293	363	242	261	293
Gross profit	493	752	916	819	905	Depreciation & amortisation	(154)	(184)	(124)	(139)	(156)
SG&A	(201)	(388)	(675)	(558)	(612)	Net interest	11.5	58.9	104	95.4	108
Other income	0.99	(0.31)	1.43	0	0	Tax paid	(2.26)	(0.81)	(4.20)	(2.56)	(2.83)
Other expenses	(0.04)	(0.29)	(0.28)	0	0	Changes in working capital	(211)	80.7	(556)	68.8	(19.1)
<b>EBIT</b>	<b>293</b>	<b>363</b>	<b>242</b>	<b>261</b>	<b>293</b>	Others	(55.4)	(48.1)	(145)	(141)	(152)
Net interest	11.5	58.9	104	95.4	108	<b>Cash flow from operations</b>	<b>207</b>	<b>601</b>	<b>(297)</b>	<b>354</b>	<b>303</b>
Associates/affiliates	0	0	0	0	0	Capex	(218)	(114)	(90.7)	(90.7)	(90.7)
Other non-operational	-	-	-	-	-	Acquisitions & investments	(378)	(352)	(140)	(56.0)	(67.2)
Exceptional items	-	-	-	-	-	Disposals	2.93	0.20	0	0	0
<b>Pre-tax profit</b>	<b>305</b>	<b>422</b>	<b>345</b>	<b>357</b>	<b>401</b>	Others	87.9	554	162	148	166
Taxation	(2.26)	(0.81)	(4.20)	(2.56)	(2.83)	<b>Cash flow from investing</b>	<b>(505)</b>	<b>87.7</b>	<b>(68.6)</b>	<b>1.11</b>	<b>7.81</b>
Minority interests	(26.3)	(117)	(58.7)	(60.9)	(68.4)	Dividends	(143)	(151)	(131)	(131)	(131)
Exceptional items after tax	-	-	-	-	-	Issue of shares	0	111	0	0	0
<b>Net profit</b>	<b>276</b>	<b>304</b>	<b>282</b>	<b>293</b>	<b>329</b>	Change in debt	306	79.1	(172)	1.07	18.8
<b>Net profit adj'd</b>	<b>276</b>	<b>304</b>	<b>282</b>	<b>293</b>	<b>329</b>	Other financing cash flow	0	(111)	0	0	0
<b>EBITDA adj.</b>	<b>447</b>	<b>546</b>	<b>366</b>	<b>401</b>	<b>449</b>	<b>Cash flow from financing</b>	<b>163</b>	<b>(72.0)</b>	<b>(303)</b>	<b>(130)</b>	<b>(112)</b>
EPS (VND)	4,222	4,646	4,319	4,486	5,035	Cash, beginning of period	452	1,077	409	635	834
EPS adj. (VND)	4,222	4,646	4,319	4,486	5,035	<b>Change in cash</b>	<b>(135)</b>	<b>617</b>	<b>(668)</b>	<b>226</b>	<b>199</b>
DPS (VND)	2,000	2,000	2,000	2,000	2,000	Exchange rate effects	1.22	8.70	0	0	0
Basic shares, average (mn)	65.4	65.4	65.4	65.4	65.4	<b>Cash, end of period</b>	<b>318</b>	<b>1,703</b>	<b>(259)</b>	<b>861</b>	<b>1,032</b>
Basic shares, period end (mn)	65.4	65.4	65.4	65.4	65.4	<b>Free cash flow</b>	<b>(10.6)</b>	<b>487</b>	<b>(388)</b>	<b>264</b>	<b>212</b>
Fully diluted shares, period end (mn)	65.4	65.4	65.4	65.4	65.4						
Balance sheets (VNDbn)	12-23A	12-24A	12-25F	12-26F	12-27F	Financial ratios and other	12-23A	12-24A	12-25F	12-26F	12-27F
Cash	452	1,077	409	635	834	<b>Operating ratios</b>					
Short-term investments	97.4	140	280	336	403	Gross margin (%)	9.69	10.9	10.7	10.5	10.4
Accounts receivable	492	370	567	562	559	EBITDA adj. margin (%)	8.79	7.90	4.29	5.15	5.14
Inventory	1,000	1,002	1,436	1,322	1,405	Net profit margin (%)	5.43	4.39	3.31	3.77	3.77
Other current assets	86.4	51.3	105	95.3	93.1	Effective tax rate (%)	0.74	0.19	1.22	0.72	0.71
<b>Total current assets</b>	<b>2,127</b>	<b>2,641</b>	<b>2,798</b>	<b>2,951</b>	<b>3,294</b>	Sales growth (%)	(10.8)	35.9	23.5	(8.86)	12.1
PP&E	942	855	821	773	708	EBITDA adj. growth (%)	11.6	22.1	(33.0)	9.47	12.0
Intangible assets	2.32	3.69	3.64	3.58	3.53	Net profit adj. growth (%)	(10.2)	10.0	(7.03)	3.87	12.2
Investment properties	0	0	0	0	0	EPS growth (%)	(10.2)	10.0	(7.03)	3.87	12.2
Long-term investments	0	0	0	0	0	EPS adj. growth (%)	(10.2)	10.0	(7.03)	3.87	12.2
Associates/JVs	0	0	0	0	0	DPS growth (%)	(20.0)	0	0	0	0
Other long-term assets	285	275	396	369	389	Dividend payout ratio (%)	47.4	43.0	46.3	44.6	39.7
<b>Total long-term assets</b>	<b>1,229</b>	<b>1,134</b>	<b>1,222</b>	<b>1,146</b>	<b>1,100</b>	<b>Efficiency ratios</b>					
<b>Total assets</b>	<b>3,356</b>	<b>3,775</b>	<b>4,019</b>	<b>4,096</b>	<b>4,394</b>	Return on avg. equity (%)	14.0	14.5	12.6	12.2	12.8
Short-term debt	824	902	815	815	815	Return on avg. CE (%)	13.4	15.4	9.33	9.44	9.90
Accounts payable	106	118	149	144	154	Asset turnover (x)	1.60	1.94	2.19	1.92	2.06
Other current liabilities	172	258	320	282	323	Operating cash/EBIT (x)	0.71	1.66	(1.23)	1.36	1.03
<b>Total current liabilities</b>	<b>1,112</b>	<b>1,297</b>	<b>1,313</b>	<b>1,262</b>	<b>1,318</b>	Inventory days	79.4	59.4	68.7	69.3	65.6
Long-term debt	0.84	0.89	1.26	1.14	1.28	Accounts receivable days	39.1	21.9	27.2	29.5	26.1
Deferred tax	0	0	0	0	0	Accounts payable days	8.44	7.00	7.15	7.54	7.20
Other long-term liabilities	0	0	0	0	0	<b>Leverage ratios</b>					
<b>Long-term liabilities</b>	<b>0.84</b>	<b>0.89</b>	<b>1.26</b>	<b>1.14</b>	<b>1.28</b>	Net debt*/equity (%)	18.5	(7.37)	18.4	7.83	0.02
<b>Total liabilities</b>	<b>1,122</b>	<b>1,309</b>	<b>1,332</b>	<b>1,279</b>	<b>1,337</b>	Debt/capital (%)	24.7	24.3	20.8	20.2	19.0
Shareholders' funds	2,029	2,168	2,319	2,482	2,680	Interest coverage (x)	N/a	N/a	N/a	N/a	N/a
Minority interests	205	298	368	336	376	Debt/EBITDA (x)	1.85	1.68	2.28	2.07	1.86
<b>Total equity</b>	<b>2,234</b>	<b>2,466</b>	<b>2,688</b>	<b>2,818</b>	<b>3,057</b>	Current ratio (x)	1.91	2.04	2.13	2.34	2.50
<b>Total liabilities and equity</b>	<b>3,356</b>	<b>3,775</b>	<b>4,019</b>	<b>4,096</b>	<b>4,394</b>	<b>Valuation</b>					
BVPS (VND)	31,026	33,151	35,470	37,956	40,992	EV/sales (x)	0.54	0.32	0.33	0.33	0.27
Net debt/(cash)*	373	(175)	408	182	(16.8)	EV/EBITDA adj. (x)	6.19	4.07	7.66	6.43	5.30
						P/E (x)	8.68	7.89	8.49	8.17	7.28
						P/E adj. (x)	8.68	7.89	8.49	8.17	7.28
						P/B (x)	1.18	1.11	1.03	0.97	0.89
						Dividend yield (%)	5.46	5.46	5.46	5.46	5.46

Note: \*Excluding short-term investments.

Source: Company, HSC Research estimates

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### Explanation of Institutional Equity Research Ratings

Buy: Expected to rise by more than 20% on an absolute basis in the next 12 months

Add: Expected to rise by between 5% and 20% on an absolute basis in the next 12 months

Hold: Expected to rise or decline by less than 5% on an absolute basis in the next 12 months

Reduce: Expected to decline by between 5% and 20% on an absolute basis in the next 12 months

Sell: Expected to decline by more than 20% on an absolute basis in the next 12 months



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