

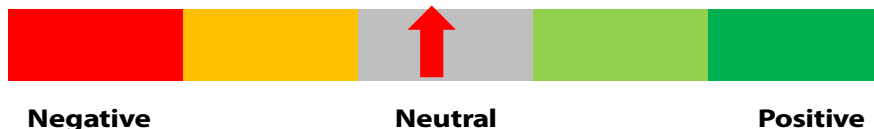
FISHERIES INDUSTRY

UNPREDICTABLE MOVEMENTS



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In 2024, the fisheries industry recovered from a low base with increased volume, while selling prices remained lower than the same period last year. In addition, high freight costs and the failure to receive anti-dumping duty refunds on shrimp in the US impacted the net margins of businesses in the industry.

***Moving into 2025**, the fisheries industry will face unpredictable movement due to US tariffs on various countries. However, **the pangasius industry** expects growth as increased volume and competitive selling prices compared to Tilapia and US Alaska pollock. **The shrimp industry** is expected to grow by maintaining its competitive advantage with value-added shrimp products and awaiting the final decision of the anti-dumping duty in US. **The gross margin** of fisheries businesses is expected to improve due to an estimated 4% YoY decrease in soybean prices, a slight 3-5% YoY increase in selling prices in VND (USD/VND exchange rate is estimated to increase by 3% YoY), and improved supply of raw shrimp and fish materials due to favorable weather conditions with moderate rainfall.*

*Businesses' operating results are expected to grow by double digits; however, valuations differ between businesses. Specifically, **VHC (ACCUMULATION, TP: VND 78,000/share)**, **FMC (ACCUMULATION, TP: VND 50,000/share)**, **ANV (Not rated)**.*

For the pangasius industry, the Chinese market faces many difficulties due to low consumer affordability, and the EU market faces high competition with Russian Alaska pollock. For the US market, volume growth depends on US tariffs on various countries. Based on the base case scenario for US tariffs in the VDSC's 2025 strategic report, we expect the following developments in the pangasius industry regarding US tariffs in 2025:

- According to the base case scenario, the US will impose a 25% tariff on all Chinese goods in Q2/2025 and impose tariffs/increased safeguard on Vietnam in the first half of 2026. For this scenario, we expect pangasius to increase its consumption volume market share by **1%** due to capturing 0.3% of the tilapia market share and 0.7% of the salmon market share after sharing part of the volume market share with domestic US Alaska pollock.
 - Tilapia has been subject to a 25% import tariff since 2019, so there will not be many price changes in this scenario. However, the tilapia market share is expected to gradually decrease as the tilapia price in 11M2024 is currently 44% higher than pangasius, and the tilapia market share has decreased from 14.12% to 11.49% during the period 2019-2023 after being subject to tariffs in 2019.
 - In 2025, we expect the salmon market share to decrease from 24% to the average of 2019-2023 at 23% as inflation remains high and the growth rate of employment and consumer spending slows down compared to 2024. Cumulative 11M2024, the market share of imported salmon has also decreased to 24.4% compared to 26.7% in 11M2023.

For the shrimp industry, US tariffs will not significantly impact the industry due to low domestically farmed shrimp volume in the US and low shrimp exports from China to the US. Therefore, we expect the market share in the US to increase due to Indonesia and India facing high anti-dumping duties and the expectation of anti-dumping duty refunds for shrimp businesses such as FMC. The Japanese market is expected to see volume growth due to maintaining competitive selling prices for value-added shrimp compared to Thailand.

- **Upside Risks:** Selling prices and volume increase more than expected as demand for inventory before tariffs take effect increases. Exchange rate increases more than expected.
- **Downside Risks:** Selling prices decrease more than expected due to a sudden increase in freight costs and an increase in raw fish prices affecting gross margins. Demand for imported salmon returns as the US economy improves.

Estimated export value with base case scenarios of US

Base case Scenario	Average Pangasius Price 11M2024	US Pollock Price 11M2024	Tilapia Price 11M2024	Estimated increase in Pangasius volume market share	Estimated volume increase (thousand tons, based on total US imports in 2023)	Estimated increase in value (million USD, based on selling price at 3 USD/kg)	Estimated increase in export value (compared to 2023)
25% tariff on China in Q2/2025 and Vietnam in the first half of 2026	3.21	3.36	4.63	1%	8	24	8.5%

Source: NOAA, RongViet Securities

According to the baseline scenario for US tariffs in the 2025 strategic report, we expect the following developments in the pangasius industry regarding US tariffs in 2025:

- Under the base scenario, the US imposes a 25% tariff on all Chinese goods in Q2/2025 and imposes tariffs/increased protective measures on Vietnam in the first half of 2026. For this scenario, the price of Tilapia remains unchanged as tilapia is currently subject to a 25% import tariff. Therefore, we expect pangasius to increase its volume market share by 1% by capturing 0.3% of the tilapia market share and 0.7% of the salmon market share and not having to share much market share with domestic US pollock while maintaining competitive selling prices.
 - The average price of tilapia in 11T2024 is currently 44% higher than Pangasius. Tilapia has been subject to a 25% import tariff since 2019, so there is not much change in price in this scenario. However, the market share of tilapia has decreased from 14.12% to 11.49% in the period 2019-2023 after being subjected to tariffs in 2019. Currently, in 11M2024, tilapia's market share has also decreased to 11.4%.
 - In 2025, we expect the salmon volume market share to decrease from 24% to the 2019-2023 average of 23% as inflation remains high and the growth rate of employment and consumer spending slows compared to 2024. In 2024, the market share of imported salmon also decreased from 26.7% to 24.4%.
 - Domestic US pollock (based on export price) averaged 11M2024 is currently 5% higher than Pangasius. The expected 5.8% increase in the supply of domestic US pollock will help pollock narrow the price gap, so pangasius may have to share some of the market share gained from salmon and tilapia.

PANGASIUSEXPECTED TO GRADUALLY CAPTURE TILAPIA'S MARKET SHARE IN THE US AS MAINTAINING COMPETITIVE PRICES

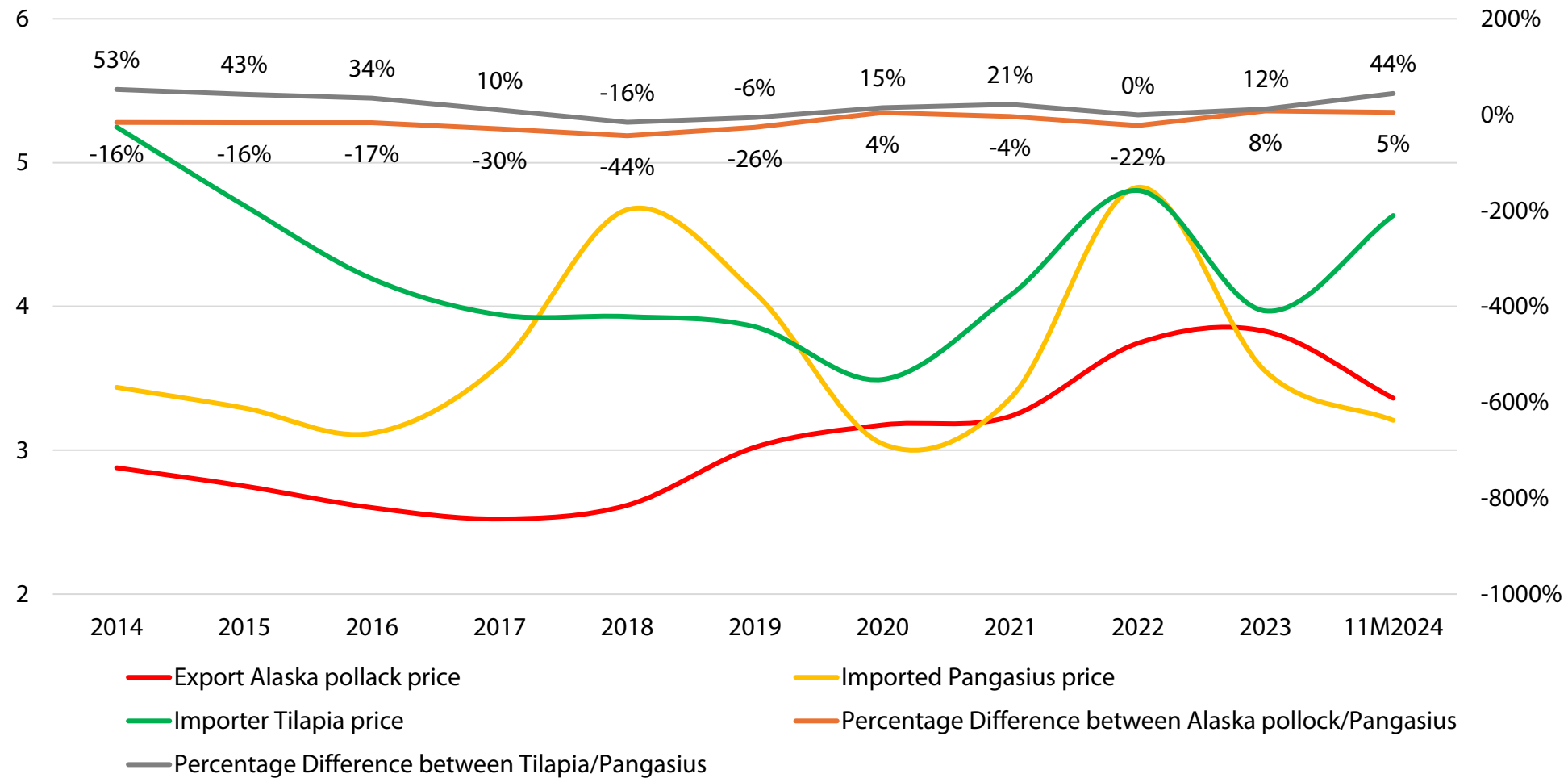
Fillet Fish Type (% volume market share)	2018	2019	2020	2021	2022	2023	11T2023	11T2024	% Volume Market Share Difference	Average Selling Price 11T2024 (USD/kg)
Fresh Atlantic Salmon	18.99%	21.20%	22.37%	23.45%	21.58%	26.77%	26.73%	24.45%	-2.28%	13.55
Frozen Pangasius	11.55%	7.09%	7.45%	12.88%	14.11%	10.29%	10.23%	14.14%	3.91%	2.88
Frozen Tilapia	15.34%	14.12%	14.94%	13.12%	11.62%	11.49%	11.54%	11.40%	-0.14%	4.41
Frozen Atlantic Salmon	5.74%	6.73%	8.10%	9.24%	9.73%	10.76%	10.83%	8.99%	-1.84%	14.70
Frozen Cod	6.60%	6.59%	6.18%	6.14%	6.25%	5.54%	5.61%	6.03%	0.42%	8.85
Frozen Tuna	4.27%	5.42%	4.27%	4.44%	5.24%	4.60%	4.56%	5.38%	0.82%	11.00
Frozen NSPF Salmon	5.29%	5.97%	6.39%	4.61%	4.31%	4.61%	4.59%	4.89%	0.30%	7.61
Frozen Ocean Fish	2.92%	3.08%	2.43%	2.93%	3.18%	3.28%	3.36%	3.45%	0.09%	12.55
Fresh Tilapia	2.69%	2.63%	2.84%	2.76%	2.63%	2.86%	2.88%	2.40%	-0.48%	7.96
Frozen Horse Mackerel	2.29%	1.55%	2.00%	2.53%	2.54%	2.26%	2.20%	2.28%	0.08%	9.75
Frozen Cod	2.18%	1.80%	1.71%	1.41%	1.95%	1.44%	1.44%	1.70%	0.26%	6.62
Alaska Pollock	1.68%	2.83%	2.08%	1.71%	2.03%	1.79%	1.79%	1.36%	-0.43%	3.32
Total Output (Million Tons)			754	778	827	913	735	730		
YoY				3%	6%	10%		-1%		

Source: NOAA, RongViet Securities

The expected long-term increase in Tra fish's market share is mainly due to gradually capturing tilapia's market share. Meanwhile, the decrease in salmon's market share in 2024 may rebound when the US economy grows strongly.

- Tilapia's market share has been declining in recent years since a 25% tariff was imposed in 2019. Tilapia's market share has decreased from 14.12% to 11.49% in the period 2019-2023.
- In 2024, Tra fish's market share increased strongly thanks to capturing additional market share from salmon besides tilapia as US consumers are unwilling to pay high prices for seafood products like salmon. Currently, pangasius prices are the lowest among the top 12 imported fillet fish in the US.

Prices of various fish fillets (USD/kg, left) and price difference of fish/Pangasius (% , right) in the US



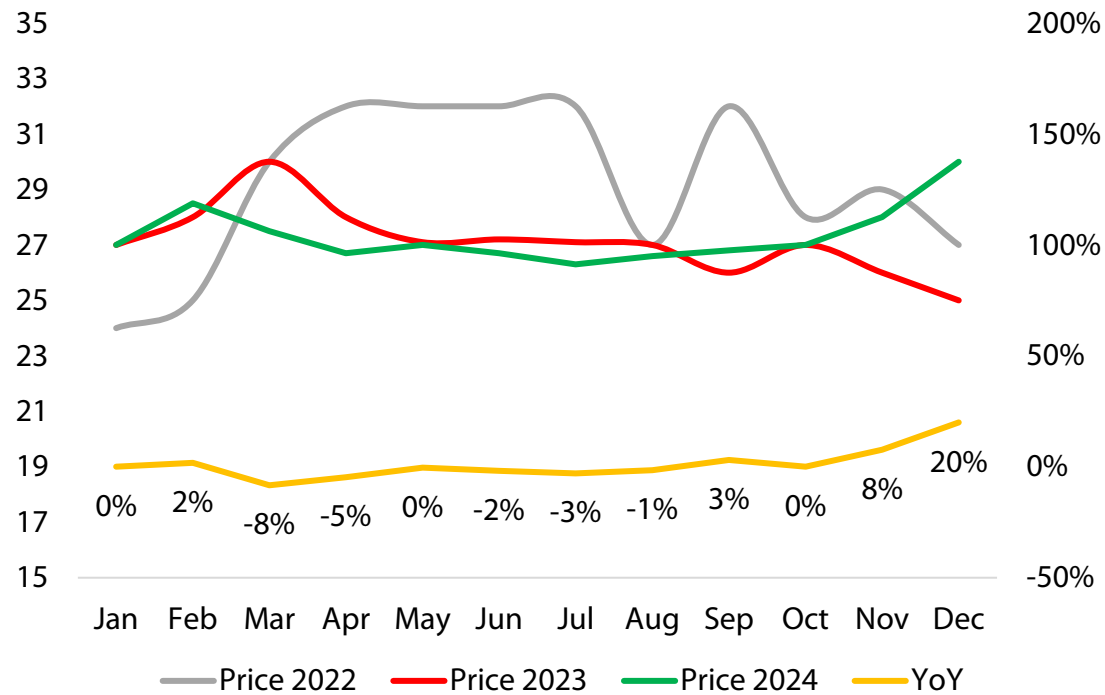
Source: ITC, RongViet Securities

	2019	2020	2021	2022	2023	11M2023	11M2024	Difference 11M2024 – 11M2023
Fish Fillet								
Pangasius Fillet	75.1%	75.8%	64.0%	76.0%	56.8%	58.3%	44.1%	-14.2%
Fish Meat	16.0%	17.2%	23.7%	13.5%	18.3%	18.0%	18.5%	0.5%
Alaska Fish	1.5%	1.3%	3.0%	3.1%	12.7%	12.2%	13.5%	1.4%
Total Imported Fish Fillet (tons)	278,310	276,463	166,774	263,427	187,213	174,436	175,403	
YoY		-1%	-40%	58%	-29%		1%	
Whole/Butterfly Fish								
Alaska Cod	27.1%	27.6%	23.7%	29.0%	24.4%	26.1%	23.5%	-2.6%
Other Fish	19.0%	21.3%	23.0%	22.6%	20.2%	19.6%	20.0%	0.4%
Anchovy	2.2%	3.3%	0.8%	0.6%	11.6%	10.3%	10.4%	0.1%
Salmon	6.0%	3.2%	5.0%	6.3%	6.4%	6.2%	3.6%	-2.6%
Pangasius	1.3%	1.4%	2.5%	2.5%	2.4%	2.4%	3.4%	1.0%
Total Imported Whole Fish (tons)	2,527,481	2,196,551	1,615,297	2,063,917	2,382,499	2,185,753	2,140,954	
YoY		-13%	-26%	28%	15%		-2%	

Source: ITC, RongViet Securities

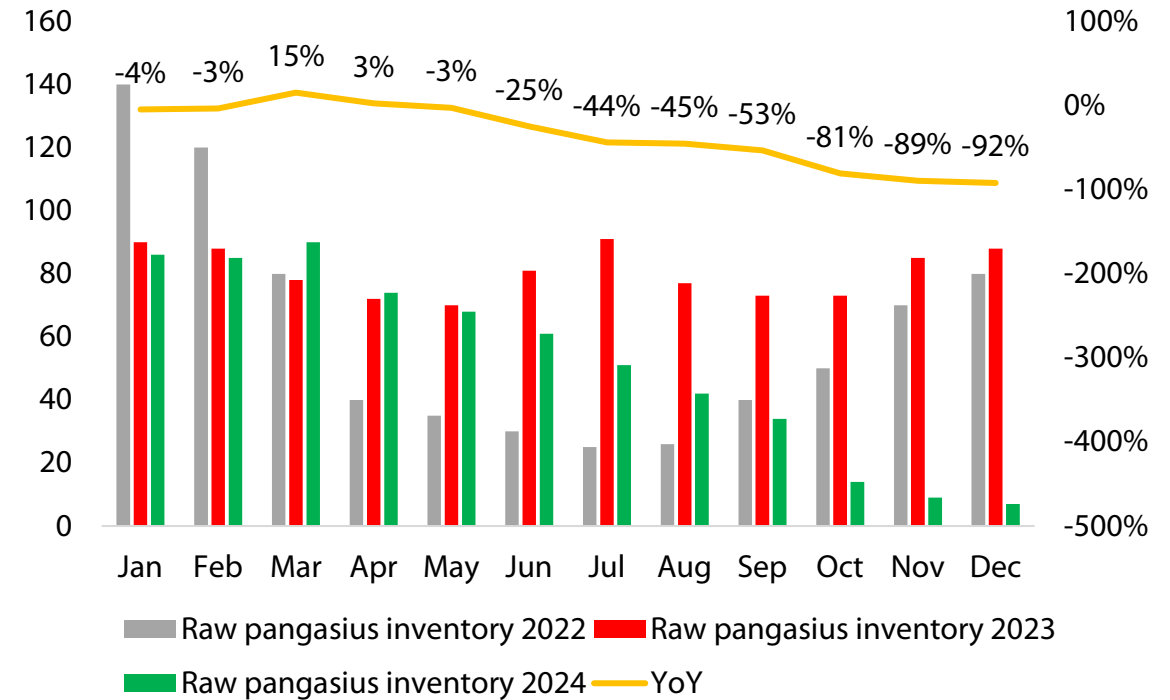
- Total import volume of Trafish in China is expected to increase in the whole/butterfly Trafish segment (main product of ANV), while the Trafish fillet segment is unlikely to see significant growth as the import market share of Trafish fillets is declining.

Raw Material Fish Price (thousand VND/kg, left) and YoY Growth (% , right)



Source: Agromonitor, RongViet Securities

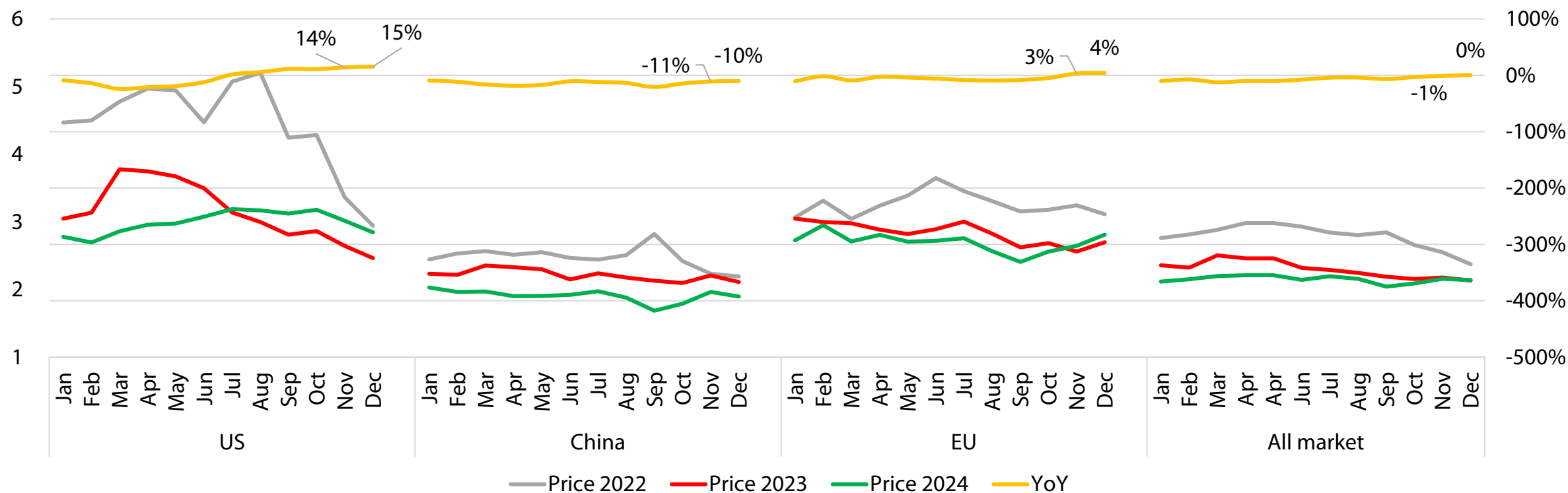
Raw material fish inventory (thousand tons, left) is at a low level



Source: Agromonitor, RongViet Securities

- The raw material pangasius price in November 2024 reached 30,000 VND/kg (+20% YoY) and is expected to gradually increase until March 2025 as Q1 supply is typically low.

Pangasius prices in various markets (USD/kg, left) and YoY growth (% , right)



Source: Agromonitor, RongViet Securities

- Pangasius prices in the Chinese and EU markets are expected to see a slight recovery year-on-year from a low base, while prices in the US market are expected to grow in line with the 2% inflation rate.

	Volume share (%)					Selling Price (USD/kg)			
	11M2021	11M2022	11M2023	11M2024	2023-2024 Growth	11M2021	11M2022	11M2023	11M2024
MARKET SHARE OF SHRIMP WARM-WATER PEELED FROZEN FARMED	23.2%	42.0%	46.0%	48.5%	2.5%				
INDIA	61.8%	56.9%	58.3%	58.6%	0.3%	8.7	8.8	7.4	7.2
ECUADOR	14.9%	21.3%	20.9%	21.4%	0.5%	8.6	8.1	7.0	7.0
INDONESIA	11.2%	13.3%	13.6%	11.2%	-2.3%	9.8	10.1	8.4	7.8
VIETNAM	9.0%	5.2%	4.8%	5.9%	1.0%	11.9	12.6	11.3	9.9
Total Market Share of 4 Countries	96.8%	96.8%	97.6%	97.1%					
MARKET SHARE OF SHRIMP FROZEN OTHER PREPARATIONS	13.6%	15.0%	13.8%	13.8%	0.0%				
INDIA	30.3%	40.4%	41.6%	40.5%	-1.2%	10.0	10.4	9.4	8.8
INDONESIA	28.2%	26.8%	26.6%	24.8%	-1.8%	10.0	10.9	9.2	9.1
VIETNAM	28.8%	21.8%	21.6%	21.8%	0.2%	11.1	12.3	10.6	10.5
THAILAND	8.8%	7.4%	5.3%	6.5%	1.3%	12.5	13.3	12.8	11.2
ECUADOR	1.6%	1.5%	3.2%	3.9%	0.7%	9.8	10.4	9.0	8.7
Total Market Share of 5 Countries	98%	98%	98%	97%					
MARKET SHARE OF SHRIMP BREADED FROZEN	7.0%	8.5%	7.5%	7.8%	0.3%				
INDONESIA	35.4%	36.9%	40.1%	41.1%	1.1%	6.1	6.5	6.2	5.9
VIETNAM	21.6%	23.8%	21.9%	29.1%	7.2%	7.9	8.9	8.8	8.5
THAILAND	21.4%	19.8%	21.0%	11.8%	-9.2%	9.9	10.4	10.6	9.9
ECUADOR	7.7%	10.3%	7.9%	6.2%	-1.7%	7.5	8.5	8.5	8.3
Total Market Share of 4 Countries	86.0%	90.8%	90.8%	88.2%					
Total Import Volume (thousand tons)	809	779	723	696					
YoY volume		-4%	-7%	-4%					

Source: NOAA, RongViet Securities

- Vietnam's shrimp export market share to the US increased due to maintaining lower prices than Thailand in the breaded shrimp segment and benefiting from higher anti-dumping and countervailing duties imposed on competitors. Additionally, Indonesian shrimp products were returned due to bacterial contamination. In the first 11 months of 2024, the FDA rejected 34 orders due to Salmonella contamination/impurity, with Indonesia accounting for the most at 15 orders.

	Main Anti-Dumping			Countervailing Duty	
Review Period	01/02/2022-31/01/2023	01/02/2022-31/01/2023	01/10/2022-30/09/2023	01/01/2022-31/12/2022	01/04/2022-31/3/2023
Vietnam	31 companies: 0%, remaining 118 companies: 25.76%			2.84%	
Ecuador	0%			3.78%	
India	2.49%				5.77%
Indonesia	3.9%				2 businesses below 1%, the rest 0%

Source: Federal, RongViet Securities

- Vietnam currently benefits from lower anti-dumping (AD) and countervailing duty (CVD) tariffs in the US compared to competing countries. However, the imposition of countervailing duties in 2024 impacted the profitability of shrimp businesses in the US, as they were ineligible for AD duty refunds and had to pay additional CVDs.
 - In 2024, the US Department of Commerce (DOC) imposed a 2.84% countervailing duty on Vietnam. The imposition of countervailing duties led to the postponement of the anti-dumping duty determination for the 2023-2024 period (POR 20) to 2025. Therefore, Vietnamese businesses exporting shrimp to the US, such as FMC, had to account for countervailing duties and were not eligible for AD duty refunds in 2024.

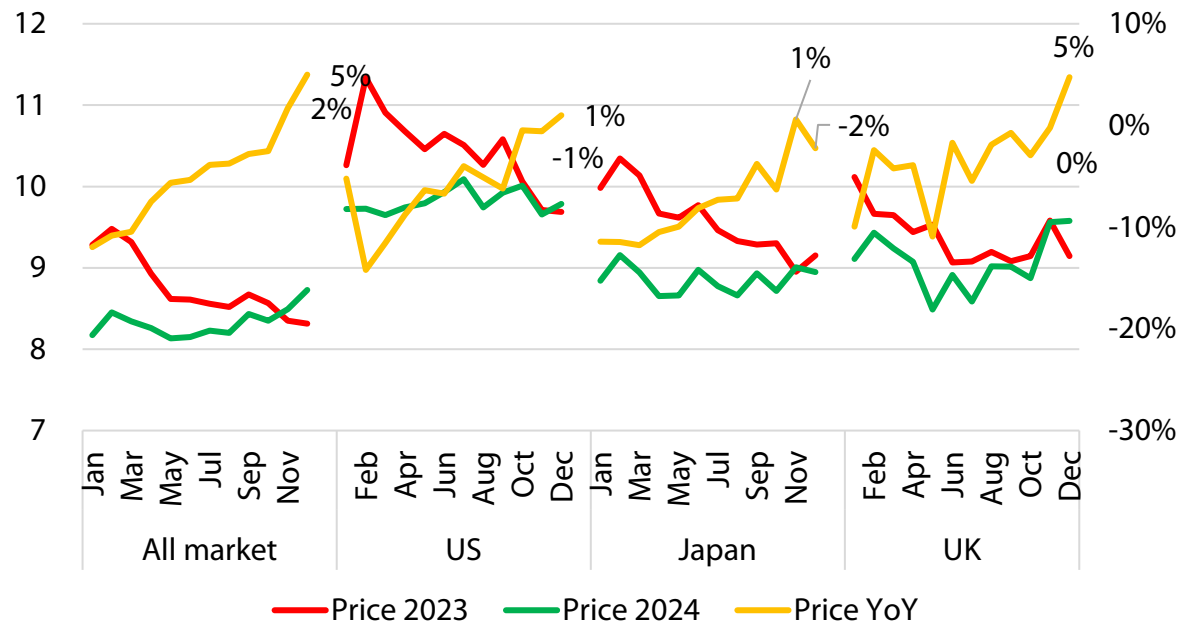
	Consumption volume market share (%)								Selling Price (USD/kg)		
	2019	2020	2021	2022	2023	10M2023	10M2024	Difference 10M2023- 10M2024	10M2023	10M2024	Difference 10M2023- 10M2024
Processed Shrimp											
India	26.5%	27.2%	28.8%	25.4%	28.7%	30.1%	30.8%	0.7%	7.54	7.20	-4.5%
Indonesia	16.4%	16.9%	16.6%	17.8%	18.4%	19.0%	18.7%	-0.3%	10.07	9.32	-7.4%
Viet Nam	21.5%	20.8%	18.8%	18.7%	17.8%	17.6%	19.5%	1.9%	11.57	10.19	-11.9%
Argentina	11.3%	12.1%	11.1%	11.4%	10.2%	8.2%	12.8%	4.6%	10.87	8.37	-23.0%
Thailand	7.5%	6.0%	6.1%	6.7%	6.1%	6.4%	6.0%	-0.4%	9.78	9.93	1.6%
Ecuador	1.1%	1.9%	2.7%	4.5%	5.4%	5.2%	11.9%	6.7%	7.84	6.76	-13.8%
Total Imported Processed Shrimp (thousand tons)	144	138	147	145	130	104	118				
YoY		-4%	7%	-1%	-10%		14%				
Value-Added Processed Shrimp											
Thailand	39.4%	34.7%	36.3%	37.7%	38.7%	38.4%	36.5%	-1.9%	10.61	10.01	-5.6%
Viet Nam	36.5%	39.4%	36.6%	35.6%	35.1%	32.8%	36%	3.4%	11.22	9.73	-13%
Indonesia	12.4%	13.5%	15.3%	16.4%	14.5%	14.6%	13.1%	-1.5%	9.48	9.31	-1.8%
Total Imported Value-Added Shrimp (thousand tons)	66	62	62	68	60	48	49				
YoY Change		-6%	1%	9%	-12%		3%				

Source: ITC, RongViet Securities

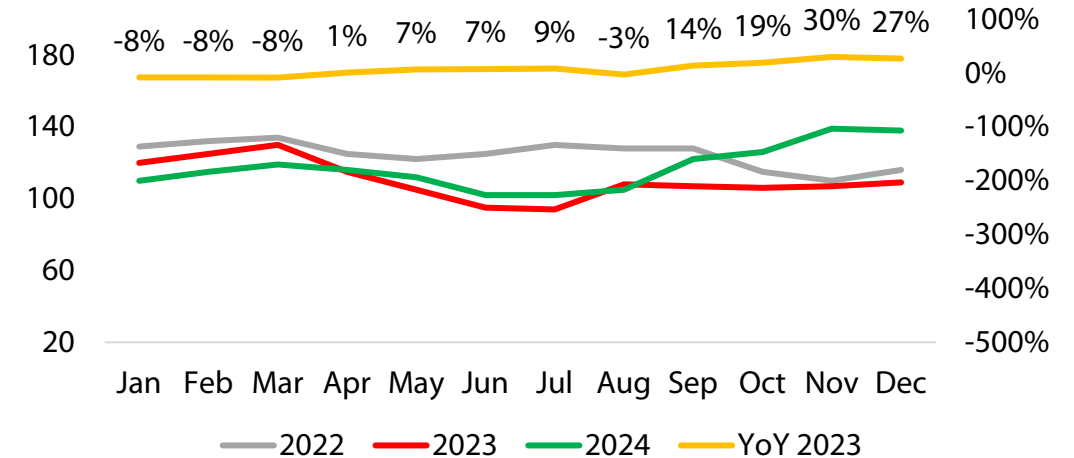
- Vietnam's shrimp market share in Japan increased due to selling value-added processed shrimp cheaper than Thailand and selling higher quality products than Indonesia.

- The selling price of whiteleg shrimp in most markets is lower than the same period last year. The selling price of whiteleg shrimp in 2025 is expected to increase slightly by 1% in major markets.
- The price of raw whiteleg shrimp has increased recently. However, we expect the selling price of raw shrimp will not increase significantly next year due to favorable weather conditions.

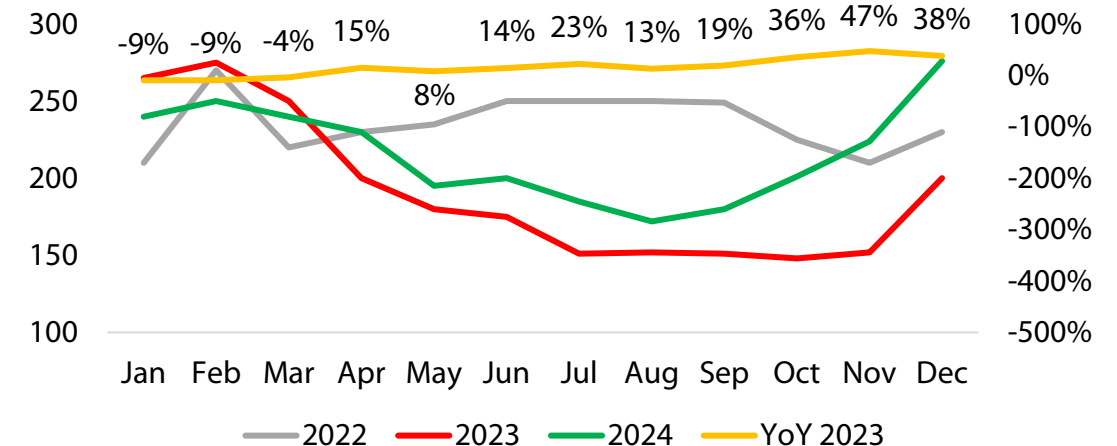
Selling Price of Whiteleg Shrimp (USD/kg, left) in various markets



Raw Whiteleg Shrimp Price (thousand VND/kg, left) and Growth (right)



Raw Black Tiger Shrimp Price (thousand VND/kg, left) and Growth (right)



Ticker	Market Cap. (USD mm)	3M.daily turnover AVG. (USD mn)	Current P/E (x)	Current P/B (x)	Trailing 12 M ROE (%)	Target price	Market price as of 01/10/25	Expected return	2023A		2024E		2025F		Revenue Growth		NPAT Growth	
									EPS	BVPS	EPS	BVPS	EPS	BVPS	2024E	2025F	2024E	2025F
VHC	575	54,080	15.77	1.68	10.40%	78,000	65,000	20.00%	4,165	37,190	5,336	43,836	7,131	49,279	24.60%	12.30%	33.60%	33.60%
ANV	190	33,977	93.05	1.69	1.30%	N.R	18,100	n.a	146	10,575	401	15,974	851	17,131	4.91%	10.03%	155.69%	112.15%
IDI	81	4,957	238.77	0.63	0.70%	N.R	7,530	n.a	212	11,888	n.a	n.a	n.a	n.a	N.R	N.R	N.R	N.R
FMC	116	1,961	10.65	1.43	13.90%	50,000	45,050	11.00%	4,121	31,026	4,693	40,890	5,776	45,923	36%	13%	11%	23%
CMX	30	1,641	12.39	0.66	4.60%	N.R	7,570	n.a	479	11,141	n.a	n.a	n.a	n.a	N.R	N.R	N.R	N.R

Source: Bloomberg, RongViet Securities. Data retrieved as of January 10, 2025.

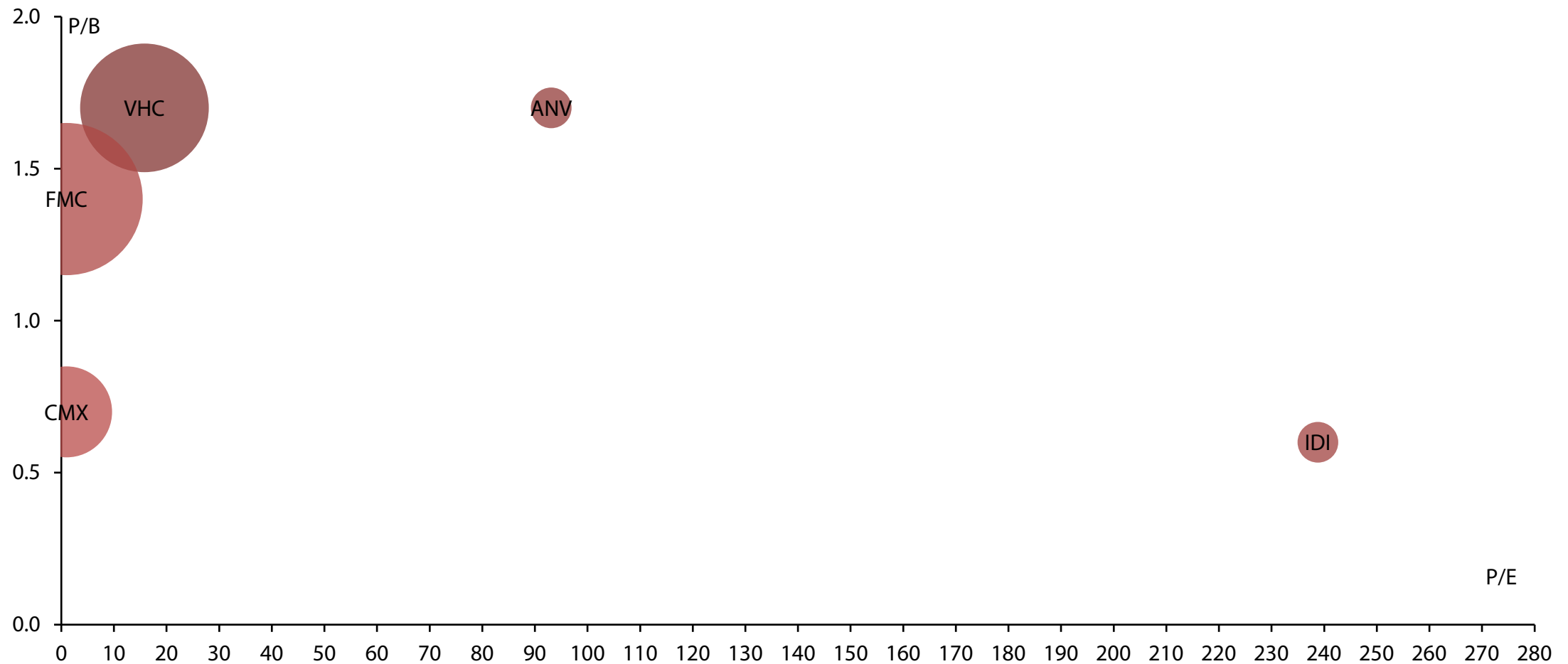
For stocks in the recommendation portfolio: Forward ROE, ROA, P/B, and P/E are projected based on the 2025 profit forecast.

For stocks under our coverage: Results are updated based on data from the most recent four quarters.

N.R: Not Rated

N.A: Not Available or No Projection

NPAT: Net profit attributable to parent company shareholders

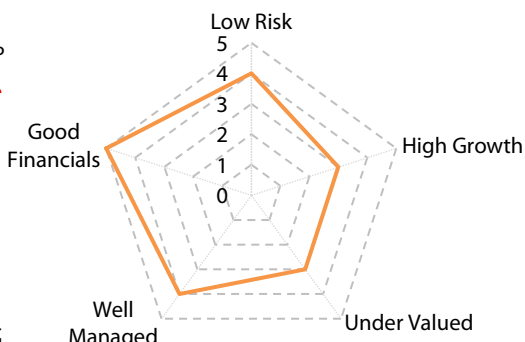
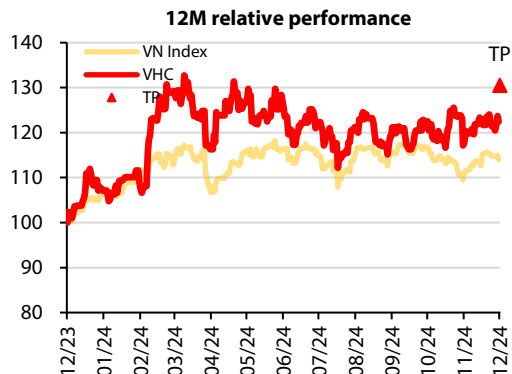


Source: FiinGroup, RongViet Securities. The bubble size corresponds to the respective ROE. Stock prices as of January 15, 2025

ACCUMULATE: 20%

MP: 65,000

TP: 78,000



STOCK INFO

Sector	Food & Beverage
Market Cap (USD Mn)	575
Current Shares O/S (Mn shares)	224
3M Avg. Volume (K)	727
3M Avg. Trading Value (VND bn)	53
Remaining foreign room (%)	71,5
52-week range ('000 VND)	62.6 - 82.2

FINANCIALS

	2023A	2024F	2025F
Revenue (VND bn)	10,039	12,506	14,047
NPATMI (VND bn)	897	1,198	1,601
ROA (%)	7.7	8.8	10.9
ROE (%)	10.7	12.2	14.5
EPS (VND)	4,880	5,336	7,131
Book Value (VND)	45,801	43,836	49,279
Cash dividend (VND)	0	4,000	2,000
P/E (x)	12.7	13.7	10.3
P/B (x)	1.4	1.7	1.5

INVESTMENT RATIONALES

Revenue Growth Continues Driven by Pangasius and C&G Segments

Revenue from the pangasius segment increased by 11.8% YoY, mainly due to capturing market share in the Tilapia segment in the US and maintaining a slight increase in selling price by 2.7% YoY. The current selling price of pangasius, being lower than other fish types, continues to provide a competitive advantage in the US.

Revenue from the C&G segment is expected to rise by 17.9% YoY, driven by a 15% YoY increase in consumption volume (equivalent to a 65% utilization rate of the 5,000-ton capacity) while selling prices edge up by 2% YoY. The consumption volume increase is attributed to

- VHC planning to operate its full 5,000 ton capacity in 2025 and further expand capacity from 5,000 tons to 7,000 tons during 2025–2027, leveraging unused fish skin resources.
- This export volume remains modest, accounting for only 0.1% of global C&G imports.

Gross Margin Improvement Over Time:

- The 2025 gross margin is projected to improve by 300bps YoY, primarily due to a 3% YoY decrease in raw fish prices, driven by a 4% YoY decline in soybean prices, while selling prices increase slightly by 2.7% YoY.
- During 2026–2028, the C&G segment and the Sa Giang segment, both of which have higher gross margins than pangasius, are expected to drive gross margin growth as their contribution to total revenue gradually increases.

RISKS TO OUR CALL

- Import tariffs in the US are expected to affect the company's business performance.
- Gross margin declines as higher export volumes result in increased reliance on external raw fish procurement.

	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F
Export value (Million USD)	208	264	369	242	266	296	317	335	348
YoY		27%	40%	-34%	10%	11%	7%	6%	4%
Export volume (Thousand tons)	73	85	89	74	93	101	106	110	112
YoY		17%	5%	-16%	25%	8%	5%	4%	2%
Pangasius price (USD/kg)	2.9	3.1	4.1	3.3	2.8	2.9	3.0	3.0	3.1
YoY		8%	33%	-21%	-13%	3%	2%	2%	2%

Source: VHC, Agromonitor, RongViet Securities

- Export volumes increased due to gaining market share in Tilapia and marine fish.
- The inventory-to-revenue ratio for F&B in the U.S. remains at an average level.
- Selling prices are expected to rise slightly next year and remain stable in line with the 2% annual inflation rate starting from 2026.

Financial metrics table of VHC

Ending	FY2021	FY2022	FY2023	FY2024F	FY2025F	FY2026F
Revenue (billion VND)	9,060	13,464	10,076	12,506	14,047	15,212
<i>Pangasius</i>	6,054	8,633	5,776	6,521	7,293	7,853
<i>Collagen</i>	642	885	724	959	1,131	1,275
<i>Sa Giang</i>	384	444	455	802	891	967
<i>Others</i>	1,981	3,502	3,121	4,224	4,732	5,117

YoY (%)

<i>Revenue</i>	28.66%	46.13%	-24.17%	24.65%	12.32%	8.30%
<i>NPATMI</i>	52.78%	79.64%	-53.50%	30.42%	33.64%	16.95%

Profitability ratio (%)

<i>Gross profit margin</i>	19.39%	22.49%	14.88%	15.18%	18.14%	19.34%
<i>NPAT-MI margin</i>	12.14%	14.93%	9.15%	9.58%	11.40%	12.31%
<i>ROE</i>	18.68%	25.67%	10.69%	12.17%	14.47%	14.93%

Leverage ratio (%)

<i>Total debt/Equity</i>	32.66%	33.57%	28.06%	26.23%	22.76%	18.27%
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Source: RongViet Securities

Combining the two methods, **long-term DCF and short-term SoTP**, with an equal weighting of 50:50, the target stock price for VHC over the next year is **determined to be 78,000 VND/share**.

Target price

Method	Portion	
FCFF	50%	85,412
SoTP	50%	70,661
Target price (round)		78,000
P/E target (2025)		10.9
Upside		+6.4%

Source: RongViet Securities

Long-term valuation as FCFF method

WACC	Exit EV/EBITDA					
		5.3	6.3	7.3	8.3	9.3
	9%	77,314	87,030	96,746	106,462	116,178
	11%	72,765	81,798	90,830	99,863	108,896
	13%	68,595	77,004	85,412	93,820	102,229
	15%	64,767	72,604	80,441	88,278	96,115
	17%	61,247	68,561	75,874	83,187	90,500

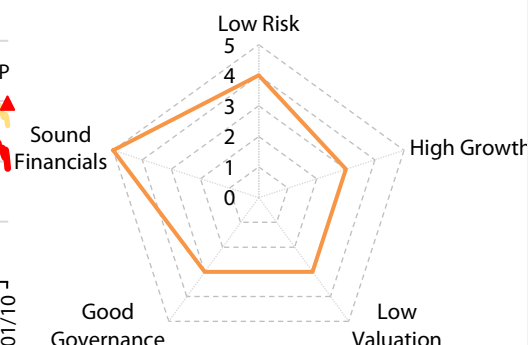
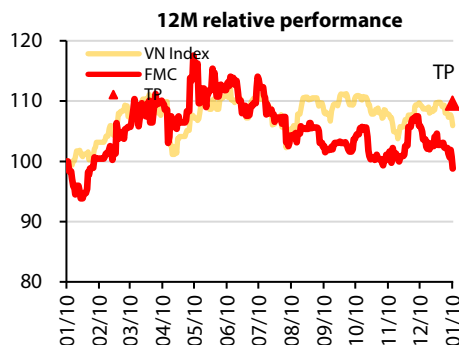
Source: RongViet Securities

ACCUMULATION: +11%

MP: 45.000

TP: 50.000

STOCK INFORMATION



Sector	Food & Beverage
Market Cap (USD Mn)	116
Current Shares O/S (Mn shares)	65
3M Avg. Volume (K)	42
3M Avg. Trading Value (VND bn)	2
Remaining foreign room (%)	19,1
52-week range ('000 VND)	42.5 - 55

FINANCIALS	2023A	2024F	2025F
Revenue (billion VND)	5,087	6,913	7,806
NPATMI (billion VND)	276	307	398
ROA (%)	8.2	8.4	9.2
ROE (%)	12.4	11.5	12.6
EPS (VND)	4,222	4,679	6,093
BVPS (VND)	34,167	40,884	46,074
Cash Dividend (VND)	2,000	2,000	2,000
P/E (x)	14.4	10.6	8.6
P/B (x)	1.3	1.2	1.1

INVESTMENT HIGHLIGHTS

Anti-dumping tax refunds will significantly boost NPATMI growth.

In 2025, NPATMI will significantly increase, mainly due to the 41 billion VND anti-dumping tax refund for period 19 (equivalent to 11% of 2025 NPAT) in Q3/2025. NPATMI in 2025 without the tax refund is estimated at 336 billion VND (+10% YoY).

In 2024, the US Department of Commerce (DOC) decided to impose a 2.84% anti-subsidy duty on Vietnam and postponed the preliminary decision on anti-dumping duties for the 2023-2024 period (POR 20) to March 2025. Therefore, FMC had to account for the provision for anti-subsidy tax and could not receive the CBPG tax refund in 2024, unlike the 2020-2023 period. In 2025, FMC has a high probability of receiving a tax refund as shrimp prices are higher than those of major countries and the company has experience in handling taxes, having become a compulsory defendant in the CBPG tax investigation.

The performance of the main business segment did not experience significant fluctuations, maintaining competitive shrimp prices compared to other competitors in the value-added shrimp segment.

Revenue growth is mainly driven by the shrimp segment, while the agricultural products segment remains at 5% of total revenue.

- Shrimp export volume increased thanks to capturing market share from **Thai competitors in Japan** with competitive prices and from **Indonesian competitors in the US** due to high-quality value-added products, similar to 2024.
- Price increases are mainly due to the US market, while prices in other markets have slightly recovered by 1% from a low base. This is lower than the World Bank's estimated growth of 4% YoY.
- The revenue structure in 2025 is similar to that of 2024, with revenue from the US/Japan/EU markets expected to reach 34%/36%/7%.

Gross profit increased slightly by 20 bps YoY due to a slight 3,8% increase in selling prices in VND, while raw shrimp costs increased slightly by 3,1% due to higher raw shrimp selling prices with low shrimp inventory levels.

RISKS TO RECOMMENDATION

- Export volume decreases more significantly than projected due to loss of market share to other countries.
- High raw shrimp prices negatively impact gross profit margin.

Table 1: FMC Business Performance Projection

	2022	2023	2024F	2025F	2026F	2027F	2028F
Export Turnover (million USD)	234.46	206.76	250.86	275.19	303.16	331.02	358.41
YoY	7%	-12%	21%	10%	10%	9%	8%
Export Volume (thousand tons)	18,054	17,342	22,032	23,991	26,214	28,567	30,851
YoY	1%	-4%	27%	9%	9%	9%	8%
Average Shrimp Selling Price (USD/kg)	12.754	11.923	11.386	11.47	11.565	11.588	11.618
YoY	6%	-7%	-4%	0.7%	0.8%	0.2%	0.3%

Source: FMC, RongViet Securities

Table 2: FMC's Anti-Dumping Duty (AD) Refunded Over the Years

	2020	2021	2022	2023	2024	2025
Net Profit After Tax (billion VND)	226	267	309	276	280	373
AD Refunded in the Year	23	42	44	48	0	42
Ratio of AD Duty Refunded to NPATMI	10%	16%	14%	17%	0%	11%

Source: Bloomberg, RongViet Securities

- Export volume increases thanks to maintaining high-quality value-added shrimp products and competitive prices in the US and Japan.
- Selling prices increase slightly in 2025 due to a low base and lower than the World Bank's estimated selling price increase of 4.6% YoY, as competition remains high.
- FMC's anti-dumping duty (AD) in the US is expected to be refunded next year due to higher selling prices than competitors and experience in tax handling.

FMC Financial Ratio Table

Year-end - T12	FY2021	FY2022	FY2023	FY2024F	FY2025F	FY2026F
Revenue (billion VND)	5.199	5.702	5.087	6.920	7.814	8.650
<i>Shrimp</i>	5.048	5.488	4.928	6.219	7.026	7.779
<i>Agriculture</i>	151	214	159	153	168	185
YoY Growth (%)						
<i>Revenue</i>	17,75%	9,66%	-10,77%	36,02%	12,92%	10,70%
<i>NPATMI</i>	18,18%	15,72%	-10,66%	11,10%	30,19%	15,24%
Profitability (%)						
<i>Gross Profit Margin</i>	10,18%	10,97%	9,69%	10,36%	11,21%	11,37%
<i>Net Profit Margin</i>	5,14%	5,42%	5,43%	4,43%	5,11%	5,32%
<i>ROE</i>	13,51%	14,60%	12,36%	11,47%	13,24%	13,63%
Financial Structure (%)						
<i>Total Debt/Equity</i>	26,78%	29,20%	33,43%	25,59%	23,33%	17,27%

Source: Bloomberg, RongViet Securities

Combining two methods, **DCF for long-term and target P/E for short-term** with a 50:50 weighting, the target share price for FMC in the next year is determined at **VND 50,000/share**.

Target Price

Method	Ratio	
FCFF	50%	25.168
SoTP	50%	24.886
Target Price (rounded)		50.054
Target P/E (2025)		8.75
Upside		11%

Source: RongViet Securities

Long-Term Valuation Table using FCFF Method

WACC	EV/EBITDA					
		4.6	5.6	6.6	7.6	8.6
	11.9%	41.968	48.113	54.257	60.401	66.545
	12.9%	40.489	46.368	52.246	58.124	64.003
	13.9%	39.084	44.710	50.336	55.962	61.588
	14.9%	37.749	43.135	48.522	53.909	59.295
	15.9%	36.479	41.638	46.797	51.957	57.116

Source: Bloomberg, RongViet Securities

NOT RATED

MP: 18,000

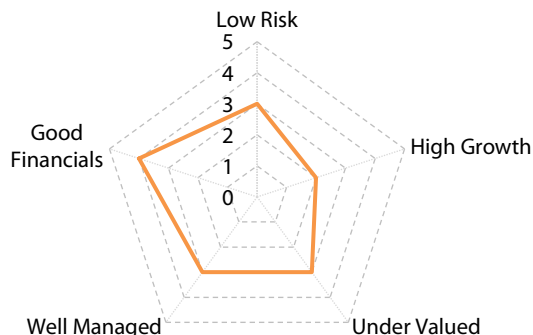
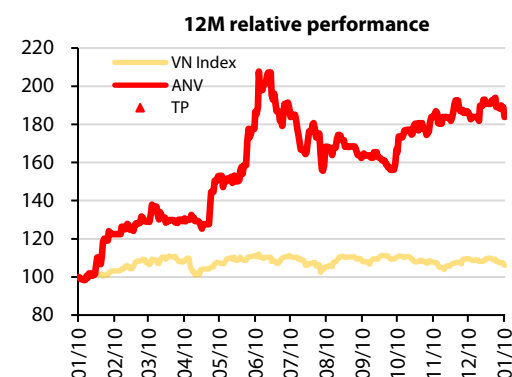
TP: N/A

STOCK INFORMATION

Sector	Food & Beverage
Market Cap (USD Mn)	195
Current Shares O/S (Mn shares)	266
3M Avg. Volume (K)	1,796
3M Avg. Trading Value (VND bn)	34
Remaining foreign room (%)	47.8
52-week range ('000 VND)	14,08 - 21,35

FINANCIALS

	2023A	2024F	2025F
Revenue (billion VND)	4,439	4,657	5,124
NPATMI (billion VND)	39	107	227
ROA (%)	0.76	1.72	3.37
ROE (%)	1.36	2.49	4.75
EPS (VND)	290	401	851
BPS (VND)	21,346	15,974	17,131
Cash Dividend (VND)	1,000	500	500
P/E (x)	106.1	44.9	21.1
P/B (x)	1.5	1.13	1.05



INVESTMENT THESIS

2025 expects profit growth due to improved gross margin while pangasius exports grow weakly

2025 revenue is estimated to increase mainly due to a 6% YoY increase in consumption while selling prices increase slightly by 2% over a low base.

- Consumption volume increases due to market share gains in other fish types such as salmon in the **butterfly/cut fish segment**, but it is difficult to increase significantly compared to 2024 (+12% YoY) as the Chinese economy is expected to grow slower than in 2024.
- Selling prices are likely to increase slightly above the low base as ANV's selling prices have continuously decreased since 2022. ANV's average selling price in 2024 decrease by 9% YoY as Agromonitor.

Gross margin in 2025 improves by 280bps YoY mainly due to a 2% YoY decrease in the price of self-raised raw fish due to a 4% YoY decrease in soybean prices while selling prices increase slightly by 2%.

ANV's C&G segment is not really promising as Amicogen's consumption demand is still low, equivalent to 800 tons of C&G in phase 1. The current C&G consumption volume has filled the capacity of phase 1, but the business has no intention of expanding.

RISKS TO RECOMMENDATION

- Import tariffs in the US will affect the company's business results.
- The Chinese market recovers slower than expected.



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