

03/05/2024

RECOMMENDATION	BUY
Fair price	55,100
Current price	49,400
Upside/downside	11%

#### STOCK INFORMATION

Outstanding shares (mil)	65.39
Free float (mil)	13.08
Market cap. (billion VND)	3,230.21
3m avg. volume (shares)	93,940
Foreign ownership (%)	31.78%
First listing date	12/07/2006

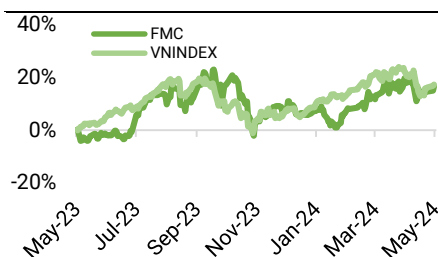
#### SHAREHOLDER STRUCTURE

The PAN Group JSC	37.75%
C.P. Vietnam Livestock Corp	24.90%
Ben Tre Aquaproduct Import and Export JSC	12.37%
Others	24.98%

#### KEY ATTRIBUTES

TTM EPS (VND)	4,315
BVPS (VND)	31,026
Debt/Equity (%)	36.89%
ROA (%)	9.14%
ROE (%)	14.26%
P/E	11.50
P/B	1.59
Dividend yield (%)	4.05%

#### PRICE PERFORMANCE



#### COMPANY PROFILE

FMC was established in 1996 with the main business is Processing and exporting shrimp products, accounting for more than 96% of revenue. The company's main products are fresh shrimp, Nobashi shrimp, breaded shrimp, steamed shrimp with traditional consumption markets are Japan and the US.

#### ANALYST(S)

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## ON THE PATH TO RECOVERY

- In 1Q2024, FMC recorded very positive financial results with Net Revenue increasing by 44.8% YoY to VND 1,461 bn and PBT increasing by 13.4% YoY to VND 57 bn, achieving 28% and 18% respectively compared to the year plan.
- We believe that FMC has good growth prospects in 2024 based on (1) benefiting from the recovery of the entire fishery industry, (2) continuing to focus on processed product segments that have advantages over other competitors, (3) increasing the proportion of exports to Japan with better profit margins and lower shipping costs compared to the US, (4) being supported by free trade agreements such as VJEPA, RCEP, CPTPP.
- We maintain a **BUY** recommendation with a fair price for FMC at 55,100 VND/share, corresponding to potential upside of 11% compared to the current price.

### 1Q2024 Business results

At the end of 1Q2024, FMC recorded a 44.8% YoY increase in Net Revenue to VND 1,461 bn, and a 13.4% YoY increase PBT to VND 57 bn, achieving 104% and 95% respectively compared to our previous forecast. In our observation, the first quarter is not the peak period of FMC's business activities, but it has already achieved 28% of the revenue target and 18% of the profit target. However, due to the off-season farming season and a decrease in shrimp selling prices, the Gross Profit Margin decreased by 140 basis points compared to the same period last year to 6.6%.

### 2024F Business plan

For 2024F, FMC has set a rather cautious business plan with Net Revenue and PBT expected to increase by 2% YoY and 4.9% YoY to VND 5,187 bn and VND 320 bn, respectively. The integrated shrimp consumption volume is projected to be 19,000 tons (+9.6% YoY) and agricultural product consumption volume is expected to be 1,400 tons (+2.5% YoY).

Additionally, FMC plans to continue increasing the proportion of exports to Japan, reducing exports to the US, and gradually entering the China.

Dividend policy: FMC plans to pay cash dividends for both 2023 and 2024, maintaining them at 20% of face value, equivalent to 2,000 VND/share (corresponding to a dividend yield of 4.1%).

Table 1: Financial Indicators

	2021A	2022A	2023A	2024F	2025F
Net Revenue (VND bn)	5,199	5,702	5,087	5,604	5,944
Net Profit (VND bn)	287	321	302	318	343
Gross Profit Margin (%)	10.2%	11.0%	9.7%	10.3%	10.6%
ROA (%)	10.6%	10.7%	9.0%	9.5%	9.9%
ROE (%)	14.5%	15.2%	13.5%	13.1%	13.0%
Dividend (%)	20%	20%	20%	20%	20%

Source: PHS compiled and forecasted