

04/07/2024

**RECOMMENDATION** **HOLD**

Fair price	35,300
Current price	33,400
Upside/downside	6%

**STOCK INFORMATION**

Outstanding shares (mil)	133.13
Free float (mil)	46.59
Market cap. (billion VND)	4,459.78
3m avg. volume (shares)	1,592,841
Foreign ownership (%)	0.79%
First listing date	07/12/2007

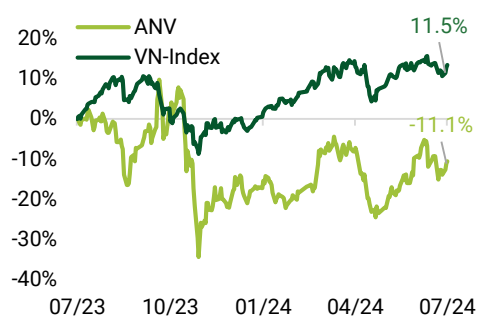
**SHAREHOLDER STRUCTURE**

Doan Toi	53.94%
Doan Chi Thanh	12.89%
Others	33.17%

**KEY ATTRIBUTES**

TTM EPS (VND)	253
BVPS (VND)	21,519
Debt/Equity (%)	77%
ROA (%)	0.33%
ROE (%)	0.59%
P/E	132.65
P/B	1.6
Dividend yield (%)	2.99%

**PRICE MOVEMENT**



**COMPANY PROFILE**

Nam Viet Corporation (HSX: ANV) was established in 1993 with main business function was in civil and industrial construction. In the year 2000, the company decided to expand its business scope into the seafood processing sector. This expansion began with the construction of the My Quy Frozen Seafood Factory, with a total initial investment of VND 30.8 billion, specializing in the processing and export of frozen pangasius and basa fish.

**ANALYST(S)**

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**ANNUAL GENERAL MEETING 2024**

- At the end of 1Q2024, ANV continued to report less positive business results with Net Revenue down 12% YoY to VND 1,016 bn and NPAT down 81.7% YoY to VND 16.9 bn. The rapid increase in raw fish prices outpaced the selling price, resulting in a Gross Profit Margin decline to 10.0%.
- We believe that ANV may continue to face challenges with export pangasius prices as the export price to China is expected to continue declining this year, while growth in the US is insufficient to compensate. Nonetheless, pangasius export volume is projected to increase by 5% YoY as the company boosts exports to the US. Due to the sluggish recovery in pangasius demand in China, exacerbated by the large volume of Russian pollock in China, and with the expectation that export pangasius prices would remain equivalent to last year, we adjust our 2024 Net Revenue forecast for ANV down by 5% to VND 4,535 bn (+2.2% YoY) and reduce our NPAT forecast by 44% to VND 145 bn (+269.0% YoY).
- We revise our recommendation from **BUY** (as per the Fishery Sector Strategy Report published in Dec 2023) to **HOLD** with a fair price for ANV at VND 35,300/share, corresponding to a potential upside of 6% compared to the current price.

**1Q2024 Business results**

At the end of 1Q2024, ANV still recorded disappointing business results with Net Revenue down 12% YoY to VND 1,016 bn and NPAT down 81.7% YoY to VND 16.9 bn. In 1Q2024, the national average export price of pangasius decreased by 10.5% YoY, while the price of raw pangasius continuously increased from the end of last year due to the resurgence of export activities, which was the main reason for the negative impact on the GPM of most fishery companies. Accordingly, ANV's GPM decreased by 760 basis points to only 10.0%.

**2024 Business plan**

The General Meeting of Shareholders approved the 2024 business plan with Net Revenue increasing by 12.6% YoY to VND 5,000 bn and NPAT increasing by 681% YoY to VND 306 bn, based on expectations of a strong recovery in pangasius exports in 2H2024 due to: (1) enhanced pangasius exports to the US leveraging the existing customer base of VHC and Bien Dong, which seek to diversify suppliers at more competitive prices, and (2) expected improvement in pangasius consumption demand in China in the latter half of the year.

ANV reported that the 2Q2024 business results showed significant improvement compared to 1Q2024, with NPAT increasing by 150% QoQ to VND 40 bn. Consequently, the NPAT for 1H2024 reached approximately VND 50-60 bn, achieving only about 20% of the 2024 business plan.

Regarding the dividend plan, ANV proposes a cash dividend payout for 2023 at 5% and for 2024 at 5%-10% of the par value, corresponding to a dividend yield of 2.99%. Additionally, the General Meeting of Shareholders approved the issuance of shares to increase charter capital from equity to existing shareholders at a ratio of 1:1. Following the issuance, ANV's charter capital is expected to increase to VND 2,666 bn.