

Sao Ta Foods (FMC)

Attractive valuation with positive outlook

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For 9M2025, consolidated revenue rose 23% YoY, while NPAT-MI grew a modest 6% YoY

Sales volume grew 18% YoY in 9M2025, boosted by tariff-driven frontloading among US importers. Although demand eased in 3Q, keeping volumes flat YoY, FMC still posted revenue of VND2,984 billion (+5% YoY) and NPAT-MI of VND97 billion (+22% YoY). For 9M2025, consolidated revenue reached VND6,850 billion (+23% YoY) and NPAT-MI totaled VND207 billion (+6% YoY).

FMC is expected to retain its 0% anti-dumping duty rate, paving the way for potential provision reversals in 2026

In 2Q2025, the US Department of Commerce (DOC) announced a preliminary anti-dumping duty (ADD) rate of 35.27% for Stapimex, a Vietnamese shrimp exporter, and extended the same rate to others, including FMC. Nevertheless, FMC is likely to reaffirm its non-dumping status and retain the 0% ADD rate maintained over the past four years. A favorable outcome would enable the company to reverse an estimated VND172 billion in provisions for 2024-2025, boosting 2026 earnings.

Stable tariff differentials and higher US duties on Indian shrimp strengthen FMC's competitiveness and export outlook

Tariff gaps with competitors have remained largely unchanged compared to the period preceding the announcement of US reciprocal tariffs, allowing FMC to maintain its competitiveness in the US. Meanwhile, the additional 50% reciprocal tariff imposed on Indian shrimp—the largest supplier to the US—could shift demand toward other exporters, including Vietnam, supporting FMC's export growth.

We recommend BUY for FMC with a target price of VND46,800/share

FMC appears attractive at its current valuation of 7.7x P/E and 1.09x P/B, which is 20% and 30% below the five-year averages, following a 20% decline amid tariff-related uncertainties. We recommend BUY with a target price of VND46,800/share, implying a 28% upside potential.

Buy maintain

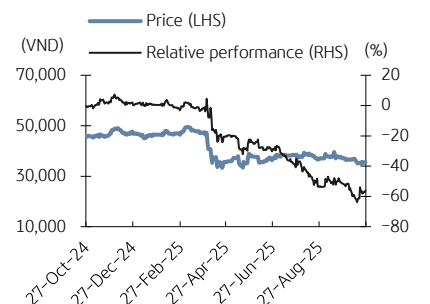
Target price	VND46,800
Upside	28%
Current price (Nov 3, 2025)	VND36,600
Consensus target price	VND 48,850
Market cap (VNDtn/USDtn)	2.2/0.09

Trading data	
Free float	23.2%
3M avg trading value (VNDbn/USDmn)	3.6/0.1
Foreign ownership	31.0%
Major shareholder	PAN Group (37.45%) C.P. Vietnam (24.9%)

Share price performance				
(%)	1M	3M	6M	12M
Absolute	-4.6	-7.3	-0.3	-22.7
Relative	-5.9	-17.2	-37.2	-57.0

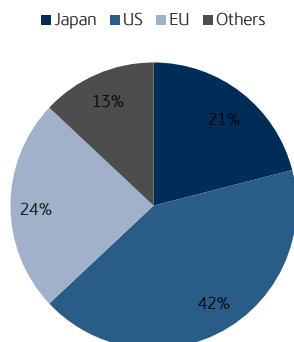
Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	5,087	6,913	8,292	8,768
Operating income/loss (VNDbn)	365	269	387	486
NPAT-MI (VNDbn)	276	306	292	351
EPS (VND)	4,222	4,675	4,472	5,372
EPS growth (%)	-10.7	10.7	-4.3	20.1
P/E (x)	8.7	7.8	8.2	6.8
P/B (x)	1.2	1.1	1.1	1.0
ROE (%)	14	15	13	16
Dividend yield (%)	5.5	5.5	5.5	5.5



Source: Bloomberg, KB Securities Vietnam

Revenue composition (1H2025)



Source: Sao Ta Foods, KB Securities Vietnam

Business operation

Sao Ta Foods (FMC) is a leading Vietnamese shrimp farming and processing company with nearly 30 years of experience. The company operates 525 hectares of BAP- and ASC-certified farms, ensuring around 40% self-sufficiency in raw shrimp needs—among the highest in the industry. FMC's competitive advantage lies in its deep-processing capabilities, enabling it to serve high-value markets such as Japan, the US, and Europe, a strategy that delivers significantly higher profit margins than commodity farmed shrimp.

Investment Catalysts

FMC is expected to retain its 0% anti-dumping duty rate, paving the way for an estimated VND172 billion provision reversal and driving an 18% YoY increase in NPAT-MI in 2026.

Stable tariff differentials and higher US duties on Indian shrimp strengthen FMC's competitiveness and export outlook in the short and long term.

Current valuations (7.7x P/E, 1.09x P/B) are 20–30% below the five-year averages, offering attractive entry levels.

Notes

Please find more details below

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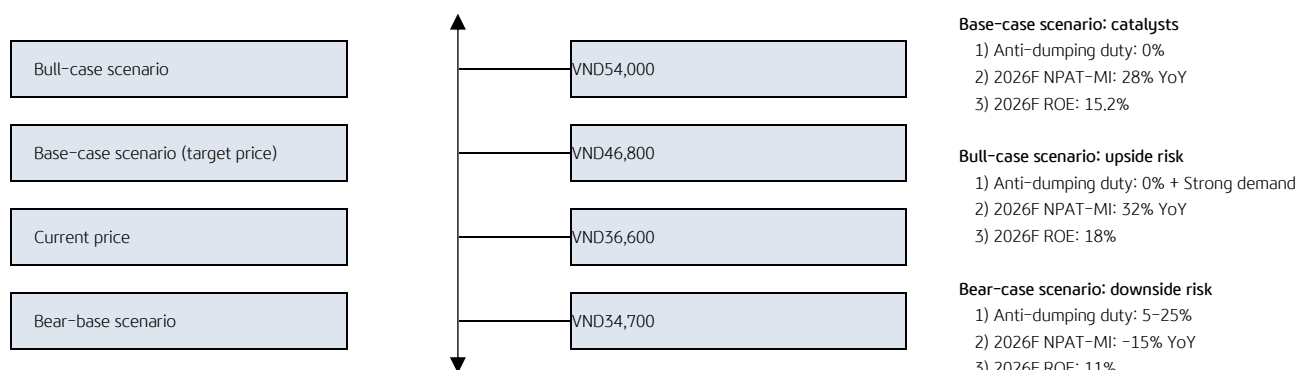
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Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	8,292	8,768	NA	NA	7,666	7,945	8%	10%
EBIT	269	387	NA	NA	303	414	-11%	-7%
NP after MI	292	351	NA	NA	321	375	-9%	-6%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Business performance

Tariff-driven frontloading boosted FMC's shrimp sales volume, while DDP shipments lifted average selling prices

Since 2Q2025, tariff-driven frontloading by US importers has fueled a surge in FMC's overall shrimp sales volume. Given tariff-related uncertainties, FMC primarily exports to the US under the Delivered Duty Paid (DDP) term, under which it is responsible for customs clearance, transportation, and all related fees. Therefore, FMC's average selling price has risen sharply, reflecting an additional 10–20% US reciprocal tariff component during the period.

Table 1. FMC – 9M2024–9M2025 financial results

(VNDbn)	3Q2024	3Q2025	+/-%YoY	9M2024	9M2025	+/-%YoY	Notes
Revenue	2,845	2,984	5%	5,549	6,850	23%	
Shrimp	2,797	2,944	5%	5,438	6,755	24%	Refer to Table 2 for further details.
Agricultural products	44	39	-10%	111	96	-13%	
Gross profit	308	418	36%	545	743	36%	
<i>Gross profit margin (GPM)</i>	<i>10.8%</i>	<i>14.0%</i>	<i>321bps</i>	<i>9.8%</i>	<i>10.8%</i>	<i>103bps</i>	Gross margin improved significantly in 3Q as selling prices included the tariff component.
Shrimp	10.5%	13.7%	320bps	9.6%	10.5%	91bps	
Agricultural products	19.9%	36.5%	1664bps	22.2%	37.2%	1507bps	
Financial income	9	43	383%	52	122	134%	
Financial expenses	(36)	(15)	-59%	(46)	(44)	-4%	
Profits from associates & joint ventures	-	-	NA	-	-	NA	Although sales volume declined, the average selling price increased.
SG&A	(190)	(339)	78%	(319)	(577)	81%	In 9M2025, FMC recorded the following expenses: - Anti-dumping duty: VND58 billion (3Q) and VND98 billion (9M) - Countervailing duty: VND43 billion (3Q) and VND60 billion (9M) - Reciprocal tariff: VND166 billion (3Q) and VND193 billion (9M)
<i>SG&A margin</i>	<i>7%</i>	<i>11%</i>	<i>469bps</i>	<i>6%</i>	<i>8%</i>	<i>-267bps</i>	
Operating income/loss	91	108	19%	232	244	5%	
Other income	(0)	-	-100%	(0)	1	-594%	
Profit before tax (PBT)	91	108	19%	232	245	6%	
Net profit after tax (NPAT)	95	112	18%	235	251	7%	
NPAT-MI	80	97	22%	196	207	6%	Strong sales volume supported earnings growth, but profit margins narrowed due to tariff-related expenses, resulting in muted NPAT-MI growth.
<i>NPAT-MI margin</i>	<i>2.8%</i>	<i>3.3%</i>	<i>46bps</i>	<i>3.5%</i>	<i>3.0%</i>	<i>-50bps</i>	

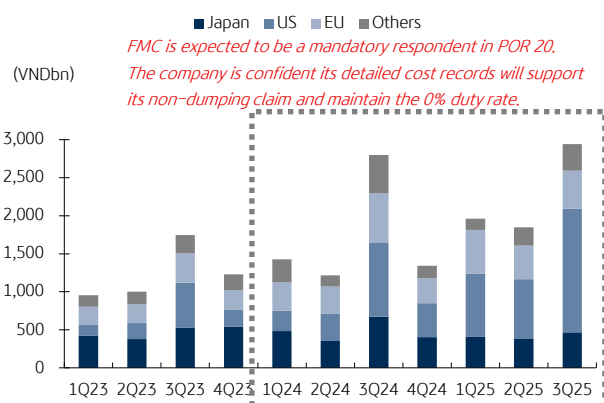
Source: Sao Ta Foods, KB Securities Vietnam

Table 2. FMC – Sales volumes & average selling prices (tons, VND/kg)

	3Q2024	3Q2025	+/-%YoY	9M2024	9M2025	+/-%YoY	Notes
USD/VND exchange rate	25,250	26,260	4%	25,250	26,260	4%	
Sales volume (tons)							
Shrimp	8,077	8,102	0.30%	16,526	19,570	18%	Sales volume grew 43%/29%/0% YoY in 1Q/2Q/3Q2025, supported by stronger marketing efforts and US frontloading ahead of the tariff deadline.
Agricultural products	389	306	-21%	1,014	786	-22%	
Average selling price (VND/kg)							
Shrimp	346,317	363,330	5%	298,312	346,408	16%	From mid-2Q2025, FMC's selling prices incorporated a 10–20% US tariff under the DDP term.
Agricultural products	112,339	128,645	15%	109,008	121,587	12%	

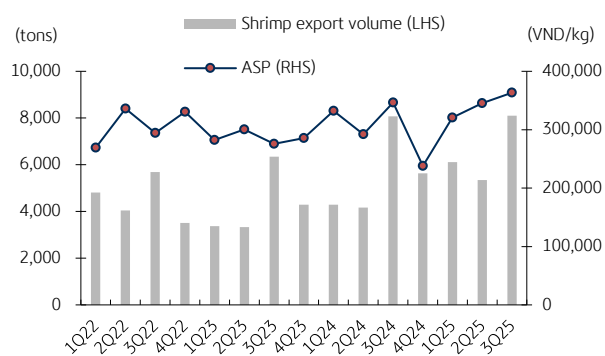
Source: Sao Ta Foods, KB Securities Vietnam

Fig 3. FMC – Revenue by market (VNDbn)



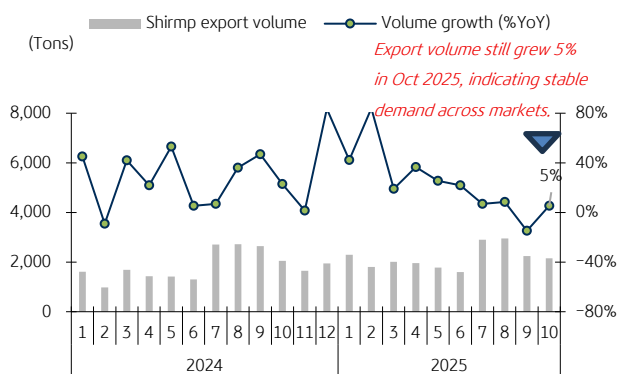
Source: Sao Ta Foods, KB Securities Vietnam

Fig 4. FMC – Shrimp export volume & average selling price (tons, VND/kg)



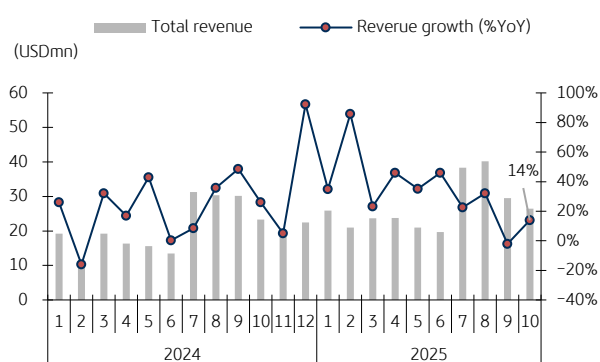
Source: Sao Ta Foods, KB Securities Vietnam

Fig 5. FMC – Shrimp sales volume & growth by month (tons, %YoY)



Source: Sao Ta Foods, KB Securities Vietnam

Fig 6. FMC – Revenue & growth (USDmn, %YoY)

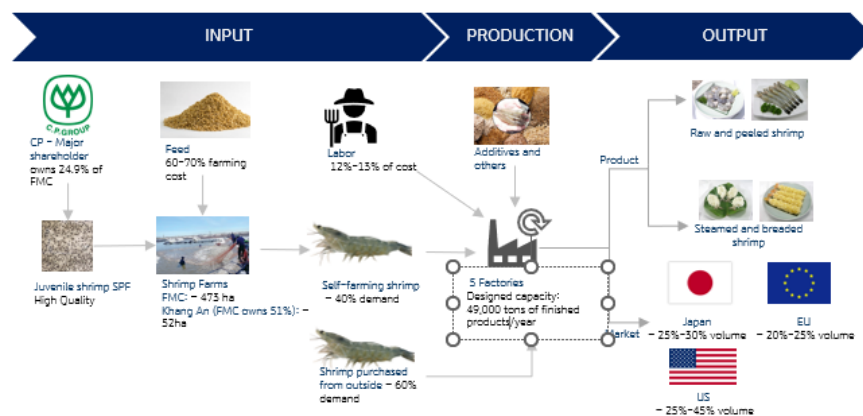


Source: Sao Ta Foods, KB Securities Vietnam

Note: An additional 10-20% US reciprocal tariff is embedded in the selling price under DDP terms

Fig 7. FMC – Value chain

FMC's two main product lines are raw frozen shrimp and value-added processed shrimp. Among them, breaded shrimp products generate the highest profit margins and are not subject to anti-dumping duty risks, accounting for around 20% of FMC's export volume to the US.



Source: Sao Ta Foods, KB Securities Vietnam

The 35.29% anti-dumping duty on Vietnamese shrimp exports poses potential risks to FMC's US market share and margins

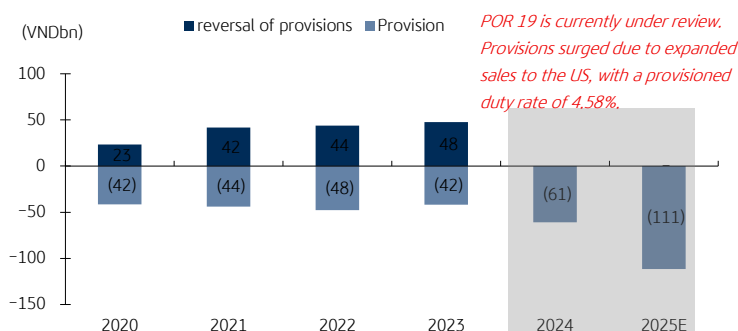
Each year, the DOC conducts periodic administrative reviews (POR – Period of Review) on the two largest exporters by export value from each trading partner to determine the extent of dumping, based on actual production cost calculations. However, since the US has yet to recognize Vietnam as a market economy, the DOC typically uses data from third countries—mainly Thailand or Indonesia—as surrogate benchmarks for cost calculations, which often distort the results. In June 2025, the DOC announced a preliminary ADD rate of 35.29% for Stapimex (the mandatory respondent) under the 19th review period (Jan 2023–Dec 2024) and stated that the same rate would apply to 22 other non-mandatory exporters, including FMC. Before the final determination—expected in December 2025 or early 2026—concerned parties may submit rebuttal comments, participate in hearings, or pursue litigation in US courts if they disagree with the decision. During the 20th review period (2016–2018), the DOC had similarly imposed a preliminary ADD rate of 25.76% on FMC, which was later revised down to 4.58% in the final ruling due to calculation errors. In the worst-case scenario, the duty rate could reach as high as 25.79%, potentially eroding FMC's market share and driving its selling expenses.

FMC is expected to maintain its 0% anti-dumping duty rate, enabling a VND172 billion provision reversal and boosting 2026 earnings

Over the past four years, FMC has set aside provisions equivalent to a 4.58% anti-dumping duty on its export value to the US, adopting a conservative approach based on the most recent rate imposed under POR 12, as noted earlier. In practice, the final determinations for 2020–2023 consistently confirmed that the company did not engage in dumping, allowing it to maintain a 0% duty rate thanks to its comprehensive and well-prepared documentation demonstrating reasonable production costs. As a result, FMC fully reversed its previous provisions. With more than 20 years of experience in handling anti-dumping cases, we expect FMC to once again prove its non-dumping status and maintain the 0% duty rate. We estimate this could enable the company to reverse approximately VND172 billion in provisions in 2026, contributing around 40% of its PBT for the year. In addition, management indicated that FMC is likely to become a mandatory respondent in the upcoming POR 20 review (covering Jan 2024–Dec 2025), given its stronger export volume to the US. This forms part of the company's proactive strategy to directly demonstrate compliance to the DOC. FMC remains confident that its thorough cost documentation will support its non-dumping claim and help sustain the 0% duty rate in the US market.

The ongoing POR 19 review covers the period from February 2023 to December 2024. During this time, provisions for anti-dumping duties totaled VND61 billion in 2024 and VND98 billion for 9M2025. If the final duty rate is confirmed at 0%, FMC will be able to reverse all accrued provisions for the 2024–2025 period.

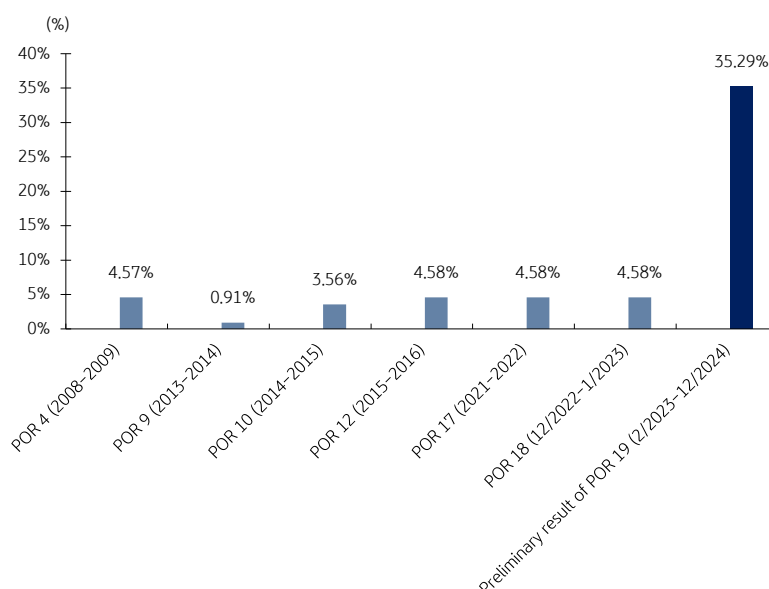
Fig 8. FMC – Annual anti-dumping duty provisions and reversals (VNDbn)



Source: Sao Ta Foods, KB Securities Vietnam

The most recent ADD rate was determined in POR 12 (covering Jan 2016 – Dec 2017) at 4.58%. This rate has served as the basis for FMC's annual provisioning, reflecting the recurring nature of the DOC's review cycles. In practice, however, FMC was exempt from anti-dumping duties during 2020–2023.

Fig 9. FMC – Provisioned duty rates (%)



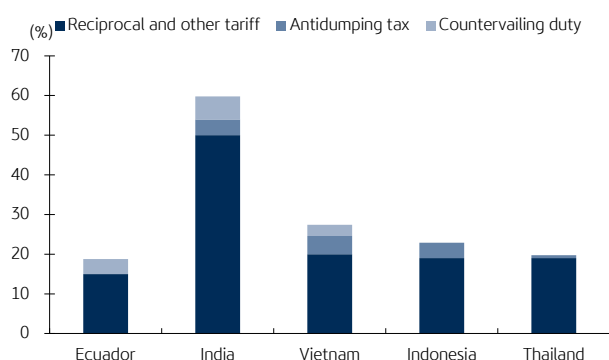
Source: KB Securities Vietnam

FMC's competitiveness remains intact given stable tariff gaps with competitors and higher US import duties on Indian shrimp

In previous periods, the imposition of US reciprocal tariffs on shrimp imports from various countries has created both competitive risks and opportunities. India, which accounts for roughly 35% of the US shrimp import market, is currently subject to a combined duty burden of up to 50% or more—including a newly added 25% reciprocal tariff. This has prompted US importers to diversify their sourcing toward other countries, benefiting Vietnam's exporters. In contrast, competitors such as Ecuador, Indonesia, and Thailand face lower tariff rates of 15–19% versus Vietnam's 20%. Among them, Ecuador stands to gain the most, with a 15% tariff and strong potential to expand sales volume by over 10% in 2026, according to industry estimates. However, as about 80% of Ecuador's exports are head-on shell-on (HOSO) shrimp primarily destined for China, FMC's competitive position remains relatively resilient.

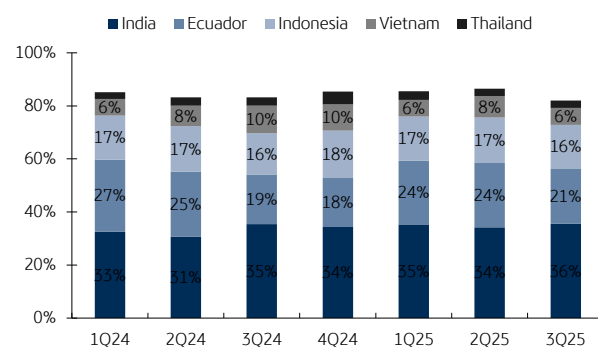
FMC's management noted that the company would only consider exiting the US market if the tariff gaps with competitors were to widen to around 20%. Under current conditions, FMC expects to maintain export growth of 5–10% in 2026. In a worst-case scenario, the company could further diversify into other key markets—particularly Europe and Japan, its traditional strongholds with long-established partners. We expect these markets to become an increasing strategic focus once FMC completes its plan to participate as a mandatory respondent in the upcoming POR review.

Fig 10. US – Tariff rates applied to trading partners (%)



Source: KB Securities Vietnam

Fig 11. US – Shrimp import market share by country (%)



Source: ITC, KB Securities Vietnam

Forecast & Valuation

Table 12. FMC – 2024A–2026F financial results

(VNDbn)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Notes
Revenue	6,913	8,292	20%	8,768	6%	
Shrimp	6,779	8,162	20%	8,584	5%	In 2026, Japan, the US, Europe, and other markets are expected to contribute 25%, 31%, 27%, and 17% of revenue, respectively. We assume that export orders to the US will continue to be shipped under DDP terms, with selling prices incorporating a 20% reciprocal tax component.
Agricultural products	141	129	-8%	184	43%	
Gross profit	752	971	29%	1,285	32%	
<i>Gross profit margin (GPM)</i>	<i>10.9%</i>	<i>11.7%</i>	<i>85bps</i>	<i>14.7%</i>	<i>295bps</i>	Gross margin should remain high thanks to favorable shrimp farming costs and the adoption of the DPP term for export orders to the US market.
Financial income	112	149	33%	138	-8%	
Financial expenses	-53	-59	10%	-55	-5%	
SG&A	-388	-702	81%	-898	28%	Projected anti-dumping duty (ADD), countervailing duty (CVD), and reciprocal tariff for 2025 are VND111 billion, VND70 billion, and VND267 billion, respectively. A reversal of VND172 billion in anti-dumping provisions is expected in 2026. FMC will continue to set aside VND157 billion in provisions for AD and CVD duties.
<i>SG&A margin</i>	<i>-5.6%</i>	<i>-8.5%</i>	<i>-285bps</i>	<i>-10.2%</i>	<i>-178bps</i>	
PBT	422	359	-15%	469	31%	
<i>PBT margin</i>	<i>6.1%</i>	<i>4.3%</i>	<i>-177bps</i>	<i>5.4%</i>	<i>102bps</i>	PBT margin is projected to decline significantly due to provisions for AD, CVD, and reciprocal taxes under the DDP shipping term, while selling prices have not increased accordingly.
NPAT	423	366	-14%	468	28%	
NPAT-MI	306	292	-4%	351	20%	
<i>NPAT-MI margin</i>	<i>4.4%</i>	<i>3.5%</i>	<i>-90bps</i>	<i>4.0%</i>	<i>48bps</i>	

Source: Sao Ta Foods, KB Securities Vietnam

Table 13. FMC – 2024A–2026F sales volumes & average selling prices (tons, VND/kg)

	2024	2025F	+/-%YoY	2026F	+/-%YoY	Notes
USD/VND exchange rate	25,250	26,130	3%	26,200	0.3%	
Sales volume (tons)						
Shrimp	22,164	24,458	10%	24,379	-0.3%	– 2026: US demand is expected to soften, resulting in a 30% YoY decline in export volume to this market, while total sales volume is projected to remain flat YoY. – Export volumes to Japan, the US, the EU, and other markets are projected to grow 20%, -30%, 20%, and 25% YoY from low bases in 2025, as FMC proactively diversifies away from the US market.
Agricultural products	1,309	1,374	5%	1,471	7%	
Average selling price (VND/kg)						
Shrimp	305,870	322,860	6%	330,200	2%	We expect average selling prices to remain broadly flat YoY, as FMC expands into markets with lower export prices. Selling prices may edge slightly higher due to changes in shipping terms.
Agricultural products	107,563	116,877	9%	125,394	7%	

Source: Sao Ta Foods, KB Securities Vietnam

We recommend BUY for FMC with a target price of VND46,800/share

FMC's share price has fallen 20% since the announcement of the US reciprocal tariffs and about 7% following the release of the preliminary ADD results. This pullback has brought the stock to an attractive valuation, with P/E and P/B multiples of 7.7x and 1.09x, respectively—20% and 30% below their five-year averages.

In a worst-case scenario where FMC is subject to an ADD rate above 5%, we expect US revenue to be offset by market diversification efforts, supported by steady global shrimp demand. Conversely, FMC has a strong opportunity to demonstrate non-dumping compliance, potentially qualifying for a 0% ADD rate by end-2026.

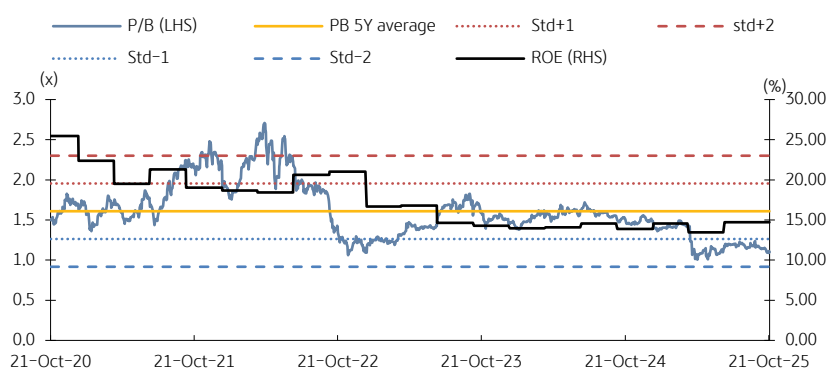
Using a P/B valuation approach based on the ROE–cost of equity framework, we estimate FMC's 2026 P/B multiple at 1.34x, implying a fair value of VND46,800 per share—representing an upside potential of 28%.

Table 14. FMC – P/B valuation

	Company level	Per share
2026F ROE		15.2%
2026F cost of equity (r_e)		12 %
Terminal growth (g)		3.0%
Implied P/B		1.35
Book value at end-2025	VND2,261 billion	VND34,574
Fair equity value	VND3,038 billion	VND46,801

Source: KB Securities Vietnam

Fig 15. FMC – P/B & ROE in 2020–2025



Source: Bloomberg, KB Securities Vietnam

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Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(Based on the assessment of sector prospects over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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