

November exports (VHC)

Cannot escape from negative growth in 2019

November 2019 exports values down again versus 2018

- VHC's export values for November 2019 reached USD33 million, down 13% YoY. VHC's export values of *pangasius* still decreased versus the same period in 2018 given *pangasius* prices on the main export markets have not been improved. Input *pangasius* prices stayed low at VND18,500/kg, which may make export *pangasius* prices rebound in a short term. Moreover, *pangasius* fingerlings prices are trading at three-year lows since mid-2019, so there may be a shortage of fingerlings in 2020.
- Export values for VHC totaled USD 296 million in the first 11 months of the year and down 13% over the same period last year. *Pangasius* exports to the US market of the whole Vietnamese *pangasius* industry reached only USD285.5 million in the first 11 months of 2019, down 47.7% YoY. VHC has made efforts in transferring the export revenue proportion from the US market to China and Europe markets, but only gained insignificant results. As a result, VHC was not successful to escape the negative growth this year.

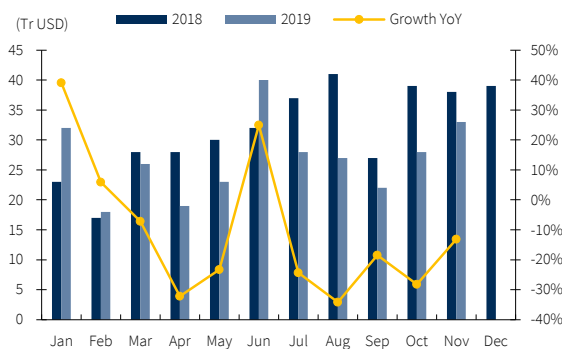
Paying dividends in 2019 by 1: 1 ratio

- VHC decided to pay dividends in 2019 by the ratio of 1: 1, with the final registration date on December 31, 2019.

VHC expects to meet the earnings guidance for 2019

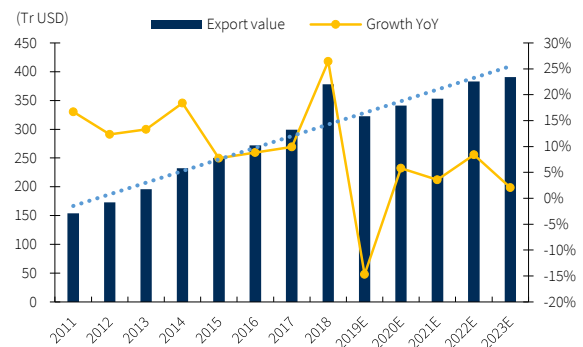
- We still believe that VHC will complete its profit plan in 2019 as the prices of input *pangasius* remained low in 4Q19. With 9-month after-tax profit of VND 981 billion, VHC has met 78% of the 2019 earnings targets.

Fig 1. VHC export value by months during 2018-2019



Source: VHC, KB Securities Vietnam

Fig 2. VHC export value by years



Source: VHC, KB Securities Vietnam

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Investment ratings & definitions

Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

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

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

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

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