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Nam Viet Corp (ANV)

Less severe hit thanks to ASEAN markets

Dropping exports decelerate and only fall 20% YoY between January and April

— The drop in export values continues to show signs of deceleration as ANV's export values for the first four months of the year reach USD28.5 million or down 20% over the same period last year. Declining export values have improved since the last time the company released data that showed a 25% fall in the first two months of the year. A strong shift to ASEAN markets from China largely explains the improved performance as the ASEAN countries were the only overseas markets that witnessed positive growth between January and April. This compares to the 28% decrease in Vietnam's overall *pangasius* industry to USD440.4 million during the same time.

Strong shift to ASEAN markets from China

— ASEAN markets buoyed exports against the strong hit from the company's heavy exposure to China over the last four months. ANV continued to shift to ASEAN markets to reduce the company's dependence on China up until April, with revenue from ASEAN exports reaching 37% during this time vs 20% in 2019. Sales for China exports fell to 12% from 30% of total export sales at the same time. That said, expected recovery should see ANV move its focus back to China in the upcoming months.

Ready to start up the automatic feeding system at the *Binh Phu* farming site

— Ponds that have begun operations at the new *Binh Phu* farming site grew to 50 ponds (out of 58 total finished ponds) for *pangasius* fingerlings and 156 ponds (out of a total 229 finished ponds) of *pangasius*. The company is on target to harvest 105,000 tons from this new farming site in 2020E alongside recovering demand in its major overseas markets. Installation of the automatic feeding system has been completed and the company aims to reduce farming staff to 100 from 1,200 once it begins operations.

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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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