

Vinh Hoan Corp (VHC)

US outlook brighter than expected

September 15, 2025

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NPAT-MI jumped by 62% YoY on lower farming costs and provision reversals

In 2Q2025, VHC posted flat revenue YoY at VND3,044 billion, while NPAT-MI surged 62% YoY to VND515 billion. The strong bottom-line performance was mainly driven by margin expansion in the pangasius segment, supported by lower feed costs and the reversal of inventory provisions. Meanwhile, revenue from Collagen & Gelatin and subsidiary Sa Giang slowed on weaker demand from key export markets.

Stable pangasius demand from key export markets offset a sharp decline in China

Exports to the US and EU remained resilient, with volumes up 18% and 16% YoY, respectively, in the second quarter. In contrast, exports to China declined further as anticipated, with sales volume down 36% YoY and value down 27%. Average selling prices fell nearly 1% YoY, pressured by tariff-related uncertainties and the company's proactive price reductions to stimulate demand.

Outlook remains uncertain despite some emerging positive signs

Looking ahead, we project pangasius export volumes to soften, down 3% YoY in 2025 before recovering by 3% in 2026. Higher margins should support NPATMI growth of 9%/9% in 2025/2026. Sales to the US and EU will remain the key growth drivers, with expected volume increases of 3% and 5% in 2026, alongside an anticipated recovery in selling prices from the low levels of 2025.

We reiterate NEUTRAL on VHC with a target price of VND64,800/share

We estimate the fair value of VHC shares at VND64,800 over the next 12 months, implying a 2% downside from the closing price on September 15, 2025. Accordingly, we maintain our NEUTRAL rating on the stock.

Neutral maintain

Target price	VND64,800
Downside	-2%
Current price (Sep 15, 2025)	VND 64,300
Consensus target price	VND 59,850
Market cap (VNDtn/USDbn)	13.4/0.51

Forecast earnings & valuation

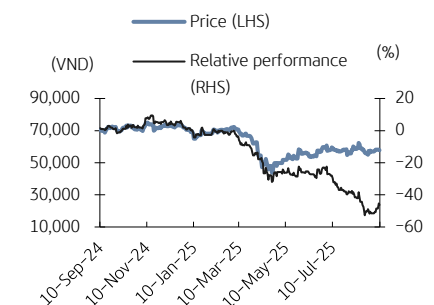
FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	10,033	12,513	12,254	13,277
Operating income/loss (VNDbn)	1,118	1,450	1,606	1,794
NPAT-MI (VNDbn)	919	1,226	1,338	1,465
EPS (VND)	4,914	5,463	5,961	6,524
EPS growth (%)	-54	11	9	9
P/E (x)	17.6	10.9	10.0	9.2
P/B (x)	1.9	6.9	6.0	5.3
ROE (%)	11	14	14	14
Dividend yield (%)	0	6.7	-	-

Trading data

Free float	35.2%
3M avg trading value (VNDbn/USDmn)	192.9/7.7
Foreign ownership	28.5%
Major shareholder	Truong Thi Le Khanh (42.3%)

Share price performance

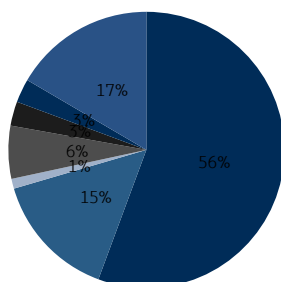
(%)	1M	3M	6M	12M
Absolute	-1.4	6.9	-18.5	-17.7
Relative	-4.2	-17.5	-41.4	-46.3



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2024)

■ Fillet ■ By-product ■ Value-added products
■ Collagen & Gelatin ■ Shrimp chips ■ Noodles & rice paper
■ Others



Source: Vinh Hoan Corporation, KB Securities Vietnam

Business operation

Vinh Hoan Corporation (VHC) is a leading pangasius exporter, operating a fully integrated value chain, spanning feed production, fish farming, and processing & export. In addition to pangasius fillets (accounting for over 60% of total revenue), VHC also utilizes fish by-products to produce fishmeal, fish oil, and Collagen & Gelatin. Moreover, the company has expanded into exporting shrimp chips as well as rice- and agricultural-based products, leveraging its established international business expertise.

Investment Catalysts

The 20% reciprocal tariff is expected to be passed on to US consumers, though heightened near-term competition may prompt VHC to lower selling prices.

Farming costs are projected to stay low, supporting gross margin stability at around 15%–16%.

Other business segments are experiencing slower growth due to weak global demand.

Notes

Please find more details below

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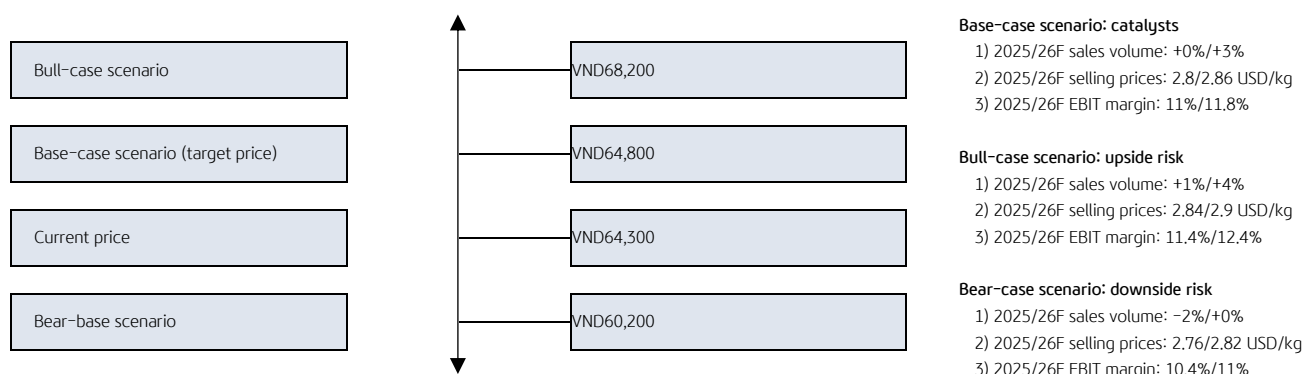
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Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	12,254	13,277	-1%	3%	12,800	13,708	-4%	-3%
EBIT	1,350	1,570	4%	6%	1,387	1,704	-3%	-8%
NP after MI	1,338	1,465	9%	7%	1,314	1,606	2%	-9%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Business performance

NPAT-MI jumped by 62% YoY on lower farming costs and provision reversals

Export volume is estimated to have risen 12% in 2Q2025, as importers front-loaded purchases ahead of higher US tariffs. However, a slight decline in selling prices capped revenue growth from pangasius. Other business segments also softened, reflecting weaker demand amid recent global uncertainties. In 1H2025, the USD/VND exchange rate appreciated by roughly 3.5%, providing a tailwind to VHC's export revenue.

Table 1. VHC – 1H2024–1H2025 financial results

(VNDbn)	2Q2024	2Q2025	+/-%YoY	1H2024	1H2025	+/-%YoY	Notes
Revenue	3,196	3,192	0%	5,343	5,188	-3%	
Pangasius fillets	1,724	1,785	4%	3,187	3,139	-2%	Revenue was flat YoY as export volumes to the US and EU rose 10% and 8%, respectively, offsetting tariff pressures and weak demand from China (-38% YoY) and other markets (-7% YoY).
By-products	449	449	0%	897	894	0%	
Value-added products	38	36	-5%	70	63	-10%	
Collagen & Gelatin	219	236	8%	457	399	-13%	Weaker demand amid global uncertainties resulted in revenue growth coming in at a low level, falling short of earlier double-digit growth expectations.
Shrimp chips & rice-based products	189	186	-2%	348	350	1%	
Others	633	501	-21%	1,103	992	-10%	
Gross profit	469	633	35%	735	971	32%	
Gross profit margin (GPM)	15%	20%	517bps	14%	19%	495bps	Gross margin improved significantly, underpinned by lower feed costs and the reversal of provisions.
Financial income	117	112	-4%	224	202	-10%	
Financial expenses	57	5	-92%	91	62	-32%	
SG&A	144	144	0%	276	267	-3%	
SG&A/revenue	4%	5%	1bps	5%	5%	-2bps	
Operating income/loss	386	599	55%	593	846	43%	
Profit before tax (PBT)	398	610	53%	614	864	41%	This was mainly attributable to lower raw fish costs, driven by a decline in feed production expenses.
Net profit after tax (NPAT)	340	539	59%	529	751	42%	
NPAT-MI	318	515	62%	488	708	45%	
NPAT margin	10.0%	16.1%	617bps	9%	14%	452bps	

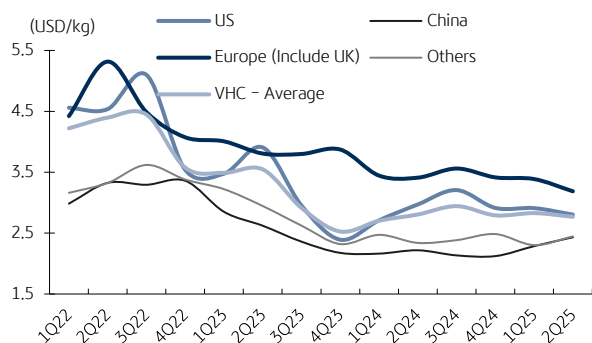
Source: Vinh Hoan Corporation, KB Securities Vietnam

Table 2. VHC – Export volumes by market (tons)

(tons)	2Q2024	2Q2025	+/-%YoY	1H2024	1H2025	+/-%YoY	Notes
US	13,954	16,508	18%	24,445	25,051	2%	Primarily driven by importers frontloading purchases ahead of the tariff deadline.
EU (UK included)	3,452	3,998	16%	7,274	8,251	13%	
China	3,357	2,163	-36%	6,949	4,680	-33%	Double-digit growth was supported by declining wild-catch quotas in Europe, which boosted substitution demand for white fish.
Others	4,522	4,558	1%	8,711	7,799	-10%	
Total	25,285	27,228	8%	47,379	45,781	-3%	Exports to China were weighed down by the country's weakening economy and VHC's market share losses.

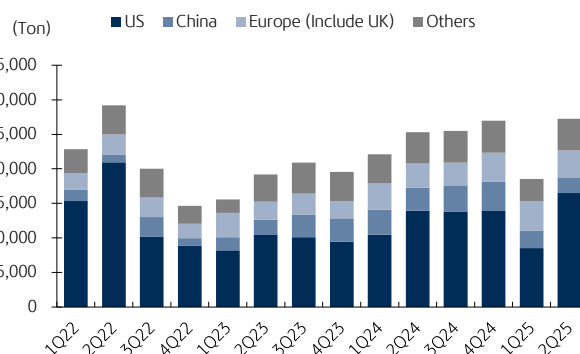
Source: KB Securities Vietnam

Fig 3. VHC – Average export prices by market (USD/kg)



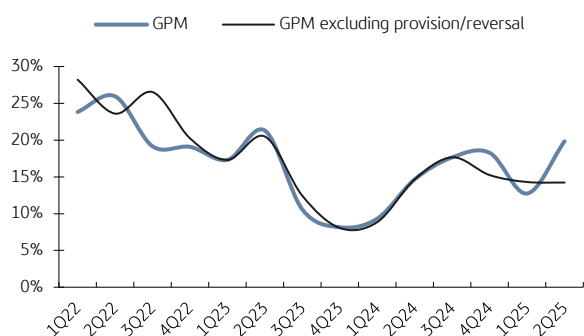
Source: KB Securities Vietnam

Fig 4. VHC – Pangasius export volumes by market (ton)



Source: KB Securities Vietnam

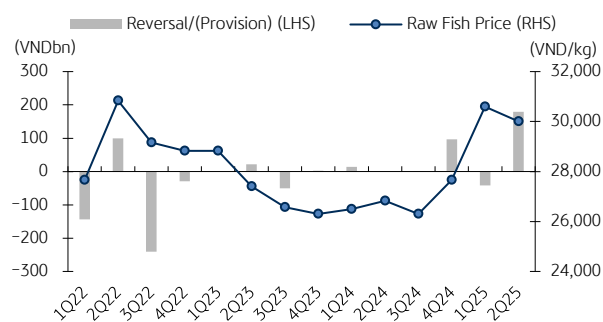
Fig 5. VHC – Gross profit margin (%)



Source: KB Securities Vietnam

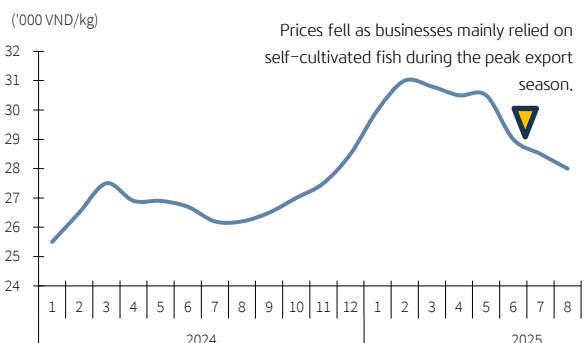
Note: Provision reversals drove a sharp improvement in VHC's gross margin in 2Q25.

Fig 6. VHC – Correlation between raw fish procurement prices and provision reversals/(provisions) (VNDbn, VND/kg)



Source: KB Securities Vietnam

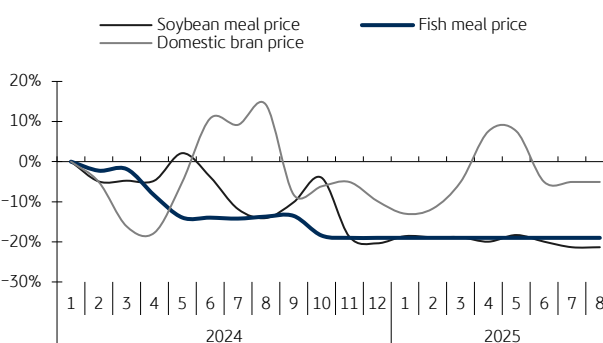
Fig 7. VHC – Raw fish procurement prices ('000 VND/kg)



Source: Wchart

Note: Falling raw fish procurement prices may prompt VHC to book additional provisions over the next few quarters.

Fig 8. Global – Price movements of key feed ingredients (%)



Source: Wchart, Bloomberg

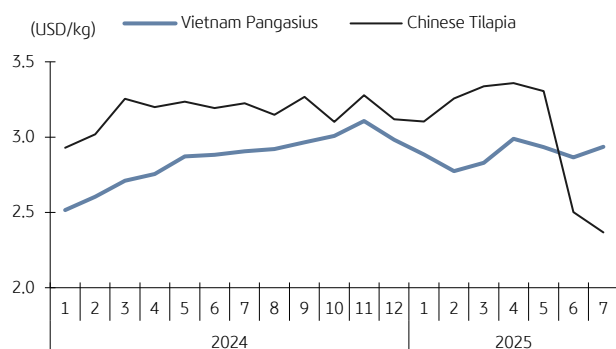
Outlook remains uncertain despite some emerging positive signs

With the 20% reciprocal tariff in place, we expect VHC's US export turnover to decline only slightly by 3% YoY in 2025 before recovering by 5% in 2026. This is supported by the fact that its largest competitor, Chinese tilapia, will be subject to an additional 30% tariff from 2025 (on top of a 24% tariff that is currently suspended). We expect VHC to capitalize on this opportunity to expand market share in the US in 2026.

Conversely, competition among Vietnamese pangasius exporters will intensify, as six additional companies have been granted a 0% anti-dumping duty (ATD) to the US, namely Can Tho Import-Export Seafood JSC (CASEAMEX), Dai Thanh Seafood Co Ltd, Dong A Seafood Co Ltd., Hung Ca 6 JSC, Nam Viet Corporation, and NTSF Seafoods JSC. We believe this will limit any meaningful improvement in VHC's average selling prices in the US.

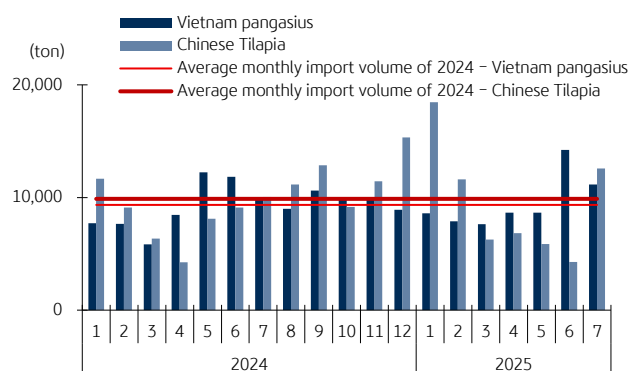
In the EU market, we forecast VHC's pangasius export volumes to increase by 10% in 2H2025 and 5% in 2026, driven by tighter white fish supply as Barents Sea fishing quotas are expected to be cut by 25% this year.

Fig 9. US – Average import prices of Vietnamese pangasius fillets vs. Chinese tilapia fillets (excluding tariffs) (USD/kg)



Source: International Trade Centre (ITC)

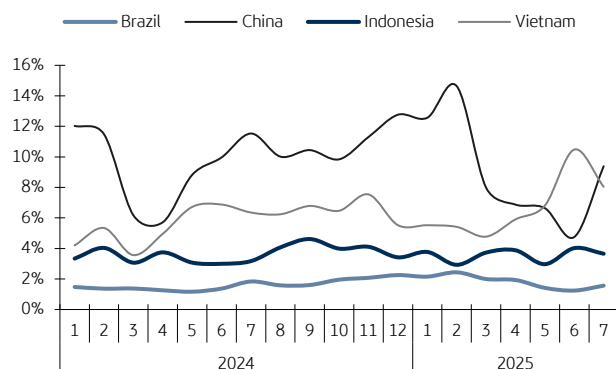
Fig 10. US – Import volumes of Vietnamese pangasius fillets vs. Chinese tilapia fillets



Source: International Trade Centre (ITC)

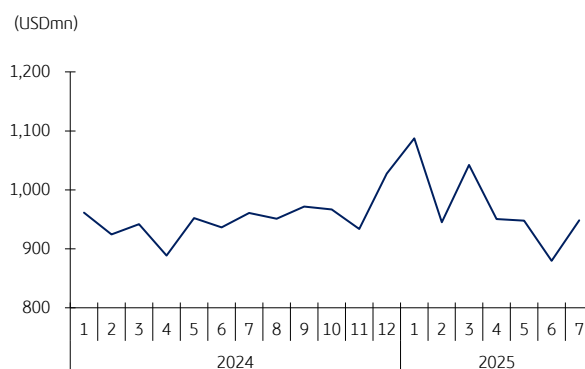
Note: US imports of pangasius and tilapia fillets surged in the final two months ahead of the tariff deadline.

Fig 11. US – Fish import market share by country – HS codes 0302 to 0304 (covering multiple species and product categories) (%)



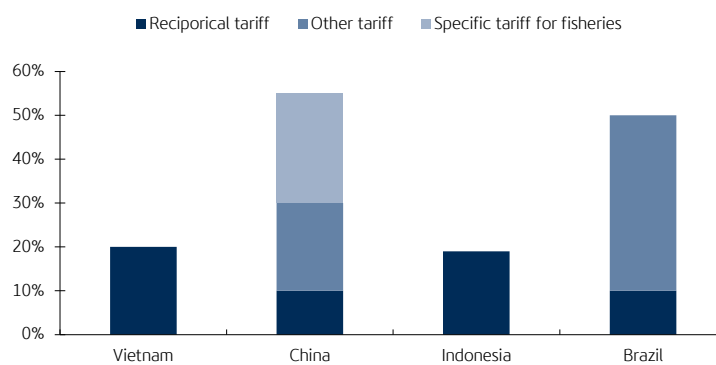
Source: International Trade Centre (ITC)

Fig 12. US – Fish imports – HS codes 0302 to 0304 (USDmn)



Source: International Trade Centre (ITC)

Fig 13. Global – US reciprocal tariffs against trading partners (%)



Source: KB Securities Vietnam

Forecast & Valuation

Table 14. VHC – 2024A–2026F financial results

(VNDbn)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Notes
Revenue	12,513	12,254	-2%	13,277	8%	
Pangasius fillets & value-added products	7,094	6,926	-2%	7,452	8%	Sales volume and selling price forecasts are presented in Tables 15 and 16 below.
Collagen & Gelatin	773	824	7%	1,012	23%	Collagen & gelatin sales volume is expected to grow 10%/15% YoY in 2025/2026, supported by capacity expansion. However, average selling prices are projected to decline from 2024 levels due to weaker demand.
By-products	1,850	1,812	-2%	1,838	1%	Demand is expected to remain soft in 2025 before recovering from 2026.
Sa Giang	701	747	7%	784	5%	Growth is projected to slow, reflecting weaker-than-expected global demand.
Others (Animal feed & rice-based products)	2,069	1,941	-6%	2,192	13%	Growth is projected to moderate on softer global demand.
Gross profit	1,895	1,933	2%	2,204	14%	
Gross profit margin (GPM)	15.1%	15.8%	63bps	16.6%	83bps	Gross margin should improve from 2026 as selling prices may rebound after a slight decline in 2025.
Financial income	423	409	-3%	414	1%	
Financial expenses	217	153	-29%	190	24%	
SG&A ratio	654	585	-11%	634	8%	SG&A ratio is projected to decline from 5.1% in 2024 to 5.0% in 2025, supported by lower legal and transportation expenses.
SG&A/ revenue	5.2%	4.8%	-46bps	4.8%	0bps	
Profit before tax (PBT)	1,485	1,615	9%	1,775	10%	
PBT margin	11.9%	13.2%	132bps	13.4%	19bps	PBT growth will be driven primarily by lower farming costs, which are expected to support higher farm gate margins.
Net profit after tax (NPAT)	1,303	1,413	8%	1,548	10%	
NPAT-MI	1,226	1,338	9%	1,465	9%	
NPAT margin	9.8%	10.9%	112bps	11.0%	11bps	

Source: Vinh Hoan Corporation, KB Securities Vietnam

Table 15. VHC – 2024A–2026F sales volumes (tons)

(ton)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Notes
US	52,112	51,888	0%	53,445	3%	Favorable tariffs support stable demand in 2025/2026.
EU (UK included)	14,743	16,467	12%	17,291	5%	Positive outlook as Barents Sea fishing quotas are cut by 25% YoY in 2025.
China	15,073	10,366	-31%	9,952	-4%	Driven by intense competition with Chinese tilapia.
Others	17,930	17,712	-1%	18,533	5%	VHC is diversifying into other markets such as Brazil, Mexico, and Halal, with demand expected to recover from 2026.
Total	99,859	96,434	-3%	99,220	3%	

Source: Vinh Hoan Corporation, KB Securities Vietnam

Table 16. VHC – 2024A–2026F selling prices (USD/kg)

(USD/kg)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Notes
US	3.0	2.9	-3%	2.9	2%	Selling prices are expected to remain low in 2025, with only a modest recovery in 2026 amid limited drivers.
EU (UK included)	3.5	3.3	-3%	3.4	2%	
China	2.1	2.2	2%	2.2	2%	
Others	2.4	2.4	0%	2.5	2%	
Total	2.8	2.8	0%	2.9	2%	

Source: Vinh Hoan Corporation, KB Securities Vietnam

We reiterate **NEUTRAL** on VHC
with a target price of
VND64,800/share

We combine two valuation methods, FCFF and P/E, to determine a fair value for VHC:

1) **FCFF method**

The FCFF-based implied value is VND69,500/share (Table 18).

2) **P/E method**

We apply a target multiple of 10x and a 12-month forward EPS of VND6,000, arriving at an implied value of VND60,000/share.

Assigning an equal weighting to the two methods, we derive a fair value of VND64,800/share for VHC, broadly in line with the current market price (2% below the September 15, 2025 closing price).

Table 17. VHC – FCFF projection model

	2H-2025	2026	2027	2028	2029	2030
NPAT-MI	631	1,465	1,497	1,523	1,555	1,599
Tax shield	23	49	51	52	54	56
Depreciation & amortization	275	570	604	616	642	518
Change in working capital	105	(476)	(202)	(216)	(299)	(317)
Capex	(738)	(700)	(300)	(300)	(300)	(300)
FCFF	295	908	1,650	1,675	1,652	1,556

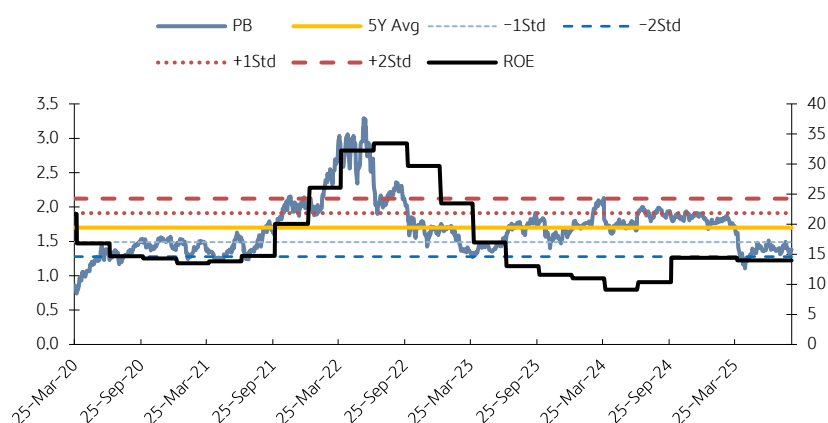
Source: KB Securities Vietnam

Table 18. VHC – FCFF model assumptions & valuation results

Model assumptions	Value	Components	Value
Beta	1.2	PV of FCFF 2025–2029 (VNDbn)	5,781
Risk-free rate	5%	PV of terminal value (VNDbn)	8,795
Equity risk premium	8%	Total PV (VNDbn)	14,576
Cost of equity	14%	Net cash (VNDbn)	1,349
Cost of debt	3%	Minority interest (VNDbn)	318
Terminal growth	2%	Equity value (VNDbn)	15,607
WACC	13%	Number of shares outstanding (million shares)	225
		Equity value per share (VND)	69,503

Source: KB Securities Vietnam

Fig 19. VHC – P/B, ROE in 2020–2025



Source: Bloomberg, KB Securities Vietnam

VHC – 2023A-2026F summarized financials & forecasts

Income Statement				
(VND billion)	2023	2024	2025F	2026F
(Standard report)				
Net sales	10,033	12,513	12,254	13,277
Cost of sales	8,540	10,618	10,321	11,073
Gross Profit	1,493	1,895	1,933	2,204
Financial income	377	423	409	414
Financial expenses	229	217	153	190
of which: interest expenses	133	73	59	57
Gain/(loss) from joint ventures (from 2015)	1	2	2	0
Selling expenses	216	297	256	289
General and admin expenses	308	358	328	345
Operating profit/(loss)	1,118	1,450	1,606	1,794
Other income	23	31	20	20
Other expense	27	35	38	39
Net other income/(expenses)	27	35	38	39
Income from investments in other entities	1	2	2	0
Net accounting profit/(loss) before tax	1,145	1,485	1,615	1,775
Corporate income tax expenses	171	182	202	227
Net profit/(loss) after tax	974	1,303	1,413	1,548
Minority interests	55	76	74	83
Attributable to parent company	919	1,226	1,338	1,465
Margin ratio				
	2023	2024	2025F	2026F
Gross profit margin	14.9%	15.1%	15.8%	16.6%
EBITDA margin	13.7%	13.6%	15.2%	16.1%
EBIT margin	9.7%	9.9%	11.0%	11.8%
Pre-tax profit margin	11.4%	11.9%	13.2%	13.4%
Operating profit margin	11.1%	11.6%	13.1%	13.5%
Net profit margin	9.2%	9.8%	10.9%	11.0%
Cash Flow Statement				
(VND billion)	2023	2024	2025F	2026F
Net profit/(loss) before tax	1,145	1,485	1,615	1,775
Depreciation and amortisation	402	456	513	570
Profit/loss from investing activities	-165	-150	-409	-414
Interest expense	133	73	59	57
Operating profit/(loss) before changes in Working Capital	1,516	1,865	1,778	1,988
(Increase)/decrease in receivables	719	-535	350	-155
(Increase)/decrease in inventories	-856	1,026	-309	-235
Increase/(decrease) in payables	-352	212	52	49
(Increase)/decrease in prepaid expenses	19	9	-5	12
Trading securities, interest expense, taxes and others	-499	-504	-396	-431
Operating cash flow	547	2,073	1,470	1,228
Purchases of fixed assets and other long term assets	-677	-678	-830	-700
Proceeds from disposal of fixed assets	4	2	0	0
Loans granted, purchases of debt instruments	-3,552	-4,171	-410	-680
Collection of loans, proceeds from sales of debts instrum	3,291	3,877	0	0
Investments in other entities	0	0	0	0
Proceeds from divestment in other entities	0	0	0	0
Dividends and interest received	140	115	409	414
Investing cash flow	-793	-855	-831	-966
Proceeds from issue of shares	57	0	0	0
Payments for share returns and repurchases	0	0	0	0
Proceeds from borrowings	11,256	10,620	2,214	2,375
Repayment of borrowings	-11,385	-10,602	-2,277	-2,214
Dividends paid	0	-898	0	0
Interests, dividends, profits received	0	0	0	0
Financing cash flow	-73	-880	-64	161
Net increase in cash and cash equivalents	-319	338	575	423
Cash and cash equivalents - beginning	553	233	570	1,147
Cash and cash equivalents - ending	233	570	1,147	1,570

Balance Sheet				
(VND billion)	2023	2024	2025F	2026F
(Standard report)				
TOTAL ASSETS	12,070	12,060	13,357	15,015
CURRENT ASSETS	8,241	8,238	9,184	10,677
Cash and cash equivalents	570	570	1,147	1,570
Short-term investments	2,340	2,340	2,750	3,431
Accounts receivable	2,419	2,413	2,063	2,217
Inventories	2,911	2,915	3,224	3,459
LONG-TERM ASSETS	3,829	3,821	4,173	4,338
Long-term trade receivables	3	2	2	
Fixed assets	3,415	3,415	3,609	3,766
Investment properties	115	109	267	275
Long-term incomplete assets	70	69	69	69
Long-term investments	225	225	225	225
LIABILITIES	3,247	3,240	3,223	3,444
Current liabilities	3,193	3,184	3,167	3,388
Trade accounts payable	309	278	339	364
Advances from customers	16	37	37	37
Short-term borrowings	2,157	2,277	2,214	2,375
Long-term liabilities	119	56	56	56
Long-term trade payables	8	19	19	19
Long-term advances from customers	0	31	31	31
Long-term borrowings	102	0	0	0
OWNER'S EQUITY	8,591	8,994	10,273	11,675
Paid-in capital	1,870	2,245	2,245	2,245
Share premium	264	264	264	26

Source: Company report, 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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