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Vinh Hoan Corp (VHC)

An industry leader with attractive valuation

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3Q performance improved thanks to business segments other than pangasius

Vinh Hoan Corporation (VHC) logged VND3,471 billion (+6% YoY) and VND433 billion (+35% YoY) in 3Q revenue and NPAT-MI, respectively. The improvement is attributable to the divesture from investment securities and the strong rebound in collagen & gelatin (C&G)/Sa Giang/by-product revenue (+20%/12%/29% YoY) amid better sentiment and demand. Meanwhile, revenue from pangasius (fillet and value-added products) contracted 9% YoY due to the impact of 2Q frontloading.

Demand for pangasius is expected to stabilize in 2026

We expect Europe and the US to remain as the main export markets of VHC thanks to the established value chain and stable demand for farmed whitefish, which may increase as wild fish production is forecasted to continue to be sharply cut in both high-end and low-end segments. However, the competition from tilapia is expected to further climb, somewhat limited by hefty US tariffs on key suppliers.

Long-term momentum will come from non-pangasius segments

With the pangasius fillet segment reaching its growth limit, VHC is investing more carefully in C&G and Sa Giang (rice and rice crackers brand), hoping to create long-term growth momentum. With its distribution system and long-term experience, we expect revenue from these two segments to maintain double-digit growth rates with high NIMs around 20%.

Valuation: BUY rating - Target price VND68,000

We determine the fair price for VHC stock in 2026 at VND68,000/share, equivalent to an upside potential of 18%. VHC is currently trading at a PE and PB ratio 30% and 25% lower than the five-year historical means, which shows a lucrative investment prospect.

Buy change

Target price	VND68,000
Upside	+18%
Current price (Nov 27, 2025)	VND57,800
Consensus target price	VND59,850
Market cap (VNDtn/USDbn)	12.9/0.48

Trading data

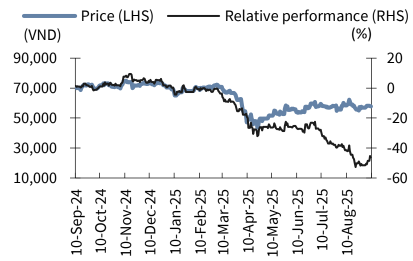
Free float	35.2%
3M avg trading value (VNDbn/USDmn)	192.9/7.7
Foreign ownership	28.5%
Major shareholder	Truong Thi Le Khanh (42.3%)

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

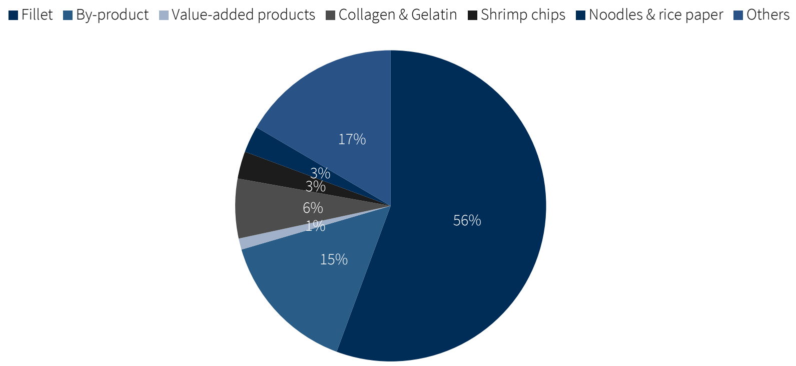
Forecast earnings & valuation

FY-end	2023	2024	2025F	2026F
Net revenue (VNDbn)	10,033	12,513	12,553	12,956
Operating income/loss (VNDbn)	1,118	1,450	1,730	1,788
NPAT-MI (VNDbn)	919	1,226	1,462	1,524
EPS (VND)	4,914	5,463	6,509	6,785
EPS growth (%)	-54	11	19	4
P/E (x)	17.6	10.7	9.0	8.6
P/B (x)	1.9	1.5	1.3	1.2
ROE (%)	11	14	16	14
Dividend yield (%)	0	6.8	0	0



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2024)



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	Notes
VHC expects to share the 20% tax burden with US consumers in the long term, but short-term competition forces it to lower ASP	Please find more details in 2Q25 Update
Fish farming costs should be low, helping maintain a stable GPM at around 15%-16%	Please see more details below
The business will boost other business segments (other than pangasius) with higher profit margins, although they have currently accounted for a small proportion (less than 20% of total business activity).	Please see more details below

Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	12,553	12,956	2%	-2%	12,800	13,708	-2%	-5%
EBIT	1,427	1,527	6%	-3%	1,387	1,704	3%	-10%
NP after MI	1,462	1,524	9%	4%	1,314	1,606	11%	-5%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks

Bull-case scenario	VND75,400 (more market share, strong demand)
Base-case scenario (target price)	VND68,000
Bear-base scenario	VND59,300 (sluggish demand, fierce competition)
Current price	VND57,800

Base-case scenario: catalysts
1) 2025/26F sales volume: -3%/+3%
2) 2025/26F ASP: USD2.82/2.85/kg
3) 2025/26F EBIT margin: 11.3%/11.7%

Bull-case scenario: upside risk
1) 2025/26F sales volume: -2.7%/4%
2) 2025/26F ASP: USD2.82/2.9/kg
3) 2025/26F EBIT margin: 12.2%/13.3%

Bear-case scenario: downside risk
1) 2025/26F sales volume: -7%/-1%
2) 2025/26F ASP: USD2.81/2.81/kg
3) 2025/26F EBIT margin: 11%/10%

Business performance

Table 1. VHC – 9M25 updated results

(VNDbn, %)	3Q24	3Q25	+/-%YoY	9M24	9M25	+/-%YoY	Notes
Revenue	**3,278**	**3,471**	**6%**	**9,329**	**9,311**	**0%**	
Pangasius fillet	1,912	1,760	-8%	5,099	5,281	4%	Demand cooled down in 3Q after importers boosted frontloading in 2Q ahead of the reciprocal tariff deadline. Higher exchange rates helped to undermine the revenue decline.
By-products	448	579	29%	1,345	1,439	7%	
Value-added products	46	31	-33%	116	118	2%	Apart from the VAT segment, the remaining business segments recovered well compared to the difficult period in 2Q.
Collagen & gelatin	174	208	20%	631	519	-18%	
Shrimp chips & rice-based products	168	176	5%	516	532	3%	
Others	474	506	7%	1,577	1,545	-2%	
Gross profit	**579**	**584**	**1%**	**1,314**	**1,554**	**18%**	
Gross profit margin (GPM)	*18%*	*17%*	*-83bps*	*14%*	*17%*	*261bps*	GPM saw a slight contraction as output and revenue decreased but farming costs were high, and raw fish costs modestly gained YoY.
Financial income	56	116	106%	280	318	14%	High cash balance and completed divestment from securities investment earned VHC over VND100 billion.
Financial expenses	81	22	-73%	172	84	-51%	The corporation reversed VND32 billion from liquidation of investment securities.
SG&A	161	146	-9%	437	413	-5%	The decline was mainly due to transportation costs being 19% lower than the same period in 2024 amid low oil prices.
SG&A/revenue	*5%*	*4%*	*-69bps*	*5%*	*4%*	*-24bps*	
Operating income/loss	394	533	35%	987	1,379	40%	
Profit before taxes (PBT)	**402**	**535**	**33%**	**1,016**	**1,399**	**38%**	
Net profit after taxes (NPAT)	**341**	**455**	**34%**	**870**	**1,206**	**39%**	
NPAT-MI	**321**	**433**	**35%**	**808**	**1,141**	**41%**	
NPAT-MI margin	*9.8%*	*12.5%*	*269bps*	*9%*	*12%*	*359bps*	

Source: Vinh Hoan Corporation, KB Securities Vietnam

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

(tons)	3Q24	3Q25	+/-%YoY	9M24	9M25	+/-%YoY	Notes
US	13,758	11,590	-16%	38,203	36,641	-4%	Import demand concentrated in 2Q, causing decline in 3Q.
EU (UK included)	3,851	1,473	-62%	10,800	6,152	-43%	Lower volumes resulted from weak market demand.
China	3,309	3,492	6%	10,583	11,743	11%	The positive growth was attributable to the decline in wild fish supply.
Others	4,572	5,358	17%	13,283	13,157	-1%	
Total	**25,489**	**21,913**	**-14%**	**72,868**	**67,694**	**-7%**	

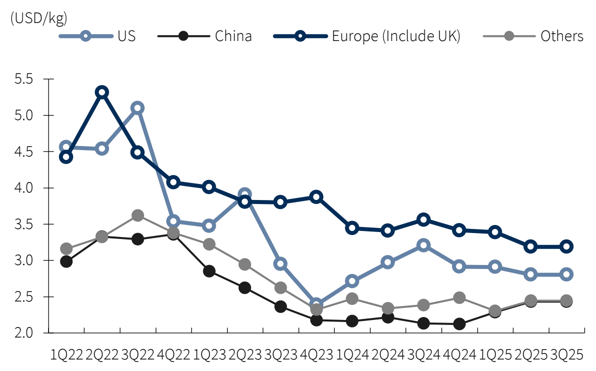
Source: KB Securities Vietnam

Table 3. VHC – Estimated ASP by market (tons)

(USD/kg)	3Q24	3Q25	+/-%YoY	9M24	9M25	+/-%YoY	Notes
US	3.2	2.9	-10%	3.0	2.9	-4%	Average selling price (ASP) fell due to muted demand.
EU (UK included)	2.1	2.5	16%	2.2	2.4	11%	
China	3.6	3.3	-7%	3.5	3.3	-4%	The company boosted diversification into markets with lower ASP.
Others	2.4	2.6	11%	2.4	2.5	4%	
Total	**2.9**	**2.9**	**-3%**	**2.8**	**2.8**	**0%**	

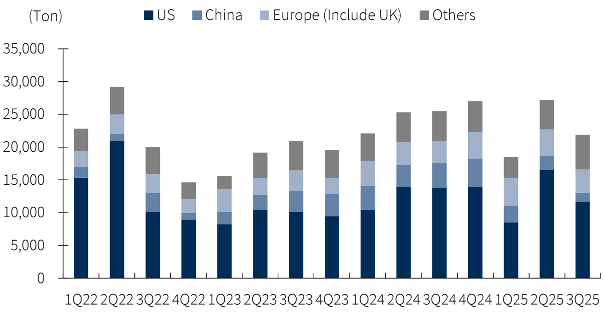
Source: KB Securities Vietnam

Fig 4. VHC – Average export prices by market (USD/kg)



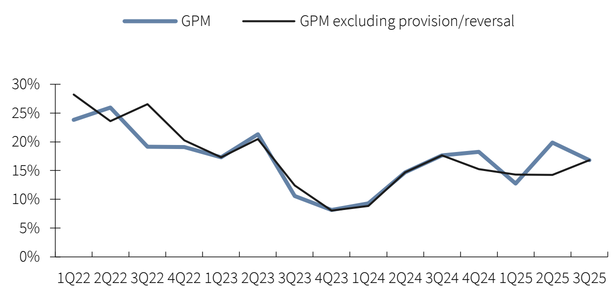
Source: KB Securities Vietnam

Fig 5. VHC – Pangasius export volumes by market (ton)



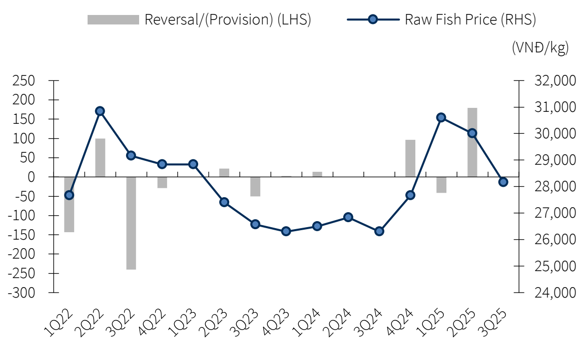
Source: KB Securities Vietnam

Fig 6. VHC – GPM (%)



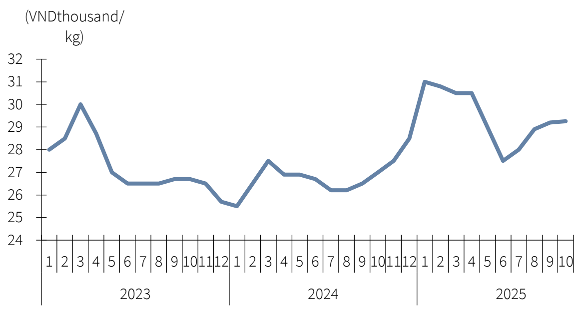
Source: KB Securities Vietnam

Fig 7. VHC – Correlation between raw fish procurement prices and provision reversals/provisions (VNDbn, VND/kg)



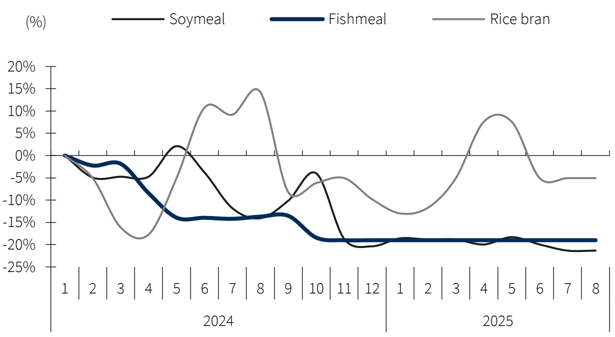
Source: KB Securities Vietnam

Fig 8. VHC – Raw fish procurement prices for size 800g-1kg (VND thousand/kg)



Source: Wichart, KB Securities Vietnam

Fig 9. Global – Price movements of key feed ingredients (%)



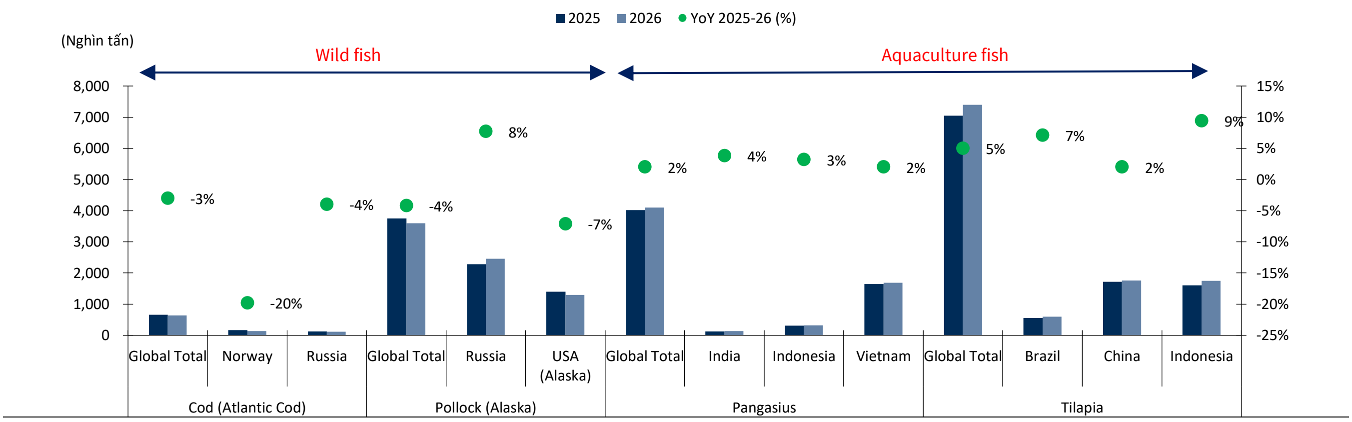
Source: Wichart, Bloomberg

2026 outlook is stable with wild whitefish supply declining

Despite global uncertainties, VHC's pangasius segment is slated to maintain stable growth in 2026 with three supporting factors, namely, market diversification, superior quality standards compared to Vietnamese enterprises enjoying 0% tax, and a decline in global wild fish supply. Global whitefish supply is poised to keep shrinking with US pollock (-7% YoY) and global cod (-3% YoY). However, competitive pressure from the tilapia remains, with global output expected to increase by 4%, and its flavor advantage is rated higher than pangasius. However, the high reciprocal tariffs imposed by the US on Brazil and China, the two main tilapia exporters, partly create more favorable competitive space for Vietnamese pangasius at the present time.

Regarding domestic pangasius supply, we expect farming efficiency in 2026 to improve significantly as the probability of La Nina is getting lower, and the weather gradually turns to neutral from the beginning of the year, helping to optimize production costs and increase supply for export processing.

Fig 10. Global – Whitefish supply in 2025-2026F (thousand tons)



Source: Food and Agriculture Organization, Forum Fish

Long-term growth momentum will come from non-pangasius segments

VHC is making efforts to invest and increase its C&G production capacity, expected to reach 5,000 tons/year (+43%) in 2025 and 7,000 tons/year (+100%) from 2026-2027F. This business segment not only has high double-digit growth potential and unlimited market but also makes good use of by-products in the fish processing process. We expect it will boost VHC growth with a higher profit margin (around 20%) than traditional segments.

In addition, Sa Giang (71.5% VHC ownership) will acquire Hoan Ngoc Food (HNF) to expand its rice crackers and rice-based products segment. VHC said that HNF has a diverse product portfolio and will focus on developing new products that are not yet available on the market. We have not included this business segment in our forecast yet as HNF does not expect it to make a significant contribution to profits in the next three years.

Forecast & valuation

Table 11. VHC – 2024A-2026F financial results

(VNDbn, %)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Assumptions
Revenue	**12,513**	**12,553**	**0%**	**12,956**	**3%**	
Pangasius fillet & value-added products	7,094	6,873	-3%	7,252	6%	Production output and ASP are as shown in Tables 12 and 13 below.
Collagen & gelatin	773	820	6%	1,012	23%	C&G revenue should grow 6%/23% YoY in 2025/26F thanks to line expansion and demand recovery from 2026F.
By-products	1,850	1,937	5%	1,788	-8%	
Sa Giang	701	733	5%	770	5%	It should slow down due to weaker demand.
Others (Animal feed & rice-based products)	2,069	1,977	-4%	2,133	8%	The growth may slow down due to lower global demand.
Gross profit	1,895	2,041	8%	2,138	5%	
GPM	*15.1%*	*16.3%*	*111bps*	*16.5%*	*24bps*	We expect a slight improvement in GPM in 2026F due to low feed prices and higher contribution from C&G segment with higher profit margin.
Financial income	423	422	0%	406	-4%	
Financial expenses	217	123	-43%	145	18%	
SG&A ratio	654	614	-6%	611	0%	We expect stable SG&A/revenue thanks to cost optimization and lower freight and legal costs.
SG&A/revenue	*5.2%*	*4.9%*	*-34bps*	*4.7%*	*-17bps*	
PBT	**1,485**	**1,763**	**19%**	**1,845**	**5%**	Profits should increase with better operating profit margin.
PBT margin	*11.9%*	*14.0%*	*218bps*	*14.2%*	*20bps*	
NPAT	**1,303**	**1,538**	**18%**	**1,606**	**4%**	
NPAT-MI	**1,226**	**1,462**	**19%**	**1,524**	**4%**	
NPAT-MI margin	*9.8%*	*11.6%*	*184bps*	*11.8%*	*12bps*	

Source: Vinh Hoan Corporation, KB Securities Vietnam

Table 12. VHC – 2024A-2026F sales volumes (tons)

(ton)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Assumptions
US	52,112	50,551	-3%	52,067	3%	We revise our forecast for 2025 down slightly amid trade barriers that have dented demand for imported fish. We expect a modest recovery in 2026 as wild fish production continues to decline, boosting demand for pangasius.
EU (UK included)	15,073	7,862	-48%	7,547	-4%	The sales volumes to the EU is positive thanks to a 25% YoY reduction in the Barents Sea catch limit in 2025.
China	14,743	16,320	11%	17,136	5%	The projection was lowered 30% due to intense competition from domestic tilapia.
Others	17,930	18,037	1%	18,579	3%	VHC will diversify its export markets to Brazil, Mexico, and Halal with demand recovering from 2026.
Total	**99,859**	**92,770**	**-7%**	**95,329**	**3%**	

Source: KB Securities Vietnam

Table 13. VHC – 2024A-2026F ASP (USD/kg)

(USD/kg)	2024	2025F	+/-%YoY	2026F	+/-%YoY	Assumptions
US	3.0	2.8	-4%	2.9	2%	ASP is expected to stabilize in 2026, improving slightly from low base last year.
EU (UK included)	2.1	2.3	8%	2.4	2%	
China	3.5	3.3	-4%	3.4	2%	
Others	2.4	2.5	3%	2.5	2%	
Total	**2.8**	**2.8**	**0%**	**2.9**	**2%**	

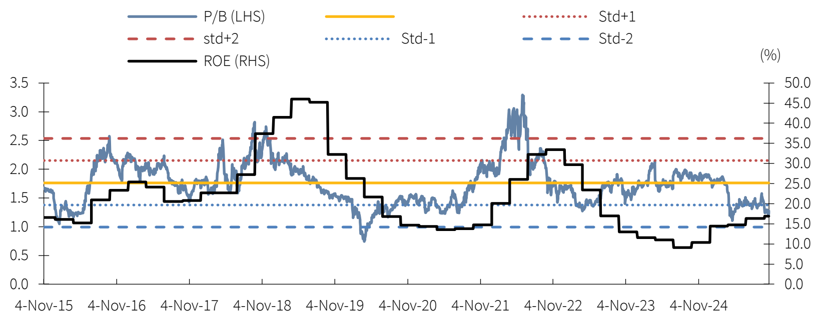
Source: KB Securities Vietnam

We recommend BUY with a target price of VND68,000

VHC is trading at an attractive valuation with a core P/E (excluding income from securities) of 8.3x, 30% lower than its five-year average of 11.9x. This reflects the less positive outlook from the traditional pangasius segment due to fiercer competition as well as the impact of trade defense measures from the US, the company's major importer.

On the other hand, VHC's profitability remains strong thanks to its closed model, high product quality in the pangasius industry, and competitive prices compared to other fish species, bringing stable demand and double-digit growth prospects in the remaining business segments. We determine the target price for VHC at VND68,000/share, equivalent to an upside potential of 18%, using the 2026 PE method with a target of 10x. We believe this is a reasonable level based on the stability of the pangasius segment and high growth prospects of VHC's remaining products.

Fig 14. VHC – P/B, ROE in 2020-2025 (x, %)



Source: Bloomberg, KB Securities Vietnam

VHC – 2023A–2026F summarized financials & forecasts

Income Statement (VND billion) (Standard report)	2023	2024	2025F	2026F
Net sales	10,033	12,513	12,553	12,956
Cost of sales	8,540	10,618	10,513	10,818
Gross Profit	1,493	1,895	2,041	2,138
Financial income	377	423	422	406
Financial expenses	229	217	123	145
of which: interest expenses	133	73	57	56
Gain/(loss) from joint ventures (from 2015)	1	2	4	0
Selling expenses	216	297	258	266
General and admin expenses	308	358	356	345
Operating profit/(loss)	1,118	1,450	1,730	1,788
Other income	50	66	17	17
Other expense	-23	-31	-30	-41
Net other income/(expenses)	27	35	33	58
Income from investments in other entities	1	2	4	0
Net accounting profit/(loss) before tax	1,145	1,485	1,763	1,845
Corporate income tax expenses	171	182	225	240
Net profit/(loss) after tax	974	1,303	1,538	1,606
Minority interests	55	76	76	82
Attributable to parent company	919	1,226	1,462	1,524

Margin ratio	2023	2024	2025F	2026F
Gross profit margin	14.9%	15.1%	16.3%	16.5%
EBITDA margin	13.7%	13.6%	15.3%	15.9%
EBIT margin	9.7%	9.9%	11.4%	11.8%
Pre-tax profit margin	11.4%	11.9%	14.0%	14.2%
Operating profit margin	11.1%	11.6%	13.8%	13.8%
Net profit margin	9.2%	9.8%	11.6%	11.8%

Balance Sheet (VND billion) (Standard report)	2023	2024	2025F	2026F
TOTAL ASSETS	12,070	12,060	13,527	15,105
CURRENT ASSETS	8,241	8,238	9,613	10,992
Cash and cash equivalents	570	570	1,155	1,671
Short-term investments	2,340	2,340	2,898	3,599
Accounts receivable	2,419	2,413	2,276	2,342
Inventories	2,911	2,915	3,283	3,379
LONG-TERM ASSETS	3,829	3,821	3,914	4,113
Long-term trade receivables	3	2	2	2
Fixed assets	3,415	3,415	3,440	3,570
Investment properties	115	109	178	247
Long-term incomplete assets	70	69	69	69
Long-term investments	225	225	225	225
LIABILITIES	3,247	3,241	3,281	3,370
Current liabilities	3,193	3,184	3,224	3,313
Trade accounts payable	309	278	346	356
Advances from customers	16	37	37	37
Short-term borrowings	2,157	2,277	2,255	2,320
Long-term liabilities	119	57	57	57
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	10,386	11,839
Paid-in capital	1,870	2,245	2,245	2,245
Share premium	264	264	264	264
Undistributed earnings	6,214	6,167	7,482	8,854
Treasury share	0	0	0	0
Investment and development fund	0	0	0	0
Minority interests	244	318	394	477

Cash Flow Statement (VND billion)	2023	2024	2025F	2026F
Net profit/(loss) before tax	1,145	1,485	1,763	1,845
Depreciation and amortisation	402	456	492	536
Profit/loss from investing activities	-165	-150	-422	-406
Interest expense	133	73	57	56
Operating profit/(loss) before changes in Working Capital	1,516	1,865	1,889	2,032
(Increase)/decrease in receivables	719	-535	137	-66
(Increase)/decrease in inventories	-856	1,026	-368	-95
Increase/(decrease) in payables	-352	212	65	19
(Increase)/decrease in prepaid expenses	19	9	-2	4
Trading securities, interest expense, taxes and others	-499	-504	-428	-448
Operating cash flow	547	2,073	1,292	1,445
Purchases of fixed assets and other long term assets	-677	-678	-550	-700
Proceeds from disposal of fixed assets	4	2	0	0
Loans granted, purchases of debt instruments	-3,552	-4,171	-558	-701
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	422	406
Investing cash flow	-793	-855	-685	-995
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	2,255	2,320
Repayment of borrowings	-11,385	-10,602	-2,277	-2,255
Dividends paid	0	-898	0	0
Interests, dividends, profits received	0	0	0	0
Financing cash flow	-73	-880	-23	65
Net increase in cash and cash equivalents	-319	338	584	516
Cash and cash equivalents - beginning	553	233	570	1,155
Cash and cash equivalents - ending	233	570	1,155	1,671

Key ratios (x, %, VND)	2023	2024	2025F	2026F
Multiple				
P/E	14.1	10.6	8.9	8.5
P/E diluted	14.1	10.6	8.9	8.5
P/B	1.6	1.5	1.3	1.1
P/S	1.3	1.0	1.0	1.0
P/Tangible Book	1.7	1.6	1.4	1.2
P/Cash Flow	-40.7	38.4	22.2	25.2
EV/EBITDA	11.1	9.0	8.0	7.4
EV/EBIT	15.7	12.3	10.7	10.0
Operating performance				
ROE	12%	14%	16%	14%
ROA	8%	10%	11%	11%
ROIC	19%	8%	9%	9%
Financial structure				
Cash Ratio	0.1	0.2	0.4	0.5
Quick Ratio	0.7	0.9	1.3	1.6
Current Ratio	2.4	2.6	3.0	3.3
LT Debt/Equity	0.0	0.0	0.0	0.0
LT Debt/Total Assets	0.0	0.0	0.0	0.0
Debt/Equity	0.4	0.4	0.3	0.3
Debt/Total Assets	0.2	0.2	0.2	0.2
ST Liabilities/Equity	0.0	0.0	0.0	0.0
ST Liabilities/Total Assets	0.0	0.0	0.0	0.0
Total Liabilities/Equity	0.0	0.0	0.0	0.0
Total Liabilities/Total Assets	0.0	0.0	0.0	0.0
Activity ratios				
Account Receivable Turnover	6	6	6	6
Inventory Turnover	2	4	3	3
Account Payable Turnover	28	38	30	30

Source: Vinh Hoan Corporation, 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