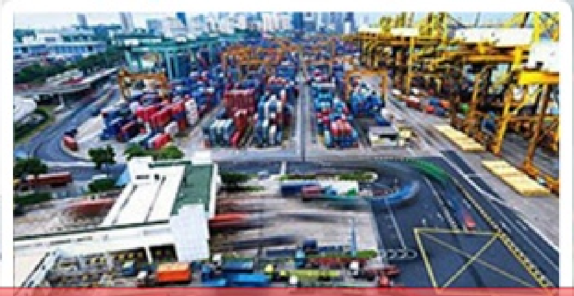
RONG VIET SECURITIES



Preliminary 2H2020 outlook

August 2020

FISHERIES INDUSTRY: Complicated from COVID-19

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Exports tumbled due to COVID-19

Imports were disrupted during quarantine

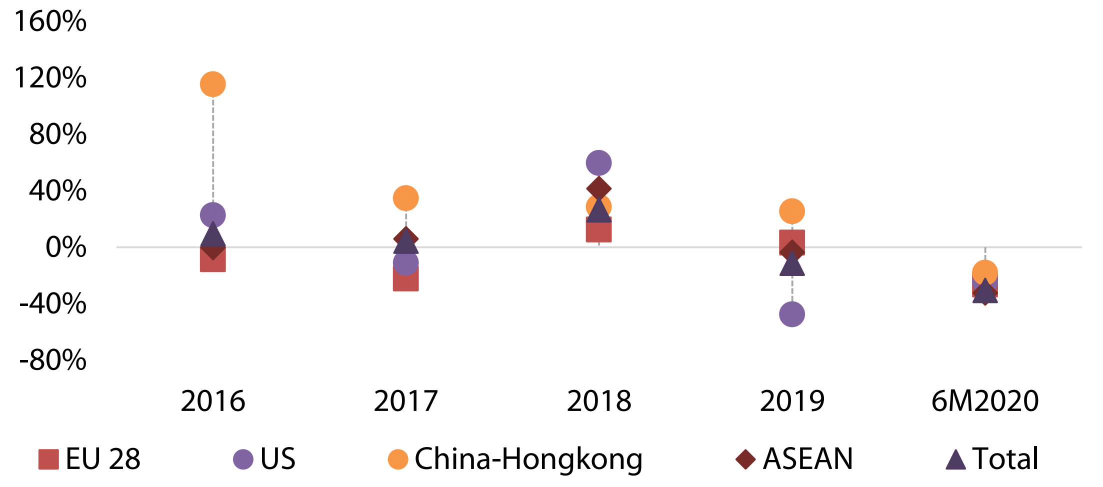
- Export value came at USD 667.5 mn, falling sharply 31% YoY, with exports to the US dropped 25% YoY, to China – Hongkong down 18% YoY and to the EU slumped 26% YoY. Exports to other smaller markets fell more deeply: to ASEAN -32%, to Brazil -39%, to Mexico -61% and to Colombia -45%. According to the Ministry of Industry and Trade (MoIT), ASP of 6M2020 plunged 20% YoY while volume was reduced by 12% YoY.

- Demand for easy-to-cook products (breaded, seasoned, pre-cooked) has increased as customers eat out less and cook at home more. Although processed pangasius exports surged 102% (in value) in 6M2020, the proportion of that in total exports only rose from 1.0% to 2.7%.

- Export volumes have been recovering after quarantine measures were loosened but export prices kept going down. In 2H, export prices are not likely to recover, as buyers are placing small orders to wait for the developments of COVID-19 and the buying power of consumers is worsening.

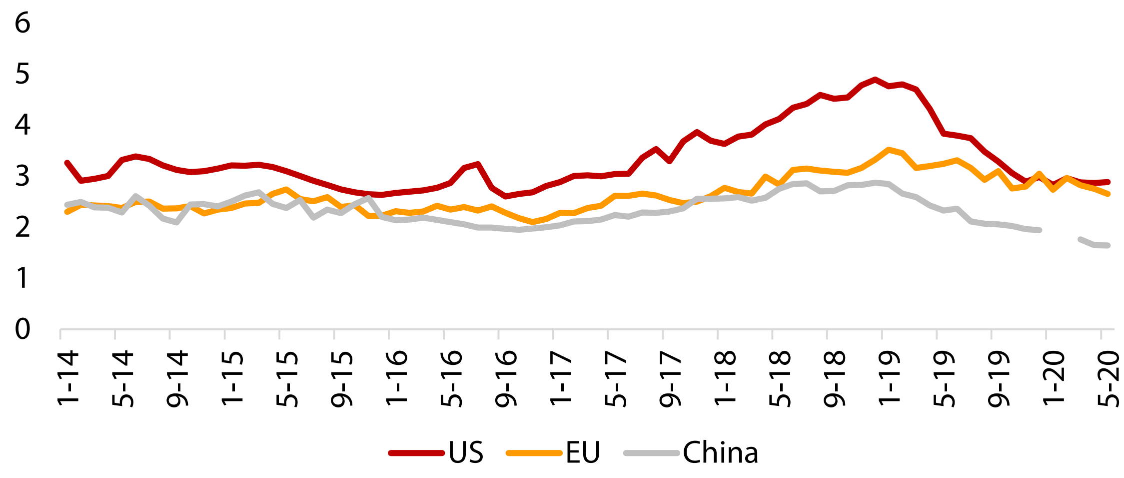
- Small companies are struggling to cover costs and expenses. Some even went bankrupt. Slow consumption and delayed orders are causing inventories to rise.

Figure 1: Sector growth



Source:VASEP, Rong Viet Securities

Figure 2: Frozen pangasius fillet import prices (USD/kg)

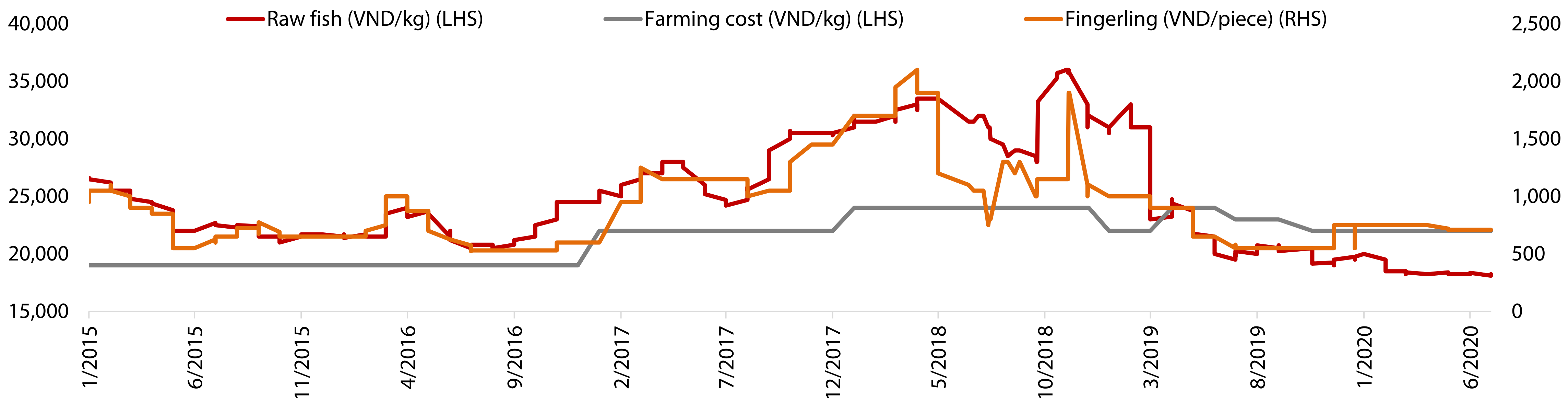


Source:International Trade Center (ITC), Rong Viet Securities

Low material prices are hurting farmers

- As inventory of finished products piles up, processing companies are using mostly self-farmed fish and fish of associated farmers. This has led to lower demand for material fish from outside farmers.
- Material fish prices sank more in 1H, well below production costs. This gloomy situation has persisted since 2Q2019.
- Losses made farmers hesitate in seeding new crops or feeding, to wait for the recovery of export prices. However, the longer farmers wait, the size of a fish can become larger than the preferable size for export, and then may be degraded.
- The recovery of material fish prices in 2H depends on the pandemic containment in markets.

Figure 3: Material fish and fingerling prices and farming cost



Source: VASEP, RongViet Securities

PANGASIUS SECTOR - PROSPECTS

EVFTA – Lower tariffs can accelerate pangasius consumption in the EU

Table 1: Tariffs of main pangasius products exported to the EU from main suppliers

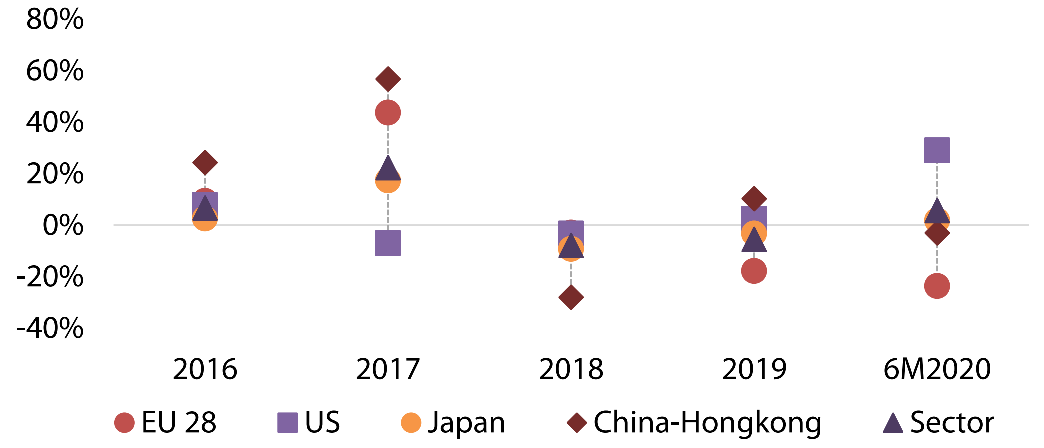
HS code	Vietnam			Indonesia	
	Base rate	GSP	EVFTA	Base rate	GSP
030324	8	4.5	B3	8	4.5
030272	8	4.5	B3	8	4.5
030432	9	5.5	B3	9	5.5
030462	5.5	5.5	B3	9	5.5

GSP (General System of Preference) tariff: tariff that the EU appliedfor developing countries
B3: reduced to 0% within 4 years
Source: European Commission (EC), VASEP, Rong Viet Securities

- EVFTA comes into effect from Aug 1st, 2020.
- Vietnam is enjoying the GSP tax when exporting to the EU.
- Tariffs for most of material pangasius (fresh, frozen, chilled) will be reduced from 5.5% to 0% within four years. Although Vietnam mainly exports material pangasius (99% of 2019 export value), the tariff reduction each year is small (1.8%), so the benefit may not be significant.
- Tariffs for processed pangasius will be reduced from 7% to 0% within eight years.
- Vietnam accounts for more than 90% of the global pangasius market share. Therefore, the reduced tariff does not enhance the competitiveness of Vietnam over other countries.

Sophisticated processing skills supported growth

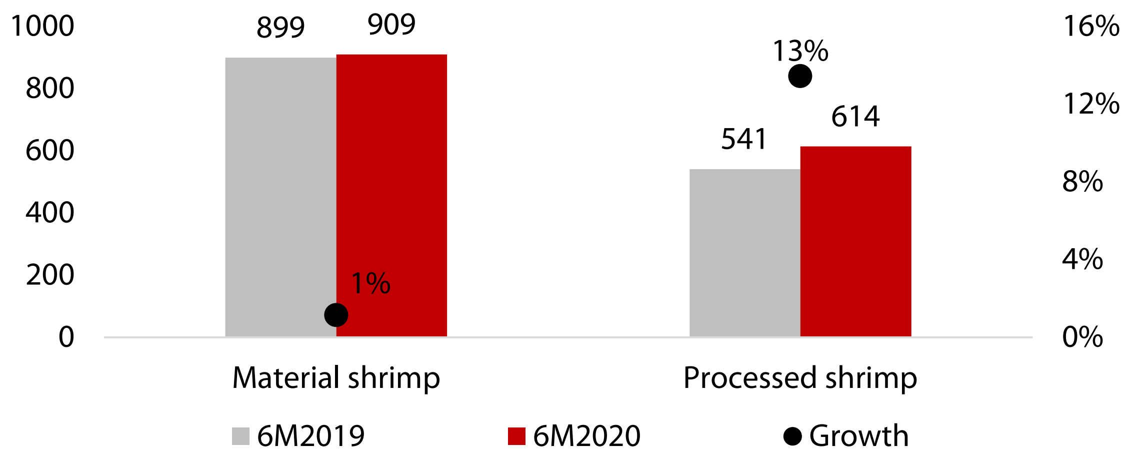
Figure 4: Sector growth in 6M2020



Source: VASEP, ITC, RongViet Securities

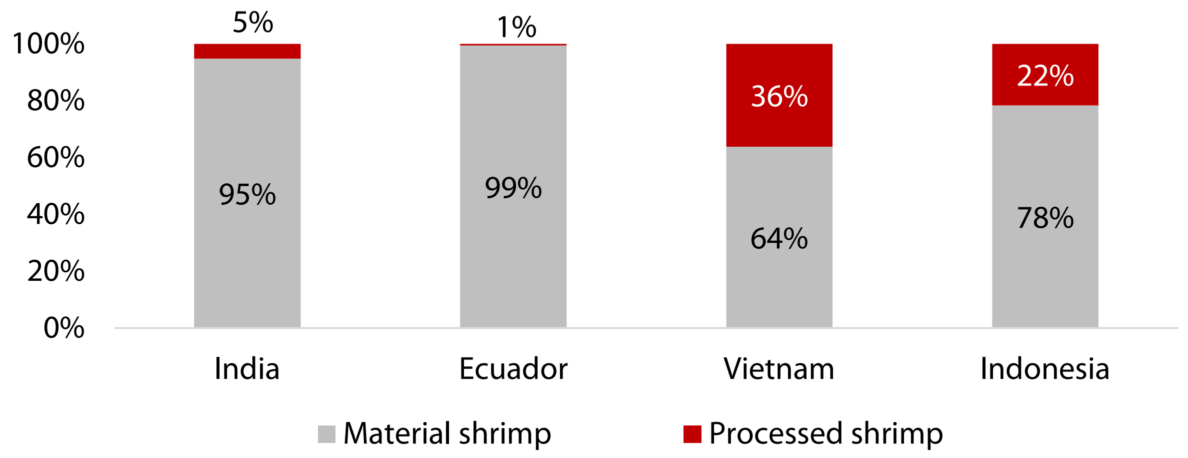
- Export value in 1H2020 reached USD 1.52 bn, 6% higher than that in 1H2019. Exports to the US surged 29% YoY, to the EU plunged 24% YoY. Exports to Japan increased slightly 2% YoY and to China-Hongkong came down a little 3% YoY. According to MoIT, ASP was flat while volume increased 6% YoY.
- Consumers cook more at home, resulting in higher demand for easy-to-cook food. Vietnam is benefiting from this as it is more sophisticated in processing shrimp compared to competitors.
- Export prices stayed at a low level, although there were supply shortages in large shrimp production countries like India and Ecuador.

Figure 5: Vietnam's shrimp export in 6M2020 (USD mn)



Source: VASEP, RongViet Securities

Figure 6: Processed /material shrimp (in volume) of the major suppliers



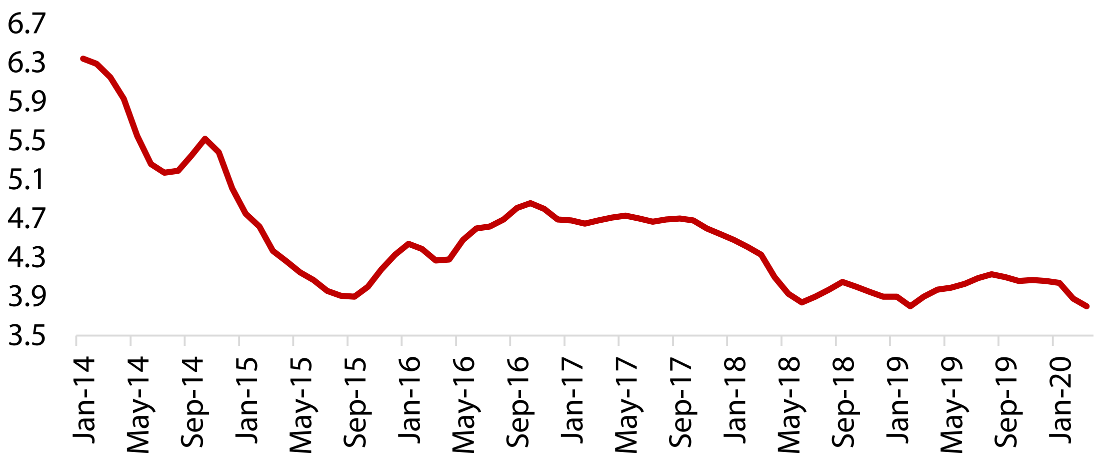
Source: ITC, RongViet Securities

SHRIMP SECTOR – PROSPECT

Market continues to opt for vannamei while selling price may drop due to the China – Ecuador issue

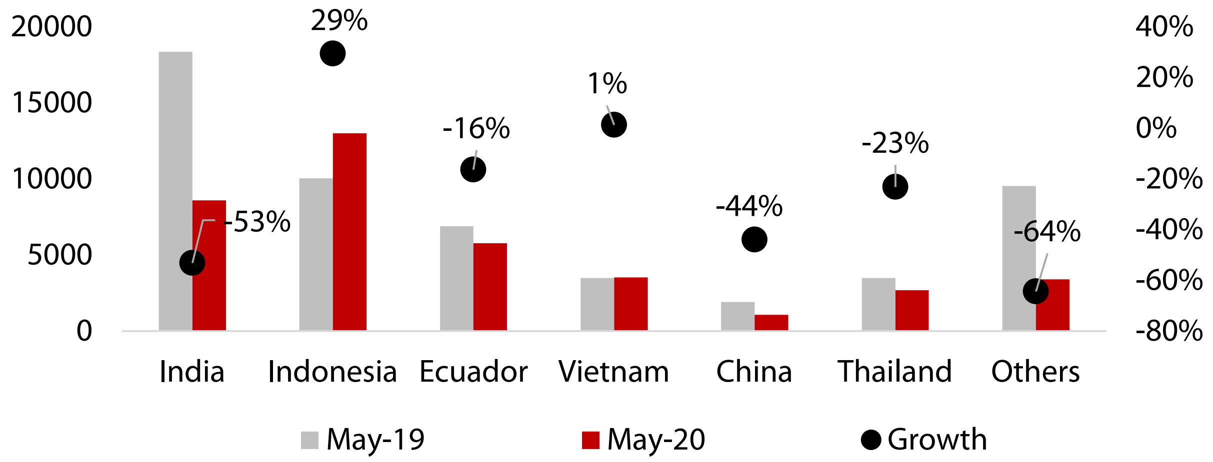
- Due to the lower price of vannamei compared to monodon, demand for vannamei has risen while that of monodon fell. Export value of vannamei increased 11% YoY and that of monodon was reduced by 15% YoY in 6M2020 (per MoIT).
- Selling prices are likely to continue undergoing downward pressure after China found coronavirus in some shipments of shrimp from three Ecuadorean companies in early July. Many Chinese buyers have suspended imports from Ecuador. Given that Ecuador is the world's second largest shrimp producerand China is the largest buyer of Ecuadorian shrimp (70% of Ecuador's exports), Ecuador has had to offer lower prices in other markets to solve the output problem. Material shrimp will be affected more by this situation.
- After COVID-19, prices could take years to recover because supply has shown signs of recovery but demandmay take a long time to get back to normal.
- Vietnam is expected to gain market share from India and Ecuador, the two main competitors, due to difficulties of pandemic containment these two countries arefacing. The situation has caused shortages of labor and raw materials from April to July in these two countries. In fact, Indonesia and Vietnam are the two beneficiaries in the US market since May, according to NOAA data. Vietnam can benefit from the situation in 3Q.

Figure 7: Urner Barry shrimp price index (USD/lb)



Source: Wells Fargo, RongViet Securities

Figure 8: In the US, Vietnam is among the two beneficiaries of the Indian and Ecuadorian shrimp shortage situation (tons)



Source: NOAA, RongViet Securities

EVFTA – Tariff reduction may boost shrimp exports to the EU

Table 2: Tariffs on shrimp imported into EU by main suppliers

HS code	Vietnam			India		Ecuador	
	Base rate	GSP	EVFTA	Base rate	GSP	Base rate	EU-Ecuador FTA
03061710	20	4.2	A	12	4.2	12	A
03061791	12	4.2	A	12	4.2	12	A
03061792	12	4.2	A	12	4.2	12	A
03061793	12	4.2	A	12	4.2	12	A
03061799	12	4.2	A	12	4.2	12	A
16052110	20	7	B7	20	7	20	A
16052190	20	7	B7	20	7	20	A
16052900	20	7	B7	20	7	20	A

GSP (General System of Preference) tariff: tariff that the EU appliedfor developing countries
A: 0% immediately after EVFTA comes into effect
B7: reduced to 0% within 8 years
Source: European Commission (EC), VASEP, Rong Viet Securities

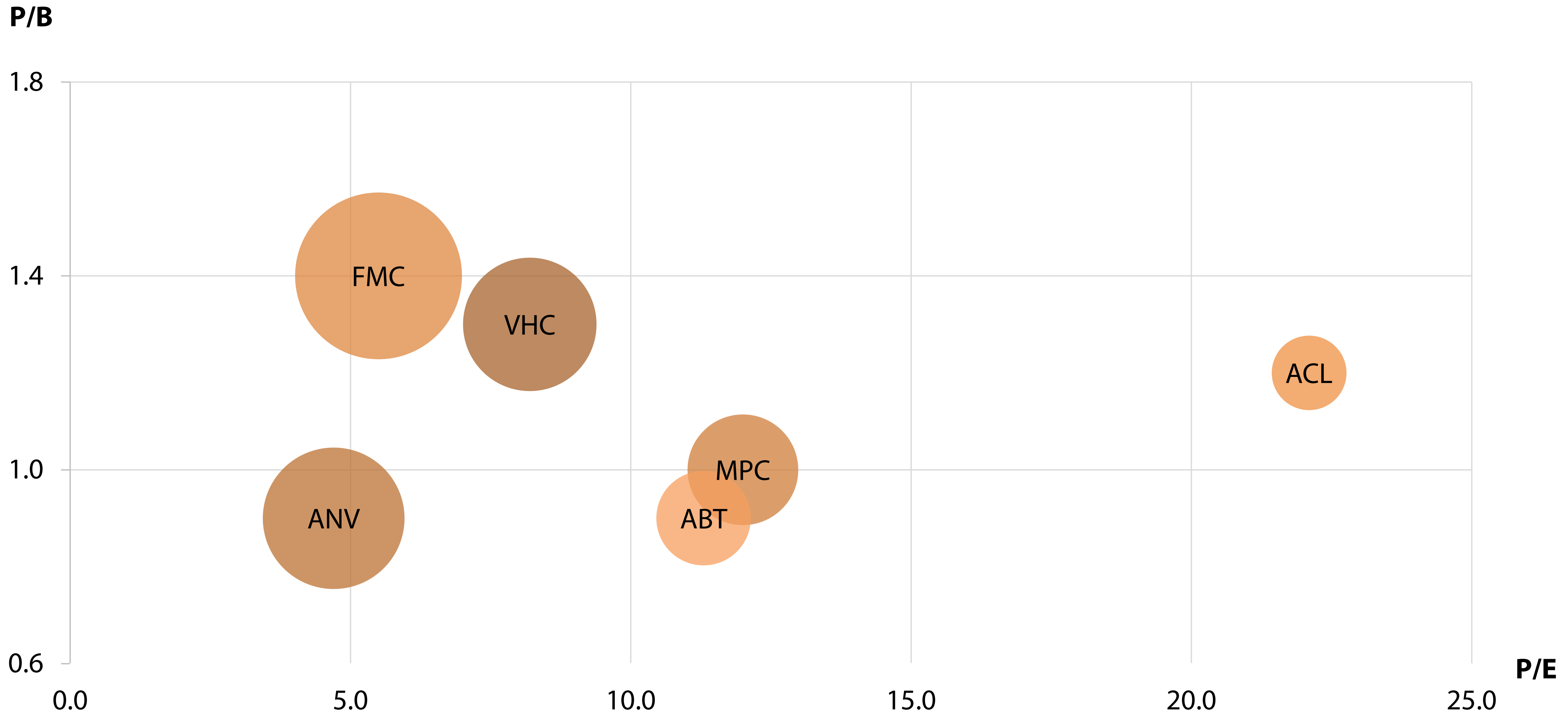
- EVFTA comes into effect from Aug 1st, 2020
- Vietnam is enjoying the GSP tax when exporting to the EU
- Tariffs on most of material shrimp (fresh, frozen, chilled) will be reduced from 4.2% to 0% immediately after EVFTA comes into effect. Main competitors of Vietnamese material shrimp (vannamei and monodon) are Ecuador and India. Indian shrimps are granted GSP tariffs but consumption is facing difficulties due to antibiotic residues inspection at 50% of shipments and the scale could be raised to 100%. Ecuador shrimps are fully exempted from the EU tariffs. Therefore, material shrimp will be the major beneficiary of EVFTA.
- Tariffs on processed shrimp will be reduced from 7% to 0% within 8 years. However, the product will be able to enjoy the tariff incentive no sooner than 2024 as annual tariff under EVFTA before 2024 is still higher than the current GSP tariff. Vietnam has taken the largest market share of processed shrimp imports by the EU (22% in volume and 18% in value). As a result, processed shrimp may not benefit significantly.

Industry comparable (TTM)

Ticker	Market cap (USD mn)	Target price (VND)	Sales growth(% YoY)	EBITDA growth(% YoY)	EBITDA margin (%)	Operating income margin (%)	Net income growth (% YoY)	Net Profit Margin (%)	ROA (%)	ROE (%)	DY (%)	Current P/E (x)	Current P/B (x)
VHC	288.2	39,700	-14.4	-36.3	14.6	11.7	-49.5	11.3	12.5	16.5	4.1	8.2	1.3
ANV	86.2	12,500	-14.2	-78.1	5.6	5.6	-78.6	4.5	10.5	18.2	12.7	4.7	0.9
MPC	224.2	N/A	-25.8	-22.7	4.7	4.6	50.7	4.2	5.5	10.8	5.7	11.8	1.1
FMC	57.2	N/A	-2.7	-6.8	8.0	5.7	0.7	5.8	14.5	25.0	9.3	5.5	1.4
ACL	35.0	N/A	-41.9	-70.5	10.3	5.7	-95.5	1.1	2.6	5.4	3.1	22.1	1.2
ABT	15.9	N/A	-23.4	-79.9	4.0	1.9	-60.9	6.3	6.3	8.0	6.3	11.3	0.9

Source: Bloomberg, RongViet Securities. Share price as of Aug 7, 2020.

Industry comparable



Source: FiinGroup, Rong Viet Securities. Bubble size equals respective ROE. Share price as of 07 Aug 2020.

VHC –PANGASIUS SELLING PRICE UNDER PRESSURE; COLLAGEN DEMAND IS STILL HIGH

INVESTMENT RATIONALE

- **Low purchasing power puts pressure on pangasius selling price**s
  - Export prices are likely to remain low due to the weak demand in the foodservice segment.
  - US, the main export market, is on the way to recover in volume after 2019's weak imports because of high-priced inventories.
  - Weak consumption in the foodservice in China.
  - Pangasius selling prices in 2021 may continue to decline due to the weak purchasing power amid the economic slowdown.
- **Collagen demand rose strongly because of the pandemic**
  - Higher demand for functional foods and pharmaceuticals supports collagen sales.
  - 1H2020 Collagen – gelatin revenue surged 35% YoY. We forecast 2020 revenue to grow 37%, reaching USD 29.9 mn.
  - Capacity increase was delayed two months. VHC has successfully developed premium products: nano collagen and collagen tripeptide with higher price than traditional ones.
- **The result of the POR 15 anti-dumping tax does not bring significant competition**
  - NTFS and CASEAMEX: 15 cent/kg (POR14: NTFS 1.37 USD/kg and CASEAMEX 2.39 USD/kg). VHC: 0 USD/kg, unchanged.
  - The competition from NTFS and CASEAMEX should not be a problem for VHC at least until the final POR16 result, given VHC's long-term relationship with importers and its product differentiation.

RISKS TO OUR CALL

- Complicated by COVID-19 which may cause countries to postpone lifting or tighten quarantines again.

ACCUMULATE +12%

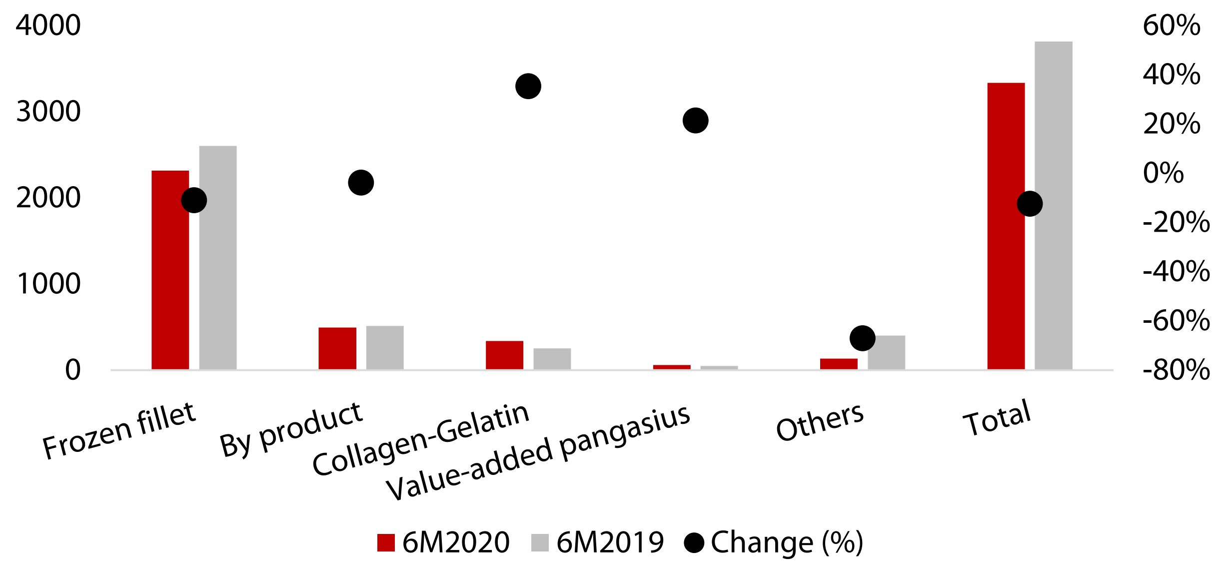
CMP (VND)	**36,700**
Target price (VND)	**39,700**
Cash dividend in 12 months	*1,500*

STOCK INFO	
Sector	Consumer Goods
Market Cap ($ mn)	288
Current Shares O/S (mn shares)	182
3M Avg. Volume (K)	669
3M Avg. Trading Value ($ mn)	1.0
Remaining foreign room (%)	67.6
State own room (%)	20.1-42.8

FORECAST	2018A	2019A	2020F	2021F
Revenue (VND bn)	**9,271**	**7,867**	**8,115**	**9,127**
Growth (%)	*13.7*	*-15.1*	*3.2*	*12.5*
NPATMI (VND bn)	**1,442**	**1,180**	**938**	**918**
Growth (%)	*138.5*	*-18.2*	*-20.6*	*-2.0*
ROA (%)	22.9	17.8	12.2	11.1
ROE (%)	35.9	24.2	16.1	14.3
EPS (VND)	15,489	6,437	5,072	4,969
Book Value (VND)	43,452	26,593	31,665	34,950
Cash dividend (VND)	2,000	0	1,500	2,000
P/E (x) (*)	6.1	6.2	6.8	6.9
P/B (x) (*)	2.2	1.5	1.1	1.0

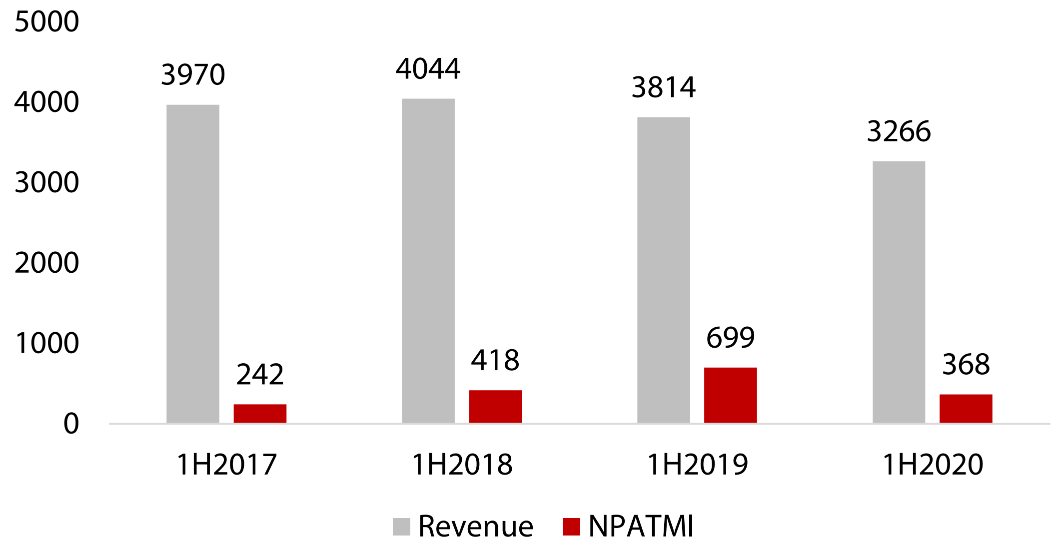
(*) Share price as of Aug 7th, 2020.

Figure 1: Revenue by product (VND bn)



Source: VHC, Rong Viet Securities

Figure 2: 6M2020 revenue and NPATMI (VND bn)



Source: VHC, Rong Viet Securities

1H2020: Pangasius selling price fell to the lowest level of the last five years. Consumers cook more at home and increase the usage of functional foods and pharmaceuticals. That stimulates the growth of value added pangasius and collagen.

- Pangasius export value was VND 2,371 bn(-10.5% YoY), revenue reached VND 3,334 bn (-12.6% YoY); NPATMI was VND 368 bn (-47.4% YoY). Of which, revenue of value added pangasius and collagen-gelatin surged strongly by 21% YoY and 35% YoY, respectively.
- GPM still dropped sharply to 16.4% (1H2019: 22.2%) due to the plunge of pangasius fillet prices and VND 71 bn for inventory devaluation.

2H2020: Pangasius selling price is likely to remain low due to economic difficulties and low demand of the foodservice segment.

- Pangasius selling price fluctuates around 2.8 - 2.9 USD/kg. The self-supply rate of material fish reached 65% and material fish selling price on the market fluctuates between VND 18,000 – 18,500/kg.

ANV – EXPORTS FACE HEADWINDS; TEMPORARILY SWITCH TO THE DOMESTIC MARKET

INVESTMENT RATIONALE

- **Exports were temporarily reduced by the pandemic**
  - Low consumption in the foodservice segment due to lockdown in many countries. Low demand caused export prices to fall deeply. The export price in 2H2020 seems to remain low because of unpredictable developments of the pandemic.
  - The company had to boost domestic salesin 2Q2020 to support revenue.
  - Gross profit margin in 1H2020 was 12.5% (1H2019: 25.4%). In 2021, the gross profit margin will be better thanks to the recovery of exports.
- **Ready-to-eat pangasius products with higher profitability than pangasius fillets** will be launched to the market in 4Q2020. We do not *include this in our valuation because of insufficient information.*
- **Solar power generated from the factory roofs and farms, from September 2020**
  - Expected output: 23 MW from 2020 and 100 MW from 2021.
  - Gross profit margin of solar power projects is usually very high, around 50-60%..
  - ANV cautiously estimates the break-even period in five years
  - We do not *include this in our valuation because of insufficient information.*

RISKS TO OUR CALL

- Complicated COVID-19 may cause countries to postpone lifting or tighten quarantines again.

REDUCE -20%

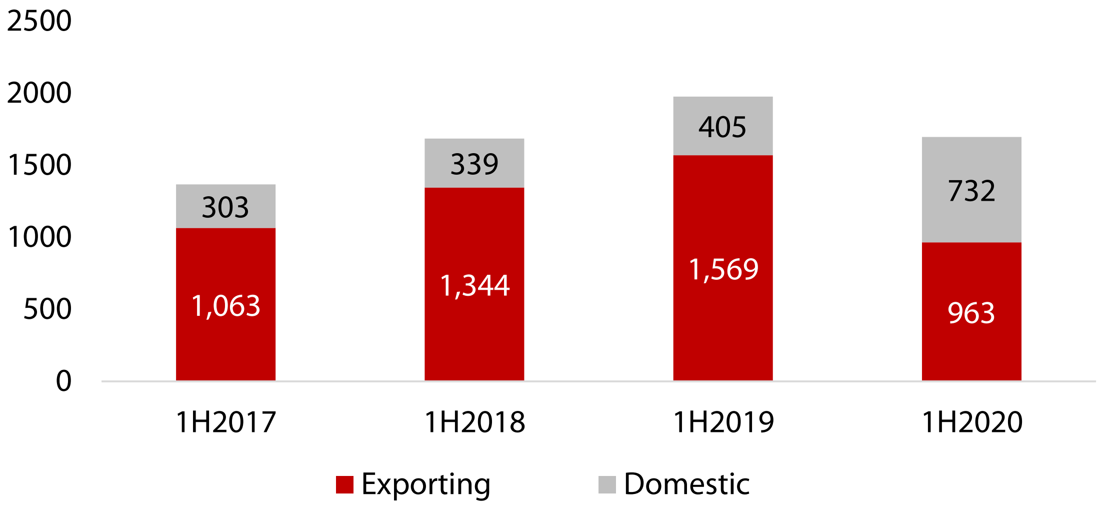
CMP (VND)	**15,700**
Target price (VND)	**12,500**
Cash dividend in 12 months	*2,000*

STOCK INFO	
Sector	Consumer Goods
Market Cap ($ mn)	86
Current Shares O/S (mn shares)	127
3M Avg. Volume (K)	280
3M Avg. Trading Value ($ mn)	0.2
Remaining foreign room (%)	47.7
52-week range ('000 VND)	11.1-25.7

FORECAST	2018A	2019A	2020F	2021F
Revenue (VND bn)	**4,118**	**4,481**	**3,406**	**4,138**
Growth (%)	*39.6*	*8.8*	*-24.0*	*21.5*
NPATMI (VND bn)	**555**	**704**	**152**	**421**
Growth (%)	*319*	*26.9*	*-78.4*	*176.3*
ROA (%)	16.2	17.0	3.8	10.0
ROE (%)	30.0	29.5	6.3	16.4
EPS (VND)	4,787	5,502	1,197	3,307
Book Value (VND)	14,534	18,766	18,944	20,211
Cash dividend (VND)	1,500	2,000	1,000	2,000
P/E (x) (*)	6.0	4.2	12.4	4.5
P/B (x) (*)	1.9	1.2	0.8	0.7

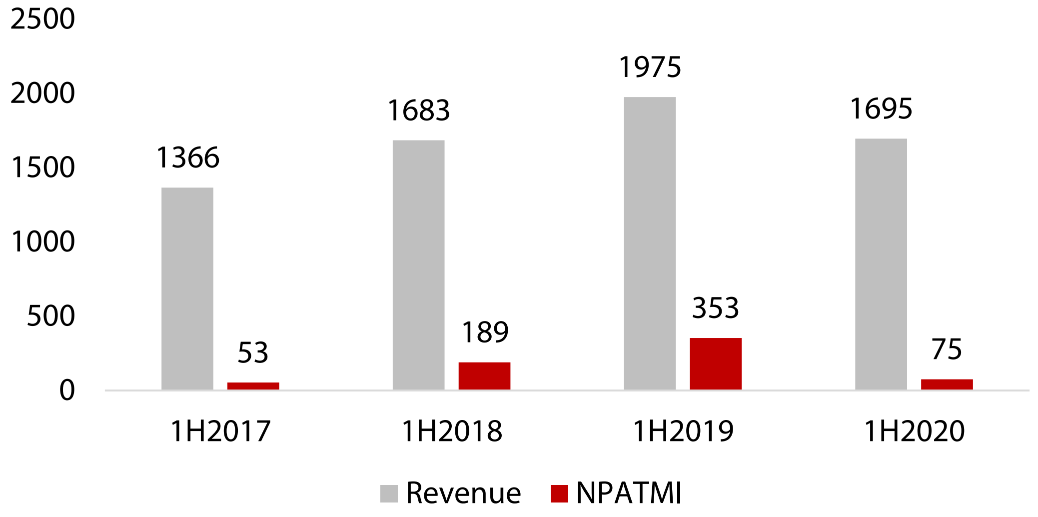
(*) Share price as of Aug 7th, 2020.

Figure 1: Revenue by region (VND bn)



Source: ANV, Rong Viet Securities

Figure 2: 6M2020 revenue and NPATMI (VND bn)



Source: ANV, Rong Viet Securities

1H2020: Underperforming exports due to low consumption in the food service segment. Temporarily switch to the domestic market with low profit margin

- Revenue reached VND 1,695 bn (-14.1% YoY); NPAT was VND 75 bn (-78.7% YoY). Low demand caused export prices to fall deeply. Domestic sales in Q2 increased by 114% YoY, accounting for 55% of total revenue thanks to selling pangasius products to Vinmart with much lower price than the export price. The company also sold material fish from self-farming areas to lower inventories. GPM in Q2 dropped sharply to 10.2% (Q2/2019: 21.1%). GPM in 1H2020 reached 12.5% (1H2019: 25.4%).
- The weight of selling expenses/revenue increased sharply to 5.4% (1H2019: 4.5%) as spending rose to expand the customer base.

2H2020: Export volume has not increased much and selling price seems to be low due to the unpredictable pandemic

- Exports may recover slightly versus 1H's. Domestic market still weighs significantly in total sales.
- Gross profit margin for the whole year will reach 13.2%. The company's ability to complete NPAT plan of VND 200 bn is very low.

MPC –IMPORTANT INVESTMENT PLANS ARE BEHIND SCHEDULE

INVESTMENT RATIONALE

- **New farming technology is highly efficient but slow to implement**
  - 2-3-4 technology combined with sensors: the number of crops increase from 1-2 crops/year to 3-5 crops/year. Output is 10 times higher than the old technology, meeting 30% of material shrimp demand in 2020 (2019: 15%) and 50% by 2023. The cost of shrimp farming is reduced by 30% compared to the current technology.
  - The weather, unfavorable for construction, the pandemic and the lack of capital have slowed down the investment progress from 2019 until now. MPC plans to complete 2-3-4 technology investment in 2022 on the entire 900 ha of its own farms.
- **Investments in processing capacity have been delayed**
  - Plan to increase the processing capacity from 86,000 tons/year to 116,000 tons/year in 2020, 156,000 tons/year in 2022 and 200,000 tons/year in 2025.
  - The concentration of human and financial resources in the lawsuit in the US has forced the company to delay the commencement time from 2019 to August or September 2020.
- **Benefiting from EVFTA with cookedshrimp products**
  - Cooked shrimps are subject to a 15% import tax in the EU. This tax will be reduced to 0% within eight years from 2020.
  - The weight of the EU in total revenue is planned to gradually increase from 12% now to 14-15% by 2020 end and to 20-25% whenthe import tax will be 0%.
- **Permanently enjoy 0% anti-dumping duty in the US**. For many years, this market has accounted for 40% of sales.

RISKS TO OUR CALL

- **The result of anti-dumping duty evasion investigation in the US is unfavorable**. The company was accused of importing Indian shrimps. Minimally processing them and then exporting to US with a “Made in Vietnam” label. The US Customs and Border Protection Department (CBP) will verify the MPC's production documents in October 2020. The results of this investigation are planned to be announced in early 2021.

N/A	N/A
CMP (VND)	**26,170**
Target price (VND)	-
Cash dividend in 12 months	*1.500*

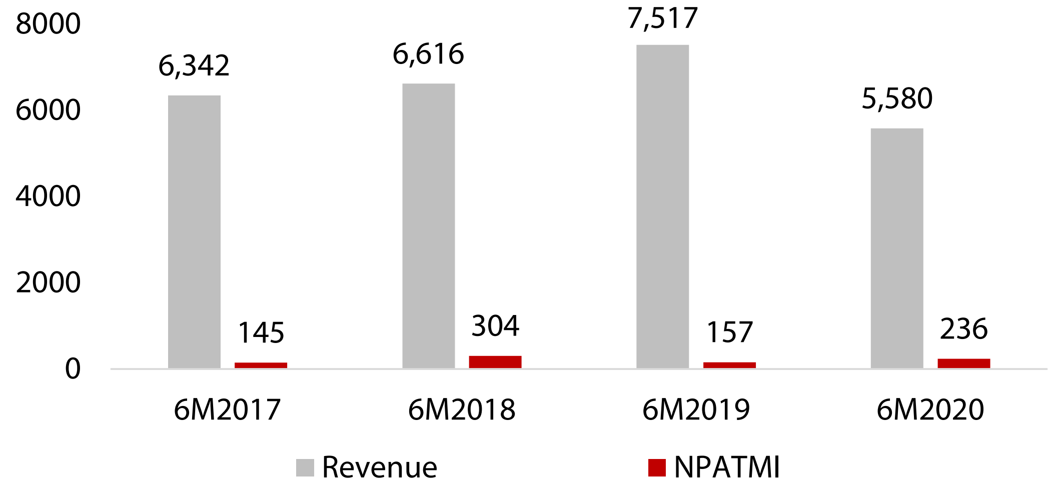
STOCK INFO	
Sector	Consumer Goods
Market Cap ($ mn)	224
Current Shares O/S (mn shares)	198
3M Avg. Volume (K)	123
3M Avg. Trading Value ($ mn)	0.1
Remaining foreign room (%)	11.6
52-week range (‘000 VND)	16.2-32.9

FORECAST	2016A	2017A	2018A	2019A
Revenue (VND bn)	**11,973**	**15,665**	**16,925**	**16,998**
Growth (%)	*-2.5*	*30.8*	*8.0*	*0.4*
NPATMI (VND bn)	**82**	**714**	**810**	**445**
Growth (%)	*-1278.3*	*772.1*	*13.5*	*-45.1*
ROA (%)	0.9	8.1	8.7	5.2
ROE (%)	4.0	29.8	24.1	10.2
EPS (VND)	1,030	9,129	5,020	2,204
Book Value (VND)	25,747	42,738	26,604	25,110
Cash dividend (VND)	0	0	5,000	1,500
P/E (x) (*)	N/A	5.9	7.9	9.1
P/B (x) (*)	N/A	1.3	1.5	0.8

(*) Share price as of Aug 7th, 2020.

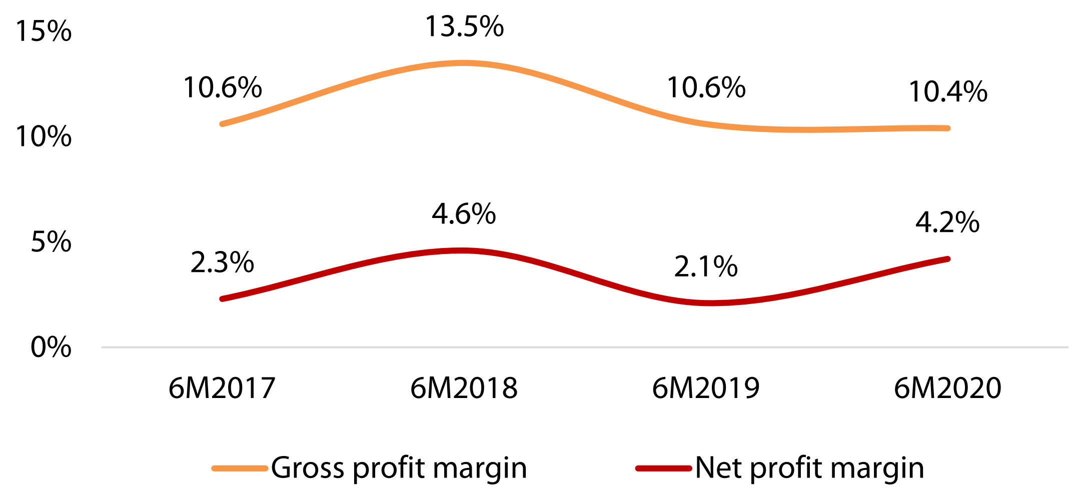
MPC – Important investment plans are behind schedule

Figure 1: 6M2020 revenue and NPATMI (VND bn)



Source: MPC, Rong Viet Securities

Figure 2: Gross profit margin and net profit margin



Source: MPC, Rong Viet Securities

1H2020: Sales fell sharply due to weak consumption in the food service segment. Profits soared thanks to financial revenue and cost cutting

- Revenue was VND 5,580 bn, -26% YoY due to a decrease in volume. Material shrimp accounts for 60% of MPC's annual revenue and consumption of this segment has plummeted as restaurants, hotels, casinos, etc. were forced to suspend business in April and May in many countries. Gross profit margin was equivalent to the same period in 2019 at 10.4%.
- Financial income increased 92% YoY, financial expenses dropped 45% YoY and selling expenses decreased 40% YoY. As a result, NPATMI reached VND 236 bn, up 50% YoY.

2H2020: Export prices may come under pressure due to the recovery of global shrimp suppliers, but consumption is still low due to the complicated and unpredictable pandemic

- The ccompany has received enough orders for production until thee year end but exports will depend on the pandemic situation.
- Shrimp material is not as plentiful as in 1H. Shrimp diseases are becoming complicated, resulting in longer farming time, more feed costs and low profits. Therefore, the price of material shrimp is likely to increase from the end of 3Q. The application of new farming technology has not progressed much.

FMC – INCREASE PROFITABILITY VIA EXPANDING FARMING AREAS

INVESTMENT RATIONALE

- **Increasing shrimp farming area and changing product structure to expand profit margin**
  - o The farming area will increase from 190 hectare to 280 hectare in 2020, equivalent to the rate of self-supply material increasing from 15% to 30%. By 2025, the farming area will reach 400-500 hectare, equivalent to 50% of self-supply.
  - o The success rate is more than 90%, compared with 50-60% for the majority of farmers, thanks toown microbiological research and production. High success rate helps to reduce costs.
  - o Changing product structure: Increasing the proportion of steamed shrimp, instant fried shrimp, processed vegetables for higher selling prices.
- **Opportunities to increase sales in EU thanks to EVFTA**
  - o FMC is subject to a 10% import tax by the EU.
  - o The import tax reduction roadmap to 0% is eight years.
  - o EU market will account for up to 50% of FMC sales versus 30% now.
- **Chances to increase sales in the US due to 0% anti-dumping duty in POR 13 and US-China trade war**
  - o US market accounts for 20% of 2019 revenue. Anti-dumping duty dropped sharply (POR 12: 4.35%).
  - o Breaded shrimp capacity has increased from 3,000 tons/year to 5,000 tons/year in 2019. Breaded shrimp are exempt from anti-dumping duty in the US.
  - o US is imposing 25% import tax on Chinese breaded shrimps.

RISKS TO OUR CALL

- Oversupply from major shrimp production countries reduces export prices
- Taxes and technical barriers in markets change negatively
- Global economic crisis reduces demand

N/A	N/A
CMP (VND)	**27,000**
Target price (VND)	-
Cash dividend in 12 months	*2,500*

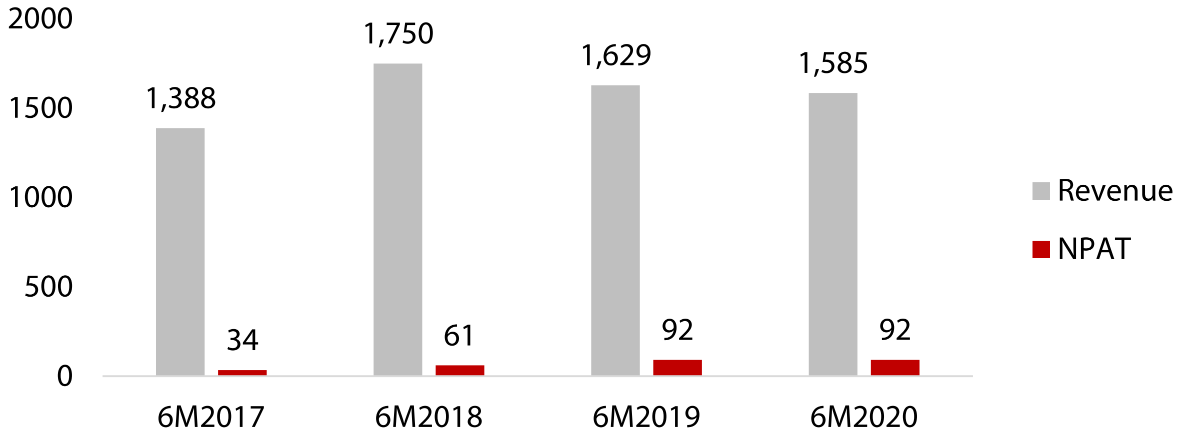
STOCK INFO	
Sector	Consumer Goods
Market Cap ($ mn)	57
Current Shares O/S (mn shares)	49
3M Avg. Volume (K)	154
3M Avg. Trading Value ($ mn)	0.2
Remaining foreign room (%)	39.8
52-week range ('000 VND)	14.6-30.6

FORECAST	**2016A**	**2017A**	**2018A**	**2019A**
Revenue (VND bn)	**3,079**	**3,498**	**3,807**	**3,710**
Growth (%)	*7.0*	*13.6*	*8.8*	*-2.5*
NPATMI (VND bn)	**102**	**112**	**180**	**230**
Growth (%)	*5.5*	*9.3*	*60.6*	*27.3*
ROA (%)	7.6	7.4	11.5	15.2
ROE (%)	25.0	21.4	28.6	28.2
EPS (VND)	3,425	2,881	4,490	4,685
Book Value (VND)	15,855	14,723	17,138	19,141
Cash dividend (VND)	1,800	4,500	2,000	2,500
P/E (x) (*)	5.6	7.9	6.5	5.2
P/B (x) (*)	1.2	1,5	1.7	1.3

(*) Share price as of Aug 7th, 2020.

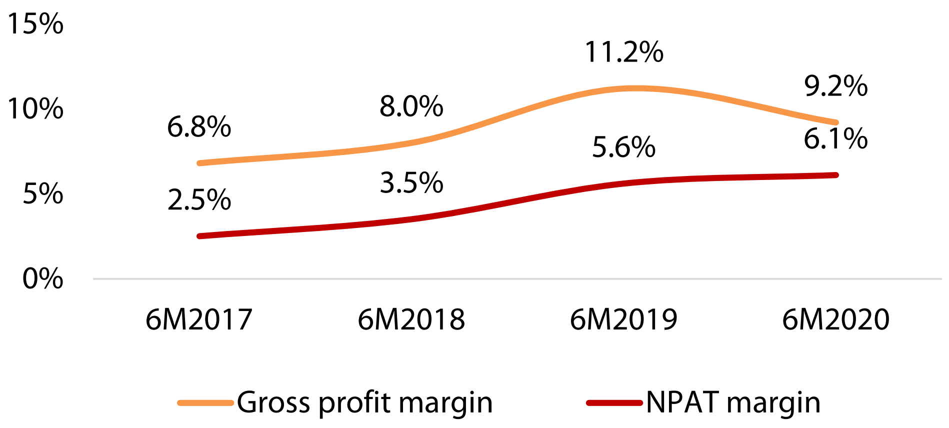
FMC – Increase profitability via expanding farming areas

Figure 1: 6M2020 revenue and NPAT (VND bn)



Source: FMC, Rong Viet Securities

Figure 2: Gross profit and net profit margins



Source: FMC, Rong Viet Securities

1H2020: Sales were affected insignificantly by COVID-19

- Export turnover reached USD 68.4 mn (-3.3% YoY). Net revenue was VND 1,585 bn (-2.7% YoY) and NPAT stayed flat at VND 92 bn. Shrimp and processed vegetables exports fell by 5% and 17% YoY, respectively. Selling prices gained 3% and 7% YoY, respectively. Volume did not decline much and the selling price increased as the company mostly sells to the retail channel.
- GPM declined from 11.2% (1H2019) to 9.2% because (1) the volume of vegetables, which has higher profit margin, fell more than shrimp volume and (2) material shrimp prices rose due to hot weather and salinization in March and April. Shrimp's GPM dropped from 9.4% to 7.5%. GPM of vegetables was stable at 50%.

2H2019: Selling price is likely to fell, material shrimp price increases in the off-season 2H of the year. The proportion of self-supply material rises thanks to the new farm

- Shrimp material is not as plentiful as in 1H. Shrimp diseases are becoming complicated, resulting in longer farming time, more feed costs and low profits. Therefore, the price of shrimp material is likely to increase from the end of Q3.
- The company has received enough orders for production until the end of 2020 but export will depend on the pandemic situation

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