

VINH HOAN CORP (HOSE: VHC)

Export volume remains the key driver of growth momentum

Using a combination of DCF and SoTP methods, with a 50:50 weighting, we estimate a long-term price for VHC at VND 73,300, corresponding to a projected P/E ratio of 13.7x and 10.3x for 2024 - 2025, respectively. Along with a cash dividend of VND 2,000 / share, the total expected return is **2%**. However, the stock could be valued higher with a greater risk tolerance.

- **Revenue and NPAT-MI are expected to sustain growth momentum.** We project revenue to rise from VND 10,076 billion in 2023 to VND 17,238 billion in 2028, **reflecting a CAGR of 11.3%**. NPAT-MI is expected to increase from VND 918 billion in 2023 to VND 2,325 billion in 2028, **equating to a CAGR of 20%**.
- **The pangasius segment is expected to continue its growth trajectory.** Revenue from pangasius fillet sales is projected to increase from VND 5,647 billion in 2023 to VND 8,507 billion in 2028, reflecting a CAGR of 8.5%, driven by export volume growth from 75,000 tons to 112,000 tons by 2028, with a CAGR of 8.6%. Although the average selling price may not see compounded growth during this period, it is expected to rise from USD 2.84 / kg in 2024 to USD 3.1/kg in 2028 (+8%).
- **The Collagen and Gelatin (C&G) and Sa Giang (HNX:SGC) business segments are expected to experience stronger compound annual revenue growth than the pangasius segment**, with projected growth rates of 17.5% and 20% / year for 2024 - 2028, primarily driven by volume increases. C&G production volume is expected to rise from 2,300 tons in 2023 to 5,000 tons by 2028, representing a CAGR of 16.5%, while SGC volume is projected to grow at a CAGR of 19.5% annually. NPAT-MI for these 2 segments is expected to maintain a CAGR of 26% and 14% for 2023 - 2028, respectively.
- **Additionally, the company usually seeks investment opportunities in new sectors, with recent venture into the Thanh Ngoc fruit segment showing promising revenue growth.**
- **VHC's debt ratio remains safe, given its low debt structure primarily focused on short term loans. The debt ratio is expected to gradually decline, with excess cash each year primarily allocated to working capital purposes.**

Risks

- *The valuation does not include the post-U.S. election policy as the import tax rate has not been determined.*
- *Pangasius prices are unlikely to recover soon due to ongoing global economic instability.*
- *Demand for pangasius is decreasing, as consumers in the US and EU tend to favor salmon and marine fish when economic growth is strong. However, pangasius prices are also expected to rise beyond projections if economic growth picks up.*
- *Revenue fluctuations in the C&G and SGC segments have a significant direct impact on overall business performance.*

Key financial ratios

Ending(Billion VND)	FY2021	FY2022	FY2023	FY2024F	FY2025F	FY2026F
Net revenue	9,054	13,231	10,033	12,506	14,047	15,212
YoY (%)	29%	46%	-24%	25%	12%	8%
EBITDA	1,423	2,320	1,291	1,696	2,219	2,535
NPAT-MI	1,099	1,975	918	1,198	1,601	1,872
YoY (%)	53%	80%	-53%	30%	34%	17%
NPAT-MI margin (%)	12%	15%	9%	10%	11%	12%
ROA (%)	13%	17%	8%	9%	11%	12%
ROE (%)	19%	26%	11%	12%	14%	15%
Basic EPS (VND)	6,394	10,770	4,910	5,336	7,131	8,340
Book value (VND)	32,076	41,968	45,931	43,836	49,279	55,879
Cash dividend (VND)	2,000	2,000	0	2,000	2,000	2,000
P/E (x)	10.4	6.5	14.8	13.8	10.3	8.8
P/BV (x)	2.0	1.7	1.6	1.7	1.5	1.3

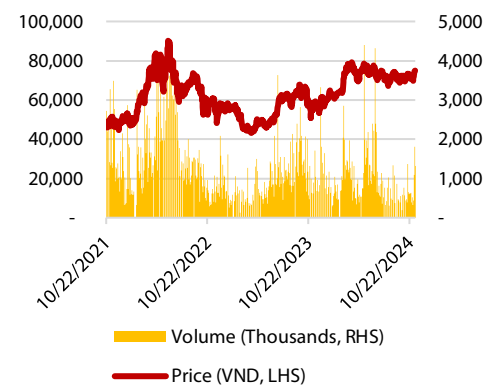
Source: VHC, RongViet Securities. Based on the closing price on 11/11/2024.

OBSERVE

Market price (VND)	73,600
Target price (VND)	73,300

Stock info

Sector	Fishery
Market Cap (VND Bn)	16,834
Share O/S (Mn)	224.5
Beta	0.98
Free Float (%)	70
52 weeks high	82,200
52 weeks low	55,000
Average trading volume (20 sessions)	468,555



Performance (%)

	3T	1N	2N
VHC	3.4	24.2	24.3
VN30 Index	-3.3	15.1	30.8
VN-Index	2.1	10.5	25.5

Major shareholders (%)

Chairman	42.32
Other	57.68
Remaining Foreign Room (%)	83

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VALUATION
LONG-TERM VALUATION BY FCFF METHOD

DCF assumptions	Value	Valuation summary	Unit: VND bn
WACC 2024	13.0%	DCF forecast duration	5 years
Effective rate tax	20.0%	Discountable Free Cash Flow	15,483
Cost of equity	14.0%	+ Cash & Equiv at Valuation Date	2,713
Risk-free rate	5.0%	- Debt	-2,159
Equity risk premium	9.0%	Equity value	16,037
Beta	1	No. of share outstanding (million shares)	224,45
Exit EV/EBITDA	6,0x	Equity Value per Share (VND)	71,449

Source: RongViet Securities

Table 1: Sensitivity analysis for VHC equity value per share (VND)

WACC	Constant growth rate in perpetuity					
		0%	1%	2%	3%	4%
	9%	92,279	101,440	113,219	128,924	150,911
11%	75,064	80,725	87,644	96,292	107,412	
13%	63,219	66,991	71,449	76,799	83,338	
15%	54,591	57,242	60,301	63,869	68,086	
17%	48,041	49,979	52,175	54,685	57,581	

Source: Rong Viet Securities

SHORT TERM VALUATION BY SOTP METHOD

We apply SoTP valuation method for VHC by assessing its 3 main business segments using the P/E comparison method. The target price for VHC is summarized in the table below.

Table 2: Estimated Target Price of VHC over 2 Years

	2024	2025
Target price(Thousands VND/share)	57,664	75,275
P/E target (times)	10.8	10.6

Source: Rong Viet Securities

For each main segment, we apply the following comparative methods:

Pangasius segment
Table 3: Average P/E Ratio (x) of Industry Peers

Company name	2019	2020	2021	2022	2023	Average 5 years
Thai Union (Thailand)	13.4	8,6	10.5	10.8	12.4	11.1
High Liner Foods (CANADA)	7.8	8,6	10.0	6.7	8.0	8.2
Nissui Corp (Japan)	11.8	8,2	10.9	9.4	11.0	10.3
VHC	2.8	9.6	9.8	6.8	14.4	8.7
Average 4 companies						9.6

Source: Bloomberg, Rong Viet Securities

Table 4: Sensitivity Table for Pangasius Segment Contribution per Share and P/E

	P/E						
			7.57	8.57	9.57	10.57	11.57
EPS (VND)	2024	3,449	26,114	29,563	33,012	36,460	39,909
	2025	5,120	38,771	43,891	49,012	54,132	59,252
	2026	6,326	47,897	54,223	60,548	66,874	73,200
	2027	7,166	54,264	61,431	68,597	75,764	82,930
	2028	7,947	60,171	68,118	76,064	84,011	91,957

Source: RongViet Securities

Collagen & Gelatin segment

Table 5: Average P/E Ratio (x) of Industry Peers

Company name	2019	2020	2021	2022	2023	Average 5 years
Nitta Gelatin (Japan)	11.7	10.1	13.7	20.7	8.7	13.0

Source: Bloomberg, RongViet Securities

Table 6: Sensitivity table for collagen segment contribution per share and P/E

	P/E						
			11.18	12.18	13.18	14.18	15.18
EPS (VND)	2024	1,299	14,530	15,829	17,128	18,427	19,726
	2025	1,388	15,523	16,911	18,299	19,687	21,074
	2026	1,403	15,693	17,096	18,499	19,902	21,305
	2027	1,582	17,695	19,278	20,860	22,442	24,024
	2028	1,784	19,954	21,738	23,522	25,306	27,090

Source: RongViet Securities

Sa Giang segment

Table 7: Average P/E Ratio (x) of industry peers

Company name	2020	2021	2022	2023	Average 5 years
Bich Chi (Vietnam)	9.5	18.4	9.4	15.8	13.3

Source: Bloomberg, RongViet Securities

Table 8: Sensitivity table for sa giang segment value contribution per share and P/E

	P/E						
			10.64	11.64	12.64	13.64	14.64
EPS (VND)	2024	588	6,261	6,850	7,438	8,026	8,615
	2025	623	6,630	7,253	7,876	8,499	9,122
	2026	612	6,508	7,120	7,731	8,343	8,955
	2027	630	6,706	7,336	7,966	8,596	9,227
	2028	653	6,952	7,605	8,258	8,912	9,565

Source: RongViet Securities

By combining the two valuation methods at a 50:50 ratio, we target a one year stock price of VND 73,300 per share, translating to projected P/E multiples of 13.7x for 2024 and 10.3x for 2025. Investors can reference our sensitivity analysis table to make investment decisions aligned with their risk tolerance.

We note that our analysis assumes minimal volatility in VHC's primary export market in the US. Should this key assumption deviate from our expectations, VHC's business performance could be significantly impacted in the medium to long term.

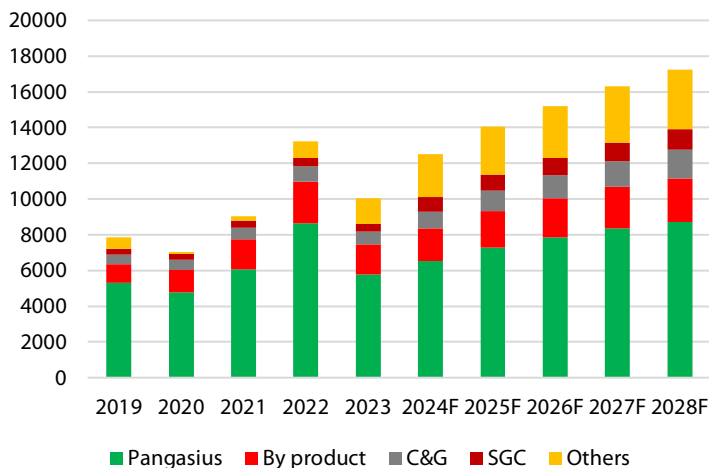
We note the key aspects of VHC’s stock, which support our valuation as follows:

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FINANCIAL ANALYSIS & FORECAST FOR 2024-2028

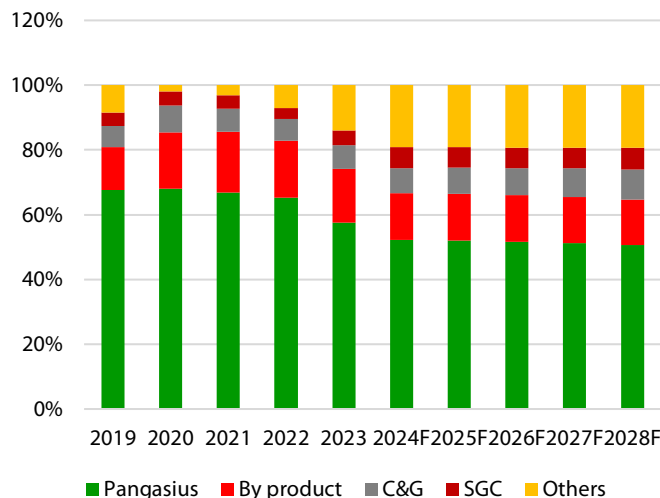
Revenue: We project VHC's total revenue to rise from VND 10,076 billion in 2023 to VND 17,238 billion in 2028 (USD 399 million; USD 684 million), equivalent to an annual growth rate of 11.3% for 2024-2028. This growth is driven by other products, such as Collagen-Gelatin and Sa Giang, with compound annual growth rates of 17.5% and 20%, respectively, while pangasius fillets export revenue grows at a compound rate of 8.5%/year.

Figure 1: VHC's net revenue (VND bn)



Source: VHC, RongViet Securities

Figure 2: Revenue contribution by business segment



Source: VHC, RongViet Securities

Pangasius fillet segment: This segment is expected to remain the top revenue contributor for several years. Revenue from pangasius fillets is projected to grow at a compound rate of 8.5% over 2023-2028, driven primarily by an 8.6% annual increase in volume, while sales prices remain relatively flat

- **Volume growth:** This growth is attributed to market share gains from tilapia and sea fish in key markets like the US and Europe. This advantage stems from the lower price point of pangasius compared to other fish varieties, and an increasing proportion of farmed fish over sea fish. We estimate that total export volumes to the US/EU/China will grow annually at compound rates of 9.6%/7.1%/8.7% for 2023-2028. Further market details can be found on [page 19](#)
- **Average selling price:** The average selling price is estimated to rise from USD 2.84/kg in 2024 to USD 3.1/kg by 2028. Selling prices are expected to increase by 2.9% in 2025, driven mainly by a 4% YoY rise in the US market, while other markets maintain a 2% YoY growth. For 2026-2028, prices are expected to align with OECD's inflation estimate of 2%/ year. The limited price growth is due to (1) a 19% increase in prices from the low in December 2023 and (2) fierce competition among fish varieties, low price to maintain market share ([Page 21](#))

Primary export markets for pangasius: The US market is projected to remain VHC's primary export destination, with the export ratio / total export value ranging from 57%-59% for 2024-2028, at a compound annual growth rate of 8.6%. In contrast, other markets such as the EU and China are expected to grow at lower rates of 7.5% and 7%, respectively, due to intense competition

By-products segment: This segment includes fish oil and fish meal, typically following pangasius fillet revenue trends. We expect by-product revenue to grow at an annual rate of 7.8% for 2023-2028, corresponding to a by-product revenue to pangasius fillet revenue ratio of 29%, consistent with the three year average from 2021-2023. For market size and growth details ([Page 22](#))

Collagen & Gelatin (C&G) segment: Revenue in this segment is expected to see robust annual growth of 17.5% for 2023-2028. VHC's entry into this market primarily leverages leftover pangasius parts, such as fish skin, for C&G production. Revenue growth will primarily be volume-driven, with limited potential for price increases, detailed as follows:

- Volume is projected to grow at a compound annual rate of 14%, primarily due to the current low export market share ([Page 17](#)). The GMP-WHO certified C&G factory will enable VHC to access more demanding markets. VHC plans to expand C&G capacity by 100% in 2024, reaching 7,000 tons. By 2028, export volume is expected to fill 73% of this capacity
- The average selling price is projected to grow at a compound rate of 2.2% /year for 2023-2028, with a modest 3% YoY increase in 2024, followed by a steady annual increase of 2%, in line with global inflation.

Sa Giang (SGC) segment: Revenue from the Sa Giang segment is expected to sustain growth, reaching an 11% increase in 2025 before stabilizing around 8% for 2025-2028, thanks to its current low export market share. For market size and outlook ([Page 24](#))

In 2024, revenue is estimated at VND 800 billion (USD 32 million; +76% YoY), driven by the company's expansion into new rice-based products such as noodles, pho, and rice paper. For 9M2024, rice product revenue increased 125% YoY, while shrimp cracker products saw a 38% YoY increase

Other business segments: Additional revenue mainly stems from the animal feed segment and the new Thanh Ngoc business line. We expect these segments to maintain a 16% share of total revenue from 2023 to 2028. In 9M2024, revenue from these segments rose by 57% YoY, accounting for 17% of total revenue. However, we estimates for Thanh Ngoc and animal feed segments ([Page 24](#)).

Gross profit margin: The gross margin is expected to rise gradually from 14.9% in 2023 to 15.2% in 2024, eventually reaching 20.7% by 2028. The anticipated changes in gross margin are as follows:

In 2024, the gross margin increase will be driven by a decline in input soybean meal prices and adjustments in the product sales mix.

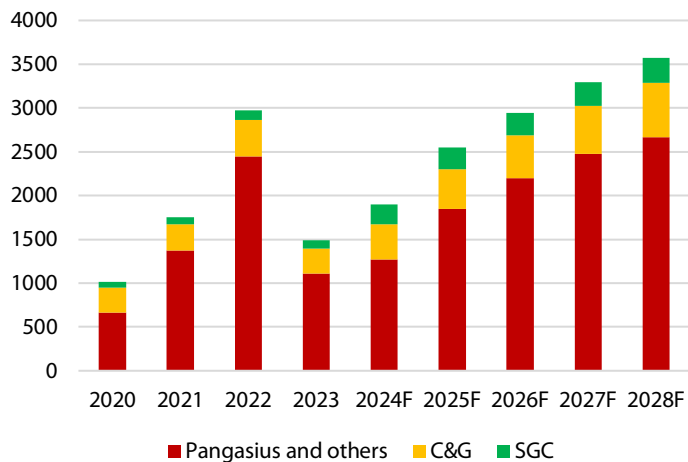
- Soybean meal typically accounts for about 40%-45% of pangasius feed costs, and raw pangasius materials make up 70% of COGS. With soybean meal costs projected to decrease by 9% YoY, we expect raw material costs for pangasius to fall by 2% YoY. Additionally, provisions for inventory devaluation are expected to decrease as raw pangasius prices stabilize.
- The C&G and Sa Giang segments yield higher gross margins than the pangasius segment. C&G generally maintains a margin between 35%-40%, while Sa Giang's margin remains above 20%. The combined share of C&G and SGC segments is expected to increase from 12% in 2023 to 14% in 2024.

For 2025-2028, we expect a 3 percentage-point increase in gross margin in 2025, with moderate growth of 50-140 bps for 2026 - 2028 due to:

- The gross margin for pangasius is expected to reach 18% by 2028, as sales prices increase faster than soybean meal costs, in line with industry trends ([Page 22](#)). According to the OECD, soybean meal prices are projected to decrease by 4% YoY in 2025, then stabilize with a 2% annual increase in line with inflation. In contrast, pangasius prices are expected to rise by 2.9% YoY in 2025 due to the low baseline of early 2023, followed by a steady 2% annual increase through 2028, aligned with inflation.
- The gross margin in C&G is projected to peak at 42%, gradually decreasing to 38% by 2028 as competition increases, aligning with industry peers ([Page 25](#)). VHC's current margin in C&G is 40%, higher than most competitors, due to its self-sufficiency in pangasius skin supply.
- Sa Giang's gross margin is expected to rise from 21% in 2023 to 27% in 2024, supported by an estimated 3% increase in average selling prices and a higher proportion of rice based products

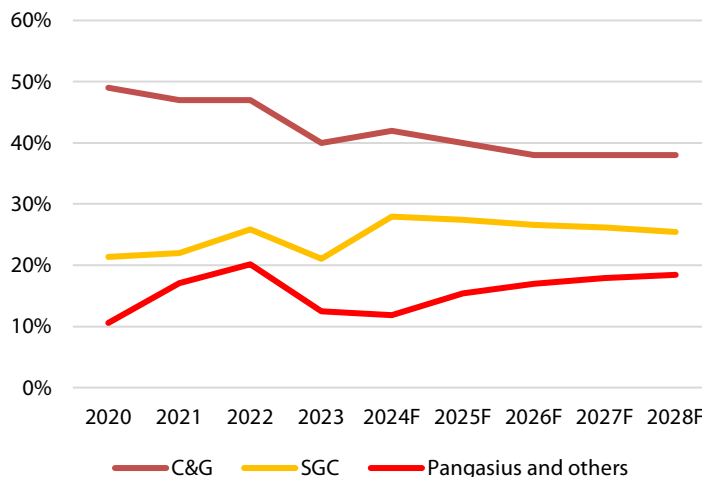
(which have higher margins than shrimp crackers). However, the margin will gradually decline to 25% by 2028, narrowing the gap with industry peers (Page 25).

Figure 3: Gross Profit of VHC (VND Billion)



Source: VHC, RongViet Securities. Note: All historical/forecasted gross profit for each business segment are our estimates/assumptions, not from VHC's source

Figure 4: Gross profit margin of VHC's business segments (%)

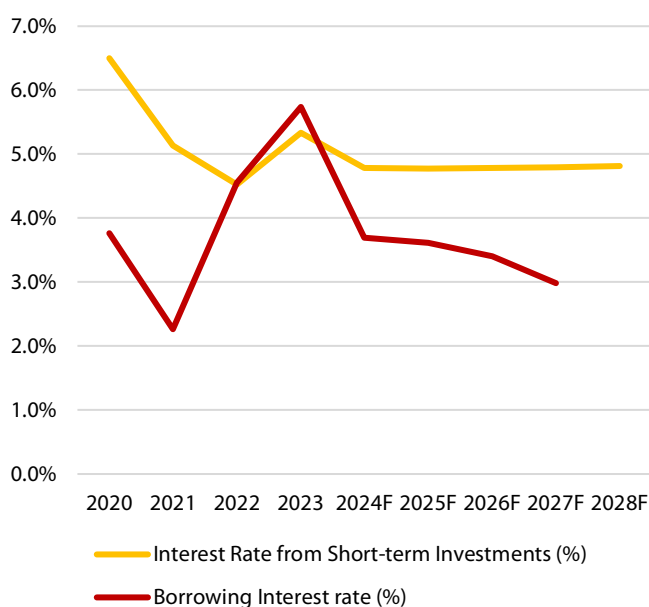


Source: VHC, RongViet Securities

SG&A expenses: We expect the SG&A / Revenue to decrease from 5.2% in 2023 to 4.5% in 2024 before gradually rising to 6% by 2028. This increase is due to (1) the company's need to intensify advertising efforts to expand market share, (2) alignment with global seafood business trends, and (3) slower revenue growth. The drop in SG&A/Revenue ratio from 5.2% to 4.5% in 2024 is attributed to high revenue growth.

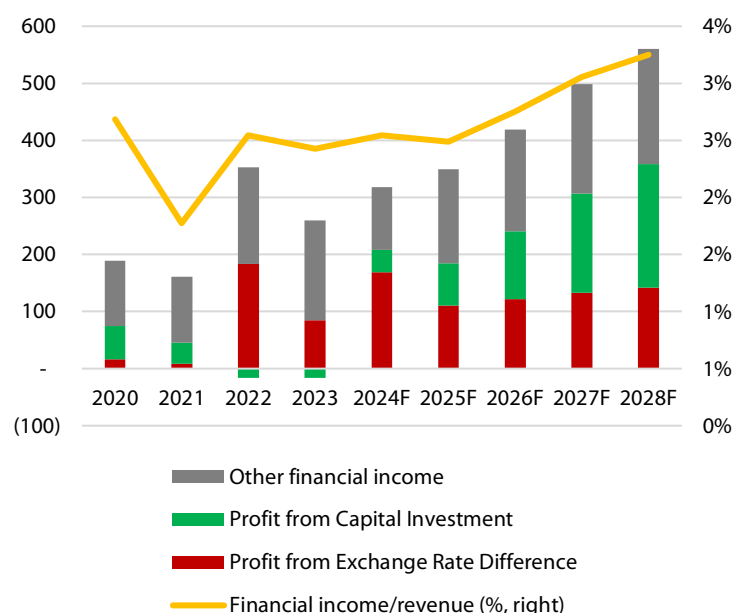
Financial income and expenses: The company consistently generates financial income due to favorable exchange rate gains and capital operations, benefiting from access to low-cost funding through preferential loans and its large corporate scale. We expect financial income to gradually increase, supported by capital management activities.

Figure 5: Investment return and interest rate of VHC (%)



Source: VHC, RongViet Securities

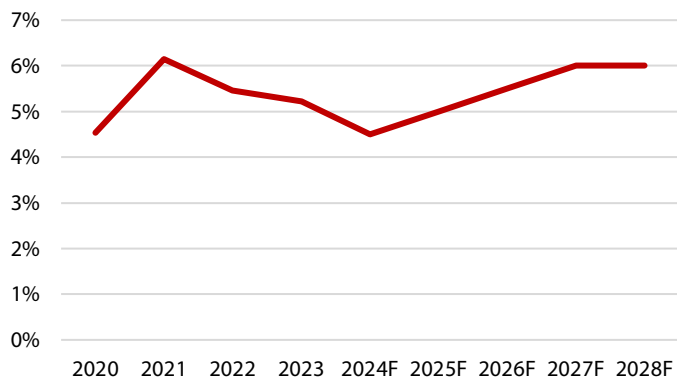
Figure 6: Financial profit (billion VND, left) and financial profit/revenue ratio (% , right) of VHC



Source: VHC, RongViet Securities

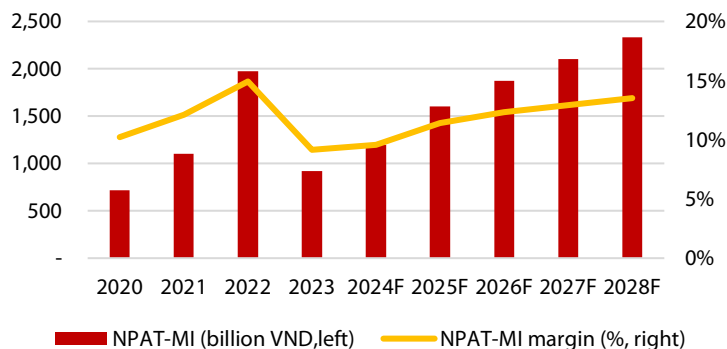
Net profit: Although the SG&A/Revenue ratio is projected to rise gradually from 2024 to 2028, the company's focus on high margin segments is expected to drive an increase in overall net profit margin, from 9.2% in 2023 to 13.9% in 2028. This remains slightly below the 14% levels seen in 2018-2019. NPAT-MI is projected to grow at an annual rate of 20%, reaching VND 2,279 billion (USD 90 million) by 2028 (Figure 10).

Figure 7: SG&A expenses/net revenue ratio of VHC



Source: VHC, RongViet Securities

Figure 8: NPAT-MI and NPAT-MI Margin of VHC



Source: VHC, RongViet Securities

Key asset highlights

Working capital:

Inventory turnover: We anticipate a gradual reduction in inventory turnover days, from 125 days in 2024 to 115 days in 2028, supported by stable consumption demand, bringing inventory turnover closer to industry averages (Page 22).

- For 2013 - 2021, VHC's average inventory turnover was 81 days. However, due to high inventory levels in the US in 2023, the company faced export challenges, resulting in elevated inventory days. As US inventory stabilizes, we expect turnover to return to average levels.

Receivables turnover: We project receivables turnover to reach 50 days in 2024, rising to 55 days by 2028, based on the following factors:

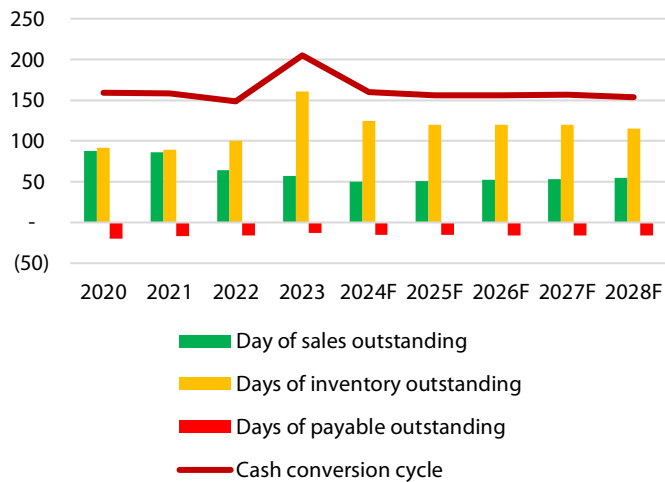
- Following high inventory levels in 2023, VHC's partners are anticipated to increase sales in 2024, enabling more timely payments and slowing receivables growth relative to revenue growth.
- This projection is based on VHC's five year average (2018-2023) of 74 days, assuming VHC will maintain flexible sales policies to support buyers amid high competition and slowing revenue growth.

Payables turnover: We expect an increase from 15 days in 2024 to 16 days by 2028, aligning with industry trends.

Fixed asset investment: VHC's projected capital investment for 2024 is VND 920 billion (USD 37 million). We anticipate a gradual reduction in annual investment, decreasing from VND 920 billion in 2024 to VND 750 billion (USD 30 million) in 2028. This capex level, amounting to 5% of revenue during 2025-2028, is lower than the 6%-7% range in 2020-2023, reflecting unutilized capacity in current facilities and stabilization in new business segments like Thanh Ngoc.

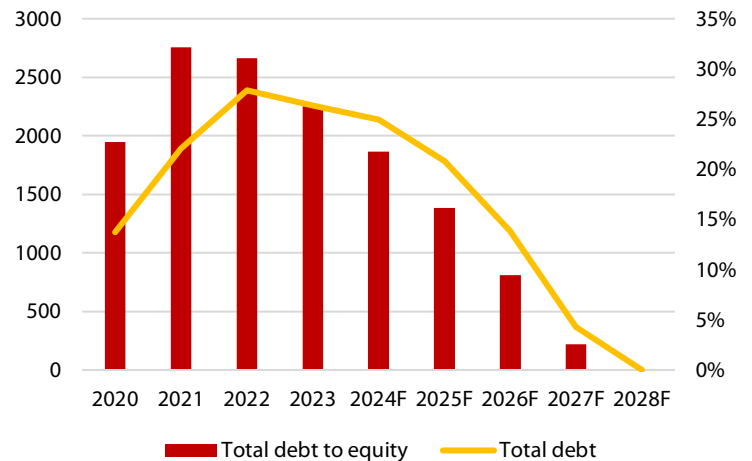
Investment for 2025-2028 is expected to focus on maintaining 70-75% self-sufficiency in raw pangasius to ensure quality supply and upgrading facilities.

Figure 9: Projected Efficiency Ratios (Days, Left)



Source: VHC, RongViet Securities

Figure 10: Total Debt and Debt Ratio (VND Billion, %)



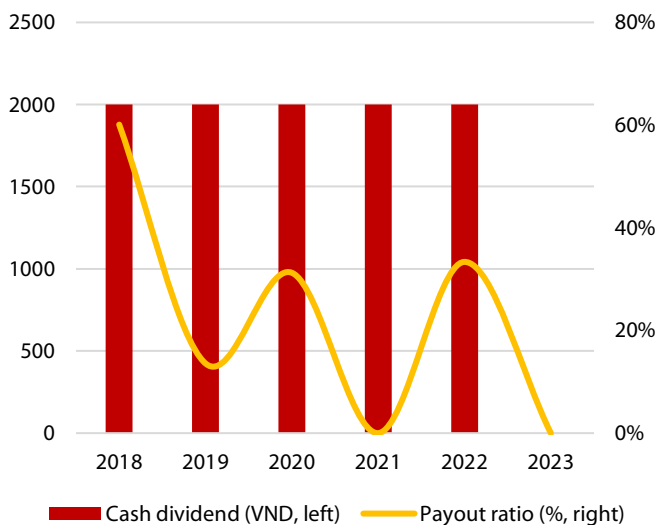
Source: VHC, RongViet Securities

Liabilities: We anticipate that VHC will not require any loans by 2028 (Figure 12). In the past, VHC has mainly relied on short term loans to fund working capital, with long term loans remaining minimal (constituting 5% of total debt). VHC's debt to equity ratio was low at 26.3% in 2023. As profits increase, while working capital requirements remain low and investment needs moderate, VHC is expected to reduce its debt and save on interest costs for 2024 - 2028.

However, VHC maintains a borrowing policy as a means to optimize financial income. With a strong credit rating, VHC can access loans at interest rates lower than those for its savings deposits, providing the company with a considerable financial advantage.

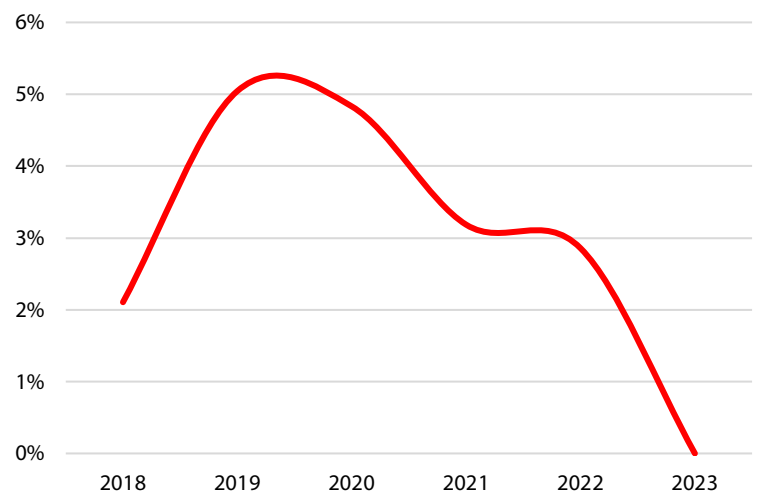
Cash dividend policy: VHC has maintained a steady cash dividend of VND 2,000 per share in recent years. This dividend yields a return of about 2% per year based on the current share price, which is lower than the average bank deposit interest rate (3-5% per year). Therefore, we believe VHC may not be suitable for a dividend focused investment strategy.

Figure 11: Cash Dividend of VHC (VND)



Source: VHC, RongViet Securities

Figure 12: Dividend Yield of VHC (%)



Source: VHC, RongViet Securities

Table 9: Annual income statement report

INCOME STATEMENT	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F
Revenue	7,037	9,054	13,231	10,033	12,506	14,047	15,212	16,313	17,238
COGS	6,022	7,298	10,255	8,540	10,607	11,499	12,270	13,015	13,662
Gross profit	1,015	1,756	2,976	1,493	1,899	2,548	2,943	3,298	3,576
SG&A	319	557	721	524	563	702	837	979	1,034
Operating Expense	63	72	272	95	88	140	152	163	172
EBITDA	845	1,423	2,320	1,291	1,696	2,219	2,535	2,804	3,081
Non-Operating expenses	30	27	30	23	29	32	35	38	40
Gain (loss) on asset sales	12	19	34	50	50	50	50	50	50
Interest income	227	195	434	377	409	424	469	515	560
Interest expenses	38	35	97	133	91	75	50	16	-
Earning before taxes (EBT)	804	1,280	2,323	1,144	1,588	2,072	2,388	2,667	2,940
Provision for taxes	84	173	310	171	238	310	357	399	440
Welfare Fund	-	-	-	-	-	-	-	-	-
Minority interest in earnings	(0)	8	38	55	152	161	158	163	169
Net income	720	1,099	1,975	918	1,198	1,601	1,872	2,105	2,331
Net margin	10.23%	12%	15%	9%	10%	11%	12%	13%	14%
EPS (VND per share)	4,185	6,394	10,770	4,910	5,336	7,131	8,340	9,379	10,384

Source: VHC, RongViet Securities

Table 10: Annual balance sheet statement report

BALANCE SHEET	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F
ASSETS									
Operating cash	41	195	553	233	313	351	380	408	431
Short-term investments	1,374	1,272	1,768	2,069	2,482	2,855	3,283	3,775	4,341
Account receivable (AR)	1,689	2,132	2,330	1,578	1,713	1,963	2,167	2,369	2,598
Inventory	1,508	1,793	2,818	3,763	3,633	3,780	4,034	4,279	4,305
Other current assets	124	150	172	245	306	344	372	399	422
Current assets	4,735	5,543	7,640	7,888	8,447	9,292	10,236	11,230	12,979
Net PPE	2,193	2,628	3,389	3,543	4,036	4,328	4,556	4,722	4,798
Investment in affiliates	62	66	66	67	67	67	67	67	67
Intangibles	305	293	301	463	444	422	395	364	329
Long-term assets	210	499	484	441	550	617	669	717	758
Non-current assets	2,465	3,193	3,940	4,052	5,097	5,434	5,687	5,870	5,952
Total assets	7,200	8,735	11,580	11,940	13,544	14,726	15,923	17,100	18,930
LIABILITIES									
Short-term notes	1,106	1,735	2,214	2,157	2,062	1,732	1,159	367	-
Account payable	326	340	448	309	436	473	538	571	599
Other current liabilities	509	605	1,037	767	956	1,074	1,163	1,247	1,318
Current liabilities	1,941	2,680	3,698	3,233	3,454	3,278	2,860	2,185	1,917
Long-term liabilities	69	156	175	102	76	51	25	-	-
Other Long-term liabilities	16	17	16	17	22	23	24	27	28
Non-current liabilities	85	174	191	119	98	74	49	27	28
Total liabilities	2,026	2,854	3,889	3,351	3,553	3,352	2,909	2,212	1,945
MINORITY INTEREST									
Minority interest	-	8	38	55	152	161	158	163	169
SHARE HOLDER'S EQUITY									
Preferred stock	-	-	-	-	-	-	-	-	-
Common stock	1,720	1,720	1,834	1,870	2,245	2,245	2,245	2,245	2,245
Retained earnings	3,228	3,838	5,426	6,213	6,962	8,114	9,537	11,193	13,075
Other equity accounts	228	326	435	507	632	702	761	816	862
Shareholder's equity	5,176	5,884	7,694	8,591	9,839	11,061	12,542	14,253	16,181
Total Equity	7,202	8,738	11,583	11,943	13,544	14,726	15,923	17,100	18,930

Source: VHC, RongViet Securities

CORPORATE VALUE CHAIN ANALYSIS ([back to page 4](#))

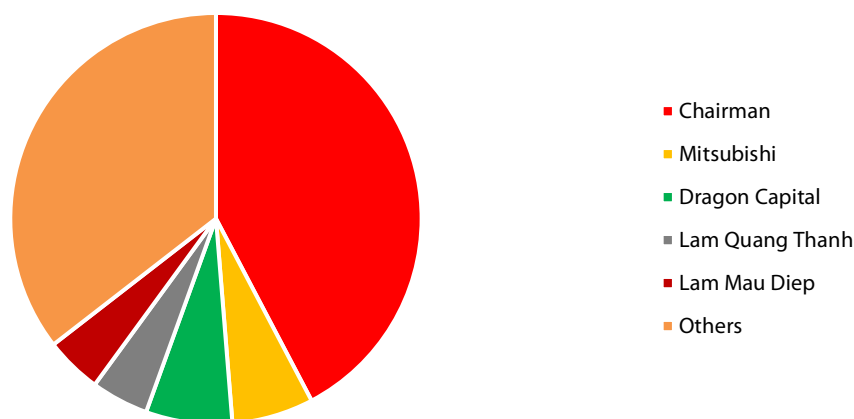
I. Company Overview

Founded in 1997, Vinh Hoan Corporation (VHC) operates in the following sectors:

- Engaged in aquaculture, processing, and preservation of seafood and related products; trading of seafood, raw materials, and aquaculture feed;
- Manufacturing hydrolyzed collagen and gelatin for pharmaceuticals, cosmetics, and food industries;
- Producing and selling food items such as shrimp crackers, rice noodles, and pho noodles;
- Processing and preserving fruits and vegetables.

The company's significant influence stems from its Chairwoman, Ms. Truong Thi Le Khanh, who currently holds 42.3% of the outstanding shares. Another major shareholder is Mitsubishi, with a 6.42% stake. VHC maintains a high free float ratio of 83.4%, while foreign investor ownership remains below 15%.

Figure 13: Shareholder Structure of VHC



Source: HSX, RongViet Securities

II. Core operation ([back to page 4](#))

Pangasius segment: This is the core and oldest segment of the company. However, its contribution to total revenue has decreased from 73% in 2017 to 56% in 2023. The segment's processing capacity is approximately 1,200 tons per day, with products marketed under the MeKong and Basa Master brands.

Value added pangasius segment: This includes breaded and seasoned fish products, though it only accounts for 1-2% of total revenue.

By products segment: This segment includes fish meal, fish oil, and fish fat, with fish meal generating the majority of revenue. In 2023, by products contributed 17% to the company's total revenue.

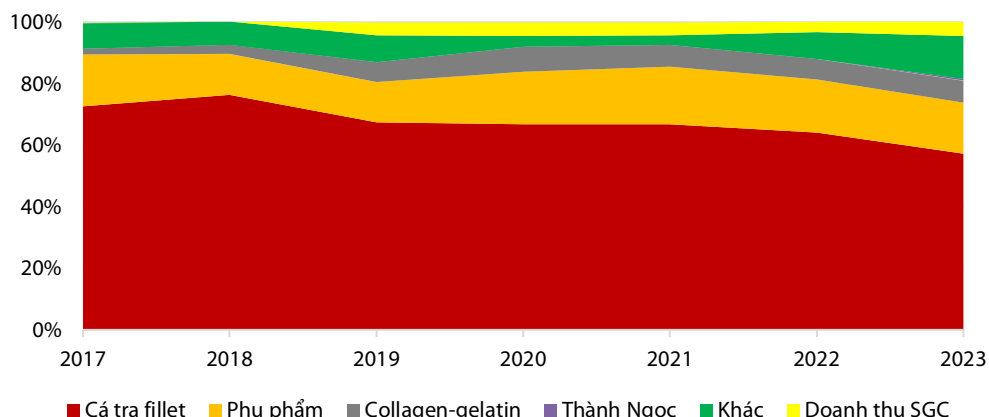
Collagen & Gelatin (C&G) segment: This segment boasts the highest gross margin, driven by collagen products. Current capacity is 3,500 tons per year, expected to double to 7,000 tons annually within the year

Sa Giang segment: Primarily focuses on producing shrimp crackers and rice based products.

Thanh Ngoc segment: A new venture for the company, producing dried fruits like mango and dragon fruit. Launched in 2023, this segment generated VND 50 billion (USD 2 million), representing 0.5% of total 2023 revenue.

Other segments: Includes the animal feed business with the Feed Zone factory, which has an annual capacity of 350,000 tons, primarily serving the domestic market.

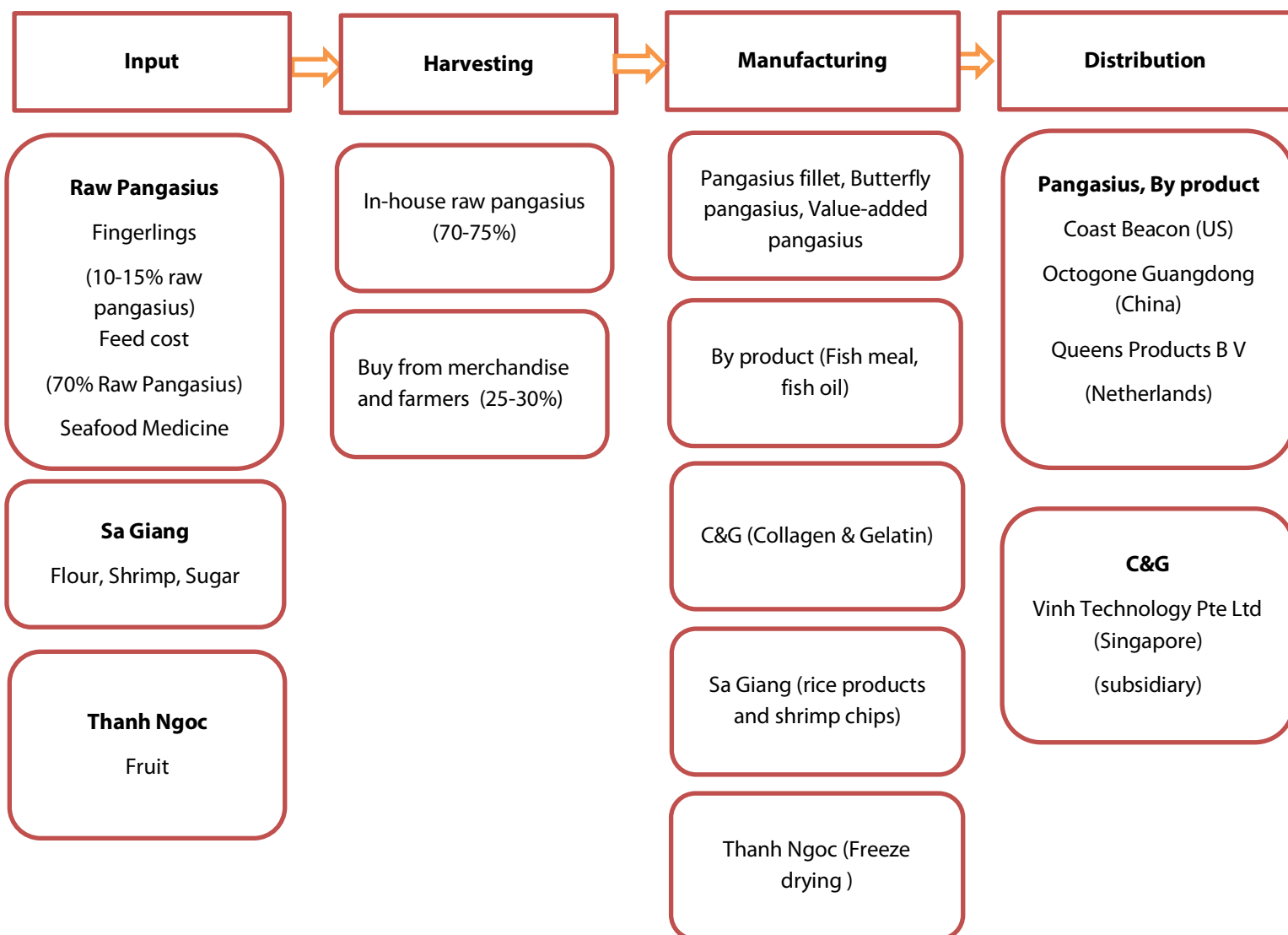
Figure 14: Revenue Contribution by Business Segment



Source: VHC, RongViet Securities

III. Corporate value chain (back to page 4)

Figure 15: Value Chain in VHC's Operations



Source: VHC, RongViet Securities

1. Input materials:

Pangasius segment: Key inputs include pangasius fingerlings, feed, and medicine. The fish fingerlings are produced by Vinh Hoan Fish Breeding Co., Ltd., with an estimated self-sufficiency rate of 70%-100%. Feed is provided by Feed One Co., although the company imports agricultural by products like soybean meal. Feed production is expected to cover 100% of pangasius farming needs.

C&G segment: The primary input is fish skin, a by-product of pangasius processing.

Sa Giang segment: Major inputs include flour, sugar, and shrimp, with raw materials constituting 60% of input costs.

2. Harvesting: VHC maintains a self-sufficiency rate of 70-75% in raw pangasius, sourcing the remaining supply from local fish farms. This high self-sufficiency rate allows VHC to maintain a stable supply, minimizing the impact of raw fish price spikes, as seen in 2018.

3. Production:

Pangasius segment: Two subsidiaries, Vinh Phuoc Food Co., Ltd. and Thanh Binh Dong Thap Co., Ltd., operate pangasius production facilities in Dong Thap, with a combined capacity of around 1,200 tons per day. Currently, VHC is not operating at full capacity, so the risk of capacity shortages is considered low.

C&G segment: Vinh Hoan Collagen Co., Ltd. produces C&G products at a GMP-WHO certified facility.

Sa Giang segment: Sa Giang Import-Export Corporation handles production, with an estimated annual capacity of 9,000 tons for shrimp crackers and 6,000 tons for rice based products, currently operating at full capacity. VHC also plans to expand capacity in this segment.

Thanh Ngoc Segment: Thanh Ngoc Food Co., Ltd. utilizes European freeze-drying technology to preserve freshness in agricultural products.

4. Distribution: VHC primarily distributes pangasius through Coast Beacon in the US and Octogone Guangdong in China. Value added pangasius products are distributed through Queens Products B V in the Netherlands. C&G and Sa Giang products are distributed via Vinh Technology in Singapore. Thanh Ngoc products are sold to Mercer Foods in the US and Kanematsu Corporation in Japan. Fish meal and fish fat by products are mainly exported to China and Hong Kong.

Table 11: Business Segments and Key Export HS Codes of VHC

Segment	Product	Main HS Code
Frozen Pangasius	Butterfly pangasius, Frozen cut pangasius	03032400
	Fillet pangasius	03046200; 03043200
Value-Added Pangasius	Pangasius	16041990
	Pangasius roll, surimi,	16042099; 16042000; 16042100
	Gelatin	35030000; 35030041; 35030049
C&G	Collagen	35040000
	Collagen tripeptide	21069072; 21069089; 21069099
Sa Giang	Rice products	19021990; 19023020; 19023090; 19049010; 19059070
	Shrimp chips	19059090
By product	Fish meal	23012010; 23012000
	Fish oil	15042090
Thanh Ngoc	Frozen cut lotus root	07149091
	Frozen cut mango	08119000
	Frozen American corn	07104000
	Fired banana, dragon fruit	20089990
	Soybeans	07102900

Source: RongViet Securities

APPENDIX 1 – FINANCIAL ANALYSIS & PROJECTIONS FOR THE PERIOD 2024-2028 ([back to page 4](#))

Table 12: Projected Revenue by Segment (Billion VND)

Revenue	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total revenue	7,165	9,060	13,464	10,076	12,506	14,047	15,212	16,313	17,238
Pangasius fillet	4,642	5,927	8,485	5,647	6,375	7,127	7,669	8,154	8,507
By product	1,226	1,697	2,331	1,669	1,820	2,035	2,190	2,328	2,429
Value added pangasius	145	127	148	129	146	166	184	195	206
Collagen-Gelatin	582	642	885	724	959	1,131	1,275	1,438	1,621
SGC	311	384	444	455	802	891	967	1,051	1,143
Thanh Ngoc				50	300	345	397	456	525
Other	259	284	1,171	1,402	2,104	2,352	2,531	2,691	2,807
YoY (%)	-10.55%	28.66%	46.13%	-24.17%	24.65%	12.32%	8.30%	7.24%	5.67%
Pangasius fillet	-9.98%	27.69%	43.15%	-33.44%	12.89%	11.80%	7.60%	6.33%	4.32%
By product	17.77%	38.42%	37.36%	-28.40%	9.06%	11.80%	7.60%	6.33%	4.32%
Value added pangasius	-13.17%	-12.41%	16.54%	-12.84%	13.00%	14.00%	10.90%	5.70%	6.00%
Collagen-Gelatin	13.23%	10.31%	37.85%	-18.20%	32.50%	17.89%	12.76%	12.76%	12.76%
SGC	-2.39%	23.23%	15.85%	2.35%	76.39%	11.07%	8.53%	8.65%	8.77%
Thanh Ngoc					500%	15%	15%	15%	15%
Other	-62.83%	9.35%	312.89%	19.73%	50.05%	11.80%	7.60%	6.33%	4.32%
% revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Pangasius fillet	64.78%	65.42%	63.02%	56.05%	50.97%	50.74%	50.41%	49.99%	49.35%
By product	17.11%	18.73%	17.31%	16.56%	14.55%	14.49%	14.39%	14.27%	14.09%
Value added pangasius	2.02%	1.40%	1.10%	1.28%	1.17%	1.18%	1.21%	1.19%	1.20%
Collagen-Gelatin	8.12%	7.09%	6.57%	7.18%	7.67%	8.05%	8.38%	8.81%	9.41%
SGC	4.34%	4.23%	3.30%	4.51%	6.42%	6.34%	6.36%	6.44%	6.63%
Thanh Ngoc	0.00%	0.00%	0.00%	0.50%	2.40%	2.46%	2.61%	2.80%	3.04%
Other	3.62%	3.13%	8.70%	13.91%	16.82%	16.74%	16.64%	16.50%	16.28%

Source: VHC, RongViet Securities

Table 13: Projected Gross Profit by Segment (Billion VND)

Gross profit	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total	1,015	1,756	2,976	1,493	1,899	2,548	2,943	3,298	3,576
Pangasius & Others	663	1,370	2,445	1,108	1,272	1,851	2,201	2,477	2,670
Collagen-Gelatin	285	302	416	290	403	452	485	546	616
SGC	67	84	115	96	224	245	257	275	290
Gross profit margin									
Total	14.42%	19.39%	22.49%	14.88%	15.18%	18.14%	19.34%	20.22%	20.74%
Pangasius & Others	10.57%	17.05%	20.15%	12.45%	11.84%	15.39%	16.97%	17.92%	18.44%
Collagen-Gelatin	49.00%	47.00%	47.00%	40.00%	42.00%	40.00%	38.00%	38.00%	38.00%
SGC	21.39%	22.00%	25.90%	21.05%	27.94%	27.45%	26.55%	26.19%	25.40%

Source: VHC, RongViet Securities estimates. Notes: All gross profit margins are our estimates and assumptions, not sourced from VHC.

APPENDIX 2 – COMPARABLE PEERS ([back to page 4](#))

These references help us provide a comprehensive and comparative analysis across VHC's business segments.

Pangasius segment ([back to page 6](#))

For benchmarking Vinh Hoan Corporation's pangasius segment, we reference leading companies in the global seafood industry with significant export activities to the US. These companies represent industry standards and market conditions similar to VHC's.

Thai Union Group PCL (Thailand): Thai Union is engaged in the production and sale of frozen, chilled, and canned seafood both domestically and internationally. It operates through four main segments: canned seafood, frozen and chilled seafood, pet food, and other value added businesses. Thai Union's seafood portfolio includes canned tuna, sardines, mackerel, herring, and salmon, as well as frozen shrimp, lobster, and fish sold directly to restaurants, hotels, and food service providers. Key brands include Chicken of the Sea, Genova, John West, Petit Navire, Parmentier, King Oscar, Mareblu, Rügen Fisch, Sealect, Fisho, QFresh, Monori, Bellotta và Marvo, Red Lobster, và Thammachart Seafood. The company was founded in 1977 and is headquartered in Mueang Samut Sakhon, Thailand. It is a leading seafood business in Thailand, offering a wide range of products, including tuna, salmon, shrimp, and pet food. Seafood products account for 91% of its revenue, with 41% of exports going to the US.

High Liner Foods: High Liner Foods specializes in frozen seafood products across North America, offering a variety of frozen seafood items including raw fillets, shellfish, cooked shellfish, and value-added products such as sauced, breaded, battered, and fried seafood under brands like High Liner, Fisher Boy, Sea Cuisine, C. Worthy, Mirabel, Catch of the Day, High Liner Culinary and Icelandic Seafood. High Liner sells through retail channels and food service distributors, reaching hotels, restaurants, healthcare, and educational institutions. High Liner Foods Incorporated was founded in 1899 and is headquartered in Lunenburg, Canada. High Liner derives 100% of its revenue from seafood.

Nissui Corporation (Japan): Founded in 1911, Nissui is involved in seafood, food products, refined chemicals, logistics, and marine-related / engineering in Japan and internationally. The company offers products such as salmon, Alaska pollock, yellowtail, shrimp, and tuna, along with fish feed, fish oil, and fish meal products. It also supplies frozen foods, canned goods, surimi-based items. Seafood accounts for 93% of Nissui's revenue, with 17% of its products exported to the U.S.

Camanchaca S.A. (Chile): Entering the fishing industry across Chile, the United States, Mexico, Japan, Europe, and China, the company produces fishmeal, frozen and canned mackerel, langostino lobster, and fish oil in northern and southern Chile, while also engaging in salmon farming operations. Additionally, it is involved in the cultivation of mussels, abalone, and various shellfish, as well as logistics activities. The company exports fish and shellfish to around 50 countries. Formerly known as Compañía Pesquera Camanchaca S.A., Camanchaca S.A. was founded in 1965 and is headquartered in Santiago, Chile. Seafood products contribute 95% of the company's revenue, with 34% of exports directed to the US.

Table 14: Key Indicators of Companies in the Seafood Business

	2018	2019	2020	2021	2022	2023	Average industry
Days of sales outstanding	10%	15%	15%	20%	20%	20%	Weight
THAI UNION	38.2x	38.2x	33.0x	30.9x	31.7x	37.3x	
High Liner Foods	30.2x	32.5x	32.2x	30.2x	30.7x	32.7x	
Nissui Corp	44.2x	44.6x	46.1x	43.6x	44.0x	44.7x	
CAMANCHA	45.8x	51.0x	51.1x	35.4x	34.4x	30.8x	
Average	39.6x	41.5x	40.6x	35.0x	35.2x	36.4x	37.60
Median	41.2x	41.4x	39.5x	33.1x	33.1x	35.0x	36.51
Days of inventory	10%	15%	15%	20%	20%	20%	Weight
THAI UNION	130.1x	129.3x	126.6x	134.8x	141.1x	166.6x	
High Liner Foods	80.2x	75.8x	70.0x	70.8x	63.2x	73.1x	
Nissui Corp	79.9x	85.5x	91.5x	85.6x	89.5x	93.3x	
CAMANCHA	136.4x	152.3x	162.2x	136.6x	153.9x	166.4x	
Average	106.7x	110.7x	112.6x	106.9x	111.9x	124.9x	112.92
Median	105.2x	107.4x	109.1x	110.2x	115.3x	129.9x	114.07
Days of payable	10%	15%	15%	20%	20%	20%	Weight
THAI UNION	44.6x	43.6x	37.4x	34.0x	35.2x	40.3x	
High Liner Foods	77.7x	65.4x	67.8x	61.6x	58.4x	81.3x	
Nissui Corp	29.6x	27.8x	27.3x	28.1x	26.8x	27.4x	
CAMANCHA	63.3x	55.0x	57.9x	54.6x	55.2x	55.6x	
Average	53.8x	48.0x	47.6x	44.6x	43.9x	51.1x	47.64
Median	53.9x	49.3x	47.7x	44.3x	45.2x	47.9x	47.44
Gross profit margin	10%	15%	15%	20%	20%	20%	Weight
THAI UNION	14.2x	15.9x	17.7x	18.2x	17.5x	17.1x	
High Liner Foods	17.9x	19.7x	21.5x	22.7x	21.5x	20.2x	
Nissui Corp	19.5x	19.4x	15.7x	16.0x	15.1x	15.1x	
CAMANCHA	21.5x	18.6x	6.3x	8.6x	19.5x	15.6x	
Average	18.3x	18.4x	15.3x	16.4x	18.4x	17.0x	17.24
Median	18.7x	19.0x	16.7x	17.1x	18.5x	16.3x	17.62
SG&A Expenses/Revenue	10%	15%	15%	20%	20%	20%	Weight
THAI UNION	14.2x	15.9x	17.7x	18.2x	17.5x	17.1x	
High Liner Foods	17.9x	19.7x	21.5x	22.7x	21.5x	20.2x	
Nissui Corp	19.5x	19.4x	15.7x	16.0x	15.1x	15.1x	
CAMANCHA	21.5x	18.6x	6.3x	8.6x	19.5x	15.6x	
Average	18.3x	18.4x	15.3x	16.4x	18.4x	17.0x	17.24
Median	18.7x	19.0x	16.7x	17.1x	18.5x	16.3x	17.62
Net profit margin	10%	15%	15%	20%	20%	20%	Weight
THAI UNION	2.4x	3.0x	4.7x	5.7x	4.6x	-10.2x	
High Liner Foods	1.6x	1.1x	3.5x	4.8x	5.1x	2.9x	
Nissui Corp	2.2x	2.1x	2.3x	2.5x	2.8x	2.9x	
CAMANCHA	5.5x	3.3x	-4.7x	1.3x	5.3x	0.7x	
Average	2.9x	2.4x	1.5x	3.6x	4.4x	-0.9x	2.29
Median	2.3x	2.6x	2.9x	3.7x	4.9x	1.8x	3.11

Source: Bloomberg, RongViet Securities

Collagen segment (back to page 5)

Nitta Gelatin Inc: The company manufactures and sells edible gelatin, pharmaceutical gelatin, and photographic gelatin in Japan. It produces and sells collagen derived products from animal bones and skins, fish scales and skins; gelatin for applications across industrial sectors, including the food and pharmaceutical markets; and collagen peptides, recognized as bioactive compounds and materials with biological regulatory functions, produced using the company's proprietary protein hydrolysis technology. The company also produces and sells edible gelling agents and other food ingredients, along with stabilizers for confectionery, desserts, ready-to-eat dishes, refrigerated foods, and more. Additionally, the company manufactures and distributes medical-grade collagen and gelatin to medical device manufacturers, research institutes, and other entities using it as a biomaterial for artificial skin and bones. Nitta Gelatin Inc. was founded in 1918 and is headquartered in Osaka, Japan.

GELITA AG (Germany): GELITA provides a range of collagen proteins, including gelatin, collagen, and collagen peptides, proteins, and minerals. These products serve the food, health, nutrition, and pharmaceutical industries, technical applications. GELITA operates globally

Nippi, Inc. (Japan): Nippi engages in the production and sale of leather, collagen, gelatin, and health-related products. Its business segments include Collagen & Casings and Gelatin, Cosmetics and Leather, among others. The Collagen & Casings segment produces edible collagen and sausage casings, while the Gelatin segment manufactures and sells collagen peptides and gelatin for food, pharmaceutical, industrial, and photographic uses. The Cosmetics segment produces collagen-based cosmetics.

Table 15: Key indicators of companies in the C&G (collagen & gelatin) business

	2018	2019	2020	2021	2022	2023	Average industry
Gross profit margin	10%	15%	15%	20%	20%	20%	Weight
NITTA GELATIN	21.1x	20.3x	21.1x	20.5x	22.0x	22.7x	
Nippi Inc.	22.9x	19.9x	23.1x	24.6x	25.1x	23.2x	
Gelita	48.1x	49.3x	50.8x	47.4x			
Average	30.7x	29.8x	31.7x	30.9x	23.6x	23.0x	27.78
Median	22.9x	20.3x	23.1x	24.6x	23.6x	23.0x	23.03
SG&A Expenses/Revenue	10%	15%	15%	20%	20%	20%	Weight
NITTA GELATIN	15.7x	15.2x	13.8x	14.0x	15.0x	14.9x	
Nippi Inc.	16.5x	16.8x	17.6x	20.6x	19.4x	18.1x	
Average	16.1x	16.0x	15.7x	17.3x	17.2x	16.5x	16.56
Median	16.1x	16.0x	15.7x	17.3x	17.2x	16.5x	16.56
Net profit margin	10%	15%	15%	20%	20%	20%	Weight
NITTA GELATIN	-1.6x	2.7x	-2.0x	2.4x	2.3x	4.0x	
Nippi Inc.	2.3x	0.4x	3.0x	11.9x	2.9x	2.6x	
Gelita	8.2x	8.8x	9.3x	7.1x			
Average	2.9x	4.0x	3.4x	7.1x	2.6x	3.3x	4.01
Median	2.3x	2.7x	3.0x	7.1x	2.6x	3.3x	3.68

Source: Bloomberg, RongViet Securities

Table 16: Gross profit margin of companies in the C&G segment by C&G proportion

Gross profit margin	C&G portion in Total revenue	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NITTA GELATIN (Japan)	100% C&G	19.8	18.7	20.8	23.0	21.1	20.3	21.1	20.5	22.0	22.7
AMICOGEN INC (Korea)	5-6% C&G	51.2	36.8	34.4	33.7	32.3	42.1	38.8	36.0	31.9	34.5
Nippi Inc (Japan)	47,8% C&G	23.1	21.8	22.0	24.0	22.9	19.9	23.1	24.6	25.1	23.2
Gelita (German)	100% C&G	42.2	42.2	49.8	46.1	48.1	49.3	50.8	47.4		
Median		32.6	29.3	28.2	28.8	27.6	31.2	31.0	30.3	25.1	23.2
Average		34.1	29.8	31.8	31.7	31.1	32.9	33.5	32.1	26.4	26.8

Source: Bloomberg, RongViet Securities

Sa Giang ([back to page 6](#))

Since Sa Giang’s main products, shrimp crackers and pho, are primarily produced in Vietnam, we consider Bich Chi Food Joint Stock Company to be a comparable business in terms of operations.

Founded in 1966, Bich Chi has established itself as one of Vietnam’s leading brands in the food processing industry through years of development, innovation, and consistent growth. The company offers a diverse product range, including nutritional powder, shrimp crackers, pho, rice noodles, glass noodles, rice paper, and instant food items.

Table 17: Key Indicators of Bich Chi Company

	2018	2019	2020	2021	2022	2023
Gross profit margin	21.7x	27.3x	29.2x	23.7x	27.5x	23.5x
SG&A Expenses/Revenue	10.9x	10.5x	9.8x	12.4x	11.2x	10.4x
Net profit margin	7.9x	12.2x	15.7x	10.5x	15.5x	10.7x

Source: Bloomberg, RongViet Securities

APPENDIX 3 – SEAFOOD MARKET SIZE [\(back to page 4\)](#)

Seafood consumption slows from 2023 to 2033 [\(back to page 5\)](#)

According to a July 2024 report by the Organisation for Economic Co-operation and Development (OECD) on the 10 year outlook for 2023-2033, global average per capita seafood consumption reached 20.85 kg per person per year for 2021-2023. Asia has the highest seafood consumption levels and is expected to see the most substantial growth by 2033.

Table 18: Per Capita Consumption by Continent (kg/person/year) and Estimates to 2033

Consumption per capita	2021-2023	2033	2033/2023	CAGR 2023-2033
World	20.85	21.4	3%	0,26%
Arfica	9.57	9.3	-3%	-0,29%
Americia	23.14	23.9	3%	0,32%
Latin America and the Caribbean	10.64	11.1	4%	0,42%
Asia	25.51	27.1	6%	0,61%
EU	20.63	20.5	-1%	-0,06%
Oceania	22.88	23.1	1%	0,10%

Source: OECD, RongViet Securities

Based on World Bank data, populations in the EU and China are projected to decline annually until 2033, by 0.2% and 0.1% respectively, while the US market is expected to grow at a compound annual rate of 0.5%. Based on FAO data on fish consumption in these markets, we estimate that fish consumption in the US and China will grow by 0.8% and 0.53%, respectively, while EU consumption will decline by 0.18% annually (Table 3).

US Market

According to FAO, US demand for bottom-dwelling marine fish (such as halibut, cod, and black cod) and mid-water marine fish (such as salmon, tuna, and pollock) accounts for 59% and 19% of total fish consumption, respectively. Freshwater fish (such as pangasius and tilapia) represents 601,000 tons, or 14% of total demand.

Despite relatively low freshwater fish consumption, US freshwater fish imports are estimated at 1.4 million tons (47% of total imports). Vietnam’s pangasius exports to the US reached 85,000 tons in 2023, accounting for 2% of US consumption and 10% of freshwater fish imports, indicating growth potential.

We project the market share of pangasius imports within US total fillet imports to gradually rise from 10% in 2023 to 14% in 2024, reaching 16% by 2028, supported by maintaining competitive prices. VHC’s market share in this segment is expected to remain stable at around 47-48%.

EU Market (28 countries)

Similar to the US, EU consumers prefer marine fish over farmed fish. Freshwater fish consumption represents only 13% of the total, while bottom-dwelling marine fish (halibut, cod, black cod) accounts for 35%, and mid-water marine fish (salmon, tuna, pollock) makes up 52%.

VHC’s exports to the EU are projected to grow at a compound annual rate of 7.1% from 2023 to 2028, with the market share of pangasius imports expected to rise from 4% to 5%, equivalent to a share increase from 1.6% to 2.1%. VHC’s export market share for pangasius in the EU is anticipated to increase from 13.7% to 15.5%.

China Market

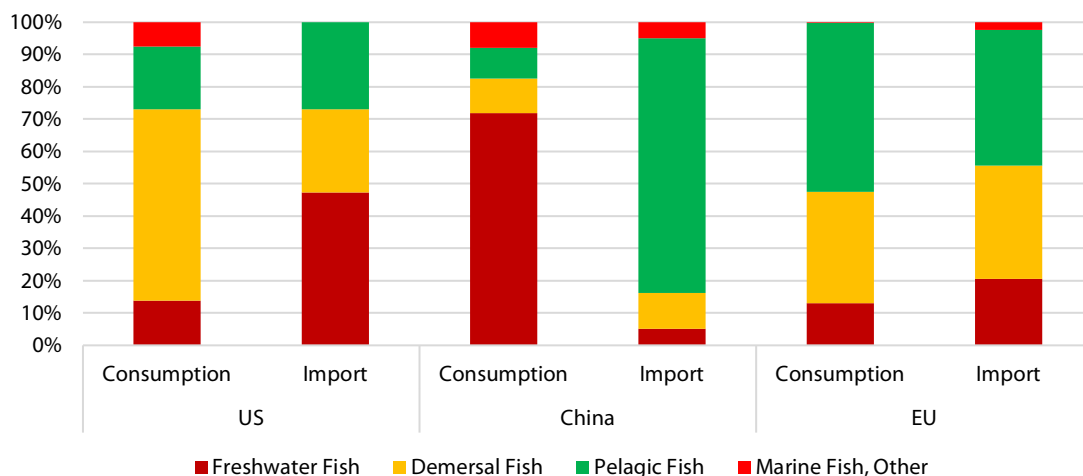
We expect that the share of exported pangasius in China will grow from 57% to 62%, with overall consumption share rising from 0.8% to 1% due to competitively priced pangasius.

Unlike the US and EU, China is the world’s largest fish consumption market, with an estimated 38 million tons consumed annually. Freshwater fish alone saw an average consumption of 27 million tons from 2017-2022, comprising 71% of total fish consumption.

China is viewed as a high potential market, with Vietnam exporting between 200,000 to 300,000 tons of pangasius to China annually—roughly 1% of total fish demand and 50% of total freshwater fish imports.

However, price competition is high due to domestically farmed fish varieties. USDA data shows that the combined production of five major freshwater carp species, such as grass carp, white silver carp, crucian carp, bighead carp, and common carp, reached 18.7 million tons in 2022, representing 70% of total freshwater fish demand. Tilapia production was 1.74 million tons (6.4% of freshwater fish demand), primarily from Guangdong, Hainan, Guangxi, Yunnan, and Fujian, which produced 97.2% of China’s tilapia in 2022. In the short term, recent storms in Hainan (accounting for 20% of total tilapia production) have reduced supply, driving up prices. However, tilapia supply is expected to recover quickly once prices stabilize at higher levels.

Figure 16: Consumption and Import Fish Market Share



Source: FAO, RongViet Securities

Table 19: Projected Export Volume of Pangasius by VHC for the Period 2023-2028

Content	Market	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F	CAGR 2023-2028
Population (Million people)	US	332	332	333	335	337	338	340	341	343	0.5%
	EU	515	514	515	518	517	516	515	515	515	-0.1%
	TQ	1,411	1,412	1,412	1,411	1,410	1,409	1,408	1,407	1,405	-0.1%
Consumption per capita (kg/person/year)	US	13.1	13.0	13.0	13.0	13.0	13.1	13.1	13.2	13.2	0.3%
	EU	9.6	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	-0.1%
	TQ	23.3	22.9	22.9	22.9	23.0	23.1	23.3	23.4	23.6	0.6%
Total fish consumption (thousand tons)	US	4,328	4,328	4,328	4,350	4,386	4,421	4,457	4,492	4,527	0.8%
	EU	4,967	4,989	4,989	5,014	5,000	4,989	4,982	4,975	4,969	-0.2%
	TQ	32,850	32,301	32,296	32,263	32,446	32,628	32,802	32,969	33,127	0.5%
Total pangasius export (thousand tons)	US	89.6	111.6	117.5	85.6	117.4	126.8	136.3	137.4	138.5	10.1%
	EU	56.7	46.9	82.1	82.3	91.4	92.6	93.4	102.7	102.5	4.5%
	TQ	308.9	215.1	269.2	246.9	238.5	275.2	276.7	278.1	320.5	5.4%
Pangasius import/total fish imported	US	7.5%	12.9%	14.1%	10.3%	14.0%	15.0%	16.0%	16.0%	16.0%	N.A
	EU	2.6%	2.3%	3.7%	4.0%	4.5%	4.5%	4.5%	5.0%	5.0%	N.A
	TQ	75.8%	64.0%	76.0%	56.8%	57.0%	62.0%	62.0%	62.0%	62.0%	N.A
Total pangasius export/Total fish consumption	US	2.1%	2.6%	2.7%	2.0%	2.7%	2.9%	3.1%	3.1%	3.1%	N.A
	EU	1.1%	0.9%	1.6%	1.6%	1.8%	1.9%	1.9%	2.1%	2.1%	N.A
	TQ	0.9%	0.7%	0.8%	0.8%	0.7%	0.8%	0.8%	0.8%	1.0%	N.A
VHC export volume (thousands tons)	US	39.0	50.7	61.3	41.1	56.3	60.9	64.1	64.6	65.1	9.6%
	EU	12.8	11.5	10.3	11.3	13.5	13.9	14.5	15.9	15.9	7.1%
	TQ	15.1	14.3	8.4	8.4	8.8	10.2	11.1	12.8	12.8	8.7%
VHC export volume/Total	US	43.5%	45.4%	52.2%	48.0%	48.0%	48.0%	47.0%	47.0%	47.0%	N.A
	EU	22.5%	24.4%	12.6%	13.7%	14.8%	15.0%	15.5%	15.5%	15.5%	N.A
	TQ	4.9%	6.7%	3.1%	3.4%	3.7%	3.7%	4.0%	4.6%	4.0%	N.A
Total VHC export volume		72.6	85.0	89.0	74.4	93.4	101.2	106.2	110.3	112.2	8.6%

Source: OECD, Worldbank, FAO, VASEP, RongViet Securities

Seafood prices face challenges for high compound growth [\(back to page 6\)](#)

According to the OECD, prices for farmed seafood are expected to grow at an annual compound rate of 2%, in line with inflation (effectively flat in real terms). This growth rate is an improvement over the previous decade's compound annual growth of 0.8%. Meanwhile, pre-inflation prices for wild-caught seafood are projected to decline by 0.3% annually.

We examined US import prices for filleted fish as a benchmark for price growth. Our analysis indicates that compound price growth for major fillet fish types between 2020 and 2024 remained below double digits. Pangasius fillet prices showed virtually no growth over this period, as producers prioritized competitive pricing to boost volume. We anticipate that annual compound price growth for pangasius will stabilize at around 2% for 2026-2028.

Table 20: Average import prices of fillet fish types in the US over 7 months (USD/kg)

Type of fillet	Price (USD/kg)					
	7T2020	7T2023	7T2024	YoY (%)	YTD (%)	CAGR 7T/2020-7T/2024
Salmon atlantic fillet fresh farmed	10.74	13.45	13.78	2%	28%	6%
Salmon atlantic fillet frozen	12.32	15.74	14.84	-6%	20%	5%
Tuna nspf fillet frozen	11.15	12.51	11.14	-11%	0%	0%
Groundfish cod nspf fillet frozen	7.5	10.34	8.54	-17%	14%	3%
Tilapia (oreochromis spp.) Fillet frozen	3.28	3.8	4.36	15%	33%	7%
Marine fish nspf fillet frozen	12.09	14.23	12.7	-11%	5%	1%
Catfish (pangasius) fillet frozen	2.84	3.46	2.8	-19%	-1%	0%

Source: NOAA, RongViet Securities

APPENDIX 4 – SCALE OF REMAINING BUSINESS SEGMENTS ([back to page 4](#))

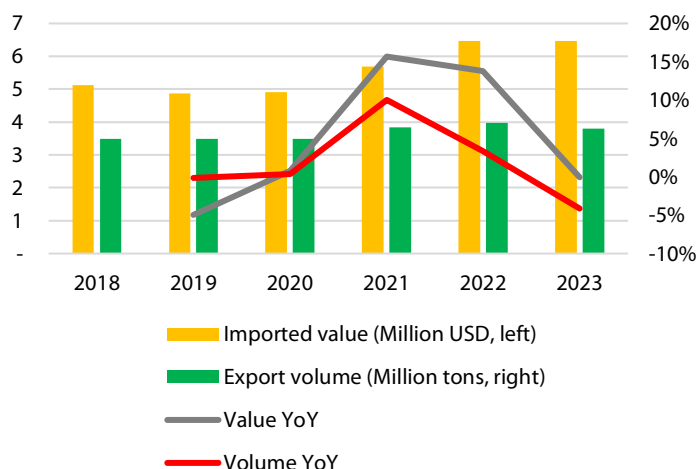
1. By-products segment ([back to page 6](#))

Based on export data, fish meal holds the largest share within VHC’s by-products segment, so our analysis focuses on the fish meal market. Revenue for this segment is expected to grow primarily through volume expansion, as it has a relatively low market share and faces competition from Peru. In 2023, fish meal revenue reached VND 1.7 trillion (USD 68 million at an exchange rate of 25,000 VND/USD), with the majority of exports directed to China. VHC’s market share in China is approximately 2%, representing 16% of Vietnam’s total fish meal export value to China. The scale and growth potential of this segment are detailed below.

The import value of fish meal (HS Code 230120) in 2023 was USD 6.4 billion, growing at an annual rate of 5% from 2018 to 2023. Total import volume in 2023 was 3.8 million tons, with a 2% annual growth rate over the same period. The top three importing countries by volume are China, Norway, and Japan, with respective shares of 46%, 6%, and 4%. China’s fish meal import value stands at USD 2.9 billion, primarily sourced from Peru, Vietnam, and Russia.

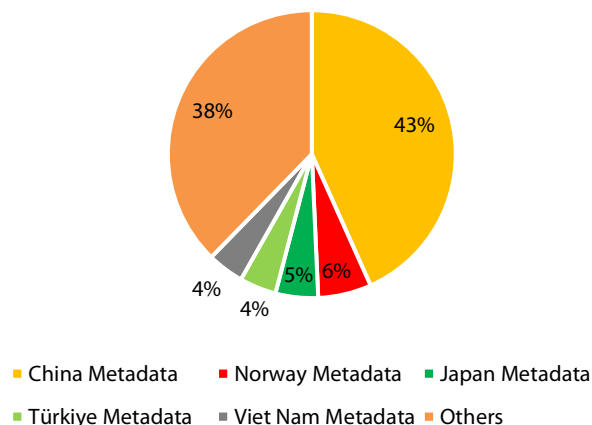
According to the OECD, global fish meal export volume is projected to reach 3.6 million tons in 2024, a 4% increase over 2023, while pre-inflation prices are expected to decline by 0.7% annually.

Figure 17: Global Import Value of Fishmeal (thousand tons, left) and Growth Rate (% , right)



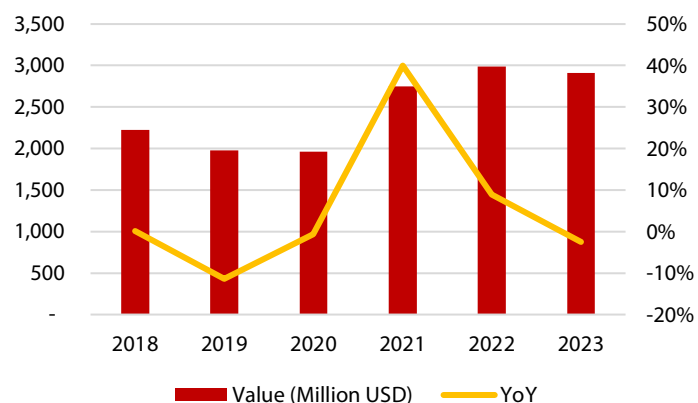
Source: Trademap, RongViet Securities

Figure 18: Market Share of Fishmeal Import Volume by Country



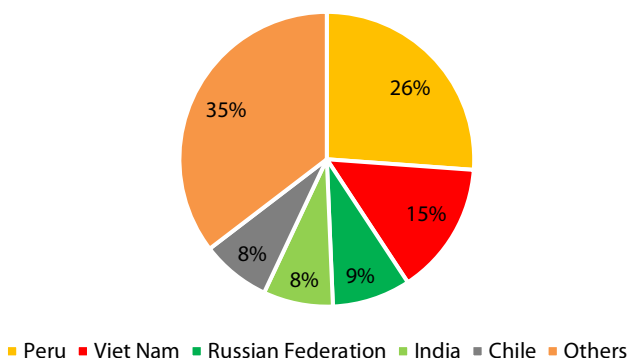
Source: Trademap, RongViet Securities

Figure 19: Import Value of Fishmeal in China (thousand VND, left) and Growth Rate (% , right)



Source: Trademap, RongViet Securities

Figure 20: Market Share of Fishmeal Import Volume by Exporting Country to China



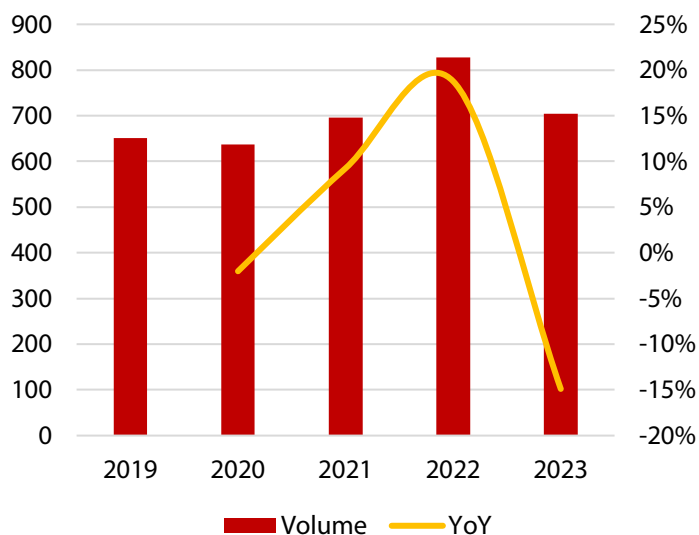
Source: Trademap, RongViet Securities

2. Collagen & Gelatin segment (back to page 5) (back to page 4)

Global collagen import volume reached 704,000 tons in 2023, growing at an annual rate of 2% from 2018 to 2023. In contrast, gelatin imports were 313,000 tons, declining by 2% per year over the same period. VHC’s current production volume of approximately 3,500 tons remains relatively low, representing only 0.1% of total global collagen imports. We anticipate a gradual increase in VHC’s export volume.

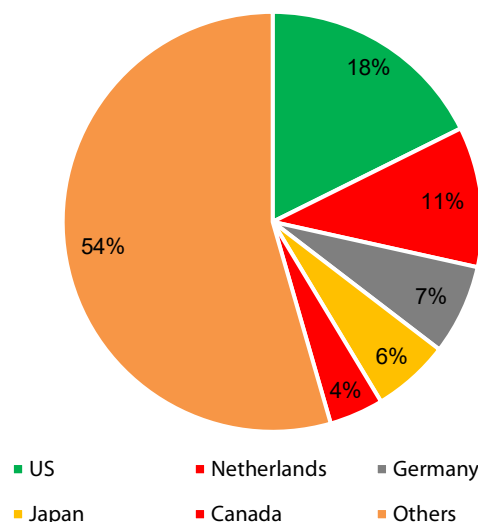
According to Precedenceresearch, the global collagen market capitalization is projected to grow at a CAGR of 8.9% for 2023 - 2032. This growth is driven by (1) rising demand for collagen to improve bone and skin health, especially as the global population ages, and (2) increasing incomes, which will boost spending on health products.

Figure 21: Collagen Import Volume (thousand tons, left) and Growth Rate (% , right)



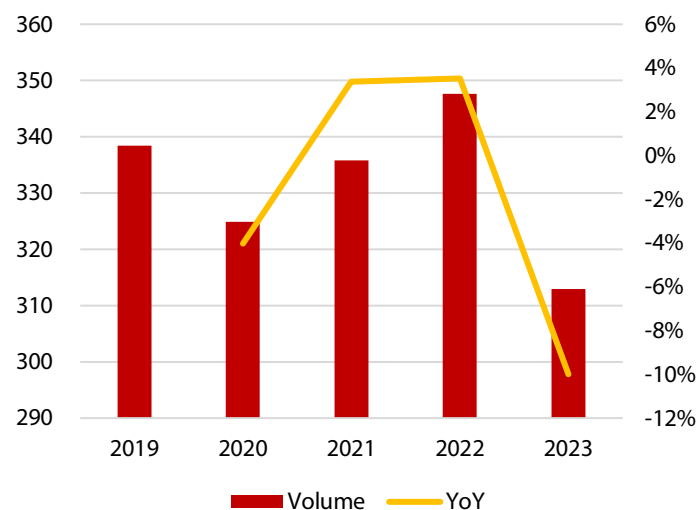
Source: Trademap, RongViet Securities

Figure 22: Market Share of Collagen Imports by Country



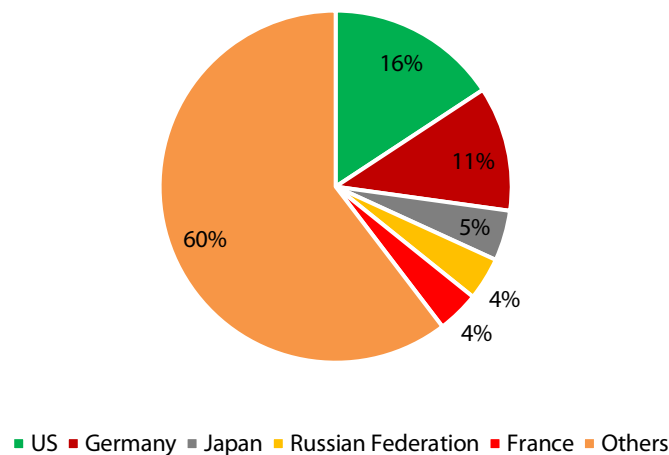
Source: Trademap, RongViet Securities

Figure 23: Gelatin Import Volume (thousand tons, left) and Growth Rate (% , right)



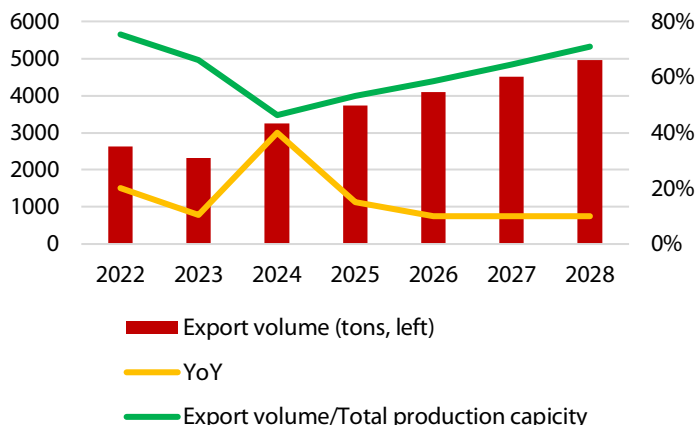
Source: Trademap, RongViet Securities

Figure 24: Market Share of Gelatin Import Volume by Country



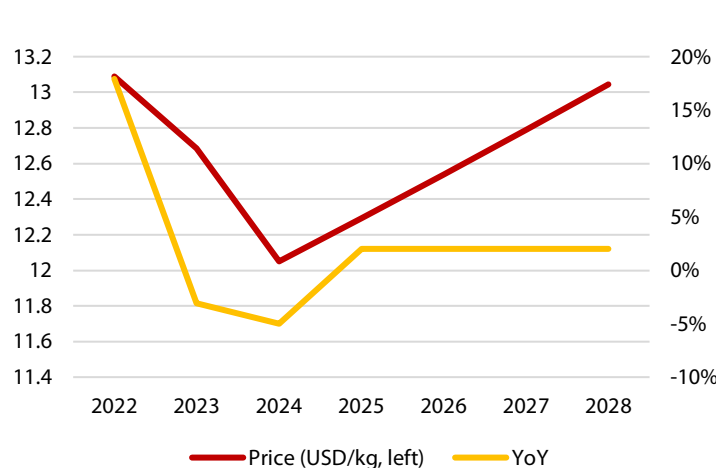
Source: Trademap, RongViet Securities

Figure 25: Estimated Export Volume of Collagen & Gelatin (tons, left) and Growth Rate (% , right) of VHC



Source: RongViet Securities

Figure 26: Average Price of C&G (USD/kg, left) and Growth Rate (% , right)



Source: RongViet Securities

3. Sa Giang segment [\(back to page 4\)](#) [\(back to page 6\)](#)

Based on the HS Code data for VHC’s shrimp cracker and rice-based product exports, we observed that global import values for products in the same HS Code categories as shrimp crackers and rice-based items reached USD 35 billion and USD 13 billion, respectively, in 2023, with a CAGR of 9% for each product category for 2018-2023.

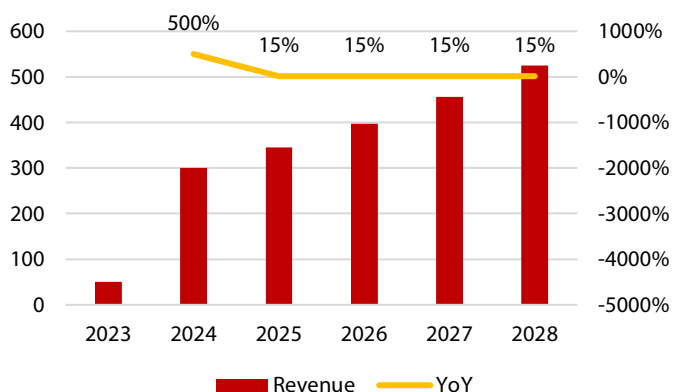
With Sa Giang segment revenue at approximately USD 18 million in 2023, there remains substantial export potential for this segment.

4. Thanh Ngoc segment [\(back to page 6\)](#):

We expect revenue to reach VND 300 billion (USD 12 million) in 2024, with a CAGR of 15% for 2025-2028, supported by a low baseline and high export potential. The total import value under the primary HS Code for Thanh Ngoc’s export products is USD 39 billion, growing at a CAGR of 5% for 2018-2023.

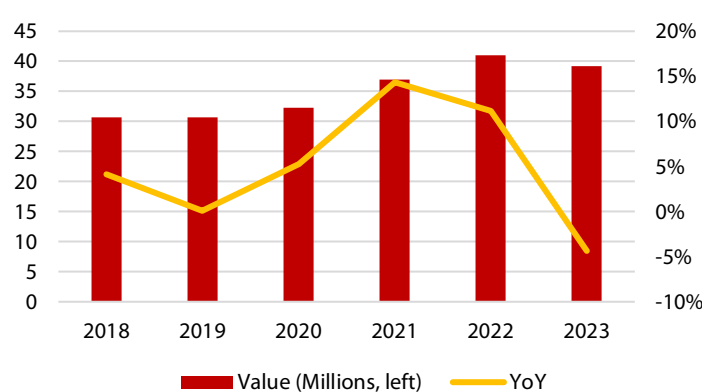
For the import market for edible vegetables (HS Code 07), the top three countries by import value are the US, Germany, and the UK, with import shares of 16%, 9%, and 5%, respectively. For edible fruits (HS Code 08), the top three importers are the US, China, and Germany, holding respective import shares of 25%, 20%, and 13%.

Figure 27: Estimated Revenue of Thanh Ngoc Segment and YoY Growth



Source: RongViet Securities

Figure 28: Global Import Value of Products Exported by Thanh Ngoc According to Main HS Codes



Source: RongViet Securities

5. Animal feed segment [\(back to page 6\)](#)

Currently, we lack specific revenue data for this segment, as it is recorded under another business category. However, we note that VHC’s aquaculture feed segment primarily serves the domestic market, given that the gross margins for companies in the animal feed industry average around 10%. This limited margin suggests that VHC’s focus remains on internal use rather than pursuing high-margin opportunities in external sales.

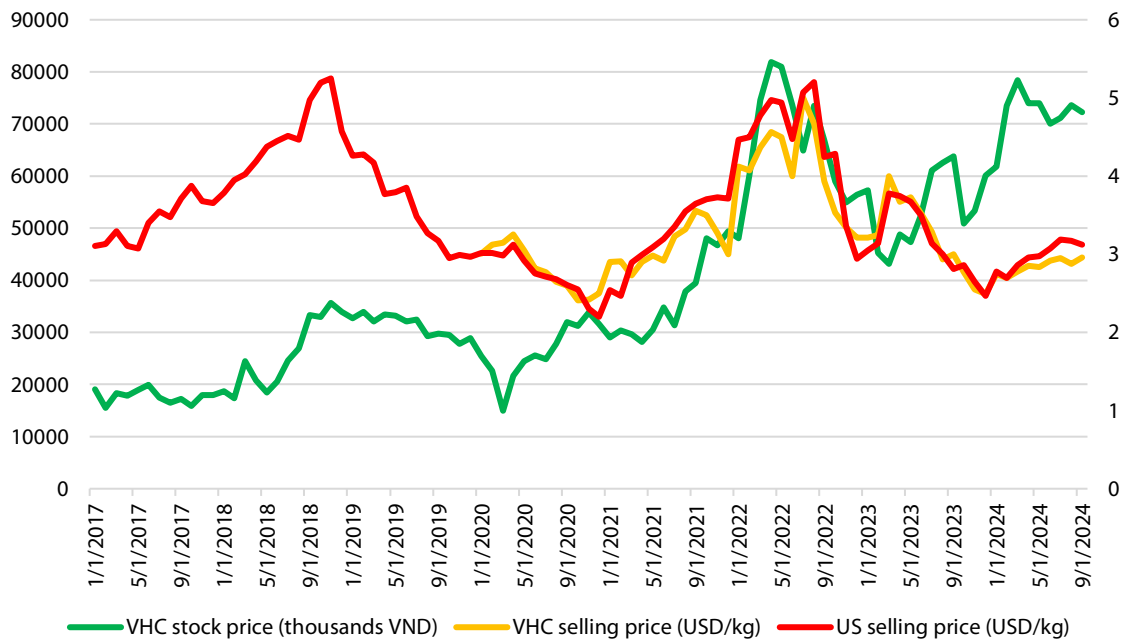
Table 17: Gross Profit Margin of Companies in the Animal Feed Business

Gross profit margin	Animal portion	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average 10 years
The Heus (Netherlands)	100% animal feed	13.5	15.2	16.0	16.6	16.6	16.6	16.6								15.9
CARGILL (US)	100% animal feed	9.8	9.6	7.2	8.2	7.9	8.7	9.7	10.8	10.6	9.8	10.3	11.4	10.9		9.6
ASM VN (Vietnam)	41,5% animal feed										4.5	4.6	3.9	4.4	4.9	4.4
Median						12.2	12.6	13.1	10.8	10.6	7.2	7.4	7.7	7.6	4.9	9.6
Average						12.2	12.6	13.1	10.8	10.6	7.2	7.4	7.7	7.6	4.9	10.0

Source: Bloomberg, RongViet Securities

APPENDIX 5 – CORRELATION BETWEEN DOMESTIC PANGASIOUS PRICES AND VHC STOCK PRICE [\(back to page 4\)](#)

Figure 29: Stock Price Trend of VHC (thousand VND/share) and Pangasius Price (USD/kg)



Source: Fiinpro, RongViet Securities

We examined the correlation between the average selling price of pangasius and VHC’s stock price over the period from January 2017 to September 2024. The results indicate no clear correlation, with a correlation coefficient of only 0.12. This coefficient rises to just 0.39 when comparing VHC’s specific pangasius selling price to its stock price. Consequently, short-term investments based on pangasius prices may face significant challenges.

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Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

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