Shinhan Securities



Nam Viet Corporation

[Vietnam / Fisheries]

Bloomberg Code (ANV VN) | Reuters Code (ANV.HM)

HOLD

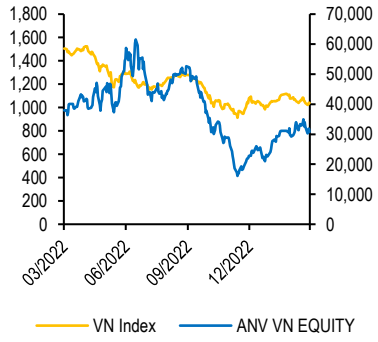
Initiation Coverage

Target price (12 months)	**VND 34,000**
Current price (09/03/2023)	VND 31,550
Return (%)	8%

VNINDEX	1,056
P/E market	9.8
Market Cap (bn VND)	4,200
Outstanding shares (1mn)	133
Free float (1mn)	37
52-week high/low (VND)	65,000/15,000
90-day avg. trading volume (1mn)	1.36
90-day avg. turnover (bn VND)	42
Foreign ownership (%)	27.67

Major shareholders (%)	Doan Toi	56.30
	Doan Chi Thanh	13.45

Performance	3M	6M	12M
Absolute (%)	32.0	-38.3	-18.4
Relative to VN-Index (%)	31.6	-22.8	10.0



Source: Bloomberg

Open account

[Analyst]

Diem Ngo

(84-28) 6299-7759

diem.ndn@shinhan.com

Ly Bui – Head of Research

(84-28) 6299-8029

ly.btt@shinhan.com

Reaching out to the new sea

Initiate coverage with HOLD call and Target price of VND 34,000

Nam Viet Corporation (HoSE: ANV) is one of the leading enterprises in Vietnam's pangasius export industry, with 100% autonomy from farming areas and fingerlings to feed. We first valuate ANV at VND 34,000, corresponding to a return of 8%.

Expectation of export growth from main export markets and new market

China has begun to reopen after 3 years of closure because of the pandemic. This year, China's reopening is undoubtedly the biggest expectation for the fisheries industry. Revenue from this market accounted for nearly 20% of the company's total revenue. After stopping cooperation with partner Shanghai Fenglei, the market share from China's market will increase significantly.

In the beginning of August 2022, Nam Viet started exporting the first pangasius containers to the US after nearly 10 years. In the last 5 months of 2022, the US market brought in 1.9 million USD, equivalent to 1.4% of company's export revenue, it is expected that revenue from the US market this year will contribute significantly to ANV's revenue after the company enjoys the 0% tax anti-dumping duties.

The advantage of autonomy in farming areas helps control costs

Nam Viet is a leading company in the industry with 100% autonomy from the farming area, fingerlings, raw materials, and feed factory to the processing factory. This will help the company have an advantage in input costs, helping it improve gross profit margin compared to competitors. The company is also building Binh Phu farming area with 600ha to help supply enough for all customer orders.

Outlook for 2023F

2023 will not be a very positive year for the pangasius industry when inventories from other countries are still high, leading to an oversupply that reduces export prices of pangasius. Along with that, inflation is still anchored at a high level on a global scale which may affect ANV's business results in 2023, however, we expect the company's revenue to recover in 2024 and growth to return to normal in 2025.

Risk

1) Risk of investigating in new market; 2) Risk of investing in new segments

Year to Dec.	2022	2023F	2024F	2025F	2026F
Revenue (bn VND)	**4,897**	**4,811**	**4,968**	**7,003**	**5,492**
OP (bn VND)	863	535	587	1,104	489
NP (bn VND)	**674**	**410**	**447**	**869**	**348**
EPS (VND)	5,300	3,217	3,501	6,814	2,726
BPS (VND)	22,598	24,816	27,316	33,131	34,857
OPM (%)	18%	11%	12%	16%	9%
NPM (%)	14%	9%	9%	12%	6%
ROE (%)	**25.8**	**13.6**	**13.4**	**22.5**	**8.0**
PER (x)	4.3	10.6	9.7	5.0	12.5
PBR (x)	1.0	1.4	1.2	1.0	1.0
EV/EBITDA (x)	12.0	12.4	11.6	6.5	14.4

Source: Company data, Shinhan Securities Vietnam

Shinhan Securities Vietnam Co., Ltd. does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Analysts employed by Shinhan Securities Vietnam Co., Ltd. , or a non-US affiliate thereof, are not registered/qualified as research analysts with FINRA, may not be associated persons of the member and may not be subject to FINRA restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account. For analyst certification and important disclosures, refer to the Compliance & Disclosure Notice at the end of this report.

TABLE OF CONTENTS

3 **Company background**

4 **Investment Catalysts & Theses**

8 **Earnings estimates**

8 **Valuation and Recommendation**

12 **Risk**

13 **Appendix: Financial statements**

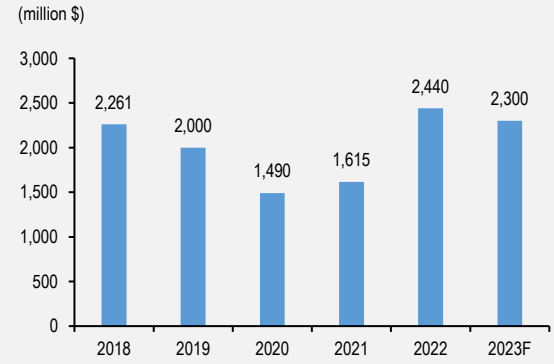
Company background

Overview of the pangasius industry

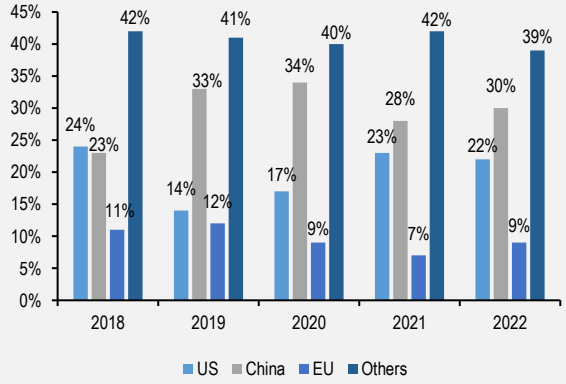
Vietnam is a leading exporter of pangasius when accounting for more than 90% of the world due to a favorable geographical conditions for pangasius farming in the Mekong Delta region. In 2022, our country's pangasius industry has reached the target of 2.4 billion USD (+51% YoY) because the war between Russia and Ukraine has benefited Vietnam's pangasius, along with the needs of people increased dramatically after the COVID-19 pandemic. In 2022, the pangasius farming area nationwide will reach about 5,500 hectares, with an output of 1.6 million tons. In 2023, the pangasius industry sets a target of 1.6 million tons of output, export turnover of 2.3 billion USD.

In 2022, pangasius exports reached a record of $2.4 billion. Exports to all markets increased sharply. Exports to China still account for the largest proportion with nearly 30% of total export value. The US market grew strongly when bringing in 537 million USD. In the first 2 months of 2023, pangasius export situation seems to be less positive when it decreased by 38% over the same period with the US market down 53%, China down 7%, the CPTPP increased 14%. However, the demand of the markets is tending to recover, so we expect that in the coming months, the export situation will be more stable.

Export value of pangasius industry in Vietnam



Major export country of pangasius product of Vietnam



Source: VASEP, Shinhan Securities Vietnam

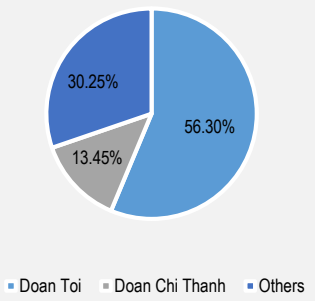
History of development

Nam Viet Corporation was established in 1993 and operated in the field of construction before switching to fisheries processing in 2000. Since its inception, the company soon became 100% self-sufficient from the breeding area and feed to the processing factories.

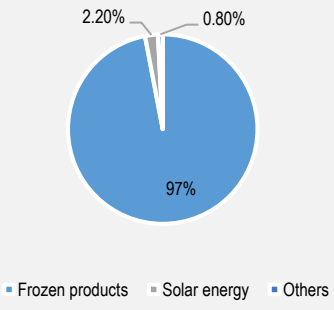
Nam Viet's revenue by product can be listed as frozen products, raw materials, feed, grilled chopped fish, and solar energy. The frozen products segment is the largest source of revenue for Nam Viet, accounting for 97% of total revenue in 2021. In 2022, Nam Viet launched the collagen&gelatin project with the expectation of contributing 10% of the company's total revenue.

In 2007, Nam Viet was officially listed on the Ho Chi Minh City Stock Exchange under the ticker "ANV".

Shareholder's structure



Revenue structure by products



Source: Company data, Shinhan Securities Vietnam

Investment Catalysts & Theses

Expectation of export growth from main export markets and new market

1. China market

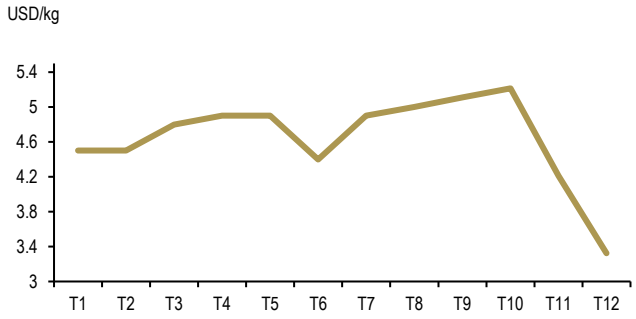
Nam Viet has a large export network to more than 100 countries and many continents in the world such as Asia, Europe, America and the Middle East. In company's revenue structure, exports accounted for a high proportion of nearly 80% in the period before COVID-19. At the time of the pandemic, enterprises felt the important of the domestic market, so they actively increased their domestic sales, leading to export revenue of only 68% in 2021, but this figure has reached 73% in 2022 after pangasius hit an export record.

In 2023, the China market will be the biggest expectation of the pangasius industry after the country reopens. In 2022, the China market (including Hong Kong) accounted for nearly 20% of ANV's export market share and brought in 26.9 million USD with two main distribution channels including supermarkets and restaurants. The price of fish exported to the China market is currently about 2.75 USD/kg, and the number of orders from China is increasing dramatically but ANV has not been able to receive it because the country requires large fish sizes from 1.2-1.3kg and it will take longer to breed. After stopping cooperation with partner Shanghai Fenglei, Nam Viet will have more opportunities to increase orders and will boost the revenue to this market strongly. It is expected that by Q2/2023, exporting to this market will fully recover.

2. US market

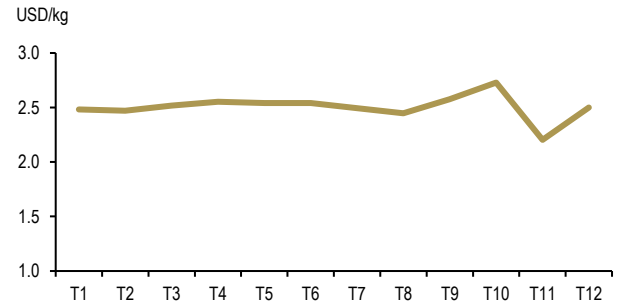
After the POR16 assessment (August 1, 2018 - July 31, 2019), Nam Viet is the following enterprise to enjoy the 0% tax rate when exporting pangasius to the US. From the beginning of 2022, the export price of pangasius to the US has continuously increased because the demand for cheap white fish has increased amid the ongoing inflation situation. Nam Viet returned to the US market in August 2022 after leaving this market in 2014 due to high anti-dumping duties. In 2022, the US market brought in $1.9 million in revenue, accounting for 1.4% of Nam Viet's export market share. By 2023, the company expects revenue from this market to reach 15 million USD and export about 30 containers/month. However, the US market has strict requirements for quality as well as inventories in the US are still high, ANV predicts that by Q2/2023, this amount of inventory will decrease. Although joining later than other businesses, ANV is confident of having a price advantage due to lower cost of goods sold.

Export price to the US in 2022



Source: Agromonitor, Shinhan Securities Vietnam

Export price to China in 2022



Source: Agromonitor, Shinhan Securities Vietnam

3. Revenue from other markets have stable proportion in market share

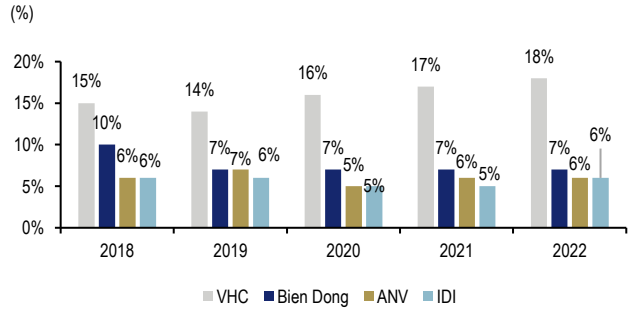
In 2022, revenue from the European market increased by 107% YoY because the war between Russia and

Ukraine benefited Vietnam's pangasius. Moreover, the EU-Vietnam Free Trade Agreement (EVFTA) takes effect from August 1st, 2020, eliminating 99% of tariffs. Most taxes on fisheries products are eliminated directly in the Vietnam - EU FTA. However, for some important groups of fisheries products, tariffs will be phased out gradually. Currently, frozen pangasius products are enjoying GSP tax (Generalized System of Preferences) of 5.5% and will enjoy 0% EVFTA tax after 3 years (according to the Directorate of Fisheries).

In the past year, the Asian market brought in 25.2 million USD, of which Thailand accounted for 85%. In the past year, the demand from Thailand market has increased dramatically and Nam Viet is the business that benefits when accounting for a quarter of the market share of pangasius exports to this country. The average selling price of pangasius to Thailand market is about 2.75 USD/kg.

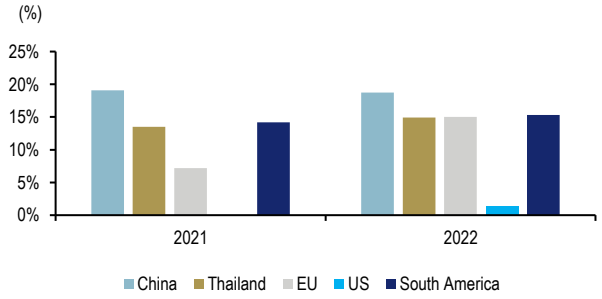
Along with that, the export of pangasius to South American countries is also quite stable, this is a long-standing customer of Nam Viet with a market share of about 15.3%. Pangasius exports to the Mexican market (belonging to the CPTPP) also recorded a positive result when increasing by +29% YoY, this result was supported by two positive factors: 1) According to the CPTPP Agreement, fisheries products receive the tax rate of 0% immediately after the agreement comes into force; 2) CPTPP is less affected by currency fluctuations and high freight rates.

Market share of major companies exporting pangasius



Source: VASEP, Shinhan Securities Vietnam

Export's market of ANV



Source: ANV, Shinhan Securities Vietnam

The advantage of autonomy in farming areas helps control costs

According to the company's President, there are 5 critical factors in the pangasius industry to create a cost advantage, including fingerlings, raw materials, feed, processing factories, markets, and ANV now has enough resources.

The company has 17 fish farming areas with a total water surface area of 400 hectares. Additionally, in 2018, the company invested in Binh Phu hi-tech farming area with an area of 600 hectares. However, the company is still maintaining its own production of 30% of the fingerlings, the rest will be bought from people. If there is a surplus, ANV can sell it to outsiders, and the revenue from this segment is about 2% per year. In the year of the COVID-19 pandemic, this segment contributed up to 9% of the company's total revenue.

The company has a feed factory with a capacity of 500,000 tons of products/year, which is enough to supply the entire farming area, and the residual is for sale, this segment regularly contributes 5% or more each year to the total revenue of the company. In 2022, Nam Viet established Nam Viet Aquatic Feed Processing Company Limited, this will be very beneficial for the company when from the beginning of the year until now, the high price of raw materials has pushed up the cost of feed (which accounts for a high proportion of the cost of goods sold). Increasing the quantity of feed will help the company reduce the cost of goods sold, helping to improve gross profit margin.

The company has 5 fisheries processing factories with a capacity of 1,050 tons of raw materials/day, which is enough to meet the needs of customers, along with 10 lines of feed factories with a capacity of 1000 tons of products/day.

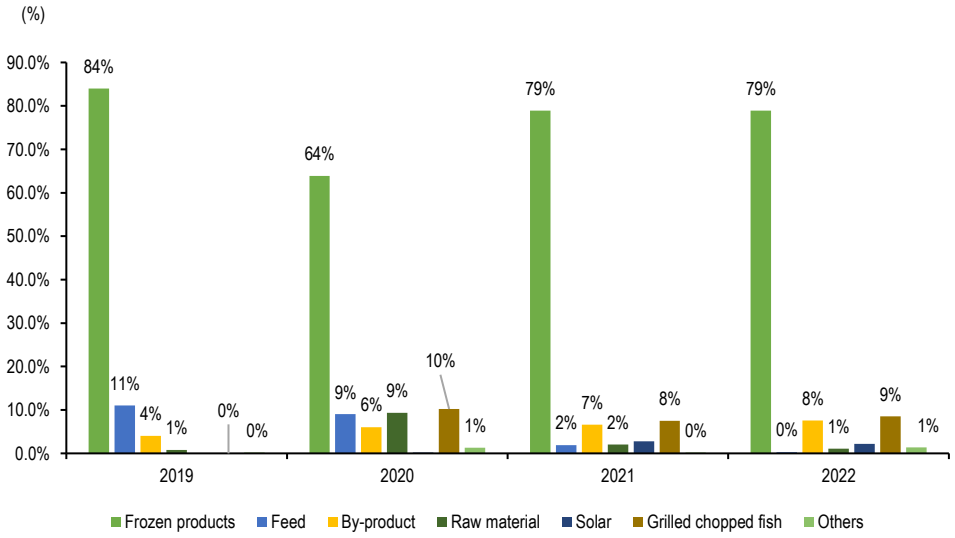
Processing factories of ANV

Name of factory	Capacity
Nam Viet Seafood Frozen Factory	150 tonnes raw materials/day
An Do Duong Seafood Frozen Factory	500 tonnes raw materials/day
Thai Binh Duong Seafood Frozen Factory	100 tonnes raw materials/day
Dai Tay Duong Seafood Frozen Factory	300 tonnes raw materials/day
NTACO Seafood Frozen Factory	50 tonnes raw materials/day

Source: ANV's annual report, Shinhan Securities Vietnam

Revenue structure by products of Nam Viet includes frozen products, feed, by-product, raw materials, grilled chopped fish, and solar energy. In total, revenue from the frozen products segment accounted for 79% in 2021.

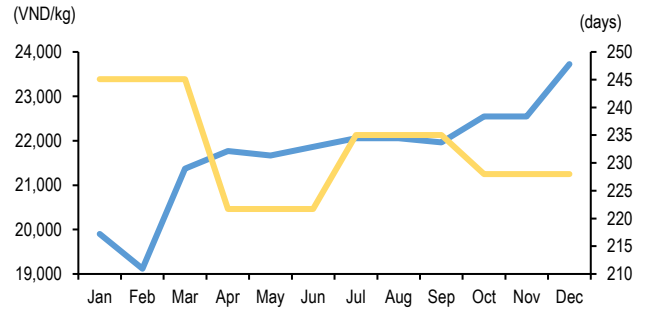
Revenue structure by products of ANV



Source: Shinhan Securities Vietnam, Bloomberg

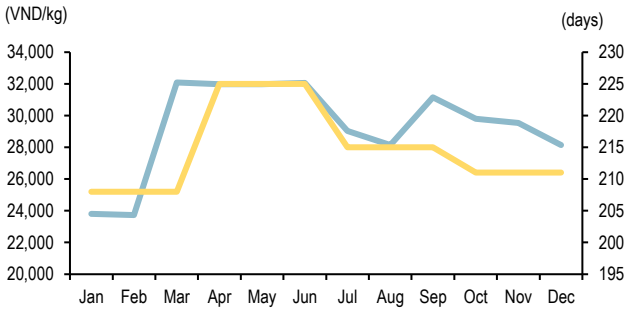
With 100% autonomy in input material costs, when the price of raw materials increases, Nam Viet is not affected because the price of raw materials has increased recently, along with the increase of feed cost, many farmers have stopped raising pangasius. However, it must also be noted that if the price of raw materials falls deeply, Nam Viet will be affected by the cost of raising fish remaining the same, but the resale price will not be kept. Along with a disease such as COVID-19, Nam Viet will have to bear high production in progress costs, which is reflected in the increase in inventory. However, when the price of raw materials increases, it will benefit Nam Viet because the company has a cheap source of raw fish without having to buy from outside.

Raw material price in An Giang and Inventory days of ANV in 2021



Source: Agromonitor, Shinhan Securities Vietnam

Raw material price in An Giang and Inventory days of ANV in 2022



Source: Agromonitor, Shinhan Securities Vietnam

New projects help increase revenue

1. Collagen&gelatine project from fish skin

In 2020, Nam Viet started construction of a fish skin collagen&gelatine factory with 800 tons of finished products per year, with an area of more than 9,600 m2 in Thot Not industrial park, Can Tho; estimated investment cost is nearly 4 million USD. Accordingly, fresh fish skin costs around 0.5 USD/kg, and collagen production can reach the price from 25-40 USD/kg.

The company advocates as wholesale raw materials for other factories to produce so the gross profit margin will be about 10-15%, if retail, the gross profit margin will be higher. Expected annual revenue of 36 million USD (joint venture with Amicogen, so ANV's revenue will be 18 million USD/year). Products are mainly for export and the main export markets will be Korea (having a joint venture company) and Italy (buying fish skin from ANV).

2. Solar energy project according to the State's VIII electricity planning

Since 2020, the company has invested in a rooftop solar power project with a capacity of about 53MW, with a total investment of 477 billion VND and annual revenue of VND 118 billion. The company has planned to do a 650MW solar power project according to the roadmap of State's VIII electricity planning approved by the Government. For rooftop solar energy systems with commercial operation dates from July 1, 2019 to December 31, 2020: EVN's solar power purchase price in 2022 is VND 1,939/kWh (VND 1,938/kWh in 2021) excluding VAT (equivalent to 8.38 Uscents/kWh). Currently company has land available for implementation, if the project is implemented, the source of revenue will be very large with gross profit margin of about 90%/year.

2. Real estate project

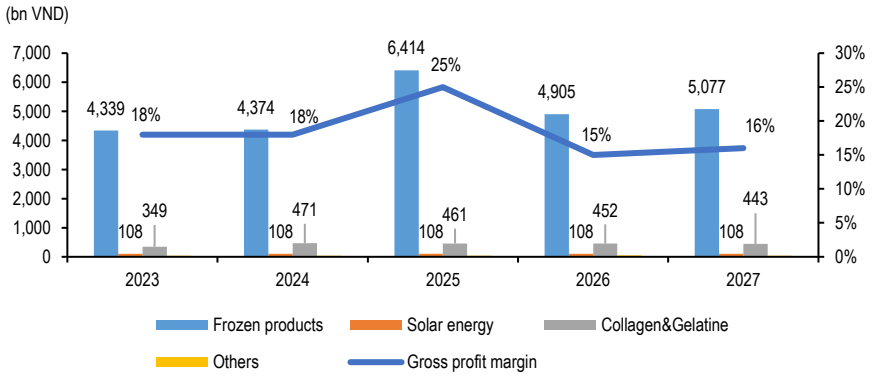
In 2022, Nam Viet had a real estate project when it established Nam Viet Real Estate Co., Ltd. with a capital contribution of VND 81 billion and invested in constructing a 20-floor Nam Viet Tower building to serve as new headquarter and office for lease, with a total investment of VND 450 billion (including land purchase and construction). However, this project is currently on hold due to difficulties in implementing legal documents as well as unfavorable market conditions. We will update more reports after the enterprise publishes more about the project.

Earning Estimates

We expect Nam Viet's revenue in 2023 to have a slight decrease due to concerns about ongoing inflation, high

inventory levels, and concerns about entering the US market. We forecast total revenue will be 4,811 billion VND (-2% YoY) and profit after tax will achieve 410 billion VND (-39% YoY). In which, revenue from China market is forecasted to account for more than 20% of total export revenue due to the opening of this market and ANV's ability to expand the market after stopping cooperation with partner Shanghai Fenglei. We expect the company's gross profit margin to reach 18%.

Earnings forecast of Nam Viet (2023F –2027F)



Source: Shinhan Securities Vietnam

ANV's annual earnings trend and outlook (2022-2027F)

(Unit: Bn VND)	2022	2023F	2024F	2025F	2026F	2027F
Net Sales	4,897	4,811	4,968	7,003	5,492	5,650
Frozen products	4,754	4,339	4,374	6,414	4,905	5,077
Solar energy	108	108	108	108	108	108
Collagen&Gelatine	0	349	471	461	452	443
Others	73	35	41	43	48	42
Operating profit	863	535	587	1,104	489	529
Gross Profit	1,336	852	887	1,784	821	895
Net profit	674	410	447	869	348	387
Margin (%)						
OPM	18%	11%	12%	16%	9%	9%
GPM	27%	18%	18%	25%	15%	16%
NPM	14%	9%	9%	12%	6%	7%
Growth (%YoY)						
Net Sales	40%	-2%	3%	41%	-22%	3%
OPM	299%	-38%	10%	88%	-56%	8%
GPM	141%	-36%	4%	101%	-54%	9%
NPM	421%	-39%	9%	95%	-60%	11%

Source: Company Data, Shinhan Securities Vietnam

Valuation and Recommendation

Initiate coverage with HOLD call and TP of VND 34,000

We initiate coverage Nam Viet Corp. with a HOLD recommendation and a target price of VND 34,000, corresponding to an increase of 8% from the current price. For a long-term view, ANV is an investment that can be considered with the following advantages:

1) Expectation from the existent market and new market
2) The advantage of autonomy in farming areas helps control costs

Valuation

We apply a combination of P/E and Discounted Cash Flow (DCF) valuation methods with 40% and 60% weights to value ANV.

FCFF valuation

(Unit: VND bn)	2022	2023F	2024F	2025F	2026F	2027F
Net Income	674	410	447	869	348	387
Plus: Interest after tax	92	103	108	144	116	120
Plus: D&A	121	131	132	150	116	106
Less: Net working capital	502	(243)	638	380	(51)	(775)
Less: Capex	271	435	224	427	170	279
FCFF	**114**	**452**	**(175)**	**355**	**461**	**1,109**
Discount factor		0.90	0.80	0.72	0.63	0.56
PV of FCF		405	(140)	256	290	619
Terminal growth (%)	2%					
PV of Terminal value	6,089					
Enterprise value	**7,519**					
Net borrowing	2,223					
Cash and equivalent	31					
Total outstanding share	127,539,625					
Target price	**41,769**					

WACC (%)	**11.64%**
Risk-free rate (%)	4.2%
Equity risk premium (%)	11.13%
Beta	1.12
Cost of debt (%)	5.30%
Cost of equity (%)	16.65%
Debt to capital ratio (%)	42%
Value of debt (bn VND)	2,423

Source: Company Data, Shinhan Securities Vietnam

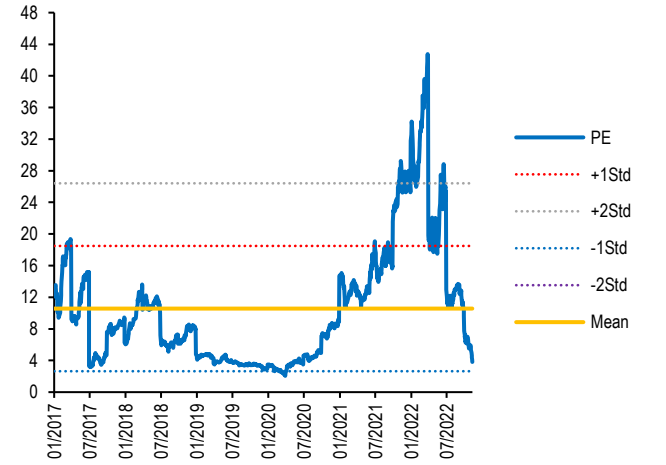
For the Weighted Average Cost of Capital (WACC), we use the 10-year Vietnamese government bond yield at 4.2% as the risk-free rate. Beta is calculated based on the last 5 years' historical data of Nam Viet and VNINDEX. Based on those assumptions, ANV's FCFF target price is valued at VND 41,769.

Based on the P/E method, we collect data from companies in the same industry similar to ANV plus ANV's 5-year average P/E, with a weight of 50%. We estimate ANV's target P/E at 6.95x. With the 2023 forward EPS at VND 3,217, ANV's target price is VND 22,367.

Ticker	Company name	Market Cap (billion VND)	2018-2022 PER
ABT VN Equity	Ben Tre Aquaproduct	433	10.37
ACL VN Equity	Cuu Long Fisheries	612	5.69
ASM VN Equity	Sao Mai Group	2,908	3.34
CAT VN Equity	Seaprimexco	187	8.30
CCA VN Equity	Caseamex	217	8.85
FMC VN Equity	Sao Ta Foods	2,393	6.37
IDI VN Equity	I.D.I International Development & Investment	2,766	13.76
KHS VN Equity	KIHUSEA VN	204	3.83
VHC VN Equity	Vinh Hoan Corp.	11,314	6.93
Average of industry	**6.79**		
5 yrs average of ANV	7.12		
Target P/E	**6.95**		
EPS 2023F	3,217		
Target price	**22,367**		

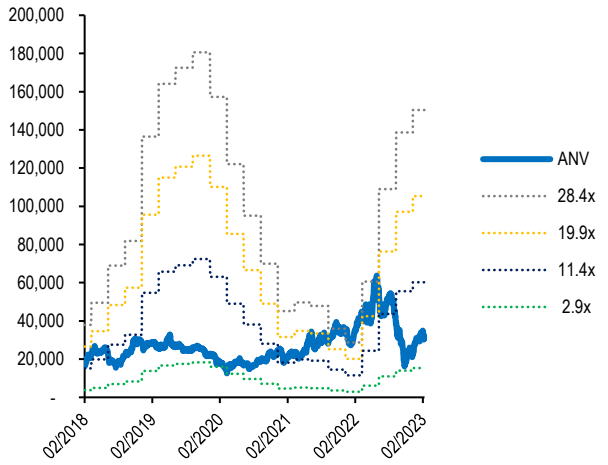
Source: Fiinpro, Shinhan Securities Vietnam

PER of ANV



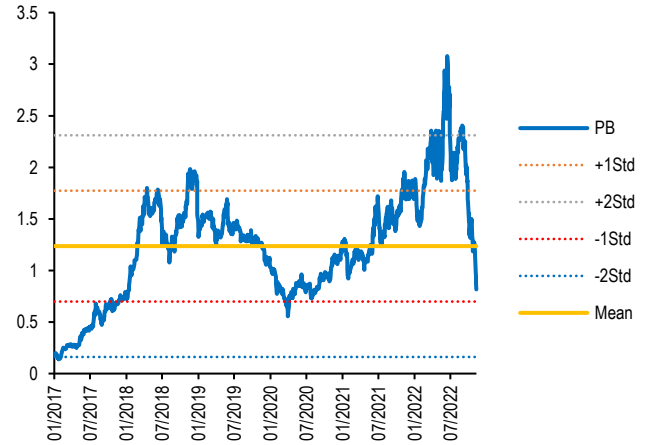
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PER band of ANV



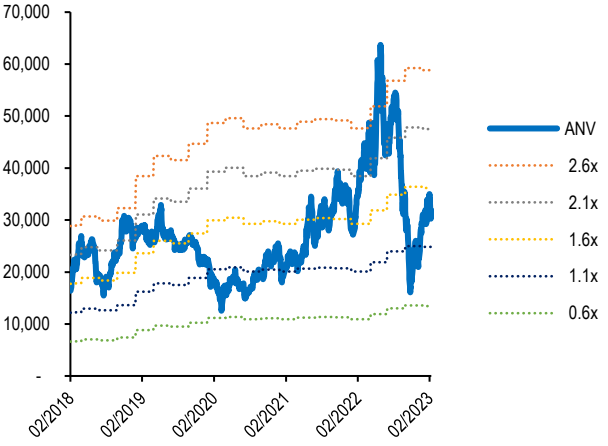
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR of ANV



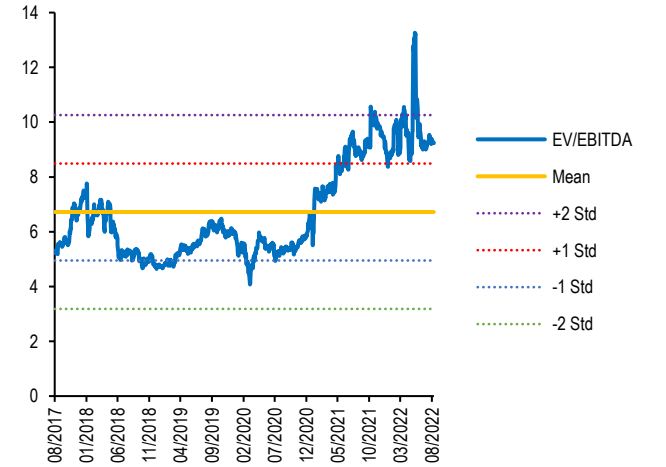
Source: Bloomberg, Company data, Shinhan Securities Vietnam

PBR band of ANV



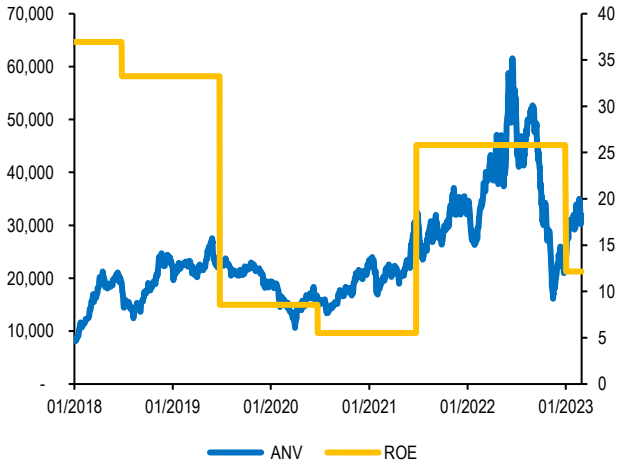
Source: Bloomberg, Company data, Shinhan Securities Vietnam

EV/EBITDA of ANV



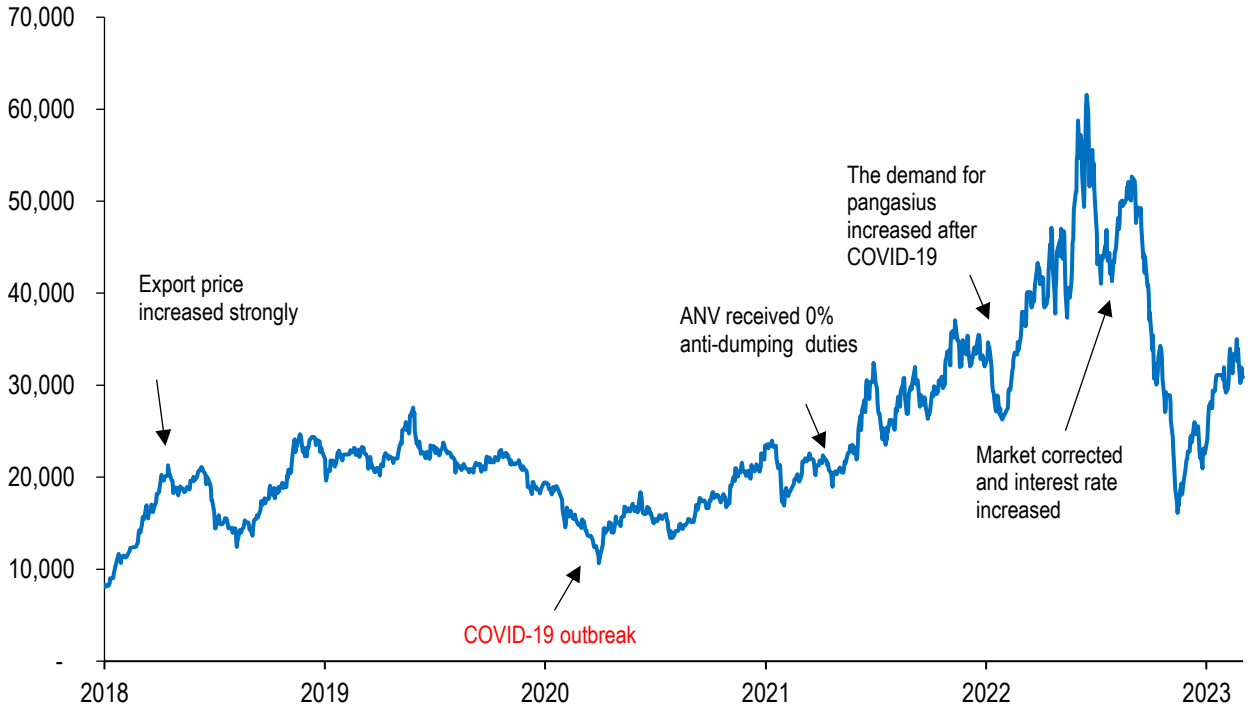
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Correlation between price and ROE of ANV



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Key important events of ANV



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Risk

Risk of investigating in new market

In 2022, Nam Viet returned to the US market after nearly 10 years. This is a potential export market because the export price may be 40% higher than other markets, but this market also has many potential risks such as: this is a familiar market of large enterprises such as Vinh Hoan, Bien Dong, so Nam Viet will have many difficulties in competing for market share, along with that, the US market also requires regulations on cold storage as well as higher shipping fees than other markets, so this will be a risk worth considering for the company.

Risk of investing in new segments

In the past few years, Nam Viet has invested in various projects to help increase revenue if revenue from pangasius fluctuates, including a solar power project and a collagen project. However, investing in these new segments will have risks such as fluctuations from the market, or unforeseen policies. So this is also an issue that needs to be considered.

Appendix : Financial statements

Statement of financial position

Year to Dec. (bn VND)	2021	2022	2023F	2024F	2025F
Total assets	**4,887**	**5,468**	**6,429**	**6,406**	**8,775**
Current assets	2,917	3,212	3,897	3,784	5,810
Cash & equivalents	43	31	136	76	150
Short-term financial asset	646	315	770	546	1,331
Accounts receivable	381	435	515	538	707
Inventories	1,780	2,333	2,373	2,524	3,479
Non-current assets	1,971	2,256	2,532	2,622	2,964
Net fixed assets	1,046	1,102	1,820	2,337	2,525
Investment assets	815	931	809	1,016	564
Other long-term assets	76	100	116	138	148
Total liabilities	**2,552**	**2,585**	**3,264**	**2,922**	**4,549**
Current liabilities	2,337	2,420	3,029	2,716	4,234
Accounts payable	198	277	646	165	852
Short-term borrowings	1,838	1,769	2,003	2,158	2,829
Others	301	374	381	392	552
Non-current liabilities	215	166	235	207	315
Long-term borrowings	210	153	220	191	295
Other financial liabilities	5	13	15	16	21
Total shareholders' equity	**2,336**	**2,882**	**3,165**	**3,484**	**4,225**
Capital stock	1,275	1,275	1,275	1,275	1,275
Capital surplus	21	21	21	21	21
Other capital	-28	-28	-28	-28	-28
Retained earnings	1,066	1,613	1,896	2,215	2,956
Non-controlling interest equity	0	0	0	0	0
*Total debt	2,048	1,922	2,223	2,349	3,124
*Net debt (cash)	1,359	1,576	1,317	1,727	1,644

Statement of comprehensive income

Year to Dec. (bn VND)	2021	2022	2023F	2024F	2025F
Revenue	**3,494**	**4,897**	**4,811**	**4,968**	**7,003**
Growth (%)	1.6	40.1	(1.7)	3.3	41.0
COGS	**(2,940)**	**(3,561)**	**(3,959)**	**(4,081)**	**(5,219)**
Gross profit	**554**	**1,336**	**852**	**887**	**1,784**
GPM (%)	15.9	27.3	17.7	17.8	25.5
SG&A	**(337)**	**(472)**	**(317)**	**(299)**	**(680)**
Operating profit	**216**	**863**	**535**	**587**	**1,104**
Growth (%)	(11.2)	298.7	(38.1)	9.8	88.1
OPM (%)	6.2	17.6	11.1	11.8	15.8
Non-operating profit	**(64)**	**(89)**	**(60)**	**(71)**	**(101)**
Financial income	41	80	63	67	95
Financial expense	(115)	(188)	(152)	(165)	(228)
In which: interest expenses	(103)	(105)	(118)	(124)	(165)
Net other non-operating profit	10	19	29	28	32
Pre-tax profit	**152**	**774**	**474**	**517**	**1,003**
Income tax	(23)	(100)	(64)	(70)	(134)
Net profit	**129**	**674**	**410**	**447**	**869**
Growth (%)	(36.3)	421.0	(39.1)	8.8	94.6
NPM (%)	3.7	13.8	8.5	9.0	12.4
Controlling interest	129	674	410	447	869
Non-controlling interest	0	0	0	0	0
EBIT	**152**	**774**	**474**	**517**	**1,003**
Growth (%)	(36.8)	408.9	(38.7)	8.9	94.3
EBIT Margin (%)	4.4	15.8	9.9	10.4	14.3
EBITDA	**275**	**895**	**605**	**649**	**1,153**
Growth (%)	(16.8)	225.4	(32.3)	7.3	77.6
EBITDA margin (%)	7.9	18.3	12.6	13.1	16.5

Statement of cash flow

Year to Dec. (bn VND)	2021	2022	2023F	2024F	2025F
Cash flow from operations	**272**	**293**	**785**	**(59)**	**639**
Net profit	129	674	410	447	869
D&A expense	123	121	131	133	149
(Gain) from investing activities		-	-	-	-
Change in working capital	20	(502)	243	(638)	(380)
Others	-	-	-	-	-
Cash flow from investments	**(414)**	**(28)**	**(853)**	**(1)**	**(1,212)**
Change in fixed assets	(211)	(153)	(849)	(650)	(337)
Change in investment assets	(208)	243	(417)	223	(784)
Others	5	(118)	413	425	(90)
Free cash flow	**(142)**	**265**	**(68)**	**(60)**	**(573)**
Cash flow from financing	**141**	**(275)**	**173**	**(1)**	**647**
Change in equity	-	-	-	-	-
Net borrowing	207	(126)	301	127	774
Dividends	(66)	(149)	(128)	(128)	(128)
Change in total cash	**(1)**	**(10)**	**105**	**(60)**	**74**
Beginning cash	44	43	31	136	76
Change in FX rates	-	-	-	-	-
Ending cash	43	33	136	76	150

Source: Company data, Shinhan Securities Vietnam

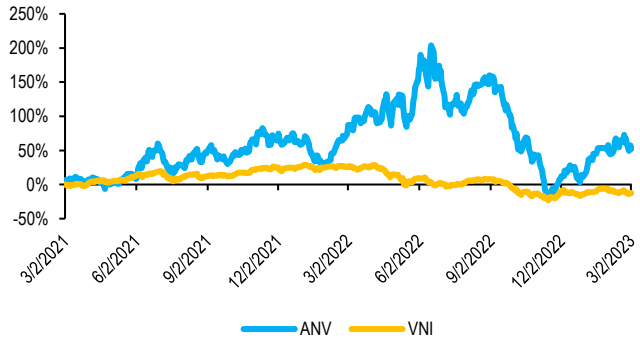
Key ratios

Year to Dec.	2021	2022	2023F	2024F	2025F
EPS (VND)	1,013	5,300	3,217	3,501	6,814
BPS (VND)	18,313	22,598	24,816	27,316	33,131
DPS (VND)	519	1,169	1,000	1,000	1,000
PER (x)	32.9	4.3	10.6	9.7	5.0
PBR (x)	1.8	1.0	1.4	1.2	1.0
EV/EBITDA (x)	14.4	12.0	12.4	11.6	6.5
Dividend payout ratio (%)	51.2	22.1	31.1	28.6	14.7
Dividend yield (%)	1.6	5.2	2.9	2.9	2.9
Profitability					
EBITDA margin (%)	7.9	18.3	12.6	13.1	16.5
OPM (%)	6.2	17.6	11.1	11.8	15.8
NPM (%)	3.7	13.8	8.5	9.0	12.4
ROA (%)	2.7	13.0	6.9	7.0	11.5
ROE (%)	5.5	25.8	13.6	13.4	22.5
Stability					
Debt to equity ratio (%)	87.7	66.7	70.2	67.4	73.9
Net debt ratio (%)	494.2	176.2	217.5	266.1	142.6
Cash ratio (%)	29.5	14.3	29.9	22.9	35.0
Interest coverage ratio (x)	1.5	7.4	4.0	4.2	6.1
Activity (%)					
Working capital turnover (days)	65	51	47	101	33
Inventory turnover (days)	228	211	217	219	210
Receivable turnover (days)	42	30	36	39	32

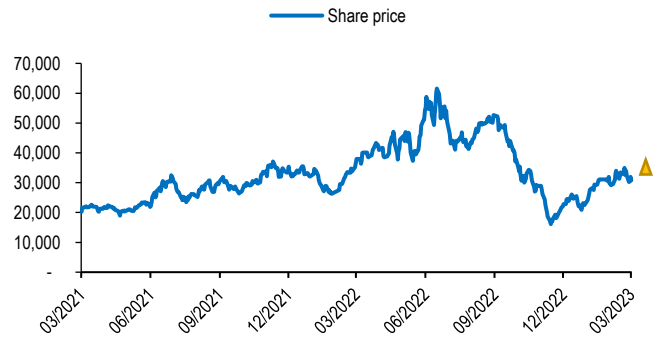
Source: Company data, Shinhan Securities Vietnam

Nam Viet Corporation (ANV VN)

Share performance



Target price



Date	Rating	Target price (VND)	Target price gap (%)	
			Average	Max/Min
March, 2023 (Initiation)	HOLD	34,000	14.81	87.35/-52.65

Shinhan Securities Vietnam

Stock	Sector
◆ **BUY:** Expected 12-month gain of 15% or more ◆ **HOLD:** Expected 12-month loss of 15% to gain of 15% ◆ **SELL:** Expected 12-month loss of 15% or more	◆ **OVERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated BUY ◆ **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD ◆ **UNDERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated SELL

Compliance & Disclosure Notice

Analyst Certification

- The following analysts hereby certify that their views about the companies and securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Diem Ngo

Important Disclosures & Disclaimers

- As of the date of publication, Shinhan Securities Vietnam Co., Ltd. does not beneficially own 1% or more of any class of common equity securities of the following companies mentioned in this report: Nam Viet Corporation
- Shinhan Securities Vietnam Co., Ltd. or one of its affiliates, and/or their respective officers, directors, or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities of the companies mentioned in this report.
- As of the date of publication, research analysts responsible for this report and members of their households do not have any financial interest in the debt or equity securities of the companies mentioned in this report.
- Research analysts responsible for this report receive compensation based upon, among other factors, the overall profitability of Shinhan Securities Vietnam Co., Ltd. including profits derived from investment banking. The analysts responsible for this report may also receive compensation based upon, among other factors, the overall profitability of sales and trading businesses relating to the class of securities or financial instruments for which such analysts are responsible.
- All opinions and estimates regarding the companies and their securities are accurate representations of the research analysts' judgments and may differ from actual results.
- This report is intended to provide information to assist investment decisions only, and should not be used or construed as an offer or a solicitation of an offer to buy or sell any securities. The information herein has been obtained from sources deemed reliable, but such information has not been independently verified and no guarantee, representation, or warranty, expressed or implied, is made as to its accuracy, completeness, or correctness. Shinhan Securities Vietnam Co., Ltd. makes the best effort but does not guarantee the accuracy, completeness, or correctness of information and opinions translated into English from original Vietnamese language materials. Shinhan Securities Vietnam Co., Ltd. accepts no liability whatsoever for any direct, indirect, and/or consequential loss arising from any use of this material or its contents. Stock selection and final investment decisions should be made at the investor's own and sole discretion.
- This report is distributed to our customers only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.
- Investing in any Vietnamese securities or related financial instruments discussed in this research report may present certain risks. The securities of Vietnamese issuers may not be registered with, or be subject to the regulations of, the US Securities and Exchange Commission. Information on Vietnamese securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the US. The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in currencies other than the Vietnamese won is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Distribution

- United States: This report is distributed in the US by Shinhan Investment America, Inc., a member of FINRA/SIPC, and is only intended for major US institutional investors as defined in Rule 15a-6(a)(2) of the US Securities Exchange Act of 1934. All US persons that receive this document by their acceptance thereof represent and warrant that they are major US institutional investors and have not received this report under any express or implied understanding that they will direct commission income to Shinhan Securities Vietnam Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any US recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Shinhan Investment America, Inc., which accepts responsibility for the contents of this report in the US. The securities described herein may not have been registered under the US Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the US or to US persons unless they have been registered or are in compliance with an exemption from registration requirements.
- All Other Jurisdictions: Customers in all other countries who wish to effect a transaction in any securities referenced in this report should contact Shinhan Securities Vietnam Co., Ltd. or its affiliates only if distribution to or use by such customer of this report would not violate applicable laws and regulations and not subject Shinhan Securities Vietnam Co., Ltd. and its affiliates to any registration or licensing requirement within such jurisdiction.



Shinhan Investment Network

SEOUL
Shinhan Investment Corp.
Shinhan Investment Tower
23-2, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK
Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

Hong Kong
Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

Indonesia
PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

Shanghai
Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

Ho Chi Minh
Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

Ha Noi
Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District, Hanoi, Vietnam.
Tel : (84-8) 6299-8000