# BAF Vietnam Agriculture JSC

[ Vietnam / Food and beverages ]

Bloomberg Ticker (BAF VN) | Reuters Ticker (BAF.HM)

# Fluctuations in hog prices

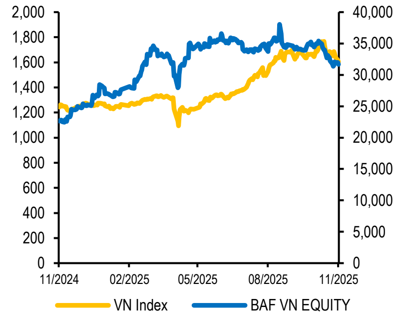
## HOLD

**Update**

| | |
|---|---|
| **Target price** (12 months) | **34,200 VND** |
| Current price (05/11/25) | VND |
| Upside/downside | 12.3% |

| | | |
|---|---|---|
| VNINDEX | | 1,431 |
| P/E market | | 11.7 |
| Market Cap (bn VND) | | 10,230 |
| Outstanding shares (mn) | | 304 |
| Free-Floating (mn) | | 238 |
| 52-Wk High/Low (VND) | | 37,300/17,050 |
| 90-day avg. trading volume (mn) | | 4.05 |
| 90-day avg. turnover (bn VND) | | 143 |
| Foreign ownership (%) | | 3.82 |
| Major shareholders (%) | Siba Holdings | 31.47 |

| Performance | 3M | 6M | 12M |
|---|---|---|---|
| Absolute (%) | 19.5 | 25.6 | 63.0 |
| Relative to VN-Index (%) | -11.3 | 10.7 | 52.3 |




Source: Bloomberg

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### Update report with HOLD recommendation and target price at VND 34,200

BAF Agriculture JSC (HOSE: BAF) is an enterprise operating in the agriculture and livestock industry. The company is oriented to increasingly perfect the 3F closed chain model to comprehensively control from raw materials, breeds and farms to meat processing and distribution to consumers. Based on the FCFF and P/E methods, we publish an updated report with BAF and give a HOLD recommendation with a target price of 34,200 VND, equivalent to an expected return of 6% compared to the current price.

### Updated Q3 and 9M/2025 business results

In Q3/2025, BAF recorded revenue of VND 1,136 billion (-13.5% YoY) and net profit of VND 22 billion (-63.3% YoY), of which all revenue came from the livestock segment. Excluding the contribution of the agricultural segment, revenue still grew well thanks to the continued increase in the output of pigs for slaughter, reaching 213 thousand heads. However, the price level of pigs decreased in Q3 due to the epidemic affecting demand and consumer psychology, combined with the quick mentality of livestock households to slaughter, causing a short-term increase in supply. The sharp increase in costs during the period caused a sharp decrease in net profit. However, in the first 9 months of 2025, BAF still recorded a total revenue of VND 3,647 billion and net profit of VND 365 billion. This result corresponds to a growth rate of -7% (due to no longer recording revenue from agricultural product sales) and +70% over the same period, respectively. Gross profit margin remained at 23.9% and net profit margin at 10%, both increased on a year-on-year basis.

### 2025F forecast

Pig output in the first 9 months of the year reached 548 thousand heads. Pig prices were quite volatile in the first 3 months of the year due to the complicated epidemic situation. However, when the market enters the last quarter of the year, which is also the peak consumption season and the epidemic situation is better controlled, we believe that pig prices may recover in the fourth quarter. We still forecast that the average selling price in Q4 may recover to VND 55,000/kg, while forecasting Q4 output to grow 20% QoQ, reaching 256 thousand heads. Accordingly, the whole year's pig output is expected to be 804 thousand heads, corresponding to revenue of VND 5,057 billion, and the whole year's after-tax profit is expected to reach VND 578.6 billion (+81% YoY). In 2026, we forecast BAF to achieve revenue of VND 6,890 billion and net profit of VND 644 billion, growing 36.2% and 11.2% YoY, respectively.

**Risks:** (1) Risk of diseases; (2) Environmental risks, including climate and natural disasters impacting livestock; (3) Fluctuations in pig prices; (4) Legal and policy risks; (5) Volatility of input material prices; (6) Interest rates risk.

| Year to Dec. | 2022 | 2023 | 2024 | 2025F | 2026F |
|---|---|---|---|---|---|
| **Revenue (bn VND)** | **7,083** | **5,199** | **5,641** | **5,057** | **6,890** |
| OP (bn VND) | 365 | 150 | 503 | 887 | 996 |
| **NP (bn VND)** | **288** | **31** | **319** | **579** | **644** |
| EPS (VND) | 1,998 | 157 | 1,556 | 1,892 | 2,107 |
| BPS (VND) | 12,041 | 13,178 | 12,244 | 14,831 | 16,938 |
| OPM | 5.2 | 2.9 | 8.9 | 17.5 | 14.5 |
| NPM | 4.1 | 0.6 | 5.7 | 11.4 | 9.3 |
| **ROE** | 16.5 | 1.7 | 13.2 | 15.5 | 13.3 |
| PER (x) | 9.4 | 140.7 | 16.2 | 18.1 | 16.2 |
| PBR (x) | 1.5 | 1.9 | 2.3 | 2.3 | 2.0 |

Source: Company data, Shinhan Securities Vietnam

# Update 9M/2025 business results and forecast

| (Bil VND) | Q3/2025 | Q3/2024 | Change (YoY0 | 9M/2025 | Change (YoY) | Note |
|---|---|---|---|---|---|---|
| **Net revenue** | 1,136 | 1,314 | *-13.5%* | 3,647 | *-7.1%* | |
| Agricultural trading | - | 457 | - | - | - | *Stop trading agricultural products from Q1/2025* |
| Pig farming | 1,135 | 855 | *32.7%* | 3,646 | *59.7%* | *9-month pig output reached 548 thousand heads, up 33% YoY. In Q3 alone, pig output reached 213 thousand heads (+30.7% YoY)* |
| **Gross profit** | 264 | 223 | *18.4%* | 871 | *71.1%* | *Although the LNG growth rate decreased in Q3 due to lower pork prices compared to the first half of the year, overall LNG for the whole year still increased by 71% YoY with the entire contribution coming from the livestock sector* |
| Agricultural trading | - | 7 | | - | | |
| Pig farming | 263 | 213 | *23.5%* | 869 | *82.2%* | |
| **Net profit** | 22 | 60 | *-63.3%* | 365 | *69.8%* | *Q3 net profit dropped sharply due to a sharp increase in SG&A cost margin to 15.6%.* |
| Gross profit margin | 23.2% | 17.0% | *6.2%* | 23.9% | *10.9%* | *Q3 cost margin increased sharply due to the impact of storms and floods in many areas of the Central region, affecting the cost of barns, transportation and animal feed supply.* |
| Agricultural trading | - | 1.5% | - | - | - | |
| Pig farming | 23.2% | 24.9% | *-1.7%* | 23.8% | *2.9%* | |
| SG&A margin | 15.6% | 7.8% | *7.8%* | 8.6% | *3.9%* | |
| Net profit margin | 2.0% | 4.6% | *-2.6%* | 10.0% | *4.5%* | |

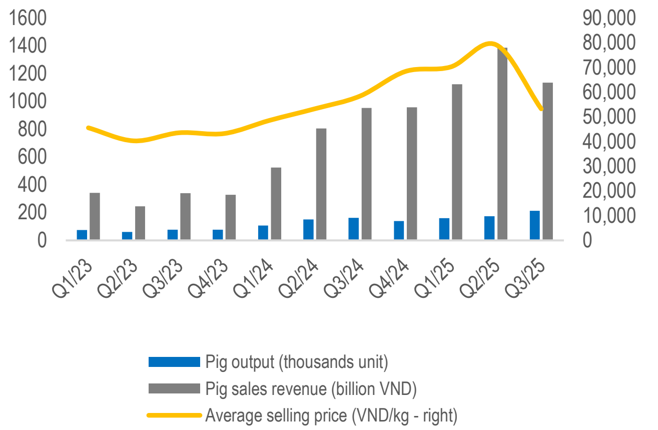
In Q3/2025, BAF recorded Revenue of VND 1,136 billion (-13.5% YoY) and net profit of VND 22 billion (-63.3% YoY), of which all revenue came from the livestock sector and the agricultural sector has completely stopped since Q1 of this year. If excluding the contribution of the agricultural sector, revenue still grew well thanks to the continued increase in pig output, reaching 213 thousand pigs. However, the price level of pigs decreased in Q3 due to the epidemic affecting demand and consumer psychology, combined with the quick psychology of livestock households to sell pigs, causing a short-term increase in supply, which is the reason why revenue growth is lower than output growth.

Despite recording growth in gross profit, profit after tax decreased sharply to only VND 22 billion (-63% YoY and -90% QoQ), as a result of a sharp increase in selling expenses and a sharp increase in management expenses, which eroded profits. Accordingly, the impact of storms and floods in many Central regions affected the costs of barns, transportation, and personnel costs incurred when accelerating the expansion of new farms, causing costs to increase.

Despite poor business results in Q3, accumulated for the first 9 months of 2025, BAF still recorded total revenue of VND 3,647 billion and after-tax profit of VND 365 billion. This result corresponds to a growth rate of -7% (due to no longer recording revenue from agricultural products) and +70% over the same period. Gross profit margin remained at 23.9% and net profit margin at 10%, both growing over the same period.

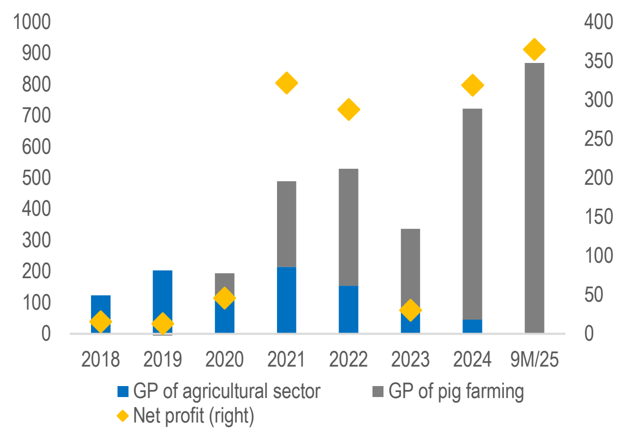
Total debt in Q3 reached VND 3,013 billion (+31.4% YoY). Although debt increased to finance farm expansion activities, BAF's debt/total assets ratio in Q3 remained stable at around 31%. Accumulated financial expenses for the 3 quarters reached VND 178 billion, up 13% YoY.

**Pig farming result by quarters**



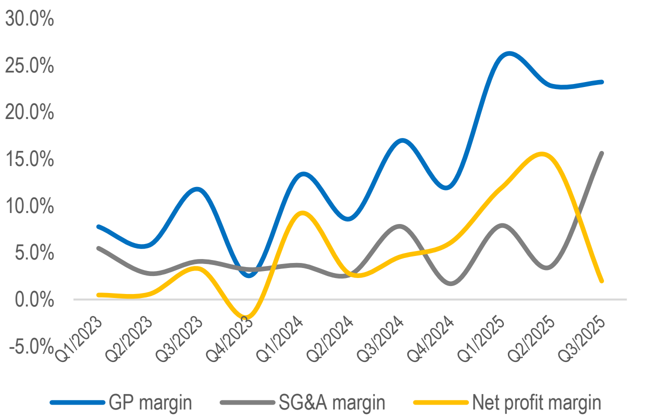

Source: Company data, Shinhan Securities Vietnam estimates
** Average selling price is based on an estimated average slaughter weight of live pigs of 100 kg*

**Profits in 2018-2025 period (bil VND)**



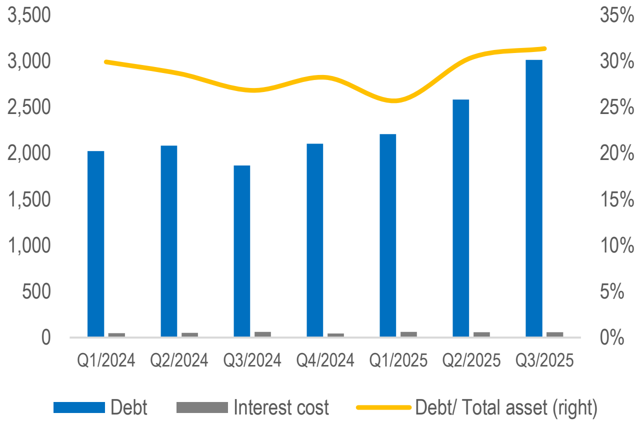

Source: Company data, Shinhan Securities Vietnam

**Profit margin by quarters**




Source: Company data, Shinhan Securities Vietnam
*SG&A: Selling, general and administration cost

**Total debt (bil VND)**

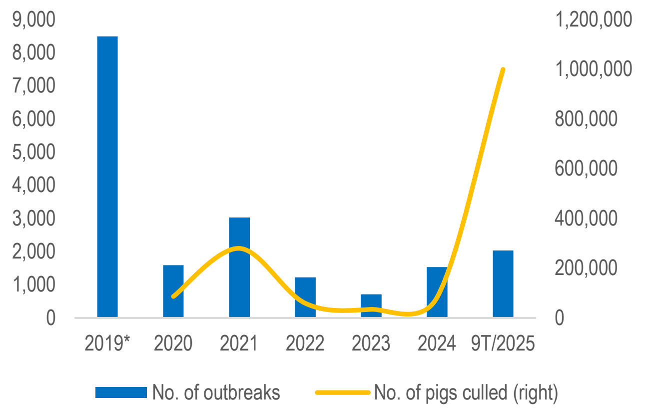



Source: Company data, Shinhan Securities Vietnam

## Update on African swine fever (ASF) situation

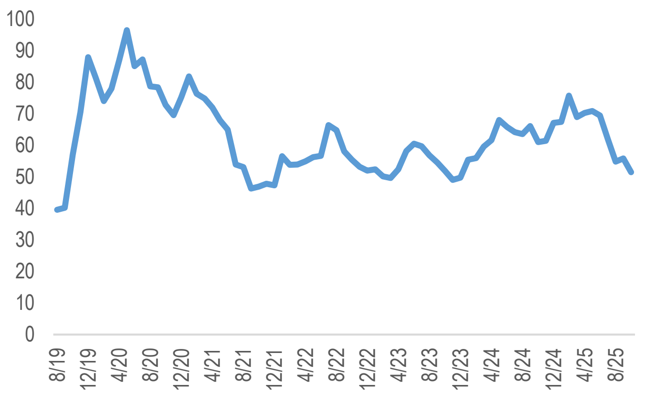
The pork market was affected by the outbreak and spread of African swine fever (ASF), especially in Q2. The epidemic was severe in northern provinces such as Lang Son, Quang Ninh and Hoa Binh, and mainly in small-scale farms. According to the report of the Department of Animal Husbandry and Veterinary Medicine, in September 2025, the country had 827 ASF outbreaks in 31/34 provinces and cities. Since the beginning of the year, the country has had 2,040 ASF outbreaks in 34/34 provinces and cities with nearly 1 million pigs culled. Accordingly, pork prices have fluctuated relatively in the first three quarters of the year. Pork prices peaked in February and at times nearly reached 80,000 VND/kg, but have decreased since April and are currently fluctuating around 50-51,000 VND/kg in southern provinces and 51-53,000 VND/kg in northern provinces.

**ASF development**




Source: Chăn nuôi Việt Nam, Shinhan Securities Vietnam
(*) In 2019, about 6 million sick pigs were destroyed.

**Average pork price (thousand VND/kg)**



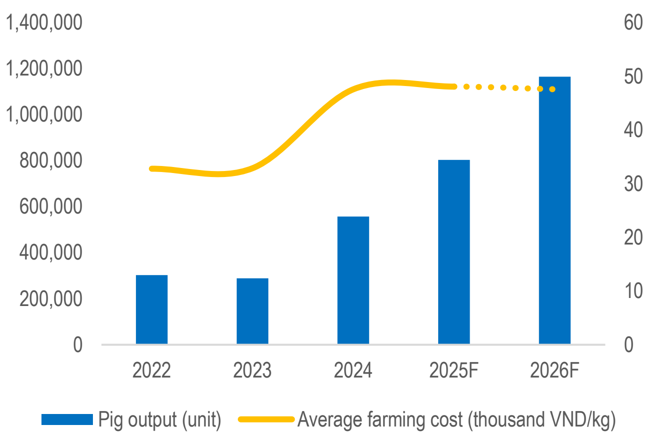

Source: Anova Feed, Shinhan Securities Vietnam

## 2025F and 2026F forecasts

Pig output in the first 9 months of the year reached 548 thousand heads, a good growth compared to the same period last year. However, pig prices were quite volatile in the first 3 months of the year due to the complicated epidemic situation. However, as the market enters the last quarter of the year, which is also the peak consumption season and the epidemic situation is better controlled, we believe that pig prices may recover in the last months of the year.

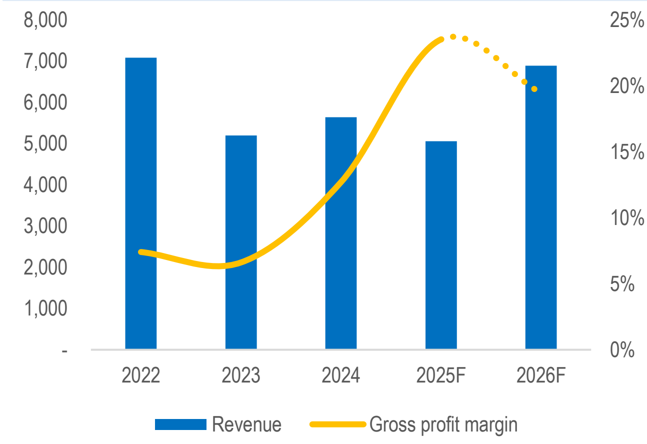
We forecast that the average selling price in Q4 may recover to VND 55,000/kg, while forecasting Q4 output to grow 20% QoQ, reaching 256 thousand heads. Accordingly, the whole year's pig output is expected to be 804 thousand heads, corresponding to revenue of VND 5,057 billion, and the whole year's after-tax profit is expected to reach VND 578.6 billion (+81% YoY). In 2026, we forecast BAF to achieve revenue of VND 6,890 billion and net profit of VND644 billion, growing 36.2% and 11.2% YoY, respectively.

**Forecast of commercial pig quantity (head counts)**




Source: Company data, Shinhan Securities Vietnam estimates
* Assuming the average slaughter weight of pigs is 100 kg

**Forecast revenue (billion VND) and gross profit margin (%)**




Source: Company data, Shinhan Securities Vietnam estimates

# Recommendation and Valuation

**Recommend HOLD with target price VND 34,200**

We update our BAF Vietnam Agriculture JSC with a target price of VND 34,200, representing a 6% upside to the current market price.

We apply a combination of P/E and Discounted Cash Flow (DCF) valuation methods with weights of 50% and 50% respectively to value the stock. For the P/E method, we collect data from businesses in the same industry with a similar scale to BAF operating domestically and in the Asia-Pacific region. The average P/E of businesses in the statistics (excluding BAF) is 15.9x. Combined with the projected EPS in 2026F at VND 2,107, we expect a target price of VND 33,501.

**Compare to peers**

| Ticker | Company name | Country | Market Cap (bil VND) | P/E (TTM) | EPS growth (TTM- YoY) | ROE (TTM) |
|---|---|---|---|---|---|---|
| HAG VN Equity | Hoàng Anh Gia Lai | Vietnam | 20,658 | 12.40 | 36.1% | 14.8% |
| DBC VN Equity | Dabaco | Vietnam | 9,891 | 6.40 | 193.0% | 25.1% |
| MML VN Equity | Masan MeatLife | Vietnam | 11,604 | 20.70 | N/A | 4.3% |
| 300498 CH equity | Wens Foodstuff Group Co L-A | China | 441,531 | 15.72 | -64.8% | 20.0% |
| 002100 CH equity | Tecon Biology Co LTD - A | China | 37,430 | 22.35 | N/A | 6.6% |
| CPIN IJ Equity | Charoen Pokphand Foods Pub | Thailand | 122,922 | 17.62 | 59.6% | 15.4% |
| Average | 15.9x | | | | | |
| EPS 2026F (VND) | 2,107 | | | | | |
| **Target price (VND)** | **33,501** | | | | | |

Source: Bloomberg, Shinhan Securities Company

For the FCFF method, we use the 10-year Vietnamese government bond yield at 4% as the risk-free rate and shift the valuation to early 2026. Based on those assumptions, BAF's FCFF target price is determined at VND 34,971.

**Weighted Average Cost of Capital (WACC)**

| | |
|---|---|
| **WACC** | **10.7%** |
| Risk-free rate | 4.0% |
| Equity risk premium | 8.66% |
| Beta | 0.84 |
| Debt cost | 8.6% |
| The cost of equity | 11.3% |
| Debt-to-equity ratio | 0.31 |
| Total debt (bil VND) | 3,013 |

Source: Company data, Shinhan Securities Vietnam

**FCF valuation**

| **Unit: billion VND** | **2025F** | **2026F** | **2027 F** | **2028 F** | **2029F** | **2030F** |
|---|---|---|---|---|---|---|
| Net profit | 579 | 644 | 857 | 1,409 | 2,215 | 3,405 |
| Plus: Depreciation & Amortization | 263 | 352 | 420 | 467 | 514 | 521 |
| Plus: After-tax interest expense | 195 | 227 | 268 | 299 | 316 | 338 |
| Minus: CapEx | (1352) | (1381) | (962) | (1053) | (1171) | (1329) |
| Minus: Change in working capital | (416) | (205) | (263) | (759) | (779) | (1152) |
| **Free Cash Flow (FCF)** | (731) | (363) | 320 | 363 | 1,095 | 1,783 |
| Discount rate | - | 0.90 | 0.82 | 0.74 | 0.67 | 0.60 |
| PV of FCF | 2,008 | | | | | |
| Long-term growth rate | 1.0% | | | | | |
| Present value of long-term value | 11,139 | | | | | |
| Enterprise value | 13,147 | | | | | |
| Debt | 3,013 | | | | | |
| Cash and cash equivalents | 504 | | | | | |
| Minority interest | 6.1 | | | | | |
| Number of shares outstanding (billion units) | 0.304 | | | | | |
| **Target price (VND)** | **34,971** | | | | | |

Source: Company data, Shinhan Securities Vietnam

# Company background

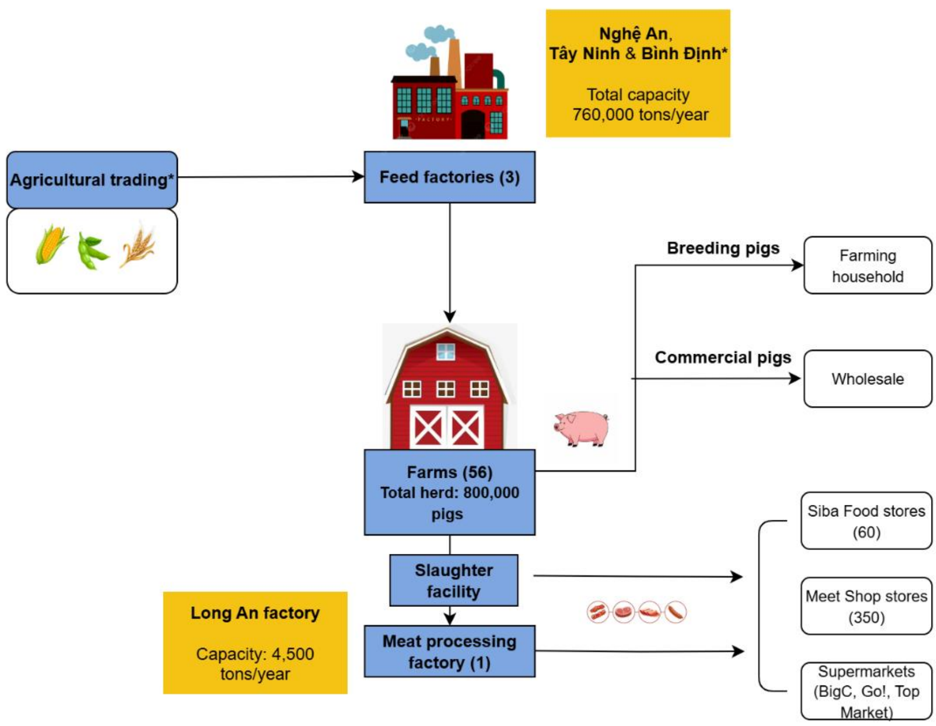
## 1. History of establishment and development

BAF Vietnam Agriculture Joint Stock Company was established in 2017 with the charter capital of 100 billion VND. Initially, the company focused on its traditional segment - which was agricultural trading, then expanded to pig farming by putting the first farms into operation in 2018.

In 2021, the company officially completed IPO and listed on the HOSE exchange; at the same time, it contributed capital to an affiliated company, Siba Food Vietnam Joint Stock Company, whose main business is supermarket and food systems. Thus, BAF has taken another step into the consumer market through a system of stores and 350 Meatshop points. Pork in SIBA FOOD supermarkets is 100% branded BaF (BaF Meat).

From 2021 to present, the company has focused on M&A activities of farms and expanding the livestock scale, while shifting its business focus to the pig farming and gradually narrowing down the agricultural trading sector. The company possesses a complete closed 3F process, from animal feed production (Feed) - pig farming with modern farm model (Farm) - to processing and distributing clean food to the market (Food).

**BAF's business model**




Source: BAF, Shinhan Securities Vietnam
* Binh Dinh Animal Feed Factory started construction in March 2025 and is expected to be operational by the end of 2025
* BAF gradually reduced the proportion of agricultural trading to focus on the pig farming sector. By Q1/2025, the company no longer recorded revenue from the agricultural trading sector.

## 2. Farms and factories

As of April 2025, BAF owns 56 livestock farms across the country, 2 animal feed factories in Nghe An and Tay Ninh with a total designed capacity of 460,000 tons/year; and has just started construction of a third animal feed factory in Binh Dinh with a capacity of 300,000 tons/year and is expected to come into operation by the end of 2025.

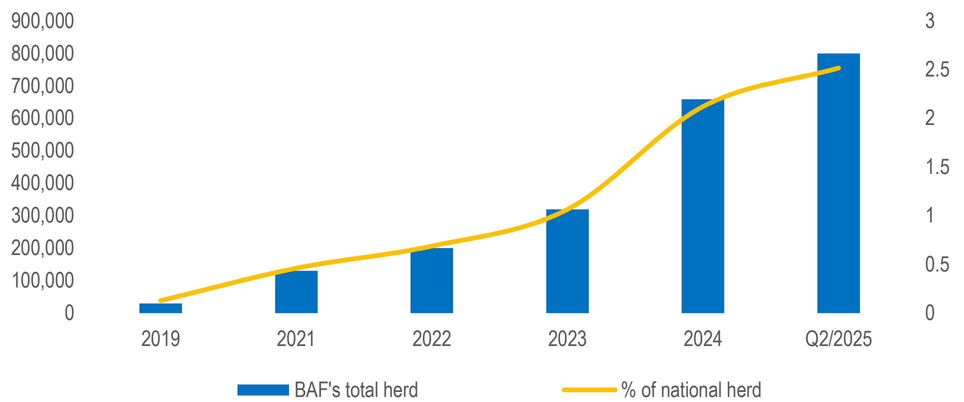
In addition, BAF also owns Long Hau processing plant in Long An province with a capacity of 4,500 tons/year. BAF's signature product is "vegetarian porks", with pigs fed with 100% vegetarian bran, ensuring the supply of clean and safe food to consumers. BAF's upcoming strategy is to focus on producing higher value-added processed meat products such as spring rolls and sausages, while promoting brand awareness.

In September 2024, BAF announced its strategic partnership with Muyuan Group (China) - one of the largest pig farming enterprises in the world. The highlight of the partnership is the transfer of information technology and the application of Artificial Intelligence (AI) in the operation of pig farms, helping the company achieve its goal of expanding its scale to 450,000 sows and 10 million commercial pigs by 2030. The modern multi-storey pig farm system will help reduce farming costs and land funds, estimated to reduce land costs by 50-70% compared to the traditional single-storey pig farm model, while improving the farming environment with advanced biosecurity measures. Currently, this multi-storey barn project has been approved for investment by Tay Ninh province.

**Thanks to increased M&A activities, BAF's total herd size has grown rapidly**, with the total herd as of the end of the second quarter being about 800,000 heads; including about 70,000 sows and 730,000 pigs.

**Muyuan's Multi-Story Farm in Henan Province – China**

**BAF's total herd size* (head count)**



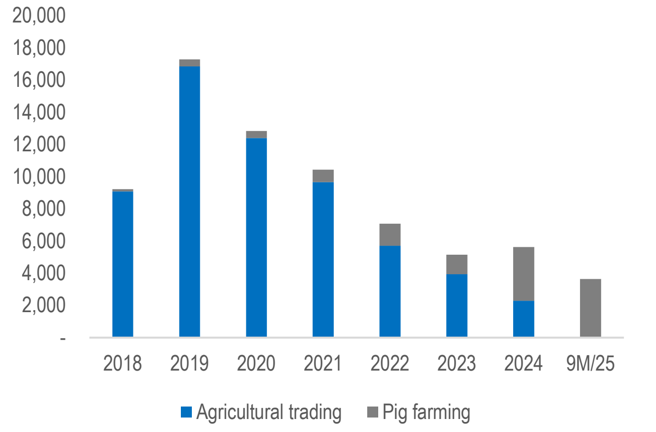

Source: Company data, Vietnam Livestock, Shinhan Securities Vietnam
(*) Total herd includes sows and commercial pigs

### 3. Revenue decreased due to the narrowing of agricultural trading segment but profit increased sharply thanks to business restructuring

Revenue decreased in the 2019 – 2023 period because the company proactively restructured its business operations, gradually narrowed the agricultural sector, and increased M&A activities of farms to expand its livestock scale. From accounting for almost all revenue, the proportion of agricultural revenue reduced to only 41% in 2024. Meanwhile, livestock revenue grew rapidly with a compound growth rate (CAGR) = 70% in the 2019-2024 period and reached 3,328 billion VND in 2024. The shift in business structure has helped gross profit margin improve significantly, from 1.3% in 2019 to 12.7% in 2024.

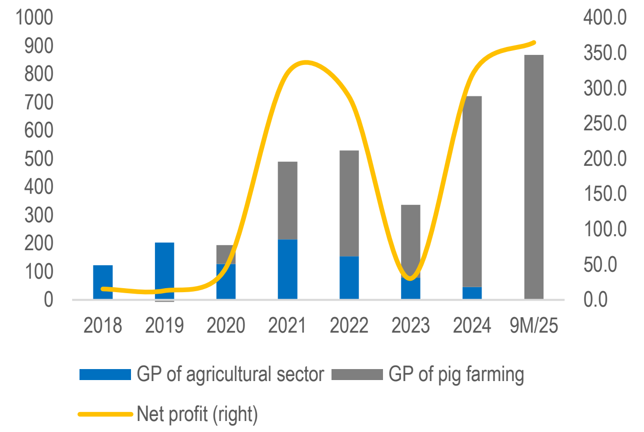
In 2024, Vietnam's livestock industry experienced a strong recovery after the difficulties faced in 2023. The price of live pigs increased significantly, from VND 50,000/kg at the beginning of the year to approximately VND 68,000 - 73,000/kg by the end of the year. Overall for 2024, live pig prices rose by 31% to 35% compared to 2023. As a result, BAF recorded a peak net profit of VND 319 billion, largely thanks to contributions from its livestock segment.

**Revenue in 2018-2024 period (bil VND)**




Source: Company data, Shinhan Securities Vietnam

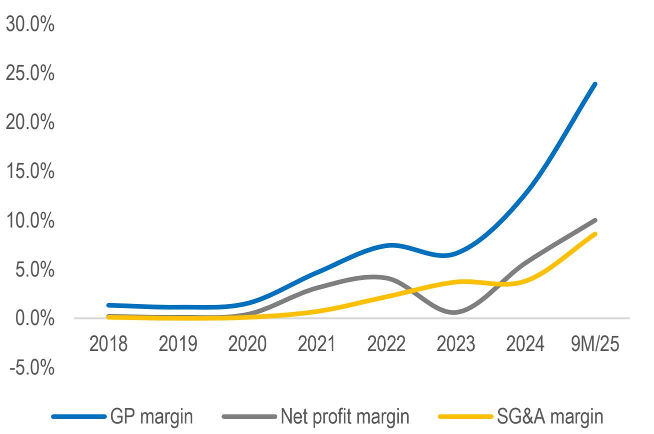
**Profit in 2018-2024 period (bil VND)**




Source: Company data, Shinhan Securities Vietnam
**GP: Gross profit*

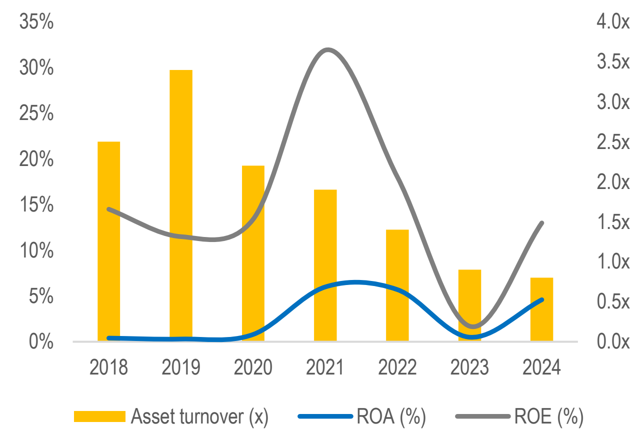
Net profit margin has also significantly improved over time. However, in 2023 alone, the net profit margin declined to 0.6%. This was due to the dual pressure of decreased revenue amid tightening consumer sentiment and high interest expenses, which resulted in net profit shrinking to only 30 billion VND, a nearly 90% YoY decrease.

**Margins**




Source: Company data, Shinhan Securities Vietnam
*SG&A: Selling, general and administration costs

**Operational efficiency**




Source: Company data, Shinhan Securities Vietnam

### 4. Increased capital-raising to fund expansion activities

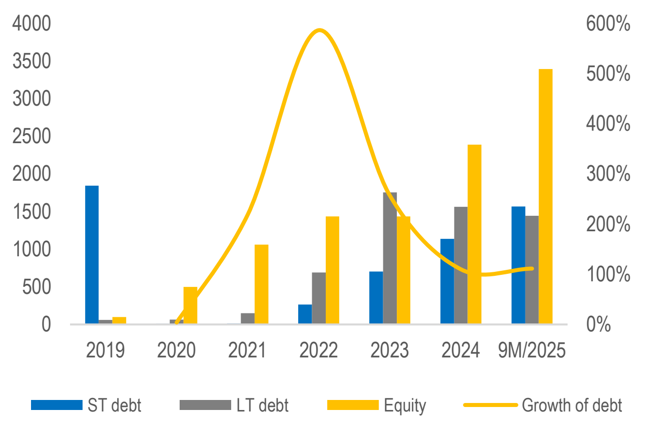
To finance the expansion of its farms and pig herds, BAF has significantly increased its borrowing and undertaken capital-raising activities. Total short-term and long-term debt rose sharply during the 2020-2024 period, causing the Debt-to-Equity ratio to increase significantly to 0.9 in 2024.

Recent capital-raising activities:

- In March 2023: BAF issued VND 600 billion in convertible bonds to IFC with a coupon interest rate of 5.25% per annum and a 7-year term. These bonds can be converted into common shares at any time before March 15, 2029 (first maturity date) and March 15, 2030 (final maturity date), or converted into a loan with an interest rate of 10.5% per annum.
- In May 2025: BAF also completed a private placement of 65 million shares at VND 15,500 per share, raising an additional VND 1,007 billion in capital. These shares are eligible for trading from March 27, 2026.

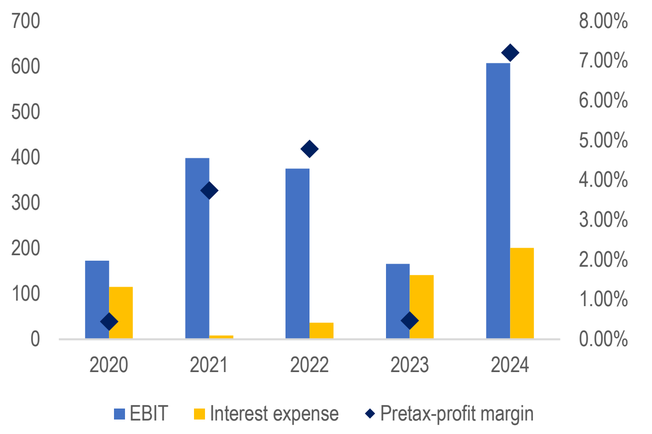
Given the relatively high leverage in its capital structure, interest expense is a significant factor impacting the company's profitability, especially if the interest rate environment is unfavorable or during volatile business years.

**Increased capital raising to fund expansion activities**




Source: Company data, Shinhan Securities Vietnam
(*) Estimated capital increase due to stock private placement in May 2025 included

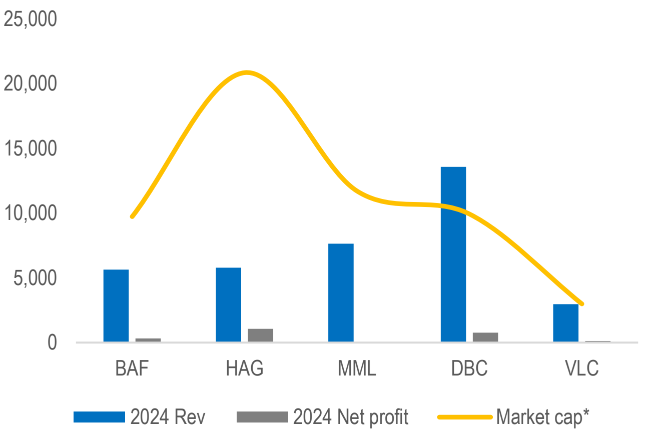
**Interest expense (bil VND)**




Source: Company data, Shinhan Securities Vietnam

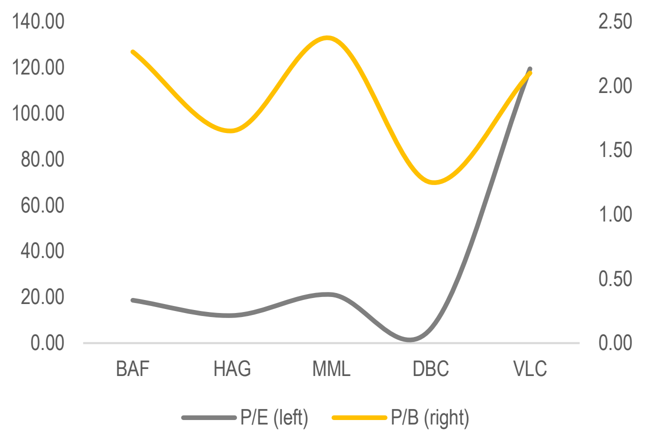
### 5. Compare to peers in the industry

**Company size (bil VND)**



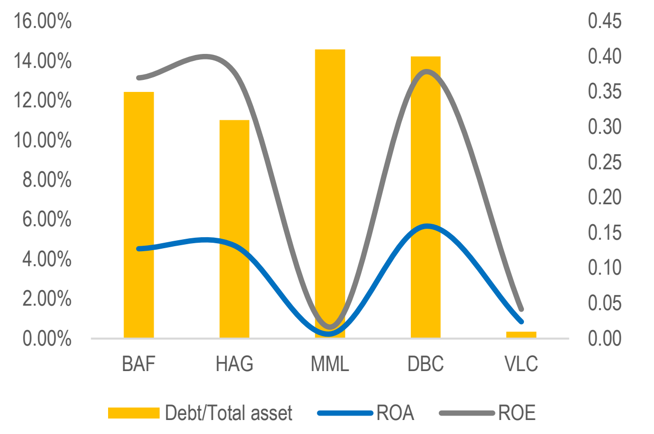

Source: Finpro, Shinhan Securities Vietnam
*Data as of 04/11/2025

**Valuation indicators**



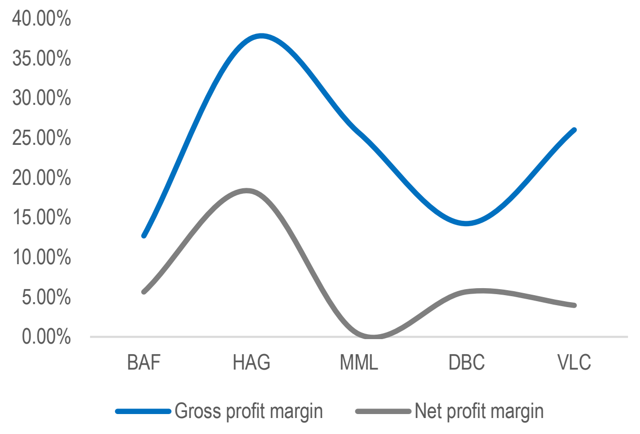

Source: Finpro, Shinhan Securities Vietnam
*Data as of 04/11/2025

**Operantional Performance Index (FY2024)**




Source: Fiinpro, Shinhan Securities Vietnam

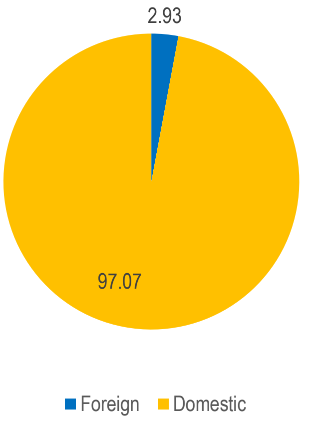
**Profit Margin (FY2024)**




Source: Fiinpro, Shinhan Securities Vietnam

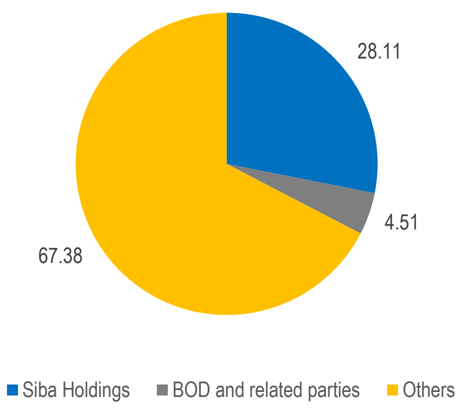
## 6. Ownership structure

**Domestic and foreign ownership as of 04/11/2025 (%)**




Source: Fiinpro, Shinhan Securities Vietnam

**Shareholder ownership as of 04/11/2025 (%)**




Source: Fiinpro, Shinhan Securities Vietnam

# Risks

## Risks of diseases

Diseases are one of the biggest risks that directly affect the production and business performance of livestock enterprises. Infectious diseases such as African swine fever (ASF), PRRS (Porcine reproductive and respiratory syndrome) or Foot-and-mouth disease can cause serious damage, reduce pig herds, increase disease prevention and culling costs. In addition, diseases also cause fear among consumers, which can lead to a decrease in consumption in the short term. Although vaccines have been developed and biosecurity control measures have been applied, the risk of disease outbreaks is always present, especially in the context of harsh weather conditions.

**Typical diseases of the herds**

| Diseases | Symptoms | Impact | Vaccination status |
|---|---|---|---|
| African Swine Fever (ASF) | High fever, loss of appetite, skin hemorrhages, rapid death | Very severe – nearly 100% mortality rate | Commercial vaccines are available for pigs, but not yet for breeding sows and boars; vaccination is not yet widespread. |
| Porcine Reproductive and Respiratory Syndrome (PRRS) | Reduced reproductive performance, immunosuppression, and secondary infections | Severe - impacts reproduction and growth | Vaccines are available. |
| Foot-and-Mouth Disease (FMD)) | Blisters, lameness, reduced meat production | Severe | Vaccines are available but require periodic injection every 4-6 months. |
| Hemorrhagic Septicemia | High fever, cyanosis, sudden death | Severe to moderate | Vaccines are available. |

Source: Shinhan Securities Vietnam compiled

African Swine Fever (ASF) can be considered the most dangerous disease. It first appeared in Vietnam in February 2019 in Hung Yen and quickly spread nationwide, causing immense damage to pig farmers. An estimated over 6 million pigs were culled in 2019, with about 8,500 outbreaks across 62 out of 63 provinces and cities. Currently, ASF is largely under control thanks to commercially licensed vaccines and increasingly stringent biosecurity measures. However, there's still a risk of re-outbreaks due to uneven vaccination rates among small-scale farms.

## Environmental risks – climate and natural disasters impacting livestock

Environmental risks, particularly those related to climate and natural disasters, significantly impact the livestock farming industry. Fluctuations such as prolonged heatwaves, severe cold, and floods don't just stress pigs, reduce their immunity, and make them more susceptible to disease; they also severely affect farm infrastructure, water sources, and feed supplies. Furthermore, prolonged flooding after heavy rains can contaminate the farming environment, increasing the risk of disease outbreaks. This leads to substantial losses for farmers, impacting both the number of animals and the costs of treatment and restocking.

Most recently, Typhoon Yagi in 2024 made landfall in the northern provinces, causing severe damage. It destroyed thousands of farm sheds, swept away livestock, and disrupted the animal feed supply chain, leading to a localized increase in live pig prices in some areas.

**Relocating pigs from flooded farms in Bac Ninh province during Typhoon Yagi**

Source: Vietnam Livestock, Shinhan Securities Vietnam

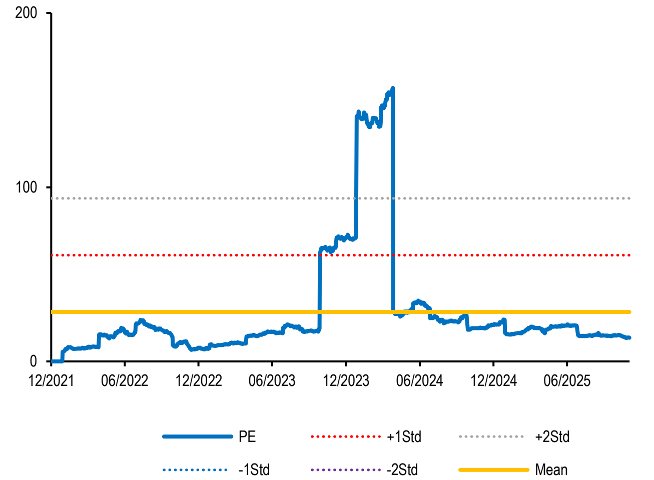
## Risk of Live Pig Price Fluctuations

The risk of live pig price fluctuations is one of the biggest challenges for livestock farming businesses. Live pig prices in Vietnam typically fluctuate cyclically, influenced by domestic supply and demand, raw material costs, disease outbreaks, and seasonal factors. When supply significantly increases or consumption is weak, pig prices can drop sharply, leading to a decline in profit margins. Heavy reliance on the domestic market, while pork exports remain limited, makes this risk even more concerning. This forces businesses to constantly adjust their production scale, selling prices, and inventory policies flexibly in order to cope with pig price fluctuations.

## Legal and Policy Risks

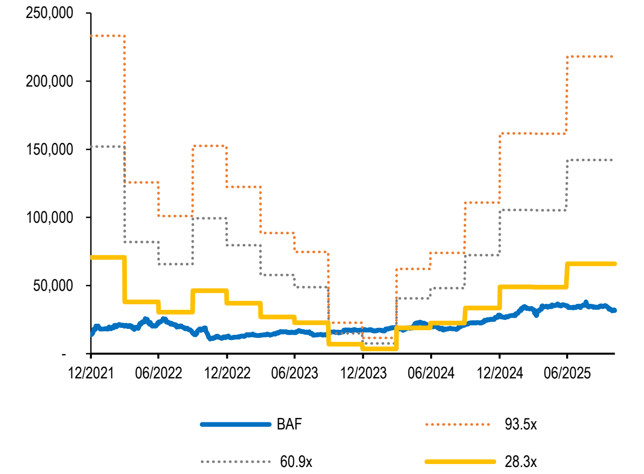
Legal and policy risks in livestock farming arise from changes in regulations related to environmental protection, biosecurity, disease prevention, land use, and farm construction. Businesses and individual farmers may face difficulties in obtaining investment licenses, conducting environmental impact assessments, or changing land use purposes, especially for the relatively new muti-storey farm models. Additionally, policies on import incentives or investment preferential treatment for FDI (Foreign Direct Investment) enterprises can also affect the competitiveness of domestic livestock businesses.

## PE of BAF



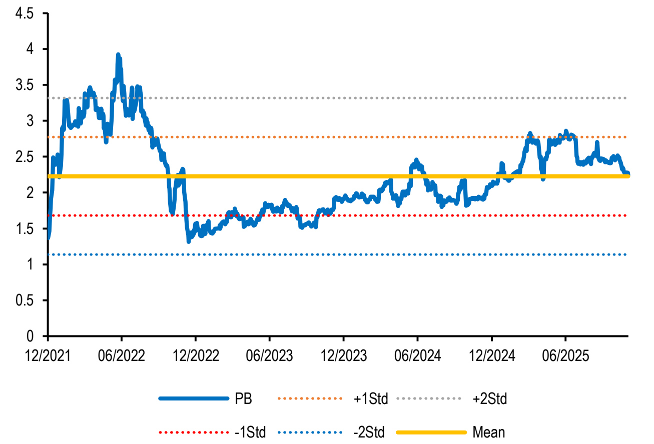

Source: Bloomberg, Company data, Shinhan Securities Vietnam

## PER band of BAF



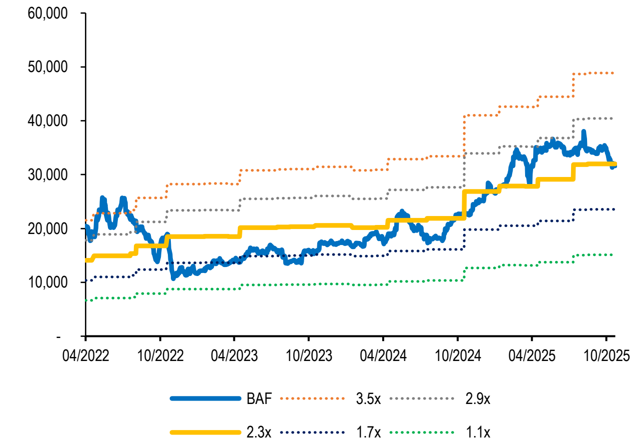

Source: Bloomberg, Company data, Shinhan Securities Vietnam

## PB of BAF



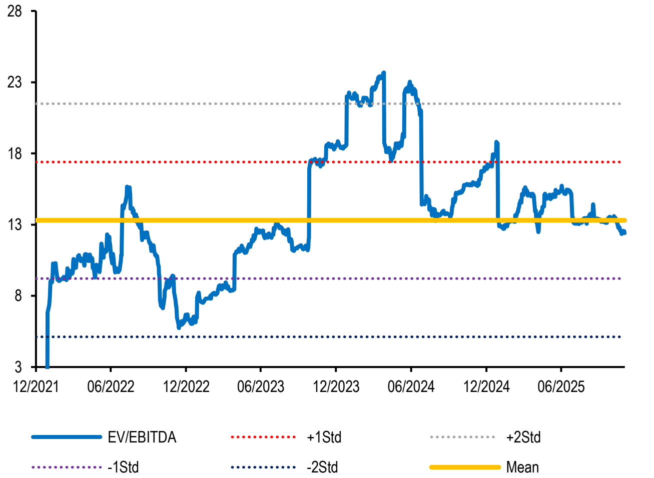

Source: Bloomberg, Company data, Shinhan Securities Vietnam

## PBR band of BAF



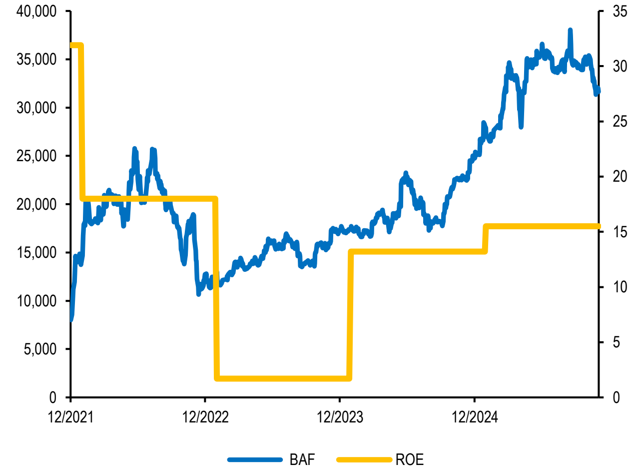

Source: Bloomberg, Company data, Shinhan Securities Vietnam

## EV/EBITDA of BAF



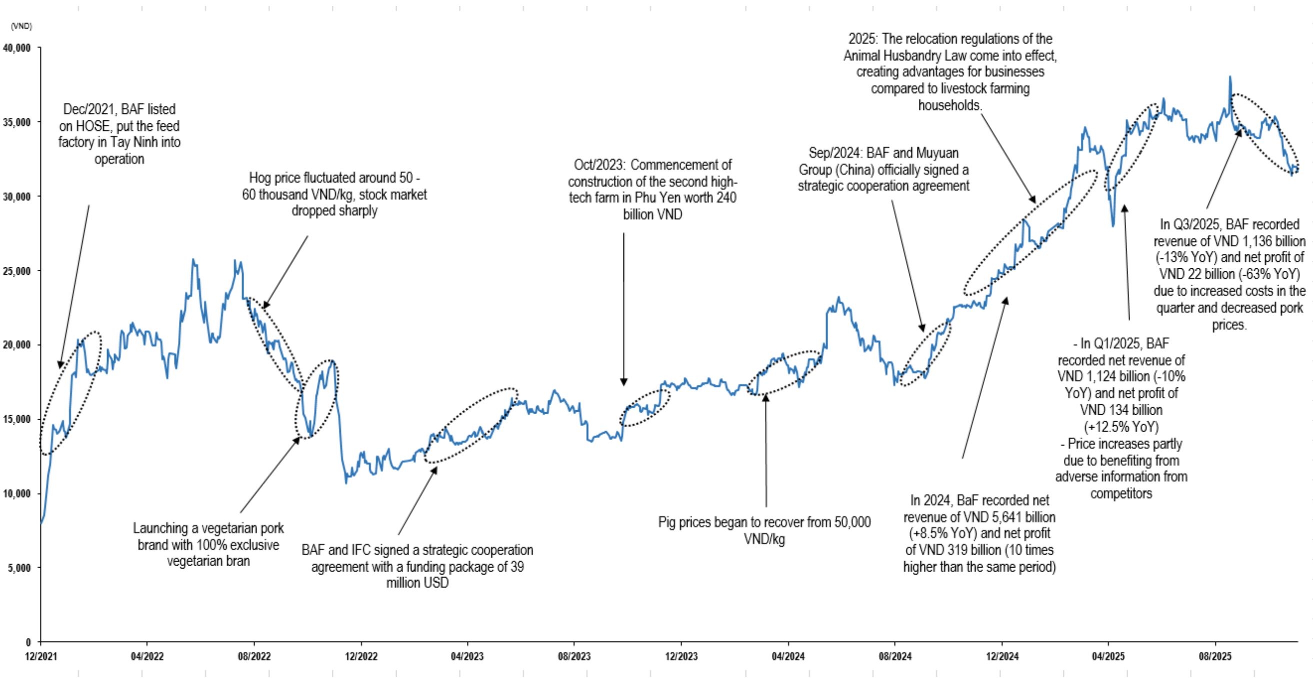

Source: Bloomberg, Company data, Shinhan Securities Vietnam

## Price and ROE of BAF




Source: Bloomberg, Company data, Shinhan Securities Vietnam

## Key events chart of BAF




Source: Bloomberg, Company data, Shinhan Securities Vietnam

# Appendix: Financial Statements

## Statement of financial position

| Year to Dec. (bn VND) | 2022 | 2023 | 2024 | 2025F | 2026F |
|---|---|---|---|---|---|
| **Total assets** | 4,729 | 6,534 | 7,449 | 9,269 | 10,886 |
| Current assets | 2,663 | 3,148 | 3,081 | 3,811 | 4,400 |
| Cash & equivalents | 151 | 95 | 149 | 503 | 236 |
| Short-term financial asset | 100 | 327 | 291 | 405 | 482 |
| Accounts receivable | 1,503 | 1,105 | 444 | 855 | 1,029 |
| Inventories | 989 | 1,088 | 882 | 1,593 | 2,156 |
| Other short-term assets | -80 | 533 | 1,315 | 455 | 497 |
| Non-current assets | 2,066 | 3,386 | 4,368 | 5,458 | 6,486 |
| Net fixed assets | 1,096 | 1,617 | 2,394 | 3,291 | 4,075 |
| Investment assets | 353 | 902 | 892 | 981 | 936 |
| Other long-term assets | 970 | 1,769 | 1,974 | 2,167 | 2,411 |
| **Total liabilities** | 2,986 | 4,625 | 4,513 | 4,748 | 5,724 |
| Current liabilities | 2,292 | 3,011 | 3,065 | 3,199 | 3,819 |
| Accounts payable | 1,901 | 2,188 | 1,771 | 1,659 | 2,147 |
| Short-term borrowings | 264 | 704 | 1,139 | 1,398 | 1,472 |
| Others | 127 | 119 | 155 | 142 | 200 |
| Non-current liabilities | 695 | 1,614 | 1,449 | 1,550 | 1,905 |
| Long-term borrowings | 693 | 1,156 | 965 | 1,043 | 1,376 |
| Other financial liabilities | 2 | 458 | 484 | 507 | 529 |
| **Total shareholders' equity** | 1,743 | 1,908 | 2,936 | 4,522 | 5,166 |
| Capital stock | 1,435 | 1,435 | 2,390 | 3,040 | 3,040 |
| Investment and development fund | 0 | 0 | 0 | 358 | 358 |
| Other capital | 9 | 148 | 148 | 151 | 154 |
| Retained earnings | 299 | 325 | 398 | 973 | 1,614 |
| Non-controlling interest equity | 0 | 8 | 9 | 11 | 10 |
| *Total debt | 957 | 1,860 | 2,104 | 2,441 | 2,848 |
| *Net debt (cash) | 706 | 1,438 | 1,664 | 1,533 | 2,130 |

## Statement of comprehensive income

| Năm (Tỷ đồng) | 2022 | 2023 | 2024 | 2025F | 2026F |
|---|---|---|---|---|---|
| **Year to Dec. (bn VND)** | **7,083** | **5,199** | **5,641** | **5,057** | **6,890** |
| **Revenue** | -32.1 | -26.6 | 8.5 | -10.3 | 36.2 |
| Growth (%) | (6,558) | (4,856) | (4,924) | (3,867) | (5,549) |
| **COGS** | **525** | **343** | **717** | **1,190** | **1,341** |
| **Gross profit** | 7.4 | 6.6 | 12.7 | 23.5 | 19.5 |
| GPM (%) | (160) | (193) | (214) | (303) | (345) |
| **SG&A** | **365** | **150** | **503** | **887** | **996** |
| **Operating profit** | (12.5) | (58.8) | 233.6 | 76.5 | 12.4 |
| Growth (%) | 5.2 | 2.9 | 8.9 | 17.5 | 14.5 |
| OPM (%) | **(27)** | **(126)** | **(96)** | **(214)** | **(247)** |
| **Non-operating profit** | 8 | 38 | 22 | 29 | 34 |
| Financial income | (31) | (155) | (222) | (236) | (275) |
| Financial expense | (36) | (141) | (201) | (227) | (265) |
| In which: interest expenses | (4) | (9) | 104 | (7) | (6) |
| Net other non-operating profit | 339 | 25 | 406 | 673 | 749 |
| **Pre-tax profit** | (51) | 6 | (87) | (94) | (105) |
| Income tax | **288** | **31** | **319** | **579** | **644** |
| **Net profit** | (10.6) | (89.5) | 952.5 | 81.4 | 11.4 |
| Growth (%) | 4.1 | 0.6 | 5.7 | 11.4 | 9.3 |
| NPM (%) | 287 | 26 | 317 | 575 | 640 |
| Controlling interest | 1 | 5 | 2 | 4 | 4 |
| Non-controlling interest | 375 | 166 | 607 | 900 | 1,014 |
| **EBIT** | (6.0) | (55.7) | 265.7 | 48.3 | 12.7 |
| Growth (%) | 5.3 | 3.2 | 10.8 | 17.8 | 14.7 |
| EBIT Margin (%) | 434 | 271 | 772 | 1,163 | 1,366 |
| **EBITDA** | (6.0) | (37.6) | 184.9 | 50.6 | 17.5 |
| Growth (%) | 6.1 | 5.2 | 13.7 | 23.0 | 19.8 |

## Statement of cash flow

| Year to Dec. (bn VND) | 2022 | 2023 | 2024 | 2025F | 2026F |
|---|---|---|---|---|---|
| **Cash flow from operations** | (269) | (420) | (292) | 429 | 736 |
| Net profit | 288 | 30 | 319 | 579 | 644 |
| D&A expense | 59 | 105 | 165 | 263 | 352 |
| (Gain) from investing activities | 36 | 152 | 217 | 227 | 264 |
| Change in working capital | (649) | (467) | (754) | (416) | (205) |
| Others | (3) | (240) | (239) | (224) | (319) |
| **Cash flow from investments** | (579) | (1,155) | (574) | (1,442) | (1,432) |
| Change in fixed assets | (505) | (988) | (504) | (1,352) | (1,381) |
| Change in investment assets | (86) | (224) | 36 | (114) | (78) |
| Others | 12 | 57 | (106) | 24 | 27 |
| **Cash flow from financing** | 758 | 1,519 | 920 | 1,368 | 429 |
| Change in equity | - | 138 | 711 | 1,008 | - |
| Net borrowing | 758 | 1,381 | 213 | 360 | 429 |
| Dividends | - | - | (4) | - | - |
| **Change in total cash** | (90) | (56) | 54 | 355 | (267) |
| Beginning cash | 241 | 151 | 95 | 149 | 503 |
| Change in FX rates | - | - | - | - | - |
| Ending cash | 151 | 95 | 149 | 503 | 236 |

Source: Company data, Shinhan Securities Vietnam

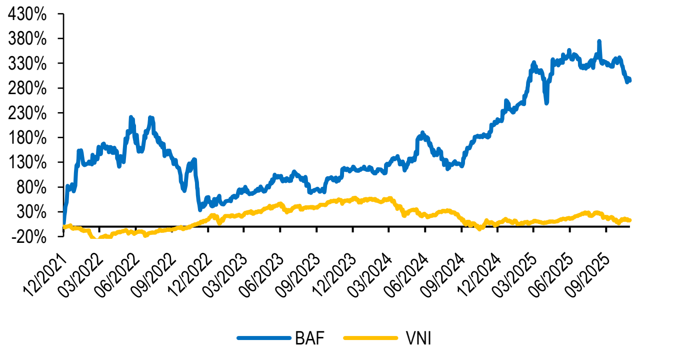
## Key ratios

| Year to Dec. | 2022 | 2023 | 2024 | 2025F | 2026F |
|---|---|---|---|---|---|
| EPS (VND) | 1,998 | 157 | 1,556 | 1,892 | 2,107 |
| BPS (VND) | 12,041 | 13,178 | 12,244 | 14,831 | 16,938 |
| DPS (VND) | 0 | 0 | 0 | 0 | 0 |
| PER (x) | 9.4 | 140.7 | 16.2 | 18.1 | 16.2 |
| PBR (x) | 1.5 | 1.9 | 2.3 | 2.3 | 2.0 |
| EV/EBITDA (x) | 7.9 | 21.9 | 14.2 | 11.3 | 9.6 |
| Dividend payout ratio (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividend yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Profitability** | | | | | |
| EBITDA margin (%) | 6.1 | 5.2 | 13.7 | 23.0 | 19.8 |
| OPM (%) | 5.2 | 2.9 | 8.9 | 17.5 | 14.5 |
| NPM (%) | 4.1 | 0.6 | 5.7 | 11.4 | 9.3 |
| ROA (%) | 6.1 | 0.6 | 4.6 | 6.9 | 6.4 |
| ROE (%) | 16.5 | 1.7 | 13.2 | 15.5 | 13.3 |
| **Stability** | | | | | |
| Debt to equity ratio (%) | 54.9 | 97.5 | 71.7 | 54.0 | 55.1 |
| Cash ratio (%) | 162.7 | 530.6 | 215.5 | 131.8 | 155.9 |
| Interest coverage ratio (x) | 11.0 | 14.0 | 14.4 | 28.4 | 18.8 |
| **Activity (%)** | | | | | |
| Working capital turnover (times) | 163.1 | 134.0 | 131.7 | 167.6 | 113.0 |
| Inventory turnover (days) | 54.8 | 93.0 | 139.0 | 197.2 | 152.6 |
| Receivable turnover (days) | 105.1 | 77.4 | 34.9 | 30.5 | 37.5 |

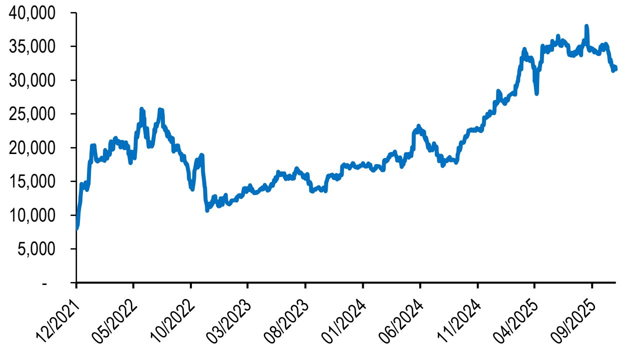
Source: Company data, Shinhan Securities Vietnam

# BAF VIETNAM AGRICULTURE JSC (BAF VN)

## Stock price




## Target price




| Date | Rating | TP (VND) | TP gap (%) Average | High/Low |
|---|---|---|---|---|
| 09/07/2025 (Initiation) | HOLD | 37,800 | 40.7 | 3.3/118.5 |
| 05/11/2025 (Update) | HOLD | 34,200 | 7.1 | 11.3/34.4 |

Note: Calculation of target price gap based on past 12 months

## Shinhan Securities Vietnam

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

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