

Vinh Hoan Corporation – HOSE: VHC

RATING: BUY

Target price: 58,100

Upside: 17%

BUSINESS RESULTS UPDATE

Q2/2026 results: Net revenue and NPATMI reached VND 3,394bn (+6% YoY) and VND 475bn (-8% YoY), respectively.

- Revenue growth slowed markedly from Q1/2026 (+12% YoY) as US front-loading momentum faded toward quarter-end.** Monthly revenue peaked in Apr 2026 at VND 1,254bn (+23% YoY; US alone +43% YoY), then fell to VND 1,014bn in Jun 2026 (+5% YoY; US alone -2% YoY).
- Q2/2026 gross margin reached 20.7% (+0.9 ppt YoY, +6.1 ppt QoQ).** Excluding the reversal of inventory write-down provisions, core gross margin was 18.3%, versus 15.6% in Q1/2026 and 14.2% in Q2/2025. Margins improved even though feed and fingerling prices remained high, as selling prices rose while COGS did not yet reflect the new cost base.
 - ASP reached USD 3.0k/ton (+8% YoY) on a market mix tilted toward higher-margin segments — the US accounted for 55% of export volume, with selling prices up 12% YoY.
 - BSC believes COGS fell as the share of externally purchased fish declined seasonally.** With 70–75% raw material self-sufficiency, VHC sells at market prices but pays market prices only on the 25–30% of volume bought externally; the rest is booked at the internal cost of the previous farming cycle - the gap between the two is the margin expansion. This also explains the low Q1/2026 margin: orders recovered quickly while in-house fish had not reached harvest size, forcing VHC to buy more externally just as raw fish prices rose; in Q2, with stable demand and in-house fish at harvest size, the share of external purchases fell again.
- NPATMI fell 8% YoY despite gross profit rising 11% YoY** due to **(1)** financial income falling 54% YoY to VND 52bn, mainly as FX gains reached only VND 24bn; **(2)** financial expenses rising to VND 35bn (vs. VND 4.5bn a year earlier), with interest expense up 109% YoY as outstanding debt at period-end rose to VND 2,470bn (+20.7% YTD).

6M/2026 cumulative: Net revenue reached VND 6,349bn (+9% YoY) and NPATMI VND 741bn (+5% YoY).

Financials	2024	2025	2026F	2027F
Net revenue	12,512	12,020	13,394	14,721
Gross profit	1,895	2,040	2,285	2,546
NPATMI	1,226	1,418	1,538	1,580
EPS	5,312	6,319	7,342	8,557

UPDATE REPORT

24/09/2026 – HOSE: VHC

BIDV Securities Research Center

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Company information

Current price (VND):	49,550
Shares outstanding (M):	209
Market cap (VND bn):	10,378
30-day liquidity (M):	0.36
Foreign ownership:	82.3%

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BSC ASSESSMENT

Net revenue and NPATMI reached 47%/48% of BSC's 2026F forecasts and 45%/46% of the company's plan, respectively.

Selling prices are offsetting the volume shortfall. Q2/2026 export volume reached 24,300 tons (-8% YoY), mainly due to a high base in the same period – when US importers stockpiled goods right after the April 2025 tariff announcement. The volume shortfall was offset by a 8% YoY increase in average ASP to USD 3.0k/ton, keeping pangasius export value flat YoY (-1% YoY). In 6M/2026, volume reached 41.1k tons, 45% of the full-year forecast (90,668 tons), with an average ASP of USD 3.04k/ton – in line with the USD 3,099/ton assumption.

COMPANY OUTLOOK

BSC maintains its view on the company's outlook

1. US demand reversed quickly after the front-loading season ended.

- VHC's Jul 2026 revenue reached VND 1,148bn (-10% YoY), the first month of negative growth in 2026, with the US market alone at only VND 323bn (-36% YoY). This was mainly due to **(i)** US inventories having been heavily restocked in Q2 while import tariffs stood at 10% under Section 122; and **(ii)** Vietnamese goods facing an additional 12.5% tariff from 24/7/2026.
- Anti-dumping exemption strengthened after POR21.** VHC is outside the scope of duties, while exporters in the same segment face duties of USD 0.38 – 1.00/kg (Bien Dong 1.00; Caseamex and Nam Viet 0.84; NTSF 0.38). **We expect VHC to regain some US market share from competitors, partly offsetting the shrinking market size.**

2. China and the EU are the offsets in H2/2026.

VHC's Jul 2026 revenue: China VND 136bn (+80% YoY), Europe VND 234bn (+19% YoY). If this trend continues, the actual 2026 market mix will tilt more toward China/EU than assumed.

3. Gross margin improved, but faces mix-dilution risk.

Core gross margin in Q2/2026 reached 18.3%, above our 17.1% assumption for 2026, thanks to **(i)** 70-75% raw material self-sufficiency, which reduces pressure from external raw fish prices; **(ii)** export ASP staying high. However, if the share of the (high-margin) US market keeps falling as China and the EU grow, consolidated gross margin will come under pressure in 2H/2026.

For 2027F, we forecast net revenue of VND 14,778bn (+10% YoY) and NPATMI of VND 1,729bn (+3% YoY). **Our US market assumptions are more cautious:** export volume grows only 5% YoY and export prices stay flat, as demand in this market is slowing and US tariff policy remains highly uncertain.

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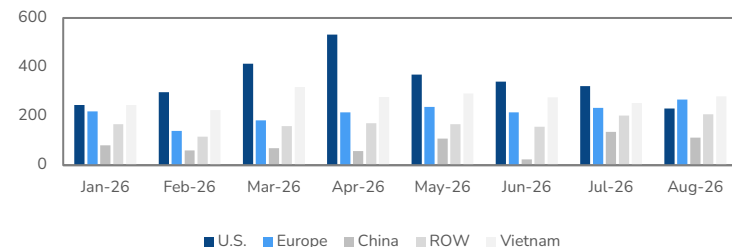
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Figure 1: Revenue by market, 8M/2026

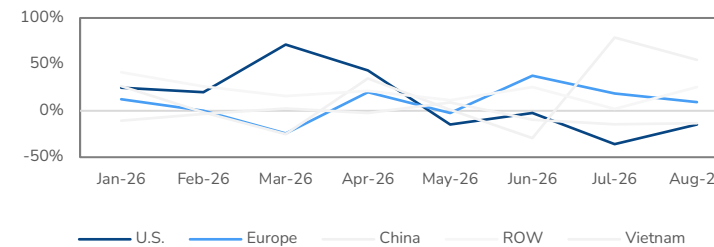
Unit: VND/share



Source: VHC, BSC Research

Figure 2: Revenue growth by market, 8M/2026

Unit: x



Source: VHC, BSC Research

TARIFF AND POR21 UPDATE

- The 12.5% tariff under Section 301 "forced labor" took effect on 24/07/2026, replacing the 10% Section 122 tariff that expired the same day. Meanwhile, USTR has not published details on a possible expansion of the "overcapacity" investigation and has left open the option of stacking it on current tariffs.
- On 13/8/2026, the US Department of Commerce (DOC) announced the final results of the 21st administrative review of frozen pangasius/basa fillets imported from Vietnam.
 - Compared with the preliminary results, duties rose sharply: Bien Dong from 0.29 to 1.00 USD/kg (+245%); NTSF from 0.07 to 0.38 USD/kg (+443%). For CASEAMEX and NAVICO, the applied rate rose from 0.23 to 0.84 USD/kg (+265%).
 - The increase is even sharper versus POR20. In the POR20 final results, Bien Dong received a 0 USD/kg rate, and the 6 companies with separate rates, CASEAMEX, Dai Thanh, Dong A, HungCa 6, NAVICO and NTSF, also all had a 0 rate.

Company	POR20	POR21 preliminary	POR21 final
Bien Dong	0.00	0.29	1.00 USD/kg
Caseamex	0.00	0.23	0.84 USD/kg
Nam Viet (NAVICO)	0.00	0.23	0.84 USD/kg
NTSF Seafoods	0.00	0.07	0.38 USD/kg
Country-wide rate	–	–	2.39 USD/kg
Vinh Hoan	Excluded	Excluded	Excluded

VHC is not included in POR21 as it has been revoked from the anti-dumping order. VHC accounted for 42% of pangasius export volume to the US in 1H/2026. Therefore, (1) VHC does not need to cut prices to retain customers; it can hold prices and expand margins, or cut prices selectively to gain share; while (2) direct competitors facing duties of 0.84 – 1.00 USD/kg have no room to do so.

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BSC RECOMMENDATION

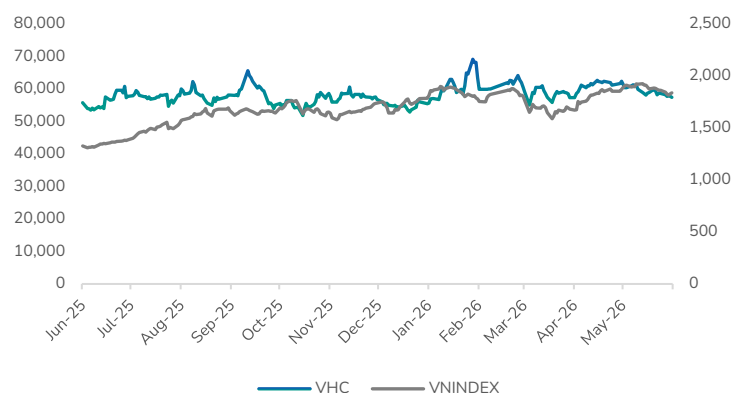
BSC maintains a **BUY** recommendation on VHC, with a 2027 target price of **VND 58,100/share**, implying 17% upside from the closing price on 24/09/2026. Versus the previous 2026 target price (VND 68,500/share), the new target is 15% lower as we cut the target P/E from 10x to 7.7x (-23%) to reflect:

- Signs of declining export volume and selling prices in the US, VHC's key market, slowing 2027F profit growth;
- The US has not yet announced its tariff policy on Vietnamese goods related to "overcapacity";
- Overall market liquidity remains low.

The current upside comes mainly from an attractive valuation. VHC's share price has fallen 28% from its early-year peak, and the stock now trades at a 2027F forward P/E of 6.6x, 31% below the -1 standard deviation level.

Figure 1: VHC share price and VNINDEX

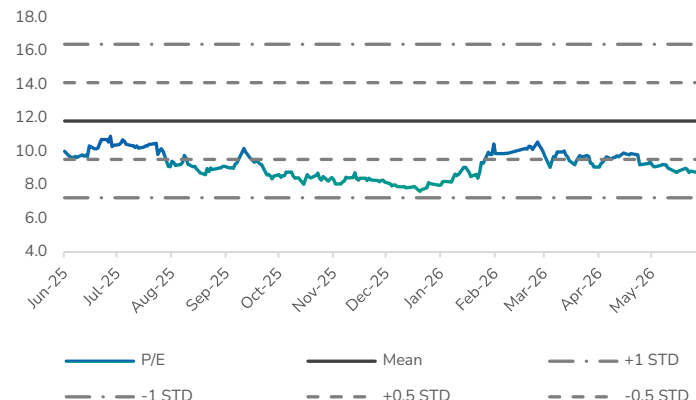
Unit: VND/share



Source: Bloomberg, BSC Research

Figure 2: VHC P/E valuation

Unit: x



Source: Bloomberg, BSC Research

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APPENDIX: SUMMARY OF Q2/2026 AND 6M/2026 RESULTS

	Q2/2026	Q2/2025	%YoY	6M/2026	6M/2025	%YoY
Net revenue	3,394	3,192	6%	6,349	5,840	9%
COGS	-2,691	-2,559	5%	-5,214	-4,870	7%
Gross profit	703	633	11%	1,134	971	17%
Financial income	52	112	-54%	126	202	-38%
Financial expenses	-35	-5	669%	-61	-62	-1%
Interest expense	-29	-14	108%	-45	-31	44%
Associates' profit	0	2		0	2	
Selling expenses	-72	-62	16%	-136	-115	19%
G&A expenses	-81	-81	-1%	-158	-152	4%
Operating profit	567	599	-5%	905	846	7%
Other profit, net	2	11	-79%	6	18	-68%
PBT	570	610	-7%	911	864	5%
CIT	-72	-71	1%	-127	-114	12%
NPAT	498	539	-8%	784	751	4%
Minority interest	23	25	-8%	42	43	-1%
NPATMI	475	515	-8%	741	708	5%

Ratio						
Gross margin	20.7%	19.8%	+0.9 ppt	17.9%	16.6%	+1.3 ppt
SG&A/Revenue	4.5%	4.5%	0.0 ppt	4.6%	4.6%	+0.1 ppt
Net margin	14.0%	16.1%	-2.1 ppt	11.7%	12.1%	-0.4 ppt

Source: BSC Research

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Recommendation system

Buy, Sell or Hold recommendations are based on the expected total return, equal to the difference between the target price and the closing price on the recommendation date plus the expected dividend yield. The recommendation definitions are as follows:

Recommendation rating	Definition
STRONG BUY	Expected 1-year total return of 30% or more
BUY	Expected 1-year total return of 15% to 30%
HOLD	Expected 1-year total return of -10% to 15%
SELL	Expected 1-year total return below -10%

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