POR22 strengthens Vinh Hoan’s competitive position ahead of a pangasius supply recovery in 2027

We forecast pangasius export value to grow 3% YoY in 2027, driven by demand outside the US, while recovering farm output should bring raw fish prices down to around VND 30,000/kg in H2/2027. Vinh Hoan's exemption from US anti-dumping (AD) duties should help it defend selling prices and benefit from lower raw material costs, whereas ANV and IDI face intensifying competition in their existing markets. We recommend BUY on VHC, HOLD on ANV and SELL on IDI.

Vinh Hoan offers earnings recovery despite slower industry growth

We expect POR22 to reshape market share and profitability across Vietnamese pangasius exporters. Preliminary AD rates of USD 2.61/kg for ANV and USD 1.28/kg for IDI weaken their competitive position in the US. Importers could begin switching suppliers ahead of the final determination in March-May 2027. VHC has scope to defend pricing and gain US market share, while ANV and IDI face the prospect of redirecting volumes to increasingly competitive markets elsewhere.

We expect volume to drive pangasius export growth in 2027. Demand from China, Brazil and CPTPP markets should help offset weakness in the US. A 14% increase in the cod fishing quota and a recovery in pangasius supply from Q2/2027 should constrain export pricing. We forecast farmed pangasius output to rise 6% to 2.15 million tonnes and export volumes to increase 4% in 2027.

We favour VHC as farm output recovers. We forecast its gross margin to expand from 16.4% to 18.0% in 2027, reflecting resilient US pricing and lower raw material costs in H2/2027. For ANV, falling raw fish prices should narrow the relative cost advantage of its integrated farming operations, while the diversion of US orders to other markets will put pressure on average selling prices (ASPs). High interest costs and low initial utilisation of new processing capacity should limit earnings growth at IDI.

VHC offers the most attractive earnings and valuation profile among the three companies. We forecast combined net profit after tax and minority interests (NPAT-MI) to increase 2.3% YoY to VND 2,075 bn in 2027, with VHC's earnings rising 19.2%, ANV's declining 26.9% and IDI's increasing 2.2%. VHC trades at the lowest 2027F P/E of 7.5x and offers the highest forecast ROE of 15.0%. We recommend **BUY** on VHC with a price target of VND 66,000 (+29.4%), **HOLD** on ANV with a price target of VND 14,800 (-8.9%) and **SELL** on IDI with a price target of VND 3,950 (-14.5%).

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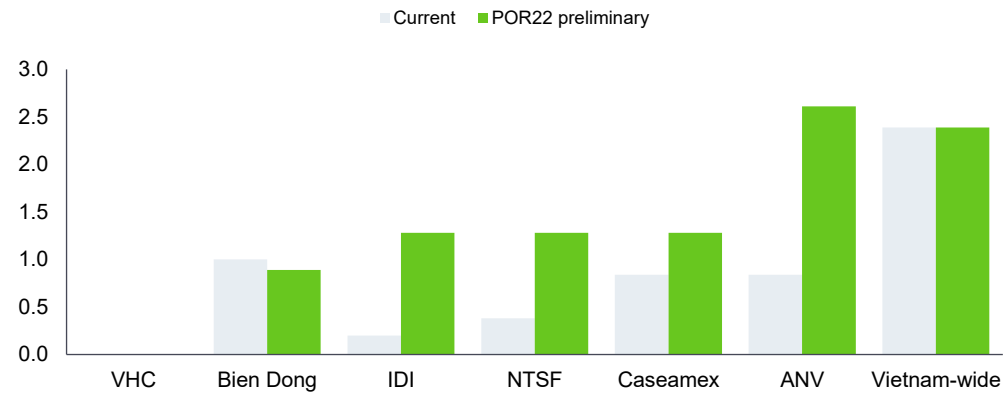
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POR22 strengthens Vinh Hoan's competitive position in the US

The preliminary POR22 results widen the AD duty gap between Vietnamese pangasius exporters. On 16 November 2026, the US Department of Commerce (DOC) announced a preliminary AD rate of USD 2.61/kg for Nam Viet (ANV), 3.1x its current rate and above the Vietnam-wide rate of USD 2.39/kg. The DOC also determined a rate of USD 1.28/kg for six other exporters, including IDI, and USD 0.89/kg for Bien Dong, down from USD 1.00/kg. In January 2025, the DOC revoked the AD order on subject merchandise that Vinh Hoan (VHC) produces and exports. We expect the preliminary results to encourage US importers to source more from VHC and Bien Dong, particularly for deliveries from Q2/2027.

Figure 1: ANV's preliminary AD rate exceeds Bien Dong's by USD 1.72/kg

Current and preliminary POR22 AD rates by exporter, USD/kg



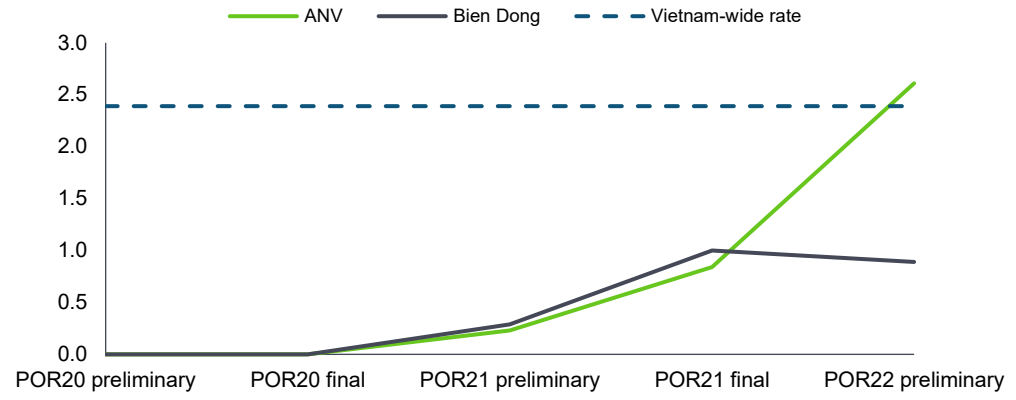
Source: US Department of Commerce, Pinetree Research. The DOC has revoked the AD order on subject merchandise that VHC produces and exports

ANV could struggle to retain US customers if the DOC confirms the preliminary rate. To keep landed costs unchanged, ANV would need to reduce its export price by USD 1.77/kg, equivalent to the increase in AD duties, all else equal. This represents approximately 54% of the USD 3.25/kg selling price of pangasius fillets, well beyond what ANV's margins could absorb. VHC's exemption also removes the risk of additional AD liabilities arising from subsequent administrative reviews, strengthening its position in long-term contract negotiations.

We believe importers could begin reallocating orders as early as late 2026. Existing duty rates remain in effect until the DOC issues its final POR22 determination, which we expect in March-May 2027. The final results will also determine importers' duty liabilities for shipments during the August 2024-July 2025 review period. New orders remain exposed to potential additional duties under subsequent reviews. ANV can challenge the preliminary calculations before the final determination. However, during POR21, the DOC raised ANV's and Bien Dong's preliminary rates from USD 0.23/kg and USD 0.29/kg to USD 0.84/kg and USD 1.00/kg, respectively. With the DOC now examining ANV individually, future duty rates will more directly reflect its own pricing practices and the factors the DOC uses to establish normal value.

Figure 2: ANV's preliminary AD rate reaches USD 2.61/kg, up from zero in POR2(

Preliminary and final AD rates across POR20-POR22, USD/kg



Source: US Department of Commerce, Pinetree Research

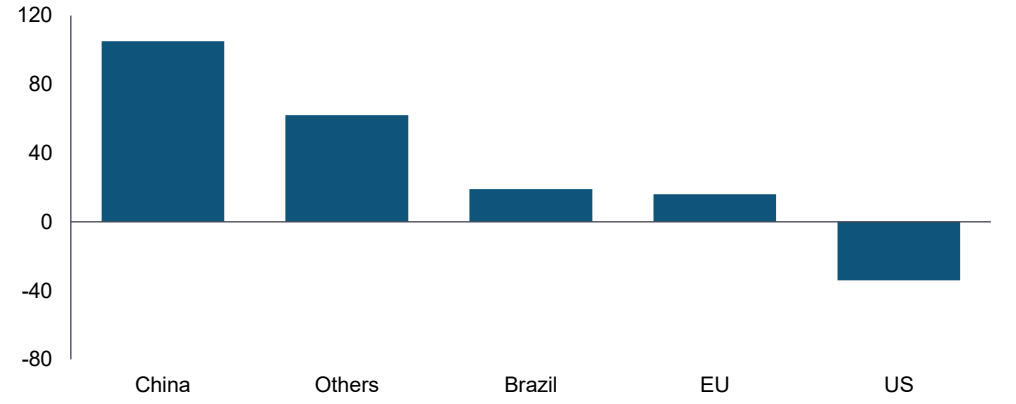
We believe POR22 strengthens VHC's competitive position even if US sales growth remains modest in 2027. In 2018, VHC gained market share as several Vietnamese exporters faced AD duties of USD 3.87-7.74/kg. Strong demand and tight raw fish supply also contributed to its performance at the time. US demand is weaker today, and Bien Dong remains a viable alternative to exporters facing duties of USD 1.28-2.61/kg. US buyers could also substitute some of ANV's volumes with other whitefish species. We therefore assume modest growth in VHC's US sales in 2027. Its wider duty advantage should help defend selling prices as competition intensifies elsewhere.

Markets outside the US account for a growing share of pangasius export growth

We expect POR22 to alter exporters' geographic sales mix, with relatively limited consequences for Vietnam's overall pangasius exports. Vietnam's frozen pangasius export volumes rose 3.4% to 906,000 tonnes in 2025 despite declining imports from both the US and China. Export value subsequently increased 11.0% YoY to USD 1,982 mn in 10M/2026. China alone contributed approximately USD 105 mn to export growth in 9M/2026, more than three times the decline in US sales. The expansion of alternative markets gives ANV and IDI greater flexibility to redirect export volumes. We believe both companies can redirect a meaningful proportion of their US orders, albeit at lower selling prices and with a lag as they establish new customer relationships.

Figure 3: China accounts for approximately 63% of pangasius export value growth in 9M/2026

YoY change in Vietnam's pangasius export value by destination in 9M/2026, USD mn



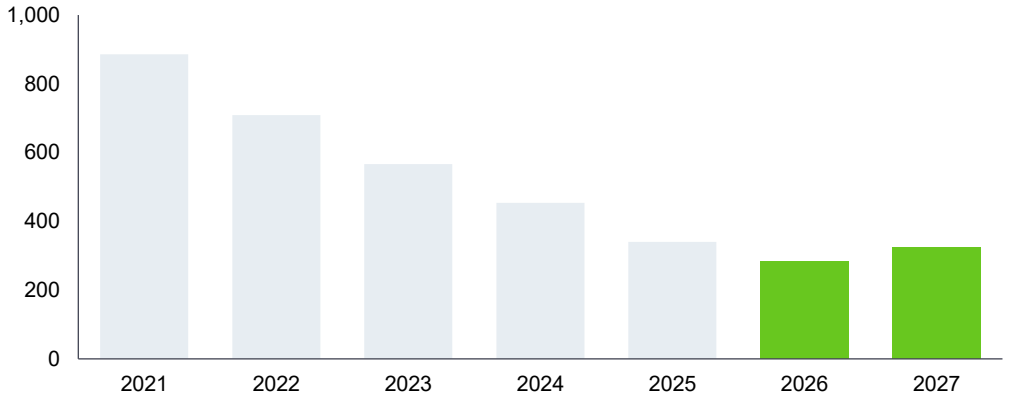
Source: VASEP, Pinetree Research

We expect US pangasius demand growth to remain weak in 2027. According to VASEP, US retail frozen seafood volumes declined more than 8% YoY in August 2026, while Vietnamese goods have faced an additional 12.5% import tariff since late July. Weak consumer demand limits the industry's ability to pass higher import costs through to retail prices. Changing suppliers offers retailers an alternative way to contain costs and maintain competitive pricing, creating an opportunity for VHC to capture additional orders. Nevertheless, importers' bargaining power should allow them to retain a meaningful share of the duty savings, limiting VHC's ASP upside.

Tight wild-caught whitefish supply continues to support European pangasius demand. The Northeast Arctic cod fishing quota declined 67.8% between 2021 and 2026. According to the FAO, EU pangasius imports increased 7.6% in 2025, while UK imports of frozen pangasius fillets rose 22% YoY in Q1/2026. Elevated cod prices have strengthened the price competitiveness of pangasius, particularly in processed products and foodservice applications where substitution is viable. We expect some of this incremental demand to persist as cod supply recovers, given the resources processors have committed to product development and supplier relationships. Substitution remains limited in segments with specific taste and product requirements.

Figure 4: The Northeast Arctic cod quota rises in 2027 after five consecutive years of decline

Northeast Arctic cod fishing quota, 2021-2027, thousand tonnes



Source: Norwegian Ministry of Trade, Industry and Fisheries, Institute of Marine Research, Pinetree Research

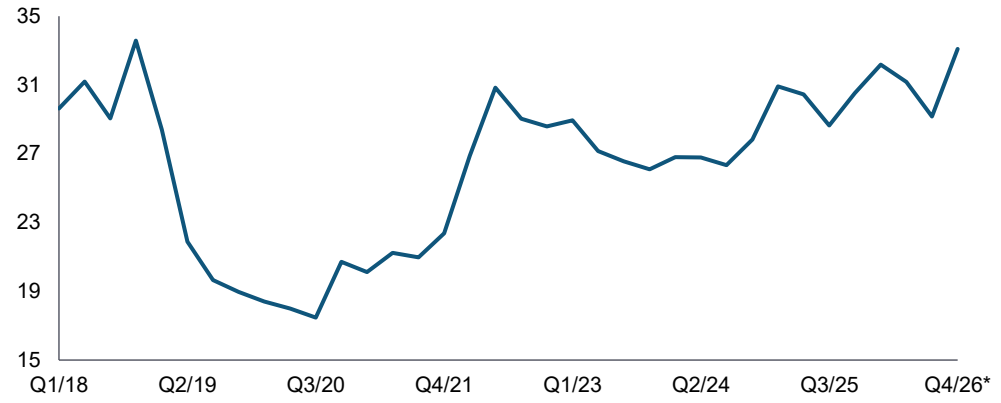
Norway and Russia have agreed to raise the cod fishing quota by 14.0% in 2027, although it remains 63.3% below its 2021 level. We expect the recovery in cod supply to constrain pangasius pricing, while the substantial price differential between the two species should continue to support European pangasius consumption. With demand also improving across other non-US markets, we expect volume to account for most of Vietnam's pangasius export growth in 2027, with broadly stable ASPs.

Raw pangasius prices could ease from Q2/2027 as supply recovers

We expect raw fish supply to remain tight through Q1/2027. Raw pangasius prices reached VND 35,000/kg on 16 November 2026. Vietnam's farmed pangasius output increased 4.4% YoY in 9M/2026, with growth slowing to just 1.9% in September. Adverse weather between late 2025 and April 2026 reduced fertilisation and fingerling survival rates, affecting the volume of fish available for harvest in H2/2026. Several processing plants in Dong Thap have had to reduce operating rates due to raw material shortages. The biological production cycle should constrain the near-term supply response despite elevated farm-gate prices.

Figure 5: Average raw pangasius prices in Q4/2026 approach Q4/2018 highs

Quarterly average raw pangasius prices, 2018-2026, VND thousand/kg

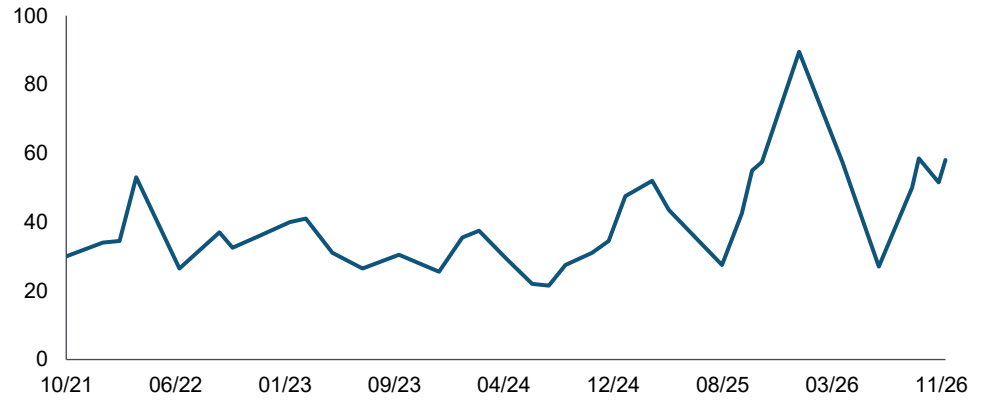


Source: VASEP, Pinetree Research. Q4/2026 data through 16 November 2026

We expect supply to recover more gradually than in the 2018-2019 cycle. According to the FAO, pangasius farming acreage increased approximately 18% in 2019 following a period of elevated prices in 2018, contributing to a 43.5% YoY decline in average raw fish prices in Q4/2019. In the current cycle, fingerling prices rose from VND 27,500/kg in late July 2025 to VND 89,500/kg in early January 2026. The rapid increase reflects fingerling shortages and could also indicate stronger restocking demand. Elevated fingerling costs and mortality risks increase upfront capital requirements, limiting the ability of financially constrained farmers to expand production.

Figure 6: Pangasius fingerling prices recover to VND 58,000/kg in November 2026

Pangasius fingerling prices in Dong Thap, 2021-2026, VND thousand/kg



Source: VASEP, Pinetree Research. We use the midpoint of VASEP's published price ranges for fingerlings of 28-35 fish/kg and 30-35 fish/kg, according to the size specifications available for each period

Fingerling prices fell 69.8% between the beginning of 2026 and the end of June before recovering to VND 58,000/kg in mid-November. High farm-gate prices and lower fingerling costs relative to their peak have improved prospective farming returns. Given the six-to-eight-month grow-out period, we expect raw fish availability to improve from Q2/2027, assuming farmers increased stocking in H2/2026. The recent rebound in fingerling prices could reflect stronger restocking demand or persistent supply constraints. In the absence of direct stocking data, we use fingerling prices alongside farm output trends to estimate the timing of the supply recovery. Our price forecasts assume a considerably less pronounced correction than in 2019.

POR22 could reduce raw fish demand if exporters facing higher US duties struggle to redirect volumes to alternative markets. Order reallocations to Vietnamese suppliers with lower duties should preserve some processing demand.

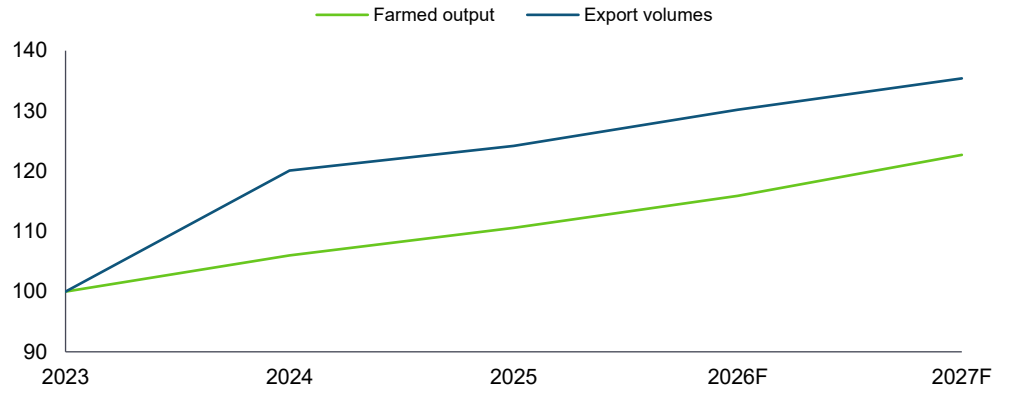
We expect any reduction in raw fish purchases to concentrate among exporters with substantial US pangasius exposure. Harvest volumes from earlier stocking cycles should remain the primary driver of raw fish prices in 2027.

Recovering supply should ease pangasius pricing pressure in 2027

We forecast Vietnam's farmed pangasius output to increase approximately 6% to 2.15 million tonnes in 2027, with frozen pangasius export volumes rising 4% to around 988,000 tonnes. China, Brazil and CPTPP markets should remain the main contributors to export growth. Our export value growth forecast of approximately 3% YoY suggests a marginal decline in average export value per tonne, assuming little change in product mix and statistical coverage. The two volume series measure different product forms. Their relative growth rates illustrate trends in production and export demand rather than quantify any surplus of raw fish.

Figure 7: We forecast 6% growth in farmed output and 4% growth in frozen pangasius export volumes in 2027

Vietnam's farmed pangasius output and frozen pangasius export volumes, indexed to 2023 = 100



Source: National Statistics Office of Vietnam, FAO, Pinetree Research. For 2023-2025, we use importing countries' reported volumes of frozen pangasius from Vietnam

The US accounted for approximately 13% of Vietnam's pangasius export value in 9M/2026. The reallocation of orders to VHC and other suppliers with lower AD duties should help sustain industry-wide demand for raw fish. We expect recovering farm output from Q2/2027 to put downward pressure on raw fish prices. POR22 could accelerate the correction if demand outside the US fails to absorb displaced export volumes.

We forecast quarterly average raw pangasius prices to decline from approximately VND 34,000/kg in Q1/2027 to VND 30,000/kg in H2/2027, 14.3% below the price on 16 November 2026. Persistent shortages early in the year should keep the 2027 annual average broadly in line with 2026. Given the lag between raw fish procurement and cost recognition, processors should realise most of the benefits of lower input prices in H2/2027. A slower-than-expected decline in raw fish prices or a concurrent reduction in export ASPs would limit the full-year earnings recovery.

Figure 8: We expect raw pangasius prices to decline to around VND 30,000/kg in H2/2027

Quarterly average raw pangasius prices, 2024-2027F, VND thousand/kg



Source: VASEP, Pinetree Research forecasts

We expect POR22 to widen differences in pricing power and capacity utilisation across pangasius exporters in 2027. VHC's competitive position in the US should allow it to retain part of the benefit from lower raw material costs. Falling raw fish prices could narrow ANV's relative cost advantage from integrated farming, while the diversion of US orders to other markets adds pressure on selling prices. IDI also faces the prospect of absorbing the fixed costs of its new processing plant over modest incremental volumes. We therefore expect earnings to diverge across the three companies even as industry export volumes recover.

Vinh Hoan offers the lowest 2027F P/E and the strongest earnings recovery

We forecast combined NPAT-MI for VHC, ANV and IDI to increase 2.3% YoY to VND 2,075 bn in 2027. A VND 230 bn earnings recovery at VHC more than offsets the VND 186 bn decline at ANV, while IDI's earnings remain broadly flat. Given our outlook for slower export growth and diverging profitability across the three companies, we see the most attractive upside potential at VHC. We recommend **BUY** on VHC, **HOLD** on ANV and **SELL** on IDI, with price targets of VND 66,000, VND 14,800 and VND 3,950, respectively.

Figure 9: VHC, ANV and IDI trade at substantial discounts to their median P/B multiples since 2021

Daily P/B multiples of VHC, ANV and IDI, 2017-2026, x



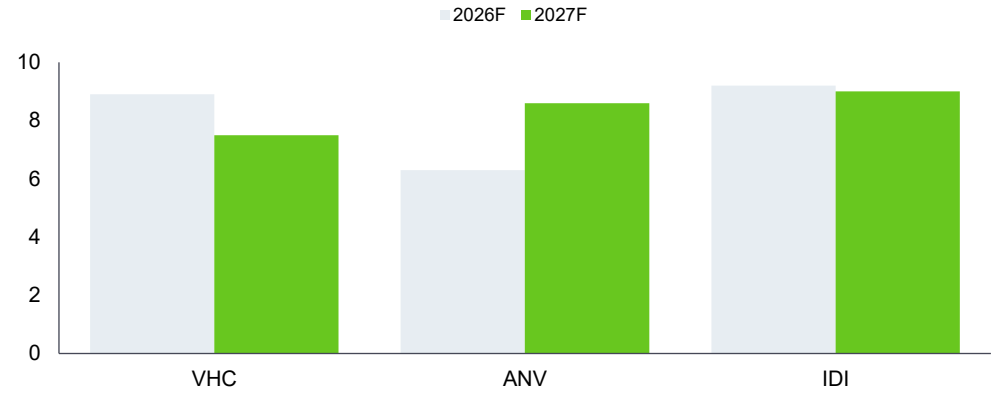
Source: FiinProX, Pinetree Research

All three stocks experienced a substantial re-rating in 2022 as export prices and profitability improved. In 2025, ANV's P/B exceeded 2.5x at one point following a sharp increase in earnings from both pangasius and tilapia, while VHC and IDI traded at lower multiples. These episodes demonstrate the potential for individual stocks to

re-rate even when earnings growth varies across the industry. We believe VHC's earnings recovery in 2027 supports a partial re-rating despite modest industry growth prospects.

Figure 10: Vinh Hoan trades at the lowest 2027F P/E of 7.5x

P/E multiples of VHC, ANV and IDI on our 2026F and 2027F earnings forecasts, x



Source: FiinProX, Pinetree Research. Valuations use closing prices on 18 November 2026

VHC offers the most attractive investment proposition at current valuations. VHC and ANV trade at comparable 2027F P/B multiples of 1.08x and 1.05x, respectively, against our 2027 ROE forecasts of 15.0% and 12.5%. VHC offers an earnings recovery and an expected dividend yield of 6.5%, while ANV faces a further decline in earnings. We see limited value in IDI at 0.34x 2027F P/B given its forecast ROE of just 3.9%. Our price target for VHC corresponds to 1.39x 2027F P/B, well below the multiples of more than 2x that the stock reached in previous industry upcycles.

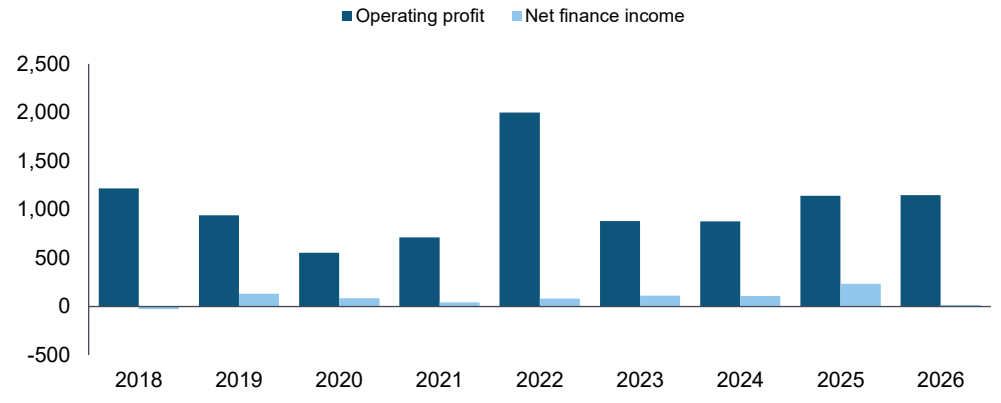
Vinh Hoan Corporation (HOSE: VHC): We forecast 19.2% earnings growth in 2027 with limited US market share gains

Stock data	VHC	Financial forecasts and valuation	2027F
Recommendation	**BUY**	Revenue, VND bn	13,200
Share price (18 Nov 2026), VND	51,000	Revenue growth, % YoY	+4.1%
Price target, VND	**66,000**	**NPAT-MI, VND bn**	**1,430**
Upside/(downside)	**29.4%**	NPAT-MI growth, % YoY	+19.2%
Market capitalisation, VND bn	10,682	EPS, VND	6,827
Expected dividend yield	6.5%	ROE	15.0%
Expected total return	35.9%	P/E	7.5x
		P/B	1.1x

VHC's operating performance has remained resilient despite challenging industry conditions in 2026. Operating profit, which we define as gross profit less selling and administrative expenses, reached VND 1,147 bn in 9M/2026, broadly flat YoY and approximately 30% above the corresponding periods in 2023 and 2024. Net finance income, however, declined from VND 235 bn to VND 18 bn, contributing to the 16.3% YoY decline in NPAT-MI to VND 954 bn. Lower net finance income therefore accounts for a substantial portion of the headline earnings decline. With operating profit holding near 2025 levels, we see scope for NPAT-MI to recover as gross margins improve, even if net finance income remains subdued.

Figure 11: VHC's operating profit in 9M/2026 exceeds the corresponding periods in 2023 and 2024 by approximately 30%

VHC's operating profit and net finance income in the first nine months of each year, 2018-2026, VND bn



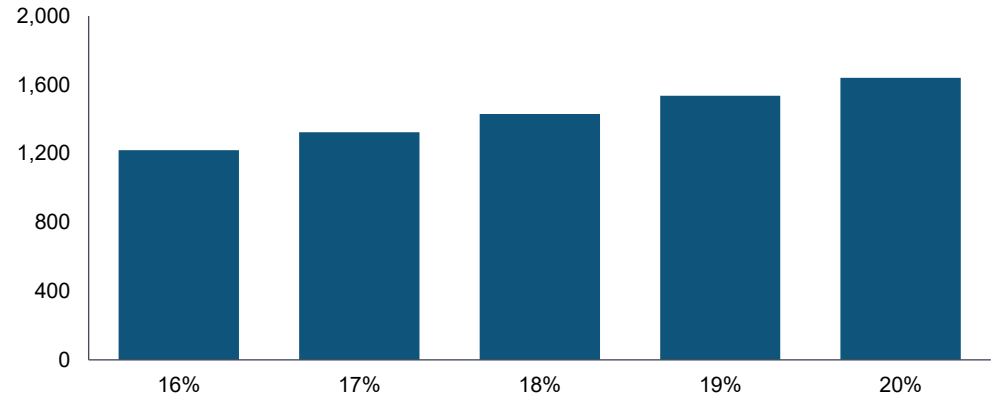
Source: VHC, Pinetree Research

VHC's exemption from AD duties should help protect US pricing as competition intensifies elsewhere in 2027. Weak US demand and competition from relatively low-duty suppliers such as Bien Dong limit VHC's ability to raise selling prices. With the US accounting for approximately 32% of total revenue, each 1% change in US ASPs would translate into approximately VND 42 bn of gross profit in 2027, holding volumes and costs constant. We forecast sales volume growth of around 4% in 2027, with further upside potential if VHC captures incremental orders from competitors facing higher AD duties following POR22.

We forecast NPAT-MI to recover 19.2% YoY to VND 1,430 bn in 2027, primarily through gross margin expansion in H2/2027. We expect revenue to increase 4.1% to VND 13,200 bn and gross profit to rise 14.3% to VND 2,376 bn. While average raw fish prices in 2027 should remain broadly in line with 2026, easing supply shortages from Q2/2027 should give VHC greater procurement flexibility and allow it to improve processing efficiency. Its competitive position in the US should also allow it to retain part of the benefit from lower production costs. We forecast gross margin expansion from 16.4% to 18.0%, contributing approximately VND 211 bn, or 71%, of incremental gross profit in 2027. Pricing pressure in markets outside the US represents the principal risk to our earnings forecast.

Figure 12: VHC could sustain NPAT-MI above VND 1,200 bn in 2027 even at a 16% gross margin

Sensitivity of VHC's 2027F NPAT-MI to changes in gross margin, VND bn



Source: Pinetree Research. We hold revenue and other income and expense items constant

VHC's current valuation remains attractive even under a more modest margin recovery scenario. The decline in ROE from 2018-2022 levels makes a return to P/B multiples above 2x difficult to justify in the current cycle. Our target P/B of 1.39x

reflects VHC's lower structural returns, with a forecast ROE of 15.0% in 2027. At VND 51,000, the stock would still trade at approximately 8.5x 2027F earnings if its gross margin remained at the 2026 level. We recommend **BUY** on VHC with a price target of VND 66,000, representing 9.7x 2027F P/E, 1.39x 2027F P/B and 29.4% upside.

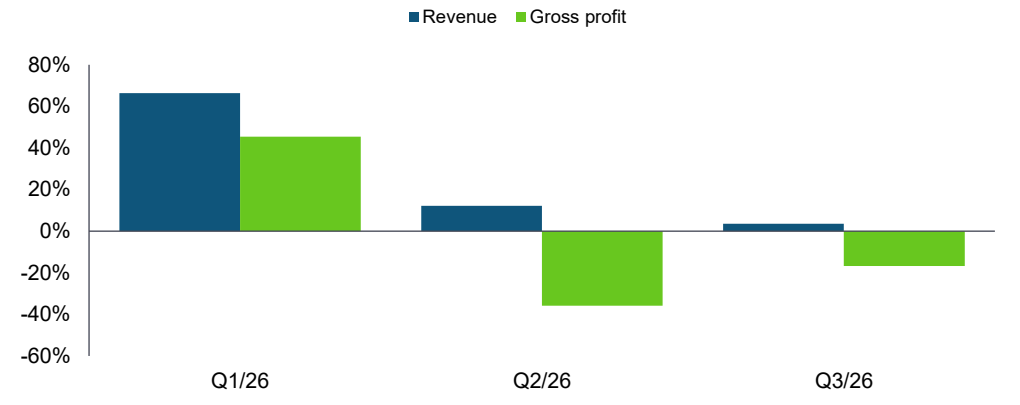
Nam Viet Corporation (HOSE: ANV): We forecast a 26.9% earnings decline in 2027 on pricing pressure outside the US

Stock data	ANV	Financial forecasts and valuation	2027F
Recommendation	**HOLD**	Revenue, VND bn	7,650
Share price (18 Nov 2026), VND	16,250	Revenue growth, % YoY	-2.4%
Price target, VND	**14,800**	**NPAT-MI, VND bn**	**505**
Upside/(downside)	**-8.9%**	NPAT-MI growth, % YoY	-26.9%
Market capitalisation, VND bn	4,333	EPS, VND	1,894
Expected dividend yield	6.2%	ROE	12.5%
Expected total return	-2.8%	P/E	8.6x
		P/B	1.1x

We expect recovering raw fish supply and intensifying price competition to make ANV's 2025 profitability difficult to sustain. Revenue increased 21.0% YoY to VND 5,849 bn in 9M/2026, while gross profit declined 12.9% and gross margin contracted from 24.8% to 17.8%. Profitability started deteriorating in Q2/2026, well before the preliminary POR22 announcement. Changes in product mix, ASPs and raw material costs all affect consolidated profitability. In 2027, we expect processors with greater reliance on external sourcing to benefit directly from falling raw fish prices. ANV's integrated farming operations will continue to provide control over production costs and access to potentially cheaper raw materials, although the relative cost advantage could narrow as market prices decline.

Figure 13: ANV's gross profit declined in Q2 and Q3/2026 despite continued revenue growth

Quarterly revenue and gross profit growth at ANV, % YoY



Source: ANV, Pinetree Research

We expect ANV to redirect part of its US pangasius volumes to existing markets from Q2/2027 if the DOC confirms the USD 2.61/kg AD rate. A shift from the US market, with an ASP of USD 3.25/kg, to alternative markets at USD 2.63/kg would reduce ASPs on the affected volumes by approximately 19%. For every 10% of consolidated revenue that ANV generates from US pangasius sales, the price differential could reduce full-year revenue by approximately 1.4%, assuming the company redirects all corresponding volumes over nine months and maintains sales volumes. ANV generated NPAT-MI of VND 704 bn in 2019 despite relatively limited US exposure, demonstrating its ability to achieve strong profitability under favourable

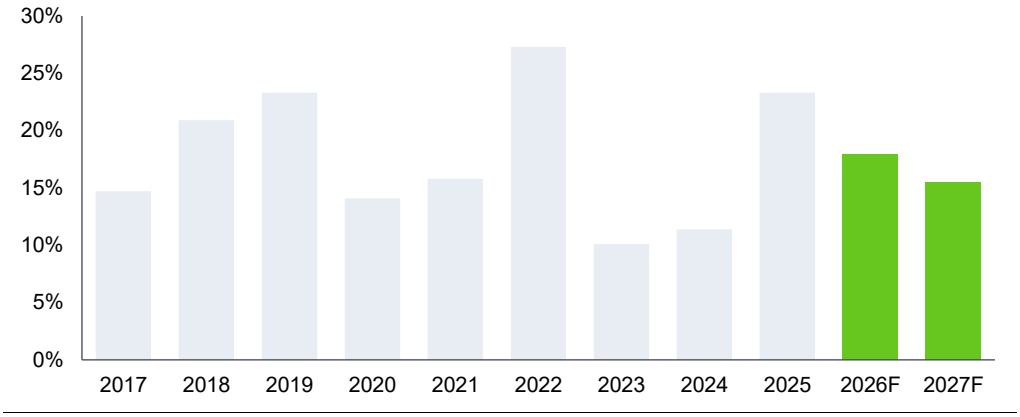
conditions elsewhere. Our 2027 forecasts take a more cautious view of pricing as farm output recovers and competing exporters redirect US volumes to similar markets.

Tilapia provides ANV with an alternative channel for maintaining its US customer relationships. POR22 applies only to pangasius products within the scope of the AD order. ANV can continue serving existing customers with tilapia, subject to processing capacity and raw material availability. We expect tilapia to remain a contributor to earnings in 2027, although intensifying competition from Chinese exporters makes the exceptional profitability of 2025 difficult to repeat. A recovery in tilapia prices or further volume expansion at competitive production costs could deliver upside to our earnings forecast.

We forecast revenue to decline 2.4% YoY to VND 7,650 bn in 2027, with gross margin contracting from 17.9% to 15.5%. Gross profit should decline 15.4% YoY to approximately VND 1,186 bn. We forecast NPAT-MI of VND 505 bn, down 26.9% YoY and equivalent to approximately 51% of 2025 earnings despite a revenue base nearly 10% larger. Our forecasts assume ANV retains most of its sales volumes through alternative pangasius markets and tilapia, albeit with weaker pricing and profitability on pangasius orders.

Figure 14: We forecast ANV's gross margin to contract 2.4pp to 15.5% in 2027

ANV's gross margin, 2017-2027F, %



Source: ANV, Pinetree Research

We believe ANV's current valuation appropriately balances declining earnings against the potential for a more favourable final POR22 determination. At VND 16,250, ANV trades at 8.6x 2027F P/E and 1.05x 2027F P/B, against our forecast ROE of 12.5%. A final AD rate substantially below the preliminary rate of USD 2.61/kg could allow ANV to retain part of its US pangasius sales and improve its earnings outlook. Confirmation of the preliminary rate and difficulties redirecting export volumes would pose downside risks to our estimates. We recommend **HOLD** on ANV with a price target of VND 14,800, equivalent to 7.8x 2027F P/E and 0.95x 2027F P/B. Our target represents 8.9% downside and an expected total return of approximately -2.8%, including our dividend forecast of VND 1,000 per share.

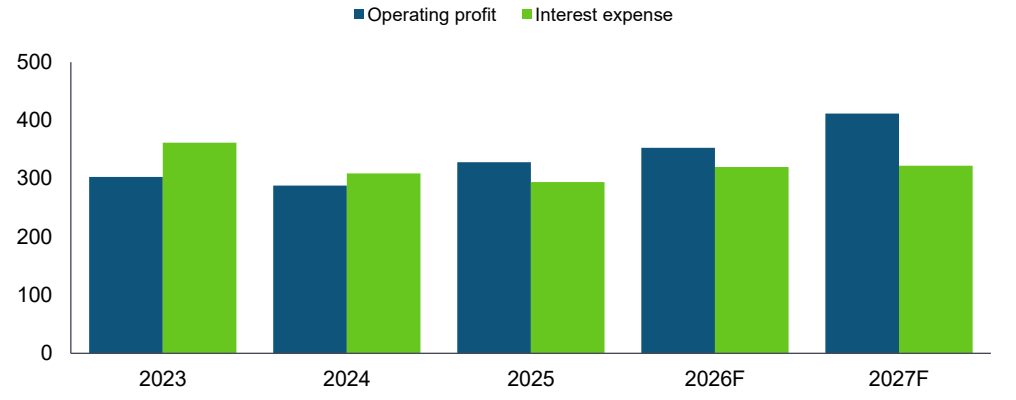
I.D.I International Development and Investment Corporation (HOSE: IDI): Limited scope for ROE recovery despite a 25% capacity expansion

Stock data	IDI	Financial forecasts and valuation	2027F
Recommendation	**SELL**	Revenue, VND bn	7,502
Share price (18 Nov 2026), VND	4,620	Revenue growth, % YoY	+4.8%
Price target, VND	**3,950**	**NPAT-MI, VND bn**	**140**
Upside/(downside)	**-14.5%**	NPAT-MI growth, % YoY	+2.2%
Market capitalisation, VND bn	1,262	EPS, VND	512
Expected dividend yield	0.0%	ROE	3.9%
Expected total return	-14.5%	P/E	9.0x
		P/B	0.3x

We believe the commissioning of Plant No. 3 could prolong IDI's period of subdued returns. The new facility will increase processing capacity from 480 to 600 tonnes of raw fish per day. IDI recorded no US entries during the POR21 review period, while its preliminary POR22 AD rate of USD 1.28/kg represents approximately 46% of a USD 2.80/kg fillet price. We expect IDI to sell most of the new plant's output to existing markets, with sales volumes increasing 4% in 2027. The economics of expanding market share through price concessions look increasingly unattractive given IDI's historical gross margins of just 7.3-8.5% in 2023-2025. At a 9% gross margin, a 0.35% reduction in ASPs across all volumes would eliminate the incremental gross profit from 4% volume growth, assuming unchanged unit production costs. We therefore expect IDI to increase utilisation gradually to contain pressure on pricing and working capital in 2027.

Figure 15: Interest expense absorbed nearly 90% of IDI's operating profit in 2025

IDI's operating profit and interest expense, 2023-2027F, VND bn



Source: IDI, Pinetree Research forecasts

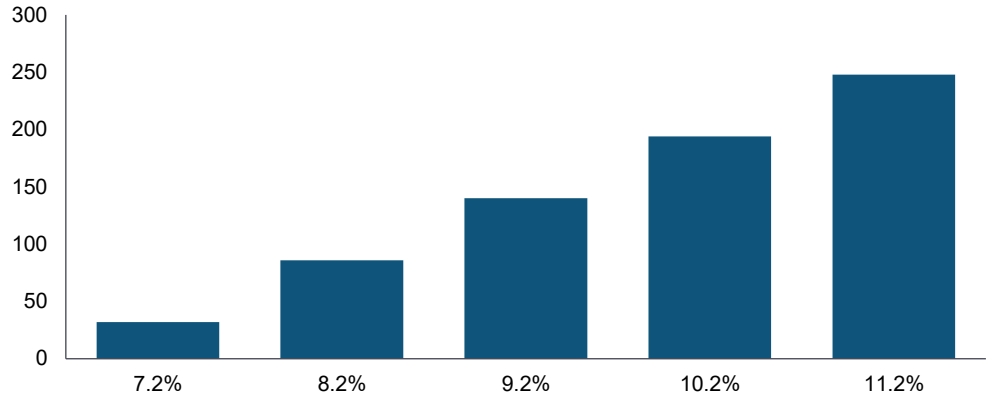
We see limited scope for IDI to reduce borrowings as it ramps up new processing capacity. Between 2023 and 2025, revenue declined 3.8%, while trade receivables increased 20.8% to VND 1,553 bn, equivalent to 22.4% of 2025 revenue. IDI recorded cumulative negative operating cash flow of VND 319 bn over the same period. Assuming the 2025 receivables-to-revenue ratio remains unchanged, the VND 344 bn increase in revenue we forecast for 2027 would absorb an additional VND 77 bn in trade receivables alone. Incremental working capital requirements could therefore limit IDI's ability to reduce borrowings even as capital expenditure moderates following the completion of Plant No. 3. We forecast interest expense of VND 322 bn in 2027, equivalent to 78% of operating profit.

We forecast ROE of just 3.9% in 2027, reflecting weak operating returns relative to IDI's debt and equity capital. We expect revenue to increase 4.8% YoY to VND

7,502 bn and gross margin to improve from 9.0% to 9.2% as raw material costs ease in H2/2027. On our operating profit and interest expense forecasts of VND 412 bn and VND 322 bn, respectively, IDI retains just VND 90 bn after interest and before other income and expenses. Earnings consequently remain reliant on income from deposits and lending activities. We forecast finance income to decline by VND 44 bn to VND 126 bn, offsetting approximately 75% of the increase in operating profit in 2027. We expect NPAT-MI to increase just 2.2% YoY to VND 140 bn.

Figure 16: A 1pp gross margin shortfall could reduce IDI's 2027F NPAT-MI to VND 86 bn

Sensitivity of IDI's 2027F NPAT-MI to changes in gross margin, VND bn



Source: Pinetree Research. We hold revenue and income and expense items outside cost of sales constant

We see limited value in IDI even at 0.34x 2027F P/B, given its weak returns on equity. Our valuation suggests that the current share price reflects a long-term ROE of approximately 7.1%, against actual returns of just 1.8-3.8% in 2023-2025. On IDI's current equity base, an ROE of 7.1% translates into annual NPAT-MI of approximately VND 250-260 bn, close to twice its 2025 earnings. IDI achieved substantially higher profitability during the 2018 and 2022 cycles, indicating scope for a meaningful recovery if pricing and plant utilisation improve. Our 2027 outlook remains subdued given pricing pressure, financing costs and working capital requirements. IDI also retained its entire 2025 profit to finance investment projects, and we forecast no dividend income for shareholders in 2027. We recommend **SELL** on IDI with a price target of VND 3,950, equivalent to 7.7x 2027F P/E, 0.29x 2027F P/B and 14.5% downside.

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