Higher US tariffs to weigh on exporters' earnings even as market shares hold up

Our base case is a 20% US Section 301 tariff on Vietnamese goods from March 2027, up from 12.5% today. Broad exemptions and similar tariff increases across competing suppliers should limit the impact on export growth. We see greater downside to corporate earnings as exporters absorb part of the additional duties at a time of rising domestic labour costs. At current valuations, our preferred stocks are TNG, VHC, KBC and SIP.

Earnings resilience will vary considerably across our coverage

We see limited direct downside to Vietnam's GDP growth in 2027 under our base case. We estimate that the proposed tariffs cover 43.4% of Vietnam's exports to the US, with a tariff disadvantage of just 2 pp against most ASEAN peers. A 20% tariff from March would reduce export volumes sufficiently to lower export receipts by around USD 2 bn and domestic value added by USD 1 bn. Longer term, we see greater risks from potential commitments on rules of origin and foreign investment policies under a bilateral trade agreement.

Shrimp and garment exporters have the greatest earnings exposure. The widening tariff gap with Ecuador leaves FMC and MPC with less scope to pass higher duties on to customers than garment manufacturers. Across these companies, our 2027 NPAT-MI forecasts are 7–18% below the corresponding estimates under a 12.5% tariff. Within the pangasius sector, VHC retains a substantial anti-dumping duty advantage in the US, whereas ANV and IDI face greater pricing pressure as competition intensifies in other export markets.

We expect foreign manufacturers to defer new investment before scaling back production at existing facilities. Under a 20% tariff, our earnings forecasts for KBC fall by 4.0% in 2027 and 9.7% in 2028 relative to the existing tariff scenario. SIP's established tenant base and the diversification of shipping services at deep-water terminals provide greater near-term earnings protection for SIP, PHP and GMD.

We continue to see attractive valuations despite earnings downgrades. TNG trades at just 4.8x 2027F P/E, well below its five-year median. VHC's favourable anti-dumping duty position should allow it to retain the benefits of lower raw fish costs through margin expansion. We expect a bilateral trade agreement to support a recovery in demand for KBC's industrial land, while SIP offers greater earnings resilience across tariff scenarios. Our target prices for TNG, VHC, KBC and SIP are VND 27,700, VND 66,000, VND 34,500 and VND 68,500, respectively, implying upside of 66.9%, 32.0%, 31.2% and 59.5%.

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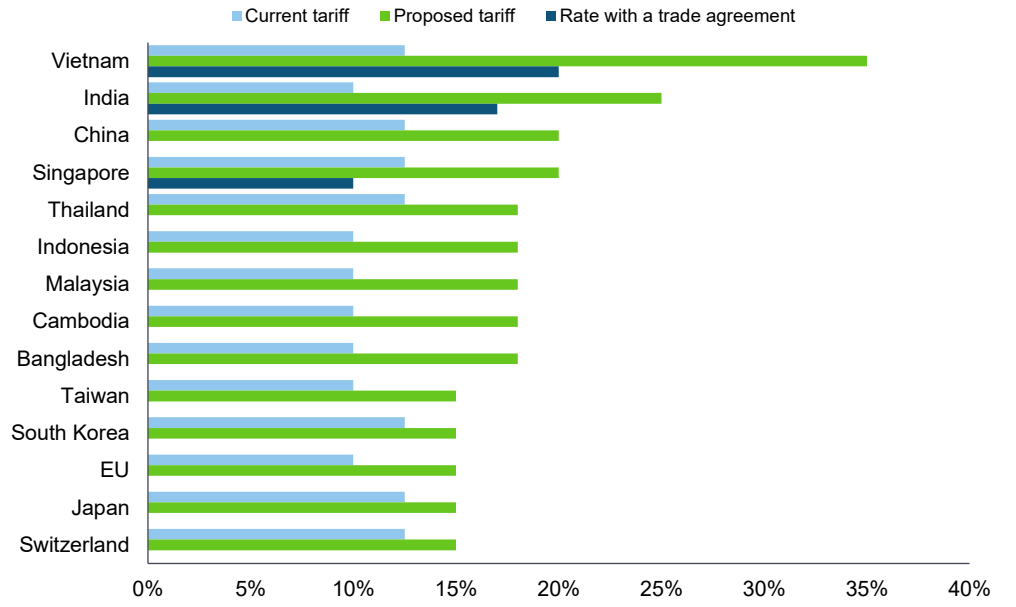
A return to the 20% tariff in Q1 2027 is our base case

We view 20% as the most likely tariff outcome for Vietnamese goods if the bilateral negotiations conclude in the coming months. On 25 November 2026, the US Trade Representative (USTR) proposed tariffs on 14 economies under Section 301 of the Trade Act of 1974, following an investigation into industrial policies and excess manufacturing capacity. The proposed rate for Vietnamese goods is the highest at 35%, compared with 15–18% for most other economies under investigation. USTR is also considering a 20% rate conditional on a trade agreement that addresses its findings. This would be consistent with the tariff agreed under the bilateral trade framework of 26 October 2025.

Figure 1: Vietnamese goods could face an additional 22.5 pp in tariffs, the largest proposed increase across the 14 economies

Current and proposed Section 301 tariff rates by economy as at 25 November 2026, %



Source: USTR, Pinetree Research

We read USTR's proposal as a 7.5–22.5 pp increase in tariffs on most Vietnamese goods already subject to Section 301. The existing 12.5% duty took effect on 24 July 2026 following the investigation into restrictions on imports of goods produced using forced labour. Given USTR's proposal to offset existing Section 301 duties against the new levy, we interpret 20% and 35% as the combined Section 301 rates, before MFN tariffs and other trade remedy duties.

The US administration's policy response since February 2026 supports our expectation of a return to 20%. Following the Supreme Court ruling against tariffs imposed under the International Emergency Economic Powers Act (IEEPA), the administration has used Sections 122 and 301 to reinstate part of its previous tariff regime. Restoring the 20% rate would be consistent with the October 2025 bilateral trade framework. Equally, the prospect of a 35% tariff increases the cost of prolonged negotiations for Vietnamese exporters, particularly given that Malaysia, Indonesia and Cambodia have already signed trade agreements with the US.

Outstanding trade commitments remain the principal risk to our 20% base case. While seven formal negotiating rounds since April 2025 had largely resolved the agreement's text by early October 2026, USTR's latest findings on credit allocation, industrial policy and foreign investment could broaden the scope of US demands. With public comments due by 5 January 2027 and hearings commencing on 25

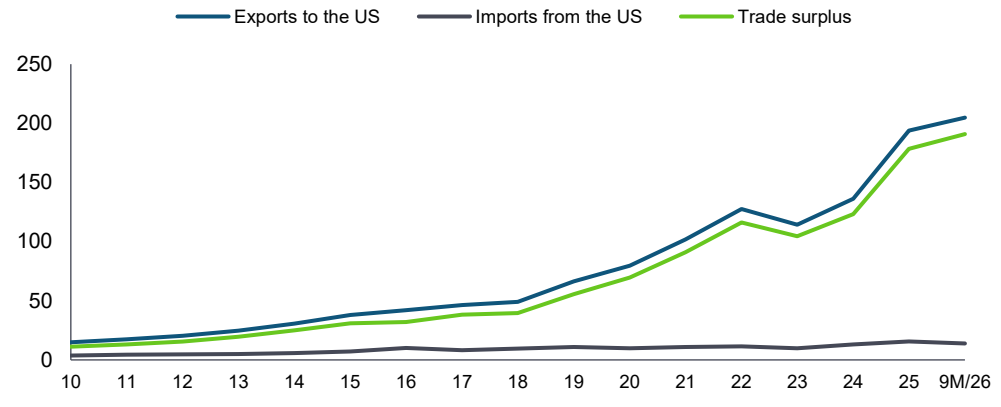
January, our base case incorporates a 20% tariff from Q1 2027. We use a 35% tariff to assess the downside to corporate earnings.

The expansion of foreign-owned manufacturing increases Vietnam's longer-term trade policy exposure

We believe the US administration is extending its trade policy objectives beyond bilateral deficits to reducing dependence on Chinese supply chains. US Census Bureau data show that the US merchandise trade deficit with Vietnam widened from USD 38.3 bn in 2017 to USD 178.3 bn in 2025, before reaching USD 190.9 bn in 9M/2026 alone. USTR's findings of 25 November identify investment incentives, industrial development policies, wages and exchange rate policies as factors that have supported export-oriented manufacturing in Vietnam. Of the USD 139 bn increase in Vietnam's imports from China between 2017 and 2025, intermediate goods accounted for around USD 100 bn. The growing use of Chinese production inputs alongside rapid growth in exports to the US increases the likelihood of more extensive US demands on rules of origin and investment policies.

Figure 2: Vietnam's merchandise trade surplus with the US has nearly quintupled since 2017

US–Vietnam merchandise trade, 2010–2025 and 9M/2026, USD bn



Source: US Census Bureau, Pinetree Research. Based on US trade statistics

Chinese-owned manufacturers have become increasingly important contributors to Vietnam's exports to the US following the 2018–2019 tariffs on Chinese goods. Federal Reserve research published in July 2026 found that the number of Chinese- and Hong Kong-owned enterprises operating in Vietnam increased by 122.5% between 2018 and 2023, compared with 28.8% for South Korean enterprises and 23.6% for Japanese enterprises. Chinese-owned enterprises accounted for 25.0% of exports to the US in 2020–2023, up from 11.2% in 2018–2019, even after the Fed excluded potential transshipment. We interpret this as evidence that tariff savings have encouraged manufacturers to relocate part of their production to Vietnam.

Figure 3: Chinese enterprises have expanded their manufacturing presence in Vietnam considerably faster than other foreign investors

Number of foreign-invested enterprises by country or territory of the principal investor

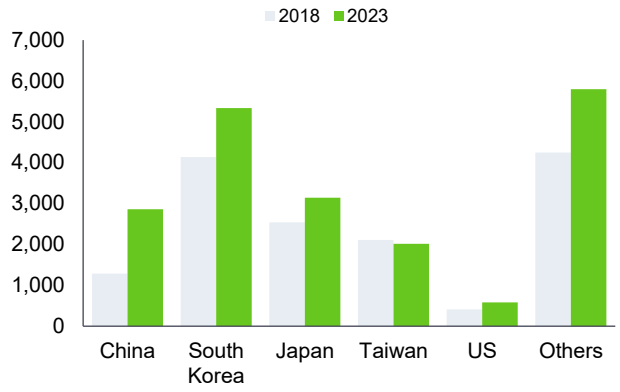
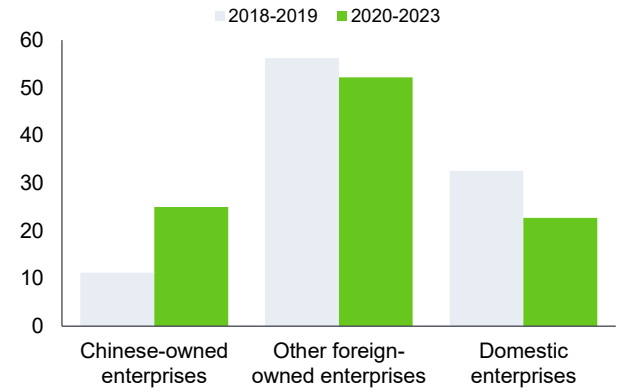


Figure 4: Chinese-owned enterprises accounted fo 25% of Vietnam's exports to the US in 2020–2023

Breakdown of exports to the US by enterprise ownership, %



Source: Federal Reserve, Vietnam Enterprise Survey, S&P Global Panjiva, Pinetree Research. China includes Hong Kong. Export figures exclude shipments the Fed identifies as potential transshipment from China

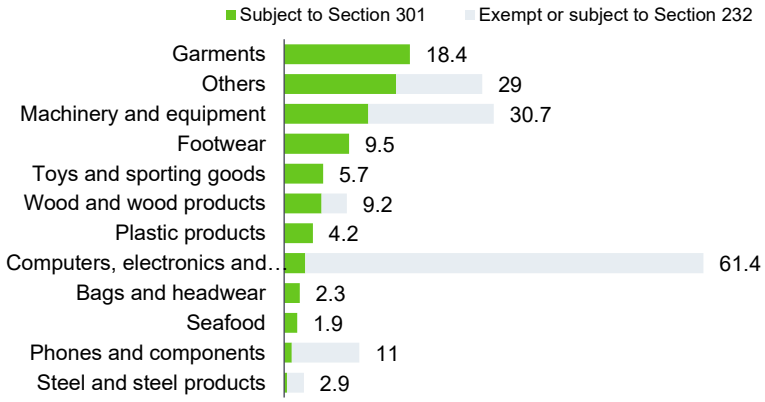
We expect weaker demand for industrial land to precede any material decline in manufacturing output. The cost of relocating existing factories would be difficult to justify given the relatively modest tariff savings available elsewhere under a 20% tariff. The economics differ for new investment, where manufacturers can defer capital expenditure pending the outcome of negotiations or choose alternative locations with lower production costs and tariffs. Even an agreement at 20% could leave companies reliant on Chinese inputs reconsidering new investment if the agreement introduces more restrictive rules of origin or local content requirements.

Broad product exemptions limit the impact on aggregate exports

Listed exporters have considerably greater exposure to the proposed tariffs than aggregate export figures suggest. USTR proposes to retain exemptions for computers, smartphones, routers and a wide range of electronic components, as well as excluding products subject to Section 232 duties, including steel, aluminium, copper and selected wood products. We preliminarily estimate that 43.4% of Vietnam's exports to the US in the 12 months to October 2026 fall within the scope of the new tariffs. Garments, footwear, wood products and seafood collectively account for 43.7% of this exposure, compared with just 21.0% of total exports to the US.

Figure 5: Broad exemptions protect most of Vietnam's largest export category from higher Section 301 tariffs

Exports to the US by product category and proposed Section 301 exposure in the 12 months to October 2026, USD bn

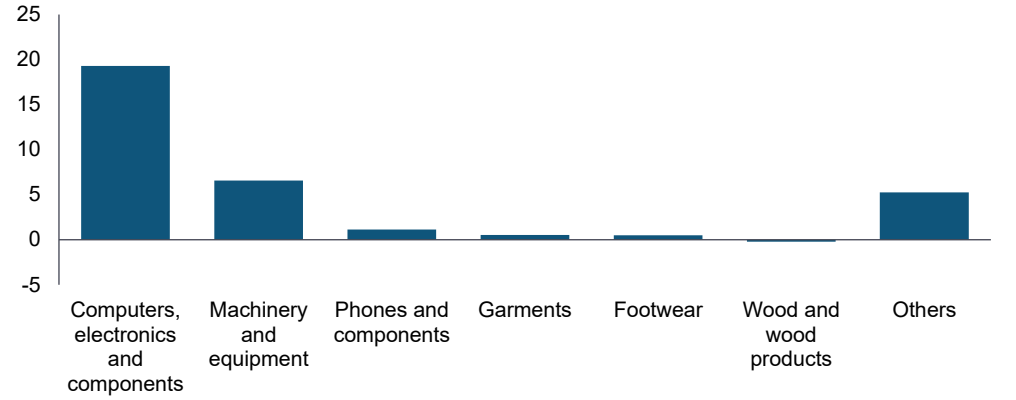


Source: Vietnam Customs, USTR, Pinetree Research estimates. Product classification follows the exemption list in the 25 November 2026 proposal and the scope of Section 232 tariffs

The products with the broadest exemptions have also been the largest contributors to export growth in 2026. Computers, electronics, components and machinery accounted for approximately 78% of the increase in exports to the US, which rose 26.2% YoY to USD 159.4 bn in 10M/2026. In contrast, garment and footwear exports grew by only 3.6% and 6.9% YoY, respectively, while wood product exports declined by 3.0%. We expect technology infrastructure investment and additional electronics manufacturing capacity in Vietnam to remain key drivers of export growth in 2027. For manufacturers of traditional consumer goods, higher tariffs and subdued US consumer spending growth point to a less favourable outlook.

Figure 6: Computers, electronics and machinery accounted for approximately 78% of incremental exports to the US in 10M/2026

Contribution to the YoY increase in exports to the US by product category in 10M/2026, USD bn



Source: Vietnam Customs, Pinetree Research calculations

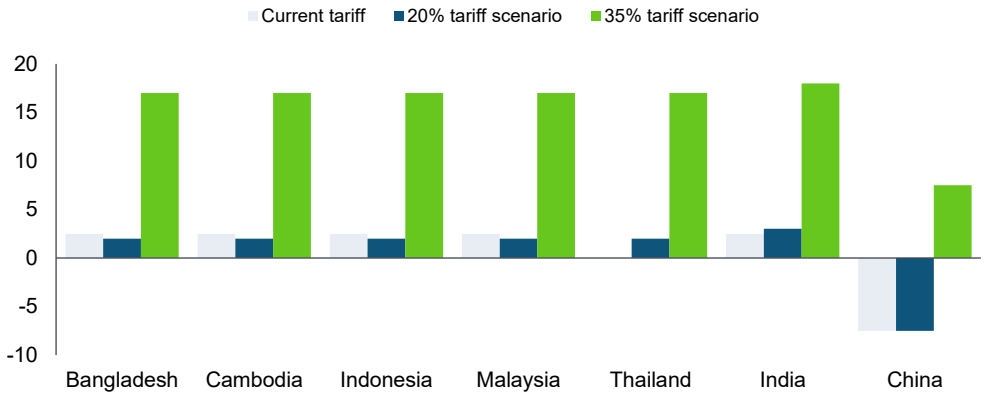
We see scope for aggregate export growth to remain strong while earnings growth at domestic manufacturers weakens in 2027. The electronics products driving much of the export expansion in 2026 are largely exempt, whereas the proposed tariffs cover a substantial share of exports in garments, footwear, wood products and seafood. The latter industries are more labour-intensive and have greater domestic participation in their supply chains. Continued strength in electronics exports could therefore mask weaker pricing and shipment volumes at listed consumer goods manufacturers.

Relative tariffs will determine exporters' ability to defend market share

Under a 20% tariff, we see limited economic incentive for US importers of garments, footwear and furniture to shift sourcing away from Vietnam. The proposed rates of 20% for Vietnam and 18% for Bangladesh, Indonesia, Malaysia and Cambodia would actually narrow the tariff differential from 2.5 pp to 2.0 pp. Most Chinese apparel would face a combined Section 301 tariff of around 27.5%, including the 7.5% levy from the 2018–2019 investigations. With competing suppliers also facing higher duties, we expect the impact under our base case to come primarily through weaker US consumption and demands from importers for lower procurement prices.

Figure 7: Vietnamese garment manufacturers should remain competitive against alternative suppliers under a 20% tariff

Section 301 tariff differentials between Vietnamese apparel and competing suppliers, pp



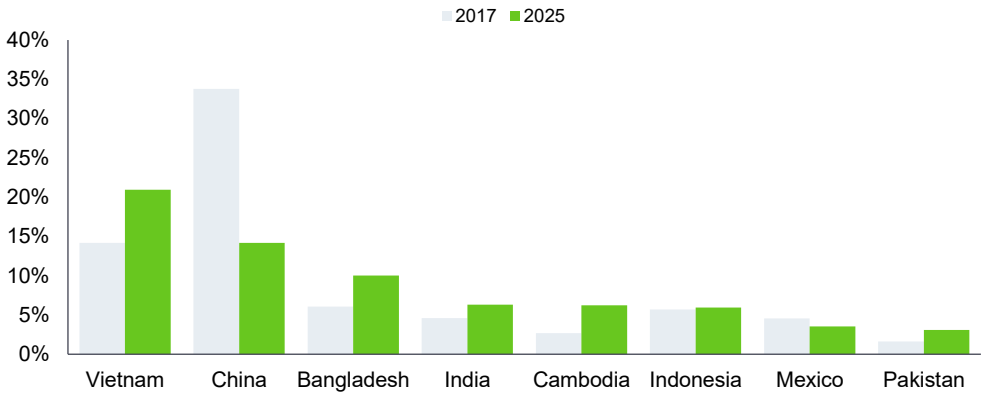
Source: USTR, Pinetree Research calculations. Differentials represent the Section 301 tariff on Vietnamese goods less the corresponding tariff on goods from each comparator economy. We assume a rate of 17% for India and 18% for the remaining comparator economies, except China, where the combined Section 301 tariff on the apparel products considered is 27.5%

The ability of Vietnamese manufacturers to retain US market share would deteriorate considerably under a 35% tariff. Between 2017 and 2025, China's share of US apparel imports fell from 33.8% to 14.2%, while Vietnam's increased from 14.2% to 21.0%. Bangladesh and Cambodia also gained 4.0 pp and 3.5 pp, respectively. Several years of sourcing diversification have allowed manufacturers in these economies to build capacity and establish relationships with major US importers. At a tariff differential of 17 pp under our downside scenario, importers could find it economically attractive to shift orders to Bangladesh, Cambodia and Indonesia even where manufacturing costs are higher than in Vietnam.

Preferential tariff quotas are a further competitive risk for Vietnamese garment manufacturers, even at 20%. In July 2026, the US administration announced quota-based Section 301 exemptions for selected textile and apparel products incorporating US-origin inputs from Bangladesh, Cambodia, Indonesia and Malaysia. USTR's November proposal again seeks comments on preferential tariff rates for specified apparel import volumes from selected countries. Vietnam has no equivalent arrangement at present. The effective tariff advantage available to competing manufacturers will depend on the quota volumes and the additional costs of sourcing US-origin materials.

Figure 8: Manufacturing capacity in competing economies has expanded, giving US apparel importers more sourcing alternatives

Share of US apparel imports by country in 2017 and 2025, %



Source: OTEXA, US Department of Commerce, Pinetree Research

We see considerably greater competitive pressure on shrimp exporters than garment manufacturers under our base case. Ecuador, which accounted for around 29% of US shrimp import volumes in 2025, was outside the scope of USTR's latest investigation. Its share increased to 35.5% in 9M/2026, while Vietnam's fell to 6.5%. With Ecuadorian shrimp continuing to attract a Section 301 tariff of 10%, the tariff gap with Vietnamese shrimp would widen from 2.5 pp to 10 pp before anti-dumping and countervailing duties. We expect Vietnamese suppliers to become less price competitive, particularly in minimally processed products with readily available substitutes.

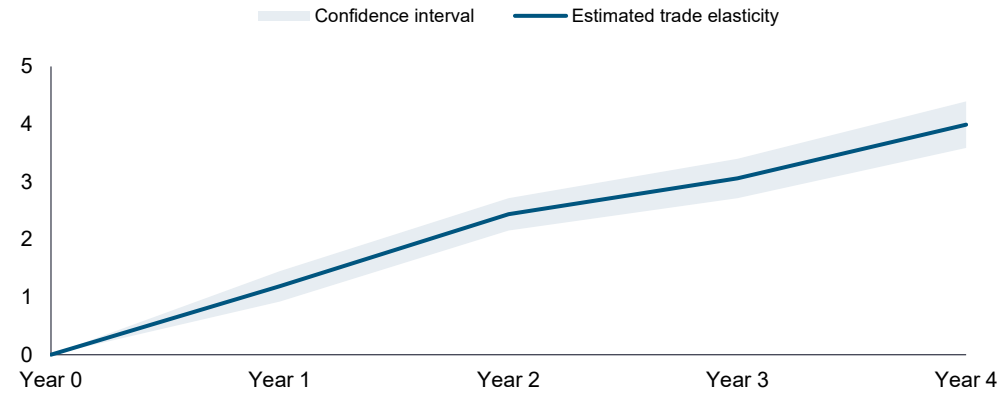
For pangasius producers, anti-dumping duties remain more important to relative market share than Section 301 tariffs. As discussed in our sector report of 18 November 2026, the preliminary POR22 results strengthen VHC's competitive position relative to ANV and IDI. Higher Section 301 tariffs would raise the landed cost of pangasius from all three suppliers and primarily affect aggregate US consumption. VHC's anti-dumping duty advantage leaves it better placed to defend prices and capture orders from other Vietnamese exporters as US importers seek to contain procurement costs.

Supply chain adjustments can take several years following a tariff increase

We expect the reallocation of orders among established suppliers to account for most tariff-related changes in export volumes in 2027. Bringing new suppliers into a supply chain takes considerably longer, given the need for product qualification, manufacturing audits and capacity expansion. Federal Reserve research on the 2018–2019 tariffs on Chinese goods found that estimated trade elasticity rose from 1.19 after one year to 3.99 after four years. With limited changes in relative tariffs at 20%, US importers have an incentive to maintain relationships with Vietnamese suppliers. The economics of switching suppliers become considerably more compelling at 35%, particularly for longer-term contracts and products with standardised manufacturing processes.

Figure 9: The estimated trade elasticity more than tripled within four years of the US tariff increases on Chinese goods

Estimated trade elasticity by years since the 2018–2019 US tariff increases on Chinese goods, x



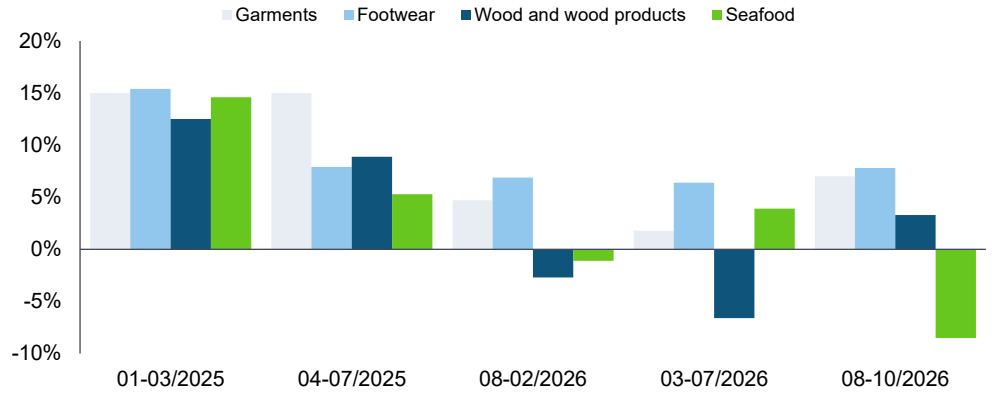
Source: Federal Reserve (12 April 2024), Pinetree Research. Shading represents the confidence interval around the estimated coefficient

We expect front-loading ahead of the new tariffs to weigh on export growth during H1 2027. The 2025 experience illustrates the potential magnitude of this timing effect: US merchandise imports rose 26.5% YoY in Q1 ahead of the April reciprocal tariffs, with growth subsequently decelerating and turning negative in Q4. Dallas Fed research published in October 2026 estimates that tariff increases reduced 2025 US imports by 12.3% relative to a scenario without those increases. Actual imports nevertheless grew 4.5% YoY, supported by AI-related equipment

demand and accelerated shipments ahead of tariff deadlines. Vietnamese manufacturers could see stronger orders ahead of the new tariffs, followed by lower capacity utilisation as customers work through inventories.

Figure 10: Garment and footwear export growth slowed to below 7% under the previous 20% reciprocal tariff

YoY growth in exports to the US by product category across tariff periods, %



Source: Vietnam Customs, Pinetree Research. Broad-based additional US tariffs have been 10%, 20%, 10% and 12.5%, respectively, since April 2025

US end-market demand should be more important than changes in sourcing patterns for garment and furniture export growth at a 20% tariff. Garment exports continued to grow by 4.7% YoY under the previous 20% reciprocal tariff, while wood and seafood exports contracted by 2.7% and 1.1%, respectively. The subsequent tariff reduction to 10% in February 2026 did little to improve garment and wood export growth. Given the limited change in relative tariffs under our base case, we expect existing supplier relationships and most orders to remain intact. Margin pressure is a greater concern for exporters as importers seek procurement savings to contain US retail price increases.

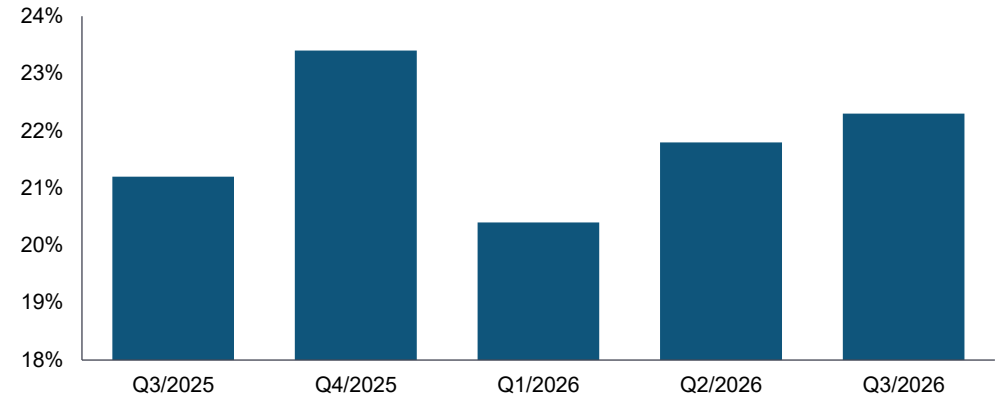
Thin operating margins amplify the earnings impact of tariff concessions

We expect garment and furniture manufacturers in Vietnam to bear a relatively small share of incremental tariff costs under our base case. Research by the New York Fed, published in February 2026, found that exporters initially absorbed around 6% of US tariff costs in 8M/2025, rising to 14% by November. The Kiel Institute estimated that exporters absorbed approximately 4% in 2025. Estimates vary substantially across suppliers: research by Caroline Freund in July 2026 suggests that exporters with large market shares could bear 50–65% of incremental tariff costs, given fewer opportunities to redirect shipments elsewhere. For Vietnamese exporters, we view the availability of alternative suppliers for US customers, the strength of existing commercial relationships and the ability to diversify export markets as the main determinants of pricing power.

Recent margin performance suggests that garment manufacturers have retained considerable pricing power through previous tariff increases. MSH and TNG reported Q3 2026 gross margins of 22.3% and 14.1%, respectively, up 1.1 pp and 0.4 pp YoY despite the introduction of the 20% reciprocal tariff in August 2025. Third-party estimates put tariff-related price concessions by TNG and HTG at only 1–2% in H2 2025. Given the broadly similar tariff increases proposed for competing suppliers, our base case incorporates a 15% share of incremental tariff costs for garment and furniture exporters selling on FOB terms, equivalent to a price concession of around 1.1% on US shipments.

Figure 11: MSH maintained YoY gross margin expansion of 1.1 pp in Q3 2026

MSH's quarterly gross margin, Q3 2025–Q3 2026, %



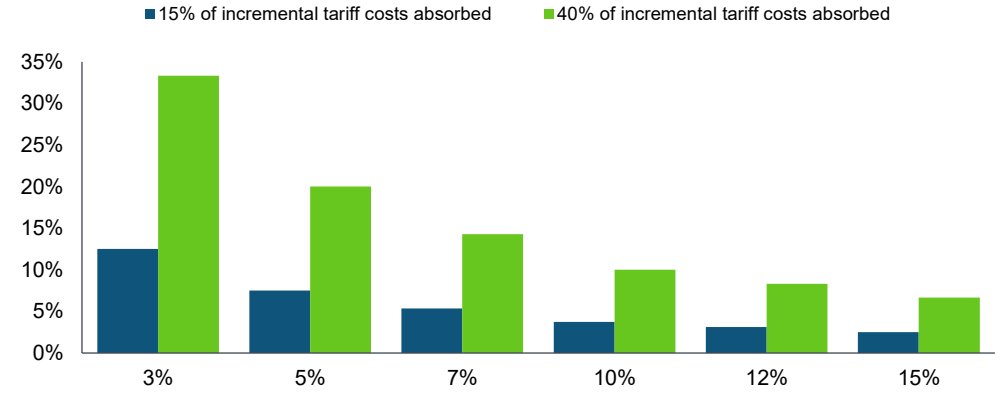
Source: MSH, Pinetree Research

Direct import operations in the US increase exporters' exposure to tariff costs and working capital requirements. FMC recorded VND 166 bn in reciprocal tariff expenses in Q3 2025, equivalent to around two-thirds of the duties payable on its US-bound shipments during the quarter. At end-September 2026, MPC carried VND 127 bn in overseas provisional duty payments through its US importing subsidiary, Mseafood. Both companies must fund the duties upfront and subsequently recover the cost through pricing to distributors and retailers. Given the increasingly adverse tariff differential against Ecuador, we expect FMC and MPC to absorb 40% of incremental tariff costs.

Small price concessions can have a disproportionate impact on earnings at low-margin exporters. For a company with 40% US revenue exposure and a 5% pre-tax margin, absorbing 15% of a 7.5 pp tariff increase from March 2027 would reduce full-year pre-tax profit by around 7.5%. The same concession would reduce earnings by only 2.5% at a company with a 15% pre-tax margin. We therefore view existing profitability as an important determinant of tariff sensitivity alongside US revenue exposure, particularly among contract manufacturers and seafood processors.

Figure 12: Lower-margin companies are disproportionately exposed to tariff-related earnings pressure

Reduction in 2027 pre-tax profit by initial pre-tax margin and share of incremental tariff costs absorbed, %



Source: Pinetree Research. Assumes unchanged revenue and other income and expenses

Rising labour costs compound the risk of tariff-related margin compression. The regional minimum wage will rise by an average of 7.8% on 1 January 2027, just two months before we expect the new tariffs to take effect. Exporters could find themselves negotiating lower selling prices to share the cost of tariffs at the same time as they need higher prices to recover additional wage costs. Margins could therefore

deteriorate even if shipment volumes remain broadly stable. We assess these risks at the company level in the following sections, taking into account differences in cost structures, raw material self-sufficiency and foreign currency positions..

We see greater economic risks from weaker investment over the longer term

We estimate that a 20% Section 301 tariff could reduce Vietnam's 2027 exports to the US by approximately USD 2 bn. With USD 80.8 bn of exports in the 12 months to October 2026 falling within the scope of the new tariffs, a 7.5 pp increase from March would raise US importers' 2027 duty liabilities by around USD 5.1 bn at unchanged import values. Similar tariff increases across competing suppliers should limit sourcing substitution under our base case, leaving weaker US consumption as the primary channel through which higher tariffs affect export volumes. At tariffs of 27–35%, we see substantially greater downside from market share losses.

Figure 13: We estimate a USD 2 bn reduction in exports to the US under a 20% tariff

Sensitivity of 2027 export value and domestic value added to Section 301 tariff scenarios

Metric	12.5%	20% (Base case)	27%	35%
Incremental tariff, pp	0	7.5	14.5	22.5
Additional duty liabilities, USD bn	0	5.05	9.76	15.15
Change in volumes of exports subject to tariffs, %	0%	-3%	-8%	-13%
Change in export value, USD bn	0	-2.02	-5.39	-8.75
Change in domestic value added, USD bn	0	-1.01	-2.69	-4.38

Source: Pinetree Research estimates. Assumes the new tariffs take effect in March 2027, with unchanged export prices and a domestic value-added share of 50%. The scenarios use export values in the 12 months to October 2026

The high import content of Vietnam's exports limits the direct GDP impact in 2027. OECD estimates put the foreign value-added share of Vietnamese exports at around 48% in 2020, up from 36% in 2005. Lower export production would therefore also reduce imports of raw materials and components. At a domestic value-added share of 50%, our base case implies a reduction of approximately USD 1 bn in domestic value added from export activity in 2027 relative to an unchanged 12.5% tariff. We see potentially larger second-round effects in subsequent years if foreign manufacturers cut capacity investment, reducing demand for factory construction, capital equipment and labour.

A weaker trade balance could constrain the SBV's ability to lower interest rates in 2027. Despite strong export growth to the US, Vietnam recorded a merchandise trade deficit of USD 12.1 bn in 10M/2026, against a surplus of USD 19.5 bn a year earlier. Tariff-related price concessions would further reduce foreign currency receipts without a commensurate decline in imported input costs per unit of output. Lower shipment volumes would reduce imports of production inputs and partially mitigate the pressure on the trade balance. Even with slower export and credit growth, we expect exchange rate stability to remain a key consideration for the State Bank of Vietnam (SBV) in setting monetary policy.

The proposed tariffs have markedly different implications across our equity coverage. Garment, seafood, wood product and engineered quartz manufacturers face substantial downside to 2027 earnings. Direct exposure is limited for steel and IT companies, with most steel products already subject to Section 232 duties and IT services outside the scope of USTR's proposal. For industrial park and port operators, the impact comes indirectly through land take-up, manufacturing activity at existing tenants and cargo volumes. We assess the earnings and valuation implications for 14

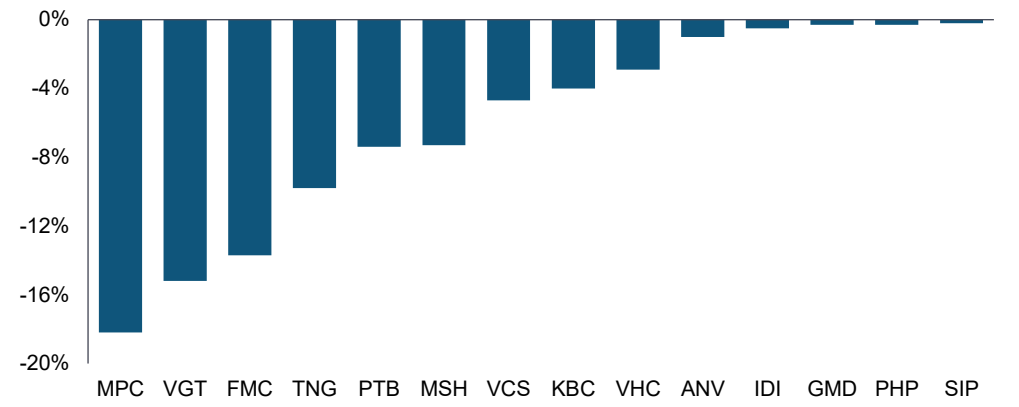
listed companies across these directly and indirectly exposed industries in the following sections.

Shrimp and garment exporters have the greatest earnings sensitivity to higher Section 301 tariffs

We see the greatest downside to earnings at shrimp and garment exporters among the 14 companies in our analysis. Under our base case of a 20% tariff from March 2027, MPC's and FMC's 2027 NPAT-MI would be 18.2% and 13.7% lower, respectively, than under the existing 12.5% tariff. The widening tariff disadvantage against Ecuador leaves both companies with limited alternatives to sharing incremental tariff costs with US customers. Within the textile and garment sector, low margins and substantial US revenue exposure at VGT's associates account for a 15.2% reduction in our 2027 earnings estimate. TNG and MSH should retain greater pricing power given the modest change in relative tariffs across competing sourcing destinations.

Figure 14: Shrimp and garment exporters face the largest reductions in 2027 earnings under our base case

Change in 2027F NPAT-MI under a 20% tariff relative to a 12.5% tariff, %



Source: Pinetree Research estimates. Figures reflect only the incremental impact of higher Section 301 tariffs from March 2027

Product-specific tariffs remain the dominant earnings considerations for pangasius, furniture and engineered quartz manufacturers. The preliminary POR22 results reinforce VHC's competitive advantage in the US even as Section 301 tariffs increase. ANV and IDI, by contrast, will need to compete more aggressively on price in other export markets. For PTB and VCS, we expect the increase in Section 232 tariffs on kitchen cabinets and the tariff-rate quota on engineered quartz, respectively, to have greater implications for US demand than Section 301 under our base case.

The earnings impact on industrial park and port operators should become more evident from 2028. Deferred investment in manufacturing facilities would reduce industrial land take-up and subsequently slow growth in cargo throughput. Near-term earnings exposure is much smaller, given SIP's established tenant base and the limited proportion of Gemalink's and HTIT's capacity serving US-bound routes. Our 2027 NPAT-MI forecasts for SIP, GMD and PHP are less than 1% below the corresponding estimates under the existing 12.5% tariff.

TNG, VHC, KBC and SIP offer the most attractive opportunities at current valuations, in our view. TNG's low earnings multiple offers valuation support even under less favourable tariff scenarios, while VHC stands to expand margins as raw fish supply recovers and its anti-dumping duty advantage supports pricing. A US–Vietnam trade agreement would support a recovery in demand for KBC's industrial land, while SIP should sustain earnings growth even with weaker land take-up. We

recommend BUY on TNG, MSH, FMC, VHC, PTB, KBC, SIP and PHP, HOLD on VGT, ANV and GMD, and maintain our SELL recommendation on IDI.

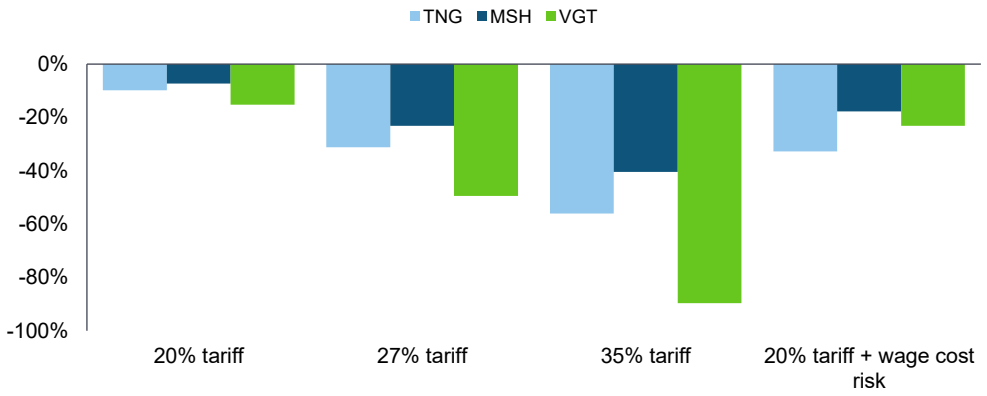
Garment manufacturers should retain pricing power under a 20% tariff

MSH's superior margins provide greater earnings protection against higher tariffs than those of TNG and VGT. Its gross margin has remained above 20% for the past five quarters, considerably ahead of peers. With both MSH and TNG absorbing 15% of incremental tariff costs, we forecast 2027 NPAT-MI of VND 560 bn (+0.5% YoY) and VND 445 bn (-6.1% YoY), respectively. These represent reductions of 7.3% and 9.8% relative to the existing 12.5% tariff scenario. One potential source of downside for MSH is its contract manufacturing business, where customers could seek tariff-related concessions on the full value of finished garments, including the materials they supply.

VGT has considerably greater earnings exposure through its investments in low-margin garment manufacturers. Based on the industry's export profile and VGG's profitability, we estimate US revenue exposure of around 46% and a pre-tax margin of approximately 4% at VGT's associates. At these margins, even modest price concessions would materially reduce their earnings contribution to VGT without a significant loss of orders. Under a 20% tariff, we forecast VGT's share of associates' profits at VND 624 bn in 2027, down VND 116 bn relative to the 12.5% tariff scenario. This accounts for around 72% of the total reduction in VGT's NPAT-MI attributable to higher Section 301 tariffs.

Figure 15: Higher labour costs could have a greater impact on TNG's and MSH's earnings than tariffs under our base case

Change in 2027F NPAT-MI under alternative Section 301 tariff and labour cost scenarios relative to a 12.5% tariff, %



Source: Pinetree Research estimates. The labour cost risk scenario assumes that manufacturers offset only 50% of incremental costs arising from the increase in regional minimum wages

We see potentially greater downside to TNG's and MSH's earnings from rising labour costs than from tariffs at 20%. With regional minimum wages increasing by an average of 7.8% from 1 January 2027, manufacturers will need productivity gains or higher manufacturing fees to protect margins. Higher import duties could make US customers less willing to accept fee increases relative to 2026. If TNG and MSH recover only half of the additional labour costs, our 2027 NPAT-MI forecasts would fall by a further 25.4% and 11.3%, respectively, relative to our base case.

We recommend BUY on TNG and MSH, with valuations remaining attractive on our revised earnings estimates. Even at a 27% tariff, TNG would trade at around 6.3x 2027F P/E at the current share price, compared with a five-year median of 8.0x. An earnings recovery as US apparel demand improves should support a re-rating, with our target price of VND 27,700 implying 66.9% upside. For MSH, high margins and substantial cash holdings support continued dividend payments even with slower

earnings growth. We view 7.0x 2027F P/E as attractive against forecast ROE of above 28% in 2027–2028. Our target price of VND 39,800 implies 15.0% upside and a 28.0% expected total return.

We recommend HOLD on VGT with a target price of VND 11,600, implying 7.4% upside. The discount to book value appears less compelling given declining profitability: we forecast ROE to fall from 14.6% in 2026 to 10.2% in 2027 and 9.5% in 2028, against a current 2027F P/B of 0.59x. VGT's reliance on associates also gives it less direct control over cost management and customer pricing. At a 27% tariff, its 2027F P/E would rise from 6.0x to 10.1x at the current share price. We see insufficient valuation support to compensate for the risk of a less favourable trade agreement.

Figure 16: TNG and MSH remain attractively valued on our earnings forecasts

Earnings forecasts, valuations, target prices and recommendations for textile and garment stocks

Metric	TNG	MSH	VGT
Recommendation	**BUY**	**BUY**	**HOLD**
Target price, VND/share	27,700	39,800	11,600
Upside	66.9%	15.0%	7.4%
Expected dividend yield	10.8%	13.0%	3.1%
Expected total return	**77.7%**	**28.0%**	**10.6%**
2027F NPAT-MI, VND bn	445	560	893
2027F NPAT-MI growth	-6.1%	0.5%	-23.0%
2027F P/E	4.8x	7.0x	6.0x

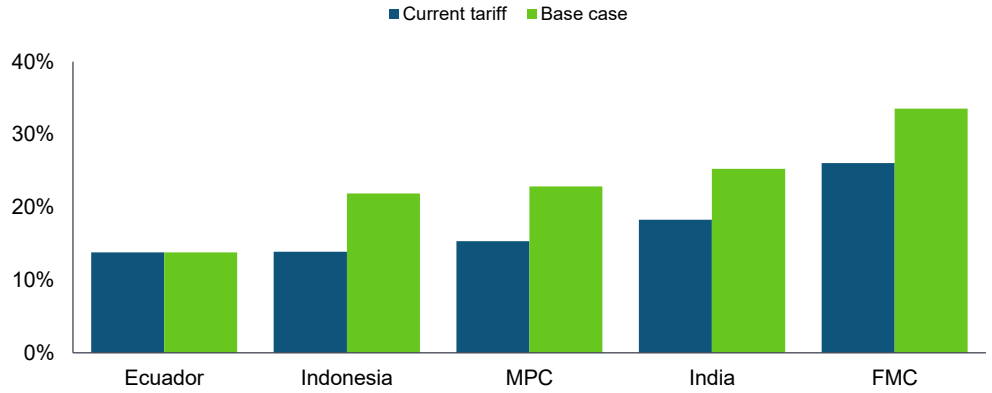
Source: Pinetree Research estimates. Valuations and expected returns are based on closing prices on 25 November 2026

Shrimp exporters face a widening tariff disadvantage in the US

We expect US market share to become increasingly costly to defend for Vietnamese shrimp exporters, even at a 20% Section 301 tariff. With Ecuador's Section 301 duty unchanged at 10%, the combined tariff differential between FMC and Ecuadorian exporters would widen from 12.3 pp to 19.8 pp. MPC is better positioned, having been outside the US anti-dumping duty order since 2016, and should remain price competitive against Indian and Indonesian suppliers. We expect both companies to reduce their reliance on the US market by expanding sales to Japan, the EU and other destinations, helping to mitigate the impact on shipment volume.

Figure 17: FMC is at a greater tariff disadvantage than MPC relative to competing shrimp suppliers

Combined Section 301, anti-dumping and countervailing duties on frozen shrimp imports into the US, %



Source: US Department of Commerce, USTR, Pinetree Research. Our base case uses Section 301 tariff rates of 20%, 17%, 18% and 10% for Vietnam, India, Indonesia and Ecuador, respectively.

The extent to which FMC and MPC can recover higher import duties through pricing will be critical to 2027 earnings. Both companies undertake US import operations, requiring them to fund part of the duties before receiving payment from customers. Assuming they pass through 60% of incremental tariff costs, we cut our 2027 NPAT-MI forecast for FMC from VND 390 bn in our 5 November 2026 report to VND 337 bn (-34.8% YoY). For MPC, we forecast NPAT-MI of VND 414 bn (-32.9% YoY). Financing costs represent an additional consideration for MPC given its substantial working capital requirements, with intercompany receivables from Mseafood standing at around VND 1,512 bn at end-Q3 2026.

We maintain our BUY recommendation on FMC, lowering our target price by 13.7% to VND 36,300 from our previous target in the 5 November 2026 report. A shift away from low-margin US orders towards higher-value processed shrimp products should help FMC mitigate tariff-related earnings pressure. Even on our lower forecasts, the shares trade at 6.4x 2027F P/E and offer an expected total return of 16.6%. Potential refunds of duties paid in 2025 and improved harvest volumes at FMC's own shrimp farms represent upside to our earnings estimates.

MPC's valuation appears demanding relative to its prospective returns on equity. Its exemption from anti-dumping duties supports US competitiveness, although incremental import costs at Mseafood will put pressure on margins and working capital. Given MPC's existing debt burden, an export volume recovery alone is unlikely to translate into a substantial improvement in ROE. We forecast ROE of just 7.5% in 2027, against a 2027F P/E of 12.6x, almost twice that of FMC.

Figure 18: FMC offers better value than MPC despite higher US import duties

2027 earnings forecasts, valuations and recommendations for shrimp exporters

Metric	FMC	MPC
Recommendation	**BUY**	**NOT RATED**
Target price, VND/share	36,300	
Upside	10.5%	
Expected dividend yield	6.1%	3.8%
Expected total return	**16.6%**	
2027F NPAT-MI, VND bn	337	414
2027F NPAT-MI growth	-34.8%	-32.9%
2027F P/E	6.4x	12.6x

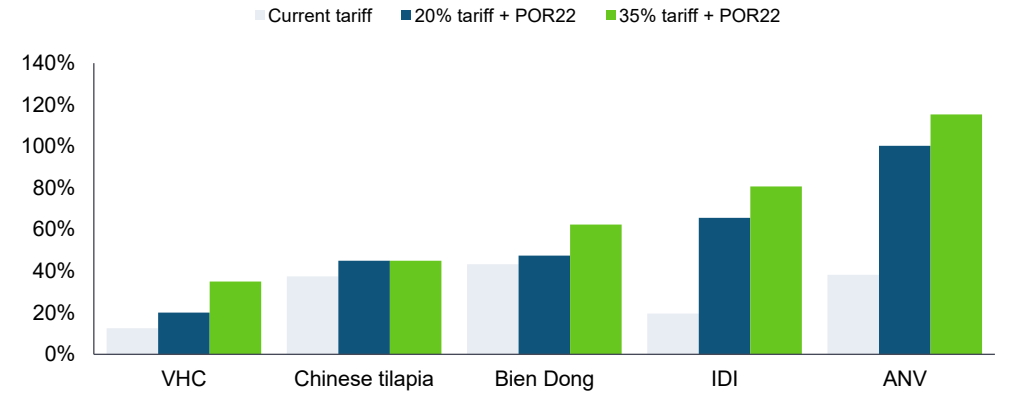
Source: Pinetree Research estimates. Valuations and expected returns are based on closing prices on 25 November 2026

VHC's anti-dumping duty advantage underpins its earnings recovery

Pangasius exporters should be better positioned than shrimp exporters to pass incremental Section 301 duties on to US customers. Vietnam accounts for most US pangasius imports, while competing Chinese tilapia products would also attract higher tariffs under USTR's proposal. US importers consequently have few opportunities to source pangasius from alternative countries with lower tariffs. We expect higher Section 301 duties to weigh primarily on overall pangasius consumption in the US, with the final POR22 results determining relative competitiveness among Vietnamese suppliers.

Figure 19: VHC retains a substantial tariff advantage in the US even under a 35% Section 301 tariff

Combined Section 301 and anti-dumping duties on Vietnamese pangasius and Chinese tilapia, % of export price



Source: US Department of Commerce, USTR, Pinetree Research

Market share gains from exporters facing higher anti-dumping duties could offset part of VHC's incremental tariff costs. With US sales accounting for around 32% of revenue, we estimate that lower US shipment volumes and a 15% share of incremental tariff costs would reduce VHC's 2027 NPAT-MI by approximately VND 42 bn under our base case. Were VHC to capture one-third of ANV's US-bound pangasius volumes, the additional shipments could contribute around VND 40 bn to earnings. Our outlook for VHC's earnings recovery in 2027 remains more sensitive to raw fish prices than to changes in Section 301 tariffs.

ANV's tilapia business retains a favourable tariff position in the US. Our 18 November 2026 sector report already incorporated the redirection of a substantial portion of ANV's US pangasius shipments to other markets following POR22. For tilapia, the tariff differential against Chinese suppliers remains favourable at around 25 pp under our base case. We consequently estimate a relatively small reduction of VND 5 bn in ANV's 2027 NPAT-MI attributable to higher Section 301 tariffs, primarily from tilapia exports to the US.

For IDI, the greater risk comes from additional pangasius supply entering its existing export markets. The company has direct US revenue exposure of only around 1% and expects to sell most of the additional production from its third processing plant in existing markets. If Vietnamese producers redirect half of the shipment volumes they lose in the US, we estimate that Vietnamese pangasius supply to other markets would increase by around 0.5% under a 20% tariff and 1.6% under a 35% tariff. Adding processing capacity as competition intensifies could leave IDI struggling to improve margins even with lower raw fish costs in 2027.

We maintain our BUY recommendation on VHC, HOLD on ANV and SELL on IDI. Higher Section 301 tariffs do little to alter the relative earnings outlooks outlined in our 18 November 2026 sector report. VHC remains best positioned to capture the margin benefits of lower raw fish procurement costs in H2 2027, supported by its competitive position in the US. Greater pricing pressure outside the US will continue to constrain ROE recovery at ANV and IDI.

Figure 20: VHC remains our preferred pangasius stock after accounting for higher Section 301 tariffs

2027 earnings forecasts, valuations and recommendations for pangasius stocks

Metric	VHC	ANV	IDI
Recommendation	**BUY**	**HOLD**	**SELL**
Target price, VND/share	66,000	14,800	3,950
Upside	32.0%	-6.0%	-11.6%
Expected dividend yield	6.0%	6.3%	0.0%
Expected total return	**38.0%**	**0.3%**	**-11.6%**
2027F NPAT-MI, VND bn	1,388	500	139
2027F NPAT-MI growth	15.7%	-27.6%	1.7%
2027F P/E	7.5x	8.4x	8.8x

Source: Pinetree Research estimates. Valuations and expected returns are based on closing prices on 25 November 2026

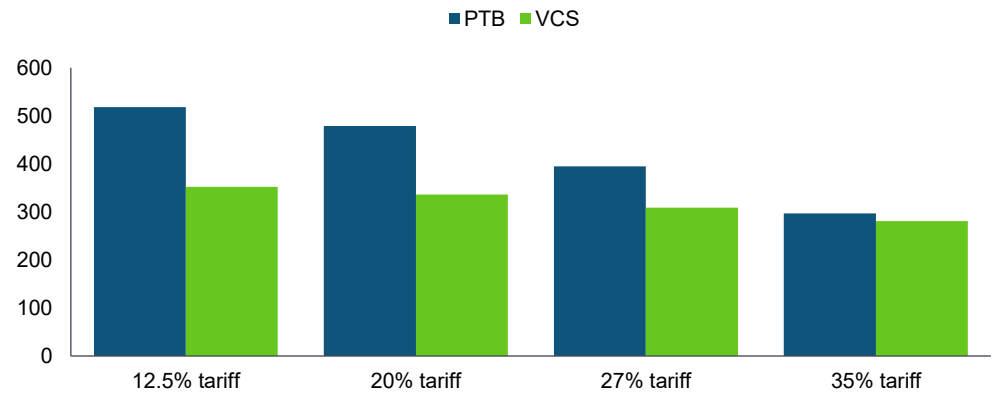
Kitchen cabinet tariffs and quartz safeguards remain the main earnings risks for PTB and VCS

For PTB, we see greater earnings downside from Section 232 tariffs on kitchen cabinets than from higher Section 301 duties under our base case. At 20%, the Section 301 tariff disadvantage against competing ASEAN furniture suppliers would be just 2 pp. The scheduled increase in kitchen cabinet tariffs from 25% to 50% on 1 January 2027 is more material for US retail prices and demand. Our pre-Section 301 forecasts already incorporate the impact of this increase on around 12% of PTB's revenue. With a further 43% of revenue exposed to Section 301, including engineered quartz, we forecast 2027 NPAT-MI of VND 479 bn (-9.3% YoY), 7.4% below our estimates under an unchanged 12.5% tariff.

The implementation of the tariff-rate quota on engineered quartz will largely determine the recovery in VCS's US volumes. Since 15 August 2026, US imports of engineered quartz have attracted Section 201 safeguard duties of 25% within quota and 50% above quota. Higher duties across most sourcing countries reduce the competitiveness of imported quartz against US-manufactured products and alternative materials. We also expect importers to be more cautious in placing orders, given the uncertainty over available quota at the time of customs clearance. Even with Section 301 unchanged at 12.5%, we forecast VCS's 2027 NPAT-MI to decline by 27.4% YoY to VND 352 bn. Raising the tariff to 20% from March would reduce earnings by a further VND 16 bn.

Figure 21: Safeguard duties constrain VCS's earnings recovery even without a further increase in Section 301 tariffs

Forecast NPAT-MI for PTB and VCS, VND bn



Source: Pinetree Research estimates. The scenarios incorporate Section 232 tariffs on kitchen cabinets and the concurrent application of Sections 201 and 301 to engineered quartz

We recommend BUY on PTB with a target price of VND 35,800, implying 24.7% upside. Earnings from natural stone processing and automotive distribution provide a degree of diversification against weaker profitability in furniture and engineered quartz exports. With relatively small tariff differentials against most competing suppliers under our base case, PTB should participate in an eventual recovery in US furniture demand. We view its 2027F P/E of around 6.0x as attractive despite limited near-term earnings growth.

We see limited valuation appeal in VCS given the prospect of a prolonged earnings recovery. The safeguard regime extends to 2030, restricting growth in US volumes and intensifying competition in alternative markets as manufacturers seek to redirect output. Net cash at end-Q3 2026 equivalent to around 38% of current market capitalisation provides balance sheet protection during a period of weaker volumes. At 13.7x 2027F P/E and forecast ROE of approximately 6.5% in 2027, we believe a substantial improvement in shipment volumes and capacity utilisation is necessary to restore more attractive returns on equity.

Figure 22: PTB offers better value than VCS given its more diversified earnings base

2027 earnings forecasts, valuations and recommendations for PTB and VCS

Metric	PTB	VCS
Recommendation	**BUY**	**NOT RATED**
Target price, VND/share	35,800	
Upside	24.7%	
Expected dividend yield	5.2%	
Expected total return	**30.0%**	
2027F NPAT-MI, VND bn	479	336
2027F NPAT-MI growth	-9.3%	-30.7%
2027F P/E	6.0x	13.7x

Source: Pinetree Research estimates. Valuations and expected returns are based on closing prices on 25 November 2026

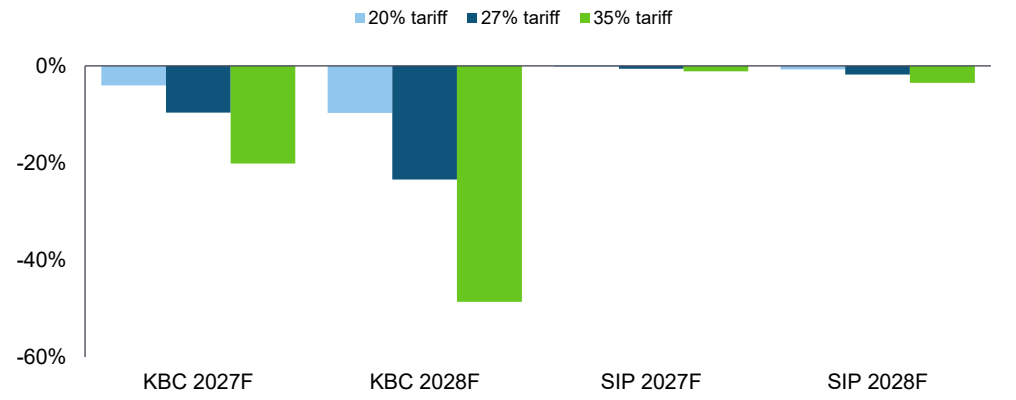
New industrial land take-up is more exposed than activity at existing manufacturing facilities

We expect higher Section 301 tariffs to primarily affect new investment by foreign manufacturers in Vietnam. Land take-up across tier-1 industrial markets fell from around 235 ha in Q1 2025 to 75 ha in Q2 following the announcement of the 46% reciprocal tariff, before recovering after the agreement on a 20% rate. Given the relatively narrow tariff differentials against competing economies and broad exemptions for electronics products, we expect a similar recovery in leasing activity following a bilateral trade agreement. Longer-term FDI prospects will depend more heavily on any commitments governing investment by Chinese manufacturers in Vietnam.

For KBC, weaker new land take-up has greater earnings implications for 2028 than 2027. Approximately 110 ha of contracted industrial land at end-Q3 2026 provides near-term revenue visibility. From 2028, earnings will depend increasingly on new lease commitments at Trang Due 3, which accounts for around 80% of KBC's unleased industrial land and targets electronics manufacturers, including those producing goods outside the tariff exemption list. Under a 20% tariff, we forecast land handovers to be 3 ha lower in 2027 and 9 ha lower in 2028 relative to the existing tariff scenario, reducing NPAT-MI by 4.0% and 9.7%, respectively.

Figure 23: SIP has lower earnings sensitivity to tariffs than KBC given its established tenant base

Change in forecast NPAT-MI relative to a 12.5% Section 301 tariff, %



Source: Pinetree Research estimates

SIP's revenue model provides greater earnings protection against a slowdown in FDI. SIP collects land rental payments upfront and recognises revenue over the lease term, meaning that weaker new leasing activity would primarily affect cash balances and interest income in subsequent years. For its utilities business, we estimate that tenants at SIP's industrial parks derive only 10–20% of their revenue from the US. Under a 20% tariff, we forecast electricity and water consumption to be around 0.5% lower in 2027. Even at a 35% tariff, our 2027 NPAT-MI forecast would decline by just 1.1% relative to the existing tariff scenario.

We recommend BUY on KBC with a target price of VND 34,500, implying 31.2% upside. Deferred land leasing primarily affects the timing of earnings recognition, with KBC retaining the ability to monetise the land when demand recovers. We see greater risks to underlying asset values from a prolonged downturn in leasing demand and the financing costs of carrying new industrial parks before they generate revenue. At around 0.95x end-Q3 2026 book value, we consider the current valuation attractive.

We recommend BUY on SIP with a target price of VND 68,500, implying 59.5% upside. Recurring utility sales and upfront collection of multi-year land rental payments reduce SIP's reliance on new land take-up relative to developers that recognise most rental revenue upon handover. We view its 2027F P/E of approximately 7.0x as undemanding given the resilience of earnings across our tariff scenarios.

Figure 24: SIP offers greater earnings resilience than KBC under higher-than-expected tariffs

2027 earnings forecasts, valuations and recommendations for industrial park stocks

Metric	KBC	SIP
Recommendation	**BUY**	**BUY**
Target price, VND/share	34,500	68,500
Upside	31.2%	59.5%
Expected dividend yield	7.6%	
Expected total return	**38.8%**	**59.5%***
2027F NPAT-MI, VND bn	1,032	1,484
2027F NPAT-MI growth	-33.5%	5.1%
2027F P/E	24.0x	7.0x

Source: Pinetree Research estimates. Valuations and expected returns are based on closing prices on 25 November 2026. (*) Excludes future cash dividends from SIP

Diversified shipping services and berth rental income limit port operators' tariff exposure

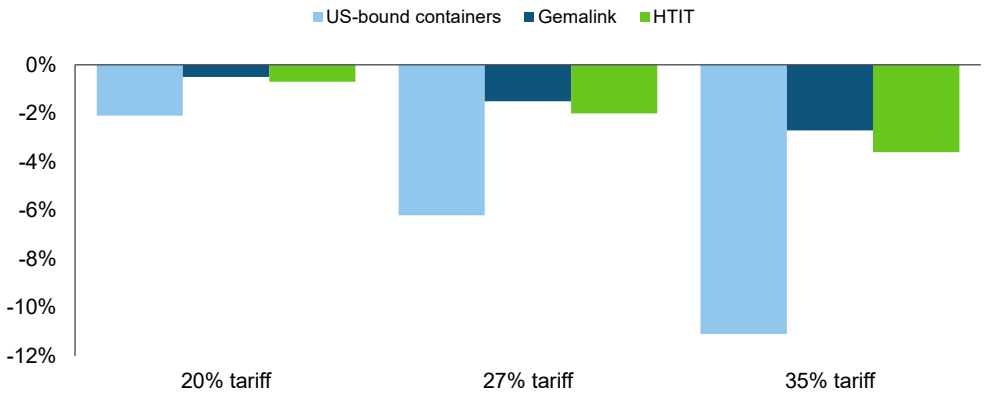
We expect higher tariffs to affect port operators primarily through throughput rather than handling rates. With handling charges representing only a small proportion of the value of exported goods, importers have relatively little to gain from seeking reductions in port charges. Broad exemptions for electronics products and the ability of Vietnamese manufacturers to defend market share should also support shipping demand. Under a 20% tariff, we estimate that US-bound container volumes in 2027 would be around 2.1% lower than under the existing 12.5% tariff.

GMD's increasingly diversified service network at Gemalink provides a degree of protection against weaker US-bound volumes. US shipping services now account for around 24% of Gemalink's throughput, down from 32% in 2024. Q3 2026 throughput reached 621,000 TEU (+23% YoY), equivalent to 146% of design capacity. Any reduction in US-bound cargo could free up capacity for other services where demand remains strong. At Nam Dinh Vu, US-bound cargo accounts for only around 5–7% of throughput. Overall, we estimate that a 20% Section 301 tariff would reduce GMD's 2027 NPAT-MI by just VND 6 bn.

PHP's direct tariff exposure is largely concentrated at its joint venture, HTIT. We estimate that MSC's transpacific Pearl service contributes around 310,000 TEU annually, equivalent to nearly one-third of HTIT's forecast 2027 throughput. Under a 20% tariff, HTIT could handle around 6,500 fewer TEU than previously forecast, reducing PHP's share of joint venture profits by approximately VND 4.5 bn. HTIT's high fixed cost base increases its earnings sensitivity to changes in throughput, although PHP retains annual berth rental income of around VND 472 bn.

Figure 25: Diversified shipping services limit tariff-related volume losses at Gemalink and HTIT

Change in 2027 container throughput relative to a 12.5% Section 301 tariff, %



Source: Pinetree Research estimates. The scenarios assume no additional cargo from other shipping services to offset lower US-bound volumes

We see greater risks to returns on Gemalink Phase 2 than to earnings at GMD's existing terminals. Gemalink expects to add 1.0–1.35 million TEU of capacity from Q4 2027. Slower export growth alongside additional capacity at competing Cai Mep terminals could extend the time needed to secure sufficient shipping services and achieve attractive margins at the new berths. PHP has less exposure to this risk given its fixed berth rental income from HTIT, even if throughput at the joint venture falls short of expectations.

We recommend BUY on PHP with a target price of VND 55,500, implying 24.7% upside. As discussed in our 11 November 2026 report, pricing resilience at existing river terminals and rising throughput at HTIT should support continued earnings

growth. We consider PHP's 2027F P/E of 9.1x attractive against forecast NPAT-MI of VND 1,596 bn (+6.2% YoY) and relatively stable earnings across our tariff scenarios.

We recommend HOLD on GMD with a target price of VND 56,500, implying 7.6% upside. While GMD has limited near-term earnings exposure to higher Section 301 tariffs, we believe its deep-water terminal franchise is largely reflected in the current 2027F P/E of 16.1x. Further upside to the shares will depend more heavily on capacity utilisation at the new berths and GMD's ability to defend handling rates at Gemalink from 2028.

Figure 26: PHP offers better value than GMD given its earnings resilience across tariff scenarios

2027 earnings forecasts, valuations and recommendations for port stocks

Metric	PHP	GMD
Recommendation	**BUY**	**HOLD**
Target price, VND/share	55,500	56,500
Upside	24.7%	7.6%
Expected dividend yield	1.3%	5.7%
Expected total return	**26.1%**	**13.3%**
2027F NPAT-MI, VND bn	1,596	2,119
2027F NPAT-MI growth	6.2%	-13.8%
2027F P/E	9.1x	16.1x

Source: Pinetree Research estimates. Valuations and expected returns are based on closing prices on 25 November 2026

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